

**BuySellWebsite
Website Appraisal Report For:**

Junior Miners.Com
Including URL of:

www.juniorminers.com



May 2, 2008

**Submitted by Melissa Rich
Senior Website Appraiser
(620) 443-5247**

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Table of Contents

| | |
|---|-----------|
| TABLE OF CONTENTS | 2 |
| REPORT INTRODUCTION | 4 |
| SECTION 1 - INTRODUCTION TO APPRAISAL | 5 |
| SECTION 2 - ESTABLISHMENT OF CREDIBILITY | 6 |
| SECTION 2.1 - RELIABILITY OF BUYSSELLWEBSITE | 6 |
| SECTION 2.2 - RELIABILITY OF VALUATION METHODS | 6 |
| SECTION 2.3 - RELIABILITY OF YOUR APPRAISER..... | 7 |
| SECTION 3 - APPRAISAL METHODOLOGY AND PROCESSES | 8 |
| SECTION 3.1 - SOURCES OF INFORMATION..... | 8 |
| SECTION 3.2 - VERIFICATION OF INFORMATION..... | 8 |
| SECTION 3.3 - LIMITATIONS | 9 |
| SECTION 4 - WEBSITE INTRODUCTION AND HISTORY | 10 |
| SECTION 5 - ANALYSIS OF TRAFFIC VALUE AND TRAFFIC PATTERNS | 11 |
| SECTION 5.1 - CURRENT TRAFFIC PATTERNS..... | 11 |
| SECTION 5.2 - TARGET MARKET AND MARKETING EFFORTS | 12 |
| SECTION 5.3 - TRAFFIC SOURCES..... | 12 |
| SECTION 5.4 - FUTURE RECOMMENDATIONS..... | 13 |
| SECTION 5.5 - TRAFFIC VALUATION FORMULATION..... | 14 |
| SECTION 6 - FINANCIAL ANALYSIS..... | 15 |
| SECTION 6.1 - REVENUE SOURCES | 15 |
| SECTION 6.2 - EXPENDITURES..... | 15 |
| SECTION 6.3 - ANALYSIS AND RECOMMENDATIONS | 15 |
| SECTION 6.4 - FINANCIAL VALUATION FORMULATION..... | 16 |
| SECTION 7 - CONTENT VALUE | 17 |
| SECTION 7.1 - DESIGN FACTORS | 17 |
| SECTION 7.2 - SITE NAVIGATION/ORGANIZATION..... | 17 |
| SECTION 7.3 - DESCRIPTION OF CONTENT..... | 17 |
| SECTION 7.4 - RECOMMENDATIONS..... | 17 |
| SECTION 7.5 - CONTENT VALUATION FORMULATION..... | 18 |
| SECTION 8 - MULTIPLIERS..... | 19 |
| SECTION 8.1 - ESTABLISHED MULTIPLIERS..... | 19 |
| SECTION 8.2 - NEWLY ESTABLISHED MULTIPLIERS..... | 19 |
| SECTION 8.3 - VALUATION FORMULATION..... | 19 |

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SECTION 9 - CURRENT MANAGEMENT 20
SECTION 9.1 - MANAGEMENT ACTIVITIES 20
SECTION 9.2 - EXPERTISE REQUIRED 20
SECTION 9.3 - FUTURE RECOMMENDATIONS..... 20

SELECTION 10 - ADDITIONAL SALE INFORMATION..... 21
SECTION 10.1 - SUPPORT AVAILABLE..... 21
SECTION 10.2 - ASSETS INCLUDED 21
SECTION 10.3 - PURPOSE OF SALE..... 21

SECTION 11 - VALUATION SUMMARY 22

SECTION 12 – FUTURE VALUATION – 1 YEAR..... 23

SECTION 13 – FUTURE VALUATION – 2 YEAR..... 24

SECTION 14 - CERTIFICATION 25

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Report Introduction

RE: Junior Miners.Com

April 28, 2008

Dear Mr. Adams:

Per your request, we have prepared a complete website appraisal based upon the information that you have provided, as well as information we have collected. The purpose of this appraisal is as follows:

- To provide a professional unbiased appraisal that establishes a value for the website. Please note that this goal has been accomplished by applying our proven valuation formula after careful analysis of website traffic, value of that traffic, financial patterns, profitability, and content value.
- To provide a unique assessment of the site that includes factual information, statistics, analysis, and summaries that will be of high value and interest to both you and potential buyers or investors.
- To provide the site owner with a stronger understanding and additional insight regarding methods and means that will result in a more productive website.

