

Item 1 Title page

Agnico-Eagle Mines Limited

PINOS ALTOS GOLD-SILVER MINING PROJECT
CHIHUAHUA STATE, MEXICO
TECHNICAL REPORT ON THE
MINERAL RESOURCES AND RESERVES
AS OF DECEMBER 31ST 2008

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Item 3 Summary

3.1 Introduction

This Technical Report was prepared by Agnico-Eagle Mines Limited's Technical Services Group in Preissac Quebec on March 17th, 2009 in order to support the disclosure (in a Company press release dated February 18th, 2009) of a mineral resource and reserve estimate completed in December 31st, 2008 on the Pinos Altos mining project and the results of a Mine Plan Study, also completed in March 2009, that supports that estimate. The information contained in this Technical Report is current as of December 31st, 2008 unless otherwise noted.

3.2 Property Description, Location and Ownership

The Pinos Altos property, which hosts the Pinos Altos gold-silver mining project, is held by Agnico-Eagle Mines Limited ("Agnico-Eagle" or the "Company"), through a wholly owned Mexican subsidiary of Agnico Eagle Mexico S.A. de C.V.. The property is located in the state of Chihuahua in northern Mexico, approximately 280 kilometres west of the capital city, Chihuahua, with the Sierra Madre mountain range at approximately 2000 metres elevation above sea-level. The property consists of 37 mining concessions, covering 11,094.2 hectares, that comprise three blocks: the Parreña Block (19 concessions, 6,041.1 hectares) which is owned outright; the Madroño Block (17 concessions, 889.2 hectares) which is held by means of leases; and the Pinos Altos Block (1 concession, 4,163.8 hectares) which is also held by lease.

The Madroño Concessions (which contain approximately 57% of the gold ounces and 56% of the silver ounces of the current proven and probable reserve estimate) are subject to a net smelter royalty of 3.5% payable to Minerales El Madroño S.A. de C.V. ("Madroño"). The Pinos Altos Concession (which contains approximately 35% of the gold ounces and 41% of the silver ounces of the current proven and probable reserve estimate) is subject to a 2.5%



net smelter return royalty payable to the Consejo de Recursos Minerales, a Mexican Federal Government agency; after 20 years, this portion of the property will also be subject to a 3.5% net smelter return royalty payable to Madroño. Beginning on May 18, 2006, annual advance royalty payments of \$0.142 million are payable to Madroño. The assets comprising the Pinos Altos Project acquired by the Company in March 2006 are an assignment of rights under contracts to explore and exploit the Madroño Concessions and the Pinos Altos Concession, the right to use up to 400 hectares of land owned by Madroño for mining installations for a period of 20 years after formal mining operations have been initiated, sole ownership of the Parreña Concessions, possession rights under Mexican law to a 13.3 hectares parcel of land located in the nearby village of Cahuisori and rights to an environmental impact statement authorization issued by Mexican environmental authorities.

3.3 Geological Setting, Deposit Type and Mineralization

The Pinos Altos Property is set geologically in the northern part of the Sierra Madre Occidental Geologic Province (“SMO”). It is composed largely of volcanic rocks which overlie a Precambrian through to Jurassic-age basement complex. The SMO is one of the largest unmetamorphosed andesite and dacite accumulations in the world. The SMO is also one of the most important metallogenic provinces for base metals and precious metals in Mexico and several gold and silver bearing epithermal deposits are known within the volcanic rocks in this province.

The Pinos Altos property covers the northeast margin of the Ocampo Caldera, one of several large volcanic collapse structures thought to have formed during the extensional regime between 38 and 23 Ma that affected the SMO. The Ocampo Caldera, whose diameter is about 40 to 50 kilometers, also contains several smaller diameter (1 to 12 kilometers) minor calderas observed inside and at its edge. These so-called “collapse” structures are filled by Tertiary-age felsic to intermediate volcanoclastics rocks which overlie Triassic- to Cretaceous-age intermediate volcanics and sedimentary rocks (all



comprising the SMO). These units are cut by contemporaneous dioritic to rhyolitic domes and dykes. Numerous epithermal gold and silver mineral occurrences and deposits are associated with ring-fracture structures of the Ocampo Caldera.

The Pinos Altos property is host to volcanic rocks belonging to both the Lower Volcanic Group (“LVG”) and the Upper Volcanic Group (“UVG”) that make up the SMO Group. The LVG (101 to 32 million year-age) is represented on the property by the Navosaigame Conglomerate Unit and the El Madroño Volcanic Unit. The UVG (32 to 20 million year-age) discordantly overlies rocks of the LVG. The UVG is made up of the Victoria Ignimbrite Unit, the Frijolar Andesite Unit, the Buenavista Ignimbrite Unit and the lacustrine deposits (see Table 1). The intrusive rocks are represented by the Santo Niño Andesite and rhyolite dykes and domes. These units infiltrate the Victoria and Buenavista ignimbrites close to the Santo Niño and Reyna de Plata fault zones that cross the entire property in a northwest-southeast direction, as well as other minor structures.

Series	Unit	Lithology	Age
Upper Volcanic Series	Buenavista Ignimbrite	570 m-Pale brown gray, beige rhyodacite crystal lithic tuffs and lapilli.	<38Ma
	Frijolar Andesite	420 m-Brown, purple andesite lithic flow tuffs	
	Victoria Ignimbrite	400 m-Tuff, brownish-gray rhyolite dacitic crystal lithic ash flow tuffs	
Lower Volcanic Series	El Madrono Volcanics	250-750 m-Interbedded greenish-gray andesite and rhyolite flows and volcanoclastics	>45Ma
	Navosaigame Conglomerate	420m-Mostly purple conglomerates, sandstones, shales	

Table 1 - Stratigraphic column for the Pinos Altos region

The Pinos Altos property is centred geologically on a horst structure at least 10 kilometres long by 3 kilometres wide and oriented roughly east-southeast. The horst structure exposes in its core, LVG stratigraphy and some older units of the UVG, namely the Victoria Ignimbrite, while generally the Buenavista Ignimbrite, the youngest UVG unit represented,



covers most of the property surrounding the central horst block. The horst is defined by the steeply north-dipping Reyna de Plata Fault to the north and the steeply south-dipping Santo Niño Fault to the south. The mineralization is controlled by the main west-northwest oriented structures (Santo Niño and Reyna de Plata faults) and, to a lesser extent, a north-northeast oriented, steeply dipping minor fault system.

Gold and silver mineralization on the Pinos Altos property consists of low sulphidation epithermal type hydrothermal quartz veins, stockworks and breccias up to 40 metres in thickness. The most significant mineralization on the property that has been the site of historical mining activities and on which the Pinos Altos mining project is centred, is located in the southeast part of the property. It consists of four mineralized zones, up to 500 metres long by up to 700 metres deep, that are hosted by the Santo Niño structure over a distance of almost 5 kilometres and named from east to west: El Apache, Oberón de Weber, Santo Niño and Cerro Colorado. The San Eligio zone, located approximately 500 metres northeast of the Santo Niño Zone, and within the horst structure, also comprises the Pinos Altos mining project.

Elsewhere on the property, significant gold and silver mineralization also occurs near or adjacent to the north side of the horst structure, namely the Reyna de Plata zone (along the Reyna de Plata Fault) located 1 kilometre north of Santo Niño and 5 kilometres further to the northwest, the Madroño and Carola prospects, which have also had previous mining activity.

Significant mineralization has been discovered at Creston-Mascota, located approximately 7 kilometres northwest of the Santo Niño zone. A new open pit reserve estimate was added in this sector in the December 31st, 2008 estimate. The host rocks at Creston-Mascota are the Frijolar Andesite and the Victoria Ignimbrite units. Generally shallowly west-dipping quartz-calcite veins and stockwork zones of mineralization associated with the Creston-Mascota deposit can be followed on the surface over a distance of 1000 metres north-south



and vary in thickness from 4 to 30 metres. The West Fault, first recognized during the 2008 drilling program at Creston-Mascota, is a sub-vertical, North-South striking feature against which the Creston-Mascota deposit terminates in the down-dip direction. It has been interpreted as a mainly post-mineral fault that offsets the Creston-Mascota deposit from its down-dip continuation, thought to be represented by mineralization observed at the Bravo mine/Carola prospect, located immediately southwest of Creston-Mascota. In the mineralized zone at Creston-Mascota, quartz-calcite veining is developed in the form of stockwork or as breccia (replacement and open space filling breccia sub-unit). In some locations, moderate stockwork veining, zones of silicification, and anomalous gold values also occur along the West Fault, whereas elsewhere, the West Fault consists only of non-mineralized clay gouge and breccia. The gold grades are systematically associated with green coloured quartz, similar to that associated with high gold grades in the Santo Niño zone.

3.4 *Exploration*

Prior to 1995, only a small amount of exploration work has been documented on the Pinos Altos Property. Recent exploration was done by Industrias Peñoles S.A. de C.V. (“Peñoles”) between 1995 and 2003 and by Agnico-Eagle since 2005.

Between 1995 and 2003, Peñoles completed geologic mapping and surface sampling and drilled 300 boreholes yielding 79,011 metres of core. The work carried out by Peñoles was mainly to cover the mineralization located along the Santo Niño fault on the south-east part of the property. Peñoles also completed some metallurgical studies and mining studies and in June 2003, outlined a significant mineral resource at Pinos Altos.

From March 2005 to the end of December 2008, in addition to geologic mapping and surface sampling, 439 boreholes were drilled by Agnico-Eagle on the Pinos Altos property, yielding 143,564.6 metres. This diamond drilling work was mainly completed in the



southeast portion of the property along the Santo Niño fault within the Santo Niño, Oberón de Weber, Cerro Colorado, El Apache zones and more recently to the north in the San Eligio zone. The total strike length of the known mineralization in this Pinos Altos mine area is approximately 5 kilometres.

Based on the positive drilling results in 2005 and growing precious metals resources, Agnico-Eagle exercised its option to acquire the Pinos Altos Property from Peñoles, accelerated its exploration and mining study work on the property and an initial \$23-million exploration program was put in place. The objectives of the exploration program included:

- 1) converting mineral resources to reserves;
- 2) expanding the mineral resource by drilling in under-explored sectors along the strike and at depth at the Santo Niño, Cerro Colorado, Oberon and San Eligio zones and also in the Creston-Mascota area, located almost 7 kilometres northwest of Santo Niño;
- 3) development of an underground exploration ramp to provide a deeper drilling platform and to expose the mineralization at Santo Niño and Cerro Colorado for future sampling.

In 2006, exploration including diamond drilling work was also conducted by Agnico-Eagle at Creston-Mascota, located 7 kilometres northwest of Pinos Altos mine area. In 2008, 127 boreholes were drilled by Agnico-Eagle in the Creston-Mascota area totalling 19,909.8 metres. The total meters drilled by Agnico-Eagle on Creston-Mascota since 2006 is 29,145 metres in 192 holes.

3.5 *Developments*

Two underground ramps are in development at Pinos Altos, the exploration ramp and production ramp at Santo Niño. The exploration ramp at Santo Niño was started in April 2007. As of December 31st, 2008, 1,686 metres of the ramp have been completed: including 685 metres toward Cerro Colorado zone and 1,001 metres toward the Santo Niño zone with an additional 515 metres of development for different excavations (cross-cuts, remuck, fuel



and diamond drilling bays etc...). The production ramp at Santo Niño was started in December 2007. As of December 31st 2008, 1,184 metres of ramp have been completed including 1,054 metres towards Santo Niño and 130 metres towards Oberon de Weber with 281 metres of additional development. Site preparation for the Santo Niño open pit and access road construction began in April 2008. At year-end 2008, the prestripping of the Santo Niño pit had reached 1,003,000 tonnes of waste and 97,000 tonnes of stockpiled ore. The base camp, located in Cahuisori, 6 kilometres from the mine site, is almost complete and includes a kitchen, sufficient cabins and dormitories for employees, offices and core logging and sampling facilities. A 1000-metre long airstrip has also been completed on flat land between the village of Cahuisori and the mine site. Construction of the processing plant, maintenance facilities and the administration building have also begun at the mine site. Temporary construction camp and operations offices have also been built to date on the mine site.

3.6 *Mineral Processing and Metallurgy*

A detailed metallurgical test program was conducted on the Pinos Altos ore under the direction of Agnico-Eagle to select the appropriate process and optimize processing conditions. Samples of the ore types were tested as composites and some of the ore types were tested individually. The test programs consisted of bottle roll and column leach to determine the metallurgical response of the ore types to heap leach treatment and cyanide leaching of the whole ore. Flocculant screening, gravity sedimentation, pulp rheology, cyanide destruction and vacuum and pressure filtration studies on leached tail samples were also completed. In addition, crushing, grinding and abrasion indices determinations were performed along with paddle abrasion tests for abrasion index determination and impact crushability tests for work index determination. Results from bottle roll tests were used to determine precious metal recovery, recovery rate, reagent requirements, and grind size for milling parameters. Preliminary gravity concentration and flotation tests were performed on composite samples.



Engineering and design at a Feasibility Study level have been completed by Kappes, Cassiday and Associates (“KCA”) for a 1,460,000 metric tonnes per year (4,000 metric tonnes per day) conventional Merrill Crowe precious metals recovery plant, including one stage crushing, SAG and ball mill grinding, thickening, leaching and recovery systems, cyanide destruction, and dry tailings impoundment. The mill is designed to produce approximately 156,000 ounces of gold and 2,400,000 ounces of silver annually.

Heap Leaching processing for Pinos Altos was added to the basic design after receiving column leach test results. The heap leach is sized for a nominal ore processing rate of 730,000 tonnes per year (2,000 tpd). The heap leach process is designed to produce approximately 14,000 ounces of gold, 80,000 ounces of silver annually.

Mineral processing for the separate Creston-Mascota project consists of a 3,700 tpd heap leach for a total of 1,350,000 tpa. The current design provides for average annual production of gold and silver is approximately 51,000 ounces and 120,000 ounces, respectively.

3.7 Mineral Resource and Mineral Reserve Estimate

The conversion of Mineral Resources to Mineral Reserves is based on the Pinos Altos Feasibility Study (Doucet, 2007b), the Mascota Feasibility Study (Matte et al., 2008) and more recent information, including a Life of Mine Plan completed by Agnico-Eagle in February 2009. The cut-off values used for estimating the Mineral Resources are based on assumptions presented in Table 2. Dilution factors of 10 percent for the open pit and variable depending on the position of the Santo Niño fault (averaging 21.4%) for the underground mining were applied to the Mineral Reserves. The dilution factors and dilution grades represent preliminary estimates supported by internal preliminary engineering studies. A gold price of \$725 per ounce and a silver price of \$13.32 per ounce were used



along with a Mexican peso to U.S. dollar exchange rate of 11.0 . The metal price and exchange rate assumptions are trailing three-year averages calculated as of December 31st, 2008 in conformity with U.S. Securities and Exchange Commission regulations.

Modifying factor	Open Pit	Underground
Mining losses	0%	5%
Extraction ratio	100%	100%
Planned dilution	10%	variable (averaging 21.4%)
Dilution Grade	0 g/t gold 0 g/t silver	Estimated by block modeling
Mill gold recovery	96.5% if Au $\geq 2,86\text{g/t}$ if Au < 2,86g/t $y\% = 0.7019 \cdot \ln(x) + 95.762$ Average for Pinos Altos = 96.5%	
Mill silver recovery	$y\% = 3.3502 \cdot \ln(x) + 37.753$ Average for Pinos Altos = 52.8%	
Heap Leach gold recovery	59% for Santo Nino 77% for Oberon de Weber 65% for San Eligio and El Apache 71.0% for Creston-Mascota	
Heap Leach silver recovery	11% for Santo Nino 14% for Oberon de Weber 15% for San Eligio and El Apache 16.0% for Creston-Mascota	
Metal prices	US\$725 / oz gold US\$13.32 / oz silver	
Exchange rate (MXP/US\$)	11.00	
NSR cut off	US\$21.65 per tonne (milling) US\$7.51 per tonne (heap leach for Pinos Altos) US\$9.00 per tonne (heap leach for Creston-Mascota)	US\$40.48 per tonne (milling)
Royalties	Averaging 3.10% for Pinos Altos Averaging 0.76% for Creston-Mascota	

Table 2 - Modifying factors used by Agnico-Eagle in the conversion of Mineral Resources into Mineral Reserves

Using the above assumptions, the Mineral Reserves for Pinos Altos gold project (Table 3) are estimated at 41.8 million tonnes grading 2.68 g/t gold (3.593 million ounces of gold) and grading 74.48 g/t silver (100.010 million ounces of silver). Most Mineral Reserves are



classified as probable mineral reserves except for roughly 97,000 tonnes of stockpiled ore grading 1.35 g/t gold and 19.08 g/t silver (classified as proven mineral reserve).

Resource/Reserve Category	Tonnage [000's]	Grades [g/t gold]	Grade [g/t silver]	Contained Gold [x000 troy oz Au]	Contained Silver [x000 troy oz Ag]
Proven Mineral Reserve	97	1.35	19.08	4	59
Probable Mineral Reserve					
Open Pit	18,594	2.34	55.08	1,402	32,926
Underground	23,075	2.95	90.34	2,187	67,025
*Total Probable Mineral Reserve	41,766	2.68	74.48	3,593	100,010
Indicated Mineral Resource					
Open Pit	7,160	0.76	12.17	176	2,802
Underground	5,308	1.31	44.85	223	7,653
Total Indicated Mineral Resource	12,468	1.00	26.08	399	10,455
Inferred Mineral Resource					
Open Pit	2,093	0.96	15.87	64	1,068
Underground	1,907	2.41	66.38	148	4,069
Total Inferred Mineral Resource	4,000	1.65	39.95	212	5,137

Table 3 - Mineral Resource and Mineral Reserve statement, Pinos Altos gold-silver project, Mexico – Agnico-Eagle Mines Limited, December 31, 2008

3.8 Mining Projects

The Pinos Altos mining project envisions mining the declared Mineral Reserves from surface and underground methods. It is estimated that approximately 11.97 million tonnes of ore are extractable from surface mining and 21.92 million tonnes by underground access at the Pinos Altos site. Although the August 2007 Feasibility Study (including the mining



approach and design, the capital and operating cost estimates, the economic analysis and mine life presented herein) was based on the resource estimate of February 2007, in conjunction with more recent information and studies (including the November 2008 Life of Mine Study), the Feasibility Study is adequate and demonstrates that economic extraction of the current December 2008 mineral reserve is justified.

The separate Creston-Mascota Project envisions open-pit mining of the December 2008 reserve and resource estimate of this zone (6.73 million tonnes of ore). Based on an internal Feasibility Study (Matte et al., 2008), the plan considers a 3,700 tonne per day conventional open pit and separate heap leach operation from Pinos Altos. Reserve dilution applied on the open pit is 10% and the mining recovery factor used is 100%.

3.9 Surface Mining

3.9.1 Pinos Altos

The surface mines will use traditional open pit mining techniques with 7 meter high benches (with double benches on the footwall and a single bench in the hanging wall). The slope angle of the hanging wall will be 45 degrees and 50 degrees in the footwall. The strip ratio is planned to be 11.9 tonnes of waste per tonne of ore in the Santo Nino pit, of 4.7 tonnes of waste per tonne of ore in the Oberon de Weber pit, and 5.5 tonnes of waste per tonne of ore in the El Apache pit. Basically, nine 100 tonne-sized trucks will haul the ore and waste out of the pits; the trucks will be loaded by three 992 Caterpillar-type loaders. This will allow moving approximately 17 million tonnes of material per year. The surface mine will produce all the ore processed at the heap leach facility and will also provide around 600,000 tonnes to the mill annually. Pre-stripping started in April 2008 to ensure the future production.



3.9.2 Creston-Mascota

The Creston - Mascota Project will be mined by conventional open pit mining method using trucks and loaders and by drilling, blasting, loading and hauling; considering that the ore is near to the surface, no economic analysis of underground method was done. Mining will provide approximately 1.35 million tonnes annually to the Creston-Mascota heap leach facility.

The pit design for Creston -Mascota will be 7 meter high benches, including operational haul road to access all the benches. The final ramp will be double lane considering 3.5 times the width of the truck for a width of 23 meters. The Creston-Mascota open-pit will have a strip ratio of 4.0 tonnes of waste per tonne of ore.

Pit Design Parameters:		
Bench parameters:		
Bench height	7	Mts
Face angle	70°	
Berm width	6.65	double bench
Overall pit angle	50°	Variable
Ramps:		
Maximum Grade	10%	
Double lane width	23	Mts
Single lane width	15	Mts

Table 4 - Creston-Mascota pit design parameters

3.10 Underground Mining

The underground mine at Pinos Altos will use long holes sublevel stoping to extract the ore coming from the Santo Nino, Cerro Colorado, Oberon Weber and San Eligio deposits. The stope size will be 30 metres high and 15 metres wide. Ore will be hauled to surface by 45 tonne-capacity trucks via a ramp system. No shaft envisioned in the 2007 Feasibility Study



because of the proximity to surface of the potential ore zones. The trucks will be loaded by 10 cubic yard-capacity scoop trams. The underground mine by itself will be able to provide 2,800 tpd at maximum production rate. Paste backfill will be used to backfill mined stopes and ensure the stability of the adjacent stope and minimize dilution. Ventilation will be accomplished using ventilation raises and the ramp system.

3.11 *Process and Plant Description*

At Pinos Altos, mineral processing of gold and silver will include a 4,000 tpd leach-CCD-Merrill Crowe mill processing facility and a 2,000 tpd heap leach while at Creston-Mascota, gold and silver will be recovered in a separate a 3,700 tpd heap leach.

At the Pinos Altos process facility, due to the amount of recoverable silver in the ore, an agitated leach/CCD wash circuit followed by a Merrill Crowe plant for the recovery of gold and silver values from the Pinos Altos mine project. The flowsheet will consist of the following processes:

- Crushing and conveying
- Stockpile and reclaim
- Grinding and Gravity and Intensive Leaching
- Agitated leach circuit
- Counter current decantation
- Zinc precipitation (Merrill Crowe)
- Mercury Retort & Refinery
- SO₂ / Air cyanide destruction plant
- Pressure filtration and dry stacking tailings
- Paste backfill plant
- Reagent mixing and distribution
- Utilities



The base case scenario for the study at the Pinos Altos facility includes crushing and grinding, thickening, agitated leach circuit, followed by counter-current decantation (“CCD”). Gold and silver will then be recovered by Merrill Crowe zinc dust precipitation. The residual cyanides will be destroyed prior to tailings filtration. The filtered tailings will be discharged to the tailings area. Gold/Silver bullions will be produced on site from the zinc precipitate. The filtrate water from Merrill Crowe circuit (barren solution) and tailings filtration areas will be reused as process water. A simplified process flowsheet is presented in Figure 65.

3.12 Milling Process

The mineralization in the Pinos Altos district is made up of several epithermal veins of low sulphidation. The mineralogical study indicates that the majority of host rock consists of a core of quartz (70-80%) with 7-17% feldspars and argillic or clayed material (5%). The gold is in native form and amenable to cyanidation, while Silver recovery is low due to encapsulated silver mineral into 2 microns quartz grains and quartz or iron oxide fines coating on acanthite grains. Evaluation of the metallurgical results indicate that the ore should be ground to 80% passing 75 microns (200 mesh), and leached in a two gram per litre sodium cyanide solution for 48 hours. Under these conditions and based on mine life head grades of 3.00 gold g/t and 89.31 silver g/t. (which is the approximate grade of the portion of the December 31st 2008 mineral reserves which will be processed by milling at Pinos Altos), a weighted average gold and silver recovery for all ore types has been estimated at 96.5% and 52.8% respectively.

3.13 Heap Leaching Process

3.13.1 Pinos Altos

The 2,000 tpd heap leach operation is considered as an add-on to the proposed 4,000 tpd mill and is proposed as an alternative process option for the low grade ore which will be



encountered during open pit mining operations at Pinos Altos. Current test work and economic evaluations of the heap leach option are sufficient for the purpose of this feasibility study, but further work will be required to optimize this process option.

Ore will be crushed in a three stage crusher, truck-stacked on a pad, and leached in a two-stage counter-current fashion. The assumed crush size is 80% passing 9.5 mm. Metal will be recovered in a standard Merrill-Crowe plant located at the mill.

Based on both column and bottle roll test work performed by McClelland Laboratories, and KCA, the metal extraction rates established as conservative to use for the Pinos Altos Project were 68% life of mine weighted average recovery for gold and 13% life of mine weighted average recovery for silver with a mine life head grade of 0.88 Au g/t and 26 Ag g/t.

Open pit low grade ore will be crushed and heap leached. Heap leaching will yield substantially lower recovery than milling, but since the heap leach ore is much lower grade, the overall cost per ounce will be about the same in both processing scenarios.

A preliminary project development schedule has been prepared which indicates that approximately 16 months will be required from the time detailed engineering begins until the beginning of commissioning of the process facility. Therefore it is anticipated that initial start-up of processing facility could commence by the third quarter of 2009.

3.13.2 Mascota

The Creston-Mascota project comprises of a 3,700 tpd heap leach for a total of 1,350,000 tpa. A process flowsheet was selected that included primary crushing of run-of-mine ore, followed by two additional stages of crushing to produce a final product of approximately 80% passing 9.5 millimeters. Crushed ore is agglomerated with cement and then



transported by truck to the heap leach pad where the ore is stacked in 8 metre-high lifts using a low ground pressure dozer. The stacked ore is leached with solutions containing low levels of sodium cyanide. Ore is under primary heap leach irrigation for an average of 90 days. Secondary leaching will occur through successive ore lifts. Gold and silver is recovered from the pregnant solutions by adsorption onto activated carbon in a carbon in column circuit. Loaded carbon is stripped in a pressurized elution process while barren solution is recycled back to the heap. Electrowinning cell sludge will be smelted and poured into doré bars.

A single train of adsorption columns, acid wash, carbon regeneration and reagent handling facilities are located at Creston-Mascota. Carbon will be transferred between Pinos Altos and Creston-Mascota on a daily basis.

The strip vessel, heat exchangers, tanks, boiler, and associated pumps will located at Pinos Altos on a slab under a roofed area while the ecells, rectifier, precipitate press and associated tanks and pumps are planned to be in a small, new refinery located close to if not attached to the existing Pinos Altos refinery.

Average annual production of gold and silver is approximately 51,000 ounces and 120,000 ounces, respectively. Gold recovery is expected to average 71% and 16% for silver. A flowsheet drawing is attached in section 17 for information purposes.

In June 2008, Agnico-Eagle contracted Kappes, Cassiday & Associates (“KCA”) to conduct one portion of the study. KCA’s scope of work is limited to the heap leach processing facilities and some infrastructures at Creston-Mascota. Current test work and economic evaluations of the heap leach option are sufficient for the purpose of this feasibility study, but further work will be required to optimize the process.



Considering that Creston-Mascota will be a satellite operation, the mine administration activities and precious metal refining will be done at Pinos Altos. It will only require minimal technical and operations offices. A small clinic and training room are justified at Creston-Mascota. The Pinos Altos assay lab will do most of the work apart from some specific solution analyses for control of the leach and strip circuits.

This study assumes that Creston-Mascota is only partially self-sufficient and will depend on the Pinos Altos operation for assistance with several functions.

A preliminary project schedule has been prepared which indicates that approximately 18 months will be required from the time basic engineering starts until the beginning of commissioning of the process facilities.

3.14 *Environmental Considerations*

The Pinos Altos Project climate is temperate sub-humid with a rainy season from the end of June to the end of August, where precipitation can reach 30 to 50 mm per hour and a dry season from December to May with less than 50 mm of precipitation per month (650 to 1000 mm per year) and an average annual temperature between 10 and 15°C. The site flora belongs to the *Mesoamericana de Montaña* region. The area's vegetation is dominated by coniferous and deciduous forest.

As a result, the project will have to manage water efficiently. For this reason, a dry tailings stacking method was selected for the mill. This method offers the advantage of recovering most of the water from the process at the end of the milling circuit. It is also advantageous from a tailings impoundment stability point of view during the rainy season.

The fact that the waste rock is non-acid generating and non-toxic, and that the tailings are deposited dry and detoxified, will remove the major post-closure risk and should limit the closure costs.



All the environmental permits for the Pinos Altos project have been received, the most recent being the inclusion of a heap leach pad. As the reserves of ‘leachable ore’ will increase, more pad area will be required and the permit amended to allow for the new surface.

Environmental studies were initiated on the Creston-Mascota project and permits have either already been received or are being processed. An area of approximately 230 ha was identified as the area required for project development. The proximity of the Creston-Mascota Project from the future Pinos Altos mine is convenient and advantageous in that it will allow the project to take advantage of the synergies between the two neighbouring projects both properties of Agnico Eagle Mexico

3.15 Capital and Operating Cost Estimates

3.15.1 Pinos Altos

The capital and operating cost for the project have been evaluated using different sources to ensure objective and realistic costs. The capital and operating costs are based on the 2007 Feasibility Study and more recent information (including the December 31st 2008 Mineral Resource estimate and the February 2009 Life of Mine Study) that demonstrates that economic extraction of the current December 2008 mineral reserve is justified. The capital cost and operating cost are summarized in the following tables.



Category	Cost Millions US\$
Indirect Cost	1.1
Surface Infrastructures	23.8
Surface Mine	45.5
Underground Mine	157.8
Mill	45.1
Heap Leaching	11.5
Environment	19.8
General Fees	42.1
G&A	14.0
Owner Construction	4.6
Salvage	(11.0)
TOTAL	354.3

Table 5 - Summary of the Capital Expenditures

Category	Cost US\$/tonne
Open Pit Mining	1.14
Underground Mining	19.97
Milling	15.91
Heap Leach	4.43
Laboratory	0.37
Surface Services	0.78
General & Administration	4.99
TOTAL (Average/tonne(Mill+HL))	38.42

Table 6 - Summary of the Operational Expenditures

3.15.2 Creston-Mascota

The capital and operating costs for the Creston-Mascota project have been evaluated using different sources to ensure objective and realistic costs. The capital and operating costs are



based on the internal Feasibility Study of December 2008 and are summarized in the following tables.

Category	Cost Millions US\$
Indirect Cost	7.1
Surface Infrastructures	5.6
Surface Mine	14.0
Heap Leaching	22.6
Owner's Costs	2.1
EPCM	4.0
Contingency	9.5
Closure cost	3.2
Salvage value	(4.3)
TOTAL	63.9

Table 7 - Summary of Capital Costs

Category	Cost US\$/tonne
Open Pit Mining	5.26
Heap Leach	5.22
Laboratory	0.13
Surface Services	0.15
General & Administration	2.30
TOTAL (Average/tonne)	13.06

Table 8 -Summary of Operating Costs

3.16 Economic Analysis

The economical analyses of the Pinos Altos and Creston-Mascota projects were conducted using a gold price of US\$725 per ounce, a silver price of 13.32 US\$ per ounce and a MX\$/US\$ exchange rate of 11.00 which are the three-year historic average metal prices and exchange rate as of December 31st, 2008. Royalty charges were applied in compliance with the Madroño agreement.



3.16.1 Pinos Altos

The February 2009 production plan study (including the mining approach and design, the capital and operating cost estimates and the economic analysis) was based on the 2007 Feasibility Study and more recent information (including the mineral resource estimate of December 2008); it demonstrates that economic extraction of the current December 2008 mineral reserve is justified.

The result of the economical analysis provides a positive IRR for the Pinos Altos Project of 20.58% percent after royalty and before taxes and an IRR of 19.74% after taxes. The payback was estimated to be 5.5 years while the mine life was 22 years.

3.16.2 Creston-Mascota

The February 2009 mine plan was based on the 2008 internal Feasibility Study and more recent information (including the December 31st, 2008 Mineral Resource estimate) and demonstrates that economic extraction of the Creston-Mascota mineral resources can be achieved.

The result of the economical analysis provides a positive IRR for the Creston-Mascota project of 25.16% after royalty charges and before taxes. The payback was estimated to be 2.9 years while the mine life was 5 years.

3.17 *Conclusions and Recommendations*

The Pinos Altos Life of Mine Plan, based on the December 2008 resource estimate, obtained 19.74% after taxes Internal Rate of Return (“IRR”) with a gold price of US\$725 per ounce, silver price of US\$13.32 per ounce and a MXP/US\$ exchange rate of 11.00.



The Creston-Mascota Life of Mine Plan, based on the December 2008 resource estimate, obtained an IRR of 25.16% after royalties and before taxes using the same gold and silver prices and currency exchange rates as for Pinos Altos.

The economic studies, the intersection continuity seen between holes and the drilling pattern, as well as the information and data used in the Mineral Resources estimation are adequate to establish probable reserves for the Pinos Altos and Creston-Mascota projects.

However, it is possible that modeling of distinct zones of mineralized breccia and the stringer would result in a better distribution of the grade throughout the deposit without affecting the total ounces already estimated for the deposit.

From an environmental point of view, the non-acid generating nature of the waste rock and the selected dry tailings management method combined with cyanide destruction ensure that environmental impacts of the project are minimised. A sampling program should be implemented to verify the waste rock and tailings acid generating properties throughout the mine life to ensure that they fall within the study results. In addition, good environmental practices will need to be implemented to manage dust, noise and domestic and industrial waste at the site. Water quality will also be monitored to ensure that the mine operation does not affect the quality of the receiving waters. In addition, Agnico Eagle Mexico made the decision to enrol in a voluntary program of audit from the federal government that starts in the last quarter of 2009. This program, labelled 'Industria Limpia' or 'Clean Industry' and controlled by the Procuraduria Federal de Proteccion al Ambiente (PROFEPA), is an additional guarantee of compliance to all environmental regulations in Mexico. The main environmental regulations governing the mining activities in Mexico are: NOM-120-SEMARNAT for exploration activities, NOM-141-SEMARNAT for tailings ponds, NOM-001-SEMARNAT for the discharge of waste water, NOM-003 CNA for groundwater catchment, NOM-052-SEMARNAT for hazardous waste, NOM-059-SEMARNAT for the protection of vegetation and NOM-081-SEMARNAT for noise control.



We recommend continuing the exploration program on and around the Pinos Altos property and the Creston-Mascota property and continue the development of the Pinos Altos exploration ramp to further investigate the geological information in the deeper part of the orebody already identified. It is also our opinion that more drilling is required to see the full potential of this project.

A comprehensive metallurgical test program has been completed for the Pinos Altos and Creston-Mascota . While available data indicates relatively simple extraction techniques will yield acceptable metallurgical results and design criteria, in the case of Creston-Mascota further work is recommended to confirm the obtained results.



Item 4 Introduction

On August 9th, 2007, Agnico-Eagle Mines Limited (“Agnico Eagle” or the “Company”) announced a positive development decision for its 100% owned Pinos Altos gold project in Northern Mexico based on a Feasibility Study completed in August 2007. Mineral reserves at that time totalled 20.0 million tonnes grading 3.5 grams per tonne gold and 102.3 grams per tonne silver (for 2.2 million ounces of gold and 65.7 million ounces of silver). The Feasibility Study, at that time, had estimated overall mine-site operating costs to average \$39 per tonne, capital expenditures for construction of \$190 million and average yearly sustaining capital expenditures of \$3 million. The Feasibility Study had planned a conventional milling operation of 4,000 tonnes of ore per day and a heap leach operation reaching peak production rates of 2,500 tonnes of ore per day. Gold and silver production was estimated to average roughly 160,000 ounces of gold and 4.8 million ounces of silver per year over an 11 year mine-life. A Technical Report describing the Pinos Altos mining project, the mineral resources and reserves and the results of the Feasibility Study was published on September 24th, 2007.

Construction of the open pit and underground mining and conventional milling and heap leach project began immediately in August 2007 while at the same time, exploration activities continued on the Pinos Altos property. In December 2008, Agnico-Eagle announced that it had purchased surface rights and made advance royalty payments in connection with the Pinos Altos property.

At year-end 2008, construction of the Pinos Altos mine was well advanced, primarily in the processing plant, electric line, shop and warehouse and heap leach areas. Open pit mining had extracted at total of 10.1 million tonnes, including the first ore stored in stockpiles. Total underground mining development by year-end has reached almost 3,700 metres.



Commissioning of the processing plant and the first gold and silver production were expected before the end of the third quarter of 2009.

In a Company press release dated February 18th, 2009, Agnico-Eagle disclosed a significantly larger mineral resource and reserve estimate for Pinos Altos, including proven and probable reserves of 41.8 million tonnes grading 2.7 grams per tonne gold and 74.5 grams per tonne silver. New reserves were also reported in the Creston Mascota deposit, located 7 kilometres northwest of the Pinos Altos mine-site. These disclosures warranted the preparation of a more current Technical Report presented herein.

This Technical Report has been prepared by the Company's Technical Services Division in Preissac, Quebec, for Agnico-Eagle Mines Limited and presents the technical information supporting the February 18th, 2009 disclosure of Mineral Resources and Mineral Reserves dated December 31st, 2009 for the Pinos Altos project. The report was prepared by a team of Qualified Persons from Agnico-Eagle in compliance with the standards set out in Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101"), Companion Policy 43-101 CP and Form 43-101F1 and in conformity with generally accepted CIM "Exploration Best Practices" and "Estimation of Mineral Resources and Mineral Reserves Best Practices" guidelines Agnico-Eagle is a "producing issuer" and a long time "reporting issuer" under the definitions of Canadian Securities Administrator's NI 43-101.

4.1 *Qualified Persons*

The compilation of this Technical Report represents a collaborative effort by Agnico-Eagle staff. Each aspect of this Technical Report was prepared by or under the supervision of an appropriately Qualified Person as defined by NI 43-101. Each qualified person retains the responsibility for his or her contribution as indicated below.

Ms. Dyane Duquette, P.Geo. (OGQ #5072), is a Qualified Person and has been employed by Agnico-Eagle since February 1997. She is currently Discipline Leader in Geology at the



Company's Technical Services Office in Preissac, Quebec and was responsible for the Mineral Resource and Mineral Reserve estimation work for the Pinos Altos project. She authored Sections 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 19 and co-authored Sections 3, 4, 5, 6, 7, 21, 22, 23, 24 and 26 of the Technical Report that concerned geology.

Ms. Louise Grondin, P.Eng., Eng. (PEO #17384504, OIQ #125863), is Agnico-Eagle's Vice President, Environment and Sustainable Development. She has been with Agnico-Eagle since 2001. Ms. Grondin is a Qualified Person and co-authored Section 3, 4, 5, 6, 7, 21, 22, 23, 24, 25 and 26 of the Technical Report concerning the environment.

Mr. Pierre Matte, Eng. (OIQ #118872, APEG of BC #29113) is a Qualified Person and has been employed by Agnico-Eagle since 2006. He is the Manager at the Company's Technical Services Division in Preissac, Quebec and supervised the mining engineering work for the Pinos Altos project. He authored Sections 1, 2, and 20 and co-authored Sections 3, 4, 5, 6, 7, 21, 22, 23, 24, 25 and 26 concerning mining engineering.

Mr. Camil Prince, Eng. (OIQ #33968), is Process Development Manager at the Company's Pinos Altos Mine Project in Chihuahua, Mexico. He is a Qualified Person responsible for the metallurgical aspects of the Pinos Altos project and supervised the metallurgical study work. He authored Section 18 and co-authored Sections 3, 4, 5, 6, 7, 21, 22, 23, 24, 25 and 26 concerning metallurgy.

4.2 *Personal Inspection*

Each of the authors listed in the previous section has visited the site at least once since Agnico-Eagle acquired the property in 2006 to inspect the Pinos Altos project and the surrounding areas (See Table 9 below).



Qualified Person	Inspection Dates
Mr. Pierre Matte	-December 5 to December 7, 2006 -April 9 to April 12, 2008 -April 21 and 22, 2008 -October 23 and 24, 2008
Ms. Louise Grondin	-July 18 to July 21, 2005 -October 1 to October 5, 2007 -March 18 to March 20, 2008 -February 18 to February 22, 2008 -October 27 to October 29, 2008 -February 3 and 4, 2009
Mr. Camil Prince	-April 20, 2006 -July 8, 2006 -October 18, 2006 -January 29, 2007 -April 3, 2007 -December 7, 2007 -January 23, 2008 -February 27, 2008 -March 26, 2008 -April 22, 2008 -May 10, 2008 -Permanent on site from April 16 th , 2008
Ms Dyane Duquette	-June 18th to 29th, 2005 -August 22nd to September 3rd, 2005 -December 1 st to December 5 th , 2008

Table 9 - Personal inspections of the property



4.3 *Basis of the Technical Report*

Many items presented in this report have as a basis, information compiled in the previous Technical Report on the Pinos Altos Project disclosed on SEDAR by Agnico-Eagle (Doucet et al., 2007c).

The information on geological, engineering, legal, operating, economic, social, environmental and other factors (including operating cost estimates) that is presented in this report was derived from the August 2007 Feasibility Study (Doucet et al., 2007b) and updated with more recent information such as current experience at the Pinos Altos mine project where pre-production open pit mining and underground development is underway.

The November 2008 Life of Mine Report prepared by Agnico-Eagle Pinos Altos Mine Project staff and the Company's Technical Services Division based in Preissac, Quebec were also used as basis to declare the mineral reserves and resources and prepare this report.

The exploration results in the Mineral Resource and Resource estimate presented in this report are current to December 31st, 2008.

Additional information on mineral processing used to prepare this report were derived from test-work and studies by Kappes-Cassidy (2008 and 2008a) and by Zhou and Liu (2008).

The actual capital costs to construct and prepare the Pinos Altos Mine have been compiled by Agnico-Eagle along with estimates to complete the project presented herein and are current as of approximately December 31st 2008.



4.4 Terms of Reference

Agnico-Eagle Mines Limited: Agnico-Eagle or Company or AEM
Agnico Eagle Mexico S.A. de C.V.: Agnico Eagle Mexico
Atomic absorption: AA
Atomic absorption spectrometry: AAS
Billion years of age: GA
Canadian Institute of Mining, Metallurgy and Petroleum: CIM
Canadian Securities Administrators: CSA
Comisión Federal de Electricidad: CFE
Consejo de Recursos Minerales: CRM
Counter-current decantation: CCD
Cubic feet per minute: cfm
Cubic metres per hour: m³/hr
Degree Celcius: °C
Environmental impact study: MIA
Environmental risk study: ER
Global positioning system: G.P.S.
Gold: Au
Gram: g
Gram per tonne: g/t
Gravity recoverable gold: GRG
Hectare: ha
Industrias Peñoles S.A. de C.V.: Peñoles
Internal rate of return: IRR
Lower volcanic group: LVG
Kappes, Cassiday and Associates: KCA
Kilogram: kg
Kilometre: km
Metre: m
Metre above sea level: masl
Mexican Peso: MXP
Millimeter: mm
Million years of age: MA
National Instrument 43-101: NI 43-101
National Institute of Anthropology and History of Mexico: INAH
National Water Commission of Mexico: CAN
Net smelter return: NSR
North American datum: NAD
Ounce (troy): oz
Part per billion: ppb
Part per million: ppm



Punto portada: P.P.
Quality assurance and quality control: QAQC
Office of Environment and Natural Resources of Mexico: SEMARNAT
Office of National Defense of Mexico: SEDENA
Semi-autogenous grinding: SAG
Sierra Madre Occidental: SMO
Silver: Ag
Sodium cyanite: NaCN
Square kilometer: km²
Square metre: m²
System for Electronic Document Analysis and Retrieval: SEDAR
Tailings management facility: TMF
Technical study for land use change: CUS
Thousands: 000's
Tonne (metric): t
Tonnes per day: tpd
Tonnes per year: tpa
United States of America: U.S.
U.S. dollar: \$
U.S. Securities and Exchange Commission: SEC
United States of Mexico: Mexico
Universal Transverse Mercator: UTM
Upper volcanic group: UVG
X-ray diffraction: XRD



Item 5 Reliance on Other Experts

The present report is also based on the work of consultants who are not Qualified Persons as defined by NI 43-101. For example, the most recent information concerning the Pinos Altos mining concessions including their validity, expiration dates and taxes paid, was compiled in August 2007 by J. Gildardo Estrada, a registered Mexican mining surveyor based in Chihuahua Mexico working as a contractor for the Company. Although the Company previously verified the validity of the mineral titles comprising the Pinos Altos property when it purchased the property in 2006, the author is not an expert for assessing the current legal validity of claims in Mexico and the Company relies on the information provided by J. Gildardo Estrada.



Item 6 Location and Property Description

6.1 Location

The Pinos Altos property is located in the municipality of Ocampo, in the state of Chihuahua, in northeast Mexico (Figure 1), approximately 280 kilometres by road west-southwest of the capital city of Chihuahua, 12 kilometres northwest of the town of Ocampo, the municipal centre, and 9 kilometres northwest the village of Cahuisori and nearby Basaseachic (Figure 2).

The location of the centre of the Pinos Altos property, in UTM NAD 27 (zone 12) reference system, is 3,132,008 North and 762,798 East or at approximately 28°16' Latitude North and 108°18' Longitude West.



Figure 1 - Location of Pinos Altos project inside the Sierra Madre trend

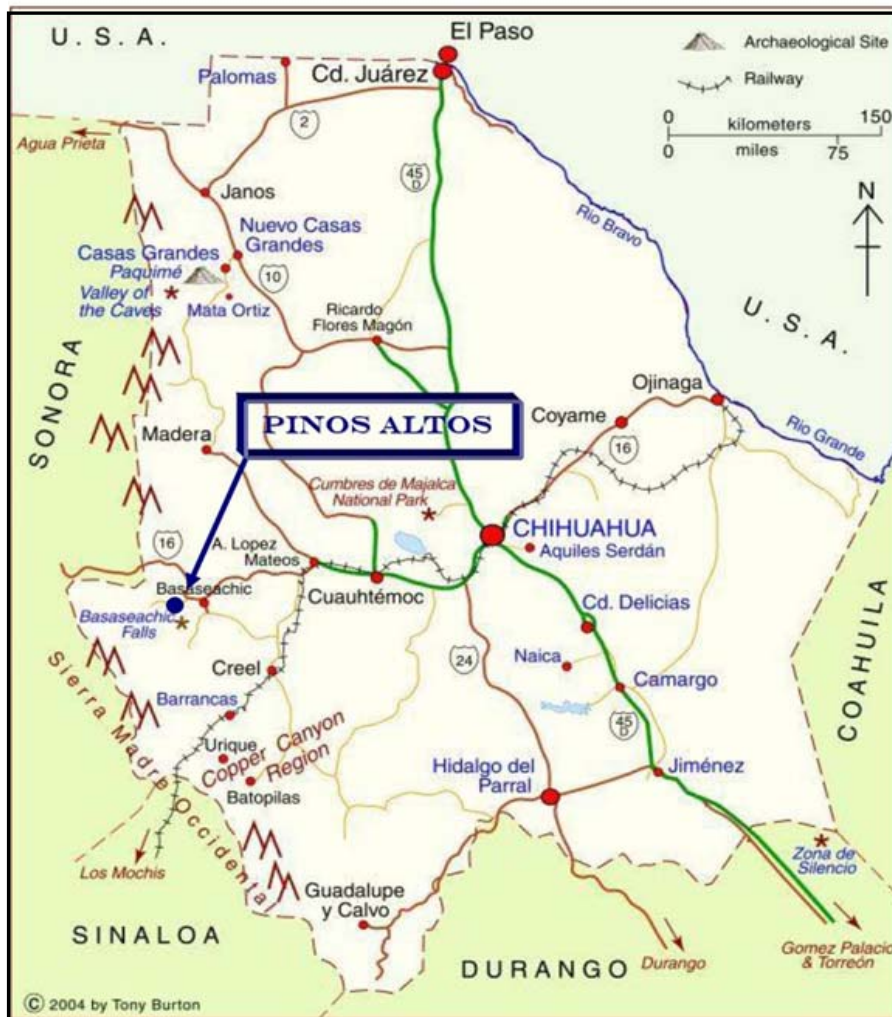


Figure 2 - Location of Pinos Altos project in Chihuahua State

6.2 Area of the Property

The entire surface area of the Pinos Altos property is 11,094.2 hectares that is covered by 37 mining concessions (Table 10 and Figure 3).

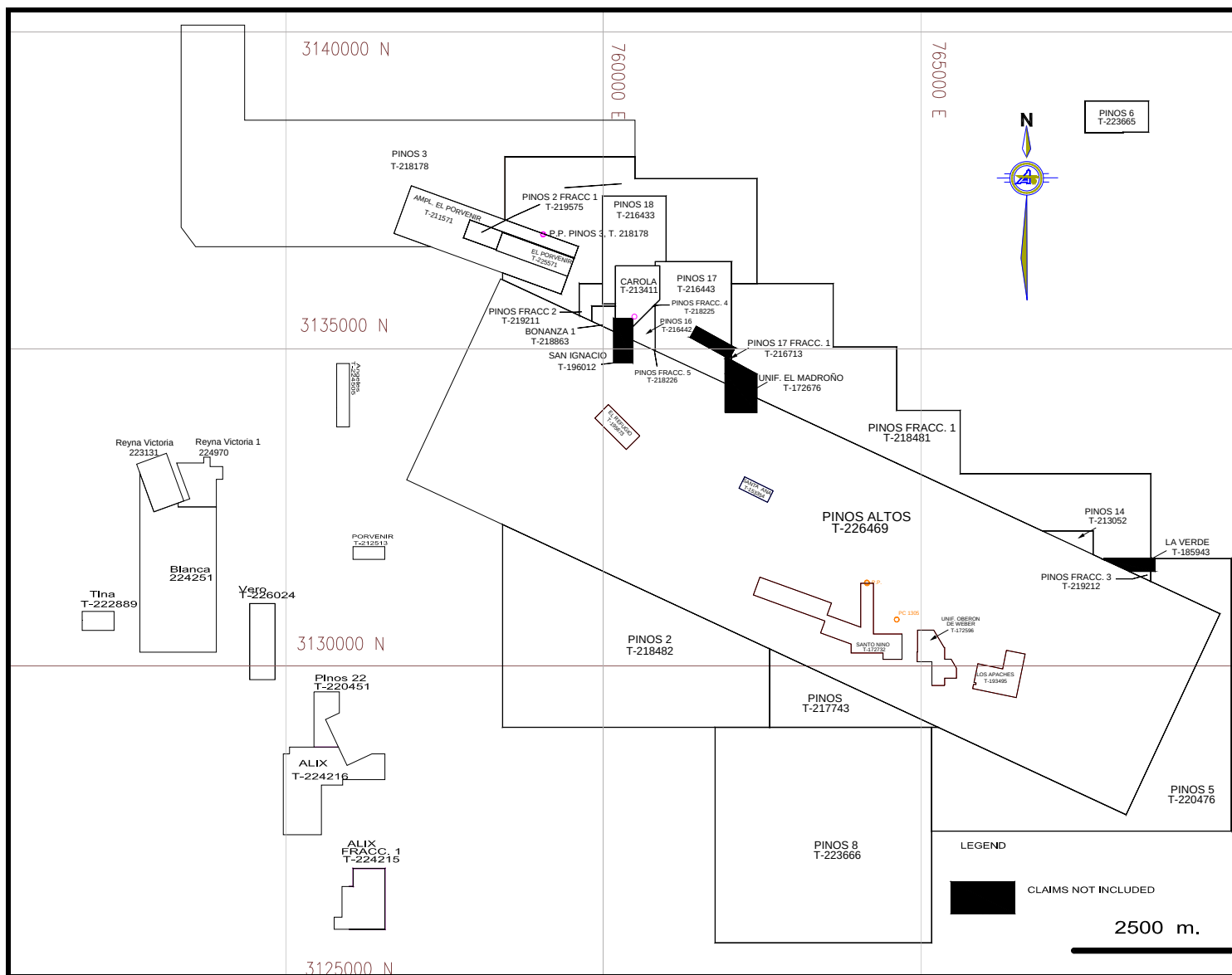


Figure 3 -Pinos Altos property map



6.3 Property Tenure Rights

As described above, the Pinos Altos property consist of 37 mineral concessions (11,094.2 hectares) that comprise three property blocks: the Parreña Block (19 concessions, 6041.14 hectares); the Madroño Block (17 concessions, 889.23 hectares); and the Pinos Altos Block (one concession, 4,163.83 hectares). The concessions are listed in Table 10 and presented in Figure 3.

The Pinos Altos property was acquired in March 2006 by the Company from Industrias Penoles S.A. de C.V. (“Penoles”). The assets comprising the Pinos Altos project acquired by the Company are an assignment of rights under contracts to explore and exploit the Madroño Concessions and the Pinos Altos Concession held by Minerales El Madroño S.A. de C.V. (“Madroño”), the right to use up to 400 hectares of land controlled by Madroño for mining installations for a period of 20 years after formal mining operations have been initiated, sole ownership of the Parreña Concessions, possession rights under Mexican law to a 13.3 hectare parcel of land located near the village of Cahuisori approximately 9 kilometres East of the property, and rights to an environmental impact statement authorization issued by Mexican environmental authorities.

Mining in Mexico is subject to Mining Law, a federal law. Prior to 2005, two types of mining titles existed in Mexico, exploration concessions and exploitation concessions. The Mexican Mining Law was amended by a Congress Decree dated February 22, 2005, published at the Official Daily of the Federation on April 28, 2005 and accordingly only mining concessions exist (and are valid for a period of fifty years, renewable once). All existing “exploration” and exploitation” concessions have been converted into mining concessions expiring fifty years from the date they were originally granted.

The main obligations to keep mining concessions in good standing are the semi-annual payment of mining duties and the performance of a minimum prescribed amount of exploration or mining work.



The amount of mining duties required for a mining concession is on the surface area and age of the concession. Although the mining duty rates are subject to change, the amounts indicated in Table 10 which are the estimated duties payable for the first half of 2009, are a reasonable indication of the future semi-annual obligations that must be met to retain the concession.

The annual work requirements are also based on surface area and age of the concession. Although they are also subject to changes, the amounts indicated in Table 10 which are the estimated work requirements for 2007 (and for 2006 in a few cases concerning the Madroño leased concessions), are a reasonable indication of the future annual work requirements to retain the Pinos Altos concessions.

Table 10 also shows that excess work credits on the mining concessions, on record as of January 1st, 2008, were more than sufficient for renewal on January 1st, 2009. The annual work requirements for 2008 and other information regarding the Pinos Altos mining concessions will be presented in a document from Government of Mexico expected to be delivered in May 2009 and entitled “Informe para comprobar la ejecución de las obras y trabajos de exploración o de Explotación” .



Table 10 - List of mineral concessions Pinos Altos property

Name of Concessions	Title No.	Area Ha	Type	Expiration Date	Semi-Annual mining Duties (January-June 2009) MXN	Annual Work Requirement for 2007 (MXN)	Excess work credits on January 1, 2008 (MXN)
PINOS ALTOS CONCESSIONS							
Pinos Altos	226469	4163.8265	Exploitation	2056-01-17	31 645.00	814 754.00	59 705 249.37
Subtotal	1	4163.83					
MADROÑO CONCESSIONS							
Ampliación El Porvenir	211571	170.45	Exploitation	2050-06-15	10 776.00	34 348.44	2 079 270.05
El Porvenir	225571	36.0000	Exploitation	2055-09-22	274.00	3 529.80	500 545.75
Pinos 16	216442	16.5851	Exploitation	2052-05-16	525.00	833.34	227 048.29
Pinos 17	216443	180.3643	Exploitation	2052-05-16	5 703.00	36 309.34	2 195 819.42
Pinos 18	216433	120.8492	Exploitation	2052-05-16	3 822.00	24 593.94	1 478 840.67
Pinos 17 fracc 1	216713	0.1683	Exploitation	2052-05-27	32.00	49.02	20 423.47
Pinos 22	220451	28.6789	Exploitation	2053-07-28	451.00	1 421.58	359 753.62
Reyna Victoria	223131	40.0000	Exploitation	2054-10-20	629.00	3 922.00	494 793.88
Reyna Victoria 1	224970	29.0926	Exploitation	2055-07-05	222.00	1 470.60	371 537.44
Vero	226024	48.0000	Exploitation	2055-11-14	365.00	4 706.40	563 787.80
Porvenir	212513	10.0000	Exploitation	2050-10-30	633.00	490.20	153 746.82
Pinos 14	213052	14.8911	Exploitation	2051-03-01	942.00	753.30	215 585.91
Unif Oberon de weber	172596	31.5000	Exploitation	2034-03-22	3 561.00	3 137.60	265 422.39
Sto Niño.	172732	94.7600	Exploitation	2034-06-27	10 554.00	9 314.75	778 056.10
Los Apaches	193495	36.8889	Exploitation	2041-12-18	4 105.00	3 627.85	309 069.07
Santa Ana	153354	10.0000	Exploitation	2020-08-12	1 113.00	490.20	84 057.77
El Refugio	195673	21.0000	Exploitation	2042-09-13	2 337.00	1 029.42	176 520.42
Subtotal	17	889.23					
PARREÑA CONCESSIONS							
Pinos	217743	164.1367	Exploitation	2052-08-12	5 190.00	34 060.04	1 977 851.78
Pinos Fracc. 1	218481	841.0772	Exploitation	2052-11-04	26 595.00	341 581.80	6 632 031.30
Pinos Fracc. 2	219211	17.5516	Exploitation	2053-02-17	555.00	905.94	278 048.04
Pinos Fracc. 3	219212	2.7708	Exploitation	2053-02-17	88.00	150.99	36 354.18
Pinos Fracc. 4	218225	0.0250	Exploitation	2052-10-16	32.00	50.33	7 904.33
Pinos Fracc. 5	218226	0.0051	Exploitation	2052-10-16	32.00	50.33	7 808.63
Pinos 2	218482	932.8709	Exploitation	2052-11-04	29 497.00	378 226.59	10 643 669.87
Pinos 2 Fracc. 1	219575	511.8637	Exploitation	2053-03-17	16 185.00	208 694.10	5 837 163.05
Pinos 3	218178	1082.5749	Exploitation	2052-10-10	34 231.00	877 271.02	11 024 679.62
Pinos 5	220476	711.7772	Exploitation	2053-08-11	11 189.00	289 232.10	8 120 126.82
Pinos 6	223665	49.6000	Exploitation	2055-02-01	780.00	5 034.00	614 720.44
Pinos 8	223666	1159.1926	Exploitation	2055-02-01	18 223.00	13 592 850.42	12 653 564.37
Carola	213411	54.7474	Exploitation	2051-05-10	3 461.00	5 537.40	661 915.69
Bonanza 1	218863	11.6302	Exploitation	2053-01-22	368.00	603.96	148 048.45
Alix	224216	124.1866	Exploitation	2049-02-09	1 952.00	26 006.44	1 496 989.50
Alix Fracc. 1	224215	62.3461	Exploitation	2049-02-09	980.00	6 342.84	773 826.93
Angeles	224505	20.0000	Exploitation	2055-05-16	314.00	1 006.60	249 711.15
Tina	222889	15.0000	Exploitation	2054-09-13	236.00	754.95	187 278.90
Blanca	224251	279.7845	Exploitation	2055-04-21	4 398.00	57 214.14	2 405 489.73
Subtotal	19	6041.14					
TOTAL	37	11094.20					

6.4 Surface Rights

In 2006 the Company concluded negotiations to purchase 5,745 hectares of land for an aggregate consideration of \$2.2 million, largely covering the Pinos Altos property (Figure 4). This was acquired during 2006 through negotiations with several surface-owner community councils (“Ejido”) and others. Although the legal process required to finalize the land purchases from the Ejidos and from the Comunidad Yepachi, has not yet been completed, the surface rights are protected by Temporary Occupation Agreements that have been approved by the Agrarian Court of Mexico and are valid for 30 years Table 11.



Of the 765 hectares purchased from Anexo Potrero (private property) in 2006 only 533 hectares cover mineral concessions comprising the Pinos Altos property.

Table 11 - Description of Agnico-Eagle's surface rights and future obligations for Pinos Altos Property

Lease Holder	Surface Area (hectares)	Description	Validity Period
Ejido Jesus del Monte	800	Temporary occupation agreement pending closing of land purchase agreement	Temporary occupation valid for 30 years from December 2006*
Ejido Gasachi	1,450	Temporary occupation agreement pending closing of land purchase agreement	Temporary occupation valid for 30 years from August 2006*
Ejido Basacheachi	1,250	Temporary occupation agreement pending closing of land purchase agreement	Temporary occupation valid for 30 years from September 2006*
Comunidad Yepachi	1,480	Temporary occupation agreement pending closing of land purchase agreement	Temporary occupation valid for 30 years from December 2006*
Anexo El Portrero	765	Private land agreement	
Subtotal Purchased land	5,745		
Ejido Jesus del Monte	1,470	Temporary occupation agreement with a 30-year term	Valid for 30 years from December 2006
Minerales El Madrõno S.A. de C.V.	Up to 400	Land lease	Valid for 20 years from initiation of mining
Subtotal Leased Land	Up to 1,870		
Total Land Held	Up to 7,615		

*Temporary occupation agreement in effect until purchase agreements close in due legal course.



In addition, a temporary occupation agreement (lease) with a 30-year term was negotiated with Ejido Jesus de Monte in 2006 for an additional 1,470 hectares of land in the western part of the property (Figure 1). There are no significant additional future obligations associated with either the land purchases or the leases.

As described previously, the Company has the right to use up to 400 hectares of land controlled by Madroño for mining installations for a period of 20 years after formal mining operations are initiated. The exact size and location of this leased land from Madroño has not yet been fixed.

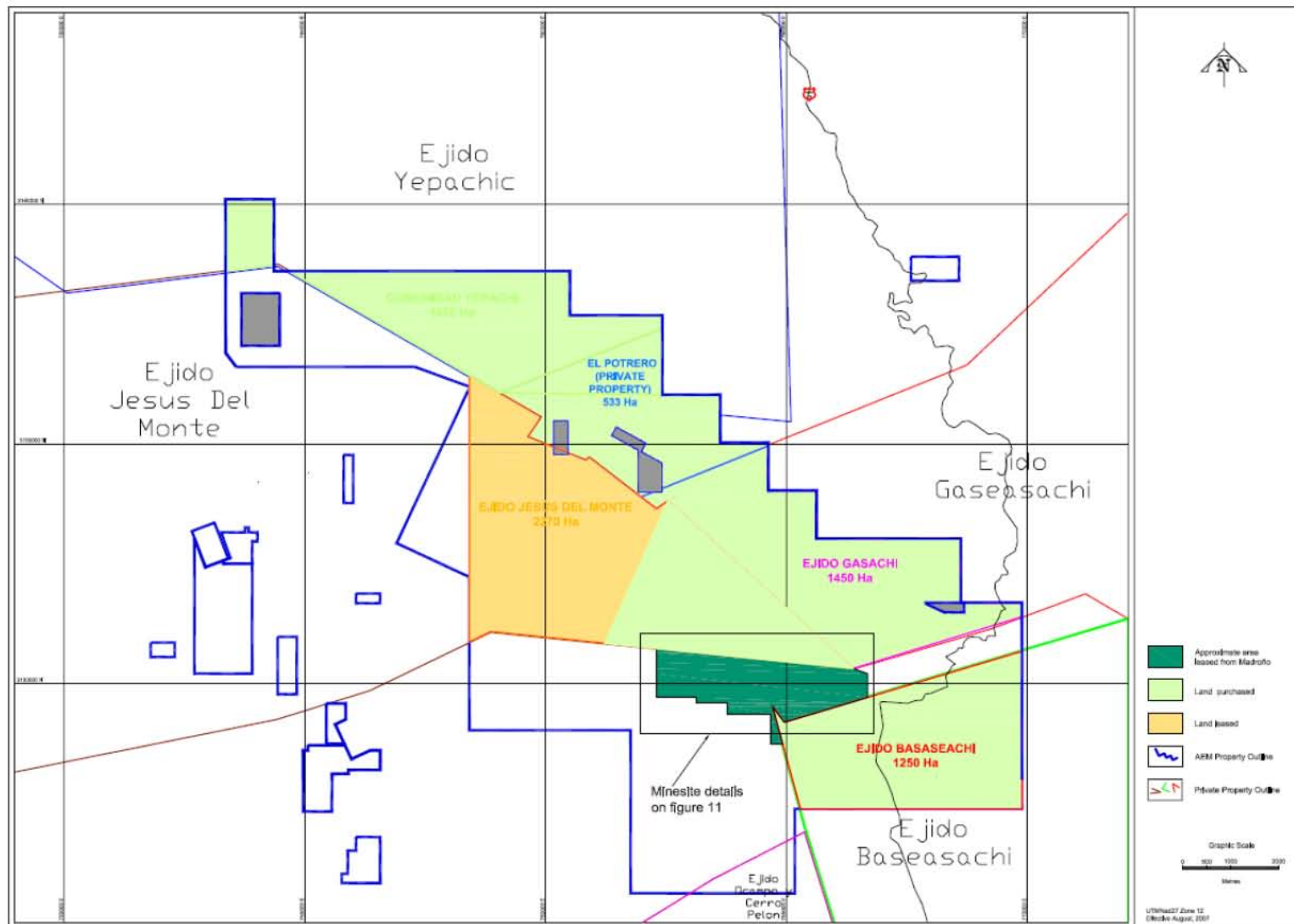


Figure 4 -Agnico-Eagle's Surface rights at Pinos Altos



6.5 The Property Boundaries

The Dirección General de Minas (General Mines Office) a Mexican Federal Government agency, administers mining title in Mexico. Concessions must be at least 1 hectare in size (there is no maximum size). Boundary lines must be north-south and east-west in orientation and must coincide with an even 100 metre-numbered UTM grid reference coordinates on a map. Although concession boundaries are required to be physically surveyed, no corner markers need to be set. The concession location is described by distances and angles from a surveyed monument, (a mojónera or punto portada; “P.P.”). The concession P.P. is a cement monument identified with the letters “P.P.” that is at least 60 cm by 1 metre in size and that can be located either inside the concession or no more than 3 kilometers from its outside boundary. The P.P. must be surveyed by Global Positioning System (“G.P.S.”) equipment by a registered mining surveyor (“Perito Minero”). A survey must also tie in the P.P. to any other existing mining concessions that could occur within the area of the concession.

The location of the Pinos Altos property mining concessions are described relative to a National Survey monument PC 1305 (764,622.299 East and 3,130,728.09 North in UTM NAD, (Zone 12), coordinate reference system). The boundaries of the Unificación Santo Niño, Unificación Oberón de Weber and Los Apaches concessions (See Table 10 - List of mineral concessions) were recently established in the field by implanting fixed survey monuments at each corner. The boundary corner monuments were implanted and surveyed in 2006 by registered land surveyor, J.L. Corriveau and Associates Inc. of Val-d’Or, Quebec and J. Gildardo Estrada, Perito Minero.

The locations of the boundaries for the parcels of land for which the surface rights were either purchased or leased in 2006 were surveyed using “G.P.S.” equipment by a registered land surveyor also recognized by the Agrarian Court of Mexico.



6.6 Location of Mineralization

As shown in Figure 5 a compilation of all gold and silver occurrences mapped on the Pinos Altos property by the Company and previous workers, although the property covers most of the mineralized occurrences recorded so far, the mineralized trends defined by these occurrences extend outside the main property's boundaries. Several other, but not all, mineral occurrences located outside the main property block are partially covered by small isolated concessions also comprising the property.

Inside the Pinos Altos property, four small mining concessions owned by Madroño and others (and therefore not held by Company) cover occurrences as well as a portion of the former Bravo and El Madroño mining operations. The surface rights overlying these concessions are owned by the Company. Figure 5 also shows that the current Pinos Altos mineral resources and reserves, as well as the planned open pits, tailings management sites and waste deposits are well covered by the Pinos Altos property.

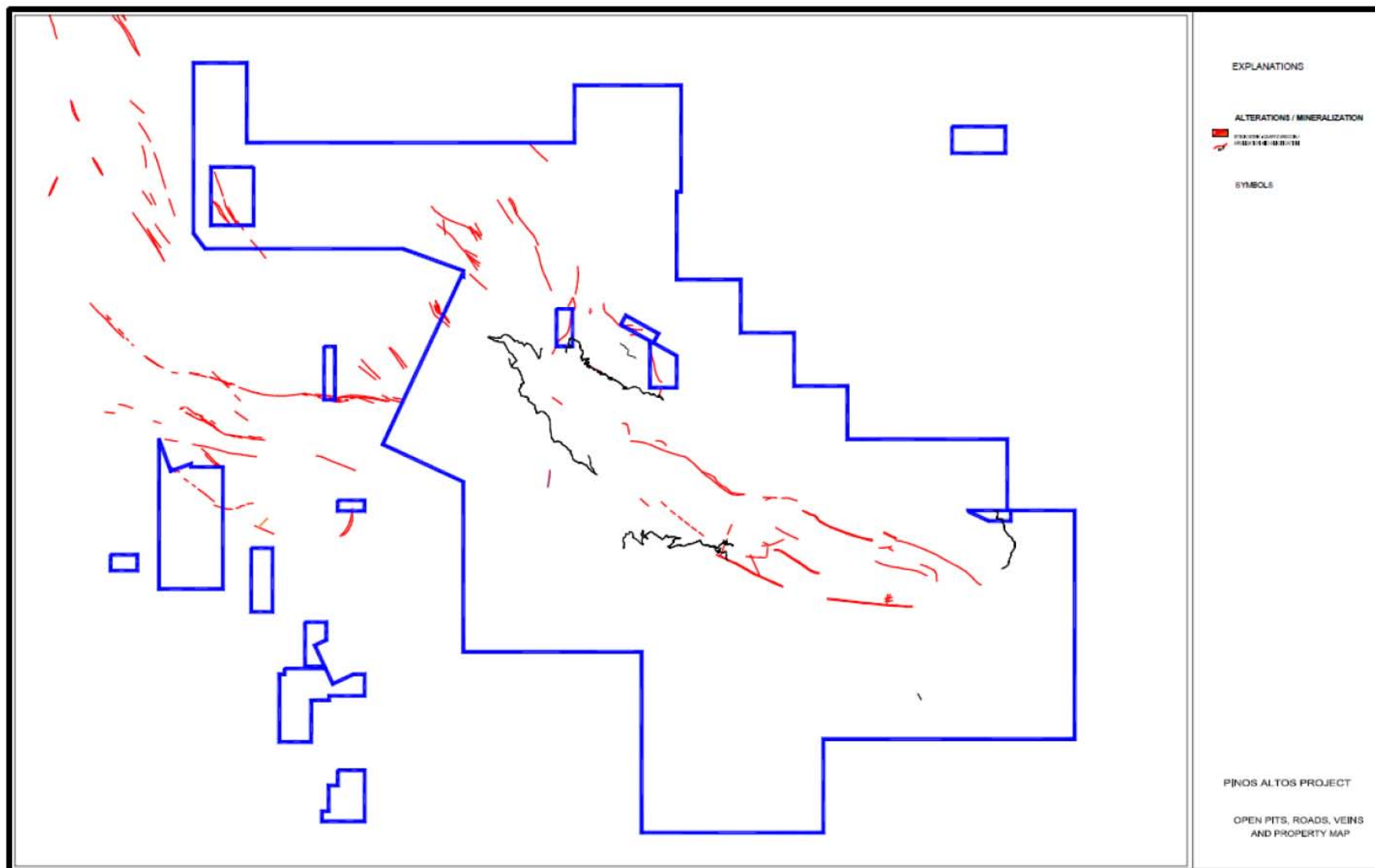


Figure 5 - Location of mineralisation, mineral resources, mineral reserves, mine workings on Pinos Altos property



6.7 *Royalties and other Encumbrance*

6.7.1. Pinos Altos

The Madroño Concessions are subject to a net smelter royalty of 3.5% payable to Madroño. The Pinos Altos Concession is subject to a 2.5% net smelter return royalty payable to the Consejo de Recursos Minerales, a Mexican Federal Government agency; after 20 years, this portion of the property will also be subject to a 3.5% net smelter return royalty payable to Madroño. Beginning on May 18, 2006, annual advance royalty payments of \$0.142 million (owed until commercial production begins) were paid to Madroño. Figure 6 below illustrates the location of the Pinos Altos concessions where royalties are effective.



Figure 6 - Pinos Altos Area: Claim Map showing location of concessions subject to royalties



Based on the newly revised Dec 31st 2008 reserve statement, the ounces of gold and silver in the proven and probable reserve lying on the different concessions subjected to royalties are listed below:

	Madrono Concession Ounces of gold and silver subject to 3.5% NSR royalties to Minerales El Madrõno S.A. de C.V		Pinos Altos Concession Ounces of gold and silver subject to 2.5% NSR Royalties to Consejo de Recurso Minerales	
Zone	Gold (oz)	Silver (oz)	Gold (oz)	Silver (oz)
Santo Nino Pit	785762	19 743 851	966	42 085
Santo Nino UG	438 217	14 008 372	1 040 997	32 481 051
Oberon de Weber Pit	196 977	7 068 435	21 083	956 599
Oberon de Weber UG	133 688	3 009 218	38 936	1 165 516
Cerro Colorado	416 414	10 939 255	35 983	1 477 262
El Apache	8 692	192 296		
San Eligio			118 119	5 225 335
Creston Mascota	78 060	772 888		
Total	2 057 610	55 734 315	1 256 084	41 347 848
% of total P&P ounces	57%	56%	35%	41%

Table 12 - Proven & Probable reserve subjected to royalties by zone for Pinos Altos

Certain surface facilities, including some houses located near the Pinos Altos and el Aguaje ranches, are located within the proposed Pinos Altos mine footprint and will need to be purchased or relocated. Negotiations are in progress with owners of the existing surface facilities.



In December 2008, Agnico-Eagle announced (in press release dated December 26, 2008) that it purchased surface rights and advance royalty payments in connection with the development of the Pinos Altos property. Neither the royalty purchase price nor the associated decrease in future annual royalties due were taken into account in the economic analysis presented in this Technical Report. They are assumed to balance out in the analysis.

6.7.2. Creston-Mascota

The proposed Creston-Mascota open pit covers portions of five mining concessions at Pinos Altos. Three of these concessions are part of the Madroño Concessions Group and are subject to a net smelter royalty of 3.5% payable to Minerales El Madroño S.A. de C.V. Those concessions, Pinos 16, 17 and 18, contain 1,644,732 tonnes of probable reserve grading 1.48 g/t Au and 14.62 g/t Ag for 78,060 ounces of gold and 772,888 ounces of silver.

However, the majority of the Creston-Mascota deposit is located on the Carola Concession. The Carola and Pinos Fracc. 4. (0.025 Ha) concessions are part of the Parreña concession group and are not subjected to any royalties. Figure 7 illustrates the location of the Creston-Mascota open-pit and the concessions.

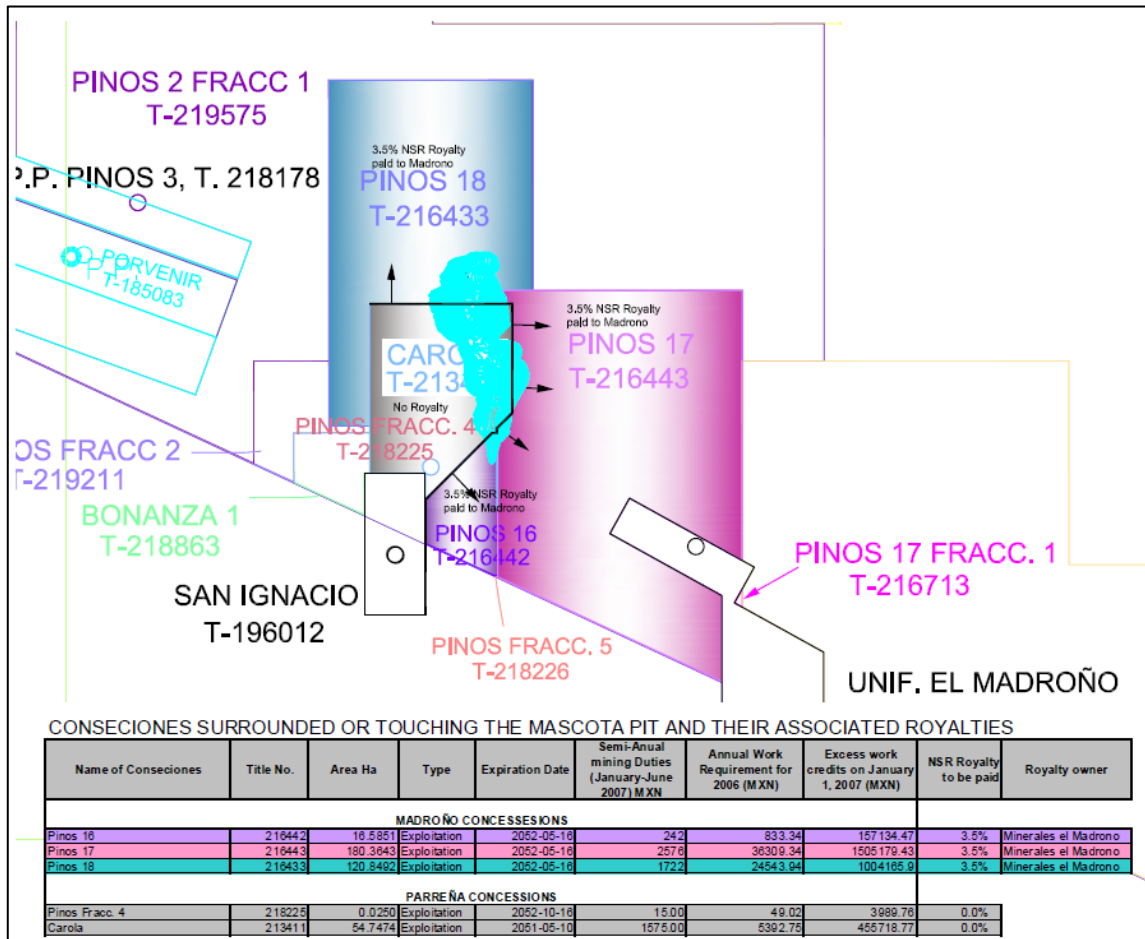


Figure 7 - Closer view of Creston Mascota area: claim map showing location of concessions subject to royalties and the Creston-Mascota open pit design

6.8 Environmental Considerations

Two baseline environmental studies were completed recently on the Pinos Altos property: a study covering the entire property completed by Behr Dolbear de Mexico in 2005 (Solano Rico et. al., 2006) and a second study (conducted by Luis Montenegro in 2006) covering the immediate area of the Pinos Altos mining project and that formed the basis for the Environmental Impact Study (“Manifestación de Impacto Ambiental Mudalidad Particular; or “MIA”) that was submitted by Agnico-Eagle in February 2007 (Montenegro Pérez, 2007) to SEMARNAT (Office and Environment and Natural Resources of Mexico). This study



also served as the technical justification for the permit to change the land use (Cambio de Uso de Suelo :CUS).

The results of the studies show that there are no known environmental liabilities on the property.

The baseline field studies found that the water courses around the Pinos Altos mine site contained good quality water and values for possible contaminants below detection limits and therefore well within regulations. Despite the presence of mineralization, no metal contaminant concentrations were detected in the water courses. The water quality of the water sources in the area of Pinos Altos were obtained from the Instituto Nacional de Estadística Geográfica and Información (“INEGI”), a Federal Government statistics agency. The results show neutral waters suitable for domestic and livestock usage.

Air quality, as observed in the field is good and no liabilities exist. Dust levels during future mining, processing and waste disposal activities will need to be monitored and unacceptable levels, corrected should the need arise.

The baseline studies did not find any liabilities associated with any protected biological species and fauna. Logging activities may be affected on or near the proposed mine site.

The baseline studies did not find any contaminants in the relatively young soils neither on the property nor in the mining project area.

In terms of liability due to a human population that could be affected by any future mining activities, the Pinos Altos property, considering its weather, relief and soil development and the lack of flat plots of land has limited development potential for agriculture and therefore a very sparse population occupying it.



The 2005 census data from INEGI, show that the total population permanently residing inside the property is less than 50 inhabitants: The largest population centre is the village of La Batería (32 inhabitants), located in the central part of the property. Ranches occur on the property, namely Pinos Altos (1 inhabitant), and El Aguaje (3 inhabitants). Generally the ranches are in close proximity to La Machina and El Durazno streams that flow year-long and drain respectively, the northern, and southern and western parts of the project: the water requirements for domestic and subsistent agriculture are served through independent colluvial water springs adjacent to the ranches, the main crops consist of beans, corn, potato and wheat but the area can be considered as of low productivity. The possible impact of future mining activities can therefore be considered as low.

In conclusion concerning liabilities due to human populations that could be affected by possible future mining activities: The ranches of Pinos Altos and El Aguaje are in the proposed mine foot print and although surface rights are guaranteed by the Madroño lease agreement, a minor liability exists (to purchase the population's dwellings). The small village of La Batería, although well outside the proposed mining foot print could be affected (disruption of access) and will need to be considered in the mine design. An active cemetery, although located over 500 metres north of the proposed Oberon de Weber pit Figure 8 and outside the mining project footprint, will need to be considered in the mine design.

6.8.1. Required Permits

6.8.1.1 *Pinos Altos*

As shown in Table 13, the required permits that need to be acquired have been received for the Pinos Altos project.



