

AGUAS PERDIDAS PROJECT

The Aguas Perdidas project (previously known as M18) is located in the Patagonia region of Argentina in the province of Chubut and has a surface area of 6300 ha. The property hosts Au-Ag precious-metal mineralization occurring in a cluster of low sulphidation epithermal veins. Other precious metal deposits in the district are the intermediate sulphidation epithermal Navidad project (Pan American Silver), the Suyai project (Yamana Gold), and the Mina Angela polymetallic vein deposit (Centenera).

The property was staked by Silver Standard in 2004, but no work was carried out on the prospect until 2011 when Metallum Resources optioned the property from Silver Standard and completed a geophysical survey consisting of ground magnetic and IP/Resistivity. In addition, geological sampling and geochemical sampling together with follow-up trenching was undertaken resulting in a 1st stage target testing drill proposal. However, Metallum terminated the agreement with Silver Standard in 2013 due to lack of funding. No further exploration has been performed since. . AbraPlata acquired the property from Silver Standard in November 2016.



Figure 1: Locality of the M18 project.

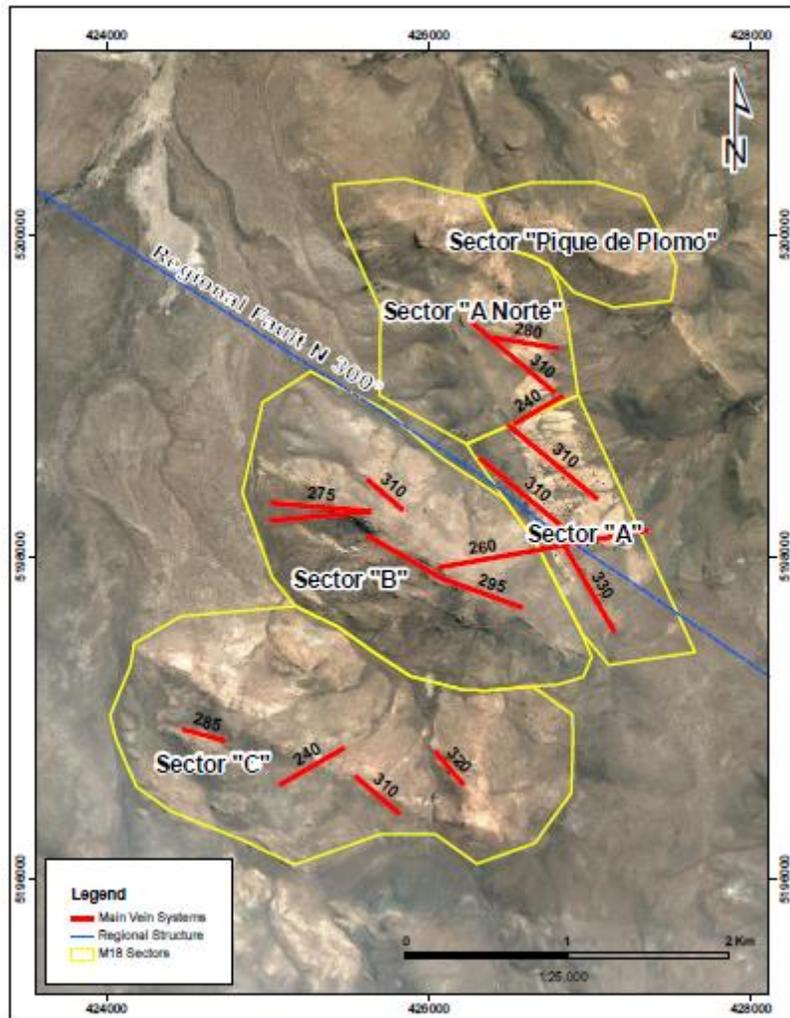


Figure 2: Map showing the different sectors.

Geology and Mineralisation

The M-18 project is within the Patagonides geological province, in the subunit of Patagonian Precordillera and at the transition zone of the Jurassic Basin to the ExtraAndean System, more precisely in eastern boundary of the Patagonian Pre Cordillera. The Extra-Andean system is defined by Tertiary volcanism and in minor scale by Jurassic volcanism.

