Gold Exploration in Mexico
Status Report 2016

by
Matthew D. Gray
Resource Geosciences de Mexico SA de CV
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12º Seminario Internacional de Minería Sonora 2016, AIMMGM A.C.
Conclusions

1. Mexico is a geologically desirable location for gold exploration

2. Tremendous exploration and development success in last 10 years

3. Significant production from 4 deposit types:
   - intrusive related polymetallic deposits
   - low sulfidation epithermal deposits
   - orogenic/mesothermal deposits
   - high sulfidation epithermal deposits
Conclusions

4. In 20 years, we may see development of deep high grade mines in a significant newly revitalized gold district in Sonora.

5. The future success of the gold mining industry in Mexico depends less on geologic factors and more on social/political factors.

6. Mexico is suffering from a worsening case of foreign capital aversion, caused by negative perceptions of:
   - Land tenure
   - Security
Sources of Information

All resource estimate and production information is obtained from public domain sources, including:

I. Company press releases and annual reports
II. Public company regulatory filings (SEDAR, EDGAR)
II. Servicio Geologico de Mexico
III. INEGI
IV. USBM
V. USGS

Information is believed to be accurate but has not been independently confirmed by the author!
Why should we explore for gold in Mexico?
Significant gold endowment

3.9M oz annual Au production

Favorable operating environment

Permitting time frame < 5 years
## Top 10 Gold Producing Countries in 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>M Oz. gold produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. China</td>
<td>15.75</td>
</tr>
<tr>
<td>2. Australia</td>
<td>9.65</td>
</tr>
<tr>
<td>3. Russia</td>
<td>7.78</td>
</tr>
<tr>
<td>4. USA</td>
<td>6.43</td>
</tr>
<tr>
<td>5. Canada</td>
<td>4.82</td>
</tr>
<tr>
<td>6. Peru</td>
<td>4.82</td>
</tr>
<tr>
<td>7. South Africa</td>
<td>4.50</td>
</tr>
<tr>
<td><strong>8. Mexico</strong></td>
<td><strong>3.86</strong></td>
</tr>
<tr>
<td>9. Uzbekistan</td>
<td>3.31</td>
</tr>
<tr>
<td>10. Ghana</td>
<td>2.73</td>
</tr>
</tbody>
</table>

Data source: USGS Mineral Commodity Summaries and Yearbooks
What’s happened in the last 10 years?

- Exploration boom
  - Exploration peaked in 2011-2012

- Exploration success resulting in:
  - Significant increase to resource base
  - 20 deposits with >1M ounces Au in publicly disclosed reserves or resources
  - 80M ounces of resources publicly disclosed*

- Development success
  - 10x increase in production
Production Growth

Annual Gold Production, Mexico


Million Ounces Gold Produced

Year


Million Ounces Gold

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 4.0 4.5
Increased Gold Inventory

- 9 deposits with greater than 1M ounces Proven and Probable Reserves

- 11 deposits with greater than 1M ounces Measured and Indicated Resources
## Largest Gold Reserves in Mexico in 2015

<table>
<thead>
<tr>
<th>Mine or Project</th>
<th>Company</th>
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<th>Reserves P&amp;P, M Oz.</th>
</tr>
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<tbody>
<tr>
<td>1 Metates</td>
<td>Chesapeake</td>
<td>DGO</td>
<td>18.3</td>
</tr>
<tr>
<td>2 Peñasquito</td>
<td>Goldcorp</td>
<td>ZAC</td>
<td>10.2</td>
</tr>
<tr>
<td>3 La Herradura</td>
<td>Fresnillo</td>
<td>SON</td>
<td>5.3</td>
</tr>
<tr>
<td>4 El Limon-Guajes</td>
<td>Torex</td>
<td>GRO</td>
<td>3.6</td>
</tr>
<tr>
<td>5 Dolores</td>
<td>Pan American</td>
<td>CHI</td>
<td>1.6</td>
</tr>
<tr>
<td>6 Mulatos</td>
<td>Alamos Gold</td>
<td>SON</td>
<td>1.5</td>
</tr>
<tr>
<td>7 Los Filos</td>
<td>Goldcorp</td>
<td>GRO</td>
<td>1.5</td>
</tr>
<tr>
<td>8 Pinos Altos</td>
<td>Agnico Eagle</td>
<td>CHI</td>
<td>1.5</td>
</tr>
<tr>
<td>9 Noche Buena</td>
<td>Fresnillo</td>
<td>SON</td>
<td>1.1</td>
</tr>
<tr>
<td>10 Cienega</td>
<td>Fresnillo</td>
<td>DGO</td>
<td>0.9</td>
</tr>
<tr>
<td>11 La India</td>
<td>Agnico Eagle</td>
<td>SON</td>
<td>0.9</td>
</tr>
</tbody>
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### Largest Gold Resources in Mexico in 2015

