TECHNICAL REPORT ON THE PINAYA GOLD-COPPER PROPERTY

SOUTH CENTRAL PERU

Mineral Concessions

Antaña, La Porfia, Fiorella 2003, Don Pedro 2000, Volcanilla, Volcanilla 2, Volcanilla 3, Volcanilla 4, Panchito, Panchito 2, Panchito 3, Manuelito 1, Manuelito 2, Manuelito 3, Manuelito 4, Tesalia, and Tesalia 1

Geographic Coordinates
Centred at Approximately
15° 35' S
70° 58' W

Peruvian (NTS) Map Area Lagunillas 32-U

July 14, 2006

Prepared for
Acero-Martin Exploration Inc.

By

James A. McCrea, P.Geo.
#306, 10743 139 Street
Surrey, British Columbia; Canada

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

LIST OF APPENDICES

SUMMARY

During early 2004, Acero-Martin Exploration Inc. (Acero-Martin) initiated a program of exploration for epithermal gold and porphyry copper-gold deposits in southern and central Peru. These activities resulted in the acquisition of the Pinaya Gold-Copper Property, which encompasses 17 contiguous mineral concessions covering approximately 7900 hectares, within the Puno Mining Department of south-central Peru. At Pinaya, Acero-Martin holds an option to purchase three of the concessions from Compañía Minera Aurifera Los Andes de Pinaya S.A. (COMAPI) and one concession from Minera Pinaya S.A. Canper Exploraciones S.A.C., a wholly owned Peruvian subsidiary of Acero-Martin, holds an additional 13 concessions. The concessions are not subject to any royalties or back-in interest by the owners. However, there is a government royalty applied to all mining projects in Peru.

The Pinaya Property is located near the south-eastern end of the Andahuaylas-Yauri metallogenic Belt (AYB), which is host to at least 31 mineralized centres with porphyry-style alteration and mineralization. These include the Tintaya Mine, located within the southern part of the AYB, and which is host to a resource of about 139 Mt with 1.39 % Cu and 0.23 g/t Au. Other significant deposits within the AYB include, Antapaccay with 383 Mt averaging 0.89 % Cu and 0.16 g/t Au; Quechua with 300 Mt averaging 0.68 % Cu; and Coroccohuayco with 155 Mt averaging 1.57 % Cu and 0.16 g/t Au.

From early 2004 to the middle of 2006, Acero-Martin carried out ground geophysical surveys including magnetics and IP (Induced Polarization) geophysics; soil geochemical surveys; trenching with associated litho-geochemical surveys; geologic and structural mapping, and diamond drilling of 61 holes. This work concentrated on an approximately 800 hectare area located within the central part of the property, and resulted in the discovery and partial delineation of significant copper-gold porphyry and gold-copper skarn mineralization. The company has yet to conduct a comprehensive reconnaissance exploration program over the remainder of the property.

At Pinaya, copper and gold mineralization is coincident with a multiphase intrusive complex and associated breccias termed the Pinaya Intrusive Complex (PIC). The property encompasses at least two porphyry copper-gold centres: the Western Porphyry Zone (WPZ) and Pedro Dos Mil; a gold-copper skarn zone (GOSZ); and structurally controlled gold mineralization at Montana De Cobre.

The WPZ, located immediately west of the GOSZ, has been traced by outcrops, surface trenches, and drilling over a strike length exceeding 1,500 metres and across widths of 300 metres or more. The copper-gold tenor at the WPZ depends on the associated intrusive phase, structural complexities and alteration overprints. This zone is host to a yet undefined potentially SX-EW treatable copper resource of supergene and hypogene chalcocite to a depth of up to 200 metres.

To date, some 27 drill holes have been completed within the southern part of the WPZ. This area has produced some of the most significant copper-gold drill intersections to date, including:

Hole ID	From (m)	To (m)	Thick (m)	Au (g/t)	Cu (%)
PDH-016	0.00	61.00	61.00	0.53	0.02
And	91.00	260.50	169.50	0.69	0.51
Incl.	91.00	181.50	98.50	0.87	0.68
PDH-022	137.00	189.60	52.60	0.07	0.62
Incl.	144.80	167.60	22.80	0.13	1.09
PDH-039	55.15	139.10	83.95	2.11	1.11
PDH-047	156.40	273.20	116.80	0.61	0.33
PDH-055	154.00	240.90	86.90	0.48	0.67
Incl.	209.00	221.45	12.45	1.19	1.36
PDH-059	62.40	106.36	43.96	0.11	1.72
PDH-060	189.00	292.00	103.00	1.28	1.21
Incl.	216.20	263.00	46.80	1.86	2.17

Within the southern part of the WPZ, copper-gold mineralization is hosted primarily within a faulted, easterly dipping, porphyry body. Associated skarn mineralization, and supergene and hypogene enriched mineralization lie in close proximity to the intrusive body. Drilling has outlined this part of the WPZ for about 400 metres along a northwest trending axis by about 250 metres along a northeast axis. In general, mineralization associated with the intrusive may average 60 to 80 metres in thickness, and may increase to the east, where it is up to 149.70 metres thick in PDH-051. The copper-gold mineralization appears to dip below the GOSZ at the open-cut, but additional infill drilling is required to confirm this. The mineralization remains open in all directions.

The central and northern portions of the WPZ have been traced over a distance exceeding 800 metres along strike. Fourteen drill holes have been completed along this trend, with generally thinner intersections of porphyry intrusive, and somewhat lower grades of gold and copper mineralization, results include:

Hole ID	From (m)	To (m)	Thick (m)	Au (g/t)	Cu (%)
PDH-015	9.50	56.30	46.80	0.32	1.10
PDH-019	38.50	56.50	18.00	0.28	0.45
PDH-046	321.70	386.50	64.80	0.02	1.03
PDH-048	54.70	174.70	120.0	0.23	0.35

Adjacent to the east of the southern WPZ, structurally controlled skarn mineralization of the GOSZ has previously been exploited by artisanal miners who produced an open cut measuring 300 metres in length by 30-40 metres in width and up to 20 metres in depth from the surface where they have mined visible free gold. Mineralized zones are structurally controlled and associated with intense brecciation, shearing and alteration. To date 15 drill holes have tested this zone along a strike length exceeding 500 metres, including:

Hole ID	From (m)	To (m)	Thick (m)	Au (g/t)	Cu (%)
PDH-001	30.80	152.75	121.95	1.21	0.25
incl.	30.80	108.35	77.55	1.83	0.16
Or	49.50	80.50	31.00	4.14	0.26
And	108.35	152.75	44.40	0.11	0.40
PDH-003	0.00	79.25	79.25	0.85	
PDH-005	0.00	89.30	89.30	1.00	0.09
Incl.	53.20	89.30	36.10	1.75	0.16
PDH-007	0.00	85.50	85.50	1.37	0.13
And	38.25	76.50	38.25	2.57	0.20

Exploration to date has shown extensive copper-gold mineralization at the Pinaya Property; this is a new discovery in the region. Given its location and similar geological environment to other mineral deposits in Peru, the property has excellent potential to host a significant gold-copper resource. The Pinaya Property is a property of merit. It is recommended that the current 10,000 metre drill program be expanded to 20,000 metres, to allow for the estimation of resources for the Pinaya Property in the coming months.

INTRODUCTION

Acero-Martin Explorations Inc. (Acero-Martin) retained the author during 2005 to review the exploration and prepare an independent summary report for the Pinaya Gold-Copper Property and to propose future exploration (if warranted) for the property. The author has visited the Pinaya Gold-Copper Property several occasions to review the exploration and data. Acero-Martin may use this report for the purpose of raising exploration funds or other regulatory requirements of the company.

This technical report on the Pinaya Property has been prepared to comply with the standards outlined in National Instrument 43-101. The author visited the property in January of 2004 and during the 2005 and 2006 drill programs.

Sources of Information

This evaluation was based on published and unpublished material and data submitted to the author by Acero-Martin. The author relies on over 18 years of field experience on gold and copper deposits and prospects similar to that at the Pinaya Gold-Copper Property. Most of the information used to prepare this report was complied and interpreted by Nadia Caira, a Professional Geoscientist registered in British Columbia. Ms. Caira has considerable experience in the evaluation and development of projects similar to the Pinaya Project. Ms. Caira is considered an expert on Copper-Gold Porphyry systems and has written several published and unpublished reports on these types of deposit.

RELIANCE ON OTHER EXPERTS

The report herein relies on data available in published and unpublished reports, researched by the author and supplied by Acero-Martin. The information provided by Acero-Martin is considered to be of a very high quality. Authors experienced in geology or related fields prepared the reports. Jeff Reeder, a director of Acero-Martin, and a registered Professional Geoscientist in British Columbia, reviewed the information. Nadia Caira and Cary Pothorin, both registered Professional Geoscientists in British Columbia manage the day to day exploration activities on the project.

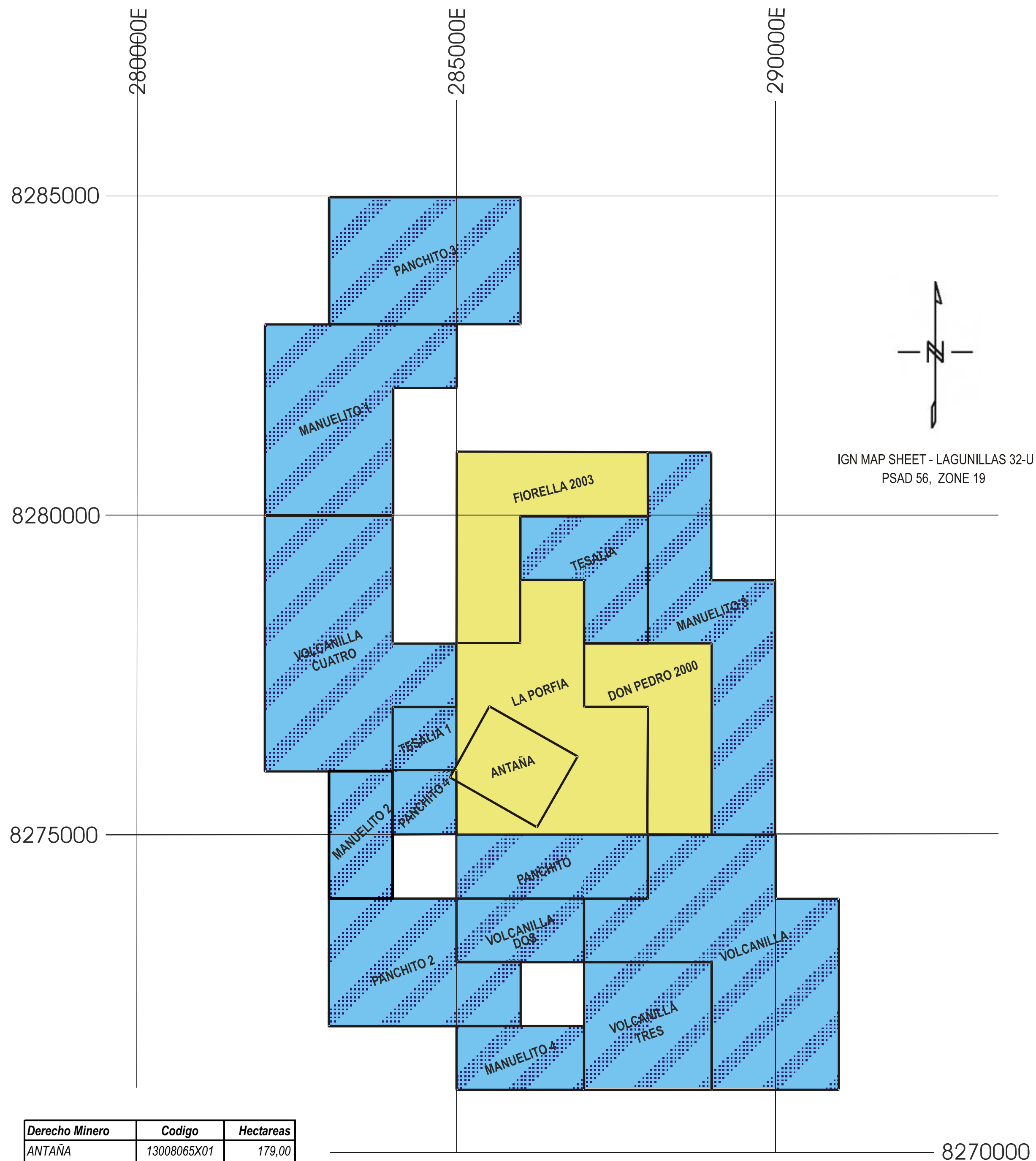
PROPERTY DESCRIPTION AND LOCATION

The Pinaya Gold-Copper Property is located approximately 775 kilometres southeast of Lima in the eastern part of the Andean Western Cordillera in south-central Peru, 110 kilometres north east of the city of Arequipa and 35 kilometres west of the community of Pinaya (Figure 1 and Figure 3). It is located within the political boundaries of the Department of Puno and within the Provinces of Caylloma and Lampa, in the District of Callalli and Santa Lucia.

The geographic centre of the Pinaya Gold-Copper Property is approximately 15°35' south longitude and 70°58' west latitude; within Peruvian National Topographic System (NTS) map area, Lagunillas 32-U. Seventeen contiguous mineral concessions comprise the property and total 7900 hectares or approximately 79 square kilometres. The concessions, their sizes and entry codes are summarized in Table 1 and Figure 2.

The initial mineral occurrence that gained the interest of Acero-Martin was a hand excavated open cut currently on the Antaña concession. Additional concessions were applied for to cover possible extensions and parallel structures to the zone of interest.

Figure 1
Location Map



Derecho Minero	Codigo	Hectareas
ANTAÑA	13008065X01	179,00
LA PORFIA	10019192	721,77
FIORELLA 2003	80001403	500,00
DON PEDRO 2000	80001200	400,00
VOLCANILLA	01-03652-03	1.000,00
VOLCANILLA 2	01-00218-04	200,00
VOLCANILLA 3	01-00640-04	400,00
VOLCANILLA 4	01-00641-04	900,00
PANCHITO	01-01173-04	300,00
PANCHITO 2	01-03345-04	500,00
PANCHITO 3	01-00127-05	600,00
PANCHITO 4	01-00709-06	100,00
MANUELITO 1	01-03760-04	700,00
MANUELITO 2	01-03761-04	200,00
MANUELITO 3	01-03762-04	700,00
MANUELITO 4	01-03763-04	200,00
TESALIA	01-01631-04	300,00
TESALIA 1	01-01632-04	100,00

SCALE

0 2000 4000 (meters)
1000 3000 5000

OPTIONED PROPERTY

100% CANPER EXPLORACIONES

ACERO-MARTIN EXPLORATION INC.

Pinaya Project, Peru

Figure 2
Concession Map

WM 2006.07

The three concessions held by Compañia Minera Aurifera Los Andes de Pinaya S.A.C. (COMAPI) are under option by Acero-Martin. To earn a 100% interest in the concessions, Acero-Martin must make staged payments totalling $2,500,000 US over a 3-year period. To date Acero-Martin has paid a total $ 1,400,000 US. After earning 100%, the concessions will be transferred to Acero-Martin. To earn 100% interest in the Don Pedro concession, Acero-Martin must make staged payments to Minera Pinaya totalling $250,000 over three years. To date a total of $90,000 US have be paid. The other concessions are wholly owned by Acero-Martin. There are no underlying royalties or back-in interests on any of the concessions.

Canper Exploration S.A.C. (CANPER) holds the underlying option agreements and concessions. Acero-Martin acquired CANPER in April 2004 for a total of 3 million shares over a 3-year period. An additional 1 million shares of the company may be issued as follows:

a) If a probable reserve of 750,000 ounces of gold is outlined at Pinaya, then 500,000 shares will be issued; and

b) If a probable reserve of 2,500,000 ounces of gold is outlined at Pinaya, then a further 500,000 shares will be issued.

The TSX Venture Exchange accepted the agreement between Acero-Martin and CANPER on November 2, 2004. CANPER is now a wholly owned subsidiary of Acero-Martin.

Table 1: List of Mineral Concessions

Concession Name	Status	Mining Code	Hectares
Antaña*	Option to earn 100%	13008065X01	179
La Porfia*	Option to earn 100%	10019192	721.77
Fiorella 2003*	Option to earn 100%	80001403	500
Don Pedro 2000**	Option to earn 100%	80001200	400
Volcanilla	100% owned	01-03652-03	1000
Volcanilla 2	100% owned	01-00218-04	200
Volcanilla 3	100% owned	01-00640-04	400
Volcanilla 4	100% owned	01-00641-04	900
Panchito	100% owned	01-01173-04	300
Panchito 2	100% owned	01-03345-04	500
Panchito 3	100% owned	01-00127-05	600
Manuelito 1***	100% owned	01-03760-04	700
Manuelito 2***	100% owned	01-03761-04	200
Manuelito 3***	100% owned	01-03762-04	700
Manuelito 4	100% owned	01-03763-04	200
Tesalia	100% owned	01-01631-04	300
Tesalia 1	100% owned	01-01632-04	100

*Under option from Compañia Minera Andes de Pinaya
** Under option from Minera Pinaya S.A
*** Pending final publication and approval by the Peruvian Ministry of Mines

Mineral rights in Peru are awarded by the national government. The current system of acquiring mineral rights is by applying for concessions at the Ministry of Mines. Concession boundaries are specified on the application by indicating the locations of the corners of the concessions. Coordinates must be specified to the nearest 1,000-metre UTM coordinate, and boundaries must be oriented north-south and east-west. Concessions awarded before 1992 can have irregular coordinates. These concessions have specific corners that were legally surveyed in the field and must be registered at the Ministry of Mines. The only mineral concession with irregular coordinates is the Antaña mineral concession.

All concessions held by COMAPI are in good standing until June 30th, 2007. Mineral concessions held by CANPER were acquired during 2003 and 2004 and are in good standing until June 30th, 2007. Annual concession payment requirements are US$3 per hectare. To keep the concessions in good standing, annual tax payments must be received by June 30th. In order to conduct detailed exploration work, such as roadwork and drilling, permits must be obtained from the Peruvian Ministry of Mines. It is not necessary to obtain permits for basic exploration, such as mapping and sampling. Companies are also required to submit a summary of annual exploration expenditures to the Peruvian Ministry of Mines. Recently, the company has received a Category C permit, allowing the company to build 132 drill pads on the property. This permit was obtained on October 31st, 2005 and is valid for one year. The permit is located in Appendix 2.

ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

Transportation to and throughout the Pinaya Property is considered excellent. Access to the property from the city of Arequipa is by initially traveling along the Peruvian Highway Number 30B, which is 142 kilometres of paved road (approximately 1.75 hours), and then 22 kilometres (about 0.5 hours) along BHP Billiton's main access road to the Tintaya Copper Mine, a regularly serviced gravel road (Figure 3). The property is only 7 kilometres east of the Tintaya Mine Road and lies 70 kilometres southeast of the Tintaya Mine.

Arequipa is the second largest city in Peru and has an international airport and access to the Pacific port of Matarani, some 90 kilometres south along Peruvian Highway Number 30. Juliaca, Arequipa, and Matarani are linked by railway as well. Access to Arequipa from Lima is by air or by the Pan-American Highway and Highway 30. Supply routes to and from the property are considered excellent.

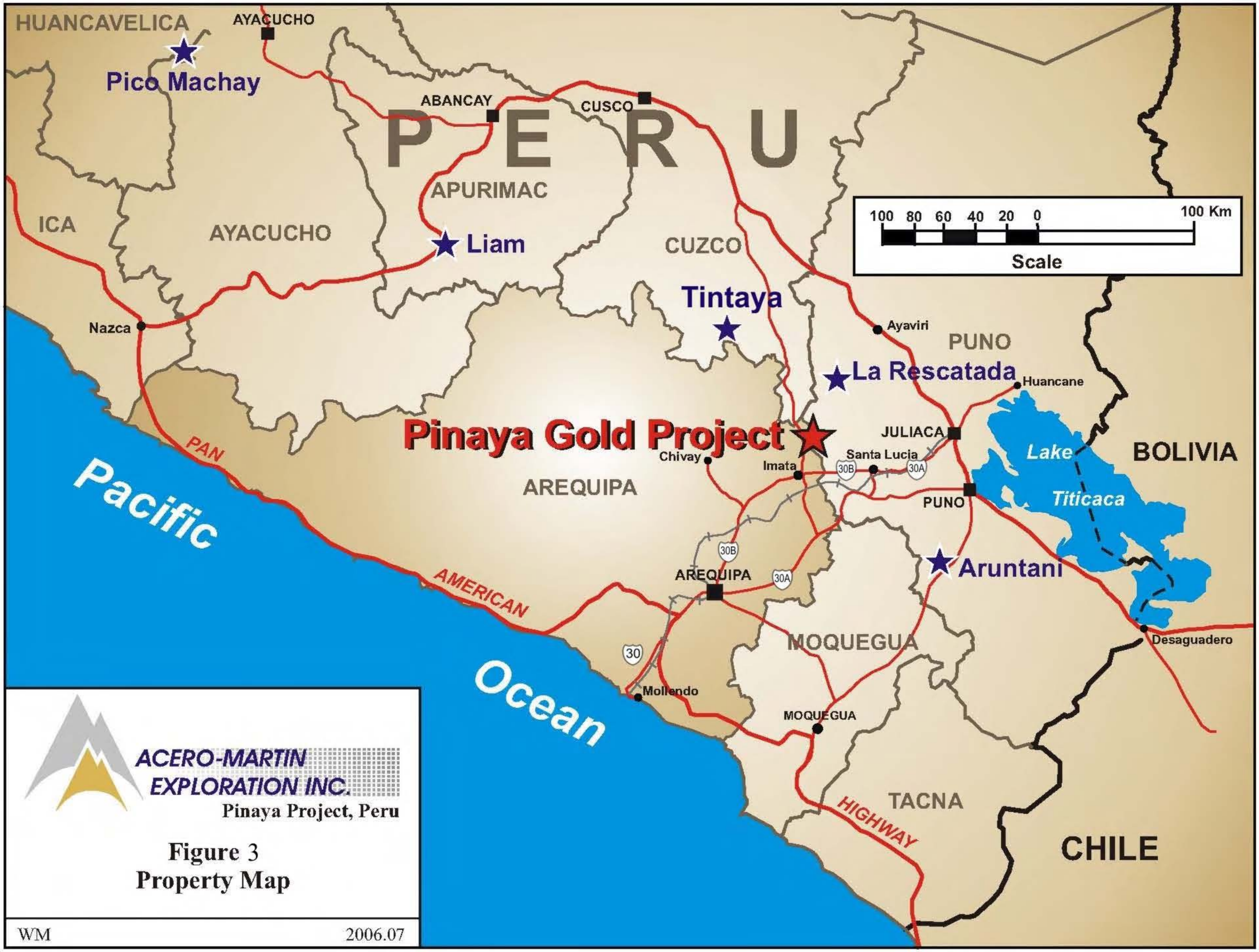
The community of Pinaya is located 35 kilometres to the east of the property, and is accessible by a gravel road.

Juliaca, the largest city in the Puno District, can be reached from Pinaya by about 0.75 hours travel time on a gravel road and 1.25 hours on paved Peruvian Highway Number 30B and 30A. As the project develops, road improvement programs will be necessary for the gravel road connecting the property to the Tintaya Mine Road, and the road connecting the property to the community of Pinaya.

Road access within the Pinaya Property consists of historic and new access roads to trenches and drill locations. The entire property is vehicle accessible. Two-wheel drive vehicles can access most of the property; however, four-wheel drive vehicles are mandatory for steeper areas.

Elevations at the property range from 4450 m to 4760 m above sea level with moderate relief and grass covered terrain. Slopes are typically covered with grasses at lower elevations. At higher elevations, talus cover is common with very little vegetation. Snow covers many of the surrounding peaks, which are in excess of 5100 metres in elevation.

Annual temperatures in the region range from greater than 25°C to less than -20°C. Day time temperatures commonly exceed 0°C with intense sunlight, and night temperatures from



ACERO-MARTIN EXPLORATION INC.
Pinaya Project, Peru

Figure 3
Property Map

WM 2006.07

December to July may drop below 0°C. The rainy season in this part of the Andes is from December to April. Dense fog is common throughout the rainy season; the precipitation includes snow, hail, and intense and dangerous lightning storms. The ground can freeze in the valleys. Water for drilling is available from shallow marshes and springs. The southern section of the open cut is flooded.

Ranching is an important source of income in the area. Alpaca, llama, sheep, or cattle herds commonly cross the property feeding on the grasses. Occasionally, caution is required around herding dogs. Fox, rabbit, wild chicken and small lizards are among the indigenous species rarely seen at the property.

HISTORY

Summary

During the 1990's, Peru's new mining laws attracted several international mining companies. As a result, several new gold mines were discovered, which made Peru, Latin America's largest gold producer. Yanacocha, Latin America's largest gold mine, commenced commercial operation in the early 1990's and is now producing over 2 million ounces of gold annually. In 1998, Barrick reached commercial production at Pierina, which produces approximately 900,000 ounces of gold annually. Both the Yanacocha and Pierina mines are hosted by highly prospective Tertiary Volcanics. During 2005, Barrick put their Laguna Norte Mine into production. Reserves are well over 10 million ounces of gold.

Favourable laws also attracted foreign investment in the base metals. The privatization of the Antamina Copper-Zinc Skarn in north central Peru by Noranda and Teck-Cominco resulted in over $2 billion US in investment. The Tintaya Copper Mine, located 70 km north of Pinaya, was privatized in late 1994. Tintaya, one of the largest copper producers in Peru, was recently purchased by Australian based Xstrata from BHP-Billiton for $750,000,000 US. Figure 3 shows the location of gold and base metal mines in Peru.

The Pinaya Gold-Copper Property has a documented history of exploration of about 40 years, with significant activity by artisanal miners occurring in the last 12 years. Two companies, including Acero-Martin, have conducted exploration programs on the concessions. The data collected by Acero-Martin is the only data currently available to the author in the form of private company reports, exploration summaries, assay data, and a NI 43-101 document (McCrea, 2004).

Much of the prior work reported here is related to geological exploration and historical mining, either bordering on or partially contained by the current area of Acero-Martin's Pinaya Property. The summary is not believed to be all-inclusive and all exploration activities may not be documented herein.

Artisanal Mining (1992-2004)

Artisanal miners previously owned the Pinaya Gold-Copper Property. The small-scale mining resulted in a drift that may have began in the late 1960's, and a more recent hand excavated 300 metre by 50 metre open cut with depths of up to 20 metres. Both the drift and open cut are limited to the Antaña Concession. The drift can be easily accessed and has been cleaned and chip channel sampled for a distance of 206 metres and appears to have followed steeply dipping hematite-malachite-azurite shears in brecciated quartz arenite conglomerates cut by small dykes of intermediate argillicly altered diorite porphyry.

Numerous other small, localized artisanal workings have been noted elsewhere on the property. Most of the showings, located outside the Antaña Concession, have focused on veins, sheared sections, or strongly altered mineral showings. These showings consist of copper oxides, specular hematite, barite, pyrite and/or chalcopyrite, and occur between the Pinaya Intrusive Complex and the Pedro Dos Mil porphyry to the east.

Mineral processing by the artisanal miners involved hand excavation, milling with large man-powered blocks of rounded stone, and separation of the gold by panning. All processing was completed onsite and tailings piles were created near the valley bottom that cover an area measuring 400x100 metres. At some time, or times, during the artisanal mining, mercury was used in the extraction process in the open cut pond and tailings areas.

The artisanal miners lived on the property site for approximately 12 years. In July of 2004, the miners and Acero-Martin reached an agreement whereby all of the miners left the property and mining of the open cut was permanently ceased. This accomplishment was achieved through careful negotiations that honoured the miners' source of income, namely mining the concession, the ownership of the claims by COMAPI, and the intentions of Acero-Martin. The miners, their families, and their belongings were relocated to nearby communities of their choice. Each miner was set up with a severance package equivalent to one year of income that would have been gained by their continued mining of the concession. Following the relocation of the miners, their shacks and buildings were dismantled and bulldozed, with the exception of a few structures that would later house security.

Minsur S.A. (1998-2001)

Minsur S.A. and Acero-Martin are the only documented companies to have explored the Pinaya Property. In late 1998, Minsur S.A., Peru's largest producer of tin, optioned the properties from the miners and conducted mapping, trenching and drilling programs. Late in 2001, the option was terminated due to unknown miscommunications between Minsur and the local miners. The geological data from Minsur SA is not available to the author; however, it is apparent that they completed at least 40 drill holes, numerous trenches and pits, during various exploration programs.

Cement blocks with PVC pipe mark Minsur S.A. drill hole collars; trenches and pits were left open. The majority of drilling was directed at 230° azimuth between –50° and -90° dip, and trenching was dominantly directed ENE-WSW. A total of 37 drill sites have been located and marked at the property, with DDH-41 as the highest drill hole number found inscribed on the cement collar markers.

COMAPI and CANPER.

In early 2003, the concessions were transferred from Minsur to COMAPI, a company controlled by the community of Pinaya. CANPER entered into an option agreement on March 15, 2004 with COMAPI to acquire a 100% interest in the properties owned by COMAPI. The public deed of the properties was duly registered at the Ministry of Mines on May 26th, 2004.

Acero-Martin Exploration Inc. (2004 – 2005)

Exploration programs at the property have been ongoing since June 2004.

The initial exploration program at the Pinaya Gold-Copper Property by Acero-Martin began in late June 2004 after negotiations satisfied COMAPI and the artisanal miners. A camp was set up in the community of Pinaya, about 35 km from the concessions. From June to November 2004, exploration consisted of soil geochemistry; trench sampling of the historic trenches and open cut, and ground magnetic and induced polarization geophysics. Acero-Martin drilled eight holes in the open cut area in late 2004. The drilling continued in late March 2005. Twelve additional holes were completed by the end of July 2005. Additional ground geophysics, geological mapping and trenching were completed during this time. The company applied for a Category C drilling permit in July and received the permit in October 2005. Four additional holes were completed in late 2005. The total metres drilled during 2004 and 2005 were 5030 metres.

GEOLOGICAL SETTING

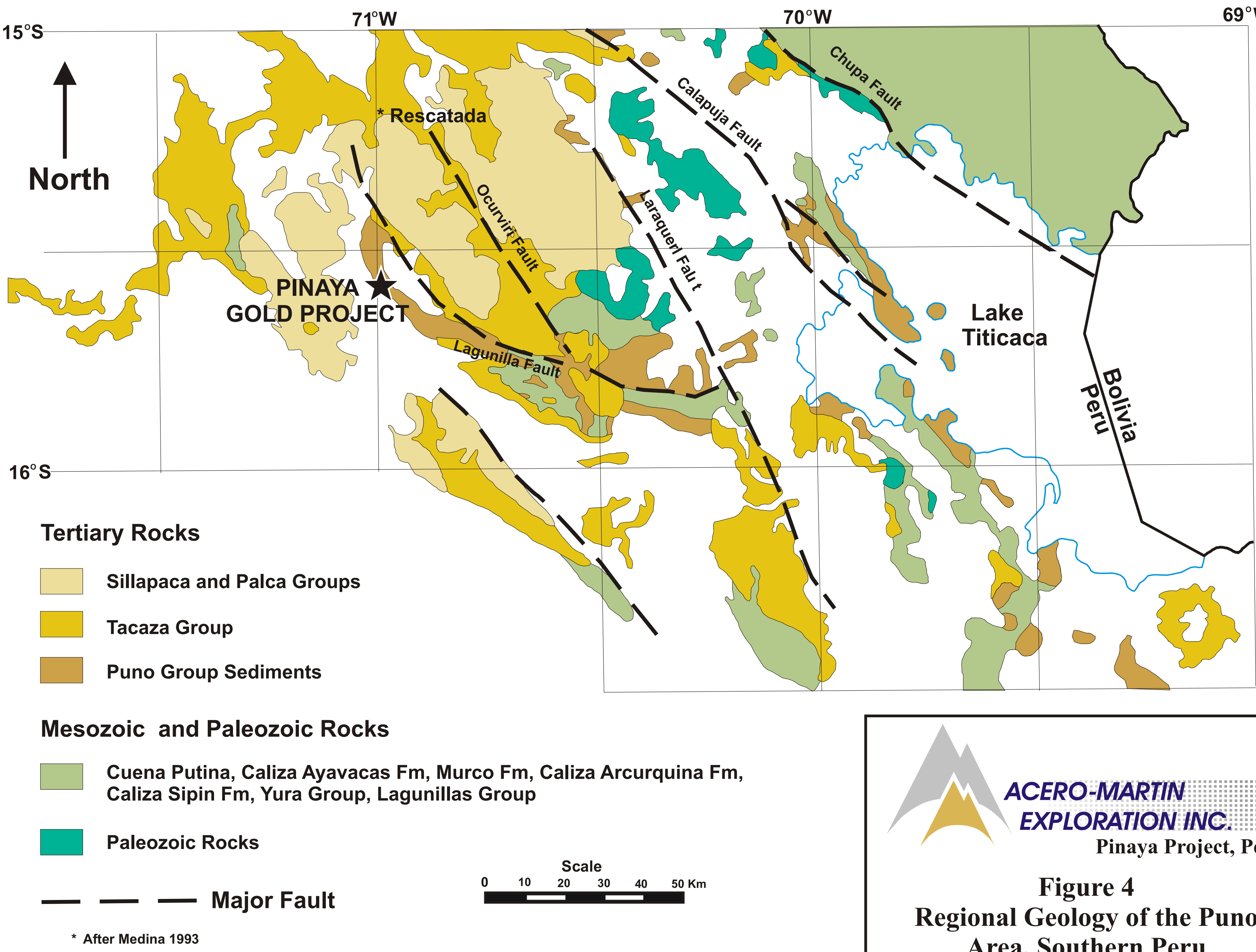
Regional Geology

The Pinaya Property is situated within a region of various lithotypes, including shallow marine to continental, dominantly clastic sediments, volcanic flows and sediments, and intrusive diorite and monzonite that cover the Late Jurassic to present. At the property scale, only Paleocene to recent lithologies are present. East-north-easterly-directed compression during Andean orogenesis has resulted in folding and faulting of the lithotypes at the property that dip steeply to near vertical, and strike northwest. One of the more recent deposits in the area is a crystal lithic tuff that horizontally overlies the area in an angular unconformity. Deposition or emplacement of these lithotypes as well as hiatal surfaces from the late Jurassic to recent are the product of changing tectonic styles prior to, and during, Andean orogenesis. (Figure 4)

Tectonic Setting and Geology

Subduction along the western margin of South America has occurred since at least the Cambrian (Petersen, 1999) or late Precambrian (Clark et al., 1990; Benavides-Caceres, 1999), and continues to the present. The formation of the Andean Cordillera is the result of a narrower period encompassing the Triassic to present that commenced in the Triassic with rifting and the opening of the Atlantic. Benavides-Caceres (1999) describes two intervals that dominate the formation of the present Andes as Mariana-type subduction from the Late Triassic to Late Cretaceous and Andean style subduction from the Late Cretaceous to the present. The latter interval is the most important to the metallogenic evolution of the region, including the Pinaya Project, due to the magmatic arc emplacement in the convergent plate tectonic environment, and the associated hydrothermal processes produced from intrusive cooling.

Peru is divided into physiographic regions, which correspond to tectonic elements that record the evolution of the Andean Cordillera since the Triassic. In southern Peru, the elements from west to east are the Coastal Belt, Western Cordillera, Altiplano, Eastern Cordillera, and the sub-



ACERO-MARTIN EXPLORATION INC.

Pinaya Project, Peru

Figure 4
Regional Geology of the Puno Area, Southern Peru

WM 2006.07

Andean Zone. Heterogeneous Precambrian basement units underlie the Coastal Belt and comprise part of the Western Cordillera in southern Peru and are called the Arequipa Massif. The northern extent of the Precambrian basement corresponds to the termination of the Altiplano and the start of the Nazca Ridge. This northeast-trending ridge complicates subduction, and the basement occupies the area of the Arica deflection, also known as the Bolivian Orocline, which is also complicated by subduction of the Perdida Ridge. In the area of the Arica deflection, the Andes widen and bend easterly.

Mariana-type subduction occurred from the Late Triassic to Late Cretaceous along the western margin of South America. The subduction resulted in an environment of extension and crustal attenuation that produced an ocean trench, island arcs, and a back arc basin (Benavides-Caceres, 1999) from west to east. The back arc basin is described as having two basinal components, the Western Basin and Eastern Basin, which are separated by the Cusco-Puno high that is probably part of the Maranon Arch. Marine clastic lithologies with some limestones of the Yura Group, marine clastic lithologies of the Mara Formation, and limestone of the Ferrobamba Formation record this period (in ascending stratigraphic order) but are not present in the vicinity of the Pinaya Project.

The termination of Mariana-type subduction in the Late Cretaceous was followed by Andean-type subduction, distinguishable by intermittent but continuous pulses of compression that span the Late Cretaceous to Early Pleistocene (Benavides-Caceres, 1999). The compressional pulses or orogenic periods are listed in Table 2 below.

Andean-type subduction is a result of collisional tectonics where oceanic crust, the Nazca Plate, is subducted beneath the overriding South American continental plate. Resultant compressional and transtensional structural environments caused uplift and unconformable surfaces. During this time, marine sedimentation ceased and continental sedimentation began, mainly in fault-controlled basins. Intense plutonism and magmatism along a continental magmatic arc also produced significant volcanic activity. One important aspect of Andean-type subduction to metallogeny is the emplacement of intense magmatic arcs and syntectonic porphyritic intrusions.

Table 2: Andean Orogenic Periods (from Benavides-Caceres, 1999)

Orogenic Period	Age
Peruvian	84 – 79 Ma
Incaic 1	59 – 55 Ma
Incaic 2	43 – 42 Ma
Incaic 3	30 – 27 Ma
Incaic 4	22 Ma
Quechua 1	17 Ma
Quechua 2	8 – 7 Ma
Quechua 3	5 – 4 Ma
Quechua 4	Early Pleistocene

Dominating the Pinaya Project area are shallow marine and continental clastic sediments with intercalated volcanic sediments belonging to the Late Cretaceous to early Tertiary Puno Group.

This package of rocks can reach thicknesses up to 800 metres. Deposition of these fault scarp sediments was primarily controlled by the Lagunillas Fault system during a period of extension. Overlying the Puno Group is the Tertiary Volcanic Tacaza Group.

The back arc Western Basin of the Jurassic to Late Cretaceous, also known as the Arequipa Basin, corresponds to the present day Western Cordillera. James and Sacks (1999) notes that the Western Cordillera of Peru is the site of a Holocene magmatic belt that spans the Andes and which appears to have been present since the Late Oligocene to 25 million years ago. During a study by Petersen (1999), 1800 radiometrically determined age dates from igneous rocks and hydrothermal alteration minerals, covering the Andean Cordillera from 6 degrees to 32 degrees south, differentiated and correlated the Chalcobamba-Tintaya Fe-Au-Cu skarn and porphyry belt (30-35 Ma) in the main magmatic arc, through the Santa Lucia district (25-30 Ma) and Chile. The dates coincide with some of the largest and richest porphyry copper deposits in the world (21° to 33° south).

The north-eastern edge of the Western Cordillera coincides with the Andahuaylas -Yauri Porphyry Copper Belt, a well known porphyry copper belt related to middle Eocene to early Oligocene age, calc-alkaline igneous rocks, originally explored for its Fe-Cu skarn potential. Caira (2005) notes that the Pinaya porphyry copper gold system lies at the south-eastern end of this well known and newly emerging porphyry copper belt, which extends 300 kilometres to the north-northwest from the Pinaya Project area.

The following summary was prepared by Caira (2005), which describes a model of the tectonic environment for the emplacement of the Andahuaylas-Yauri belt and its postulated relation to similar deposits in Chile:

> *Perello et al (2003) has suggested that a model for the region suggests that the calc-alkaline magmas related porphyry mineralization were generated during an event of subduction flattening which triggered crustal shortening, tectonism, and uplift assigned to the Incaic Orogeny. It has also been suggested that this mineralized belt may be continuous with the late Eocene to early Oligocene porphyry copper belt of northern Chile where subduction flattening took place in southern Peru and northern Chile between 45 and 35 Ma.*

The following summary is from Carlotto et al (2005). It provides a mechanism for porphyry emplacement in Peru and Chile from the Middle Eocene to the Late Oligocene:

> *The emplacement control on giant porphyries in Chile and southern Peru was developed in contractional settings in which the inversion of ancient normal faults played a relevant role in the extraction, transport and accumulation of magmas (Skarmeta and Centilli, 1997). There are the physical models of magmatic intrusion during thrusting that explain the process (Galland et al., 2003). In fact, the structures are geometrically similar to those of the experiments, suggesting that the models indeed are applicable to nature (Cerpa et al., 2004).*
>
> *Syntectonic intrusive porphyritic bodies were emplaced along the reversed extensional faults and in conjunction with the deformation and construction of the Domeyko (Camus, 2003), Condoroma-Mollebamba, and Cusco-Lagunillas fault system. The emplacement took place during the compressive deformation which began around 44 Ma and which lasted until the Oligocene (~30 Ma).*

The Andes are historically and presently famous as a world class metallogenic region, particularly for base and precious metal deposits that are proximally or distally related to magmatic belts emplaced in a convergent plate tectonic environment and resulting hydrothermal mineral deposits produced from intrusive cooling. In Peru, mining has been ongoing from Incan through Spanish colonial times. In the Pinaya region, small-scale mining began in at least Spanish Colonial time, and likely in Incan time, and has continued to grow to present day, large-scale operations. The Pinaya Project is in a prospective area, only recently identified to be part of the Andahuaylas-Yauri Belt with probable correlations to the rich porphyry copper deposits of northern Chile.

Porphyry and skarn style Cu mineralization emplaced as the result of Andean orogenic events, may in many cases be greatly enhanced by subsequent Andean orogenic periods, causing secondary, supergene copper mineralization, richer in copper content than primary mineralization with enhanced metallurgical properties. The secondary enrichment often allows for easier extraction and mineral processes. Quang et al (2005) in a study of porphyry copper mines and prospects of southern Peru and northern Chile from 16°30' south to 18° south describe controlling factors for supergene mineralization over the past 30Ma as continuous pulses of compressional events resulting in uplift and the lowering of the water table in a semi-arid environment. Amidst the pulses were periods of tectonic quiescence that allowed sediment accumulation and incision causing a rise in the water table and preservation of supergene profiles. Although ignimbrite eruption present throughout the magmatic arc, terminated weathering in some cases, it also capped and preserved the supergene profile.

Structure

Coughlin (2005) described the regional setting of the Pinaya Project in a private company report as follows:

> *"The Pinaya Prospect is located on the Peruvian Altiplano, a high plateau that developed due to successive eastward-younging mountain building events which commenced in the Middle Eocene.*
>
> *A major northwest trending fault zone, the Lagunillas Fault Zone (LFZ), transects the Altiplano in this region and passes close to the Pinaya prospect. The LFZ is characterized by a parallel alignment of high-energy coarse-grained sedimentary rocks of Upper Cretaceous age (including those at Pinaya) suggesting that it may have imparted some control on their distribution. These sequences have been tightly folded at-least once (likely twice in some places) by subsequent fault-controlled Andean (Tertiary age) deformation, which, as suggested by chronostratigraphy and cooling ages[1], commenced in the Pinaya region during the middle Eocene (approx 34-30 Ma).*
>
> *The Pinaya prospect is located at the apex of a major northeast-convex curved and apparently westward verging fault-zone reflected in stratigraphy and in regional fold trends. The fault itself is marked by a dip/facies change in the Upper Cretaceous clastic sequence and is obvious as a zone of locally higher brittle strain in 'hanging wall' rocks. This apparent curvature may represent a northward bend in the LFZ itself (on published 1:100k scale maps the LFZ does not appear to continue further westward of this point) or may have developed due to the linkage and interaction of the LFZ with subsidiary north-south fault zones at this locality.*

Northwest to north-south linkage points or curves along Andean-age fault zones in Peru are considered to be important regional-scale structural sites for the focusing of magmatic centres, strain, uplift and mineralizing fluids resulting in the emplacement of porphyry and epithermal styles of mineralization. Notable examples worth reviewing on 1:100k geological maps and digital elevation data include the nearby La Rescatada project, Toquepala, Tintaya, Morococha-Toromocho, Cerro de Pasco, Mina Raura and Magistral."

[1] *Information derived from HCA-geochronological database*

Local Geology

Caira (2005 and 2006) has provided the most comprehensive study to date at the Pinaya property. During two reviews Caira geologically mapped and sampled parts of the concessions and reviewed the majority of the drill core from PDH-1 through PDH-42. The resulting reports titled 'Review of the Pinaya Prospect, Peru, November 2005' and 'Update Report-Pinaya Prospect, Peru, June 2006' provides an analysis and review of geochemical, geophysical, and aerial photograph data. Much of the content is included in this report. Local Geology is summarized in Figure 5.

