LA DURA PROJECT Au and Ag
MUNICIPALITY TAMAZULA, DGO.

- The project is located approximately 275 km in straight line to N 55° W of the city of Durango, belongs politically to the municipality of Tamazula, and locally is located 2.3 km in straight line to the S 60° E of the village El Durazno; its average altitude is 2,250 meters above sea level Physiographically is located in the province of the Sierra Madre Occidental, within the sub province of Barrancas.

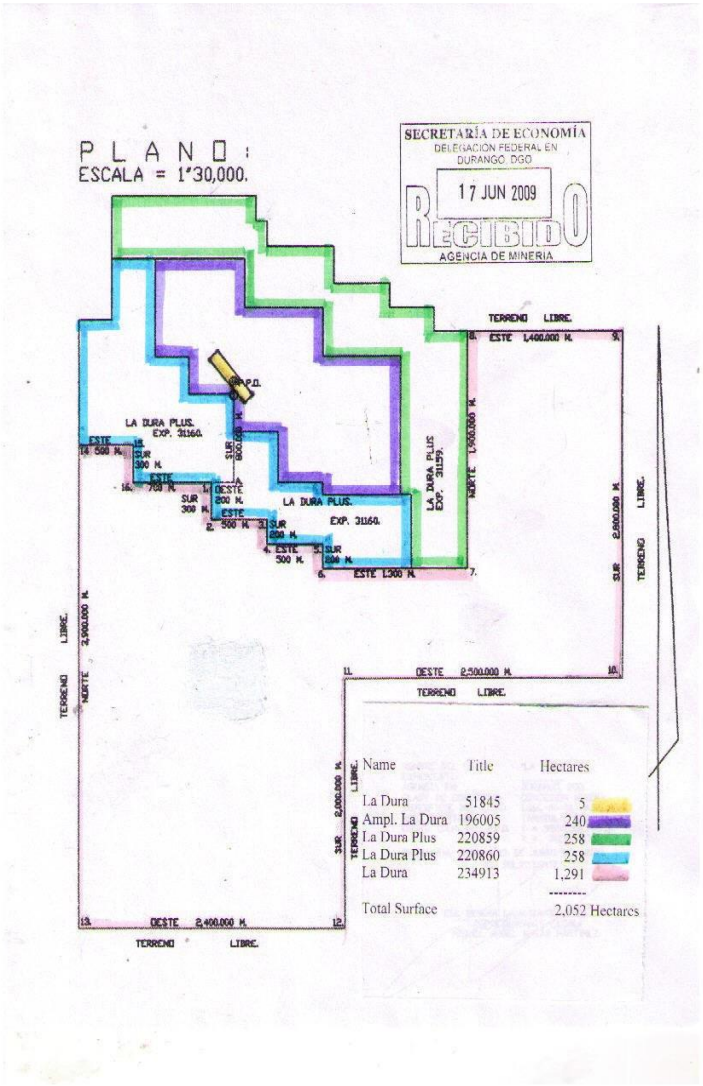
CONCESSIONS

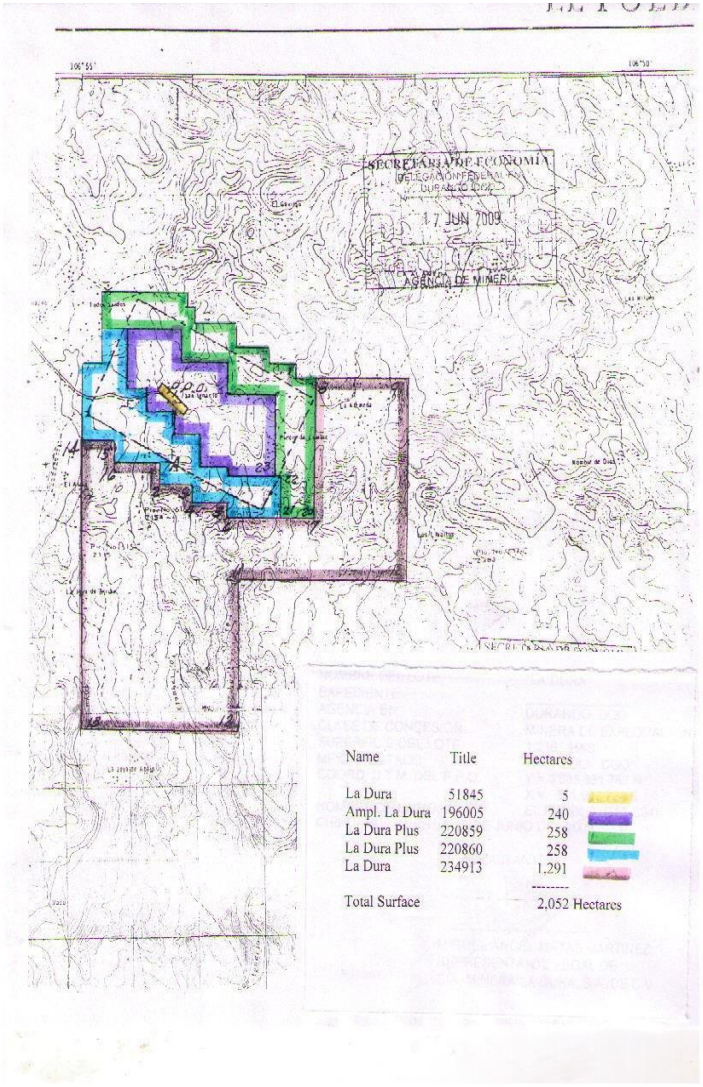
	TITLE	SURFACE
La Dura	51845	5 hec
Ampliación La Dura	196005	240 hec
La Dura Plus	220859	258 hec
La Dura Plus	220860	258 hec
La Dura	234913	1291 hec

Total		2052 hectares

- HOLDER Compañía Minera Copalquin, S.A. de C.V.
- All lots are currently in force and up to date in the payment of taxes and all their obligations.

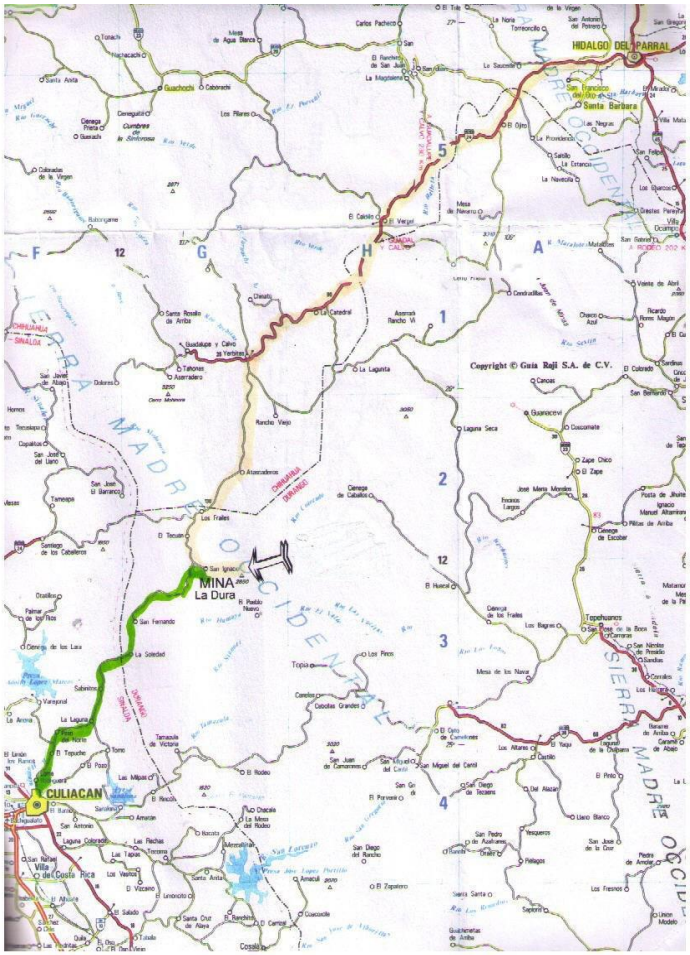
LOTS





- P.P. is located at geographical coordinates 25 ° 29'30 "North latitude and 106 ° 54'30" West length relative to the Greenwich Meridian.

LOCATION AND ACCESS



- From Parral, Chih., by paved road to El Ocote (235 km), from El Ocote by paved road to Las Banquetas (70 km), from Las Banquetas by dirt road (which already is being paving), to La Dura (35 km), the trip is done in 7 hours.
- Route flights from Culiacan, Sin., to El Alizal from Monday to Saturday (30 minutes).
- From Culiacan, Sin., 48 km paved and 135 km of dirt road to El Durazno, the trip is done in 6 hours.

RELEVANT DATA

- The surface land is owned by the company.
- Another attraction is the security in the area and not conflict with other owners or concessionaries of the Land (not ejidos).
- Electric power is located 600 meters away from existing facilities (there are comments that CFE is about to cover this distance).
- The terreros, of the ancient works of the mine that is believed began at the end of the 19th century and beginning of the 20th century until 1975 averaged grades of 4 g/t Au and 400 g/t Ag.
- Ore shoots of very rich mineral have given grades of up to 135.4 g/t Au and 7,718 g/t Ag.
- It has excellent access by land, either Parral Chihuahua or Culiacan Sinaloa.
- The Stream San Ignacio, that passes on one side of the current installations of the flotation plant provides enough water for their operation (Ph 7).
- The ore is floatable with recoveries of 85.7% Au and 73.71% Ag. There is no harmful content of antimony and arsenic.

