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COPALQUIN MINES

Property Summary

The property covers 7005 hectares and is located in northwest Durango, Mexico, and encompasses 23 historically productive silver and gold mines within its boundaries.

GOLD-SILVER (high grade vein and low grade bulk tonnage) targets.

Geology

The property lies within the Sierra Madre mineralogical belt in Durango, Mexico. The expanded Copalquin land package encompasses 23 historically productive silver and gold mines within its boundaries.

Previous extensive sampling programs by Kennecot and Francisco Gold outlined a target potential of a **one million ounce gold and a fifty million ounce silver** deposit on the property within a low-grade horizontal quartz breccia formation. The property has a series of parallel ridges of fault breccia over 3 km. A 1998 shallow angle diamond exploratory drill hole intersected a previously unknown high-grade vertical fault zone at 25 m that crosscut the previously known horizontal low-grade quartz breccia.

There are three main target areas: Cometa, Refugio and La Soledad.

The main gold bearing bodies on La Soledad and San Manuel are white quartz veins, generally fairly steeply dipping (50-65%), and confined to the pyroclastics (andesites and latites) rather than granodiorite (quartz monzonite). The El Cometa vein is rather shallower (40-45%) and Los Reyes virtually horizontal (10-20%). Of particular importance appears to be a silica flood breccia which was seen to occupy the hanging wall of El Cometa, La Soledad, San Manuel and Los Reyes. Strike of the veins seems to be WNW to NW, with NNW to NS striking post mineralization faulting. Mapping on the El Cometa-La Soledad ridge in the late 1990s shows widely dispersed silicified breccia occurring as outcrop, suggesting that this breccia is gold and silver bearing, which means it could be a primary exploration target.

The Copalquin Mining District is reputed to have produced at least 250,000 oz Au and 11 Moz Ag from 336,000 tonnes mined prior to 1985. Much of this production was before the Mexican Revolution (pre-1920), and the majority came from only 5 mines: San Manuel, Los Reyes, El Refugio, La Soledad and El Cometa, all of which are located within the Copalquin property.

The La Soledad is the largest of the historic mines at Copalquin and according to Wilkins, 1998 total production from the mine is approximately 200,000 oz Au and 8M oz Ag from an estimated 136,000 tons of material. (Jun/06) The mineralized zone outcrops in an open cut at 1104 m [above sea level] and was developed on four underground levels (1100, 1043, 976 and 950 m). A long-section prepared circa-1935 (Wilkins, 1997) depicts a single 35 to 75 m wide stope extending ~140 m down-dip. Wilkins (1997) reports an average mined historic grade in the order of 50 g/t Au and 2,300 g/t Ag.

News Updates

On Aug 13/07, the company announced refined analytical results using the fire assay method over the main mineralized zone in hole MP-07-101. New results over the 2.45 meter higher grade section averaged slightly lower than previously reported results, at 45.29 g/t Au compared to the initial results over the same 2.45 meter mineralized section of the sample averaged 52.27 g/t Au.

On Jul 17/07, partial assay results for hole MP-07-101 at La Soledad were received. Samples selected over the six meters that encompasses the mineralized zone averaged 21.93 g/t Au and 1,597.4 g/t Ag. The initial 2.45 meter section of the sample averaged 52.27 g/t Au and 3,840.47 g/t Ag. True width of the mineralized zone is undetermined at this point.

As at Jun 13/07, the drilling program on the Phase III exploration program was nearing completion.

On Jan 8/07, preliminary results from continuing regional exploration were announced. New results from recently completed close-spaced soil geochemical surveys located approximately 500 metres to the east of the Cometa zone identified highly anomalous gold and silver values in soils covering an area of several hundred square metres, with peak values ranging from 0.4 g/t to 0.7 g/t gold and 5.0 g/t to 10.3 g/t silver. Drilling, after technical and mechanical problems, is scheduled to recommence during the second week of January with the drill program expanded to include additional drilling as required to continue the testing of La Soledad to depth and along strike to further test and locate the main vein system.

