ASX/Media Release

LACONIA Resources Limited

9 April 2013

# High-Grade Copper Results Highlight Rapidly Growing Potential of Copper-Gold-Silver Project, Peru

*Assays from earlier exploration work show Laconia's newly optioned Fortuna prospect could help underpin a significant increase in Rasuhuilca's resource inventory*

**Highlights:**

- **Analysis of historical diamond core from the Fortuna Prospect at Rasuhuilca points to the existence of multiple lenses of copper mineralisation, with associated gold and silver**
- **Diamond drillhole results include;**
  - **5.75 m at 2.0 % Cu, 0.7 g/t Au and 97.31 g/t Ag from 31.15 m in SBD 01 2002; including 1 m at 7.2 % Cu, 2.45 g/t Au and 387.38 g/t Ag**
  - **3.1 m at 2.27 % Cu, 3.43 g/t Au and 130.56 g/t Ag from 61.6 m in SBD 05 2002; including 0.5 m at 12.1 % Cu, 19.8 g/t Au and 708.75 g/t Ag and including 0.3 m at 2.72 % Cu, 1.09 g/t Au and 114.85 g/t Ag from 64.4 m**
  - **6.3 m at 0.46 % Cu, 1.84 g/t Au and 28.28 g/t Ag from 2.2 m in SBD 02 2002; including 1.6 m at 1.46 % Cu, 6.71 g/t Au and 72.0 g/t Ag**
  - **12.6 m at 0.3 % Cu, 0.11 g/t Au and 43.93 g/t Ag from 27.9 m in SBD 05 2002; including 2.6 m at 0.9 % Cu, 0.19 g/t Au, 64.78 g/t Ag, 0.11 % Pb and 0.25 % Zn**
- **Surface channel sample results include;**
  - **0.8 m at 4.8 % Cu, 3.89 g/t Au and 251 g/t Ag from surface channel sample 29095**
  - **1.4 m at 1.8 % Cu. 0.67 g/t Au and 51.3 g/t Ag from surface channel sample 29119**
- **These results provide strong evidence that the significant copper-gold-silver mineralisation discovered at the Española 1 prospect[1] at Rasuhuilca continues into the Fortuna Prospect**
- **Results also support Laconia's belief that the copper-gold-silver seen so far at Rasuhuilca sits as a cap over a major copper poryphyry system extending throughout**
- **Laconia set to start next round of sampling at Fortuna, Española and other targets**
- **Discussions with the local community on an access agreement are well advanced, paving the way for drilling to start at Rasuhuilca in the second half of calendar 2013**
- **Drilling aimed at growing existing JORC resource[2] of 360,000t at 1.97 g/t gold and 179 g/t silver,**

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[1] *Refer to ASX release 27th February 2013*

[2] *Refer to ASX release 25th January 2012*

**plus tesing the numerous new copper, gold, silver targets**

Laconia Resources Limited (ASX: LCR) ("**Laconia**" or "**the Company**") is pleased to announce that outstanding high grade copper-gold-silver values have been identified in historical diamond drilling and surface channel sampling at its newly optioned Fortuna Prospect within its flagship Rasuhuilca Project in Peru.

These results, while representing early-stage exploration work, are considered highly significant for two reasons. First, they suggest that the high-grade copper discovered at the adjacent Española prospect at Rasuhuilca continues into Fortuna, bringing substantial potential for further increases in the project's total resource inventory.

Second, they support Laconia's growing belief that the shallow high-grade copper-gold-silver mineralisation sits as a cap over an extensive copper porphyry system at Rasuhuilca. The copper in the cap, combined with knowledge of the geology, mineralisation and alteration, supports Laconia's view that the porphyry may be an "El-Indio style" gold and copper porphyry system.

Fortuna, which is contained within a package of 11 tenements over which Laconia recently acquired an option *(see ASX announcement dated March 26th, 2013)*, is one of serveral targets at Rasuhuilca, including Española.

Outstanding exploration results have already been returned from each of these targets. Along with Fortuna, they will be the subject of further sampling work over coming months, with a view to undertaking an extensive drilling program across the project in the second half of this calendar year.

This program, which is subject to regulartory approval, will be aimed at both upgrading the existing JORC resource of 360,000t at 1.97 g/t gold and 179 g/t silver and growing it by including mineralisation from these other targets. Information regarding the existing JORC resource has been previously released by the Company.

Laconia Managing Director Ian Stuart said: "The Company is extremely encouraged by the identification of further strong copper-gold-silver grades from our flagship Peruvian project. Our knowledge of the wider Rasuhuilca Volcanic system continues to grow through the systematic processing and follow up of the excellent historical data. The presence of significant copper, in conjunction with the gold and silver epithermal veins already identified, adds significantly to the potential of the entire Rasuhuilca Project.

We are looking forward to starting our preliminary 2,000 m drilling program to upgrade and grow the Rasuhuilca resource."

As part of this plan, the Company is working on permitting and community agreements utilising the *Declaración de Impacto Ambiental* ("DIA") process of the Peruvian regulatory system, to obtain approval for the drilling program to commence.

Laconia believes that the presence of enargite, pyrite and marcasite as well as abundant high sulphidation silver-gold quartz vein systems in pervasive quartz-alunite alteration, support the presence of an underlying porphyry system with potential for significant copper-gold mineralisation.

**Fortuna Prospect Geology**

The Fortuna Prospect lies about 600 m to the east of the Rasuhuilca Resource [1] in the Huaco Cucho No. 2 permit that is one of the 11 permits of the recently signed Option Agreement.[2] Mineralisation is hosted by a set of two parallel veins that trend east-west for at least 90 metres and dip steeply to the north, also intersecting the large regional Huaco Fault at the west end of the prospect. The veining is dominantly silicification with alunite alteration, and sulphides that include pyrite, marcasite, enargite, sphalerite and galena in order of decreasing abundance.

In addition to high grade copper, gold and silver values that are typical of the greater Rasuhuilca Project, Fortuna Prospect also contains some elevated zinc and lead. Copper is hosted in the mineral enargite, that was mined economically at the El Indio deposit in Chile. Zinc is hosted in the mineral sphalerite and the host for lead is galena. The polymetallic nature of mineralisation at Fortuna Prospect is indicative of metal transport under the highly mobile conditions generated in a porphyry environment.

The two veins at the Fortuna Prospect have been identified through surface channel sampling and diamond core drilling by Buenaventura between the years 1997 and 2002. During 2002, five diamond core holes were drilled at the Fortuna Prospect, and returned intersections confirming the main vein mapped at surface continues at depth.

The data from the drilling is well-documented and includes geology, sampling and QAQC data. Diamond core from the drill program may still exist, and discussions with Buenaventura are under way to acquire this historic core. The secondary parallel vein under cover of scree slope was discovered by the diamond drilling, and it lies about 20 metres to the north of the mapped Fortuna vein.

The surface geology of the Fortuna Prospect, surface channel sampling locations and diamond drillhole locations are shown in Figure 1. Significant intersections, calculated as weighted averages of down hole length to grade, of copper, gold and silver are annotated on the drill holes. True widths of the veins are not yet estimated, and all values presented in this release are down hole intersection lengths. Of particular interest are the unsampled

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[1] *Refer ASX release 1 June 2012.*

[2] *Refer ASX release 26th March 2013*

intervals in the drill-core. There are sections of core logged as containing disseminated pyrite, but which were not sampled in the original drill program. Further potential therefore exists for low-grade gold and silver mineralisation in zones of broad alteration with disseminated pyrite. Sampling will be undertaken if the core can be obtained, and any new drill campaign will sample the entire drilled interval.

An underground adit was developed at the 4760 level, to the western end of the Fortuna Prospect. The adit has driven about 100 metres across the Fortuna Lode sequence from north to south, At present geology and sampling data for the Fortuna adit development is being digitally captured from good quality PDF plans, validated and synthesised into the Company database. Once this process is completed, the results will be released.

**Significant Diamond drilling results are summarised below** (Detailed sample results are supplied in Appendix 1).

- **5.75 m at 2.0 % Cu, 0.7 g/t Au and 97.31 g/t Ag from 31.15 m in drillhole SBD 01 2002; including 1 m at 7.2 % Cu, 2.45 g/t Au and 387.38 g/t Ag from 32 m**
- **3.1 m at 2.27 % Cu, 3.43 g/t Au and 130.56 g/t Ag from 61.6 m in drillhole SBD 05 2002; including 0.5 m at 12.1 % Cu, 19.8 g/t Au and 708.75 g/t Ag from 61.6 m; and including 0.3 m at 2.72 % Cu, 1.09 g/t Au and 114.85 g/t Ag from 64.4 m**
- **0.15 m at 4.11 % Cu, 0.44 g/t Au and 365.5 g/t Ag from 11.95 m in drillhole SBD 01 2002**
- **6.3 m at 0.46 % Cu, 1.84 g/t Au and 28.28 g/t Ag from 2.2 m in drillhole SBD 02 2002; including 1.6 m at 1.46% Cu, 6.71 g/t Au and 72.0 g/t Ag from 4.4 m**
- **12.6 m at 0.3 % Cu, 0.11 g/t Au and 43.93 g/t Ag from 27.9 m in drillhole SBD 05 2002; including 2.6 m at 0.9 % Cu, 0.19 g/t Au, 64.78 g/t Ag, 0.11 % Pb and 0.25 % Zn from 29 m**

**Significant Surface channel sampling results are summarised below** (Detailed samples are supplied in Appendix 1).

- **0.8 m at 4.8 % Cu, 3.89 g/t Au and 251 g/t Ag from surface channel sample 29095**
- **1.1 m at 2.3 % Cu, 2.9 g/t Au and 50 g/t Ag from surface channel sample 29096**
- **1.4 m at 1.8 % Cu, 0.67 g/t Au and 51.3 g/t Ag from surface channel sample 29119**
- **0.8 m at 0.05 % Cu, 6.25 g/t Au and 585 g/t Ag from surface channel sample 29107**
- **1.0 m at 0.06 % Cu, 1.22 g/t Au and 737.8 g/t Ag from surface channel sample 29109**
- **1.0 m at 0.06 % Cu, 5.65 g/t Au and 93 g/t Ag from surface channel sample 29128**

Figure 2 shows a cross section through the middle of the Fortuna Prospect, with the geological logging included as a graphic log down the drill hole. Significant down hole intersections are labelled on the drill hole, and demonstrate the location of the two veins.

