

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; our strategy transitions 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 gold miner with district scale potential (e.g. 10mm ounces of gold) according to Quinton Hennigh, PhD. of Crescat Capital and Mike White of IBK Capital.



BATAIS GOLD MINING ALTERNATIVE STRATEGY

Factors Driving Gold Bull Market

Dollar Debasement Drives Gold Higher

Unprecedented levels of monetary debt, led by US at \$39T (133% of GDP) are driving currency debasement. The US dollar is experiencing greatest weakness since the 1970s, directly boosting the appeal of gold as a non-sovereign monetary asset.

Fiat Currency Global Debasement

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

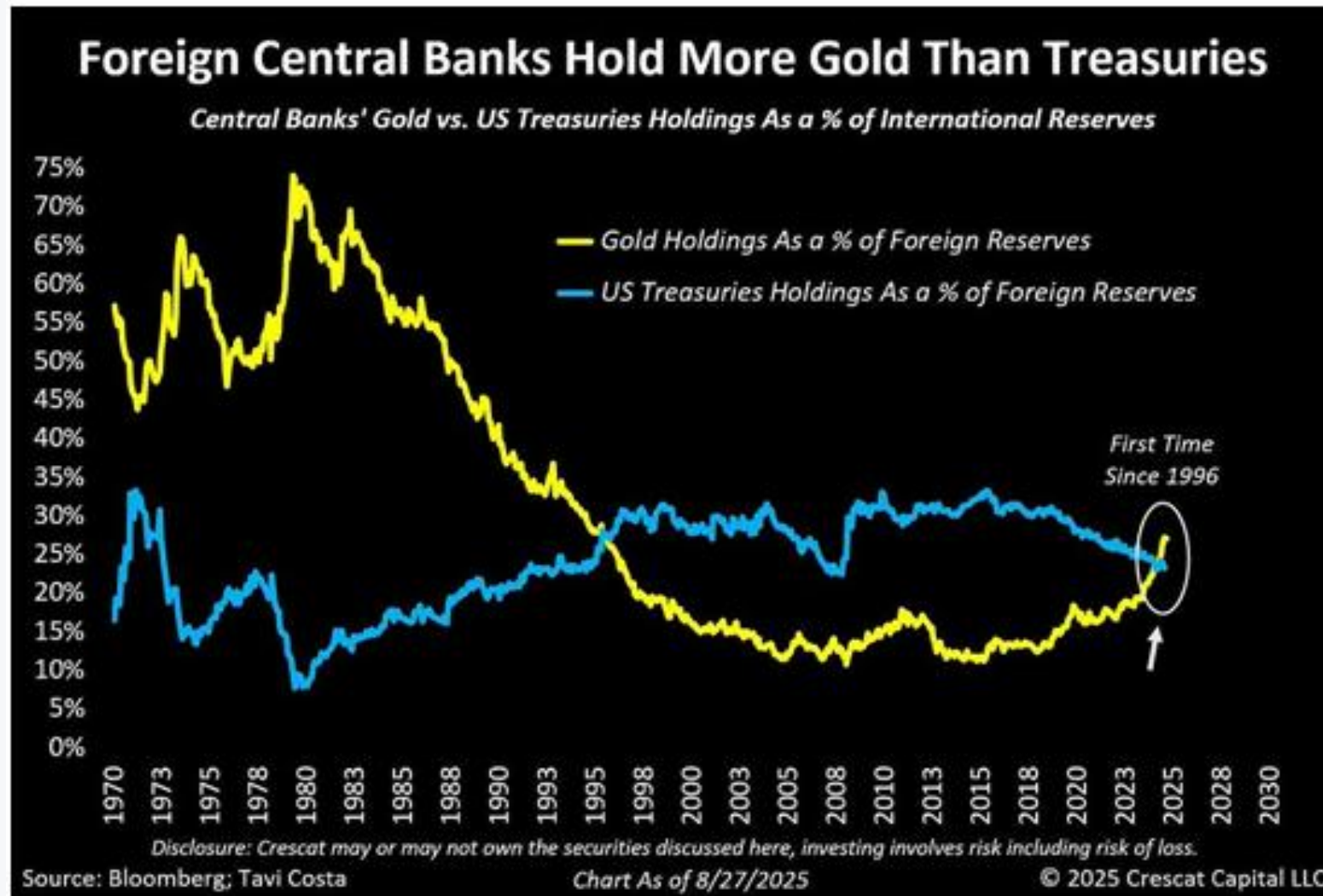
Pierre Lassonde's Debasement Argument

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

Investment Paradigm Shift

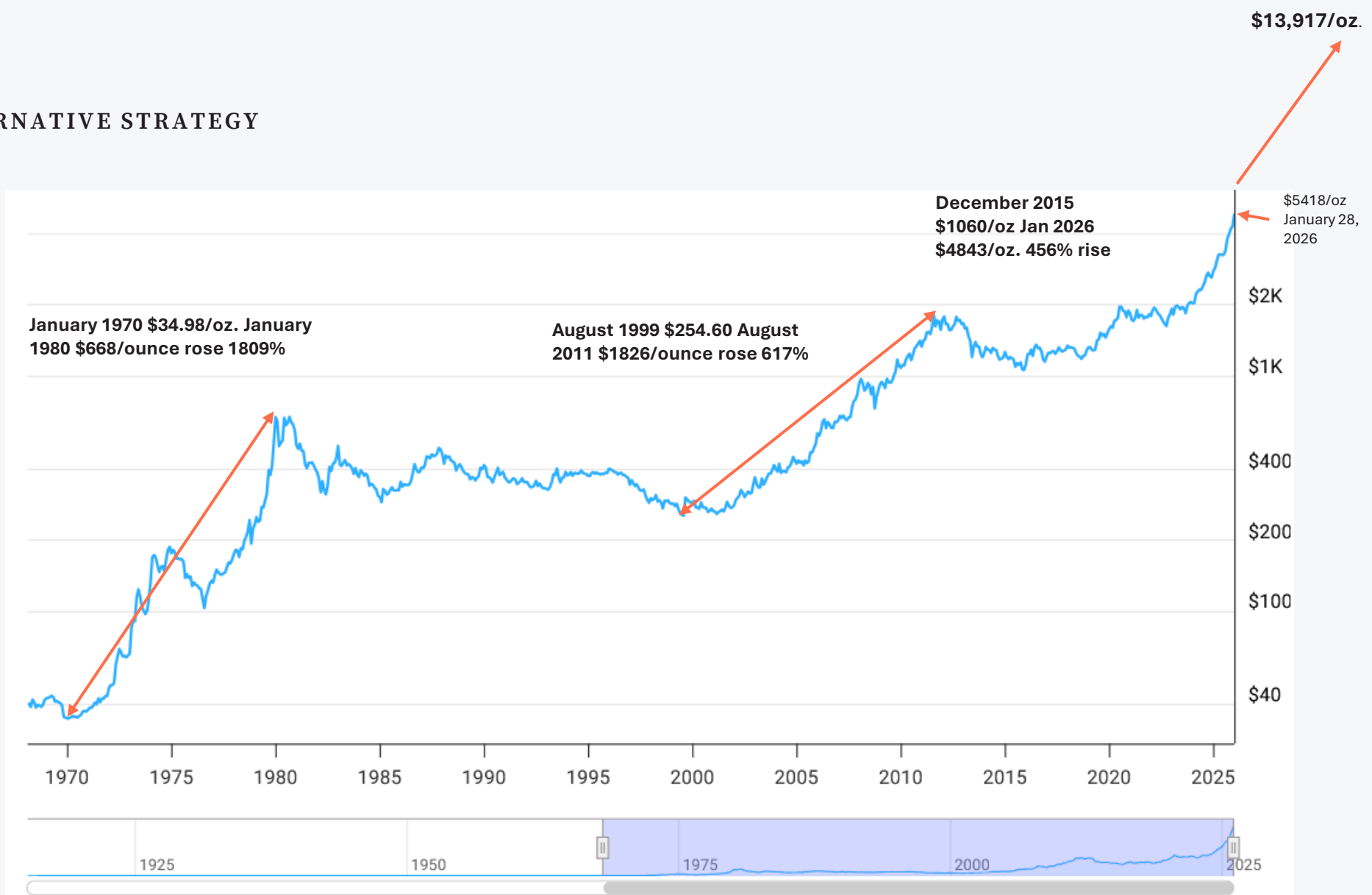
Traditional 60/40 Asset Allocation is being replaced with models allocating up to 20-25% at JP Morgan's Mike Wilson, DoubleLine's Jeffrey Gundlach' 25%, and Ray Dalio suggesting 25%

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



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.**



Gold Miners Lag Gold and Due a Catch-up Rally

Iran Conflict Creates Buying Opportunity



BATAIS Gold Mining Alternative Strategy

The Case for a Decade Long Bull Market

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.

