RESOURCES INC

Bringing the World Class Fenix Nickel

Project into Focus

www.skyeresources.com

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Cautionary Notice

This presentation may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, capital and other costs and credits, timing for, and results of the feasibility study and other programs, receipt of property titles, potential mineral recovery processes, and other related matters. The words "may", "would", "could", "will", "intend", "plan", anticipate", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify such forward-looking statements. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. The Fenix Project is at an early stage and all estimates and projections are based on limited, and possibly incomplete, data. More work is required before the mineralization and the Project's economic aspects can be confidently modeled. Actual results may differ materially from those currently anticipated in this presentation. No representation or prediction is intended as to the results of future work, nor can there be any promise that the estimates and projections herein will be sustained in future work or that the Project will otherwise prove to be economic.

As required under National Instrument 43-101, the reader is cautioned that the Hatch Limited preliminary assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized. The preliminary assessment dated August 5, 2005 (filed on SEDAR on August 9, 2005) was prepared by Qualified Persons T. Armstrong, P.Eng.; B. Krysa, P. Eng.; J. Paul Golightly, P. Geo. of Golightly Geoscience Ltd (Sections 3.1, 4.1, 6 to 16, 19, 21, 22.1, 23); J. Sajer, P. Eng. (Section 20.1), and F. Porretta, P. Eng. (Approvals). The estimates of measured indicated and inferred resources referenced in the Hatch preliminary assessment are based on historical resource estimates that were reviewed and re-classified by independent Qualified Persons as filed in Technical Reports dated (1) December 2, 2003 entitled "Technical Report -Exmibal Nickel Project", by Qualified Person Brian Montpellier, P. Eng., of AMEC E&C Services Limited, filed December 15, 2003, and (2) August 5, 2005 entitled "Fenix Nickel Project: Nickel Laterite Deposits of the Lake Izabel Region, Guatemala", by Qualified Person J. Paul Golightly, P. Geo. of Golightly Geoscience Limited, filed August 9, 2005. The estimates are based in each case on the assumptions and methods, and are subject to the limitations and gualifications, described in such Technical Reports. The Technical Reports can be found in the Company's filings at V wesedancom . Inco Limited, the former 70% owner of the facilities and mineral rights that form the Fenix project, takes no responsibility for nor makes any representation or warranty of any kind relating to such estimates.

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Outline

- The Country Guatemala its people, its economy, its politics
- The Law Mining and Environmental Legislation
- The Resource the known asset, the drilling program, its potential
- The Existing Facilities their extent and status
- The Project its scope and status
- Key forward issues
 - Power Supply
 - Transportation and Logistics
 - Community engagement and support

Guatemala



Guatemala

Terrain - area 108,890 sq km

Population - 14.7 million





Guatemala - Its People

History

- Mayan civilization flourished until Spanish conquest in 1500's, colony until 1821
- Civil/guerilla war 1960-1996 100,000 dead, 1 million refugees; residual distrust, particularly with regards to land tenure
- Ethnicity
 - Nationally Ladino and European 59%, Mayan 41%
 - El Estor Ladino and European 8%, Mayan (Q'eqchi) 92%
- Literacy
 - Nationally 71% (male 78%, Female 63%)
 - El Estor 57% (substantially lower in rural communities)

Guatemala - Relative Economic Statistics

		Guatemala	Colombia	Peru	Chile
Population	million	14.7	43.0	27.9	16.0
GDP	US\$ bil	\$59.5	\$281.1	\$155.3	\$169.1
GDP/Capita	US\$	\$4,200	\$6,600	\$5,600	\$10,700
Agriculture	%	23%	13%	8%	6%
Industry	%	19%	32%	27%	38%
Service Sector	%	58%	55%	65%	56%
GDP Growth	%I	2.6%	3.6%	4.5%	5.8%
Inflation	%	7.2%	5.9%	3.8%	2.4%
Govt Revenues	US\$ bil	\$2.9	\$15.3	\$13.6	\$21.5
Expenditures	US\$ bil	\$3.4	\$21.0	\$14.6	\$20.0
Exports	US\$ bil	\$2.9	\$15.5	\$12.3	\$29.2
Imports	US\$ bil	\$7.8	\$15.4	\$9.6	\$22.5

2005 CIA World Factbook

Guatemala - The Government

- Democratically elected Government with a term of four years:
 - President may only serve one term
 - Current Government elected December 2003
 - New Elections September 2007
- Current Government (GANA)
 - Centre right coalition with broad diversity in cabinet
 - President Oscar Berger (former Mayor of Guatemala City)
 - Emphasis on reconciliation and economic development

