

Drill hole composites / observations (Lau-1 and 2)

Hole_ID	FROM	TO	LENGTH	AU_G/T	AG_G/T	Structure/geology	Comments/geochemical signature
Lau1	158.17	162.28	4.11	up to 0.43	< 3.4	Los Laureles structure	no visible signature
Lau2	202.20	202.70	0.50	up to 0.1	5.40	Los Laureles structure	no visible signature

Table 12

Both drill holes intersected the projected Los Laureles structure at depth; however results from the assays were discouraging. The host rock throughout the core length was a partially brecciated granodiorite.

The area first needs to be prospected and the geology understood. For example why is there a small Tahuna (small rock crushing mill for gold) up creek and along strike 230 metres northeast of the Los Laureles vein and secondly from satellite imagery, could the small Aster 'hydroxyl' (clay) anomalies at 418580E, 2659059N and at 417982E, 2658880N represent possible alteration associated with the continuation of the low angled Los Laureles structure. If a drill campaign is considered it is believed potential remains higher on the structure, approximately 50 metres below the old drift and along strike to the northeast and possibly southwest. In this case approximately 300 metres of road would have to be permitted to access proper drill platforms across Lechugilla Creek.

10.0 ADDITIONAL EXPLORATION TARGETS

It is suggested before any additional drilling is done at Tres Marias – Cebollas other concerns and other targets be investigated in a cost effective manner. This would include geochemical and lithogeochemical rock sampling as well as regional prospecting. Previous 'field work' reports to Canasil have identified several such targets on the Tres Marias – Cebollas Property that require 'support' work. These local and regional target areas are listed below:

Area I. The 3163 hectare property at Tres Marias - Cebollas hosts at least 12 separate gold-silver vein structures; six have been described to varying degrees in reports by the author while the six remaining prospects have been referenced only by their location on the Government's 1:50,000 geological maps. These possible vein structures occur very close to the prospective unconformity between the Upper and Lower volcanic package. The remaining known prospects to be investigated are: