

Focus on execution

Chile could become a key player in the lithium market

The global lithium market is booming thanks to increased demand for rechargeable batteries in electric vehicles.

After rising 20% in the five years to 2015 to 160,000t, demand for lithium is expected to more than double over the next decade to around 350,000t as the use of electric vehicles takes off, according to a recent report by the Chilean government.

“The key in 2017 will be more about execution more than exploration. This means that if you are a major producer like SQM or a development-stage company, the focus should be on financing and began to build so that they enter production in 2020-2021,” said Chris Berry of House Mountain Partners.

Chile could become a key player in the lithium market given its reserves of 7.5M Li, of which 6.3Mt Li are to be found in the Salar de Atacama. Chile’s other advantage is incredibly low production costs which makes lithium production in the country extremely profitable. However, the industry is hindered the lack of defined regulations for private investors: the constitution reserves lithium production for the Chilean state although it can sign special contracts with private investors.

New rules have been under study for several months. Originally expected in December

2016, they are now due to be published during 1H17.

“If the state applies the same rules that today exist for copper, gold, silver, molybdenum, then no problem. It is demanding but if the rules are clear and the prices are good, the projects will be viable,” said Marcelo Awad, country manager of Wealth Minerals.

However, according to Berry, in order to become an industry leader, the Chilean state should not focus exclusively on lithium extraction. “The lithium supply chain is growing and expanding. There are a large number of opportunities and this should animate the government to consider how to exploit these and attract more investment.” A number of companies are chasing the opportunities available in Chile.

Wealth Minerals (TSXV:WML)

After completing the acquisition of 52,000h on Chilean salares, including 42,000h on the Salar de Atacama, the company is now looking to develop these projects. “On the Salar de Atacama we have begun the application for the first permit to drill five holes to determine the quality and concentration of the lithium on the property,” said Marcelo Awad.

The drill campaign is expected to cost around US\$2M but while the permitting

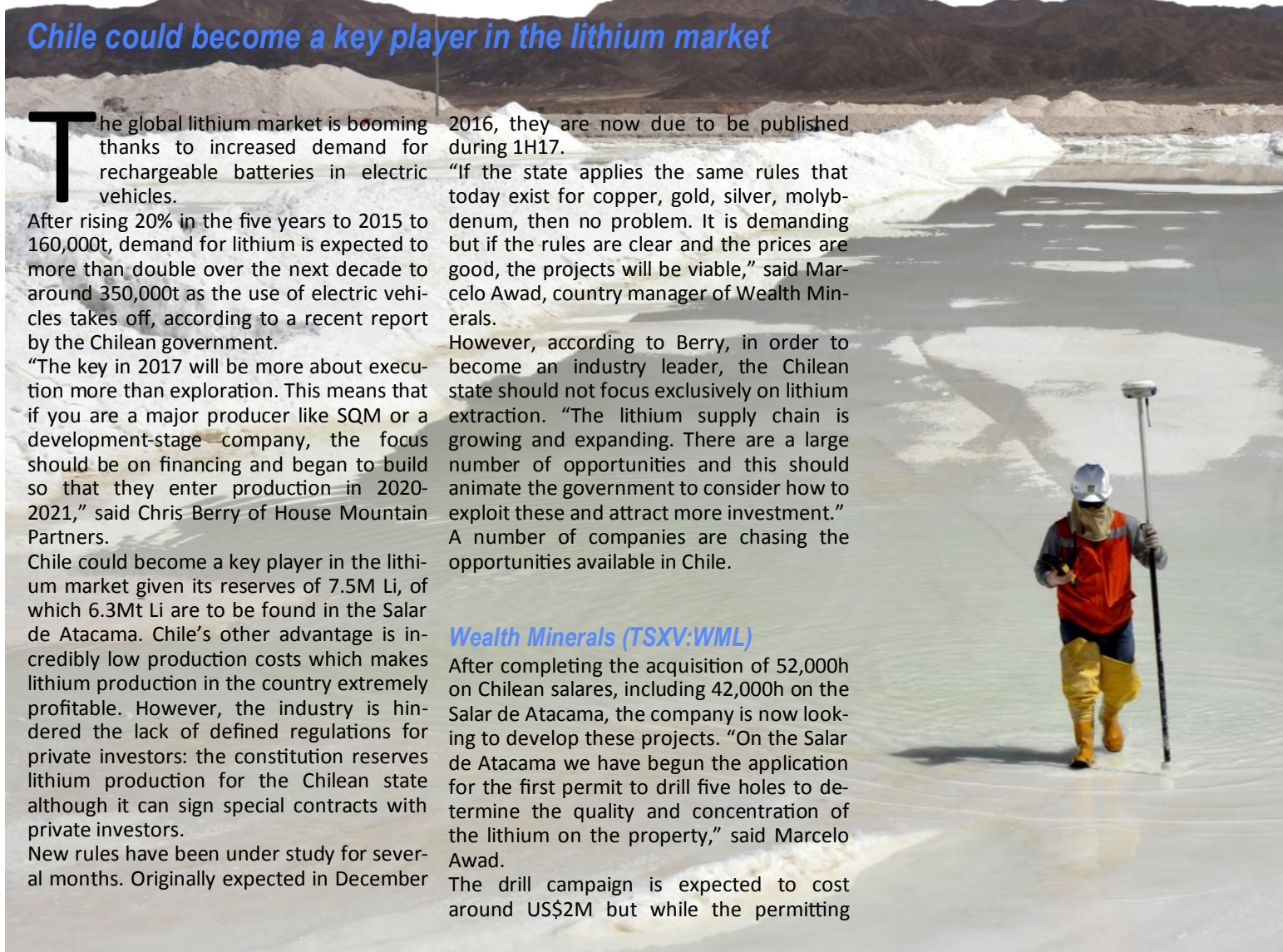


Photo: Ministry of Mining



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advances, WML is in talks with other players to acquire properties in Argentina.

Lithium Power International (ASX:LPI)

LPI is another company which has included Chile in its portfolio of projects. In mid-2016, LPI formed a JV with Minera Salar Blanco to finance exploration of the Maricunga project in Region III, which contains a resource of 574,064t LiC and 1.5Mt K. The project could produce 15,000tpa Li over 20 years.

“We have just completed the first phase of systematic drilling to increase the size of the deposit and we are now working on the design of the pilot plant. The PFS could be ready by the end of 2017,” CEO Martin Holland told CER.

To date, LPI has invested around US\$40M in Maricunga. Although it has no plans to acquire new properties in Chile, it sees the country as a good place to invest.

Bearing Resources (TSXV: BRZ)

In January, BRZ completed the acquisition of Li3 Energy (OTCQB: LIEG), thus obtaining a 17.7% stake in the Maricunga Li project in exchange for 16M shares and assuming debts worth US\$2.2M. “We shall participate in the exploration work this year but we are not obligated to invest capital,” said president Jeremy Poirier. Like WMLs country manager Marcelo Awad, Poirier says that the Chilean state needs to establish clear

rules about the production of lithium by private companies. But he remains optimistic. “I think that the call by Codelco for expressions of interest will mean that the rules will become clearer,” he said.

Albemarle Corporation (NYSE:ALB)

At the start of 2017, the General Comptroller of the Republic and the Chilean Nuclear Energy Commission approved the extension of a contract between ALB subsidiary Rockwood and Chile’s industrial development agency CORFO, allowing it to produce 80,000tpa Li during the next 27 years in exchange for royalties worth up to 40% of revenues. ALB must now invest US\$500M in a new lithium carbonate plant and has the option to build a second lithium hydroxide plant although this must produce the chemical directly from brines. ALB must also contribute at least US\$6M annually in research and development.

CODELCO

The state mining firm owns mining claims on the Maricunga and Pedernales Salares. Because of their status, Codelco does not require specific approval to produce lithium and has begun a search for potential partners to develop them. “Codelco is seeking a long-term partner. To first assess the con-

Chile is cheaper

The Southern Cone of South America has the world’s largest lithium reserves, of which the most competitive are located in Chile. “If we are talking about brines, I don’t see anything that can compete with Chile and that’s why lots of companies are looking there now. Chile has the lowest cost assets in the world,” said Chris Berry. Argentina, Bolivia and Australia also offer important opportunities but for different factors have higher production costs.

Bolivia’s Salar de Uyuni is the world’s largest, and although the lithium concentration is close to 1,000ppm (0.1%), the presence of magnesium implies additional processing. In Argentina, the evaporation rates are lower due to precipitation in the area where its salares are located. Australia produces lithium through hard-rock mining requiring investment in blasting and grinding.