Please note that we are appraising the Internet properties of the above company as of April 28, 2008. More specifically, we are appraising the Internet based business for that company and domains listed. Our appraisal does not include any subsidiaries, entities, parent company, etc.

As you know, we hold the information that you have provided, as well as the information contained in this report, in the strictest of confidences. We will not be releasing any of this information to any outside parties without proper authorization. Although we retain ownership of said appraisal, we grant you the right to release this information to additional parties for the purpose of improvement or sale of said websites.

I wish to thank you for the opportunity to provide this appraisal. If you have any questions or concerns, please do not hesitate to contact me at (620) 443-5247 or by e-mail at melissarich@buysellwebsite.com.

Sincerely,

Melissa Rich
Senior Appraiser – BuySellWebsite®
melissarich@buysellwebsite.com
(800) 681-4176

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Section 1 - Introduction To Appraisal

The following information has been compiled to provide a brief introduction to the website being appraised and further discussed throughout this appraisal:

Company Name: Junior Miners.Com

Domain name: www.juniorminers.com

Appraiser: Melissa Rich

Date of Request: April 16, 2008

Reason for Appraisal: To sell website

Operating Address: Box 2401 Cliffe Avenue – Courtenay, BC V9N 2L5 Canada

Phone number: (250) 334-9282

Current site owner: Junior Miners.Com (owned by Gregg Adams)

Year established: 2007

Unique Visitors: 3,191 per month

Revenue per month: \$400

Net Income per Month: \$388

Based on a nine and twelve- month multiplier and Content Value of 30%*

The Estimated Value Range is: \$6,033 to \$8,044

*Please see section 11 for complete breakdown of Valuation Formula.

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Section 2 - Establishment of Credibility

In order for the appraisal to have the accuracy demanded by the marketplace, we have established that our company is reliable, that our valuation methodology is reliable, and that our staff is reliable. The following sections will further detail these qualifications.

Section 2.1 - Reliability of BuySellWebsite

BuySellWebsite (A Division of Web Business Properties, Inc.) has provided appraisals for websites and e-businesses throughout the world, including Europe, Australia, and North America. The company is in its third year of appraising websites, with appraisal values ranging from \$2,500 to \$2.5 million. It is the only website appraisal company to be recommended by the highly respected publication [Internet Magazine](#).(tm).

Section 2.2 - Reliability of valuation methods

BuySellWebsite has been successful in establishing a value methodology that can be applied to virtually any website. The principles of appraisal methods are consistent and reliable; however, a strong understanding of how to apply those principles to each unique situation results in fair and accurate assessments. The company has proven its ability to adapt its methodology to meet the diverse array of website applications. Furthermore, the following classifications of websites have been appraised in the past and will highlight the diversity and accuracy of appraisal methods and formulations:

- Websites with minimal revenues and sites with \$3 million revenue per month.
- Websites that are newly established and sites with Internet history of up to seven years.
- Websites with unique visitors as low as 5,700 and sites with unique visitors as high as 1.6 million per month.
- Websites that have been created to provide information without the motive of profits, sites that generate revenues through ad sales or membership fees, and sites that offer services or products for the purpose of generating profits.
- Websites from a wide range of industries catering to unique target markets including technology (computer sales, internet marketing, instant messaging services, search engines, etc.), employment and careers (work from home, recruiting, resumes, etc.), health (natural and herbal supplements, health advice etc.), services (resume writing, dating, etc.), home decorating, financial advice, sports, entertainment (dating, community, adult, puzzles, local, informational, writing, children's education, etc.), and specialty goods (bridal gowns, murals, etc.)

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Section 2.3 - Reliability of Your Appraiser

Melissa has been a Senior Website Appraiser since April of 2002 and has over five years of experience as a website appraiser. In 2008, she completed her CeM (Certification in eMarketing) through the eMarketing Association. She is a graduate of Emporia State University with a degree in Accounting. She has more than 20 years of business experience including accounting, management, operations, and marketing.

Her professional career includes establishing and operating several successful Internet businesses and serving a Fortune 300 company in a full time consulting role. Melissa has more than five years experience appraising websites and has valued more than \$35 Million dollars worth of Internet properties.

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Section 3 - Appraisal Methodology and Processes

The relative valuation of websites and Internet properties is based upon the following critical factors:

- Valuation of website traffic
- Valuation of financial patterns and profitability
- Content value relative to competition and visitor expectation
- Monthly multipliers

The above factors are utilized in combination to establish and document the value of the Internet property. All of the above factors will be further discussed under their respective report sections.

Section 3.1 - Sources of Information

The report initiator has provided information to our company to assist us in the appraisal process. That data may include website statistics, history, financial statements, and other information pertinent to this appraisal. Please note that there may be biases in providing that information to our appraiser. We will certainly verify information as possible; however, it is not possible for us to provide verification or project with certainty the absolute reliability of all information provided to us. Readers of this report are strongly encouraged to consider this disclaimer before making any financial investments or decisions.

Section 3.2 - Verification of Information

Our research involves a large number of Internet resources for the purpose of verification and detailed analysis. Those resources may include (but are not limited) to the following online resources:

webtrends.com, toolbar.google.com, linkpopularitycheck.com, marketleap.com, webposition.com, alexa.com, deepmetrix.com

Site popularity may also be measured through alltheweb.com, yahoo.com, altavista.com, aol.com, google.com, hotbot.com, search.msn.com, and dmoz.com. Please note that each appraiser is responsible for determining which Internet tools provide the greatest validity to this appraisal.

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Section 3.3 - Limitations

In the preparation of this report, the appraisal may include forward-looking statements that are based upon prior performance and reasonable projections. We are not a licensed real estate or business appraiser. We do not claim to have audited in any way the financial reports and information provided to us.

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Section 4 - Website Introduction and History

The website was established in June of 2007 when the site owner observed an historic high in the commodities. Junior Miners is an industry term that applies to small drilling and prospecting companies in the metal industry. The site owner's career was in natural resources and he opted to apply this knowledge to create a website that appealed to this niche industry.

Per site metatags, the site can be described as follows:

Title - Junior Miners | junior mining | junior mining companies | junior mining stocks | silver | mining company | penny mining stocks | gold mining | zinc |

Description - Site for mining stocks, mining companies, exploration, prospectors, miners, gold panners, metal detectors

Keywords - gold company, silver miner, copper, penny stocks, stock pick, buy penny stocks, mining company, gold mining stocks, uranium stock, small cap stocks, gold prospecting, gold pans, copper mining, mining stock

Furthermore, website owner also had the following comments:

The name is used in mining circles for years. Any small grass roots exploration company has been called a junior. Whether it be a junior miner or junior explorer. There is not a day that goes by that Stockhouse.com does not have the term or words junior miner on it's front page.

Most mining either caters to the large cap mining companies or to the hobbist who is just is a weekend gold panner. This is the first website that really caters specific to junior mining companies from all over the world. It caters to small listed companies that are trying to get noticed by investors or their peers. It receives emails all the time saying things like "good work" or "it's about time".

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Section 5 - Analysis of Traffic Value and Traffic Patterns

Traditional business appraisal methods in the brick and mortar business community fail to adequately consider the value of Internet traffic in relationship to the total value of the Internet property. Traditional appraisal methods cannot be easily adapted for Internet applications since the business foundations are so dissimilar in nature. Many within the brick and mortar business community simply do not understand that website traffic has an inherent value and could easily be the greatest asset of many Internet businesses.

Conversely, webmasters and developers understand the difficulty and exhaustive efforts in acquiring and maintaining website traffic and high visitation statistics. Therefore; they tend to believe that there is a direct correlation between the amount of the efforts and value of the traffic. Traffic cannot be valued upon the efforts applied to obtain traffic, but must be measured based upon the market rate of acquiring said traffic.