HISTORIC DATA

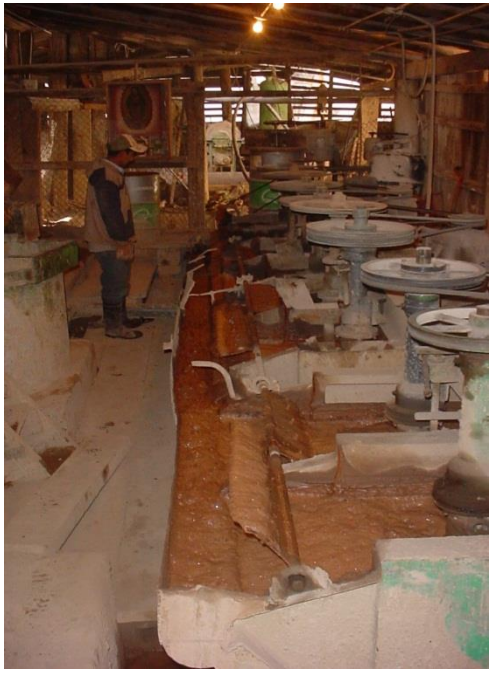
- The La Dura mine is a gold and silver mining operation that has been property prior to 1926 of the family De La Rocha, the mine has been worked intermittently since those years at low level. In 1926 the geologist A.R. Fletcher made a visit and consider it an important prospect. Until 1973 the CRM (1993) reports that 100,000 tons had been mined.
- In 1975 there was a benefit plant for 20 tons/day and processed for 2 years all existing terreros from the ancient works of the La Dura mine, which had an average grade of 4 g/t Au and 400 g/t Ag; which gives us an idea of the grades that were benefited by the ancients in the numerous Taunas who were along the stream of San Ignacio. Around 1971 from La Chinaca ore shoot were extracted rich grades similar to the of Giovana, this material was extracted just crushed and sent by plane to Culiacan, Sin.
- In 1979 was formed the CIA Minera La Dura, S.A. de C.V., the beneficiation plant is broad to 60 tons per day, which has worked it until June 2013 with a relatively constant production, with the exception of 1999-2009 which was stopped by low metals prices.
- There is no complete information of the grades and the pass production of the mine, is estimated by the dimensions of the carvings, in at least some 300,000 tons of ore extracted of silver with gold values (from 1979 to date).
- Grades have greatly fluctuated with periods of very low grade (1 g/t Au and 100 g/t Ag) with intermittent production of high-grade production with the best in the late 1997-early 1998 when sent around 100 tons of only crushed ore (Giovana ore shoot) with an average grade of 91 g/t Au and 4240 g/t Ag. (see table below, where sulphur material is only crushed material). Regularly it has been a production with average grades of 2 g/t Au and 200 g/t Ag.
- The project has never been evaluated with modern exploration techniques including mapping, sampling of soils and surface or diamond drilling. Some underground exploration has recently been completed in the northwestern part of the main area of the mine trying to locate the vein of Plan 3-Minita at depth.

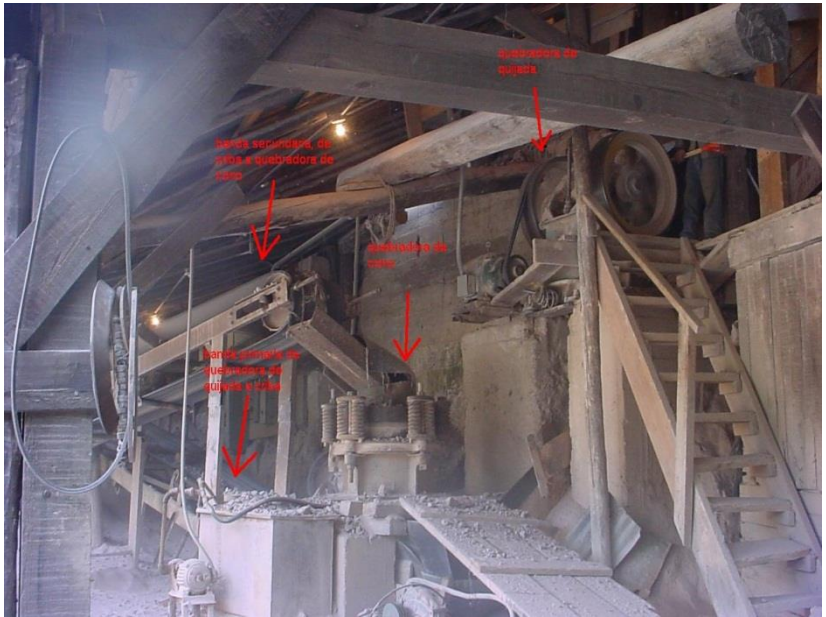
SMELTING SHIPMENTS 1996-1998

		TONELADAS Peso seco	LEYES Au grs.	Ag kgs.
Concentrado	Feb. 13-96	9,365	161,200	9.9260
"	Feb. 20-96	3,777	533,100	26.4640
"	Feb. 27-96	4,045	550,000	25.2300
"	Mar. 6--96	6,047	256,075	12.9460
"	Mar. 19-96	5,901	250,825	17.5210
"	Mar. 26-96	5,621	252,200	12.5480
"	Abril 1--96	4,802	303,900	14.6520
"	Abril 26-96	4,640	243,200	12.7770
"	Abril 29-96	5,134	269,000	14.4480
"	May. 10-96	4,511	175,200	8.9560
"	May. 20-96	6,160	95,500	3.6750
"	May. 27-96	5,740	134,500	6.4050
"	Jun. 17-96	4,844	168,460	6.1750
"	Jul. 10-96	6,456	271,500	9.5690
"	Jul. 24-96	4,690	349,750	10.5900
"	Ago. 6--96	5,400	349,300	12.9990
"	Ago. 20-96	6,210	192,850	8.8980
"	Sep. 4--96	5,862	110,050	6.2660
"	Sep. 17-96	6,300	240,750	8.0880
"	Oct. 7--96	4,758	185,300	4.8430
"	Oct. 29-96	5,912	158,300	5.6640
"	Nov. 13-96	6,100	169,975	5.8400
"	Nov. 26-96	5,750	108,375	4.3740
"	Dic. 10-96	5,530	158,900	6.2370
"	Dic. 21-96	5,086	215,200	9.5800

		TONELADAS Peso seco	LEYES Au grs.	Ag kgs.
"	Ene. 30-97	3,995	129,750	5.4790
"	Feb. 11-97	6,199	108,300	4.6220
"	Feb. 19-97	4,833	89,200	5.3710
"	Marz. 3-97	4,740	134,100	7.5680
"	Mar. 11-97	6,399	70,000	3.4800
"	Mar. 18-97	5,162	70,500	3.7340
"	Mar. 24-97	4,563	79,400	3.6460
"	Sep. 18-97	6,733	57,800	2.5780
Material sulfuroso	Sept. 30-97	6,319	103,750	5.2350
Material sulfuroso	Oct. 14-97	6,823	82,400	4.1650
Material sulfuroso	Oct. 23-97	6,672	58,750	2.7130
Material sulfuroso	Oct. 31-97	6,781	35,300	1.3830
Material sulfuroso	Dic. 3--97	7,322	127,600	7.1740
Material sulfuroso	Dic. 10-97	7,478	135,400	7.7180
Material sulfuroso	Dic. 20-97	7,183	89,200	4.5790
Material sulfuroso	Ene. 27-98	7,377	86,950	4.1130
Material sulfuroso	Feb. 7--98	7,142	118,100	5.7090
Material sulfuroso	Feb. 12-98	7,371	92,400	4.1600
Material sulfuroso	Feb. 17-98	7,495	122,010	4.6600
Material sulfuroso	Mar. 6--98	7,518	91,650	3.2240
Material sulfuroso	Mar. 20-98	7,525	54,200	2.1970
Material sulfuroso	Abril 1--98	7,659	73,620	2.3140
Concentrado	May. 15-98	5,842	423,760	13.7575
"	May. 26-98	5,210	316,210	12.3520
"	Jun. 23-98	4,710	253,200	9.8250
"	Ago. 21-98	4,687	134,890	4.4770
"	Sep. 29-98	4,587	119,950	3.9250
"	Oct. 20-98	6,120	84,000	3.7970

BENEFIT PLANT BY FLOTATION 60 T/D





GEOLOGY

- **I.- Regional Geology.-** It is made up of a sequence of Cenozoic volcanic rocks, resting on a basal sedimentary section of Mesozoic age, which in turn are intruded by igneous bodies associated with the East border of the Batholitic complex of Sinaloa.
- The volcanic rocks belong to the two large subdivisions established informally to the Sierra Madre Occidental by McDowell and Keiser (1977), which are the Lower Volcanic Complex and the Upper Volcanic Supergroup.
- The upper volcanic complex is formed by felsic volcanic rocks, mainly by ignimbrites, tuffs, spills of rhyolitic composition. These rocks are found in most of the region forming the topographic highs and the thick folder of the Sierra Madre Occidental in the form of plateau, to this sequence is assigned an age of the Middle tertiary, ranging from 34 to 27 m.a.

The igneous bodies ranging from granodiorites to quartz monzonites, tonalities, and diorites, the first being dominant, there is wide variation in the range of ages within the same region, but with a tendency to be more young to the East (Henry C.D., 1975).

II.- Local Geology.- The geology that is in the area of study is represented by rhyolitic tuffs, which belongs to the upper volcanic series package, this being the encajonante rock of the existing mineralization; is located where the level of erosion is at a juvenile stage and acid volcanic rocks package is being eroded to discover even the pre-existing rocks such as the andesitic series, which in adjacent areas are recipients of economic mineralization. Megoscopicamente presents a light brown color to greenish with variations to reddish brown, with crystals of quartz and porphyritic texture.

The microscope presents a pyroclastic texture; with quartz, feldspar, devitrified glass, sericite, chlorite, calcite, hematite, limonite, rock fragments, altered ferromagnesium and clay minerals.

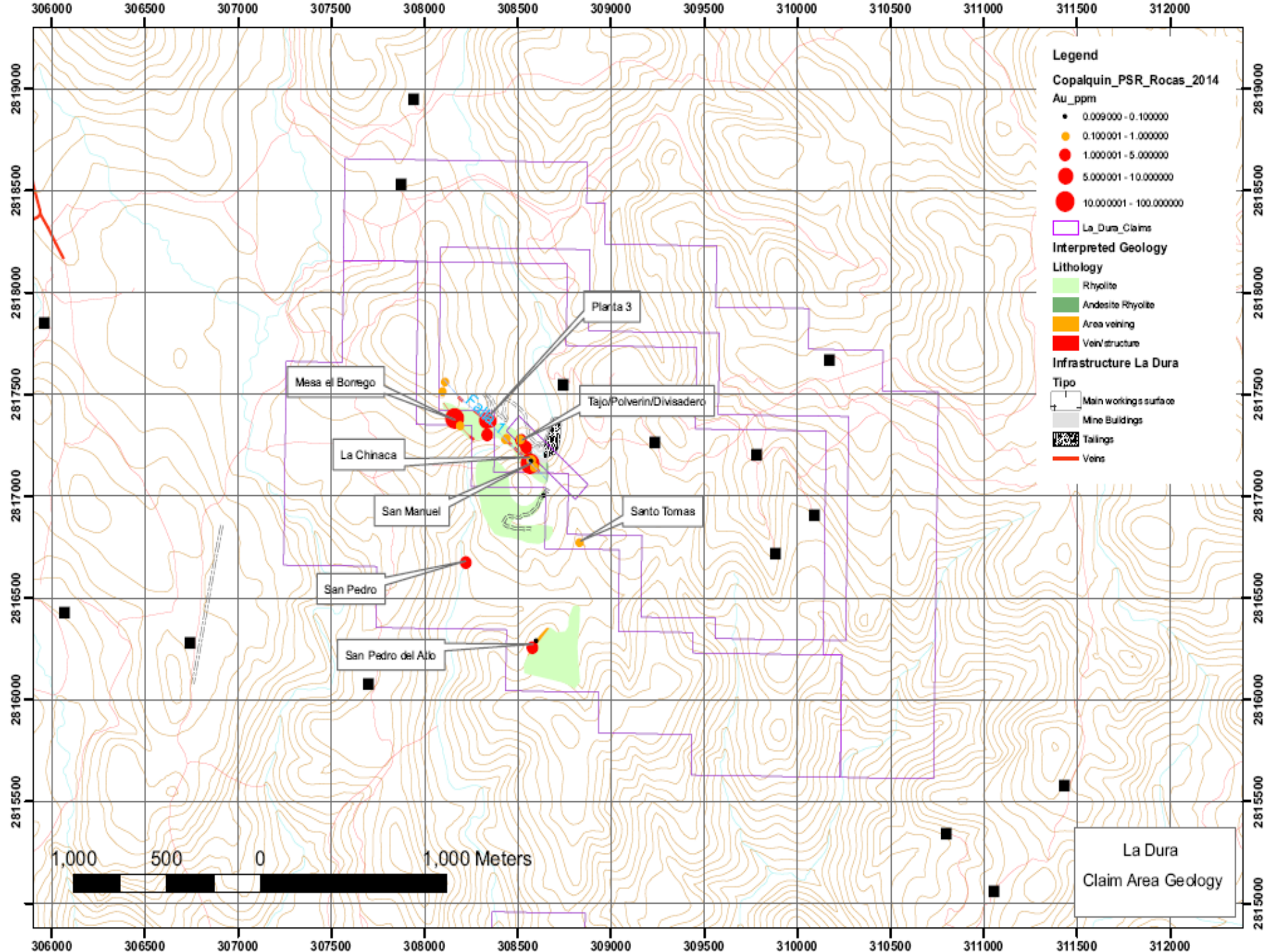
- In this rock there is a pseudo stratification of strike NW 40° SE with inclination of 20° SW, between the fault 2 and the fault 3, thus also arise small dikes of andesitic composition which makes us think the lower sequence must be shallow, which is the principal recipient of the economic mineralization in adjacent areas.

