GOLDQUEST MINING CORPORATION

MINERAL RESOURCE ESTIMATE FOR THE LAS ANIMAS PROJECT, PROVINCE OF LA VEGA, DOMINICAN REPUBLIC

NI 43-101 TECHNICAL REPORT

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1.0 SUMMARY

1.1 INTRODUCTION

This report was prepared by Jonathan Steedman MAusIMM (CP) and Richard M. Gowans P.Eng of Micon International, at the request of GoldQuest Mining Corp. (GoldQuest) of Canada. The terms of reference for the assignment were to produce a resource estimate and Technical Report as defined in Canadian Securities Administrators' National Instrument 43-101, and in compliance with Form 43-101F1 (Technical Report) and Companion Policy 43-101CP for the Las Animas Project in the Dominican Republic. The effective date of the resource estimate and this report is 31st July 2011.

The Las Animas project is located in the Province of La Vega, Dominican Republic at coordinates 19° 06' 45" north, 70° 39' 46" west, and is 105 km northwest of the capital Santo Domingo.

GoldQuest has four contiguous Licences of Metallic Exploration Concessions and applications with a total area of 3,049.75 hectares (ha) at Las Animas, held by its wholly owned Dominican subsidiary, INEX Ingenieria y Exploracion, S.A. (INEX). GoldQuest owns 100% of the rights to these concessions. One exploration concession has been granted licences (Loma Oculta of 425.00 ha) and three are under application (Mata Cadillo of 1,393.25 ha, Guazumita of 531.50 ha and La Ceniza of 700.0 ha). The Dominican mining law grants Licences of Exploration Concessions for a period of three years with two, one-year extensions allowed.

The project is located in the Central Cordillera mountain belt at an altitude of 450 m to 812 m, in steeply incised topography. Land use is cattle ranching, and the higher elevations are wooded. It is in the upper part of the River Yaque del Norte basin. A hydrological and hydrochemical baseline study has been carried out by GoldQuest.

The project was rediscovered by GoldQuest in 2004 by a regional stream sediment geochemical exploration program. Follow up work led to the discovery of old mine workings at El Yujo and the location of outcropping gossan with gold and silver. Spanish chronicles indicate silver mining in the Jarabacoa area in the 16th and 17th centuries, and several adits in gossan encountered at El Yujo at surface and as voids in drill holes probably date from this era. The project was explored for massive sulphides between 1973 and 1987 by several Spanish companies along with the Dominican Government, including 15 diamond drill holes (2,000 m) in 1976, and four diamond drill holes in 1985 to 1986, but no data is available. An estimated 10,000 to 20,000 tonnes of gossan ore of unknown grade was mined for gold and silver from a small open pit at El Yujo, probably in 1986 to 1987, and processed at the Rosario Dominicana plant at Pueblo Viejo.

1.2 GEOLOGY AND MINERALISATION

Las Animas is located in the Early Cretaceous to Paleogene age Greater Antilles island arc. Las Animas is related to felsic volcanic rocks and calcareous sediments within a predominantly mafic volcanic sequence, and tonalite plutons.

The project geology comprises rhyolites, often altered to sericite schist, overlain by calcareous siltstones and mafic volcanic rocks. Massive sulphide mineralisation occurs at the contact between rhyolite and calcareous siltstone at El Yujo. Disseminated gold, silver, copper and zinc mineralisation occurs in sericite schists at El Yujo, the Western Zone, Guazumitas and other areas. The rhyolites are interpreted to be lavas and/or domes with volcaniclastic and hyaloclastic breccias and sandstones. They have sericite alteration with development of a later tectonic schistosity. The calcareous siltstones are decalcified adjacent to the massive sulphide, with jasperoids and zinc mineralisation. The structural trend of bedding and schistosity is northwest to west-northwest, and they generally have a steep dip to the northeast. They are folded by second stage F2 folds which have a moderate dip to the south east.

Two models have been proposed for the origin of the mineralisation: volcanogenic massive sulphide and intrusive-related limestone replacement. A modified version of the replacement model is favoured, in which the source of the mineralisation may have been the tonalite plutons rather than the rhyolite, which is volcanic.

The age of the tonalite plutons (87 Ma to 90 Ma) indicates a probable Coniacian (Late Cretaceous) age for mineralisation.

The massive sulphide deposit at El Yujo is a vertical to steeply-dipping body and strikes east-west. It has a strike length of about 130 m, and extends down-dip for 370 m, and probably to more than 500 m, and is still open at depth. The true width is up to 23 m, with an average of 5.7 m. The deposit is comprised of semi-massive to massive pyrite with chalcopyrite, sphalerite, galena and tennantite in fractures cutting pyrite and between pyrite grains, and partially replacing pyrite, and accompanied by quartz, sericite, barite and minor garnet.

The massive sulphide is oxidised to a depth of 42 m to 63 m, with enhanced gold and silver grades, and no copper or zinc. There is a thin zone of copper enrichment at the top of the sulphide zone.

The sericite schist has zones of low grade gold mineralisation with anomalous silver, copper and zinc for up to 100 m or more away from the massive sulphides. Examples are 137.2 m at 0.13 g/t Au, 28.0 m at 0.42% Zn, and 28.0 m at 0.12% Cu and 0.16% Zn. The calcareous siltstone has zinc mineralisation in the decalcified zone, for example 0.63% Zn over 38.45 m.

At Guazumitas a soil gold anomaly 1,200 m long and 200 m wide occurs in sericite schists and the northern part was drilled. The mineralisation has the same characteristics as that hosted by sericite schists at El Yujo. No massive sulphide mineralisation was encountered and if it formed, it may either be buried and be as yet undiscovered, or have been eroded.

1.3 DRILLING AND SAMPLING

Soil sampling was used to define drill targets. A total of 1,778 soil samples were taken in several programs between 2005 and 2008 over an area of 5.0 km by 1.4 km. A total of 656 rock samples were taken from outcrop, float, pits and trenches. All samples were analysed for gold and multi-elements.
A horizontal loop electromagnetic survey (HLEM) was carried out in 2005 and located at least eight conductors, some of which were drill tested.

Three phases of diamond drilling were carried out in 2006 to 2008 for a total of 8,392.17 m in 47 holes, including 9 holes for 1,208.22 m in the Guazumitas Zone. The holes are described in detail in the report. Core was cut lengthwise and one half sampled for analysis for Au and multi-elements at international, ISO-certified laboratories. Logging, sampling, chain of custody, quality assurance and quality control (QA/QC), sample preparation and analysis were carried out in accordance with best current standard industry practices and are suitable to support resource estimates. The QA/QC data for certified standard reference materials, blanks and core duplicates are within acceptable limits for Au, Ag, Cu and Zn. The author verified all data with the laboratory certificates.

1.4 RESOURCES

Sufficient drilling has been carried out from surface at El Yujo to define the geology and geometry of the massive sulphide deposit, and to estimate a mineral resource in accordance with CIM standards and definitions as required by NI 43-101. Surpac mining software was used for mineral resource modelling.

The mineral resource was geologically modelled with a cut-off grade of 0.5 g/t Au or 0.5% Cu and minimum thickness of 2 m. The resultant model is a single vertical to steeply dipping body with a strike length of 130 m, true average width of 6.3 m (2.0m to 28.0 m), and a depth of 350 m. The oxide zone is 40 m to 65 m thick and has higher gold and silver grades, but low grade copper and zinc.

The mineral resources estimated by Micon at Las Animas occur only in the El Yujo massive sulphide deposit. The resources occur in such a spatial distribution that would render them amendable to extraction using conventional, underground mining methods with a possible small open pit in the oxide zone.

The mineral resource estimates are summarised in Table 1.1. Mineral resources were reported based upon their potential for economic extraction. A specific gravity (SG) of 4.76 was used for sulphides based on the average of 28 core measurements by the displacement method. No SG measurements were made for oxides and a value of 4.0 was used. Blocks with an estimated average grade of at least 1.0 g/t Au or 1.5% Cu were used to define the Las Animas Mineral Resources.

Resource blocks estimated with at least 2 drill intersection within a 60 m radius, based on at least 5 assays were assigned to the Indicated category and remaining resource blocks within the geological model were assigned to the Inferred category. Indicated Mineral Resources are estimated at 1.01 Mt at 2.81 g/t Au and 2.4% Cu and Inferred Mineral Resources at 0.44 Mt at 1.68 g/t Au and 2.56% Cu.

It is Micon's opinion that there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues exist that would adversely affect the mineral resources presented above. However, the mineral resources presented herein are not mineral reserves as they have not been subject to adequate economic studies to demonstrate their economic viability. There are currently no mineral reserves on the Las Animas property.

Table 1.1: Micon Resources for Las Animas Estimated by Micon as of 31st July 2011

Indicated					
Type	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Sulphide	922	2.64	48.16	2.66	2.86
Oxide	89	4.28	61.95	0.15	0.04
Total	1,011	2.81	49.58	2.4	2.57
	Contained Metal				
		Au (000's oz)	Ag (000's oz)	Cu (000's lbs)	Zn (000's lbs)
Total		91	1,605	54,289	58,180
Inferred					
Sulphide	431	1.66	35.99	2.6	4.76
Oxide	8	2.49	80.98	0.35	0.22
Total	439	1.68	36.907	2.558	4.67
	Contained Metal				
		Au (000's oz)	Ag (000's oz)	Cu (000's lbs)	Zn (000's lbs)
Total		24	518	24,790	45,272

1. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
2. There has been insufficient exploration to define the inferred resources as an indicated or measured mineral resource. It is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

1.5 EXPLORATION POTENTIAL

The massive sulphide mineralisation is open at depth at El Yujo and there is potential to add resources at depth.

There is potential for the discovery of additional zones of massive sulphide mineralisation at Las Animas, and for disseminated and veinlet mineralisation of gold, silver, copper and zinc in the sericite schist and sediments. The grades intersected by drilling in sericite schist and sediments so far are sub-economic and no mineral resource has been estimated for the disseminated mineralisation. However the exploration carried out to date has targeted massive sulphide mineralisation rather than the disseminated mineralisation. The hydrothermal alteration and disseminated mineralisation occur over a much greater area than the hanging wall and foot wall of the El Yujo massive sulphide deposit, and there is potential for definition of zones of higher grade disseminated mineralisation, and for additional zones of massive sulphide mineralisation. This will require additional drilling.

1.6 RECOMMENDATIONS

The author recommends that a preliminary economic assessment or scoping study be carried out of the El Yujo massive sulphide deposit to NI 43-101 standards. Additional studies that will be required for the preliminary economic assessment are:

- Metallurgical testwork using coarse rejects of drill core and determination of a process flow sheet;
- Topographic survey; and,
- Environmental and social studies.

The estimated costs are listed in Table 1.2.

Table 1.2: Estimated cost of recommended preliminary economic assessment of El Yujo

Item	US$ (000)
Metallurgical testwork	50
Topographic survey	25
Environmental and social studies	50
Economic evaluation	50
Total	**175**

A second stage, follow up program to the preliminary economic assessment will be to upgrade the El Yujo mineral resource to measured and indicated. Some additional drilling can be carried out from surface, but in order to reach the deeper parts of the deposit and test for additional mineralisation at depth, it is recommended that an adit or decline be constructed and drilling be carried out from underground. An adit or decline would, in addition, provide bulk samples for additional metallurgy and geotechnical data.

Additional drilling is recommended for other massive sulphide deposits and disseminated mineralisation at Guazumitas and other targets.

For future drilling it is recommended that GoldQuest continue to carry out the same sampling, drill hole surveying, sample preparation, assaying, QA/QC, database management and density determination procedures. Additional recommendations for QA/QC are:

- The blank should not follow the certified standard reference material (CSRM). The blank should be put in after a strongly mineralised sample to check for carry-over contamination in sample preparation;
- The CSRM and duplicates should be put in at random (use Excel random number generator); and,
- Carry out check assays and replicate assays at a second certified laboratory.

2.0 INTRODUCTION

2.1 TERMS OF REFERENCE AND PURPOSE OF THE TECHNICAL REPORT

Micon International Co Limited (Micon) was retained by GoldQuest Mining Corporation (GoldQuest), to prepare a mineral resource estimate and Technical Report for the Las Animas Project in the Province of La Vega, Dominican Republic.

The Las Animas project is located in the Province of La Vega, Dominican Republic at coordinates 19° 06’ 45” north, 70° 39’ 46” west, and is 105 km northwest of the capital Santo Domingo.

GoldQuest has four contiguous Licenses of Metallic Exploration Concessions and applications with a total area of 3,049.75 hectares (ha) at Las Animas, held by its wholly owned Dominican subsidiary, INEX Ingenieria y Exploracion, S.A. (INEX). GoldQuest owns 100% of the rights of these. One exploration concession has been granted a license (Loma Oculta of 425.00 ha) and three are under application (Mata Cadillo of 1,393.25, Guazumita of 531.50 ha and La Ceniza of 700.0 ha). The Dominican mining law grants Licenses of Exploration Concessions for a period of three years with two, one-year extensions allowed.

This Technical Report was prepared on behalf of GoldQuest and provides a comprehensive review of exploration activities on the Las Animas licence.

Micon’s terms of reference for the Mineral Resource Estimate are as follows:

- Review the drilling data, the geology and mineralisation model, and the QA/QC results;
- Produce a block model based on the drilling and structural data;
- Use the three-dimensional model to generate an initial NI 43-101 compliant resource estimate and a mineral resource classification; and,
- Highlight areas needing further drilling that can assist in delineating potential new resources.

The report has been prepared in accordance with the requirements of National Instrument 43-101 and Form 43-101F1 for providing documentation for written disclosures, and is intended to be read in its entirety. The mineral resource estimate was undertaken in accordance with the ‘Guidelines for Mineral Resource Estimation’, adopted by the Canadian Institute of Mining, Metallurgy, and Petroleum Resources (CIM), and reported in compliance with the Canadian Securities Administrators’ NI 43-101 standard.

2.2 QUALIFICATIONS OF THE CONSULTANTS

2.2.1 General

This report has been prepared by Micon from its UK office in Norwich.

Mr. Jonathan Steedman, M.Sc., MAusIMM (CP)., and Mr. Richard Gowans P.Eng of Micon, by reason of education, experience and professional registration, fulfil the requirements of an independent Qualified Person (QP) as defined in NI 43-101, visited the Las Animas property on 4th July 2011. During this visit and in subsequent discussion with GoldQuest, information on the nature of the deposit, the project location and its characteristics was verified. Mr. Steedman has over 10 years of experience in mineral resource exploration and estimation. Mr Gowans has worked as an extractive metallurgist in the minerals industry for over 30 years.

2.2.2 Micon Qualifications

Micon is an independent firm of geologists, mining engineers, metallurgists and environmental consultants, all of who have extensive experience in the mining industry. The firm operates from integrated offices in Norwich, United Kingdom and Toronto and Vancouver, Canada.

Micon offers a broad range of consulting services to clients involved in the mineral industry. The firm maintains a substantial practice in the geological assessment of prospective properties, the independent estimation of resources and reserves, the compilation and review of feasibility studies, the economic evaluation of mineral properties, due diligence reviews, and the monitoring of mineral projects on behalf of financing agencies.

Micon's practice is worldwide and covers all of the precious and base metals, the energy minerals (coal and uranium) and a wide variety of industrial minerals. The firm's clients include major mining companies, most of the major United Kingdom and Canadian banks and investment houses, and a large number of financial institutions in other parts of the world.

The principal consultant responsible for the review of GoldQuest's assets and preparation of the Technical Report, who is listed below, has extensive experience in the mining industry and has appropriate professional qualifications:

Jonathan Steedman., M.Sc., MAusIMM (CP)., Senior Economic Geologist in Micon's UK office;

Richard M. Gowans., P.Eng., President and Principal Metallurgist in Micon's Toronto office;

Micon is internally owned and is entirely independent of GoldQuest and its subsidiaries. Micon has not had any prior involvement with GoldQuest and its subsidiaries. The personnel responsible for the review and opinions expressed in the Technical Report are Micon full-time employees. For its services in preparing the Technical Report, Micon is receiving payment from GoldQuest based on time and expenses and will not receive any capital stock from GoldQuestor or its subsidiaries.

2.3 UNITS OF MEASURE

A list of the abbreviations used in the report is provided in Table 2.1. All currency units are stated in US dollars, unless otherwise specified. Quantities are generally expressed in the metric International System (SI) of units, including metric tonnes (t), kilograms (kg) and grams (g) for weight; kilometres (km) and metres (m) for distance; hectares (ha) for area; grams per metric tonne (g/t) for gold and silver grades, and percent (%) for copper and zinc grades. Metal grades may also be reported in parts per billion (ppb) or parts per million (ppm). Precious metal quantities may also be reported in Troy ounces (ounces, oz).

Table 2.1: List of Abbreviations

Description	Abbreviation
Acme Analytical Laboratories Ltd	Acme
Adobe Acrobat file	PDF
Anno Domini – years after Christ	AD
ALS Chemex Ltd	ALS Chemex
Alternative Investment Market, London Stock Exchange	AIM
Atomic absorption spectrometry	AAS
Years before Christ	BC
British Virgin Islands	BVI
Canadian Institute of Mining, Metallurgy and Petroleum	CIM
Canadian National Instrument 43-101	NI 43-101
Centimetre(s)	cm
Certified standard reference materials	CSRM
Continental USA datum	Conus
Cubic metres per second	m^3/s
Degree(s)	°
Degrees Celsius	°C
Departure point (punto de partida)	PP
Dirección General de Minería (General Mining Directorate)	DGM
Dollar (US)	US$
Dominican peso	RD$
Dominican Republic	DR
Electromagnetic	EM
Epithermal low sulphidation	LS
Epithermal intermediate sulphidation	IS
Epithermal high sulphidation	HS
Exploration & Discovery Latin America (Panama) Inc.	EDLA
Global positioning system	GPS
Gold Fields Limited	Gold Fields
GoldQuest Mining Corp.	GoldQuest
Gram(s)	g
Grams per metric tonne	g/t
Greater than	>
Less than	<
Hectare(s)	ha

Description	Abbreviation
Hours	h
Inductively coupled plasma	ICP
Inductively coupled plasma atomic emission spectrometer	ICP-AES or ICP-ES
Inductively coupled plasma mass spectroscopy	ICP-MS
INEX Ingenieria y Exploracion, S.R.L.	INEX
Instituto Cartográfico Militar (Military Cartographic Institute)	ICM
International Organisation for Standardisation	ISO
Kilogram(s)	kg
Kilometre(s)	km
Letter of Intent	LOI
Megawatts	MW
Metre(s)	m
Millimetres	mm
Microns	µm
Million metric tonnes	Mt
Millions of ounces (Troy)	Moz
Million years	Ma
MinMet plc	MinMet
Minutes	‘
Net Profits Interest	NPI
Net Smelter Return	NSR
North American Datum 1927	NAD 27
Number	n
Ounces (Troy)	oz
Parts per billion	ppb
Parts per million	ppm
Percent (age)	%
Plus or minus	±
Quality Assurance / Quality Control	QA/QC
Quality Control	QC
Reference point (punto de referencia)	PR
Rock quality designation	RQD
Seconds	“
Sociedad Anonima (Public Limited Company)	SA
Sociedad de Responsibilidad Limitada (Limited Liability Company)	SRL
Specific gravity	SG
Standard deviation	SD
Tonne (metric)	t
Tonnes per day	tpd
Toronto Stock Exchange	TSX
TSX Venture Exchange	TSXV
Universal Transverse Mercator	UTM
Visual points	V
X-ray fluorescence	XRF

3.0 RELIANCE ON OTHER EXPERTS

In the preparation of this report, the author has relied upon public and private information provided by GoldQuest regarding the project. It is assumed and believed that the information provided and relied upon for preparation of this report is accurate and that interpretations and opinions expressed in them are reasonable. The author has relied on Mr. Julio Espaillat (CEO, Director) and Mr. Felix Mercedes (General Manager) of GoldQuest to provide necessary information during the geology review, mineral resource estimation work and preparation of this report.

This Technical Report is not intended to be a guarantee of mineral title, nor is it intended to be a thorough description of past, existing, or future option, sale, or title agreements, nor is it intended to include a thorough description of possible liabilities, environmental or otherwise, of assessment, access, land claims, and exploration requirements and programmes completed, planned, or contemplated. Micon offers no opinion as to the validity of the mineral title claimed.

The authors were not involved in any exploration work on the Las Animas property; therefore, this report has made extensive reference to the work and reports undertaken by other qualified geologists and field personnel. Their work has been referenced whenever possible.

This report and the mineral resource estimate contained herein are based upon exploration information and drilling and assay data collected, compiled, validated, and documented by GoldQuest. The authors consider the current drilling database of adequate quality for the current mineral resource study.

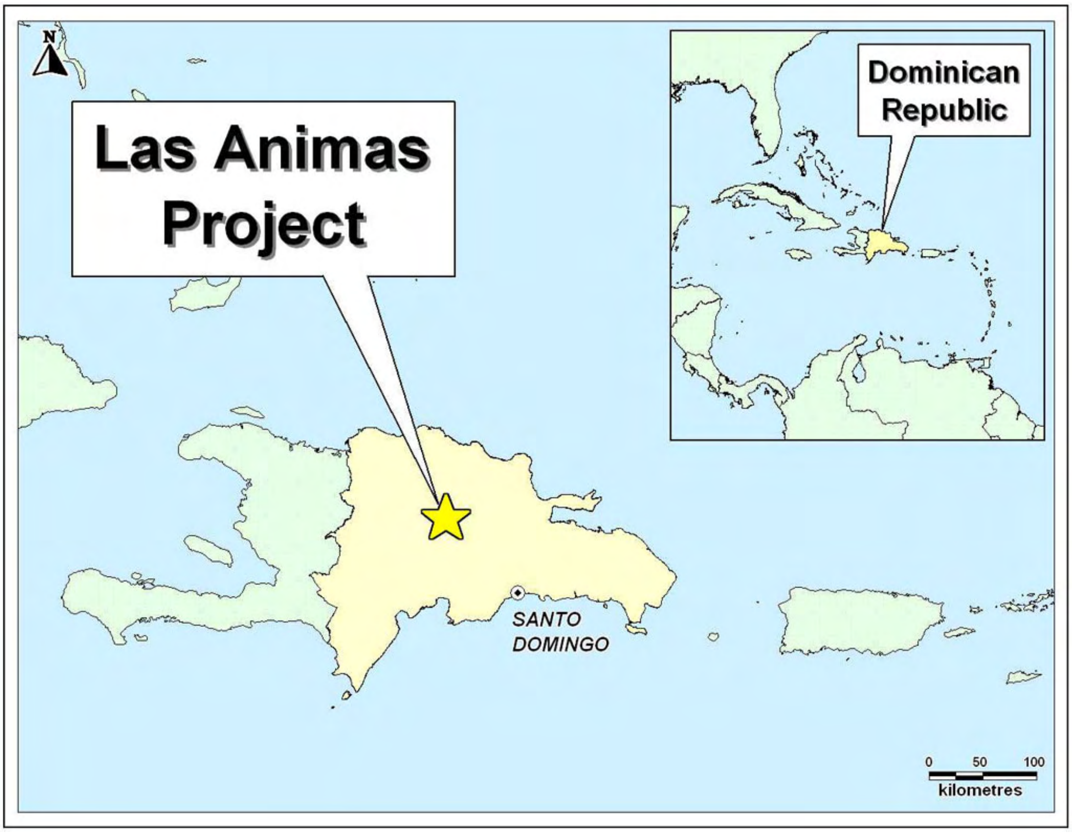
The sources of information are listed in Section 22.0 of this report. Information obtained from discussions with other persons is acknowledged where it appears in the report. Information not specifically attributed to another source is based upon the principal author's own observations or general knowledge acquired during his property visit and professional experience.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 PROPERTY LOCATION

The Las Animas project is located in the Province of La Vega, Dominican Republic and is 105 km northwest of the capital Santo Domingo (Figure 4.1). The geographical coordinates of the El Yujo deposit, located in the Las Animas project, are 19° 06’ 45” north, 70° 39’ 46” west, and the UTM coordinates are 324,518 east, 2,117,691 north (North American Datum 1927 (NAD 27) Conus (Continental USA), Zone 19).

Figure 4.1: Location Map of Las Animas, Dominican Republic



(Map supplied by GoldQuest)

4.2 PROPERTY DESCRIPTION

GoldQuest holds its interest in the Las Animas project through its wholly owned Dominican subsidiary, INEX Ingenieria y Exploracion, S. A. (INEX), a limited liability company set up under the laws of the Dominican Republic. The Las Animas exploration licenses are listed in Table 4.1 and are shown on a map in Figure 4.2. GoldQuest has four contiguous exploration concessions and applications with a total area of 3,049.75 hectares (ha). One of these exploration concessions has been granted title and three others are under application. GoldQuest owns 100% of the rights to these four concessions and applications.

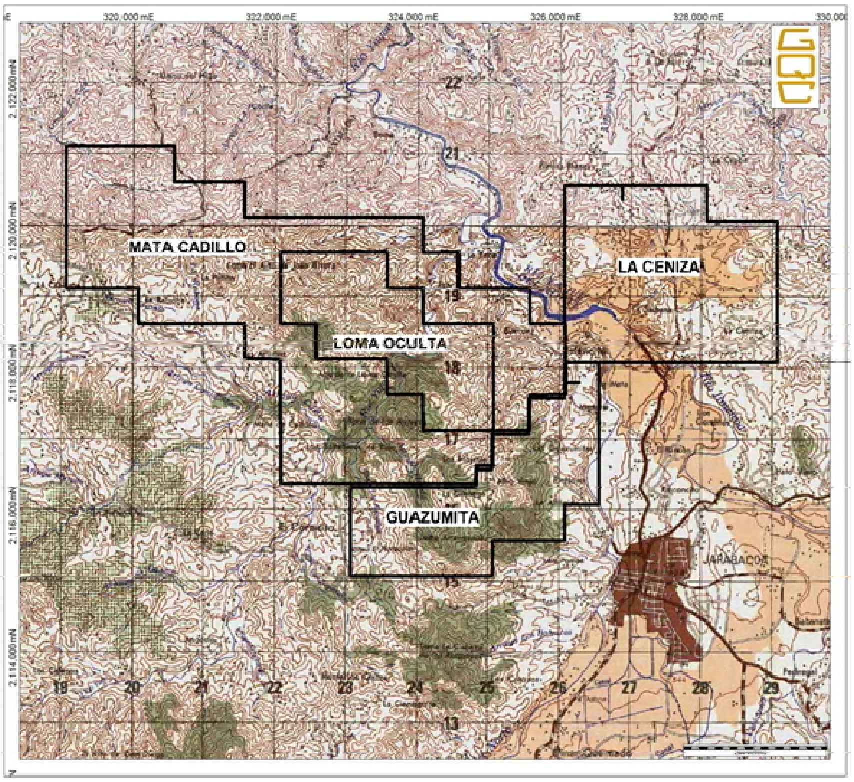
The Loma Oculta exploration concession, with an area of 425.0 ha, was granted on February 28, 2011. It replaced the previous Las Animas exploration concession that expired on March 4, 2010. It is valid for five years until February 28, 2016. The Mata Cadillo application, with an area of 1,393.25 ha, was introduced to replace the Las Animas II exploration concession which expired on May 28, 2012. The Guazumita (531.50 ha) and La Ceniza (700.0 ha) applications were made on 30 May 2008, but had not yet been granted.

Table 4.1: The Las Animas Exploration Concessions

Name	Area (hectares)	Date of Application	Publication of Title Date	Title Date	Resolution Number	Expiry Date
Loma Oculta	425.00	8 February 2012	28 February 2011	28 February 2011	II-05	18 February 2016
Mata Cadillo	1,393.25	21 May 2012				
Guazumita	531.50	30 May 2008				
La Ceniza	700.00	30 May 2008				

(Table supplied by GoldQuest)

Figure 4.2: Map of Las Animas Exploration Concessions



(Map supplied by GoldQuest, Grid is UTM NAD27 Conus)

4.3 DOMINICAN MINING LAW

Mining in the Dominican Republic is governed by the General Mining Law No. 146 of 4 June 1971, and Regulation No. 207-98 of 3 June 1998. The mining authority is the General Mining Directorate (Dirección General de Minería - DGM) which is part of the Secretary of State of Industry and Commerce.

The properties are simply known and recorded in their respective property name under a License of Metallic Exploration Concession. Title is valid for three years. Two separate one-year extensions are allowed. After five years the concessions may be reapplied for giving the concessions a further three to five years. Concession taxes are 20 Dominican centavos (RD$ 0.20) per hectare per six-month period for concessions between 1,000 and 5,000 hectares in size, equivalent to US$0.01 per hectare per year (at the current exchange rate of RD$39.50 to US$1.00). The taxes are paid every six months during the first weeks of January and June. Due to the small amounts involved, the full yearly amount is paid at the start of the year. The annual amount for each concession ranges between US$4.00 and US$22.00 (based on the current exchange rate). Every six months a full report has to be submitted to the Department of Mines summarising work completed during the previous six months, work plans and budget for the next six months, and any geochemical data. There is no specified level of work commitment per concession.

The concessions have not been surveyed, however the claim owner, INEX, has erected a reference monument centrally within the property as required in the claim staking process and this is surveyed by the Mines Department. A detailed description of the procedure follows:

- The claim system in place revolves around one principal survey point PP (Punto de Partida or Departure Point), as opposed to staking all corner points with a physical stake as would be done in Canada;
- Three types of sample points that need to be calculated, a Punto de Partida (PP), a Punto de Referencia (Reference Point, PR) and three visually recognisable points (Visuales or Visuals, V1, V2 and V3);
- The PP point is a visual point from which the proposed claim boundary point can be clearly seen by line of sight. The PP point is usually a topographic high with a distance to the proposed claim boundary greater than 100 m;
- From the PP point a second point the “Punto de Referencia” (PR) is selected. The PR point is usually another topographic high or a distinctive topographic feature such as river confluence or a road / trail junction. The bearing and distance between the PP and PR points are calculated and tabulated;
- From the PR point three separate visually identifiable points V1, V2 and V3 are selected, usually distinctive topographic feature such as confluences of rivers or road / trail junctions. The bearing and distances between the PR point and three visual points V1 , V2 and V3 are calculated and tabulated;
- From the PP point the distance to the proposed claim boundary a north-south or east-west line (no less than 100 m) is calculated. From the point at which this line intersects the claim boundary the corner points of the claim area are calculated. The corner points (Puntos de conneccion) are defined by north-south or east-west lines from the point at which the line intersects the boundary and then from each other until the boundary is completed. There is no limit to the number of points that can be used and no minimum size of claim; and,
- A government surveyor is sent out to review all survey points in the field after legal and fiscal verification of the claim application by the mines department.

The Exploration Concession grants its holder the right to carry out activities above or below the earth’s surface in order to define the areas containing mineral deposits by using any technical and scientific methods. For such purposes the holder may construct buildings, install machinery, communication lines and any other equipment that his research requires. No additional permitting is required until the drilling stage, which requires an environmental permit.

An Exploitation Concession may be requested at any time during the exploration stage, and grants the right to prepare and extract all mineral substances found in the area, allowing the beneficiary to exploit, smelt and use for any business purpose the extracted materials. This type of concession is granted for a period of 75 years.

Exploitation properties in the Dominican Republic are subject to annual surface fees and a net smelter return royalty (NSR) of 5%. A 5% net profits interest (NPI) is also payable to the municipality in which mining occurs as an environmental consideration. The value added tax is 12%. The NSR is deductible from income tax and is assessed on concentrates, but not smelted or refined product. Income Tax payable is a minimum of 1.5% of annual gross proceeds (Pellerano and Herrera, 2001).

4.4 ENVIRONMENTAL REGULATIONS

The environment is governed by the General Law of the Environment and Natural Resources No. 64-00 of 18 August, 2000. The environmental authority is Vice Ministry of Environmental Affairs of the Ministry of the Environment and Natural Resources.

An environmental permit is required for trenching and drilling. The main steps in the procedure to obtain this are as follows:

1. Complete the Prior Analysis Form with the project data including name of the project, name of the company, location on a 1:50,000 scale map, and name of the legal representative;
2. Description of the planned work including type of equipment to be used, size of the drill platforms, amount of water that will be required, environmental management plans for fuel, oil and grease, and recirculation of water;
3. Authorisation of the land owners with copy of property title;
4. Pay a tax of RD$5,000.00 (about US$126.50);
5. Copy of the Resolution of the Exploration License title; and,
6. UTM coordinates of the vertices of the Exploration Concession.

INEX obtained the required permits for the different phases of trenching and drilling.

GoldQuest has also carried out a hydrological and hydrochemical baseline survey (Water Management Consultants, 2008).

INEX carried out trenching by hand-digging. The trenches were back filled and re-vegetated. The company used man-portable drill rigs for all three drilling phases. No access roads were made. The rigs were moved using existing roads, and then by hand on footpaths to the drill sites. Drill platforms were cut by hand where necessary, and were back filled and re-vegetated after drilling was finished. Sumps were dug by hand to allow settling of rock cuttings and drill mud from returned drill water, and were subsequently filled in and re-vegetated.

Exploration and mining by the previous operators (see section 6 - History) in the 1970s and 1980s has left several drill access roads and drill platforms, a small open pit mine, waste rock dumps over two steep valley slopes on the edges of the open pit, and foundations of small buildings. With the exception of the open pit, these are overgrown by trees and scrub. The mining was within the oxide zone and no sulphides were exposed or sulphide-bearing waste rock dumped.

There are no known archaeological sites in the area. An archaeological survey has not been carried out.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

Access to the Las Animas Project is from Santo Domingo to Jarabacoa by paved highway, a distance of 146 km which takes 2 hours, 15 minutes. From Jarabacoa to El Yujo it is a 5 km drive on a road which is surfaced for the first 3 km.

Table 5.1: Access to the Las Animas Project from Santo Domingo.

Route	Route number	Road type	km
Santo Domingo to La Vega	Duarte Highway (Highway 1)	4-lane asphalt	125
La Vega to Jarabacoa	Route 28	2 lane asphalt	21
Jarabacoa to El Yujo	Minor road	Asphalt 3 km then dirt	5

An alternative access is from Santiago de los Caballeros which is 37 km due north and 51 km by road (40 minutes drive).

Table 5.2: Access to the Las Animas Project from Santiago

Route	Route number	Road type	km
Santiago Airport to La Vega	Duarte Highway (Highway 1)	4-lane asphalt	30
La Vega to Jarabacoa	Route 28	2 lane asphalt	21
Jarabacoa to El Yujo	Minor road	Asphalt 3 km then dirt	5

The nearest international airport is at Santiago de los Caballeros. The principal international airport in the country is the Airport of the Americas on the east side of Santo Domingo, about a three hour drive from Jarabacoa.

5.2 CLIMATE

The mean annual temperature in Jarabacoa is 22.2°C with a mean annual high of 27.8°C and a mean annual low of 16.7°C. The hottest month is July with a mean monthly high of 29.8°C, and the coolest month is January with a mean low of 14.5°C. The average annual rainfall is 1,435 mm. Rain falls all year with the wettest months being April-May and October to December (data from www.climate-charts.com, average data for 1961 to 1990). The weather is dominated by north east trade winds from the Atlantic.

5.3 LOCAL RESOURCES AND INFRASTRUCTURE

The Las Animas Project is 5 km from the town of Jarabacoa with a population of 77,780 (2008 estimate). Jarabacoa was used as a base for the exploration of the project and GoldQuest rents a house there for use as a field camp and office, and another house for core logging, core cutting and core storage. There are some villages in the River Yaque del Norte valley on the east side of the Project, and some farms on the project. Local water sources are considered to be adequate for a small mine operation. The nearest source of electricity is Jarabacoa and nearby villages.

5.4 PHYSIOGRAPHY

The Las Animas Project is located in the Central Cordillera mountain belt of the Dominican Republic. The project is located on a northwest-trending ridge at 450 to 812 m altitude, bounded on the east by a north-north-east-trending fault scarp with the Jarabacoa valley at 525 m altitude (Figure 2). The topography is steep and incised. The vegetation is wooded in the higher parts, with clearings for agriculture and grazing at lower elevations. Land use is mainly cattle ranching.

The project lies in the upper part of the River Yaque del Norte basin. The Las Animas ridge is cut by the northeast-trending River Yujo which drains into the Yaque del Norte River (Figure 4.2). This flows north-west along the outer side of the Mata Cadillo concession application, then north to Santiago in the Cibao Valley, then west-north-west to the Atlantic Ocean in Monte Cristi Bay, in the north west corner of the country. GoldQuest has carried out a hydrological and hydrochemical baseline survey (Water Management Consultants, 2008).

6.0 HISTORY

The Las Animas project was rediscovered by INEX in 2004 by a regional stream sediment geochemical exploration program (MacDonald, 2004). Fine fraction stream sediment samples gave highly anomalous gold values up to 190 ppb, and gossan float returned up to 24.3 g/t gold. Follow up led to the discovery of old mine workings at El Yujo, where outcropping gossan gave average grades of 6.13 g/t Au and 62.2 g/t Ag over 16.0 m, and 11.85 g/t Au and 18.6 g/t Ag over 6.45 m. The existence of the mine was previously unknown to INEX and following the discovery, the history was researched by Redwood (2005).

Silver mining was carried out in the Jarabacoa area in the Spanish colonial period in the 16th and 17th centuries. In 1694 Don Juan Nieto Valcarcel, sent by the King of Spain to inspect the mines of the colony, visited an old mine in Jarabacoa from which he stated that a large quantity of silver had been extracted, and had been abandoned after it collapsed (Nieto Valcarcel, 1694). This is likely to have been the El Yujo mine. There is an old adit portal beneath the west end of the El Yujo pit and several drill holes entered voids, interpreted to be old mine adits, at altitudes of about 630 m (LA-08) and 590 m (LA-06, LA-19 and LA-20). These old workings exploited the silver- and gold-rich gossan above the massive sulphide body.

In the 1960's the Mitsubishi Metal Mining Company of Japan was granted the "Los Yujos" exploration concession as part of a regional exploration program for copper of the Central Cordillera, but there is no record of the results from this area (Claure, 1981).

