SNOWDEN



Tahuehueto Project Preliminary Economic Assessment
Durango State, Mexico

Technical Report
October 29, 2010

Prepared by Anthony Finch
BEng, BEcon, MAusIMM
Divisional Manager, Mining Engineering – Snowden Mining Industry Consultants Inc.
Robert Gill
B.A.Sci, P. Eng.
Divisional Manager, Geotechnical Engineering – Snowden Mining Industry Consultants Inc.
Gary Hawthorn
B.Sc., P Eng.
Westcoast Mineral Testing.
Scott E. Wilson
C.P.G
President, Scott E. Wilson Consulting, Inc.

Office Locations

Perth
87 Colin Street
West Perth WA 6005

PO Box 77
West Perth WA 6872
AUSTRALIA

Tel: +61 8 9213 9213
Fax: +61 8 9322 2576
ABN 99 085 319 562
perth@snowdengroup.com

Brisbane
Level 15, 300 Adelaide Street
Brisbane QLD 4000

PO Box 2207
Brisbane QLD 4001
AUSTRALIA

Tel: +61 7 3231 3800
Fax: +61 7 3211 9815
ABN 99 085 319 562
brisbane@snowdengroup.com

Vancouver
Suite 600
1090 West Pender Street
Vancouver BC V6E 2N7
CANADA

Tel: +1 604 683 7645
Fax: +1 604 683 7929
Reg No. 557150
vancouver@snowdengroup.com

Johannesburg
Technology House
Greenacres Office Park
Cnr. Victory and Rustenburg Roads
Victory Park
Johannesburg 2195
SOUTH AFRICA

PO Box 2613
Parklands 2121
SOUTH AFRICA

Tel: + 27 11 782 2379
Fax: + 27 11 782 2396
Reg No. 1998/023556/07
johannesburg@snowdengroup.com

London
Abbey House
Wellington Way
Weybridge
Surrey KT13 0TT, UK

Tel: + 44 (0) 1932 268 701
Fax: + 44 (0) 1932 268 702
london@snowdengroup.com

Website
www.snowdengroup.com

Subsidiary of Downer EDI Ltd

IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 Technical Report, in accordance with Form 43-101F1, for Soho Resources Corporation by Snowden. The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in Snowden's services, based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended to be used by Soho Resources Corporation, subject to the terms and conditions of its contract with Snowden. That contract permits Soho Resources Corporation to file this report as a Technical Report with Canadian Securities Regulatory Authorities pursuant to provincial securities legislation. Except for the purposes legislated under provincial securities law, any other use of this report by any third party is at that party's sole risk.

Issued by: Vancouver Office
Doc Ref: 101026_FINAL_V706_Soho_Tahuehueto_PEA_M_Poly

© 2010

1 Summary 9
1.1 Location 9
1.2 Geology and mineralisation 9
1.3 Exploration and mining history 9
1.4 Drilling and sampling 10
1.5 Metallurgical testing 10
1.6 Mineral Resources 11
1.7 Preliminary Economic Assessment 11
1.8 Conclusions and recommendations 12

2 Introduction 14

3 Reliance on other experts 15

4 Property description and location 16
4.1 Location 16
4.2 Type of mineral tenure 17
4.3 Royalties and agreements 20
4.4 Environmental liabilities 20
4.4.1 Previous mining activities 21
4.4.2 Environmental monitoring 21
4.5 Permits 22

5 Accessibility, climate, local resources, infrastructure and physiography 24
5.1 Topography, elevation and vegetation 24
5.2 Access 25
5.3 Climate 26
5.4 Local population centres and infrastructure 26

6 History 27
6.1 Prior ownership, exploration and development 27
6.2 Historical mineral resource estimates 29

7 Geological setting 31
7.1 Regional geology 31
7.2 Local geology 33
7.3 Property geology 33

8 Deposit types 37
8.1 Geological model 37
8.2 Tahuehueto geological model 37

9 Mineralisation 39

9.1 El Creston 39
9.2 Cinco de Mayo 40
9.3 El Rey 41

10 Exploration 43

11 Drilling 47
11.1 Historic drilling 47
11.2 Soho drilling 47
11.2.1 Drill collar surveying 48
11.2.2 Down-hole surveying 48
11.2.3 Core handling procedures 48
11.2.4 Drillhole database 49

12 Sampling method and approach 51
12.1 Historic sampling 51
12.2 Soho channel sampling 51
12.3 Soho reverse -circulation sampling 53
12.3.1 Reverse-circulation sample contamination 53
12.4 Soho core sampling 54

13 Sample preparation, analyses, and security 55
13.1 Reverse-circulation samples 55
13.2 Core samples 55
13.3 Underground samples 56

14 Data verification 58
14.1 Integrity of database 58
14.2 Quality assurance/quality control 58
14.2.1 Blanks 58
14.2.2 Reference standards 58
14.2.3 Surface and underground channel sampling 59

15 Adjacent properties 60

16 Mineral processing and metallurgical testing 61
16.1 Mineralogy 61
16.2 Metallurgical testing 61
16.2.1 Historical testing 61
16.2.2 2009 – 2010 Metallurgical testing 64
16.3 Flotation Concentrate Analysis 68
16.4 Acid rock drainage 68
16.5 Conclusions 69
16.6 Recommendations 70

17 Mineral Resource and Mineral Reserve estimates 71
17.1 Mineral Resources 71
17.2 Mineral Reserve 73

18 Other relevant data and information 74
18.1 Site visit 74
18.2 Open pit study 74
18.2.1 Pit optimization 74
18.2.2 Pit design 77
18.2.3 Waste rock dump 82
18.2.4 Processing plant location and tailings disposal 82
18.2.5 Haul roads 83
18.3 Underground study 83
18.3.1 Geotechnical 83
18.3.2 Inventory 83
18.3.3 Underground design 92
18.4 Combined open pit and underground schedule 95
18.5 Environmental considerations 101
18.5.1 Regulatory requirements 101
18.5.2 Previous studies 101
18.5.3 Proposed studies 101
18.5.4 Identified issues 102
18.6 Mineral processing 102
18.7 Capital and operating cost estimates 106
18.7.1 Operating costs 106
18.7.2 Capital costs 106
18.8 Economic analysis 107
18.8.1 Sensitivity analysis 108

19 Conclusions and recommendations 110

20 References 112

21 Dates and signatures 116

22 Certificates 117

Tables

Table 1-1 June 2009 Tahuehueto Mineral Resources (after Wilson 2009) 11
Table 1-2 Potentially economic inventories 12
Table 1-3 Summary of financial model 12

Table 2-1	Responsibilities of each co-author	14
Table 4-1	List of Tahuehueto property mining concessions (from Wilson 2009)	18
Table 6-1	Historical mineral inventory estimates (from Gustin 2008)	30
Table 11-1	Tahuehueto Resource drilling summary (from Wilson 2009)	49
Table 11-2	Summary of drilling database (from Wilson 2009)	49
Table 16-1	CFM sample and MDA Resource grades	62
Table 16-2	CFM metallurgical testing results	63
Table 16-3	Distribution of "overall composite"	64
Table 16-4	2009 Composite assays	64
Table 16-5	2009 flotation testwork results	65
Table 16-6	Best overall rougher flotation recoveries	65
Table 16-7	Best metallurgical balance for overall composite (grades)	67
Table 16-8	Best metallurgical balance for overall composite (distribution)	67
Table 16-9	Optimal reagent additions from testwork	68
Table 16-10	Flotation concentrate detailed assays	68
Table 16-11	ARD testing results	69
Table 17-1	June 2009 Tahuehueto Mineral Resources (after Wilson 2009)	72
Table 18-1	Modifying factors	75
Table 18-2	Mining costs	75
Table 18-3	Site cost breakdown	75
Table 18-4	Metal selling prices	76
Table 18-5	Open pit design parameters	78
Table 18-6	Open pit tonnes and grade by bench	81
Table 18-7	Stopesizor SMB dimensions	84
Table 18-8	Summary of underground conceptual designs	94
Table 18-9	Evaluator parameters and assumptions	96
Table 18-10	Project schedule - material movement and feed grades	99
Table 18-11	Underground development schedule	100
Table 18-12	Schedule of potential feed by confidence	100
Table 18-13	Processing plant design criteria (average conditions)	103
Table 18-14	Metallurgical Balance – Weights and Assays	105
Table 18-15	Metallurgical Balance – Metal Distribution (%)	105
Table 18-16	Concentrate marketing terms	106
Table 18-17	Capital and startup costs	107
Table 18-18	Summary of financial model	108

Figures

Figure 4-1 Location of Tahuehueto Project (from Wilson 2009) 17
Figure 4-2 Tahuehueto Project property map (from Gustin 2008) 19
Figure 5-1 Aerial view of El Creston topography 25
Figure 7-1 Regional geological setting (from Gustin 2008) 32
Figure 7-2 Geology of the Tahuehueto Project Area (from Gustin 2008) 35
Figure 7-3 Stratigraphic column for the Tahuehuteo (from Gustin 2008) 36
Figure 8-1 Structural controls to shoot formation in low sulphidation Au-Ag deposits (from Corbett 2007) 38
Figure 8-2 Structural elements present at Tahuehueto (from Corbett 2007) 38
Figure 9-1 Cino de Mayo south adit sampling (from Soho 2004b) 41
Figure 11-1 Tahuehueto drilling locations (from Wilson 2009) 50
Figure 16-1 Grind size versus zinc recovery to Cu/Pb rougher concentrate 66
Figure 18-1 Creston optimized pit shell 77
Figure 18-2 Open pit location and site layout 78
Figure 18-3 Open pit viewed from the southwest 79
Figure 18-4 Long section (oblique) of open pit 80
Figure 18-5 Cross section (oblique) of open pit 80
Figure 18-6 Long section of WRD at 336125m E 82
Figure 18-7 Cross section of WRD at 2812450m N 82
Figure 18-8 Cinco de Mayo LHOS Stopesizor model at 35 $/t 84
Figure 18-9 Cinco de Mayo cut and fill Stopesizor model at 40 $/t 85
Figure 18-10 Cinco de Mayo grade/tonnage curve 85
Figure 18-11 Creston LHOS Stopesizor model at 35 $/t 86
Figure 18-12 Creston cut and fill Stopesizor model at 40 $/t 87
Figure 18-13 Creston grade/tonnage curve 87
Figure 18-14 El Rey LHOS Stopesizor model at 35 $/t 88
Figure 18-15 El Rey cut and fill Stopesizor model at 40 $/t 89
Figure 18-16 El Rey grade/tonnage curve 90
Figure 18-17 Santiago LHOS Stopesizor model at 35 $/t 91
Figure 18-18 Santiago cut and fill Stopesizor model at 40 $/t 91
Figure 18-19 Santiago grade/tonnage curve 92
Figure 18-20 Cinco de Mayo conceptual design 93
Figure 18-21 Creston North conceptual design 93
Figure 18-22 El Rey conceptual design 94
Figure 18-23 Plan view of Project areas 95
Figure 18-24 Schedule of potential feed 97
Figure 18-25 Schedule of potential feed metal grades 97

Figure 18-26 Movement schedule....98
Figure 18-27 Schedule of potential feed by source....98
Figure 18-28 Proposed flow weir locations....102
Figure 18-29 Conceptual process flowchart....104
Figure 18-30 Sensitivity analysis results - NPV....109
Figure 18-31 Sensitivity analysis results - IRR....109

Appendices

Appendix A Metallurgical composite details.... 121
Appendix B Metallurgy and marketing parameters.... 127

1 Summary

Soho Resources Corp. (Soho) requested Snowden Mining Industry Consultants Inc. (Snowden) to prepare a Preliminary Economic Assessment (PEA) of Soho's Tahuehueto Project in Durango State, Mexico. The PEA was to be reported in the form of a Technical Report prepared under the guidelines of the Canadian National Instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101). This report constitutes a preliminary assessment as provided for under clause 2.3 (3) of NI 43-101.

This assessment is preliminary in nature and includes the assessment of some Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorised as Mineral Reserves. There is no certainty that the evaluation reported in this preliminary assessment will be realised.

1.1 Location

The Tahuehueto project is located in the municipality of Tepenhuanes in the state of Durango, Mexico. The Project site is approximately 250 km northwest of the city of Victoria de Durango. The Tahuehueto site is located within the Sierra Madre Occidental mountain range. Sheer terrain dominates the topography at Tahuehueto.

Soho holds 29 mining concessions at Tahuehueto, grouped into six non-contiguous blocks of total area approximately 9081 has. A 1.6% net smelter return royalty applies to 19 of the concessions, including most of the Mineral Resources considered for this PEA.

1.2 Geology and mineralisation

Tahuehueto lies on the west side of the Sierra Madre Occidental on its border with the western Mexican Basin and Range Province. The Sierra Madre Occidental is a volcanic mountain range that trends north-northwest through northern Mexico. The volcanic rocks of the range consist of a lower volcanic series of late Cretaceous-Paleocene andesitic volcanic rocks and an upper volcanic series of Eocene to Oligocene silicic ignimbrites. A number of intrusive stocks, generally of granodioritic composition, intrude the lower volcanic series. An unconformity separates the lower and upper series.

Tahuehueto lies in the *Barrancas* sub-province of the Sierra Madre Occidental, which is characterized by spectacular relief and precipitous ravines (*barrancas*) formed by west-flowing streams.

Mineralisation at Tahuehueto consists of epithermal, low-sulphidation, polymetallic Ag-Au veins and breccias with copper, lead, and zinc. The mineralization formed within a series of northeast-striking normal faults with subordinate left-lateral displacement.

Over 12 mineralized zones have been identified on the Tahuehueto property, of which six have been explored in some detail by Soho – the El Creston, El Rey, El Perdido, Cinco de Mayo, Texcalama, and Santiago zones. (Gustin, 2008)

1.3 Exploration and mining history

Gold and silver vein mineralization was discovered in the area around the Tahuehueto project in the nineteenth century, and limited production on the El Creston vein took

place during the early nineteen hundreds. Compania Minera Sacramento de la Plata, a predecessor company of Sacramento, developed over 700 metres of underground workings on the El Rey and El Creston veins in 1971 and briefly operated a 50-ton-per day plant on the property.

Exploration prior to Soho's acquisition of the property included surface and underground sampling, limited surface and underground drilling, and IP surveying by Emijamex, S.A. de C.V., the Consejo de Recursos Minerales, and Castle Minerals. The Consejo de Recursos Minerales reportedly drilled 28 surface and underground holes at Cinco de Mayo and El Creston in the 1980s.

After optioning the property in 1996, Soho completed surface and underground sampling and mapping at El Creston in 1997, as well as limited sampling on other mineralized structures. Approximately 1,200 underground and surface channel samples were taken from the El Creston zone, with a few samples taken at Dolores, Cinco de Mayo, Los Burros, and Texcalama. No further exploration was carried out until 2004, when geologic mapping, additional surface and underground sampling, and a 3D IP survey were completed. (Gustin, 2008)

1.4 Drilling and sampling

Soho initiated reverse circulation ("RC") drilling in January 2005, and 37 holes were drilled to test IP anomalies at El Creston, Cinco de Mayo, and Texcalama during the year.

As of this report Soho had completed 248 drillholes of which 211 were core in addition to the original 37 RC holes. A total of nearly 47,300 meters has been drilled along the Tahuehueto structures.

RC samples were collected on 1.524 m intervals; approximately 30 kg of material were collected for each sample interval. One-quarter splits of this material were prepared at the ALS Chemex ("Chemex") preparation facility in Guadalajara, Mexico, and pulps were then sent to Chemex's laboratory in North Vancouver, Canada, for analysis.

Soho drilled HQ and NQ core, which was sampled in 0.5 to 2m lengths depending on the geology. The core was sawn in half, and one-half was sampled. SGS analyzed the samples from the 2005 and 2006 core drilling. Inspectorate America Corp. ("Inspectorate") analyzed the drill samples in 2007 until August, when Soho switched back to Chemex. (Wilson, 2009)

1.5 Metallurgical testing

Historical metallurgical testing at Tahuehueto by Fomento de Minero in 1977 investigated flotation on a single 150 kg sample. Current testing was undertaken by Westcoast Mineral Testing in 2010.

The recent testwork used five composite samples prepared from drill core, with a single composite prepared from each of four individual zones and one "overall" composite. The composites were subjected to 15 bench scale flotation tests to assess the response to grind size, the use of several sphalerite depressants in the rougher stage, and copper-lead separation from the final concentrate. The flotation concentrate underwent ICP analysis to determine assays of trace elements.

Several samples were also tested for acid rock drainage (ARD) potential.

1.6 Mineral Resources

The Mineral Resources for Tahuehueto, first presented in Wilson (2009) are included in Table 1-1.

Table 1-1 June 2009 Tahuehueto Mineral Resources (after Wilson 2009)

Category	Mass (kt)	Au (g/t)	Contained Au (koz)	Ag (g/t)	Contained Ag (koz)	Cu (%)	Contained Cu (lb x 1000)	Pb (%)	Contained Pb (lb x 1000)	Zn (%)	Contained Zn (lb x 1000)
Measured	3,254	2.40	251	36.30	3,798	0.28	20,439	1.10	79,228	2.07	148,759
Indicated	4,123	1.87	248	33.92	4,496	0.27	24,900	1.03	93,511	1.96	177,894
Total M&I	**7,377**	**2.10**	**498**	**34.97**	**8,294**	**0.28**	**45,339**	**1.06**	**172,738**	**2.01**	**326,653**
Inferred	**4,868**	**1.06**	**166**	**31.77**	**4,971**	**0.23**	**24,935**	**1.23**	**132,417**	**2.26**	**242,241**

1.7 Preliminary Economic Assessment

An investigation of open pit potential considered the combined resources at El Creston and Cinco de Mayo. The study concluded that potentially economic open pit inventories existed at Creston and at Cinco, however, for the purposes of this assessment, the resources at Cinco were excluded from open pit evaluation until an assessment of the geotechnical stability of the cliff face above that area has been completed.

An investigation of the underground potential was made to identify potentially economic underground inventories. The study concluded that there were significant underground inventories in El Creston, Cinco de Mayo, and Santiago. Detailed analysis of these inventories for a variety of extraction methods concluded that using long hole open stoping presented the best potential for underground production.

An optimized schedule was generated that combined the identified open pit and underground inventories so that the inventory and schedule returning the highest economic value could be reported in this preliminary assessment. Potentially economic inventories were identified at Cinco de Mayo, El Creston and El Rey.

Conceptual underground designs based on mechanized techniques with decline access have been prepared from the optimization results. A conceptual open pit with a corresponding waste rock dump and haul road design was prepared based on an optimized pit shell for Creston.

The potentially economic inventories derived for open pit and underground are shown in Table 1-2.

Table 1-2 Potentially economic inventories

	Tonnes	Grade				
Deposit	**kt**	**Au g/t**	**Ag g/t**	**Cu %**	**Pb %**	**Zn %**
El Creston open pit	4,135	2.13	24	0.15	0.74	1.29
El Creston underground	1,530	1.40	29	0.23	0.87	1.71
El Creston Total	**5,665**	**1.93**	**25**	**0.17**	**0.77**	**1.41**
Cinco de Mayo UG	3,068	1.19	31	0.20	1.00	2.03
El Rey underground	252	0.60	39	0.10	1.53	2.22
Total all zones	**8,985**	**1.64**	**28**	**0.18**	**0.87**	**1.64**

Metallurgical testwork carried out on composites during 2009 and 2010 has indicated that there is potential to produce separate concentrates for copper, lead, and zinc. This testwork has included preliminary studies on reagent additions.

After applying appropriate estimates for capital costs the optimized cash flow yielded the financial outcomes presented in Table 1-3 below. These are the sum of operating and capital expenditures including vendor royalties, but excluding financing, government royalties and taxes. The currency is USD.

Table 1-3 Summary of financial model

Item	Units	Value
Undiscounted cash flow	$M	184
NPV @ 5% discount	$M	109
IRR	%	31
Payback period	Months	27

Sensitivity analyses determined the Project is most sensitive to the selling prices of gold and "other metals" on a combined basis. Moderate sensitivity to process and site costs and capital expenditure also exists. The sensitivity to mining costs is low.

1.8 Conclusions and recommendations

It can be concluded from the current study that there is potential for a profitable project to be established at Tahuehueto. An open pit operation is potentially viable at El Creston, whilst Resources with potential for economic underground mining exist at Cinco de Mayo, El Creston and El Rey. Metallurgical testwork indicates that it will be possible to use flotation to produce separate copper, lead, and zinc concentrates

To determine the feasibility of a profitable project it is recommended that a program of data collection be undertaken followed by a Prefeasibility Study. The program of data collection should include:

- Further drilling and appropriate resource modelling to better define the Resource

- geotechnical data collection to improve the definition of slope stabilities and underground geotechnical constraints
- metallurgical testing of representative composites that reflect the expected feed grades
- ongoing environmental base line data gathering.

After the data collection phase, to progress the project, a Prefeasibility Study should be undertaken to remove the major uncertainties in this preliminary assessment, principally:

- Mineral Resource confidence in volume and quality
- geotechnical and hydrogeological characterisation
- preferred mining approaches, methods and cut-off grade strategies
- impacts and management of the impacts on the environment
- the likely project operating and capital costs.

2 Introduction

Soho Resources Corp. (Soho) requested Snowden Mining Industry Consultants Inc. (Snowden) to prepare a Preliminary Economic Assessment (PEA) to assess the potential of Soho's Tahuehueto Project in Durango, Mexico. The PEA was to be reported in the form of a Technical Report prepared under the guidelines of the Canadian National Instrument 43-101, Standards of Disclosure for Mineral Projects (NI 43-101). This report constitutes a preliminary assessment as provided for under clause 2.3 (3) of NI 43-101.

This assessment is preliminary in nature and includes the assessment of some Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the evaluation reported in this preliminary assessment will be realised.

All currency values in this report are in USD unless stated otherwise.

Unless otherwise stated, information and data contained in this report or used in its preparation has been provided by Soho Resources Corp. Tahuehueto is the subject of past Technical Reports prepared by Mine Development Associates (MDA) in June 2008 and Scott E. Wilson Consulting, Inc. (SEWC) in June 2009. In preparing the sections of this report relating to background and historical information, exploration and geological modelling, Snowden has relied upon previous Technical Reports.

The Qualified Persons for preparation of the report are Anthony Finch and Robert Gill of Snowden who visited the project site on July 20, 2010, and Gary Hawthorn of Westcoast Mineral Testing.

The responsibilities of each author are provided in Table 2-1.

This report is intended to be used by Soho subject to the terms and conditions of its contract with Snowden. That contract permits filing this report as a Technical Report with Canadian Securities Regulatory Authorities pursuant to provincial securities legislation. Except for the purposes legislated under provincial securities laws any other use of this report by any third party is at that party's sole risk.

Reliance on the report may only be assessed and placed after due consideration of Snowden's scope of work, as described herein. This report is intended to be read as a whole, and sections or parts thereof should therefore not be read or relied upon out of context. Any results or findings presented in this study, whether in full or excerpted, may not be reproduced or distributed in any form without Snowden's written authorisation.

Table 2-1 Responsibilities of each co-author

Author	Responsible for section/s
Anthony Finch	1, 2, 3, 15, 18 and 19, except 18.5 and 18.6
Robert Gill	1, 2, 3, 18.5 and 19
Gary Hawthorn	1,2,3,16, 18.6 and 19
Scott E. Wilson	1 to 14, 17 and 19

3 Reliance on other experts

This report includes findings based on the available information and geologic interpretations as provided by Soho. The authors have relied on this data and have no reason to believe that any material facts have been withheld.

The title opinion forming the basis for Section 4.2 was prepared by Abraham Urias of the firm Urias Romero y Asociados, S.C., a Mexican corporate and mining law corporation.

The legal opinion regarding allowable land disturbance as included in Section 4.5 was prepared by Thompson & Knight, a legal firm in Mexico City.

4 Property description and location

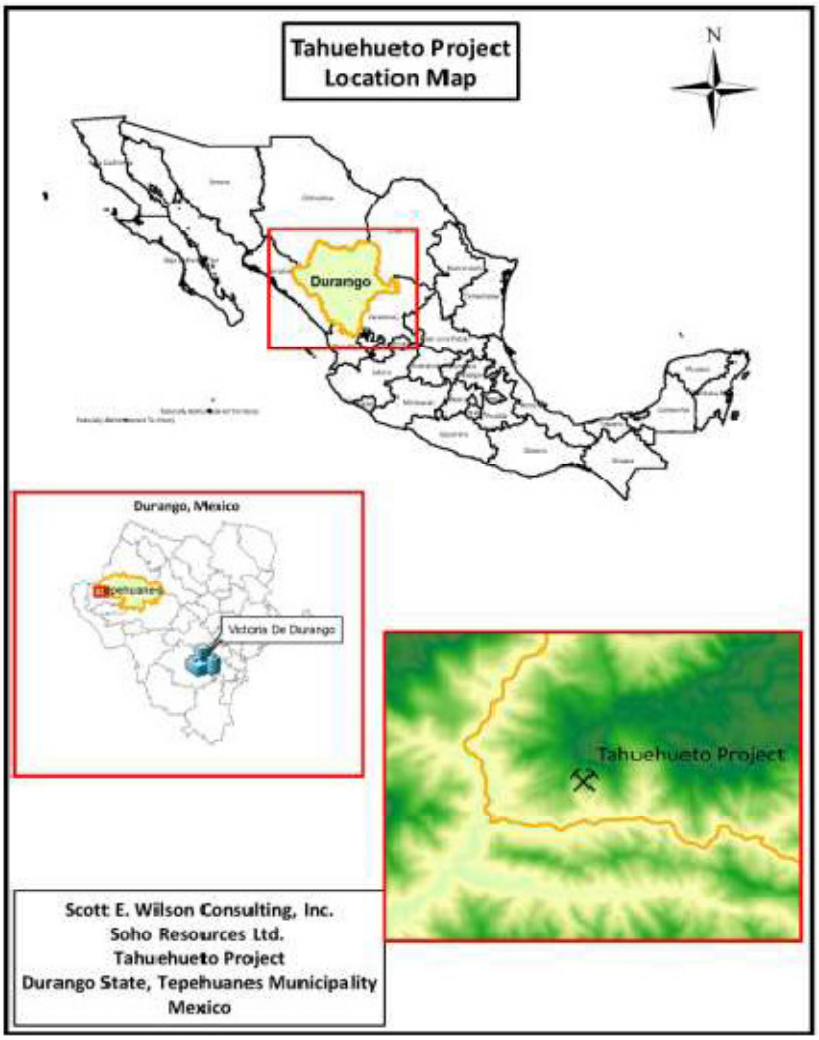
4.1 Location

The Tahuehueto Project is located in the northwest of the state of Durango, Mexico. Wilson 2009 describes the project location as:

> "about 250km northwest of Durango, the state capital, and 160km northeast of the city of Culiacan, Sinaloa.
>
> The property is in the municipality of Tepehuanes and lies about 90km west of the community of Tepehuanes. The project is located in very rugged, mountainous terrain. The concessions are centered on about 25°25'23.5"N latitude and 106°37'27"W longitude. The Mineral Resources at Tahuehueto are approximately centered at Universal Transverse Mercator (UTM) coordinates 337,300mE, 2,812,500mN in Zone 13R, NAD27 for Mexico.
>
> The Tahuehueto project is located about 25km north of the Topia polymetallic-silver mine,40km northwest of the La Cienega gold, silver, base metal mine, 85km southwest of the Guanacevi silver district, 280km southeast of the Palmarejo silver and gold mine, and 150kmnorthwest of the San Dimas mining district, most notable for the Tayoltita silver and gold mine
>
> The project lies on the INEGI Map Sheet G13C35 at 1:50,000 scale and G13 07 at 1:250,000 scale, which provides geologic and topographic coverage." (Wilson 2009 pp9-10)

The Project location is shown in Figure 4-1. Altitude at Tahuehueto ranges from approximately 600 m above sea level (ASL) in the river valley to above 2400 m ASL on top of the range.

Figure 4-1 Location of Tahuehueto Project (from Wilson 2009)



4.2 Type of mineral tenure

The mineral tenure is described in the Technical Report by Wilson 2009

> "The Tahuehueto property consists of 29 mining concessions (Table 4.1; Figure 4.2) that total a little more than 9,080 has. The concessions are located in six non-contiguous blocks. Soho reports that the concession monuments have been surveyed by licensed surveyors.
>
> Unless otherwise noted, the rest of Section 4.2 is based on a title opinion dated April 17, 2007by Abraham Urias (Urias, 2007) of the firm Urias Romero y Asociados, S.C., a Mexican corporate and mining law corporation, as reported by MDA (Gustin, 2008). Scott E Wilson Consulting Inc. (SEWC) presents this land information to fulfill reporting requirements of NI 43-101 but has no opinion pertaining to the legal status of the Tahuehueto project.

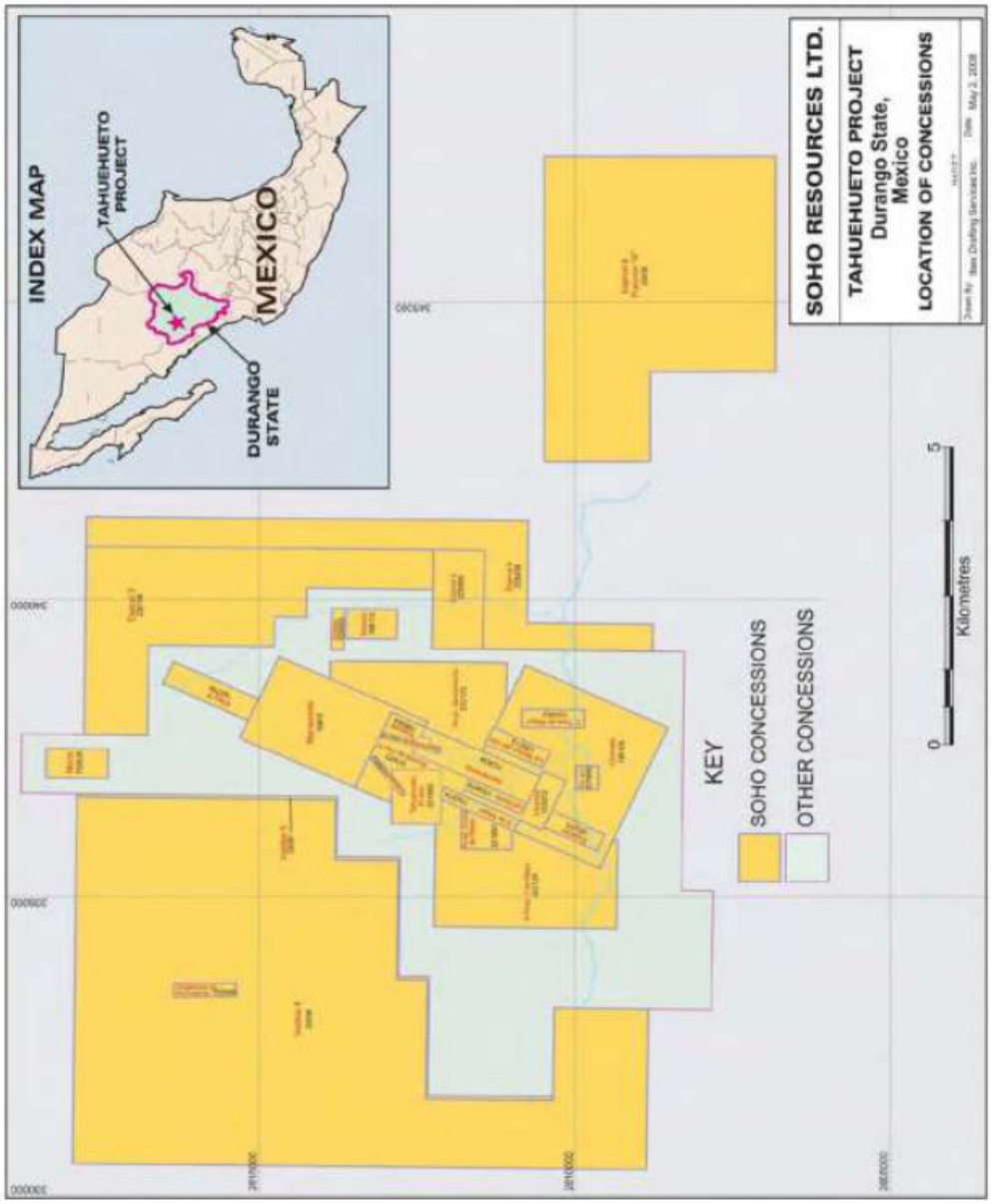
The title opinion states that "Abraham Urias ("Urias", partner and practicing attorney of Urias Romero) holds 400,000 stock options and 250,000 shares of the Company [Soho Resources Corp.]; he is also a former director and officer of the Company. Faviola Perez, practicing attorney of Urias Romero holds 12,500 stock options of the Company" (Urias, 2007). Soho represents that Abraham Urias and Faviola Perez exercised their 400,000 and 12,500 stock options, respectively, on May 31, 2007.

Urias (2007) discusses 28 of the 29 project concessions in the title opinion; the concession not mentioned in the title opinion is El Espinal 4 Fraccion A. Soho represents that subsequent to the date of the title opinion, the El Espinal 4 Fraccion A concession was formally granted, as were the following concessions that are described in the title opinion as being in the application phase: Vueltas 4, Vueltas 5, El Espinal 5, and El Espinal 4. Soho also represents that the El Espinal 4 Fraccion A concession, which was not mentioned in the title opinion, is also controlled by Sacramento de La Plata, S.A. de C.V. ("Sacramento").

Table 4-1 List of Tahuehueto property mining concessions (from Wilson 2009)

TAHUEHUETO PROJECT-MINING CONCESSIONS						
Registered Owner	Mining Concession	Title	Granted	Expires	Hectares	Subject to Royalty
Sacramento	DOLORES	153893	9/Jan/1971	8/Jan/2021	8.0000	no
Sacramento	COLORADO	160128	24/Jun/1974	23/Jun/2024	410.6622	no
Sacramento	TAHUEHUETO EL ALTO	221990	27/Apr/2004	26/Apr/2054	68.5657	no
Sacramento	AMPL. CINCO DE MAYO	221991	27/Apr/2004	26/Apr/2054	40.2384	no
Sacramento	EL TRES DE MAYO	150452	26/Oct/1968	25/Oct/2018	30.0000	yes
Sacramento	PUERTA DE ORO II	151972	12/Nov/1969	11/Nov/2019	71.0475	yes
Sacramento	5 DE MAYO	152274	20/Feb/1970	19/Feb/2020	25.8836	yes
Sacramento	EUGENIA	152275	20/Feb/1970	19/Feb/2020	28.2288	yes
Sacramento	GUADALUPE DE LOS FRESNOS	152608	18/Mar/1970	17/Mar/2020	20.0000	yes
Sacramento	SACRAMENTO	152634	18/Mar/1970	17/Mar/2020	94.3443	yes
Sacramento	MARIA	152636	18/Mar/1970	17/Mar/2020	50.0000	yes
Sacramento	SACRAMENTO	152716	18/Mar/1970	17/Mar/2020	12.0000	yes
Sacramento	LIBERTAD	153872	9/Jan/1971	8/Jan/2021	46.0000	yes
Sacramento	LA GLORIA	153975	18/Jan/1971	17/Jan/2021	20.0000	yes
Sacramento	MONTECRISTO	154675	12/May/1971	11/May/2021	305.9668	yes
Sacramento	LA REYNA DEL ORO	155213	10/Aug/1971	9/Aug/2021	30.0000	yes
Sacramento	ESTELA	156835	28/Apr/1972	27/Apr/2022	14.0000	yes
Sacramento	YOLANDA	158064	17/Jan/1973	16/Jan/2023	18.6311	yes
Sacramento	IMPERIO	158112	19/Jan/1973	18/Jan/2023	40.0000	yes
Sacramento	ELOY II	160706	15/Oct/1974	14/Oct/2024	47.6740	yes
Sacramento	EL 201	221992	27/Apr/2004	26/Apr/2054	14.4114	yes
Sacramento	AMPL. SACRAMENTO	222123	21/May/2004	20/May/2054	254.6345	yes
Sacramento	II AMPL. 5 DE MAYO	222124	21/May/2004	20/May/2054	411.8868	yes
Sacramento	EL ESPINAL 3	228156	6/Oct/2006	5/Oct/2056	836.8595	no
Sacramento	VUELTAS 4	229396	17/Apr/2007	16/Apr/2057	3863.8992	no
Sacramento	VUELTAS 5 (terrain correction)	229397	17/Apr/2007	16/Apr/2057	53.7438	no
Sacramento	EL ESPINAL 5	229398	17/Apr/2007	16/Apr/2057	132.3710	no
Sacramento	EL ESPINAL 4	229438	19/Apr/2007	16/Apr/2057	543.7403	no
Sacramento	EL ESPINAL 4 FRACCION "A"	229439	19/Apr/2007	16/Apr/2057	1588.3334	no
Total Hectares					9,081.1223	

Figure 4-2 Tahuehueto Project property map (from Gustin 2008)



Urias (2007) makes the following statement pertaining to the 28 concessions in the title opinion:

> "It is our Opinion that based on the foregoing and subject to the notations set forth above, each and all of the mining concessions comprising the Tahuehueto Property are, as of the Date of Opinion:
>
> 1. Validly issued and recorded.
>
> 2. Owned 100% by Sacramento de la Plata, S.A. de C.V. (see note below);

3. In compliance with all tax and work assessment obligations mandated under s.27 of the Act.

4. Free and clear of all liens, charges, encumbrances or limitations of ownership whatsoever.

5. Free and clear of all administrative proceedings which may render the cancellation, nullity or non-existence of the mining rights attached thereto."

Sacramento referred to as the 100% owner of the project concessions in point 2 above is a Mexican subsidiary of Soho. Soho controls Sacramento through Samarkand de Mexico, S.A. de C.V. ("Samarkand de Mexico"), another Mexican subsidiary of Soho, who is the beneficial owner of 99.415% of the shares of Sacramento." (Wilson 2009 pp10-13)

4.3 Royalties and agreements

Wilson 2009 reports

"Soho, through Samarkand de Mexico, acquired 90% of the issued and outstanding capital stock of Sacramento, and thereby Sacramento's interests in Tahuehueto, pursuant to a share purchase agreement dated January 1997. Soho increased its ownership in Sacramento to 99.4% in March 2007. Urias (2007) states that, pursuant to the share purchase agreement, Soho remains obligated to pay the vendors of the Sacramento shares the sum of US$200,000; the vendors also retain a 1.6% net smelter returns ("NSR") royalty. This royalty applies to 19 of the 23 concessions held by Sacramento at the time of the share purchase agreement; the concessions subject to the royalty are identified in Table 4.1. Most of the Mineral Resources discussed in Section 17.0 are subject to the royalty (Figure 4.3).

According to a Soho press release (Soho, 2007c), "*Sacramento has recently formalized a Surface Rights Agreement with Comunidad La Bufa, the local community residents' formal legal entity. The Surface Rights Agreement has a term of ten years and is extendable for an additional five years. The agreement covers the core 2,062 original hectares of the project and allows Sacramento unrestricted access to explore, develop and mine metals within the area covered under the agreement. Sacramento will make annual payments to Comunidad La Bufa over the term of the agreement, at $20,000 USD in the first year with subsequent payments increasing from the previous year's payment by 5% annually. In addition, upon commencement of commercial production the annual payment will be increased by 50% of the previous year's payment.*" Soho further represents that this surface rights agreement, dated May 28, 2006, applies to the original 23 concessions acquired from Sacramento (the first 23 concessions listed in Table 4.1), and that there is no similar agreement for the remainder of the property concessions." (Wilson 2009 pp13-14)

Snowden is not aware of any changes to the aforementioned royalties and agreements.