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<th>Resources M&amp;I, M Oz.</th>
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<tr>
<td>1 Orisyvo</td>
<td>Fresnillo</td>
<td>CHI</td>
<td>7.7</td>
</tr>
<tr>
<td>2 Ana Paula</td>
<td>Timmins Gold</td>
<td>GRO</td>
<td>1.9</td>
</tr>
<tr>
<td>3 Tepal</td>
<td>Geologix</td>
<td>MIC</td>
<td>1.8</td>
</tr>
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<td>4 San Antonio</td>
<td>Argonaut</td>
<td>BCS</td>
<td>1.7</td>
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<td>Almaden</td>
<td>PUE</td>
<td>1.6</td>
</tr>
<tr>
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<td>Goldcorp</td>
<td>ZAC</td>
<td>1.6</td>
</tr>
<tr>
<td>7 Lucerito</td>
<td>Fresnillo</td>
<td>DGO</td>
<td>1.4</td>
</tr>
<tr>
<td>8 Cordero</td>
<td>Levon</td>
<td>CHI</td>
<td>1.4</td>
</tr>
<tr>
<td>9 Los Cardones</td>
<td>Invecture</td>
<td>BC</td>
<td>1.1</td>
</tr>
<tr>
<td>10 Cerro Jumil</td>
<td>Alamos Gold</td>
<td>MOR</td>
<td>1.1</td>
</tr>
<tr>
<td>11 Ixuatan</td>
<td>Fortune Bay</td>
<td>CHP</td>
<td>1.0</td>
</tr>
</tbody>
</table>
* This tabulation is only of publicly disclosed Proven and Probable Reserves and Measured and Indicated Resources.

There are tens of millions more ounces in Possible Reserves and Inferred Resources

There are millions more ounces not publicly disclosed
Current situation

– Significant production
– Reduced exploration
Current situation

- In 2016 only ~30 companies actively exploring
- Reduced exploration investment:
  - Depressed metal prices
  - Lack of financing
- Mild but worsening case of “foreign capital aversion”
  - Changes in Mexican tax policy harmful, but not principal cause
  - Security concerns and land tenure issues deterring investment
### Who is working in in Mexico?

#### Producing Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agnico Eagle</td>
<td>Invecture</td>
</tr>
<tr>
<td>Alamos Gold</td>
<td>Marlin</td>
</tr>
<tr>
<td>Argonaut</td>
<td>McEwen Mining</td>
</tr>
<tr>
<td>Centerra</td>
<td>New Gold</td>
</tr>
<tr>
<td>Fresnillo</td>
<td>Primero</td>
</tr>
<tr>
<td>Frisco</td>
<td>Starcore</td>
</tr>
<tr>
<td>Gold Resource Corp</td>
<td>Timmins Gold</td>
</tr>
<tr>
<td>Goldcorp</td>
<td>Torex</td>
</tr>
<tr>
<td>Great Panther</td>
<td>Yamana (Premier)</td>
</tr>
<tr>
<td>Hecla</td>
<td></td>
</tr>
</tbody>
</table>
### Who is working in in Mexico?

**Junior Exploration Companies**

<table>
<thead>
<tr>
<th>Company</th>
<th>Company</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alianza</td>
<td>Gainey Capital</td>
<td>Minera Alamos</td>
</tr>
<tr>
<td>Almaden</td>
<td>Geologix</td>
<td>Oceanus</td>
</tr>
<tr>
<td>Azure</td>
<td>GoGold</td>
<td>Orex</td>
</tr>
<tr>
<td>Candelaria</td>
<td>Golden Goliath</td>
<td>Palamina</td>
</tr>
<tr>
<td>Candente</td>
<td>Goldgroup</td>
<td>Prospero</td>
</tr>
<tr>
<td>Chesapeake</td>
<td>Levon</td>
<td>Riverside</td>
</tr>
<tr>
<td>Colibri</td>
<td>Mammoth</td>
<td>San Marco</td>
</tr>
<tr>
<td>Corex</td>
<td>Millrock</td>
<td>Telson</td>
</tr>
<tr>
<td>Evrim</td>
<td>Minaurum</td>
<td>VVC</td>
</tr>
<tr>
<td>First Mexican</td>
<td></td>
<td>Westminster</td>
</tr>
</tbody>
</table>
A look to the future, but first a quick glance at the past

History

Where has the gold come from?