In 1973 the Dominican government contracted the Spanish government-owned minerals exploration company "Empresa Nacional Adaro de Investigaciones Mineras S.A." (ENADIMSA, also referred to as ADARO in the Dominican Republic) to carry out exploration of the "El Yujo" concession of 4,900 ha. ENADIMSA carried out exploration between 1973 to 1980 which included stream sediment sampling for copper, zinc and gold; ground geophysics (type not specified); geological mapping; drilled 15 diamond holes for 2,000 m in 1976 (SC and SO series holes); and carried out a "pre-feasibility" study. The results of hole SO-4 were published with 29.6 m grading 8.88% Cu, 1.29% Zn, 55.82 g/t Ag and 2.07 g/t Au (Claure, 1981; Lewis and Jimenez, 1991, Fig. 2). No other results are available, nor is there any record of whether a mineral resource or mineral reserve estimate was made.

Sociedad Anonima Hullera Vasco-Leonesa (HVL), a Spanish coal mining company, carried out exploration and small scale mining at El Yujo between 1979 and 1987 in a 50:50 partnership with the Dominican Government, held through equal holdings in the company Minera Dominicana El Yujo S.A. (MDEYSA). HVL may also have been involved in the earlier exploration with ENADIMSA. El Yujo was part of the Jayaco Fiscal Mineral Reserve from 19 March 1983 to 7 January 1987. HVL carried out a geophysical survey and drilled four diamond holes in 1985-86 (HY-series holes), but no results are available. They produced a final report in May 1987.

Lewis and Jimenez (1991) described the geology of the El Yujo area based on the HVL work, and incorporated a drill section and the 1:20,000 scale HVL geological map into their regional geological compilation that formed the basis for their model of the origin of the Duarte Complex.

Peñarroya S.A., a Spanish lead-zinc mining company, also carried out diamond drilling at El Yujo in the 1970s or 1980s, but no more details are known (Peñarroya Hole No. 1 is shown on Figure 4.2 of Lewis and Jimenez, 1991). They may have been associated with HVL.

Gossan ore was mined in a small open pit at El Yujo at some time during this period, said to have been in 1986-87, and the ore was trucked to the Pueblo Viejo mine, then operated by government-owned Rosario Dominicana S.A. (Rosario Dominicana), for extraction of gold and silver in the oxide cyanide vat leach plant. The amount of ore mined is estimated to be 10,000 to 20,000 tonnes of unknown grade. It is presumed that mining was carried out by MDEYSA and that the ore was either sold to Rosario Dominicana, or treated on a toll basis. Rosario Dominicana may have details of the ore treated in their archives, but no reply was received to an enquiry. The El Yujo exploitation licence expired on 26 September, 1989 and no further work was carried out by HVL.

The open pit, waste rock dumps and foundations of small buildings are still visible in the field, as well as extensive drill roads and drill platforms constructed during the 1970's and 1980s by ENADIMSA, HVL, MDEYSA, Peñarroya and possibly others.

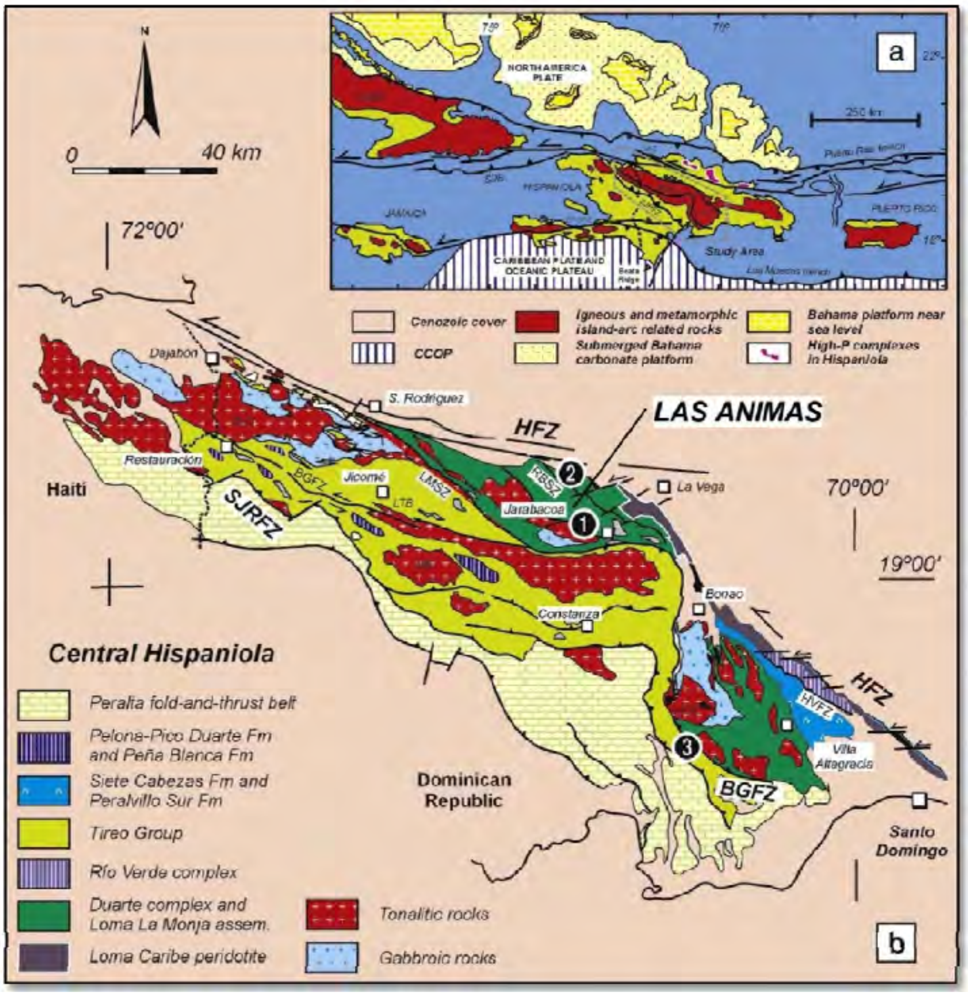
GoldQuest was not able to locate the reports or drill core of ENADIMSA, HVL, MDEYSA or Peñarroya, despite considerable effort. The core appears to be lost. The reports appear to have been lost from the General Mining Directorate library in Santo Domingo, although several are listed in the index. GoldQuest located and contacted HVL in Spain and ascertained that it does have copies of some reports in its archive, but could not reach a financial agreement to obtain copies.

7.0 GEOLOGICAL SETTING AND MINERALISATION

7.1 REGIONAL GEOLOGY

Las Animas is located in the Jarabacoa block in the Central Cordillera of the island of Hispaniola which is a composite of oceanic-derived accreted terrains bounded by left-lateral strike slip fault zones, and is part of the Early Cretaceous to Paleogene Greater Antilles island arc (Figure 7.1). Hispaniola is located on the northern margin of the Caribbean plate which is a left-lateral transform plate boundary. The tectonic collage is the result of west south west to south west directed oblique convergence of the continental margin of the North American plate with the Greater Antilles island arc, which began in the Eocene to Early Miocene and continues today (Escuder Viruete et al., 2008).

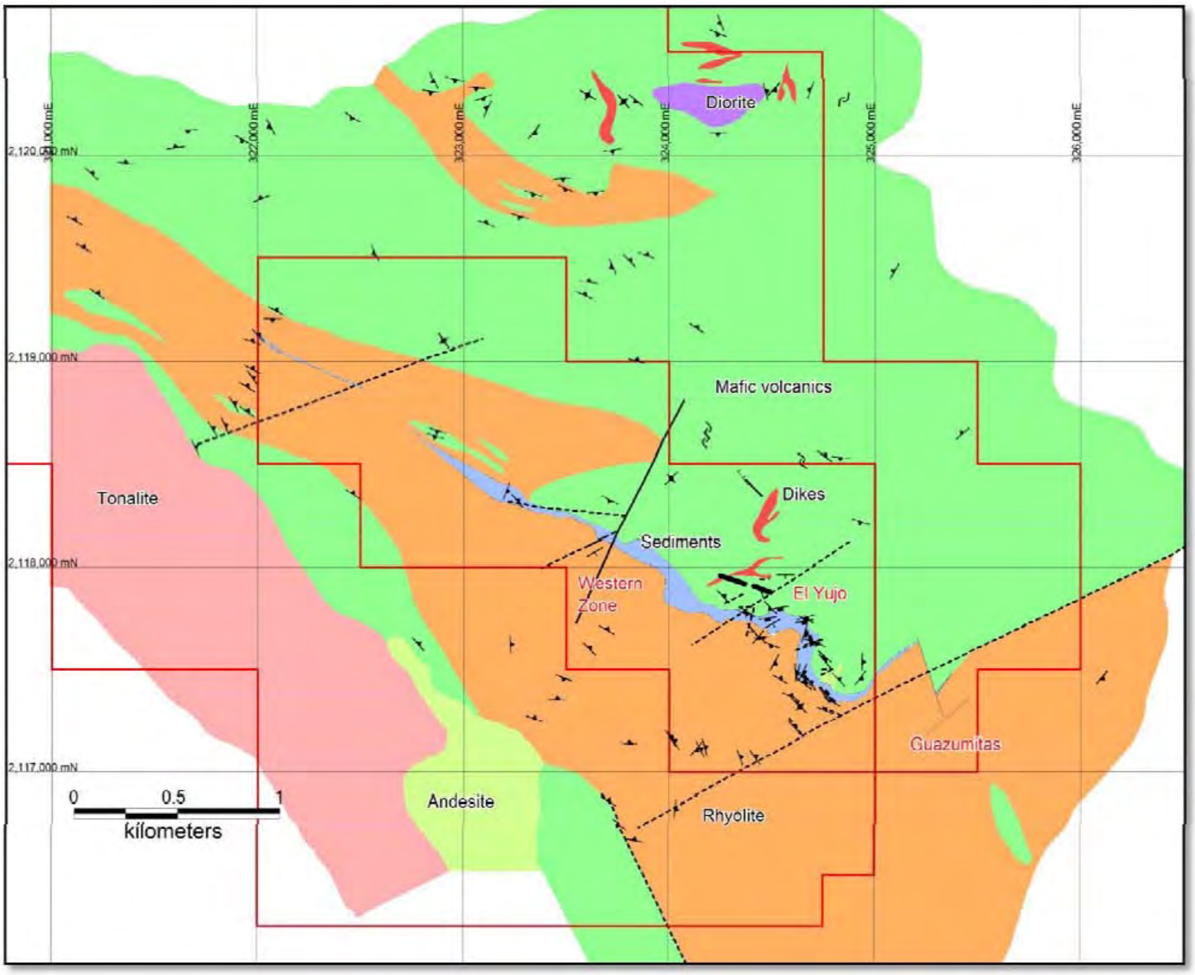
Figure 7.1: (a) Plate tectonic setting of Hispaniola (b) Regional geology map of the Central Cordillera of Hispaniola



(Map from Escuder Viruete et al., 2008, Fig, 1)

Las Animas is related to northwest-striking felsic volcanic rocks approximately 5 km long and up to 3 km wide, within a predominantly mafic volcanic sequence (Figure 7.2). A northwest elongated tonalite pluton occurs 200 m to 750 m south west of the rhyolite. The district geology is described in a field guide by Escuder Viruete and Lewis (2008).

Figure 7.2: Geological map of Las Animas



(Geological mapping by GoldQuest)

The Las Animas rocks were previously assigned to the El Yujo Sub-complex of the Duarte Complex and interpreted as an emergent sea mount (Lewis and Jimenez, 1991). New work by Escuder Viruete et al (2008) correlates the Las Animas sequence with the Restauración Formation, part of the Upper Tireo Group of Late Cretaceous age. This lies unconformably on basement of the Duarte Complex, a 3 km-thick sequence of picrites and high-magnesium basalts of Lower Cretaceous (Albian?) age (>96 Ma), chemically related to plume-generated ocean plateau magmas, and the Loma La Monja volcano-plutonic assemblage, a fragment of Late Jurassic proto-Caribbean oceanic crust. The Lower Tireo Group is absent in the Jarabacoa block indicating a hiatus of non-deposition or erosion.

The Restauración Formation in the Jarabacoa block comprises adakites (high-aluminum dacite to rhyolite), high-magnesian andesites, and niobium-enriched basalts of Late Cretaceous (Turonian to Lower Campanian) age (Escuder Viruete et al., 2007). The rhyolite at El Yujo, termed the El Yujo Basal Member, has been dated at 89.1 Ma ± 0.9 Ma (Turonian-Coniacian, U-Pb on zircon; Escuder Viruete et al., 2004 in Escuder Viruete et al, 2008). These were intruded by syn-kinematic hornblende-bearing tonalites dated at 87.9 Ma ± 1 Ma (Coniacian, U-Pb on zircon; Joubert et al., 2004 in Escuder Viruete et al., 2008). The geochemistry of the arc volcanism is interpreted to indicate formation at the onset of arc-rifting and extension to form a back-arc basin related to a south west-dipping subduction zone (Escuder Viruete et al., 2008).

7.2 PROJECT GEOLOGY

The project geology comprises rhyolites, often altered to sericite schist, overlain by calcareous siltstones and mafic volcanic rocks (Figure 7.2). Massive sulphide mineralisation occurs at the contact between the rhyolites and the calcareous siltstones at El Yujo. Disseminated gold mineralisation occurs in sericite schists at El Yujo, the Western Zone, Guazumitas and other areas.

The rhyolite forms a northwest-trending body about 1,000 m wide at Las Animas, narrowing to the northwest. The sediment horizon occurs on the northeast side and has been mapped for a 3.5 km strike length, with a width of 40 m to 90 m. Mafic volcanic rocks occur to the northeast and southwest of the rhyolite.

The rhyolites have phenocrysts of quartz and plagioclase and textures vary from cohesive, with flow banding, to volcaniclastic, often with hyaloclastite texture. They are interpreted to be lavas and/or domes with hyaloclastite breccias and sandstones, indicating extrusion and brecciation by chilling in a subaqueous environment. The sericite schists are altered and deformed rhyolite and predominate over unaltered and undeformed rhyolite. The schistose texture develops progressively as the amount of sericite increases, and there is a transition between rhyolite and sericite schist. The two names were used as descriptive lithological terms in mapping and core logging. Hydrothermal sericite alteration greatly lowers the competency of rhyolite resulting in development of schistosity in response to regional tectonics, and partial, to complete, destruction of the volcanic texture. Textural variations reflect different volcanic and volcaniclastic units. The sericite schists are pale green to white with quartz phenocrysts and sericite pseudomorphs of plagioclase and biotite, and a strong schistose foliation with open to tight, second-stage folding (F2). The schists contain pyrite in disseminations and in stringers parallel to, and oblique to the foliation. In places they also contain veinlets of massive to breccia textured sulphides.

The sediments are dark grey to black, well bedded to laminated, calcareous siltstones. In places they have black shaley to graphitic partings. They commonly have beds of sedimentary breccia with elongate, flat siltstone rip-up clasts, and beds of volcaniclastic sandstone to conglomerate in a calcareous siltstone matrix.

Mafic volcanic rocks are mapped to overlie the sediments but were not intersected in any drill holes. These are described as andesites, basaltic andesites and chlorite schists. They are cut by granodiorite dikes and sills.

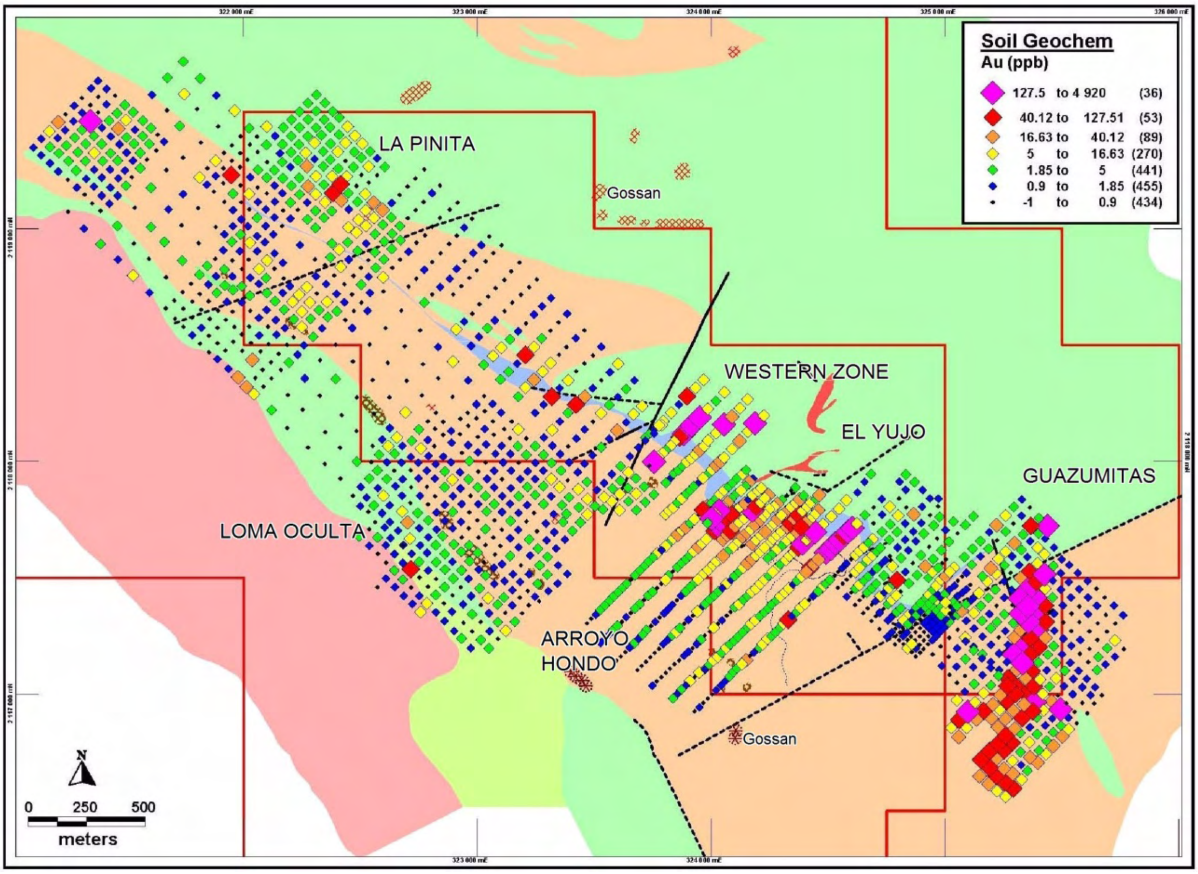
Massive sulphide mineralisation occurs at the contact between sericite schist and calcareous siltstone at El Yujo. This contact was the target of exploration. The sericite schist has a progressive increase in pyrite up to greater than 20% for 10 m or more adjacent to the massive sulphide. The calcareous siltstone is decalcified and bleached for several metres away from the massive sulphide contact to a white siltstone, which can have sericite alteration. This changes to a dark grey, decalcified siltstone which may have zones of black, fine grained cherty silicification (jasperoids). Decalcification extends for up to 25 m from the massive sulphide. Weathering also decalcifies the calcareous siltstone.

The structural trend of outcrop, bedding and schistosity is northwest to west-northwest. Schistosity generally has a steep dip to the northeast. It is folded by second stage F2 folds. These plunge moderately (15° to 40°) to the southeast. Locally an axial planar S2 cleavage is developed in the El Yujo area with average strike 040° and dip 45° east. Both S- and Z-shaped folds occur at core, outcrop and map scales with amplitudes up to tens of metres. Fold closures are typically open to tight within massive sulphides and barite, and gentle to close in the sediments (Kerr, 2007b). Fold shape and attitude is most variable in the sericite schists. Later northeast trending faults cut the area.

7.3 MINERALISATION

Massive sulphide mineralisation occurs at the contact between rhyolites and calcareous siltstones at El Yujo. Disseminated gold and base metal mineralisation occurs in sericite schists at El Yujo, the Western Zone, Guazumitas and other parts of the Las Animas concessions. Figure 7.3 shows the distribution of mineralisation as shown by soil gold geochemistry (described in Section 9.3).

Figure 7.3: Soil Geochemistry for Gold at Las Animas showing the Mineralised Zones.



(Figure supplied by GoldQuest; for geology legend see Fig. 7.2)

7.3.1 El Yujo

The massive sulphide at El Yujo is a vertical to steeply dipping body with approximate east-west strike and variable dip and dip direction. It has a strike length of about 130 m, and extends for 370 m, and probably to more than 500 m, down dip, and is still open at depth. The true width is up to 23 m, with an average of 6.3 m.

The massive sulphide mineralisation comprises massive to semi-massive pyrite with chalcopyrite and pale brown sphalerite in a matrix of barite or sericite. There is also a minor grey sulphide in blebs, probably an arsenic sulphosalt of the tennantite-tetrahedrite series. Bornite occurs as late stage replacement on grain edges and fractures. The sulphides are fine to medium grained with a granular texture and are interstitial to barite. Narrow barite veinlets may cut the massive sulphides. The sulphide texture is generally massive but may show bedded or breccia textures. In the VMS model these textures are interpreted to be primary sedimentary bedding from sea-floor deposition of sulphides and barite, and the massive or non-bedded sulphides to have formed by sub-sea floor replacement of volcanic rocks (Kerr, 2007a, b). However these way-up indicators are at variance with the stratigraphy in certain holes. In the replacement model, these textures are pseudomorphs of original sedimentary textures replaced by sulphides.

Petrographic study of five samples from drill hole LA-26 (Tidy, 2008) show the dominant sulphide to be pyrite which occurs as compact masses of anhedral grains of 0.03 mm to 0.2 mm with some larger subhedral to euhedral crystals up to 5 mm across, with extensive fragmentation and comminution on shears. Most pyrite grains have abundant bleb-like inclusions of chalcopyrite, digenite, bornite, sphalerite, galena and rare tennantite of 2µm to 40 µm size. Chalcopyrite, sphalerite, galena and tennantite occur with quartz, muscovite and, in one sample garnet, between pyrite grains and in fractures in pyrite. The sphalerite has a low iron content. One sample has brecciated massive sulphides cemented by minor quartz. This preliminary study indicates a three stage paragenesis:

1. Massive pyrite with inclusions of chalcopyrite, digenite, bornite, sphalerite, galena and rare tennantite;
2. Shearing and fracturing of massive pyrite, with chalcopyrite, sphalerite, galena and tennantite in fractures cutting pyrite and between pyrite grains, and partially replacing pyrite, and accompanied by quartz, sericite and garnet; and,
3. Brecciation with cement of minor quartz.

Disseminated mineralisation occurs in the host rocks adjacent to the massive sulphides at El Yujo. The sericite schist has zones of low grade gold mineralisation with anomalous Ag, Zn and Cu for up to 100 m or more away from the massive sulphides. Examples are 137.2 m at 0.13 g/t Au (LA-05) and 123.19 m at 0.15 g/t Au (LA-04), 28.0 m at 0.42% Zn (LA-04), 30.0 m at 0.40% Zn (LA-05), and 28.0 m at 0.12% Cu with 0.16% Zn (LA-04). Gold is related to sulphide content, mainly pyrite in disseminations and bands in the schistosity, which increases to 20% or more adjacent to the massive sulphide. Minor sphalerite and chalcopyrite occur also. However, not all pyritic zones are auriferous.

The calcareous siltstone has zinc mineralisation in the decalcified zone which extends into unaltered calcareous siltstone, for example 0.49% Zn over 60.45 m including 0.63% Zn over 38.45 m (LA-12), 0.57% Zn over 26.15 m (LA-04), 0.24% Zn over 30.0 m (LA-06).

The massive sulphide zone is oxidised to gossan to a depth of 42 m to 63 m. The gossan textures are massive to porous, or sandy and baritic with jarosite and hematite. Gold and silver grades are up to two times higher in the gossan that in the massive sulphide, based on resource grades (see Section 14). This is probably residual enrichment in the case of gold and supergene enrichment of silver. Zinc and copper have been leached from the oxide zone. At the top of the sulphides there is a thin zone of supergene copper enrichment of up to 3.0 m thickness comprising chalcocite and covellite coating and replacing primary sulphides.

The depth of oxidation varies from 12 m to 70 m in sediments and sericite schists, and can extend deeper on fractures. The zone of weak supergene enrichment is up to 41 m thick in the sericite schists, although it is usually much thinner, with covellite and chalcocite coating sulphides.

Massive white quartz veins, with localised breccia texture in places but with no sulphides, occur in all lithologies, together with pale brown iron carbonate (ankerite or siderite) in the bleached, decalcified siltstones. These veins cross cut the S1 schistosity but are folded or boudinaged by the F2 folding. They are not mineralised and are interpreted as metamorphic quartz veins that post-date the mineralisation.

7.3.2 Guazumitas

The soil gold anomaly at Guazumitas is about 1,200 m long in a north-south direction, open to the south, and about 200 m wide. Drilling tested the northern 300 m part of the anomaly which lies within the Mata Cadillo exploration licence. The southern part of the anomaly lies in the Las Guazumitas exploration licence application.

The gold anomaly correlates with a mapped body of sericite schist which is about 1,000 m long elongated north-south and 150 m to 200 m wide. This is interpreted to be a rhyolite with pervasive sericite alteration which has seen deformation by later tectonism with development of a schistose fabric. The alteration zone may originally have been more circular in shape and was deformed to an elongate shape concurrent with the development of schistosity. The dextral transpresional offset of the sediment horizon is consistent with this contractional deformation. The sericite schist is surrounded by unaltered rhyolite with massive and brecciated textures, interpreted to be lava flows and volcaniclastic or hyaloclastic breccias. The sericite alteration is surrounded by illite alteration followed by chlorite-epidote alteration and unaltered rhyolite. Illite can be superimposed on part of the chlorite-epidote alteration. North of the sericite schist there are mudstones, cherts and volcaniclastic sediments with a north-east-strike, with a dextral offset by a north-northeast-trending fault, and dacite lavas with chlorite-epidote alteration (mapped as mafic volcanics due to the green colour). The sediments are the eastward continuation of the sediments at El Yujo. They thin to the east and cannot be mapped east of Guazumitas. Northeast-trending faults offset the sericite schist and the soil gold anomaly.

Gold mineralisation is related to sericite alteration and bands of disseminated to semi-massive pyrite in the schistosity. There are no quartz veins. Gold is associated with silver, lead, zinc, barium and anomalous arsenic, antimony, copper, and molybdenum.

Zinc mineralisation extends beyond the sericite alteration into propylitically altered rhyolite, dacite and sediments, with narrow quartz-sulphide, quartz-specular hematite or illite veinlets with narrow illite-sericite wall rock alteration. These may have low gold (50 ppb) and copper (460 ppm), but generally there are no other significant metal anomalies associated with Zn.

Oxidation is 10 m to plus 100 m vertical depth with an average of about 60 m, and there is usually a zone of supergene chalcocite coatings up to 23 m thick, with enrichment up to 0.25% Cu over 8.3 m.

The mineralisation has the same characteristics as that hosted by sericite schists at El Yujo. No massive sulphide mineralisation was encountered and if it formed, it may either be buried and as yet undiscovered, or have been eroded.

7.3.3 Other Zones

Gold anomalies in soils and gossans in sericite schist at the Western Zone were drilled to test for the continuation of El Yujo and encountered zones of disseminated gold mineralisation in sericite schist, but no massive sulphide body. The drill results are described in Section 10.

There are additional targets with potential for mineralisation that have not been drilled yet in soil Au-Ag-Zn anomalies at La Pinita, soil Cu-Mo anomalies at Loma Oculta , and Au in gossans at La Ceniza (Figure 7.3, Figure 9.1).

8.0 DEPOSIT TYPES

Two models have been proposed for mineralisation at Las Animas: volcanogenic massive sulphide (VMS, Kerr, 2007a, b) and limestone replacement (Sillitoe, 2008). While much of the exploration was carried out using the VMS model, a modified replacement model is now favoured.

In the volcanogenic massive sulphide model, mineralisation formed syngenetically by exhalative processes and accumulated on or immediately beneath the sea floor. In this model, the sericite-altered rhyolites are interpreted as a footwall felsic volcanic dome and breccia complex, the pyrite veinlets represent a classical feeder stockwork, and the sediments form the stratigraphic hanging wall. Mineralisation formed in a near-horizontal attitude and was tilted 90° by later tectonic processes.

In the replacement model, the felsic volcanic dome is interpreted as a stock with massive sulphide formation by replacement of limestone at the contact (Sillitoe, 2008). Sericite-pyrite alteration in the stock becomes progressively stronger towards the limestone contact, where the massive sulphide body formed by limestone replacement, and beyond there is decalcification, jasperoid formation and zinc mineralisation, distal to the fluid source. This model explains several features that fit poorly with an exhalative model, namely alteration and mineralisation in the supposed hanging-wall sediments. However, rock textures show that the rhyolites are a sequence of volcanic domes or flows and breccias, rather than a stock, so there must be a different heat and fluid source which may be the tonalite pluton located 1.7 km to the west.

Since ductile deformation post-dates the alteration and mineralisation, it is likely that the steep attitude of the massive sulphide body and its enclosing rocks were also post-mineral in timing. If so, then the massive sulphide replacement may have taken place in a flat-lying volcanic and limestone sequence. The age of the tonalite plutons (87 Ma to 90 Ma) thus indicates a probable Coniacian (Late Cretaceous) age for mineralisation.

9.0 EXPLORATION

9.1 TOPOGRAPHY

The 1:50,000 topographic map with 20 m contours, published by the Instituto Cartográfico Militar (ICM - Military Cartografic Institute), was digitised and enlarged for use as a base map for exploration at Las Animas. The grid used is UTM and the datum is North American Datum 1927 (NAD 27) Conus (Continental USA), Zone 19. A hand held global positioning system (GPS) receiver model Garmin "GPSmap76" was used to record sample locations and locate drill hole collars.

Drill collars from LA-01 to LA-31 were surveyed by differential GPS in October, 2007, and the remaining holes were surveyed in November, 2008. The contractor for both surveys was Carlos Higinio, Santo Domingo. The geodesic control point was in La Vega. The datum is NAD27 Caribbean and the geoid is CARIB97 (Caribbean).

All bearings and azimuths are stated in degrees relative to grid north. The magnetic declination is 10° 19' west with annual change of 0° 03' west (at 1 October, 2007).

9.2 GEOLOGICAL MAPPING

Geological mapping was carried out at 1:5,000 scale of the claim areas and detailed mapping at 1:1,000 scale in the areas of drilling at El Yujo and Guazumitas in various stages between 2005 and 2008 by GoldQuest geologists Norberto Gonzalez (Gonzalez, 2005) and Luis Lucero (Figure 7.2).

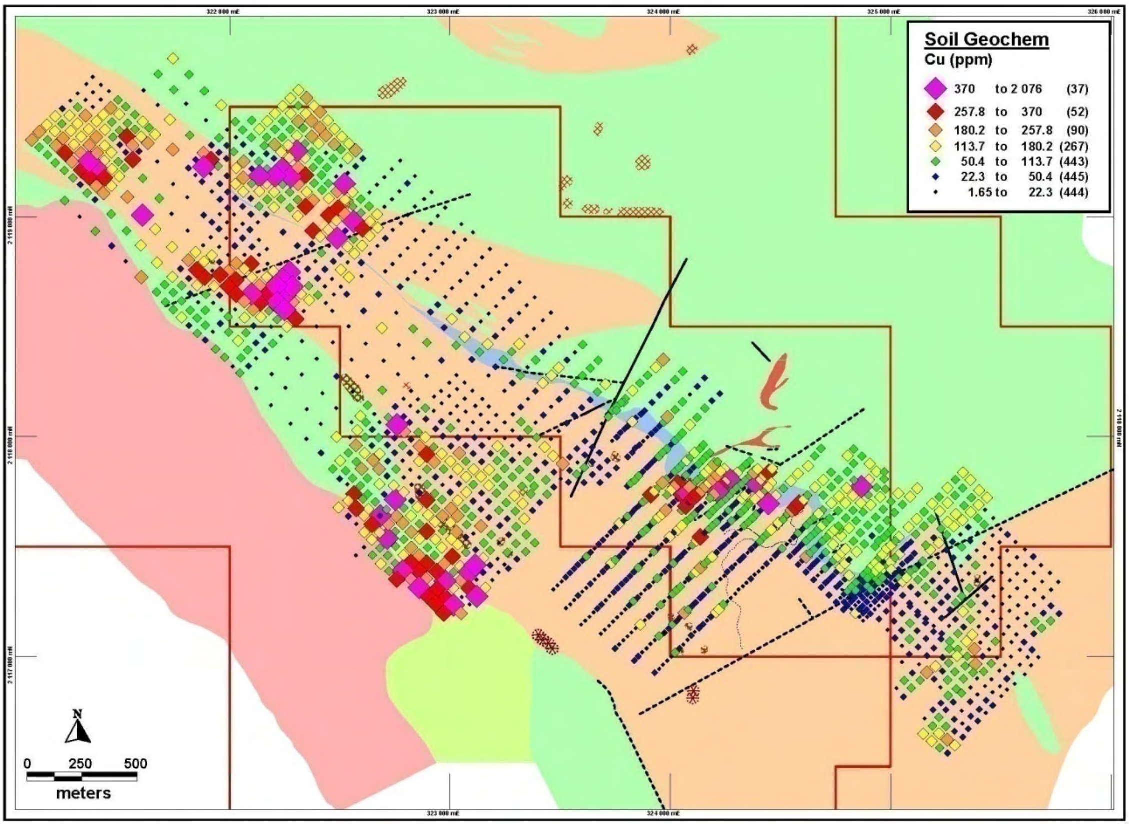
9.3 GEOCHEMISTRY

Mineralisation was discovered at Las Animas from anomalous gold values up to 190 ppb in fine fraction stream sediment samples (-200 mesh) and gossan float (0.4 g/t Au to 24.3 g/t Au) taken as part of a regional stream sediment geochemistry exploration program by GoldQuest in 2004 (MacDonald, 2004).

The main exploration technique used for definition of drill targets was geological mapping of the sericite schist – sediment contact and soil sampling. A total of 1,778 soil samples were taken in several programs between 2005 and 2008 and analysed for gold and multi-elements. The area sampled is about 5.0 km long northwest by 1.4 km across. Gold and copper soil geochemistry maps are shown in Figure 7.3 and Figure 9.1. The line spacing varies from 25 m to 100 m, and the sample spacing varies from 25 m to 100 m. Most of the area was sampled on a 50 m by 50 m grid, and the El Yujo area was sampled at 25 m by 25 m. Soil samples were taken from the B horizon and were not sieved. The average sample weight was about 0.5 kg. There is down-slope contamination of soils below old mine dumps at El Yujo.

Gold shows a spatial correlation with Ag, As, Pb, Ba, Hg, Mo, Cu, Zn, Se and Bi. There are also some anomalies of Cu-Mo-Se-Bi without significant Au and other metals.

Figure 9.1: Soil Geochemistry for Copper at Las Animas.



(Figure supplied by GoldQuest; for geology legend see Fig. 7.2.)

Rock sampling was carried out in the form of grab samples of outcrop and float, and channel samples from hand-dug pits and trenches. A total of 656 rock samples were taken. Samples are 2 kg to 4 kg in weight and were analysed for gold and multi-elements.

Outcropping gossan at El Yujo gave average grades of 6.13 g/t Au and 62.2 g/t Ag over 16.0 m, and 11.85 g/t Au and 18.6 g/t Ag over 6.45 m. Mineralisation in adjacent sericite schist returned values of up to 2.73 g/t Au and 34.92 g/t Ag over 18 m.

9.4 GEOPHYSICS

A horizontal loop electromagnetic survey (HLEM) was carried out at Las Animas by Big Sky Geophysics in October, 2005 (Jorgensen, 2005), with additional interpretation by Harris (2005). The grids were surveying using handheld GPS receivers and secant chained using tapes and compasses to survey true horizontal stations at 25 m intervals on north east trending lines spaced 100 m apart.

The HLEM survey was completed using a Max-Min II induction EM system. The system consists of a transmitter and receiver linked by a reference cable. The HLEM method is used to detect conductors in the ground by measuring the magnetic flux at the receiver induced in the conductors by the transmitter. The Max-Min II is capable of measuring at the five frequencies of 3555, 1777, 888, 444, and 222 Hz. Strong or deep conductors will have relatively stronger responses at the lower frequencies than shallow or weak conductors. The Las Animas grid was surveyed using 100 m, 50 m (partial), and 25 m (partial) coil separations. The HLEM data were corrected using formulas provided by the manufacturer of the Max-Min II (Apex Parametrics).

