PJTX \ DMS Target List

The PJTX\DMS Joint Venture is specifically targeting 3 merchant vessels lost to enemy action in World War I. The following cluster of shipwrecks has been selected as our three primary targets from the hundreds of wrecks in the DMS shipwreck research archives.

SALVAGE TARGETS:

Target Alpha- US$963 million in foreign gold coin
Target Bravo - US$376 million in foreign gold coin
Target Charlie- US$90 million in silver bullion

All values assume the UK government has taken it's 50% share.

- **The British government has issued exclusive permits for all three ships to DMS.**
- **These wrecks are lying in relatively close proximity to each other.**
- **Exact GPS locations of the targets are known.**
- **All three targets have been positively identified as being the correct ships.**
- **Divers have performed visual inspections.**
- **Detailed sonar surveys have been performed.**
- **Detailed documentation confirms the presence of the precious metal cargos.**
- **All three wrecks lie in depths less than 200 meters.**

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Contents:

Billions of Dollars in Cargo Lost During World War II

During World War One, Hundreds of ships carrying thousands of tons of valuable cargos were lost to enemy action.

Gold and diamonds were shipped to North America to pay for War Supplies, commercial transactions and to keep Allied Gold reserves out of the hands of the Axis Coalition. Large quantities of gold were shipped to both the United States and Canada.

Platinum, silver, copper, tin, nickel, and many other metals were also shipped by the thousands of tons to and from North America to supply the United State's and United Kingdom's massive production of war materials.

One of the infamous German u-boats that preyed on allied shipping.

The Germans and their allies undertook a massive effort to destroy all ships that sailed between Great Britain, Africa and North America,.

These ships and their cargos were targets of German submarines. They were highly effective as they sunk over 2,828 of the 5,100 merchant ships lost, with a total loss of 21,570,720 tons of shipping!

A majority of these ships lie there still, their cargos untouched and awaiting recovery.

Originally valued at tens or hundreds of thousands of dollars at the time of loss, today the value of these cargos can range from tens to hundreds of millions of dollars each.

The total value of all cargos lost during World War Two is estimated to exceed over 80 billion dollars at today's commodity prices.

Stevedores loading thousands of tons of copper ingots on board a ship.

Gold and Diamonds Flood the United States

At the turn of the last century the ability to "wire transfer" funds had not been invented yet.

While all nations had their own currencies, gold and diamonds had been established as a means of transacting business on a global basis.

When war broke out the nations of Europe had to safe guard their stockpiles of gold and diamonds while also keeping them safe from capture by the enemy.

Shipping their "reserve currency" to North America was carried out on an emergency basis at the outbreak of hostilities. Per government mandate, weekly shipments leaving Great Britain were in excess of 10 million dollars each week.

At that time gold was $20 per ounce equating to over 500,000 ounces shipping each week. In today's dollars the value of each weekly shipment would exceed $750,000,000.

So much gold was shipped to the United States during World War I alone, it helped spur the creation of the Fort Knox Gold Repository.

While a great many ships made it to North America, many others were lost to enemy action.

Years of exhaustive research have identified and preliminarily located many of these wrecks that have been lost in government records for over 100 years.

Large shipments of gold bullion were regularly sent to North America. Many shipments were lost en route.

Commodity Metals Prices Continue to Rise

The following list details the types of cargo carried on board ships that are of interest to this venture.

- **Gold**
- **Platinum**
- **Silver**
- **Copper**
- **Tin**
- **Nickel**
- **Bismuth**
- **Antimony**
- **Molybdenum**
- **Lead**

Excerpts taken from the Wall Street Journal, March 6, 2011

"Economic growth in US, China and India to boost gold, oil, copper and metal prices."

"Copper inventories remains low worldwide . Expect price and the demand of copper to rise. Copper prices have risen rapidly over the last two years, in part because of growing consumption in China, the world's second-biggest economy, which needs the metal for its construction industry and large energy projects."

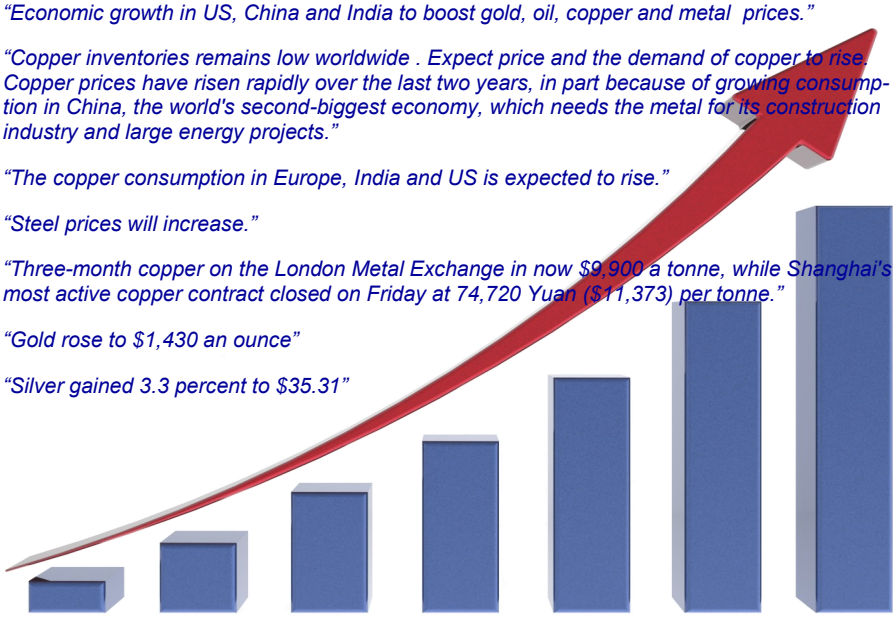
"The copper consumption in Europe, India and US is expected to rise."