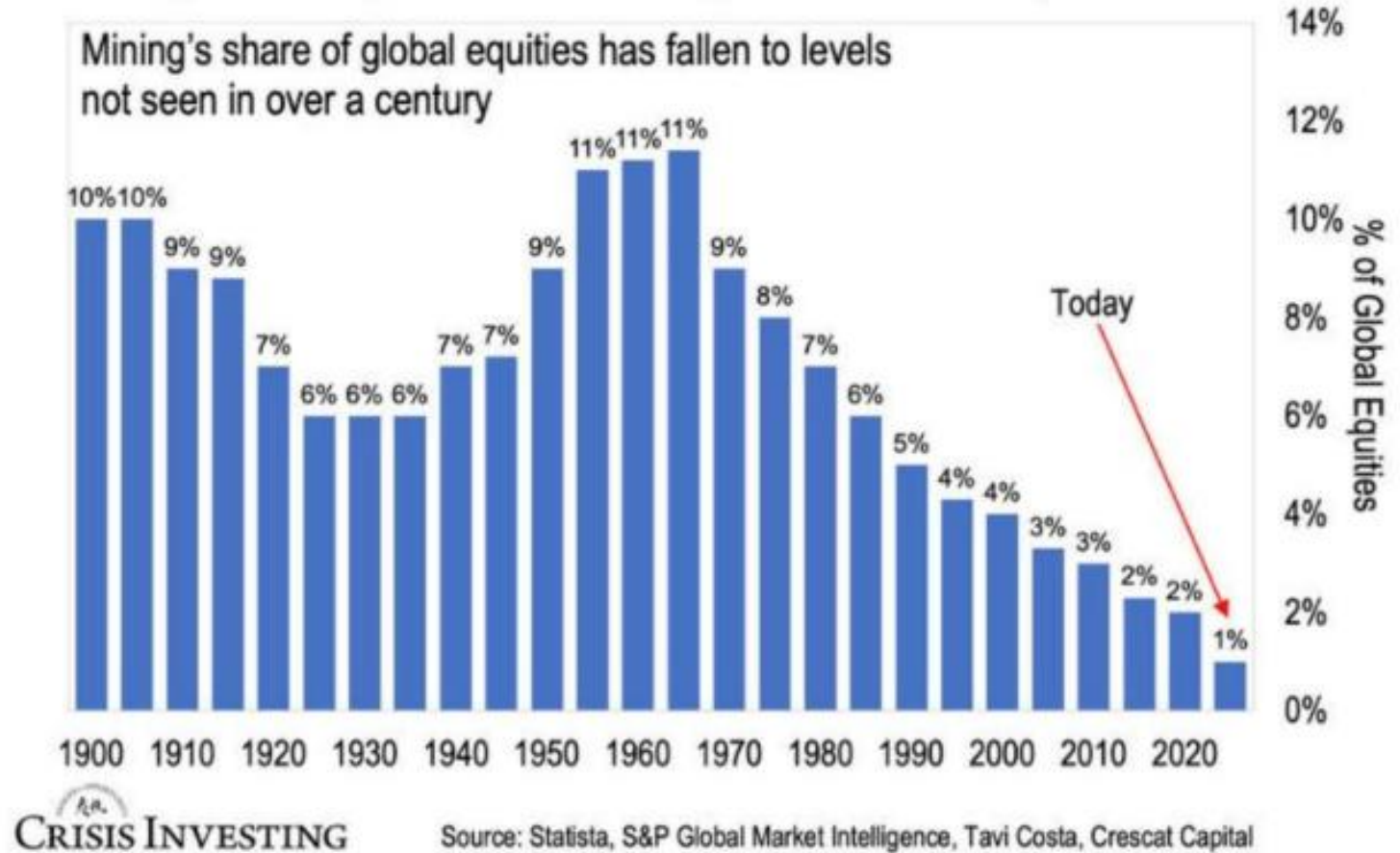
In 1960, mining stocks represented 11 percent of global equities. Today they barely register at 1 percent. A sector that provides the raw materials for every major economic system has been reduced to a rounding error.

