

BATAIS Gold Mining Alternative Strategy



Blue Lagoon Mine Opening Ceremony, July 9, 2025

A High-Conviction Gold Investment Strategy

A Targeted, Tax-Efficient Approach to Generational Wealth Through Gold

What is BATAIS?

Bespoke Alternative Tax Advantaged Income Strategy



BATAIS Gold Mining Alternative Strategy invests in **needle-moving, high-return, asymmetric investments** in the gold mining sector. Following the high return phase; we transition to a high-yielding tax-advantaged through investments like Master Limited Partnerships.

Return Objective:

10x over 3-5 years →
\$1 million becomes
\$10 million

Yield Strategy:

Post-exit assets are reinvested
into high-yielding, tax-
advantaged income streams.

Investor Fit:

UHNW, Hedge Funds, or
speculators seeking high
return gold portfolio.

BATAIS is a hedge fund-SMA (Separately Managed Account) hybrid strategy for qualified investors filed under the Brochure Rule of the Investment Advisors Act of 1940 – rule 104-3.

High Asymmetric Upside and Transition Into High Yielding Portfolio



What is BATAIS?

BATAIS is a high-return strategy for investors or hedge funds seeking to “move the needle” with risk capital. Through alternative investments, we seek a tenfold (10x) return. Once we have ended the growth portion, we will reinvest the portfolio proceeds into high yielding tax-advantaged investments like Master Limited Partnerships.

Target: 10x Return by 2028-2030

BATAIS Gold Mining Alternative Strategy is hybrid hedge fund SMA account which invests in securities in the gold mining sector that have 10x potential. We target 10x opportunities in resource-to-mining **transitions** like Blue Lagoon Resources, Inc. and long-term call options e.g., (LEAPs) on gold mining securities like Agnico Eagle Mining Limited (AEM), Coeur Mining, Inc. (CDE), and or VanEck Junior Gold Mining ETF (GDXJ).

Blue Lagoon Resources' Transition

Blue Lagoon Resources, Inc. (BLAGF) is a resource-to-mining transition company with a potentially district scale resource (e.g. 10mm ounces of gold) according to Quinton Hennigh PhD of Crescat Capital and Mike White of IBK Capital.

Factors Driving Gold Bull Market

Dollar Debasing Drives Gold Higher

Unprecedented levels of government debt, led by US at \$39T (125% of GDP) are driving currency debasement. The US dollar is experiencing greatest weakness since the 1970s, directly boosting the appeal of gold as a monetary asset.

Fiat Currency Global Debasing

Debt to GDPs in 2025: US 124%, Japan 236% to 249% of GDP, France 116-117% 2025, and Italy 137%.

Pierre Lassonde's Debasing Argument

Franco Nevada founder and creator of the Lassonde Curve, recently argued that the gold market can rise to \$6000/oz. in the next three years and \$17,250/oz at its peak in this super-cycle around 2032.

Investment Paradigm Shift

Traditional 60/40 Asset Allocation is being replaced with models allocating up to 20-25% at JP Morgan's Mike Wilson, DoubleLine's Jeffrey Gundlach' 25%, and Ray Dalio suggesting 20%



**BATAIS GOLD MINING ALTERNATIVE STRATEGY
PRICE HISTORY OF GOLD**

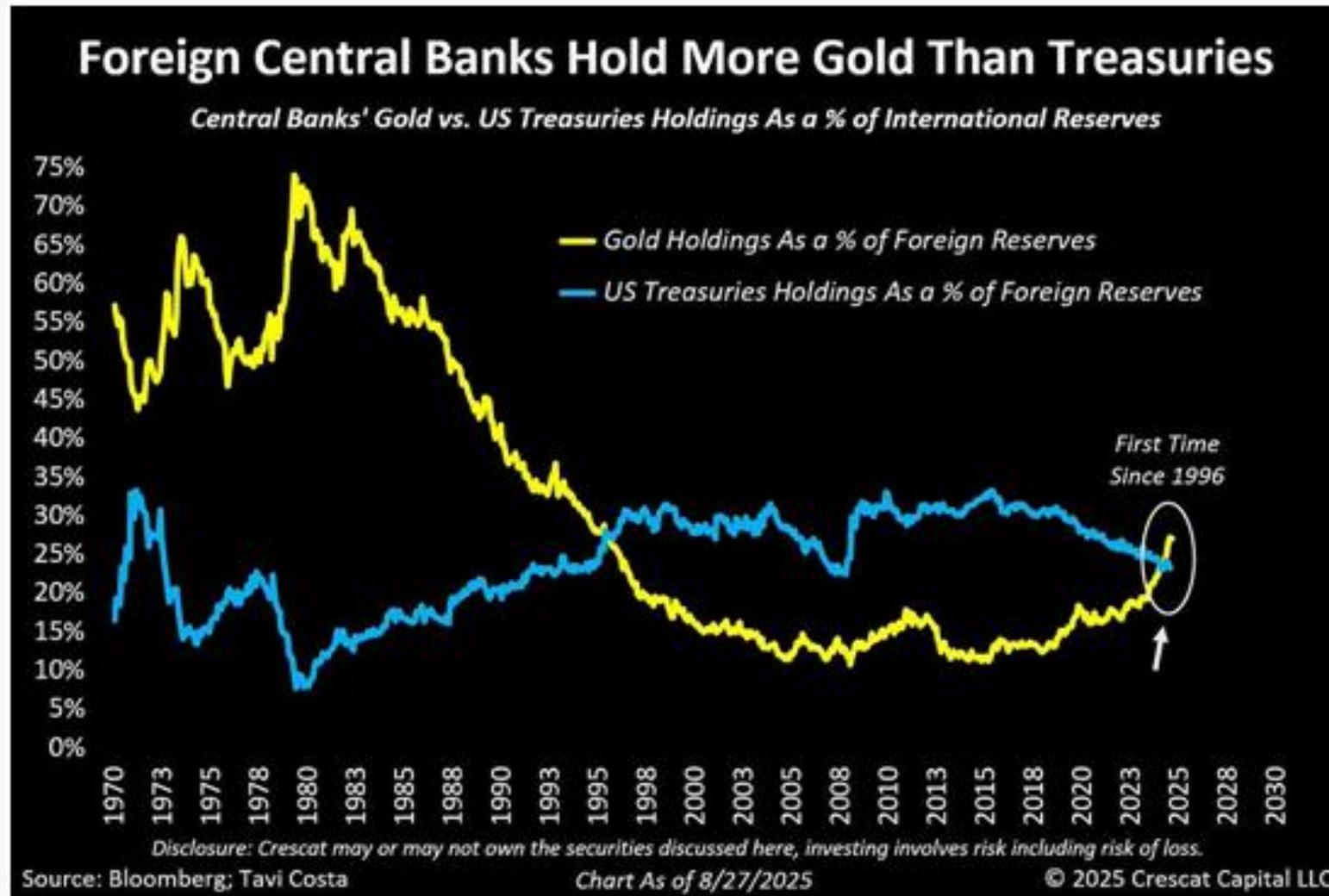
This chart shows that from January of 1970 to January 1980 gold rose 1809% and, from August 1999 to August 2011, gold rose 617%. Averaging those two moves equals 1213%. Applying that to the December 2015 low of \$1060/oz implies a **potential upside target for gold of \$13,917/oz.**