"Steel prices will increase."

"Three-month copper on the London Metal Exchange in now $9,900 a tonne, while Shanghai's most active copper contract closed on Friday at 74,720 Yuan ($11,373) per tonne."

"Gold rose to $1,430 an ounce"

"Silver gained 3.3 percent to $35.31"



Historical Research Is the Key to Success

World War I truly was a "World War". During the war destruction of enemy shipping was a primary strategic goal of every combatant in the war.

Combined shipping losses for the US, Great Britain and other nations total many thousands of ships.

The United States was a focal point for the enemy. As the main supplier of war materials to the world, ships were regularly bringing payment for supplies in the form of gold bullion and specie. Large quantities of cut diamonds were also used. The enemy claimed many of these ships.

Photo of an allied ship as she's going down.

Through years of meticulous and painstaking historical research a database of hundreds of these wrecks have been compiled.

All shipwrecks targeted for salvage have been selected on the basis of exhaustive research carried out in records repositories throughout the United States and Europe.

Information on potential salvage targets has come almost exclusively from original, primary sources of information such as original government correspondence, shipping manifests, bills of lading, bank transfer records and ledgers, insurance records, survivor testimony and eye witness accounts.

No secondary sources of information or anecdotal evidence have been utilized in the research process.

Thousands of ships were lost during the war. Many are of no interest due to the type of cargo they carried. Others, with good cargo have little or no positioning information available in the historical record.

"you first have to find a shipwreck in the archives before you can ever hope to find it in the ocean"

Our primary list of salvage targets, which number in the hundreds, meet 3 critical criteria;

1. The cargo manifest(s) and/or Bills of Ladings, Bank of England Reports and Tables or Shipping Advices, have been located which confirms the existence and type of cargo on board the ship; and
2. Positional information is contained in the historical record ensuring we have a good starting point to aid us in locating the ship; and
3. Our targets are located in international waters thereby avoiding the complications of dealing with a foreign government.

Salvage Targets

Target	Cargo	Value	Comments
Alpha	Foreign Gold Coins	US$963 Million	Valuation based on "Melt Value"
Bravo	Foreign Gold Coins	US$376 Million	Valuation based on "Melt Value"
Charlie	Silver and Gold Bullion	US$90 Million	Valuation based on "Melt Value"
Total Cluster Value = $USD 1,429,000,000			

All values are assume the British government has taken its 50% share. These values are based on $1,500 per ounce for gold and $30 per ounce for silver. The values do not factor in the numismatic value of the gold coins.

The accompanying table defines the 3 shipwreck cluster that we have targeted for salvage. A general description of the 3 targets is provided in the accompanying table.

1. These wrecks are lying in relatively close proximity to each other.
2. Recent research data has allowed definitive providence as to ownership of cargo.
3. Exact GPS locations of the targets are known and both targets have been positively identified as being the correct ships.
4. Detailed documentation confirms the presence of the precious metal cargos.
5. All three wrecks lie in depths less than 200 meters.

How We Locate Shipwrecks Using Modern Technology

Locating a shipwreck begins with detailed, high quality historical research that provides either a precise GPS coordinate or an approximate location.

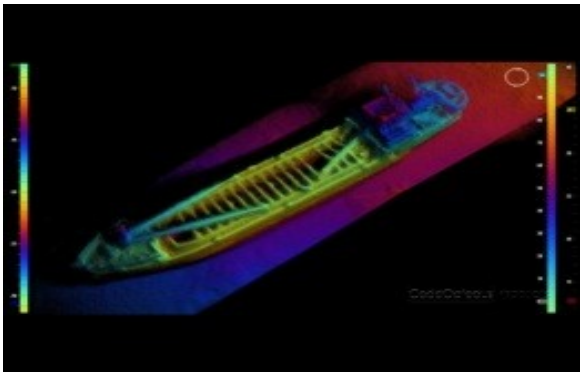
When positions are approximate side scan sonar is utilized. This technology allows us to quickly scan many square miles of ocean per day and precisely locate the shipwreck.

A side scan sonar is towed behind a survey ship and emits sound waves that radiate out over the ocean floor. When these sound waves bounce off an object they are returned to the sensor and displayed as a graphic image live on the surface equipment.

