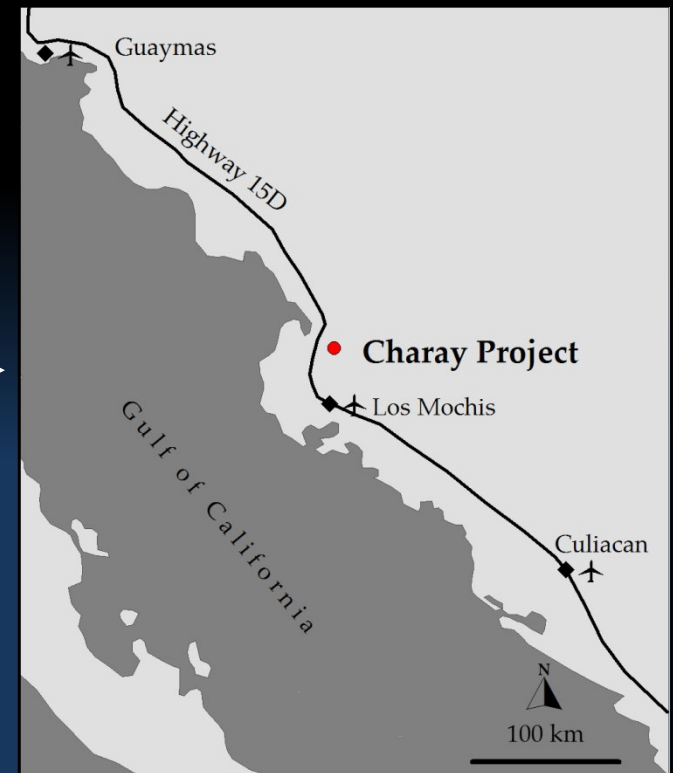




CHARAY PROJECT

Low sulphidation gold-silver (lead-zinc-copper) deposit

Sinaloa, Northwest Mexico





Project Overview

- High grade vein-hosted gold-silver mineralization associated with hybrid mesothermal and later low sulphidation epithermal systems;
- Mesothermal systems usually have very good depth potential; multiphase systems often have high grades;
- Recent drilling indicates of a 240 m long by 50 m deep block defined approximately 37,000 tonnes at an average grade of 18.75 g/t for 21,000 oz;
- Mineralisation is open down dip and along strike. Significant potential for rapid upgrade of resource. Excellent under explored regional potential.
- Basic infrastructure is in place. Local land owners are pro-mining and are supportive of development. Opportunity for immediate pilot open pit 30,000 ton operation.



Project History – Pre 2005

- Limited historic mining of unknown age including four shafts over 400 metre strike length - confirms grade continuity;
- Sirgo constructed small mill and processed a small amount of ore – Mill no longer present; Barazza completed shaft and decline;
- Historic workings believed to extend no greater than 25 metres below surface and have very limited impact on remaining resource
- Various small sampling programs from 1996 to 1999 have been completed and confirmed presence of high grade mineralisation.



