



**MINERA  
GOLD LTD**

ASX Listed: MIZ

**PERUVIAN PRODUCER AND EXPLORER**

## San Santiago Plant and Mining Rights Option Presentation July 2014

# Acquisition Summary

**Binding option secured for MIZ to buy the San Santiago processing plant and surrounding concessions for US\$4.5M cash plus assumption of US\$1.0M of debt (~US\$5.5M).**

## Otapara Processing Plant

- ✓ Fully permitted 350TPD Cu and Au Plant; 525TPD installed processing capacity.
- ✓ Currently generating \$180k/month from toll milling through 250TPD copper sulphide circuit. Profit share on concentrate sales in addition.
- ✓ Also has a 200TPD CIP gold circuit and 150TPD copper oxide circuit, both currently idle. MIZ has 3 year lease over the gold circuit that is being recommissioned in July 2014 at 125TPD capacity for stage 1.
- ✓ Located ~180km from Torrecillas gold project - 130km by sealed roads.
- ✓ National grid power, sufficient water supply from controlled bores.
- ✓ Supportive mining community.

## Synergy with MIZ Gold Business

- ✓ Facilitate production of 18,000 oz per annum at US\$700/oz total all-in cash cost.
- ✓ Decrease processing cash costs by up to \$300/oz by moving away from toll-treatment. Saves ~US\$5M annually to MIZ. Transaction payback in 1 year based on gold plant savings alone
- ✓ Targeting an increase gold recoveries by up to 15% versus previous toll treatment.

## Producing Copper Concessions

- ✓ 9,000 ha of concessions including the processing plant area, in the highly prospective Cobrepampa area, which has been producing copper, gold and silver for over 40 years
- ✓ 3 mines partially developed at a historical cost of ~US\$3.5M (access drives developed into each target to enable mechanised mining at a vertical depth (250m – 400m) below surface to intersect the interpreted veins identified at surface):
  - ✓ *Purisima Mine – currently producing ~150TPD of copper sulphides at a grade of ~4% Cu and 20g/t Ag.*
  - ✓ *XV (Decimo Quinto) and Brasil Mines – currently idle, other than for selective mining.*

## Forward Exploration Objective

- ✓ Purisima: Prove up a minimum mine life of 4 years to support full production (250TPD) for the sulphide circuit
- ✓ XV and Brasil Mines – Prove up a combined resource sufficient for a minimum 5-yr mine life to support the proposed processing plant expansion