Section 5.1 - Current Traffic Patterns

For the purpose of this report, we have utilized statistics provided by the site owner as per their website hosting. We have made every attempt to verify its accuracy through third party reporting. All statistics are based upon average of the last three months unless otherwise noted.

The site had an average of 3,191 unique visitors each month. This number is not the number of hits or page views to a site. For instance, if one person visits the site twice within a month, this would only count as one unique visitor.

Per site owner, the site traffic has been growing and he is not aware of any seasonal trends.

The site has adequate page views each month. The site had 11,043 page views each month or 3.46 page views per unique visitor.

Statistics provided by the hosting company were limited in scope. The appraiser has reviewed the statistics through the admin panel and reviewed the related documentation. Per the documentation of the stats provider, the number of page requests is the total number of page views. We know that there have 52,743 page views (requests for pages) and that there have been 15,270 unique hosts (visitors) since October 2007. This information was taken from the general summary in the stats page. The average visitor views 3.46 pages each. All of this information is cumulative from October through present, but we needed stats for the last three months.

In the last three months (Jan to March), we know that we had 33,129 page views and average of 11,043 per month. Since the average visitor views 3.46 pages each,

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we can surmise that there are 3,191 unique visitors per month (11043 divided by 3.46). For appraisal purposes, we have utilized the following numbers:

3191 unique visitors per month

11,043 page views per month

Traffic to any given site is rarely fully exploited. There are always additional ways to create revenue from the current traffic. Examples include enhancing the current website to increase the sales to visitors' ratio; more effectively collecting email addresses and marketing to them; or selling advertising on the website. This is the reason why traffic is valued in addition to the other factors that create value for the site.

Section 5.2 - Target Market and Marketing Efforts

Target market can be defined as any individual or investor that may be seeking information regarding junior mining companies and any junior mining company that may be seeking investors.

Newsletter has been utilized recently to increase return traffic and site owner stated that newsletter has clearly affected traffic. Newsletter has been published towards the end of each month. Site owner also had the following comments:

Also in January we started a newsletter that goes out. Response has been good. Each time a newsletter goes out we get more interest in buying banner ad space. There are just under 800 on the newsletter. Most of these are to smaller mining companies and interested investors.

Offline advertising has not been used to seek new visitors.

Section 5.3 - Traffic Sources

Approximately 32% of traffic originates from search engines. The remaining traffic is from links, referrers, and direct entries. Top referrers are:

www.stockhouse.ca
www.google.com
www.stockhouse.com
www.yahoo.com
www.investshub.advfn.com

Search engine placement was described as weak. Per MarketLeap, the site was listed as follows for the related keyphrases:

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Search term – junior miners

First page placement for four search engines surveyed.
No placement within the first three pages for the remaining two sites.

Search term – junior mining

No placement with the first three pages for all six sites surveyed.

Search term – metal miner

No placement with the first three pages for all six sites surveyed.

Most prominent key phrases for current traffic are:

Junior miners
Gold claims for sale
Gold mines for sale
Junior mining companies
Junior miners.com

Search engine saturation was described as strong for two sites, but weak for the third site. Per MarketLeap, there are a total of 135 pages listed with the three search engines surveyed. Results were as follows:

85 pages with Google/AOL
0 pages with MSN
50 pages with Yahoo

The total number of links per MarketLeap was weak with 30 links. The number of links was certainly merits improvement.

Alexa ranking was weak with a placement of 3,987,240 - which placed this site in the top twenty five percent of all sites worldwide.

Pay per click campaigns are not currently used due to existing search engine placement. Site owner has experimented with PPC engines, but did not find the results to be cost effective. However, that may change as the site begins to mature and site owner begins to capitalize financially by converting traffic to revenue.

Section 5.4 - Future Recommendations

Website has clearly not matured and enhancement to traffic numbers is clearly possible. As the site continues to mature, many of the above items will improve naturally over time. However, the new site owner should consider the following options:

- Strong search engine optimization to enhance search engine placement.

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- Seek stronger placement with primary engines to increase placement and saturation with these engines.
- Submissions to additional secondary search engines.
- Increase frequency of newsletter and related content. Add rich content to newsletter industry related news, success stories, featured companies, etc.
- Measure to secure additional email addresses. Options may include offering an eBook related to the subject matter at no charge in exchange for their email address.
- Develop relationships with associations and organization from the industry to gain additional exposure within their various market segments.
- Expansion of keywords as appropriate
- Evaluation of PPC campaigns to determine profitability and ROI.
- Seek new links and other sites that could refer additional traffic.
- Locate opportunities for networking within the industry such as tradeshow and related events.

Section 5.5 – Traffic Valuation Formulation

3,191 Unique Visitors x Unique Visitor Value of .04 X 12 months equals \$1,532. Twelve-month multiplier is further discussed in Section 8.

(Please see section 11 for complete breakdown of formula.)

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Section 6 - Financial Analysis

All financial computations for this report have been based upon the average of the last twelve months reported. The averaging method applied results in a more accurate appraisal and will minimize the effects of extremes while providing data that is relevant and timely.

Section 6.1 - Revenue Sources

Revenue has averaged \$400 per month based upon the last three months. Revenue is presently derived from the following sources:

- Sale of ad space within the site
- Sale of bullion through an affiliate program

Site owner offered the following comments:

The website is mostly a directory of juniormining companies from around the world. It has a monthly feature and a classified ad page. The what new page is updated about 2 times per week. This I guess could be a blog.

The website earns revenue from selling banner ad space. I have sold a few small 200 pixel column ads and a home page ad so far. The home page is a 468x60 for \$1000.00 per year. The smaller ones sell for \$350-\$450 depending on the page.

The website also promotes a new silver bullion purchase program since January. This revenue depends on amount sold and of course silver price. Last month March was \$120. This month is looking pretty much the same. Since January the site has brought in just shy of \$1800 US.

Section 6.2 - Expenditures

Expenses average \$12 each month. Only expenses are \$7 in Internet hosting and \$5 in newsletter fees. Net income averaged \$388 per month.

Section 6.3 - Analysis and Recommendations

Site owner has options to increase revenues including:

- Develop promotional packages and ala carte items for those companies seeking investors including features articles within the what's new page, site, newsletter, email campaigns to potential investors, etc.
- Sell an e-book with industry information directly to investors

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- Charge for feature articles and listings within the site and newsletter
- Post request for investors for a fee.
- Increase box, text, or banner ad sales within newsletter and site.
- Selling related books /magazines through drop shopping or affiliate programs
- Selling digital goods / ebooks for download.

It is clear that the website serves a unique niche, but new site owner needs to further penetrate that niche and develop strong revenue streams.

Section 6.4 – Financial Valuation Formulation

Average net income of \$388 per month x 12 months = \$4,656.

(Please see section 11 for complete breakdown of formula.)

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Section 7 - Content Value

Content value can arguably be the most important aspect of the appraisal process. By its nature, it requires a neutral third party to adequately assess content value and evaluate components such as design factors, site navigation and organization, and content appeal in relationship to the targeted market.

Content value will either increase or decrease the monetary value established within the appraisal formulation after traffic and financial analysis. Content value is expressed in terms of a percentage as determined by the appraiser and is based on their professional opinion of the sites uniqueness, domain name, professional design, proprietary software, and market potential - as well as any other factors that would either make the site more or less valuable. It can also reflect how this site compares to other sites similar in nature or compares to the expectation of the anticipated visitor.

Section 7.1 - Design Factors

Design factors will determine the visitor's initial impression of the site and will have great influence within the first 15 to 30 seconds of the visit. If the design is faulty and is not considered to be attractive, the site will be less likely to retain high visitation patterns. Initial impression was strong. Overall design is described as strong with good usage of graphics and color. Design work has been completed by Mr. Adams.

Section 7.2 - Site Navigation/Organization

Site navigation can be defined by the visitor's ease in locating the information that is of importance to that particular visitor. If the navigation is faulty or difficult, the likelihood of high visitation patterns is significantly reduced. This site was rated strong in regards to navigation with links throughout the pages, header, and right column.