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, defense 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.”

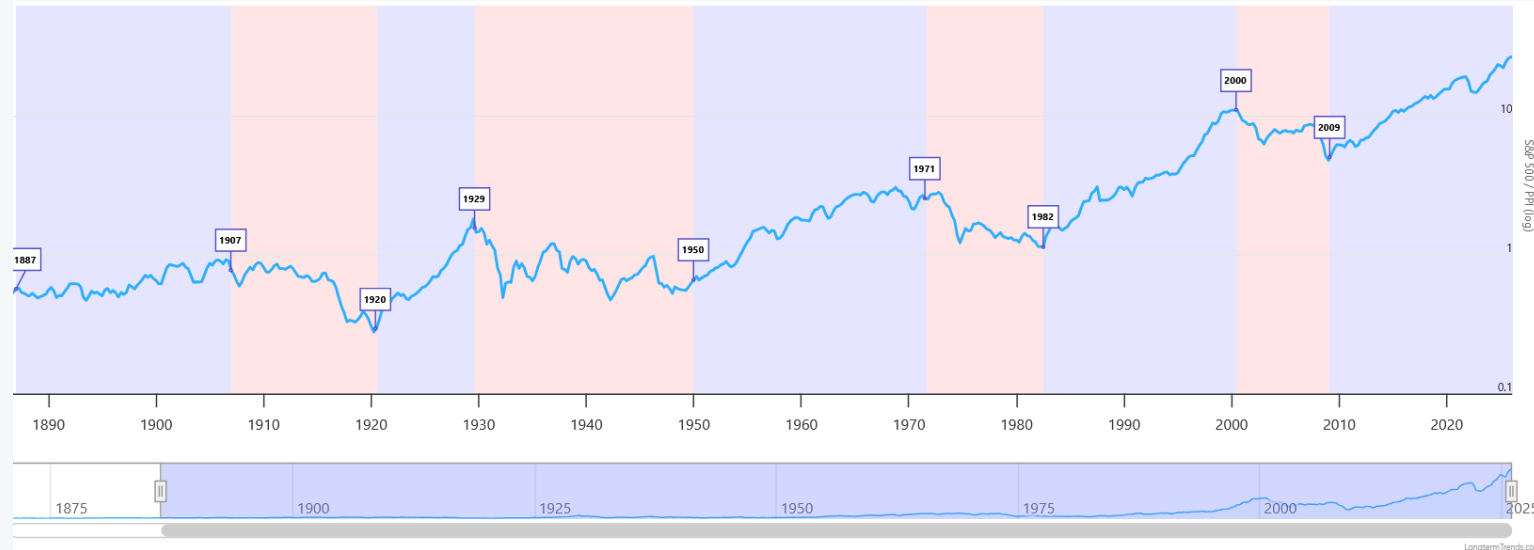
Mining Industry as a Percentage of Global Equities



Inflationary Cycle, Commodity Cycle or Great Rotation

During inflationary periods, gold, oil, commodities, and emerging markets outperform US stocks and the dollar tends to decline. During deflationary periods equities and bonds do well but commodities do poorly.

We believe that we are in an inflationary cycle where prospects are good for gold and commodities and poor for the S&P 500.



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.

Poised To Break Out 4.15.2026 With Commercial Production Imminent and Iran Conflict Winding Down

2026 EOY Target \$1.55 based on multiples of cf of \$33.2 million and revs of \$76.6 million



Previous High \$1.45



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. Arizona Gold & Silver, Inc., and Nicola Mining, Inc. should benefit from resource to miner transition returns.