The survey locating at least eight conductors and probably more, depending on how these are sub-divided. Four of these conductors with a total strike length of 800 m are better than the remainder that have a cumulative strike length of approximately 1,300 m (Harris, 2005). One of the better conductors coincides with the old mine workings (or at least immediately either side of the open pit). There are four more possible conductors on the edge of the survey

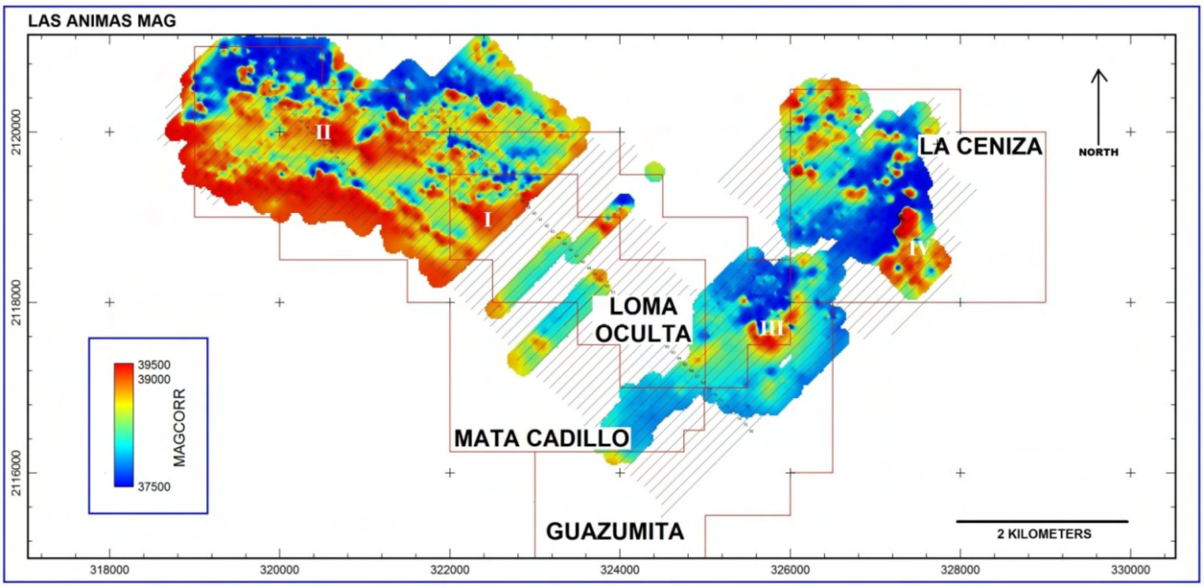
9.5 MAGNETOMETRY

A standard in-house ground magnetometer survey was completed over Las Animas project area between August and October 2011. A total of 163.7 km over a 78 lines grid were completed, including prospective areas of the Loma Oculta concession and Mata Cadillo, La Ceniza and Guazumita applications concession. The 100 m northeat-southwest line spacing grid was surveyed at 12.5 m stations on each line, using a GEM GSM-19 System, consisting in a fix station and a walking magnetometer console with integrated GPS. Figure 9.2 shows the total magnetic field over the Las Animas general grid. The objective of the survey was to better define the geology, alteration and structure of the prospective zones, especially in areas of poor outcrops.

Four different high magnetic anomalies zones were found in the Las Animas Project area:

1. Zone-I, northwest of Loma Oculta Concession, coincident with Cu, Pb, Zn and Au soils Anomaly.
2. Zone-II, northwest of Mata Cadillo concession, coincident with moderate a Cu soils Anomaly.
3. Zone-III, on the boundary of Guazumita and Mata Cadillo application concessions.
4. Zone-IV, to the south of La Ceniza application concessions.

Figure 9.2: Magnetometry at Las Animas



(Figure supplied by GoldQuest)

10.0 DRILLING

Three phases of diamond drilling have been carried out on the Las Animas project by GoldQuest in 2006 to 2008 for a total of 8,392.17 m in 48 holes. Table 10.1 gives the details of the holes drilled and Figure 10.2 shows their locations.

The Phase 1 program was carried out between 22 October and 10 November, 2006 and comprised 6 holes for 827.64 m (holes LA-01 to LA-06). The Phase 2 program started on 2 April, 2007 and was completed on 13 November, 2007, with 27 holes drilled (holes LA-07 to LA-33) for 4,249.71 m. Phase 3 was carried out between 9 March, 2008 and 6 August, 2008 and comprised 15 holes for 3,255.25 m (holes LA-34 to LA-47), including 9 holes in the Guazumitas Zone (holes LA-39 to LA-47). The programs were supervised by GoldQuest's geologists Norverto Gonzalez (Phase 1 and 2) and Luis Lucero (Phase 3, Lucero, 2008). Reports were made on Phase 1 results by Redwood (2007a) and during Phase 2 by Redwood (2007b, 2007c).

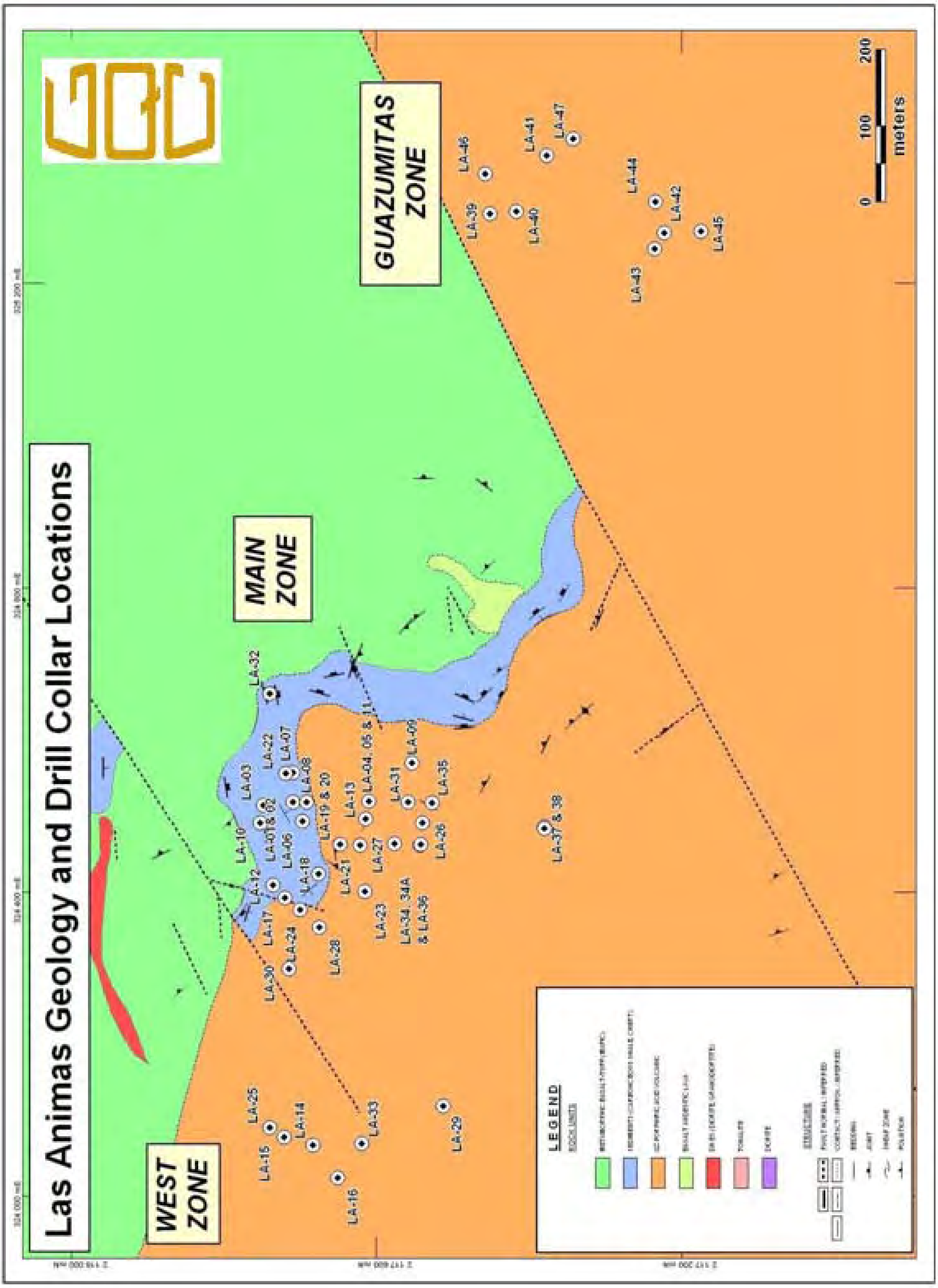
Drilling was carried out by Energold Drilling Corporation of Vancouver with a man-portable, hydraulic Hydracore Gopher diamond drill using HQ (63.5 mm diameter), NTW (56.0 mm diameter) and BTW (42.0 mm diameter) core. A Series II rig was used for the Phase 1 and 2 programs. An extra motor was added to the rig to enable HQ core to be drilled, resulting in better recovery and greater hole depths after hole LA-11. A larger Hydracore Series III drill rig capable of drilling to 700 m with BTW was used for Phase 3 to drill deeper holes, LA-34 to LA-38 (Figure 10.1). The majority of the drilling was with NTW diameter (88.2%), with HQ for deeper holes (9.3%) and some BTW (2.5%). The average core recovery for Phase 3 was 91.2% (LA-35 to LA-47).

Figure 10.1: Hydracore Series III rig drilling hole LA-38

Table 10.1: Las Animas Drill Holes 2006 to 2008.

Hole Number	UTM Easting	UTM Northing	Altitude (metres)	Azimuth (degrees)	Inclination (degrees)	Depth (metres)	Down Hole Survey
LA-01	324,519.033	2,117,708.908	639.210	178	-65	115.85	N
LA-02	324,518.993	2,117,708.759	639.220	178	-50	74.39	N
LA-03	324,514.064	2,117,748.479	636.347	178	-50	132.62	N
LA-04	324,519.269	2,117,609.371	651.854	357	-55	158.53	N
LA-05	324,519.256	2,117,609.387	651.853	357	-65	183.19	N
LA-06	324,492.982	2,117,696.380	638.234	180	-70	163.06	N
LA-07	324,557.487	2,117,709.235	642.236	180	-60	102.10	N
LA-08	324,518.834	2,117,691.711	638.755	180	-46	55.81	N
LA-09	324,569.835	2,117,552.944	659.498	225	-70	173.79	N
LA-10	324,491.580	2,117,752.410	637.005	180	-60.6	339.92	Y
LA-11	324,519.276	2,117,609.142	651.914	360	-75	199.71	N
LA-12	324,409.138	2,117,735.279	596.622	225	-65	202.45	N
LA-13	324,496.316	2,117,613.975	661.039	360	-80	245.44	Y
LA-14	324,067.827	2,117,683.384	651.368	350	-55	144.83	N
LA-15	324,078.545	2,117,721.260	636.586	195	-46	57.93	N
LA-16	324,024.979	2,117,650.390	641.678	360	-50	100.62	Y
LA-17	324,392.714	2,117,719.524	613.782	0	90	42.69	Y
LA-18	324,423.860	2,117,675.491	626.821	20	-75	65.55	Y
LA-19	324,463.017	2,117,646.970	638.980	360	-50	71.65	Y
LA-20	324,463.051	2,117,647.311	638.996	360	-65	120.44	Y
LA-21	324,461.468	2,117,620.970	643.040	360	-70	161.72	N
LA-22	324,556.588	2,117,718.710	642.035	180	-65	100.62	N
LA-23	324,401.245	2,117,614.596	669.556	20	-75	213.43	Y
LA-24	324,376.714	2,117,699.336	629.059	0	90	91.47	Y
LA-25	324,090.678	2,117,740.054	629.463	195	-55	167.68	Y
LA-26	324,491.234	2,117,539.172	677.156	360	-77	404.12	Y
LA-27	324,464.490	2,117,576.498	660.045	360	-70	248.49	Y
LA-28	324,353.807	2,117,674.286	637.540	0	90	189.04	Y
LA-29	324,119.462	2,117,511.980	659.138	45	-65	196.66	Y
LA-30	324,299.179	2,117,714.602	617.522	315	-75	74.70	Y
LA-31	324,518.278	2,117,557.764	670.737	360	-65	285.39	Y
LA-32	324,660.924	2,117,739.546	600.008	225	-65	114.32	Y
LA-33	324,069.502	2,117,618.568	655.099	45	-55	138.71	Y
LA-34	324,462.057	2,117,542.823	664.850	360	-75	134.72	N
LA-34A	324,463.008	2,117,541.844	664.585	360	-75	139.60	N
LA-35	324,517.199	2,117,527.210	690.653	360	-69	331.93	Y
LA-36	324,463.173	2,117,541.499	664.632	360	-70	292.61	N
LA-37	324,485.556	2,117,379.993	711.660	360	-65	477.01	Y
LA-38	324,484.381	2,117,379.565	711.635	360	-65	671.16	Y
LA-39	325,291.205	2,117,450.936	629.604	135	-51	141.43	Y
LA-40	325,294.177	2,117,416.173	625.280	165	-51	82.30	Y
LA-41	325,368.089	2,117,376.982	643.343	280	-60	80.77	Y
LA-42	325,266.264	2,117,222.510	683.324	120	-55	117.35	Y
LA-43	325,245.362	2,117,235.470	691.574	120	-70	131.06	Y
LA-44	325,307.420	2,117,234.200	684.749	120	-51	100.58	Y
LA-45	325,268.583	2,117,174.142	659.698	90	-51	198.12	Y
LA-46	325,344.059	2,117,457.670	625.592	195	-51	126.49	Y
LA-47	325,389.987	2,117,342.083	644.695	195	-51	230.12	Y
Subtotal Phase 1 (LA-01 to LA-06)						827.64	
Subtotal Phase 2 (LA-07 to LA-33)						4,309.28	
Subtotal Phase 3 (LA-34 to LA-47)						3,255.25	
Total						**8,392.17**	

Figure 10.2: Drill Hole Location Map and Geology of Las Animas



(Figure supplied by GoldQuest)

Downhole directional surveys for azimuth and inclination were carried out using a Flexit multi-shot tool supplied by Energold from hole LA-10 onwards. Some holes were not surveyed due to non-availability of the equipment, stuck rods, or other technical reasons. Readings were taken every 50 m down-hole and at the end. The data recorded are depth, azimuth, inclination and temperature.

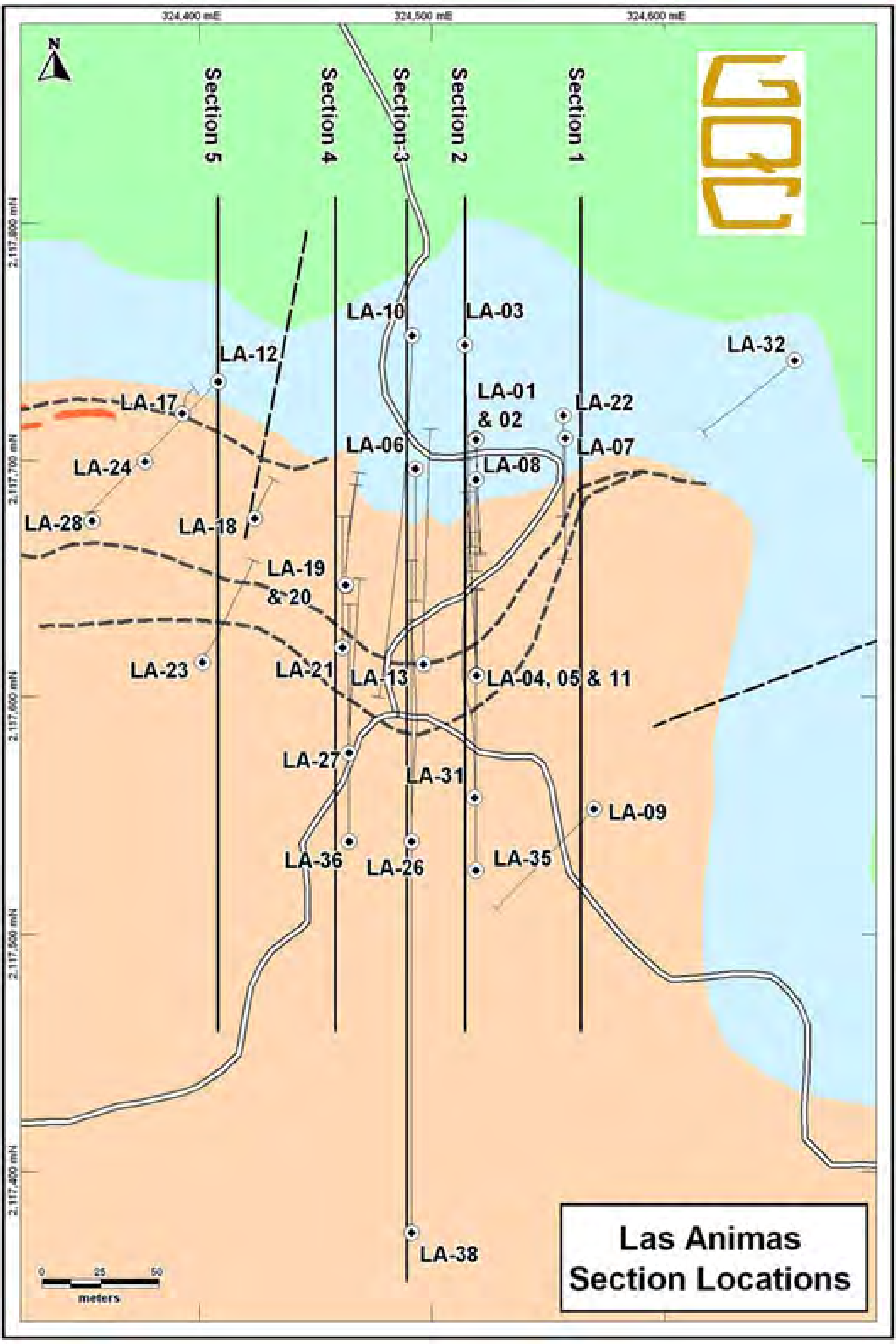
Eight north-south cross sections numbered Section 1 to 8, from east to west, were drawn (Figure 10.4) and are figures are shown for Section 2 (Figure 10.5), Section 3 (Figure 10.6 and Section 4 (Figure 10.7). Note that the intersection widths and grades in these figures may vary slightly from those described for the drill holes in Section 11.1 and in Table 10.2 as the intersections were recalculated for this report subsequent to GoldQuest's drafting of the sections.

The geological drill logs record recovery, rock quality designation (RQD), structures, lithology, alteration and mineralisation.

Drill platforms, mud sumps and access paths were recontoured and revegetated after use. Drill holes were capped and marked with plastic pipe set in cement (Figure 10.3).

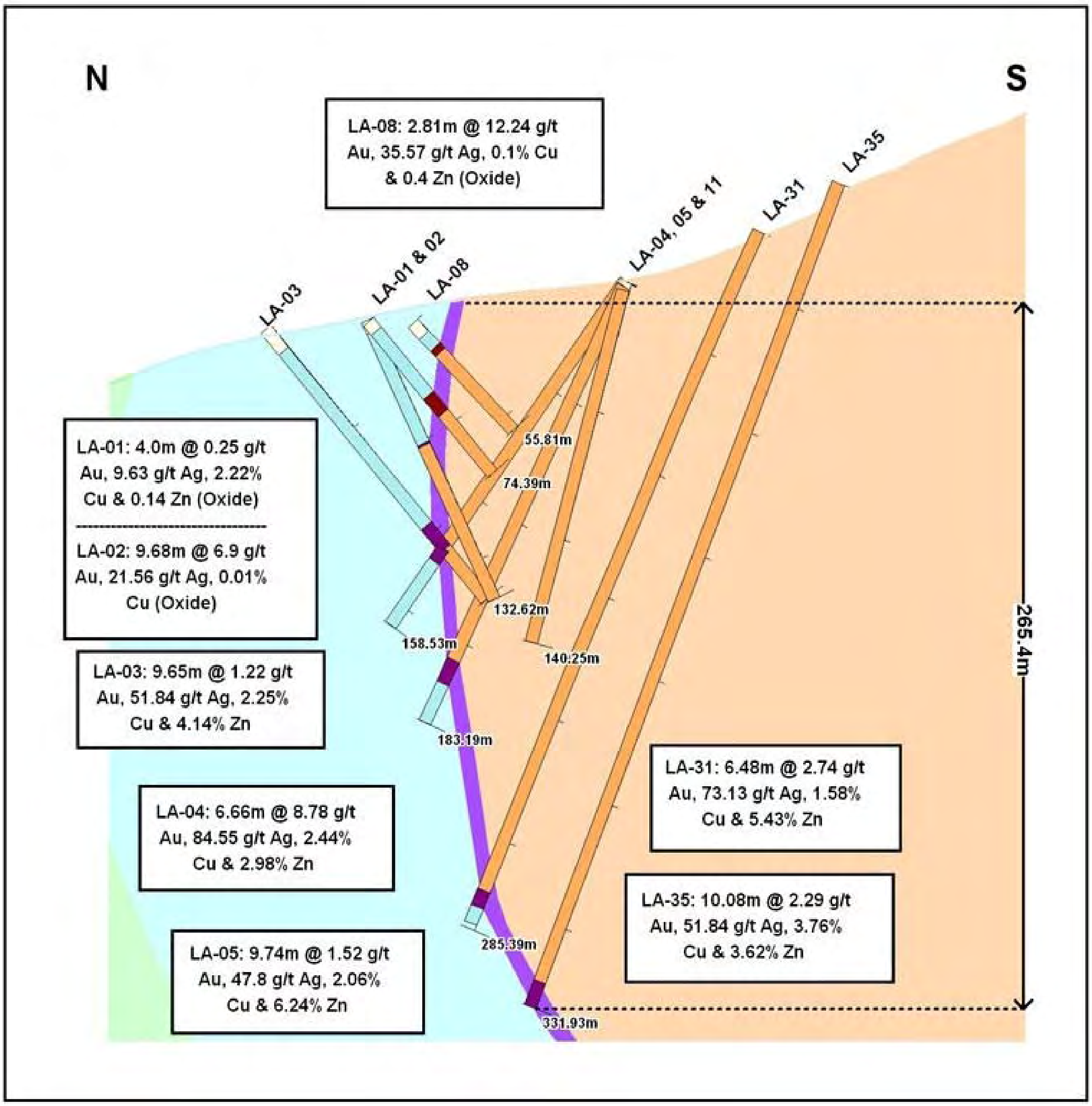
Figure 10.3: Restored drill Pad and Plastic Pipe Capping and Marking for Hole LA-46

Figure 10.4: Location of Drill Holes and Sections 1 to 5 at El Yujo, Las Animas



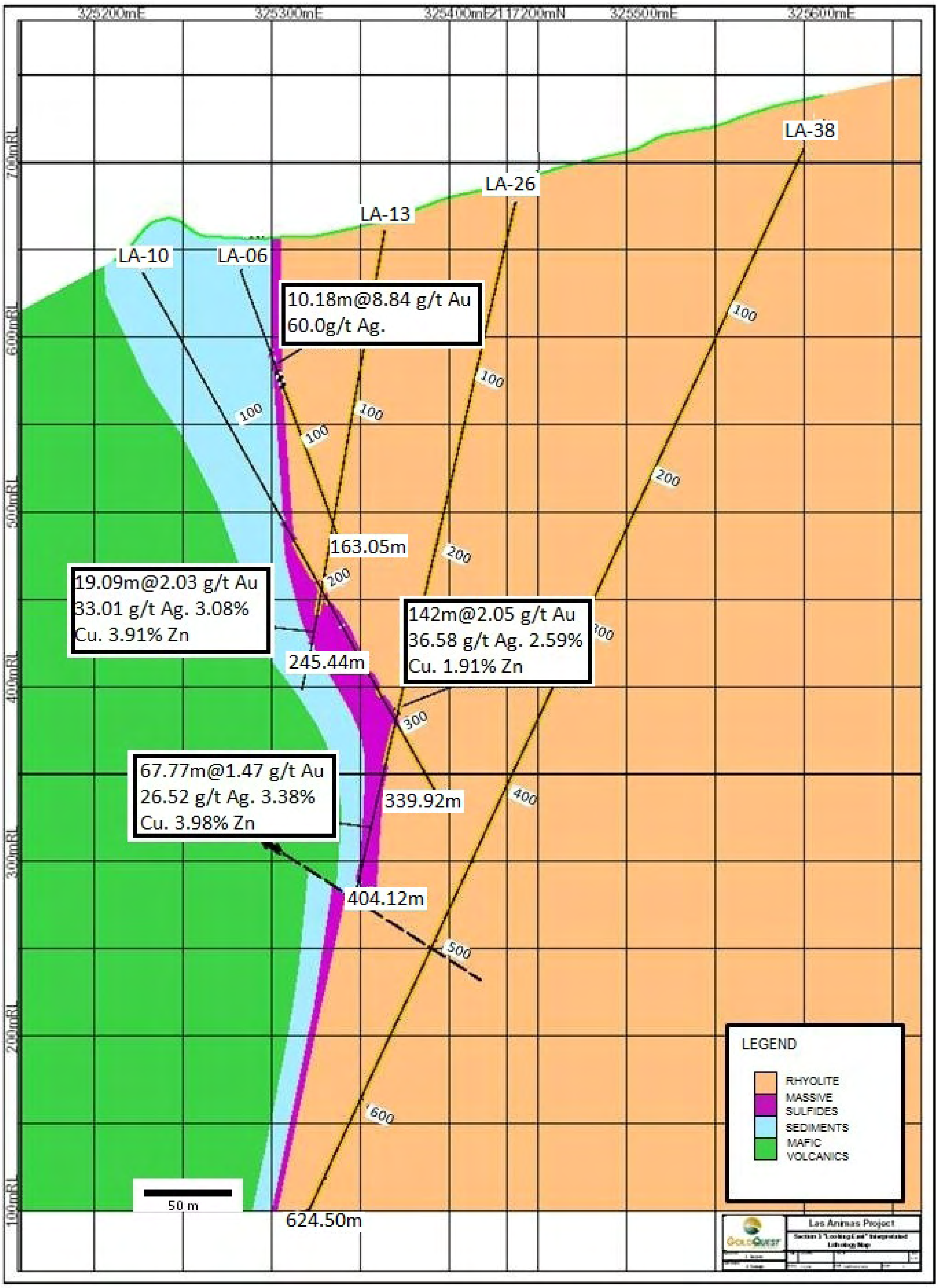
(Figure supplied by GoldQuest)

Figure 10.5: El Yujo Section 2 Interpretation.



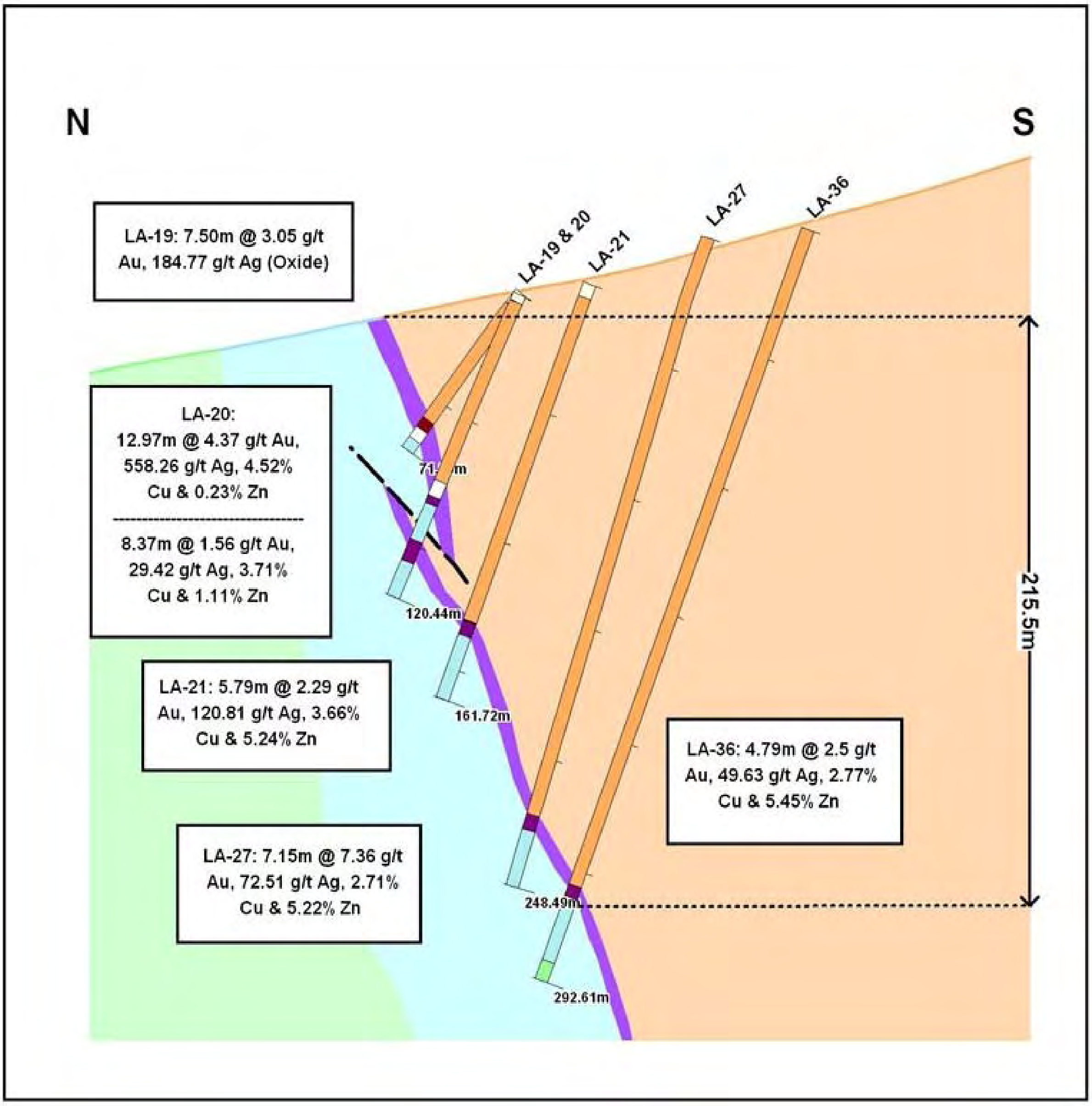
(Figure supplied by GoldQuest)

Figure 10.6: El Yujo Section 3 Interpretation



(Figure supplied by GoldQuest)

Figure 10.7: El Yujo Section 4 Interpretation



(Figure supplied by GoldQuest)

10.1 DRILL HOLE DESCRIPTIONS AND RESULTS

10.1.1 El Yujo (Main Zone) and Western Zone

10.1.1.1 Hole LA-01

Hole LA-01 was drilled on section 2 with an azimuth of 178° and inclination of -65°. It cut black siltstone and black shale with siliceous beds to 39.5 m, followed by bleached siltstone with sericite, minor fuchsite and jarositic oxidation to 50.9 m. The hole then cut semi-massive sulphide and sericite with pyrite coated by chalcocite over 0.9 m (50.9 m to 51.8 m), then 2.2 m of sericite schist with up to 25% pyrite (51.8 m to 54.0 m). It is followed by sericite schist to the end of the hole at 115.9 m. The base of oxidation is at 50.8 m and the base of chalcocite is at 54.0 m.

The massive sulphide zone grades 0.25 g/t Au, 9.63 g/t Ag, 2.22% Cu ad 0.14% Zn over 4.0 m (48.0 m to 52.0 m). The massive sulphide dips about 80°north and the intersection has a true width of about 2.3 m. The sericite schist grades from 0.28 g/t Au to 1.34 g/t Ag over 16.0 m (52.0 m to 68.0 m).

10.1.1.2 Hole LA-02

Hole LA-02 was drilled from the same platform and in the same direction (178°) as LA-01 at a lower inclination -50°. It cut black siliceous siltstone to 19.5 m followed by bleached to red, gossanous shale to 36.2 m, and intersected massive gossan over 9.5 m to 45.7 m. The gossan is banded and has jarosite and goethite in the upper part, and is hematite rich in the lower part. It contains barite and also white quartz in the lower part. It is followed by sericite schist to the end of the hole at 74.4 m. The base of the oxide zone is 51.8 m. The gossan grades 6.90 g/t Au and 21.25 g/t Ag over 9.68 m (34.0 m to 45.68 m), and the sericite schist grades 0.23 g/t Au and 4.11 g/t Ag over 26.32 m (45.68 m to 72.0 m). The gossan body dips about 80°north and the intersection has a true width of about 7.4 m.

10.1.1.3 Hole LA-03

Hole LA-03 was drilled on section 2 below holes LA-01 and LA-02 with an azimuth of 178°, inclination of -50° and length of 137.50 m. It intersected the massive sulphide body at a depth of 100 m below surface. It cut siltstone to 96.4 m. The siltstone is laminated and has beds of sedimentary breccia with siltstone clasts, and volcaniclastic sandstone. It is oxidised and decalcified to a beige colour, with grey coloured, calcareous, unoxidised remnants. From 83.8 to 92.4 m it is bleached and broken with jarosite-hematite oxidation. The depth of oxidation is 92.4 m. From 92.4 to 94.4 m the siltstone is grey with graphitic beds and non-calcareous, with an interval of grey, silicified siltstone (87.6 m to 90.5 m) with hematite-jarosite, and to 96.4 m it has sericite alteration. The siltstone is calcareous and shows zoned alteration away from the contact with massive sulphide: firstly bleaching with sericite alteration and decalcification, followed by decalcification with an interval of silicification. Weathering also decalcifies the siltstone and overlaps with the hydrothermal decalcification in this hole. Calcium analyses by ICP show 0.01% Ca from 0.0 m to 40.0 m due to weathering, then variable values from 0 to 4.1% to 70.0 m due to partial weathering, then a sharp drop to values of 0.01% Ca from 70.0 m interpreted to be hydrothermal leaching.

The siltstone is followed by 10.3 m of massive sulphide to 106.7 m, then semi-massive sulphide with sericite schist to 107.7 m, and sericite schist to the end of the hole at 137.5 m. The massive sulphide mineralisation principally comprises pyrite, chalcopyrite, chalcocite, sphalerite and bornite. The massive sulphide returned 1.14 g/t Au, 47.24 g/t Ag, 1.95% Cu and 3.45% Zn over 11.65 m (96.35 m to 108.0 m), and the sericite schist grades 12.0 m (106.0 m to 120.0 m) of 0.17 g/t Au and 1.63 g/t Ag. The true width of the massive sulphide is about 5.5 m and the body has changed dip from 80°north to 80°south between LA-01 and LA-03.

10.1.1.4 Hole LA-04

Hole LA-04 is located on section 2 and was drilled below LA-03 with an azimuth of 357°, inclination of -55°, and a length of 158.53 m.

It intersected sericite schist from 0 to 117.5 m and quartz-rich sericite schist to 123.2 m. There is a breccia of veinlets of pale sphalerite, chalcopyrite and chalcocite at 53.3 m to 53.6 m. This averages 0.13 g/t Au over 123.19 m (0.0 m to 123.19 m), including 28.0 m at 0.12% Cu (with 0.16 g/t Au, 1.35 g/t Ag, 0.16% Zn; 22.0 m to 50.0 m), 28.0 m at 0.42% Zn (with 0.11 g/t Au, 1.06 g/t Ag; 34.0 m to 62.0 m) and 40.0 m at 0.16 g/t Au (64.0 m to 104.0 m).

From 123.2 m to 129.0 m the hole cut 5.8 m of massive sulphide. The upper part is massive pyrite with sericite, followed by banded pyrite with chalcopyrite and barite, with later bornite on grain edges, fractures and cleavages. This gave 8.78 g/t Au, 84.55 g/t Ag, 2.44% Cu and 2.98% Zn over 6.66 m.

This is followed by bleached, sericite-altered siltstone which changes colour to beige and green downwards with quartz-ankerite veinlets and massive white quartz veins to 30 cm (129.5 m to 135.6 m), then is dark grey and decalcified with black, silicified zones (135.6 m to 141.13 m), and then calcareous and dark grey to the end of the hole. There is 0.57% Zn over 26.15 m (129.85 m to 156.0 m) which extends beyond the decalcification.

Oxidation is to 23.0 m and hematite is more abundant than jarosite, followed by chalcocite-covellite coating disseminated pyrite to 38.1 m.

The massive sulphide body dips about 80°south and the intersection has a true width of about 4.5 m.

10.1.1.5 Hole LA-05

Hole LA-05 cut massive sulphides 50 m vertically below LA-04 on section 2 and extended the mineralisation to 150 m below surface. The azimuth is 357°, inclination -65° and depth 183.19 m. The hole cut sericite schists to 157.5 m, with pyrite disseminated and in schistosity, and an increase to 10% pyrite in pyrite and quartz-pyrite veinlets from 140.0 m. The sericite schist averages 0.13 g/t Au over 137.22 m (20.0 m to 157.22 m), with zones of 30.0 m of 0.17 g/t Au and 0.40% Zn (36.0 m to 66.0 m), including 4.00 m of 1.47% Zn and 0.07 g/t Au (60.0 m to 64.0 m). The sericite schist is oxidised to 18.3 m depth, with hematite more abundant than jarosite. The base of the supergene zone is 63.5 m, with covellite in the upper part and chalcocite below.

It is then cut by 9.1 m of banded massive sulphides (157.5 m to 166.6 m) dominated by pyrite with about 5% each of chalcopyrite and light brown sphalerite, and a small amount of a grey sulphosalt probably tennantite, with barite matrix and veinlets. The massive sulphide body ran 1.52 g/t Au, 47.8 g/t Ag, 2.06% Cu and 6.24% Zn over 9.74 m (157.22 m to 166.96 m). The body dips about 80°south and the intersection has a true width of about 5.3 m.

This is followed by siltstone to the end of the hole at 183.2 m, with decalcification to a pale brown quartzose schist with ankerite, pyrite and trace bornite(?) to 170.0 m, then grey calcareous siltstone with quartz-calcite-pyrite veinlet breccia to 172.1 m.

10.1.1.6 Hole LA-06

Hole LA-06 was drilled on section 3 located 30 m west of holes LA-01 to 05 and intercepted a similar gossanous sequence to that observed in hole LA-02. The hole cut black laminated siltstone with jarositic oxidation with siliceous beds and bedding subparallel to core to 54.8 m, with the interval from 43.1 m bleached with some hematite. This grades 0.24% Zn over 30.0 m (18.0 m to 48.0 m). This is followed by 7.2 m of gossan which is crumbly, ochre coloured with jarosite, some hematite, and barite sand in the upper part (54.8 m to 59.4 m) and siliceous with hematite in the lower part (59.4 m to 62.0 m), followed by a 10.65 m void, interpreted to be an old mine tunnel (61.0 m to 71.6 m). The gossan grades 8.84 g/t Au and 60.00 g/t Ag over 10.18 m (50.80 m to 60.98 m).The hole then cut sericite schist to the end of the hole (163.1 m), with 2% to 4% pyrite in the upper part to 153.0 m, then 1% to 2% pyrite, with 24.37 m at 0.13 g/t Au (71.63 m to 96.0 m).

The gossan after massive sulphide dips at about 85°north and the interval has a true width of about 4.3 m. The true width of the void is about 4.5 m, giving an original true width of the body of about 8.8 m.