“In Chile, it costs around US\$2,200 to produce a ton of lithium compared to US\$3,500 in Argentina and US\$5,000 in Australia,” explained Awad.

centration of lithium on the salares, to develop a productive project based on them and eventually to produce lithium or lithium carbonate. Codelco lacks experience in lithium so it is looking a partner with



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*Jeremy Poirier,
Bearing Resources President*

Feature

Wealth named to TSX Venture 50

WML was included in the 2017 TSX Venture 50, a ranking of the top-performing companies traded on the TSX Venture, after its share price rose by sevenfold last year. "No company makes this ranking alone. Without the strong support of our shareholders and colleagues, none of WML's success would have been possible. We thank them and look forward to an even better 2017," said CEO Hendrik van Alphen.

"Before we had to go knocking on doors for financing. Now they call us. Several European banks have been in touch," says Awad. WML was not the only lithium outfit to be recognized. While WML took third place in the ranking, first place went to Lithium X (TSXV: LIX), which is developing the Sal de los Angeles project in Argentina.

knowhow," said former Deputy Mines Minister Ignacio Moreno.

SQM (NYSE:SQM)

SQM's operations on the Salar de Atacama are a key part of its business. But the contract granting it access to the claims is subject to a long arbitration process with Chile's industrial development agency CORFO. CORFO alleges that between 2009 and 2013 SQM paid US\$8.9M less than was owed in rent under the agreement. The dispute has not yet affected SQM operations in Chile and CFO Gerardo Illanes says that the company is not concerned about the outcome of the dispute or the entry of new players into the Chilean market. However, SQM recently entered a JV with Lithium Americas Corp (TSX: LAC) to advance construction of the Cauchari-Olaroz Li project in Jujuy, Argentina. This year SQM plans to invest US\$100M in the project.

"Obviously SQM wants to expand its production capacity but it also wants to cover its back in case the dispute with the government continues," said Chris Berry.

LiCo Energy Metals (TSXV:LIC; OTCQB: WCTXF)

After signing a Letter of Intent with Durus Copper Chile SpA, LIC could obtain a 60% stake in the Purickuta project in the Salar de Atacama, in Region II, in exchange for 5M shares. LIC plans to build a plant which could produce 2,000-4,000tpa Li. A brine sampling program is already underway. "The sampling

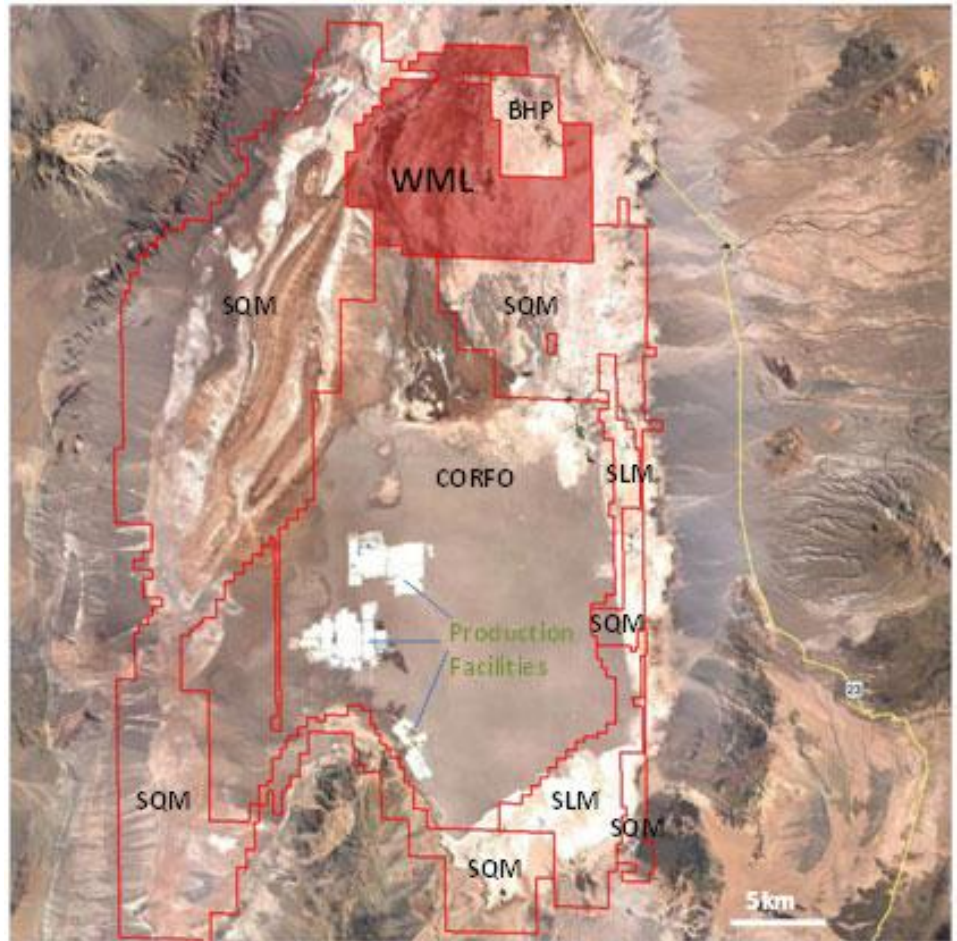


Image: Wealth Minerals

WML has acquired 52,000h on Chilean salares.

program also includes porosity measurements, to determine the size of the aquifer under the property and the possible production of synthetic brines," said COO Tim Fernback. LIC, which is also working on a preliminary resources estimate, plans to invest US\$1M on exploratory drilling. Fernback is optimistic about the development of Chilean lithium industry. "The Chilean lithium industry is becoming multinational. I think that the government is interested in involving small and medium companies in production," he said.

Kairos Capital (TSXV: KRS)

At the start of the year, KRS entered a letter of intent to acquire 26,400h in mining claims on the Salar de Coipasa and the Salar de Turi, located in Region III and II for US\$88,000. The Salar de Coipasa is located in the same geographical zone as the Salares de Maricunga and Pedernales. Recent sam-

pling returned surface concentrations of between 297mg/g and 1,410mg/l. The Salar de Turi, located close to the Salar de Atacama, offers concentrations of between 260mg/g and 580mg/l.

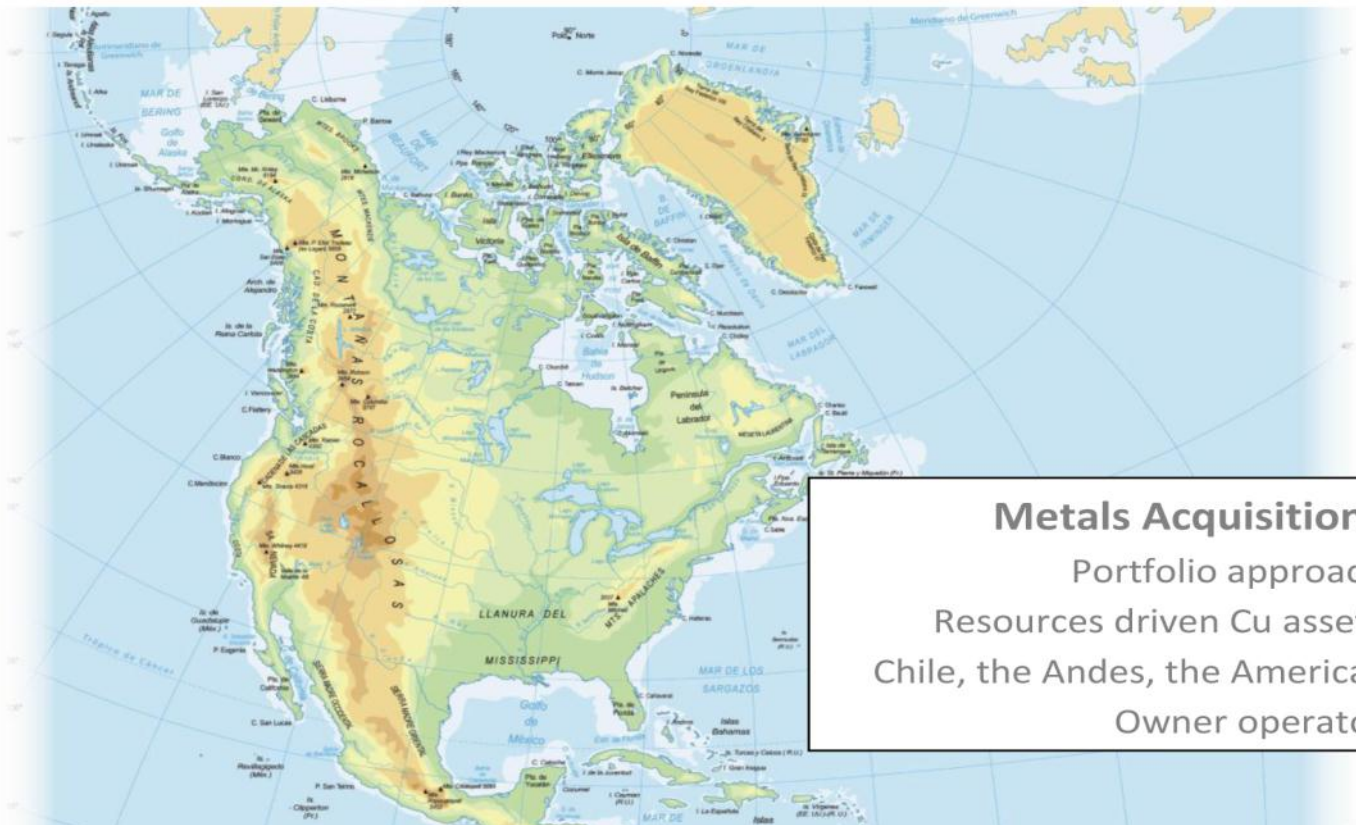
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**Chris Berry,
House Mountain Partners**



