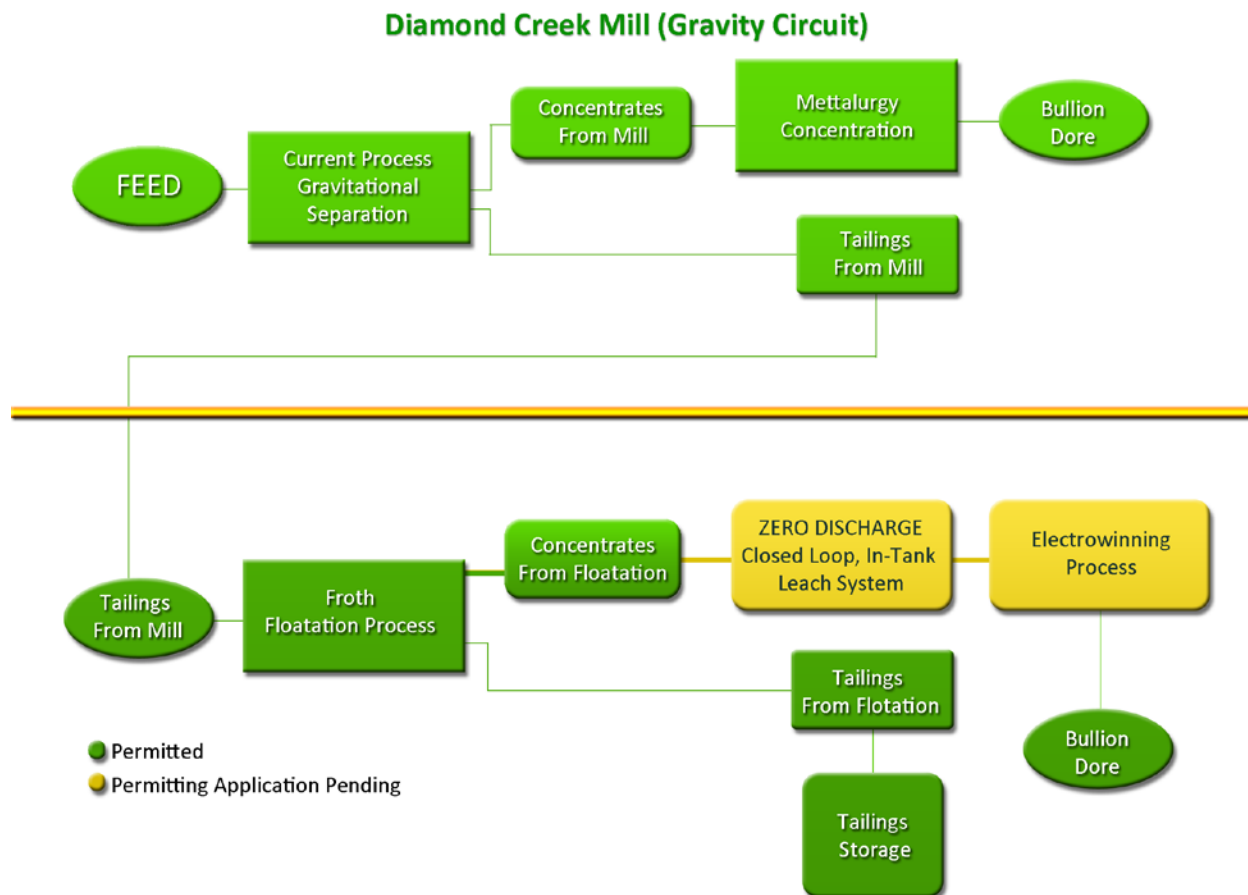


# Silver Falcon Mining Inc.

## CLOSED CIRCUIT FLOTATION & LEACHING PROCESS



### TO: ALL EMPLOYEES AND SHAREHOLDERS OF SILVER FALCON MINING INC.

SINCE JUNE OF 2011 WE HAVE DONE EXTENSIVE AND EXHAUSTIVE TESTS ON OUR ORE IN ORDER TO CERTIFY ITS VALUES AND PRODUCTION RATIOS.

ASSAYS COMPILED OVER A 12 MONTH PERIOD COUPLED WITH ACTUAL PRODUCTION, (BULLION DORE) HAVE PROVEN THAT WE NEED TO IMPROVE OUR RECOVERY PROCESS. AS IT STANDS TODAY WE RECOVER ONLY ABOUT 15% OF THE AVAILABLE PRECIOUS METALS IN OUR ORE. THE REMAINING 85% IS STORED UNDER SECURITY AT OUR MILL LOCATION IN MURPHY, IDAHO.

