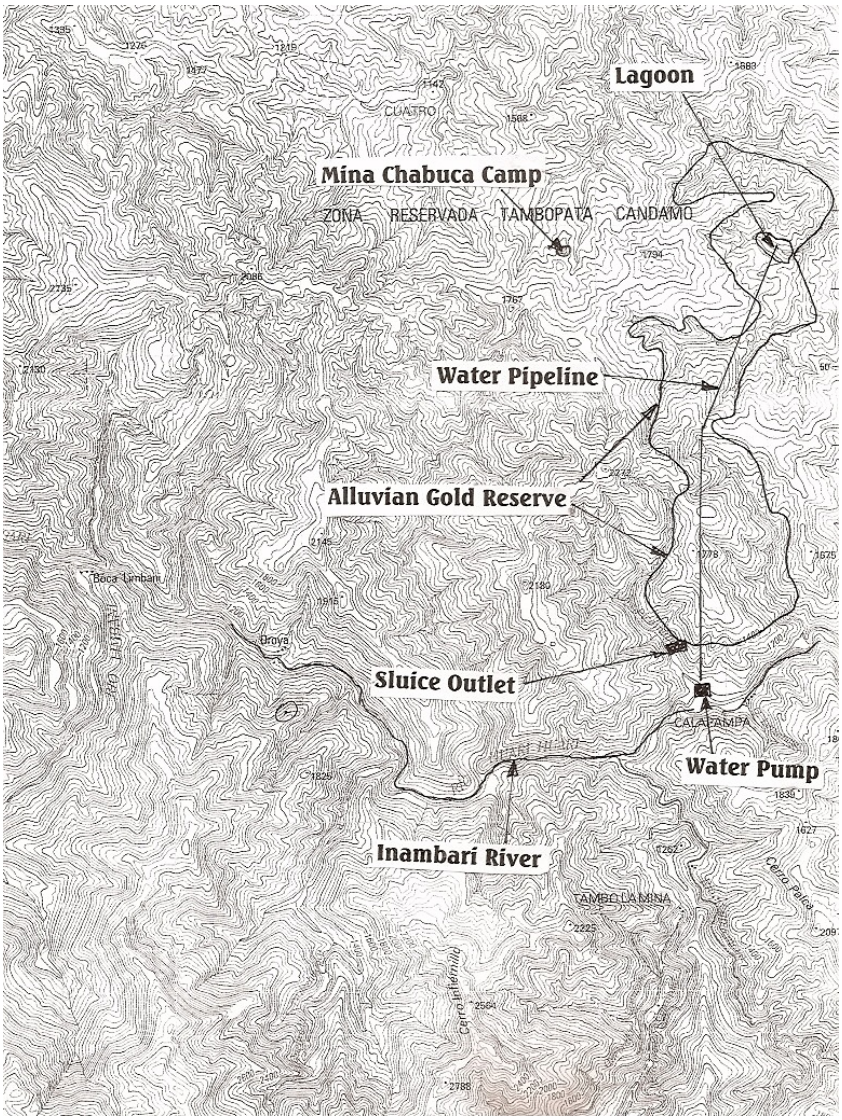
Mine Reserves

The mineralized zone is extensive as is shown on the map below.



The Reserve Zone is approximately 5,200 meters in length, with a width varies between 214 and 660 meters. The depth, from the top of the mountains to the valley floor varies between 153 and 420 meters. The area covered would be 6,240,000 square meters.. Considering the slope from ground level upward to a mine crest would be roughly one half the volume, the final volume is: (See following section)

218,806,904 cubic meters of gold bearing material.

The next step is to convert cubic meters into tons metric. In converting material to tons metric, that can vary widely from 1.4 to 2.8, depending on the weight and specific gravity of the material. The mountains in the Chabuca alluvial gold areas are mostly rock, sands, some magnetite, very little earths. Thus the conservative figure of 1.8 was selected, while the actual conversion would be closer to 2.3 – 2.4. Thus the tons metric volume would approximate:

393,852,427 Tons Metric

The average richness of samples taken at random, although high-grade concentrate samples are not considered.: The average value of those samples would be

1.0139 ounces of gold per ton metric.

That amount, times the metric tons would give us a reserve of 187,421,040 ounces of gold.

Using the Geologic Society of South Africa (GSSA) standards,.

PROVEN, PROBABLE, POSSIBLE, MEASURED, INFERRED, this reserve would fall into the categories of INDICATED and INFERRED. The gold zones have not been drilled and therefore, the first three categories are not permitted.

The value of the reserves would therefore be in the trillions of dollars.

In reality, the figure we are most concerned with is the concentrated value of the gold. We must consider traditional open pit mining methods, as mining concentrate through a sluice system will not provide sufficient gold to cover mining costs.

It should be noted that the Proven/Probable/Possible/Measured/Inferred reserve calculations in normal use are not normally applicable in the determination of the reserve values for the mountain system of placer gold deposits without further exploration underground.

I should also be noted that while the lowest classification, Inferred Reserves, is being used, actually the interior of the mountains is fully exposed (see photos) and samples taken would be indicative of the gold content of each mountain examined.