Within the project area the oldest rocks are those of Carboniferous-Permian age. They consist of sedimentary rocks of the Tepuel Group and are composed of grey-greenish pelites, sandstones and conglomerates (Figure 3). Overlying these are rocks of early Paleogene age belonging to the La Cautiva Complex. These rocks overlie the former with a strong angular unconformity and are composed of dacites, rhyolites, rhyodacites and minor tuff levels. Both these sequences can be observed in the Sector A and Sector a Norte, while in all the other sectors the La Cautiva Complex. The dominant structures parallel the regional northwest trend in the Jurassic basin. Conjugate structures ply an important role in the localization of the mineralization.

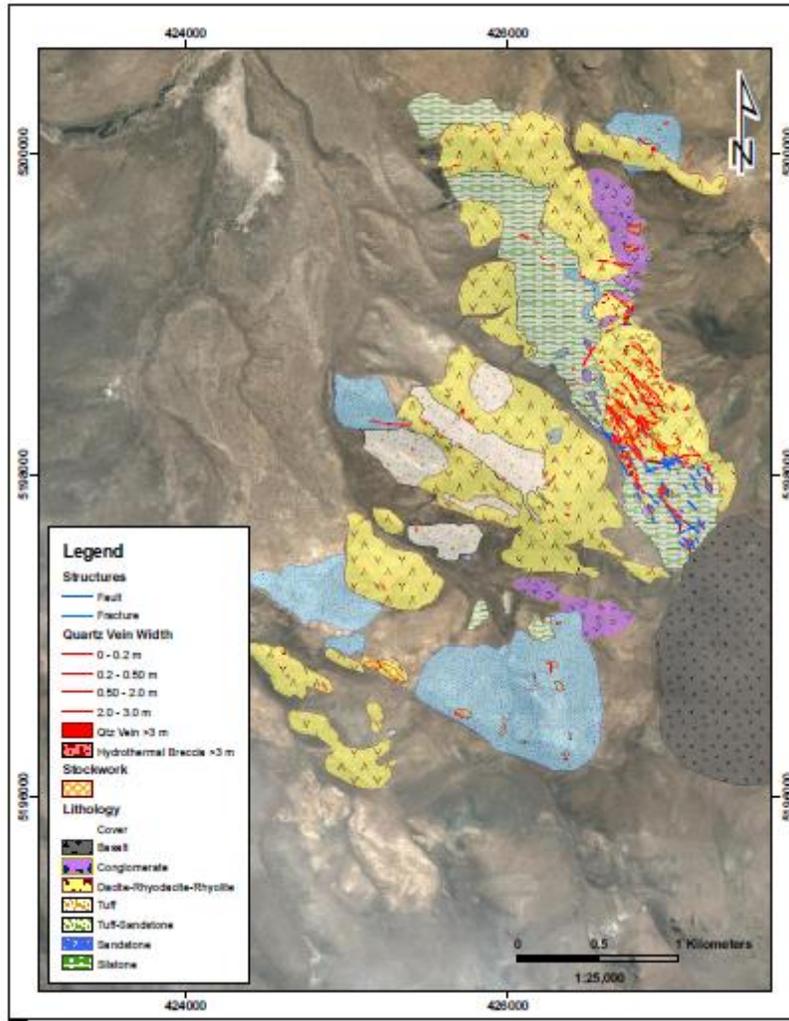


Figure 3: Local geology of the M18 project.(Figure 4)

The Sectors A and A Norte host the most potential for economic mineralization. The quartz veins and hydrothermal breccias are typical of those produced by a low sulphidation epithermal system, composed of microcrystalline, saccharoidal and chalcedonic quartz that may exhibit replacement textures. The veins are concentrated in an area of approximately 1300 x 600 meters . At least three hydrothermal pulses are recognized. The wall rocks, both volcanic and sedimentary are silicified adjacent to the veins decreasing away from the veins with an increase in sericite-clay alteration. In these sectors the mineralization occurs in numerous veins and veinlets with widths averaging between 1.0 to 2.0 meters and up to 36.0 meters. An example of the grades obtained in these sectors are from the Jalisco vein where the structure carries abundant pyrite, galena, minor anglesite, arsenopyrite, copper oxides with values of Au between 0.2 and 31.2g/t, silver between 1.4 and 2,030g/t, Pb between 57ppm and >30.0%, As between 0.1% and >1.0% and Zn between 37ppm and 0.26%. Another example is the Luigi Bosca vein that has abundant sulphides and with values of Au between 0.2 and 10.0g/t, silver between 10 and 139g/t, Pb between 0.1%ppm and >30.0%, As between 282ppm and >1.0% and anomalous Zn.

