Resource Estimation of Gold Deposits
San Gregorio, Uruguay

for

Uruguay Mineral Exploration Inc.

January, 2007 069-2053

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1 INTRODUCTION AND TERMS OF REFERENCE

1.1 Introduction

Uruguay Mineral Exploration (UME) Uruguay Mineral Exploration Inc is a gold producer and exploration company incorporated in Canada and operating in Uruguay. In 2003 the Company acquired the San Gregorio operation from Crystallex International Corporation.

The operation is located in the State of Rivera, Northern Uruguay, 75 km northeast from the city of Tacuarembó at 160 metres above sea level. Figure 1-1 shows a map indicating the mine's location.

Figure 1-1
San Gregorio Mine location map

The project is a gold project, comprising an operating process plant treating ore from a number of historical open pit mining operations. In 2003 UME discovered a new deposit (Arenal) less than 4 Km from the San Gregorio processing plant. The Arenal open pit makes up the vast majority of the planned mill feed. The company is currently mining 4,000 tpd with an average grade of 2.75 ppm Au. The ore is processed using cyanide and activated carbon recovery.

Geologically, the area is characterised by widespread gold mineralisation hosted in a package of sheared mafic and granitic rocks contained within a regional-scale, low-angle, thrust system.

1.2 Terms of Reference

At the request of UME, Golder Associates S.A. (Golder) has reviewed the geology and other technical information, and prepared resource estimates for Arenal, San Gregorio and Santa Teresa. The gold deposits are located near UME's existing San Gregorio mine. These resource estimates were prepared in accordance with international standards and are suitable for disclosure to the public.

This report is not intended to meet international standards as a disclosure document. The items addressed in this report are purely technical ones, directly related to the resource estimates. Golder has not investigated any social, legal, title, environmental or other matters that might affect UME's ability to explore or exploit these deposits.

1.3 Sources of Information

As part of the preparation of this report, some of the authors visited the Property during the period April 23 to 28, 2006. Golder has relied on others for information in this report. Information from third-party sources is referenced.

Golder has relied upon the independent reports of William Lindqvist (2004) and Colin Jones (2005) in assessing the QAQC of assay data and some aspects of the geological setting. Golder considers this information to be of reliable quality.

1.4 Conclusion

Specific technical conclusions are presented throughout the text in *italic font* and summarised in Section 7.1.

1.5 Recommendations

All recommendations are summarised in Section 7.2. Recommendations are presented in the text in **bold font** with a ranking assigned according to the following scheme:

Priority 1 - Complete before next updated to improve resource estimates

Priority 2 – Complete as soon as practical to improve reserve estimation methods

Priority 3 – Complete to achieve world's best practice and improve audit trail.

2 GEOLOGICAL SETTING

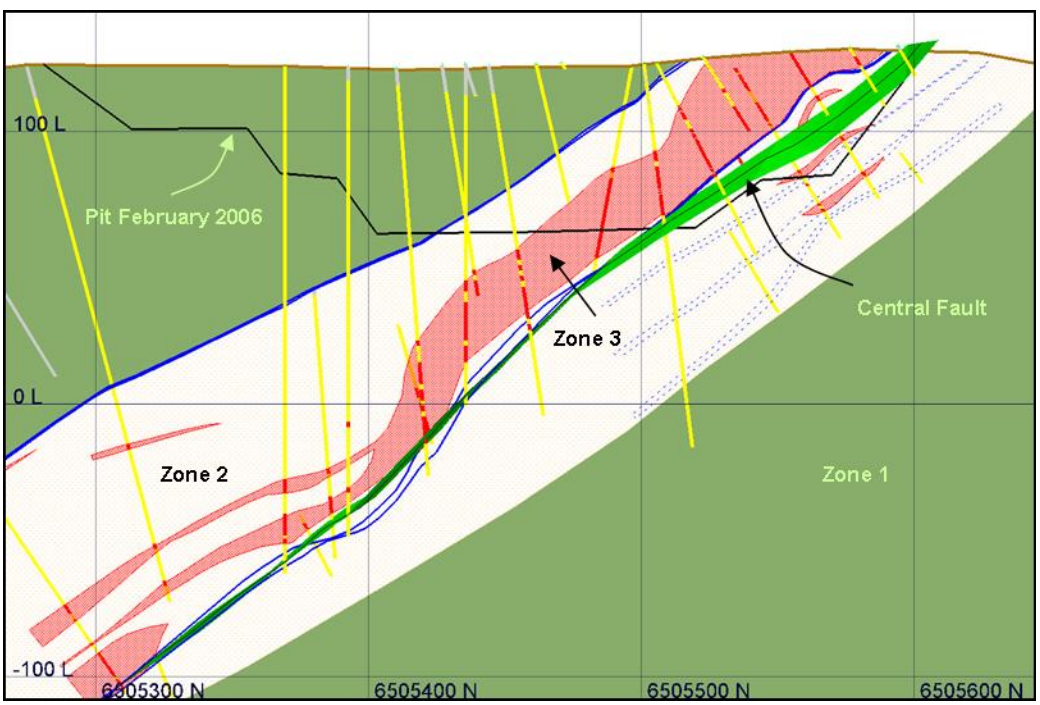
According to the information provided by site geologists and available reports, the geology recognized in Arenal and San Gregorio is characterized by an intrusive crystalline basement metamorphosed to amphibolites in green schist facies with intercalated paleo-proterozoic granitized rocks.

The Santa Teresa, San Gregorio and Arenal deposits are, from west to east, included along the shear zone coincident with the contact between intrusives and granitized metamorphic rocks. This belt is oriented E-W, presenting a dip of 45ºS, 50 – 70 m width and it is recognized along 700 m on several surface exposures like veins, faults and small mining labours.

The Central Fault developed along this shear zone with intensive carbonization and white quartz discontinued veinlets. This structure is the control and the limit for the hanging-wall and foot-wall zones.

Lithological types were defined by site geologists to properly characterize the relation between lithology, alteration and mineralized zones. These lithological types are associated to the shear zone and the hydrothermal alteration zoning is observed affecting intrusives and metamorphic sequences with the related quartz – pyrite stockworks.

Figure 2-1
Typical Section for Arenal Deposit



Three lithotypes are currently used, characterized by a silification – sulfidization zone near the Central Fault, which contains the economic stockworks; carbonate – sericite zones surrounding the previously described zone with small mineralized lenses and peripheral hydrothermal alteration distribution; propylitic zone characterized by absence of hydrothermal alteration and the end of the shear zone (Figure 2-1).

The economic mineralization is related to the Central Fault (sulfidization-silicification zone) and is contained in the stockwork veinlets as fine particles encapsulated in pyrite. The width of the mineralized zone is variable with a maximum of 30 m in the Arenal zone. The orebody plunges below the current pit and is opened to the west.

The Arenal deposit is located approximately 4km to the southeast of the San Gregorio deposit, indicating a southeast flexure or offset of the shear zone between the two deposits. The mineralisation at Arenal was discovered by UME following conjecture that the northwest trending faults noted in the san Gregorio open pit exhibited dextral movement, and that mineralisation could therefore be offset to the southeast (Jones, 2005).

3 MINERALISATION

Gold mineralisation at Minas de Corrales has occurred as infill of brittle fractures within favourable host rocks such as zones of silicification and mafic units. Brittle fracture has occurred within these zones in response to local extensional tectonics created by the intersection of northwest and east-northeast trending faults with the ductile shear zone. Intense brittle fracture, silicification and quartz veining are apparent in higher grade zones. At least 3 phases of fracturing and veining can be recognised from drill core.

The gold deposits associated with the shear zone are generally hosted within mafic units at the contact with the granites. Pyrite is the dominant sulphide, and gold grade is directly proportional to the pyrite content. The gold at all deposits is fine, and visible gold is rare.

3.1 Arenal

Gold mineralisation is associated with a fractured zone of silicification and hydrothermal alteration generally near the contact between a relatively unaltered diorite in the hangingwall with deformed mafic and felsic igneous rocks in the footwall. The dip of the mineralised zone is consistent with the dip of the shear zone, at approximately 45° to the south.

Mineralisation at Arenal has now been traced by systematic drilling programs for approximately 450m along strike to the east of the Arroyo Corrales, approximately 150m west of the Arroyo Corrales, and approximately 300m down dip. Mineralisation appears to be terminated by a northwest trending structure to the west, and the grade diminishes to the east, where the mineralised zone appears to widen.

In the central area at Arenal, the mineralised zone is geologically continuous, and gold grades also show good continuity. This is the ore that is being mined during the Phase I open pit development. Mineralised thicknesses in this part of the deposit range from 20m to 50m.

Higher grade gold mineralisation has a south-southeast plunge at Arenal, which is a reflection of the intersection of northwest trending faults with the shear zone.

3.2 San Gregorio

Most of the previous ore production was from the main San Gregorio open pit, where mineralisation associated with the shear zone mylonites occurs within zones of intense silicification, brittle fracture and quartz veining, generally at the contact between felsic (hangingwall) and mafic (footwall) igneous rocks. Higher grade gold mineralisation has a west-southwest plunge at San Gregorio, which is a reflection of the intersection of northeast trending, westerly dipping faults with the shear zone.

A relatively high grade ore shoot has been defined at the base of the San Gregorio open pit. The shoot plunges to the west-southwest below the current base of the main San Gregorio open pit at its western end, below the San Gregorio West open pit.