Ratio S&P GSCI (Commodity Index)/ S&P 500

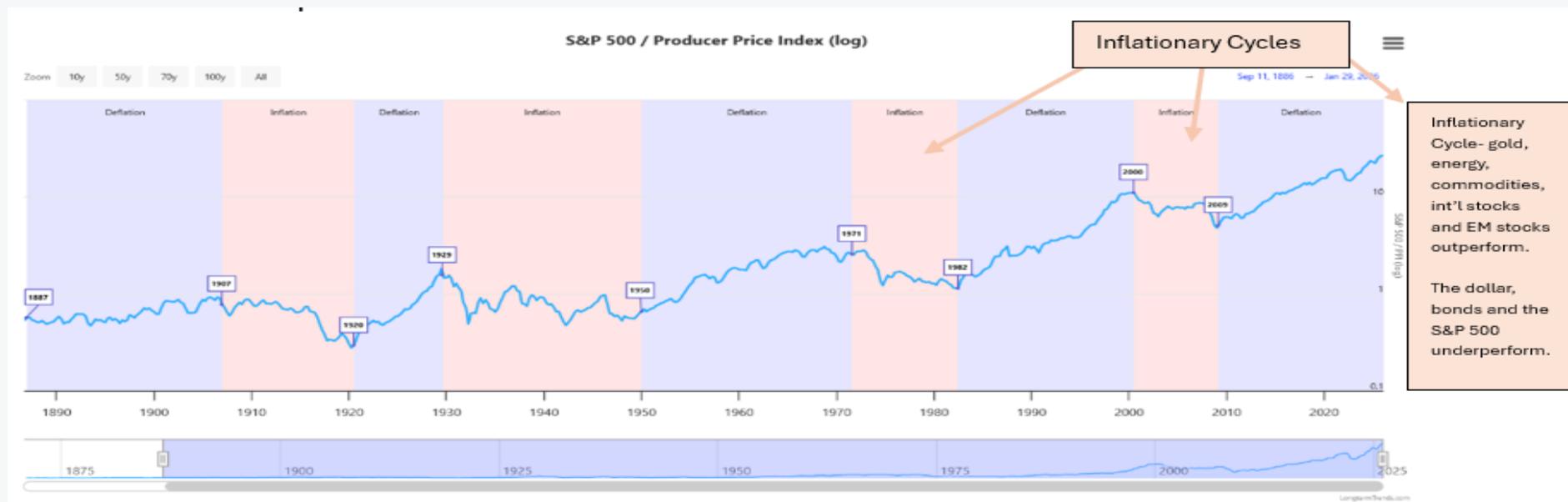


BATAIS GOLD MINING ALTERNATIVE STRATEGY
CENTRAL BANKS BUYING GOLD AND SELLING US TREASURIES



Inflationary Cycle, Commodity Cycle or Great Rotation

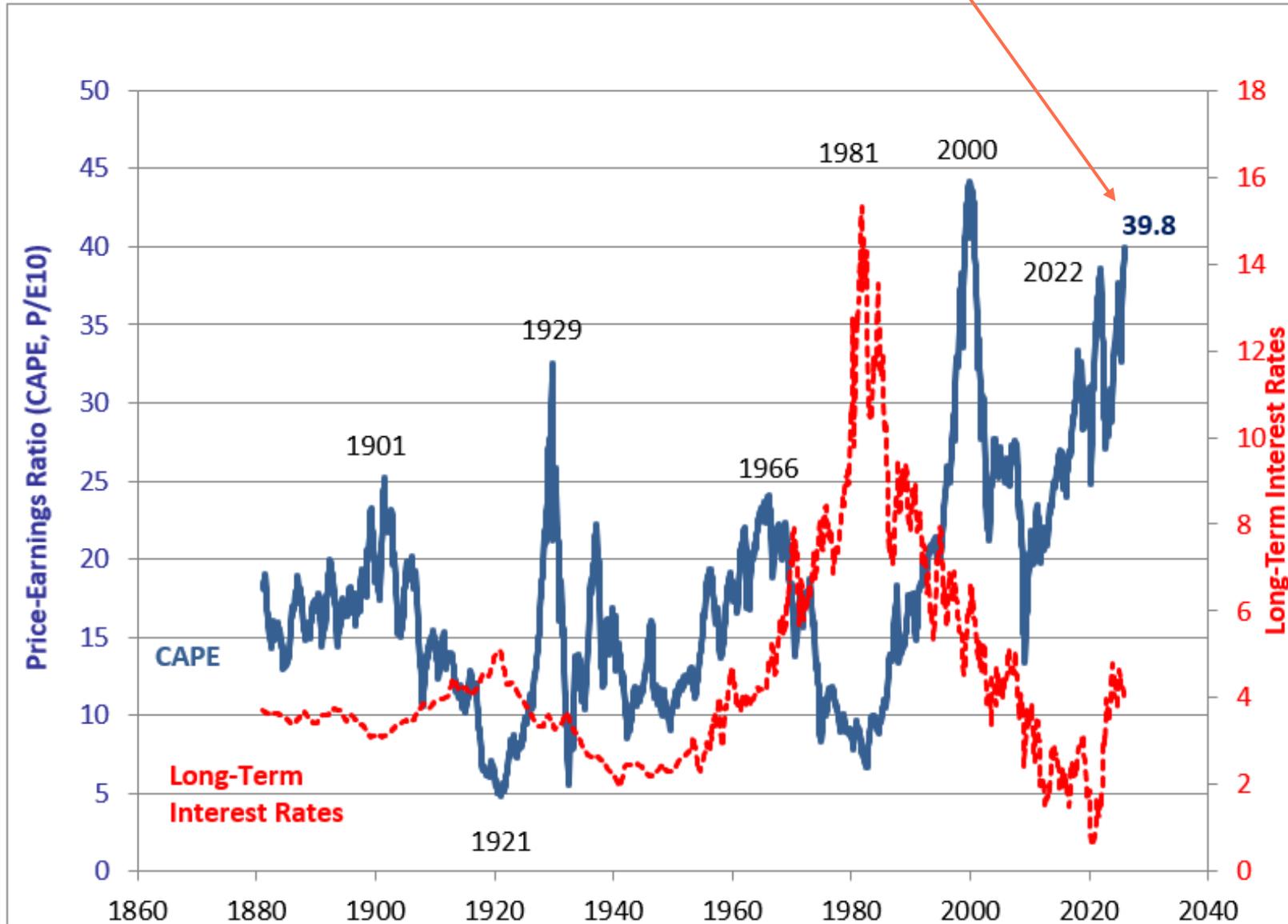
During inflationary periods, gold, oil, commodities, and emerging markets outperform stocks and the dollar tends to decline. We believe these market prospects are good and possibly high.



Our market cycle research and that of [Bannister and Forward](#) suggest commodities and equities are negatively correlated and that their market leadership rotates every 18 years. We believe we are entering a new inflationary cycle and gold could be a source of market leadership for several years.