Government Office	Permit	Status
National institute of Anthropology and History (INAH)	Authorization to begin project construction activities	<ul style="list-style-type: none"> • Approved on October 17, 2006
Municipality of Ocampo	Municipal Construction permit	<ul style="list-style-type: none"> • Delivered in June 2007
Office of Environment and Natural Resources (SEMARNAT)	1) Environmental impact study (MIA) 2) Environmental risk study (ER) 3) Technical study for land use change (CUS)	<ul style="list-style-type: none"> • Approved August 31, 2007; • New Approved March 26, 2008 • Approved August 31, 2007 • New Approved March 26, 2008 • Approved September, 2007 • New Approved 07 January 2008
Office of National Defense (SEDENA)	<ul style="list-style-type: none"> • General explosive permit for use and purchasing submitted • Storage facilities 	<ul style="list-style-type: none"> • Approved in August 2007 • Delivered in January 2008
National Water Commission (CNA)	Concession title of underground water	<ul style="list-style-type: none"> • Delivered in November 2008

Table 13 - Pinos Altos required permit list

6.8.1.1 Creston Mascota

As shown in Table 14, the Environmental Impact and Change of Land Use permits from the Ministry of the environment (SEMARNAT), as well as permits from the National Institute of Anthropology and History (Instituto Nacional de Antropología e Historia-INAH) were obtained. The Environmental risk permit and the municipal construction permits are being processed. At this stage, nothing indicates that there would be problems in obtaining all remaining permits for the development of the Creston Mascota project



Government Office	Permit	Status
National institute of Anthropology and History (INAH)	Authorization to begin project construction activities	<ul style="list-style-type: none"> Approved on November 2008
Municipality of Ocampo	Municipal Construction permit	<ul style="list-style-type: none"> Will be submitted when Risk study is approved
Office of Environment and Natural Resources (SEMARNAT)	1) Environmental impact study (MIA)	<ul style="list-style-type: none"> Approved December 2008
	2) Environmental risk study (ER)	<ul style="list-style-type: none"> Will be submitted on march 2009 and approval is expected on third quarter 2009
	3) Technical study for land use change (CUS)	<ul style="list-style-type: none"> Approved February 2009

Table 14 - Pinos Altos required permit list



Item 7 Accessibility, Climate, Local Resources, Infrastructure and Physiography

7.1 Topography, Elevation and Vegetation

This section, except where it is noted, is taken from the previous Technical Report on Pinos Altos (Doucet et al., 2007c). The Pinos Altos property is located in the Sierra Madre mountain range at relatively high altitude, reaching almost 2500 metres elevation above sea level (“masl”). As seen from Figure 8 the physiography of the Pinos Altos property is characterized by three main elements:

- The plateau ranges of the Mesa Blanca, La Ladrillera and El Manzano to the North (that reach 2,440 masl);
- The Durazno and Pinos Altos plateau ranges to the South (that are 2,200 masl);
- Dissecting the two ranges, the Máquina stream canyon crossing the property from southeast to northwest is the most important feature on the property.

The pattern of the Máquina stream is controlled by the same northwest structural features as the mineralization and ranges in elevation from 2,200 masl in the East to 1,300 masl. at its western intersection with the Concheño River (that flows north to south). Moderate to gentle slopes occur along a northwest unit that connects the plateaus from La Batería southeastward to the Pinos Altos and El Aguaje ranches. The Pinos Altos mining footprint is planned for this relatively flat to gentle sloping area between the Al Aguaje and Pinos Altos ranches (Figure 9).

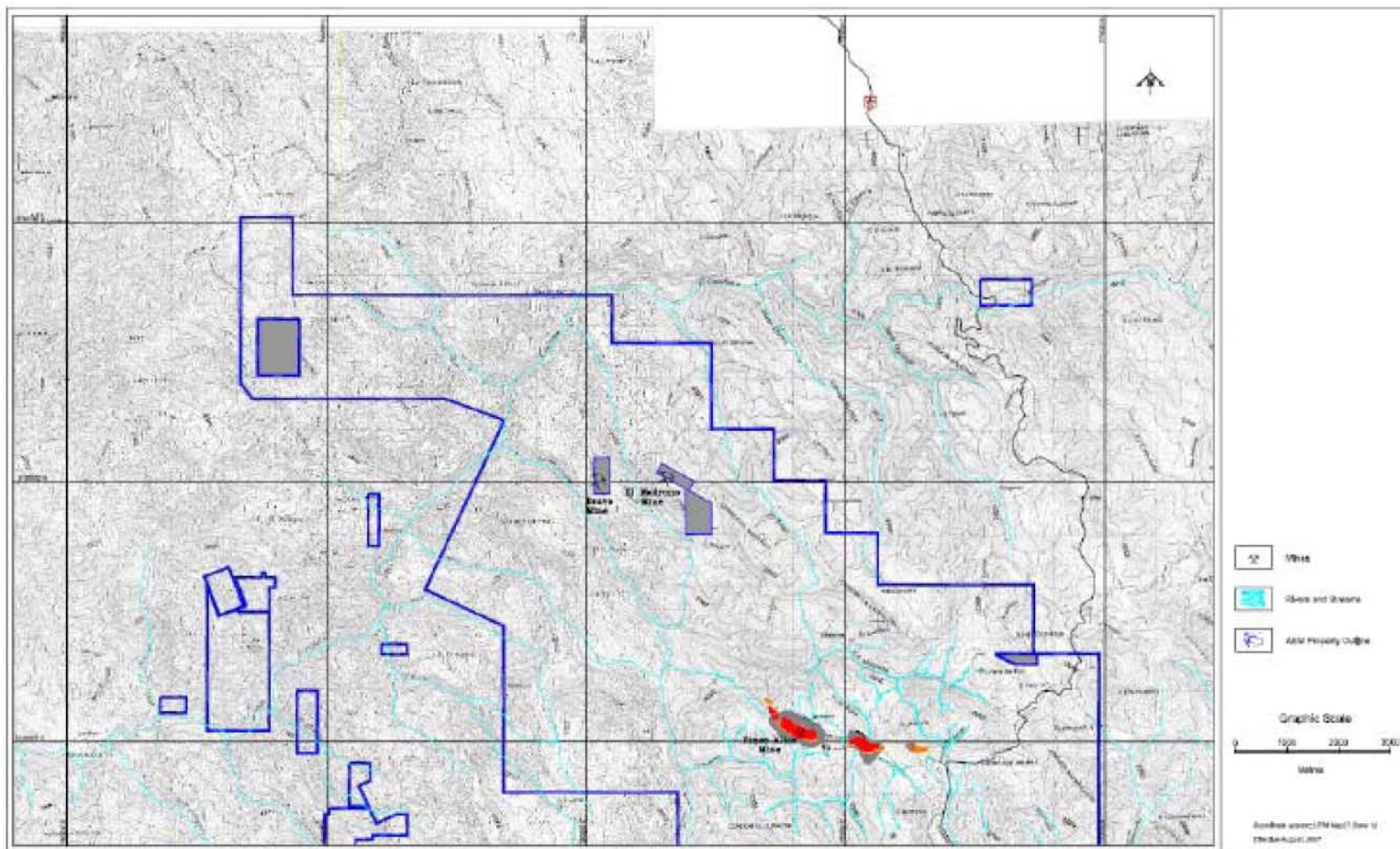


Figure 8: Topography of the Pinos Altos property



Figure 9 - Shaded relief oblique view of Pinos Altos (southeast sector) Topography with mineralized zones

Three broad types of forest are present at the site: Encino (Oak) Forest, Oak-Pine Forest and Pine Forest.

- Oak Forest: This community is found in the lowest part of the altitudinal zone between 1,570 and 1,642 masl. The oaks grow in complementary areas with the pines. In the area of Pinos Altos, the oak forest is located on the southward-facing slopes of the La Máquina basin, from approximately the Pinos Altos ranch northwestward towards La Batería, but always along the slopes of the basin. The vegetation of the oak community is more dispersed in the upper parts and denser towards the northwest.



- Oak-Pine Forest: This community occupies the medium level of the altitudinal zone between 1,695 and 1,810 masl. It is established in the project area on the right bank of the La Máquina stream to the north of the limits of the Pinos Altos Ranch area, and extends to the northeast to a higher area of the hillside above the basin. Another area of this type exists near the limits of the boundary of the Pinos Altos Ranch. The forest also extends to the hillsides of the south bank of the La Máquina stream, with a northern exposure.

- Pine Forest: This community is established on the higher level benches of the project area between 2,175 and 2,190 masl. This vegetative community occupies the most land area in the region and surrounds the Oak-Pine communities when they meet in the lower areas.

- Other Species: Other species are observed in the oak community, distributed along the length of the shores of the La Máquina stream up to its discharge further northwest into the Concheño River. They are:

- Carnero (*Alnus acuminata*) which reaches up to 25 m in height
- Haya (*Acer grandidentatum*) which reaches up to 15 m in height
- Capulín (*Prunus serotina*) which reaches up to 8 m in height

These species were observed in the village of La Batería. From this point northwestward to the discharge of the Concheño River, other riparian species are present such as Aliso (*Platanus wrightii*), also known as sicomoro. Also observed on the hillsides are Yuca sp. (*Agave shrevei*) and other species typical of the drier zones such as Vinorama (*Acacie farnesiana*), Uña de gato, (*Mimosa* sp.) and Sotol (*Desylirion duranguense*).

7.2 Access to the Property

Within the state of Chihuahua, there are over 4,000 kilometres of paved highways, 7,000 kilometres of improved roads and 2,100 kilometres of rail lines with connections to highways and rail lines in the United States. The state of Chihuahua has two international



airports located in the cities of Juarez near the American border and in Chihuahua, the state capital. (Figure 2 and Figure 10).

The Chihuahua-Pacifico railway connects Chihuahua with Los Mochis located on Mexico's western coast state of Sinaloa. Daily passenger and freight trains pass La Junta along this railway (approximately 70 km east by road from the property).

The main access route to the project area is Federal Interstate Highway 16, which connects the capital cities of Chihuahua (Chihuahua state) and Hermosillo (Sonora state), passing (from east to west) through the towns of Cuauhtémoc, La Junta, Tomochic, Basaseachi and finally, Cahuisori. Interstate Highway 16 passes through the eastern edge of the Pinos Altos property, approximately 9 kilometres west of the village of Cahuisori. At approximately kilometre 286 along the highway west of Chihuahua, a gravel road breaks off westward for 2 kilometres (past the El Aguaje Ranch) to reach the centre of the property, the Pinos Altos Ranch.

From the Pinos Altos Ranch, the same gravel road follows the south side of the La Máquina canyon for approximately 2 kilometres to the village of La Batería and further west almost to the Concheño River. Drilling roads allow for easy access by four-wheel drive vehicles to most portions of the property except for the extreme northwest, where the Concheño River canyon flows almost north-south. West of the Concheño River, access is only on foot from a road linking the town of Yepachic south to the village of Jesús de Monté (located southwest of the property).

In 2008, a gravel airstrip, approximately 1,000 metres in length, was constructed close to Pinos Altos along Highway 16 for the transport of employees and supplies.

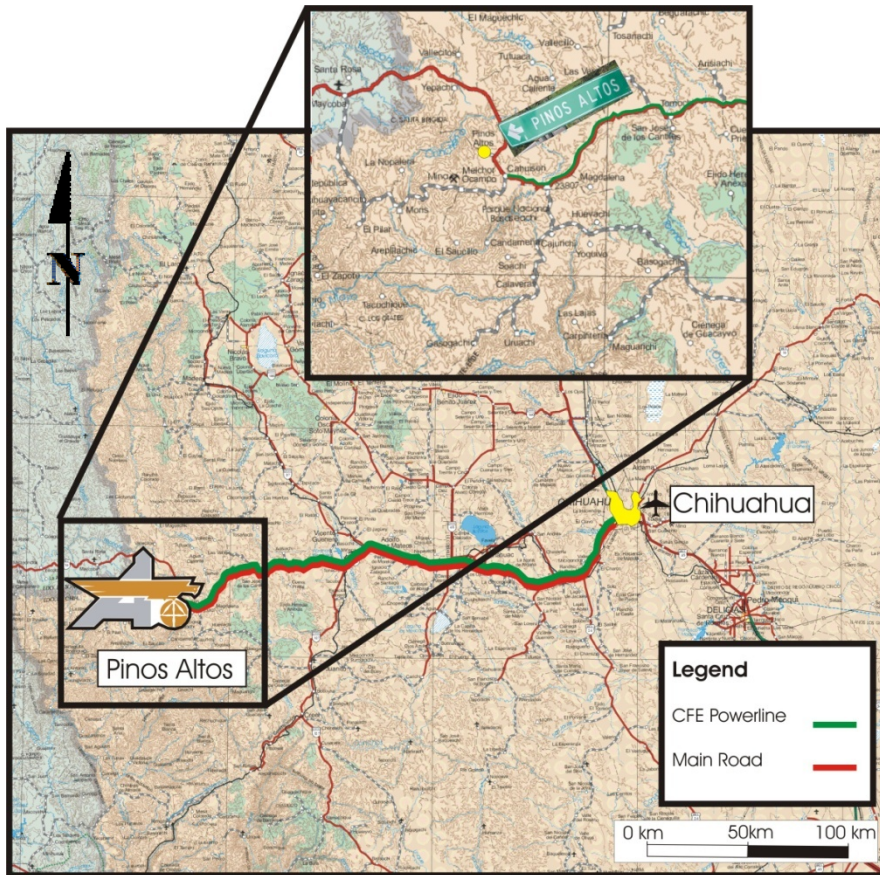


Figure 10 - Location of Pinos Altos

7.3 Proximity to a Population Centre

The state of Chihuahua is divided into 67 political subdivisions or municipalities; among them is the Municipality of Ocampo, where the Pinos Altos project is located. Ocampo's population is approximately 6,300 inhabitants. According to the most recent census statistics (INEGI, 2005), existing settlements and their communities in the municipality in a 10 kilometers radius from the project include the towns of Cahuisori (231 inhabitants), Yepachi (649 inhabitants), Basaseachi (806 inhabitants), Baquiriachi (193 inhabitants), Melchor Ocampo (615 inhabitants) and Huajumar (645 inhabitants). The village of La Bateria de Rodríguez (32 inhabitants), is located in centre of the Pinos Altos Property and the ranches of Pinos Altos (1 inhabitant), and El Aguaje (13 inhabitants) occur along the gravel access road trending west from Highway 16 and following the gentle sloping



terrains to La Bateria. The towns and villages in the Municipality of Ocampo are within a 1 hour drive of the property by highway and secondary gravel roads.

7.4 Climate and Length of Operating Season

In the absence of meteorological data for the Pinos Altos property itself, and because regional and local climates in mountainous regions can be significantly different, two weather stations in the vicinity were used to estimate site climate; Concheño (located approximately 10 kilometres east of the property); and Basaseachi (located approximately 15 kilometres southeast of the property).

The project is located in an area classified as being sub-humid. Its main characteristic is that most of the rainfall is during summer. The average yearly precipitation is roughly 1,100 millimetres (with a 12-year range between roughly 600 millimetres and 2,100 millimetres). It is distributed during two periods of the year, being roughly 60% from June through to September (a summer rain fall regime) and the balance during the period of October to April (slight winter precipitation regime; Figure 11). Interestingly although the annual rainfall is significant, its average evaporation rate estimated for this region of the Sierra Madre, at approximately 1,600 millimetres per year, is therefore greater than the average precipitation rate. The maximum 24-hour rainfall event for Pinos Altos for the 25-year return period is estimated to be approximately 80 millimetres while the estimated maximum 100-year event is approximately 100 millimetres.

Not surprisingly, because of the altitude, the average yearly temperature is estimated to be approximately 14 degrees Celsius. The monthly minimum temperature is 7.7 degrees Celsius in January (snowfall occurs although infrequently, but the snow rarely persists for more than a few days). The maximum monthly temperature is 19.9 Celsius in July (Figure 12).

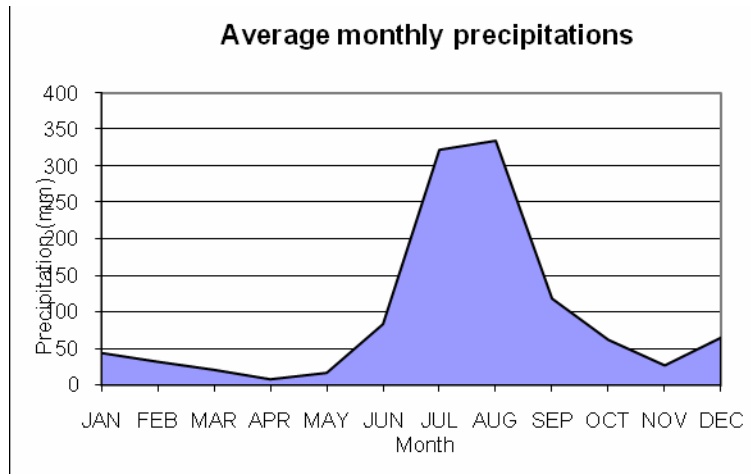


Figure 11 -Precipitation at the Concheño, Chihuahua weather station (period 1961 to 1974)

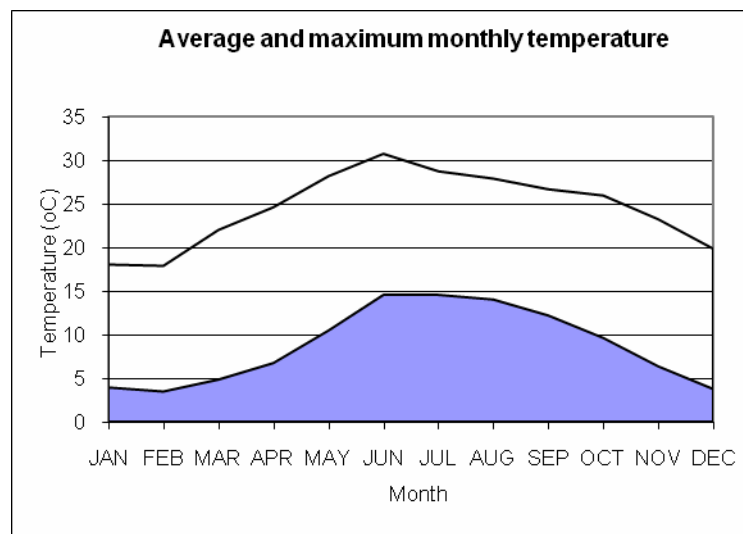


Figure 12 - Average and maximum monthly air temperature at Conchino weather station

Considering these meteorological statistics, mining operations at Pinos Altos are possible 12 months per year.



7.5 Surface Rights for Mining Operations

As described previously (Item 6.4), the Company has secured the surface rights for 11,032 hectares overlying the Pinos Altos property. A total of 5,745 hectares by outright purchase, an additional 1,470 hectares leased for 30 years (through a temporary occupation agreement and finally, through an assignment of a contract, the right to use up to 400 hectares of land for mining installation for a period of 20 years after formal mining operations have been initiated.

The Creston-Mascota mining project, including all of the planned infrastructure (open pit, leach pads, waste rock dumps, access roads, mine site and processing plant) is entirely covered either by land secured through a temporary occupation agreement with the ejido Jesus del Monte or by private land (El Potrero) that was purchased by the Company in 2007 (see Figure 4)

The following table (Table 15) shows the sectors where surface rights were secured from ejidos and private land owners

Sector	Area (ha)
Basaseachi	1250
Gasachi	1450
Jesus del Monte	2270
Yepachi	1470
Anexo el Protero	533
Association de Pequeños propietarios forestales de Pinos Altos	400

Table 15 -Sectors where surface rights were secured from ejidos and private land owners



The acquisition of surface rights for the prospective lands underlying the Pinos Altos property will facilitate future exploration activity and future mining development in these areas.

Specifically in the Pinos Altos mining project area, the locally pronounced relief of the proposed mine site area constitutes the main challenge in locating areas suitable for the mine infrastructure, including the waste dumps, the heap leaching pads, the operational buildings (processing plant, water treatment, plant, paste backfill plant etc.) and the service building and garage. The layout and location of the Pinos Altos mining operation prepared in the August 2007 Feasibility Study is presented in Figure 13.

The position of the service building and garage also needed to consider the nuisance of dust and noise from the operations in order to respect workplace quality. Although a temporary camp, required during the construction of the project, was erected in 2008 on the mine site along the main access road just east of the future Oberon de Weber open pit, mine workers who do not reside permanently in the region, will also require room for lodging during their normal working schedule; a base camp is being currently being completed for that purpose on the 13.3 hectare parcel of land acquired near the village of Cahuisori, approximately 10 kilometres southeast of the project.

In 2008, land was acquired for the construction of the 15 kilometre long high voltage power line from the substation recently constructed in Basaseachi to the proposed mine site. The line is fully permitted and at year-end 2008, construction was 80% complete. A service contract was established with the Federal Electricity Commission.

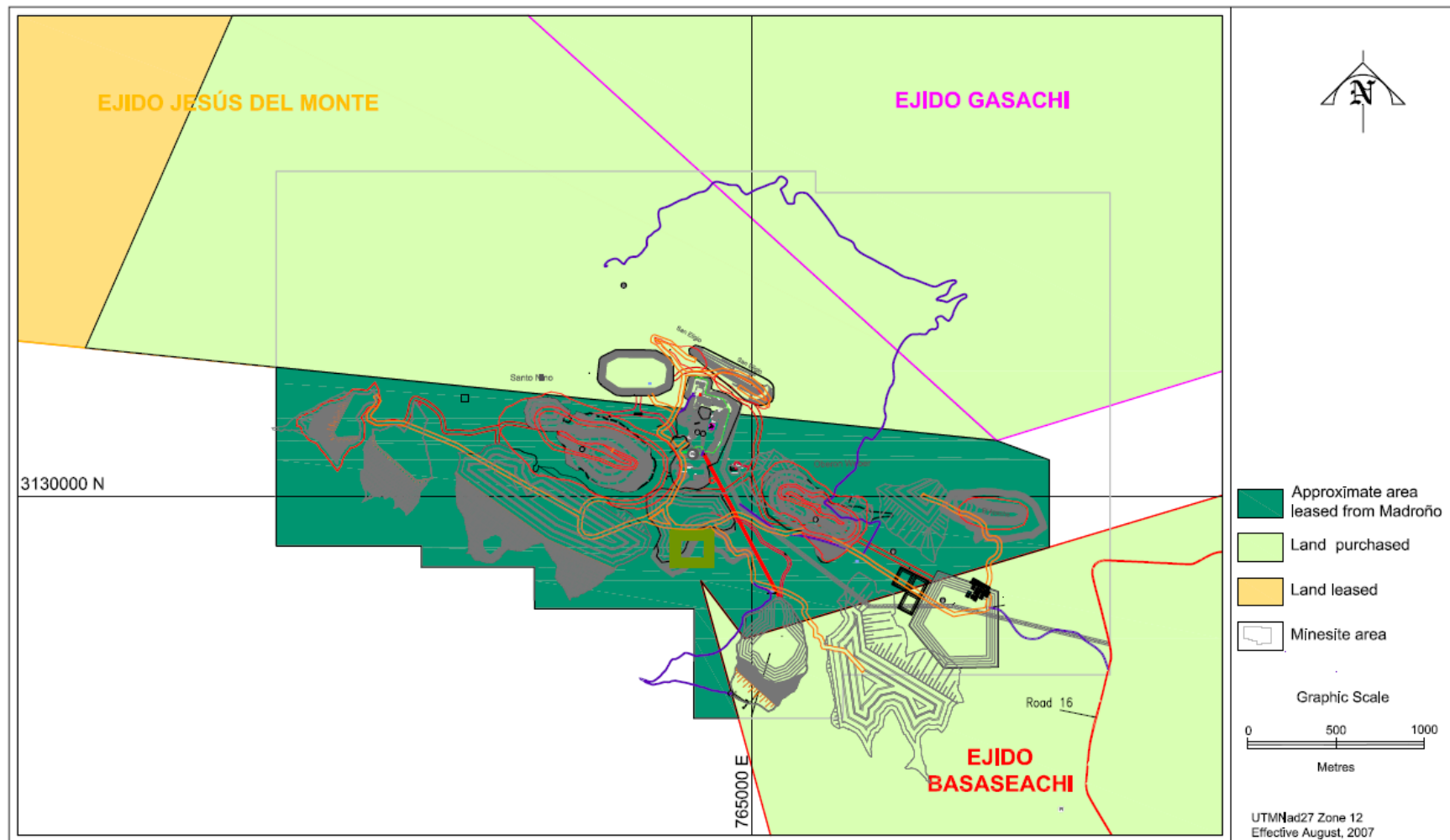


Figure 13 - Surface rights in the area of the proposed mining operations, mining and processing infrastructures and waste disposal areas.



7.5.1 Sources of Water and Power

The Pinos Altos site is located in the basin of the Rio Mayo River. The Rio Mayo river basin covers an important area and drains a surface water runoff of approximately 1,100 million cubic metres annually. Locally, in the Pinos Altos mine project area (eastern portion of the property), the main permanent water courses are the El Durazno stream that drains the southern and western parts of the project into the La Máquina stream, which drains the northern part of the project (see Figure 8 and Figure 14) also drains this sector and joins the La Máquina stream.

Unfortunately, regulations in Mexico prevent the use of water courses like the La Máquina and El Durazno streams as sources of water for projects. Alternate sources of water must therefore be found, namely from wells, from catchment basins trapping surface run-off from rain.

Given the highly variable topography around the site (the elevation difference between the valleys and the high topographic points can be up to 200 meters), the presence of a shallow aquifer (that could be tapped by wells) is unlikely. However, the Victoria Adit, is a source of underground water permissible by regulations in Mexico.

The Victoria adit, whose portal is located approximately 1.2 kilometres north of the proposed Santo Niño open pit, is an underground working that dates from historic mining activities along the Santo Niño vein during the late 19th and early 20th Centuries and serves as the main drainage of the old workings. Connecting at an elevation of 1,925 masl, the water flow, with a quality well within regulations, is year-round (though it varies with the seasons) and spills directly into the La Máquina stream. Since 2008, dewatering of the exploration and production ramps, currently being excavated at Santo Niño, has also generated significant mine water that, after draining through de-sedimentation facilities, eventually spills into the La Máquina stream.



In terms of water from rain, the Máquina stream drainage basin has been studied extensively in the course of designing the surface layout of the Pinos Altos mining project. The watersheds for different sites are presented in (Dagenais, 2007).

Table 16 presents the data for the relevant watershed and refers to the watershed identification numbers in Figure 14.

#	Watershed reporting to	Area (ha)
1	Santo Niño open pit	36
2	Oberon Weber open pit area only	58
3	Recharge area for SN vein (north side and plateau only)	92
4	Tailings management facility	30
5	Water basin south of orchard	57

Table 16 - Pinos Altos site watershed

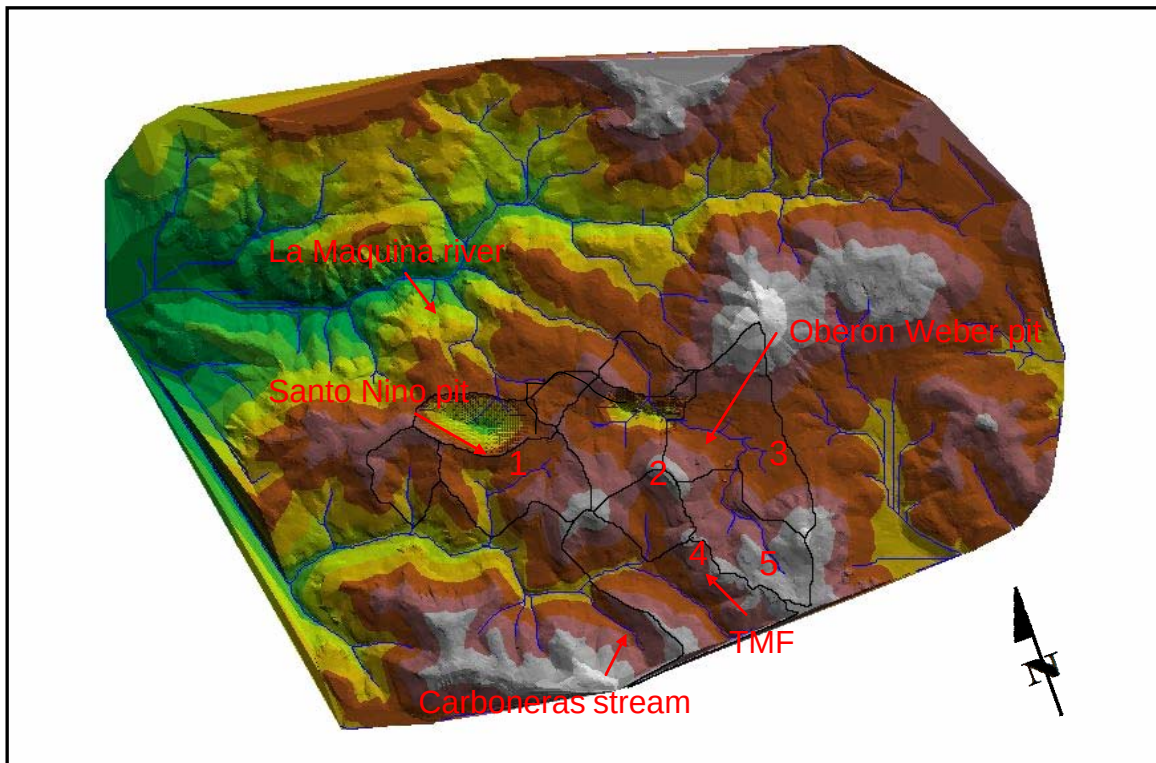


Figure 14 - Drainage sub-basins in the vicinity of the Pinos Altos project mine site



The average water needs for all of the activities at the proposed Pinos Altos mining project (service building, camp, underground and open pit mine and mill) are estimated to be 106 m³/hr. The heap leach portion of the mining project was not included in the study but is not thought to be significant.

These needs should be met by the amount of dewatering water coming from underground. Currently (as of year-end 2008), the quantity of dewatering water is around 180 m³/hr which is more than sufficient for the identified usages for the mine operation. In addition, a well of 15 m³/hr in capacity that was drilled in 2008 in the area between the Santo Niño and Oberon de Weber zones, will be used during operation.

Water for the Creston-Mascota project would be supplied via a pumping system from the Pinos Altos project (Matte et al., 2008). This would ensure a stable water supply throughout the operation of the Project.

The 2007 Feasibility Study (Doucet et al., 2007b) describes that the power consumed at the Pinos Altos mine project (Figure 15) will be supplied from the Comisión Federal de Electricidad (CFE) or from an onsite diesel generating plant. A new 15 kilometre long, high voltage (115 kiloVolt) power line is under construction (80% complete at year-end 2008) to the mine project site from the CFE electrical substation that was recently constructed in Basaseachi, 10 kilometres east of the property. Diesel generators will operate on the mine site during both CFE peak demand periods and emergencies. In conclusion, there will be sufficient power from available sources provided for in the Pinos Altos mining project.

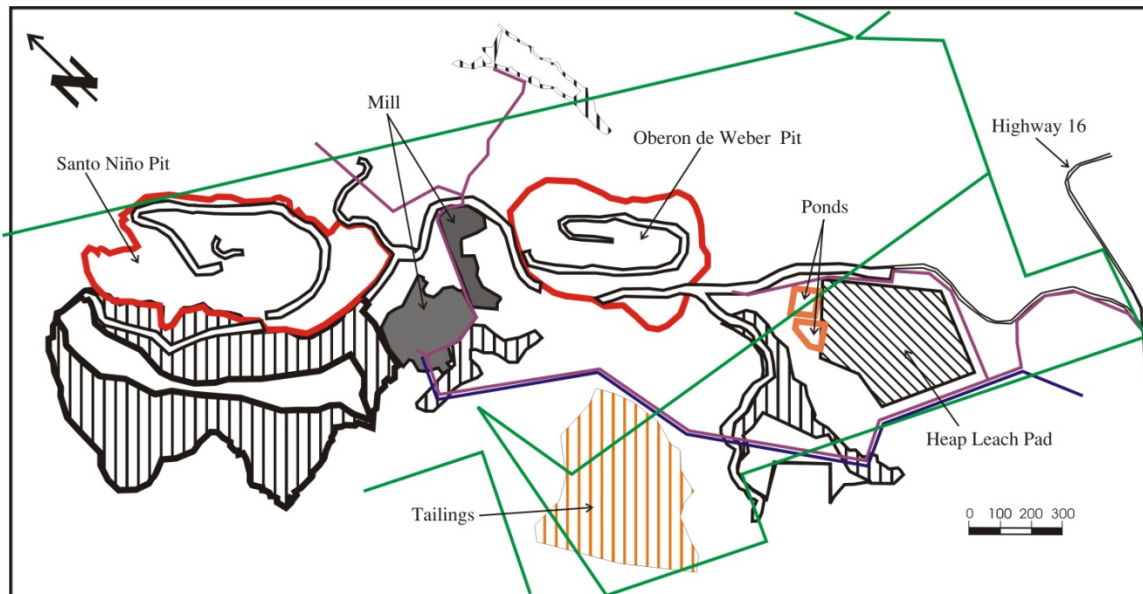


Figure 15 - General surface arrangement for the Pinos Altos project, including water catchment facilities and power lines

7.5.2 Sources of Mining Personnel

There are adequate sources for the proposed mining project of both unskilled and skilled labor in the region. A survey of the availability of local skills has been completed and training programs will need to be designed to support the development of the necessary workforce. The project will also need to work closely with the technical schools and the universities in the region and in the country to promote career opportunities at Pinos Altos, proposing career development opportunities and a competitive compensation package. Also, the Company works with the government to open a technical school in Basaseachic (3km from the camp) to train local people in mechanics for open pit and underground. The current plan is that a minimum of expatriates will be required to transfer skills to specific positions to complement the current mine staff. Presently, the mine employs 442 workers (76% of hourly employees, 24% of salaried employees), of which 56% of them are people from the area.



7.5.3 Infrastructure Areas

As described above (Section 7e), based on the purchased surface rights and leased land controlled by the Company, the Pinos Altos Mining project has sufficient land to allow for flexibility in the design, should the need arise (Figure 13).



Item 8 History

8.1 Previous Work and Prior Ownership

This section, except where it is noted, is taken from the previous Technical Report on Pinos Altos (Doucet et al., 2007c).

According to Alvarez (1996), the Santo Niño vein was discovered by Juan Hernández in 1871. It was then acquired by an English mining company, Negociación Minera de Pinos Altos, which was responsible for the first gold rush in the district. From 1890 to 1904, the English company mined a small portion of the Santo Niño vein; work ceased in 1904 due to civil unrest and violence in this period just before the Mexican Revolution. During the period of 1890 to 1904, 18 levels were developed to a depth of 250 metres, along 500 metres of strike length. Ore was extracted via the Victoria adit and processed in the nearby stamp mills located at La Batería (Figure 5).

In 1904, the Santo Niño mine was sold to a North American company, but this company did not carry out any major work and the property was abandoned during the Mexican Revolution (1910-1917).

During the 1930's, a majority of the properties in the Pinos Altos area were acquired and explored by the company, Real Del Norte, however no mining of note was done and the company abandoned the property thereafter.

A second period of mining was led by Juan D. Morales from 1939 to 1958, who discovered the nearby Concheño mining district (approximately 10 kilometres east of Pinos Altos), working the upper level of the existing Santo Niño mine. A mill including a cyanide circuit was built in the vicinity of the present Pinos Altos Ranch site. This operation ceased in 1958.



During the period of 1960-1980, concessions covering the most interesting mineral occurrences in the Pinos Altos region were consolidated by Adelardo Pérez Campos into Minerales El Madroño S.A. de C.V. (“Madroño”), the lessor of the Madroño Concessions comprising the current Pinos Altos Property. Pérez Campos also built a 100-tonnes-per-day ore processing plant in order to work the concessions and also consolidated most of the surface rights on and around the current Pinos Altos property that were not already granted to the Ejidos by the government following the Mexican Revolution. These properties have remained, in terms of exploration, practically inactive since that time, except for small scale mining activities by Madroño and other artisan miners in the region.

In 1973, Peñoles completed four diamond drill holes on the eastern side of the Reyna de Plata zone (located 1.5 kilometres north of the Santo Niño vein structure) but later dropped its concessions following poor results (Figure 5).

In 1975, the Consejo de Recursos Minerales (CRM) established the area now covered by the Pinos Altos Concession (Figure 3), as a national mineral reserve (thereby restricting exploration in the region). The CRM drilled 9 diamond drill holes in 1991, sunk a shallow inclined shaft (45 metre deep) and completed some minor level developments (approximately 150 metres) on the San Eligio vein (Figure 5) but the results were disappointing and work stopped.

In 1993, Peñoles completed a regional geological reconnaissance survey, during which the Santo Niño and Reyna de Plata veins were sampled (Flores 1993 in Casto et al., 2003).

In 1995, Peñoles entered into an exploration and mineral lease agreement with Madroño for several important concessions covering a portion of the Pinos Altos Property (the so called “Madroño” concessions; see Item 6.3).

The national mineral reserve was dissolved in 1997 and in 1998 mining title to the Pinos Altos Concession was acquired, by way of an auction from the CRM for more than \$5.5



million (and a royalty), by Compania Minera La Parreña S.A. de C.V., a wholly owned subsidiary of Peñoles. The concession was then transferred to Madroño who included it in the Madroño Concession Block (leased by contract to Peñoles).

From 1995 to 2003, Peñoles further consolidated the district to form the current Pinos Altos property and undertook modern exploration. The main exploration activities by Peñoles during the period 1995 to 2003 consisted of:

- Regional scale (1:50,000 scale) geological mapping (Trejo, 1999)
- Geological mapping (1:10,000 scale) and sampling of the entire Pinos Altos property (Gastellum 1998)
- Detailed geological mapping and sampling of the Santo Niño vein (Zaragoza, 1996; Manríquez et. al., 2000), the Reyna de Plata (Gastellum and Melchor, 1999)
- Rehabilitation of 110-metres of shaft and four levels at the former Santo Niño mine in order to complete underground mapping and sampling of the Santo Niño vein in 1998
- Metallurgical testing of mineral material (934 samples of core) from the Santo Niño and Oberón de Weber veins by Peñoles (CIDT, 1999): Cyanide in bottle-roll test results showed good global recoveries for gold (92.39%; free gold) but poor silver recoveries (47.83%; fine encapsulations in quartz). Column tests of vein material crushed to - 12.7 millimetres indicated recoveries (using 500 ppm NaCN) ranging between 54.4% to 72.8% for gold and 3.6% to 10.3% for silver (60 days).
- From 1995 to 2002, approximately 74,844.3 metres of diamond drilling (235 holes) including 11,213 core samples; exploration was concentrated in the eastern portion of the projects along the Santo Niño and Reyna de Plata structures (Figure 15).
- In June 2003 Peñoles completed a mineral resource estimate on the Santo Niño, Oberón de Weber, San Eligio and Reyna de Plata vein zones (Castro et. al. 2003)
- A pre-feasibility level study was also completed in 2006 to determine the potential viability of a 1,500 tpd underground mining operation at Pinos Altos (Peñoles 2003), but no mineral reserves were declared.



Total expenditures from Peñoles up to 2003 amounted to approximately \$24 million Table 17. The locations of Peñoles drillhole collars are presented in while a view of pierce-points of drillholes intersecting the Santo Niño sector are presented on a grade thickness contour longitudinal map presented in Figure 17.

	Expenditures (000's USD)
Option Payments to Madroño	\$4,250
Pinos Altos Concession purchase from CRM	\$5,000
Diamond drilling	\$9,001
Other exploration costs	\$5,550
Total	\$23,801

Table 17- Exploration expenditures (1995-2002) by Peñoles

In 2004, Peñoles completed additional rehabilitation work of the Santo Niño mine workings, namely the Victoria adit and the 1925 metre level, level 1 and level 6, in order to conduct additional channel sampling and geological mapping. A surface mapping and sampling program was also conducted on the Carola vein area in the northwest portion of the property. The results of the exploration program at Pinos Altos were not to Peñoles expectations, and the property was put up for sale in late 2004.

Elsewhere on the property in 1998, Minera Proaño S.A. de C.V. completed detailed mapping and sampling on the Carola concession. Apparently, attractive gold and silver values were reported from the Carola vein with thicknesses reaching 11 metres (Serrano and Herrán, 1997; in Castro et. al. 2003). Diamond drilling was planned but none was apparently reported.

In the first quarter of 2005, Agnico-Eagle entered into an exploration and option agreement with Peñoles to acquire the Pinos Altos property. The Company undertook a planned \$2.8



million exploration program on the southeast portion of the property in order to expand the mineral resource associated along the Santo Niño fault zone.

In 2005, Agnico-Eagle completed approximately \$4.0 million in exploration at Cerro Colorado, Santo Niño and Oberón de Weber zones, specifically in the form of:

- Minor rehabilitation work in the Victoria Adit on 1925 metre level of Santo Niño to enable diamond drilling from underground,
- 137 diamond drill holes (including 49 holes from underground) (for a total of 19,768.1 metres) that targeted resource conversion and deep exploration and open pit potential,
- Baseline environmental studies of the Property (Solano-Rico, 2006),
- Investigation of surface rights,
- Scoping study level engineering and metallurgical studies; and
- A mineral resource estimate.

In February 2006, the Company exercised the purchase option for consideration of \$32.5 million in cash and 2,063,635 shares of the Company. The transaction closed in March, 2006.

In 2006, a \$23 million exploration program was proposed consisting of resource conversion drilling (29,800 metres planned), resource exploration drilling on strike and at depth (21,400 metres planned), completion of a Feasibility Study by mid-2007, and a 1,330 metre exploration ramp at Santo Niño.

Diamond drilling programs were also conducted 7 km north west of Santo Niño, in the Creston-Mascota area since December 2006 for a total of 192 holes yielding 29,145 metres.



Since 2005, Agnico-Eagle Mines drilled a total of 439 boreholes on Pinos Altos property yielding 143,564.6 metres.

Mineral Rights Holder	Period
Sr. Juan Hernández	1871-1890
Negociación Minera de Pinos Altos Company	1890-1904
North American Company	1904- ~1910
Inactive	1904- ~1930
Real Del Norte Company	~1930-1938
Sr. Juan D. Morales	1938-1958
Minerales El Madroño S.A. de C.V. (and Consejo de Recursos Minerales, 1975-1997)	1960-1995
Industrias Peñoles S.A. de C.V.	1995-2005
Agnico-Eagle Mines Limited	2006 to present

Table 18 - Previous ownership of the Pinos Altos property

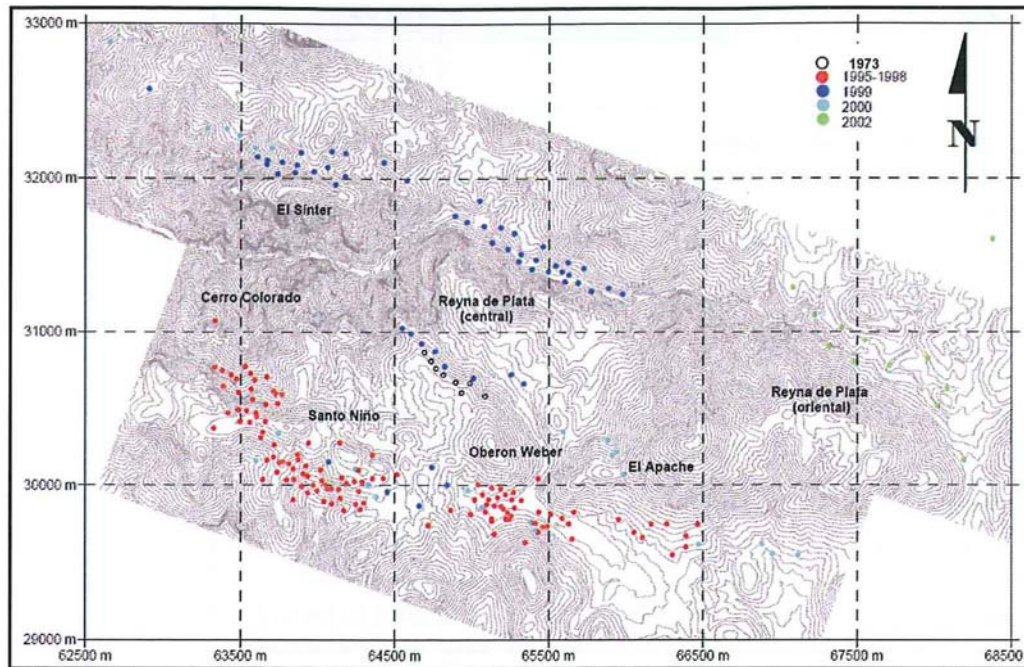


Figure 16- Historic drilling programs by Peñoles – drill hole collars by year

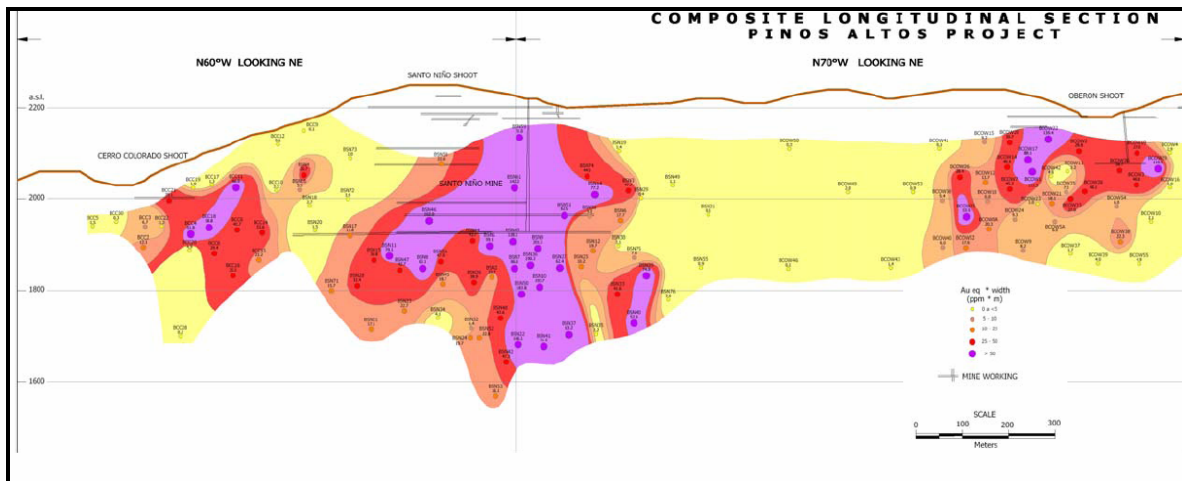


Figure 17 - Longitudinal view along Santo Niño fault-localization of boreholes from Peñoles drilling

8.2 Previous Resource and Reserve Estimates

The only recorded historical mineral resource and reserve estimate for any mineralized zone that occurs on the Property (meaning an estimate prepared prior to February 1, 2001 according to definition of historical in NI 43-101) was completed on the San Eligio vein by



the CRM, following the 1991 underground exploration and surface diamond drilling program. The CRM outlined what it termed to be “proven and probable reserves” of 156,730 tonnes grading “3.22 ppm gold and 101 ppm silver” (in Castro et. al. 2003). Although the sample results are reasonable based on the more recent results in the same areas of San Eligio by Peñoles and Agnico-Eagle, the estimate is not relevant (since more recent artisanal mining activity appears to have occurred at San Eligio where the CRM had outlined so-called “reserves”). In addition, their use of the term “reserve” is not consistent with NI 43-101.

In June 2003, Peñoles (Castro et. al., 2003) completed a mineral resource estimate for Pinos Altos (Table 19).

Resource Category	Tonnes (millions)	Gold grade (gram/tonne)	Silver grade (gram/tonne)	Gold Content (000's ounces)	Silver Content (000's ounces)
Measured	1.662	6.48	133.7	346	7,145
Indicated	2.353	6.15	128.6	465	9,728
Measured & Indicated	4.015	6.29	130.7	811	16,873
Inferred	2.227	6.10	116.7	437	8,358

Table 19 - June 2003 Mineral Resource Estimate for Pinos Altos by Peñoles

The resource estimate included data from the following zones:

Cerro Colorado Santo Niño Oberón de Weber El Apache

San Eligio Reyna de Plata (for the Santa Ana, Sinter, Reyna Central and Reyna Oriental areas) Comodero

Peñoles integrated information from previous workers, namely:

Information from the CRM on the San Eligio vein including 9 diamond drill holes and 63 samples (which were inserted into Peñoles reference coordinate system) Information from old underground workings from Santo Niño (Santo Niño mine), Oberón de Weber (Caranza mine) and Cerro Colorado (Providencia mine)



zones compiled from archives, was integrated into Peñoles mine survey information (including creating a model simulation of roughly 350,000 tonnes of past production).

All available historic underground sample information was also compiled.

- The resource database included:
- 678 underground channel sample lines made up of 1,254 samples; and
- 245 drill holes containing 11,278 sample intervals.

The resource wireframe model was constructed using 131 interpreted geological sections (that defined types of mineralization and faults). The following key parameters were used in the estimate:

- 2 metre minimum thickness (along the hole) of wireframe models for each vein zone
- 1 metre composites
- Composite assay values capped at 30.5 grams per tonne gold and 660 grams per tonne silver
- Separate search ellipsoids for gold, silver (and specific gravity)
- Model rotation provisions based on 4 sectors
- 12 x 4 x 12 metre model blocks (and 1 x 1 x 1 metre subcells)
- Gold and silver interpolations by ordinary Kriging method
- Specific gravity interpolation by inverse distance squared (assigned by rock type in case of insufficient data)
- Resource categorization according to distance of block from sample composites (30 x 2 x 20 metres for measured resource; 60 x 4 x 40 metres for indicated; and 120 x 8 x 80 metres for inferred resource)

At the time it was completed, Peñoles' June 2003 mineral resource estimate was not NI 43-101 compliant because it was not supervised by a Qualified Person. However, the estimate



was reviewed Marc H. Legault, P.Eng., Agnico-Eagle's Manager Project Evaluations and qualified person as defined by National Instrument 43-101, and declared NI 43-101 compliant (with an effective date of June 2003) when the Company disclosed the Pinos Altos mineral resource estimate on February 13, 2006.

The data disclosed, including the sampling, analytical and test data underlying the mineral resource estimate, was verified by the Qualified Person except for the exploration and production information compiled from work completed prior to Peñoles' work (because exclusion of this information would not affect the estimate materially). Although more recent exploration information had been collected in the area where the mineral resource estimate was completed, it was determined that including this information would also not materially change the estimate. The estimate of mineral resources at Pinos Altos was determined to not likely be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues. Because Pinos Altos was not considered to be a material property for Agnico-Eagle, a Technical Report describing the June 2003 resource estimate was not be filed with the securities regulatory authorities.

Castro et al. (2003) recommended additional exploration work (\$1.075 million) to:

- 1) confirm the continuity of the mineralization in the resource area (through underground sampling at Santo Niño, and infill drilling)
- 2) Continue with resource conversion drilling in areas of inferred resources:
and
- 3) Expand mineral resources by testing zones of high mineral potential (Santo Niño at depths below 1,925 metre elevation and the Carola zone).

In February 2006, Agnico-Eagle disclosed a NI 43-101 compliant mineral resource estimate for Pinos Altos. The Qualified Person responsible for the Pinos Altos mineral resource estimate was Christian D'Amours, P.Geo. of Service Conseil Géopointcom of Val d'Or Quebec. The effective date of the estimate was February 13th 2006.



In February 2007, Agnico-Eagle disclosed a NI 43-101 compliant mineral resource estimate for Pinos Altos based on the exploration work completed until January 2007 and a Feasibility Study completed in February 2007 (Doucet et al., 2007a). The qualified person responsible for the Pinos Altos mineral resource estimate was Daniel Doucet, Ing., Principal Engineer Geology for the Company's Technical Services Group, Abitibi Regional Office. The effective date of the estimate was February 21, 2007. The basis for the reserves was a Feasibility Study completed by Agnico-Eagle in February 2007 (Doucet et al., 2007a).

In August 2007, Agnico-Eagle disclosed a disclosed a NI 43-101 compliant mineral resource estimate for Pinos Altos based on the exploration work completed until the end of July 2007. The qualified person responsible for the Pinos Altos mineral resource estimate was Daniel Doucet, Ing., Principal Engineer Geology for the Company's Technical Services Group, Abitibi Regional Office. The effective date of the estimate was August 9, 2007. The basis for the reserves was a Feasibility Study completed by Agnico-Eagle in August 2007 (Doucet et al., 2007b). The August 2007 mineral resource and mineral reserves and the August 2007 Feasibility Study were disclosed by the Company in a Technical Report submitted on SEDAR on September 24, 2007 (Doucet et al., 2007c).

In February 2008, Agnico-Eagle disclosed a NI 43-101 compliant mineral resource estimate for Pinos Altos based on the exploration work completed until the end of December 2007. The qualified person responsible for the Pinos Altos mineral resource estimate was Daniel Doucet, Ing., Principal Engineer Geology for the Company's Technical Services Group, Abitibi Regional Office. The effective date of the estimate was December 31, 2007. The basis for the reserves was a Feasibility Study completed by Agnico-Eagle in August 2007 (Doucet et al., 2007b) and updated using more recent information.



The estimates done by Agnico-Eagle (D'Amours 2006, Doucet 2007a, 2007b) only considered drillhole and underground channel sample information from the following zones:

- Cerro Colorado
- Santo Niño
- Oberon de Weber
- El Apache
- San Eligio

The estimates did not include model from the Reyna de Plata zone because Agnico-Eagle had not reviewed the drill hole information.

All the previous mineral resource estimates for Pinos Altos are summarized in Table 20.



YEAR	COMPANY (qualified person)	CATEGORY	METRIC TONNES (000's)	Au grade (g/t) Cut	Ag grade (g/t) Cut	Au content (000's Oz)	Ag content (000's Oz)	METAL PRICES USED (\$US/Oz)	METALLURGY RECOVERIES (%)	NSR CUT-OFF (\$US/t)	CAPPING (g/t)
JUNE 2003	PEÑALES (Castro)	Mesured	1 662	6.48 (uncut)	133.7 (uncut)	346	7 145		Au : 92.4 Ag : 47.8	3.5 g/t Au	Au : 30.5 Ag : 660
		Indicated	2 353	6.15 (uncut)	128.6 (uncut)	465	9 728				
		Inferred	2 227	6.10 (uncut)	116.7 (uncut)	437	8 358				
		TOTAL OUNCES				1 248	25 231				
FEB 2006	AGNICO-EAGLE (D'Amours, C.)	Mesured	-	-	-	-	-	Au : 400 Ag : 6.00	Au : 92.4 Ag : 47.8	Open Pit (Milling) : 11.9 Underground : 35.6	Au : 41 Ag : 1500
		Indicated	12 484	3.94	102.25	1 582	41 042				
		Inferred	3 238	5.23	110.99	545	11 555				
		TOTAL OUNCES				2 127	52 597				
FEB 2007	AGNICO-EAGLE (Doucet, D.)	Probable	18 608	3.07	92.77	1 837	55 498	Au : 486 Ag : 8.69	Au : 94.6 Ag : 52.9	Open Pit (Milling) : 0.45g/t Au eq Underground : 28.5	Au : 15 Ag : 46
		Indicated	1 636	1.48	61.84	78	3 253				
		Inferred	5 198	3.03	80.54	506	13 460				
		TOTAL OUNCES (Prob)				1 837	55 498				
SEPT 2007	AGNICO-EAGLE (Doucet, D.)	TOTAL OUNCES (Ind+Inf)				584	16 713	Au : 486 Ag : 8.69	Au : 90 Ag : 51	Open Pit (Milling) : 16 Underground : 33	Au : 15 Ag : 46
		Probable	19 957	3.47	102.33	2 224	65 654				
		Indicated	257	1.92	74.35	158	6 115				
		Inferred	3 039	2.83	79.90	277	7 807				
DEC 2007	AGNICO-EAGLE (Doucet, D.)	TOTAL OUNCES (Prob)				2 224	65 654	Au : 583 Ag : 10.77	Au : 90 Ag : 51	Open Pit (Milling) : 16 Underground : 33	Au : 15 Ag : 46
		TOTAL OUNCES (Ind+Inf)				435	13 922				
		Probable	24 657	3.21	92.21	2 547	73 100				
		Indicated	6 182	1.39	49.88	270	9 915				
		Inferred	4 495	1.48	37.59	213	5 432				
		TOTAL OUNCES (Prob)				2 547	73 100				
		TOTAL OUNCES (Ind+Inf)				483	15 347				

Table 20 – Previous Resource Estimates at Pinos Altos



In February 2008, a preliminary resource model has been completed for the Creston-Mascota Project by Keith Blair from Applied Geoscience LLC and included in the February 2008 estimate for Pinos Altos (Company press release February 15, 2008).

Cut-off Au ppm	Tonnage (000's)	Au_ppm	Au_Kg	Ag_ppm	Ag_Kg	Au_Oz	Ag_Oz
1.5	2,432	2.65	6,442	24.1	58,723	207,111	1,888,010
1	4,443	2.01	8,935	20.7	91,757	287,284	2,950,075
0.7	5,726	1.75	10,014	18.6	106,255	321,972	3,416,195
0.5	6,760	1.57	10,633	17.3	116,853	341,857	3,756,951
0.3	7,742	1.43	11,039	16.2	125,667	354,909	4,040,309
0	7,888	1.4	11,075	16.1	126,743	356,078	4,074,901

Table 21- Creston-Mascota : Inferred resource Report, January 2008

Resource modeling was based on 65 drill holes with complete or partial assays current to 14 January 2008. Gold was trimmed to 17 g/t (12 samples) and silver was trimmed to 130 g/t (10 samples). After trimming, samples were composited to 3 m down-hole composites. Log-probability plots were used to define important population breaks in the gold distribution for generation of 3-D grade contours or shells. Gold grade shells were generated within Leapfrog® software at 0.3 g/t, 0.7 g/t, and 1.5 g/t gold based on the indicator variogram models at these grade levels. Gold and silver grades were interpolated using an inverse-distance3 interpolator (ID3) within these grade shells; specific grade domains were not constructed for silver. A minimum of 3 composites and a maximum of 12 composites were used for an estimate with a maximum of 3 composites coming from any one drill hole. Search ellipses were oriented along the north-south strike and the -35o dip to the west; search distances were based on the median indicator variogram for each domain. A restricted search was also applied for gold grades greater than 7 g/t and for silver grades greater than 60 g/t; these restricted searches were also based on spatial correlation measures at those levels. Specific gravity data were compiled for the drill hole samples and merged to the GEMCOM database and flagged with model domain codes for statistical analysis. Resource reports are presented below in Table 22.



Cut-off Au ppm	Tonnage (000's)	Au ppm	Au_Kg	Ag ppm	Ag_Kg	Au_Oz	Ag_Oz
1.5	2,432	2.65	6,442	24.1	58,723	207,111	1,888,010
1	4,443	2.01	8,935	20.7	91,757	287,284	2,950,075
0.7	5,726	1.75	10,014	18.6	106,255	321,972	3,416,195
0.5	6,760	1.57	10,633	17.3	116,853	341,857	3,756,951
0.3	7,742	1.43	11,039	16.2	125,667	354,909	4,040,309
0	7,888	1.4	11,075	16.1	126,743	356,078	4,074,901

Table 22 – Creston-Mascota : Inferred resource report, January 2008

8.3 Previous Production from the Property

On the property, there is only recorded gold and silver production from the Santo Niño mine. It is estimated (CRM, 1994) that the total production from the Santo Niño vein during both the Morales period ending in the late 1950's and from the Pinos Altos Company period before the Mexican Revolution was from approximately 350,000 tonnes at grades in the order of 12-15 grams per tonne gold and 80-150 grams per tonne silver for a maximum total of roughly 180,000 ounces of gold and 1.8 million ounces of silver.

Although additional mine workings are visible at the Cerro Colorado zone (Cadanza mine), Oberon de Weber (Providencia mine) and at San Eligio and have voids that have been modelled in the current resource and reserve estimates, no production has been recorded.

In addition, artisanal miners continue to operate, although intermittently, small mills (less than 1 tonne per day capacity; "Tahona") to extract gold from Pinos Altos ores for which no records are compiled; according to the recent baseline environmental studies (including Baltazar Solano-Rico, 2006) and in previous work (including Castro et al., 2003), up to 20 tahonas have been documented along the La Maquina stream but their production is not considered to be significant.

Also, Sr Perez Campos, the Pinos Altos ranch owner, operated (until it was dismantled at the end of 2008) a small mineral processing plant on the property that treated sources of surficial gold and silver ores. Because of its small capacity (approximately 100 tonnes per month), its production is not considered significant and therefore has not been compiled.



Item 9 Geology

9.1 Regional Geology

The Sierra Madre Occidental (“SMO”) is an extensive physiographic province composed largely of volcanic rocks that have been intruded by plutonic rocks, which overlies a Precambrian through Jurassic basement. This is one of the largest unmetamorphosed andesite and dacite accumulations in the world. Erosion and uplift has created deep incised canyons and rarely exposed hydrothermal mineralization in the third dimension. Up to 100 kilometres in width east-west, this geologic province extends for almost 1000 kilometres from the centre of Mexico northward to the border of the United States. The SMO is also one of the most important metallogenic provinces for base metals and precious metals in Mexico and several gold and silver bearing epithermal deposits are known within the volcanic rocks in this province (Castro et al., 2003).

The lithologic setting of the SMO near the studied area is classic: it consists of a poorly exposed metamorphic basement, on which overlies a volcanic/plutonic arc, the Lower Volcanic Group (“LVG”) with an age between 100 and 45 Ma. After a magmatic break from 45 Ma to approximately 38 Ma, eruptions from major caldera complexes generated the Upper Volcanic Group (“UVG”) that took place until 23 Ma (Figure 18). The major part of the pyroclastic sediments has been deposited between 34 Ma and 27 Ma.

9.2 Regional Stratigraphy

9.2.1 Pinos Altos

The oldest rocks exposed in the Ocampo area are Triassic to Cretaceous aged Témoris Unit (that underlies the SMO). These sediments are founded in isolated erosional windows (located in the Moris area in the west of Ocampo and in the Uruachic region south of Ocampo) and are composed of conglomerates, sandstones, limestone lenses and intercalated andesites. Beginning with the Laramide Orogeny in the Late Cretaceous and



continuing throughout Cenozoic, intense volcanic activity took place in the area. This volcanism produced a thick sequence of volcanic flows, tuffs and agglomerates of andesitic to rhyolitic composition and related intrusives. Volcanic stratigraphy in the Sierra Madre Occidental has been classified into two main groups consisting of the Lower Volcanic Group (“LVG”) and the Upper Volcanic Group (“UVG”) (Figure 19).

The LVG rocks consist of sedimentary rocks (Navosaigame Conglomerate Unit) and massive andesitic flows and tuffs (Madroño Andesite Unit). Localized beds of volcanoclastic sediments are also present. The UVG rocks are made up of felsic ignimbrites, tuffs, flows and volcanoclastics. Textural and sorting characteristics indicate some of the units were deposited under basal surge conditions. This intense and prolonged volcanic activity probably produced the hydrothermal mineralization responsible for the numerous gold and silver occurrences, deposits and mines in the area, including Pinos Altos and Creston-Mascota.

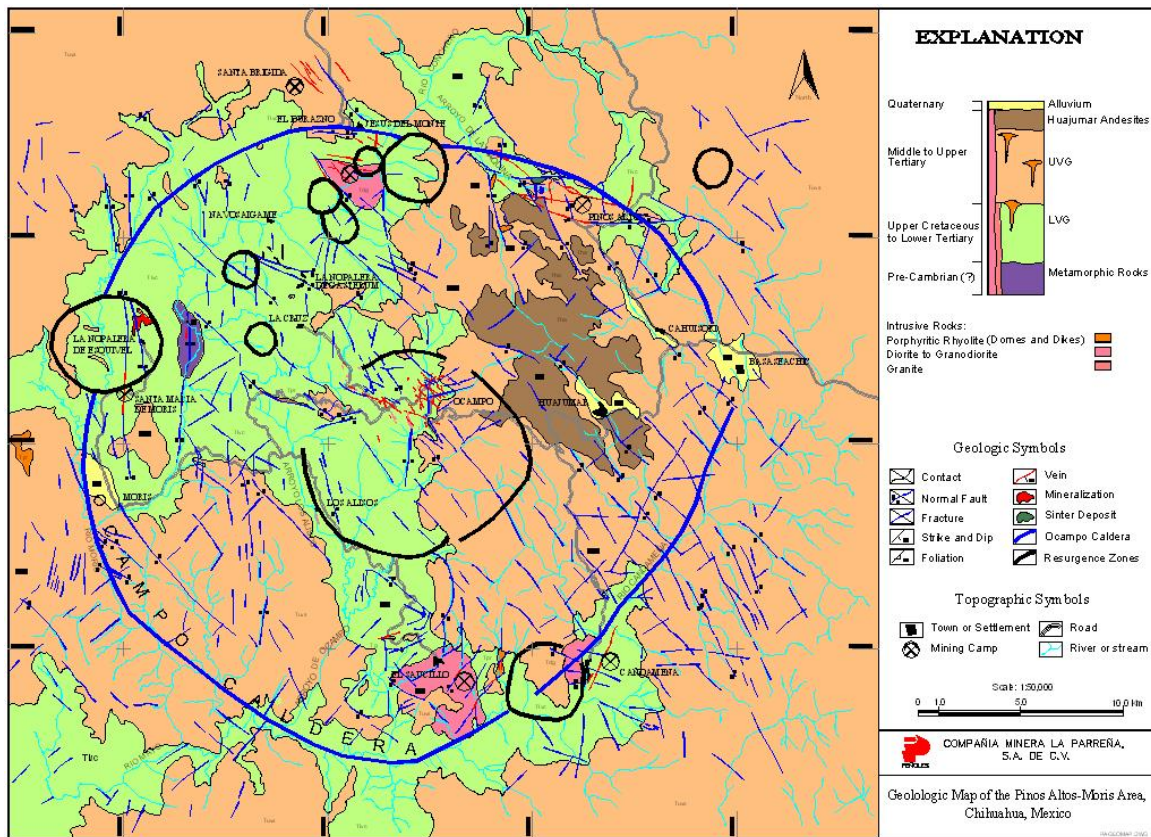


Figure 18- Regional geology – Ocampo caldera

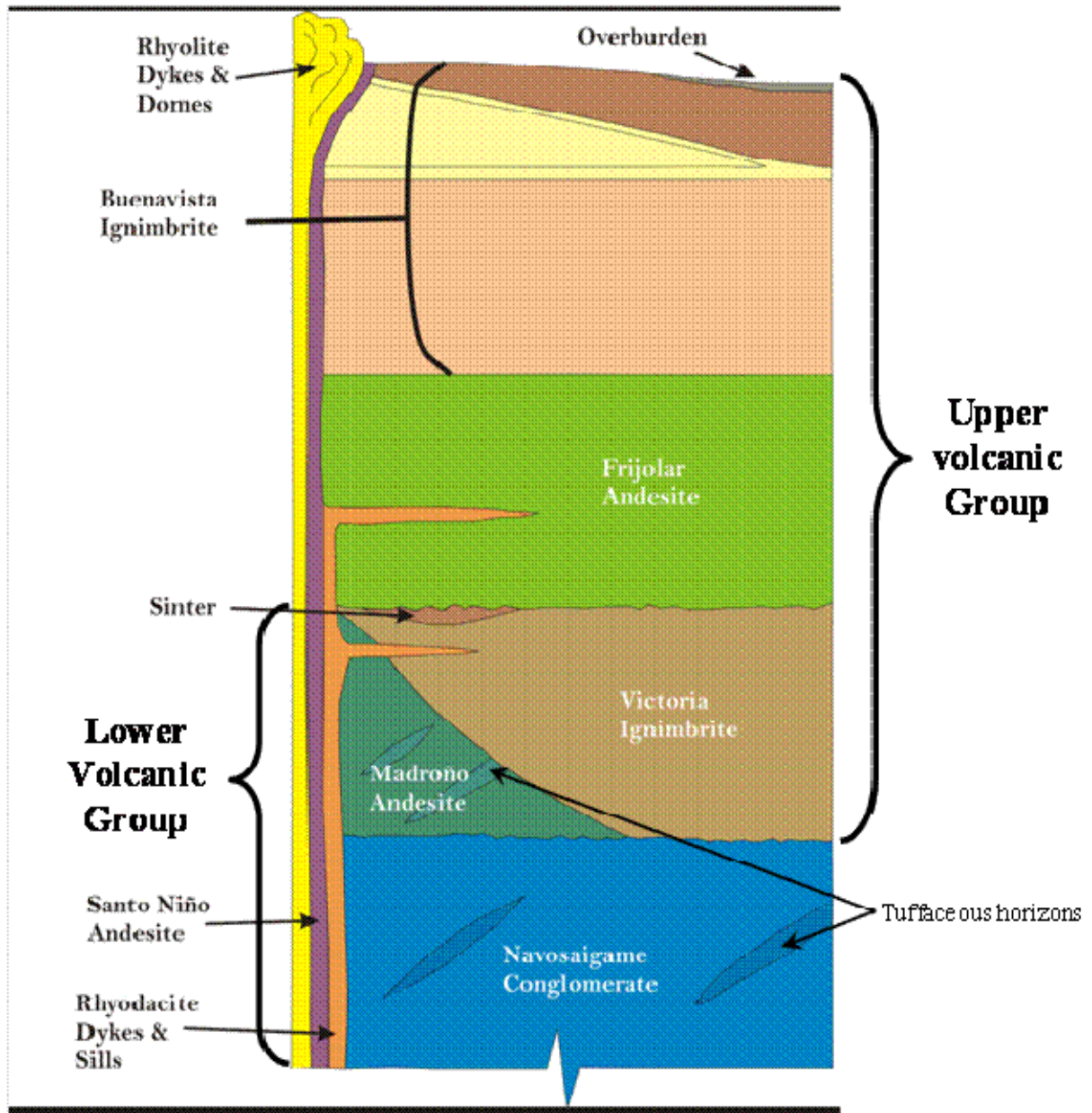


Figure 19 - Local stratigraphy

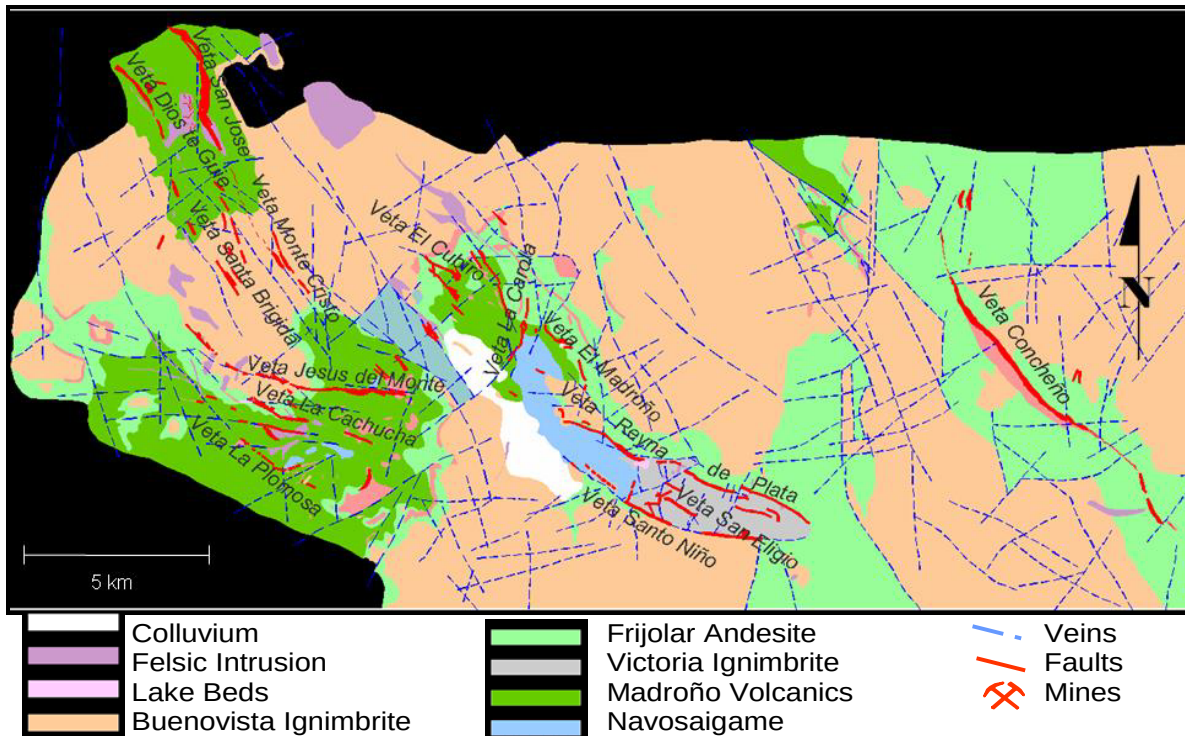


Figure 20- Regional geology (Source: Peñoles)

9.2.2 Regional Structure

On a regional scale, the SMO is a relatively undeformed high plateau (Henry and Aranda-Gomez, 1992; in Castro et al., 2003). Overall, there is a northwest-trending structural fabric best evidenced by the alignment of the numerous mining districts found in the SMO. According to Bockoven (1980), the most important structures in the Ocampo-Yécora area are related to the development of calderas and Basin and Range type of normal faulting, which the Ocampo caldera (

Figure 20), of 40-50 km in diameter, is the most obvious morpho-structural element. From the satellite work it appears that Ocampo lies near the centre of a major caldera and is surrounded by at least two others. Henry and Aranda-Gomez (in Castro et al, 2003) suggest that the SMO is relatively undeformed due to the presence of a large batholith that underlies it. This inferred batholith is believed to be source of the very large volume of volcanic rocks. Structures in the basement are more difficult to find due to the lack of outcrops of old rocks, although Mullan and al. (1978; in Castro et al., 2003) have



interpreted a polyphased deformation associated with the Nevada and Sonoma Orogenies in the metamorphic rocks of the La Nopalera region (

Figure 20). Zaragoza (1997) interpreted the structural succession as follows, from oldest to youngest event:

1. NNW fault system that provides a feeding trough for caldera generator magmas
2. Holding of the Navasaigame conglomerate, with northwest tendency, related to the Laramide Orogeny
3. Caldera-related structures
4. Younger northwest fault system
5. Basin and Range type of extensional faults which generate the NW30° (trend) of the Sierra, some of them intersect and reactivate structures associated with caldera, and generate grabens like the one east of Yécora and in the Yepachic-Pilares region

9.3 Local and Property Geology

9.3.1 Lithology

The Pinos Altos property is host to volcanic rock and sedimentary rock units belonging to both the Upper Volcanic Group (UVG) and the Lower Volcanic Group (LVG). The Lower Volcanic Group is represented on the property by the Navosaigame conglomerate Unit and the El Madroño volcanic Unit. These units represent episodes of erosion and andesite dominated volcanism. The Upper Volcanic Group discordantly overlies rocks of the Lower volcanic sequence. The Upper Volcanic Group is made up of the Victoria Ignimbrite Unit, the Frijolar Andesite Unit and the Buenavista Ignimbrite Unit. Intermediate and felsic dykes as well as rhyolitic domes intrude all of these units. Lacustrine-like deposits are also locally recognized.



Series	Unit	Lithology	Age
Upper Volcanic Group	Buenavista Ignimbrite	570 m- <i>Pale brownish gray, beige rhyodacite crystal lithic tuffs and lapilli tuffs.</i>	<38Ma
	Frijolar andesite	420m- <i>Brown, purple andesite lithic flow tuffs</i>	
	Victoria Ignimbrite	400m- <i>Tuff, brownish-gray rhyolite and dacitic crystal lithic ash flow tuffs</i>	
Lower Volcanic Group	El Madroño Volcanics	250-750m- <i>Interbedded greenish-gray andesite and rhyolite flows and volcanoclastics</i>	>45Ma
	Navosaigame Conglomerate	420m- <i>Mostly purple conglomerates, sandstones, shales</i>	

Table 23- UVG and LVG geological units in Pinos Altos area

The Navosaigame conglomerate of the LVG is made up of thinly bedded sandstone intercalated with siltstones and conglomerates. Clasts consist of andesite, limestone, granitoids and quartzofeldspathic gneisses. Some sandstone horizons also contain pumice fragments. The El Madroño volcanics consist of andesitic tuffs, lavas intercalated with rhyolitic tuffs, sandy volcanoclastic and sedimentary rocks. The andesitic tuffs are greenish grey. Feldspar and biotite phenocrysts are as common as andesite and pumice lithic fragments. The andesitic flows consist of intercalations of agglomerates and massive porphyritic layers. Plagioclase and ferromagnesian oxides occur as phenocrysts in a light green aphanitic matrix. Intercalated within these flows are at least two rhyolitic tuff horizons, which can reach up to 50 m in thickness. These horizons are commonly argillite altered and weakly oxidized. Thinly laminated medium to coarse grained sandstone horizons of less than 10 m in thickness are also noted.

The UVG discordantly overlies rocks of the LVG. The Victoria ignimbrites represent an explosive felsic volcanic event. Layers within this unit present numerous textural, compositional and colour variations. Rocks within this unit include vitrocrystalline and lithic tuffs of rhyolitic to dacitic composition, aphanitic vitreous tuffs, pyroclastic lithic



tuffs ranging up to lapilli tuffs with fragments of variable composition and volcanic breccias. The Frijolar andesite are massive to flow banded, porphyritic, consisting of 70% plagioclase and hornblende phenocrysts in a brownish to purple aphanitic groundmass locally hosting pyrite and hematite. The Buenavista ignimbrite consists of a series of dacitic to rhyolitic pyroclastics. This unit was intersected in the majority of the Agnico-Eagle drillholes during this campaign. From top to bottom, the layers encountered are:

Buenavista Ignimbrite Sub-Unit	Description
Basaltic flows	Blackish, aphanitic and amygdaloidal
Dacitic flows	Purple to maroon and for the most part aphanitic, but locally plagioclase porphyritic. Flow banding and flow breccias are sometimes discernable.
Lapilli and sandy tuffs	Reddish to light green with alternation of medium grained feldspar sand and interbedded tuffs.
Vitrocrystalline lithic welded tuffs	Beige to pinkish beige, with quartz, feldspar and biotite phenocrysts and 10 to 25 % lithic and pumice fragments.
Rhyodacitic vitrocrystalline tuffs	Beige to purple, with more than 10% of quartz, feldspar, plagioclase and biotite phenocrysts. For the most part massive, breccias with fragments of equal composition as the matrix are developed near the base of the unit.

Table 24- Buenavista Ignimbrite sub-units

An occurrence of a laminated rock unit, interpreted to be alacustrine-like rock deposit formed during the epithermal event (ie. a sinter), was mapped by Penoles and Agnico-Eagle in an area located 1 km north of the Santo Niño deposit. This unit consists of layers of finely laminated fine-grained grey to black, silica-rich beds intercalated with volcanic and limestone layers.

The intrusive rocks are represented by the rhyolite and Santo Niño Andesite units. The rhyolites are present as dykes and small domes. These units intrude the Victoria and Buenavista Ignimbrite units close to the Santo Niño and Reyna de Plata fault zones as well as close to other minor structures. The unit is white to reddish beige, aphanitic to porphyritic and with well developed flow banding. Fine-grained disseminated pyrite is commonly associated with these rhyolites. The Santo Niño Andesite is a dyke-like unit that



intrudes along the Santo Niño fault zone. It is purple to greenish mauve colour, fine to medium grained and with plagioclase and hornblend phenocrysts. Rhyolite and andesite dykes are embedded along faults that cut the above series. Quartz-gold vein deposits are embedded along the Santo Niño and Reyna de Plata faults and along transfer faults that splay northwest from the Santo Niño fault.

9.3.2 Structure

The Pinos Altos property is centred on a horst structure striking at an azimuth of roughly 120 degrees east of north. The horst is defined by the Reyna de Plata fault to the north and the Santo Niño fault to the south (

Figure 21). Within this context, the principal veins and faults are grouped as follows:

1. WNW pre-mineralization, numerous re-activation episodes.
2. North to northeast, pre-and post-mineralization.
3. North to NNE pre- and post-mineralization, low angle fault, seen only at the Carola fault.
4. North to NNW post-mineralization, basin and range type structures.

The mineralization is controlled by the WNW and the NNE system. The Santo Niño and Reyna de Plata faults represent the WNW system. These faults run sub-parallel to each other and can be traced for up to 7 kilometres. As previously mentioned, the principal gold occurrences on the property are hosted by the Santo Niño fault zone. Numerous episodes of movements are interpreted, including a pre-mineralization sinistral to normal movement during a NNW–SSE extension period and a post-mineralization dextral movement during a northeast–ENE extensional period. The north-northeast faults were also important to the emplacement of gold on the property. It is at the intersection of two structures, the Victoria and the El Comedero faults with the Santo Niño fault zone, that are respectively located the Santo Niño and the Oberón de Weber ore shoots.

The Creston-Mascota area, discovered in 2006, encompasses several structural blocks which are bounded by discrete brittle fault zones and are internally relatively structurally



intact. Most of the major structures bounding these blocks coincide with auriferous veins, and conversely, all of the known significant auriferous veins in the prospect area occur along faults. The western (downdip) portion of the Quebrada Norte – Creston mineralized zone terminates abruptly against the West Fault, a subvertical structure that extends north-south along the west side of the Quebrada Norte area. During a period of east-west extension, the north-south normal faults may have formed roughly synchronous with mineralization and the NE striking oblique-slip fault hosting the Cebollin Vein more likely represents reactivation of a favourably oriented pre-existing fault. Several structural aspects of the Creston-Mascota area suggest that the mineralized system may have undergone modest amounts of tilting subsequent to mineralization. The West Fault, if it was present prior to tilting, would originally have formed with a steep easterly dip, consistent with kinematic and geometric constraints indicating formation as an east-side-down normal fault. Although fault-generated fabrics are superimposed on vein material and could therefore largely reflect post-mineral displacement, both the geometry of the principal veins themselves and the north-south preferred orientation of isolated extension veins are consistent with vein formation within this structural setting.