4.4 Environmental liabilities

A summary of previous environmental reporting follows. The environmental assessment prepared by Snowden as part of the PEA is included in Section 18.5.

4.4.1 Previous mining activities

Wilson 2009 described the impact of previous mining activities as:

> "Relatively recent mining activities (1970's) at Tahuehueto included the milling of material derived from underground mining (see Section 6). Tailings from the mill were placed on a relatively flat terrace down slope of the mill. While portions of the tailings have since eroded, Soho estimates there are less than 500 tonnes of tailings remaining within the Tahuehueto property. SEWC is unaware of the potential environmental impacts of the tailings, if any." (Wilson 2009 p14)

4.4.2 Environmental monitoring

Wilson 2009 describes previous reporting on environmental monitoring by Knight Piésold (2005), who made recommendations on baseline monitoring, and Solkowski (Coast Mountain Geological Ltd, 2005-2007).

Regarding Mexican environmental permitting requirements, Wilson 2009 reports

> "An Estudio de Impacto Ambiental, or environmental impact study, will need to be filed with SEMARNAT in Mexico City in order to meet permitting requirements of a mining operation at Tahuehueto. The study would examine the potential impacts of a commercial mining operation, including underground mining, milling, flotation processing, waste dumps, tailings, tailings dam, *etc*. The study has not yet been commissioned." (Wilson 2009 p14)

Snowden reaffirms that such a study has not yet been commissioned.

Wilson goes on to describe the baseline monitoring recommendations made by Knight Piésold in 2005

> "that baseline environmental data be collected at Tahuehueto for a minimum of one year. This baseline data includes:
>
> - Meteorological data (temperature, precipitation, evaporation, wind speed, and wind direction);
> - Hydrological/ hydrogeological data (surface/ groundwater quantities and flow regimes);
> - Water-quality data (metals levels, nutrient levels, and general characteristics of surface and groundwater sources);
> - Acid Rock Drainage ("ARD") data (major rock characteristics for sulphur and carbon, static ARD testing);
> - Fisheries and wildlife data (species present, endangered species, distribution in project area, relative abundance)." (Wilson 2009 pp14-15)

The environmental monitoring to 2009 has been reported by Solkowski (2005-2007) and Wilson (2009).

Wilson 2009 reports

> "Meteorological data have been collected since 2005. Some wildlife and fisheries data were also collected in 2007 by Heuristica Ambiental, environmental consultants from Hermosillo, Sonora.

A series of four reports authored by L. Solkowski (2006b, 2006c, 2006f, 2007b), a geologist with Coast Mountain Geological Ltd., comment on various aspects of the environmental baseline studies recommended by Knight Piésold:

1) Two staff gauges were installed in Jan 2006 to measure water depths in the Rio las Vueltas, which is the only perennial stream within the project area.

2) A water sample taken from the Rio las Vueltas in May 2006 did not indicate any toxicity; the sample was analysed by Levelton Engineering Solutions, Richmond, B.C. Canada.

3) A water sample analyse by Levelton Engineering Solutions from the "artesian" drill hole at level 16 at El Creston in May 2006 did not indicate any toxicity.

4) At least three species of fish were noted in the Rio las Vueltas, as well as species of unnamed amphibians; algae and mosses thrive within the river.

5) Photos were taken of plant species found on the property, but no systematic listing of species/relative abundances.

6) Listing of some vertebrate and invertebrate species present on the property or reported to have been seen, with some photos; species include: black bear, deer, coyote, reptiles (snakes include rattlesnakes, constrictors and coral snakes), amphibians, and numerous resident and migratory birds; invertebrates include: winged insects, tarantula spiders, and snails.

There is no indication in the reports by Solkowski (2006b, 2006c, 2006f, 2007b) that systematic collection of environmental baseline data, as outlined by Knight Piésold (2005), has been undertaken at Tahuehueto, however Ralph Shearing, president and CEO of Soho verbally reports that weather data, including daily precipitation, wind speed and direction and temperature has been collected more or less continuously since 2006. Also water levels measured from the staff gauges in the Rio las Vueltas has been collected for at least two years.

Archaeological/historical sites discovered while conducting exploration at Tahuehueto have been documented by Solkowski (2005, 2006a, 2006d, 2006e, 2007c, 2007d, 2007e, 2007f)." (Wilson 2009 pp15-16)

4.5 Permits

Wilson 2009 reports

"Thompson & Knight, a legal firm based in Mexico City, provided Soho with an opinion pertaining to allowable disturbance at Tahuehueto under existing governmental standards, which allow disturbance of up to disturbance up to 25% of the surface area of mining concessions (Thompson & Knight, 2008). Thompson & Knight are of the opinion that a cautious interpretation of the standards would be to use only the core group of contiguous concessions in calculating the allowable disturbance for the current exploration program, which is being conducted entirely within this core area. The 16 concessions comprising the core group total approximately 2,000 has., which suggests that 500 has. of disturbance is allowed within the core area. Any future work conducted outside the core area

would presumably be entitled additional disturbance up to 25% of the total area of the contiguous concessions within that area.

Surface disturbance associated with the exploration work completed at Tahuehueto to date is limited to construction of drill-access roads, drill pads, and trenches. As of the end of December 2008, Soho's disturbance within the areas covered by the permits totalled less than 20has.

A permit, or concession, for water use has been obtained from the Mexican Federal government agency CONAGUA. This permit allows Soho to draw up to 8,000 cubic meters of water per year from the Rio las Vueltas, the river shown on Figure 4.2. The permit received final approval January 18, 2008." (Wilson 2009 p16)

5 Accessibility, climate, local resources, infrastructure and physiography

5.1 Topography, elevation and vegetation

Wilson 2009 describes the physical geography at Tahuehueto

> "The Tahuehueto project is on the western side of the Sierra Madre Occidental, a mountain range that forms the central spine of northern Mexico and is largely composed of Tertiary volcanic rocks. Tahuehueto is in a sub-province called *Barrancas*, which means ravines in Spanish and accurately describes the project area (Figure 5.1 and Figure 5.2).
>
> The terrain at Tahuehueto is very steep to precipitous in places. Elevations range from about 600m in river valleys in the southern part of the property to over 2,500m on high-level plateaus in the northern part of the property. El Creston, the most important of the mineralized zones identified to date, is located along a northeast-trending ridge that spans an elevation range of 1,400 to 1,800m.
>
> In the treeless barrancas, scrub alpine bushes and cacti with minor underbrush make up the vegetation. Thicker underbrush, similar to willow, occurs in creek bottoms, while Ponderosa pine trees grow on the high plateaus.
>
> The region is drained by the Rio las Vueltas, which flows from east to west and is located south of the camp at an elevation of 600 to 625m. There is one major drainage basin in the Tahuehueto project area that feeds the Rio las Vueltas (Knight Piésold, 2005). Most streams in the area are seasonal.
>
> Tahuehueto is in a relatively quiet seismic area that has seen no major earthquakes within about 400km, based on the National Geophysical Center/NOAA's Significant Earthquake Database that contains information on destructive earthquakes from 2150 BC to the present (Knight Piésold, 2005)." (Wilson 2009 p18)

An aerial photo looking toward El Creston is included as Figure 5-1. The primary mineralised area is in the central ridge of the image.

Figure 5-1 Aerial view of El Creston topography



5.2 Access

Wilson 2009 reports

> "Access to the Tahuehueto project by land is by paved Mexican Highway 45 from the city of Durango 53 km to the turnoff to Santiago Papasquiaro, then west on paved Mexican Highway 23 for 122 km through Santiago Papasquiaro and on to Tepehuanes. From Tepehuanes, an unnumbered paved road runs west through San Jose del Rio. The pavement ends approximately 55 km after Tepehuanes, and access is then by 120 km of unimproved dirt road to the project. The approximately 350 km trip by road from Durango to Tahuehueto takes about 9 to 11 hours of driving.
>
> There is also access via fixed-wing aircraft from either Culiacan or Durango. A serviceable gravel airstrip is located 20 km by road north of Tahuehueto at El Purgatorio. This airstrip is maintained by Soho and is suitable for single-engine aircraft.
>
> Narrow gravel roads in steep terrain provide access to various locations within the project limits." (Wilson 2009 pp16-17)

5.3 Climate

Wilson 2009 reports

> "The climate of the region is moderate. Available climate data (Knight Piésold, 2005) shows a warm-hot season from June through October, with 55 to 113 cm of precipitation possible; it is relatively dry from February to May. Annual precipitation ranges between 80 to 140 cm. Freezing temperatures were not recorded in the region between 1961 and 1990 (Knight Piésold, 2005), although occasional snow has been reported (Consejo De Recursos M, 1983a). Soho estimates that winter temperatures range from 5˚C to 24˚C, with summer temperatures in the range of 25˚C to 42˚C.
>
> Exploration and mining can be conducted year round." (Wilson 2009 pp16-17)

5.4 Local population centres and infrastructure

Wilson 2009 reported on the local communities and infrastructure

> "The nearest sizeable community to the project area is Tepehuanes, which is located approximately 175km by road east of the property and has a population of approximately 15,000. A 34.5kv power line and telephone service extends as far as Tepehuanes; diesel generators presently supply power to the project site.
>
> Topia, also serviced off the above power grid is located about 25km southeast of Tahuehueto by air, is the nearest community of any size, with a population of about 1,200.
>
> Soho first obtained water for the project from an underground adit above the camp; water is available from levels 16 and 14 of the El Creston underground workings, from all four levels of the El Rey underground workings and also from an artesian well recovered from tone of Soho exploration drill holes. Since 2007, water has been pumped up to the project site from the Rio las Vueltas, which flows some 800m below the camp.
>
> While the property is large enough to house future mining infrastructure, the steep terrain may require that components of a mill or processing facility be located at some distance from a prospective mine site. The sighting of a tailings facility may prove to be challenging as well." (Wilson 2009 p17)

6 History

6.1 Prior ownership, exploration and development

Wilson 2009 reports

"Historic exploration has been focused along a series of exposed veins, silicified zones and color anomalies that are common within the Tahuehueto project area. The information in this subsection is taken from Brown (1998b, 2004) unless otherwise referenced.

Gold and silver vein mineralization was discovered in the Tahuehueto area in the nineteenth century by Spanish explorers. The veins were examined and found to contain good gold and silver values hosted in sulphides, which at that time could not be processed.

The first recorded exploration was in 1904 (Cavey, 1994) when an English company began development on the Veta 20-93 (El Creston) at the Sacramento de la Plata mine. The actual starting date of the limited production is not recorded.

Compania Minera Sacramento de la Plata, a predecessor company of Sacramento de la Plata, was founded in 1966 and developed over 700m of underground workings on the El Rey and El Creston structures in 1971. A 50 tpd plant was constructed to process the mined material and was operated in the 1970s; the mill remains on the property. Concentrates from the mill were flown to Santiago Papasquiaro and then driven to the smelter at Torréon. Total production from Tahuehueto appears to have been limited.

Pedroza Cano (1991) and Brown (1998b) report that Asarco sampled El Creston and other veins in the region. Tadmex, S.A. de C.V. developed Level 16 of the El Creston vein (Pedroza Cano, 1991). SEWC has no detailed information on these programs.

A company called Emijamex, S.A. de C.V. ("Emijamex") conducted geochemical and rock sampling, detailed geological investigations, drifting, and crosscutting at the Sacramento de la Plata mine from 1975 through 1977 (Kamono, 1978), including Levels 11, 12, 13 and 14 (Pedroza Cano, 1991). They also submitted an auriferous lead/zinc sample for metallurgical study that is described in Section 16 (Rios et al., 1977a, 1977b).

The Consejo de Recursos Minerales, a Mexican government geological organization that is currently called the Servicio Geológico Mexicano or "SGM", drilled 28 surface and underground holes that tested the El Creston and Cinco de Mayo structures in the early 1980s (Consejo de Recursos Minerales, 1983b). This appears to have been the only drilling done on the project prior to that of Soho, but no data from the Consejo de Recursos Minerales program are available. The Consejo de Recursos Minerales also conducted an induced polarization ("IP") study over an area of about 3 by 0.4km that included the El Creston, Cinco de Mayo, and Texcalama zones (Consejo de Recursos Minerales, 1983b). The lines were 300m long and spaced 50m apart, and measurements were recorded every

20m at El Creston and 25m at Texcalama and Cinco de Mayo. The IP study identified anomalies that correspond to the continuation of the known structures (Consejo de Recursos Minerales, 1983b).

Castle Minerals Inc. of Vancouver ("Castle"; subsequently changed to Castle Rock Exploration Corp.) optioned Tahuehueto from Sacramento in 1994. At that point, the property consisted of 17 concessions totalling 1,261 has. Cavey (1994) stated that Castle's intention was to undertake a surface and underground exploration program to verify historic reserve estimates and to evaluate the potential for the existence of a much larger, lower grade open pit minable deposit.

Prior to the time that Castle acquired the property there were at least 15 documented mineralized zones. Many of these have since been determined to be parts of larger structures. The El Creston vein structure had been exposed in 10 horizontal levels, with 2,000 m of total development in adits, drifts and crosscuts (Cavey, 1997) over a vertical distance of approximately 490m. The Cinco de Mayo vein system had been explored by 3 adits, one of which was inaccessible in 1997, if not so in 1994. The Texcalama structure had been explored by at least five separate single level adits along as much as 300 m of exposure.

The report by Cavey (1997) presented a geological appraisal of the Tahuehueto project, describes the work completed by OREQUEST Consultants in 1994 for Castle, and made recommendations for further work.

Castle collected 459 rock samples, including 247 from the El Creston structure, 21 from the Cinco de Mayo structure, and 191 from other sites on the property. The samples included both surface chip samples and underground chip-channel samples.

At El Creston seven of the ten crosscuts examined were mapped and sampled in 1994 (Cavey, 1997) to determine the width of the vein and the general dimensions of the stockwork beyond the walls of the vein. Historic mining of the El Creston structure was over 3.0-6.0m widths, primarily within the zone of the most obvious sulphide mineralization, but the breccia/stockwork zone is locally up to 50m wide (Cavey, 1997). The best exposure of the mineralized vein system in 1994 was from level 11. The entire 39 m of the vein exposure sampled averaged 5.50 g/t Au, 34.03 g/t Ag, 2.3% Zn and 0.92% Cu over an average width of 1.19m. Several of the samples were encouraging as they contained vein material as well as footwall and hanging wall material; these samples averaged 1.30 g/t Au, 5.0 g/t Ag, 0.7% Zn and 0.33% Pb over a true width of 13 m. Brown (2004) stated that the sampling by Castle in 1994 appeared to indicate that the El Creston vein is not continuous in the eight levels sampled as would be expected in a vein structure containing massive sulphides. Cavey (1997) did mention the presence of post-mineral faults within the El Creston structure creating up to 20 m of offsets along the mineralization.

Sampling on the Cinco de Mayo structure by Castle in 1994 showed an average grade of 4.91g Au/t over an average width of 1.5 m along 138m of the vein exposed in the underground workings; samples were taken approximately every 15-20 m (Cavey, 1997). One footwall sample returned a value of 9.73 g/t Au over

5.0m, and hanging wall samples returned gold values of 6.96 g/t over 1.5m, 0.74 g/t over 1.1m, 2.06 g/t over 5.0m, 0.56 g/t over 5.0m and 2.86 g/t over 5.0m. Several of the vein samples combined with either hanging wall or footwall samples resulted in nearly continuous chip samples that produced values of 4.78g Au/t over 11.3m, 1.63g Au/t over 6.3m, and 1.57g Au/t over 12.0m. Cavey (1997) concluded that "*the 1994 sampling was unable to reproduce the grades obtained by others in the resource calculations done on the El Creston structure*" but that "*the 1994 Castle sampling confirmed the grades previously obtained in the Cinco de Mayo area.*"

Castle dropped their option within two years without having drilled any holes.

Brown (1998b) reports that 5,900m of underground development and exploration workings at El Creston, Cinco de Mayo, and El Rey had been completed by previous operators, among whom he identified Asarco, Peñoles, Consejo de Recursos Minerales, and DOWA Mining Company.

Consolidated Samarkand (now Soho) entered into a "Promise to Contract" agreement in 1996, after Castle dropped their interest in Tahuehueto, whereby the owners of a majority of the outstanding shares of Sacramento agreed to enter into a Share Purchase Agreement. This agreement was executed in March 1997. Soho's exploration activities are described in Section 10." (Wilson 2009 pp21-23)

6.2 Historical mineral resource estimates

The Technical Report prepared by Wilson Consulting in 2009 included a section on historical resource estimates. Wilson 2009 noted that it was unclear if any of the historical resources met CIM Definition Standards and that the information was included for historical interest only. Snowden reaffirms that the historical resources described are not current and do not meet CIM Definition Standards, and should not be relied upon.

Wilson 2009 reports

> "Several historical resource estimates (Table 6.1) were completed before 2001 when NI 43-101 reporting requirements were instituted. There are insufficient details available on the procedures used in these estimates to permit SEWC to determine that any of the estimates meet NI 43-101 standards. Accordingly historical resources are not considered reliable and are presented herein merely as an item of historical interest.
>
> In addition to the historic mineral inventory estimates provided in Table 6.1, Pedroza Cano (1991) and Brown (1998b) report that Asarco estimated "ore reserves" at El Creston. In 1991, the Consejo de Recursos Minerales estimated "preliminary reserves" on the El Rey, Texcalama, and Los Burros structures (Cavey, 1994). Brown (1998b) reports that DOWA Mining Company also completed a mineral inventory estimate. No further information concerning these estimates is available.
>
> The second estimate listed in Table 6.1 was undertaken by an unknown company and is believed to have been completed in 1991 (Pedroza Cano, 1991). The Peñoles estimate was completed while evaluating the property for possible acquisition. Peñoles estimated that there were potentially 3.8 million tonnes of mineralized

material at El Creston, Cinco de Mayo, and El Rey that might be upgraded to resources with an underground drill program (Martinez, 1992).

The Peñoles estimate was based on data from underground sampling at El Rey, El Creston, Cinco de Mayo, and Santiago/Espinal. According to Cavey (1994) and Brown (2004), this estimate only considered a narrow width of higher-grade material, including both oxide and sulphide mineralization.

The Soho estimate was based solely on the underground channel and panel sampling undertaken by Soho

Resource blocks were defined based on favourable mineralized silica zones with gold values above 3g/t. According to Brown (2004), "*These resources were estimated using mainly drift samples combined with less frequent crosscut samples and may have overestimated the grade since drift samples seem to be on average 1.5 to 2 times higher than those of the entire crosscuts. Given the existing database it seems somewhat premature to estimate a resource for El Creston. The zone is open along strike and to depth and any estimate will tend to understate the potential tonnages present. The above estimate is reported to have been based on the CIMM Ad Hoc Committee Report, Mineral Resource/Reserve Classification: Categories, Definitions, and Guidelines, as of September 1996 and have not been upgraded to current 43-101 standards. Therefore, these resources are considered historic"* (Gustin, 2008).

Brown (1998) notes that there were several constraints on the accuracy of the 1997 estimate, including relatively few crosscuts, on a number of levels, which are necessary in determining the true width of the mineralized zones and their use of a specific gravity of 2.5 for the tonnage calculations, which was thought to be low. In addition to the "inferred resource", Soho also calculated "anticipated resources" for the El Creston and Cinco de Mayo areas (Brown, 1998a), but these are not presented herein given their highly speculative nature." (Wilson 2009 pp24-26)

Table 6-1 Historical mineral inventory estimates (from Gustin 2008)

Company	Date	Tonnes	Grade					Reported Category	Area
			g Au/t	g Ag/t	Cu%	Pb%	Zn%		
Consejo de Recursos Minerales[1]	1983	270,963	1.06	151	0.74	2.92	4.84	"positive reserves"	Cinco de Mayo, El Rey
		216,708	1.69	83	0.34	3.19	5.31	"probable reserves"	Cinco de Mayo, El Rey, El Creston, Texcalama
		61,427	-	-	-	-	-	"possible reserves"	Cinco de Mayo, El Rey, Texcalama
?[2]	1991?	253,137	4.62	166	-	5.81	8.43	"positive reserves"	Cinco de Mayo, El Rey, El Creston
		297,062	6.40	127	-	5.00	7.00	"possible reserves"	
Peñoles[3]	1992	1,736,041	7.57	68	0.15	2.12	3.37	"proven, possible & potential"	El Creston
		335,000	3.11	170	0.96	1.6	4.53	"reserve"	Cinco de Mayo
		1,000,000	-	-	-	-	-	"potential reserve"	
Soho[4]	1997	238,000	9.66	77	-	2.61	3.96	"inferred resource"	El Creston

[1]Cavey (1994); [2]Pedroza Cano (1991); [3]Martinez(1992); [4]Brown (1998a,2004)

7 Geological setting

7.1 Regional geology

Wilson 2009 reports

"The Tahuehueto project lies near the western edge of the Sierra Madre Occidental, a 1,200km long north-northwest-trending volcanic plateau that is 200 to 300km in width. This mountainous plateau separates the southward extension of the Basin and Range Province of the south-western United States into two parts; Sedlock *et al.* (1993) suggested calling these two areas of extension the eastern and western Mexican Basin and Range provinces. Tahuehueto is near the boundary between the Sierra Madre Occidental and western Mexican Basin and Range Province.

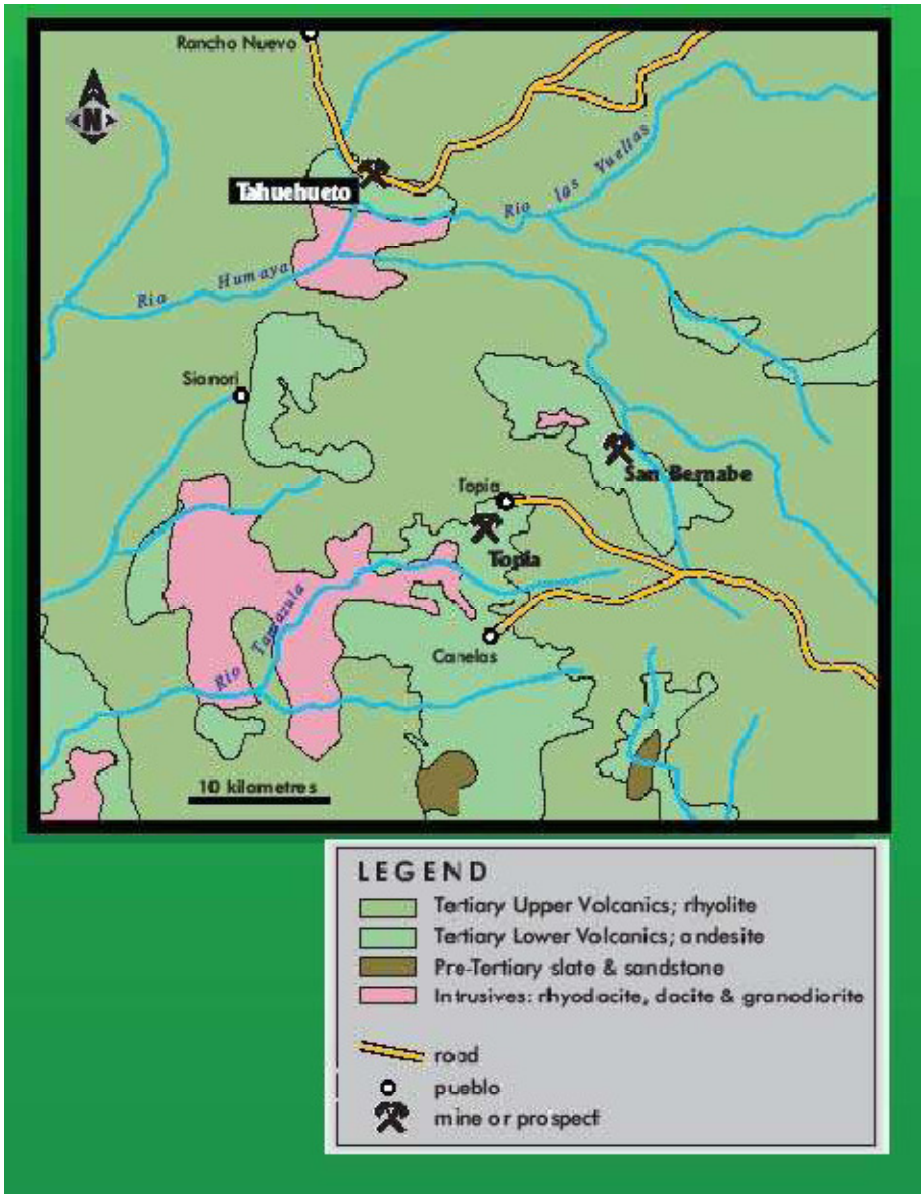
The following description of the regional geology is taken mostly from Gustin (2008), who has summarized Sedlock et al (1993), Salas (1991), Loucks et al (1988), and Henry et al (2003), as pertaining to that portion of the Sierra Madre Occidental relevant to the Tahuehueto project area.

Basement rocks in the Sierra Madre Occidental are obscured by Cenozoic volcanic flows, tuffs, and related intrusions, but are inferred to include Proterozoic basement rocks, overlying Paleozoic shelf and eugeosynclinal sedimentary rocks, possibly scattered Triassic-Jurassic clastic rocks, and Mesozoic intrusions (Sedlock *et al.*, 1993; Salas, 1991). These basement rocks are not exposed in the project area (Figure 7.1).

Cenozoic magmatic rocks in northern Mexico, including the Sierra Madre Occidental, are generally thought to reflect subduction-related continental arc magmatism that slowly migrated eastward during the early Tertiary and then retreated westward more quickly, reaching the western margin of the continent by the end of the Oligocene (Sedlock *et al.,* 1993). The eastward migration is represented in the Sierra Madre Occidental by the Late Cretaceous- Paleocene "lower volcanic series", or Nacozari Group, of calc-alkaline composition. Over 2,000m of predominantly andesitic volcanic rocks, with some inter-layered ash flows and associated intrusions, comprise the lower volcanic series.

There was a period of approximately 10 million years between eruption of the lower volcanic series and the onset of the next phase of felsic volcanism, referred to as the upper volcanic series. A number of stocks intrude andesites of the lower volcanic series. These stocks are generally of granodiorite composition and are believed to be a late phase of the Sinaloa batholith (Henry *et al.*, 2003). At Topia, it is during the hiatus in volcanism that the lower series was faulted, tilted, deeply dissected, and then intruded by the granodiorite stocks, and a northeast-trending set of faults was mineralized as Ag-Zn-Pb-Au-Cu rich fissure veins

Figure 7-1 Regional geological setting (from Gustin 2008)



(Loucks et al, 1988). A similar scenario is envisioned at Tahuehueto. K-Ar dating at Topia of igneous rocks and mineralization yield an age of 46.1 Ma for one of the granodiorite stocks, ages between 43.5 Ma and 44.0 Ma for the hydrothermal system, and 37.9 Ma for the lowermost rhyolite welded tuff of the upper volcanic series (Loucks et al, 1988).

Rhyolitic ignimbrites and flows, with subordinate andesite, dacite, and basalt, formed during Eocene and Oligocene caldera eruptions. These volcanic rocks form a 1km-thick unit that unconformably overlies the lower volcanic series andesitic rocks and constitutes the "upper volcanic super group" of the Sierra Madre Occidental (Sedlock *et al.,* 1993), also commonly referred to as the upper volcanic series or Yecora Group.

The upper volcanic series ignimbrites are moderately west dipping in the Tahuehueto region. Loucks *et al.* (1988) report that the ignimbrites are warped into a broad north-south anticline. Tahuehueto lies in the western limb of this large regional structure. As the magmatic arc retreated to the western edge of the continent, becoming inactive by the end of middle Miocene time, late Oligocene to Miocene (24 to 17Ma) basaltic andesites were erupted in a back-arc basin in the Sierra Madre Occidental. These basaltic andesites may have been deposited in a sub-aqueous environment. Still younger alkalic basalts related to Basin and Range extension are found in and east of the range; these youngest basalts are present just north of the city of Durango. Although there appears to have been little late Cenozoic extension in the Sierra Madre Occidental itself, extensional Basin and Range-type structures and ranges formed to the east and west." (Wilson 2009 pp27-29)

7.2 Local geology

Wilson 2009 reports

"The Tahuehueto property is in the *Barrancas* sub-province of the Sierra Madre Occidental. Drainage generally flows west into the Gulf of California, creating spectacular relief with precipitous ravines. These streams follow major northwest- and northeast-trending faults. Canyon re-entrants and intervening promontories expose the intensely mineralized lower volcanic series as long zigzag belts of outcropping fissure vein deposits (Loucks et al, 1988). As at Topia, the andesite hosted veins have been partially exhumed and remain partially interred beneath the silicic ignimbrites.

The lower volcanic series exhibits regional propylitic alteration. Structural extension in the district is exhibited by normal faults striking north to north-northwest. The north-northwest-trending faults cut the mineralized veins, which strike northeast to north-northeast." (Wilson 2009 pp29-30)

7.3 Property geology

Wilson 2009 reports

"The following subsection was provided to Mike Gustin (2008) by Hall Stewart of Soho unless otherwise cited. A geologic map and stratigraphic column and geologic map of the Tahuehueto area are shown in Figure 7.2 and Figure 7.3, respectively.

The property contains four main rock types: lower volcanic series andesite, granodiorite stocks, polymictic conglomerate, and felsic ash-flow tuffs of the upper volcanic series. The majority of the project area is underlain by andesite flows, tuffs, and volcaniclastic rocks of the lower volcanic series. The lower volcanic series remains generally undifferentiated. A volcaniclastic unit distinct from the andesite flows exists in the Texcalama and Cinco de Mayo areas and an andesite lithic lapilli tuff exists in the footwall of the El Creston structural zone. Granodioritic stocks intrude the andesites and are exposed at surface in the footwall of the El Creston structural zone and the El Rey mine area. The andesites and granodiorite are overlain by a basal polymictic conglomerate unit that is tens of

meters thick and marks the unconformity between the lower and upper volcanic series. Amygdaloidal basalt flows occur locally within the conglomerate unit. In some areas, thin units of ignimbrite were deposited before the conglomerate. Late Tertiary or Quaternary landslides obscure outcrop patterns in the El Creston-El Perdido area and are likely to be present in other areas of steep topography within the project area.

A series of northeast-striking veins that formed within a series of normal faults with subordinate left-lateral displacement hosts the Mineral Resources described in Section 17. The principal, through-going veins have a general strike of 045° to 060° and dip between 65° and 80° to the southeast. This vein set includes Cinco de Mayo, El Catorce, and El Perdido and extends north-eastward to Santiago. Other veins with the same orientation include El Rey, Dolores, Tahuehueto, Texcalama, El Espinal, and Tres de Mayo. Within the core area of the Mineral Resources discussed in Section 17, the El Creston series of veins, striking about 035° and dipping 60° to 80° east, formed in a strongly dilatant zone between the through-going El Perdido and El Rey structures." (Wilson 2009 p30)

Figure 7-2 Geology of the Tahuehueto Project Area (from Gustin 2008)

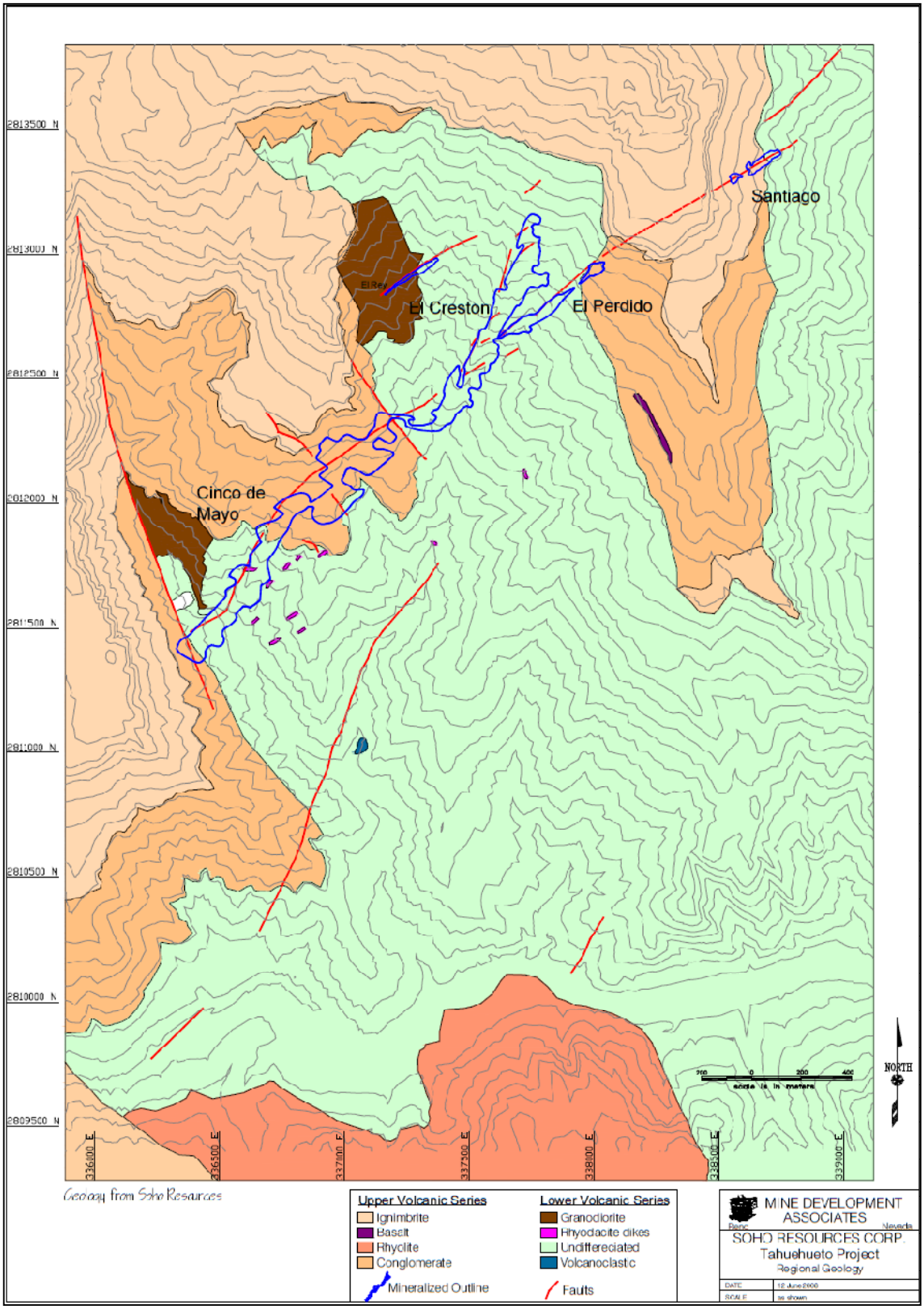
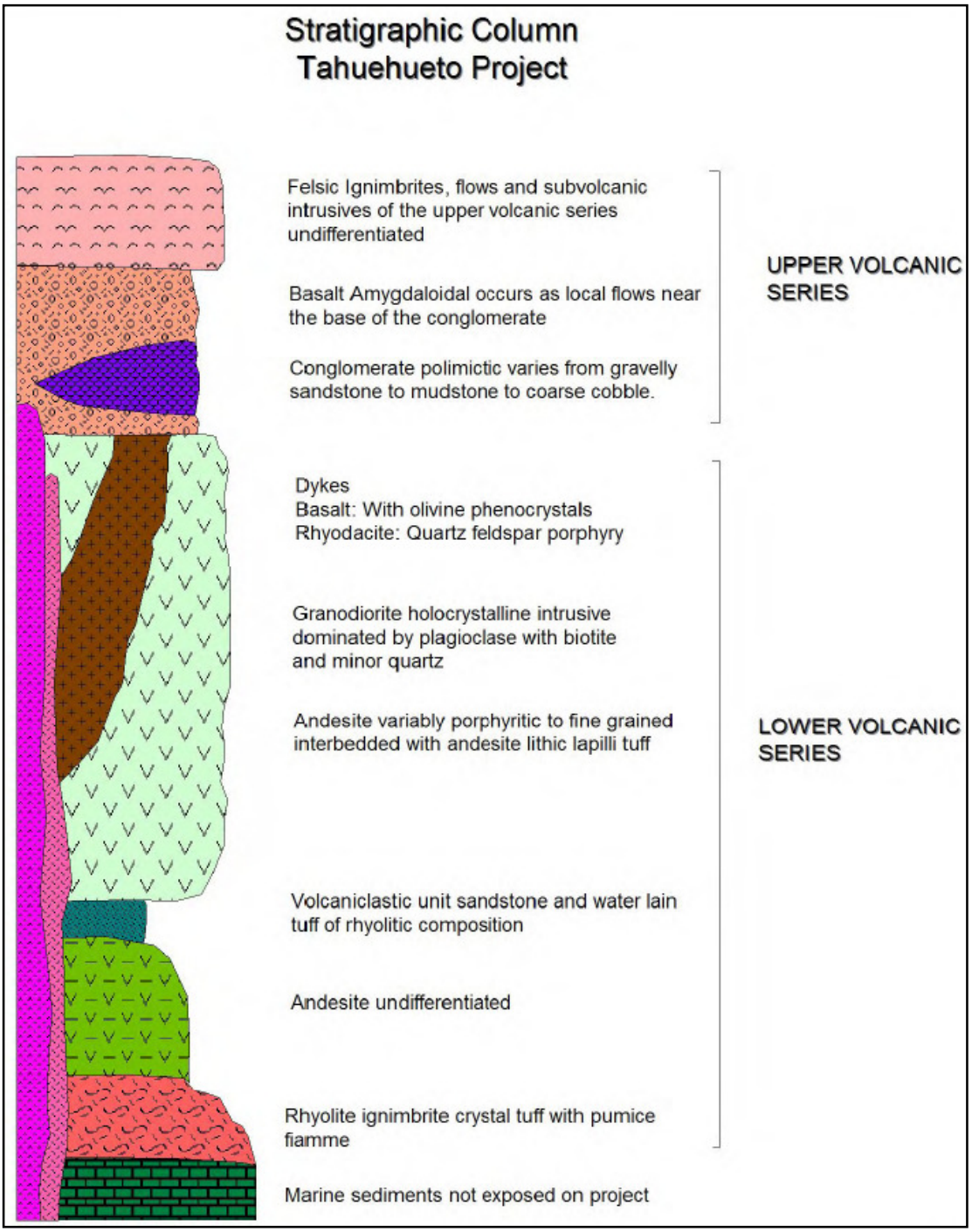


Figure 7-3 Stratigraphic column for the Tahuehueto (from Gustin 2008)



8 Deposit types

8.1 Geological model

Wilson 2009 reports

> "Metallogenic zonation across the Sierra Madre Occidental ranges from a gold-rich region to the west in Sonora and Sinaloa to a silver-dominant gold-silver province in the core of the Sierra Madre to a silver-zinc-lead province hosted within the central plateau of Chihuahua, Durango, and Zacatecas. Mineralization at Tahuehueto and at the neighbouring deposit of Topia is confined mostly to andesite within the lower volcanic series but may extend in a few places up into the lowermost part of the overlying felsic ignimbrites of the upper volcanic series.
>
> K-Ar dating at Topia of igneous rocks and mineralization yield an age of 46.1 Ma for one of the granodiorite stocks, ages between 43.5 Ma and 44.0 Ma for the hydrothermal system, and 37.9 Ma for the lowermost rhyolite welded tuff corresponding to initiation of widespread silicic ignimbrite eruptions in the Sierra (Loucks et al, 1988)." (Wilson 2009 p33)

8.2 Tahuehueto geological model

Wilson 2009 reports

> "Mineralization at Tahuehueto is classified as intrusion related epithermal low sulphidation polymetallic Ag-Au style (Corbett, 2007), with Au and Ag accompanied by Cu, Pb, and Zn mineralization. These types of deposits are interpreted to have been derived from porphyry intrusion source rocks at depth.
>
> A north east-striking corridor of steep east dipping fractures and normal faults, traced for about 3 km from Cinco de Mayo in the south to Santiago in the north, represents the main control to mineralization at Tahuehueto. North-northeast trending subsidiary structures, such as at El Creston, are less continuous and commonly display more open vein textures typical of a dilational setting (Corbett, 2007). Figure 8.1 (Corbett, 2007) illustrates the varying structural controls to shoot formation in low sulphidation Au-Ag deposits, and Figure 8.2 (Corbett, 2007) schematically represents the interpreted structural elements present at Tahuehueto that localize mineralization at Cinco de Mayo, El Creston and at Santiago. In many vein systems much of the mineralization is confined to shoots that are commonly developed within dilational structures (Corbett, 2007).
>
> Mineralization at Tahuehueto is strongly telescoped, with early high temperature mineralization and alteration overprinted by intermediate temperature and then by younger epithermal mineralization and alteration assemblages. The multiple mineralizing events obscure vertical zonation patterns that are commonly found in other epithermal vein deposits. Mineralized zones are characterized by pervasive silicification, quartz-filled expansion breccias, and sheeted veins. Multiple phases of mineralization produced several phases of silica, ranging from chalcedony to comb quartz (Corbett, 2007). The surface expression of known mineralization occurs

over a vertical distance of at least 850m between Cinco de Mayo and Santiago. The El Creston mineralized zone has been developed by 10 levels over 490m vertical distance.