Additional post processing software packages are available which further enhance the raw data for even more detail.

High resolution sonar image of the wreck of the Breda. This image is an excellent example of the power and sophistication of the latest generation of sub sea imaging technology.

Other Technologies We Utilize to Salvage a Wreck



Echoscope

For monitoring work from the surface we also use phased array technology called the Echoscope. It generates over 16,000 beams simultaneously, producing instantaneous three-dimensional sonar images of both moving and stationary objects. We use this for monitoring work, in real time, when visibility is near or at zero.

Remote Operated Vehicles

Able to swim to depths in excess of 3000 meters, the ROV's are essential tools for salvaging wrecks. With the addition of purpose build tooling they greatly aid in the salvage process. We typically utilize 2 work class ROVs during operations.

Custom Equipment Designs Used in Salvage Operation

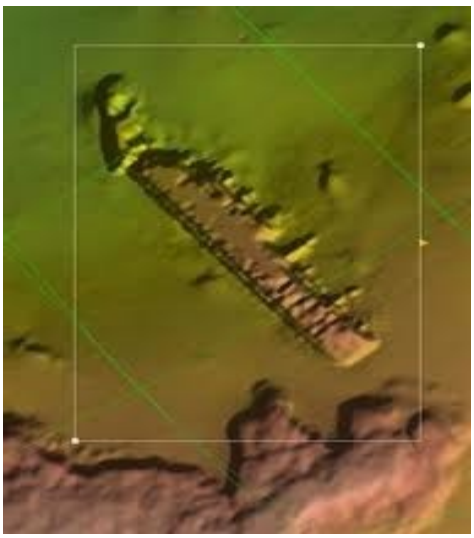
Our main grab is unlike anything ever designed or utilized in marine salvage operations. The design is based upon years of experience using smaller, less efficient designs on other projects.

Its 400 tonne closing capacity coupled with its 150 tonne lifting capacity far outweighs anything ever seen before. This will allow us to gain entry into a shipwreck by means of brute force and then allowing for large volume recoveries from within.

The grabs and hardware have been designed to work down to 3000 meters, the buoyancy modules are built for specific depths of the project, none of which currently exceed 2000 meters.

Once the silt within a wreck is disturbed, under normal circumstances it becomes difficult to continue operations due to the lack of visibility. DMS has overcome this issue by equipping the grabs with 3D MBES (multi beam echo systems). This allows us to continue working in a 'virtual reality' world where we can see exactly where the grab is within the wreck as well as the product we intend the grab to pick up.

Having this ability ensures that the operation is not delayed due to visibility issues, thus enhancing the projects overall efficiency.



Multibeam sonar image of a shipwreck.

Special features include:

- High definition broadcast quality cameras, high intensity LED lighting provide spectacular images, acoustic camera systems give us the ability to continue work in zero visibility.
- An active heave compensation system pays out and retrieves cable automatically matched to the vessels motion, all controlled by computer. This allows the grab to remain motionless during salvage operations regardless of ships motion on the surface.
- Its sheer size and lifting capacity allow us to recover greater volumes of cargo on each cycle thereby maximizing efficiency.

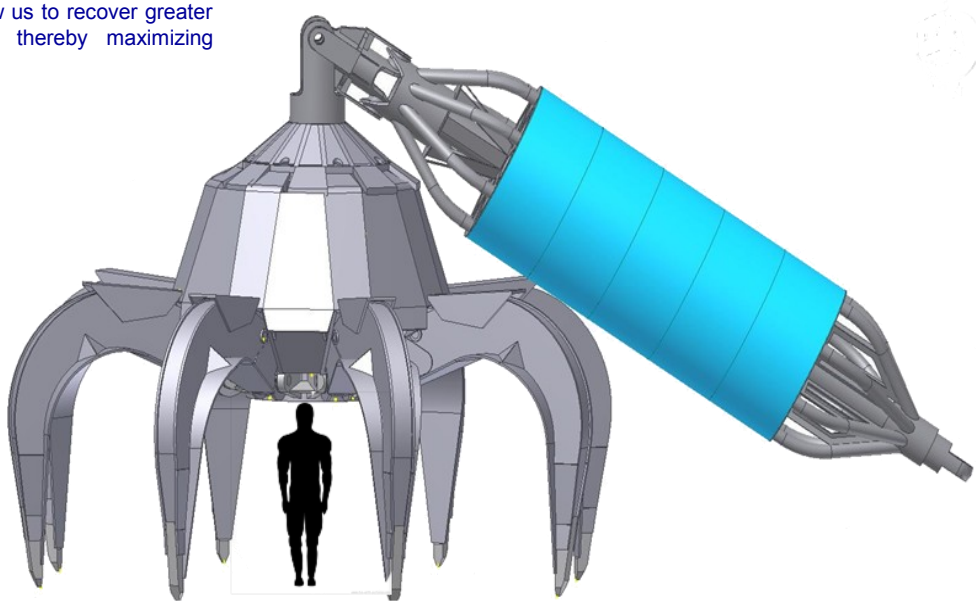
For Example :