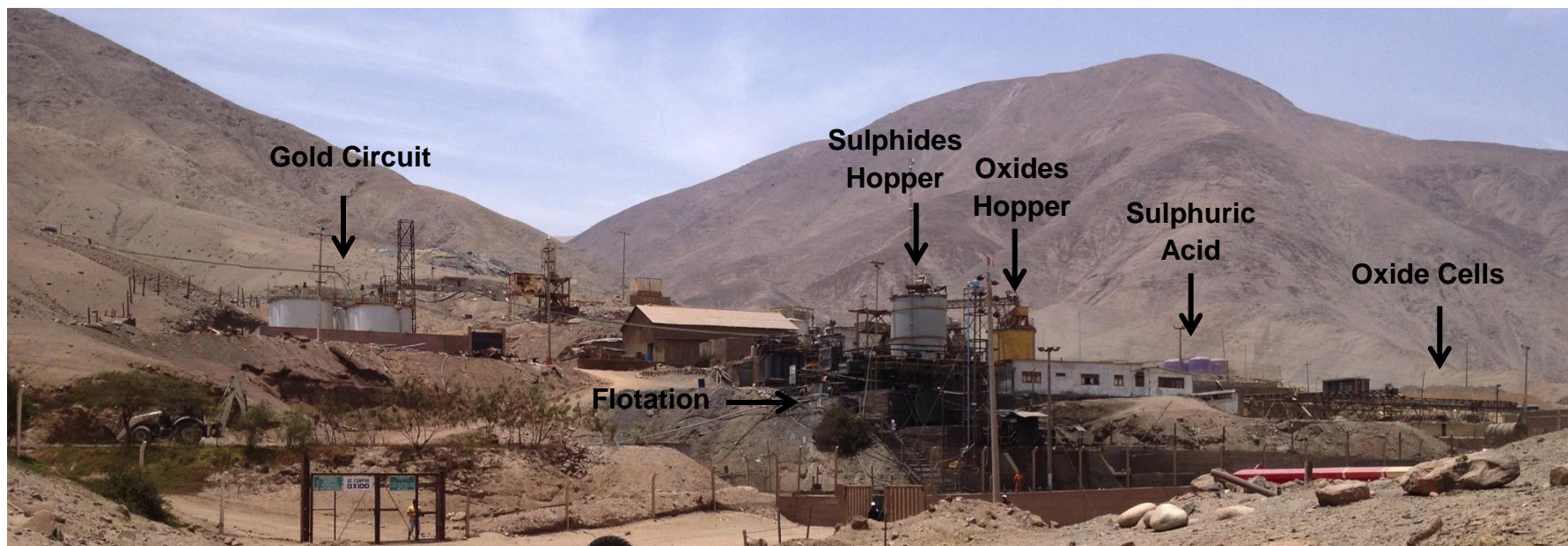
# Acquisition Terms

- Binding option granted to MIZ to buy the processing plant and mining rights to 9,000ha of mining concessions for US\$4.5M plus assumption of US\$1.0M of debt (~US\$5.5M).
- \$500k of purchase consideration will be kept in escrow account for 12 months post acquisition.
- 60 day period for exercise of option.
- Majority of due diligence completed by MIZ prior to signing of binding option agreement.
- SilverStream SEZC have committed US\$3M of non-dilutionary funding to the acquisition. In addition, they have committed a further US\$1.5M of expansion capital on expansion permits being received.
- Advanced discussions with potential debt funders and offtake partners for up to a further US\$3M in term debt or pre-pay funding facilities.



# OTAPARA PROCESSING PLANT

# Processing Plant Overview



- Mill has 600 TPD capacity (permit to operate at 350 TPD), split between three circuits:
  - Sulphide floatation – 250 TPD;
  - Oxide leaching and  $\text{CuSO}_4$  – 150 TPD; and
  - Gold CIP – 200 TPD (Phase one of refurbished circuit is 125TPD).
- Contained on 7ha of land.
- Water is obtained through four licensed water bores.
- Main power supply generated by a 1.3MW hydro power station at ~\$0.13/kwh.
- Tailings dam in place has ~12 months capacity. New tailings dam site has been secured in consultation with the community and plans are in place for construction over the next 6 - 9 months.

# Processing Plant Aerial View



# CIP Processing

- 200TPD CIP circuit was installed in 2008.
- The CIP circuit shares centralized crushing and grinding circuit.
- The CIP is in the final stages of a US\$700k refurbishment program by MIZ due for completion in July 2014.
- Production from Minera Gold properties (Torrecillas, Tumi, Tessie and Rebeca) would feed this circuit.
- Also seeking higher grade third party ore feed for toll treatment.
- Acquisition of the whole plant is expected to save MIZ ~US\$5M per annum on previous toll treatment arrangements and an additional ~US\$1M per annum on the current lease agreement in place.



# Flotation Processing

- 250TPD flotation circuit operating today at near 100% capacity; annualized copper production of approximately 3,300 tonnes at a ~4% Cu head grade.
- Ore is being sourced from 26 formalised mining groups who are mining the outcropping veins within the 9,000ha of concessions and is being processed on a toll treatment basis.
- Average toll treatment revenue is \$30/t plus profit share via concentrate sharing (~7 – 10%).
- Producing a very clean low impurity concentrate with grades of ~30% Cu, 3 gpt Au & 90 gpt Ag.



# Oxide Processing

- 150TPD leaching and crystallization circuit (currently idle but used for batch treatment when capacity permits).
- Local miners have reported a substantial presence of copper oxide ore within the concessions. Plan would be to drill test these targets within the first 12 months in parallel with permitting.
- Permitting expansion required to operate circuit full time. In the medium term, this has to the potential to be a third revenue stream from the plant assets.
- Requires approximately US\$500k of capex, to process and reduce the high Fe content in local ores via installation of new filter presses.