Cinco de Mayo occurs at the deepest crustal level, where alteration and breccias (below) are indicative of buried porphyry (Corbett, 2007). The Santiago area occurs at the highest elevation where crystalline and chalcedonic quartz veins are consistent with the pronounced overprinting relationships recognized elsewhere on the property, and hypogene hematite in the chalcedony vein is indicative of lower temperature epithermal mineralization (Corbett, 2007)." (Wilson 2009 pp33-35)

Figure 8-1 Structural controls to shoot formation in low sulphidation Au-Ag deposits (from Corbett 2007)

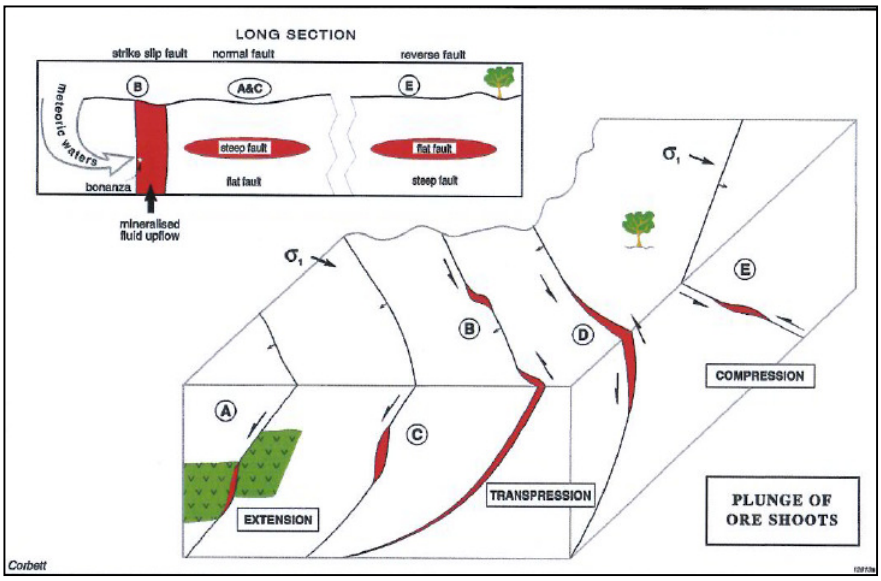
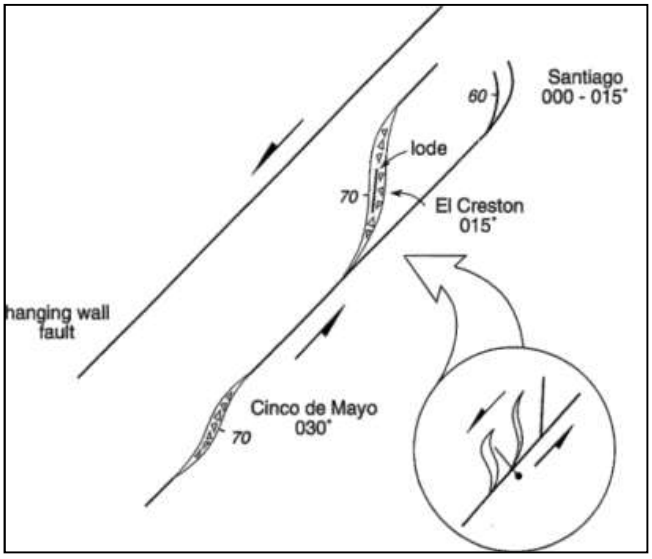


Figure 8-2 Structural elements present at Tahuehueto (from Corbett 2007)



9 Mineralisation

Wilson (2009) describes the mineralisation in detail for the whole of Tahuehueto as well as the individual zones. The following section includes only the zones that have been considered as part of the current PEA. For further details refer to the Technical Report prepared by Wilson (2009).

9.1 El Creston

Wilson 2009 reports

> "El Creston, which has over 2,000m of historic underground workings and has been the focus of Soho's exploration efforts to date, is a major dilatant link structure situated between the Cinco de Mayo – El Perdido structural zone and the El Rey fault. These structural zones have undergone left-lateral movement resulting in north northeast-trending tensional fractures that define the El Creston structural zone (Corbett, 2007). A large silicified stockwork zone, triangular in plan, developed at the south end of the El Creston structure adjacent to its intersection with the El Perdido structure. El Creston is a broad zone of silicified porphyritic andesite cut by dense quartz/chalcedony stockwork that hosts multiple events of sulphide mineralization. Soho presently is developing the idea that the El Creston zone may have a core consisting of a porphyritic dike, which served as a pre-existing zone of weakness that was exploited as a dilatant zone when movement occurred on the through-going northeast-striking faults (El Perdido, etc.). El Creston is the widest of the mineralized zones at Tahuehueto, with true widths of significant mineralization of up to 35m. The footwall boundary of the El Creston zone strikes about 035° and dips 75° to 85° to the southeast.
>
> Multiple breccias and stockwork events are present at El Creston. The earliest events are made up of coarsely crystalline, bladed, and drusy quartz with associated dark brown sphalerite, galena, and chalcopyrite. These early breccias are observed intact and as fragments within progressively younger breccias. The younger breccias are composed of finely crystalline quartz with base-metal sulphides, including yellow sphalerite plus tetrahedrite (freibergite), and still younger breccias are composed of chalcedony and chlorite/celadonite with very fine pyrite as the dominant sulphide. White low-iron sphalerite is uncommon, but is more prevalent in the later stage veins. The breccias become increasingly rich in precious metals as they become younger, based on crosscutting relationships. Corbett (2007) observed that,
>
> > The footwall of El Creston (DDH 111, 113) is dominated by a strongly polyphasal late stage low temperature very dilatant breccia characterised by a variety of clasts including polymetallic mineralisation in-filled with locally well banded green chalcedony, indicative of the low temperature character. The presence of angular clasts of calcite, which is normally post-mineral, further suggests this breccia is late stage. Subsurface sedimentary structures demonstrate the dilational character in fault structures, preserved in only the late stage events in the footwall. This author has recognised other polymetallic

vein systems 'growing' in the footwall in a manner similar to El Creston. It should be considered during continued exploration whether such a late stage breccia, which is poorly mineralised at the current level lower temperature portion of the vertical body investigated by drilling to date, grades to a higher temperature better mineralised portion at depth.

Corbett's observations suggest that precious-metals mineralization may occur at deeper levels than have been tested to date at El Creston. Fluid inclusion studies suggest that the level of boiling of the mineralized fluid was at the lowest levels of the mine (Brown, 2004)." (Wilson 2009 pp44-45)

9.2 Cinco de Mayo

Wilson 2009 reports

"Cinco de Mayo is the south-western-most 700m section of the major northeast trending structural corridor that hosts at least four major zones of mineralization along a strike length of at least 3km. At Cinco de Mayo the mineralized fault zone strikes 035° to 045° and dips 75° to 82° SE. The structure bends to about 055° near a post-mineral fault that delimits the known southern end of mineralization. Three one-level adits have been developed along the vein; portals are all at an elevation of ~955m, with one on the south side of a gully (210m long) and two sub-parallel adits on the north side; total development is over 500m (Brown, 1998a). The adits are developed along 400m of strike length on the vein system, but mineralization can be traced for at least another 150m north-eastward on the surface.

The mineralized vein near the end of the South adit (Cinco de Mayo Vein III in Cavey, 1997) is truncated by a fault that strikes ~345°, dips 73° SW and down drops upper volcanic series ignimbrite against the lower volcanic series andesite; total displacement on this post-mineral fault is estimated to be 150 to 200m. To date there has not been any exploration to locate a possible down-faulted extension of the Cinco de Mayo structure hidden beneath the ignimbrites.

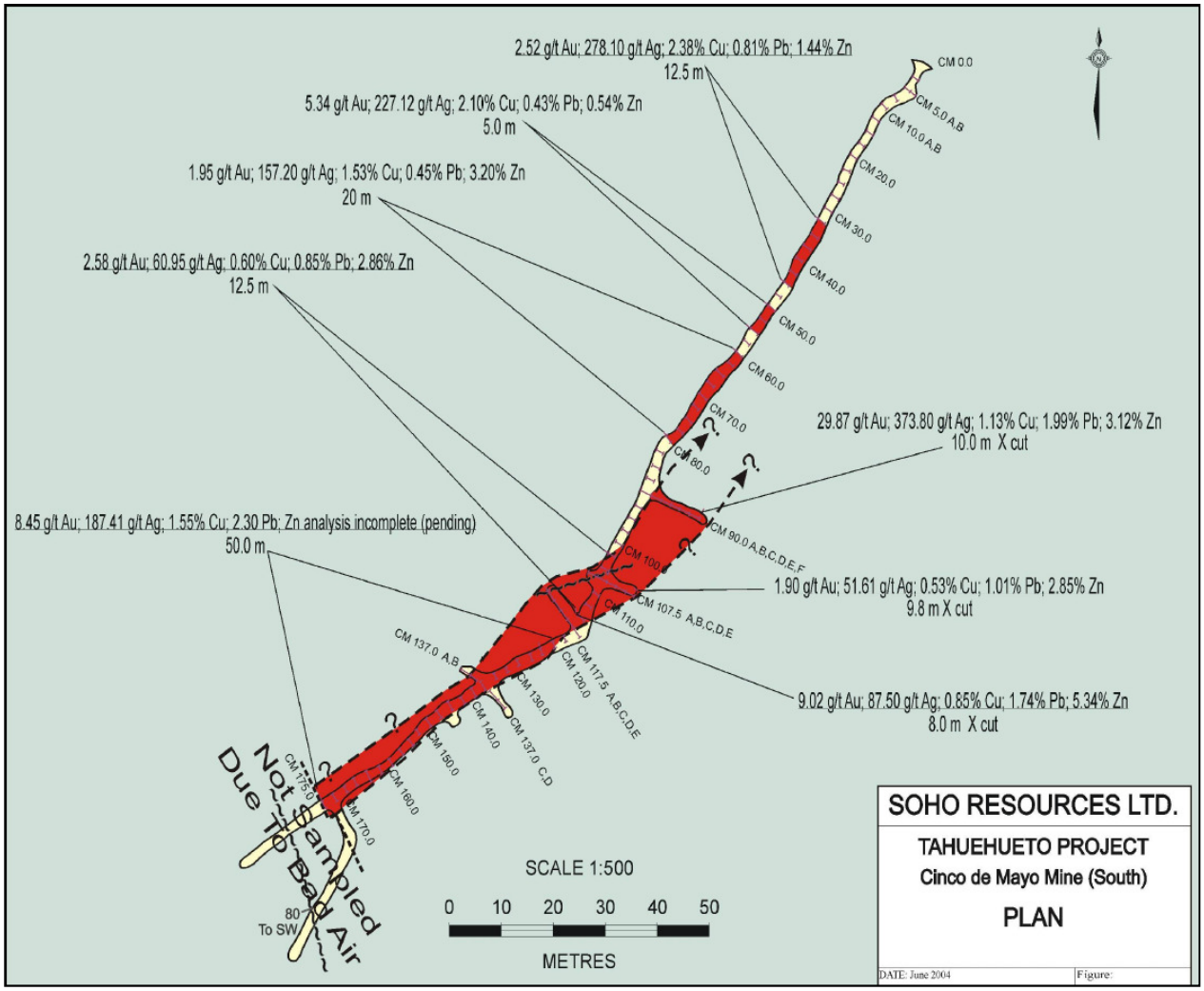
A systematic underground channel sampling program was undertaken in the Cinco de Mayo South adit by Soho in 2004 (Figure 9-1). Twenty consecutive samples across the 50m section between 125m and 175m from the portal returned an average grade of 8.45 g/t Au, 187.41 g/t Ag, 1.55% Cu, 2.30% Pb and 3.17% Zn over an average width of 1.54m (Soho, 2004b).

Surface sampling along the northern exposure of the Cinco de Mayo zone reported by Soho (2006b) returned mineralization along a 275m strike length. A total of 76 samples were collected at various locations along the strike and across the mineralized structure where exposed on the surface. Within this sampled area a section with a strike length of 141.1m with an average width of 3.08m graded 1.76 g/t Au, 72.08 g/t Ag, 0.42% Cu, 3.5% Pb and 3.56% Zn.

According to Corbett (2007), Cinco de Mayo represents the deepest level mineralization investigated at the time of his visit to the property, with alteration and breccias indicative of a buried porphyry. A granodiorite plug has been mapped

~400m to the NNW (Figure 7.2) that has a SE extending apophysis heading towards Cinco de Mayo. Mineralization is dominated by higher-temperature chalcopyrite and brown sphalerite (grading locally to yellow sphalerite) that is overprinted by epithermal, banded, comb to chalcedonic quartz with hypogene hematite; galena and chalcopyrite are also present." (Wilson 2009 pp45-47)

Figure 9-1 Cinco de Mayo south adit sampling (from Soho 2004b)



9.3 El Rey

Wilson 2009 reports

"The El Rey veins lie ~345m to the northwest of the intersection of the El Creston and El Perdido structures and are hosted in a granodiorite stock. Cavey (1997) states that the structure strikes 052°, dips 80° SE, and is exposed over a length of 400m, with widths between 0.9m to 1.0m. The El Rey zone has been developed

underground on four levels, exposing the structure within ~850m of tunnels along a strike length of 450m over a vertical distance of 130m.

Sampling by Soho (2006c, 2006d, 2006f; Canova, 2006a), was undertaken on the 3 accessible levels. The uppermost level (Level 1)was sampled along the length of the vein structure over a distance of 152m; here the structure trends 060° and dips 80° SE with widths of 1.0 to 2.0m, and is hosted in fine to medium grained granodiorite. The structure has an average width of 1.23m and consists of quartz-carbonate veining with visible sphalerite, galena, chalcopyrite, pyrite and occasionally visible silver. Average grades for a 132.7m mineralized strike length (channels taken every 4m across the structure) are 1.92 g/t Au, 220 g/t Ag, 0.19% Cu, 4.09% Pb and 7.16% Zn. Level 2 sampling extended mineralization 40m down dip from Level 1 and confirmed mineralization over 173m of strike length and an average exposed width of 1.72m. Level 3 sampling extended the main El Rey shoot 42m further down dip, but sampling of the entire level was not possible because of a caved area. The shoot on this level is at least 64.5m long averaging 1.17m width. Average grades for Au, Ag, Pb and Zn are still good, but systematically lower on each successive level sampled. Level 4 was not sampled due to inaccessibility.

The El Rey zone has been tested by 6 core holes. The first two holes intercepted mineralization about 100m below Level 3." (Wilson 2009 p50)

10 Exploration

Wilson 2009 reports

> "…Soho entered into a "Promise to Contract" agreement pertaining to Tahuehueto property in 1996 and finalized the agreement in 1997. Soho conducted both surface and underground sampling in 1997 to verify historic mineral inventory estimates and to evaluate the potential for a much larger, lower grade open pitable deposit (Brown, 1998b, 2004). The following summary of Soho's 1997 work is from Brown (2004):
>
> > The initial part of the work program consisted of both detailed rock channel sampling at the El Creston, along with camp construction.
> >
> > The second half of the work program was devoted to the continued channel sampling of the El Creston underground workings, and the preliminary geological mapping of the El Creston workings. Approximately 1,200 underground and surface channel samples were taken from the El Creston zone, with a few samples taken at Dolores, Cinco de Mayo and Los Burros… Channel samples taken in cross cuts were generally a 1.5 meter width, while channel samples from drifts along the mineralization were from a 1.0-1.5 meter width depending on the width of the drift. Along drifts, channel samples were taken at 2.5-meter centres…
> >
> > Soho geologists created a relational database to store and manipulate all of the sample location, description and analytical data. All the previous surveyed underground workings were digitised, and all the sample data has been plotted, level by level at El Creston, on sample number, gold, silver, copper, lead, and zinc maps. Soho geologists mapped the underground workings at El Creston, but Soho either in a reconnaissance or property scale manner did no geological mapping, this will have to be addressed in the following exploration programs...

Soho resumed exploration at Tahuehueto in the spring of 2004 (Soho, 2004a). Initial focus was to prove continuity between the two existing highly mineralized El Creston and Cinco de Mayo zones and thereby demonstrate the potential for a large scale gold deposit (Soho, 2004a). Subsequent exploration, as detailed below, has included continued exploration along the mineralized corridor between Cinco de Mayo and Santiago, while testing some of the additional mineralized zones on the property.

A geophysical survey was implemented in 2004 to prove continuity between the known mineralized zones at El Creston and Cinco de Mayo, followed by a drilling program to test El Creston, Cinco de Mayo, and any anomalies generated from the geophysical study.

SJ Geophysics Ltd. conducted the geophysical survey that included resistivity and IP measurements taken on approximately 18.5km of grid using an Elrec 6 IP receiver and an Androtex 10Kw transmitter (Visser, 2004). The configuration used for this survey was a 3Denhanced equivalent form of dipole-dipole IP with a 12m

by 50m dipole array. Data were analyzed using the DCINV2D and 3D inversion program, which converts surface IP/resistivity measurements into a realistic "Interpreted Depth Section". The 3D IP survey was designed to examine the sulphide mineralization at El Creston, Cinco de Mayo, and Texcalama, and to test the intervening area for possible extensions of these mineralized zones. The following summarizes the results of this survey:

> The survey conditions were favourable, good electrical contact to the ground was established and high quality data was recorded across the entire survey grid.
>
> The portions of the El Creston, Cinco de Mayo and Texcalama mineralized zones surveyed returned significant anomalous chargeability responses. Discontinuously extending between these zones, which bracket the survey grid, run a suite of highly chargeable features.
>
> There does not appear to be a strong resistivity association with the known mineralization. The El Creston and Cinco de Mayo exhibit elevated resistivity's. The Texcalama vein system is cross cut by a significant NW-SE trending resistive feature and may reflect a litho logical contact between the Lower Volcanic Series and the "El Rey" Intrusive Suite (Visser, 2004).

Klein (2004) later reviewed the data from the geophysical program; his interpretive results are shown in Figure 10.1." (Wilson 2009 pp54-55)

Wilson (2009) goes on to describe the sampling programs undertaken by Soho since 2004:

> "Drill related activities have been the primary focus at Tahuehueto from 2005 thru 2008. However, Soho has undertaken a number of other exploration related activities since 2004:
>
> Surface and underground sampling programs include:
>
> 1) Underground at Cinco de Mayo South (Soho, 2004b);
>
> 2) Surface and underground at Texcalama (Soho, 2004c);
>
> 3) Surface at Santiago (Soho, 2006a);
>
> 4) Surface at El Pitallo (Soho, 2006a);
>
> 5) Underground at Espinal (Soho, 2006a);
>
> 6) Underground at El Rey (Soho, 2006c, 2006d);
>
> 7) Surface along the northern Cinco de Mayo trend (Soho, 2006b);
>
> 8) Follow up surface at Santiago (Soho, 2006e);
>
> 9) Surface and underground at the numerous prospects & colour anomalies on the property;
>
> Results from the sampling programs have been discussed, where appropriate, in sub-sections 9.1 through 9.13. Surface geologic mapping was initiated in 2004 and suggested that mineralization is closely related to coeval faulting, felsic volcanism, and sedimentation, and that mineralizing structures continue from the lower

volcanic units, where they are most pronounced, into the upper volcanic units (Soho, 2004b).

Several petrographic and fluid inclusion reports have been generated on samples from Tahuehueto. A total of 32 rock samples were sent to PetraScience Consultants Inc. for petrographic study in 2004, from which 30 were selected for petrographic analyses (Dunne, 2004b). Eight of these samples (2 from El Creston; 4 from Cinco de Mayo, 1 from Texcalama, and 1 from El Rey,) were selected for fluid inclusion petrography and micro-thermometry (Dunne, 2004a). *"The eight samples from the El Creston Zone comprise a variety of quartz veins, breccias and quartz vein breccias with primary and replacement vein textures and alteration assemblages indicative of the low sulphidation (adularia-sericite type) epithermal environment"* (Dunne, 2004b). The seven breccias/quartz vein breccias/vein stockwork samples from the Cinco de Mayo Zone showed alteration assemblages *"indicative of the lower crustiformcolloform and crystalline superzones of a low sulphidation epithermal environment*" and "*possibly transitional to polymetallic gold-silver veins or the quartz-sulphide-gold-copper environment describe by Corbett (2002)".* Two of the four samples from the Texcalama Zone may contain former porphyritic rock fragments. The two samples from El Ray were similar to those from level 3 at El Creston. One of four samples from the Tres de Mayo Zone contains "wispy quartz" texture characteristic of metamorphosed or deep vein systems (Dunne, 2004b). Fluid inclusion evidence for boiling is present from two samples from Cinco de Mayo and one from Texcalama. Mineralogical evidence for boiling (lattice-bladed or ghost-bladed textures that pseudomorph lattice carbonate(?) exist in samples from level 3 at El Creston, and from Texcalama and El Rey. Dunne (2004a) stated that "*homogenization temperatures and salinities fall in the expected range for epithermal deposits" and "fall in the classification of shallow, boiling low-sulphidation epithermal deposits."*

Five additional rock samples were submitted for petrographic analysis to PetraScience Consultants Inc in 2005. An additional three samples were included for fluid inclusion analysis, but were deemed of little value so were not analyzed (Dunne and Thompson, 2005). The samples were described as variably altered volcanic or volcaniclastic rocks. Alteration consisted of early pervasive K-feldspar alteration followed by assemblages consisting of variable amounts of chlorite, calcite, hematite, sericite, and quartz. Spatial information was not included, so the data are of limited value.

Eleven drill-core samples were sent to Kathryn Dunne for petrographic analysis in 2007. Fourteen polished thin sections were prepared from these samples; and ten doubly polished fluid inclusion plates were prepared from eight of the samples (Dunne, 2007a; Dunne, 2007b). The results from these samples were consistent with the observations and conclusions previously reported by Dunne (2004b).

Drill cuttings samples from drill hole RC-018 from El Creston were submitted to Vancouver Petrographics Ltd in 2005. The samples were from six consecutive five-foot intervals (1.5m) from 220-250' (67.06-76.2m) containing high-grade gold values (11.05-62.3 g/t Au). Both a screened fine grained sample and a coarse grained sample were included for all but the 220- 225' interval. The detailed

descriptions of the samples focused on the distribution of native gold which occurred in almost all samples in a variety of textures (Payne, 2005). *"Most commonly it forms inclusions in pyrite, in part associated with other sulphides and in part alone. Less commonly it is associated with chalcopyrite or galena; in most of these occurrences, chalcopyrite and galena are associated with pyrite, either as inclusions or fracture-filling patches. Also widespread but not abundant are disseminated, isolated, small grains in sphalerite. A few free grains of native gold are present. One grain of native gold occurs in sericite. No native gold was seen in quartz. Grain size of native gold is mainly from 0.01- 0.05mm, with a few grains up to 0.15mm long. Grains smaller than 0.007mm in size are not abundant and commonly occur near larger grains of native gold, mainly as inclusions in pyrite."*

Six samples (type and locations not identified) were submitted to Vancouver Petrographics Ltd. in 2007. They are described by Leitch, (2007) as being "*strongly to intensely silicic/phyllic/advanced argillic altered and veined felsic volcanic rocks. Alteration locally obscures the original rock type, especially where it is associated with brecciation and significant to pervasive silicification and comb or cockade-textured, vuggy to drusy quartz veining."*

A second suite of 14 samples, taken from core holes, was later submitted to Vancouver Petrographics Ltd. in 2007. Seven or eight of the samples were described as pre-mineral hypabyssal quartz latite porphyries; two as being "micro diorite" and four as "late" dikes of latite to trachyandesite composition (Leitch, 2007). Alteration ranges from propylitic through transitional propylitic/potassic to potassic.

A lithostructural Interpretation using satellite imagery was conducted by Technologies Earthmetric Inc., Montreal, Quebec, Canada on the Tahuehueto Project and surrounding areas for Soho in 2007 (Moreau, 2006). A series of maps at variable scales show interpreted regional and local structural features, interpreted veins and altered areas, along with target areas for exploration generated from the structural interpretation. Although of interest, Soho has not specifically targeted drill holes based on this data (Shearing, 2007, personal communication).

Greg Corbett, considered an expert on epithermal gold systems, visited the property in 2007 to review the geology and exploration at the Tahuehueto Project. He concludes that:

> Mineralization at Tahuehueto is classified as of the intrusion related epithermal low sulphidation polymetallic Ag-Au style and so Au and Ag are accompanied by Cu, Pb and Zn mineralization…
>
> Not only are most low sulphidation polymetallic Ag-Au veins structurally controlled, but in many vein systems much of the mineralization is confined to ore shoots which host better mineralization commonly developed within dilational structures…" (Wilson 2009 pp57-60)

11 Drilling

11.1 Historic drilling

Wilson 2009 reports

"The only drilling known to have been undertaken prior to Soho's involvement at Tahuehueto was conducted by the Consejo de Recursos Minerales (1983b). Although 28 surface and underground drill holes were reportedly drilled on the El Creston and Cinco de Mayo structures (Consejo de Recursos Minerales, 1983b), Soho was unable to obtain drill logs, collar locations, or results from this drilling.

According to the Consejo de Recursos Minerales (1983b), 15 angle holes totalling of 2,026.87m were drilled from the surface using Longyear 34 and Longyear 24 rigs. Six of these holes, totalling 813.17m, were drilled at El Rey; six more, totalling 858.15m, were drilled at Cinco de Mayo; one 131.60m hole was drilled at El Creston; and two holes, totalling 223.95m, were drilled at Tres de Mayo. An additional 13 holes, for a total of 4224.40m, were reportedly drilled underground with a Pack Sack JKS25. Four of these holes (119.20m) were drilled at El Rey; seven (234.50m) were drilled at Cinco de Mayo; and two (70.70) were drilled at El Creston." (Wilson 2009 p61)

11.2 Soho drilling

Wilson 2009 reports

" Soho first began drilling at Tahuehueto in December 2004 and completed 34 RC holes (RC-001 to RC034, including RC-006A, RC-008A, and RC-028A) during 2005; Twelve holes were drilled at Cinco de Mayo, two at Texcalama and the remainder at El Creston. Dateline Internacional, S.A. de C.V. of Hermosillo, Mexico was the drill contractor for this program. The RC rig was demobilized and replaced by an LF 70 core rig from Mexcore, S.A. de C.V. ("Mexcore") in June 2005 (Soho, 2005b). A total of 50 core holes were drilled with this rig from June 2005 to July 2006; 36 of these holes were drilled in 2005, with two holes drilled at Cinco de Mayo and the remainder at El Creston.

Soho expanded its core drilling to two rigs in August 2006, a UDR 200 and a JT 3000 rig from Major Drilling de Mexico, S.A. de C.V. ("Major"). The two Major rigs completed 76 holes before their contract terminated in July 2007 - DDH06-49 through DDH06-064 (including DDH06-051A), DDH07-065 through DDH07-121, and DDH07-123. A total of 32 holes were drilled in 2006 at Cinco de Mayo, El Creston, El Rey, and Santiago.

Core drilling resumed in August 2007 with a Longyear 38 rig contracted through TecminServicios, S.A. de C.V. ("Tecmin") of Zacatecas, Mexico. Tecmin drilled 13 holes through January 2008, including DDH07-122, DDH07-124 through DDH07-126, and DDH07-128 through DDH07- 136. A total of 72 holes were drilled at Cinco de Mayo, El Creston, and Santiago in 2007.

After attempts at establishing road access and drill sites at the intersection of the El Creston and El Perdido structures failed due to extremely steep topography, Soho developed ten remote drill sites and drilled one core hole (DDH07-127) using a fly-capable rig purchased by Soho (Soho, 2007c). The rig, which was operated by Soho, was transported to the drill pad by helicopter.

A total of 72 core holes were drilled in 2007. At the end of 2007, Soho contracted with Falcon Perforaciones Mexico, S.A. de C.V., who began core drilling in January 2008 (Soho, 2007e).

During 2008 an additional 34 core holes were completed for a total of 211 core holes for the project (includes 4 A holes), before drilling was shut down in August 2008.

Seventeen of the Mexcore holes, as well as the hole drilled by Soho's fly rig, were drilled using NQ core. The remaining holes were drilled with HQ core, which was reduced to NQ when required by ground conditions. All of the core rigs were skid-mounted." (Wilson 2009 pp61-62)

11.2.1 Drill collar surveying

Wilson 2009 reports

"The drill-hole collar locations were surveyed by a variety of methods. A total of 123 of the holes were surveyed using a differential GPS instrument; the elevations for six of these holes were assigned by PhotoSat using photogrammetry, and the elevations for three of the holes were assigned by Soho using the project topography. Total station equipment was used to survey 30 holes. Seven holes (six used in the resource estimation) were surveyed using handheld GPS, and 17 (16 used in the resource estimation) were surveyed by chain-and-compass." (Wilson 2009 p62)

11.2.2 Down-hole surveying

Wilson 2009 reports

"Core holes drilled in 2005 were surveyed with a Tropari, Reflex EZ-SHOT, or Flexit. All core holes drilled in 2006 were surveyed with a Flexit, and 2007 core holes were surveyed with either a Flexit or a Reflex EZ-SHOT. The down-hole survey data indicate that the hole deviations are typically minor, usually steepening by less than two degrees.

A total of 12 core holes have no down-hole survey data. Five of these holes were abandoned and not assayed, and one is located outside of the resource modeling area. No RC holes have down-hole surveys.." (Wilson 2009 p62)

11.2.3 Core handling procedures

Wilson 2009 reports

"The core is laid out on logging tables that can accommodate up to 60 boxes of core. The core is re-assembled, washed by technicians, and a geologist reviews the core blocks for significant recovery or re-assembly problems. Technicians then measure RQD and recovery. Geologists log the core, mark sample intervals, and

draw cut lines using a wax crayon. After logging, the core is photographed with the sample tags in place.." (Wilson 2009 p63)

11.2.4 Drillhole database

Wilson 2009 reports

"Soho provided SEWC with a drill-hole database that included collar, survey, and geology data tables. The resources reported in this report were estimated using the Soho database, which includes a total of 248 holes drilled by Soho at Tahuehueto through the end of 2008, including 37 RC holes and 211 core holes (Table 11.1)." (Wilson 2009 p63)

Table 11-1 Tahuehueto Resource drilling summary (from Wilson 2009)

RC		Core		Total	
# Holes	Metres	# Holes	Metres	# Holes	Metres
37	3,668	211	43,608	248	42,276

Wilson 2009 continues

"Most of the holes were angled towards the northwest in order to cut the southeast-dipping mineralized structures, although the challenging topography hindered drill pad locations and many of these holes were not strictly orthogonal to the structures. Several holes, especially at El Creston, were collared in the footwall and angled back towards the structures, which yields intercepts significantly in excess of true thicknesses.

The drill-hole database used for the Tahuehueto Mineral Resource estimation is further summarized in Table 11.2. Figure 11.1 shows a plan map of the Tahuehueto project area with the surface projection of the drill holes." (Wilson 2009 p63)

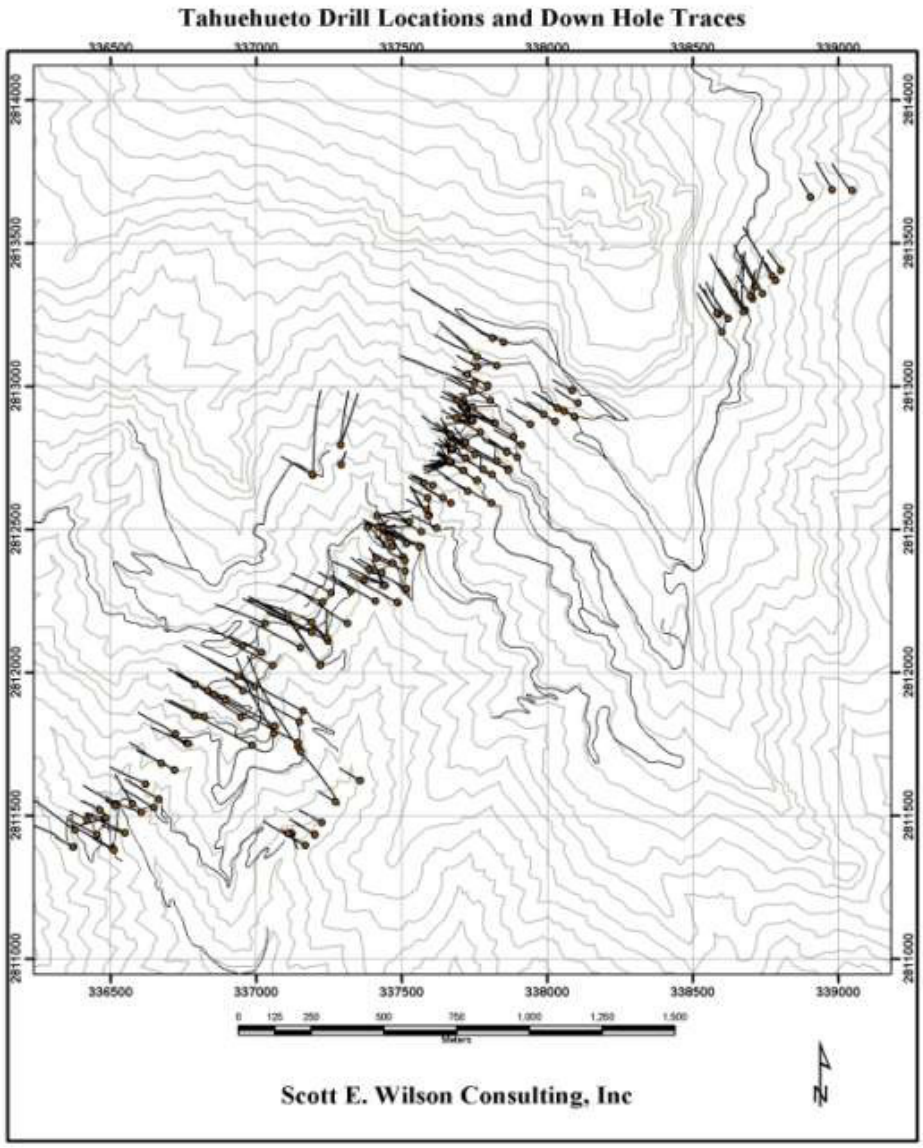
Table 11-2 Summary of drilling database (from Wilson 2009)

Number of holes	248
Total length (m)	47,276
Average length (m)	190
Sampled and assayed (m)	18,392
Drillhole samples with assays	18,339
Core holes with downhole surveys	199
RC holes with downhole surveys	0

Wilson 2009 continues

"In addition to the drill-hole information, the project database includes assays for a total of 1,788 underground samples, including 88 from the Cinco de Mayo workings, 450 from El Rey, and 1,250 from El Creston." (Wilson 2009 p64)

Figure 11-1 Tahuehueto drilling locations (from Wilson 2009)



12 Sampling method and approach

Wilson 2009 reports

> "The Tahuehueto database includes Soho RC and core holes. SEWC believes that the RC and core sampling procedures provided samples that are sufficiently representative and of sufficient quality for use in the Mineral Resource estimation discussed in Section 17. Results from Soho channel sampling of the underground workings are also included in the project database; channel sample data from El Rey were used in the Mineral Resource estimation. " (Wilson 2009 p66)

12.1 Historic sampling

Wilson 2009 reports

> "The Consejo de Recursos Minerales collected a total of 301 surface samples, 3,009 underground samples, and 116 drill samples during their exploration programs at the El Rey, Cinco de Mayo, El Creston, Texcalama, and Tres de Mayo zones (Consejo de Recursos Minerales, 1983b). No further details of these programs, including the drilling and sampling results, are known to Soho.
>
> Castle collected 459 surface chip and underground chip-channel samples in 1994; 247 from the El Creston structure, 21 from the Cinco de Mayo structure, and 191 from other sites on the property (Brown, 2004). Soho does not have the results or any further details about the Castle sampling methods. " (Wilson 2009 p66)

12.2 Soho channel sampling

Wilson 2009 reports

> "In 1997, Soho undertook channel sampling of ten of the underground levels on the El Creston vein. Brown (2004) describes the channel-sampling program as follows:
>
> > Approximately 1,200 underground and surface channel samples were taken from the El Creston zone, with a few samples taken at Dolores, Cinco de Mayo and Los Burros. Channel samples were taken with chisel and hammer, and represent no more than a 1.5- meter sample width. Channel samples taken in cross cuts were generally a 1.5 meter width, while channel samples from drifts along the mineralized structure were from a 1.0-1.5 meter width depending on the width of the drift. Along the drifts, channel samples were taken at 2.5-meter centres. Forty-two check panel samples were taken over channel sample sites to confirm analytical results. Select channel and panel samples were then re-assayed from reject material to check the laboratory accuracy.
>
> Drift channel samples were taken across the roof of the drift, perpendicular to the mineralized zone, while crosscut channel samples were taken at waist height on the crosscut wall (Brown, 1998a).

