

Evaluative Geological Survey

Mining Claim Astro Rey III
Betania y Salsipuedes

La Huerta, Jalisco, México
NOVEMBER 2013

SUMMARY



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Geological Survey - Evaluative

1. Introduction

This document is a summary of the study conducted in 2 Geological-Evaluative polygons for exploration of the future areas of work in the mining claim Astro Rey III located in the municipality of La Huerta, Jalisco, Mexico. The work was carried out from July to November 2013 also we utilized information of exploration, sampling and field work made in 2012, on the polygons of exploration called "*Betania*" and "*Salsipuedes*".

The objective of this Geological-Evaluative study is to know through bibliographic research, field mapping and the physical characteristics (geological, geophysical, mineralogical and geochemical) of the deposits with higher extractive potential within the claim Astro Rey III; for the quantification and characterization of these reserves.

In order to carry out the objective we engaged in field work, mapping, development of a geographic information system, compilation of cartographic detail in the areas of geology, geophysics (magnetometry), geochemistry, structural geology and mapping of the natural physical environment of official government agencies such as INEGI, CONANP, CONABIO, Mexican Geological Service, among others. Alongside this we present laboratory reports that validate the percent concentration of the elements that were analyzed.

2. General Information

Location and access:

The polygon of the mining claim of Astro Rey III is located in 3 municipalities: Casimiro Castle, Villa purification and La Huerta, with 80% being inside this last municipality, see annex 1

The access to the site is done by taking the Federal Highway No. Autlan 80 Navarro-La Huerta, once arriving the municipal of the La Huerta you must take the road La Huerta-Cofradia-Agua Zarquita) in a north-westerly direction toward the community of Mazatan then take dirt roads toward Las Pilas heading to Lagunilla toward the north, approximately 12 kilometers.

Infrastructure: roads, towns, railroads and electrification, among others.

The site does not have a federal highway that reaches up to the polygons studied, but it counts with a series of roads that are easy to access all year, being the closest a dirt road that connects the village of Las Pilas with the community of *Betania*, direction south-north passing through San Rafael, Las Limitas and Las Juntas. More specifically for the 2 sites in question there is an only dirt road made by the company, these do not count with services such as electricity, telephone

etc. Below is a table of proposed infrastructure in the polygons for the Astro Rey III, with emphasis on those corresponding to the present study *Betania* and *Salsipuedes*:

TYPE OF WORK	SURFACE				CURRENT CONDITION
	TOTAL	BETANIA	SALSIPUEDES	Subtotal	
Mine Pit	17.7934	4.5313	6.1917	13.8767	Oak Forest
		1.1823		1.7548	VSA/SMS
			0.8455	0.8455	Pasture induced
				1.3164	Achual
Waste rock dump a and reservoir of organic soil	9.7796	0.1596	4.5572	4.7168	Oak Forest
		2.6266		2.6266	VSA/BQ
				1.9417	Achual
		0.4945		0.4945	Pasture induced
New roads	0.0560		0.0560	0,056	Oak Forest
yard	3.0000	0.4303		0.4303	VSA/BQ
				0.9623	Achual
		0.5697	1	1.6074	Oak Forest
Total	30.6290	9.9943	12.6504	30.6290	

Chart 1. Infrastructure proposal for *Betania* and *Salcipedes*

Legal Situation

The claim Astro Rey III is located under the title of mining claim for exploration No. 225.495 with a surface of 11,426.6199 hectares in the municipality of Villa Purificación in the State of Jalisco. The mining claim called "ASTRO REY III" title 225.495 located in the municipality of Villa Purificación, State of Jalisco, is registered by ESTRELLA DE FUEGO, S. A. DE C. V. The company ESTRELLA DE FUEGO, S. A. DE C. V. is part of the GRUPO MINERO FERROSA S. A. DE C. V. The mining claim before mentioned can be found in force for a term of 50 years commencing on 14 September 2005 to 13 September 2055 and without any charge or back annotation that modify or affect.

Physiography

Through the use of cartographic information from INEGI scale 1:250,000 series 4 of 2002 the area is within the physiographic region called Sierras along the coast of Jalisco and Colima. This is part of the Province of the Southern Sierra Madre, and has an area of 2.165 km² and the polygons to question both the claim as polygons of exploration, are in the part center-south of the Province mentioned above.

The state of Jalisco contains areas that correspond to 4 physiographic provinces of Mexico: Volcanic transverse axis, Mesa Central, Sierra Madre Occidental and the Sierra Madre del Sur. The subprovince Coast of Jalisco and Colima, is located in the Province of the Sierra Madre del Sur. This subprovince, includes the municipalities of Cabo Corrientes, Casimiro Castillo, Cihuatlán, Cuautitlan,

Cuatla, La Huerta, Mascota, Puerto Vallarta, Purificación, San Sebastian, Talpa de Allende, Tomatlán and part of the municipalities of Atequillo, Autlan de Navarro, Mixtlan, Toliman and Tuxcacuesco. These lands have two types of rocks: granite and volcanic rocks with high silica content. It is in both cases of igneous rocks.

Within the state boundaries the subprovince of these lands in the Coast of Jalisco and Colima presents the following topoformas systems: Great Sierra Complex; Sierra Summits Routed; lava plateau; lava plateau with Glens; Knolls ; Lomerio Plains isolated; Valley Intermontano; Valley Intermontano with Hillside; Valley Intermontano with undulating terrain; Valley branched with Hillside; Canon; Coastal Plain with Delta; Coastal Plain with coastal lagoon; Coastal lagoon; Small plain with hillsides. In the rest of the systems of topoforms appear in addition to the already mentioned some Fluvisols- are formed; cambisoles humic and Andosols.

Background

As an important part of the compilation of information is in list below all the documents that are counted for the evaluation of the study:

Mapping:

NAME OF THE LETTER	SCALE	KEY	FORMAT	SOURCE
Manzanillo	1:250	E13-2-5	Raster	INEGI
Topographic Letter San Miguel	1:50	E13-B21	Digital shp	INEGI
Topographic Letter Casimiro Castillo	1:50	E13-b22	Digital shp	INEGI
Several letters of the physical environment	1:250	E13-2-5	Digital shp	INEGI
Geological and Mining Charter	1:50	E13-b21	Raster	Mexican Geological Service
Letter of total field magnetometer, reduced to the pole	1:50	E13-b21	Raster	Mexican Geological Service
Geochemistry letter by Zinc	1:50	E13-b21	Raster	Mexican Geological Service
Magnetic Letter of the 1a reduced total derived to pole	1:50	E13-b21	Raster	Mexican Geological Service
Magnetic Letter of the 1a derived vertical total field reduced to pole resolution	1:50	E13-b21	Raster	Mexican Geological Service
Manzanillo Charter geological and mining	1:250	E13-2-5	Raster	Mexican Geological Service

Chart 2. mapping of the area

Studies:

For the preparation of the study was with previous studies among which are:

STUDY	DEVELOPED BY:	DEVELOPED FOR:	DATE OF PREPARATION
Terrestrial Magnetometer Study Lot Astro ReyIII. The Poniente Area Emiliano-Sector Batteries, municipality of La Huerta, Jalisco	Studies in Earth Sciences	Ferrous Mining Group S. A. de C. V. , and Star of Fire S. A. de C. V.	November 2008
The aeromagnetic survey Batch Mining Astro ReyIII	Studies in Earth Sciences	GRUPO MINERO FERROSA S. A. de C. V. and Estrella de Fuego S. A. de C. V	November 2008
Terrestrial Magnetometer Study Lot Astro ReyIII Zone Emiliano-Tajo The Batteries, municipality of La Huerta, Jalisco	Studies in Earth Sciences	GRUPO MINERO FERROSA S. A. de C. V. and Estrella de Fuego S. A. de C. V	November 2008
Report of Counseling Geologica-Minera	Ing. José Luis Carreon Sandoval	GRUPO MINERO FERROSA S. A. de C. V. and Estrella de Fuego S. A. de C. V	January 2009
Inventory of Regional exploration prospects Miners Astro ReyIII (Terrón Colorado)	Ing. Edgar Rodriguez	Estrella de Fuego S. A. de C. V	January 2009
Exploration of Astro ReyIII and IV First visit	Consulting and services in the Earth Sciences	Estrella de Fuego S. A. de C. V	January 2007
Exploration of Astro ReyIII and IV Second visit	Consulting and services in the Earth Sciences	Estrella de Fuego S. A. de C. V	February 2007
Compilation of information: Title of mining claim Technical Information Analysis Report Graphical Report	Consulting and services in the Earth Sciences	Estrella de Fuego S. A. de C. V	October 2007
Mining Project Astro ReyIII Bodies Karen-Emiliano	Ing. Edgar Rodriguez Medina & Ing. Hector Rodriguez Medina	Estrella de Fuego S. A. de C. V.	December 2008

Chart 3. Chart 2. Previous studies of the area

3. Geology

For the present work we did a mining geological assessment at regional and local level to which was used the cartographic information service of the Mexican Geological Mining scale geological maps 1:250,000 and 1: 50,000 . The regional geology presents for the study area exposure intrusive igneous rocks, granites and granodiorite and is presented in the reported areas of oxidation and nearby mining prospects to the area of Paso Real as large tectonic elements that show 2 large faults that cross the claim with direction SW /NE with 8 and 11 km in length and one more with direction NW with 41 km of length these tectonic elements are presented as normal fault and one of them presents a normal fault with a side component.

The Astro Rey III claim is located to the north of the municipal la Huerta in the State of Jalisco, physiographically is located in the Sierra Madre del Sur, the orthographic forms in the study area are mainly represented by a rugged topography excelling in its elevations the Cerro Prieto, Cerro la Caballerosa and Cerro Pelon, the altitude in the claim mining goes from the 320 meters in the area of Valle de Lagunillas until the 1030 MSNM in the hills near Buena Vista.

According to the SGM (Mexican Geological Service) the area is located within the mining region of Talpa de Allende, the polygons in question *Betania* and *Salsipuedes* are located 15 km to the north of the village Las Pilas, access is located by 6 km of paved road and 8 km of dirt road in good condition.

Geologically it is located in an environment with likeness to contain deposits of economic minerals with a rock of the Cretaceous granite encajonate-magmatic differentiations with granodiorite (K-gr) and with a preferential system failures of NW-SE that clearly control the mineralization.

In the area there are several localities with outcrops of iron (Fe) magnetite in good quality as well as bodies of rock quartz mineralized dolomite with disseminated mineralization and veins of Iron this would correspond to magnetite deposits with volume of interest.

The geological area in which the claim is located presents abundant manifestations of Iron and close to the area are deposits of Fe. Las Pilas in the coordinates 19° 32' L North and 104° 41' Log West and real step on the coordinates 19° 38' 48" North and Lat 104° 42' 109" Long West.

The oldest rocks which abound in the area are formed by shale gneiss and amphibolite formed by regional metamorphism and are assigned an estimated age of the Early Paleozoic resting on these are limestones and dolomites of the Middle and Upper Cretaceous interbedded with marl and tuffs, spills of volcanic age Cretaceous Field to tertiary, is found in the region consisting of andesite, dacite and tuffs at the end of the Cretaceous period a granite batholith composition with magmatic differentiation to granodiorite dasita intrusiono sedimentary rocks and volcanic transformed into pre-existing marble gneisses and tacit.

The mineralization of Iron is considered contemporary to the intrusion of the coastal batholith that re-crystallized, and re-mobilized to the magnetite.

The preferred direction of the faults and fractures remains a direction NW-SE derivatives of compressive stress and resulting from the phase formed distinctive guidelines NW-SW the mineralization of Iron follows the pattern NW-SE.

The Fe magnetite mineralization in the area of the two polygons is crammed into the intrusive gneiss in the form of banded following a structure of the failure heading NW is leaning with high angle although in some stretches slightly changes its tilt classic situation of high-angle faults.

In the letter 1:50 San Miguel is located in the southern portion-west state of Jalisco, which is bounded by the geographic coordinates 19° 30' to 19° 45' north latitude and 104° 40' to 105° 00' west longitude with a surface of 960 km². It is located in the physiographic province of the Sierra Madre del Sur, sub province Serpentine Plateau; and in the field tectonostratigraphic Guerrero.

The tectonic structure of the normal letter presents failures with preferential direction NW-SE and failures and secondary guidelines address in NE-SW. In the study area are presented two failures with inferred direction NE-SW-4, and 3 km in length about the main lodging is indicated as Guidelines the chapel.

Geophysical studies

For the study area of the claim Astro Rey III were conducted geophysical surveys, regional and local, where in the first phase was analyzed the aeromagnetic information of Mexican Geological Service in digital formats, once analyzed this information under different mathematical models and filters we obtained as a result a series of aeromagnetic anomalies with a direction NW 65° associated with anomalies of magnetic iron bodies. We could observe that in the levels of Total Magnetic Field and Magnetic Field reduced the magnetic anomalies coincide with the areas of outcrops in the field.

The area in which "Astro Rey III" is located, is part of a large Aeromagnetic Domain Aero (DAM I), characterized by being correlated with high magnetic field intensities (350 - 700 nT). THE DAM has a general direction NW-SE and has a length of 56 km, presenting variable widths in the N 7.8 km, in the central portion 22.8 km and in the S 10 km, with an overall average of 13.5 km

Derived from the results of this evaluation we took the decision to carry out work of geophysics of detail in the areas of greatest aeromagnetic power by which a study was conducted a magnetic detail with 34 separate sections each 25 m in the area of the Tagus and 50 m in the side areas to that work. Stations were established by reading the total magnetic field strength each 5 m and 10 m. The length of the lines ranged from 120 m to 230m, with the exception of the section of the Tajo which had 420m. The total mileage of the detail study was of 7,697 km.

For the measurements of the total magnetic field strength frisian 5 magnetometers, 3 Geometix 856-A and 2 GEM -19 v.6.0. The magnetic sections were drawn with a geo-positioning field GPS Map 76CSX brand Garmin, with approaches of + /- 3 m in the X/Y in the logistics was with two four wheel drive vehicles and double cab.

The field information was analyzed with different mathematical models and filters represented in levels 2 and 3D by using Geosoft software. We were unable to identify the existence of two areas in which we recognized 4 small magnetic anomalies, located on the W end of the Tajo at distances ranging from 76 m to 266 m and with surfaces ranging from 360 m² to 690 m². We discovered a small outcropping ore of faith to the magnetic anomaly 3. The configuration of the residual magnetic field correlated with the position of the Tajo, show the existence of anomalies with bipolar polar distances ranging from 20 m to 74 m, for this reason there are possibilities that the bodies can deepen of 10 m to 37 m.

There were recognized 6 terrestrial magnetic domains (DMT) that are defined as areas, areas or sectors that contains magnetic susceptibilities similar and are characteristic of each by their values of magnetic field strength, bipolarities, wavelengths and frequencies. The most important from the point of view of the mineral exploration by faith are the DMT I and II, the I because it contains the magnetic anomalies associated with mineral bodies of Iron and the II for being associated with low magnetic that can be correlated with areas of weakness and these failures and /or fractures that can be the controllers of the mineralization.

The study area according to the setting of the residual magnetic field, presents a strong tectonism associated magnetic lines which are more in the terrestrial magnetic domains I and II. These guidelines generally exhibit a direction NW-SE, but in the area of the outcrops (Tajo) they are seen more in direction NE-SW. These geophysical features are mapped in our research area mainly with areas of failure and/or fracture, and the mineralization can be controlled by these geological structures.

Samples and Oregrade

There were a total of 53 sampling for the 2 polygons Betania and Salsipuedes, the results of the samples are attached to this document. For the polygon of Betania were a total of 29 sampling and for the polygon of Salsipuedes a total of 24 samples. The type of samples were taken from surface samples, pits and slices of frentones of mineralized bodies.

From these samples we obtained the average grade of the main elements such as iron (Fe), Alumina (Al₂O₃), Silica (SiO₂), phosphorus (P) and sulfur (S). The results are shown below:

Betania

Displays No.	Thickness (M)	Iron Faith	Alumina Al ₂ O ₃	Silica SiO ₂	Phosphorus P	Sulphure S					
Betania M-1	5.30	66	349.80	1	5.30	2	10.60	0.07	0.37	0	0.00
Betania M-2	1.30	66	85.80	3	3.90	1	1.30	0.08	0.10	0.03	0.04
Betania M-3	6.10	65	396.50	2	1220	2	1220	0.07	0.43	0.01	0.06
Betania M-4	1.20	66	79.20	2	2.40	2	2.40	0.05	0.06	0	0.00
Betania M-5	4.40	65	286.00	2	8.80	2	8.80	0.04	0.18	0.03	0.13
Betania M-6	0.70	65	45.50	2	1.40	3	2.10	0.06	0.04	0.01	0.01
Bethany M-7	1.40	60	84.00	8	1120	5	7.00	0.08	0.11	0.09	0.13
Betania M-8	0.90	65	58.50	2	1.80	2	1.80	0.07	0.06	0.06	0.05
Betania M-9	5.60	61	341.60	1	5.60	2	1120	0.05	0.28	0.06	0.34
Betania M-10	2.20	65	143.00	2	4.40	2	4.40	0.08	0.18	0.001	0.00
Betania M-11	1.70	67	113.90	1	1.70	2	3.40	0.04	0.07	0.01	0.02
Betania M-12	1.30	67	87.10	1	1.30	2	2.60	0.05	0.07	0.01	0.01
Betania M-13	5.30	66	349.80	2	10.60	2	10.60	0.08	0.42	0	0.00
Betania M-14	1.65	65	107.25	2	3.30	3	4.95	0.04	0.07	0.3	0.50
Betania M-15	6.00	66	396.00	2	1200	2	1200	0.05	0.30	0	0.00
Betania M-16	7.10	63	447.30	4	28.40	4	28.40	0.05	0.36	0	0.00
Betania M-17	1.20	66	79.20	2	2.40	2	2.40	0.06	0.07	0	0.00
Betania M-18	1.80	65	117.00	2	3.60	3	5.40	0.08	0.14	0.08	0.14
Betania M-19	1.70	66	112.20	2	3.40	3	5.10	0.08	0.14	0	0.00
Betania M-20	0.55	67	36.85	1	0.55	3	1.65	0.07	0.04	0	0.00
Betania M-21	2.70	67	180.90	1	2.70	2	5.40	0.06	0.16	0	0.00
Betania M-22	0.60	66	39.60	2	1.20	2	1.20	0.04	0.02	0	0.00
Betania M-23	1.20	67	80.40	2	2.40	2	2.40	0.05	0.06	0.1	0.12
Betania M-24	0.85	67	56.95	2	1.70	2	1.70	0.06	0.05	0.1	0.09
Betania M-25	1.50	65	97.50 Per Day	3	4.50	2	3.00	0.04	0.06	0	0.00
Betania M-26	5.20	67	348.40	2	1040	2	1040	0.06	0.31	0.001	0.01
Betania M-27	1.70	65	110.50	2	3.40	3	5.10	0.07	0.12	0.001	0.00
Betania M-28	0.80	64	51.20	3	2.40	4	3.20	0.05	0.04	0	0.00
Betania M-29	1.40	65	91.00	3	4.20	3	4.20	0.04	0.06	0	0.00
TOTAL	73.35		4772.95		157.15		174.90		4.36		1.64
AVERAGE GRADE %			65.07		2.14		2.38		0.06		0.02

Chart 4. Average grade for the polygon *Betania*

Salsipuedes											
Displays No.	Thickness (M)	Iron Faith	Alumina Al ₂ O ₃	Silica SiO ₂	Phosphorus P	Sulphure S					
Salsipuedes M-1	1.00	65	65.00	2	2.00	3	3.00	0.07	0.07	0	0.00
Salsipuedes M-2	2.75	66	181.50	2	5.50	2	5.50	0.08	0.22	0.06	0.17
Salsipuedes M-3	3.50	66	231.00	2	7.00	2	7.00	0.05	0.18	0.06	0.21