As at Dec 31/06, the main objectives of the spring 2007 program were to delineate the down dip extent of the historic La Soledad ore zone and to identify additional high priority drill targets within the regionally extensive epithermal system that has been identified at Copalquin (the first hole ever completed below the La Soledad mine workings intersected 5.2 meters of mineralization averaging 45 g/ton gold and 1,563 g/ton silver). The planned program will include up to nine additional drill holes within the projected extension of the La Soledad zone.

On Oct 16/06, reported that phase III drilling commenced. The main objective of the phase III program will be to delineate the extent of the highgrade silver and gold mineralization identified at the La Soledad prospect. The planned program will include up to nine additional drill holes designed to test the projected extension of the LaSoledad zone. The program will also test several extensive alteration zones and gold geochemical anomalies identified during phase II. All of these target areas have either returned significant drill intercepts, which are open to expansion, or exhibit extensive hydrothermal alteration and/or gold geochemical anomalies. This part of the phase III program aims to extend the size of the epithermal system.

On Sept 20/06, approved a multiphase exploration program to further evaluate the project. The main objectives of the fall program will be to delineate the down-dip extent of the historic La Soledad ore zone and to identify additional high-priority drill targets within the regionally extensive epithermal system that has been identified. The planned program will include up to nine additional drill holes within the projected extension of the La Soledad zone. Previous drill programs have confirmed potentially economic mineralization at three main target areas, Cometa, Refugio and La Soledad. All of the mineralized zones that have been tested are open

at depth and along strike and clearly warrant extensive additional drill testing.

On Jul 20/06, provided assay results. DDH 06-07, intersected 5.15-m, averaged 44.6 g/t Au and 1,564 g/t Ag including 1.75-m, averaging 112.8 g/t Au and 4,337 g/t Ag. The hole was designed to test whether or not the mineralized zone that was developed by the former La Soledad mine continues at depth below the existing mine workings.

As of June 27/06, phase II of the drilling program is now complete. Visible gold has been noted in the DDH06-06 section and DDH06-07 shows that mineralization is open at depth. The company is pleased with the results of its drilling program, and once the technical data interpretation is complete, will resume its exploration program in late August or early September.

On Jun 8/06, the results of phase 2 drilling confirm that the mineralized zones at Cometa and Refugio represent parts of the same mineralized system. The drill is now testing a third prospect located approximately 300 meters north of Cometa known as the La Soledad area.

On Apr 25/06, the company announced the commencement of phase 2 drilling to test geochemical anomalies which may represent extensions of the main mineralized zones identified. The primary target areas include potential strike extensions of the El Cometa and El Refugio zones and a broad geochemical anomaly located between the El Cometa and La Soledad.

On Feb 24/06, provided an update on the progress of exploration work completed to date. Initial geochemical soil sampling to the southwest of the El Cometa prospect returned values of 860 parts per billion gold (0.86 gram per tonne) and 1,105 ppb (1.10 g/t) and 59.2 and 52.6 ppm silver (one ppm is equivalent to one g/t) from an area located more than 100 metres from any previous drilling. More detailed sampling has defined a 150-metre-wide geochemical anomaly which is interpreted as the strike extension of the mineralization that was intersected in the vicinity of the El Cometa prospect. Sampling to the west of the El Refugio workings, approximately 150 metres west of the drill holes completed in 2005, has identified a second 150-metre-wide geochemical anomaly interpreted to represent the westerly extension of the mineralization that was intersected during the stage 1 drill program. Samples from within this anomaly generally range from 50 to several hundred ppb gold; however, one sample returned a value of 7.35 g/t gold and 314 g/t silver. Trenching is in progress to further delineate the extent of the bonanza-grade mineralization in this area and four additional drill holes have been proposed as part of stage 2. In addition to delineating extensions of the mineralized zone between El Cometa and El Refugio, sampling to the east and north of El Cometa identified a large geochemical anomaly interpreted as the extension of the mineralized breccia zone to the north of El Cometa.