Section 7.3 - Description of Content

Site content is strong and thorough. It is very apparent that site owner has worked diligently to create a content rich site. Website includes over 100 pages of industry content.

Section 7.4 - Recommendations

Recommendations for future content expansion are clearly dependent on the strategic plan for the site. At present with current missions, content is certainly strong.

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New site owner should also consider sending e-mail updates with the “What’s New” information on a regular basis to subscribers. New site owner may also wish to consider adding a forum to create visitor interaction and encourage repeat visits.

Section 7.5 – Content Valuation Formulation

The site was given a content rating of +30%.

(Please see section 11 for complete breakdown of formula.)

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Section 8 - Multipliers

Multipliers are an integral part of our appraisal formulation. Once a multiplier has been selected for each unique website situation, the multiplier will determine the net effect of financial and traffic analysis.

Section 8.1 - Established Multipliers

Websites that have been operating for some time have been able to provide the appraiser with substantial history regarding the financial patterns and the traffic patterns. It is reasonable to assume that the past expectation will predict or project the outlook for the future. In these cases, we would apply the multipliers of nine and twelve – which represents nine and twelve months respectively. These appraisals will result in a value range.

Section 8.2 - Newly Established Multipliers

Websites that have been operating for a relatively short period of time are extremely difficult to appraise since they have not yet established financial patterns and traffic patterns. Therefore, it is only reasonable that the multipliers applied throughout the valuation process would be significantly less than the multipliers of established websites. In these cases, the appraiser may apply a multiplier that is significantly less.

Section 8.3 - Valuation Formulation

The website was determined to be an established website since it has substantial history that can be reviewed and utilized to project future outlook. Therefore, we have applied the nine and twelve month multiplier. The website value will reflect the nine and twelve month multipliers.

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Section 9 - Current Management

Another consideration that potential investors and purchasers should consider is the complexity in operating the site and involvement by management in daily operations. The time and expertise invested must also be considered as well.

Section 9.1 - Management Activities

Mr. Adams is responsible for all aspects of the site. He typically devotes 3 hours per week to answering emails, publishing a newsletter, and creating content.

Section 9.2 - Expertise Required

Current site owner has possessed the skills to develop a strong site platform. He now needs to focus upon capitalizing on content and traffic.

New site owner could learn about the industry by reviewing the site and related information; however, familiarity with the market would be greatly helpful.

The ideal purchaser would need to have strong understanding of business principles and should bring forth a strong business plan to provide future revenues. New site owner should be Internet and business savvy to ensure the site continues to grow and to maximize revenue potential.

Section 9.3 - Future Recommendations

New site owner should bring forth a strong strategic plan to increase market penetration and generate revenues.

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Selection 10 - Additional Sale Information

The following information may be considered relevant specifically to the potential investment or sale of the website.

Section 10.1 - Support Available

The site owner would be open to providing support after the sale for a period of thirty to ninety days. This relationship and exact terms will need to be negotiated with purchasing agreement.

Section 10.2 - Assets Included

The sale will include the website domain, related content, and website design. Website sale does not include any physical assets. Other assets include ten related domains including:

- Juniorminers.net
- Juniorminers.org
- Juniorminers.info
- Juniorminers.biz
- Juniorminer.net
- Juniorminer.org
- Juniorminer.info
- Juniorminer.biz
- Juniorminer.com
- Juniorminingcompany.com
- Juniorminingcompanies.com

The value of domains has not been included in this appraisal.

Section 10.3 - Purpose of Sale

Site owner has elected to sell the website since they are ready to move forward with other ventures.

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Section 11 - Valuation Summary

This website has established website traffic and strong content. Site owner should develop a strong strategic plan to increase traffic, revenues, and market penetration. Possible tactics have been included in this appraisal.

It is clear that the website has much larger potential. Section 11 and 12 details the projected site value in one and two years with a strong revenue plan.