Lithology and Stratigraphy, Sedimentary and Volcanic Rocks

Caira (2005) describes the host rocks at the property as follows:

The following discussion is based on field descriptions of lithologic names and alteration styles as petrological results were unavailable at the time of writing. A good portion of the Pinaya property is underlain by steeply dipping to near vertical Puno Group sediments, comprised of quartz arenite, quartz arenite breccias, coarse quartz arenite conglomerate and sandstones. The author believes that the Puno Group is comprised of quartz arenite conglomerate, variably tectonized massive quartz arenite and a series of erosional remnants in the form of fault scarp debris flows, previously called coarse grained conglomerate by Medina 1990.

The "conglomerate/fault scarp debris flow" related to the emplacement of the Lagunillas Fault zone, is dominated by rounded, well packed, quartz arenite clasts to 40cm with lesser 10% locally recognizable lithologies including: coarse-grained megacrystic feldspar porphyry, andesite feldspar porphyry, diorite porphyry and arkose, obvious erosional remnants of locally derived stratigraphy. The "breccias" are monolithologic quartz arenite with variations in tectonically derived breccia textures that have been subdivided into the following mappable units that define proximity to major faults:

- *Quartz arenite (massive) = QA (mas)*
- *Quartz arenite (crackle breccia) = QA (cbx)*
- *Quartz arenite (puzzle breccia) = (QA) pbx*
- *Quartz arenite (mill breccia) = QA(mbx)*
- *Quartz arenite conglomerate = QA (con)*

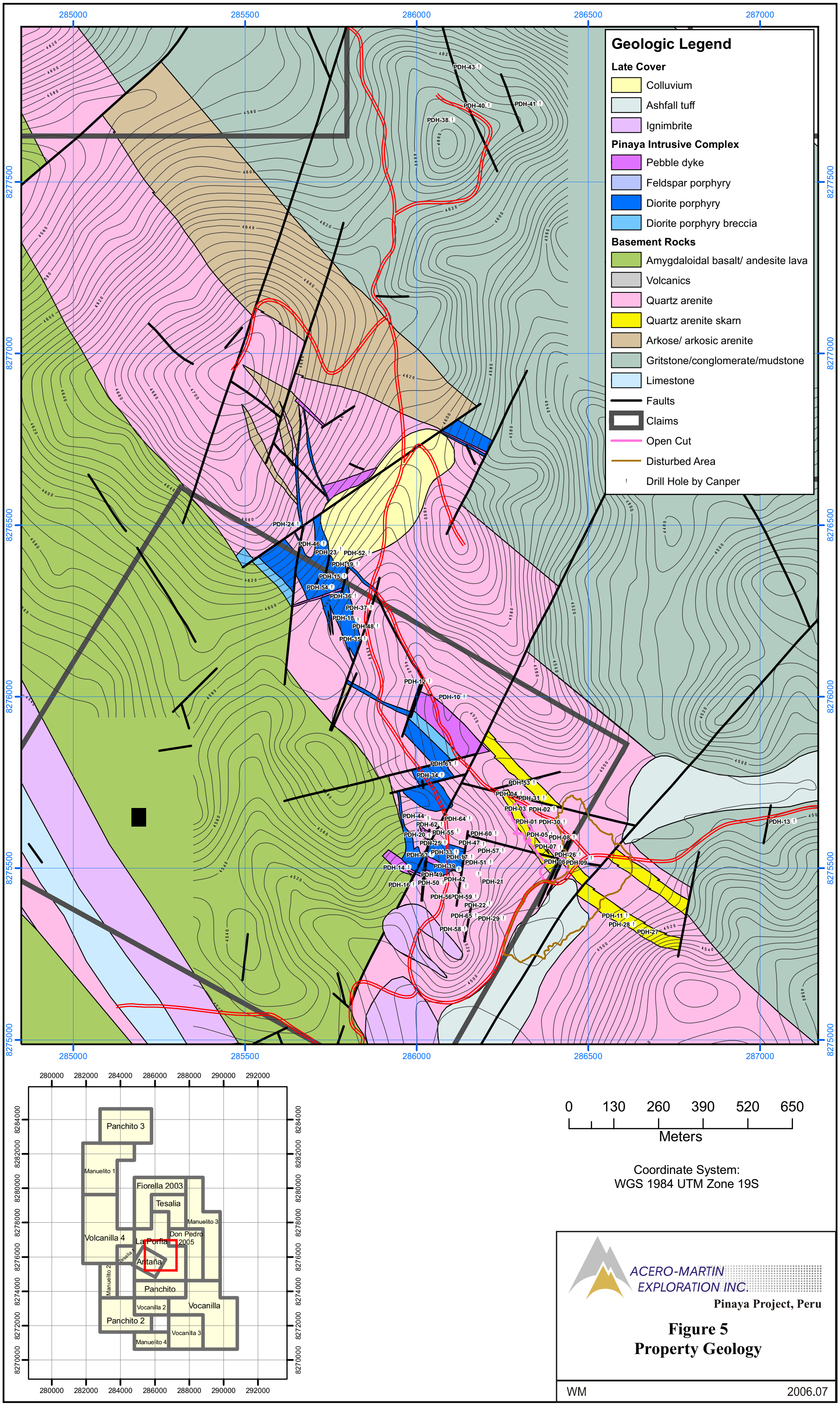


Figure 5
Property Geology

West of the Puno Group sediments, a fault bound sequence of volcanics presently assigned to the Tacaza Group volcanics of possible Oligocene or later age is comprised of basalt-andesite amygdaloidal lava flow (AAL). These lavas are intruded by an andesite pyroxene porphyry subvolcanic (APP) phase. The andesite pyroxene porphyry is seen as narrow dykes intruding the Puno Group sediments and as more extensive subvolcanic bodies hosting brecciated rafts of amygdaloidal andesite. In addition, the presence of shallow dipping extrusive lavas of similar composition also exists. An emerald green copper clay (?) with hematite occurs parallel to the faulted contact in a well defined sheeted fracture network, along the contacts between the amygdaloidal lava and the andesite pyroxene porphyry phase. Further west of the volcanics, recent mapping has suggested that a fault bound, shallow southwest dipping calcareous sedimentary sequence unconformably overlies the Tacaza Group volcanics and is comprised of dirty limestone (LST), green medium to coarse grained sandstone interbedded with a red shale-mudstone. West of this sedimentary sequence a moderate east dipping extrusive volcanic sequence occurs (Bradley 2004) and is likely part of the Tacaza Group volcanics as well.

East of the Puno Group sediments a steep northeast dipping sedimentary sequence is comprised of arkosic sandstone, gritstone, greywacke, pebble conglomerate interbedded with calcareous limey horizons (GRT). This grit unit hosts the Pedro Dos Mil megacrystic tonalite porphyry. Further east and south of the Pedro Dos Mil porphyry copper-gold target, more extensive limestone horizons also occur (U-LST).

A series of ignimbrite/ash flow tuffs (IGN) blanket the porphyry mineralization and dominate the south and south-eastern portions of the study area. Multiple pulses of ignimbrite blanketing have occurred in southern Peru from 22.8 Ma to as late as 8Ma (Quang et. al).

The above mentioned sedimentary and volcanic sequences collectively change direction from NNW-SSE in the north to ESE-WNW in the south. This arc or flexure within the host rocks may have aided in the overall emplacement and localization of the Pinaya intrusive complex due to favoured extension along this flexure. This bend mimics a bend in the regionally extensive Lagunillas Fault Zone.

More detailed mapping is required to determine more accurate lithological and structural relationships of the volcanic and sedimentary host rocks in addition to the nature of the andesitic lavas and subvolcanic bodies in the west. To date, the volcanics in the west are clearly fault bound along a major, regionally extensive NW trending structure, with west side down.

Lithology and Stratigraphy, Intrusive Rocks

Caira (2005) defined the Pinaya Intrusive Complex as follows:

The Pinaya intrusive complex forms a body that is elongated primarily along a NNW-SSE axis for a distance of up to 1500m and secondarily along an ENE-WSW axis and extends to a known depth of 200m. At least six igneous phases and five breccia phases have been identified that vary in both intensity and type of veining in addition to mineralization style. The breccia phases include: two contact/igneous breccia phases, an intrusive breccia, a series of hydrothermal breccias and a late stage pebble breccia event. A coarser breccia in the vicinity of the cut area may be a magmatic hydrothermal or diatreme breccia phase.

Igneous phases include stocks, dykes and sills of fine grained crowded diorite porphyry (CDP), coarse grained diorite porphyry (DIP) and a megacrystic feldspar porphyry tonalite (MFP), andesite pyroxene, hornblende porphyry (APP), andesite feldspar hornblende porphyry (AFP), a fine grained border phase, late stage red dykes (TRD) a field term used for a suspected trachyte composition. In addition, post mineral biotite phyric dacite porphyry (BDP) locally exploits a fault zone.

A series of breccias include both contact/igneous breccias (IBX 1 and IBX 2) that have an igneous matrix with predominantly wall rock derived clasts; post mineral intrusive breccia (BDP/INBX) or tuffisite that has a variably milled dacite matrix with a monolithologic clasts, the results of magma degassing in the felsic conduit with some evidence for mixing and upward transport of fragments. In general clasts are similar in composition to the matrix. In addition, narrow vein breccias or hematite cemented hydrothermal breccias (HBX) crosscut both igneous and host rock. Terminal breccia events are recognized as pebble breccia dykes (PBX) and more extensive phreatomagmatic/hydrothermal breccias (DIA). This latter breccia occurs in the vicinity of the cut area and is matrix supported, poorly sorted and hosts well rounded, heterolithologic, altered mega-fragments > 60cm in a sand-sized clastic material with numerous well rounded pebble size fragments. The former (PBX) is more linear in nature, commonly 10-50cm in width, is matrix supported and hosts smaller well rounded pebble size, and locally altered clasts in a sand-size clay altered matrix. Locally, this breccia hosts altered clasts and clasts with reaction rims implying that the matrix has seen fluid flow.

Igneous related breccias are common in the upper parts or immediately above roof rocks of plutons or stocks or can be distributed along sloping margins. The small volumes of fine grained porphyritic intrusive rocks (e.g. AFP, APP) can be temporally and spatially and likely genetically associated with the brecciation process (Sillitoe 1985). The pebble breccia phase occurs proximal and post dates the APP igneous phase and may be genetically related. Most igneous related breccias carry anomalous copper, molybdenum, tungsten, gold and locally bismuth values.

Intrusive phases are labelled with field names until petrology results have been received and are defined below from suspected oldest to youngest:

- *CDP: Crowded hornblende diorite porphyry is subequigranular to porphyritic; best mineralized phase with the highest Cu tenor and strongest potassic alteration; seen at depth in holes in the west and seen as clasts in the some of the later breccia phases; only phase where early "A veins" biotite-only veins in addition to quartz-magnetite-orthoclase veins.*
- *DIP: Diorite porphyry is more coarsely porphyritic and more weakly mineralized, unless near lithologic contacts with earlier CDP phase or breccias where grades are higher; DIP tends to have a well developed phenocryst-selective biotite alteration*
- *AFP: poorly mineralized phase; a subvolcanic andesite phase; fine grained groundmass with phenocrysts of feldspars (1-3mm) in addition to hornblendes (1-3mm) and locally developed quartz phenocrysts (1-2mm) to 3%*
- *APP: Andesite pyroxene porphyry hosts euhedral pyroxene phenocrysts 1-4mm that are greater than hornblende phenocrysts; cut by emerald green copper mineral (?) with clasts and/or rafts of brecciated amygdaloidal andesite with green copper mineral in amygdules*

Inter-mineral breccias:

- *IBX(2): Igneous breccia with a fine grained andesite feldspar porphyry matrix similar to AFP with clasts of biotite altered DIP and silicified QA*
- *IBX(1): Igneous breccia with diorite matrix (DIP) and clasts of silicified and fractured silicified sediment*

Late mineral breccias

- *PBX: pebble breccia with rounded pebble size, altered clasts in a fine grained matrix supported, with a sand sized clay rich matrix; tend to be linear in nature; common along NNW and ENE orientations, the favored extension direction*
- *DIA: diatreme or phreatomagmatic breccia with heterolithologic (e.g. DIP, MFP, QA, QA con, ARK) mega-fragments to 60cm in a fine grained sand to clay sized and altered matrix*

Post mineral breccia

- *INBX(BDP): Biotite dacite porphyry (tuffisite) with clasts of BDP, AFP in a matrix of milled BD is post mineral and hosts 15%, euhedral 1-4mm biotite books in a fine grained silica rich brecciated groundmass.*

Structure

Property scale structural mapping was completed by Bradley (2004), Coughlin (2005), and Caira (2005) and a recent ASTER image interpretation was completed by Frank Murphy (2006).

Both compressional and extensional faulting has occurred at the property and as Coughlin (2005) notes, folding is not apparent except on 1:100k scale maps, but local fault related fold structures are present. The Puno Group, the overlying Tacaza Group, and the overlying, yet unnamed sediments and volcanics, host the Pinaya Intrusive Complex. In the north part of the property, stratigraphy strikes NNW-SSE with moderate to steep dips, which steepen to the south, striking ESE-WNW. Faults are pre- to post-mineralization and other than the blanketing ignimbrite, cross-cut all lithologies, including dykes of the Pinaya Intrusive Complex. Caira (2005) and Murphy (2006) suggest that the NE/ENE and WNW/NW trending structures developed as conjugate fault sets during pre-mineral 080 directed maximum principal stress related to the Nazca Plate convergence. Porphyry emplacement likely occurred in an extensional/transtensional stress regime associated with an approximate E-W directed extension related to subduction roll back by analogy with Chile. This would have reactivated many of the major structures and produced a switch in their kinematics with a dextral component along WNW/NNW structures and a sinistral component along NNE/ENE trending structures.

Murphy's structural interpretation has identified at least 14 targets for further gold exploration in the Pinaya claim block based on criteria including the presence of intrusions, major faults, inflections and intersections between major faults as well as alteration anomalies.

The major faults generally have a curvilinear surface trace indicating that they are steeply inclined and in fact many dip to the northeast. A few of the structures have a more sinuous surface trace. One prominent structure is a district scale fault that that trends NW-SE and is comprised of a series of parallel segments, cut by a series of inflections along its trace.

DEPOSIT TYPES

Three deposit types occur at the Pinaya Property and are described by Caira (2005 and 2006) as follows:

> *The property lies within a typical porphyry environment, similar to some of those in south-eastern Peru and northern Chile and is comprised of at least two porphyry copper-gold centres and a gold-copper skarn zone as well as a series of potentially bulk mineable gold oxide zones. The copper-gold tenor within these mineralized centres varies depending on intrusive phase association, structural complexities and alteration overprints. These mineralized centres host a yet undefined gold and copper resource in supergene and hypogene chalcocite to a vertical depth in excess of 200 metres.*
>
> *Gold Oxide Skarn*
>
> *Previous work by various exploration companies and by local artisanal mining at Pinaya has defined structurally controlled skarn mineralization overprinted by structurally controlled supergene enriched mineralization in phyllic alteration dominated by pyrite-chalcocite-covellite. Within the main gold skarn zone, artisanal miners have produced an open cut measuring 300 metres in length by 30-40 metres in width and up to 20 metres in depth from the surface where they have mined visible free gold. Historic rock chip/channel samples have returned 1.47 grams per tonne gold over a 27 metre interval. Higher grade structures within the cut have returned 2 to 6 grams per tonne gold across widths of 1-3 metres (McCrea, 2004). Outside of the main gold skarn target, classic porphyry copper-gold mineralization and gold oxide mineralization has been defined by trench rock chip channel and drill core samples over a strike length of 2700 metres and a width of 1000 metres.*
>
> *Porphyry Copper-Gold*
>
> *Copper and gold mineralization is coincident with a multiphase intrusive complex and associated breccias herein called the Pinaya Intrusive Complex (PIC). Late to post mineral breccia and pebble dyke emplacement occur throughout the area in addition to a variably preserved ignimbrite blanket that post dates both the skarn and porphyry style mineralization. Mineralization is well defined by copper and gold in rock (>100ppm Cu and 100ppb Au) and follows a primary NNW-SSE trending corridor and a secondary ENE-WSW and ESE-WNW trending mineralized corridors. Soil anomalism in copper, gold, bismuth, tungsten, zinc, lead, arsenic, antimony, mercury, iron and manganese defines a much more extensive area measuring 4000 by 1500 metres in width.*

The Pinaya intrusive complex is defined by multiphase diorite porphyry to tonalite porphyry and a series of late stage andesite porphyry dykes. At least six igneous phases and multiple breccias including contact igneous (intrusion) breccia, intrusive breccia, hydrothermal breccia and pebble dykes/diatreme (?) have been identified to date. Locally, the diorite porphyry phases are truncated by faults locally exploited by post mineral biotite phyric dacite porphyry plug, a possible intrusive equivalent of the locally preserved biotite dacite ignimbrite blanket or a late intrusive phase of the Pinaya Intrusive Complex. Weathering of the Pinaya porphyry Cu-Au and skarn center has overlapped with the ignimbrite blanket deposition.

The Pedro Dos Mil mineralization is a second porphyry copper centre located 2.0 kilometres to the east of the skarn target along this secondary ENE trending corridor. The area is dominated by potassic alteration with coextensive copper mineralization in hypogene chalcopyrite-covellite mineralization in megacrystic tonalite porphyry. Sheeted quartz-magnetite-orthoclase veins are common in this area coincident with two bulls-eye magnetic susceptibility anomalies that measure several 100's of metres.

The Gold Oxide Zones (roof zones)

The gold mineralization appears to be controlled by the intersection between a series of long range NNW trending, steeply dipping bedding plane faults and ENE trending steeply dipping dextral cross faults. The geochemical footprint is defined in rock by gold greater than 500 ppb to as high as 18,560 ppb (18.56 gpt Au) in addition to tungsten, bismuth and barium and covers an area measuring 650 x 300 metres. This area of anomalism is flanked by strong arsenic, antimony, lead, zinc and locally silver anomalism in an area that measures 1000 x 500 metres. Historic workings in the form of trenches and workings in this area are up to 50 metres in depth and free gold can easily be panned from veins that commonly grade between 1-5 gpt Au as high as 18.56 gpt Au. Associated mineralization includes tetrahedrite-tennantite; galena (steel galena high in silver). The "Montana de Cobre" target area appears to be part of the upper distal portions of an oxidized magma chamber. The known "Gold Oxide Target" in the cut area to the south represents oxidized skarn mineralization more proximal to a magma source and finally the "Western Porphyry Target" is the nearest to the causative magma chamber with mineralized diorite dykes and sills exposed on surface. The Pinaya property that has been drilled to date seems to have a NE dip to the mineralized block, resulting in porphyry targets along the western edge, skarn targets to the east and oxidized gold targets to the northeast.

MINERALIZATION (by Caira 2005)

- *The Pinaya property is underlain by a well preserved pyrite-rich porphyry and skarn target that hosts a well developed and well preserved phyllic and intermediate argillic alteration zone with a well developed supergene and hypogene enrichment zone.*
- *The copper and gold tenor is intimately related to the various alteration overprints and shows strong structural control. The copper and gold mineralization in the porphyry target is hosted within a multiphase diorite porphyry complex. The gold-*

rich copper skarn mineralization is hosted within variably tectonized quartz arenite and skarned conglomerate that exploit bedding and fault intersections and are intruded by narrow diorite porphyry dykes and sills. These generally strike NW-SE and dip moderately to the northeast.

- *The study area has seen both compressional and extensional tectonics. NW-SE and NE-SW dominant faults have formed as conjugate sets related to a common theme along the Cordillera of approximately ENE-WSW (080Az) directed principal stress. Controls on dilation seem to be NNW-SSE, NNE-SSW, and WNW-ESE based on shapes of intrusions and related copper-gold mineralization.*
- *Compressional faults, in the form of extensive stylolite with crush zones strike NW-SE and commonly dip moderately to the northeast (?) and are early in the tectonic history of the area. These faults are commonly exploited by diorite bodies. Extensional faults are late, high angle and commonly offset the low angle faults. These later faults are locally exploited by late stage breccias, and related dykes and locally form higher grade corridors, commonly in areas where a series of parallel NW-SE faults exist.*
- *NNE-SSW trending faults are post-porphyry mineralization and may control at least some of the enrichment zones as well.*
- *At least three igneous phases host differing intensities of mineralization, quartz veining and resultant Cu grades; the earliest phase crowded diorite porphyry (CDP) and diorite porphyry (DIP) and megacrystic feldspar porphyry tonalite (MFP) contain the most intense quartz veining. The late stages including andesite feldspar porphyry (AFP) host copper oxides and locally native copper while the ultimate stage biotite dacite porphyry (BDP) lacks in copper and gold mineralization and seems to exploit the western fault zone (herein called the Pinaya fault) mineralization that separates the Tertiary volcanics in the west from the Cretaceous to Tertiary Puno Group sediments. The Pinaya Intrusive complex exploits NW-SE trending low angle faults and higher angle extensional hanging wall faults.*
- *The AFP porphyry phase and the related igneous breccia phase 2 (IBX2) igneous units are interpreted to be a series of subvolcanic bodies that are potentially bleeding off of a roof zone at depth. The Montana de Cobre Gold Zone hosts a magnetite destructive zone with specularite-pyrite-chalcopyrite mineralization in phyllic alteration related to a series of these andesite feldspar porphyry dykes above a roof zone.*
- *The latest phases in the Pinaya intrusive complex are (IBX2, PBX, and DIA). These are generally weakly mineralized. Locally these breccias host altered clasts of locally derived wall rock.*
- *Late stage, structurally controlled phyllic alteration post dates the main skarn mineralization and is likely responsible for most of the supergene copper and gold enrichment zones.*
- *Early potassic alteration is severely overprinted by both an intermediate argillic (illite/smectite) and phyllic (sericite-quartz-pyrite-tourmaline) assemblage. Both of these events have aided in the supergene and hypogene enrichment mineralization transition from "chalcopyrite-pyrite" to "pyrite-chalcocite-covellite-digenite" assemblage.*

- *Pedro dos mil area hosts sheeted quartz-magnetite-chalcopyrite-malachite veins and stockwork in strong potassic alteration. This area is more deeply eroded than the western porphyry target.*
- *The various overprint events resulted in the leaching of early "chalcopyrite-pyrite" and the introduction of an assemblage of "pyrite-chalcocite-covellite-digenite". This event resulted in enriched zones up to 200 metres in depth. These zones appear to be both lithologically and structurally controlled. Locally, an incomplete development of pyrite >>chalcocite dominates; where chalcocite>>pyrite, higher copper grades occur.*
- *Primary mineralization controls are firstly shattered contact zones, permeable lithologic units, dilational fault zones where there are changes in the shape of intrusions and low pressure zones (Low P) that become zones of high fluid flow as well as specific fault zone intersections.*
- *The chalcocite/covellite/pyrite mineralization enrichment blanket is both supergene and hypogene enriched, is locally fault related and is both horizontal and subvertical in areas where controls are along subvertical fault zones. The chalcocite has formed at the expense of the pyrite, covellite at the expense of chalcocite, digenite at the expense of covellite although more petrology is needed to confirm these field observations.*
- *The enriched hypogene copper mineralization, in the range of 0.65-8.37 % copper and locally higher might result in a series of ore bodies that are likely amenable to SX-EW treatment for Cu recovery. Given the gold content of the mineralization defined to date conventional milling may be more appropriate for the recovery of both copper and gold*
- *Evident potential is an orebody that measures 1300 metres by 500 metres by 250 metres of 0.6-1.0% Cu with a significant gold content as well as a series of peripheral bulk mineable gold zones*
- *The Gold Oxide Skarn Zone (GOSZ): is an oxidized skarn replacement target that occurs to the east of the Western Porphyry Zone. This zone measures 300-500 metres in length by 20-60 metres in width by 140 metres in depth. Mineralization is hosted by an outer cooler temperature assemblage of specularite-pyrite transitioning with higher temperatures to andradite garnet skarn (SKR-red skarn) with sphalerite-galena-chalcopyrite-chalcocite and finally a deeper vesuvianite assemblage (SKG-green skarn) assemblage below which narrow intermediate argillic altered dykes/sills host chalcocite veins to 1 centimetre. The mineralized body strikes NW-SE and dips steeply to the northeast and is highest in grade where easterly dextral cross fault cross cut earlier NW-SE low angle compressional faults where oxidation is the highest.*
- *The Montana de Cobre Gold Zone (MCOZ): This target area appears to be part of the upper distal portions of an oxidized magma chamber. The known "Gold Oxide Target" in the cut area to the south represents oxidized skarn mineralization more proximal to a magma source and finally the "Western Porphyry Target" is the nearest to the causative magma chamber with mineralized diorite dykes and sills exposed on surface. The Pinaya property that has been drilled to date seems to have a NE dip to the mineralized block, resulting in porphyry targets along the western edge, skarn targets to the east and oxidized gold targets at the higher elevations to the northeast. This area lies in a relative low magnetic susceptibility coincident with*

the replacement of magnetite by specularite along bedding planes. Most of the higher gold grades in this area are near fault zones, lithologic contacts and at phyllic/propylitic transition zones.

Alteration

Alteration is common and prominent in the mineralized zones. Six categories of alteration, and related mineralization, occur on the Pinaya Property. Caira (2005) provides descriptions of the observed characteristics to date:

Six distinct types of alteration-mineralization occur at the Pinaya property. These types include: potassic (K), intermediate argillic (IA), phyllic (PHY), argillic (ARG), propylitic (PRO) and calc-silicate (SKN). The intermediate argillic type was previously termed SCC (sericite-clay-chlorite) by Sillitoe and Gappe (1984) and is now referred to as intermediate argillic alteration by Sillitoe (2000).

An early stage, unmineralized barren hornfelsing has resulted in pervasive biotite alteration in basement andesite volcanics that is seen in xenoliths in an igneous breccia phase. Classic potassic alteration is characterized by biotite +/- quartz +/- magnetite +/- orthoclase alteration. This alteration type generally coincides with the most intense copper mineralization, particularly along igneous contacts and where multiple vein events occur. In addition, isolated areas of albite-quartz alteration occur and may be a subset of the potassic alteration.

"Intermediate argillic alteration" comprised of sericite-illite/smectite-hematite overprints the potassic alteration in most of the drill holes where igneous phases predominate. Locally, isolated remnant islands of darker biotite bearing potassic alteration can be seen in an overall softer, lighter coloured, texture enhanced intermediate argillic alteration. In addition, this alteration type is seen in some igneous clasts and in narrow injections of diorite in the cut area where gold-copper skarn mineralization is hosted by the Puno Group sediments.

An extensive "phyllic alteration" overprint is dominant along structural corridors and at structural intersections (e.g. ENE-WSW and NNW-SSE) and is generally coincident with elevated induced polarization chargeability. In general, the phyllic/chargeability highs, trend NNW-SSE and ENE-WSW. This alteration type occurs in the gold-copper skarn mineralization and is comprised of pervasive quartz- (sericite)-clay-pyrite-tourmaline assemblage with coincident chalcocite/covellite/digenite mineralization. In addition, "D veins" or phyllic veins up to 4 centimetres in width host pervasive quartz-sericite-pyrite alteration envelopes locally throughout the property.

"Argillic alteration" occurs in fault zones and variably in the upper leached part of the system intermixed with the phyllic overprint assemblage and is comprised of a clay-pyrite-goethite-limonite assemblage.

"Propylitic alteration" is comprised of chlorite-+/- epidote – pyrite-calcite assemblage and occurs in the late stage andesite pyroxene porphyry (APP) phase and in veins in the late stage fine grained igneous phases (AFP) most common at the Montana de Cobre Gold Zone. In addition, epidote-pyrite-calcite occurs in close proximity and overlaps with the calc-silicate alteration and mineralization in the skarn target area. Locally cuprite and/or native copper are seen within these late stage "propylitic veins".

"Calc-silicate skarn" coincides with strongly calcareous quartz arenite conglomerate in the vicinity of a series of low angle (NW-SE) and high angle (ENE and ESE) fault intersections near narrow diorite porphyry sills and dykes (NW-SE). Elsewhere, calcareous cemented conglomerate intervals are unmineralized. Skarn minerals include: garnet (andradite an iron-aluminium garnet), an apple green mineral (Ca-Mg-Fe-Al silicate) that is likely vesuvianite as well as epidote, chlorite, calcite, manganocalcite, iron oxide, wollastonite, actinolite, tremolite, quartz with variable sulphides including sphalerite, chalcopyrite, pyrite coated with chalcocite, fine grained galena (steel silver-rich galena) and tetrahedrite-tennantite.

A series of low angle compressional faults that show both reverse and strike slip characteristics were intersected from surface to various depths in many of the drill holes. The low angle faults show a strong stylolite development that has structurally prepared the Puno Group sediments. These faults are generally exploited by diorite porphyries (DIP) and mill breccia zones (MBX) and coincide with gold +/- copper mineralization in the vicinity of favourable lithologies and specific intersections. These structures appear to dip to the northeast and strike north-westerly (?) and are offset by later high angle faults that may coincide with surface exposures of easterly striking cross faults or tear faults that show dextral movement.

EXPLORATION

Historical Exploration

Prospecting has resulted in the discovery of a number of small and large-scale workings that pre-date exploration by Minsur S.A. and Acero-Martin Exploration Ltd. Artisanal miners have produced large workings such as the drift, east of the open cut, the open cut, and other large cuts and pits and small adits in the northern and eastern part of the property. The workings appear to have focused on mineral showings along bedding plane veins, and argillic altered structures ranging in width from a few centimetres to tens of metres.

Modern exploration began with Minsur S.A. In 1998, Minsur entered into an option agreement with the artisanal miners, which was terminated in 2001 due to unknown miscommunications. The full details of the Minsur exploration between the years of 1998 and 2001 are unavailable at the time of writing; however, some details have been obtained by speaking with locals, and exploring historic trenches or drill pads. Local community workers that had worked for Minsur have described geophysical programs, trenching, diamond drilling, and the construction of numerous access roads. Minsur completed numerous trenches, most often oriented northeast to southwest across known stratigraphy.

CANPER applied for the Volcanilla concessions in 2003 and entered into an agreement with COMAPI on March 15, 2004 to acquire its properties. In late 2003 and early 2004, Canper Exploraciones S.A.C. completed a surface sampling program in the open cut that included sixty-two, 3 to 4 kg random grab samples collected over a 2 by 2 metre area. One chip series comprised 7 random grab and 7 tailings samples. Two samples were taken 750 metres south of the open cut, 31 rock samples in the open cut, and 30 rock samples were taken in an area between about 750 and 1750 metres north of the open cut. All tailings samples were material produced from the open cut. The samples were taken to test for the gold mineralization in the open cut and along possible parallel structures.

Acero-Martin Exploration

In June of 2004, Acero-Martin produced the document titled "Summary Report on the Pinaya Gold Property, South Central Peru" (McCrea, 2004) and filed with the exchange. Four surface samples were collected as random grabs over 1 to 2 $metres^2$ areas and weighed 2 kg apiece. Recommendations included two phases of regional to local sampling and diamond drilling. On April 28, 2004, Acero-Martin announced the purchase of CANPER and its properties.

Exploration by Acero-Martin has been managed from Lima by its wholly owned subsidiary, CANPER, since its purchase. A large-scale exploration program was not initiated until September 2004. Since that time, Acero-Martin's exploration has been on-going in a number of intermittent programs, including soil geochemistry, prospecting, property scale mapping and sampling, ground magnetic geophysical surveys, induced polarization geophysical surveys, trenching and sampling, drill pad and road construction, and diamond drilling.

Initially, prior to early 2005, exploration considered a structurally controlled epithermal model. Reeder (2006, personal communication) notes that onsite geologist Geoffrey Keyte applied a porphyry gold-copper model in the company's internal reporting that considered the results of the 2004 exploration. Keyte also concluded, after a study of the induced polarization data, gold and copper grades in drill core, and skarn mineralogy obtained by thin section petrology of the 2004 drill core, that a buried porphyry system was a more likely deposit model.

Surface mapping results are documented by Bradley (2004), Coughlin (2005), and Caira (2005) by property scale maps and accompanying reports. A detailed review of all drill core with assays is ongoing and conducted by Caira 2005 and 2006.

In 2004, 2005 and 2006 Canper has conducted 4 drill programs totalling 12,466 metres in 59 drill holes. The drill program is continuing and results will be released once received and check by the company's personal.

At Montana de Cobre Gold zone in December of 2005, geological mapping and trenching was accompanied by the collection of 124 rock samples. The sampling was conducted in order to expand upon the gold mineralization at the Montana de Cobre Zone. A total of 34 rock samples returned gold values greater than 300 parts per billion, including 21 samples greater than 1,000 ppb and 11 samples greater than 5,000 ppb. Fire assay results of the 11 anomalous samples returned 6.04 g/t Au to 18.56 g/t Au. Locally the gold is coincident with up to 4,281 g/t Ag, 3.85% Cu, 1.0% Pb, and 1.49% Zn.

Soil Geochemistry (modified after Agreda 2006)

To date two sampling programs were carried out, taking advantage of the grids used in the geophysical programs due to locate the points to sample and also to have better precision instead of a conventional mapping GPS. In both programs a total of 2324 samples and were analyzed for multi-elements (36 elements) by Acid Digestion (Aqua Regia) ICP-MS. The personnel involved in both programs were as follows: a Canper geologist responsible of the program (Carlos Agreda), an assistant to help to take notes, take the samples, and two workers for make a circular hole of an approximate depth of 30 to 40 cm to obtain a good quality soil sample below the exposed surface followed by infilling these sites after the sample collection in order to preserve the environment.

Soil Methodology

The methodology included the collection of an approximately 250 gram sample (the analysis requires a 15 gram sample), a clean sample (without roots, small pebbles, etc) using a small tin plating perforated screen/sieve to obtain a clean soil sample. Wet samples were dried on site before being sent to the lab. The samples were taken to averages depths of 25 to 30 centimetres, the predominant colours of the soil were medium to light brown with orange to red tones, in most of the cases the pebbles and/or outcrops nearby were altered with the presence of limonite.

Soil Programs

From October 2004 to December 2004, 1569 samples were taken over the course of 45 days. These sample locations can be found in Figure 6 and 7-The Soil Sampling Map. The 1569 samples included 432 samples in the surrounding area around the open cut on 25 metre centres, the remaining 1137 samples were taken on 50 centres. This program was carried out on the La Porfia and Antaña Concessions and in part of the Fiorella 2003 concessions.

From June 2005 to July 2005, 755 soil samples were taken during a 22 day period on 50 metre centres. This program was carried out on the La Porfia, Antaña, Don Pedro 2000, and Panchito Concessions and in part on the Tesalia Concession.

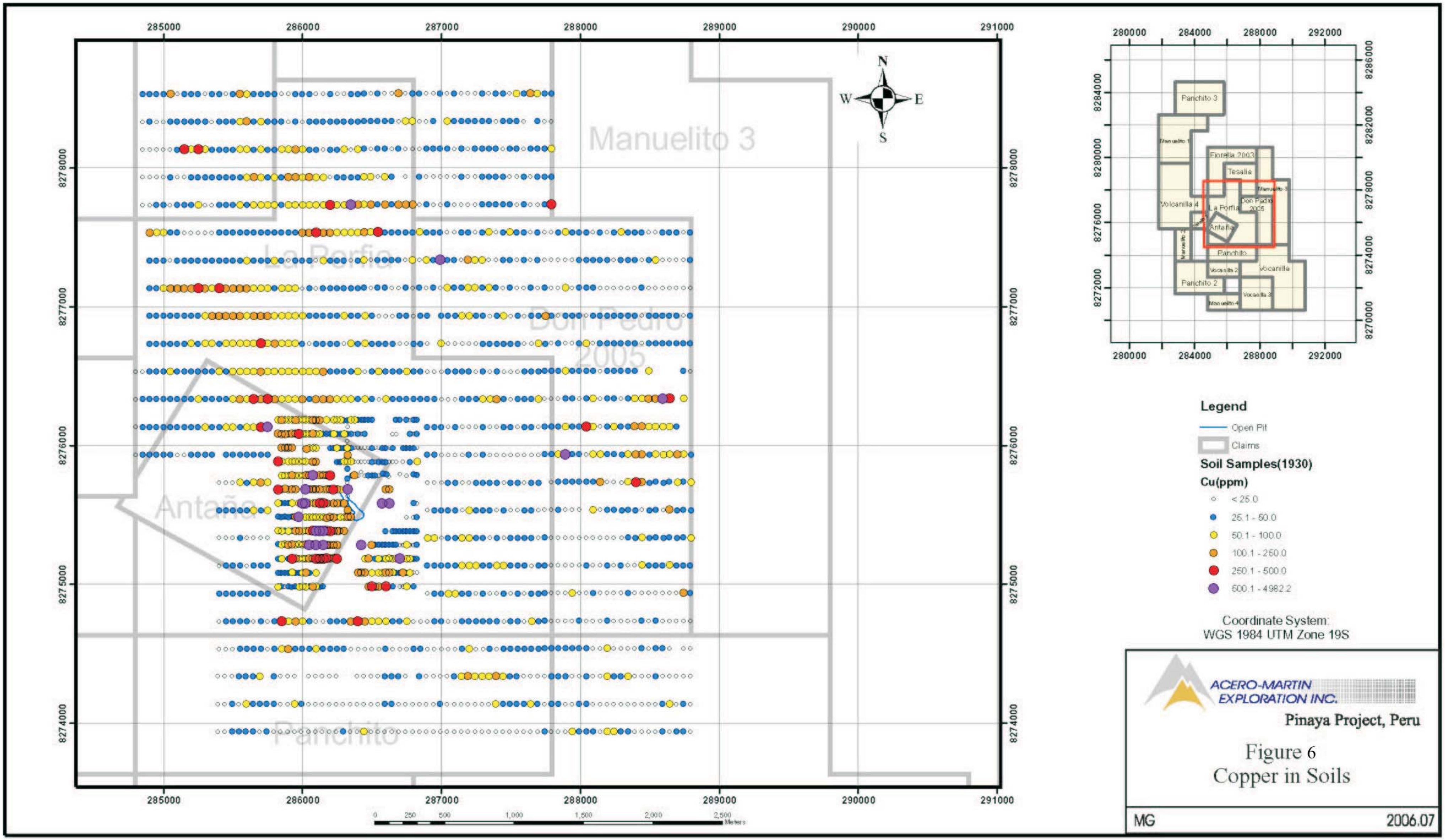
Soil Results

Gold in Soils

Caira (2005 and 2006) best defines the gold anomalies in soils by with using 50ppb Au value as the lower limit. This shows a well defined zone that trends NW-SE and extends from the WPZ and GOSZ where anomalism is between 300-500 metres in width and extends to the south of Cerro Antaña, a distance of 2600 metres. Mapping by Caira (2005) notes that north of the WPZ and GOSZ an east-northeast trending dextral cross fault, north side down separates the Cerro Antaña area from the northern WPZ. This fault shows 250 metres of dextral offset and the soil anomalism continues along Cerro Antaña to the NW for a distance of 900 metres and300 metres in width and follows the silicified ridge of QA cut by pebble dykes. Caira (2005) further notes that at the north end of this gold soil anomalism at Cerro Antaña a second of many easterly dextral cross faults offsets stratigraphy easterly by 800 metres and north side down. The Montana de Cobre Gold Zone may be the upper surface expression of an oxidized magma chamber; at MCOZ the anomalism trends NW for an additional 900 metres by 300 metres in width where it is again disrupted by an easterly dextral cross fault north side down along river valley Quebrada Arantaya; the north side of this river valley is dominated by NW trending distal arsenic and antimony anomalism for 900 metres.

Copper in Soils

Caira (2005 and 2006) best defines the copper anomaly by using a range between 50-100 ppm. The anomaly forms a wider zone near GOSZ and the Southern WPZ measuring 800 metres in width and trends to the NW for 1300 metres, terminates against the same dextral cross fault at Cerro Antaña as the gold anomalism as described above. The Cerro Antaña anomalism trends to the NW for 700 metres by 500 metres in width; the MCOZ zone is 400 metres in width by 900 metres in length and is offset by the same dextral cross fault between Cerro Antaña; finally the anomaly on the southern GOSZ on the south side of the valley is north-south in strike for 700 metres and is 400 metres in width.



Manuelito 3
La Porfia
Don Pedro 2005
Antaña
Panchito
N
E
S
W
285000
286000
287000
288000
289000
290000
291000
8278000
8277000
8276000
8275000
8274000
0 250 500 1,000 1,500 2,000 2,500 Meters
Panchito 3
Manuelito 1
Fiorella 2003
Tesalia
Volcanilla 4
La Porfia
Don Pedro 2005
Antaña
Panchito
Vocanilla 2
Vocanilla
Panchito 2
Vocanilla 3
Manuelito 4
280000
284000
288000
292000
8270000
8272000
8274000
8276000
8278000
8280000
8282000
8284000
8286000
Legend
Open Pit
Claims
Soil Samples(1930)
Cu(ppm)
< 25.0
25.1 - 50.0
50.1 - 100.0
100.1 - 250.0
250.1 - 500.0
500.1 - 4982.2
Coordinate System:
WGS 1984 UTM Zone 19S
ACERO-MARTIN EXPLORATION INC.
Pinaya Project, Peru
Figure 6
Copper in Soils
MG
2006.07

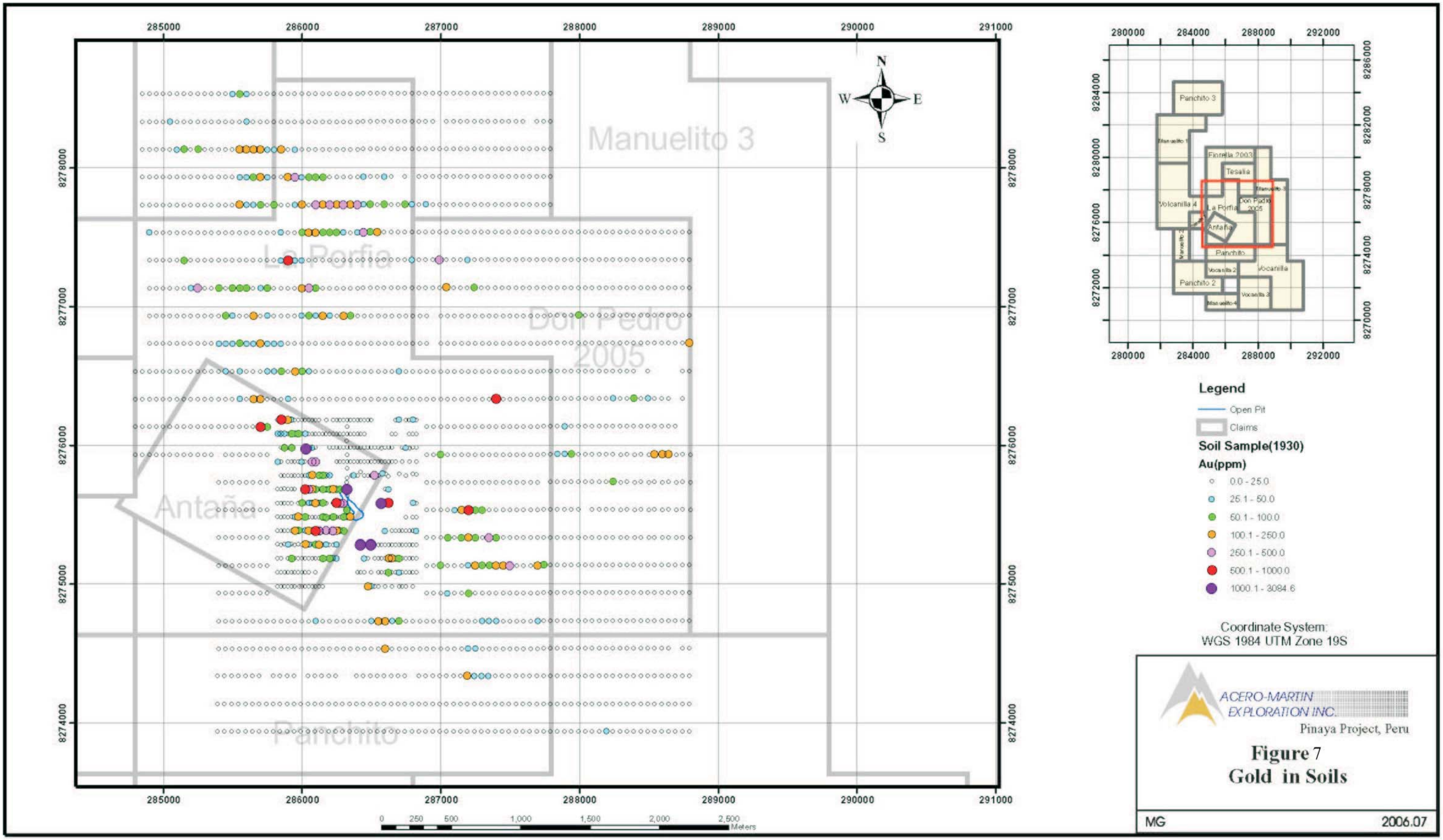


Figure 7
Gold in Soils

Trenching Program (Modified after Keyte et al, 2005)

During the months of March to July 2005 an extensive program of trenching was carried out on the Pinaya Property, which lies on the frontier between the Departments of Arequipa and Puno, in Southern Peru.