- **III.- GEOLOGY AND MINERALIZATION.-** The La Dura mine is located in the upper tertiary volcanic package, possibly at the bottom, since in addition to emerge rhyolitic tuffs casing structures, they were observed in the part SE spills andesitic and dykes of the same composition, the first in contact faults with the rhyolitic tuffs. Andesite occurs as irregular exhibitions in rocks highly faulted including minor rhyolite, suggesting that they were originally the dykes that have been interrupted due to faulty.
- The mineralization is structurally controlled by a shear zone of strike NW38 ° to 55°SE and cast out of 56 ° to 76 ° NE, bounded by two very strong faults identified as fault 1 on bass and fault 3 of the high and one intermediate known as fault 2, finding economic mineralization auroargentiferous in the faults and the breccia with erratic grades.
- There was development of tectonic origin breccia associated with especially the fault 3, although it was also observed between the faults, the fragments of the breccia are rhyolitic Tuff only and is very compact, partly cemented by Quartz. The fracturing of shear is more or less continuous and parallel about faults and more erratic in the intermediate rock between structures; This Rock is located in silicified parts and/or epidote. Failures are separated in surface about 40 meters, but at depth, vertical 138 meters, on the last level, the separation is 11 m, so it would be favorable to a greater concentration of economic mineral.

- Five distinct mineralized zones have been identified. By far, the dominant projection is main La Dura mine and zones mineralized northwesterly prolongation. The areas are described in the section mining works later.
- **IV.- Structures.-** 3 parallel faults were identified, fault 1 striking NW 50 ° SE, 54 ° NE, the fault 2 striking NW 55 °SE, 65 ° NE and fault 3 of striking NW 35 °SE, 86 ° NE, as well as a fault of N-S direction with a dip of 86° E to vertical, which is truncating the faults 1, 2 and 3 in their SE portion, economic mineralization is located in the intense fracturing with breccias of quartz and silicified that occurs among these faults, as well as in the backrests of them.
- Faults 1 and 2 come join in the intermediate level (2163 m) continuing to depth as a single structure which tends to join fault 3 at a depth of 150 m (2090 ft) approximately from the curb of manteo shot.

Foto 2.- Pseudoestratificación de las rocas riolíticas

Fotografía 4. Nivel 3, falla 2. Se aprecia ramaleo de cuarzo paralelo y al bajo de la falla óxidos de Fe en roca silicificada.


306000
306500
307000
307500
308000
308500
309000
309500
310000
310500
311000
311500
312000
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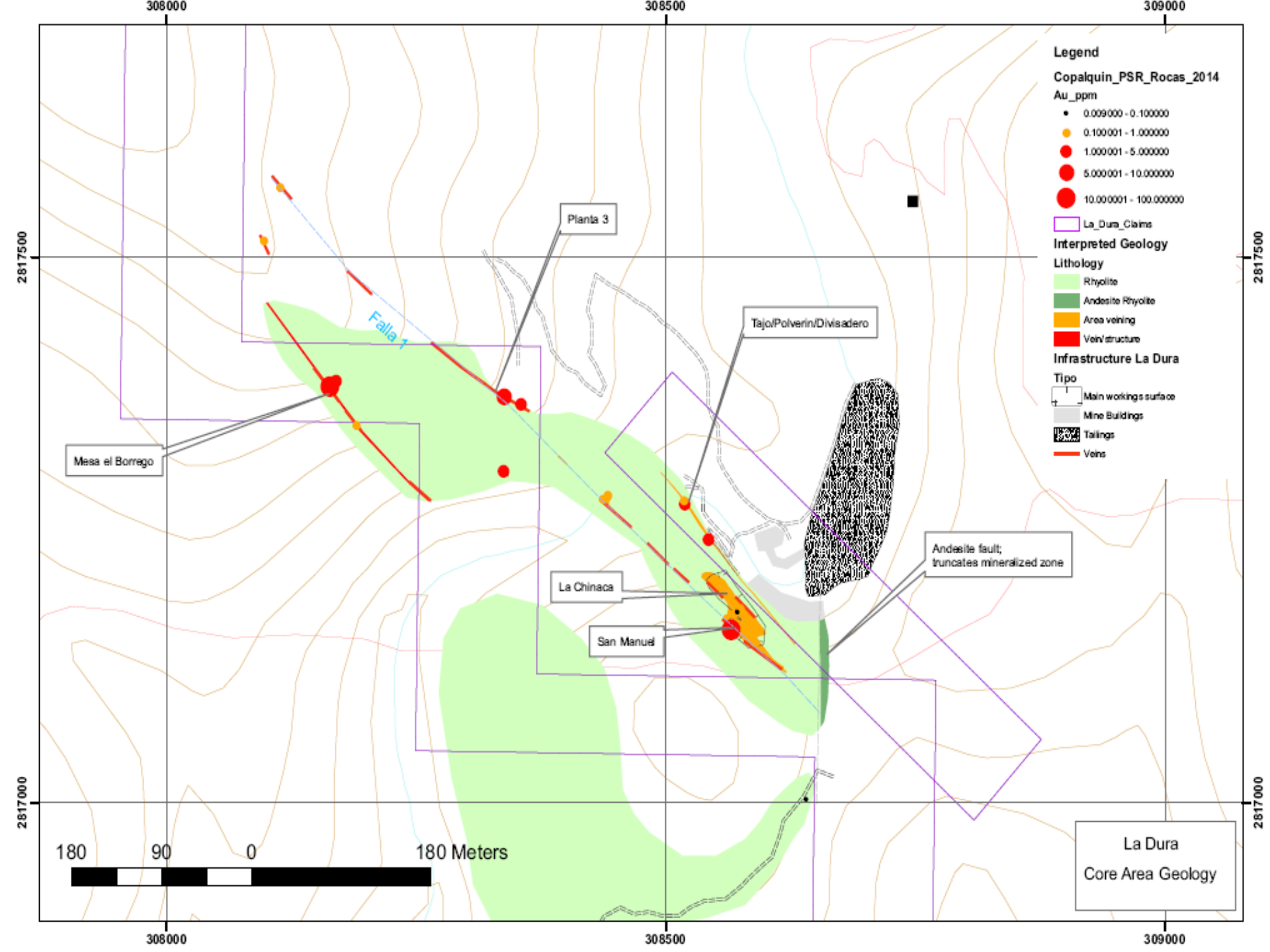
2818000
2817500
2817000
2816500
2816000
2815500
2815000
Legend
Copalquin_PSR_Rocas_2014
Au_ppm
0.009000 - 0.100000
0.100001 - 1.000000
1.000001 - 5.000000
5.000001 - 10.000000
10.000001 - 100.000000
La_Dura_Claims
Interpreted Geology
Lithology
Rhyolite
Andesite Rhyolite
Area veining
Vein/structure
Infrastructure La Dura
Tipo
Main workings surface
Mine Buildings
Tailings
Veins
Planta 3
Mesa el Borrego
Tajo/Polverin/Divisadero
La Chinaca
San Manuel
Santo Tomas
San Pedro
San Pedro del Alto
Falla 1
1,000
500
0
1,000 Meters
La Dura
Claim Area Geology


308000
308500
309000
2817500
2817000
Legend
Copalquin_PSR_Rocas_2014
Au_ppm
0.009000 - 0.100000
0.100001 - 1.000000
1.000001 - 5.000000
5.000001 - 10.000000
10.000001 - 100.000000
La_Dura_Claims
Interpreted Geology
Lithology
Rhyolite
Andesite Rhyolite
Area veining
Vein/structure
Infrastructure La Dura
Tipo
Main workings surface
Mine Buildings
Tailings
Veins
Planta 3
Falla 1
Tajo/Polverin/Divisadero
Mesa el Borrego
La Chinaca
San Manuel
Andesite fault;
truncates mineralized zone
180
90
0
180 Meters
La Dura
Core Area Geology

MINERAL DEPOSITS

- **1.- GENESIS.-** Economic mineralization is the result of ascending solutions of hydrothermal origin of low temperature that were emplaced in the fracturing that is between the faults product of laramide tectonism originating areas of “ore shoots" with rich values of gold and silver, also taking in the form disseminated in breccias and silicified, considered a epithermal hydrothermal.
- **2.- FORM AND DIMENSIONS.-** The deposit is tabular form located between faults, recognizing inside mine on a length of 120m and in surface 200m with thickness that goes 40m on surface to 11m at levels more deep mine (138m of depth from the curb of manteo shot) This thick tends to decrease as they deepen the structures, which can form a deposit of grades more attractive.
- **3.- MINERALOGY AND ALTERATIONS.-** The mineralization is contained in the breccias and silification present, containing sulfide of silver, free gold and possibly electrum; alterations are represented mainly by a strong silification and tenuous oxidation between faults as well as their backups.

