CHALLENGER TO ACQUIRE RIGHTS TO TWO SOUTH AMERICAN GOLD/COPPER PROJECTS LOCATED IN ARGENTINA AND ECUADOR

Highlights

- **Binding conditional agreement to acquire 75% of the Hualilan Project (Argentina) and 100% of El Guayabo Project (Ecuador) via acquisition of AEP Corporation Pty Ltd (AEP) for consideration comprising 180,000,000# ordinary shares, 78,444,444# options 4 cents expiring 30 June 2022, 60,000,000# Class A Performance Shares and 60,000,000# Class B Performance Shares.**
- **AEP can earn 75% of the Hualilan Project in Argentina and 100% of El Guayabo Project in Ecuador via staged farmin agreements.**
- **Hualilan Project is a high-grade gold / silver project with extensive historical drilling and a 43-101 compliant foreign resource estimate.**
- **El Guayabo is a breccia and porphyry gold / copper project with sufficient historical information to identify multiple targets including;**
  - **Breccia hosted mineralization - only 2 of 10 breccia bodies systematically drill tested;**
  - **Extensive late stage vein system - never drill tested; and**
  - **Underlying porphyry system target - never drill tested.**
- **Short term project execution strategy that will see a drilling program at Hualilan designed to establish confidence in the foreign resource estimate and to explore areas along strike and the completion of geophysical survey work on El Guayabo to determine the likely size and depth of the porphyry target.**
- **The Company will continue to pursue its application for shale gas exploration rights in South Africa.**
- **Proposed capital raising of $5.0m as part of proposed re-compliance with Chapters 1 and 2 of the ASX Listing Rules.**
- **The Company will appoint new experienced directors: Kris Knauer as Managing Director, Fletcher Quinn as Non-Executive Chairman and Scott Funston as Finance Director and CFO.**
- **AEP has raised $2.25 million and has advanced the Company A$200,000 and agreed to provide up to a further A$300,000 facility to the Company to facilitate re-compliance.**
- **The Company will seek to consolidate its shares on a one for five basis as part of re-compliance.**
- **The Company will issue a prospectus to raise $5,000,000 at $0.03# per share.**
- **The transaction is subject to conditions, including Company shareholder approval, due diligence and the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules.**

 # - on a post 1 for 5 consolidation basis

OVERVIEW

Challenger Energy Limited (**ASX: CEL**) (**CEL** or the **Company**) is pleased to announce it has signed a binding heads of agreement to acquire 100% of the issued capital in AEP Corporation Pty Ltd (**AEP**) (the **Transaction**). AEP owns the rights to earn in to 75% of the Hualilan Project in Argentina and 100% of the El Guayabo Project in Ecuador (collectively referred to as the **Projects**). In addition to $300,000 founder capital AEP has raised $2.25m in seed capital over the past 6 months. Under the terms of the Transaction, the current shareholders in AEP (**Vendors**), which includes the seed capital shareholders, will receive 180m[#] ordinary shares 78.44[#] million 4 cent options expiring 30 June 2022, and 120m[#] performance shares in the Company as consideration for the acquisition.

The Transaction is subject to and conditional upon the satisfaction of certain conditions precedent including; the Company obtaining all regulatory and shareholder approvals for the Transaction; completion of due diligence by the Company; execution of definitive legal documentation; and re-compliance with Chapters 1 and 2 of the ASX Listing Rules.

Hualilan Project Overview

The Hualilan Project is a skarn and manto gold silver deposit associated with a porphyry intrusive. It has extensive historical drilling with in excess of 150 drill-holes dating back to the 1970s. There has been limited historical production reported despite having in excess of 6km of underground workings reported. The property was last explored by La Mancha Resources, a Toronto Stock Exchange listed company, in 2006. La Mancha's work resulted in NI43-101 (non-JORC) resource estimates that remain open in most directions. Exploration by La Mancha attempted to assess the continuity of mineralization across the property, but this has yet to be tested by systematic drilling.

El Guayabo Project Overview

The El Guayabo Project is a breccia and porphyry gold / copper project. It was last drilled by Newmont Mining Corporation Limited and Odin Mining and Exploration Limited in 1995 and 1997 targeting gold in hydrothermal breccias. The drilling to date has demonstrated potential to host significant copper and associated gold and silver mineralisation. Drilling has returned a number of intersections of greater than 100m of intrusion related breccia and vein hosted mineralization. The El Guayabo Project has multiple targets including breccia hosted mineralization, an extensive flat lying late stage vein system and an underlying porphyry system target.

More detailed information on the Projects is provided in Section 2 and information regarding the proposed work programs is set out in Section 1.

Overview of Other Transaction Terms

The Transaction consideration consists of 180m ordinary shares, 78.44m options and 120m performance shares, with the hurdles to the conversion of the performance shares linked to two Project related milestones (further details set out in Section 6).

The Company will, on completion of the Transaction, appoint three new experienced directors: Kris Knauer as Managing Director / CEO, Fletcher Quinn as Non-Executive Chairman, and Scott Funston as Finance Director and CFO.

As part of the Transaction, AEP has agreed to advance $200,000 to the Company (further details are provided in Section 6) with the capacity for the Company to draw down further advances of up to $300,000. This will allow the Company to complete re-compliance and the associated $5.0m capital raise without the need for additional capital.

The Company will seek to consolidate its shares as part of the process of seeking to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The consolidation is currently proposed on a one for five basis (i.e. every 5 shares held will consolidate to 1 share). The Company intends to issue a prospectus to raise $5,000,000 at a price of $0.03 which is the pre-consolidation equivalent of $0.006 per share.

Section 1. Proposed Work Programs

1.1 Proposed Work Program for Hualilan Project

The Company understands that AEP's proposed work program for the Hualilan Project for the calendar year (CY19) is:

- Digitise all historical data (approx. 150 drill holes and numerous phases of underground mapping).
- Additional data precision validation as required;
- Detailed interpretation of known mineralized zones;
- Geostatistical assess of area of currently mineralisation to complete a re-estimation of these areas;
- Structural interpretation and alteration mapping using high resolution satellite data – to better target extensions of known mineralisation.
- Field mapping program targeting extensions of known mineralisation.
- Investigate further drilling requirements to upgrade both the unclassified mineralisation and mineralisation in the existing historical resources to meet JORC 2012 requirements;
- Initial drill program comprising verification (twin holes) and targeting extensions of the historically defined mineralisation;
- Metallurgical test work.

The aim of the program will be to redefine the scope of the Hualilan Project to better determine the best means of development to seek to achieve early cash-flows.

1.2 Proposed Work Program for El Guayabo Project

The Company understands that AEP's proposed work program for the El Guayabo Project for the coming calendar year (CY19) is:

- Channel sampling of the adit and artisanal workings - > 1km of underground exposure of the system which has never been systematically mapped or sampled.
- Sampling of additional breccia bodies – only 2 of the 10 known breccias have been systematically defined and properly sampled.
- 3D Magnetotelluric (MT) survey (with IP lines) covering 16 sq. kms:
- Soil Geochemistry and Mobile Metal Ion (MMI) survey covering 16 sq. kms

The aim of the program above is to define targets for a drilling program that is expected to commence in CY19

1.3 Current Status of Work Programs

El Guayabo MT survey

AEP has advised that this survey commenced on 9 February 2019 and as at Feb 20 data collection was ~ 30% complete. Data collection is expected to be completed in mid March with the final survey report, including conclusions and recommendations, due to be delivered by Quantec Geoscience within 10 weeks of the completion of data collection.

Figure 1.1 shows the location of the 3D MT survey which covers 16 sq kms. Two lines of DC resistivity, induced polarization (chargeability) data acquisition will also be collected. The survey has been designed to image the existing

breccia bodies (and their depth extensions), new breccia bodies, and to define porphyry targets to a depth of 1.5 km. Only widely spaced airborne magnetics has previously been done over the property.

El Guayabo Soil Geochemstry and MMI Survey

To provide better quality regionally extensive data a 16 sqkm soil geochemisty and MMI survey has been undertaken.. AEP has advised that data collection is 95% complete with assay results received for approximately 50% of samples.

El Guayabo Core Logging and re-assay program

AEP has completed a program of re-logging all the existing core (approx. 4670m).This included re-logging by a notable south American porphyry expert who confirmed the porphyry nature of the system. He noted that "favorable conditions to develop high grade mineralization at depth were observed"[(1)]. As part of this program 1100m of core has been quartered for re-assay. In addition to validating previous results 40 element assays will be conducted to better vector on the porphyry and breccia targets. Previous assays were limited to 6 elements only and no SWIR work has been conducted. AEP has advised that it anticipates submitting all samples for assay in March/April.

Hualilan Program

AEP has advised that digitisation of the 150 historical drillholes has largely been completed as has a detailed re-interpretation of all known mineralized zones. In addition AEP is currently sourcing tenders for a 1000-2000m drilling program programmed to commence shortly after relisting.

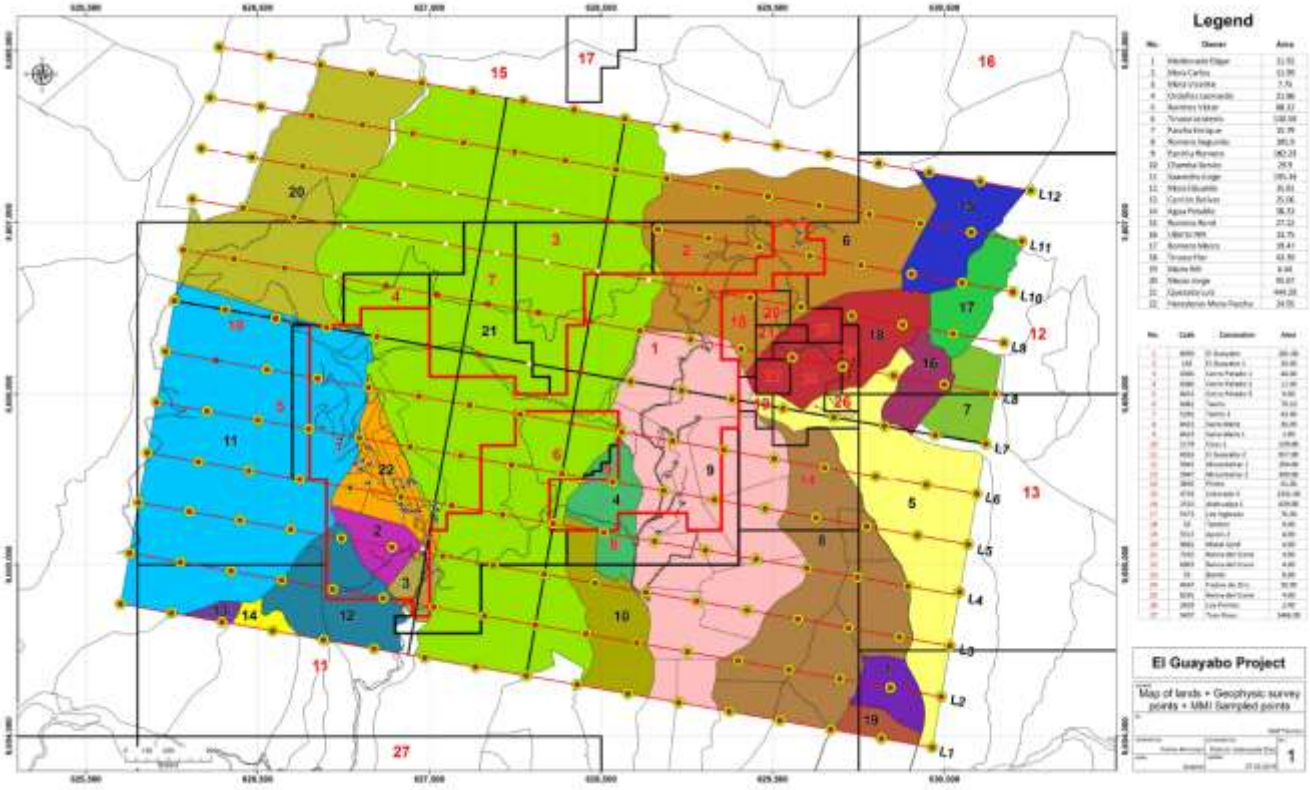


Figure 1.1: Location of the 3D MT and MMI survey*18)*

Section 2. Detailed Geology of the Projects

2.1 Hualilan Project.

2.1.1 Overview

The Hualilan Project hosts a gold-zinc skarn deposit located approximately 120 km north-northwest of San Juan, the capital of San Juan Province in north-western Argentina (Figure 2.1.-1). The project is located at an elevation of approximately 1700m. The climate is moderate and dry with rain most common from December to January. The area is sparsely populated, vegetation is thin and geology is well exposed at surface. Field operations are possible year-round.

The Hualilan Project is accessible via sealed roads to within 500 metres of the licence and then by a series of unsealed roads around the licence. The closest town on the power grid is approximately 40 km to the north of the Hualilan Project.

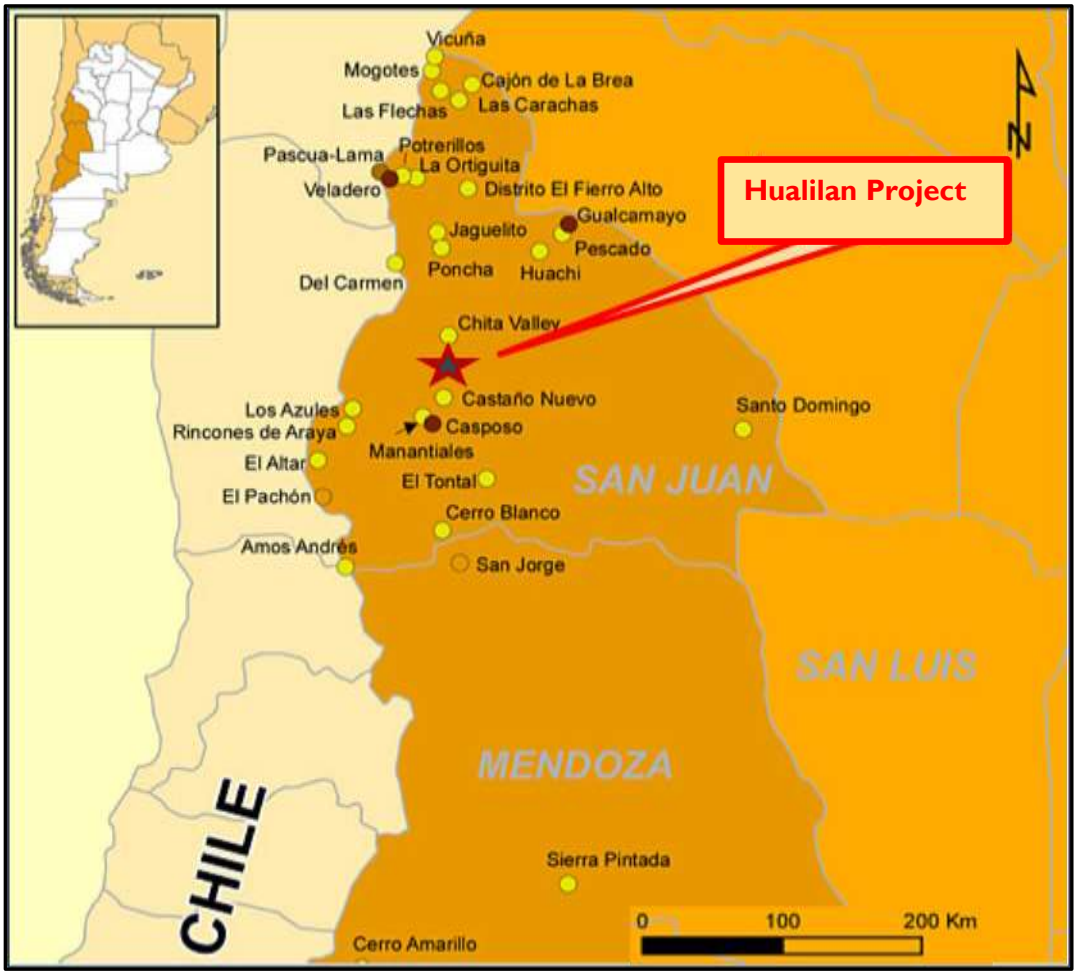


Figure 2.1.-1: Location of Hualilan Project in Argentina

2.1.2 Geology

Gold and base metal mineralisation has been identified at 19 sites over a 4 km strike length in two zones Cerro Norte and Cerro Sur (together historically known as the Hualilan Project), separated by a late east-west striking fault.

The Hualilan Project consists of farmin agreements to acquire:

- eight mining leases in the Cerro Sur area, each measuring some 300 m by 200 m (6 ha) for a total of 0.48 km^2 (Figure 2.1-3), together with an additional Demencia (refer Section 3.2 for further details)
- seven mining leases in the Cerro Norte area, each measuring some 300 m by 200 m (6 ha) for a total of 0.42 km2 (Figure 2.1-3), together with two additional Demencia (refer Section 3.2 for further details.
- an exploration licence application covering the surrounding 26sq kms (Fig 2.1-2).

The 15 mining licences are arranged irregularly on the known deposits exposed at surface. These known deposits at Cerro Sur are Divisadero 1, Flow de Hualilan, Pereyra y Aciar, Bicolor, Sentazon, Muchilera, Magnata and Pizarro (Figure 2.1-3, Figure 2.1-4). The known deposits at Cerro Norte are, the Manto Principal (Main Manto), Sanchez Vein/Breccia, and the Las Cuevas Vein

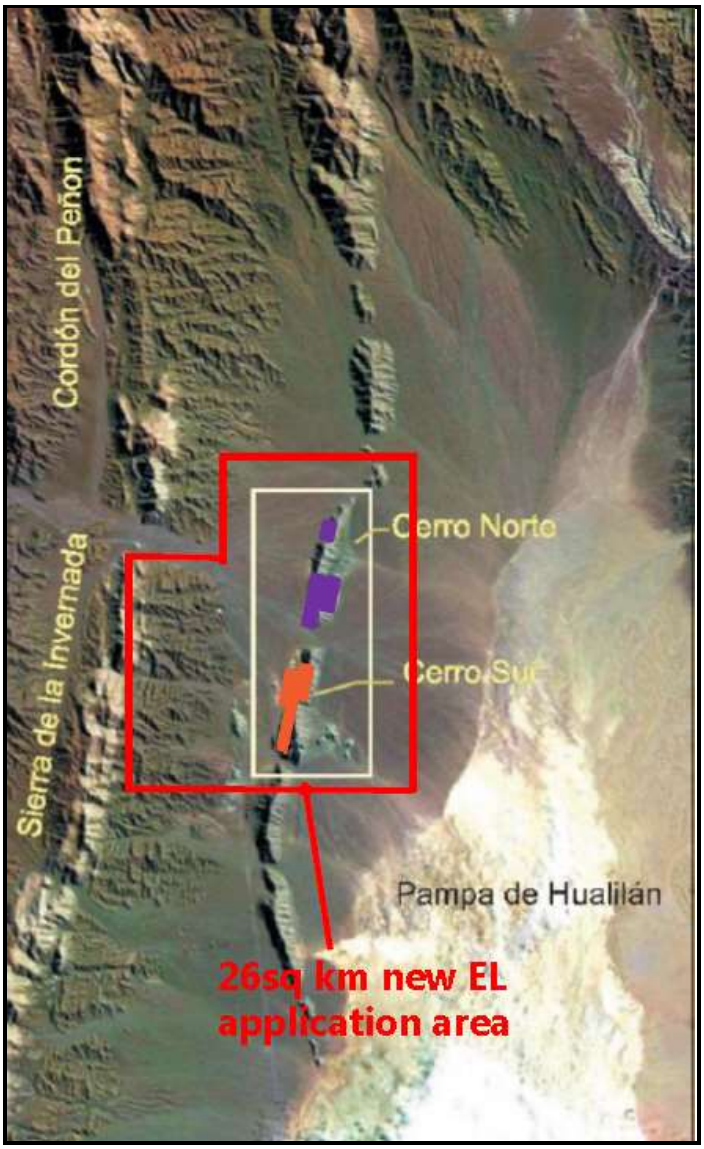


Figure 2.1-2: New Application Hualilan Project in Argentina

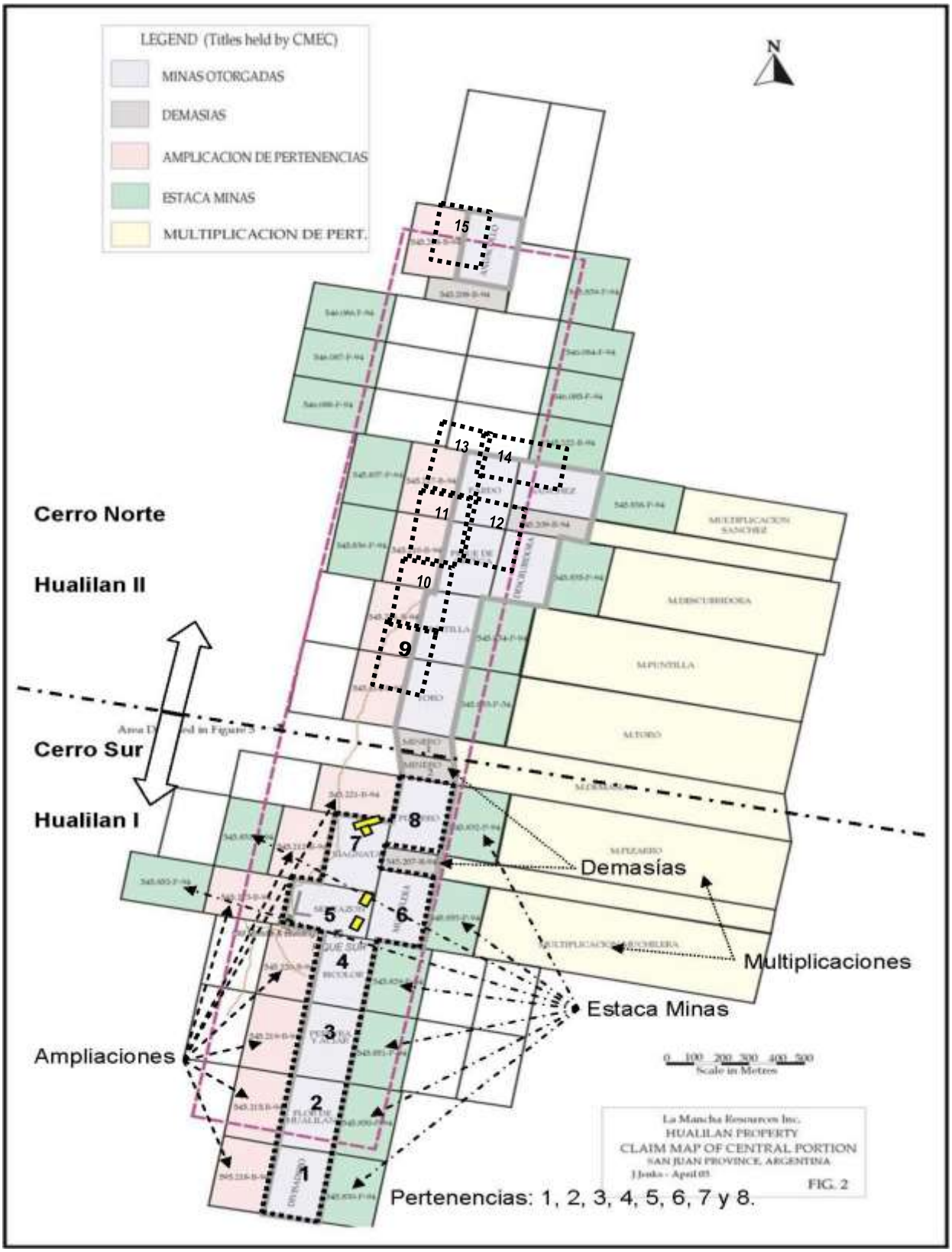


Figure 2.1-3: Hualilan exploration tenements with the Mining licences highlighted and numbered 1 to 15

Source: La Mancha Resources Inc - Geological Appraisal Report April 12 2003. Geology

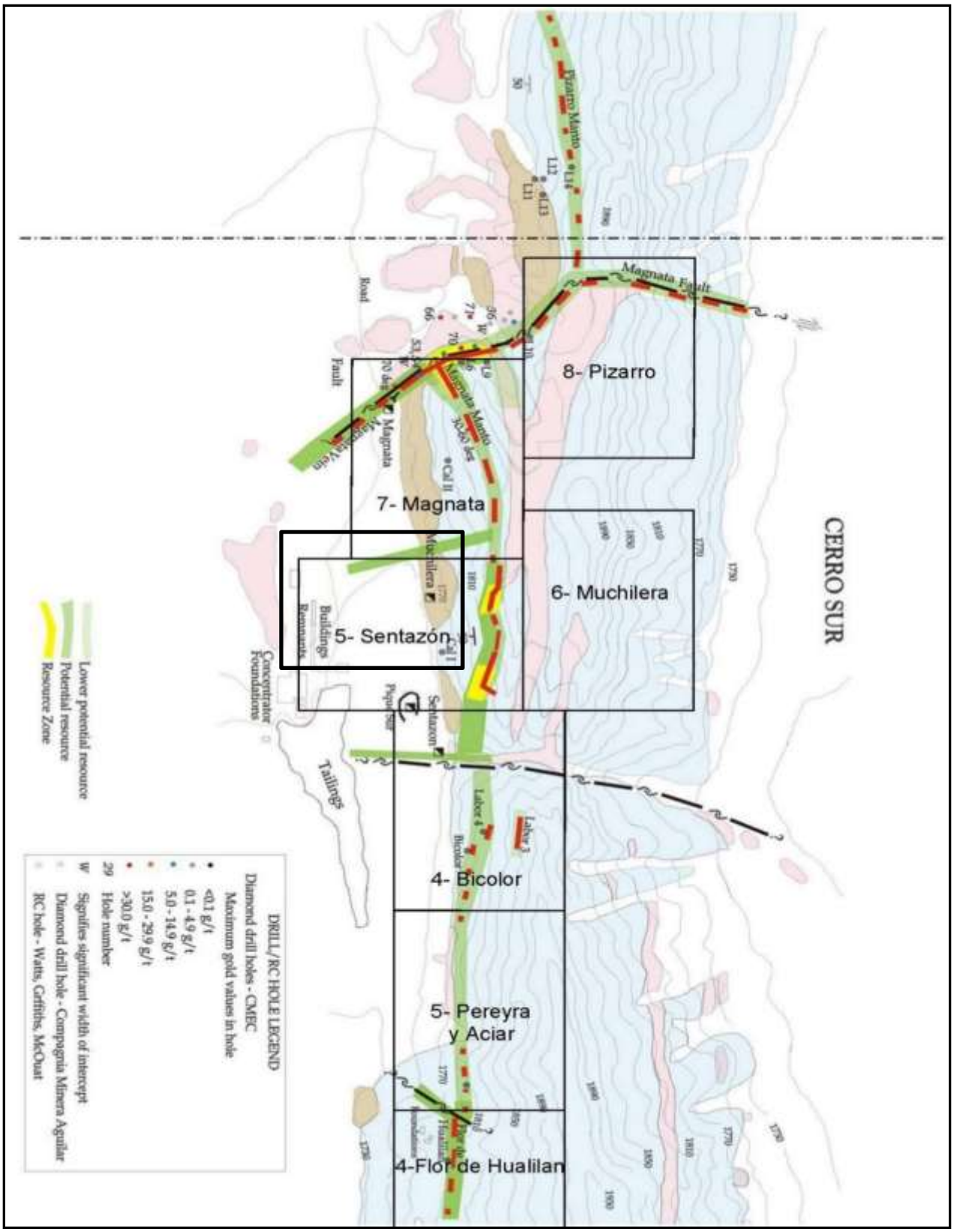


Figure 2.1-4: Cerro Sur interpretation of the continuity of mineralisation between individual licences

Note: North up the page; Source: La Mancha Resources Inc Geological Appraisal Report April 12, 2003. Geology.

The host rocks to the known mineralisation are Ordovician limestone which is overlain by Silurian conglomerate, sandstone and siltstone. The upper part of the Ordovician limestone contains a chert unit which has attracted bedding parallel fault movement by virtue of the competency contract between the limestone and chert. The entire sequence is folded and thrust-repeated, generally north-striking and moderately west dipping. The sedimentary rocks are intruded by mid-Miocene stocks, dykes and sills.

Surface oxidation (weathering) depth ranges from 25m to 50m and is dependent on fault and fracture location, being deeper around the fault zones.

Mineralisation occurs in all rock types, but it preferentially replaces within the limestone and faults.

The mineralisation has been classified as manto-style (distal skarn) with vein-hosted mineralisation. It has been divided into three phases; prograde skarn, retrograde skarn and a late quartz – galena event. Gold occurs in native form, in tellurides (hessite) and as inclusions with pyrite and chalcopyrite. The mineralisation also commonly contains chalcopyrite, sphalerite and galena.

Mineralisation is either parallel to bedding, in bedding-parallel faults or in east-west striking, steeply dipping quartz-dominated veins that cross the bedding at a high angle. The veins have thicknesses of 1 to 4 m and contain sulphides. The intersection between the bedding parallel mineralisation and the east-striking cross veins seems to be important in localising the mineralisation. For example, the Dona Justa Open Pit at Cerro Norte is located at the intersection between these structures.

At Cerro Sur, mineralisation occurs in three *en-echelon* bedding parallel replacement zones that dip 40 – 70 degrees to the west. The northern most zone links to an east-striking feeder (Figure 2.1-4).

2.1.3 Previous Exploration and Development

Intermittent sampling dating back over 500 years has produced a great deal of data including sampling data, geologic maps, reports, trenching data, underground workings, drill hole results, geophysical surveys, resource estimates plus property examinations and detailed studies by several geologists although no work has been completed since 2006.

There is 6 km of underground workings that pass through mineralised zones. Records of the underground geology and sampling are currently being compiled and digitised, as are sample data, geological mapping, trench and adit exposures, and drill hole results. Geophysical surveys exist but have largely yet to be check located and digitised.

Drilling on the Hualilan Project (Cerro Sur and Cerro Norte combined) extends to over 150 drill holes. The key historical exploration drilling and sampling results are listed below.

- 1984 – Lixivia SA channel sampling & 16 RC holes (AG1-AG16) for 2040m
- 1995 - Plata Mining Limited (TSE: PMT) 33 RC holes (Hua- 1 to 33) + 1500 samples
- 1998 – Chilean consulting firm EPROM (on behalf of Plata Mining) systematic underground mapping and channel sampling
- 1999 – Compania Mineral El Colorado SA (**"CMEC"**) 59 core holes (DDH-20 to 79) plus 1700m RC program
- 2003 – 2005 – La Mancha (TSE Listed) undertook 7447m of DDH core drilling (HD-01 to HD-48)

Original drill logs and assay data for the bulk of this drilling has been located and is currently being compiled and digitised. A complete list of drill results for the Hualilan project is given in Annexure 2.

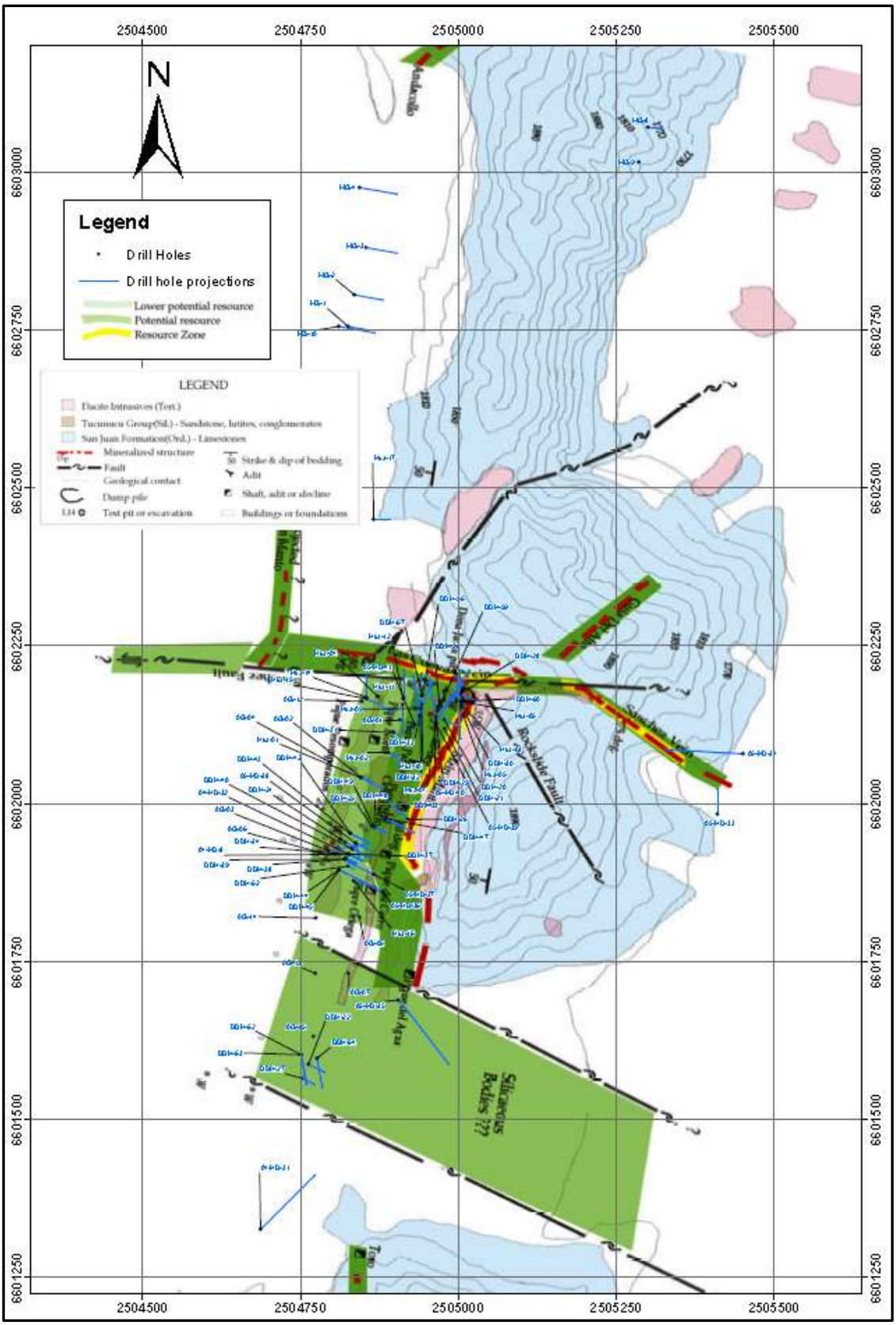


Figure 2.1-5: Cerro Norte interpretation of the continuity of mineralisation

Metallurgical test work was undertaken by CMEC in 2000. Four bulk samples were submitted by la CMEC in 2000 to the CIMM T & SSA. Laboratories in Santiago, Chile for testing. These consisted of oxidized sulphide as well as mixed material. Results indicated that flotation used in conjunction with a Knelsen concentrator provided 80% recoveries for gold and silver and 50% for zinc regardless of the material (sulphide or oxidized) into a gold silver and commercial zinc concentrate.

2.1.4 Foreign Estimates (Non-JORC)

La Mancha completed two tonnage and grade estimates in 2003 and 2006. The reported 2003 NI43-101 (non-JORC Code compliant) estimate for the Hualilan project is a measured resource of 299,578 tonnes averaging 14.2 grams per tonne gold plus an indicated resource of 145,001 tonnes averaging 14.6 grams per tonne gold plus an inferred resource of 976,539 tonnes grading 13.4 grams per tonne gold representing some 647,809 ounces gold. (*Source La Mancha resources Toronto Stock Exchange Release May 14, 2003 - Independent Report on Gold Resource Estimate*)

The 2006 estimate did not include the east-west mineralised Magnata Vein despite the known mineralisation in the Magnata Vein being drilled on a 25 x 50-metre spacing. The 2003 NI43-101 (non-JORC Code compliant) estimate attributed approximately half of its measured and indicated tonnage to the Magnata Vein. The 2006 estimate also included arbitrary tonnage reduction factors of 25% for indicated category, 50% for inferred category and 75% for potential category. The reported 2006 NI43-101 (non-JORC Code compliant Measured and Indicated) estimate for the Hualilan Project is a measured resource of 164,294 tonnes averaging 12.6 grams per tonne gold and 52.1 g/t silver and 2.5% zinc plus an indicated resource of 51,022 tonnes averaging 12.4 grams per tonne gold and 36.2 g/t silver and 2.6% zinc plus an inferred resource of 213,952 tonnes grading 11.7 grams per tonne gold and 46.6 g/t silver and 2.3% zinc. (*Source La Mancha resources Toronto Stock Exchange Release April 7, 2007 - Interim Financials*)

These estimates are foreign estimates and not reported in accordance with the JORC Code. A competent person has not done sufficient work to clarify the foreign estimates as a mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as a mineral resource.

Additional Information Required under LR5.12

The following information is provided in respect of the above foreign estimates as required by ASX Listing Rule 5.12:

- The source of the foreign estimates are resource reports prepared for La Mancha Resources presented in a technical report written in compliance with the reporting requirements of National Instrument 43-101 dated 12 April 2003 and 30 November 2006.
- The 2006 foreign estimate used four categories of mineralisation namely Measured, Indicated, Inferred and Potential. The Measured, Indicated, Inferred categories are generally similar to the same categories of mineralisation defined in Appendix 5 (JORC Code) and the Potential category has not been reported in this release.
- The foreign estimates are relevant and material to CEL as they demonstrate that the Project has the potential to be economically viable in the future.
- The 2003 Mineral Resource classification and results appropriately reflect the Competent Person's view of the deposit and the current level of risk associated with the project to date. The competent person refers to the La Mancha resources TSX release of 14 May 2003 in which the historical data the resource was based upon was described as "both detailed and reliable".
- The competent person is unsure why tonnage reduction factors of 25%, 50%, and 75%, were applied to the calculated indicated, inferred, and potential tonnages in the 2006 resource and does not believe these

tonnage reduction factors are appropriate nor does this 2006 resource appropriately reflect the Competent Person's view of the deposit.

- There is sufficient confidence in the data quality, drilling methods and analytical results. The available geology and assay data correlate well. The approach or procedure are deemed appropriate given the confidence limits. The main two factors which could affect relative accuracy is grade continuity and top cut.
- The foreign estimates use all core drilling and detailed underground channel sampling collected by EPROM, CMEC and La Mancha. The estimation techniques are appropriate with a longitudinal section polygonal method used for estimating resources, with individual blocs representing weighted averages of sampled underground and/or areas of diamond drill pierce points with zones of influence halfway to adjacent holes. The area of the block was calculated using AutoCad directly from the longitudinal sections. Overlying assumptions included a reduction of the calculated grade in each resource block by a factor of 10% to account for possible errors in the analyses.
- No more recent estimates or data are available.
- To verify the foreign estimates CEL in accordance with the JORC Code the Company intends to develop a program to include:
    - *Twinning of core holes;*
    - *Additional data precision validation as required;*
    - *Detailed interpretation of known mineralized zones;*
    - *Geostatistical assess of area of currently mineralisation to complete a re-estimation of these areas;*
    - *Investigate further drilling requirements to upgrade both the unclassified mineralisation and mineralisation in the existing historical resources to meet JORC 2012 requirements;*
    - *Structural interpretation;*
    - *Metallurgical test work; and*
    - *Complete a resource model review to meet JORC 2012 requirements.*

2.2 El Guayabo Project.

2.2.1 Overview

The El Guayabo Project is situated in El Oro Province, in southern Ecuador (Figure 2.2-1). The El Guayabo Project is located 36 km SE of the provincial capital, Machala which is located on the coast. El Oro Province is named after the historically important gold production which was a significant contributor to the provincial economy. The El Guayabo Project lies in the central to north-central part of the Portovelo-Zaruma gold mining district within the Cangrejos Zaruma intrusive belt.