A total of 2,981.0 metres of trenching (37 trenches), originally completed by Minsur in 1999, were rehabilitated, and sampled, and a further 2,552.5 metres of new trenches (24 trenches) were excavated, consuming a total of 355 hours of backhoe time.

Working Procedures

The old trenches were cleaned out thoroughly by hand, using picks and shovels, with the intention of reaching clearly identifiable bedrock. In many cases bedrock was never reached and hence trenches were not sampled and these metres do not enter the calculations above. The trenches were cleaned and a 10 cm wide channel was then cut along the centre of the floor of the trench. The channels were measured, and were sampled on a 2.5 metre interval basis (without exception). The loose material was transferred on to a square of polyester sacking. It was thoroughly mixed by repeatedly folding the material at the outside to the centre. It was then divided into four parts, and one of these parts became the sample. The typical weight was 1-2 kg per sample.

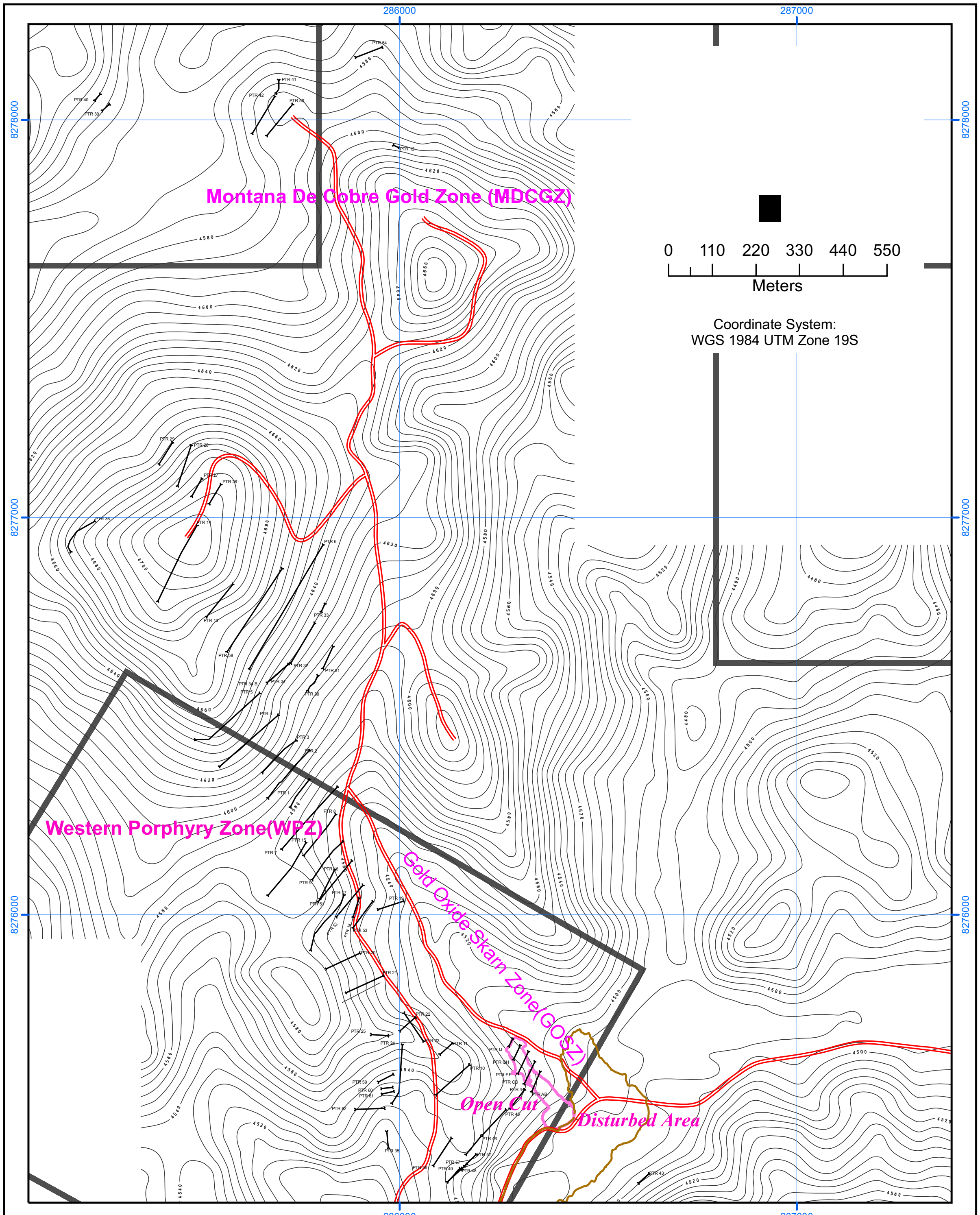
In the newly cut trenches this same procedure was followed where possible, but in many trenches it was not possible, because of the danger that would have been involved. Where the new trenches were more than 1.5 metres in depth, the backhoe operator was instructed to pile the overburden and dirt on one side of the trench, while the last bucketful, of bedrock, was dumped on the opposite side of the trench. This was then sampled from 15 to 20 places in the dumped material resulting in a representative sample of each interval. These samples were then shipped to SGS, Lima as per the company protocol. They were placed in polyester sacks (10 to a sack), with the sample numbers printed on the outside of the sack. The Sample Submission form was completed by the Canper geologist responsible (Abraham Castillo), and the samples were transported (with the shipment form) to the SGS sample depository in Arequipa by Adan Garcia. The SGS representative then checked the form against the numbering on the bags, and shipped them directly to Lima. The assays were analyzed as follows: All were assayed for Au (30 gram Fire Assay), and for 35 element ICP, with total digestion. Any samples that returned >1 % Cu were re-analyzed for Cu using AA with a four acid digestion.

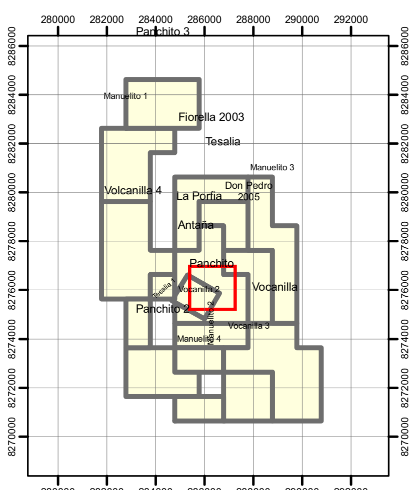
Results

The objective of the trenching program was to discover intersections of porphyry style mineralization. The trenching program was eminently successful in cutting porphyritic intrusions. The principle intersections encountered are tabulated below (Table 3), together with the gold and copper values for the intersections. The complete results may be found in a detailed report written by Keyte et al (2005) And a plan of the trenches is shown in Figure 8.

Table 3 Trench Sample Results

Trench No	Metres	Au g/t	Cu %
PTR-1	70.00	0.28	0.77
PTR-2a	70.00	0.25	0.15
PTR-2b	70.00	0.12	0.14
PTR-3	72.50	0.09	0.17
PTR-4a	42.50	0.12	0.16
PTR-4b	40.00	0.23	0.10
PTR-5a	22.50	0.05	0.01
PTR-5b	17.50	0.12	0.03
PTR-6a	45.00	0.11	0.01
PTR-6b-1	60.00	0.21	0.05
PTR-6b-2	45.00	0.13	0.01
PTR-7a	47.5	0.15	0.24
PTR-7b-1	67.50	0.15	0.07
PTR-7b-2	22.50	0.28	0.73
PTR-8	87.50	0.18	0.31
PTR-9	77.50	0.48	0.32
PTR-10	17.50	0.22	0.02
PTR-13	15.00	0.18	0.05
PTR-14b	22.50	0.12	0.02
PTR-15b-1	25.00	0.17	0.07
PTR-15b-2	27.50	0.13	0.08
PTR-16	50.00	0.35	0.08
PTR-19	40.00	0.12	0.01
PTR-22	30.00	0.56	0.09
PTR-23	60.00	0.29	0.10
PTR-24a	17.50	0.28	0.03
PTR-24b	17.50	0.35	0.11
PTR-24c	12.50	0.19	0.17
PTR-26	27.50	0.19	0.02
PTR-27	30.00	0.27	0.06
PTR-28	57.50	0.32	0.05
PTR-30	15.00	0.45	0.02
PTR-32	95.00	0.16	0.02
PTR-34a	27.50	0.23	0.03
PTR-34b	80.00	0.28	0.05
PTR-35	25.00	0.10	0.02
PTR-37	30.00	0.05	0.01
PTR-38	17.50	0.09	0.01
PTR-39	22.50	0.09	0.02
PTR-40	17.50	0.12	0.02
PTR-41	20.00	0.16	0.03





Legend

- trenches
- Claims
- Open Cut
- Disturbed Area

ACERO-MARTIN EXPLORATION INC.

Pinaya Project, Peru

Figure 8
Trench Plan Map with Topography

WM 2006.07

Table 3 Trench Sample Results (Continued)

Trench No	Metres	Au g/t	Cu %
PTR-42	47.50	0.15	0.01
PTR-43	27.50	1.03	0.14
PTR-45	20.00	0.09	0.01
PTR-46	37.50	0.13	0.02
PTR-47	27.50	0.13	0.02
PTR-49	35.00	0.11	0.11
PTR-50	50.00	0.25	0.01
PTR-51	30.00	0.15	0.15
PTR-52a	25.00	0.15	0.09
PTR-52b	17.50	0.23	0.04
PTR-56a	32.50	0.16	0.06
PTR-56b	27.50	1.16	0.06
PTR-57	40.00	0.21	0.49
PTR-58ne	50.00	0.12	0.02
PTR-58sw	70.00	0.09	0.01
PTR-59	20.00	0.16	0.36
PTR-60	17.5	0.35	0.66
PTR-61	12.50	0.46	0.56
PTR-65a	30.00	0.27	0.01
PTR-65b	21.00	0.21	0.02
PTR-65c	21.00	0.13	0.01
PTR-66a	51.00	0.44	0.06
PTR-66b	45.00	0.39	0.02
PTR-67	48.00	0.15	0.02
PTR-68a	42.00	0.08	0.03
PTR-68b	36.00	0.30	0.02
PTR-73	27.00	0.11	0.02

While there was no difficulty at all in identifying rock types in the weathered material excavated in the trenches, alteration represents a much more difficult proposition. Phenocryst selective secondary biotite is ubiquitous in the porphyry intersection in the trenches and in follow up diamond drill holes. Silicification and fine quartz veining were observed, but extensive quartz-magnetite stockwork (such as occurred in diamond drill hole PDH-16), were absent from porphyritic rocks encountered in the trenches.

There is, by contrast abundant hematite, both in veinlets and disseminated, and the better intersections were almost always characterized by chrysocolla and malachite however, the trenches often had to be deepened from 2 to 3 metres before these minerals were observed. Occasionally chalcocite was identified. Pyrite is almost completely absent from this level in the weathering profile.

Geophysical Surveys (Modified after VDG 2006)

Since August 2004, VDG del Peru S.A.C. (VDG) has conducted four (4) ground geophysical campaigns on behalf of CANPER at Pinaya. A summary of the various campaigns is described below. Details of these surveys can be found in a recent report by VCG 2006.

The first campaign consisted of ground magnetics while the second and third consisted of an induced polarization survey. The fourth campaign tested the potential for the hypogene zone at depth by using new deep survey techniques. This survey was limited to only a few select lines.

Grid Layout

The grid was originally established with the PSAD56 datum, and line and station numbers correspond to the last four digits of the PSAD56 coordinate system. The grid coordinates were translated in WGS84 datum in order to merge the geophysics with other database. Both reference systems are indicated on the maps

Magnetic survey

Digital topography was created to an accuracy of 2 metres with a Differential GPS mounted on the mobile magnetometers. The Real Time differential method was used to obtain Easting, Northing and elevation measurements using pre-established waypoints. A total of 110.2 line-kilometres were surveyed covering an area measuring 4.7 by 4.0 kilometres. The original line spacing was read at 100 metre spaced lines on 50 metre intervals. In order to control the repeatability and precision of the GPS system, a control point was established at 290033.174E, 8275358.026N.

Table 4: Magnetic survey instrumentation and acquisition parameters

Equipment/parameters	Description
Base station magnetometer	1 x Gem, GSM-19, serial # 48361
Mobile magnetometers	1 x Gem GSM-19, series # 539600, 44321
Base station cycle/ref. Field	10 seconds/ 24,440 nT
Reading interval	5 metres systematic
Sensor height (mobile & static)	2.0 metres
Base station location	288,660E; 8,276,113N – Elev: 4408 m.a.s.l. UTM 19S (WGS84)

Data quality control

Readings were taken at the beginning and at the end of every survey day at control point located near the base station. The base station records of the data were reviewed on a daily basis. The magnetic coverage overlapped segments of the previous lines in order to level the magnetic datum. Anomalous peaks due to man-made effects were rejected (approximately 5 readings) The field data was transfer to VDG's office everyday via satellite phone, processed and compared to the previous results over the repeats. The data was revised and checked for any equipment failures, positioning errors, or abnormal field procedures.

Results

The main magnetic trends strike generally in a northwest direction (Andean trend). Spiky profiles outlined in the central part of the grid are likely caused by the presence of narrow intrusive sills and dykes.

Induced Polarization survey (IP Survey)

The IP survey was conducted in a pole-dipole array, with a spacing a = 50 metres, and six (6) separation factors (n = 1 to 6). The estimated depth of investigation was 125 metres below the surface. The drill defined mineralized zones and the geology defined sectors of interest with potential for economic mineralization at greater depth, beyond the limit of detection of the previous IP coverage. The first Induced Polarization surveys were read on 100 metre spaced lines on 50 metre intervals. The later deeper penetration IP survey was read over selective traverses covering the favourable ground on 200 metre spaced lines over select lines on 50 metre intervals. The new IP survey has an estimated depth of penetration of 300 metres below the surface.

The electrode array used was the so-called Pole-Dipole-Pole (PDP), which consists in measuring in normal (receiver leading the transmitter) and reverse (transmitter leading the receiver) Pole-Dipole. The pseudo-section obtained with such an array shows a high density of points, and the resulting chargeability and resistivity images are more accurate than with conventional IP surveys.

Data quality control

During acquisition the quality of data was closely monitored by the geophysicist in charge of the field operations for any problem arising from equipment malfunction, mixed wires, tellurics and/or spherics interference. Cultural effects were noted or any other causes that could affect the repeatability of the data. Electrical contacts between the current points and the ground was instrumental in injecting enough current in the ground, and for obtaining the optimum signal strength at the receiver dipoles. At least two repeats were taken with the receiver in order to verify the repeatability. For each reading an average of 12 stacks were measured and averaged before data storing, the Qv standard deviation was used to monitoring the noise level (had to be < 1 %).

Data Presentation and survey results

The IP results were presented to CANPER in sections at a scale of 1:5000, the pseudo-sections and the inversion results (depth sections) were plotted along the topographic profiles for each survey line with the corresponding magnetic profiles. Both chargeability and resistivity inversions were presented in plan maps (scale 1:5,000) as colour contours representing the values at depth of 100 metres below the surface. The same parameters are presented at depth of 50 metres, 150 metres, 200 metres and 250 metres on figures (scale 1:25,000). Cool colours (white, blue) are used to represent high resistivity and low chargeability whereas warm hues (purple, red) are used to represent low resistivity and high chargeability.

Eleven (11) IP anomalies were outlined along the surveyed lines. Details of these results can be found in a recent report by VDG 2006. The deep Induced Polarization survey detected an additional five (5) new chargeability anomalies three (3) of which extend below depths of 200 metres below the surface, over the detection limit of the previous IP coverage. The three deep IP anomalies are believed to represent sulphide occurrences, and constitute excellent drill targets.

DRILLING

Minsur S.A. Drill Program

In 1999, Minsur S.A. completed at least 41 NQ diameter diamond drill holes on the property, oriented at 230 to 235 degrees azimuth and between –50 to –90 degrees inclination. Minsur marked drill collar locations on the property with cement blocks and PVC pipe inscribed with the company name, the date and the drill hole number. Acero-Martin field staff surveyed discovered collar locations in the field with a hand held GPS. Core produced by Minsur is apparently stored in Juliaca but is unavailable for review. A total of 37 drill sites have been located on the property and the highest drill hole number inscribed on the cement collar markers was DDH-41.

Acero-Martin Drill Programs

At least three (3) drill campaigns have been completed by Canper between November 2004 and July 2006, ongoing campaign. Due to the fact that the present drill campaign is still under way, this report includes a discussion of results up to and including hole PDH-61.

From November 07, 2004 to July 22, 2005, Acero-Martin Exploration completed 20 HQ diameter (2.5" or 6.35 cm) diamond drill holes (PDH-1 to PDH-20) in two programs totalling 3969 metres. From November 17 to December 15, 2005, Acero-Martin Exploration completed 4 HQ diameter diamond drill holes (PDH-21 to PDH-24). On February 10th of 2006 Acero-Martin Exploration started up its 10,000 metre drill program and at the time of writing of this report had completed up to PDH-63. This report includes full assay results up to and including drill hole PDH-61. Results after this hole are forthcoming and will not be included in this report.

The diamond drill contractor utilized for all campaigns is Geodrill S.A. of Arequipa (Geodrill). Quality Assurance and Quality Control programs were designed and are being monitored by the author. Quality Control and monitoring was made a priority by Acero-Martin Exploration throughout the past and present drill programs. Detailed methodology is discussed in the section titled Sample Preparation, Analysis and Security.

All drill holes from PDH-1 to PDH-63 have been surveyed by a registered surveyor, Wenceslao Huarilloc, from Arequipa, Peru with a Leica TC 305 Total Station.

Geodrill S.A. Equipment

Geodrill provided two truck-mounted Long Year P-38 diamond drills and a smaller skid-mounted Chilean manufactured diamond drill at various times for the initial 20 drill holes (PDH-1 to PDH-20). Two truck-mounted rigs are being used during the 2006 drill program and were used for parts of the 2005 program. The skid-mounted rig was commissioned for drilling soft valley bottoms and in the hills, where the truck-mounted rigs would have difficulty manoeuvring. The smaller drill could attain roughly 250 metres of thin walled HQ before NQ core reduction, which has a maximum depth of 500 metres. A Caterpillar D-6 and a small backhoe were present throughout the drill programs to support the rigs and rehabilitate drill sites.

Diamond Drill Hole Locations

Table: 5, drill hole plans (Figure: 9) and a drill hole cross section (Figure 10) are located in Appendix 4. These illustrate the location of the drill holes, including azimuths, inclinations and total depths. Diamond drill holes were located according to rock geochemical and geophysical anomalies located in trenches and during the various mapping programs. The majority of drilling has been directed along an azimuth of 225 degrees with an inclination of -50 to -60 degrees given that stratigraphy and the bedding plane controlled Pinaya intrusive complex strikes NW-SE and dips moderately to the NE this drill orientation has proven to be favourable. Also included in Appendix 4 is a summary of the drill hole results for holes PDH-001 to PDH-061.

In 2005, the diamond drill targets were based on anomalous gold and copper in rock sample values from the open cut, a strong IP conductor with 2 km strike length, and a structurally controlled epithermal gold model (PDH-01 to PDH-08). Drill core from the open cut area revealed skarn Au-Cu mineralogy in the open cut area changing the drill target model from a structurally controlled epithermal model to a porphyry gold-copper model with local skarn. Subsequent drill targets (PDH-9 through 61) were based on copper and gold anomalism in trenches in an area of moderate chargeability anomalism and moderate magnetic susceptibility. Caira (2005 and 2006) has reviewed and summarized each diamond drill hole up to PDH-51 and the descriptions are located in Appendix 3.

SAMPLING METHOD AND APPROACH

Surface Rock grab samples

CANPER (2004-2005) took a series of rock grab samples during prospecting programs conducted throughout 2005. Caira (2005) took a series of rock grab samples during the mapping program from surface outcrops in the course of the geological mapping of parts of the Pinaya Project area. These samples were specifically taken as samples of “mineralization” as they relate to copper-gold grade distribution along lithologic contacts, fault zones and alteration zones.

Trenching

CANPER (2005) excavated a series of trenches PTR-1 to PTR-73 throughout the main mineralized corridor between the Western Porphyry Zone and the Montana de Cobre Gold Zone in the north and took a series of 2 metre continuous chip and channel samples. A summary of the trench sample methodology is available in the trenching section in this report.

Drill Core Samples

CANPER (2004) drilled 8 diamond drill holes including PDH-1 to PDH-8. CANPER (2005) drilled 16 drill holes including PDH-9 to PDH-24. CANPER (2006) drilling is in progress. Canper has drilled holes PDH-25 to PDH-63 at the time of the report, with assays received ending PDH-61. The down hole drill results were created in Gemcom and are available as histogram plots at a scale of 1:1000 for compilation purposes. A series of cross sections looking NW and long sections looking SW were created for Cu, Au and Zn.

Drill core samples, in general were taken every 1.5-2.0 metres continuously down the full length of each drill hole. The samples were marked with lumber crayon and an aluminium tag was stapled to the bottom of the box at the start of the sample with the sample number and sample sequence (from- and to-). Each drill rig has its own sample number series to avoid confusion. The sample tag books are pre-marked with assay quality control (QC) information assigned to certain sample numbers for standards (every 30 samples) and for duplicate samples (every 30 samples). In general, sample intervals were changed at transitions from differing alteration types and between differing lithologies. The samples were measured from the nearest depth marker, taking into account core recovery. The sample interval From- and To- for each sample is then marked down on the sample log with the sample number. The, type, name and reference sample number of any standards, duplicates and blanks are also marked down at this time to be inserted by the sample preparation lab. The lab is not provided with the drill hole number at any time during correspondence.

To the author’s knowledge there are no drilling, sampling or recovery factors that materially impact the accuracy and reliability of the results of the drilling.

SAMPLE PREPARATION, ANALYSIS AND SECURITY

Drill Core Logging

Core logging was completed on site by an Acero-Martin core-logging geologist, supervised by the project geologist. Core evaluation consisted of geotechnical and geological logging. The geologists were responsible for the supervision of two local core samplers and the implementation of the quality control program of standards, blanks, and duplicates. The quality control program was implemented throughout the entire project. Core is being stored in a secure locked building monitored by security staff at the Pinaya Property.

Geotechnical logging involved labelling metreage on the boxes, labelling the ends of the boxes with the hole number, box number, and metreage, and photographing the core one box at a time. For each core interval, the geotechnical and geological logs measured and recorded the % recovery, rock quality designation, fracture count, fractures per metre, fracture roughness, fracture infill, rock strength, alteration, mineralization style and core size. In addition, the split and sampled core was viewed by Caira in 2005 and during 2006 with the assays to gain an understanding of mineralization controls, to standardize lithology, alteration and mineralization codes. As well a series of skeleton logs were created for each hole to depict lithology, alteration and mineralization types in addition to the photographing of each skeleton log core sample.

Sample intervals were made after the logging was complete, and a book was filled out with the sample intervals. Standards, blanks, and duplicates were inserted about every 30th sample. Three different standards were used and were noted in the sample book. The blank was washed and assayed barren quartz purchased from an assay laboratory. Sample intervals were generally 1.5 metres, and ranged between 0.5 and 2 metres. A review of the results of the QA/QC for the first 24 drill holes is included in Appendix 6.

Sample numbers were marked on the sample box by the helpers who recorded the information in the sample books. Sample intervals were depicted by wooden blocks as well as an aluminium tag was stapled to the bottom, inside of the core box, with sample number, sample metreage, and the sample interval written on them. Core was split using a knife (if deeply weathered) and an electric rock saw powered by a generator.

The core logging geologist was responsible for entering the sample intervals and numbers, the geotechnical log, and geological log into an excel spreadsheet. In 2005 and early 2006, following the completion of a drill hole, a GPS coordinate was taken at the collar. In the spring of 2006, a legal surveyor was hired to survey in the drill holes while the rig is set up at the hole collar. All digital photographs of the core were downloaded onto a computer. The core logging procedure is considered thorough and provides sufficient geotechnical and geological information.

Laboratory Sample Shipments

Rock and core samples are transported to SGS Labs in Lima, Peru. SGS Labs In Lima is an ISO 9000 certified Lab. Gold values are determined by 30-gram fire assay fusion with an atomic absorption spectroscopy finish. All samples are analyzed for 35 elements by ICP and total digestion. Samples anomalous in copper are reanalyzed by atomic absorption, or four-acid digestion.

Individual core sample bags are cross-referenced with the sample log, counted carefully and bagged in rice bags on site. A sample shipment form is prepared by the Project geologists, either Ryan Grywul or Cary Pothorin as per requirements of the project.

Samples are transported from the work site to SGS Lab transfer station in their Arequipa office via company truck, and are driven by a Canper employee, usually Adan Garcia, without stops from the work site to the SGS depository in Arequipa, a distance of 180km or 2.5 hours. In general, shipments include a single drill hole to avoid confusion at either end. These samples are received by SGS' office in Arequipa, normally by Maria Osorio or Alberto Justo Osorio. We receive a copy of the shipment form at that time and this form is hand delivered by the Canper driver on his next visit to the worksite for the next shipment transport.

SGS transports the sample shipments to SGS' Laboratory in Callao, Peru at SGS del Peru S.A.C., Avenida Elmer, Faucett 3348, Callao 1 – Peru, P.O. Box 27-0125, Lima 27 Perú. Normally, samples that have been delivered to the SGS depository in Arequipa before 6:00 PM will be sent to the lab in Lima on the same day and arrive early the following day.

Results are reported to Acero-Martin management's approved list of recipients through David Sanchez of SGS, Lima via email, directly to the recipients at the same time. The author continually monitors a detailed quality assurance and quality control program and periodic reports are documented for quality assurance monitoring.

DATA VERIFICATION

Filing and maintenance of original records, keypunching of data into Microsoft Excel and verification of lithology are carried out in the Pinaya site office. Data checking is done in the Lima office. Copies of all data generated in the field are duplicated and transmitted to several off-site locations including Carlos Agreda, who is the office manager in the Lima office and Nadia Caira in Bragg Creek, Canada. Compilations take place in the field, as the drilling progresses, by the personnel who have collected the data. Manual cross sections are drafted at a scale of 1:500 on original working copies, which are kept up to date and pertinent. The drill hole database is kept relatively up to date by the resource consultant. This database generates digital working copies of down hole assays and lithologic rock codes so that cross sections can be updated on a regular basis.

Completed data logs are transmitted from the exploration site office to the Lima office when the logging for the drill hole is complete. These logs include: geotechnical logs, geological logs, sampling logs, and synoptic summary logs as well as specific core photos that pertain to each hole in digital format.

Assay results are transmitted to the work site and to the designated recipient list as agreed to by management.

Acero-Martin staff in the site or Lima office verifies all keypunched and merged data. Verification is done manually in the Lima office by comparing data dumps from the database against the original drill logs and assay certificates. This is an on-going process and is generally behind the on-going drill program at Pinaya.

The author took samples to confirm the mineralization at Pinaya during his original visit to the property in January of 2004 and again during a visit to the property in June of 2005. The author sampled the Gold Oxide Skarn Zone and the Western Porphyry Zone. In other visits to the property the author has examined mineralization in trenches, in outcrop and logged core. It is the author's opinion that the tenor of mineralization seen in the numerous visits is consistent with the results reported in the ongoing drill program. The assay certificates for the author's verification samples are included in Appendix 7.

MINERAL PROCESSING AND METALLURGICAL TESTING

To the author's knowledge, no mineral processing or metallurgical testing has been conducted on the property.

MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

No mineral resource has been estimated for the Pinaya Property.

OTHER RELEVANT DATA AND INFORMATION

Due to the artisanal mining, environmental concerns exist on the property. CANPER contracted GeoSurvey Ltd. of Lima to conduct a preliminary study to determine the costs of cleanup and reclamation. The document is included in Appendix 5. The project has strong community support and therefore the author does not foresee any permitting, legal, title, taxation, socio-economic or political issues that could adversely affect the property.

INTERPRETATION AND CONCLUSIONS

Based on the observed alteration types, the mineralized zones on the Pinaya property are best classified as porphyry copper-gold, gold-skarn and gold oxide targets. The most attractive exploration targets found to date are the Western Porphyry Zone (WPZ) and the Gold Oxide Skarn Zones (GOSZ) where a near continuous zone of copper and gold mineralization may be amenable to open cut exploitation.

Since the discovery of anomalous gold on the property in 2003, 1:5000 and 1:1000 scale geological mapping, sampling and approximately 13,000 metres of diamond drilling have been completed. Information collected from these past programs resulted in the discovery of mineralization hosted as supergene and hypogene enriched chalcocite-covellite-digenite in gold-copper skarn and copper-gold porphyry mineralization. Additional exploration included geophysics, ground magnetometer and induced polarization surveys and Aster image interpretations. This additional exploration has produced a list of potential drill and exploration targets, which have the potential to host additional mineralized zones.

The Pinaya Property is a property of merit. The property is a potential host to a bulk mineable gold-copper deposit that may be amenable to heap leaching or conventional milling. However, further work is required to define the limits of the resources. Drilling is required to delineate the extent of the mineralized zones, improve structural and sectional geologic interpretations and test new targets. The exploration carried out to date has not yet defined the limits of the mineralized system. The Western Porphyry Zone is open to the northwest, the southeast and down dip to the northeast. Given the NE dip to the intrusive complex, the Gold Oxide Skarn Zone occurs to the east of the porphyry zones in the west, is open to the northwest, to the southeast and down dip to the east-northeast. The Montana de Cobre Gold Zones are open to the northwest, southeast and down-dip to the northeast.

RECOMMENDATIONS

Based on the exploration of the property to date and a favourable geologic setting, the Pinaya Property is of sufficient merit to warrant further exploration. Recommendations for further work are follows:

1. Continuation of the present drill program on 50 metre drill centres to effectively define the mineralization at sufficient detail for a future resource estimate focusing on the higher grade area between the Southern Western Porphyry Zone and the Gold Oxide Skarn Zone where grades are highest and the chalcocite is the best developed and the near surface copper-gold zone in the northern WPZ.
2. Detailed petrological study to define the mineral constituents and nature of each of the copper and gold species in each of the mineralization zones: upper leached, lower leached, upper supergene sulphide, lower supergene sulphide, hypogene mineralization.
3. Preliminary metallurgical test work to determine the amenability of ores for extraction.
4. A series of 100 metre spaced exploration drill holes to test areas between known mineralization and anomalous soil and rock geochemistry.

    Area 1: in the area on the ridge east of the main area of drilling, east of PDH-10 where geochemistry is suggestive of additional skarn mineralization due to its strong Cu/Au /Zn/Bi/W anomalism

    Area 2: the area around Cerro Antaña where geochemistry suggests a buried magma chamber.

    Area 3: the area south of PDH-27 and 28 shows strong evidence for distal skarn and gold oxide mineralization over an area measuring 1100 x 700 metres.

    Area 4: the area southeast of PDH-29 on the south side of the valley where Au/Cu/W/Zn/As/Pb anomalism measures 500x600 metres.

A proposed budget for further exploration is presented in Appendix 1

REFERENCES

Agreda, C., (2006): Pinaya Project Soil Sample Program, Canper Exploraciones S.A.C., Internal Report, 2 pp.

Benavides-Caceres, V. (1999): Orogenic Evolution of the Perúvian Andes; *In* Geology and ore Deposits of the Central Andes, Society of Economic Geologists Special Publication Number 7, Skinner, B.J. (ed), pp 61-107

Bradley, J., C., (2004): Geological and Structural Map of the Pinaya Property, Internal Company Document Prepared For Canper Exploraciones S.A.C. 1 pp.

Caira, N., (2005): A Review of the Pinaya Porphyry Cu-Au and Skarn Property, Peru, internal company report prepared for Canper Exploraciones S.A.C., 41 pp.

Caira, N., (2006): An Update of the Pinaya Porphyry Cu-Au and Skarn Property Exploration Program, Peru, internal company report prepared for Canper Exploraciones S.A.C., 37 pp.

Camus, F. (2003): Geología de los sistemas porfíricos en los Andes de Chile. SERNAGEOMIN, 267p. Santiago, Chile.

Carloto, V., Cerpa, L., Cárdenas, J., Quispe, J. and Carlier, G. (2005): Paleogeographic, structural and magmatic evidences for the existence of different lithospheric blocks in the Central Andes: Samples from southern Peru and northern Chile. 6th International Symposium on Andean Geodynamics (ISAG 2005, Barcelona), Extended Abstracts: pp. 146-149

Cerpa, L., Carlotto, V., Perelló, J.. Cárdenas, J (2004): Características Estructurales en la Región de Andahuaylas-Yauri (Sur de Perú) y la Relación con la Cordillera de Domeyko (Norte de Chile)". Curso Latinoamericano de Metalogénia UNESCO-SEG 2004. Vol. Resúmenes Extendidos. 15-19. Mendoza-Argentina. Agosto 2004.

Clark, A.H., Farrar, E., Kontak, D.J., Langridge, R.J., Arenas F., M.J., France, L.J., McBride, S.L., Woodman, P.L., Wasteneys, H.A., Sandeman, H.A. and Archibald, D.A., (1990): Geologic and Geochronologic Constraints on the Metallogenic Evolution of the Andes of Southern Peru: Economic Geology, vol. 85, p 1520-1583.

Coughlin, T. (2005): Structural setting of gold mineralization at the Pinaya Prospect Peru: Implications for Drilling and Target Generation, Holcombe Coughlin & Associates: Consultants in Structural geology and Exploration, Prepared for Canper Exploraciones S.A.C., 11 pp.

Galland, O., Bremond d'Ars, J., Cobbold, P., Hallot, E, (2003): Physical models of magmatic intrusion during thrusting, Terra Nova, 15, 405–409.

James, D.E., and Sacks, I., S., (1999): Cenozoic Formation of the Central Andes: A Geophysical Perspective; *In* Geology and ore Deposits of the Central Andes, Society of Economic Geologists Special Publication Number 7, Skinner, B.J. (ed), pp 1-25

Keyte, G., and Castillo, A., (2005): Report on The Trenching Program, Pinaya, Southern Peru, Internal Company Report Prepared for Canper Exploraciones S.A.C. 3 pp.

McCrea, J., (2004): Summary Report on the Pinaya Gold Property, South-Central Peru, 43-101 Report Prepared for ASC Industries Ltd., 20 pp.

Medina, A., Palacios, O., De La Cruz, J., De La Cruz, N., Klinck, B.A., Allson, R.A., Hawkins, M.P., (1993): Geologia de la Cordillera Occidental Y Altiplano al Oeste del Lage Titicaca – Sur del Peru: Boletin No. 42, Serie A: Carta Geologica Nacional, Republica Del Peru, Sector Energia Y Minas, Instituto Geologico Minero Y Metalurgico, 257p.

Murphy, F., (2006): Structural Interpretation of the ASTER Imagery For the Pinaya District, Southern Peru, by Murphy Geological Services, Prepared For Canper Exploraciones S.A.C.

Perelló, J., Carlotto, V., Zárate, A., Ramos, P., Posso, H., Neyra, C., Caballero, A., Fuster, N., Muhr, R. (2003): Porphyry-Style Alteration and Mineralization of the Middle Eocene to Early Oligocene Andahuaylas-Yauri Belt, Cuzco Region, Perú; Economic Geology, Vol. 98, pp 1575-1605

Petersen, U., (1999): Magmatic and Metallogenic Evolution of the Central Andes *In:* Geology and Ore Deposits of the Central Andes, Society of Economic Geologists Special Publication Number 7, pages 10

Pineault, R., (2006): Geophysical Report on Induced Polarization and Magnetic Surveys, Pinaya Project, Internal Company Report Prepared For Canper Exploraciones S.A.C. 9 pp.

Quang, C., Clark, A. Lee, J., and Hawkes, N. (2005): Response of Supergene Processes to Episodic Cenozoic Uplift, Pediment Erosion, and Ignimbrite Eruption in the Porphyry Copper Province of Southern Perú, Economic Geology, v.100, pp. 87–114

Reeder, J., (2006): Personal Communication.

Skarmeta, J., and Centilli. (1997): Intrusión Sintectónica del granito de las Torres del Paine, Andes patagónicos de Chile, Revista Geológica de Chile, Vol. 24, Nro 1, p. 55-72.

Sillitoe, R.H. (1985): Ore-related Breccias in Volcanoplutonic Arcs. -Economic Geology, Vol. 80: p. 1467-1514.

Sillitoe, R.H., (2000): Role of gold-rich porphyry models in exploration, in S.G. Hagerman and P.H. Brown, eds. Gold in 2000, Reviews in Economic Geology, v. 13, p. 311-346.

Sillitoe, R. H., and Gappe, I.M., Jr., (1984): Philippine porphyry copper deposits: Geologic setting and characteristics: United Nations Economic Social Commission Asia-Pacific, Committee Coordination Joint Prospecting Mineral Resources Asian Offshore Areas Tech. Pub. 14, 89 p.

DATE AND SIGNATURE PAGE

Certificate of The Qualified Person

I, James A. McCrea, am a Professional Geoscientist residing at 306, 10743 - 139th Street, Surrey, British Columbia do state that:

- I have a B.Sc. In Geology from the University of Alberta, 1988.
- I have been working as a geologist continuously since graduation, for the past 18 years.
- I am a Registered Professional Geoscientist (P.Geo.), Practising, with the Association of Professional Engineers and Geoscientists of British Columbia. (Licence # 21450)
- I am a "qualified person" for the purposes of NI 43-101.
- I have visited the Pinaya Property on January 7th, 2004, June 24th, 2005, December 14 to 16th, 2005 and July 7th, 2006.
- I am responsible for all sections of the report titled Technical Report on the Pinaya Gold-Copper Property dated July 14, 2006.
- I am not aware of any material fact or material change related to this report that is not reflected in the technical report.
- I am a consultant for Acero-Martin Exploration Inc. I hold 70,000 options to purchase securities of the company.
- I have read National Instrument 43-101 and Form 43-101F1 and the technical report has been prepared in compliance with this Instrument and Form 43-101F1.

PROFESSIONAL PROVINCE OF J. A. McCREA BRITISH COLUMBIA GEOSCIENTIST

James A. McCrea, B.Sc., P.Geo.
APEGBC Licence # 21450

July 14, 2006

APPENDIX 1: Budget for Pinaya

Budget for Drilling - Phase 1

	Charge per day or per unit	Days / Units or man days	
Project Manager - Qualified Person Professional Geologist	$400.00	40	$16,000.00
Senior Advisor - Quality Control - Expert to determine sampling methods, standards.	$500.00	10	$5,000.00
National Travel - Airfare Lima - Arequipa			$1,000.00
International Travel			$5,000.00
Supplies - Gear			$4,500.00
Diamond Drilling - all inclusive (including labour, assays and support)	$200.00	10000	$2,000,000.00
Cat work (roads and drill pads)			$7,000.00
Totals in US Dollars			**$2,038,500.00**
Totals in Canadian Dollars (exchange 1.15)			**$2,344,275.00**

APPENDIX 2: C Permit

MINISTERIO DE ENERGIA Y MINAS

Resolución Directoral

N° 459 -2005-MEM/DGAAM

Lima, 31 OCT. 2005

Visto, el escrito N° 1545843 de fecha 08 de julio de 2005, presentado por CANPER Exploraciones S.A.C., mediante el cual solicita la aprobación de la Evaluación Ambiental del Proyecto de Exploración "Pinaya" – Categoría C, a desarrollarse en las concesiones mineras "Antaña", "La Porfía", "Don Pedro 2000", "Tesalia", "Panchito" y "Fiorela 2003" ubicadas entre los distritos de Santa Lucía y Callalli; provincias de Lampa y Caylloma; departamentos de Puno y Arequipa respectivamente;

CONSIDERANDO:

Que, por Decreto Supremo N° 038-98-EM, se aprobó el Reglamento Ambiental para las Actividades de Exploración Minera, declarándose que los proyectos que se encuentran dentro de la categoría C, deberán contar con una Evaluación Ambiental, aprobada por el Ministerio de Energía y Minas;

Que, de conformidad con el Decreto Supremo N° 053-99-EM, se establece que la Dirección General de Asuntos Ambientales Mineros será la encargada de la evaluación y aprobación, aprobación condicionada o desaprobación según corresponda de las Evaluaciones Ambientales presentadas al Ministerio de Energía y Minas;

Que, por Resolución Ministerial N° 596-2002-EM/DM, se aprobó el Reglamento de Consulta y Participación Ciudadana en el Procedimiento de Aprobación de los Estudios Ambientales en el Sector Energía y Minas;

Que, mediante el escrito N° 1545843 de fecha 08 de julio de 2005, CANPER Exploraciones S.A.C., solicitó la aprobación de la Evaluación Ambiental del Proyecto de Exploración "Pinaya" – Categoría C, a desarrollarse en las concesiones mineras "Antaña", "La Porfía", "Don Pedro 2000", "Tesalia", "Panchito" y "Fiorela 2003" ubicadas entre los distritos de Santa Lucía y Callalli; provincias de Lampa y Caylloma; departamentos de Puno y Arequipa respectivamente";

Que, la Evaluación Ambiental presentada ha cumplido con lo dispuesto en el artículo 11° de la Resolución Ministerial N° 596-2002-EM/DM, habiéndose hecho de conocimiento público a través de la publicación del aviso correspondiente en el Diario Oficial el Peruano edición del 21 de julio de 2005, y en el diario "Arequipa al día" edición 19 de julio de 2005 y en el diario "Correo" de Puno, edición 19 de julio de 2005, como se evidencia del escrito N° 1548784 de fecha 21 de julio de 2005;

Que, durante el periodo legal de consulta pública, esta Dirección no ha recibido ningún recurso con observaciones al proyecto;

Que, mediante Auto Directoral N° 886-2005-MEM/AAM del 06 de septiembre de 2005, la Dirección General de Asuntos Ambientales Mineros requirió a la empresa administrada para que cumpla con levantar las observaciones contenidas en el Informe N° 136–2005/MEM-AAM/LS/CPA;

Que, mediante el escrito N° 1563543 de fecha 04 de octubre de 2005, CANPER Exploraciones S.A.C., presentó el levantamiento de observaciones a la Evaluación Ambiental del Proyecto de Exploración "Pinaya", el cual, luego de ser evaluado, originó que se reiteraran las observaciones mediante el Informe N° 158-2005/MEM/AAM/LS/CPA, notificado con Auto Directoral N° 1052-2005-MEM/AAM, de fecha 18 de octubre de 2005;

Que, mediante escrito N° 1567621 de fecha 21 de octubre de 2005, CANPER Exploraciones S.A.C., presentó el levantamiento de observaciones al Estudio de Evaluación Ambiental del Proyecto de Exploración "Pinaya" que fueran formuladas a través del Informe N° 158-2005/MEM/AAM/LS/CPA;

Que, luego de la evaluación de la documentación presentada se han dado por subsanadas las observaciones, desprendiéndose el Informe N° 166-2005/MEM-AAM/LS/CPA, a través del cual se concluye por la aprobación del estudio, indicando que la ejecución del proyecto, se realizará por un periodo de 12 meses contados a partir del 07 de noviembre de 2005 hasta el 07 de noviembre de 2006 incluyendo las medidas de rehabilitación correspondientes;

De conformidad con el Decreto Supremo N° 038-98-EM, Decreto Supremo N° 025-2002-EM, y demás normas reglamentarias y complementarias;

SE RESUELVE:

Artículo 1°.- **APROBAR,** la Evaluación Ambiental del Proyecto de Exploración Minera "Pinaya" – Categoría C presentado por CANPER Exploraciones S.A.C., a desarrollarse en las concesiones mineras "Antaña", "La Porfía", "Don Pedro 2000", "Tesalia", "Panchito" y "Fiorela 2003" ubicadas entre los distritos de Santa Lucía y Callalli; provincias de Lampa y Caylloma; departamentos de Puno y Arequipa respectivamente.

Las especificaciones técnicas de la aprobación de la presente Evaluación Ambiental se encuentran indicadas en el Informe N° 166-2005/MEM/AAM/LS/CPA, el cual se adjunta como anexo de la presente Resolución Directoral y forma parte integrante de la misma, sin perjuicio de los demás informes de evaluación correspondientes señalados en la parte considerativa.