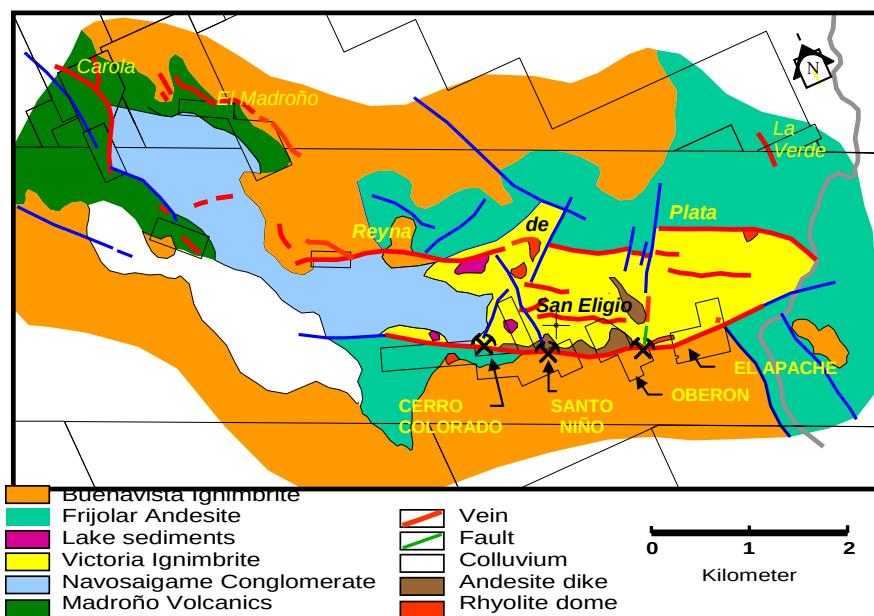


Figure 21 - Local geology of the Pinos Altos area (Source: Peñoles)



Item 10 Deposit Types

The Pinos Altos property is a classic gold-silver epithermal deposit, generally classified as a pluton-related adularia-sericite system. Mineralization, occurrences and deposits like Pinos Altos and Creston-Mascota that occur along the Sierra Madre Trend from New Mexico in the southern U.S. through the northwestern states of Mexico (Sonora, Chihuahua, Durango, Sinaloa and Zacatecas; see Figure 1. This type of epithermal mineralization is thought to have developed during an extension event associated with sub-aerial calderas that formed along the Sierra Madre Occidental . The Pinos Altos property occurs within such a so-called “collapse” structure, the Ocampo Caldera, which is a multi-caldera favourable for the formation of this type of deposit (Figure 22).

Based on mineralogy and alteration, gold-silver mineralization is a low-sulphidation quartz-adularia type. The system contains quartz vein stockworks, and breccias carrying gold, silver, gold and silver tellurides, and lesser and variable amounts of pyrite, chalcopyrite and rare sulfosalt minerals forming in near-surface environment. The hosted rock commonly exhibits breccia and open space filling textures. The mineralization is associated with volcanic-related hydrothermal to shallow depth and low temperature geothermal system.

Major deposits are associated to the WNW-ESE faults and brecciated andesite dyke (Santo Niño Andesite) or welded pyroclastic deposits (Victoria Ignimbrite). Buenavista Ignimbrite is always barren. The main deposit in Creston-Mascota area is associated to a N-S fault and brecciated andesite (Frijolar Andesite) or welded pyroclastic deposits (Victoria Ignimbrite). The degree of breccification varies from stockwork, replacement breccia to open space filling breccia.

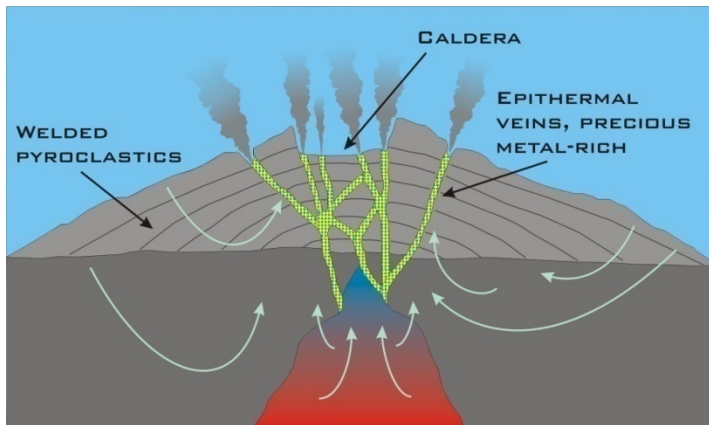


Figure 22- Epithermal deposit type in a caldera environment

Item 11 Mineralization

11.1 Mineralization Sequence

All four lenses share a similar multi-episodic history as described by Peñoles reports. The diamond drilling performed by Agnico-Eagle did not see any evidence to dispute this sequence. From oldest to youngest:

1. Formation of the Santo Niño fault (see table below)

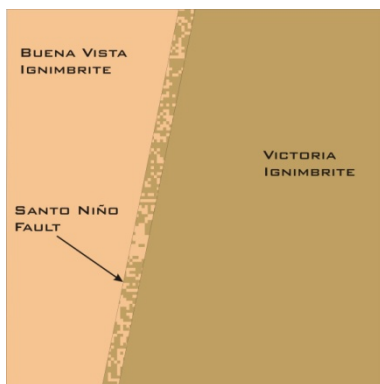


Figure 23- Development of Santo Niño Fault along the contact zone between the Buenavista Ignimbrite and the Victoria Ignimbrite (not to scale).

2. Intrusion of Santo Niño andesite dyke within the Santo Niño fault

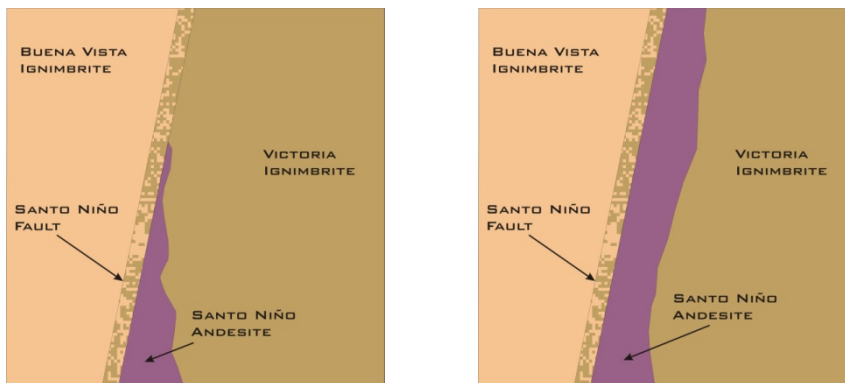


Figure 24- Intrusion of Santo Niño andesite and breccification (not to scale).

Succession of breccification episodes in Santo Niño andesite and Victoria ignimbrite with formation of vuggy cockade quartz (see table below). These breccias are usually strongly oxidized along fractures and are marked by fine pyrite disseminations (less than 1%). Visible gold is sometimes noted within these breccias.



3. Formation of green quartz breccias.

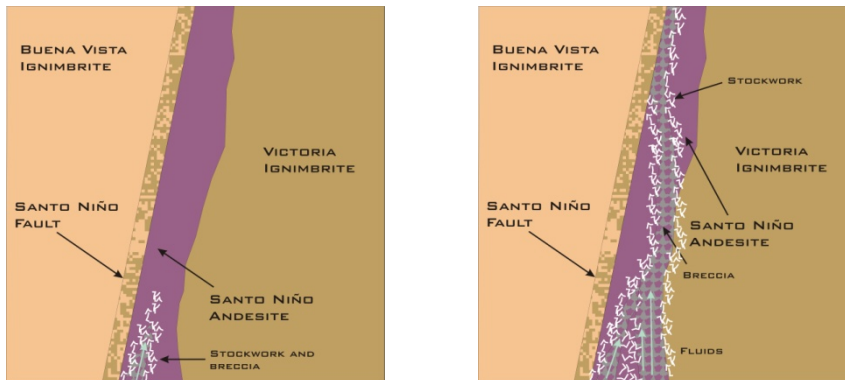


Figure 25- Formation of white quartz breccias (not to scale)

The quartz-adularia matrix hosts strongly silicified wallrock fragments from the Santo Niño andesite and the Victoria ignimbrite (see table above). The matrix consists of banded coloform and crustiform, locally drusitic green quartz. Traces of pyrite and visible gold are noted. Native silver and electrum were noted in higher grade holes.

4. Late Stage Breccia event

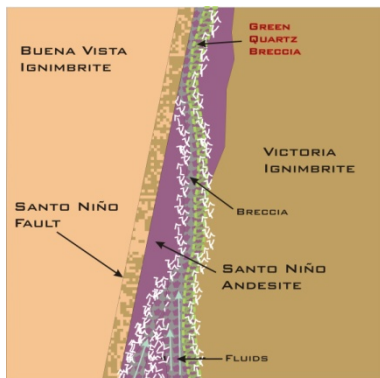


Figure 26- Green quartz open space replacement (not to scale).

A late breccia event consisting of grey to yellowish green quartz with local amethyst (Figure 26). This quartz cements fragments of all units described above. Grey to blackish gray calcite is also associated with this event.



Late brittle fault gouges along the Santo Niño fault within which mineralized rock fragments are sporadically noted.

Anomalous to high-grade gold values at Creston-Mascota occur both within the principal fault hosted wide (several metres to tens of metres) zones of poorly layered quartz±calcite veins and vein-cemented breccias, and in peripheral stockwork zones. All of the main mineralized zones (Quebrada Norte-Creston, Carola, Mina Bravo) contain geological characteristics indicating emplacement along faults, including 1) planar, striated fault surfaces both internal to the veins and along vein margins; 2) zones of fault-generated breccia and gouge; 3) stratigraphic juxtapositions across the veins indicating contact-parallel displacements; and 4) zones of strong fracture cleavage parallel to the vein surface in adjacent wall rocks. Accordingly, the simplest interpretation for the Mascota prospect invokes mineralization localized along active normal faults (Carola – Mina Bravo Vein) and subsidiary oblique slip faults (Cebollin Vein). These sulphide-poor veins have textural characteristics typical of a low sulphidation epithermal environment, including fine colloform to crustiform banding, bladed calcite textures, and open-space filling textures. Outside of the principal mineralized structures and their adjacent stockwork zones, veins are mostly limited to isolated single veins, minor subparallel veins, or small patches of stockwork veins. Orientations of these minor veins are varied, with steeply west-dipping veins most common.

11.2 Mineralized Zones

11.2.1 Structure

Six mineralised zones exist on Pinos Altos Property. The first four mineralized sectors hosted by the Santo Niño structure consist of discontinuous quartz-rich lenses named from east to west: El Apache, Oberón de Weber, Santo Niño and Cerro Colorado (Figure 27). The veins have a variable thickness (1 to >20 m) and are often surrounded by low-grade or barren stockworks (20-40 m). The mineralization is emplaced along a WNW trending regional Santo Niño fault (Figure 27). The ore structure outcrops over a distance of



roughly 6 km. It strikes at N060° degrees azimuth on its eastern portion and turns to strike roughly N090° azimuth on its western fringe. The structure dips at 70° towards the south.

The fifth sector is the San Eligio zone that is entirely hosted by the Victoria Ignimbrite and situated approximately at mid-point between the Santo Niño and Reyna de Plata faults. The latest discovery is the Creston-Mascota zone located in the Carola area northwestern part of the property.

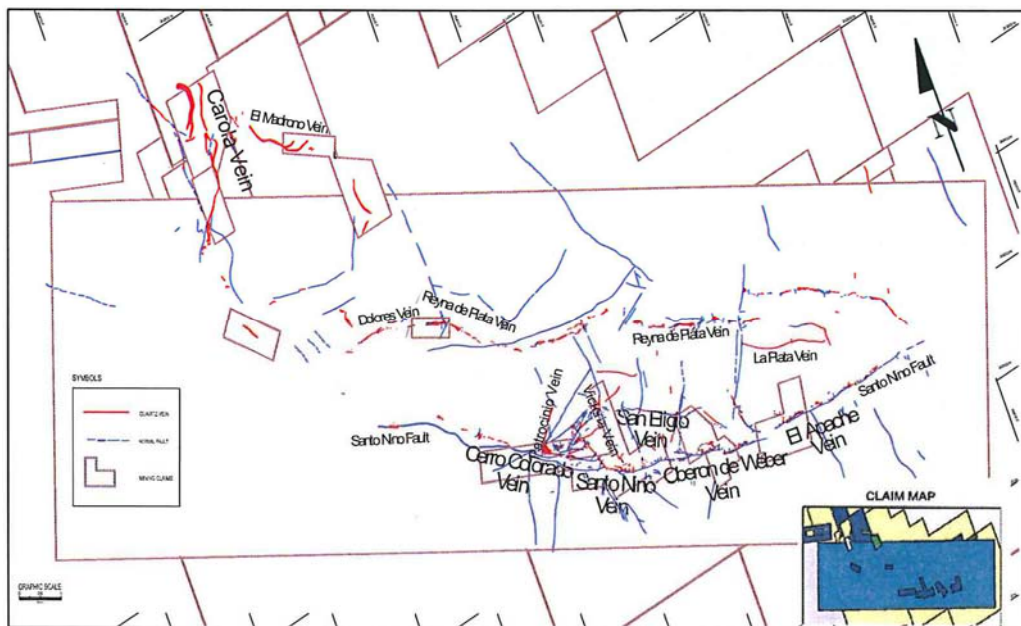


Figure 27- Structural Features of the gold mineralization

These zones are described, from most to least important :

11.2.2 The Santo Niño Zone

The Santo Niño lens dips towards south. It follows the Santo Niño fault, which is not mineralized, and is surrounded by the Buenavista ignimbrite (hanging wall) to the south and by the Victoria Ignimbrite (footwall) to the north (Figure 28 and Figure 29). The host rock is the Santo Niño Andesite and, more rarely, the Victoria ignimbrite. Beyond its western and eastern extents, the Santo Niño Andesite is massive and only weakly altered (propylitisation, hematisation and argillitization).



The Santo Niño lens is the most vertically extensive. Few holes were intersected in the zone at a depth of roughly 900 m below the surface. The vein follows the surface over a distance of 870 m and presents a thickness varying from 3 to 55 m.

In the mineralized zone, the units have stockworks or are strongly brecciated (replacement and open space filling breccia sub-unit). The gold grades are systematically associated with the green quartz brecciated andesite. In depth, the brecciated Victoria Ignimbrite is occasionally mineralized and formed secondary smallest lenses. The spatial relationship of gold grades with the hanging wall and footwall is not consistent but usually the higher grades (Gold and Silver) are associated with the breccia mineralization.

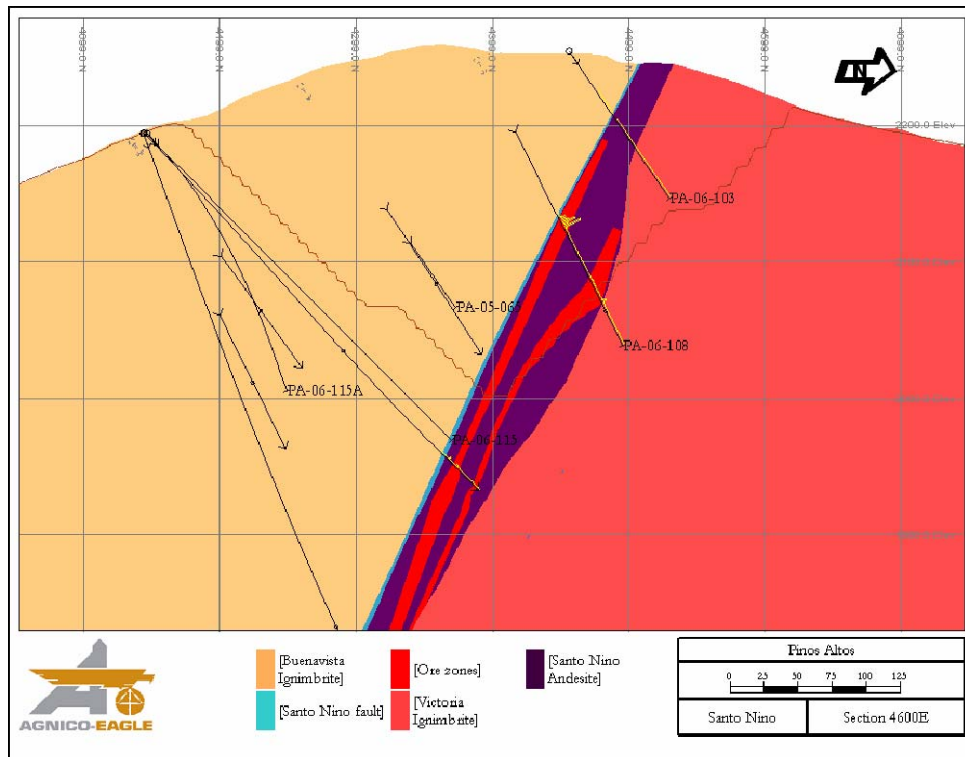
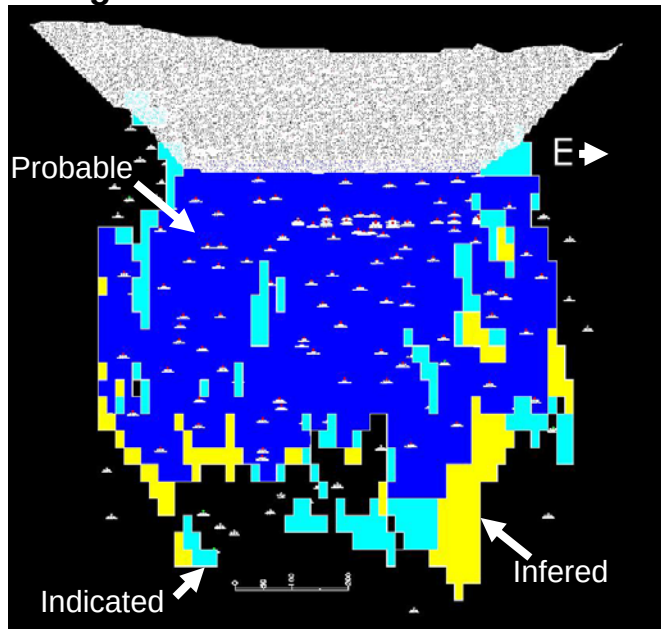


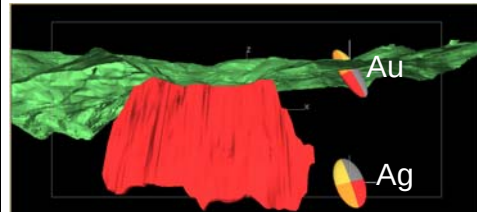
Figure 28- Santo Niño- cross section



Longitudinal view Reserves UG



W-E 3D View with Ellipses



S-N 3D View with Ellipses

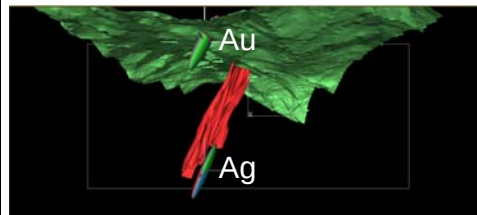


Figure 29 - Santo Nino Zone 1

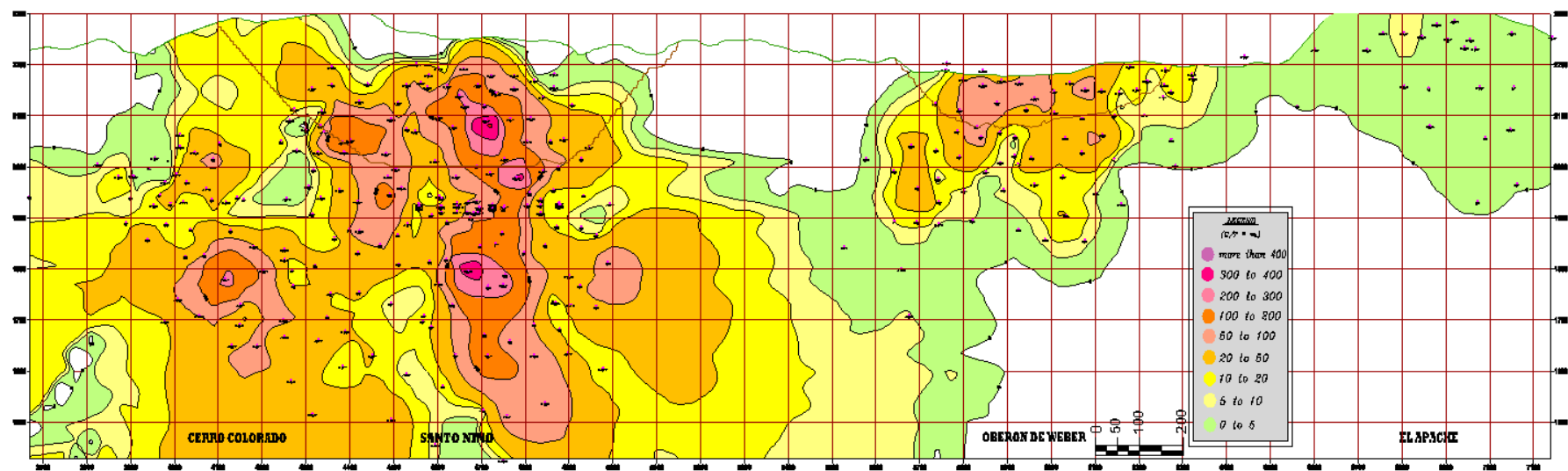


Figure 30 - Gold distribution through Cerro Colorado, Santo Niño, Oberon and El Apache zones - longitudinal view looking north



11.2.3 The Oberón de Weber Zone

The Oberón de Weber ore zone is very similar to the Santo Niño ore zone except that it is smaller and the green quartz breccia and stockwork sub-units are less abundant. The lens presents a displacement in the middle caused by a northeast fault (see Figure 31 and Figure 32).

The zone is followed on the surface and by diamond drilling over roughly 900 m. Shallow holes drilled by Agnico-Eagle show good continuity both in grade and thickness of over roughly 600 m. The zone width is approximately 5 m in its extremities, at surface and in depth. In the middle of the zone, the width increases to 25 m. From previous drilling done by Peñoles, continuity at depth appears to be erratic with a weakly defined western rake.

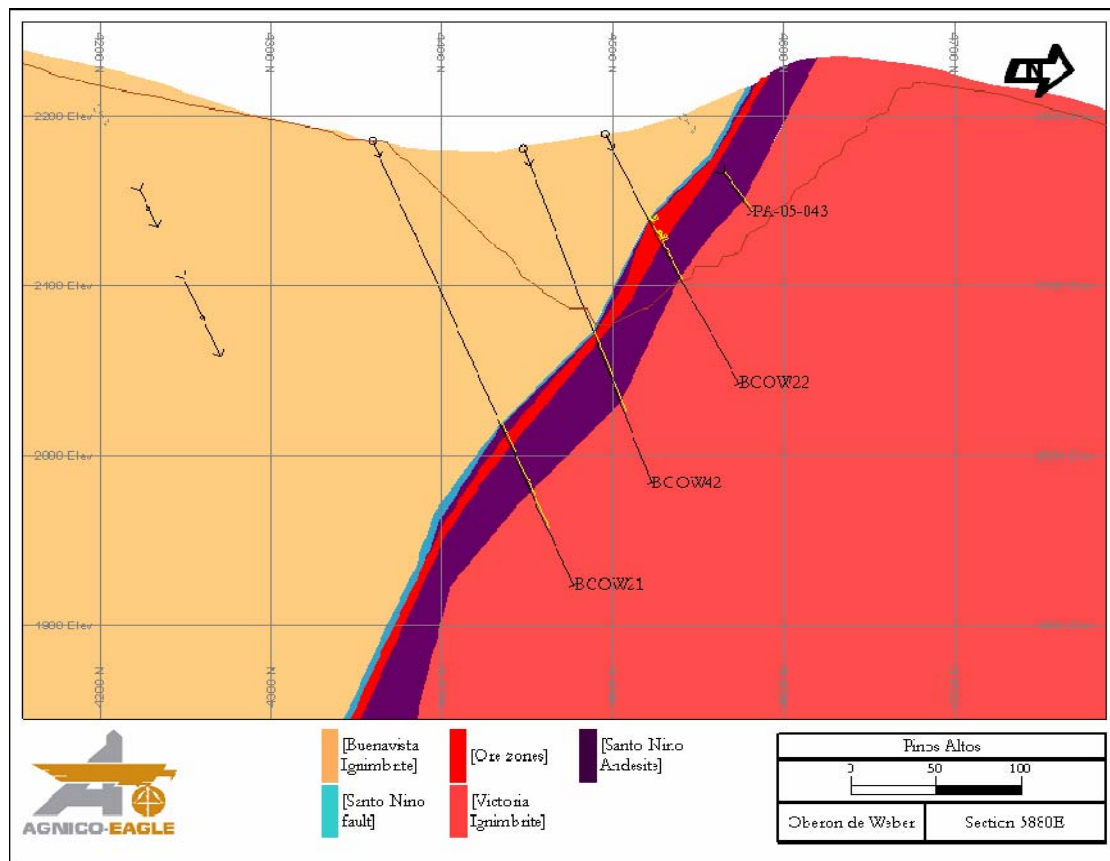


Figure 31- Oberón de Weber zone - cross section



Longitudinal view Reserves UG

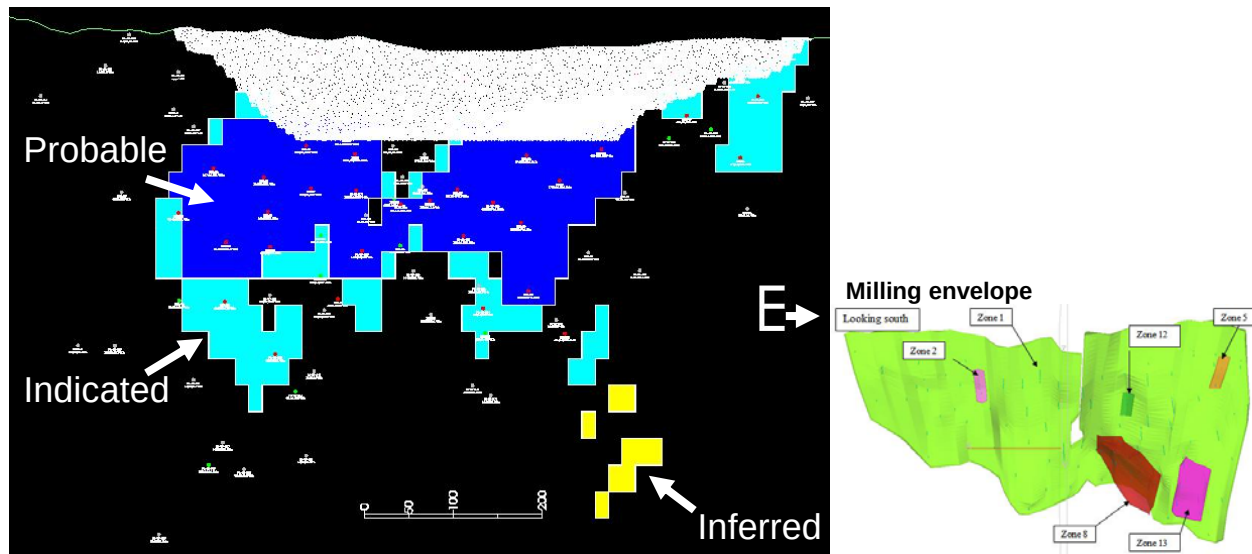


Figure 32 - Oberón de Weber zone

11.2.4 The Cerro Colorado Zone

The Cerro Colorado lens is structurally more complex than the two zones described above. Its relation to the Santo Niño fault zone is not clearly defined and the host rocks appear to be massive Victoria Ignimbrite and Santo Niño andesite. Near the surface, it is marked by a complex superposition of northwestern brittle faults with mineralized zones which are difficult to correlate from hole to hole. The green quartz breccia and stockwork are uncommon and not systematically mineralized (See Figure 33 and Figure 34).

The principal zones are situated in depth between 70 and 725 m and are not really exposed at the surface. Their width varies from 4 to 20 m and their lateral extension is 680 m. Two deeper holes done by Agnico-Eagle during the last campaign allowed to extend the zone at a depth of 680 m.

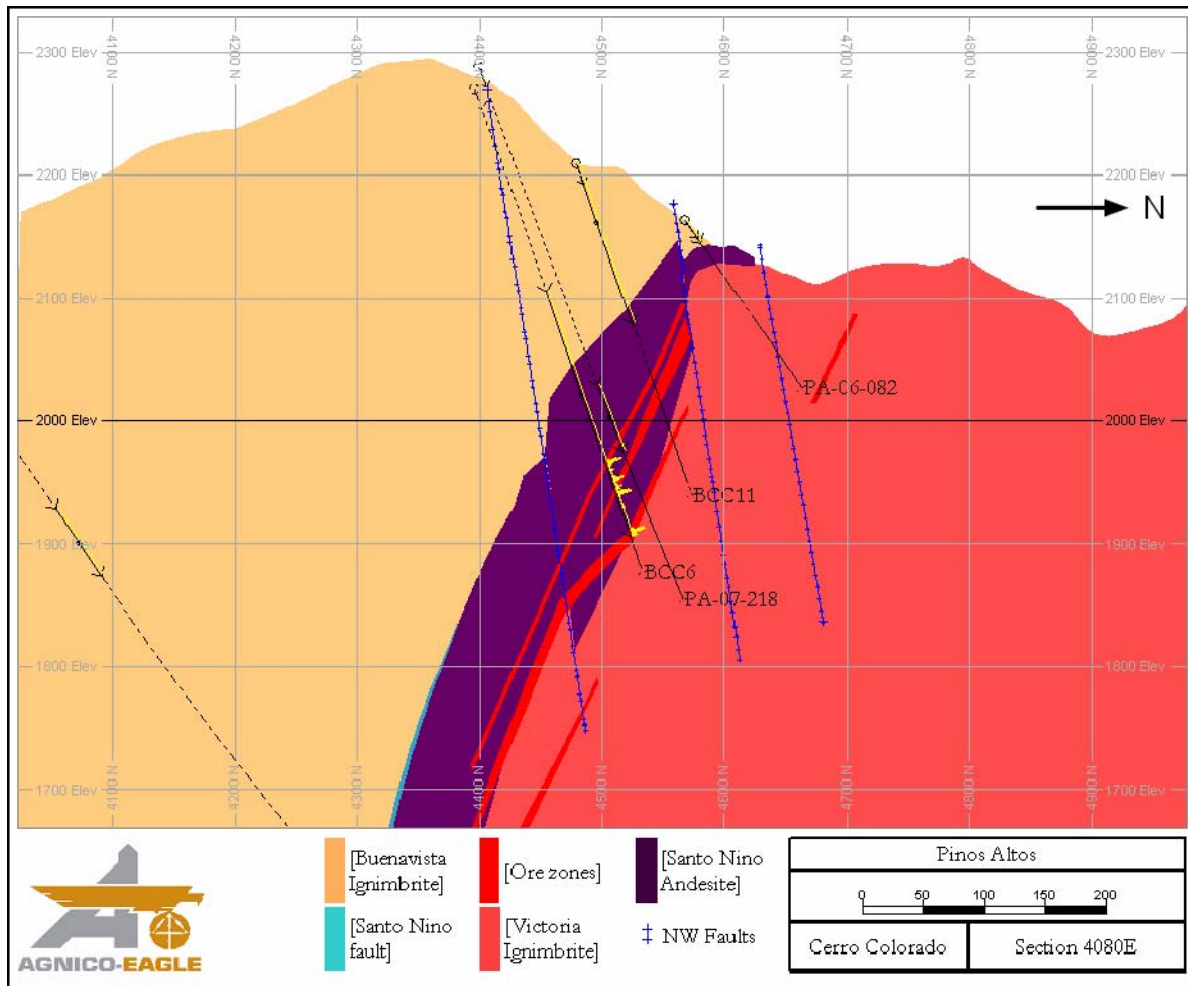
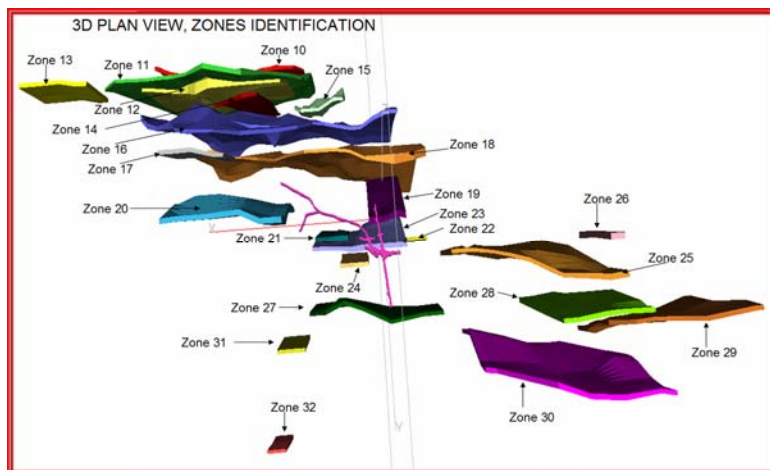


Figure 33 - Cerro Colorado zone - cross section



3D Plan View



Looking South, Ellipsoids

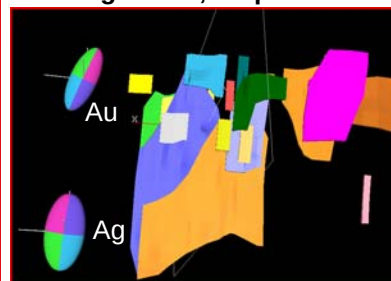


Figure 34 - Cerro Colorado zone

11.2.5 El Apache Zone

The El Apache zone is the most poorly mineralized. The area hosts a weakly developed white quartz dominated breccia in andesite dyke. The Santo Niño fault is observed but is not as continuous as in the Santo Niño zone. The average lens thickness is 7 m. Gold values are low and erratic over its roughly 550 m strike length. Past drilling suggests that this zone has limited extent at depth (approximately 450 m). (see Figure 35 and Figure 36)

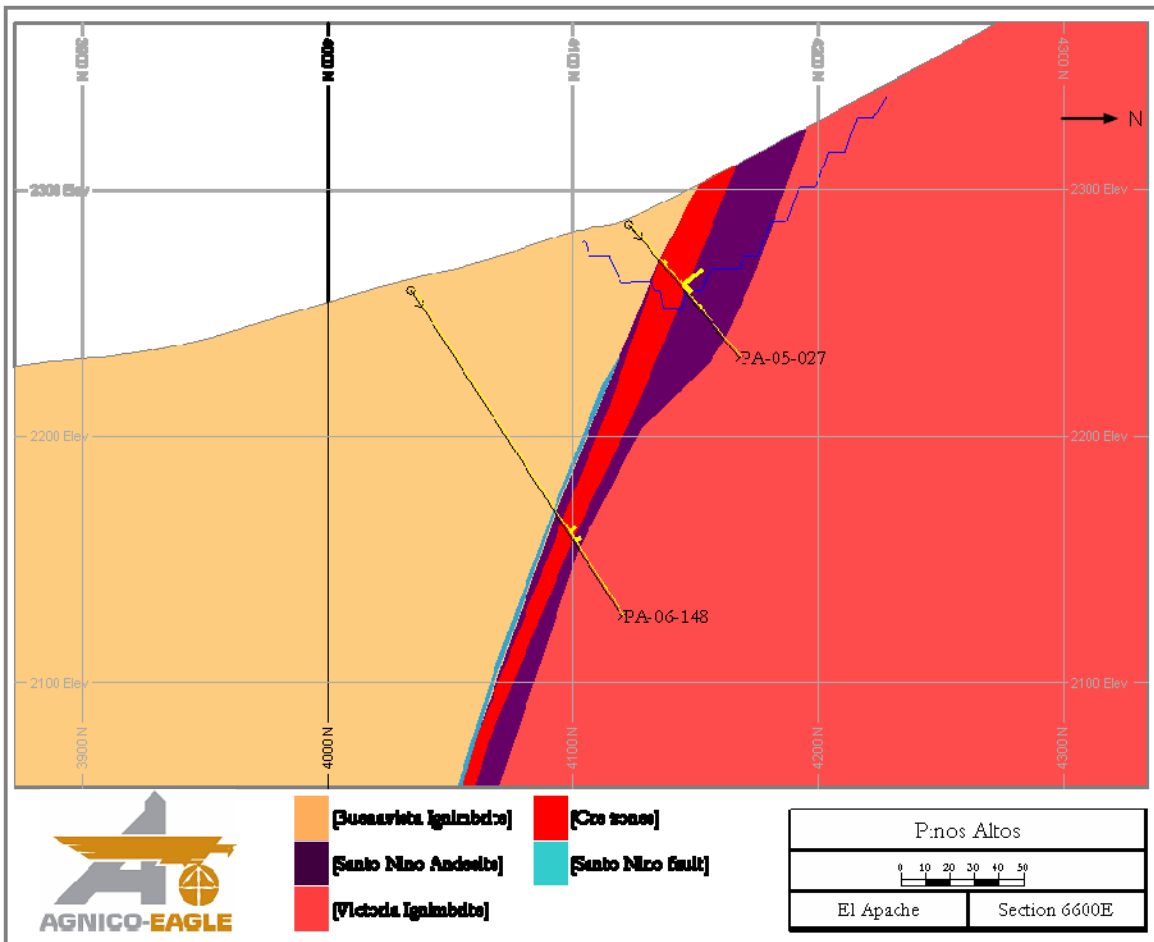
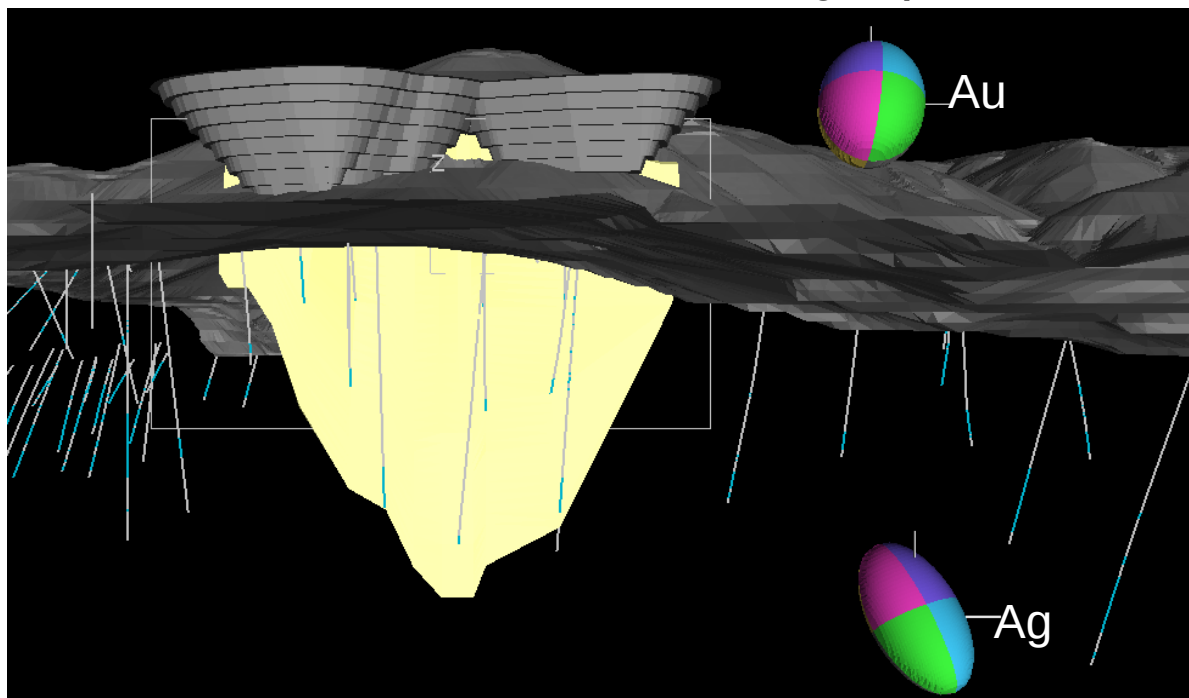


Figure 35- El Apache zone - cross section



W-E View with Drillholes, Pit Shell, Au and Ag Ellipses



S-N View, Density Ellipses, Overburden

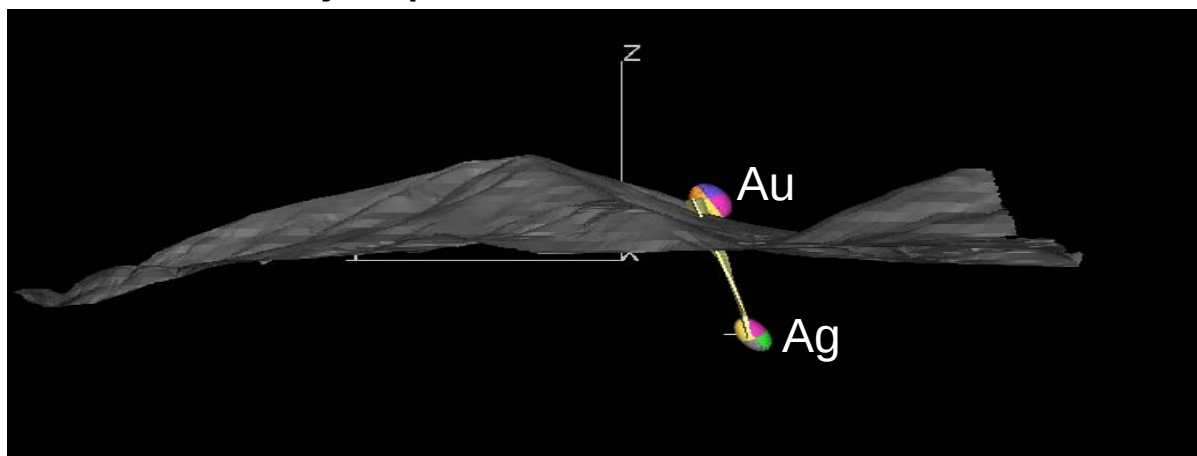


Figure 36 - El Apache zone 1

11.2.6 San Eligio Zone

The San Eligio zone is located approximately 500 metres north of Santo Niño. The host rock is brecciated Victoria Ignimbrite with, rarely, stockworks (Figure 37). There is no andesite



and no WNW fault in this sector as observed in other lenses. Moreover, the San Eligio lens dips towards the north and is displaced by NNE-NNW oriented faults.

The zone seems to be discontinuous on 900 m. Its average width is 5 m and never exceeds 15 m (Figure 38). Surface mapping and prospecting has suggested good potential for additional mineralization on strike and at depths below 295 metres. Visible gold has been seen in the drill core.

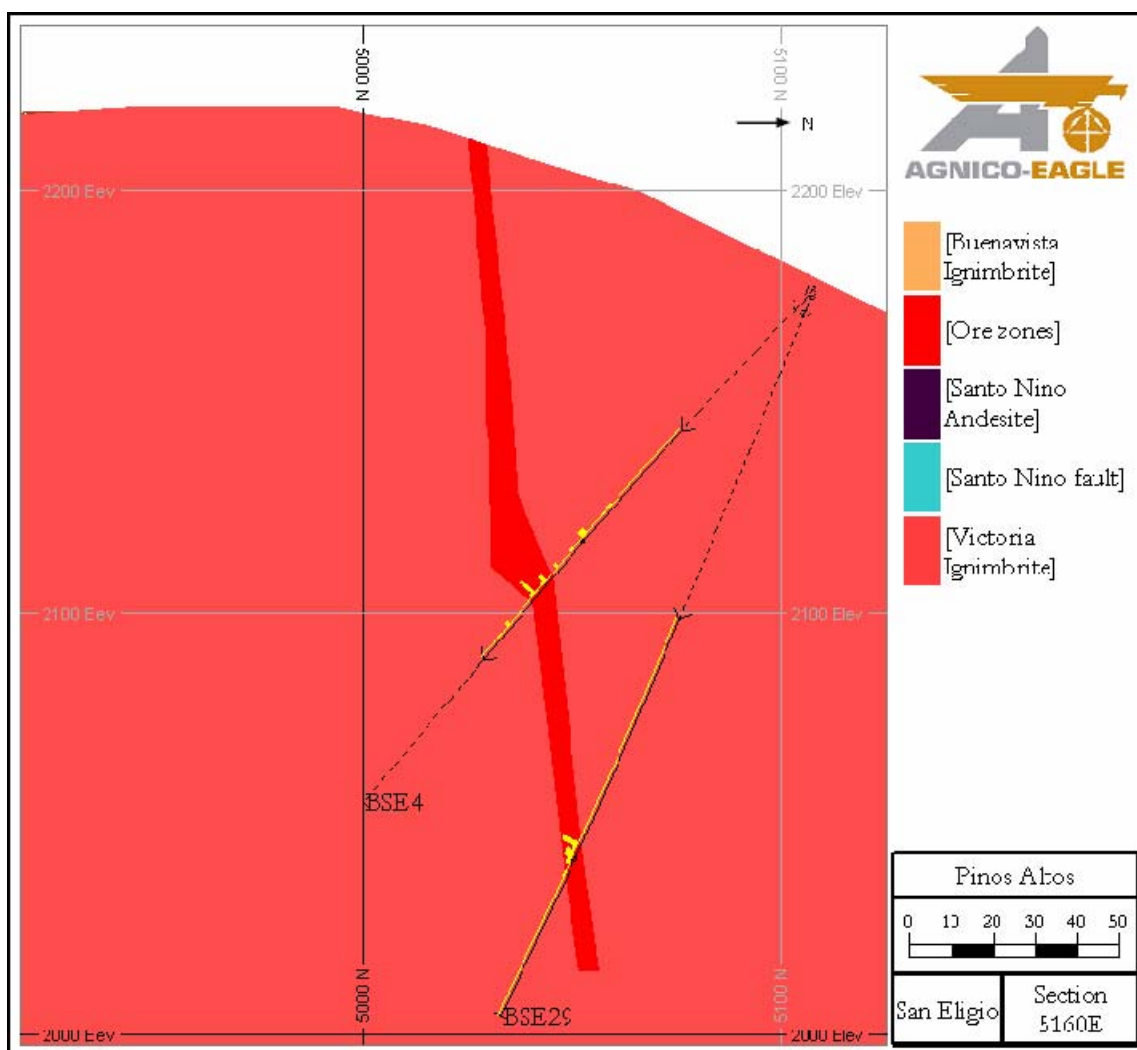


Figure 37- San Eligio zone - cross section



Wireframe with gold and silver ellipses

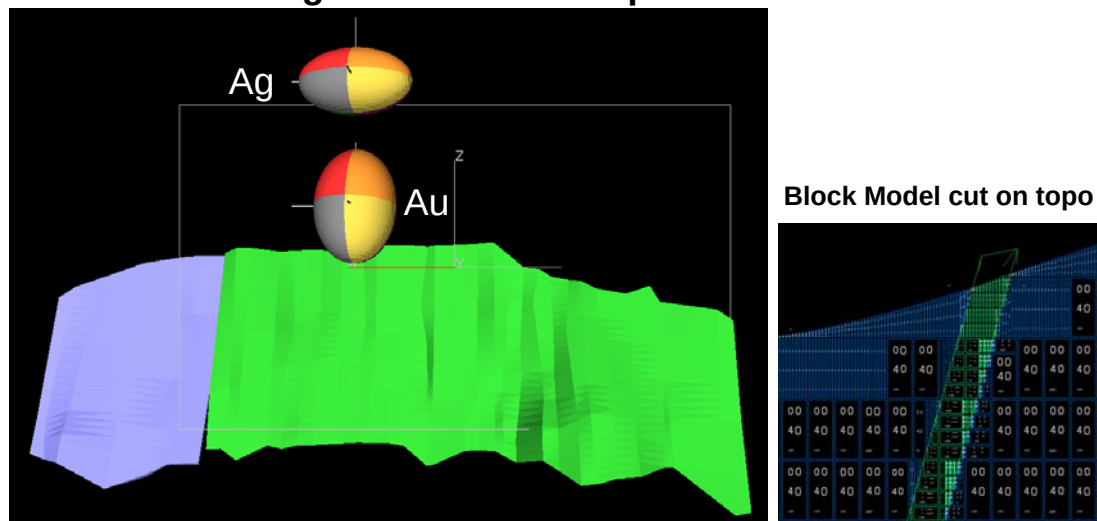
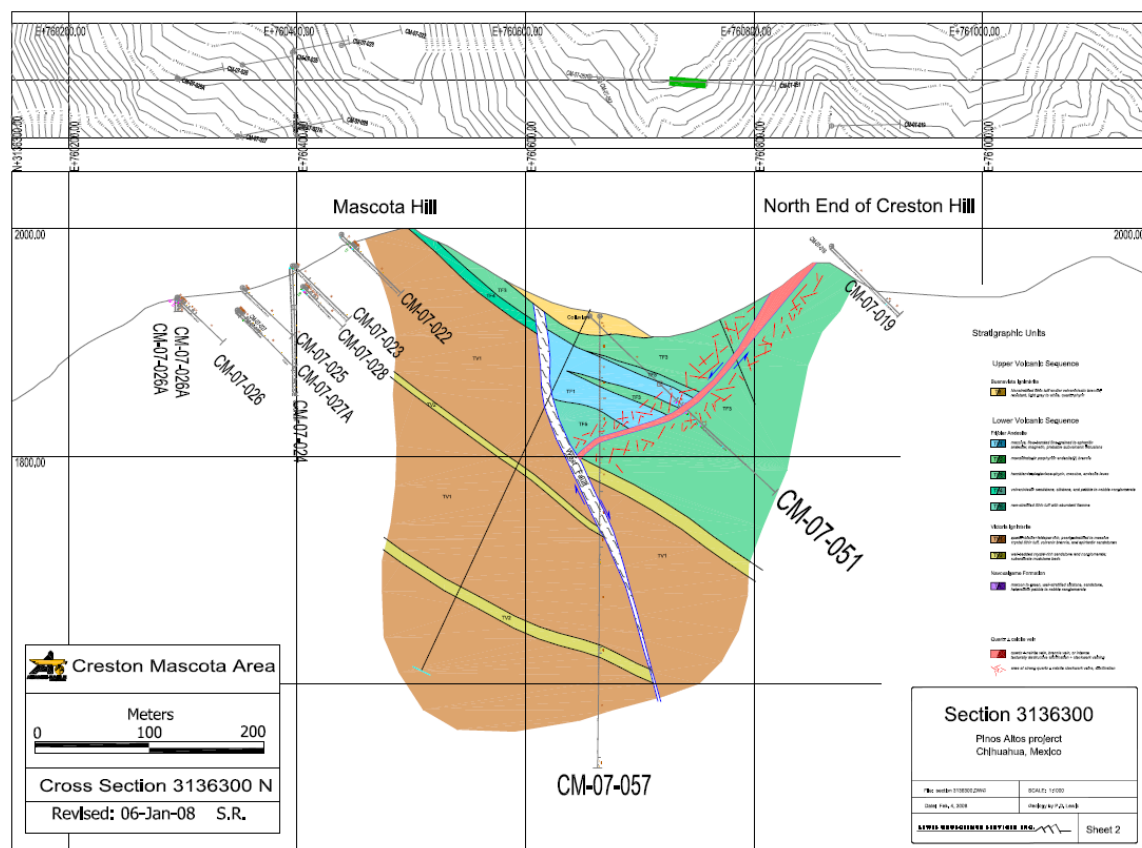


Figure 38 - San Eligio zone

11.2.7 The Quebrada Norte-Creston-Mascota Zone

The Quebrada Norte lens dips towards west. It follows the Quebrada Norte fault, which is not mineralized. The host rock is the Frijolar Andesite and the Victoria ignimbrite. The Quebrada Norte lens is not very extensive vertically. Few holes were intersected in the zone at a depth of roughly 200 m below the surface. The vein follows the surface over a distance of 1000 m and presents a thickness varying from 4 to 30 m. The west part of the Quebrada Norte – Creston mineralized zone ends abruptly against the West Fault. In the mineralized zone, the units have stockworks or are strongly brecciated (replacement and open space filling breccia sub-unit). In some locations, moderate stockwork veining, zones of silicification, and anomalous gold values occur along the West Fault, whereas elsewhere it consists only of non-mineralized clay gouge and breccia. Tectonic fragments of quartz-calcite vein material are common within the fault breccia, indicating that at least late movement post-dates mineralization. The gold grades are systematically associated with the green quartz, similar to that associated with high gold grades in the Santo Niño vein. The spatial relationship of gold grades with the hanging wall and footwall is not consistent but usually the higher grades (Gold and Silver) are associated with the breccia mineralization.



120



Plan View, Topo, Pit Shell

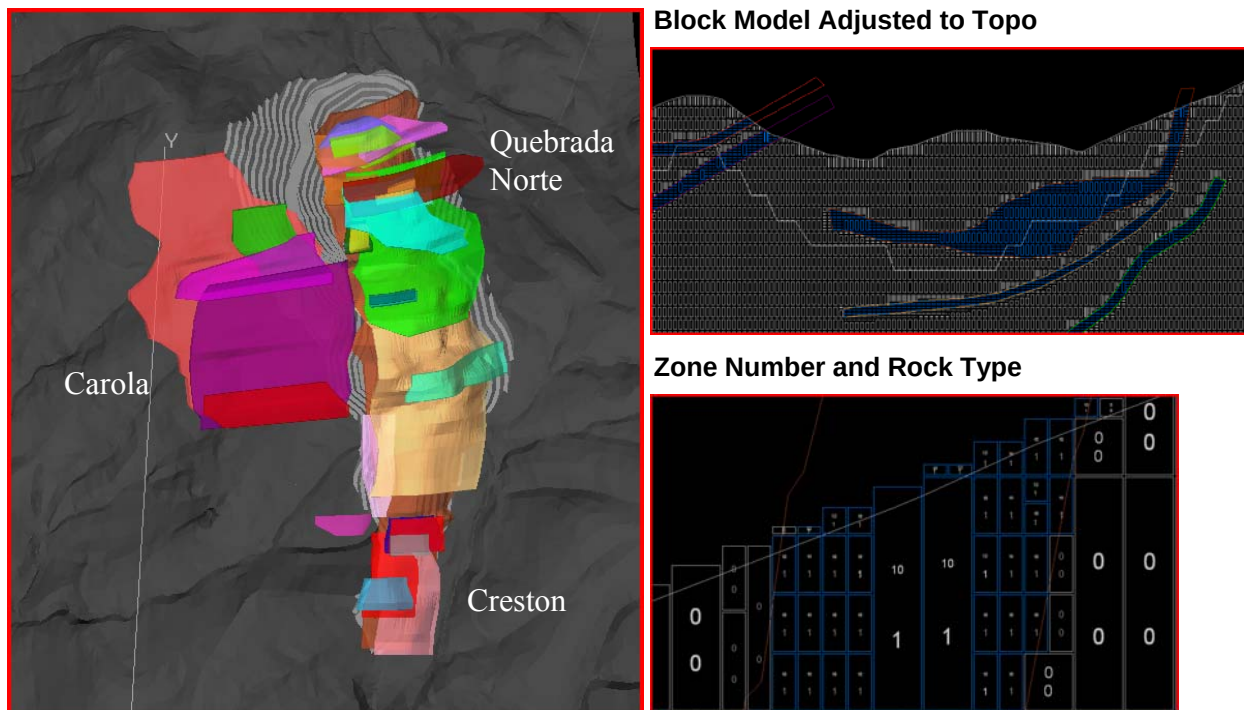


Figure 40- Mascota zone

11.3 Petrographic Description of the Mineralization

The minerals present are indicative of an oxidized, epithermal, low-sulphidation (and likely low sulphide) precious metals vein rich in silver. Temperature of formation is below 300°C, as no selenium minerals were found in the EDX study done by CGF Geological Consultants (CGF, 2005). Kaolinite and dickite are indicative of an acidic environment. The presence of hematite crystals in the centre of acanthite indicates that the deposit was probably formed under oxidative conditions. Carbonate in the system probably came from alteration of the volcanic protolith.

One sample from hole PA-05-03 was submitted for a petrographic description. Ore minerals observed under the petrographic microscope were native gold, native silver and acanthite, a low-temperature modification of silver sulfide. The gold and silver in the mineralized lenses is



disseminated in green quartz brecciated sub-units. The gangue included quartz, kaolinite, hematite, and minor apatite and chrysocolla.

Acanthite fills spacing between quartz grains and crystals. Silver occurs as replacement rims on the acanthite (Figure 41). Gold occurs as small, sub-millimetre grains either as floaters in quartz matrix or rarely associated directly with silver minerals.

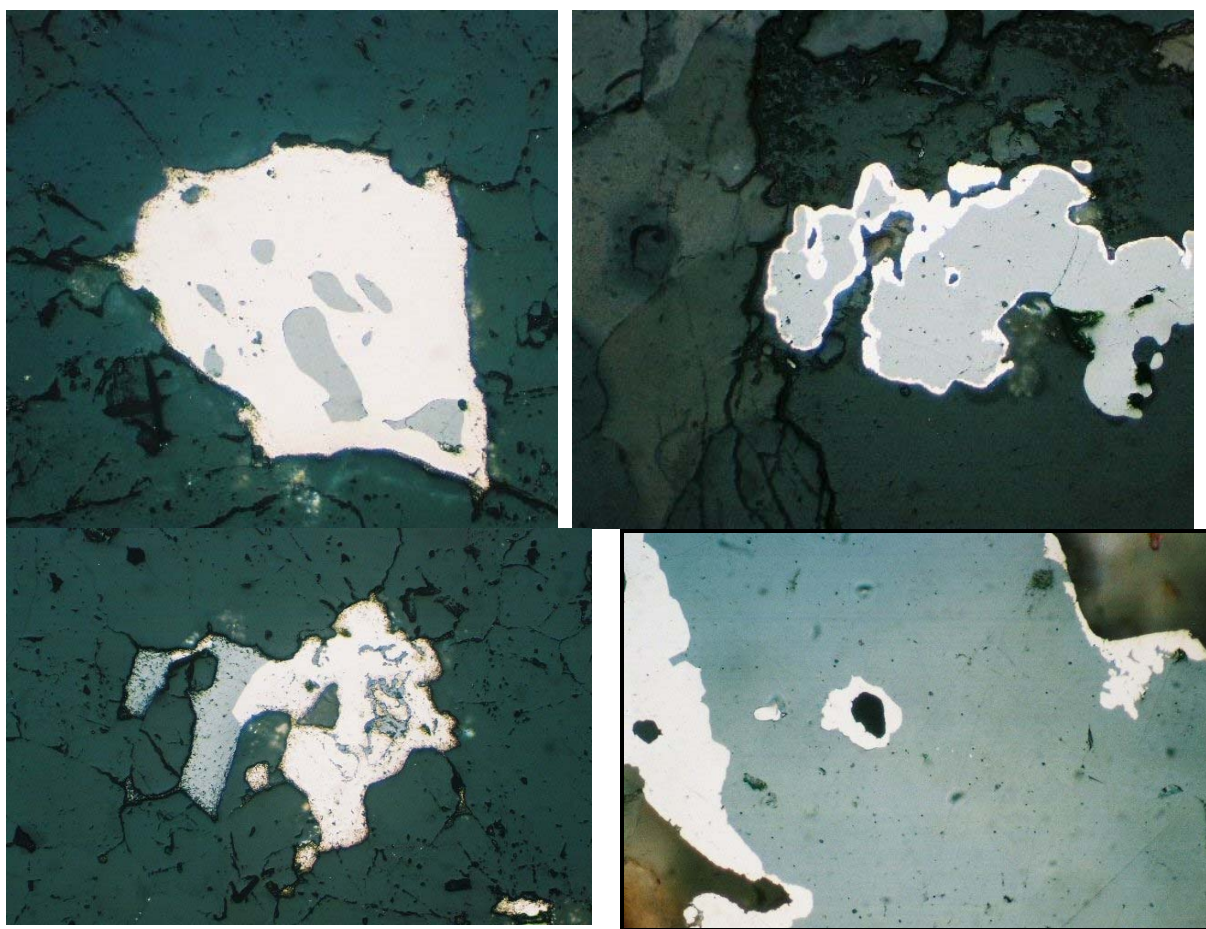


Figure 41- Silver replacement of acanthite

Figure 41 two images of silver (white) replacing acanthite (light gray) in quartz gangue matrix. Note in Figure 41 the embayment textures, indicative of replacement. Gold (light yellow) grain is visible in the lower right-hand corner of the lower left image. Clockwise



from upper left in Figure 41 are images 08-6A (200x RL), 13-11A (200x RL+PPL), 12-10A (1000x RL), 14-12A (1000x RL+PPL).

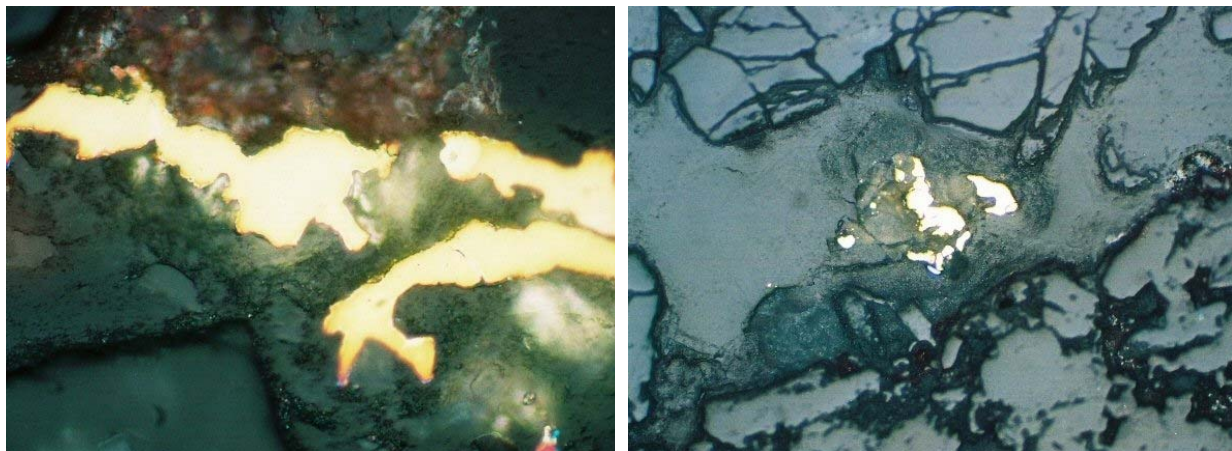


Figure 42- Gold grains forming fill between quartz grains and in open space

Figure 42 shows gold grains filling voids between quartz grains (Left image 04-2A at 1000x, RL) and filling open spaces (Right image 20-18A at 200x, RL).

Hematite and chrysocolla form by oxide replacement of early sulfide phases, hematite from pyrite and chrysocolla, presumably from stromeyerite or chalcopyrite. Neither sulfide phase was observed through microscopic examination, but was noted during core logging.

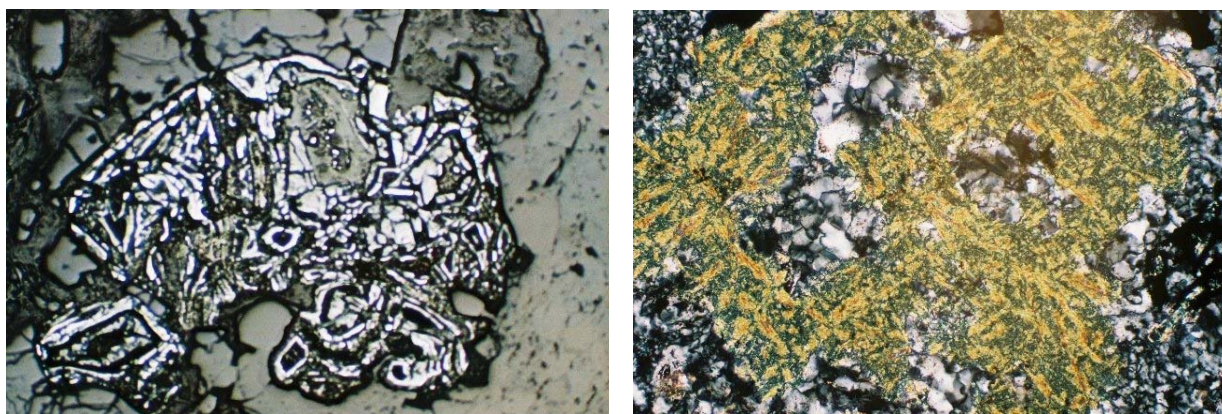


Figure 43- Hematite replacement of pyrite

The Left image in Figure 43 is of Hematite (light gray) showing diffusion replacement texture of pyrite, (image 25-23A, 100x, PPL). Note open spaces due to volume



reduction. The image to the Right in Figure 43 is of Chrysocolla (straw yellow) in hydrothermal quartz matrix (light gray to black) (image 11-9A, 200x, PPL).

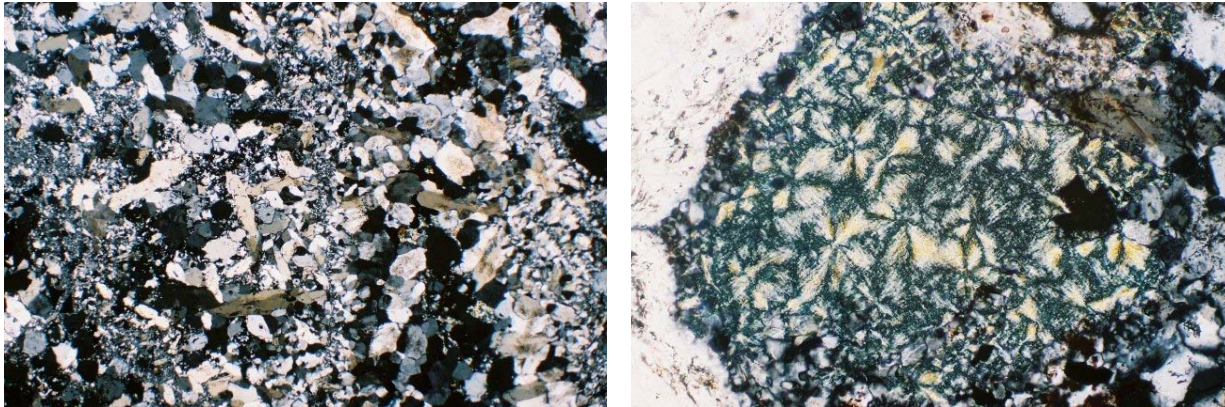


Figure 44- Quartz crystal and Kaolinite

The Left image in Figure 44 shows Quartz crystals intergrown in veins cross-cutting altered and brecciated volcanic rock (image 02-0A, 25x, PPL). The right image in Figure 44 shows Kaolinite (straw yellow to grey stellate crystal clusters) filling holes in hydrothermal quartz matrix (light grey to black) (image 10-8A, 200x, PPL).



Item 12 Exploration

Since optioning the Pinos Altos project in March 2005, Agnico-Eagle has completed mostly diamond drilling and some geological mapping in the southeastern portion of the Property in the vicinity of the Santo Niño, Oberón de Weber and the Cerro Colorado zones and to a lesser extent, on the El Apache and San Eligio zones. The exploration programs were supervised by Dino Lombardi, P.Geo., the Company's senior geologist for international projects and a Qualified Person as defined by NI 43-101. Since March 2006, the exploration program was supervised by Roger Doucet, P.Geo., the Company's exploration manager for Mexico and also a Qualified Person as defined by NI 43-101.

For a better understanding of Mascota prospect and surrounding area, Lewis Geoscience Services Inc., contracted by Roger Doucet, made geological mapping works at 1:2500 scale in February 2008. These field works were complemented by lithologic and structural logging of selected drillcore and geological interpretation of drill sections (see Appendix).

The results of the surveys and investigations have been incorporated into mineral resource and reserve estimate described in this Technical Report. The procedures and parameters relating to the surveys and investigations are also described in this Report. The interpretation of the exploration information has been used to model the mineral resources and reserves described herein. A description of the exploration results (along with the procedures and parameters relating to Agnico-Eagle's investigations until August 2007) can also be found in Press Releases disclosed by the Company on:

- May 5th, July 27th, October 26th, 2005
- February 13th, February 22nd, March 29th, May 12th, June 5th, July 26th, October 26th, November 21st, 2006
- February 21st, May 9th, June 27th, August 1st, August 9th, 2007.



- February 15th, 2008
- February 18th, 2009

The geological mapping of the outcrops over the entire Pinos Altos property and the mineral resource exploration diamond drilling campaign completed previously (prior to March 2005) by Peñoles on the Pinos Altos property is described previously (see Item 8, “History”, for details). The drilling information has been verified but only mapping in the immediate area of the mine project and in the Carola area has been verified. A new mapping on the Creston-Mascota areas was done by Peter Lewis in January of 2009. The result of this mapping can be see in the Figure 45.

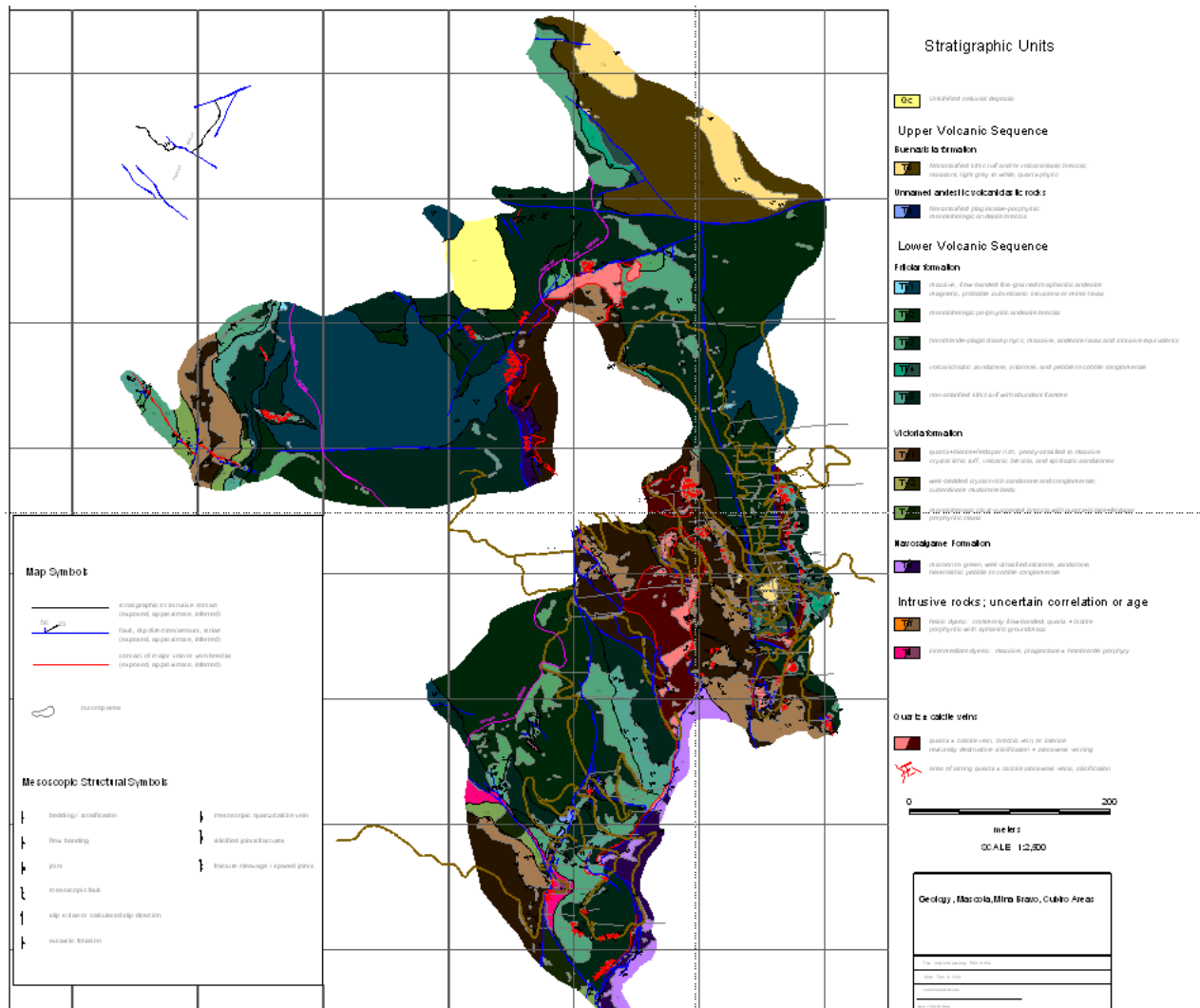


Figure 45- Geology Mascota area



Item 13 Drilling

Diamond drilling is the principal exploration tool used to test for gold-silver mineralization in bedrock over the Pinos Altos project area. In this chapter, the drilling work completed previously by Peñoles is summarized while the diamond drilling completed by Agnico-Eagle is described in more detail.

13.1 Peñoles Drilling

This section is taken from Doucet et al., (2007c). The Peñoles drilling programs were focused principally along the Santo Niño and the Reyna de Plata fault zones. Peñoles drilled a total of 245 holes representing 75,762 m (Table 25). Diamond drilling was carried out by drilling several independent drilling contractors supervised by Peñoles using conventional core recovery systems (Table 27). The drilling system generated both HQ calibre core measuring 63.5 millimetres in diameter, generally at the top of the holes and the holes were completed locally on NQ calibre generating core measuring 47.6 millimetres in diameter. This technique was used to successfully pass (by telescoping) through either difficult fault conditions often found at Pinos Altos or voids due to historic mine workings often encountered at shallow depths at Cerro Colorado, Santo Niño and Oberon de Weber. The costs of the exploration work completed by Peñoles are shown in Table 26.



	Area	Number of Holes	Metres Drilled	Number of Samples
1995-1998	Cerro Colorado	23	8,421	1,578
	SantoNiño	62	28,515	3,449
	Oberón de Weber	50	14,783	2,239
	El Apache	13	3,468	425
1999-2002	San Eligio	20	3,431	304
	La Verde	1	123	17
	Santa Ana	7	1,761	322
	Sinter	23	4,796	1,084
	Reyna central	25	4,918	1,059
	Reyna oriental	12	3,106	455
	Loop	4	1,300	177
	Comedero	5	1,140	169
	Total	245	75 762	11,278

Table 25- Description of Peñoles drilling and sampling by time period on Pinos Altos property

Expenses	1995-1996 (000's US\$)	1997-1998 (000's US\$)	1999-2002 (000's US\$)	Total (000's US\$)
Option payment	1,000	2,000	1,250	4,250
Bid payment		2,500	2,500	5,000
Drilling	2,394	4,419	2,188	9,001
Project expenses	656	3,151	1,743	5,550
Total	4,050	12,070	7,681	23,801

Table 26- Description of Peñoles' exploration expenses at Pinos Altos

Due to the steep to vertical orientation of the vein zones at Pinos Altos, most boreholes are inclined at 40-75 degrees. Along the Santo Niño fault structure (for the steeply south dipping vein zones at Cerro Colorado, Santo Niño, Oberon de Weber, El Apache and San Eligio), the boreholes were mainly drilled with an azimuth north to northeast. Boreholes targeting the



steeply north-dipping vein zones along the Reyna de Plata fault, were drilled to the south and southwest.

Drilling was conducted on south-north sections spaced at 40 m apart along the Santo Niño Fault, with one (1) to three (4) boreholes per section. With this pattern, the main parts of the deposit were delineated to a depth of approximately 200 metres in the Oberón de Weber Zone and to a depth of 400 metres in the Santo Niño zone. The sampling was done systematically with a lithological control and the average sample length is 1.4 m.

The collar positions of a few boreholes along the Santo Niño fault drilled by Peñoles were surveyed after Agnico-Eagle acquired the project using an optical surveying instrument. Most casings were left in place. The borehole name was defined according to the ore zone name: BSN for Santo Niño boreholes, BCOW for Oberón de Weber, BCC for Cerro Colorado, BEA for El Apache and BDSE for San Eligio. The azimuth and plunge of the collar for each hole was determined by surveying during drilling. Borehole trajectory was monitored for plunge deviation only during drilling, with readings taken every 50 metres below the collar, with the exception of a few holes for which only a few measurements are available. The risks introduced by uncertainties in the trace position of these few Peñoles boreholes for which only a few measurements were taken were considered (Blair, 2005) to be relatively minor.

13.2 Agnico-Eagle Drilling

Since 2005, Agnico-Eagle has drilled a total of 439 surface and underground diamond drill (DD) holes (143,564.6 metres) in Pinos Altos mine area (Table 28) and a total of 192 surface DD holes (37,556.6 m) in Creston-Mascota area (Table 29)

essentially following the same drilling pattern on 40-metre section spacing used by Peñoles. Diamond drilling was carried out by independent drilling contractors from Canada, USA and Mexico (Table 27). Wireline core recovery systems were used, capable of drilling core holes that generate HQ calibre core (63.5mm diameter) and NQ calibre core (47.6mm diameter) using the same “telescoping” techniques employed by Peñoles. The drilling programs have been focused mainly along the Santo Niño fault structure in the vicinity of the Santo Niño,



Oberón de Weber, Cerro Colorado, El Apache and San Eligio zones (Table 28) The Creston-Mascota prospect area has drilled since December 2006.

Drilling Period	Drilling Contractor	Head Office Address
1995 to 1998	CAMSA	Mexico, D.F, Mexico.
1996 to 1999	Boart Longyear de Mexico	Hermosillo, Sonora, Mexico
1998 to 2002	Tonto Drilling	Salt Lake, Utah, USA
2005 to 2006	BDW	Rouyn-Noranda, Quebec, Canada
2006 to 2009	G4 Drilling	Val d'Or, Quebec, Canada

Table 27 - List of diamond drilling contractors working at Pinos Altos

ZONE PINOS ALTOS	NUMBER OF SAMPLES	NUMBER OF DD HOLES	LENGTH OF HOLES (m)	LENGTH OF SAMPLES (m)
2005				
Cerro Colorado	889	11	4096.9	1183.1
El Apache	375	13	865.8	508.1
Oberon de Weber	1069	28	3459.8	1432.2
Santo Niño	3530	83	12475.0	4080.2
SUBTOTAL	5863	135	20897.5	7203.6
2006				
Cerro Colorado	88	1	166.5	125.4
El Apache	260	5	746.2	363
Oberon de Weber	271	5	952.6	307.8
San Eligio	397	9	986.2	516.25
Santo Niño	3051	57	18099.9	3740.32
SUBTOTAL	4067	77	20951.4	5052.77
2007				
Puerto Amarillo	858	13	1893.9	1106.2
Cerro Colorado	3350	29	16139.8	4366.4
El Apache	62	1	271.5	84.55
Oberon de Weber	257	5	1004.9	335.6
Santo Niño	2372	40	17852.6	2954.91
SUBTOTAL	6899	88	37162.6	8847.66
2008				
Reyna de Plata	183	2	624	238.5
Cerro Colorado	3942	48	21723.0	4937.89
Oberon de Weber	2245	30	13380.0	2658.5
San Eligio	963	33	6843.8	1197.9
Santo Niño	1418	26	21982.3	1620.2
SUBTOTAL	8751	139	64553.1	10652.99
TOTAL AGNICO-EAGLE	25580	439	143564.6	31757.02

Table 28- Drilling statistics done by Agnico-Eagle in Pinos Altos by zone from 2005 to 2008

Included in the 2007 and 2008 drilling at Santo Niño and Cerro Colorado, are 29 underground drillholes (23,458.3 metres; see Table 88 that were completed from the exploration ramp at Santo Niño.



ZONE MASCOTA	NUMBER OF SAMPLES	NUMBER OF DD HOLES	LENGTH OF HOLES (m)	LENGTH OF SAMPLES (m)
2006				
Mascota	449	5	576.3	567.5
2007				
Mascota	5955	60	8658.88	7894.05
2008				
Mascota	8737	127	19909.8	12125.33
TOTAL AGNICO-EAGLE	15141	192	29144.98	20586.88

Table 29- Drilling statistics done by Agnico-Eagle in Creston-Mascota from 2006 to 2008

The drilling strategy in the Pinos Altos mine project area was to infill the widely spaced sections and explore down plunge from previous known zones of mineralization. The drilling pattern is very regular throughout the Pinos Altos deposits and different surface reference grids were used in order to properly intersect the different ore zone orientations. The drilling strategy for investigating the depth extensions of the gold deposits has been to drill down plunge from previous drilling as suggested by the rake of grade thickness contour plots on vertical longitudinal sections. Locations of all of the surface borehole collars at Pinos Altos (including holes drilled by Peñoles) are shown in Figure 46.