Access to the El Guayabo Project is possible from the town of Santa Rosa by paved road (18 km) and gravel road (5 km). The "El Guayabo" exploration licence encompasses an area of 280 hectares.

2.2.2 Geology

The El Guayabo Project is located at the western end of the late Oligocene to Early Miocene Cangrejos Zaruma intermediate alkaline intrusive belt, which is controlled by an NW-striking fault zone. The intrusions range in age from 40 – 10 Ma, suggesting a long-lived intrusive complex as is the case for much of western South America (Chile – Peru – Bolivia). The intrusions in the belt are commonly overprinted by late porphyry dykes and intrusion breccia suggesting deeper, evolving magmatic systems are feeding shallower systems.

The host rocks for the intrusive complex are metamorphic basement and Oligocene – Mid-Miocene volcanic rocks. This suggests the intrusions are of a similar age to the host volcanic sequence, which also suggests an evolving basement

magmatic system. The NW-striking fault zone to the SW of the El Guayabo Project is a bounding structure for the volcanic basin suggesting it may have a regional control on the intrusive complex (SRK Consulting- High level review of the El Guayabo and Hualilan projects 27 July 2018).

Figure 2.2-1: Location of the El Guayabo Project in southern Ecuador

Intrusions are described in the available core logs as quartz diorite and dacite. Mineralisation has been recognised in:

- Steeply plunging breccia bodies and in the metamorphic host rock adjacent to the breccia (up to 200 m in diameter).
- Quartz veins and veinlets.
- Disseminated pyrite and pyrrhotite in the intrusions and in the metamorphic host rock near the intrusions.

Ten breccias have been identified which are described as quartz tourmaline. Two breccia bodies have intermittently been exploited by tribute miners, namely the Bloque De Cobre (**Copper Block**) and Bloque De Oro (**Gold Block**), (JKR Consulting and data collected by Newmont (2018)).

The Gold Block breccia is a multi-event breccia. Early stage breccia is described as angular, matrix supported (quartz and albite) with a variable block size. Higher gold grades are associated with a later vuggy breccia stage with shallowly dipping veins and the presence of tourmaline with the copper and gold minerals.

In addition, there are historically reported gold veins occurring in the SW of the exploration licence at Vetas Ecuaba. These veins have a NW strike, contain quartz, arsenopyrite, chalcopyrite and gold.

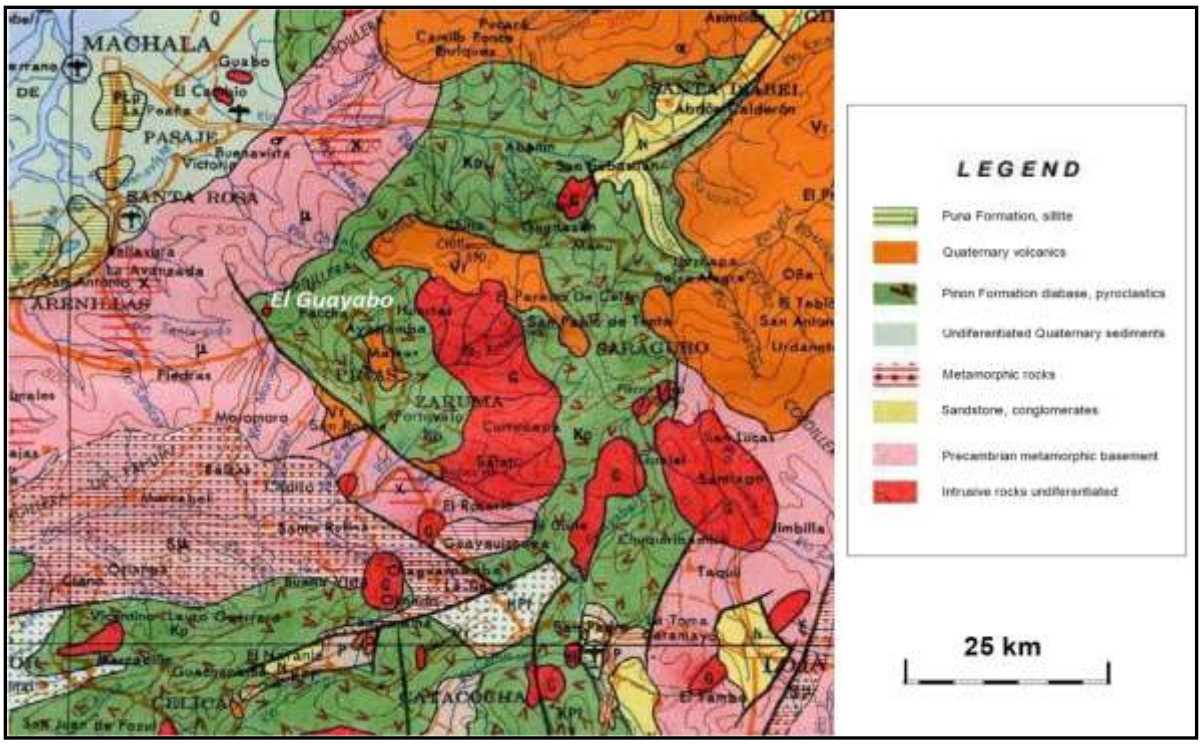


Figure 2.2-1: Regional geology showing the location of the El Guayabo Project

Source: Geological Map of Ecuador, Governmental Geological Service, 1969.

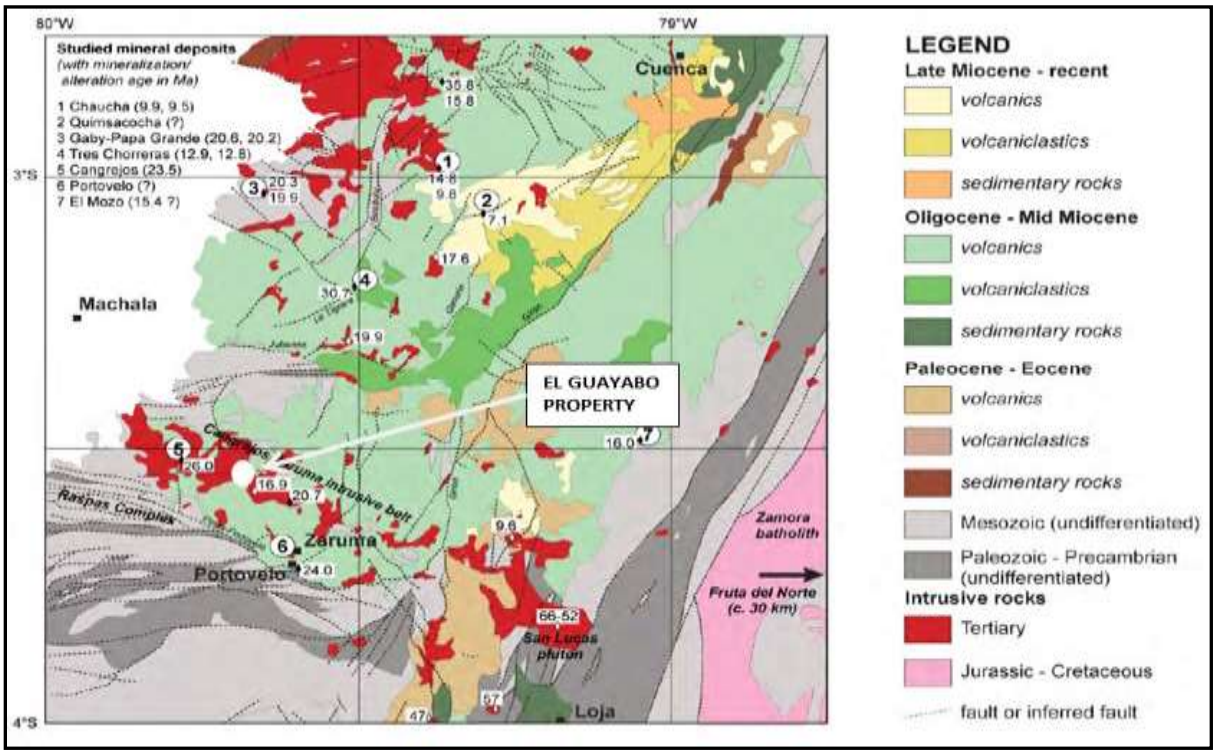


Figure 2.2-2: District scale geology of El Guayabo Property

Source: (Geochronology, geochemistry and isotopic composition of Tertiary porphyry systems in Ecuador, Schutte Philip 2009).

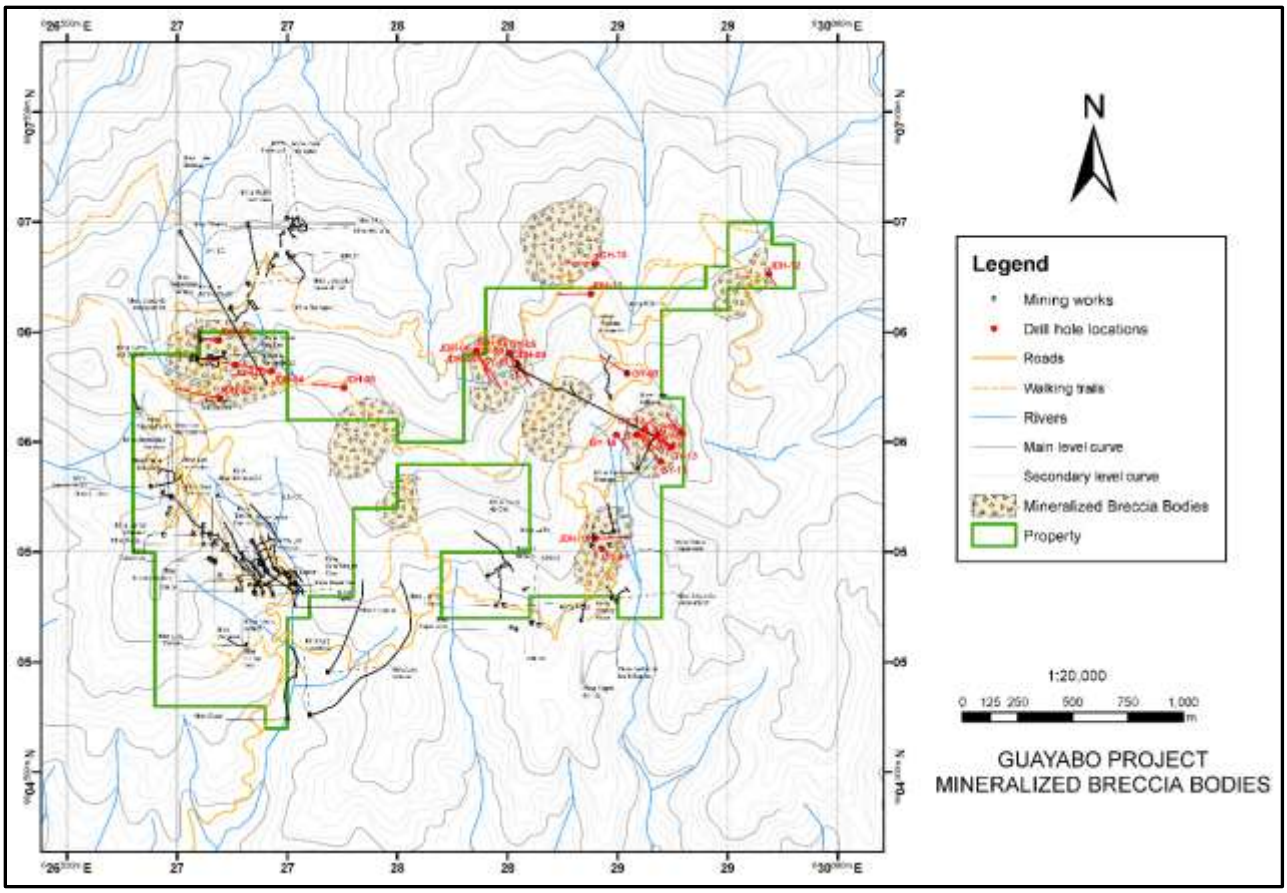


Figure 2.2-3: Surface features and surface geology and mineralisation plan for El Guayabo

Source: Prepared by JKR Consulting using historical exploration data collected by Newmont and Odin (2018).

2.2.4 Previous Exploration

Previous exploration was completed by Newmont Mining Corporation and Odin Mining and Exploration Ltd. Geological mapping, as well as soil and rock chip sampling surveys have all been undertaken with 5274 pit and, outcrop samples taken by Newmont currently being compiled. The results of this sampling with drill traces and the location of the Adriano Adit (artisanal) is shown in Figure 2.1-4. It indicates widespread copper enrichment in rock chips >750 ppm over the eastern and western parts of the licence and widespread gold in rockchips >100 ppb, particularly over the Gold Block, Copper Block and NW parts of the exploration licence). (A map showing the location of all of the pit and chip samples is in the Table A – Reports of >100 individual grid sampling chip/soil results are not covered by a table of individual results but via maps showing the data plotted as Figure 2.2-4.

A total of 33 drill holes (for 7490m) have been completed at the El Guayabo Project by Newmont Mining Corporation and Odin Mining and Exploration Ltd. Drill logs for all holes have been compiled, including logs for lithology, core recovery, samples, assay and magnetic susceptibility. A complete list of intercepts from the assays reported is provided in Annexure 3.

Most holes have a significant intersection suggesting there is considerable potential to extend the known mineralisation. (SRK Consulting- High level review of the El Guayabo and Hualilan projects 27 July 2018).

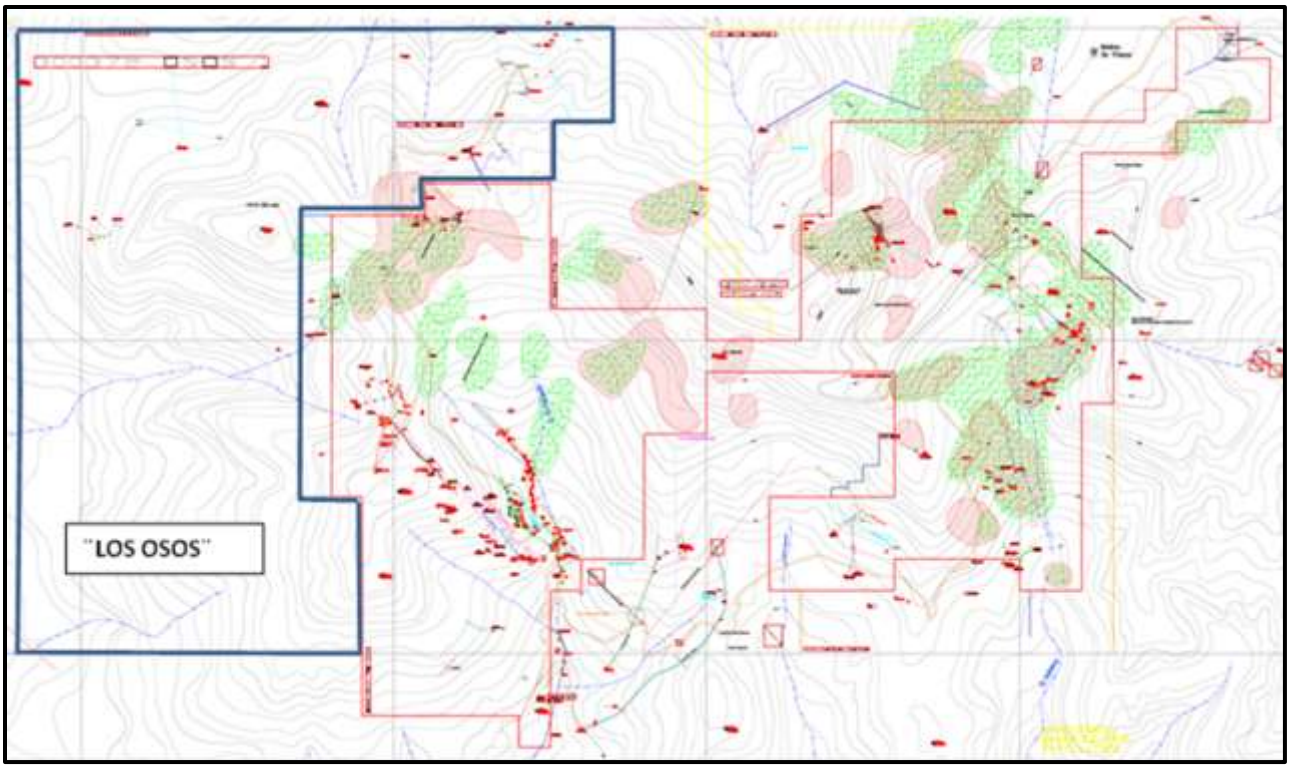


Figure 2.2-4: Showing Au>100 ppb red color ; Cu > 300 ppm green color. (5274 pit and outcrop samples Newmont)

Source: Prepared using by JKR Consulting using rock chip data collected by Newmont (2018).

Figure 2.2-5 (over the page) shows an interpretive section across the tenement (to scale) which illustrates the relationship between the reported intersections and mineralisation. The reader is cautioned that the geometry of the breccia hosted mineralisation appears to be predominantly vertical pipes while the geometry of the intrusive hosted mineralisation is not yet clear. Thus, only the down hole lengths are reported and the true width of mineralisation is not known

Fourteen (14) diamond core holes (JDH-001 – JDH-014) were completed by Newmont in one campaign. Two of these holes (JDH-005 and JDH-010) are drilled outside the current exploration licence. The samples from the first 5 holes were analysed for gold only. The samples from the remaining 9 holes were analysed for Au, Ag, Cu, Zn, Pb and As. Of these, 6 holes still have core stored for check assay and to test for other elements. A further 19 holes were completed by Odin Mining with samples analysed for Au (screen fire and fire assay), Ag, Cu, Zn, Pb, As and Mo.

A review of the historical drilling has indicated that many of the holes terminated prior to target and a number ended in ore grade mineralization. Only two of the ten known breccia bodies on the property have been systematically drilled and sampled Additionally alteration, controls on mineralisation and mineral assemblages are not consistently logged and have been re-logged with the core that remains. Newmont's early holes intersected visible chalcopyrite but samples were analysed for gold only. This includes drill holes JDH 2 and JDH-3 which both recorded plus 100m intersections of better than 0.4 g/t gold.

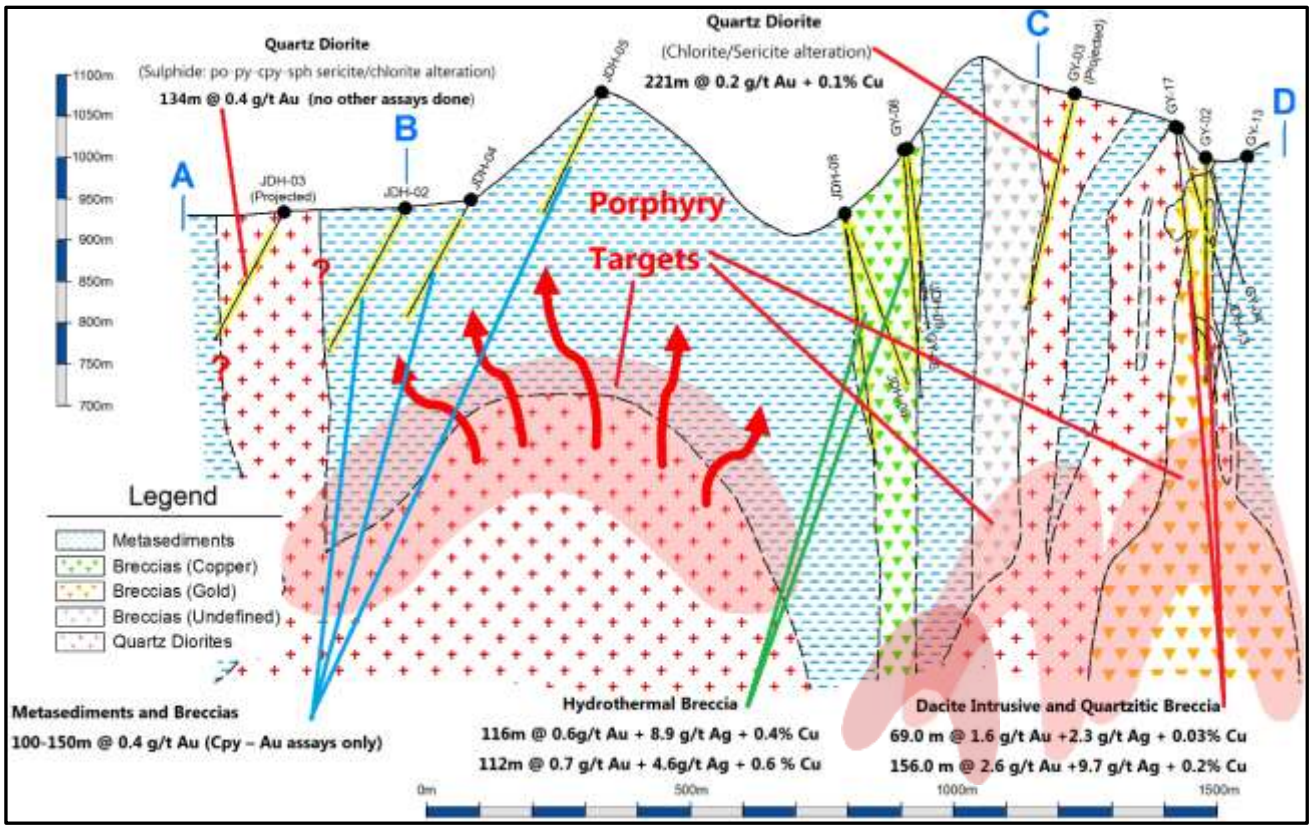


Figure 2.2-5: Interpreted cross section of the project

Source: Prepared using by JKR Consulting using drilling and surface mapping and sampling collected by Newmont (2018).

Section 3. Overview of Project Tenure Under Relevant Legislation

3.1 Hualilan Project - Argentina

General Terms

The Código Minera de Argentina Decree 456/97 - Argentine Mining Code - (**Code**), which dates back to 1886, is the legislation which deals with the rights, obligations and procedures related to mining in Argentina. Although the mining regulations are federal law, the jurisdiction of mining natural resources belongs to the provinces. In San Juan Province, the Código de Prodediementos Mineros de San Juan LEY N° 7199 (**MPC**) is complementary to the federal mining code and covers the procedural aspects.

In the case of most minerals, the Code dictates that the owner of the surface is not the owner of the mineral rights; these are held by the State. The State is also bound by the Code to grant to whoever discovers a new mine the rights to obtain a tenure (exploitation concession or mina) allowing mineral exploitation. The tenure of minas comprises subsurface rights to metal substances.

Minas (mines) differ from cateos (exploration licences) in that they are real property, governed by the same principles of common property. Minas are licensed for an unlimited time period, as long as the owners comply with the administrative rules of maintenance outlined by the Code. The owners of the Minas must comply with three conditions: payment of an

annual fee; investment of a minimum amount of capital; and to carry out of a reasonable level of exploitation. Failure to do so could lead to forfeiture of the property back to the State.

Demencias are any parcels of land between two or more demarked Minas where a regular pertenencia (a rectangular 200 m by 300 m unit) cannot be formed. The right to acquire ownership of these demencias is exclusively the right of the adjacent mina owners.

The current Hualilan project comprises 15 Minas and 2 Demencia as illustrated in Figure 2.1-2. This covers approximately 4 km of strike and includes all of the currently defined mineralization. The holding costs for duly registered minas, an annual royalty must be paid in advance and in two equal parts in two periods of six months that end June 30th and December 31st every year. The amount is fixed annually under federal law. The current amount is $ARS 160 (A$8) per half year. There is no annual fee for the 26 sqkm cateo (exploration licence) as the fee for Cateo's are payable upon application.

Fiscal terms

The key fiscal terms under the Argentine Mining Code are summarised in the table below.

MINING INVESTMENT LAW REGIME – **LAW N°24.196**	
Tax Incentives	**Explanations**
Fiscal Stability and right to reclaim exceed payments	30 years as presented in feasibility study.
Import of Equipment	Free import
Income Tax (35%)	Right to deduct 100% of the investment in exploration, exploitation and development of a mine.
Loss carry forward	5 years
VAT (21%)	Law No. 25429 established the return of the fiscal credits from the VAT originated in exploration investments, 12 months after expenditures took place.
Royalties (3%)	*Ad-valorem* royalty. Provinces cannot charge a percentage above 3% of *mouth mine value* of the extracted mineral.

3.2 El Guayabo Project - Ecuador

General Terms

The Ecuadorian state owns all minerals and non-renewable natural resources with these considered as strategic sectors, which are managed, regulated, controlled and governed by the state. The El Guayabo concession is currently held as a small-medium scale mining concession – broadly the equivalent of a Mining Lease in Australia. The concession holder has the exclusive right to explore, exploit, process and sell any metallic minerals within the concession.

The El Guayabo concession was first granted in April 27, 2010. According to article 36 of the Mining Act in Ecuador, a mining concession is granted for up to 25 years and may be renewed for an equal period upon a written application by the mining

concessionaire to the Mining Ministry. Existing mining concessions can be transferred, provided that prior authorisation from the mining authorities has been obtained.

It should be noted that ownership of mining concessions is distinct from ownership of the surface land. Private parties may acquire any form of surface rights, from ownership of the surface area to leases, usufructs, easements, etc. If a mining concessionaire wishes to acquire an easement over a surface area in order to develop its mining operations, it can either enter into an agreement with the surface owner or request that ARCOM (Agencia de Regulación y Control Minero - the body for mining regulation and control in Ecuador) impose an easement. Surface rights holders cannot oppose these requests since, as said above, mining rights are considered of public interest.

The main obligations of mining rights holders in Ecuador are:

- to pay annual mining conservation patent fees;
- to present annual exploration reports and investment plans;
- to present biannual production reports;
- to pay mining royalties to the state when in the exploitation phase;
- to obtain an environmental licence prior to commencing activities;
- to obtain administrative authorisations prior to commencing activities;
- to ensure at least 80 per cent of its workforce are Ecuadorian;
- to comply with the environmental management plan;
- to comply with the regulatory and the mining title duties and obligations;
- to train their personnel; and
- to maintain information regarding their operations.

When a project is considered in the range of large-scale mining (in excess of 1,000 tonnes of mined material per day underground and in excess of 2,000 tonnes per day open cut), prior to the commencement of the exploitation phase, the concessionaire must first sign an exploitation contract with the Ecuadorian state. This contract pertains to all minerals located in the concession area and will establish the formal legal framework for development, construction and operation of mining projects.

Fiscal terms

Mining concessionaires are required to pay various taxes, both direct and indirect, as outlined below:

- Tax – 37 % per cent payable on income less expenses split as follows in large-scale mining.
  - 22% income tax
  - 12% to the state
  - 3% to their employees

- VAT - 12% payable on goods purchased and services rendered with mineral exporters able to recover VAT as of 1 January 2018.

- Royalties – Large scale mining is required to pay a royalty not less than 3 per cent and not higher than 8 per cent of the sales of the principal and secondary minerals. Royalty is calculated on the gross income, less refining and transport costs.

- Windfall Profit Tax - 50% is payable only 48 months after pre-production investments in the mining project have been recuperated. This is broadly equivalent to the “super profits” mining tax previously contemplated in Australia. To calculate the windfall profit tax, metal prices are equal to their 10-year rolling average plus one standard deviation. For reference, the average price of copper over the past 10 years (plus one standard deviation) is

approximately US$4lb. Thus, on this example, 50% of the additional revenue received from a copper price above US$4lb would be payable.

- Municipal Patent - Calculated according to a concessionaire's assets with US$5,000 the maximum annual tax that can be paid.

- Municipal Tax and Superintendency of Companies - equivalent to 0.25 per cent of the concessionaire's assets annually.

Section 4. AEP Corporation Pty Ltd

AEP Corporation Pty Ltd is an Australian private company established specifically to acquire the El Guayabo and Hualilan Projects.

AEP's share capital mirrors the proposed consideration from the Company as follows:

- 180,000,000 fully paid ordinary shares;
- 78,444,444 options exercisable at $0.04 expiring June 30th 2022;
- 60,000,000 Class A Performance Shares; and
- 60,000,000 Class B Performance Shares.

AEP (or its subsidiaries) have expended $1,672,000(1) on the Projects to date and has raised $2,550,000(2) and the above capital structure includes equity issued under the raises of this $2.55 million. These funds will be used for:

- advancing the work program for the Hualilan and El Guayabo Projects (refer Section 1 above);
- enabling AEP to advance the Company up to $500,000 (refer Section 6 below), and
- supporting corporate overheads.

The sole director and secretary of AEP is Mr Kris Knauer, who is proposed to be appointed as a Director of the Company on completion of the Transaction.

(1) Figures as at 31 December 2018
(2) Includes initial $300,000 Founder contribution and $2.25m seed capital

Section 5. Earn in Agreements

5.1 Hualilan Project

Afro Asian Resources Pty Ltd (**AAR**) is a wholly owned subsidiary of AEP. AAR has entered into a binding Farmin Agreement with Golden Mining SRL (GML). GML is the current holder of the concessions constituting the Cerro Sur Project and has entered into an agreement with the current holders of the Cerro Norte project. Under this Agreement AAR has the right to earn 75% of both the Cerro Sur and Cerro Norte projects (which comprise the Hualilan Project) on the following terms:

<u>Cerro Sur and Exploration licence application covering 26 sq. km's surrounding the projects</u>

- Minimum expenditure of A$1 million (on the Cerro Sur and Cerro Norte projects combined) and the issue of 6.667 million shares (being shares in CEL assuming the Transaction completes) no later than 1 July 2020 to acquire a 25% interest in the project
- A milestone payment of 1.667 million shares (being shares in CEL assuming the Transaction completes) due on 22 June 2019.

- Completion of a Definitive Feasibility Study within five years[1] to move from 25% to 75% of the project.

Cerro Norte

- A payment of 1.667 million shares (being shares in CEL assuming the Transaction completes) to Cerro Sur owners for assignment of Cerro Norte farmin due no later than one month after re-listing on the ASX.
- Minimum expenditure of A$1 million (on the Cerro Sur and Cerro Norte projects combined) and the issue of 5 million shares (being shares in CEL assuming the Transaction completes) no later than 1 February 2021 to acquire a 25% interest in the project.
- Completion of a Definitive Feasibility Study within five years and the issue of 50 million shares (being shares in CEL assuming the Transaction completes) to move from 25% to 75% of the project.

5.2 El Guayabo Project

Ecuador Mining Pty Limited ("EMP") is a wholly owned subsidiary of AEP and has entered into a farmin agreement under which it can acquire 100% of the El Guayabo Concession from Torata Mining Resources TMR S.A., a company duly incorporated and registered under the laws of Ecuador, having its principal offices in Buenavista 2619 y Av. Bolívar, La Providencia, Machala, El Oro, Ecuador, the current owner of the property comprising the El Guayabo Project:

Under this agreement EMP has earned an initial 19.9% interest in the project and can acquire up to 100% of the El Guayabo project via a staged Farm-in agreement.

The proposed terms of the Staged Farm-in Agreement are summarised below:

- Stage 1: Expenditure of A$2 million by 15 June 2020 (~1 year after relisting) to move from 19.9% to a 35% interest in the Project. It should be noted that as at Dec 31 2018 AEP had spent $1.43 million towards this commitment;
- Stage 2: Expenditure of an additional A$3 million by 1 June 2022 to move to a 51% interest in the Project;
- Stage 3: At any time on or before Dec 15, 2022, and at the sole discretion of EMP (being controlled by the Board of CEL), issue 180m ordinary shares to Torata SA to acquire 49% of the Project. These shares will be subject to necessary regulatory and shareholder approvals.

Summary Table

Project Interest	Cumulative Interest	Consideration / Expenditure Commitment
19.9%	19.9%	Existing interest in the project
15.1%	35%	Minimum expenditure on project of A$2m - ~1 Year after relisting
16%	51%	Minimum expenditure on project of A$3m - ~3 Years after relisting
49%	100%	180m CEL shares payable at the sole discretion of the Board of CEL. Shares to be issued no later than Dec 15, 2022

The farm in agreement outlined above includes the following mechanisms to ensure security of the project for Ecuador Mining Pty Limited. These agreements result from detailed Ecuador based legal advice and are not relevant to project earn in terms

- A Loan and Option Agreement, whereby all exploration expenses and annual option payments will be treated as a loan secured over the El Guayabo Concession until the acquisition of 100% of the concession has been completed by EMP or EMP elects to withdraw from the farm in agreement.
- A Pledge Agreement, which is the Ecuadorian equivalent of a fixed and floating charge, over the El Guayabo Project concessions in favour of EMP.
- An Irrevocable Promise to Transfer Agreement, which has been lodged and stamped by the Ecuador Mines Department, which is effectively a pre-authorization to the Mines Department to transfer the El Guayabo concession to EMP upon completion of the terms of the Staged farmin and Loan and Option Agreements by EMP.

Section 6. Transaction

Subject to the satisfaction of the relevant conditions, the Company intends to acquire 100% of the issued capital in AEP. It will provide the following consideration:

- 180,000,000 fully paid ordinary shares;
- 78,444,444 options exercisable at $0.04 expiring June 30th 2022;
- 60,000,000 Class A Performance Shares; and
- 60,000,000 Class B Performance Shares.

Class A Performance Shares terms are set out below:

(a) **Milestone to trigger conversion to Shares on a one-for-one basis**: A JORC Compliant Mineral Resource Estimate of at least Inferred category on either Project of the following:

- a minimum 500,000 ounces of gold (AU) or gold equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 6 grams per tonne gold equivalent; or
- a minimum 1,500,000 ounces of gold (AU) or gold equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 2.0 grams per tonne gold equivalent; or
- a minimum 3,000,000 ounces of gold (AU) or gold equivalent (in accordance with clause 50 of the JORC Code) at a minimum grade of 1.0 grams per tonne gold equivalent;

(b) **Conversion timeline**: Within seven days of milestone being triggered subject to any regulatory hurdles that must be resolved on a best endeavours basis as quickly as possible in good faith.

(c) **Escrow period post milestone**: Nil, subject to any restrictions imposed by ASX.

(d) **Sunset Date**: Five years from the date of the Acquisition or such other date as required by ASX.

Class B Performance Shares terms are:

(a) **Milestone to trigger conversion to Shares on a one-for-one basis**: Completion and announcement (subject to the provision of information allowable at the time of completion) of a positive Scoping Study (as defined in the JORC Code) by an independent third-party expert which evidences an internal rate of return of US Ten Year Bond Rate

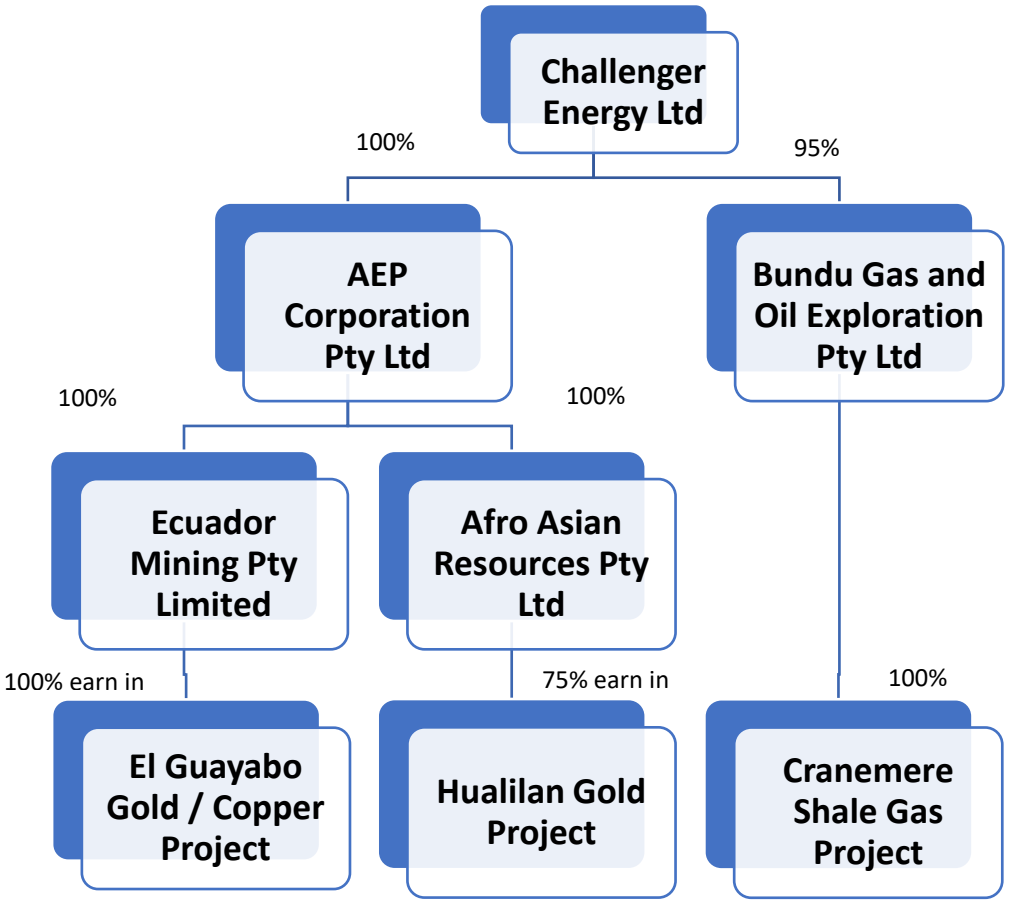
plus 10% (using publicly available industry assumptions, including deliverable spot commodity / mineral prices, which are independently verifiable) provided that the total cumulative EBITDA over the project life is over US$50m.

(b) **Conversion timeline**: Within seven days of milestone being triggered subject to any regulatory hurdles that must be resolved on a best endeavours basis in good faith.

(c) **Escrow period post milestone:** Nil, subject to any restrictions imposed by ASX.

(d) **Sunset Date:** Seven years from the date of the Acquisition or such other date as required by ASX.

The proposed corporate structure post the transaction is presented below.



As noted in the overview above, as part of the Transaction AEP has advanced A$200,000 to the Company. It has agreed to provide a further facility A$300,000 available to the Company as required. In the event the Transaction completes, these funds will not be repayable via an issue of shares and will form an inter-company loan. In the event the Transaction does not complete by 30 June 2019 (or later date as mutually agreed by the parties), the Company must convert all loan funds into ordinary shares in the Company at an issue price per share of $0.004 (i.e. assuming a A$200,000 loan balance, 50,000,000 ordinary shares). If conversion of the loan facility would result in AEP (or any of its associates) obtaining an interest in 20% or more of the Company, the Company shall only be required to issue such number of shares to AEP as it is able to without causing a breach of law and the balance of shares to be issued to repay the loaned amount will be issued as soon as possible thereafter.

Section 7. Capital Raising and Re-compliance Information (including proposed Consolidation)

As part of the Transaction, the Company is proposing to raise $5,000,000 by issuing up to 833,333,333 ordinary shares at the equivalent of $0.006 per share. The capital raising will be conducted subject to shareholder approval under a prospectus to be issued as part of the Company seeking to re-comply with Chapters 1 and 2 of the ASX Listing Rules. The capital raise is not proposed to be underwritten.

7.1 Consolidation and Pro-Forma Capital Structure

The Company is likely to consolidate all shares as part of seeking to re-comply with Chapters 1 and 2 of the ASX Listing Rules, a consolidation on a one for five basis is currently contemplated. Except where expressly identified otherwise, share numbers and issues prices referred to in this announcement are presented and disclosed on a post-consolidation basis.