Our cycle research suggests gold could reach \$13,917 per ounce in the coming years. This technical projection is strengthened by currency, economic, and geopolitical uncertainty driven by the Trump Administration's ambitious domestic and international agenda.

CAPE Near 140-year High Valuation Levels.



BATAIS Gold mining Alternative Strategy

The Case for a Decade Long Bull Market In Mining Commodities

David Scott, FSCI

“The Mining Sector Has Never Mattered Less, and That Should Concern Anyone Betting on the Future

It’s rare to see an industry become strategically essential while simultaneously becoming irrelevant in global portfolios. Yet that is exactly what has happened to mining.

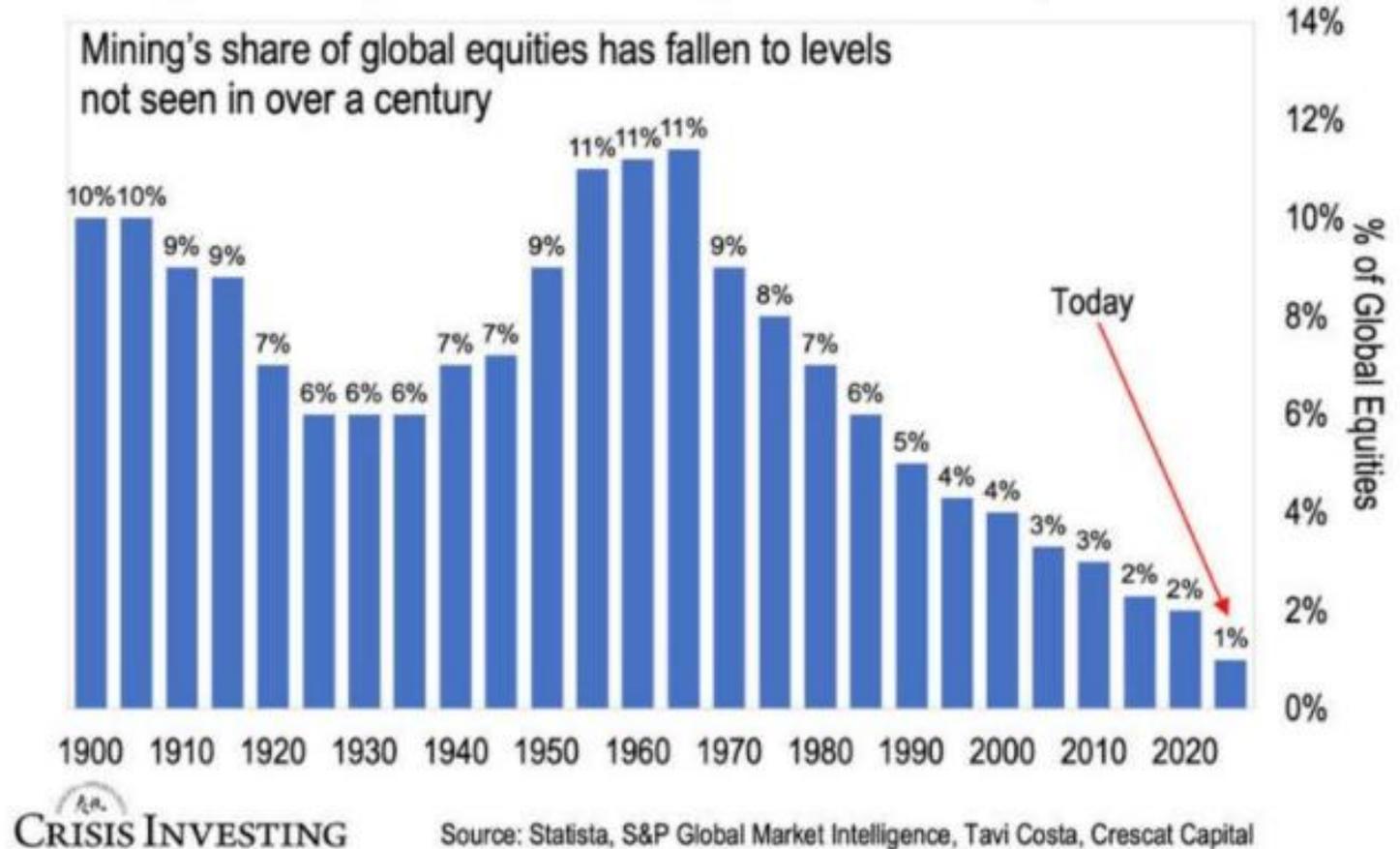
In 1960, mining stocks represented 11 percent of global equities. Today they barely register at 1 percent. A sector that provides the raw materials for every major economic system has been reduced to a rounding error.