Soho undertook detailed underground sampling in 2004 of the Cinco de Mayo South, Cinco de Mayo North 1, Texcalama 1, 2, and 3 adits to determine possible extensions of the El Creston zone (Soho, 2004b). The following information on that program is taken from … a Soho Resources Corp. news release (2004b):

> A systematic continuous channel sampling program has been undertaken in the Cinco de Mayo main (southwest) adit, and the Texcalama 1, 2 and 3 adits. Sample locations, at 2.5 meter intervals, were delineated by straight chain and demarked with spray paint to allow for further reference and repeat sampling. All samples within adits (as opposed to crosscuts) were acquired across the ceiling of the adit in a continuous hammer and chisel channel sample. The entire width of the adit was sampled. If the adit width exceeded 2 meters the sample was split into 2 or more samples. Where crosscuts were encountered, several samples were collected across the entire crosscut width and each individual sample did not exceed 2 meters in width. Each sample was a continuous hammer and chisel channel sample across the inward wall the crosscut.
>
> The channel sampling technique for the adit sampling program is consistent utilizing a 4 pound short-handled sledge hammer and chisel to cut a channel continuously across the adit ceilings or cross cut walls. Attention and best effort was paid to acquiring consistent volumes of material across each sample. To ensure sufficient representative material was acquired, each sample averaged in the 2.5 to 3 kilogram range.
>
> All samples were labelled, bagged and sealed (zap strapped) on location. The samples were then transported by burro to the camp office where they were sorted, grouped and sealed in rice bags for transportation to Durango by company truck. In Durango the samples were transferred to the company's subcontractor, Engineer Artemio Terrazus, for immediate delivery to ALS Chemex's sample prep lab in Guadalahara. Once prepped, ALS Chemex oversaw the shipment of the samples to its assay lab in North Vancouver BC

In 2005-2006, Soho undertook additional underground and surface sampling at the Santiago, Pitallo, Espinal, and El Rey mineralized zones (Soho, 2006a, 2006c). The channel samples did not exceed a maximum length of 1.5m, with the limits of sampled material respecting geological contacts. According to the Soho project manager at the time, the channels were cut across the structure at El Rey at 330°, and individual samples were collected across lengths of one meter or less. Over 150m of the vein structure were sampled (Canova, written communication, 2006a). Canova (2006a) provides the following additional details:

> Channels were cut every 4 m across the structure that trends 060° and dips 80°SE with widths of 1.0 m to 2.0 m. A total of 38 channels were cut across the structure. The structure is generally 1.8 m wide and consists of quartz-carbonate veining with visible mineralization of sphalerite, galena, and weak chalcopyrite…
>
> The structure cuts across a grey, fine to medium grain granodiorite that is massive. The structure is narrow, linear, and rich in gold, silver, lead and zinc.

Chris Basil, who worked on the El Rey sampling for Soho, provided the following additional detail (written communication, 2008) to MDA (Gustin, 2008):

> "…the locations were surveyed in by straight chain and brunton, [by Basil] and tied to the adit portals. The resultant coordinates for the channel samples were then calculated based on the surveyed portal locations data that we had at that time (early 2006). The sampling conducted down the adit entry tunnels (where some structures were noted and to generate background) took place along the eastern walls of the adit at a height of approximately 1.4 meters. Along the vein portion of the adits the sampling was along the adit ceilings.
>
> The width of the continuous chip / channel samples was approximately 15 cms (note: this refers to the width of the channel, not the length sampled]. Sample size varied due to variable sample lengths. Unlike the first sampling conducted in the 5 de Mayo, which were channels across the entire adit ceilings unless the adit width exceeded 2 meters, the El Rey sampling was broken into contiguous footwall, vein and hanging wall segments."

A grid was established on the Santiago structure in early 2006 oriented with a 060° bearing along the Santiago structure and covering a strike length of more than 180m (Canova, 2006b). Eight channels were cut across the structure. According to Canova, a total of 124 samples were collected, and the results indicated the width of the structure to be approximately 7 to 16.5m. " (Wilson 2009 pp66-68)

12.3 Soho reverse -circulation sampling

Wilson 2009 reports

> "Soho drilled 37 RC holes at Tahuehueto, all in the first half of 2005. The following description of their sampling method is from Soho (2005a). Samples were collected every 1.524m from the rig's cyclone with about 30kg of material per sample. Every 1.524m run was split into quarters with a sample splitter, with one-quarter bagged and sealed for shipment to the assay laboratory. The remaining three quarters were bagged, sealed, and stored at the project's field facilities. For every fifth sample, a duplicate sample (equal to one quarter of the total sample) was collected for quality-control analyses. At the field office, samples were recorded, batched, and sealed in large rice bags. Soho personnel drove the samples from the project site to Durango, where they were shipped by secure courier to the sample-preparation facilities of ALS Chemex ("Chemex") in Guadalajara, Mexico. " (Wilson 2009 pp68-69)

12.3.1 Reverse-circulation sample contamination

Wilson 2009 reports

> "Due to the nature of RC drilling, the possibility of contamination of drill cuttings from intervals higher in the hole is a concern, especially when groundwater is encountered or fluids are added during drilling. The only hole known to have encountered water at Tahuehueto is RC-022. This hole is located on the southernmost, and therefore topographically lowest, RC drill pad at El Creston and was drilled to the lowest elevation of all El Creston RC holes. The RC drill logs

provide no information as to the presence of water or injection of drilling fluids; RC-022 is known to have intersected the water table only because it still serves as a well, with the depth of water at the time of writing this report being 14m below the collar. A minor amount of water flows from levels 10 and 14 of the El Creston underground workings

Down-hole contamination can sometimes be detected by careful inspection of the RC drill results in the context of the geology and nearby core holes. SEWC found no suggestion of significant RC contamination during the resource modeling work, but cannot be sure that no contaminated samples are in the resource database. " (Wilson 2009 p69)

12.4 Soho core sampling

Wilson 2009 reports

"Soho began core drilling in mid-2005. The following description of their sampling procedures is from Soho (2005c). Soho drilled with HQ and NQ core, depending on drilling conditions. Samples varied from 0.5 to 2m in length, averaging 1.0m. Core samples were cut in half longitudinally with a rock saw, with one-half sent for assay and the remaining half boxed, sealed and stored at the project's field facilities. Samples were recorded, batched, and sealed in large rice bags at the field office, and then were shipped by Soho staff to the sample preparation facilities - SGS Minerals Services ("SGS") in Durango, Mexico in 2005 and 2006, and Inspectorate de Mexico S.A. de C.V. ("Inspectorate") in Durango in 2007 through to September 2007 (Soho, 2007a). Since September 2007, samples have been prepared at Chemex's preparation facility in Guadalajara, Mexico (Soho, 2007d).

Soho reports that the core was generally sampled over regular intervals that varied from 30cm to 1.50m, with sample intervals coinciding with major lithological boundaries and veins. In intervals where core recovery was less than 70%, samples within that 3.048m run were sampled as a full 3.048m interval. Samples were split lengthwise with a diamond saw, with one-half taken for assay and the remainder retained for future reference. One blank sample was inserted at random every 25 samples and was placed after a highly mineralized zone, if possible. One standard sample was inserted into each batch of 24 core samples. " (Wilson 2009 pp69-70)

13 Sample preparation, analyses, and security

13.1 Reverse-circulation samples

Wilson 2009 reports

> "The Soho RC samples were prepped at the Chemex sample-preparation facilities in Guadalajara, Mexico, and the pulps were shipped by Chemex to their laboratory in North Vancouver for analysis (Soho, 2005a). Chemex is ISO 9001:2000 registered. Gold analysis was conducted by fire assaying a 30g charge and utilizing a gravimetric finish (Chemex method Au-GRA21). Silver, copper, lead, and zinc were analyzed by ICP-AES ("inductively coupled plasma – atomic emission spectroscopy") following three-acid digestion and HCL leach (method ME-ICP61). Over-limit silver, copper, lead, and zinc (100ppm for Ag and 10,000ppm for the base metals) results were re-assayed by three-acid digestion and HCL leach, with an AAS ("atomic absorption spectroscopy") finish (method AA62); approximately 2% of the samples were also analyzed for silver by fire assaying with gravimetric finish. " (Wilson 2009 p71)

13.2 Core samples

Wilson 2009 reports

> "Core holes DDH05-001 through 05-031 and DDH05-033 through DDH06-048 were analyzed at the SGS lab in Toronto, Canada; SGS is ISO/IEC 17025 and ISO/IEC 9002 registered. The samples were first sent to the SGS sample-preparation facilities in Durango, Mexico, and then the pulps were shipped by SGS to the Toronto lab. Gold grade was determined by fire assaying of 30g charges and finishing with AAS (SGS method FAA313); over-limit (>10g/t) analyses were completed by fire assaying 30g charges and completing with gravimetric finish (method FAG303). Silver, copper, lead, and zinc grades for all samples were determined using four-acid digestion followed by ICP-AES analysis (method ICP40B). Silver over limits (>10ppm) for samples from holes DDH06-037 through 06-048 were determined by AAS after three-acid digestion (method AAS21E); over limits for the earlier holes were by method AAS40E, which no longer exists but may have been similar to AAS21E. Methods AAS21E and AAS40E both had an upper threshold of 300ppm; samples exceeding this limit were analyzed by method AAA50, which is reported in units of g/t and has a 10g/t detection limit, but is not described on the SGS website. AAS40E and AAS21E analyses were also completed on a number of the samples that were not subject to ICP40B over-limit assaying. Copper, lead, and zinc over-limit results were determined by method ICA50, which is reported in percent and has detection limits of 0.01% for all base metals, but is not listed as a current assaying method by SGS.
>
> Inspectorate analyzed core samples from DDH05-032 and DDH06-049A through DDH07-121 in their Sparks, Nevada facility; pulps were first prepared at Inspectorate's preparation facility in Durango, Mexico. Gold was analyzed by 30g fire assay with an AAS finish (Inspectorate method Au-FAA); all results of 3g Au/t

or greater were re-assayed by fire assaying with a gravimetric finish (method FAGRAV). Primary silver, copper, lead, and zinc determinations alternated between AAS analyses following *aqua regia* digestion (Soho, 2007c) and ICP; some primary silver analyses consisted of fire assaying with an AAS finish. The ICP and AAS methods had upper analytical limits of 200ppm for Ag and 10,000ppm for the base metals; over-limit analyses on these samples used the FAGRAV method for silver and the "AAS - Zinc by AA Assay" method for the base metals.

Samples from core holes DDH07-122 through DDH08-207 were also analyzed by Chemex; sample pulps were prepared at the Chemex facility in Guadalajara, Mexico. The pulps were first shipped by Chemex to their analytical laboratories in Lima, Peru for analysis (Soho, 2007d), then to the Chemex laboratory in Vancouver, Canada for analysis between September and December 2007; in January 2008 the pulps were once again being sent to the Lima laboratory (Soho, 2008a). Gold assays were first done on 30g charges by fire assaying with an AAS finish (method Au-AA23); over-limit (>10g/t) analyses were completed using the Au-GRA21 method. Silver, copper, lead, and zinc were analyzed by method OG62 (similar to AA62).

The following description of the custody procedures for the drill core and samples for holes DDH07-077 through DDH08-207 was provided by Soho. Core was in the custody of the drill crew until Soho geologists picked it up twice a day at about 9:00 AM and 6:00 PM. The core was taken to a fenced core-logging facility, where it was stacked until logging and sampling. At the end of each day, the bagged samples were moved into the portal of an adit near the core shed, which was secured with a locked gate. Samples were shipped from the project site to Durango in Soho vehicles by Soho personnel. In Durango, samples were shipped to Chemex in Hermosillo by Paqueteria y Mensajeria en Movimienito (a secure courier with a long-term contract with Chemex). " (Wilson 2009 pp71-72)

13.3 Underground samples

Wilson 2009 reports

"Brown (2004) states that Soho's surface and underground channel sampling in 1997 was conducted and supervised by three Canadian geologists, including Brown. Samples were prepared by Chemex at their facility in Hermosillo, Mexico, and then the pulps were sent to Chemex's lab in Vancouver, Canada for analysis (Brown, 2004, although Brown, 1998a, states that the 1997 channel samples were shipped directly to the Vancouver lab for both sample preparation and analysis). Brown (1998a) reports that samples were assayed for gold and a 30- element ICP package. Gold was initially assayed by fire assay with an AAS finish using a 30g charge. Samples with gold above 12g Au/t were re-assayed by one-assay-ton fire assay with a gravimetric finish. Samples with silver greater than 200ppm were re-assayed by fire assay with a gravimetric finish. Samples with lead or zinc exceeding 50,000ppm were re-assayed by atomic absorption using nitric-HCl-acid digestion.

For Soho's 2004 sampling program, samples were prepared by Chemex at their sample prep lab in Guadalajara, Mexico and the pulps were shipped to Chemex's

lab in Vancouver for analysis. According to an undated summary of the sampling of the Cinco de Mayo and Texcalama adits provided to MDA by Soho, primary gold analyses consisted of fire assaying with an AAS finish. Samples with values exceeding this method's upper limits of 10 g/t were then assayed by fire assay with a gravimetric finish. In addition, analysis of a suite of an additional 33 elements was done by ICP-AES, and where upper limits were exceeded for silver and/or base metals, samples were analyzed by *aqua regia* or acid digestion and AAS. A field-derived standard was inserted at regular intervals in the sample series, and the lab performed duplicate analyses on every 40th sample in a run. In addition, the lab inserted a blank at the beginning of each run as well as standards at random intervals. For the Cinco de Mayo and Texcalama 1 and 2 adits, blanks and standards were inserted by Soho into the sample sequence (every 20th sample) for assay quality control. For the Texcalama 3 adit, duplicate samples were taken every 20th sample (10th, 30th, 50th etc.) in addition to the above quality-control measures.

Pulps from the Soho 2005 and 2006 surface and underground channel samples from the Santiago, Pitallo, Espinal, and El Rey mineralized zones were prepared at the SGS facility in Durango and the pulps were sent to their Toronto laboratory for analyses." (Wilson 2009 pp72-73)

14 Data verification

14.1 Integrity of database

Wilson 2009 reports

> "In order to properly record all original assay data in the database, as well as to have unique fields for use in the resource estimation, gold, silver, copper, lead, and zinc fields were created in the database that are separate from the original assay data. These fields are assigned one of the assays for each of the five metals for any given sample based on a consistent hierarchy. For example, gravimetric analyses for gold and silver are given a higher priority than AAS analyses, and "ore grade" assays for copper, lead, and zinc are assigned a higher priority than ICP analyses. SEWC verified that the databases were correct before any information was used in this report." (Wilson 2009 p74)

14.2 Quality assurance/quality control

Wilson 2009 reports

> "Quality-control samples were available for review and included duplicate samples, analytical standards, and blanks that were inserted into the sample stream by Soho; this discussion also includes analyses of some of the internal laboratory QA/QC results." (Wilson 2009 p74)

14.2.1 Blanks

Wilson 2009 reports

> "Blank samples are used to test for cross contamination between drill samples in the analytical laboratory, which is most common during sample-preparation stages. In order for the blanks to be meaningful, therefore, they must be sufficiently coarse to require the same crushing stages as the drill samples and should be placed immediately after mineralized drill samples (which would be the source of most cross-contamination issues) in the sample stream.
>
> Soho has been inserting blank samples into the sample stream since drilling began at Tahuehueto in 2005. The coarse blank material is derived from an outcrop within the project area of post-mineral rhyolitic tuffs of the upper volcanic series that lies above the mineralized lower volcanic series rocks." (Wilson 2009 p74)

14.2.2 Reference standards

Wilson 2009 reports

> "To increase the integrity of the sample handling process, from collection to shipment to assay, standards are inserted in the sample stream at a rate of one standard and one blank for every 25 drill samples. The reference standards were prepared by WCM Minerals, a division of WCM Sales, Ltd. of Burnaby, BC, Canada. Reference standards are used to evaluate the analytical accuracy of the assay laboratory." (Wilson 2009 p74)

14.2.3 Surface and underground channel sampling

Wilson 2009 reports

> "Soho completed an underground and surface sampling program at the Santiago, Pitallo, Espinal, and El Rey mineralized zones in 2005 and 2006. Soho reports that blank samples were inserted randomly within each series of 25 samples and standards were inserted every 25th sample during this program. SEWC does not have the results from this QA/QC program." (Wilson 2009 p75)

15 Adjacent properties

Snowden is not aware of any information relating to properties adjacent to Tahuehueto relevant for disclosure in this report.

16 Mineral processing and metallurgical testing

16.1 Mineralogy

Optical microscopy studies performed in conjunction with the recent metallurgical study by Westcoast Mineral Testing Inc examined composites from the four mineralized zones: Cinco de Mayo, El Catorce, El Creston, and El Perdido. All four contained pyrite, sphalerite, galena, and chalcopyrite, generally in decreasing proportions. The latter two exhibited "pronounced supergene alteration that led to the formation of secondary copper sulphides such as covellite and digenite".

Alteration of the primary copper mineral will have significantly activated the naturally non-floatable sphalerite, so the microscopy report recommended that the "fresh" and the "supergene" material be processed separately. Subsequent bench scale testing determined that in all cases depression of the naturally activated sphalerite was required, but the sphalerite is significantly more activated in El Perdido, and to a much lesser extent in El Creston.

16.2 Metallurgical testing

Metallurgical testing has been performed in two programs, initially in 1977 by the Mexican Government organization Comision de Fomento Minero (CFM).

A second program was initiated by Soho and undertaken by Westcoast Mineral Testing during 2009 and 2010.

16.2.1 Historical testing

An October 20 1977 report by Ríos, Castrejón and Nieto, originally in Spanish, and later translated into English, describes work by Comision de Fomento Minero (CFM), on a single 150 kg "sample" from the subject property.

The testing program included ten bench scale flotation tests to investigate the process variables: collectors, frothers and pH.

The program was well planned, well executed and well reported.

The grade of the sample, however, was significantly higher than the Inferred Resource grade that is shown in the June 2008 NI 43-101 report by Mine Development Associates (MDA) as tabled below. The implication is that the reported CFM recoveries are higher than can be achieved at the resource average grades.

Table 16-1 CFM sample and MDA Resource grades

Element	CFM sample	Inferred Resource
Au g/t	3.0	1.34
Ag g/t	53.0	31
Zn %	6.4	1.43
Pb %	3.5	0.78
Cu %	0.24	0.24
Fe %	4.8	-
S %	4.6	-

Subsequent to the 1970s a number of changed practices in mineral processing have been either adopted in the industry or are now preferred procedures. If the early laboratory testing program had been undertaken at the present time, changes would be made as follows.

- The zinc sulphate and sodium cyanide combination is a technically effective and frequently used reagent combination for sphalerite (Sph) depression in lead rougher flotation. The transportation and use of sodium cyanide however, will result in increased permitting scrutiny than otherwise would be the case, so the alternative depressant, sulphur dioxide (SO_2) in one of several chemical forms should be evaluated. The current testing program investigated the use of SO_2 as sodium metabisulphite, and found it to be not as effective as $ZnSO_4$ and NaCN.
- The use of cresylic acid (cresilico) as a frother has been replaced by glycol and methyl isobutyl carbinol, so it will not be used in future studies.
- Recent introductions of more selective flotation collectors will be investigated in future testing.
- Copper distribution was not reported in the historic or recent metallurgical tests and no attempt was made to produce a copper enriched concentrate. With the passage of time and with more stringent smelter schedules, smelters typically now pay for one base metal in each base metal concentrate, so any copper that reports to an otherwise lead concentrate effectively becomes a penalty since it will incur transportation and treatment charges while deriving no revenue. Today, every possible effort needs to be made to produce separate copper and lead concentrates from an otherwise "bulk" concentrate.

Having stated the above, the reported results of the program were very encouraging.

A summarized metallurgical statement from CFM test No. 2 is shown in Table 16-2.

Table 16-2 CFM metallurgical testing results

Product	Wt %	Assays				
		Au g/t	Ag g/t	Pb %	Zn %	Fe %
Pb conc.	8.4	31.8	782	45.0	8.00	6.50
Zn conc.	9.9	1.4	51	0.20	55.8	2.60
Zn medio	5.8	1.0	21	0.20	2.40	7.00
Tails	75.9	0.6	4	0.10	0.10	4.25
Feed	**100.0**	**3.28**	**75**	**3.90**	**6.41**	**4.43**

Product	Distribution - %				
	Au	Ag	Pb	Zn	Fe
Pb conc.	81.1	87.6	97.2	10.5	2.3
Zn conc.	4.2	6.7	0.5	86.1	5.8
Zn medio	1.8	1.6	0.3	2.2	9.2
Tails	12.9	4.1	2.0	1.2	72.7
Feed	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

The inclusion of the "Zn medio" product is not significant to the overall process metallurgy, but was included to be consistent with the CFM reporting procedure.

The results from test No. 1 are not reported here, since the tailing grades for gold and silver were reported as "0.0", probably due to an assay procedure with an inappropriate lower limit.

The highlights of the results are:

- There is very good recovery and distribution of metals into two flotation concentrates.
- Of particular significance and economic importance are the elevated recoveries of gold and silver into the lead (actually "bulk") concentrate.
- Note that the composite contains galena and chalcopyrite in a ratio of 5.8:1. The recovery of copper, although not reported, was likely to be quite high based upon subsequent testing by Westcoast Mineral Testing Inc. This partially explains the low 45 % Pb grade of the lead concentrate, since a clean lead concentrate typically grades > 65 % Pb.
- Wilson (2009) reported that the deposit contains significant visible gold, so there will be some temptation to consider a gravity concentration stage. This needs to be investigated, but the potential for theft of a highly valuable gravity concentrate also needs to be considered.
- The zinc concentrate grade at 55.8 % Zn with a very modest 2.6 % Fe indicates that the zinc is not significantly marmatitic, and either the modest pyrite (Py) content in the feed (1.3 % Py) did not float with the zinc or the Py was easily depressed with lime. Both of these are very desirable features.

- The testing reported excellent concentrate values, in part because of the good payable grades of gold and silver in the lead concentrate.

16.2.2 2009 – 2010 Metallurgical testing

In October 2009, Soho Resources Corp prepared five metallurgical composites, each of about 20 kg, all from diamond drill core assay rejects.

From 40 to 69 individual samples were used to prepare each of four "zone" composites.

An "overall composite" was prepared and was weight averaged to reflect the resource tonnage by zones, as shown in Table 16-3. The compositing details are included as Appendix A.

Table 16-3 Distribution of "overall composite"

Zone	% Mass
Cinco de Mayo	17
El Creston	42
El Perdido	14
El Catorce	27

Assay data for the composites is reported in Table 16-4.

Table 16-4 2009 Composite assays

Zone	Au g/t	Ag g/t	Cu %	Pb %	Zn %
Cinco de Mayo	1.70	58	0.45	0.92	2.29
El Creston	2.89	37	0.36	1.41	2.11
El Perdido	1.42	35	0.25	1.07	1.50
El Catorce	1.53	27	0.07	0.81	1.97
Overall Composite	**2.11**	**38**	**0.28**	**1.12**	**2.02**

Some of the composites exhibit modest oxidation of the base metals, averaging < 5 %. With that modest degree of oxidation, it is unlikely that economic justification exists to incur additional capital and operating costs to recover any oxidized base metals. Consequently, no effort was made to develop processing performance characteristics for the oxidized material.

The composites have been subjected to 15 bench scale flotation tests by Westcoast Mineral Testing of North Vancouver, BC (Hawthorn 2010), the author of Section 16 and partial Section 18 of this report.

This test series evaluated flotation response to the following conditions:

- Primary grind in the range P80 = 90 – 230 microns

- Several sphalerite depressants in the bulk Cu/Pb rougher stage.
- Cu/Pb separation from the final bulk concentrate.

A summary of the copper – lead (bulk) rougher flotation stage results, showing only the "depressants" is shown in Table 16-5.

Table 16-5 2009 flotation testwork results

Test	Compo.	Grind P80	$ZnSO_4$	NaCN	NaMBS	Rec. to Cu/Pb rougher conc.		
		(µm)				Cu%	Pb%	Zn%
09-11	Overall	230				61.9	74.9	52.5
09-12	Overall	105				64.0	65.8	41.3
10-12	Overall	230	1000	200		58.9	67.0	25.9
10-16	Overall	103	1000	200		77.8	84.5	23.6
10-17	Overall	91	1000	200		78.5	83.8	17.9
09-14	Cinco	230				74.6	83.4	48.7
09-15	Cinco	230	500	100		81.3	88.4	27.6
10-02	Cinco	230	1000			76.5	87.1	59.4
10-04	Cinco	117	1000	200		79.8	87.6	26.3
10-05	Cinco	117			2000	75.7	83.0	72.8
10-06	Cinco	98	500	100		88.6	98.8	16.4
10-03	Creston	92	1000			60.0	82.4	25.4
10-07	Creston	99	500	100		81.6	87.7	30.6
10-09	Catorce	100	500	100		73.9	95.3	14.7
10-08	Perdido	92	500	100		84.8	93.6	56.0

Reagent additions in Table 16-5 are reported in g/t of feed.

The best overall rougher stage recoveries and best selectivity, at nominal primary grinds of 60 % passing 200 mesh (P80 of 100 microns), are tabulated below:

Table 16-6 Best overall rougher flotation recoveries

Zone	Test	% Recovered				
		Au	Ag	Cu	Pb	Zn
Cinco de Mayo	10-06	91.5	91.4	88.6	98.8	97.2
El Creston	10-07	83.4	78.7	81.6	87.7	53.2
El Perdido	10-08	82.5	74.2	84.8	93.6	64.9
El Catorce	10-09	87.2	83.5	73.9	98.3	87.7
Arithmetic average		86.2	82.0	82.2	94.6	75.8
Overall composite	10-16	85.6	90.1	87.9	86.7	88.1

Although only preliminary in scope, the testing determined that a significant portion of the sphalerite is naturally floatable to the extent of 50 – 70 %. The addition of 2 kg / t of sodium metabisulphite (a source of sulphur dioxide) was not effective as a depressant, and neither was the addition of zinc sulphate without cyanide. At this stage of the investigation, and with the exception of El Perdido, 500 g/t of $ZnSO_4$ and 100 g/t of NaCN is considered to be reasonably effective as a depressant, in that it reduces the zinc recovery into the bulk rougher concentrate to < 20 % at a grind of P80 of 90 – 100 microns. Note that primary grinds finer than P80 of 90 microns were not investigated, but it should be, since Figure 16-1 clearly shows decreasing zinc recovery into the copper rougher concentrate at finer grinds for both the "overall" and the Cinco de Mayo composites.

Figure 16-1 Grind size versus zinc recovery to Cu/Pb rougher concentrate

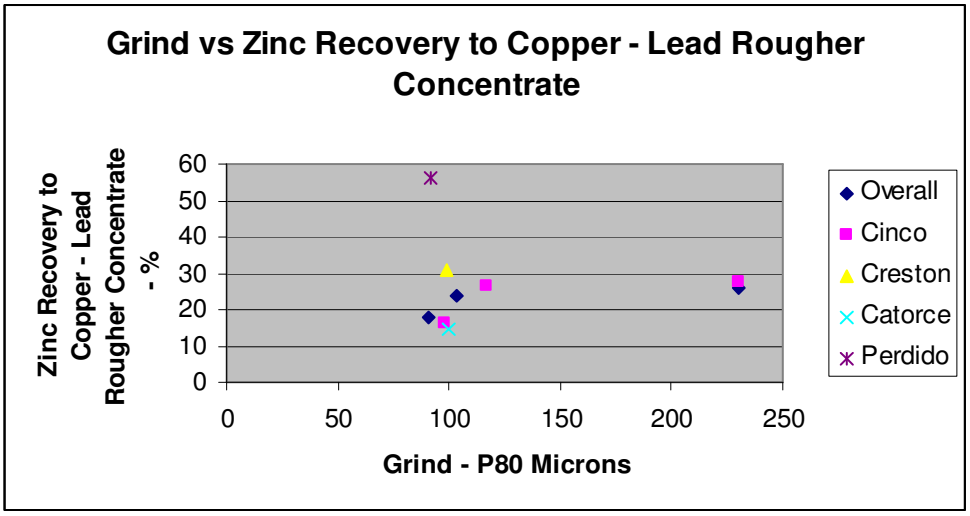


Figure 16-1 includes only those tests in which both $ZnSO_4$ and NaCN were used.

Although there are more data points for "Overall" and Cinco de Mayo, the data indicates that the selectivity is not as favourable for Creston and Perdido, consistent with the observations that were reported in Lehne (2009b).

Several tests included attempts to separate the copper and lead into two concentrates from the final bulk concentrate. The results were not consistent, but they suggest that NaCN is at least partially successful in depressing copper. Lehne (2009a) indicated that liberation is not an issue.

The typical best metallurgical balance from the "overall" composite, from test W-10-16, is shown in Table 16-7 and Table 16-8.

Table 16-7 Best metallurgical balance for overall composite (grades)

Product	Mass %	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Fe %	S %
Pb conc.	1.7	95.9	1007	7.86	53.9	8.1	12.4	24.1
Cu conc.	0.7	49.9	1154	10.00	4.6	22.0	15.1	26.1
Bulk 1 CC	2.4	82.4	1050	8.49	39.4	12.2	13.2	24.7
Bulk 1 CT	2.9	1.2	71	0.50	1.2	6.7	8.1	5.5
Bulk RC	5.4	37.6	511.0	4.09	18.35	9.16	10.4	14.1
Zn 2 CC	2.4	5.6	106.4	0.91	0.78	55.30	8.6	33.2
Zn 1 / 2 CT	4.7	1.9	37.9	0.30	0.63	0.93	18.8	14.9
Zn RC	7.1	3.2	61.3	0.25	0.79	19.52	15.3	21.2
O/A rougher conc. (RC)	12.4							
Rougher tail (RT)	87.6	0.4	4.0	0.04	0.18	0.29	3.8	1.0
Feed - calc	100.0	2.6	35.2	0.29	1.19	2.13	5.0	3.1

Table 16-8 Best metallurgical balance for overall composite (distribution)

Product	Au g/t	Ag g/t	Cu %	Pb %	Zn %	Fe %	S %
Pb conc.	62.2	48.5	46.0	77.0	6.4	4.2	13.0
Cu conc.	13.5	23.2	24.4	2.7	7.3	2.1	5.9
Bulk 1 CC	75.7	71.7	70.4	79.7	13.7	6.4	18.9
Bulk 1 CT	1.3	6.0	5.1	3.0	9.3	4.8	5.2
Bulk RC	77.0	77.7	75.5	82.7	23.0	11.2	24.1
Zinc 2 CC	5.2	7.3	7.6	1.6	63.0	4.2	25.7
Zinc 1 / 2 CT	3.4	5.0	4.8	2.5	2.0	17.7	22.2
Zinc RC	8.6	12.4	12.4	4.1	65.0	21.9	47.9
O/A RC	85.6	90.1	87.9	86.7	88.1	33.0	72.0
RT	14.4	9.9	12.1	13.3	11.9	67.0	28.0
Feed - calc	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The most effective reagent usage to date is shown in Table 16-9. Additional testing will need to evaluate alternative depressants and alternative addition rates. The rates shown in Table 16-9 should form the basis of future studies.

Table 16-9 Optimal reagent additions from testwork

Event	Reagent (g/t feed)						pH
	DF250	3418A	$CuSO.5H_2O$	$ZnSO_4$	$Ca(OH)_2$	NaCN	
Grind				1000		200	
Bulk rougher	yes	14					
Zn conc.		4	500		2000		10.5
Zn rougher							
Bulk separation	yes	25				500-1000	
Zn cleaning		10			yes		11.5

16.3 Flotation Concentrate Analysis

ICP analyses for trace elements have identified the significant metals in the three flotation concentrates shown in Table 16-10.

Table 16-10 Flotation concentrate detailed assays

Element	Unit	Pb conc.	Cu conc.	Zn conc.
Au	g/t	66	125	4
Ag	g/t	1,080	1,450	100
Cu	%	10	10	0.7
Pb	%	50	10	0.6
Zn	%	5	18	62
Fe	%	13	18	5
S	%	23	23	31
As	ppm	230	270	70
Sb	ppm	1,390	923	100
Hg	ppm	13	84	100
Bi	ppm	780	280	3
Cd	ppm	110	350	1,350

16.4 Acid rock drainage

Limited assaying of acid rock drainage (ARD) was reported for a few selected samples, as shown in Table 16-11.

Table 16-11 ARD testing results

Description	Location	S(tot)	$S(SO_4)$	pH	NP $CaCO_3$	MPA $CaCO_3$	NPR
		%	%	Paste	Kg/MT	Kg/MT	
Cinco de Mayo	HW	2.09	0.01	7.10	15.45	65.16	0.24
	FW	2.64	0.03	7.70	16.44	82.50	0.20
El Catorce	HW	3.44	0.02	7.85	79.58	107.50	0.74
	FW	1.23	<0.01	7.61	149.21	38.44	3.88
El Creston	HW	4.11	<0.01	8.09	99.47	128.44	0.77
	FW	1.84	<0.01	7.70	219.26	57.50	3.81
El Perdido	HW	2.91	0.10	5.07	8.10	90.94	0.09
	FW	3.38	0.09	6.18	6.60	105.63	0.06
O/A composite		3.09	0.03	7.49	84.99	96.56	0.88

Notes: HW = hanging wall / FW = foot wall.

NP = neutralization potential as calcium carbonate equivalent

MPA = maximum potential acid based upon the conversion of sulphide sulphur to calcium carbonate stochiometric equivalent

Paste pH, is the pH of the initial pulverized sample after the addition of sufficient water to produce a paste.

NPR = neutralization potential ratio = ratio of NP / MPA. If the NPR > 2 it typically is defined as not-potentially acid generating rock. (NAG)

Although the "overall composite" itself is potentially acid generating (PAG), it is anticipated, based on detailed assaying of test products, that the NPR of the base metal tailing will exceed 2:1, and therefore be classified as NAG. Potentially, the AP could be reduced further by the flotation of pyrite from the base metal tailing.

16.5 Conclusions

The following has been determined for the overall composite.

- The optimum primary grind will be P80 of 90 microns or finer.
- The role of regrinding, if there is any requirement at all, is unknown.
- Initial testing to separate the bulk copper / lead concentrate, was partially successful. Although the zinc grade was higher than that of the copper in the "copper concentrate" in test W-10-16 (Hawthorn 2010), it is anticipated that this product will be marketed as a copper concentrate to maximize the revenue from gold and silver.
- Future testing will need to focus on the optimum conditions for copper-lead separation.
- Future testing will need to evaluate the potential to divert the 7 % of the zinc that reports to the copper concentrate, into the zinc flotation circuit.

- The overall composite responded reasonably well to the addition of 500 g/t of $ZnSO_4$ and 100 g/t of NaCN, suggesting that blending of fresh and supergene material may be satisfactory in the overall project. However, if El Perdido and to a lesser extend El Creston, represent a large portion of the plant feed at any time, the circuit may benefit from sequential feeding. This observation has not been evaluated, but it does represent a cautionary note for future testing.

16.6 Recommendations

Future testing will need to evaluate the following:

- alternative depressants and alternative addition rates in the bulk rougher circuit
- alternative depressants in the copper-lead separation stage
- the role of finer primary grinding on zinc selectivity in the bulk rougher flotation stage. That may lead to the use of zinc depressants in the bulk cleaner circuit in an attempt to divert more of the zinc to the zinc concentrate.
- the role of regrinding
- Work Index testing
- processing variability between the "fresh" and the "supergene" zones and the effect of randomly comingling of feed types.

There still remains a total of 70 kg of unconsumed composite with a minimum of 10 kg of each of the five composites.

17 Mineral Resource and Mineral Reserve estimates

17.1 Mineral Resources

Wilson 2009 reports the preparation of a Mineral Resource estimate for Tahuehueto. The summary from the Wilson 2009 Technical Report follows

> "The gold, silver, copper, lead, and zinc resources at Tahuehueto were estimated from data generated by Soho, including geologic mapping, RC and core drill data, underground sampling, and project topography. The gold, silver, copper, lead, and zinc resources were modeled and estimated by evaluating the drill data statistically, interpreting geology and veining systems on cross sections, analyzing the modeled mineralization statistically to establish estimation parameters, and estimating grades into three-dimensional block models. All modeling of the Tahuehueto resources was performed using industry accepted software programs.
>
> The Mineral Resources reported herein for the Tahuehueto project were modeled and estimated in accordance with Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions. The Measured and Indicated resources are reported in Table 1.1. Inferred resources for Tahuehueto are reported in Table 1.2.
>
> Two cut-offs were used to tabulate the gold, silver, copper, lead, and zinc resources. A cut-off of 2.0 g/t Au-equivalent was chosen to capture sulphide mineralization potentially available to underground extraction and flotation processing, while a cut-off of 3.0 g/t Au-equivalent was applied to oxidized mineralization potentially available to underground extraction, which will likely yield lower flotation recoveries than the unoxidized material." (Wilson 2009 pp3-4)

The Mineral Resources from Table 1.1 and Table 1.2 in Wilson 2009 are shown in Table 17-1.

Table 17-1 June 2009 Tahuehueto Mineral Resources (after Wilson 2009)

Category	Mass (kt)	Au (g/t)	Contained (koz)	Ag (g/t)	Contained (koz)	Cu (%)	Contained (lb x 1000)	Pb (%)	Contained (lb x 1000)	Zn (%)	Contained (lb x 1000)
Measured	3,254	2.40	251	36.30	3,798	0.28	20,439	1.10	79,228	2.07	148,759
Indicated	4,123	1.87	248	33.92	4,496	0.27	24,900	1.03	93,511	1.96	177,894
Total M&I	**7,377**	**2.10**	**498**	**34.97**	**8,294**	**0.28**	**45,339**	**1.06**	**172,738**	**2.01**	**326,653**
Inferred	**4,868**	**1.06**	**166**	**31.77**	**4,971**	**0.23**	**24,935**	**1.23**	**132,417**	**2.26**	**242,241**

17.2 Mineral Reserve

Wilson 2009 does not report a Mineral Reserve. NI 43-101 defines a Mineral Reserve by reference to the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines, 2005 (CIM 2005), thus:

> "A Mineral Reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined."

This study is a "preliminary assessment" (NI 43-101 clause 2.3 (3)) and is not intended to satisfy the requirements of a "preliminary feasibility study" or "feasibility study" (CIM 2005). Therefore, the mining inventories reported in this assessment are not Mineral Reserves, and there is no certainty that all or part of the reported mining inventories will eventually be converted to Mineral Reserves.

Any reference to "ore" in this report is to be taken as a generic term and is not intended to imply any expectation or likelihood that the material referred to will eventually be demonstrated to be economic.

18 Other relevant data and information

18.1 Site visit

On 20 and 21 July 2010, Mr Anthony Finch, the qualified person for mining, and Mr. Bob Gill, the qualified person for environment, health and safety and infrastructure visited the Tahuehueto site with Mr. Ralph Shearing, the President of Soho Resources. During the visit Mr. Finch and Mr. Gill viewed the entire site, including but not limited to access and site roads, infrastructure locations, surface expressions of the mineralisation, old mining adits in both the Cinco de Mayo and El Creston zones, drill core from various locations on the site to view properties of both mineralisation and host rocks, and the airport located approximately 15 km north of the site.

18.2 Open pit study

18.2.1 Pit optimization

To assess the economic potential for an open pit Snowden conducted an optimization using Whittle Four-X software (Whittle).

Based on user-supplied inputs, Whittle allocates potential operating costs and revenues to each resource model block and uses the Lerchs-Grossman algorithm to identify the resource model blocks to be extracted as feed, waste, or to be left behind, to provide the highest cash flow. The pit shell with the greatest discounted cash flow (DCF) is referred to as the optimum shell for the nominated inputs.

Optimization model

For the optimization the Creston/Cinco de Mayo resource model was re-blocked to 30mE x 30mN x 10mRL. This block size was chosen to provide an appropriate selective mining unit (SMU). Re-blocking in Whittle maintains the tonnages and grades of the original imported blocks as "parcels" in the re-blocked model.

Initially Snowden considered both Creston and Cinco for the optimization, however, due to the challenging topography near Cinco, Snowden determined that without significant geotechnical study the risks associated with the cliff face above the Cinco pit were not well enough defined to place an open pit in this area.

