

**JESUS MARIA VEIN MINERALISED &  
LA LUPITA ROCK CHIPS ENCOURAGING  
at CUITABOCA PROJECT, MEXICO**

9 March 2015. Santana Minerals Limited (“Santana”) is pleased to announce assay results of drilling at the Jesus Maria Vein and from rock chip sampling at the La Lupita vein both part of the Cuitaboca Project in the State of Sinaloa, Mexico.

**Highlights:**

- Jesus Maria vein structure – diamond core drilling:  
1.73m @ **351g/t Ag + 0.21% Pb + 0.62% Zn** from 293m (DD15CT004)  
(incl. **0.82m @ 634g/t Ag + 0.26% Pb + 0.88% Zn** from 293.91m)
  
- La Lupita vein structure - rock chip:  
**3.39g/t Au + 15g/t Ag + 0.35% Pb + 0.41% Zn** (sample 127); and  
**0.15g/t Au + 684g/t Ag + 0.35% Pb + 0.41% Zn** (sample 125)

**Jesus Maria drill results**

Two diamond core drill holes, DD15CT004 and DD15CT005, were bored into the Jesus Maria prospect below historic artisanal scale mine workings. DD15CT004 intersected a colloform banded galena-yellow to white sphalerite-argentite bearing quartz-carbonate vein that reported:

- 1.73m @ 351g/t Ag + 0.21% Pb + 0.62% Zn from 293m in DD15CT004 that includes 0.82m @ 634g/t Ag + 0.26% Pb + 0.88% Zn from 293.91m.

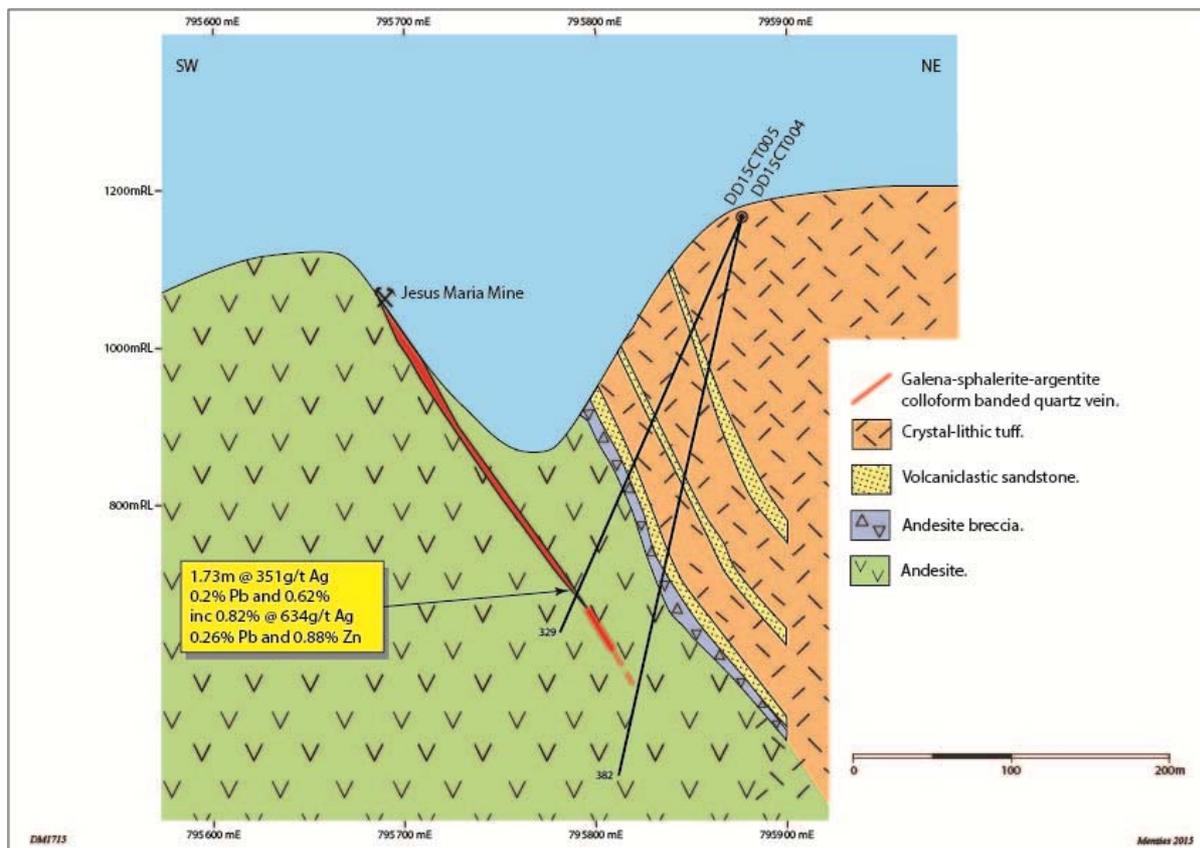
This intersection is approximately 160m down-dip below the historically worked Jesus Maria artisanal scale mine within competent andesite. It is 900m along strike from the previously reported intercepts below Colateral Mine (figures 1 & 2) (ASX:SMI 20 January 2015). Geologic mapping indicates the vein is contiguous between these two locations and remains open at each end, which confirms the potential to explore for wider developments of vein hosted Ag-rich polymetallic mineralisation within this significant strike length.