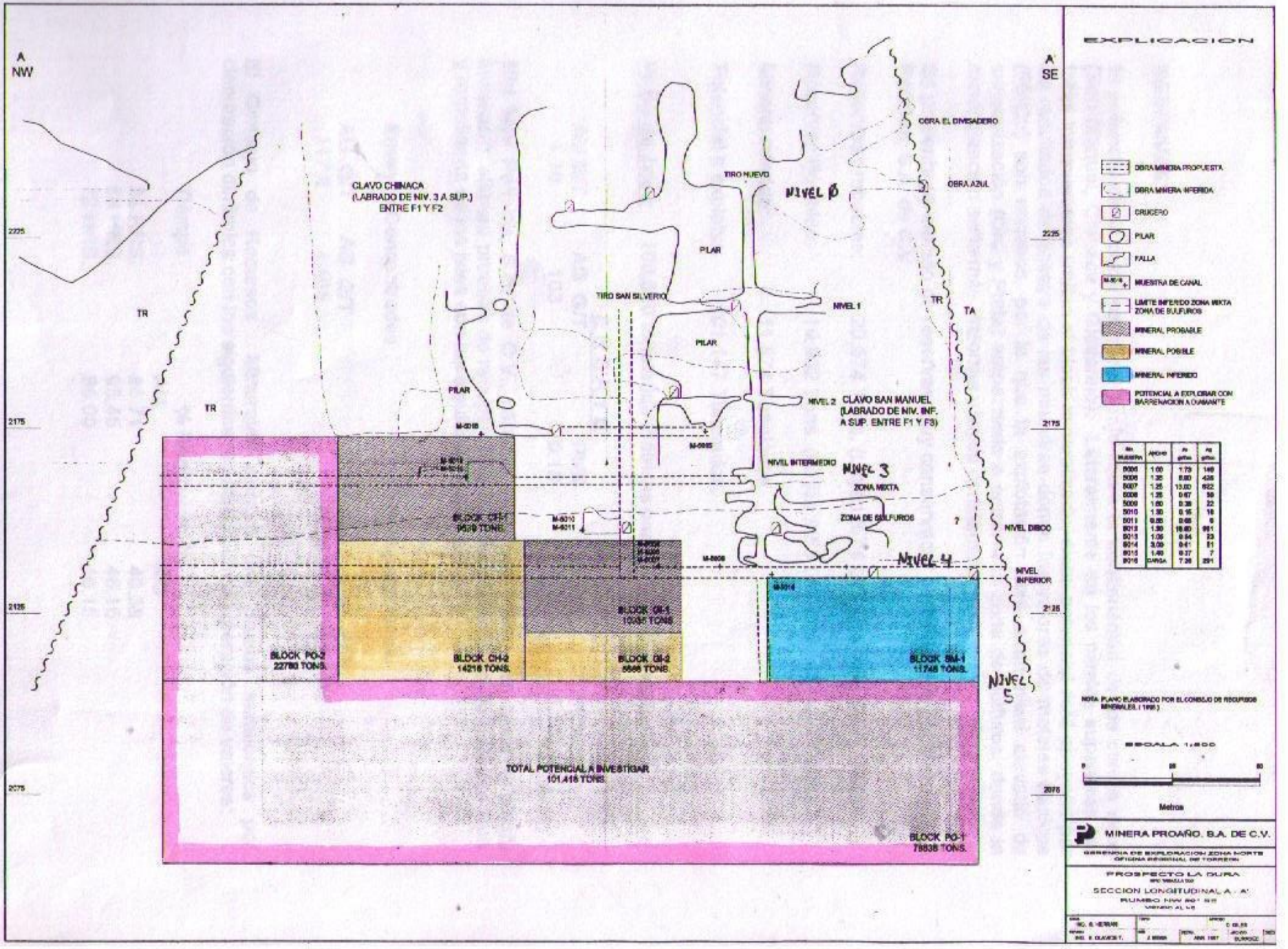
  Mineralization controls are of a structural nature represented by the faults and breccias present in the study area.

  Mineralization consists in filling fracturing Quartz white and grey color with a thickness of a few millimeters up to 0. 30m, in parts forming an incipient stockwork, in breccia areas, associated or not to quartz there are sulfides of iron and silver (argentite), this resulted in the formation of rich ore shoots and bolsadas known as San Manuel, Chinacá and Giovana, whose dimensions at San Manuel reached 70m long, 16m wide and 100m depth.

- Apparently ore exploited up to now has been in area of oxidation-enrichment (chlorides and native silver), sulphides were observed in the two lower levels, where the amount of runoff increases, but without yet reaching the phreatic level. Faults, and therefore the mineralization, are interrupted much to the SE and NW by two transverse faults identified as El Divisadero and San Ignacio Stream respectively; These failures have contrary dips, which limits the potential to surface, but remains open to depth. The mineralization is considered source epithermal, low Sulphur and high deposition levels still.
- Basic metals (Pb-Cu) values are very low, there are no harmful contents of antimony and arsenic.

MINING WORKS

- As mentioned, the mine has been worked for some time, so there is enough development works, such as the carvings on the **San Manuel** ore shoot in the SE part and over the **Chinacá** ore shoot to the NW, which are inaccessible from surface and at depth of 100 and 70 meters respectively. The mine is fairly stable, you can see the ancient carvings.
- Larger works are located in the **La Dura** mine, there are great eaten covering the thickness of the breccia between faults 1 and 2, and 2 and 3 faults being styled this 120 m long with depths of 138 m; these consist of 6 levels and 2 sublevels and added more than 1000 m between fronts, cruises, wells and raising; the recesses that are level 0 (2,240 m) communicated to surface. The total exploitation of the 0 level between 1 and 2 faults indicates that there was mineralization in these and in the encasing rock in disseminated form, also that into the back of the vein-fault 1 was observed native silver disseminated in the rhyolitic Tuff, which characterizes the site exploited between these faults.
- There is a main shot of manteo ranging from level 1 up to surface (40m) also account with 2 inclined interior shots, one that goes from level 1 to level 4 (**San Silverio** shot), 79m length and the other from level 1 to level 5 (new shot), 102m length.
- Between level 3 and level 4 was discovered in 1997 **Giovana** ore shoot which gave values with an average grade of 91 g/t Au and 4,240 g/t Ag. Very similar laws to the **Chinacá** ore shoot (1971).
- Towards the SE portion of the faults there are superficial works, carved on the first two structures with total development of 155m between mines, cruises and wells, being **La Gloria** (2,280 m.a.s.l.), **El Divisadero** and **La Obra Azul**, these works communicated to the NW and kicking off the large carvings of the **La Dura** mine.
- The mining work and manteo are up to date, there is no development to 'block' mineral.


A
NW
A'
SE
CLAVO CHINACA
(LABRADO DE NIV. 3 A SUP.)
ENTRE F1 Y F2
CLAVO SAN MANUEL
(LABRADO DE NIV. INF.
A SUP. ENTRE F1 Y F3)
OBRA EL DIVISADERO
OBRA AZUL
TIRO NUEVO
TIRO SAN SILVERIO
NIVEL 0
NIVEL 1
NIVEL 2
NIVEL 3
NIVEL 4
NIVEL 5
NIVEL INTERMEDIO
NIVEL DIBICO
NIVEL INFERIOR
PILAR
TR
TA
ZONA MIXTA
ZONA DE SULFUROS
2225
2175
2125
2075
BLOCK PO-2
22780 TONS.
BLOCK CH-2
14216 TONS.
BLOCK CH-1
BLOCK CI-1
BLOCK CI-2
5565 TONS.
BLOCK SM-1
11745 TONS.
TOTAL POTENCIAL A INVESTIGAR
101,416 TONS.
BLOCK PO-1
79838 TONS.
EXPLICACION
OBRA MINERA PROPUESTA
OBRA MINERA INFERIDA
CRUCERO
PILAR
FALLA
MUESTRA DE CANAL
LIMITE INFERIDO ZONA MIXTA
ZONA DE SULFUROS
MINERAL PROBABLE
MINERAL POSIBLE
MINERAL INFERIDO
POTENCIAL A EXPLORAR CON
BARRENACION A DIAMANTE
ESCALA 1:500
Metros
MINERA PROAÑO, S.A. DE C.V.
GERENCIA DE EXPLORACION ZONA NORTE
OFICINA REGIONAL DE TORREON
PROSPECTO LA DURA
SECCION LONGITUDINAL A - A'
RUMBO NW 60° SE
VISTO AL NE

- **La Dura.-** The main **La Dura** mine consists of well-defined fault surfaces and adjacent zones of stockwork quartz that incise to the Northwest and plunge about 70 degrees to the Northeast. Appears to be a flat well defined main failure (fault 1) that acts as a wall bottom of the most historical veins/breccias including the ore more big that came out of **La Chinacá** and **San Manuel**. The stockwork/veining in sheets is located in the hanging wall of the fault 1 and there are several subsidiary faults in the hanging wall that partly to delineate the mineralized zones. The hanging wall faults have falls slightly more steep than failure 1 and appear to converge with the depth. Also at the hanging wall are several minor mineralized zones (vein 2, 3 and 4). Some of these areas seem to form a single semi continuous structure which includes **El Divisadero/Vein 4/Tajo** and probably the **El Polvorín** zones (the northwesterly prolongation of the mineralized zones). The mineralization continues northwesterly across the Stream San Ignacio where the structure **Minita-Plan 3** has been mined intermittently throughout almost 200 m long with a maximum depth of about 60 m below the surface. There are also numerous smaller mines that define one structure more to the West; the veins of **Mesa de los Becerros**. The **Minita-Plan 3** structure lies in the direction of and is very similar to the fault 1 and the mineral shoots the **Chinacá** and **San Manuel**. The Canadian geologist Henry Marsden (of Pembrook Mining) believes that all of them are part of the same mineralized structure. **Minita-Plan 3** is also an area that tends to sink Northwest of veins in the form of leaves and stockwork, but mining has also exploited several flat located veins that appear to be fans of shallow depth of the main structure. Recent exploration in the vein of the tunnel **El Polvorin** (of the side of **Fragoso Plan**) has cut small horizontal veins that locally produced grades of very high mineralization showing free gold, a sample gave 30 g/t Au, and these works are probably very close to the **Minita-Plan 3** (2270 m) structure at depth. The structure of **El Polvorin** does not seem to contain breccias but only stockwork quartz veins and variably moderate to light silification.