AFTER EVALUATING A HOST OF "ENVIRONMENTALLY FRIENDLY" PROCESSES OF PM EXTRACTION, WHICH IN ALL CASES FAILED THE TEST OF, BEING PROVEN OR COST EFFECTIVE, WE HAVE ELECTED TO GO TO A RECOVERY SYSTEM USING A CLOSED CIRCUIT LEACHING PROCESS WITH CLEAN DISCHARGE.

THIS FLOTATION SYSTEM WILL ALLOW US TO FROTH FLOAT ([FROTH FLOTATION](#)) THE PM IN THE TAILINGS FROM THE GRAVITY MILL CIRCUIT, CONCENTRATING THEM INTO A READY TO PROCESS INERT MATERIAL.

THE CLOSED CIRCUIT CYANIDE LEACHING TANK WILL THEN RECOVER UP TO 90% OF THE VALUES IN THE FROTH CONCENTRATES THUS GIVING SILVER FALCON MINING, THE ABILITY TO OPERATE ITS MILLING COMPLEX AT A PROFIT.

PERMITTING OF A PROPER, LEGAL, SAFE, AND ENVIRONMENTALLY FRIENDLY CIRCUIT IS UNDERWAY AND ALL NECESSARY ENGINEERING WILL BE DONE BY RECOGNIZED SUPPLIERS OF EQUIPMENT TO INSURE A PROPER AND LAWFUL COMPLIANCE IN OUR OPERATIONS.

EDUCATION ABOUT THIS PROCESS CAN BE GAINED BY VISITING THE SITE: [www.cyanidecode.org](http://www.cyanidecode.org). TIME WILL ALWAYS BE AFFORDED TO TRUTHFULLY ANSWER ANY QUESTIONS OR CONCERNS ADDRESSED TO OUR RESPONSIBLE PERSONNEL ON SITE.

IT IS THE INTENTIONS OF SILVER FALCON MINING, INC. TO THOROUGHLY EDUCATE EVERY INDIVIDUAL WORKING AT DIAMOND CREEK MILL, AND THE PUBLIC ABOUT OUR USE OF THIS PROCESS, AND SO AS TO BE COMPLIANT WITH ALL ASPECTS OF THE LAW. OUR EMPLOYEES WILL BE FULLY TRAINED BY PROFESSIONALS AND WILL BE PART OF THE REGULATORY PROCESS.

THE DRAWING ABOVE SHOWS A FLOW CHART EMPHISIZING ZERO DISCHARGE, AND ZERO WASTE OF OUR RESOURCES.

THE DRAWING BELOW SHOWS AN APPROXIMATION OF HOW THE SYSTEM WILL WORK.