3.3 Santa Teresa

The Santa Teresa deposit is located to the west of San Gregorio along the strike of the shear zone, and has been mined from 3 open pits. The style of alteration and mineralisation is essentially the same as for the San Gregorio deposit. The Santa Teresa mineralisation is of relatively low grade.

4 SAMPLING

UME is currently developing an intensive drilling program. Diamond drill holes (NQ diameter) and RC holes (4.5 inch) are drilled systematically.

The RC samples have a fixed 2 m length and core samples have an average of 2 m, but length could vary depending on the geological contacts. In the case of diamond holes half core is sent for assay following cutting of the core lengthways using a diamond saw.

The blastholes are sampled using the tube increment system.

The sampling methods adopted by UME are appropriate and are being undertaken to accepted industry standards.

4.1 Resource Drill Sampling

The available drill hole database for the Arenal resource estimation contains 54,851 m with 9,161 m of DDH holes (16.67%) and 45,691 m of RC holes (83.33%). The dimension of the drilling grid is 25x25 m in the current operation and 50x50 m in the perimeter area. Orebodies are well recognized and an intensive exploration program has been continuously carried out by UME. When the RC sample is wet, the material is coned and quartered on sire to produce a sub-sample of 10kg of assay.

The available drill hole database for the San Gregorio resource estimation includes 53,648 m distributed over 692 drill holes. Details are shown in a Table 4-1.

Table 4-1
Hole nomenclature in the San Gregorio Zone

ame	Nº meters	Nº Holes	Mean
CS**	57	5	11.40
DD**	11938	107	111.57
ESG*	492	47	10.47
FSG*	5652.7	72	78.51
MA	3989.3	30	132.98
MB + MS	4685.5	63	74.37
NB	258.9	3	86.30
RC	11041	187	59.04
RDEL	7403	93	79.60
RLRC	7108	37	192.11
SGFZ	97.1	10	9.71
SGTR	259.3	10	25.93
SGTW	111.8	4	27.95
TRD	554.5	24	23.10

4.2 Blasthole Sampling

Blastholes are drilled using a Tamrock machine (Pantera) to a depth of 6 m and samples are cut every 3 m. These machines have a recovery method that uses a conventional system through a mobile cyclone, putting the detritus into two separate cones for each hole (Figure 4-1). After that, a 5 kg sample is collected by tube increments (12 cm diameter tube) and sent to the site laboratory.

Figure 4-1
Tamrock drilling machine

Golder reviewed the drilling and sampling procedures for blastholes and considers it to be appropriate for the current mining requirements.

Blast hole grades are used to delimit ore production bodies, considering a historical cut-off grade of 0.5 ppm Au.

Written procedures should be produced for all tasks involved in sample collection and transport.

It is recommended that the blast hole samples be taken directly from the cyclone, before the cut is deposited on the floor. This will avoid contamination.

4.3 Sample Preparation and Analysis

All samples from exploration and production are prepared and analysed at an on-site laboratory. Samples are dried at 110ºC and crushed in a jaw crusher to P_{95} 10#. The samples are then split to 1 kg and pulverized to a particle size of P_{95} 150#, the pulp is then split to produce a of 100g.

From the 100g sample a 30g charge is prepared and mixed with flux in the fire pot and fired with a gas furnace at 1,000°C for 1 hour. This is followed by cupellation in an electric furnace at 1,000°C for another hour. The chemical analysis is carried out by an atomic absorption spectrometer (AAS) after digestion by hydrochloric and nitric acid.

All tasks are controlled by internal protocols and controls. Improvements are being implemented in the laboratory with a new building and equipment that will be operative shortly.

4.4 Quality Control Procedures

The Geology department has implemented a RC field duplicates procedure where a second sample split is collected at the drill rig at a frequency of 1 in 15. Figure 4-2 presents a scatter plot for 199 values showing the presence of some anomalous values. No blanks or standard reference samples are considered in this process.

For blast hole samples there no quality control procedures implemented by the Geology department. These samples are controlled only by duplicates, standards and blanks included in the internal laboratory procedures.

The chemical laboratory has a good internal procedure for quality control. Duplicates, standards and blank samples are analysed and controlled by the lab personnel. Figure 4-3 shows the scatter plot for 333 lab duplicates, where it is observed that values above 6 ppm show a higher dispersion. It is evident from these scatterplots that some trimming of the data would have significantly improved the precision. The precision of Field Duplicates is poorer than that for Laboratory Duplicates, as expected from sampling theory.

A comprehensive statistical analysis of all QAQC data available by mid 2005 is available in the Technical Report prepared for UME by RSG Global (Colin, 2005).

It is considered that the laboratory's internal quality control procedures are industry standard and appropriate. The UME quality control procedures should not be restricted to RC field duplicates and should be expanded to include standard reference samples and blanks.

Golder considers that although precision levels could be improved, for this type of gold deposit the assay data available have acceptable levels of precision for the purpose of resource estimation.

Figure 4-2
Scatterplot for field duplicates

	Au (ppm)	Au Dupl (ppm)
Pairs	199	199
Mean	1. 31	1.23
Minimum	0. 10	0. 02
Maximum	30.69	30.0
Variance	11.43	8.06
CV	2.58	2.31
Regr. slope Y on X	0.72	
Average HARD (= AMPD/2)	15.48	%
Average HRD (Half Relative Diff.)	2.31	%
Precision (at 83.4%)	44.6	%
Absolute error (at 83.4%)	0.57	Au ppm

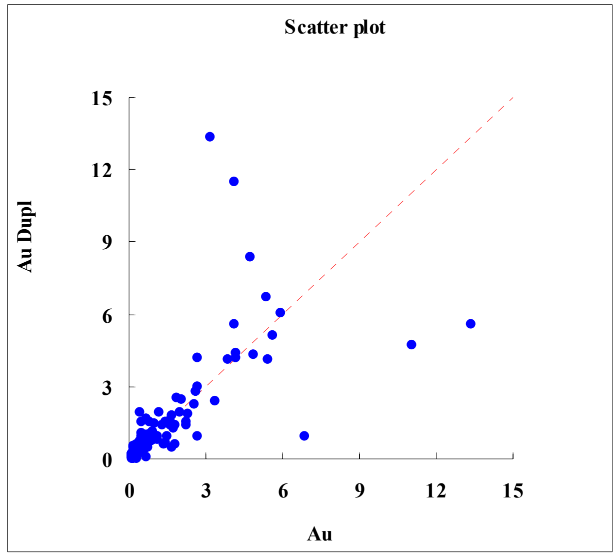
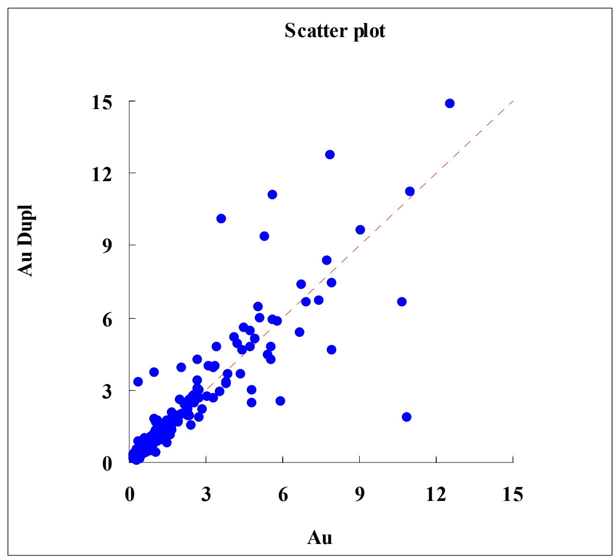


Figure 4-3
Scatter plot for lab duplicates

	Au (ppm)	Au Dupl (ppm)
Pairs	333	333
Mean	1.63	1.67
Minimum	0.19	0.09
Maximum	30.9	32.03
Variance	7.4	8.87
CV	1.66	1.78
Regr. slope Y on X	1.03	
Average HARD (= AMPD/2)	10.04	%
Average HRD (Half Relative Diff.)	1.44	%
Precision (at 83.4%)	28.6	%
Absolute error (at 83.4%)	0.47	Au ppm



The preparation of exploration and production samples carried out at the site laboratory are considered reasonable and appropriate for the purpose of resource estimation reporting.

4.5 Density

No routine bulk density determination were undertaken during the initial UME drilling programs. UME has subsequently sent 65 core samples to the Cientec laboratory in Brazil to determine density values using the dry apparent specific mass method according to norm ABNT NBR 12766/1992. A report including this analysis was provided to Golder. Measurements were obtained for a set of representative samples from San Gregorio and Arenal, where mean density values were determined for high, low and waste grade zones (Table 4-2).

A study should be carried out to validate the density values being used for resource estimation. Further measurements are necessary in order to improve the confidence on density estimates.