DD15CT005, bored a further 80m under DD15CT004, intersected minor amounts of disseminated galena and sphalerite within chalcedonic stringer quartz veins hosted in andesite at 331m down hole, which did not report significant Ag or base metal grades (figure 1).

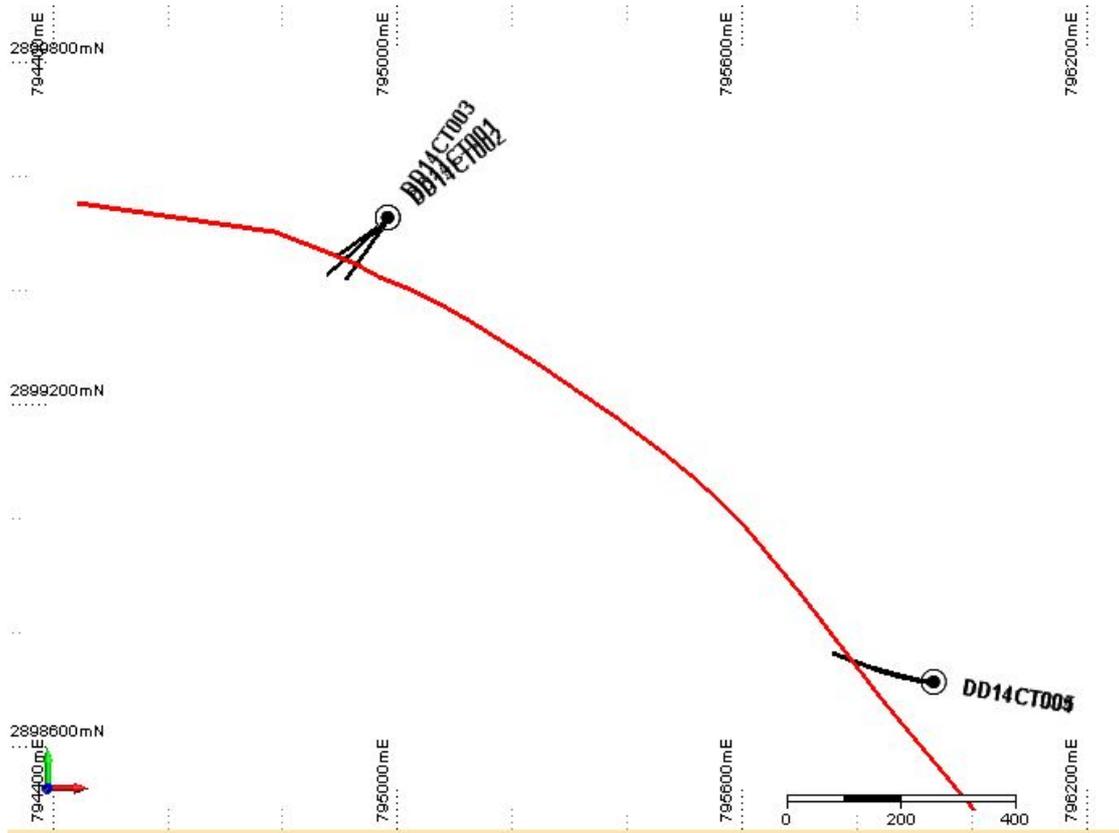
**La Lupita prospect sample collection**

Geologic mapping and the collection of 12 rock chip samples at the La Lupita prospect, following up previous work, reported metal grades from two samples of 3.39g/t Au + 15g/t Ag + 0.35% Pb + 0.41% Zn (sample 127 photo 1, page 4) and 0.15g/t Au + 684g/t Ag + 0.35% Pb + 0.41% Zn (sample 125).