And this is happening at the very moment when the world is depending on it more than ever. The technologies investors are betting on, AI infrastructure, electrification, grid expansion, defence systems, autonomous vehicles, all depend on materials that are becoming structurally scarce.

No copper, no grids.
No silver, no solar.
No rare earths, no magnets.

Cycles rarely turn on sentiment alone. They turn when chronic underinvestment meets rising strategic demand.”

Mining Industry as a Percentage of Global Equities





Water Treatment Facility. Source: Crescat Capital Management

BATAIS GOLD MINING ALTERNATIVE STRATEGY

Investment Strategy

Cyclical Bull Market In Gold Or Commodity Super Cycle:

Historic market cycles since 1887 suggest that we are entering an inflationary cycle like the 1970s. In 1981, we entered a deflationary cycle when Paul Volcker chaired Federal Reserve. During deflationary cycles, stocks and bonds outperform commodities. During inflationary cycles, commodities like gold and oil outperform.

Resource to Mining Transitions:

The transition of a resource company into an operating miner typically results in a 5-to-10-fold valuation increase. Blue Lagoon Resources, Inc.'s transition is nearly complete but could experience significant resource development value add should Dome Mountain prove out to be a district scale resource. Arizona Gold & Silver, Inc., and Nicola Mining, Inc. should benefit from resource to miner transition returns as well..

LEAP Calls on Select Gold Miners:

LEAP Call can asymmetrically increase investment returns on leading gold mining stocks. We are in a gold bull market, and high compounded LEAP Call can generate 10-fold returns in three years if those mini stocks double or triple.

Why Blue Lagoon Resources?



Tyson Halsey, CFA and Quinton Hennigh, PhD
in front of Boulder Vein.

- **Blue Lagoon:** is rare resource-to-mining transition opportunity on a potentially district scale property. Blue Lagoon secured its British Columbia mining license on February 6, 2025.
- **Significant Blue-Sky Opportunity:** 55,000-acre gold property with past producing mine. 218,000 ounces of measured and indicated gold. Only 10% of Dome Mountain has been explored: 15 known high-grade gold veins, non-43-101 estimates to 1,000,000 ounces for Boulder Vein Area alone. With further exploration, unofficial estimates expand to 2-3 million ounces. As infill and exploration drilling commence in August 2026, significant value added could occur from infill and exploration drilling funded by Blue Lagoon's own cash flows over the next 2-3 years.
- **Cash Flow Begins 2026:** cash flows to begin in February 2026. First revenues occurred December 30, 2025. We estimate \$32 million in cash flows in 2026 assuming \$4800/ounce AU. At 7x cash flow, market cap. should grow to \$224 million or \$1.60/share assuming 140mm shares by EOY 2026.

Potential Resource Value Add
\$250mm or \$1.78 in 2027

2026 Target \$1.60 based on
mining cash flow of \$32 million

Previous High \$1.45



Resource Development Valuation Drivers

Strategic Investors



Crescat Capital geologist Quinton Hennigh, PhD is a top geologist and who was actively involved in Blue Lagoon's early exploration. Crescat Capital bought Blue Lagoon shares at 74 cents, 48 cents, 38 cents, 18 cents and in offerings during 2025 at 25 cents. Crescat Capital owns nearly 10% ownership and Hennigh's optimism regarding the Dome Mountain resource gives us confidence in Blue Lagoon's prospects.

- <https://youtu.be/9QoYoQvoNN8?t=4220> Crescat Capital Geologist Quinton Hennig "Blue lagoon, this is an interesting one because everyone was so doubtful they could get their permit in BC (British Columbia), but low and behold they got it. They got an operating permit. This is a little company that is going to open or start mining the Dome Veins again. It's a very high-grade resource they have. Its around 220,000 ounces of very high grade.... Its kind of cowboy scale. It is a nice good cash flowing scenario that could be had. It is very high grade," March 7, 2025
- The Deep Dive, Phil Gracin 2022 interview with Dr, Hennigh <https://thedeepdive.ca/blue-lagoon-the-basis-behind-a-potential-massive-deposit/> "the Dome Mountain project displays characteristics of a certain type of intermediate sulfidation system called a carbonate-base metal-gold deposit, similar to massive deposits found in various locations around the world. E.g. Porgera- Papua New Guinea – 30 million ounces and Buritica Gold Mine, in Columbia South America with 10 million ounces.