Pit wall design parameters

To date there has been no assessment of geotechnical conditions at Tahuehueto. Consequently, the wall angles used in the optimization are preliminary estimations only and may change following a geotechnical review.

For the optimization an overall slope angle of 45° has been used. This has been chosen as a generic angle for this PEA based on Snowden's experience in open pit mining.

Modifying factors

The mining modifying factors were nominated by Snowden as being typical for this type of operation and study. They are shown in Table 18-1.

Table 18-1 Modifying factors

Item	Factor
Mining Recovery	95%
Mining Dilution	5%
Dilution Grade	Barren

Mining costs

For this preliminary assessment all material was assigned the same mining cost irrespective of destination or depth. The mining costs were nominated by Snowden based on research in the public domain and recent work undertaken by Snowden. The elements of the mining cost are shown in Table 18-2.

Table 18-2 Mining costs

Item	$/t
Drill and blast	0.40
Load and haul	0.75
Dewatering and ancillary	0.10
Total Mining Cost	**1.25**

Process and site costs

The process costs were nominated by Snowden based on research in the public domain and recent work undertaken by Snowden. The elements of the process and site costs are shown in Table 18-3.

Table 18-3 Site cost breakdown

Item	$/t
Labour	0.76
Reagents	5.80
Grind media	1.22
Mill liners	0.28
Misc. maintenance consumables	0.75
Misc. operating consumables	0.50
Power (1.78 MXN/kWh)	5.27
Mobile equipment	0.25
Total Process Costs	**14.84**
Site administration	5.00
Other	0.50
Total Process + Site Costs	**20.34**

Selling costs

A royalty of 1.6% of net smelter return (NSR) was applied to the optimization as detailed in Section 4.3.

Metal prices

At the request of Soho and consistent with SEC guidelines, Snowden calculated revenue based on three year average metal prices at the end of August 2010. The calculated prices are shown in Table 18-4.

Table 18-4 Metal selling prices

Metal	Sell price
Gold	$965.81 /oz
Silver	$15.38 /oz
Copper	$2.92 /lb
Lead	$0.95 /lb
Zinc	$0.88 /lb

Gold - London PM fix price (Centennial Precious Metals, Inc. 2010)

Silver - London fix price (Silver Institute, 2010)

Copper - LME grade A cathode spot price, CIF European ports (IMF, 2010)

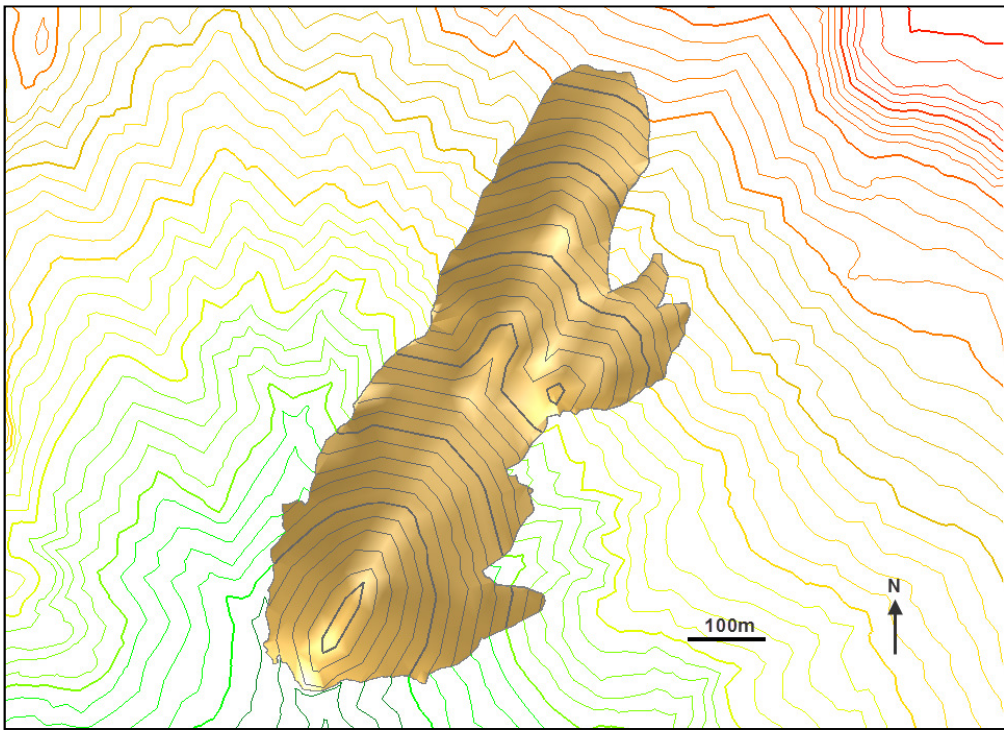
Lead - LME 99.97% pure spot price, CIF European ports (IMF, 2010)

Zinc - LME high grade 98% pure spot price, CIF UK ports (IMF, 2010)

Optimized pit shell

The optimal pit shell for the Whittle optimization is shown in Figure 18-1. The shell contains 4.4 Mt of mineralized material at a strip ratio of 4.97 by mass. Average feed grades for the shell are 2.1 g/t Au, 24 g/t Ag, 0.15% Cu, 1.3% Zn, and 0.74% Pb.

Figure 18-1 Creston optimized pit shell



18.2.2 Pit design

Snowden used the Whittle shell shown in Figure 18-1, along with some basic design assumptions, shown in Table 18-5, to design the Creston open pit, the main haulage roads, and the waste dump. Figure 18-2 shows the open pit within the site layout and Figure 18-3 provides a more detailed view of the pit design. The designed pit contains 4.1Mt of potential feed at a strip ratio of 5.5 (by mass). Average feed grades for the pit are 2.1 g/t Au, 24 g/t Ag, 0.15% Cu, 0.74% Pb, and 1.3% Zn.

Table 18-5 Open pit design parameters

Item	Unit	Value
Bench height	m	15
Face angle	degrees	65 / 78
Berm width	m	5
Road width (two lane)	m	15
Road width (single lane)	m	10
Grade on ramp	%	10

Figure 18-2 Open pit location and site layout

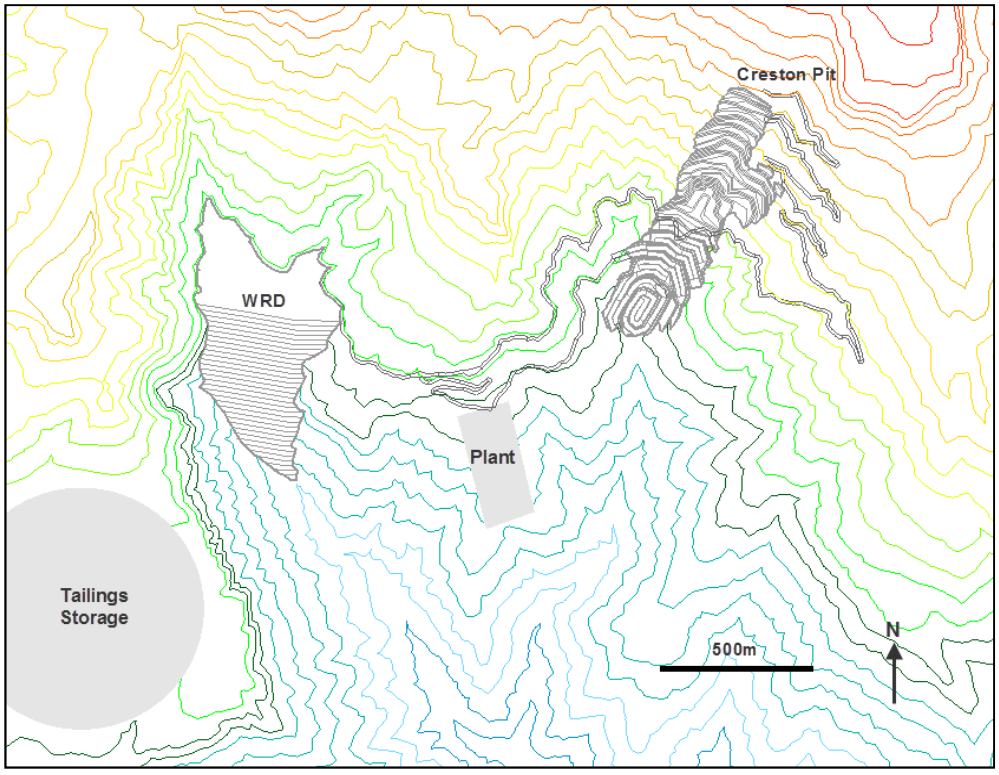
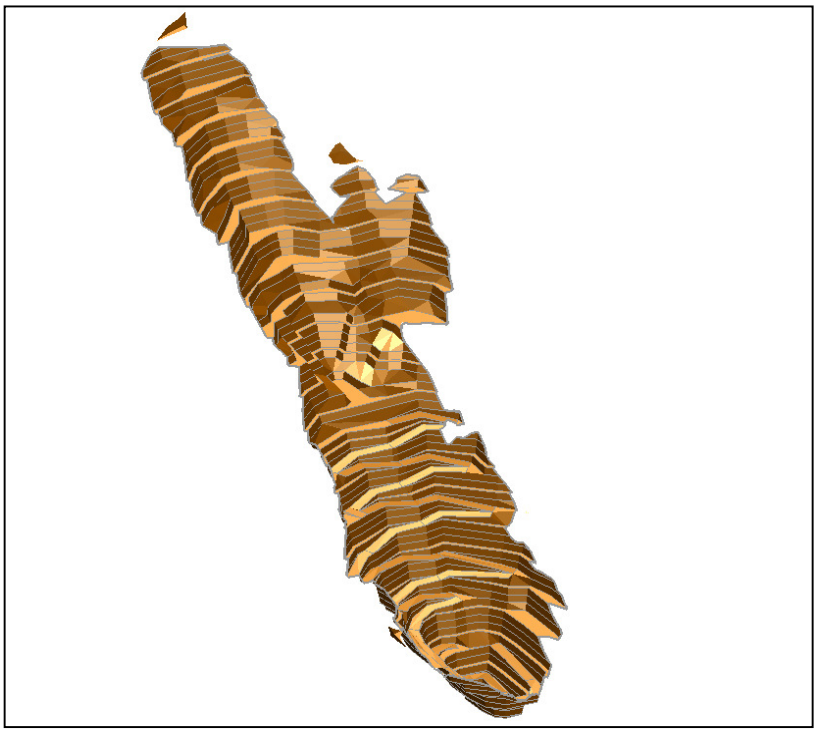


Figure 18-3 Open pit viewed from the southwest



A bench by bench summary of the open pit is detailed in

Table 18-6. Selected sections showing the topography, optimized pit shell and open pit design are included as Figure 18-4 and Figure 18-5.

Figure 18-4 Long section (oblique) of open pit

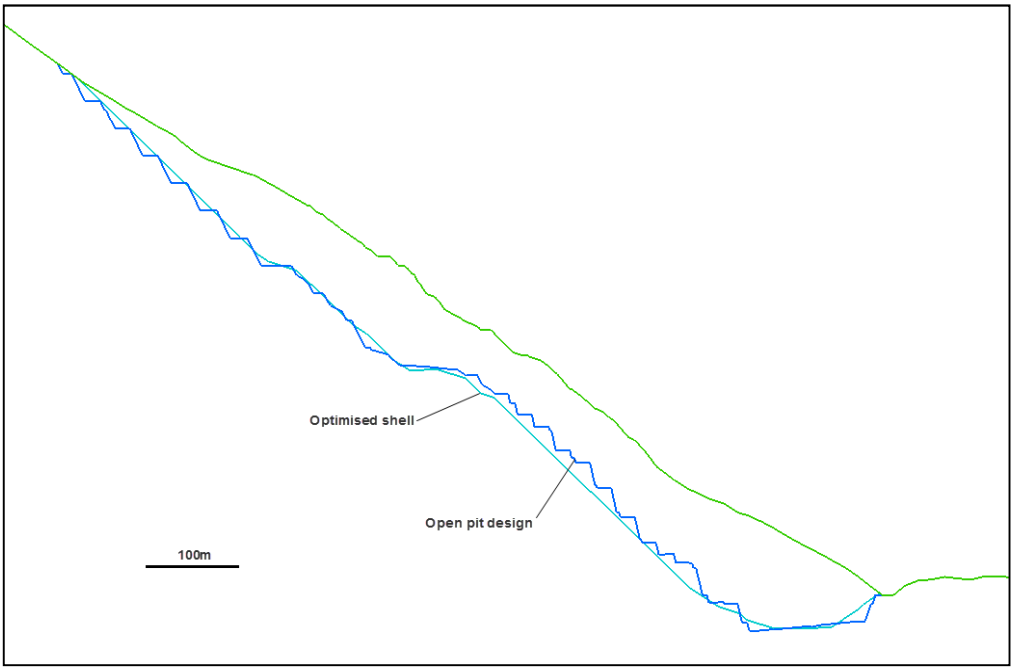


Figure 18-5 Cross section (oblique) of open pit

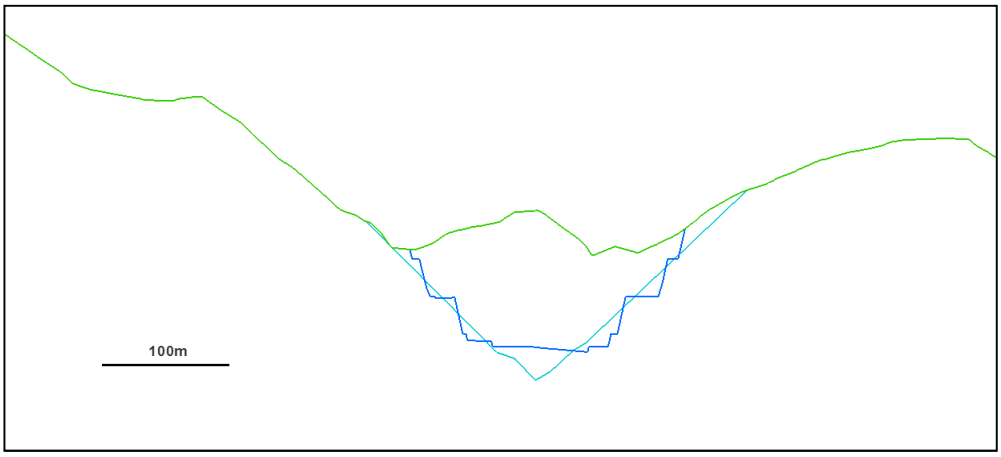


Table 18-6 Open pit tonnes and grade by bench

Bench	Waste	Feed	Feed grades				
RL	kt	kt	Ag g/t	Au g/t	Cu %	Pb %	Zn %
1310	84	0	32	1.05	0.01	0.33	0.51
1295	218	0	29	1.13	0.02	0.69	0.29
1280	225	20	27	0.72	0.01	0.53	0.38
1265	290	9	31	0.91	0.02	0.59	0.33
1250	299	0	29	1.41	0.02	0.89	0.28
1235	379	1	17	0.63	0.03	0.59	0.62
1220	409	1	26	0.90	0.01	0.51	0.39
1205	482	43	20	1.60	0.01	0.51	0.82
1190	456	100	29	2.59	0.02	0.68	1.17
1175	525	141	27	2.21	0.02	0.76	1.13
1160	537	129	26	1.88	0.02	0.69	1.11
1145	659	115	20	1.39	0.02	0.82	1.19
1130	671	140	19	1.00	0.02	0.78	1.13
1115	837	146	26	1.66	0.04	0.94	1.67
1100	803	137	25	2.76	0.06	0.91	2.25
1085	832	151	21	2.68	0.07	0.88	2.15
1070	798	122	20	2.40	0.08	0.73	1.69
1055	771	162	18	1.52	0.13	0.40	1.24
1040	640	168	22	2.27	0.15	0.54	1.56
1025	633	130	22	2.79	0.15	0.70	1.64
1010	611	154	13	1.02	0.09	0.60	1.58
995	520	193	14	0.68	0.09	0.68	1.75
980	401	117	12	0.52	0.09	0.63	1.60
965	425	39	14	0.47	0.14	0.89	1.25
950	382	34	21	0.54	0.25	1.21	0.94
935	452	26	28	1.03	0.27	1.28	1.10
920	440	44	23	1.03	0.21	0.85	0.82
905	522	31	25	1.59	0.20	0.86	0.87
890	469	52	22	1.41	0.18	0.67	0.75
875	506	62	24	1.51	0.19	0.77	0.78
860	481	57	26	1.25	0.22	0.79	0.94
845	617	51	24	0.95	0.22	0.65	0.86
830	707	63	21	1.09	0.21	0.65	0.93
815	863	88	28	2.49	0.27	0.75	1.53
800	852	128	29	3.63	0.23	0.63	1.26
785	913	171	30	4.08	0.21	0.56	0.86
770	773	209	35	4.53	0.25	0.73	0.91
755	736	250	29	3.58	0.22	0.78	0.94
740	657	220	25	2.20	0.22	0.96	1.22
725	457	183	25	1.81	0.25	0.91	1.30
710	281	133	25	1.88	0.26	0.73	1.14
695	121	93	26	1.17	0.31	0.70	1.08
680	14	23	29	1.18	0.37	0.82	0.96
Total	**22,751**	**4,135**	**24**	**2.13**	**0.15**	**0.74**	**1.29**

18.2.3 Waste rock dump

The waste rock dump (WRD) was designed with a slope of 32 degrees. The WRD can be seen in Figure 18-2 just west of the plant and the pit. The WRD has a storage capacity of 12.1 Mm^3.

Figure 18-6 Long section of WRD at 336125m E

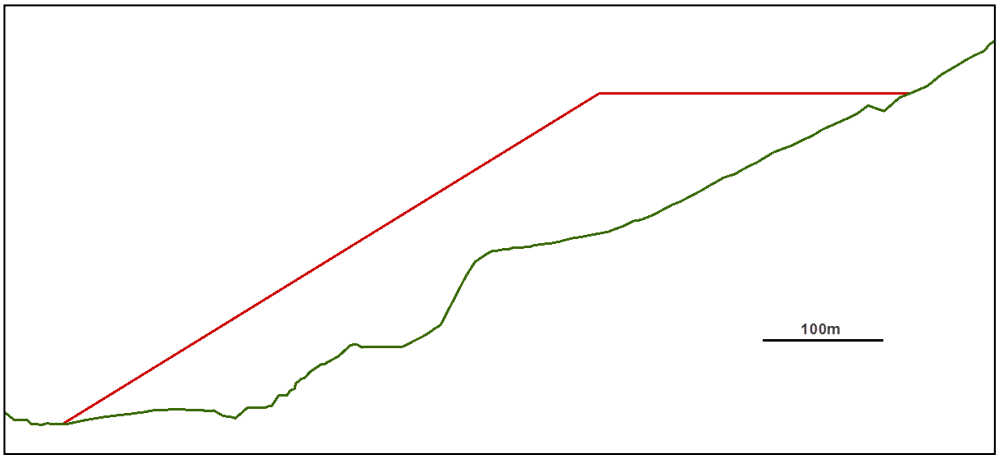
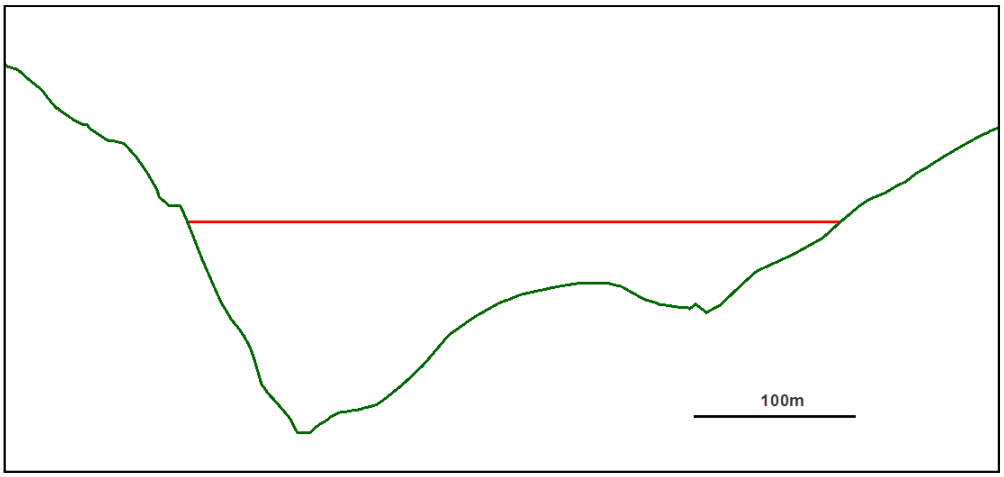


Figure 18-7 Cross section of WRD at 2812450m N



18.2.4 Processing plant location and tailings disposal

Due to the complex topography Snowden and Soho decided the most appropriate location for the process plant would be along the ridge adjacent to the Creston open pit as indicated in Figure 18-2. This location is central to the Project, and is in an area that would be amenable to a hillside style plant design. Tailings will be pumped to the mesa on the western side of the property (also shown in Figure 18-2). The mesa is the only flat lying area in the region that is suitable for tails storage. The mesa will also be a likely place for extended camp facilities, airstrip and other infrastructure.

18.2.5 Haul roads

Snowden designed the haul roads to be 15 m wide within the Creston pit, to allow for two way smaller truck traffic. The haul roads that are adjacent to the pit, and the roads going to the mill and waste dump are all designed at 10 m to allow for single lane traffic. There are sections of the main haul road which are 15 m and greater to allow for passing, fuel/lube stations, and rest areas.

18.3 Underground study

In conjunction with the open pit study the potential for underground mining was investigated. The underground study looked at four deposits; Cinco de Mayo, Creston, El Rey and Santiago.

A study to assess the economic potential of underground mining at Tahuehueto was conducted using Snowden's in house consulting tools Stopesizor and Evaluator.

Stopesizor is a software tool designed to identify mining inventories based on minimum mining geometries and a selected range of cut-off grades. In this way, it is possible to incorporate planned dilution where necessary and exclude outlying and isolated resource blocks from the inventory to give a realistic indication of the potentially extractable inventory.

Evaluator is a software tool used to incorporate prices, costs, capacities and scheduling constraints into an analysis in order to be able to consistently and rapidly compare the economic potential of differing inventories and strategies developed with Stopesizor.

By using these tools a wide range of scenarios can be rapidly considered, enabling potentially value adding opportunities to be identified and reducing the likelihood of progressing a sub-optimal strategy to the design stage.

18.3.1 Geotechnical

There has been no underground geotechnical evaluation carried at Tahuehueto. There are extensive existing underground workings from previous small scale mining. Snowden inspected these workings and found them to be in good condition despite being open for many years, and this would indicate that ground conditions are good. Despite these observations and in the absence of any geotechnical data Snowden took a relatively conservative approach to stope spans, level spacing, and drive sizes.

18.3.2 Inventory

Stopesizor software modifies a geological block model to identify the optimum extraction outline for a range of cut-off values (usually grade). This is done by constructing a model comprising selective mining blocks (SMB), where the SMB represents a user defined minimum practical geometry. Each SMB comprises a contiguous group of resource blocks that honours the user defined minimum dimensions, bearing and dip constraints for each axis.

At Tahuehueto two candidate mining methods were identified; long hole open stoping (LHOS) and handheld cut and fill. Inventories were determined in Stopesizor for each method and subjected to an economic analysis to select the preferred method.

For the analysis the following costs were used for stope production:

- Cut and fill 20 $/t
- LHOS 15 $/t

The "grade" analysed was the NSR value exclusive of processing and site costs, so these estimated costs, approximately 20 $/t, were added to the mining cost for the underground optimization. Thus the cut-off "grades" for LHOS and cut and fill were 35 $/t and 40 $/t respectively.

The original block models were regularised to 0.3mX by 10mY by 5mZ for importing to Stopesizor. The SMB dimensions used are included in Table 18-7 below.

Table 18-7 Stopesizor SMB dimensions

Axis	Units	Cut and fill	LHOS
1 (E)	m	20	20
2 (N)	m	0.9	3.3
3 (Z)	m	5	15

Cinco de Mayo

The Cinco model consists of a number of steeply dipping lenses that vary in width from a few metres to greater than 10 metres.

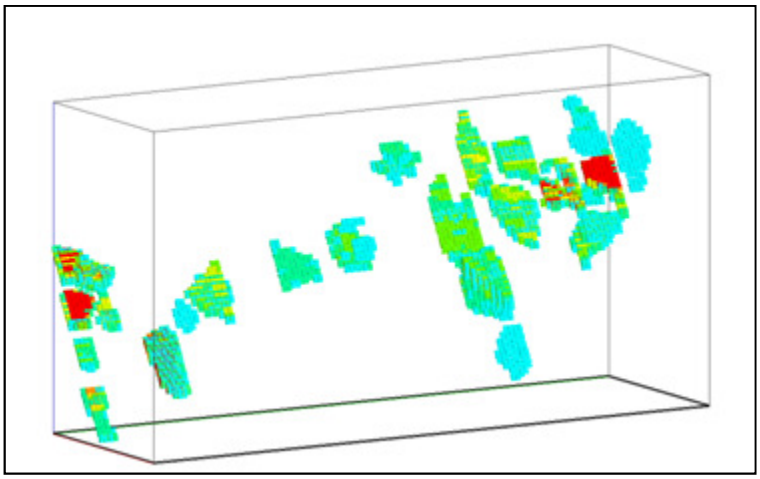
Due to the dimensions of the block model needed to cover the extents of Cinco with appropriate definition, the model was split into two for Stopesizor analysis.

Cinco de Mayo LHOS

The Stopesizor modelling results for Cinco for LHOS are shown in Figure 18-8 and are included on the grade/tonnage curve in Figure 18-10.

Using a cut-off of 35 $/t (the mining cost for LHOS), the available inventories are 4.0 Mt at an NSR of 59 $/t for a net cash flow of $98.4 M.

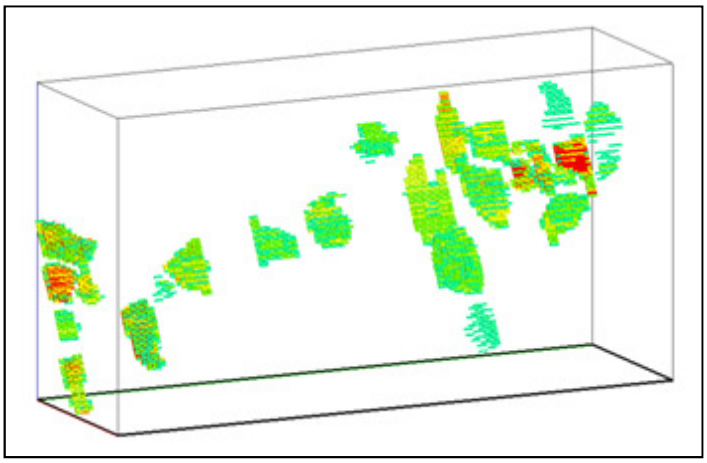
Figure 18-8 Cinco de Mayo LHOS Stopesizor model at 35 $/t



Cinco de Mayo cut and fill

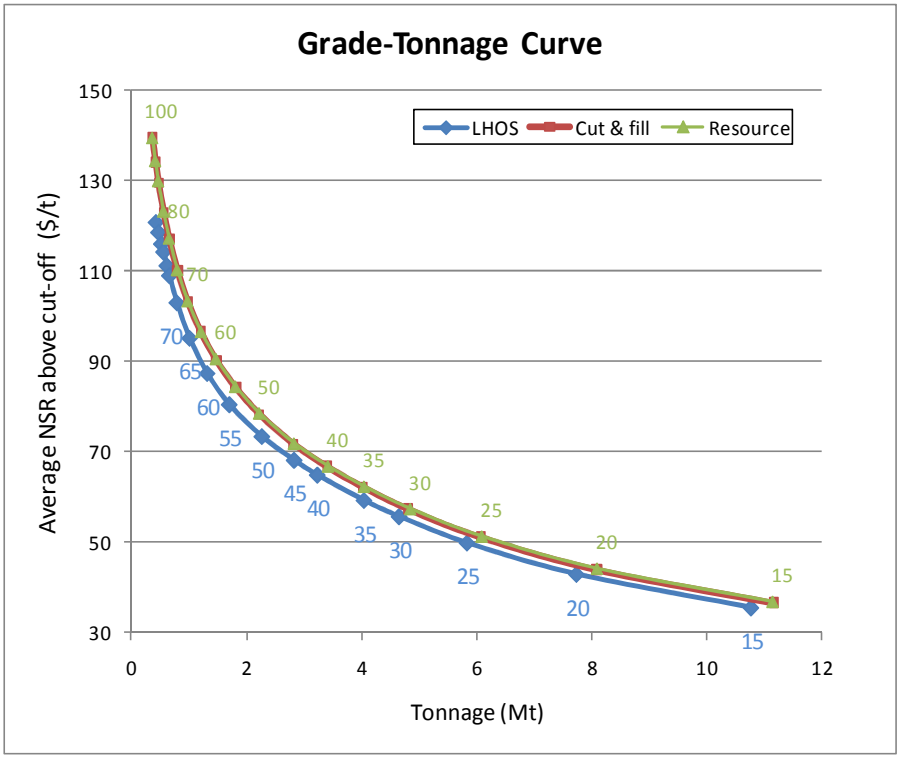
The Stopesizor results for cut and fill at Cinco de Mayo are shown in Figure 18-8 and are included on the grade/tonnage curve in Figure 18-10.

Figure 18-9 Cinco de Mayo cut and fill Stopesizor model at 40 $/t



Using a cut-off of 40 $/t (the cost for cut and fill), the available inventories are 3.4 Mt at an NSR of 67 $/t for a net cash flow of $91.2 M. This result is $7.2 M less than the cash flow for LHOS. Thus the optimizations show that a bulk method generates a higher value inventory at Cinco de Mayo than a selective method.

Figure 18-10 Cinco de Mayo grade/tonnage curve



El Creston

The Creston model consists of a number of steeply dipping lenses that vary in width from a few metres to greater than 10 metres, although typically the lenses are less than 10 metres in width.

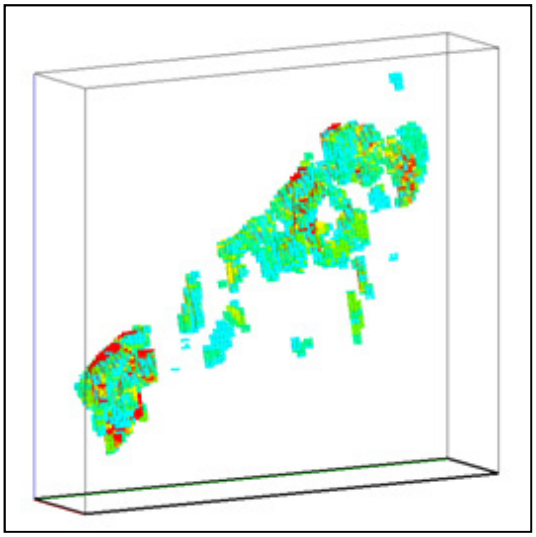
Due to the dimensions of the block model needed to cover the extents of Creston with appropriate definition, the model was split into three areas for Stopesizor analysis.

Creston LHOS

The Stopesizor modelling results for Creston for LHOS are shown in Figure 18-11 and are included on the grade/tonnage curve in Figure 18-13.

Using a cut-off of 35 $/t, the inventories are 5.3 Mt at an NSR of 73 $/t for a net cash flow of $201.4 M. Following depletion against the open pit design, the inventory is reduced to 2.3 Mt at an NSR of 57 $/t.

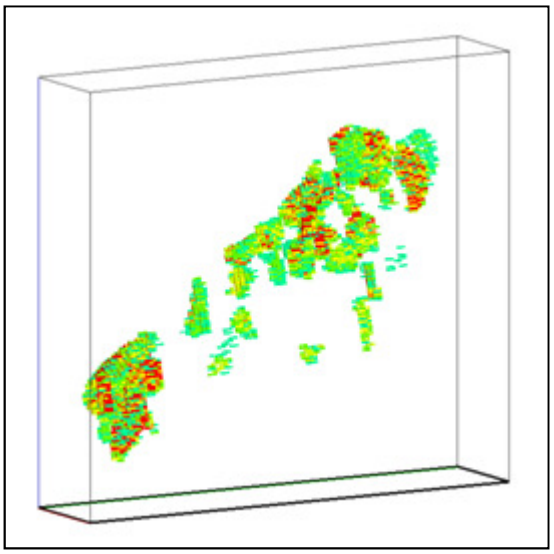
Figure 18-11 Creston LHOS Stopesizor model at 35 $/t



Creston cut and fill

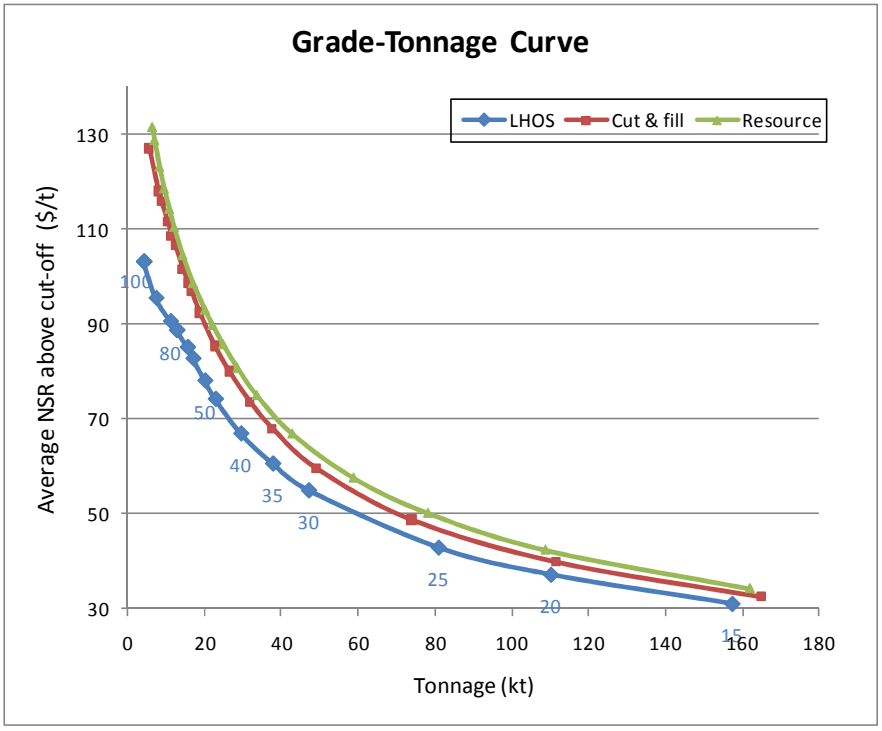
The Stopesizor modelling results for Creston for cut and fill are shown in Figure 18-12 and are included on the grade/tonnage curve in Figure 18-13.

Figure 18-12 Creston cut and fill Stopesizor model at 40 $/t



Using a cut-off of 40 $/t, the available inventories are 4.5 Mt at an NSR of 81 $/t for a net cash flow of $185.0 M. This result is $16.4 M less than the cash flow for LHOS. Thus the optimizations show that a bulk method generates a higher value inventory at Creston.

Figure 18-13 Creston grade/tonnage curve



El Rey

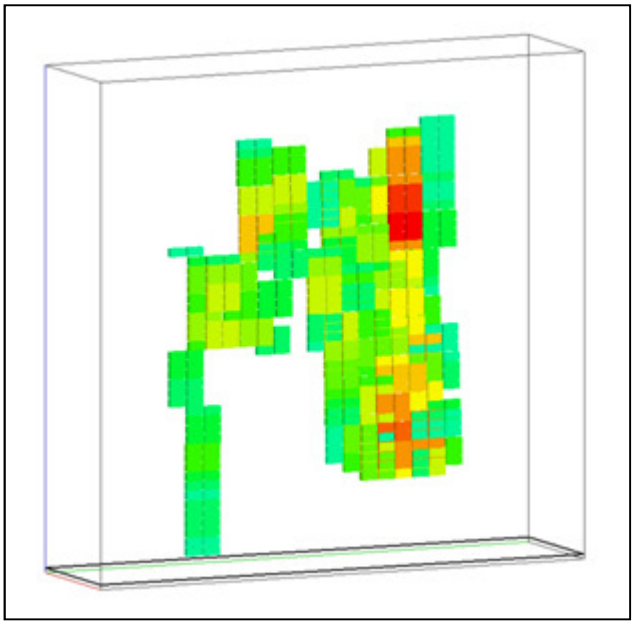
The El Rey model consists of a single steeply dipping lens to the west of El Creston. The lens width is typically less than five metres.

El Rey LHOS

The Stopesizor modelling results for El Rey for LHOS are shown in Figure 18-14 and as a grade/tonnage curve in Figure 18-16.

Using a cut-off of 35 $/t, the available inventories are 0.33 Mt at an NSR of 59 $/t for a net cash flow of $7.9 M.

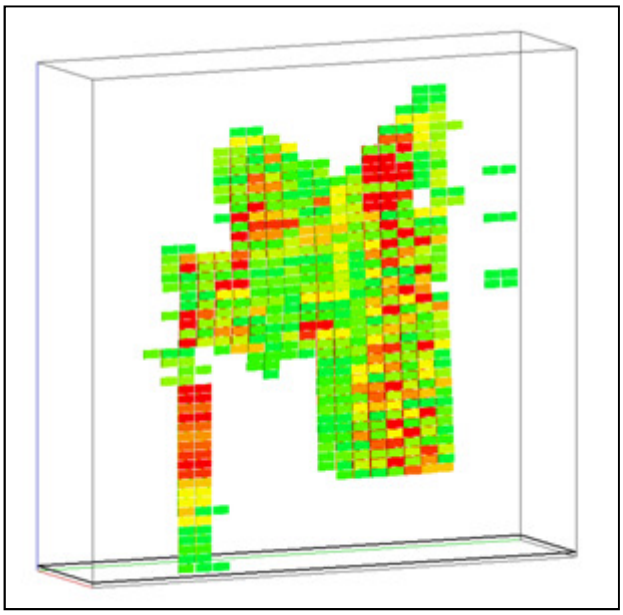
Figure 18-14 El Rey LHOS Stopesizor model at 35 $/t



El Rey cut and fill

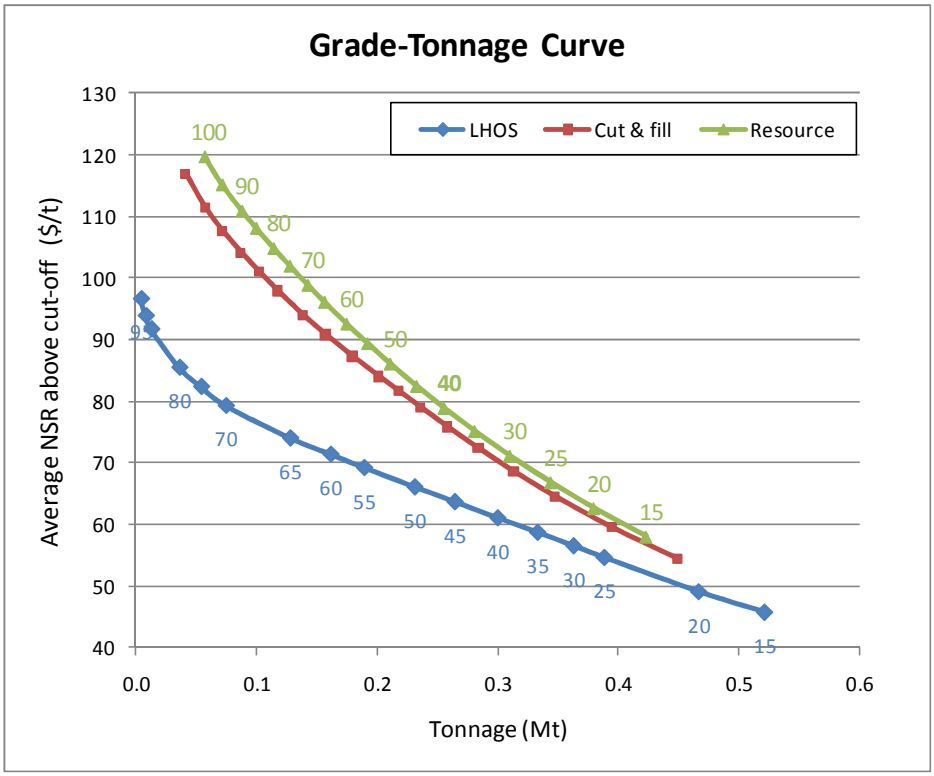
The Stopesizor modelling results for El Rey for cut and fill are shown in Figure 18-15 and are included on the grade/tonnage curve in Figure 18-16.