Exploration activities planned for the Fortuna Prospect include re-sampling of about 5 per cent of surface channel samples and sampling and mapping of the underground 4760 adit. If the drill core from the Buenaventura 2002 drill campaign can be acquired, infill sampling will be done. Drilling at Fortuna will be scheduled as soon as possible with a specific view to replicating the existing intersections to increase confidence in the existing results and providing infill drilling for the purposes of resource definition.

Duplicate sampling performed on the diamond core by Buenaventura, has produced some results with a large variance between the primary and duplicate sample. Plotting and compilation of the duplicate sampling has shown that the large variation is mostly restricted to the strongly mineralised samples, with low-grade and barren samples having good repeatability. The variation is random, with no bias for the primary or duplicate sample consistently producing a higher result. One example is sample 21101 from hole SDB-05-2002, shown with the duplicate sample in Table 1 below. This example shows the maximum material variance encountered in the duplicate study.

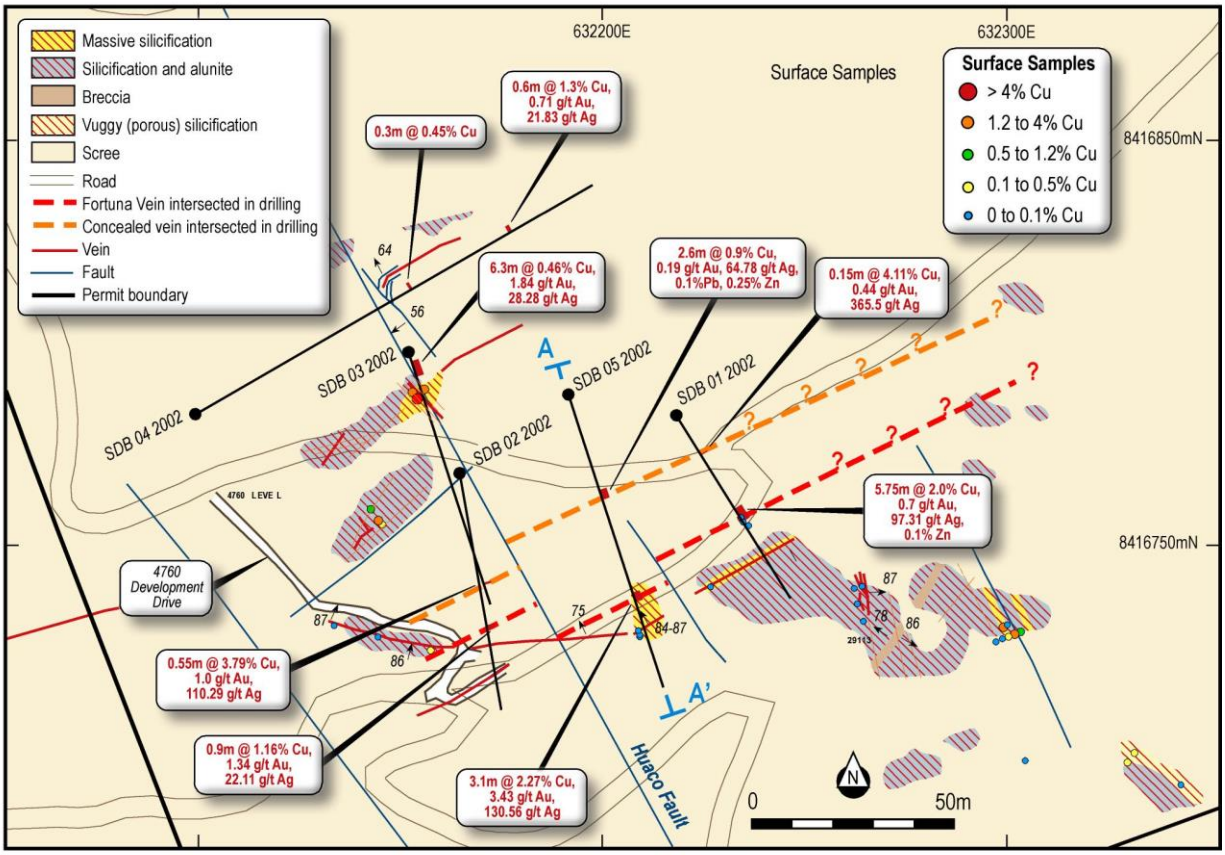


**Figure 1: Plan View of the Fortuna Prospect, showing surface sample locations (coloured by copper content) and the drill hole locations. A possible eastern extension to the drill hole intersections is shown as dashed lines with question marks. The drill holes are annotated with the significant down hole intersections (true widths not known). Grid used is PSAD56, Zone 18 South.**

Table 1: Example comparison of large variation between primary and duplicate sample in drill hole SDB-05-2002

| Hole ID | From (m) | To (m) | Sample Id | Type | Interval | Cu % | Au g/t | Ag g/t | Pb % | Zn % |
|---|---|---|---|---|---|---|---|---|---|---|
| SDB-05-2002 | 61.6 | 62.1 | 21101 | Primary | 0.5 | 12.1 | 19.8 | 708.8 | 0.0395 | 0.0288 |
| SDB-05-2002 | 61.6 | 62.1 | 21109 | Duplicate | 0.5 | 8.37 | 10.3 | 431.2 | 0.0238 | 0.0162 |

The resulting effect of this variation on the composited interval is:

- 3.1 m at 2.27 % Cu, 3.43 g/t Au and 130.56 g/t Ag from 61.6 m in drillhole SBD 05 2002; including 0.5 m at 12.1 % Cu, 19.8 g/t Au and 708.75 g/t Ag from 61.6 m; and including 0.3 m at 2.72 % Cu, 1.09 g/t Au and 114.85 g/t Ag from 64.4 m

changes to:

- 3.1 m at 1.67 % Cu, 1.90 g/t Au and 85.79 g/t Ag from 61.6 m in drillhole SBD 05 2002; including 0.5 m at 8.37 % Cu, 10.3 g/t Au and 431.2 g/t Ag from 61.6 m; and including 0.3 m at 2.72 % Cu, 1.09 g/t Au and 114.85 g/t Ag from 64.4 m.

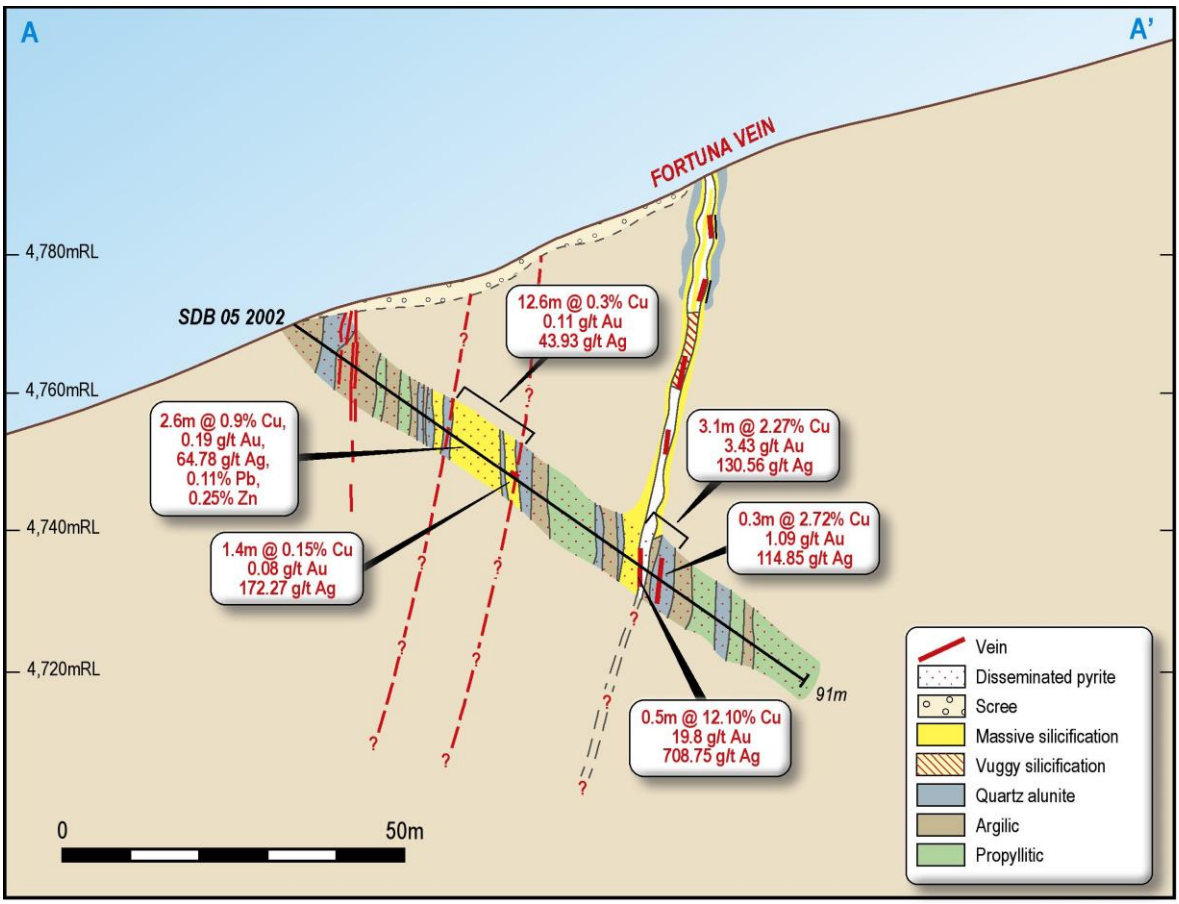


**Figure 2: Cross Section View of the Fortuna Prospect at about 632,200 E, showing drill hole SBD 05 2002 with the logged geology as a graphic log. The drill holes are annotated with the significant intersections. Grid used is PSAD56, Zone 18 South. Possible depth extensions of these two veins are marked with the dashed lines.**