- Grab capacity is equal to 12 cubic meters
- A cubic meter of copper is equal to 19580 lb
- We can potentially lift 235,000 lb of copper in each lift

This volume is equivalent to US$ 960,000 (approx)

Grab Design:

Depth – 3000 meters
Volume - 12m³
Width Closed – 4m
Width Open – 6m
Height – 5m



Recovering Cargo Using DMS's Proprietary System Designs

The 1st stage of the recovery strategy is based on 'irresistible force' i.e. a Dynamically Positioned (DP) salvage vessel with a specially designed "octopus" grab having a 150 tons Safe Working Load (SWL) and over 400 tons of closing force, which is capable of the systematic dismantling of the shipwrecks' structure.

Practical experience has led DMS to design four variations of "octopus" grab and one "clamshell" grab.

The main octopus grab can muster immense brute force, utilizing a choice of two interchangeable sets of jaws. The smaller set, just larger than the body, gives us the option to enter the wreck without having to unnecessarily remove large sections of the ships structure. This leads to greater cost effectiveness.

Both sets of 'octopus' grab jaws have inserts that can change the grab to be fully sealed when closed.

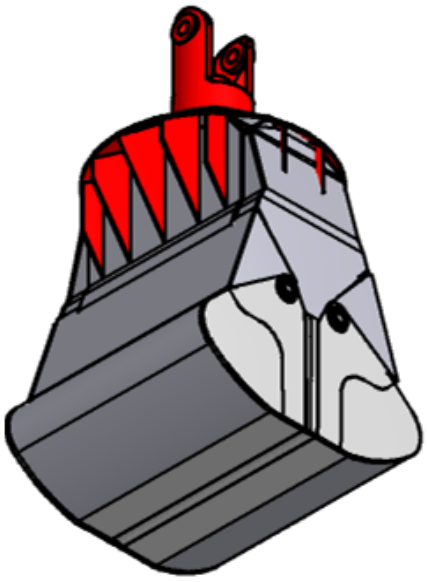
This is for the recovery of small items such as coins and diamonds.

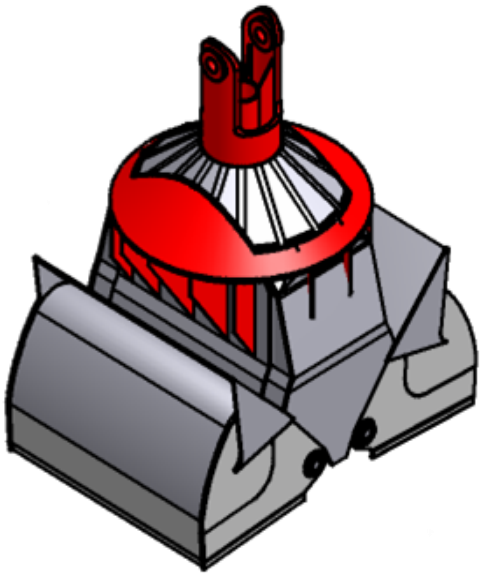
In a concerted effort to be as cost effective as possible DMS has therefore designed one grab that has four separate configurations using the same body, hydraulic rams and suspension system.

The fifth design of grab is totally different, called a "clam shell" this is essential for the recovery of cargo close to the bottom of the hold (tank tops) without causing damage to the tank top which would cause delays to the recovery of cargo.

This too also utilizes the same suspension tube equipped with cameras and lighting systems.

These grabs have been specifically designed by DMS for this type of subsea salvage operation and are ready to be custom built by a specialized grab manufacturer.





Clamshell Grab – The main grab is designed to rip and tear. The smaller clamshell design is necessary to recover cargo from the very bottom of holds without tearing up the tank top (flat bottom) of the hold.

The grab is equipped with it's own cameras, lights and acoustic cameras but is also guided by two sophisticated underwater Remotely Operated Vehicles (ROV's), also equipped with both normal and acoustic cameras that can 'see' in the silt-laden innards of the ship wrecks.

DMS will also utilize further state of the art equipment to aid access into the target wrecks, i.e. hydraulic sheers, diamond cutters etc all extensively proven equipment used in the oil and gas industry.

The methodology and reason for different sizes and types of grab is the large octopus grab will be utilized to remove ships structure and unwanted cargo (Overburden) as quickly as possible and in the initial stages recover large volumes of cargo.

As the cargo diminishes or the access becomes restricted deeper into the wreck we can use the smaller grab and as we near the bottom of the hold it's essential to swap to a clamshell design.

If at any time during the operation we discover smaller items any of the two closed octopus grabs or the clamshell can be utilized to recover them without losses through the sides of the grab jaws.

Throughout the entire operation we use the ROV's to constantly survey for and locate cargo and valuable items for recovery. The ROV's themselves can be used recover delicate - valuable items.