Figure 18-15 El Rey cut and fill Stopesizor model at 40 $/t



Using a cut-off of 40 $/t, the available inventories are 0.26 Mt at an NSR of 76 $/t for a net cash flow of $9.2 M. This result is an improvement in value compared to LHOS and either method could be applied at El Rey. However given the small scale of this improvement within the context of the whole project and the higher value of LHOS at Cinco de Mayo and El Creston, for simplicity LHOS was selected for El Rey.

Figure 18-16 El Rey grade/tonnage curve



Santiago

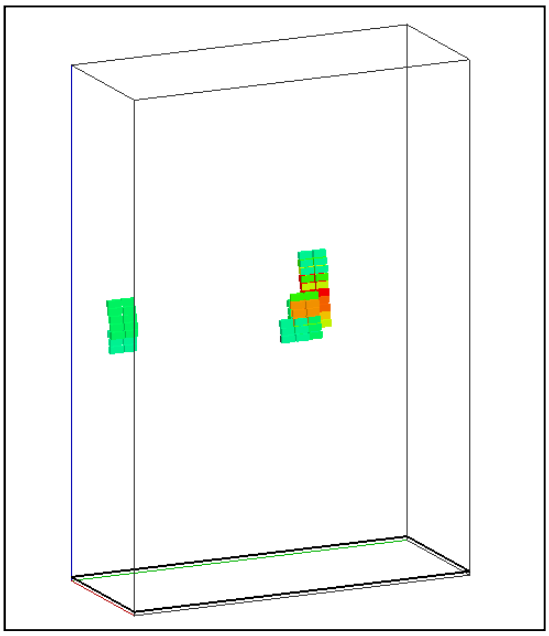
The Santiago model consists of a single steeply dipping lens to the north of El Creston. The lens width is typically less than five metres.

Santiago LHOS

The Stopesizor modelling results for Santiago for LHOS are shown in Figure 18-17 and are included on the grade/tonnage curve in Figure 18-19.

Using a cut-off of 35 $/t, the available inventories are 38 kt at an NSR of 61 $/t for a net cash flow of $1.0 M. Given the small inventory and low value LHOS at Santiago was rejected as an option because of the expected development costs associated with its extraction.

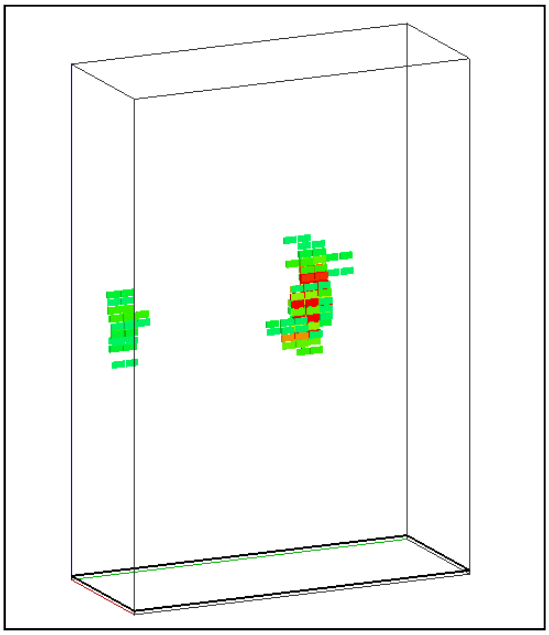
Figure 18-17 Santiago LHOS Stopesizor model at 35 $/t



Santiago cut and fill

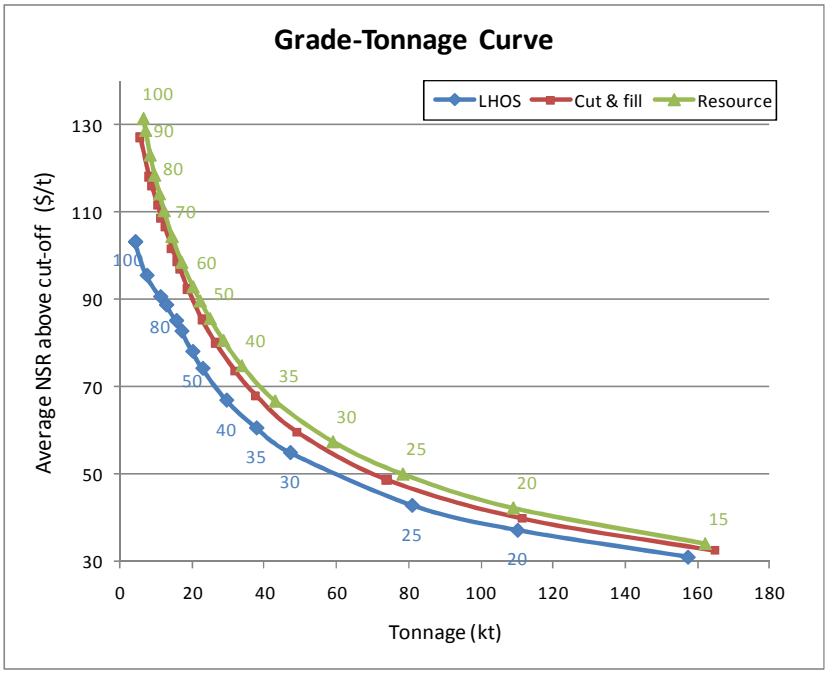
The Stopesizor modelling results for Santiago for cut and fill are shown in Figure 18-18 and are included on the grade/tonnage curve in Figure 18-19.

Figure 18-18 Santiago cut and fill Stopesizor model at 40 $/t



Using a cut-off of 40 $/t, the available inventories are 32 kt at an NSR of 74 $/t for a net cash flow of $1.1 M. This result is a slightly smaller inventory than for LHOS, and is not large enough to justify the development cost at Santiago. Therefore Santiago was completely excluded from the underground study.

Figure 18-19 Santiago grade/tonnage curve



18.3.3 Underground design

Sublevel intervals

The underground concept has been designed for exploitation by mechanized LHOS. The design criteria included nominal stope spans of 20 m and sublevels spaced at 15 m. The level interval is considered appropriate in the absence of geotechnical information and will afford relatively high recovery and low dilution without excessive development requirements.

Fill and pillars

To minimise the capital requirements for the project Snowden has assumed hydraulic or waste fill of stopes when available and has applied conservative recovery and dilution parameters to reflect this. After some geotechnical work has been undertaken it may be possible to reduce the dilution and increase the recovery assumptions as well as investigating some alternative fill technologies. In this study unplanned dilution was assumed to be 10% and mining loss 20% (including pillars).

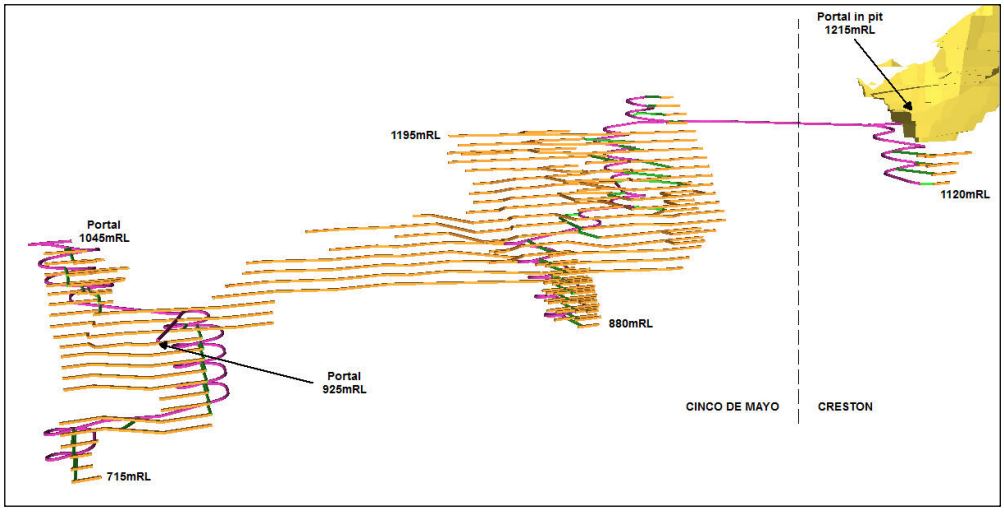
Underground development

Drives have been designed with dimensions of 4.0 mH by 4.0 mW, suitable for small mechanized equipment. Declines and level accesses have arch profiles to improve long term stability. Sill drives have a square profile for improved access during drilling and mucking. Declines have been designed at a grade of 1 in 7.

Cinco de Mayo and Creston South concept

The underground concept for Cinco de Mayo and Creston South is shown in Figure 18-20. The southern portion of Cinco de Mayo is accessed via two portals and the northern section is accessed via adits from the lower pit benches.

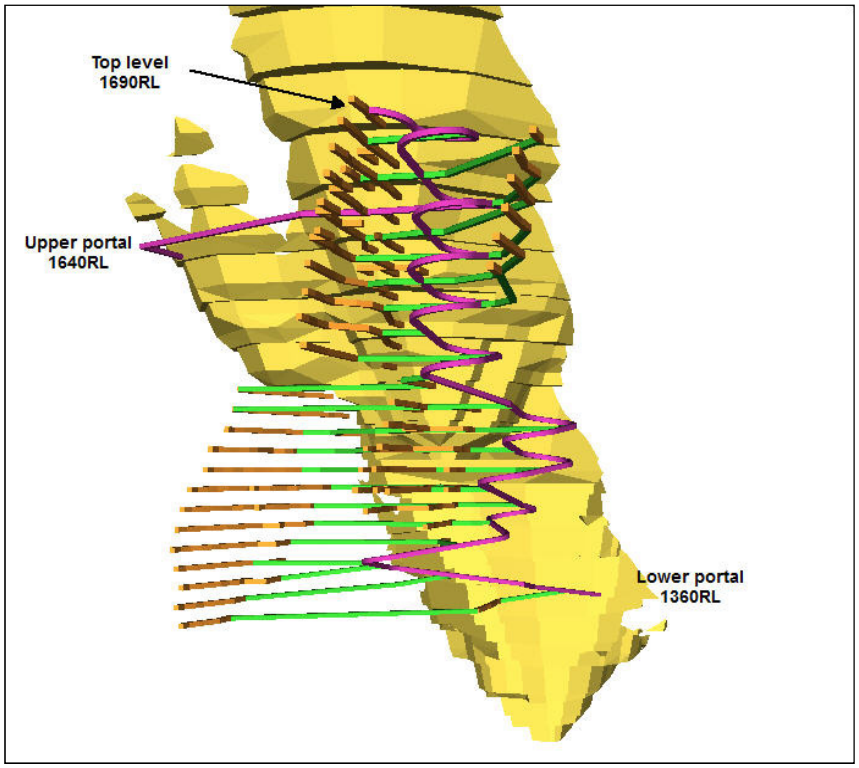
Figure 18-20 Cinco de Mayo conceptual design



Creston North concept

The conceptual design for Creston North is shown in Figure 18-21. The underground is accessed via two adits in the northern pit wall, at 1360 mRL and 1690 mRL. The Creston North concept has 23 sublevels.

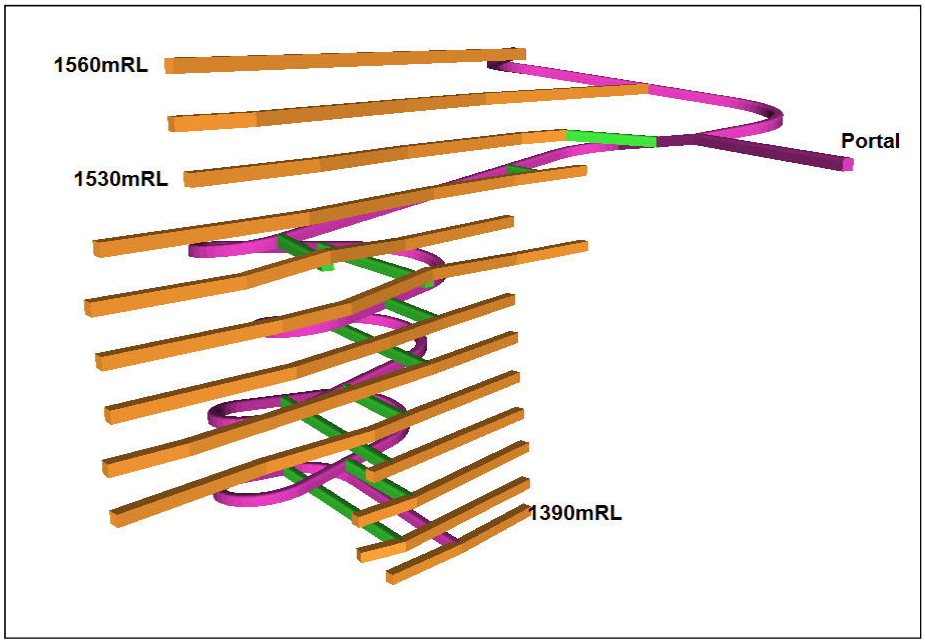
Figure 18-21 Creston North conceptual design



El Rey concept

The conceptual design for El Rey is shown in Figure 18-22. It comprises a decline with an adit at 1530 mRL and extending down to 1390 mRL with 13 sublevels.

Figure 18-22 El Rey conceptual design



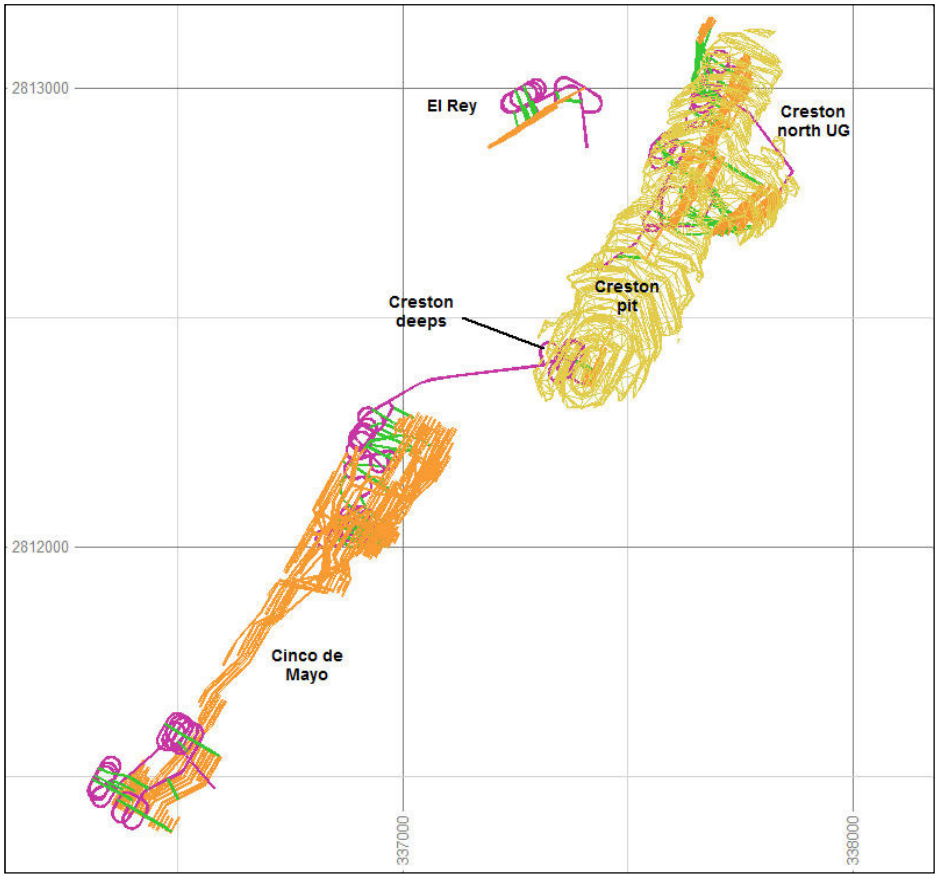
Underground summary

A summary of the physicals associated with the preliminary underground designs is presented in Table 18-8 and in a plan view in Figure 18-23. Note that these inventories are based on the conceptual designs and may not include areas identified as potential feed during the Stopesizor analysis, or some stopes which may be identified as being not beneficial when specific development and access requirements are considered.

Table 18-8 Summary of underground conceptual designs

Item	Units	Cinco de Mayo	El Creston	El Rey
Development	km	10.2	2.8	1.2
Potential feed	kt	3,068	1,530	252
	g/t Ag	31	30	39
	g/t Au	1.19	1.40	0.60
	% Cu	0.20	0.23	0.10
	% Pb	1.00	0.87	1.53
	% Zn	2.03	1.71	2.22

Figure 18-23 Plan view of Project areas



18.4 Combined open pit and underground schedule

A preliminary schedule for the combined open pit and underground designs has been prepared using Snowden's Evaluator software.

Evaluator is a scheduling package based on a Mixed Integer Programming (MIP) formulation. The software enables multiple sources (both open pit, underground, and underground development) to be modelled together and optimized for schedule and cut-off grade simultaneously, for a net present value (NPV) objective. The modelling of each location incorporates the input of economic and technical parameters. The economic parameters include price, operating cost, capital cost, and discount rate. The technical parameters include mining recovery and dilution as well as metallurgical recovery. The optimization honours sequencing and physical capacity limit constraints to ensure a feasible solution. Given the complexities of this project, particularly the dependencies between the various deposits and potential open pit and underground operations, Evaluator was deemed an appropriate and necessary tool to provide guidance for strategy selection.

Schedule parameters

The technical parameters required for Evaluator were determined from public domain research, advice from Soho and Soho's consultants, and from reference to Snowden's database of relevant performance data.

The Evaluator parameters are shown in Table 18-9. Hawthorn (Westcoast Mineral Testing) provided parameters for metallurgy and marketing, which have been included as Appendix B.

Table 18-9 Evaluator parameters and assumptions

Item	Unit	Value
Process capacity (year 1)	Mtpa	0.75
Process capacity (year 2+)	Mtpa	1.00
Process cost	$/t	20.34
Royalty	%	1.6
Open Pit		
Maximum mining rate	Mtpa	5.0
Mining cost	$/t	1.25
Recovery	%	95
Dilution	%	5
Dilution grade	g/t or %	0
Underground		
Level development maximum rate	m pa	3,600
Development cost	$/m	1,500
Production tonnes capacity	ktpa	750
Mining cost	$/t	15
Mining loss (including pillars)	%	20
Dilution	%	10
Dilution grade	g/t or %	0

Schedule results

The results from the Evaluator schedule are summarized in Figure 18-24 to Figure 18-27, and in Table 18-10 to Table 18-12. Key findings include:

- potential Project life of greater ten years, with the mill operating at full capacity from Year 2 to Year 8
- potential mill feed over the Project life of 9.0 Mt at 1.6 g/t Au, 28 g/t Ag, 0.18 %Cu, 0.87 %Pb and 1.64 %Zn
- Cinco de Mayo underground operates over the whole Project life with a steady production rate at or near 300 ktpa
- Creston open pit is in operation from Years 1 to Year 8

- El Rey and Creston underground operations commence in Year 6
- A substantial spike in the gold grade during Year 2 of 3.5 g/t (the average over LOM is 1.6 g/t)

Figure 18-24 Schedule of potential feed

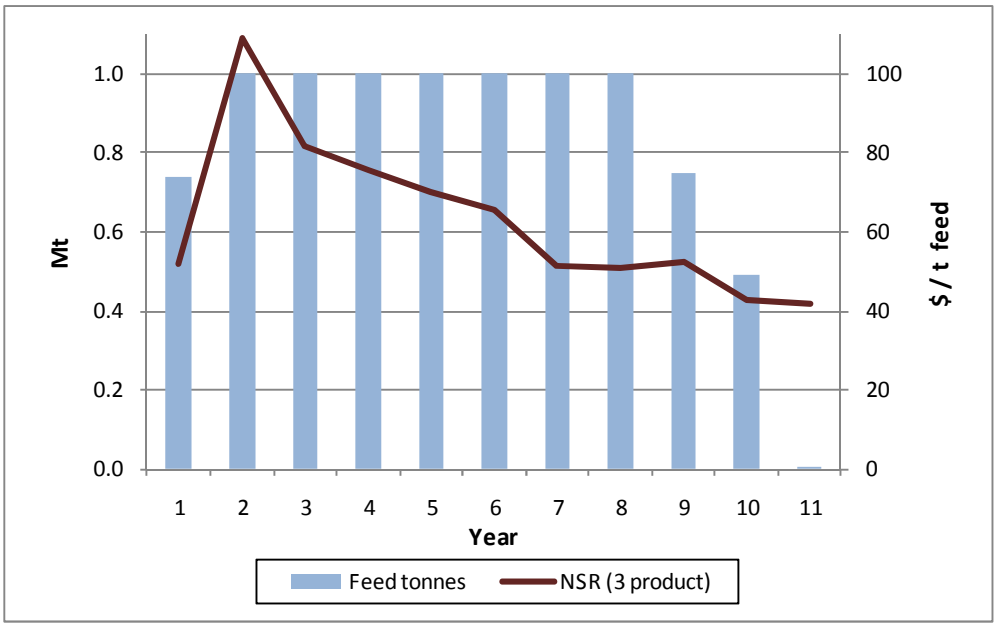


Figure 18-25 Schedule of potential feed metal grades

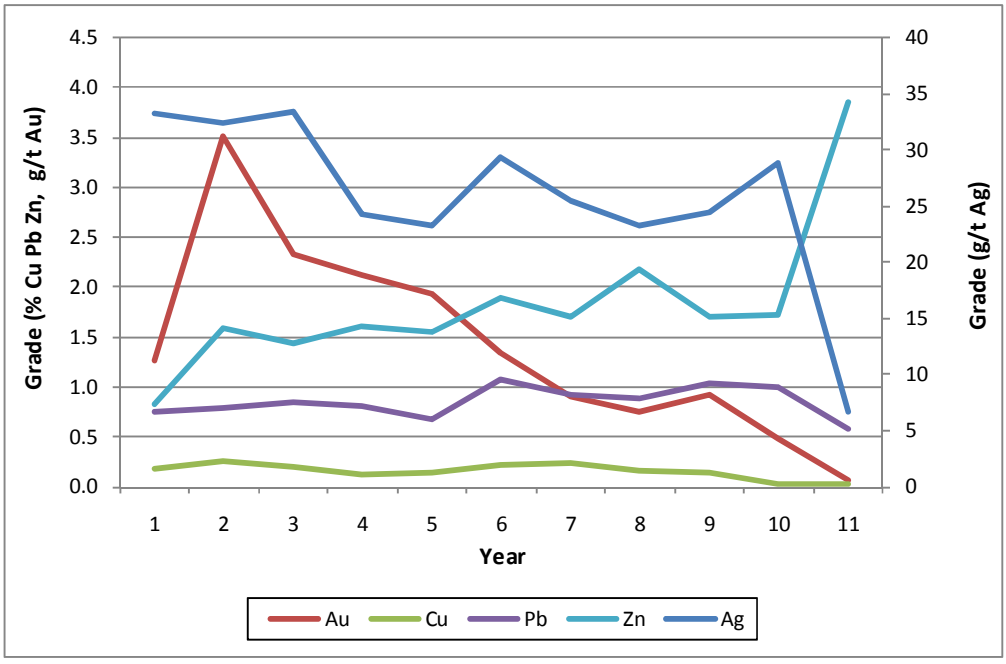


Figure 18-26 Movement schedule

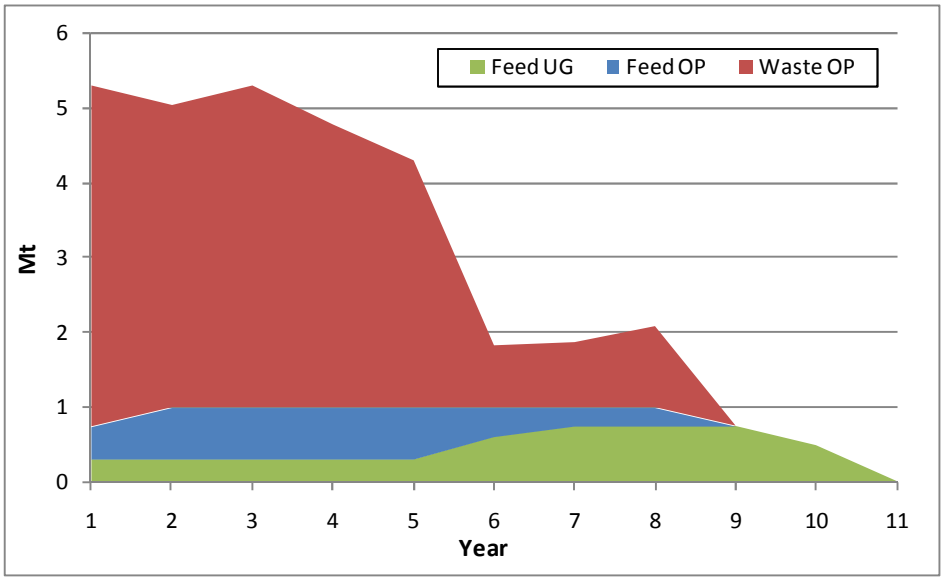


Figure 18-27 Schedule of potential feed by source

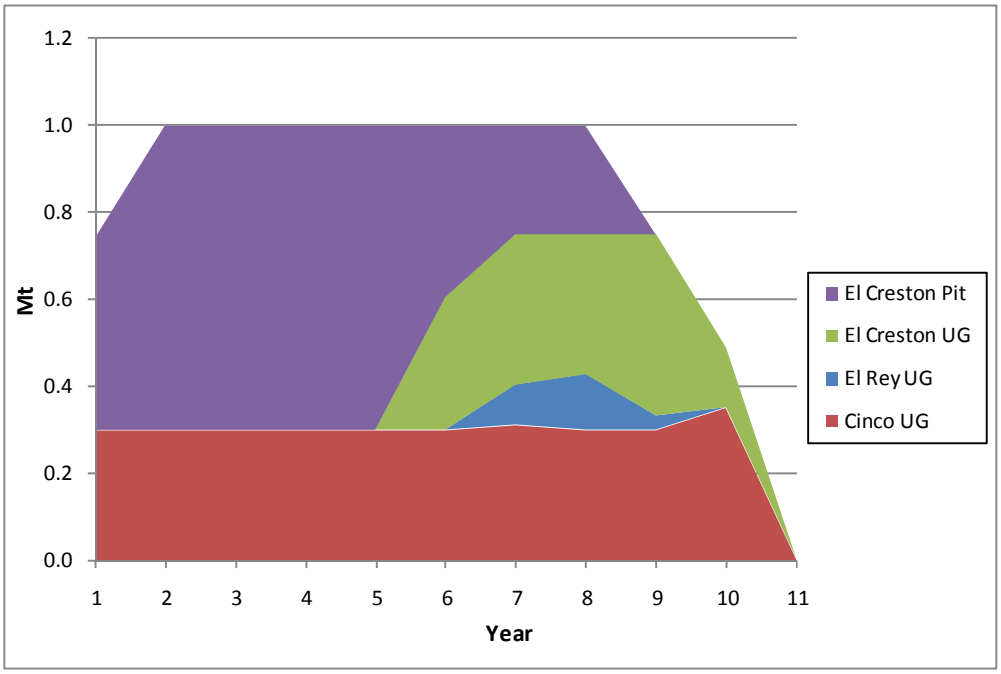


Table 18-10 Project schedule - material movement and feed grades

Year		1	2	3	4	5	6	7	8	9	10	11	Total
Creston pit	kt	5,000	4,739	5,000	4,478	4,000	1,218	1,119	1,331				**26,886**
Feed	kt	440	700	700	700	700	394	250	250				**4,135**
Waste	kt	4,560	4,039	4,300	3,778	3,300	824	869	1,081				**22,751**
Strip ratio	w:o	10.4	5.8	6.1	5.4	4.7	2.1	3.5	4.3				**5.5**
Cinco de Mayo UG													
Feed	kt	300	300	300	300	300	300	312	300	300	351	5	**3,068**
Creston underground													
Feed	kt						306	347	322	418	138		**1,530**
El Rey underground													
Feed	kt							92	128	32			**252**
Total Material	**kt**	**5,300**	**5,039**	**5,300**	**4,778**	**4,300**	**1,824**	**1,869**	**2,081**	**750**	**489**	**5**	**31,736**
Total Feed	**kt**	**740**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**1,000**	**750**	**489**	**5**	**8,985**
Feed Grade	**Au g/t**	1.26	3.51	2.33	2.12	1.94	1.35	0.90	0.76	0.93	0.48	0.06	**1.64**
	Ag g/t	33	32	33	24	23	29	25	23	24	29	7	**28**
	Cu %	0.18	0.25	0.21	0.12	0.14	0.23	0.23	0.16	0.14	0.04	0.03	**0.18**
	Pb %	0.75	0.80	0.84	0.80	0.68	1.07	0.93	0.88	1.03	0.99	0.58	**0.87**
	Zn %	0.83	1.60	1.44	1.61	1.55	1.90	1.70	2.18	1.71	1.73	3.85	**1.64**
Net Smelter Return	**$/t feed**	51.76	109.28	81.94	75.87	69.87	65.44	51.38	51.00	52.58	42.90	41.96	**67.19**

Table 18-11 Underground development schedule

Year		1	2	3	4	5	6	7	8	9	10	11	Total
Cinco de Mayo UG	m	2,452	3,600	1,022	855	291	283	375	20	440	850	15	**10,203**
Creston underground	m						1,856	620	190	110	40		**2,816**
El Rey underground	m						260	650	220	35			**1,165**
Grand Total	**m**	**2,452**	**3,600**	**1,022**	**855**	**291**	**2,399**	**1,645**	**430**	**585**	**890**	**15**	**14,184**

Table 18-12 Schedule of potential feed by confidence

Year		1	2	3	4	5	6	7	8	9	10	11	Total
Measured	kt	226	420	439	326	346	313	228	303	310	135	1	**3,047**
	Au g/t	1.37	3.95	2.19	2.06	2.04	2.74	1.02	0.85	1.31	0.66	0.95	**2.02**
	Ag g/t	40	33	25	34	26	27	19	26	30	32	34	**29**
	Cu %	0.23	0.28	0.21	0.18	0.07	0.20	0.16	0.15	0.15	0.04	0.06	**0.18**
	Pb %	0.74	0.71	0.88	0.85	0.95	0.79	0.80	0.88	0.99	1.00	0.81	**0.85**
	Zn %	0.92	1.45	1.23	1.39	1.87	1.83	1.82	2.25	1.60	1.42	0.74	**1.58**
Indicated	kt	301	392	416	518	380	311	342	342	198	148	3	**3,350**
	Au g/t	1.12	3.55	2.76	1.80	1.94	1.38	0.96	0.82	1.07	0.61	0.89	**1.75**
	Ag g/t	30	34	27	31	24	25	23	24	30	30	34	**28**
	Cu %	0.21	0.25	0.23	0.18	0.09	0.16	0.22	0.16	0.19	0.04	0.06	**0.18**
	Pb %	0.59	0.76	0.70	0.79	0.81	0.81	0.86	0.85	1.03	0.93	0.74	**0.79**
	Zn %	0.81	1.57	1.24	1.31	1.73	1.86	1.72	2.03	1.38	1.53	0.69	**1.51**
Inferred	kt	213	188	145	157	274	376	429	355	242	207	2	**2,588**
	Au g/t	1.30	2.54	1.97	1.55	1.40	0.86	0.82	0.67	0.23	0.30	0.06	**1.04**
	Ag g/t	29	24	36	32	22	29	30	20	15	25	7	**26**
	Cu %	0.11	0.17	0.31	0.26	0.10	0.16	0.29	0.19	0.05	0.03	0.03	**0.17**
	Pb %	0.96	0.86	0.90	0.96	0.72	1.18	1.05	0.85	1.23	1.04	0.58	**0.99**
	Zn %	0.76	1.89	1.83	1.86	1.53	2.23	1.63	2.16	2.37	2.10	3.85	**1.86**

18.5 Environmental considerations

18.5.1 Regulatory requirements

Mine permitting in Mexico is primarily administered by the federal government body, the Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT). Following from objectives outlined in the Ley General del Equilibrio Ecológico y la Protección al Ambiente, an Environmental Impact Assessment called a Manifestación de Impacto Ambiental (MIA) will be required in order to gain approvals for construction and operation. SEMARNAT will decide if separate MIAs will be required for the road infrastructure, electrical transmission, and infrastructure. Additional regulatory triggers may require that the MIA for the infrastructure includes a Risk Assessment. Additionally, as a part of the land tenure process, a Change in Land Use Application called a Cambio de Uso de Suelo (CUS), supported by a Technical Supporting Study called an Estudio Técnico Justificativo may be required for all areas of land disturbance.

To better reach acceptability to shareholders and potential financing bodies, the environmental documentation should also comply with the international guidelines presented in the Equator Principles, the International Finance Corporation Performance Standards, and the International Cyanide Management Code.

18.5.2 Previous studies

To date a study has been carried out by Knight Piésold titled *Preliminary Project Development Options and Baseline Data Collection,* March 2005. The study considered various options for storage of tailings at the project site. Additionally there were some recommendations for follow up work. As part of the recommendations, an automated weather station has been installed at site to collect relevant weather data.

The metallurgical studies included limited studies for acid rock drainage (ARD) and are reported in section 16.4 - Acid rock drainage. The samples were acid generating but had a neutralizing potential as well.

18.5.3 Proposed studies

The MIA and CUS required for authorization will require studies to support exploration permitting. Snowden recommends that baseline studies for the MIA be started so that there is a base of environmental information for the Prefeasibility Study.

As part of that study, a baseline database should be initiated for the following:

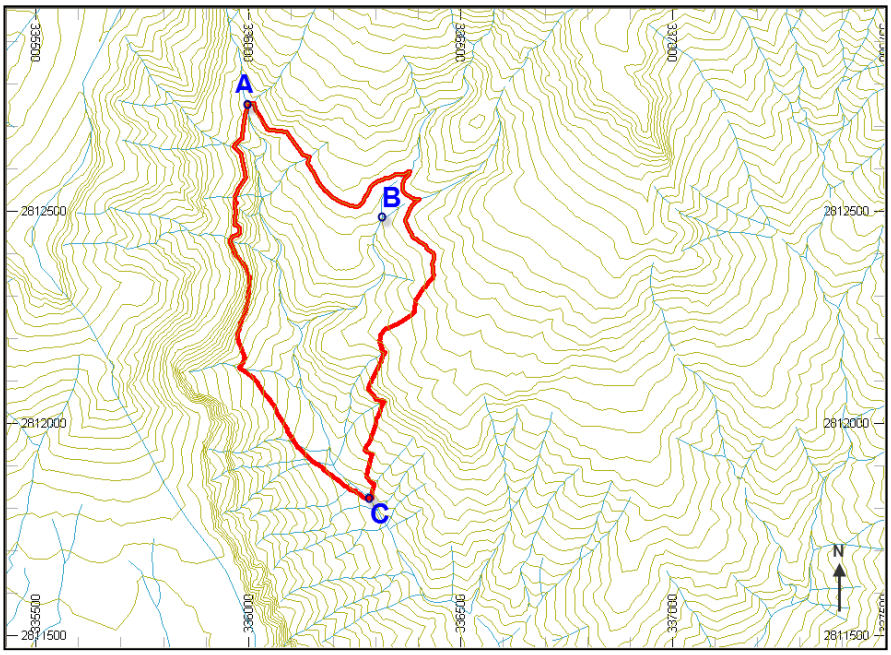
- climate
- soils
- surface hydrology
- flora
- fauna
- socio-economic factors.

More detailed studies including acid base accounting (ABA) and humidity cell testing to determine if the overall samples are acid generating will be needed for the pre-feasibility study to determine storage requirements for the tailings and waste rock.

In addition to the baseline studies, additional work could be set up at site in the near term. This work includes installing flow weirs on streams that may be impacted by Project works. The stream flowing south to the west of the Project location is the likely

location for the waste dump and as such three flow weirs could be located on this stream (sites a, b, and c) upstream and downstream of the proposed dump location as shown on Figure 18-28.

Figure 18-28 Proposed flow weir locations



As part of ongoing QC/QA of the climatological data collected at site by the automated weather station, Snowden recommends that daily readings be taken manually for temperature, humidity and rainfall. Manual readings are simple and inexpensive to collect yet give warning of any component failure in an automated weather station. Manual readings can be taken with a simple thermometer, hygrometer and clear view rain gauge.

In addition to the data currently collected Snowden recommends that the current wind vane be replaced with a 2D ultrasonic anemometer. As there are no moving parts an ultrasonic anemometer it is more reliable in the long term than a weather vane which requires regular cleaning and calibration.

Snowden recommends that a fauna sighting register begin at the site. The register would consist of a log book and list all animals viewed in the field listing species, location, date and time, observer, weather conditions, period of observation and comments. This can provide good background for the baseline fauna study to be completed.

18.5.4 Identified issues

No other environmental issues have been identified that would alter or compromise Project planning.

18.6 Mineral processing

The flotation circuit is designed to process 1 Mt per year, equivalent to 120 tonnes per hour (tph) through the grinding and flotation circuits.

The processing flowsheet will include the following:

- Primary jaw crusher sized to accommodate both the required feed rate of about 160 tonnes per hour and the maximum rock dimension. Preliminary sizing suggests a minimum of 60 cm x 90 cm (24" x 36").
- Two stages of cone crushing, with partial closed circuiting to produce minus 10 mm ball mill feed. Both crushers will be 5 ½' Symons cone crushers or equivalent.
- A single nominal 3.6 m x 5 m (12' x 18') ball mill, or two ideally identical half sized mills. Based upon an estimated WI of 16 (no WI testing has been performed to date), a total of 1,800 kW (2,400 HP) will be required to process 120 tonnes per hour to a P80 of 90 microns. At a more advanced stage in the project, a ball mill / tower mill configuration should also be considered.
- Two identical rougher flotation circuits, one for bulk Cu/Pb and the second for Zn each with nominally 30 minutes retention time. Both the rougher and initial cleaner flotation machines will be of the tank cell design, with the final flotation stages in column cells.
- All flotation concentrates will be thickened and filtered. In all probability more expensive pressure filters will be used for all three concentrates. However, because of the dry climate at this site, vacuum filters and partial solar drying are options that should be contemplated in the context of regional practice.