Challenger Energy (post a 5 for 1 consolidation)			**Totals**	**%**
	Ordinary Shares currently issued	77,893,364		
	Loan converted to Ordinary shares	10,000,000		
	Existing unlisted CEL Options ($0.25, 30/6/2020)	6,950,000		
	Fully Diluted		94,843,364	17.3%
Acquisition of AEP				
	Vendor shares (escrowed)	94,666,667		
	AEP Seed Round 1 (@ 2.4c)	52,000,000		
	AEP Seed Round 1 (@ 3c)	33,333,333		
			180,000,000	32.8%
	Vendor Options - 4 cents June 2022 (escrowed)	78,444,444		
			78,444,444	14.4%
Recompliance Round				
	Ordinary Shares (raise $5.0m at 3c)	166,666,667		
	Conversion of AEP facility ($0.75m @ 3c)	25,000,000		
	Broker equity raising fee	3,000,000		
			194,666,667	35.5%
Ordinary Shares Post Recompliance			**462,560,031**	
Options Post Recompliance ($0.04, 30/6/22 & $0.25, 30/6/20)			**85,394,444**	
Fully Diluted Post Recompliance			**547,954,475**	100.0%
Post Re-compliance Metrics				
	Ordinary Shares on Issue	462,560,031		50.7%
	Shares to acquire 25% of Hualilan	15,000,000		1.6%
	Shares issued for 50% of Hualilan	50,000,000		5.5%
	Shares issued to acquire 49% of El Guayabo	180,000,000		19.7%
	AEP Performance Shares	120,000,000		13.1%
	Total Shares Fully Diluted		827,560,031	
	Total Options Fully Diluted		85,394,444	9.4%
	Total Fully Diluted		912,954,475	100.0%

Assuming the Transaction and the fundraising is completed, the indicative (post-consolidation) pro-forma share capital of the Company (assuming a 5 for 1 consolidation) would be as set out in the table above. The Ordinary Shares issued includes 10,000,00 post consolidation shares, being the conversion of borrowing of $300,000 (at 31 December 2018) at $0.03.

Note that the capital structure tables do not include the issue of 10,000,000 performance shares (pre-consolidated) to Mr Willes based on granting of Bundu's exploration rights in the Karoo. These securities will be subject to shareholder approval at a forthcoming shareholders meeting. Refer to ASX announcement dated 13 June 2018 for further details.

There are 4,000,000 Performance Rights due to Mr Willes that vest on completion of 36 months continuous employment and either the Company by no later than 7 April 2020 – announcing that its interests in the Karoo Basin South Africa can be commercially developed; or receiving an independent reserves certification containing proved reserves or achieving a market capitalisation of $500m or greater. It is not considered probable the Performance Rights will vest.

Should AEP require additional funds to maintain exploration/pursue additional acquisition opportunities/fund the relisting process, and additional seed capital is not available at the proposed re-compliance capital raise price, the founders of AEP have agreed to provide an additional $750,000 facility. Should this facility be required it can either be repaid from the proceeds of the re-compliance raise or converted into CEL shares at the IPO price. Should these funds be required approval will be sought for the conversion of these funds into shares at the proposed re-compliance capital raising price of 3 cents.

7.2 Control Effects

Assuming the completion of the Transaction, no person will have voting power of 20% or more in the Company. The Company has been advised that the AEP shareholders are not and will not be "associates" of each other as defined in the Corporations Act where such association would give rise to an aggregate voting power of 20% or more in the Company.

7.3 Pro-Forma Balance Sheet

An indicative pro-forma balance sheet showing the indicative effect on the Company of the acquisition of AEP (together with its subsidiaries AAR and Ecuador Mining Pty Limited) is set out in Annexure 1 and is prepared on the basis of unaudited accounts of AEP (and its subsidiaries).

7.4 New Directors and Management Team

The Company has agreed to appoint the following directors as part of the Transaction:

- Kris Knauer as Managing Director and CEO; and
- Fletcher Quinn as Non-Executive Chairman; and
- Scott Funston as Finance Director and CFO.

Kris Knauer's experience is presented below:

Kris started his career as an exploration geologist before moving into investment banking, initially as a mining analyst. He is an experienced listed company CEO. He led the listing of a package of copper/gold assets in Saudi Arabia to create Citadel Resources (ASX: CGG) becoming the Managing Director for the first 18 months. Citadel completed a DFS on the Jabal Sayid copper project in Saudi Arabia prior to being taken **over** for $1 billion. More recently Mr Knauer was Managing Director of Medibio Limited (ASX: MEB) he resigned from the role of Managing Director in January 2017 and retired from the Board in October 2017.

Fletcher Quinn's experience is presented below:

Fletcher has over 35 years' experience in venture capital, corporate finance and investment banking including extensive experience with both listed and unlisted companies, including public company development, management and governance. Fletcher was the foundation chairman for ASX entities Citadel Resources and Sirocco Resources.

Scott Funston's experience is presented below:

Mr Funston is a qualified Chartered Accountant and Company Secretary with nearly twenty years' experience in the mining industry and accounting profession. His expertise is financial management, regulatory compliance and corporate advice. Mr Funston possesses a strong knowledge of the Australian Securities Exchange requirements and has previously assisted a number of ASX listed resources companies as CFO and Company Secretary operating in Australia, South America, Asia, Africa, USA. Most recently Mr Funston was CFO and Company Secretary of Avanco Resources, a Brazilian focussed copper and gold producer, that was acquired by Oz Minerals Limited.

Michael Fry, Robert Willes and Clinton Carey intend to resign if the Transaction is approved with Robert Willes remaining as a Director of Bundu Gas and Oil Exploration (Pty) Ltd, the Company's 95% owned subsidiary which holds the application for shale gas exploration rights in South Africa.

7.5 Indicative Timetable

The proposed indicative timetable is presented below:

Item	Date
Announce Transaction	21 February 2019
Notice of Meeting sent to Shareholders	5 March 2019
Shareholder Meeting to approve Transaction	8 April 2019
Lodgement of Prospectus with ASIC	28 March 2019
Opening Date of Public Offer	28 March 2019
Closing Date of Public Offer	11 April 2019
Re-quotation on ASX	18 April 2019

The above timetable is subject to change.

7.6 Key Risks

Certain key risks regarding the Transaction are summarised below. The risks below should not be considered exhaustive in nature, and it should be noted that the Transaction is at an early stage and remains conditional upon due diligence investigations by the Company.

(a) Completion Risk

The Company has agreed to acquire 100% of the issued share capital of AEP, subject to the satisfaction of certain conditions set out below. There is a risk these conditions may not be fulfilled in a reasonable timeframe, or at all, in which case the Transaction will not proceed.

If the Transaction does not proceed, the Company will have incurred costs relating to advisors and other third-parties without any tangible benefit having been received by the Company. It should be noted that if the Transaction does not proceed the loan advance provided by AEP will be repayable through an issue of shares in CEL which will dilute the holdings of existing shareholders.

(b) Counterparty Risks and Earn-In Risks

AEP holds its rights to earn-in to the Projects via agreements through subsidiary entities with third-parties and, in the case of the Hualilan Project, a Binding Heads of Agreement which is to be formalised in definitive contractual arrangement. While the Company expects that AEP will conclude formal arrangements in respect of the Hualilan Project shortly, and prior to completion of the Transaction, there is a risk that AEP may not be able to negotiate formal documents in terms acceptable to CEL.

Furthermore, due to the earn-in nature of AEP's rights to the Projects, there is a risk:

- That the Company may, in the future, having made some or a substantial part of this expenditure elect not to pursue the Projects for reasons which may include changes in commodity prices and an assessment of the results of its exploration activities.

- Associated with potential for disputes between the counterparties to the earn-in arrangements which could lead to delays, increase in costs, disputes or litigation. There can be no assurance that the Company would be successful in seeking remedies or enforcement of its rights through legal actions should such disputes occur.

(c) Re-Compliance with Chapters 1 and 2 of the ASX Listing Rules

As part of and in connection with the Transaction, the Company will be seeking to re-comply with Chapters 1 and 2 of the ASX Listing Rules. It is anticipated the Company's securities will be suspended from Official Quotation from the date of the general meeting of shareholders to approve the Transaction until the completion of the Transaction, completion of the capital raising, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and the satisfaction of any further conditions imposed by ASX in respect of the Company's re-compliance.

There is a risk the Company does not complete the Transaction and/or the capital raising, or that the Company will not be able to satisfy one or more of the conditions of re-compliance imposed by ASX.

(d) Liquidity risk

On completion of the Transaction, the Company proposes issuing securities to the Vendors of AEP. The Company anticipates ASX will treat some or all of these securities as restricted securities per Chapter 9 of the ASX Listing Rules and that such securities may be subject to disposal restrictions (escrow).

The escrow of securities issued to the Vendors of AEP may result in an increased liquidity risk as a large portion of the issued capital of the Company may not be able to be traded freely for a period of time. The proportion of the proposed post-Transaction share capital of the Company the securities to be issued to the Vendors of AEP represents is set out above.

(e) Dilution risk

The Company proposes issuing a significant number of securities in connection with the Transaction, including securities to the Vendors of AEP and to participants in the capital raising. The issue of these securities will likely result in a dilution of the holdings of existing shareholders of the Company.

(f) Risks associated with operating in Ecuador and/or Argentina

Assuming the Transaction completes, the Company's operations will be subject to laws and regulations in place in Ecuador and/or Argentina, including in respect of mine development, environmental protection, occupational health and safety, land and water use, taxation and royalty arrangement and other matters.

The Company has historically operated in South Africa and the USA and has limited experience with operating in Ecuador and/or Argentina. While the Company will engage advisors with experience in Ecuador and/or Argentina, and believes it

will be substantially in compliance with all material current laws and regulations effecting the projects under the Transaction, changes in applicable laws, regulations, agreements or changes in enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits or agreements which could have a material adverse impact on the Company, AEP and/or the projects held by AEP.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements. The occurrence of risks for operating in Ecuador and/or Argentina cannot be accurately predicted and could have a material adverse effect on the Company's operations or profitability post-Transaction.

There is also a risk the Company and/or AEP may need to comply with the requirements of governmental authorities in Ecuador and/or Argentina for the transfer of all the issued share capital of AEP to the Company. Such requirements (if any) may not be able to be complied with on terms acceptable to the Company and/or AEP, or in such a time period so as to not delay the Transaction.

There is a risk that the proposed operations of the Company and/or AEP may suffer material detriment in the occurrence of any political and/or civil unrest in either or both countries or that an economic downturn in Ecuador and/or Argentina may result in a material adverse effect to the Company and/or AEP.

(g) Licences

The Company's proposed operations will be subject to receiving and maintaining licences and permits from appropriate governmental authorities and or third parties. There can be no assurance that delays will not occur in connection with obtaining all necessary renewals of licences/permits for existing operations, additional licences/permits for any new potential changes to operations, or additional permits associated with new legislation. Prior to any development on any of its projects, the Company must receive licences/permits from appropriate Governmental authorities. There is no certainty AEP will continue to hold all licences/permits necessary to develop or operate at any particular project.

(h) Minerals Exploration

In addition to the above, there are other risks inherent in the conduct of a minerals exploration business to which the Company will be exposed upon completion of the Transaction including:

- risks associated with the inherently speculative nature of minerals exploration;
- land access risks;
- environmental risks;
- risk associated with the availability of suitability qualified personnel;
- operational risks; and
- risks associated with the availability of future capital required to fund development.

A further detailed overview of key risks will be provided as part of seeking shareholder approvals required for the Transaction and be incorporated in the prospectus issued in connection with the capital raising.

7.7 Key Dependencies

The key dependencies influencing the viability of the Transaction are:

(a) the Company's capacity to re-comply with Chapters 1 and 2 of the Listing Rules to enable readmission to quotation of the Company's securities;

(b) satisfaction of the remaining conditions of the Transaction set out below including completion of due diligence, execution of formal documents and raising sufficient funds satisfying the capital raising condition to be applied to the proposed development program in relation to the El Guayabo and Hualilan Projects.

7.8 Proposed Use of Funds

The indicative 2–year budget for the use of funds proposed to be raised in connection with the Transaction is set out below. The use of funds below is subject to confirmation and adjustment on completion of due diligence by the Company and should be considered indicative only. A more detailed use of funds budget will be provided in the prospectus proposed to be issued in connection with the $5.0m capital raising referred to above.

El Guayabo Project (including, geophysical survey, surface mapping, and ancillary including community engagement programs)	$1.89m
Hualilan Project (including, geophysical survey, surface mapping, drilling program and ancillary including community engagement programs)	$1.35m
Costs of the Transaction	$300k
Payment of retiring CEO Accruals	$200k
Payment of retiring non-executive Director Accruals	$54k
Working Capital, Existing Projects and Administration	$1.21m
Total:	**$5.0m**

Section 8. Re-compliance with ASX Listing Rules Chapters 1 and 2

Since the Transaction will amount to a significant change in the nature and scale of the Company's activities, the Company is required to obtain the approval of its Shareholders for the Transaction and must re-comply with Chapters 1 and 2 of the Listing Rules.

Having regard to the above, the Company notes that:

- the Transaction requires shareholder approval under the ASX Listing Rules and therefore may not proceed if those approvals are not forthcoming;
- the Company is required to re-comply with ASX's requirements for admission and quotation and therefore the Transaction may not proceed if those requirements are not met;
- ASX has an absolute discretion in deciding whether or not to re-admit the Company to the Official List and to quote its securities and therefore the Transaction may not proceed if ASX exercises that discretion/

Investors should take account of these uncertainties in deciding whether or not to buy or sell the Company's securities.

The Company notes that ASX takes no responsibility for the contents of this announcement and confirms that it is in compliance with its continuous disclosure obligations under Listing Rule 3.1.

Section 9. Shareholder Approvals, Conditions to Terms Sheet, ASX Waivers and Other Disclosures

9.1 Shareholder Approvals and Conditions to Terms Sheet

Completion of the Transaction is conditional upon the satisfaction (or waiver by mutual agreement for conditions that can legally be waived) of all of the following conditions precedent:

- CEL obtaining all necessary regulatory and CEL shareholder approvals required to complete the Transaction including, without limitation, CEL shareholder approval:
  - (i) To change the nature and/or scale of CEL's activities in accordance with ASX Listing Rule 11.1.2 if required;
  - (ii) for CEL to issue the consideration shares and performance shares in accordance with the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth);
  - (iii) for CEL to issue the capital raising shares;
  - (iv) for the appointment of the incoming directors referred to in this announcement;
  - (v) any additional items which may be agreed by the parties in writing or required by ASX;
- CEL obtaining all necessary waivers of the ASX Listing Rules required to complete the Transaction and the capital raising;
- ASX approval of the terms of the performance shares for the purposes of ASX Listing Rule 6.1;

- Receipt of ASX conditional approval to re-admit CEL to the Official List, subject to re-compliance with Chapters 1 and 2 of the ASX Listing Rules, such conditions to be reasonably satisfactory to CEL;

- CEL and Kris Knauer entering into an Executive Services Agreement (to be mutually agreed between the parties) for his appointment as Managing Director and CEO of the Company;

- AEP (and its subsidiaries) having net liabilities of less than $100,000, excluding Project earn in commitments and the AEP Facility at the completion date;

- CEL receiving valid applications for the subscription of $5.0m amount under the capital raising;

- AEP obtaining all relevant approvals including shareholder approval for the Transaction;

- No material adverse changes to CEL's or AEP's financial position except as contemplated by this Agreement or approved in writing by the parties, with such approval not to be unreasonably withheld (the parties have agreed that the outcome of CEL's current licence application in South Africa shall not, in any circumstances, be considered a material adverse change);

- Completion by CEL of legal and accounting due diligence regarding the Projects and AEP to its reasonable satisfaction; and

- Execution of the definitive share purchase agreement between the parties and any other ancillary documents required in order to effect the Transaction.

9.2 ASX Waivers and Confirmations Required

The Company intends to seek a waiver from the requirements of Listing Rule 2.1 (Condition 2) to enable it to issue Shares at $0.03 per Share. The Company also intends to seek a waiver in respect of Listing Rule 9.1.3 to substitute the application of items 3 and 4 with the restrictions in items 1 and 2 of Appendix 9B in relation to the securities to be issued to the Vendors as consideration for the acquisition of 100% of the issued capital of AEP (as applicable where seed capital investment can be demonstrated). Further, the Company will seek confirmation from ASX that it is comfortable with the terms of additional securities proposed to be issued by the Company (being, the performance shares) in accordance with Listing Rules 6.1 and 6.2.

9.3 Company's Enquiries into the Project and AEP

As noted above, the Company has made a number of enquires and investigations into the assets, financial position and prospects of AEP and the Projects including the appointment of SRK Consulting to conduct a high-level geological review and is encouraged by the opportunity which the Transaction presents to generate value for existing shareholders. The Company's due diligence is ongoing and until such time as those enquiries are complete the Board cannot definitively be satisfied that the transaction is in the best interests of shareholders. The Board believe that it is prudent to execute the Terms Sheet, as the means to recording the key agreed commercial and other terms of the Transaction, prior to incurring the significant costs associated with the full due diligence program which will be required in connection with preparation of the capital raising prospectus.

9.4 Fees

In addition to the typical capital raising and professional services fees, the Company anticipates the payment of up to 6 million post consolidation shares to a lead manager or co-managers in connection with the Transaction.

ANNEXURE 1

PRO-FORMA STATEMENT OF FINANCIAL POSITION

	Challenger Consolidated Audit Reviewed	Challenger Consolidated Audited	Pro-forma Challenger Consolidated Post Acquisition
Challenger Energy Limited			
Pro-forma Consolidated Balance Sheet	**31-December 2017**	**30-June 2018**	**30-June 2018**
	$	**$**	**$**
CURRENT ASSETS			
Cash and cash equivalents	147,557	92,914	4,723,658
Trade and other receivables	8,491	11,934	11,934
Prepayments	17,131	16,171	16,171
Other financial assets	33,241	4,810	4,810
TOTAL CURRENT ASSETS	206,420	125,829	4,756,573
NON-CURRENT ASSETS			
Exploration and evaluation	-	-	2,688,322
TOTAL NON-CURRENT ASSETS	-	-	2,688,322
TOTAL ASSETS	206,420	125,829	7,444,895
CURRENT LIABILITIES			
Trade and other payables	927,446	298,410	340,410
Loans - unsecured	100,000	275,000	-
TOTAL CURRENT LIABILITIES	1,027,446	573,410	340,410
TOTAL LIABILITIES	1,027,446	573,410	340,410
NET ASSETS	(821,026)	(447,581)	7,104,485
EQUITY			
Issued capital	32,017,355	32,017,355	10,596,327
Reserves	2,600,760	2,597,739	-
Accumulated losses	(35,355,582)	(34,979,080)	(3,408,247)
Non-controlling interest	(83,559)	(83,595)	(83,595)
TOTAL EQUITY	(821,026)	(447,581)	7,104,485

The pro-forma Statement of Financial Position as at 30 June 2018 has been adjusted to reflect post 30 June 2018 pro-forma adjustments including a proposed capital raising of $5.0 million.

Basis of Preparation

The proposed acquisition of AEP has been treated as an acquisition of assets as it is considered AEP does not currently meet the definition of a business under Accounting Standard AASB 3.
It has been accounted for using the reverse acquisition principles of AASB 3 because, as a result of the acquisition, the former shareholders of AEP obtain accounting control of Challenger.

Competent Person Statement – Exploration results

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to sampling techniques and data, exploration results and geological interpretation has been compiled by Mr John King who is a full-time employee of JRK Consulting Pty Ltd. Mr King is a member of the Mining and Metallurgical Society of America and a senior fellow of the Society for Economic Geologists in the USA. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr King has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Au equivalent values for Hualilan were calculated using a price of US$1300 for Au, $15 for Ag and $2500t Zn. Cu and Pb were not included as metallurgical test work has yet to demonstrate an economic path the extraction of Cu and Pb. Recoveries were not factored into the calculation of Au equivalents given metallurgical test work is preliminary in nature.

Competent Person Statement – Historical resources

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to Mineral Resources has been compiled by Mr John King who is a full-time employee of JRK Consulting Pty Ltd. Mr King is a member of the Mining and Metallurgical Society of America and a senior fellow of the Society for Economic Geologists in the USA. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr King has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr King consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Cautionary Statement Regarding Historical Drilling Results reported In Annexure 2 and Annexure 3

- the Exploration Results reported in Annexure 2 and Annexure 3 have not been reported in accordance with the JORC Code 2012;
- a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;
- it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;
- nothing has come to the attention of the acquirer that causes it to question the accuracy or reliability of the former owner's Exploration Results; but
- the acquirer has not independently validated the former owner's Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results

ANNEXURE 2 – Hualilan Drilling results

Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
DDH-20	nsi												116	-54	49.05
DDH-21	from	64.7	65.0	**0.3**	**m @**	**0.0**	**g/t Au +**	**1.0**	**g/t Ag +**	**2.3**	**% Zn**	1.4	0	-90	88.6
DDH-22	nsi												116	-65	66
DDH-23	nsi												0	-90	58.8
DDH-24	from	15.6	17.3	**1.7**	**m @**	**1.2**	**g/t Au +**	**3.4**	**g/t Ag +**	**0.2**	**% Zn**	1.4	116	-80	100.3
	from	59.7	60.3	**0.6**	**m @**	**0.1**	**g/t Au +**	**0.7**	**g/t Ag +**	**3.5**	**% Zn**	2.2			
DDH-25	from	41.2	41.7	**0.5**	**m @**	**0.1**	**g/t Au +**	**2.5**	**g/t Ag +**	**35.5**	**% Zn**	21.3	116	-74	49.15
DDH-26	nsi												312	-60	80.25
DDH-27	missing												116	-60	43.2
DDH-28	from	31.7	33.3	**1.6**	**m @**	**0.0**	**g/t Au +**	**2.2**	**g/t Ag +**	**27.2**	**% Zn**	16.3	116	-50	41.65
DDH-29	from	35.2	35.7	**0.4**	**m @**	**0.0**	**g/t Au +**	**4.8**	**g/t Ag +**	**5.7**	**% Zn**	3.5	350	-52	113.5
	and	60.0	62.9	**2.9**	**m @**	**5.2**	**g/t Au +**	**27.8**	**g/t Ag +**	**0.4**	**% Zn**	5.8			
	inc	*60.0*	*60.8*	***0.8***	***m @***	***10.2***	***g/t Au +***	***17.8***	***g/t Ag +***	***0.2***	***% Zn***	10.5			
DDH-30	missing												59	-85	62.05
DDH-31	from	28.8	29.1	**0.3**	**m @**	**29.7**	**g/t Au +**	**33.8**	**g/t Ag +**	**9.3**	**% Zn**	35.6	116	-75	41.35
DDH-32	from	51.1	51.6	**0.5**	**m @**	**0.7**	**g/t Au +**	**14.4**	**g/t Ag +**	**0.4**	**% Zn**	1.1	350	-51	100.7
	and	72.3	72.8	**0.5**	**m @**	**0.0**	**g/t Au +**	**49.4**	**g/t Ag +**	**1.5**	**% Zn**	1.5			
DDH-33	from	10.7	11.2	**0.5**	**m @**	**20.4**	**g/t Au +**	**50.2**	**g/t Ag +**	**3.3**	**% Zn**	22.9	350	-65	62.9
	and	12.9	13.6	**0.7**	**m @**	**0.7**	**g/t Au +**	**9.8**	**g/t Ag +**	**0.9**	**% Zn**	1.3			
DDH-34	from	44.9	45.1	**0.2**	**m @**	**1.3**	**g/t Au +**	**7.9**	**g/t Ag +**	**0.7**	**% Zn**	1.8	116	-70	69.35
	and	55.9	62.4	**6.6**	**m @**	**45.3**	**g/t Au +**	**23.7**	**g/t Ag +**	**1.9**	**% Zn**	46.7			
	inc	*56.5*	*58.0*	***1.5***	***m @***	***117.4***	***g/t Au +***	***31.9***	***g/t Ag +***	***0.4***	***% Zn***	118.0			
	inc	*59.8*	*62.4*	***2.7***	***m @***	***44.6***	***g/t Au +***	***35.7***	***g/t Ag +***	***4.0***	***% Zn***	47.4			
DDH-35	from	35.8	40.4	**4.7**	**m @**	**1.3**	**g/t Au +**	**3.8**	**g/t Ag +**	**0.0**	**% Zn**	1.4	310	-85	174.6
	and	42.4	46.1	**3.8**	**m @**	**1.6**	**g/t Au +**	**2.8**	**g/t Ag +**	**0.1**	**% Zn**	1.7			
	and	51.8	57.5	**5.7**	**m @**	**2.0**	**g/t Au +**	**10.4**	**g/t Ag +**	**0.0**	**% Zn**	2.1			
DDH-36	from	24.7	34.0	**9.3**	**m @**	**1.6**	**g/t Au +**	**46.3**	**g/t Ag +**	**1.2**	**% Zn**	2.9	330	-50	45.5
DDH-37	from	17.4	18.4	**1.0**	**m @**	**0.8**	**g/t Au +**	**3.0**	**g/t Ag +**	**0.5**	**% Zn**	1.1	0	-90	121
	and	44.6	45.1	**0.5**	**m @**	**1.0**	**g/t Au +**	**8.6**	**g/t Ag +**	**0.1**	**% Zn**	1.1			
	and	70.8	71.3	**0.5**	**m @**	**5.0**	**g/t Au +**	**13.0**	**g/t Ag +**	**2.0**	**% Zn**	6.3			
DDH-38	from	64.9	67.7	**2.8**	**m @**	**3.9**	**g/t Au +**	**3.8**	**g/t Ag +**	**1.4**	**% Zn**	4.8	116	-75	67.65
	inc	*67.1*	*67.7*	***0.6***	***m @***	***11.3***	***g/t Au +***	***9.8***	***g/t Ag +***	***3.9***	***% Zn***	13.7			
DDH-39	from	71.5	72.0	**0.5**	**m @**	**4.4**	**g/t Au +**	**8.5**	**g/t Ag +**	**0.7**	**% Zn**		116	-81	90.65
DDH-40	from	41.7	44.6	**2.9**	**m @**	**0.4**	**g/t Au +**	**5.4**	**g/t Ag +**	**1.1**	**% Zn**	1.1	116	-70	85.7
	and	50.4	54.0	**3.6**	**m @**	**21.1**	**g/t Au +**	**19.3**	**g/t Ag +**	**1.7**	**% Zn**	22.3			
	inc	51.1	54.0	***2.9***	***m @***	***25.5***	***g/t Au +***	***22.5***	***g/t Ag +***	***2.0***	***% Zn***	27.0			
	and	62.1	66.6	**4.6**	**m @**	**0.1**	**g/t Au +**	**2.3**	**g/t Ag +**	**2.6**	**% Zn**	1.7			
DDH-41	from	43.7	47.6	**3.9**	**m @**	**15.6**	**g/t Au +**	**17.6**	**g/t Ag +**	**3.7**	**% Zn**	18.0	116	-70	64.2
	inc	43.7	45.2	***1.5***	***m @***	***19.0***	***g/t Au +***	***14.7***	***g/t Ag +***	***4.4***	***% Zn***	21.8			
	and	46.5	47.6	***1.1***	***m @***	***21.4***	***g/t Au +***	***31.9***	***g/t Ag +***	***4.6***	***% Zn***	24.5			

Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
DDH-42	from	41.1	45.9	**4.9**	**m @**	**0.2**	**g/t Au +**	**2.8**	**g/t Ag +**	**6.7**	**% Zn**	4.2	116	-60	65.1
	and	47.5	50.3	**2.8**	**m @**	**0.2**	**g/t Au +**	**42.7**	**g/t Ag +**	**16.9**	**% Zn**	10.8			
	inc	48.6	49.9	**1.3**	**m @**	**0.1**	**g/t Au +**	**18.7**	**g/t Ag +**	**20.7**	**% Zn**	12.7			
DDH-43	from	9.4	10.2	**0.8**	**m @**	**1.3**	**g/t Au +**	**8.8**	**g/t Ag +**	**0.5**	**% Zn**	1.7	116	-70	70.8
	and	48.4	52.0	**3.7**	**m @**	**0.0**	**g/t Au +**	**1.4**	**g/t Ag +**	**8.3**	**% Zn**	5.0			
DDH-44	from	50.9	52.5	**1.7**	**m @**	**0.8**	**g/t Au +**	**12.7**	**g/t Ag +**	**1.5**	**% Zn**	1.9	116	-60	102.2
	and	66.7	70.4	**3.6**	**m @**	**1.1**	**g/t Au +**	**5.0**	**g/t Ag +**	**1.1**	**% Zn**	1.8			
DDH-45	nsi												116	-83	95.3
DDH-46	nsi												116	-45	71.6
DDH-47	from	15.1	15.8	**0.7**	**m @**	**5.7**	**g/t Au +**	**13.0**	**g/t Ag +**	**7.6**	**% Zn**	10.4	116	-65	71
	and	19.3	19.8	**0.4**	**m @**	**2.0**	**g/t Au +**	**11.6**	**g/t Ag +**	**16.8**	**% Zn**	12.2			
DDH-48	from	19.9	20.3	**0.3**	**m @**	**4.6**	**g/t Au +**	**15.2**	**g/t Ag +**	**0.5**	**% Zn**	5.0	116	-47	30.7
DDH-49	nsi										**% Zn**		116	-72	41.85
DDH-50	from	68.7	70.7	**2.0**	**m @**	**22.8**	**g/t Au +**	**27.0**	**g/t Ag +**	**1.3**	**% Zn**	23.9	116	-77	87.5
	inc	68.7	69.7	**1.0**	**m @**	**44.7**	**g/t Au +**	**50.8**	**g/t Ag +**	**1.9**	**% Zn**	46.4			
DDH-51	from	68.6	72.2	**3.7**	**m @**	**0.2**	**g/t Au +**	**5.9**	**g/t Ag +**	**9.8**	**% Zn**	6.1	116	-80	87.5
	inc	*70.2*	*71.2*	***1.1***	***m @***	***0.1***	***g/t Au +***	***6.4***	***g/t Ag +***	***24.4***	***% Zn***	14.7			
DDH-52	from	37.0	37.7	**0.7**	**m @**	**0.3**	**g/t Au +**	**2.0**	**g/t Ag +**	**1.4**	**% Zn**	1.1	116	-83	74
	and	66.7	67.4	**0.7**	**m @**	**0.1**	**g/t Au +**	**4.0**	**g/t Ag +**	**6.5**	**% Zn**	4.1			
DDH-53	from	17.3	18.7	**1.4**	**m @**	**1.0**	**g/t Au +**	**1.7**	**g/t Ag +**	**0.0**	**% Zn**	1.0	90	-62	85.7
	and	24.0	32.9	**8.9**	**m @**	**3.7**	**g/t Au +**	**239.5**	**g/t Ag +**	**0.0**	**% Zn**	6.5			
	inc	*28.4*	*31.1*	***2.7***	***m @***	***8.4***	***g/t Au +***	***620.0***	***g/t Ag +***	***0.0***	***% Zn***	15.6			
	and	35.7	39.6	**3.9**	**m @**	**3.9**	**g/t Au +**	**87.8**	**g/t Ag +**	**0.1**	**% Zn**	4.9			
	and	41.0	44.0	**3.0**	**m @**	**2.6**	**g/t Au +**	**7.6**	**g/t Ag +**	**0.2**	**% Zn**	2.8			
DDH-54	from	20.0	21.1	**1.1**	**m @**	**1.2**	**g/t Au +**	**0.7**	**g/t Ag +**	**0.0**	**% Zn**	1.2	90	-45	69.05
	and	31.1	39.4	**8.3**	**m @**	**3.9**	**g/t Au +**	**32.1**	**g/t Ag +**	**0.8**	**% Zn**	4.7			
	inc	*31.1*	*32.5*	***1.4***	***m @***	***10.9***	***g/t Au +***	***97.0***	***g/t Ag +***	***0.0***	***% Zn***	12.0			
DDH-55	nsi												360	-53	63.1
DDH-56	from	43.0	44.5	**1.5**	**m @**	**1.3**	**g/t Au +**	**11.6**	**g/t Ag +**	**0.5**	**% Zn**	1.7	360	-75	50.6
DDH-57	from	33.7	34.3	**0.6**	**m @**	**1.3**	**g/t Au +**	**11.6**	**g/t Ag +**	**1.1**	**% Zn**	2.0	0	-90	66.2
	and	55.0	56.0	**1.0**	**m @**	**0.3**	**g/t Au +**	**9.1**	**g/t Ag +**	**1.3**	**% Zn**	1.1			
	and	60.0	60.7	**0.6**	**m @**	**5.3**	**g/t Au +**	**13.2**	**g/t Ag +**	**2.7**	**% Zn**	7.0			
DDH-58	from	15.6	17.0	**1.5**	**m @**	**0.0**	**g/t Au +**	**4.0**	**g/t Ag +**	**22.3**	**% Zn**	13.4	360	-71	62
	and	43.3	43.8	**0.5**	**m @**	**1.8**	**g/t Au +**	**27.2**	**g/t Ag +**	**8.8**	**% Zn**	7.4			
	and	52.8	54.1	**1.3**	**m @**	**2.1**	**g/t Au +**	**26.1**	**g/t Ag +**	**1.3**	**% Zn**	3.2			
DDH-59	from	14.8	16.1	**1.3**	**m @**	**0.0**	**g/t Au +**	**2.5**	**g/t Ag +**	**6.4**	**% Zn**	3.9	0	-90	66.25
	and	34.6	35.2	**0.5**	**m @**	**0.2**	**g/t Au +**	**18.2**	**g/t Ag +**	**10.6**	**% Zn**	6.7			
DDH-60	from	8.8	10.4	**1.6**	**m @**	**0.2**	**g/t Au +**	**2.6**	**g/t Ag +**	**11.3**	**% Zn**	6.9	360	-67	59.9
	and	11.3	13.5	**2.2**	**m @**	**0.3**	**g/t Au +**	**17.0**	**g/t Ag +**	**11.1**	**% Zn**	7.1			
	inc	*11.3*	*12.5*	***1.3***	***m @***	***0.1***	***g/t Au +***	***13.9***	***g/t Ag +***	***17.5***	***% Zn***	10.8			
	and	14.3	18.5	**4.2**	**m @**	**0.1**	**g/t Au +**	**6.1**	**g/t Ag +**	**7.5**	**% Zn**	4.7			
	and	22.7	25.2	**2.5**	**m @**	**0.1**	**g/t Au +**	**10.6**	**g/t Ag +**	**5.7**	**% Zn**	3.6			
	and	30.1	33.1	**3.0**	**m @**	**0.6**	**g/t Au +**	**6.8**	**g/t Ag +**	**2.8**	**% Zn**	2.4			

Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equi (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
DDH-61	from	4.0	9.0	5.0	m @	94.2	g/t Au +	56.7	g/t Ag +	0.9	% Zn	95.4	0	-90	58.1
	inc	*4.0*	*5.2*	*1.2*	*m @*	*15.9*	*g/t Au +*	*27.5*	*g/t Ag +*	*0.9*	*% Zn*	16.8			
	inc	*6.4*	*9.0*	*2.6*	*m @*	*173.0*	*g/t Au +*	*92.2*	*g/t Ag +*	*0.8*	*% Zn*	174.5			
	and	24.1	29.6	5.5	m @	0.3	g/t Au +	4.6	g/t Ag +	7.5	% Zn	4.8			
	and	45.0	49.8	4.8	m @	0.4	g/t Au +	8.5	g/t Ag +	1.8	% Zn	1.6			
	and	53.4	58.0	4.7	m @	1.8	g/t Au +	9.1	g/t Ag +	0.0	% Zn	1.9			
DDH-62	nsi			0.0	m @		g/t Au +		g/t Ag +		% Zn		170	-45	68.35
DDH-63	from	59.0	60.0	1.0	m @	1.9	g/t Au +	5.9	g/t Ag +	0.6	% Zn	2.3	170	-70	131.5
	and	80.0	83.0	3.0	m @	1.0	g/t Au +	3.9	g/t Ag +	0.4	% Zn	1.3			
DDH-64	nsi												170	-45	66.65
DDH-65	from	62.0	70.2	8.2	m @	11.0	g/t Au +	60.6	g/t Ag +	1.2	% Zn	12.4	194	-45	124.8
	inc	*68.2*	*69.4*	*1.2*	*m @*	*67.8*	*g/t Au +*	*316.0*	*g/t Ag +*	*4.8*	*% Zn*	74.3			
	and	82.0	83.0	1.0	m @	1.8	g/t Au +	33.4	g/t Ag +	0.3	% Zn	2.4			
DDH-66	from	83.1	90.3	7.2	m @	23.7	g/t Au +	42.9	g/t Ag +	2.4	% Zn	25.6	194	-57	117
	inc	*87.9*	*90.3*	*2.4*	*m @*	*69.9*	*g/t Au +*	*114.4*	*g/t Ag +*	*2.2*	*% Zn*	72.5			
		104.9	107.7	2.8	m @	1.8	g/t Au +	29.0	g/t Ag +	0.1	% Zn	2.2			
DDH-67	from	98.7	100.0	1.3	m @	0.2	g/t Au +	7.8	g/t Ag +	1.3	% Zn	1.1	194	-66	126.1
DDH-68	from	4.0	21.9	17.9	m @	2.2	g/t Au +	6.3	g/t Ag +	0.2	% Zn	2.4	0	-90	79.45
	and	73.7	74.2	0.5	m @	0.8	g/t Au +	9.0	g/t Ag +	1.2	% Zn	1.6			
DDH-69	from	4.0	20.1	16.1	m @	2.3	g/t Au +	1.6	g/t Ag +	0.1	% Zn	2.4	194	-60	101.5
	and	76.9	77.2	0.3	m @	0.1	g/t Au +	7.0	g/t Ag +	28.0	% Zn	16.9			
	and	79.7	80.5	0.8	m @	1.3	g/t Au +	120.0	g/t Ag +	4.5	% Zn	5.4			
DDH-70	from	84.0	91.0	7.0	m @	5.2	g/t Au +	13.5	g/t Ag +	0.7	% Zn	5.8	190	-81	128
	inc	*85.0*	*86.6*	*1.6*	*m @*	*21.5*	*g/t Au +*	*53.3*	*g/t Ag +*	*1.8*	*% Zn*	23.2			
DDH-71	from	11.0	13.0	2.0	m @	0.5	g/t Au +	218.0	g/t Ag +	0.1	% Zn	3.1	194	-63	136.3
	and	39.9	40.9	1.0	m @	1.3	g/t Au +	6.0	g/t Ag +	0.0	% Zn	1.3			
	and	45.5	46.6	1.1	m @	0.4	g/t Au +	22.8	g/t Ag +	0.6	% Zn	1.0			
	and	104.0	114.0	10.0	m @	33.5	g/t Au +	126.7	g/t Ag +	7.9	% Zn	39.7			
	inc	*107.2*	*110.0*	*2.8*	*m @*	*112.9*	*g/t Au +*	*392.1*	*g/t Ag +*	*18.5*	*% Zn*	128.5			
DDH-72	from	26.0	37.7	11.7	m @	3.8	g/t Au +	14.1	g/t Ag +	1.3	% Zn	4.7	194	-45	75.6
	inc	*34.7*	*37.7*	*3.1*	*m @*	*9.6*	*g/t Au +*	*46.2*	*g/t Ag +*	*4.3*	*% Zn*	12.7			
	and	52.7	59.0	6.3	m @	1.5	g/t Au +	30.4	g/t Ag +	0.0	% Zn	1.9			
DDH-73	from	62.5	66.0	3.5	m @	0.5	g/t Au +	15.6	g/t Ag +	0.6	% Zn	1.0	190	-57	70.8
DDH-74	from	119.9	120.4	0.5	m @	7.3	g/t Au +	98.5	g/t Ag +	2.6	% Zn	10.0	190	-62	190.9
DDH-75	nsi												194	-45	40.15
DDH-76	from	61.3	62.0	0.7	m @	4.0	g/t Au +	11.1	g/t Ag +	0.5	% Zn	4.4	180	-60	138.7
	and	74.4	78.4	4.0	m @	0.8	g/t Au +	8.8	g/t Ag +	0.3	% Zn	1.1			
	and	84.8	86.0	1.3	m @	1.4	g/t Au +	10.9	g/t Ag +	2.0	% Zn	2.7			
DDH-77	nsi												0	-90	85.6
DDH-78	from	109.1	109.8	0.7	m @	1.1	g/t Au +	13.4	g/t Ag +	1.9	% Zn	2.4	180	-75	132.9
DDH-79	missing												60	-70	38.6
03-HD-1A	from	90.1	91.8	1.7	m @	2.1	g/t Au +	37.4	g/t Ag +	2.4	% Zn	4.0	180	-60	130.2
03-HD-2	nsi												180	-60	130.5
03-HD-3	from	55.0	57.4	2.4	m @	2.5	g/t Au +	25.6	g/t Ag +	2.3	% Zn	4.2	360	-45	100.2
04-HD-4	nsi												360	-60	104.6

Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)			Ag (g/t)			Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
04-HD-5	from	80.3	82.3	**2.0**	**m @**	**0.9**	**g/t Au**	**+**	**42.7**	**g/t Ag**	**+**	**0.0**	**% Zn**	1.4	110	-68	122.6
	and	97.5	99.3	**1.8**	**m @**	**1.9**	**g/t Au**	**+**	**35.0**	**g/t Ag**	**+**	**0.0**	**% Zn**	2.3			
	and	102.0	103.0	**1.0**	**m @**	**1.3**	**g/t Au**	**+**	**42.1**	**g/t Ag**	**+**	**0.0**	**% Zn**	1.8			
	and	106.0	107.0	**1.0**	**m @**	**0.7**	**g/t Au**	**+**	**28.0**	**g/t Ag**	**+**	**0.1**	**% Zn**	1.1			
	and	108.0	113.6	**5.6**	**m @**	**2.8**	**g/t Au**	**+**	**19.9**	**g/t Ag**	**+**	**1.2**	**% Zn**	3.7			
04-HD-6	from	65.4	66.6	**1.2**	**m @**	**46.6**	**g/t Au**	**+**	**846.0**	**g/t Ag**	**+**	**0.5**	**% Zn**	56.7	110	-68	136
	and	75.0	76.0	**1.0**	**m @**	**1.0**	**g/t Au**	**+**	**2.9**	**g/t Ag**	**+**	**0.0**	**% Zn**	1.0			
	and	104.5	112.1	**7.6**	**m @**	**1.8**	**g/t Au**	**+**	**5.0**	**g/t Ag**	**+**	**1.2**	**% Zn**	2.6			
	and	115.1	116.0	**1.0**	**m @**	**16.4**	**g/t Au**	**+**	**23.1**	**g/t Ag**	**+**	**7.7**	**% Zn**	21.3			
04-HD-7	from	98.3	100.5	**2.2**	**m @**	**1.4**	**g/t Au**	**+**	**32.5**	**g/t Ag**	**+**	**0.9**	**% Zn**	2.3	100	-63	108.2
04-HD-8	from	52.6	54.6	**2.1**	**m @**	**9.6**	**g/t Au**	**+**	**7.2**	**g/t Ag**	**+**	**0.6**	**% Zn**	10.0	116	-70	70
	inc	*52.6*	*53.8*	***1.3***	***m @***	***15.1***	***g/t Au***	***+***	***10.2***	***g/t Ag***	***+***	***0.8***	***% Zn***	15.7			
	and	56.6	57.7	**1.1**	**m @**	**5.1**	**g/t Au**	**+**	**8.6**	**g/t Ag**	**+**	**1.6**	**% Zn**	6.2			
04-HD-9	from	32.5	33.1	**0.6**	**m @**	**8.4**	**g/t Au**	**+**	**16.7**	**g/t Ag**	**+**	**0.1**	**% Zn**	8.7	116	-70	75.9
04-HD-10	from	44.3	44.5	**0.3**	**m @**	**3.9**	**g/t Au**	**+**	**81.5**	**g/t Ag**	**+**	**5.6**	**% Zn**	8.2	205	-60	120
	and	55.5	56.0	**0.5**	**m @**	**1.3**	**g/t Au**	**+**	**11.5**	**g/t Ag**	**+**	**0.5**	**% Zn**	1.7			
	and	78.6	80.3	**1.7**	**m @**	**4.8**	**g/t Au**	**+**	**93.7**	**g/t Ag**	**+**	**2.4**	**% Zn**	7.3			
	inc	*78.6*	*79.1*	***0.5***	***m @***	***14.2***	***g/t Au***	***+***	***276.0***	***g/t Ag***	***+***	***6.0***	***% Zn***	21.0			
04-HD-11	from	28.0	29.0	**1.0**	**m @**	**0.1**	**g/t Au**	**+**	**9.3**	**g/t Ag**	**+**	**1.4**	**% Zn**	1.1	75	-62	95.1
04-HD-12	from	49.3	50.0	**0.7**	**m @**	**1.5**	**g/t Au**	**+**	**16.1**	**g/t Ag**	**+**	**0.1**	**% Zn**	1.7	360	-60	77.4
04-HD-13	from	61.5	62.5	**1.1**	**m @**	**0.8**	**g/t Au**	**+**	**7.9**	**g/t Ag**	**+**	**0.2**	**% Zn**	1.0	360	-60	74
04-HD-14	nsi														180	-70	130.6
04-HD-15	from	103.7	104.0	**0.3**	**m @**	**1.7**	**g/t Au**	**+**	**32.9**	**g/t Ag**	**+**	**0.8**	**% Zn**	2.6	360	-64	160
04-HD-16C	from	107.5	114.3	**6.8**	**m @**	**8.6**	**g/t Au**	**+**	**117.1**	**g/t Ag**	**+**	**9.1**	**% Zn**	15.4	195	-65	225.5
	inc	*108.5*	*109.5*	***1.0***	***m @***	***29.0***	***g/t Au***	***+***	***468.0***	***g/t Ag***	***+***	***21.8***	***% Zn***	47.4			
	and	111.8	114.3	**2.5**	**m @**	**7.6**	**g/t Au**	**+**	**75.6**	**g/t Ag**	**+**	**11.5**	**% Zn**	15.4			
	and	144.9	145.8	**0.9**	**m @**	**9.1**	**g/t Au**	**+**	**31.2**	**g/t Ag**	**+**	**5.5**	**% Zn**	12.7			
	and	171.1	171.5	**0.4**	**m @**	**0.5**	**g/t Au**	**+**	**9.4**	**g/t Ag**	**+**	**1.7**	**% Zn**	1.6			
04-HD-17	from	134.9	135.6	**0.7**	**m @**	**2.5**	**g/t Au**	**+**	**14.3**	**g/t Ag**	**+**	**4.1**	**% Zn**	5.1	110	-72	213.2
	and	139.1	139.6	**0.5**	**m @**	**10.5**	**g/t Au**	**+**	**9.4**	**g/t Ag**	**+**	**0.2**	**% Zn**	10.7			
	and	199.6	199.8	**0.2**	**m @**	**0.8**	**g/t Au**	**+**	**3.5**	**g/t Ag**	**+**	**5.9**	**% Zn**	4.4			
	and	202.1	204.0	**1.9**	**m @**	**4.5**	**g/t Au**	**+**	**1.5**	**g/t Ag**	**+**	**0.7**	**% Zn**	4.9			
	inc	*202.1*	*203.0*	***0.9***	***m @***	***7.2***	***g/t Au***	***+***	***2.3***	***g/t Ag***	***+***	***1.0***	***% Zn***	7.8			
04-HD-18	nsi														170	-50	140.7
04-HD-19	nsi	intersected old workings and abaondonned													205	-77	120
04-HD-20	from	43.2	45.0	**1.8**	**m @**	**0.9**	**g/t Au**	**+**	**83.9**	**g/t Ag**	**+**	**0.2**	**% Zn**	2.0	205	-80	120
04-HD-21	from	70.1	70.3	**0.3**	**m @**	**4.8**	**g/t Au**	**+**	**60.6**	**g/t Ag**	**+**	**6.4**	**% Zn**	9.3	205	-60	120
	and	141.1	141.7	**0.6**	**m @**	**12.9**	**g/t Au**	**+**	**105.0**	**g/t Ag**	**+**	**4.8**	**% Zn**	17.0			
04-HD-22	missing																
04-HD-23	nsi														75	-82	499.7
04-HD-24	from	72.0	74.0	**2.0**	**m @**	**2.5**	**g/t Au**	**+**	**3.2**	**g/t Ag**	**+**	**0.0**	**% Zn**	2.6	90	-81	188.2
	and	83.0	85.0	**2.0**	**m @**	**3.1**	**g/t Au**	**+**	**25.3**	**g/t Ag**	**+**	**0.0**	**% Zn**	3.4			
	and	94.0	98.2	**4.2**	**m @**	**0.7**	**g/t Au**	**+**	**21.2**	**g/t Ag**	**+**	**0.1**	**% Zn**	1.0			
04-HD-25	from	92.0	93.7	**1.7**	**m @**	**2.4**	**g/t Au**	**+**	**51.5**	**g/t Ag**	**+**	**6.3**	**% Zn**	6.8	155	-84	500.8
04-HD-26	from	21.7	24.0	**2.4**	**m @**	**1.5**	**g/t Au**	**+**	**32.5**	**g/t Ag**	**+**	**3.0**	**% Zn**	3.7	180	-69	464.9

Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
04-HD-27	nsi												100	-45	60
04-HD-28	from	42.8	43.2	**0.4**	**m @**	**1.9**	**g/t Au +**	**4.5**	**g/t Ag +**	**0.1**	**% Zn**	2.0	100	-60	63.7
04-HD-29	from	37.0	38.0	**1.0**	**m @**	**0.1**	**g/t Au +**	**112.0**	**g/t Ag +**	**0.0**	**% Zn**	1.4	108	-45	265
04-HD-30	nsi												108	-45	128.2
04-HD-31	nsi												45	-60	242.9
04-HD-32	from	40.2	41.0	**0.9**	**m @**	0.8	**g/t Au +**	3.3	**g/t Au +**	0.6	**% Zn**	1.2	116	-70	68.4
	and	54.1	58.7	**4.7**	**m @**	**50.6**	**g/t Au +**	**53.7**	**g/t Au +**	**4.1**	**% Zn**	53.7			
04-HD-33	missing												0	-60	81.35
04-HD-34	missing												273	-60	269
05-HD-35	nsi												140	-65	350
05-HD-36	from	73.0	74.0	**1.0**	**m @**	0.95	**g/t Au +**	2.5	**g/t Au +**	0.1	**% Zn**	1.1	295	-70	130
	and	80.0	81.0	**1.0**	**m @**	1.98	**g/t Au +**	2.2	**g/t Au +**	0.2	**% Zn**	2.1			
05-HD-37	from	16.8	17.3	**0.5**	**m @**	1.08	**g/t Au +**	4	**g/t Au +**	0.5	**% Zn**	1.4	295	-70	130
	and	42.0	43.0	**1.0**	**m @**	0.87	**g/t Au +**	5	**g/t Au +**	0.1	**% Zn**	1.0			
	and	53.3	53.7	**0.5**	**m @**	8.56	**g/t Au +**	27.5	**g/t Au +**	6.1	**% Zn**	12.5			
05-HD-38	from	43.8	45.0	**1.3**	**m @**	**48.2**	**g/t Au +**	**22.3**	**g/t Au +**	**0.4**	**% Zn**	48.7	115	-70	70
05-HD-39	from	92.0	94.0	**2.0**	**m @**	1.9	**g/t Au +**	21.5	**g/t Au +**	0.2	**% Zn**	2.3	30	-70	217.5
05-HD-40	from	51.1	52.0	**0.9**	**m @**	0.0	**g/t Au +**	0.6	**g/t Au +**	3.2	**% Zn**	1.9	30	-50	150
	and	68.0	69.0	**1.0**	**m @**	0.4	**g/t Au +**	12.6	**g/t Au +**	0.7	**% Zn**	1.0			
	and	84.0	87.0	**3.0**	**m @**	1.5	**g/t Au +**	5.3	**g/t Au +**	0.1	**% Zn**	1.6			
05-HD-41	from	31.5	33.8	**2.3**	**m @**	7.2	**g/t Au +**	24.9	**g/t Au +**	0.1	**% Zn**	7.5	22	-60	142.5
	inc	*33.2*	*33.8*	***0.5***	***m @***	***23.6***	***g/t Au +***	***87.0***	***g/t Ag +***	***0.0***	***% Zn***	24.6			
	and	74.5	77.7	**3.2**	**m @**	1	**g/t Au +**	8.5	**g/t Au +**	0.3	**% Zn**	1.3			
05-HD-42	from	90.5	91.5	**1.0**	**m @**	**1.9**	**g/t Au +**	**6.1**	**g/t Ag +**	**0.0**	**% Zn**	2.0	194	-57	120
	and	115.0	118.0	**3.0**	**m @**	**29.0**	**g/t Au +**	**103.1**	**g/t Ag +**	**0.2**	**% Zn**	30.3			
	inc	*116.0*	*118.0*	***2.0***	***m @***	***41.4***	***g/t Au +***	***133.7***	***g/t Ag +***	***0.3***	***% Zn***	43.1			
05-HD-43	from	69.0	70.0	**1.0**	**m @**	**1.8**	**g/t Au +**	**2.3**	**g/t Ag +**	**0.0**	**% Zn**	1.8	194	-45	95.5
	and	81.0	84.0	**3.0**	**m @**	**2.8**	**g/t Au +**	**51.5**	**g/t Ag +**	**0.5**	**% Zn**	3.7			
	and	90.7	93.0	**2.3**	**m @**	**1.4**	**g/t Au +**	**29.6**	**g/t Ag +**	**0.3**	**% Zn**	1.9			
05-HD-44	from	87.5	88.6	**1.1**	**m @**	**3.8**	**g/t Au +**	**3.4**	**g/t Ag +**	**0.0**	**% Zn**	3.8	190	-61.5	130.5
	and	91.2	92.6	**1.3**	**m @**	**0.0**	**g/t Au +**	**3.6**	**g/t Ag +**	**2.8**	**% Zn**	1.7			
05-HD-45	nsi												88	-60	121.5
05-HD-46	from	69.9	70.7	**0.8**	**m @**	**0.8**	**g/t Au +**	**13.0**	**g/t Ag +**	**0.0**	**% Zn**	1.0	90	-75	130.7
05-HD-47	nsi												65	-45	181.5
05-HD-48	nsi												65	-60	100.7
HUA-01	nsi												117	-50	60
HUA-02	from	0.0	1.0	**1.0**	**m @**	**8.5**	**g/t Au**					8.5	125	-55	45
HUA-03	from	0.0	1.0	**1.0**	**m @**	**1.5**	**g/t Au**					1.5	0	-90	100
	and	58.0	62.0	**4.0**	**m @**	**4.4**	**g/t Au**					4.4			
HUA-04	nsi												0	-90	100
HUA-05	from	0.0	1.0	**1.0**	**m @**	**3.5**	**g/t Au**					3.5	180	-60	100
	and	3.0	6.0	**3.0**	**m @**	**3.1**	**g/t Au**					3.1			
	and	9.0	10.0	**1.0**	**m @**	**1.4**	**g/t Au**					1.4			
	and	15.0	18.0	**3.0**	**m @**	**5.2**	**g/t Au**					5.2			
	inc	*16.0*	*17.0*	***1.0***	***m @***	***11.5***	***g/t Au***					11.5			

Drillhole (#)	Interval	From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
HUA-06	from	16.0	20.0	**4.0**	**m @**	**5.6**	**g/t Au**					5.6	360	-60	100
	and	34.0	35.0	**1.0**	**m @**	**4.3**	**g/t Au**					4.3			
	and	53.0	55.0	**2.0**	**m @**	**8.3**	**g/t Au**					8.3			
	inc	*53.0*	*54.0*	***1.0***	***m @***	***11.9***	***g/t Au***					11.9			
HUA-07	from	39.0	40.0	**1.0**	**m @**	**3.2**	**g/t Au**					3.2	0	-90	100
eoh	and	99.0	100.0	**1.0**	**m @**	**8.2**	**g/t Au ***					8.2			
HUA-08	andonned												0	-90	13
HUA-09	from	6.0	14.0	**8.0**	**m @**	**5.0**	**g/t Au**					5.0	180	-60	100
	inc	10.0	12.0	**2.0**	**m @**	**13.2**	**g/t Au**					13.2			
	plus	50.0	51.0	**1.0**	**m @**	**2.5**	**g/t Au**					2.5			
HUA-10	from	20.0	21.0	**1.0**	**m @**	**1.0**	**g/t Au**					1.0	360	-60	100
	and	33.0	34.0	**1.0**	**m @**	**1.2**	**g/t Au**					1.2			
	and	50.0	53.0	**3.0**	**m @**	**2.2**	**g/t Au**					2.2			
HUA-11	from	45.0	46.0	**1.0**	**m @**	**8.9**	**g/t Au**					8.9	360	-60	88
HUA-12	nsi												0	-90	100
HUA-13	nsi												180	-60	90
HUA-14	from	58.0	59.0	**1.0**	**m @**	**6.7**	**g/t Au**					6.7	360	-60	100
HUA-15	nsi												117	-60	100
HUA-16	from	34.0	35.0	**1.0**	**m @**	**1.6**	**g/t Au**					1.6	0	-90	100
	and	41.0	42.0	**1.0**	**m @**	**4.6**	**g/t Au**					4.6			
	and	52.0	54.0	**2.0**	**m @**	**2.7**	**g/t Au**					2.7			
HUA-17	nsi												90	-50	42
HUA-18	nsi												0	-90	
HUA-19	nsi												0	-90	
HUA-20	nsi												0	-90	106
HUA-21	nsi												0	-90	54
HUA-22	missing												0	-90	
HUA-23	nsi												0	-90	
HUA-24	nsi												0	-90	
HUA-25	nsi														
HUA-26	nsi														
HUA-27	missing														
HUA-28	from	88.0	89.0	**1.0**	**m @**	**0.7**	**g/t Au +**	**10.8**	**g/t Ag +**	**0.2**	**% Zn**	1.0	360	-70	
HUA-29	missing														
HUA-30	missing														
HUA-31	from	161.0	162.0	**1.0**	**m @**	**1.0**	**g/t Au +**	**15.0**	**g/t Ag +**	**3.9**	**% Zn**	3.5	0	-90	
HUA-32	from	56.0	65.0	**9.0**	**m @**	**44.7**	**g/t Au +**	**26.9**	**g/t Ag +**	**2.6**	**% Zn**	46.6	116	-79	
HUA-33	missing	175.0	177.0										194	-65	
MG-1	nsi												100	-60	51
MG-1A	from	101.0	103.0	**1.0**	**m @**	**1.0**	**g/t Au**					1.0	100	-60	116
MG-2	nsi												100	-60	90
MG-3	nsi												100	-60	102

Drillhole (#)	Interval From	To	Total (m)	Gold (g/t)	Ag (g/t)	Zn (%)	Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
MG-4	nsi							100	-60	120
MG-5	nsi							85	-60	96
MG-6	nsi							100	-60	90
MG-7	nsi							100	-60	96
MG-8	nsi							95	-70	66
MG-9	nsi							0	-90	102
MG-10	from	108.0	111.0	**3.0 m @**	**1.3 g/t Au**			1.3	100	-60	120
MG-11	nsi							100	-60	78
MG-12	nsi							100	-60	66
AG-01*	missing							0	-90	84.5
AG-02	from	54.2	55.2	**1.1 m @**	**36.9 g/t Au + 29.1 g/t Ag + 14.0 % Zn**		45.6	112	-70	60
AG-03	from	69.8	73.1	**3.3 m @**	**0.7 g/t Au + 4.5 g/t Ag + 5.6 % Zn**		4.1	80	-55	110
	inc	*69.8*	*70.3*	***0.5 m @***	***5.1 g/t Au + 13.0 g/t Ag + 22.8 % Zn***		18.9			
AG-04	from	57.7	57.9	**0.2 m @**	**2.9 g/t Au + 24.0 g/t Ag + 0.3 % Zn**		3.4	0	-90	168
	and	70.4	75.5	**5.1 m @**	**0.6 g/t Au + 2.0 g/t Ag + 1.5 % Zn**		1.5			
	and	80.5	83.3	**2.8 m @**	**0.6 g/t Au + 1.8 g/t Ag + 1.0 % Zn**		1.2			
AG-05	missing							0	-90	121.8
AG-06	missing							0	-90	182.2
AG-07	from	63.4	64.2	**0.8 m @**	**1.6 g/t Au + 3.0 g/t Ag + 0.1 % Zn**		1.7	0	-90	111.5
	and	71.0	71.1	**0.1 m @**	**39.8 g/t Au + 9.3 g/t Ag + 3.0 % Zn**		41.7			
	and	80.1	82.1	**2.1 m @**	**1.3 g/t Au + 3.2 g/t Ag + 0.3 % Zn**		1.5			
	and	87.8	88.0	**0.2 m @**	**0.0 g/t Au + 3.0 g/t Ag + 2.4 % Zn**		1.5			
AG-08	nsi							90	-57	80.2
AG-09	missing							0	-90	139.7
AG-10	nsi							0	-90	200.8
AG-11	missing							0	-90	141
AG-12	from	156.3	157.0	**0.6 m @**	**0.0 g/t Au + 37.7 g/t Ag + 3.90 % Zn**		2.8	0	-90	171.4
AG-13								0	-90	159.5
AG-14	nsi							0	-90	150.2
AG-15	missing							0	-90	91.3
AG-16	from	38.6	39.8	**1.2 m @**	**0.1 g/t Au + 28.6 g/t Ag + 1.70 % Zn**		1.4	0	-90	68.75

- ***All existing holes at Hualilan (for which location did and azimuth data is currently available) have been included in Table 2.4.***
- ***cut of grade of 1 g/t Au Equiv used for calculating significant intercepts with 1 sample point of internal dilution***
- **For the purposes of JORC 19 an internal review of conducted by La Mancha Resource indicated that holes 4-HD-12 to 4-HD 15 were incorrectly targeted. A number of additional holes were terminated early due to poor ground condition.**
- **Drill Collar Coordinates provided in JORC Table 1 – Hualilan Project**
- **Au equivalent values were calculated using a price of US$1300 for Au, $15 for Ag and $2500t Zn. (Cu and Pb were not included as metallurgical test work has yet to demonstrate an economic path the extraction of Cu and Pb. Recoveries were not factored into the calculation of Au equivalents given metallurgical test work is preliminary in nature)**

end

ANNEXURE 3 - complete table of all drilling results from El Guayabo

Drillhole (#)		Mineralised Inte From	To	Total (m)	Gold (g/t)		Ag (g/t)		Cu (%)		Au Equiv (g/t)	Azimuth (deg)	Incl (deg)	TD (m)
JDH-001	from	183	190.6	**7.6**	**m @ 0.3**	**g/t Au +**	**not assayed**				n/a	280	-60	236.9
JDH-002	from	7.6	152.9	**145.3**	**m @ 0.4**	**g/t Au +**	**not assayed**				n/a	280	-45	257.5
	and	199	243	**44.0**	**m @ 0.4**	**g/t Au +**	**not assayed**				n/a			
JDH-003	from	35.95	71.6	**35.7**	**m @ 0.5**	**g/t Au +**	**not assayed**				n/a	280	-45	261
	and	120.4	254.6	**134.2**	**m @ 0.4**	**g/t Au +**	**not assayed**				n/a			
	inc	146.81	224.08	**77.3**	**m @ 0.5**	**g/t Au +**	**not assayed**				n/a			
JDH-004	from	3.96	21.95	**18.0**	**m @ 0.4**	**g/t Au +**	**not assayed**				n/a	280	-45	219
	and	79.74	120.42	**40.7**	**m @ 0.4**	**g/t Au +**	**not assayed**				n/a			
	and	150.9	203.7	**52.8**	**m @ 0.7**	**g/t Au +**	**not assayed**				n/a			
JDH-005	from	5.2	81.4	**76.2**	**m @ 0.4**	**g/t Au +**	**not assayed**				n/a	280	-45	210.4
	and	169.7	208.5	**38.8**	**m @ 0.2**	**g/t Au +**	**not assayed**				n/a			
JDH-006	from	17.99	89.6	**71.6**	**m @ 0.2**	**g/t Au +**	**2.0**	**g/t Ag +**	**0.10**	**% Cu**	0.42	150	-45	302.7
	and	164.8	281	**116.2**	**m @ 0.6**	**g/t Au +**	**8.9**	**g/t Ag +**	**0.40**	**% Cu**	1.37			
	inc	227.8	281.09	**53.3**	**m @ 1.2**	**g/t Au +**	**13.2**	**g/t Ag +**	**0.62**	**% Cu**	2.39			
JDH-007	from	39.7	84.45	**44.8**	**m @ 0.3**	**g/t Au +**	**1.4**	**g/t Ag +**	**0.04**	**% Cu**	0.38	150	-75	105.8
JDH-008	from	104.7	136.7	**32.0**	**m @ 0.1**	**g/t Au +**	**3.6**	**g/t Ag +**	**0.13**	**% Cu**	0.41	150	-60	352.7
	and	249.08	316.15	**67.1**	**m @ 0.2**	**g/t Au +**	**5.7**	**g/t Ag +**	**0.21**	**% Cu**	0.62			
	and	291.76	316.15	**24.4**	**m @ 0.5**	**g/t Au +**	**9.2**	**g/t Ag +**	**0.34**	**% Cu**	1.13			
JDH-009	from	10.3	122.03	**111.7**	**m @ 0.7**	**g/t Au +**	**14.6**	**g/t Ag +**	**0.58**	**% Cu**	1.85	150	-45	256.7
	inc	34.6	91.54	**56.9**	**m @ 0.2**	**g/t Au +**	**19.1**	**g/t Ag +**	**0.82**	**% Cu**	1.80			
	and	201.4	205.4	**4.0**	**m @ 11.4**	**g/t Au +**	**9.7**	**g/t Ag +**	**0.01**	**% Cu**	11.54			
	and	255.1	eoh	**1.5**	**m @ 0.7**	**g/t Au +**	**1.5**	**g/t Ag +**	**0.02**	**% Cu**	0.75			
JDH-10	from	1.5	50.9	**49.4**	**m @ 0.5**	**g/t Au +**	**2.5**	**g/t Ag +**	**0.09**	**% Cu**	0.68	270	-45	221.6
	and	90.54	119	**28.5**	**m @ 0.2**	**g/t Au +**	**3.0**	**g/t Ag +**	**0.10**	**% Cu**	0.40			
	and	140	203	**81.6**	**m @ 0.4**	**g/t Au +**	**1.3**	**g/t Ag +**	**0.07**	**% Cu**	0.53			
JDH-011	from	100.7	218	**117.3**	**m @ 0.4**	**g/t Au +**	**4.6**	**g/t Ag +**	**0.10**	**% Cu**	0.62	270	-45	218.0
JDH-012	from	12.2	53.96	**41.8**	**m @ 0.6**	**g/t Au +**	**6.5**	**g/t Ag +**	**0.02**	**% Cu**	0.67	150	-60	124.1
JDH-013	from	53.35	69.6	**16.3**	**m @ 0.5**	**g/t Au +**	**1.2**	**g/t Ag +**	**0.01**	**% Cu**	0.48	150	-60	239.3
	and	89.9	154.9	**65.0**	**m @ 1.4**	**g/t Au +**	**2.8**	**g/t Ag +**	**0.06**	**% Cu**	1.53			
	inc	114.32	142.76	**28.4**	**m @ 2.8**	**g/t Au +**	**4.9**	**g/t Ag +**	**0.10**	**% Cu**	3.03			
JDH-014	from	26.96	75.69	**48.7**	**m @ 0.4**	**g/t Au +**	**5.2**	**g/t Ag +**	**0.10**	**% Cu**	0.63	90	-60	239.4
	and	85.84	116.32	**30.5**	**m @ 0.2**	**g/t Au +**	**4.2**	**g/t Ag +**	**0.1**	**% Cu**	0.42			
	and	128.52	175.3	**46.8**	**m @ 0.5**	**g/t Au +**	**3.3**	**g/t Ag +**	**0.08**	**% Cu**	0.63			
	and	179.35	217.98	**38.6**	**m @ 0.1**	**g/t Au +**	**2.5**	**g/t Ag +**	**0.08**	**% Cu**	0.26			

Drillhole (#)		Mineralised Inte From	To	Total (m)		Gold (g/t)		Ag (g/t)		Cu (%)		Au Equiv (g/t)	Azimuth (deg)	Incl (deg)	TD (m)
GGY-001	from	10	69	**59.0**	**m @**	**0.2**	**g/t Au +**	**2.8**	**g/t Ag +**	**0.07**	**% Cu**	0.35	360	-90	249.2
	and	139	249.2	**110.2**	**m @**	**0.4**	**g/t Au +**	**1.1**	**g/t Ag +**	**0.06**	**% Cu**	0.51			
	inc	141	174	**33.0**	**m @**	**0.6**	**g/t Au +**	**2.0**	**g/t Ag +**	**0.08**	**% Cu**	0.76			
GGY-002	from	9.7	166	**156.3**	**m @**	**2.6**	**g/t Au +**	**9.7**	**g/t Ag +**	**0.16**	**% Cu**	2.99	360	-90	272.9
	inc	27	102	**75.0**	**m @**	**4.6**	**g/t Au +**	**19.1**	**g/t Ag +**	**0.22**	**% Cu**	5.21			
	and	114	166	**52.0**	**m @**	**1.3**	**g/t Au +**	**3.3**	**g/t Ag +**	**0.18**	**% Cu**	1.64			
	plus	244	272.9	**28.9**	**m @**	**0.3**	**g/t Au +**	**2.4**	**g/t Ag +**	**0.04**	**% Cu**	0.37			
GGY-003	from	40	260.75	**220.8**	**m @**	**0.2**	**g/t Au +**	**2.9**	**g/t Ag +**	**0.06**	**% Cu**	0.36	305	-60	295.9
GGY-004	from	1	42	**41.0**	**m @**	**0.5**	**g/t Au +**	**2.3**	**g/t Ag +**	**0.03**	**% Cu**	0.56	125	-60	172.2
GGY-005	from	12	162	**150.0**	**m @**	**0.4**	**g/t Au +**	**11.0**	**g/t Ag +**	**0.30**	**% Cu**	0.99	145	-60	258.3
	inc	14	54	**40.0**	**m @**	**0.6**	**g/t Au +**	**25.5**	**g/t Ag +**	**0.60**	**% Cu**	1.95			
	and	180	194	**14.0**	**m @**	**0.2**	**g/t Au +**	**6.1**	**g/t Ag +**	**0.22**	**% Cu**	0.64			
GGY-006	from	72	101.9	**49.0**	**m @**	**0.4**	**g/t Au +**	**2.3**	**g/t Ag +**	**0.03**	**% Cu**	0.45	305	-60	101.9
GGY-007	from	0.9	41	**40.1**	**m @**	**1.1**	**g/t Au +**	**2.6**	**g/t Ag +**	**0.04**	**% Cu**	1.20	305	-75	127
	inc	110	127	**17.0**	**m @**	**0.9**	**g/t Au +**	**1.2**	**g/t Ag +**	**0.04**	**% Cu**	0.98			
GGY-008	from	16	271	**255.0**	**m @**	**0.1**	**g/t Au +**	**6.5**	**g/t Ag +**	**0.24**	**% Cu**	0.62	145	-75	312.3
	inc	235	271	**36.0**	**m @**	**0.4**	**g/t Au +**	**11.5**	**g/t Ag +**	**0.50**	**% Cu**	1.32			
GGY-009	from	1.65	45	**43.4**	**m @**	**1.7**	**g/t Au +**	**3.0**	**g/t Ag +**	**0.06**	**% Cu**	1.80	45	-75	166.2
GGY-010	from	0	69	**69.0**	**m @**	**1.6**	**g/t Au +**	**2.3**	**g/t Ag +**	**0.03**	**% Cu**	1.67	225	-75	194.5
	inc	21	50	**29.0**	**m @**	**2.9**	**g/t Au +**	**2.7**	**g/t Ag +**	**0.03**	**% Cu**	2.98			
	and	75	95	**20.0**	**m @**	**0.3**	**g/t Au +**	**0.8**	**g/t Ag +**	**0.01**	**% Cu**	0.33			
GGY-011	from	14	229	**215.0**	**m @**	**0.2**	**g/t Au +**	**9.6**	**g/t Ag +**	**0.36**	**% Cu**	0.89	160	-60	241.6
	inc	14	97	**83.0**	**m @**	**0.2**	**g/t Au +**	**14.9**	**g/t Ag +**	**0.50**	**% Cu**	1.24			
	inc	202	229	**27.0**	**m @**	**0.4**	**g/t Au +**	**15.2**	**g/t Ag +**	**0.80**	**% Cu**	1.90			
GGY-012	from	57	192	**135.0**	**m @**	**0.3**	**g/t Au +**	**2.0**	**g/t Ag +**	**0.06**	**% Cu**	0.39	125	-60	256
	and	156	192	**36.0**	**m @**	**0.2**	**g/t Au +**	**3.3**	**g/t Ag +**	**0.13**	**% Cu**	0.44			
GGY-013	from	229.7	280	**50.3**	**m @**	**0.2**	**g/t Au +**	**2.2**	**g/t Ag +**	**0.05**	**% Cu**	0.31	320	-65	340.9
GGY-014				**nsi**								0.00	320	-75	309.1
GGY-015	from	110	132.4	**22.4**	**m @**	**0.4**	**g/t Au +**	**0.5**	**g/t Ag +**	**0.03**	**% Cu**	0.41	320	-60	251.1
	and	157	225.5	**68.5**	**m @**	**0.3**	**g/t Au +**	**1.5**	**g/t Ag +**	**0.10**	**% Cu**	0.45			
GGY-016	from	8	30	**22.0**	**m @**	**0.2**	**g/t Au +**	**0.7**	**g/t Ag +**	**0.01**	**% Cu**	0.26	320	-60	195.7
	and	42	57	**15.0**	**m @**	**0.3**	**g/t Au +**	**0.5**	**g/t Ag +**	**0.02**	**% Cu**	0.34			
	and	105	118	**13.0**	**m @**	**0.2**	**g/t Au +**	**0.7**	**g/t Ag +**	**0.01**	**% Cu**	0.26			
	and	185	188	**3.0**	**m @**	**1.0**	**g/t Au +**	**0.8**	**g/t Ag +**	**0.02**	**% Cu**	1.04			
GGY-017	from	0	24	**24.0**	**m @**	**0.5**	**g/t Au +**	**1.3**	**g/t Ag +**	**0.01**	**% Cu**	0.49	125	-82	280.4
	and	69	184	**115.0**	**m @**	**0.5**	**g/t Au +**	**2.1**	**g/t Ag +**	**0.03**	**% Cu**	0.53			
	inc	125	147	**22.0**	**m @**	**0.2**	**g/t Au +**	**2.0**	**g/t Ag +**	**0.05**	**% Cu**	0.29			
	and	206	241	**35.0**	**m @**	**0.3**	**g/t Au +**	**1.7**	**g/t Ag +**	**0.05**	**% Cu**	0.41			
	and	254	277	**23.0**	**m @**	**0.6**	**g/t Au +**	**1.2**	**g/t Ag +**	**0.04**	**% Cu**	0.63			
GGY-018	from	81	136	**55.0**	**m @**	**0.2**	**g/t Au +**	**3.5**	**g/t Ag +**	**0.06**	**% Cu**	0.34	140	-60	160.4
GGY-019	from	89	155	**66.0**	**m @**	**0.3**	**g/t Au +**	**2.0**	**g/t Ag +**	**0.03**	**% Cu**	0.36	45	-53	175.4

(1) drill collar coordinates for all holes in Table 2.3 are provided in Section 2 of the JORC Appendix in this ASX Release

(2) cut of grade of 0.2 g/t Au Equiv used for calculating significant intercepts with 6m of internal dilution allowed

 # The above table presents all drillholes and all relevant intersections (or nsi) to ensure full picture of the results of the drilling campaign is presented.