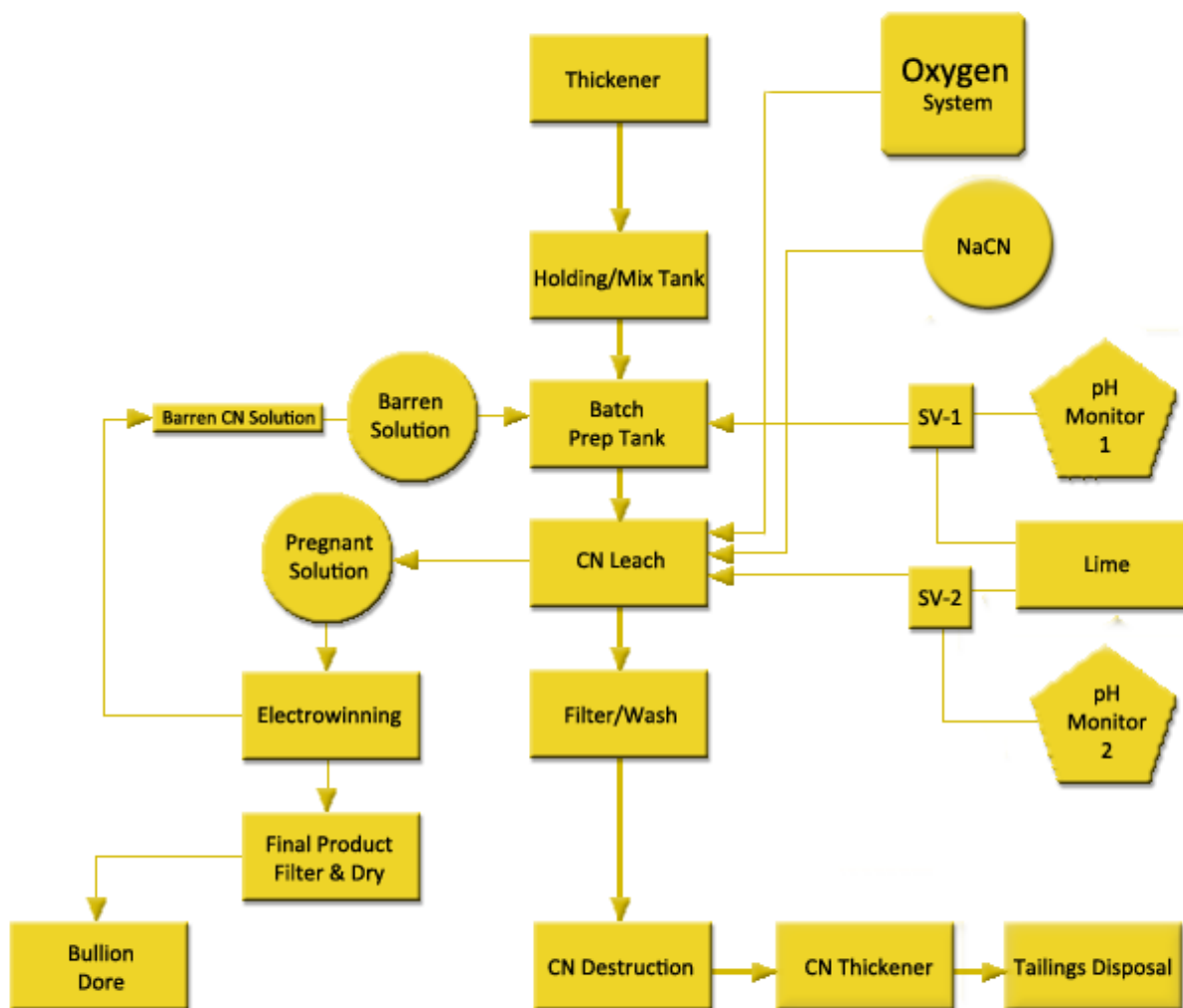
WE ASK AND ENCOURAGE EVERY SHAREHOLDER AND EMPLOYEE TO TAKE A LOOK AT THIS PROCESS, SPEND A LITTLE TIME TO BECOME FAMILIAR WITH IT, SO THAT YOU MAY ALSO HAVE THE ABILITY TO EDUCATE FRIENDS, FAMILY, OR ANY OTHER ABOUT CONCERNS WITH HEALTH, SAFETY, AND OR THE ENVIRONMENT PERTAINING TO OUR INTENDED APPLICATION.

THANK YOU,

PIERRE QUILLIAM

# Silver Falcon Mining Inc.

## PROPOSED LEACHING CIRCUIT



## WHAT IS CYANIDE?

The term "cyanide" refers to a chemical compound containing one atom of carbon and one atom of nitrogen. The technical definition of cyanide is: *A triple-bonded molecule with a negative one charge consisting of one atom of carbon in the +2 oxidation state and one atom of nitrogen in the -3 oxidation state.*

Cyanide is a unique chemical compound used to manufacture hundreds of everyday goods, and chances are that today you will use many products that included cyanide in its manufacture. These products may include vitamins (B12), jewelry, adhesives, computer electronics, fire retardants, airplane brakes, cosmetics, dyes, nylon, nail polish remover, paints, pharmaceuticals, Plexiglas, rocket propellant, and table salt. The manufacturing of these products takes place every day around the world with little knowledge from the general public that cyanide is a critical ingredient in their manufacture. Indeed, without cyanide it would not be possible to manufacture such widely used items as nylon and many vitamins and other medications.

Cyanide is a relatively toxic compound but has been safely used for well over a hundred years around the world. Many people have a natural fear of cyanide that arises from a general understanding of its toxicity but a less thorough understanding of its actual properties and usefulness in our everyday lives. As with any chemical, cyanide must be properly and safely handled to avoid harm to people or the environment. The benefit people derive from cyanide and its many products far outweighs the risk posed to people and the environment.

The human body has a natural ability to detoxify small quantities of cyanide, and there is normally a small amount of cyanide and its breakdown products in the body as a result of everyday activities. These activities may include the metabolism of vitamin B12, eating of foods naturally containing cyanide (for example, almonds, Lima beans, coffee and table salt), exposure to automobile exhaust and smoking cigarettes. In some form, we are exposed to low levels of natural and manmade cyanide every day without risk to our health or the environment.

Silver Falcon Mining Inc will be adopting and become signatory to the International Cyanide management code as proof of responsibility to Health, Science, Environment, and the general well being of its employees and the public.

The "**I**nternational Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold" (Cyanide Code) is a voluntary industry program for the gold mining industry to promote:

- Responsible management of cyanide used in gold mining
- Enhance the protection of human health, and
- Reduce the potential for environmental impacts.

NOTE: Companies that become signatories to the Code must have their operations audited by an independent third party to demonstrate their compliance with the Code.

The ICMC code can be viewed at the web address: [www.cyanidecode.org](http://www.cyanidecode.org)