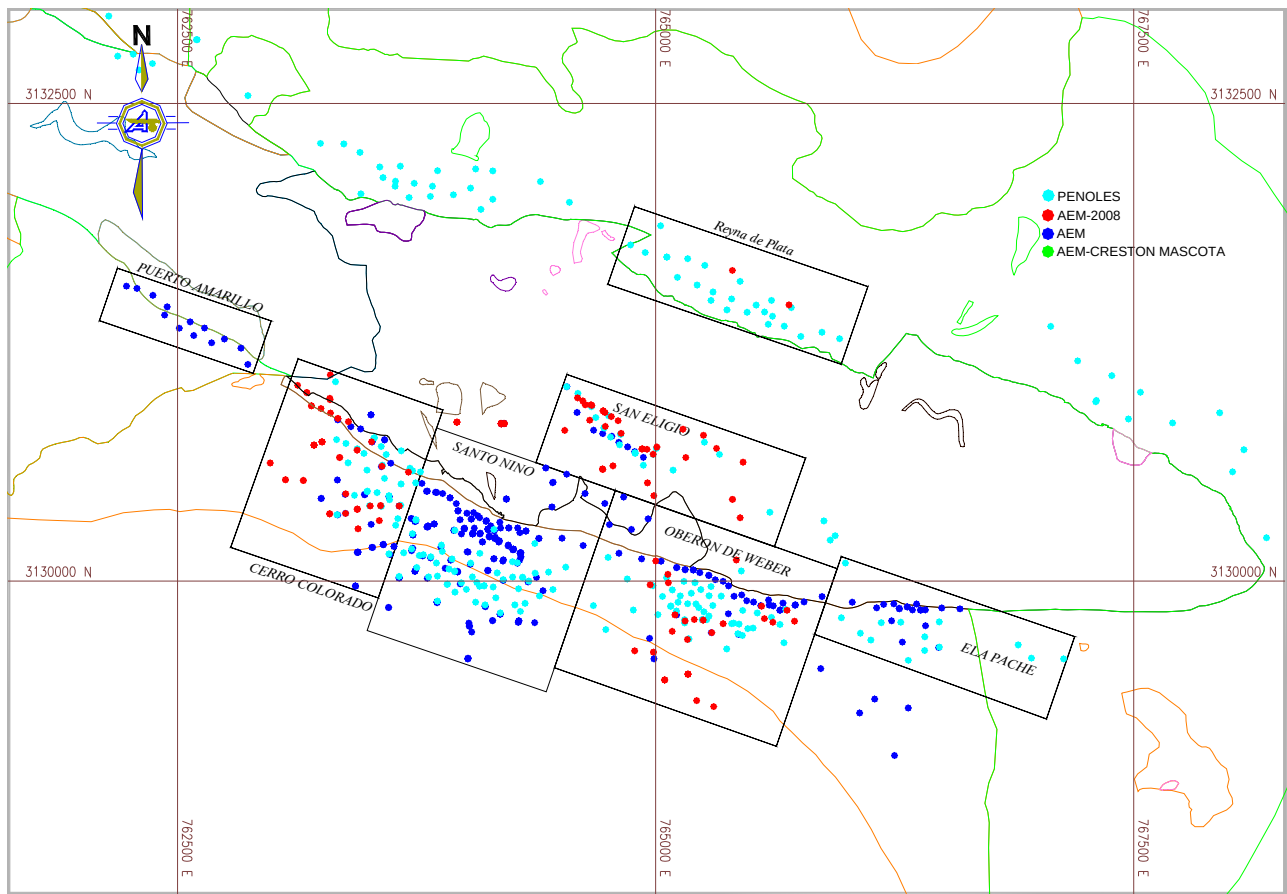


Figure 46- Locations of surface boreholes in the Pinos Altos mine project

Most of the time at Pinos Altos, boreholes have an azimuth north to northeast orientation in order to intersect the mineralized lenses, which dip to the south, as close to perpendicular as possible. Their lengths are planned to assure the intersection with the Santo Niño fault and the mineralized zones presenting a thickness varying between 5 and 40 m. At San Eligio, although the zone dips steeply to the north, due to topography, surface boreholes are either drilled towards the northeast or alternately, to the southwest. Underground drill holes at Santo Niño and Cerro Colorado are drilled southward to test the zones as close to perpendicular as possible.

Each surface borehole was assigned a planned azimuth and plunge. In the field, the location of each borehole collar was positioned with a GPS using the easting and northing coordinates of the drill section relative to a cut and surveyed baseline or a nearby surveyed borehole collar.



Pickets were used to mark the collar position and to provide a reference line for orienting the drill along the desired azimuth. The true collar azimuth and plunge of each hole were measured by surveying when the borehole was done. Boreholes were surveyed using both GPS and Total Station Electronic Distance Measurement (“EDM”) devices either by Pinos Altos mine surveyors or surveyor contractors. Upon completion of drilling, aluminium caps were placed on the casings and properly identified with borehole numbers.

The planned position and orientation of each underground borehole was implanted using an optical survey instrument either by Pinos Altos mine surveyors or contract surveyors using foresight and backsight reference lines. The true collar orientations were measured using optical survey equipment.

Downhole azimuth deviation was surveyed in a total of 603 boreholes (411 in Pinos Altos and 192 in Creston-Mascota) using a FlexIt Multishot device sensitive to magnetic susceptibility of host rocks. The readings were conducted every 60-metre interval (locally, every 30-metres) from borehole collar. FlexIt Multishot data suggests that borehole lateral deviation is not regular and generally lower than 1 degree per 100 metres on azimuth and dip.

Between 2007 and 2008, the downhole azimuth deviation of 28 underground holes in Pinos Altos was surveyed using a Reflex Maxibor optical device insensitive to magnetic susceptibility of host rocks. Reflex Maxibor readings were conducted every 3-metre interval from the borehole collar. Reflex Maxibor surveys are incremental; each survey point measures the incremental change in azimuth and dip of the hole relative to the previous survey point. The use of the Maxibor requires the accurate direct surveying of the starting point. A program provided with the device converts the data into useful 3-dimension coordinates. The use of the Reflex Maxibor was necessary due to high water pressure in the underground holes. The instrument being insensitive to magnetism, as opposed to the FlexIt Multishot, it was possible to take the survey measurements inside the rods. Reflex Maxibor data suggests that the underground borehole lateral deviation is not regular and generally higher than 1 degree per 100 metres on azimuth and dip. This increased deviation observed in underground holes



(drilled towards the south) compared to surface holes (drilled towards the north) is likely due to the differences in physical properties between the Victoria ignimbrite and the Buenavista ignimbrite.

The core sampling of the drill holes generally respect geology, mineralization and structure. For this reason, samples are taken systematically in the mineralized zone, between the Santo Niño fault and the Victoria Ignimbrite (and for a certain minimum distance in the Buenavista Ignimbrite), at regular intervals as close as possible to 1.0 metre. All samples measure between 0.5 and 1.5 m; the average length of the sample is approximately 1.2 m. In the waste zone, sampling is more spaced out (approaching 1.5 metre intervals).

Since the end of 2006, three to five drills or more have been operating on surface and underground in the Pinos Altos mine area, focused largely on resource conversion at relatively shallow depths (generally less than 300 metres). The program has confirmed the open pit and the underground potential of both the Santo Niño and Oberón de Weber structures. Work to date has also confirmed that the Santo Niño and Cerro Colorado structures remain open along strike and at depth. The exploration drilling also focused on three known zones: the Santo Niño, Oberón de Weber and Cerro Colorado structures. The total strike length of the known mineralization is approximately 5 kilometres.

A summary of the most significant results from the drilling at Pinos Altos, including true thickness measurements are reported for each intercept, can be found in various Company press releases concerning the Pinos Altos property disclosed since early 2006 (refer to Item 12). The relationship between interval (sample) length and true thickness of the mineralized intercepts is determined in the following manner:

- Mineralized intervals are identified and interpreted on geological sections that show all drill hole traces and interpreted zones ;
- The horizontal thickness of each interpreted interval is measured directly off the sections (at the mid-point of the interval) and reported as the true thickness value.



A complete list of the intersections used in the current mineral resource and reserve estimate is presented in Appendix A.

13.3 Exploration Targets at Pinos Altos

Exploration and resource conversion diamond drilling in the Pinos Altos mine project area is currently focused at depths below 300 metres along the Santo Niño and Cerro Colorado zones and also along the San Eligio gold structure. San Eligio is located approximately 500 metres north of Santo Niño, where surface mapping and prospecting has suggested good potential for additional mineralization on strike and at depths below 150 metres. Refer to recent drilling results on the San Eligio Zone in Table 30.

Two drills are currently located on Creston Colorado and San Eligio areas and two other drills located underground in the Santo Niño exploration ramp are currently active converting mineral resource to reserve and expanding the resource at depth in the mine project area.. Exploration expenditures budgeted in 2009 for the Pinos Altos mine project are approximately \$3.55 million for 18,700 metres of diamond drilling.

Three surface diamond drills are currently testing the northwestern portion of the Pinos Altos property in the Creston-Mascota and Reyna de Plata sectors. The 2009 exploration program at Creston-Mascota will include further follow up and definition on the known zones of mineralization immediately to the north over a further strike length of approximately one kilometre. The program will test the theory that the current Creston-Mascota mineralization extends all the way to the historic El Cebollin workings. Additionally, the nature of the West Fault, which appears to separate the Creston Colorado and the Mascota lenses comprising Creston-Mascota will be the focus of near term exploration efforts. The budgeted exploration expenditures for 2009 outside of the mine site area at Pinos Altos and in Mexico exceeds \$7.6 million for a total of 20,000 metres of diamond drilling.



San Eligio 2008							
Hole ID	Au	Au	Ag	from	to	core length	horiz thickness
	uncut	cut to 24 g/t					
PA-08-309	5.08		279.3	147	151	4.0	4.0
PA-08-311	4.52		80.4	156.9	164.0	7.1	6.9
PA-08-312	2.89		130.6	171.0	182.0	11.0	5.2
PA-08-314	0.92		114.1	148.5	153.0	4.5	3.4
including	2.21		259.4	150.0	151.7	1.7	1.3
PA-08-316	1.23		96.0	179.5	193.3	13.8	6.3
including	5.12		67.0	192.0	193.3	1.3	0.6
PA-08-318	5.24		150.5	95.5	101.0	5.5	3.8
including	8.69		164.3	98.0	101.0	3.0	2.1
PA-08-319	1.90		107.5	154.0	160.0	6.0	3.0
PA-08-320	5.05	4.58	128.0	58.8	67.2	8.4	7.2
including	14.75		251.0	62.0	64.0	2.0	1.7
PA-08-321	1.34		55.05	72.0	76.1	4.1	3.7
including	4.61		147.0	75.0	76.1	1.1	1.0
PA-08-322	2.36		125.71	222.5	230.0	7.5	3.7
including	11.30		461.0	225.0	226.3	1.3	0.6
PA-08-323	1.66		44.2	108.9	112.5	3.6	3.5
including	5.69		111.0	110.0	111.0	1.0	1.0
PA-08-324	2.95		70.8	242	246	4.0	3.5
including	9.08		71.0	242.0	243.0	1.0	0.9
PA-08-325	16.82	6.77	361.7	302.8	315.2	12.4	4.1
including	20.00		402.5	304.3	306.0	1.7	0.6
also including	97.26	24.00	613.3	312.0	313.7	1.7	0.6
PA-08-326	0.76		25.5	194.0	198.0	4.0	4.0
including	2.39		54.0	194.0	195.0	1.0	1.0
PA-08-327	8.86	7.31	171.10	235.1	242.0	6.9	6.9
including	13.65	10.90	229.1	235.1	239.0	3.9	3.9
PA-08-328	1.65		124.45	207.5	213.1	5.6	3.0
including	2.89		240.0	209.0	211.0	2.0	1.1

(1) Assays are preliminary and although quality is assured, the complete quality assurance procedure is not completed.

Table 30- Recent drilling results – San Eligio zone



Item 14 Sampling Method and Approach

Drill core from diamond drilling make up the only samples available for the Pinos Altos property that were used in the current mineral resource estimate. The drill core methodology used by Peñoles and Agnico-Eagle is according to industry standard.

Representative samples from core recovered by diamond drilling were taken from half core sawn lengthwise with a diamond saw. The remaining half cores were replaced in core boxes for archiving at the core archiving facility located in in Cahuisori near the property.

The sampling was made essentially along the Reyna the Plata and Santo Niño faults (in the southeast portion of the Pinos Altos Property). It has provided adequate coverage of the deposit at a spacing which enables three dimensional (“3D”) interpretation of the mineralization in the mineral resource area. Sampling intervals were determined by an appropriately qualified geologist based on visual indications of alteration and mineralization. The sampling density is generally lower in the hanging wall and the footwall areas of the mineralization unless interesting alteration (pyritisation, silicification) or structures are observed. Along the Santo Niño fault, the sampling density increases in the brecciated andesite, quartz veins or stockworks which succeed, most of the time, the Santo Niño fault. Accordingly, sample lengths were variable as determined by geology. The density of holes and the area covered are shown in longitudinal sections. In general, assay samples collected by Peñoles were between 0.1 and 8.4 metres in length averaging 1.4 metres (see Figure 47).

Since 2005, Agnico-Eagle has added drilled 437 boreholes, from which 37,295 assay samples were collected, to the Pinos Altos resource database. The mean sample length recorded is 1.2 m with a minimum and a maximum length of 0.2 m and 9.0 m (see Figure 48). Along the Santo Niño structure, sampling has consistently identified mineralization associated with green quartz breccia, which appears on average to be higher grade than stockwork quartz mineralization. Statistical analysis of both types of mineralization has resulted in the



application of different top cut values for gold and silver (Item 19) and reduced the effect of higher grade intervals within lower grade intersections of quartz stockwork and quartz breccias. A list of intercepts appear in Appendix A, with gold and silver values and estimated true width.

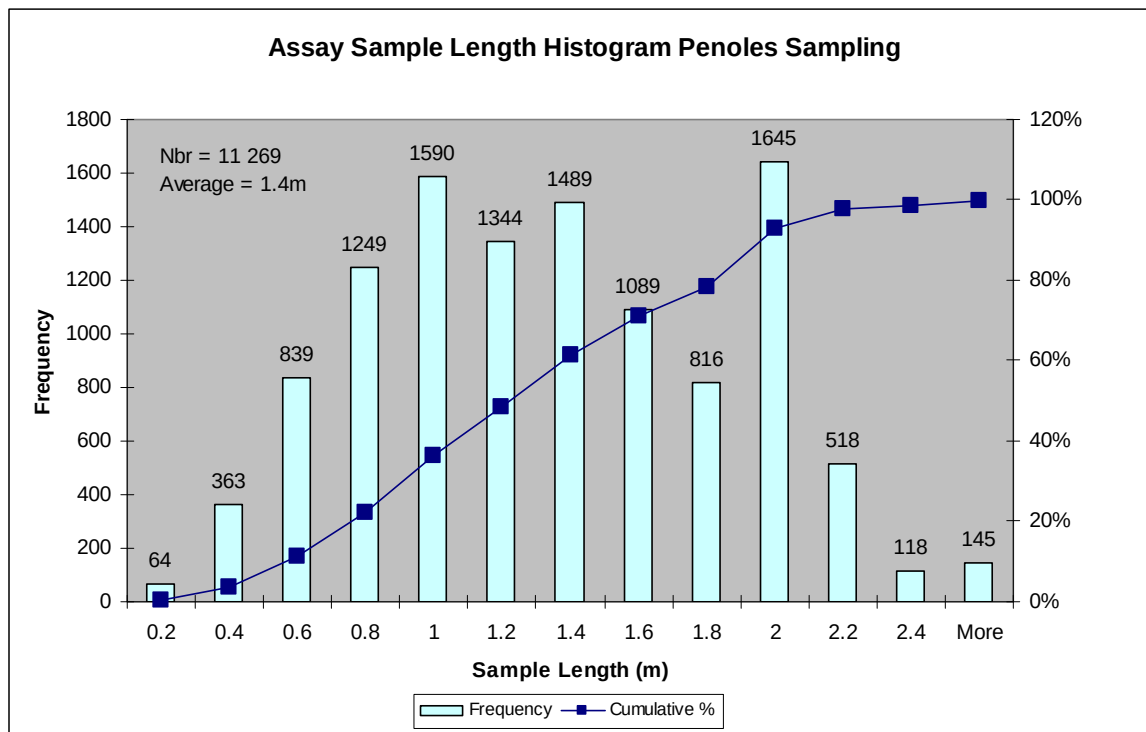


Figure 47- Histograms of assayed core sample lengths collected by Peñoles

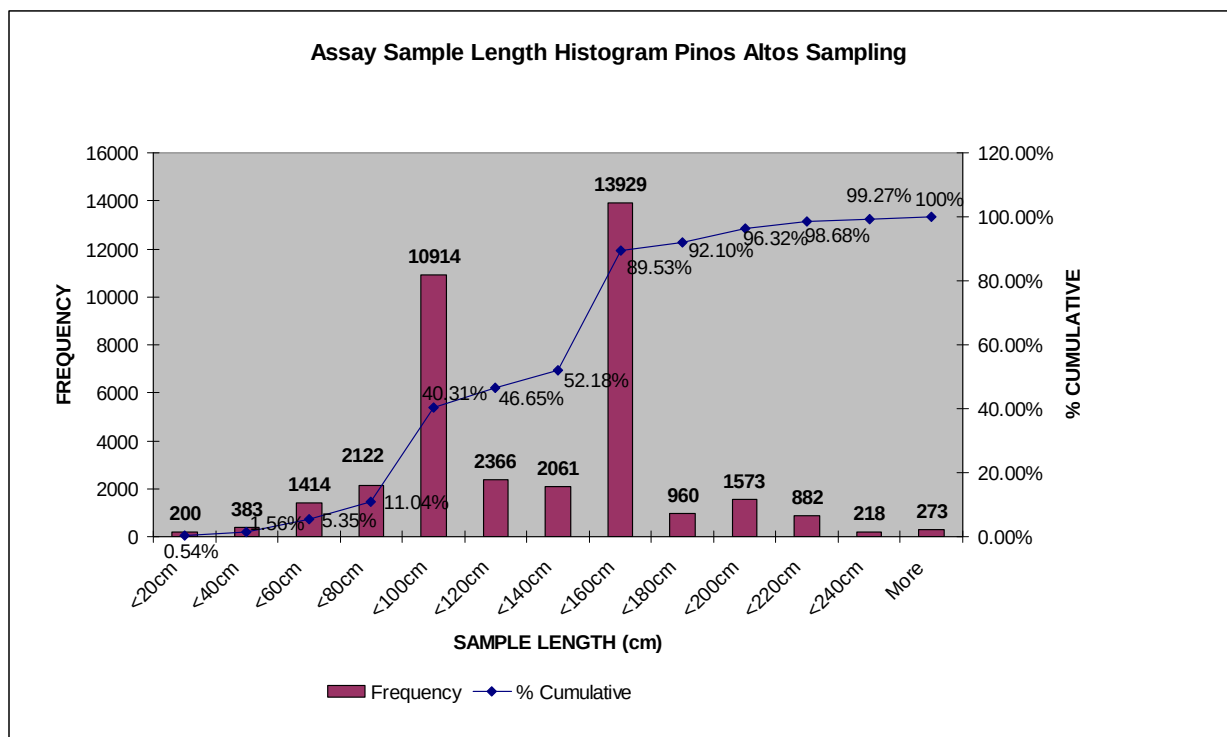


Figure 48 - Histograms of assayed core sample lengths collected by Agnico-Eagle at Pinos Altos

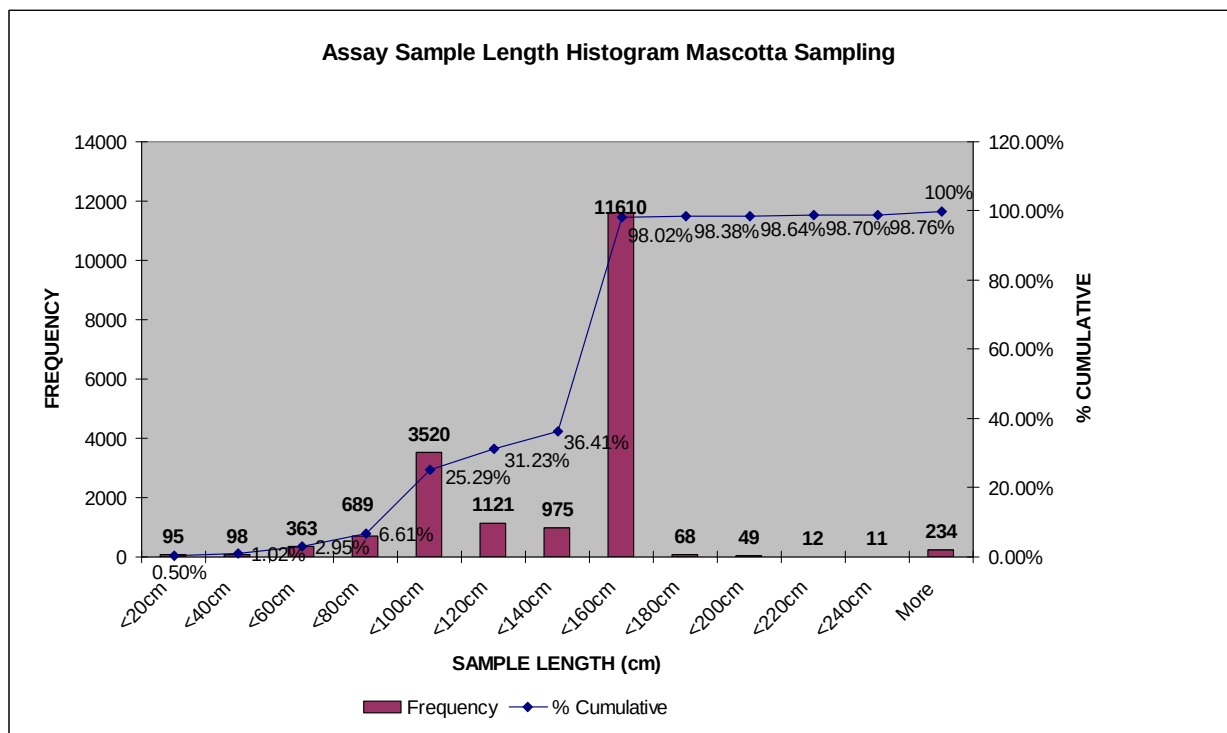


Figure 49- Histograms of assayed core sample lengths collected by Agnico-Eagle at Mascota



The core recovery is generally high with an average of 93% principally through the hanging wall (Buena Vista Ignimbrite) and the footwall (Victoria Ignimbrite) (see Table 31). Recoveries in the mineralized quartz replacement breccia and open space filling quartz breccia are slightly lower but are, in the opinion of the Qualified Person, more than acceptable. In the Santo Niño fault, the core recovery is more frequently worse (88%) than average. These poor recoveries sections may have undervalued the zone. In the case of the Santo Niño Fault, because it does not make up interpreted mineralization, but is modelled as dilution of adjacent mineralization, the less than perfect sampling should not have a significant effect on the mineral resource and mineral reserve.

Units	Core recovery (%)
Brecciated zone (replacement breccia and open space filling breccia)	91
Santo Niño Fault	88
Victoria Ignimbrite	98
Buena Vista Ignimbrite	97

Table 31- Percentage of core recovery in the units

The core recovery was impossible on mined-out or void sectors, which represent 1.7% of the mineralized drillcore. This lack of information has lightly influenced the lens interpretation and may have underestimated the mineralized zones in some cases. (presumably because missing sample points from higher grade zones of mineralization that were mined out are not available for interpolation).

The core sampling is considered to be representative and in part it is confirmed by the visual correlation of green quartz vein mineralization, occasionally with visible gold and silver, with significant assay values and also by the general observation of consistent gold and silver values returned over similar thicknesses by adjacent drill holes. Sample bias is not suspected since underground mapping and sampling of the mineralization (by Agnico-Eagle at Santo Niño and by Peñoles at Oberon de Weber, and by CRM at San Eligio) confirms mineralization intercepted by nearby diamond drilling.



Item 15 Sample Preparation, Analyses and Security

15.1 Sample Preparation

All aspects of sampling of Agnico-Eagle drill core from Pinos Altos since 2005, including the sample preparation methods and quality control measures employed before dispatch of samples to an analytical laboratory, was conducted by Agnico-Eagle employees under the supervision of the Qualified Person (as defined by NI 43-101) responsible for the drilling program. No aspect of sample preparation was conducted by an officer, director or associate of the Company. In the case of sampling of drill core obtained prior to 2005 by Peñoles and used in the current resource estimate, sampling was apparently conducted by Peñoles employees only (Castro et al., 2003); and although the sample preparation was not supervised by a Qualified Person, the results are valid and have been incorporated along with Agnico-Eagle data into the current resource estimate database.

The process of core sample preparation and the security measures taken to ensure the validity and integrity of the samples before the dispatch to the analytical or testing laboratory are described below.

15.1.1 Core Sampling

The sampling is undertaken by a qualified geologist and follows the geological core description. An Agnico-Eagle employee supervised by the geologists conducts the sample preparation according to a written protocol (Blair, 2005b). Here are the important aspects that were considered before sampling:

- Samples will respect the lithological contacts or intervals;
- Sample length will generally be more than 0.3 m and less than 1.5 m;
- For unmineralized rock, 1.5 m samples will be taken;
- For mineralized rock, average 1 m samples will be taken;



- Immediate borders to mineralization, no more than 0.5 m (for limiting vein-edge effects)
- For structure characterization, it is possible to take more narrow core sections;
- In poor recovery zones, it is acceptable to take longer samples;
- Sampling should begin a few of metres before the mineralized unit, followed by an additional 3-5 samples taken in visually barren core downhole from the mineralization.

Procedure:

1. Determine samples by lithology and structure, respecting the beginning and end of each.
2. Indicate where the sample begins and ends with a red marker , marking arrows at flanks of the separators in the direction of the bottom of hole and opposite respectively.
3. Fill out sample tags with a short description of the sample.
4. Note the number of the sample in the left flank of the plastic division. Attach a sample tag at the end of the sample.
5. Mark a parallel line to core axis indicating the cut line in the medium part of core to ensure a representative sample is taken.
6. Place a red mark in a corner of the core box indicating the sampled sections. Mark a red point in the corner of the cover and the base of the box.
7. Fill out sample form and add to the digital archive.
8. Send all marked boxes to the sample cutting area.

Peñoles appears to have had a similar sampling protocol in effect in 2004

15.1.2 Sample Cutting and Shipment

Procedure:



1. Label both sides of the plastic bag with the sample number and put the sample tag inside the bag.
2. Place the boxes in progressive order, oriented with the beginning arrow at the left side.
3. Put a mark at the end of sample during cutting process.
4. Cut the core along the longitudinal mark with a diamond saw.
5. After cutting, replace one half of the core on the box. The other half will be rinsed with water and put inside the plastic bag. The sample's weight is noted.
6. A manual core cutter will be used for faulted, weathered or argilic zones that cannot be diamond saw cut.
7. Samples selected as duplicates are marked with a red line at the top of the sample tag and a band of flagging tape is attached to the bag and labelled with "A and B" legend.
8. A standard reference sample and a blank sample for quality control of assays are inserted into each sample shipment batch of 20 samples (for a total of 23 samples; this was increased in 2006 to 36 samples including QAQC samples).
9. Label a large bag with bag number and sample number before packing and sealing the shipment bags. Agnico-Eagle also indicates the sample submittal form for each batch.
10. Store the boxes securely in the core shed before shipment.

The sample preparation methods by Peñoles appear to have been similar (except for the insertion of standard reference samples, blanks and field duplicates). The security of the samples is ensured by sealing them in large shipment bags and shipping using a secure courier.

15.2 Assaying

Since 2006, Agnico-Eagle used as its principal laboratory the ISO9001:2000 and ISO17025 accredited ALS Chemex in Reno, Nevada. The laboratory collects the split core samples



directly from the Pinos Altos project site, and then ALS Chemex prepares the samples at its facilities in Chihuahua and finally performs gold and silver analyses on a small split (100 to 120 grams) of prepared pulp that is sent to either its lab in Reno, Nevada or in Vancouver, Canada. BSI Inspectorate Laboratories in Reno, Nevada, an ISO9002 accredited laboratory, re-analyzes all of the samples selected for check assaying (Blair, 2006).

In 2005, BSi Inspectorate Precious Metals Lab (Durango, Reno), an ISO 9002/9001:2000 accredited exploration analysis laboratory, was the primary preparation and assay laboratory for the project. The check analysis laboratory was ALS Chemex (Reno), also an ISO accredited laboratory (Blair, 2005b).

Prior to 2005, Peñoles only used several commercial analytical laboratories (including Skyline, Actlabs-Skyline, LabQuimChih, ALS Chemex) to assay the core (Blair, 2005a); it is not known if they were accredited at the time nor the specific details of the sample preparation and assaying protocols (although the assay certificates indicate that gold and assaying was by Fire Assay AA, Fire Assay gravimetric or Screen Fire Assay methods while silver was by geochemical or Fire Assay methods as requested).

15.2.1 2005 Assaying Procedures

In the case of samples collected by Agnico-Eagle since 2005, they were assembled in batches and delivered regularly for preparation and assaying. The preparation facility weighed the samples upon arrival to the facility and reported these sample weights with the analytical results. Comparison of sample weights is a simple way to verify if samples have been obviously mishandled in shipment. There is no evidence of active tampering or inadvertent contamination of core samples submitted so far by Agnico-Eagle for assaying. The chain of custody of samples collected by Peñoles is not documented. Preparation procedures and assaying techniques used to assay Pinos Altos samples are covered by this accreditation. The sample preparation and assaying procedures used by the laboratory for core sampling by Agnico-Eagle since 2005 are described below. In 2005 the following sample preparation and assaying protocols were used by BSi and ALS Chemex:



2005 Preparation:

The entire sample will be dried and crushed to >80% passing 10 mesh. One 1 kg split will be obtained using a Jones splitter and pulverized to >85% -200 mesh.

2005 Gold Analyses:

This analysis will be on a 2 assay-ton fire assay charge. Assays greater than 3ppm gold will be automatically re-assayed using a gravimetric finish. Results will be reported in g/t.

2005 Silver Analyses:

The silver analysis uses a three acid digestion on a 1 assay-ton charge and provides a low detection for Ag (0.1 ppm). Ag results greater than 200g using this method will be automatically re-assayed using fire assay with a gravimetric finish. Results will be reported in g/t.

15.2.2 2006 to 2008 Assaying Procedures

Since 2006, the sample preparation and analytic methods were optimized based on the results from 2005 and the laboratories used (Blair 2006). For example, the smallest ALS Chemex lab batch size is 40 samples (that includes 4 internal ALS reference samples). Given the lab batch size, drill core samples from Pinos Altos starting in 2006 are grouped into 36 sample-sized batches including 1 blank, 1 standard and 1 duplicate (33 core samples with 3 reference samples).

2006 to 2008 Preparation:

At reception, samples are stored in a locked temporary storage area. After drying (if required), the whole sample was passed through a primary crusher to yield a crushed product which passes the screen specifications of the ALS Chemex method PREP-31, which consists of a fine crushing of core samples with better than 70% of the sample passing 2 mm. The entire sample is transferred to a tray and then repeatedly passed through a splitter until the required split size has been obtained. Sample rejects are returned to a suitable container. Using the ALS Chemex



SPL-21 Method, a riffle splitter has been used to split the samples, following the standard splitting procedures. The crushed sample split should weigh less than 250 g and be pulverized to better than 85% passing 75 μm in a ring mill pulverizer using a carbon steel ring set.

2006 to 2008 Gold and Silver Analysis:

A 30 g sub-sample was collected for fire assaying and atomic absorption spectrometry finish for gold or silver (as requested) and 5 g sub-samples were selected for acid digestion analysis for silver. The remaining pulverized sample is placed in pre-numbered plastic bag and stored for archiving.

Pulverized sub-samples were organized in batches of 33 samples. One sample blank (barren quartzite), one in house standard and one pulp replicate were inserted by the laboratory to prepared trays of 18 samples for assaying. In addition to this, one certified reference material sample was inserted at a rate of approximately one sample per batch of 40 samples. See Figure 50 for a flowchart.

For gold , analysis is generally Fire assay with Atomic Absorption Spectroscopy (AAS; ALS Chemex method Au-AA23). A 30 g sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6 mg of gold-free silver then cupelled to yield a metal bead. The bead is digested in nitric and hydrochloric acid, diluted to 4 mL and analysed by AAS. This method has a lower detection limit of 0.005 ppm for gold. For Pinos Altos, original Au-AA23 results over 3 ppm gold will be automatically re-assayed by Fire assay with gravimetric finish.

For silver, analysis is generally by Four Acid Digest with AAS (ALS Chemex method Ag-AA63). A prepared sample (0.4 g) is digested with nitric, perchloric and hydrofluoric acids and evaporated to dryness. Hydrochloric acid is added for further digest and again evaporated. The residue is dissolved in nitric and hydrochloric acids and diluted to volume and analyzed by AAS. This method has a lower detection limit of 1 ppm silver. For Pinos Altos, original Ag-AA62 results over 200 ppm silver will be re-assayed by Fire assay with gravimetric finish.



For gold and silver samples selected for analysis by Fire Assay with gravimetric finish, a 30 g sample of the prepared pulp is fused with litharge and other reagent to produce a lead bead (ALS Chemex methods Au-GRA21 and Ag-GRA21). Lead is removed by cupellation and the remaining gold and silver bead is parted in nitric acid, annealed and weighed as gold. Silver is determined by the difference in weights. This method has a lower limit of 0.005 ppm for gold and 5 ppm for silver.

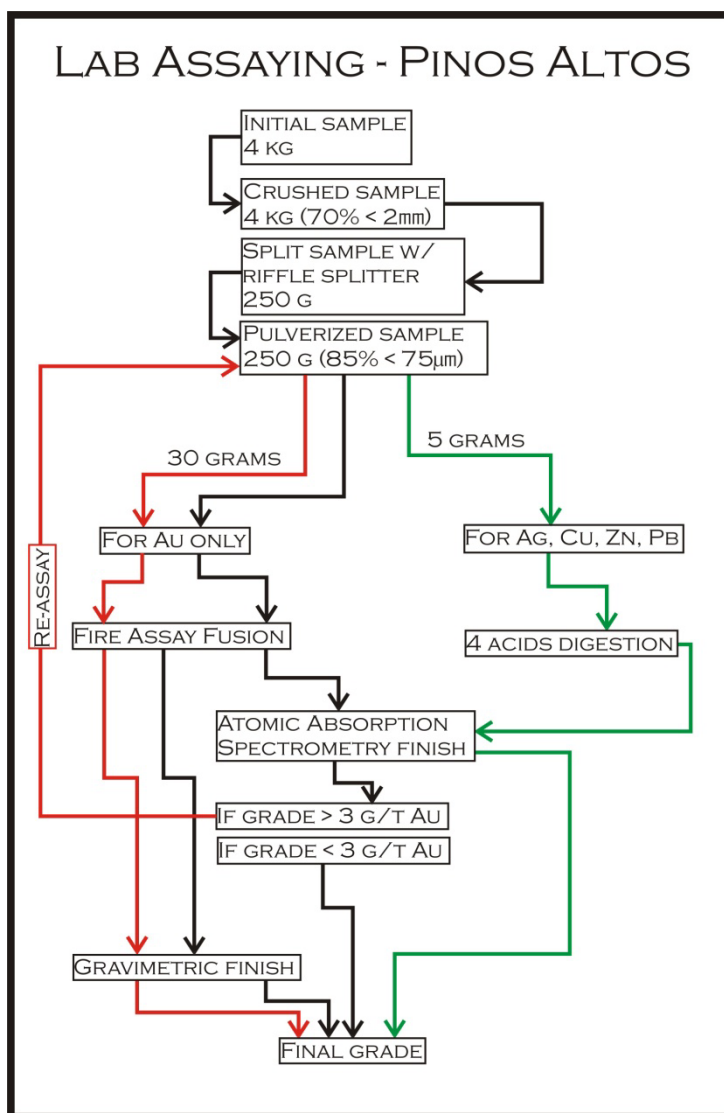


Figure 50- Lab-assaying flowchart since 2006



15.3 Quality Control Measures

Peñoles did not insert quality control samples (standard reference, blank or duplicate samples) in addition to the internal measures implemented by their accredited laboratory. But approximately 20% of the pulps have been verified by re-assaying at Bondar-Clegg and Chemex laboratories (Blair, 2005a). Correlation coefficients for gold are in order of 99% and of 86-94% for silver.

Since 2005, Agnico-Eagle has established an Analytical Quality Assurance Program to control and assure the analytical quality of assays in its exploration at Pinos Altos, under the supervision of Mr. Keith Blair from Applied Geoscience LLC (Blair, 2005b, 2006).

This program includes the systematic addition of blank samples, duplicate samples and certified standards to each batch of samples sent for analysis to commercial accredited laboratories. Blank samples are used to check for possible contamination in laboratories, duplicate samples quantify overall precision while certified standards determine the analytical accuracy. Blank sample material was collected from outcrops of fresh unmineralized UVG rhyolite from near Cahuisori. Duplicate samples are coarse, jaw crushed reject material prepared and split at the laboratory at sample preparation stage. Standard reference samples for gold and most silver analyses are obtained from Rocklab; a custom silver standard was prepared by Agnico-Eagle to monitor high grade silver.

One person will be assigned the duty of quality control technician and will compile and monitor the analytical results from the laboratory. Suspect analytical data will be identified in a timely fashion. Since 2005, Mr. Keith Blair from Applied Geoscience LLC, in Reno, Nevada has been monitoring the Pinos Altos drill core assay data.

Suspect data includes blank samples returning anomalous metal, large differences in duplicate sample assays, and standard/reference samples out of acceptable range (normally ± 2 standard deviations from the mean). If any consecutive sample batches have more than one



QAQC sample in common out of tolerance, the laboratory is contacted and the sample batches are submitted for re-assay at the alternate assay laboratory.

Assay data monitoring reports are generally prepared on a regular basis by Applied Geoscience LLC with notification of anomalies, actions as required. The reports also include the results of actions taken in the preceding reports. Approximately 7% to 10% were the assayed samples are sent to a second certified laboratory for check analysis since 2005. The author has reviewed the QAQC reports produced for the Pinos Altos project by Applied Geoscience, approved the recommendations and has inserted the assay data validated by the QAQC program into the Pinos Altos resource database for use in the current mineral resource and reserve estimate. In the opinion of the author, a Qualified Person according to NI 43-101, the Pinos Altos drill core sample preparation, security and analytical procedures used to obtain reliable assay data used in this resource and reserve estimate are adequate and acceptable.



Item 16 Data Verification

16.1 *Verification of Peñoles Data*

Following the acquisition of the Pinos Altos project, Agnico-Eagle retrieved project data from Peñoles and in July 2005 initiated a program of verification of all exploration data. The data verification carried out on the Peñoles information were first commented in a February 2005 report by Keith Blair (see Blair, 2005b) and then recompiled in a more complete in a July 2005 report (Blair, 2005b).

Given the importance of the Santo Niño vein resource to the project, the detailed drill hole data checking was limited to the holes in the Santo Niño vein area. A total of 29 boreholes from the Santo Niño vein system were selected for checking and verification (see Figure 41). This number is approximately 20% of the entire borehole database for this sector.

The data types reviewed include drill hole collar coordinates and total depth, down-hole surveys, Au and Ag assays, specific gravity data and geology log coding. Drill hole elevations were compared with the topography information. Historical core samples initially assayed by acid digestion by Peñoles were re-assayed using a more conventional fire assay procedure (see Blair, 2005b).

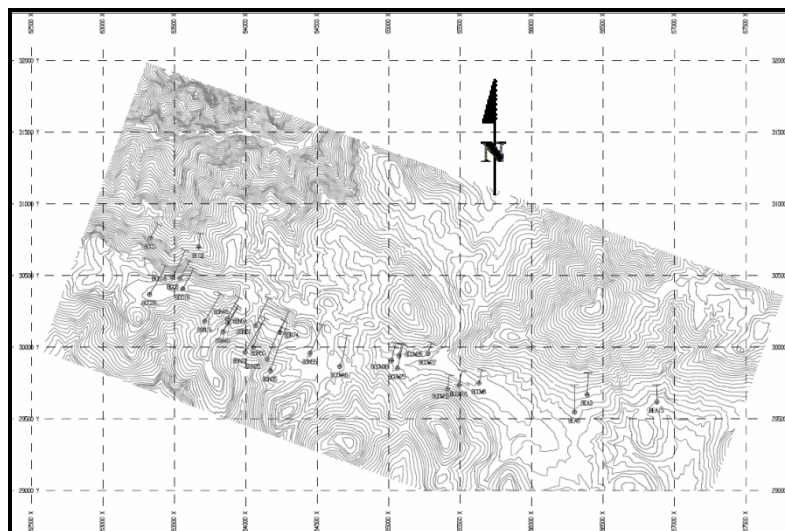


Figure 51- Drill hole location map, data checking on Santo Niño zone

16.1.1 Collar and Depth Verification

Before 2008, borehole collar coordinates in the database were compared with those found in the hard-copy borehole files at the Peñoles offices in Chihuahua, Mexico. Hard-copy coordinates were either hand- or type-written on drill hole header sheets in the drill hole binders. Surveyors field notes were not reviewed except in those cases where copies of notes were found in the drill hole files. The depth of hole was checked against the end of hole as defined in the geology log. No coordinates or total depth errors were found in any of the 29 holes examined. The author has reviewed the verification process in Blair (2005b) and concurs that the verified Peñoles collar and depth info is acceptable.

In 2008, 148 Agnico-Eagle drillhole collar coordinates were compared with the surveyors original coordinates located in an Excel spreadsheet. Eight minor discrepancies were found by the author between the drill report and the surveyed coordinates but, in the opinion of the author, a Qualified Person according to NI 43-101, the Agnico-Eagle collar data is valid. We have sometimes observed that drill holes drilled from the same drill pad had the same surveyed collars coordinates which should be corrected.



The collar location verification measures will not correct for surveying errors that have not been not been picked up by check survey work. The author does not consider this risk to be significant.

16.1.2 Down Hole Surveys

Down-hole trajectory data was measured with the Tropari instrument at approximately 50 m spacing. The survey data was compared to the surveyors notes in each drill hole binder. A magnetic declination of 9°E was added to the Tropari reading for azimuth. In some instances, two tropari tools were used in tandem and the “most logical” of the readings was used. According to Blair (2005b) it was apparent from the files that Peñoles has spent some time reviewing and confirming the down-hole data. Some obviously spurious results had been corrected/adjusted by Peñoles to produce more likely drill hole trajectories. Most of these corrections were noted in the surveyor’s field books or in other survey data listing in the drill hole binders. Prior to 2008, 217 down-hole survey records were checked by K. Blair, 3 errors were found and corrected. There were 9 other issues noted during the check that do not significantly change hole trajectories, but should be reviewed. The author has reviewed the verification work by Blair (2005b) and concurs that the measures were adequate and the resulting information is valid.

In 2008, the original Flexit readings for all of the Creston-Mascota drillholes were compared with the downhole survey entered in the log. No major errors were found but in some holes when the collar direction and dip is not surveyed an adjustment should be applied to the theoretical collar azimuth and dip of these holes. In the opinion of the author, a Qualified Person under NI 43-101, the verification methods are adequate and the Agnico-Eagle downhole survey information is valid.

The verification measures will not pick up down hole survey errors in holes that have not been cross-checked with another survey. The author does not consider this risk to be significant.



16.1.3 Density / Specific Gravity Data

Density measurements were collected for many of the samples in the assay database. Peñoles used a volume-difference measurement technique. In this method, the samples are weighed in air and then submerged into a large graduated cylinder containing a known volume of water. The change in volume with the sample submerged is measured. In most cases, two measurements were made for each sample interval and the “final” density for the interval is the average of these two sub-sample values. Data checking includes confirmation of the “final” density figure from the handwritten field notes, if available, with that entered in the data base. A total of 1,717 data were checked for simple entry errors. In addition to this check, calculations were verified for 751 database entries including averaging and the actual density calculations. Errors were found on 56 entries with the most 39 from one hole. These errors were corrected by entering the actual data found in the hard-copy files (Blair, 2005b). The author has reviewed the verification method of Blair (2005b) and concurs with its results and accepts the validity of the previous specific gravity data.



16.1.4 Geological Coding

Geological data was checked against printed geological sheets in the files as well as the Peñoles geological logs. Of the 392 geological intervals checked, only a minor error was recognized. The only concern with the geological data is for the areas away from the known mineralized structures. The hanging wall and footwall volcanic package could be thick monotonous piles of pyroclastic and sub-volcanic rocks as shown on the geological sections with no correlation of sub-units possible (Blair, 2005b)..

16.1.5 Assay Data

The assay information for Au and Ag was verified against the original assay certificates. The borehole sample strings are mixtures of fire assays and metallic-screen assays for Au and fire assays and geochemical methods for Ag. A total of 1,726 samples from the data had Au and Ag analyses checked; there were 7 Au and 24 Ag errors. Although there are few errors in the holes reviewed that would significantly impact the resource model, there are inconsistencies in the assay database with regard to:

- Treatment of “below-detection” assay samples
- Treatment of significant figures (inconsistent formatting has resulted in Au and Ag assay rounding)
- Selection of Ag analyses (fire vs. geochem)

Based on his observations, Blair (2005b) concluded that the Pinos Altos project borehole database is of good quality and is adequate for the project evaluation. Few serious errors were found in the data reviewed, with an error percentage estimated at 2.2%. There are other inconsistencies in the database, but they will not affect the resource model significantly. The author has reviewed the assay verifications by Blair (2005b) and concurs that the Penoles assay data base is valid.



The assay verification measures do not pick up assaying errors of samples that do not have check assay work. The author does not consider this risk to be significant.

16.1.6 Historical Check Assay Data

Applied Geoscience LLC (also has undertaken a study of the historic check assay data by Penoles for the Pinos Altos project. Both gold and silver check assays were analyzed (Blair, 2005b). The goal of this study was to determine the “quality” of the historic assay data for the project. Blair (2005b) has checked 1,012 samples which were submitted by Peñoles to Chemex for check assays. These samples were from 41 core holes completed during the 1995-1998 period and amount to 15% of all samples from these drilling campaigns which are the most important for resource modeling of the Santo Niño area. Initial data analysis consisted of simple visualization of the distribution of each campaign and the corresponding check assay information. Check samples for each data group are presented in Figure 53 and Figure 54

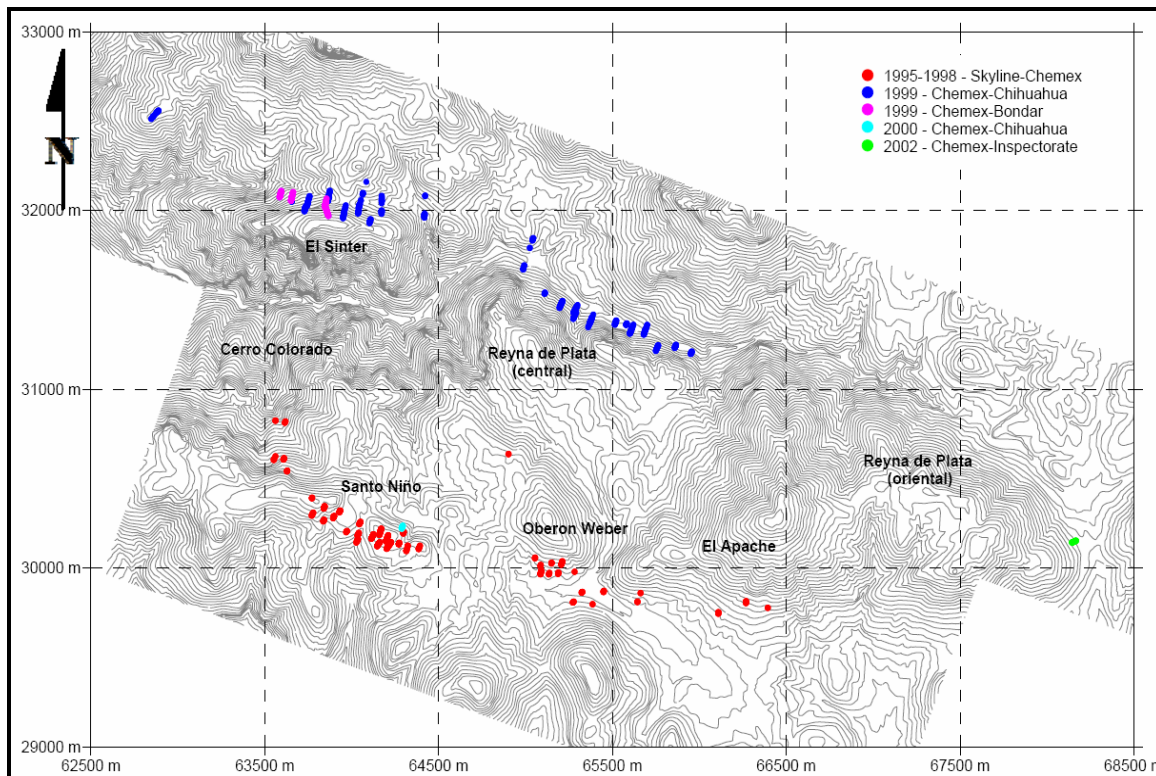


Figure 52- Historic check assay programs – sample locations



Check samples were of pulp and reject material (103 pulps and 909 rejects). The original assays were performed by Shyline Labs and were metallic-screen or fire-AAS procedures. Assay methods for the check samples at Chemex were generally the same as the original sample. Results for Au show good agreement with some minor influence on the statistics from differences in the lower detection limits between the primary and the check laboratories. The Chemex results show a slightly higher mean grade (+4%) than the original assays. The Ag results show a significant systematic low-grade bias to the Chemex Ag assays of approximately 30% at the mean. This bias is most likely due to the differences in analytical techniques between the two laboratories. Figure 53 and Figure 54 show the results of the check sampling (Blair, 2005b).

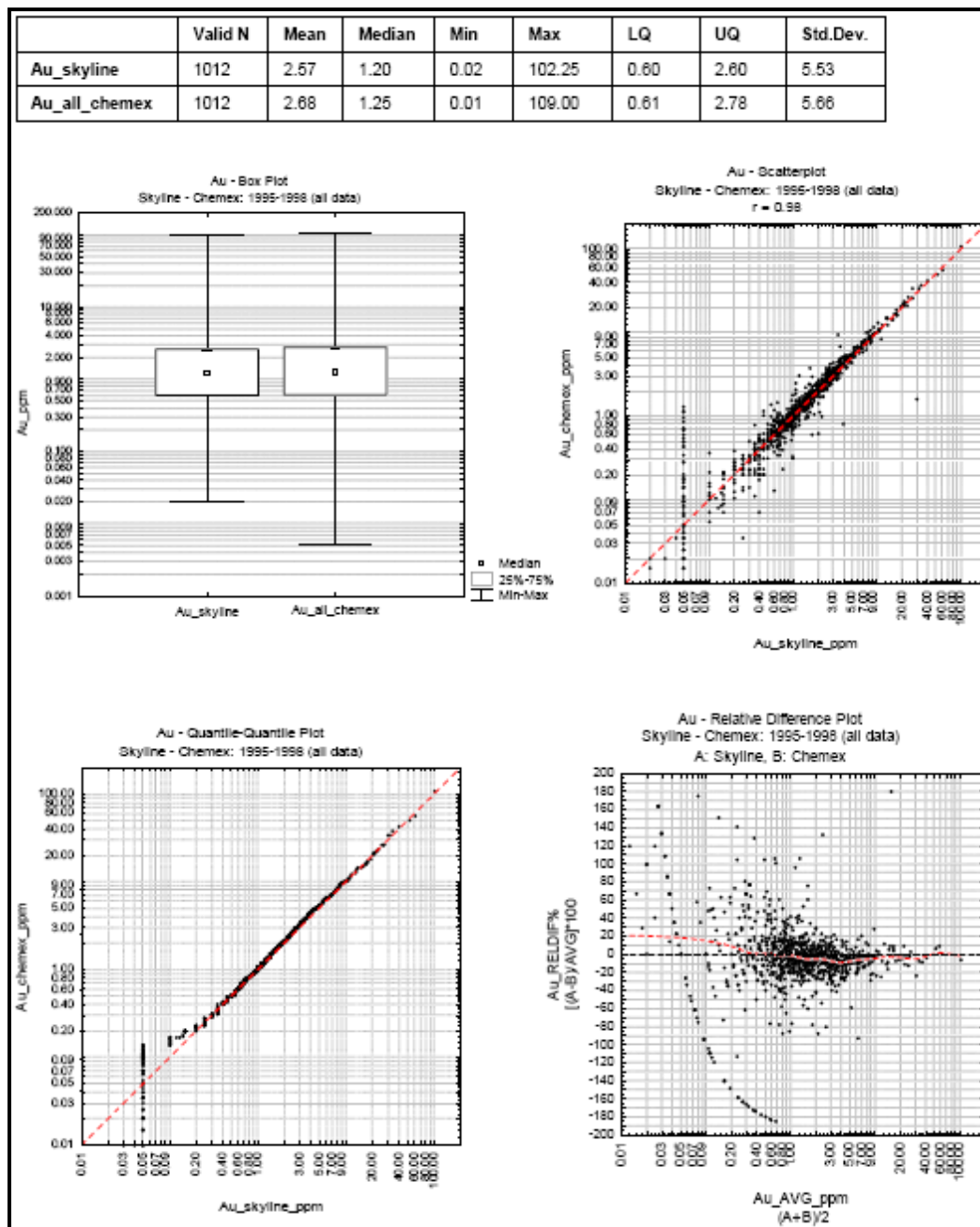


Figure 53- Pinos Altos Project – Au check assays – Skyline-Chemex (1996-1998) all data

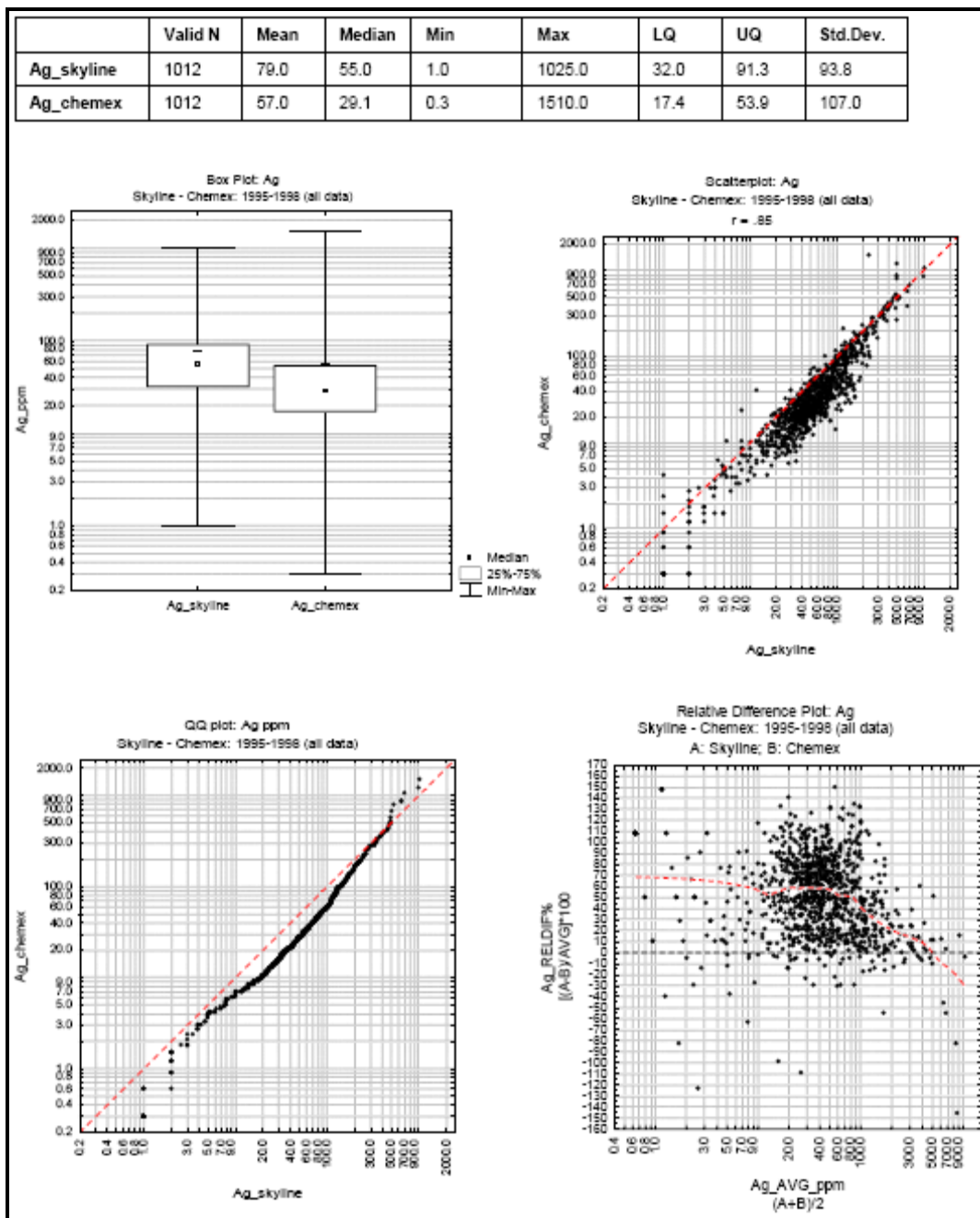


Figure 54- Pinos Altos Project – Ag check assays – Skyline-Chemex (1996-1998) all data

Other groups of data checked are mainly located outside the Santo Niño area. The details of these results are available in Blair (2005b). The author has reviewed the results of the check assay work in Blair (2005b) and concurs that the check assay data confirms the validity of the Penoles assay data base.



16.2 Verification of Agnico-Eagle Data

For the current mineral resource and reserve estimate, Agnico-Eagle has verified the exploration information used in the resource model including assay data, drill hole collar coordinates, drill hole orientation information and lithological information.

16.2.1 Verification of Assay Data

Applied Geoscience LLC of Reno, Nevada and the author, who are both Qualified Persons, as defined by NI 43-101, have verified the assay data used in the Pinos Altos resource model against original assay certificates. This was done by comparing the results from a significant proportion of the original assay reports with the data in the resource model and by applying rigorous quality control measures.

Since 2005, Agnico-Eagle has established an assay quality assurance and quality control (“QAQC”) system with Applied Geoscience LLC for the Pinos Altos project. This control quality system is based on the addition of standards, blanks and duplicates to the laboratory jobs. Generally, Applied Geoscience LLC publishes a report on a regular basis month including reference sample statistics, control charts for the period and commentary to validate the results. According to the results obtained monthly for the standards, Applied Geoscience LLC either recommends to keep the results or to reject them and proceed to re-assaying. For example, in 2008 approximately 7% of the assays were re-assayed with this system of QAQC. There are always possibilities for contamination from sampling preparation to assay. This contamination can explain the bias obtained in these verifications. The lack of cleanliness of the work area, sample labelling errors, the use of contaminated metal instruments or pieces to manipulate or to crush the samples, errors in the granulometric controls, the dilution and the calibration methods, the data transfer and note-taking errors all constitute examples that must be considered. In 2008, Applied Geoscience LLC produced seven reports covering the periods between January 9th 2008 to December 31st 2008. Table 32 and Table 33 and Figure 55 to Figure 58 provides typical examples of control charts and statistics provided in Applied Geoscience’s QAQC reports for Pinos Altos.



Au Standard(s)			No. of Samples	Calculated Values			
StandardCode	Value	SD		Mean Au	SD	CV	Mean Bias
blank	0.00	-	102	0.01	0.051	8.458	-
OxF53	0.81	0.029	25	0.80	0.017	0.021	-0.81
SG31	1.00	0.028	57	0.95	0.091	0.096	-4.66
SI15	1.80	0.067	33	1.80	0.244	0.136	-0.44
SN16	8.37	0.217	12	8.18	1.159	0.142	-2.22

Table 32- Reference sample statistics, April 4 th to June 13th, 2008 – ALS-Chemex

Example – ALS Chemex -blank and standards- control chart

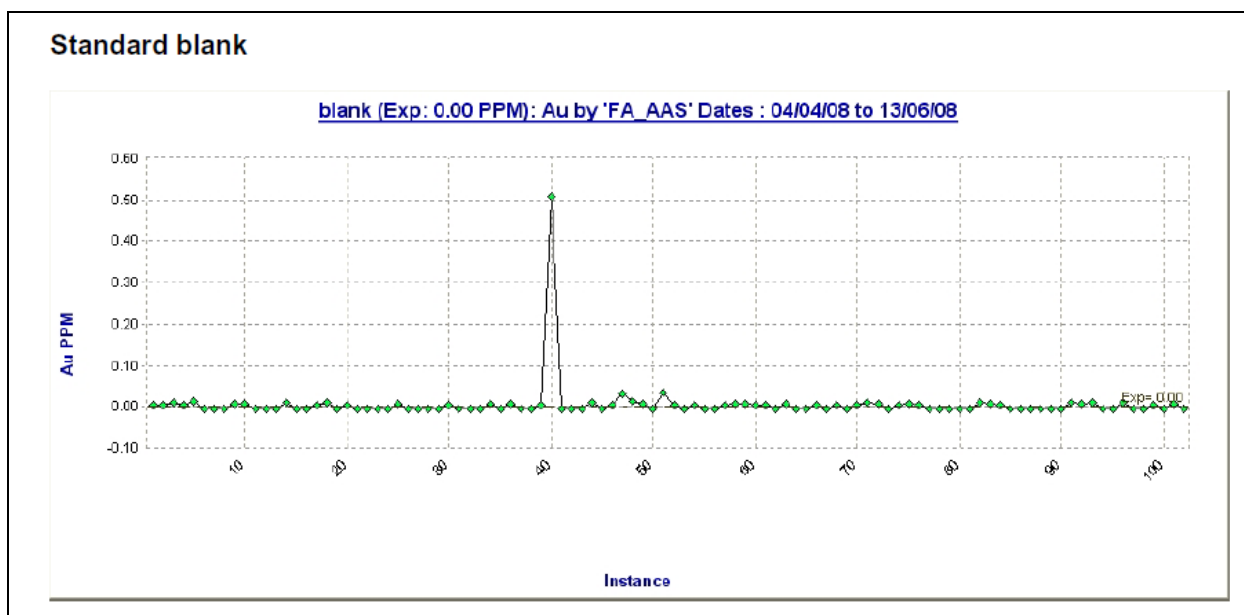


Figure 55- Example - ALS Chemex - blank and standards - control chart – gold, April 4th to June 13th, 2008



Standard OxF53

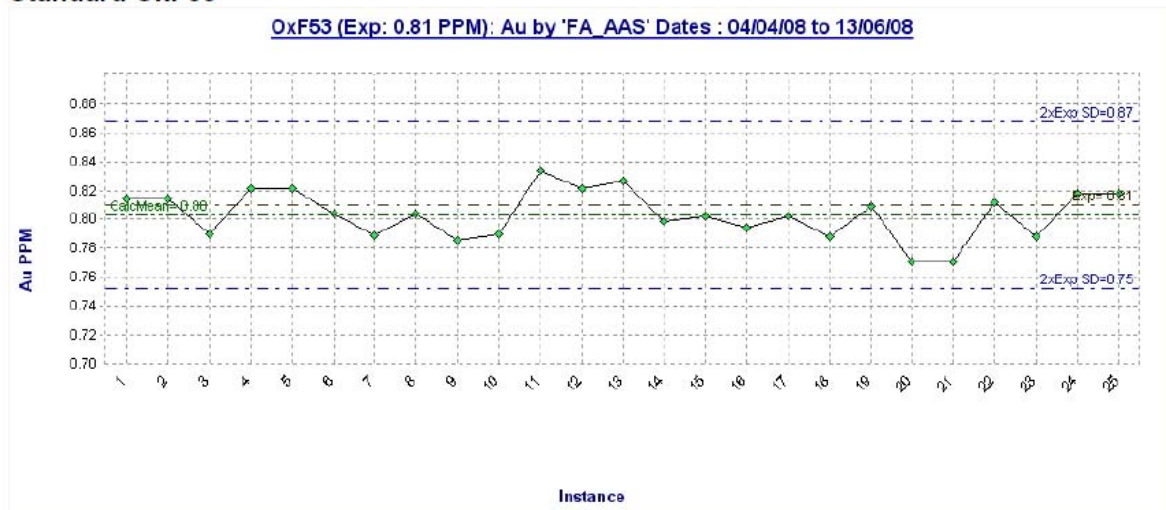


Figure 56- ExampleControl chart: OXF53, Au, ALS-Chemex, November 2006

Example: Duplicate Sample Assay Statistics

Range Au	No. of Samples	mean Au1	mean Au2	SD Au1	SD Au2	CV Au1	CV Au2
0.0000 - 1000.	72	0.63	0.64	1.96	1.91	3.10	2.96

Range Ag	No. of Samples	mean Ag1	mean Ag2	SD Ag1	SD Ag2	CV Ag1	CV Ag2
0.0000 - 1000.	53	32.66	33.87	130.55	133.85	4.00	3.95

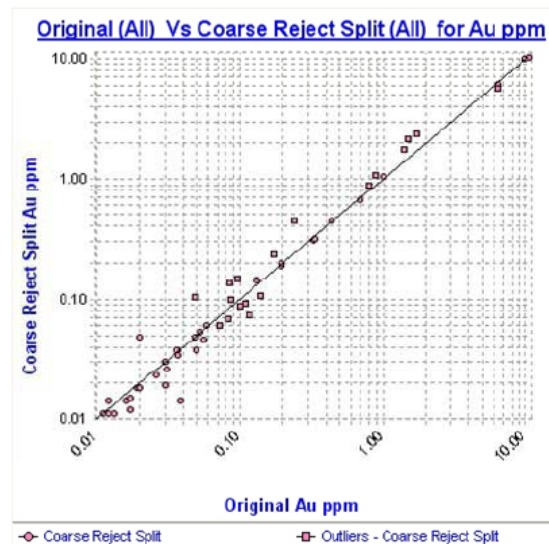
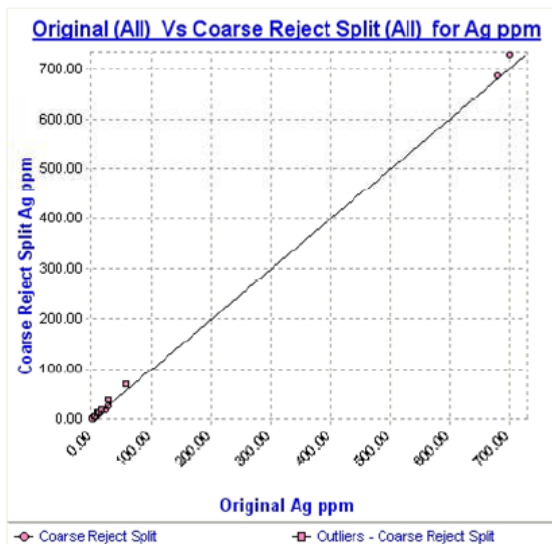


Figure 57- Scatter plots- coarse reject splits: gold, silver



Example of ALS-Chemex Internal Duplicate Assay Statistics

Table 33 - ALS-Chemex internal duplicate assay statistics

Range Au	No. of Samples	mean Au1	mean Au2	SD Au1	SD Au2	CV Au1	CV Au2
0.0000 - 1000.	62	0.23	0.23	0.73	0.72	3.21	3.17

Range Ag	No. of Samples	mean Ag1	mean Ag2	SD Ag1	SD Ag2	CV Ag1	CV Ag2
0.0000 - 1000.	57	12.54	12.51	25.93	26.28	2.07	2.10

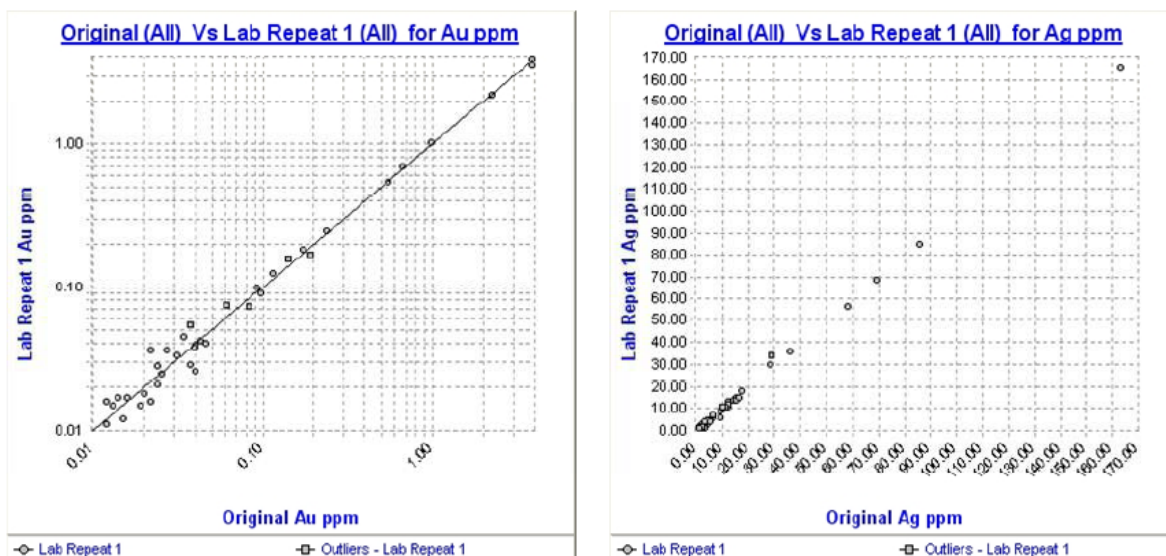


Figure 58- Scatter plots -ALS-Chemex internal check analyses: gold, silver

During 2008, a total 668 assay reports were finalized at ALS-Chemex and 83 reports were received from TechniLab for the Pinos Altos and surrounding projects. All reports finalized during the period are listed in Appendix B. The assaying for the year is of good quality and most reports have been recommended by Applied Geoscience and accepted or given a provisional acceptance for used in the resource database by the author until check analyses have been received.

All QC reports and check sample requests for the year were reviewed by the author in the construction of the table in Appendix B. Some samples from many reports were requested for



check analysis, but were not found by ALS-Chemex in their storage or were not returned to the project as described by ALS-Chemex. For these reports, the “Comments” column contains: “QC ok, No Checks, Provisional Approval”. None of the samples requested for check analysis from those batches prepared in Hermosillo, Sonora (HE-prefix reports) had check analyses during the year. All check samples lists were provided with the monthly QC reports, but can be updated and provided again if required.

There were 11 reports from the year that did not have any quality control samples included in the shipment (9 ALS and 2 Technilab). These reports are labelled “No QC Samples” in the comments column of Appendix B. These 11 reports only added 46 samples to the database and their impact on the overall quality of the database is not significant.

In the strictest sense, all report groups that did not have check analyses should have been given a “provisional acceptance”, but given the history of good quality assaying at ALS-Chemex for the project over the last three years, all were accepted except those with check analyses pending; these reports were given a provisional acceptance. All accepted and provisional reports did have primary QC results within accepted limits.

Samples from Technilab have not had any check assays for the year; however, all standards were within tolerance. Given the short experience time with Technilab, all reports were given a provisional acceptance. It is not known if the Technilab results will be used in future resource modeling, but all were included here for completeness.

16.2.2 Verification of Other Data

The author, who is a Qualified Person, as defined by NI 43-101, has supervised the verification of a significant proportion of drill collar coordinates, drill hole orientation information, lithological information and density measurement used in the current Pinos Altos resource model against original documents



One of the most important limitations of this method are that some errors may occur in records that were not verified and that the field measurements of drill core orientation may not have been correctly recorded in the original documents. Drill core orientation cannot be verified once the hole has been completed (because caving of the boreholes, prevents access to verify).



Item 17 Adjacent Properties

Two mining concessions that are located within the Pinos Altos property cover past producing gold and silver mines namely, the Bravo and El Madroño mines (Item 8, Figure 5). The information presented below was publicly disclosed in a publication by Alvarez (1996) and is documented in an internal report by Peñoles (Castro et al., 2003). The current author has been unable to completely verify the information, although the abandoned former minesites have been visited and although the assay information cannot be verified, mineralization on the Pinos Altos property is known to trend onto these two concessions. However, the information presented below is not necessarily indicative of the mineralization on the Pinos Altos property.

The El Madroño mine located approximately 5 kilometres northwest of the Santo Niño area, exploited the El Madroño vein zone, discovered in 1891 by Hubert Wahtman (Alvarez, 1996). The El Madroño mine's vein zones, covered in part by the El Madroño mining concession currently held by Madroño (and whose extensions occur on the Pinos Altos Property; Figure 5), were worked until the 1950s, exploiting rich "ore shoots" to a depth of 210 m. A cyanide processing plant and a townsite with a considerable population was also built up around the El Madroño mine, but the site is now abandoned and vacant.

The Mina Bravo occurrence is covered by a single concession located on the extreme south of the Carola vein (that is exposed on the Pinos Altos Property), approximately 7 kilometres northwest of the Pinos Altos mine site. It also produced small tonnages of gold-silver bonanza "ore", which were processed in a cyanidation mill, until the mine was abandoned in 1946. Castro et al. (2003) reported some recent exploration activity but no diamond drilling (Item 8).

Neither historical estimate of resources or reserves or past production statistics are known to have been publicly disclosed for either operation.



Item 18 Mineral Processing and Metallurgical Testing

A substantial amount of test work has been conducted on the Pinos Altos gold/silver deposit to investigate the metallurgical characteristics and develop design criteria for evaluating processing options. Preliminary metallurgical test work has been performed by Peñoles. The most recent metallurgical investigation was appointed to Kappes, Cassiday & Associates (KCA), including the review of Pinos Altos metallurgy. Both underground and surface ores are readily amenable to processing by conventional precious metal cyanide leaching.

18.1 Metallurgical Testing - Milling

Extensive mineralogical and metallurgical studies were completed on samples from the Pinos Altos ore zones. The studies were under the supervision of Kappes, Cassiday & Associated (KCA). The samples used to complete the mineral processing and metallurgical testing are representative of the Pinos Altos mineral reserve model.

Most of the metallurgical testing has been conducted by KCA in their metallurgical laboratory facility. A variety of tests, including bottle roll leach tests, physical properties work, solid/liquid separation testing, slurry rheology, evaluation of gravity and flotation concentration, solution chemistry and environmental chemistry, detoxification work, evaluation of grind vs. recovery and reagents consumptions has been completed and incorporated into that study.

KCA was appointed to supervise the sub-contractors (external laboratories) such as:

- Hazen Research, Communion testing
- SGS, SPI and Crusher tests
- Pocock Industrial, Solids/Liquid separation testwork
- Metso Minerals, Filtration testing
- PMET Laboratory, Mineralogy study
- Knelson Research & Technology, Gravity recoverable gold testing



Furthermore, consultant John Starkey provided assistance to Agnico-Eagle Mines (AEM) with their input into the grinding process development and validation. All external reports are included in the KCA Metallurgical Report, April 2007 and March 2008.

This documentation is the primary source of data used to develop the design criteria for evaluating processing options and metallurgical performance. It is beyond the scope of the current report to provide a complete and detailed description of all mineralogical and metallurgical test work that has been completed on this gold/silver project.

Prior to the acquisition of the Pinos Altos property, metallurgical test work had been performed by Peñoles. A summary of all historical test work conducted on the Pinos Altos ores is presented in the Genivar Scoping Study January 2006 Technical Report.

The results of the test work conducted to date are sufficient for use in this Feasibility Study. However, additional testing to confirm the results, optimize the flowsheet and determine specific design parameters will have to be completed before detailed engineering can be undertaken.

18.1.1 Mineralogy

The latest mineralogical investigation of the Pinos Altos ore is contained in the PMET Laboratory reports. This investigation was conducted on drill cores from the Pinos Altos deposit as well as on leach residues, which brought up more observations regarding the nature of the ore and reason for silver poor response to direct cyanide leaching.

This work indicates that the gold occur in native form as fine, sub-millimetre grains in quartz. The fine gold occurs at or near grain boundaries considering the high extractions found at nearly all levels of grind liberation. Free gold is commonly found in quartz-filled fractures.



The silver occurs as both native silver and silver sulfide minerals. The silver sulfide minerals are mostly acanthite (Ag_2S). The acanthite crystals can be as large as 1 mm. Silver was found as an electrum form. Other silver minerals are stromeyerite and aguilarite.

Minerals observed in the deposit include: pyrite, hematite, goethite, barite, kaolinite, montmorillonite, chlorite and muscovite.

18.1.2 Mill Composite Per Zones

The drillhole selection for Cerro Colorado, Santo Niño and Oberón de Weber ore zones is made in respect of the head grade and representative sample through the ore bodies. A total of 37 vein intervals including dilution were sampled. Three metallurgical mill composites, one from each selected zone, were prepared by KCA from individual drillhole samples based on the blending instructions provided by Agnico-Eagle. One master mill composite sample has also been prepared from the three composites samples. Based on the first mining plan, the master mill composite sample is made from 8% Cerro Colorado, 73% Santo Niño and 19% Oberón de Weber. The two other deposits, El Apache and San Eligio, are considered as low grade material (below 2.0 g/t of gold) and are not part of the Master Composite.

The metallurgical composite sample is composed of the main zone (mineralized zone) and wall dilution material. The dilution factors come from the Agnico-Eagle Mines Scoping Study, dated January 2006. It was set at 10% and 20% for open pit and underground mining respectively. The following Table 34 makes a head grade comparison between metallurgical composite and ore mined from the mine plan.



Resources	Met Samples		Ore Mined	
	Grade - g/t		Grade - g/t	
	Au	Ag	Au	Ag
Cerro Colorado				
Open Pit - Heap Leach	1,50	54,19		
Underground	7,60	131,98	8,61	133,61
CC Global			8,61	133,61
Santo Niño				
Open Pit - Heap Leach	2,02	34,80		
Open Pit – Milling			3,62	79,27
Underground			4,23	107,92
SN Milling	4,54	111,89	4,14	103,46
Oberon Weber				
Open Pit - Heap Leach	1,09	54,46	0,70	35,00
Open Pit - Milling	2,76	81,02	3,48	109,36
OW Global			2,23	75,90
El Apache	1,57	30,95	1,63	32,65
San Eligio	1,38	86,44	1,86	88,09
Milling Global	4,47	107,88	4,39	107,07

Table 34- Head grade comparison

18.1.2.1 Cerro Colorado Ore Zone

The composition of Cerro Colorado mill composite is summarized in Table 35- Cerro Colorado Met mill composite.

Hole #	Distance (m)		Grade (g/t)		Weight Kg	Dilution (%)	
	From	To	Au	Ag		Hanging wall	Footwall
BCC04	248,05	253,50	10,125	81,79	6,46	0,0	12,8
BCC06	321,25	325,55	2,750	27,78	4,03	0,0	0,0
BCC10	193,67	198,75	0,772	15,23	8,76	8,3	13,9
BCC18	352,30	357,70	3,997	98,15	4,78	17,6	12,8
BCC20	400,23	406,10	0,727	26,43	5,96	24,2	17,3
BSN04	160,83	165,55	6,745	289,21	5,65	0,0	6,4
PA-05-39A	661,50	667,50	7,942	24,92	5,38	15,8	19,0
PA-05-47	328,00	334,00	0,274	23,42	4,49	22,3	28,3
PA-05-52	508,50	526,50	17,567	305,40	15,76	10,0	25,3
Total			7,600	131,98	61,27	10,1	17,7
Dilution Global						27,8	



Table 35- Cerro Colorado Met mill composite

Detailed composition and selected drill hole location in the ore body are presented in the 2007 Feasibility Study (Doucet 2007b).

18.1.2.2 Santo Niño Ore Zone

The composition of Santo Niño mill composite is summarized in Table 36.

Hole #	Distance (m)		Grade (g/t)		Weight kg	Dilution (%)	
	From	To	Au	Ag		Hanging wall	Footwall
BSN24	521,88	537,66	1,217	65,30	22,97	7,4	6,3
BSN27	437,19	446,04	2,367	62,07	11,25	16,6	19,8
BSN28	438,49	447,32	3,093	95,18	16,47	15,4	17,3
BSN44	340,60	362,08	1,586	80,17	34,17	4,2	8,3
BSN47	415,13	439,82	1,994	62,95	42,05	7,8	8,3
PA-05-02	86,70	94,50	6,009	119,85	5,15	7,6	19,4
PA-05-03	407,40	435,20	11,029	330,02	38,31	2,4	0,0
PA-05-07	534,30	599,00	4,109	70,08	35,38	5,5	5,3
PA-05-08	54,00	70,00	4,277	95,95	26,34	9,0	10,0
PA-05-09	78,00	112,50	3,205	105,37	55,56	1,7	8,3
PA-05-21	36,00	50,00	1,715	64,71	4,12	21,8	22,1
PA-05-64	291,20	328,50	13,143	113,22	24,68	0,0	2,2
PA-05-65A	252,50	265,50	2,069	33,71	11,85	19,5	24,0
Total			4,536	111,89	328,30	6,7	10,7
Dilution Global						17,4	

Table 36- Santo Niño Met mill composite

Detailed composition and selected drill hole location in the ore body are presented in the 2007 Feasibility Study (Doucet, 2007b).

18.1.2.3 Oberón de Weber Ore Zone

KCA has reported that they made an error regarding the Oberón de Weber (OW) milling composite; about 36 kg of waste rock were placed into the composite. Four new holes (without dilution) were added in order to increase the grade and reduce the dilution. The following Table 37 explains the change made to the original blend.



OW Mill Composite				
Source	(unit)	Original	KCA	Adjusted
Mineralized Zone	Weight (kg)	104.64	104.64	169.29
Dilution		25.14	61.15	61.15
Total		129.78	165.79	230.44
Dilution	%	19.4	36.9	26.5
Gold	Grade (g/t)	3.25	2.56	2.76
Silver		86.33	71.54	81.02

Table 37- Change to Oberón de Weber mill composite

The dilution of 26.5% still remains high for an open mining operation. The composition of Oberón de Weber mill composite is summarized in Table 38.