Creating a portfolio of advanced stage projects generated by exploration in SQM properties, through exploration alliances, joint ventures and acquisitions



Metals Acquisitions
Portfolio approach
Resources driven Cu assets
Chile, the Andes, the Americas
Owner operator

Metals Exploration Alliances
10 active option agreements
380,000 ha in exploration alliances
+35 M US\$ in exploration expenditures
Key partners: Capstone, QPX, Arena, Fiore



Metals Exploration
Prospect generation through advanced exploration
Over 55,000 meters drilled in 2 years
+45 prospects identified in 2 years
Current exploration work plan covering 500,000 ha



Budget cut

Uncertainty over regulations and permitting slow exploration

Last year, global spending on mineral exploration fell to US\$6.8B, marking four consecutive years of falling investment from a peak of US\$20.5B in 2012, according a report by S&P Global prepared for the PDAC 2017 convention in Canada.

In the face of low metals prices, major and junior companies have slashed spending to calm worried investors. Greenfield exploration was shelved to prioritize more advanced and less risky projects. According to analysis of the figures by the Chilean Copper Commission (Cochilco), spending on exploration in Chile fell to US\$443.4M, down US\$172M from 2015.

Large mining companies continue to dominate spending on exploration in Chile. While juniors reduced their exploration budgets by 57.3% last year, the majors only reduced their budgets by 25.1%. As a result, the participation of juniors in the exploration sector fell by 7.8%.

According to Cochilco, four of the world's ten largest investors mineral exploration are present in Chile, but that did not necessarily result in major spending here. Rio Tinto (ASX: RIO), one of the few companies to increase its exploration budget in 2016, spent US\$218.2M last year, but only spent US\$9M in Chile, a fall of 39% from 2015. RIOs focus is on the Oyu Tolgoi Cu-Au project in Mongolia and the Amrun Al project in Australia.

Gold Fields (JSE: GFI) appeared in the top ten for the first time in seventh place with a global budget of US\$125.5M. In Chile, GFI invested US\$15.6M in exploration, more than double its 2015 budget, as it works on defining resources at the Salares Norte project in Region III. Discovered in 2011, the project covers 900h. GDI now has the option to acquire two additional blocks.

Barrick Gold (TSX: ABX) was ranked eighth globally, after spending US\$117M globally but only invested US\$7.3M in Chile, a fall of 44% from 2015. This year, ABX plans to complete a scoping study on its Alturas project in Region III and optimize the Chilean half of its Pascua-Lama project with the aim of beginning a PFS in 2018.

Antofagasta plc (LON: ANTO) was ranked 10th. In 2016, it spent US\$105M on mineral exploration around the world, including US\$20.2M in Chile, down 5.9% from 2015.

The fall in exploration spending in Chile

matches the country's declining lure for executives questioned by Canada's Fraser Institute in its annual survey of mining companies. Chile was ranked 39th out of 104 countries in terms of its Investment Attractiveness, down from 11th in 2016.

However, there is evidence that the situation may beginning to turn.

"In 2015, just one quarter of the drill rigs in Chile were operating but by the end of last year, that figure rose to 65%. It is expected to reach 85% by the end of the first quarter," said Marcelo Awad, country manager of Wealth Minerals (TSXV: WML).

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Alturas bounds ahead

Barrick Gold (TSX: ABX) remains excited about its Alturas discovery in Region III.

In fact, executives harbor hopes that the project could draw attention away from others in ABX's large investment portfolio.

"If we're lucky I think that it could leapfrog some of the other projects," ABX president Kelvin Dushnisky told analysts recently.

First unveiled in 2015, drilling has now increased the size of the inferred resource to 6.8Moz (**211Mt @ 1g/t Au**), up from 5.5Moz Au (**126Mt @ 1.25g/t Au**) previously.

The deposit was identified after ABX geologists completed a review of its property along the 140km El Indio Au belt.

Recent drill holes suggest the mineralization extends E towards the Argentinean border, with one recent hole intercepting **56m @ 3.08g/t Au**, including **15m @ 9.64g/t Au**.

Further targets have been identified to the N and E of the deposit while the area of favorable alteration measures 3km by 2km, leading to comparisons with ABX's Veladero operation in Argentina.

"We have only really tested a small part of this really vast alteration zone," commented Executive VP Exploration and Growth Rob Krcmarav.

As well as geological potential, the deposit should be relatively straight forward to develop.

"It's comparatively simple project, it's mostly oxides and likely to be heap leach and there's a trade-off between open pit and bulk underground mine," the executive explained.

Still ABX is taking its time at this early stage. A scoping study originally due for completion by end-2016 has been delayed until mid-year in order to incorporate the latest technological developments, including digitization of mine operations and autonomous vehicles in to the final design.

"The aim here really is to develop an optimal plan rather than rush into a plan and potentially lock in a conventional design," said Krcmarav.

Last year ABX and US technology firm Cisco (NASDAQ: CSCO) announced a partnership that aimed to reinvent mining through the incorporation of information technology into every aspect of its operations, starting with a flagship operation at its Cortez mine in Nevada, with the aim of rolling them out to other mines over the coming years.

Meanwhile, ABX is advancing rapidly with plans to start production at its stalled Pascua-Lama project.

In Lama land

After seeing construction halted following environmental problems in Chile, the company now plans to develop an underground mine in the Argentinean portion of the deposit (Lama).

Speaking at the event, George Bee, SVP for the Frontier district, said that the project would involve the use of one 15,000tpd line of the three line processing plant at Lama to process underground ore.

Given the advanced stage of construction when the project was halted, restarting should be relatively simple.

"This is not a typical brownfield. We are looking at a restart from an already advanced level," said Bee, who rejoined ABX last September after a ten year absence. On his previous stint, he oversaw development of ABX's Pierina mine in Peru as well as nearby Veladero.

Despite the hiatus in development at the top of the Andes Mountains, the camp and other infrastructure remain in good conditions and requiring only minor repairs.

Permits are already in place for most part of the development, including the plant, tailings, and infrastructure with only adjustments required to the mine plan.

After going badly wrong in its initial version, ABX hopes that a little less ambition could be the path to success.

"Bulk underground mining offers the opportunity to move forward in bite size manageable chunks and generate additional development from cash-flows," Bee explained.

The company is hopeful that this new strategy could win the support of authorities on both sides of the border.

In particular, in Chile, where the environmental impact of the open pit development led to the suspension of its license.

"Life gets a lot easier if the underground development works," noted Dushnisky.

Despite the upturn in ABX's fortunes (and share price) over the last year, the executive said ABX could still consider incorporating a partner into its projects along Chile, Argentina border if terms could be agreed.

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From exploration to production

Auryn ships first ore from Altos de Lipangue

It took four years for Maurizio Cordova, CEO of Auryn Mining, to negotiate the consolidation of ownership of the Altos de Lipangue copper project but it is now showing its potential, the executive says, drawing comparisons with Teck's (TSX: TCK) Andacollo mine in Region IV.

