

## EXPLORATION VS. EXPLOITATION

### 1. What are the stages of a mining project?

Stage	Type of Exploration	Objective	Presence of the Company in the Region
1	<b>Reconnaissance – Regional</b> Satellite, regional geological, geochemical, geophysical review; initial surface evaluation	Identify first targets	Temporary (minimal field aspect; normally completed “in office”)
2	<b>Initial Follow up – Regional</b> Closer evaluation of selected areas based on Level 1 data; ground trenching.	Develop preliminary targets	Temporary (normally from 2 to 8 weeks per program. It may take several programs)
3	<b>Aerial Geophysics-Regional/Target Scale</b> Various levels of coverage <b>Regional Geochemistry.</b> Primarily stream sediment sampling	Develop preliminary targets	Without presence in field, then temporary (normally from 2 to 8 months)
4	<b>Property Scale –</b> Detailed/ property wide geological, geochemical and geophysical studies	Define/ identify areas of mineralization, regional setting, structural controls, geology	Temporary (normally from 2 to 8 weeks per program. It may take several programs)
5	<b>Property/ Drill Target Scale -</b> Detailed geologic, geochemical, geophysical surveys over potential drill targets	Identify potential drilling targets	Temporary (normally from 3 to 6 weeks per program. It may take more than 2)
6	<b>Drill Target Scale -</b> Preliminary Drilling	Test drilling targets	Temporary (normally from 6 to 10 weeks per program. It may take several drill programs)
7	<b>Drill Target Scale -</b> Drilling Follow-up	Identify potential economic mining concentrations. Gain better understanding of control/ models of the mineralization.	Temporary (normally from 5 to 12 weeks per program. It may take several follow-up drilling programs)

8	<b>Drill Target Scale -</b> Drilling for definition and delineation of deposit of mineralization; may involve some underground or open pit development; scoping study	Systematic evaluation of deposit through drilling, with the aim of identify an exploitable mining reserve.	Temporary to Semi-permanent
9	<b>Pre-feasibility study</b>	Positive pre-feasibility, directed to the initiation of the Feasibility Study.	Semi-permanent
10	<b>Feasibility Study</b>	Financiabile Feasibility Study, to obtain funds to put the mine into production.	Semi-permanent

**2. What is the difference between an exploration and development company and a mining exploitation company?**

Exploration and development companies (or junior mining companies) are generally involved in exploring and developing mining projects to the pre-feasibility stage. It is at this stage that the exploitation, (or larger) company undertakes the funding and construction of the plant to begin production.

**3. How long does it take to develop a mining project during its different stages?**

The timing can be different for each project, depending on many factors such as the type of exploration, the type of metal, the available funding, the experience of the operator, and a certain amount of luck. In general it can be said that it may take around four years to reach stages 7 to 9 where it is possible to determine if there exists an economically feasible resource. From there the feasibility study and the exploitation start-up follows, which will take an additional two to three years (depending on the size of the mine and the international price of the minerals, as well as the needed infrastructure).