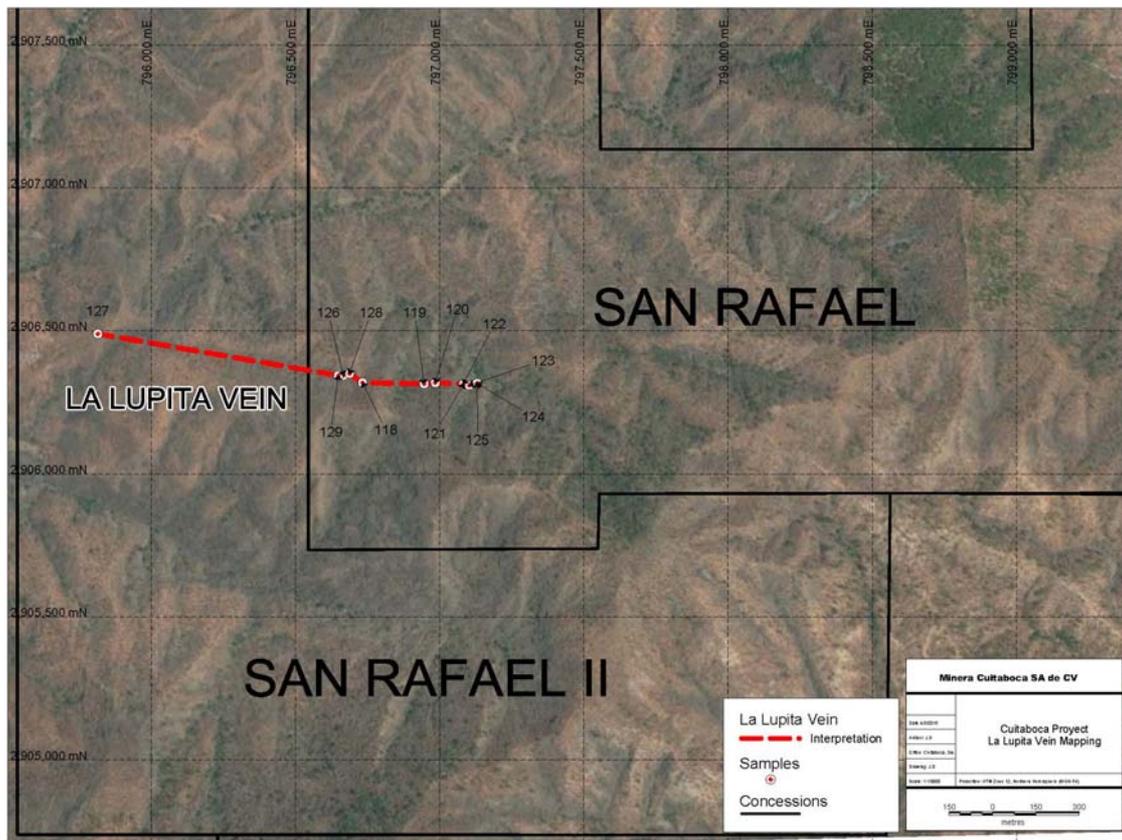
These samples were collected from a quartz-galena-sphalerite-argentite bearing and hematite-rich vein that was traced along strike for 1300m and is situated 600m RL above similar veins that occur in the south of the mining concession, which suggests good down-dip potential (figure 3). Table 1 discloses detail of all 12 of the rock chip samples.



**Figure 1: Cross section through Jesus Maria vein showing drill holes CC15CT004 & DD15CT005**



**Figure 2: Drill hole location plan showing the interpreted strike extent of vein between the Colateral drill intersections and Jesus Maria drill intersection - vein extension potential remains open**