The copper mineralisation at Fortuna Prospect further adds to the Company's confidence that there may be an El Indio-style enargite deposit in addition to a deeper mineralised porphyry system at Rasuhuilca. Figure 3 below outlines the exploration model currently being applied at Rasuhuilca. Copper at the Fortuna Prospect is interpreted to have been mobilised through the major regional Huaco Fault from a source at depth, to be deposited in the east-west trending Fortuna vein that intersects this major structure (see Figure 1 for the location of the Huaco Fault).

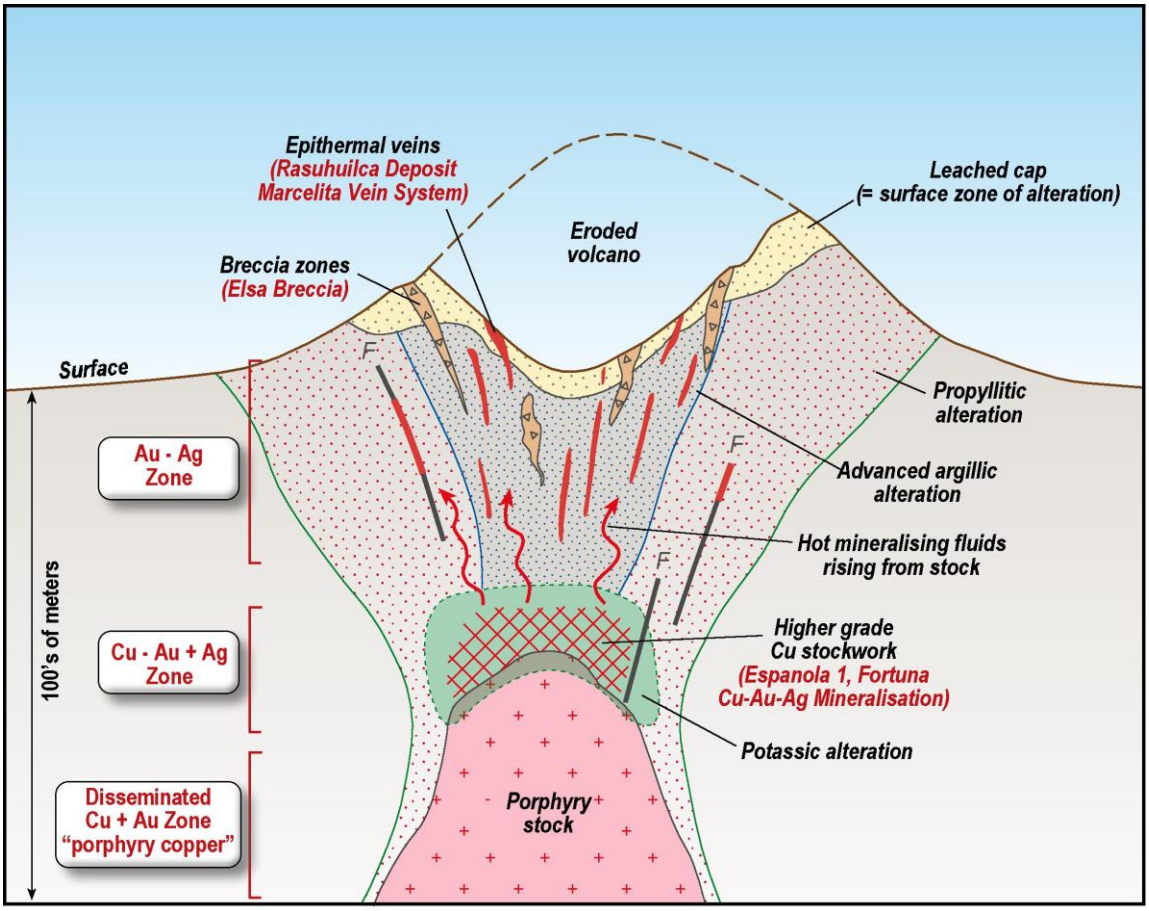


**Figure 3: Schematic diagram of the Rasuhuilca porphyry exploration model, showing alteration and metal zonation. Some examples of prospects already identified are shown.**

## Exploration Results Summary

The overall geological setting is a volcanic system in the Andean highlands, that has an extensive area of alteration and High Sulphidation Epithermal mineralisation. There is potential for a Porphyry Copper-Gold body at depth. Results presented in this release are from 35 surface channel samples and five HQ diamond core drill holes conducted by Buenaventura between 1997 and 2002. Drill spacing is about 25 metres apart with one hole

per section. Surface channel samples are collected at intervals between 5 and 30 metres apart, with some zones remaining unsampled. Table 2 shows the collar details for the five diamond core drill holes.

Table 2: Collar details of the five diamond core drill holes at Fortuna Prospect

| DIAMOND DRILLHOLE No. | COORDINATES | | RL | AZIMUTH | DIP | DEPTH (metres) |
|---|---|---|---|---|---|---|
| | NORTH | EAST | | | | |
| SDB-01-2002 | 8416781 | 632219 | 4771 | 148 | -35 | 63.3 |
| SDB-02-2002 | 8416766.5 | 632165 | 4774 | 170 | -40 | 75.45 |
| SDB-03-2002 | 8416796.5 | 632152.2 | 4764 | 162 | -60 | 128 |
| SDB-04-2002 | 8416783 | 632100.5 | 4760 | 60 | -55 | 195 |
| SDB-05-2002 | 8416783 | 632192 | 4770 | 162 | -35 | 91 |

Sampling of the diamond core was done at lengths of 0.15 – 2 metres, as contiguous runs through zones of logged alteration (targeting silicification and breccia). The sample was halved diamond core, that was cut so as to equally divide significant structures in the rock. Standards, duplicates and triplicates were submitted routinely with surface channel sample batches, and diamond core batches.

Sample preparation techniques used at the laboratory are not known, but the analysis method used was Atomic Absorption Spectrometry (AAS) with Fire Assay on 50 gram aliquots to 2 ppb detection limits. AAS was also used for silver, or by Inductively Coupled Plasma – Mass Spectrometry (ICP-MS) + 9 elements (Cu, Pb, Zn, Mo, As, Sb, Bi, Hg, Te). Sample chain of custody documentation was not done, or not acquired in the data package.

Geological mapping and drill interpretation by Buenaventura and Laconia geologists has been used to compile the information in this release. Sample results in the diamond core were composited based on a nominal cut-off of greater than 1 g/t gold, or 60 g/t silver or 0.1 % copper, and then calculated as a weighted average of sample length versus sample grade, divided by the entire composite length.

**Rasuhuilca Project background**

Laconia completed the acquisition of the Rasuhuilca Project[3] in the Southern Andes of Peru in June 2012. Rasuhuilca is an advanced, high grade gold and silver project which contains existing development levels and cross-cuts. The flagship project represents outstanding development potential in the current high gold and silver price environment. The Project currently has an **Inferred Resource estimate of 360,000 t @ 1.97 g/t gold and 179 g/t silver (at a 2.5 g/t gold-equivalent cut-off).** [All cut-offs based on an Xg/t Au Eq are conceptual in nature

[3] *Refer ASX Release 1 June 2012*

only. There has been insufficient metallurgical testwork to date to determine eventual metallurgical recoveries and it is uncertain that the conceptual cut-offs used will be appropriate following further metallurgical testwork.]

The Company recently reported five additional **Exploration Targets of 365,000 t to 792,000 t grading 2.4-3.1 g/t Au and 84.9-122.4 g/t Ag** at vein systems within Rasuhuilca adding significant potential to the project (see Figure 4). [The potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Refer ASX release 4 February 2013.] Previous explorers were aware of the potential scale and size of the Rasuhuilca Volcanic system and its Porphyry Copper-Gold potential due to its geological similarities to the El-Indio deposit in Peru (*Caddy, 1996.*). El Indio contained some 23.2 Mt at 6.6 g/t Au, 50 g/t Ag and 4% Cu including a bonanza gold zone of 200 kt at 209 g/t Au (*Sillitoe, 1999)*. The Company has consequently expanded its compilation of historical data to include any available copper sampling undertaken across the Project licences with the view that the Project contains a buried and fully intact Epithermal/Porphyry system. Figure 3 shows a schematic of the exploration model now being used at Rasuhuilca by Laconia. It contains examples of known vein and breccia systems on the Project and the current understanding of how they relate to the Epithermal/Porphyry model.