 # Drill Collar coordinates provided in JORC Table 1 – El Guayabo Concession.

 # Au equivalent values were calculated using a price of US$1300 for Au, $15 for Ag and $6612 t. Cu. Recoveries were not factored into the calculation of Au equivalents given no metallurgical test work has been conducted

JORC Code, 2012 Edition – Table 1 El Guayabo Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Newmont Mining Corp (NYSE: NEM) ("**Newmont**") and Odin Mining and Exploration Ltd (TSX: ODN) ("**Odin**") core drilled the property between February 1995 and November 1996 across two drilling campaigns. • The sampling techniques were reviewed as part of a 43-101 Technical report on Cangrejos Property which also included the early results of the El Joven joint venture between Odin and Newmont, under which the work on the El Guayabo project was undertaken. This report is dated 27 May 2004 and found the sampling techniques and intervals to be appropriate with adequate QA/QC and custody procedures, core recoveries generally 100%, and appropriate duplicates and blanks use for determining assay precision and accuracy**.** • Duplicates were prepared by the Laboratory (Bonder Cleg) which used internal standards. Newmont also inserted its own standards at 25 sample intervals as a control on analytical quality • Diamond drilling produced core that was sawed in half with one half sent to the laboratory for assaying per industry standards and the remaining core retained on site. • Cu assays above 2% were not re-assayed using a technique calibrated to higher value Cu results hence the maximum reported assay for copper is 2%. • All core samples were analysed using a standard fire assay with atomic absorption finish on a 30 g charge (30 g FAA). Because of concerns about possible reproducibility problems in the gold values resulting from the presence of coarse gold, the coarse crusher rejects for all samples with results greater than 0.5 g/t were re-assayed using the "blaster" technique - a screen type fire analysis based on a pulverized sample with a mass of about 5 kg. Samples from most of these intersections were also analysed for Cu, Mo, Pb, Zn and Ag.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond core drilling HQ size from surface and reducing to NQ size as necessary. The historical records do not indicate if the core was oriented
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• In a majority of cases core recovery was 100%. • In the historical drill logs where core recoveries were less than 100% the percentage core recovery was noted. • No documentation on the methods to maximise sample recovery was reported in

Criteria	JORC Code explanation	Commentary
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	historical reports however inspection of the available core and historical drilling logs indicate that core recoveries were generally 100% with the exception of the top few metres of each drill hole. • No material bias has presently been recognised in core. • Observation of the core from various drill holes indicate that the rock is generally fairly solid even where it has been subjected to intense, pervasive hydrothermal alteration and core recoveries are generally 100%. Consequently, it is expected that the samples obtained were not unduly biased by significant core losses either during the drilling or cutting processes
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging was completed at 1-3 m intervals which is appropriate given the exploration was reconnaissance in nature. • All core was logged qualitatively at 1 to 3 m intervals depending on geology intercepted and core was photographed. • Inspections of core and logging have concluded that the logging was representative. • 100% of all core including all relevant intersections were logged
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut with diamond saw and half core was taken • All drilling was core drilling as such this is not relevant • Sample preparation was appropriate and of good quality. Each 1-3 m sample of half core was dried, crushed to a nominal – 10 mesh (ca 2mm), then 250 g of chips were split out and pulverized. A sub-sample of the pulp was then sent for analysis for gold by standard fire assay on a 30 g charge with an atomic absorption finish with a nominal 5 ppb Au detection limit. • Measures taken to ensure that the sampling is representative of the in situ material collected is not outlined in the historical documentation however a program of re-assaying was undertaken by Odin which demonstrated the repeatability of original assay results • The use of a 1-3 m sample length is appropriate for deposits of finely disseminated mineralisation where long mineralised intersections are to be expected.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The nature, quality and appropriateness of the assaying and laboratory procedures used by Newmont and Odin are still in line with industry best practice with appropriate QA/QC and chain of custody and are considered appropriate. • Available historical data does not mention details of geophysical tools as such it is believed a geophysical campaign was not completed in parallel with the drilling campaign. • Duplicates were prepared by the Laboratory (Bonder Cleg) which used internal standards. Newmont also inserted its own standards at 25 sample intervals as a control on analytical quality. Later Odin undertook a re-assaying program of the

Criteria	JORC Code explanation	Commentary
		majority of the higher grade sections which confirmed the repeatability. • Given the above, it is considered acceptable levels of accuracy and precision have been established
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• All intersections with results greater than 0.5 g/t were re-assayed using the "blaster" technique - a screen type fire analysis based on a pulverised sample with a mass of about 5 kg. Additionally Odin re-assayed the many of the higher grade sections with re-assay results demonstrating repeatability of the original results. • Neither Newmont nor Odin attempted to verify intercepts with twinned holes • Data was sourced from scanned copies of original drill logs and in some cases original paper copies of assay sheets are available. This data is currently stored in a drop box data base with the originals held on site. • No adjustments to assay data were made.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Newmont undertook survey to located drill holes in accordance with best practice at the time. No formal check surveying has been undertaken to verify drill collar locations at this stage • Coordinate System: PSAD 1956 UTM Zone 17S Projection: Transverse Mercator Datum: Provisional S American 1956 • Quality of topographic control appears to be+ - 1 meter which is sufficient for the exploration activities undertaken.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Grid drilling was exploration based and a grid was not considered appropriate at that time. • A JORC compliant Mineral Resource Estimate has not been calculated • Sample compositing was not used
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Estimation bias is not evident. • A sampling bias is not evident.
Sample security	• *The measures taken to ensure sample security.*	• Newmont sent all its field samples to the Bondar Clegg sample preparation facility in Quito for preparation. From there, approximately 100 grams of pulp for each sample was air freighted to the Bondar Clegg laboratory (now absorbed by ALS-Chemex) in Vancouver, for analysis. There is no record of any special steps to monitor the security of the samples during transport either between the field and Quito, or between Quito and Vancouver. However, Newmont did insert its own standards at 25 sample intervals as a control on analytical quality

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques were reviewed as part of a 43-101 Technical report on Cangrejos Property which also included the early results of the El Joven joint venture between Odin and Newmont, under which the work on the El Guayabo project was undertaken. This report is dated 27 May 2004 and found the sampling techniques and intervals to be appropriate with adequate QA/QC and custody procedures, core recoveries generally 100%, and appropriate duplicates and blanks use for determining assay precision and accuracy**.**

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The El Guayabo (Code. 225) mining concession is located within El Oro Province. The concession is held by Torata and was granted in compliance with the Mining Act ("MA") in on April 27, 2010. There are no overriding royalties on the project other than normal Ecuadorian government royalties. There are currently tribute mining agreements in place with artisanal miners limited to a combined 300 tons of ore per day. These tribute agreements can be cancelled upon the owner formally acquiring the tenement, however the owner intends to allow the tribute mining to continue while it explores the property. The property has no historical sites, wilderness or national park issues. • The mining title grants the owner an exclusive right to perform mining activities, including, exploration, exploitation and processing of minerals over the area covered by the prior title for a period of 25 years, renewable for a further 25 years. Under its option agreement, the owner has been granted a negative pledge (which is broadly equivalent to a fixed and floating charge) over the concession. In addition a duly notarized Irrevocable Promise to Transfer executed by Torata in favor of AEP has been lodged with the Ecuador Mines Department.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No exploration has been undertaken by the owner. Previous exploration on the project has been undertaken by Newmont and Odin from 1994 to 1997. This included surface pit and rock chip geochemistry, followed by the drilling of 33 drill holes for a total of 7605.52 meters) to evaluate the larger geochemical anomalies. • The collection of all exploration data by Newmont and Odin was of a high standard and had appropriate sampling techniques and intervals, adequate QA/QC and custody procedures, and appropriate duplicates and blanks used for determining assay precision and accuracy. • The geological interpretation of this data, including core logging and follow up geology was designed and directed by in-country inexperienced geologists. It appears to have been focused almost exclusively for gold targeting surface gold anomalies or the depth extensions of higher grade gold zones being exploited by the artisanal miners. The geologic

Criteria	JORC Code explanation	Commentary
		logs for all drill holes did not record details that would have been typical, industry standards for porphyry copper exploration at that time. A number of holes which ended in economic mineralisation have never been followed up. • In short, important details which would have allowed the type of target to be better explored were missed which in turn presents an opportunity to the current owner.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• It is believed that the El Guayabo property is a "Low Sulfide" porphyry gold copper system. The host rocks for the intrusive complex is metamorphic basement and Oligocene – Mid-Miocene volcanic rocks. This suggests the intrusions are of a similar age to the host volcanic sequence, which also suggests an evolving basement magmatic system. Intrusions are described in the core logs as quartz diorite and dacite. Mineralisation has been recognized in: – Steeply plunging breccia bodies and in the metamorphic host rock adjacent to the breccia (up to 200 m in diameter) – Quartz veins and veinlets – Disseminated pyrite and pyrrhotite in the intrusions and in the metamorphic host rock near the intrusions.

Drill hole Information

- *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
  - *easting and northing of the drill hole collar*
  - *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
  - *dip and azimuth of the hole*
  - *down hole length and interception depth*
  - *hole length.*
- *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*

Drillhole (#)		Mineralised Inte From	To	Total (m)	Gold (g/t)	Ag (g/t)	Cu (%)	Au Equiv (g/t)	Azimuth (deg)	Incl (deg)	TD (m)
JDH-001	from	183	190.6	**7.6 m @**	**0.3 g/t Au +**		**not assayed**	n/a	280	-60	236.9
JDH-002	from	7.6	152.9	**145.3 m @**	**0.4 g/t Au +**		**not assayed**	n/a	280	-45	257.5
	and	199	243	**44.0 m @**	**0.4 g/t Au +**		**not assayed**	n/a			
JDH-003	from	35.95	71.6	**35.7 m @**	**0.5 g/t Au +**		**not assayed**	n/a	280	-45	261
	and	120.4	254.6	**134.2 m @**	**0.4 g/t Au +**		**not assayed**	n/a			
	inc	146.81	224.08	**77.3 m @**	**0.5 g/t Au +**		**not assayed**	n/a			
JDH-004	from	3.96	21.95	**18.0 m @**	**0.4 g/t Au +**		**not assayed**	n/a	280	-45	219
	and	79.74	120.42	**40.7 m @**	**0.4 g/t Au +**		**not assayed**	n/a			
	and	150.9	203.7	**52.8 m @**	**0.7 g/t Au +**		**not assayed**	n/a			
JDH-005	from	5.2	81.4	**76.2 m @**	**0.4 g/t Au +**		**not assayed**	n/a	280	-45	210.4
	and	169.7	208.5	**38.8 m @**	**0.2 g/t Au +**		**not assayed**	n/a			
JDH-006	from	17.99	89.6	**71.6 m @**	**0.2 g/t Au +**	**2.0 g/t Ag +**	**0.10 % Cu**	0.42	150	-45	302.7
	and	164.8	281	**116.2 m @**	**0.6 g/t Au +**	**8.9 g/t Ag +**	**0.40 % Cu**	1.37			
	inc	227.8	281.09	**53.3 m @**	**1.2 g/t Au +**	**13.2 g/t Ag +**	**0.62 % Cu**	2.39			
JDH-007	from	39.7	84.45	**44.8 m @**	**0.3 g/t Au +**	**1.4 g/t Ag +**	**0.04 % Cu**	0.38	150	-75	105.8
JDH-008	from	104.7	136.7	**32.0 m @**	**0.1 g/t Au +**	**3.6 g/t Ag +**	**0.13 % Cu**	0.41	150	-60	352.7
	and	249.08	316.15	**67.1 m @**	**0.2 g/t Au +**	**5.7 g/t Ag +**	**0.21 % Cu**	0.62			
	and	291.76	316.15	**24.4 m @**	**0.5 g/t Au +**	**9.2 g/t Ag +**	**0.34 % Cu**	1.13			
JDH-009	from	10.3	122.03	**111.7 m @**	**0.7 g/t Au +**	**14.6 g/t Ag +**	**0.58 % Cu**	1.85	150	-45	256.7
	inc	34.6	91.54	**56.9 m @**	**0.2 g/t Au +**	**19.1 g/t Ag +**	**0.82 % Cu**	1.80			
	and	201.4	205.4	**4.0 m @**	**11.4 g/t Au +**	**9.7 g/t Ag +**	**0.01 % Cu**	11.54			
	and	255.1	eoh	**1.5 m @**	**0.7 g/t Au +**	**1.5 g/t Ag +**	**0.02 % Cu**	0.75			
JDH-10	from	1.5	50.9	**49.4 m @**	**0.5 g/t Au +**	**2.5 g/t Ag +**	**0.09 % Cu**	0.68	270	-45	221.6
	and	90.54	119	**28.5 m @**	**0.2 g/t Au +**	**3.0 g/t Ag +**	**0.10 % Cu**	0.40			
	and	140	203	**81.6 m @**	**0.4 g/t Au +**	**1.3 g/t Ag +**	**0.07 % Cu**	0.53			
JDH-011	from	100.7	218	**117.3 m @**	**0.4 g/t Au +**	**4.6 g/t Ag +**	**0.10 % Cu**	0.62	270	-45	218.0
JDH-012	from	12.2	53.96	**41.8 m @**	**0.6 g/t Au +**	**6.5 g/t Ag +**	**0.02 % Cu**	0.67	150	-60	124.1
JDH-013	from	53.35	69.6	**16.3 m @**	**0.5 g/t Au +**	**1.2 g/t Ag +**	**0.01 % Cu**	0.48	150	-60	239.3
	and	89.9	154.9	**65.0 m @**	**1.4 g/t Au +**	**2.8 g/t Ag +**	**0.06 % Cu**	1.53			
	inc	114.32	142.76	**28.4 m @**	**2.8 g/t Au +**	**4.9 g/t Ag +**	**0.10 % Cu**	3.03			
JDH-014	from	26.96	75.69	**48.7 m @**	**0.4 g/t Au +**	**5.2 g/t Ag +**	**0.10 % Cu**	0.63	90	-60	239.4
	and	85.04	116.32	**30.5 m @**	**0.2 g/t Au +**	**4.2 g/t Ag +**	**0.1 % Cu**	0.42			
	and	128.52	175.3	**46.8 m @**	**0.5 g/t Au +**	**3.3 g/t Ag +**	**0.08 % Cu**	0.63			
	and	179.35	217.98	**38.6 m @**	**0.1 g/t Au +**	**2.5 g/t Ag +**	**0.08 % Cu**	0.26			

Drillhole (#)		Mineralised Inte From	To	Total (m)	Gold (g/t)	Ag (g/t)	Cu (%)	Au Equiv (g/t)	Azimuth (deg)	Incl (deg)	TD (m)
GGY-001	from	10	69	**59.0 m @ 0.2 g/t Au + 2.8 g/t Ag + 0.07 % Cu**				0.35	360	-90	249.2
	and	139	249.2	**110.2 m @ 0.4 g/t Au + 1.1 g/t Ag + 0.06 % Cu**				0.51			
	inc	141	174	**33.0 m @ 0.6 g/t Au + 2.0 g/t Ag + 0.08 % Cu**				0.76			
GGY-002	from	9.7	166	**156.3 m @ 2.6 g/t Au + 9.7 g/t Ag + 0.16 % Cu**				2.99	360	-90	272.9
	inc	27	102	**75.0 m @ 4.6 g/t Au + 19.1 g/t Ag + 0.22 % Cu**				5.21			
	and	114	166	**52.0 m @ 1.3 g/t Au + 3.3 g/t Ag + 0.18 % Cu**				1.64			
	plus	244	272.9	**28.9 m @ 0.3 g/t Au + 2.4 g/t Ag + 0.04 % Cu**				0.37			
GGY-003	from	40	260.75	**220.8 m @ 0.2 g/t Au + 2.9 g/t Ag + 0.06 % Cu**				0.36	305	-60	295.9
GGY-004	from	1	42	**41.0 m @ 0.5 g/t Au + 2.3 g/t Ag + 0.03 % Cu**				0.56	125	-60	172.2
GGY-005	from	12	162	**150.0 m @ 0.4 g/t Au + 11.0 g/t Ag + 0.30 % Cu**				0.99	145	-60	258.3
	inc	14	54	**40.0 m @ 0.6 g/t Au + 25.5 g/t Ag + 0.60 % Cu**				1.95			
	and	180	194	**14.0 m @ 0.2 g/t Au + 6.1 g/t Ag + 0.22 % Cu**				0.64			
GGY-006	from	72	101.9	**49.0 m @ 0.4 g/t Au + 2.3 g/t Ag + 0.03 % Cu**				0.45	305	-60	101.9
GGY-007	from	0.9	41	**40.1 m @ 1.1 g/t Au + 2.6 g/t Ag + 0.04 % Cu**				1.20	305	-75	127
	inc	110	127	**17.0 m @ 0.9 g/t Au + 1.2 g/t Ag + 0.04 % Cu**				0.98			
GGY-008	from	16	271	**255.0 m @ 0.1 g/t Au + 6.5 g/t Ag + 0.24 % Cu**				0.62	145	-75	312.3
	inc	235	271	**36.0 m @ 0.4 g/t Au + 11.5 g/t Ag + 0.50 % Cu**				1.32			
GGY-009	from	1.65	45	**43.4 m @ 1.7 g/t Au + 3.0 g/t Ag + 0.06 % Cu**				1.80	45	-75	166.2
GGY-010	from	0	69	**69.0 m @ 1.6 g/t Au + 2.3 g/t Ag + 0.03 % Cu**				1.67	225	-75	194.5
	inc	21	50	**29.0 m @ 2.9 g/t Au + 2.7 g/t Ag + 0.03 % Cu**				2.98			
	and	75	95	**20.0 m @ 0.3 g/t Au + 0.8 g/t Ag + 0.01 % Cu**				0.33			
GGY-011	from	14	229	**215.0 m @ 0.2 g/t Au + 9.6 g/t Ag + 0.36 % Cu**				0.89	160	-60	241.6
	inc	14	97	**83.0 m @ 0.2 g/t Au + 14.9 g/t Ag + 0.50 % Cu**				1.24			
	inc	202	229	**27.0 m @ 0.4 g/t Au + 15.2 g/t Ag + 0.80 % Cu**				1.90			
GGY-012	from	57	192	**135.0 m @ 0.3 g/t Au + 2.0 g/t Ag + 0.06 % Cu**				0.39	125	-60	256
	and	156	192	**36.0 m @ 0.2 g/t Au + 3.3 g/t Ag + 0.13 % Cu**				0.44			
GGY-013	from	229.7	280	**50.3 m @ 0.2 g/t Au + 2.2 g/t Ag + 0.05 % Cu**				0.31	320	-65	340.9
GGY-014				**nsi**				0.00	320	-75	309.1
GGY-015	from	110	132.4	**22.4 m @ 0.4 g/t Au + 0.5 g/t Ag + 0.03 % Cu**				0.41	320	-60	251.1
	and	157	225.5	**68.5 m @ 0.3 g/t Au + 1.5 g/t Ag + 0.10 % Cu**				0.45			
GGY-016	from	8	30	**22.0 m @ 0.2 g/t Au + 0.7 g/t Ag + 0.01 % Cu**				0.26	320	-60	195.7
	and	42	57	**15.0 m @ 0.3 g/t Au + 0.5 g/t Ag + 0.02 % Cu**				0.34			
	and	105	118	**13.0 m @ 0.2 g/t Au + 0.7 g/t Ag + 0.01 % Cu**				0.26			
	and	185	188	**3.0 m @ 1.0 g/t Au + 0.8 g/t Ag + 0.02 % Cu**				1.04			
GGY-017	from	0	24	**24.0 m @ 0.5 g/t Au + 1.3 g/t Ag + 0.01 % Cu**				0.49	125	-82	280.4
	and	69	184	**115.0 m @ 0.5 g/t Au + 2.1 g/t Ag + 0.03 % Cu**				0.53			
	inc	125	147	**22.0 m @ 0.2 g/t Au + 2.0 g/t Ag + 0.05 % Cu**				0.29			
	and	206	241	**35.0 m @ 0.3 g/t Au + 1.7 g/t Ag + 0.05 % Cu**				0.41			
	and	254	277	**23.0 m @ 0.6 g/t Au + 1.2 g/t Ag + 0.04 % Cu**				0.63			
GGY-018	from	81	136	**55.0 m @ 0.2 g/t Au + 3.5 g/t Ag + 0.06 % Cu**				0.34	140	-60	160.4
GGY-019	from	89	155	**66.0 m @ 0.3 g/t Au + 2.0 g/t Ag + 0.03 % Cu**				0.36	45	-53	175.4

Criteria	JORC Code explanation	Commentary

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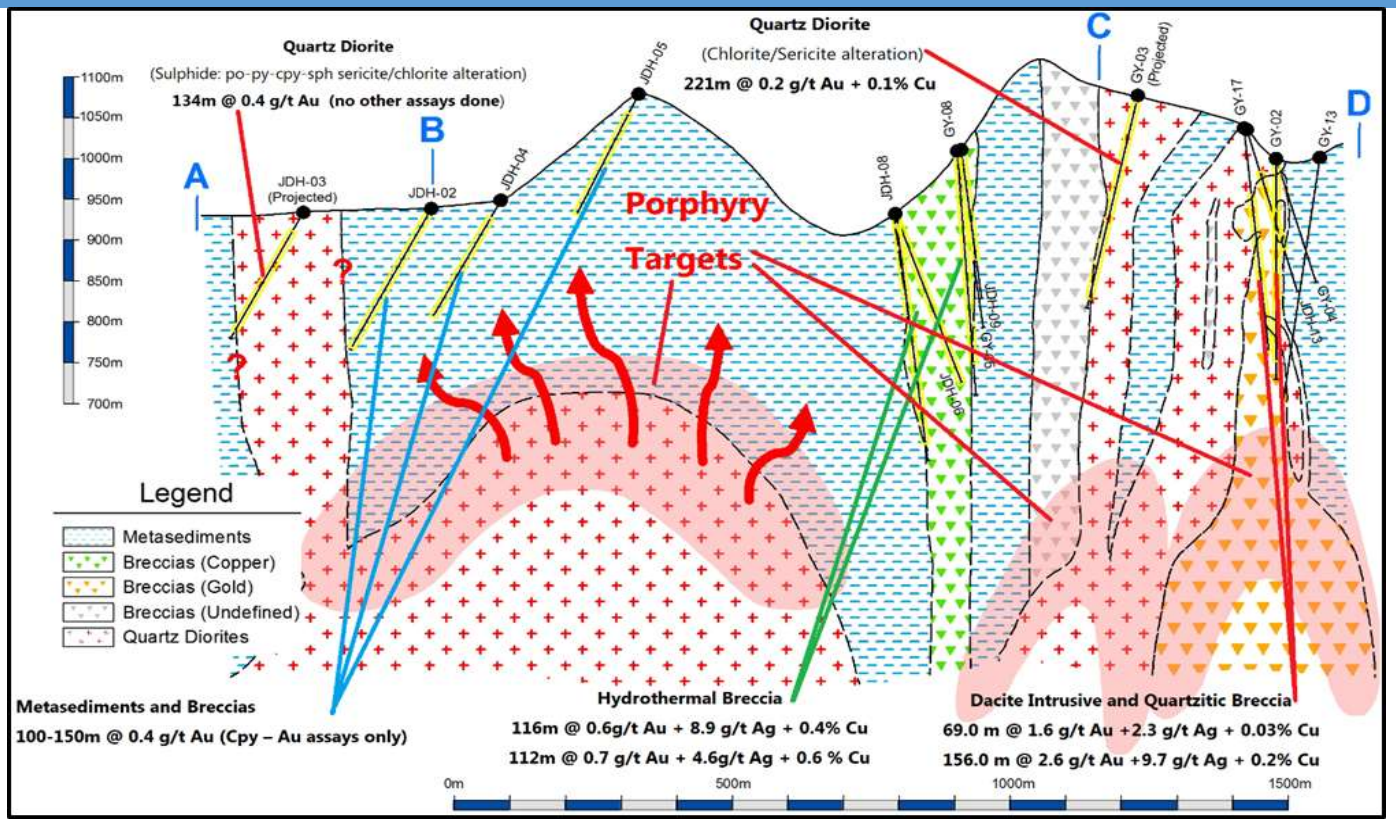
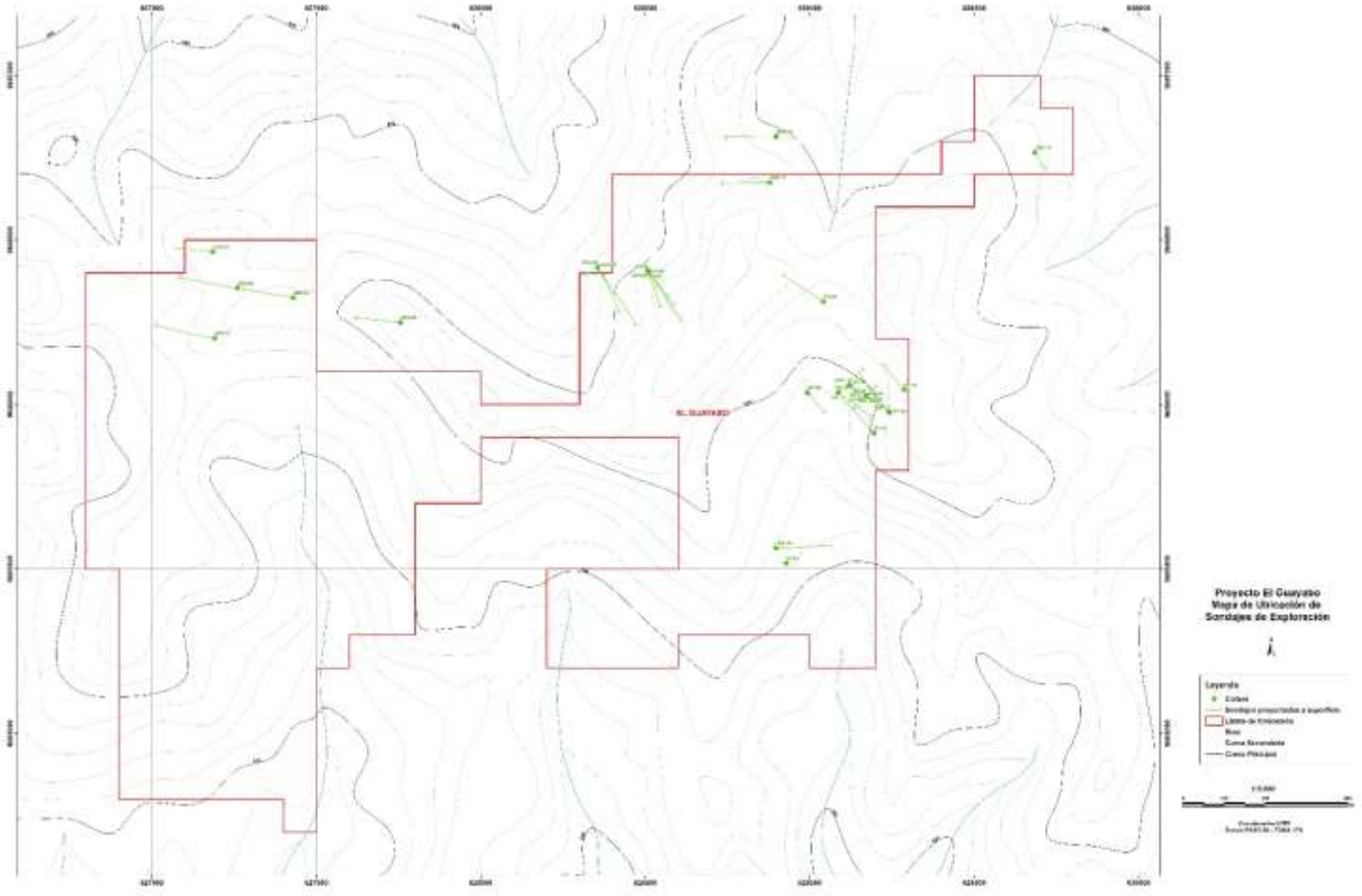
DRILLHOLE CODE	EAST (X)	NORTH (N)	ELEVATION (m.a.s.l)	AZIMUTH (°)	DIP (°)	FINAL DEPTHP	DRILLED BY
DDHGY 01	628928.09	9605517.20	839.01	360	-90.0	249.20	Odin
DDHGY 02	629171.15	9606025.55	983.16	360.0	-90.0	272.90	Odin
DDHGY 03	629041.84	9606312.81	1063.37	305.0	-60.0	295.94	Odin
DDHGY 04	629171.68	9606025.18	983.2	125.0	-60.0	172.21	Odin
DDHGY 05	628509.21	9606405.29	989.87	145.0	-60.0	258.27	Odin
DDHGY 06	629170.56	9606025.97	983.11	305.0	-60.0	101.94	Odin
DDHGY 07	629170.81	9606025.80	983.16	305.0	-75.0	127.00	Odin
DDHGY 08	628508.95	9606405.74	989.86	145.0	-75.0	312.32	Odin
DDHGY 09	629171.22	9606025.88	983.22	45.0	-75.0	166.25	Odin
DDHGY 10	629170.77	9606025.24	983.12	225.0	-75.0	194.47	Odin
DDHGY 11	628507.97	9606405.33	989.83	160.0	-60.0	241.57	Odin
DDHGY 12	629087.18	9606035.53	996.98	125.0	-60.0	255.7	Odin
DDHGY 13	629242.46	9605975.42	997.292	320.0	-65.0	340.86	Odin
DDHGY 14	629242.27	9605975.64	997.285	320.0	-75.0	309.14	Odin
DDHGY 15	629194.67	9605912.35	977.001	320.0	-60.0	251.07	Odin
DDHGY 16	629285.92	9606044.44	1036.920	320.0	-60.0	195.73	Odin
DDHGY 17	629122.31	9606058.64	1021.053	125.0	-82.0	280.04	Odin
DDHGY 18	628993.10	9606035.45	977.215	140.0	-60.0	160.35	Odin
DDHGY 19	629087.23	9606034.98	997.332	45.0	-53.0	175.41	Odin

DRILLHOLE CODE	EAST (X)	NORTH (N)	ELEVATION (m.a.s.l)	AZIMUTH (°)	DIP (°)	FINAL DEPTHP	DRILLED BY
JDH01	627185.78	9606463.27	933.47	280.0	-60.0	236.89	Newmont
JDH02	627260.37	9606353.12	921.56	280.0	-45.0	257.62	Newmont
JDH03	627191.61	9606200.35	952.82	280.0	-45.0	260.97	Newmont
JDH04	627429.81	9606324.00	933.80	280.0	-45.0	219.00	Newmont
JDH05	627755.97	9606248.70	1066.24	280.0	-45.0	210.37	Newmont
JDH06	628356.37	9606416.13	911.58	150.0	-45.0	302.74	Newmont
JDH07	628356.37	9606416.13	911.58	150.0	-75.0	105.79	Newmont
JDH08	628356.37	9606416.13	911.58	150.0	-60.0	352.74	Newmont
JDH09	628507.01	9606408.43	990.18	150.0	-45.0	256.70	Newmont
JDH10	628897.96	9606813.62	985.60	270.0	-45.0	221.64	Newmont
JDH11	628878.64	9606674.39	1081.96	270.0	-45.0	217.99	Newmont
JDH12	629684.61	9606765.31	993.45	150.0	-60.0	124.08	Newmont
JDH13	629122.61	9606058.49	1020.98	125.0	-60.0	239.33	Newmont
JDH14	628897.15	9605562.77	852.59	90.0	-45.0	239.32	Newmont

Criteria	JORC Code explanation	Commentary
	•	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No weighted averaging techniques or maximum grade truncations were used. • Minimum cut of grade of 0.2 g/t Au Equivalent was used for determining intercepts. • Aggregate intercepts have been reported with higher grade inclusions to demonstrate the impact of aggregation. A bottom cut of 0.5 g/t Au Equiv has been used to determine the higher grade inclusions. Given the generally consistent nature of the mineralisation the impact of the aggregation of high grade results and longer lengths of low grade results does not have a large impact. For example in the intercept of 156m @ 2.6 g.t Au in hole GGY-02: – over half of the intercept comprises gold grades in excess of 1 g/t Au – only 20% of the intercept includes grades between 0.2 and 0.5 g/t Au – over one third includes gold grades in excess of 2 g/t Au. • Au equivalent values were calculated using a price of US$1300 for Au, $15 for Ag and $3 lb. Cu. Recoveries were not factored into the calculation of Au equivalents given no metallurgical test work has been conducted. The nearest analogue providing recovery data, Cangrejos 10km along strike, has reported recoveries in the mid-high 80 percent range for both gold and copper. .
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are*	• The owner cautions that the geometry of the breccia hosted mineralisation appears to be predominantly vertical pipes while the geometry of the intrusive hosted mineralisation is not yet clear. The owner cautions that only and only the down hole lengths are reported and the true width of mineralisation is not known. • The preliminary interpretation is that the breccia hosted mineralisation occurs in near vertical breccia pipes. Thus intersections in steeply inclined holes may not be representative of the true width of this breccia hosted mineralisation. The relationship between the drilling orientation and some of the key mineralised structures and possible reporting bias in terms of true width is illustrated in the figure below.

Criteria	JORC Code explanation	Commentary
	reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a*	• Figure 2 is a plan view showing the location of the drill collars •

Criteria	JORC Code explanation	Commentary
	plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both*	• All drilling results have been reported. • It is suggested that this reporting is fair and representative of what is currently understood of the geology of the project.

Criteria	JORC Code explanation	Commentary
	low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Pit, Soil and Rock chip geochemistry has been collected from 5274 pit and outcrop samples by Newmont. (Fig 3) • The rock sampling was conducted on an opportunistic basis where outcrop was naturally available. This was generally along stream courses as reflected by the distribution along sinuous lines of many of the sampling points in Figures 4 which shows the location of sampling Data is available for Au, Ag, Cu, Zn, Pb, Sb, As and Mo. • A pits-to-bedrock program over the area were rock chip sampling was undertaken initially on an opportunistic basis where outcrop was naturally available and later in some grids over the key anomalies. (Figs 5). The program consisted of hand-dug pits, 1m in size, extended to the saprolite/bedrock contact. A sample was cut from channels dug in the floor of each pit. Some pits are reported to have clearly not reached the saprolite/bedrock contact due to abnormally deep saprolite and this fact was noted on the sample description According to the analytical sheets, gold was analysed by standard fire assay on a 30 gram charge with an atomic absorption finish giving a nominal 5 ppb Au detection limit. The pulps were also routinely analysed for 34 other elements (including Ag, Cu, Mo, Pb, Zn, and As) using an aqua regia extraction and a standard multi-element ICP package. Data is available for Au, Ag, Cu, Zn, Pb, Sb, As and Mo. • Figure 6 shows a hand drawn diagram of the rock chip samples with Au > 100 ppb including drill traces and the location of the Adriano Adit (artisanal). It widespread gold in soil >100 ppb, particularly over the Gold Block, Copper Block and NW parts of the exploration licence.