Covering 11,000ha 40km NW of Santiago, near the town of Lampa, Cordova says exploring Altos de Lipangue has been something closer to a work of art than a mining process.

Entering a mountain affected a natural rock-fall, meaning they were unable to use explosives, was a major challenge for the Auryn team. "We had to do it manually, installing timber props and then building a ceiling. There are ceilings up to six meters high," Cordova told CER.

In five months, the team could only advance 80m. But in the following 20m, Auryn obtained an intercept of 28m @ 11.5g/t Au, 31g/t Ag & 1.62% Cu. "This vein cut off after 4m and appeared 42m away," Cordova explained. The results for the intervening meters have yet to be published but are expected to double the previous ones.

"In the upper part of the mountain, we have two structures visible and so we should have two veins (...). In the coming days we shall build a crosscut on half the deposit, and we

think that, in less than 20m, we find some high grades in the orebody," the executive said.

This discovery will allow Auryn to define how to develop the mine. Although the focus has been on exploration, the ore extracted so far has been sent for production. On December 26th last year, the company made its first delivery of 12.4t of ore to state mining development company ENAMI. To date around 100t has been sent for processing.

Still exploring

From north to south, Auryn has identified almost 2km of veins on the property and the company aims to explore all of them. The process could take 18 months but if they discover the high-grade veins they are looking for, then the company will set up a new team to drill an exploration tunnel while the rest of the personnel develop production veins.

"We have built three shafts and theoretically we have seven levels above and six levels below. We could have 15 work teams and all of them blasting at the same time," said Cordova.

With two blasts daily, the mine could advance around 90m a month. This rate of work would significantly increase production

costs, but it remains an option "as long as it is for production."

At Altos de Lipangue, the company is aiming for significant production volumes but with a careful management of costs. To assess the business model and develop a plan, the company has hired the geologist Raymond Jannas (a director at Revelo Resources) as an advisor. "We want to develop the veins and generate the cash-flow of a small-scale mine, almost artisanal but still significant," said Cordova.

Interest from majors

The project has already attracted the interest of some major mining companies. Representatives from Freeport-McMoRan (NYSE) were recently on site to assess the Pegaso Nero and Dos Marias targets, where the presence of molybdenite and tourmaline breccias could indicate a porphyry system. The companies have signed a confidentiality agreement.

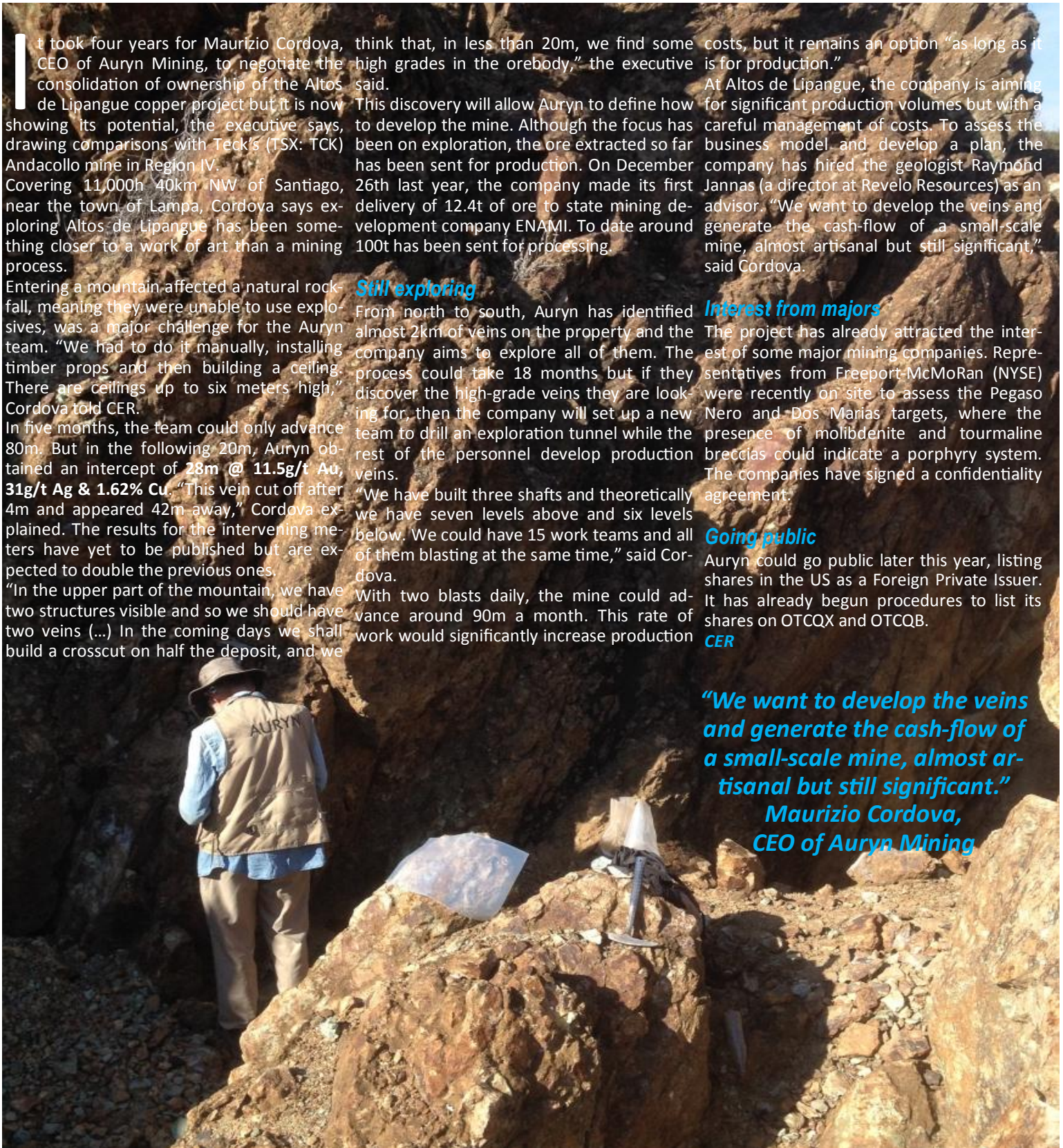
Going public

Auryn could go public later this year, listing shares in the US as a Foreign Private Issuer. It has already begun procedures to list its shares on OTCQX and OTCQB.

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"We want to develop the veins and generate the cash-flow of a small-scale mine, almost artisanal but still significant."

**Maurizio Cordova,
CEO of Auryn Mining**



Hot Chili, CAP seek investor for Productora

The exploration team is about to begin studying four areas of porphyry mineralization

Hot Chili (ASX: HCH) and CAP Minería are looking for a partner to develop their promising Productora project in Region III into Chile's newest copper mine.

Productora is 80%-owned by HCH subsidiary Sociedad Minera El Corazón Limitada. CAP holds the balance of the shares but last year decided not to exercise an option to increase its stake to 50.1% by taking the project to the feasibility stage.

The board also "authorised the start of negotiations with HCH with the aim of determining the conditions under which a third party could be incorporated as controller of the Productora project."

Located in Chile's Coastal Mountain Range, with easy access to the Pan-American Highway, power lines and ports, Productora is one of the best low altitude projects in Chile. A PFS completed in 2016 suggested that the mine could produce 66,000t Cu and 25koz Au annually over the first eight years of production.

The move comes at the start of a crucial phase for the exploration of the Productora property which HCH believes could turn into a world-class copper discovery. The exploration

team are about to begin studying four areas of porphyry mineralization close to the main pit.

"We shall submit the Environmental Impact Statement in the next two weeks and begin a new drilling campaign. Our business is finding and creating resources and reserves," Jose Ignacio Silva, HCH's country manager, told CER.

The targets were detected in 2015 through IP/MT geophysical surveys in area covering more than 6km². To the NE of the property, HCH discovered Alice, a deposit which represents around 10% of the project's reserves. However, the Productora resource (1.5Mt Cu & 1Moz Au) could form part of a much larger copper porphyry deposit.

With the rise in the copper prices in recent months, HCH is now looking to return to underexplored areas with the aim of positioning Productora as one of the world's leading copper projects.

"If we find copper at any of the four targets, it could double the mine life of the project. This would be a game-changer," said Silva. The mine currently has a ten year mine life.