Laconia continues the process of identifying and verifying all existing and available data from sampling conducted by the Cominco and Buenaventura companies and will continue with its process of re-sampling to “twin” existing surface and underground samples and drillholes. New sampling work will be undertaken and together the data will provide increased confidence for upgrading resource estimates.

**Diamond Drilling Program to commence on permit approval**

Laconia plans to commence its first phase of diamond drilling at the Rasuhuilca Project as soon as exploration permitting approval is received. The process of formal approval to undertake exploration drilling in Peru follows the completion of a DIA. The DIA includes environmental considerations and community consultation and approval.

Upon receipt of approvals, Laconia will undertake an initial phase of diamond drilling consisting of 850m. This initial round of drilling will be aimed at providing infill information between levels, to upgrade the JORC resource to Indicated category. A further minimum of 1,150 metres (for a total program of 2,000 metres) will also be planned to test the new targets recently highlighted through gold and silver targeting, plus the new copper targets. The Company believes significant potential exists to grow the resource base outside of its current boundaries through further detailed exploration.

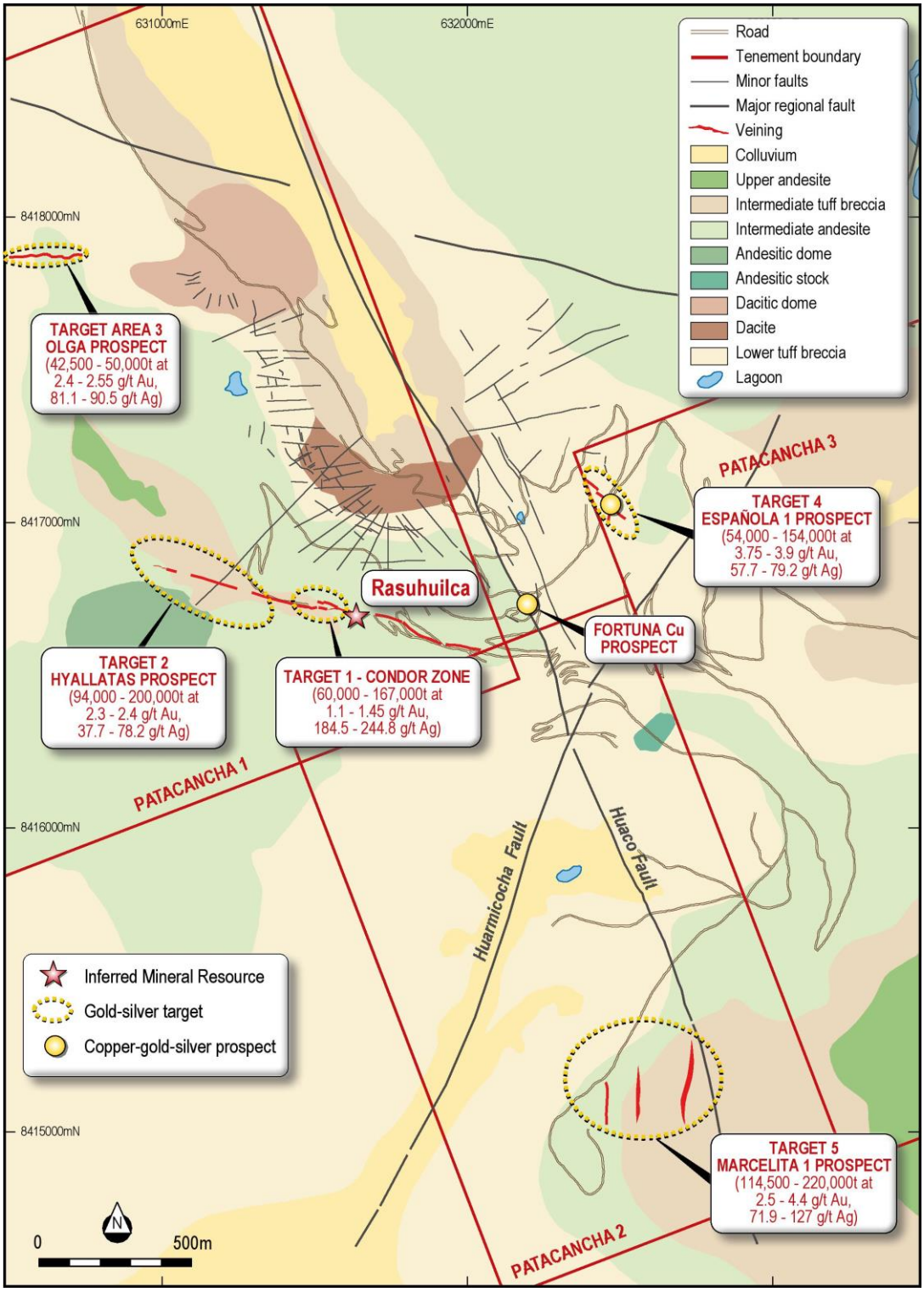


**Figure 4: Plan showing Prospects and previously released Exploration Targets for gold and silver at the Rasuhuilca Project. [The potential quantity and grade of the Exploration Targets is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource. Refer ASX release 4 February 2013.]Grid is PSAD56 Zone 18S. The location of the Fortuna Prospect is shown relative to the other previously reported prospects (marked with a yellow star).**

As a matter of priority, exploration drilling and additional sampling activities are planned on the Rasuhuilca vein and its extensions to the west, namely the Condor zone, and the Hyallatas Prospect. Exploration sampling and drilling on the Olga, Española 1 and Marcelita prospects is scheduled to follow the initial resource extension work. All exploration field work and timeframes are dependent on the timing of community and government approvals.

**Option Deal to Acquire Indirect 80% Interest in Exploration Licenses Adjacent to Company's Rasuhuilca Project**

On 26 March 2013, Laconia announced that it had agreed a seven year option to acquire an indirect 80% interest over 11 additional exploration licences bordering the Company's Rasuhuilca Project, including the Fortuna Prospect.[4]

**References**

*Caddy, S.W., 1996. "Preliminary Structural Analysis, Mineral Alteration Zoning, Target Concepts, and Recommended Exploration Approach, Jarhaurazo District, Southern Peru"; unpublished Internal Consulting Report for Echo Bay Exploration Inc.*

*Sillitoe, R.H., 1983. "Enargite –Bearing Massive Sulfide Deposits High in Porphyry Copper Systems", Economic Geology Vol 78, pp348-352.*

*Sillitoe, R.H., 1999, "Styles of high sulfidation gold, silver and copper mineralization in the porphyry and epithermal environments"; in G. Weber, ed., Pacrim '99 Congress Proceedings: Australasian Institute of Mining and Metallurgy, pp29-44.*

**ENDS**

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[4] *Refer ASX Release 26 March 2013*

**About Laconia Resources**

Laconia Resources is a Perth-based emerging precious and base metals exploration and development Company with a South American focus. The recently acquired Rasuhuilca gold-silver development project in Peru complements the Company's existing portfolio of precious and base metal projects in Western Australia.

In Western Australia, the Company has a portfolio of advanced mineral projects in the Murchison and Pilbara regions, across 24 granted tenements covering an approximate 987 $km^2$. The Company has determined JORC Compliant Resources at its Lennons Find Project, (Cu-Ag-Pb-Zn-Au), and more recently its Rasuhuilca Project in Peru (Au-Ag).

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on information compiled by Mr Vincent Algar, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Algar is a Non-Executive Director and consultant of Laconia Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Algar consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to the Rasuhuilca Mineral Resource is based on information compiled by Mr Michael Andrew, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Andrew is a Principal of Optiro Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