Criteria	JORC Code explanation	Commentary

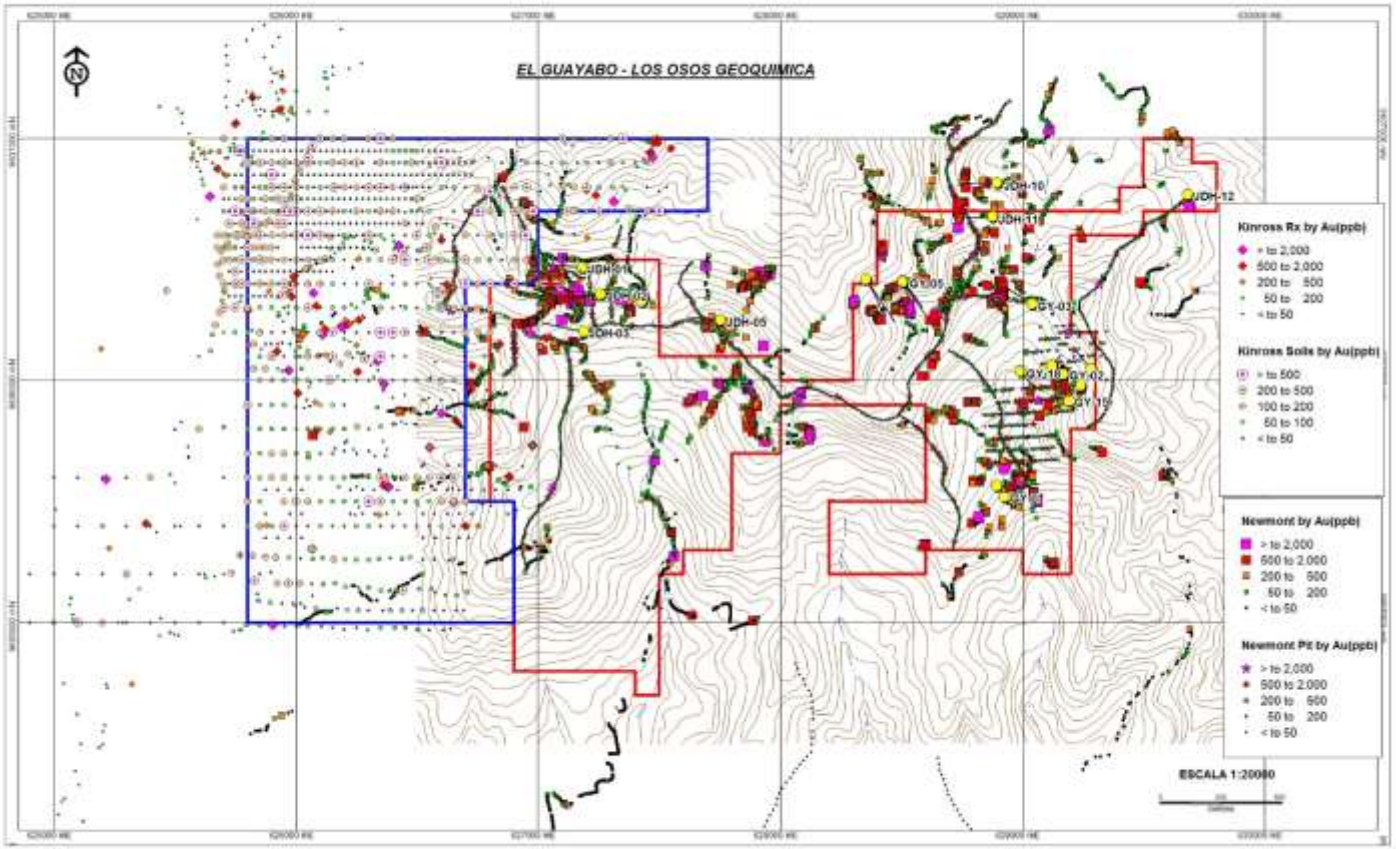


Figure 3 Location of Soil and Rock Samples

Criteria	JORC Code explanation	Commentary

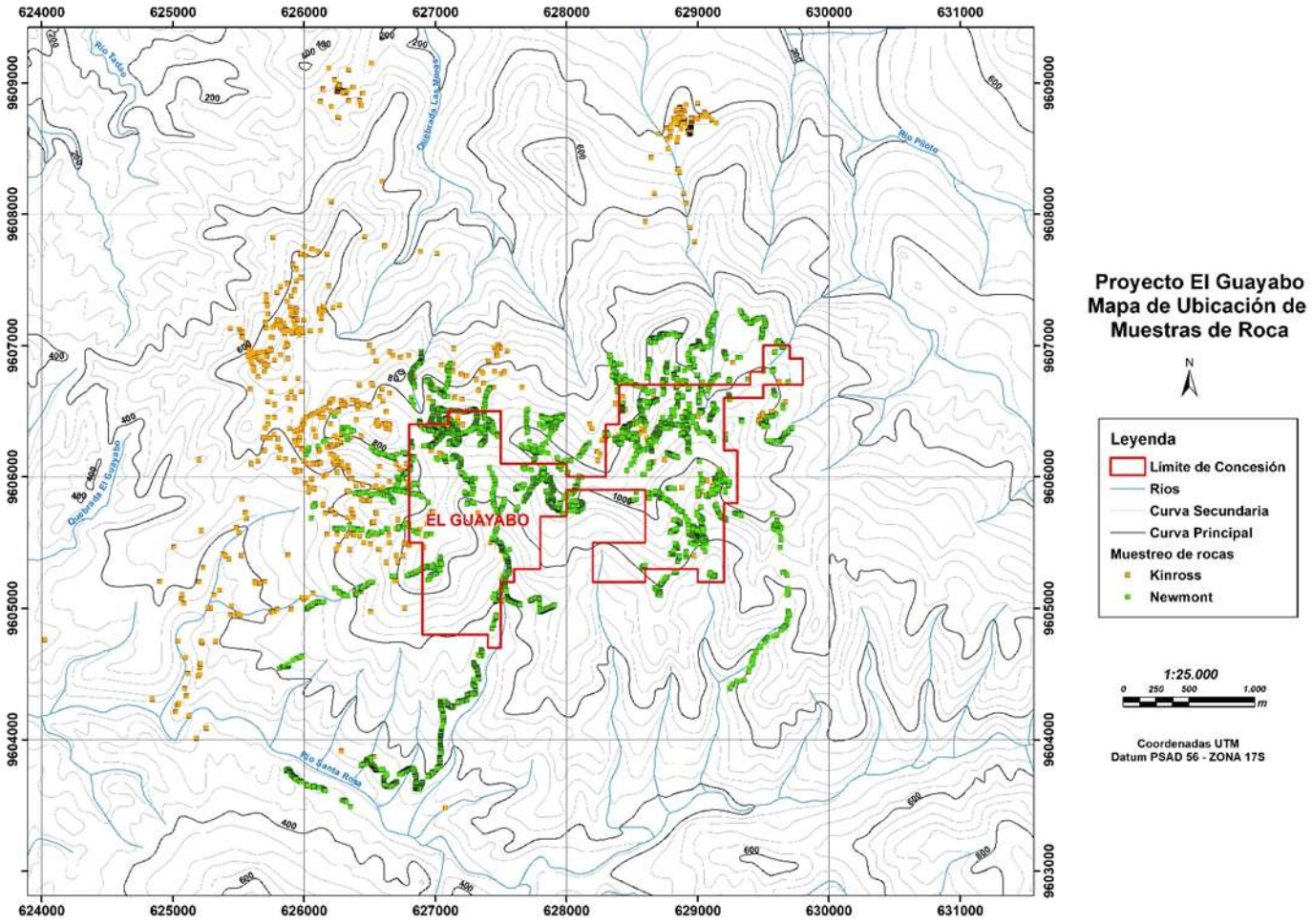


Figure 4 – Location of Rock Chip Samples

Criteria	JORC Code explanation	Commentary

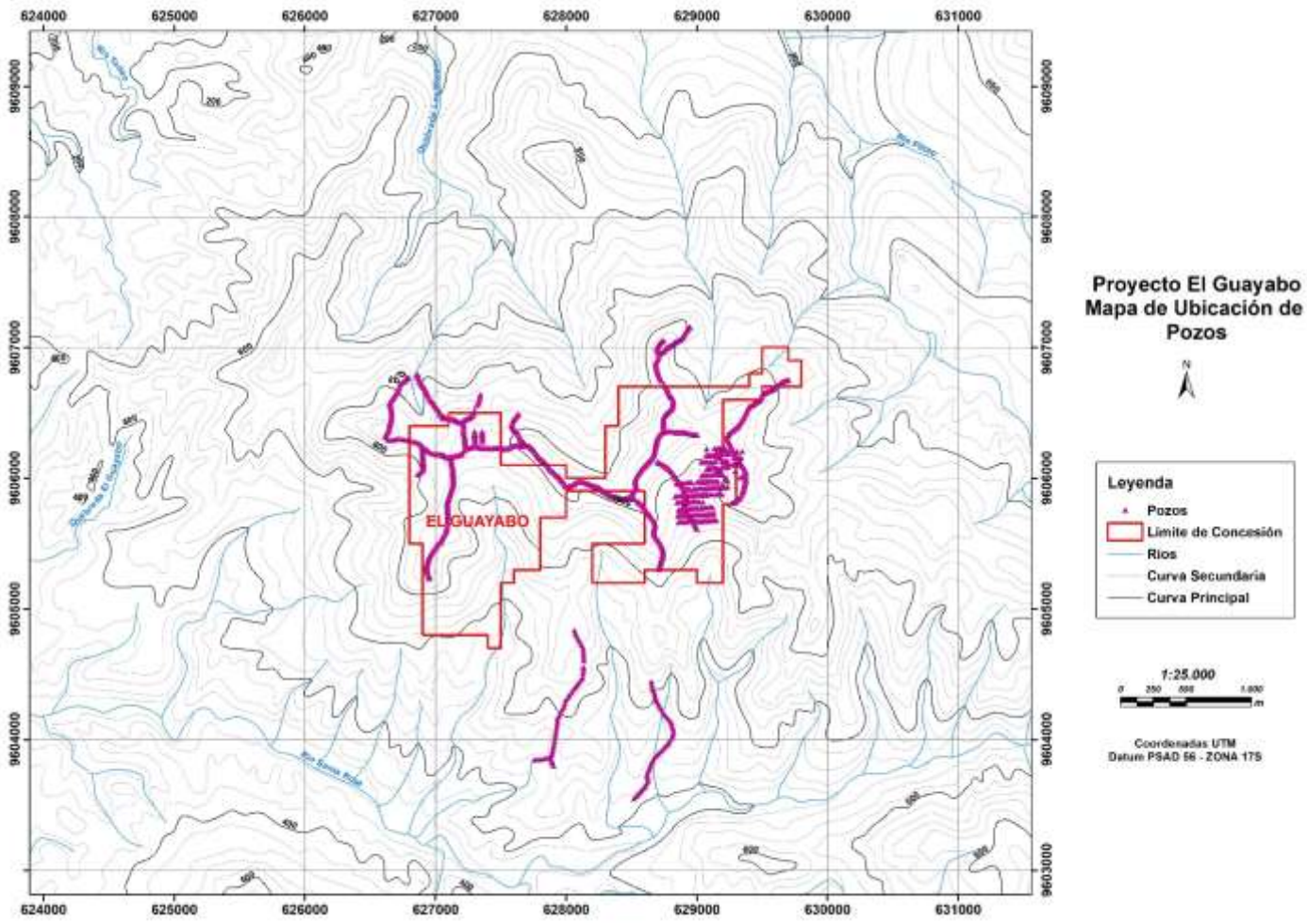
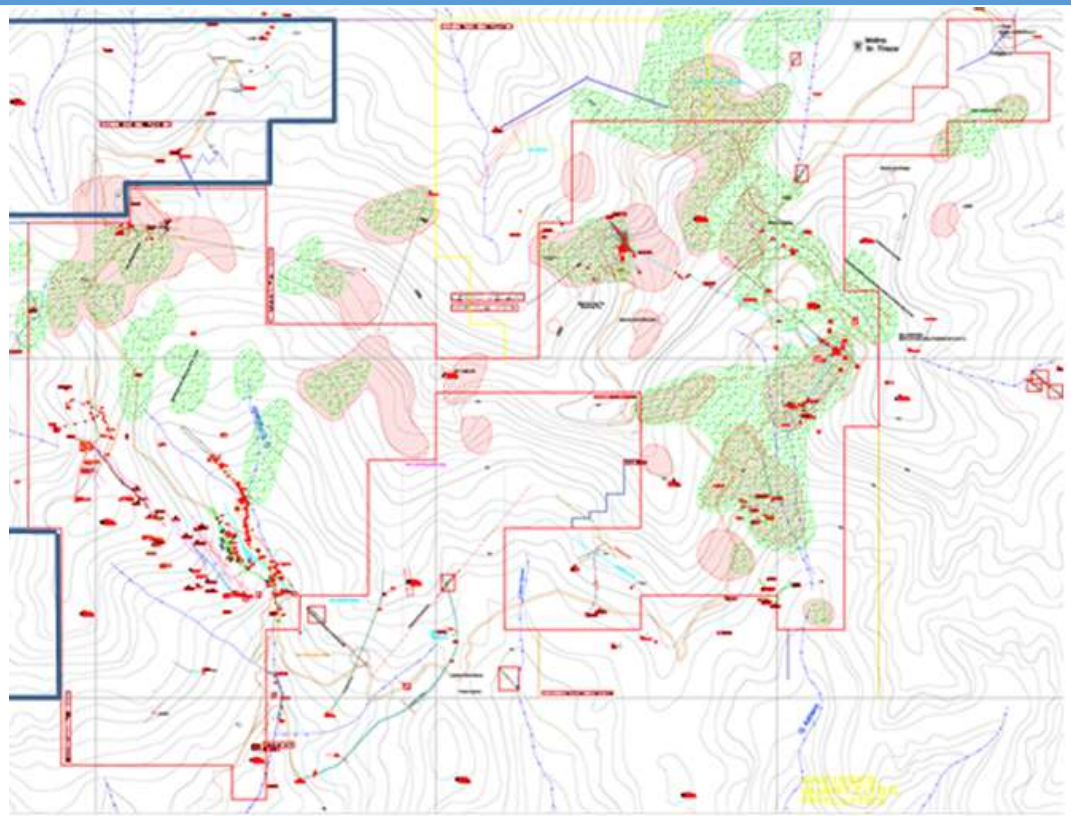


Figure 5 – Location of Pit Samples

Criteria	JORC Code explanation	Commentary
		 **Figure 6 – Au and Cu surface anomalies**
	•	•
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main*	• Re-logging and re-assaying core including SWIR/alteration mapping to better vector on the porphyry and breccia targets – available assays 6 elements only, no SWIR, and not logged by porphyry experts. The Company understands that this is complete with assays being waitied on. • Channel sampling of the adit and artisanal workings - > 1km of underground exposure of the system which has never been systematically mapped or sampled. • Sampling of additional breccia bodies – only 2 of the 10 known breccias have been systematically defined and properly sampled. • 3D MT survey (with IP lines) covering 16 sq. kms (Q4 18). The survey will image existing and new breccia bodies and

Criteria	JORC Code explanation	Commentary
	geological interpretations and future drilling areas, provided this information is not commercially sensitive.	define porphyry targets to a depth of 1.5 km. • MMI soiuld survey covering 16 sq kms • The aim of the program above is to define targets for a drilling program that is expected to commence early CY19.

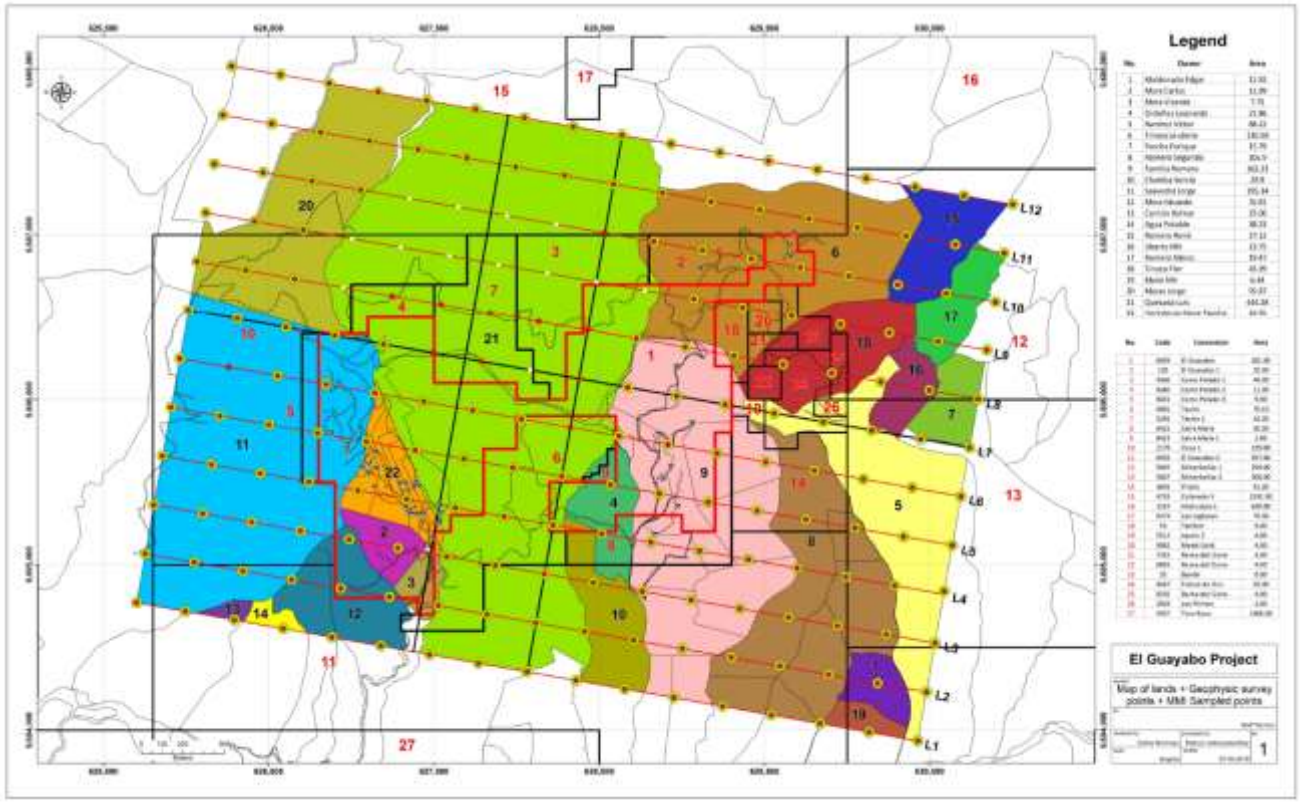


Figure 7 – Showing the proposed Geophysics and MMI commection points

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JORC Code, 2012 Edition – Table 1 Hualilan Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

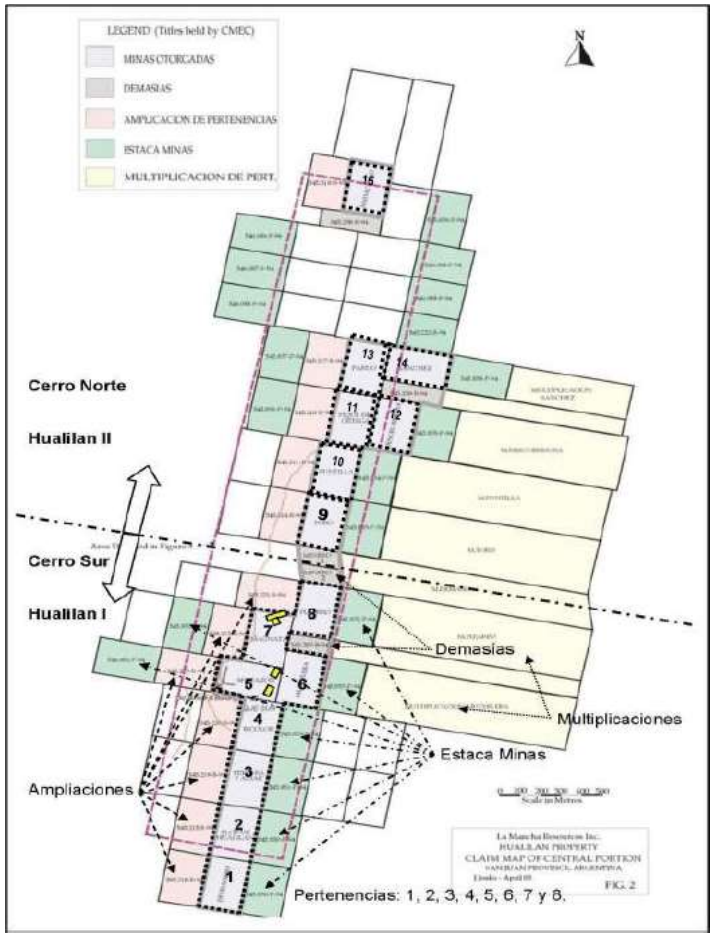
Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Intermittent sampling dating back from pre-Spanish times has produced a great deal of data including sampling data, geologic maps, reports, trenching data, underground workings, drill hole results, geophysical surveys, resource estimates plus property examinations and detailed studies by several geologists. The key historical exploration drilling and sampling results are: - 1984 – Lixivia SA channel sampling & 16 RC holes (AG1-AG16) for 2040m - 1995 - Plata Mining Limited (TSE : PMT) 33 holes (Hua- 1 to 33 – predominantly RC) + 1500 channel samples - 1998 – Chilean consulting firm EPROM (on behalf of Plata Mining) systematic underground mapping and channel sampling - 1999 – Compania Mineral El Colorado SA (**"CMEC"**) 59 core holes (DDH-20 to 79) plus 1700m RC program - 2003 – 2005 – La Mancha (TSE Listed) undertook 7447m of DDH core drilling for 48 core holes • The pre 2003 (pre La Mancha) sampling techniques were reviewed as part of a 43-101 Technical report on the property. This included a review of the drilling and sampling undertaken by EPROM, CMEC and Monarch resources. This report is dated 12 April 2003 and found the sampling techniques and intervals to be appropriate with adequate QA/QC and custody procedures, acceptable core recoveries, and appropriate duplicates and blanks use for determining assay precision and accuracy. The La Mancha assay procedures were consistent with best practice at the time and are considered reliable. All results from 2003 were reported under Canadian National Instrument 43-101 at the time. • Due to the fact that mineralisation is visually easy identifiable, in majority of cases the sampling of DC holes in the resource area is not undertaken over the whole drilled length, but only where mineralisation is logged. • Channel samples were taken over widths of 12-15cm to depths of 2.5 cm. Drill cores were split with half retained for reference. Core sample intervals were selected based on lithology with intervals generally 0.25-2.0m with 50 gm splits sent for both fire assay and AA analysis with check assays performed on approximately 10% of the samples. For all post 2003 samples all samples over 10ppm were re-assayed using AA fire assay/gravimetric.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Recorded drilling by diamond core total 124 holes and RC methods total 33 holes with the records still to be located for 11 holes. • Of the 168 drill holes, La Macha Resources drilled 48 holes for 7447m between 2003 and 2005 and, CMEC, drilled 59 holes between 1999 and 2000.

Criteria	JORC Code explanation	Commentary
		• Of the other 61 predominantly RC drill holes, 16 were drilled by Lixivia SA in 1984 for 2040m and in 1995 - Plata Mining drilled 16 RC holes 1 core hole and 11 of which are not recorded. • Of the diamond drill holes completed by La Mancha they were generally completed in HQ reducing to NQ size as necessary. The core holes drilled by CMEC were NQ. The historical records do not indicate if the core was oriented
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Chip and core recoveries were recorded on drill logs and monitored through the exploration phases, results were assessed and reviewed. Acceptable results were obtained. • No data has been reviewed on maximising sample recovery • Anecdotally the twinning (and re-twinning) of 3 holes by La Mancha seems to indicate that lower recoveries lead to lower recorded grades compared to actual grades but sufficient information in not available to adequately determine if any material bias exists in core.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• For both RC and core drill holes the following logging information is recorded in the database: lithology and core recovery. In addition logging includes mineralisation, alteration, veining where mineralisation has been detected visually.All drilling has been geologically logged to an acceptable qualitative standard. Some information such as the orientation of the veins and structures to the core was noted in core logs. • 100% of all drill holes were logged, however, detailed information pertaining to mineralisation, alteration, veining was only recorded in areas of suspected mineralisation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core was cut with diamond saw and half core was taken for geochemical assessment. • No information on RC sampling is available in the historical data. Channel samples were taken over widths of 12-15cm to depths of 2.5 cm • The 2003 audit concluded that the sample preparation was appropriate and of acceptable quality to be relied upon • Quality control procedures adopted for all sub-sampling stage are not documented in the historical records • Measures taken to ensure that the sampling is representative of the in situ material collected are not outlined in the historical documentation however a program of re-assaying was undertaken by La Mancha which demonstrated the repeatability of original assay results • The sample length was based on lithologic and mineralised units and where warranted samples as small at 10 cm were taken. This is appropriate for deposits of this nature.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• The nature, quality and appropriateness of the assaying and laboratory procedures used were of high quality with appropriate QA/QC and chain of custody and are considered appropriate.

Criteria	JORC Code explanation	Commentary
laboratory tests	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Available historical data does not mention details of geophysical tools as such it is believed a geophysical campaign was not completed in parallel with the drilling campaign. • For CMEC work the primary laboratory used was ALS Geolab, currently owned by Chemex. Samples were prepped at their Mendoza prep lab and sent to Santiago, Chile for fire assay and AA analysis with check assays performed on approximately 10%. Correlations were seen to be acceptable. The post 2003 drilling Fire assay/gravimetric was used to re-assay all samples assaying > 10ppm as a check assay. • Original assay certificates for all of the La Mancha, CMEC, Lixvia, and Plata Mining have been located and all include appropriate blanks and standards which were inserted • Given the above, it is considered the information presents acceptable levels of accuracy and precision to be relied upon.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• As above all assays conducted by The La Mancha that were over 10ppm were re-assayed using AA fire assay/gravimetric. In addition a 2006 study re-assayed 20 samples for the DDH core series and concluded that the repeatability was acceptable. • La Mancha twinned 3 of the earlier highest grade intersections drilled by CMEC. The results indicate that the earlier results are reproducible where core recoveries are acceptable to the extent that would be expected in mineralisation where very high gold grades occur subject to appropriate drilling techniques • Data was sourced from XCEL spreadsheet provided by the property owner. This was cross checked using scanned copies of all the original drill logs and in many cases original paper copies of assay sheets were available. This data is currently stored in a drop box data base with the originals held on site. • No adjustments to assay data were made.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill hole locations based on coordinates provided by historical company drilling reports and maps. A 4 day field reconnaissance program was undertaken during which the accuracy of drill collar locations was spot checked and found to be accurate. • Coordinate System: WGS84 UTM Z17S • Quality of topographic control has yet to be spot checked
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling was exploration and extension based and a grid was not considered appropriate for that stage of exploration. From 2000 onwards a grid system was employed where appropriate and access to drilling locations was easily available. • Data spacing an distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource • Sample compositing was not used
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation*	• Estimation bias is not evident. • Sampling bias is not evident. The orientation of key mineralised structures was well known and drill angle data indicates that successful attempts have been made to drill perpendicular to mineralised structures. These are considered favourable to the process of resource definition and establishment of true widths of mineralisation.

Criteria	JORC Code explanation	Commentary
geological structure	*of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	
Sample security	• *The measures taken to ensure sample security.*	• Samples taken by CMEC were under the care and vigilance of the camp watchman while at Hualilan and taken to Mendoza by either the geologist in charge of the program or a reliable employee. According to the 2003 NI-43-101 report sampling by CMEC was carried out to a high professional standard, assays were performed by a reputable laboratory and adequate security precautions were maintained. Results should accurate reflect tenors of the areas sampled. • No record of sample security protocols for earlier drilling or La Mancha have been provided however the author notes that all La Mancha drilling results were released on the TSE under the reporting requirements of National Instrument 43-101 at the time.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling techniques and data were reviewed in 2003 as part of a study presented in a technical report written in compliance with the reporting requirements of National Instrument 43-101 at the time. The report remarked that "sampling by CMEC was carried out to a high professional standard, assays were performed by a reputable laboratory and adequate security precautions were maintained. Results should accurate reflect tenors of the areas sampled. It also considered the sampling techniques and data from earlier operators to be of appropriate quality"**.** • In conjunction with the 2006 resource estimate PG Consulting (an independent Canadian consulting firm) took 20 samples from a combination of high and low grade core samples to provide a check for sampling techniques and assay accuracy and precision. These 30 gram samples were under the care and vigilance of PG while on site and delivered to the lab in Mendoza buy the head geologist. Gold values were determined by fire assay and 36 elements were analysed via ICP. If the samples exceeded the limit of detection they were re-assayed to determine the value. The values in the check assay samplers were 3.4% and 12.99% greater for Au and Ag than the original assays.

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary
Mineral tenement	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint*	• The current Hualilan project comprises 15 Minas (equivalent of mining leases) and 2 Demencia as illustrated in as listed in the table below and shown in Figure 2-2. This covers approximately 4 km of strike and includes all of the currently defined mineralization. There are no royalties on the project at

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary
and land tenure status	*ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	AEP is earning a 75% interest in the project by funding a DFS. Additionally an application for an Exploration Licence covering 26sqkms surrounding the 15 Minas has been accepted by the San Juan Department of Mines and is currently being processes.  **Figure 2-2 -**

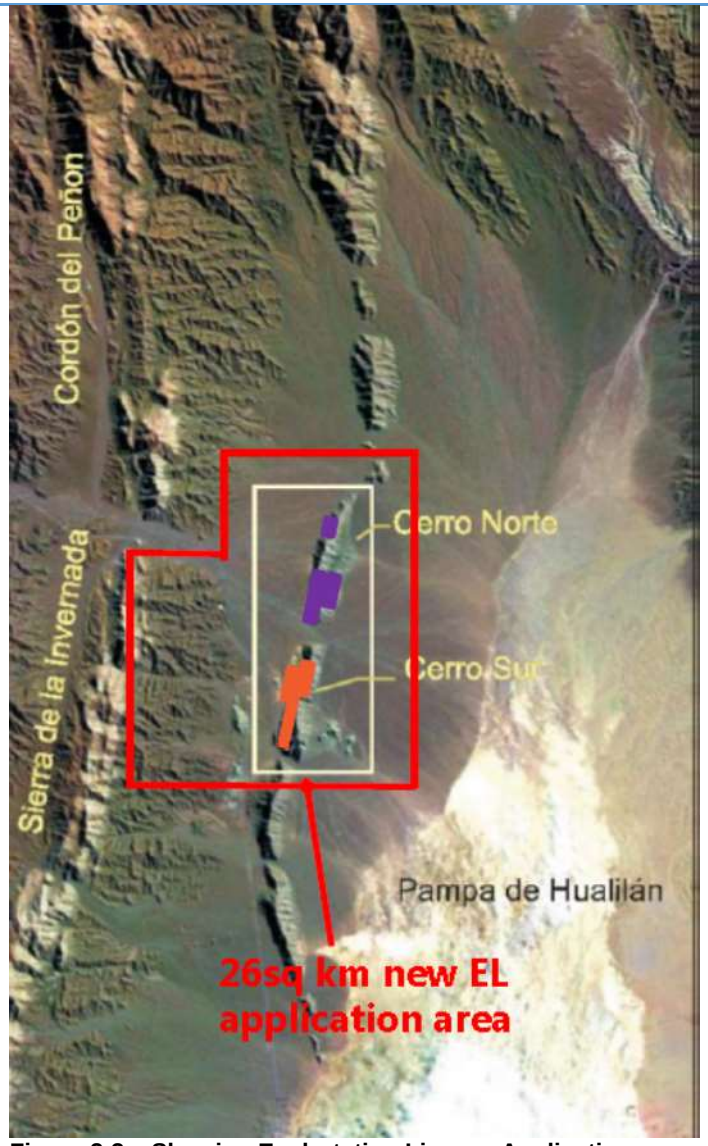


Figure 2-3 – Showing Explortation Licence Application

- Minas (Mines) differ from cateos (exploration licenses) in that they are real property, governed by the

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary
		same principles of common property. Minas are licensed for an unlimited time period, as long as the owners comply with the administrative rules of maintenance outlined by the Code. The owners of the Minas must comply with three conditions: payment of an annual fee; investment of a minimum amount of capital; and to carry out of a reasonable level of exploitation • No impediments to obtaining a licence to operate in the area are noted
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No exploration has been undertaken by the owner. • In addition to the drilling and sampling results outlined in section 1 intermittent sampling dating back from pre-Spanish times has produced a great deal of data including sampling data, geologic maps, reports, trenching data, underground workings, geophysical surveys, resource estimates plus property examinations and detailed studies by several geologists. • Detailed resource estimation studies were undertaken by EPROM Ltda. (EPROM) in 1996 and CMEC (1999,revised 2000) both of which were written to professional standards and La Mancha 2003 and 2006. • The collection of all exploration data by the various operators was of a high standard and had appropriate sampling techniques and intervals, adequate QA/QC and custody procedures, and appropriate duplicates and blanks used for determining assay precision and accuracy.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Mineralisation occurs in all rock types, but it preferentially replaces limestone and fault zones. • The mineralisation has been classified as manto-style (distal skarn) with vein-hosted mineralisation. It has been divided into three phases – prograde skarn, retrograde skarn and a late quartz–galena event. • Gold occurs in native form, in tellurides (hessite) and as inclusions with pyrite and chalcopyrite. The mineralisation also commonly contains chalcopyrite, sphalerite and galena. • Mineralisation is either parallel to bedding, in bedding-parallel faults or in east-west striking, steeply dipping, quartz-dominated veins that cross the bedding at a high angle. The veins have thicknesses of 1–4 m and contain sulphides. The intersection between the bedding-parallel mineralisation and the east-striking cross veins seems to be important in localising the mineralisation.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of*	• All drill results over Hualilan have been presented as is. A cut off of 1 g/t Au equivalent was used as the bottom cut for compiling drill intersections

the drill hole collar
- *dip and azimuth of the hole*
- *down hole length and interception depth*
- *hole length.*

- *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*

Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)			Ag (g/t)			Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
DDH-20	nsi														116	-54	49.05
DDH-21	from	64.7	65.0	0.3	m @	0.0	g/t Au	+	1.0	g/t Ag	+	2.3	% Zn	1.4	0	-90	88.6
DDH-22	nsi														116	-65	66
DDH-23	nsi														0	-90	58.8
DDH-24	from	15.6	17.3	1.7	m @	1.2	g/t Au	+	3.4	g/t Ag	+	0.2	% Zn	1.4	116	-80	100.3
	from	59.7	60.3	0.6	m @	0.1	g/t Au	+	0.7	g/t Ag	+	3.5	% Zn	2.2			
DDH-25	from	41.2	41.7	0.5	m @	0.1	g/t Au	+	2.5	g/t Ag	+	35.5	% Zn	21.3	116	-74	49.15
DDH-26	nsi														312	-60	80.25
DDH-27	missing														116	-60	43.2
DDH-28	from	31.7	33.3	1.6	m @	0.0	g/t Au	+	2.2	g/t Ag	+	27.2	% Zn	16.3	116	-50	41.65
DDH-29	from	35.2	35.7	0.4	m @	0.0	g/t Au	+	4.8	g/t Ag	+	5.7	% Zn	3.5	350	-52	113.5
	and	60.0	62.9	2.9	m @	5.2	g/t Au	+	27.8	g/t Ag	+	0.4	% Zn	5.8			
	inc	*60.0*	*60.8*	*0.8*	*m @*	*10.2*	*g/t Au*	*+*	*17.8*	*g/t Ag*	*+*	*0.2*	*% Zn*	10.5			
DDH-30	missing														59	-85	62.05
DDH-31	from	28.8	29.1	0.3	m @	29.7	g/t Au	+	33.8	g/t Ag	+	9.3	% Zn	35.6	116	-75	41.35
DDH-32	from	51.1	51.6	0.5	m @	0.7	g/t Au	+	14.4	g/t Ag	+	0.4	% Zn	1.1	350	-51	100.7
	and	72.3	72.8	0.5	m @	0.0	g/t Au	+	49.4	g/t Ag	+	1.5	% Zn	1.5			
DDH-33	from	10.7	11.2	0.5	m @	20.4	g/t Au	+	50.2	g/t Ag	+	3.3	% Zn	22.9	350	-65	62.9
	and	12.9	13.6	0.7	m @	0.7	g/t Au	+	9.8	g/t Ag	+	0.9	% Zn	1.3			
DDH-34	from	44.9	45.1	0.2	m @	1.3	g/t Au	+	7.9	g/t Ag	+	0.7	% Zn	1.8	116	-70	69.35
	and	55.9	62.4	6.6	m @	45.3	g/t Au	+	23.7	g/t Ag	+	1.9	% Zn	46.7			
	inc	*56.5*	*58.0*	*1.5*	*m @*	*117.4*	*g/t Au*	*+*	*31.9*	*g/t Ag*	*+*	*0.4*	*% Zn*	118.0			
	inc	*59.8*	*62.4*	*2.7*	*m @*	*44.6*	*g/t Au*	*+*	*35.7*	*g/t Ag*	*+*	*4.0*	*% Zn*	47.4			
DDH-35	from	35.8	40.4	4.7	m @	1.3	g/t Au	+	3.8	g/t Ag	+	0.0	% Zn	1.4	310	-85	174.6
	and	42.4	46.1	3.8	m @	1.6	g/t Au	+	2.8	g/t Ag	+	0.1	% Zn	1.7			
	and	51.8	57.5	5.7	m @	2.0	g/t Au	+	10.4	g/t Ag	+	0.0	% Zn	2.1			
DDH-36	from	24.7	34.0	9.3	m @	1.6	g/t Au	+	46.3	g/t Ag	+	1.2	% Zn	2.9	330	-50	45.5
DDH-37	from	17.4	18.4	1.0	m @	0.8	g/t Au	+	3.0	g/t Ag	+	0.5	% Zn	1.1	0	-90	121
	and	44.6	45.1	0.5	m @	1.0	g/t Au	+	8.6	g/t Ag	+	0.1	% Zn	1.1			
	and	70.8	71.3	0.5	m @	5.0	g/t Au	+	13.0	g/t Ag	+	2.0	% Zn	6.3			
DDH-38	from	64.9	67.7	2.8	m @	3.9	g/t Au	+	3.8	g/t Ag	+	1.4	% Zn	4.8	116	-75	67.65
	inc	*67.1*	*67.7*	*0.6*	*m @*	*11.3*	*g/t Au*	*+*	*9.8*	*g/t Ag*	*+*	*3.9*	*% Zn*	13.7			
DDH-39	from	71.5	72.0	0.5	m @	4.4	g/t Au	+	8.5	g/t Ag	+	0.7	% Zn		116	-81	90.65
DDH-40	from	41.7	44.6	2.9	m @	0.4	g/t Au	+	5.4	g/t Ag	+	1.1	% Zn	1.1	116	-70	85.7
	and	50.4	54.0	3.6	m @	21.1	g/t Au	+	19.3	g/t Ag	+	1.7	% Zn	22.3			
	inc	50.4	54.0	3.6	m @	21.1	g/t Au	+	19.3	g/t Ag	+	1.7	% Zn	22.3			
	inc	*52.1*	*53.0*	*0.9*	*m @*	*25.5*	*g/t Au*	*+*	*22.5*	*g/t Ag*	*+*	*2.0*	*% Zn*	27.0			
	and	62.1	66.0	3.9	m @	0.1	g/t Au	+	2.3	g/t Ag	+	2.6	% Zn	1.7			
DDH-41	from	43.7	47.6	3.9	m @	15.6	g/t Au	+	17.6	g/t Ag	+	3.7	% Zn	18.0	116	-70	64.2
	inc	43.7	45.2	1.5	m @	19.0	g/t Au	+	14.7	g/t Ag	+	4.4	% Zn	21.8			
	and	46.5	47.6	1.1	m @	21.4	g/t Au	+	31.9	g/t Ag	+	4.6	% Zn	24.5			

Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)			Ag (g/t)			Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
DDH-42	from	41.1	45.9	4.9	m @	0.2	g/t Au	+	2.8	g/t Ag	+	6.7	% Zn	4.2	116	-60	65.1
	and	47.5	50.3	2.8	m @	0.2	g/t Au	+	42.7	g/t Ag	+	16.9	% Zn	10.8			
	inc	48.6	49.9	1.3	m @	0.1	g/t Au	+	18.7	g/t Ag	+	20.7	% Zn	12.7			
DDH-43	from	9.4	10.2	0.8	m @	1.3	g/t Au	+	8.8	g/t Ag	+	0.5	% Zn	1.7	116	-70	70.8
	and	48.4	52.0	3.7	m @	0.0	g/t Au	+	1.4	g/t Ag	+	8.3	% Zn	5.0			
DDH-44	from	50.9	52.5	1.7	m @	0.8	g/t Au	+	12.7	g/t Ag	+	1.5	% Zn	1.9	116	-60	102.2
	and	66.7	70.4	3.6	m @	1.1	g/t Au	+	5.0	g/t Ag	+	1.1	% Zn	1.8			
DDH-45	nsi														116	-83	95.3
DDH-46	nsi														116	-45	71.6
DDH-47	from	15.1	15.8	0.7	m @	5.7	g/t Au	+	13.0	g/t Ag	+	7.6	% Zn	10.4	116	-65	71
	and	19.3	19.8	0.4	m @	2.0	g/t Au	+	11.6	g/t Ag	+	16.8	% Zn	12.2			
DDH-48	from	19.9	20.3	0.3	m @	4.6	g/t Au	+	15.2	g/t Ag	+	0.5	% Zn	5.0	116	-47	30.7
DDH-49	nsi												% Zn		116	-72	41.85
DDH-50	from	68.7	70.7	2.0	m @	22.8	g/t Au	+	27.0	g/t Ag	+	1.3	% Zn	23.9	116	-77	87.5
	inc	68.7	69.7	1.0	m @	44.7	g/t Au	+	50.8	g/t Ag	+	1.9	% Zn	46.4			
DDH-51	from	68.6	72.2	3.7	m @	0.2	g/t Au	+	5.9	g/t Ag	+	9.8	% Zn	6.1	116	-80	87.5
	inc	*70.2*	*71.2*	*1.1*	*m @*	*0.1*	*g/t Au*	+	*6.4*	*g/t Ag*	+	*24.4*	*% Zn*	14.7			
DDH-52	from	37.0	37.7	0.7	m @	0.3	g/t Au	+	2.0	g/t Ag	+	1.4	% Zn	1.1	116	-83	74
	and	66.7	67.4	0.7	m @	0.1	g/t Au	+	4.0	g/t Ag	+	6.5	% Zn	4.1			
DDH-53	from	17.3	18.7	1.4	m @	1.0	g/t Au	+	1.7	g/t Ag	+	0.0	% Zn	1.0	90	-62	85.7
	and	24.0	32.9	8.9	m @	3.7	g/t Au	+	239.5	g/t Ag	+	0.0	% Zn	6.5			
	inc	*28.4*	*31.1*	*2.7*	*m @*	*8.4*	*g/t Au*	+	*620.0*	*g/t Ag*	+	*0.0*	*% Zn*	15.6			
	and	35.7	39.6	3.9	m @	3.9	g/t Au	+	87.8	g/t Ag	+	0.1	% Zn	4.9			
	and	41.0	44.0	3.0	m @	2.6	g/t Au	+	7.6	g/t Ag	+	0.2	% Zn	2.8			
DDH-54	from	20.0	21.1	1.1	m @	1.2	g/t Au	+	0.7	g/t Ag	+	0.0	% Zn	1.2	90	-45	69.05
	and	31.1	39.4	8.3	m @	3.9	g/t Au	+	32.1	g/t Ag	+	0.8	% Zn	4.7			
	inc	*31.1*	*32.5*	*1.4*	*m @*	*10.9*	*g/t Au*	+	*97.0*	*g/t Ag*	+	*0.0*	*% Zn*	12.0			
DDH-55	nsi														360	-53	63.1
DDH-56	from	43.0	44.5	1.5	m @	1.3	g/t Au	+	11.6	g/t Ag	+	0.5	% Zn	1.7	360	-75	50.6
DDH-57	from	33.7	34.3	0.6	m @	1.3	g/t Au	+	11.6	g/t Ag	+	1.1	% Zn	2.0	0	-90	66.2
	and	55.0	56.0	1.0	m @	0.3	g/t Au	+	9.1	g/t Ag	+	1.3	% Zn	1.1			
	and	60.0	60.7	0.6	m @	5.3	g/t Au	+	13.2	g/t Ag	+	2.7	% Zn	7.0			
DDH-58	from	15.6	17.0	1.5	m @	0.0	g/t Au	+	4.0	g/t Ag	+	22.3	% Zn	13.4	360	-71	62
	and	43.3	43.8	0.5	m @	1.8	g/t Au	+	27.2	g/t Ag	+	8.8	% Zn	7.4			
	and	52.8	54.1	1.3	m @	2.1	g/t Au	+	26.1	g/t Ag	+	1.3	% Zn	3.2			
DDH-59	from	14.8	16.1	1.3	m @	0.0	g/t Au	+	2.5	g/t Ag	+	6.4	% Zn	3.9	0	-90	66.25
	and	34.6	35.2	0.5	m @	0.2	g/t Au	+	18.2	g/t Ag	+	10.6	% Zn	6.7			
DDH-60	from	8.8	10.4	1.6	m @	0.2	g/t Au	+	2.6	g/t Ag	+	11.3	% Zn	6.9	360	-67	59.9
	and	16.1	18.3	2.2	m @	0.3	g/t Au	+	17.0	g/t Ag	+	11.1	% Zn	7.1			
	inc	*17.5*	*17.9*	*0.4*	*m @*	*1.1*	*g/t Au*	+	*13.9*	*g/t Ag*	+	*17.5*	*% Zn*	10.8			
	and	14.3	18.5	4.2	m @	0.1	g/t Au	+	6.1	g/t Ag	+	7.5	% Zn	4.7			
	and	22.7	25.2	2.5	m @	0.1	g/t Au	+	10.6	g/t Ag	+	5.7	% Zn	3.6			
	and	30.1	33.1	3.0	m @	0.6	g/t Au	+	6.8	g/t Ag	+	2.8	% Zn	2.4			