It is anticipated that three flotation concentrates (Cu, Pb, and Zn) will be produced. The high unit value Cu and Pb concentrates will be shipped in supersacs, and the lower value Zn concentrate will be shipped in bulk. Based upon regional practice, it is anticipated that all concentrates will trucked to a west coast port at either Manzanillo or Topolabampo, for sale overseas.

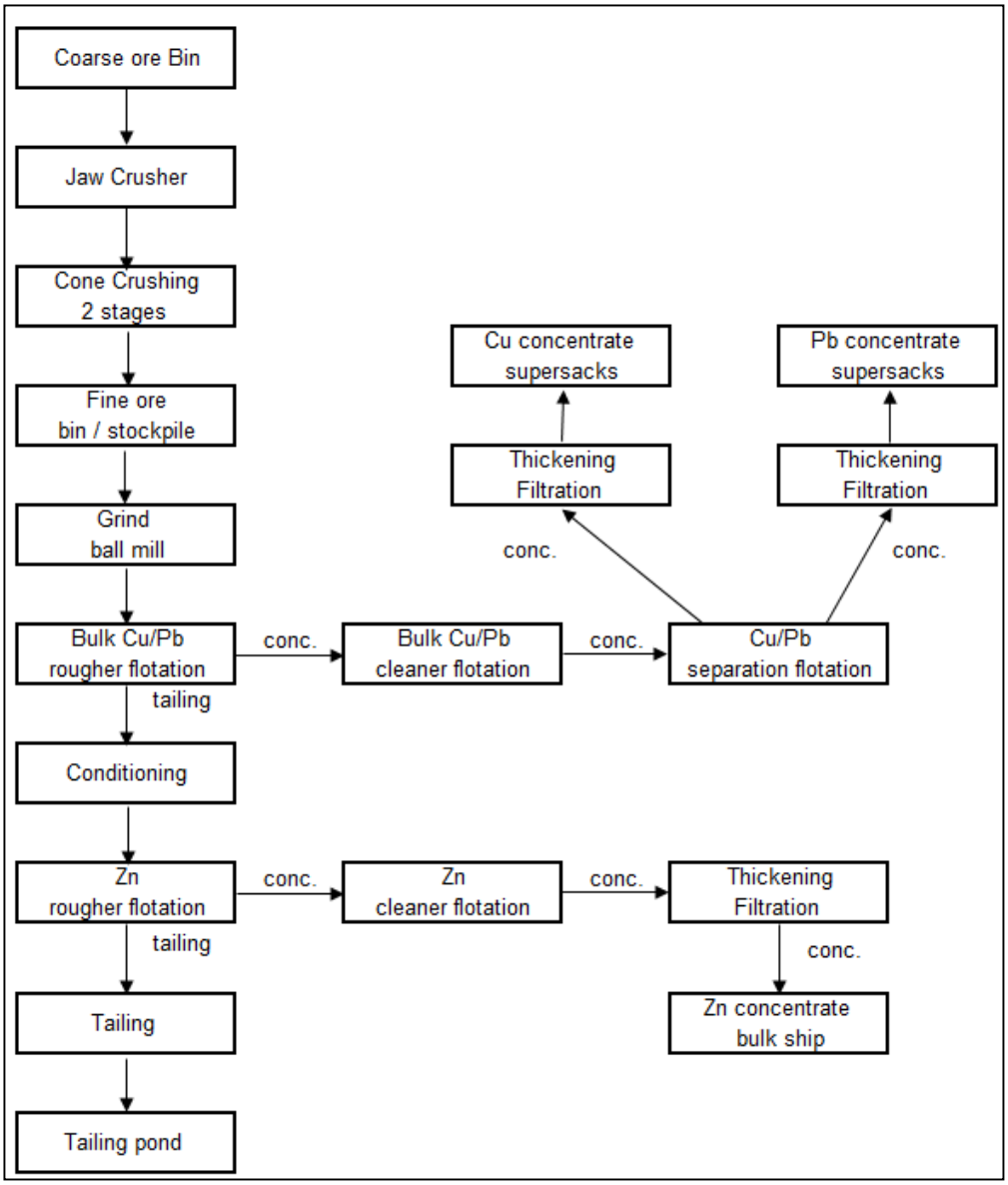
18.6.1 Mineral processing design

A simplified design criteria for the plant is included in Table 18-13 and a conceptual process flowchart is shown in Figure 18-29.

Table 18-13 Processing plant design criteria (average conditions)

Item	Unit	Value
Annual throughput	Mt	1.0
Throughput rate	tonnes / hour	120
Operating time	%	95
Crushing product	P80 microns	8,000
Grinding product	P80 microns	90
Cu conc.	dmt/year	4,400
Pb conc.	dmt/year	13,000
Zn conc.	dmt/year	22,000

Figure 18-29 Conceptual process flowchart



18.6.2 Predicted metallurgy

The metallurgical testing to date is preliminary and was performed on composites that are of a higher grade than are currently being projected.

At this stage the most supportable forecast is based on the testwork results for the "overall composite" which represents a weighted average for the four mineralized zones, extrapolated to the Snowden 11 Year "Grand total" weighted average feed grade. The forecast distribution is included in Table 18-14 and

Product	Wt %	Assays

		Au g/t	Ag g/t	Cu %	Pb %	Zn %
Pb conc.	1.3	73	1,030	7.6	50	6
Cu conc.	0.4	68	1,480	8.3	6	12
Zn conc.	2.2	4	100	0.7	0.6	56
Total conc.	3.9					
Tailing	96.1	0.28	6	0.03	0.19	0.30
Feed	100.0	1.64	28	0.18	0.87	1.64

Table 18-15.

Table 18-14 Metallurgical Balance – Weights and Assays

Product	Wt %	Assays				
		Au g/t	Ag g/t	Cu %	Pb %	Zn %
Pb conc.	1.3	73	1,030	7.6	50	6
Cu conc.	0.4	68	1,480	8.3	6	12
Zn conc.	2.2	4	100	0.7	0.6	56
Total conc.	3.9					
Tailing	96.1	0.28	6	0.03	0.19	0.30
Feed	100.0	1.64	28	0.18	0.87	1.64

Table 18-15 Metallurgical Balance – Metal Distribution (%)

Product	Distribution %				
	Au	Ag	Cu	Pb	Zn
Pb conc.	58	48	55	75	4
Cu conc.	18	23	20	3	3
Zn conc.	6	8	9	1	75
Total conc.	82	79	84	79	83
Tailing	18	21	16	21	17

18.6.3 Marketing

Based upon preliminary contacts with concentrate buyers in Mexico, it is expected that all three flotation concentrates will be exported through the Western Mexican deep sea ports at either Manzanillo, Colima or Topolabampo, Sinaloa, for shipment to Asia.

The unit value of both the Cu and Pb concentrates is quite high because of elevated precious metal grades, so it will be shipped from the site in super sacks.

The much lower unit value Zn concentrate will be shipped in bulk.

A summary of the generic smelter treatment and refining schedules is included in Table 18-16.

Table 18-16 Concentrate marketing terms

Item	Unit	Pb conc.	Cu conc.	Zn conc.
Super sacks	$ / dmt	15	15	-
Shipping	$ / dmt	32	32	32
Treatment charge	$ / dmt	250 - 300	80 - 150	270 - 350
Payables	Au	95% - deduct 1 g/t	92.5% - deduct 1.5 g/t	65% - deduct 1.75 g/t
	Ag	95% - deduct 50 g/t	92.5% - deduct 50 g/t	75% - deduct 120 g/t
	Pb	95% - deduct 3-8 units		
	Cu		96.5% - deduct 1.2 units	
	Zn			85% - min. deduct 8 units
Refining	Au - $/oz	8 - 12	8 - 12	8 - 12
	Ag - $/oz	1.25 - 1.75	1.25 - 1.75	1.25 - 1.75

18.7 Capital and operating cost estimates

18.7.1 Operating costs

Operating costs have been included in these sections of this report:

- Open pit mining and processing costs - Section 18.2.1
- Underground mining costs - Table 18-9 in Section 18.4

18.7.2 Capital costs

Capital cost estimates have been generated based on new plant and equipment, published costs for similar projects and information contained in Snowden's database, by scoping level quotes from contractors and suppliers, or by scaling from other projects in similar locations.

Note that:

- Mining costs are based on the use of contractors, therefore the mobile equipment fleet is not included as a capital cost.
- In this preliminary analysis, all underground development has been treated as an operating cost.
- Sustaining capital has been provided for at 2.5% of start-up costs per annum.

An itemised account of the capital costs included in the PEA is shown in Table 18-17.

Table 18-17 Capital and start-up costs

Item	Value ($M)
Pre-project capital	
Data gathering	3.5
Prefeasibility Study	1.5
Feasibility study	2.0
Detailed design	2.0
Permits	0.5
Processing	
Process plant	49.4
Tailings dam construction	4.6
Mining	
Open pit roads	2.0
Portals and UG access roads	0.5
Equipment (non-contract)	0.5
Workshops	0.9
Contractor mobilisation	0.3
Infrastructure	
Site access road	7.7
Power connection to grid	9.4
Water supply and treatment	1.4
Fuel storage and distribution	0.2
Offices and equipment	0.4
Camp / canteen	0.8
Construction camp	1.5
Total	**89.1**

18.8 Economic analysis

Snowden determined cash flows for the schedule presented in Section 18.4 using the Evaluator software package. In undertaking the economic analysis:

- no provision has been made for exploration expenditure attributable to the operation
- no provision has been made for environmental bonds, rehabilitation costs or salvage revenues
- no provision has been made for project financing arrangements or sales arrangements other than spot price contracts
- no provision has been made for depreciation of capital expenditure

- no provision has been made for government royalties or taxes
- no provision has been made for inflation of costs with time.

The results of the financial modelling for the base case are summarised in Table 18-18.

Table 18-18 Summary of financial model

Item	Units	Value
Undiscounted cash flow	$M	184
NPV @ 5% discount	$M	110
Internal rate of return (IRR)	%	31
Payback period	Months	27

The commodity price assumptions used to generate the financial indicators in Table 18-18 are detailed in Table 18-4. These commodity prices represent the three year averages for each of the respective metals at the end of August 2010. No price or cost variance assumptions were made in the calculation of these financial indicators.

18.8.1 Sensitivity analysis

Sensitivity analyses were undertaken on the Project schedule for the following key parameters:

- gold price from $700 /oz to $1500 /oz
- other metal prices (silver, copper, lead and zinc prices factored as a group)
- capital costs
- processing and site operating costs
- underground mining production cost (excludes development)
- open pit mining cost

The outcomes of the sensitivity analyses for NPV and IRR are presented in Figure 18-30 and Figure 18-31 respectively. The results show that the project NPV is most sensitive to the "other metal prices" and the gold price. The Project also exhibits a moderate sensitivity to the process and site costs, and the capital cost. Sensitivity to mining costs, either open pit or underground, is low.

Figure 18-30 Sensitivity analysis results - NPV

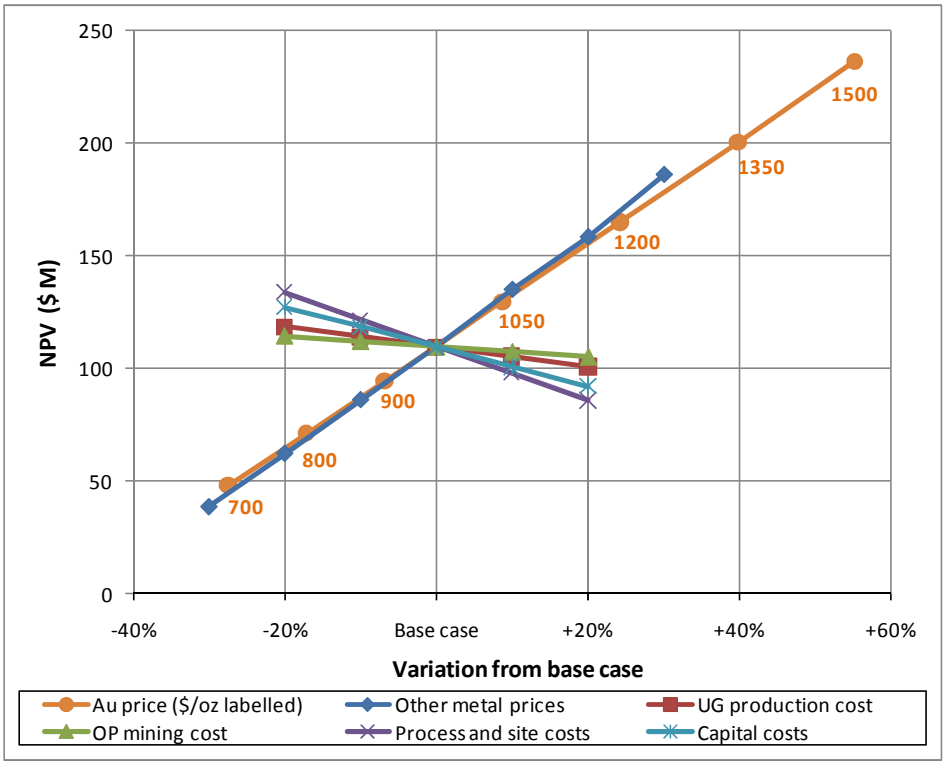
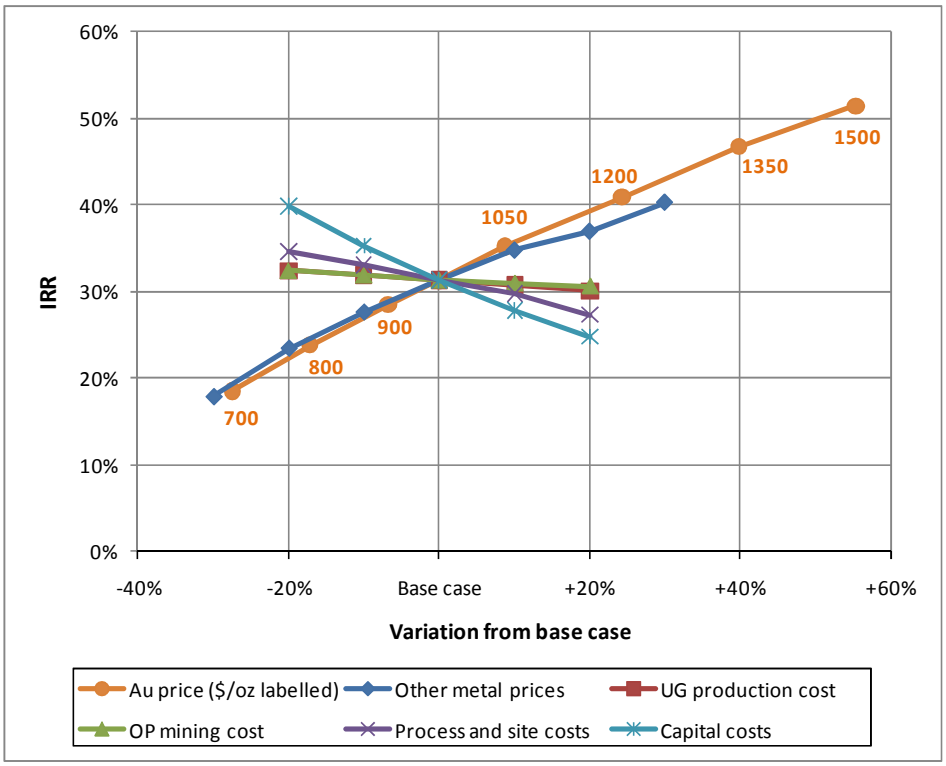


Figure 18-31 Sensitivity analysis results - IRR



19 Conclusions and recommendations

It can be concluded from the current study that there is potential for a profitable project to be established at Tahuehueto. An open pit operation is potentially viable at El Creston, whilst resources with potential for economic underground extraction exist at Cinco de Mayo, El Creston and El Rey. Metallurgical testwork indicates that it will be possible to use flotation to produce separate copper, lead, and zinc concentrates.

The financial modelling assumptions deliver a significant life of 11 years at a maximum processing rate of 1 Mtpa. An IRR of 31% is achieved on an undiscounted cash flow of $184 M.

It is recommended that Soho continues with its evaluation of the Tahuehueto Project and progresses towards undertaking a Prefeasibility Study to address the remaining material project uncertainties.

Resource estimation recommendations:

- Undertake a drillhole spacing study based on the existing data to determine appropriate drillhole spacing and orientation to ensure that subsequent drilling programs increase the confidence in the Resource classification targeted towards developing sufficient Measured and Indicated Resource for a Prefeasibility Study.
- Undertake a drilling program at a spacing and orientation recommended by the drill hole spacing study so that more of the Resource can be classified as Measured or Indicated which may then be converted into Reserves after completion of a Prefeasibility Study.
- Review the resource confidence classification criteria for future Resource estimates and ensure that all aspects affecting confidence in the Resource estimation are considered, including geological understanding, complexity, and continuity, the sample data density and orientation (including sample grades and bulk density data), the data accuracy and precision as established through the QAQC programs, grade continuity including the spatial continuity of mineralisation, the quality of the estimates, and the results of the estimation validation.

Metallurgical

- Assess the use of alternative depressants and alternative addition rates in the bulk rougher circuit
- Assess alternative depressants in the copper-lead separation stage
- Determine the role of finer primary grinding on zinc selectivity in the bulk rougher flotation stage. That may lead to the use of zinc depressants in the bulk cleaner circuit in an attempt to divert more of the zinc to the zinc concentrate.
- Assess the role of regrinding
- Conduct Work Index testing
- Undertake tests to determine the processing variability between the "fresh" and the "supergene" zones and the effect of randomly comingling of feed types.

Other

Undertake a program of geotechnical logging, testing and analysis so that the potential of an open pit at Cinco de Mayo can be established (which would substantially increase the value of the project), and that better definition of underground and open pit geotechnical design criteria can be achieved

After completion of the recommended program of data collection, embark on a Prefeasibility Study where construction and operating costs can be defined more accurately and some trade-off studies undertaken.

20 References

Author	Description
Brown, R. F., 1998a	R.F.B. Geological - "Report on the mineral resource at El Creston and Cinco de Mayo zones based on Consolidated Samakrand Resources Inc 1997 sampling; Tahuehueto mine project, Durango, Mexico"
Brown, R. F., 1998b	R.F.B. Geological - "Report on the 1997 exploration; Tahuehueto mine project, Sinaloa State (sic), Mexico"
Brown, R. F., 2004	R.F.B. Geological - "Summary report on the Tahuehueto project, municipality of Tepehuanes, Durango state, Mexico: NI 43-101 Technical Report prepared for Soho Resources Corp."
Canova, E., 2006a	Geoconsul Canova - "El Rey results, discussion of El Rey sampling"
Canova, E., 2006b	Geoconsul Canova - "Santiago results, discussion of Santiago sampling"
Cavey, G., 1994	Orequest Consultants Ltd - "Summary report on the Tahuehueto project, municipality of Tepehuanes, Durango state, Mexico" (Draft)
Cavey, G., 1997	Orequest Consultants Ltd - "Summary report on the Tahuehueto project, municipality of Tepehuanes, Durango state, Mexico"
Centennial Precious Metals, 2010	"Daily gold prices - London gold fix price history" http://www.usagold.com/reference/prices/history.html Accessed September 2010.
CIM, 2003	CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines, adopted by CIM Council on November 23, 2003.
CIM, 2005	CIM DEFINITION STANDARDS - For Mineral Resources and Mineral Reserves. Prepared by the CIM Standing Committee on Reserve Definitions. Adopted by CIM Council on December 11, 2005.
Consejo de Recursos Minerales, 1983a	"Informe final de trabajos realizidos en el proyecto Tahuehueto, Dgo." January 1983
Consejo de Recursos Minerales, 1983b	"Informe final de trabajos realizidos en el proyecto Tahuehueto, Dgo." June 1983
Corbett, G., 2007	Corbett Geological Services Pty Ltd - "Comments on the controls to Au-Ag mineralisation at the Tahuehueto project, Durango, Mexico", October 2007
Dunne, K. P. E., 2004a	Petrascience Consultants Inc. - "Fluid inclusion report, Tahuehueto project, Durango, Mexico"
Dunne, K. P. E., 2004b	Petrascience Consultants Inc. - "Petrographic report, Las Tahuehueto project, Durango, Mexico"
Dunne, K. P. E. and Thompson A. J. B., 2005	Petrascience Consultants Inc. - "Petrography report, Tahuehueto project, Durango, Mexico"
Dunne, K. P. E., 2007a	Petrascience Consultants Inc. - "Fluid inclusion survey and petrographic report, Tahuehueto project, Durango, Mexico"
Dunne, K. P. E., 2007b	Petrascience Consultants Inc. - "Fluid inclusion report II, Tahuehueto project, Durango, Mexico"
Gustin, 2008	Mine Development Associates - "Technical Report; Tahuehueto Project; Durango, Mexico" June 2008
Hawthorn, 2010	Westcoast Mineral Testing Inc. - "Mineral Process Testing for Soho Resources Corp." September 2010

Author	Description
Henry, C. D., McDowell, F. W. and Silver, F. T., 2003	"Geology and geochronology of granitic batholith complex, Sinaloa, Mexico; Implications for Cordilleran magmatism and tectonics" Geological Society of America Special Paper 374, pp 237-273
IMF, 2010	International Monetary Fund - "IMF primary commodity prices" http://www.imf.org/external/np/res/commod/index.asp Accessed September 2010.
Kamono, H., 1978	Emijamex, S.A. de C.V. - "Report on geological investigations at Sacramento (Tahuehueto El Alto) mine, Tepehuanes, Durango"
Klein, J., 2004	"3D induced polarization/resistivity survey over Soho Resources Corp's Tahuehueto Project, Mexico"
Knight Piésold, 2005	"Soho Resources Corporation Tahuehueto project, preliminary project development options and baseline data collection (Ref. No. VA201-141/1-1)"
Lehne, 2009a	Lehne & Associates - "Tahuehueto Project- Ore Microscopy Investigation of Three Flotation Test Products", November 2009.
Lehne, 2009b	Lehne & Associates - "Tahuehueto Project- Ore Microscopy Investigation of Four Composite Ore Samples", December 2009.
Leitch, C. H. B., 2007a	Vancouver Petrographics Ltd - "Petrographic report on 6 samples for Coast Mountain Geological (summary)"
Leitch, C. H. B., 2007b	Vancouver Petrographics Ltd - "Petrographic report on 14 samples for Coast Mountain Geological (summary)"
Loucks, R. R., Lemish, J. and Damon, P. E., 1988	"Polymetallic epithermal fissure vein mineralization, Topia, Durango, Mexico: Part I, District geology, geochronology, hydrothermal alteration and vein mineralogy" Economic Geology, vol. 83, pp 1459-1528
Martinez, R., 1992	Compania Minera Tahuehueto, S.A. de C.V. - "Informe de reconocimiento geological prospecto Tahuehueto"
Moreau, A., 2006	Technologies Earthmetrix Inc. - "Lithostructural interpretation using satellite imagery, Tahuehueto project, Durango state, Mexico"
Payne, J. G., 2005	Vancouver Petrographics Ltd - Untitled petrographic report #050398 on samples from hole RC-18 Tahuehueto project
Pedroza Cano, E., 1991	Enrique Pedroza Cano y Asociados - "Tahuehueto mining project"
Rios G. R., Castrejon, O. M. and Nieto, G. R., 1977	Commission De Fomento Minero - "Finalmente puede concluirse que el mineral estudiado se adapta facilmente as processo de concentracion por flotacion", October 20, 1977. The report was subsequently translated into English using both direct translation and cut and paste of the tables.
Salas, G. P., 1991	"Sierra Madre Occidental metallogenic province", Economic Geology: Mexico; Geological Society of America, The Geology of North America, P3, pp 197-198
Sedlock, R. L., Ortega-Gutierrez, F. and Speed, R. C., 1993	"Tectonostratigraphic terranes and tectonic evolution of Mexico", Geological Society of America Special Paper 278
The Silver Institute, 2010	"Price history" http://www.silverinstitute.org/silver_price.php Accessed September 2010.
Soho Resources Corp., 2004a	"Soho Resources Corp. commences exploration program on Tahuehueto gold project, Durango, Mexico" April 13, 2004
Soho Resources Corp., 2004b	"Soho Resources Corp. announces assay results from Cinco de Mayo adit channel sampling and updates exploration program on Tahuehueto gold project, Durango, Mexico" July 6, 2004

Author	Description
Soho Resources Corp., 2004c	"Tahuehueto gold project - Texcalama adits and Texcalama vein system assay results, Durango, Mexico" August 19, 2004
Soho Resources Corp., 2005a	"Soho Resources Corp. intersects 10.6 metres of 8.8 g/t gold, 67.49 g/t silver, 10.46% zinc and 3.56% lead on first hole at Tahuehueto gold-silver project, Durango state, Mexico" March 16, 2005
Soho Resources Corp., 2005b	"Soho Resources reports assay results from the poly-metallic (gold, silver [sic], lead, zinc) Tahuehueto project, Durango state, Mexico" June 20, 2005
Soho Resources Corp., 2005c	"Soho Resources first diamond drill holes intersects 14.46 g/t Au, 7.75% Zn, 67.03g/t Ag, and 2.35% Pb over 6.10 meters on DDH 05-01 and 23.70% Z, 3.00% Pb, 1.17 g/t Au and 39.2 g/t Ag over 2.74 m on DDH 05-02 at Tahuehueto" September 7, 2005
Soho Resources Corp., 2006a	"High grade results indicate potential 4 km strike length to El Creston - Cinco de Mayo trend" January 4, 2006
Soho Resources Corp., 2006b	"DDH-05-33 returns three mineralized intersections and confirms geological model at Tahuehueto, indication for large scale poly-metallic deposit along the El Creston trend" February 22, 2006
Soho Resources Corp., 2006c	"Soho confirms potential of El Rey zone at Tahuehueto project" March 16, 2006
Soho Resources Corp., 2006d	"El Rey structure continues to demonstrate high grade silver" March 28, 2006
Soho Resources Corp., 2006e	"Santiago zone channel sampling program expands the potential of Tahuehueto project" April 20, 2006
Soho Resources Corp., 2006f	"Soho Resources summarizes progress to date at Tahuehueto" September 11, 2006
Soho Resources Corp., 2007a	"Soho reports high-grade results at Santiago Zone and progress at Tahuehueto" February 7, 2007
Soho Resources Corp., 2007b	"Soho reports several corporate events" June 4, 2007
Soho Resources Corp., 2007c	"Soho Resources Corp. is pleased to report additional drill results from Tahuehueto and comments on multiple events of mineralization" August 15, 2007
Soho Resources Corp., 2007d	"Soho Resources Corp. reports additional results and names new zone at Tahuehueto project in Durango, Mexico" September 27, 2007
Soho Resources Corp., 2007e	"Soho Resources Corp. contracts Falcon Drilling for Tahuehueto project" December 5, 2007
Soho Resources Corp., 2008	"Soho Resources Corp.: exploration update" February 1, 2008
Solkowski, L., 2005	Coast Mountain Geological Ltd - "Archaeological summary, Tahuehueto project, Durango, Mexico, as per guidelines of the Knight Piésold report “Baseline environmental data collection programme (sic)”" (Introduction only)
Solkowski, L., 2006a	Coast Mountain Geological Ltd - "Brief summary archaeological sites, numbers 28-29-30, El Pitio-Espinal Valley area"
Solkowski, L., 2006b	Coast Mountain Geological Ltd - "Brief summary report, wildlife and wildlife habitat for the Soho Resources Corp. exploration mining program Tahuehueto site, N.W. Durango State, Mexico, as per guidelines of Knight Piésold report “Baseline environmental data collection program dated March 03, 2005”"

Author	Description
Solkowski, L., 2006c	Coast Mountain Geological Ltd - "Brief summary report, Aquatic resources and habitat capability for the Soho Resources Corp. exploration mining program Tahuehueto site, N.W. Durango, Mexico, as per guidelines of the Knight Piésold report “Baseline environmental data collection program” dated March 2005"
Solkowski, L., 2006d	Coast Mountain Geological Ltd - "Brief summary archaeological sites, update for Soho Resources Corp. Tahuehueto project, Durango state, Mexico, March-April-May 2006"
Solkowski, L., 2006e	Coast Mountain Geological Ltd - "Archaeological summary update for the Soho Resources Corp. mineral claims, Tahuehueto, Durango state, Mexico, June-July 2006"
Solkowski, L., 2006f	Coast Mountain Geological Ltd - "Environmental baseline studies for Soho (sic) Resources (sic) Corp., Tahuehueto project, Durango State, Mexico, for water quality - surface water, ground water quality - fisheries and wildlife, as per Knight Piésold March 2005 report “Baseline environmental date (sic) collection”"
Solkowski, L., 2007a	Coast Mountain Geological Ltd - "Geological summary report for Soho Resources Corp., Tahuehueto project, Durango State, Mexico, August to December 2006"
Solkowski, L., 2007b	Coast Mountain Geological Ltd - "Brief summary report, vegetation and terrestrial ecosystems for Soho Resources Corp., Exploration mining program, Tahuehueto site, N.W. Durango State, Mexico, as per guidelines of the Knight Piésold report “Baseline environmental data collection program dated March 03, 2005”"
Solkowski, L., 2007c	Coast Mountain Geological Ltd - "Archaeological summary report for Soho Resources Corp., Tahuehueto exploration project, Durango State, Mexico, “Baseline data collection” for the 1:50,000 Metatitos Sheet, for year 2006"
Solkowski, L., 2007d	Coast Mountain Geological Ltd - "Archaeological summary report, Tahuehueto project Soho Resources Corp., Durango State-Mexico"
Solkowski, L., 2007e	Coast Mountain Geological Ltd - "Illustrated archaeological summary report on archaeological structures of the El Torreil and Camino Pelonsitios areas, Soho Resources Corp. -Tahuehueto project - Durango State - Mexico"
Solkowski, L., 2007f	Coast Mountain Geological Ltd - "Archaeological summary report, update on lithic materials discovered, El Torreil - Puerta La Croix - Purgatorio areas, Soho Resources Corp. Tahuehueto project, Durango State - Mexico"
Thompson & Knight, 2008	Untitled legal opinion at the request of Soho Resources Corp.
Urias, A., 2007	Urias Romeros y Asociados, S.C. - Untitled legal opinion at the request of Soho Resources Corp.
Visser, S., 2004	S.J.V Consultants Ltd - "Logistical and geophysical report, induced polarization survey, Tahuehueto project, Tepehuanes municipality, Durango, Mexico" (Draft)
Wilson, S. E., 2009	Scott E. Wilson Consulting Inc. - "Technical report - Tahuehueto Project", June 2009

Note: References noted within quotations from other sources have not been reproduced. Refer to the source of the quotation for details of such references.

21 Dates and signatures

Tahuehueto Project Preliminary Economic Assessment

Durango State, Mexico

October 29, 2010

Issued by:
Soho Resources Corp.

[SIGNED]	October 29, 2010
---	---
Anthony Finch	Date
[SIGNED]	October 29, 2010
---	---
Robert Gill	Date
[SIGNED]	October 29, 2010
---	---
Gary Hawthorn	Date
[SIGNED]	October 29, 2010
---	---
Scott E. Wilson	Date

22 Certificates

CERTIFICATE of QUALIFIED PERSON

(a) I, Anthony Finch, Divisional Manager - Mining, of Snowden Mining Industry Consultants Pty Ltd., Suite 600, 1090 West Pender St, Vancouver, British Columbia, do hereby certify that:

(b) I am the co-author of the technical report titled "Soho Resources Corp: Tahuehueto Project Preliminary Economic Assessment" and dated October 29, 2010 (the 'Technical Report') prepared for Soho Resources Corp.

(c) I graduated with a Bachelor of Engineering (Mining) from The University of Queensland in 1987 and a Bachelor of Economics from The University of Queensland in 1993.

I am a Member of the Australasian Institute of Mining and Metallurgy.

I have worked as a mining engineer continuously for a total of 24 years since my graduation from university in operational, managerial, technical and consulting roles.

I have read the definition of 'qualified person' set out in National Instrument 43-101 ('the Instrument') and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfil the requirements of a 'qualified person' for the purposes of the Instrument. During the last 5 years I have been the mine manager of a narrow vein precious metals mine, and have been involved in the evaluation of several Latin American precious and base metal deposits

(d) I have made a site visit to the Property on 20 July 2010.

(e) I am responsible for the preparation of sections 1, 2, 3, 15, 18 (with the exception of subsections 18.5 and 18.6) and 19 of the Technical Report.

(f) I am independent of the issuer as defined in section 1.4 of the Instrument.

(g) I have not had prior involvement with the property that is the subject of the Technical Report.

(h) I have read the Instrument and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

(i) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated at Vancouver BC this

[signed]

Anthony Finch, B Eng,(Min), B Econ., M AusIMM

Divisional Manager – Mining, Snowden Mining Industry Consultants.

CERTIFICATE of QUALIFIED PERSON

(a) I, Robert Gill, former Divisional Manager - Geotechnical, of Snowden Mining Industry Consultants (Snowden), 600 – 1090 West Pender Street, Vancouver, British Columbia, CANADA, do hereby certify that:

(b) I currently am not an employee of Snowden, but while under employment with Snowden I was co-author of the technical report titled "Soho Resources Corp: Tahuehueto Project Preliminary Economic Assessment" and dated October 29, 2010 (the 'Technical Report') prepared for Soho Resources Corp.

(c) I graduated with a Bachelor of Applied Science (Hons) in Geological Engineering from the University of British Columbia in 1985.

I am a Member of the Association of Professional Engineers and Geoscientists of British Columbia.

I have worked as a geotechnical engineer continuously for a total of 23 years since my graduation from university in design, construction, mining operations, health, safety and environmental management, and consulting.

I have read the definition of 'qualified person' set out in National Instrument 43-101 ('the Instrument') and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfil the requirements of a 'qualified person' for the purposes of the Instrument. I have been involved in Environmental, Geotechnical, and Mining consulting practice for 7 years, including working on both gold deposits and porphyry copper deposits for at least 5 years.

(d) I have made a site visit to the Property on 20 July 2010.

(e) I am responsible for the preparation of sections 1, 2, 3, 18.5 and 19 of the Technical Report.

(f) I am independent of the issuer as defined in section 1.4 of the Instrument.

(g) I have not had prior involvement with the property that is the subject of the Technical Report.

(h) I have read the Instrument and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

(i) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated at Vancouver, British Columbia, Canada October 29, 2010

[signed]

Robert Gill, B.Ap.Sc,, P.Eng.
Divisional Manager – Geotechnical, Snowden Mining Industry Consultants.

CERTIFICATE of QUALIFIED PERSON

(a) I, Gary Hawthorn, President, of Westcoast Mineral Testing Inc., [address], do hereby certify that:

(b) I am the co-author of the technical report titled "Soho Resources Corp: Tahuehueto Project Preliminary Economic Assessment" and dated October 29, 2010 (the 'Technical Report') prepared for Soho Resources Corp.

(c) I graduated with a Bachelor of Science in Mining Engineering from Queen's University, Kingston Ontario in 1964.

I am a Member of the Association of Professional Engineers and Geoscientists of British Columbia since 1972 and a Life Member of the Canadian Institute of Mining and Metallurgy.

I have worked as an engineer continuously for a total of 46 years since my graduation from university.

I have read the definition of 'qualified person' set out in National Instrument 43-101 ('the Instrument') and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfil the requirements of a 'qualified person' for the purposes of the Instrument. I have been a consulting Mineral Process Engineer for 28 years. During the last 5 years I have been involved in the evaluation of several Mexican precious and base metal deposits.

(d) I have not made a visit to the Property.

(e) I am responsible for the preparation of sections 1, 2, 3, 16, 18.6 and 19 of the Technical Report.

(f) I am independent of the issuer as defined in section 1.4 of the Instrument.

(g) I have not had prior involvement with the property that is the subject of the Technical Report.

(h) I have read the Instrument and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

(i) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated at Vancouver BC, Canada October 29, 2010

[signed]

Gary Hawthorn, B Sc, P. Eng, Principal, Westcoast Mineral Testing Inc.

CERTIFICATE of QUALIFIED PERSON

(a) I, Scott E. Wilson, President, of Scott E. Wilson Consulting, Inc., 6 Inverness Court East, Suite 110, do hereby certify that:

(b) I am the co-author of the technical report titled "Soho Resources Corp: Tahuehueto Project Preliminary Economic Assessment" and dated October 29, 2010 (the 'Technical Report') prepared for Soho Resources Corp.

(c) I graduated with a Bachelor degree in Geology from the California State University, Sacramento in 1989.

I am a Certified Professional Geologist and member of the American Institute of Professional Geologists and a Registered Member of the Society for Mining, Metallurgy and Exploration, Inc.

I have worked as a geologist continuously for a total of 21 years since my graduation from university with emphasis on computer modeling of metallic ore deposits.

I have read the definition of 'qualified person' set out in National Instrument 43-101 ('the Instrument') and certify that by reason of my education, affiliation with a professional association and past relevant work experience, I fulfil the requirements of a 'qualified person' for the purposes of the Instrument. I have been involved in mining and resource evaluations as a consultant for 11 years in Colorado, Nevada, Mexico, Nicaragua and Colombia.

(d) I made a site visit to the Property on 6 and 7 January 2009.

(e) I am responsible for the preparation of sections 1 through 14, 17 and 19 of the Technical Report.

(f) I am independent of the issuer as defined in section 1.4 of the Instrument.

(g) I have had prior involvement with the property that is the subject of the Technical Report.

(h) I have read the Instrument and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

(i) As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all the scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated at Littleton Colorado, USA, October 29, 2010

[signed]

Scott E. Wilson, CPG

Appendix A Metallurgical composite details

Calculation of weight of Zone composite

Creston is approximately 42% of resource, Catorce is 27%, Cinco De Mayo is 17% and Perdido is 14% (Santiago and El Rey ignored) Creston should contribute 3.4kg, Catorce 5.4kg, Cinco De Mayo 3.4kg and Perdido 2.6kg to the All Zone Composite.

So to have enough material for each individule zone composite to be 20Kg after material taken to contribute to the all zone composite each zone composite will need to be as follows;

Total Zone Composite weight

Creston	28.4 Kg
Catorce	25.4 Kg
Cinco De Mayo	23.4 Kg
Perdido	22.6 Kg

To Calculate the weight of each individule sample to add to the zone composite, weighted to core length

sample weight to zone composite = sample length X required weigth of Zone Composite divided by total length of core in composite.