See Appendix 2 for Detailed JORC Table 1, Section 1, Section 2

## APPENDIX 1 – Fortuna Sample Data – Diamond Drill Core sampling and Surface Channel Sampling.

Fortuna Prospect Drill Core Sampling including Copper, Lead and Zinc Assays

| HoleID | Sample ID | From (metres) | To (metres) | Interval (metres) | Cu % | Au g/t | Ag g/t | Pb % | Zn % |
|---|---|---|---|---|---|---|---|---|---|
| SDB_01_2002 | 21001 | 1.5 | 3.1 | 1.6 | 0.02 | 0.06 | 0.64 | 0.01 | 0.0028 |
| SDB_01_2002 | 21010 | 11.95 | 12.1 | 0.15 | **4.1** | 0.44 | **366** | 0.02 | 0.0279 |
| SDB_01_2002 | 21002 | 31.15 | 32 | 0.85 | **0.3** | 0.27 | 8.11 | 0.01 | 0.0075 |
| SDB_01_2002 | 21003 | 32 | 33 | **1** | **7.2** | **2.45** | **387** | **0.1** | **0.45** |
| SDB_01_2002 | 21004 | 33 | 33.8 | 0.8 | **2.1** | 0.47 | **90** | 0.03 | 0.0755 |
| SDB_01_2002 | 21005 | 33.8 | 35 | **1.2** | **0.1** | 0.22 | 11.5 | 0.02 | 0.0107 |
| SDB_01_2002 | 21006 | 35 | 36 | **1** | **2.1** | 0.59 | **75** | 0.02 | 0.0663 |
| SDB_01_2002 | 21007 | 36 | 36.9 | 0.9 | 0.12 | 0.11 | 4.47 | 0.02 | 0.0044 |
| SDB_01_2002 | 21008 | 58.65 | 59.5 | 0.85 | 0.04 | 0.18 | 9.84 | 0.04 | 0.0026 |
| SDB_01_2002 | 21009 | 59.5 | 60.1 | 0.6 | 0.03 | 0.23 | 15.8 | 0.03 | 0.0016 |
| SDB_02_2002 | 21176 | 34.3 | 34.65 | 0.35 | 0.18 | 0.3 | 17.3 | 0.03 | 0.0022 |
| SDB_02_2002 | 21011 | 51.1 | 52 | 0.9 | **1.2** | **1.34** | 22.1 | 0.03 | 0.062 |
| SDB_02_2002 | 21012 | 68.7 | 69 | 0.3 | 0.05 | 0.25 | 4.54 | 0.01 | 0.0546 |
| SDB_02_2002 | 21013 | 70.6 | 70.9 | 0.3 | **0.2** | 0.56 | 9.07 | 0.03 | 0.0954 |
| SDB_03_2002 | 21018 | 1.05 | 2.2 | 1.15 | 0.02 | 0.22 | 21.9 | 0.02 | 0.0021 |
| SDB_03_2002 | 21019 | 2.2 | 3.2 | 1 | 0.13 | 0.13 | 2.01 | 0.04 | 0.0018 |
| SDB_03_2002 | 21021 | 3.2 | 4.4 | 1.2 | 0.19 | 0.2 | 11.9 | 0.07 | 0.0025 |
| SDB_03_2002 | 21022 | 4.4 | 5 | 0.6 | **2.7** | **8.77** | **127** | **0.2** | 0.0085 |
| SDB_03_2002 | 21023 | 5 | 6 | **1** | **0.8** | **5.47** | 39.2 | **0.2** | 0.0079 |
| SDB_03_2002 | 21024 | 6 | 7.3 | 1.3 | 0.02 | 0.07 | 1.46 | 0.05 | 0.0011 |
| SDB_03_2002 | 21025 | 7.3 | 8.5 | 1.2 | 0.17 | 0.31 | 37.4 | 0.05 | 0.0286 |
| SDB_03_2002 | 21026 | 8.5 | 9.1 | 0.6 | 0.08 | 0.53 | 1.91 | 0.04 | **0.12** |
| SDB_03_2002 | 21027 | 9.1 | 10 | 0.9 | 0.04 | 0.27 | 1.73 | 0.04 | 0.0042 |
| SDB_03_2002 | 21028 | 10 | 11 | 1 | 0.13 | 0.2 | 2.64 | 0.05 | 0.0401 |
| SDB_03_2002 | 21029 | 11 | 12 | 1 | 0.02 | 0.14 | 1.37 | 0.04 | 0.027 |
| SDB_03_2002 | 21030 | 12 | 13.5 | 1.5 | 0.08 | 0.07 | 1.82 | 0.04 | 0.0073 |
| SDB_03_2002 | 21031 | 13.5 | 15 | **1.5** | **0.3** | 0.07 | 4.01 | 0.05 | 0.0148 |
| SDB_03_2002 | 21032 | 15 | 16.5 | 1.5 | 0.03 | 0.11 | 4.28 | 0.04 | 0.0022 |
| SDB_03_2002 | 21033 | 16.5 | 18 | 1.5 | 0.07 | 0.14 | 4.28 | 0.06 | 0.0037 |
| SDB_03_2002 | 21034 | 18 | 19.5 | 1.5 | 0.03 | 0.07 | 2.37 | 0.04 | 0.0183 |
| SDB_03_2002 | 21035 | 19.5 | 20.5 | 1 | 0.03 | 0.08 | 3.19 | 0.05 | 0.0069 |
| SDB_03_2002 | 21036 | 20.5 | 21.4 | 0.9 | 0.02 | 0.06 | 2.19 | 0.05 | 0.014 |
| SDB_03_2002 | 21037 | 21.4 | 22.5 | 1.1 | 0.04 | 0.04 | 3.01 | 0.04 | 0.001 |
| SDB_03_2002 | 21038 | 22.5 | 23.5 | 1 | 0.04 | 0.07 | 2.73 | 0.04 | 0.0013 |
| SDB_03_2002 | 21039 | 23.5 | 25 | 1.5 | 0.04 | 0.05 | 3.83 | 0.04 | 0.0014 |
| SDB_03_2002 | 21040 | 25 | 26 | 1 | 0.02 | 0.1 | 2.55 | 0.02 | 0.0009 |
| SDB_03_2002 | 21041 | 26 | 27 | 1 | 0.07 | 0.97 | 10 | 0.04 | 0.0028 |
| SDB_03_2002 | 21042 | 27 | 29 | 2 | 0.03 | 0.27 | 3.83 | 0.03 | 0.0025 |
| SDB_03_2002 | 21043 | 29 | 30 | 1 | 0.06 | 0.23 | 4.19 | 0.02 | 0.0031 |
| SDB_03_2002 | 21044 | 30 | 31 | 1 | 0.07 | 0.29 | 5.38 | 0.03 | 0.0038 |
| SDB_03_2002 | 21045 | 31 | 32.5 | 1.5 | 0.12 | 0.39 | 6.38 | 0.03 | 0.0034 |
| SDB_03_2002 | 21046 | 32.5 | 33.75 | 1.25 | 0.09 | 0.36 | 6.11 | 0.02 | 0.0025 |
| SDB_03_2002 | 21047 | 33.75 | 35 | 1.25 | 0.06 | 0.19 | 4.47 | 0.03 | 0.0032 |
| SDB_03_2002 | 21048 | 35 | 36 | 1 | 0.05 | 0.19 | 4.56 | 0.02 | 0.0026 |
| SDB_03_2002 | 21049 | 36 | 38 | 2 | 0.05 | 0.2 | 3.92 | 0.03 | 0.003 |
| SDB_03_2002 | 21050 | 38 | 40 | 2 | 0.06 | 0.23 | 4.83 | 0.02 | 0.0034 |
| SDB_03_2002 | 21051 | 40 | 41 | 1 | 0.06 | 0.19 | 4.28 | 0.02 | 0.0034 |
| SDB_03_2002 | 21052 | 41 | 43 | 2 | 0.08 | 0.27 | 5.38 | 0.03 | 0.0035 |
| SDB_03_2002 | 21053 | 43 | 45 | 2 | 0.1 | 0.31 | 5.38 | 0.02 | 0.0071 |
| SDB_03_2002 | 21054 | 45 | 45.8 | 0.8 | 0.08 | 0.31 | 13.7 | 0.03 | 0.0037 |