10.1.1.7 Hole LA-07

Hole LA-07 (102.39 m) was drilled on Section 1, 45 m east of LA-01, and was drilled 180° to test the eastward continuation of the massive sulphide. It drilled through 45.9 m of siltstones followed by 0.6 m (45.90 m to 46.56 m) of granular barite sandstone, which is more sericitic towards the base, with a vuggy texture after 5% to 10% of leached sulphides. This gave 2.63 g/t Au and 170.05 g/t Ag over 0.51 m, with estimated true width of 0.14 m. The base of the oxide zone is at 46.5 m, just after the gossan.

The gossan correlated with barite mineralisation at the sericite schist-siltstone contact exposed in a waterfall in a stream on a steep drop just east of the road and old open pit and indicates that the mineralised horizon dips at about 75° to 80° south.

The gossan in LA-07 is followed by sericite schists with 2% to 3% pyrite with a gradual decrease in sulphide content and strength of alteration down-hole. The sericite schist is mineralised with 23.44 m at 0.37 g/t Au and 23.0 g/t Ag below the gossan (46.56 m to 70.00 m), including 10.00 m at 0.55 g/t Au, 19.82 g/t Ag and 0.43% Zn (56.00 m to 66.00 m), and a deeper zone of 12.0 m at 0.10 g/t Au and 4.35 g/t Ag (82.0 m to 94.0 m).

Base metals are anomalous in the sediments with an average of 0.15% Zn, 0.10% Cu and 1.51 g/t Ag over 30.91 m. Arsenic is anomalous and is associated with gold with a maximum value of 794.5 ppm. The gossan has 70.35 ppm molybdenum. Barium is anomalous in the oxide zone (above 1,000 ppm, maximum 3,000 ppm) but is only weakly anomalous in the gossan and sulphide zone due to the insolubility of barite in the acid dissolution of the multi-element analyses. It is evidently present in a more soluble mineral in the oxide zone.

10.1.1.8 Hole LA-08

Hole LA-08 was a short hole drilled to 180° south on Section 1, 21 m south of LA-01 and LA-02 in the old open pit. It collared in gossanous siltstone to 10.66 m (with low recovery of 12%) with 1.11 g/t Au and 18.53 g/t Ag (0.0 m to 10.66 m), then cut gossanous barite sandstone over 2.41 m (12.19 m to 14.60 m) after a void of 1.53 m, probably an old mine tunnel. The gossan is jarositic in the upper part with an increase in hematite and then goethite in the lower parts. It grades 12.24 g/t Au and 35.57 g/t Ag over 2.81 m (12.19 m to 15.00 m).

The rest of the hole is in sericite schist which is highly gossanous in the first metre. The sericite schist grades 0.43 g/t Au and 5.00 g/t Ag over 27.0 m (15.00 m to 42.0 m), including 0.63 g/t Au and 6.06 g/t Ag over 4.44 m (36.26 m to 40.10 m) in a zone of semi-massive sulphides. The base of oxidation is 35.50 m.

10.1.1.9 Hole LA-09

Hole LA-09 was drilled to test a conductive EM geophysical target located 80 m southeast of hole LA-05 and about 160 m south of LA-07 on Section 1. It intercepted rhyolite with weak illite-pyrite alteration. The lower part of the hole has weakly anomalous gold, silver, copper, lead and zinc, with a maximum value of 0.63 g/t Au over 2.0 m, and others up to 0.056 g/t.

10.1.1.10 Hole LA-10

Hole LA-10 was drilled 58.0 m north of LA-06 on Section 3. It was drilled at azimuth 180° and inclination 60° to test the continuity of the massive sulphide at depth.

After cutting 163.02 m of siltstone, the hole intersected massive sulphides vertically below the gossan of LA-06. The siltstone above the massive sulphides averages 0.53% Zn over 20.0 m (142.0 m to 162.0 m). The hole continued in massive sulphides and sulphide-rich sericite schist to a depth of 298.2 m, giving an intersection of 135.18 m width to a depth of 275 m below surface. This gave 142.00 m, from 162.00 m to 304.00 m, grading 2.50 g/t Au, 36.58 g/t Ag, 2.59% Cu and 1.91% Zn. This includes 14.56 m (163.02 m to 177.58 m) grading 4.20 g/t Au, 85.99 g/t Ag, 3.13% Cu and 3.29% Zn, and 105.98 m (198.02 m to 304.00 m) grading 2.72 g/t Au, 36.75 g/t Ag, 2.29% Cu and 2.09% Zn.

The true thickness of the massive sulphides was not known when the hole was drilled. Two scissor holes were drilled to test the geometry of the massive sulphide, LA-13 and LA-26. The true width of the first massive sulphide intersection is estimated to be 8.30 m, and of the second intersection to be 12.0 m. It is interpreted by the dip of bedding and schistosity in core, and by correlation with other drill holes, as a fold repetition of the massive sulphide layer in an asymmetric S-shaped old (looking east), with near-vertical massive sulphide body on the upper (85°north) and lower (85°south) fold limbs, and an intermediate limb with dip of about 50°. The hole was drilled across both steep fold limbs and down the intermediate limb.

The massive sulphide was followed by sericite schist from 308.0 m to the end of the hole at 339.92 m, with 26.0 m at 0.15 g/t Au, 3.06 g/t Ag (304.0 m to 330.0 m).

10.1.1.11 Hole LA-11

Hole LA-11 was drilled on Section 2, 98 m south of LA-01 from the same platform as LA-04 with azimuth of 360° and inclination of 75° to test the down-dip continuity of the massive sulphides. It was drilled through sericite schists with more strongly pyritic intervals at 80.2 m to 88.0 m and 155.5 m to 56.5 m. The depth of oxidation is 19.8 m. The hole reached a depth of 199.71 m, but failed to reach the massive sulphide target due to drilling difficulties. The hole was cemented to 140.25 m and re-drilled twice, with additional uncut core from 143.3 m to 177.1 m and 191.1 m to 193.61m, but both attempts failed to reach the target depth. The hole was sampled to 168.0 m. The sericite schist has an interval of 22.0 m at 0.64% Zn with 0.42 g/t Au and 2.67 g/t Ag (34.0 m to 56.0 m).

10.1.1.12 Hole LA-12

This was drilled on Section 6 at azimuth 225° and inclination 65°. It was collared in siltstones with the target to drill into the massive sulphides. The hole stayed in siltstones to the end (202.45 m) with siliceous, beige coloured altered siltstones with quartz-brown carbonate veining over the last 3.45 m, similar to the sediments immediately overlying massive sulphide in other holes. The sequence is overturned here with a dip of 60° to 65° which is shallower than expected so the hole drilled at a shallow angle to the dip of the sediments and did not reach the massive sulphide. The hole was sampled from 159.65 m to the end. The siltstones are mineralised with zinc and average 0.49% Zn over 60.45 m from 142.0 m to the end of the hole, including 0.63% Zn over 38.45 m (164.0 m to end).

10.1.1.13 Hole LA-13

Hole LA-13 is located on Section 3, 81 m south of LA-06, and was drilled to the north at an inclination of -80° as a cross hole to test the geometry of the massive sulphides intersected in hole LA-10. The hole intersected massive sulphides comprising pyrite, chalcopyrite, sphalerite, barite and sericite over 19.09 m from 222.00 m to 241.09 m, grading 2.03 g/t Au, 33.0 g/t Ag, 3.08% Cu and 3.91% Zn. The hole cut the massive sulphides at a high angle of bedding to core axis of 35° to 45°, giving a true width of 12.0 m. The massive sulphide is bedded from 223.62 m to 230.70 m and 233.1 m to 234.5 m, and massive in other parts.

The massive sulphides are preceded by sericite schist with 5% disseminated pyrite increasing to 10% to 20% from 214.0 m to 222.0 m adjacent to the massive sulphides. They are mineralised with gold including 0.15 g/t over 26.0 m, 0.22 g/t Au over 16.0 m and 0.12 g/t Au over 16.0 m.

The massive sulphides are followed by well bedded siltstones from 241.09 m to the end of the hole at 245.44 m. The sediments are bleached and decalcified with quartz-ankerite to 244 m, then grey coloured.

Hole LA-13 confirms that the massive sulphides intersected in hole LA-10 are a single body with a true thickness of about 12.0 m. This is folded and faulted giving repetitions and a long intersection in hole LA-10.

The depth of oxidation is 24.76 m.

10.1.1.14 Hole LA-14

Hole LA-14 was drilled on Section 7 in the Western Zone soil and trench gold anomaly, 420 m west of LA-06. The target was gossans in sericite schist with anomalous gold in rock chip sampling. LA-14 was drilled 350° north at inclination of -55° to 144.83 m depth. It intercepted sericite schist to 63.0 m with intervals of breccia textured rhyolite and folding. There are multiple zones of hematite gossan. These are followed by bedded rhyolite hyaloclastite sandstone, with coarser clasts, with illite alteration, hematite oxidation and weak bedding-parallel foliation. The bedding angle to core is 40° (at 63.7 m). Alteration and pyrite intensity decrease down-hole and from 81.0 m the rhyolite hyaloclastite has pale green, weak illite alteration and less hematite. The bedding is at 60° to the core axis at 88.8 m.

The hole was sampled from 0 m to 100 m and has mineralised intervals of 0.30 g/t Au over 11.45 m and 253.2 g/t Ag over 5.08 m (62.00 m to 67.08 m).

A second target was the rhyolite-siltstone contact at about 120 m down-hole but this was not intersected and the contact, which is mapped on surface about 150 m north of the platform of LA-14, is interpreted to dip at a steeper angle to south (overturned) or north (right way up).

10.1.1.15 Hole LA-15

Hole LA-15 was drilled in the western zone 35.5 m north of LA-14 on Section 7 and at an azimuth of 195° south and inclination of -46° as a scissor-hole to LA-14. It has a length of 57.82 m. It is entirely in massive to schistose rhyolite with sericite alteration. It is all oxidised and has gossanous intervals with hematite. From 0.0 m to 11.0 m the rhyolite is massive with hematite oxidation and flow banding at 70° to the core axis. To 45.74 m the sericite alteration becomes stronger. From 45.74 m to 55.80 m it is massive rhyolite, and to the end of the hole at 57.82 m it is a folded, bedded rhyolite hyaloclastite. There are gossans at 29.0 m to 29.5 m (jarosite), 30.5 m to 31.0 m (hematite), 32.5 m to 33.5 m (hematite), and 57.0 m to 57.1 m. The hole grades 0.22 g/t Au over 42.87 m (14.0 m to end of hole).

10.1.1.16 Hole LA-16

Hole LA-16 was drilled in the Western Zone, 57 m southwest of LA-14 on Section 8 to test anomalous gold in gossans in sericite schist. It was drilled at an azimuth of 360° north and inclination of -50° for a length of 100.62 m. The hole was entirely in rhyolite flows with intervals of bedded hyaloclastite, sandstone and breccia. Alteration is to pale green illite and possibly chlorite, with more sericitic alteration in hyaloclastite units. Alteration becomes weaker from 92.0 m to pale green illite. The massive rhyolite has a weak foliation parallel to bedding and/or flow banding (at 15° to 50° to core axis) cut by F2 folds to give a crenulation or open folds. The hyaloclastites are more schistose and folded.

The depth of hematite oxidation is 60.7 m. There is gossan at 42.6 m to 44.5 m (goethite after 25% pyrite) in a hyaloclastite breccia, and gossanous intervals between 47.26 m to 60.7 m (10% to 25% goethite and hematite). Sericite schist, after the base of oxidation, has 5% to 10% pyrite (60.7 m to 68.5 m), becoming lower at depth. There are zones of up to 10% pyrite to 92.0 m depth. The hole returned anomalous intervals of 0.17 g/t Au over 5.69 m, 0.14% Cu and 0.21% Zn over 6.0 m, and 0.27% Cu and 0.31% Zn over 8.0 m.

10.1.1.17 Hole LA-17

Hole LA-17 was drilled on Section 6, 22 m southwest of LA-12. It was drilled vertically to a depth of 42.69 m. It intersected rhyolite and sericite schist to 31.0 m. The rhyolite is massive lava to foliated with a combined flow foliation or hyaloclastite sandstone bedding and weak schistosity. It has saprolitic weathering with a bleached, soft clay zone to 12 m depth, followed by a hematitic zone to 17 m, then brown goethite oxidiation with black manganese oxides on fractures. Alteration below the hematite zone is pale green illite with possible epidote.

The rhyolite / sericite schist is followed by conformable laminated, white to green siltstones which are bleached white to green to 39 m, then darker grey. The only significant value is 0.15% Zn over 2.69 m from 40.00 m to 42.69 m. There is no sulphide mineralisation at the rhyolite-sediment contact which is about 13 m horizontally from the projection of hole LA-12. The entire hole is in the oxide zone.

10.1.1.18 Hole LA-18

Hole LA-18 is a short hole drilled on Section 5 with an azimuth of 020° and an inclination of -75°. The target was to test the massive sulphides along strike to the west of Section 4 and the gossan exposed in the stream 37.4 m to the north-northeast on Section 5.

The hole intersected sericite schist to 58.91 m, followed by 0.21 m of semi-massive sulphide from 55.91 m to 56.17 m, comprising chalcopyrite coated by and partly replaced by dark grey chalcocite, with barite and sericite. This grades 1.09 g/t Au, 23.4 g/t Ag, 7.18% Cu and 0.43% Zn. The sericite schist has an interval of 14.0 m at 0.46% Zn (36.0 m to 50.0 m). The massive sulphide is followed by 0.83 m of sericite schist to 57.0 m, and then by sediments to the end of the hole at 65.55 m. The sediments are bleached and sericite altered for 1.5 m, then they are grey and laminated with volcaniclastic sandstone beds and graphitic layers. The base of oxidation is 13.4 m.

The stratigraphy is overturned and correlation with the exposed gossan shows that the massive sulphide horizon thins to the west and has an apparent dip of 40° to south-southwest.

10.1.1.19 Hole LA-19

Hole LA-19 was drilled on Section 4, 34 m west of Section 3. Hole LA-19 is 60 m southwest of hole L-06. It has an azimuth of 360°, inclination of -50° and length of 71.65 m. The hole intersected sericite schist to about 58.2 m, followed by about 4.3 m of ochre coloured, crumbly gossan with goethite, jarosite and barite after massive sulphide (58.2 to 62.5 m), then by a void of 3.58 m (62.50 m to 67.08 m), interpreted to be an old mine adit. (The exact start of the gossan is not known as there is only 32 cm core recovery in the drill run between 57.93 m and 59.46 m, with 12 cm of gossan). This is followed by dark grey, siliceous, finely bedded siltstones from 67.08 m to the end of the hole at 71.65 m.

The base of the oxidation zone in 22.37 m and is followed by 2% to 3% pyrite in sericite schist, with an increase to 5% to 10% pyrite from 42.5 m to 59.0 m. There is a second deeper oxide zone from 53.7 m to the end of the hole.

The gossan grades 4.56 g/t Au and 264.2 g/t Ag over 4.56 m (57.93 m to 62.50 m), within a longer mineralised interval of 15.13 m at 1.60 g/t Au and 109.5 g/t Ag (55.0 m to 70.13 m including sericite schist, mine void and sediment). The sericite schist above the gossan grades 0.15 g/t Au and 3.73 g/t Ag over 7.0 m.

10.1.1.20 Hole LA-20

Hole LA-20 was drilled from the same platform as LA-19 on Section 4 with the same azimuth of 360° and a steeper inclination of -65° and length of 120.44 m. The hole cut sericite schists with followed by two massive sulphide intervals interpreted to be a fault repetition of a single body. The top interval is from 72.60 m to 83.85 m:

- 72.60 m to 74.00 m: sericite and goethite, possible fault;
- 74.0 m to 80.7 m: barite sand and jarosite with very low recovery due to sanded nature, although a void is possible (no void recorded by drillers);
- 80.7 m to 82.22 m: banded massive sulphide with supergene chalcocite and covellite on sulphides, and barite. Bedding is at a 30° angle to the core axis;
- 82.22 m to 83.32 m: Barite-jarosite in 10 cm core at end of a drill run, does not look in situ; and,
- 83.32 m to 83.85 m: Non-banded massive sulphide with abundant chalcocite.

The interval grades 4.37 g/t Au, 558.3 g/t Ag, 4.52% Cu and 0.23% Zn over 12.97 m (70.88 m to 83.85 m). Individual sample grades are up to 1,070 g/t Ag in the oxide zone, and 25.5% and 31.7% Cu in the enriched sulphides.

This is followed by a fault from 83.85 m to 88.00 m with broken sediments with sericite alteration, possible barite and low recovery, with jarosite to 85.0 m then pyrite, grading 18.3 g/t Ag and 0.52% Cu over 6.10 m (83.85 m to 89.95 m); followed by siltstones from 88.0 m to 98.75 m (with 0° to 10° angle of bedding to core axis, locally 35°). These are black, laminated, carbonaceous and siliceous with quartz veins from 88.0 m to 91.47 m; then beige and decalcified to 97.40 m; then sericite altered with 10% pyrite and chalcocite to 98.75 m. The sediments grade 1.05% Zn and 0.13% Cu over 8.22 m (89.95 m to 98.17 m).

The second massive sulphide intersection is as follows:

- 98.75 m to 100.62 m: Massive sulphide, bedded and massive, pyrite, low barite. Bedding at 0° to10° to core axis. The interval starts in a drill run with 42% recovery and there is 35 cm of massive sulphide after sericite altered sediments. The estimated start of massive sulphides is between 98.75 m and 100.27 m;
- 100.62 m to 101.26 m: Sericite-altered rhyolite with 2% pyrite, non-schistose. The end of the drill run is marked “Cave”;
- 101.26 m to 102.30 m: Bedded massive sulphide with barite. Bedding at 15° to 0° to the core axis; and,
- 102.30 m to 106.54 m: Non bedded massive sulphide.

This interval grades 1.56 g/t Au, 29.42 g/t Ag, 3.71% Cu and 1.11% Zn over 8.37 m (98.17 m to 106.54 m).

It is followed by slickensided sericite schist with 5% pyrite and chalcocite and quartz veins (106.54 m to 107.40 m) grading 1.39% Zn, 0.67% Cu over 1.46 m; then by siltstones from 107.40 m to the end of the hole at 120.44 m. These are bleached beige siltstones with quartz veins forming a breccia from 104.40 m to 108.10 m, then laminated grey sediments with carbonaceous intervals and bedding at 30° to 40° to the core axis. The sediments run 0.78% Zn over 12.34 m to the end of the hole.

LA-20 has three oxide zones. The upper zone is to 13.77 m depth. The second oxide zone is in the upper part of the first mineralised interval from 72.60 m to 80.7 m and is followed by a zone of supergene enrichment to 83.85 m. The third oxide zone is for a width of about 1.15 m in a fault zone from 83.85 m to 85.0 m. There are zones of chalcocite enrichment to the end of the hole.

The barite / massive sulphide horizon on Section 4 is interpreted from holes LA-19 and LA-20 to be a single horizon with a dip of about 75° south and a true width of about 8.3 m. It thins to about 5.3 m on the lower intersection of LA-20. The stratigraphy is overturned. The mineralised horizon has been displaced by a reverse fault with a throw of about 18 m at a dip of 35° to 40° south.

10.1.1.21 Hole LA-21

Hole LA-21 was drilled on Section 4, 27 m south of LA-19 and LA-20. It had an azimuth of 360°, inclination of -70° and a length of 161.72 m.

The hole intercepted sericite schist with pyrite to 131.35 m. The depth of oxidation is 13.77 m. The sericite schist is followed by 0.18 m of bedded massive sulphide (131.35 m to 131.53 m); 0.25 m of sericite schist with 20% pyrite (131.53 m to 31.78 m); and 5.37 m of massive sulphide (131.78 m to 137.15 m). The massive sulphide is bedded with barite to 135.50 m (core angle of bedding 25°), then streaky with massive bands with pyrite, sphalerite and barite (core angle of bedding of 35° to 50°, increases down-hole). The interval grades 14.76 g/t Au, 120.81 g/t Ag, 3.67% Cu and 5.24% Zn over 5.79 m (131.38 m to 137.17 m).

It is followed by siltstone to the end of the hole; this has clay and sericite alteration with 10% pyrite and chalcocite, quartz veinlets and is broken from 137.15 m to 137.60 m; then white siltstone with weaker clay and sericite alteration and 2% to 4% pyrite with chalcocite to 142.50 m; then beige, siliceous siltstone with quartz-ankerite veins, with carbonaceous beds lower down. Supergene copper has carried into the siltstone with 16.83 m of 0.82% Cu (137.17 m to 154.0 m). The lower part of the siltstone has 0.67% Zn over 11.72 m (150.0 m to end of hole).

The massive sulphide of LA-21 is correlated with the lower massive sulphide interval of LA-20 to give a body with a dip of 55° south and a true width of about 4.74 m in LA-21, and overturned stratigraphy below the fault on Section 4. This is shallower angle than the upper part of the section and there may be some drag on the fault.

10.1.1.22 Hole LA-22

LA-22 was drilled 11.0 m north of LA-07 on Section 1 and was drilled 180° south at an inclination of -65° to test the continuity of the mineralised horizon intersected in LA-07.

The hole was collared in siltstones to 53.20 m (not sampled 4.57 m to 19.82 m) with an intersection of 0.72 g/t Au and 1.71 g/t Ag over 9.69 m (36.42 m to 46.11 m). There is a 0.15 m bed of sericite schist with 5% pyrite at 46.65 m to 46.80 m, followed by 0.46 m of siliceous sediments, then by 2.74 m of sulphide-rich sericite schist with 25% pyrite coated by chalcocite, oxidised from 48.7 m (47.26 m to 50.0 m),. The core angle of the schistosity is 30° to 60°. This interval grades 0.50 g/t Au, 6.15 g/t Ag and 0.38% Cu over 4.0 m (46.11 m to 50.11 m). It is followed by 3.20 m of siltstones (50.00 m to 53.20 m) and a 0.40 m quartz vein (53.20 m to 53.60 m).

Sericite schists start at 53.60 m and continue to the end of the hole at 100.62 m. The schists have 5% to 10% pyrite coated with minor chalcocite at the start (0.58 g/t Au, 49.2 g/t Ag and 0.99% Cu over 4.40 m), with pyrite decreasing downwards. The core angle of the schistosity is 30 to 10°. The schists have 0.22 g/t Au and 8.17 g/t Ag over 50.51 m (50.11 m to 100.62 m), including 18.0 m at 0.25% Zn, 0.25 g/t Au and 7.26 g/t Ag (72.0 m to 88.0 m).

The sulphides are oxidised to hematite and jarosite to 46.65 m. There is a thin sulphide interval of 0.15 m (46.65 m to 46.80 m) followed by oxidised sediments, then a supergene zone of chalcocite coating sulphides (47.26 m to 48.70 m) in the upper part of the sulphidic sericite schist. There is a deeper oxidation zone to hematite and jarosite from 48.70 m to 53.60 m. This is followed by primary sulphides to the end of the hole, with minor chalcocite coatings in the upper part.

The semi-massive sulphide body is interpreted to be vertical with a true width of the intersection of 1.7 m. The mineralised horizon is represented by sulphide-rich sericite schist in siltstone near to but above the sericite schist-siltstone contact. There is no mineralisation at the sericite schist-sediment contact which is 3.2 m below the sulphidic sericite schist. The sulphidic schist and sediment-schist contact occur at shallower depth in LA-22 than expected by the projection of the mineralised horizon from surface and LA-07. This requires displacement by a reverse fault with 10 m to 13 m of horizontal offset in the section, and a throw of about 30 m assuming a 60° dip, although the dip is poorly constrained and could be as low as 30°. Another possibility is tight Z-fold with a near-horizontal short limb, but this is considered less likely.

10.1.1.23 Hole LA-23

Hole LA-23 was drilled on Section 5, 53 m south-southwest of LA-18 and 18 m west of LA-21 (Section 4). It was drilled at an inclination of 75° to the north-northeast for a length of 213.43 m. The objective was to test the massive sulphide horizon at depth below LA-05 and along strike from Section 4. The hole cut rhyolite and sericite schist. The alteration intensity decreases down-hole. The contact with siltstone is at 208.75 m, indicating a steepening of the contact from 40° to about 80° south. The stratigraphy is overturned. There is no mineralisation at the contact.

The depth of pervasive oxidation is 34.0 m, and of oxidation on fractures is 41.7 m. The rhyolite is massive in flows and banded and brecciated hyaloclastite sandstones and breccias, and has sericite alteration with 2 - 4% disseminated pyrite. In the upper part of the hole schistosity is generally weak to absent; where present, it is parallel to bedding giving a combined S0/S1 fabric, and is folded into short, open F2 folds. There are mineralised zones at 27.45 m to 32.5 m (10% goethite and manganese oxides); 69.0 m to 76.3 m (10% to 20% pyrite); and 91.0 m to 92.8 m (30% sulphide in bands and coarse replacements). Rhyolite is altered to sericite schist from 137.0 m to 183.0 m, with bands of up to 5% coarse pyrite. Below this is a transition to chlorite-altered rhyolite. There are late white quartz veins with minor brown carbonate, including a thick vein at the rhyolite-sediment contact (206.85 m to 208.75 m). There is a specular hematite vein at 186.8 m.

The rhyolite / sericite schist has zinc mineralisation including 18.0 m at 0.29% Zn (42.0 m to 60.0 m) and 20.0 m at 0.24% Zn (190.0 m to 210.0 m).

The siltstones (208.75 m to 213.43 m at end of hole) are decalcified with a pale green to beige colour and include beds of fine grained volcaniclastic rock. There are open F2 folds.

10.1.1.24 Hole LA-24

LA-24 was drilled on Section 6 to the south of LA-17 and is a vertical hole to 91.47 m depth. There is overburden to 1.52 m and saprolite to 6.10 m. The hole cut rhyolite with a decrease in intensity of alteration down-hole from sericite schist in the upper part to illite altered rhyolite and transition to chlorite alteration, marked by a colour change from pale grey to green. The sericite and illite alteration have up to 5% disseminated coarse pyrite. The rhyolite varies from massive flows to bedded hyaloclastite sandstone. The contact with black carbonaceous siltstone is at 83.70 m with trace pyrite and 2% goethite. It has open F2 folds. The base of pervasive oxidation is at 36.59 m, and of oxidation on fractures is 41.30 m.

The hole has 10.42 m of 0.45% Zn from 81.05 m to the end of the hole in sericite schist and siltstone.

10.1.1.25 Hole LA-25

LA-25 was drilled on Section 7 on the western gossan, 19 m north of LA-15 and inclined at 55° to the south below LA-15 and below the gold-bearing gossan outcrop, and across LA-14 to test the mineralisation at greater depth.

The hole was entirely in rhyolite to the final depth of 167.68 m. The rhyolite texture varies from massive lava to hyaloclastite breccia. Alteration varies from sericite schist, with a combined S0/S1 fabric and open F2 folds and crenulations, to massive sericite. The upper part of the hole has weaker alteration. There is a 0.93 m interval of massive sulphide between 102.14 m to 03.07 m with a massive texture and medium grain size. It is cut by white quartz veins up to 15 mm wide with open space and minor pyrite, at an angle of 80° to the core axis. It grades 0.23 g/t Au and the mineralisation above grades 21.07 m at 0.12 g/t Au and 0.20% Zn (82.00 m to 103.07 m) with Cu up to 0.21% in this interval and 0.38% higher up.

10.1.1.26 Hole LA-26

LA-26 was drilled on Section 3 as a cross hole below LA-10. The hole was collared 74 m south of LA-13 and was drilled in a northerly direction at an inclination of 77° below LA-13 in order to test the extension and geometry of the massive sulphides at depth.

The hole cut rhyolite with increasing alteration to sericite schist down-hole, followed by 63.17 m of massive sulphides, then siltstones.

The upper part of the hole to 265.1 m is in massive quartz-phyric rhyolite with a pale green colour and sericite alteration, but is not schistose. It has about 5% fracture controlled and disseminated sulphides, mainly coarse pyrite (3-4 mm). There are localised banded, semi-massive to massive sulphide zones which comprise pyrite replacing the matrix of hyaloclastite breccias. There is trace fuchsite and late stage white quartz veins.

From 265.1 m to 324.5 m there is sericite schist with abundant quartz and 10% to 20% sulphides, mainly pyrite. There are narrow hyaloclastite breccia beds, and a 0.35 m massive sulphide bed at 313.70 m to 314.05 m. Schistosity is at about 40° to the core axis and there are short, open F2 folds.

The massive sulphide intersection is as follows:

- 324.5 m to 335.3 m: 10.8 m of 20-80% (average 60%) semi-massive sulphides with banded to irregular texture with fine white quartz, which possibly include later quartz vein or breccia matrix with coarser recrystallised sulphides at the margins. The sulphides comprise pyrite, often coarse grained (2 mm to 4 mm) and minor chalcopyrite. The banding is at 20° to the core axis (varies 0° to 50°).
- 335.3 m to 398.47 m: 63.17 m of massive sulphides. These are subdivided as follows:
  - 335.3 m to 53.2 m: 17.9 m with massive texture with interstitial barite.
  - 353.2 m to 398.47 m: 45.27 m with poorly defined bedding with barite and breccia texture. Comprises pyrite, fine pyrite, chalcopyrite, sphalerite, barite. Bedding angle to core axis of 20° to 40°.
- 398.47 m to 398.80 m: 0.33 m of massive sulphide interbedded with siltstone with bedding at 20° to core axis.

The massive sulphide intersection returned 67.77 m (330.70 m to 398.47 m) grading 1.49 g/t Au, 26.52 g/t Ag, 3.38% Cu and 3.99% Zn. The grade starts midway through the semi-massive sulphides. The overlying sericite schists grade 0.15 g/t Au over 52.7 m. The upper part of the semi-massive sulphide interval has sample grades up to 0.15% Cu and 1.37% Zn.

The massive sulphides are followed by bleached, sericite altered siltstone for 5.65 m to the end of the hole at 404.12 m, with bedding at 0° to 20° to the core axis.

This is the second longest intersection of massive sulphides drilled to date at Las Animas. It is more significant than the LA-10 intercept as it is a single massive sulphide unit with no evidence for fold repetition or faulting. The hole cut the massive sulphide at an angle of about 20°, indicating that the body dips about 85° south, and has an estimated true thickness of about 23 m.

The massive sulphide in LA-26 extends to about 360 m depth below surface and 398 m altitude. The hole was sampled from 80.0 m depth.

10.1.1.27 Hole LA-27

LA-27 was drilled on Section 4, 51 m south of LA-21 at an inclination of 70° north below LA-21 to a depth of 248.49 m. The hole intersected rhyolite and sericite schist to 221.36 m, followed by 5.79 m of massive sulphides from 221.36 m to 227.15 m, then carbonaceous black shale and siltstone. This is the down-dip continuity of the massive sulphide horizon intersected in holes LA-19, 20 and 21 to a depth of 195 m. The body dips at 70° south and is overturned with a true width of 4.70 m. This intercept extends massive sulphide mineralisation 75 m down-dip from LA-21.

The upper part of the hole has hyaloclastite rhyolite breccia with sericite alteration, non-schistose, with 10% disseminated pyrite, and short intervals of semi-massive sulphides over tens of cm. Massive rhyolite intervals are flows or large blocks. There are late white quartz veins. There is coarse massive pyrite at 113.05 m to 113.9 m, and four broken fault zones between 116.0 m to 127.6 m. From 127.0 m to 163.0 m there is massive rhyolite with narrow breccia beds, grey-white sericite alteration and 5% disseminated pyrite. There is minor beige ankerite or siderite in fractures cutting S1. There is a transition to sericite schist at 163.0 m to 172.3 m, followed by quartz-sericite schist with breccia textures and 10% pyrite, with short massive pyrite intervals. The schistosity has a core angle of 40°. From 195.76 m to 221.36 m there is sericite schist with 10% to 20% pyrite and intervals of semi-massive sulphide, mainly coarse pyrite, in hyaloclastite breccias. Covellite is present from 220.5 m to 220.75 m associated with a late quartz vein in massive form and rimming pyrite. It is interpreted to be a late hypogene sulphide. The sericite schist above the massive sulphide grades 0.16 g/t Au over 34.0 m (186.0 m to 220.0 m) and the 3 m above the contact has up to 10.47 g/t Ag, 0.18% Cu and 0.23% Cu. The top of the hole grades 0.15 m over 10.0 m (0.0 m to 10.0 m).

The hole intercepted massive sulphide mineralisation from 220.00 m to 227.15 m. It comprises pyrite, chalcopyrite, sphalerite and barite. The lower part is bedded (40° core angle) and is transitional from sulphidic sericite schist, and from 223.2 m it is more poorly bedded to massive. It is cut by discontinuous barite veinlets and open fractures. The interval grades 7.37 g/t Au, 72.51 g/t Ag, 2.71% Cu and 5.22% Zn over 7.15 m.

The massive sulphide is underlain by carbonaceous black shale to siltstone, with no sulphides, and cut by white quartz veins 0.1-0.2 m wide from 227.25 m to 233.25 m. The bedding angle to core is 40° and there are F2 folds. The sediments have anomalous Au (0.30 g/t Au over 10.85 m) and up to 0.49% Zn.

10.1.1.28 Hole LA-28

LA-28 was drilled on Section 6 to the southwest of LA-24 and 80 m southwest of LA-12, and was a vertical hole drilled to 189.04 m depth. It drilled rhyolite and intersected the contact with black siltstone at 157.50 m. There is no mineralisation at the contact but the hole returned 22 m grading 0.87% Cu and 0.49% Zn from 164.0-186.0 m, including 6 m grading 1.22% Cu and 1.31% Zn (176.0 m to 182.0 m) in the sediments. There is brecciation at the contact zone with clast support, no slickensides, and irregular veins and matrix of late white quartz and quartz-calcite. The hole was drilled as a “scissor hole” to test the sediment-volcanic contact and anomalous zinc in the lower part of hole LA-12 (60.45 m at 0.49% Zn). The hole stopped 20 m short of LA-12.

Interpretation of Section 6 (holes LA-12, 17, 24 and 28) shows an overturned stratigraphy of black siltstones overlying rhyolites with the contact dipping at 50° to 65° southwest, and no massive sulphide mineralisation, but with Cu and Zn mineralisation in the sediments.

10.1.1.29 Hole LA-29

LA-29 is located 375 m west of LA-26 and was drilled to test anomalous soil sample geochemistry. LA-29 was drilled at an azimuth of 045º, a dip of -65º to a depth of 196.66 m. The hole was entirely in sericitic altered rhyolites and intercepted an interval of 84 m grading 0.33% Zn with a maximum of 2 m grading 2.72% Zn and 0.45% Cu. Gold is up to 0.20 g/t and Ag to 12.82 g/t in the rhyolite.

10.1.1.30 Hole LA-30

LA-30 is located 110 m west-southwest of LA-12 and was drilled to test a mapped fold hinge on the rhyolite-sediment contact between the Western Zone and hole LA-12 which returned 60.45 m grading 0.45% Zn in hanging wall sediments. LA-30 was drilled at an azimuth of 315º and a dip of -75º to a depth of 74.70 m and intercepted the rhyolite-sediment contact at 46.74 m. No mineralisation was intercepted at the contact. The rhyolite grades up to 0.36 g/t Au. The sediments grade 0.17% Zn over 24.7 m (50.0 m to 4.7 m).

10.1.1.31 Hole LA-31

LA-31 is located 52 m south of holes LA-04, 05 and 11 on section 2 and was drilled to test the down-dip extension of the massive sulphide mineralisation intercepted in those holes. LA-31 was drilled to the north with a -65º dip and a total depth of 285.39 m. The hole started in sericitic altered footwall volcanics anomalous in Au and Zn including 26 m at 0.35 g/t Au (136.0 m to 162.0 m) and up to 0.49% Zn. The hole intercepted 6.48 m of massive sulphides (270.22 m to 276.70 m) that are banded (35° to 65° to core axis) and comprise pyrite, chalcopyrite, sphalerite and barite. Minor millimetric faults offset the banding. The interval grades 2.74 g/t Au, 73.13 g/t Ag, 1.58% Cu and 5.43% Zn. The schist above the massive sulphide grades 0.33 g/t Au over 12.22 m (258.0 m to 270.22 m) with up to 17.3 g/t Ag, 0.45% Cu and 0.47% Zn.

The massive sulphide is followed by sediments that comprise bleached, pale green siltstone (276.7 m to 278.6 m) transitional to beige siltstone (278.6 m to 281.4 m), then grey siltstone, with weakly anomalous Au and Zn.

This hole extends massive sulphide mineralisation 85 m down-dip from hole LA-11. The body is interpreted to dip 80°south from LA-04 to LA-31. The true width of the intersection is 3.7 m.

10.1.1.32 Hole LA-32

LA-32 is located 104 m northeast of LA-07 and was drilled to test the westward extension of mineralisation at the sediment-rhyolite contact and the hinge zone of a large fold. It was drilled on an azimuth of 225º with an inclination of -65º to a depth of 114.32 m. It started in calcareous siltstones and was drilled sub-parallel to the bedding. The sediment is a grey, laminated calcareous siltstone with graphitic partings. It has intervals of volcanic breccia with a carbonate matrix and clasts of volcanic rocks. The sediment has 2% to 5% disseminated cubic pyrite. It has sericite alteration with crenulation cleavage in places. The hole intercepted the sediment-rhyolite contact at 91.46 m and no massive sulphide mineralisation was present. The hole was assayed from 54.0 m to 6.03 m and gave no anomalous values.

10.1.1.33 Hole LA-33

LA-33 is located 111 m northwest of LA-29 and 246 m southwest of LA-30 and was drilled to test a zone of anomalous soil geochemistry. It was drilled at an azimuth of 045º and a dip of -55º to a total depth of 138.71 m and intersected rhyolite.

It was sampled from 36.59 m to 138.71 m and returned up to 0.17% Zn, but no other significant values.