- The structures of **Mesa de los Becerros** (sample 4.88 g/t Au) and **Minita-Plan 3** (ore mined 2 g/t Au and 150 g/t Ag) are open to the NW and briefly cross by the other important areas localized in veins of quartz along the strike. For the SE the main work of the **La Dura** mine end up against a zone that surprises from North to South of faulties and broken andesitic rocks. To date, the continuation of the displaced vein system is not localized.
- The mineralization is somewhat dark, consisting of relatively low density quartz bands in the rhyolitic tuff. The veining is usually associated with faulty planes defined and high-grade mineralization is almost always associated with bands of quartz veins narrow and pale green cryptocrystalline. The grade does not seem to be related to the density of the vein as much as a specific type of vein that takes most of the silver and gold mineralization. Sulphides are almost completely absent; wall rock alteration is minimal, gold/silver ratios tend to be approximately 1:100.
- **Santo Tomas.-** Two small works, one collapsed, which follow a structure of fault pulling to the Northwest with minor quartz veins. This is more or less pulling along the main mineralized zone (La Dura mine) and may be the continuation of the SE area of the fault of andesite. Production records show some good mineralization grades that was produced from these works.
- **San Pedro el alto.-** The structure of the vein of **San Pedro el Alto** is a silicified zone host of a zone of breccia of indeterminate width. The silicified zone is composed of basal silica cemented area who has worked at depth and along the strike. The extension of the works is not known, since they collapsed. Above the main area of breccias, there is a zone of silicified rhyolite of two meters with random quartz stringers. Rhyolite is truncated by a faulty zone above which is a siliceous argillic zone of two meters. A dyke of andesite occurs adjacent or within the clay area.

- It is an area of bands of quartz that plunge 40 degrees on the SE. The zone is displayed in works and connectors for 100m of course. A sample gave 1.8 g/t Au and 177 g/t Ag.
- **San Pedrito.-** It is a silicified zone of 1.5 meters, with a tendency towards the North, host of a siliceous typical breccia. Quartz may occur as a Crystal-lined cavities or fop veins. There is no associated clay alteration. A very small part of work next to the San Ignacio stream near of the former hacienda De La Rocha. Darken striking area to the NW. A rolled sample assay 4 g/t Au and 133 g/t Ag.
- **Barbuzon.-** Located 1700m to the South of **San Pedro el Alto**, this area is underlain by rhyolite with siliceous breccias and minor quartz stockworking. A small well as work exploded small amounts of material. All three samples collected were anomalous gold, with a maximum of 1.5 g/t Au and 50 g/t Ag. Exist the possibility of a low grade disseminated zone in the rhyolite breccia.

GEOCHEMISTRY

- Thirty-four rock samples were collected by the Canadian geologist Henry Marsden in January 2014. The grades are very variable, especially in the underground of **La Dura**, where the sampling in the pillars remaining in the large underground largely gave values of very low grade, with < 1 gpt Au and < 50 gpt Ag, while a sample of the surface into a pillar remnants in **San Manuel** assayed 32 gpt Au and 3,750 gpt Ag. **Plan 3** underground sampling returned largely low-grade, but interesting values (2 gpt Au, 20-50 gpt Ag) while a select sample of a pillar back high grade 9.5 gpt Au and 378 gpt Ag. Further to the West the **Mesa de los Becerros** vein system returned some interesting values, especially of pale green quartz veins which returned 3 gpt Au and 14.4 gpt Au. Ag numbers are generally lower towards the NW to the main work of the **La Dura** mine.
- Samples of peripheral mineralized zones only returned anomalous values, but do indicate a larger mineralized system. Three samples collected in the silicified breccia of **Barbuson** all returned gold from low grade, perhaps indicating the potential for a low-grade mineralized zone.
- The CRM in 1995, at level 3 define a mineralized section of 40 meters in length on the bass of the breccia that is the vein-fault 2, having obtained an average grade of 2.17 meters wide with 2 g/t Au and 65 g/t Ag. In the central part of this section was detect a ‘ore shoot' of 5 meters long and 4.10 meters wide which gave 9.79 g/t Au and 310 g/t Ag.
- Peñoles 1997, base metals (Pb-Cu) values are very low, there are no harmful contents of antimony, arsenic, sulphur, etc.; the high value of gold and silver could indicate the presence of electrum, detected by the CRM.

SAMPLING TAKEN BY HENRY MARSDEN JANUARY 2014

Table 1: Significant Samples

SAMPLE	LOCALITY	TYPE	LENGTH	Au_ppm	Ag_ppm	As_ppm	Cu_ppm	Pb_ppm	Sb_pct	Zn_ppm
113659	El Borrego	Chip	0.8	3.02	34.4	15	3	25	2	8
113660	El Borrego	Chip	3.2	1.195	9.2	23	4	19	2	12
113661	El Borrego	Chip	0.9	14.35	94.7	9	8	15	2	7
113662	El Borrego	Chip	1.8	0.518	17.6	23	3	27	2	22
113663	El Borrego	Chip	1	4.88	116	7	65	98	2	128
113664	Planta 3	Chip	1	2.33	19.6	8	12	19	2	34
113665	Planta 3	Chip	1	2.03	50.8	7	20	64	2	78
113666	Planta 3	Select	0	9.47	378	4	66	97	2	49
113667	Dos Santos	Chip	2.5	0.18	1.9	15	1	4	2	19
113668	Dos Santos	Chip	2.2	0.27	1.4	5	5	4	2	28
113669	San Manuel	Chip	0.8	32.5	3750	9	531	1450	2	927

SAMPLE	LOCALITY	TYPE	LENGHT	Au_ppm	Ag_ppm	As_ppm	Cu_ppm	Pb_ppm	Sb_pct	Zn_ppm
113670		Chip	1.8	0.055	46.4	13	21	645	2	1380
113671	Santo Tomas	Chip	2	0.226	11	15	7	25	2	93
113672		Select	0	0.005	0.2	3	1	11	2	13
113673	San Pedro Alto	Chip	1	0.041	24.1	19	9	15	2	32
113674	San Pedro Alto	Chip	2	1.83	177	20	14	14	2	37
113675	San Pedro	Select	0	4.17	133	13	58	17	2	63
113676		Select	0.2	343	9340	7	609	277	3	1735
113677	Barboson	Chip	1.2	1.49	59	3	37	43	2	62
113678	Barboson	Chip	2	0.79	21.4	7	10	21	2	49
113679	Barboson	Select	0	0.4	22.2	15	37	46	3	85
113680	Barboson	Chip	1	0.017	0.3	5	1	9	2	6
113681	Barboson	Chip	8	0.006	0.2	10	1	11	2	31
115371	Nivel 1	Chip	1.2	0.264	58.5	15	84	33	2	65
115372	Nivel 1	Chip	1.8	0.088	10.9	25	16	21	2	64
115373	Nivel 1	Chip	1.8	0.211	17.7	27	7	37	2	72
115374	Gloria 1	Select	0	0.547	93	14	58	395	2	722
115375	La Dura	Chip	1.2	4.6	180	21	93	91	2	85
115376	La Dura	Chip	2	2.74	173	7	47	22	2	28
115377	La Dura	Chip	3	0.212	13.1	3	5	9	2	44
115378	La Dura	Chip	1	0.756	16.6	22	4	22	2	14

SAMPLES TAKEN BY CRM IN 1995

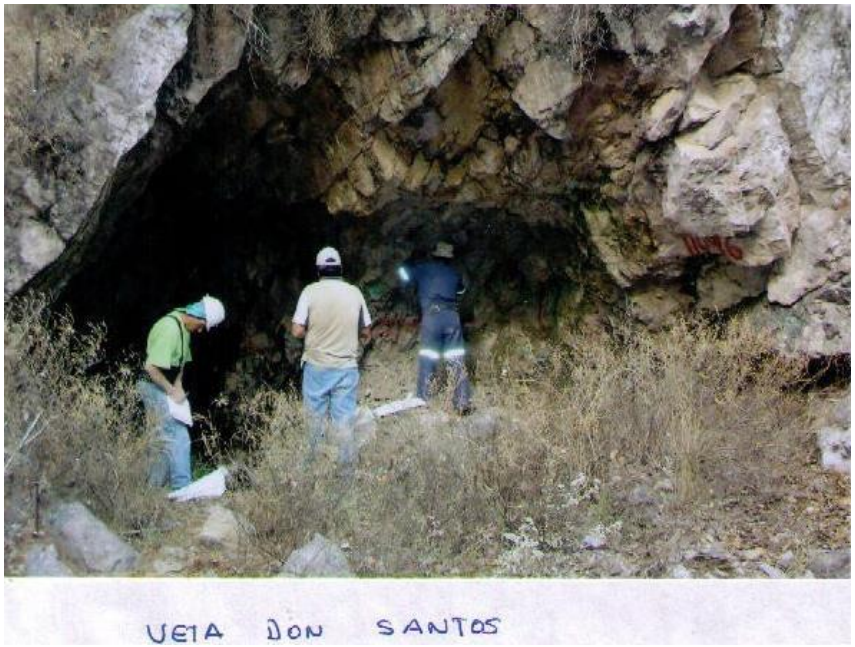
			longitud	Au	Ag
LA GLORIA	FALLA 2 (BAJO)	LD-171	1.0	2.52	109
EL DIVISADERO	FALLA 3 (BAJO)	LD-12A	1.10	2.35	42
		LD-13	1.30	2.73	1.23
AZUL	FALLA TRANSVERSAL (ALTO)	LD-4A	0.85	0.15	182
		LD-5C	0.60	2.75	92
	FALLA 2 (BAJO)	LD-9B	1.70	1.38	56
	FALLA 1 (BAJO)	LD-11	1.10	0.59	125
MINA LA DURA	FALLA 2 (BAJO) (NIVEL 0)	LD-17	0.95	4.03	27
	FALLA 1 (ALTO) (NIVEL 1)	LD-27	1.40	1.88	67
		LD-32	1.50	3.88	290
		LD-33A	0.95	1.00	67
	FALLA 2 (BAJO)	LD-38	1.35	1.90	108
	FALLA 2 (BAJO) (NIVELES 1 Y 2)	LD-71	1.20	2.46	192
		LD-72	1.20	1.73	121
	FALLA 2 (BAJO)	LD-82	1.0	1.10	57
	FALLA 2 (ALTO)	LD-83	1.50	1.56	93
	ENTRE FALLA 2 Y FALLA 3 (NIVEL 3)	LD-90	2.0	5.37	37
	FALLA 2 (ALTO) (NIVEL 3)	LD-96	1.70	1.00	51
		LD-98	1.50	16.31	490
		LD-99	1.10	11.60	305
		LD-101	1.10	1.13	47
		LD-104	2.0	1.12	55
		LD-110	1.50	2.76	62
	FALLA 1 (BAJO)	LD-100	1.50	1.95	134
		LD-115	1.85	1.34	56
	FALLA 3 (BAJO) (NIVEL DISCO)	LD-126	1.05	4.34	282
		LD-127	1.75	1.41	52
	FALLA 3 (ALTO)	LD-135	1.35	1.10	288
	FALLA 2 (ALTO) (NIVEL INFERIOR)	LD-142	1.50	0.10	161
		LD-143	1.50	0.15	237
EL POLVORIN (CRUCERO)		LD-149	1.60	0.20	174
		LD-150	1.60	0.20	202

SAMPLES TAKEN BY PEÑOLES 1997

MUESTRA	ANCHO REAL (m)	gr/ton Au	gr/ton Ag	LUGAR
5001	0.35	0.73	25	Nivel 1, frente NW, falla 2.
5002	0.50	0.08	10	Al alto de la 5001.
5003	1.20	0.08	12	Nivel 1, frente NW, alto de la falla 2.
5004	1.10	0.14	22	Al bajo de la 5003.
5005	1.00	1.73	140	Nivel inferior, frente NW, falla 3.
5006	1.35	6.00	428	Bajo de la 5005, sulfuros de Fe y Ag.
5007	1.25	13.00	622	Al bajo de la 5006, sulfuros Fe, Ag y cuarzo.
5008	1.25	0.67	50	Nivel inferior, roca sin ramaleo.
5009	1.60	0.38	22	Nivel inferior, roca silicificada, alto de F3.
5010	1.30	0.15	13	Nivel disco, frente NW, falla 2.
5011	0.85	0.06	6	Al alto de la 5012.
5012	1.30	18.50	931	Nivel intermedio ó 4, frente NW, Clavo Chinaca.
5013	1.05	0.54	23	Al alto de la 5012.
5014	±3.00	0.61	51	Nivel inferior roca al bajo de falla 3.
5015	1.40	0.37	7	Nivel 3, frente SE, falla 3.
5016		7.25	291	Carga nivel 3, frente NW, falla 3.
5017		1.42	102	Carga de banda, quebrada.
5018		94.50	4356	Concentrado húmedo.