• We don’t really know!

• Reliable historical production data not available.

• But contrary to what Humphrey Bogart made many believe, most of the gold did not come from the Sierra Madre.
Historic Mexico Gold Deposits and Prospects
Significant Pre 20th Century Mexico Gold Producers

La Colorada
Tayoltita
Fresnillo
Zacatecas
Guanajuato
Pachuca
El Oro
Historic Gold Production

- Tayoltita > 11M oz.
- El Oro > 6M oz.
- Guanajuato > 6M oz.
- Pachuca > 6M oz.
- La Colorada > 3M oz.
- Zacatecas, Zac ~ 2M oz.
- Fresnillo > 1M oz.
Where is the gold coming from today?

– From a variety of geologic and geographic settings.
Gold Deposits and Geology
Gold Deposits and Geology

Sierra Madre Occidental
Gold Deposits and Geology

J-K shallow marine seds (Chihuahua and Coahuila Terranes, “Mexico Geosyncline”, and fold/thrust belt,)

Sierra Madre Occidental
Gold Deposits and Geology

J-K shallow marine sands (Chihuahua and Coahuila Terranes, "Mexico Geosyncline", and fold/thrust belt,)

Caborca Terrain

Sierra Madre Occidental
Gold Deposits and Geology

J-K shallow marine seds (Chihuahua and Coahuila Terranes, “Mexico Geosyncline”, and fold/thrust belt,)

Sierra Madre Occidental

Caborca Terrain

Altiplano

Resource Geosciences de Mexico SA de CV
12º Seminario Internacional de Minería, Sonora 2016, AIMMGM A.C., 26 October 2016
Gold Deposits and Geology

J-K shallow marine seds (Chihuahua and Coahuila Terranes, “Mexico Geosyncline”, and fold/thrust belt,)

Caborca Terrain

Sierra Madre Occidental

Altiplano

Trans Mexican Volcanic Belt
Gold Deposits and Geology

J-K shallow marine sediments (Chihuahua and Coahuila Terranes, “Mexico Geosyncline”, and fold/thrust belt.)

- Caborca Terrain
- Altiplano
- Sierra Madre Occidental
- Trans Mexican Volcanic Belt
- Sierra Madre del Sur
Historic Mexico Gold Deposits and Prospects
Current Mexico Gold Producers
# Top 20 Mexican Gold Producing Mines (less Frisco)

<table>
<thead>
<tr>
<th>Mine</th>
<th>Company</th>
<th>State</th>
<th>2015 Production, Oz.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peñasquito</td>
<td>Goldcorp</td>
<td>Zac</td>
<td>860,300</td>
</tr>
<tr>
<td>La Herradura</td>
<td>Fresnillo</td>
<td>Son</td>
<td>398,866</td>
</tr>
<tr>
<td>El Limon-Guajes</td>
<td>Torex</td>
<td>Gue</td>
<td>279,000*</td>
</tr>
<tr>
<td>Los Filos</td>
<td>Goldcorp</td>
<td>Gue</td>
<td>272,900</td>
</tr>
<tr>
<td>Pinos Altos</td>
<td>Agnico Eagle</td>
<td>Chi</td>
<td>242,677</td>
</tr>
<tr>
<td>Noche Buena</td>
<td>Fresnillo</td>
<td>Son</td>
<td>158,179</td>
</tr>
<tr>
<td>Tayoltita</td>
<td>Primero</td>
<td>Dgo</td>
<td>151,355</td>
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<tr>
<td>Mulatos</td>
<td>Alamos Gold</td>
<td>Son</td>
<td>140,330</td>
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<tr>
<td>Cerro de San Pedro</td>
<td>New Gold</td>
<td>SLP</td>
<td>105,500</td>
</tr>
<tr>
<td>La India</td>
<td>Agnico Eagle</td>
<td>Son</td>
<td>104,362</td>
</tr>
</tbody>
</table>
## Top 20 Mexican Gold Producing Mines (less Frisco)