| HoleID | Sample ID | From (metres) | To (metres) | Interval (metres) | Cu % | Au g/t | Ag g/t | Pb % | Zn % |
|---|---|---|---|---|---|---|---|---|---|
| SDB_03_2002 | 21055 | 45.8 | 46.3 | 0.5 | 0.19 | 0.66 | 30.1 | 0.02 | 0.0076 |
| SDB_03_2002 | 21056 | 46.3 | 48 | 1.7 | 0.04 | 0.14 | 3.1 | 0.05 | 0.0051 |
| SDB_03_2002 | 21057 | 48 | 49.75 | 1.75 | 0.03 | 0.05 | 10 | 0.04 | 0.0061 |
| SDB_03_2002 | 21058 | 49.75 | 51 | **1.25** | **0.6** | 0.26 | 3.65 | 0.03 | 0.0091 |
| SDB_03_2002 | 21059 | 51 | 52 | 1 | 0.16 | 0.22 | 6.11 | 0.03 | 0.0044 |
| SDB_03_2002 | 21060 | 52 | 52.85 | 0.85 | 0.04 | 0.11 | 2.73 | 0.02 | 0.0031 |
| SDB_03_2002 | 21061 | 52.85 | 54.1 | 1.25 | 0.02 | 0.12 | 1.64 | 0.03 | 0.0023 |
| SDB_03_2002 | 21062 | 54.1 | 55.2 | 1.1 | 0.02 | 0.1 | 4.56 | 0.02 | 0.0125 |
| SDB_03_2002 | 21063 | 117.7 | 118.25 | 0.55 | **3.8** | 0.99 | **110** | 0.04 | 0.0061 |
| SDB_03_2002 | 21064 | 118.25 | 119.25 | 1 | 0.11 | 0.08 | 6.93 | 0.01 | 0.0038 |
| SDB_03_2002 | 21065 | 119.25 | 120.85 | 1.6 | 0.07 | 0.14 | 5.2 | 0.01 | 0.0054 |
| SDB_04_2002 | 21071 | 62.6 | 63 | 0.4 | 0.01 | 0.01 | 2.73 | **0.1** | **0.25** |
| SDB_04_2002 | 21072 | 63 | 63.5 | 0.5 | 0.01 | 0.03 | 2.73 | **0.2** | **0.18** |
| SDB_04_2002 | 21073 | 66 | 66.6 | 0.6 | 0 | 0.01 | 1.73 | 0.07 | **0.13** |
| SDB_04_2002 | 21074 | 67.2 | 67.75 | 0.55 | 0 | 0.02 | 1.18 | 0.04 | **0.14** |
| SDB_04_2002 | 21075 | 71.7 | 72.55 | 0.85 | 0.01 | 0.02 | 2.01 | **0.1** | **0.15** |
| SDB_04_2002 | 21076 | 76.05 | 76.7 | 0.65 | 0.01 | 0.04 | 8.93 | **0.3** | 0.0802 |
| SDB_04_2002 | 21077 | 77.1 | 77.65 | 0.55 | 0.01 | 0.04 | 5.29 | 0.07 | 0.0628 |
| SDB_04_2002 | 21078 | 77.65 | 78.15 | 0.5 | 0.01 | 0.08 | 5.74 | 0.02 | 0.0251 |
| SDB_04_2002 | 21079 | 78.15 | 79.5 | 1.35 | 0.01 | 0.06 | 4.74 | 0.02 | 0.0242 |
| SDB_04_2002 | 21080 | 79.5 | 81 | 1.5 | 0.01 | 0.05 | 3.92 | 0.05 | 0.0514 |
| SDB_04_2002 | 21110 | 98.9 | 99.45 | 0.55 | 0.08 | 0.05 | 20.1 | 0.07 | 0.0089 |
| SDB_04_2002 | 21111 | 101.4 | 102.4 | 1 | 0.01 | 0.2 | 2.55 | 0.04 | 0.0015 |
| SDB_04_2002 | 21112 | 102.4 | 103.7 | 1.3 | 0.11 | 0.08 | 1.7 | 0.05 | 0.0205 |
| SDB_04_2002 | 21113 | 104.9 | 105.2 | 0.3 | **0.5** | 0.12 | 9.07 | 0.08 | **0.35** |
| SDB_04_2002 | 21114 | 114.7 | 115.5 | 0.8 | 0.01 | 0.05 | 3.4 | 0.02 | **0.31** |
| SDB_04_2002 | 21115 | 127.2 | 127.6 | 0.4 | 0.01 | 0.03 | 1.42 | 0.05 | 0.0135 |
| SDB_04_2002 | 21116 | 127.6 | 128.1 | 0.5 | 0.01 | 0.03 | 0.85 | 0.04 | 0.0056 |
| SDB_04_2002 | 21117 | 129.2 | 129.65 | 0.45 | 0.03 | 0.05 | 1.98 | 0.09 | 0.0157 |
| SDB_04_2002 | 21118 | 129.65 | 130.35 | 0.7 | 0.01 | 0.05 | 0.85 | 0.05 | 0.0086 |
| SDB_04_2002 | 21119 | 130.35 | 131 | 0.65 | 0.01 | 0.05 | 1.13 | 0.03 | 0.0058 |
| SDB_04_2002 | 21120 | 131 | 132 | 1 | 0.01 | 0.05 | 1.42 | 0.04 | 0.0095 |
| SDB_04_2002 | 21121 | 132 | 133 | 1 | 0.12 | 0.11 | 11.1 | 0.04 | 0.0656 |
| SDB_04_2002 | 21122 | 133 | 134 | 1 | 0.02 | 0.12 | 2.27 | 0.03 | 0.0028 |
| SDB_04_2002 | 21123 | 134 | 135 | 1 | 0.01 | 0.06 | 1.13 | 0.03 | 0.0015 |
| SDB_04_2002 | 21124 | 135 | 136 | 1 | 0.01 | 0.06 | 1.13 | 0.04 | 0.0052 |
| SDB_04_2002 | 21125 | 136 | 137 | 1 | 0.01 | 0.05 | 0.85 | 0.05 | 0.0028 |
| SDB_04_2002 | 21126 | 137 | 138 | 1 | 0.01 | 0.05 | 1.13 | 0.05 | 0.0049 |
| SDB_04_2002 | 21127 | 138 | 138.9 | 0.9 | 0.02 | 0.04 | 1.13 | 0.04 | 0.0037 |
| SDB_04_2002 | 21128 | 138.9 | 139.8 | 0.9 | 0.03 | 0.06 | 4.25 | 0.08 | 0.0244 |
| SDB_04_2002 | 21129 | 139.8 | 141 | 1.2 | 0.02 | 0.03 | 1.42 | 0.04 | 0.0035 |
| SDB_04_2002 | 21130 | 152.95 | 153.75 | 0.8 | 0.03 | 0.03 | 1.42 | 0.04 | 0.0139 |
| SDB_04_2002 | 21131 | 153.75 | 154.35 | 0.6 | **1.3** | 0.71 | 21.8 | 0.02 | 0.0071 |
| SDB_04_2002 | 21132 | 154.35 | 155.3 | 0.95 | 0.09 | 0.03 | 2.27 | 0.06 | 0.0033 |
| SDB_04_2002 | 21133 | 155.3 | 156.5 | 1.2 | 0.04 | 0.02 | 1.42 | 0.05 | 0.0165 |
| SDB_05_2002 | 21082 | 27.25 | 27.9 | 0.65 | 0.03 | 0.19 | 5.47 | 0.03 | 0.0151 |
| SDB_05_2002 | 21083 | 27.9 | 29 | 1.1 | 0.11 | 0.03 | 2.73 | 0.01 | 0.0007 |
| SDB_05_2002 | 21084 | 29 | 30 | **1** | **1.2** | 0.19 | 8.02 | 0.04 | 0.0026 |
| SDB_05_2002 | 21085 | 30 | 31 | **1** | **1** | 0.21 | **144** | **0.2** | **0.46** |
| SDB_05_2002 | 21086 | 31 | 31.6 | 0.6 | **0.3** | 0.15 | 27.3 | 0.05 | **0.31** |
| SDB_05_2002 | 21087 | 31.6 | 32.2 | 0.6 | 0.1 | 0.03 | 3.55 | 0.01 | 0 |
| SDB_05_2002 | 21088 | 32.2 | 33 | 0.8 | 0.12 | 0.05 | 5.65 | 0.01 | 0.0096 |
| SDB_05_2002 | 21089 | 33 | 34 | **1** | **0.4** | 0.08 | **87** | 0.07 | 0.0118 |
| SDB_05_2002 | 21090 | 34 | 35 | 1 | 0.16 | 0.07 | 6.2 | 0.01 | 0.0051 |

| HoleID | Sample ID | From (metres) | To (metres) | Interval (metres) | Cu % | Au g/t | Ag g/t | Pb % | Zn % |
|---|---|---|---|---|---|---|---|---|---|
| SDB_05_2002 | 21091 | 35 | 36 | 1 | 0.09 | 0.07 | 3.74 | 0.01 | 0.0005 |
| SDB_05_2002 | 21092 | 36 | 37 | 1 | 0.11 | 0.09 | 5.01 | 0.02 | 0.001 |
| SDB_05_2002 | 21093 | 37 | 38 | 1 | 0.11 | 0.09 | 5.65 | 0.02 | 0.0012 |
| SDB_05_2002 | 21094 | 38 | 39.4 | **1.4** | 0.15 | 0.08 | **172** | 0.05 | 0.0044 |
| SDB_05_2002 | 21095 | 39.4 | 40.5 | 1.1 | 0.1 | 0.24 | 24.6 | 0.01 | 0.0021 |
| SDB_05_2002 | 21096 | 40.5 | 41.5 | 1 | 0.05 | 0.14 | 10 | 0.01 | 0.0017 |
| SDB_05_2002 | 21097 | 41.5 | 43 | 1.5 | 0.06 | 0.15 | 7.02 | 0.02 | 0.0076 |
| SDB_05_2002 | 21098 | 56.2 | 57.3 | 1.1 | 0.04 | 0.09 | 9.92 | 0.04 | 0.027 |
| SDB_05_2002 | 21099 | 57.3 | 58.6 | 1.3 | 0.05 | 0.25 | 4.1 | 0.04 | 0.0016 |
| SDB_05_2002 | 21100 | 58.6 | 60.4 | 1.8 | 0.03 | 0.2 | 20.1 | 0.04 | 0.0017 |
| SDB_05_2002 | 21101 | 61.6 | 62.1 | 0.5 | **12** | **19.8** | **709** | 0.04 | 0.0288 |
| SDB_05_2002 | 21102 | 62.1 | 62.6 | 0.5 | 0.16 | 0.28 | 12.8 | 0.08 | 0 |
| SDB_05_2002 | 21103 | 62.6 | 64.4 | 1.8 | 0.05 | 0.15 | 5.29 | 0.03 | 0 |
| SDB_05_2002 | 21104 | 64.4 | 64.7 | 0.3 | **2.7** | **1.09** | **115** | 0.04 | 0.0145 |
| SDB_05_2002 | 21105 | 64.7 | 65.75 | **1.05** | 0.09 | 0.31 | **113** | 0.03 | 0.0056 |
| SDB_05_2002 | 21106 | 66.15 | 66.75 | 0.6 | 0.03 | 0.08 | 5.92 | 0.01 | 0.008 |