Nicola Mining – milled a 5000-ton sample extraction in 2021 and subsequently invested \$1mm in January 2024 and owns 7% of Blue Lagoon apart from CEO, Peter Espig's personal investment. Espig is a former Goldman Sachs executive in principal finance and special situations. Having grown up around mining, Espig has leveraged his experience in private equity in the mining sector. Nicola also has provided a \$2 million line of credit.

IBK Capital Corp. – Mike White, President and CEO, on "Blue Lagoon was very interesting to us because we see it as tremendous exploration upside. We see it as a series of parallel veins that have very, very long strike lanes. And it could host... this is arm waving and there is a lot of work to be done it could be **district scale** and the sense that there could be 10 million ounces of gold, once it is fully explored. It is just that type of geological environment.

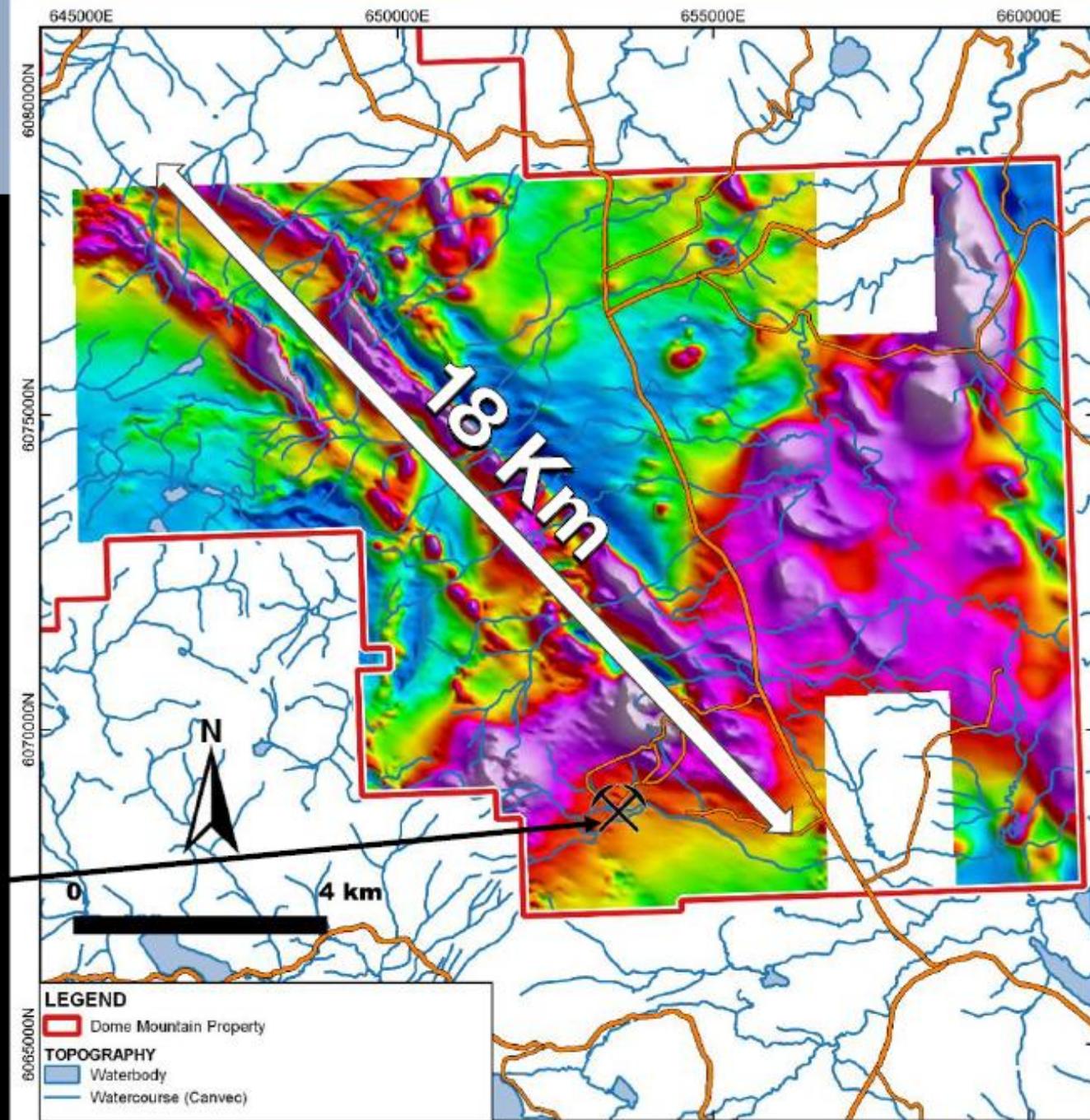
Phoenix Gold Fund – invested in Blue Lagoon in 2025 share offerings.

CEO Rana Vig, family & founding investors own 14%, **Crescat Portfolio Management, LLC.** 9.9%, **Nicola Mining Inc.** 7% and **Phoenix Gold Fund** 6%.

Multimillion Ounces Exploration Potential

- 225 ounces of gold measured or indicated.
- 1,000,000 management feels could be measured and indicated after infill drilling in the Boulder vein system during 2026
- 90% unexplored and will be where part of cash flows are focused scoping a resource 10 times the area of Boulder Vein
- Quinton Hennigh, PhD and Mike White believe this formation has district scale potential.and