<table>
<thead>
<tr>
<th>Mine</th>
<th>Company</th>
<th>State</th>
<th>2015 Production, Oz.</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>Timmins Gold</td>
<td>Son</td>
<td>93,353</td>
</tr>
<tr>
<td>Cienega</td>
<td>Fresnillo</td>
<td>Dgo</td>
<td>85,662</td>
</tr>
<tr>
<td>Mercedes</td>
<td>Yamana</td>
<td>Son</td>
<td>84,137</td>
</tr>
<tr>
<td>El Castillo</td>
<td>Argonaut</td>
<td>Dgo</td>
<td>79,751</td>
</tr>
<tr>
<td>Chanate</td>
<td>Alamos Gold</td>
<td>Son</td>
<td>79,312</td>
</tr>
<tr>
<td>Dolores</td>
<td>Pan American</td>
<td>Chi</td>
<td>79,100</td>
</tr>
<tr>
<td>Palmarejo</td>
<td>Coeur</td>
<td>Chi</td>
<td>70,922</td>
</tr>
<tr>
<td>El Gallo</td>
<td>McEwen Mining</td>
<td>Sin</td>
<td>65,967</td>
</tr>
<tr>
<td>La Colorada</td>
<td>Argonaut</td>
<td>Son</td>
<td>55,056</td>
</tr>
<tr>
<td>Mascota</td>
<td>Agnico Eagle</td>
<td>Chi</td>
<td>45,000</td>
</tr>
</tbody>
</table>
Current Mexico Gold Producers

>150,000 ounces annual gold production
3.9 M Oz. Annual Au Production in Mexico from Four Important Deposit Types*

1. IR ** - Intrusive related, including skarn, may be polymetallic, direct spatial and/or genetic link to intrusives
   - Example: Peñasquito, El Limon-Guajes

2. LSE - Low sulfidation epithermal ***(vein and stockwork/disseminated)
   - Example: Tayoltita, Pino Altos

3. Orogenic deposits
   - Example: La Herradura

4. HSE - High sulfidation epithermal
   - Example: Mulatos, La India

* Not genetic classifications! Based on basic general geologic and economic characteristics!
** LSE and HSE also related to intrusives, but IR’s distinguished by direct association
*** Includes “intermediate sulfidation” systems as per Hedenquist classifications.
## Mexico Gold: Production and Inventory by Deposit Type

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Intrusive Related</td>
<td>1,318,451</td>
<td>34.09</td>
<td>9.97</td>
</tr>
<tr>
<td>2 LSE Epithermal</td>
<td>1,078,145</td>
<td>8.37</td>
<td>4.21</td>
</tr>
<tr>
<td>3 Orogenic</td>
<td>729,710</td>
<td>8.05</td>
<td>2.94</td>
</tr>
<tr>
<td>4 HS Epithermal</td>
<td>244,692</td>
<td>2.41</td>
<td>8.28</td>
</tr>
</tbody>
</table>
Active gold mines and deposits w/ > 1M Oz.
Tomorrow’s gold production

Where will the gold come from tomorrow?
Tomorrow’s gold production

• In near term, new production will come from these currently productive 4 deposit types

• Near term new production from advanced projects already in the development pipeline.

    - 12 development projects with >1M oz gold resource or reserve
# Largest Undeveloped Gold Resources in Mexico

<table>
<thead>
<tr>
<th>Mine or Project</th>
<th>Company</th>
<th>State</th>
<th>Reserves P&amp;P, or Resources M&amp;I, M Oz.</th>
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<td>Fresnillo</td>
<td>CHI</td>
<td>7.7</td>
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<td>Timmins Gold</td>
<td>GRO</td>
<td>1.9</td>
</tr>
<tr>
<td>4   Tepal</td>
<td>Geologix</td>
<td>MIC</td>
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<td>BC</td>
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<td>11  Cerro Jumil</td>
<td>Alamos Gold</td>
<td>MOR</td>
<td>1.1</td>
</tr>
<tr>
<td>12  Ixuatan</td>
<td>Fortune Bay</td>
<td>CHP</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Current Mexico Gold Producers and 1M oz Resources
Tomorrow’s gold production, 10 years from now
Tomorrow’s gold production, 10 years from now

In the next ten years, Guerrero Gold Belt will experience significant increase in defined gold inventory and production
Active gold mines and deposits w/ > 1M Oz.

Guerrero Gold Belt
Observations

1. 25 years ago, Nukay/Bermejal was a considered a small, marginally economic skarn district.