Fortuna Prospect Surface Channel Sampling including Copper and Lead Assays (no Zinc assays available)

| HoleID | Sample ID | East | North | RL | From (metres) | To (metres) | Interval (metres) | Cu % | Au g/t | Ag g/t | Pb % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 29094 | 29094 | 632153 | 8416788 | 4769 | 0 | 0.9 | 0.9 | **3.3** | **1.97** | **90.1** | 0.008 |
| 29095 | 29095 | 632154 | 8416786 | 4769 | 0 | 0.8 | 0.8 | **4.8** | **3.89** | **251** | 0.06 |
| 29096 | 29096 | 632156 | 8416788 | 4769 | 0 | 1.1 | 1.1 | **2.3** | **2.9** | 50 | 0.011 |
| 29097 | 29097 | 632143 | 8416759 | 4780 | 0 | 1 | 1 | **0.55** | **1.86** | **130** | **0.13** |
| 29098 | 29098 | 632146 | 8416755 | 4782 | 0 | 1.3 | 1.3 | **0.44** | **1.38** | **94.7** | 0.016 |
| 29099 | 29099 | 632145 | 8416756 | 4781 | 0 | 1.3 | 1.3 | **2** | 0.64 | **99** | 0.015 |
| 29100 | 29100 | 632134 | 8416730 | 4789 | 0 | 0.4 | 0.4 | 0.023 | 0.72 | 13.3 | 0.03 |
| 29101 | 29101 | 632145 | 8416727 | 4790 | 0 | 0.35 | 0.35 | 0.014 | **1.02** | **99** | 0.058 |
| 29102 | 29102 | 632158 | 8416724 | 4790 | 0 | 0.6 | 0.6 | 0.129 | **3.28** | 43.4 | 0.018 |
| 29103 | 29103 | 632209 | 8416727 | 4793 | 0 | 0.6 | 0.6 | 0.035 | **2.96** | **311** | **0.16** |
| 29104 | 29104 | 632209 | 8416728 | 4793 | 0 | 1 | 1 | 0.042 | **1.99** | **133** | 0.012 |
| 29105 | 29105 | 632209 | 8416729 | 4793 | 0 | 0.8 | 0.8 | 0.028 | 0.84 | **94.9** | 0.028 |
| 29106 | 29106 | 632234 | 8416757 | 4788 | 0 | 0.6 | 0.6 | 0.022 | 0.56 | **97.2** | 0.034 |
| 29107 | 29107 | 632235 | 8416756 | 4788 | 0 | 0.8 | 0.8 | 0.048 | **6.25** | **585** | 0.017 |
| 29108 | 29108 | 632236 | 8416755 | 4789 | 0 | 0.9 | 0.9 | 0.024 | 0.42 | **93.5** | 0.009 |
| 29109 | 29109 | 632227 | 8416740 | 4791 | 0 | 1 | 1 | 0.055 | **1.22** | **738** | 0.056 |
| 29110 | 29110 | 632264 | 8416740 | 4811 | 0 | 1 | 1 | 0.028 | **2.05** | **108** | 0.019 |
| 29111 | 29111 | 632262 | 8416739 | 4810 | 0 | 0.8 | 0.8 | 0.019 | **1.63** | 50.2 | 0.026 |
| 29112 | 29112 | 632263 | 8416735 | 4814 | 0 | 0.4 | 0.4 | 0.022 | 0.71 | 26.5 | 0.022 |
| 29113 | 29113 | 632265 | 8416731 | 4819 | 0 | 0.5 | 0.5 | 0.034 | 0.44 | 20.3 | 0.034 |
| 29114 | 29114 | 632303 | 8416729 | 4833 | 0 | 0.9 | 0.9 | **0.58** | 0.42 | 18.9 | 0.006 |
| 29115 | 29115 | 632302 | 8416728 | 4832 | 0 | 1.4 | 1.4 | **2.8** | **1.26** | **74** | 0.006 |
| 29116 | 29116 | 632300 | 8416727 | 4832 | 0 | 1.3 | 1.3 | **0.32** | 0.21 | 9.9 | 0.003 |
| 29117 | 29117 | 632299 | 8416727 | 4832 | 0 | 1 | 1 | 0.085 | 0.16 | 4.9 | 0.003 |
| 29118 | 29118 | 632297 | 8416726 | 4831 | 0 | 0.9 | 0.9 | 0.063 | 0.42 | 6.1 | 0.004 |
| 29119 | 29119 | 632299 | 8416730 | 4830 | 0 | 1.4 | 1.4 | **1.8** | 0.67 | 51.3 | 0.003 |
| 29120 | 29120 | 632300 | 8416730 | 4830 | 0 | 0.5 | 0.5 | 0.03 | 0.13 | 2.6 | 0.007 |
| 29121 | 29121 | 632305 | 8416697 | 4850 | 0 | 0.5 | 0.5 | 0.01 | **1.52** | **69.3** | 0.052 |
| 29122 | 29122 | 632332 | 8416699 | 4858 | 0 | 1.3 | 1.3 | **0.29** | 0.38 | 22.9 | 0.006 |
| 29123 | 29123 | 632330 | 8416696 | 4858 | 0 | 1 | 1 | **0.23** | 0.26 | 14.3 | 0.005 |

| HoleID | Sample ID | East | North | RL | From (metres) | To (metres) | Interval (metres) | Cu % | Au g/t | Ag g/t | Pb % |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 29124 | 29124 | 632343 | 8416691 | 4866 | 0 | 1.5 | 1.5 | 0.006 | **3.01** | **214** | 0.018 |
| 29127 | 29127 | 632423 | 8416721 | 4900 | 0 | 1 | 1 | 0.005 | **1.16** | 18.3 | 0.003 |
| 29128 | 29128 | 632422 | 8416720 | 4898 | 0 | 1 | 1 | 0.063 | **5.65** | **93** | 0.014 |
| 29129 | 29129 | 632414 | 8416735 | 4888 | 0 | 0.7 | 0.7 | 0.008 | **1.64** | 59.2 | **0.13** |
| 29130 | 29130 | 632441 | 8416733 | 4911 | 0 | 0.9 | 0.9 | 0.001 | 0.69 | 4.6 | 0.005 |

*Note 1: Samples were collected by Buenaventura between 1997 and 2002, and assayed at Intertek Bondar Clegg Bolivia, CIMM PERU SA, and C.H. Plenge Laboratory (Buenaventura) . Gold (Au) was analysed by AAS with Fire Assay checks on 50 g aliquots to 2 ppb detection limits and AAS was used for Silver (Ag); or by ICP-MS + 9 elements . All assays are available in Annual Reports, and with original lab certificates. Buenaventura applied duplicate and triplicate samples with triplicates submitted to an umpire laboratory.*

*Note 2: Coordinate system used is PSAD56/UTM zone 18S EPSG 24878*

*Note 3: No zinc values are available for the surface channel samples.*

## APPENDIX 2 – JORC CODE, 2012 Edition, Table 1 (Section 1 and 2)

| **SECTION 1: Sampling Techniques and Data** | | |
|---|---|---|
| **Criteria** | **JORC Explanation** | **Remarks** |
| Sampling Techniques | *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* | Cut surface channel samples – 30 cm width.<br>Cut underground channel samples – 30 cm width.<br><br>Diamond core samples collected by Buenaventura were of half HQ core, with the sample cut so as to equally divide structures. Sample lengths ranged from 0.15 m to 2 m. Sample intervals were matched to geological boundaries. |
| | *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* | Buenaventura used a sample size of 3.5 kg per metre of channel sampling. They routinely submitted duplicate and triplicate samples. The employed umpire laboratories to check their results with triplicate samples, as well as re-submitting pulps. |
| | *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.* | Channel samples were collected using best method (ie. cut with a rock saw).<br>Duplicates and triplicates of channel samples were obtained through re-cutting a second or third sample in the same location. Channel samples were not split for the purposes of creating duplicates or triplicates.<br>Diamond core samples were HQ diameter, and were cut in half using a core saw, dividing geological structures equally where possible.<br>Some samples demonstrated a significant variance when compared to duplicate samples, but this affect was observed to be minor, with most samples showing good repeatability.<br>Sample preparation techniques are not known. |
| Drilling Techniques | *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube,* | Drill method was diamond drilling of HQ core during 2002, using a Longyear 34 drill machine.<br>It is unknown whether the drill holes were oriented. |

| | | |
|---|---|---|
| | *depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).* | |
| Drill Sample Recovery | *Method of recording and assessing core and chip sample recoveries and results assessed.* | Drill core recovery was recorded for every hole through routine monitoring of drill rod depth and recovered core. Recoveries for each hole were graphically plotted and show total recovery better than 97%, with greater than 95% recovery through zones of structural complexity. |
| | *Measures taken to maximise sample recovery and ensure representative nature of the samples.* | Supervision of the diamond drilling by Buenaventura geologists ensured sample recovery was good, and that samples were representative without contamination issues. |
| | *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material* | No studies are known to have been completed on sample bias. |
| Logging | *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* | Surface and underground channel samples were plotted onto geological maps that were created using a consistent legend.<br>No geotechnical logs are available for channel samples or diamond drill core.<br>Geological logging for diamond core includes a descriptive log with some quantitative logging of sulphides and alteration, in addition to plotting of assays and the geology as a graphic log. |
| | *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* | Logging is qualitative, with the exception of some quantitative logging of sulphide and alteration content.<br>No routine photography of channel sampling is available. Routine photography of the core was done, but this photography was not acquired in the data package. |
| | *The total length and percentage of the relevant intersections logged* | 100% of surface channel samples presented in this release have mapping that can be applied as logging.<br>100% of diamond core samples can be correlated to graphic logs of the diamond drill hole. |
| Sub-sampling Techniques and Sample Preparation | *If core, whether cut or sawn and whether quarter, half or all core taken.* | Drill core samples were half HQ core, where the core was cut to equally divide significant structures in the rock. |
| | *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* | Surface channel samples were not split during any part of the process. They represent complete channels. Water was used during cutting, but then a dry sample collected using a hammer and maul. |
| | *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* | Details on laboratory preparation of samples are not known. Accuracy of results is implied through performance of duplicate and triplicate samples and utilisation of umpire laboratories.<br>Diamond core samples were halved to ensure equal division of significant structures, and due to the large diameter of core (HQ) is thought to be representative. |
| | *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* | For both channel sampling, and diamond drill core sampling, standards and blanks were interleaved with the routine samples, every 20$^{th}$ sample.<br>For the channel sampling, duplicates were cut for every 20$^{th}$ sample. Triplicates were cut and sent to an umpire lab, at a frequency of about 3%. |
| | *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* | Duplicates and triplicates were collected through cutting another channel sample, not splitting the existing channel sample.<br>Duplicate samples were submitted for a few samples and composited intervals in the diamond core. There was significant variation between the primary and duplicate sample in the mineralised material. Repeatability of results in the barren rock was good.<br>5% of total sample numbers were submitted as duplicates, and 2.5% were submitted as triplicates. |