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 exploration, unofficial estimates could expand to 2-3 million ounces. Infill and exploration drilling commence in August 2026, potentially identifying 2-3 million ounces in next 2-3 years and pathway to district scale.
- **Cash Flow Begins 2026:** cash flows began February 2026. First revenues occurred December 30, 2025. We estimate \$33,183,899 million in cash flows in 2026 assuming \$4800/ounce AU. At 8x cash flow, market cap. should reach to \$265 million or \$1.79/share assuming 147mm shares by EOY 2026.

Valuation Measures ?

NEM Valuation Grade C

	Sector Relative Grade	NEM	Sector Median	% Diff. to Sector	NEM 5Y Avg.	% Diff. to 5Y Avg.
P/E Non-GAAP (TTM)	B-	17.50	19.41	-9.87%	20.63	-15.18%
P/E Non-GAAP (FWD)	B	13.08	15.87	-17.56%	18.00	-27.32%
P/E GAAP (TTM)	B	18.92	23.03	-17.83%	-	NM
P/E GAAP (FWD)	B+	11.78	16.91	-30.34%	18.89	-37.65%
PEG GAAP (TTM)	B	0.15	0.27	-42.53%	-	NM
PEG Non-GAAP (FWD)	A-	0.47	1.25	-62.60%	-	NM
EV / Sales (TTM)	D+	5.61	2.07	171.28%	3.92	43.02%
EV / Sales (FWD)	D+	4.43	1.88	135.26%	3.65	21.44%
EV / EBITDA (TTM)	B	9.18	11.21	-18.14%	10.24	-10.36%
EV / EBITDA (FWD)	B+	6.81	8.44	-19.31%	7.79	-12.60%
EV / EBIT (TTM)	A-	11.54	17.61	-34.44%	24.13	-52.15%
EV / EBIT (FWD)	A	8.07	13.22	-38.96%	12.94	-37.61%
Price / Sales (TTM)	D	5.90	1.75	236.72%	3.58	64.87%
Price / Sales (FWD)	D	4.52	1.59	184.16%	3.47	30.51%
Price / Book (TTM)	C-	3.89	2.43	59.72%	2.08	86.72%
Price / Book (FWD)	D+	3.18	1.85	72.26%	1.98	60.97%
Price / Cash Flow (TTM)	C+	12.55	12.22	2.64%	11.52	8.95%
Price / Cash Flow (FWD)	C	9.85	9.29	5.96%	9.25	6.45%
Dividend Yield (TTM)	D+	0.84%	1.68%	-50.41%	3.16%	-73.60%

We used Seeking Alpha's Valuation Database to provide comparable multiples on revenue and cash flow for Newmont Corporation and the Sector Median in our price target estimates.

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 25 cents in 2025. 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/9OoYoQvoNN8?t=4220> **Crescat Capital Geologist Quinton Hennigh** "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 Gold Mine, Papua New Guinea – 30 million ounces; Buritica Gold Mine, in Columbia South America, -- 10 million ounces; and K92 mining in Papua New Guinea -- c. 10mm ounces of gold inferred.

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. 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." Once in discovery phase, Tyson's \$1.50 target could be hit and a couple drill holes could move the stock suddenly to \$3-4/share. See 41:45.