**Figure 3: La Lupita rock chip sample location plan**

**Table 1: La Lupita rock chip sample location and results.**

Sample No.	Width m.	WGS84 13 E	WGS84 13 N	Au g/t	Ag g/t	Cu %	Pb %	Zn %
118	1	796733	2906318	0.01	54	0.09	0.54	0.99
119	0.7	796946	2906314	0.04	14	0.05	0.78	0.22
120	0.6	796985	2906318	0.49	35	0.11	1.12	0.08
121	0.7	797083	2906313	0.05	27	0.05	0.33	1.37
122	0.5	797083	2906313	0.12	85	0.59	1.80	1.09
123	1.6	797103	2906309	0.18	434	0.44	5.26	6.76
124	1.2	797130	2906316	0.13	381	0.75	6.34	2.93
125	0.8	797130	2906316	0.15	684	0.11	4.68	4.45
126	0.7	796666	2906343	0.12	34	0.02	0.60	0.16
127	3-4	795815	2906489	3.39	15	0.13	0.35	0.41
128	0.5	796688	2906350	0.01	3	-	0.04	0.05
129	0.6	796649	2906343	0.02	83	0.03	0.17	0.10



**Photo 1: Red matrix monomictic breccia with clasts of quartz and sulphide bearing veins which reported 3.39g/t Au + 15g/t Ag + 0.35% Pb + 0.41% Zn from a chip grab sample over 3-4m**

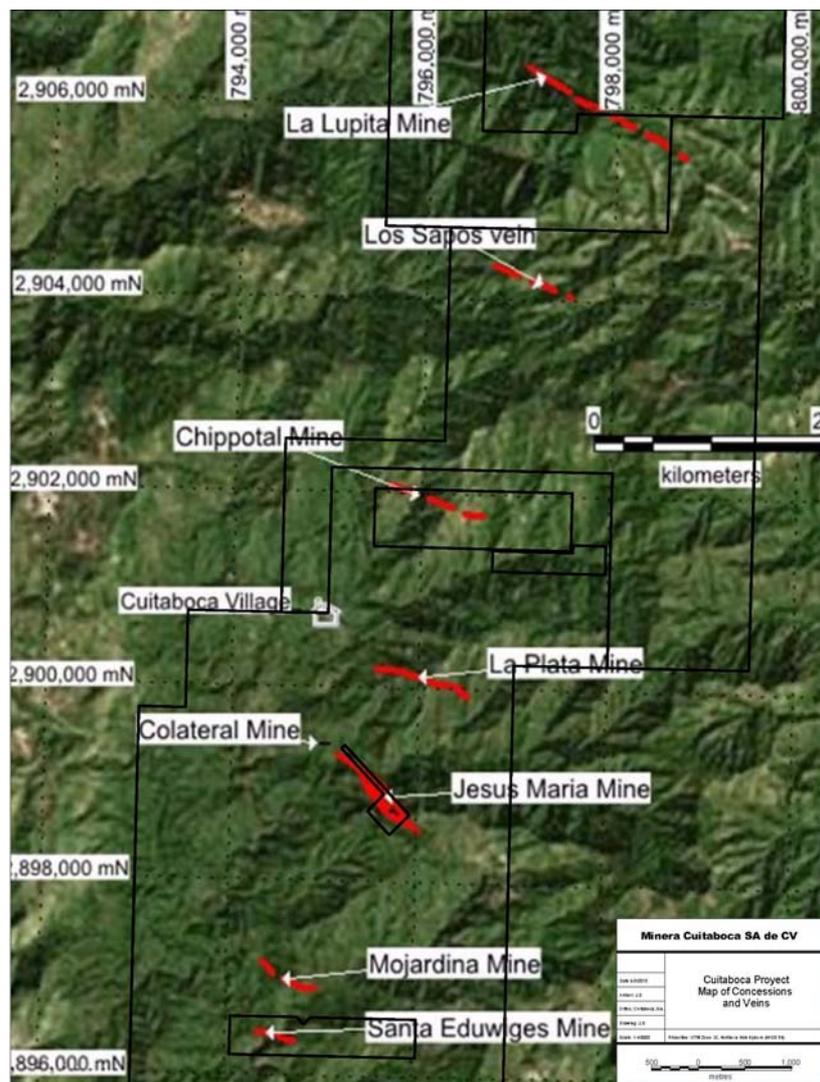
**About Cuitaboca Project:**

The Cuitaboca Project is in an area covered by the 5,100Ha mining concessions (Figure 4) and consists of a series of veins with sulphide mineralisation carrying high grade silver and low grade polymetallic minerals. There are at least six well defined vein systems that outcrop and have observable thicknesses of between 0.5m to 4m wide. The area is dominated by andesite flows and tuffs of the lower volcanic group with minor rhyolites of the upper volcanic group at higher elevations.

The main structures are La Lupita, Los Sapos and Chippotal veins in the northern part and the Mojardina, Santa Eduwiges and Jesus Maria & Colateral veins in the south.

Exploration to date by Santana includes drilling of the Colateral vein (reported ASX:SMI 20 January 2015) and Jesus Maria vein (reported in this announcement) and mapping and rock chip sampling of the La Lupita vein (reported in this announcement). It follows reporting of historic exploration by prior works (ASX:SMI 31 October 2014).

Santana has a contractual right to earn to an 80% interest in the Cuitaboca Project through a combination of work commitments and payments following which it enters into a joint venture on an 80:20 contribution basis.



**Figure 4: Regional scale map showing NW-SE veins in red, historic artisanal mine locations and Mining Concession boundaries**

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**About Santana**

Santana is a precious metals explorer focused on Mexico where it owns 100% of the Namiquipa (silver/lead/zinc) project in Chihuahua and is earning into ownership of the Cuitaboca Ag-Au polymetallic project in Sinaloa.

Additional information about Santana and its projects is available on the website: [www.santanaminerals.com](http://www.santanaminerals.com)

**Competent Person/Qualified Person.**

The information in this report that relates to exploration targets, exploration results, mineral resources or ore reserve is based on information compiled by Mr Richard Keevers, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Keevers is a non-executive director of Santana. Mr Keevers has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Keevers consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 CUITABOCA EXPLORATION PROGRAM REPORT:

A. Rock Chip Sampling – La Lupita Vein; and

B. Diamond Core Drilling – Jesus Maria Vein.

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p><b>ROCK CHIP SAMPLING – La Lupita Vein</b></p> <ul style="list-style-type: none"> <li>Channel and grab rock chip sample collection of quartz veins and zones of silicification within Tertiary volcanics was completed under the supervision of a qualified geologist.</li> <li>Sample intervals are surveyed using tape and compass, then permanently marked with an aluminum tag.</li> <li>Samples were collected of galena-sphalerite bearing quartz veins</li> <li>Representative rock chip samples of 2-3Kg weight are taken transverse to the strike of the outcrop over 1 metre intervals except where noted.</li> </ul> <p><b>DIAMOND CORE DRILLING – La Lupita Vein</b></p> <ul style="list-style-type: none"> <li>Diamond drill hole CT15DD004 was drilled to intersect the two Jesus Maria veins between 270-290m, 190m down dip from the western most mine at an orientation of -55° toward 270°. Diamond drilling was used to produce drill core with a diameter of 63.5mm (HQ) from surface to 329.40m (EOH).</li> <li>Diamond drill hole CT15DD005 was drilled at -70° toward 270° intersect the two Jesus Maria veins between 300-320m, 250m down dip from the western most mine at surface at . Diamond drilling was used to produce drill core with a diameter of 63.5mm (HQ) from surface to 381.60m (EOH).</li> <li>Sample representivity was ensured through quality controls procedures (QC) and quality assurance tests (QA). Quality controls used include a combination of daily work place inspections and rigorous sample collection procedures and quality assurance tests involved the submission of blanks and certified standards to the laboratory.</li> <li>Detail inspection of all drill core involved the collection of lithological, structural and mineralisation data which was then used to determine the sample collection intervals. Samples intervals were collected over identified zones of pyrite-galena-sphalerite-argentite mineralisation.</li> <li>All diamond core samples were cut in half and sampled every 1 metre (m) which was placed into micropore sample bags labeled with a pre-assigned sample number. A matching water proof sample tag was placed into each bag for added sample control.</li> <li>Samples were delivered to ALS Minerals laboratory in Hermosillo by Santana geologist and were not left unattended at any time.</li> <li>ALS Minerals Hermosillo laboratory conducted sample preparation for each batch of drill core that was delivered and the pulps were then shipped by ALS Minerals Hermosillo to ALS Vancouver where analysis of pulps was completed using Inductively Coupled Plasma - Atomic Emission Spectroscopy analysis (ME-ICP61) for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, In, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, Zn and Au by 50gm fire assay with an Atomic Absorption Spectroscopy finish (Au-AA26).</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p><b>DIAMOND CORE DRILLING – La Lupita Vein</b></p> <ul style="list-style-type: none"> <li>Major Drilling of Hermosillo, Mexico was contracted by Santana to conduct the diamond core drill program and supplied a track mounted Sandvick UDR200 drill rig. Diamond drilling used HQ (63.5mm internal diameter) drill bits with a standard tube configuration. Diamond drill core was orientated using a Reflex ACT III core orientation tool.</li> <li>Down-hole surveying was completed at 15m and 30m and then at 30m intervals until the end of each drill hole using Index Reflex Eze-trac tool which was tested in purpose-built calibrated stand on site. Regular checks of the downhole magnetic intensity found the high magnetite content of the host rocks cause spurious azimuth reading which meant that the orientation of the drill rig had to be surveyed with a differential GPS for control.</li> </ul>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Diamond core recoveries were logged and recorded with holes generally reporting greater than 90% recovery.</li> <li>Diamond drill core was reconstructed into continuous runs in angle iron at the rig site then again in the core trays before being logged. Hole depths were checked against the depth annotated on core blocks by the driller who also carried out routine rod counts to confirm depths.</li> <li>No analysis of the impact of sample bias has been undertaken</li> </ul>
Logging	<ul style="list-style-type: none"> <li>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Geological logging of core followed company procedures and used industry best practices qualitative logging which included: lithology, mineralogy, alteration, vein density and type, structure, and the degree of oxidation. RQD geotechnical data was also collected. The orientation of structures was collected using the alpha/beta angle technique and then analysed, along with all other data, in Micromine software.</li> <li>All logging of core is quantitative, based on empirical visual field estimates. Systematic photography of wet and dry drill core and, where appropriate, close-up handspecimen photography was completed.</li> <li>Detail diamond core logging, with digital photography, was completed for 100% of the core by Santana's onsite geologists at the Cuitaboca project core shed.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>All HQ diameter drill core was cut in half using a diamond impregnated saw on site ready for sample collection.</li> <li>Company procedures were followed to ensure sub-sampling adequacy and consistency. These included, but were not limited to, daily work place inspections of the drill rig, core saw and all other sampling equipment and procedures.</li> <li>Blanks and certified reference samples were routinely submitted to the laboratory as part of the quality control procedures.</li> <li>No second-half samples collection has been conducted during the drill program.</li> <li>The sample sizes are considered appropriate for the style of mineralisation sought.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</li> </ul>	<p><u>ROCK CHIP SAMPLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Samples are stored in a secure location and transported to the ALS laboratory in Hermosillo for sample preparation of fine crush, riffle split and pulverizing of 1kg to 85% &lt; 75µm.</li> <li>Pulps are analyzed by ALS Vancouver (Canada) using method code ME-ICP61a, a 33 element determination using a four acid digestion, Au-AA26 and In-ICP61.</li> </ul> <p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Selected drill core samples were sent to ALS Hermosillo and pulverised under method (PUL-31) and a 0.25g samples is digested for 10-15 minutes in a mixture of nitric, perchloric and hydrofluoric acids. Perchloric acid is added to assist oxidation of the sample and to reduce the possibility of mechanical loss of sample as the solution is evaporated to moist salts. Analysis of pulps was completed using Inductively Coupled Plasma - Atomic Emission Spectroscopy analysis (ME-ICP61) for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, In, Fe, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, and Zn. The pulps were also analysed for gold using Atomic Absorption Spectroscopy using method Au-AA26. This method involves a 50g sample being fused at approximately 1100°C with alkaline fluxes including lead oxide. During this fusion lead oxide is reduced to molten lead which acts as a collector for gold. When the fused material is</li> </ul>

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		<p>cooled the lead separates from the impurities (slag) and is placed in a cupel in a furnace at 900°C where it oxidises to lead oxide and is absorbed by the cupel, leaving a bead (prill) of gold, silver and other precious metals. This prill is then dissolved in aqua regia with a reduced final volume and the gold content is determined by flame AAS using matrix matched standards. These techniques approach total dissolution of most minerals and is considered an appropriate method for Ag-Au epithermal mineralisation.</p> <ul style="list-style-type: none"> <li>No results have been reported using geophysical tools, spectrometers or handheld XRF instruments.</li> <li>Laboratory QAQC procedures involved the submissions of certified standards every 15 samples and blanks every 20 samples. The analytical laboratory also provide their own routine quality assurance practices. Results from the certified standards and blanks gives confidence in the accuracy and precision of the assay data returned from ALS.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p><u>ROCK CHIP SAMPLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Laboratory CSV files are merged with GPS Location data files using unique sample numbers as the key.</li> <li>No adjustments made to assay data</li> </ul> <p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Significant assay results returned from the Cuitaboca Project drill core have been verified by Santana minerals geologists and an external consultant geologist.</li> <li>No twinned holes have been drilled.</li> <li>Drill core data was collected in the field on paper and then entered into MS Excel tables which are stored on Santana Minerals servers.</li> <li>No adjustment or calibrations were made to any assay data used in this report.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<p><u>ROCK CHIP SAMPLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Samples are located using handheld GPS receivers.</li> <li>UTM projection WGS84 Zone 12N.</li> <li>The topographic control, using handheld GPS, was adequate for the survey.</li> </ul> <p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Drill collar locations were pegged before drilling with a handheld Garmin GPS to an accuracy of ±3m and later resurveyed with a Trimble differential GPS to centimetre accuracy. This level of accuracy is considered appropriate for this early stage of exploration</li> <li>Single-shot down-hole surveys were conducted at 15m then every 30m until the bottom of the drill hole.</li> <li>The grid system used at the Cuitaboca Project area is UTM (WGA84) Zone 12N.</li> <li>At Cuitaboca Project area topographic control is achieved via the use of Trimble differential GPS.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>Whether sample compositing has been applied.</li> </ul>	<p><u>ROCK CHIP SAMPLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Reconnaissance sampling of available outcrop.</li> <li>Results will not be used for resource estimation.</li> <li>No compositing has been applied.</li> </ul> <p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Drill holes bored into the Jesus Maria prospect vein are shown in the attached plan and designed to test the strike and down-dip potential of the mineralised structure.</li> <li>The paucity of drilling at the Jesus Maria Prospect does not provide sufficient data distribution and spacing appropriate for Mineral Resource or Ore Reserve Estimations.</li> <li>At Jesus Maria Project sample intervals were based on lithological and mineralisation boundaries and were generally approximately 1m in length, with no interval less than 0.3m or greater than 1.8m.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<p><u>ROCK CHIP SAMPLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Representative rock chip samples of 2-3Kg weight are taken transverse to the strike of the outcrop over 1metre intervals except where noted.</li> <li>No bias is believed to be introduced by the sampling method.</li> </ul> <p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Two drill holes were bored into the Jesus Maria Prospect to test 190m below zones of elevated Ag-Pb-Zn reported from underground samples collected in the historically work drive and there is no perceived sampling bias from these orientations.</li> <li>Drill holes have been orientated to intersect mineralised structures as close to a perpendicular orientation as possible, however there is insufficient drill data to determine if there is any sampling bias in the data.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Samples were delivered to ALS Minerals laboratory in Hermosillo by Santana geologist and were not left unattended at any time.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>No audits or reviews of the data management system have been carried out.</li> </ul>

## Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Santana Minerals, through subsidiaries and contractual rights, holds an option to acquire 80% of the Cuitaboca Project which consists of 100% of the mining concessions: El Chapotal (126ha), San Rafael (528ha), Nuestra Senora del Carmen (79.46ha), San Pedro (29ha), Jesus Maria (13.6ha), San Rafael II (540ha), Cuitaboca (2,402ha) and Las Sapos (1,386ha). The commercial terms consist of multiple option payments which form part of a total purchase price of US\$3.5M. The seller retains a 2.5% Net Smelter Royalty.</li> <li>The laws of Mexico relating to exploration and mining have various requirements. As the exploration advances specific filings and environmental or other studies may be required. There are ongoing requirements under Mexican mining laws that will be required at each stage of advancement. Those filings and studies are maintained and updated as required by Santana's environmental and permit advisors specifically engaged for such purposes.</li> </ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The first report of mining in the Cuitaboca area was between 1760 and 1810 with small scale mine workings. In 1883 American and English investors took control of the Cuitaboca mining operations which continued for nearly a century. Between 1974 and 1975 Servicios Industriales Penoles undertook systematic exploration using surface and underground geological mapping and the collection of 180 samples. In 2006 Canadian-based First Majestic acquired the property after a merger with First Silver Reserve and initiated &gt;300m of underground development at Colateral Mine which delineated a quartz-galena-sphalerite vein that reported elevated Ag-Pb-Zn. First Majestic withdrew from the project in late 2008 and retained no interest.</li> </ul>