Salsipuedes											
Displays No.	Thickness (M)	Iron Faith	Alumina Al2O3	Silica SiO2	Phosphorus P	Sulphure S					
Salsipuedes M-4	1.50	66	99.00	2	3.00	3	4.50	0.05	0.08	0.2	0.30
Salsipuedes M-5	2.00	65	130.00	2	4.00	3	6.00	0.08	0.16	0.1	0.20
Salsipuedes M-6	3.00	66	198.00	2	6.00	2	6.00	0.08	0.24	0.01	0.03
Salsipuedes M-7	1.70	51	86.70	13	2210	9	1530	0.04	0.07	0.01	0.02
Salsipuedes M-8	3.00	62	186.00	4	1200	4	1200	0.04	0.12	0.03	0.09
Salsipuedes M-9	2.60	63	163.80	4	1040	4	1040	0.05	0.13	0.03	0.08
Salsipuedes M-10	1.80	65	117.00	2	3.60	3	5.40	0.08	0.14	0.1	0.18
Salsipuedes M-11	1.95	65	126.75	4	7.80	2	3.90	0.06	0.12	0,004	0.01
Salsipuedes M-12	1.15	66	75.90	3	3.45	1	1.15	0.08	0.09	0	0.00
Salsipuedes M-13	1.60	64	102.40	5	8.00	2	3.20	0.08	0.13	0,004	0.01
Salsipuedes M-14	1.70	65	110.50	3	5.10	2	3.40	0.08	0.14	0.01	0.02
Salsipuedes M-15	1.10	55	60.50	7	7.70	3	3.30	0.05	0.06	0.05	0.06
Salsipuedes M-16	1.00	65	65.00	3	3.00	2	2.00	0.08	0.08	0.01	0.01
Salsipuedes M-17	0.70	63	44.10	3	2.10	3	2.10	0.04	0.03	0.02	0.01
Salsipuedes M-18	2.00	64	EUR 128.00	3	6.00	4	8.00	0.07	0.14	0,006	0.01
Salsipuedes M-19	1.00	57	57.00	10	10.00	7	7.00	0.06	0.06	0.08	0.08
Salsipuedes M-20	1.60	65	104.00	2	3.20	3	4.80	0.06	0.10	0	0.00
Salsipuedes M-21	2.20	53	116.60	15	33.00	5	1100	0.04	0.09	0,005	0.01
Salsipuedes M-22	1.50	55	82.50	8	1200	2	3.00	0.05	0.08	0.03	0.05
Salsipuedes M-23	1.30	65	84.50	2	2.60	3	3.90	0.07	0.09	0,007	0.01
Salsipuedes M-24	2.40	64	153.60	4	9.60	3	7.20	0.07	0.17	0.03	0.07
TOTAL	44.05		2769.35		189.15		139.05		2.76		1.61
AVERAGE GRADE %			62.87		4.29		3.16		0.06		0.04

Chart 5. Average grade for the polygon *Salsipuedes*

In the above charts obtained for the polygon of **Betania** the average grade for Iron is 65.07 % with a total of 29 sampling and for the polygon of **Salsipuedes** an average grade of Iron is 62.87 % with a total of 24 samplings. Laboratory analyzes are annexed to this document.

4. Potential mining and geological

Polygon Betania

Estimated volumes 471, 960 Ton

- In a body of an estimated 104, 880 m3
- In a tabular body with a configuration of approximately 228 meters long by 23 meters in width and thickness of 20 meters with a section of descapote 5 to 6 meters approximately.

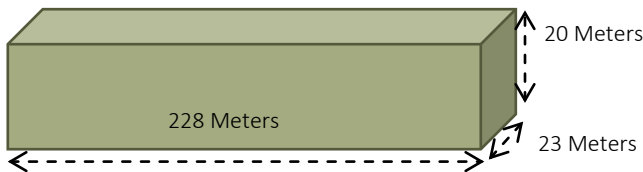
- Method of Storeroom (mena indicated US Bureau of Mines) Geology and direct geochemical sampling for pits, topography of detail and dimensional modeling software by 10.1 Arc map and Geosoft.
- Mineral Density 4.5 gr/cm³
- Type of mineralization ortomagmatica
- Mineralogy (hematite)

Mineral reserves

Ore reserves	Quantity	Reliability Dielh &David (1982)	Error Dielh &David (1982)
Positive	471, 960 Ton	>80%	± 10%
Probable	604, 108.8 ton	>60-80%	± 20%
Possible and potential	722, 098.8 ton	>40-60%	± 60%

Chart 6. Ore reserves in polygon *Betania*

For the mineralized body the polygon of Bethany, the estimated volume configuration is as follows:



Estimated Volume = Length X width X Depth
 Estimated Volume = (228 m) x (23 m) x (20 m)
Estimated Volume = 199, 374 m³

With the volumetric weight *in situ* of 4.5 ton/m³, you get the estimated weight of the mineralized body of:

Estimated Weight = estimated volume X volumetric weight *in situ*
 Estimated Weight = (199, 374 m³) X (4.5 ton/m³)
Estimated Weight = 471, 960 Ton

Salsipuedes Polygon

Estimated volumes 897, 187.5 ton

- In a body of estimated 199, 374 m³
- In an irregular body with a configuration of approximately 275 meters long by 29 meters in width and thickness of 25 meters with a section of descapote 5 to 6 meters approximately.