10.1.1.34 Holes LA-34, LA-34A

These holes are located on the south end of section 4 south of hole LA-27 and were drilled at -75° and azimuth 360° with a planned depth of 400 m. The target was the massive sulphide horizon about 150 m below LA-27 at an estimated depth of 375 m. The hole was lost twice at 134.72 m (LA-34) and 139.60 m (LA-34A). The core was not assayed. The collar of LA-34A was moved 0.5 m south of the collar of LA-34. Both holes cut sericite schist. The target was re-drilled successfully from this platform as LA-36 (see description of Hole LA-36).

10.1.1.35 Hole LA-35

Hole LA-35 is located on section 2 to target the massive sulphide horizon 60 m to 80 m below that of LA-31 at a depth of about 375 m and altitude of 350 m. The hole has an azimuth of 360° and an inclination of -69°. It drilled through sericite schist and intersected 10.13 m of massive sulphide from 321.8 m to the end of the hole at 331.93 m. The hole was lost in massive sulphide. The interval returned 10.08 m grading 2.29 g/t Au, 51.8 g/t Ag, 3.76% Cu and 3.62% Zn. The massive sulphide is banded at a 45° angle to the core axis. The sericite schist above the massive sulphide grades 0.12 g/t Au over 26.8 m (295.05 m to 321.85 m) with up to 0.28% Cu and 0.13% Zn, and higher up hole has 13.7 m at 0.23 g/t Au and 0.165 Zn (139.0 m to 152.7 m).

The horizon was intersected at about 39 m below the intersection in LA-31 and at a shallower depth than expected. This is interpreted as a flattening of the dip of the horizon from -80° south in LA-31 to about -60° west in LA-35. Alternatively there may be a reverse fault between the two holes and the dip of the horizon remains near vertical. The estimated true width of the intersection is 7.8 m.

10.1.1.36 Hole LA-36

The hole was drilled from the same platform as failed holes LA-34 and LA-34A on the south end of section 4 to target the massive sulphide horizon below LA-27. The collar was moved 0.5 m south of LA-34A. The hole was drilled at an inclination of -70° and azimuth of 360° to a depth of 292.61 m. The hole drilled sericite schist to 255.4 m with anomalous gold including 0.16 g/t Au over 8.83 m and 0.13 g/t Au over 6.07 m. The hole intersected massive sulphide from 255.4 m to 260.5 m over 5.1 m. It runs 4.79 m grading 2.50 g/t Au, 2.77% Cu, 5.45% Zn, and 49.6 g/t Ag (true width 3.67 m). The massive sulphide is banded (angle about 45°). The banding is millimetre to centimetre in scale and planar, often with an irregular or wavy top. It comprises pyrite, sphalerite and barite. In the first 0.3 m there is blue covellite interstitial to coarse pyrite with sphalerite and barite. The massive sulphide is followed by pale grey siltstone with black graphitic partings from 260.5 m to 269.1 m, followed by dark grey siltstone. The siltstone has open folds and is cut by white quartz veins. It has up to 0.58 g/t Au and 0.26% Zn.

The massive sulphide was intersected at a shallower depth than expected and it is interpreted that the dip of the massive sulphide body shallows from 70°south in LA-27 to 60°south in LA-36.

10.1.1.37 Hole LA-37

Hole LA-37 was drilled south of LA-26 on section 3 with the target to test the continuation of the massive sulphide horizon at depth below the intersection in LA-26. The hole was drilled at an azimuth of 360° and inclination of -65°. It drilled through sericite schist and was lost due to technical difficulties at 477.0 m. It did not intersect the massive sulphide, although the depth was close to the projected continuity of the massive sulphide below LA-26. The hole was not sampled.

10.1.1.38 Hole LA-38

Hole LA-38 is located at the south end of section 3 and is a re-drill of LA-37 from the same platform with the collar moved 1.5 m south. The hole was drilled with azimuth of 360° and inclination of -65°. The hole was drilled entirely in sericite schist and rhyolite until terminated at 671.16 m and did not intersect significant massive sulphides or siltstones. The sericite schist has narrow zones of anomalous Au and Zn. A 0.71 m zone of massive sulphide was intersected from 631.20 m to 631.91 m, comprising 30% to 40% subhedral pyrite with a black fine grained sulphide, quartz and barite, and a brecciated texture. This interval gave 0.67 m at 0.17 g/t Au and 0.22% Zn. This was followed by a non-foliated, fine grained rhyolite with weak sericite alteration grading into pale green illite alteration and 1% disseminated pyrite to the end of the hole.

The massive sulphide horizon was not intersected at the expected projection below hole LA-26 at approximately 500 to 550 m depth. Possible reasons for this are:

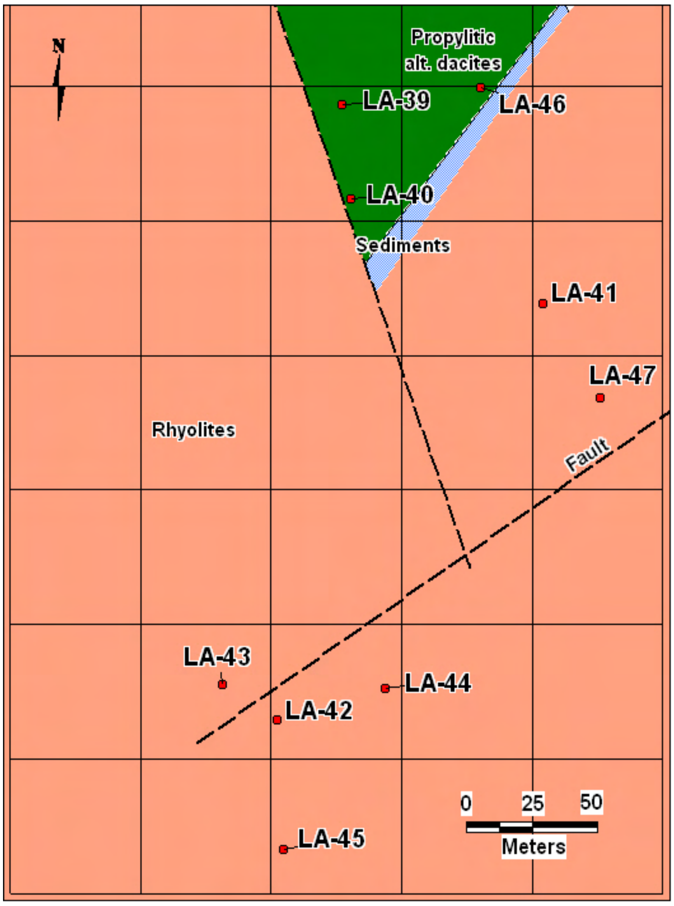
- The massive sulphide body is displaced by an unknown distance to the north by a low angle fault and was not reached. Zones of faulting are logged at 496 m to 505 m and 509 m to 514.75 m. This is considered to be the most likely interpretation;

- The 0.71 m massive sulphide is actually the continuation of the massive sulphide horizon below hole LA-26. However it is in rhyolite and not sediment;
- The massive sulphide body rolls over to dip 60° to 70° north and subparallel to the hole, and was not reached. This is considered unlikely as the schistosity of the sericite schist would be subparallel to the core axis, but is at about 35°;
- The massive sulphide horizon may terminate above hole LA-38; and,
- The hole steepened and drilled below the massive sulphide - however the down-hole survey shows that the inclination at the end was 63.9°, almost the same as the start, and in addition is unlikely as schistosity would be parallel to core axis.

10.1.2 Guazumitas

Nine holes (1,208.22 m) were drilled in a soil and trench gold anomaly at Guazumitas, located 900 m southeast of El Yujo, as part of the Phase III of drilling in 2008. The hole locations are shown on Figure 10.8. The soil gold anomaly is about 1,200 m long in a north-south direction and open to the south, and about 200 m wide. The drilling tested the northern 300 m part of the anomaly which lies within the Mata Cadillo exploration licence. The southern part of the anomaly lies in the Las Guazumitas exploration licence application.

Figure 10.8: Geology and Location of Drill Holes at Guazumitas



(Figure supplied by GoldQuest)

10.1.2.1 Hole LA-39

Hole LA-39 was collared on the west side of Quebrada Guazumitas and was drilled to the southeast under the creek. The azimuth was 135°, inclination -51°, and depth 141.43 m. It was collared in rhyolite, then cut green dacite with chlorite-epidote alteration from 16.76 m, green volcaniclastic sediments to 84.40 m, then rhyolite breccia to the end of the hole. Alteration is to chlorite and the hole is oxidised to the end. There are no significant mineralised intervals. The rhyolite breccia has anomalous gold with a maximum of 0.816 g/t over 3.0 m (92.0 m to 95.0 m) and 0.164 g/t Au over 5.0 m (129.0 m to 134.0 m). The end of the hole is anomalous in Zn with 10.43 m of 0.26% Zn (131.0 m to 141.43 m, with 0.54% Zn in the last sample).

10.1.2.2 Hole LA-40

Hole LA-40 was collared south of LA-39 on the west side of Quebrada Guazumitas and was drilled south under the creek. It has an azimuth of 165°, inclination of -51°, and length of 82.30 m. It cut green dacite with chlorite-epidote alteration to 30.10 m, sediments with cherts to 51.30 m, and rhyolite to the end of the hole. There are no significant intersections. There is 19.0 m of 0.15% Zn from 33.0 to 52.0 m in oxidised sediments. The hole is oxidised to the end.

10.1.2.3 Hole LA-41

Hole LA-41 was drilled with an azimuth of 280°, an inclination of -60°, and a length of 80.77 m. It was collared in a soil gold anomaly on a slope on the east side of Quebrada Guazumitas, and was drilled towards the creek. The hole intersected sericite schist with pyrite, with a fault contact at 69.50 m with hard, dark green rhyolite with chlorite alteration. Oxidation is to 22.86 m depth, followed by a zone of weak supergene enrichment of chalcocite coating pyrite to about 50 m, and again at 67.06 m to 69.10 m. There are deeper oxide zones at 52.25 m to 67.06 m, related to faulting, and 69.1 m to 71.25 m.

The sericite schist has anomalous Au from surface with 16.25 m at 0.34 g/t Au (4.57 m to 20.82 m), accompanied by with weakly anomalous Pb and up to 50 ppm Mo. Gold correlates with the amount of hematite and jarosite after sulphides. Sericite schist with pyrite grades 9.35 m at 0.45 g/t Au from 43.0 to 52.35 m, with 810 g/t Ag, 0.15% Cu, 0.05% Pb and 0.28% Zn, and up to 30.7 ppm Mo. There is no evident correlation of Au with pyrite percentage. There is supergene copper enrichment with 4.0 m at 0.24% Cu from 27.0 m to 31.0 m in sericite schist.

The chlorite-altered rhyolite at the end of hole has anomalous Zn (9.77 m at 0.21% Zn) with up to 58 ppb Au related to veinlets up to 15 cm wide of earthy hematite-specular hematite-quartz-calcite and a narrow illite-sericite halo.

10.1.2.4 Hole LA-42

Hole LA-42 was drilled with an azimuth of 120°, and inclination of -55°, and a length of 117.35 m. It was collared near the crest of a ridge and drilled southwest down-slope towards Quebrada Cubana to test gold anomalies in soils and trenches. The hole was drilled below a trench that returned 9.10 m grading 4.33 g/t Au.

The hole intersected rhyolite over its entire length. The texture is massive in the upper part and volcanic breccias intercalated with massive units below 85.0 m. Alteration increases down-hole. The rhyolite has illite alteration to 32.09 m, followed by a fault zone with clay gouge (32.09 m to 35.40 m), followed by a gradual increase in sericite with a weak foliation in places, forming sericite schist with pyrite from 73.2 m to 86.4 m. Thereafter alteration is epidote-illite with illite veinlets and quartz-sulphide veinlets with a narrow illite halo. Zones with stronger illite have disseminated pyrite and weak schistosity.

The hole is oxidised to 79.7 m, with jarosite in the upper part and hematite lower, followed by a zone of supergene chalcocite coating pyrite with kaolinite alteration to 86.4 m, and a second hematite oxide zone to 88.0 m. The supergene zone grades 0.24% Cu over 8.33 m (79.70 m to 88.1 m).

Gold mineralisation correlated with sericite alteration and the sericite schist runs 0.53 g/t Au and 24.9 g/t Ag over 10.60 m at 0.53 g/t Au from 73.22 to 83.82 m in the oxide and supergene sulphide zone. Gold is associated with up to 63.0 ppm Ag, 433 ppm As, 1.20% Ba, 2.82% K, 19.1 ppm Mo, 0.17% Pb and Sb to 43.8 ppm. Zinc is low due to leaching by oxidation.

There are weakly anomalous metal values associated with the non-schistose illite and weak sericite alteration. The upper part of the hole has up to 0.23 g/t Au over 2.28 m (45.72 m to 48.00 m), Ag to 22.9 g/t (40.27 m to 1.87 m), Ba to 1.64%, and weakly anomalous Pb. The rhyolites in the lower part of the grade up to 0.189 g/t Au over 2.0 m (104.00 m to 106.00 m), Cu to 0.16% (97.74 m to 99.95 m), Pb to 190 ppm, and Zn to 0.12% (108.00 m to 110.00 m).

10.1.2.5 Hole LA-43

Hole LA-43 was drilled below LA-42 on the same selection to the northwest with an azimuth of 120°, inclination of -70°, and length of 131.06 m. It was collared beside the drill access road on a ridge and was drilled southwest below the ridge towards Quebrada Cubana. The target was to test the continuity of mineralisation below LA-42. The hole is in green rhyolite and rhyolite breccia with propylitic alteration and zones of brittle breccia with epidote or fine creamy silica. There is minor specular hematite and a few veins of white quartz, and jarosite-goethite on fractures to the end of the hole. There is no sericite schist nor anomalous gold. Zinc is anomalous in the lower half of the hole with 0.13% over 73.06 m from 58.0 m to 131.06 m (end of hole). No other metals are anomalous.

10.1.2.6 Hole LA-44

Hole LA-44 was drilled parallel to and northeast of holes LA-42 and LA-43, with azimuth of 120°, inclination of -51°, and length of 100.58 m. It is on the east side of a ridge and was drilled down-slope towards Quebrada Cubana. The collar is located near the end of the drill access road. The hole was drilled below a deep surface pit that returned 2.60 g/t Au.

The entire hole is in sericite schist with a weakly schistose zone of illite-altered rhyolite from 33.0 m to 49.2 m. Oxidation is to hematite and jarosite with a base at 79.4 m, followed by a 0.05 m zone of supergene chalcocite coating pyrite. The sulphide zone has zones of semi-massive sulphide up to 25% to 50% over 30 cm to 40 cm intervals.

Gold mineralisation occurs in the sericite schist but there is not a direct correlation with sericite intensity or sulphide/oxide percentage. The hole cut 27.95 m at 1.32 g/t Au with 11.8 g/t Ag and 0.20% Pb from the top of the hole (3.05 m to 31.0 m) and 14.4 m at 0.19 g/t Au from 45.53 m to 59.94 m, both in the oxide zone. The sulphide zone has 18.0 m at 0.16 g/t Au, 4.7 g/t Ag, 0.09% Cu, 0.03% Pb and 0.24% Zn from 72.0 m to 90.0 m.

10.1.2.7 Hole LA-45

Hole LA-45 is the most southerly hole drilled at Guazumitas and has an azimuth of 090°, inclination of -51°, and length of 198.12 m. The hole was drilled below a surface pit that returned 1.00 g/t Au. The entire hole is in rhyolite and sericite schist and is anomalous in Au, Ag, Cu, Pb and Zn. The hole intersected 18.0 m at 1.32 g/t Au from 54.0 m to 72.0 m with 11.3 g/t Ag, 0.15% Cu (supergene), 0.16% Pb and 1.0% Zn in sericite schist with sulphides; and 16.0 m at 0.32 g/t Au and 39.6 g/t Ag with 0.05% Cu, 0.30% Zn from 112.0 m to 128.0 m.

The depth of oxidation is 49.73 m with a zone of weak chalcocite enrichment to 76.32 m.

10.1.2.8 Hole LA-46

Hole LA-46 was collared east of LA-39 on the east side of Quebrada Guazumitas creek, and was drilled sub-parallel to the valley side with an azimuth of 195°, inclination of -51°, and a length of 126.49 m.

The hole intersected green quartz plagioclase phyric dacite with a banded to brecciated texture and chlorite-epidote-?illite alteration from 3.0 m to 18.2 m. This was followed by fine grained, pale grey, massive to laminated mudstone interbedded with volcaniclastic siltstone, sandstone and breccia (probably hyaloclastic) with quartz phenocrysts to 67.3 m. Sedimentary textures include with sediment rip-up clasts, and graded bedding (top of hole is up). There are several siliceous layers or beds of 0.2 m to 2.5 m intersection width (31.5 m to 31.7 m, 32.4 m to 32.7 m, 50.2 m to 52.7 m) which are very fine grained, cherty silica with trace pyrite and ghost phenocrysts which suggests a replacement origin rather than sedimentary or exhalative. The sediments were probably calcareous and were decalcified by hydrothermal alteration and/or weathering. There are thick white metamorphic quartz veins in the sediments. From 67.3 m to the end of the hole there is rhyolite with more quartz phenocrysts and more siliceous matrix than the dacite at the top of the hole. These have laminated and clastic breccia textures, and chlorite-epidote alteration. Green chlorite elongate clasts are interpreted as devitrified and altered glass shards, and the rhyolites are interpreted as a series of flows and hyaloclastite breccias.

The hole is pervasively oxidised to 105 m and fractures are oxidised to the end of the hole.

The top part of hole is anomalous in Zn with 0.14% over 67.95 m from 3.05 to 71.0 m in dacite and the interbedded mudstone and with volcanic sediments, with low anomalous Cu (to 450 ppm) and high Fe (4.4% to 9.2%). At the base of this interval there is 5.06 m at 0.148 g/t Au and 0.09% Zn (65.94 m to 71.0 m) at the contact of the volcanic sediments with rhyolite. The rhyolite also has anomalous Zn lower down with 6.0 m at 0.12% Zn (94.0 m to 100.0 m).

10.1.2.9 Hole LA-47

Hole LA-47 was drilled on the east side of a ridge and has an azimuth of 195°, inclination of -51°, and length of 230.12 m. The hole is in sericite schist and the azimuth was drilled subparallel to the schistosity, so that the intersections are not true widths. The hole has long zones of anomalous gold associated with pyrite layers in the schistosity, namely 14.0 m at 0.216 g/t Au (105.0 m to 119.0 m) and 72.0 m at 0.232 g/t Au (153.0 m to 225.0 m), including 3.26 m at 1.356 g/t Au. Not all pyritic zones have anomalous gold. Gold is associated with weakly anomalous Cu (to 513 ppm), Mo (to 100.5 ppm), Pb (to 710 ppm) and spot anomalies of Zn up to 1.15%. From 223.5 m to the end of the hole (230.12 m) the rock is rhyolite with a volcanic breccia texture with no schistosity, green illite-?chlorite alteration, a decrease in sulphides, and a sharp decrease in gold to 5 to 34 ppb.

The depth of oxidation is 15.2 m.

10.2 SUMMARY OF RESULTS

The significant drill intersections are listed in Table 10.2.

Table 10.2: Significant Drill Intersections

Hole	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
LA-01	48.00	52.00	4.00	0.25	9.63	2.22	0.14
	52.00	68.00	16.00	0.28	1.34	0.10	
LA-02	36.00	45.68	9.68	6.90	21.25		
	45.68	72.00	26.32	0.23	4.11		
LA-03	96.35	108.00	11.65	1.14	47.24	1.95	3.45
	108.00	120.00	12.00	0.17	1.63		
LA-04	0.00	123.19	123.19	0.13			
including	22.00	50.00	28.00	0.16	1.35	0.12	0.16
or	34.00	62.00	28.00	0.11	1.06		0.42
and	64.00	104.00	40.00	0.16			
	123.19	129.85	6.66	8.78	84.55	2.44	2.98
	129.85	156.00	26.15				0.57
LA-05	20.00	157.22	137.22	0.13			
	36.00	66.00	30.00	0.17			0.40
including	60.00	64.00	4.00	0.07			1.47
	157.22	166.96	9.74	1.51	47.90	2.05	6.19
LA-06	18.00	48.00	30.00				0.24
	50.80	60.98	10.18	8.85	58.34		
	71.63	96.00	24.37	0.13			
LA-07	0.00	4.00	4.00	1.51	3.56		
	14.00	44.91	30.91		1.77	0.10	0.15
	46.05	46.56	0.51	2.63	170.50		
	46.56	70.00	23.44	0.37	23.00		0.24
including	56.00	66.00	10.00	0.55	19.82		0.43
	82.00	94.00	12.00	0.10	4.35	0.11	
LA-08	0.00	10.66	10.66	1.11	18.53		
	12.19	15.00	2.81	12.24	35.57	0.10	0.40
	15.00	42.00	27.00	0.43	5.00		
including	35.56	40.00	4.44	0.63	6.06		
LA-09	138.00	140.00	2.00	0.64	3.22		
LA-10	142.00	162.00	20.00				0.53
	162.00	304.00	142.00	2.50	36.58	2.59	1.91
including	163.02	177.58	14.56	4.20	85.99	3.13	3.29
and	198.02	304.00	105.98	2.72	36.75	2.29	2.09
	304.00	330.00	26.00	0.15	3.06		
LA-11	34.00	56.00	22.00	0.42	2.67		0.64
LA-12	142.00	202.45	60.45				0.49

Hole	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
Including	164.00	202.45	38.45				0.63
LA-13	12.00	38.00	26.00	0.15	1.37		
	72.00	88.00	16.00	0.22			
	206.00	222.00	16.00	0.12	1.09		
	222.00	241.09	19.09	2.03	33.01	3.08	3.91
LA-14	24.39	27.50	3.11	0.82	19.69		
	48.00	59.45	11.45	0.30			
	62.00	67.08	5.08	253.18			
LA-15	14.00	57.93	42.87	0.22			
LA-16	50.31	56.00	5.69	0.17			
	60.00	66.00	6.00		2.47	0.14	0.21
	82.00	90.00	8.00		3.67	0.27	0.31
LA-18	36.00	50.00	14.00				0.46
	55.96	56.17	0.21	1.09	23.40	7.18	0.43
LA-19	48.00	55.00	7.00	0.15	3.73		
	55.00	70.13	15.13	1.60	109.52		
including	57.93	62.50	4.57	4.56	264.24		
LA-20	70.88	83.85	12.97	4.37	558.26	4.52	0.23
	83.85	89.95	6.10	0.15	18.27	0.52	
	89.95	98.17	8.22			0.13	1.05
	98.17	106.54	8.37	1.56	29.42	3.71	1.11
	108.00	120.34	12.34				0.78
LA-21	7.12	26.00	18.88				0.26
	131.38	137.17	5.79	14.77	120.81	3.66	5.24
	137.17	154.00	16.83			0.82	
	150.00	161.72	11.72				0.67
LA-22	36.42	46.11	9.69	0.72	1.71		
	46.11	50.11	4.00	0.50	6.15	0.38	
	50.11	100.62	50.51	0.22	8.17		
including	53.60	58.00	4.40	0.58	49.18	0.99	
and	72.00	88.00	18.00	0.25	7.26		0.25
LA-23	42.00	60.00	18.00				0.29
	190.00	210.00	20.00				0.24
LA-24	81.05	91.47	10.42				0.45
LA-25	82.00	103.70	21.07	0.12	1.93		0.20
LA-26	278.00	330.70	52.70	0.15	1.30		
	330.70	398.47	67.77	1.49	26.52	3.38	3.99
LA-27	0.00	10.00	10.00	0.15			
	186.00	220.00	34.00	0.16	1.24		
	220.00	227.15	7.15	7.37	72.51	2.72	5.22
	227.15	238.00	10.85	0.30			
LA-28	164.00	186.00	22.00			0.87	0.49
including	176.00	182.00	6.00			1.22	1.31
LA-29	26.00	110.00	84.00			0.04	0.33
LA-30	50.00	74.40	24.70				0.17
LA-31	136.00	162.00	26.00	0.36			0.12
	258.00	270.22	12.22	0.33	3.35		
	270.22	276.70	6.48	2.74	73.13	1.58	5.44
LA-35	139.00	152.70	13.70	0.23	2.01		0.16
	295.05	321.85	26.80	0.12			
	321.85	331.93	10.08	2.29	51.84	3.77	3.62
LA-36	255.57	260.36	4.79	2.50	49.63	2.78	5.45
LA-38	631.20	631.91	0.71	0.17			0.22
LA-39	131.00	141.43	10.43				0.26
LA-40	33.00	52.00	19.00				0.15
LA-41	4.57	20.82	16.25	0.35			
	27.00	31.00	4.00			0.24	
	43.00	52.35	9.35	0.45	8.1	0.15	0.28
	71.00	80.77	9.77				0.21
LA-42	73.22	83.82	10.60	0.53	24.9		
	79.77	88.10	8.33			0.24	
LA-43	58.00	131.06	73.06				0.13
LA-44	3.05	31.00	27.95	1.32	11.8		
	45.53	59.94	14.41	0.19			
	72.00	90.00	18.00	0.16	4.7	0.09	0.24
LA-45	54.00	72.00	18.00	1.32	11.3	0.15	1.00
	112.00	128.00	16.00	0.32	39.6	0.05	0.30

Hole	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)
LA-46	3.05	71.00	67.95				0.14
	65.94	71.00	5.06	0.148			
	94.00	100.00	6.00				0.12
LA-47	105.00	119.00	14.00	0.216			
	153.00	225.00	72.00	0.232			
	205.74	209.00	3.26	1.356			

Blank boxes indicate no significant values (<0.1 g/t Au, <1/0 g/t Ag, <0.1% Cu and <0.1% Zn). In the case of core duplicates and repeat analyses, the average value has been used.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 SAMPLING METHOD AND APPROACH

The initial indications of mineralisation at Las Animas were found by fine fraction stream sediment sampling and float sampling carried out as part of a regional stream sediment geochemistry exploration program.

The main exploration technique used for definition of drill targets was soil sampling. A total of 1,778 soil samples were taken in several programs between 2005 and 2008 and analysed for gold and multi-elements. The area sampled is about 5.0 km long northwest by 1.4 km across. The line spacing varies from 25 m to 100 m, and the sample spacing varies from 25 m to 100 m. Most of the area was sampled on a 50 m by 50 m grid, and the El Yujo area was sampled at 25 m by 25 m. Soil samples were taken from the B horizon and were not sieved. The average sample weight was about 0.5 kg.

Rock sampling was carried out as grab samples of outcrop and float, and channel samples from hand-dug pits and trenches. A total of 656 rock samples were collected. Samples are 2 kg to 4 kg in weight and were analysed for gold and multi-elements. Surface rock samples are collected to check for the existence of mineralisation, but not to quantify it, and were not used for resource estimation.

Diamond drilling was carried out using HQ (63.5 mm diameter), NTW (56.0 mm diameter) and BTW (42.0 mm diameter) core. Sample intervals in the core were selected by the geologist after geological logging. The sample intervals are generally 2.00 m and 1 m in un-mineralised and mineralised zones, respectively. The average sample length is 1.84 m (n = 3,658). Priority was given to geological contacts so that some intervals may be shorter (minimum 0.14 m). In areas of low recovery the sample interval is between drill run markers, with a maximum length of 9.33 m (only 20 samples or 0.5% are longer than 3.10 m). The core samples were cut lengthwise into symmetrical halves by diamond saw and one-half of the core was sampled, and the other half left in the core box for reference. Samples were collected in heavy duty polythene sample bags which were sealed with plastic cable-ties. A sample ticket was glued on the core box at the start of the sample interval. Another sample ticket was inserted in the bag and the number written on the outside of the bag with indelible marker pen.

11.2 SAMPLE SECURITY AND CHAIN OF CUSTODY

Soil and rock samples were collected in heavy duty paper and polythene sample bags respectively, sealed with wire ties and plastic cable ties respectively. A detailed sample description form was filled in for each sample, and a tear-off sample ticket inserted in the bag.

Diamond drill cores were placed into wooden core boxes by the drillers. The core was collected from the drill rig site at the end of each shift by GoldQuest field assistant and taken to the core shack for logging and sampling. The core shack was originally a rented house at La Peña village, near to the drill site, and was moved to a rented house in Hato Viejo, near Jarabacoa, in September 2007. In February, 2008 the core shack was moved to another rented house in Jarabacoa.

The core was logged and marked for sampling by the GoldQuest geologists Norverto Gonzalez and later Luis Lucero.

All of the split core is stored at GoldQuest's core store in a rented house in Jarabacoa since February, 2008. It was originally stored in GoldQuest's core stores in Bonao (holes LA-01 to LA-26), about one-hour drive from the project, and Hato Viejo, near Jarabacoa (holes LA-27 to LA-33).

Stream sediment, soil, rock and core samples (holes LA-01 to LA-20) were shipped to ALS Chemex Ltd (ALS Chemex), Vancouver, Canada for preparation and analysis. This laboratory is independent of GoldQuest and complies with the requirements of international standards ISO 9001:2000 and ISO 17025:1999. The whole sample was shipped as, at that time, there was no sample preparation facility in the Dominican Republic, and this incurred high air freight charges. The samples were bagged in nylon sacks and taken by GoldQuest vehicle to the GoldQuest office in Santo Domingo, where standard and blank samples were inserted and sample shipment forms prepared. The samples were then taken to Punta Cana by GoldQuest vehicle, about a four hour drive, and sent by air to Vancouver. It was found that the best air freight rates could be obtained from Punta Cana on direct holiday charter flights to Vancouver, with an average time of two to three days to reach the lab. (Other courier and air freight routes from Santo Domingo were found by previous experience to be much more expensive, slower and prone to delays due cargo being carried when space was available.)

From September 2007, all soil, rock and core samples (holes LA-21 to LA-47) were prepared at Acme Analytical Laboratories Ltd's (Acme) new sample preparation facility in Maimon, Dominican Republic. This is a one and a half hour drive from Jarabacoa and samples were delivered by GoldQuest vehicle. Acme is independent of Gold Quest and is registered with ISO 9001:2000 and ISO 17025 accreditation.

Figure 11.1: Storage and logging facility in Jarabacoa
Secure house (top left), Core storage (top right), Core logging (bottom)

11.3 SAMPLE PREPARATION

Sample preparation for rock and core samples at ALS Chemex in Vancouver was to log the sample into the tracking system; record the weight; dry; crush the entire sample to >70% passing 2 mm; split off 1.5 kg; and pulverise the split to >85% passing 75 microns (method PREP-32). Coarse rejects and pulps are stored at the lab. Soil samples were prepared by sample login; record weight; dry, disaggregate and sieve sample to -80 mesh (method PREP-41). Some assay certificates indicate that for some soil sample orders a split of unspecified weight was pulverised to >85% passing 75 microns (method PUL-31).

Rock and drill core sample preparation by Acme in Maimon comprises logging the sample into the Acme tracking system with a bar code; dry in an electric oven; crush by Terminator jaw crusher to 80% passing -10 mesh (2 mm); and 300 g split by riffle splitter. The sample split was then shipped by courier by Acme to their lab in Santiago, Chile or Vancouver for pulverisation to 95% passing -150 mesh (106 microns) (method R150). Soil samples were prepared by drying at 60°C; and sieving a 100 g split to -80 mesh. Coarse rejects for core, rock and soil samples were returned to GoldQuest and are stored at GoldQuest's core store in Jarabacoa. Pulps are stored at Acme's lab in Chile.

11.4 SAMPLE ANALYSIS

There are a total of 656 rock sample analyses, 1,778 soil sample analyses and 3,658 drill core analyses, excluding QC samples.

ALS Chemex analysed samples in their Vancouver lab (VA assay certificate number prefixes) for gold by fire assay (30 g) with measurement by inductively coupled plasma atomic emission spectrometer (ICP-AES or ICP-ES) (method Au-ICP21, range 0.001 to 10 ppm), with over-runs by fire assay (30 grams) with AAS (atomic absorption spectrometry) finish (method Au-AA25). Multi-element analyses were done in a 50 element package (Ag, Al*, As, B*, Ba*, Be*, Bi, Ca*, Cd, Ce*, Co, Cr*, Cs*, Cu, Fe, Ga*, Ge*, Hf*, Hg, In*, K*, La*, Li*, Mg*, Mn, Mo, Na*, Nb*, Ni, P, Pb, Rb*, Re*, S*, Sb, Sc*, Se, Sn*, Sr*, Ta*, Te*, Th*, Ti*, Tl*, U, V, W*, Y*, Zn, Zr*) by aqua regia digestion and a combination of inductively coupled plasma mass spectroscopy (ICP-MS) and ICP-AES (method ME-MS41). Major rock forming elements and more resistive metals are only partly dissolved, and for elements marked (*), digestion is incomplete for most sample matrices. Over-runs for Ag, Cu, Pb and Zn were done by aqua regia digestion and AAS (method AA46).

Acme analysed core samples from holes LA-21 to LA-33 with assay certificate numbers starting SAN. Gold was analysed in Acme’s lab in Santiago, Chile by fire assay by classical lead-collection on a 1 assay-ton sample (29.2 g), with AAS analysis of the bead and a lower limit of detection of 5 ppb, and results were reported in ppb (Group 6 or G6 method Au-FA(30)/AAS). Over-runs above 10,000 ppb were re-analysed by fire assay with gravimetric analysis and reported in g/t (method Au-FA(30)/GRA, listed as 1F on assay certificates). Multi-elements were analysed in Acme’s Vancouver lab in a 53 element ultra-trace level package including Au (0.2 ppb lower limit of detection), Pt, Pd, Ag, Al*, As, B*, Ba*, Be*, Bi, Ca*, Cd, Ce*, Co, Cr*, Cs*, Cu, Fe, Ga*, Ge*, Hf*, Hg, In, K*, La*, Li*, Mg*, Mn, Mo, Na*, Nb*, Ni*, P*, Pb, Pd*, Pt*, Rb*, Re, S*, Sb, Sc*, Se, Sn*, Sr*, Ta*, Te, Th*, Ti*, Tl*, U*, V*, W*, Y*, Zn, Zr*) on a 0.5 g sample with aqua regia digestion (1:1:1) and ultratrace ICP-MS analysis (method 1F or Group 1F-MS ultratrace level package). Some elements (*) report partial concentrations due to refractory minerals. Over-limit analyses for Ag, Cu and Zn were re-analysed in the Santiago lab by hot aqua regia digestion on a 1 g split and ICP-ES analysis and reported in ppm for Ag and percent for Cu, Pb and Zn (method Group 7AR for base-metal sulphide and precious-metal ores). The gold fire assay was used for resource estimation rather than the ICP gold. The gold assays are reported on separate certificates (called branch files by Acme).

Samples from drill holes LA-35 to LA-47, with assay certificate numbers starting DRG, were analysed by Acme in Vancouver for gold by classical lead-collection fire assay on a 30 g sample (samples D24001 to D24390) or a 50 g sample (samples D24391 to D25370) with AAS analysis of the bead and a 5 ppb lower limit of detection, with results reported in ppb (package G6). Multi-elements were analysed in a 40 element package (Ag, Al*, As, Ba*, Be, Bi, Ca, Cd, Ce, Co, Cr*, Cu, Fe*, Hf*, K, La, Li, Mg, Mn, Mo, Na, Nb*, Ni, P, Pb, Rb, S*, Sb, Sc, Sn*, Sr, Ta*, Th, Ti*, U, V, W*, Y, Zn, Zr*) on a 0.5 g sample with hot four acid digestion with ICP-ES and ICP-MS analysis (package 7TX for sulphide and silicate ores). The lab schedule indicates that some elements (marked *) have partial digestion if refractory minerals are present. No over-limit analyses were necessary as there is no upper limit of detection with this method.

Acme analysed soil and rock samples initially for Au and multi-elements by the ultra-trace level package 1F, and later for Au by method G6 and multi-elements by method 7TX. These methods are described above.

Barium values are not representative due to the insolubility of barite in the aqua regia and multi-acid digestion used for the ICP analyses. In the sulphide zone Ba values are very low, despite abundant barite in places. In the oxide zone there are values up to 0.35% Ba, indicating some Ba in a more soluble mineral form, but still not representative of the total barium content. X-ray fluorescence (XRF) analyses are required to get accurate Ba analyses.

11.5 QUALITY ASSURANCE / QUALITY CONTROL (QA/QC)

GoldQuest carried out QA/QC of the drill programs by the insertion of 3 certified standard reference materials, 3 blanks and 2 core duplicates per 100 samples, giving 7% QC samples. The results of the QC samples were checked upon receipt of the analytical results from the lab; if the QC sample results fell beyond the acceptable limits, described in sections 11.6 to 11.10, the lab was notified and requested to investigate the problem, and, if necessary, to re-analyse the batch. Once the sample order passed QC it was approved and entered into the company database. The results of QA/QC for drill core are described in the following Sections 13.6 to 13.10.

Similar QA/QC procedures were carried out by GoldQuest for stream sediment, soil and rock samples. The results are not described in this report as these data were not used for the resource estimation.

11.6 CERTIFIED STANDARD REFERENCE MATERIALS

Certified standard reference material samples (CSRM) numbers CDN-HLHC and CDN-FCM-4, bought from CDN Resource Labs Ltd., Delta, British Columbia, Canada (www.cdnlabs.com) were used for control of LA-01 to LA-33, and LA-35 to LA-47 respectively. They are certified for Au, Ag, Cu, Pb and Zn. Three CSRM were inserted per 100 samples. Results are accepted if they are within plus or minus two standard deviations (SD) of the recommended value. A single value lying between plus or minus 2SD and 3SD is also acceptable, but two consecutive values between plus or minus 2SD and 3SD are rejected, as are any values greater or less than 3SD. The analyses are listed in Table 30.1 and Table 30.2 in the Appendix section.