In Sector B the alteration in the wall rocks is weaker, the veins are narrower (1.0 to 1.1 meters wide). The mineralized structures consist of quartz veins and veinlets, hydrothermal breccias and minor structures.

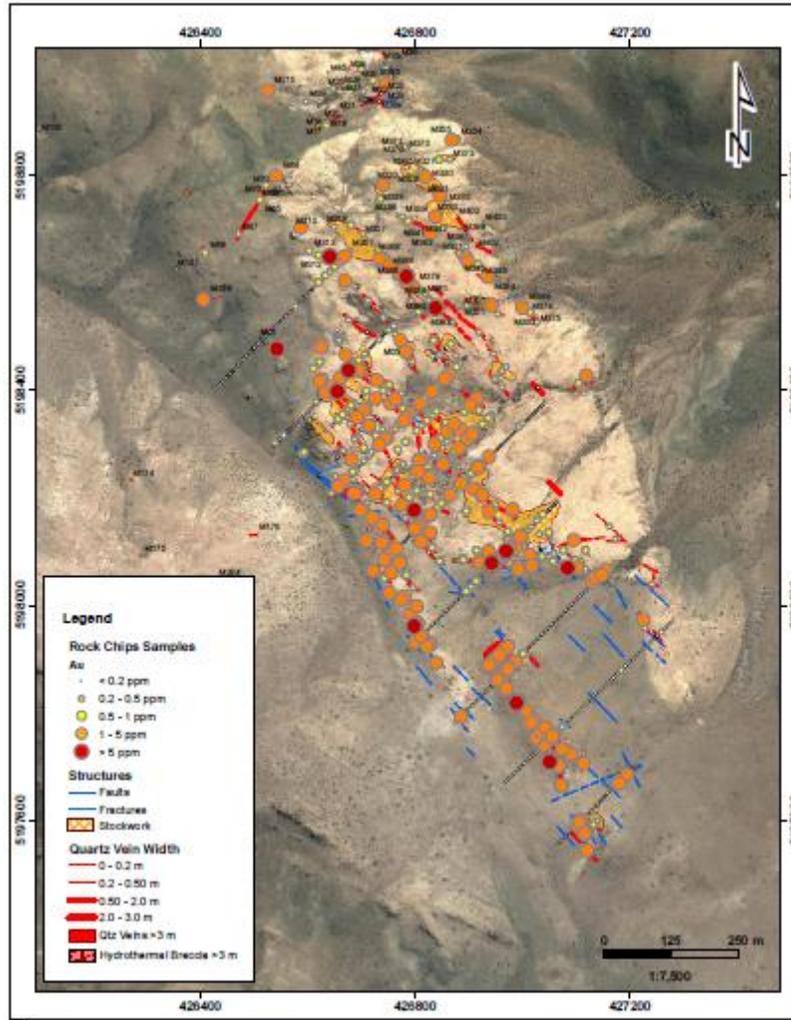


Figure 4: Gold values from the surface sampling at M18 over the Sectors A and A Norte.

The best values obtained in the sampling were up to 3.48g/t Au, 65g/t Ag, 0,54% As, 0,17% Cu and 0.12% Pb. In Sector C the mineralization on surface is weaker with an isolated gold value of up to 3.68g/t Au and 0.7% As. The Pique de Plomo Sector is an isolated mining site with a shaft and small open pit. The principle structure is composed of several narrow quartz veins and hydrothermal breccias. Samples along a line yielded values of Au between 0.01 and 0.54g/t, silver between 0.5 and 75g/t, Pb between 42ppm and 21.6%, As between 80ppm and 0.26% and Zn between 382ppm and >1.0%.

Planned Program

The preliminary objective is to reach an agreement with the surface owners as the area although semi-arid is an area where the main source of income is from sheep farming. Once an agreement is reached the objective will be to confirm surface geochemical results from the previous operators and to review the raw data to confirm that it is 43-101 compliant. Reprocessing of the geophysical data may be

considered. A diamond drill program will then be executed that will consist of 100 meters to confirm the depth and strike extensions of the veins in the Sectors A and A Norte. This would be focussed on the vein/s that show the best potential with the planning that if positive the exploration would expand with in the same sector and the other under explored sectors.