More specifically at the end of recovery ROV‟s will be used for a last look survey as they have great maneuverability and dexterity and can identify and handle artifacts, specie etc, gently and discriminatingly.

Salvage Vessel with Dynamic Positioning Capability Required for Venture

Consideration has to be given to the localities of our targets, the depths of water that they lay within and the environmental conditions that surround them. This has to be coupled with the need for sufficient deck space to launch and recover the salvage specific equipment, the accommodation to house our crew and large and secure storage requirements for the cargo that we recover.

Ideally, our vessel of choice would already have a purpose built mast pre-installed over a working moon pool. However if this is not the case DMS would still consider a vessel of opportunity due to the fact that our engineering department has already planned for the fabrication of a mast suitable to transfer between vessels.

As there is a requirement for the salvage vessel to be attached to a fixed structure on the seabed (the shipwreck) the salvage vessel itself has to be equipped with a Dynamic Positioning (DP) system. Using sophisticated referencing systems such as Differential Global Positioning Systems (DGPS) and High Precision Acoustic Positioning (HiPAP) the salvage vessel can keep station to within a matter of centimeters

Minimum Vessel Requirements

- **Length:** 90 -120 meters
- **Beam:** 20 meters
- **Positioning**: DPII or DPIII
- **Crane:** Minimum 100 ton SWL with active heave compensation
- **Moonpool:** for the launch and recovery of the grabs
- **ROVs:** 2 work class ROV's rated at minimum 150hp each
- **Terms:** Available for monthly charter

This Venture is a Proven Concept

DMS operations personnel have performed this type of salvage operation before when working for other off-shore companies.

The project illustrated in these photos is the cargo being recovered from a wreck sunk of the coast of Europe. These many tons of copper ingots were recovered from over 1200 meters in depth.

This project illustrates one of the most important things about this venture;.

"We've already done it"

DMS team member standing on a mountain of copper ingots.

A 100 ton skip is being raised on board Ship containing many tons of copper ingots.

A huge pile of copper ingots is poured out on deck.

Crewmen prepare the skip to go back below to bring up another load of ingots.

Handlers are used on deck for sorting and cleaning the ingots

A pile of ingots ready for sale to wholesale buyers

Crewmen with one of the thousands of ingots recovered during this project.

Project X, Inc. (PJTX) Management

Mike Johnson – President and Chief Executive Officer

Mr. Johnson has over 20 years of experience in the public and private capital markets. For the past 10 years he has been an independent consultant working for various private and public companies assisting management in obtaining institutional investors and analyst coverage to maximize shareholder value. His primary focus has been identifying funding sources, structuring the financing and negotiating the transaction. He has participated in IPO's, secondary offerings, debt and equity financings, as well as private placements both on the retail and institutional level. His entry into the public markets began with various broker dealers in both retail and institutional sales. His financial career began at Fidelity Investments in 1989 in the institutional trading division. In 2005 Mr. Johnson was the co-founder of Johnson and West, Inc. which started both Maku Furniture and Eco-Shop which specializes in unique design and eco-friendly furniture manufactured in Indonesia and other brands/ products from over 50 companies which are part of the sales channel. Currently, Mr. Johnson serves on the Board of Directors. He received his Bachelor of Science degree in Economics in 1989 from Fitchburg State University. He is married 16 years and has 4 kids ages 13,11,9 and 3.

Jason Sunstein – Treasurer and Vice President

Mr. Sunstein brings finance, mergers and acquisitions and general management experience to Project X, Inc. Since 1990, he has participated in a broad variety of both domestic and international structured investments and financings, ranging from debt and preferred stock to equity and developmental capital across a wide variety of infrastructure and corporate financings. He has been involved in numerous start-ups, turnarounds and public companies. Prior to Project X, Inc., Mr. Sunstein co-founded ubroadcast, Inc., now known as the Santeon Group, Inc., a publicly-traded technology company Headquartered in Northern Virginia with offices strategically located in San Diego, Los Angeles, London, Cairo and Dubai with product offering and services in Healthcare, Energy, Media and Agile Development. Prior to ubroadcast, Inc., Mr. Sunstein founded one of the first publicly traded VoIP (Voice over Internet Protocol) companies in the USA. Mr. Sunstein serves as a Board of Director of several companies, as well as the Advisory Board for the National Nutrition Reform, a non-profit organization in San Diego, California. He attended San Diego State University where he majored in Finance and has held NASD Series 7 (General Securities Representative) and Series 63 licenses.

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Deep Marine Salvage (DMS) Management

Nigel Smith – President, Logistics and Liaison Director

Nigel's Royal Navy background gives him a sound, practical understanding of marine operations. Having accrued 23 years of project management in the telecommunications engineering business, project managing numerous multi-million dollar projects on a global scale, his project management, public relations and inter-personal skills come to the forefront when DMS works with clients, vendors and international authorities. Nigel has worked in 10 countries and brings project management, man management and diplomacy skills to the DMS team.