Hole #	Distance (m)		Grade (g/t)		Weight kg	Dilution (%)	
	From	To	Au	Ag		Hanging wall	Footwall
BCOW18	204,19	226,15	0,541	33,06	17,98	19,1	0,0
BCOW36	218,18	221,85	2,290	85,59	4,48	0,0	0,0
BCOW38	406,85	416,15	3,241	5,06	8,92	15,2	10,1
BCOW52	292,88	312,70	1,003	34,02	19,71	45,3	0,0
BCOW54	227,57	240,85	0,954	33,38	22,86	24,9	26,2
PA-05-29	15,00	46,00	2,198	137,21	21,22	1,7	18,4
PA-05-33	43,50	60,50	1,809	96,97	28,68	22,1	21,0
PA-05-41	15,50	32,00	5,054	127,57	26,04	23,3	29,2
PA-05-42	107,20	126,50	2,077	93,52	24,31	0,0	0,0
PA-05-48	39,30	62,50	6,154	166,59	20,32	0,0	0,0
PA-05-50	39,30	35,00	1,638	49,34	15,54	0,0	0,0
PA-05-53	39,50	54,50	5,595	37,93	20,38	0,0	22,3
Total			2,758	81,02	230,44	14,0	12,6
Global Dilution						26.5	

Table 38- Oberón de Weber Met mill composite

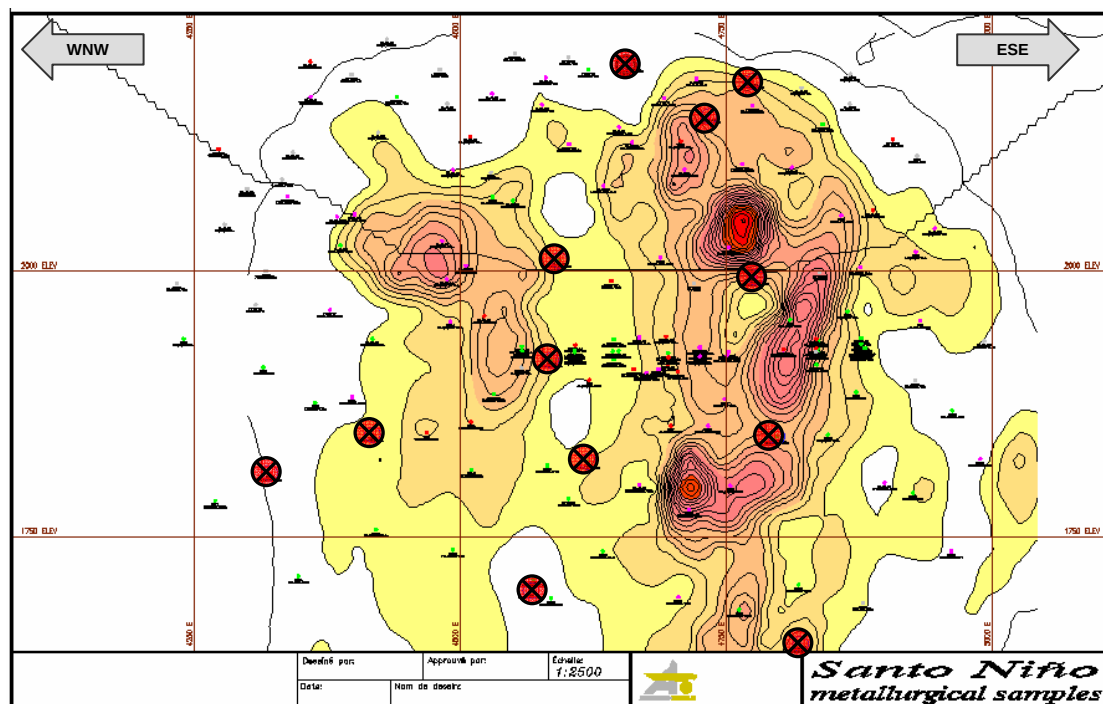


Figure 59- Santo Niño-metallurgical samples

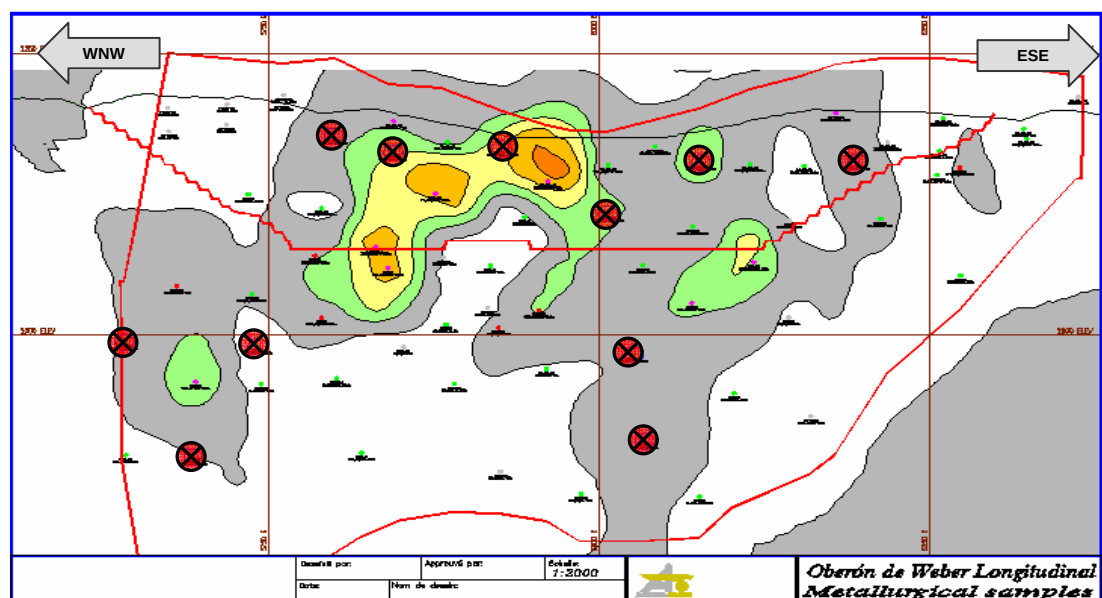


Figure 60 - Oberón de Weber-metallurgical samples



18.1.3 Physical Properties

The specific gravities of the ore were tested in water and kerosene at the KCA laboratories.

Hazen laboratory conducted general ore characteristics on composite and individual samples including abrasion index and ore grinding characteristics, as provided in Table 39.

Parameters	Units	Nominal Value
Specific Gravity	g/cm ³	2.60
Bond Ball Mill Works Indices		
Cerro Colorado	kWh/t	17.1
Oberon Weber	kWh/t	15.2
Santo Niño	kWh/t	16.6
Bond Abrasion Indices		
Cerro Colorado	G	0.542
Oberon Weber	G	0.705
Santo Niño	G	0.715

Table 39- Physical properties parameters

An average of 16.45 kWh/t and 0.70 g was used as the bond ball mill work and abrasion index in this study.

18.1.4 Grinding

The 20 samples were subject to crushing and grinding tests to determine the crushing index (Ci), as well as SAG power index (SPI). In general, the samples fell within the medium to hard range of hardness (SPI values between 80 and 140), but two samples showed low SPI (below 20). Hanging wall material has the lower SAG specific energy and the higher crushing index. A higher crushing index corresponds to a softer ore.

All 20 SPI tests were used to determine the 80th percentile of SPI hardness. The result used for design was 127.5 minutes or 10.0 kWh/t to grind the ore to 80% passing 10 mesh or 1.7 mm. The SAG mill is designed to be powered for 20% steel and vari-speed operation. The T80 is 1152 µm. The final grind P80 is fixed at 53 microns. Applying an efficiency factor and



operating allowance, the total design specific energy estimated to be required at the pinion is 31 kilowatts - hour per tonne (see Table 40).

Hole/Sample (ID)	Crusher Index (Ci)	SPI (minutes)	Transfer Size 1.7mm SAG Specific Energy (kWh/tonne)	Ore Type
PA-05-46	3,8	113,1	9,4	Cerro Colorado
Sample #35723	2,5	124,3	9,9	CC Composite
PA-05-77	1,6	142,3	10,6	Santo Niño
PA-05-20	3,6	81,7	7,8	
BSN 43	15,5	88,8	8,2	Santo Nino
PA-05-07	4,7	115,3	9,5	
PA-05-20 HW	31,4	17,7	3,4	
PA-05-77 FW	6,4	125,7	9,9	
Sample #35724	10,7	99,7	8,7	SN Composite
PA-05-42	3,6	101,6	8,8	Oberon Weber
PA-05-48	2,9	138,4	10,5	
BCOW 23MZ	8,6	105,8	9,0	Oberon Weber
BCOW 23 FW	9,1	163,1	11,5	
PA-05-48 HW	32,6	14,8	3,1	
PA-05-39	20,8	111,9	9,3	
Sample #35592	2,2	76,1	7,5	OW Composite
PA-05-76	3,4	129,3	10,1	El Apache
PA-05-74	2,3	86,5	8,1	
BSE-30	4,9	103,6	8,9	San Eligio
Sample #35726	3,1	93,0	8,4	Master Composite

Table 40- Variability of grinding parameters

A Master Composite Sample was prepared by KCA, from selected core intervals that widely sampled the open pit and underground veins. A total of 37 vein intervals including dilution were sampled from 3 individual ore zones. Based on the first mining plan, the composite sample is made from 8% Cerro Colorado, 73% Santo Niño and 19% Oberón de Weber.

A total of 23 bottle roll leach tests were performed under different conditions to determine general conditions for the potential of maximum precious metal recoveries.



Grind-leach bottle roll tests were completed on the Master Composite over a series of grind sizes and cyanide concentrations to estimate the most economic set of plant conditions. The tests results and trade-off study led to the adoption of an 80 μm grind size, as demonstrated in Table 41

Grind P80 μm	Leach Extraction		Revenue Lost \$	Cost Benefit \$	Difference of Value
	Au %	Ag %			
88	95	51	(2.25)	1.87	(0.38)
74	96	53	(1.12)	1.22	0.09
63	96	54	(0.84)	0.63	(0.21)
53	97	55			

Table 41- Master Composite test results - optimum grind size

18.1.5 Cyanidation Testing

Most of the recent metallurgical test works have been performed by KCA on drill core and rejects from Cerro Colorado, Santo Niño, Oberón de Weber, El Apache and San Eligio ore types.

The first part of the program consisted of conventional cyanidation leaching to determine the leachability of the different ore zones. Leach testwork was undertaken on 25 samples extracted from each ores types at different depths, from different host rocks, as well as different grades to determine variability of precious metal extraction. The material was pulverized (dry) at different feed sizes to determine precious metal recovery, leaching kinetic rate, sensitivity to feed size and metallurgical variability.

At a grind size of 74 microns, the bottle roll tests indicated that the gold and silver extraction was completed within 72 hours leach time. Silver extraction is slower than gold extraction at all sizes. Table 42 shows the leaching kinetic.

Metal	Head grade g/t	Cumulative Extraction - %			
		24h	48h	72h	96h
Gold	2.72	90.6	95.4	96.1	96.1
Silver	77.3	44.7	48.1	49.0	49.8

Table 42- Variability test results - leach kinetic



Gold and silver extraction obtained by milling/cyanidation was about 96% and 49% respectively, in 72 hours of leaching. However, longer leach time did not yield significant benefits.

The variability leach tests on the different deposits in the Pinos Altos resource behaved differently than the grind leach tests on the Master Composite, especially for gold. The calculated head grade and test methodology was different between both set of samples which may explain some of the difference. The variability data show lower gold tails grade. On the other hand, silver is not affected by the test conditions. The following graphs (Figure 61& Figure 62) present those observations.

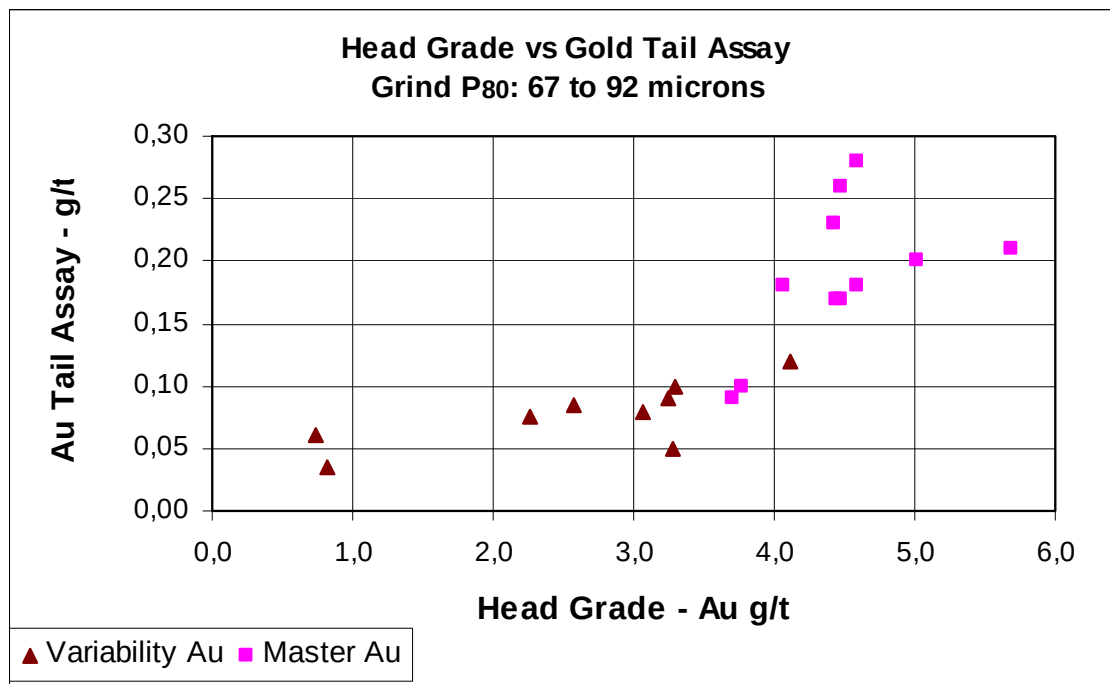


Figure 61- Head grade vs gold tail assay

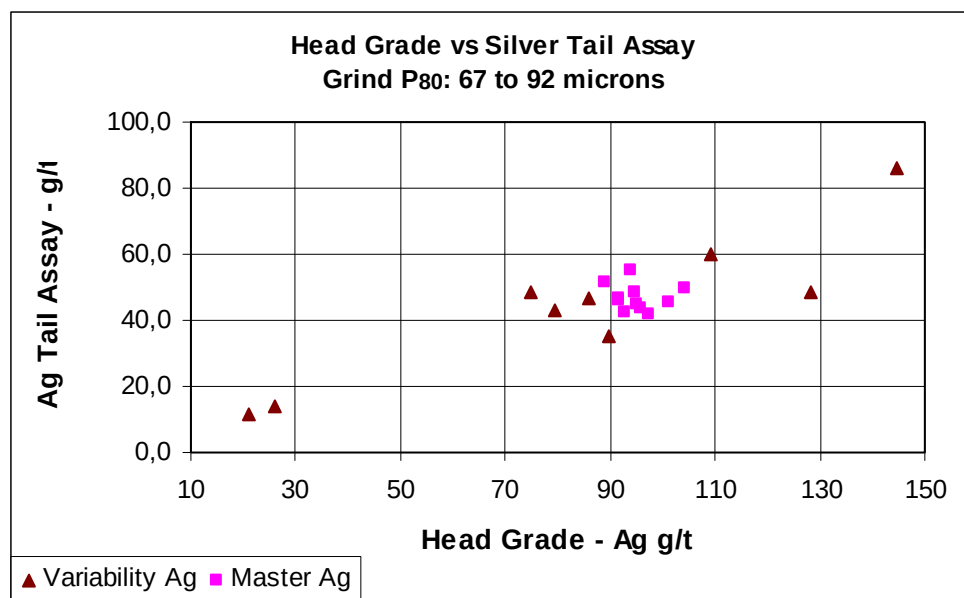


Figure 62- Head grade vs silver tail assay

Evaluation of the data indicates gold recovery discrepancies between individual ore types and Master Composite sample. The main observation is the effect of pH on kinetic. For the Master Composite sample at high pH (higher than 11.3), the first 2 hours' retention time there is little gold extraction (less than 2%) but a very high cyanide consumption at 2 hours, approximately 1-2 kg/mt. This is a classic example of high pH dissolving sulphides that consume cyanide and “push” the gold leaching down the leach train. In the phase II testwork, the pre-aeration and lower pH will be evaluated for kinetics, economy of gold and silver per unit time, and effect on metal in solution.

Cyanide consumption at the leaching averaged 0.29 kg/t in the pulverized leach tests (variability) and 3.3 kg/t in the grind leach tests (master composite). As discussed previously, the conclusion is that the laboratory milling process caused the high cyanide consumption and 0.30 kg NaCN/t ore is a reasonable estimate of mill consumption. The NaCN level will be 2 g/L for the Feasibility Study.



Lime requirements in the leach circuit, assuming 100% available CaO is 0.76 kg per tonne of ore. The 0.30 kg/tonne of ore average cyanide consumption by the ore itself is considered reasonable for use with Pinos Altos ore.

For the purpose of this 2007 Feasibility Study, the metals extraction rates were based on the combination of both series of tests.

18.1.6 Gravity and Leach Tests

18.1.6.1 Gravity Concentration and Gravity Tails Leaching

A preliminary gravity concentration test followed by cyanide leaching of the tails was completed on the Master Composite at the KCA laboratory. The results are summarized in Table 42.

Product	Weight %	Assay – g/t		Distribution - %	
		Au	Ag	Au	Ag
Conc 1	1.6	82.7	692.6	34	10
Conc 2	0.9	20.9	388.1	5	3
Conc 3	0.9	10.1	163.2	2	1
Mids	11.2	9.7	199.2	28	21
Total Tails	85.4	1.4	73.5	31	62
Leach Tails – Soluble		1.12	38.9	25	31
Leach tails – Solids	85.4	0.26	41.2	6	33

Table 43- Concentration results on the Master Composite

GRG (Gravity Recoverable Gold) testing was performed on a Master Composite sample at the Knelson Research & Technology Centre.

The GRG value for this particular sample was 55.6%, which was achieved in 1.5% concentrate mass. The calculated feed grade was 3.22 g-Au/t. The first and second stage achieved recoveries of 21.4% and 20.2% respectively (Table 44 - Gravity tests results by Knelson) shows the overall recovery.



Product	Weight %	Assays – g/t		Distribution - %	
		Au	Ag	Au	Ag
Concentrate	1.5	143	2391	55.6	30.5
Final Tails	98.5	1.5	83.0	44.4	69.5
Totals Feed	100	3.22	117.7	100	100

Table 44 - Gravity tests results by Knelson

The results show that 30.5% of the silver can be recovered by gravity.

It is possible that a portion of the mill's cyclone underflow or ball mill discharge can be treated in gravity equipment to produce a concentrate that can be tabled and directly melted. This may be a means to recover some of the silver values that are refractory to cyanide leaching and reduce leach residence time and require revisiting CCD sizing since PM deportment to CCD is reduced.

More recent work done since 2007 within the Agnico-Eagle metallurgical group indicates improved leach kinetics with gravity prior to the leach stage as well as some slightly different pH condition within the process.

Test work was conducted internally with the AEM project development team combined with some external validation work at SGS Lakefield and Knelson Concentrators. Objectives were 1) increase our understanding of the ore mineralogy and precious metals deportment on the feed and tails, 2) validate and optimise gold and silver leach conditions, 3) improve on silver recovery by introducing gravity and/or flotation recovery and 4) validate and optimise cyanide destruction conditions. Test work is being performed on the master composite provided by KCA as well as individual Santo Niño and Oberon Weber composites.

Gravity work showed mainly some silver recovery improvement by lowering the overall silver tails by 5 to 8 g/t dependant on sample origin. An impact on gold recovery has also been observed. A definite 0,01 g/t can be shaved off of the final tails. as demonstrate in Table 45



Ore Type	Grind Size %-75 µm	Gravity yes or no	Tail Grade Au g/t	Avg Gain Au g/t	Tail Grade Ag g/t	Avg Gain Ag g/t
Master Composite	84.5	No	0.08	0.02	39.93	8.28
	85.7	No	0.11		41.13	
	73.1	yes	0.09		32.45	
	94.1	yes	0.07		32.05	
Oberon Weber (Laronde)	84.8	No	0.07	0.01	45.36	8.26
	85.6	yes	0.05		37.10	
Santo Niño (Laronde)	84.1	No	0.11	0.03	53.41	5.23
	85.3	yes	0.08		48.18	
Oberon Weber (Lakefield)	80.0	No	0.07	---	43.70	9.50
	80.0	yes	0.07		34.20	
Santo Niño (Lakefield)	80.0	No	0.12	0.02	50.00	7.90
	80.0	yes	0.10		42.10	

Table 45- With and Without Gravity

After having removed coarse silver with a gravity procedure, the required leach time for silver is topped out at 48 hours. Leach test work indicate that residence time in excess of 48 hours is not required compared to the 72 hours included in the 2007 feasibility study. Pre-oxidation requirement is unclear. A circuit design at 48 hours residence time could allow for some flexibility in introducing an eventual pre-oxidation stage, dependant on plant performance, without compromising much on actual leach time.

18.1.6.2 Gravity Concentrate Leaching

The gravity concentrates for the Laronde tests on Santo Niño and Oberon Weber were intensively leached to determine gold deportment and silver deportment and effect on recoveries. Silver nuggets were of particular interest.

Silver

Laronde Oberon Weber concentrate grade & recovery: 3473 g/t @ 47.5%

Laronde Santo Niño concentrate grade & recovery: 517 g/t @ 15%

Lakefield Oberon Weber concentrate grade & recovery: 34000 g/t @ 46%



Lakefield Santo Niño concentrate grade & recovery: 4765 g/t @11.6%.

The high concentrate grades attained at the laboratory scale for the Oberon Weber concentrates are impressive. The Lakefield mass balances also show excellent upgrading recoveries of Knelson concentrate on the Mozley table, both at over 90% recovery.

Lakefield research did a visual observation of the Mozley concentrates indicating high amounts of native silver flakes over 1000um in size. Most of the concentrate comprised of 300um and larger silver particles (see appended report).

Leaching results on Laronde concentrates are shown below:

Laronde Oberon Weber concentrate recovery: 94%

Laronde Santo Niño concentrate recovery: 85%

Gold

Although the focus was silver, gold particles that are also present will be recovered.

Laronde Oberon Weber concentrate grade & recovery: 55 g/t @ 47%

Laronde Santo Niño concentrate grade & recovery: 51 g/t @ 40%

Lakefield Oberon Weber concentrate grade & recovery: 951 g/t @ 59.6%

Lakefield Santo Niño concentrate grade & recovery: 775 g/t @44%

The cleaned Lakefield concentrates, at between 750 g/t and 900 g/t is a respectable grade for the high gold recoveries. The cleaning of the concentrates for gold were also very high, at over 90% for both ores.

Combining both gold and silver grades, gives PM concentrates assaying several thousand ppms at laboratory scale, which is very positive.



To shore up results, samples of Santo Niño and Oberon Weber were sent to Knelson for GRG tests (Au and Ag) as well as gravity circuit modelling. Additional leaching of Knelson concentrates and tails were performed to provide a third independent review of these ores.

The benefits of a gravity circuit, for removal of up to 40% gold and silver (26% Au and 12% Ag), were shown previously on the metals grades in final tails, but can also extend into:

- Less precious metals inventory in downstream circuit
- Less CCD requirements (either less CCD units, or lower wash ratio)
- Equivalent CCD requirements with increased metals solution recovery.
- Less cyanide, and therefore cyanide destruction requirements.

18.1.7 Flotation

A single stage flotation test followed by cyanide leaching of the float tail was completed on the Master Composite ground to a p80 of 70 microns at the KCA laboratory. The results are summarized in Table 46

Product	Weight %	Assays – g/t		Distribution - %	
		Au	Ag	Au	Ag
Concentrate	1.5	188.5	3240.8	73	47
Total Tails	98.5	0.977	54.3	27	53
Cyanide Leach Tails		0.96	21.0	24	19
Leach Tails	98.5	0.11	37.0	3	34

Table 46- Flotation test results on the master composite

The results are interesting because of the relatively high gold and silver recovery in the flotation concentrate. However, to be useful, any flotation concentrate would need to be effectively leached or consider concentrate sale to a smelter operation.

Exploratory flotation test work did not show any potential towards silver recovery improvement over the base case leach process. Combinations of gravity, flotation and flotation leach tails were investigated.



18.1.8 Solid/ Liquid Separation

Solid liquid separation (SLS) tests were conducted on Master Composite samples differing in grind target particle size for the Pinos Altos project. Master Composite #1 (MC1) was found to have a P80 of 45 microns after CN leaching, and Master Composite #2 (MC2) had a P80 of 55 microns after CN leaching. The samples were prepared by Kappes, Cassiday & Associates (KCA) and sent to Pocock Industrial, Inc. for SLS testing in December 2006 and January 2007.

Dynamic thickening tests were conducted to develop data for high-rate thickener design. A summary of the recommended high-rate thickener design parameters based on dynamic thickening test data for the sample tested is as follows:

Material	pH	Flocculant Dosage g/t	Maximum U'Flow - %S	Design Loading Rate m3/m2-hr
Master Comp #1	10.5 – 11.2	60 – 65	65.5 – 59.0	2.44 – 3.06
	11.3	55 – 60	62.0 – 55.0	3.06 – 5.00
Master Comp #2	10.5 – 11.2	60 – 65	65.5 – 59.0	2.44 – 3.06
	11.3	55 – 60	62.0 – 55.0	3.06 – 5.00

Table 47- Dynamic thickening test results

The design criteria in this report include values between 3.06 and 5.00 m³/m²/h.

The rheology of the milled Master Composite slurry was tested at Pocock Industrial, Inc. (PII) at densities of 57.0 and 63.5% solids. The slurries behaved as Bingham Plastic fluids and showed yield stresses varying between 2.1 and 67 Pa for densities between 54 and 58% solids.

Pressure filtration tests were conducted on various thickener underflow samples produced from static (conventional) and/or dynamic thickening tests. The filter cake moisture contained 19.0% water. Summary tables of filter press sizing results for all materials tested are provided below.



Material	Filter Feed Solids - %	Dry Cake Density t/m ³	Sizing Basis m ³ /DT	Loading Rate kg/m ²
Master Comp #1	60.8	1.55	0.805	23.3
Master Comp #2	60.0	1.76	0.709	26.4

Table 48 - Pressure filter test results

18.1.9 Detoxifying Tests

Cyanide detoxification tests were performed to determine the factors important to air/SO₂ cyanide destruction on the Pinos Altos material. The destruction tests were performed using sodium metabisulfite as the sulfur source, a pure oxygen sparge and cupric sulfate pentahydrate as the copper source. Based on the results KCA recommended the following minimum parameters for the cyanide detoxification process:

Copper Dosage, g Cu/ g Fe	:	5.5
Sodium Metabisulfite Dosage, g Na ₂ S ₂ O ₅ /g WAD CN	:	6
Retention Time, h	:	4

The cyanide concentration of the effluent solution from the destruction facility is expected to be below 10 g/m³ WAD cyanide. Lime will be required in the neutralization process. The consumption is estimated at 0.80 kg/t based on 100% available CaO. The weighted total lime consumption for all ore types was 1.56 kg per tonne at 100% CaO and is used for the Feasibility Study. The quantity of cyanide that will be neutralized and residual cyanide in the final tailings produce a cyanide loss of 0.61 kg/t. The total cyanide consumption considered reasonable for use with Pinos Altos ore for the Feasibility Study is 0.91 kg/tonne of ore.

18.1.10 Metallurgical Process

Gold and silver mineralization in Pinos Altos ore have been shown to be amenable to conventional agitated cyanide leaching technology through bottle roll leach tests conducted at (CIDT), Servicio Industrial Peñoles, McClelland Laboratories, Inc., (MLI) and Kappes, Cassiday and Associates Laboratory.



18.1.11 Metallurgical Recovery

Agnico-Eagle Mines (AEM) developed models to project the recovery for Pinos Altos ore based on metallurgical bottle roll test results from variability and master. For gold and silver, a linear regression analysis was used to obtain a relationship predicting residue assay as a function of head grade. The model equations are presented as follows:

$$\text{Gold \% Rec} = 0.7019 \times \text{Ln}(\text{head grade}) + 95.762$$

$$\text{Silver \%Rec} = 3.3502 \times \text{Ln}(\text{head grade}) + 37.753$$

Based on mine life head grades of 3.00 gold g/t and 89 silver g/t. (which is roughly grade of the December 31st 2008 mineral reserves that will be processed in the Pinos Also mill, a weighted average gold and silver recovery for all ore types has been estimated at 96.5% and 52.8% respectively.

18.2 Metallurgical Testing – Heap Leach

18.2.1 Pinos Altos

The primary metallurgical testing program for the Pinos Altos deposits was developed under the direction of Agnico-Eagle Mines to select the appropriate process and optimize processing conditions. Samples of the ore types were tested as composites and some of the ore types were tested individually.

KCA and McClelland performed all the known metallurgical testing that extended from November 2005 to the conceptual design report issue date May 2007. The testing primarily consisted of bottle roll and column leach testing of samples (from diamond drill core) from the Pinos Altos deposits. The major test programs which apply to the current plan for open pit mining and heap leaching. The test results are presented in the Pinos Altos Metallurgical Report April 2007.



Results from column tests and bottle roll tests were used to determine precious metal recovery, recovery rate, reagent requirements, and crush size for heap leach parameters.

After review of the metallurgical test data and results sufficient information exists to form the basis for heap leaching recovery and consumable estimates for use in the project financial model for the Pinos Altos feasibility study.

After the 2007 feasibility study a second series of test work was performed to validate and confirm the detailed design and operating parameters, including compacted permeability testing for typical heap feed material and additional column tests to determine cycle time and performance at the specified crush size. The detailed test work results are presented in the Pinos Altos Metallurgical Report March 2008 (KCA, 2008).

18.2.1.1 Coarse Bottle Roll Tests – Phase I

A total of 26 coarse bottle roll tests were performed by (KCA) on ore samples from Cerro Colorado, Santo Niño, Oberon Weber, El Apache and San Eligio open pits. While bottle roll tests do not predict heap leach recovery, they are an excellent tool to "map" the orebody for variations that could affect recovery.

The Pinos Altos deposits are amenable to cyanidation and heap leaching, as determined by lab scale testing. The test data shows Oberon Weber respond more favourably to heap leach than Santo Niño. That can be explained by the mineralization and lithology of the ore. Also the footwall material seems to be more fractured which enhance the leachability of the ore.

However, subsequent the testwork results has indicated there is variability in heap leach performance, as a function of crush size. The results are summarized in Table 49 and Table 50



Test No.	Type of Ore	Sample	Grind P80 mm	Gold Extraction %	Tail g/t	Calc'd Head g/t	Silver Extraction %	Tail g/t	Calc'd Head g/t	Leach Time Hours	Total NaCN gpL
CY-1	SN	PA-05-05	19,0	22,0	2,24	2,87	8,7	10,5	11,5	96	1,0
CY-2	SN	PA-05-05	19,0	22,3	1,92	2,47	7,0	10,7	11,5	96	1,0
CY-3	SN	PA-05-12	19,0	19,8	0,69	0,86	1,8	38,7	39,4	96	1,0
CY-4	SN	PA-05-12	19,0	16,5	1,06	1,27	2,7	40,3	41,4	96	1,0
CY-5	SN	PA-05-17	19,0	14,5	2,82	3,30	3,8	53,1	55,2	96	1,0
CY-6	SN	PA-05-17	19,0	24,6	2,85	3,78	3,4	54,3	56,2	96	1,0
Average	SN		19,0	20,0	1,93	2,43	4,6	34,6	35,9		
35705A	SN	PA-05-77	16,0	39,0	2,13	3,47	11,0	105,9	119,3	144	2,0
35705C	SN	PA-05-20	15,7	37,0	4,72	7,44	3,0	114,9	118,9	144	2,0
35717B	SN	Hanging wall	15,6	34,0	0,48	0,72	9,0	30,4	33,3	144	2,0
35717C	SN	Footwall	15,5	21,0	0,70	0,89	3,0	22,6	23,2	144	2,0
CY-1	SN	PA-05-05,12,17	9,5	34,3	1,59	2,42	4,2	38,4	40,1	96	1,0
CY-2	SN	PA-05-05,12,17	4,8	47,5	1,37	2,61	6,1	35,1	37,4	96	1,0
35707D	SN	PA-05-77	6,3	59,0	1,27	3,09	22,0	125,3	160,6	144	2,0
35714B	SN	PA-05-20	6,3	58,0	3,30	7,77	8,0	115,0	124,4	144	2,0
35720A	SN	Hanging wall	6,0	48,0	0,43	0,83	19,0	21,5	26,7	144	2,0
35720B	SN	Footwall	5,8	54,0	0,36	0,79	6,0	14,6	15,6	144	2,0
Average	SN			43,2	1,64	3,00	9,1	62,4	70,0		

Table 49- Santo Niño – coarse bottle roll test results

Test No.	Type of Ore	Sample	Grind P80 mm	Gold Extraction %	Tail g/t	Calc'd Head g/t	Silver Extraction %	Tail g/t	Calc'd Head g/t	Leach Time Hours	Total NaCN gpL
CY-7	OW	PA-05-30	19,0	49,5	1,04	2,06	4,8	73,5	77,2	96	1,0
CY-8	OW	PA-05-30	19,0	55,5	1,05	2,36	5,3	84,7	89,4	96	1,0
Average	OW		19,0	52,5	1,05	2,21	5,1	79,1	83,3		
35705B	OW	PA-05-42	15,5	44,0	1,65	2,93	13,0	89,1	102,9	144	2,0
35706A	OW	PA-05-43, 48	15,0	44,0	2,31	4,16	7,0	109,1	117,3	144	2,0
35707B	OW	Hanging wall	15,9	64,0	0,17	0,48	4,0	23,7	24,8	144	2,0
35707C	OW	Footwall	16,1	31,0	0,50	0,73	5,0	23,4	24,6	144	2,0
CY-3	OW	PA-05-30	9,5	65,9	0,59	1,73	4,7	70,7	74,2	96	1,0
CY-4	OW	PA-05-30	4,8	75,3	0,44	1,78	5,2	71,4	75,3	96	1,0
CY-1	OW	PA-05-30	9,5	71,6	0,44	1,55	9,1	53,0	58,3	120	2,0
CY-2	OW	PA-05-30	4,8	79,0	0,35	1,67	9,2	55,5	61,1	120	2,0
35714A	OW	PA-05-42	6,2	59,0	1,14	2,78	18,0	96,2	117,5	144	2,0
35715A	OW	PA-05-43, 48	5,7	63,0	1,69	4,56	13,0	101,3	116,2	144	2,0
35716C	OW	Hanging wall	5,7	66,0	0,16	0,47	5,0	28,0	29,5	144	2,0
35717A	OW	Footwall	5,1	50,0	0,39	0,78	12,0	22,5	25,5	144	2,0
Average	OW			59,4	0,82	1,97	8,8	62,0	68,9		

Table 50 - Oberon Weber – coarse bottle roll test results

Decreasing crush size had a positive effect on gold and silver extraction for both the Oberon Weber and Santo Niño ores. The following graphs show the effect of crush size.

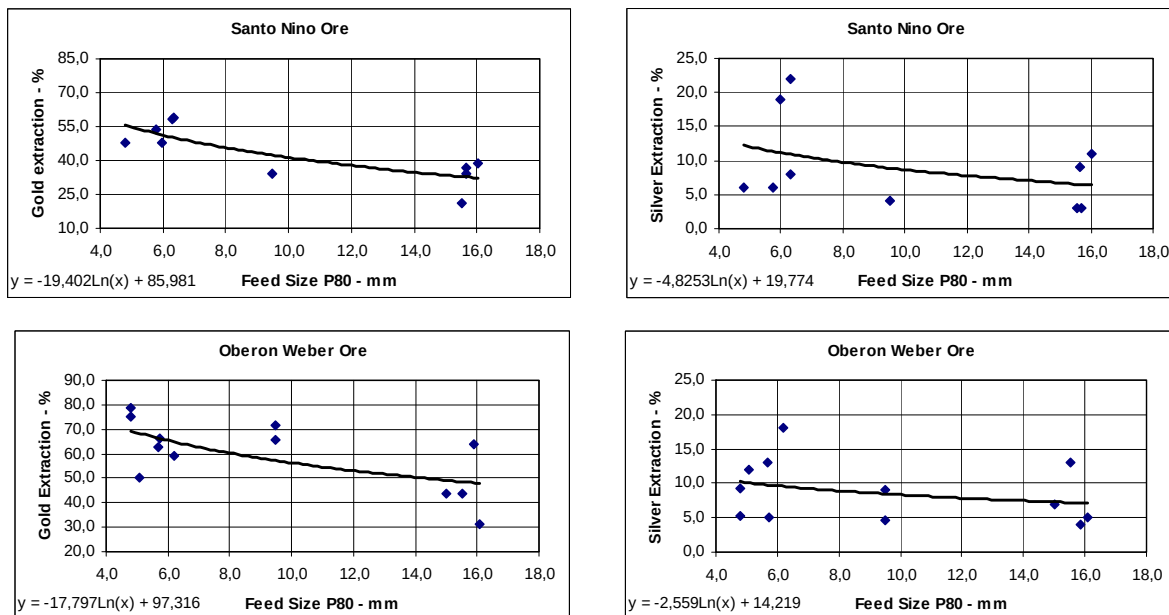


Figure 63 - Effect of crush size on Gold and Silver recoveries

The plots show that head grade had a positive effect on gold recovery for the Oberon Weber but a small effect for the Santo Niño ore. Increased head grade had almost no effect on silver extraction for either Santo Niño or Oberon Weber ore.

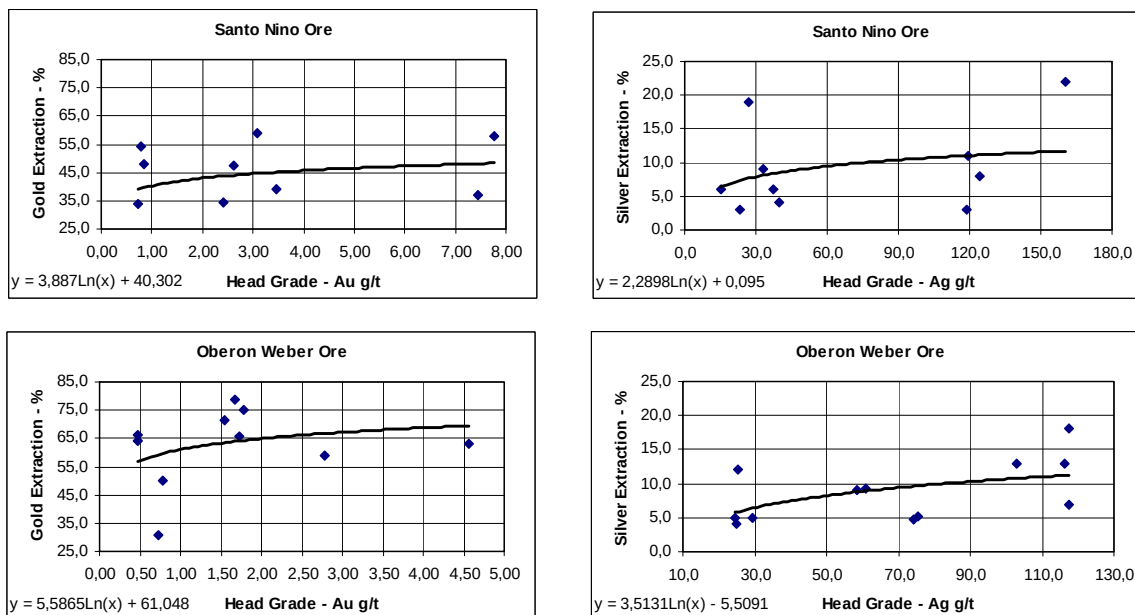


Figure 64 - Effect of Head grade on Gold and Silver recoveries



18.2.1.2 Coarse Leach Tests – Phase I

The most important data for determination of heap leach operating parameters is the set of column leach tests reported by KCA. The first series of four flooded column leach tests were conducted on Cerro Colorado, Santo Niño and Oberon composites material. Results of the column leach tests are summarized in Table 50

Material	Days	Extraction, %		Calculated Head Grade, g/T	
		Au	Ag	Au	Ag
Santo Nino -8 mm	71	67	8	1.27	29.0
Cerro Colorado -8 mm	71	71	9	1.20	51.6
Oberon Weber -19 mm	91	73	7	0.83	42.2
Oberon Weber -8 mm	88	83	10	0.77	43.9

Table 51- Column leach tests results

Gold was still being recovered when the tests were ended. It is highly likely that gold recoveries will improve with longer leach time. The silver recovery was poor considering the long leach time and fine crush size. It is highly likely silver recovery will not improve with longer leach times. The column testing is the basis of this conceptual design report. Further testing should include the assumed crush size (80% at <9.5 mm) and longer leach times.

Phase II of heap leach metallurgical testing were performed on 4 core composite sample to provide material for head analyses, , agglomeration/percolation testwork (minus 8.0 millimeters). Compacted permeability testwork (minus 19.0, 12.5 and 8.0 millimeters) and column leach tests (minus 19 and 8 millimeters).

18.2.1.3 Coarse Bottle Roll Tests – Phase II

A series of bottle roll tests were conducted of the four (4) composite samples utilizing material stage crushed to 100% minus 19 millimeters, material stage crushed to 100%



minus 8 millimeters and material wet ball mill milled to 80% minus 0.075 millimeters.

The results are presented in Table 52 and Table 53.

KCA Test No.	Sample Identification	Calculated Head, gms Au/MT	Average Tail, gms Au/MT	Extracted, % Au	Tailings Calculated P ₈₀ Ore Size, mm	Days of Leach	Consumption NaCN, kg/MT	Addition Ca(OH) ₂ , kg/MT
36924 A	Oberon Weber Composite I	0,98	0,36	63%	15	7	0,91	0,20
36924 B	Oberon Weber Composite I	0,69	0,24	65%	6	7	0,61	0,20
36956 A	Oberon Weber Composite I	0,71	<0.10	91%	0,075	4	0,41	2,50
36924 C	Oberon Weber Composite II	1,02	0,56	45%	16	7	0,46	0,20
36925 A	Oberon Weber Composite II	1,27	0,32	75%	6	7	0,84	0,20
36956 B	Oberon Weber Composite II	0,93	<0.10	94%	0,075	4	0,38	2,05
36925 B	Santo Niño Composite I	0,59	0,46	22%	15	7	0,46	0,20
36925 C	Santo Niño Composite I	0,57	0,29	49%	5	7	0,92	0,20
36956 C	Santo Niño Composite I	0,64	<0.10	92%	0,075	4	0,30	2,05
36926 A	Santo Niño Composite II	1,34	1,01	25%	15	7	0,39	0,20
36926 B	Santo Niño Composite II	0,91	0,50	45%	6	7	0,54	0,20
36956 D	Santo Niño Composite II	1,13	<0.10	95%	0,075	4	0,30	2,00

Table 52 -Bottle roll leach tests results for gold

KCA Test No.	Sample Identification	Calculated Head, gms Ag/MT	Average Tail, gms Ag/MT	Extracted, % Ag	Tailings Calculated P ₈₀ Ore Size, mm	Days of Leach	Consumption NaCN, kg/MT	Addition Ca(OH) ₂ , kg/MT
36924 A	Oberon Weber Composite I	35,3	32,9	7%	15	7	0,91	0,20
36924 B	Oberon Weber Composite I	31,3	28,1	10%	6	7	0,61	0,20
36956 A	Oberon Weber Composite I	35,9	25,0	30%	0,075	4	0,41	2,50
36924 C	Oberon Weber Composite II	40,5	38,1	6%	16	7	0,46	0,20
36925 A	Oberon Weber Composite II	41,4	32,4	22%	6	7	0,84	0,20
36956 B	Oberon Weber Composite II	33,2	22,5	32%	0,075	4	0,38	2,05
36925 B	Santo Niño Composite I	13,2	12,2	8%	15	7	0,46	0,20
36925 C	Santo Niño Composite I	11,6	9,7	17%	5	7	0,92	0,20
36956 C	Santo Niño Composite I	20,0	15,1	25%	0,075	4	0,30	2,05
36926 A	Santo Niño Composite II	32,2	30,1	7%	15	7	0,39	0,20
36926 B	Santo Niño Composite II	32,5	30,0	8%	6	7	0,54	0,20
36956 D	Santo Niño Composite II	35,0	23,3	33%	0,075	4	0,30	2,00

Table 53 -Bottle roll leach tests results for silver

18.2.1.4 Column Leach Tests – Phase II

Column leach tests were conducted on the core composite material. Column leach tests were conducted on of the four (4) separate core composite samples utilizing material stage crushed to 100% minus 19 millimeters and 100% minus 8 millimeters. The columns were



all allowed to actively leach for a period of 125 days. A summary of the test results is presented in Table 54 and Table 55.

KCA Sample No.	Sample Identification	Calculated Head, gms Au/MT	Weighted Avg. Tail Screen, gms Au/MT	Extracted, % Au	Tail Calculated P ₈₀ Ore Size, mm	Crush Size, mm	Days of Leach	Consumption NaCN, kg/MT	Addition Hydrated Lime, kg/MT
36910 A	Oberon Weber Composite I	0,79	0,22	72%	15	-19	125	2,69	0,50
36910 C	Oberon Weber Composite I	0,76	0,14	82%	7	-8	125	3,31	0,50
36911 A	Oberon Weber Composite II	1,03	0,26	75%	16	-19	125	2,68	0,50
36911 C	Oberon Weber Composite II	0,97	0,15	85%	6	-8	125	2,39	0,50
36912 A	Santo Niño Composite I	0,53	0,22	56%	15	-19	125	3,22	0,51
36912 C	Santo Niño Composite I	0,57	0,21	63%	6	-8	125	3,13	0,51
36913 A	Santo Niño Composite II	1,13	0,53	53%	15	-19	125	2,13	0,51
36913 C	Santo Niño Composite II	1,04	0,36	65%	6	-8	125	2,57	0,50
Avg.	Oberon Weber	0,78	0,24	66%	16	-19	125	2,95	0,51
Avg.	Oberon Weber	0,77	0,18	74%	6	-8	125	2,76	0,51
Avg.	Santo Niño	0,83	0,38	55%	15	-19	125	2,68	0,51
Avg.	Santo Niño	0,81	0,29	64%	6	-8	125	2,85	0,51

Table 54 -Column leach tests results for gold

KCA Sample No.	Sample Identification	Calculated Head, gms Ag/MT	Weighted Avg. Tail, gms Ag/MT	Extracted, % Ag	Tail Calculated P ₈₀ Ore Size, mm	Crush Size, mm	Days of Leach	Consumption NaCN, kg/MT	Addition Hydrated Lime, kg/MT
35589 A	Oberon Weber Composite I	33,7	30,2	10%	15	-19	125	2,69	0,50
36910 C	Oberon Weber Composite I	32,6	27,5	16%	7	-8	125	3,31	0,50
36911 A	Oberon Weber Composite II	43,2	36,6	15%	16	-19	125	2,68	0,50
36911 C	Oberon Weber Composite II	43,9	35,5	19%	6	-8	125	2,39	0,50
36912 A	Santo Niño Composite I	13,0	11,1	15%	15	-19	125	3,22	0,51
36912 C	Santo Niño Composite I	16,7	14,6	13%	6	-8	125	3,13	0,51
36913 A	Santo Niño Composite II	36,4	33,5	8%	15	-19	125	2,13	0,51
35589 B	Santo Niño Composite II	37,3	33,2	11%	6	-8	125	2,57	0,50
Avg.	Oberon Weber	38,5	33,4	13%	16	-19	125	2,69	0,50
Avg.	Oberon Weber	38,3	31,5	18%	7	-8	125	2,85	0,50
Avg.	Santo Niño	24,7	22,3	12%	15	-19	125	2,68	0,51
Avg.	Santo Niño	27,0	23,9	12%	6	-8	125	2,85	0,51

Table 55 -Column leach tests results for silver

Based on the metallurgical test work and experience at other heap leach operations, precious metals average recoveries for minus 12.5 millimeters crush size are as follows:



Material	Recovery, %		Calculated Head Grade, g/T	
	Au	Ag	Au	Ag
Santo Niño	59	11	1.13	27.82
Oberon Weber	77	14	0.65	25.11
San Eligio	65	15	0.83	53.65
El apache	65	15	0.86	19.06
Average	67.50	12.96	0.88	25.52

Table 56 - Anticipated heap leach recovery

18.2.2 Creston-Mascota

In 2008 Agnico-Eagle division Laronde and (KCA) conducted metallurgical testing on individuals and composite samples of Creston-Mascota ore. This test program indicated that gold and silver could be extracted from the ore using cyanide leaching technology.

These test included coarse and fine bottle roll leach tests and column leach tests. This work used core samples from three different ore zones (South, Central and North). Phase 1 testwork program purpose was to investigate the effect of rock size distribution under heap leaching conditions. The results of this program indicated that a fine crush size for the ore (100% minus 9.5 millimeter) will be necessary to achieve commercially acceptable extraction rates.

It is recommended to continue with determining the response of individual ore types and composite ore types to heap leaching technology.

18.2.2.1 Mineralogy

The geologist's logbook of Central and North drill holes were used to compare the lithologies in each of the composite samples for Creston-Mascota. After review of the detailed lithologies, it appears that the North zone composite sample (39576) contains more calcite and andesite than the South zone composite sample (39523).

The Central zone metallurgical sample is mainly composed of felsic volcanic, breccia and stockwork. On the other hand, the South zone sample shows high predominance of andesite.



Detailed lithology for each metallurgical sample is described in Table 57 through Table 58.

Hole #	From	To	Lithology
CM-07-029	102.1	107.2	ST, Felsic Volcanic Weak stockwork (1%) has white quartz-calcite veinlets
	107.2	110.6	BM, Replacement Breccia Replacement Breccia (clast supported). Clasts are med. to fine, moderately silicified and strongly oxidized crystal tuff. Interval contains a core of open space breccia with clasts of tuff suspended in a white and light green quartz matrix. Locally vuggy with open space vugs coated with black MnOx? Moderately developed light green + white quartz bx., moderately vuggy and leached looking. At least 3 small specks of VG are noted in light green quartz vein at 108.6m.
	110.6	122.4	ST, Stockwork Stockwork as above but interval is much less oxidized with a greenish-brown color. Stockwork is strongly developed with coarse white. and gray calcite (veinlets to 2 + cm wide) with minor white quartz veinlets/stringers.
	122.4	123.4	BL, Open Space Filling Breccia
	123.4	125.0	ST, Stockwork White quartz veinlets are up to 2% Fine grain welded tuff
	125.0	125.6	BL, Open Space Filling Breccia
	125.6	126.4	ST, Stockwork White quartz veinlets are 2-3% of the interval
	126.4	126.9	BL, Open Space Filling Breccia It has fragments of fine grain tuff
	126.9	128.0	ST, Stockwork
	128.0	128.4	BL, Open Space Filling Breccia White quartz and calcite
	128.4	128.8	V1, Felsic Volcanic Volcanic lithic tuff
	128.8	132.9	BL, Open Space Filling Breccia It has green/white banded quartz and carbonate. Visible gold was observed
	132.9	133.4	V1, Felsic Volcanic Silicified fine grain tuff has up to 1% quartz veinlets
	133.4	133.8	BL, Open Space Filling Breccia Presence of black carbonate
	133.8	138.0	V2, Intermediate Volcanic It has 1% of white quartz veinlets

Table 57 - Detailed lithology – central zone



Hole #	From	To	Lithology
CM-08-069	15.0	27.8	AL, Alluvium Drill pad material, colluviums and rock fragments of V2J, sand and clay, fragments with quartz veinlets
	27.8	34.9	V2J, Andesite Fine grained, alphanitic lithic tuff, andesitic composition, with quartz veinlets and disperse pyrite, welded, transitional contact on base
	34.9	45.0	V2I, Intermediate Volcanic Lithic tuff, semi rounded, centimetric fragments, some alteration and occasional white quartz veinlets. More frequent on base where shows elongated fragments and flame apparently is a fault contact with dacite.
CM-08-071	7.7	27.5	NI, Not identified Fragmental Volcanic Unit. Interval is characterized by a light purplish to greenish brown matrix with fine to very coarse angular fragments often jigsaw textured, porphyritic and finer volcanoclastic lithologies. Locally flame textured.
	27.5	43.5	V2J, Andesite Intermediate (andesitic) lapilli tuff, moderately bleached, silicified and pyritic. Plag porphyritic. Muddy sandy fault gouge. Quartz breccia, pyritic, vuggy, white. Quartz crystals subcentimetric, euhedral. Quartz-calcite veining
CM-08-077	71.0	74.3	ST, Stockwork Stockwork. Moderately developed zone of white calcite stockworking in the Andesitic Breccia/fragmental unit.
	74.3	77.8	BL, Open Space Filling Breccia Openspace Breccia (Matrix Supported). Clasts are a mix of white calcite and Andesitic Crystal Lithic Tuff. Matrix is mostly white calcite. Interval contains mod. Brown hem with openspace/vugs filled with a mix of coarse, euhedral. White, clear and gray calcite. Traces of vfg. dissimulated pyrite is noted.
	77.8	84.5	ST, Stockwork Moderate, grading to weakly developed white calcite with minor white quartz stockwork. Hostrock is the Andesitic Crystal Tuff (V2I). Unit that is light cream-to-gray colour and contains traces to 0.5% vfg. dissimulated pyrite throughout.

Table 58 -Detailed lithology - north zone

The XRD mineralogy results indicates that the North zone sample pyrite content is higher as well as the muscovite, ilmenite and calcite contents. The Creston-Mascota Central



zone contains more orthoclase and albite than the North zone. These observations are presented in Table 59.

Mineral	Formula	Semi-Quantification (wt%)	
		39523 (Central Zone)	39576 (North Zone)
Quartz	SiO ₂	46.7	43.3
Orthoclase	KAlSi ₃ O ₈	22.8	18.3
Albite	(NaSi,CaAl)AlSi ₂ O ₈	5.5	4.4
Calcite	CaCO ₃	4.4	6.3
Montmorillonite	(Al,Mg) ₈ (Si ₄ O ₁₀) ₃ (OH) ₁₀ *12H ₂ O	2.9	3
Clinochlore	(Mg,Fe) ₅ Al(Si ₃ Al)O ₁₀ (OH) ₈	3.1	3.2
Muscovite	K(Mg,Fe)Al ₂ Si ₃ AlO ₁₀ (OH) ₂	9.9	14.3
Chalcopyrite	CuFeS ₂	0.5	0.5
Ilmenite	FeTiO ₃	0.3	0.8
Hematite	Fe ₂ O ₃	0.3	0.3
Ankerite	CaFe(CO ₃) ₂	0.9	1.7
Pyrite	FeS ₂	0.6	3.9
Goethite	αFeO·OH	1.7	--
Magnetite	Fe ₃ O ₄	0.5	--
Total		100.1	100

Table 59- XRD semi-quantitative analysis - Mascota

Mineral Name	Semi-Quant(%)
	Pinos Altos Mar 2007(-300um)
Quartz	66.1
Albite high	4.9
Orthoclase	15.6
Calcite	0.8
Ilmenite, syn	0.5
Hematite, syn	1.0
Clinochlore (IIb-4)	2.7
Montmorillonite-15A	1.4
Illite	3.6
Kaolinite	3.5

Table 60 -Pinos Altos mineralogy for comparison with Mascota ore

Creston-Mascota ore contains more calcite and less quartz than Pinos Altos ore. The mineral clay content (montmorillonite) is higher as well. Muscovite is also relatively more abundant in Creston-Mascota ore.



The pre-concentration results demonstrated that the gold and silver are in the float fraction (silicates) for the Central Zone. For the North Zone, the precious metals are in the heavy fraction (sulphides). The following table (Table 61) presents the pre-concentration results.

Table 61 - Pre-concentration results

Sample ID	Product	Wt %	Au g/t	Ag g/t	%Au	%Ag
No 39523 Mascota Central (S < 0.05%)	Feed	100	1.48	26.9	100	100
	SP Tip	0.03	493*	4420*	40.5	20.0
	SP Oxide 1	0.05				
	SP Oxide 2	0.04				
	SP Mid	1.79	3.88	37.5	4.7	2.5
	SP Tail	3.23	2.22	23.6	4.8	2.8
	HLS Float	94.8	0.78	21.2	50.0	74.7
No 39576 Mascota North (S = 0.71 %)	Feed	100	2.78	10.1	100	100
	SP Tip	0.06	2501*	5153*	56.5	32.0
	SP Sulphide	1.44	53.6	206	27.7	29.3
	SP Mid	1.01	7.66	55.5	2.8	5.6
	SP Tail	4.61	1.62	19.3	2.7	8.8
	HLS Float	92.8	0.31	2.65	10.4	24.3

* Calculated analyses from feed grade

Note: SP = superpanning, HLS = Heavy Liquid Separation

The mineralogy examination would explain the gold deportation for each ore zone. It is part of the current testwork to investigate the mineralogy composition of each ore zones. Results are pending.

18.2.2.2 Ore Characteristics

The ore characteristics were determined at the KCA laboratories. Table 63 indicates some key ore characteristics.

ITEM	UNIT	CRITERIA
Ore Grade, Au	g/t	1.80
Ore Grade, Ag	g/t	20.0
Ore SG		2.62
R-O-M Ore Bulk Density	t/m ³	1.80
Rod Mill Index		13.25
Ball Mill Index		15.42
Abrasion Index		0.274

Table 62 –Creston-Mascota ore characteristics



18.2.2.3 Testwork at Laronde Laboratory

Metallurgical testing of the Creston-Mascota ores began with tests by Agnico-Eagle (AEM) division Laronde in 2007. Coarse and fine grind bottle roll leach tests were conducted on Creston-Mascota individual drill core samples from the South Zone. The fine grind leach tests were accompanied by gravity concentration tests. The testwork results are presented in Table 63 and Table 64.

Sample	Grind %-75µm	Calc'd Head - g/t		Gravity Rec - %		Extraction - %		Recovery - %	
		Au	Ag	Au	Ag	Au	Ag	Au	Ag
CM-06-001-C4	84,1	3,44	91,8	35,9	12,8	59,7	50,6	95,6	63,4
CM-06-002-C4	85,1	2,14	35,1	45,1	6,0	52,5	37,2	97,6	43,2
CM-06-003-C1	82,2	2,36	51,8	45,9	12,8	52,4	47,0	98,3	59,8
CM-06-004-C4	82,2	1,87	59,3	45,1	5,9	50,6	50,7	95,7	56,6
CM-06-XXX-C4	94,2	0,45	14,4	46,2	4,6	49,5	25,3	95,7	29,8

Average	85,6	2,05	50,5	43,6	8,4	52,9	42,2	96,6	50,6
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Table 63- Fine bottle roll tests - south zone

Sample	Crush P80 mm	Gold			Silver		
		Extract %	Tail g/t	Calc'd Head g/t	Extract %	Tail g/t	Calc'd Head g/t
CM-06-001-C1	17,0	53,1	1,74	3,70	18,3	58,3	71,4
CM-06-002-C1	17,0	36,9	2,45	3,88	13,6	30,4	35,2
CM-06-004-C1	17,0	27,2	1,31	1,80	12,2	51,3	58,5
CM-06-XXX	17,0	62,9	0,13	0,35	18,9	10,2	12,6
Average	17,0	45,0	1,41	2,43	15,8	37,6	44,4
CM-06-001-C2	9,5	51,8	2,22	4,61	19,7	74,8	93,1
CM-06-002-C2	9,5	55,0	1,01	2,24	16,5	29,2	34,9
CM-06-004-C2	9,5	31,7	1,31	1,91	13,5	46,1	53,2
CM-06-XXX	9,5	31,5	0,35	0,51	19,0	10,6	13,0
Average	9,5	42,5	1,22	2,32	17,2	40,1	48,6
CM-06-001-C3	6,3	56,4	1,86	4,27	20,9	73,1	92,4
CM-06-002-C3	6,3	53,7	1,06	2,29	20,1	28,1	35,2
CM-06-004-C3	6,3	39,2	1,07	1,76	13,6	48,3	55,9
CM-06-XXX	6,3	45,3	0,22	0,41	16,5	11,9	14,2
Average	6,3	48,7	1,05	2,18	17,8	40,3	49,4

Overall	10,9	45,4	1,23	2,31	16,9	39,3	47,5
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Table 64 - Coarse bottle roll test results - south zone



18.2.2.4 Testwork at KCA Laboratory

More recently, a detailed metallurgical testwork program was completed under the direction of AEM during the Scoping Study phase to optimize heap leach process operating parameters. Three metallurgical composites, one from each selected zone, were prepared by KCA from individual drillhole samples. These consisted of cyanidation studies including bottle roll and column leach tests including reagent consumption tests. This work was completed in September 2008.

The drillhole selection for South, Central and North Creston-Mascota zones is made in respect of the head grade and representative sample through the ore bodies.

The metallurgical composite sample is composed of the main zone (mineralized zone) and wall dilution material. The dilution factor was set at 10% for open pit mining. The following tables present the composition of each composite.

Hole #	Distance (m)		Grade (gms/MT)		Weight kg	Dilution (%)	
	From	To	Au	Ag		Hanging wall	Footwall
CM-06-001	0,00	13,00	0,57	21,52	15,08	0,0	5,8
CM-06-002	2,70	16,30	0,57	15,49	24,12	16,6	30,6
CM-06-003	14,50	28,00	1,05	22,07	18,27	9,6	0,0
CM-06-005	7,80	21,50	0,63	13,17	65,64	1,8	78,3
CM-07-006	13,00	27,00	1,38	50,25	28,24	17,0	20,5
CM-07-007	12,00	19,00	1,93	57,31	9,42	0,0	5,3
CM-07-009	30,00	42,50	0,66	29,66	20,81	2,3	4,9
CM-07-044	85,80	89,90	1,84	0,48	11,39	0,0	100,0
CM-07-045	78,50	88,50	3,28	51,35	16,58	5,1	6,0
Total			1,09	25,77	209,55	6,2	37,9
Dilution Global						44,1	

Table 65 - South zone composite

Hole #	Distance (m)		Grade (gms/MT)		Weight kg	Dilution (%)	
	From	To	Au	Ag		Hanging wall	Footwall
CM-07-012	32,50	100,50	1,64	31,56	123,87	5,7	4,8
CM-07-029	102,10	138,00	1,25	23,43	62,05	4,2	5,3
CM-07-036	20,50	24,50	3,43	14,09	5,72	4,4	4,0
Total			1,57	28,41	191,64	5,2	4,9
Dilution Global						10,1	

Table 66 - Central zone composite



Hole #	Distance (m)		Grade (gms/MT)		Weight kg	Dilution (%)	
	From	To	Au	Ag		Hanging wall	Footwall
39524			1,93	16,55	30,00	26,0	22,5
CM-08-069	15,00	45,00	1,52	3,26	86,96	1,8	4,5
CM-08-071	7,70	43,50	2,21	15,38	54,15	4,5	5,1
CM-08-077	71,00	84,50	2,97	9,78	33,00	5,1	5,0
Total			2,00	9,48	204,11	6,6	7,4
Dilution Global						14,0	

Table 67 - North zone composite

Testwork was done at 100% passing sizes of 9.5 mm and 19.0 mm in coarse bottle roll and column tests. Also fine grind bottle roll tests were performed to determine the maximum recovery. KCA's latest results on bottle roll and column leach tests are summarized in Tables 26 to 28.

Composite	Grind P80 mm	Gold			Silver		
		Extract %	Tail g/t	Calc'd Head g/t	Extract %	Tail g/t	Calc'd Head g/t
South	0,075	84	0,16	1,02	31	20,00	29,0
Central	0,075	91	0,12	1,40	21	26,20	33,2
North	0,075	90	0,13	1,35	86	1,40	9,9
Average	0,075	88	0,14	1,26	46	15,9	24,0

Table 68 -Fine bottle roll tests results

Composite	Crush P80 mm	Gold			Silver		
		Extract %	Tail g/t	Calc'd Head g/t	Extract %	Tail g/t	Calc'd Head g/t
South	15,6	23,0	1,22	1,58	6,0	30,6	32,4
Central	13,7	43,0	0,69	1,21	3,0	22,9	23,5
North	16,1	41,0	0,62	1,05	33,0	3,2	4,8
Average	15,1	35,7	0,84	1,28	14,0	18,9	20,2
South	6,4	59,0	0,42	1,02	9,0	23,0	25,1
Central	6,2	56,0	0,93	1,65	5,0	28,0	29,4
North	6,3	41,0	1,32	2,22	33,5	7,1	10,5
Average	6,3	52,0	0,89	1,63	15,8	19,4	21,7

Overall	10,7	43,8	0,87	1,45	14,9	19,1	21,0
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Table 69 - Coarse bottle roll test results

The final column leach tests ended in late September, 2008. The next table shows the updated results for the Creston-Mascota column leach tests through day 104 of the leach period.



Ore	Crush P80	Calculated Head -g/t		Extraction - %		NaCN	Hydrated Lime
Type	mm	Au	Ag	Au	Ag	kg/t	kg/t
South	15,1	0,92	29,0	76	14	1,3	1,0
Central	14,9	1,81	30,0	76	5	1,2	1,0
North	15,8	1,74	9,4	45	38	1,0	1,0
Average	15,3	1,49	22,8	66	19	1,2	1,0
South	6,9	1,02	25,1	76	20	1,5	1,0
Central	6,7	1,69	26,6	83	8	1,3	1,0
North	6,8	1,75	10,0	64	49	1,5	1,0
Average	6,8	1,49	20,6	74	26	1,4	1,0

Overall	11,0	1,49	21,7	70	22	1,3	1,0
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Table 70 -Column test results

Compacted permeability tests at simulated heap heights of 60, 120 and 150 meters were conducted.

With no cement addition, the Creston-Mascota Central sample at the 19 mm crush size and the North sample at the 9.5 mm crush size failed the tests at the 60-meter simulated heap height. These two samples were completely impermeable under the 60-meter simulated height as no solution was able to flow through the compacted material. Adding 3 kg/t of cement to these two samples increased flow considerably in the compacted tests at all heap heights tested. Therefore, for the purposes of this study, a cement addition rate of 4 kg/t was assumed to be required to maintain permeability at the bottom of the heap, with lowering amounts towards the top as the load on the ore decreases. It is recommended that additional compacted permeability tests to optimize cement requirements in agglomeration.

18.2.2.5 Testwork at Pinos Altos Laboratory

In 2008, a metallurgical investigation was undertaken by Agnico-Eagle Mexico at the Pinos Altos site. Two outcrop grab samples of the Creston-Mascota deposit were obtained by trenching. These samples were taken at the south and north part of the deposit. Four column leach tests were conducted at two different crush sizes during 163 days of leaching. This work was completed at the end of September 2008. The test work results are summarized in Table 71



Ore	Crush P80	Calculated Head -g/t		Extraction - %		NaCN
Type	mm	Au	Ag	Au	Ag	kg/t
South	13,9	2,00	57,8	84	60	2,45
North	14,2	1,24	5,7	67	45	2,87
Average	14,1	1,62	31,7	75	53	2,66
South	5,9	1,90	49,8	88	60	1,97
North	6,0	1,49	9,0	84	64	2,60
Average	6,0	1,69	29,4	86	62	2,29

Overall	10,0	1,66	30,5	81	57	2,47
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Table 71 : Column Tests Results

The lime consumption was very high for the Creston-Mascota North sample (10 kg/t) while it was low (2 kg/t) for the South zone. The natural pH was 3.7 and 5.2 for the North and South zones respectively.

The cyanide consumption was also very high for 2.5 kg/t for both types of ore.

KCA reported a natural pH of 7.5 with 0.3 kg/t of cyanide and 1 kg/t of lime consumption.

18.2.2.6 Testwork Results Interpretation

The coarse bottle roll test results between Pinos Altos and Creston-Mascota indicate that Creston-Mascota has a similar metallurgical behaviour than Santo Nino especially for gold. The next table shows the leach bottle roll tests results at coarse grind for Pinos Altos and Creston-Mascota.

Ore Type	Calc'd g/t	Head	Tails Grade g/t		Dissolution %		Leach Time
	Au	Ag	Au	Ag	Au	Ag	Hr
SN 07	1.74	59.8	0.99	51.2	41	11	137
SN 08	0.85	22.4	0.57	20.5	35	10	168
OW 07	1.73	63.6	0.77	57.1	57	9	134
OW 08	0.99	37.1	0.37	32.9	62	11	168
Mascota							
South	1,30	28,8	0,82	26,8	41	8	120
Central	1,43	26,5	0,81	25,5	50	4	120
North	1,63	7,7	0,97	5,1	41	33	120

Table 72 : Coarse Bottle Roll Tests Results, 80% minus 10.5mm



The column tests results demonstrate that the gold extraction is quite high with the Creston-Mascota Central zone. The North Zone shows high silver rate extraction compare to other zones. That indicates a variable mineralogy through the deposit. The extraction rate is based on assayed head.

The next table summarizes the extraction rate between per Zones at 80% minus 11.0mm.

Ore Type	Calc'd Head (g/t)		Extraction (%)		Days of Leach
	Au	Ag	Au	Ag	
South	0,97	27,1	76,0	17,0	104
Central	1,75	28,3	79,5	6,5	104
North	1,75	9,7	54,6	43,6	104

Table 73 : Column Tests Results, 80% minus 11mm

The Central zone has a big impact on the overall recovery. The tonnage and ounces proportion for each zone within the estimated pit limits were calculated as follows:

Ore Zone	Tonnes	Gold Content		Silver Content	
		oz	%	oz	%
South	567 336	30 566	7,9	594 631	14,8
Central	4 045 053	243 138	62,7	2 306 123	57,4
North	1 993 080	113 863	29,4	1 118 071	27,8
Global	6 605 469	387 568	100.0	4 018 825	100.0

Table 74 : Tonnes and ounces per zone at Creston-Mascota

After review of the heap leach test work and analysis of the costs the crush size of 100% minus 12.5mm, or approximately a p80 of 9.5mm was selected because to get as much recovery benefit as possible with a fine crush. The ore will be under leach for an average of 2 years that should enhance the extraction. The assumed crush size 80% passing 9.5 mm is the design criteria for the study.

Testwork has shown that the cyanide consumption by the ore will be 0.35 kg/t of ore while cement consumption average 3.0 kg/t. Carbon, caustic and hydrochloric acid consumption based on the experience of KCA.



Because actual test program composites report high recovery variation in the deposit, it is recommended a second phase of metallurgical testing be carried out. Additional column and bottle roll test must be conducted in 2009 on individual samples in order to measure the variability into the Creston-Mascota deposit. That series of tests will confirm the precious metal recoveries, optimal crush size and heap height.

18.3 Mineral Processing Facilities

18.3.1 Pinos Altos

Engineering and design at a feasibility study level has been completed by Kappes, Cassiday and Associates (KCA) for a 1,460,000 metric tonnes per year (4,000 metric tpd) conventional Merrill Crowe precious metals recovery plant, including one stage crushing, SAG and ball mill grinding, thickening, leaching and recovery systems, cyanide destruction, and dry tailings impoundment.

Based on testwork results; the metal extraction rates established as reasonable to use for the Pinos Altos Project were 96.5% life of mine weighted average recovery for gold and 53% life of mine weighted average recovery for silver. The precious metals recovery circuit is designed to produce approximately 156,000 ounces of gold, 2,400,000 ounces of silver annually.

The heap leach is sized for a nominal ore processing rate of 730,000 tonnes per year (2,000 tpd). Ore will be mined in one or more open pits, crushed in a three stage crusher, truck stacked on a pad, and leached in a two-stage counter-current fashion. Metal will be recovered in a standard Merrill-Crowe plant located in the mill.

A 4.5 millions tonnes leach pad having a 68% recovery for gold and 13% recovery for silver was added to the original plan. The feed rate for the Leaching process at Pinos Altos is of 2000 tpd. The annual heap leach precious metals production is approximately 14,000 ounces of gold, 80,000 ounces of silver.



18.3.1.1 Milling

The Pinos Altos process facility will include a 4,000 t/d leach-CCD-Merrill Crowe mill. Due to the amount of recoverable silver in the ore, an agitated leach/CCD wash circuit followed by a Merrill Crowe plant for the recovery of gold and silver values was chosen for processing ore from the Pinos Altos project. The flowsheet will consist of the following processes:

Crushing and conveying

Stockpile and reclaim

Grinding and Gravity and Intensive Leaching

Agitated leach circuit

Counter current decantation

Zinc precipitation (Merrill Crowe)

Mercury Retort & Refinery

SO₂ / Air cyanide destruction plant

Pressure filtration and dry stacking tailings

Paste backfill plant

Reagent mixing and distribution

Utilities

The base case scenario for the study at the Pinos Altos facility includes crushing and grinding, thickening, agitated leach circuit, followed by counter-current decantation (CCD). Gold and silver will then be recovered by Merrill Crowe zinc dust precipitation. The residual cyanides will be destroyed prior to tailings filtration. The filtered tailings will be discharged to the tailings area. Gold/Silver bullions will be produced on site from the zinc precipitate. The filtrate water from MC (barren solution) and tailings filtration areas will be reused as process water. A simplified process flowsheet is presented in Figure 65



The criteria used for the design of the 1.46 million tonne per year agitated leach processing circuit are summarized in Table 75.

ITEM	CRITERIA
Annual Tonnage Processed	1,460,000 tonnes
Crushing Production Rate (Designed for 6,000 tpd)	333 tonnes/h
Crushing Operation	12 hours/shift, 2 shifts/day, 7 days/week
Crusher Availability	75%
Milling Production Rate	180 tonnes/h
Mill Operation	12 hours/shift, 2 shifts/day, 7 days/week
Mill Availability	92.5%
Grinding Product Size	80% -74 μm (200 mesh)
Leaching Retention Time	48 hours
Leach % Solids	50 wt. % solids

Table 75 -Milling process design criteria

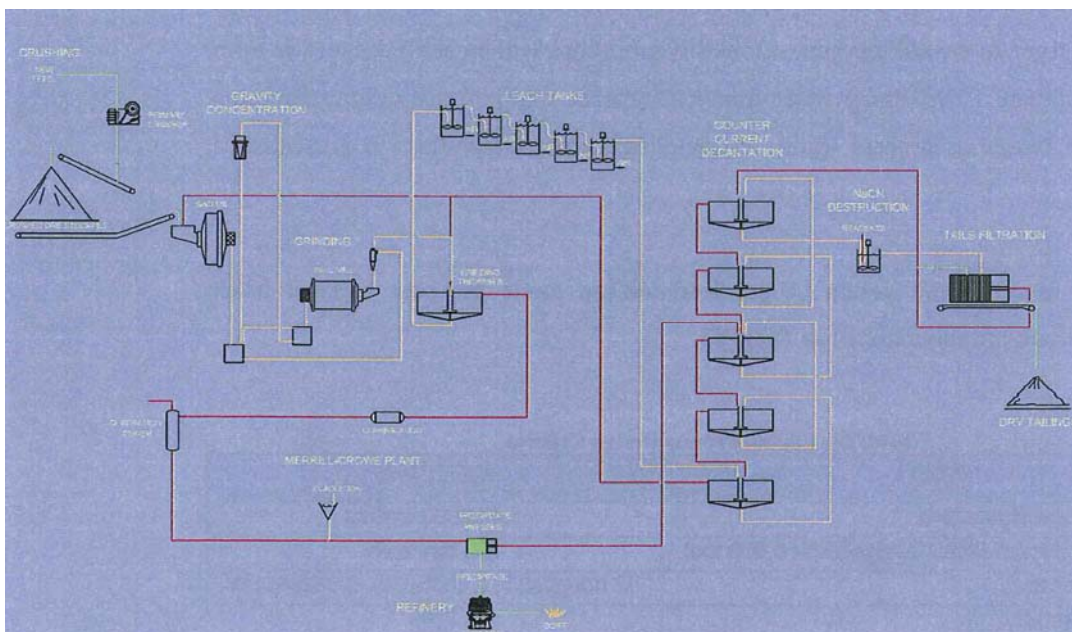


Figure 65- Simplified mill flowsheet

Mill Facility Capital Cost

The total estimated cost to design, construct and commission the mill facilities is \$78.2 million based on an revised cost estimate. The estimate includes the direct field cost for constructing the project at \$57.5 million as well as the indirect costs associated with the



design engineering, procurement and construction, spare parts, contingency and Owner's costs. The sustaining capital is not included. All costs are expressed in second quarter 2007 US Dollars with no allowance provided for escalation, interest or financing during construction.

The 2007 feasibility study accuracy is within +/- 15%. The cost is based on a 1,460,000 tpa milling requirement. The following table summarises the capital expenditure associated to the milling facility.

Cost Sector	\$US
Direct Costs	
Process Area General & Mobile Equip	2 506 461
Crushing	3 034 384
Grinding, Gravity & Thickening	19 891 073
Agitated Leach	5 487 878
Counter-current Decantation	4 455 738
Merrill Crowe	2 805 165
Refinery	1 178 189
Cyanide Destruction	3 407 092
Tailings Filtration	13 097 379
Reagents	746 208
Assay Laboratory	884 965
TOTAL DIRECT COSTS	57 494 532
Indirect Costs	
EPCM	6 492 369
Spare Parts	1 806 237
First fill	718 241
Construction Cost	3 088 003
TOTAL INDIRECT COSTS	12 104 849
TOTAL DIRECT & INDIRECT COSTS	69 599 381
Contingency	8 624 179
TOTAL CAPITAL COSTS	78 223 560

Table 76 - Mill facility capital cost

Mill Facility Operating Cost

KCA (2007) has produced the operating cost based on available test work information, LaRonde operational experience, as well as general operating practice. Mexican labour



wages and regulation specifics were integrated into this evaluation. All reagents costs are based on first quarter quoted pricing as well as for wear parts.

Process facilities operating costs average \$15.91/tonne of ore and include the laboratory. The process operating costs are broken into the major categories of labour, power, reagents, and maintenance and consumables.

Cost Sector	\$US/mt
MANPOWER	1,43
MATERIAL (operation c/w steel ball)	3,41
REAGENTS	4,87
SUPPLIES (maintenance)	1,21
POWER & HVAC	4,97
ANALYTICAL SERVICES	0,02
TOTAL	15,91

Table 77 -Mill facilities operation cost

18.3.2 Heap Leach Pinos Altos

The processing facilities consist of a heap leach including a three stage crusher, leach pad, three leach ponds and a Merrill-Crowe recovery system (Matte et al., 2008). A simplified flowsheet is presented in Figure 66.

The basic components included in the heap leach system are:

- Three stage crushing using a primary jaw and two cone crushers as secondary and tertiary stages;
- Crushed ore reclaim using a loader and trucks;
- Heap leach pad;
- Three ponds (pregnant, barren and intermediate);
- Gold and silver recovery in a Merrill-Crowe plant that includes clarification filters,

- diatomaceous earth mix and dosing system, a deaeration tower, a zinc mix station, and precipitate filters, with the associated pumps and accessories;
- Reagent addition, which consists of sodium cyanide mix and storage tanks with associated pumps, and a lime storage bin and feeder for adding pebble lime directly to the crushed ore.

The criteria used for the design of the 0.73 million tonne per year heap leach processing circuit are summarized in Table 77.

ITEM	CRITERIA
Annual Tonnage Processed	0.73 million tonnes
Crushing Production Rate	200 tonnes/h
Leach Operation	12 hours/shift, 2 shifts/day, 7 days/week
Expected Crusher Availability	75%
Crusher Product Size	100% -12.5 mm
Leach Time	90 days

Table 78 -Heap leach design criteria

The Pinos Altos Heap Leach design is based on an ore processing rate of 730,300 metric tonnes per year.

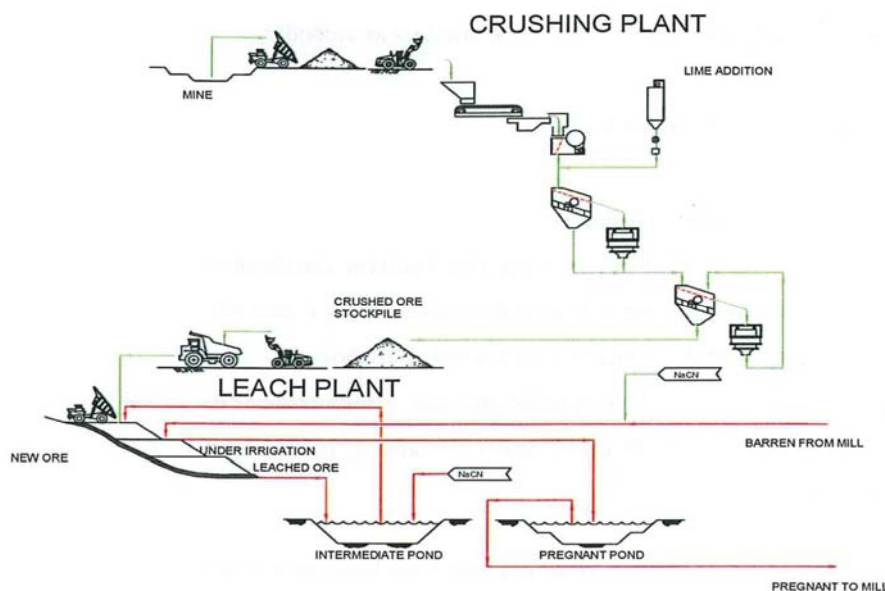


Figure 66 -Simplified heap leach flowsheet

Heap Leach Capital Cost



The estimated cost to construct, install and commission the facilities described in this report is \$16.8 million. This amount covers the direct field costs of executing the project, plus Owner's costs and indirect costs associated with design, construction and commissioning. The sustaining capital is not included. All costs are expressed in second quarter 2007 U.S. dollars, with no allowance for escalation, interest or financing during construction.

The initial leach pad will need to be expanded in Year two, sustaining capital has been provided in Table 79 shows capital expenditures, indirect costs and contingency associated with heap leach project.

Cost Sector	\$US
Direct Costs	
Leach Pad Phase 1	1 134 000
Process Ponds	1 708 000
Crushing Plant	4 375 000
Pumps and Piping	619 000
Metal Recovery Plant	1 300 000
Reagent Equipment	183 000
Trucks	978 000
Loaders	728 000
Dozer	344 000
Pipelines	86 000
Total Direct Costs	11 455 000
Indirect Costs	
Indirect	572 800
EPCM	1 000 000
Spare	426 350
Initial Fill	46 000
TOTAL INDIRECT COSTS	2 045 150
TOTAL DIRECT & INDIRECT COSTS	13 500 150
Contingency	1 954 170
Future Capital -Year 2 Pad	1 314 000
TOTAL CAPITAL COSTS	16 768 320

Table 79 -Heap leach capital cost



Heap Leach Operating Cost

The total estimated operating cost is \$4.43 per tonne processed at a throughput rate of 2,000 tpd (0.73 million tonnes per year). The operating cost estimates do not include a contingency allowance.

Cost Sector	\$US/mt
MANPOWER	0,84
MATERIAL (operation c/w steel ball)	1,15
REAGENTS	1,00
SUPPLIES (maintenance)	0,75
POWER & HVAC	0,68
ANALYTICAL SERVICES	0,01
TOTAL	4,43

Table 80- Heap leach operation cost

18.3.3 Creston-Mascota

Based on a 3700 tpd heap leach operation daily production is as follows:

Grade - g/t		Gold Produced		Silver Produced		Recovery - %		Ratio
Au	Ag	g	oz	g	oz	Au	Ag	Ag/Au
1,82	18,9	4 790	154	11 198	360	71	16	2,3

Table 81 : Daily production data

18.3.3.1 Process Design

The ore preparation circuit includes crushing, truck and dozer stacking equipment, solution ponds and pumps. The key design criteria are tabulated in Table 36.



ITEM	CRITERIA
Annual Tonnage Processed	1.35 million tonnes
Crushing Production Rate	206 tonnes/h
Leach Operation	12 hours/shift, 2 shifts/day, 7 days/week
Expected Crusher Availability	75%
Crusher Product Size	100% -12.5 mm
Leach Time	90 days

Table 82 : Heap leach design criteria

The crushed ore will be heap leached using a weak cyanide solution. The pregnant solution from the heaps will then be processed through the ADR plant to recover the precious metals, and the stripped solution (barren solution) is then returned to heap.

A single train of adsorption columns, acid wash, carbon regeneration and reagent handling facilities are located at Creston-Mascota. Carbon will be transferred between Pinos Altos and Creston-Mascota on a daily basis. The strip vessel, heat exchangers, tanks, boiler, and associated pumps will be located at Pinos Altos on a slab under a roofed area, and the ecells, rectifier, precipitate press and associated tanks and pumps will be located in a small, new refinery located close to if not attached to the existing refinery. The area requirements for the strip circuit is about 300 m² and for the refinery is about 200 m². Access to and around the facilities will need to be considered.

The general process flow sheet is attached at the end of this section on Creston-Mascota. The process is further described below.

Crushing and Agglomeration

Run-of-mine ore from the open pits is delivered to the ore pad at the primary crusher in 90 tonne capacity haul trucks (Cat 777's or equivalent). The normal mode of operation is to dump ore from the haul trucks directly into the primary crusher feed hopper. There is a provision for a run-of-mine stockpile by front-end loader to permit continuous mine production.



The crushing plant consists to a three stage crushing plant including a primary jaw and two cone crushers. The crushing plant will reduce the size of the ore to minus 12.5 mm.

The final product from the crushing circuit will discharge to an agglomeration drum where cement at a 3 kg/t rate and barren leach solution will be added. This agglomerated material will then feed a stockpile conveyor and will be stacked in a 6,000 tonne kidney-shaped stockpile.

Ore reclamation, Truck Hauling and Stacking

The ore reclamation, truck hauling and stacking circuit involves transporting crushed ore from the stockpile to the leach pad and loading it in a manner that will allow for efficient leaching.

Ore will be reclaimed from the crushed ore stockpile using a front-end loader and loaded into haul trucks. Crushed ore will be stacked on the pad using a combination of haul trucks and a bulldozer. The heaps will be constructed in three 8-m lifts to an anticipated total average heap height of 64 meters.

Heap Leaching

The Creston-Mascota leach facility will be designed as a contained "zero discharge" system where leach solutions are maintained within lined leach pad and pond areas. The leach pad will be lined using a composite liner system consisting of a compacted soil/clay liner overlain with an impervious LLDPE liner.

Barren solution will be applied to the ore heap via a network of piping and drip emitters. Gold and silver bearing pregnant leach solution will be collected from the bottom of the heap and pumped to the carbon adsorption metal recovery plant. The recovered metal will be produced as doré bullion and shipped to a refinery off-site at Pinos Altos for further processing. The key design criteria are tabulated in Table 82.



ITEM	UNIT	CRITERIA
Circuit availability	%	100
Operating hours per day	h	24
Leach cycle	d	90
Solution application rate	l/h/m ²	10
Nominal solution feed rate	m ³ /h	260
Phase I leach pad area	m ²	140,000
Heap lift height	m	8
Number of lifts		8
Ultimate capacity	kt	6,390
Number of solution ponds		3

Table 83 : Leaching design criteria

Three ponds are provided: an 15,000-m³ capacity Pregnant Solution Pond, and two (2) 140,000-m³ Excess Solution Ponds. One pump is provided to deliver the pregnant solution for the pond to the carbon adsorption columns, one barren solution return pump is provided to return barren solution from the last carbon column to the barren solution tank, and one barren application pump is provided to deliver the barren solution to the heaps.

For this study, there are no installed spares pumps for the barren and pregnant solution pump in order to keep the capital costs down. It is easy enough to leave room for an installed spare to be added in the future if required.

The excess solution ponds are provided to handle any large rainfall amounts.

Evaporation of solutions will be required to keep the heap leach system in water balance. During years with average or greater than average rainfall, some of the solution in the excess ponds will be evaporated by a Turbomister evaporation system located on the heaps.

Carbon plant / ADR Refinery

Gold and silver will be recovered from heap leach pregnant solution by adsorption of gold/silver on activated carbon followed by desorption and electrowinning of gold metal.

The process steps required to recover gold by the carbon adsorption method include:



- Loading gold on activated carbon in a carbon in column (CIC) circuit
- Acid washing of the carbon to remove water scale
- Stripping gold from the carbon using a hot caustic solution
- Electrowinning gold from the stripping solution in a precious metal sludge using an electrolytic cell
- Reactivating stripped carbon by thermal regeneration
- Melting the precious metal sludge in a crucible furnace to produce Doré bars.

Reagents and Utilities

Reagent addition, which consists of sodium cyanide mix and storage tanks with associated pumps, and a cement storage bin and feeder for adding cement directly to the crushed ore. Caustic will be delivered in 25 kg bags. Caustic will be diluted with water to 25% by weight solution for storage.

Hydrochloric acid will be delivered in drums and used to make-up hydrochloric acid solution in acid tank.

Power will be supplied by the local utility, *Comission Federal de Electricidad (CFE)*. The 23 kV transmission line will be complete between the Creston-Mascota site and Pinos Altos main sub-station a distance of 9 km. That power consumed at the Creston-Mascota site will be also supplied from the Pinos Altos diesel generating plant during peak rate periods.

The project will also include a diesel-fire generator to provide backup power at Creston-Mascota for the main process pumps and lights during power outages.

Process water will be supplied by the Victoria Adit, located at Pinos Altos site via a pipeline to a freshwater tank on Creston-Mascota site. The pumping system requires a pipeline of 8 km in length and pumping horsepower to raise the water 160 m. The makeup water requirements would average about 15,000 m³ per month during the dry season due to evaporation and water retention in the ore as a result of heap irrigation.



18.3.4 Capital Costs

The capital costs for the Creston-Mascota heap leach operation, including costs for preparing the leach pad for the first year are summarized in Table 38 below and have an accuracy of $\pm 30\%$ (Matte et al., 2008).

Cost Sector	\$US
Direct Costs	
Primary Crushing	1 870 000
Fine Crushing	2 360 000
Ore reclamation and Staking	3 580 000
Solution Application	1 500 000
Heap Leach Pad & Ponds	5 070 000
Gold Recovery	3 220 000
Smelting	130 000
Water Distribution System	740 000
Reagents	180 000
Ancillaries, Buildings, & Support Equipment	5 010 000
Shipping	400 000
Total Direct Costs	24 060 000
Indirect Costs	
Indirect Field Costs (7.0%)	1 680 000
Spare Parts (2.4)	580 000
EPCM (14.0%)	3 690 000
Import Duties	190 000
Initial Fills	120 000
TOTAL INDIRECT COSTS	6 260 000
TOTAL DIRECT & INDIRECT COSTS	30 320 000
Contingency (20.0%)	6 060 000
Future Capital, Year 2, Pad	1 890 000
TOTAL CAPITAL COSTS	38 270 000

Table 84 : Heap leach capital cost



18.3.4.1 Cost Estimate Detailed Report

All costs for the Pinos Altos Heap Leach Project are expressed in second quarter 2008 US dollars. An exchange rate of 10.85 Mexican pesos per US dollar was used for currency conversion.

Equipment and material costs are based on budgetary quotations received on a recent project for similar equipment.

Earthwork quantities are based on a preliminary take-off from the project site plan. Unit costs for process area earthworks and main and site area roads costs were obtained from the Pinos Altos project.

Unit budget costs for local items such as concrete, structural steel, plate steel and architectural were either based on Pinos Alto data, if available, or on recently received budget quotes from similar projects. Quantities of each of these items were based on similar-sized projects or on estimated take-offs based on preliminary layouts.

The leach pad was based on a year 0 requirement of approximately 140,000 m² of area, with an additional 50,000 m² required in about year 2. The three solution storage ponds are sized to contain a total of approximately 160,000 m³. Pad and pond costs total an average of about US\$30/m², not including EPCM or contingency.

Solution collection piping costs are based on percentages (5 to 20% depending on complexity) of the mechanical equipment costs except for major solution lines between facilities.

Electrics were generally based on percentages (20 to 30%) of mechanical equipment costs. The estimated costs were then checked against similar-sized projects for reasonableness and adjustments made if required. The power line from Pinos Altos to Mascota was estimated at approximately US\$70,000 per kilometer, plus tree cutting and access. Costs for a back-up generator installed at Mascota were also included.

Instrumentation costs were based on a percentage (5%) of mechanical equipment costs.

The indirect cost estimate is based on applying a factor based on KCA's experience on similar projects. Included in indirect costs are:



- Indirects were based on a percentage (7%) of the total direct capital cost
- Spare parts cost, 4% of equipment, electrical, piping, and instrumentation costs
- Initial fills were estimated based on 30 days of reagents requirements, except for cement, which was estimated to be 80 tonnes
- Engineering, procurement and construction management (EPCM) costs, 14% of the total direct plus indirect capital costs.

A contingency of 20% has been applied to the direct and indirect costs. The contingency is a provision of funds for unforeseeable capital costs within the defined project scope. Working capital and IVA are not included.

18.3.5 Operating Costs

An operating cost estimate has been developed for the Creston-Mascota heap leach project operation. The estimate is presented in second quarter 2008 US dollars and is based on unit costs provided by Agnico-Eagle for manpower. The operating costs are considered to have an accuracy range of +/-25%.

The cost covers the processing of 1,350,000 tpa of crushed ore by heap leaching. The heap stacking is based on an operating schedule of two 12-hour shift per day for 365 days per year and an availability of 75%. The heap leaching solution management is based on two 12-hour shifts per day for 365 d/a. The operating cost summary for the Creston-Mascota heap leach is shown in Table 84 (Matte et al., 2008).



Cost Sector	\$US/mt
MANPOWER	0,84
MATERIAL (operation)	1.47
REAGENTS	1.46
SUPPLIES (maintenance)	0.27
POWER & HVAC	1.13
ANALYTICAL SERVICES	0.04
TOTAL	5.22

Table 85 : Heap leach operating cost Creston-Mascota

18.3.4.1 Labour

Labour costs were developed by establishing a staffing list for the plant. The rates used were supplied by AEM and include all taxes, overtime and fringes.

Reagents and Consumables

The annual reagent tonnages were calculated based on consumptions derived from preliminary testwork.

The price for the sodium cyanide was provided by AEM. Allowances were included for drip tube piping and laboratory costs.

Power

Power costs were estimated by applying load factors and running times to the connected horsepower of the equipment. The cost of CFE line power with generated power during the peak time is about US\$0.141/kWh.



Laboratory

For the purposes of this study, it was assumed that 90% of the laboratory labour would be charged to the mine while the rest would be charged to processing.

Mobile Equipment Maintenance

The manpower (mechanics) of mobile machinery (loader, dozer, trucks) maintenance is not included. It is part of the truck shop maintenance manpower.

18.4 Gold and Silver Recovery

18.4.1 Pinos Altos

18.4.1.1 Milling

After a review of the metallurgical test work results performed by KCA and McClelland Laboratories, Au/Ag head grade/recovery curves were developed. For gold and silver, a linear regression analysis was used to obtain a relationship predicting residue assay as a function of head grade and then the recoveries were calculated from the solids tails grade. The leach data from variability and Master Composite samples were pooled and studied to develop a grade versus recovery relationship.

Gold and silver recoveries within the following head grade ranges, are based on logarithmic models presented in Table 86.



Gold: $y = 0.7019\ln(x) + 95.762$		Silver: $y = 3.3502\ln(x) + 37.753$	
Head Grade (x)	Recovery (y)	Head Grade (x)	Recovery (y)
Au g/t	Au%	Ag g/t	Ag%
1.5	96.0	70,0	52.0
2,0	96.2	90,0	52.8
2.5	96.4	100,0	53.2
3,0	96.5	110,0	53.5
3.5	96.5	130,0	54.1

Table 86 - Head grade versus recovery (as established in August 2007)

The following graphs show that correlation between head grade and recovery.

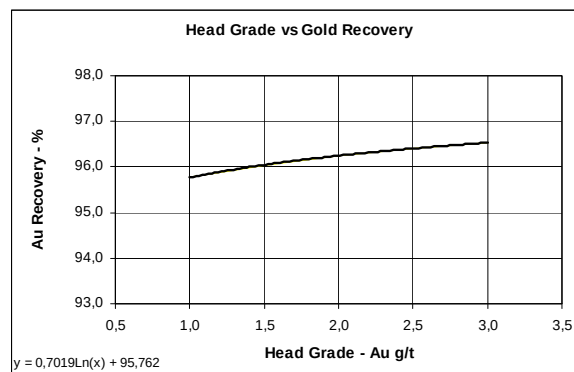


Figure 68 - Head grade vs gold recovery

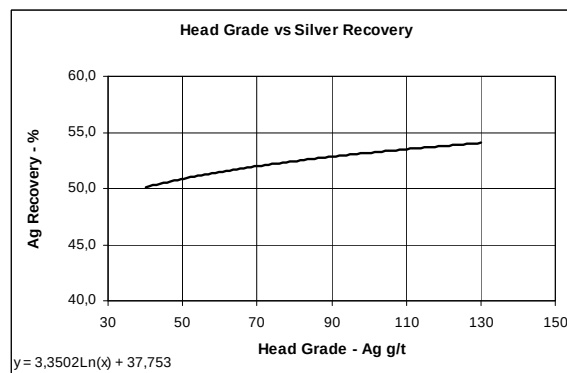


Figure 69 - Head grade vs silver recovery

Due to the accuracy of the model and low ore reserve population at high gold head grades, a recovery limit has been applied. Gold recovery is to be capped at 96.5%.



Heap Leach

After review both the column and coarse bottle rolls tests results and quick analysis of the cost for an add-on heap leach operation a crush size of 100% minus 12.5 mm (P80 of 9.5 mm) was selected in order to have much recovery benefit as possible with a fine crush, but avoid the need for agglomeration and conveyor stacking.

The leaching results from the bottle roll and column tests are adjusted for the efficiency in testing versus operations and the extension in leach time related to building the heaps and solution inventory, to determine the metal production to be used on an annualized basis.

Based on the interpretation of metallurgical testing results and experience at other heap leach operations, precious metals average extractions for the mill grade ore are estimated as follows:

Gold 68% Au grade of 0.88 g/T

Silver 13% Ag grade of 26 g/T

18.4.2 Mascota Heap Leach

The predictions of field heap recovery typically include reductions to account for problems in normal operations including gold/silver left in any entrained solution in the heap. Normally 3% discount is applied on the extraction rate. Therefore the projected heap leach overall recoveries are 71% for gold and 16% for silver.

The following table presents the estimate extraction rate and final recovery at 9.5mm crush size. Ore Type	Testwork Extraction - %		Field Recovery (%)	
	Au	Ag	Au	Ag
South	76	18	73	15
Central	81	7	78	4
North	59	46	56	43
Weighted Average	74	19	71	16

Table 87 : Extraction average



Item 19 Mineral Resource and Mineral Reserve Estimates

The current Mineral Resource model for the Pinos Altos project was prepared by Dyane Duquette, P.Geo., Discipline Leader in Geology at the Company's Technical Services Office in Preissac, Quebec with the support of Agnico-Eagle Technical Services division staff. This model incorporates the latest surface drilling results at Pinos Altos and Creston-Mascota and is current to the end of December 2008. Agnico-Eagle reports Mineral Resource and Reserve Estimates in accordance with the CIM guidelines for the estimation, classification and reporting of resources and reserves that was adopted by CIM Council on November, 2003. Agnico-Eagle also reports Mineral Resources exclusive of Mineral Reserves. The current Mineral Resource and Mineral Reserve estimates for Pinos Altos were disclosed by Agnico-Eagle in a news release dated February 18, 2009.

The estimates were calculated using metal price and foreign exchange rates in accordance with SEC Industry Guide 7. Industry Guide 7 requires the use of prices that reflect current economic conditions at the time of reserve determination which Staff of the SEC has interpreted to mean historic three-year average prices. The three-year average metal prices used in this estimate are, for the period ending December 31, 2008, \$725 per ounce of gold, \$13.32 per ounce of silver and a MXP/US\$ exchange rate of 11.0.

The basis for declaring mineral reserves and resources at the Pinos Altos mine Project and the associated Creston-Mascota mine Project, respectively are a 2007 Feasibility Study for Pinos Altos (Doucet et al., 2007b) and a 2008 internal Feasibility Study for Creston-Mascota (Matte et al., 2008) that have been updated by more recent information, including a Life of Mine Study completed in February 2009.

There are no known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues that could materially affect the Pinos Altos mineral resources or mineral reserves as of February 18, 2009.



The following paragraphs summarize the estimation methodology used by Agnico-Eagle in estimating the Mineral Resources and the Mineral Reserves for the Pinos Altos project..

19.1 Mineral Resource Model

19.1.1 Drill Hole Database

The Peñoles borehole database comprised collar coordinates and downhole survey data and assays results up to the end of 2003 (235 drill holes and 11,269 samples). From 2004 onward, new drill hole sampling data by Agnico-Eagle (437 boreholes and 37,295 samples) was integrated, along with the validated Peñoles resource data, into the Pinos Altos resource database by Agnico-Eagle staff.

In 2008 alone, 137 holes were drilled totalling 63,929.1 m on Pinos Altos and 127 holes totalling 19,909m on Creston-Mascota. Below are lists of the diamond drill holes in the different areas of Pinos Altos and Creston-Mascota in 2008 that were included in the resource database.



2008 Exploration Drilling Program							
San Eligio 2008		Cerro Colorado		Santo Niño		Oberon weber	
Drillhole	Depth (m)	Drillhole	Depth (m)	Drillhole	Depth (m)	Drillhole	Depth (m)
PA-08-228	255	PA-07-225	423	UG-07-001	510	PA-08-227	660
PA-08-229	102	PA-08-226	451.5	UG-07-002	483	PA-08-230	805.5
PA-08-231	205.5	PA-08-232	433.5	UG-07-002	228	PA-08-239	555
PA-08-233	300	PA-08-238	236	UG-08-003	822	PA-08-244	569
PA-08-234	249	PA-08-243	347	UG-08-004	813	PA-08-245	600
PA-08-235	208	PA-08-246	731	UG-08-005	870	PA-08-247	510
PA-08-236	270	PA-08-249	527	UG-08-006	804	PA-08-248	783
PA-08-237	372.3	PA-08-250	660	UG-08-007	878	PA-08-251	668
PA-08-240	92	PA-08-252	448	UG-08-008	771	PA-08-251A	154.5
PA-08-241	171	PA-08-253	238	UG-08-009	911	PA-08-259	685
PA-08-242	170	PA-08-254	558	UG-08-010	1060	PA-08-263	741
PA-08-309	225	PA-08-255	474	UG-08-011	885	PA-08-266	597
PA-08-311	231	PA-08-256	470	UG-08-012	966	PA-08-268	468
PA-08-312	228	PA-08-257	503	UG-08-013	1239	PA-08-270	290
PA-08-314	279	PA-08-258	435	UG-08-014	628.3	PA-08-273	671
PA-08-315	188	PA-08-260	537	UG-08-015	1056	PA-08-275	731
PA-08-316	222	PA-08-261	579	UG-08-016	885	PA-08-285	288
PA-08-317	282	PA-08-261A	199	UG-08-017	810	PA-08-287	308
PA-08-318	162	PA-08-262	374	UG-08-018	1008	PA-08-290	384
PA-08-319	197	PA-08-264	510	UG-08-019	738	PA-08-294	296
PA-08-320	99	PA-08-265	229	UG-08-020	903	PA-08-295	189
PA-08-321	129	PA-08-267	584	UG-08-021	927	PA-08-296	168
PA-08-322	251	PA-08-269	839.5	UG-08-022	1128	PA-08-297	167
PA-08-323	129	PA-08-271	255	UG-08-023	910	PA-08-298	120
PA-08-324	269	PA-08-272	298	UG-08-024	867	PA-08-299	80
PA-08-325	341	PA-08-274	296	UG-08-027	801	PA-08-301	395
PA-08-326	252	PA-08-276	236	UG-08-029	81	PA-08-303	395
PA-08-327	288	PA-08-277	677	26 holes	21982.3	PA-08-304	638
PA-08-328	290	PA-08-278	224			PA-08-307	167
PA-08-329	63	PA-08-279	247.5			PA-08-308	166
PA-08-330	235	PA-08-280	227			PA-08-310	131
PA-08-331	29	PA-08-281	237			30 holes	13380
PA-08-332	60	PA-08-282	727				
33 hole	6843.8	PA-08-283	198				
		PA-08-284	204				
		PA-08-286	198				
		PA-08-288	244				
		PA-08-289	169				
		PA-08-291	708				
		PA-08-292	159				
		PA-08-293	598				
		PA-08-300	771				
		PA-08-302	693				
		PA-08-305	672				
		PA-08-306	696				
		PA-08-313	726				
		UG-08-025	546				
		UG-08-026	738				
		UG-08-028	192				
		48 holes	21723				

Table 88 - 2008 Exploration drilling program at Pinos Altos



2008 Exploration Drilling Program					
Quebrada Norte Area		Mascota Scab Hilltop Area		Creston Mascota Area	
Drillhole	Depth (m)	Drillhole	Depth (m)	Drillhole	Depth (m)
CM-08-060	284.0	CM-08-154	207.0	CM-08-066	180.0
CM-08-061	222.0	CM-08-157	204.0	CM-08-076	90.0
CM-08-062	141.0	CM-08-160	111.0	CM-08-079	129.0
CM-08-063	188.5	CM-08-161	70.7	CM-08-081	165.0
CM-08-064	198.0	CM-08-163	93.0	CM-08-084	153.0
CM-08-065	171.0	CM-08-163A	12.0	CM-08-085	456.0
CM-08-067	243.0	CM-08-165	93.0	CM-08-086	277.3
CM-08-068	293.0	CM-08-167	57.0	CM-08-087	108.0
CM-08-069	132.0	CM-08-168	69.0	CM-08-088	117.0
CM-08-070	105.0	CM-08-170	138.0	CM-08-089	99.0
CM-08-071	258.0	CM-08-175	111.0	CM-08-090	138.0
CM-08-072	209.0	CM-08-182	45.0	CM-08-092	119.0
CM-08-073	387.0	CM-08-183	135.0	CM-08-093	89.0
CM-08-074	367.0	CM-08-185	81.0	CM-08-098	135.0
CM-08-075	405.0	CM-08-186	68.0	CM-08-099	96.0
CM-08-077	233.0	CM-08-187	51.0	CM-08-110	93.0
CM-08-078	270.0	CM-08-188	81.0	CM-08-112	99.0
CM-08-080	269.0	CM-08-189	132.0	CM-08-112A	26.2
CM-08-082	282.0	CM-08-191	99.0	CM-08-114	165.0
CM-08-083	114.5	CM-08-192	48.0	CM-08-117	135.0
CM-08-094	144.0	CM-08-193	58.0	CM-08-118	105.0
CM-08-096	92.0	CM-08-195	80.0	CM-08-119	179.0
CM-08-100	135.0	CM-08-197	120.0	CM-08-120	180.0
CM-08-101	180.0	CM-08-198	174.0	CM-08-123	168.0
CM-08-102	130.8	CM-08-200	114.0	CM-08-125	242.0
CM-08-103	171.0	CM-08-202	174.0	CM-08-126	308.0
CM-08-104	135.0	CM-08-204	99.0	CM-08-127	213.0
CM-08-105	115.0	CM-08-206	90.0	CM-08-128	167.0
CM-08-107	183.0	CM-08-207	42.0	CM-08-129	90.3
CM-08-108	239.0	CM-08-209	117.0	CM-08-132	172.0
CM-08-130	117.0	CM-08-210	123.0	CM-08-133	275.0
CM-08-131	84.0	CM-08-212	116.0	CM-08-142	194.0
CM-08-134	129.0	CM-08-213	87.0	CM-08-143	66.0
CM-08-135	170.0	CM-08-215	151.0	CM-08-144	197.0
CM-08-136	156.0	CM-08-217	93.0	CM-08-145	102.3
CM-08-137	216.0	CM-08-219	60.0	CM-08-146	213.0
CM-08-138	170.0	CM-08-220	99.0	CM-08-147	163.7
CM-08-139	182.0	CM-08-222	96.0	CM-08-148	207.0
CM-08-140	125.0	CM-08-223	51.0	CM-08-149	144.0
CM-08-141	348.0	39 Holes	3849.7	CM-08-150	157.0
CM-08-158	348.0			CM-08-151	165.0
CM-08-162	204.0			CM-08-152	182.0
42 Holes	8545.8			CM-08-153	181.0
				CM-08-155	165.5
				CM-08-156	255.0
				CM-08-159	153.0
				46 Holes	7514.3

Table 89 - 2008 Exploration drilling program Creston-Mascota

19.1.2 Mineralization Solids

The mineralization solids used for the December 31 2008 Mineral Resource estimation were modified from the year-end 2007 version by Agnico-Eagle to incorporate the newly available drilling information and a revised geological interpretation for the open pits areas



(including Creston-Mascota and San Eligio) and for the deepest portions of the deposits on the property. Zone lenses were interpreted using Datamine Software mainly based on mineralization types (breccia and stockwork). In some areas, the breccia and the stockwork mineralizations types were combined to support the geological continuity of the various zone lenses.

Wireframe mineralization outlines were defined from drill hole intervals of mineralization using US\$21.65 NSR and US\$ 5.63 NSR cut-off for near surface mineralization with potential for open pit mining respectively for milling and for heap leaching and using US\$40.48 NSR as cut-off for mineralization that could be potentially extracted by underground operation. A minimum horizontal width of 4.0 metres was also used with few exceptions for the open pit areas and 3.0 metres for the underground part. A total of 74 wire frame mineralization solids (Table 89) were constructed and considered in the December 31st 2008 Mineral Resource model.

Ore Shoot	# solids	Wireframes
Santo Nino Pit	1	Zone 1
Santo Nino Underground	3	Zone 1, 2 and 4
Oberon de Weber Pit	11	Zone 1 to Zone 11
Oberon de Weber Underground	5	Zone 1, 2, 8, 13 and 14
Cerro Colorado	17	Zone 10 to Zone 32
San Eligio Pit	2	Zone 1 and zone 3
San Eligio Underground	2	Zone 1 and zone 3
El Apache	1	Zone 1
	32	Zone 10,20,30,40,50,60,70,80,90,100,110,120,130,140,
Creston-Mascota		150,160,170,180,190,200,210,220,230,240,250,260,270
		280,290,300,310,320
Total	74	

Table 90 - Summary of resource solid models constructed for the Pinos Altos Project by Agnico-Eagle

19.1.3 Mining Void Model

The existing drifts and stopes developed in the past in the Santo Niño and Oberón de Weber zones were modeled with Datamine software using the plan views and longitudinal section views that were compiled from the archives that Peñoles included in their resource database and from more recent observations (surveys of openings) by Agnico-Eagle.



It is estimated that a total volume of 159,501 m³, was extracted from Santo Nino by previous operators or approximately 405,132 tonnes of mineralization at a density of 2.54 g/cm³ (see Figure 70).

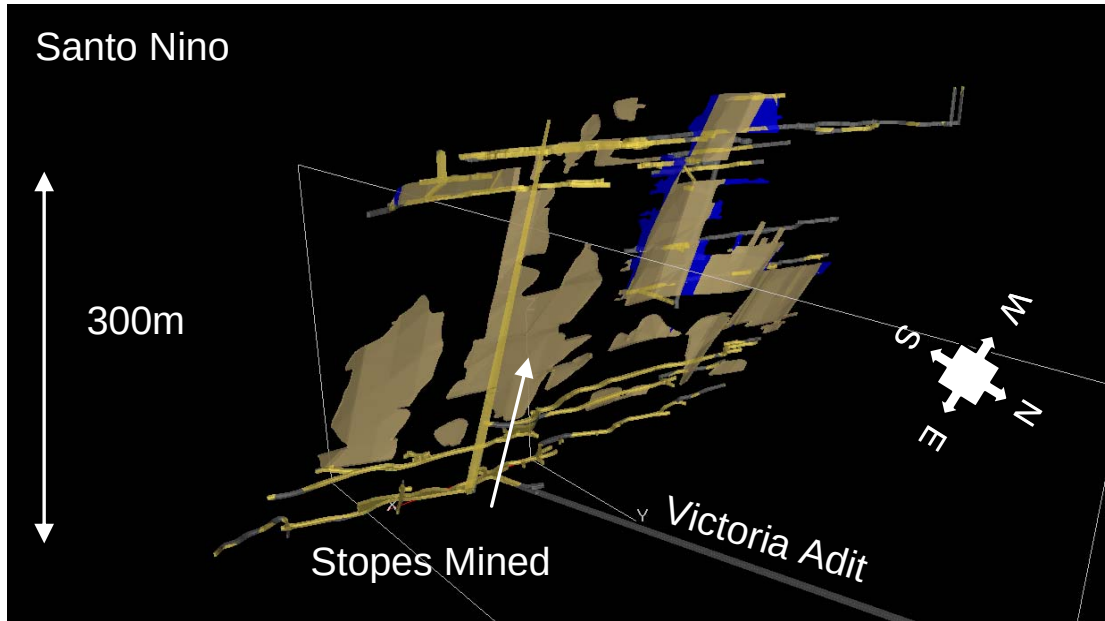


Figure 70- Isometric view - stope mined Santo Niño

73% of these openings overlap the ore lenses inside the Santo Niño zone, which represent 297,210 tonnes of ore mined inside the resource wireframe models (see Figure 71).

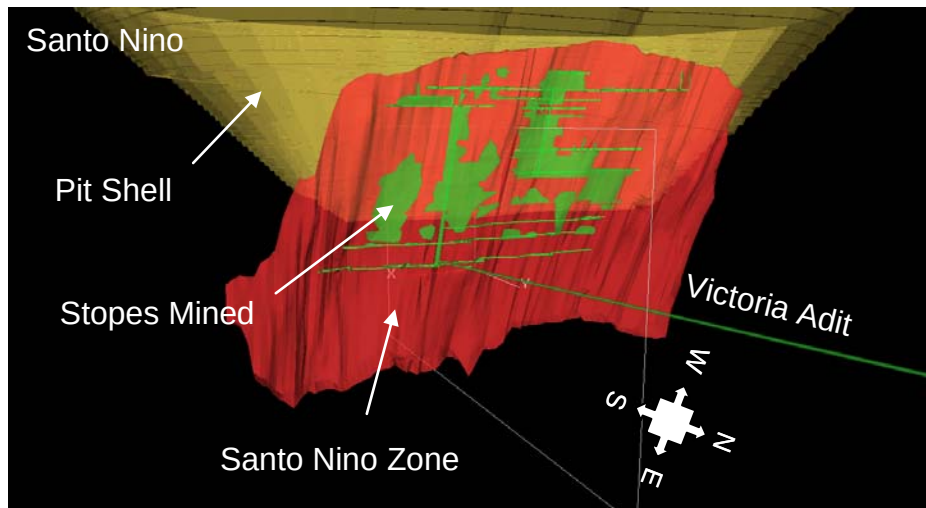


Figure 71 - Isometric view - stope mined intersecting Santo Niño lenses



The total estimated volume extracted from Oberon de Weber is estimated to be 27,459 m³ or 69,746 tonnes at a density of 2.54 g/cm³ (see Figure 72).



Figure 72 - Isometric view - stope mined Oberon de Weber

A total of 54% of these openings overlap the model solids inside the Oberon de Weber zone, which represent approximately 38,138 tonnes of ore mined inside the resource model wireframes. (see Figure 73).

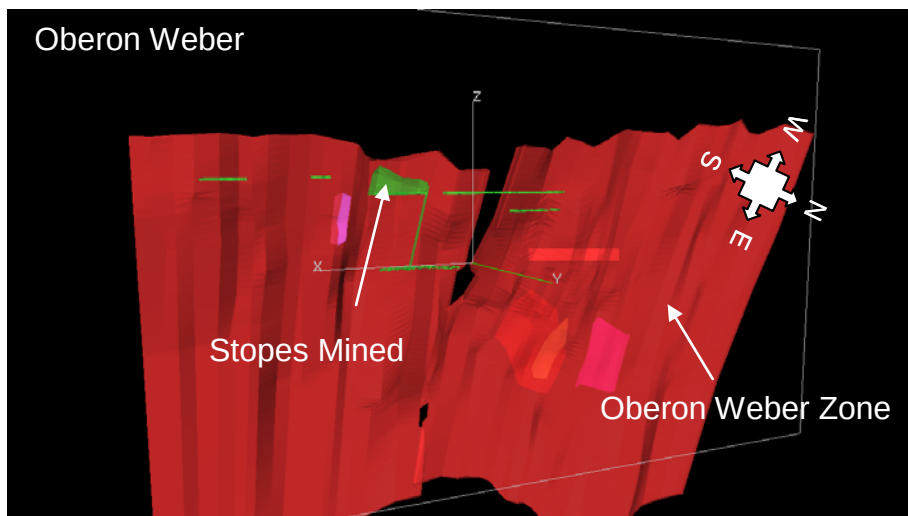


Figure 73 - Longitudinal view – mined stope in Oberon de Weber Zone

All of the excavated tonnages were subtracted from mineral resource model. Finally, a density of 0.1 g/cm³ was applied to the void areas in the final phase of the estimate process.



In addition, the Pinos Altos resource models wire frames were adjusted to match the most up-to-date topographic information on the property. This information was compiled from recent:

- Photogrametric topographic surveys of the property;
- Open pit and topographic survey information compiled by mine staff and contractors; and
- Drill hole collar surveys and overburden depth information from drill logs.

19.1.4 Grade Capping

In December 2007, Géopointcom a consultant specialized in geostatistics based in Val d'Or Quebec, reviewed the summary assay and sampling statistics and created lognormal plots for Santo Niño and Cerro Colorado zones (D'Amours, 2007a). Capping parameters established and recommended by Géopointcom in a January 2007 geostatistical report were used for the Oberon de Weber, El Apache and San Eligio zones (D'Amours, 2007b). Géopointcom also reviewed the grade capping for Creston Mascota in a recent report from September 2008 (D'Amours, 2008a; 2008b). These capping parameters were also applied to the December 31st 2008 resource estimate. Gold and silver assays were capped prior to compositing. See the below table for details concerning capping factors applied to each zone.

Zones	Capping Grades	
	Gold	Silver
Santo Niño	Breccia = 78 g/t Stockwork = 30 g/t	Breccia = 4580 g/t Stockwork = Uncapped
Cerro Colorado	Breccia = 32 g/t Stockwork = Uncapped	Breccia = 940 g/t Stockwork = 645 g/t
Oberon de Weber	24 g/t	1350 g/t
El Apache	24 g/t	1350 g/t
San Eligio	24 g/t	1350 g/t
Creston-Mascota	26.5 g/t (zone 10 and 150)	Uncapped

Table 91- Capping factors at Pinos Altos



19.1.5 Variography

19.1.5.1 Pinos Altos

Ideally variograms should be developed for each zone for use in the block model process. In most cases however, the variography study is limited by the amount of data available for analysis. Studies on variography for Pinos Altos mine property were completed only on the main zones: Santo Niño, Cerro Colorado and Oberon de Weber. Variography studies were completed in December 2007 and January 2007 on the Santo Niño, Oberon de Weber and the Cerro Colorado deposits where most of the drilling was executed in 2006 and 2007 (D'Amours, 2007a; 2007b). For the other zones (El Apache and San Eligio) no recent variography studies were completed. The search ellipses used for these zones are the same established for Oberon de Weber in January 2007 by Geopointcom and but were adjusted to match the geometry of the lenses.

Géopointcom established the search ellipses using log-normal variography based on the 1-metre composite borehole database using the capped assays. For the Santo Niño deposit, the study was done using the data from the Santo Niño solid number 1 (Zone 1) which represents the major portion of the mineral resource of the Santo Niño deposit. For the Cerro Colorado Deposit, the data from Cerro Colorado solid number 11 (number 8 in the December 2007 estimate) was used to establish the search parameters for this sector. Moreover, the statistical analysis and the variography studies completed by Géopointcom confirmed distinct gold and silver distributions. Based on this information, two different search ellipses were applied to respect the distinct gold and silver distributions inside these zones of mineralization. Table 92 shows the search ellipses which were used for gold and silver interpolation for each of the deposits.



Zone	Elements	Method	SDist1 (m)	SDist2 (m)	SDist3 (m)	SAngle 1	SAngle 2	SAngle 3	Min. 1	Max. 1	SvolFac 2	Min. 2	Max. 2	SvolFac 3	Min. 3	Max. 3
El Apache	Au	IPD2	50	70	50	5	121	-10	12	25	2	12	25	3	12	25
	Ag	IPD2	70	40	40	5	121	-70	12	25	2	12	25	3	12	25
Oberon Weber	Au	IPD2	50	70	50	5	121	-10	4	12	2	4	12	3	4	12
	Ag	IPD2	70	40	40	5	121	-70	4	12	2	4	12	3	4	12
San Eligio	Au	IPD2	50	70	50	7	79	0	5	15	2	5	15	3	5	15
	Ag	IPD2	70	40	40	7	79	0	5	15	2	5	15	3	5	15
Santo Nino	Au	IPD2	120	40	20	3	-68	66	4	12	2	4	12	3	4	12
	Ag	IPD2	60	100	15	3	-68	-14	4	12	2	4	12	3	4	12
Cerro Colorado	Au	IPD2	40	100	20	6	-62	-22	4	12	2	4	12	3	4	12
	Ag	IPD2	100	50	20	6	-62	84	4	12	2	4	12	3	4	12

Table 92 - Distribution and orientation of the search parameters

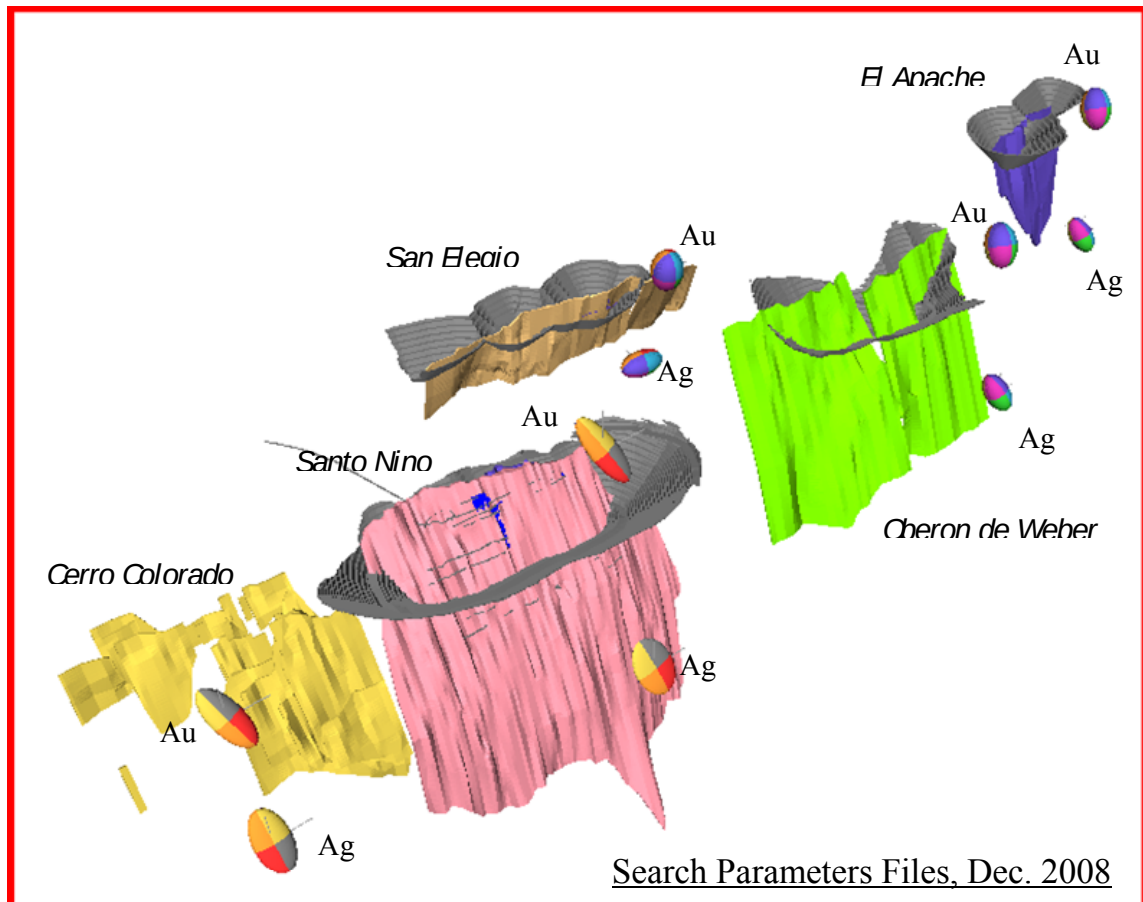


Figure 74 - Distribution and orientation of the search parameters



19.1.5.2 Creston-Mascota

Géopointcom (D'Amours, 2008a; 2008b) studied the variography of gold, silver and specific gravity on composite samples from the Creston-Mascota deposit; these parameters were used in the December 31st 2008 estimate. As stated in the geostatistical reports, only Creston-Mascota zone 10 had sufficient information to generate reliable variography. The anisotropy in zone 10 was similar for gold and silver but the range of silver was twice that of gold. For the remaining Creston-Mascota zones and the SG in all zones, the variography is represented by a search sphere with no preferential orientation. The radius of the search sphere for specific gravity is 45 m, while the radius of the search sphere for gold is 40 m and 80 m for silver (Table 93 and Figure 75)

Zone	Elements	Method	SDist1 (m)	SDist2 (m)	SDist3 (m)	SAngle 1	SAngle 2	SAngle 3	Min. 1	Max. 1	SvolFac 2	Min. 2	Max. 2	SvolFac 3	Min. 3	Max. 3
Creston-Mascota 10	Au	IPD2	45	20	15	-83	28	9	3	12	2	3	12	3	3	12
	Ag	IPD2	10	50	25	-83	28	9	3	12	2	3	12	3	3	12
	Sg	IPD2	45	45	45	0	0	0	3	12	2	3	12	3	3	12
Creston-Mascota all others zones	Au	IPD2	40	40	40	0	0	0	3	12	2	3	12	3	3	12
	Ag	IPD2	80	80	80	0	0	0	3	12	2	3	12	3	3	12
	Sg	IPD2	45	45	45	0	0	0	3	12	2	3	12	3	3	12

Table 93 - Distribution and orientation of the search parameters

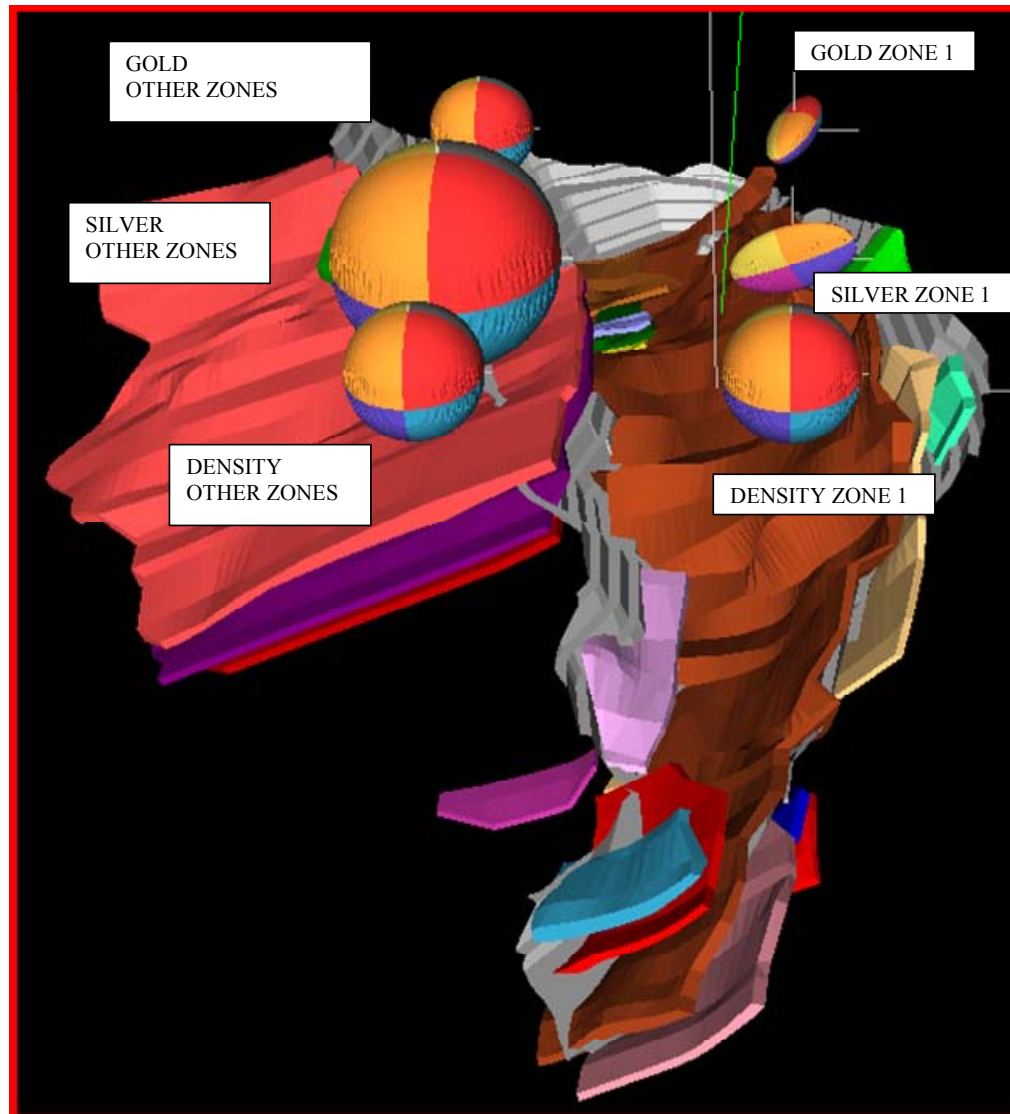


Figure 75 - Distribution and orientation of the search parameters

19.1.6 Specific Gravity

19.1.6.1 Pinos Altos

Density values for the present estimate for the Pinos Altos mine project were established by Géopointcom from specific gravity measurement data that is recorded systematically by Agnico-Eagle staff on drill core samples selected for assaying (D'Amours, 2007a and



2007b). In converting volumes into tonnages for the June 2007 and current model, AEM considered separate tonnage factors for ore and dilution, 2.54 and 2.51, respectively. Moreover, based on the proportion of each sub-unit inside the Buenavista Formation, the average specific gravity along the hanging wall of Santo Niño open pit was estimated at 2.06 g/m³ and at 2.35 g/m³ for the hanging wall of Oberón de Weber open pit.

19.1.6.2 Creston-Mascota

In the current resource estimate, a variable specific gravity was used to calculate the tonnage for the Creston-Mascota zone. A block model with a SG field was estimated using the measurement of SG for each sample by Agnico-Eagle staff and the search parameters described above. Prior to the estimate, corrections on the measured density database were made following recommendations by Géopointcom in September 2008 (D'Amours, 2008a):

1. A factor of 0.9048 was applied to all SG results in holes CM-06-001 to CM-07-040 to balance an observed positive bias compared to the more recent drill hole SG data;
2. Samples with missing SG data in intervals of mud or overburden were assigned a default SG value of 1.72;
3. The remaining samples with missing SG data were assigned a default value of either 2.25 or 2.15, depending if they were obviously mineralized or obvious waste rock within the open pit, respectively;
4. A minimum SG value of 1.72 was assigned to samples with anomalously low values and a maximum SG value of 2.62 to samples with anomalously high values.

19.1.7 Dilution

Based on the August 2007 Feasibility study (Doucet et al., 2007b), it was estimated that the expected ore dilution in the open pit zones would be limited to a maximum of 10% after consideration was given to the thickness and continuity of the ore structure. Therefore a fixed dilution factor of 10 % was applied at a grade of 0g/t gold to all open pit indicated resources and probable reserves at Pinos Altos and Creston Mascota. Although mining of



open pit reserves began in the Santo Niño deposit in late 2008, there is insufficient information to validate or modify the dilution model.

A variable dilution factor was used for each underground reserve mining stope depending on its relative position with the Santo Niño fault located on the hanging side of the mineralization. The basic rule applied to all underground models is the following: 1 metre dilution is expected on the hanging while 0.5 metre dilution is expected on the footwall. However when the Santo Niño fault is at a distance of less than 2.0 m from the hanging wall of the zone model, this distance plus the totality of the faulted zone is calculated in the dilution. Dilution is then calculated by multiplying the dilution volumes for each underground mining stope by the appropriate model specific gravity value. The dilution factors represent preliminary estimates supported by preliminary engineering studies and will be revised when mining operations begin.

The expected dilution were estimated for each underground stope (indicated resource and probable reserves) and compiled in a spreadsheet in the final tabulation step. These revised dilution factors were applied to the December 31st 2008 mineral reserve and resource estimate. For the underground mining reserves at Pinos Altos, the estimated dilution currently averages 21.4%. The grade of the dilution is estimated by block model using the inverse square distance interpolation methods inside model wireframes specifically for the dilution zones.

19.2 Estimation Methodology

Agnico-Eagle essentially used the estimation parameters developed by Géopointcom (D'Amours, 2007a, 2007b, 2008a, 2008b) and Agnico-Eagle staff. In the current mineral resource and reserve estimate for Pinos Altos, Agnico-Eagle staff used the same Datamine resource modelling software and procedures used in the previous estimates completed in June 2007 and December 2007. The procedures for grade estimation are outlined below.



19.2.1 Compositing and Block Size

The Pinos Altos drill hole assay database was composited to 1-metre unit intervals using the Datamine resource modeling software. This interval was selected to resemble as closely as possible the average sample length for the project (see Item 14)

Compositing was completed in the following way: Zone intervals (for all of the ore and dilution wireframe models) were used to select samples for compositing and subsequent block model grade estimation for each zone. The zone intervals are determined from the selected drill hole samples that occur inside each of the zone (and dilution) resource model wireframes. Using individual sample assay and length information for each zone interval, the software calculates and assigns a new grade value to each of the 1.0 m-long composites that comprise the zone interval. The minimum for the last composite is 0.2m (and below this minimum, the remaining length is excluded). Figure 76 illustrates how the composite are calculated.

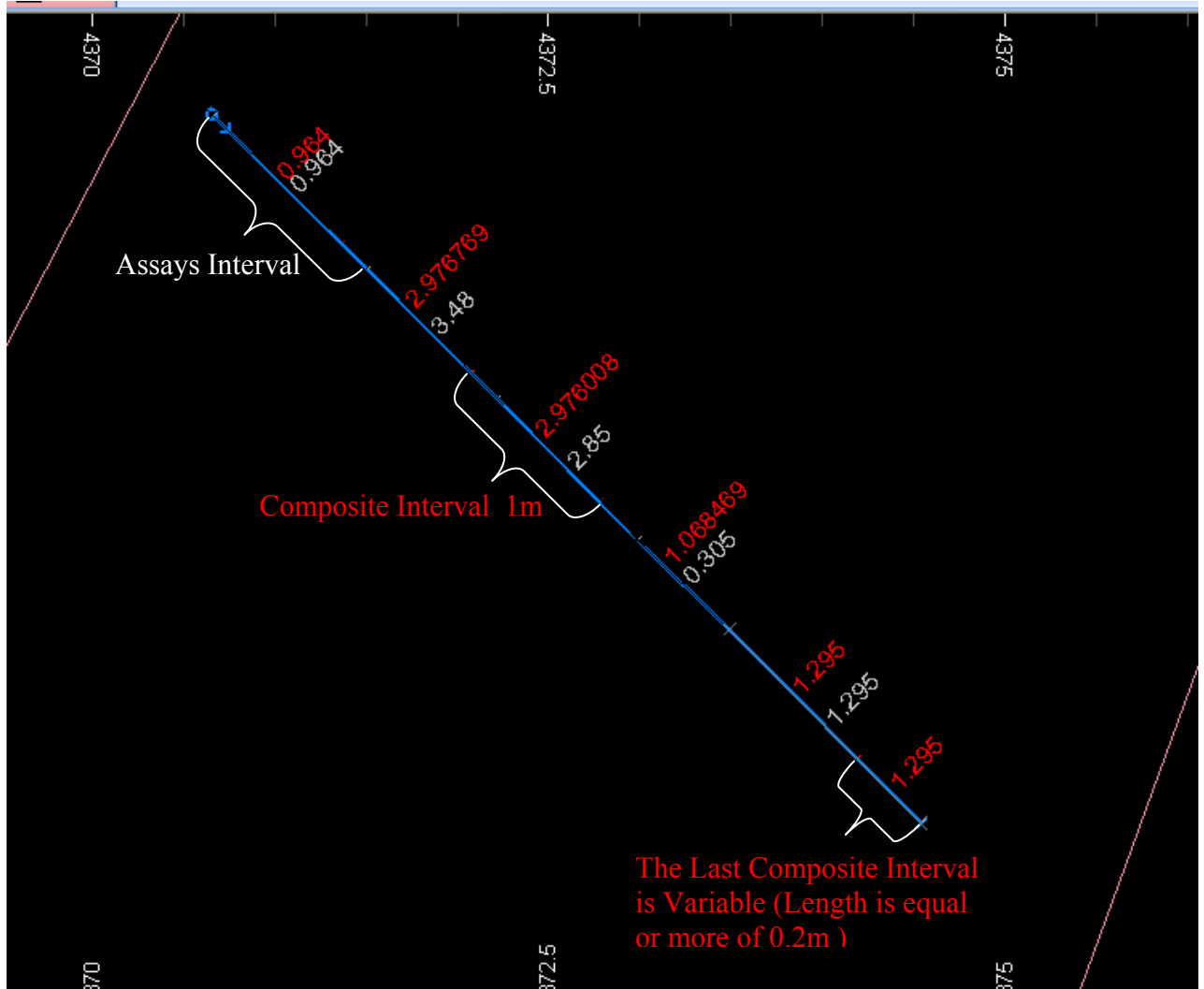


Figure 76 - Sectional view illustrating the compositing method in the Dec 31st 2008 estimate

Selective mining units chosen for all zones were based on blocks with the dimensions of 3 m by 10 m and 10 m in the north, east and depth directions, respectively. The block models were evaluated using the wire frame solids as constraints and sub-blocks were used to fill the boundaries. The minimum size of the sub-blocks is 2.5 m in east axis and 2.5 m in the depth direction with no minimum in the north direction, across the true thickness of the ore zones.

19.2.2 Search Parameters

The search parameters used in grade estimation were different for gold and for silver (and specific gravity). In all cases, dynamic search ellipses were used to select sample assay data



used to calculate the block value. Three concentric search ellipses were defined each with a requirement of a minimum number of samples. No minimum number of composite assay intervals per octant and no minimum of borehole requirements were used in the sample selection process. The minimum number of assay composites required to evaluate a block is variable and depends on the zone. The minimum number of composite assay intervals required for Santo Nino, Cerro Colorado and San Eligio is 4, whereas for San Eligio, El Apache and Creston Mascota, the minimum number of composites is 5, 12 and 3 respectively.

If there were sufficient samples within the smallest ellipse that interpolated grade was retained and a search volume attribute of 1 was also assigned to the block (or sub-block). If not enough samples were found to populate the block, the second search ellipse was used. The second ellipse has an axis twice as large as the first search ellipse. If there are sufficient samples found, the grade interpolation from the second ellipsoid was retained and a search volume attribute of 2 was assigned to the block. If not enough samples were found to satisfy the minimum sample criterion, a third ellipse, with an axis three times the size of the first, was used and a search volume attribute of 3 was assigned to the block. If not enough samples were found in the third and final search pass, the block grade interpolation remained empty. A maximum of 25 composite assay intervals was applied for all pass ranges. The size and the orientation of the first search ellipse is a function of the orebody and the metal distribution observed for each zones and described in Figure 75 and Figure 76

19.2.3 Grade Interpolation

The grade interpolation method of the block models was done using the inverse squared distance method for each zone model.



19.2.4 Block Net Smelter Return Calculation

After the grade interpolation process, a net smelter return (“NSR”) value is calculated and assigned to each model block and sub-block. Block NSR values are calculated for heap leach and milling. The NSR calculations uses algorithms that emulate, depending on the zone, the estimated metallurgical recovery of each metal depending of the block grade level to determine an estimated recovered block grade for gold and silver. An average metallurgical recovery for each zone is applied for the heap leach NSR calculation of the recovered grade.

The “recovered” grade of each block is then multiplied by a fixed metal price and a smelter return factor to derive a payable metal value for gold and silver combined. That NSR value is then assigned to the block and sub-block. The algorithms were derived and was verified by the Pinos Altos project metallurgy team..

As described previously, a gold price of US\$725 per ounce and a silver price of \$US13.32 per ounce were used in the December 2008 mineral resource and reserve estimate.



Reserve Estimations - December 31st 2008				
Estimation of the economic Cut Off				
<u>Economic parameters</u>				
Gold Price	725 \$us / oz			
Exchange Rate	1.09	23.31		\$us / gramme
Conversion Factor	31.1035 Gr / oz			
Economical Cut Off \$US/tonnes				
<u>Costing (Open Pit) Pinos Altos</u>				
Ore mining	1.14 \$us / tonnes	}	Milling	
Laboratory	0.50 \$us / tonnes			
Surface Services	0.50 \$us / tonnes			
Heap Leaching	0.00 \$us / tonnes			
Milling	15.91 \$us / tonnes			
Gen. & Adm.	3.60 \$us / tonnes			
Total	21.65 \$us / tonnes		75%	16.24 \$
Ore mining	0.00 \$us / tonnes	}	Heap Leach	
Laboratory	0.50 \$us / tonnes			
Surface Services	0.50 \$us / tonnes			
Heap Leaching	4.43 \$us / tonnes			
Milling	0.00 \$us / tonnes			
Gen. & Adm.	2.08 \$us / tonnes			
Total	7.51 \$us / tonnes		75%	5.63 \$
<u>Costing (Open Pit) Creston Mascota</u>				
Ore mining	1.15 \$us / tonnes	}	Heap Leach	
Laboratory	\$us / tonnes			
Surface Services	0.10 \$us / tonnes			
Heap Leaching	5.22 \$us / tonnes			
Milling	0.00 \$us / tonnes			
Gen. & Adm.	2.53 \$us / tonnes			
Total	9.00 \$us / tonnes		75%	6.75 \$
<u>Costing (Underground)</u>				
Definition	0.30 \$us / tonnes			
Develpment	3.70 \$us / tonnes			
Production	6.97 \$us / tonnes			
Underground Services	9.00 \$us / tonnes			
Laboratory	0.50 \$us / tonnes			
Surface Services	0.50 \$us / tonnes			
Heap Leaching	0.00 \$us / tonnes			
Milling	15.91 \$us / tonnes			
Gen. & Adm.	3.60 \$us / tonnes			
Total	40.48 \$us / tonnes		75%	30.36 \$

Figure 77 - Economic parameters used in December 31st 2008 Mineral Resource Estimate



Examples of the net smelter return calculation for milling or heap leach processing for the Santo Nino zone is presented below and based on the following general formulas:

Net smelter return= (metal grade in g/t / 31.1035)*metallurgical recovery*metal price)

Where 31.1035 is the conversion factor from gram to troy ounce.

Net smelter return for milling Santo Niño

AU= gold grade in grams per tonnes and AG= silver grade in grams per tonnes

NSR AU=((AU/31.10.35)*((0.7019*logn(AU)+95.762)/100)*US\$725)

NSR AG=((AG/31.10.35)*((3.3502*logn(AG)+37.753)/100)*US\$13.32)

NSR MILLING= NSR AU+ NSR AG

Net smelter return for heap leach Santo Niño

NSR AU=((AU/31.10.35)*((0.59* US\$725)

NSR AG=((AU/31.10.35)*((0.11* US\$725)

NSR HEAP LEACH= NSR AU+ NSR AG

19.3 Mineral Resource Classification

The procedure for mineral resource classification is slightly different for open pit and underground at Pinos Altos. , In general however, the Mineral Resources were classified primarily on the basis of grade (cut-off), observed continuity of grade above the minimum cut-off and the data density as evaluated on the number of estimation passes required to interpolate gold and silver grades into a block and the distance from the nearest composite and borehole

The cut-off values are based on the operating cost estimates for heap leach and milling processing of open pit ores and and for milling of underground ores that were derived from 2007 Pinos Altos Feasibility Study and 2008 Creston-Mascota Feasibility Study and updated



using more recent information (including metal prices and exchange rate). Refer to Item 25 for a description of these operating cost estimates. In order to satisfy the definition of “a reasonable prospect for economic extraction” in the CIM Standards, a minimum NSR value equivalent to 75% of the Pinos Altos operating cost estimates was determined for a model block to be included in the mineral resource (Table 94)

No Measured Mineral Resource was defined in the reserve estimate completed in December 2008. The Indicated Mineral Resources corresponds to all model blocks and sub-blocks with a Search Volume attribute (svof = 1 (ie., where the grade was interpolated on the first search pass. All model blocks with a Search Volume attribute (sv) of 2 were classified as inferred Mineral Resources.

In order to satisfy the concept of grade continuity, the models were verified prior to the tabulation of mineral resources. In cases where the verifications identified sectors of poor continuity, indicated resource blocks in these sectors were reclassified as inferred mineral resource.

19.3.1 Open Pit Resource

Open pit mineral resource models that were specifically built using a minimum mining width criterion of 4.0 metres, were selected in the open pit resource estimation process. Only the open pit models were selected, complete with NSR and density data for evaluation of their open-pit potential using a Lerchs-Grossman ultimate pit algorithm by the Pinos Altos project engineering team to determine the open pit shape (see Item 25).

In order to be classified as either open Probable Mineral Reserve or as indicated and inferred open mineral resource, each individual resource blocks models had to satisfy a minimum NSR value above the economical cut-off listed in Table 94. A 10% dilution at a grade of 0 gram per tonne was applied to both Probable reserve and Indicated resource prior to resource classification.



		Mineral Processing	
CATEGORIES	Search Ellipsoid	HEAP LEACH	MILLING
		NSR (\$US)	NSR (\$US)
OPEN PIT PINOS ALTOS			
Probable Reserves	>1	>= 7.51	>= 21.65
Indicated Resources	1	>= 5.43 and < 7.51	
Inferred Resources	>=2	>=5.63 and < 7.51	
OPEN PIT CRESTON MASCOTA			
Probable Reserves	>1	>= 9.0	
Indicated Resources	1	>= 5.32 and < 9.0	
Inferred Resources	>=2	>=6.75	
UNDERGROUND PINOS ALTOS			
Probable Reserves	< 1.5		>=40.48
Indicated Resources	< 1.5		>=30.36
Inferred Resources	>= 1.5		>=30.36

Table 94 - NSR Criteria for Reserve and Resource Pinos Altos and Mascota

The Indicated Mineral Resources is composed of each resource block models above the marginal cut-off grade with the Search Volume attribute (sv) equal to 1, (where the grade interpolation was interpolated on the first search ellipse). The marginal cut-off NSR for heap leach was calculated by applying no cost to ore mining, milling and G&A (see Table 95).

Marginal Cut Off NSR				
Cost	Pinos Altos	Mascota		
Ore mining			\$us / tonnes	} Heap Leach
Laboratory	0.50		\$us / tonnes	
Surface Services	0.50	0.10	\$us / tonnes	
Heap Leaching	4.43	5.22	\$us / tonnes	
Milling	0.00		\$us / tonnes	
Gen. & Adm.			\$us / tonnes	
Total	5.43	5.32	\$us / tonnes	

Table 95 - Marginal Cut-off grade calculation for Pinos Altos and Mascota

19.3.2 Underground Resource

Underground mineral resource models that were specifically built using a minimum horizontal mining width criterion of 3.0 metres, were selected in the underground resource estimation process.



In order to classify the underground Mineral Resources of the Santo Nino, Oberon de Weber Cerro Colorado and San Eligio, individual resource blocks models were recombined in 3-dimension to correspond as closely as possible to designed contiguous mining stope blocks using the Datamine software.

The “stope” dimensions were set at 15 metres wide by 30 metres high over the full thickness of the ore zone as determined by an engineering rock mechanics study (Doucet et al., 2007b; and refer to Item 25). The location of the indicated resource (and probable reserve), stope blocks follow those determined in the Pinos Atlos Feasibility Study (Doucet et al., 2007b). Stope blocks of inferred mineral resource respect the dimensions determined the Feasibility Study but are arranged as contiguous blocks in 3-dimensional space.

No Measured Mineral Resource was defined in the reserve estimate completed in December 2008. Indicated underground Mineral Resources correspond to mining stope blocks whose average Search Volume attribute (sv) was lower or equal than 1.5 (ie., where the grade interpolation was, on average for all of the contained model blocks, generally completed on the first pass. All mining stopes with an average Search Volume attribute (sv) greater than 1.5 were classified as inferred Mineral Resources.

In order to satisfy the concept of grade continuity, the mining stope models were verified (in longitudinal section) prior to the tabulation of mineral resources. In cases where the verifications identified sectors of poor continuity, indicated resource blocks in these sectors were reclassified as inferred mineral resource. Dilution was only then applied to the indicated resource and probable reserve blocks prior to resource classification by NSR cut-off.

In order to be classified as either underground Probable Mineral Reserve or as indicated and inferred open mineral resource, each individual mining stope blocks had to satisfy a minimum NSR value above the economical cut-off listed in Table 94.



These underground resource models (and their associated dilution “resource” models), complete with tonnage, NSR and density data were submitted for evaluation for their underground mining potential by the Pinos Altos project engineering team to determine the underground mining reserves (see Item 25).

19.4 Conversion of Mineral Resources Into Mineral Reserves

Mineral Reserves for the Pinos Altos gold project were established by evaluating Indicated (and Measured) Mineral Resources in order to determine if economic extraction is justified based on the 2007 Feasibility Study (Doucet et al., 2007b) and the February 2007 Life of Mine study (following NI 43-101). In order to satisfy SEC regulations, namely Industry Guide 7, environmental permits were awarded by the Mexican Government authorities for the Pinos Altos mine project and an environmental permit was submitted for the Creston-Mascota project (see Item 6). The level of confidence of the Inferred Mineral Resources is too low to be considered as Mineral Reserves. The Mineral Reserves consist of contiguous zones of mineralization above a minimum cut-off estimated at \$21.65 per tonne NSR for open pit mining milling, \$7.51 per tonne NSR for heap leach at Pinos Altos, \$9.0 per tonne NSR for heap leach at Creston Mascota project and \$40.48 per tonne NSR for underground mining at the Pinos Altos mine project. The parameters used for estimating the Mineral Resources and reserves are presented in Table 96



Modifying factor	Open Pit	Underground
Mining losses	0%	5%
Extraction ratio	100%	100%
Planned dilution	10%	variable (averaging 21.4%)
Dilution Grade	0 g/t gold 0 g/t silver	Estimated by block modeling
Mill gold recovery	96.5% if Au $\geq 2,86\text{g/t}$ if $\text{Au} < 2,86\text{g/t}$ $y\% = 0.7019 \cdot \ln(x) + 95.762$ Average for Pinos Altos = 96.5%	
Mill silver recovery	$y\% = 3.3502 \cdot \ln(x) + 37.753$ Average for Pinos Altos = 52.8%	
Heap Leach gold recovery	59% for Santo Nino 77% for Oberon de Weber 65% for San Eligio and El Apache 71.0% for Creston-Mascota	
Heap Leach silver recovery	11% for Santo Nino 14% for Oberon de Weber 15% for San Eligio and El Apache 16.0% for Creston-Mascota	
Metal prices	US\$725 / oz gold US\$13.32 / oz silver	
Exchange rate (MXP/US\$)	11.00	
NSR cut off	US\$21.65 per tonne (milling) US\$7.51 per tonne (heap leach for Pinos Altos) US\$9.00 per tonne (heap leach for Creston-Mascota)	US\$40.48 per tonne (milling)
Royalties	Averaging 3.10% for Pinos Altos Averaging 0.76% for Creston-Mascota	

Table 96- Modifying factors used by Agnico-Eagle in the conversion of Mineral Resources into Mineral Reserves on December 31st, 2008.

Using the assumptions above, the proven and probable Mineral Reserves for Pinos Altos gold project are estimated at 41.7 million tonnes grading 2.68 g/t gold (3.59 million contained ounces of gold) and grading 74.48 g/t silver (100.01 million contained ounces of silver). Included in the mineral reserve are 96 893 tonnes of stockpiled ore grading 1.35 g/t gold (4 212 contained ounces of gold) and grading 19.08 g/t Ag (59431 contained ounces of



silver) as of December 31st 2008. The stockpiled material was classified as Proven Mineral Reserve whereas the insitu Mineral Reserves are classified as probable Mineral Reserves. Mineral resources are disclosed exclusive of mineral reserves in Table 97

19.5 Mineral Resource and Mineral Reserve Statement

The Mineral Resource and Mineral Reserve statement for the Pinos Altos gold project as of December 31, 2008 is presented in Table 97.

Resource/Reserve Category	Tonnage [000's]	Grades [g/t gold]	Grade [g/t silver]	Contained Gold [x000 troy oz Au]	Contained Silver [x000 troy oz Ag]
Proven Mineral Reserve	97	1.35	19.08	4	59
Probable Mineral Reserve					
Open Pit	18,594	2.34	55.08	1,402	32,926
Underground	23,075	2.95	90.34	2,187	67,025
*Total Probable Mineral Reserve	41,766	2.68	74.48	3,593	100,010
Indicated Mineral Resource					
Open Pit	7,160	0.76	12.17	176	2,802
Underground	5,308	1.31	44.85	223	7,653
Total Indicated Mineral Resource	12,468	1.00	26.08	399	10,455
Inferred Mineral Resource					
Open Pit	2,093	0.96	15.87	64	1,068
Underground	1,907	2.41	66.38	148	4,069
Total Inferred Mineral Resource	4,000	1.65	39.95	212	5,137

Table 97 - Mineral Resource and Mineral Reserve statement*, Pinos Altos gold-silver project, Mexico – Agnico-Eagle Mines Limited, December 31, 2007



19.6 Discussion

The main differences between the previous estimate and the December 31st 2008 reserve and resource estimate for the Pinos Altos Project is the addition of the Creston-Mascota open pit zone and the San Eligio Zone underground into the probable reserves as well as the higher gold price used in the NSR calculations..

Similar to last year, the dilution applied in the December 31st 2008 estimate in the underground mining is based on engineering studies.. A variable dilution factor is now estimated in function of the position of the fault along the hanging wall versus the ore zone, which increases the dilution factor more than 20% when the zones are in contact with the fault in some areas. As a whole, the average dilution in the December 31st 2008 is now estimated at 21.46% compared to 13% in December 2007. The dilution grade underground is also estimated using block modelling.

Based on these modifications in the estimation method, the new reserve estimation should be more representative of the gold and silver distribution inside the deposit. However, it will be important to update the variographic analysis on the Cerro Colorado and Santo Niño Zones, San Eligio and Oberon de Weber due to the increase in the number of new holes completed in 2008 in these sectors.



Item 20 Other Relevant Data and Information

No other relevant data.

Item 21 Interpretations and Conclusions

The diamond drilling program carried out by Agnico-Eagle in 2008 has continued to validate the intersections previously defined in the Pinos Altos mine area by Peñoles and has confirmed the economical potential on the western part of the Cerro Colorado Structure.

The studies carried out by Géopointcom in December 2007 has continued to refine the geostatistical characteristics for both the Santo Niño and the Cerro Colorado Zones. The shape of the search ellipses and grade capping parameters were also adjusted based on this study. However, the gradual contacts that are often observed between the breccia and the stringer facies makes modelling difficult for these different types of mineralization. Due to the gradual contacts between the breccia and the stringer, the model shells interpreted by Agnico-Eagle combine in some places the two types of mineralization.

The modelling of the old mining openings remains approximate. The modelling of these old openings is based on compilations of historic plan views and longitudinal sections obtained from archives that are current.; this information has only partially been validated by the drilling results so far. The error related by these openings could directly affect the tonnage estimates in the Santo Niño and Oberón de Weber sectors. However, these old mining openings are mainly located inside the current open pit areas and will not have an important impact on the underground reserve in terms of dilution and mining recovery.

Based on the economic study, the intersection continuity seen between holes and the drilling pattern, the information and data used in the Mineral Resources estimation are adequate to establish probable reserves for the Pinos Altos project. To increase the accuracy of this



resource estimation, it would be pertinent to define a method to separate the breccia and the stringer zones inside the ore shell. However, the authors believe that the distinct modelling of the breccia and the stringer would result in a better distribution of the ounces through the deposit without affecting the total ounces already estimated for the deposit.

From an environmental point of view, the non acid generating nature of the waste rock and the selected dry tailings management method combined with cyanide destruction ensure that environmental impacts of the project are minimised. A sampling program should be implemented to verify the waste rock and tailings properties throughout the mine life to ensure that they fall within the studies results. In addition, good environmental practices will be implemented to manage dust, noise and domestic and industrial waste at the site. Water quality will also be monitored to ensure that the mine operation do not affect the quality of the receiving waters.

Item 22 Recommendations

From the findings in the economic analysis, the exploration program underway and this Minerals Resources estimation, it is our recommendation that Agnico-Eagle continue its exploration program on and around the Pinos Altos property and continue the drilling program from the Santo Niño exploration ramp to further extend the geological information in the deeper part of the Santo Niño, Cerro Colorado and Oberon de Weber zones.

Not surprisingly, the current economic analysis of the Pinos Altos project, with its increased mineral reserves and significantly higher metal prices compared to August 2007, confirms that it is a profitable project and warrants completion. Similarly the economic viability of the Creston-Mascota open pit heap leach project is also supported by the current economic analysis.

It is our estimation that the Pinos Altos project can be more profitable by optimizing the actual conception and increasing the production rate. A scoping study should be initiated to



confirm the economic viability of increasing the production rate and guide follow-up work. In addition, it is also our opinion that more drilling is required to see the full potential of this project, but this does not jeopardize the profitability of the project.

Environmental Recommendations:

In terms of monitoring, a sampling program should be implemented to verify the waste rock and tailings properties throughout the mine life to ensure that they fall within the studies results. In addition, water quality monitoring will be done to ensure that the mining activities do not affect the quality of the receiving waters. Good environmental practices will be implemented to manage dust, noise and domestic and industrial waste at the site. The evolution of the flow of dewatering water should be monitored as the open pits are being excavated.

Metallurgical Recommendations:

The recommendations for further development of the project are primarily concerned with the acquisition of additional supporting data to the current detailed feasibility study. More specific recommendations include:

- Additional engineering should be completed to further increase the confidence level on the costs and design parameters;
- Additional metallurgical testwork should be completed on samples of individual samples ore to confirm the projected recoveries of the entire Pinos Altos orebody
- Additional compacted permeability tests should be completed to optimize cement requirements in agglomeration.
- Additional site work is required in order to develop sufficient information for an accurate determination of leach pad / pond costs.

Surface infrastructure construction recommendations:

It is recommended that additional work be conducted during the next phase of this project to confirm project costs. This work includes:



- Additional work on the routing of the power line and water line from Pinos Altos to Creston-Mascota;
- Evaluate alternative sources of water for Creston-Mascota as the water from the Victoria Adit may be required by Pinos Altos;
- Completing the proposed condemnation drilling program in order to ensure the proper positioning of surface infrastructures.

Engineering recommendations:

The recommendations for further development of the project are primarily concerned with the pit wall angles. The additional recommended work consists of:

- Completing the proposed geotechnical drilling program in order to acquire relevant information;
- Perform a detailed geotechnical study to confirm the pit slope angles.



Item 23 References

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Item 24 Date and Signature Page

The data on which the contained resource and reserve estimates are based was current as of the Effective Date of December 31st, 2008.

(Signed by) Dyane Duquette

Date: March 20th, 2008

Dyane Duquette, Geo.

(OGQ #572), (sealed)

(Signed by) Louise Grondin

Date: March 20th, 2008

Louise Grondin, P. Eng, Eng.

(PEO#17384504, OIQ#125863), (sealed)

(Signed by) Pierre Matte

Date: March 20th, 2008

Pierre Matte, Eng.

(OIQ#118872, APEG of BC #29113), (sealed)

(Signed by) Camil Prince

Date: March 20th, 2008

Camil Prince, Eng.

(OIQ #33968), (sealed)



Item 25 Additional Requirements for Technical Reports on Development Properties and Productions Properties

The following section summarizes the results of the 2007 Feasibility Study of the Pinos Altos Mine Project and the 2008 internal Feasibility Study of the Creston-Mascota Project that have been updated with more recent information, namely the December 31st, 2008 mineral resource estimate and the April 2008 Mine Plan Study which was updated in February 2009. The updated Mine Plan Study (including the mining approach and design, the capital and operating cost estimates, the economic analysis and mine life presented herein) is adequate and demonstrates that economic extraction of the current mineral reserve is justified.

25.1 Pinos Altos

25.1.1 Mining Operations

The Pinos Altos orebodies, by their geometry, orientation, grade and size, are amenable to both surface mining methods as well as underground mining methods.

25.1.1.1 Open Pit Mining Method

The ore near the surface of both the Oberón de Weber and Santo Niño deposits will be mined by conventional truck & shovel open pit mining methods until the pits reach depths where underground mining becomes more cost effective. The geology block models complete with grades and density are evaluated for their open-pit potential using a Lerchs-Grossman ultimate pit algorithm based on economic and technical parameters such as: block grades and density, metal prices, process plant recoveries, royalties payable, mining costs, processing costs, fixed costs allocated to production and geotechnical parameter constraint.

Lerchs-Grossman calculates the ultimate pit, or in other words, which blocks should be mined to maximize the cash flow over mine life. If a deposit has both open pit and



underground potential, the depth at which the open pit should stop and the underground mining start is determined by a series of Lerchs-Grossman Ultimate Pits with varying floor depth constraints.

25.1.1.2 Underground Mining Method

Based on the information gathered by the exploration drilling, the geotechnical drilling and observations done on the surface and in the old openings, the long-hole mining method has been selected as an appropriate method to mine the Pinos Altos ore body beneath the Santo Niño and Oberón de Weber open pits. With a dip between 66 and 75 degrees, the ore body is steep enough and wide enough (up to 30 m wide) to be mined efficiently with a long hole mining method. The shallowness of the deposit and the density of the rock will help on the dilution side because it keeps the level of stress relatively low in the rock mass. The presence of the Santo Niño fault which is parallel to the orebody, will not have a big impact on dilution because the fault is oftent more than 2 m from the ore body except in small areas. In these small areas, extra dilution was taken into account. Based on the geotechnical information and Agnico-Eagle's past experience at the LaRonde mine, sublevels were designed at every 30 m, leaving 25 m between the floor of the level above and the back of the level below. To allow a higher extraction rate, a transverse mining method with a primary/secondary sequence was chosen for most of the ore body except on the extremities where the thickness of the ore is less than 5 m wide. A retreat mining sequence was chosen for those areas. To reduce excess dilution, paste fill will be used to backfill the primary stopes and the stopes located above the sill pillar. To reduce waste hauling and operating costs, the secondary stopes will be filled with uncemented rock fill.

25.1.1.3 Production Rates

After the production plan review, the production rate was set to have a 22 year mine life on the basis of the ore reserves as of end December 2008. A 4000-tonne-per-day operation would prove to be not only reliable but would also have a safe margin of production



capacity. Further studies and the presence of a significant amount of low grade material (less than 1.5 g/t of gold) have shown that the construction of a 2000 tpd heap leach facility would increase the profitability of the overall Pinos Altos mine project. Production from the open pit would provide the necessary ore for the heap leach and part of the mill at an average rate of 1400 tpd from 2009-2012 and 1300 tpd for the rest of the mine life. The underground mine would provide the rest of the necessary ore to the mill at a rate of 2600 tpd from 2010 to 2012 and 2900 tpd for the rest of the mine life.

25.1.2 Production Forecast

The production forecast presented in the February 2009 production plan (and based on December 2008 reserves) for the open pit mining is presented in Table 98 while the underground production forecast is presented in Table 99

Mill Open Pit		2009	2010	2011	2012	2013	Total	2014-2030
Ore Milled	tonnes	370 000	807 950	473 800	473 800	473 800	2, 599,350	7,238,773
Au Grade	g/t	3.98	4.13	4.15	4.31	4.22	4.16	2.75
Ag Grade	g/t	99.36	98.48	96.48	89.63	94.68	95.93	83.78
Au Contained	ounces	47 324	107 276	63 251	65 607	64 236	347,694	640,378
Ag Contained	ounces	1 181 906	2 558 186	1 469 686	1 365 331	1 442 217	8, 017,325	19,497,529
Heap Leach OP		2009	2010	2011	2012	2013	Total	
Ore Heap Leach	tonnes	428 000	504 055	538 833	523 237	133 004	2, 284,858	
Au Grade	g/t	1.11	0.77	0.90	0.83	0.85	0.89	
Ag Grade	g/t	31.67	19.78	28.85	26.23	16.87	25.87	
Au Contained	ounces	15 305	12 515	15 653	13 901	3 637	61,010	
Ag Contained	ounces	435 765	320 549	499 859	441 234	72 150	1,769,557	

Table 98 - Pinos Altos open pit production forecast five year plan

Mill UG		2009	2010	2011	2012	2013	Total	2013-2030
Ore Milled	tonnes	-	701 000	1 051 200	1 051 200	1 051 200	3,854,600	18,066,640
Au Grade	g/t	-	4.30	4.52	4.01	3.24	3.99	2.73
Ag Grade	g/t	-	111.99	121.64	114.23	95.03	110.61	86.02
Au Contained	ounces	-	96 843	152 679	135 637	109 393	494,551	1, 582,862
Ag Contained	ounces	-	2 524 024	4 110 939	3 860 722	3 211 710	13,707,396	49,966,223

Table 99 - Pinos Altos underground production forecast



25.1.3 Mining Recovery

For the open pit production, a recovery of 100% of the mining reserve was used. For the underground production, a mining recovery factor of 95%, based on the presence of historic mine working, was applied for all the reserves.