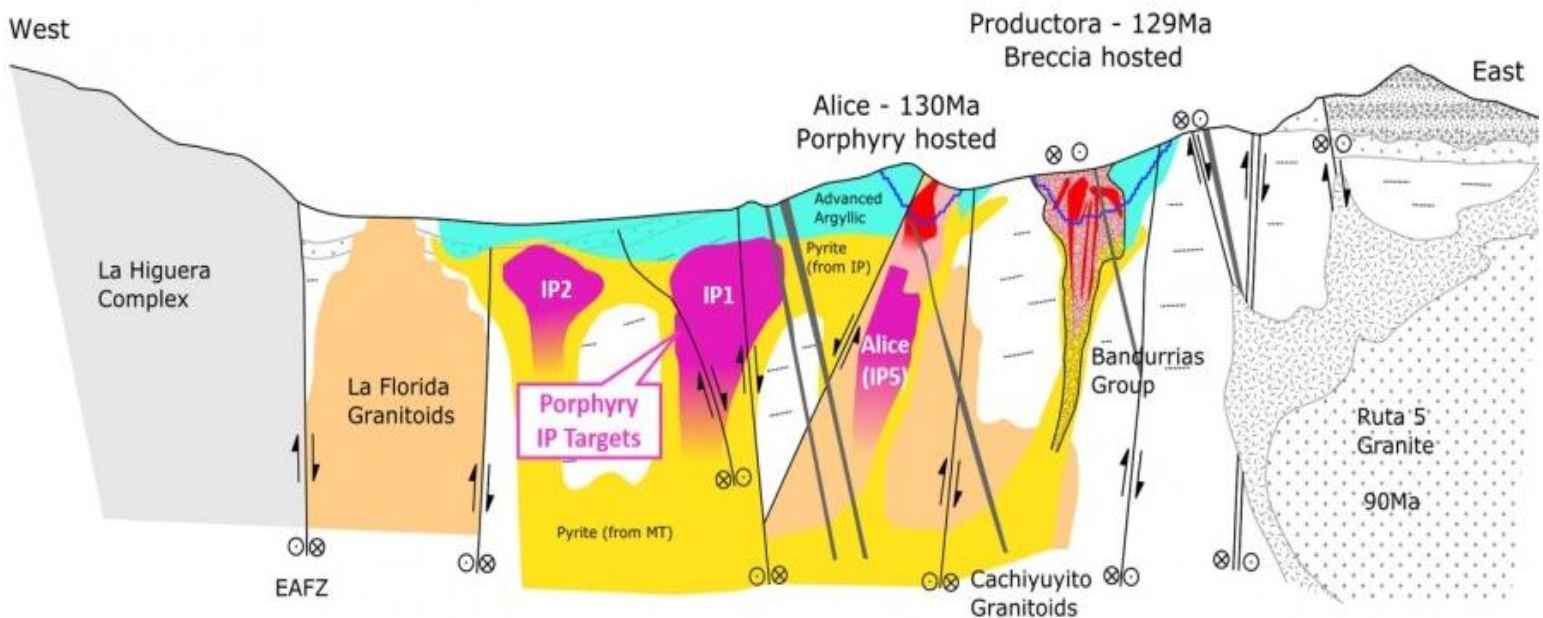
The intensive exploration campaign is expected to cost between US\$3M and US\$5M.

HCH is negotiations with a number of companies about financing. "Today there is more interest in financing exploration," the country manager said.

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"If we find copper at any of the four targets, it could double the mine life of the project. This would be a game-changer."

**Jose Ignacio Silva,
Country Manager
of Hot Chili Consolidated**



Facilitating investment

Exploration is a priority for Chile's Roadmap 2015-2035

Chile is a leading player in global mining and remains one of the best regarded economies in South America by international analysts. However, a drop in mine investment since 2013 has hit the economy hard, leading its authorities to look hard at the needs of the industry.

Just over a year since the launch of the Technological Roadmap 2015-2035, the challenges facing Chile's copper industry over the next two decades have become clearer.

One of them is the need to increase investment in mineral exploration in order to boost reserves and find new projects. So far the results have been mixed. Although the number of companies carrying out exploration in Chile has not increased, "there is a sustained trend in terms of the interest among the main landholders in carrying out exploration," Mining Minister Aurora Williams told CER.

A key issue is the availability of geological data.

"Chile's position as an attractive country for exploration depends on the availability of useful, integrated and easily-available information," the minister said.

In order to facilitate investment decisions, the Ministry of Mining is pushing the development of a series of tools and regulations to integrate information on existing mine property and available land, with geological maps and geophysical, hydrogeological and metallogenic data.

"As the country advances in coverage of information on surface and subsurface resources in greater scales of detail, it becomes

easier and less risky to invest in more advanced drilling," Williams explained.

However, to attract new players to explore in Chile, the country will also have to review the rules governing access to mine property.

According to the geology and mining service SERNAGEOMIN, there are currently 48,595 exploration claims in the country, almost half of which are concentrated in Regions II and III. Property is concentrated with just sixteen companies controlling more than a third of the exploration and mining claims in the country.

However, "although there is a preliminary diagnosis regarding the need to make the market more dynamic and reduce the space for speculation," the government has no plans for now to modify the system. "The updating of the mine safety regulations has priority," the minister said.

This week the minister will be in Toronto to highlight Chile's leading role in the global mining industry at the annual convention of Canada's Prospectors and Development Association (PDAC 2017) where she will highlight the search by mining development company ENAMI for partners to develop six greenfield and five brownfield projects.

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Exploration News

Teck (TSX: TECK)

Has reduced forecast investment in the expansion of its Quebrada Blanca Cu mine in Region I by US\$900M to US\$4.7B. TCK owns 76.5% of the mine and will finance US\$4B of this project, which could enter production in 2021. It expects to obtain environmental approval for the project by end-2017. The budget cut follows an update of the FS completed at end-2016. The expansion will allow the mine to produce 275,000tpa Cu and more than 7,700tpa Mo over the first five years. TCK also said that it will undertake a 16,750m drill campaign at its Relincho and Fortuna deposits in Region III to support a PFS which could be completed by 3Q17. The deposits form part of the NuevaUnion project, a JV with Goldcorp (TSX: G, NYSE: GG).



Teck's Quebrada Blanca mine

Lithium Power International (ASX:LPI)

Has confirmed the presence of high-grade Li brine in the Maricunga project in Region III. An intercept in hole S19 measuring more than 336m long and open at depth achieved an average grade of **1,600mg/l Li & 10,600mg/l K**. The other results include **168m @ 1,382mg/l Li & 11,041mg/l K** in hole S18 and **954mg/l Li & 6,580mg/l K** in hole S2. The measurements registered in hole S19 suggest that the brine is extensive. "This result points to the potential for a long-term mine life at the Maricunga Project. The project is a major high-grade Li brine body open at depth and now that the drilling program is complete, LPI is working on the resource estimate, in parallel with the environmental impact assessment and process and engineering studies for the project," said CEO Martin Holland. LPI owns 50% of the Maricunga JV while Minera Salar Blanco owns 32.33% and Li3 Energy (OTCQB: LIEG), which was recently acquired by Bearing Resources (TSXV: BRZ), owns 17.67%.

Coro Mining (TSX:COP)

Has completed work on an EIS for its Marimaca Cu project in Region II, which it will use to apply for environmental permits. The information will also be used in a FS being developed by COP. "We are pleased to have completed this important phase of the project's evaluation which, together with the previously announced maiden re-

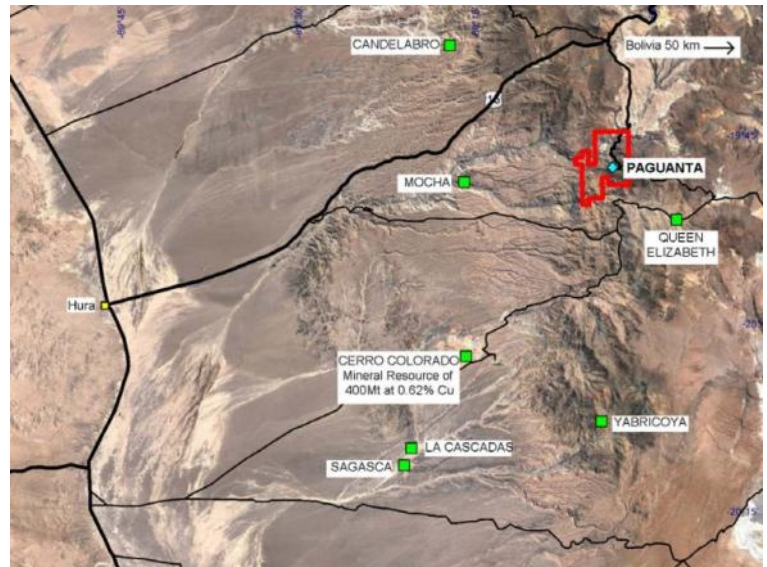
source estimate and the planned acquisition of the Ivan processing plant, confirm our intention to accelerate the development of Marimaca," said CEO Alan Stephens.