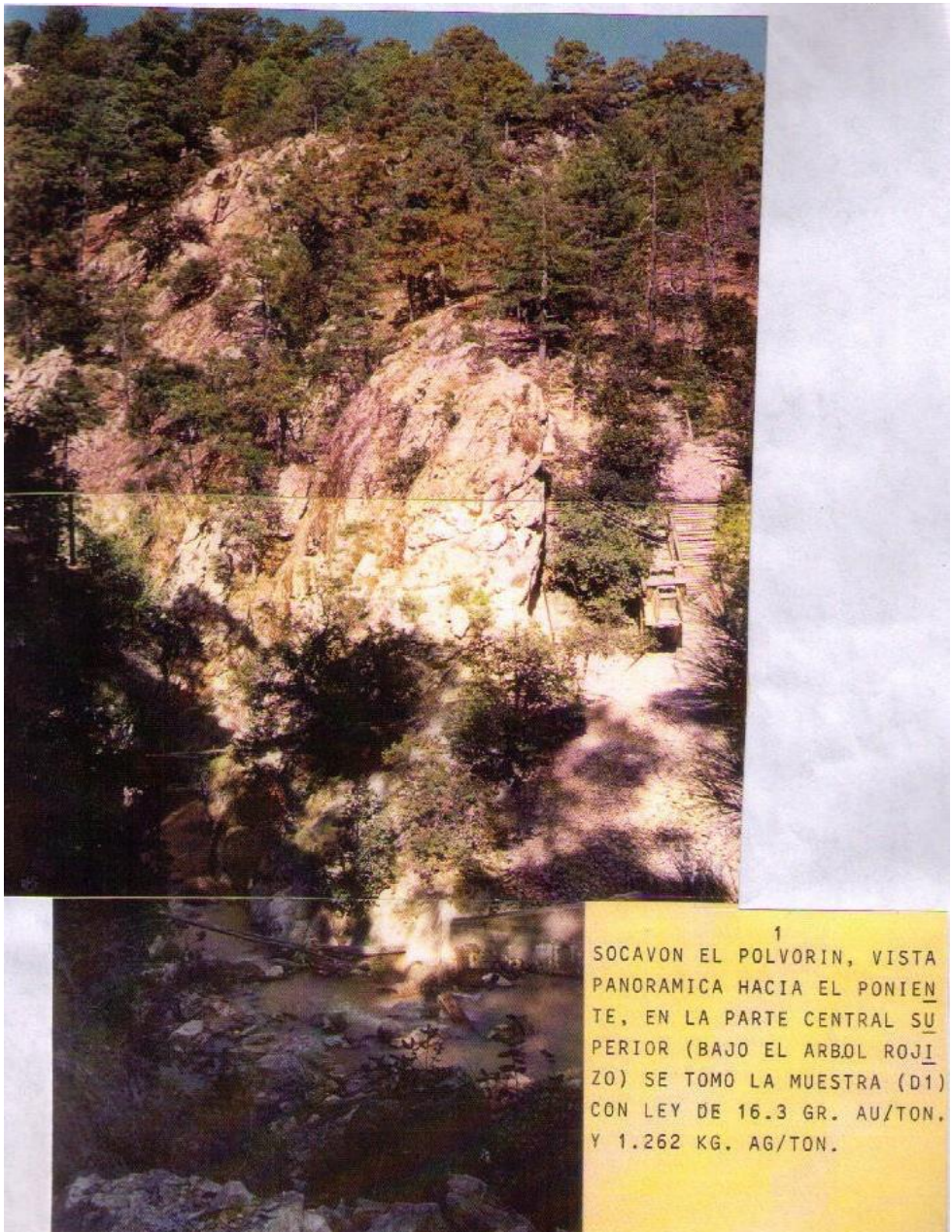
LA DURA STRUCTURE

MESA DE LOS BECERROS



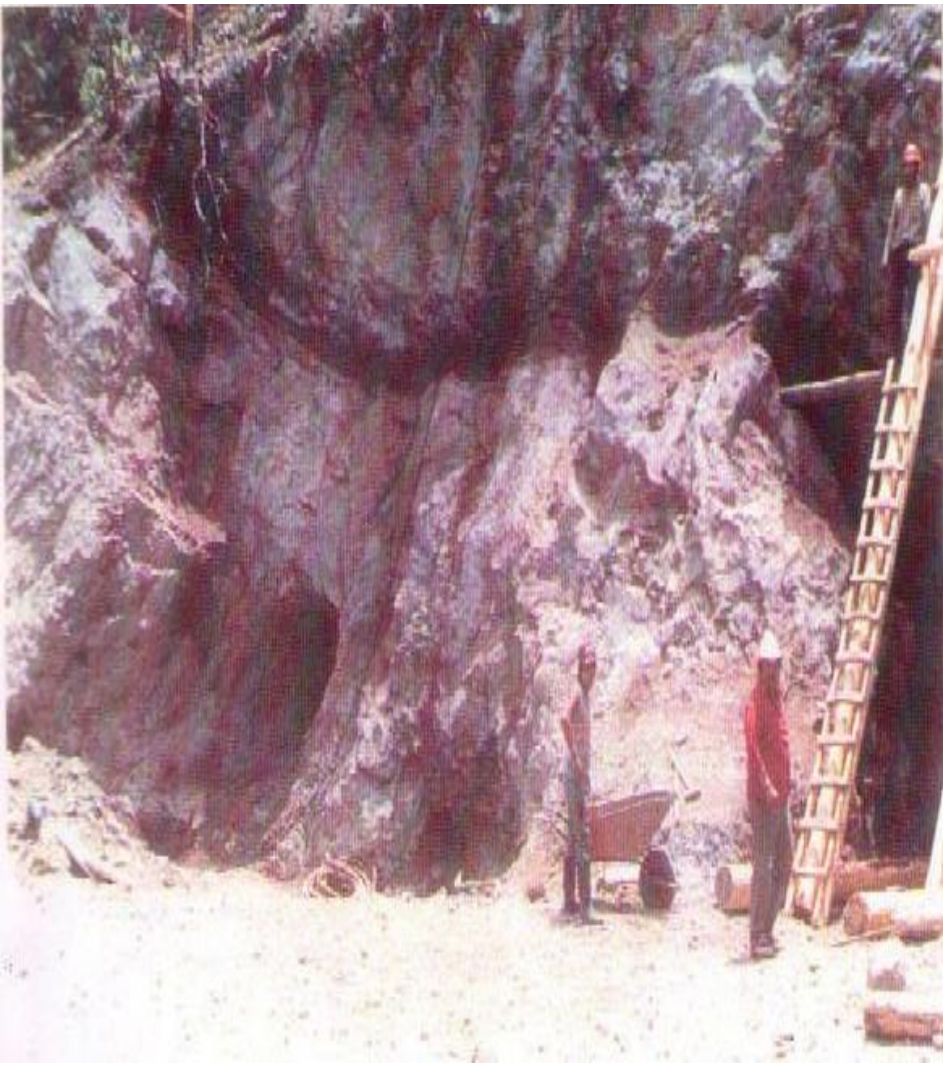
PLAN 3 ACCESS

EL POLVORIN

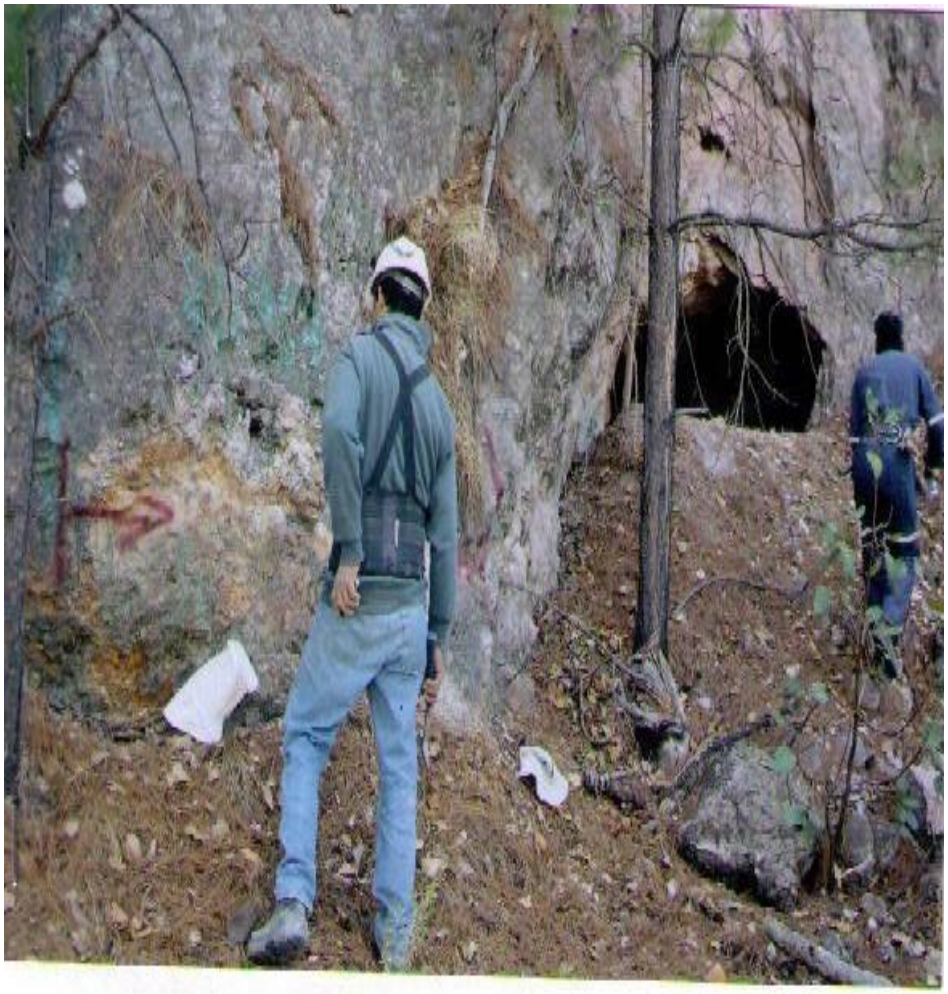


1
SOCAVON EL POLVORIN, VISTA PANORAMICA HACIA EL PONIENTE, EN LA PARTE CENTRAL SUPERIOR (BAJO EL ARBOL ROJIZO) SE TOMO LA MUESTRA (D1) CON LEY DE 16.3 GR. AU/TON. Y 1.262 KG. AG/TON.

