

LINDERO NEW 2 MILLION OUNCE POTENTIAL PORPHYRY GOLD IN ARGENTINA

Tom Nimsic, American Au Ag Associates Lindero, discovered in 1999 by Mansfield Minerals, is a new mineral discovery, not a re-discovery or a step out on known mineralization. The Lindero deposit is only part of a bigger story; the discovery of what will likely become the Rio Grande Mining District, with at least 2 Mansfield owned and 1 joint venture porphyry systems in the Puna (altiplano) in NW. Argentina.

Mansfield Minerals established an office and started exploring with 2 Argentine geologists; Jorge Kesting and Facundo Huidobro, in August 1994. Other companies came and went but Mansfield persevered. The company provided its explorationist with a new tool for Argentina; Quads. This allowed the Mansfield explorers access to previously unexplored areas. In 1999 Mansfield Geologist Russell Dow observed quartz/magnetite stock works and minor copper staining in float. Subsequent sampling returned positive results for gold. A sampling and trenching program was followed by a JV in 2002 with Rio Tinto. Ten holes were drilled resulting in an inferred resource of 1.035 million oz Au, in 29.9 million MT @ 1.08 g Au/MT with a 0.6 g Au/MT cutoff grade. The property was then returned to Mansfield.

Mansfield has since drilled 106 new diamond drill holes, trenched and expanded Lindero's footprint threefold with a low strip ratio. A new resource model now being done is expected to result in a resource of potentially over 2,000,000 ounces of gold. Metallurgical testing conducted by Kappes Cassiday and Associates with the direction and oversight of American Au Ag Associates has resulted in expected gold recoveries of around 70%.

Lindero lies between 2 porphyry copper-gold systems in the Archibarca structural trend, Rio Grande (~8Km) and Arizaro (~4Km) in NW Argentina. Escondida lies 110 Km west on the Archibarca trend. The nearest major mines are Bajo de la Alumbrera in Argentina, Escondida and Refugio in Chile. Lindero's geology is similar to at least few other heap leach operating porphyry gold/copper mines including: Kinross' Maricunga-Refugio in Chile, and Eldorado's Kisladag in Turkey with low copper content relative to gold. Goldfield's Cerro Corona in Peru and others are similar but with a higher copper content, precluding single stage heap leaching.

Lindero is a highly fractured, low sulfide (sulfur deficient-oxide) gold-copper porphyry system. The host rock is a "porphyritic diorite to quartz diorite". It is intruded into a "fine grained clastic angular siltstone" redbed sequence and into itself. "Alteration is potassic with extensive introduced orthoclase feldspar and lesser secondary biotite" with "a great deal of silicification". "Free" gold occurs in stock work fractures "interstitially to quartz grains in vein quartz" and was observed in sizes ranging from 12 to 167 microns. Grain size of gold occasionally occurring in chalcopyrite is much smaller, ranging in size from "3 to 12 Microns" (Larson LT, Mansfield thin section reports 2004/2006) Paragenetically: Titaniferous magnetite and quartz occur in a diorite matrix, followed by Potassic alteration, and minor chalcopyrite (in orthoclase), followed by; a multiphase quartz-magnetite-chalcopyrite- pyrite-opaques stockworks, with concurrent and/or subsequent propylitic alteration.

Minor late stage opaque minerals include; hematite, bornite, sphalerite, galena, chalcocite, covellite, and gold. Gangue minerals include; feldspar, quartz, biotite, hornblende, actinolite, garnet, celadonite, sericite, chlorite and epidote. Late ubiquitous anhydrite stockworks with ~10 cm spacing or less and veins of up to 1 meter sometimes contain minor base mineral sulfides.