Will Carrier – Operations Director and Offshore Manager

An established Offshore Manager, with a career spanning 27 years' in the sub-sea operations division of the offshore oil & gas industry. Areas of specialty include deep-water saturation diving, ROV ultra deep-water operations, large-scale marine construction and salvage operations, new-build vessel construction, commissioning and management. He brings a wealth of heuristic knowledge relating to subsea operations, vessel, crew and project management, incorporating the QHSE that pertains to the set-up and execution of offshore salvage projects. With a full spectrum of experience gathered in the marine industry, Will is a key member of the DMS team.

Seb Lacombe - Engineering Director and Offshore Manager

With more than a decade of sub-sea engineering experience under his belt – including the design of specialized salvage equipment, ROV tooling, launch and recovery systems – Seb is a highly motivated, energetic and competent member of the DMS team. His strong understanding of marine operations combines with his experience of deep-sea salvage missions, mechanical background and work with side scan sonar systems makes him more than capable to supervise our salvage operations. Seb is a French national but is also fluent in English and Spanish.

Executive Summary

Company

Project X, Inc. ("PJTX") was formed on June 1, 2011, for the purpose of entering in to a Joint Venture with Deep Marine Salvage Inc., a Nevis Corporation ("DMS"). The purpose of the Joint Venture is to engage in the business of locating and recovering valuable cargo from ships lost throughout the world's oceans. On July 20, 2011, PJTX and DMS entered into a Joint Venture Agreement (the "JV Agreement") to set forth the terms of the parties' agreement to create and operate such Joint Venture (the "JV").

The JV's business strategy is to recover/salvage World War I commodity cargo shipwrecks that have been identified by the DMS research team that contain valuable bulk high value cargos that can be profitably recovered using proprietary recovery equipment, techniques and procedures developed by Deep Marine Salvage.

Mission Statement

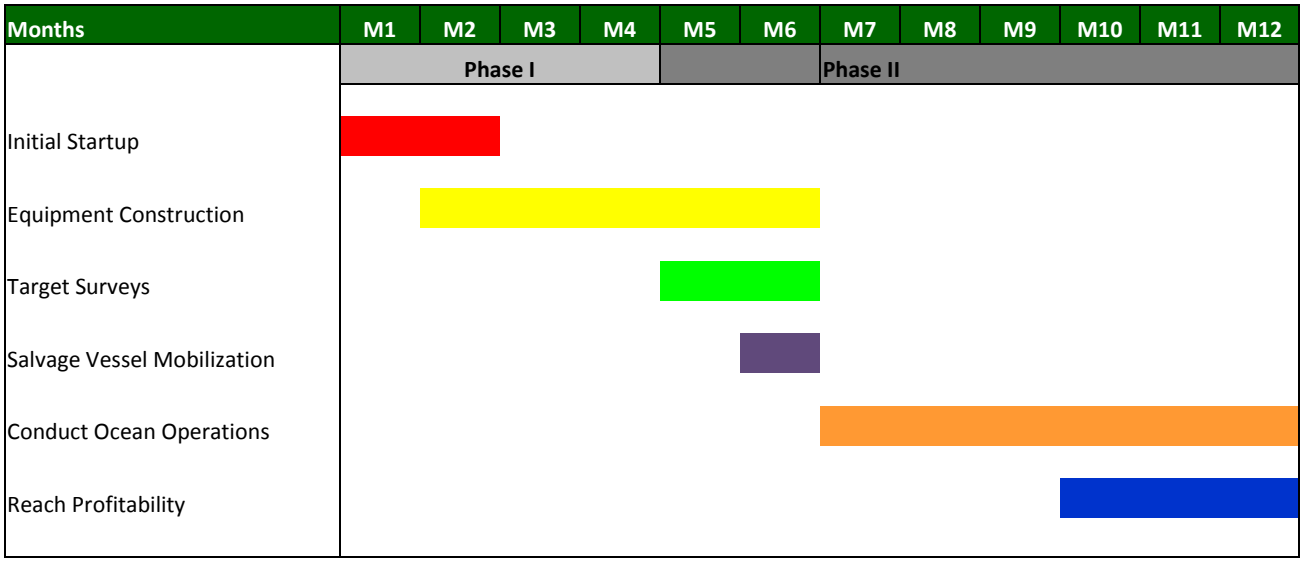
Project X Inc, is a Nevada corporation that was incorporated in for the express purpose of fulfilling the business and fund raising objectives of the JV. PJTX's long term strategy is to participate in other projects that management believes presents uncommon opportunities.

The JV will specifically target merchant vessels lost to enemy action in World War I. The chosen cluster of shipwrecks is a selection of primary salvage targets that represent a small number of the hundreds of valuable shipwrecks in the DMS shipwreck research database. All these targets were lost to enemy action in World War I. These wrecks are lying in relatively close proximity to each other.