25.1.4 Metallurgical Recovery

Agnico-Eagle developed models to project the recovery for Pinos Altos ore based on metallurgical bottle roll test results from variability and master. For gold and silver, a linear regression analysis was used to obtain a relationship predicting residue assay as a function of head grade. The model equations are presented as follows:

Gold % Rec = $0.7019 \times \ln(\text{head grade}) + 95.762$ and 96.5% if head grade $\geq 2.86\text{g/t}$

Silver %Rec = $3.3502 \times \ln(\text{head grade}) + 37.753$

Based on mine life head grades of 3.00 gold g/t and 89.0 silver g/t. (which is the approximate grade of the December 2008 mineral reserves that will be processed by milling at Pinos Altos), a weighted average gold and silver recovery for all ore types has been estimated at 96.5% and 52.8% respectively.

The predictions of field heap recovery typically include reductions to account for problems in normal operations including gold/silver left in any entrained solution in the heap. Based on mine life heap leach head grades of 0.88 gold g/t and 26.0 silver g/t. (which is the estimated grade of the December 2008 mineral reserves that will be processed by heap leach at Pinos Altos), a weighted average gold and silver recovery for all ore types has been estimated at 67.5% and 13.0% respectively.



25.1.5 Markets

The Pinos Altos mine and processing facilities are expected to produce a high grade silver-gold doré in bars assaying approximately 89% silver and 6% gold which is readily marketable.

The refined Pinos Altos gold/silver will be allocated to the Agnico-Eagle Account at the refinery for future sale on the Spot Market by the company.

25.1.6 Contracts

At the moment of writing this document, Agnico-Eagle did not have any contracts to sell the metals produced by its Pinos Altos project.

25.1.7 Environmental Considerations

The main elements requiring long term environmental management for the Pinos Altos mine project are:

- The Tailings Management Facility (“TMF”)
- The waste rock piles
- The heap leach pads
- The site water management post-closure
- The site of the infrastructures

The TMF closure costs have been assessed at \$2.5 M by Golder and Associates. Closure of the dry tailings pond will be easier because it provides a surface on which equipment can travel. The closure scenario consists mainly of tailings stabilisation with a waste rock cover and planting trees on this cover. The dry tailings pond design with a low toe berm also minimises the long term stability risk.



Given the fact that waste rock generated by the open pit operation is non acid-generating and non-toxic, waste rock piles closure will consist mostly of regrading and planting native species and trees. Closure costs have been evaluated at \$2.2 M.

At the end of the leaching operation, once the cyanide in the leach pads is naturally degraded, closure of the leach pads will be similar to the waste rock piles. Given the fact that the original estimate had put the low grade ore as waste, the closure cost should not change.

Following site closure, some surface drainage work will need to be done to breach settling ponds and re-establish the natural drainage over the area. The cost of this water management post-closure has been established at \$0.7 M.

The site of the infrastructures will be regraded and revegetated with native species and trees following demolition and dismantling. The site closure work has been estimated at \$0.9M.

The fact that the waste rock is non-acid generating and non-toxic, that the tailings are deposited dry and detoxified will remove the major post-closure risk and should limit the closure costs.

25.1.8 Taxation and Royalties

For tax calculation, a basic flat tax rate has been applied for the life of the mine that corresponds to the tax rate in Mexico. No special deductions or accounting procedure have been applied to save extra tax income except for capital asset deductions.

The Madroño Concessions (which cover approximately 60% of the current mineral resource) are subjected to a net smelter royalty of 3.5% payable to Minerales El Madroño S.A. de C.V.. The Pinos Altos Concession (which covers approximately 40% of the current mineral resource) is subjected to a 2.5% net smelter return royalty payable to the Consejo de



Recursos Minerales; after 20 years, this portion of the property will also be subjected to a 3.5% net smelter return royalty payable to Madroño.

The average royalty calculation for the first 20 years of the Pinos Altos Project is presented in the following table :

	Madrono Concession Ounces of Au and Ag subjected 3.5% Royalties to Minerales El		Pinos Altos Concession Ounces of Au and Ag 2.5% Royalties to Consejo de	
Zone	Au (oz)	Ag (oz)	Au (oz)	Ag (oz)
Santo Nino Pit	785762	19743851	966	42 085
Santo Nino UG	438217	14008372	1040997	32481051
Oberon de Weber Pit	196977	7068435	21 083	956 599
Oberon de Weber UG	133688	3009218	38 936	1165516
Cerro Colorado	416414	10939255	35 983	1477262
El Apache	8692	192296		
San Eligio			118119	5 225 335
Total	1 979 750	54 961 427	1256084	41 347 848
Monetary Value	1 435 318 750	732 086 208	910 660 900	550 753 335
	59.73% 3.5% 2.0905%		40.27% 2.5% 1.0068%	
	3.0973%			

Table 100: Pinos Altos Average Royalty Calculation (first 20 years)

In December 2008, the Company announced that it had purchased surface rights and advance royalty payments in connection with the development of the Pinos Altos property in Chihuahua State, Mexico. These payments and resulting reduction in royalty costs have not been incorporated into this calculation.

25.1.9 Capital and Operating Costs Estimate

For the cost estimate of the mining project, quotes from suppliers, consultants, internal data (from existing operations) and external data (from other mining operations) are used. Suppliers, by budget quotes, form the basis of the capital expenditures.



Category	Cost Millions US\$
Indirect Cost	1.1
Surface Infrastructures	23.8
Surface Mine	45.5
Underground Mine	157.8
Mill	45.1
Heap Leaching	11.5
Environment	19.8
General Fees	42.1
G&A	14.0
Owner Construction	4.6
Salvage	(11.0)
TOTAL	354.3

Table 101 - Summary of the Capital Expenditures

Category	Cost US\$/tonne
Open Pit Mining	1.14
Underground Mining	19.97
Milling	15.91
Heap Leach	4.43
Laboratory	0.37
Surface Services	0.78
General & Administration	4.99
TOTAL (Average/tonne(Mill+HL))	38.42

Table 102 - Summary of the Operational Expenditures

25.1.10 Economic Analysis

The economic analysis was calculated using historic three-year metal prices and foreign exchange rates current to December 31st, 2008 in accordance with S.E.C. Industry Guide 7.



The economic parameters used for the February 2009 Mine Plan Study are summarized in the Table 102

Gold Price	725 US\$/oz.
Silver Price	13.32 US\$/oz.
CDN\$/US\$ Exchange rate	1.09 CDN\$/US\$
MX\$/US\$ Exchange rate	11.00 MX\$/US\$
US\$/EURO Exchange rate	1.37 US\$/EURO

Table 103 - Economics parameters used for Mine Plan Study

The economical analysis has been conducted using a gold price of US\$725.00 per ounce and a silver price of 13.32 US\$ per ounce. Royalty charges were applied in compliance with the Madroño agreement (mining arrangement for the Pinos Altos property). The result of the economical analysis provides a positive IRR for the Pinos Altos Project of 20.58% percent after royalty and before taxes and an IRR of 19.69% after taxes.

Table 103 and 104 present forecasts of metal production, operating cash flow, capital expenditures and after-tax cash flow on an annual basis using proven mineral reserves and probable mineral reserves only. Please note that the production is based on the February 2009 production plan and the December 2008 Mineral Reserve Estimate.



Metal Prices & Exchange Assumption

Production

Open Pit Production

Underground Mine Production

Development Ore
Gold ConcentrationTotal Mill Ore Tonnes

Metal Production, Payable and Revenues

Mill Production

Heap Leaching Production

Payable Metal

Refining Charges

Revenue

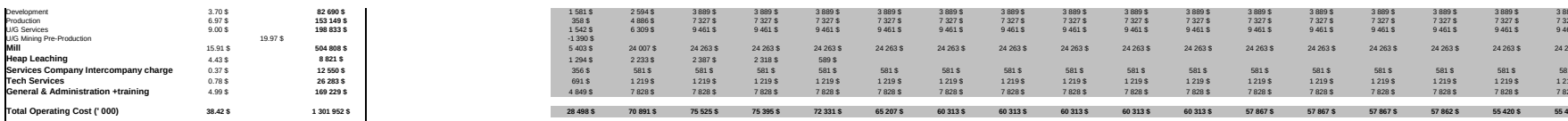
Royalties

Total RoyaltiesOperating Cost ('000)cdn\$

Open Pit

Table 10

270



Operating cost	US\$	38.42 \$	35.71 \$	35.22 \$	36.59 \$	36.81 \$	43.63 \$	42.76 \$	39.55 \$	39.55 \$	39.55 \$	39.55 \$	39.55 \$	37.95 \$	37.95 \$	37.95 \$	37.94 \$	36.34 \$	36.34 \$
Cash costfoz Au net of Ag & intercompany charge		221.66 \$	365.94	172.07	164.68	189.73	237.27	242.00	248.53	271.55	374.17	368.19	158.94	221.49	171.87	78.86	257.86	237.74	237.74
Operating Cashflow	(000) US\$	1 384 850 \$	-18 750 \$	18 275 \$	107 630 \$	116 275 \$	103 022 \$	77 923 \$	65 581 \$	54 327 \$	50 581 \$	31 775 \$	33 171 \$	88 126 \$	63 965 \$	79 118 \$	114 885 \$	52 999 \$	55 441 \$

		LOM	PROJECT	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Capital Project ('000 US\$																						
		21 627 \$	21 627 \$	1 239 \$	11 997 \$	8 393 \$																
	General Site	2 203 \$	2 203 \$		1 \$	2 202 \$																
	Mine Surface Facilities	43 000 \$	42 100 \$		13 812 \$	26 533 \$	900 \$															
	Mineral Treatment Plant	8 020 \$	8 020 \$	571 \$	8 459 \$	1 000 \$																
	Heap Leach	937 \$	937 \$			937 \$																
	Mineral Treatment Plant-Reagents	19 779 \$	13 233 \$		10 565 \$	1 100 \$						1 200 \$										
	General Fees	42 007 \$	43 155 \$	5 069 \$	11 347 \$	26 749 \$										-2 412 \$						
	Open Pit Mine Equipment	28 484 \$	28 509 \$	4 125 \$	14 720 \$	7 652 \$																
	Underground Development	134 404 \$	603 \$		28 228 \$	5 364 \$																
	Underground mine (equipment)	21 765 \$	16 432 \$		6 954 \$	9 354 \$	7 336 \$	8 104 \$	9 603 \$	7 068 \$	9 063 \$	9 379 \$	8 802 \$	6 687 \$	6 062 \$	5 242 \$	5 242 \$	5 042 \$	4 842 \$	1 649 \$	1 040 \$	
	GLA	9 884 \$	7 608 \$		6 954 \$	5 333 \$																
	Open Pit Mine Development	8 658 \$	8 658 \$		7 808 \$	34 \$		11 \$	7 \$	57 \$	7 \$	3 \$	258 \$	76 \$								
	Heap Leach Process/Mobile Equip	2 047 \$	2 047 \$		1 467 \$	580 \$																
	Owner construction	4 617 \$	4 617 \$	1 440 \$	2 223 \$	945 \$																
Pre-Production Expenses ('000 US\$																						
	Preproduction (GA capitalized (was expensed previously)	4 139 \$	4 139 \$		4 139 \$																	
	Open Pit Mine Development (was expensed previously)	8 362 \$	8 362 \$		8 362 \$																	
	UG Mining Pre-Production (was expensed previously)	1 390 \$	1 390 \$		1 390 \$																	
	MB Pre-Production capitalized (not in project scope)	1 071 \$	1 071 \$		1 071 \$																	
	Heap Leach preproduction capitalized (not in project scope)	449 \$	449 \$		449 \$																	
	working capital, operating spares/supplies not included in project budget	1 145 \$	1 145 \$		1 145 \$																	
	Salvage	-11 028 \$	-276 \$						-11 028 \$													
Total Capital Cost	'0000 US\$	354 323 \$	241 939 \$	15 344 \$	99 448 \$	136 145 \$	19 902 \$	7 370 \$	8 116 \$	10 524 \$	7 126 \$	10 270 \$	9 382 \$	9 069 \$	6 763 \$	3 650 \$	6 634 \$	5 242 \$	5 042 \$	4 842 \$	1 649 \$	1 040 \$

	383	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Operating Cashflow (excl. CapEx) (000 000 US\$)	- \$	- \$	(18.8)	18.3	107.6	116.3	103.0	77.9	65.6	54.3	50.6	31.8	33.2	86.1	64.0	79.1	114.9	53.0	55.4	
Net Cashflow (incl. CapEx) (000 000 US\$)	- \$	(15.3)	(87.1)	87.4	104.9	104.9	91.5	58.9	41.9	27.9	27.9	10.9	10.9	84.5	67.3	84.5	109.9	47.3	53.0	
Cumulative (000 000 US\$)	- \$	(15.3)	(124.5)	(242.4)	(154.7)	(45.8)	49.1	116.1	174.6	218.6	259.9	282.6	309.0	393.4	450.8	524.7	634.5	682.7	736.4	
COI incl Corporate charges and acquisition		(15.3)	(150.7)	(268.6)	(180.9)	(72.0)	22.9	89.9	148.4	192.4	233.6	256.4	282.8	369.4	424.6	498.5	608.3	656.5	710.2	
Net cashflow incl capex and Corporate Charges		(15.3)	(135.4)	(126.6)	80.5	71.7	89.9	59.8	51.3	36.9	34.0	15.5	19.2	77.3	50.1	66.5	102.6	41.0	46.6	

	Begin year 2007	Begin year 2009
Internal Rate of Return before Tax (IRR)	26.77%	74.76%
<i>pre tax IRR including acquisition and corporate charges</i>	<i>20.58%</i>	<i>62.55%</i>

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25.1.11 Sensitivity Analysis

A sensitivity analysis was done to investigate the impact of metal price, grade, recovery, operation cost and capital cost variations. The result of the exercise is presented in the following graph and the following tables.

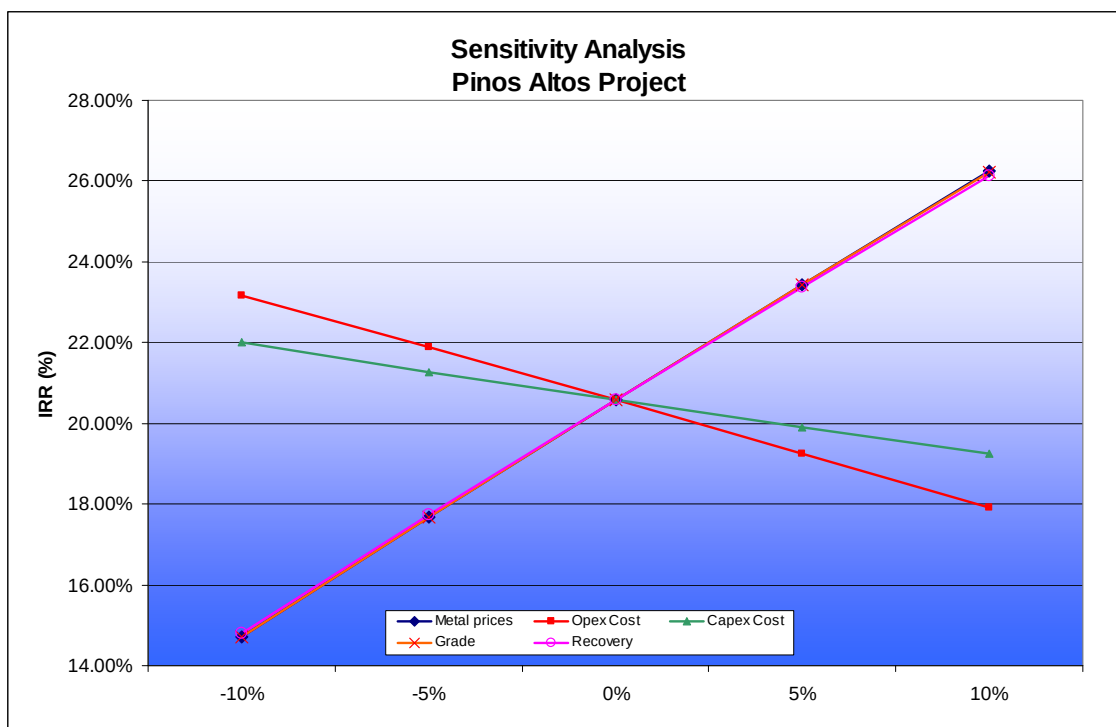


Figure 78 - Sensitivity of IRR to grade, costs, recovery and metal prices

The Pinos Altos project is most sensitive to the gold price and the metal grades and with the project nearing completion, it is least sensitive to capital cost variations.

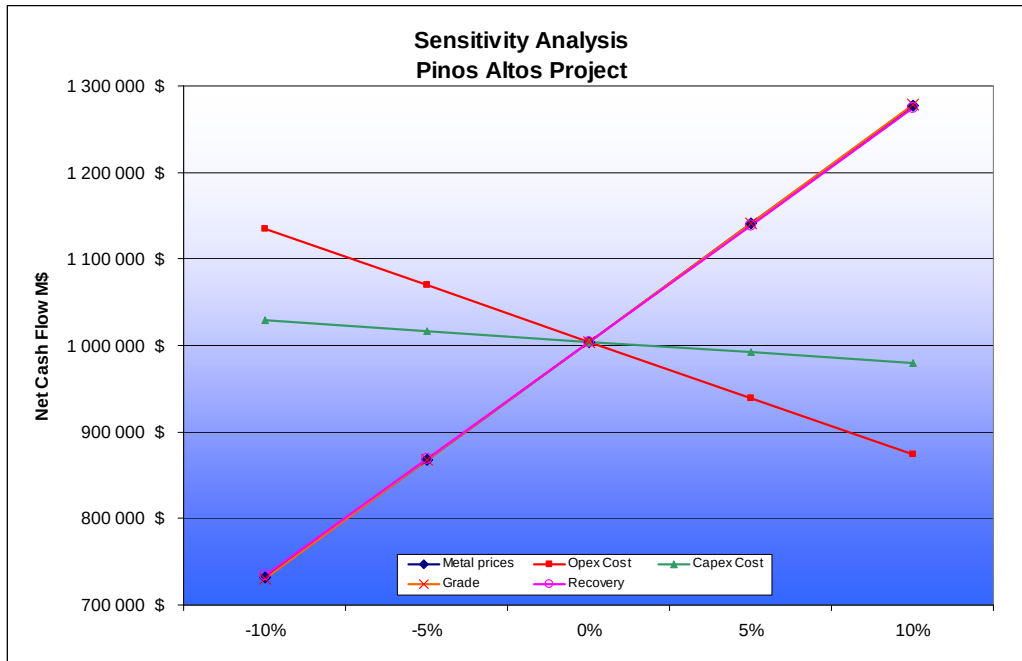


Figure 79 - Sensitivity of cashflow to grade, costs, recovery and metal prices

Variation on	% change	IRR	Cash Flow (000's \$)
GRADE	-10%	14.71%	730,275 \$
GRADE	-5%	17.69%	867,254 \$
GRADE	0%	20.58%	1,004,327 \$
GRADE	5%	23.42%	1,141,480 \$
GRADE	10%	26.21%	1,278,737 \$

METAL PRICES	-10%	14.70%	731,928 \$
METAL PRICES	-5%	17.68%	868,127 \$
METAL PRICES	0%	20.58%	1,004,327 \$
METAL PRICES	5%	23.42%	1,140,526 \$
METAL PRICES	10%	26.24%	1,276,726 \$

RECOVERY	-10%	14.79%	734,601 \$
RECOVERY	-5%	17.73%	869,464 \$
RECOVERY	0%	20.58%	1,004,327 \$
RECOVERY	5%	23.38%	1,139,190 \$
RECOVERY	10%	26.13%	1,274,052 \$

OPEX	-10%	23.18%	1,134,522 \$
OPEX	-5%	21.89%	1,069,424 \$
OPEX	0%	20.58%	1,004,327 \$
OPEX	5%	19.26%	939,229 \$
OPEX	10%	17.92%	874,132 \$

CAPEX	-10%	22.00%	1,029,180 \$
CAPEX	-5%	21.28%	1,016,753 \$
CAPEX	0%	20.58%	1,004,327 \$
CAPEX	5%	19.91%	991,900 \$
CAPEX	10%	19.26%	979,474 \$

Table 106 - Sensitivity Analysis



25.1.12 Payback

The February 2009 production plan estimated the payback to be five and a half (5 1/2) years after the start of construction. The payback does not take into account any interest on loans or inflation

25.1.13 Mine Life

The Mine Plan Study, estimated the mine life at 22 years at a mining rate of 1,525,000 tonnes of ore per year for the life of the mine. Production from the Oberon de Weber pit started in 2009 to feed the heap leaching facility. The same year, the Santo Niño pit starts production and the underground mine starts to provide ore to the mill on 2010. Oberon de Weber continues feeding the heap leaching facility. The following year until the end of the mine life, the mill will be fed by a combination of the pits (high grade) and 1,051,000 tonnes from the underground mine. The heap leach will be supplied by a combination of the two (2) main pits, Santo Niño and Oberon de Weber, and also two small pits on the north side : El Apache and San Eligio.

In the last year of production, ore would only come from the underground mine to feed exclusively the mill processing facility. The heap leach stopped production in year 2013. The mine life is dictated by a combination of milling capacity as well as mining capacity (open pit and underground).

The projected mine life could be increased with successful conversion of indicated and inferred Mineral Resources into Mineral Reserves.



25.2 Creston-Mascota

25.2.1 Mining Operations

25.2.1.1 Open Pit Mining Method

The Creston - Mascota Project will be mined by conventional open pit mining method using trucks and loaders operation comprising in drilling, blasting, loading and hauling; considering that the ore is near to the surface, no economic analysis of underground method was evaluated.

The pit design for Creston -Mascota will be 7 metre high benches, including operational haul road to access all the benches. The final ramp will be double lane considering 3.5 times the width of the truck for a width of 23 meters to accommodate a 100 tonne-capacity Cat 777-type dump truck, including an external safety berm as well internal drainage ditch. A temporary ramp will be used in the early of mine operations to develop the mine and a single ramp will be used in the last benches of the pit. The ramps will be at 10% maximum grade.

A 50° final slope design has been used in the optimization and taken as base for the final pit design; geotechnical aspects need to be reviewed in the slope angle design in the future, to define if is possible to increase the final slope angle to reduce the stripping ratio.



Pit Design Parameters:		
Bench parameters:		
Bench height	7	Mts
Face angle	70°	
Berm width	6.65	double bench
Overall pit angle	50°	Variable
Ramps:		
Maximum Grade	10%	
Double lane width	23	Mts
Single lane width	15	Mts

Table 107 : Creston-Mascota pit design parameters

The pit optimization for Creston-Mascota used the Lerchs-Grossman 3D algorithm and using the programs of DIPPER, MSEP and MSOPIT into Minesight software. The pit optimization has only ore blocks classified in the measured and indicated categories to generate revenue. The basic principle of the algorithm operates on a net value calculation for each ore block in the model.

25.2.1.2 Production Rate

Using the mineral reserves as of end of December 2008 and mining by the open pit method, the mine is set to operate to the end of year 5 with an average per year of 1,350,000 tonne of ore to be processed in a heap leach and carbon column operation.

25.2.2 Production Forecast

The production forecast presented in the February 2009 production plan (and based on December 2008 reserves) for the Creston-Mascota mining project is presented in the table below:



	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Ore tonnes (000's)		1,350	1,350	1,350	1,350	1,326	6,726
Waste tonnes (000's)	3,000	5,687	5,683	5,683	4,995	2,009	27,057
Au-Gr/ton		2.43	2.15	1.52	1.33	0.80	1.65
Ag-Gr/ton		21.02	20.89	20.47	14.11	8.93	17.12
Au-oz (000's)		105	93	66	58	34	357
Ag-oz (000's)		913	907	888	613	381	3,701
Total tonnes (000's)	3,000	7,037	7,033	7,033	6,345	3,335	33,783
Stripping ratio		4.21	4.21	4.21	3.70	2.56	4.02

Table 108 : Life of mine plan and schedule

25.2.3 Mining Recovery

For Creston-Mascota production, a recovery of 100% of the mining reserve was used.

25.2.4 Metallurgical Recovery

The predictions of field heap recovery typically include reductions to account for problems in normal operations including gold/silver left in any entrained solution in the heap. Therefore the projected heap leach overall recoveries are 71% for gold and 16% for silver.

The following table presents the estimate extraction rate and final recovery at 9.5mm crush size.

Ore Type	Testwork Extraction - %		Field Recovery (%)	
	Au	Ag	Au	Ag
South	76	18	73	15
Central	81	7	78	4
North	59	46	56	43
Weighted Average	74	19	71	16

Table 109- Extraction average



25.2.5 Markets

The Creston-Mascota mine and processing facilities are expected to produce a high grade silver-gold doré in bars assaying 67% silver and 28% gold which is readily marketable. The refined Creston-Mascota gold/silver will be allocated to the Agnico-Eagle Account at the refinery for future sale on the Spot Market by the company. No sales contacts have been arranged

25.2.6 Contracts

No sales have been arranged

25.2.7 Environmental Considerations

The main elements requiring long term environmental management are the same as for the Pinos Altos project, excluding the TMF.

In the internal Feasibility Study for Creston-Mascota (Matte et al., 2008), the same closure methods were assumed for the Creston-Mascota project as for the Pinos Altos project. Closure costs were evaluated using the Pinos Altos project as a basis. The total closure cost is estimated to be \$3.2 million.

25.2.8 Taxes and Royalties

Royalty charges were applied in compliance with the Madroño agreement (mining arrangement for the Pinos Altos property). The only concessions with payable royalties are the Pinos 16, Pinos 17 and Pinos 18 concessions (3.5% royalty payable to Minerales el Madroño S.A. de C.V.). A weighed average of ounces present on those concessions was calculated to establish the average royalty to be applied to the entire project. This calculation is presented in the table below.



Ore Distribution by Claims	Carola + Pinos Fracc. 4	Pinos 16, 17 and 18	Total
Ore tonnes (000's)	5 128	1 598	6 726
Au-gr/tonne	1.66	1.63	1.65
Ag-gr/tonne	17.45	16.04	17.12
Au-oz (000's)	273	84	357
Ag-oz (000's)	2 877	824	3 701
Au value (000's \$)	190 991 \$	58 537 \$	249 528 \$
Ag value (000's \$)	37 834 \$	10 837 \$	48 671 \$
TOTAL VALUE (000'S \$)	228 825 \$	69 374 \$	298 199 \$
% Au-oz value	76.54%	23.46%	100%
% Ag-oz value	77.73%	22.27%	100%
% TOTAL VALUE	76.74%	23.26%	100%
APPLICABLE ROYALTY	0%	3.50%	
% ROYALTY TO BE PAID	0%	0.8143%	0.8143%

Table 110 : Royalty weighed average calculation

25.2.9 Capital and Operating Cost Estimates

25.2.9.1 Capital Costs

Pre-stripping costs were evaluated according to the unit mining cost and the quantity of material to be removed before production begins. The pre-stripping cost was set at 3.45 million \$.

In order to ensure the proper positioning of the site infrastructures, a condemnation drilling program was created. Also, to obtain valuable geotechnical information in order to confirm pit slopes, a geotechnical drilling program was established. The cost of these drilling programs was evaluated at 698 000\$.

Mining equipment costs were evaluated using recent supplier quotes obtained by the Pinos Altos staff and total 14 005 000\$.

The heap leaching process capital cost was calculated by Kappes, Cassiday and Associates (KCA) and totals 22.6 million \$. This cost includes the following: primary and fine crushing facilities, ore reclamation and stacking, solution application installations, heap leach pads and ponds, gold recovery and smelting facilities, a water distribution system as well as allowances for reagents and shipping fees. Engineering, Procurement and



Construction Management (EPCM) costs were also part of the KCA mandate and total 4 million \$.

Buildings and site infrastructure costs were also estimated by KCA and determined to be 5.01 million \$ (see Appendix B). Site road construction costs were calculated at 600 000\$ by the Pinos Altos mine staff.

Owner's costs considered in the study total 2.141 million \$.

Closure costs were evaluated using the Pinos Altos project as a basis. The total closure cost is estimated to be 3.21 million \$.

A salvage value was evaluated considering only the mining equipment and the heap leach stacking equipment. A value of 25% was assigned to these items and the total salvage value was evaluated at 4.29 million. For this study's purposes, it was considered that dismantling fees are equivalent to buildings and material salvage value.

A 20% contingency was applied to all capital costs with the exception of the heap leach pad expansion in year 1, the closure cost and the equipment salvage value.

A summary of the capital costs for the Creston-Mascota Project is presented in the following table :

Category	Cost Millions US\$
Indirect Cost	7.1
Surface Infrastructures	5.6
Surface Mine	14.0
Heap Leaching	22.6
Owner's Costs	2.1
EPCM	4.0
Contingency	9.5
Closure cost	3.2
Salvage value	(4.3)
TOTAL	63.9

Table 111 : Creston-Mascota Capital Costs



25.2.9.2 Operating Costs

The Creston-Mascota operating costs are listed in the following table:

Category	Cost US\$/tonne
Open Pit Mining	5.26
Heap Leach	5.22
Laboratory	0.13
Surface Services	0.15
General & Administration	2.30
TOTAL (Average/tonne)	13.06

Table 112 : Creston-Mascota operating costs

25.2.10 Economic Analysis

The economic analysis was calculated using historic three-year metal prices and foreign exchange rates as of December 31st, 2008. These parameters are listed in the table below :

Gold Price	725 US\$/oz.
Silver Price	13.32 US\$/oz.
CDN\$/US\$ Exchange rate	1.09 CDN\$/US\$
MX\$/US\$ Exchange rate	11.00 MX\$/US\$

Table 113 : Economical analysis parameters

Royalty charges were applied in compliance with the Madroño agreement (mining arrangement for the Pinos Altos property). As mentioned in prior sections of the report, the only concessions with payable royalties are the Pinos 16, Pinos 17 and Pinos 18 concessions (3.5% royalty payable to Minerales el Madroño S.A. de C.V.). A weighed average of ounces present on those concessions was calculated to be 0.8143%.



The result of the economic analysis provides a positive IRR for the Creston-Mascota project of 25.16% percent after royalty charges and before taxes. The net cashflow at a 0% discount rate at the end of the project is expected to be \$37.5 M.

Table 114 presents forecasts of metal production, operating cash flow, capital expenditures and before-tax cash flow on an annual basis using the December 31st 2008 mineral reserves estimation.



ECONOMIC STUDY / CASHFLOW

Mascota Project Heap Leach

Reserve

	Metric tons	Au g/t	Au oz	Ag oz
Reserve Undiluted (Proven and probable)	6,114,474	1.82	356,938	3,701,060
Reserve Diluted (Proven and Probable)				
Resources Mined	6,725,921	1.65	356,938	3,701,060

Metal Prices & Exchange Assumption

			Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Gold	US\$/oz	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00	725.00
Silver	US\$/oz	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32	13.32

Production

			Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Open Pit Production	Total										
Production Ore Tonnes	t	6,725,921			1,350,000	1,350,000	1,350,000	1,350,000	1,325,921		
Gold Grade	g/t	1.65			2.43	2.15	1.52	1.33	0.80		
Gold	oz	356,938			105,400	93,344	66,131	57,909	34,154		
Silver Grade	g/t	17.12			21.02	20.89	20.47	14.11	8.93		
Silver	oz	3,701,060			912,531	906,769	888,380	612,618	380,763		
Waste	t	27,056,621		3,000,000	5,686,875	5,683,108	5,683,108	4,994,847	2,008,683		
Total Ore Tonnes	t	6,725,921			1,350,000	1,350,000	1,350,000	1,350,000	1,325,921		
Gold Grade	g/t	1.65			2.43	2.15	1.52	1.33	0.80		
Gold	oz	356,938			105,400	93,344	66,131	57,909	34,154		
Silver Grade	g/t	17.12			21.02	20.89	20.47	14.11	8.93		
Silver	oz	3,701,060			912,531	906,769	888,380	612,618	380,763		

Metal Production, Payable and Revenues

			Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Metal Production	Total										
Mill Recovery for Gold	%	71.00%			71.00%	71.00%	71.00%	71.00%	71.00%		
Mill Recovery for Silver	%	16.00%			16.00%	16.00%	16.00%	16.00%	16.00%		
Gold	oz	253,426			74,834	66,274	46,953	41,115	24,290		
Silver	oz	992,170			146,995	145,083	142,141	98,019	60,922		
Payable Metal	Total										
Payable Metal Factor for Gold	%	99.90%			99.90%	99.90%	99.90%	99.90%	99.90%		
Payable Metal Factor for Silver	%	99.90%			99.90%	99.90%	99.90%	99.90%	99.90%		
Gold	oz	253,173			74,759	66,208	46,906	41,074	24,225		
Silver	oz	990,985			145,713	144,793	141,857	97,823	60,800		
Refining Charges											
Dore Fees for Gold	US\$/oz				\$55	\$50	\$38	\$40	\$34		
Dore Fees for Silver	US\$/oz				\$108	\$107	\$105	\$73	\$45		
					0.74	0.76	0.81	0.98	1.40		
Revenues	Total ('000)										
Gold	000 US\$	183,332			\$54,145	\$47,950	\$33,969	\$29,739	\$17,529		
Silver	000 US\$	7,434			\$1,833	\$1,821	\$1,784	\$1,230	\$765		

Royalties

			Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Minerales el Madrono SA de CV	0.7599%	0.7599%			\$425	\$378	\$272	\$235	\$139		
Total Royalties		Total ('000)			\$425	\$378	\$272	\$235	\$139		
		\$1,450									

Table 114- February 2008, Life of Mine cash flow forecast Creston-Mascota Project



Operating Cost ('000)

			Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Open Pit	US\$/t	Total ('000)										
Open Pit Mining	1.15 \$	35,400 \$			8,092 \$	8,088 \$	8,088 \$	7,297 \$	3,835 \$			Minor
Open pit Maintenance												
Laboratory	0.13 \$	867 \$			174 \$	174 \$	174 \$	174 \$	171 \$			
Contingency	1.28 \$	5.39 \$										
Underground Mine												
Definition drilling												
Development												
U/G Mining												
U/G Services												
Contingency												
Crushing & Heap Leaching												
Surface Services	0.15 \$	1,009 \$			203 \$	203 \$	203 \$	203 \$	199 \$			Surf
Heap Leaching	5.22 \$	35,109 \$			7,047 \$	7,047 \$	7,047 \$	7,047 \$	6,921 \$			Heap
General & Administration	2.30 \$	15,468 \$			3,105 \$	3,105 \$	3,105 \$	3,105 \$	3,049 \$			Gen
	7.67 \$											
Total Operating Cost ('000)	13.06 \$	87,854 \$			18,621 \$	18,616 \$	18,616 \$	17,825 \$	14,175 \$			

Operating Cashflow

Operating cost	US\$/t	13.06 \$			13.79 \$	13.79 \$	13.79 \$	13.20 \$	10.69 \$		
Operating cost	US\$/oz	317.65 \$			224.33 \$	253.42 \$	358.48 \$	403.61 \$	553.02 \$		
Operating Cashflow	('000) CDS	102,912 \$			37,357 \$	31,155 \$	17,137 \$	13,144 \$	4,119 \$		

Capital Project ('000)

			Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	
Indirect Cost												
Pre-stripping	US\$	5.4%		3,450 \$								Indin
Drilling & Geotech	US\$	1.1%		698 \$								Prop
Study & permitting	US\$	4.7%		3,000 \$								Drilli
												Stud
Surface Infrastructure												
Mining	US\$	21.9%		14,005 \$								Minor
Heap Leach	US\$	35.4%		22,600 \$	1,890 \$							Heap
Site Infrastructure	US\$	8.8%		5,610 \$								Site
Owner costs	US\$	3.3%		2,141 \$								Own
EPCM	US\$	6.3%		4,000 \$								EPC
Contingency	US\$	14.8%		9,461 \$								
Sustaining capital	US\$											
Mine Closure Cost												
Salvage value	US\$	-6.7%		3,212 \$						3,212 \$		
										-4,258 \$		
Total Capital Cost	('000) US\$	100%			63,075 \$	1,890 \$				-1,046 \$		
Capital cost /oz	US\$/oz											

Cash Flow (Before Tax)

			Year -1	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Operating Cashflow (excl. CapEx)	('000 000) US\$		- \$	- \$	97.4 \$	31.2 \$	17.1 \$	13.1 \$	4.1 \$	- \$	- \$
Cashflow (incl. CapEx)	('000 000) US\$		- \$	(63.1) \$	35.5 \$	31.2 \$	17.1 \$	13.1 \$	4.1 \$	1.0 \$	- \$
Net Cashflow after Royalties	('000 000) US\$		- \$	(63.1) \$	35.0 \$	30.8 \$	16.9 \$	12.9 \$	4.0 \$	1.0 \$	- \$
Cumulative	('000 000) US\$		- \$	(63.1) \$	(28.0) \$	2.7 \$	19.6 \$	32.5 \$	36.5 \$	37.5 \$	37.544 \$

Internal Rate of Return (IRR) 25.16%

Table 115 - February 2008, Life of Mine cash flow forecast Creston-Mascota Project (cont'd)



25.2.11 Sensitivity Analysis

A sensitivity analysis was conducted to investigate the impact of metal prices, grade, recovery, operation cost and capital cost variations. The results of the exercise are presented in the following table and graphs.

Variation on	% change	IRR	Cash Flow (000's \$)
GRADE	-10%	13.17%	18 612 \$
GRADE	-5%	19.30%	28 078 \$
GRADE	0%	25.16%	37 544 \$
GRADE	5%	30.82%	47 010 \$
GRADE	10%	36.33%	56 476 \$
METAL PRICES	-10%	13.13%	18 547 \$
METAL PRICES	-5%	19.28%	28 046 \$
METAL PRICES	0%	25.16%	37 544 \$
METAL PRICES	5%	30.84%	47 042 \$
METAL PRICES	10%	36.36%	56 541 \$
RECOVERY	-10%	13.17%	18 612 \$
RECOVERY	-5%	19.30%	28 078 \$
RECOVERY	0%	25.16%	37 544 \$
RECOVERY	5%	30.82%	47 010 \$
RECOVERY	10%	36.33%	56 476 \$
OPEX	-10%	29.96%	46 329 \$
OPEX	-5%	27.59%	41 937 \$
OPEX	0%	25.16%	37 544 \$
OPEX	5%	22.66%	33 151 \$
OPEX	10%	20.08%	28 759 \$
CAPEX	-10%	32.42%	43 936 \$
CAPEX	-5%	28.61%	40 740 \$
CAPEX	0%	25.16%	37 544 \$
CAPEX	5%	22.01%	34 348 \$
CAPEX	10%	19.13%	31 152 \$

Table 116 : Sensitivity Analysis - Creston-Mascota Project

In contrast with the Pinos Altos mine project, the Creston-Mascota project is most sensitive to capital cost variations followed closely by operating cost variations.

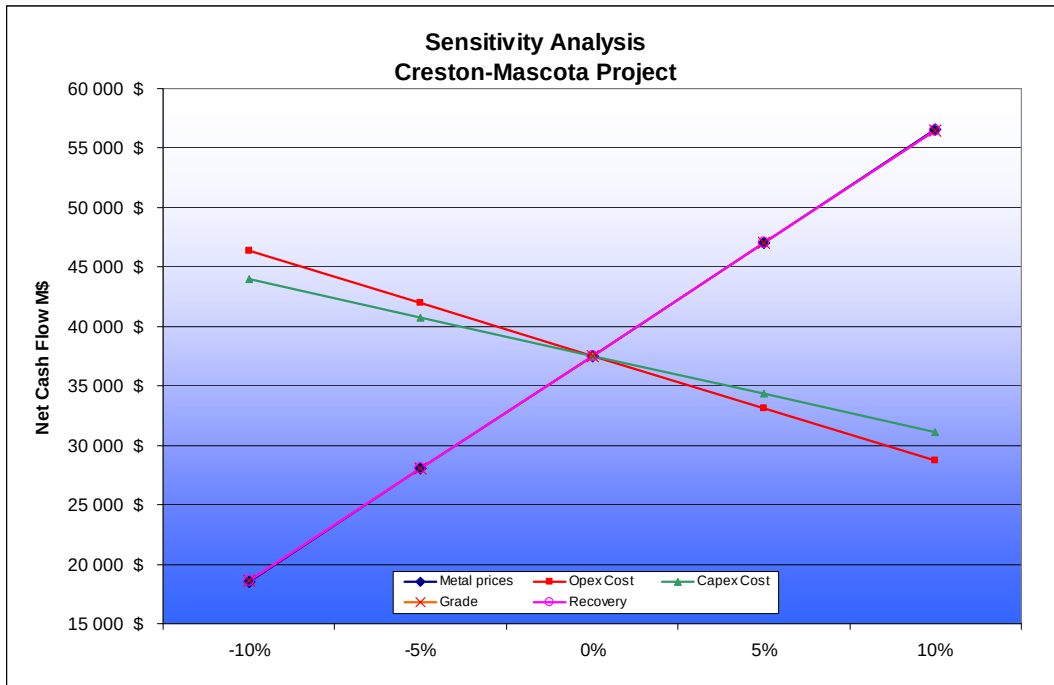


Figure 80: Creston-Mascota net cashflow sensitivity chart

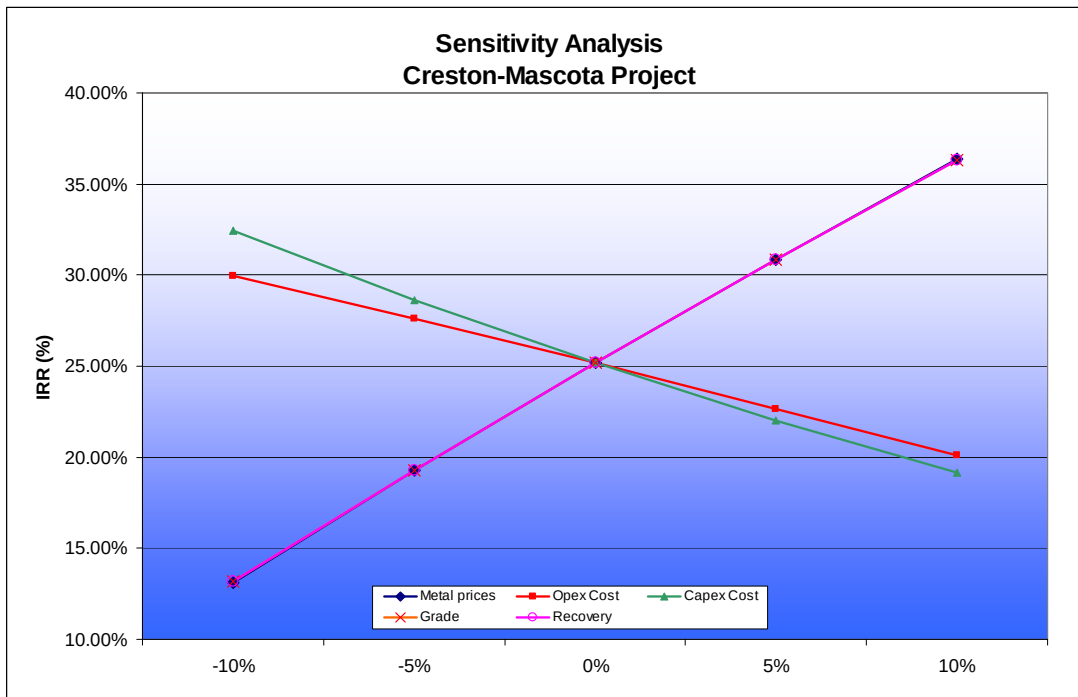


Figure 81: Creston-Mascota IRR sensitivity chart



25.2.12 Payback

This study estimated the payback to be 3 years after the start of construction. The payback does not take into account any interest on loans or inflation.

25.2.13 Mine Life

The minelife of the Creston-Mascota mining project is estimated at 5 years at a mining rate of 1 350 000 tonnes per year.



Item 26 Illustrations

All of the illustrations are presented in the text. No full sized longitudinal sections or maps have been included because they contain too much detail, are oversized and are not suitable for electronic filing.



APPENDIX A

List of drill hole intercepts used in the mineral resource and reserve estimate.

LISTING OF INTERSECTION PER ZONE- CERRO COLORADO- UNDERGROUND							
No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE
	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
PA-05-039	534.0	538.0	1.5	88.3	54.41	3.5	10
PA-05-039A	548.5	554.5	0.0	15.2	3.54	5.1	10
PA-05-052	460.5	466.0	2.6	31.9	65.99	4.5	10
PA-07-174	494.5	499.0	0.1	2.9	1.93	4.2	10
PA-07-175	534.0	544.0	2.1	49.8	58.29	8.3	10
PA-07-178	529.9	534.0	1.9	45.4	53.40	4.1	10
PA-07-196	517.7	521.0	1.5	44.8	44.16	3.2	10
PA-08-305	510.0	515.0	0.3	8.0	7.65	3.5	10
PA-08-313	492.0	498.0	0.7	12.3	18.40	5.0	10
BCC10	194.0	198.8	0.8	16.3	22.04	3.6	11
BCC11	180.2	186.9	2.4	24.9	59.57	5.1	11
BCC14	328.8	333.8	0.7	3.8	17.23	3.9	11
BCC15	427.5	432.0	0.5	6.2	11.60	3.4	11
BCC16	444.2	449.8	1.3	34.4	35.81	4.2	11
BCC18	298.5	301.2	1.3	4.7	29.47	2.4	11
BCC6	320.6	325.6	2.5	30.8	63.62	3.8	11
BCC7	365.4	371.0	0.3	1.2	6.95	4.2	11
BCC8	321.5	329.6	0.0	0.0	0.00	6.4	11
PA-05-039	569.5	576.1	0.0	0.5	0.34	5.8	11
PA-05-039A	583.5	587.5	0.6	16.3	17.71	3.4	11
PA-05-047	295.5	299.5	0.1	1.7	1.77	3.5	11
PA-05-052	492.0	496.5	2.0	28.1	51.35	3.7	11
PA-07-170	477.5	482.0	0.4	26.0	14.25	4.5	11
PA-07-174	526.8	530.4	1.5	31.1	39.73	3.4	11
PA-07-175	570.0	582.0	4.8	63.5	122.62	9.9	11
PA-07-180	459.5	462.5	0.7	23.1	20.22	3.1	11
PA-07-182	111.3	118.5	1.4	28.7	38.33	4.9	11
PA-07-196	529.0	547.0	2.4	35.1	60.67	17.5	11
PA-07-216	342.0	349.0	0.9	27.0	25.14	5.1	11
PA-07-218	324.8	331.0	1.5	29.2	38.99	4.6	11
PA-07-220	321.5	327.5	0.3	5.5	7.55	5.3	11
PA-07-222	292.0	295.9	0.0	3.5	0.88	3.7	11
PA-08-249	335.3	342.2	4.4	133.7	131.04	7.0	11
PA-08-254	343.5	349.5	3.3	41.2	82.39	5.7	11
PA-08-258	349.5	354.0	0.6	57.6	25.67	3.8	11
PA-08-261	467.0	479.5	3.4	50.6	87.39	9.5	11
PA-08-300	490.5	503.8	2.0	48.4	56.09	9.5	11
PA-08-305	554.0	571.0	3.8	74.4	101.63	11.8	11
PA-08-313	541.1	546.0	1.2	18.9	29.98	4.1	11
BCC11	189.2	206.1	4.5	37.9	110.39	12.9	12
BCC14	344.9	349.6	0.2	3.7	4.48	3.7	12
LISTING OF INTERSECTION PER ZONE- CERRO COLORADO- UNDERGROUND							
No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE
	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BCC15	440.6	445.9	1.9	37.3	50.03	4.1	12
BCC18	307.5	311.8	1.1	8.3	26.24	3.8	12
BCC6	343.9	350.7	2.0	88.2	65.12	5.2	12
BCC7	393.2	397.9	0.3	8.7	8.95	3.5	12
BCC8	344.4	348.6	0.0	0.0	0.00	3.3	12
PA-05-047	305.5	309.7	0.5	3.0	11.00	3.7	12
PA-07-182	126.0	130.5	6.6	27.3	154.35	3.1	12
PA-07-216	357.0	363.0	0.3	4.0	7.73	4.4	12
PA-07-218	340.0	360.0	7.1	61.2	173.10	15.0	12
PA-07-220	338.0	343.0	1.7	8.7	40.53	4.4	12
PA-07-222	300.5	305.0	2.4	21.7	59.33	4.3	12
PA-08-249	350.0	357.5	3.6	103.9	104.62	7.7	12
PA-08-254	356.5	360.5	1.1	18.3	28.82	3.8	12
BSN4	159.6	164.9	5.2	215.2	170.45	3.9	13
PA-08-256	318.0	323.0	1.9	11.1	44.82	4.8	13
BCC18	324.0	328.2	0.9	13.0	22.71	3.7	14
BCC8	367.8	371.3	1.3	43.9	37.94	2.8	14
PA-07-182	142.5	147.0	2.8	44.6	72.63	3.1	14
PA-07-218	363.9	368.1	0.6	39.8	21.86	3.2	14
PA-08-249	359.6	370.1	4.3	59.5	110.64	10.7	14
PA-07-193	559.5	570.0	0.5	14.3	13.19	9.9	15
PA-07-196	560.6	564.7	0.0	0.1	0.24	4.0	15
PA-07-210	480.0	484.0	9.9	73.3	239.92	3.5	15



PA-08-261	533.1	538.0	0.5	27.3	16.57	3.7	15
PA-08-293	465.0	469.0	9.8	58.5	233.44	3.4	15
PA-08-300	539.0	543.0	1.1	26.0	31.20	2.9	15
BCC11	230.3	234.8	1.3	35.5	35.99	3.4	16
BCC14	371.6	383.6	2.3	53.4	62.77	9.3	16
BCC15	451.9	458.0	2.3	63.0	66.42	4.7	16
BCC16	457.5	469.8	1.8	46.2	49.62	9.2	16
BCC18	352.3	376.8	2.4	64.4	69.18	22.1	16
BCC20	395.3	398.9	0.7	24.6	20.57	3.1	16
BCC4	212.1	216.3	0.0	0.0	0.00	3.2	16
BCC6	381.1	390.6	2.8	46.7	73.30	7.2	16
BCC8	377.3	387.0	1.4	44.8	41.61	7.8	16
BLO1	135.3	138.3	0.0	0.0	0.00	2.8	16
PA-05-039A	624.7	628.7	1.4	48.7	41.52	3.4	16
PA-05-052	510.0	528.6	11.9	288.8	339.00	15.1	16
PA-06-082	100.5	103.5	1.2	17.8	31.23	2.9	16
PA-07-170	496.5	504.5	8.9	271.0	268.61	7.9	16
PA-07-174	546.6	562.0	1.6	40.8	45.04	14.4	16
PA-07-175	593.0	599.0	2.6	57.4	70.90	5.0	16
PA-07-178	615.5	623.0	1.0	31.0	28.85	7.6	16
PA-07-180	488.5	495.0	5.5	126.3	153.47	6.7	16
PA-07-182	180.0	186.0	1.7	19.8	41.37	4.1	16
PA-07-193	610.5	615.0	4.0	75.7	107.61	4.2	16
PA-07-196	580.0	590.0	0.5	37.0	17.96	9.6	16
PA-07-210	527.0	531.0	0.3	20.5	11.86	3.5	16

LISTING OF INTERSECTION PER ZONE- CERRO COLORADO- UNDERGROUND							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-07-213	735.0	745.0	2.7	72.2	78.02	10.2	16
PA-07-214	564.0	576.0	3.1	42.8	79.30	10.4	16
PA-07-216	373.0	390.0	3.3	116.4	101.80	12.5	16
PA-07-218	371.0	397.7	6.5	158.3	184.68	20.2	16
PA-07-220	377.0	387.0	3.3	63.1	88.46	8.8	16
PA-07-222	346.0	350.0	0.3	5.4	7.38	3.9	16
PA-08-246	478.0	482.0	1.8	29.8	46.75	3.9	16
PA-08-249	388.8	394.8	2.5	65.1	70.75	6.1	16
PA-08-252	355.3	358.5	0.5	16.4	14.60	3.4	16
PA-08-254	371.1	377.0	1.8	28.3	46.71	5.6	16
PA-08-261	557.0	562.0	5.1	171.5	155.79	3.8	16
PA-08-293	495.0	499.0	1.8	49.3	50.98	3.4	16
PA-08-300	571.0	579.0	0.9	64.6	34.80	5.7	16
PA-08-302	472.0	478.0	1.3	31.2	35.75	6.1	16
PA-08-305	599.0	604.5	1.6	55.0	47.71	3.8	16
PA-08-313	576.0	602.4	4.1	220.8	145.46	22.4	16
UG-08-025	521.0	533.4	1.6	57.3	48.59	10.5	16
BCC14	419.8	424.5	2.8	102.2	87.23	3.7	17
PA-08-254	423.0	427.5	9.0	74.9	220.24	4.3	17
BCC16	540.5	544.4	3.5	163.6	116.48	3.0	18
BCC2	252.6	265.1	0.2	24.3	9.68	9.6	18
BCC20	434.0	438.9	0.5	9.7	13.08	4.2	18
BCC4	248.1	252.6	13.3	90.1	319.18	3.4	18
BCC8	431.5	435.4	2.8	90.7	83.95	3.1	18
PA-05-039A	662.5	667.5	9.7	25.4	224.30	4.3	18
PA-05-052	577.0	581.0	1.2	40.7	36.65	3.2	18
PA-07-174	591.0	595.0	1.0	43.8	32.37	3.7	18
PA-07-175	659.0	663.0	1.0	15.0	24.44	3.3	18
PA-07-178	630.5	639.5	3.7	64.2	96.65	9.2	18
PA-07-193	667.5	673.5	0.4	29.0	14.15	5.6	18
PA-07-196	645.0	650.0	2.2	156.2	86.55	4.9	18
PA-07-210	595.0	601.5	1.0	41.2	30.76	5.6	18
PA-07-213	774.0	780.0	3.4	22.0	80.22	6.1	18
PA-07-214	630.5	638.0	0.5	18.0	13.83	6.5	18
PA-07-220	417.0	420.5	1.5	61.1	47.78	3.1	18
PA-08-246	496.0	499.5	0.3	167.0	45.30	3.5	18
PA-08-261	620.0	625.5	0.3	52.8	18.82	4.2	18
PA-08-293	523.0	531.0	2.5	101.4	78.62	6.8	18
PA-08-300	663.0	670.5	0.1	19.3	6.17	5.3	18
PA-08-302	514.0	523.5	3.2	160.7	109.36	9.7	18
PA-08-305	646.5	652.0	0.7	22.4	20.41	3.8	18
PA-08-306	649.2	657.0	2.0	157.8	83.91	6.6	18
PA-08-313	632.0	642.0	4.5	182.9	145.72	8.5	18
UG-08-025	483.2	487.3	0.3	21.7	10.36	3.4	18
BCC2	286.6	293.7	1.6	41.2	45.01	5.5	19
BCC3	163.9	168.7	2.1	23.6	51.86	3.6	19
PA-07-217	436.5	444.0	0.8	28.8	23.65	8.0	19
BCC19	105.7	111.9	0.4	14.4	11.92	4.9	20
LISTING OF INTERSECTION PER ZONE- CERRO COLORADO- UNDERGROUND							
No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE



	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BLO2	83.0	88.2	3.1	15.9	73.19	4.5	20
PA-05-046	37.0	44.5	2.6	36.9	66.31	7.7	20
PA-06-082	162.5	166.5	0.3	4.6	6.62	3.8	20
PA-07-184	48.9	55.5	1.6	90.0	55.47	4.6	20
PA-08-252	413.8	418.5	1.4	15.2	33.77	5.1	20
PA-08-267	188.0	192.5	0.5	8.0	12.23	4.7	20
BCC21	81.0	91.9	2.7	74.3	77.54	8.4	21
PA-05-044	82.5	91.2	0.8	42.9	27.50	9.0	21
PA-08-274	79.0	83.0	2.3	81.8	70.12	4.2	21
PA-05-055	30.7	34.6	3.7	161.2	120.01	3.9	22
BCC2	338.3	347.1	0.0	25.6	6.13	6.6	23
BCC22	237.0	243.7	4.2	199.6	142.49	5.3	23
BCC3	211.3	216.2	0.6	4.6	13.19	3.8	23
PA-05-051	142.5	147.0	1.8	86.7	60.27	3.3	23
PA-07-217	466.5	472.5	3.2	9.3	73.13	6.4	23
PA-07-224	462.5	467.0	0.1	1.3	1.97	4.6	23
PA-08-246	604.0	610.0	7.7	97.5	195.56	5.9	23
PA-08-302	598.5	604.5	0.5	20.5	15.68	6.2	23
BCC22	268.7	273.9	5.7	48.1	138.09	4.1	24
BCC5	242.4	248.1	0.4	20.1	12.17	4.3	25
PA-05-059	58.5	64.5	0.0	5.5	1.06	5.4	25
PA-05-062	76.0	80.7	0.0	0.9	0.61	4.0	25
PA-08-226	247.8	252.5	0.2	14.9	6.86	4.6	25
PA-08-232	282.0	286.5	0.7	63.0	30.11	4.6	25
PA-08-250	128.5	138.0	0.1	6.3	4.32	4.4	25
PA-08-253	70.0	73.9	0.0	5.9	1.27	4.0	25
PA-08-262	313.0	318.0	0.0	4.4	1.43	3.8	25
PA-08-276	36.0	40.0	0.3	37.8	15.23	4.1	25
PA-08-278	57.2	62.0	0.0	4.0	0.94	5.0	25
PA-08-282	593.0	601.0	2.4	49.3	64.71	7.4	26
BCC21	189.2	194.0	3.9	17.7	92.28	3.7	27
PA-05-044	145.6	149.7	0.1	18.9	5.54	4.2	27
PA-05-055	102.0	105.7	1.5	31.2	40.28	3.7	27
PA-07-190	0.0	33.0	0.3	8.2	8.92	3.5	27
PA-07-191	0.0	2.2	0.0	0.0	0.00	0.8	27
PA-08-274	142.5	146.5	0.9	18.8	24.15	4.2	27
PA-08-226	295.5	299.4	0.6	78.2	31.43	3.8	28
PA-08-253	109.7	113.5	1.0	13.4	24.93	3.9	28
PA-08-278	82.7	86.0	0.0	1.5	0.45	3.4	28
PA-08-289	10.5	15.0	1.8	7.3	40.95	4.7	28
PA-08-292	15.0	19.0	0.8	4.0	18.95	3.1	28
BCC1	119.0	124.4	0.1	37.8	10.77	3.4	29
PA-08-255	345.3	349.5	0.5	43.1	21.87	4.4	29
PA-08-279	95.5	100.0	2.0	61.3	59.14	4.3	29
PA-08-280	87.0	90.5	0.4	38.9	18.27	3.6	29
PA-08-281	113.5	118.5	5.6	397.4	226.29	4.5	29
PA-08-283	7.2	11.0	0.1	4.7	2.17	3.9	29
PA-08-284	9.0	13.0	0.3	21.0	10.24	3.6	29

<u>LISTING OF INTERSECTION PER ZONE- CERRO COLORADO- UNDERGROUND</u>							
No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE
	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BCC1	81.5	88.7	1.9	91.9	63.66	4.8	30
PA-08-226	353.6	360.8	0.0	3.5	1.25	7.0	30
PA-08-232	369.0	373.5	0.5	37.7	19.13	4.6	30
PA-08-253	175.5	180.5	0.0	8.4	2.60	5.0	30
PA-08-276	143.0	146.9	0.5	10.0	12.66	4.1	30
PA-08-278	152.0	155.8	0.0	7.1	1.60	3.9	30
PA-08-289	77.6	81.0	0.1	4.5	2.73	3.5	30
PA-08-292	93.0	98.0	0.0	2.9	1.51	3.9	30
BCC19	309.5	313.8	6.6	371.3	240.14	3.4	31
PA-08-267	428.0	431.0	3.6	190.7	125.86	3.2	32

<u>LISTING OF INTERSECTION PER ZONE- OBERON DE WEBER- PIT MILL</u>							
No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE
	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BCOW10	294.5	302.1	0.7	15.5	15.20	6.5	1
BCOW16	192.9	198.8	0.2	7.6	5.34	5.3	1
BCOW19	80.7	103.2	1.6	66.7	40.20	22.3	1
BCOW21	187.7	195.3	1.2	37.2	27.64	7.1	1
BCOW28	196.0	215.3	2.7	68.5	61.72	18.1	1
BCOW29	166.2	170.6	18.1	12.2	329.19	4.5	1
BCOW3	185.6	197.7	4.8	69.1	99.09	11.4	1
BCOW30	166.2	188.8	1.8	58.0	42.54	23.5	1
BCOW32	59.0	67.5	2.3	49.8	49.85	8.0	1
BCOW33	210.1	216.8	2.8	75.0	52.07	6.2	1
BCOW34	95.3	101.2	1.2	40.9	29.78	5.9	1
BCOW35	186.9	191.1	0.9	10.7	18.42	4.2	1



BCOW38	408.3	414.9	5.0	6.6	90.56	6.0	1
BCOW4	87.5	92.1	0.6	15.6	13.28	4.6	1
BCOW5A	245.8	252.6	1.5	15.0	30.20	5.7	1
BCOW54	230.5	237.5	1.8	54.7	42.40	5.8	1
BCOW55	369.8	379.9	1.1	19.3	22.62	7.0	1
BCOW6	139.0	147.3	1.2	45.5	29.26	7.7	1
PA-05-028	2.0	29.5	1.8	79.9	47.73	22.5	1
PA-05-029	17.7	42.0	2.9	126.0	56.09	25.4	1
PA-05-030	29.0	53.0	1.7	77.7	44.65	19.6	1
PA-05-032	44.0	51.5	0.9	69.1	29.23	7.5	1
PA-05-033	50.0	57.5	3.6	190.7	102.85	6.1	1
PA-05-036	41.0	47.0	0.8	24.5	17.84	6.3	1
PA-05-038	68.5	72.0	0.6	53.6	20.02	3.5	1
PA-05-042	103.9	122.5	2.2	114.2	61.27	20.7	1
PA-05-068	55.5	60.0	1.5	57.1	37.12	5.1	1
PA-05-069	36.4	45.0	1.0	71.9	30.28	9.0	1
PA-05-070	33.0	43.1	1.0	51.3	27.86	11.2	1
PA-05-078	24.0	44.2	1.6	61.0	39.09	22.5	1
PA-06-092	282.0	289.5	1.7	28.0	36.06	7.2	1
PA-06-118	16.0	20.9	3.2	182.8	93.87	5.1	1
PA-06-120	25.5	36.0	1.3	68.7	35.43	11.7	1

LISTING OF INTERSECTION PER ZONE- OBERON DE WEBER- PIT MILL

No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE
	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BCOW1	157.3	189.0	2.9	130.0	77.79	34.5	2
BCOW11	134.9	140.2	0.9	15.7	19.61	5.2	2
BCOW12	172.7	179.8	2.0	96.5	54.02	7.1	2
BCOW14	133.0	151.6	2.3	114.8	62.78	19.6	2
BCOW15	84.8	95.8	1.6	37.0	34.96	11.0	2
BCOW17	110.2	134.8	3.2	157.2	88.85	22.9	2
BCOW18	207.4	213.0	1.0	62.3	29.98	5.4	2
BCOW2	70.2	92.7	1.1	59.1	31.17	24.5	2
BCOW20	77.3	115.3	1.4	50.9	34.14	39.4	2
BCOW21	218.4	228.0	1.6	38.0	35.58	8.9	2
BCOW22	56.3	78.3	5.4	208.7	138.93	21.5	2
BCOW23	218.8	238.8	0.0	0.0	0.00	17.4	2
BCOW24	280.4	288.7	1.3	55.3	32.69	8.6	2
BCOW25	254.7	267.3	5.1	110.2	112.31	12.3	2
BCOW26	146.9	169.6	1.9	76.2	47.74	21.0	2
BCOW28	234.8	240.4	0.2	8.6	5.15	5.2	2
BCOW33	266.8	275.3	0.4	9.1	8.77	7.4	2
BCOW35	202.6	209.3	0.7	17.4	16.28	6.7	2
BCOW36	218.2	224.2	1.4	54.4	34.55	5.8	2
BCOW40	342.1	352.3	1.0	46.5	26.49	9.8	2
BCOW42	151.0	157.5	0.5	42.3	16.73	5.8	2
BCOW52	300.8	316.8	1.7	54.6	36.20	13.1	2
BCOW7	188.2	215.0	2.1	59.3	48.56	27.8	2
BCOW8A	264.8	277.3	1.2	30.1	27.05	12.5	2
PA-05-040	36.0	63.5	3.6	118.3	87.02	29.6	2
PA-05-041	19.0	30.5	5.5	158.4	129.78	12.4	2
PA-05-043	29.0	36.5	1.6	84.7	44.77	7.9	2
PA-05-045	25.9	32.5	3.2	141.0	84.15	7.3	2
PA-05-048	38.3	62.5	5.3	152.8	88.95	19.3	2
PA-05-053	43.3	51.5	6.9	56.4	135.75	6.6	2
PA-05-054	21.0	29.5	0.5	8.0	10.94	9.5	2
PA-05-056	27.0	40.5	0.1	3.0	2.43	11.6	2
PA-06-092	327.2	334.0	1.1	16.3	22.32	6.5	2
PA-07-163	315.1	321.0	0.6	35.8	16.74	5.4	2
BCOW18	218.0	228.5	0.8	35.2	20.38	10.2	3
BCOW25	277.8	282.7	1.0	63.3	29.22	4.8	3
BCOW52	335.4	342.8	1.0	36.0	25.06	6.0	3
BCOW8A	293.2	300.4	2.6	31.8	53.40	7.1	3
PA-07-163	327.0	339.0	0.7	34.0	18.61	11.1	3

LISTING OF INTERSECTION PER ZONE- OBERON DE WEBER- UNDERGROUND

No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE
	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BCOW1	157.3	172.6	5.1	230.6	172.50	15.3	1
BCOW10	295.2	300.1	0.9	20.9	24.35	3.7	1
BCOW11	134.9	139.2	1.1	16.3	27.31	3.8	1
BCOW12	174.3	179.8	2.3	105.1	75.56	5.0	1

LISTING OF INTERSECTION PER ZONE- OBERON DE WEBER- UNDERGROUND

No HOLE	FROM	TO	INTERSECTION			Horizontal width	ZONE
	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BCOW14	135.7	151.6	2.5	130.5	87.06	15.3	1
BCOW15	92.0	95.8	1.9	46.1	53.07	3.5	1
BCOW16	195.3	201.5	0.2	8.8	7.23	5.0	1
BCOW17	113.8	134.8	3.7	171.7	124.40	17.5	1



BCOW18	207.4	211.1	1.2	81.0	46.09	3.2	1
BCOW19	81.4	96.5	1.9	77.9	59.41	13.4	1
BCOW2	81.3	92.7	1.7	75.7	57.64	11.4	1
BCOW20	80.3	88.5	2.5	96.3	79.27	7.8	1
BCOW21	187.8	195.3	1.2	36.8	33.89	6.2	1
BCOW22	56.3	72.4	6.9	278.7	222.11	14.2	1
BCOW23	197.1	201.1	0.4	7.8	9.37	3.1	1
BCOW24	268.0	271.1	1.1	52.9	35.23	2.9	1
BCOW25	254.7	264.8	6.0	124.7	164.26	8.8	1
BCOW26	155.9	168.5	2.9	89.1	84.67	10.5	1
BCOW28	200.9	215.4	3.4	79.7	93.74	12.3	1
BCOW29	166.2	170.6	18.1	12.2	409.35	4.1	1
BCOW3	186.1	194.0	6.8	95.4	174.53	6.6	1
BCOW30	175.5	187.8	2.3	68.6	67.39	11.7	1
BCOW31	225.8	230.9	0.1	1.8	2.52	4.3	1
BCOW32	59.0	67.5	2.3	49.6	61.58	7.3	1
BCOW33	210.1	215.0	2.8	71.6	79.46	4.1	1
BCOW34	95.3	99.7	1.6	53.5	48.60	4.0	1
BCOW35	188.0	191.2	1.1	12.1	27.02	2.9	1
BCOW36	218.2	222.6	1.8	69.8	56.36	3.8	1
BCOW37	365.2	369.9	0.5	22.6	14.98	3.7	1
BCOW38	408.3	413.9	5.7	7.6	128.82	4.6	1
BCOW39	391.2	399.8	1.1	48.1	35.73	5.7	1
BCOW4	87.1	93.5	0.5	14.0	13.92	5.8	1
BCOW40	342.1	349.3	1.1	49.5	36.51	6.2	1
BCOW41	102.6	107.6	0.1	4.3	1.87	4.4	1
BCOW42	116.0	120.7	0.3	2.0	6.50	3.7	1
BCOW43	408.8	414.4	0.3	0.5	6.80	4.6	1
BCOW52	245.8	252.6	2.3	67.9	66.19	6.0	1
BCOW53	302.5	310.9	0.1	15.0	4.93	5.7	1
BCOW54	192.6	199.2	1.8	54.6	52.47	5.1	1
BCOW55	230.5	237.5	1.8	28.8	46.44	3.4	1
BCOW5A	374.2	379.9	1.5	15.0	37.53	4.9	1
BCOW6	138.3	142.3	1.2	85.7	47.02	3.3	1
BCOW7	187.7	201.2	3.2	94.0	93.08	12.7	1
BCOW8A	268.5	272.8	1.8	31.2	46.63	3.9	1
BCOW9	311.6	315.9	1.9	31.3	48.34	3.3	1
PA-05-028	15.0	28.5	3.1	60.8	82.69	9.6	1
PA-05-029	17.7	42.0	2.1	92.3	69.63	23.2	1
PA-05-030	30.5	53.0	1.8	78.6	57.49	16.0	1
PA-05-032	45.5	50.0	1.1	80.9	42.75	4.0	1
PA-05-033	50.0	57.5	3.6	190.7	127.65	5.3	1
PA-05-036	41.0	47.0	0.8	24.5	22.16	5.8	1
PA-05-038	67.0	72.0	0.5	45.6	21.84	4.4	1
<u>LISTING OF INTERSECTION PER ZONE- OBERON DE WEBER- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-05-040	36.0	50.4	6.1	183.9	181.87	14.3	1
PA-05-041	20.0	30.5	6.0	167.1	174.54	10.4	1
PA-05-042	107.2	121.2	2.8	126.7	93.19	14.5	1
PA-05-043	29.0	33.0	2.6	111.4	85.28	3.8	1
PA-05-045	25.9	32.5	3.2	141.0	104.46	6.8	1
PA-05-048	39.3	62.5	3.9	109.3	113.99	16.0	1
PA-05-049	628.0	632.0	1.6	4.1	35.59	3.6	1
PA-05-053	43.3	51.6	6.9	55.7	166.78	5.8	1
PA-05-054	11.0	15.5	0.5	18.9	14.03	4.7	1
PA-05-056	15.5	21.0	0.4	8.4	11.40	4.2	1
PA-05-058	20.7	25.0	0.1	2.6	3.12	4.4	1
PA-05-060	32.1	39.0	0.1	3.1	3.35	4.8	1
PA-05-061	46.0	50.5	0.1	1.9	1.68	4.6	1
PA-05-063	44.5	50.0	0.1	1.0	1.96	4.7	1
PA-05-066	28.5	33.0	0.3	4.8	6.44	4.1	1
PA-05-068	55.5	60.0	1.5	57.1	46.09	4.8	1
PA-05-069	41.1	45.0	1.1	102.8	47.13	3.7	1
PA-05-070	37.5	42.0	1.2	67.7	40.99	4.6	1
PA-05-078	31.5	44.2	1.9	77.7	59.80	13.2	1
PA-05-080	512.6	518.1	0.2	7.4	4.90	5.0	1
PA-06-091	323.7	328.7	0.4	21.4	14.08	3.1	1
PA-06-092	282.0	285.8	2.9	49.2	76.91	3.3	1
PA-06-118	16.6	20.9	3.6	200.6	129.69	4.2	1
PA-06-120	30.5	35.0	1.9	98.1	64.82	4.7	1
PA-06-123	8.5	13.0	0.3	7.0	7.23	4.7	1
PA-07-163	315.1	319.5	0.7	29.9	21.18	3.6	1
PA-07-164	101.0	106.0	0.1	1.2	2.08	3.6	1
PA-08-227	588.5	592.7	0.6	3.3	14.29	3.9	1
PA-08-230	602.0	606.5	0.3	16.8	9.34	3.9	1
PA-08-239	343.3	351.0	0.2	43.7	13.02	3.7	1
PA-08-244	515.8	521.0	1.9	70.0	58.13	5.3	1



PA-08-245	556.1	560.0	0.2	2.2	4.58	3.5	1
PA-08-248	599.8	603.0	0.3	2.1	7.12	3.2	1
PA-08-251	653.0	657.0	0.1	8.0	4.26	3.7	1
PA-08-259	563.0	566.0	0.6	32.7	21.19	3.2	1
PA-08-263	713.0	717.0	0.0	2.0	0.88	3.6	1
PA-08-266	480.0	484.0	0.6	9.8	14.41	4.2	1
PA-08-268	331.0	334.0	5.2	99.0	139.95	3.1	1
PA-08-270	226.5	241.0	3.6	128.0	112.03	14.8	1
PA-08-273	638.0	644.0	0.2	1.0	4.59	6.2	1
PA-08-275	636.0	640.0	0.0	2.0	1.35	4.3	1
PA-08-285	216.0	219.0	0.4	12.0	10.98	3.1	1
PA-08-287	217.5	222.0	4.1	88.0	112.40	4.1	1
PA-08-290	318.0	322.5	0.6	30.7	19.68	3.4	1
PA-08-294	200.0	239.0	2.0	76.1	63.15	32.5	1
PA-08-295	111.0	115.0	1.0	40.0	30.64	3.4	1
PA-08-296	120.0	123.0	1.4	22.0	36.68	3.0	1
PA-08-297	98.0	101.0	0.1	7.0	3.09	3.1	1

LISTING OF INTERSECTION PER ZONE- OBERON DE WEBER- UNDERGROUND							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-08-298	79.0	83.0	1.9	95.3	65.04	3.2	1
PA-08-299	45.5	48.5	1.6	70.5	52.09	2.9	1
PA-08-301	289.0	292.0	1.2	50.7	38.75	2.5	1
PA-08-303	368.0	373.2	3.0	9.1	68.21	3.4	1
PA-08-304	428.0	437.0	1.6	20.5	40.10	6.5	1
PA-08-307	120.1	127.6	0.1	5.7	3.81	6.8	1
PA-08-308	59.5	66.0	0.0	1.5	1.09	5.2	1
PA-08-310	73.2	77.6	0.0	0.0	0.00	4.5	1
PA-05-032	59.0	63.5	0.7	25.0	20.97	4.0	2
PA-08-299	55.0	59.0	3.3	28.3	79.37	3.9	2
BCOW21	218.4	228.0	1.6	37.9	44.07	8.0	8
BCOW23	230.4	234.6	0.0	0.0	0.00	3.2	8
BCOW24	301.4	304.2	0.7	48.9	27.08	2.7	8
BCOW42	151.0	155.1	0.6	45.3	23.29	3.3	8
PA-08-259	597.0	600.0	1.0	4.0	22.67	3.2	8
PA-08-268	350.0	353.0	3.6	26.0	85.98	3.1	8
PA-08-270	266.0	269.0	1.5	72.4	50.19	3.1	8
PA-08-285	242.0	246.0	0.6	31.0	20.74	4.1	8
PA-08-287	246.0	250.5	0.5	5.7	12.07	4.1	8
PA-08-301	332.5	336.0	0.4	4.3	9.30	2.9	8
BCOW18	221.3	228.5	0.9	33.0	26.30	6.3	13
BCOW25	277.8	281.7	1.0	57.2	35.57	3.4	13
BCOW52	335.4	342.8	1.0	35.9	31.04	5.3	13
BCOW8A	293.2	299.4	2.9	32.7	72.55	5.5	13
PA-07-163	327.0	331.5	0.8	41.3	26.33	3.7	13
BCOW24	282.8	288.7	1.6	61.3	48.63	5.6	14
PA-08-259	568.0	570.8	0.4	12.4	10.78	3.0	14
PA-08-301	298.0	301.0	1.7	22.3	42.67	2.5	14

LISTING OF INTERSECTION PER ZONE- SANTO NINO- PIT MILL							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BSN1	354.2	379.8	2.7	61.2	60.54	25.0	1
BSN10	414.9	486.2	3.3	79.3	73.99	62.8	1
BSN11	409.2	440.2	2.6	83.9	62.90	27.6	1
BSN12	370.4	396.7	1.5	65.9	39.47	20.0	1
BSN14	262.9	286.8	3.0	156.3	84.42	19.4	1
BSN15	386.6	446.2	1.1	40.4	27.29	51.7	1
BSN17	345.6	371.7	0.8	40.7	21.91	21.3	1
BSN18	313.1	318.5	0.6	19.5	14.33	4.6	1
BSN2	391.7	432.9	1.1	45.6	27.39	35.5	1
BSN20	349.8	355.3	1.1	19.2	22.29	4.4	1
BSN25	410.9	441.3	0.8	50.0	23.35	28.9	1
BSN26	410.2	443.1	1.6	66.4	41.73	27.9	1
BSN27	373.7	449.5	1.4	57.5	35.90	68.6	1
BSN28	438.7	467.5	1.6	59.1	39.64	23.9	1
BSN3	293.2	305.8	3.4	99.3	79.75	12.4	1

LISTING OF INTERSECTION PER ZONE- SANTO NINO- PIT MILL							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BSN30	372.4	378.6	0.4	40.1	13.91	5.5	1
BSN33	461.2	470.1	1.0	87.6	33.30	8.1	1
BSN36	379.7	433.9	3.4	107.4	82.29	53.8	1
BSN38	314.9	322.8	1.2	78.0	35.49	7.4	1
BSN39	450.7	490.8	2.4	56.9	54.31	37.1	1
BSN40	526.1	555.1	2.0	73.3	50.31	26.1	1
BSN43	325.2	368.8	3.2	126.0	82.38	38.5	1
BSN44	341.4	379.9	1.3	61.6	35.13	32.5	1



BSN45	425.2	446.7	1.5	62.9	38.11	18.4	1
BSN46	294.9	323.5	6.1	75.5	124.92	23.8	1
BSN47	417.3	443.3	2.0	61.6	46.97	21.0	1
BSN48	449.9	505.2	1.4	62.6	36.11	46.0	1
BSN5A	359.1	398.4	1.9	72.9	48.55	29.7	1
BSN50	422.7	490.7	3.2	98.0	76.81	57.0	1
BSN51	302.2	332.6	2.2	98.1	56.96	27.4	1
BSN58	204.8	227.7	1.2	38.2	28.54	20.9	1
BSN59	110.4	164.7	2.3	25.4	45.27	43.2	1
BSN6	323.7	329.7	3.1	102.8	75.43	5.1	1
BSN61	249.9	289.8	3.2	124.0	81.01	38.7	1
BSN7	374.1	416.1	2.2	83.5	55.63	38.7	1
BSN71	462.3	518.5	0.7	19.7	16.44	51.4	1
BSN72	310.4	315.1	0.7	20.4	16.02	3.6	1
BSN73	262.7	268.4	0.9	26.5	21.57	5.5	1
BSN74	238.8	251.6	3.1	84.3	72.20	11.7	1
BSN75	394.8	404.7	0.8	104.0	33.22	8.1	1
BSN8	398.0	430.3	2.5	80.6	60.31	26.3	1
BSN9	363.6	420.9	3.5	82.5	78.23	57.3	1
PA-05-001A	471.2	514.8	1.7	79.1	44.74	43.2	1
PA-05-002	87.7	93.5	9.5	172.6	204.85	5.2	1
PA-05-003	408.5	445.9	9.6	498.9	280.49	34.4	1
PA-05-004	73.0	77.5	0.3	28.7	10.82	4.1	1
PA-05-005	141.0	147.0	4.3	12.5	79.94	4.5	1
PA-05-006	68.7	79.5	6.3	130.5	138.24	6.8	1
PA-05-008	55.4	106.5	1.8	50.9	41.24	51.6	1
PA-05-009	79.9	111.1	3.6	112.7	86.08	24.2	1
PA-05-010	75.0	112.5	3.7	81.2	82.02	35.2	1
PA-05-011	128.0	209.7	7.6	85.9	154.09	58.7	1
PA-05-012	95.8	117.0	1.5	45.5	34.31	18.9	1
PA-05-013	63.4	67.9	0.2	63.3	14.58	4.6	1
PA-05-015	88.7	94.3	0.4	3.1	7.84	5.3	1
PA-05-016	93.5	99.5	2.2	32.7	44.97	4.3	1
PA-05-017	74.8	87.0	4.8	57.8	97.96	9.1	1
PA-05-020	56.4	72.0	10.0	131.7	204.94	10.2	1
PA-05-021	43.0	49.0	5.0	106.3	110.97	5.7	1
PA-05-031	51.0	57.0	0.5	6.6	10.41	4.5	1
PA-05-034	30.8	36.5	0.3	1.3	5.78	5.8	1
PA-05-064	291.2	328.0	7.6	92.9	155.23	35.9	1
PA-05-065A	253.7	273.4	1.7	25.6	34.46	18.3	1
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- PIT MILL</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-05-067	262.7	293.5	1.8	94.5	49.53	26.0	1
PA-05-077	272.3	292.1	2.6	91.4	64.70	20.1	1
PA-06-084	37.2	43.0	0.6	20.3	14.75	4.6	1
PA-06-085	221.0	234.0	11.0	175.5	233.05	13.4	1
PA-06-086	114.5	127.0	5.1	154.7	121.63	12.0	1
PA-06-088	286.3	291.0	0.5	14.8	11.15	4.2	1
PA-06-089	244.9	250.0	3.1	21.7	60.06	5.3	1
PA-06-090	244.3	275.2	4.4	59.1	90.44	29.3	1
PA-06-093	371.6	395.6	1.7	56.8	41.01	23.5	1
PA-06-094	248.0	252.2	0.8	14.6	16.30	4.2	1
PA-06-095	124.5	128.6	0.4	14.8	9.32	3.8	1
PA-06-096	262.5	285.0	5.2	177.7	129.04	14.6	1
PA-06-097	368.5	379.0	2.7	139.2	76.26	10.5	1
PA-06-098B	254.8	302.3	5.2	100.6	112.80	44.9	1
PA-06-099	64.2	70.0	0.6	9.8	12.59	6.0	1
PA-06-100	319.9	352.4	2.2	75.2	53.28	31.9	1
PA-06-101	56.0	61.0	2.8	60.4	61.69	5.0	1
PA-06-102	184.0	219.0	3.0	74.9	67.36	33.1	1
PA-06-103	69.0	74.6	0.7	7.9	13.67	5.3	1
PA-06-104	368.0	397.0	0.8	49.8	23.25	28.1	1
PA-06-105	245.0	285.0	3.0	114.5	76.31	28.9	1
PA-06-106	96.2	105.6	3.9	316.0	133.16	7.9	1
PA-06-107	279.5	318.0	2.0	86.7	52.35	39.4	1
PA-06-108	130.1	202.0	3.0	73.9	67.41	62.4	1
PA-06-109	425.5	453.5	1.6	46.2	37.73	23.6	1
PA-06-110	159.0	203.0	4.1	74.0	88.25	46.4	1
PA-06-111	78.4	139.0	6.3	104.7	133.03	44.8	1
PA-06-112	186.8	196.5	5.2	433.4	183.20	8.4	1
PA-06-113	282.2	290.2	5.8	196.6	143.37	8.2	1
PA-06-114	206.0	212.0	4.0	99.3	90.67	5.3	1
PA-06-116	287.7	292.5	0.1	26.1	6.89	4.7	1
PA-06-117	220.0	250.2	2.3	95.0	60.01	31.8	1
PA-06-119	361.5	367.0	0.6	15.7	13.06	5.5	1
PA-06-121	188.5	194.5	2.5	37.3	51.52	6.2	1
PA-06-122	249.0	311.0	2.9	103.8	71.91	55.9	1