| | | |
|---|---|---|
| | | Umpire laboratory re-assaying of 8 diamond core pulp samples show good repeatability of results. The original laboratory was CIMM Laboratories, and the umpire laboratory was ALS Chemex. |
| | *Whether sample sizes are appropriate to the grain size of the material being sampled* | Channel sample sizes were appropriate, as shown by good correlation between primary, duplicate and triplicate results.<br>Diamond core samples were half HQ core, which is a large diameter core for exploration drilling. Some bias may be introduced during half coring, due to the presence of brecciation, which is inherently erratic in grade. |
| Quality of Assay Data and Laboratory Tests | *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* | For channel samples and diamond core samples, gold (Au) was analysed by AAS with Fire Assay checks on 50 g aliquots to 2 ppb detection limits and AAS was used for Silver (Ag). ICP-MS was used for the other elements (Cu, Pb, Zn, Mo, As, Sb, Bi, Hg, Te). Digestion method is not known and so completeness of technique is unknown. |
| | *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* | No geophysical tools or other unusual analysis methods were employed. |
| | *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.* | For both channel sampling, and diamond drill core sampling, standards and blanks were interleaved with the routine samples, every 20th sample.<br>For the channel sampling, duplicates were cut for every 20th sample. Triplicates were cut and sent to an umpire laboratory (, at a frequency of about 3%. |
| Verification of Sampling and Assaying | *The verification of significant intersections by either independent or alternative company personnel.* | No intersection verification at Fortuna prospect has been done, though Buenaventura repeating Cominco sampling at other prospects, and Cambridge Mineral Resources repeated Cominco and Buenaventura sampling at a later date. Laconia repeated Cominco and Cambridge Mineral Resources sampling (33 samples) in the Rasuhuilca underground development, and the results showed the original sampling was repeatable.<br>Geostatistical plots from the Rasuhuilca underground samples show excellent correlation between Cominco and Cambridge Mineral Resources for gold and silver. Buenaventura results were comparable for silver, but appear to have understated gold by a factor of 63%. The reason for this is not fully understood, but the results were not used for the resource estimation because of this. The Buenaventura results are considered suitable for exploration targeting as there is a potential upside due to the finding that the error was understating the gold content. |
| | *The use of twinned holes.* | No twinned holes have been used to verify sampling and assaying. |
| | *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* | Data has been compiled from good quality paper plans and digitally compiled at a later date.<br>The data has been assimilated into the Company SQL database, and exported into Microsoft Access, after compilation and validation in Surpac and Mapinfo Software and checks against topography and the quality of repeated sample locations. |
| | *Discuss any adjustment to assay data.* | There was re-calculation of assays reported as oz/t to g/t. The calculation was based on the imperial oz (28.34 grams to an ounce), rather than the troy ounce (31.10 grams to an ounce). |
| Location of Data Points | *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* | Cominco established professionally surveyed trigonometric points across the Rasuhuilca project. From these survey points, surface mapping and sampling was spatially referenced. Underground development at Rasuhuilca was surveyed by Cominco, with permanent survey points established in the adits.<br>Following workers (Buenaventura, Cambridge Mineral Resources, |

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| | | Laconia Resources) utilised these survey points for spatial location of their work. Buenaventura used a company employed surveyor. Only the Rasuhuilca underground development sampling and surface sampling informs a resource estimation. |
| | *Specification of the grid system used.* | All data was collected as, and remain in, PSAD56, Zone 18 South, EPSG 24878. |
| | *Quality and adequacy of topographic control.* | Topographic surface uses 10 metre contours that have excellent correlation to ground features. |
| Data Spacing and Distribution | *Data spacing for reporting of Exploration Results.* | Surface channel samples are collected perpendicular to the vein walls, at spacings of 5 to 30 metres apart.<br>Diamond drill core samples are collected over contiguous intervals of alteration as per logging. There are lengths of diamond core not sampled. Some sampled intervals were re-sampled as composites, or as single duplicate samples. |
| | *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* | No Mineral Resource or Ore Reserve calculations have been reported on the Fortuna Deposit. |
| | *Whether sample compositing has been applied.* | Sample compositing was performed for reporting of diamond drill core results, based on a weighted average as a function of sample length versus grade.<br>No compositing was done for surface channel samples. |
| Orientation of data in relation to geological structure | *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* | Surface channel samples were collected perpendicular to vein walls, or across zones of alteration, and are representative of the mineralisation controls. |
| | *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.* | The drilling was oriented to intersect the vein at close to 90 degrees at depth, minimising apparent thicknesses. Sample core was halved to equally divide the mineralised structures.<br>Some sampling bias may have been caused by brecciation, where the erratic nature of mineralisation makes it impossible to accurately halve the structure. |
| Sample security | *The measures taken to ensure sample security.* | No chain of custody was documented for Buenaventura sampling. |
| Audits or reviews | *The results of any audits or reviews of sampling techniques and data.* | At a project scale, numerous repeat sampling exercises validate the sampling of previous workers.<br>A review of duplicate or composited duplicate interval samples for the Fortuna diamond core reveal a large magnitude of difference in the mineralised samples, but not in the barren material. There is an example of the largest material difference between the primary and duplicate sampling provided in the body of this release. |
| **SECTION 2: Reporting of Exploration Results** | | |
| Mineral tenement and land tenure status | *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* | The Rasuhuilca Project is comprised of 4 permits that are 100% Laconia Resources owned, plus 11 permits that are subject to an Earn-in Agreement, for option of 80% interest over a 7 year period.<br>The Fortuna Prospect is within an earn-in agreement permit, Huaco Cucho No. 2.<br>The permits are located on a high plateau within the Andes Mountain chain, in the Department of Ayacucho in Southern Peru. There are no historical sites, wilderness or national park issues known to Laconia Resources. Community agreements to address Native Title issues is ongoing. |
| | *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to* | Laconia knows of no impediment to obtaining a licence to operate in the area, though exploration is subject to agreement from surrounding communities. |

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| | *operate in the area.* | |
| Exploration Done by Other Parties | *Acknowledgement and appraisal of exploration by other parties.* | The project area has previously been explored by COMINCO el Peru between 1985 and 1987, by Compania de Minas Buenaventura SAA from 1996 to 2003. Echo Bay undertook exploration in a JV partnership with Buenaventura between 1996 and 1999.<br>Cambridge Mineral Resources (CMR) acquired the project in 2005 and started development and small-scale mining at the Marcelita 2 vein. They moved focus to the Rasuhuilca vein in September 2006. |
| Geology | *Deposit type, geological setting and style of mineralisation.* | High sulphidation epithermal gold-silver veining and alteration halos, with localised enargite-rich breccias along fault controlled paths.<br>Volcanic centre dated at 1.4 – 1.6 Ma. |
| Drill hole Information | *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*<br>• *easting and northing of the drill hole collar*<br>• *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>• *dip and azimuth of the hole*<br>• *down hole length and interception depth*<br>• *hole length.* | All tabulated exploration results are included in the release in appendix 1.<br><br>Intercept lengths from diamond drilling are presented as down hole lengths, not true lengths, and this is stated in the release. |
| | *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.* | No information is excluded. |
| Data Aggregate Methods | *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* | Weighting is calculated as a function of each sample length multiplied by each grade, with the summed product divided by the total sample length, to present composited intervals.<br>No top or bottom cut was applied. |
| | *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* | Where intercepts are reported as longer lengths of lower grade, it is clearly stated that the higher incepts within are part of the lower-grade intercept, not in addition to the low grade intercept. |
| | *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | No metal equivalents are used for the exploration results at Fortuna Prospect. |
| Relationship between mineralisation widths and intercept lengths | *These relationships are particularly important in the reporting of Exploration Results.* | Surface channel samples reflect vein true widths as they are cut perpendicular to the vein walls.<br>Diamond drill sample intercepts are reported as down hole widths. |
| | *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* | Mineralisation geometry is assumed to be vein controlled and sheet-like or tabular, dipping steeply to the north. The drill holes were angled to intersect the vein as close to 90 degrees as possible. As further work is required to fully define the vein geometries, all diamond drill results are reported as down hole lengths, not true lengths. |
| | *If it is not known and only the down hole lengths are reported, there should be a* | This is clearly stated in the release. |

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| | *clear statement to this effect (eg 'down hole length, true width not known').* | |
| Diagrams | *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | Diagrams are provided that show all surface samples and the diamond drill hole traces in plan view, plus a cross section is provided with the intercept locations and known geology. |
| Balanced Reporting | *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.* | All exploration results are presented in the Appendix 1, regardless of grade. |
| Other substantive exploration data | *Other exploration data, if meaningful and material, should be reported including (but not limited to):*<br>*geological observations; geological survey results, geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.* | Discussion of the Fortuna Prospect geology is included in the release.<br>To date no economic or extractive measures such as bulk samples, metallurgical testing, bulk density, groundwater, geotechnical or rock samples have been done.<br>Mineral species hosting base metals are identified in the release. |
| Further Work | *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* | Drill testing is identified as future planned work. At present the amount and location of planned drill holes has not been identified. |
| | *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Possible extensions are indicated on the plan and cross section provided in the release. |