Cinco De Mayo Composite

Approx Section Location	Hole	Sample Intersection	Depth From	Depth To	Length	Au_MDA	Au_X length	Ag_MDA	Ag_X length	Cu_MDA	Cu_X length	Pb_MDA	Pb_X length	Zn_MDA	Zn_X length	Wharehouse weight (Kg)	Weight Contributed to Composite
	DDH07-085	429246	77.35	78.35	1	1.35	1.350	24	24	0.38	0.380	0.31	0.310	0.24	0.24	3,495.96	0.583
		423247	78.35	79.35	0.7	1.77	1.239	34	23.8	0.4	0.280	0.25	0.175	0.15	0.105	2,433.36	0.412
		429248	79.05	80.05	1	4.86	4.860	45	45	0.79	0.790	0.34	0.340	2.45	2.45	3,524.36	0.588
		429249	80.05	80.7	0.65	6.31	4.101	53	34.45	0.5	0.325	0.96	0.624	2.83	1.8395	2,031.95	0.382
		429251	80.7	81.75	1.05	5.01	5.323	621	652.05	3.15	3.307	2.36	2.478	12	12.6	3,346.96	0.613
		429252	81.75	82.25	0.5	3.01	1.915	45	22.5	0.51	0.255	2.51	1.255	5.62	2.81	1,535.95	0.294
	DDH08-141	434211	4.38	5.5	0.62	2.12	2.554	21	13.02	0.11	0.068	0.14	0.087	3.14	0.0868	1,148.92	0.365
		434213	6	6.5	0.5	1.32	0.660	16	8	0.08	0.040	0.15	0.075	2.43	1.23	1,073.92	0.234
		434214	6.5	7	0.5	3.65	1.825	25	12.5	0.07	0.035	1.29	0.645	1.79	0.895	1,168.92	0.294
		434215	7	7.5	0.5	9.62	4.810	24	12	0.19	0.095	0.97	0.485	3.95	1.98	1,786.92	0.294
		434217	8	8.5	0.5	1.56	0.780	36	18	0.28	0.140	0.96	0.480	2.65	1.33	1,662.92	0.294
		434218	8.5	9	0.5	1.63	0.815	109	54.5	0.77	0.385	0.29	0.145	3.45	1.73	1,784.92	0.294
		434220	9	9.5	0.5	0.1	0.050	6	3	0.01	0.005	0.16	0.080	0.55	0.275	1,933.92	0.294
		434221	9.5	10	0.5	0.24	0.120	4	2	0.01	0.005	0.19	0.095	7.1	3.555	1,757.92	0.294
		434222	10	10.5	0.5	0.25	0.125	10	0	0.29	0.145	0.04	0.020	2.21	1.105	1,505.92	0.294
		434223	10.5	11	0.5	0.72	0.360	18	9	0.26	0.130	0.47	0.235	0.38	0.19	1,315.92	0.294
		434224	11	11.5	0.5	1.71	0.585	45	22.5	0.37	0.185	1.8	0.900	2.5	1.25	1,804.92	0.294
		434226	11.5	12	0.5	0.24	0.120	7	3.5	0.007	0.004	0.62	0.310	1.52	0.76	1,666.92	0.294
		434227	12	12.5	0.5	0.06	0.030	3	1.5	0.006	0.003	0.03	0.015	0.63	0.315	1,591.92	0.294
		434228	12.5	13	0.5	0.04	0.020	3	1.5	0.001	0.001	0.01	0.005	0.4	0.2	1,680.92	0.294
		434229	13	13.5	0.5	0.2	0.100	4	2	0.002	0.001	0.03	0.015	0.27	0.135	1,506.92	0.294
		434230	13.5	14	0.5	0.16	0.080	3	1.5	0.007	0.004	0.2	0.100	0.23	0.115	1,549.92	0.294
		434232	14	14.5	0.5	0.19	0.095	3	1.5	0.02	0.010	0.36	0.180	0.23	0.115	1,577.92	0.294
		434233	14.5	15	0.5	1.21	0.605	4	2	0.01	0.005	1.22	0.610	1.24	0.62	1,686.92	0.294
		434234	15	15.5	0.5	0.93	0.465	12	6	0.71	0.355	0.33	0.165	0.82	0.41	1,800.92	0.294
		434235	15.5	16	0.5	1.52	0.760	4	2	0.05	0.025	0.26	0.130	0.3	0.4	1,482.92	0.294
		434237	16.5	17	0.5	1.94	0.970	15	7.5	0.11	0.055	1.19	0.595	2.11	1.055	1,176.92	0.294
		434239	17.5	18	0.5	1.66	0.830	17	8.5	0.14	0.070	0.56	0.280	1.23	0.64	1,716.92	0.294
		434243	19	19.5	0.5	0.25	0.125	3	1.5	0.009	0.005	0.28	0.140	0.57	0.285	1,168.92	0.294
		434244	19.5	20	0.5	0.03	0.105	2	1	0.000	0.000	0.12	0.000	0.73	0.365	1,406.92	0.294
	DDH08-192	104137	102.8	103.8	1	2.77	2.770	133	133	1.34	1.340	1.74	1.740	4.12	4.12	3,601.95	0.647
	chemex	104138	103.8	104.9	1.1	0.42	0.462	15	16.5	0.12	0.132	0.72	0.792	1.43	1628	3,324.96	0.824
		104139	104.9	106.3	1.4	0.08	0.112	3	4.2	0.07	0.098	0.09	0.126	0.05	0.112	5,378.92	0.824
		104141	106.3	106.8	0.5	2.06	1.030	148	74	1.11	0.705	1.56	0.780	4.1	2.05	2,338.96	0.294
		104142	106.8	107.8	1	3.18	3.180	64	64	0.77	0.770	3.8	3.800	8.84	8.84	2,247.96	0.583
		104144	107.0	107.7	0.9	1.06	1.404	70	70.2	0.52	0.468	2.02	1.818	2.44	2.196	3,455.00	0.530
		104145	107.7	111.1	1.4	2.23	3.206	136	190.4	0.83	1.246	.97	2.758	3.23	4.522	4,441.00	0.824
		104146	111.1	112.5	1.4	0.48	0.672	5	7	0.03	0.042	1.06	1.484	0.71	0.994	5,477.00	0.824
		104147	112.5	113.5	1	1.11	1.110	159	159	0.96	0.960	0.83	0.830	1.04	1.04	4,232.00	0.583
		104148	113.5	114.5	1	0.52	0.520	28	28	0.13	0.130	0.12	0.120	2.21	2.21	3,048.00	0.583
	DDH07-099	430301	89.8	90.8	1	0.33	0.330	38	38	0.58	0.580	.87	1.870	3.35	3.35	3,947.95	0.583
	inspectorate	430302	90.0	91.0	1	1.1	1.100	10	10	0.20	0.200	.05	1.050	3.54	3.54	2,207.00	0.500
		430303	91.8	92.8	1	1.17	1.170	23	23	0.36	0.360	2.01	2.010	4.53	4.53	1,786.95	0.583
		430304	92.8	93.8	1		1.000	66	66	0.71	0.710	2.83	2.830	3.41	3.41	1,543.95	0.583
	DDH08-143	434315	13	13.5	0.5	3.48	1.740	42	21	0.56	0.280	2.63	1.315	6.55	3.275	1,576.92	0.294
		434316	13.5	14	0.5	0.71	0.355	14	7	0.18	0.090	2.79	1.395	1.17	0.585	1,511.92	0.294
		434317	14	14.5	0.5	0.56	0.280	8	4	0.02	0.010	0.18	0.090	3.21	1.605	1,717.92	0.291
		434318	14.5	15	0.5	0.36	0.180	4	2	0.01	0.005	0.12	0.060	3.13	0.065	1,537.92	0.294
		434319	15	15.5	0.5	11.05	5.525	50	25	0.1	0.050	0.53	0.265	0.72	0.36	1,330.92	0.294
		434320	15.5	16	0.5	3.24	1.620	50	44	0.39	0.195	0.37	0.185	3.23	1.64	1,853.92	0.294
		434321	16	16.5	0.5	0.27	0.135	13	44	0.13	0.065	0.92	0.460	1.45	0.73	1,226.92	0.294
		434322	16.5	17	0.5	0.33	0.165	6	44	0.07	0.035	0.33	0.165	0.29	0.145	1,463.92	0.294
	DDH07-091	429656	166.7	166.7	1	0.54	0.540	21	21	0.33	0.330	2.91	0.460	0.89	0.89	1,318.96	0.583
		429657	166.7	167.75	1.05	1.94	2.037	97	101.85	0.9	0.945	1.14	0.000	0.43	0.400	2,220.00	0.010
		423658	167.75	168.75	1	0.74	0.740	16	16	0.3	0.300	0.76	0.020	3.01	0.01	1,797.95	0.583
		429659	168.75	169.75	1	0.61	0.610	71	71	1.22	1.220	1.39	0.250	0.94	0.94	1,776.96	0.365
			totals		39.77		67.550		2302.47		18.0772		36.6968		91.0623		23.400
	Cinco		avg. grade			1.70		57.89		0.45		0.92		2.29			

Catorce Composite

Approx Section Location	Hole	Sample Intersectic	Depth From	Depth To	Length	Au_MDA	Au X lengt	Ag_MDA	Ag X length	Cu_MDA	Cu X length	Pb_MDA	Pb X length	Zn_MDA	Zn X length	weight	
	DDH07-105	431007	118.95	120.45	1.5	2.13	3.195	110	165	0.03	0.045	0.22	0.330	0.66	0.99	4,859.96	1.124
2100	inspectorate	431008	120.45	122	1.55	1.31	2.031	85	131.750	0.16	0.248	0.56	0.868	6.84	10.602	5,307.90	1.167
		431009	122	123.5	1.5	1.04	1.560	17	25.5	0.04	0.060	1.38	2.070	2.7	4.05	5,992.90	1.124
	DDH05-032	370412	425.25	425.75	0.5	2.84	1.420	13	6.500	0.1	0.05	0.14	0.070	6	3	0.58	0.375
1900		370414	425.75	426.15	0.4	2.85	1.140	18	7.200	0.05	0.02	0.22	0.088	8.2	3.28	0.47	0.300
off section		370415	426.15	427.1	0.95	0.59	0.561	6	5.700	0.08	0.076	0.07	0.067	0.39	0.3705	1,515.96	0.712
intersection near		370416	427.1	428.35	1.25	1.64	2.050	15	18.750	0.08	0.1	0.08	0.100	1.07	1.3375	2,376.96	0.937
2000 at depth		370417	428.35	428.95	0.6	0.22	0.132	3	1.800	0.04	0.024	0.05	0.030	0.54	0.324	0.69	0.450
		370418	428.95	430.05	1.1	0.14	0.154	4	4.400	0.05	0.055	0.14	0.154	0.59	0.649	1,564.96	0.824
		370419	430.05	430.8	0.75	0.37	0.278	6	4.500	0.11	0.0825	0.06	0.045	0.69	0.5175	0.90	0.562
		370420	430.8	431.45	0.65	0.45	0.292	5	3.250	0.06	0.039	0.12	0.078	1.57	1.0205	0.85	0.487
		370421	431.45	432.15	0.7	1.25	0.875	5	3.500	0.05	0.035	0.31	0.217	1.46	1.022	1,096.96	0.524
		370422	432.15	432.75	0.6	1.01	0.606	8	4.800	0.06	0.036	0.54	0.324	1.01	0.606	0.84	0.450
		370423	432.75	433.75	1	1.88	1.880	31	31.000	0.08	0.08	3.60	3.600	0.42	0.42	1,792.96	0.749
2150	**DDH08-163**	435583	194.85	195.5	0.65	4.11	2.672	70	45.5	0.24	0.156	12.75	8.288	24.1	15.665	1,918.92	0.487
	chemex	435584	195.5	196	0.5	4.01	2.005	78	39	0.08	0.040	1.18	0.590	0.77	0.385	4,081.92	0.375
		435585	196	197.1	1.1	5.08	5.588	17	18.7	0.03	0.033	1.6	1.760	7.64	8.404	3,472.92	0.824
		435586	197.1	198.1	1	0.25	0.250	3	3	0	0.000	0.05	0.050	0.13	0.13	1,749.92	0.749
		435587	198.1	198.6	0.5	1.12	0.560	15	7.5	0	0.000	2.5	1.250	1.14	0.57	3,001.92	0.375
		435588	198.6	199.4	0.8	0.02	0.016	1	0.8	0	0.000	0.03	0.024	0.07	0.056	3,919.92	0.599
		435589	199.4	200.5	1.1	0.31	0.341	2	2.2	0.01	0.011	0.15	0.165	0.35	0.385	2,171.92	0.824
		435590	200.5	201.1	0.6	0.02	0.012	0	0	0	0.000	0.07	0.042	0.19	0.114	2,023.92	0.450
		435591	201.1	201.6	0.5	0.24	0.120	4	2	0.01	0.005	0.17	0.085	0.1	0.05	1,995.92	0.375
2450	**DDH07-132**	432676	153.3	153.8	0.5	0.53	0.265	36	18	0.3	0.150	0.36	0.180	0.96	0.48	1,588.92	0.375
		432677	153.8	154.3	0.5	0.23	0.115	14	7	0.19	0.095	0.23	0.115	0.5	0.25	1,413.92	0.375
		432678	154.3	154.8	0.5	0.72	0.360	31	15.5	0.22	0.110	1.65	0.825	3.43	1.715	1,701.92	0.375
		432679	154.8	155.3	0.5	0.45	0.225	22	11	0.15	0.075	0.8	0.400	3.5	1.75	1,713.92	0.375
		432680	155.3	155.8	0.5	0.47	0.235	21	10.5	0.27	0.135	0.08	0.040	0.24	0.12	1,458.92	0.375
		432681	155.8	156.3	0.5	1.72	0.860	17	8.5	0.25	0.125	0.13	0.065	0.19	0.095	1,338.92	0.375
2250	**DDH08-176**	436785	234.6	235.4	0.8	0.49	0.392	9	7.2	0.04	0.032	0.07	0.056	2.2	1.76	2,624.92	0.599
		436786	235.4	236.4	1	0.23	0.230	14	14	0.01	0.010	0.16	0.160	0.29	0.29	3,454.92	0.749
		436787	236.4	237.9	1.5	0.6	0.900	12	18	0.06	0.090	0.14	0.210	0.22	0.33	3,967.92	1.124
		436788	237.9	238.9	1	0.71	0.710	8	8	0.05	0.050	0.31	0.310	0.66	0.66	3,350.92	0.749
		436789	238.9	239.9	1	1.19	1.190	10	10	0.05	0.050	0.27	0.270	0.73	0.73	3,350.92	0.749
		436790	239.9	241	1.1	2.15	2.365	3	3.3	0.02	0.022	0.19	0.209	0.38	0.418	3,739.92	0.824
	DDH08-180	437560	158.7	159.7	1	1.28	1.280	89	89	0.05	0.050	3.13	3.130	3.13	3.13	4,104.96	0.749
	chemex	437562	159.7	160.7	1	2.6	2.600	58	58	0.03	0.030	0.7	0.700	0.7	0.7	3,346.96	0.749
		437564	160.7	161.7	1	6.64	6.640	85	85	0.02	0.020	0.14	0.140	0.14	0.14	3,717.96	0.749
		437565	161.7	162.6	0.9	5.98	5.382	13	11.7	0.07	0.063	0.19	0.171	0.19	0.171	3,564.96	0.674
		437566	162.6	163.4	0.8	0.52	0.416	5	4	0.04	0.032	0.15	0.120	0.15	0.12	2,166.96	0.599
				totals	33.9		35.583		663.35		2.1395		23.134		62.546		25.400
Catorce							1.05		19.57		0.06		0.68		1.85		

Creston Composite

Approx Section Location	Hole	Sample Intersectic	Depth From	Depth To	Length	Au_MDA	Au X length	Ag_MDA	Ag X length	Cu_MDA	Cu X length	Pb_MDA	Pb X length	Zn_MDA	Zn X length	weight	ght Contrib to Composit
	DDH07-111	431112	82.35	83.85	1.5	1.3	1.950	79	118.5	0.47	0.705	3.64	5.460	3.49	5.235	5,816.92	0.711
		431113	83.85	85.4	1.55	0.51	0.791	64	99.2	0.39	0.605	5.45	8.448	6.01	9.3155	3,811.96	0.735
		431114	85.4	86.9	1.5	1.26	1.890	8	12	0.07	0.105	0.24	0.360	0.36	0.54	5,666.92	0.711
		431115	86.9	88.45	1.55	0.74	1.147	19	29.45	0.07	0.109	1.4	2.170	5.3	8.215	5,719.92	0.735
		431117	88.45	89.95	1.5	0.44	0.660	50	75	0.21	0.315	3.65	5.475	7.18	10.77	5,561.92	0.711
		431118	89.95	91.5	1.55	0.15	0.233	6	9.3	0.1	0.155	0.08	0.124	0.33	0.5115	6,474.92	0.735
		431119	91.5	93	1.5	10.08	15.120	48	72	0.25	0.375	2.03	3.045	1.14	1.71	5,338.92	0.711
		431120	93	94.55	1.55	1.34	2.077	23	35.65	0.16	0.248	0.78	1.209	1.01	1.5655	5,717.92	0.735
		431121	94.55	96.05	1.5	1.59	2.385	67	100.5	0.89	1.335	1.18	1.770	1.2	1.8	5,898.92	0.711
		431122	96.05	97.6	1.55	0.36	0.558	9	13.95	0.2	0.310	0.13	0.202	0.14	0.217	6,771.92	0.735
		431123	97.6	99.1	1.5	0.33	0.495	12	18	0.1	0.150	0.75	1.125	1.31	2.415	5,861.92	0.711
	DDH00-100	101000	3.05	4.05	1	20.2	20.200	64	64	0.44	0.440	1.55	1.550	1	1	3,701.00	0.474
	chemex	101681	4.05	5.05	1	1.58	1.580	16	16	0.19	0.190	0.73	0.730	0.43	0.43	2,654.36	0.474
		101682	5.05	6.1	1.05	0.08	0.084	4	4.2	0.12	0.126	0.21	0.284	0.21	0.2205	3,771.96	0.498
		101683	6.1	7.4	1.3	0.1	0.130	12	15.6	0.14	0.182	0.28	0.364	0.56	0.728	2,289.96	0.616
		101684	7.4	8.1	0.7	0.08	0.056	11	7.7	0.06	0.042	0.55	0.385	0.23	0.161	4,621.96	0.332
		101686	8.1	8.8	0.7	7	4.900	249	174.3	1.13	0.791	13.9	9.730	12.25	8.575	2,168.96	0.332
		101687	8.8	9.8	1	4.16	4.160	113	113	0.57	0.570	2.51	2.510	1.1	1.1	3,621.96	0.474
		101688	9.8	11	1.2	3.62	4.344	95	114	0.54	0.648	2.22	2.664	3.52	4.224	4,139.96	0.569
	DDH07-126	432248	123.9	124.5	0.6	0.59	0.354	36	21.6	0.43	0.258	1.29	0.774	0.43	0.258	1,968.92	0.284
		432249	124.5	125.45	0.95	16.55	15.723	23	21.85	0.14	0.133	0.77	0.732	1.35	1.2825	4,160.92	0.450
		432250	125.45	126.45	1	0.37	0.370	42	42	0.52	0.520	1.14	1.140	1.57	1.57	3,207.92	0.474
		432252	126.45	127.2	0.75	0.4	0.300	36	27	0.38	0.285	1.35	1.013	2.48	1.86	2,917.92	0.356
		432253	127.2	127.85	0.65	0.71	0.461	12	7.8	0.11	0.071	0.25	0.162	0.33	0.2145	2,633.92	0.308
		432254	127.85	128.85	1	0.97	0.970	42	42	0.57	0.570	1.88	1.880	0.58	0.58	3,722.92	0.474
		432255	128.85	130.35	1.5	0.46	0.690	3	4.5	0.01	0.015	0.02	0.030	0.06	0.09	4,563.92	0.711
	DDH07-113	431232	47.75	48.7	0.95	9.18	8.721	10	9.5	0.09	0.086	0.26	0.247	0.54	0.513	3,648.96	0.450
		431233	48.7	49.7	1	2.46	2.460	2	2	0.004	0.004	0.09	0.090	0.21	0.21	3,434.96	0.474
		431234	49.7	50.7	1	0.92	0.920	7	7	0.02	0.020	0.09	0.090	0.18	0.18	1,385.96	0.474
	DDH07-113	431242	59.05	60.1	0.75	3.90	2.070	64	40	0.21	0.150	1.00	0.010	2.45	1.0375	2,500.00	0.356
	Inspectorate	431243	60.1	60.9	0.8	3.9	3.120	40	32	0.33	0.264	1.93	1.544	3.59	2.872	2,788.00	0.379
		431244	60.9	61.9	1	3.22	3.220	156	156	1.67	1.670	5.32	5.320	7.37	7.37	3,774.00	0.474
		431245	61.9	62.9	1	0.65	0.650	24	24	0.42	0.420	0.23	0.230	1.45	1.45	3,352.00	0.474
		431246	62.9	63.95	1.05	1.21	1.271	53	55.65	0.51	0.641	2.07	2.174	2.12	2.225	1,389.00	0.498
		431247	63.95	64.95	1	2.5	2.500	20	20	0.32	0.320	0.72	0.720	1.4	1.4	3,419.00	0.474
		431248	64.95	65.95	1	1.59	1.590	94	94	1.21	1.210	1.8	1.800	4.45	4.45	3,633.00	0.474
		431249	65.95	67	1.05	0.52	0.546	55	57.75	0.61	0.650	1.34	1.407	3.64	3.822	3,344.00	0.498
		431251	67	68	1	0.75	0.750	116	116	1.79	1.790	1.45	1.450	6.01	6.01	3,516.00	0.474
		431252	68	69	1	0.59	0.590	77	77	1.14	1.140	1.4	1.400	2.41	2.41	3,295.00	0.474
	DDH07-114	431324	92.05	93.05	1	0.65	0.650	38	38	0.3	0.300	2.27	2.270	1.34	1.34	2,768.00	0.474
		431325	93.05	94.1	1.05	0.21	0.220	42	44.1	0.64	0.672	2.06	2.163	15	1.575	3,661.96	0.498
		431326	94.1	95.1	1	22.76	22.760	71	71	0.87	0.870	1.18	1.180	0.94	0.94	3,130.96	0.474
		431327	95.1	96.1	1	1.47	1.470	5	5	0.05	0.050	0.1	0.100	0.2	0.2	3,628.96	0.474
		431330	96.1	97.15	1.05	0.64	0.672	15	15.75	0.35	0.368	0.25	0.263	0.3	0.315	4,488.96	0.498
		431331	97.15	98.15	1	0.94	0.940	11	11	0.37	0.370	0.19	0.190	0.14	0.14	3,692.96	0.474
		431332	98.15	99.15	1	1.3	1.300	8	8	0.24	0.240	0.14	0.140	0.13	0.13	3,547.96	0.474
	DDH07-116	431463	38.55	39.62	1.07	0.51	0.546	1	1.07	0.009	0.010	0.23	0.246	0.07	0.0749	3,408.96	0.507
		431464	39.62	40.62	1	0.13	0.130	1	1	0.01	0.010	0.13	0.130	0.24	0.24	4,126.96	0.474
		431465	40.62	41.62	1	0.51	0.510	4	4	0.03	0.030	0.22	0.220	0.46	0.43	3,443.96	0.474
		431466	41.62	42.67	1.05	1.31	1.376	2	2.1	0.02	0.021	0.02	0.021	0.92	0.963	3,676.96	0.498
		431467	42.67	43.67	1	7.61	7.610	3	3	0.03	0.030	0.5	0.500	3.23	3.23	3,652.96	0.474
		431468	43.67	44.67	1	2.38	2.380	19	19	0.12	0.120	1.74	1.740	15.5	15.5	2,245.00	0.474
		431469	44.67	45.35	0.68	9.32	6.338	29	19.72	0.23	0.156	1.25	0.850	1.54	1.0472	2,376.96	0.322
		431470	45.35	46.1	0.75	12.75	9.563	30	22.5	0.03	0.023	0.65	0.488	0.07	0.0525	1,897.96	0.356
		431472	46.1	47.6	1.5	1.53	2.295	4	6	0.03	0.045	1.86	2.790	0.66	0.99	4,599.96	0.711
				totals	59.0		173.19		2233.24		21.33853		84.5656		126.599		20.400
	Creston			avg.grade			2.89		37.28		0.36		1.41		2.11		

Perdido Composite

	Hole	Sample Intersecti	Depth From	To	Length	Au_MDA	Au X lengt	Ag_MDA	Ag X lengt	Cu_MDA	Cu X lengt	Pb_MDA	Pb X lengt	Zn_MDA	Zn X lengt	weight	ht Contril to Compos
	DDH07-084	429127	108.95	110.4	1.45	0	0.000	0	0	0	0.000	0.004	0.006	0.1	0.145	5,287.88	0.590
	inspectorate	429128	110.4	111.82	1.42	0.01	0.014	3	4.26	0.001	0.001	0.01	0.014	0.09	0.1278	3,009.92	0.578
	Section	429129	111.82	112.82	1	1.31	1.310	111	111	0.01	0.010	0.06	0.060	0.16	0.16	5,730.92	0.407
	~3300	429130	112.82	113.82	1	0.71	0.710	39	39	0.01	0.010	0.1	0.100	0.26	0.26	3,654.92	0.407
Approx Section		429131	113.82	114.82	1	0.44	0.440	28	28	0.03	0.030	0.78	0.780	2.32	2.32	3,208.92	0.407
Location		429132	114.82	115.82	1	0.28	0.280	19	19	0.01	0.010	0.64	0.640	0.58	0.58	4,012.92	0.407
		429133	115.82	116.82	1	0.18	0.180	22	22	0.02	0.020	0.16	0.160	0.15	0.15	3,386.92	0.407
3300		429134	116.82	117.82	1	0.4	0.400	18	18	0.008	0.008	0.23	0.230	0.29	0.29	3,692.92	0.407
		429135	117.82	118.7	0.88	0.52	0.458	25	22	0.02	0.018	1.2	1.056	7.75	6.82	3,079.92	0.358
		429136	118.7	119.7	1	2.24	2.240	41	41	0.13	0.130	1.28	1.280	11.5	11.5	3,882.96	0.407
		429137	119.7	120.7	1	0.82	0.820	21	21	0.008	0.008	2.68	2.680	1.71	1.71	3,781.96	0.407
		429139	120.7	121.7	1	0.03	0.030	2	2	0	0.000	0.06	0.060	0.71	0.71	3,419.92	0.407
	DDH08-204	102054	16.2	17.2	1	1.22	1.220	173	173	2.33	2.330	13.55	13.550	5.46	5.46	2,279.96	0.407
	chemex	102055	17.2	17.75	0.55	0.71	0.391	69	37.95	0.75	0.413	4.03	2.217	5.21	2.8655	1,234.96	0.224
		102056	17.75	18.75	1	2.67	2.670	19	19	0.13	0.130	1.31	1.310	2.87	2.87	1,771.96	0.407
		102057	18.75	19.75	1	0.93	0.930	11	11	0.07	0.070	0.66	0.660	0.61	0.61	1,813.96	0.407
		102058	19.75	20.75	1	0.16	0.160	9	9	0.06	0.060	0.06	0.060	0.13	0.13	1,645.96	0.407
		102059	20.75	21.75	1	0.29	0.290	16	16	0.2	0.200	0.38	0.380	0.1	0.1	1,735.96	0.407
2875		102060	21.75	22.4	0.65	2.66	1.729	58	37.7	0.83	0.539	0.63	0.409	0.39	0.2535	1,310.96	0.265
		102064	22.9	23.4	0.5	1.04	0.520	29	14.5	0.35	0.175	1.18	0.590	0.06	0.03	1,315.96	0.204
		102065	23.4	24.9	1.5	0.38	0.570	15	22.5	0.05	0.075	0.13	0.195	0.18	0.27	2,145.96	0.611
	DDH07-077	428734	135.45	135.95	0.5	0.62	0.310	36	18	0.24	0.120	0.48	0.240	1	0.5	3,325.92	0.204
		428735	135.95	137	1.05	0.65	0.683	67	70.35	0.33	0.347	0.52	0.546	1.74	1.827	2,154.92	0.428
		428736	137	137.5	0.5	1.68	0.840	19	9.5	0.13	0.065	0.38	0.190	0.89	0.445	1,463.92	0.204
		428737	137.5	138	0.5	1.4	0.700	13	6.5	0.09	0.045	0.65	0.325	0.84	0.42	1,523.92	0.204
		428738	138	138.5	0.5	11.38	5.690	41	20.5	0.64	0.320	1.24	0.620	1.6	0.8	1,657.92	0.204
		428740	138.5	139	0.5	7.33	3.665	20	10	0.21	0.105	1.6	0.800	1.18	0.59	1,563.92	0.204
3080		428741	139	139.5	0.5	1.93	0.965	15	7.5	0.2	0.100	0.88	0.440	0.37	0.185	1,506.92	0.204
		428742	139.5	140.05	0.55	2.19	1.205	22	12.1	0.19	0.105	0.34	0.187	0.4	0.22	1,456	0.224
		428743	140.05	140.6	0.55	1.54	0.847	23	12.65	0.17	0.093	0.56	0.308	0.76	0.418	1,073.92	0.224
		428744	140.6	141.6	1	0.15	0.150	24	24	0.17	0.170	0.1	0.100	0.18	0.18	3,259.92	0.407
		428745	141.6	142.1	0.5	0.91	0.455	15	7.5	0.17	0.085	0.5	0.250	0.34	0.17	1,344.92	0.204
		428746	142.1	142.6	0.5	0.4	0.200	10	5	0.13	0.065	0.24	0.120	0.71	0.355	1,736.92	0.204
		428747	142.6	143.1	0.5	1.54	0.770	57	28.5	0.67	0.335	1.21	0.605	1.88	0.94	1,956.92	0.204
		428748	143.1	143.6	0.5	0.29	0.145	5	2.5	0.06	0.030	0.13	0.065	0.13	0.065	1,530.92	0.204
		428749	143.6	144.1	0.5	2.29	1.145	13	6.5	0.15	0.075	0.49	0.245	0.78	0.39	1,735	0.204
		428751	144.1	144.6	0.5	4.11	2.055	113	56.5	1.55	0.775	4.18	2.090	5	2.5	2,084.92	0.204
		428752	144.6	145.1	0.5	2.21	1.105	226	113	2.1	1.050	2.82	1.410	4.21	2.105	1,881.92	0.204
		428753	145.1	145.6	0.5	0.71	0.355	209	104.5	1.53	0.765	0.85	0.425	0.52	0.26	1,576.92	0.204
		428754	145.6	146.3	0.7	6.44	4.508	102	71.4	1	0.700	0.96	0.672	1.06	0.742	2,952.92	0.285
	DDH08-205	103040	85.5	86	0.5	0.43	0.215	64	32	0.05	0.025	6.14	3.070	6.11	3.055	1,874.96	0.204
		103042	86.5	87	0.5	1.47	0.735	20	10	0.03	0.015	0.6	0.300	0.66	0.33	1,814.96	0.204
		103043	87	87.5	0.5	2.66	1.330	51	25.5	0.08	0.040	1.04	0.520	1.96	0.98	2,105.96	0.204
		103044	87.5	88	0.5	0.53	0.265	26	13	0.04	0.020	0.78	0.390	0.87	0.435	1,453.96	0.204
		103045	88	88.5	0.5	0.62	0.310	19	9.5	0.04	0.020	0.62	0.310	0.48	0.24	1,746.96	0.204
		103046	88.5	89	0.5	1.35	0.675	30	15	0.07	0.035	0.84	0.420	3.02	1.51	1,653.96	0.204
3175		103047	89	89.5	0.5	1.12	0.560	19	9.5	0.05	0.025	0.46	0.230	0.65	0.325	2,599.96	0.204
		103048	89.5	90	0.5	1.6	0.800	47	23.5	0.07	0.035	1.34	0.670	3.42	1.71	1,749.96	0.204
		103049	90	90.5	0.5	1.74	0.870	43	21.5	0.09	0.045	0.31	0.155	0.48	0.24	1,677.96	0.204
	DDH07-102	430673	82.3	83.8	1.5	1.91	2.865	103	154.5	0.36	0.540	5.25	7.875	3.03	4.545	6,076.92	0.611
	inspectorate	430676	83.8	85.35	1.55	1.15	1.783	21	32.55	0.18	0.279	0.63	0.976	1.39	2.1545	5,872.92	0.631
		430677	85.35	86.85	1.5	0.15	0.225	20	30	0.26	0.390	0.8	1.200	2.18	3.27	5,686.92	0.611
		430678	86.85	88.39	1.54	0.49	0.755	25	38.5	0.31	0.477	0.49	0.755	1.14	1.7556	6,249.92	0.627
		430679	88.39	89.89	1.5	0.56	0.840	29	43.5	0.24	0.360	0.53	0.795	1.19	1.785	5,648.92	0.611
		430681	91.44	92.94	1.5	0.73	1.095	13	19.5	0.25	0.375	0.37	0.555	0.41	0.615	6,058.92	0.611
2980		430682	92.94	94.49	1.55	0.17	0.264	19	29.45	0.33	0.511	0.52	0.806	0.92	1.426	5,491.92	0.631
		430683	94.49	95.99	1.5	0.83	1.245	23	34.5	0.1	0.150	1.06	1.590	0.95	1.425	5,373.92	0.611
		430684	95.99	97.54	1.55	0.8	1.240	4	6.2	0.01	0.016	0.04	0.062	0.14	0.217	5,690.92	0.631
	DDH07-138	433801	84.5	85	0.5	3.95	1.975	102	51	0.72	0.360	0.32	0.160	1.34	0.67	1,179.96	0.204
	chemex	433802	85	85.5	0.5	2.42	1.210	9	4.5	0.07	0.035	0.55	0.275	0.9	0.45	1,072.96	0.204
		433803	85.5	86	0.5	4.6	2.300	17	8.5	0.08	0.040	0.44	0.220	0.98	0.49	1,042.96	0.204
		433804	86	86.5	0.5	4.89	2.445	11	5.5	0.05	0.025	0.34	0.170	0.84	0.42	1,283.98	0.204
		433805	86.5	87	0.5	4.58	2.290	17	8.5	0.11	0.055	0.63	0.315	1.03	0.515	1,541.96	0.204
		433806	87	87.5	0.5	12.1	6.050	26	13	0.11	0.055	0.9	0.450	1.88	0.94	1,211.96	0.204
3025		433807	87.5	88	0.5	4.26	2.130	15	7.5	0.07	0.035	0.44	0.220	1.16	0.58	1,215.96	0.204
		433808	88	88.5	0.5	0.68	0.340	12	6	0.1	0.050	0.45	0.225	0.86	0.43	1,543.96	0.204
		433809	88.5	89	0.5	0.82	0.410	28	14	0.27	0.135	0.58	0.290	1.26	0.63	1,556.96	0.204
		433810	89	89.5	0.5	3.15	1.575	39	19.5	0.35	0.175	0.79	0.395	0.99	0.495	1,521.96	0.204
		433811	89.5	90	0.5	0.97	0.485	14	7	0.16	0.080	0.52	0.260	1.21	0.605	1,480.96	0.204
		433812	90	90.5	0.5	2.12	1.060	35	17.5	0.26	0.130	0.66	0.330	2.68	1.34	1,246.96	0.204
				totals	55.99		79.49		1965.11		14.12		60.06		84.06		22.800
	Perdido			avg. grade			1.42		35.10		0.25		1.07		1.50		

Appendix B Metallurgy and marketing parameters

The following parameters are sourced from the spreadsheet *NSR-(Soho) (oct 15-10).xls*, by Gary Hawthorn.

NET SMELTER RETURN CALCULATION	Project	Soho

Data:

-The Met statement is based upon WMT open circuit lab test W-10-17 extrapolated to Snowden
-Assumes Bulk Shipping Of the Zn Concentrate and the others in supersacks
- Generic terms for Cu concentrate.
- Generic terms by Trafigura for Pb and Zn concentrates.
- Assumes export thorough Manzanillo

Metallurgical Balance

Product	Wt %	Assays				
		Au - g/t	Ag g/t	Cu %	Pb %	Zn %
Pb conc	1.3	72.9	1,030	7.6	50	6
Cu conc	0.4	68.4	1,480	8.3	6	12
Zn conc	2.2	4.1	100	0.7	0.6	56
Total conc	3.9					
Tailing (calc.)	96.1	0.31	6	0.03	0.19	0.30
Feed - calc	100.0	1.64	28	0.18	0.87	1.64

Product	Wt %	Distribution %				
		Au	Ag	Cu	Pb	Zn
Pb conc		58.0	48.0	55.0	75.0	4.4
Cu conc		18.1	23.0	20.0	3.0	3.2
Zn conc		5.5	7.8	8.7	1.5	75.0
Total conc		81.7	78.8	83.7	79.5	82.6
Tailing		18.3	21.2	16.3	20.5	17.4
Feed - calc		100.0	100.0	100.0	100.0	100.0

Metal Prices			Unit	$ US
		Au	oz	965.81
		Au	gm	31.05
		Ag	oz	15.38
		Ag	gm	0.49
		Cu	#	2.92
		Pb	#	0.95
		Zn	#	0.88

Pb Concentrate NSR Calc.

Refining Charge				$ US
		Au: $ / oz payable		12.00
		Au: $/gm payable		0.386
		Ag: $ / oz payable		1.75
		Ag: $/gm payable		0.056
		Cu: $ / #		0.080

Payables				
	Au	pay 95% subject to min deduction of 1 g/t		
	Ag	pay 95% subject to min deduction of 50 g/t		
	Pb	pay 95% subject to min deduction of 3 units		

Penalties				$ US

Paid		Au		2,121
		Ag		460
		Pb		984
		Total payables		3,565
Deductions		Treatment Charge		265.00
		Participation		
		Shipping		31.67
		Supersacks		15.00
		Au refining		26.35
		Ag refining		52.38
		Total deductions		390.40
NSR: $ /dmt Flot Conc FOB Minesite				3,174.93

NSR:$/dmt Ag/Pb concentrate as mill feed - FOB Minesi	41.43

Contained: $/dmt Ag/Pb conc.		Au		2,263.56
		Ag		509.31
		Pb		1,046.90
		Total contained		3,819.78
Mine Netback / tonne conc. - %				**83.1**

Cu Concentrate NSR Calc.

Refining Charge				$ US
		Au: $ / oz payable		8.00
		Au: $/gm payable		0.257
		Ag: $ / oz payable		1.30
		Ag: $/gm payable		0.042
		Cu: $ / #		0.080

Payables				
	Au	deduct 1.5 gm, then pay 92.5 %		
	Ag	deduct 50 gm, then pay 92.5%		
	Cu	deduct 1.2 units, then pay 96.5 %		

Penalties				$ US

Paid		Au		1,921
		Ag		448
		Cu		439
		Total payables		2,809
Deductions		Treatment Charge		150.00
		Participation		
		Shipping		31.67
		Supersacks		15.00
		Au refining		16.22
		Ag refining		56.80
		Total deductions		269.69
NSR: $ /dmt Flot Conc FOB Minesite				2,539

NSR:$/dmt Cu concentrate as mill feed - FOB	11.04

Contained: $/dmt Ag/		Au		2,123
		Ag		732
		Cu		532
		Zn		232
		Total contained		3,619
Mine Netback / tonne conc. - %				**70.2**

Zn Concentrate - NSR calc.				$US/dmt conc
Refining Charge				**$ US**
		Au: $ / oz payable		
		Au: $/gm payable		
		Ag: $ / oz payable		
		Ag: $/gm payable		
		Pb: $ / #		

Payables			
	Au	deduct 1.75 g/t, then pay 65 %	
	Ag	deduct 120 g/t, then pay 75 %	
	Zn	pay 85% subject to min deduction of 8 units	

Penalties				**$ US**

Paid		Au		48.31
		Ag		
		Zn		921.54
		Total payables		969.85
Deductions		Treatment Charge		270.00
		Participation		
		Shipping		31.67
		Fe penalty		
		Insol penalty		
		SiO2 penalty		
		Au refining		
		Ag refining		
		Total deductions		301.67
NSR: $ /dmt Flot Conc FOB Minesite				668.18

NSR:$/dmt Zn concentrate as mill feed - FOB Minesite	14.68

Contained: $/dmt Zn cor	Au	128.67
	Ag	49.33
	Zn	1086.13
	Total	1,264.13
Mine Netback / tonne conc. - %		**52.9**

NSR - Sum All Products				**$US/dmt ore**
Pb Conc				41.43
Cu conc				11.04
Zn Conc				14.68
Total				**67.15**