Table 4-2
Density mean values by rock type

Nº Samples	Rock Type	Position	Type	Mean (kg/m^3)	D.V.
11	Diorite	Hangingwall	Waste	2839.64	64.57
6	Hydrotermalite	Central Fault	Waste	2870.83	9.02
5	Monzonite	Hangingwall	Waste	2772.20	34.62
9	Protomylonite	Footwall	Waste	2636.33	25.64
6	Protomylonite	Hangingwall	Waste	2669.00	16.96
14	Protomylonite	Hangingwall	Low Ore	2760.71	73.29
14	Protomylonite	Hangingwall	High Ore	2794.85	79.63

4.6 Downhole Surveys

Survey information has been measured only for diamond drill holes in the 2005 drilling campaign. No measures have been carried out for RC holes and only some checks for these holes were reported. It is necessary to consider that deviations in holes are a strong possibility in inclined drilling for lengths over 150 m, and that the actual spatial location of cores could determine a real contact between ore and waste. This definition is essential information for orebodies like Arenal and San Gregorio.

Downhole surveying should be routinely carried out for all drill holes. In addition it is recommended that when possible the current inclined drill holes with more then 200 m in length be re-surveyed. The deviation measurements must be a standard procedure in both exploration and infill drilling programs.

4.7 Geological Modelling

4.7.1 Database

The drill hole databases are separated by deposit (Arenal, San Gregorio and Santa Teresa) and stored in MS Excel® files. No database management software is used.

A comprehensive database validation was carried out by Golder for the three databases using proprietary software. No significant errors were detected in these databases. The lack of survey measurements was the only anomaly identified.

4.7.2 Models and Interpretation

No geological models have been developed for Arenal, San Gregorio and Santa Teresa deposits. Grade based interpretations on 25 m spaced vertical sections are the only base for the estimation process. The cut-off used to create these grade shells was 0.5 ppm Au.

The structural model based on drill hole information is a good support to delimit the orebodies and was also used by site geologist in the modelling process. The modelled bodies appear to adequately reflect the mineralised zones.

Micromine® software is currently being used for geological modelling and mine design.

5 GRADE ESTIMATION

5.1 Arenal

The drill hole data was provided by UME in December 2006 along with the geological interpretation (wireframes) defining the grade shells for the Arenal deposit. Golder checked the interpretations against the drill hole data and found them to be acceptable for resource estimation purposes.

5.1.1 Input Data

UME provided a drill hole database separately in 3 files: *collar_arenal.csv, survey_arenal.csv* and *assay_arenal.csv*. The samples were imported into Vulcan® (*ume_son_dec06.son.isis*) and composited to 3 m using the Run Length compositing tool in Vulcan® (*ume_dec06.cmp3.isi)*. This was the database used for the grade estimation.

The grade shells were provided in five drawing exchange format files: *are_mg_100_0611.dxf*, *are_mg_300_0611.dxf*, *are_mg_301_0611.dxf*, *are_mg_302_0611.dxf* and *are_mg_303_0611.dxf*. These were imported into Vulcan® (*new_100.00t, new_300.00t, new_301.00t, new_302.00t* and *new_303.00t*) and used to flag the composites and the block model with the zone code.

A copy of the original block model was created to maintain its structure and the variables relevant to the estimation. Previous to any calculations the variables were reset to their default values. The Arenal block model has parent cell size of 6.25 x 2 x 3 m with sub-blocks of 6.25 x 1.00 x 1.50 m. The new model is called *modelo_ume_dec06.bmf*.

5.1.2 Exploratory Data Analysis

As a general practice, it is not recommended to combine DDH and RC drilling for estimation purposes. The UME data set includes 4,465 DDH composites and 12,457 RC drilling composites. Figure 5-1 shows the Q-Q plot between DDH and RC composite grades that are within 10 m of each other for Unit 301. As observed for unit 301, all units show good correspondence between both sample types. Considering that the amount of DDH data is very scarce, RC composites will be used in the estimation, but the recommendation is to avoid its inclusion when enough DDH samples became available.

An Exploratory Data Analysis (EDA) was carried out for the Arenal composites database to evaluate the Gold grade distributions inside each zone. Table 5-1 shows the summary statistics for composite gold grades weighted by length.

Figure 5-1
QQ-Plot comparing DDH data and RC drilling data

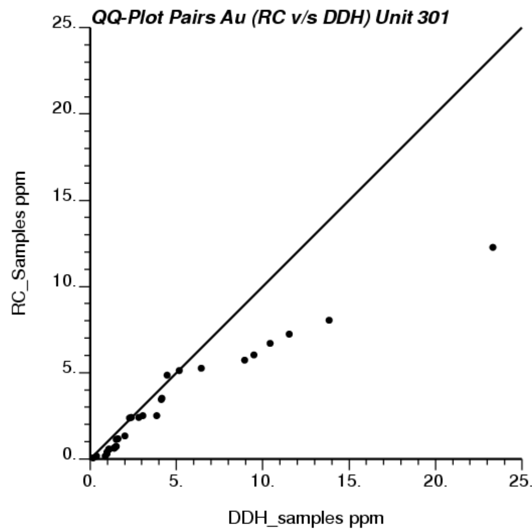


Table 5-1
Statistics summary for Au grades in ppm, all composites weighted by length

Zone	No. Obs.	Minimum	Maximum	Mean (Au ppm)	Stand. Dev.	Variance	Coeff Var
100	416	0.003	25.424	0.541	1.426	2.034	2.638
300	69	0.005	4.158	0.650	0.747	0.558	1.149
301	1,555	0.003	50.067	2.122	3.273	10.715	1.543
302	64	0.003	24.087	1.102	3.133	9.815	2.842
303	215	0.003	12.688	0.888	1.471	2.163	1.657

There is an increase in the number of observations for each zone relative to the database used by Arenal in the previous estimation update. This is due to two factors (a) the new database contains a larger number of samples; and (b) the new wireframes define slightly larger volumes, hence they include more data.

Figure 5-2 shows a scatterplot of mean versus standard deviation for each zone, Figure 5-3 shows the gold grade probability plots and Figure 5-4 shows their histograms. The plot shows that zone 100, which corresponds to waste bodies, has approximately 25% of composites with gold grades above 0.5 ppm. Zone 301 is the one with the highest average gold grade. It has however 25% of the composites with gold grades below the 0.5 ppm cut-off.

The mean grades and standard deviations are similar for zones 300 and 303 and given the small number of samples available for zone 300 it was decide to group zones 300 and 303 as a single estimation unit. Zones 100, 301, 302 have clearly independent populations and were estimated independently.