View of Ivan processing plant

Golden Rim Resources (ASX: GMR)

Has secured 260h of mining easements for the Patricia prospect, part of its Paguanta project in Region XIV. GMR executed the agreement through its 70%-owned subsidiary Compañía Minera Paguanta which owns the project. The easement agreement will extend until 2029 and GMR will pay US\$825,000 to the owners in three payments between 2017 and 2023. "The execution of the mining easement agreement is an important step forward in the mining development pathway for the significant Zn-Ag-Pb mineral resource at Patricia. It provides further certainty for the project and enhances relationships with the local stakeholders," said MD Craig Mackay.



Paguanta project in Region XIV

Exploration News

Austral Gold (ASX: AGD; TSXV: AGLD)

is close to taking a decision to develop its Amancaya Au-Ag project in Region II. "At Amancaya we completed a very successful infill drill program, identifying two new high-grade Au shoots. Amancaya is fully permitted and with the PFS due by the end of March we expect that we could be in a position to make a production decision on this Au-Ag project very shortly, with preparations at site well advanced," said CEO Stabro Kasaneva. Construction of a new agitated leach plant at its Guanaco plant to treat production from Amancaya could also be ready by the end of March. In Argentina, AGD aims to lift its stake in the Casposo mine to 70% by paying US\$1M to Troy Resources (ASX: TRY) to acquire an additional 19%. In 2016, AGD agreed to pay US\$3M for a 51% stake with the option to lift its stake to 100% by paying US\$8M between 2017 and 2021. To date, around US\$10M have been invested in reengineering the mine.



Image: Austral Gold

Amancaya and Guanaco are located in Region II.

Filo Mining (TSXV: FIL)

Announced intercepts of **84m @ 1.36g/t Au** and **78m @ 1.02g/t Au** in the Filo del Sol project in Region III where it has carried out 3,839m of drilling over 20 holes. FIL said that these are the best results obtained during the campaign which seeks to confirm the existence of high-grade Au oxides. Filo del Sol is a high sulfuration epithermal deposit where three types of oxides mineralization have been discovered. The first is a zone rich in Au oxides in the upper part of the deposit with low Ag grades and almost no Cu. Below this is a Cu-rich zone consisting of Cu oxides with moderate Au-Ag grades. Finally below the Cu zone lies an area of high grade Ag and moderate Cu-Au zones.



Photo: Filo Mining

Drilling at Filo del Sol.

Corporate News

Columbus Gold named to OTCQX Best 50

Columbus Gold (TSX: CGT; OTCQX: CBGDF) was included in the 2017 OTCQX Best 50, a ranking of the top-performing companies traded on the OTCQX Best Market last year. "CGT is pleased to be included among the best-performing stocks on the OTCQX Best Market. Ranking 28th of 399 companies is an achievement that endorses our accomplishments throughout 2016," said CEO Robert Giustra.

Goldcorp buys El Morro stream

Goldcorp (TSX: G; NYSE: GG) has agreed to buy the right to acquire 4% of the Au produced from the El Morro deposit in Region III from New Gold (TSX: NGD; NYSE: NGD) for US\$65M. El Morro forms part of the NuevaUnion project, a JV with Teck (TSX: TCK). "The purchase of the stream from NGD is consistent with our strategy of optimizing

our portfolio to drive increasing net asset value per share," said CEO David Garofalo. "NuevaUnión is a unique project combining the expertise of two large-scale mining companies to jointly develop what is expected to be a low-cost, long-life asset."

MMG appoints CEO

MMG Limited (ASX: MMG) named Jerry Jiao as its new CEO following the resignation of Andrew Michelmore. "We remain as committed as ever to growing our business and to delivering value for our shareholders, our employees and our communities," said Jiao. Michelmore will continue with MMG until July 1st.

Regional News

U3O8 defines high-grade mineralization

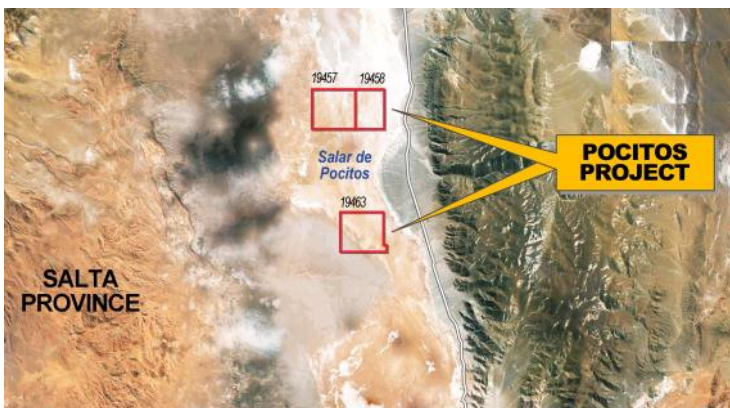
U3O8 Corp (TSX: UWE; OTCQB: UWEFF) has defined additional high-grade mineralization at its Laguna Salada project in Chubut, increasing the size of the resource. "The identification of higher-grade potential provides an opportunity to further reduce estimated production costs for the Laguna Salada deposit. In addition, it opens up new targets for shallow U-V mineralization in soft gravel, sand and silt that can be inexpensively explored through trenching," said CEO Richard Spencer.



U3O8s Laguna Salada project

Millennial exercises Pocitos option

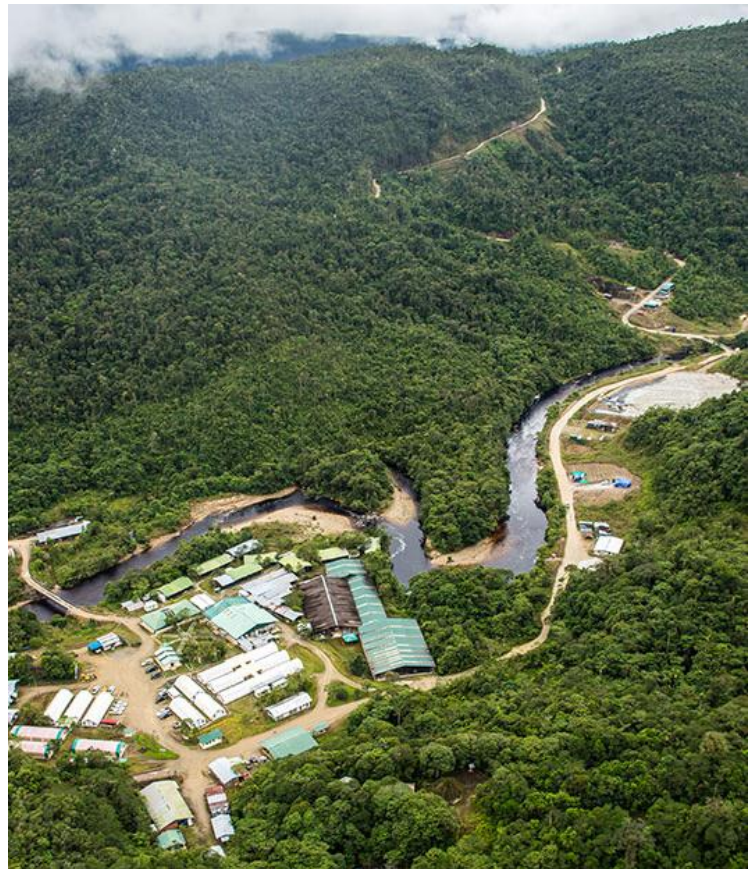
Millennial Lithium (TSXV: ML; OTCQB:MLNLF) has exercised an option to take a 100% stake in the Pocitos Oeste project in Salta, for US\$4.5M, payable over three years. ML is negotiating the acquisition of mining claims covering 15,857h to process brines on the Pocitos Salar, 40km W of the Pastos Grandes project, where drilling recently confirmed the presence of brines to a depth of 400m. The option establishes the payment of US\$100,000 as a deposit, US\$150,000 following approval by the TSXV, US\$250,000 after six months, US\$500,000 each after 18, 24, and 30 months and US\$3M after three years.