Artículo 2°.- El Proyecto de Exploración Minera "Pinaya", será ejecutado por un periodo de 12 meses contados a partir del 07 de noviembre de 2005 hasta el 07 de noviembre de 2006 incluyendo las medidas de rehabilitación correspondientes;

Artículo 3°.- CANPER Exploraciones S.A.C. se encuentra obligada a cumplir con lo estipulado en la Evaluación Ambiental - Categoría C del Proyecto de Exploración "Pinaya"; así como con la presente Resolución Directoral y los compromisos asumidos a través de los recursos complementarios presentados por la recurrente.

Artículo 4.- La aprobación de la presente Evaluación Ambiental no constituye el otorgamiento de autorizaciones, permisos y otros, que por leyes orgánicas o especiales son de competencia de otras autoridades nacionales, sectoriales, regionales o locales.

Artículo 5°.- Remitir a la Dirección General de Minería copia de la presente Resolución Directoral y de los documentos que sustentan la misma, para los fines de fiscalización correspondiente.

Regístrese y Comuníquese,

ING. JULIO BONELLI ARENAS
Director General
Asuntos Ambientales

APPENDIX 3: Drill Hole Summaries: Caira (2005 and 2006), Cary Pothorin and Ryan Grywul (2006)

Appendix 3: Diamond Drill Hole Summary from Caira (2005 and 2006)

PDH-01: (GOSZ)

This hole was collared 50 meters in front of PDH 2 across the edge of an area of IP-chargeability anomaly into a NNW-SSE trending area of high resistivity. This hole was anomalous in copper and gold from 0 to 163.90m (163.90m). The best copper grades are from 54-152.75m coincident with the contact between the skarned and faulted conglomerate and phyllic altered and faulted conglomerate. The best gold and copper values are from 59.7-80.5m where values as high as 26.84 gpt Au and 15,500ppmCu are coincident with footwall to a fault zone in calc-silicate skarn. Zinc is anomalous from 13.5-94.2m with the best grades from 46.5-82.0m returning .21% over 80.7m. Zinc is depleted in the soil samples in this area.

PDH-02: (GOSZ)

This hole was collared 50 meters behind PDH-1 across the edge of a NNW-SSE chargeability anomaly in an area of moderate magnetic susceptibility. This borehole intersected anomalous copper from the 0 to 204.5m with the best grades from 117.0-204.5m coincident with calc-silicate skarn, areas of severe tectonism and coincident diorite dykes/sills. The best gold values were from 97.2-162m coincident with the contact between tectonized quartz arenite and calc-silicate skarn and severely oxidized intervals in phyllic alteration where grades in excess of 5000ppb or 5.12gpt Au occur. Zinc anomalism occurs from 95.7-156m.

PDH-03: (GOSZ)

This hole was collared 50 meters southeast of PDH 4 across the western edge of an IP-chargeability anomaly. The hole was anomalous in gold from 0-105meters with the best grades from 37.75-70.5m coincident with skarned conglomerate with pyrite-chalcopyrite-chalcocite and hematite mineralization. The hole was anomalous in copper from collar to 146m (EOH) with the best grades from 37-70.5m and 119.75-146m. The latter interval is coincident with multiple diorite porphyry dykes/sills. The last interval in this borehole returned 0.586% copper. Zinc anomalism occurs from 7.75-75.0 meters.

PDH-04: (GOSZ)

This hole was collared 50 meters northwest of PDH 3 along the western edge of an IP-chargeability anomaly in an area of slightly lower magnetic susceptibility than holes PDH 5-9. The hole intersected anomalous copper from 0-128m and from 146.5-163.1m (EOH) and anomalous gold to 68m and from 146.5-163.1m. Phyllic alteration and calc-silicate skarn occur from 41.7-59.70m. Narrow diorite dykes +/- clasts occur from 76.2-113m. Zinc anomalism occurs from 23.7-71.7m.

PDH-05: (GOSZ)

This hole was drilled 50 meters to the northwest of PDH-7 across the western edge of an IP-chargeability anomaly trending NNW-SSE. The hole intersected anomalous gold values from 0-175m, while the best gold values were from 53.2-71.3m coincident with retrograde calc-silicate skarn with epidote-chlorite-calcite-hematite-pyrite-chalcocite; copper anomalism occurred from 0-139.10m with the best grades from 54.7-137.6m; narrow diorite porphyry dykes/sills occurred from 70.55-86.10m. Zinc anomalism occurs from 19.5-119.3m.

PDH-06: (GOSZ)

This hole was drilled 50 meters to the southeast of PDH-7 across the western boundary of a NNW-SSE trending IP-chargeability anomaly near an intersection with a IP-chargeability high that trends NE-SW. This borehole intersected anomalous gold and copper to a down hole depth of 44.5m coincident with retrograde skarned conglomerate with epidote-chlorite-pyrite -calcite overprinted by strongly pyritic-chalcocite in phyllic alteration. Narrow diorite porphyry dykes/sills cross cut sediments between 124-133m where copper values are low. Zinc anomalism occurs from 181.5-25.65m.

PDH-07: (GOSZ)

This hole was collared along the western edge of an IP-chargeability anomaly in an area of moderate magnetic susceptibility. The borehole was geochemically anomalous from the collar to 85m and intersected a phyllic zone to a depth of 61.50m with 3-5% pyrite. The best mineralization is at the contact between the phyllic altered and tectonized arenite with calc-silicate skarned conglomerate from 38.25-76.50m. Zinc anomalism occurs from 28.5-81.0m.

PDH-08: (GOSZ)

This drill hole was collared 50 meters behind PDH-7 across a NNW-SSE trending IP-chargeability anomaly in an area of moderate magnetic susceptibility. The drill hole intersected copper and gold anomalism from 4.5m to a down hole depth of 127m. The best grades are coincident with a skarn zone in contact with a tectonized interval of quartz arenite from 99.5-126.9m. An extensive phyllic alteration with 5-10% pyrite and significant specularite occur to a down hole depth of 126.90m. Zinc anomalism occurs from 62-126.9m

PDH-09: (South of GOSZ)

This hole is located 50 meters southeast of PDH-8 in the skarn target area; the drill hole drilled east across a fault intersection (e.g. NW-SE and NE-SW) and across a NNE-SSW trending high chargeability zone. This drill hole intersected strongly anomalous copper from the drill hole collar to a down hole depth of 206m. Gold anomalism occurs from a depth of 0-13m. The hole intersected interbedded arkose, quartz arenite conglomerate cut by narrow diorite porphyry dykes (116-129m). Zinc anomalism occurs from 179.45-186.50m.

PDH-10: (North of GOSZ)

This hole was drilled to the southwest across a NNW-SSE trending IP chargeability anomaly in an area of moderate magnetic susceptibility. The hole intersected anomalous copper mineralization from the collar to 242m. The best copper grades were from 171.5-201.3m where potassic/intermediate altered diorite with chalcocite/hematite alteration with severely fractured and less mineralized sediment. The best gold grades are from 18.2-201.3m with values as high as 1873ppb Au. Zinc anomalism occurs from 19.5-33m.

PDH-11: (Southeast of GOSZ)

This hole was drilled in an area of moderate magnetic susceptibility at the southern end of the skarn target area along the extreme western edge of a NNW-SSE chargeability anomaly. The drill hole intersected copper mineralization in pyrite-sooty chalcocite deformed sediments from 13.0-94.0m coincident with narrow diorite porphyry dykes crosscutting quartz arenaceous sediments. Gold anomalism was in narrow 1.5m spikes to 2022ppbAu. Zinc anomalism occurs from 25-134m.

PDH-12: (North of GOSZ)

This hole was drilled in an area of weak to moderate magnetic susceptibility, moderate to high resistivity in the hanging wall of a moderate chargeability zone. The hole intersected severely deformed quartz arenite and a late stage igneous breccia from 145-183m. The best gold grades occur from 14.5-74.5m with spikes to 2156ppbAu coincident with phyllic altered arenite with 5-7% pyrite. Copper anomalism occurs from 4.8-234.4m with the best copper grades from 133-154m and 202-206.5m coincident with an intermediate altered igneous breccia with rafts of QA and chalcocite along fractures. Zinc anomalism occurs from 14.5-52m. This drill hole was collared along the western edge of a strong chargeability.

PDH-13: (East of GOSZ)
This hole was collared at the western edge of a chargeability anomaly in a moderate resistivity zone. This drill hole intersected 5-12% pyrite in the upper 25meters of the hole in sediments. The best gold values are from 63.0-76m and 122.5-155.5m coincident with strongly pyritic conglomerate, arkose and limestone. The best copper values were from 151.0-169.0m and 193.0-198.0m coincident with tectonized sediment with strong pyrite-chalcopyrite and sphalerite mineralization. This hole hosted an extensive zinc mineralization from 33.5-192.35m coincident with sphalerite.

PDH-14: (WPZ)
This hole was drilled to the northeast in a magnetic embayment, in an area of moderate magnetic susceptibility and was lost in a fault at 67.85m in excellent copper and gold mineralization. The hole was drilled from an area of low resistivity into moderate resistivity. The drill hole intersected best gold and copper grades from 0-67.85m coincident with strongly altered and mineralized diorite porphyry with intermediate argillic alteration with disseminate chalcocite and hematite with quartz veining. Zinc anomalism occurs from 16.50-67.85m.

PDH-15: (North-WPZ)
This hole was drilled towards the southwest, in an area of moderate magnetic susceptibility; along the footwall of a moderate IP chargeability anomaly at the edge of a high and NNE-SSW corridor of low resistivity. The hole intersected a down hole intercept of 170m of altered and mineralized diorite porphyry with severe dilution from rafts of quartz arenite. The upper 60 meters of the borehole hosted diorite without dilution from quartz arenite rafts with potassic alteration and strong veining in the form of V1 biotite, V2 quartz-biotite-orthoclase, V3 tenorite/chalcocite and V4 chrysocolla/chalcocite and V5 epidote -pyrite. The lower 120 meters was dominated by intermediate argillite alteration and was significantly lower in grade due to dilution by lesser mineralized rafts of sediment. The best gold and copper grades were from 9.5-56.3m coincident with potassic altered diorite cut by chrysocolla-azurite-tenorite-chalcocite veins. Copper grades were as high as 2.42 % Cu. Weak zinc anomalism occurs from 9.5-53m.

PDH-16: (WPZ)
This hole was drilled towards the northeast at a magnetic embayment in an area of moderate magnetic susceptibility at the south-eastern edge of an area of low magnetic susceptibility across an area of elevated resistivity. The hole drilled across a NW-SE trending fault zone inferred from the magnetic data. The upper 92 meters of this hole intersected severely fractured quartz arenite cut by a series of vertical igneous breccia dykes. The lower 160m was severely altered and mineralized diorite porphyry cut by multiple generations of V1 biotite, V2 quartz-magnetite-orthoclase, V3 chrysocolla-tenorite-chalcocite veins too numerous to mention in addition to abundant disseminate chalcocite in a predominantly intermediate argillic alteration with remnant islands of potassic alteration. Gold and copper are anomalous from 0.0-306m with the best gold grades from 156.5-180.0m (23.5m) and 242.5-281.5m (38.5m) coincident with intermediate altered diorite porphyry with both disseminate and veins of chalcocite near a contact with igneous breccia. The best copper grades are from 89.5-181.5 and from 237-258.0m (21m) coincident with potassic and intermediate altered diorite with both disseminate and veins of chalcocite with multiple quartz vein events. The latter interval is coincident with contact between diorite porphyry and phyllic altered sediment. Zinc anomalism occurs from 91.0-260.5m (169.5m) with the best grades from 172.5-237.0m.

PDH-17: (WPZ)

This hole was collared 50 meters to the southeast of PDH 16 in an embayment in a moderate area of magnetic susceptibility in an area of high resistivity and low chargeability. This drill hole intersected anomalous gold and copper from 92.3-175.5m coincident with potassic/intermediate argillic altered diorite porphyry with both disseminate chalcocite in addition to multiple vein generations as described above. Some of the best gold grades are coincident with oxidized alteration and mineralization along lithologic contacts. Copper is anomalous from the collar to 261.8m (EOH) coincident with veins of chrysocolla-malachite-azurite, disseminate and fracture controlled hematite with phyllic veins. The best copper grades are from 92.3-138.0m returning 12,294ppm copper and 823 ppb gold over 45.7meters. Zinc anomalism occurs from 94.0-141.0m.

PDH-18: (North-WPZ)

This drill hole was drilled to the southwest in a NNE-SSW trending corridor of low resistivity, 170m south of PDH 15 in an area of moderate magnetic susceptibility along the edge of an area of strong magnetic susceptibility.The drill hole intersected diorite porphyry to 123m alternating with severely tectonized quartz arenite (QA mbx, QA cbx and QA mas). The best grades are coincident with the severely altered diorite that is potassic and intermediate altered and hosts quartz veins with hematite/chalcocite and orthoclase/ chalcocite from 12.0 to 69.0m for gold and 20.5 to 55.0m for copper. These intervals are coincident with potassic and intermediate altered diorite porphyry with veins of chrysocolla-hematite-chalcocite along contact with silicified sediment. A second copper zone occurs from 99.6 to 108m is coincident with diorite with chrysocolla along fractures with disseminate near faulted contacts with sediment. Zinc anomalism occurs from 19.0-55.0m.

PDH-19: (North-WPZ)

This hole was drilled 50 meters behind PDH 15 on the same section line in a NNE-SSW trending corridor of low resistivity in an area of slightly lower magnetic susceptibility in the footwall of a moderate chargeability. This hole was anomalous in copper from 0.0-151.35m (EOH) and anomalous in gold to 64m. The best copper grades are from 37.0 to 61.6m coincident with potassic altered diorite porphyry cut by veins of V1 biotite-magnetite, V2 quartz-orthoclase, V3 chrysocolla-chalcocite and V4 green epidote-pyrite. a second copper zone occurs from 105-129.15m where a high angle fault occurs along a quartz arenite sandy breccia near a contact with andesite feldspar porphyry dyke that has exploited the fault zone. Weak zinc anomalism occurs from 37-56.5m.

PDH-20: (WPZ)

This hole was drilled to the southwest in an area of moderate magnetic susceptibility just off the Section line that hosts PDH 16 and drilled from a high resistivity into a zone of lower resistivity. Strongly altered and mineralized diorite porphyry dyke/sill was faulted off at a depth of 166m. The fault was exploited by a late stage biotite phyric dacite porphyry/intrusive breccia. Gold is anomalous from 61.5-161.25m while copper is anomalous from collar to a depth of 161.25m, the contact between the unmineralized dacite porphyry and the mineralized diorite porphyry. The best copper grades are from 128.25-144.75m coincident with intermediate altered diorite porphyry with veins of quartz-pyrite-chalcocite that returned 1.598% copper over 16.50 meters. Zinc anomalism occurs from 138.75-161.25m. The late mineral dacite porphyry was weakly anomalous in zinc.

PDH-21: (Between WPZ and GOSZ)

(WPZ) This hole was drilled 50 meters to the SSE of PDH-17 in an area of relative moderate magnetic susceptibility, low chargeability (mV/V) and moderate resistivity(190 Ohm-m). At least five narrow intermediate argillic altered diorite porphyry dykes/sills were intersected that have an apparent dip of 60 degrees to the E-NE. The contacts of these are generally well mineralized. In addition two major low angle faults (Z-LAF) with an apparent width of 10-25 meters dip to the NE and are gold mineralized as well. This hole was drilled in an area of Au>75ppb (soil) and >100ppb (rock); Cu>100ppm (soil) and >250ppm (rock), Bi>10ppm (rock) and W>25ppm (rock). At least two orientation sof surface mapped cross faults occur in this area: N5E and N102E. This hole was dominated by gold mineralization rather than copper.

PDH-22: (WPZ)

This hole was drilled 100 meters SSE of PDH-21 in an area of relative moderate magnetic susceptibility, low chargeability (4.4-5.9 mV/V) and drilled from a moderate resistivity (212 Ohm-m) into an oval-shaped high resistivity (1172 Ohm-m). At least six, narrow intermediate argillic altered DIP dykes/sills were intersected in this hole with an apparent dip of 45-50 degrees to the E-NE in phyllic (PHY) or SCL(silica/clay/limonite) altered quartz arenite host rocks. These sills are disrupted along dip by a high angle cross fault that dips steeply easterly. This cross fault has the best gold and copper grades related to andradite and vesuvianite skarn mineralization from 137 to 178m. The geochemistry in this area is Au>75ppb (soil) and Au>400ppb (rock), Cu>100ppm (soil) and Cu>1000ppm (rock), Bi>10ppm (rock) and W>20ppm (rock) as well as Fe>10%. This hole was dominated by copper in fault controlled skarn mineralization from 137.00-189.60m (52.6m) of 0.62% Cu and low gold.

PDH-23: (North-WPZ)

This hole was collared in the northern Western Porphyry Zone, 50 m NW of PDH-19 in an area of resistivity (1172 Ohm-m). Potassic and intermediate argillic altered diorite porphyry was intersected at 8.0-79.0m and locally hosted QA (rafts). The diorite bodies are striking 155Az and dip 50-60 to the ENE. Narrow diorite porphyry sills were intersected to depths of 179m. From 196-301 meters tensional veins and fractures host azurite/chrysocolla/tenorite related to a tensional zone between two NW-SE striking and NE dipping low angle faults. The best grades were from 135.0-253.0m (118m) of 0.348gpt Au and 0.32% Cu. The last 10 meters of this hole from 280-290m ended in 0.36% Cu.

PDH-24: (North WPZ)

(WPZ) This hole lies at the far northern end of the Western Porphyry Zone 150 meters NW of PDH-23 in an area of moderate magnetic susceptibility, in an IP chargeability destructive zone (4.0mV/V) and drilled from a IP resistivity high into a low. This hole drilled along a N55E cross fault with an interpreted throw of north side down and possibly dextral movement. Geochemistry in this area is Au>100ppb (rock), Cu>1000ppm (rock) and Mo>10ppm (rock). This hole stopped short of the full Cu-Au target in the trench. The best interval was related to a fault from 169.84-208.0m (38.16m) returned 0.75% Cu in copper oxides (tenorite-hematite). The N55E cross fault must lie just south of this hole as the nearby trench further south had significant diorite porphyry in it.

PDH-25: (WPZ)

This hole was drilled 50m ESE of PDH-20 in an area of moderate magnetic susceptibility where IP chargeability is low to moderate at 7.8 mV/V and IP resistivity is low at 138 Ohm-m. An intermediate argillic altered diorite dyke was intersected from 152.5-213.3m (60.80m) and returned 0.78 gpt Au and 1.58% Cu. Two faults have been mapped on surface in this area. The first trends N28E and the second trends N5E. The surface geochemistry in this area is Au>75ppb (soil) and Cu>100ppm (soil). The diorite porphyry hosts a strong penetrative fabric at 70 to CA suggesting that it was emplaced syn-tectonically along a low angle fault fabric. Gold grades start at 126m where the penetrative S1 fabric increases in the form of stylolite, crush zones, strong hematite with tensional veins at high angles to the earlier fabric. A second higher angle fault was intersected at depth and is exploited by the late stage andesite feldspar porphyry phase. This dyke trends along a high angle fault fabric trending N28E.

PDH-26: (GOSZ)

This hole was drilled 50 m NE of PDH-6 in an area of moderate relative magnetic susceptibility in strong IP chargeability (>19.7mV) that forms a 300x200 m anomaly that infill the valley floor and IP resistivity moderate (190 Ohm-m). Below the copper zone from 101.5-113.5m returned 12 m of 0.52 gpt Au. Geochemistry includes Au>400ppb (rock) and As >50ppm (rock). Footwall, to a distal skarn returned 12.5m of 0.78% C u in disseminate hematite/chalcocite. The strong phyllic alteration with 5-15% pyrite returned gold in the range of 0.1-0.25 gpt Au with low coppers over 40 meters. The upper 9.5 meters of tailings in this area returned 9.5 meters of 0.464 gpt Au.

PDH-27: (South GOSZ)

This hole was drilled 250 m southeast of PDH-26 at -50 in an area of moderate magnetic susceptibility, along the southern edge of a strong IP chargeability anomaly (12.1mV/V) in an IP resistivity low 154 Ohm-m on the south side of the main valley. The target was oxidized specularite/pyrite/gold mineralization in a distal skarn. Two sets of faults dominate the area, N10E and N45 E as well as easterly trending faults. This hole drilled sub parallel to stratigraphy along 270Az and should have been drilled along SSW to better transect the stratigraphy change from 135Az north of the valley to 100Az south of the valley across the valley flexure. Geochemistry in this area is Au>400ppb (rock), Cu>1000ppm (rock) and Bi>10ppm (rock) and W>15ppm (rock). Best intervals were from distal skarn mineralization from 10.0-89.0m that returned 78.50 m of 0.44 gpt Au and 0.36 % Cu in hematite/specularite/pyrite mineralization. The best copper grades were from a fault zone from 39.0-57.2m (18.2m) of 0.20gpt Au and 1.16% Cu.

PDH-28: (South GOSZ)

This hole was drilled 250 meters SE of PDH-26 at -70 from the same pad as PDH-27 in an area of moderate magnetic susceptibility; along the southern edge of a strong IP chargeability anomaly (12.1mV/V) in an IP resistivity low 154 Ohm-m on the south side of the main valley. The target was oxidized specularite/pyrite/gold mineralization in a distal skarn. Several mappable faults dominate the area, N10E and N45 E as well as easterly trending faults. This hole was drilled sub parallel to stratigraphy along 270Az and should have been drilled along SSW to better transect the stratigraphy change from 135Az north of the valley to 100Az south of the valley across the valley flexure. The best grades were from 29.0-121.05m (92.05m) grading 0.19 gpt Au and 0.44 % Cu including 75.0-100.5(25.5m) of 0 .32gpt Au and 1.01%Cu in hematite/chalcocite vein zones.

PDH-29: (WPZ)

This hole was drilled 50 m SE of PDH-22 in an area of low to moderate magnetic susceptibility; in low chargeability (1.1mV/V) ending in higher chargeability (8.7 mV/V); started in a relative moderate resistivity of 172 Ohm-m ending in a high resistivity of 1172 Ohm-m. The best interval was from 65.8-110.20m (44.4m) of 0.38% Cu and 950ppm Zn in a distal skarn cut by NNE trending vein zone of azurite/malachite and calcite from 88.0-104.50m (16.50m) that returned 0.97% Cu. Geochemistry in this area includes: Au>25ppb (soil), Cu>100ppm (soil), Zn>250ppm (soil).

PDH-30: (GOSZ)

This hole was drilled 50 m NE of PDH-5 in an area of low to moderate magnetic susceptibility; relative moderate IP chargeability (14.0mV/V) and moderate to strong IP resistivity response (236 Ohm-m). Copper and gold values related to distal skarn mineralization specularite, hematite, pyrite, goethite was intersected from 107.3-151.0 m where grades ranged from Cu from 0.1 to 1.38% and Au from 0.1 to 1.18gpt Au. The lower skarn contact is fault bound. The best intervals were from 79.85-146.50 m (66.65m) grading 0.21 gpt Au and 0.12% Cu and from 167.50-185.5m (18.0m) grading 0.35 gpt Au. Geochemistry in this area includes: Au>400ppb(rock), Cu>500ppm (rock), Bi>25ppm(rock), Cd>7.5ppm(rock), Fe>5%(rock), Mn>2500ppm(rock), W>25ppm(rock) and Zn>1000ppm(rock).

PDH-31: (GOSZ)

This hole was drilled 50 m NE of PDH-3 in an area of low to moderate magnetic susceptibility; IP chargeability moderate to strong (15.9mV/V) and IP resistivity moderate (292 Ohm-m). Mapped cross faults in the area are N105E and N75E. The upper 3.5 meters of sampled tailings returned 0.5 gpt Au. The best grades in this hole were from 97.0-216.8m (195.05m) returning 0.51 gpt Au and 0.13% Cu, this includes 97.0-151.0m (54m) of 0.74 gpt Au and 0.10% Cu. The best grades were coincident with phyllic altered sediments near faulted contacts with distal skarn mineralization. Low angle faults with abundant goethite are coincident with the highest gold values to 4.8 gpt Au. Surface geochemistry in the area is Au>400ppb (rock), Cu>1000ppm (rock), Zn>1000ppm (rock), Fe>7.5% (rock), Mn>2500ppm (rock), Bi>10ppm (rock) and W>15ppm (rock).

PDH-32: (WPZ)

This hole was drilled vertically from the collar location of PDH-14 in an area of moderate magnetic susceptibility; low IP chargeability (5.4 mV/V) and low to moderate resistivity (212 Ohm-m). The subvolcanic APP unit was intersected from the collar to a depth of 27.4m. This body has exploited the fault zone along in the west with Cretaceous sediment/Pinaya intrusive complex in the east. This hole bottomed out in the post mineral BDP tuffisite unit. Locally host quartz arenite are cut by DIP and AFP (INBX2) dykes/sills. .The best grades were from 27.85-66.15m (38.30m) grading 0.32 gpt Au coincident with the faulted contact with the APP igneous phase. Surface geochemistry in this area includes Au>400pb (rock), Cu>1000ppm (rock), W>25ppm (rock) and Zn>500ppm (rock).

PDH-33: (WPZ)

This hole was drilled 50 m SE of PDH-25 in an area of relative moderate magnetic susceptibility; an IP chargeability low(6.3 mV/V) and an IP resistivity high starting at 1172 Ohm-m ending in to a low to moderate resistivity response (236 Ohm-m). The top 12.10m of the hole was a resistive ignimbrite anomaly coincident with the high resistivity anomaly near the hole collar. The best grades were from 64.05-86.50m (22.45m) 0.12 gpt Au coincident with igneous injection of DIP with rafts of quartzite along a low angle fault fabric and from 97.00-100.00m (3.0m) returning 1.16 gpt Au coincident with a sheeted goethite vein zone near a strong penetrative fault fabric. Surface geochemistry in this area is Au>75ppb (soils), Cu>50ppm (soils), Fe>5% (soils) and Mn>500ppm (soils).

PDH-34: (WPZ)

This hole was drilled 120 m north of PDH-20 in an area of low to moderate magnetic susceptibility in an area of low IP chargeability (3.0 mV/V) and moderate to high resistivity (764 Ohm-m). The top 48 meters of this hole was potassic altered crowded diorite porphyry unit (CDP) that appears to have exploited a low angle fault that strikes NW-SE and dips to the NE. The best grades were from 0.00-41.4.0m (41.40m) returned 0.49 gpt Au and 0.18% Cu in veins, fractures and disseminations of pyrite-chalcopyrite-chalcocite-tenorite-chrysocolla. This interval includes 27.00-41.40m (14.4m) of 0.73 gpt Au and 0.28% Cu an area cut by a penetrative fault fabric with a mix of potassic and argillic alteration. Surface geochemistry in this area is Au>400ppb (rock) and Au>75ppb (soils), Cu>1000ppm (rock) and >100ppm (soils), W>25ppm (rock) and >0.2ppm (soils) and Zn>250ppm (soil). Two fault dominate the area: N28E and N80 E.

PDH-35: (WPZ)
This hole was drilled 50 m SE of PDH-18 in an area of moderate magnetic susceptibility towards higher magnetic; in an area of IP chargeability low (3.0mV/V) and low resistivity (111 Ohm-m). Faults in the area are N15E. Igneous rocks including CDP, INBX2, APP igneous phases were intersected continuously from 18.5-172.0m with the inclusion of large shattered rafts of QA sediment. Best grades were from18.5-84.5m (66.0m) of 0.29gpt Au and 0.30% Cu coincident with the Pinaya intrusive complex that appears to trend NW-SE and dip 60 to the NE with related mineralization including tenorite, hematite, chrysocolla in veins and fracture fills. A late stage propylitic altered andesite pyroxene porphyry (APP) dyke, similar to the large resistant subvolcanic body west of the main trench area was intersected from 121.0-172m. Surface geochemistry includes Au>400ppb (rock), Cu>1000ppm (rock) and >100ppm (soil), Mo>5ppm (rock), Pb>100ppm (rock), W>20ppm (rock) and Zn>500ppm (rock).

PDH-36: (WPZ)
This hole was drilled 50 m SSE of PDH-15 in an area of low to moderate magnetic susceptibility; low IP chargeability (3.5 mV/V) and moderate IP resistivity (236 Ohm-m). The best values were from 154.50-185.0m (30.50m) grading 0.18 gpt Au and 0.23% Cu. Only three narrow igneous bodies were intersected in this hole totaling 39.55m. These bodies were potassic to intermediate argillic altered with fractures of malachite/chrysocolla, tenorite and chalcocite/hematite. Surface geochemistry in this area is Au>250ppb (rock), Cu>1000ppm (rock), Pb>100ppm (rock), W>20ppm (rock) and Zn>250ppm (rock).

PDH-37: (WPZ)
This hole was drilled 50 m NE of PDH-18 along the edge of an area of low to moderate magnetic susceptibility; IP chargeability low (7.8mV/V) and IP resistivity low (138 Ohm-m). A total of 79.9m of the mineralized diorite porphyry was intersected in this hole and appears to have syn-tectonically exploited an earlier low angle fault fabric that strikes NW-SE and dips to the NE, in addition to a late mineral narrow APP dyke that exploits a high angle fault zone. Mappable faults in this area trend N20E. Best values were from 132.5-213.50m (81.00m) of 0.25 gpt Au and 0.27% Cu as well as 233.0-247.50m (14.5m) of 0.16 gpt Au and 0.44% Cu coincident with mineralized potassically altered diorite bodies. Surface geochemistry in this area is Cu>50ppm (soils), W>15ppm (soils).

PDH-38: (MCOZ)
This hole was the first hole drilled at the Montana de Cobre Gold Zone (MCOZ) at the highest point on the property at 4625m in an area of low magnetic susceptibility, low to moderate IP chargeability(8.7mV/V) and a low IP resistivity response(90 Ohm-m). The best grades were along lithologic contacts typically between greywacke and mudstone coincident with narrow zones of silica/pyrite/chalcopyrite replacement zones cut by veins of pyrite/magnetite/iron carbonate/calcite. This hole was targeting surface gold grades as high as 18.37 gpt Au. Surface geochemistry in this area was Au>400ppb, Cu>500ppm, Bi>10ppm. In general, gold values were coincident with Cu-Pb-Zn-As-Sb anomalism. Best grades were from 55.70-60.77m (5.07 m) grading 0.36 gpt Au and 0.49% Cu including 60.0-60.77m (0.77m) of 3.21 % Cu and 1.79 gpt Au.

PDH-39: (WPZ)

This hole is located 50 m SW of PDH-17 in an area of moderate magnetic susceptibility, low to moderate IP chargeability (171 Ohm-m) and low resistivity (115 Ohm-m in an area of N10E faulting. Igneous rocks were intersected from 57.00-137.7m with a large QA (raft). A strong penetrative low angle fault fabric transects the diorite suggesting a syn-tectonic emplacement. The best results were from 55.15-139.10m (83.95m) of 2.11 gpt Au and1.11% Cu. Mineralization includes veins of azurite/chrysocolla/hematite/chalcocite in strongly intermediate argillic/potassic altered diorite. Surface geochemistry in this area includes Au >250 ppb (rock), Cu>500ppm (rock) and >50ppm (soil), Mn>500ppm (rock), W>25ppm(rock) in the 250m long adit that is perpendicular to this drill hole trace.

PDH-40: (MCOZ)

This hole was the second hole drilled at Montana de Cobre Gold Zone 117 m ENE of PDH-38 in an area of very strong magnetic destruction zone, hence weak magnetic susceptibility, low IP chargeability (4.0mV/V) and low IP resistivity (65 Ohm-m).The best grades were from 43.5-76.00m (32.5m) of 0.22 gpt Au coincident with phyllic alteration with pyrite-specularite>magnetite along bedding in gritstone/mudstone near fault zones. At least two AFP igneous dykes/sills cross cut stratigraphy in this area A NW-SE trending magnetic destructive zone measures 535x200m and encompasses PDH-40 and 41. Surface geochemistry in this area includes Au>400ppb(rock) and 75ppb(soil), Cu>1000ppm(rock) and 100ppm(soil), Bi>10ppm(rock) and >1ppm(soil), Fe>10%(rock) and 2.5%(soil), Mo>5ppm(rock0 and>1ppm(soil), Pb>100ppm(rock) and >25ppm(soil), Sb>10ppm(rock) and W>25ppm(rock) and>0.5ppm(soil). Important faults in the area are N150E dipping steeply NE.

PDH-41: (MCOZ)

This hole is allocated at Montana De Cobre Gold Zone 146m east of PDH-40 in an area of the lowest magnetic susceptibility(widest magnetite destructive zone) in this area; a low IP chargeability(7.8mV/V) and a low to moderate IP resistivity (100 Ohm-m).The best grades were from 35.30-82.15m(46.85m) of 0.79 gpt Au and 0.15% Cu. This interval is coincident with interbedded gritstone/greywacke and mudstone with strong phyllic alteration as well as silica/albite/iron carbonate transition to propylitic alteration cut by tensional pyrite veins that cross cut bedding planes as well as replacement mineralization along bedding planes. Mineralization is controlled by changes in bedding planes proximal to fault zones .Surface geochemistry is Au>400ppb (rock) and >75ppb (soil), Cu>500ppm(rock) and 100ppb(soil), Fe>10% (rock) and 2.5%(soil), Pb>100ppm in rock and soil, Sb>15ppm(rock), W>25ppm(rock) and 0.3ppm(soil) and Zn>1000ppm(rock) and 100ppm(soil).

PDH-42:(WPZ)

This hole was collared 50 m SW of PDH-21 near a N10E cross fault in an area of moderate magnetic susceptibility; weak IP chargeability (4.4mV/V) and drilled towards a high resistivity response of 1172 Ohm-m that is very likely due to ignimbrite capping in this area. Best results were from 24.00-129.50m (105.5m) of 0.40 gpt Au and 0.42 % Cu coincident with both high angle and low angle fault fabrics exploited by andesite feldspar porphyry dykes (AFP). This interval includes a high grade fault zone from 90.00-118.5m (28.5m) of .126 gpt Au and 1.43% Cu coincident with vein/fractures of azurite/chrysocolla/hematite with a possible strike of N10E. Surface geochemistry includes As>50ppm(soil), Au>400ppb(rock) and >75ppb(soil), Ba>500ppm(rock), Bi>10ppm(rock) and 1ppm(soil), Cu>1000ppm(rock) and 100ppm(soil), Pb>100ppm(rock) and 25ppm(soil) and W>25ppm(rock) and 0.5ppm(soil).

PDH-43: (MCOZ)

This hole is located 118m north of PDH-40 in an area of low magnetic susceptibility (magnetite destructive zone); IP chargeability moderate (9.7mV/V) and moderate IP resistivity response (100 Ohm-m). The best grades in this hole were from 9.0-65.50m (56.50m) of 1.12 gpt Au and 1.04 gpt Ag coincident with argillic/phyllic altered gritstone/greywacke interbedded with mudstone with replacement zones along bedding planes of specularite (5-8%)/pyrite (1-4%). Variable goethite and drusy quartz also occurs. Surface geochemistry in this area includes Au>400ppb(rock) and >75ppb(soil), As>500ppm(rock) and >50ppm(soil), Ba>1000ppm(rock), Cu>250ppm(rock) and>100ppm(soil), Pb>100ppm(rock) and >50ppm(soil), Sb>20ppm(rock), Bi>25ppm(rock) and >1ppm(soil), W>25ppm(rock) and>0.5ppm(soil), Fe>10%(rock) and >2.5% (soil), Mn>500ppm(rock). A post mineral pebble dyke (PBX) was intersected from 89.4-121.70m and an andesite feldspar porphyry dyke was intersected from 116.25-121.70m. Both of these phases have been mapped on surface and exploit bedding planes contacts as sills along 160Az and dip to the NE.

PDH-44: (WPZ)

This hole was collared 50 m north of PDH-20 in an area of relative magnetic susceptibility; low IP chargeability(3.5mV/V) and moderate IP resistivity (236 Ohm-m) along the western edge of a high resistivity anomaly. At least five diorite dykes/sills and two distal skarn zones were intersected in this hole. From 160.4-250.4m (90.0m) the post mineral tuffisite phase was intersected. The best grades were from 111.8-160.4m (48.6m) of 0.37 gpt Au and 0.12% Cu coincident with diorite dykes/sills with malachite/chrysocolla/chalcocite/hematite and smectite in potassic/intermediate argillic alteration. Surface geochemistry is Au>400ppb (rock), Ba>500ppm (rock), Cu>250ppm (rock) and >100ppm (soil), Mn>500ppm(rock), Mo>5ppm(rock), Pb>100ppm(rock) and W>25ppm(rock).

PDH-45: (MCOZ)

This hole was drilled 230 m NW of PDH-43 in an area of low magnetic susceptibility; moderate IP chargeability (10.2mV/V) along the eastern edge of a linear chargeability high of 16.3mV/V; in a moderate IP resistivity (90 Ohm-m). The best grades were narrow intervals from 1-10m in width grading as high as 0.35 gpt Au, 0.10% Cu, 2102ppmPb, 14.2gpt Ag, 3178ppmZn, 2241ppmAs, 178ppm Sb. Surface geochemistry in this includes Au>400ppb(rock) and >50ppb(soil), Cu>500ppm(rock) and >100ppm(soil), Bi>25ppm(rock) and >5ppm(soil), Mo>15ppm(rock) and >2ppm(soil), Sb>20ppm(rock) and>2.5ppm(soil), W>25ppm(rock) and>0.3ppm(soil) and Zn>1000ppm(rock) and >100ppm(soil).

PDH-46: (WPZ)

This hole was drilled in the northern Western Porphyry zone 50 m WNW of PDH-23 in an area of low to moderate magnetic susceptibility; low IP chargeability(4.0mV/V) along the western edge of a high chargeability of 9.3mV/V; in a high IP resistivity (1053 Ohm-m).The best grades were from 220.5-386.5m(166.0m) of 0.49%Cu including 321.7-340.20m(18.5m) of 2.2%Cu and 356.7-373.20m(16.3m) of 0.98%Cu. The best grades are coincident diorite dyke/sills and contact zones as well as a deep skarned conglomerate unit with malachite/azurite/specularite and a green skarn mineral (vesuvianite?). The lower 10 meters of this hole bottomed out in a late stage andesite feldspar porphyry unit with intrusion breccia (AFP matrix with QA clasts). A series of N10E cross faults occur in this area. The surface geochemistry in this area includes Au>100ppb(rock) and >25ppb(soil), Cu>1000ppm(rock) and >100ppm(soil), Mo>5ppm(rock) and>1ppm(soil), Pb>100ppm(rock) and>25ppm(soil) and W>15ppm(rock) and >0.2ppm(soil).

PDH-47: (Between WPZ and GOSZ)

This hole was drilled 50 m NE of PDH-17 in an area of moderate magnetic susceptibility; low IP chargeability(5.9mV/V) and within a high IP resistivity response(1172 Ohm-m) that seems to trend N103E sub parallel to a fault that may be infilled by late stage ignimbrite material. A second fault trend in this area trends N10E where azurite/calcite/green clays have been mapped on surface. The best grades in this hole were from156.4-273.2m (116.8m) grading 0.61gpt Au and 0.33%Cu coincident with narrow diorite dyke and intrusive breccia phases in severely fractured quartz arenite host rocks cut by malachite/azurite/cuprite/chalcocite/hematite mineralization. Surface geochemistry in this area is As>10ppm (soil), Au>75ppb (soil), Ba>200ppm (soil), Cu>100ppm (soil), Pb>25ppm (soil) and W>0.5ppm (soil).

PDH-48: (WPZ)

This hole was drilled 50m NE of PDH-35 in an area where magnetic susceptibility is low, IP chargeability is moderate (8.3mV/V) along the easterly edge of a linear chargeability high of 18mV/V in a moderate IP resistivity (171 Ohm-m) where N10E faults occur. The best grades in this area were from 54.7-164.50m (109.8m) of 0.24 gpt Au and 0.36% Cu and 164.5-174.7m (10.2m) of 0.37% Cu. Intermediate argillic overprints potassic alteration in crowded diorite porphyry from 58.1-174.7m (116.6m) includes some rafts of shattered quartz arenite throughout this interval. Mineralization is mostly tenorite/hematite/chrysocolla/malachite/calcite. The hole bottomed out from 174.7-200m in an andesite porphyry phase (APP?) that is fault bound with fracture controlled native copper.. Surface geochemistry in this area is As>10ppm (soil), Au>75ppb (soil), Cu>75ppm (soil), Mo>1ppm (soil), W>0.5ppm (soil).

PDH-49: (WPZ)

This hole was drilled in an area of relative magnetic moderate in an IP chargeability low (4.4mV/V) and a low-moderate IP resistivity response (171 Ohm-m). The best grades were from 9.1-39.2m(30.1m) grading 0.80gpt Au and 0.35% Cu where the hole was lost in underground working coincident with diorite phases with rafts of QA cut by chalcocite/native copper and malachite fractures/veins. The hole ended in mineralized diorite porphyry. Surface geochemistry in this area is As>10ppm (soil), Au>250ppb (rock), Ba>1000ppm (rock), Cu>500ppm (rock) and >50ppm(soil), Fe>2.5%, Mn>500ppm(soil) and W>25ppm(rock).

PDH-50: (WPZ)

This hole was drilled a few meters to the SW of PDH-49 that was lost in underground workings in an area of similar geophysical characteristics. The best interval was from11.0-72.50m (61.5m) grading 0.47gpt Au and 0.41%Cu. This hole was also lost in unknown cross cuts and/or storage rooms in the known NW trending underground adit. Mineralized diorite was intersected from 27.95-62.25m dominated by chalcocite/hematite/copper clays (smectite and/or kaolinite) as well as copper carbonates. Surface geochemistry in this area is similar to PDH-49 above.

PDH-51: (Between WPZ and GOSZ)

This hole was drilled in a bulls-eye magnetic low relative to surrounding area in an IP chargeability low(4.4mV/V) and an IP resistivity high of 1172 Ohm-m. The best grades were from 86.5-236.2m (149.7m) of 0.80 gpt Au and 0.13% Cu. Highest gold grades include vein and stockwork zones of hematite/chalcocite/chrysocolla as well as quartz/chalcedony as well as fracture coated with tenorite/limonite. This hole was dominated by severely veined and fractured quartz arenite that is cut by narrow fingers of mineralized diorite. Surface geochemistry includes: As>25ppm (soils), Au>50ppb (soils), Cu>100ppm (soils), Mo>2ppm (soils) and W>0.3ppm (soils).Cross faults mapped in this area are N105E and N10E.

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-52 Summary Log – North Western Porphyry Area

PDH-52 - was a 50m stepout to the NE of PDH-19. The hole was lined up at 11:30hrs May 22, 2006. Drilling began at 19:00hrs May 22, 2006 and was finished at 18:30hrs May 25, 2006 with a total depth of 249.2m. Anomalous copper and likely gold will be assayed 67.2-80.15m in a small porphyry intercept. The andesite dyke and very weak anomalous copper below the dyke will correlate to PDH-15.

The sample sequence for this hole is 64299-64498 including 200 samples.

PDH-52 Final Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Final Depth	Casing Depth
225	-60	4589	8276419	285863	249.2	19

0-18.5 Alluvium – Sandy QA pebbly loose alluvium.

18.5-29.5 **QA CON (PBX)** (Quartz arenite conglomerate puzzle breccia) – Strong limonite stained and moderately argillic altered. Rare diorite fingers argillic altered. Occasional phyllic altered then argillized white patches. Rare fracture hematite. Chalcocite is trace coating pyrite in phyllic patches. Rare MnO2(+Cu?) as stains.

29.5-31.2 **QA MAS** (Massive quartz arenite) – White washed out with black disseminated points. Argillic altered after a disseminated pyrite pervasive and texturally destructive sericite alteration (phyllic). Disseminatd pyrite chalcocite coated.

31.2-37 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Rubbly. Breccia matrix limonite-clay structurally argillic altered with hematite-limonite-clay altered fractures and rare shears. Trace MnO2 on fractures.

37-38.8 **ZHAF** (High angle fault) – Strong rubbly, pebbly to sandy QA, hematite-limonite clay altered.

38.8-67.2 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Weakly rubbled. Weakly limonite stained CBX matrix and veinlets +/- weak clay. Hematite occasionally stains in intermittent patches. MnO2 is trace in points.

67.2-80.15 **CDP** (Crowded diorite porphyry dyke) – White strongly peppered black. Potassic altered (biotite+kspr?) and silicified in places with argillic overprint (smectite +/-trace illite?). Trace disseminated pyrite. Trace MnO2(+Cu). Dark colour may obscure notable secondary copper minerals. One malachite patch noted. Rare slick planes are hematite coated.