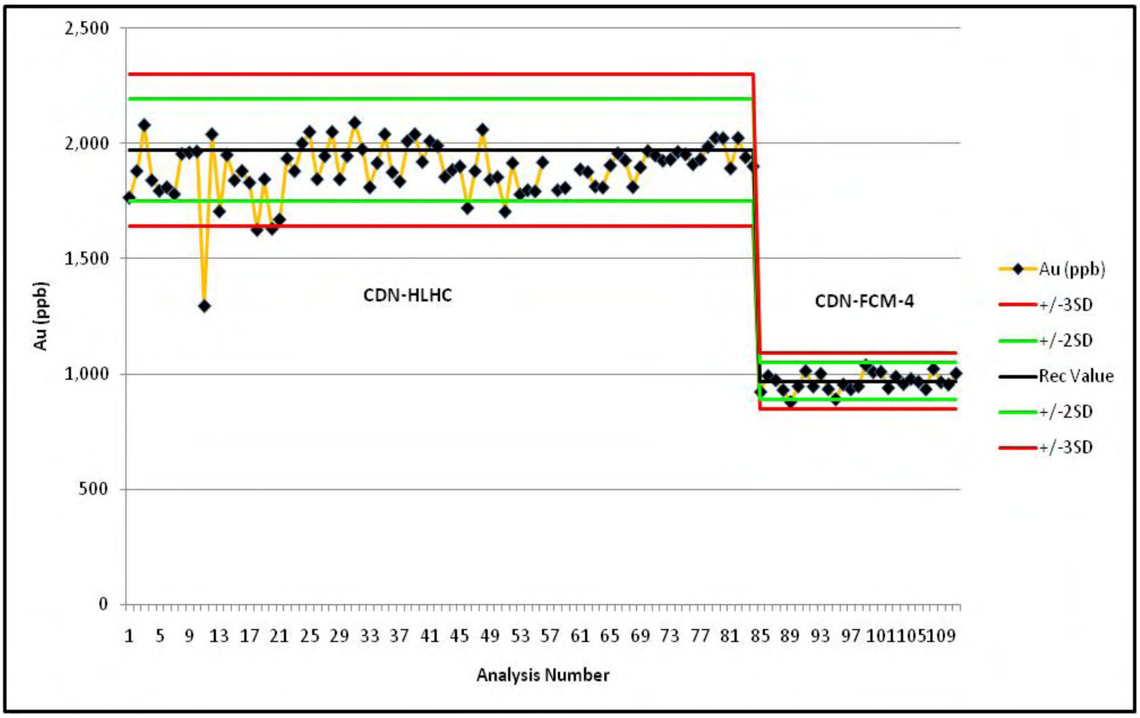
The recommended values for CDN-HLHC are 1.97 g/t Au, 111.0 g/t Ag, 5.07% Cu, 0.17% Pb, and 2.35% Zn. The average of all 84 analyses are 1.89 g/t Au, 107.0 g/t Ag, 4.88% Cu, 0.15% Pb and 2.24% Zn (after removing two Au analyses with insufficient sample, and one sample switch for Ag, Cu, Pb and Zn, described below). These are lower than the recommended values by 0.9 SD (Au, Ag), 1.4 SD (Cu), 2.0 SD (Cu), and 4.0 SD for Pb. The percentage difference is -3.6% to -4.7% (Au -4.1%, Ag -3.6%, Cu -3.8%, Zn -4.7%), and -11.8% for Pb.

The recommended values for CDN-FCM-4 are 0.97 g/t Au, 54.9 g/t Ag, 0.702% Cu, 0.34% Pb, and 1.28% Zn. The average of all 27 analyses for are 0.96 g/t Au, 56.2 g/t Ag, 0.725% Cu, 0.37% Pb and 1.31% Zn. They are within 1SD of the recommended values (Au 0.25 SD, Ag 0.4 SD, Cu 1.1 SD, Zn 0.75 SD) except lead which is 2.1SD. The percentage difference with the recommended values is between 1.0% lower to 3.3% higher (Au -1.0%, Ag +2.4%, Cu +3.3%, Zn +2.3%), and 8.8% higher for Pb.

The average values for the analyses of the CSRM are close to the recommended values and are considered to be acceptable, with the exception of lead for which, however, no resource was estimated as the lead grades are not significant.

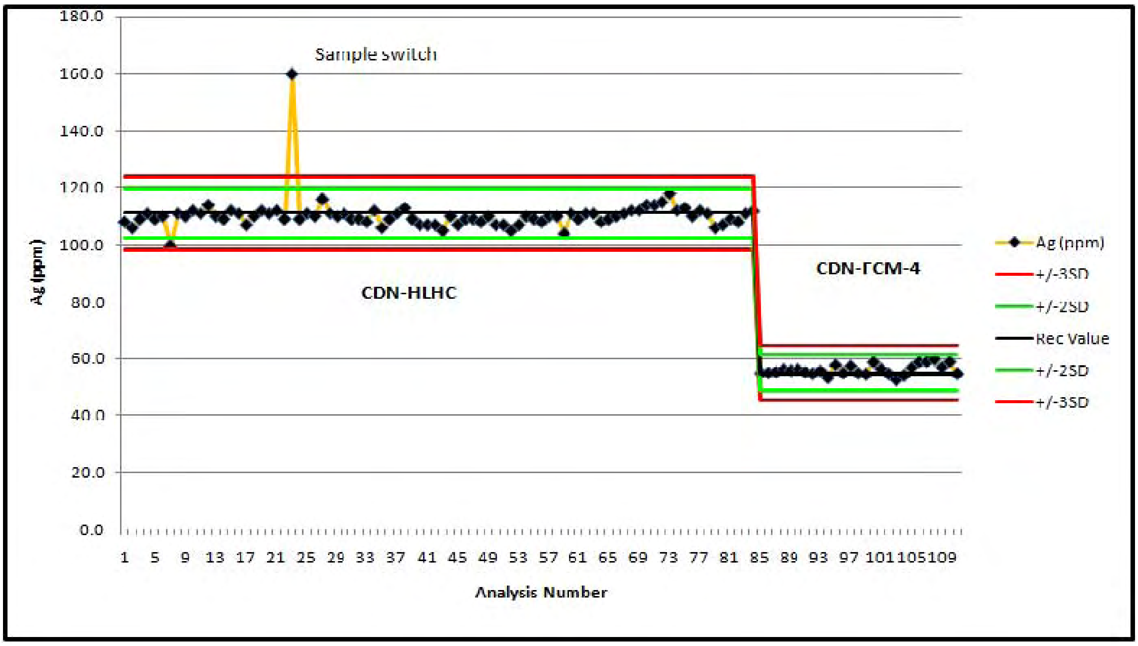
Gold results for the CSRM are within the accepted limits (Figure 11.2). The exceptions are orders VA07001209 (hole LA-05) with one sample below minus 3SD, and order VA07044609 (hole LA-09) where two samples are just below minus 3SD and another consecutive sample is between minus 2SD and minus 3SD: however, since there are no significant mineral intersections in this hole, the decision was made at the time to not reanalyse the sample batch.

Figure 11.2: Chart of Analyses of CSRM for Gold



Silver values for the CSRM are within acceptable limits (Figure 11.3). Sample D-18271 failed for Ag, Cu, Pb and Zn but passed for Au indicating a probable sample switch of the pulp used for the ICP and over-limit analyses.

Figure 11.3: Chart of Analyses of CSRM for Silver



Copper analyses for the CSRM (Figure 11.4, Figure 11.5) are within the accepted limits with the exception of sample D-18271 described above; two samples in order VA07083275 (hole L-13), one below 3SD and the next between minus 2SD and 3SD; and four out of five samples in order DRG08000272, two of which are between minus 2SD and minus 3SD, and two are below minus 3SD. As there were no significant copper intervals in this hole (LA-47), GoldQuest made the decision not to reanalyse these samples.

Figure 11.4: Chart of Analyses of CSRM CDN-HLHC for Copper

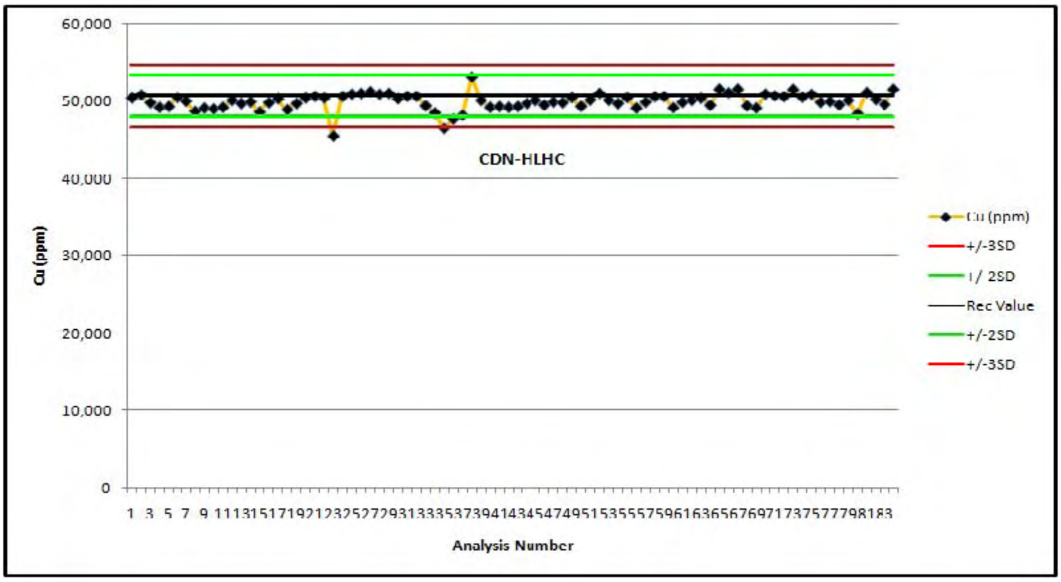
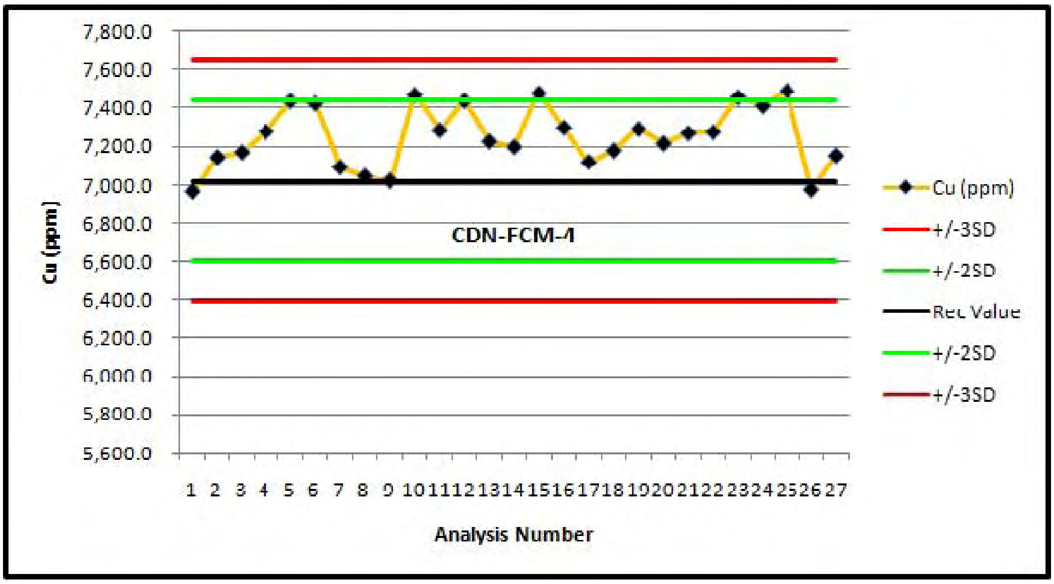
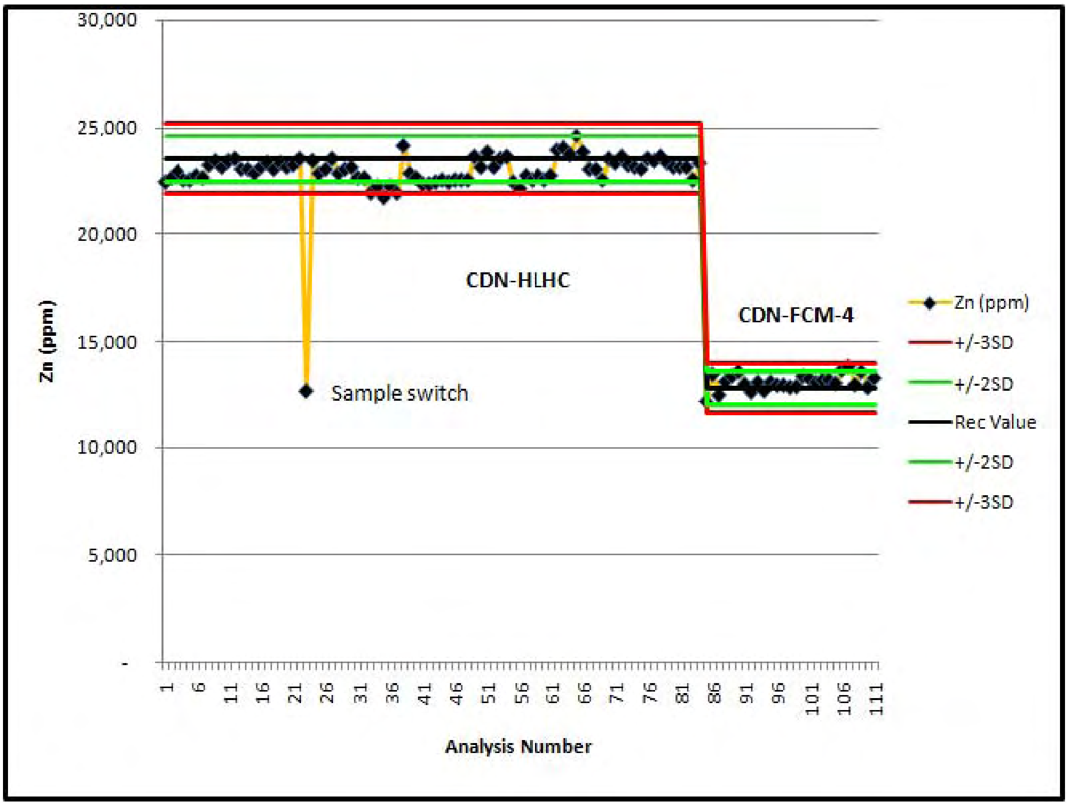


Figure 11.5: Chart of Analyses of CSRM CDN-FCM-4 for Copper



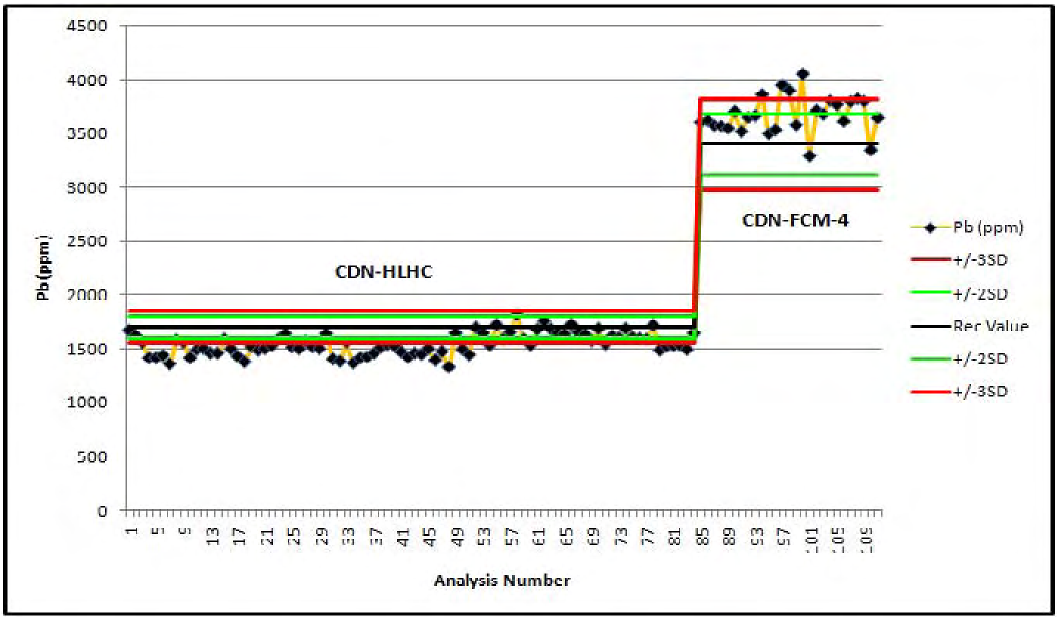
Zinc analyses for the CSRM are within the accepted limits (Figure 11.6) except for sample D-18271 described above, and order VA07083275 (holes LA-12 and LA-13) in which four samples are between minus 2SD to minus 3SD, and one sample is below minus 3SD. In three other instances the value is between minus 2SD to minus 3SD.

Figure 11.6: Chart of Analyses of CSRM for Zinc



Lead analyses for the CSRM (Figure 11.7) have high variability and in many cases are greater than 2SD and 3SD. The average values are 4.0 SD (11.8%) lower than CDN-HLHC and 2.1 SD 76 (8.8%) higher than CDN-FCM-4. For CDN-HLHC the Acme analyses have better precision and accuracy that the ALS-Chemex analyses. Since lead values are not significant at Las Animas and no resource was estimated for lead, this issue was not investigated further.

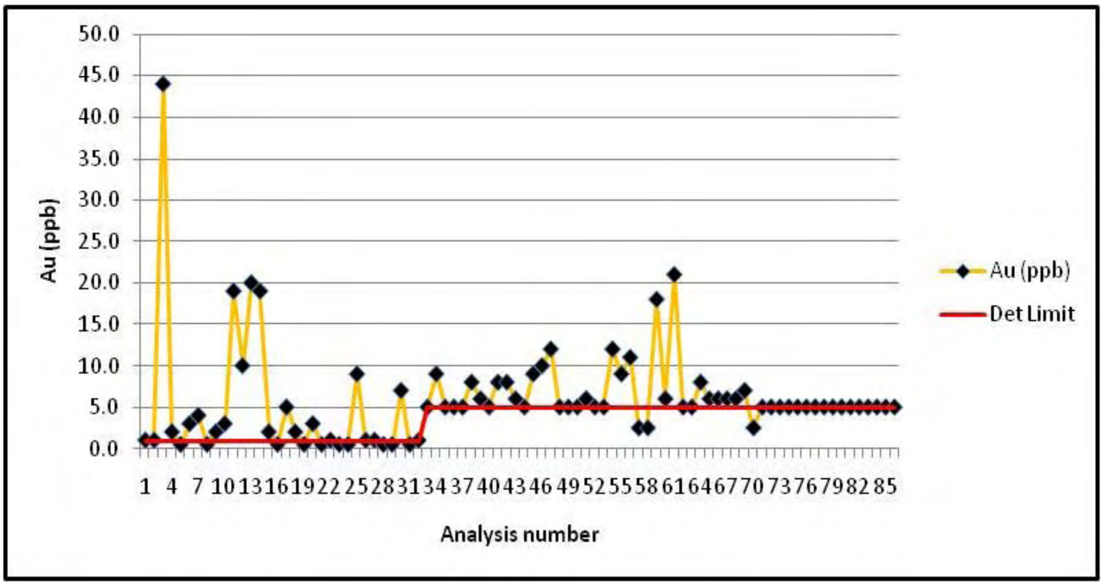
Figure 11.7: Chart of Analyses of CSRM for Lead.



11.7 BLANK ASSAYS

Silica sand was used as a sample blank. There are 86 analyses of blanks which are listed in Table 30.3 in the Appendix section.

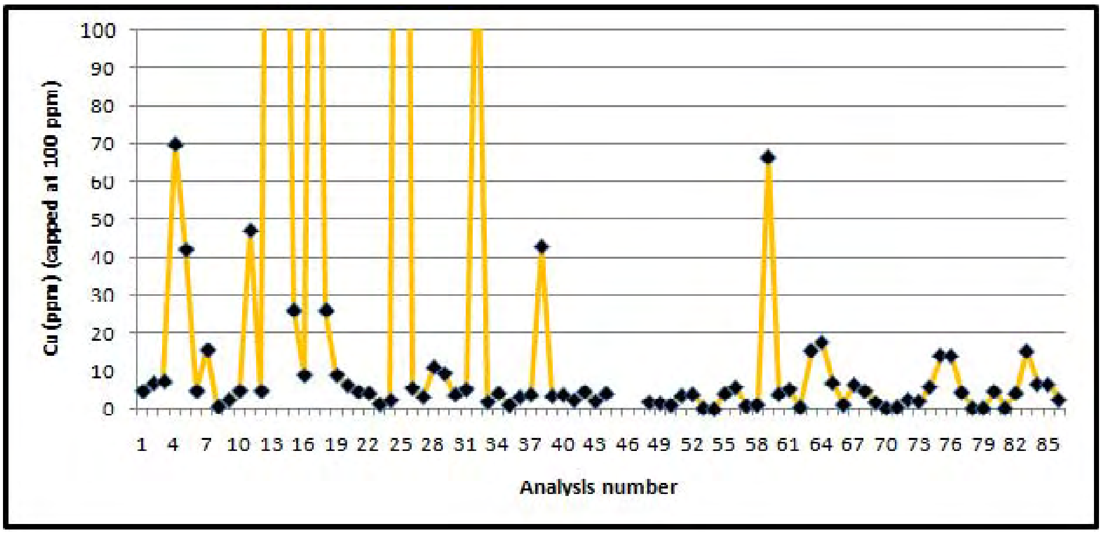
Figure 11.8: Chart of Analyses of Blanks for Gold



(For samples below detection, 0.5x detection limit is used).

GoldQuest inserted blank samples after CSRM. It is recommended that in future blank samples are not inserted directly after a CSRM but are inserted after high grade mineralisation. Blank samples indicate either carry-over contamination from high grade samples in sample preparation, or sample switches. For gold (Figure 11.8) most analyses are within 5 ppb of the detection limit, with a few high samples above 10 ppm. Analysis of blanks for copper (Figure 11.9) shows high values in some of the early analyses by ALS-Chemex, and much less in the later analyses by Acme. In blank samples with high Au and multi-elements, the cause is carry-over contamination. In samples where either only Au or only multi-elements are anomalous in blanks, the cause is probably a sample switch of the pulp. Overall the blanks are much better in the Acme analyses.

Figure 11.9: Chart of Analyses of Blanks for Copper (axis capped at 100 ppm).



(For samples below detection, 0.5x detection limit is used).

11.8 CORE DUPLICATES

Quarter core samples were submitted as duplicates (total 87 pairs). Charts are shown for Au (Figure 11.10) and Cu (Figure 11.11), and Ag and Zn are similar. Core duplicates test geological variability, sample size and splitting, and sample switches. Quarter core increases sample variability compared to the normal half-core sample due to half the sample weight. The correlation of the sample duplicates is poor particularly for gold at high concentrations; this is due to the inherent geological variability.

For the final table of sample results and averages the arithmetic average of duplicate analyses was used.

Figure 11.10: Chart of Gold Core Duplicate Analyses (axes capped at 10,000 ppb)

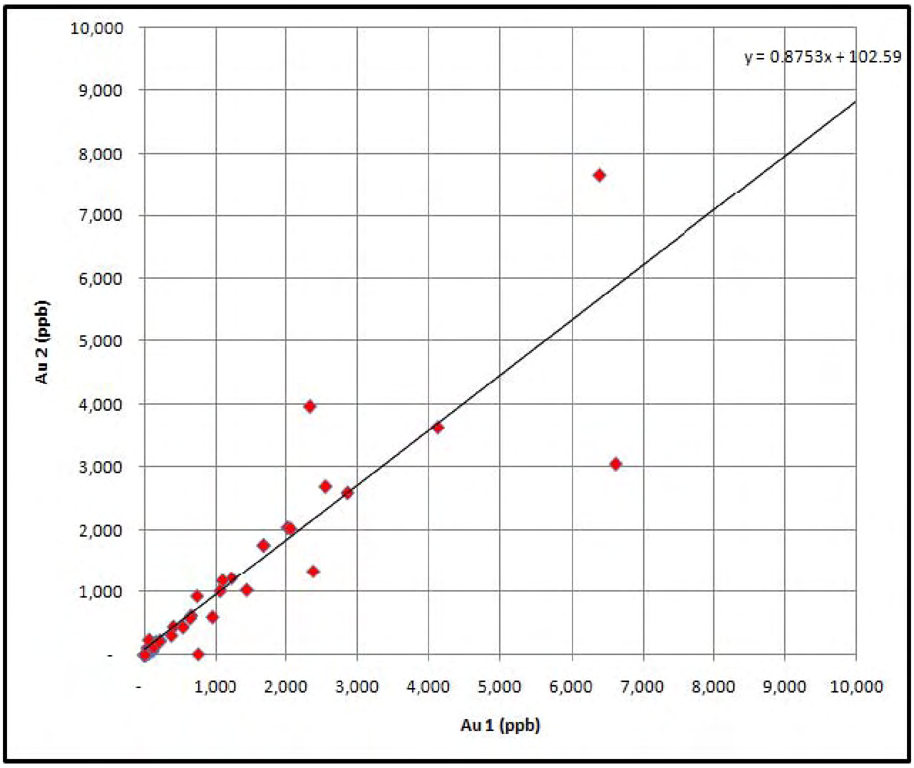
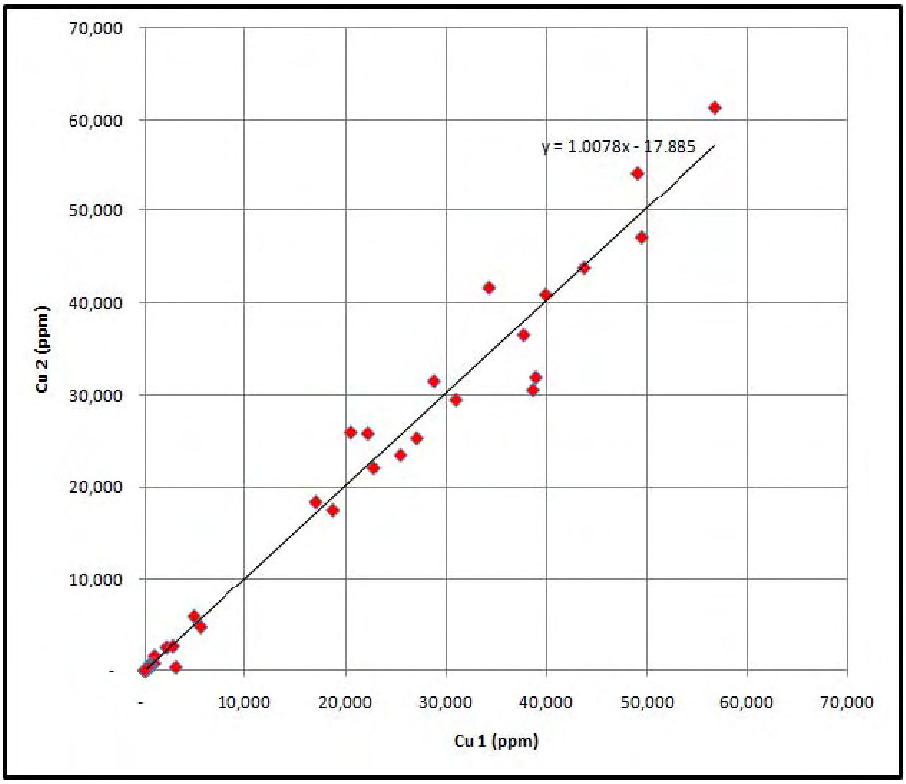


Figure 11.11: Chart of Copper Core Duplicate Analyses



11.9 INTERNAL LABORATORY REPEATS

No internal laboratory replicate analyses were carried out.

11.10 EXTERNAL LABORATORY REPEATS

No check or replicate assays were carried out at a second laboratory. It is recommended that 5% check assays and 10% replicate assays be done at a second laboratory.

Check assays are on a new pulp prepared from the coarse reject. Replicate assays are carried out on the same pulp as the original assay.

11.11 SPECIFIC GRAVITY

Specific gravity (SG) measurements of drill core were carried out at the core logging facility by the displacement method. Core was weighed in air then in water, and the SG calculated by the formula $SG = X / (X – Y)$ where X = the weight in air and Y = the weight in water. This method is only suitable for competent core. Highly broken or disaggregated core could not be measured by this technique and will require a special method. A total of 53 SG determinations were made, including 28 in massive sulphide.

11.12 MICON COMMENTS

The author considers the sample preparation, security and analytical procedures to be adequate to ensure credibility of assays. The QA/QC protocols employed by GoldQuest are sufficiently rigorous to ensure that the sample data are appropriate for use in mineral resource estimations.

12.0 DATA VERIFICATION

The author has verified the data used upon in this report by:

- Visiting the property and confirming the geology;
- Confirming drill core intervals including gossan and massive sulphide intersections;
- Checking the location of the drill holes in the field; and,
- Review of QA-QC analysis.

For the resource estimate the author used Excel files exported from the Access database and supplied by GoldQuest.

The author checked all of these against digital PDF assay certificates supplied by the analytical labs. There was no problem with verification of assay certificates with original analyses by ALS-Chemex and Acme.

The author concludes that:

- Exploration drilling, drill hole surveys, sampling, sample preparation, assaying, and density measurements have been carried out in accordance with best current industry standard practices and are suitable to support resource estimates;
- Exploration and drilling programs are well planned and executed and supply sufficient information for resource estimates and resource classification;
- Sampling and assaying includes quality assurance procedures; and,
- Exploration databases are professionally constructed and are sufficiently error-free to support resource estimates.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Preliminary mineralogical and metallurgical studies have been completed on samples selected by Goldquest. Mineralogical work was undertaken on samples of sulphide mineralization by SGS Mineral Services (SGS), Lakefield, Ontario, and DCM Science Laboratory Inc. (DCM), Wheat Ridge, Colorado, USA, on behalf of Resource Development Inc. (RDI), also of Wheat Ridge. Metallurgical testwork was undertaken on both oxidized and sulphide samples by RDI. The references for this work are as follows:

- Resource Development Inc., "Scoping Metallurgical Study for Las Escandalosa and Las Animas Oxide Ores, Dominican Republic", dated September 8, 2011. (RDI, 2011).
- DCM Science Laboratory Inc., "Petrographic Analysis of One Sulfide Sample (Gold Quest Sulphide)", dated July 7, 2011. (DCM, 2011)
- SGS Mineral Services, "A Mineralogical Investigation into QEMSCAN Analysis of One Cu/Zn Feed from the Las Animas Deposit Located in the Dominican Republic" Prepared for Goldquest Mining Corp., dated, February 21, 2012. (SGS, 2012).
- Resource Development Inc., Memoranda:
    - Cu/Zn Flotation Test Results, dated October 31, 2011.
    - Flotation Tests on La Escandalosa and Las Animas Projects, dated February 23, 2012.
    - Cleaner Flotation Test Results, dated May 8, 2012.

13.1 MINERALOGY

DCM received a split of the RDI metallurgical sample of Las Animas sulphide mineralization used for the flotation investigations undertaken by RDI in 2011. The chemical analysis of this sample was as follows: Au 2.79 g/t, Ag 44.9 g/t, Cu 3.33%, Zn 3.35%, $S_{(total)}$ 43.1%, $S_{(sulphide)}$ 39.5%.

The purpose of DCM study was to determine the bulk mineralogy of the sample with an emphasis on copper, zinc and gold liberation. A standard polished thin section was prepared for study by reflected/transmitted light microscopy and the proportional mineralogy was reported as follows:

> Pyrite 64%, Chalcopyrite 15%, Sphalerite 7%, Barite 7%, Quartz 6%, Tetrahedrite 1%, Galena <1%, Bornite <1%, Covellite <1%, Chalcocite <1%, Sericite <1%

DCM reported the following results:

"In thin section sulfides are the primary phase and are represented by several types. Pyrite is the dominant type and occurs as subhedral to anhedral grains with a grain size that varies from 20µm up to approximately 500µm. Between individual pyrite grains are thin veinlets and interstitial patches of chalcopyrite with a grain size that rarely exceeds 200µm. Larger grains of pyrite also commonly carry numerous, minute inclusions of chalcopyrite in the 1µm to 10µm size range.

Chalcopyrite shows some replacement by late stage chalcocite and fine grained covellite. It is not uncommon to see small patches of chalcocite with minute, relict fragments of chalcopyrite.

Bornite is present in trace amounts and tends to be closely associated with chalcopyrite. Grain size rarely exceeds 50µm and some grains show mild chalcopyrite and chalcocite replacement.

Tetrahedrite varies greatly in size from 20 up to 250µm and occurs as anhedral grains attached to pyrite. Larger grains tend to carry small inclusions of pyrite and chalcopyrite.

Sphalerite is present in significant amounts and is seen as large masses that appear to cement granular pyrite. Sphalerite also occurs as small inclusions in pyrite and is associated with a trace of galena.

Silicate concentration is fairly low and is primarily granular quartz with minor amounts of sericite. Barite is present in roughly the same concentration as quartz and occurs as crude tablets and anhedral grains in the 50µm to 100µm range. Barite and quartz are commonly intermixed and form aggregates with the sulfide phases.

In general, the sulfide and gangue mineralogy contained in this sample have mutually curving boundaries and little interpenetration. With the exception of some minute inclusions seen in pyrite, liberation of various phases should be fairly easy.

Gold mineralogy was not identified and is assumed to be too fine grained for light microscopy techniques."

In 2012, an additional sample of ground sulphide mineralization was shipped to SGS mineralogical characterization using the Quantitative Evaluation of Materials by Scanning Electron Microscopy, (QEMSCAN™) technology, chemical analysis and X-Ray Diffraction (XRD). The purpose of this test program was to mineralogically characterize the feed with a focus on the liberation/association characteristics of the Cu and Zn mineralization. The reason for this study was to investigate the poor selectivity shown in the Cu/Zn flotation tests performed by RDI.

The QEMSCAN analysis revealed that the sample was composed primarily of pyrite (~61 wt%) and barite(~22 wt)%. Other components include chalcopyrite (~9 wt%), sphalerite (~5 wt%), quartz (~1 wt%),enargite/tennantite (~0.6 wt%), micas/clays (~0.5 wt%) and trace bornite (~0.3 wt%).

The results showed that the pyrite content decreases with decreasing size from, the +106 µm to -25 µm fraction, ~77 wt% to ~26 wt%. Barite content increases with decreasing size from, the +106 µm to the -25 µm fraction, ~9 wt% to ~48 wt%. Sphalerite content increases only slightly with decreasing size from 5.0 wt% to 7.0 wt%.

The study showed that Cu was carried mainly by chalcopyrite (~85% of the total Cu in the feed), while enargite/tennantite (8%), bornite (5%) and other sulphides accounted for the remainder. Sphalerite was the only identified Zn carrier in the sample.

It was noted that the liberation of Cu-sulphides in the sample was low at 39% (of which ~29% was free). Middling and sub-middling particles of Cu-sulphides accounted for 12% and 21%, respectively. Locked particles represented 26% of Cu-sulphide mass. Liberation increased by ~50% from 2.8% in the +106 µm to 53% in the -25µm fraction.

Fine grained intergrowths of Cu-sulphides mainly with pyrite and complex particles were responsible for the low liberation of the sample. Non-liberated Cu-sulphides in the sample were predominantly associated with pyrite (~40 wt%), complex sulphide particles (~18 wt%) and complex particles (~10 wt%).

13.2 METALLURGICAL TESTWORK

13.2.1 Gravity Concentration and Cyanide Leaching

Approximately 20 kg of oxidized Las Animas coarse assay reject sample containing 2.5 g/t Au, 12.5% $S_{(total)}$,0.9% $S_{(sulphide)}$, 300 g/t As, 9,400 g/t Ba, 245 g/t Cu, 1,114 g/t Pb and 107 g/t Zn, was shipped to RDI by GoldQuest in the summer of 2011. Tests completed by RDI included gravity concentration and whole-ore cyanide leaching.

Gravity concentration tests recovered between 9% to 18% of the gold into a concentrate containing between 0.6% and 1.3 wt% of the feed.

Three cyanide leach tests at different grind sizes and one carbon-in-leach (CIL) were completed by RDI. Each leach test ran for 48 hours with a cyanide concentration of 1 g/L NaCN and a pH of 11. Gold extraction increased from 84.5% for a grind of 80% passing (P_{80}) 6 mesh (3.36 mm) to 91.8% with a grind P_{80} of 200 mesh (75 µm). The 200 mesh grind CIL test gave a gold recovery of 93.7%. Cyanide consumption was between 0.18 to 0.39 kg/t and lime 1.4 to 2.0 kg/t.

13.2.2 Flotation

A series of flotation tests were completed by RDI in 2011. These tests comprised six differential Cu + Zn flotation tests and nine bulk tests. A portion of the composite sample forwarded by GoldQuest was sent to DCM for mineralogical studies by RDI.

The differential flotation tests considered variable feed grinds (P_{80} 100 mesh (150 µm) to 200 mesh (75 µm)) as well as different reagents and pH levels. The results from these tests showed poor selectivity between the Cu and Zn concentrates.

The flotation results for the bulk flotation tests also showed poor selectivity with high Cu, Zn, Au and Ag recoveries (>90%) only achieved with high weight recoveries.

Cleaner flotation tests were also performed by RDI to try and separate the Cu and Zn from a bulk concentrate. These results were not very satisfactory.

13.3 RECCOMENDATIONS

The following additional testwork is recommended:

- Further flotation testwork to improve Cu-Zn separation. Parameters to be considered include:
  - Different reagents.
  - Finer grind sizes.
  - Continued mineralogical work on mineral liberation and selectivity.
- Gold and silver deportment studies.
- Additional cyanide leach tests to confirm and optimize the process for various lithological ore-types found at Las Animas.

14.0 MINERAL RESOURCE ESTIMATES

Micon has estimated mineral resources for the El Yujo deposit within the Las Animas property. The other occurrences within the Las Animas property are at an early exploration stage and have insufficient data to conduct resource estimation at this time. The Las Animas mineral resource estimate was prepared in compliance with the CIM standards. Surpac mining software was used for mineral resource modelling. The mineral resource estimate utilised assay data from 48 diamond drill holes completed by GoldQuest in 2006-2008. The effective date for the resource estimate is 31st July 2011.