The Pocitos project in Salta

Lundin award FDN contract

Lundin Gold (TSX: LUG; OMX: LUG) has awarded a contract to develop the Fruta del Norte Au project to a consortium of Chile's Mas Errázuriz and Sevilla y Martínez Ingenieros CA from Ecuador. The two companies will form a 50/50 JV to become LUGs key contractor for portals and soft tunneling work and the development of the twin declines and of the mine in preparation for operations. "We are very pleased to have completed the process of selection for the mine development contractor, enabling LUG to continue to advance the Fruta del Norte project on schedule," said CEO Ron Hochstein. In December, LUG signed a contract with the Ecuadorian government to operate the mine for the next 25 years. The project requires an investment of US\$1B and will create 3,000 direct and 7,000 indirect jobs.



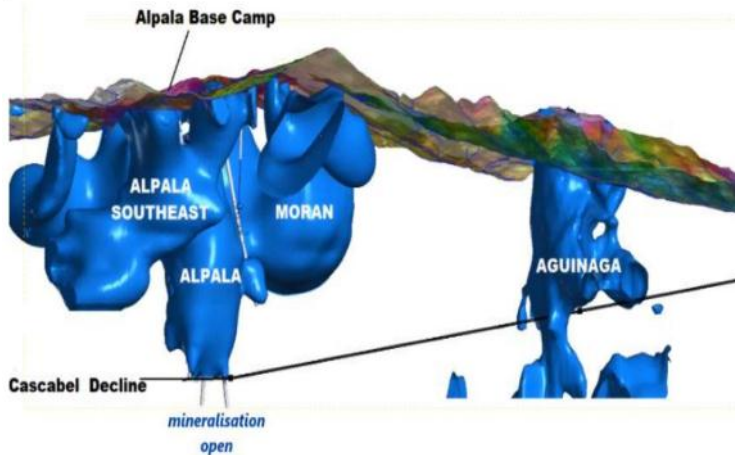
The Fruta del Norte project

SolGold extends Alpala vein

SolGold (AIM:SOLG) has confirmed the extension of the Alpala vein at its Cascabel Cu-Au project in Ecuador. Hole 21 intersected Cu mineralization from 685m, including chalcopryrite and bornite between 844m and 1,187.2m, and will be drilled to a depth of 2,300m. The vein is now known to extend for 200m SE of hole 16 (856m @ 0.8% Cu & 1.04g/t Au). Hole 22 returned Cu sulfides between 253m and 1,128.2m, including intense bornite mineralization to a depth of approximately 960m, extending the Alpala deposit by 130m over the intercept previously detected in hole 19 (802m @ 0.63% Cu & 0.43g/t Au). "We have yet to define

Regional News

the extents of the Alpala porphyry system. The deposit remains open in most directions and continues to grow with each new drill hole. The geology team has planned a strong drill program, utilizing at least six core-rigs, to delineate the deposit and vector towards the high-grade Cu-Au core of the system," said SOLG's chief technical adviser Steve Garwin.



The Alpala deposit in 3D

Tartisan options Don Pancho project



Tartisan Resources (CSE: TTC) has entered an option agreement with Duran Ventures Inc (TSX: DRV) to acquire the Don Pancho Zn-Pb-Ag project in Lima Department for US\$50,000 plus 1M shares. Don Pancho covers 600h of mining claims located in Peru's polymetallic belt which hosts world-class mines such as Glencore's (LON: GLEN) Iscaycruz and Yauliyacu. Work undertaken at the project includes mapping and sampling, geophysical surveys and a 2,000m diamond drill program in 6 six holes, the results of which included **40m @ 0.88% Zn, 0.4% Pb and 7.7g/t Ag**.

Auryn expands Sombrero



Auryn Resources (TSX: AUG; OTCQX: GGTCG) said recent sampling results have expanded the mineralization zone at its Sombrero Au-Cu project in Ayacucho. Sampling returned grades of over **7.54g/t**

Au & 16% Cu in areas which had not been previously studied. Trenching results include **53m @ 1.75g/t Au** (including **14m @ 5.23g/t Au**) of oxide mineralization at the margin of a newly discovered 2.3km by 500m Au-in-soils anomaly. "The results of our brief two week sampling campaign has expanded the known footprint of Au-Cu mineralization to 4.5km by 4.2km which has increased the potential scalability of the mineralized system at Sombrero considerably. The discovery of high-grade trench intercepts, cohesive Au-in-soil anomalies and newly-identified mineralized skarn bodies within a limited area in the southern part of the project is an excellent start to our property wide exploration program planned for 2Q17," said chief geologist Michael Henrichsen.

Tinka obtains drill permit



Tinka Resources (TSXV: TK) has been granted approval by the Ministry of Energy and Mines to begin drilling at its Ayawilca project to extend the Zn mineralization zone and assess targets generated through geophysical and geochemical surveys. "We are very pleased to commence our 2017 drill program at Ayawilca, which will focus on the discovery of additional high-grade Zn mineralization beyond the existing resource boundaries...Phase I of the drill program will target extensions of the highest grade and thickest parts of the existing Zn Zone resource at West Ayawilca. Mineralization there remains open to the S and W. Phase II of the drill program will target the Zone 3 and Chaucha areas, which are two of our highest priority anomalies outside of the resource footprint. This second drilling phase is expected to commence in April 2017, when at least one additional drill rig will be deployed at the project," said CEO Graham Carman.



Tinka Resources' Ayawilca project

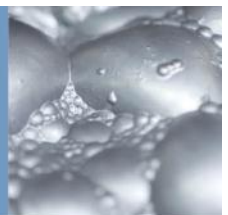


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Santacruz to sell El Gachi for US\$2.5M

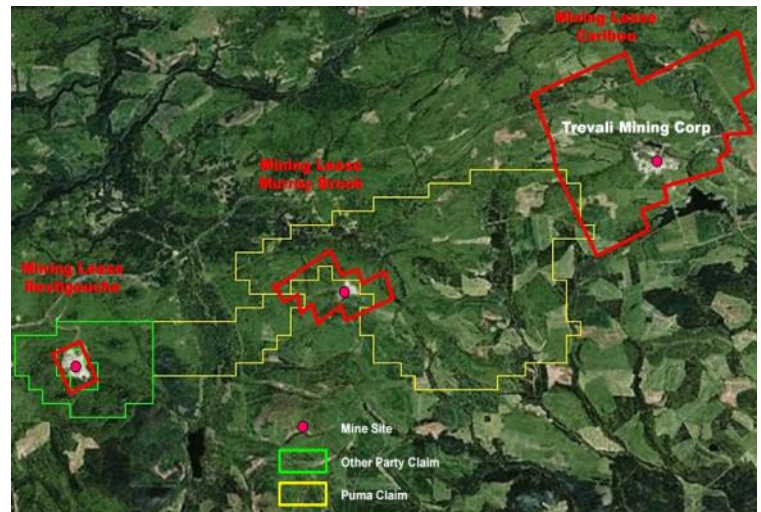
Santacruz Silver Mining (TSXV: SCZ) has signed a binding agreement with First Majestic Silver Corp (TSXV: FR; NYSE: AG) to sell its stake in the El Gachi property in Sonora, Mexico, for US\$2.5M. El Gachi covers 48,057h of mining claims near the FRs Santa Elena mine. SZCL will use US\$750,000 from the payment to partially pay back its outstanding loan from JMET, LLC and to pay US\$580,000 to Minera Hochschild Mexico, SA de CV. "With our corporate strategic focus being concentrated on our two producing projects, Veta Grande and Rosario, the El Gachi property became a non-core asset in our mineral property portfolio," stated SCZ CEO Arturo Prestamo. "As such we are pleased to enter this transaction with FR which allows us to monetize our investment, pay down debt, and provide additional working capital for our core operations."



The location of El Gachi in Sonora, Mexico

Puma buys Murray Brook

Puma Exploration (TSXV: PUM) completed the acquisition of 67.9% of the Murray Brook Zn-Pb-Cu-Ag project in northern New Brunswick from Votorantim Metals Canada for C\$9M. The Murray Brook deposit contains a historic Proved and Indicated resource of **17.4Mt @ 2.73% Zn, 0.47% Cu, 0.99% Pb, 41.7g/t Ag & 0.59g/t Au**. PUM also acquired Murray Brook Minerals Inc. for 36M shares. Meanwhile, PUM raised US\$555,000 through the closure of the second tranche of a private placement of 7.9M units @ US\$0.07 to finance exploration and development work at its properties in New Brunswick.