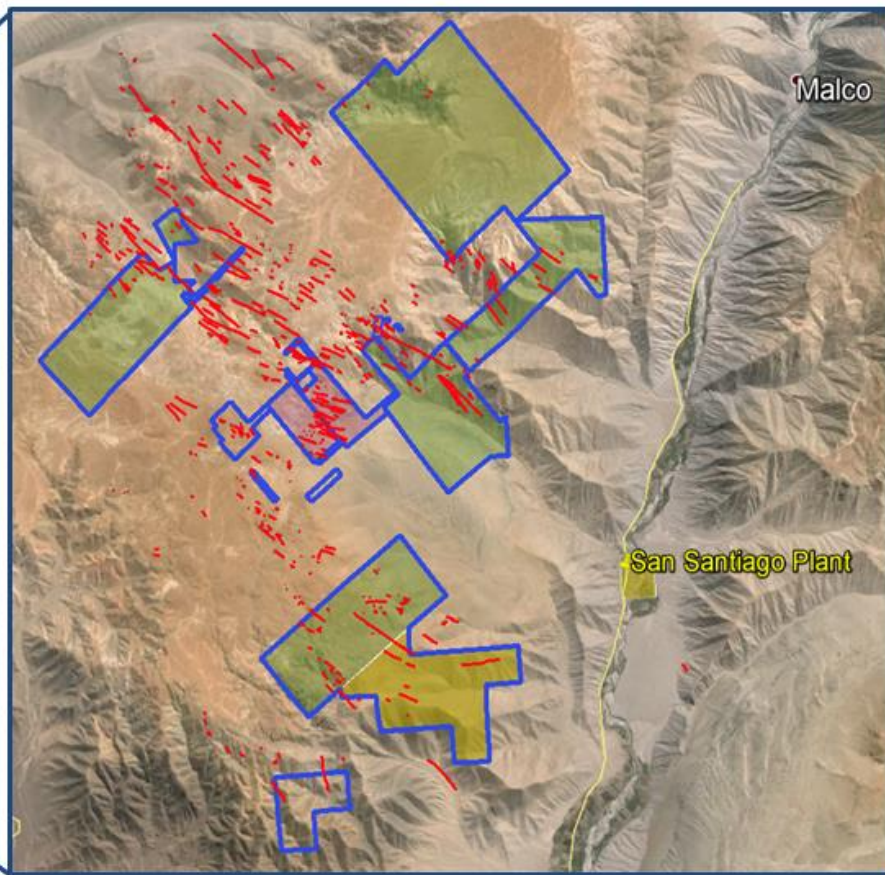


**EXPLORATION &  
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# Mining Concession and Plant Location

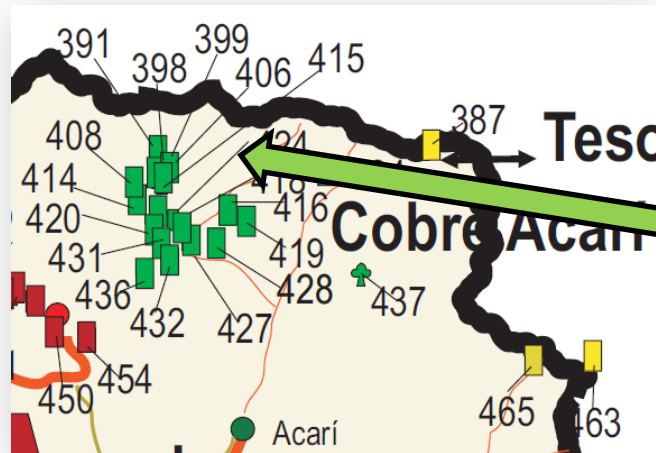


Regional location of San Santiago plant



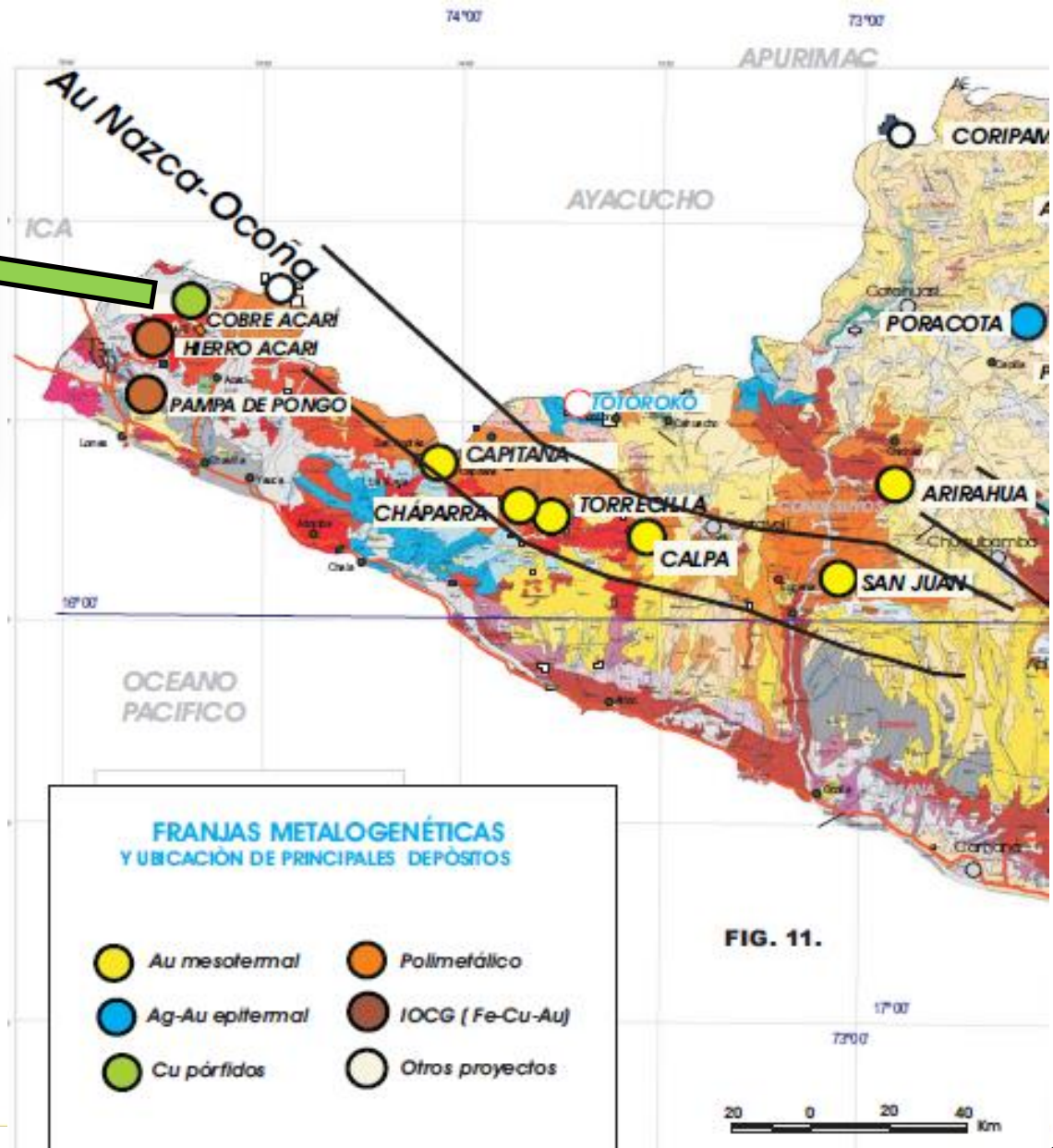
Location of mining Rights being acquired and location of known veins outcropping

# Well Established Mining Provenance



## Cobrepampa - Acari Region

- ~15 known copper mines producing today
- Many additional illegal and informal mines operating
- ~8 flotation processing plants in the area



# Mine Concession Summary

## Purisima Mine

- Access drive developed and in production today.
- Intersected 5 veins 250m meters below surface in the access drive that is a combination of transitional and sulphide ore.
- Current mining is achieving an average head grade of 4% Cu from mining occurring now.
- Photo of oxide vein outcrop below that was intersected in the access drive.



## XV and Brasil Mines

- Copper sulphide and oxide potential.
- Both similar in geological settings:
  - *Large ore shoots identified at surface (+400m in strike).*
  - *Still open along strike and at depth.*
  - *Access drives developed at 250m in XV and 400m at Brasil that cut the veins at depth.*