The JV parties have identified a cluster of three (3) shipwrecks. The parties have set a budget of $10.2 million, after which the ongoing project is expected to become self funding. PJTX is responsible to raise such capital for the JV for the operations of the JV. PJTX and DMS believe this to be sufficient to meet the operational needs of the JV to complete the location and recovery of these three (3) shipwrecks.

The salvage is scheduled for June through September of 2013.

Projected Timeline



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Please Read

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ANY SECURITIES ASSOCIATED WITH THIS PROJECT WILL ONLY BE OFFERED TO QUALIFIED PURCHASERS ("SUBSCRIBERS") PURSUANT TO CERTAIN EXEMPTIONS FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS CONTAINED IN THE APPLICABLE SECURITIES LAWS IN THE STATES WHERE THIS OFFERING IS MADE AND PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") CONTAINED IN SECTIONS 3(b) AND 4(2) OF THE SECURITIES ACT OF 1933 (THE "ACT"), RULE 506 OF REGULATION D PROMULGATED UNDER AND REGULATION S PROMULGATED UNDER THE ACT. NO REGISTRATION STATEMENT OR APPLICATION TO REGISTER THESE SECURITIES HAS BEEN FILED WITH THE SEC OR ANY STATE SECURITIES COMMISSION. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY STATE OR PROVINCIAL SECURITIES COMISSION NOR HAS THE SEC OR ANY STATE OR PROVINCIAL SECURITIES COMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THESE OFFERING DOCUMENTS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Project X

Project Overview
Research Background

Background:

In the early 90's, we found by chance, misfiled at the National Archives (NA), a document relating to exports of gold to North America during the First World War, from which it was ascertained that the British Government had been flooding the United States market with precious metals in order to make the issuing of credit easier. More specifically J P Morgan, the British Government's purchasing agent, was also the owner of some of the shipping lines involved in these exports.

We subsequently unearthed related documents in the NA, the archives of Morgan Grenfell, the Bank of England, and other sources. During the First World War the Bank of England alone shipped, on behalf of the British Government (H M Treasury), over £389,000,000 (£21,006,000,000 equivalent value in 2010) in bullion and coins, not including other massive shipments. Diamonds were also shipped.

Largely because these shipments of gold were publicized in the national press for the benefit of London stockbrokers, they were a target for enemy u-boats and a large number of the ships carrying bullion and coins were sunk. The German navy, apparently, could not believe its luck and specifically targeted ships named in the press to prevent gold reaching the USA. The practice of naming ships was only halted when senior British Government officials realized their culpability.

Introduction:

Britain, at the beginning of WWI, put its industries onto a war footing producing munitions and the full panoply of war materiel. As an industrial nation its raw materials for the factories and shipyards were largely imported, and later in the war manufactured weapons were more and more brought in mainly from the USA and Canada.
These imports had to be paid for by the British Government and in time of war where the outcome was uncertain the only acceptable medium of exchange to the US Government was not pounds sterling, but gold. The country's gold reserves were utilized for the war effort and the Government sequestered gold bullion and coins held in private hands in Britain and from all colonies of the empire which still existed at this time.
What was happening in Britain was also happening among the Allied Powers. France, Russia and Italy were engaged in total war against the Central Powers (Germany, Austria, Bulgaria, and Turkey). The allied powers followed Britain's lead and placed their gold reserves in London for a unified war effort. These deposits were then trans-shipped to the US as a bond to purchase commodities for the war effort along with British gold.

Gold Movements:

The British Government's policy was to place large quantities of gold in the United States through its purchasing agent J P Morgan & Co., and in Canada with the Dominion Government in Ottawa. This was to ensure payment for the billions of dollars worth of contracts with American and Canadian producers for weapons, munitions and goods needed by the Allies. So much gold was trans-shipped that in order to secure such a massive amount led, in part, to the building of Fort Knox.

There were three types of gold shipments:

- HMT gold shipments made by the Bank of England to North America

- Set Aside gold - Gold owned by other Governments
- Market gold - Gold used for everyday commerce. - Shipped by Midland Bank (agents for the BoE) and by the Joint Stock banks

Enemy Action:

The logistics of transferring large quantities of gold across the Atlantic in time of war was daunting. The German navy was adept at laying minefields in the shipping lanes around the approaches to Britain and a greater threat was the efficiency of the German submarine fleet.

The most secure means of transport was by Royal Navy warships but the Admiralty could allocate only a small part of the freighting capacity required by the Treasury. The major part of the shipments of gold was carried by the merchant fleet under direction of the Government, despite crippling losses of men, ships and vital cargoes.

In fact the urgency to ship such a massive reserve of gold led to Government documentation that we have in our possession stating the amount per ship that must be carried. This document also denotes that certain ships should carry more and in fact states a minimum that should be carried by certain ships.

Over the period of World War One German submarines sank some 5,000 Allied ships (more than 12,000,000 tons) at a cost of 178 U-boats destroyed.

We have a letter dated 1916 stating: "...since 1916 the ratio of British losses has steadily increased from 53% ...to present figure of 64%".