Guatemala - The Mining Law

Mining License Types

- Reconnaissance 6 months renewable for 6 months
- Exploration 3 years, renewable 2x two years with 50% redn
- Exploitation 25 years, renewable 25 years
- Exploitation License Requirements
 - Holder of Exploration license has priority rights
 - Presentation of EIS approved by MARN prior to exploitation
 - Begin field work within 12 months (discretionary extension)
 - Exploitation Area 20 sq km (discretionary enlargement)

CGN - Exploration Licenses

- Granted December 2004 total area
- Niquegua Norte -

259 sq km 65 sq km

324 sq km

• Montufar -



CGN Exploitation License

- Mining EIS submitted October 2005
- Exploitation License applied for Nov. 2005 area 248 sq km
- Expected granting of license by end of Q1 2006



Guatemala - The Environmental Law

- Assessment Types
 - New projects Environmental Impact Assessment Mine
 - Existing Facilities Environmental Diagnostic Plant
- Administrative Process
 - Initial EIA/Diagnostic and Terms of Reference for Approval
 - Full EIA/Diagnostic based on approved Initial EIA/TOR
 - Invitation for public scrutiny at MARN Offices for 20 days
 - Technical Evaluation of the EIA/Diagnostic comment
 - Solicitation of opinions of other Government Departments
 - Revision of EIA/Diagnostic in response to reviews/comments
 - Approval or rejection

CGN Environmental Application Status

• Mine EIA

- Initial EIA/TOR submitted August 05 approved September 05
- Final EIA submitted October 05
- Public Announcement November 4th 05 scrutiny to Nov 25th
- Public comments received under review for response
- Technical and inter-department review in progress
- Plant/Infrastructure Diagnostic
 - Equivalent in scope to EIA
 - Initial Diagnostic/TOR to be submitted January 06 Final
 - Diagnostic to be submitted by end of Q1 2006

CGN International EIA

- Objective: to meet Equator Principles
 - Assessment of the global impact of the project
 - Targeted completion to coincide with Feasibility Study
- Incorporating
 - An integration of the Mining EIA and Plant Diagnostic
 - Definitive mine plan (as generated by Snowden Study)
 - Additional months of climatic base line data
 - More extensive public consultation under guidance of Canadian experts

The Resource

- The known resource
- The current drilling program
- The exploration potential

Exploration License Areas



License Areas - Niquegua Norte



License Areas - Montufar



Known Asset

Mineral Resource Estimate

Resources	Tonnes mil	Nickel %
Saprolite		
Measured	14.3	1.91
Indicated	<u>48.3</u>	<u>1.82</u>
Measured & Indicated	62.6	1.84
Inferred	57.5	1.68
Limonite		
Inferred	29.4	1.31

La Gloria Mine



Summary of Drilling

- Drilling to support feasibility study complete early in Q1 2006
- New resource estimate Q1 2006
- Primary objectives:
 - •update measured and indicated resources for 20 year mining plan
 - evaluate and add to the limonite resource
- 6 drills on site
- 32,000 metres drilled by end of 2005
- Twin hole program complete
- In-fill program completed in Jan/06
 - spacing 50 metres
- Drilling to date limited to areas where CGN controls surface rights

Niquegua Norte Surface Rights



Twin Holes



Twin Hole Program

• Establish confidence in the general grade and thickness indicated by the historic holes

- Confirm the laterite profile indicated by the historic data
- Investigate the known mechanical biases of auger sampling

• Provide more density data so that the density of the ore can be calculated from the chemistry of the historic data rather assuming average values for limonite and saprolite

• Allow prediction of the multi-element chemistry of the ore. Predictive equations for MgO and SiO2 as a function primarily of Fe are the objective

• Investigate the potential for high grade material below auger holes which ended in well mineralized saprolite

Highlights of Twin Hole Drilling

Area 212	
Hole 30049	16.2 m grading 2.67% Ni
Hole 30089	12.7 m grading 2.52% Ni
Area 213	
Hole 32010	5.6 m grading 2.11% Ni
Area 217	
Hole 30056	10.2 m grading 2.47 % Ni
Hole 30057	11.7 m grading 2.50% Ni
Hole 30064	22.4 m grading 2.23% Ni
Hole 30086	10.1 m grading 2.28% Ni