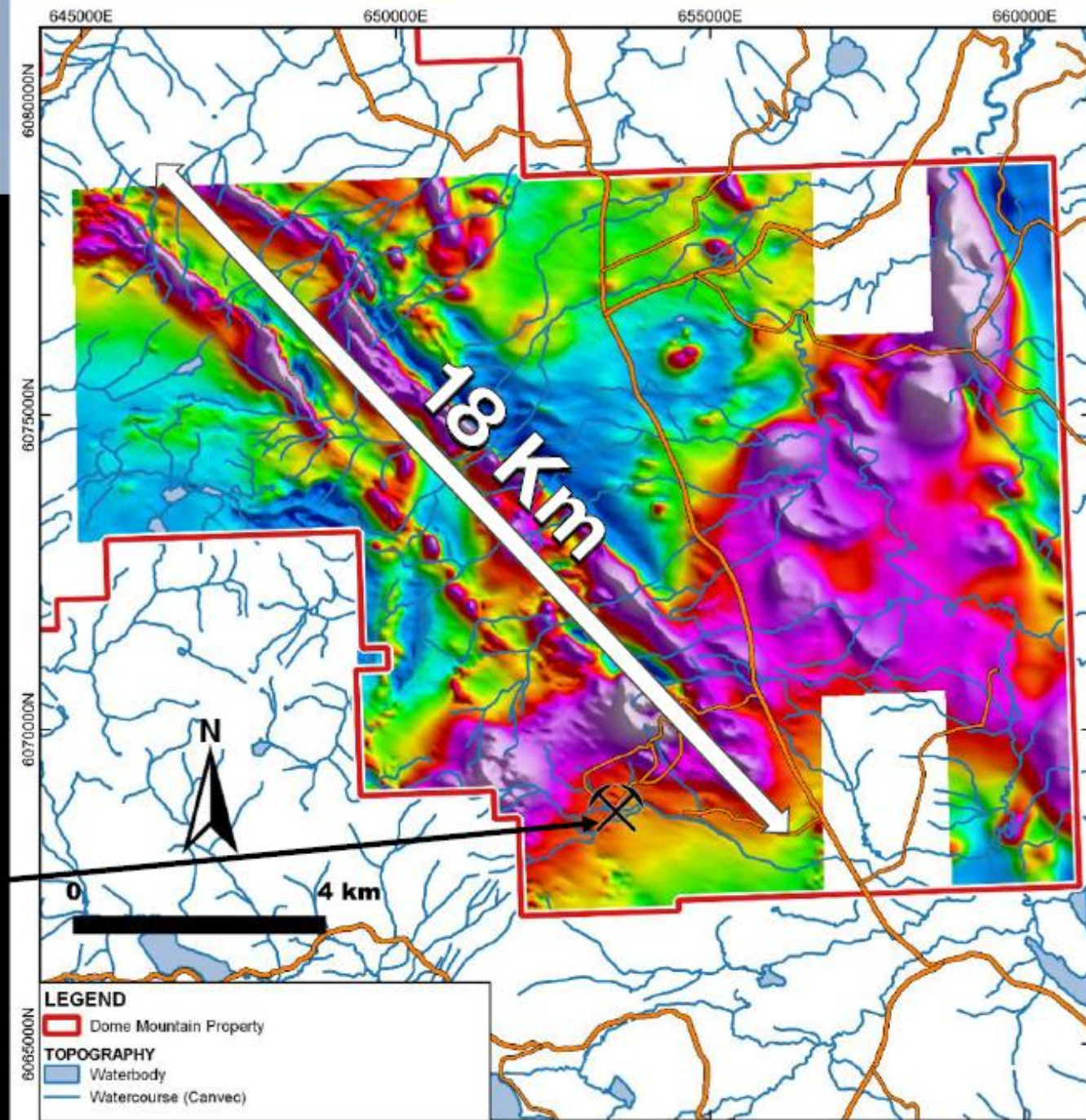
Phoenix Gold Fund – invested in Blue Lagoon in 2025 share offerings.

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.