Figure 5-2
Mean versus standard deviation for each unit

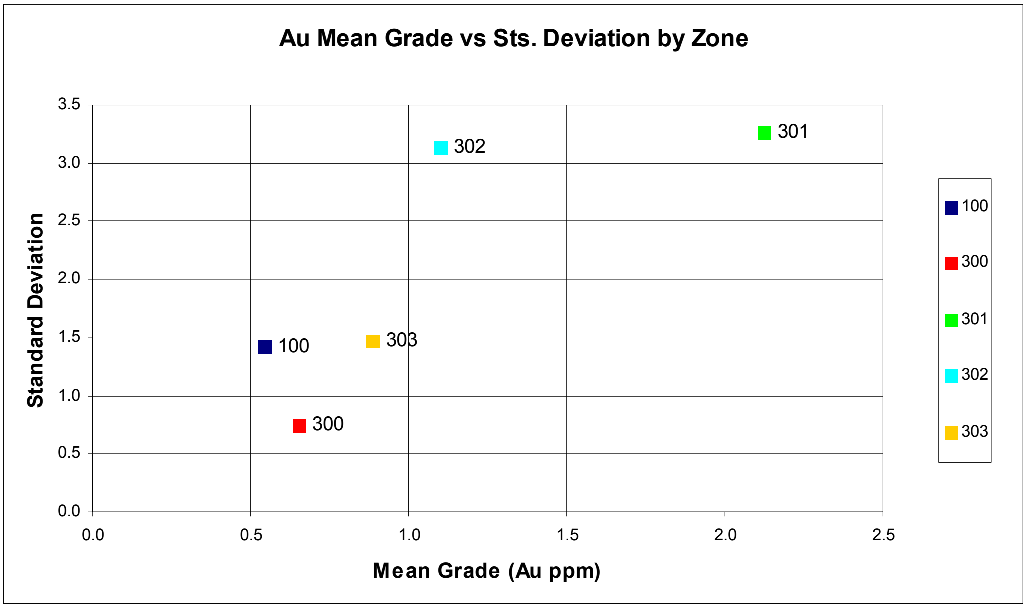


Figure 5-3
Cumulative probability plots of Au grades by zone

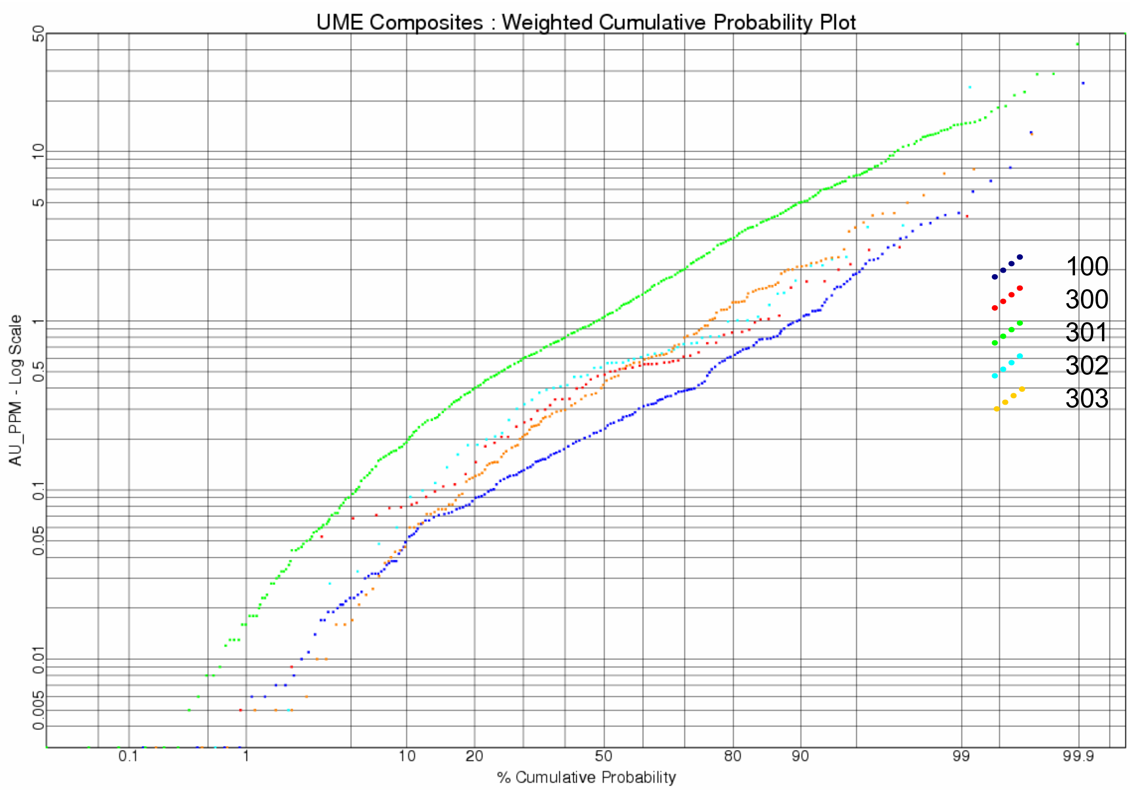
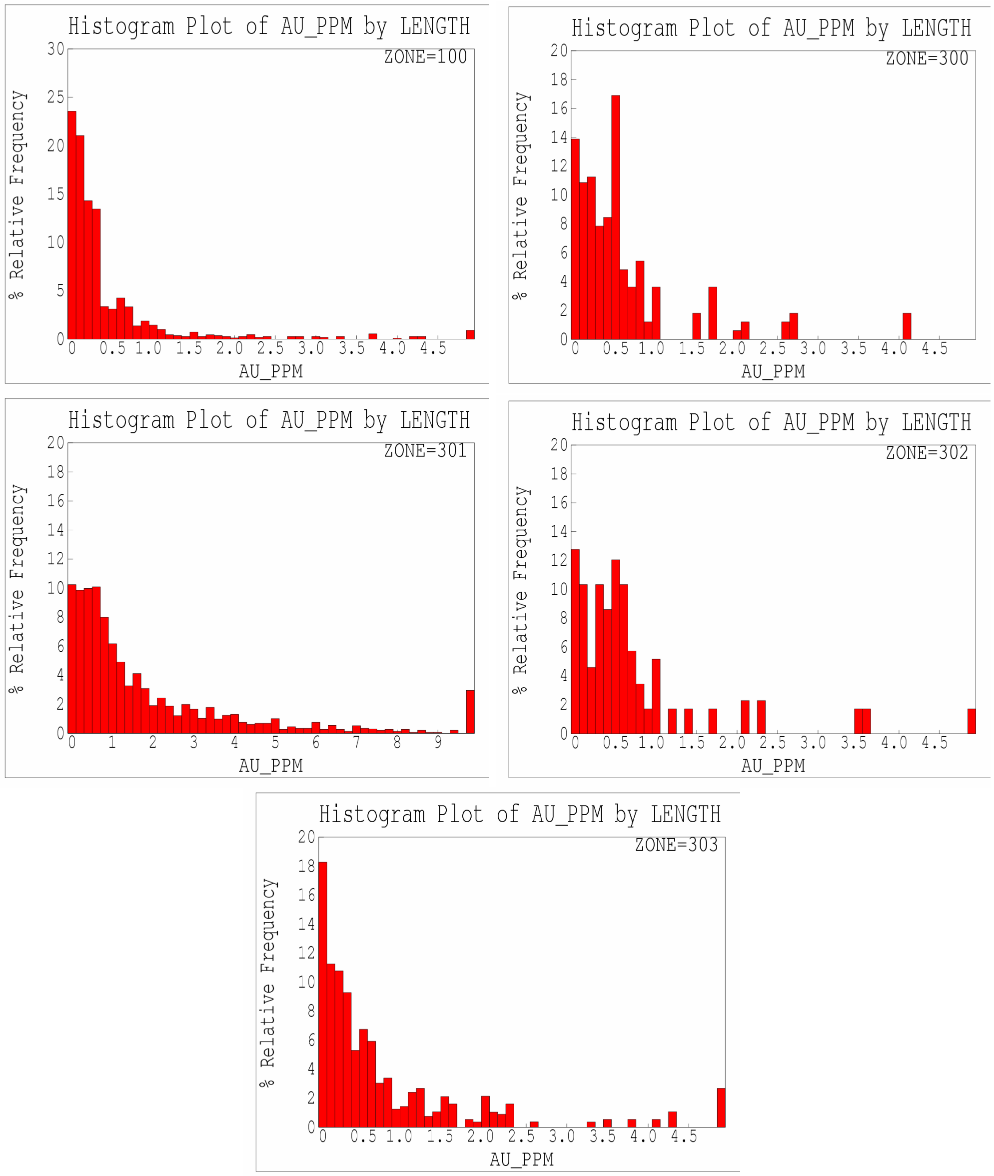


Figure 5-4
Histograms of gold grades by estimation unit



5.1.3 Variography

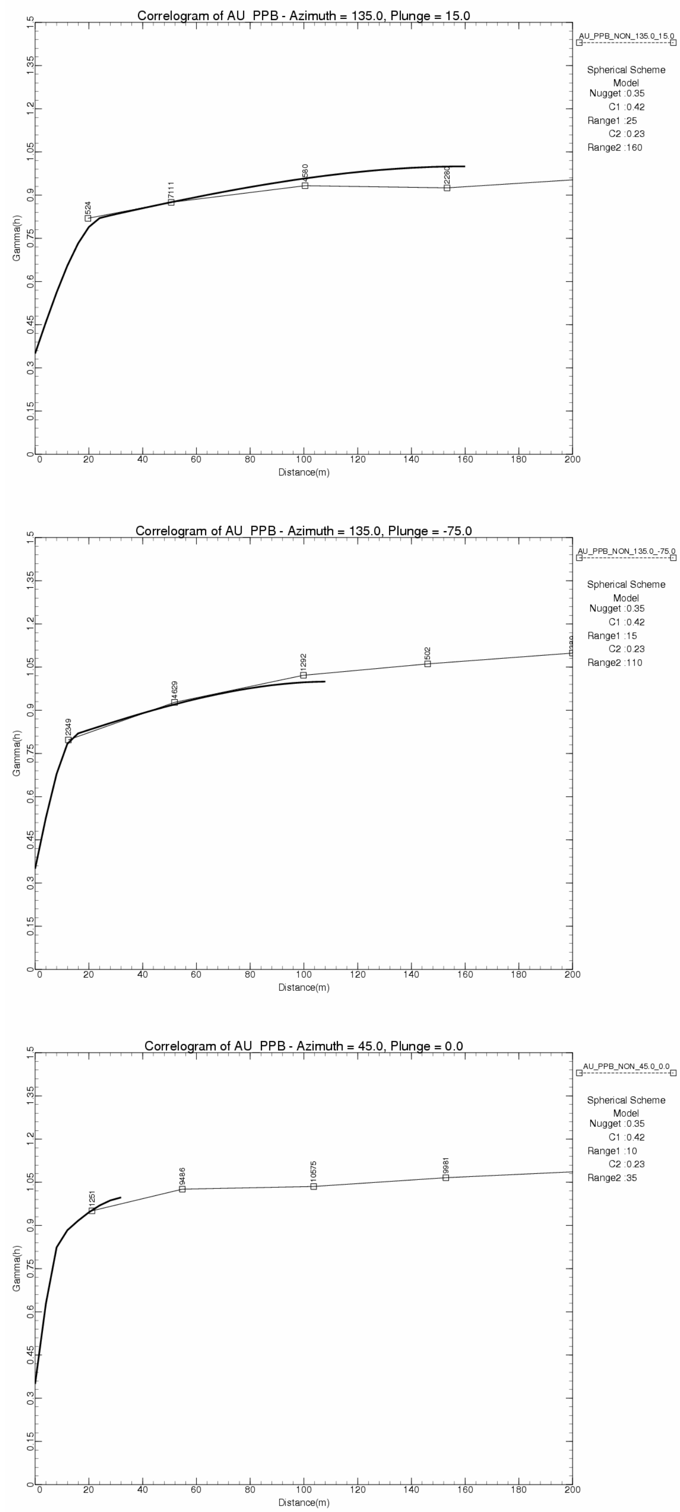
Golder modelled correlograms for all estimation units separately. Down the hole correlograms were used to define the nugget effect and omnidirectional correlograms were calculated and modelled where directional correlograms did not show a clearly defined structure.

Table 5-2 shows a summary of the correlogram models obtained. The experimental correlograms and the correlogram models for unit 301 are presented in Figure 5-5.