80.15-151 **QA CON (PBX)** (Quartz arenite conglomerate puzzle breccia) – Limonite and clay altered PBX matrix. Trace pin points of specularite spot the core.

151-163.4 **QA CON (DIO/PBX)** (Quartz arenite conglomerate puzzle breccia with diorite fingers) – Limonite and clay altered PBX matrix with occasional hematite stains. Diorite fingers are argillic altered and weakly hematized. Trace MnO2 occurs as rare clustery stains.

163.4-226.9 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Oxidized. Dominatly limonite stained with occasional hematite zones. Rare diorite fingers infiltrate cbx fractures. Good quality weakly altered rock.

226.9-227.65	**Z-HAF** (High angle fault) – QA clast, andesite clast fault breccia with hematite-clay sandy argillic altered matrix.
227.65-229.4	**AND** (Andesite dyke) – dark green chloritized and clay altered, weak clay altered plagioclase phyric with QA and DIO breccia clasts. X-cut by cal veinlets. X1 Native copper blob noted. Trace epidote stain.
229.4-239.1	**QA CON (PBX/MBX)** (Quartz arenite puzzle breccia with mill breccia zones) – Fault zone. Intensely fractured and intensely oxidized (dominalty limonite). Where MBX increases, increase hematite and MnO2 both pervasive and in fractures. Sandy loose rubble and fractures noted with chrysocolla. Grades into zone below.
239.1-249.2	**QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – QA CON CBX is intact (40%) with QA CON PBX? (40%) intense flaggy rubble. Crack veinlets limonitic to hematitic. PBX fractures limonitic. One malachite patch noted in PBX.

End of hole.

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-53, Gold Oxide Skarn Zone

PDH-53 – is a 50m stepout to the NE of PDH-4, pre-drill site I, to test skarn gold-copper mineralization beneath the open cut. PDH-53 was lined up at 12:30hrs May 26, 2006. We encountered bedrock at 28.8m. The hole was stopped at a depth of 240.0 meters at 9:00AM, June 9/06.

Drilling deeper in this hole was not possible due to an unexplained void area, where the drillers were able to lower up to 15 more meters of drill pipe without encountering rock. No deeper attempts were made in order to avoid possible loss of pipe. While pulling out of the hole, 36 HQ drill pipe were lost at a depth of about 150 meters. Several days and many methods were tried to recover the rods, but were not successful.

The sample series for this trench is 59103-59298, a total of 196 samples.

PDH-53 Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Depth	Casing Depth
225	-50	4513	8275751	286344	240.0	30.5

A short geological summary is as follows:

0-0.8 Pad Fill – Haul material for pad fill includes mix of alluvium and of tailings from the open cut.

0.8-12.4 Soil and Alluvium– Black muddy and occasionally QA gravelly rooted organic soils. 11-12.4m QA alluvium.

12.4-28.8 **Sand ZHAF?** (High angle fault sand) - Fine grained to coarse grained, translucent QA derived loose sand. Finer grains are rounded and courser grains are angular. Disseminated pyrite is trace. 3 small zones of rubbly QA CON reveal weak phyllic alteration with disseminated pyrite.

28.8-51.05 **QA CON** (Polymict conglomerate) – Quartz Arenite, Arkose?, Andesite Feldspar Porphyry, Diorite Porphyry polymict pebble conglomerate. Phyllic altered with Disseminated and fracture pyrite up to 2%. Specularite is trace disseminated and occasionally occurs in knotty masses, increasing with rubble zones.

51.05-88.10 **QA** (Quartz arenite) – Light grey to tan. Phyllic altered (qtz-pyrite-sericite) with interstitial calcite. Pyrite is common, disseminated variably, and as planar to sinuous to wispy veinlets occasionally forming bands +/- hematite. Pyrite occasionally coated black. Tan coloration possibly due to Fe-carbonte.

88.10-96.5 **QA CON** (Polymict conglomerate) – Phyllic altered. CON matrix strong altered but QA pebbles mostly silicified. Pyrite weakly disseminated or in veinlets. Conglomerate clasts including igneous (AFP?) and ARK are moderately clay altered.

96.5-114.3 **QA** (Quartz arenite) – Planar bedded and phyllic altered. Pyrite weakly disseminated and common in veinlets that are often parallel to planar bedding. Sparse polymict pebbles increase downhole. Igneous derived pebbles clay altered. Primary sedimentary texture variably destroyed (weak to moderate) by phyllic. Interstitial calcite is uncommon. Hematite occurs in fine clustery bands after sulfides or oxide minerals?

114.3-126	**QA CON** (Polymict conglomerate) – Very rubbly. Igneous and arkosic pebbles clay altered. CON matrix strong altered but QA pebbles mostly silicified. Calcite occasional as vugs or veins. Hematite clustery bands and slickenside fractures increase. Pyrite is disseminated weakly and more common as veinlets.
126-131.85	**QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Intense grainy rubble, wet chalky appearance. Intense crackle, fractured and healed. Strong quartz-pyrite altered as veins. Pyrite disseminated up to 5% in crackle matrix. Hematite is common as spotty stains increasing downhole. Pyrite as knotty clusters increases to gradational contact below along with brecciation strength. Pale green clay on fractures in places.
131.85-135.75	**QA / ZHAF** (Quartz arenite with high angle fault) – 55% red hematitic intense argillized rubble with 45% fine blocky silicified QA clasts. Pyrite +/-black coating strong disseminated (5-8%). Occasional chlorite stain on QA clasts. Gradational to zone below. Pale green clay on fractures. Possible skarned.
135.75-141.4	**QA / ZHAF** (Quartz arenite in high angle fault) – Intense friable clayey rubble. Variable 30-60% angular silicified QA clasts in textureless argillic matrix. Clays are white and pale green, sericite trace. Rare disseminated pyrite often coated black (IA? over phyllic?). Hematite is rare and occurs as stained patches. Pyritic veinlets utilized by faults.
141.4-163.4	**QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Light gray QA material, weakly fractured. Local narrow QA PBX (Quartz arenite puzzle breccia) intervals at 144.9-150.5m, 156-158.6 meters, moderately sheared & brecciated, weak hm-lm. 151.5-152.0 – Weak breccia with abundant specularite-hematite-minor pyrite matrix.
163.4-169.2	**QA / ZHAF** (Quartz arenite in high angle fault) – Rock similar to above but very rubbly and friable, unconsolidated, minor hematite on fractures, common white clays. Trace Mn-Cu oxide wad on fractures. Local disseminated & oxidized pyrite.
169.2-198.1	**QA CBX** (Quartz arenite crackle breccia) – Light grey QA material, weakly to moderately fractured, very rubbly. Gradual increasing competence downhole. Minor CuMn oxides on fractures. Local disseminated & black oxidized pyrite. *171.3-171.6; 175.2-175.4; 177.1-191.0 – Common malachite, local black CuMn oxides on fractures, local Cu-clays, traces of tenorite. Rock rubbly & soft often.
198.1-226.25	**QA CBX / SKN** (Quartz arenite crackle breccia / skarn) – QA CON origin, moderately crackled & locally brecciated. Weak calcite-oxide skarn development. Common patchy lm-go +/- hm after pyrite (& spec?). Trace Cu clays, local remnant pyrite clots.
226.25-240.0	**QA CBX** (Quartz arenite crackle breccia) – QA CON origin, crackled & locally brecciated. Common lim-hem oxides increasing with depth.
240.0	**END OF HOLE**

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-54 Summary Log – North Western Porphyry Area

PDH-54 - was a 50m stepout to the SW of PDH-15. The hole was lined up at 08:45hrs May 26, 2006. This hole collared in crowded diorite porphyry. During pad building argillized and silicified CDP with malachite was uncovered extending the exposure from the trench. Dark grey-grey banded sinuous veins encountered in and below a diorite dyke from 177-191.2m, along with more dyking and intrusive breccia pushed the hole beyond 200m. Mixed MnO2-Hematite was commonly encountered but decreased with depth. The hole was stopped at 20:00hrs May 30, 2006 with a final depth of 256.7m.

The sample sequence for this hole was 64499-64721 totaling 223 samples.

PDH-54 Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Final Depth	Casing Depth
225	-60	4589	8276319	285756	256.7	0

A short geological summary is as follows:

0-0.75 Pad fill – orange brown limonitic silty to pebbly soil.

0.75-25.05 **CDP** (Crowded diorite porphyry) – Porphyryitic texture greater than subequigranular. White, strongly peppered black. Potassic altered (biotite+Ksp?) with strong argillic overprint and weakly sericitized. Rare malachite patches are associated with occasional limonite+/-silica+/-clay veinlets. Copper-wad noted on fractures. Trace disseminated Chalcocite? CDP is cut by late red ocre planar fractures.

25.05-31.2 **QA CBX** (Quartz arenite crackle breccia) – Intense crackle breccia matrix and crack veinlets moderately limonitic and +/- clay, compacted. Later sinuous hematite+/-clay veins cut the core. Trace MnO2(+Cu) spots some fractures. Weakly rubbled.

31.2-37.7 **ZHAF / QA (CBX)** (High angle fault in quartz arenite crackle breccia) – Strong rubbled. Crackle breccia matrix and crack veinlets moderately limonitic and hematitic +/- clay. 35.5-35.6m contains argillized and hematized DIO dyke.

37.7-40.0 **ZHAF / QA (CBX)** (High angle fault in quartz arenite crackle breccia) – Intense rubbled and friable. Yellow, strong limonite altered.

40.0-45.10 **QA (CBX)** (Quartz arenite crackle breccia) – Moderately fractured, coarse rubble, red-purple. Trace argillized and hematized DIO fingers <2cm. Hematite and clay infiltrate fractures. Overprints limonite. Introduction of hematite related to IBX below.

45.10-46.80 **IBX?** (Intrusive breccia) – Fine granular texture but entirely clayey, friable. intensely argillic altered with trace disseminated sericite and trace chlorite. Light grey with weak hematite stain.

46.80-84.85 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Grey QA clasts in moderate CBX, compacted. CBX matrix and crack veinlets limonite+/-clay with occasional hematite stain. Where grain size reduction and breccia matrix increases, limonite increases and hematite may be introduces. Rare <1cm argillized and hematized DIO fingers are noted.

84.85-88.55 **QA CON (DIO/CBX)** (Quartz arenite conglomerate crackle breccia with diorite infiltrations) – Intense compact crackle breccia. Mixed hematite>limonite crack veinlet and breccia matrix stain, sandy and weakly clayey. Later hematite veinlets may cut brecciation. Zones of pink to violet stains, more grainy and clayey than breccia matrix mark porphyritic fingers, rarely is porph texture observed. QA clasts silicified.

88.55-91.10 **ZHAF / QA (DIO/CBX)** (High angle fault in intrusive breccia) – Strong fractured. Remnant DIO? Marked by hematized clay.

91.10-97.15 **QA (DIO/CBX)** (Quartz arenite crackle breccia with intrusive breccia) – Intense crackle breccia. QA moderately silicified. Mixed hematite>limonite crack veinlet and breccia matrix stain, sandy and weakly clayey. Later hematite veinlets may cut brecciation. Zones of pink to violet stains, more grainy and clayey than oxidized fine breccia matrix mark porphyritic fingers, porph texture not observed.

97.15-98.20 **ZHAF / QA (DIO/CBX)** (High angle fault in Quartz arenite crackle breccia) – Strong fractured. Mixed hematite limonite crack veinlet and breccia matrix stain, sandy and weakly clayey. Later hematite veinlets may cut brecciation. Zones of pink to violet stains, more grainy and clayey than breccia matrix mark porphyritic fingers, rarely is porph texture observed.

98.2-99.75 **CDP** (Crowded diorite porphyry) – Strongly argillized and weakly sericitized.

99.75-107.65 **QA (DIO/CBX)** (Quartz arenite crackle breccia diorite infiltrations) - Strong compact crackle breccia. Mixed hematite limonite crack veinlet and breccia matrix stain, sandy and weakly clayey. Later hematite veinlets may cut brecciation. Zones of pink to violet stains, more grainy and clayey than breccia matrix mark porphyritic fingers, porph texture not observed.

107.65-108.8 **QA (MBX)** (Quartz arenite mill, hydrothermal breccia) - <1.5cm silicified QA clasts in sandy hematitic matrix.

108.8-109.35 **IBX / CDP** (Intrusive breccia, CDP matrix) – Silicified QA clasts in argillized crowded diorite porphyry matrix. Trace copper wad.

109.35-111.80 **CDP** (Crowded diorite porphyry) – Argillic altered over weak potassic? Fractrures +/- hematite polish.

111.80-112.80 **QA (MBX)** (Quartz arenite mill, hydrothermal breccia) – Silicified QA clasts in hematized and clayey breccia matrix. Basal contact gradational.

112.80-116.00 **QA (DIO/CBX)** (Quartz arenite crackle breccia with diorite infiltrations) - Strong crackle breccia. Mixed hematite>limonite crack veinlet and breccia matrix stain, sandy and weakly clayey. Later hematite veinlets may cut brecciation. Zones of pink to violet stains, more grainy and clayey than breccia matrix mark porphyritic fingers, rarely is porph texture observed.

116.00-116.40 **IBX** (Intrusive breccia) – Fine argillized, sericitized, and hematized intrusive breccia with silicified QA clasts. Trace copper wad and tenorite noted.

116.4-120.35 **QA (DIO/CBX)** (Quartz arenite crackle breccia with diorite infiltrations) - Moderate crackle breccia. Mixed weak hematite-limonite crack veinlet and breccia matrix stain, sandy and weakly clayey. Zones of pink to violet stains, more grainy and argillized than breccia matrix mark porphyritic fingers, rarely is porph texture observed.

120.35-124.75 **QA CON (DIO/CBX)** (Quartz arenite conglomerate crackle breccia with diorite fingers) – Weak crackle breccia. Matrix mixed sandy hematite and limonite altered. Diorite fingers argillized and hematized.

124.75-128.3 **IBX** (Intrusive breccia) – Argillized and weakly hematixed with trace sericite IBX?, questionable. QA clasts weakly silicified. Trace copper wad.

128.3-130.7 **QA CON (DIO/CBX)** (Quartz arenite conglomerate crackle breccia with diorite fingers) – Limonitic crackle breccia. DIO fingers argillized and hematized.

130.7-141.80 **IBX** (Intrusive breccia) – 45% rounded to angular weakly silicified QA clasts (Conglomerate?) with limonite spots and rare reaction rims to 55% purple red MnO2-hematite-clay IBX material (porphyritic texture not observed) or red yellow, hematite>limonite sandy sandy breccia matrix. Variable matrix to clast supported breccia pitted in places.

141.80-143.80 **QA (DIO/CBX)** (Quartz arenite crackle breccia with diorite? fingers) – CBX matrix and veinlets sandy and weakly limonite-clay altered. Fine mill breccia zones introduce hematite. Textureless DIO? Fingers clay-hematite-MnO2 altered. One PBX zone noted brecciating quartz veins.

143.80-145.60 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – CBX matrix and veinlets limonitic. Hematite is rare along later fractures. Malachite noted as stain in crack veinlet.

145.60-146.10 Deep red purple MnO2-hematite-clay gouge? Or IBX.

146.10-152.50 **QA (PBX)** (Quartz arenite crackle breccia) – PBX matrix sandy limonite stained +/-clay. Occasional very weak argillic altered clasts =DIO?? 149.8-152.5m PBX grades into CBX with deep red hematite replacing limonite.

152.50-174.20 **IBX / QA (DIO/PBX)** (Intrusive breccia with intermittent quartz arenite puzzle breccia with diorite fingers (IBX varying in intensity)) – 50% Quartz arenite clasts light grey and silicified or occasionally darkend with MnO2 in variable 35% red to yellow mix hematite>limonite +/-cy altered breccia matrix or 15% white grey clay with hematite and disseminated MnO2, trace sericite (IBX material). 171-174.2m mill shears increase in relation to contact below. Trace chalcocite?

174.20-176.45 **QA CON? (DIO/CBX)** (Quartz arenite conglomerate crackle breccia with diorite fingers) – CBX matrix hematite>>limonite +/- clay altered, sandy. Textureless diorite hematite-MnO2-clay altered. Common mill/shears are hematite altered.

176.45-177.00 **MBX / IBX / ZHAF** (Fault mill breccia/shear of intrusive breccia) – QA clasts angular to rounded in hematite-sand-clay matrix. IBX material clay-hematite-MnO2 altered, sheared/smeared and sinuous.

177.00-191.20 **CDP** (Crowded diorite porphyry) – White, weakly peppered black. Friable, strong argillic altered over potassic (biotite-Ksp) alteration. Disseminated hematite common and trace Cc? Silicified QA blocks occur in places (+/-medium to light grey wavy quartz veins). Trace limonite veinlets and trace hematite fractures.

191.20-193.60 **IBX / ZHAF** (Faulted intrusive breccia) – trace argillic altered and well hematized IBX. Common MnO2-hem stains on fractures or IBX matrix.

193.60-209.00 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Strong crackle, crack veinlet and CON matrix variably oxidized hematite>limonite or limonite>hematite +/-trace clay. Rare fine hematite-clay MBX/shears host fine angular to rounded QA clasts. Occasional sinuous grey-dark grey banded quartz veins.

209.00-209.85 **DIO** (Diorite porphyry) – Subporphyritic. Plagioclase argillized. Matrix weakly silicified. Hematite weakly disseminated.

209.85-210.40 **ZHAF / QA** (High angle fault in quartz arenite?) Strong limonitic clayey QA rubble.

210.40-214.65 **QA CON** (CBX) – Quartz arenite conglomerate crackle breccia) – Crackle and conglomerate matrix oxidized (limonite-hematite) moderately. Dark grey-grey banded sinuous veins are common and brecciated by CBX.

214.65-214.8 **DIO** (Diorite dyke) - Plagioclase argillized. Matrix weakly silicified. Dark grey-grey sinuous veinlets are weakly developed.

214.8-217.35 **QA (CBX)** (Quartz arenite crackle breccia) – Crackle matrix limonite>hematite. Sinous hem veinlets are weak overall.

217.35-218.20 **DIO** (Diorite) - Plagioclase argillized. Matrix weakly silicified. Dark grey-grey sinuous veinlets are weakly developed.

218.20-230.35 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Strong fractured. CBX and CON matrix oxidized limonite-hematite and dandy. Trace diorite wormy infill are argillized. Weakly sericitized. MnO2-hematite mix trace as stains. Trace grey quartz very fine veinlets.

230.35-239.75 **IBX** (intrusive breccia) – Weak intrusive breccia, mostly textureless, named so by abundant argillized and hematite-MnO2 stained wormy infiltrations. Trace disseminated tenorite(?) along fractures. Less than trace grey quartz very fine veinlets. Host rock is a crackle brecciated QA CON, oxidized (limonite-hematite).

239.75-256.7 **QA CON (CBX)** (Quartz arenite conglomerate crackle breccia) – Rare wormy often textureless argillized and hematite-MnO2 stained DIO injections. QA CON and Crack matrix sandy limonitc and weakly hematitic. Pin points of MnO2 trace disseminated on fractures.

End of Hole

CANPER EXPLORACIONES S.A.C.

Pinaya Project

Hole PDH-55, Western Porphyry Area

PDH-55 is a 50m step out to the north east of PDH-25. The hole was set up at 09:30hrs May 31, 2006; drilling began at 15:00 hrs in the afternoon. The hole was stopped at 261.3 meters depth at 8:30 AM on June 8/06 as we entered a fault zone with abundant sterile BDP (equivalent to ignimbrite) material.

The sample series for this hole is 64726-64933 (211 samples).

PDH-55 Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Depth @ 7:00	Casing Depth
225	-60	4551	8275611	286118	261.3	6.0

A brief geological summary follows:

0-3.5 Quaternary cover

3.5-90.1 **QA CBX/IBX** (Quartz arenite crackle breccia / intrusion breccia) – Light grey, weakly crackled & fractured, cm to x10cm scale zones with altered CDP/DIP intrusive material injected into breccia matrix & as seams. Intrusive material is normally strongly argillized and with fine pink matrix hematite. Intrusive material composes about 10-locally 15% of interval. Minor Fe-ox minerals, trace Mn-Cu ox on fractures.

90.1-115.3 **QA PBX/IBX** (Quartz arenite puzzle breccia / Intrusion breccia) – Interval similar to previous, but with more intense deformation to a puzzle breccia. Alteration and mineralization similar as above. Strong phyllic alteration in QA, strong argillization & hematization in intrusive material. Common limonite & hematite.

115.3-137.6 **QA CBX/IBX** (Quartz arenite crackle breccia / intrusion breccia) – Similar to first interval. Minor spotty Mn+/-Cu oxides on fractures. Local cm-scale zones of very fine disseminated specularite.

137.6-140.7 **QA/ZHAF** (Quartz arenite / high angle fault) – Strongly sheared interval with zones of intense brecciation and fault gouge. Common limonite and hematite. Trace CuMnox.

140.7-154.0 **QA CBX / SKN** ? (Quartz arenite crackle breccia / Skarn ?) – QA precursor with strong phyllic alteration and possible weak skarning. There is common fine disseminated specularite giving the rock a dark grey color, and minor local calcite. Common limonite and hematite on fractures and seams.

146.0-154.0 – Contact Zone – intense quartz veinlets & hornfelsing nearer to intrusive contact. Abundant patchy specularite & hematite.

154.0-221.45 **DIP** (Diorite Porphyry) – Moderate to strong potassic alteration with matrix biotite, quartz-kspar veinlets, local argillic overprint. Minor copper clays, trace fine disseminated chalcocite.

***NATIVE COPPER** – 157.0-162.8, 1-2% on fractures and veinlets.

162.8-173.5 – Alteration change in rock. Predominantly phyllic with argillic overprint. Abundant pyrite disseminations and in quartz veinlets. Common lm-go veinlets after pyrite. Trace Cu clays. Lower 4 meters has weak chloritic alteration as well.

*173.5-197.3 – Alteration change in rock. Strong potassic alteration with phyllic overprint. Common quartz +/- kspar veinlets & selvages, locally with magnetite in veinlets and as disseminations. Common chalcopyrite 1-2% in veinlets. Common specularite and pyrite as disseminations and in veinlets. Local limonite-goethite after pyrite on fractures.

197.3-209.5 – Alteration change in rock. Stronger phyllic and weak argillic overprint. Common disseminated and veinlet controlled pyrite. Minor specularite.

*209.5-220.2 – Alteration change in rock. Stronger remnant potassic alteration, weak to moderate phyllic overprint. Commonly sheared & clayey, slickensides on fractures. Common chalcocite & specularite in disseminations and veinlets. Trace local native copper in veinlets & seams.

220.2-221.45 – Contact zone with QA below; sheared, abundant hem seams, trace cc +/- specularite.

221.45-230.64 **QA CBX** (Quartz arenite crackle breccia) – Moderately crackled, abundant limonite and hematite.

230.64-240.9 **SKN / QA CBX** (Skarn / Quartz arenite crackle breccia) – Rock as above, but with moderate to strong oxidized skarn development. Abundant limonite, goethite, & calcite. *Common azurite & malachite on seams & veinlets 1-2%.

240.9-251.23 **ZHAF / QA MBX** (Fault zone / Quartz arenite mill breccia) – Strong shear developed in QA material, intensely sheared and brecciated, abundant clays. Common hematite & limonite. Remnant skarned material 247.0-249.3.

251.23-261.3 **ZHAF / BDP** (Fault zone / Biotite dacite porphyry) – Host material is mostly a BDP with abundant QA clasts. BDP matrix is often sheared and clayey. Minor oxides, no significant mineralization.

261.3 **END OF HOLE**

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-56, Western Porphyry Area

PDH-56 is a 50 meter step out to the SW of PDH-42, pre-drill site DD. Drilling began on this hole June 8/06 at 17:30 hrs. This hole was stopped on June 11/06 at 14:00 hours at a depth of 155.35 meters, due to a lack of significant mineralization.

The sample series for this hole is 64934-65057 (124 samples).

PDH-56 Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Depth @ 7:00	Casing Depth
225	-60	4530	8275419	286114	155.35	6.3

A brief geological summary follows:

0.0-3.2 **QA**, rubbly, unconsolidated, abundant limonite.

3.2-12.1 **ZHAF / QA CBX** (Fault Zone / Quartz arenite crackle breccia) – Abundant clay & gouge fault zone developed in QA CBX host rock. Abundant limonite & hematite in matrix.

12.1-37.2 **QA CBX / PBX** (Quartz arenite crackle breccia / puzzle breccia) – Moderate to abundant limonite and hematite in fractures & breccia matrix, local goethite. Trace argillized and hematized intrusive seams. Trace copper clays.

20.8-22.6; 26.0-27.7; 35.0-37.2 – Intensely oxidized goethite rich breccia zones, skarn appearance without calcite; minor copper clays, malachite, trace CuMn oxides on fractures.

37.2-42.85 **ZHAF / QA PBX-MBX** (Fault zone / Quartz arenite puzzle breccia – mill breccia) - Strongly sheared QA host, abundant limonite, hematite, and goethite, especially in fractures and breccia matrix. Local copper clays, malachite, and CuMnox. Strongly sheared and chaotic texture.

42.85-80.75 **ZHAF / QA CBX-MBX / IBX** (Fault zone / Quartz arenite crackle breccia to mill breccia / Intrusion breccia) – Continuation of fault zone. Weaker oxide minerals, less hematite and limonite. Local strongly sheared and brecciated intervals with abundant clay and fault gouge. Minor narrow DIP seams, breccia matrix, and clasts. Trace CuMnox on fractures.

80.75-137.85 **QA CBX / LOCAL IBX** (Quartz arenite crackle breccia / local Intrusion Breccia) – Moderately fractured, local minor breccia zones. Weak to moderate limonite and trace goethite on fractures. Patchy hematite-specularite+/-chalcocite locally.

101.45-123.5 – Interval with IBX – common seams, dykelets, clasts, breccia matrix of argillized and hematized intrusive material (DIP?).

137.85-155.35 **QA PBX** (Quartz arenite puzzle breccia) – Moderately fractured, common weak limonite and trace hematite on fractures. Local minor seams of argillized (DIP?) intrusive material.

155.35 **END OF HOLE**

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-57 -Western Porphyry

PDH-57 is a 50 meter step out to the NE of PDH-51, pre-drill site MM. The target for this hole is to extend the significant gold and copper mineralization encountered in hole PDH-51.

Drilling began on this hole by midnight of June 10/06. The hole was stopped at 7:00 on June 19, 2006 at a depth of 387.8 meters due to a tailing off of visible chalcocite mineralization.

The drill pipe and coring gear was reduced from HQ to NQ size at 315.25 meters depth June 16th

The sample series for this hole is 65058-65372 (315 samples).

PDH-57 Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Final Depth	Casing Depth
225	-60	4530	8275554	286252	387.8	3.0

A geological summary follows:

0.0-2.9 Quaternary overburden & weathered QA material.

2.9-38.9 **QA CON/CBX/IBX** (Quartz arenite conglomerate/crackle breccia/intrusion breccia) – Polymict QA breccia, moderately crackled, common altered DIP seams, dykelets, and breccia matrix. Abundant limonite & hematite.

38.9-64.05 **QA CBX** (Quartz arenite crackle breccia) – Weakly crackled QA protolith, minor Fe oxides.

64.05-84.9 **QA MBX/ZHAF** (Quartz arenite mill breccia/Fault zone) – Strongly milled and sheared QA host rock. Abundant matrix clays and rock flour. QA clasts are subrounded and <1cm scale. Local altered DIP seams & dykelets. Minor x10cm scale intervals of QA CBX. Strong hematite and limonite mineralization.

84.9-166.6 **QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion breccia) – Moderately fractured QA, common DIP(?) seams, breccia matrix, dykelets, and clasts. DIP is commonly strongly argillized and stained pink with matrix hematite, composes approximately 10% of interval. Weak spotty sooty Mn+/-Cu oxides on fractures. Local dark grey stained intervals with disseminated specularite.

166.6-171.5 **QA MBX/IBX/ZHAF** (Quartz arenite mill breccia/Intrusion Breccia/Fault zone) – Strongly sheared QA interval, milled & brecciated. Local DIP (?) seams, clasts and breccia matrix, usually strongly argillized and hematized. Strong limonite and hematite mineralization.

171.5-173.4 **DIP** (Diorite porphyry) - Moderate to strong potassic alteration with argillic to intermediate argillic overprint, minor quartz veinlets. Common partially digested QA clasts. Common limonite, trace specularite in matrix.

173.4-177.7 **QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion breccia) – Moderately fractured QA, common DIP(?) seams, breccia matrix, dykelets, and clasts. DIP is commonly strongly argillized and stained pink with matrix hematite, composes approximately 10-15% of interval. Minor limonite and hematite on fractures, local specularite.

177.7-183.0 *DIP (Diorite Porphyry) – Moderate to strong potassic alteration with matrix biotite and potassic feldspars along quartz veinlets. Argillic to intermediate argillic overprint. Common copper clays on fractures. Disseminated chalcocite, especially in clusters.

183.0-268.8 ***QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion breccia) – As previous interval. Moderate to strong phyllic alteration, moderately silicified. Rock bleached white, locally argillized in matrix. Common thin altered DIP seams and clasts. Common cross cutting millimeter scale stockwork quartz veinlets, at least 2 generations. Common limonite and local hematite on fractures.

*183.0-212.3 – **OXIDE ZONE** – Abundant limonite, hematite & local goethite after pyrite. Local remnant pyrite. Gradual decrease in oxide down hole.

*192.3-207.5 – Spotty chrysocolla mineralization on veinlets and fractures. Trace chalcocite and specularite disseminations. Local remnant pyrite.

*212.3-268.8 – **SULFIDE ZONE** – Strong phyllic alteration, common matrix clays, common x-cutting quartz veinlets, rock bleached white. Abundant disseminated and veinlet pyrite, at least 2 generations. Local chalcocite and specularite within pyrite clots. Local chalcocite coatings on pyrite.

*257.0-268.8 – **TRANSITION ZONE** – Gradual increase in lm-hm-go oxides, trace Cu clays on fractures. Increase in chalcocite content as disseminations and in veinlets, 1-2%.

*265.7-266.8 – **DIP** dyke – Potassic alteration overprinted by phyllic, local cc on fractures and as disseminations.

268.8-286.5 ***QA CBX/SKN** (Quartz arenite crackle breccia/Skarn) – Weakly developed calcite-specularite skarn. Strongly oxidized with abundant limonite, hematite, and goethite. Local unoxidized specularite, local sooty CuMn ox on fractures.

286.5-292.0 **QA CBX** (Quartz arenite crackle breccia) – Moderately crackled, weak to moderate Fe-ox mineralization.

292.0-302.1 ***QA CBX/SKN** (Quartz arenite crackle breccia/Skarn) – Weakly developed, strongly oxidized calcite-specularite skarn. Abundant limonite, hematite, and goethite as above. Minor sooty CuMn ox on fractures.

302.1-318.0 **QA CBX** (Quartz arenite crackle breccia) – Moderately crackled, weak to moderate Fe-ox mineralization. Local stronger oxide mineralization in x10cm intervals, with limonite, hematite, and goethite. Trace local specularite.

318.0-330.6 ***QA CBX/SKN** (Quartz arenite crackle breccia/Skarn) – Weakly to moderately developed, strongly oxidized calcite-specularite skarn. Common limonite, hematite, goethite, and specularite. Trace sooty CuMn ox on fractures.

326.9-330.6 – Strongly oxidized interval – locally coarse chalcocite clots (eg. 329.2 m), 1-2% overall.

330.6-333.3 ***DIP** (Diorite Porphyry) – Weak phyllic alteration with argillic overprint. Minor matrix hematite.

333.3-343.3 ***QA CBX/SKN** (Quartz arenite crackle breccia/Skarn) – Moderately to strongly developed, strongly oxidized calcite-specularite skarn. Abundant limonite, hematite, goethite, and specularite. Local chalcocite with specularite. Local copper bearing clays.

343.3-363.65	**QA CBX** (Quartz arenite crackle breccia) – Weakly to moderately fractured, minor Feox minerals. Local spotty specularite disseminations. Trace altered intrusive (DIP?) clasts, strongly argillized. *360.0-363.65 – Local wispy pyrite & chalcocite on fractures, decreasing oxides. Common argillized (DIP?) intrusive material in matrix, **IBX** in character.
363.65-365.0	**AFP** (Andesite Feldspar Porphyry) – Post mineral dyke.
365.0-375.4	***QA CBX** (Quartz arenite crackle breccia) – Weakly to moderately fractured. Local argillized DIP (?) clasts & seams. Common disseminated and veinlet pyrite 2-4%. Disseminated and patchy chalcocite 1-2%, local coarse clots. Disseminated specularite. Trace cuprite. Trace limonite after pyrite.
375.4-387.8	**QA CBX** (Quartz arenite crackle breccia) – Weakly to moderately fractured. Weak Fe oxides, no visible sulfide mineralization.
387.8	**END OF HOLE**

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-58 - Western Porphyry

PDH-58 is a 100 meter step out to the SW of PDH-22, pre-drill site LL. The target for this hole is a SW continuation of the Au-Cu mineralization cut in PDH-22, as well as an IP resistivity high in the area which is similar in character and strength to a resistivity high near holes PDH-17, PDH-33 and PDH-47. All of these holes returned significant Au and Cu intersections.

Rig 1 was moved on to and set up on this location June 11 at 19:00 hours. Drilling began at 21:00 hours the same day. Drilling was stopped June 16th at 216.9 meters depth and 22:25 hrs.

The sample series for this hole is 59299-59472 (174 samples).

PDH-58 Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Final Depth	Casing Depth
225	-60	4523	8275324	286139	216.9	3.5

A geological summary follows:

0.0-1.5 Quaternary overburden, minor soil, clayey.

1.5-63.2 **QA CBX/PBX** (Quartz arenite crackle breccia/Puzzle breccia) – Moderately to strongly crackled, rubbly & disaggregated near surface; locally strongly fractured and brecciated. Common limonite & hematite on fractures. Local trace sooty Mn+/-Cu oxides on fractures.

22.1-23.9 – **IBX** (Intrusion breccia) interval, common argillized & hematized intrusive material (DIP?) in QA CBX matrix.

63.2-72.0 **ZHAF/QA MBX** (Fault zone/Quartz arenite mill breccia) – Sheared and clayey, common limonite and hematite iron oxides. Minor Mn0x, trace local specularite.

72.0-110.7 **QA PBX/CBX** (Quartz arenite puzzle breccia/crackle breccia) – Moderately fractured and brecciated. Common limonite and hematite, local patchy specularite.

110.7-127.9 **QA CBX** (Quartz arenite crackle breccia) – Weakly fractured, rubbly. Minor Fe-ox on fractures. Local specularite disseminations, possible trace copper wad.

127.9-170.0 **QA PBX/IBX** (Quartz arenite puzzle breccia/Intrusion breccia) – Stronger fracturing and brecciation, common limonite and hematite on fractures. Local minor argillized intrusive seams, clasts & dykelets compose up to 10-15% of interval.

170.1-198.2 **QA CBX/PBX** (Quartz arenite crackle breccia/puzzle breccia) – Weakly to moderately fractured, minor oxides on fractures.

198.2-216.9 **QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion breccia) – Weak to moderately fractured QA CON host. Common strongly argillized intrusive material (DIP?) as clasts and locally in breccia matrix. Weak Fe-ox mineralization, predominantly limonite and hematite.

216.9 **END OF HOLE**

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-59 -Western Porphyry Area

PDH-59 is a 45 meter step out to the SE of PDH-42, and about 45 metes to the NW of PDH-22, pre-drill site GG. The objective is to intersect similar Au-Cu mineralization, and develop a similar section to PDH-56 to PDH-57.

Drilling began at 13:30 hours on June 17/06. The hole was stopped at 257.2 meters depth on June 21, 2006 at 7:00 AM due to a minimal amount of visible copper sulfide/oxide mineralization.

The sample series for this hole is 59473-59676 (204 samples).

PDH-59 Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Final Depth	Casing Depth
225	-60	4523	8275419	286172	257.2	6.5

A geological summary follows:

0.0-62.4 **QA CBX** (Quartz arenite crackle breccia) – QA or QA CON origin, moderately crackled and fractured. Minor clayey breccia zones. Minor altered intrusive (DIP?) clasts, seams, & dykelets, <3% overall. Minor limonite and hematite mineralization, trace clotty specularite.

62.4-106.36 ***QA CBX/SKN** (Quartz arenite crackle breccia/Skarn) – Moderate calcite-specularite skarn development, strongly oxidized. Abundant hematite, goethite, limonite, and local specularite. Local chalcocite with specularite. Common copper clays on fractures.

*70.2-88.0 – Common azurite 2-3% and malachite 1% on fractures.

90.0-93.9 – Weakly mineralized interval. Abundant Fe-ox minerals. Local sheared appearance. Trace local malachite.

*93.9-102.0 – Stronger azurite (1-2%) and malachite (1%) mineralization. Common Cu clays.

106.3-134.2 **QA CBX** (Quartz arenite crackle breccia) – Moderately fractured, local x10 cm scale QA PBX intervals. Common limonite & hematite. Trace chalcocite with specularite in clots & on fractures.

134.2-147.4 **QA PBX/IBX** (Quartz arenite puzzle breccia/Intrusion breccia) – QA origin, moderately to strongly fractured and brecciated. Common seams & dykelets of argillized DIP (?) material. Minor Fe oxides.

140.6-141.8 – **DIP** dyke, weakly argillized.

147.4-257.2 **QA CBX/PBX** (Quartz arenite crackle breccia/Puzzle breccia) – Weakly to locally strongly crackled, fractured, and brecciated QA. Local argillized DIP clasts, seams, & dykelets. Trace specularite disseminations. Local sooty CuMn ox +/- tenorite on fractures, gradually decreasing downhole.

257.2 **END OF HOLE**

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-60 -Western Porphyry Area

PDH-60 is a 50 meter step out to the NE of PDH-47, pre-drill site KK. The target for this hole is to extend the significant gold and copper mineralization encountered in hole PDH-47.

Rig 2 was lined up June 19/06 at 17:00 hours, and drilling began at roughly 20:00 hours. The depth of NQ reduction was 301.3m. The hole was stopped at 20:30hrs June 27/06 with a final depth of 416.5m. Below 303.8m mineralization died out and only spotty local chalcocite was encountered. MnO2 and disseminated hematite are trace but common below this depth.

The sample sequence for the hole was 65373 to 65703 including 331 samples.

PDH-60 Final Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Total Depth	Casing Depth
225	-60	4512	8275603	286230	416.5	6.5

A brief geological summary follows:

0.0-5.7 **IGN** (Ignimbrite)

5.7-85.0 **QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion breccia) – QA origin, moderately fractured. 10-15% argillized and hematitic intrusive (DIP?) material in seams, clasts, dykelets, and breccia matrix, gradually decreasing with depth. Minor limonite and hematite on fractures.

85.0-147.2 **QA CBX** (Quartz arenite crackle breccia) – QA origin, as above, moderately fractured. Trace local altered DIP (?) material in seams, breccia matrix, & clasts, <2-5% overall. Minor hematite & limonite on fractures. Local meter-scale intervals with disseminated specularite toward bottom of interval.

147.2-216.2 **QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion Breccia) – QA origin, moderately crackled. 10-15% altered intrusive (DIP?) seams, clasts, and dykelets, commonly argillized with abundant matrix hematite. Common hematite and limonite in matrix and fractures. Local disseminated and spotty clots of specularite.

203.7-216.2 – Contact zone in QA CBX/IBX – Stronger silicification and abundant quartz veinlets. Local specularite and CuMnox mineralization on fractures.

216.2-220.1 ***DIP** (Diorite Porphyry) – Strong potassic alteration, moderate phyllic overprint. Common native copper 1%+, chalcocite in blebs and veinlets 1-2%, chrysocolla along chalcocite veinlets.

220.1-232.0 ***QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion Breccia) – QA origin, moderately crackled and fractured, abundant quartz veinlets. Probably a raft of QA material in DIP dyke. Common (10-15%) argillized intrusive material, mostly DIP as clasts & dykelets. Common chalcocite as veinlets and blebs 2-3%+. Chrysocolla along veinlets 2-3%. Local specularite with chalcocite.

232.0-244.1 ***DIP** (Diorite Porphyry) – Strong potassic alteration with local phyllic to argillic overprint. Common quartz/quartz-kspar veinlets and later stage calcite veinlets.

-232.0-237.3 – Common native copper 2%+.

-237.3-240.3 – Common limonite, hematite, and goethite. Common chalcocite and chalcocite-quartz veinlets, 2%+ chalcocite.

-240.3-244.1 – Common chalcocite in quartz veinlets 2-3%+. Local cuprite on fractures. Local QA clasts.

244.1-255.9 *__QA CBX/IBX__ (Quartz arenite crackle breccia/Intrusion Breccia) – Probably a raft of QA within DIP dyke. Crackled and fractured, common DIP seams & clasts. Very unclear definition and contacts. Strongly silicified, abundant quartz veinlets with chalcocite 2-4% and chrysocolla 2-3%. Local specularite and common Fe oxides.

255.9-257.3 **BDP** (Biotite Dacite Porphyry) – Weakly argillized & sericitized post mineral dyke.

257.3-277.1 *__DIP__ (Diorite Porphyry) – Possible remnant potassic alteration with argillic and locally propylitic overprint (especially 263.25-268.2 meters depth). Common quartz-specularite veinlets except in propylitic zone. Minor limonite and hematite on fractures. Possible minor chalcocite with specularite mineralization.

277.1-303.8 *__QA CBX__ (Quartz arenite crackle breccia) – Chaotic texture with very bleached appearance, local altered DIP seams. Strong phyllic alteration with local argillization.

277.1-283.5 – SULFIDE MINERALIZATION – Abundant wispy pyrite-chalcocite seams and veinlets. Chalcocite 2-3%+, pyrite 3-5%+.

283.5-303.8 – OXIDE MINERALIZATION – Sulfides above are oxidized with abundant hematite, limonite, and specularite. Local remnant chalcocite in clots. The oxidation seems to be controlled by a fracture system parallel to core axis.

303.8-310.55 **QA CON/CBX** (Quartz arenite conglomerate crackle breccia) – QA clasts increasingly crackled from trace to strong towards basal contact. Hematite-limonite-clay argillic alteration of CON matrix increases downhole from trace to strong. Local quartz-moderately disseminated chalcocite (phyllic) zone 305.7-306.6m with copper clay in altered CON matrix. Specularite slick noted.

310.55-338.5 **QA CON/IBX** (Quartz arenite conglomerate with intrusive breccia) – Conglomerate matrix is argillized and hematized with common specularite slickensides. IBX matrix is argillized and hematized with a mix of MnO_2. Tenorite noted in irregular fractures.

338.5-341.15 **AND** (Andesite dyke) – Medium grey, faintly green, amygdaloidal. Amygdaloidal and interstitial calcite is common. Very weakly argillic altered and faintly chloritized. Frequent hematite veinlets corresponding to faulting at the contacts are common.

341.15-364.25 **QA CBX/IBX** (Quartz arenite crackle breccia with intrusive breccia) – CBX matrix weakly structurally argillic altered (sandy limonite-hematite-clay) but more commonly infiltrated by often textureless diorite worms. Diorite is argillized and occasionally hematized. Disseminated tenorite is rare in diorite worms. Rare crack veinlet hematite-MnO_2 mix.

364.25-365.5 **Z-HAF/QA MBX** (High angle fault with mill breccia) – QA clast to matrix supported, packed to sparse clast mill breccia. Breccia matrix variably altered as hematite+/-clay+/-MnO_2. 364.6-364.9m chalcocite knots are common in breccia matrix.

365.5-379.85	**QA CON/QA PBX** (Puzzle brecciated quartz arenite conglomerate with quartz arenite interbeds) – Strong rubble zone. PBX matrix variably oxidized (dominantly goethitic greater than hematitic). Hematite increases with intensity of puzzle brecciation. Rare mill zones present. Fracture specularite is rare. Trace MnO2 coats veinlets.
379.85-403.25	**QA CON CBX/PBX** (Quartz arenite conglomerate crackle to puzzle breccia) – ovoidal QA pebbles and very rare fine andesite pebbles matrix to clast supported conglomerate. PBX and CBX matrix hematite-limonite-goethite altered. Hematite increases with increased brecciation. Occasional but consistent specularite slickensides are noted. Hematite is trace disseminated. Fracture pyrolusite is common near top contact.
403.25-404.4	**AFP?/IBX(2)** (Andesite feldspar porphyry intrusive breccia) – 25% white weakly argillized plagioclase in light grey silicic matrix hosts brecciated QA clasts. Very trace disseminated hematite. Late fracture hematite and limonite are weak.
404.4-408.4	**QA (PBX/IBX)** (Quartz arenite puzzle breccia with intrusive breccia) – Tight micro breccia texture. Breccia matrix silicified or well hematized and argillized. DIO infiltrations strong argillized. Fracture MnO2 noted. Intensely fractured 407.1-407.65m.
408.4-411	**Z-HAF** (High angle fault) – Very strong fractured, intense rubble. Breccia matrix strong hematized with limonite increasing downhole. Clay-sericite altered QA 409.9-410.2m.
411-415.5	**QA (MBX/?IBX?/Z-HAF)** (High angle faulted quartz arenite mill breccia with questionable intrusive breccia) – Intense rubble, strong mill breccia. Breccia matrix strong hematized and argillized. Possible argillized DIO breccia 414.45-414.5m. Trace MnO2 noted.
415.5-416.5	**QA (CBX)** (Quartz arenite crackle breccia) – Sparse QA pebbles. Very weak crackle breccia. Crack veinlets hematized.