2. The “Guerrero Gold Belt” now being revealed as comprising multiple mineralized intrusive centers, 64 to 66 Ma.

3. Discoveries thus far have been mostly of exposed or partly exposed systems, however geophysical methods have led to discoveries of concealed mineralization.
Exploration Implications

- Entire magmatic belt is prospective
- Many mineralizing intrusives are likely concealed
- Indirect methods, chiefly geophysical, required to identify concealed targets
Exploration Implications

• No inexpensive way to explore for concealed systems – **MUST DRILL! AND MUST DRILL A LOT!**

• High cost of exploration and discovery is a barrier to entry for junior explorers.

• Established producers in the region conducting systematic exploration over “life of mine” time frames, will add to gold resources in district, and increased production
Tomorrow’s gold production, 20 years from now

What will be the most important gold mining district in 2036?
Tomorrow’s gold production, 20 years from now

What will be the most important gold mining district in 2036?

(Chris Osterman told me the answer!)
Longer term, future gold production

Orogenic deposits: Altar trend

- in 20 years, this could be one of the premier gold districts in Mexico.
- both underground and open pit mines
Active gold mines and deposits w/ > 1M Oz.

Altar Trend

- High sulfidation epithermal
- Low sulfidation epithermal
- Intrusive related and skarn
- Orogenic / Mesothermal
Geologic characteristics of orogenic deposits

1. Associated with regional scale deformation structures

2. Compressional/transpressional stress

3. All time periods 2.8 Ga (Archean) and later

4. Deep seated source of hydrothermal fluids

5. Relatively low salinity (<10%) CO$_2$ enriched fluids

6. Deposition conditions 1-3 Kbar, 250 – 350$^\circ$ C.

7. 15 – 20 km depth of formation

8. Deposited at or above ductile/brittle transition
Geologic characteristics of orogenic deposits

9. Not lithology dependent, but rheology dependent

10. Both low grade bulk minable zones and as high grade veins

11. Can exhibit vertical continuity of grade over 1km to 3km

12. Native gold, from microscopic to megascopic scale, common

13. Metallurgically “easy” deposits

14. Notable examples:
   - Timmins camp, Ontario 60M oz Au produced
   - Kalgoorlie, Australia 52M Oz Au produced
   - Motherlode, California 40M oz Au produced lode
     (60Moz Au produced placer)
# Economic potential of the Altar trend

## Altar trend prospectivity checklist

<table>
<thead>
<tr>
<th>Needed</th>
<th>Got it?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economically significant orogenic mineralizing processes affected region?</td>
<td>La Herradura (orogenic features documented by Quintanar Ruiz, 2008)</td>
</tr>
<tr>
<td>Processes operated at regional scale?</td>
<td>Geologically similar deposits known over 200km trend</td>
</tr>
<tr>
<td>Association with regional feature?</td>
<td>MSM (whatever it is!)</td>
</tr>
<tr>
<td>Systems preserved?</td>
<td>Deep drilling at La Herradura confirms</td>
</tr>
</tbody>
</table>
Economic potential of the Altar trend

1. La Herradura deposit is unequivocal proof that Sonora hosts significant orogenic deposits (Quintanar Ruiz, 2008)

2. Other mines and prospects demonstrate regional occurrence of geologically similar deposits

3. We can disagree about what it is, but the MSM is a regional structure!
   - Boundary between 1.8-1.9 Ga basement of Caborca block and 1.6-1.7 Ga basement of North American block
   - >1000 km of lateral displacement as originally proposed not supported by field evidence
   - Jurassic timing of development not certain
Orogenic gold deposits, Sonora
Orogenic gold deposits, Sonora
Orogenic gold deposits, Sonora

MSM (from Anderson and Silver, 1981)
Future of the Altar trend

• More bulk minable “low grade” deposits will be discovered

• We are not limited to the upper 100 meters!

• Deeper deposits may be exploitable by low cost (relatively) underground bulk mining methods
Future of the Altar trend

Centauro Deep

- Drillhole demonstrated gold mineralization over at least 1500m vertical interval

- ~ 350,000 ounce resource Au at >5 gpt reported by Fresnillo in December 2012

Economic potential of the Altar trend

La Herradura, Noche Buena, El Chanate prove that Altar trend is prospective for bulk minable relatively low grade deposits.

Are there other targets we should be seeking?
Economic potential of the Altar trend

Do high grade orogenic vein deposits occur along the Altar trend?
Economic potential of the Altar trend

Do high grade orogenic vein deposits occur along the Altar trend?