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Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
DDH-61	from	4.0	9.0	5.0	m @	94.2	g/t Au +	56.7	g/t Ag +	0.9	% Zn	95.4	0	-90	58.1
	inc	*4.0*	*5.2*	*1.2*	*m @*	*15.9*	*g/t Au +*	*27.5*	*g/t Ag +*	*0.9*	*% Zn*	16.8			
	inc	*6.4*	*9.0*	*2.6*	*m @*	*173.0*	*g/t Au +*	*92.2*	*g/t Ag +*	*0.8*	*% Zn*	174.5			
	and	24.1	29.6	5.5	m @	0.3	g/t Au +	4.6	g/t Ag +	7.5	% Zn	4.8			
	and	45.0	49.8	4.8	m @	0.4	g/t Au +	8.5	g/t Ag +	1.8	% Zn	1.6			
	and	53.4	58.0	4.7	m @	1.8	g/t Au +	9.1	g/t Ag +	0.0	% Zn	1.9			
DDH-62	nsi			0.0	m @		g/t Au +		g/t Ag +		% Zn		170	-45	68.35
DDH-63	from	59.0	60.0	1.0	m @	1.9	g/t Au +	5.9	g/t Ag +	0.6	% Zn	2.3	170	-70	131.5
	and	80.0	83.0	3.0	m @	1.0	g/t Au +	3.9	g/t Ag +	0.4	% Zn	1.3			
DDH-64	nsi												170	-45	66.65
DDH-65	from	62.0	70.2	8.2	m @	11.0	g/t Au +	60.6	g/t Ag +	1.2	% Zn	12.4	194	-45	124.8
	inc	*68.2*	*69.4*	*1.2*	*m @*	*67.8*	*g/t Au +*	*316.0*	*g/t Ag +*	*4.8*	*% Zn*	74.3			
	and	82.0	83.0	1.0	m @	1.8	g/t Au +	33.4	g/t Ag +	0.3	% Zn	2.4			
DDH-66	from	83.1	90.3	7.2	m @	23.7	g/t Au +	42.9	g/t Ag +	2.4	% Zn	25.6	194	-57	117
	inc	*87.9*	*90.3*	*2.4*	*m @*	*69.9*	*g/t Au +*	*114.4*	*g/t Ag +*	*2.2*	*% Zn*	72.5			
		104.9	107.7	2.8	m @	1.8	g/t Au +	29.0	g/t Ag +	0.1	% Zn	2.2			
DDH-67	from	98.7	100.0	1.3	m @	0.2	g/t Au +	7.8	g/t Ag +	1.3	% Zn	1.1	194	-66	126.1
DDH-68	from	4.0	21.9	17.9	m @	2.2	g/t Au +	6.3	g/t Ag +	0.2	% Zn	2.4	0	-90	79.45
	and	73.7	74.2	0.5	m @	0.8	g/t Au +	9.0	g/t Ag +	1.2	% Zn	1.6			
DDH-69	from	4.0	20.1	16.1	m @	2.3	g/t Au +	1.6	g/t Ag +	0.1	% Zn	2.4	194	-60	101.5
	and	76.9	77.2	0.3	m @	0.1	g/t Au +	7.0	g/t Ag +	28.0	% Zn	16.9			
	and	79.7	80.5	0.8	m @	1.3	g/t Au +	120.0	g/t Ag +	4.5	% Zn	5.4			
DDH-70	from	84.0	91.0	7.0	m @	5.2	g/t Au +	13.5	g/t Ag +	0.7	% Zn	5.8	190	-81	128
	inc	*85.0*	*86.6*	*1.6*	*m @*	*21.5*	*g/t Au +*	*53.3*	*g/t Ag +*	*1.8*	*% Zn*	23.2			
DDH-71	from	11.0	13.0	2.0	m @	0.5	g/t Au +	218.0	g/t Ag +	0.1	% Zn	3.1	194	-63	136.3
	and	39.9	40.9	1.0	m @	1.3	g/t Au +	6.0	g/t Ag +	0.0	% Zn	1.3			
	and	45.5	46.6	1.1	m @	0.4	g/t Au +	22.8	g/t Ag +	0.6	% Zn	1.0			
	and	104.0	114.0	10.0	m @	33.5	g/t Au +	126.7	g/t Ag +	7.9	% Zn	39.7			
	inc	*107.2*	*110.0*	*2.8*	*m @*	*112.9*	*g/t Au +*	*392.1*	*g/t Ag +*	*18.5*	*% Zn*	128.5			
DDH-72	from	26.0	37.7	11.7	m @	3.8	g/t Au +	14.1	g/t Ag +	1.3	% Zn	4.7	194	-45	75.6
	inc	*34.7*	*37.7*	*3.1*	*m @*	*9.6*	*g/t Au +*	*46.2*	*g/t Ag +*	*4.3*	*% Zn*	12.7			
	and	52.7	59.0	6.3	m @	1.5	g/t Au +	30.4	g/t Ag +	0.0	% Zn	1.9			
DDH-73	from	62.5	66.0	3.5	m @	0.5	g/t Au +	15.6	g/t Ag +	0.6	% Zn	1.0	190	-57	70.8
DDH-74	from	119.9	120.4	0.5	m @	7.3	g/t Au +	98.5	g/t Ag +	2.6	% Zn	10.0	190	-62	190.9
DDH-75	nsi												194	-45	40.15
DDH-76	from	61.3	62.0	0.7	m @	4.0	g/t Au +	11.1	g/t Ag +	0.5	% Zn	4.4	180	-60	138.7
	and	74.4	78.4	4.0	m @	0.8	g/t Au +	8.8	g/t Ag +	0.3	% Zn	1.1			
	and	84.8	86.0	1.3	m @	1.4	g/t Au +	10.9	g/t Ag +	2.0	% Zn	2.7			
DDH-77	nsi												0	-90	85.6
DDH-78	from	109.1	109.8	0.7	m @	1.1	g/t Au +	13.4	g/t Ag +	1.9	% Zn	2.4	180	-75	132.9
DDH-79	missing												60	-70	38.6
03-HD-1A	from	90.1	91.8	1.7	m @	2.1	g/t Au +	37.4	g/t Ag +	2.4	% Zn	4.0	180	-60	130.2
03-HD-2	nsi												180	-60	130.5
03-HD-3	from	55.0	57.4	2.4	m @	2.5	g/t Au +	25.6	g/t Ag +	2.3	% Zn	4.2	360	-45	100.2
04-HD-4	nsi												360	-60	104.6

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Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
04-HD-5	from	80.3	82.3	2.0	m @	0.9	g/t Au +	42.7	g/t Ag +	0.0	% Zn	1.4	110	-68	122.6
	and	97.5	99.3	1.8	m @	1.9	g/t Au +	35.0	g/t Ag +	0.0	% Zn	2.3			
	and	102.0	103.0	1.0	m @	1.3	g/t Au +	42.1	g/t Ag +	0.0	% Zn	1.8			
	and	106.0	107.0	1.0	m @	0.7	g/t Au +	28.0	g/t Ag +	0.1	% Zn	1.1			
	and	108.0	113.6	5.6	m @	2.8	g/t Au +	19.9	g/t Ag +	1.2	% Zn	3.7			
04-HD-6	from	65.4	66.6	1.2	m @	46.6	g/t Au +	846.0	g/t Ag +	0.5	% Zn	56.7	110	-68	136
	and	75.0	76.0	1.0	m @	1.0	g/t Au +	2.9	g/t Ag +	0.0	% Zn	1.0			
	and	104.5	112.1	7.6	m @	1.8	g/t Au +	5.0	g/t Ag +	1.2	% Zn	2.6			
	and	115.1	116.0	1.0	m @	16.4	g/t Au +	23.1	g/t Ag +	7.7	% Zn	21.3			
04-HD-7	from	98.3	100.5	2.2	m @	1.4	g/t Au +	32.5	g/t Ag +	0.9	% Zn	2.3	100	-63	108.2
04-HD-8	from	52.6	54.6	2.1	m @	9.6	g/t Au +	7.2	g/t Ag +	0.6	% Zn	10.0	116	-70	70
	inc	*52.6*	*53.8*	*1.3*	*m @*	*15.1*	*g/t Au +*	*10.2*	*g/t Ag +*	*0.8*	*% Zn*	15.7			
	and	56.6	57.7	1.1	m @	5.1	g/t Au +	8.6	g/t Ag +	1.6	% Zn	6.2			
04-HD-9	from	32.5	33.1	0.6	m @	8.4	g/t Au +	16.7	g/t Ag +	0.1	% Zn	8.7	116	-70	75.9
04-HD-10	from	44.3	44.5	0.3	m @	3.9	g/t Au +	81.5	g/t Ag +	5.6	% Zn	8.2	205	-60	120
	and	55.5	56.0	0.5	m @	1.3	g/t Au +	11.5	g/t Ag +	0.5	% Zn	1.7			
	and	78.6	80.3	1.7	m @	4.8	g/t Au +	93.7	g/t Ag +	2.4	% Zn	7.3			
	inc	*78.6*	*79.1*	*0.5*	*m @*	*14.2*	*g/t Au +*	*276.0*	*g/t Ag +*	*6.0*	*% Zn*	21.0			
04-HD-11	from	28.0	29.0	1.0	m @	0.1	g/t Au +	9.3	g/t Ag +	1.4	% Zn	1.1	75	-62	95.1
04-HD-12	from	49.3	50.0	0.7	m @	1.5	g/t Au +	16.1	g/t Ag +	0.1	% Zn	1.7	360	-60	77.4
04-HD-13	from	61.5	62.5	1.1	m @	0.8	g/t Au +	7.9	g/t Ag +	0.2	% Zn	1.0	360	-60	74
04-HD-14	nsi												180	-70	130.6
04-HD-15	from	103.7	104.0	0.3	m @	1.7	g/t Au +	32.9	g/t Ag +	0.8	% Zn	2.6	360	-64	160
04-HD-16C	from	107.5	114.3	6.8	m @	8.6	g/t Au +	117.1	g/t Ag +	9.1	% Zn	15.4	195	-65	225.5
	inc	*108.5*	*109.5*	*1.0*	*m @*	*29.0*	*g/t Au +*	*468.0*	*g/t Ag +*	*21.8*	*% Zn*	47.4			
	and	111.8	114.3	2.5	m @	7.6	g/t Au +	75.6	g/t Ag +	11.5	% Zn	15.4			
	and	144.9	145.8	0.9	m @	9.1	g/t Au +	31.2	g/t Ag +	5.5	% Zn	12.7			
	and	171.1	171.5	0.4	m @	0.5	g/t Au +	9.4	g/t Ag +	1.7	% Zn	1.6			
04-HD-17	from	134.9	135.6	0.7	m @	2.5	g/t Au +	14.3	g/t Ag +	4.1	% Zn	5.1	110	-72	213.2
	and	139.1	139.6	0.5	m @	10.5	g/t Au +	9.4	g/t Ag +	0.2	% Zn	10.7			
	and	199.6	199.8	0.2	m @	0.8	g/t Au +	3.5	g/t Ag +	5.9	% Zn	4.4			
	and	202.1	204.0	1.9	m @	4.5	g/t Au +	1.5	g/t Ag +	0.7	% Zn	4.9			
	inc	*202.1*	*203.0*	*0.9*	*m @*	*7.2*	*g/t Au +*	*2.3*	*g/t Ag +*	*1.0*	*% Zn*	7.8			
04-HD-18	nsi												170	-50	140.7
04-HD-19	nsi	intersected old workings and abaondonned											205	-77	120
04-HD-20	from	43.2	45.0	1.8	m @	0.9	g/t Au +	83.9	g/t Ag +	0.2	% Zn	2.0	205	-80	120
04-HD-21	from	70.1	70.3	0.3	m @	4.8	g/t Au +	60.6	g/t Ag +	6.4	% Zn	9.3	205	-60	120
	and	141.1	141.7	0.6	m @	12.9	g/t Au +	105.0	g/t Ag +	4.8	% Zn	17.0			
04-HD-22	missing														
04-HD-23	nsi												75	-82	499.7
04-HD-24	from	72.0	74.0	2.0	m @	2.5	g/t Au +	3.2	g/t Ag +	0.0	% Zn	2.6	90	-81	188.2
	and	83.0	85.0	2.0	m @	3.1	g/t Au +	25.3	g/t Ag +	0.0	% Zn	3.4			
	and	94.0	98.2	4.2	m @	0.7	g/t Au +	21.2	g/t Ag +	0.1	% Zn	1.0			
04-HD-25	from	92.0	93.7	1.7	m @	2.4	g/t Au +	51.5	g/t Ag +	6.3	% Zn	6.8	155	-84	500.8
04-HD-26	from	21.7	24.0	2.4	m @	1.5	g/t Au +	32.5	g/t Ag +	3.0	% Zn	3.7	180	-69	464.9

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Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)			Ag (g/t)			Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
04-HD-27	nsi														100	-45	60
04-HD-28	from	42.8	43.2	**0.4**	**m @**	**1.9**	**g/t Au**	**+**	**4.5**	**g/t Ag**	**+**	**0.1**	**% Zn**	2.0	100	-60	63.7
04-HD-29	from	37.0	38.0	**1.0**	**m @**	**0.1**	**g/t Au**	**+**	**112.0**	**g/t Ag**	**+**	**0.0**	**% Zn**	1.4	108	-45	265
04-HD-30	nsi														108	-45	128.2
04-HD-31	nsi														45	-60	242.9
04-HD-32	from	40.2	41.0	**0.9**	**m @**	0.8	**g/t Au**	**+**	3.3	**g/t Au**	**+**	0.6	**% Zn**	1.2	116	-70	68.4
	and	54.1	58.7	**4.7**	**m @**	**50.6**	**g/t Au**	**+**	**53.7**	**g/t Au**	**+**	**4.1**	**% Zn**	53.7			
04-HD-33	missing														0	-60	81.35
04-HD-34	missing														273	-60	269
05-HD-35	nsi														140	-65	350
05-HD-36	from	73.0	74.0	**1.0**	**m @**	0.95	**g/t Au**	**+**	2.5	**g/t Au**	**+**	0.1	**% Zn**	1.1	295	-70	130
	and	80.0	81.0	**1.0**	**m @**	1.98	**g/t Au**	**+**	2.2	**g/t Au**	**+**	0.2	**% Zn**	2.1			
05-HD-37	from	16.8	17.3	**0.5**	**m @**	1.08	**g/t Au**	**+**	4	**g/t Au**	**+**	0.5	**% Zn**	1.4	295	-70	130
	and	42.0	43.0	**1.0**	**m @**	0.87	**g/t Au**	**+**	5	**g/t Au**	**+**	0.1	**% Zn**	1.0			
	and	53.3	53.7	**0.5**	**m @**	8.56	**g/t Au**	**+**	27.5	**g/t Au**	**+**	6.1	**% Zn**	12.5			
05-HD-38	from	43.8	45.0	**1.3**	**m @**	**48.2**	**g/t Au**	**+**	**22.3**	**g/t Au**	**+**	**0.4**	**% Zn**	48.7	115	-70	70
05-HD-39	from	92.0	94.0	**2.0**	**m @**	1.9	**g/t Au**	**+**	21.5	**g/t Au**	**+**	0.2	**% Zn**	2.3	30	-70	217.5
05-HD-40	from	51.1	52.0	**0.9**	**m @**	0.0	**g/t Au**	**+**	0.6	**g/t Au**	**+**	3.2	**% Zn**	1.9	30	-50	150
	and	68.0	69.0	**1.0**	**m @**	0.4	**g/t Au**	**+**	12.6	**g/t Au**	**+**	0.7	**% Zn**	1.0			
	and	84.0	87.0	**3.0**	**m @**	1.5	**g/t Au**	**+**	5.3	**g/t Au**	**+**	0.1	**% Zn**	1.6			
05-HD-41	from	31.5	33.8	**2.3**	**m @**	7.2	**g/t Au**	**+**	24.9	**g/t Au**	**+**	0.1	**% Zn**	7.5	22	-60	142.5
	inc	*33.2*	*33.8*	***0.5***	***m @***	***23.6***	***g/t Au***	***+***	***87.0***	***g/t Ag***	***+***	***0.0***	***% Zn***	24.6			
	and	74.5	77.7	**3.2**	**m @**	1	**g/t Au**	**+**	8.5	**g/t Au**	**+**	0.3	**% Zn**	1.3			
05-HD-42	from	90.5	91.5	**1.0**	**m @**	**1.9**	**g/t Au**	**+**	**6.1**	**g/t Ag**	**+**	**0.0**	**% Zn**	2.0	194	-57	120
	and	115.0	118.0	**3.0**	**m @**	**29.0**	**g/t Au**	**+**	**103.1**	**g/t Ag**	**+**	**0.2**	**% Zn**	30.3			
	inc	*116.0*	*118.0*	***2.0***	***m @***	***41.4***	***g/t Au***	***+***	***133.7***	***g/t Ag***	***+***	***0.3***	***% Zn***	43.1			
05-HD-43	from	69.0	70.0	**1.0**	**m @**	**1.8**	**g/t Au**	**+**	**2.3**	**g/t Ag**	**+**	**0.0**	**% Zn**	1.8	194	-45	95.5
	and	81.0	84.0	**3.0**	**m @**	**2.8**	**g/t Au**	**+**	**51.5**	**g/t Ag**	**+**	**0.5**	**% Zn**	3.7			
	and	90.7	93.0	**2.3**	**m @**	**1.4**	**g/t Au**	**+**	**29.6**	**g/t Ag**	**+**	**0.3**	**% Zn**	1.9			
05-HD-44	from	87.5	88.6	**1.1**	**m @**	**3.8**	**g/t Au**	**+**	**3.4**	**g/t Ag**	**+**	**0.0**	**% Zn**	3.8	190	-61.5	130.5
	and	91.2	92.6	**1.3**	**m @**	**0.0**	**g/t Au**	**+**	**3.6**	**g/t Ag**	**+**	**2.8**	**% Zn**	1.7			
05-HD-45	nsi														88	-60	121.5
05-HD-46	from	69.9	70.7	**0.8**	**m @**	**0.8**	**g/t Au**	**+**	**13.0**	**g/t Ag**	**+**	**0.0**	**% Zn**	1.0	90	-75	130.7
05-HD-47	nsi														65	-45	181.5
05-HD-48	nsi														65	-60	100.7
HUA-01	nsi														117	-50	60
HUA-02	from	0.0	1.0	**1.0**	**m @**	**8.5**	**g/t Au**							8.5	125	-55	45
HUA-03	from	0.0	1.0	**1.0**	**m @**	**1.5**	**g/t Au**							1.5	0	-90	100
	and	58.0	62.0	**4.0**	**m @**	**4.4**	**g/t Au**							4.4			
HUA-04	nsi														0	-90	100
HUA-05	from	0.0	1.0	**1.0**	**m @**	**3.5**	**g/t Au**							3.5	180	-60	100
	and	3.0	6.0	**3.0**	**m @**	**3.1**	**g/t Au**							3.1			
	and	9.0	10.0	**1.0**	**m @**	**1.4**	**g/t Au**							1.4			
	and	15.0	18.0	**3.0**	**m @**	**5.2**	**g/t Au**							5.2			
	inc	*16.0*	*17.0*	***1.0***	***m @***	***11.5***	***g/t Au***							11.5			

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Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)		Ag (g/t)		Zn (%)		Au Equiv (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
HUA-06	from	16.0	20.0	**4.0**	**m @**	**5.6**	**g/t Au**					5.6	360	-60	100
	and	34.0	35.0	**1.0**	**m @**	**4.3**	**g/t Au**					4.3			
	and	53.0	55.0	**2.0**	**m @**	**8.3**	**g/t Au**					8.3			
	inc	*53.0*	*54.0*	***1.0***	***m @***	***11.9***	***g/t Au***					11.9			
HUA-07	from	39.0	40.0	**1.0**	**m @**	**3.2**	**g/t Au**					3.2	0	-90	100
eoh	and	99.0	100.0	**1.0**	**m @**	**8.2**	**g/t Au ***					8.2			
HUA-08	andonned												0	-90	13
HUA-09	from	6.0	14.0	**8.0**	**m @**	**5.0**	**g/t Au**					5.0	180	-60	100
	inc	10.0	12.0	**2.0**	**m @**	**13.2**	**g/t Au**					13.2			
	plus	50.0	51.0	**1.0**	**m @**	**2.5**	**g/t Au**					2.5			
HUA-10	from	20.0	21.0	**1.0**	**m @**	**1.0**	**g/t Au**					1.0	360	-60	100
	and	33.0	34.0	**1.0**	**m @**	**1.2**	**g/t Au**					1.2			
	and	50.0	53.0	**3.0**	**m @**	**2.2**	**g/t Au**					2.2			
HUA-11	from	45.0	46.0	**1.0**	**m @**	**8.9**	**g/t Au**					8.9	360	-60	88
HUA-12	nsi												0	-90	100
HUA-13	nsi												180	-60	90
HUA-14	from	58.0	59.0	**1.0**	**m @**	**6.7**	**g/t Au**					6.7	360	-60	100
HUA-15	nsi												117	-60	100
HUA-16	from	34.0	35.0	**1.0**	**m @**	**1.6**	**g/t Au**					1.6	0	-90	100
	and	41.0	42.0	**1.0**	**m @**	**4.6**	**g/t Au**					4.6			
	and	52.0	54.0	**2.0**	**m @**	**2.7**	**g/t Au**					2.7			
HUA-17	nsi												90	-50	42
HUA-18	nsi												0	-90	
HUA-19	nsi												0	-90	
HUA-20	nsi												0	-90	106
HUA-21	nsi												0	-90	54
HUA-22	missing												0	-90	
HUA-23	nsi												0	-90	
HUA-24	nsi												0	-90	
HUA-25	nsi														
HUA-26	nsi														
HUA-27	missing														
HUA-28	from	88.0	89.0	**1.0**	**m @**	**0.7**	**g/t Au**	**+ 10.8**	**g/t Ag**	**+ 0.2**	**% Zn**	1.0	360	-70	
HUA-29	missing														
HUA-30	missing														
HUA-31	from	161.0	162.0	**1.0**	**m @**	**1.0**	**g/t Au**	**+ 15.0**	**g/t Ag**	**+ 3.9**	**% Zn**	3.5	0	-90	
HUA-32	from	56.0	65.0	**9.0**	**m @**	**44.7**	**g/t Au**	**+ 26.9**	**g/t Ag**	**+ 2.6**	**% Zn**	46.6	116	-79	
HUA-33	missing	175.0	177.0										194	-65	
MG-1	nsi												100	-60	51
MG-1A	from	101.0	103.0	**1.0**	**m @**	**1.0**	**g/t Au**					1.0	100	-60	116
MG-2	nsi												100	-60	90
MG-3	nsi												100	-60	102

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Drillhole (#)		Interval From	To	Total (m)		Gold (g/t)			Ag (g/t)			Zn (%)		Au Equi (g/t)	Azimuth (deg)	Dip (deg)	TD (m)
MG-4	nsi														100	-60	120
MG-5	nsi														85	-60	96
MG-6	nsi														100	-60	90
MG-7	nsi														100	-60	96
MG-8	nsi														95	-70	66
MG-9	nsi														0	-90	102
MG-10	from	108.0	111.0	**3.0**	**m @**	**1.3**	**g/t Au**							1.3	100	-60	120
MG-11	nsi														100	-60	78
MG-12	nsi														100	-60	66
AG-01*	missing														0	-90	84.5
AG-02	from	54.2	55.2	**1.1**	**m @**	**36.9**	**g/t Au**	**+**	**29.1**	**g/t Ag**	**+**	**14.0**	**% Zn**	45.6	112	-70	60
AG-03	from	69.8	73.1	**3.3**	**m @**	**0.7**	**g/t Au**	**+**	**4.5**	**g/t Ag**	**+**	**5.6**	**% Zn**	4.1	80	-55	110
	inc	*69.8*	*70.3*	***0.5***	***m @***	***5.1***	***g/t Au***	***+***	***13.0***	***g/t Ag***	***+***	***22.8***	***% Zn***	18.9			
AG-04	from	57.7	57.9	**0.2**	**m @**	**2.9**	**g/t Au**	**+**	**24.0**	**g/t Ag**	**+**	**0.3**	**% Zn**	3.4	0	-90	168
	and	70.4	75.5	**5.1**	**m @**	**0.6**	**g/t Au**	**+**	**2.0**	**g/t Ag**	**+**	**1.5**	**% Zn**	1.5			
	and	80.5	83.3	**2.8**	**m @**	**0.6**	**g/t Au**	**+**	**1.8**	**g/t Ag**	**+**	**1.0**	**% Zn**	1.2			
AG-05	missing														0	-90	121.8
AG-06	missing														0	-90	182.2
AG-07	from	63.4	64.2	**0.8**	**m @**	**1.6**	**g/t Au**	**+**	**3.0**	**g/t Ag**	**+**	**0.1**	**% Zn**	1.7	0	-90	111.5
	and	71.0	71.1	**0.1**	**m @**	**39.8**	**g/t Au**	**+**	**9.3**	**g/t Ag**	**+**	**3.0**	**% Zn**	41.7			
	and	80.1	82.1	**2.1**	**m @**	**1.3**	**g/t Au**	**+**	**3.2**	**g/t Ag**	**+**	**0.3**	**% Zn**	1.5			
	and	87.8	88.0	**0.2**	**m @**	**0.0**	**g/t Au**	**+**	**3.0**	**g/t Ag**	**+**	**2.4**	**% Zn**	1.5			
AG-08	nsi														90	-57	80.2
AG-09	missing														0	-90	139.7
AG-10	nsi														0	-90	200.8
AG-11	missing														0	-90	141
AG-12	from	156.3	157.0	**0.6**	**m @**	**0.0**	**g/t Au**	**+**	**37.7**	**g/t Ag**	**+**	**3.90**	**% Zn**	2.8	0	-90	171.4
AG-13															0	-90	159.5
AG-14	nsi														0	-90	150.2
AG-15	missing														0	-90	91.3
AG-16	from	38.6	39.8	**1.2**	**m @**	**0.1**	**g/t Au**	**+**	**28.6**	**g/t Ag**	**+**	**1.70**	**% Zn**	1.4	0	-90	68.75

Drillhole (#)	Type	Easting	Northing
DDH-20	DDH	2504977.26	6602133.27
DDH-21	DDH	2504978.26	6602118.27
DDH-22	DDH	2504762.85	6601587.09
DDH-23	DDH	2504920.42	6601994.33
DDH-24	DDH	2504821.03	6601938.75
DDH-25	DDH	2504862.61	6601964.47
DDH-26	DDH	2504920.42	6601975.33
DDH-27	DDH	2504752.65	6601565.09
DDH-28	DDH	2505003.56	6602174.31
DDH-29	DDH	2504964.07	6602136.58
DDH-30	DDH	2505004.06	6602156.31
DDH-31	DDH	2504897.63	6602112.66
DDH-32	DDH	2504939.35	6602139.17
DDH-33	DDH	2504939.35	6602139.17
DDH-34	DDH	2504826.51	6601920.21
DDH-35	DDH	2505003.92	6602156.74
DDH-36	DDH	2504637.5	6600777.3
DDH-37	DDH	2504826.5	6601920.2
DDH-38	DDH	2504820.8	6601912.2
DDH-39	DDH	2504820.8	6601912.2
DDH-40	DDH	2504832.3	6601928.1
DDH-41	DDH	2504837.8	6601937.5
DDH-42	DDH	2504829.2	6601952.5
DDH-43	DDH	2504829.2	6601952.5
DDH-44	DDH	2504811.3	6601895.1
DDH-45	DDH	2504811.3	6601895.1
DDH-46	DDH	2504884.4	6601976.3
DDH-47	DDH	2504884.4	6601976.3
DDH-48	DDH	2504866.9	6601962.7
DDH-49	DDH	2504866.9	6601962.7
DDH-50	DDH	2504821.4	6601913.9
DDH-51	DDH	2504821.4	6601913.9
DDH-52	DDH	2504825.5	6601901.1
DDH-53	DDH	2504504.1	6600714.0
DDH-54	DDH	2504504.1	6600714.0
DDH-55	DDH	2504997.9	6602163.5
DDH-56	DDH	2504943.1	6602171.3

Drillhole (#)	Type	Easting	Northing
DDH-20	DDH	2504977.26	6602133.27
DDH-21	DDH	2504978.26	6602118.27
DDH-22	DDH	2504762.85	6601587.09
DDH-23	DDH	2504920.42	6601994.33
DDH-24	DDH	2504821.03	6601938.75
DDH-25	DDH	2504862.61	6601964.47
DDH-26	DDH	2504920.42	6601975.33
DDH-27	DDH	2504752.65	6601565.09
DDH-28	DDH	2505003.56	6602174.31
DDH-29	DDH	2504964.07	6602136.58
DDH-30	DDH	2505004.06	6602156.31
DDH-31	DDH	2504897.63	6602112.66
DDH-32	DDH	2504939.35	6602139.17
DDH-33	DDH	2504939.35	6602139.17
DDH-34	DDH	2504826.51	6601920.21
DDH-35	DDH	2505003.92	6602156.74
DDH-36	DDH	2504637.5	6600777.3
DDH-37	DDH	2504826.5	6601920.2
DDH-38	DDH	2504820.8	6601912.2
DDH-39	DDH	2504820.8	6601912.2
DDH-40	DDH	2504832.3	6601928.1
DDH-41	DDH	2504837.8	6601937.5
DDH-42	DDH	2504829.2	6601952.5
DDH-43	DDH	2504829.2	6601952.5
DDH-44	DDH	2504811.3	6601895.1
DDH-45	DDH	2504811.3	6601895.1
DDH-46	DDH	2504884.4	6601976.3
DDH-47	DDH	2504884.4	6601976.3
DDH-48	DDH	2504866.9	6601962.7
DDH-49	DDH	2504866.9	6601962.7
DDH-50	DDH	2504821.4	6601913.9
DDH-51	DDH	2504821.4	6601913.9
DDH-52	DDH	2504825.5	6601901.1
DDH-53	DDH	2504504.1	6600714.0
DDH-54	DDH	2504504.1	6600714.0
DDH-55	DDH	2504997.9	6602163.5
DDH-56	DDH	2504943.1	6602171.3

Drillhole (#)	Type	Easting	Northing
04-HD-13	DDH	2504434.5	6600646.6
04-HD-14	DDH	2504461.1	6600748.4
04-HD-15	DDH	2504449.9	6600646.2
04-HD-16C	DDH	2504457.1	6600311.7
04-HD-17	DDH	2504417.5	6600256.6
04-HD-18	DDH	2504528.5	6600792.0
04-HD-19	DDH	2504648.5	6600788.9
04-HD-20	DDH	2504648.5	6600788.9
04-HD-21	DDH	2504648.5	6600788.9
04-HD-22	DDH	missing	missing
04-HD-23	DDH	2504441.0	6600456.0
04-HD-24	DDH	2504389.0	6600252.0
04-HD-25	DDH	2504456.0	6600294.0
04-HD-26	DDH	2504424.0	6600409.0
04-HD-27	DDH	2504461.0	6600428.0
04-HD-28	DDH	2504461.0	6600428.0
04-HD-29	DDH	2504438.0	6600087.0
04-HD-30	DDH	2504421.0	6600044.0
04-HD-31	DDH	2504687.0	6601326.0
04-HD-32	DDH	2504826.5	6601920.2
04-HD-33	DDH	2505410.0	6601983.0
04-HD-34	DDH	2505451.0	6602079.0
05-HD-35	DDH	2504905.0	6601689.0
05-HD-36	DDH	2504880.0	6601860.0
05-HD-37	DDH	2504866.0	6601888.0
05-HD-38	DDH	2504838.0	6601937.0
05-HD-39	DDH	2504964.0	6602128.0
05-HD-40	DDH	2504964.0	6602128.0
05-HD-41	DDH	2504931.0	6602125.0
05-HD-42	DDH	2504552.7	6600791.5
05-HD-43	DDH	2504552.7	6600791.5
05-HD-44	DDH	2504603.0	6600799.0
05-HD-45	DDH	2504362.0	6600710.0
05-HD-46	DDH	2504405.0	6600282.0
05-HD-47	DDH	2504212.0	6599177.0
05-HD-48	DDH	2504160.0	6599164.0

Drillhole (#)	Type	Easting	Northing
HUA-01	RC	2504845.3	6602041.2
HUA-02	RC	2504889.5	6602081.1
HUA-03	RC	2505003.3	6602158.6
HUA-04	RC	2504873.3	6602169.1
HUA-05	RC	2505003.2	6602152.6
HUA-06	RC	2505003.3	6602161.6
HUA-07	RC	2504967.7	6602153.2
HUA-08	RC	2504973.2	6602153.7
HUA-09	RC	2504940.7	6602150.3
HUA-10	RC	2504941.8	6602156.8
HUA-11	RC	2504913.3	6602167.4
HUA-12	RC	2504912.8	6602165.9
HUA-13	RC	2504912.3	6602156.9
HUA-14	RC	2504854.3	6602168.2
HUA-15	RC	2504854.8	6602166.2
HUA-16	RC	2504834.2	6601877.8
HUA-17	RC	2504865.9	6602449.8
HUA-18	RC	to be located	to be located
HUA-19	RC	to be located	to be located
HUA-20	RC	2504004.1	6600846.4
HUA-21	RC	2504552.9	6600795.0
HUA-22	RC	to be located	to be located
HUA-23	RC	to be located	to be located
HUA-24	RC	to be located	to be located
HUA-25	RC	to be located	to be located
HUA-26	RC	to be located	to be located
HUA-27	RC	to be located	to be located
HUA-28	RC	to be located	to be located
HUA-29	RC	to be located	to be located
HUA-30	RC	to be located	to be located
HUA-31	RC	to be located	to be located
HUA-32	RC	to be located	to be located
HUA-33	RC	to be located	to be located
MG-1	RC	2504825.5	6602755.4
MG-1A	RC	2504810.5	6602755.4
MG-2	RC	2504835.5	6602805.4

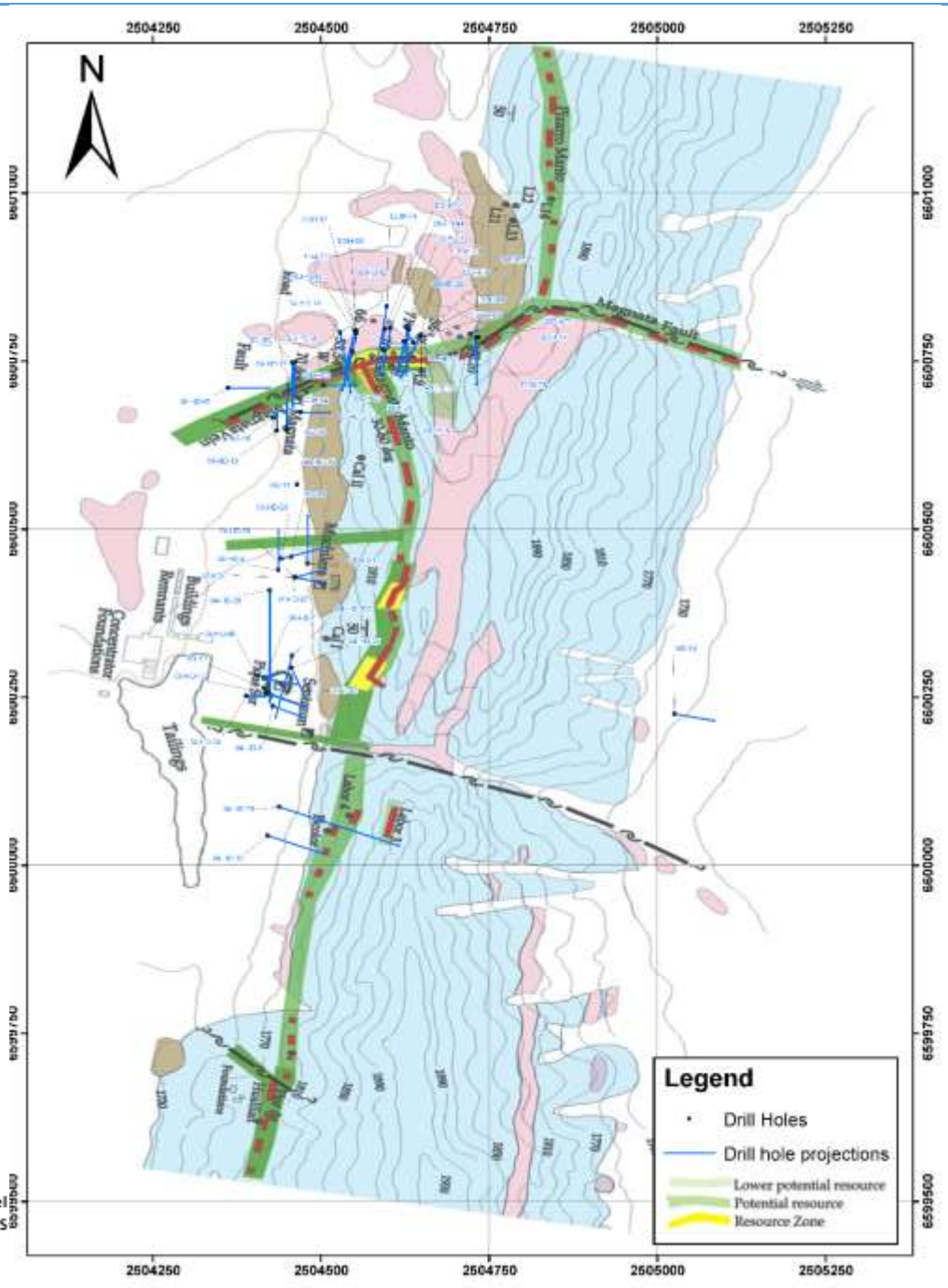
Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary

Drillhole (#)	Type	Easting	Northing
MG-3	RC	2504853.5	6602880.4
MG-4	RC	2504843.5	6602975.4
MG-5	RC	2506130.5	6605055.4
MG-6	RC	2506005.5	6605115.4
MG-7	RC	2506100.5	6605015.4
MG-8	RC	2505300.5	6603070.4
MG-9	RC	2505285.5	6603015.4
MG-10	RC	2505025.5	6600225.4
MG-11	RC	2503380.5	6598560.5
MG-12	RC	2503270.5	6597820.5
AG-01*	DDH	2504908.0	6602132.3
AG-02	DDH	2504846.5	6602041.1
AG-03	DDH	2504794.5	6601925.6

Drillhole (#)	Type	Easting	Northing
AG-04	DDH	2504797.1	6602065.5
AG-05	DDH	2504843.5	6601820.3
AG-06	DDH	2504781.9	6601922.8
AG-07	DDH	2504826.3	6601731.0
AG-08	DDH	2504469.8	6600673.7
AG-09	DDH	2504455.7	6600458.5
AG-10	DDH	2504415.5	6600263.9
AG-11	DDH	2504464.8	6600566.5
AG-12	DDH	2504847.6	6602161.7
AG-13	DDH	2504773.6	6601731.3
AG-14	DDH	2504774.7	6601818.8
AG-15	DDH	2504770.7	6601631.4
AG-16	DDH	2504429.5	6600665.8

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No weighted averaging techniques or maximum grade truncations were used. • Minimum cut of grade of 0.5 g/t Au Equivalent was used for determining intercepts and no top cut was applied. • Aggregate intercepts have been reported with higher grade inclusions to demonstrate the impact of aggregation. The impact of aggregation is relatively minor given the mineralised zones are generally 1-4m wide and there is minimal mineralisation in the wall rocks. . • Au equivalent values were calculated using a price of US$1300 for Au, $15 for Ag and $2500t Zn. Cu and Pb were not included as metallurgical test work has yet to demonstrate an economic path the extraction of Cu and Pb. Recoveries were not factored into the calculation of Au equivalents given metallurgical test work is preliminary in nature

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The mineralised bodies are generally steeply dipping, strike approximately north-south and east-west and have a true width of 1-4 metres. Where the north-south striking bedding-parallel manto mineralisation and the east-striking cross veins intersect mineralisation width may increase beyond 4 metres. t • Given the mineralisation geometry and drill hole orientation data available it is clear that successful attempts have been made to drill perpendicular to mineralised structures. These are considered favourable to the process of resource definition and establishment of true widths of mineralisation.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• The figures below are • Figure 3 – Plan View showing Mineralisation and Drill Collar Locations Plan View – Cerro Sur • Figure 4 – Plan View showing Mineralisation and Drill Collar Locations Plan View – Cerro Norte • Figure 5 – Cerro Sur – Longitudinal Section looking East • Figure 6 - Cerro Norte – Longitudinal Section looking East • Figure 7 – Magnata Vein - Longitudinal Section looking North • Figure 8 – Stylized cross section – Sentazon manto