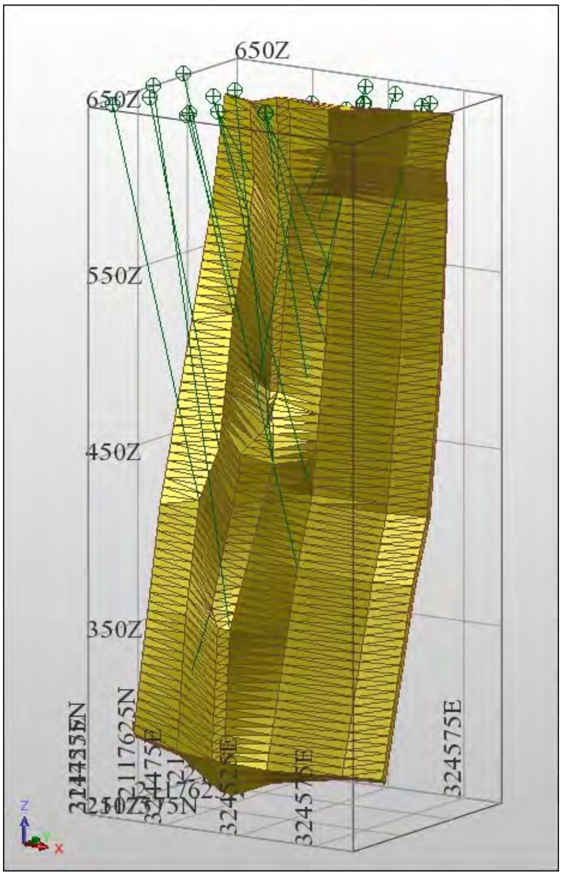
The database contains geological logging and sample assay information for gold, copper, zinc and silver which was used in the domain modelling. Cross sectional interpretations were digitised on section lines 1 to 4, following a 0.5 g/t Au or a 0.5% Cu cut-off grade and minimum thickness of 2 m. The interpretations were extruded to a depth of 275 m, some 50 m below the lowest intercept in hole LA-26. The mineralisation in the interpretations is largely confined to the massive sulphide zone and gossan but some intersections extend into the sericite schist picking up disseminated gold mineralisation above the cut-off grade. A summary of all of the mineralised intersections is presented in Table 14.1. It should be noted that the intersections are in most cases oblique but not perpendicular to the mineralisation so are not true thicknesses of the zone. The intersection in hole LA-07 is slightly below the cut-off grade but was included for continuity of the interpretation as it is adjacent to the intersection in hole LA-22.

Table 14.1: Mineralised Zone Drill Hole Intersections

Hole ID	Depth From (m)	Depth To (m)	Intersection (m)	Ag (g/t)	Ag (g/t)	Cu (%)	Zn (%)
LA-01	48	54	6	0.3	7.5	1.6	0.1
LA-02	36	46	10	6.9	21.2	0.1	0
LA-03	96.35	107	10.65	1.2	49.8	2.1	3.8
LA-04	123.19	129.85	6.66	4.7	84.5	2.4	3
LA-05	157.22	168	10.78	1.4	43.6	1.9	5.1
LA-06	50.8	60.98	10.18	7.3	58.3	0	0
LA-07	34	36	2	0.4	3.3	0.4	0.6
LA-08	12.19	26	13.81	3	11.9	0	0
LA-10	163.02	177.58	14.56	4.2	86	2.3	3.3
LA-10	198.02	304	105.98	2.6	36.8	3.1	2.1
LA-13	222	241.09	19.09	2	33	3.1	3.9
LA-19	55	62.5	7.5	3	184.8	0	0
LA-20	70.88	108	37.12	1.9	92.9	1.7	0.6
LA-21	130	144	14	3.5	51.5	2.3	2.2
LA-22	53.6	56	2.4	0.8	66.6	1.4	0.1
LA-26	330.7	398.47	67.77	1.5	26.5	3.4	4
LA-27	219	227.15	8.15	6.6	64.9	2.4	4.6
LA-31	266.79	276.7	9.91	2.1	50.8	1.1	3.6
LA-35	321.85	331.93	10.08	1.9	45.1	3.5	4.1
LA-36	255.57	260.36	4.79	2.5	49.6	2.8	5.5

A mineralised zone wireframe model was created by connecting the four cross sections over a strike length of 100 m and extruding 25 m along strike in both directions to close the solid. At depth the wireframe model was terminated midway between the mineralised hole LA-26 and hole LA-38 which did not intersect massive sulphide mineralisation as it has been displaced due to faulting or folding. The resulting wireframe model is presented in Figure 14.1.

Figure 14.1: Micon Wireframe Model



The average thickness of the mineralised zone is 6 m. The zone is thickest at 28 m at the intersection of drill hole LA-26 around 300 m below surface. A void was created to remove the internal waste volume caused by a fault interpreted on section 4 in drill hole LA-20.

14.1 STATISTICAL ANALYSIS

The sample data within the wireframe were flagged in the drill hole database. Basic statistical parameters were calculated for gold, copper, zinc and silver and these are provided in Table 14.2.

The frequency distributions of gold, copper, zinc and silver sample populations were examined to identify the presence of extreme high-grade outlier populations. Outlier values may result from sampling errors and can exert an undue influence during block grade interpolation. They can result in over-estimation of block grades and lead to poor reconciliation of expected and actual metal production. The methodology employed for establishing the outlier limit was to examine the distribution of the sample population. Log-probability plots of the distribution of gold, silver, zinc, and copper sample values were generated and are presented in Figures 14.2 to 14.5. Gold and silver show lognormal distributions and major inflection points at 17.5 g/t and 380 g/t respectively, and outlier grades were cut to these grades. The number of sample grades cut was 4 for gold and 2 for silver. Copper and zinc do not show true lognormal distributions but are sufficiently similar. Copper outlier grades were cut to 7.81% with two samples cut. Zinc outlier grades were cut to 9.02% with six samples cut.

Table 14.2: Basic Statistical Parameters for Gold, Silver, Copper and Zinc

Parameters	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Number of Samples	343	343	343	343
Min	0.008	0.17	0.002	0.00
Max	55.9	1070.0	31.7	16.65
Mean	2.90	45.15	2.69	2.74
Length Weighted Mean	2.87	58.71	2.52	2.51
Median	1.49	27.61	2.33	1.88
Standard Deviation	5.03	73.71	2.67	2.78
Coefficient of Variation	1.74	1.63	0.99	1.01

Figure 14.2: Log-Probability Plot of Gold Assays

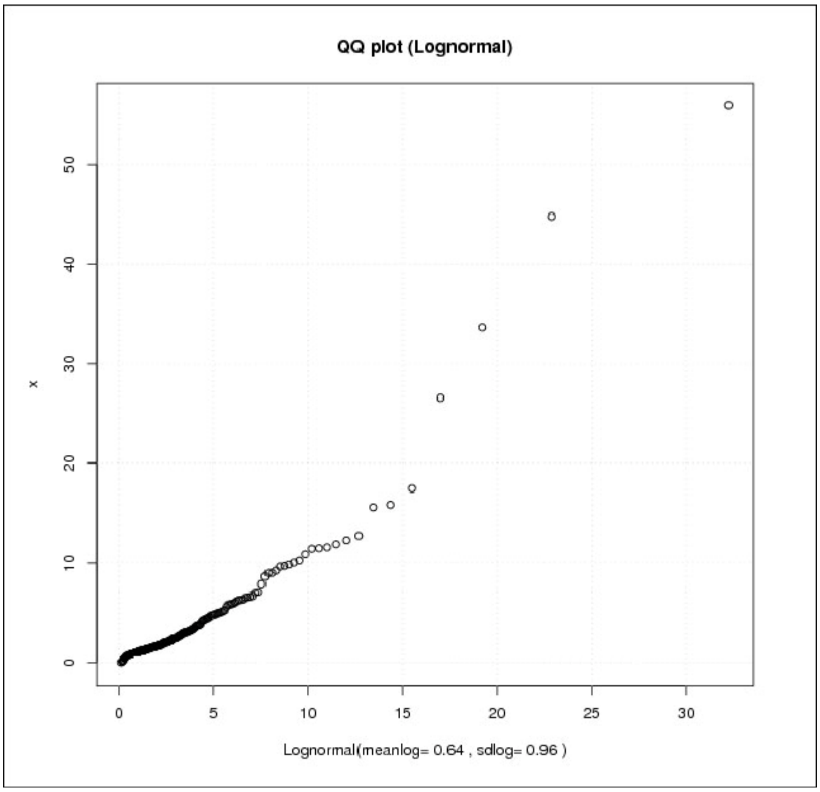


Figure 14.3: Log-Probability Plot of Silver Assays

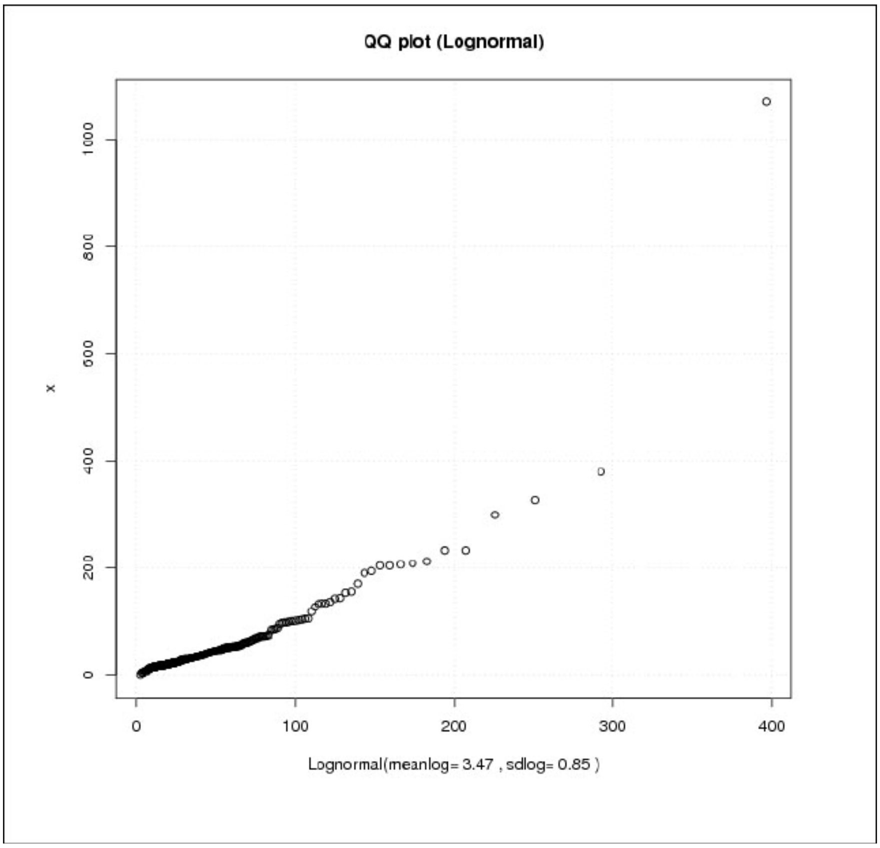


Figure 14.4: Log-Probability Plot of Copper Assays

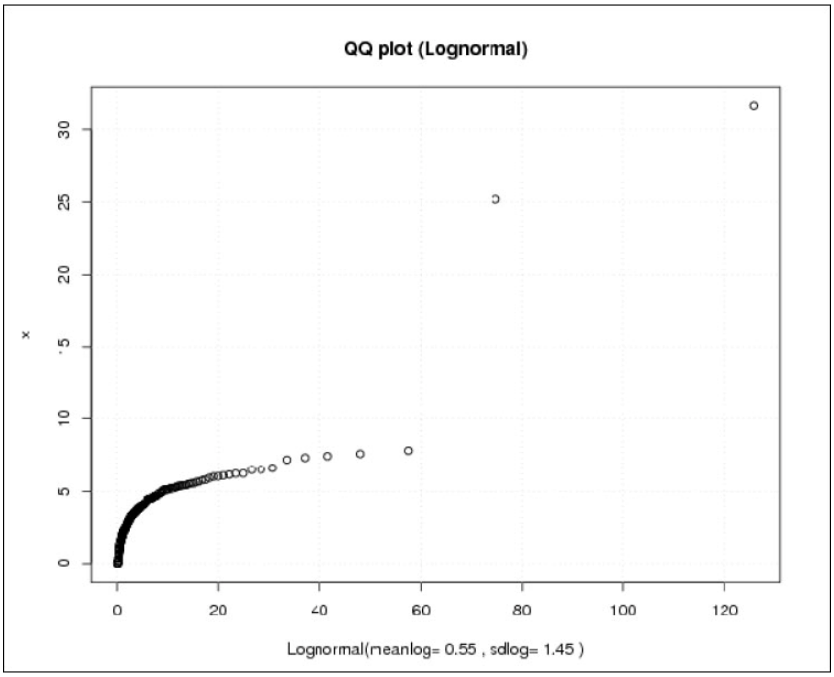
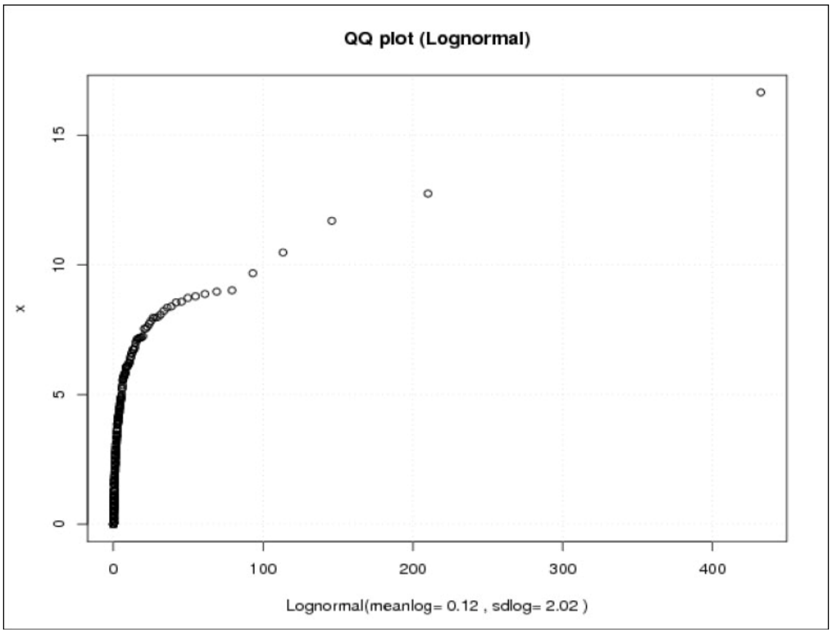


Figure 14.5: Log-Probability Plot of Zinc Assays



Within the wireframes, the sample length is variable with a minimum of 0.18 m up to a maximum of 6.2 m. The average sample length is just over 1 m so Micon decided to composite all samples to 2 m. The composites were made using a best-fit algorithm that allowed the composite length to be varied within a given tolerance of 20%, in order to minimise the loss of data but maintain a consistent composite length. Basic statistical parameters for composited data are presented in Table 14.3.

Table 14.3: Basic Statistical Parameters for Composited Data

Parameters	Ag (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Number of Samples	185	185	185	185
Min	0.01	0.2	0.00	0.00
Max	13.37	379	7.56	8.25
Mean	2.62	47.45	2.43	2.46
Median	1.62	29.84	2.33	1.63
Standard Deviation	2.57	60.48	1.68	2.34
Coefficient of Variation	0.98	1.28	0.7	0.95

The length-weighted average grade of the top-cut samples and the average of the composite samples for each element are the same or very close for the samples and the composites, which confirms that there is no change in average grade due to compositing.

14.2 BLOCK MODEL

The Las Animas block model utilised regular-shaped blocks measuring (X) 10 m by (Y) 2m by (Z) 10 m and sub blocks measuring (X) 2.5 m by (Y) 2 m by (Z) 2.5 m. This block size configuration was the most appropriate considering the geometry of the mineralisation and the distribution of sample information. The sub blocks allow a better estimate of the volume within the narrow mineralised zone. The parameters that describe the block model are summarised in Table 14.4.

Table 14.4: Dimensions of the Las Animas Block Model

Block Model	X direction	Y direction	Z direction
Origin	324,350	2,117,550	200
Parent Block Size	10	2	10
Sub Block Size	2.5	2	2.5
Number of Parent Blocks	30	100	55

14.2.1 Grade Interpolation

Grade interpolation for gold, copper, zinc and silver was performed using Inverse Distance cubed (ID^3). A two pass estimation procedure was used for the interpolation. The first pass used an ellipse with a 60 m radius to provide a local grade estimate for the blocks that are closest to the sample data. The ellipse was orientated down dip of the mineralisation with anisotropy of 2 along strike. A minimum requirement of 5 informing samples and a maximum of 10 was applied and samples from at least two holes were required for the grade interpolation in a block. The second estimation pass used a 100 m radius and a minimum requirement of 4 informing samples and maximum of 8. All remaining blocks within the mineralised zone received a grade estimate from this pass. All blocks were flagged in the block model according to the passes to be considered separately during classification. The estimation parameters are summarised in Table 14.5.

Table 14.5: Interpolation Parameters

Parameters	Pass 1	Pass 2
Minimum Number of Samples	5	3
Maximum Number of Samples	10	8
Spherical Search Ellipse Radius (m)	60	100

Images showing the distribution of gold, copper, zinc and silver grade values in the block model and metal accumulations are presented in Figures 14.6 and 14.7. The pierce points for the drill holes are shown on Figure 14.7. The mineral resources reported at different cut-off grades are given in Table 14.6. Gold grades were used for the cut-off analysis as gold mineralisation is present in both oxide and sulphide ore. A surface for the oxide sulphide transition was created based upon drill hole logging and used to separate oxide and sulphide resources.

The highest grade mineralisation forms down to west side of the deposit for the gold, silver and copper but the highest grade zinc mineralisation is down the east side. The oxide zone gossan is evident near to surface where the grade for the base metals is below 1%.

Figure 14.6: 3D Isometric View of Block Model Showing Grade Distribution

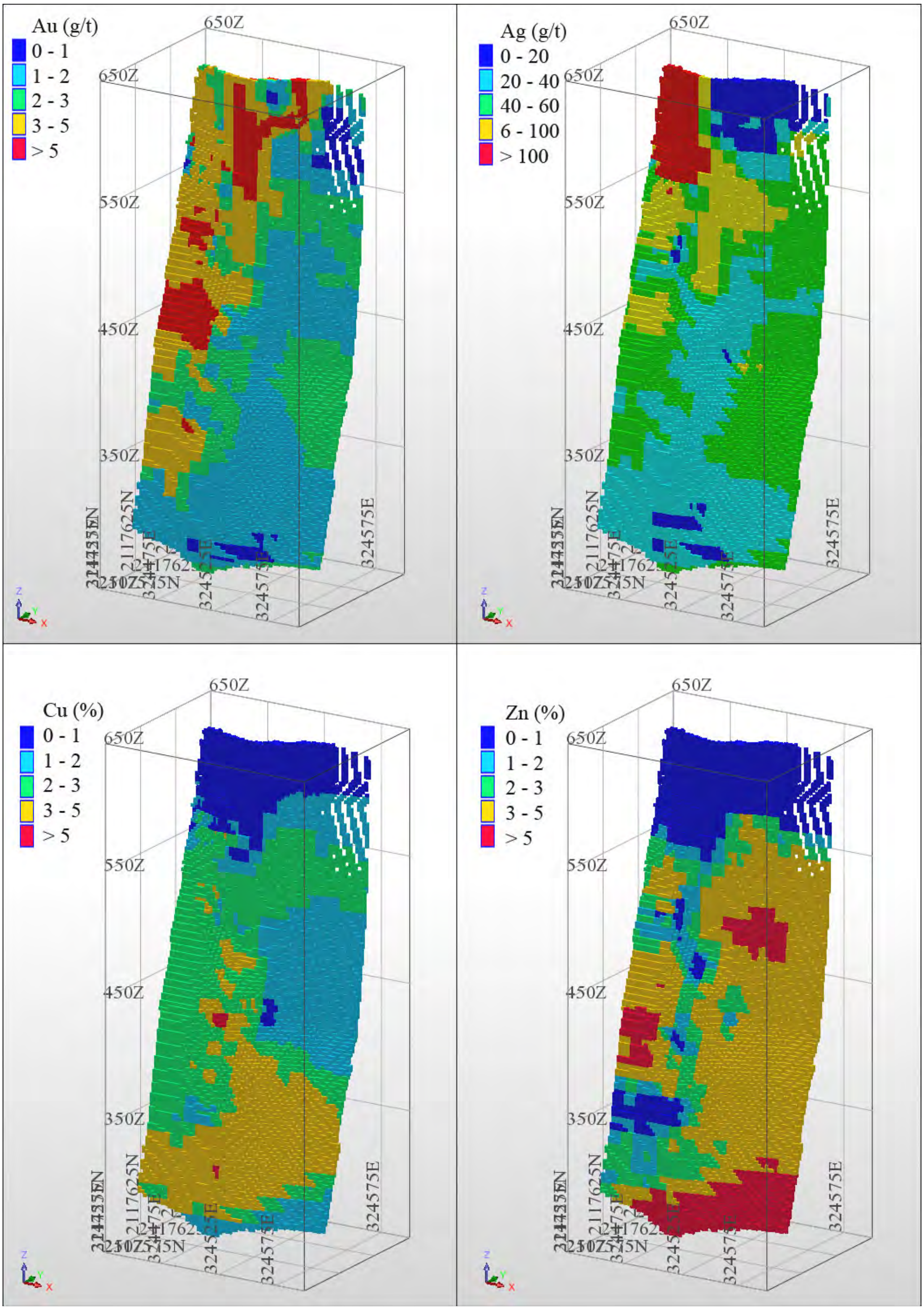


Figure 14.7: Las Animas Metal Accumulation

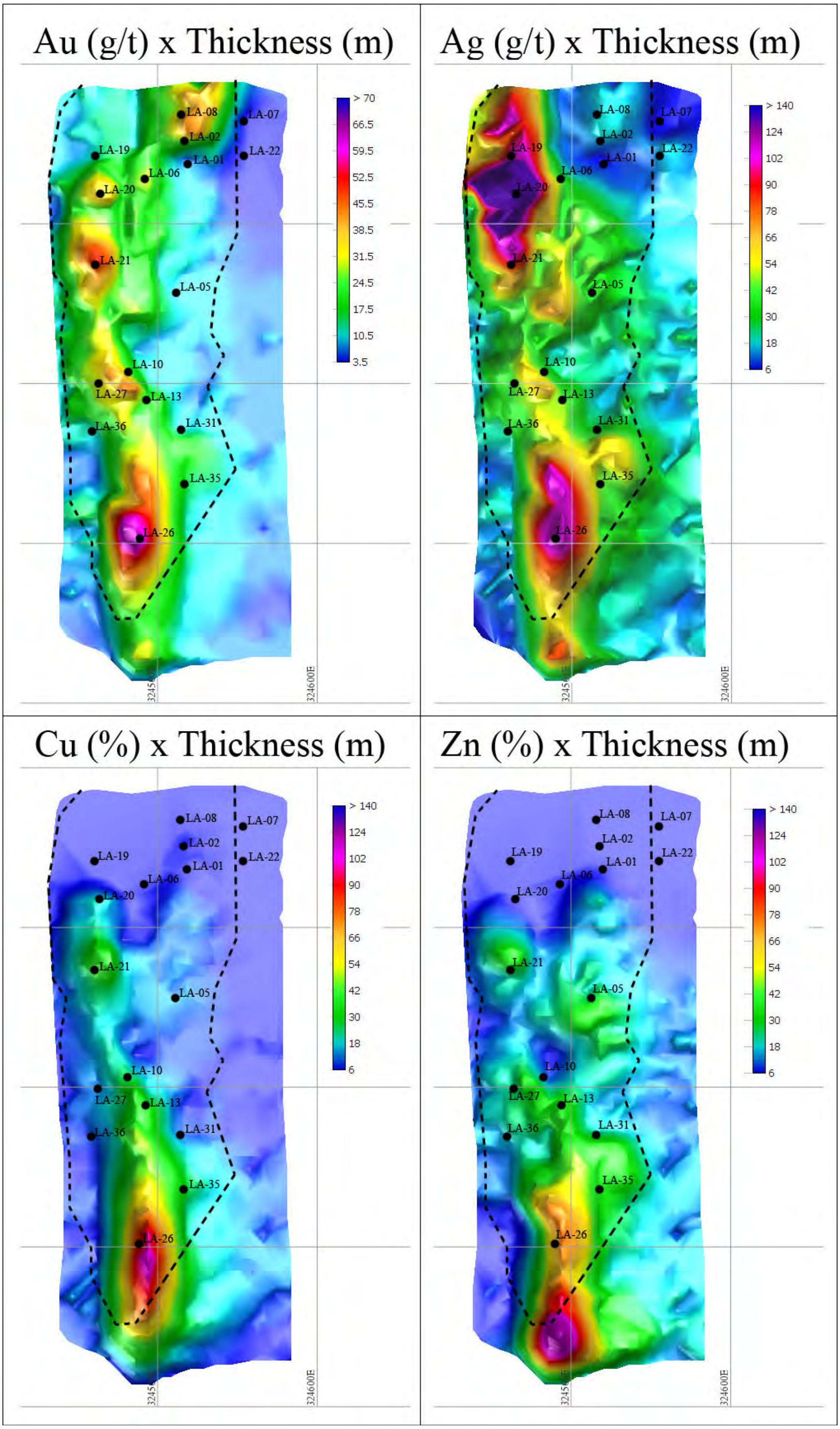


Table 14.6: Cut-off Grade (COG) Analysis

Indicated										
	Sulphide					Oxide				
COG (Au g/t)	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
5.0	64,426	5.88	74.07	2.1	2.92	37,200	5.82	26.03	0.16	0.03
3.0	288,059	4.29	74.7	2.21	2.25	69,500	4.86	58.45	0.15	0.04
2.5	371,764	3.94	69.12	2.33	2.28	78,200	4.63	65.97	0.15	0.03
2.0	538,037	3.41	60.6	2.45	2.55	84,600	4.44	64.58	0.15	0.04
1.5	785,441	2.89	52.47	2.65	2.8	86,000	4.4	64.03	0.15	0.04
1.0	926,626	2.65	48.26	2.66	2.87	88,452	4.31	62.47	0.15	0.04
0.9	928,662	2.65	48.22	2.66	2.86	88,452	4.31	62.47	0.15	0.04
0.8	930,758	2.64	48.17	2.66	2.86	89,304	4.28	61.95	0.15	0.04
0.7	932,135	2.64	48.14	2.65	2.86	90,104	4.25	61.46	0.15	0.03
0.6	932,614	2.64	48.13	2.65	2.86	90,104	4.25	61.46	0.15	0.03
0.5	934,171	2.64	48.07	2.65	2.85	90,104	4.25	61.46	0.15	0.03
0.0	934,890	2.63	48.04	2.65	2.85	90,104	4.25	61.46	0.15	0.03
Inferred										
	Sulphide					Oxide				
COG (Au g/t)	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Tonnes (t)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
5.0	898	5.58	58.55	2.52	4.03	0	-	-	-	-
3.0	18,801	4.12	51.31	2.4	1.88	3,552	3.39	144.67	0.14	0.06
2.5	24,429	3.78	54.63	2.37	2.25	4,104	3.31	137.59	0.15	0.07
2.0	121,906	2.46	51.48	2.14	4.12	4,704	3.2	121.97	0.19	0.11
1.5	230,699	2.14	47.4	2.34	4.3	5,656	2.98	103.52	0.24	0.16
1.0	381,644	1.78	38.36	2.68	4.51	7,456	2.55	83.29	0.35	0.21
0.9	426,251	1.69	36.45	2.63	4.72	7,456	2.55	83.29	0.35	0.21
0.8	441,040	1.66	35.97	2.61	4.77	7,708	2.49	80.97	0.35	0.22
0.7	444,333	1.66	36.09	2.6	4.74	8,160	2.4	77.92	0.38	0.22
0.6	444,513	1.66	36.08	2.6	4.74	9,160	2.21	70.54	0.4	0.25
0.5	444,513	1.66	36.08	2.6	4.74	9,760	2.11	66.46	0.4	0.27
0.0	444,513	1.66	36.08	2.6	4.74	9,760	2.11	66.46	0.4	0.27

14.2.2 Block-model Validation

All the composite samples were declustered to a volume equivalent to the parent block size of the mineral resource model. Average composite grades were imported into the block model to allow a direct comparison of composite grade and estimated grade. This provides insight into the accuracy of local estimates. The scatter plots in Figures 14.8 to 14.11 show an overall good correlation between the composite sample data and the estimated grade. High correlation coefficients between the declustered composites and block estimates of 0.80 to 0.93 confirm a good correlation.

Figure 14.8: Declustered Composite Grade Versus Estimate Block Grade - Gold

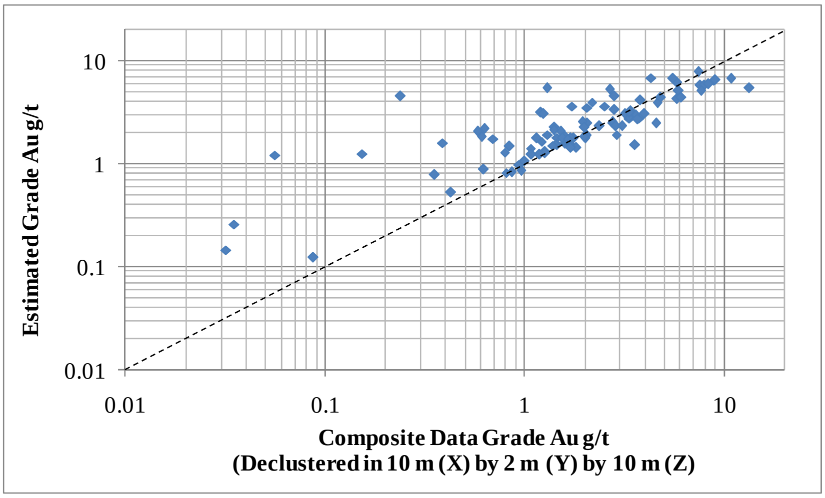


Figure 14.9: Declustered Composite Grade Versus Estimate Block Grade - Silver

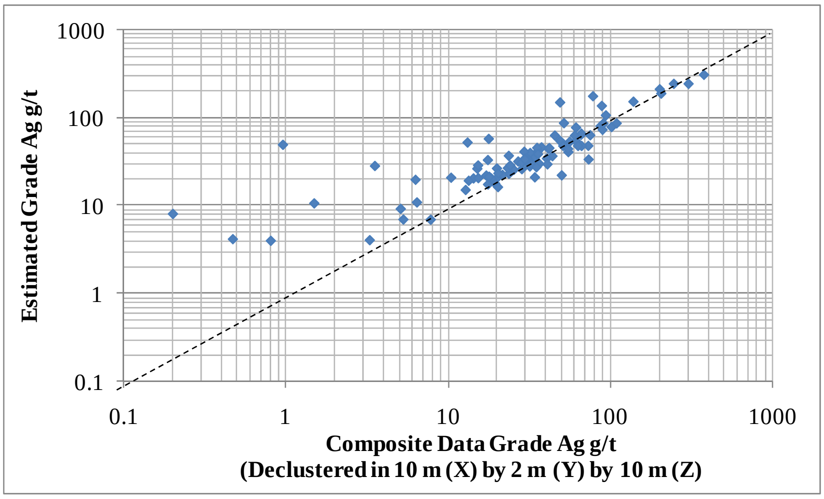


Figure 14.10: Declustered Composite Grade Versus Estimate Block Grade - Copper

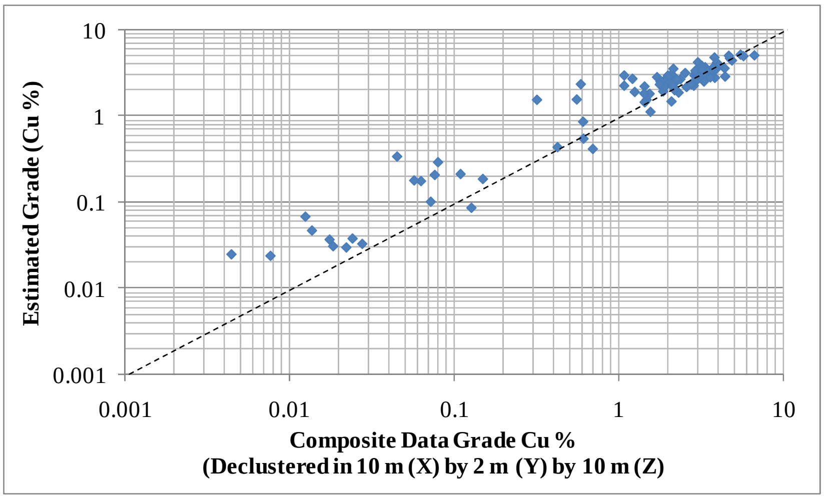
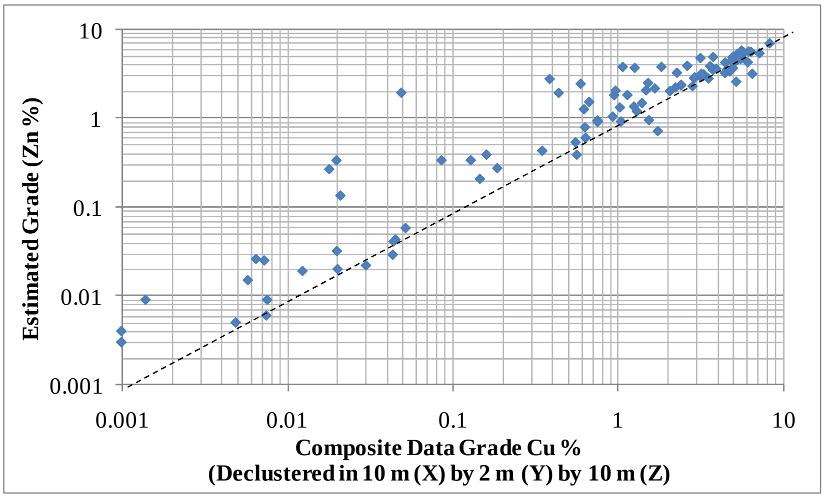


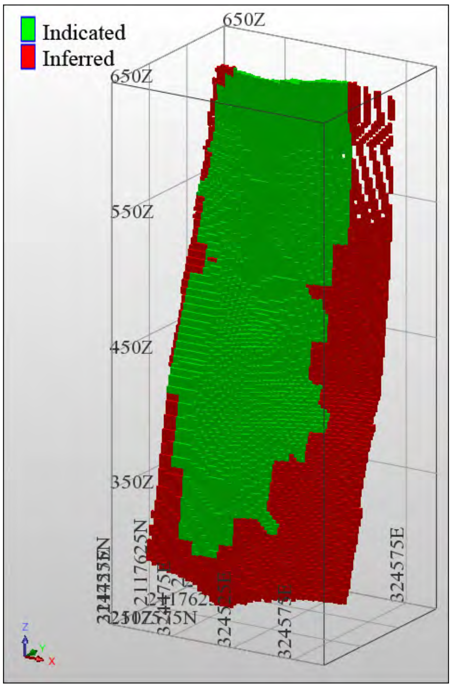
Figure 14.11: Declustered Composite Grade Versus Estimate Block Grade - Zinc



14.2.3 Resource Classification

Mineral resources were estimated in accordance with the definitions contained in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves Definitions and Guidelines that were prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council on November 27, 2010. In this exercise Micon has classified resource blocks in the block model based largely upon the drilling density and the distance of the block centre from the nearest sample data. Resource blocks estimated with at least 2 drill intersections within a 60 m radius, based on at least 5 assays were assigned to the Indicated category. All remaining resource blocks within the geological model were assigned to the Inferred category. The block-model coloured by resource class is displayed in Figure 14.12.

Figure 14.12: Block Model Coloured by Resource Class



14.3 MINERAL RESOURCE ESTIMATE

The mineral resources estimated by Micon at Las Animas occur only in the El Yujo massive sulphide deposit. The resources occur in such a spatial distribution that would render them amendable to extraction using conventional, underground mining methods with a possible small open pit in the oxide zone.

Mineral resources were reported based upon their potential for economic extraction. Blocks with an estimated average grade of at least 1.0 g/t Au or 1.5% Cu were used to define the Las Animas Mineral Resources. The majority of the modelled resources are above the cut-off grade. A specific gravity (SG) of 4.76 was used for sulphides based on the average of 28 core measurements by the displacement method. No SG measurements were made for oxides and a value of 4.0 was used. Indicated Mineral Resources are estimated at 1.01 Mt at 2.81 g/t Au and 2.4% Cu and Inferred Mineral Resources at 0.44 Mt at 1.68 g/t Au and 2.56% Cu.

Table 14.7: Micon Resources for Las Animas Estimated by Micon as of 31st July 2011

Indicated					
Type	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)
Sulphide	922	2.64	48.16	2.66	2.86
Oxide	89	4.28	61.95	0.15	0.04
Total	1,011	2.81	49.58	2.4	2.57
	Contained Metal				
		Au (000’s oz)	Ag (000’s oz)	Cu (000’s lbs)	Zn (000’s lbs)
Total		91	1,605	54,289	58,180
Inferred					
Sulphide	431	1.66	35.99	2.6	4.76
Oxide	8	2.49	80.98	0.35	0.22
Total	439	1.68	36.907	2.558	4.67
	Contained Metal				
		Au (000’s oz)	Ag (000’s oz)	Cu (000’s lbs)	Zn (000’s lbs)
Total		24	518	24,790	45,272

It is Micon’s opinion that there are no known environmental, permitting, legal, title, taxation, socio-economic, marketing or political issues exist that would adversely affect the mineral resources presented above. However, the mineral resources presented herein are not mineral reserves as they have not been subject to adequate economic studies to demonstrate their economic viability. There are currently no mineral reserves on the Las Animas property.