On Dec 15/05, based on early results from the current exploration program, expanding the proposed 2005/2006 exploration has been approved. Geological consultants advised that a recently completed satellite imaging (Aster) project has identified multiple high-priority targets approximately three kilometres east of the El Cometa-El Refugio target area. The Aster imagery clearly delineated an extensive, probable kaolinite-alunite alteration zone (clay alteration zone) that coincides with an area of mapped kaolinite alteration situated between the El Cometa and El Refugio prospects. This style of alteration is typical of the upper levels of an epithermal vein system and results of the program clearly support the current geological model that predicts that the El Cometa and the El Refugio are part of a more extensive mineralized area. Target areas will be the focus of detailed mapping, geochemical sampling and, if warranted, diamond drilling.

On Dec 9/05, as announced in Stockwatch Oct. 31, 2005, the company has begun phase 2 of its exploration program at Copalquin. On the recommendation of the company's consultants, the initial objective of this program was to verify the drilling results reported by former operator Bell Coast Capital in 1998. Results reported by Bell Coast included the following high-grade

intersections from the area referred to as the El Cometa prospect. To verify the results reported by Bell Coast, the company's geological consultants examined the drill core stored on site and selected 70 mineralized sample intervals that had been split and assayed as part of the 1998 program. Split drill core from the selected intervals was sawn into quarters using a diamond blade rock saw. One-quarter of the sampled intervals was submitted to ALS Chemex for assay and the remaining quarter was retained in the original core boxes to provide a permanent sample record and provide material for petrographic evaluation. Assay results reported by ALS Chemex are well within acceptable ranges for precious metal deposits and the verification sampling has established a high degree of confidence in the results reported by Bell Coast. For details of assay result comparison refer to pa323477.pdf p 2

As of Aug/05, a review of the old and new drill data revealed that wide intervals with low, but economically viable mineralization were present in all the tested zones. For example, drill hole UC-14 reportedly intersected 11.6 meters of mineralization averaging 3.01 g/t gold and 300.6 g/t silver. An inspection of assay information shows that the overall mineralized zone in drill hole UC-14 actually averaged 0.76 g/t gold and 73.1 g/t silver over 51.2 meters. By comparison with the other significant deposits located in the area, the company believed that Copalquin could be classified as low sulphidation epithermal deposit. The next drill program was slated for October 2005.

As of Jun 30/05, a new 5,000 m drill program was recommended, in order to evaluate the area between the El Refugio and El Cometa mineralized zones (CRMS area)

As of Jun 27/05, recently completed phase 1 of exploration plans (2,326 m of core drilling in 24 holes) .

On Feb 23/05, the latest drilling results from the joint venture drill program indicate that the mineralization at El Refugio shows good gold and silver grades and continuity along strike. The new discovery zone, called the El Refugio zone, is located 350 m west of the El Cometa discovery zone and is thought to be an extension of it. Results to date are considered very favourable because they support UC's theory that the Copalquin property has potential to host high grade zones within larger, lower grade mineralized breccia zones. Highlights from UC's most recent assays include: UC-23 drilled on the El Refugio zone intersected 8.0 m of 1.26 g/t Au and 79.50 g/t Ag which included 6.00 m of 1.57 g/t Au and 88.33 g/t Ag. UC-24 drilled from the same drill pad as UC-23 intersected 7.90 m of 6.54 g/t Au and 140.09 g/t Ag which included 3.90 m of 12.26 g/t Au and 220.38 g/t Ag. Follow-up work in 2005 will include infill drilling within the 350 metre region between the El Cometa and El Refugio zones. Based on results to date the company also plans to drill test the remaining high priority target areas and carry out an evaluation of previously unexplored parts of Copalquin subject to financing.