N
2504250
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2504750
2505000
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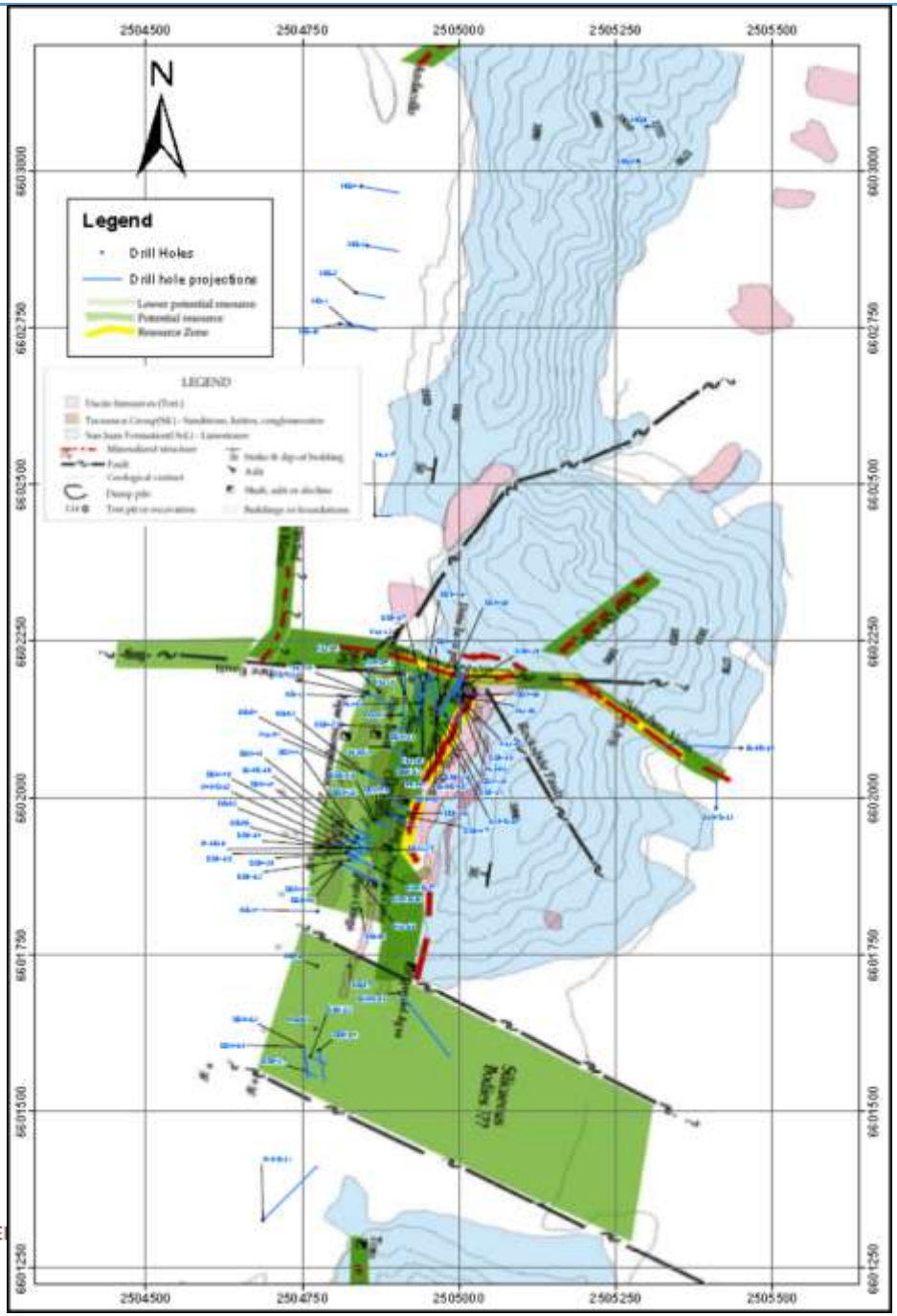
6600250
6600000
6599750
6599500
Legend
Drill Holes
Drill hole projections
Lower potential resource
Potential resource
Resource Zone



CHALLENGER ENERGY LIMITE
ACN 123 591 382

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary

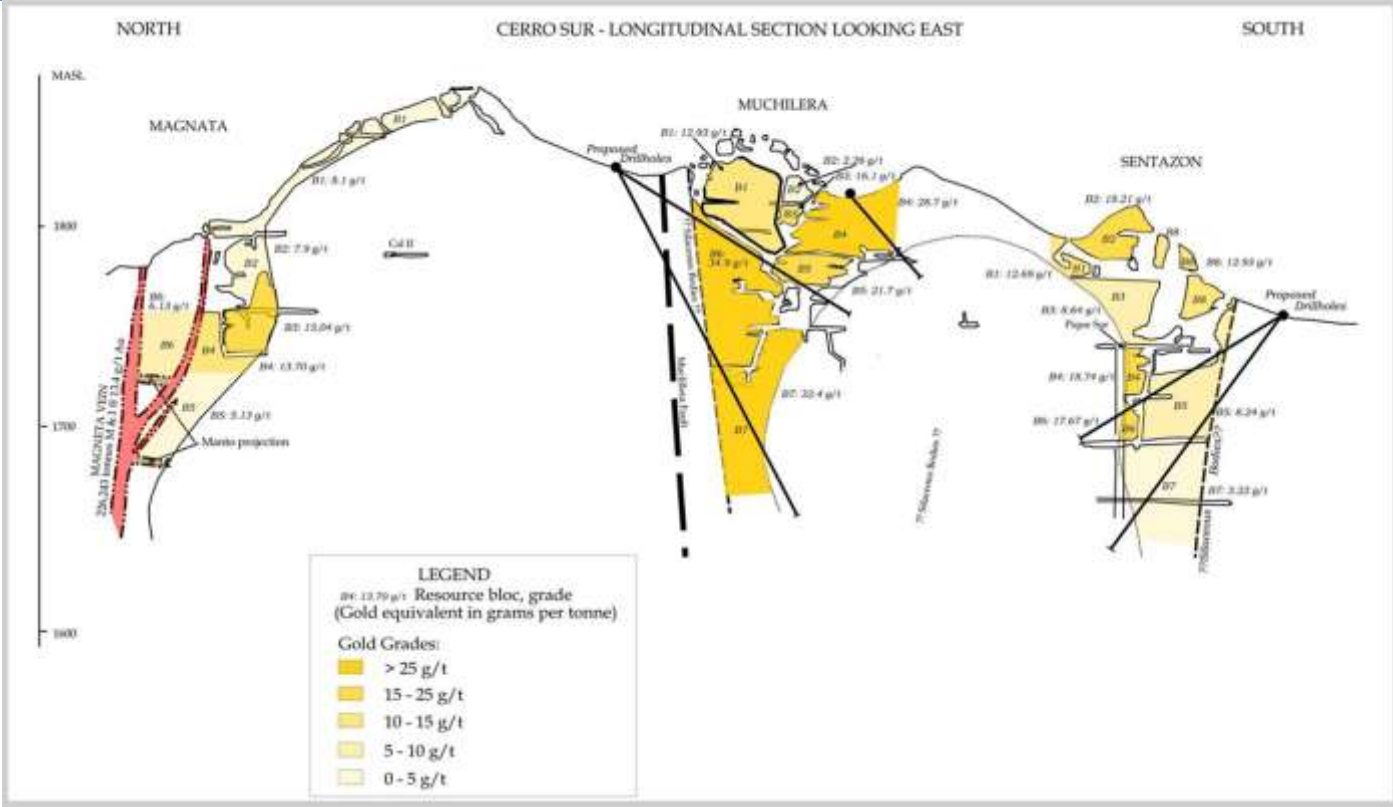


Figure 5

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary

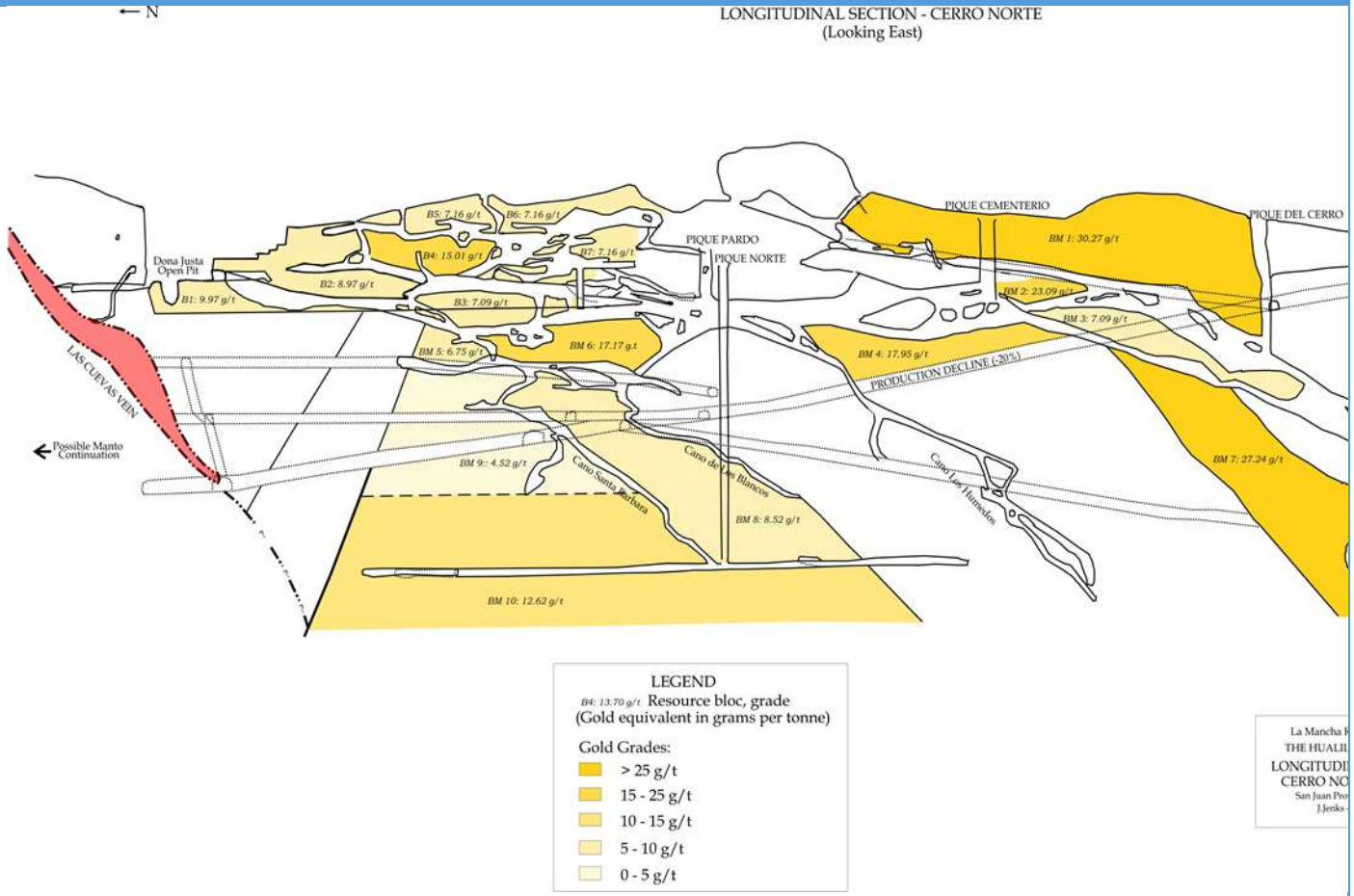


Figure 6

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary

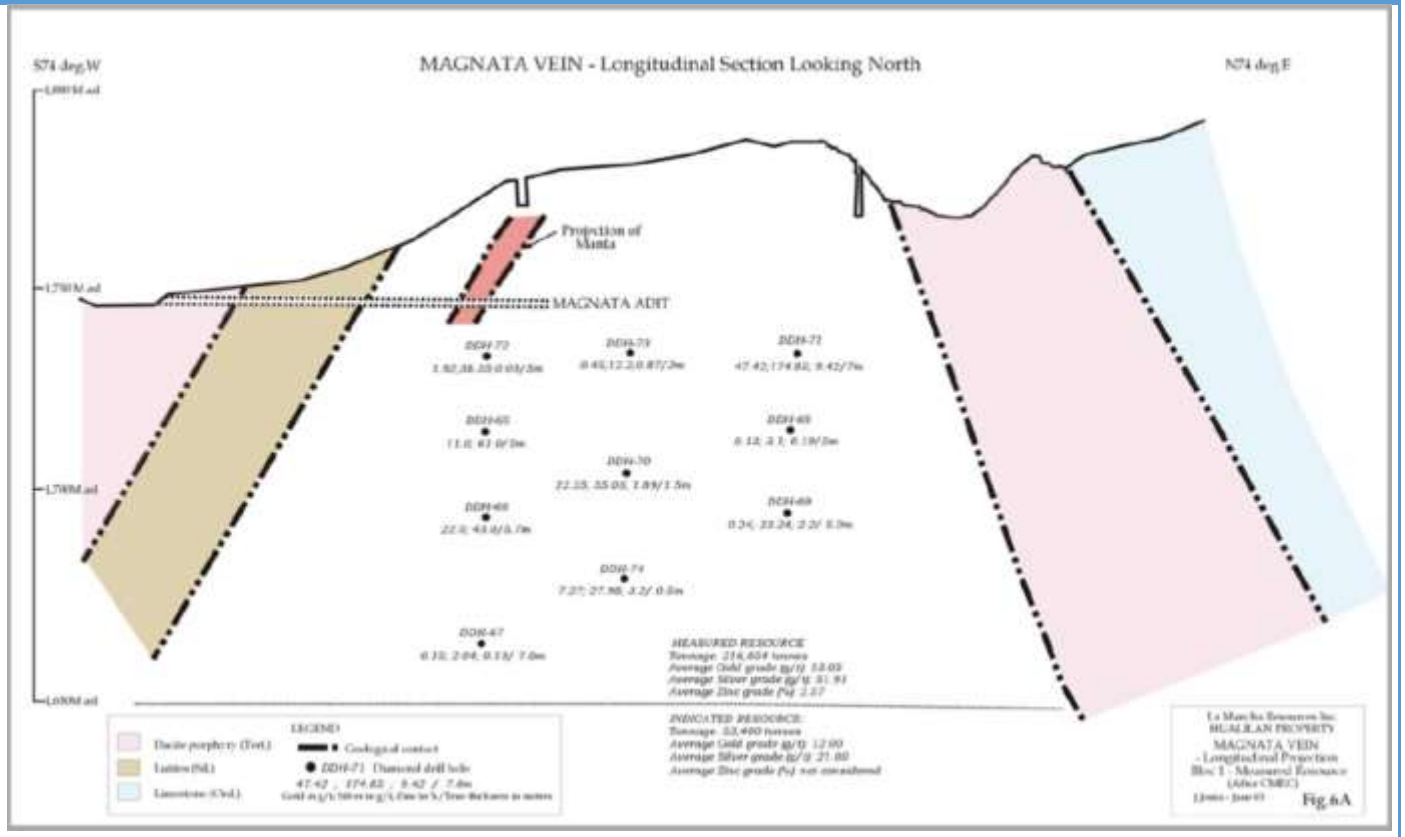


Figure 7

Stylized Cross Section – Showing Sentazon Manto Looking northeasterly (hole 4HD-6)

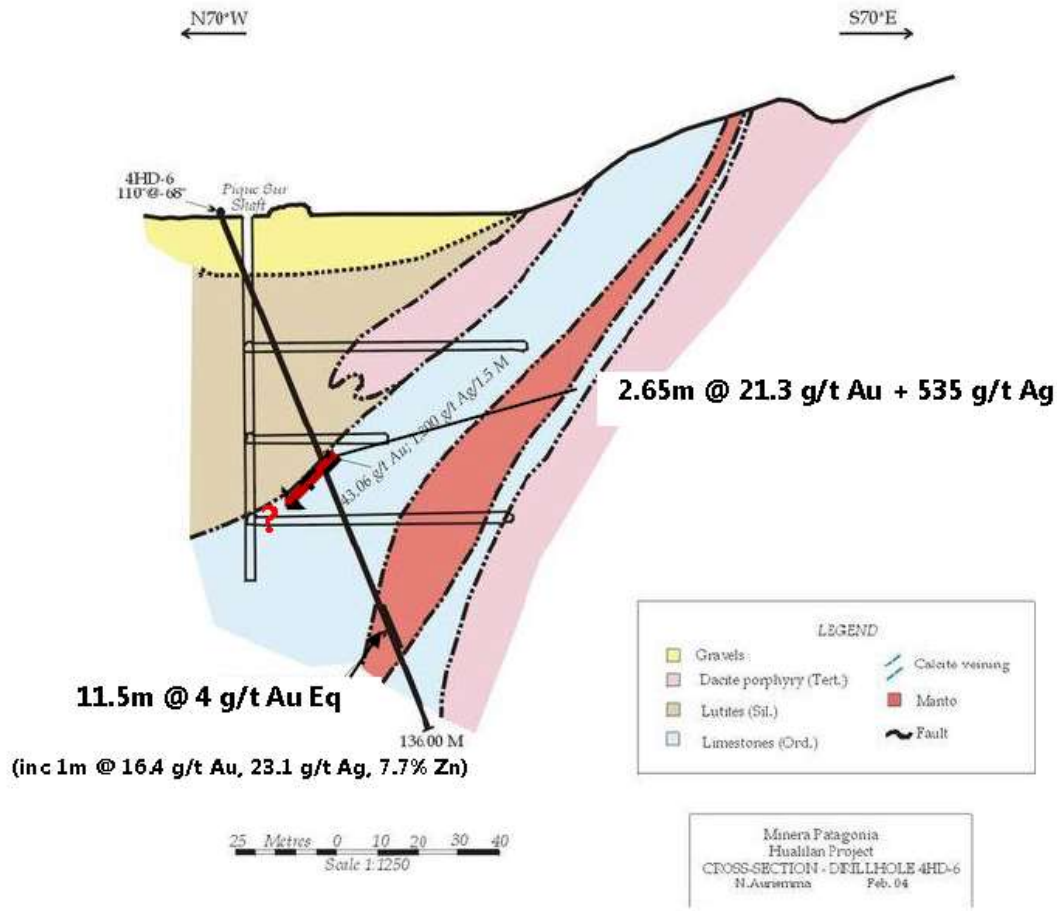


Figure 8

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All available drilling results have been reported • This reporting is fair and representative of what is currently understood of the geology of the project.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• In addition to the key historical drilling an sampling data outlined in Section 1 intermittent sampling dating back from pre-Spanish times has produced a great deal of data including sampling data, geologic maps, reports, trenching data, underground workings, geophysical surveys, resource estimates plus property examinations and detailed studies by several geologists. • Metallurgical test work was undertaken by CMEC in 2000. Four bulk samples were submitted by la CMEC in 2000 to the CIMM T & SSA. Laboratories in Santiago, Chile for testing. These consisted off oxidized sulphide as well as mixed material. Results indicated that flotation used in conjunction with a Knelsen concentrator provided 80% recoveries for gold and silver and 50% for zinc regardless of the material (sulphide or oxidized) into a gold silver and commercial zinc concentrate. Prior to this Preliminary bottle roll and column cyanidation tests by Lakefield Research in 1999 indicated poor recoveries and high cyanide consumption. Gold recoveries were 40% for gold, 31% for silver. Ventures over the previous century involving cyanide processing all proved unsuccessful and short-lived, confirming the inefficiencies of this method. • Aerodat Inc. conducted an airborne geophysical survey for Monarch Resources Ltd. covering an area of 90 square kilometers including the Hualilan property. The survey included magnetics, resistivity, EM and radiometrics. Only paper copies are available which are shown in Fig 9-10 • The Chilean consulting firm, EPROM, conducted a detailed, thorough and highly professional survey of the property for La Plata– possibly the most factual and informative study to date. Work included a) surface mapping at 1:10,000 and 1:1,000 scales ; b) underground mapping at 1:500 and 1:800 scales; c) Systematic sampling every three meters of the Guia del Alto, Las Cuevas, Breccia Sanchez veins, the Dona Justa pit, the Main Manto (Manto Principal), newly discovered structures and adjacent zones as well as the tailings; c) in total 585 samples were taken plus seven bulk metallurgical samples. These were analyzed at the CIMM laboratories in La Serena, Chile; • Plata mining collected approximately 1500 samples for assay with sampling and assaying techniques considered appropriate. A subset of this data is given below

Section 2 R	JORC Code explanation	Commentary
(Criteria listed in		
Criteria		

ANALYTICAL RESULTS – KEY ELEMENTS
(AFTER MOXHAM 1994)

Sample No.	Description	Au g/t (ppb)	Ag (g/t ppm)	Cu ppm	Pb ppm	Zn ppm
HUA – 1	Hydrothermal (?) breccia with dacite porphyry fragments	9.94	44.23	67.7	1,100	162
HUA – 2	Hydrothermal quartz breccia with silicified limestone fragments	17.7	8.57	87.3	738	7,060
HUA – 3	Altered dacite porphyry	5.21	3.77	6.6	1,450	508
HUA – 4	Hydrothermal (?) breccia with dacite porphyry fragments	3.98	17.49	65.4	287	234
HUA – 5	Bleached dacite porphyry	(2.56)	(3.0)	21.1	258	154
HUA – 6	Hydrothermal (?) breccia with dacite porphyry fragments	9.91	85.03	113	2,550	182
HUA – 7	Silicified limestone breccia	1.54	(2.0)	20.7	323	338
HUA – 8	Altered sandstone	2.47	27.77	104	1,230	607
HUA – 9	Silicified limestone breccia	(138)	(1.8)	25.9	214	159
HUA – 10	Primary sulphide mineralization dominantly qtz/py	6.31	9.60	288	4,020	1,160
HUA – 11	Limestone breccia	1.51	9.26	41.6	504	613
HUA – 12	Dacite porphyry breccia	(324)	7.20	103	337	143
HUA – 13	Primary sulphide mineralization dominantly py, sphm inor cp	241	104.92	2,220	386	113,000
HUA – 14	Hematitic limestone breccia	(888)	7.54	426	3,590	68,900
HUA – 15	Limestone breccia	3.63	18.17	49.4	1,170	246
HUA – 16	Hydrothermal (?) breccia with dacite porphyry fragments	2.82	25.71	90.5	880	107
HUA – 17	Silicified limestone breccia	70	(0.2)	7.6	95	305

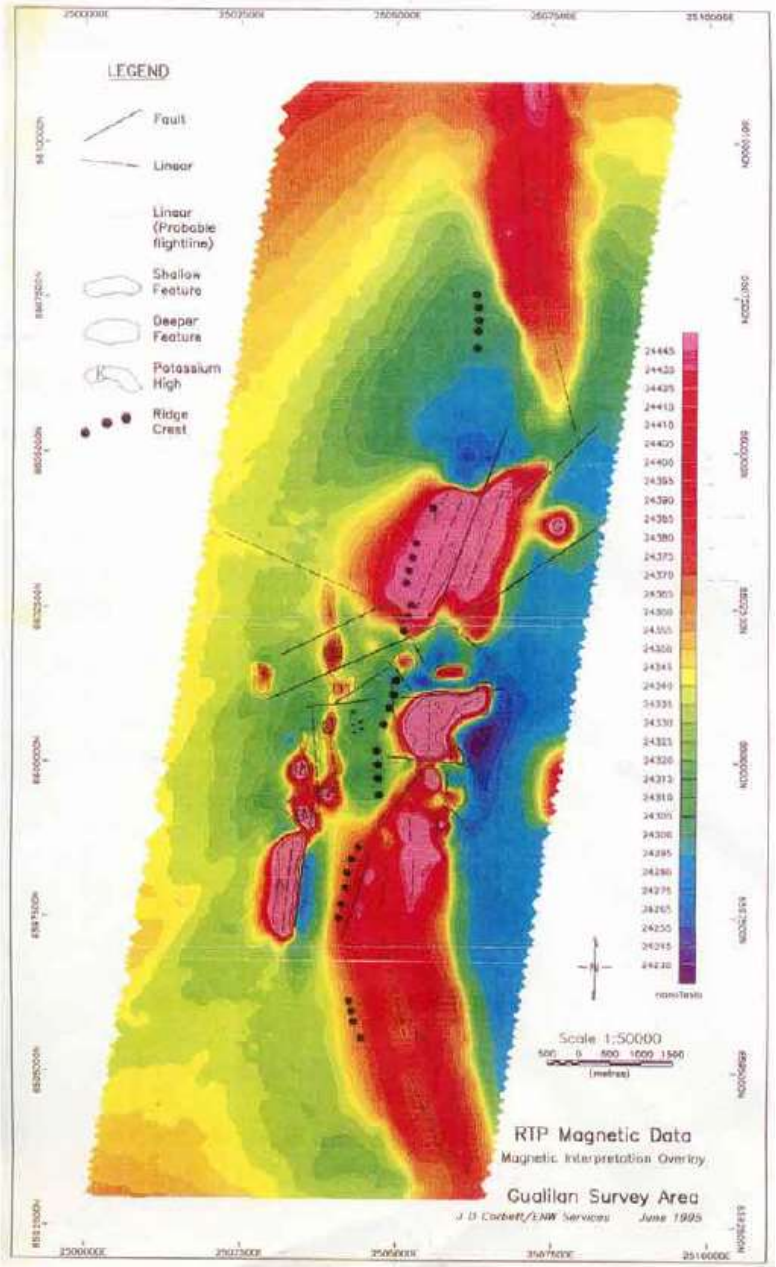

LEGEND
Fault
Linear
Linear (Probable flightline)
Shallow Feature
Deeper Feature
Potassium High
Ridge Crest
Scale 1:50000
RTP Magnetic Data
Magnetic Interpretation Overlay
Gualilan Survey Area
J D Corbett/ENW Services June 1995

Figure 9

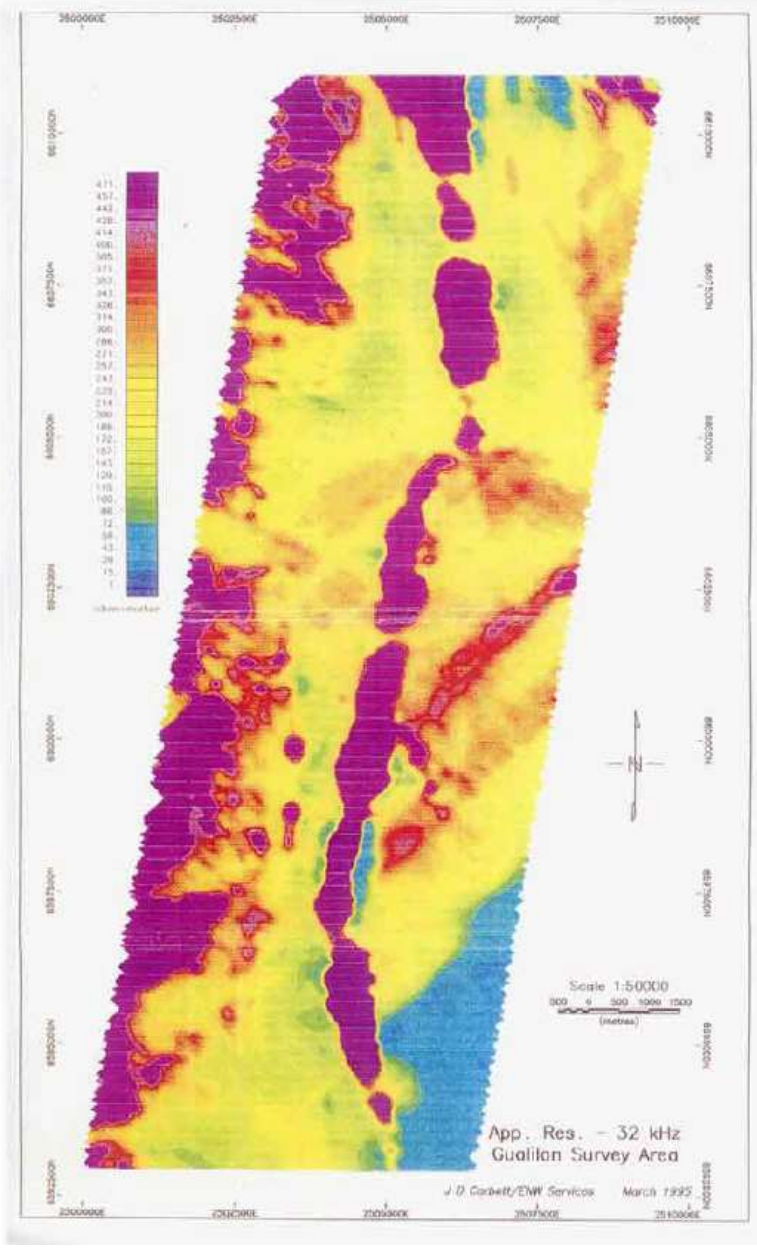

Scale 1:50000
App. Res. - 32 kHz
Gualilon Survey Area
J.D. Corbett/EWI Services
March 1995

Figure 10

Section 2 R (Criteria listed in Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Complete the Digitisation all historical data (approx. 150 drill holes and numerous phases of underground mapping). This has commenced and is nearing completion. • Additional data precision validation as required; • Detailed interpretation of known mineralized zones; • Geostatistical assess of area of currently mineralisation to complete a re-estimation of these areas; • Structural interpretation and alteration mapping using high resolution satellite data – to better target extensions of known mineralisation. • Field mapping program targeting extensions of known mineralisation. • Investigate further drilling requirements to upgrade both the unclassified mineralisation and mineralisation in the existing historical resources to meet JORC 2012 requirements; • Initial drill program comprising verification (twin holes) and targeting extensions of the historically defined mineralisation; • Metallurgical test work. The aim of the program will be to redefine the scope of the Hualilan Project to better determine the best means of development to seek to achieve early cash-flows.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The drill hole data is stored in a drop box database is and currently being loaded into a new database. The database has been previously split into original paper components and electronic components. • The owner's representatives have reviewed and confirmed the database structure and integrity.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A 4 day site visit was undertaken from Wednesday Jan 17 2018 to Saturday 20 January 2018. During this visit: - a number of the historical drill collars were located and their location confirmed - The mineralisation was inspected and sampled in the main underground workings and also in a number of waste dumps associated with exploration adits. - The visual investigation of the mineralisation confirmed the historically reported mineralisation, - Assay results of representative samples from the underground workings and dumps also confirmed the tenor of the reported resource grades of the various styles of mineralisation. - In addition SRK undertook a site visit 30 August 2018 where they reviewed much of the above. Their review confirmed the results of the first site visit
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The interpretation is considered appropriate given the stage of the project and the nature of activities that have been conducted. The interpretation captures the essential geometry of the mineralised structure and lithologies with drill data supporting the findings from the initial underground sampling activities. • The most recent resource calculation (2006 and 2003 – La Mancha) used all core drilling and detailed underground channel sampling collected by EPROM, CMEC and La Mancha . Overlying assumptions included a reduction of the calculated grade in each resource block by a factor of 10% to account for possible errors in the analyses and samples. An arbitrary reduction factor was applied to the 2006 resource whereby the net reported tonnage was reduced by 25% for indicated resource blocks, 50% for inferred resource blocks, and 75% of potential mineral resource blocks. The reason for the application of these tonnage reduction factors was not outlined in the resource report. It is noted that at the time of this report La Mancha was in a legal dispute concerning the project with its joint venture partner and given the acquisition of a 200,000 Oz per annum producing portfolio the project was likely no longer a core asset for La Mancha at that time. Additionally under the original acquisition agreement La Mancha had to issue additional acquisition shares based on resource targets.

Criteria	JORC Code explanation	Commentary
		• The effect of removing the assumptions relating to application of the arbitrary tonnage reduction factors applied increases the overall resource tonnage by in excess of 50%. Removing these correction factors would bring the overall tonnage and grade close the earlier (2003, 1999, and 1996) tonnage and grade estimates albeit in different categories (lower confidence) which are considered more appropriate. • The mineralisation is defined to the manto and vein bodies detailed cross section and plan maps were prepared for these bodies with their shapes used in controlling the resource estimate. • The structure of the area is complex and a detailed structural interpretation is recommended as this may provide a better understanding of the continuity of mineralisation and possible extensions to it. The deposit contains bonanza gold values and while very limited twinning has indicated acceptable repeatability a rigorous study of grade continuity needs to be undertaken as part of future resource calculations.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• No reliable information has been provided to the owner however through further ongoing investigation is being conducted by the owner to address this information gap.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used*	• The estimation techniques are appropriate. The 2003 and 2006 resources used a longitudinal section polygonal method was used for estimating resources, with individual blocs representing weighted averages of sampled underground and/or areas of diamond drill pierce points with zones of influence halfway to adjacent holes. The area of the block was calculated using AutoCad directly from the longitudinal sections. • As outlined in Section 2 check assaying by PG Consulting returned values in the check assay sample which were 3.4% and 12.99% greater for Au and Ag than the original assays. A number pf previous resource estimates were available to check the 2006 resource estimate when the arbitrary tonnage reduction factors are removed brings the overall tonnage and grade close the earlier (2003, 1999, and 1996) tonnage and grade estimates albeit indifferent categories which are considered more appropriate. • It was assumed only gold silver and zinc would be recovered and that no other by products would be recovered. This is viewed as conservative given metallurgical data pointing to the production of a salable zinc concentrate. • Based on the preliminary metallurgy estimation of deleterious elements or other non-grade variables of economic significance was not required • The minimum mining width of 0.8m was assumed for veins less than 0.6m and for wider widths a dilution of 0.2m was used to calculate the grade. • No assumptions were made regarding correlation between variables • The mineralisation is defined to the manto and vein bodies. Detailed cross section and plan maps were prepared for these bodies with their shapes used in controlling the resource estimate Longitudinal sections for the veins and mantos were taken and sampling was plotted and the blocks outlined considering this.

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	to control the resource estimates. • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available*	• Grade cutting was not used in the calculation of the resource and no discussion was given as to why it was not employed. It is recommended that a study be undertaken to determine if an appropriate top cut need be applied • No data is available on the process of validation.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• No data is available. There is unlikely to be any significant difference between dry and natural moisture results.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource Estimate is above a cut-off grade of 3.89 g/t Au. This is based on the assumed mining cost
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The Mineral Resource Estimate considered the assumptions outlined below which are considered appropriate - Metal prices: Au US$550 Oz, Ag US$10 Oz - Metallurgical Recovery; Au – 80%, Ag – 70% Zn - nil - Operating cost: US$55t based on underground cut and fill mining and flotation and cyanidation combined • The minimum mining width of 0.8m was assumed for veins less than 0.6m and for wider widths a dilution of 0.2m was used to calculate the grade.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Historical metallurgical test-work is currently under review however the assumptions used (80% Au recovery, 70% Ag and no zinc recovery) seem conservative . The most recent test work was conducted in 2000 and was a preliminary assessment only. This work was conducted at Lakefield Labs (cyanidation) and CIMM Labs (flotation) in Chile. While this work is preliminary it indicates recoveries for differential flotation in conjunction with a Knelsen concentrator at 80% each for gold and silver and 50% for zinc regardless of the type of material (sulphide or oxidized).
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential*	• It is considered that there are no significant environmental factors, which would prevent the eventual extraction of gold from the project. Environmental surveys and assessments will form a part of future pre-feasibility.

Criteria	JORC Code explanation	Commentary
	environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Densities of 2.7 m^3/MT were used for mineralised veins and 2.6 m^3/MT for wall rock • No data of how densities were determined in available • The bulk densities used in the evaluation process are viewed as appropriate at this stage
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource Estimate has both Indicated and Inferred Mineral Resource classifications under the National Instrument 43-101 code and is considered foreign. These classifications are considered appropriate given the confidence that can be gained from the existing data and results from drilling. • The reliability of input data for the 2003 and 2006 resources is acceptable as is the confidence in continuity of geology and metal values, quality, quantity and distribution of the data. Appropriate account has been taken of all relevant factors with the exception of studies into the appropriateness of the application of a top cut. • The reported 2006 NI43-101 (non-JORC Code compliant Measured and Indicated) estimate for the Hualilan Project is measured resource of 164,294 tonnes averaging 12.6 grams per tonne gold and 52.1 g/t silver and 2.5% zinc plus an indicated resource of 51,022 tonnes averaging 12.4 grams per tonne gold and 36.2 g/t silver and 2.6% zinc plus an inferred resource of 213,952 tonnes grading 11.7 grams per tonne gold and 46.6 g/t silver and 2.3% zinc. (Source La Mancha resources Toronto Stock Exchange Release April 7 2007 - Interim Financials) – See Table 1 • The 2006 estimate did not include the east-west mineralised Magnata Vein despite the known mineralisation in the Magnata Vein being drilled on a 25 x 50-metre spacing. The 2003 NI43-101 (non-JORC Code compliant) estimate attributed approximately half of its measured and indicated tonnage to the Magnata Vein. The 2006 estimate also included arbitrary tonnage reduction factors of 25% for indicated category, 50% for inferred category and 75% for potential category.

Criteria	JORC Code explanation	Commentary
		• The 2006 estimate also included a significant tonnage of Potential Category Resources which have not been reported. • The reported 2003 NI43-101 (non-JORC Code compliant) estimate for the Hualilan project is a measured resource of 299,578 tonnes averaging 14.2 grams per tonne gold plus an indicated resource of 145,001 tonnes averaging 14.6 grams per tonne gold plus an inferred resource of 976,539 tonnes grading 13.4 grams per tonne gold representing some 647,809 ounces gold. (Source La Mancha resources Toronto Stock Exchange Release May 14 2003 - Independent Report on Gold Resource Estimate) – See Table 1 • The 2003 Mineral Resource classification and results appropriately reflect the Competent Person's view of the deposit and the current level of risk associated with the project to date. **Historic 2003 NI43-101 (non-JORC Code compliant)** **CATEGORY** / **TONNES** / **Au (g/t)** / **Ag (g/t)** / **Zn%** Measured / 299,578 / 14.2 Indicated / 145,001 / 14.6 Inferred / 976,539 / 13.4 **Historic 2006 NI43-101 (non-JORC Code compliant)** **CATEGORY** / **TONNES** / **Au (g/t)** / **Ag (g/t)** / **Zn%** Measured / 164,294 / 12.5 / 52.1 / 2.5 Indicated / 51,022 / 12.4 / 36.2 / 2.6 Inferred / 213,952 / 11.7 / 46.6 / 2.3
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The most recent Mineral Resource Estimate has not been audited. • The earlier (1996 and 2000) Mineral Resource Estimates were audited and re-stated in a 2003 resource report. This independent report was done to NI-43-101 standard and the results of this report were released to the TSX. This report concluded that "Detailed resource calculations made by three different groups are seen to be realistic.
Discussion of relative	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by*	• There is sufficient confidence in the data quality, drilling methods and analytical results that they can be relied upon. The available geology and assay data correlate well. The approach or procedure are deemed appropriate given the confidence limits. The main

Criteria	JORC Code explanation	Commentary
accuracy/ confidence	*the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	two factors which could affect relative accuracy is grade continuity and top cut. • Grade continuity is variable in nature in this style of deposit and has not been demonstrated to date and closer spaced drilling is required to improve the understanding of the grade continuity in both strike and dip directions. It is noted that the results from the twinning of three holes by La Mancha are encouraging in terms of grade repeatability • The deposit contains very high grades, and there is a potential need for the use of a top cut. It is noted that an arbitrary grade reduction factor of 10% has already been applied to the resource as reported. • No production data is available for comparison