This in some part was due to the London newspapers naming the ships carrying the gold and the amount for the benefit of the London stockbrokers and metal traders.

The Germans of course could not believe their luck and specifically targeted ships named in the papers to prevent gold from arriving in the US that would in turn be exchanged for war goods to fight the war against Germany. This unbelievable situation was stopped and we have copies of the documentation from very senior government officials asking the practice of naming ships to be altered until they actually arrived in America as this information was highly beneficial to the Germans and has caused the loss of many ships.

Targets:

Our targets are called, for security purposes, wrecks "A", "B" and “C”. Security is a prime focus within our company and as such, we will not release the names of the actual targets.

The pro-forma value of our 3 targets is shown in the table at the end of this report.

Proof One: (Massive amounts of gold being shipped)

1917 BoE letter stating *"...that the Governors are leaving no stone unturned to get all the gold possible shipped either to Canada or America"*

1917 Letter to the Secretary, Treasury, concerning the weekly value of gold shipments: *"..present rate of shipment, which does not exceed £5,000,000 a week...to make arrangements with a view to ensuring that this gold is dispatched at the rate of not less than £10,000,000 a week henceforth."*

1916 Bank of England Letter Concerning the Gathering of Gold for Shipment to North America: *"...We are, on the government's behalf, collecting all of the gold we possibly can with the special object of filling the American market so full of that metal to make money very easy and to make loans therefore easily obtainable."*

Proof Two: (Proof of gold on two of our targets)

1915 Letter from Senior Economist Advisor (George Paish) to Chancellor of the Exchequer stating: *"…the ("A")…were supposed to be conveying large amounts of gold from London to New York...in the days immediately preceding the day on which the ("A") went down the announcement was made that £4,750,000 of foreign gold coin had been sold by the Bank of England and it was commonly supposed that the ("A") was carrying out the greater part of this amount... the ("B") were supposed to be conveying large amounts of gold from London to New York or Ottawa...Again, on Friday last the announcement was made that £1,857,000 of foreign gold coin had been sold by the Bank of England and it was commonly supposed that this gold would be sent away on Saturday, and possibly this may be the reason why the ("B") was torpedoed."*

This letter went on to say*"... In these circumstances I would earnestly suggest that the Bank of England be requested to stop the daily publication of all gold movements. In normal times this daily information is of great value to the London money market and on one appreciates its value more than I do; but in these days the daily movements of gold no longer have the individual importance they had prior to the war when the movements of gold were regulated by the Bank of England Rate and by the value of banking money in London."*

Proof Three: (Proof of gold losses during the period of our targets)

December 15, 1915 Bank of England Letter to the Secretary, Treasury, Concerning Loss of Gold Carriers: *"...In the absence of the faculties formerly available for the dispatch of Sovereigns to Canada..." (note -The date of this letter. Only three gold carriers were sunk during 1915, including our two targets.)*

1916 Bank of England Letter Concerning more gold carrier losses: *"...surely few people interested in bullion movements who have not yet heard that enemy submarines have destroyed some of our finest ships."*

April 2nd, 1918 Telegram Concerning gold shipments from The Naval Assistant to Deputy First Sea Lord*: "..N.B. Movements not completed are particularly secret."*

Proof Four: (Proof of gold on our targets)

Bank of England Letter to Treasury Chambers: "*...the bullion being sold to His Majesty's Government by the Bank in London as on the date of shipment..."*

Midland Bank Ledgers for the Bank of England Gold Shipments: "*Ledgers showing that the amounts indicated in the Paish letter were sold on the date of the sailing for both of our targets.)"*

Proof Five: (Proof of Target Locations)

Ship's Bell from Target "B" with it name

Crockery with the Shipping line's name and crest on the bottom

1915 GOLD VALUES & US DOLLAR VALUES OF OUR TARGETS

Gold Value:

In 1915, gold was US$18.50 per Troy Ounce
The Pound Sterling was equal to US$ 4.85 - 4.89

For ease of calculations, we have taken the same exchange rate used by the Newspapers of the era £1.00 = US$ 5.00

Actual recovery values are calculated at current day "melt value", on a per ounce basis, at $1,500 per ounce.

Target A:

£4,750,000 in Foreign Gold Coin
US$ 23,750,000 = 1,283,784 Troy Ounces
24,000 Troy Ounces to the ton = 53.4 tons
Approximately US$ 1,925,676,000 (@ $1,500 per ounce)

Target B:

£1,857,000 in Foreign Gold Coin
US$ 9,285,000 = 501,892 Troy Ounces
24,000 Troy Ounces to the ton = 20.9 tons
Approximately US$ 752,838,000 (@ $1,500 per ounce)

Target C:

Third wreck in close proximity to Targets A and B.
Cargo of Silver Ingots
Approximately US$ 180,000,000 (@ $30 per ounce)

Total Value: US$ 2,858,514,000

Note: All values are stated at current "melt value" and do not reflect increased valuations from the numismatic valuations of "foreign gold coin"