Dome
Mountain
Mine



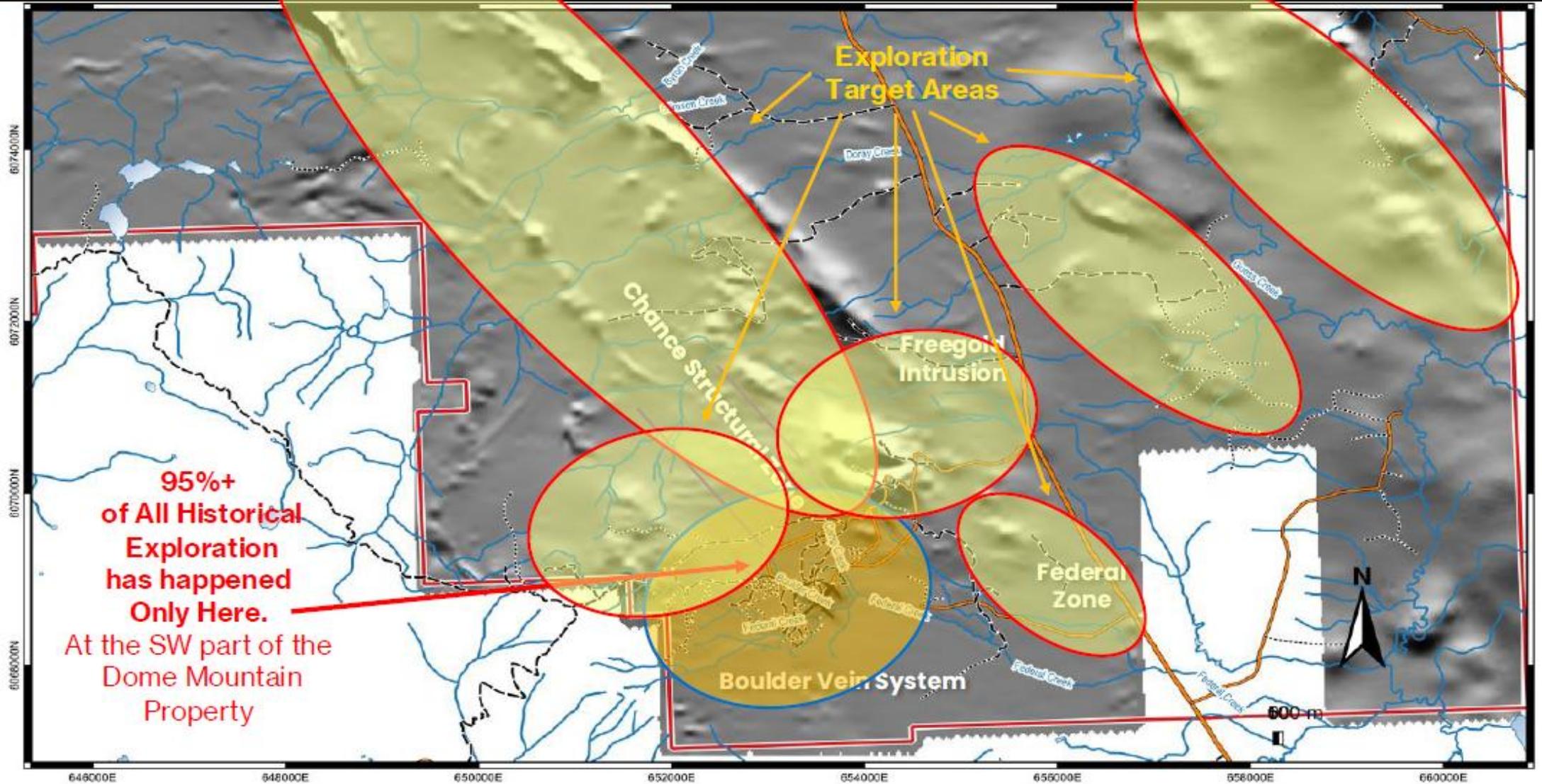
Numerous
Gold Veins
within
this Structural
Corridor
(Most Never Drilled)

Significantly Underexplored Property

(this is only the Southern Half of the Total Property)

Magnetic images below show nodes and long parallel lanes which could hold significant resources.

BLAGF could spend \$20 million on exploration during the next two years, leading to significant jumps toward district scale – 10mm ounces in its known resource. This resource leap could drive significant share price gains.



Blue Lagoon Resources Inc. Infill Drilling and Exploration Drilling Resource Potential Commencing June 2026