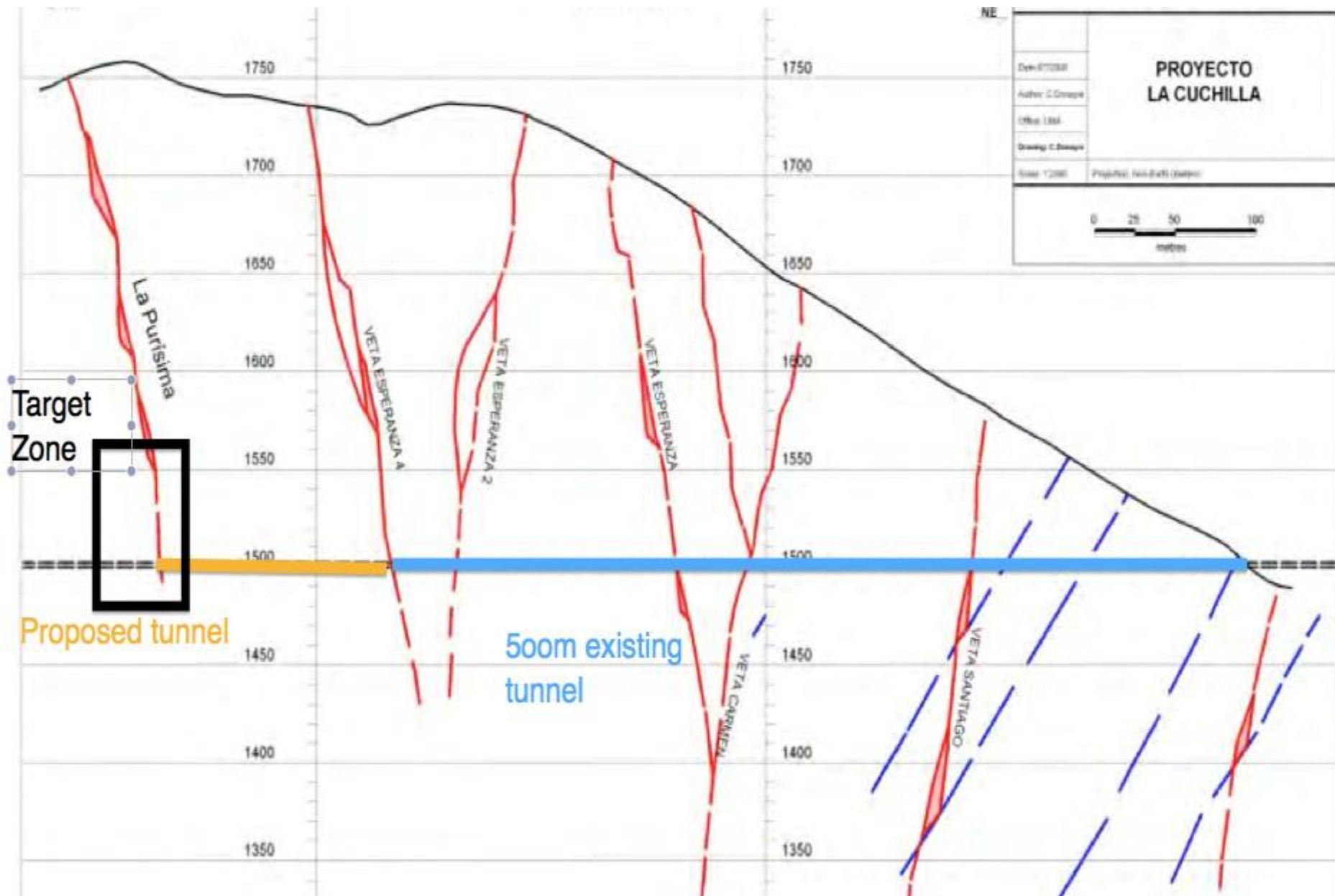
## Purisima Sulphide Mine

- Historical development saw a 500m historical cross-cut installed 250m below surface (scoop size tunnel 2.5m x 2.5m) toward the Cuchilla vein.
- On intercepting an intermediate number of veins with transitional ore, the decision was taken to ramp down to a lower level into the potential sulphide ore.
- Current mining is focusing on one vein containing sulphide material averaging ~4% Cu through the flotation circuit.
- Current mining is at the ~250m depth and producing 150TPD on a constrained basis (limited by plant capacity).
- The mine is located 11km from the processing plant.

## Purisima Oxide Potential

- High-grade oxide potential on expansion of processing plant permit.
- 3 principal veins in parallel identified that are approximately 20m apart.
- Historical production through the oxide circuit at San Santiago saw a feed grade of ~3.5% Cu for this oxide material.

# Purissima Veins



## Mina XV(Decimo Quinto)

- Existing access tunnel developed, cross cutting the four known veins (800m x 2.5m x 2.5m).
- 20km private haul road to plant installed.
- Recent 45m vertical shaft from cross cut has accessed the sulphide mineralisation at approximately 300m vertical depth. Small scale trial mining occurring today. 5-6% Cu sulphide material being mined based on ore being treated through the mill.
- Historic oxide mine also exists in vein outcrop at surface. Exploration and mining studies to be completed on putting this into large scale production.

## Brasil Mine

- Existing access tunnel developed (500m x 2.5m x 2.5m), cross cutting the four known outcropping veins approximately ~350m below surface.
- 15km private haul road to plant installed.
- Recent development and preparation work has opened up mining blocks containing high grade sulphide material with gold and silver credits.
- The concessions also contains an historic oxide mine in the vein outcrops. This is a drill target to be included in future exploration and mining studies. The oxide ore contains ~3% copper based on previous treatment through the processing plant.



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# Building a mid-tier gold producer



Drilling at Torrecillas – July 2011

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