Yes, but they are concealed, and scale and grade is unknown

Desert prospectors provide conclusive evidence that high grade vein deposits are present
Orogenic gold deposits, Sonora

Mockingbird Mine, Motherlode region CA
(photo from https://www.collectorsedge.com)

Altar Trend, Sonora
Gold quartz vein float
Orogenic gold deposits, Sonora

Butte Nugget, Motherlode region, CA
( photo from http://www.csmonitor.com)

Altar Trend, Sonora
Gold quartz vein float
Future of the Altar trend

Do high grade vein deposits occur along the Altar trend?

Undoubtedly they do!

Within the next 20 years we will have our first drillhole tests of them.
Future of the Altar trend

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In fact, Fresnillo may have already drilled some as part of the Centauro Deep program
Future of the Altar trend

Centauro Deep
- Visible gold in drillhole BDS7F
- Intercept of 8.95m @14.3 gpt reported by Fresnillo from drillhole HGT-125

Future of the Altar trend

• Because orogenic gold systems commonly have grade continuity measured over >1km vertical extent, any discovery of a high grade vein system is likely to have significant potential for expansion at depth.

• Mexican mining industry has particular expertise with underground mining of vein deposits.

• When will we see the first head frame along the Altar trend?
Future of the gold industry in Mexico

Geologic factors all positive, but........
Future of the gold industry in Mexico

factors other than geology may impede continued growth

– Security concerns
– Land tenure
Headwinds to future growth of gold industry

Security concerns

El Gallo - armed robbery, gold theft
La Herradura - armed robbery, gold theft
La India - armed robbery, gold theft
El Límon - kidnappings, assassinations
Los Filos - kidnappings, assassinations
Peñasquito - assaults
Headwinds to future growth of gold industry

Land tenure/social license concerns

Peñasquito – illegal blockade
Cerro Jumil/Esperanza – political opposition
Cinco de Mayo – political opposition
Ixuatan – community opposition
La Herradura – revocation of explosives permit
Headwinds to future growth of gold industry

This is how Mexico appears in major North American business publications:
In Mexico’s Murder Capital, Signs of Gold Rush Are Emerging

Eric Martin
12:00 PM MET
Updated on October 19, 2016 — 1:54 AM MET

In Mexico’s Guerrero state, a lot is hidden in the dirt, secrets both gruesome and wonderful. The unmarked graves that dot the rolling hillsides give Guerrero its moniker as Mexico’s murder capital. But there’s gold here, too — lots of gold.

Toronto-based Torex Gold Resources Inc. opened its first mine earlier this year, representing a rare victory in Mexico’s efforts to fuel economic growth in a state ravaged by drug gangs fighting over the opium crops that feed U.S. heroin habits. Two other Canadian miners, Timmins Gold

Bloomberg News, 18 October 2016
Goldcorp caught in middle of Mexican gang war


Goldcorp (TSX:G, NYSE:GG) Los Filos gold and silver mine in Mexico's Guerrero state, the same region where 43 students were kidnapped and massacred last year, is at the centre of a turf war between two criminal gangs.
Armed men attack Agnico’s La India mine in Mexico, steal gold – by Ian McGugan (Globe and Mail – July 22, 2016)

http://www.theglobeandmail.com

Armed men have attacked a Mexican mine owned by Agnico Eagle Mines Ltd. of Toronto and stolen an unspecified amount of gold, adding to recurring concerns about the level of violence that faces miners operating in the country.

A security guard suffered a minor leg injury in the attack early Tuesday, but the La India mine in northwestern Sonora state is now back to normal operations, Agnico said in a news release. It declined further comment.

The theft echoes a similar incident last year in which heavily armed men stole 900 kilograms of gold-bearing concentrate, containing about 7,000 ounces of gold, from the El Gallo 1 mine in northwestern Sinaloa state. McEwen Mining Inc. of Toronto, the owner of the mine, estimated the stolen
Headwinds to future growth of gold industry

Security concerns

When it comes to investment by foreign companies, perception is the reality
Headwinds to future growth of gold industry

Some foreign capital is being directed away from Mexico mining investment and into jurisdictions deemed to present lower security and social risk.
Conclusions
Conclusions

• Mexico is geologically and politically desirable location for gold exploration investment.

• Near term future growth of industry from Guerrero Gold Belt

• Long term growth from Altar Trend?

• Security and land tenure issues negatively affecting industry – causing foreign capital aversion to Mexico.
Gracias a todos por su atención.
Thank you for your attention.
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Thank you for your attention.