The Murray Brook project in New Brunswick

Montan Mining to acquire processing plants

Montan Mining (TSXV: MNY; SSE: MNYC) has entered an agreement with Pacific Alliance Capital Group Ltd to acquire the Peruvian companies Kairos Capital Peru and M&S Transportes y Servicios Generales for US\$3.4M in cash and US\$3M in shares. The companies own the 125tpd Mirador processing plant in Chimbote, Peru, six mining claims, and the right to acquire another three. The Mirador plant is operational and includes two months' worth of ore in the





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Santiago Venture News

stockpile. "Upon closing of the transaction, MNY will have secured a fully operating asset in the strategic northern part of Peru where there is almost negligible competition and a readily available supply of high-grade mineralized material which is currently being trucked over 1,200km S for processing in Chala or Nazca," said executive chairman Luis Zapata.

Highlights include **285.3m @ 1.1% Cu & 0.99g/t Au; 287.32m @ 0.5% Cu & 0.28g/T Au; 289.32m @ 0.2% Cu & 0,29g/t Au; 325.20m @ 0.6% Cu & 0.28g/t Au; 327.2m @ 0.5% Cu & 0.21g/t Au.** "While highlighted results are across narrow widths, they prove that high-grade IOCG mineralization is present in this system," said CEO Patrick J Cruickshank.

Columbus Gold raises US\$5M

Columbus Gold (TSX:CGT; OTCQX: CBGDF) raised US\$5M through the private placement of 8M shares @ US\$0.63 to finance a 5,520m exploration program at its Montagne d'Or Project in French Guyana.

Chilean Metals sees potential at Zulema

Chilean Metals (TSXV: CMX; OTCQB: CMETF; SSE: CMX) believes drill results, mineralization and alteration at its Zulema Cu-Au project in Region III could fit with the model of Lundin Mining's (TSX:LUN) Candelaria Cu mine. CMX has drilled five holes (1,200m) so far. The presence of Cu-bearing magnetite skarn, interbedded magnetite chalcopyrite bands, biotite magnetite alteration, magnetite and hematite veining and local mineralized breccias suggests proximity to a main mineralized target.



Photo: Chilean Metals

Zulema Project in Region III

Santiago Venture / Updated on March 3rd 2017

Santiago Venture	Ticker	Shares (M)	Mkt cap (\$M)	Price	Last month	Change (%)
Chilean Metals	CMXCL	25.2	4.07	0.100	0.2354	↓ -53%
Columbus Gold Corp	CGTCL	141.665	124.67	0.79	0.88	↓ -9%
Gold Reserve	GRZCL	76.077	350.71	3.83	4.61	↓ -18%
Inca One Gold Corp	IOCL	78.7	18.10	0.17	0.23	↓ -30%
Montan Mining	MNYCL	19.7	0.89	0.055	0.045	↑ 30%
PPX Mining Corp	PPXCL	246.5	20.95	0.085	0.085	0%
Puma Exploration	PUMACL	101.3	8.10	0.10	0.08	↑ 9%
Red Eagle	RDCL	184.3	182.46	0.60	0.99	↓ -37%
Santacruz Silver Mining	SZCL	113.5	39.73	0.34	0.35	↓ -2%
Southern Silver Exploration	SSVCL	54.483	25.61	0.49	0.47	↑ 9%
Wealth Minerals	WMLCL	34.195	54.03	1.72	1.58	↑ 10%

The Chile List / Updated on March 3rd 2017

Company	Ticker	Shares (M)	Mkt cap	Price	Last month	Change (%)
Admiralty Resources	ADY	959	12.47 (A\$M)	0.01	0.01	0%
Alliance Resources	AGS	400.1	37.61 (A\$M)	0.091	0.094	↓ -3%
Amerigo Resources	ARG	173.6	67.70 (C\$M)	0.80	0.39	↑ 120%
AQM Copper	AQM	141	31.73 (C\$M)	0.225	0.225	0%
Arena Minerals	AN	80	14.80 (C\$M)	0.15	0.185	↓ -18%
Atacama Pacific Gold	ATM	65.2	24.78 (C\$M)	0.31	0.38	↓ -14%
Austral Gold	AGD	478.7	83.77 (A\$M)	0.165	0.175	↓ -6%
Capstone Mining	CS	382.1	584.61 (C\$M)	1.71	1.53	↑ 19%
Cerro Grande Mining	CEGMF	175	1.37 (C\$M)	0.0154	0.0078	↑ 115%
Coro Mining	COP	159.4	26.30 (C\$M)	0.165	0.165	0%
Equus Mining	EQE	434	4.77 (A\$M)	0.011	0.011	0%
Exeter Resource	XRC	88.4	121.11(C\$M)	1.51	1.37	↑ 12%
Fiore Exploration	ROUGF	87.42	31.37(C\$M)	0.39	0.39	0%
Global Hunter	BOB	14.038	0.03 (C\$M)	0.035	0.035	0%
Golden Rim	GMR	5.15	14.39(A\$M)	0.009	0.009	0%
Herencia Resources	HER	24.43	0.43 (GBP)	0.0225	0.0175	↑ 47%
Hot Chili	HCH	347.7	9.74 (A\$M)	0.028	0.028	0%
Kingsgate Consolidated	KCN	223.6	64.84 (A\$M)	0.29	0.29	0%
Los Andes Copper	LA	218.1	42.53 (C\$M)	0.18	0.195	↓ -8%
Mandalay Resources	MND	410.4	357.05 (C\$M)	0.62	0.87	↓ -26%
Mirasol Resources	MRZ	44.2	86.19 (C\$M)	1.68	1.95	↓ -17%
NGEx Resources	NGQ	187.7	253.40 (C\$M)	1.26	1.35	↓ -6%
Orosur Mining	OMI	96.6	26.08 (C\$M)	0.27	0.27	0%
Revelo Resources	RVL	100.2	6.51 (C\$M)	0.065	0.065	0%
Regulus Resources	REG	56.4	81.78 (C\$M)	1.63	1.45	↑ 18%
Savant Explorations	SVT	70.65	1.41 (C\$M)	0.002	0.002	↑ 33%
Silver Standard Resources	SSO	80.7	1,158.85 (C\$M)	14.36	14.36	↑ 11%
Southern Hemisphere	SUH	290	11.60 (C\$M)	0.04	0.04	0%
TriMetals Mining Inc	TMI	135.7	38 (C\$M)	0.27	0.28	↓ -1%
White Mountain Titanium	WMTM	88.1	2.20 (US\$M)	0.007	0.025	↓ -117%

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Conferences and Events Calendar

<p>March 5th - 8th</p> <p>PDAC 2017</p> <p>Toronto, CANADA</p> <p>www.pdac.ca/convention</p>	<p>March 13th - 15th</p> <p>International Copper Conference 2017</p> <p>Liepzig, GERMANY</p> <p>www.metalbulletin.com/events/international-copper-conference</p>	<p>March 20th - 22th</p> <p>Process Mineralogy 2017</p> <p>Cape Town, SOUTH AFRICA</p> <p>www.min-eng.com/processmineralogy17</p>	<p>April 3rd– 5th</p> <p>World Copper Conference 2017</p> <p>Santiago, CHILE</p> <p>www.crugroup.com/events/copper</p>
<p>April 5th - 17th</p> <p>Mines and Money Asia 2017</p> <p>Hong Kong, CHINA</p> <p>www.asia.minesandmoney.com</p>	<p>April 11th - 14th</p> <p>International Mining Congress and Exhibition of Turkey</p> <p>Antalya, TURKEY</p> <p>www.imcet.org.tr/default.asp</p>	<p>April 1st - 13th</p> <p>Minesafe International</p> <p>Perth, AUSTRALIA</p> <p>www.minesafe.ausimm.com.au/</p>	<p>May 15th - 19th</p> <p>EXPONOR 2017</p> <p>Antofagasta, CHILE</p> <p>www.exponor.cl</p>
<p>July 24th - 26th</p> <p>Iron Ore 2017</p> <p>Perth, AUSTRALIA</p> <p>www.ironore.ausimm.com.au</p>	<p>Sept 20th - 22th</p> <p>International Mining Geology Conference 2017</p> <p>Hobart, AUSTRALIA</p> <p>www.mininggeology.ausimm.com.au</p>	<p>Sept 27th - 28th</p>  <p>Grand Hyatt Santiago CHILE</p> <p>www.cexr.cl/congreso-2016/en/</p>	<p>Oct 16th - 18th</p> <p>AusIMM Underground Operators 2017</p> <p>Gold Coast, AUSTRALIA</p> <p>www.undergroundoperators.ausimm.com.au</p>