End of Hole

CANPER EXPLORACIONES S.A.C.

Pinaya Project

PDH-61 -Western Porphyry Area

PDH-61 is a 50 meter step out to the NE of PDH-34, pre-drill site EE. The objective is to intersect similar Au-Cu mineralization down dip on the diorite body intersected in PDH-34.

The hole is 51.8m NE of PDH-34.

Rig 1 was set up at 16:30 hours on June 22/06, and drilling began at 22:00 hours. The hole was finished at 12:45hrs June 26, 2006. The depth was extended test the down dip potential of a weak copper-gold anomaly encountered in PDH-34. Trace and spotty specularite mineralization was encountered at depth.

The sample sequence for the hole is 59677-59879 including 203 samples.

PDH-61 Final Hole Details

Az	Incl	Elev	Northing (WGS84)	Easting (WGS84)	Total Depth	Casing Depth
225	-60	4504	8275806	286112	248.5	3.5

A brief geological summary follows:

0.0-2.2 Overburden, soil, organics

2.2-19.9 **QA CBX/IBX** (Quartz arenite crackle breccia/Intrusion Breccia) – QA origin, moderately crackled and fractured. Local seams, infiltrations, breccia matrix, and dykelets of altered DIP material, usually strongly argillized with matrix hematite.

19.9-57.8 **QA CBX/PBX** (Quartz arenite crackle breccia/Puzzle Breccia) – QA origin, moderately to locally strongly fractured and brecciated. Common clasts of altered DIP material. Local minor CuMn ox wad, possible trace tenorite.

57.8-66.9 **QA PBX** (Quartz arenite puzzle breccia) – Commonly brecciated with clayey matrix. Minor Mn ox, possible trace tenorite.

66.9-73.9 **QA PBX/MBX** (Quartz arenite puzzle breccia/Mill Breccia) – Strongly fractured and brecciated, common clayey matrix in breccia. Tenorite on microfractures.

73.9-89.3 **ZHAF/QA PBX/MBX** (Fault zone in quartz arenite puzzle to mill breccia) – Intensely faulted and fractured. CuMn oxide on fractures, minor tenorite.

89.3-94.1 ***CDP** (Crowded Diorite Porphyry) – Moderately argillized, traces of specularite.

94.1-115.1 **ZHAF/QA MBX** (Fault zone in Quartz arenite mill breccia) – Moderately to strongly milled QA, common clayey seams. Traces of tenorite with Mnox on fractures, local specularite.

115.1-150.6 ***QA PBX** (Quartz arenite puzzle breccia) – Moderately fractured and brecciated. Local traces of chalcocite and tenorite on fractures. Local specularite on fractures. Trace Azurite stain at contact to CDP.

150.6-153.4 **CDP** (Crowded diorite porphyry) – Argillic altered over potassic alteration. Trace disseminated chalcocite and specularite. Limonite and hematite veinlets common.

153.4-160.8 **QA PBX/MBX** (Quartz arenite puzzle to mill breccia) – Weakly phyllic altered with mill breccia matrix argillized and hematized. Trace chalcocite, tenorite, and specularite occur in very fine points.

160.8-171.7 **QA CBX/PBX** (Quartz arenite crackle to puzzle breccia) – Mixed weak crackle and puzzle breccia with weak phyllic alteration. PBX matrix weakly argillized. Traces of chalcocite, tenorite, MnO2, and fracture specularite noted.

171.7-203 **QA CON PBX** (Quartz arenite puzzle breccia) – Rare argillized clasts of DIP. Weakly phyllic altered. CON matrix structurally argillized and oxidized. Rare fracture tenorite and rare stain MnO2. Local specularite in fractures.

203-208.2 **Z-HAF/QA CON** (High angle fault in quartz arenite conglomerate) – Variably hematized fault breccia matrix hosts angular QA clasts. Argillic altered blobs are possible diorite infiltrations. Trace stains of MnO2.

208.2-221.2 **QA CON PBX/CBX** (Quartz arenite conglomerate puzzle to crackle breccia) – Rare Diorite/Andesite? primary conglomerate clasts record weak phyllic alteration. Points and lensoid veinlets of specularite are rare and associated with patchy MnO2-hematite occurrences.

221.2-223.9 **Z-HAF** (high angle fault) – Soft hematite, limonite, clay breccia matrix hosts subangular quartzite clasts.

223.9-233 **QA CON PBX** (Quartz arenite conglomerate puzzle breccia) – PBX matrix structurally argillic altered (sandy limonite-hematite-clay). Rare MnO2 noted.

233-236.4 **QA CON MBX** (Quartz arenite conglomerate mill breccia) – Very strong breccia. Matrix structurally argillic altered (sandy limonite-hematite-clay). Occasional Diorite clasts? or infiltrations? are argillic altered. Rare MnO2 noted.

236.4-243.2 **Z-HAF/IBX/MBX** (High angle fault of mill brecciated intrusive breccia) – Fault very low angle to core axis. Breccia matrix is hematized greater than limonite and structurally argillic altered. DIO infiltrations weakly argillic altered. Traces of MnO2 and tenorite noted.

243.2-248.5 **QA CON PBX** (Quartz arenite conglomerate puzzle breccia) – Breccia matrix weakly structurally argillic altered.

End of Hole

APPENDIX 4: Drill Hole Collars

Table 5: Drill Hole Coordinates

DRILL HOLE	UTM E	UTM N	ELEVATION	AZIMUTH UTM	INCLINATION SURVEYOR	AZIMUTH (TRUE NORTH)	INCLINATION FIELD	FINAL DEPTH
PDH-001	286361.63	8275637.85	4484.26	228.98	-48.74	225.50	-50.00	220.00
PDH-002	286400.23	8275673.98	4482.41	231.25	-48.99	225.50	-50.00	241.00
PDH-003	286328.72	8275676.34	4486.31			225.50	-50.00	146.00
PDH-004	286304.15	8275719.20	4488.81	231.25	-51.12	225.50	-50.00	163.10
PDH-005	286393.08	8275600.49	4488.08	228.98	-51.02	225.50	-50.00	175.00
PDH-006	286443.61	8275522.21	4474.61	228.15	-51.34	225.50	-50.00	158.00
PDH-007	286418.17	8275561.33	4484.60	231.76	-49.74	225.50	-50.00	132.20
PDH-008	286457.58	8275591.58	4478.28	228.95	-50.22	225.50	-50.00	184.50
PDH-009	286507.51	8275530.44	4473.95	91.42	-58.99	85.50	-60.00	231.00
PDH-010	286137.93	8276001.41	4507.94	232.16	-49.99	225.50	-50.00	253.30
PDH-011	286610.64	8275362.55	4476.73	268.25	-50.56	265.50	-50.00	144.85
PDH-012	286036.60	8276046.10	4513.73	231.09	-50.19	225.50	-50.00	235.00
PDH-013	287099.15	8275638.40	4482.74	268.58	-59.43	265.50	-60.00	250.00
PDH-014	285976.36	8275504.03	4505.14	-	-	45.50	-50.00	67.85
PDH-015	285789.42	8276351.68	4562.89	231.07	-57.80	225.50	-60.00	232.40
PDH-016	285991.36	8275454.27	4502.64	48.82	-58.66	45.50	-60.00	306.00
PDH-017	286159.94	8275533.66	4515.95	231.30	-58.87	225.50	-60.00	261.80
PDH-018	285828.66	8276223.96	4545.53	230.31	-48.89	225.50	-50.00	215.75
PDH-019	285826.41	8276388.02	4557.73	230.07	-61.32	225.50	-60.00	151.35
PDH-020	286035.65	8275596.24	4526.43	229.22	-59.66	225.50	-60.00	200.00
PDH-021	286180.37	8275483.63	4508.63	228.42	-61.04	225.00	-60.00	203.65
PDH-022	286212.14	8275397.92	4495.77	227.90	-73.07	225.00	-75.00	326.60
PDH-023	285777.71	8276431.23	4572.69	227.92	-58.97	225.00	-60.00	301.00
PDH-024	285653.59	8276504.35	4611.95	226.41	-59.88	225.00	-60.00	229.70
PDH-025	286082.38	8275576.03	4525.74	226.48	-60.65	225.00	-60.00	246.00
PDH-026	286474.58	8275541.57	4474.13	228.25	-58.99	225.00	-60.00	150.70
PDH-027	286630.82	8275338.27	4485.52	269.83	-51.61	270.00	-50.00	101.30
PDH-028	286632.14	8275338.28	4485.51	270.97	-71.02	270.00	-70.00	121.05
PDH-029	286251.68	8275356.31	4479.89	230.82	-61.45	225.00	-60.00	202.10
PDH-030	286429.42	8275636.72	4480.15	225.10	-50.36	225.00	-50.00	200.35
PDH-031	286370.09	8275705.55	4485.37	229.29	-51.04	225.00	-50.00	216.80
PDH-032	285976.20	8275504.39	4505.12	-	-	0.00	-90.00	135.00
PDH-033	286115.17	8275549.01	4522.14	227.33	-62.02	225.00	-60.00	120.10
PDH-034	286073.09	8275772.83	4512.63	226.30	-47.88	226.00	-50.00	250.50
PDH-035	285847.53	8276169.60	4542.93	230.51	-53.43	225.00	-55.00	206.50
PDH-036	285820.87	8276294.65	4552.39	228.55	-58.59	225.00	-60.00	243.00
PDH-037	285866.70	8276261.06	4541.71	230.10	-60.14	225.00	-60.00	266.20
PDH-038	286104.32	8277681.63	4633.86	202.22	-51.26	200.00	-50.00	184.20
PDH-039	286122.73	8275498.29	4514.87	227.06	-58.34	225.00	-60.00	215.10
PDH-040	286210.34	8277724.30	4616.58	198.17	-48.17	200.00	-50.00	146.65
PDH-041	286359.43	8277728.69	4612.12	226.59	-49.17	225.00	-50.00	212.35
PDH-042	286143.01	8275448.87	4511.19	226.68	-58.99	225.00	-60.00	217.00
PDH-043	286181.10	8277836.85	4600.22	227.17	-48.44	225.00	-50.00	217.30
PDH-044	286033.10	8275646.15	4533.89	227.66	-58.88	225.00	-60.00	250.40
PDH-045	285967.97	8277991.96	4583.05	224.18	-48.00	225.00	-50.00	224.90
PDH-046	285728.74	8276447.27	4584.01	227.42	-60.46	225.00	-60.00	386.50
PDH-047	286194.78	8275571.18	4516.98	223.08	-58.53	225.00	-60.00	287.10
PDH-048	285886.18	8276206.78	4537.01	230.11	-58.09	225.00	-60.00	200.00
PDH-049	286086.37	8275467.10	4512.53	224.26	-59.42	225.00	-60.00	39.20
PDH-050	286077.22	8275459.52	4512.08	227.71	-60.73	225.00	-60.00	125.30
PDH-051	286215.32	8275519.29	4507.03	224.26	-59.11	225.00	-60.00	245.90
PDH-052	285860.70	8276420.38	4561.14	227.18	-59.09	225.00	-60.00	249.20
PDH-053	286340.99	8275751.42	4488.69	225.58	-49.40	225.00	-50.00	240.00
PDH-054	285752.70	8276319.61	4567.34	226.92	-61.11	225.00	-60.00	256.70
PDH-055	286118.91	8275609.88	4530.36	226.18	-59.99	225.00	-50.00	261.30
PDH-056	286113.01	8275418.60	4512.08	226.44	-58.63	225.00	-60.00	155.35
PDH-057	286251.43	8275553.11	4506.03	229.64	-59.57	225.00	-60.00	387.80
PDH-058	286140.16	8275324.24	4503.05	225.12	-59.41	225.00	-60.00	216.90
PDH-059	286171.51	8275419.29	4508.07	220.62	-60.50	225.00	-60.00	257.20
PDH-060	286229.80	8275603.45	4512.58	229.61	-60.91	225.00	-60.00	390
PDH-061	286112.62	8275806.15	4503.81	228.89	-59.63	225.00	-60.00	248.5
PDH-062	286072.10	8275630.47	4530.91	228.29	-61.99	225.00	-60.00	242.45
PDH-063	286043.65	8275541.05	4518.01	230.18	-59.37	225.00	-60.00	176.30

Drill Hole	From (m)	To (m)	Width (m)	Width (ft)	Au g/t	Cu %	Zone
PDH-01	49.50	80.50	31.00	101.68	4.14	0.26	GOSZ
	125.75	159.00	27.00	88.56	0.12	0.61	
PDH-02	146.00	159.50	13.50	44.28	2.00	0.08	GOSZ
PDH-03	0.00	79.30	79.30	260.10	0.82	0.09	GOSZ
	125.75	146.00	20.25	66.42	0.07	0.30	
PDH-04	58.20	67.20	9.00	29.52	1.01	1.33	GOSZ
PDH-05	0.00	89.30	89.30	292.90	0.97	0.08	GOSZ
PDH-06	25.70	41.60	15.90	52.15	0.55	0.13	GOSZ
PDH-07	0.00	85.50	85.50	280.44	1.34	0.12	GOSZ
PDH-08	99.50	123.50	24.00	78.72	0.71	0.17	GOSZ
PDH-09	0.00	16.00	16.00	52.48	0.42	0.05	GOSZ
PDH-010	182.00	201.30	19.30	63.30	0.53	0.55	WPZ
PDH-011	13.00	29.50	15.50	50.84	0.25	0.44	GOSZ
	35.50	40.00	4.50	14.76	0.22	0.56	
	74.50	88.00	13.50	44.28	0.04	0.27	
PDH-012				no significant results			WPZ
PDH-013				no significant results			E-GOSZ
PDH-014	13.50	61.00	47.50	155.80	0.31	0.34	WPZ
PDH-015	9.50	56.30	46.80	153.50	0.32	1.10	WPZ
	126.50	128.00	1.50	4.92	7.11	0.04	
	141.50	171.50	30.00	30.00	0.25	0.25	WPZ
	177.50	179.00	1.50	4.92	4.70	0.06	
PDH-016	0.00	61.00	61.00	200.08	0.53	0.02	WPZ
	91.00	181.50	90.50	296.84	0.87	0.68	
	237.00	260.50	23.50	77.08	0.93	0.79	
PDH-017	91.50	188.00	96.50	316.52	0.78	0.67	WPZ
Includes	92.30	150.00	57.70	189.26	1.04	1.00	
PDH-018	20.50	55.00	34.50	113.16	0.31	0.41	WPZ
	99.60	127.25	27.65	90.69	0.17	0.23	
Includes	99.60	108.80	9.20	30.18	0.19	0.41	
PDH-019	38.50	56.50	18.00	59.04	0.28	0.45	WPZ
PDH-020	108.00	161.25	53.25	174.66	0.31	0.60	WPZ
Includes	128.25	158.25	30.00	98.40	0.24	1.02	
PDH-021	54.00	76.00	22.00	72.16	0.34	0.03	WPZ
	76.00	117.00	41.00	134.48	0.84	0.08	
PDH-022	137.00	189.60	52.60	172.53	0.07	0.62	WPZ
Includes	144.80	167.60	22.80	74.78	0.13	1.09	
PDH-023	25.00	62.35	37.35	122.51	0.21	0.16	WPZ
	244.00	253.00	9.00	29.52	0.93	0.09	
	280.00	290.00	10.00	32.80	0.01	0.36	
PDH-024	150.00	192.47	42.47	139.30	0.04	0.70	WPZ
	192.49	204.00	11.54	37.85	0.01	0.29	
PDH-025	152.50	213.30	60.80	199.50	0.71	1.18	WPZ
Includes	161.20	171.00	9.80	32.10	1.30	4.43	
PDH-026	0.00	9.50	9.50	31.16	0.46	0.05	WPZ
	40.00	113.50	73.50	241.10	0.17	0.19	
Includes	89.00	101.50	12.50	41.00	0.07	0.78	
Includes	101.50	113.50	12.00	39.36	0.52	-	

PDH-027	10.50	89.00	78.50	257.50	0.44	0.36	GOSZ
PDH-028	29.00	121.05	92.05	302.00	0.27	0.16	GOSZ
Includes	67.50	105.50	38.00	125.00	0.24	0.87	
PDH-029	65.80	110.20	44.40	145.70	-	0.36	WPZ
Includes	88.00	104.50	16.50	54.10	-	0.97	
PDH-030	0.00	5.50	5.50	18.04	0.75	0.06	GOSZ
	110.50	131.50	21.00	68.88	0.26	0.24	
	145.00	149.50	4.50	14.76	0.12	0.78	
	157.00	158.50	1.50	4.92	2.25	0.05	
	167.50	169.00	1.50	4.92	2.50	0.05	
PDH-031	0.00	3.75	3.75	12.30	0.50	0.05	GOSZ
	73.00	91.00	18.00	59.04	0.19	0.14	
	97.00	143.50	46.50	152.52	0.84	0.11	
	151.00	152.50	1.50	4.92	3.15	1.12	
	176.50	184.00	7.50	24.60	0.33	0.25	
	193.00	196.00	3.00	9.84	0.08	0.19	
	206.50	211.00	4.50	14.76	0.11	0.31	
PDH-032	0.00	4.90	4.90	16.00	0.06	0.29	WPZ
	27.85	59.60	31.75	104.14	0.38	0.04	
PDH-033	82.00	86.50	4.50	14.76	0.33	0.05	WPZ
	97.00	101.50	4.50	14.76	0.85	0.05	
PDH-034	0.00	41.40	41.40	135.79	0.49	0.18	WPZ
Includes	27.00	41.40	14.40	47.23	0.74	0.29	
	96.20	102.20	6.00	19.68	0.40	0.04	
	110.05	120.10	10.05	32.96	0.17	0.2	
	168.00	169.50	1.50	4.92	0.01	1.6	
PDH-035	20.00	47.00	27.00	88.56	0.28	0.42	WPZ
	47.00	84.50	37.50	123.00	0.30	0.15	
	84.50	95.00	10.50	34.44	0.27	0.08	
	95.00	123.50	28.50	93.48	0.34	0.13	
	140.00	141.50	1.50	4.92	0.01	1.08	
	162.50	167.00	4.50	14.76	0.03	0.21	
PDH-036	154.50	185.00	30.50	100.00	0.18	0.23	WPZ
PDH-037	132.50	213.50	81.00	267.10	0.25	0.28	WPZ
	233.00	247.50	14.50	47.60	0.17	0.44	
PDH-038	55.70	60.77	5.07	16.63	0.36	0.49	MCOZ
	74.60	76.65	2.05	6.73	0.16	0.21	
PDH-039	55.00	139.10	83.95	175.43	2.10	1.10	WPZ
PDH-040	7.50	9.00	1.50	4.92	3.03	0.59	MCOZ
	43.50	46.50	3.00	9.84	0.67	0.01	
	52.50	54.00	1.50	4.92	0.67	0.03	MCOZ
PDH-041	35.30	82.15	46.85	153.71	0.79	0.15	
Includes	57.80	74.80	17.00	55.77	1.72	0.31	
Includes	154.50	180.80	26.30	86.29	0.72	0.03	
PDH-042	24.00	129.50	105.50	346.13	0.40	0.42	WPZ
Includes	33.00	78.50	45.50	149.28	0.29	0.03	
Includes	86.00	129.50	43.50	142.72	0.63	0.97	
PDH-043	9.00	65.50	56.50	185.37	1.12	-	MCOZ
Includes	9.00	17.50	8.50	27.89	5.45	-	
	176.00	190.50	14.50	47.57	0.39	-	
PDH-044	111.80	160.40	48.60	159.10	0.37	0.12	WPZ

PDH-045			no significant results				MCOZ
PDH-046	15.20	23.00	7.80	25.60	0.39	0.11	WPZ
	163.00	321.70	158.70	520.50	0.13	0.15	
	321.70	386.50	64.80	212.50	0.02	1.03	
PDH-047	156.40	273.20	116.80	383.10	0.61	0.33	WPZ
PDH-048	54.70	174.70	120.00	393.60	0.23	0.35	WPZ
PDH-049	13.50	39.20	25.70	84.30	0.90	0.40	WPZ
Includes	23.50	39.20	15.70	51.50	1.20	0.63	
PDH-050	11.00	72.50	61.50	201.72	0.47	0.41	WPZ
PDH-051	18.00	27.00	9.00	29.52	0.36	0.01	WPZ
	42.00	58.50	16.50	54.12	0.21	0.02	
	86.50	147.10	60.60	198.77	1.20	0.14	
	147.10	236.20	89.10	292.25	0.53	0.13	
PDH-052	67.20	80.15	12.95	42.48	0.10	0.16	WPZ
	102.50	113.00	10.50	34.44	0.48	0.21	
PDH-053	124.80	141.40	16.60	54.45	0.69	0.19	
	149.00	196.00	47.00	154.16	0.10	0.33	
	205.50	210.00	4.50	14.76	0.06	0.59	WPZ
PDH-054	0.00	25.05	25.05	82.16	0.19	0.54	
	98.50	143.00	44.50	145.96	0.20	0.10	
	162.50	218.20	55.70	182.70	0.48	0.11	
Includes	196.50	202.00	6.00	19.68	2.73	0.07	
PDH-055	154.00	240.90	86.90	285.03	0.48	0.67	WPZ
	209.00	221.45	12.45	37.97	1.19	1.36	
PDH-056	3.70	48.25	44.55	146.12	0.73	0.36	WPZ
PDH-057	124.00	270.00	146.00	478.88	0.39	0.26	WPZ
PDH-058	213.50	216.90	3.40	11.15	0.40	0.02	WPZ
PDH-059	62.40	106.36	43.96	144.19	0.11	1.72	WPZ
PDH-060	189.00	292.00	103.00	337.84	1.28	1.21	WPZ
Includes	216.20	263.00	46.80	153.50	1.86	2.17	
PDH-061	87.50	94.10	6.60	21.65	0.46	0.24	WPZ
	233.00	238.00	5.00	16.40	0.38	0.02	

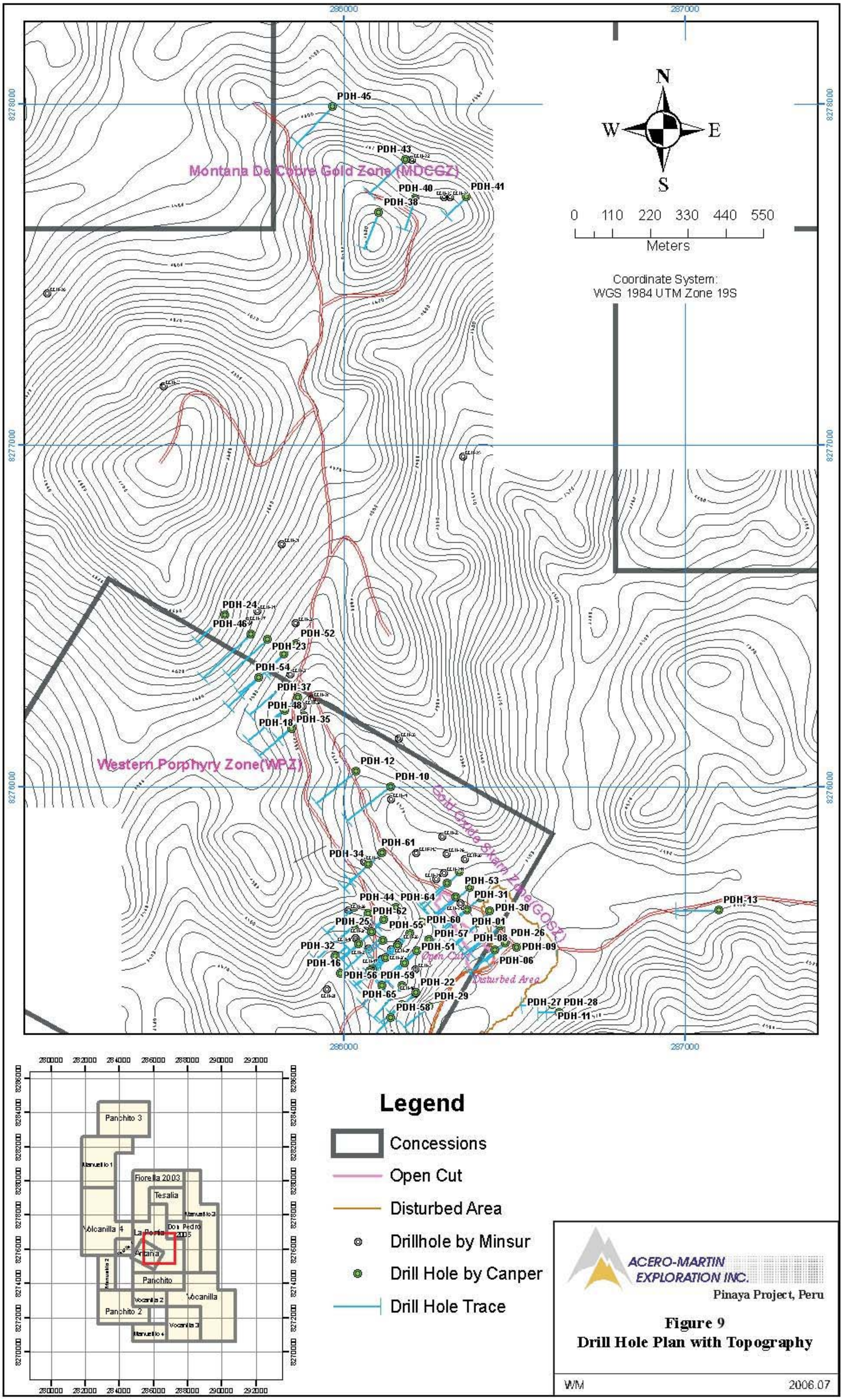
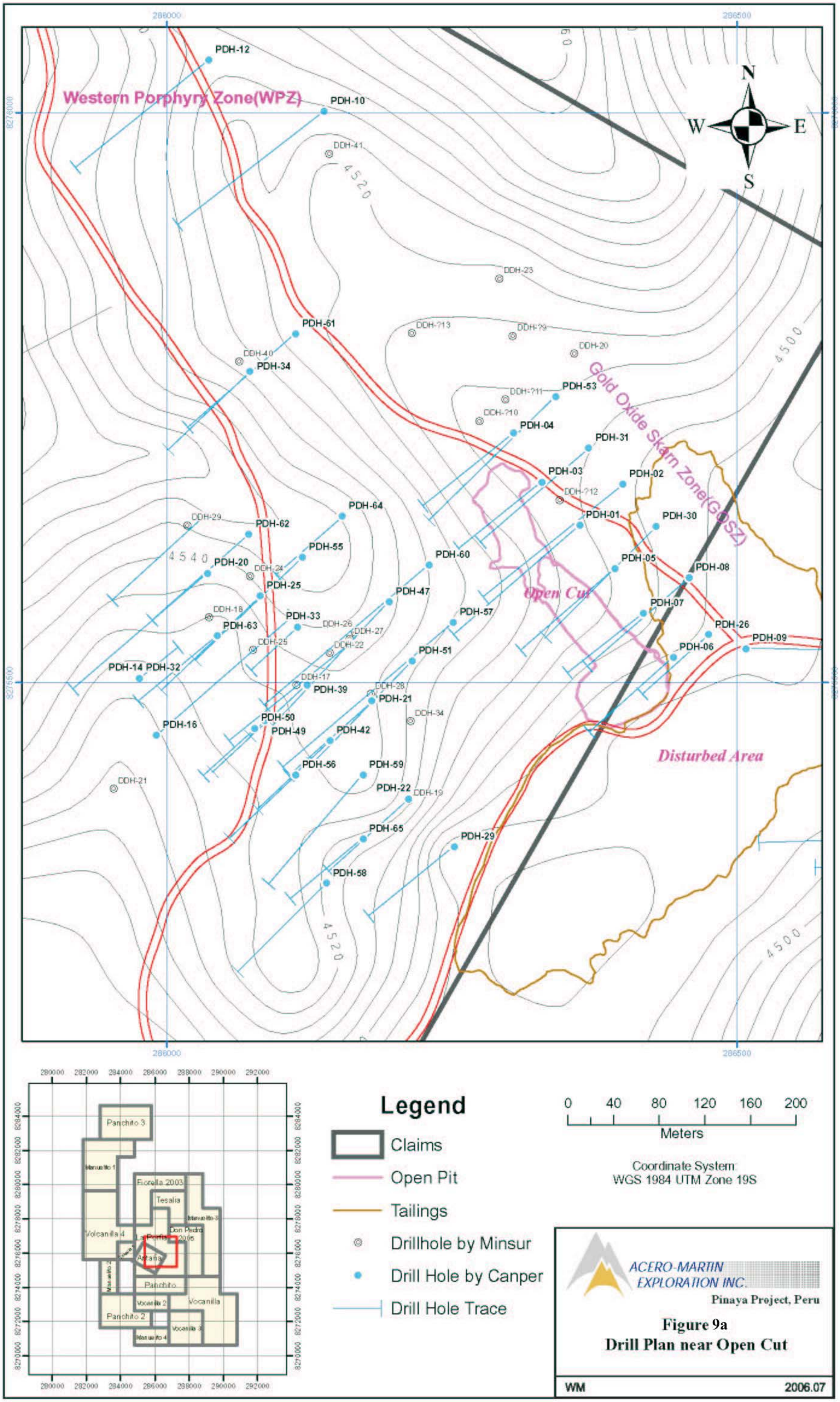


Figure 9
Drill Hole Plan with Topography



Pinaya Project, Peru

Figure 9a
Drill Plan near Open Cut

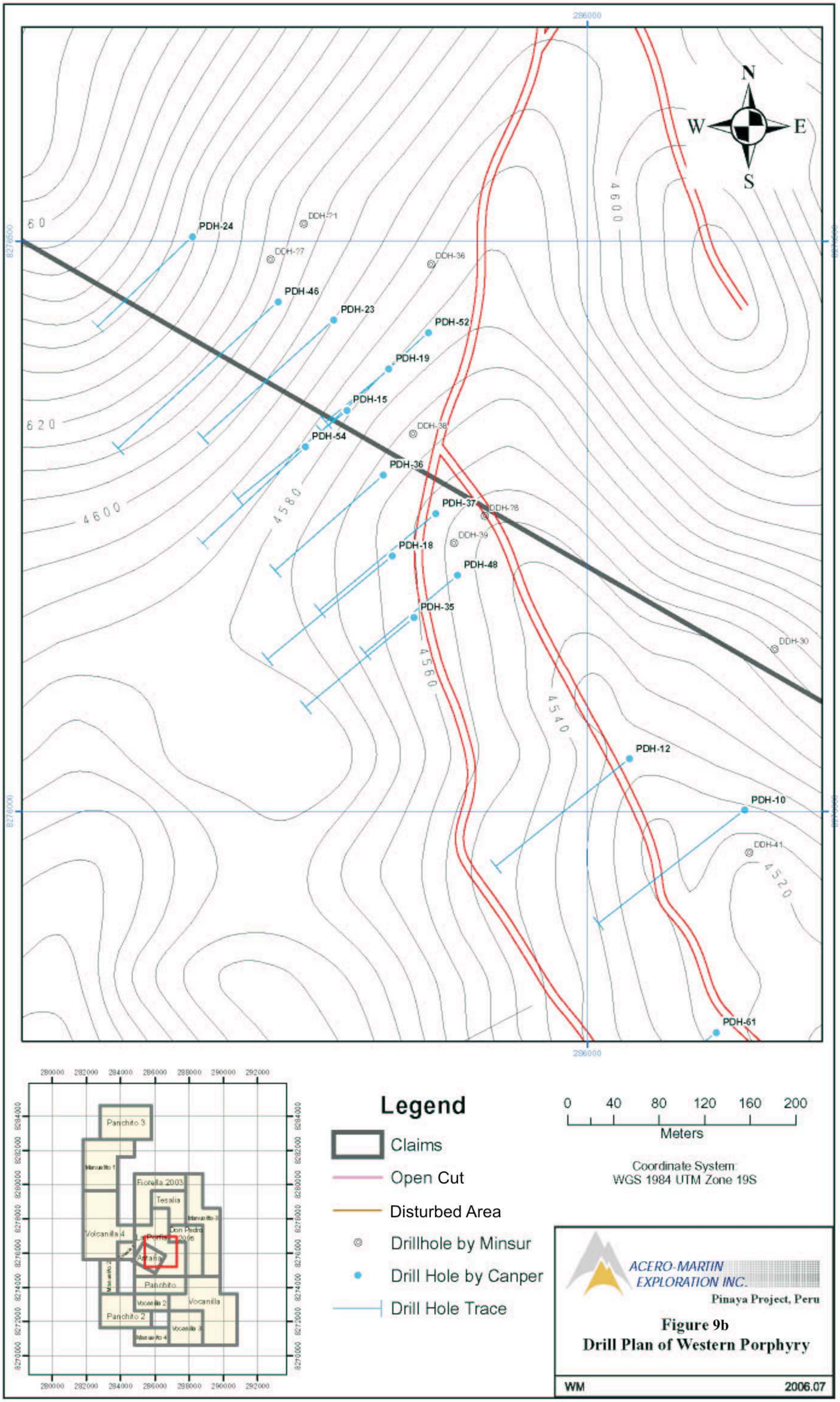


Figure 9b
Drill Plan of Western Porphyry

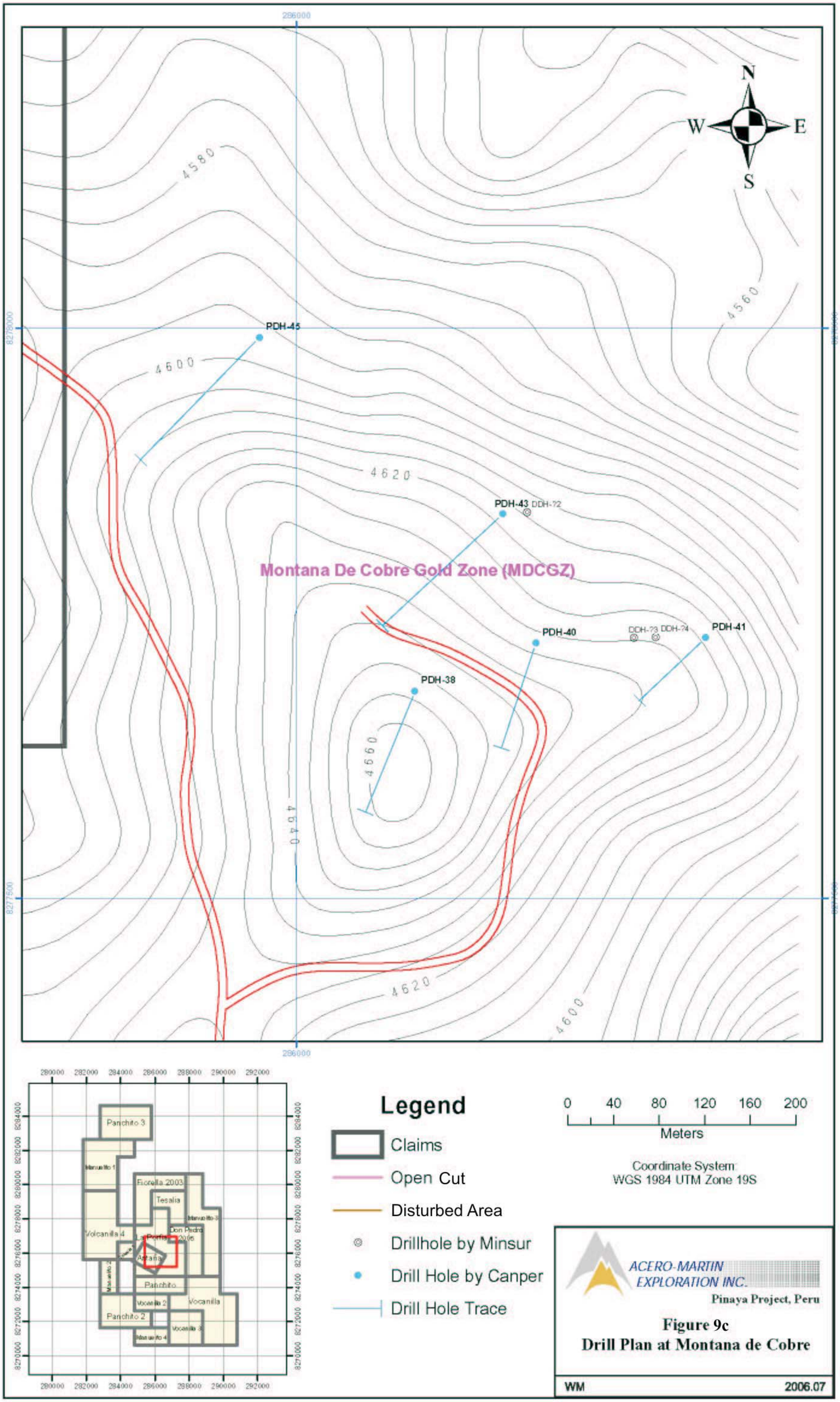


Figure 9c
Drill Plan at Montana de Cobre

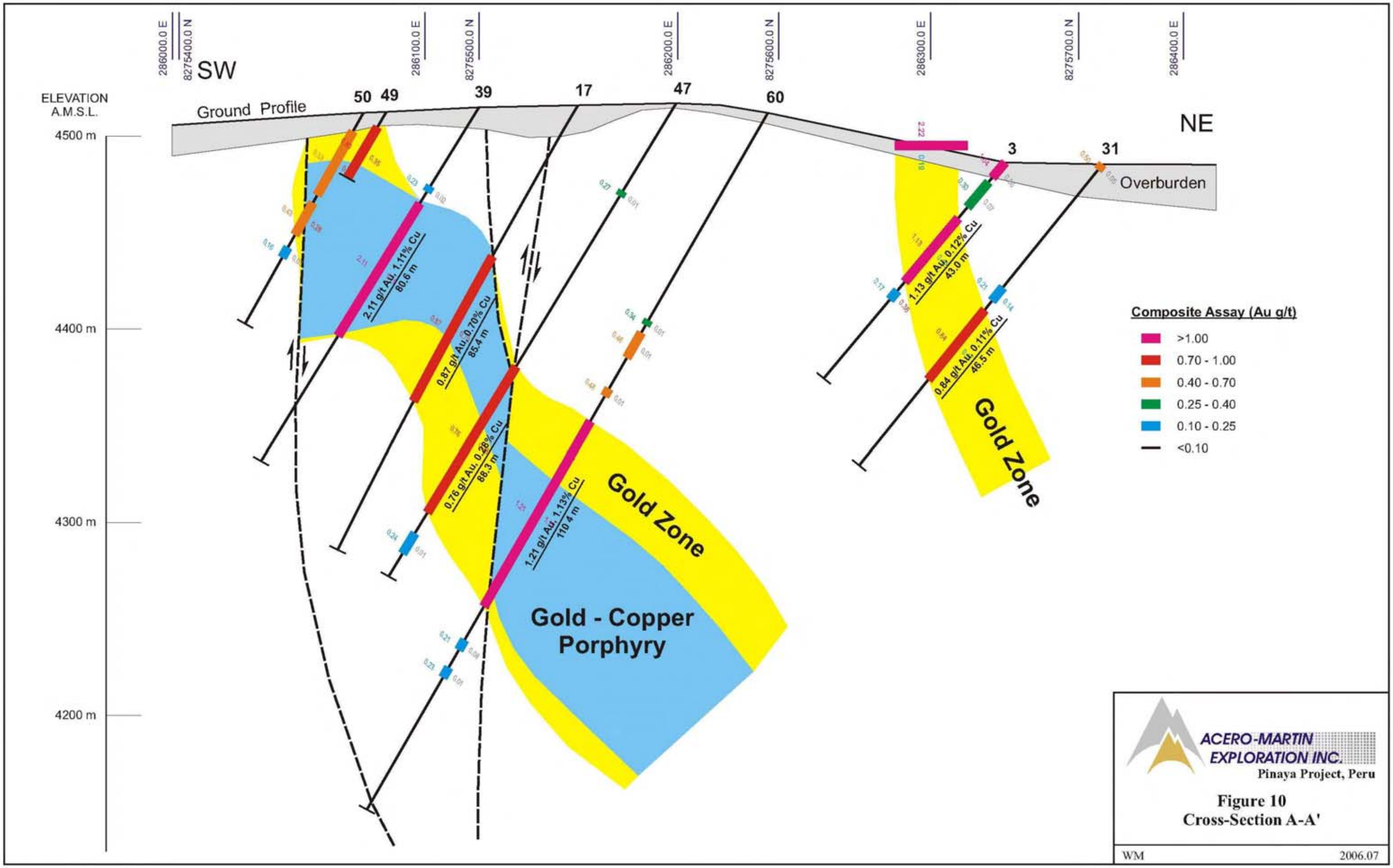


Figure 10
Cross-Section A-A'

APPENDIX 5: GeoSurvey 2004 Report on Pinaya

Lima, 30 de Abril del 2004
C/066/2004

Señores:
CANPER EXPLORACIONES S.A.
Presente.-

Atención : Sr.Carlos Agreda

Asunto : Remediacion Ambiental.

Objetivo:

- ✓ Remediacion Ambiental del Proyecto Minero Pinaya ubicado en: Santa Lucia Juliaca – Puno.
- ✓ Area: 50 Has Aproximadamente.

Antecedentes

- ✓ Trabajos con mineros artesanales de mas de 1 a 2 años con una población de 250 mineros informales, utilizándose zarandas para lavar el mineral con ayudas de bombas palas picos.
- ✓ Explotación de los tajos artesanalmente dejando huecos, debilitando toda la estructura del mineral de un área de 300 x 50 mt. (tajos)
- ✓ Uso de mercurio para la recuperación del oro de los lavaderos, asi mismo uso de Kimbaletes.

Impactos Negativos Ambientales

- ✓ Debilitamiento de los tajos 5 Has.
- ✓ Depósitos de mineral grueso como producto del lavado de finos, acumulados en monticulos de diversos volúmenes en toda el área próxima a los tajos aproximadamente un área de 30 Has.
- ✓ Acumulación de lodos en las áreas de trabajo (zaranda y kimbalete) que han creado depósitos inestables tipo arena movediza, con peligro de hundimiento para cualquier, persona tiene profundidad aproximadamente de mas de 5mt.
- ✓ Acumulación de agua tipo lagunitas como producto del lavado del mineral, de las lluvias y filtraciones.

Recomendaciones.

1. Evacuar las aguas (lagunitas) acumuladas, para estabilizar el area del deposito de residuos gruesos, asimismo las aguas que están al pie de los tajos, volumen acumulado aproximadamente 4500 m^3.(Para evacuar se requiere la construcción de un canal de desagüe con pozas de tratamiento cada 200 mt.)
2. Estabilización de los tajos mediante desquinche y voladura de zonas peligrosas, zona de 300 mt de longitud por 70 mt. (altura) ancho de 20 mt.
3. Movimiento de residuos lodos y otro material inservible en el área de los trabajos de informales después de evacuadas las aguas, para un tonelaje acumulado aproximado de 20 TM, estas se trasladaran a canchas de desmonte previamente adecuadas y fuera de la zona minera.

Estas tres recomendaciones principales se efectuarian dentro de 30 a 40 días y a un costo aproximado de **US$ 70,000**

Ing. Victor Ramírez Ponce
Gerente General

Costo aproximado de la remediación ambiental por etapas:

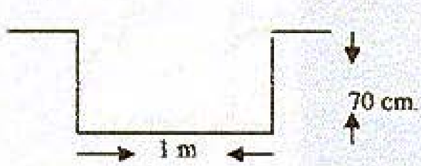
1.- Evacuación		US$ 35,000
2.- Estabilización		US$ 18,000
3.- Movimiento		US$ 17,000
	TOTAL	**US$ 70,000**

Equipos a utilizarse:

- 1 Cargador frontal
- 1 Volquete

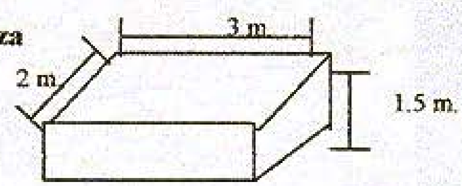
Características técnicas de los canales y pozas

Canal



Canal con enrocado de piedras y cemento.