SAN PEDRO EL ALTO

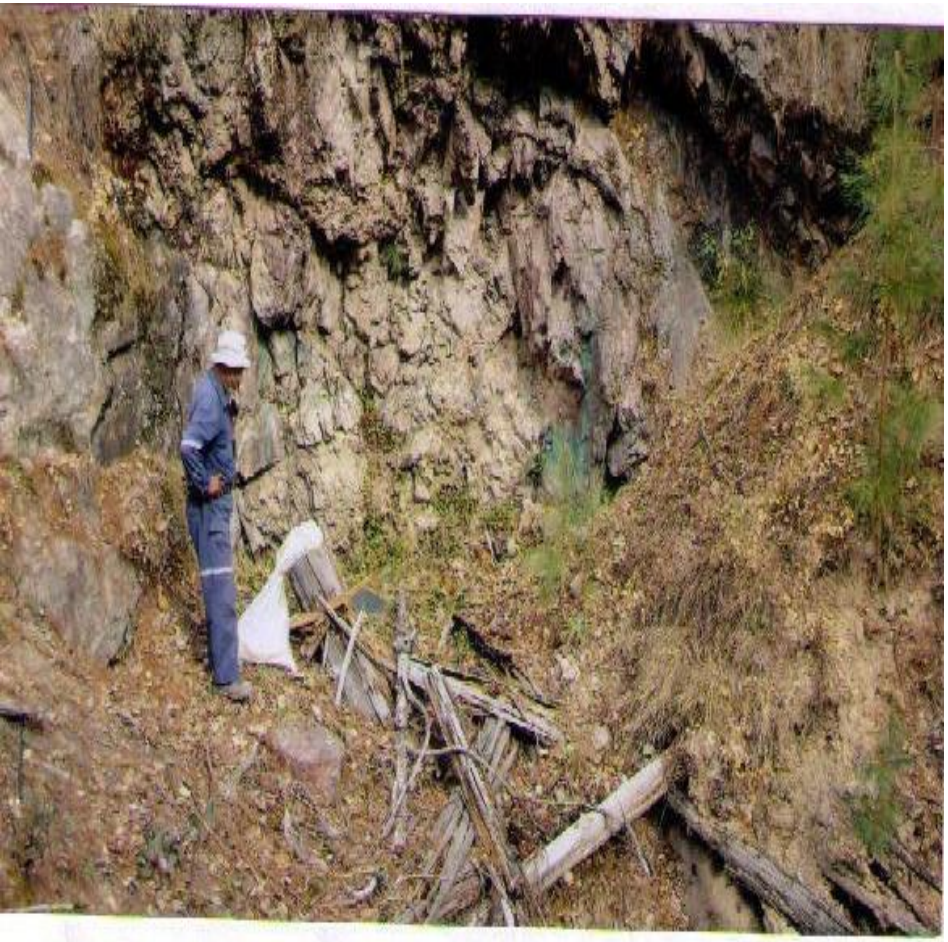


SAN PEDRITO



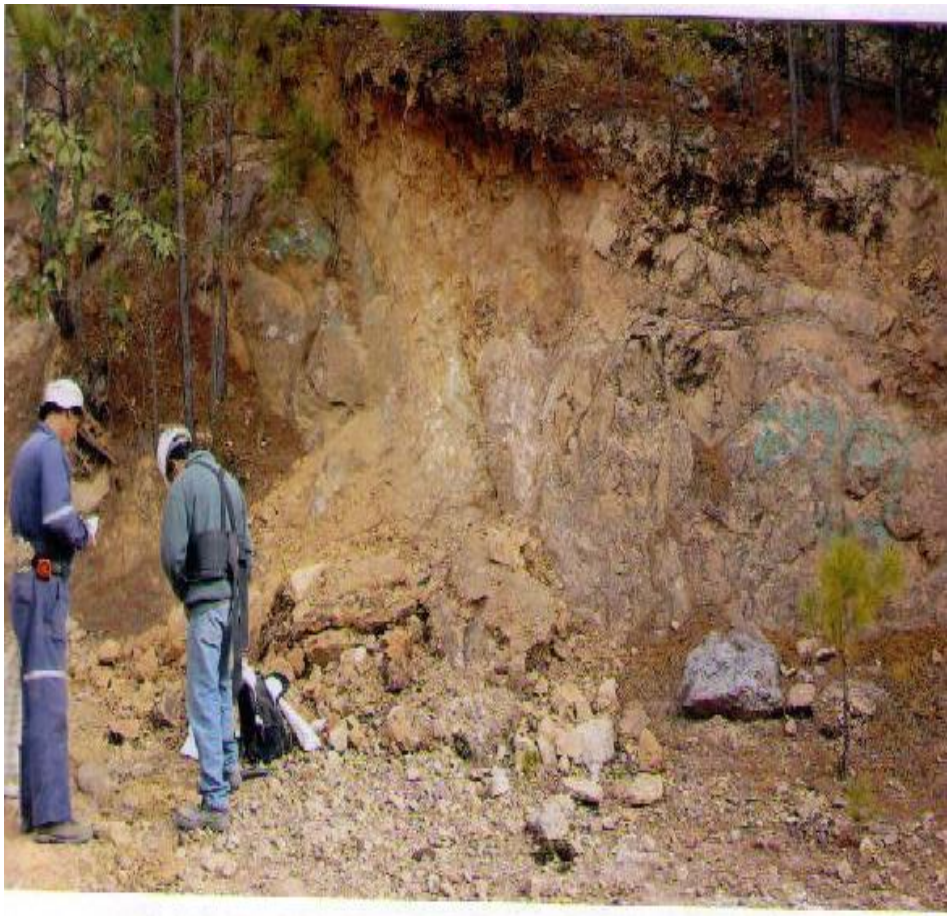
TIRO SAN PEDRITO (ATERRADO)

SANTO TOMAS



TIRO SANTO TOMAS ATERRADO

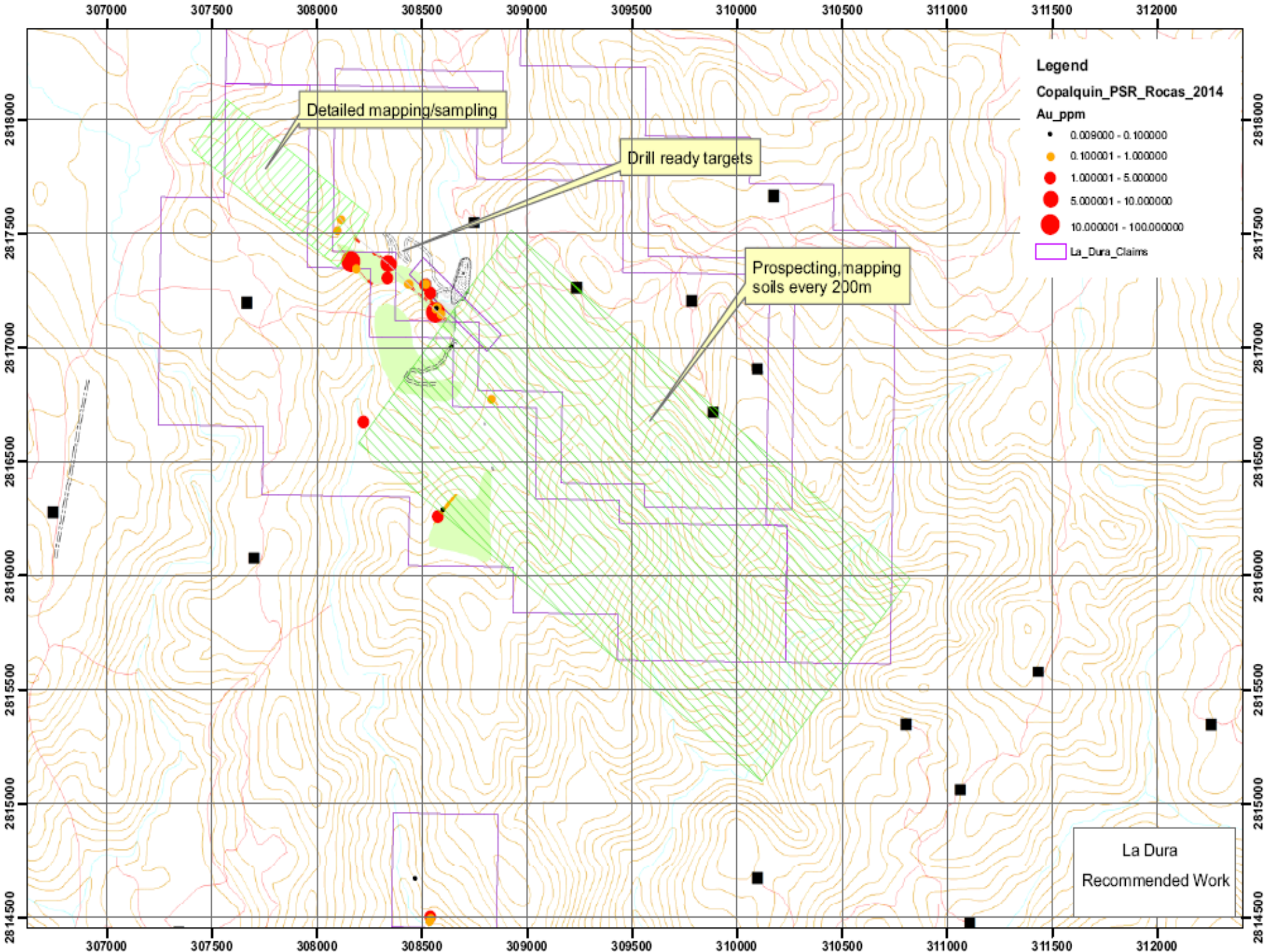
OUTCROP



AFLORAMIENTO CAMINO A SAN PEDRO

GEOLOGICAL MINING POTENTIAL

- The veins-faults tend to gather at depth, leaving the possibility that formalize a body mineralized with gold, silver, lead and zinc values and that there is change of rock casing to andesite, which in the sub province of Barrancas is best recipient of economic mineralization.
- The potential of the La Dura mine, and therefore its future development is almost completely down, on the continuation of the ore shoots San Manuel, Giovana and Chinacá, laterally and at the higher levels cross faults bound the mineralized block.
- This potential down is supported or also indicated by the assay results of samples where the values of base metals (Pb-Cu) are minimal, so the exploitation, is assumed, is an elevated level of silver-gold mineralization and starting to enter sulfides zone, where that will be more evenly and probably most consistent grades, compared with the irregularity of the area exploited until today oxidation-enrichment.
- The deposit has good geological potential at depth about the 3 faults and under exploited ore shoots. The structural consistency of the mineralized faults and high values of Silver-Gold registered in with sulphides samples taken in the lower levels of the mine support this potential.
- We must explore Northwest works which may be a continuation of the structures of the main mine, which may also represent more potential at depth (**Minita-Plan 3**, **Mesa de los Becerros**).