On Feb 07/05, results from drilling show that the mineralization continues to extend northward and that a new zone has been discovered west of the El Cometa zone. The new zone is called the El Refugio zone and is located 350 m west of the El Cometa zone and is thought to be an extension of it. Highlights from UC's most recent assays include Hole UC-14 intersected 11.57 m of 3.01 g/t gold and 300.55 g/t silver including 2.13 m of 13.65 g/t gold and 1375.00 g/t silver recently discovered on El Cometa's northern extension. Hole UC-21 has intersected 10.11 m of 2.20 g/t gold and 199.90 g/t silver recently discovered on the new El Refugio zone 350 m west of El Cometa.

On Jan 18/05, the company drilled 22 holes. The initial objective of the program was to verify the high gold and silver grades reported by Bell Coast Capital Inc. from the El Cometa prospect during its drill program in 1997-1998. Drill hole UC-03 was drilled to confirm the high grade intersection reported (in EC-02) by Bell Coast. UC-03 encountered a 5.52 meter wide interval of bonanza grade mineralization that averaged 144.26 g/t Au and 328.63 g/t Ag. The El Cometa prospect is one of 23 known prospects within the Copalquin property. The weighted average of the mineralized zone is 144.26 g/t Au and 328.63 g/t Ag. Additional drilling in the vicinity of the

bonanza grade intercept identified in UC-03 will be completed in late January or early February.

On Dec 01/04, the company has received preliminary assay results from drilling. Most of the sample results from hole No. UC-01 have been received. Results from approximately 25% of samples submitted for holes UC-02, UC-03 and UC-04 have been received. Hole UC-01 returned a mineralized section from 33.37 m to 38.45 m (6.5 m). A 1m interval from this section returned 2.69 ppm Au and 1045.00 ppm Ag. Hole UC-03 averaged 0.58 m section grading 799.00 ppm Au and 608.0 ppm Ag.

On Nov 03/04 and 09/04, reported that a 3,000m drill program had commenced.

On Aug 19/04, an eleven man camp was constructed and an approximate 3000 m initial drill program was set to start.

In Oct/03, initial geological review and findings include, on the outcrop and the sidewalls of the old stopes during Planet's on-site inspection and as reported from previous mapping and drilling, are vein breccia and quartz stockwork deposits that are gold and silver bearing. These breccia stockwork bodies could have economic potential as moderate tonnage, low grade gold and silver open pit targets. In addition, in the Bell Coast Capital Corp. (BCCC) 1997/1998 drill program, significant values were returned and publicly reported (June 30 and August 17, 1998) from several holes on El Cometa, specifically 244.65 g/t Au and 2,250 g/t Ag over 4 m; 10.60 g/t Au and 301 g/t Ag over 1.5 m, and 8.55 g/t Au and 144 g/t Ag over 18.20 m, among others. As a part of the effective ground truthing nature of Planet's site investigation, a limited number of samples were taken which confirmed the previously reported mined grades. The proposed Planet exploration program will be helicopter supported and will be spread over three phases. The program is designed to evaluate the known high grade mineralization and to explore the inferred lower grade mineralization targets, both highlighted by previous work. There is potential for further high grade pay shoots to be discovered in quartz veins. An ancillary program will also explore for new targets of a similar nature by grassroots exploration. Most of this other prospecting will be by trenching, supported by geological mapping, and perhaps ground based electromagnetic geophysics, if it proves applicable. There is provision in the proposed program for an additional 1,000m of drilling in 6 holes on such high grade targets.

Current situation of the lots of Copalquin is as follows:

<u>Lot</u>	<u>Title</u>	<u>Surface has</u>
La Soledad	52033	6
El Cometa	164869	36
San Manuel	165451	36
Copalquin	178014	20
El Sol	236130	6,000
El Corral	236131	907

Total		7,005 has