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Geology	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The Cuitaboca project area, which includes the Colateral mine and Jesus Maria prospects, hosts polymetallic Ag-Au vein mineralisation investigated in order to identify ore shoots defined as sites of wider and higher precious metal grade veins, which might represent drill targets. Other low sulphidation epithermal polymetallic Ag-Au vein deposits host most ore within ore shoots at the coincidence of ore controls defined as: competent host rocks, dilatant structures, higher Au-Ag grade mineralisation styles and efficient mechanisms of Au-Ag deposition.</li> </ul> <p>Host rocks identified as interlayered Cretaceous age andesitic lavas, volcanics and volcanoclastic rocks and lesser rhyolites of the Sierra Madre Occidental Volcanics, have been placed in a stratigraphic succession as an aid to the delineation of the andesite flows, and locally welded tuffs, recognised as the most favourable rocks to host throughgoing fissure vein mineralisation. In the Colateral adit the transition from incompetent lapilli tuff to competent andesite host rocks corresponds to a 110% increase in Ag and 250% increase in Au grades. An exploration target occurs where competent andesite is interpreted to underlie incompetent tuff.</p> <p>Mineralised veins lie within six NW-SE (120°TN) trending structures interpreted as listric style normal faults formed in association with regional extension within the Sierra Madre. The NE structure which hosts the La Lupita mine continues to also localise the San Jose de Gracia Au mine, 20 km to the SE. NW trending vein dips vary from steep to moderate and may locally display a relationship to rock competency as moderate dipping structures refract to steeper dips in the more competent andesites. Steeper dips mostly host better veins within listric fault environments. Using a structural model derived from Palmarejo, no dilatant flexures were identified as changes in the strike of veins from NW towards the WNW-EW, where steep dipping veins should host core shoots. By contrast the NNW trending, shallow dipping, Jesus Maria veins might represent an ore shoot in a localised compressional domain. Interpretation of the regional digital terrain model suggests NNE trending transfer structures might segment the listric faults and contribute towards the localisation of mineralisation.</p> <p>The historically mined Cuitaboca polymetallic Ag-Pb-Zn (± Au) bearing epithermal quartz veins comprise dominantly banded and brecciated quartz with galena, mostly yellow sphalerite, argentite, tetrahedrite, pyrite, chalcopyrite and gangue of carbonate (calcite and rhodochrosite), barite and fluorite. The adjacent wall rocks display K-feldspar and retrograde chlorite-illite/smectite alteration</p>																					
Drill hole Information	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> </ul>	<p><b>DIAMOND CORE DRILLING – La Lupita Vein</b></p> <ul style="list-style-type: none"> <li>• Easting, northing, collar elevation, length, and azimuth and dip of each hole is:</li> </ul> <table border="1" data-bbox="1249 1289 2078 1394"> <thead> <tr> <th>HoleID</th> <th>East</th> <th>North</th> <th>RL</th> <th>Depth</th> <th>Azim</th> <th>Dip</th> </tr> </thead> <tbody> <tr> <td>DD15CT004</td> <td>795935</td> <td>2898712</td> <td>1076</td> <td>329.40</td> <td>270</td> <td>-55</td> </tr> <tr> <td>DD15CT005</td> <td>795936</td> <td>2898711</td> <td>1076</td> <td>381.60</td> <td>270</td> <td>-70</td> </tr> </tbody> </table>	HoleID	East	North	RL	Depth	Azim	Dip	DD15CT004	795935	2898712	1076	329.40	270	-55	DD15CT005	795936	2898711	1076	381.60	270	-70
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	<ul style="list-style-type: none"> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Down hole length and intercepts of reported results is included in the body of the announcement to which this schedule is attached</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Aggregated lengths where used are disclosed.</li> <li>Equivalent grades were not used in any tables or summations of the data.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	<p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Geological mapping in the historically worked drive identified a structure that dips 60° trending 140° which exhibited a consistent orientation when intersected at depth in drill holes.</li> <li>All intercepts reported are down hole lengths and not the true widths.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>Attached announcement includes a cross section and plan which show the location of drill holes and intercepts.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<p><u>DIAMOND CORE DRILLING – La Lupita Vein</u></p> <ul style="list-style-type: none"> <li>Although all relevant (intersection of veins) 1m intercepts were assayed only those considered significant are reported in the summary tables. Mineralised semi-massive sulphide bearing vein intercepts were sampled as well as vein margins where disseminated sulphides were recognised. Where grades are not reported it can be assumed that there were no significant gold silver or other metal grades intercepted.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>No metallurgical or bulk density tests were conducted at the project.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Further work is dependent on management review of the existing data.</li> </ul>