Table 5-2
Correlogram model summary for all estimation units

UE	Dir Azimuth/Plunge	Type	C0	C1	R1	C2	R2
100	Omni	Spherical	0.4	0.24	20	0.36	90
300-303	Omni	Spherical	0.5	0.35	15	0.15	70
301-302	135/15	Spherical	0.35	0.42	25	0.23	160
	135/-75		0.35	0.42	15	0.23	110
	45/0		0.35	0.42	10	0.23	35

Figure 5-5
Experimental correlogram Unit 301



5.1.4 Grade Estimation

The grade estimation was carried out in Vulcan® using ordinary kriging (OK). Composites from each estimation unit were used exclusively to estimate blocks of the same unit. No soft boundaries were used in the estimation process.

A two pass estimation was carried out. The 1st and 2nd passes used ranges corresponding to 75% and 100% of the variogram sill respectively for units 100 and 300-303, and for units 301 and 302 the percentages of the variogram sill used were 90% and 95%. The directions of the search radiuses were defined to match the orientation of the mineralization. A discretization of 2x2x2 nodes was used to estimate the block grades.

The analysis of the cumulative probability plots indicated the presence of outliers. High grade restriction was used to control the volume of influence of high grade samples during kriging. A top cut of 20.0 ppm was applied to unit 301 and a top cut of 4.0 ppm was applied to unit 302. High grade restrictions were also applied to these units. For unit 301 the threshold was defined at 10.0 ppm, with a volume of influence of 50x25x20m; for unit 302 a value of 2.0 ppm was used, with a volume of influence of 40x25x20m. Table 5-3 summarizes the kriging plan used to estimate gold grades.

Table 5-3
Kriging plan summary

UE	Min/Max Samples	Max Samples per Octant *	Min Octants *	Max Samples per DH	Search Radius			Azimuth	Dip	Plunge
					Major	Semi Mayor	Minor			
100	4/15	5	3	3	20	20	20	0	40	0
					90	90	45			
300-303	8/15	5	3	3	20	20	20	0	40	0
					70	70	35			
301	8/15	5	3	3	65	45	20	0	40	0
					100	75	30			
302	8/15	5	3	3	65	45	20	0	40	0
					100	75	30			

* Second pass uses a maximum of 4 samples per octant and a minimum of 2 octants with samples

5.1.5 Model Validation

Golder examined in detailed the results of the OK estimation and performed a series of checks including:

- Visual validation of estimated grades versus composite grades
- Comparison between composite and block model statistics
- Swath plots comparing block grades against composite grades

The visual validation indicates that the block grades generally honor the composite grades in most areas of the model. Figure 5-6 presents two sections showing blocks and composites colour coded by gold grades.

Table 5-4 shows the statistical comparison between average block grade estimates and declustered composite average grade. The declustering weights were derived by accumulation of kriging weights. It is observed that all estimation units present a very low difference in mean. Only blocks from zone 100 present a difference in mean higher than 5%. Considering that blocks from zone 100 will not be reported as resource, this difference will not have any impact to the resource figures.

Further evaluation of the conformance of the block estimates with the composite grades was done by the means of swath plots. Swath plot generation involves averaging both the blocks and samples in panels of 50 m (easting) by 50 m (northing) by 20 m (RL), then averaging of the panel averages into Easting, Northing and RL swaths to allow trend plots of block grades vs. composite grades to be constructed.

Further evaluation of the conformance of the block estimates with the composite grades was done by the means of swath plots. Swath plot generation involves averaging both the blocks and samples in panels of 25 m (easting) by 25 m (northing) by 30 m (RL), then averaging of the panel averages into Easting, Northing and RL swaths to allow trend plots of block vs. composite grades to be constructed.

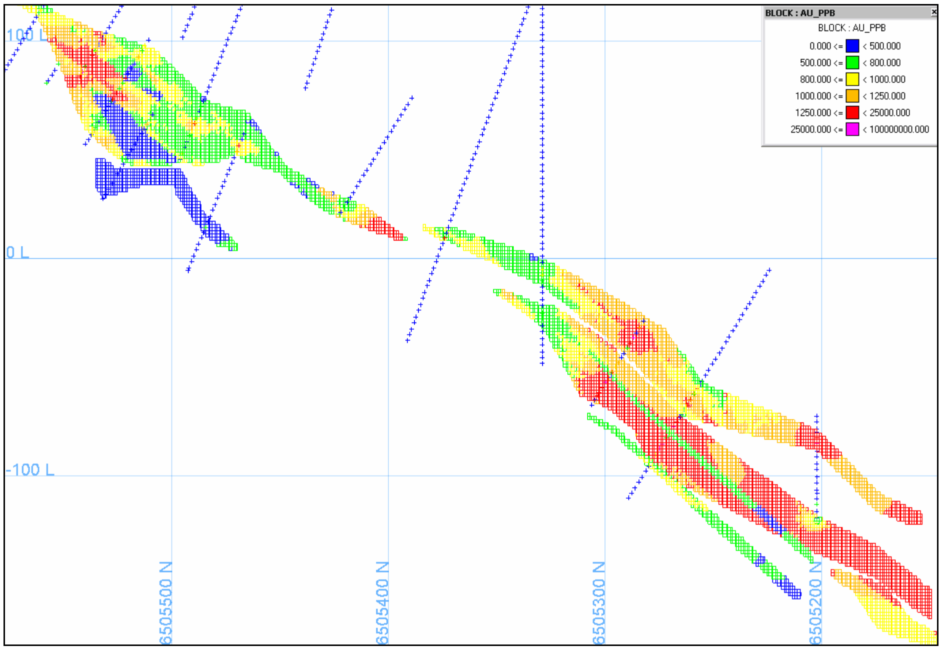
In general, swath plots for total copper show that the block estimates reasonably honour the composite grades. Figure 5-7 to Figure 5-10 show the swath plot obtained by estimation unit. Units with a small amount of data show a higher level of smoothing, although the results are considered to be acceptable.

Table 5-4
Statistical comparison - Block estimates vs composite grades

	Au Grade Declustered composites					Au Grade Block Estimates					
UE	No. Obs.	Minimum	Maximum	Mean	Variance	No. Obs.	Minimum	Maximum	Mean	Variance	Mean Diff
100	416	0.003	25.424	0.661	2,707.957	139,745	0.053	6.718	0.603	213.258	-8.716%
300	69	0.005	4.158	0.657	558.339	12,808	0.215	2.244	0.659	124.671	0.309%
301	1,555	0.003	20.000	1.860	6,254.747	419,620	0.026	13.939	1.908	2,209.519	2.551%
302	64	0.003	4.000	0.742	628.794	8,777	0.233	2.966	0.724	151.705	-2.366%
303	215	0.003	12.688	0.836	2,015.961	82,268	0.056	6.450	0.860	344.653	2.909%
Total	2,319	0.003	25.424	1.486	5,207.362	663,218	0.026	13.939	1.463	1,835.447	-1.524%

The results of the estimation by OK are considered adequate considering the level of information available in each estimation unit. The kriging plans resulted in estimates that adequately honour the spatial distribution of grades as observed in the composites.

Figure 5-6
Sections showing the visual validation of estimated grades versus composite grades (E 530,625 and E 530,425)



