

## First Quarter 2010 Highlights

### Josemaria Project, Argentina.

- During the quarter, the Company received results from a seven hole, 2,253 metre drill program completed in December, 2009. Josemaria is a large copper/gold porphyry project located in San Juan Province, Argentina near the Los Helados project described below. Josemaria contains a NI 43-101 inferred resource of 460 million tonnes at 0.39% copper and 0.30 grams/tonne gold at a 0.3% copper cut off. The objective of this drill program was to test the potential for a significant expansion of the existing resource. All holes were drilled outside the 0.3% copper shell of the current resource. The drilling targeted coincident moderate chargeability and strongly anomalous copper and gold in soils located on the periphery of the known resource. Six of the seven holes drilled intersected thick sections of porphyry style alteration and sulfide mineralization outside the current resource envelope. Highlights include DDH-08 with 290m @ 0.3% Cu, 0.18 g/t Au; DDH-10 with 88m @ 0.27% Cu, 0.2 g/t Au including 18m@ 0.49% Cu, 0.26 g/t Au. The results confirm that the already large Josemaria deposit lies within a much larger mineralized porphyry system. Future exploration will focus on finding higher grade zones within the newly identified extensions.
- Josemaria is one of a several large porphyry copper-gold systems including Filo del Sol and Los Helados discovered within a large block of contiguous ground that the Company controls in northern San Juan Province, Argentina and adjacent parts of Region 3 Chile. The occurrence of several major copper-(gold) systems including Caserones (Regalito) and the Company's Josemaria, Los Helados, and Filo del Sol discoveries in relatively close proximity suggest that they are part of a significant new porphyry copper cluster.

### Los Helados Project, Chile

- The Company completed a 4,407 metre drill program consisting of 7 diamond drill holes at Los Helados during the first quarter. Los Helados is located in Region 3 Chile approximately 10km northwest of Josemaria. Past drilling included 0.5% copper and 0.39 g/t gold over 50m in hole LH-01 and LH-04 with 762m of 0.43% copper and 0.22 g/t gold. A deep penetrating MIMDAS geophysical survey was completed in April 2009 to better define the mineralization at depth and to the north and west of LH 04. This survey defined a chargeability anomaly measuring approximately 1,000m by 750m located just to the north of drill hole LH 04. The drilling program carried out during the quarter tested this chargeability anomaly as well as other targets. Results are expected in early May.

### Eritrea

- Work continued on an approximately 2,000 metre drill program that is targeting volcanogenic massive sulphide targets on its Mogoraib and Kerkebeit licenses located in western Eritrea. The most significant results were obtained from the Aradaib prospect.
- The first hole at Aradaib, ARD-10-001, tested a gossan outcrop highly anomalous in gold, copper, zinc, silver and lead returning a 17 meter interval of massive and semi-massive sulphides including: 10 m @ 1.22% Zn, 1.89% Cu, 0.92 g/t Au, 21 g/t Ag and a consecutive zinc rich interval of 7m 15.15% Zn, 0.99% Cu, 0.32 g/t Au, 33 g/t Au.
- The sulphide interval is overlain by gossanous oxidized sulphides and altered hanging wall rocks, with locally intense kaolinite, alunite and hematite alteration from which metals have been leached. A second hole, ARD-10-002, drilled 230 metres to the northeast, intersected altered host volcanic rocks with pervasive disseminated and stringer sulphides, returning a 3 meter interval of 1.30% Zn from 60.0 meters depth. The remainder of the hole was strongly anomalous in copper and zinc. Recent geological mapping

together with the results of ARD-20-002 indicates that the sulphide body intersected in ARD-10-001 plunges moderately to the south.

- Drilling also tested possible extensions to the Hambok deposit identified by a gradient IP survey conducted last year as well as trying to better define the higher grade core of the Hambok Deposit. Results are pending.
- Initial mapping, geochemical sampling, and a gravity survey was carried out on the recently acquired Shukula and Lelit licenses. The Shukula license covers a 400 meter long gossan outcrop with strongly anomalous gold and base metal values in surface sampling. The Lelit license covers the extension of the Shukula stratigraphy to the south.

### **Republic of Congo**

- During the quarter an initial mapping and soil sampling program was carried out on the Company's recently granted exploration licenses in the Republic of Congo (Brazzaville). The licenses cover 1579 square kilometres of ground in the Boko Songo-Mindouli trend where mining during French colonial times exploited high grade copper and zinc ore bodies hosted in carbonate rocks. During the quarter field crews collected 1846 geochemical samples. The program is currently on hold for the rainy season and work is expected to resume in June when additional mapping, rock chip sampling, trenching, and IP geophysical surveys will be done in an effort to define drill targets by late 2010.

### **Burkina Faso**

- On April 7, 2010 the Company signed a non-binding Letter of Intent to sell its Burkina Faso subsidiary to Indigo Exploration Inc (TSX-V: IXI). The consideration for the transaction is \$65,000 in cash and 3,000,000 shares of Indigo. The number of shares to be issued will be adjusted upward if the value upon closing is less than \$450,000. The transaction is subject to completion of due diligence by Indigo and the parties completing a definitive agreement. The transaction is expected to close at the end of May, 2010. This transaction is part of the Company's continuing effort to rationalize its portfolio of projects and to realize value from its divestments.

### **Outlook**

In the coming quarter the Company expects to receive results from the Los Helados drill program and well as additional results from its Eritrea drill program and results from the work carried out to date in the Congo. We plan additional drilling in Eritrea. The divestment of non-core projects is also anticipated to continue.