Poza



APPENDIX 6: QA/QC Summary 2005

PINAYA PROJECT

2005 QA/QC Review

Prepared for Acero-Martin Exploration Inc
By
James A. McCrea, P.Geo.

CONTENTS

TABLES

FIGURES

1.0 INTRODUCTION AND RECOMMENDATIONS

The author, James McCrea, has completed a review of the QA/QC data resulting from the drill programs in 2004 and 2005. The QA/QC sampling supports the drill results from the Open Pit Gold Zone and the two porphyry copper gold zones. Trench samples that were analyzed in 2004 and 2005 were submitted without the benefit of QA/QC materials. The author recommends that in the future all samples be submitted with the support of a QA/QC program.

Further Recommendations are:

- Complete checking of QA/QC results and re-running trays with failed samples or mineralized blanks.
- The checking of QA/QC SRM sample results using proper statistical ranges.
- Checking for lab contamination during sample preparation and taking corrective action. The action should include checking the frequency of quartz washes in the bucking area and running ICP on the quartz washes to check for possible contamination.
- Not releasing drill results until all the QA/QC issues have been addressed.
- Outside Lab checks were submitted with 11% of the samples as Standard Reference Material were 3% would have been sufficient.
- Outside Lab checks showed a bias in the gold analyses. This should be investigated and corrective action taken.

The author completed this review using the following data:

- QA/QC assay data from the first 24 drill holes
- Laboratory duplicates (outside lab) of 5% of the samples from 15 of 24 holes.

2.0 STANDARD REFERENCE MATERIAL PREFORMANCE

Acero-Martin used five different standard reference material samples for gold and copper-gold. Table 1 contains a list of the SRM samples used and their corresponding grade ranges. The SRM samples were made by SGS Mineral Laboratories or purchased from CDN Laboratories in Vancouver. The SRM samples were received in 100 gram pulp bags.

Table 1: SRM Samples Used in 2004/2005

	Mean Value			2*STD		
SRM ID	Au ppm	Cu %		Au ppm	Cu %	No. Analyzed
Standard A	0.953	-	+/-	0.046	-	28
Standard B	1.317	-	+/-	0.058	-	16
CDN-CGS-2	0.970	1.177	+/-	0.092	0.046	29
CDN-CGS-3	0.530	0.646	+/-	0.048	0.030	29
CDN-CGS-6	0.260	0.318	+/-	0.031	0.018	28

SGS Mineral Laboratories (SGS del Perú S.A.C) is the primary lab and ALS Chemex (ALS Perú S.A.) is the check lab. The SRM results are charted in Figures 1 to 10.

Acero-Martin submitted 130 SRM samples for analysis with the drill core. The SRM samples were analyzed for gold and copper. The failure rate for all the SRM analyzes was 11.5 percent where gold was 2.3 percent and copper was 20.8 percent. This failure rate is very high and no corrective measures or other action was taken on the part of the company geologists. These standard failures my indicate a problem with the primary lab and further action needs to be taken to remedy this problem. Normal QA/QC protocol is to re-run the batches with the failed standards and replace the results with the re-run samples.

The current assay protocol has the standards submitted to the lab as pulp bags with bags of cut core. This is not a blind submission and the effects of this type of non-blind submission have yet to be assessed. A possible work around solution would be to resubmit a portion (5%) of the pulps back to the primary lab with the included standards or new standards and chart the effects of a totally blind submission.

Two of the standards that Acero-Martin had fabricated did not have certified copper values. For these standards, the results of the assay runs were used to determine a mean value and standard deviation for the SRM. For standards A & B the copper values were determined in this manner.

Figure 1: Standard A – Au ppm Assay Results

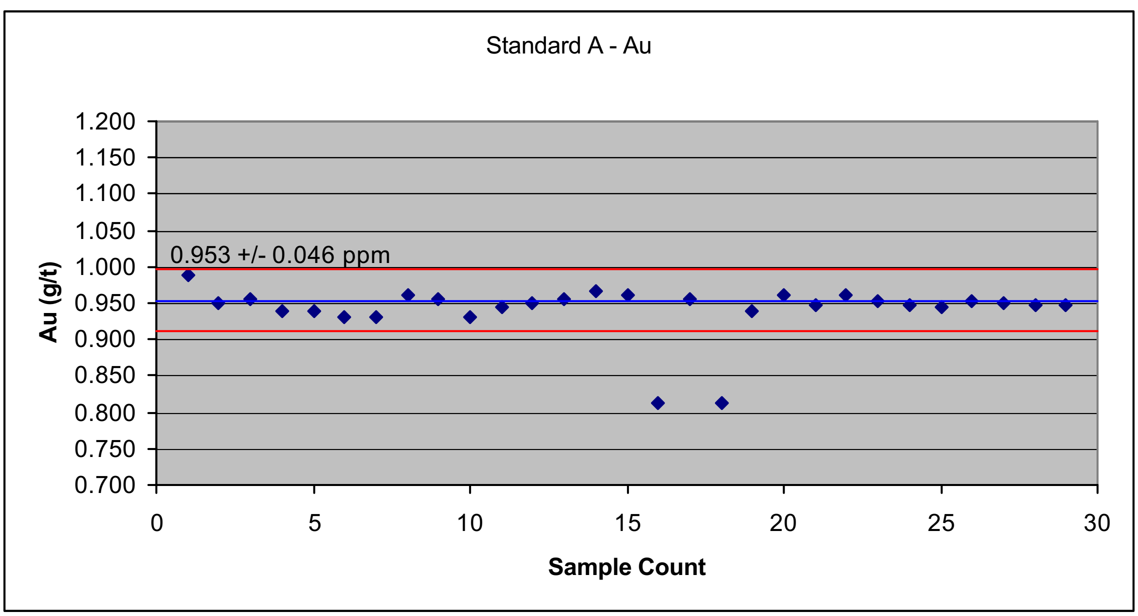


Figure 2: Standard A – Cu % Assay Results

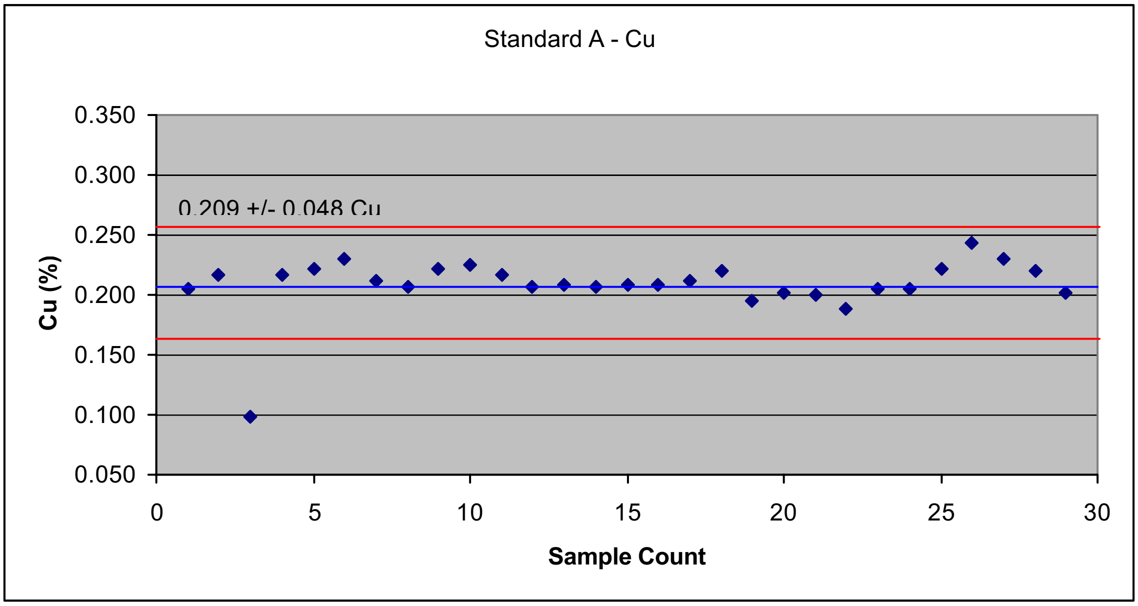


Figure 3: Standard B – Au ppm Assay Results

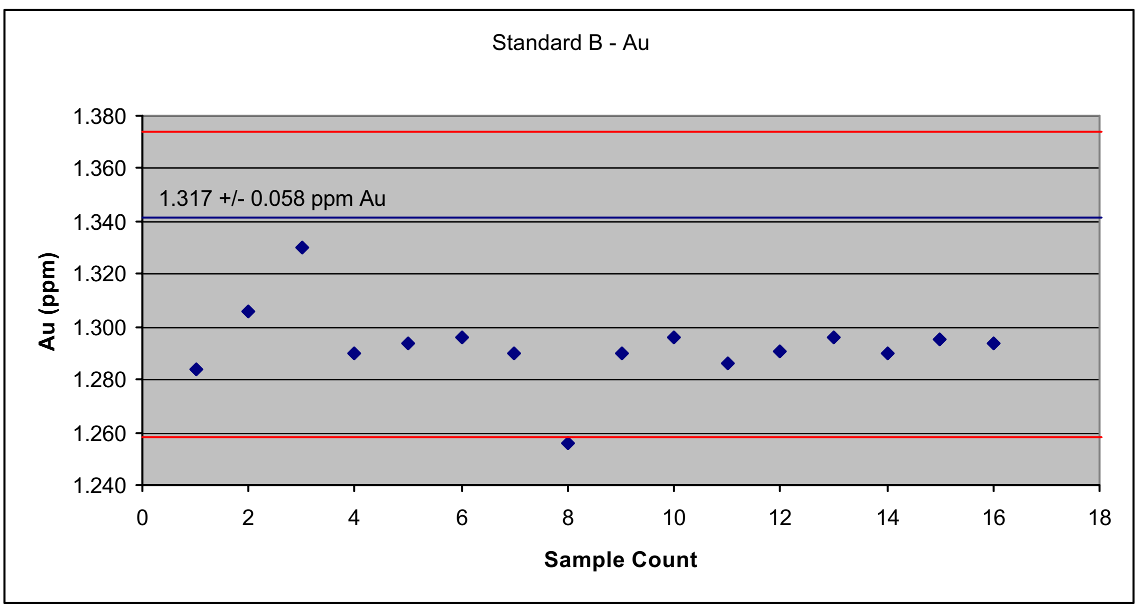


Figure 4: Standard B – Cu % Assay Results

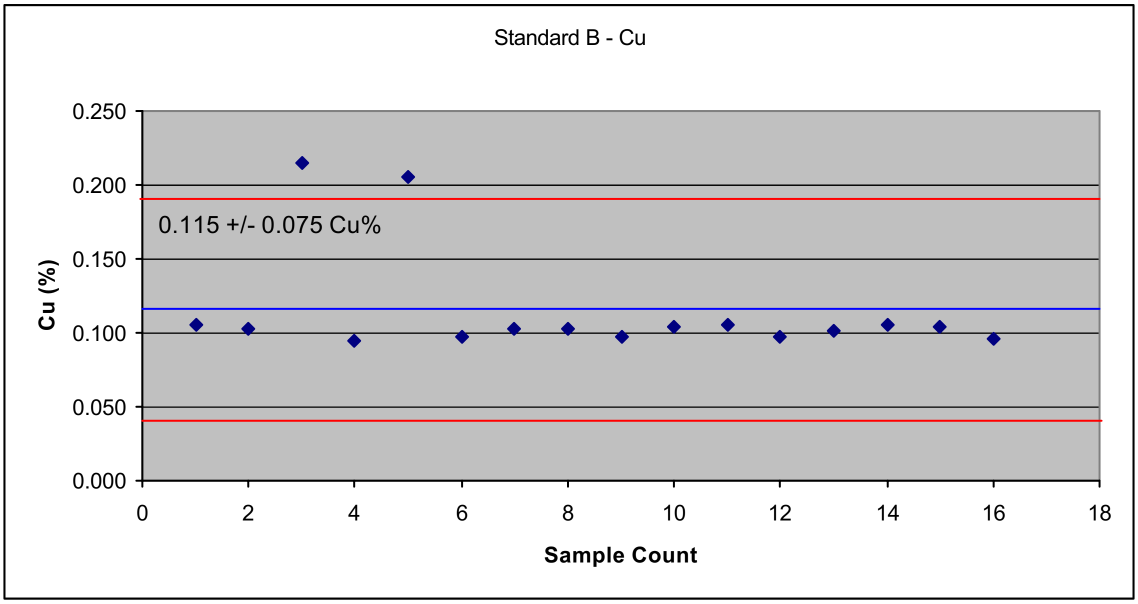


Figure 5: Standard CDN-CGS-2 – Au ppm Assay Results

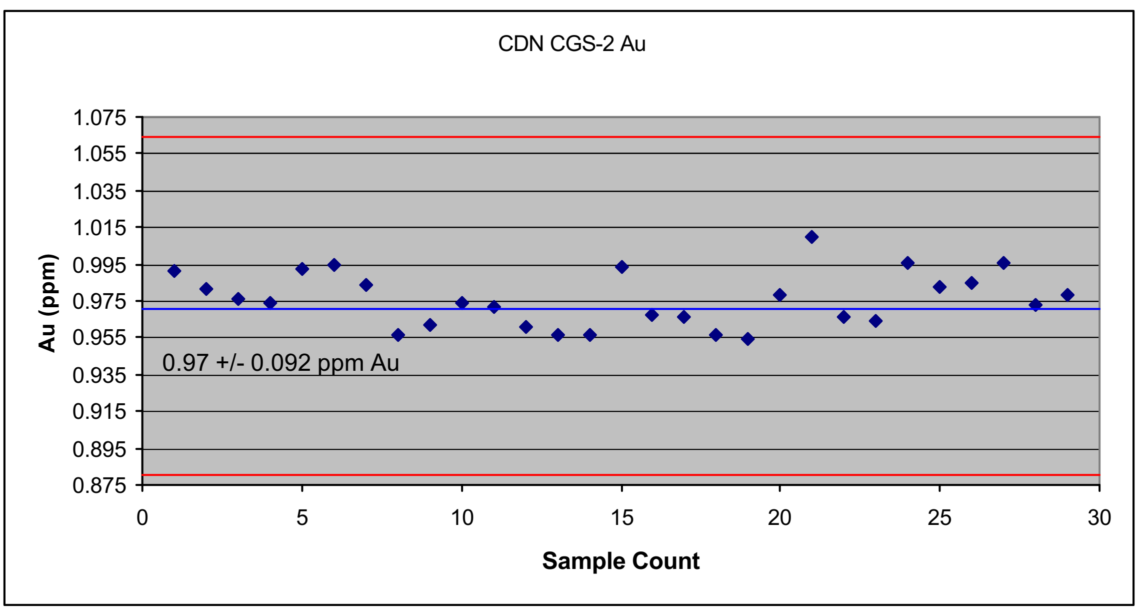


Figure 6: Standard CDN-CGS-2 – Cu % Assay Results

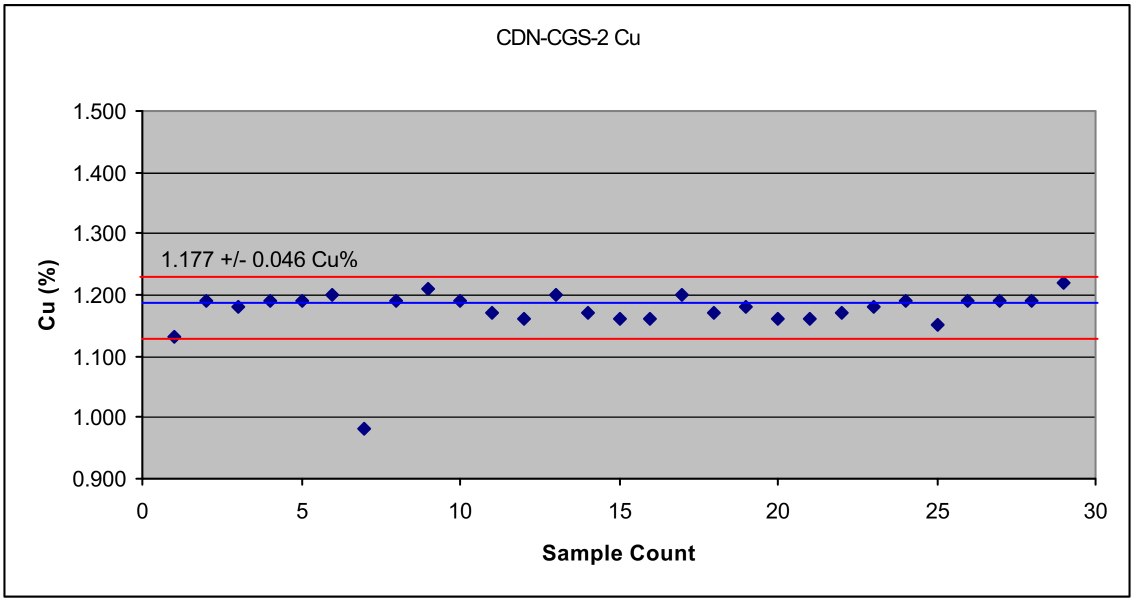


Figure 7: Standard CDN-CGS-3 – Au ppm Assay Results

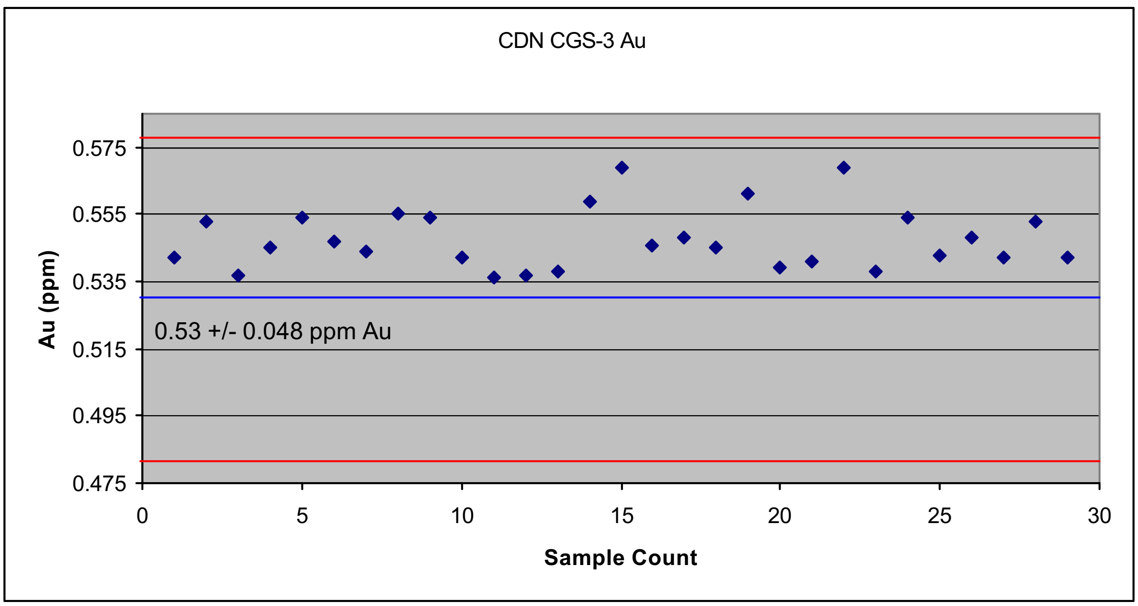


Figure 8: Standard CDN-CGS-3 – Cu % Assay Results

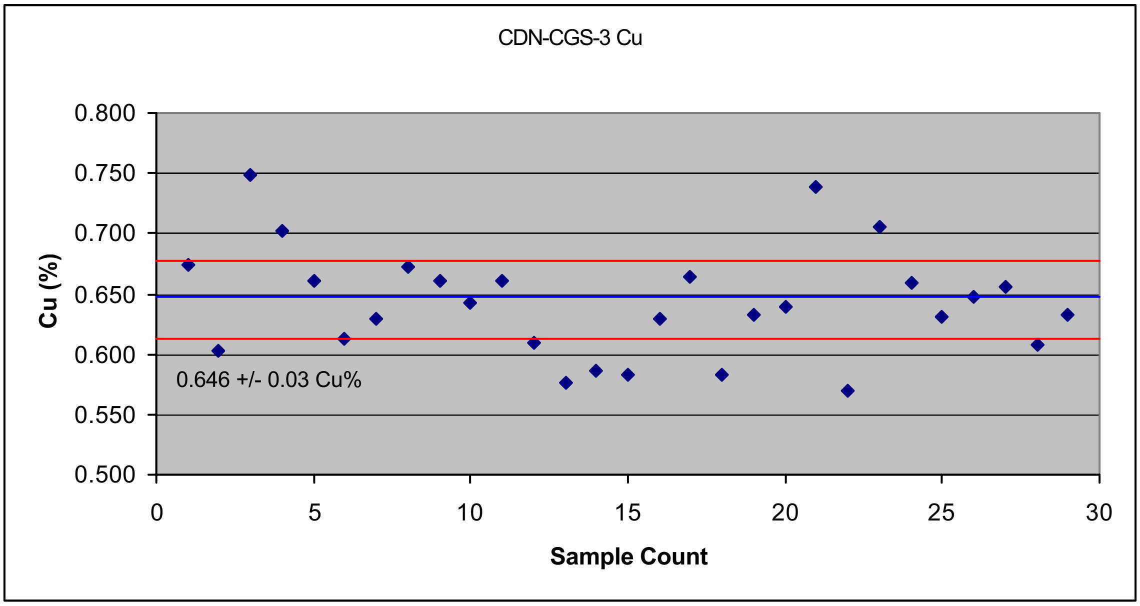


Figure 9: Standard CDN-CGS-6 – Au ppm Assay Results

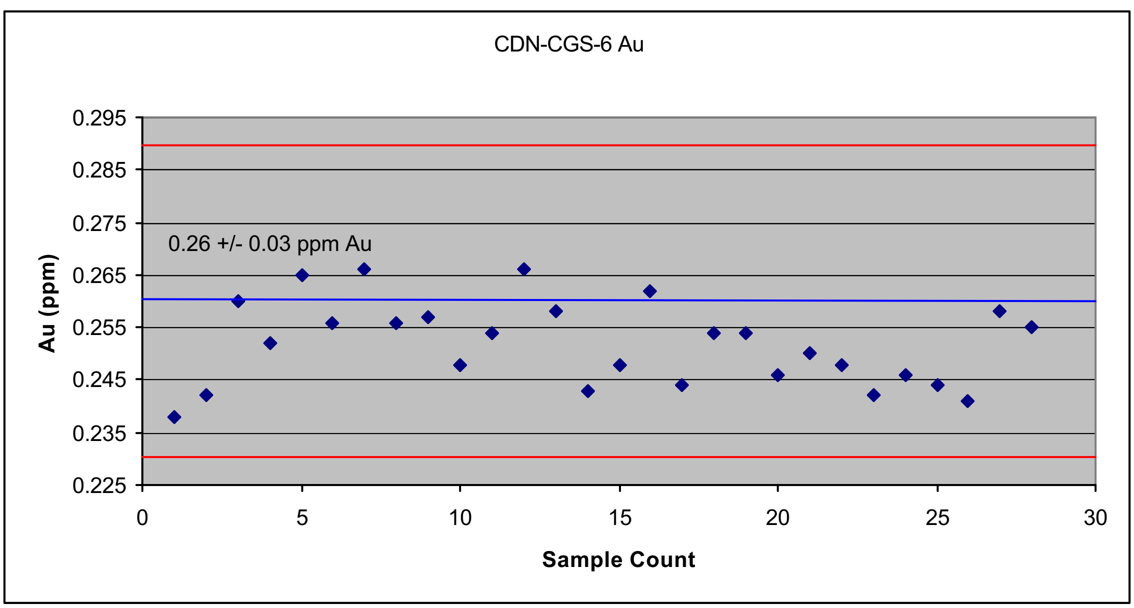
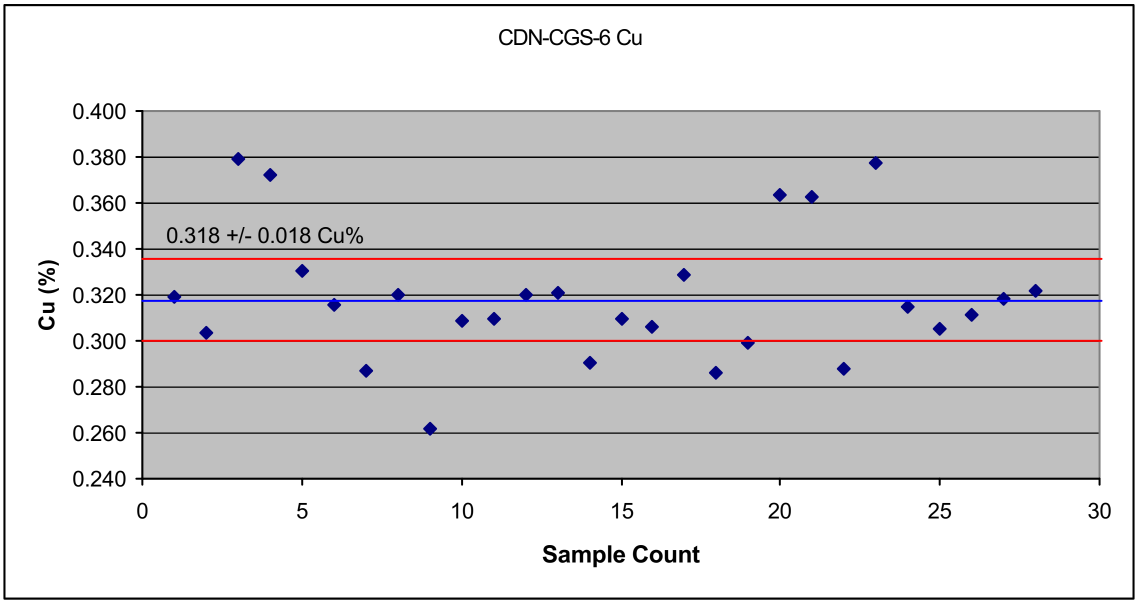


Figure 10: Standard CDN-CGS-6 – Cu % Assay Results



3.0 2004/2005 QA/QC BLANKS

Acero-Martin has been using quarried quartzite as blank material for the QA/QC program. The quartzites have been purchased from a local supplier and assayed to verify that the material contains no significant mineralization. The results of the assays of the two batches purchased show that the material is blank with values for gold below detection limit and with an average of 12.8 ppm copper for 15 assays. The blanks are inserted on a 1 in 20 to 1 in 35 basis. The assays of the blank material show that there is some copper contamination of the blank material. The blanks show no anomalous values for gold.

The frequency of the quartz washes used to clean the crushing and pulverizing equipment should be checked and ICP analyses of these quartz washes should be preformed on a regular basis to further check for contamination. The results of the analyses for the blanks are in Figures 11 and 12.

Figure 11: Blank Materials – Au ppm Assay Results

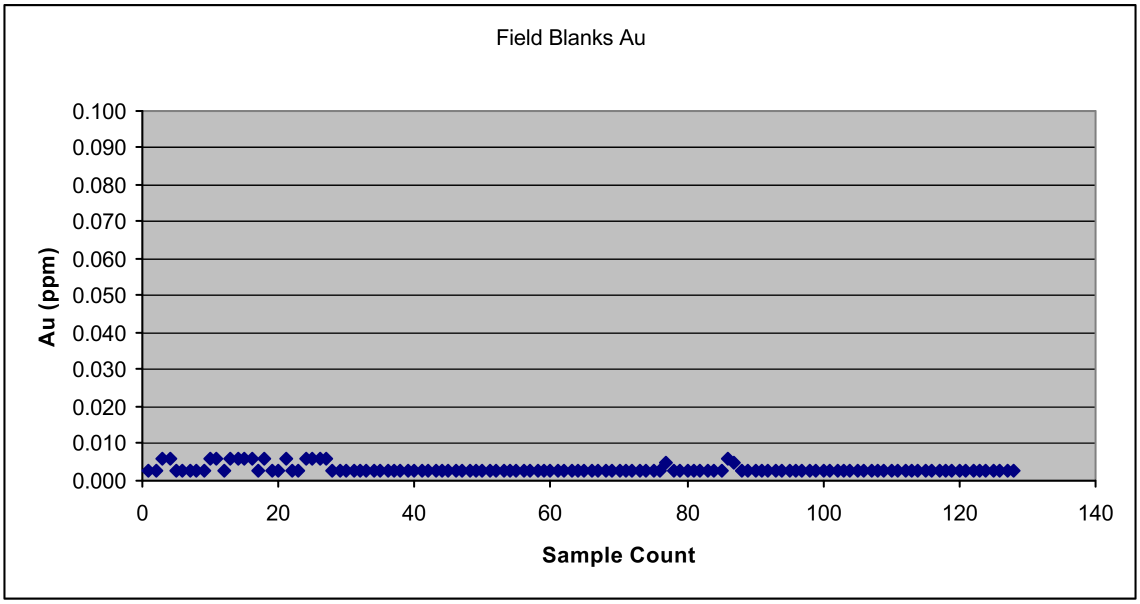
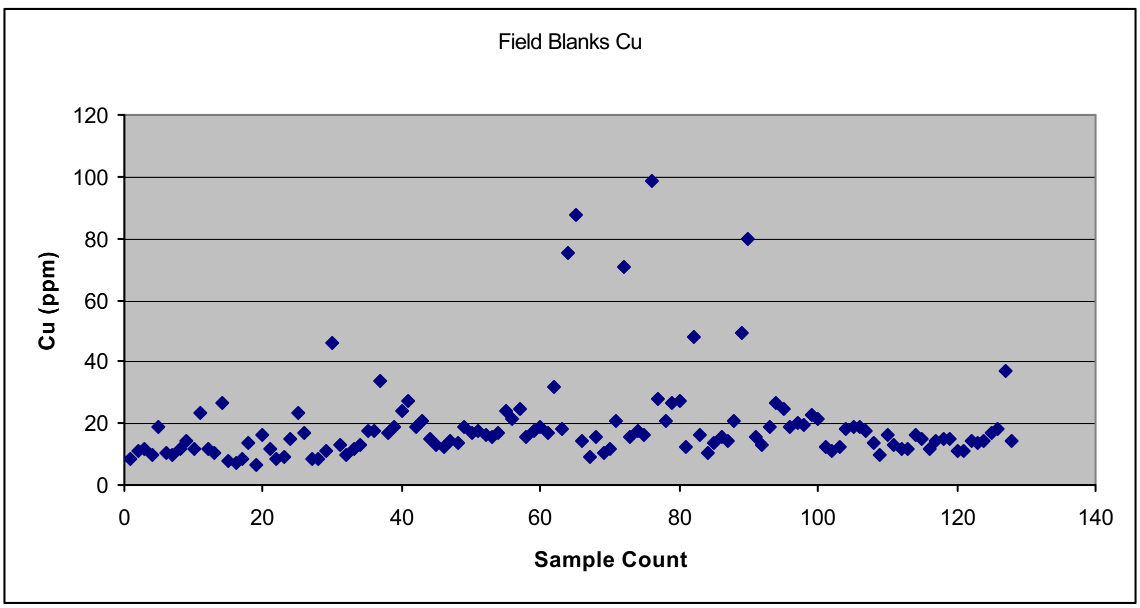


Figure 12: Blank Materials – Cu % Assay Results



4.0 2004/2005 FIELD DUPLICATES

Acero-Martin submitted half-core duplicate samples for assaying in the 2004/2005 programs. 130 core duplicates were submitted for assay, however one copper duplicate was not re-run for Atomic Absorption and that data point was eliminated. Figures 13 and 14 are scatter plots of original samples verses the duplicate samples for gold and copper. The blue and green lines represent a 30% acceptance range for core duplicate data. The gold graph shows some scatter above one gram and part of that beyond the 30% acceptance limit. Copper has one erratic high grade point and some scatter around 0.2 to 0.3 Cu%. The copper scatter is attributable to the uneven deposition of copper during enrichment.

Figure 13: Duplicate Samples – Au ppm Scatter Plot

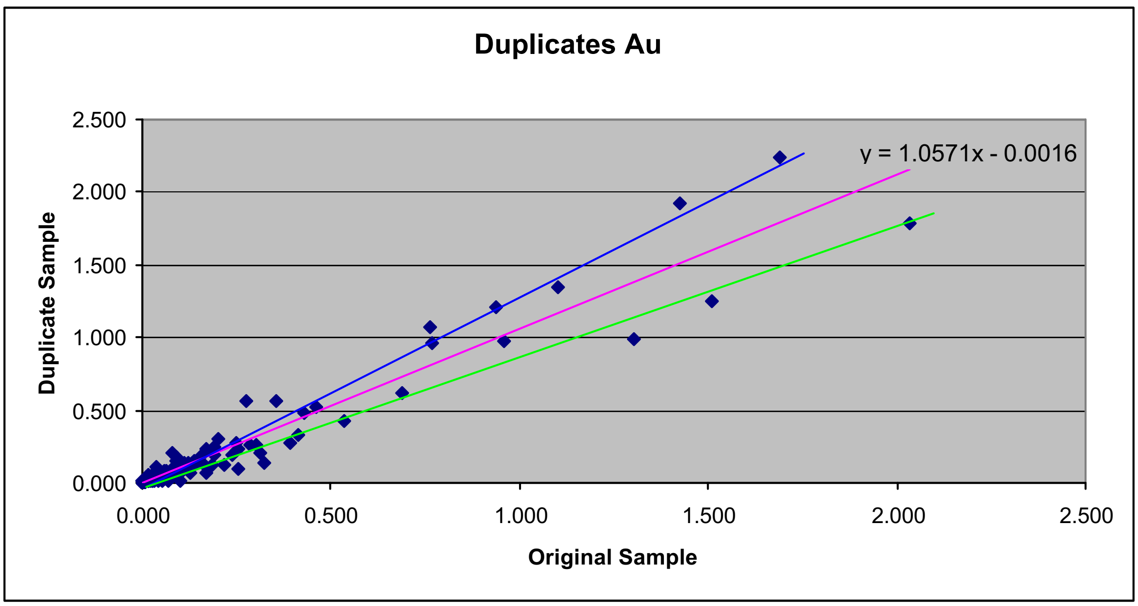
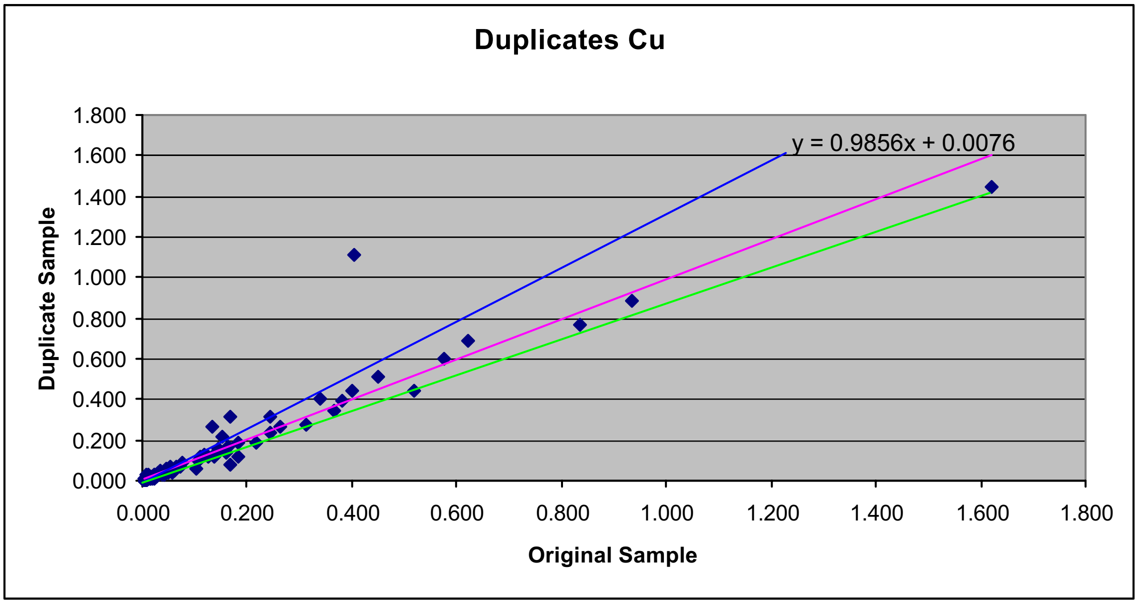


Figure 14: Duplicate Samples – Cu % Scatter Plot



Figures 15 and 16 are plots of the mean of the duplicate pair plotted against the relative percent difference. The copper distribution is tighter than the gold but both show no apparent bias.

Figure 15: Duplicate Samples – Au ppm Percent Relative Difference Chart

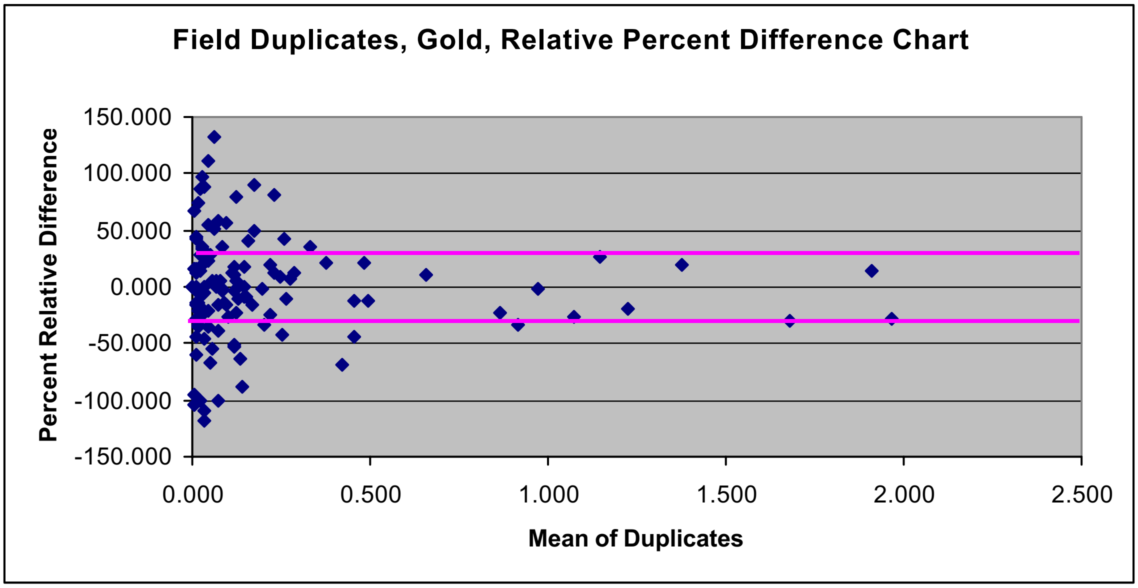
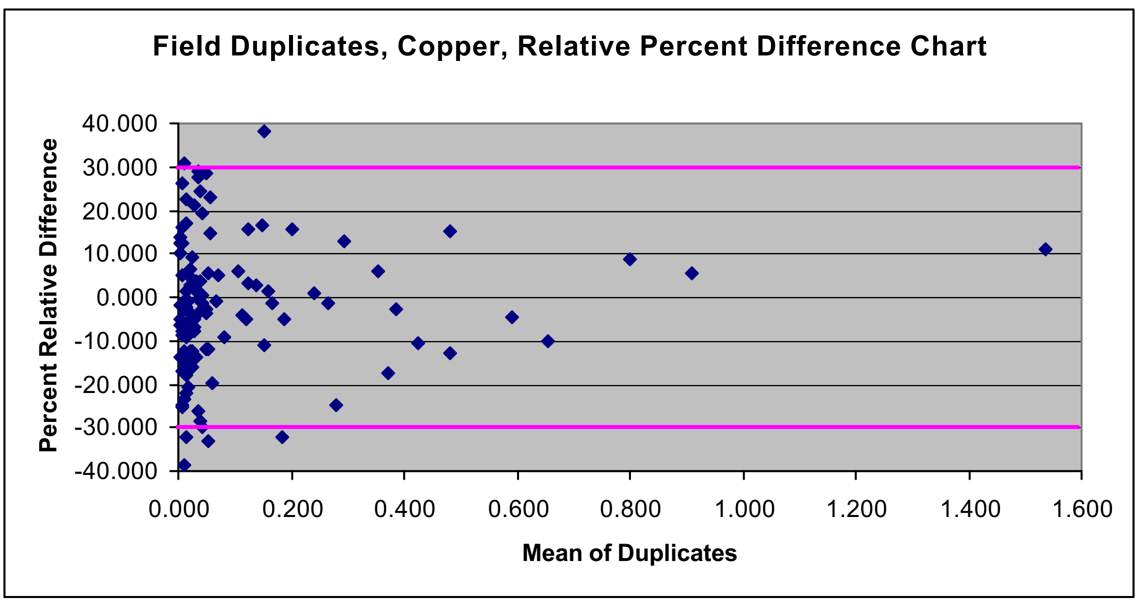


Figure 16: Duplicate Samples – Cu % Percent Relative Difference Chart



The duplicate data is shown as a QQ plot in Figures 17 and 18. This type of plot is used to check for bias between the two populations. If the two populations have identical distributions they will plot as straight line. The QQ Plots show no apparent bias.