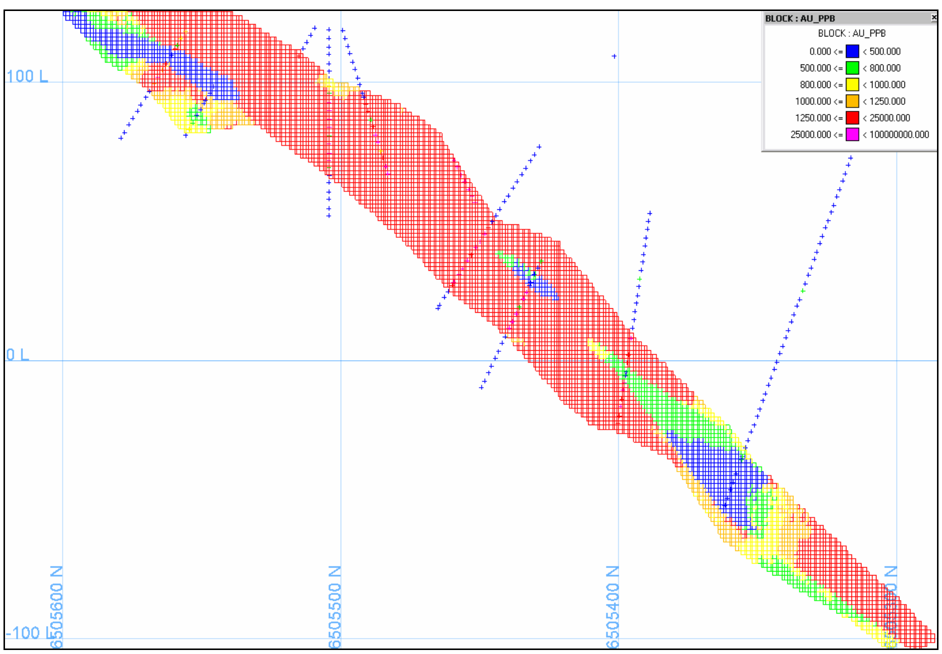


Figure 5-7
Swath plot, Blocks vs Samples in 25m x 25m x 20m Panels, Unit 300

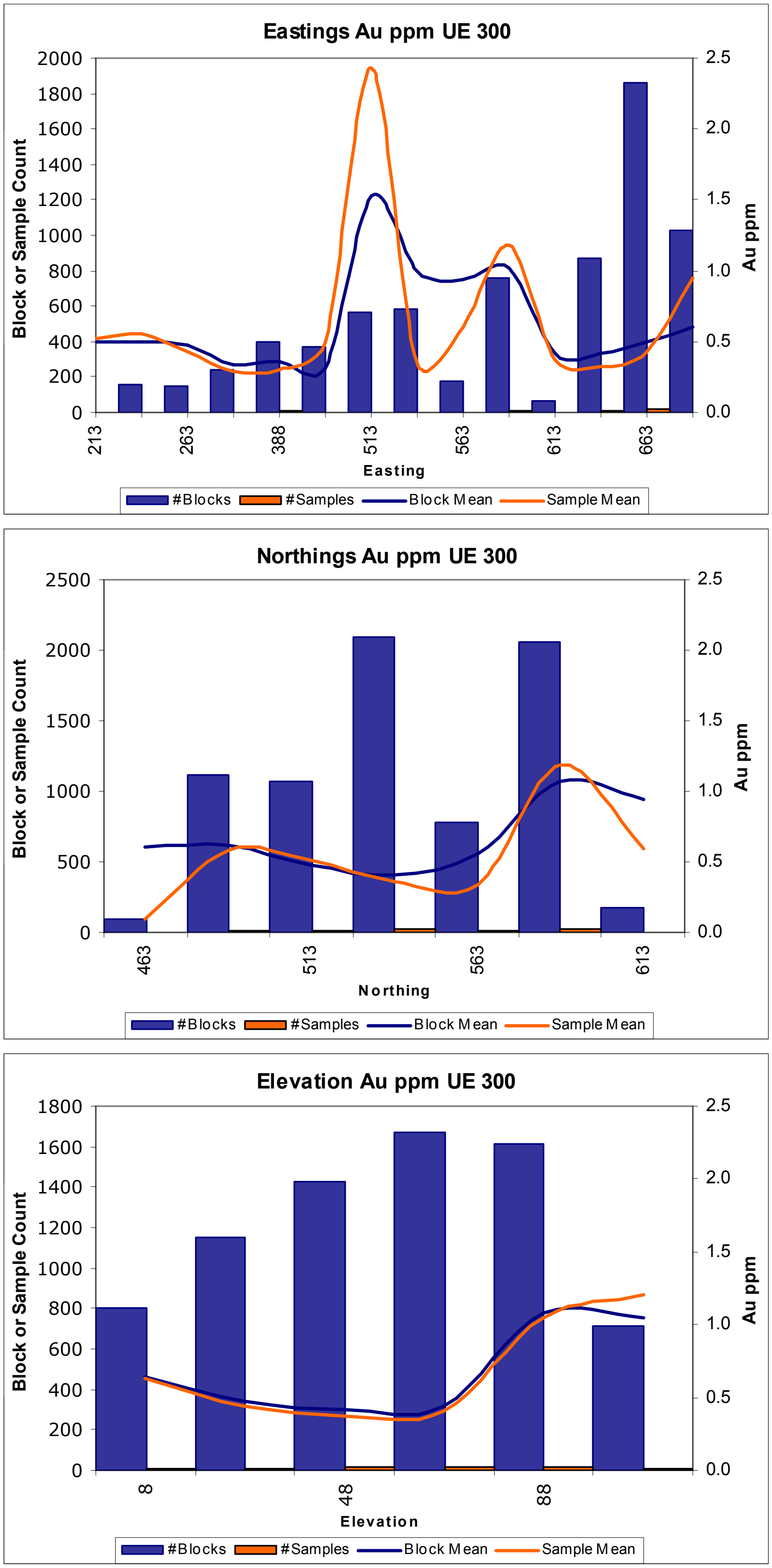


Figure 5-8
Swath plot, Blocks vs Samples in 25m x 25m x 20m Panels, Unit 301

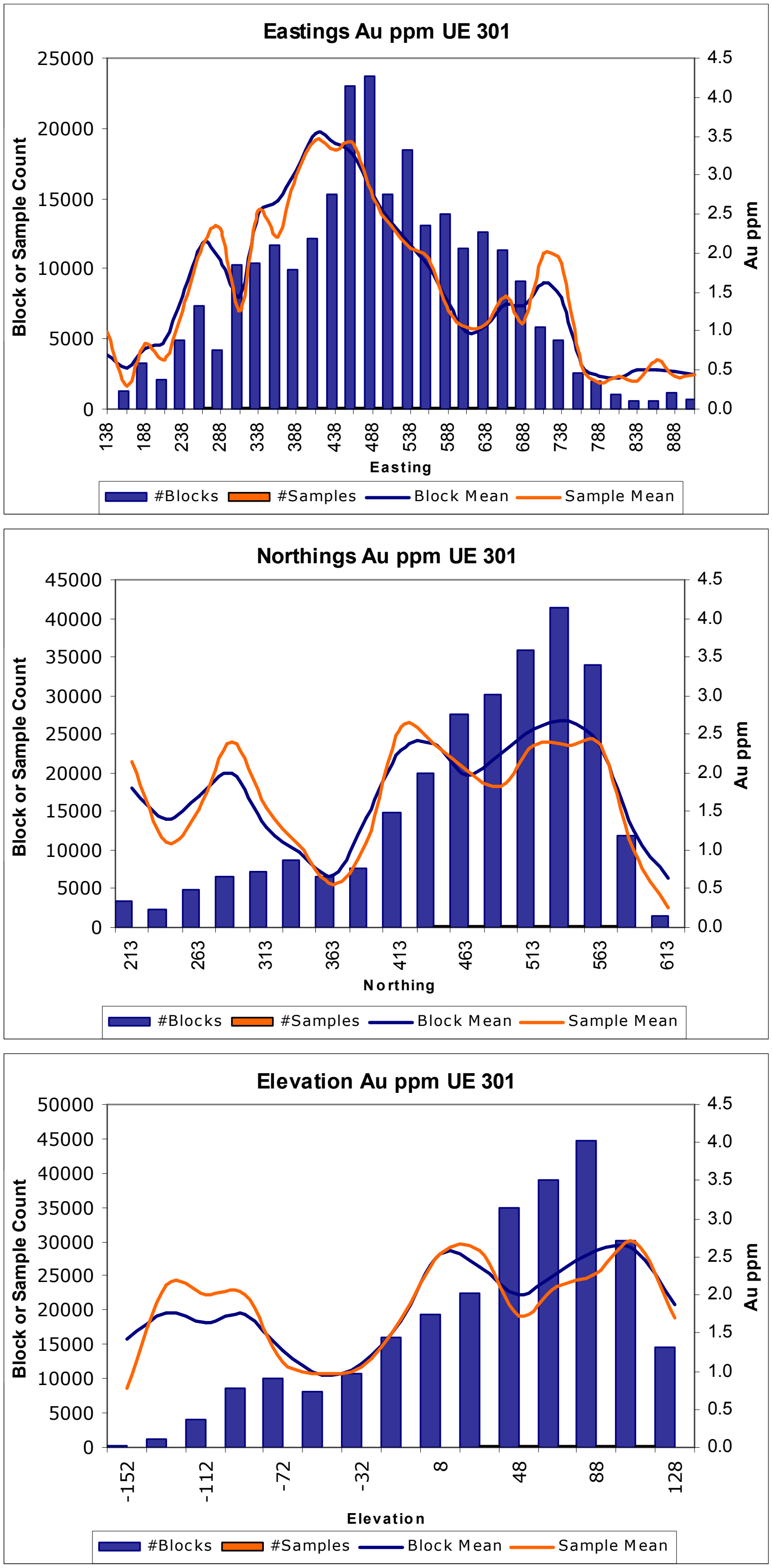


Figure 5-9
Swath plot, Blocks vs Samples in 25m x 25m x 20m Panels, Unit 302

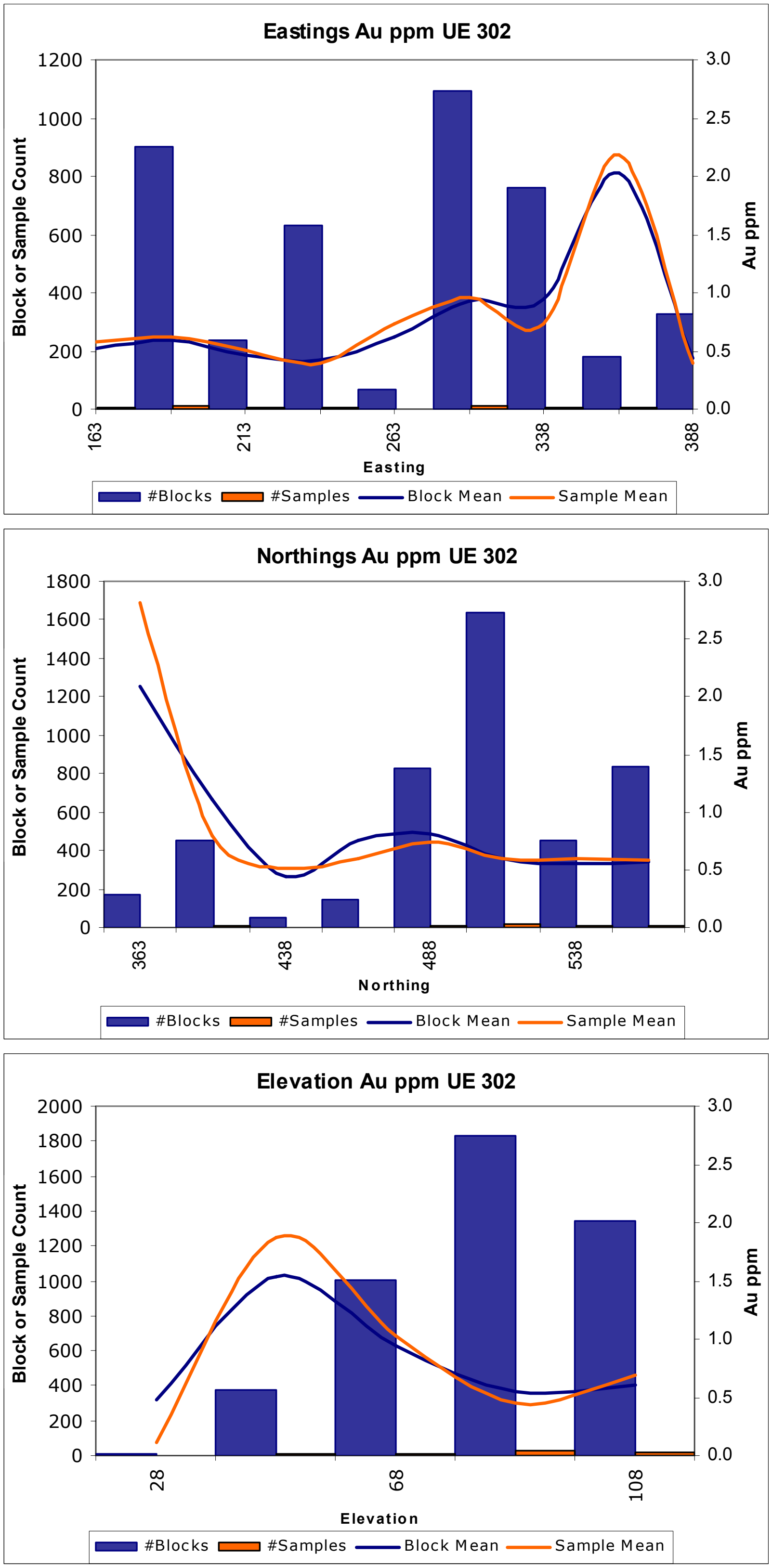
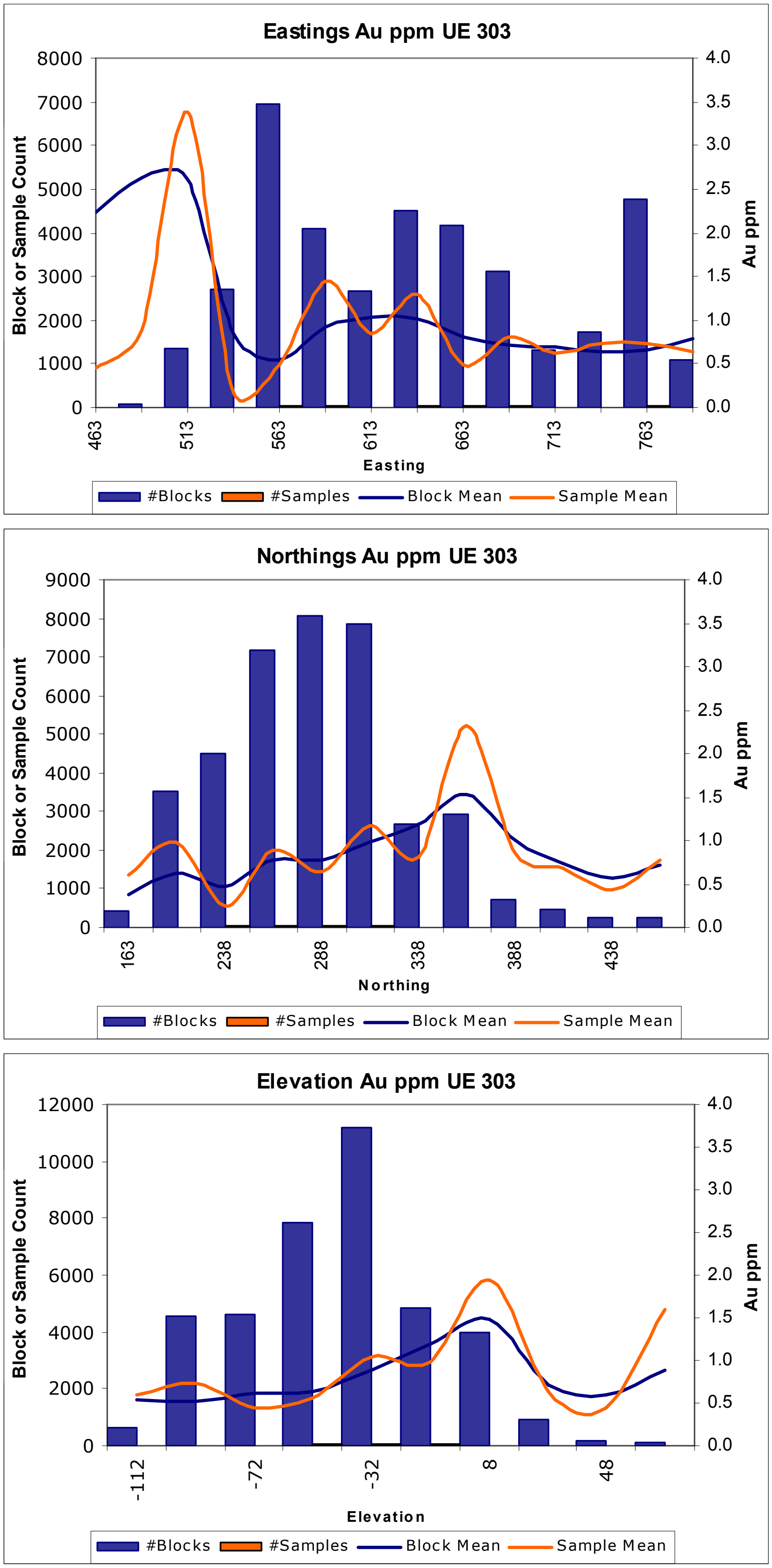


Figure 5-10
Swath plot, Blocks vs Samples in 25m x 25m x 20m Panels, Unit 303



5.1.6 Resource Classification

The available composites and the new estimation plan were used to define a classification scheme. The classification applied here does not take into consideration data quality and is solely based on estimation parameters such samples distance, number of drill holes used in estimation and the variogram, which is embedded in the definition of estimation passes. In addition the classification is done by unit. This provides a direct link to the confidence on the estimated grade. The criteria used to define each category were the following:

- **Measured Resource:** blocks estimated in the first pass, with an average sample distance less or equal 30 m and a minimum of 3 drill holes to estimate the block. This is for all units except for 302.