PA-06-127	223.5	275.0	4.4	155.3	110.29	43.5	1
PA-06-131	235.4	253.0	2.3	77.8	56.16	16.5	1
PA-06-133	379.4	385.5	0.6	27.0	15.76	5.5	1
PA-06-134	32.3	62.0	3.1	81.0	71.88	28.4	1
PA-06-135	213.0	217.5	0.7	15.0	15.80	4.7	1
PA-06-136	75.1	82.2	1.7	74.1	43.20	4.5	1
PA-06-139	238.3	255.0	2.4	110.1	64.92	15.4	1
PA-06-142	333.1	341.0	0.4	20.9	10.41	6.2	1
PA-06-147	457.3	501.9	6.2	134.7	137.46	45.0	1
PA-06-149	304.0	315.0	12.7	339.9	298.52	10.7	1
PA-06-151	295.7	317.6	4.0	142.8	99.23	21.8	1
PA-07-157	92.0	102.0	8.7	283.3	214.86	8.6	1
PA-07-158	144.8	156.6	0.7	13.0	13.94	1.5	1

LISTING OF INTERSECTION PER ZONE- SANTO NINO- PIT MILL

No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-07-159	326.0	339.0	1.5	42.3	34.96	13.5	1
PA-07-162	492.4	536.3	1.0	76.9	31.86	41.1	1
PA-07-186	408.3	460.0	1.6	49.3	38.33	48.0	1
PA-07-205	552.0	572.0	1.6	42.5	35.81	20.1	1
PA-07-206	345.0	378.0	0.9	41.2	22.82	32.5	1
PA-07-207	384.0	426.0	1.8	70.2	45.38	37.5	1
PA-07-208	328.0	334.9	0.9	36.8	23.07	6.1	1
PA-07-209	291.0	297.0	1.7	26.5	34.98	6.1	1
SN1925-01	0.0	5.6	0.4	174.8	40.51	5.5	1
SN1925-02	0.6	11.0	0.7	131.9	38.18	9.4	1
SN1925-03	0.0	19.7	0.4	67.6	18.56	5.7	1
SN1925-04	0.0	1.8	3.2	103.6	77.13	1.8	1
SN1925-05	0.0	10.9	1.5	87.7	42.74	4.2	1
SN1925-06	0.0	3.3	1.1	82.9	34.80	2.5	1
SN1925-07	0.0	12.0	1.0	138.6	44.35	10.5	1
SN1925-08	0.0	3.0	1.0	94.0	34.82	2.2	1
SN1925-09	0.0	6.7	1.9	45.5	41.53	6.6	1
SN1925-10	0.0	5.3	0.1	29.8	7.54	4.8	1
SN1925-10A	0.0	5.0	0.9	52.1	25.35	4.8	1
SN1925-11	0.0	14.2	1.2	57.8	31.47	4.0	1
SN1925-12	0.0	19.5	1.9	92.6	51.89	19.8	1
SN1925-13	0.0	5.0	0.0	0.0	0.00	2.6	1
SN1925-13A	0.0	42.5	1.5	68.6	38.80	20.1	1
SN1925-14	0.0	19.0	1.5	92.3	44.70	18.7	1
SN1925-15	0.0	11.0	2.6	90.1	63.91	10.9	1
SN1925-18	0.0	29.0	1.8	77.2	46.90	29.6	1
SN1925-21	0.0	12.0	3.6	74.0	77.71	11.8	1
SN1925-24	0.0	26.0	8.2	116.8	170.14	23.9	1
SN1925-26	0.0	6.3	3.8	131.4	92.78	6.3	1
SN1925-27	0.0	9.0	5.8	80.6	119.12	8.5	1
SN1925-28	0.0	10.0	10.3	293.9	246.17	5.2	1
SN1925-29	0.0	7.5	4.4	148.5	108.22	7.5	1
SN1925-30	1.0	10.0	6.3	176.2	148.13	9.4	1
SN1925-31	0.0	9.4	3.7	129.3	91.07	5.3	1
SN1925-32	0.0	22.8	1.5	47.9	35.22	22.7	1
SN1925-33	0.0	25.0	2.5	48.0	53.55	26.2	1
SN1925-34	0.0	25.1	1.7	80.9	45.77	21.0	1
SN1925-36	0.0	32.0	0.8	47.2	23.20	30.7	1
SN1925-37	0.0	15.5	0.8	33.3	19.55	15.6	1
SN1925-38	0.0	30.2	1.6	33.7	34.60	13.4	1
SN1925-39	0.0	18.5	1.7	64.1	43.22	18.6	1
SN1925-42	0.0	9.0	2.0	89.9	53.29	9.0	1
SN1925-43	0.0	7.0	1.2	59.8	31.76	6.7	1
SN1925-44	0.0	13.4	1.9	75.1	48.79	6.6	1
SN1925-45	0.0	0.5	1.3	41.1	29.87	0.6	1
SN1925-46	0.0	6.2	1.2	122.5	45.50	2.5	1
SN1925-47	0.0	9.6	1.0	40.0	25.45	9.5	1
SN1925-48	0.0	10.6	1.8	50.0	41.11	10.1	1

LISTING OF INTERSECTION PER ZONE- SANTO NINO- PIT MILL

No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
SN1925-49	0.0	14.4	1.2	39.4	29.00	10.4	1
SN1925-50	0.0	7.0	1.3	60.4	34.79	7.1	1
SN1925-53	1.0	41.0	2.6	108.1	66.57	41.8	1
SN1925-54	4.0	51.0	1.8	93.2	49.06	43.0	1
SN1925-55	0.0	65.0	2.0	93.7	53.97	48.6	1
SN1925-56	0.0	1.3	0.6	94.5	27.55	1.1	1
SN1925-57	2.0	70.5	1.9	52.7	43.92	52.8	1
SN1925-58	6.2	88.0	1.9	57.3	43.86	55.4	1

LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND

No HOLE	FROM	TO	INTERSECTION	Horizontal width	ZONE
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	(m)	(m)	Au g/t	Ag g/t	NSR (\$US)	(m)	
BSN1	354.9	372.9	3.5	66.8	93.71	16.2	1
BSN10	414.9	440.1	6.5	140.1	178.95	19.9	1
BSN11	409.2	425.6	4.0	131.4	120.50	13.1	1
BSN12	371.3	383.5	1.6	61.2	49.04	8.1	1
BSN14	262.9	275.1	5.0	232.4	168.15	8.8	1
BSN15	422.2	426.0	1.9	95.8	64.64	3.0	1
BSN17	361.8	367.0	1.7	104.0	61.81	3.7	1
BSN18	314.8	318.5	0.8	23.0	21.84	2.8	1
BSN2	393.7	402.8	2.2	103.4	73.92	7.0	1
BSN20	349.8	355.3	1.1	19.2	27.69	3.9	1
BSN22	482.3	529.7	3.3	98.7	97.49	33.9	1
BSN23	509.2	520.0	1.7	101.2	60.25	8.1	1
BSN24	532.5	537.7	3.5	197.9	126.24	3.4	1
BSN25	410.9	416.9	1.1	62.4	38.29	5.2	1
BSN25	424.4	425.8	1.3	60.0	42.30	1.2	1
BSN26	415.5	436.5	2.1	78.0	64.17	15.9	1
BSN27	373.7	398.4	1.9	64.4	56.30	19.9	1
BSN28	438.9	456.9	2.1	73.6	64.38	13.3	1
BSN3	293.2	305.8	3.4	99.3	99.05	11.4	1
BSN30	373.7	378.6	0.4	42.8	18.97	3.9	1
BSN31	572.3	579.9	2.2	82.4	69.31	6.4	1
BSN32	494.6	498.7	1.7	59.1	50.36	3.2	1
BSN33	462.4	467.3	1.2	118.5	54.45	4.0	1
BSN34	522.2	527.6	1.3	48.0	39.70	4.1	1
BSN35	545.0	552.1	0.2	24.4	9.00	5.7	1
BSN36	379.7	411.5	2.6	112.8	85.26	29.0	1
BSN37	496.9	507.8	1.8	125.8	70.04	8.9	1
BSN38	314.9	320.8	1.3	83.3	47.44	5.0	1
BSN39	450.7	461.5	7.2	82.5	180.29	9.0	1
BSN40	527.1	541.0	3.6	117.2	108.91	11.3	1
BSN41	509.4	546.0	1.2	69.1	42.59	29.5	1
BSN42	548.2	559.5	2.3	136.7	84.97	8.6	1
BSN43	325.2	366.2	3.4	130.4	107.05	32.6	1
BSN44	341.4	359.8	1.8	88.4	60.79	13.9	1
BSN45	425.2	442.0	1.5	62.6	46.87	12.8	1
BSN46	294.9	299.6	1.3	74.7	46.38	3.5	1
BSN47	426.7	440.6	3.0	86.1	87.79	10.0	1
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BSN48	460.7	479.1	2.5	123.3	86.14	13.5	1
BSN50	361.3	370.6	5.3	132.5	150.92	19.2	1
BSN51	434.5	460.3	2.4	100.8	76.94	21.4	1
BSN52	305.3	331.6	3.2	142.3	106.99	4.8	1
BSN53	507.6	513.9	1.9	49.3	52.41	5.7	1
BSN58	654.0	662.0	1.7	67.4	52.24	6.0	1
BSN59	204.8	212.1	3.4	39.2	84.43	19.2	1
BSN5A	110.4	137.8	2.7	65.2	75.75	6.0	1
BSN6	324.0	329.6	3.3	108.5	98.44	4.2	1
BSN61	251.6	280.6	3.7	148.8	118.12	25.7	1
BSN7	387.4	400.0	3.4	149.9	111.61	10.5	1
BSN71	462.3	467.8	0.8	44.4	27.40	4.6	1
BSN72	310.4	315.1	0.7	20.4	19.90	3.2	1
BSN73	262.7	268.4	0.9	26.5	26.80	5.0	1
BSN74	238.8	251.6	3.1	84.3	89.69	10.5	1
BSN75	396.6	403.3	1.0	108.4	46.79	4.8	1
BSN76	469.3	478.8	0.2	30.2	10.14	7.0	1
BSN8	398.0	411.5	2.2	87.1	70.43	9.7	1
BSN9	363.6	412.8	3.9	90.0	108.99	45.3	1
PA-05-001A	472.5	492.1	2.9	123.2	94.28	17.9	1
PA-05-002	88.7	92.5	14.1	218.2	369.77	3.1	1
PA-05-003	408.5	435.2	13.0	678.3	474.93	22.3	1
PA-05-004	74.5	77.5	0.3	37.8	15.47	2.5	1
PA-05-005	141.0	147.0	4.3	12.5	99.40	3.9	1
PA-05-006	71.5	79.5	8.1	151.9	219.56	4.3	1
PA-05-007	525.2	539.3	1.1	62.2	37.84	11.1	1
PA-05-008	56.5	65.5	7.1	138.6	191.93	8.5	1
PA-05-009	79.9	111.1	3.6	112.7	106.90	21.2	1
PA-05-010	75.0	99.0	2.8	97.5	85.99	20.5	1
PA-05-011	129.0	182.2	10.7	102.9	265.51	32.9	1
PA-05-012	70.4	74.4	2.7	7.4	62.62	3.2	1
PA-05-013	63.4	67.9	0.2	63.3	18.06	4.2	1
PA-05-014	668.7	690.5	3.7	93.2	105.44	18.3	1
PA-05-015	88.7	94.3	0.4	3.1	9.75	4.9	1
PA-05-016	93.5	99.5	2.2	32.7	55.88	3.7	1
PA-05-017	74.8	84.8	5.6	69.0	140.95	6.5	1
PA-05-020	56.4	68.0	13.1	154.4	331.72	6.4	1
PA-05-021	43.0	48.0	6.0	114.8	160.61	4.4	1
PA-05-023A	771.7	775.0	0.0	0.0	0.00	2.2	1
PA-05-031	51.0	57.0	0.5	6.6	12.94	3.9	1
PA-05-034	30.8	36.5	0.3	1.3	7.19	5.4	1



PA-05-057A	824.7	832.0	0.5	27.1	17.76	4.5	1
PA-05-064	291.2	328.0	7.6	92.9	192.92	33.0	1
PA-05-065A	253.7	262.5	2.7	41.0	70.30	7.4	1
PA-05-067	262.7	290.2	1.9	99.2	65.53	20.6	1
PA-05-077	272.7	280.4	2.6	123.4	86.81	7.2	1
PA-05-079A	824.0	828.6	1.8	22.1	44.84	4.1	1
PA-05-081	634.5	646.0	2.6	34.8	66.66	7.4	1
PA-06-083	654.0	659.0	1.6	116.7	63.75	4.2	1
PA-06-084	37.1	42.1	0.7	22.4	19.80	3.4	1
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-06-085	222.5	233.2	13.3	191.8	344.56	10.3	1
PA-06-086	114.5	127.0	5.1	154.7	151.05	11.0	1
PA-06-087	706.2	706.8	1.6	47.0	45.69	0.4	1
PA-06-087	712.9	729.8	2.7	49.8	72.62	12.4	1
PA-06-088	286.3	289.7	0.5	13.9	14.85	2.7	1
PA-06-089	244.9	249.0	3.5	23.0	84.32	4.0	1
PA-06-090	251.9	274.0	5.7	62.4	142.79	19.1	1
PA-06-093	372.6	385.6	2.4	66.8	69.00	11.7	1
PA-06-094	248.0	251.2	0.8	12.6	21.16	2.9	1
PA-06-095	124.5	128.6	0.4	14.8	11.57	3.5	1
PA-06-096	262.4	270.0	3.2	276.9	141.37	4.2	1
PA-06-097	370.0	378.0	3.3	170.0	115.98	7.4	1
PA-06-098B	254.8	302.3	5.2	100.6	140.15	40.9	1
PA-06-099	64.2	68.0	0.8	13.6	20.86	3.7	1
PA-06-100	319.9	326.5	2.2	182.1	94.16	5.9	1
PA-06-101	56.8	61.0	3.1	69.2	84.74	3.9	1
PA-06-102	184.0	196.0	4.5	108.8	126.27	10.3	1
PA-06-103	69.0	74.6	0.7	7.9	16.99	4.8	1
PA-06-104	368.0	375.0	1.1	95.9	47.78	6.2	1
PA-06-105	246.0	260.0	5.9	266.0	200.03	8.7	1
PA-06-106	96.2	104.0	4.7	356.2	192.89	5.8	1
PA-06-107	281.0	300.5	2.6	126.3	87.72	18.5	1
PA-06-108	130.1	143.0	12.4	194.8	325.53	10.0	1
PA-06-109	442.6	453.5	3.0	67.9	81.91	8.2	1
PA-06-110	159.0	183.0	6.9	117.1	183.03	23.7	1
PA-06-111	78.4	101.0	9.1	183.6	248.18	14.5	1
PA-06-112	188.0	196.5	5.8	481.4	253.74	6.7	1
PA-06-113	282.2	290.2	5.8	196.6	178.03	7.6	1
PA-06-114	206.0	212.0	4.0	99.3	112.62	4.7	1
PA-06-116	287.7	292.5	0.1	26.1	8.53	4.3	1
PA-06-117	220.0	229.5	5.3	244.0	180.08	9.4	1
PA-06-119	361.5	367.0	0.6	15.7	16.22	5.1	1
PA-06-121	190.0	194.5	3.0	40.7	76.89	4.3	1
PA-06-122	249.0	276.0	5.4	182.1	164.80	22.0	1
PA-06-127	223.5	274.0	4.5	157.9	139.19	38.0	1
PA-06-131	235.4	246.7	3.0	92.2	88.64	9.7	1
PA-06-133	379.4	384.0	0.8	33.2	25.18	3.7	1
PA-06-134	32.3	47.0	4.9	121.6	139.15	12.8	1
PA-06-135	214.0	217.5	0.8	16.4	21.19	3.4	1
PA-06-136	75.1	82.2	1.7	74.1	53.64	3.8	1
PA-06-137	594.1	605.0	2.1	58.6	59.09	7.6	1
PA-06-139	238.3	255.0	2.4	110.1	80.59	14.0	1
PA-06-141	646.5	655.4	1.3	60.9	42.60	5.8	1
PA-06-142	334.0	339.0	0.6	24.8	17.71	3.5	1
PA-06-146	586.7	594.0	5.1	304.0	191.09	6.8	1
PA-06-147	463.0	479.0	11.7	206.4	313.39	15.0	1
PA-06-149	305.0	315.0	13.9	369.3	405.53	9.0	1
PA-06-151	295.7	310.0	5.7	195.9	174.86	13.1	1
PA-06-154	640.0	642.0	2.7	56.0	73.40	1.5	1
PA-07-157	95.0	102.0	10.6	385.2	337.23	5.5	1
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-07-158	148.0	155.0	0.7	11.9	18.61	0.8	1
PA-07-159	332.0	337.5	1.8	57.6	53.26	5.3	1
PA-07-161A	641.5	650.5	1.7	38.5	46.71	6.5	1
PA-07-162	494.5	517.3	1.2	99.0	49.28	19.5	1
PA-07-165	554.0	559.0	0.1	30.8	9.17	4.4	1
PA-07-186	423.0	441.0	2.0	48.3	54.62	15.2	1
PA-07-187	841.0	845.5	1.6	55.2	48.04	3.9	1
PA-07-188	843.2	852.0	0.4	8.1	11.03	7.4	1
PA-07-189	527.0	546.0	5.2	97.0	139.19	11.7	1
PA-07-192	859.0	869.5	0.2	20.8	9.01	8.9	1
PA-07-194	678.0	700.5	2.3	61.8	64.70	21.6	1
PA-07-195	687.2	693.0	0.8	17.2	22.03	5.0	1
PA-07-197	722.2	739.0	3.6	69.3	95.66	11.9	1
PA-07-198	792.5	799.0	1.3	40.4	38.89	4.8	1
PA-07-200	856.0	870.7	0.2	7.6	5.18	7.9	1
PA-07-201	622.5	628.0	4.4	76.0	115.28	4.5	1
PA-07-202	562.0	579.0	1.7	110.6	63.97	12.7	1



PA-07-204	532.6	539.0	2.9	128.6	94.36	5.3	1
PA-07-205	555.0	559.6	1.2	48.3	37.65	4.3	1
PA-07-206	345.0	350.0	1.6	118.8	63.94	4.5	1
PA-07-207	384.0	404.0	2.8	93.5	84.59	16.1	1
PA-07-208	330.0	334.9	1.0	38.7	30.95	4.0	1
PA-07-209	291.0	297.0	1.7	26.5	43.47	5.7	1
SN1925-01	0.0	2.4	0.2	127.2	34.83	2.4	1
SN1925-02	0.6	2.7	1.1	144.5	59.29	1.7	1
SN1925-03	0.0	11.0	0.3	70.4	21.95	4.1	1
SN1925-04	0.0	1.8	3.2	103.6	95.79	1.8	1
SN1925-05	0.0	6.9	2.0	85.2	64.84	3.2	1
SN1925-06	0.0	2.0	1.3	88.0	49.04	1.3	1
SN1925-07	0.0	4.0	1.3	178.8	70.74	3.5	1
SN1925-08	0.0	2.0	1.1	99.0	46.20	1.4	1
SN1925-12	4.8	18.4	2.5	108.4	81.11	13.8	1
SN1925-13A	4.8	41.5	1.6	74.3	52.40	19.8	1
SN1925-14	6.0	19.0	2.0	105.9	68.55	11.7	1
SN1925-15	0.0	11.0	2.6	90.1	79.37	10.9	1
SN1925-18	0.0	28.6	1.8	77.3	58.70	29.0	1
SN1925-21	0.0	12.0	3.6	74.0	96.55	11.9	1
SN1925-24	0.0	24.0	8.8	117.4	226.16	22.4	1
SN1925-26	0.0	6.1	3.8	132.8	116.72	6.1	1
SN1925-27	0.0	9.0	5.8	80.6	148.03	7.8	1
SN1925-28	0.0	8.7	11.6	329.1	343.56	5.1	1
SN1925-29	0.0	6.6	5.0	161.7	149.59	6.6	1
SN1925-30	0.0	9.0	6.2	169.3	181.09	8.8	1
SN1925-31	0.0	9.4	3.7	129.3	113.09	5.9	1
SN1925-32	0.0	11.8	2.2	68.3	64.03	11.8	1
SN1925-33	0.0	11.4	4.4	66.4	112.68	11.2	1
SN1925-34	0.0	9.0	2.6	140.1	90.72	7.8	1
SN1925-36	0.0	1.1	0.6	18.0	16.39	1.1	1
SN1925-38	0.0	17.0	1.9	31.1	48.21	8.7	1
SN1925-39	0.0	14.5	2.0	77.3	62.64	14.5	1
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
SN1925-42	0.0	7.5	2.3	88.2	72.60	7.5	1
SN1925-43	0.0	7.0	1.2	59.8	39.42	6.1	1
SN1925-44	0.0	13.4	1.9	75.1	60.57	7.4	1
SN1925-46	0.0	3.2	1.9	163.3	80.40	1.5	1
SN1925-47	0.0	2.0	1.1	25.3	30.12	2.0	1
SN1925-48	0.0	2.6	3.1	49.2	81.04	2.3	1
SN1925-49	0.0	3.7	0.6	24.7	17.73	2.8	1
SN1925-50	0.0	4.0	1.6	59.3	48.49	4.0	1
SN1925-53	11.0	41.0	3.1	124.0	98.33	29.7	1
SN1925-54	12.0	42.7	2.3	116.5	78.68	26.8	1
SN1925-55	19.0	64.0	2.6	111.9	83.94	35.1	1
SN1925-57	18.0	64.0	2.3	62.9	65.67	36.9	1
SN1925-58	31.0	88.0	2.5	73.4	72.31	40.2	1
UG-07-001	726.0	746.0	5.9	121.9	161.93	19.5	1
UG-07-002	714.2	722.0	1.9	61.8	55.39	7.0	1
UG-08-003	696.0	702.0	2.1	82.5	64.99	5.5	1
UG-08-004	775.0	780.0	2.7	54.2	71.54	4.6	1
UG-08-005	786.0	791.0	1.3	46.4	40.31	4.6	1
UG-08-006	768.0	777.0	2.8	61.3	75.48	8.4	1
UG-08-007	837.0	843.0	1.1	47.5	34.03	5.5	1
UG-08-008	745.0	758.0	8.1	135.9	216.53	12.6	1
UG-08-009	895.0	899.5	0.5	8.7	13.22	3.9	1
UG-08-011	866.0	870.0	0.8	55.8	31.04	3.3	1
UG-08-012	898.0	902.0	1.5	20.3	38.17	3.1	1
UG-08-013	1231.0	1236.8	0.0	2.3	1.26	4.4	1
UG-08-015	1047.0	1051.5	0.0	1.6	1.35	3.5	1
UG-08-016	855.0	862.0	2.8	54.1	75.00	5.2	1
UG-08-017	774.5	786.0	2.9	47.1	74.68	10.1	1
UG-08-019	727.5	732.7	0.6	30.1	19.62	4.5	1
UG-08-020	882.0	886.5	1.3	26.3	35.58	4.0	1
UG-08-021	853.0	858.0	0.6	19.8	18.53	3.3	1
UG-08-023	867.5	872.0	0.5	8.3	12.23	3.4	1
UG-08-024	846.9	852.4	0.2	36.0	12.63	4.8	1
BSN1	375.8	379.8	1.3	57.6	41.36	3.6	2
BSN10	469.0	486.2	2.8	68.6	78.74	13.6	2
BSN11	427.9	432.2	1.7	40.1	46.97	3.4	2
BSN12	388.4	395.5	2.3	101.7	73.77	4.7	2
BSN14	280.6	283.4	1.9	125.1	72.22	2.0	2
BSN15	442.2	446.2	3.4	51.1	87.74	3.1	2
BSN17	369.3	373.6	0.8	34.6	24.65	3.1	2
BSN2	425.2	429.8	1.4	42.2	40.78	3.6	2
BSN22	541.5	549.8	2.2	69.3	66.33	5.9	2
BSN23	521.8	530.7	1.2	49.6	37.64	6.7	2
BSN24	545.9	555.3	1.1	46.2	33.82	6.1	2
BSN25	433.2	441.3	1.0	46.8	32.59	7.0	2
BSN26	437.7	443.1	0.9	25.3	25.29	4.1	2



BSN27	439.1	448.0	2.8	66.8	78.22	7.4	2
BSN28	461.4	467.5	0.9	32.7	27.88	4.5	2
BSN30	403.4	408.5	0.2	26.1	9.49	4.1	2
BSN31	587.6	592.8	1.0	18.2	25.55	4.4	2
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BSN32	504.3	512.0	1.4	37.4	40.17	6.1	2
BSN33	486.4	490.2	1.2	47.5	36.26	3.1	2
BSN34	551.4	560.3	0.0	0.0	0.00	6.8	2
BSN35	575.1	580.2	0.7	29.0	22.04	4.1	2
BSN36	416.3	433.9	5.5	116.9	151.57	16.1	2
BSN37	523.0	540.0	1.5	62.9	47.35	13.7	2
BSN38	334.3	341.4	0.3	40.2	15.25	6.1	2
BSN39	471.8	476.2	1.7	63.3	51.22	3.7	2
BSN40	545.7	550.5	0.9	40.9	28.48	3.9	2
BSN41	550.6	561.7	4.3	78.7	114.81	9.0	2
BSN42	570.1	583.6	2.0	65.3	60.41	10.5	2
BSN43	367.4	374.8	0.3	20.6	10.49	5.9	2
BSN44	374.9	381.4	1.1	53.2	37.56	4.9	2
BSN45	443.1	449.5	1.4	62.8	44.26	4.9	2
BSN46	303.3	322.7	8.6	86.8	213.18	14.4	2
BSN47	451.1	456.1	1.1	45.8	34.87	3.6	2
BSN48	494.2	503.2	1.3	40.0	37.20	6.7	2
BSN50	379.0	391.2	6.2	187.6	184.98	7.2	2
BSN51	480.3	490.0	0.6	36.0	21.55	5.2	2
BSN52	342.3	348.7	0.6	23.4	19.21	5.1	2
BSN53	522.7	529.4	1.4	24.8	37.51	5.7	2
BSN58	665.0	673.0	1.8	41.6	50.43	5.1	2
BSN59	221.5	227.7	2.2	12.0	51.43	4.3	2
BSN5A	158.6	164.7	2.9	108.2	90.58	8.2	2
BSN61	284.7	289.8	3.5	54.9	91.57	4.5	2
BSN7	406.3	416.1	3.9	90.4	108.79	8.2	2
BSN71	508.4	518.5	1.8	21.4	44.06	8.4	2
BSN74	261.7	267.4	0.4	36.4	15.91	4.7	2
BSN8	417.1	425.0	4.9	123.2	139.09	5.7	2
BSN9	415.9	420.9	1.0	46.8	33.20	4.6	2
PA-05-001A	509.5	514.8	1.4	59.7	44.00	4.9	2
PA-05-003	440.3	445.9	1.3	48.0	39.71	4.7	2
PA-05-007	579.0	596.0	5.2	79.2	135.30	13.4	2
PA-05-008	97.5	106.5	1.3	60.8	43.59	8.4	2
PA-05-009	133.5	139.5	1.3	18.9	33.72	4.1	2
PA-05-010	105.0	112.5	9.0	77.1	218.92	6.4	2
PA-05-011	185.2	191.5	4.0	97.0	113.12	3.9	2
PA-05-012	96.2	113.0	1.6	51.1	46.32	13.5	2
PA-05-014	714.2	718.0	1.0	47.5	32.42	3.2	2
PA-05-020	83.0	90.0	0.6	13.6	15.29	3.9	2
PA-05-021	58.0	62.0	0.4	8.2	10.13	3.5	2
PA-05-064	343.5	349.5	1.2	32.2	34.79	5.4	2
PA-05-065A	270.0	274.1	1.4	13.3	33.57	3.5	2
PA-05-077	284.3	291.7	3.1	97.6	92.96	6.9	2
PA-05-081	655.5	664.5	0.1	44.5	10.94	5.8	2
PA-06-083	689.5	695.0	1.4	21.2	35.77	4.6	2
PA-06-085	238.0	242.0	0.3	31.2	12.61	3.8	2
PA-06-087	732.5	739.8	1.0	36.8	29.47	5.3	2
PA-06-093	388.6	393.6	1.1	39.2	32.38	4.5	2
PA-06-096	271.5	285.0	6.8	133.1	183.25	7.5	2
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-06-097	389.0	393.0	1.2	20.4	30.62	3.7	2
PA-06-100	338.2	350.0	3.8	78.3	102.53	10.6	2
PA-06-102	208.0	219.0	4.0	72.9	107.10	9.5	2
PA-06-104	386.0	390.0	0.8	57.5	29.71	3.6	2
PA-06-105	276.0	284.0	2.7	66.8	74.79	5.0	2
PA-06-107	306.5	316.8	2.1	52.5	59.72	9.8	2
PA-06-108	180.0	200.0	2.1	73.0	63.37	15.5	2
PA-06-109	454.7	461.0	0.2	29.1	9.79	4.7	2
PA-06-110	197.0	203.0	1.0	25.8	28.58	5.9	2
PA-06-111	117.0	126.9	15.4	111.6	373.38	6.4	2
PA-06-112	228.0	233.0	0.8	25.8	24.01	4.0	2
PA-06-114	219.5	224.0	1.2	37.3	35.33	3.6	2
PA-06-117	244.9	250.2	1.7	25.2	44.43	5.2	2
PA-06-122	281.0	299.0	1.2	55.1	39.37	14.6	2
PA-06-131	248.9	253.0	1.4	61.7	45.86	3.5	2
PA-06-134	54.0	60.0	2.4	73.2	70.73	5.2	2
PA-06-136	110.0	115.2	0.7	44.1	25.11	2.8	2
PA-06-137	619.7	627.2	1.2	54.5	39.82	5.2	2
PA-06-146	607.4	622.0	9.6	150.5	251.21	13.6	2
PA-06-147	488.9	501.9	6.0	172.7	175.29	12.1	2
PA-06-151	314.4	317.6	1.2	46.1	36.55	2.9	2
PA-07-159	349.5	354.0	0.6	66.1	27.51	4.3	2



PA-07-162	529.9	536.3	1.6	62.1	49.00	5.4	2
PA-07-186	448.0	460.0	2.1	82.3	66.02	10.1	2
PA-07-187	849.8	855.0	0.2	21.8	8.31	4.5	2
PA-07-189	623.4	632.4	1.0	28.4	28.77	5.4	2
PA-07-192	874.1	880.5	0.1	4.0	2.27	5.4	2
PA-07-194	712.5	719.5	1.5	54.7	45.62	6.8	2
PA-07-195	708.0	714.0	0.3	33.0	14.65	5.2	2
PA-07-197	808.5	816.0	0.6	19.9	18.58	5.3	2
PA-07-201	651.0	655.7	0.9	16.7	23.45	3.9	2
PA-07-202	610.0	617.0	0.9	83.6	38.25	5.2	2
PA-07-204	545.0	551.0	0.4	13.7	11.55	5.0	2
PA-07-205	566.0	572.0	3.2	64.2	85.82	5.6	2
PA-07-206	369.5	376.0	1.6	37.0	43.28	5.9	2
PA-07-207	405.0	410.0	1.2	68.2	41.09	4.0	2
SN1925-01	3.7	9.2	0.3	108.1	32.65	5.5	2
SN1925-02	3.7	11.0	0.7	130.6	45.37	6.0	2
SN1925-03	14.7	19.7	0.7	81.4	33.40	1.9	2
SN1925-07	7.0	12.0	1.4	138.2	62.45	4.4	2
SN1925-09	3.0	6.7	3.0	51.4	77.75	3.7	2
SN1925-10	2.1	5.3	0.2	38.6	11.72	2.6	2
SN1925-10A	2.0	5.0	1.4	56.0	42.85	2.6	2
SN1925-11	5.6	14.2	1.6	61.8	48.46	3.1	2
SN1925-15	22.5	26.1	0.6	15.1	16.48	3.6	2
SN1925-21	16.0	20.0	0.3	18.5	10.56	3.9	2
SN1925-26	10.5	18.3	0.3	19.1	9.95	7.8	2
SN1925-27	10.4	12.5	0.6	36.4	20.74	1.8	2
SN1925-32	19.2	23.0	1.2	37.5	34.17	3.8	2
SN1925-33	15.0	22.0	1.1	35.8	32.99	6.9	2
<u>LISTING OF INTERSECTION PER ZONE- SANTO NINO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
SN1925-36	17.0	29.5	1.1	66.3	40.36	12.0	2
SN1925-37	11.0	14.5	1.8	63.1	55.04	3.3	2
SN1925-38	25.0	30.2	2.1	56.0	59.75	2.6	2
SN1925-42	17.5	23.0	0.4	96.5	30.99	5.5	2
SN1925-43	19.0	23.5	0.7	47.2	26.52	3.9	2
SN1925-44	39.6	49.5	0.6	33.1	20.76	5.5	2
SN1925-47	6.0	9.6	1.7	76.4	54.82	3.6	2
SN1925-48	5.8	10.6	1.4	60.3	45.79	4.2	2
SN1925-49	9.6	14.4	2.1	68.8	63.54	3.7	2
SN1925-53	1.0	5.0	1.6	83.3	54.79	4.0	2
SN1925-54	0.0	8.0	0.9	66.2	34.54	6.9	2
SN1925-55	0.8	9.3	1.1	70.5	41.47	6.7	2
SN1925-57	1.1	9.1	1.8	47.1	50.05	6.4	2
SN1925-58	3.0	17.0	0.3	14.2	8.53	10.0	2
UG-07-001	700.3	709.0	3.7	129.0	113.51	8.4	2
UG-07-002	703.6	710.4	4.0	181.8	133.57	6.1	2
UG-08-003	675.0	680.0	0.5	25.8	16.48	4.6	2
UG-08-004	751.0	756.0	0.3	21.6	11.30	4.5	2
UG-08-005	765.0	770.0	3.1	61.0	83.42	4.6	2
UG-08-006	750.0	757.0	2.1	41.0	56.99	6.5	2
UG-08-011	827.0	831.0	1.6	29.5	42.41	3.3	2
UG-08-012	865.5	870.1	2.6	51.8	69.15	3.5	2
UG-08-016	849.0	854.0	0.5	18.0	14.04	3.7	2
UG-08-017	739.0	744.0	0.2	14.4	7.15	4.3	2
UG-08-019	711.0	716.0	0.7	23.6	19.52	4.3	2
UG-08-023	841.6	844.8	0.5	28.7	17.43	2.4	2
BSN33	518.8	523.8	6.5	356.4	236.77	4.1	4
BSN35	615.0	619.8	1.6	39.3	45.15	3.9	4
BSN37	552.4	561.6	1.8	47.8	51.26	7.4	4
BSN39	486.9	490.8	1.6	129.8	64.87	3.3	4
BSN41	576.7	582.4	1.2	58.7	40.70	4.6	4
PA-05-007	606.5	617.0	1.4	52.0	41.86	8.3	4
PA-06-083	718.9	724.2	13.6	81.4	323.85	4.4	4
PA-07-162	571.0	577.0	0.0	32.3	7.05	5.2	4
PA-07-201	691.0	696.0	1.1	26.4	31.16	4.2	4
PA-07-205	594.7	602.3	0.0	9.5	2.88	7.2	4
UG-08-005	747.0	752.0	2.0	67.6	60.37	4.6	4

<u>LISTING OF INTERSECTION PER ZONE- SAN ELIGIO- PIT MILL</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BDSET-1	0.0	54.1	3.1	92.1	91.59	40.1	1
BDSE-10	78.4	88.3	4.2	36.3	102.35	3.5	1
BDSE-2	55.6	65.9	0.9	28.9	26.77	1.0	1
BDSE-3	100.0	105.6	0.0	2.9	0.54	2.0	1
BDSE-4	70.5	76.2	0.4	10.6	10.20	0.8	1
BDSE-5	37.2	44.3	3.0	137.0	100.67	1.3	1
BDSE-7	39.3	44.9	1.3	66.4	42.88	1.8	1
BDSE-8	94.5	104.3	1.0	28.7	28.53	2.2	1
<u>LISTING OF INTERSECTION PER ZONE- SAN ELIGIO- PIT MILL</u>							



No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BDSE-9	60.0	70.7	2.5	93.2	77.47	0.6	1
BSE12	109.1	118.7	0.8	63.5	32.31	2.4	1
BSE15	118.2	122.6	0.2	4.0	5.59	0.9	1
BSE22	167.4	174.7	0.7	4.3	16.52	1.2	1
BSE24	167.4	177.9	0.8	141.2	53.63	3.6	1
BSE25	207.3	214.4	2.1	62.8	60.59	0.7	1
BSE29	141.7	148.3	2.2	158.4	85.83	0.0	1
BSE30	179.7	188.0	0.2	22.5	9.97	1.6	1
BSE4	89.9	99.8	0.9	52.2	31.22	2.9	1
PA-06-124	41.8	48.9	4.1	37.5	100.74	0.0	1
PA-06-125	66.0	76.4	0.3	18.5	10.99	1.9	1
PA-06-126	66.0	75.8	1.6	58.4	48.19	0.9	1
PA-06-128	73.6	93.0	1.1	40.4	33.57	1.8	1
PA-06-129	44.8	52.4	0.0	0.0	0.55	2.8	1
PA-06-130	30.0	37.0	0.3	15.5	10.12	0.0	1
PA-06-132	26.5	36.5	5.3	150.0	155.20	0.0	1
PA-06-138	59.2	64.7	0.9	41.1	29.05	1.5	1
PA-06-140	167.2	172.1	0.8	36.2	26.49	1.8	1
PA-08-228	200.0	207.0	0.2	18.9	8.22	1.1	1
PA-08-231	100.0	107.0	0.1	5.7	3.25	0.1	1
PA-08-233	188.8	194.5	0.1	11.2	5.32	1.1	1
PA-08-234	139.5	147.0	1.2	65.8	41.44	0.2	1
PA-08-235	115.5	121.1	0.0	1.8	1.15	0.7	1
PA-08-236	217.5	225.5	2.1	111.0	73.60	7.4	1
PA-08-237	268.1	278.5	0.5	76.5	29.38	8.6	1
PA-08-240	61.2	66.8	0.1	4.7	3.75	1.0	1
PA-08-241	123.5	135.0	1.0	54.4	34.08	10.8	1
PA-08-242	133.0	141.5	0.2	10.9	7.52	0.3	1
PA-08-309	144.0	152.0	2.8	193.2	109.76	2.2	1
PA-08-311	156.9	164.0	4.5	80.4	119.68	0.2	1
PA-08-312	171.0	182.0	2.9	130.6	95.31	1.6	1
PA-08-314	147.0	153.0	0.7	86.8	36.73	2.4	1
PA-08-315	128.0	132.2	0.1	2.3	1.56	1.2	1
PA-08-316	179.5	193.3	1.2	96.0	49.50	2.5	1
PA-08-317	182.5	189.3	0.1	16.5	5.83	0.3	1
PA-08-318	95.5	102.8	4.1	126.2	121.22	0.1	1
PA-08-319	152.0	161.0	1.4	81.3	49.63	8.8	1
PA-08-320	58.8	67.2	4.6	128.0	132.99	3.0	1
PA-08-321	71.3	76.1	1.2	57.5	40.27	1.8	1
PA-08-322	221.0	230.0	2.0	109.4	71.76	8.6	1
PA-08-324	240.5	246.0	2.5	59.6	69.80	2.6	1
PA-08-328	207.5	216.1	1.2	87.1	47.53	8.4	1
BDSE-1	50.3	55.7	0.2	25.8	11.32	1.0	3
BSE10	217.3	229.0	0.4	24.0	14.88	3.0	3
BSE19	193.8	198.7	1.0	44.9	33.10	1.2	3
PA-08-323	108.0	112.5	1.3	38.8	38.49	1.0	3
PA-08-325	302.8	315.2	6.8	361.7	241.73	12.3	3
PA-08-326	194.0	198.0	0.8	25.5	22.49	0.9	3
<u>LISTING OF INTERSECTION PER ZONE- SAN ELIGIO- PIT MILL</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-08-327	233.6	243.0	5.5	148.8	158.45	4.8	3

<u>LISTING OF INTERSECTION PER ZONE- SAN ELIGIO- UNDERGROUND</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BDSET-1	0.0	54.1	3.1	92.1	91.59	2.9	1
BDSE-10	78.4	88.3	4.2	36.3	102.35	8.3	1
BDSE-2	56.7	65.9	0.9	25.3	25.48	6.7	1
BDSE-3	100.0	104.1	0.0	3.8	0.72	3.5	1
BDSE-4	70.5	76.2	0.4	10.6	10.20	4.2	1
BDSE-5	37.2	42.8	3.8	173.1	127.25	4.3	1
BDSE-7	40.3	44.9	1.3	71.1	45.16	3.8	1
BDSE-8	94.5	104.3	1.0	28.7	28.53	6.6	1
BDSE-9	61.3	68.0	3.9	147.4	122.03	2.9	1
BSE12	114.4	118.7	1.1	95.1	45.41	3.5	1
BSE15	118.2	122.6	0.2	4.0	5.59	3.4	1
BSE22	167.4	172.8	0.9	4.7	20.04	4.2	1
BSE24	173.2	177.9	1.4	302.4	110.89	4.0	1
BSE25	207.3	212.4	2.8	81.1	81.62	3.5	1
BSE29	141.7	147.3	2.5	176.1	98.17	3.7	1
BSE30	181.7	188.0	0.3	27.4	12.21	3.0	1
BSE4	89.9	99.8	0.9	52.2	31.22	8.3	1
PA-06-124	41.8	47.0	5.6	44.5	134.99	3.3	1
PA-06-125	69.0	76.4	0.3	17.6	10.62	3.7	1
PA-06-126	67.5	75.8	1.7	62.5	52.69	4.9	1



PA-06-128	87.0	93.0	1.5	73.9	50.15	3.4	1
PA-06-129	45.7	52.4	0.0	0.0	0.55	5.9	1
PA-06-130	30.0	37.0	0.3	15.5	10.12	4.5	1
PA-06-132	26.5	32.0	9.2	254.2	269.68	3.5	1
PA-06-138	61.0	64.7	1.2	54.5	37.98	3.0	1
PA-06-140	168.2	172.1	1.0	40.8	31.48	3.4	1
PA-08-228	200.0	206.0	0.2	21.4	9.14	4.6	1
PA-08-231	100.0	106.0	0.1	6.0	3.33	3.1	1
PA-08-233	190.2	194.5	0.2	14.9	7.06	3.4	1
PA-08-234	139.5	147.0	1.2	65.8	41.44	4.8	1
PA-08-235	117.0	121.0	0.0	1.8	1.26	3.0	1
PA-08-236	219.0	225.5	2.6	135.5	90.18	3.3	1
PA-08-237	268.1	278.5	0.5	76.5	29.38	4.4	1
PA-08-240	63.0	66.8	0.2	3.6	4.73	2.9	1
PA-08-241	126.8	134.0	1.5	82.1	51.70	2.5	1
PA-08-242	134.5	140.0	0.4	16.4	11.18	3.4	1
PA-08-309	147.0	151.0	5.1	279.3	182.58	3.2	1
PA-08-311	156.9	164.0	4.5	80.4	119.68	4.5	1
PA-08-312	171.0	182.0	2.9	130.6	95.31	5.5	1
PA-08-314	148.5	153.0	0.9	114.1	47.98	3.9	1
PA-08-315	128.0	132.2	0.1	2.3	1.56	3.5	1
PA-08-316	179.5	193.3	1.2	96.0	49.50	7.0	1

LISTING OF INTERSECTION PER ZONE- SAN ELIGIO- UNDERGROUND

No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
PA-08-317	184.0	189.3	0.1	17.5	5.96	3.2	1
PA-08-318	95.5	101.0	5.2	150.5	153.03	3.5	1
PA-08-319	154.0	160.0	1.9	107.5	67.45	3.0	1
PA-08-320	58.8	67.2	4.6	128.0	132.99	7.2	1
PA-08-321	72.0	76.1	1.3	55.0	42.44	3.6	1
PA-08-322	222.5	230.0	2.4	125.7	83.08	3.3	1
PA-08-324	242.0	246.0	2.9	70.8	81.99	3.6	1
PA-08-328	207.5	213.1	1.7	124.4	66.39	2.9	1
BDSE-1	50.3	54.3	0.3	34.8	15.28	3.0	3
BSE10	217.3	221.1	0.9	57.0	34.01	3.1	3
BSE19	195.0	198.7	1.3	58.4	43.16	3.0	3
PA-08-323	108.9	112.5	1.7	44.2	47.21	2.8	3
PA-08-325	302.8	315.2	6.8	361.7	241.73	6.4	3
PA-08-326	194.0	198.0	0.8	25.5	22.49	3.1	3
PA-08-327	235.1	242.0	7.3	171.1	204.95	6.3	3

LISTING OF INTERSECTION PER ZONE- EL APACHE- HEAP LEACH

No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
BEA1	106.7	130.1	1.0	35.4	16.98	16.7	1
BEA14	294.4	301.3	0.1	4.2	0.98	4.8	1
BEA2	112.3	118.5	0.3	3.0	4.05	4.5	1
BEA3	211.1	216.9	2.9	57.5	51.40	4.2	1
BEA5	327.9	336.8	0.3	10.5	6.14	5.9	1
PA-05-018	17.0	23.0	0.4	12.3	6.33	4.5	1
PA-05-019	24.9	30.5	1.3	8.6	19.17	4.0	1
PA-05-022	50.0	56.0	0.9	6.5	12.69	4.3	1
PA-05-024	36.7	57.0	0.7	20.8	11.79	15.0	1
PA-05-025	34.5	57.3	0.6	19.0	10.10	16.7	1
PA-05-026	7.6	19.5	0.8	22.0	11.95	10.1	1
PA-05-026A	7.6	30.5	0.7	20.4	10.57	19.4	1
PA-05-027	18.8	46.0	1.2	23.7	19.51	23.0	1
PA-05-073	11.4	22.9	0.3	9.8	2.51	9.8	1
PA-05-074	29.4	50.4	0.5	14.7	7.68	17.1	1
PA-05-076	34.5	45.7	0.5	19.1	7.55	8.8	1
PA-06-143	12.2	17.2	0.4	6.1	5.43	4.5	1
PA-06-144	28.8	34.2	0.1	17.4	3.04	4.8	1
PA-06-145	120.5	126.5	0.1	3.0	1.94	4.9	1
PA-06-148	114.0	123.5	1.0	26.3	16.16	7.3	1
PA-06-153	220.5	229.5	0.9	14.8	13.87	8.1	1
PA-07-156	211.8	216.5	0.2	6.7	3.42	4.0	1

LISTING OF INTERSECTION PER ZONE- CRESTON-MASCOTA- HEAP LEACH

No HOLE	FROM (m)	TO (m)	INTERSECTION			Vertical width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-06-001	0.1	11.0	2.4	58.2	54.72	13.2	10
CM-06-002	4.2	13.2	1.7	28.1	34.98	11.0	10

LISTING OF INTERSECTION PER ZONE- CRESTON -MASCOTA- HEAP LEACH

No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-06-003	17.3	28.8	1.3	26.6	27.45	13.9	10
CM-06-004	38.6	58.0	0.5	6.9	9.25	19.2	10
CM-06-005	11.5	31.0	1.5	24.6	32.13	23.6	10



CM-07-006	16.4	24.2	1.8	63.1	43.33	9.3	10
CM-07-007	14.0	18.6	1.8	53.0	41.86	5.5	10
CM-07-009	35.0	40.0	0.7	31.0	17.69	6.0	10
CM-07-010	0.0	11.0	3.0	14.0	55.31	13.2	10
CM-07-010A	0.0	11.1	4.7	20.5	87.62	13.3	10
CM-07-010B	0.0	18.8	3.4	22.4	64.55	13.5	10
CM-07-011	15.6	54.6	2.3	15.0	44.14	47.1	10
CM-07-012	38.2	94.5	3.1	40.1	63.19	67.7	10
CM-07-014	0.0	22.0	1.1	10.6	22.37	26.3	10
CM-07-015	13.0	33.5	1.4	13.5	26.71	24.6	10
CM-07-015A	14.4	34.0	1.1	9.5	20.97	19.6	10
CM-07-020	0.0	4.7	0.6	4.3	11.51	5.7	10
CM-07-021	23.7	28.7	3.4	19.3	65.02	6.0	10
CM-07-029	105.1	116.4	1.2	20.3	24.51	13.6	10
CM-07-030	108.7	114.4	1.1	16.5	23.29	6.8	10
CM-07-031	61.5	110.4	2.4	27.3	48.58	58.7	10
CM-07-032	44.0	62.8	1.4	12.0	26.32	22.6	10
CM-07-032A	43.3	50.7	5.2	43.4	101.64	8.5	10
CM-07-033	70.0	119.0	3.1	17.6	58.99	59.0	10
CM-07-034	87.0	107.0	2.9	6.2	53.99	24.0	10
CM-07-035	62.3	69.7	1.5	14.8	29.33	8.9	10
CM-07-036	21.3	53.7	1.0	5.4	18.03	38.9	10
CM-07-037	47.2	92.6	0.9	7.5	17.47	54.6	10
CM-07-038	59.1	91.9	1.1	17.2	22.09	39.4	10
CM-07-039	107.8	115.3	1.0	10.9	20.15	9.1	10
CM-07-041	18.4	35.0	2.1	10.8	39.02	20.0	10
CM-07-042	32.8	40.7	1.0	4.8	18.06	9.5	10
CM-07-045	80.4	86.5	3.7	56.6	76.43	7.3	10
CM-07-047	53.7	63.1	2.0	32.8	42.66	11.1	10
CM-07-048	38.6	53.7	1.3	17.9	26.93	16.0	10
CM-07-049	69.9	119.6	1.3	21.3	26.64	56.5	10
CM-07-051	96.9	139.6	2.3	21.5	44.58	51.6	10
CM-07-052	81.0	87.4	0.5	4.8	10.47	7.7	10
CM-07-053	91.4	102.5	1.3	1.8	24.56	13.2	10
CM-07-054	31.4	55.0	3.7	49.7	75.55	28.3	10
CM-07-056	27.0	50.9	0.9	20.3	18.73	17.2	10
CM-07-057	99.0	115.0	4.7	38.1	92.57	11.2	10
CM-07-058	30.1	66.2	1.1	31.3	25.52	26.0	10
CM-07-059	43.3	96.0	1.7	23.8	34.89	37.2	10
CM-08-061	69.0	73.5	0.6	7.7	12.18	3.3	10
CM-08-063	22.3	41.0	1.2	29.3	27.59	18.6	10
CM-08-064	103.3	109.4	0.3	1.4	4.69	4.3	10
CM-08-065	103.4	115.0	4.5	17.6	84.49	8.3	10
CM-08-067	93.2	99.2	0.8	3.2	15.66	6.0	10
CM-08-069	18.1	55.4	1.2	3.2	21.51	26.9	10
<u>LISTING OF INTERSECTION PER ZONE- CRESTON- MASCOTA- HEAP LEACH</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-08-070	21.0	25.5	0.3	1.5	5.94	3.2	10
CM-08-071	27.5	42.0	2.3	15.0	43.33	15.5	10
CM-08-076	7.5	13.5	0.2	6.8	4.90	4.3	10
CM-08-077	73.5	81.5	3.3	10.8	61.30	9.6	10
CM-08-078	71.0	75.0	0.5	2.8	9.27	2.8	10
CM-08-080	101.0	135.5	1.7	18.5	34.38	41.3	10
CM-08-082	79.2	83.5	0.3	2.2	6.35	3.0	10
CM-08-083	90.9	112.9	0.7	6.9	13.23	24.7	10
CM-08-086	25.5	33.3	1.3	27.4	28.56	9.4	10
CM-08-087	29.7	46.1	1.5	21.7	30.62	11.5	10
CM-08-088	30.1	46.2	5.3	50.4	104.88	19.4	10
CM-08-089	24.1	54.7	1.9	22.7	38.17	21.4	10
CM-08-090	45.5	77.1	0.8	8.5	15.37	38.0	10
CM-08-092	55.7	90.5	2.2	14.2	41.69	41.6	10
CM-08-093	57.5	65.4	1.5	23.9	30.82	5.6	10
CM-08-098	9.0	27.0	0.8	12.1	16.27	12.7	10
CM-08-112	18.0	24.7	0.5	10.4	10.32	6.8	10
CM-08-112A	25.4	26.2	0.0	1.0	0.60	0.6	10
CM-08-113	80.1	91.1	0.1	1.4	1.84	13.2	10
CM-08-117	58.3	65.8	7.1	95.0	146.25	7.0	10
CM-08-119	85.5	90.0	0.2	5.7	3.87	3.2	10
CM-08-120	66.6	91.8	1.5	21.3	31.19	18.2	10
CM-08-123	73.5	78.3	0.3	11.1	7.40	3.4	10
CM-08-125	52.7	77.2	1.5	12.5	29.14	23.4	10
CM-08-126	81.4	100.9	2.3	33.0	46.89	16.8	10
CM-08-130	63.6	104.5	1.0	9.5	18.91	40.6	10
CM-08-132	69.2	86.1	0.0	0.8	0.23	14.6	10
CM-08-133	90.5	97.8	3.6	37.8	70.86	7.0	10
CM-08-134	3.0	25.0	1.2	4.5	22.74	26.4	10
CM-08-135	0.1	5.4	0.8	2.9	15.21	3.7	10



CM-08-136	86.6	112.9	2.9	32.0	58.64	23.2	10
CM-08-137	56.9	69.0	6.8	16.3	124.98	12.4	10
CM-08-138	74.9	80.4	0.4	7.2	8.04	4.8	10
CM-08-139	71.0	79.2	1.0	12.9	20.91	8.8	10
CM-08-140	2.5	46.0	0.7	10.9	13.97	30.5	10
CM-08-141	2.6	8.8	0.2	1.1	3.18	7.5	10
CM-08-142	35.0	48.5	1.8	22.6	36.05	13.9	10
CM-08-143	0.1	6.6	0.7	3.3	12.79	6.1	10
CM-08-144	36.5	40.5	2.3	34.2	47.61	4.6	10
CM-08-146	44.8	50.0	1.4	1.6	24.69	6.3	10
CM-08-148	28.1	64.5	2.5	15.4	47.07	37.0	10
CM-08-150	31.1	36.1	0.3	0.9	4.84	3.6	10
CM-08-152	4.1	38.0	0.8	6.8	14.60	39.9	10
CM-08-153	89.0	96.7	0.1	1.2	1.21	8.2	10
CM-08-155	69.5	82.4	1.3	37.5	29.90	14.5	10
CM-08-159	38.3	44.3	0.9	11.1	18.45	6.3	10
CM-08-162	43.5	61.5	2.8	21.3	55.27	12.7	10
CM-06-004	6.0	11.0	1.3	51.8	32.68	5.0	20

LISTING OF INTERSECTION PER ZONE- CRESTON -MASCOTA- HEAP LEACH

No Hole	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-08-146	0.1	19.0	0.7	0.8	13.51	22.9	20
CM-08-149	0.1	6.0	0.2	2.0	4.51	4.7	20
CM-06-003	10.5	15.5	0.1	2.4	2.71	6.0	30
CM-06-004	26.5	32.5	0.4	2.3	6.60	5.9	30
CM-08-146	31.2	38.0	0.3	1.1	6.34	8.3	30
CM-08-150	6.3	11.1	0.1	1.1	2.32	3.4	30
CM-07-044	1.5	5.3	0.4	0.6	6.37	4.6	40
CM-08-118	18.0	26.0	0.9	14.4	19.16	7.4	50
CM-08-119	52.5	61.5	0.4	7.3	8.35	6.6	50
CM-08-123	56.4	60.4	0.1	2.8	2.64	2.8	50
CM-08-155	46.4	53.4	0.4	9.4	8.36	7.9	50
CM-08-159	8.5	15.0	1.6	6.9	30.74	6.8	50
CM-07-038	28.4	33.6	0.4	4.0	7.73	6.3	60
CM-08-126	25.5	30.0	0.9	2.6	15.76	3.9	60
CM-08-128	28.8	32.6	4.3	21.8	82.10	2.7	60
CM-08-132	27.2	33.0	1.3	14.9	25.96	5.1	60
CM-08-133	28.3	33.5	0.3	5.8	6.05	4.9	60
CM-07-038	38.3	43.7	0.4	2.1	7.01	6.5	70
CM-08-083	35.0	40.3	0.6	4.9	12.14	6.0	70
CM-08-126	37.1	44.4	0.5	6.6	9.44	6.3	70
CM-08-128	37.8	41.8	0.9	3.4	16.22	2.9	70
CM-08-132	42.8	46.8	0.3	6.1	6.99	3.4	70
CM-08-133	38.0	46.9	0.6	5.1	12.35	8.5	70
CM-08-083	49.0	53.5	0.9	2.3	16.85	5.0	80
CM-08-133	63.5	68.0	1.2	17.8	24.06	4.3	80
CM-07-057	53.1	57.7	0.5	1.6	8.74	3.2	90
CM-08-060	60.0	64.8	0.0	1.3	0.36	5.0	90
CM-08-061	55.5	60.0	0.2	1.3	4.02	3.4	90
CM-08-062	59.9	64.4	0.7	1.3	12.39	4.7	90
CM-08-077	67.3	71.7	0.2	0.7	4.39	5.3	90
CM-08-078	60.0	64.5	0.2	1.3	3.44	3.2	90
CM-08-080	76.7	82.7	0.7	2.3	13.64	7.2	90
CM-08-082	41.0	47.0	1.0	1.0	18.07	4.3	90
CM-08-130	51.5	56.1	2.3	5.4	42.27	4.6	90
CM-08-136	50.8	60.4	0.6	2.1	11.10	8.5	90
CM-08-138	57.0	61.5	0.6	0.5	10.30	3.9	90
CM-08-139	60.9	65.7	0.1	0.6	1.34	5.2	90
CM-08-154	1.6	9.5	0.0	1.1	0.41	6.2	100
CM-08-160	8.0	23.6	0.1	2.3	1.49	18.8	100
CM-08-161	6.0	16.6	0.5	5.4	9.36	7.4	100
CM-08-163	3.0	14.3	0.2	2.2	4.05	13.6	100
CM-08-163A	3.0	12.0	4.3	3.4	77.73	10.6	100
CM-08-165	3.0	16.5	1.1	2.7	20.27	9.5	100
CM-08-167	4.3	38.2	0.8	9.0	15.64	40.1	100
CM-08-168	6.0	23.7	0.4	0.8	6.58	12.4	100
CM-08-170	15.0	35.4	0.2	1.5	4.42	23.9	100
CM-08-212	3.0	18.0	0.3	2.0	4.86	18.0	100
CM-08-213	2.0	10.5	0.3	2.0	5.91	6.0	100

LISTING OF INTERSECTION PER ZONE- CRESTON- MASCOTA- HEAP LEACH

No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-08-215	2.2	10.5	0.0	2.6	1.00	10.0	100
CM-08-219	2.7	17.2	0.9	6.8	16.80	17.4	100
CM-08-220	2.8	13.3	0.0	1.2	0.78	12.6	100
CM-07-022	9.1	16.8	1.2	7.3	22.24	9.3	110
CM-07-023	0.0	6.6	0.3	4.3	6.55	7.9	110
CM-07-024	1.0	8.3	0.3	3.1	5.76	8.4	110



CM-07-025	2.5	8.4	0.0	2.4	1.10	7.1	110
CM-07-026	1.1	7.7	1.6	21.6	32.42	8.0	110
CM-07-026A	1.0	6.5	2.4	55.5	54.69	3.9	110
CM-07-027	5.1	5.5	0.2	3.0	4.48	0.5	110
CM-07-027A	5.2	10.6	0.3	7.7	6.95	6.5	110
CM-07-028	0.2	8.0	1.5	16.5	30.06	9.4	110
CM-07-039	14.6	24.0	0.7	6.1	12.78	11.4	110
CM-07-040	2.4	8.4	0.3	0.4	5.18	7.2	110
CM-08-154	19.9	30.6	1.0	13.3	20.98	8.3	110
CM-08-156	0.0	3.0	0.0	0.1	0.78	3.3	110
CM-08-160	41.1	49.3	0.4	4.3	7.81	9.8	110
CM-08-161	19.7	39.0	1.7	6.0	31.87	13.5	110
CM-08-163	22.5	35.4	0.3	2.1	5.54	15.5	110
CM-08-165	24.0	31.5	0.2	2.6	3.46	5.3	110
CM-08-167	42.1	54.1	0.3	7.9	6.08	14.2	110
CM-08-168	34.3	42.5	0.5	1.1	9.34	6.0	110
CM-08-170	73.5	81.0	2.4	26.8	48.27	8.8	110
CM-08-175	21.2	37.7	0.0	1.7	0.98	19.9	110
CM-08-182	7.3	13.9	0.0	2.9	1.20	4.7	110
CM-08-183	0.0	52.5	1.2	11.4	23.30	63.1	110
CM-08-185	0.0	6.0	0.6	5.3	11.16	4.2	110
CM-08-186	9.0	13.7	0.6	6.0	11.69	5.7	110
CM-08-187	0.0	6.0	3.4	29.3	66.11	4.2	110
CM-08-188	0.0	33.0	2.4	24.1	48.32	39.8	110
CM-08-189	2.9	10.4	0.3	2.1	4.96	9.1	110
CM-08-191	0.0	18.1	0.5	1.4	9.31	21.8	110
CM-08-192	2.5	10.5	0.3	1.7	6.13	5.7	110
CM-08-193	1.5	12.3	0.5	1.3	9.17	13.0	110
CM-08-195	5.8	20.9	0.2	1.2	3.10	18.1	110
CM-08-197	21.0	46.5	0.3	1.2	5.80	30.5	110
CM-08-198	28.3	71.9	0.6	4.6	11.54	52.4	110
CM-08-200	7.3	17.1	0.1	2.7	2.86	7.1	110
CM-08-202	37.4	56.9	0.5	7.3	9.44	23.3	110
CM-08-204	7.5	13.5	0.2	1.3	3.84	4.2	110
CM-08-206	0.5	16.0	1.5	21.2	31.15	10.9	110
CM-08-207	0.2	22.5	0.6	4.4	11.18	26.9	110
CM-08-212	52.5	68.0	0.2	2.1	4.55	18.6	110
CM-08-213	19.3	26.0	0.7	4.6	13.27	4.8	110
CM-08-215	24.9	46.0	0.5	4.6	8.99	25.4	110
CM-08-217	16.4	32.5	0.1	1.3	1.96	19.4	110
CM-08-219	34.9	50.7	0.3	3.0	5.55	18.8	110
CM-08-220	40.3	50.9	2.2	11.8	40.78	12.7	110
LISTING OF INTERSECTION PER ZONE- CRESTON -MASCOTA- HEAP LEACH							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-08-222	36.8	53.9	2.1	11.6	39.64	20.5	110
CM-08-223	28.5	34.9	2.2	10.6	41.07	4.6	110
CM-08-154	38.9	44.5	0.2	2.0	3.25	4.4	120
CM-08-163	43.0	48.0	0.4	1.3	6.59	6.0	120
CM-08-165	48.6	55.4	0.0	0.0	0.00	4.8	120
CM-08-170	123.8	133.5	0.1	14.2	4.32	11.4	120
CM-08-185	36.0	42.0	0.2	0.5	2.94	4.3	120
CM-08-187	24.0	30.1	0.1	1.7	2.74	4.3	120
CM-07-039	42.5	53.3	0.4	1.3	6.56	13.0	130
CM-07-040	37.4	43.4	0.0	0.8	0.29	7.2	130
CM-07-050	16.5	22.5	0.5	1.0	8.40	7.2	130
CM-08-154	52.3	58.3	0.2	1.4	3.73	4.6	130
CM-08-156	15.0	21.0	0.6	0.1	9.98	6.7	130
CM-08-189	21.9	29.9	0.5	1.7	8.86	9.7	130
CM-08-191	28.3	41.1	0.6	1.7	11.32	15.4	130
CM-08-197	86.4	101.9	0.2	1.2	3.30	18.5	130
CM-08-198	83.9	104.9	0.7	1.4	12.71	25.3	130
CM-08-200	26.3	33.0	0.1	0.9	1.45	4.7	130
CM-08-202	64.3	85.7	0.3	2.8	6.55	25.6	130
CM-08-204	28.5	34.5	0.1	1.2	1.97	4.2	130
CM-08-206	33.0	39.0	0.1	0.9	1.01	4.5	130
CM-08-207	25.5	33.1	0.2	1.3	3.58	9.2	130
CM-08-220	80.1	89.8	0.7	2.0	12.89	11.6	130
CM-08-223	40.5	51.0	0.4	2.1	7.18	7.4	130
CM-07-050	28.5	35.1	0.6	3.1	11.54	7.9	140
CM-08-156	25.5	31.5	0.3	0.5	5.05	6.7	140
CM-08-189	35.9	43.5	0.3	1.2	5.62	9.2	140
CM-06-001	35.0	41.0	0.2	1.5	4.33	7.3	150
CM-06-002	30.5	36.5	4.5	9.3	82.55	7.3	150
CM-06-003	48.8	54.3	0.1	5.5	2.59	6.6	150
CM-06-004	62.0	67.9	0.4	3.1	7.01	5.8	150
CM-08-098	34.5	39.0	0.4	1.3	6.52	3.2	150
CM-08-146	80.9	88.4	0.3	2.0	5.01	9.1	150



CM-08-150	42.5	46.5	0.3	0.5	5.01	2.8	150
CM-07-008	25.2	29.1	0.0	1.8	0.97	4.7	160
CM-07-009	58.5	62.2	0.0	1.8	1.06	4.5	160
CM-07-010	20.0	25.6	1.0	5.5	19.75	6.7	160
CM-07-011	74.0	78.5	1.0	2.0	18.35	5.4	160
CM-07-012	100.5	105.0	1.3	7.8	24.36	5.4	160
CM-07-014	24.2	29.0	0.2	3.4	4.87	5.7	160
CM-07-015	41.0	45.5	0.0	3.7	0.87	5.4	160
CM-07-015A	39.6	45.5	0.0	2.3	0.93	5.9	160
CM-07-029	121.7	133.8	2.1	38.5	44.29	14.5	160
CM-07-030	124.0	128.1	0.5	12.1	10.98	4.9	160
CM-07-031	116.5	128.5	0.8	12.8	15.75	14.4	160
CM-07-032	67.3	73.0	0.5	6.5	9.21	6.9	160
CM-07-033	128.0	132.5	0.4	3.0	7.54	5.4	160
CM-07-034	162.7	199.7	1.3	14.7	26.64	44.5	160
<u>LISTING OF INTERSECTION PER ZONE- CRESTON -MASCOTA- HEAP LEACH</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-07-035	144.3	158.0	0.5	22.0	13.01	16.4	160
CM-07-036	69.2	73.5	0.5	2.7	8.80	5.2	160
CM-07-037	98.4	102.9	0.5	2.0	9.94	5.4	160
CM-07-039	207.2	212.2	0.8	11.4	16.26	6.0	160
CM-07-041	43.6	49.5	0.5	7.6	10.94	7.1	160
CM-07-042	45.4	46.9	0.0	0.0	0.13	1.8	160
CM-07-045	96.1	101.5	0.1	2.2	1.84	6.5	160
CM-07-047	98.5	104.1	0.6	15.7	12.89	6.7	160
CM-07-048	95.5	102.8	0.7	5.5	12.90	7.7	160
CM-07-049	140.5	145.2	0.2	7.2	4.68	5.3	160
CM-07-050	144.0	148.5	0.7	1.3	13.13	5.3	160
CM-07-054	83.6	90.9	0.0	1.2	0.45	8.8	160
CM-07-055	55.1	70.1	0.5	5.3	10.15	18.1	160
CM-07-056	58.5	64.5	0.2	2.8	4.36	4.3	160
CM-07-058	83.0	100.4	1.1	32.7	25.71	12.6	160
CM-07-059	111.0	116.8	0.4	12.3	8.72	4.1	160
CM-08-076	54.0	58.5	0.3	0.7	5.29	3.2	160
CM-08-088	63.0	69.0	0.0	1.5	0.43	7.2	160
CM-08-089	63.6	69.6	0.4	1.2	7.97	4.2	160
CM-08-092	102.5	107.0	0.2	8.7	5.20	5.4	160
CM-08-110	3.1	7.6	0.3	2.0	6.10	4.2	160
CM-08-112	43.1	48.0	0.3	1.5	4.96	5.2	160
CM-08-113	102.1	108.0	0.0	0.6	0.31	7.1	160
CM-08-117	76.5	81.0	0.2	8.7	5.77	4.2	160
CM-08-119	99.0	105.0	0.0	0.5	0.18	4.2	160
CM-08-120	94.3	98.9	0.0	3.1	1.07	3.2	160
CM-08-123	106.5	111.0	0.0	1.0	1.00	3.2	160
CM-08-125	184.7	190.4	0.1	1.5	2.36	5.4	160
CM-08-127	0.0	19.5	0.6	5.4	12.32	13.8	160
CM-08-129	0.0	7.1	0.0	0.0	0.00	8.5	160
CM-08-148	79.5	84.0	0.0	0.3	0.51	4.6	160
CM-08-152	48.4	55.9	0.5	6.8	9.49	8.8	160
CM-08-153	108.0	114.0	0.1	0.9	1.20	6.4	160
CM-08-155	90.4	95.8	0.1	2.0	1.68	6.1	160
CM-07-018	59.9	64.4	0.8	1.3	14.23	5.4	170
CM-07-020	69.5	74.4	0.0	0.0	0.11	5.9	170
CM-07-035	184.5	190.0	0.2	1.7	3.52	6.6	170
CM-07-036	88.0	93.5	0.2	2.1	4.75	6.6	170
CM-07-037	131.2	137.2	0.6	3.9	11.42	7.2	170
CM-07-041	66.0	72.2	0.7	2.4	13.37	7.4	170
CM-07-042	63.5	70.5	0.9	3.6	16.63	8.4	170
CM-07-047	148.1	153.0	0.8	11.9	15.94	5.8	170
CM-07-048	169.0	175.6	0.6	3.8	12.19	7.0	170
CM-07-051	166.8	172.8	0.6	3.1	11.25	7.3	170
CM-08-063	71.0	80.0	1.9	19.0	36.68	8.9	170
CM-08-080	143.0	148.6	0.4	1.8	6.87	6.7	170
CM-08-083	156.0	160.7	0.2	4.1	4.86	5.3	170
CM-08-086	81.0	90.0	0.5	2.8	8.98	10.8	170
<u>LISTING OF INTERSECTION PER ZONE- CRESTON- MASCOTA- HEAP LEACH</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-08-105	47.2	59.9	1.1	8.0	20.25	9.0	170
CM-08-126	162.5	168.5	0.1	0.8	2.67	5.1	170
CM-08-130	126.0	136.5	2.2	15.6	43.12	10.4	170
CM-08-133	164.0	170.0	0.1	1.6	1.58	5.7	170
CM-08-136	117.5	125.0	1.4	3.8	25.41	6.6	170
CM-08-138	101.7	105.3	0.0	0.5	0.84	3.1	170
CM-08-140	83.0	91.0	0.5	2.1	9.99	5.6	170
CM-08-142	99.5	129.5	0.9	9.9	18.31	31.2	170
CM-08-144	117.1	122.2	0.0	0.6	0.34	5.8	170



CM-08-147	57.0	64.4	0.7	3.4	13.90	7.4	170
CM-08-148	145.7	156.0	1.1	10.9	20.80	10.5	170
CM-06-005	65.0	69.0	0.1	3.1	1.63	4.8	180
CM-07-044	85.8	89.9	1.8	0.5	32.61	4.9	180
CM-08-098	59.0	74.0	0.3	2.2	6.48	10.8	180
CM-08-099	33.0	55.9	0.0	0.8	0.03	16.6	180
CM-06-005	80.5	85.0	0.0	1.0	0.42	5.5	190
CM-07-044	100.3	104.4	0.4	1.5	7.73	4.9	190
CM-08-098	86.0	90.5	0.6	6.7	11.79	3.2	190
CM-08-099	81.0	85.5	0.1	0.7	1.30	3.2	190
CM-08-098	96.0	100.5	0.6	1.7	11.08	3.2	200
CM-07-031	154.7	157.6	0.0	0.0	0.76	3.5	210
CM-07-034	230.2	236.0	0.9	9.9	17.11	7.0	210
CM-07-055	262.2	269.1	0.8	20.9	17.51	8.3	210
CM-08-127	34.1	52.6	0.2	2.4	3.31	13.3	210
CM-08-129	15.0	22.5	0.4	6.0	8.07	9.0	210
CM-08-152	69.5	75.3	0.7	1.7	13.25	6.8	210
CM-08-148	167.8	171.6	0.9	8.8	17.98	3.9	220
CM-08-148	178.3	185.5	0.4	2.0	6.60	7.4	230
CM-08-140	57.5	68.5	0.4	1.8	6.52	7.8	240
CM-08-140	97.0	106.2	0.3	2.3	6.08	6.5	250
CM-08-071	145.6	152.5	0.1	1.0	2.76	7.5	260
CM-08-080	173.0	177.5	0.3	3.7	6.34	5.4	260
CM-08-103	16.9	23.9	2.0	127.9	61.98	4.9	260
CM-08-105	87.0	93.0	1.0	3.3	18.52	4.2	260
CM-08-136	158.0	162.5	0.1	1.0	2.65	4.0	260
CM-08-138	148.5	153.0	0.2	1.3	3.23	3.9	260
CM-08-140	114.5	120.5	0.3	1.1	4.64	4.3	260
CM-07-051	218.4	224.4	0.2	0.9	4.24	7.3	270
CM-08-063	153.0	158.3	0.1	0.6	2.00	5.3	270
CM-08-071	164.5	172.0	0.5	2.2	9.45	8.2	270
CM-08-080	201.0	205.5	0.3	0.7	6.17	5.4	270
CM-08-086	160.6	168.1	0.5	9.0	11.04	9.0	270
CM-08-130	189.5	195.5	0.4	0.8	7.65	6.0	270
CM-08-138	161.9	167.3	0.0	0.0	0.00	4.7	270
CM-08-140	153.8	158.5	0.0	0.5	0.12	3.3	270
CM-08-147	138.0	142.5	0.0	0.7	0.15	4.5	270
CM-08-080	220.7	226.0	6.1	30.8	115.84	6.4	280
CM-07-053	116.0	121.3	0.0	1.0	0.23	6.3	290
<u>LISTING OF INTERSECTION PER ZONE- CRESTON -MASCOTA- HEAP LEACH</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-08-067	123.0	136.5	0.4	3.8	7.19	13.5	290
CM-08-077	120.6	128.6	0.1	0.5	1.05	9.7	290
CM-08-078	133.5	139.5	0.0	0.9	0.47	4.5	290
CM-08-135	24.0	30.9	0.4	0.5	6.95	4.9	290
CM-08-137	136.6	145.5	0.1	1.6	2.22	9.1	290
CM-08-139	117.5	126.5	0.5	1.4	9.14	9.7	290
CM-08-162	109.5	120.0	0.6	0.8	11.77	7.4	290
CM-07-053	143.2	147.3	0.0	0.6	0.36	4.9	300
CM-08-067	156.5	163.8	0.0	0.0	0.00	7.3	300
CM-08-069	68.7	77.8	0.0	1.5	0.97	6.6	300
CM-08-077	139.4	144.5	0.3	0.6	5.87	6.2	300
CM-08-078	189.3	195.3	0.1	0.6	1.94	4.5	300
CM-08-134	53.0	58.0	0.1	0.5	1.42	6.0	300
CM-08-135	37.5	43.0	0.4	4.6	7.44	4.1	300
CM-08-139	155.0	160.0	0.4	2.3	7.21	5.4	300
CM-08-162	132.0	149.7	0.4	1.7	7.37	12.4	300
CM-07-053	170.4	176.1	0.0	0.5	0.42	6.8	310
CM-08-067	183.0	199.5	0.5	2.0	9.05	16.6	310
CM-08-069	105.5	113.2	0.0	0.0	0.00	5.5	310
CM-08-077	160.0	166.0	0.3	3.1	5.63	7.3	310
CM-08-135	66.9	75.7	0.2	2.5	3.08	6.5	310
CM-08-162	160.5	167.1	0.4	0.9	7.58	4.6	310
CM-07-053	218.4	223.9	0.2	2.3	4.23	6.6	320
CM-08-067	214.5	220.0	0.4	0.9	6.68	5.6	320
CM-08-116	12.1	18.0	0.1	1.5	1.25	7.1	330
CM-08-121	16.5	23.0	0.1	1.5	1.80	4.6	330
CM-08-122	87.7	93.0	0.7	15.2	14.50	6.4	330
CM-08-124	64.5	70.2	0.4	1.4	8.10	6.9	330
CM-08-196	51.0	58.5	0.6	18.7	14.00	5.3	330
CM-08-199	60.0	65.8	0.8	2.7	14.91	7.0	330
CM-08-201	92.5	99.0	0.5	1.6	8.46	4.6	330
CM-08-203	38.8	44.9	0.2	1.5	3.96	7.3	330
CM-08-205	44.4	51.5	0.0	0.7	0.37	5.0	330
CM-08-116	41.0	54.5	1.7	99.0	50.16	16.2	340
CM-08-121	49.5	57.1	0.2	6.5	5.31	5.4	340
CM-08-121	65.9	73.4	0.2	3.6	4.47	5.5	340



CM-08-122	111.2	117.0	1.0	15.9	20.80	7.0	340
CM-08-124	74.5	79.6	1.1	17.9	22.63	6.2	340
CM-08-194	49.5	57.1	0.6	10.9	13.13	9.1	340
CM-08-196	76.0	84.0	0.3	3.8	5.04	5.6	340
CM-08-199	86.9	94.3	10.4	100.2	206.94	8.9	340
CM-08-201	129.0	136.5	0.1	1.3	2.23	5.3	340
CM-08-203	48.1	69.5	1.5	60.4	38.17	25.6	340
CM-08-205	63.0	76.6	1.0	27.0	21.77	9.8	340
CM-08-177	77.0	83.0	0.2	2.0	4.21	4.5	350
CM-08-181	73.5	81.0	0.2	3.4	4.57	5.5	350
CM-08-208	59.2	64.6	0.4	3.3	8.04	6.5	350
CM-08-211	69.6	76.5	0.1	3.8	1.77	5.1	350
<u>LISTING OF INTERSECTION PER ZONE- CRESTON- MASCOTA- HEAP LEACH</u>							
No HOLE	FROM (m)	TO (m)	INTERSECTION			Horizontal width (m)	ZONE
			Au g/t	Ag g/t	NSR (\$US)		
CM-08-177	88.0	110.6	1.1	3.1	19.85	16.3	360
CM-08-178	11.8	20.9	0.1	4.9	2.33	6.4	360
CM-08-181	90.0	100.5	1.1	27.7	25.24	7.4	360
CM-08-184	71.0	83.0	1.8	4.6	33.33	14.1	360



APPENDIX B

Applied Geoscience LLC 2008 QAQC Reports

None has been included because the reports contain too much detail and are not suitable for electronic filing.