Figure 17: Duplicate Samples QQ Plot – Au ppm

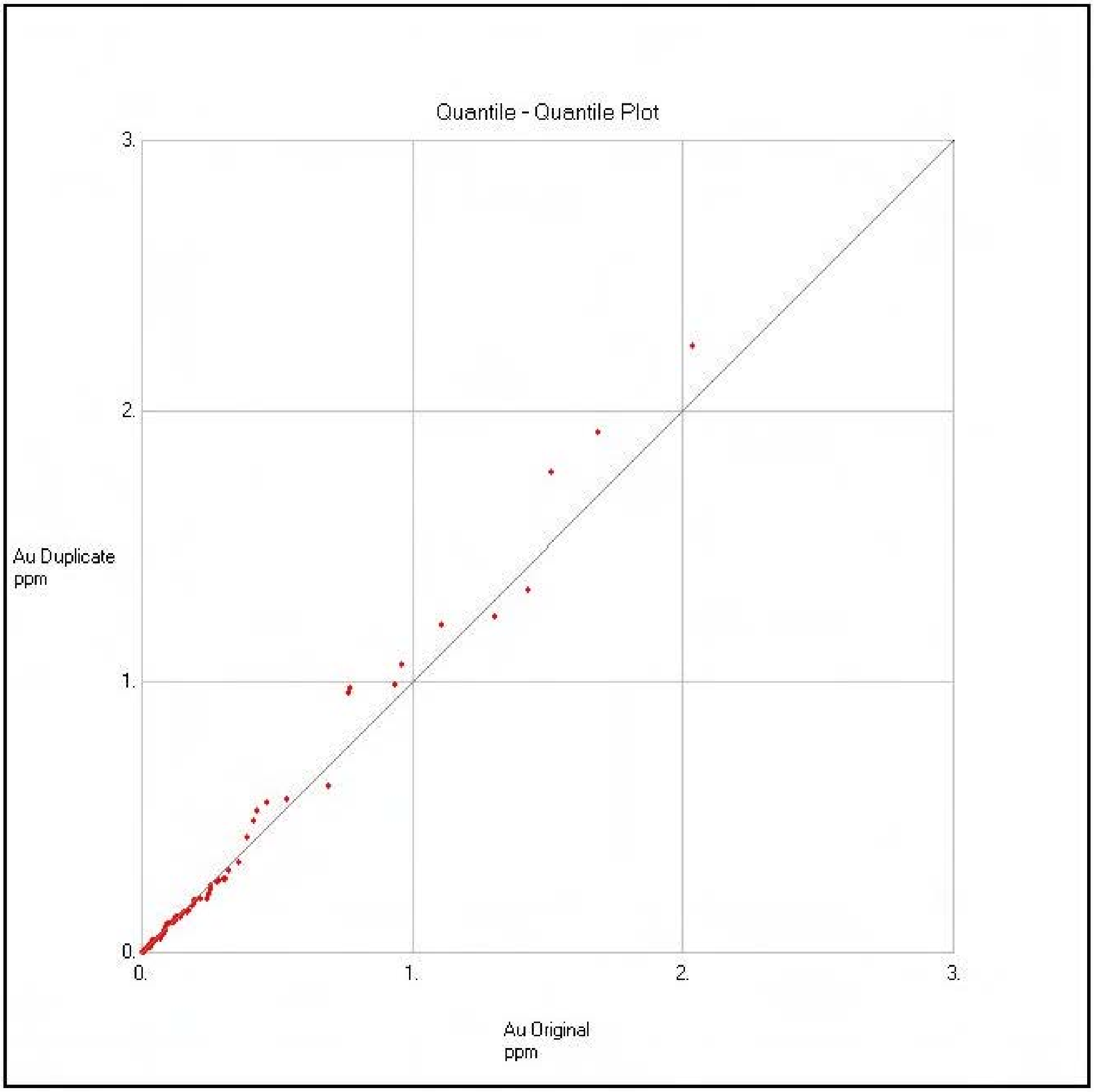
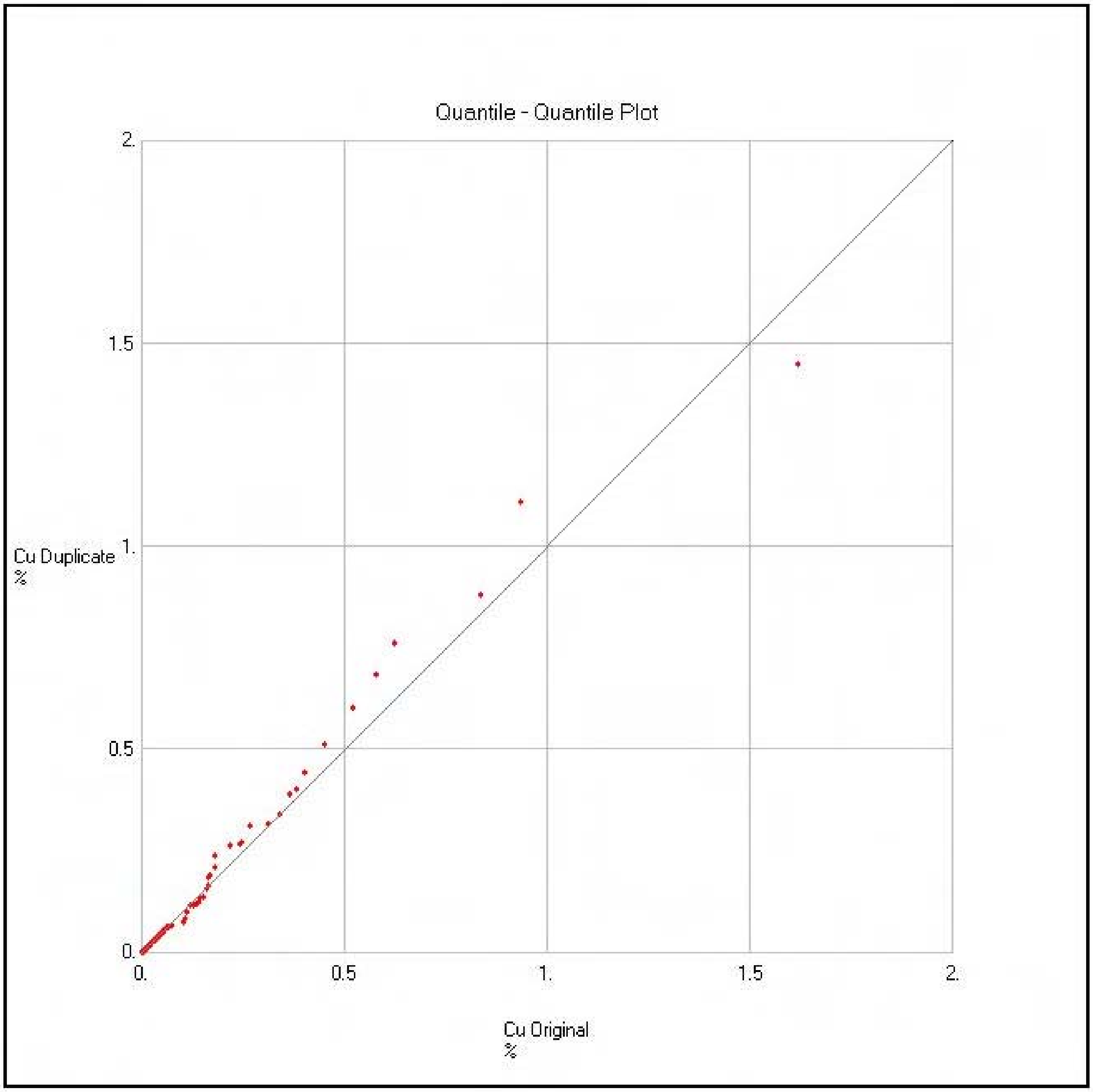


Figure 18: Duplicate Samples QQ Plot – Cu %



A Percentile Rank Chart is used to check the precision of duplicate samples. Figures 19 and 20 are the Percentile Rank Charts for the 2004/2005 duplicate samples. For field duplicates the target is that 90% of the population (Percentile Rank) should have a relative percent difference of 30% or less. The Charts show poor precision with the 90th percentiles having 90% and 40% absolute relative percent difference for gold and copper respectively.

Figure 19: Duplicate Samples Percentile Rank Chart – Au ppm

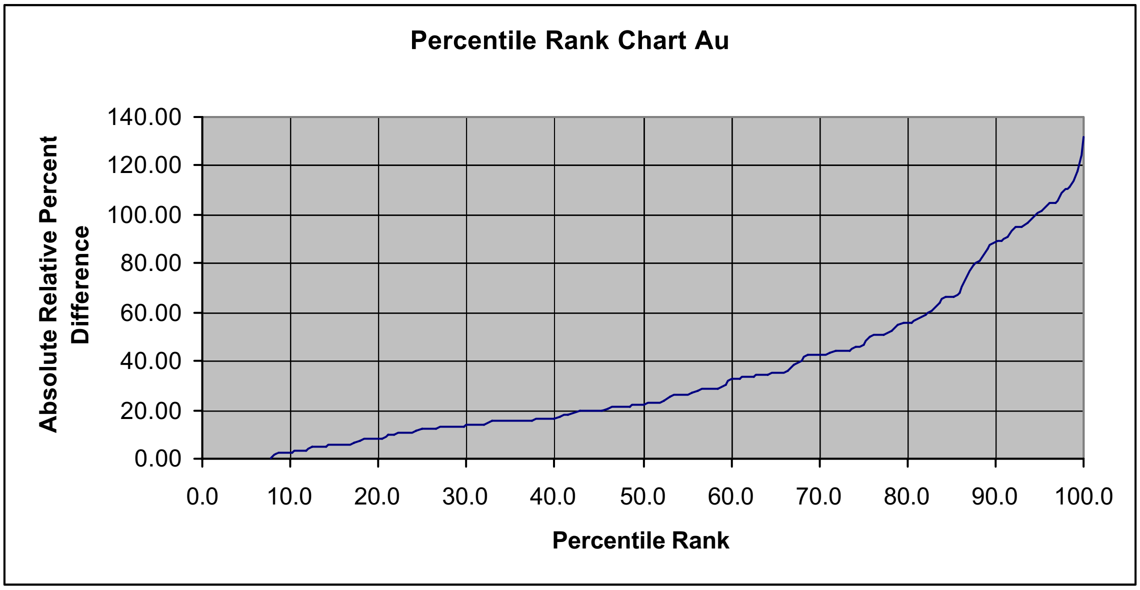
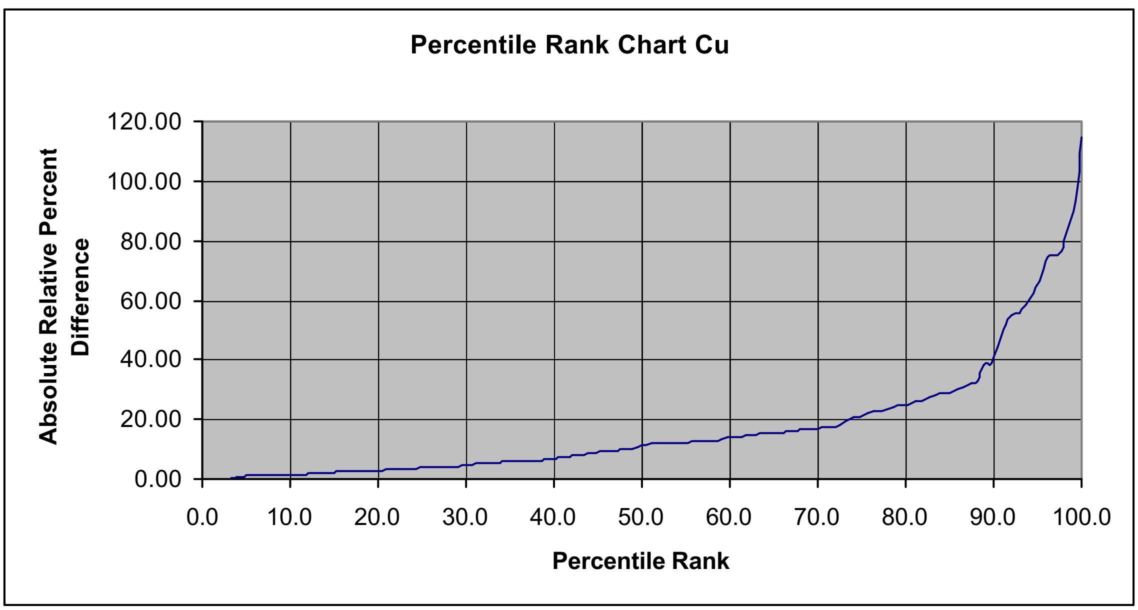


Figure 20: Duplicate Samples Percentile Rank Chart – Cu %



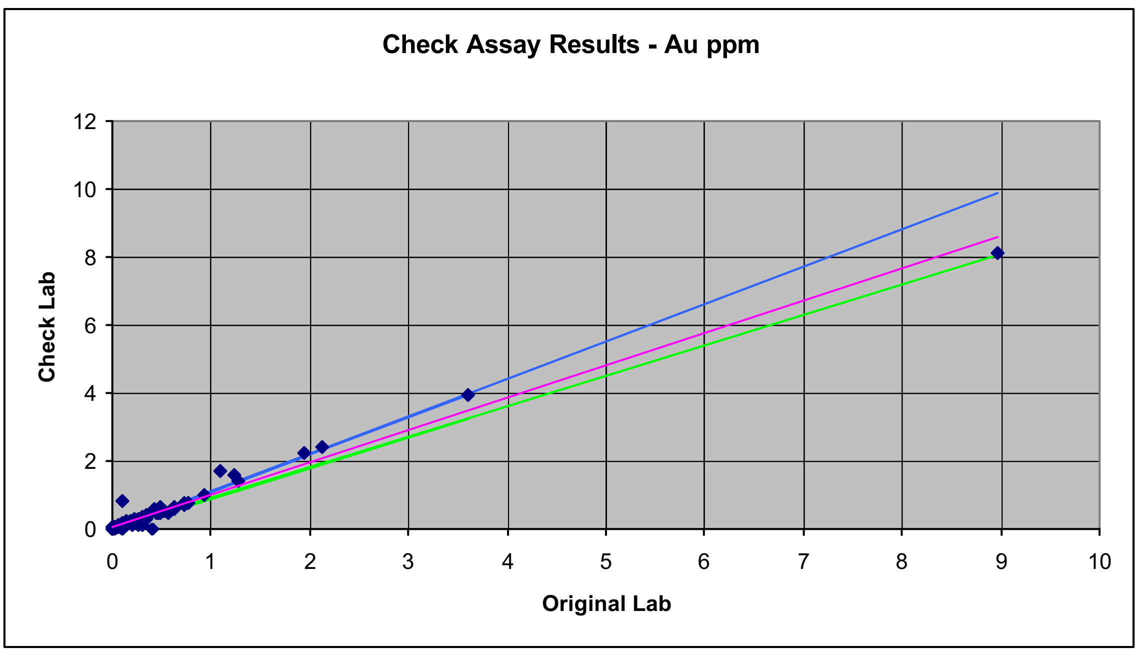
5.0 2004/2005 LABORATORY CHECK RESULTS

Acero Martin submitted 83 samples to an outside laboratory for check assay. The 83 samples contained nine standards, which the author believes was an excessive number representing 11% of the samples submitted where 3% or 3 standards would have been sufficient. The samples submitted for check assay were from 11 0f the 20 holes representing the better-mineralized holes drilled to date.

The SRM samples submitted to ILS Chemex returned results within the expected limits and these standards are not shown graphically.

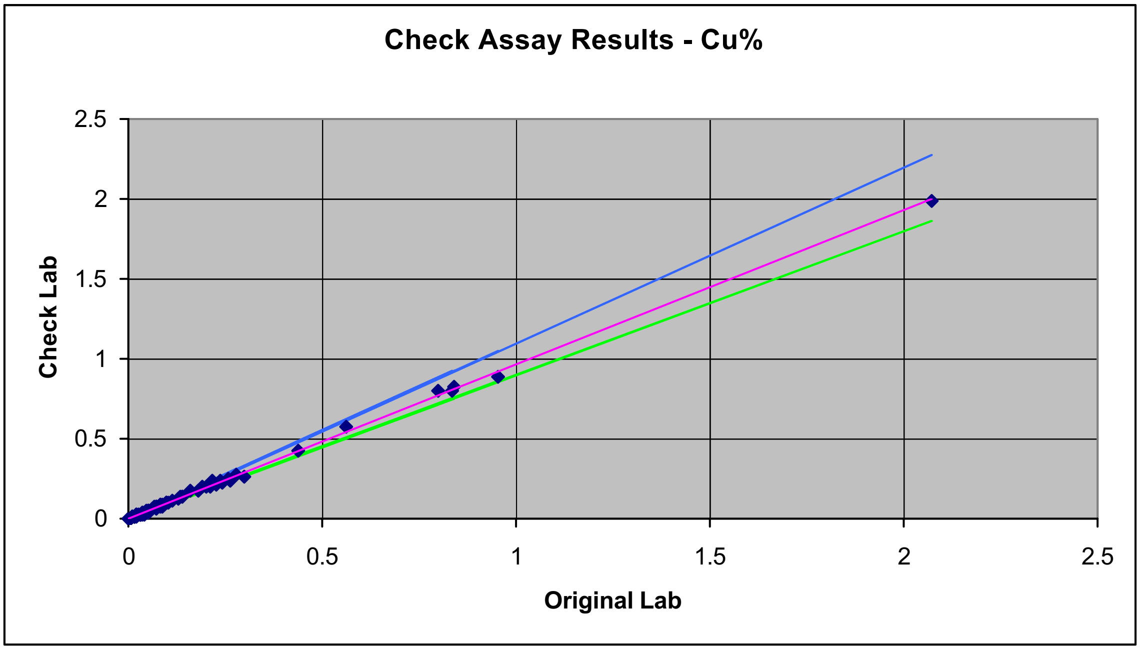
Scatter Plots of the results of the check assays are shown in Figures 21 and 22. The scatter plot for gold shows the trend line in magenta and the 10% upper error limit in blue. This graph shows that the check lab results are slightly higher for gold above 1 ppm but the trend line does not show this bias. The reason for this bias should be investigated.

Figure 21: Laboratory Check Results – Au ppm



Copper check assay results are within the acceptable range and do not show a similar bias to the gold results.

Figure 22: Laboratory Check Results – Cu %



Figures 23 and 24 are QQ Plots of the check assay results. The QQ Plot of check assay results for gold show the same bias as noted before for the scatter plots. The check assay lab appears to be assaying higher for samples above 1 ppm Au. No SRM samples failed in the check assaying but the bias is apparent after examining both graphs. Determining if there is a bias with the check assay lab will be difficult at this time due to the small size of the check assay batch, however this problem warrants further investigation.

The QQ Plot for copper, as before does not show any bias in the populations from both labs.

Figure 23: Laboratory Check Results QQ Plot – Au ppm

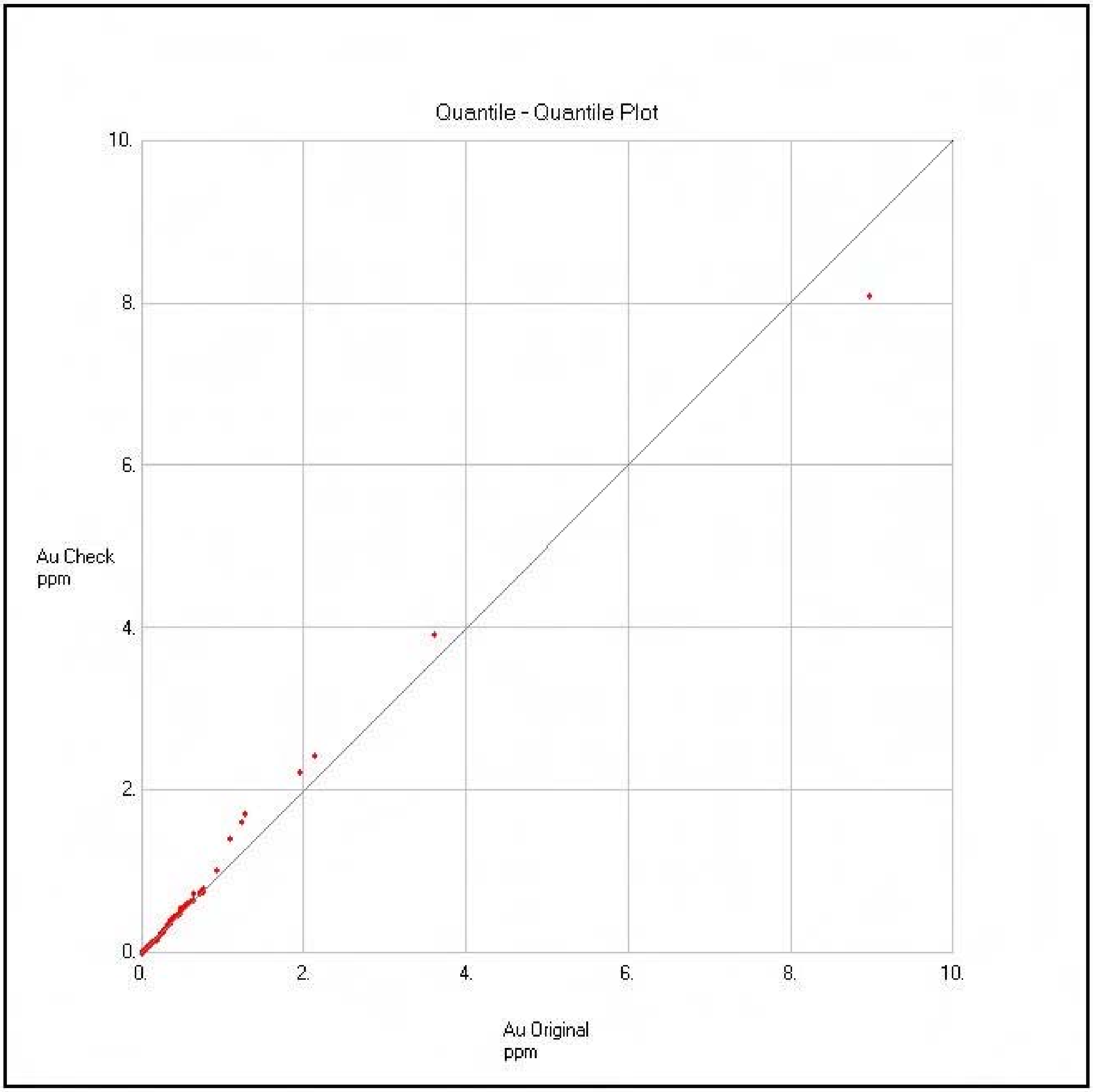
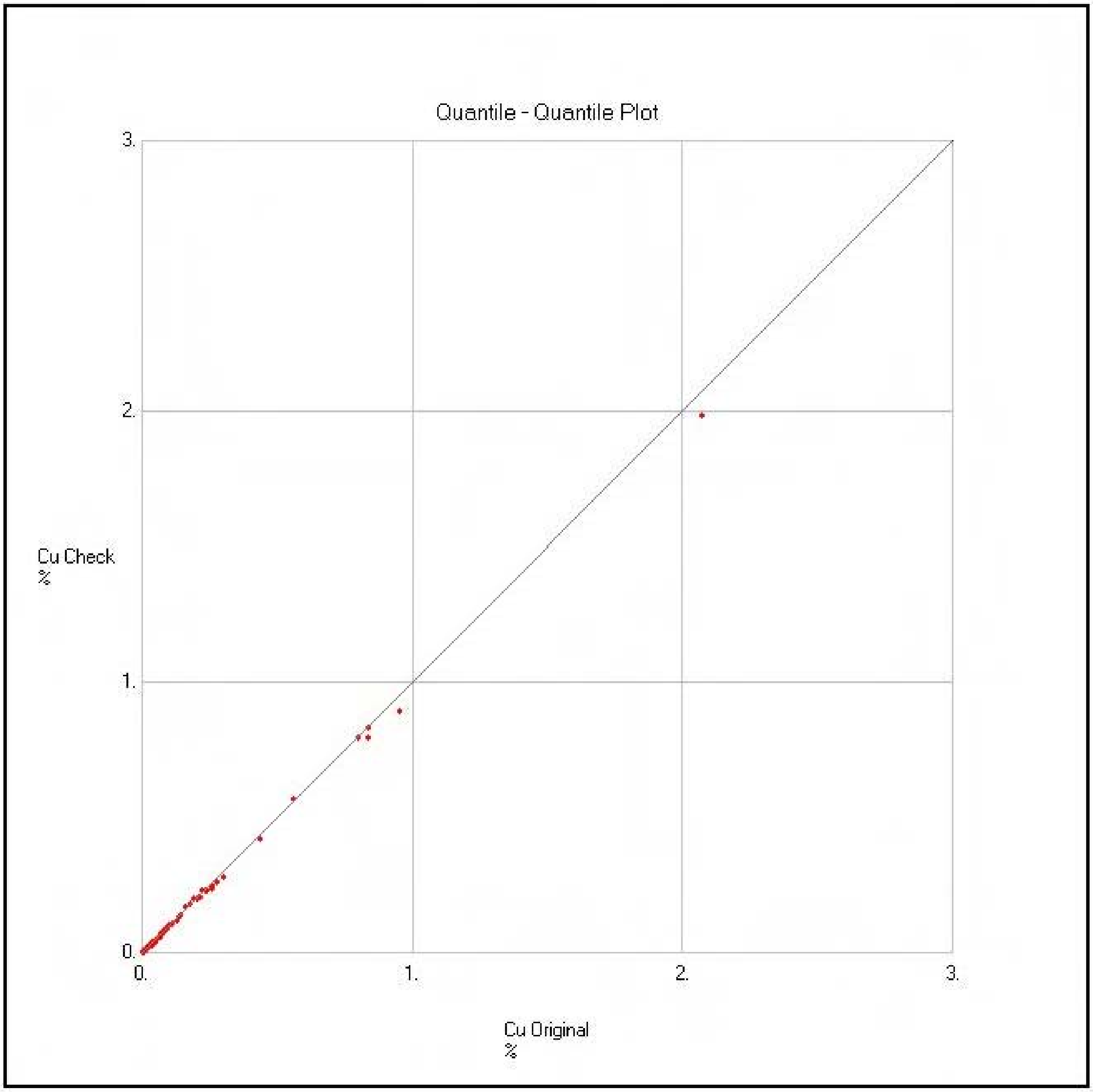


Figure 24: Laboratory Check Results QQ Plot – Cu



Check assay pair means are plotted against Relative Percent Difference in Figures 25 and 26. The Relative Percent Difference Plot for gold also shows the population bias.

Figure 25: Laboratory Check Results Relative Percent Difference Plot – Au ppm

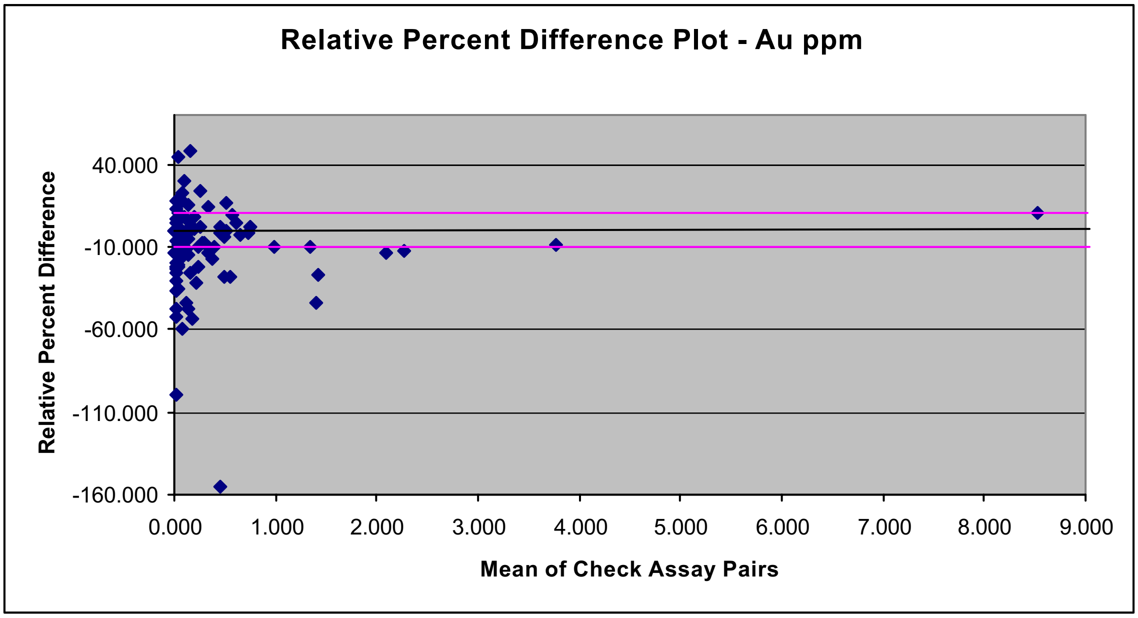
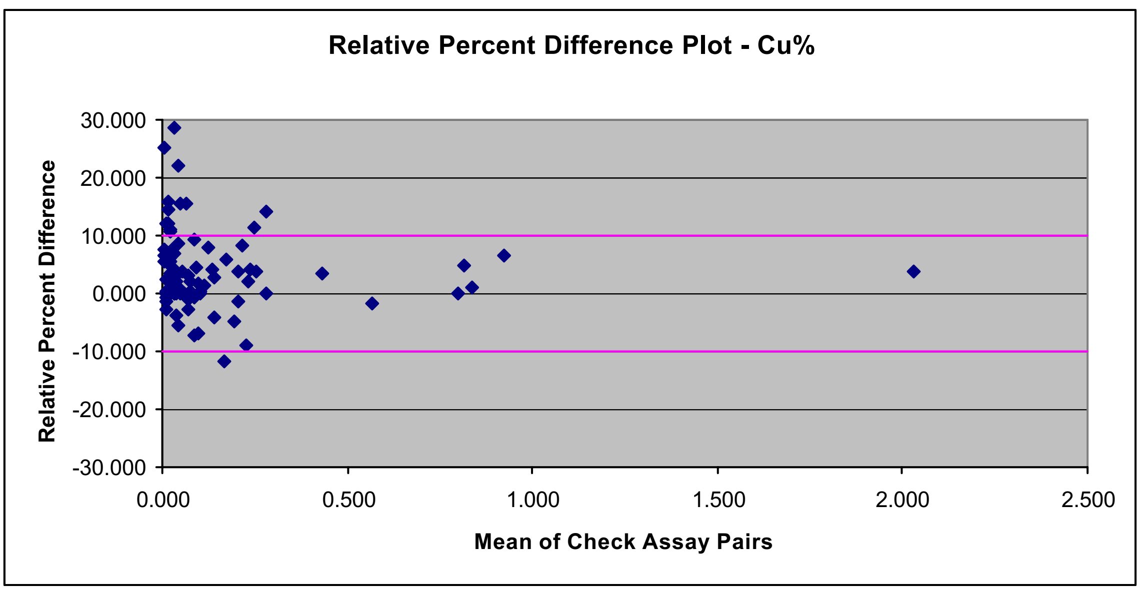


Figure 26: Laboratory Check Results Relative Percent Difference Plot – Cu%



Sample precision is shown in the Percentile Rank Plots shown in Figures 27 and 28. The standard for pulp duplicates is that 90% of the population should be less than 10% Absolute Relative Percent Difference. Both gold and copper plots show the check assay populations have greater than 10% Relative Percent Difference at 90%.

Figure 27: Laboratory Check Results Percentile Rank Plot – Au ppm

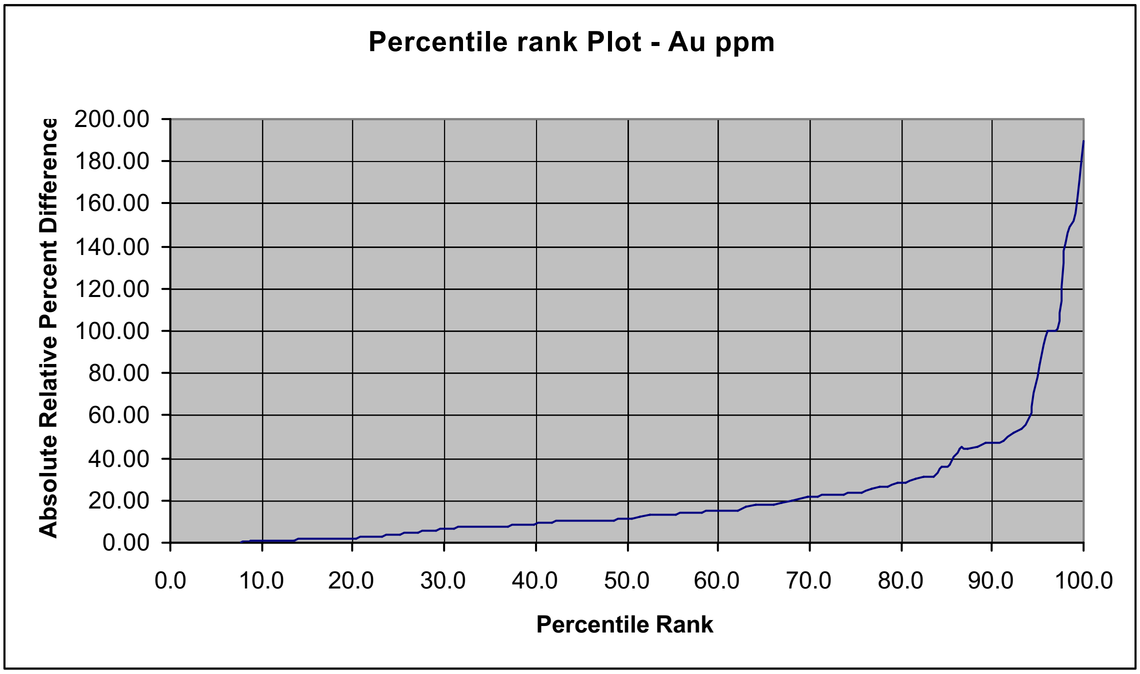
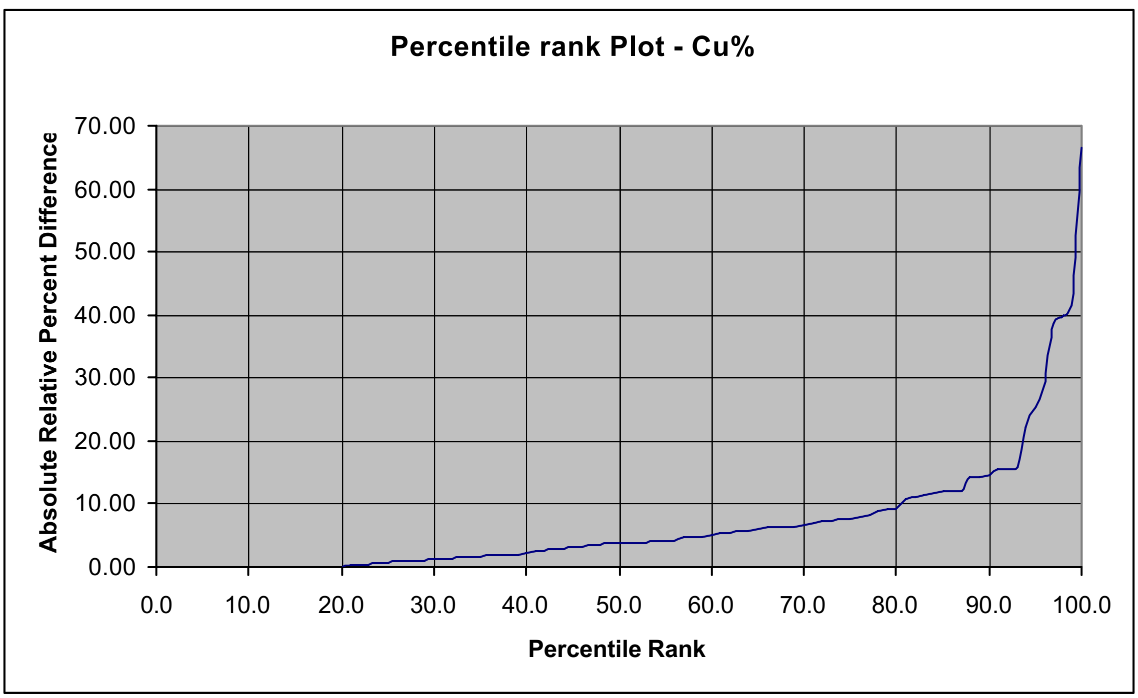


Figure 28: Laboratory Check Results Percentile Rank Plot – Cu%



APPENDIX 7: Assay Certificates for the author's Verification Samples

ALS Chemex
EXCELLENCE IN ANALYTICAL CHEMISTRY
ALS Peru S.A.
Calle 1 LT-1A Mz-D, esq. Calle A
Urb. Industrial Bocanegra Callao 01
Lima Peru
Phone: +51 (1) 574 5700 Fax: +51 (1) 574 0721

To: **MANUEL VEGA**
CALLE SISLEY 127
SAN BORJA LIMA 41

Date: 25-MAY-2004
Account: MNLVG

CERTIFICATE LI04000322

Project:
P.O. No.: CARTA DEL 6-ENE-2004
This report is for 4 Rock samples submitted to our lab in Lima, Peru on 20-JAN-2004.

The following have access to data associated with this certificate:

JIM MCCREA	JEFF REEDER	MANUEL VEGA

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
LOG-22	Sample login - Rcd w/o BarCode
CRU-31	Fine crushing - 70% <2mm
SPL-21	Split sample - riffle splitter
PUL-31	Pulverize split to 85% <75 um

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Au-AA25	Ore Grade Au 30g FA AA finish	AAS

To: **MANUEL VEGA**
ATTN: JEFF REEDER
CALLE SISLEY 127
SAN BORJA LIMA 41

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature: [signature]

ALS Chemex
EXCELLENCE IN ANALYTICAL CHEMISTRY
ALS Peru S.A.
Calle 1 LT-1A Mz-D, esq. Calle A
Urb. Industrial Bocanegra Callao 01
Lima Peru
Phone: +51 (1) 574 5700 Fax: +51 (1) 574 0721

To: MANUEL VEGA
CALLE SISLEY 127
SAN BORJA LIMA 41

Date: 25-MAY-2004
Account: MNLVG

CERTIFICATE OF ANALYSIS LI04000322

Sample Description	Method / Analyte / Units / LOR	WEI-21 / Recvd Wt. / kg / 0.02	Au-AA25 / Au / ppm / 0.01
FP01		2.87	0.96
FP02		2.92	2.33
FP03		3.12	1.84
FP04		2.11	0.10

ALS Chemex
EXCELLENCE IN ANALYTICAL CHEMISTRY
ALS Peru S.A.
Calle 1 LT-1A Mz-D, esq. Calle A
Urb. Industrial Bocanegra Callao 01
Lima Peru
Phone: +51 (1) 574 5700 Fax: +51 (1) 574 0721

To: **MANUEL VEGA**
CALLE SISLEY 127
SAN BORJA LIMA 41

Date: 25-MAY-2004
Account: MNLVG

QC CERTIFICATE LI04000322

Project:
P.O. No.: CARTA DEL 6-ENE-2004
This report is for 4 Rock samples submitted to our lab in Lima, Peru on 20-JAN-2004.

The following have access to data associated with this certificate:

JIM MCCREA	MANUEL VEGA	

SAMPLE PREPARATION

ALS CODE	DESCRIPTION
WEI-21	Received Sample Weight
LOG-22	Sample login - Rcd w/o BarCode
CRU-31	Fine crushing - 70% <2mm
SPL-21	Split sample - riffle splitter
PUL-31	Pulverize split to 85% <75 um

ANALYTICAL PROCEDURES

ALS CODE	DESCRIPTION	INSTRUMENT
Au-AA25	Ore Grade Au 30g FA AA finish	AAS

To: **MANUEL VEGA**
ATTN: JEFF REEDER
CALLE SISLEY 127
SAN BORJA LIMA 41

This is the Final Report and supersedes any preliminary report with this certificate number. Results apply to samples as submitted. All pages of this report have been checked and approved for release.

Signature: [signature]

ALS Chemex
EXCELLENCE IN ANALYTICAL CHEMISTRY
ALS Peru S.A.
Calle 1 LT-1A Mz-D, esq. Calle A
Urb. Industrial Bocanegra Callao 01
Lima Peru
Phone: +51 (1) 574 5700 Fax: +51 (1) 574 0721

To: MANUEL VEGA
CALLE SISLEY 127
SAN BORJA LIMA 41

Date: 25-MAY-2004
Account: MNLVG

QC CERTIFICATE OF ANALYSIS LI04000322

Sample Description	Method / Analyte / Units / LOR	Au-AA25 / Au / ppm / 0.01
STANDARDS		
OXL17		7.34
OXL17		7.69
Target Range - Lower Bound		6.84
Upper Bound		8.39
BLANKS		
BLANK		0.01
BLANK		<0.01
Target Range - Lower Bound		<0.01
Upper Bound		0.02
DUPLICATES		
FP04		0.10
DUP		0.10
Target Range - Lower Bound		0.07
Upper Bound		0.13

SGS del Peru S.A.C.
Division Laboratorio
Departamento Inorganico

Orden: GQ601671
Cliente: CANPER EXPLORACIONES S.A.C.
Numero de Muestras: 18
Lugar y Fecha de Recepcion: AREQUIPA 7-Jul-06
Fecha de Reporte: 14-Jul-06
Referencia del Cliente: SOLICITUD 05-07-2006 PROYECTO : PINAYA

Elemento	Au	Ag	Al	As	Ba	Be	Bi	Ca	Cd	Co	Cr	Cu	Fe	Ga	K	La	Mg	Mn
Unidad	ppb	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	%	ppm	%	ppm	%	ppm
Metodo	FAA313	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B
Limite Detec.	5	0.2	0.01	3	1	0.5	5	0.01	1	1	1	0.5	0.01	10	0.01	0.5	0.01	2
6734	7	1.3	2.89	189	737	1.1	-5	0.12	3	5	177	280.8	10	11	2.7	2.2	0.07	265
6735	8	0.4	2.39	190	566	0.7	-5	0.07	2	4	165	188.5	7.46	12	2.28	1.6	0.05	204
6736	8	0.6	2.04	413	1188	1.9	-5	0.09	15	85	124	320.9	9.09	-10	1.3	13.7	0.05	>10000
6737	7	0.7	2.48	117	1052	0.9	-5	0.06	3	17	177	210.6	3.7	-10	2.03	8.8	0.04	3938
6738	487	1.1	1.26	970	432	-0.5	-5	0.05	2	2	197	99.4	8.19	-10	0.89	1.9	0.02	98
6739	-5	-0.2	8.11	6	1569	1.3	-5	4.73	-1	24	166	62.5	3.93	-10	2.14	30.3	1.3	723
6740	-5	0.2	9.02	-3	1871	1.6	-5	3.37	1	24	199	79.7	4.95	20	2.59	32.4	0.91	560
6741	-5	-0.2	5.61	-3	913	1.7	-5	5.3	1	17	248	36.3	3.93	11	1.19	18.4	0.78	1212
6742	-5	0.3	7.62	-3	1637	1.7	10	3.34	1	21	178	27.7	4.66	18	2.32	30.6	0.94	768
6743	7	2.2	5.01	-3	903	1.1	-5	1.99	-1	12	249	55.9	2.98	13	1.21	13.9	0.71	345
6746	-5	0.3	8.49	8	1397	1.5	8	3.27	-1	26	142	34.5	4.34	12	2.03	22.7	1.04	600
6747	-5	0.7	6.88	-3	1313	1	10	7.54	-1	13	83	18.3	3.58	13	1.09	12.4	0.44	975
6748	9	0.2	6.26	-3	1251	3	-5	1.68	-1	1	7	4.8	0.68	12	2.49	32.9	0.42	2912
6749	-5	-0.2	0.48	-3	70	-0.5	-5	0.03	-1	1	221	8.8	0.75	-10	0.15	5.7	0.02	65
6750	-5	0.4	2	28	794	-0.5	-5	>15	2	19	24	31.3	3.82	-10	0.57	9.9	0.42	2217
6751	6	0.2	5.31	-3	894	1	11	3.38	-1	20	245	59	3.32	-10	0.92	15.3	1.35	488
6752	-5	0.6	2.26	4	503	0.6	-5	8.29	1	8	116	64.8	1.77	-10	0.53	8.8	0.59	2404
6753	6	0.8	2.23	-3	2050	0.8	-5	4.8	-1	5	321	696.5	1.75	-10	0.51	6.9	0.52	2011
*DUP 6735	7	0.4	2.36	192	609	0.7	-5	0.08	2	4	164	183.1	7.16	-10	2.26	2	0.05	207
*DUP 6746	-5	0.2	8.22	9	1299	1.5	7	3.14	-1	27	146	35.4	4.29	19	2.04	22.2	1	571

END/FIN

Mo	Na	Nb	Ni	P	Pb	S	Sb	Sc	Sn	Sr	Ti	Tl	V	W	Y	Zn	Zr	Peso Muestra
ppm	%	ppm	ppm	%	ppm	%	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	g
ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	PMI_CH
1	0.01	1	1	0.01	2	0.01	5	0.5	10	0.5	0.01	2	2	10	0.5	0.5	0.5	
12	0.35	6	10	0.05	27	0.07	24	1.6	-10	39.4	0.09	-2	66	27	4.1	165.9	53.8	4820
12	0.31	5	9	0.05	20	0.06	17	1.3	-10	32.9	0.07	-2	57	22	3.5	128.2	36.1	3900
12	0.29	8	22	0.06	27	0.03	15	2.8	-10	68	0.06	10	57	28	19.8	1480.5	46.3	3280
12	0.2	4	14	0.04	14	0.02	11	4.4	-10	42.4	0.08	4	63	-10	11.2	773.9	38.5	3880
15	0.2	3	5	0.04	35	0.16	17	0.9	-10	13.2	0.06	4	85	27	2.6	25.8	31.4	3960
3	2.93	10	74	0.14	9	0.05	8	13.6	-10	636.1	0.44	-2	100	-10	12	67.9	162.6	3860
3	3.35	12	79	0.17	12	0.04	11	15.2	-10	704.8	0.53	3	133	11	12.7	72.1	206.1	2840
9	1.77	8	72	0.1	9	0.06	6	11.4	-10	436.5	0.34	4	124	-10	10.4	43.7	106.6	3700
4	2.81	10	62	0.16	11	0.04	11	11.8	-10	613.1	0.44	-2	149	13	11.8	65.4	173	3480
12	1.62	6	32	0.07	9	0.03	6	8.4	-10	336.1	0.27	3	102	-10	6.5	40.8	89.1	3440
2	3.08	11	64	0.12	11	0.04	5	13.1	-10	494.8	0.47	3	140	15	11.6	71.6	161.1	2560
5	1.81	6	7	0.05	14	0.09	8	7.6	-10	274.2	0.37	-2	143	-10	9.6	81.1	61	3620
-1	0.89	22	2	-0.01	15	0.02	-5	2.4	-10	330.2	0.08	3	5	-10	12	53.4	120.8	2800
17	0.03	1	6	-0.01	10	0.01	-5	-0.5	-10	19.6	0.04	-2	20	-10	2.2	27.2	16.6	4620
2	0.33	3	12	0.02	21	0.21	-5	3.2	-10	106	0.06	3	40	-10	10.3	276.4	33.3	4020
10	1.72	7	61	0.08	8	0.05	9	10.3	12	339.9	0.3	-2	97	17	7.7	55.2	96	2000
19	0.82	4	31	0.05	9	0.09	-5	5.1	-10	268	0.14	4	56	-10	5.4	33.6	49.6	3860
21	0.73	3	22	0.03	7	0.1	-5	4.3	-10	212.8	0.11	-2	50	-10	3.8	29.5	43.3	1820
12	0.34	5	9	0.05	17	0.06	20	1.3	-10	33	0.06	-2	56	18	3.1	123.8	35	---
3	2.98	11	65	0.11	10	0.04	8	12.2	-10	480.1	0.47	3	142	-10	11	71.6	160.2	---