Dome
Mountain
Mine



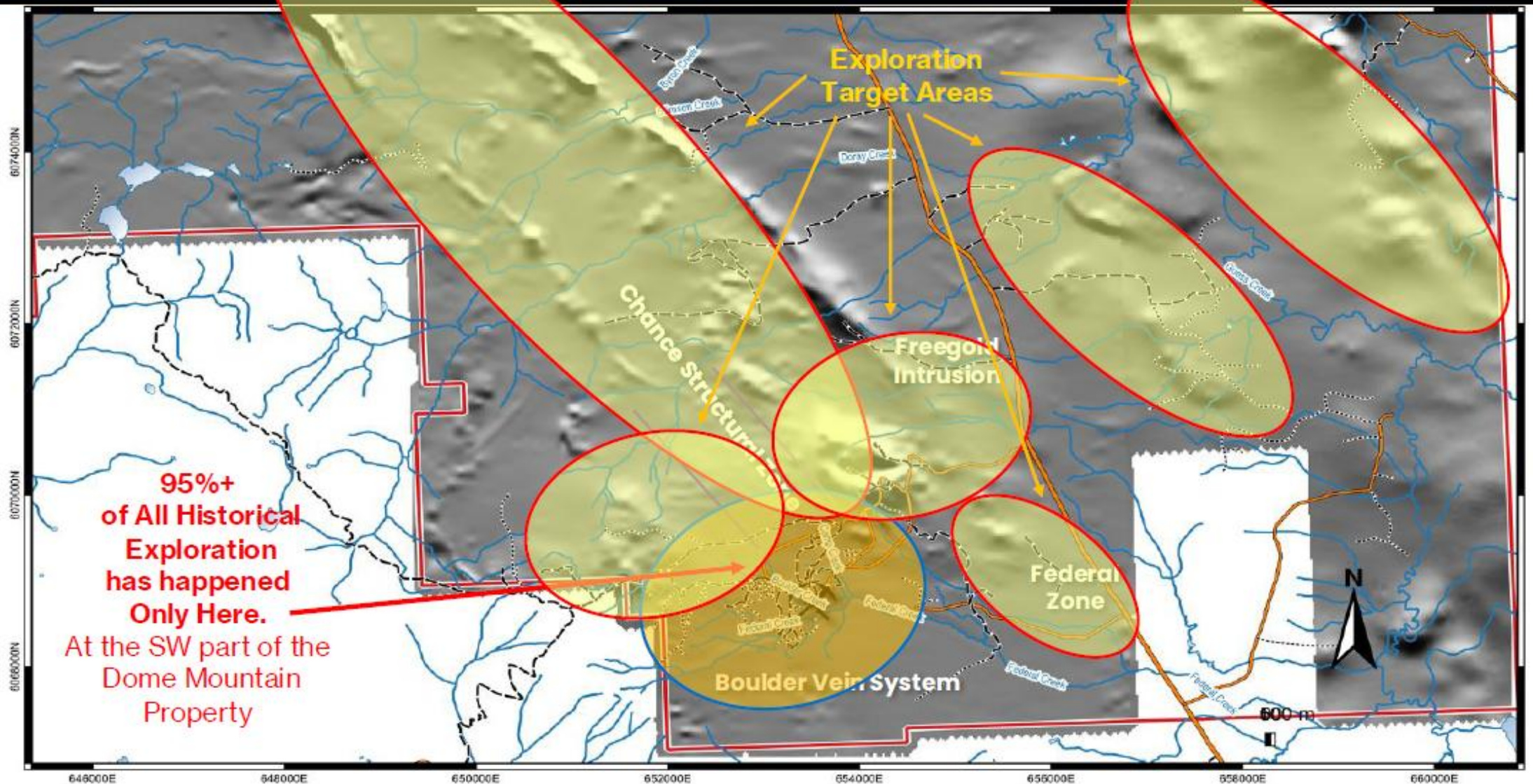
Numerous
Gold Veins
within
this Structural
Corridor
(Most Never Drilled)

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.



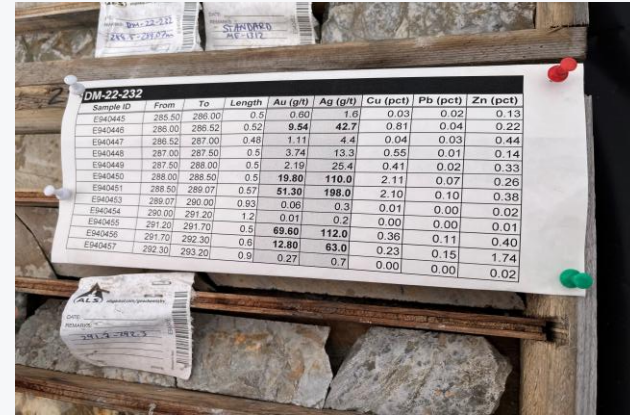
Blue Lagoon Resources Inc. Infill Drilling and Exploration Drilling Resource Potential Commencing August 2026

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						
	\$300				\$	300,000,000	Infill drilling value added est. \$250,000,000 (ave. \$200-300) in 2027 => \$1.6927/share						
Exploration Upside for 18 KM strike and 55,000 Acre land package.				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	historic buyout prices when gold was lower		\$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 years		\$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
If gold is \$8,000/ounce	\$ 500	Future Year Buyout		\$500,000,000	\$1,000,000,000	\$ 1,500,000,000	\$2,000,000,000	\$ 2,500,000,000	\$ 3,000,000,000	\$ 3,500,000,000	\$ 4,000,000,000	\$ 4,500,000,000	\$ 5,000,000,000
We believe that the infill Drilling around Boulder Vein should complete in spring 2026. Exploration drilling of Chance Structural Zone could point toward higher district scale prospects by 2030.													
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 \$81,187,591 or \$0.55/share 4/6/2026													
As new buyouts occur, the buyout multiples will update and should be higher because gold prices have risen materially.													