Detailed mapping/sampling
Drill ready targets
Prospecting, mapping soils every 200m
Legend
Copalquin_PSR_Rocas_2014
Au_ppm
0.009000 - 0.100000
0.100001 - 1.000000
1.000001 - 5.000000
5.000001 - 10.000000
10.000001 - 100.000000
La_Dura_Claims
La Dura
Recommended Work
307000
307500
308000
308500
309000
309500
310000
310500
311000
311500
312000
2818000
2817500
2817000
2816500
2816000
2815500
2815000
2814500

METALLURGICAL STUDIES

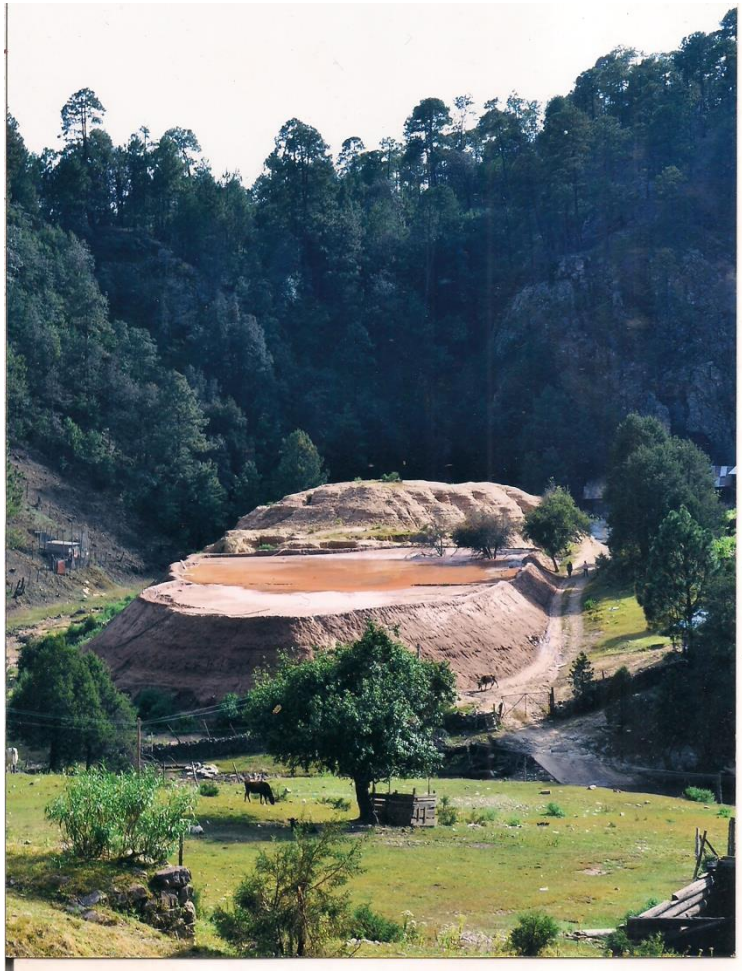
Aguayo (1995) reported that a sample of composite of five different works from La Dura, concluded that one of two tests, could recover by flotation the 93.07% gold and the 73.71% of silver.

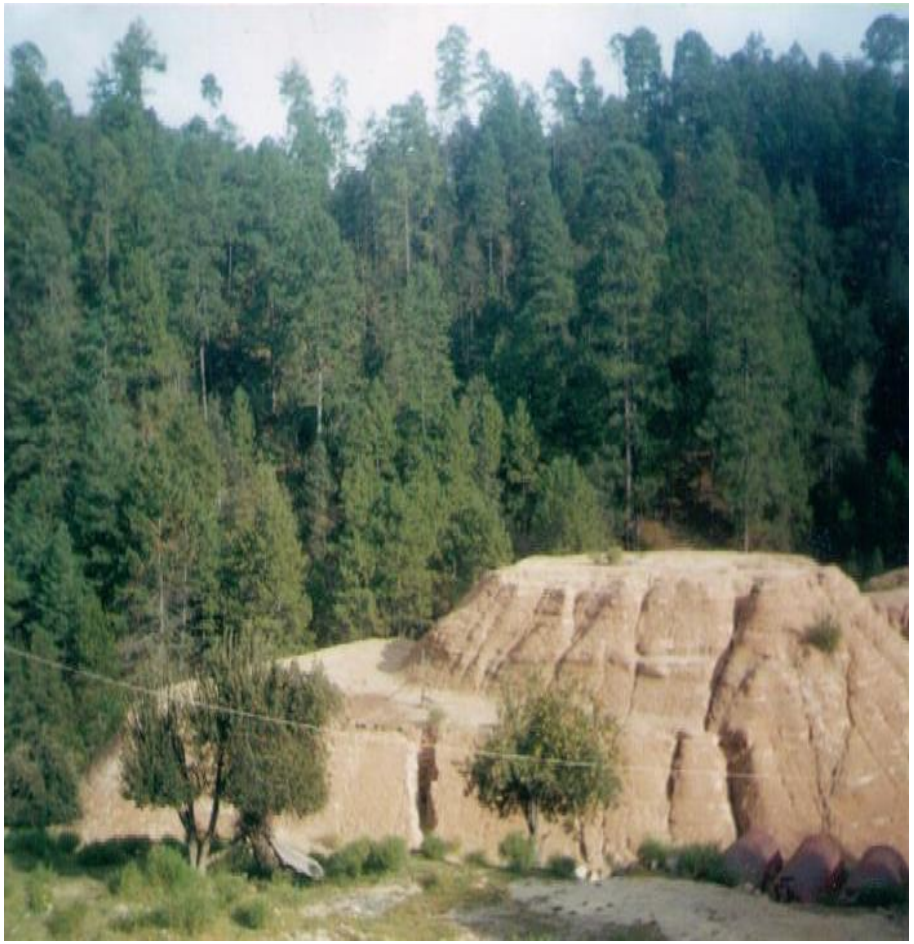
In a metallurgical test performed to La Dura mineralized rock by Peñoles. Valenzuela (1998) reported that ore responded well to flotation in bulk (bulk flotation) with a recovery of 85.7% gold and 89% silver.

A metallurgical test carried out by the Council of Mineral Resources and completed by the Experimental Centre of Chihuahua. Ochoa (1999) reported that a sample of the tailings with head of 1.8 g/t Au and 52 g/t Ag by dynamic cyanidation treatment resulted in the dissolution of the 85.71% of the gold and the 40.38% of the silver in 24 hours. Table of results below:

Time	% recovery	
	Au	Ag
24 hrs	87.71	40.38
48 hrs	95.45	46.15
72 hrs	96.00	46.15

TAILINGS DAM





- We have a tailings dam where the oldest part has approximately 120,000 tons with average grades of 1.2 g/t Au and 58 g/t Ag, and the newest approximately 50,000 tons with average grades of .5 g/t Au and 50 g/t Ag.
- The study of dynamic cyanidation (topsheet) reported very favorable recoveries from the tailings by that method (96% Au, 46.15% Ag in 72 hrs.).

CONCLUSIONS

- It is clear that the **La Dura** mine has been a mining operation at low level, which has given economic performance, its extensive carvings and more or less permanent exploitation demonstrated it.
- Currently the exploitation is up to date, there is no blocking of ore, but the deposit has geological potential over the three faults, mainly NW and down of existing levels.
- The expectation of increased presence of sulfides at depth, as observed in the level 4, will allow a better control of the economic mineral to extract.
- The project **La Dura** is home to a significant vein system Au-Ag in sheets to stockwork associated with faults striking NW at tertiary rhyolite. Mineralization occurs in the surface along 650 m of course and has been mined in the San Manuel session to about 140 m deep. Veins are veins of low sulfide with little or no alteration of the rhyolitic Tuff guest. The veins have been exploited and explored only on the basis of underground works and essays. No mapping, systematic geochemical or drilling has been completed. The project ensures scale mapping of the property, wide and spaced soil sampling and an initial phase of diamond drilling. Drilling can easily test the main vein system of **La Dura** at depth under the lower works, the structures of **Minita-Plan 3** and **Mesa de los Becerros** in depth, as well as tests of the **Santo Tomas** structure at depth. The veins seem to be sponsored by a superior Series of volcanic rocks and could have significant potential at depth in case they extend in the minor series of andesitic rocks in any greater depth.

- The property of **La Dura** is located in a region of the geologically favorable mineral belt where due to the environment and to the faults of mineralized breccias, may possess potential economic values of gold and silver. Historical mines of high grade at Copalquin district like El Refugio, La Soledad and El Cometa, the potential open pit mines as the Mulatos in the North, or the significance of the current producers as the Bacis underground mines to the South, all demonstrate the potential for the development of various economic mineral resources within the mineral belt. The **La Dura** property has the potential for the development of additional reserves in mineral areas of the structure of **La Dura**, but also within other areas of faults/veins, stockwork, and as disseminations in mineralized rock areas.

- There are other areas that reveal areas of mineralized faults/breccias, such as **San Pedro el Alto** 900 meters south of **La Dura**, **San Pedrito** 600 meters to the Southwest; the **Minita-Plan 3**, **Polvorin** and **Mesa de los Becerros** which can be the prolongation of the La Dura to the Northwest, that have potential of mineralized zones or as **Barbuzon** which could be a disseminated low-grade rhyolite breccia zone. Geological maps, focused on structures and alterations, should disclose the main targets for further exploration areas.

WE ARE SEARCHING FOR:

- Our interest is that you visit the project, see their potential, confirm existing information and take their own samples and conclusions.

- We intend to the negotiation of an exploration contract with option to purchase, based on a price per Oz Au or cubed equivalent, but we are open to discuss any other proposal for negotiation in this regard.

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