In-fill Drilling



Areas 217 & 215 Drilling



Drilling Area 217



Manto 4 drilling



Highlights of Infill Drilling

Area 251	
Hole 33365	26.8 m grading 2.24 %Ni
Hole 33304	13.8 m grading 2.25% Ni
Hole 33066	11.8 m grading 2.38% Ni
Hole 33124	10.8 m grading 2.45% Ni
Hole 33038	10.5 m grading 2.56% Ni
Hole 33153	10.4 m grading 2.47 % Ni
Hole 33451	8.1 m grading 2.41% Ni
Hole 33340	6.4 m grading 2.31% Ni
Area 217	
Hole 30174	7.1 m grading 2.62% Ni
Hole 30203	8.6 m grading 2.12% Ni
Hole 30218	13.8 m grading 1.94% Ni

Drill Production



Feasibility Drilling

PLANNED HOLES vs. DRILLED HOLES



Exploration Program

Objective

- 1. Current program to confirm sufficient indicated and measured resources to support the Fenix feasibility study
- 2. Future programs
 - To convert further indicated to measured resources as and when required
 - Enlarge and improve indicated resources to support future operations and expansion
- 3. Regional Potential (within Exploration Concession)
 - Large, under-explored laterite landforms to the west expected to have complete limonite/saprolite profiles
 - Total limonite plus saprolite resource will increase significantly

Guatemala



Regional Geology



Laterite Landforms


Exploration Potential



CGN Existing Facilities



Existing Mine and haul roads

Existing Smelter and Power Plant





Existing Infrastructure



Existing Facilities – Original Project

- Capacity 25 million lbs/year Ni as 75% Ni Matte
- Facilities
 - Mine and Haul Roads to supply 670,000 tonnes per year ore
 - Ore crusher and stacker stockpile capacity 170,000 tonnes
 - Ore drying kiln and dry ore storage capacity 36,000 tonnes
 - Ore calcining and reduction kiln
 - Electric Furnace, 45,000 kVA
 - Converting, matte granulating and product handling facilities
 - Slag granulating facilities
 - Power Plant, 65 MW bunker "C" fired boiler, steam turbine generator
 - Cooling water supply and discharge systems
 - Maintenance shops, warehouse, changehouse, offices, laboratory and other buildings
 - Town site, school, hospital and recreational facilities
 - Cost (incld. working capital) 1976 \$224 million (\$2005 ~\$750 million)

Stacker and Ore Stockpile



Stacker and crushed ore storage – view from mine haul road

Stacker and crushed ore storage (max.170,000 t) view from dump hopper



Power Plant and Smelter



Kiln Dryer and Dry Ore Storage



Dryer 45m x 3.66m To be replaced by unit of double the capacity

Dry ore storage capacity 36,000 t



Reduction Kiln and Smelter



Reduction Kiln 100 m x 5.5 m Second larger unit to be installed

Electric Furnace and Converters E/F to be upgraded to 90 MW, Converters to be replaced with Ladle Refinery



Infrastructure



The Project

- Capacity 50 million lbs/year Ni as Ferro-Nickel
- Mining expand from 670,000 to ~1,500,000 tpy
- Processing upgrade and expand existing facility to produce 50 million lbs/year nickel as ferro-nickel
- Power replace existing 65 mW oil fired steam turbine with 150 MW petcoke/coal fired CFB unit or secure power from others either as dedicated unit or through grid
- Environmental protection upgrade/replace/supplement existing systems to meet modern standards
- Transportation and logistics install facilities to transport and receive bulk supplies and to deliver product to market

The Project - Unit Operations

	Existing	New	
Capacity - million pounds/year	25	50	
Ore Crusher, Stacker Storage	Use existing facilities		
Ore Dryer	Replace existing kiln		
Ore Calcining and Reduction Kiln	Install second kiln line		
	Replace oil with coal as fuel/reductant		
Electric furnace	Rebuild/upgrade from 45 to 90 MW		
Ferro-nickel Refinery	Replace converters with Fe/Ni refinery		
Power plant	Install 150 MW CFB coal/pet coke unit or secure power from third party		
Cooling water supply	Use existing and add cooling towers		
Dust handling/emission controls	Upgrade existing/install additional units		
Materials Handling	Install facilities at both Santo Tomas and Plant site to handle both supplies - coal/petcoke and ferro-nickel product		

The Project - Status

- Hatch engineering studies for process plant and base case power and transportation options on schedule for completion end of Q1
- Drilling program expected to be completed by end of January; with resource estimate expected by end of Q1.
- Mine only EIS was submitted in October and is under review. Plant/Infrastructure EIS is to be completed by end of Q1.
- Application for Mining License as been submitted with expectation of approval by end of Q1
- Feasibility Study and International EIS expected to completed by end of Q2.
- Single line operation targeted at 24 months after decision to proceed
- Second line operation 36-42 months from decision to proceed, dictated by power plant delivery