15.0 MINERAL RESERVE ESTIMATES

Mineral reserves have not been estimated for the Las Animas Project.

16.0 ADJACENT PROPERTIES

There are no significant mineral deposits adjacent to Las Animas. GoldQuest has several other exploration licences nearby at an early stage of exploration.

The Dominican Republic has a significant mining industry. The most important mines are the Falcondo nickel laterite mine and the Pueblo Viejo gold deposit, located 40 km and 58 km southeast of El Yujo respectively. Pueblo Viejo is currently being developed by Barrick Gold Corp. and Goldcorp Inc. with proven and probable reserves of 20 Moz gold, 117 Moz silver and 157,888 t of copper within 195 Mt grading 3.26 g/t Au, 18.7 g/t Ag and 0.10% Cu (Barrick Annual Information Form, 31 December 2007, www.sedar.com). The mine historically produced 5 Moz gold from oxides.

The most similar deposit to Las Animas is the Cerro de Maimón massive sulphide deposit, 57 km southeast of Las Animas, which started production in 2008 with a 1,300 tpd sulphide plant and a 700 tpd oxide plant. It has proven and probable reserves of 4.82 Mt grading 2.54% Cu, 0.96 g/t Au and 34.9 g/t Ag in sulphides, plus 1.16 Mt grading 1.86 g/t Au and 34.5 g/t Ag in oxides (Roos et al., 2007). The deposit is described as a volcanogenic massive sulphide with a tabular shape and a dip of 40 to 50° and is mined by open pit. It is hosted by the Maimon Formation of Early Cretaceous age (pre-Albian).

17.0 OTHER RELEVANT DATA AND INFORMATION

There are no other relevant data and information to be reported.

18.0 INTERPRETATION AND CONCLUSIONS

The Las Animas property contains a massive sulphide mineral deposit at El Yujo. There has been small scale historical mining of the oxide zone for silver and gold both underground and in a small open pit.

This massive sulphide mineralisation formed at the contact between rhyolitic volcanic rocks and calcareous siltstones. The mineralisation is interpreted to be of hydrothermal replacement origin related to a nearby tonalite pluton. The rhyolites have sericite-pyrite alteration, with subsequent deformation to form sericite schist, and the sediments are decalcified with minor jasperoids. The massive sulphide deposit is a single tabular body that is sub-vertical and elongated down-dip. The deposit has two parts, an upper gossan formed by oxidation of the sulphides and containing gold and silver, and the main body of massive sulphides which contains gold, silver, copper and zinc. Sufficient drilling has been carried out from surface at El Yujo to define the geology and geometry of the deposit, and to estimate a mineral resource in accordance with CIM standards and definitions as required by NI 43-101. The geometry of the deposit is suitable for an underground mine operation, and possibly a small open pit in the oxide zone.

There is potential for the discovery of additional zones of massive sulphide mineralisation in the Loma Oculta concession (Las Animas project), and for disseminated and veinlet mineralisation of gold, silver, copper and zinc in the sericite schist and sediments. The grades intersected by drilling in sericite schist and sediments so far are sub-economic and no mineral resource has been estimated for the disseminated mineralisation. However the exploration carried out to date has targeted massive sulphide mineralisation rather than the disseminated mineralisation. The hydrothermal alteration and disseminated mineralisation occur over a much greater area than the hanging wall and foot wall of the El Yujo massive sulphide deposit, and there is potential for the definition of zones of higher grade disseminated mineralisation, and for additional zones of massive sulphide mineralisation. This will require additional drilling.

19.0 RECOMMENDATIONS

The author recommends that a preliminary economic assessment or scoping study be carried out for the El Yujo massive sulphide deposit to NI 43-101 standards. Additional studies that will be required for the preliminary economic assessment are:

1 Metallurgical testwork using coarse rejects of drill core and determination of a process flow sheet;
2 Topographic survey; and,
3 Environmental and social studies.

The estimated costs are listed in Table 26.1.

Table 19.1: Estimated Cost of Recommended Preliminary Economic Assessment of El Yujo

Item	**US$ (000)**
Metallurgical testwork	50
Topographic survey	25
Environmental and social studies	50
Economic evaluation	50
Total	**175**

A second stage, follow up program to the preliminary economic assessment will be to upgrade the resource to measured and indicated. Some additional drilling can be carried out from surface, but in order to reach the deeper parts of the deposit and test for additional mineralisation at depth, it is recommended that an adit or decline be constructed and drilling be carried out from underground. An adit or decline would, in addition, provide bulk samples for additional metallurgy and geotechnical data.

Additional drilling is recommended for other massive sulphide deposits and disseminated mineralisation at Guazumitas and other targets.

For future drilling it is recommended that GoldQuest continue to carry out the same sampling, drill hole surveying, sample preparation, assaying, QA/QC, database management and density determination procedures. Additional recommendations for QA/QC are:

- The blank should not follow the CSRM. The blank should be put in after a strongly mineralised sample to check for carry-over contamination in sample preparation;
- The CSRM and duplicates should be put in at random (use Excel random number generator); and,
- Carry out check assays and replicate assays at a second certified laboratory.

20.0 DATE AND SIGNATURE PAGE

The mineral resource estimate presented in this report is current as of July 31st, 2011.

"Jonathan Steedman" *{Signed and sealed}*

Jonathan Steedman, M.Sc., MAusIMM (CP) (Member # 227377)
Senior Economic Geologist
Micon International Co Limited
Signing Date: 14th August 2012

"Richard Gowans" *{Signed and sealed}*

Richard Gowans, P.Eng.
President and Principal Metallurgist
Micon International Limited
Signing Date: 14th August 2012

21.0 CERTIFICATES

CERTIFICATE OF AUTHOR JONATHAN STEEDMAN

As the author of the technical report entitled "Mineral Resource Estimate for the Las Animas Project, Province of La Vega, Dominican Republic", dated 14th August 2012 (the "Technical Report"), I, JONATHAN STEEDMAN do hereby certify that:

1) I am employed by, and conducted this assignment for, Micon International Co Limited, Suite 10, Keswick Hall, Norwich, United Kingdom, tel. 0044(1603) 501 501, fax 0044(1603) 507 007, e-mail jsteedman@micon-international.co.uk;

2) I hold the following academic qualifications:

   B.Sc. Geology (Hons) University of Aberdeen, UK 1999
   M.Sc. (Mineral Exploration) University of Leicester, UK 2001

3) I am a member of the Australasian Institute of Mining and Metallurgy (Member # 227377), Chartered Professional (CP);

4) I have worked as a geologist in the minerals industry for ten years;

5) I am familiar with NI 43-101 and, by reason of education, experience and professional registration, I fulfil the requirements of a Qualified Person as defined in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). My experience includes mineral exploration, mine development, open-pit production with a variety of deposit types including gold, silver, copper, zinc, lead, nickel, platinum group metals and industrial minerals.

6) I visited the Las Animas Property on 4th of July 2011.

7) I have had no prior involvement with the mineral properties in question;

8) As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make this report not misleading;

9) I am independent of GoldQuest, as defined in Section 1.5 of NI 43-101, other than providing consulting services;

10) I have read NI 43-101 and the technical report has been prepared in compliance with NI 43-101;

11) I am responsible for the preparation of this technical report.

Dated this 14th day of August 2012

"Jonathan Steedman" {signed and sealed}

Jonathan Steedman, M.Sc., MAusIMM (CP) (Member # 227377)

CERTIFICATE OF AUTHOR
RICHARD GOWANS

As a co-author of this report entitled “Mineral Resource Estimate for the Las Animas Project, Province of La Vega, Dominican Republic”, dated 14th August 2012(the “Technical Report”), I Richard M. Gowans, P. Eng., do hereby certify that:

1) I am employed by, and carried out this assignment for;:Micon International Limited, Suite 900, 390 Bay Street, Toronto, Ontario, M5H 2Y2; tel. (416) 362-5135 fax (416) 362-5763, e-mail: rgowans@micon-international.com

2) I hold the following academic qualifications:

   B.Sc. (Hons) Minerals Engineering, The University of Birmingham, U.K., 1980

3) I am a registered Professional Engineer of Ontario (membership number 90529389); as well, I am a member in good standing of the Canadian Institute of Mining, Metallurgy and Petroleum.

4) I have worked as an extractive metallurgist in the minerals industry for over 30 years.

5) I do, by reason of education, experience and professional registration, fulfill the requirements of a Qualified Person as defined in NI 43-101. My work experience includes the management of technical studies and design of numerous metallurgical testwork programs and metallurgical processing plants.

6) I visited the Las Animas Property on 4th July 2011.

7) I am responsible for the preparation of Sections 13.0 of this Technical Report.

8) I am independent of GoldQuest Mining Corp., as defined in Section 1.5 of NI 43-101.

9) I have had no previous involvement with the Property.

10) I have read NI 43-101 and the portions of this report for which I am responsible have been prepared in compliance with the instrument.

11) As of the date of this certificate, to the best of my knowledge, information and belief, the sections of this Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make this report not misleading.

Dated this 14thday of August, 2012

“Richard M. Gowans” {signed and sealed}

Richard M. Gowans, P.Eng.

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23.0 APPENDICES

23.1 QC ANALYSES

Table 23.1: Analyses for CSRM CDN-HLHC

Hole	Sample	Assay Cert	Cert Au	Au (ppb)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
LA-01	D-13527	VA06115117		1,765	108.0	50,400	1,670	22,400
LA-01	D-13532	VA06115117		1,880	106.0	50,800	1,625	22,600
LA-01	D-13549	VA06115117		2,080	109.0	49,800	1,560	22,900
LA-02	D-13590	VA06115117		1,840	111.0	49,200	1,415	22,500
LA-02	D-13602	VA06115117		1,795	109.0	49,300	1,415	22,500
LA-03	D-13674	VA06115117		1,810	110.0	50,400	1,440	22,700
LA-03	D-13678	VA06115117		1,780	99.8	50,000	1,360	22,600
LA-04	D-13758	VA07001208		1,955	111.0	48,700	1,580	23,200
LA-04	D-13777	VA07001208		1,960	110.0	49,100	1,560	23,400
LA-05	D-13798	VA07001208		1,965	112.0	49,000	1,415	23,100
LA-05	D-13870	VA07001209		1,295	111.0	49,200	1,490	23,400
LA-05	D-13880	VA07001209		2,040	114.0	50,100	1,500	23,500
LA-05	D-13890	VA07001209		1,705	110.0	49,700	1,460	23,000
LA-06	D-13929	VA07001230		1,950	109.0	49,900	1,460	23,000
LA-06	D-13984	VA07001230		1,840	112.0	48,600	1,590	22,800
LA-07	D-18021	VA07044609		1,880	111.0	49,800	1,500	23,100
LA-07	D-18033	VA07044609		1,830	107.0	50,300	1,430	23,300
LA-08	D-18084	VA07044609		1,625	110.0	48,900	1,380	23,000
LA-09	D-18134	VA07044609		1,845	112.0	49,700	1,520	23,300
LA-09	D-18166	VA07044609		1,630	111.0	50,400	1,485	23,100
LA-09	D-18174	VA07044609		1,670	112.0	50,600	1,500	23,200
LA-10	D-18230	VA07049748		1,935	109.0	50,400	1,530	23,500
LA-10	D-18271	VA07049748		1,880	160.0	45,500	1,590	12,700
LA-10	D-18285	VA07049748		2,000	109.0	50,600	1,640	23,400
LA-10	D-18352	VA07049748		2,050	111.0	50,900	1,515	22,800
LA-10	D-18367	VA07049748		1,845	110.0	51,000	1,500	23,000
LA-10	D-18315	VA07049748		1,945	116.0	51,200	1,570	23,500
LA-10	D-18352	VA07049748		2,050	111.0	50,900	1,515	22,800
LA-10	D-18367	VA07049748		1,845	110.0	51,000	1,500	23,000
LA-12	D-18776	VA07083275		1,810	108.0	49,400	1,560	21,900
LA-13	D-19171	VA07083275		1,915	112.0	48,500	1,370	22,200
LA-13	D-19185	VA07083275		2,040	106.0	46,500	1,415	21,700
LA-13	D-19200	VA07083275		1,875	109.0	47,700	1,425	22,200
LA-13	D-19208	VA07083275		1,835	111.0	48,200	1,460	21,900
LA-11	D-18407	VA07083274		1,945	111.0	50,300	1,640	23,100
LA-13	D-18488	VA07083274		2,090	109.0	50,600	1,405	22,600
LA-13	D-18501	VA07083274		1,975	109.0	50,600	1,385	22,600
LA-15	D-18865	VA07083276		2,010	113.0	53,100	1,510	24,100
LA-15	D-18883	VA07083276		2,040	109.0	50,100	1,540	22,800
LA-16	D-18895	VA07083276		1,920	107.0	49,200	1,530	22,600
LA-16	D-18904	VA07083276		2,010	107.0	49,300	1,470	22,300
LA-16	D-18916	VA07083276		1,990	107.0	49,200	1,420	22,300
LA-17	D-18952	VA07083276		1,855	105.0	49,300	1,460	22,400
LA-18	D-18988	VA07083276		1,885	110.0	49,700	1,450	22,500
LA-19	D-19042	VA07083276		1,900	107.0	50,100	1,500	22,400
LA-19	D-19047	VA07083276		1,720	109.0	49,500	1,395	22,500
LA-20	D-19097	VA07083276		1,880	109.0	49,900	1,475	22,500
LA-20	D-19118	VA07083276		2,060	108.0	49,800	1,330	22,500

Table 30.1: Continued

Hole	Sample	Assay Cert	Cert Au	Au (ppb)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
LA-24	D-19474	SAN07000179	07-25038	1,843	110.0	50,450	1,645	23,600
LA-24	D-19491	SAN07000179	07-25038	1,854	107.0	49,340	1,493	23,100
LA-24	D-19502	SAN07000179	07-25038	1,704	107.0	50,150	1,444	23,800
LA-25	D-19542	SAN07000179	07-25038	1,915	105.0	51,000	1,696	23,100
LA-21	D-19215	SAN07000181	07-25033	1,779	107.0	50,110	1,646	23,500
LA-21	D-19228	SAN07000181	07-25033	1,797	110.0	49,700	1,534	23,600
LA-21	D-19271	SAN07000181	07-25033	1,792	109.0	50,440	1,725	22,400
LA-21	D-19280	SAN07000181	07-25033	1,918	108.0	49,110	1,588	22,100
LA-22	D-19291	SAN07000181	07-25033	NSS	110.0	49,870	1,655	22,700
LA-22	D-19304	SAN07000181	07-25033	1,797	110.0	50,550	1,817	22,500
LA-22	D-19316	SAN07000181	07-25033	1,807	104.0	50,570	1,589	22,700
LA-22	D-19325	SAN07000181	07-25033	NSS	111.0	49,150	1,534	22,500
LA-23	D-19403	SAN07000181	07-25033	1,887	109.0	49,860	1,681	22,700
LA-23	D-19416	SAN07000181	07-25033	1,876	111.0	50,110	1,759	23,900
LA-23	D-19424	SAN07000181	07-25033	1,813	111.0	50,370	1,681	24,000
LA-26	D-19647	SAN07000191	07-25049	1,809	108.0	49,470	1,646	23,700
LA-26	D-19669	SAN07000191	07-25049	1,905	109.0	51,510	1,636	24,600
LA-26	D-19679	SAN07000191	07-25049	1,957	110.0	51,070	1,726	23,800
LA-26	D-19723	SAN07000191	07-25049	1,926	111.0	51,510	1,652	23,000
LA-26	D-19768	SAN07000191	07-25049	1,811	112.0	49,380	1,634	23,000
LA-26	D-19780	SAN07000191	07-25049	1,896	112.0	49,120	1,572	22,500
LA-28	D-19982	SAN07000440	07-25103	1,967	114.0	50,910	1,687	23,500
LA-29	D-20040	SAN07000440	07-25103	1,948	114.0	50,700	1,544	23,300
LA-29	D-20068	SAN07000440	07-25103	1,925	115.0	50,570	1,619	23,600
LA-29	D-20084	SAN07000440	07-25103	1,930	118.0	51,480	1,601	23,200
LA-27	D-19861	SAN07000452	07-25102	1,963	112.0	50,490	1,687	23,100
LA-27	D-19880	SAN07000452	07-25102	1,953	113.0	50,880	1,606	23,000
LA-27	D-19902	SAN07000452	07-25102	1,910	110.0	49,850	1,595	23,500
LA-27	D-19914	SAN07000452	07-25102	1,932	112.0	49,940	1,588	23,400
LA-27	D-19919	SAN07000452	07-25102	1,986	111.0	49,530	1,719	23,600
LA-29	D-20138	SAN08000491	07-25106	2,024	106.0	50,100	1,487	23,300
LA-30	D-20146	SAN08000491	07-25106	2,023	107.0	48,400	1,523	23,100
LA-31	D-20181	SAN08000491	07-25106	1,892	109.0	51,100	1,529	23,100
LA-31	D-20209	SAN08000491	07-25106	2,024	108.0	50,200	1,529	23,100
LA-31	D-20256	SAN08000491	07-25106	1,940	111.0	49,560	1,493	22,500
LA-33	D-20306	SAN08000527	07-25125	1,901	112.0	51,500	1,645	23,300
		Rec value		1,970	111.0	50,700	1,700	23,500
		2SD		220	8.6	2,700	100	1,100

(Ordered by Certificate number, NSS – not sufficient sample)

Table 23.2: Analyses for CSRM CDN-FCM-4

Hole No.	Sample	Assay Cert	Au (ppb)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
LA-35	D-24049	DRG08000108	922	55.0	6,966.1	3,607.9	12,186
LA-35	D-24099	DRG08000108	991	55.1	7,143.5	3,622.0	13,473
LA-35	D-24149	DRG08000108	973	55.4	7,170.1	3,576.7	12,506
LA-35	D-24199	DRG08000108	930	56.4	7,278.9	3,572.1	13,131
LA-36	D-24249	DRG08000161	878	56.0	7,439.7	3,549.0	13,398
LA-36	D-24299	DRG08000161	946	56.4	7,427.3	3,707.7	13,595
LA-36	D-24349	DRG08000161	1,013	55.4	7,092.0	3,519.9	13,018
LA-38	D-24399	DRG08000199	945	54.8	7,044.2	3,654.1	12,657
LA-38	D-24449	DRG08000199	1,001	55.9	7,021.4	3,670.4	13,106
LA-38	D-24499	DRG08000199	934	53.5	7,471.0	3,864.2	12,716
LA-38	D-24549	DRG08000199	890	57.9	7,286.2	3,499.2	13,103
LA-38	D-24599	DRG08000251	954	55.0	7,440.8	3,534.0	12,974
LA-38	D-24649	DRG08000251	933	57.5	7,226.7	3,951.3	12,973
LA-38	D-24699	DRG08000251	946	54.9	7,198.3	3,902.3	12,878
LA-39	D-24749	DRG08000265	1,038	54.6	7,481.0	3,581.8	12,908
LA-40	D-24799	DRG08000265	1,008	58.9	7,300.0	4,054.8	13,393
LA-41	D-24849	DRG08000265	1,009	56.5	7,119.2	3,294.7	13,268
LA-42	D-24899	DRG08000265	939	54.7	7,178.9	3,715.0	13,083
LA-43	D-24949	DRG08000267	988	52.8	7,292.2	3,682.8	13,213
LA-43	D-24999	DRG08000267	956	54.2	7,215.7	3,806.7	13,210
LA-44	D-25049	DRG08000267	978	57.0	7,270.3	3,771.5	13,063
LA-45	D-25099	DRG08000267	966	58.9	7,276.0	3,616.0	13,689
LA-45	D-25149	DRG08000272	933	59.0	7,459.7	3,798.9	13,838
LA-46	D-25199	DRG08000272	1,022	59.9	7,414.5	3,823.5	12,993
LA-47	D-25249	DRG08000272	964	57.1	7,492.7	3,800.7	13,599
LA-47	D-25299	DRG08000272	954	59.0	6,974.4	3,348.0	12,878
LA-47	D-25349	DRG08000272	1,002	54.8	7,152.5	3,648.9	13,302
		CDN-FCM-4 Rec	970	54.9	7,020.0	3,400.0	12,800
		2SD	160	12.8	840.0	560.0	1,600

Table 23.3: Analyses of Blanks

Hole No.	Sample	Assay Cert	Cert Au	Au (ppb)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
LA-01	D-13507	VA06115117		1	0.04	5	2.2	3
LA-01	D-13557	VA06115117		1	0.04	7	1.5	4
LA-02	D-13598	VA06115117		44	0.02	7	4.5	4
LA-03	D-13675	VA06115117		2	0.15	70	9.8	53
LA-03	D-13679	VA06115117		-1	0.12	42	6.5	22
LA-03	D-13689	VA06115117		3	0.03	5	0.7	5
LA-04	D-13770	VA07001208		4	0.10	15.6	1.2	51
LA-04	D-13783	VA07001208		-1	0.08	0.7	0.6	<2
LA-05	D-13863	VA07001209		2	0.01	2.5	0.3	2
LA-05	D-13874	VA07001209		3	0.01	4.9	0.2	17
LA-06	D-13930	VA07001230		19	0.19	47	65.3	15
LA-06	D-13940	VA07001230		10	0.07	4.8	6.3	2
LA-10	D-18231	VA07049748		20	1.52	293.0	72.7	279
LA-10	D-18272	VA07049748		19	0.32	246.0	4.9	79
LA-10	D-18353	VA07049748		2	0.06	26.0	1.5	24
LA-10	D-18368	VA07049748		-1	0.02	9.0	0.7	10
LA-10	D-18316	VA07049748		5	0.41	261.0	4.6	61
LA-10	D-18353	VA07049748		2	0.06	26.0	1.5	24
LA-10	D-18368	VA07049748		-1	0.02	9.0	0.7	10
LA-11	D-18406	VA07083274		3	0.02	6.3	1.2	44
LA-13	D-18505	VA07083274		-1	0.01	4.6	0.7	3
LA-13	D-18524	VA07083274		1	0.02	4.2	1.7	6
LA-13	D-18526	VA07083274		-1	0.01	1.4	0.4	-2
LA-13	D-19159	VA07083275		-1	0.01	2.4	0.6	5
LA-13	D-19193	VA07083275		9	0.48	384.0	31.9	1,030
LA-15	D-18868	VA07083276		1	0.03	5.6	1.6	4
LA-15	D-18874	VA07083276		1	0.01	3.2	0.5	6
LA-16	D-18907	VA07083276		-1	0.01	11.0	0.9	5
LA-17	D-18956	VA07083276		-1	0.03	9.4	1.4	19
LA-19	D-19045	VA07083276		7	0.55	3.8	2.3	2
LA-20	D-19082	VA07083276		-1	-0.01	5.3	0.5	2
LA-20	D-19127	VA07083276		1	0.06	133.0	8.6	67
LA-24	D-19483	SAN07000179	07-25038	5	0.01	1.9	0.79	1.6
LA-25	D-19526	SAN07000179	07-25038	9	0.01	4.2	0.93	3.0
LA-25	D-19576	SAN07000179	07-25038	5	0.00	1.2	0.56	4.9
LA-26	D-19600	SAN07000179	07-25038	5	0.01	3.2	1.04	6.7
LA-21	D-19218	SAN07000181	07-25033	5	0.01	3.8	1.08	3.8
LA-21	D-19273	SAN07000181	07-25033	8	0.15	42.8	9.33	86.2
LA-21	D-19283	SAN07000181	07-25033	6	0.03	3.4	0.67	10.5
LA-22	D-19307	SAN07000181	07-25033	5	0.04	3.7	0.50	4.9
LA-23	D-19350	SAN07000181	07-25033	8	0.01	2.4	0.58	1.7
LA-23	D-19365	SAN07000181	07-25033	8	0.01	4.6	0.90	10.0
LA-23	D-19393	SAN07000181	07-25033	6	0.01	2.1	0.68	2.6
LA-23	D-19436	SAN07000181	07-25033	5	0.02	4.1	0.87	4.0
LA-26	D-19672	SAN07000191	07-25049	9	I.S.	I.S.	I.S.	I.S.
LA-26	D-19732	SAN07000191	07-25049	10	I.S.	I.S	I.S.	I.S.
LA-26	D-19760	SAN07000191	07-25049	12	I.S.	I.S	I.S.	I.S.

Table 30.3: Continued

Hole No.	Sample	Assay Cert	Cert Au	Au (ppb)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
LA-28	D-19960	SAN07000440	07-25103	5	0.01	1.88	0.52	0.7
LA-29	D-20027	SAN07000440	07-25103	5	0.01	1.67	0.41	1.7
LA-29	D-20093	SAN07000440	07-25103	5	0.00	1.09	0.41	0.8
LA-27	D-19831	SAN07000452	07-25102	6	0.01	3.48	0.80	3.4
LA-27	D-19891	SAN07000452	07-25102	5	0.01	3.84	0.45	1.1
LA-27	D-19911	SAN07000452	07-25102	5	0.01	0.23	0.57	0.8
LA-27	D-19928	SAN07000452	07-25102	12	0.04	-0.01	2.36	17.1
LA-30	D-20142	SAN08000491	07-25106	9	0.00	4.06	0.46	11.5
LA-31	D-20245	SAN08000491	07-25106	11	0.02	5.78	0.42	6.2
LA-32	D-20291	SAN08000527	07-25125	-5	0.01	0.92	0.38	3.7
LA-33	D-20313	SAN08000527	07-25125	-5	0.00	1.19	0.37	1.5
LA-33	D-20364	SAN08000527	07-25125	18	0.47	66.24	22.69	125.9
LA-35	D-24050	DRG08000108		6	0.5	3.9	3.2	15
LA-35	D-24100	DRG08000108		21	0.5	5.3	0.5	24
LA-35	D-24150	DRG08000108		5	0.5	0.5	1.8	5
LA-35	D-24200	DRG08000108		5	0.5	15.4	2.1	12
LA-36	D-24250	DRG08000161		8	0.5	17.6	4.9	23
LA-36	D-24300	DRG08000161		6	0.5	6.9	2.6	7
LA-36	D-24350	DRG08000161		6	0.5	1	2	5
LA-38	D-24400	DRG08000199		6	<0.5	6.4	2.6	<5
LA-38	D-24450	DRG08000199		6	<0.5	4.8	1.4	<5
LA-38	D-24500	DRG08000199		7	<0.5	1.8	1.9	<5
LA-38	D-24550	DRG08000199		<5	<0.5	<0.5	2.3	<5
LA-38	D-24600	DRG08000251		5	0.5	0.5	0.5	5
LA-38	D-24650	DRG08000251		5	0.5	2.5	1.6	5
LA-38	D-24700	DRG08000251		5	0.5	2.1	1.8	5
LA-39	D-24750	DRG08000265		5	0.5	5.9	2.1	5
LA-40	D-24800	DRG08000265		5	0.5	14.1	5.8	15
LA-41	D-24850	DRG08000265		5	0.5	14	3.8	5
LA-42	D-24900	DRG08000265		5	0.5	4.4	2.5	7
LA-43	D-24950	DRG08000267		5	<0.5	<0.5	1	<5
LA-43	D-25000	DRG08000267		5	<0.5	<0.5	<0.5	<5
LA-44	D-25050	DRG08000267		5	<0.5	4.7	0.8	<5
LA-45	D-25100	DRG08000267		5	<0.5	<0.5	1.7	<5
LA-45	D-25150	DRG08000272		5	<0.5	4.2	5.4	8
LA-46	D-25200	DRG08000272		5	0.5	15.2	16.9	20
LA-47	D-25250	DRG08000272		5	0.5	6.6	4.3	10
LA-47	D-25300	DRG08000272		5	0.5	6.5	2.5	5
LA-47	D-25350	DRG08000272		5	0.5	2.5	2.3	5

(Sorted by Certificate number, IS - insufficient sample.)

Table 23.4: Analyses of Core (Field) Duplicates

Hole	Sample 1	Sample 2	Cert No	Cert Au	Au (ppb)	Au 2 (ppb)	Ag (ppm)	Ag 2 (ppm)	Cu (ppm)	Cu 2 (ppm)	Zn (ppm)	Zn 2 (ppm)
LA-01	D-13533	D-13534	VA06115117		408	449	3.79	4.65	4,900	5,860	379	671
LA-01	D-13565	D-13566	VA06115117		64	76	0.72	1.03	47	53	76	78
LA-02	D-13593	D-13594	VA06115117		8,690	13,100	21.60	23.50	540	559	447	462
LA-03	D-13670	D-13671	VA06115117		655	627	17.45	16.50	22,800	22,100	84,400	77,300
LA-03	D-13682	D-13683	VA06115117		953	604	29.30	28.70	5,540	4,720	1,575	724
LA-04	D-13765	D-13766	VA07001208		48,900	40,700	259.00	207.00	28,800	31,500	2,480	2,040
LA-04	D-13778	D-13779	VA07001208		112	61	2.50	1.27	401	331	2,140	4,550
LA-05	D-13876	D-13877	VA07001209		1,095	1,190	22.30	22.10	25,500	23,500	22,200	22,700
LA-05	D-13883	D-13884	VA07001209		2,860	2,600	43.20	47.00	17,100	18,400	61,500	70,700
LA-06	D-13933	D-13934	VA07001230		10,750	9,770	20.70	45.00	89	122	29	26
LA-06	D-13966	D-13967	VA07001230		48	38	0.59	0.32	15	14	39	41
LA-07	D-18026	D-18027	VA07044609		2,550	2,700	167.00	174.00	377	331	61	56
LA-08	D-18082	D-18083	VA07044609		640	586	6.79	6.82	368	356	62	61
LA-09	D-18163	D-18164	VA07044609		1	1	0.04	0.03	12	8	48	46
LA-10	D-18289	D-18290	VA07049748		1,060	1,025	56.30	49.70	37,700	36,500	56,100	64,500
LA-10	D-18295	D-18296	VA07049748		4,120	3,640	38.10	34.60	56,800	61,300	6,940	7,310
LA-10	D-18321	D-18322	VA07049748		6,610	3,060	96.00	99.00	49,000	54,200	9,600	8,140
LA-10	D-18355	D-18356	VA07049748		27,100	26,100	84.20	84.10	43,700	43,800	14,300	12,400
LA-11	D-18458	D-18459	VA07083274		86	77	0.59	0.42	47	40	26	27
LA-13	D-18491	D-18492	VA07083274		105	96	0.74	0.81	975	1,590	6,480	5,470
LA-13	D-18519	D-18520	VA07083274		540	446	0.65	0.65	86	100	266	266
LA-12	D-18761	D-18762	VA07083275		1	1	0.16	0.13	204	155	10,500	9,500
LA-12	D-18767	D-18768	VA07083275		3	3	0.12	0.14	61	62	51	100
LA-13	D-19189	D-19190	VA07083275		1,690	1,770	45.80	43.40	39,900	40,900	39,700	39,800
LA-13	D-19203	D-19204	VA07083275		1,450	1,040	29.50	26.60	38,900	31,900	34,900	42,300
LA-15	D-18878	D-18879	VA07083276		79	66	1.18	1.07	62	82	5	5
LA-16	D-18910	D-18911	VA07083276		81	235	2.84	2.46	21	37	1	1
LA-20	D-19069	D-19070	VA07083276		109	107	2.09	1.54	264	207	103	95
LA-20	D-19111	D-19112	VA07083276		2,020	2,050	86.20	83.50	31,000	29,500	15,000	15,500
LA-20	D-19121	D-19122	VA07083276		1,235	1,230	16.40	15.25	49,400	47,100	6,760	5,380
LA-24	D-19466	D-19467	SAN07000179		51	45	0.60	6.01	142	222	64	82
LA-25	D-19545	D-19546	SAN07000179		42	41	0.40	0.41	105	113	736	1,434
LA-25	D-19573	D-19574	SAN07000179		15	22	0.13	0.14	64	73	87	90
LA-26	D-19611	D-19612	SAN07000179		40	34	0.10	0.08	380	181	272	183
LA-21	D-19231	D-19232	SAN07000181	07-25033	43	51	0.32	0.44	87	129	465	636
LA-21	D-19268	D-19269	SAN07000181	07-25033	2,335	3,972	104.00	105.00	27,100	25,340	64,100	80,900
LA-22	D-19311	D-19312	SAN07000181	07-25033	755	15	0.66	0.47	396	272	439	106
LA-23	D-19371	D-19372	SAN07000181	07-25033	119	103	0.44	0.44	951	797	5,790	5,565
LA-23	D-19410	D-19411	SAN07000181	07-25033	49	55	0.26	0.32	46	54	56	73
LA-23	D-19421	D-19422	SAN07000181	07-25033	81	88	0.50	0.48	236	182	106	63
LA-23	D-19448	D-19449	SAN07000181	07-25033	17	28	0.03	0.02	43	22	6,709	3,443
LA-26	D-19665	D-19666	SAN07000191	07-25049	6	9	0.02	0.02	10	11	97	100
LA-26	D-19741	D-19742	SAN07000191	07-25049	1,684	1,764	16.09	17.67	20,550	25,980	26,800	28,400
LA-26	D-19772	D-19773	SAN07000191	07-25049	738	941	13.52	13.17	34,280	41,650	39,300	25,900
LA-29	D-20046	D-20047	SAN07000440	07-25103	56	54	0.38	0.39	173	285	1,559	1,722
LA-29	D-20079	D-20080	SAN07000440	07-25103	22	18	0.12	0.10	45	44	15	21
LA-27	D-19907	D-19908	SAN07000452	07-25102	163	208	0.74	0.98	46	106	33	59
LA-27	D-19931	D-19932	SAN07000452	07-25102	2,061	2,032	43.32	42.00	22,260	25,860	62,700	61,000
LA-31	D-20190	D-20191	SAN08000491	07-25106	117	106	0.16	0.17	41	48	64	63
LA-31	D-20201	D-20202	SAN08000491	07-25106	121	115	0.43	0.40	63	54	27	23
LA-31	D-20252	D-20253	SAN08000491	07-25106	2,381	1,341	57.19	40.21	18,790	17,530	86,700	65,500
LA-32	D-20287	D-20288	SAN08000527	07-25125	3	3	0.11	0.10	93	76	70	59
LA-33	D-20342	D-20343	SAN08000527	07-25125	12	12	0.35	0.43	175	193	598	530

Table 30.4 Continued

Hole	Sample 1	Sample 2	Cert No	Cert Au	Au (ppb)	Au 2 (ppb)	Ag (ppm)	Ag 2 (ppm)	Cu (ppm)	Cu 2 (ppm)	Zn (ppm)	Zn 2 (ppm)
LA-35	D-24036	D-24037	DRG08000108		13	15	0.50	0.50	32	38	93	121
LA-35	D-24053	D-24054	DRG08000108		5	5	0.50	0.50	53	49	168	172
LA-35	D-24091	D-24092	DRG08000108		32	23	0.50	0.50	479	672	319	305
LA-35	D-24121	D-24122	DRG08000108		39	46	0.50	0.50	55	58	78	80
LA-35	D-24133	D-24134	DRG08000108		58	27	1.00	0.50	3,080	366	164	97
LA-35	D-24190	D-24191	DRG08000108		141	149	4.90	5.90	2,159	2,506	1,261	1,092
LA-35	D-24205	D-24719	DRG08000108		6,383	7,663	104.80	85.90	38,626	30,546	31,231	35,272
LA-36	D-24307	D-24308	DRG08000161		111	115	0.90	0.50	144	54	1,614	135
LA-36	D-24320	D-24321	DRG08000161		88	91	1.10	1.00	587	499	2,254	2,303
LA-36	D-24389	D-24390	DRG08000199		5	5	0.50	0.50	20	63	316	311
LA-38	D-24404	D-24405	DRG08000199		3	3	0.25	0.25	27	23	68	67
LA-38	D-24443	D-24444	DRG08000199		7	6	0.25	0.25	46	49	61	60
LA-38	D-24458	D-24459	DRG08000251		8	9	0.25	0.25	41	45	79	88
LA-38	D-24518	D-24519	DRG08000251		25	42	0.25	0.25	46	66	175	216
LA-38	D-24547	D-24548	DRG08000251		16	20	0.25	0.25	25	39	164	193
LA-38	D-24580	D-24581	DRG08000251		45	118	0.50	0.50	29	30	7	9
LA-38	D-24632	D-24633	DRG08000251		17	17	0.50	0.50	19	19	23	20
LA-38	D-24683	D-24684	DRG08000251		42	48	0.50	0.50	35	40	58	60
LA-39	D-24771	D-24772	DRG08000265		5	8	0.50	0.50	27	31	257	243
LA-40	D-24813	D-24814	DRG08000265		7	7	0.60	0.50	51	47	1,092	1,053
LA-40	D-24822	D-24823	DRG08000265		6	6	0.50	0.50	37	33	215	222
LA-41	D-24834	D-24835	DRG08000265		219	234	1.10	0.90	14	14	8	11
LA-42	D-24905	D-24906	DRG08000265		7	15	3.10	2.90	78	67	104	115
LA-42	D-24923	D-24924	DRG08000265		5	5	0.25	0.25	207	217	348	348
LA-43	D-24959	D-24960	DRG08000267		5	5	0.25	0.25	48	45	1,067	1,272
LA-44	D-25029	D-25030	DRG08000267		66	243	1.50	1.50	481	442	685	587
LA-44	D-25055	D-25056	DRG08000267		134	139	3.00	3.70	2,781	2,631	2,019	2,010
LA-45	D-25087	D-25088	DRG08000267		5	7	1.60	1.30	140	156	89	78
LA-45	D-25163	D-25164	DRG08000267		12	11	0.50	0.50	8	6	42	41
LA-46	D-25194	D-25195	DRG08000267		16	14	1.40	1.70	87	96	412	340
LA-46	D-25238	D-25239	DRG08000267		8	8	0.50	0.50	104	88	91	95
LA-47	D-25304	D-25305	DRG08000267		378	314	1.60	1.30	382	399	40	48
LA-47	D-25344	D-25345	DRG08000267		209	213	3.20	3.20	288	282	60	58
LA-47	D-25367	D-25368	DRG08000267		5	5	0.50	0.50	6	4	116	113