Project History – 2005 to Present

2005

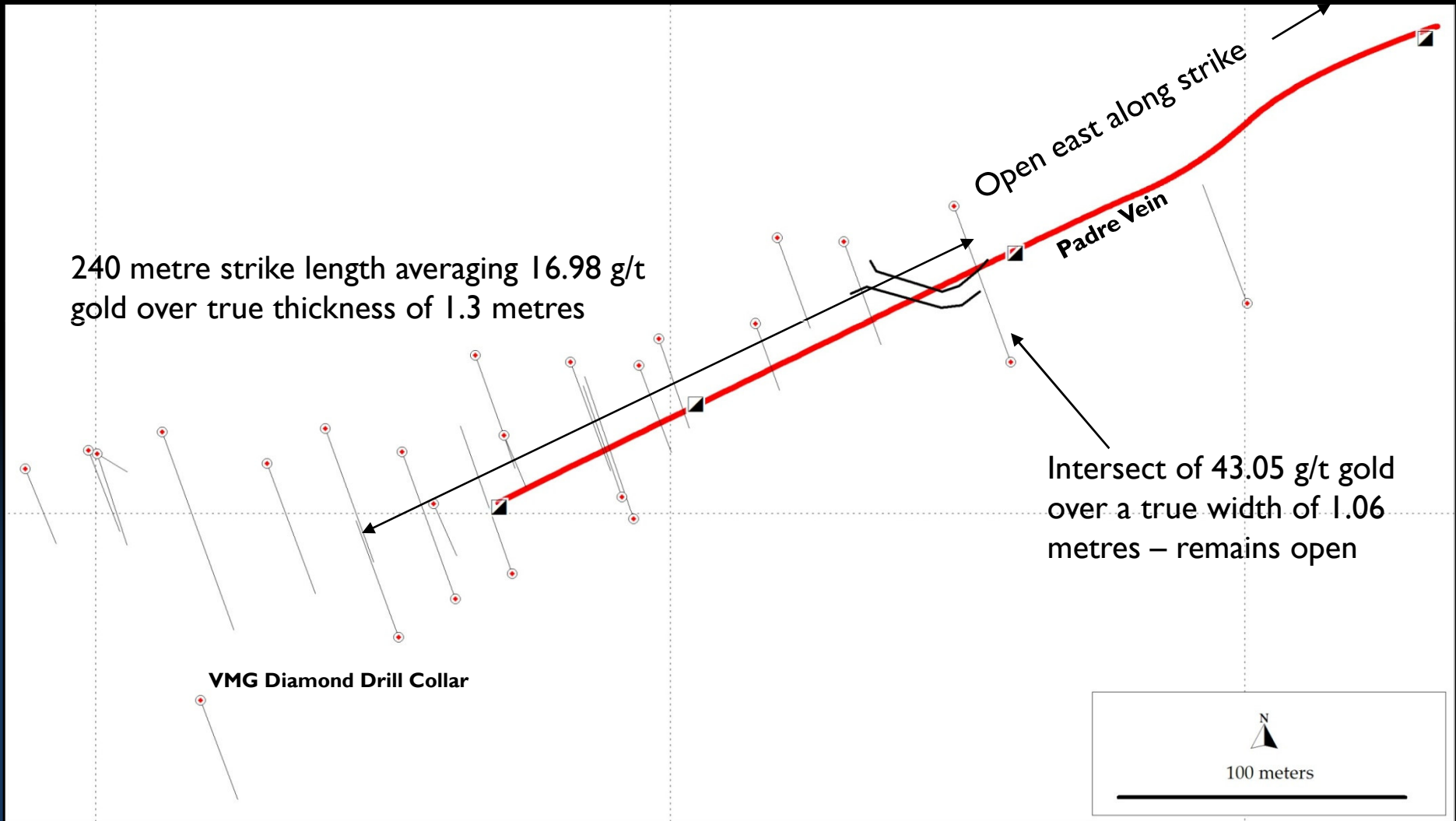
- Vane Minerals Group (VMG) completed 27 drill holes totaling 1576.6 meters
 - Drilled strike length of 240 meters
 - Estimated average vein width of 1.4 meters
 - Average grade of 18.75 g/t gold, 120 g/t silver

2008

- Minera Bacoachi SAC performed due diligence of property
 - Recalculated VMG data to give 16.98 g/t gold and average vein width of 1.31 meters
 - Re-assayed selection of pulps from VMG drill program
 - Quarter cut remaining half cut drill core for check assaying at ALS Chemex, Vancouver



Charay Exploration Potential





Significant drill results

Hole ID	From	To	Interval	Au (g/t)*	Ag (g/t)**
MCDDH-01A	25.60	28.50	2.90	29.94	290.10
MCDDH-02	6.20	8.20	2.00	5.45	34.25
	26.00	27.40	1.40	10.1	34.25
MCDDH-04	30.20	34.00	3.80	6.01	69.87
MCDDH-07	31.40	35.20	3.80	6.9	99.35
MCDDH-08	54.90	57.90	3.00	20.35	70.43
MCDDH-15	39.85	42.00	2.15	19.45	172.80
MCDDH-18	58.50	61.00	2.50	42.29	39.78
	69.70	71.50	1.80	16.02	76.87

Results from VGM drill program.

*Weighted averages taken from report by Allen, 2008

**Weighted averages calculated by EAL from data supplied in Allen, 2008



Summary

- Historic work defined high grade gold and silver vein system at surface. Copper, lead and zinc may be viable by-products.
- Only the upper 50 metres has been drill tested and mineralization is open at depth and along strike. Subparallel veins may exist under extensive cover.
- The exposed vein and drill core suggests Charay is a mesothermal vein with later low sulphidation epithermal overprint. Excellent depth and strike. High grades due to multiple mineralizing events.
- Deposit is proximal to major highway, power, water supply and source of labour. Land owners are pro-mining.
- Opportunity exists to commence pilot open pit mining of 20,000 tonnes. Excellent exploration potential.