- Method of Storeroom (mena indicated US Bureau of Mines) Geology and direct geochemical sampling for pits, topography of detail and dimensional modeling software by 10.1 Arc map and Geosoft.
- Mineral Density 4.5 gr/cm³
- Type of mineralization ortomagmatica
- Mineralogy (hematite)

Mineral reserves

Ore reserves	Quantity	Reliability Dielh &David (1982)	Error Dielh &David (1982)
Positive	897, 187.5 ton	>80%	± 10%
Probable	1, 148, 400 Ton	>60-80%	± 20%
Possible and potential	1, 372, 696 Ton	>40-60%	± 60%

Chart 7. Ore reserves in polygon *Salsipuedes*

For the body of the mineralized polygon of Salsipuedes, the configuration of the estimated volume is as follows:



Estimated Volume = Length X width X Depth
 Estimated Volume = (275 m) x (29 m) x (25 m)
Estimated Volume = 104, 880 m³

With the volumetric weight *in situ* of 4.5 ton/m³, you get the estimated weight of the mineralized body:

Estimated Weight = estimated volume X volumetric weight *in situ*
 Estimated Weight = (104, 880 m³) X (4.5 ton/m³)
Estimated Weight = 897, 187.5 ton

There are 2 graphics in 3-dimensions of the mineralized body.