Key Forward Issues

- Power Supply
- Transportation and Logistics
- Community Engagement and Support

Power Supply

- Existing unit bunker "C" fired boiler/steam turbine
 - Adequate for single line operation in the short run but not economic for long term operation
 - Boiler needs replacement for alternate fuel firing
 - STG in good shape control systems need updating
- Feasibility Study Base Case
 - 150 MW (135 MW net) pet coke/coal fired CFB unit located at the Plant Site
 - Advantages long term low operating costs direct control
 - Issues long delivery (36-42 months) fuel supply logistics
- Alternates
 - Offsite dedicated plant by others or supply from grid
 - Advantages reduced capital investment, easier logistics
 - Issues structure of Guatemalan grid higher operating costs - loss of control

Guatemalan Power Grid



Grid Connection Issues



Guatemalan supply1,360 MWFENIX Demand10%135 MWElectric Furnace demand "noisy"

need for "correction" Minimum tie-in voltage 138 kV Preferred tie-in voltage 230 kV

Preferred grid tie-in Tactic 150 km of transmission line in part over existing right of way

Preferred remote stand-alone plant site Puerto Barrios 120 km of transmission line in part over existing right of way

Power Supply – Action Plan

- Base case On-Site 150 MW petcoke/coal fired CFB
 - Feasibility Study Engineering in progress
 - Fuel supply logistics being defined (see transportation)
 - Engaged a fuel/power consultant to advise on long term fuel supply options, terms and costs
- Alternate Cases
 - Engaged fuel/power consultants to advise on strategies & contractual terms and Guatemalan conditions/opportunities
 - Considering possibilities:
 - » Existing west coast fossil fuel power suppliers
 - » Potential petcoke CFB supplier in Puerto Barrios

Transportation and Logistics

Consumables

Delivered via Port of Santo Tomas Coal for ore reduction 240,000 tpy Coal and/or petcoke for power generation Heavy Fuel Oil **Diesel for mobile equipment** Other consumables 74 round trips/day Coal By road (25 tonne trucks) By barge (1,000 tonne barges)

340,000 tpy 17,000 tpy 15,000 tpy 22,000 tpy 2 round trips/day

Product

Shipped via Santo Tomas to Europe, Puerto Quezal to Asia Nickel as Ferro-Nickel 125,000 tpy

Transportation Area Map



Transportation Considerations - Rio Dulce



Exmibal was supplied by barge from Livingston via the Rio Dulce;

Oil was transferred from tankers anchored in the Bahia de Amatique to storage tanks at Livingstone and then barged to El Estor

Rio Dulce has since become an ecotourist area and the site of vacation homes

In the 90's a logging operation planning to barge lumber down the Rio Dulce was rejected.

We were advised not to present the Rio Dulce barging option as the base case. Accordingly our base case shipping route bypasses the Rio Dulce. However the option of considering the Rio Dulce corridor is being retained.

Transportation Considerations: Santo Tomas



Located on Bahia de Amatique Modern, but small port exists Ships 30,000 t max. limited by channel Vessel discharge at Berth 1 by ship's cranes

Lay down area of 7 hectares required; 3 potential locations have been identified

Cementos Progreso uses the port for bulk petcoke shipments

Possible synergies in working with them

Potential for Port overloading if business expands or new projects established

Transportation Considerations: Roads



All roads are paved, consist of single lane in each direction with exception of 43 Km of road east of El Estor, which is gravel

Road at north end of Rio Dulce bridge is narrow and congested; major truck traffic unlikely to be feasible without major realignment

Road from CA9 highway to Rio Dulce is considered marginal for proposed truck traffic; may need upgrading

Road from CA9 highway to Mariscos will require upgrading to handle proposed truck traffic

Transportation Considerations: Lago Izabal



Some local, but limited, fishery

Historically ferry between El Estor and Mariscos (shown on maps)

Exmibal operated a ferry and had a dock at Mariscos. CGN has surface rights to this facility.