Exploratory drilling should start in August 2026 and continue for two-three years to scope if BLAGF has district scale (10 million ounces) potential. If the resource is district scale it could take 10 years to prove it is 43-101 certified. However, we speculate BLAGF could be bought out in 2027 or 2028 if district scale potential becomes clear.

If Blue Lagoon has 10 million ounces of gold in the next 10 years and is bought out at \$500/ounce, then Blue Lagoon could rise 50-fold from its current market capitalization of \$100 million.

Timeline & Valuation Drivers



Blue Lagoon’s Mining Cash Flows make it special. BLAGF should be able to self-fund all infill and exploration drilling. If BLAGF’s cash flows rise to \$30,000 in 2026 then shares could be worth \$1.51/share EOY 2026 on cash flows alone. Blue Lagoon’s cash flows should command higher valuations (\$200-300/ounce) than weaker miners which need to pause production to raise capital to grow their resource. Those lower quality miners generally command \$85-\$150/ounce.

Infill drilling of the Boulder Vein System could certify 1 million ounces by Q 2 2027. If its gold *in the ground* is valued at \$250/ounce, then incremental resource value could add \$250million in value or \$1.7/share to the EOY 2026 cash-flow-based value of \$1.51/share. BLAGF shares could be \$3.21 in 2027.

Exploration drilling into the Chance Corridor could provide insight into the potential “mother lode”. If drilling goes down 400 meters and has drill intercepts of gold 15m and 20 grams/ton and multiple smaller intercepts, the shares could quickly leap an additional \$1.7/share for each one million shares inferred, measured or estimated. This could lead to of Blue Lagoon’s fastest period of appreciation.

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

Energy Transfer LP (ET) ☆

19.19 +0.10 (+0.52%) 19.44 +0.25 (+1.30%)

At close: April 10 at 4:00:03 PM EDT Overnight: 8:23:27 PM EDT

Trade ET on Coinbase

Trading disclosure



Previous Close	19.09	Day's Range	19.04 - 19.37	Market Cap (Intraday)	66.02B	Earnings Date	May 5, 2026
Open	19.05	52 Week Range	15.80 - 19.86	Beta (5Y Monthly)	0.62	Forward Dividend & Yield	1.33 (6.90%)
Bid	19.18 x 720000	Volume	8,044,940	PE Ratio (TTM)	15.86	Ex-Dividend Date	Feb 6, 2026
Ask	19.23 x 370000	Avg. Volume	16,580,678	EPS (TTM)	1.21	1y Target Est	22.07

Alliance Resource Partners, L.P. (ARLP) ☆

26.28 -0.23 (-0.87%) 26.76 +0.48 (+1.83%)

At close: April 10 at 4:00:01 PM EDT After hours: April 10 at 5:52:57 PM EDT

Trade ARLP on Coinbase

Trading disclosure



Previous Close	26.51	Day's Range	26.26 - 26.79	Market Cap (Intraday)	3.381B	Earnings Date (est.)	Apr 27, 2026
Open	26.62	52 Week Range	22.20 - 29.45	Beta (5Y Monthly)	0.28	Forward Dividend & Yield	2.50 (9.51%)
Bid	26.21 x 300	Volume	154,300	PE Ratio (TTM)	10.95	Ex-Dividend Date	Feb 6, 2026
Ask	26.41 x 700	Avg. Volume	422,901	EPS (TTM)	2.40	1y Target Est	30.33

Sample of High Stable Tax-Advantaged Yields for Retirement and Income

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 6.9% and 9.51%, 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.



-
- 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, Post and Courier, SC Public Radio



THANK YOU

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Risk Disclosure

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