Valuation Formulas

$(12 \times (\text{Net Income Average})) + (12 \times (\text{Unique Visitor Average} \times \text{Unique Visitor value})) \times 1$ plus the Content Value = **High Value for Website.**

$(9 \times (\text{Net Income Average})) + (9 \times (\text{Unique Visitor Average} \times \text{Unique Visitor value})) \times 1$ plus the Content Value = **Low Value for Website.**

- * Unique Visitor value = ½ the value of the top fifteen bid placements on Overture for a relevant keyword.
- * Net Income Average and Unique Visitor Average are from the last three months.

-- Actual Numbers used in Appraisal --

$$\begin{aligned} & ((12 \times 388) + (12 \times (128)) \times 1.3 = \$8,044 \\ & ((9 \times 388) + (9 \times (128)) \times 1.3 = \$6,033 \end{aligned}$$

Based on these formulas the website has a...

- **High Value of: \$8,044**
- **Low Value of: \$6,033**

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Section 12 – Future Valuation – 1 Year

New website owner should plan to further develop website traffic and revenues with new business strategies. If those strategies are effective, the following valuation reveals the projected value in one year. This projection is based upon the following assumptions:

- Existing revenue of \$388 per month will continue.
- Adding a feature company to be the website each month with revenue of \$1000 per month.
- Including advertising within the newsletter at a rate of \$250 per month.

Valuation Formulas

$(12 \times (\text{Net Income Average})) + (12 \times (\text{Unique Visitor Average} \times \text{Unique Visitor value})) \times 1$ plus the Content Value = **High Value for Website.**

$(9 \times (\text{Net Income Average})) + (9 \times (\text{Unique Visitor Average} \times \text{Unique Visitor value})) \times 1$ plus the Content Value = **Low Value for Website.**

* Unique Visitor value = ½ the value of the top fifteen bid placements on Overture for a relevant keyword.

* Net Income Average and Unique Visitor Average are from the last three months.

-- Actual Numbers used in Appraisal --

$$((12 \times (1,650) + (12 \times (128))) \times 1.3 = \$27,731$$

$$((9 \times (1,650) + (9 \times (128))) \times 1.3 = \$20,798$$

Based on these formulas the website has a...

➤ **High Value of: \$27,731**

➤ **Low Value of: \$20,798**

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Section 13 – Future Valuation – 2 Year

New website owner should plan to further develop website traffic and revenues with new business strategies. If those strategies are effective, the following valuation reveals the projected value in two years. This projection is based upon the following assumptions:

- Year one revenues remain constant
- Increasing ad space within the site to include 25 \$100 per month slots.

Valuation Formulas

$(12 \times (\text{Net Income Average})) + (12 \times (\text{Unique Visitor Average} \times \text{Unique Visitor value})) \times 1$ plus the Content Value = **High Value for Website.**

$(9 \times (\text{Net Income Average})) + (9 \times (\text{Unique Visitor Average} \times \text{Unique Visitor value})) \times 1$ plus the Content Value = **Low Value for Website.**

* Unique Visitor value = ½ the value of the top fifteen bid placements on Overture for a relevant keyword.

* Net Income Average and Unique Visitor Average are from the last three months.

-- Actual Numbers used in Appraisal --

$$\begin{aligned} ((12 \times (4,150) + (12 \times (128)) \times 1.3) &= \$66,731 \\ ((9 \times (4,150) + (9 \times (128)) \times 1.3) &= \$50,048 \end{aligned}$$

Based on these formulas the website has a...

➤ **High Value of: \$66,731**

➤ **Low Value of: \$55,048**

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Section 14 - Certification

We certify to the best of our knowledge that:

- The statements in this report are true and accurate.
- That we do not have any biases towards the site, the business, the company, the owners, or the management.
- That we do not have any interest in the final valuation of the site, or any interest in the financial operations of the site.
- That our appraiser will not have any gains (financial or otherwise) that might bias or affect our accuracy in reporting.
- We reserve the right to use twelve (12) month averages for both traffic and revenue for seasonal businesses on its appraisals.
- BuySellWebsite® is registered in the State of Florida, USA as a Limited Liability Company.
- BuySellWebsite® is a Federally registered Trademark in the United States.

We further certify that we have provided an accurate and fair valuation of the site to the best of our abilities and that we have applied our valuation formulas in a fair and equitable manner.

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