Currently no commercial traffic

Lake is relatively shallow (< 15m)

Docks located at east end of lake would require dredging

Dock at Mariscos would not need dredging

Only limited opposition expected

Transportation Alternatives



Alternate cases: all barge all road





Base case: road and barge



Transportation Alternatives

- A By barge via Rio Dulce and Lago Izabal
 This is financially/environmentally the superior option, however, it
 would attract significant opposition which could place project at risk.
 Data collection/costing and consultations are in progress
- B Base Case By road to Lake Izabal Ro-Ro barge to El Estor
 B1 access to Lake Izabal at Mariscos via CA9 and local road requires 14 km of road upgrade (widening, passing lanes)
 B2 access to Lake Izabal at east end of lake via CA9 & CA13 involves land acquisition, dredging, possible road upgrade Engineering and cost evaluations are in process
- C By road to El Estor via CA9, CA13, Rio Dulce Bridge, & Rte 7E
 North end of Rio Dulce Bridge will require major re-alignment
 Rte 7E Rio Dulce to El Estor mostly gravel, will need paving

Base Case - Key Figures

580,000 tpa coal and petcoke

One 27,500 tonne Handisize vessel every 18 days on average

9,000 tpd unloading rate at Berth #1 - 3 days to unload - 14 truckloads per hour/24 h/day for 3 days - ~I truckload each 4.2 min - 7 to 10 truck/trailers in circulation

Transhipment facility near port $-2 \times 36,000$ tonne stockpiles for coal and petcoke

Transhipment to Lago Izabal – 6 days/week/24 h/day - ~74 truckloads per day, 3 truckloads per hour – 98 km to Mariscos

Ferry across lake – 2 barges, 18 trailerloads per barge, 8 hr round trip, 3 trips/day/barge, not including maintenance time, 30 km Mariscos to El Estor

Community profile



Census 2002

Population density is low but growing Ethnicity is predominantly Mayan (91.2%) Population 2/3 rural, 1/3 urban (El Estor) Economy is predominantly agricultural 72% with industry/construction 8%, services 8% Significant numbers of tradesmen from El

Estor work elsewhere (lack of local work)

Ethnicity	Urban	Rural	Total	%
Indigenous	12,941	26,274	39,215	91.2
Non-Indigenous	1,244	2,525	3,769	8.8
Total	14,185	28,799	42,984	100.0

Communities in relation to deposits



<u>Community view's and key issues</u>





The project has overwhelming, but not absolute support in the community Two mining rallies were held this year Anti-mining – 500 attendees many bused in Pro-mining – 5,000 all from local areas Urban people see employment and business

Rural communities see little potential benefit to them, limited employment opportunities; they fear land loss and disruption of water supplies.

opportunities, improved health & education

Land tenure is a critical issue that must be resolved, prior to seeking to access land not under CGN's direct control

Our community engagement program must address these realities

Community Land Tenure



Land boundaries not well defined, where defined often subject of dispute

Land ownership often not clearly recorded, deeds often nonexistent

History of land seizure, land invasion by squatters - an atmosphere of distrust with regards to government and companies

CGN's Response and Action Plan:

CGN has to date confined drilling substantially to land for which it holds surface rights, but will soon need to drill on land its does not own (Area 2180 Semuy).

During past year location of NE boundary of CGN land was challenged; CGN's response was to have the Government resurvey boundary, which survey confirmed CGN's holdings. The survey, funded by CGN, is continuing with intent of defining the boundaries of all land holdings in the area

Community Outreach



Established a community relation's office staffed with local people

Emphasis on building an increasing level of trust and understanding; easy in El Estor, but considerably more difficult in the rural communities.

Conducted and continue to conduct both formal and informal information /feedback sessions

Have developed an informal network with rural community representatives which is leading to an increasing level of dialogue

Continued interchange with the local NGO Defensoria Q'echi

Community Support - Raxche



Established/funded a non-profit association Raxche, targeting sustainable development

Raxche has own Board of Directors, to whom the Executive Director Reports

Emphasis to date has been on education health and small business development

- provision of desks & other school supplies
- establishment of fruit/vegetable co-ops
- establishment of chicken farms
- helping women to earn to support family

7 committees from different communities are currently working together with Raxche

Current major project working with CHF to develop a Regional Strategic Plan which will form an integral part of the EIS

Consultations

Consultations are in progress at many levels

- By CGN as part of the community outreach
- By CTA/Klohn Crippen as part of the EIS submission process
- By the Government
 - By Ministry of Environment as part of the EIS approval
 - By the Ministry of Energy and Mines as part of the permitting (ILO 169)

ILO 169, to which Guatemala is a signator, is International Labor Organization agreement aimed at protecting the rights of indigenous peoples, including in relation to mining. It requires such people, who will potentially be impacted by a mining operation, be informed and consulted so that their wishes and concerns be identified and addressed. The agreement does not contain veto rights. Guatemala has not to date established any enabling legislation and is handling this in an "ad hoc" manner. **Back-up Slides**

All Road via Rio Dulce Bridge



Road to Mariscos – Barge to El Estor



Road to E shore of Izabal - barge to El Estor


All barge via Rio Dulce