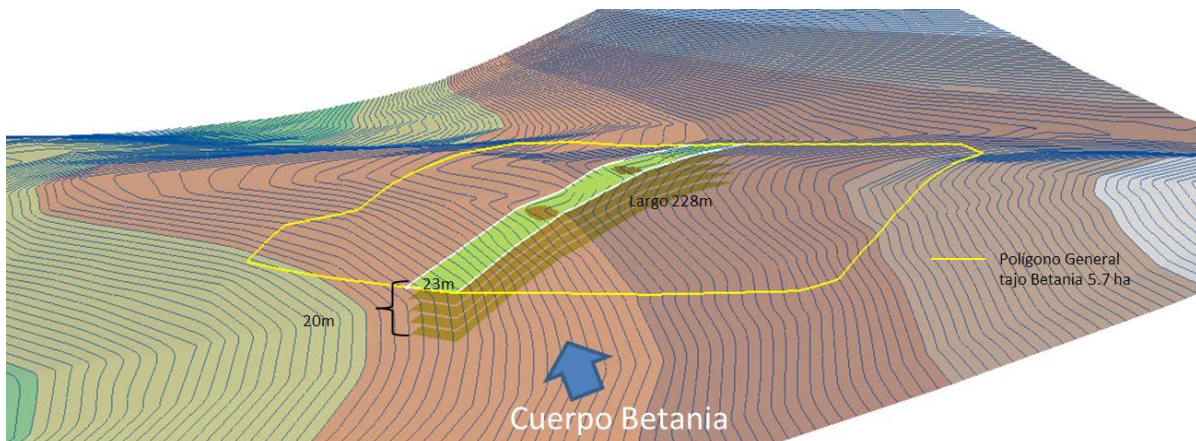


Fig. 1. 3D view of the body in the mineralized polygon *Betania*

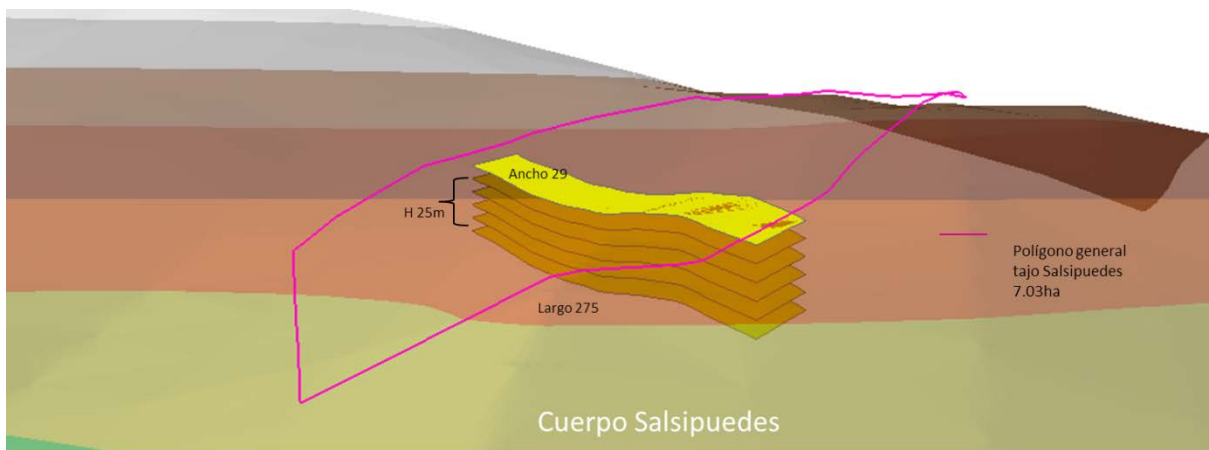


Fig. 2. 3D view of the body in the mineralized polygon *Salsipuedes*

5. Conclusions

- The study area has both field and laboratory studies high potential for exploitation of ore bodies of Fe (magnetite)
- Chemical analysis shows laws average values between 65 and 62 % Fe and little or no existence of contaminants.
- Work was carried out to determine the potential of the body in field work and supporting local geology and ground magnetometry work helped shape both mineralized ore bodies proved that they added over 1, 369.147 tons and probable up to 1 , 752.508 Tons (this considering that the bodies may have greater depth of field and that determined by indirect methods) .
- To better determine the scope of the ore body at depth is recommended that a campaign of exploration work by drilling and sampling in order to better determine the power of the mineralized bodies and confirm the potential reserves.

- You will need to work to develop a program that allows determining adequately undermined what would be the best strategy for the stripping and following the ore body with the least amount of extraction bargain considering the safety of slopes.
- The potential to send the ore in port (Manzanillo Colima) is very good considering the distance of the points of extraction to the Port of Manzanillo is not greater than 120 km.
- The area and surrounding areas has claim mining areas mining by Faith in years past with good results in open pits in the areas of El Tule , Karen , David , among others, are recommended geological exploration mining projects within the premises and annexes to this information to determine the potential of new zones of mineralization based on mineralogical and tectonic sequence existing and / or determine the possibility of continuity have studied bodies towards preferential mineralization zones .
- The work presented here are the result of the compilation of bibliographic information fieldwork in the areas of geology, geophysics, sampling and ore bodies determined based on direct and indirect methods of exploration geophysics field. The proposed geometric and estimated volumes of the ore body and ore grades obtained from the samples determined that the sum of the mineralization of bodies in Bethany and Salsipuedes polygons present feasibility results positive proved reserves based on volumes, laws, mineralization and type of deposit depth of the body.
- The economic feasibility, environmental and social sustainability are not reflected in this document and will be important in determining the full feasibility of the same.

6. Annexs

- Plane 1.** Location map of regional scale 1:250 from INEGI letter E13-2-5
 - Plane 2.** Levels of detail of the polygons of Bethany with topography to each 1 meter box and construction
 - Plane 3.** Levels of detail of the Salsipuedes polygons with topography to each 1 meter box and construction
 - Plane 4.** Regional scale geological Level 1:250 of SGM letter E13-2-5
 - Plane 5.** Regional scale geological Level 1:50 of SGM letter E13-b21
 - Plane 6.** Orthophotos of detail and polygons in the area of Bethany
 - Plane 7.** Orthophotos of detail and polygons of the Salsipuedes area
 - Plane 8.** Scale geophysical Letters 1:50 of Total Magnetic Field of SGM letter E13-b21
 - Plane 9.** Levels of geophysics and magnetometry terrestrial aeromagnetica
- Annex 1.** Annex photographic