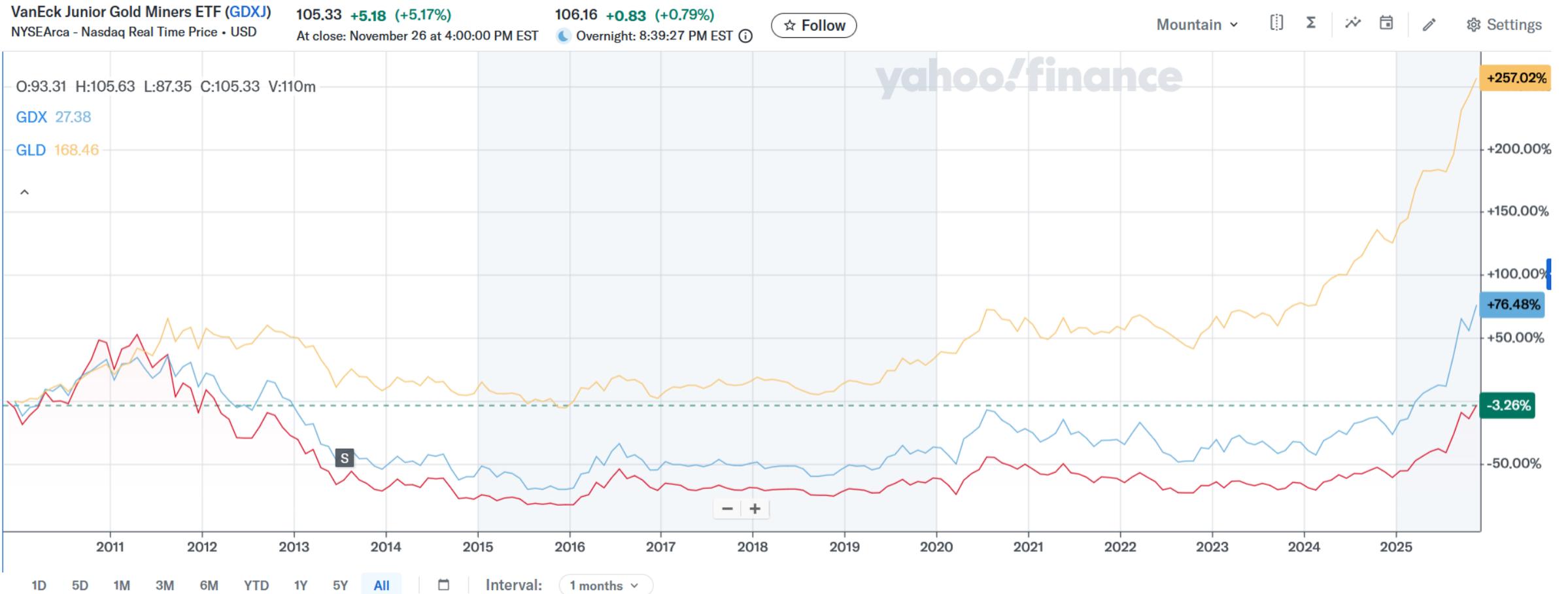
Resource potential												
Infill drilling could lead to 1,000,000 ounces in the Boulder Vein System											1,000,000	
value/ounce in the ground	\$200										\$ 200,000,000	Potential value add based on 2026 2027 infill drilling program Infill drilling value added est. \$250,000,000 (ave. \$200-300) in 2027 => \$1.7857/share
	\$300										\$ 300,000,000	
It will take years to prove out these reserves in a 43-101 compliant manner. ----->												
If exploration drilling reveals reveal new resources of:		1,000,000	2,000,000	3,000,000	4,000,000	5,000,000	6,000,000	7,000,000	8,000,000	9,000,000	10,000,000	
valuation increase if	\$ 200	\$200,000,000	\$400,000,000	\$ 600,000,000	\$ 800,000,000	\$ 1,000,000,000	\$ 1,200,000,000	\$ 1,400,000,000	\$ 1,600,000,000	\$ 1,800,000,000	\$ 2,000,000,000	
	\$ 300	\$300,000,000	\$600,000,000	\$ 900,000,000	\$ 1,200,000,000	\$ 1,500,000,000	\$ 1,800,000,000	\$ 2,100,000,000	\$ 2,400,000,000	\$ 2,700,000,000	\$ 3,000,000,000	
	\$ 400 in future year	\$400,000,000	\$800,000,000	\$1,200,000,000	\$ 1,600,000,000	\$ 2,000,000,000	\$ 2,400,000,000	\$ 2,800,000,000	\$ 3,200,000,000	\$ 3,600,000,000	\$ 4,000,000,000	
No 43-101 compliant drilling today support these resource estimates, but with time, expense and luck, they could. Value per ounce is tied to gold price and supporting infrastructure (operating company vs. stand alone project.)												
Blue Lagoon Market Cap. is \$104,000,000 2.5.2026												
As new buyouts occur, the buyout multiples will update and should be higher because gold prices have risen materially.												

Exploratory drilling should commence in August 2026 and continue for 2-3 years to quantify the district scale potential (10 million ounces) and speculate it could lead to a potential buyout in 2027/2028.

If Blue Lagoon is bought out based on 10 million ounces of gold at \$400/ounce, then Blue Lagoon could rise 40-fold from its current market capitalization of \$100 million.

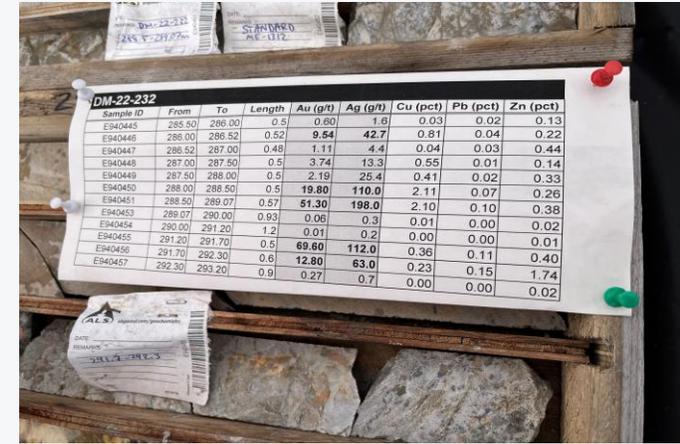
5-10 year potential
\$400/ounce x
10,000,000
ounces= \$4 billion.
\$4 billion/\$100
million = 40x

Gold Miners have Catch-up Rally to Gold.



Timeline & Catalysts

Blue Lagoon for Short-Term Gains and Diversification



Q4 2025:

Commercial Mining Begins

- Monitor Blue Lagoon’s development and growth plans.
- Add other transition opportunities or LEAPs.
- Keep lines open to management, employees and contractors.

2025

2026:

Mining and Exploration

- Production to ramp from 100 TPD to 150 TPD day.
- In August commence exploratory drilling to scope the resource.
- Will focus on infill drilling targeting second mine in 2026

2026

2027:

Mining and Exploration

- Open second mine with 30,000 ounces of gold production.
- Increase exploration of 18-kilometer strike.

2027

2028 - 2030:

Exit Growth + Yield Reinvestment

- When whole resource has been scoped, a bidder could emerge and buy out Blue Lagoon.
- Exit Blue Lagoon and begin investing in high yielding MLPs when oil prices are at low.

2028-30

Long-Term Call Options are Fundamentally Undervalued.

Option Valuation Models are Flawed:

Black Scholes and Fischer Black Models underestimate potential option values because they don't use future earnings per share of the target stock. With high growth companies and earnings turnaround stories, investing in LEAPs can yield 10x sized returns for investors.

Larger Capitalization Miners:

Publicly traded stock options on miners like Barrick Mining Corporation (B), Newmont Corporation (NEM), (NEM), Agnico Eagle Gold Mines Limited (AEM), and gold indices like the VanEck Junior Gold Miners ETF (GDXJ), offer compelling high return prospects. Income Growth Advisors, LLC (IGA) knows that stocks which double or triple may have options with 5 to 10x return potential.

Tax Advantages:

Options are typically treated as short-term gains or losses; however, by exercising to own shares and holding for a year, option investors can potentially avoid costly short-term capital gains.

From Growth to Yield: The BATAIS Exit & Income Conversion Strategy

Structured exit. Tax-efficient reentry. Yield aligned with investor goals.

01

RETURN THRESHOLD REACHED

Target return (e.g., 5–10x) triggers exit review.

Investor preferences and account-specific timing will guide decision to begin liquidation.

02

HEDGE & EXIT EXECUTION

Deploy tactical strategies (e.g., options overlays, partial sales) to manage risk and reduce realized gains during position unwinding.

03

TAX PLANNING REVIEW

Coordinate tax optimization:

- Capital gains minimization.
- Tax-loss harvesting
- Option exercises.

04

REALLOCATION TO INCOME STRATEGY

Shift proceeds into tax-advantaged income streams:

Master Limited Partnerships, Closed End Funds, private credit, or other SMA-tailored vehicles.

05

ONGOING MONITORING & OPTIMIZATION

Track cash flows, rebalancing needs, and reinvestment windows.

Adjust holdings to align with long-term income goals.

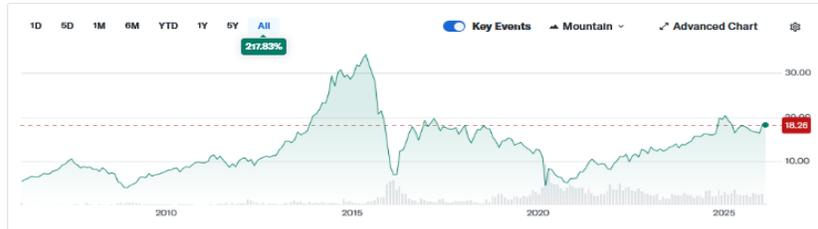
BATAIS GOLD MINING ALTERNATIVE STRATEGY YIELD STRATEGY

NYSE - Nasdaq Real Time Price - USD
Energy Transfer LP (ET) ☆ Follow Analyze Bullish on ET?

18.27 -0.10 (-0.54%)

As of 3:39:07 PM EST, Market Open.

Dividend ET announced a cash dividend of 0.335\$ with an ex-date of Feb. 6, 2026



News headlines

Energy Transfer LP (ET) is navigating a challenging pipeline industry landscape with a 3% distribution hike and a strong earnings outlook. Despite headwinds, analysts remain optimistic about its growth potential and stability in cash flows.

Updated 16m ago - Powered by Yahoo Scout

View more

Previous Close	18.37	Day's Range	18.01 - 18.32	Market Cap (Intraday)	62.788B	Earnings Date	Feb 17, 2026
Open	18.30	52 Week Range	14.60 - 20.90	Beta (5Y Monthly)	0.64	Forward Dividend & Yield	1.33 (7.21%)
Bid	18.28 x 840000	Volume	11,806,032	PE Ratio (TTM)	14.62	Ex-Dividend Date	Feb 6, 2026

NasdaqGS - Nasdaq Real Time Price - USD

Alliance Resource Partners, L.P. (ARLP) ☆ Follow Get top stock picks

24.42 -0.18 (-0.73%)

As of 3:37:15 PM EST, Market Open.



Previous Close	24.60	Day's Range	24.43 - 24.83	Market Cap (Intraday)	3.135B	Earnings Date (est.)	Apr 27, 2026
Open	24.58	52 Week Range	22.20 - 28.39	Beta (5Y Monthly)	0.29	Forward Dividend & Yield	2.50 (10.16%)
Bid	17.68 x 200	Volume	354,623	PE Ratio (TTM)	10.17	Ex-Dividend Date	Feb 6, 2026
Ask	31.42 x 200	Avg. Volume	353,173	EPS (TTM)	2.40	1y Target Est	31.00

High Stable Tax Advantaged Yields for Retirement

Master Limited Partnerships offer tax advantaged high distribution yields by investing in energy infrastructure and paying out distributions that are about 90% return of capital. Returns of capital are not taxable.

Energy Transfer LP (ET) and **Alliance Resource Partners, LP (ARLP)** offer yields of **7.21%** and **10.18%**, respectively, and those distributions historically grow at low single digit rates. MLPs are in the energy business and often have inflation escalators in their contracts. Consequently, these FERC approved near natural monopolies offer inflation resistant, high-yielding, growing, and tax-advantaged businesses with estate tax benefits.

Once we exit the growth phase of our strategy, we seek to create a portfolio with stable growing tax-advantaged income for our clients and use MLPs to that end.

We anticipate adjusting 2% and 20% our fee structure on a bespoke basis when we enter this phase.

Income Growth Advisors' Tyson Halsey has over 20 years experience investing in MLPs and has been offered MLP portfolio management positions.

Next Steps

- ▶ **Account Structuring and Tax Planning.**
 - ▶ Will evaluate capital loss carry forward, account suitability for derivatives, and UBTI sensitivity.
 - ▶ Accounts will be established at Interactive Brokers.
 - ▶ Investment Advisory Contracts will be signed affirming the investment strategy.
 - ▶ Unlike traditional hedge funds, the BATAIS alternative strategy provides portfolio transparency.

- ▶ **Fee Structure and Execution:** 2% management fee, 20% carried interest and high watermark tracked and executed by Interactive Brokers.



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- Tyson Halsey, CFA
 - Founder and Managing Member, Income Growth Advisors, LLC.
 - President, Optima Process Systems, Inc.
 - Winner USA Today CNBC National Investment Challenge 1992.
 - Over 100 articles published in Seeking Alpha.
 - Wall Street Journal, Barron's, CNBC, Post and Courier, SC Public Radio



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