- **Indicated Resource:** blocks estimated in the first pass, with an average distance to the composites less or equal 60 m and a minimum of 3 drill holes to estimate the block. This is for all units except for 302.
- **Inferred Material:** all blocks which were not under any of the previous categories.

The Vulcan® script used to assign the resource class to the blocks is coded in the file *categ_golder100.bcf*. No smoothing was applied to the resource categorization. The categories are relatively well defined and no "salt and pepper" effect can be observed. Figure 5-11 includes two sections showing the resulting categories.

The lack of consideration regarding data quality is partly compensated by the fact that the Arenal orebody has been exploited by open pit for the last 3 years. This means that the continuity of the mineralization and grades is well known.

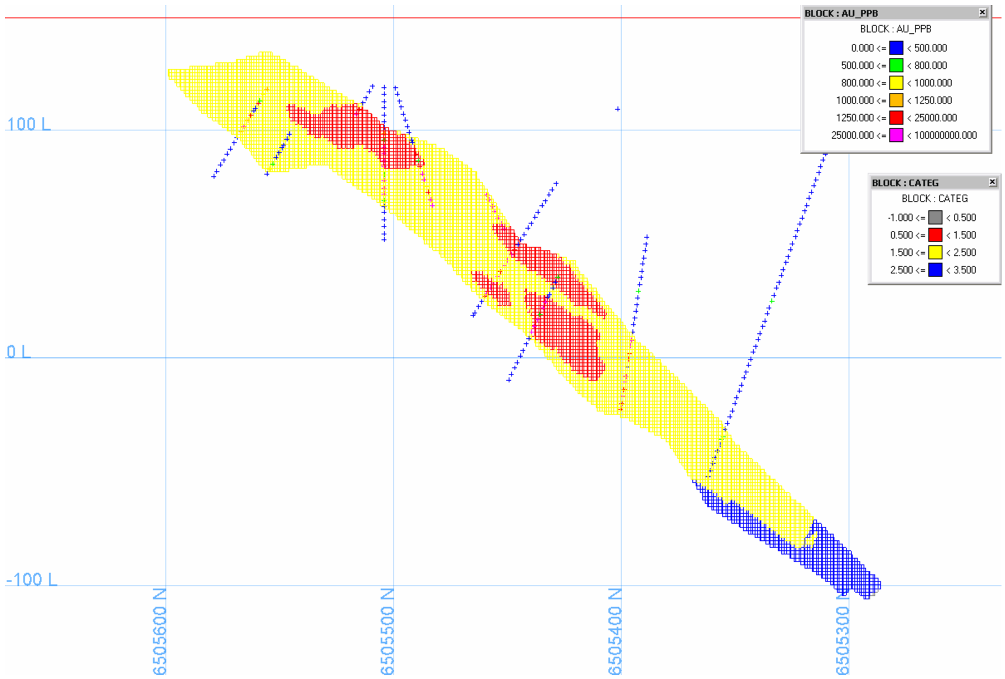
The resource tonnes and grades were calculated according to the classification criteria described above. Table 5-5 shows the resource statement for the updated Arenal model. The model was processed to take into account dilution, as follows:

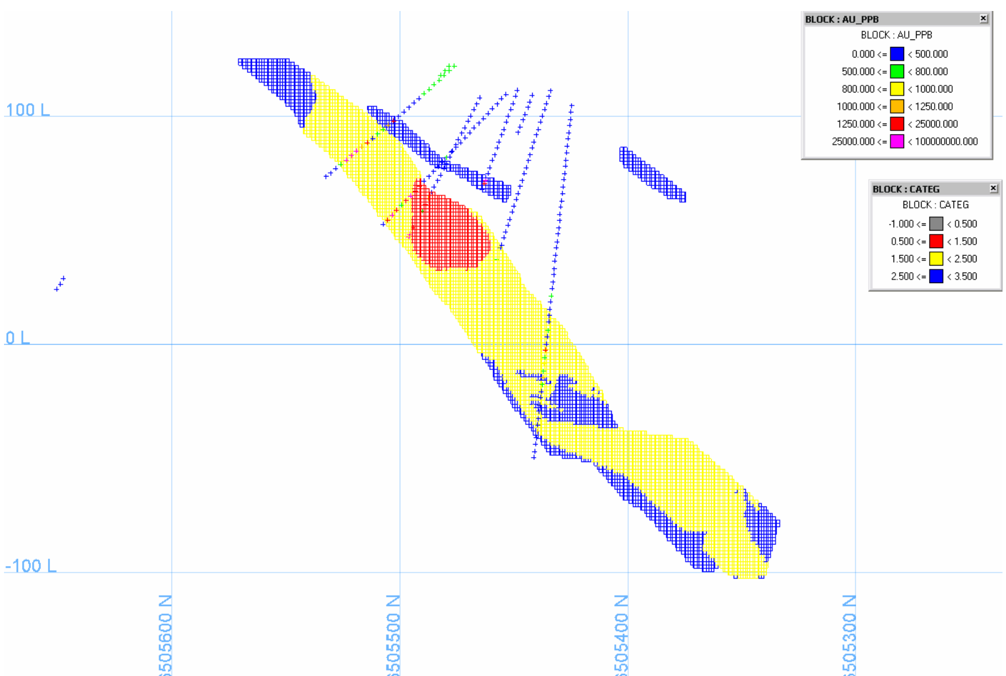
- Blocks completely contained in zone 100 were not considered for the resource calculation.
- If blocks were partially within unit 100, the block grades were calculated as an average grade weighted by the volume contained in each unit.
- Blocks that were partially in waste were diluted accordingly

Table 5-5
Grades and Tonnages for the Arenal deposit using a cut-off grade of 0.5 ppm Au

Arenal	Ore Tonnage (tonnes)	Grade (g/t Au)	Metal (oz)
Measured Resources	1,203,514	2.58	99,985
Indicated Resources	5,741,100	1.51	279,086
Inferred Resources	2,983,479	1.12	106,952

Figure 5-11
Sections showing the resource classification for the Arenal block model (E 530,425 and E 530,306)





5.2 Santa Teresa

5.2.1 Input Data

UME provided a composites database in the file *ASS_ORE.DAT*. Composites are 2m long and included both DDH and RC drilling data.

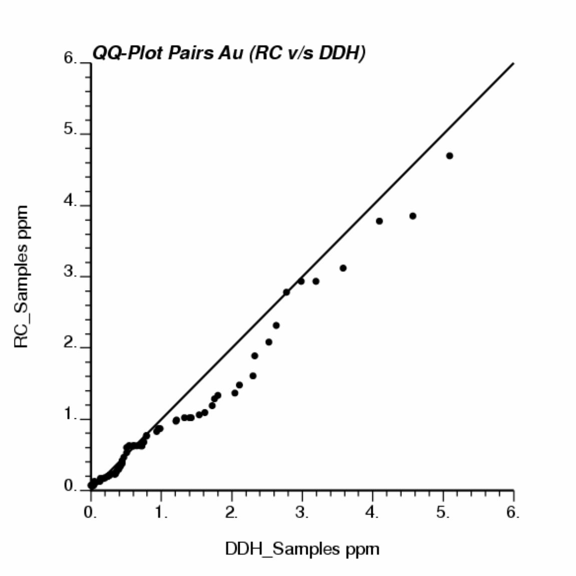
Au estimation was carried out for zones 1, 2 and 3 in 2x2x3m size blocks. The block model was provided to Golder in the file *P2_OBM_IDW03.DAT*.

Estimation units were defined using a cut off grade of 0.5 ppm Au. In order to separate the estimation units, a series of polygons were created in section. This process created a series of wireframes in Micromine® which were exported to the Vulcan® format and provided to Golder in files *ST_ORE_01.00t, ST_ORE_02.00t,* and *ST_ORE_03.00t*.

5.2.2 Exploratory Data Analysis

As a general practice, it is not recommended to combine DDH and RC drilling for estimation purposes. The Santa Teresa data set includes 692 DDH composites and 1270 RC drilling composites. Figure 5-12 shows the Q-Q Plot between DDH and RC composite grades that are within 10 m of each other. There is a good correspondence between both sample types, below 1 ppm Au. Above 1 ppm (35% of the total number of paired samples) there appears to be a bias between the two types of drilling, where RC data could potentially underestimate grade. Considering that the amount of DDH data is relatively scarce, RC composites will be used in the estimation. It is noted however that this practice will produce conservative estimates.

Figure 5-12
QQ-Plot comparing DDH data and RC drilling data



An EDA was carried out for the Santa Teresa composites to validate the definition of estimation units. Table 5-6 shows the declustered statistics summary for all composites. Figure 5-13 shows the Mean versus Standard Deviation graph used in the analysis, Figure 5-14 shows their probability plots and Figure 5-15 shows their histograms.

Table 5-6
Statistics summary for Au grades, all composites

UE	No. Obs.	Minimum	Maximum	Mean	Stand. Dev.	Variance	Coeff Var
1	1,316	0.00	19.000	1.272	2.063	4,256.164	1.621
2	431	0.00	19.000	1.189	2.045	4,182.977	1.720
3	215	0.00	12.645	1.285	1.637	2,680.300	1.274
Total	1,962	0.00	19.000	1.255	2.017	4,068.663	1.607

Mean Au grade and standard deviation are very similar for units 1, 2 and 3. In addition, the overlay of the probability plots and the histograms show that the distributions of the 3 units are very similar. This might suggest that all data could be estimated together. However, these three units are spatially separate bodies and therefore should be estimated independently. This was the same approach adopted by UME in their previous resource estimation update.

Figure 5-13
Mean versus Standard Deviation comparison between units

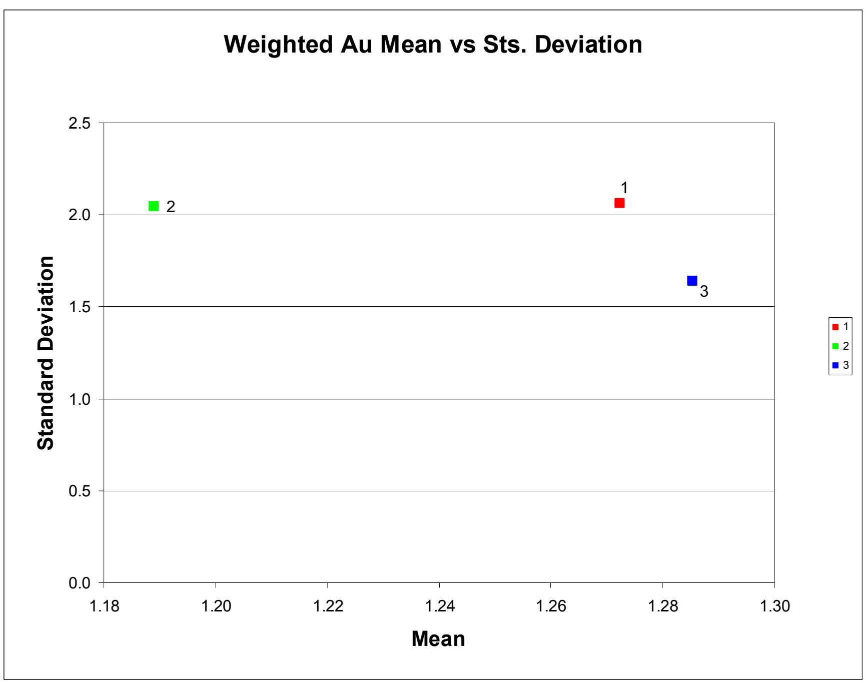


Figure 5-14
Cumulative probability plots for all units

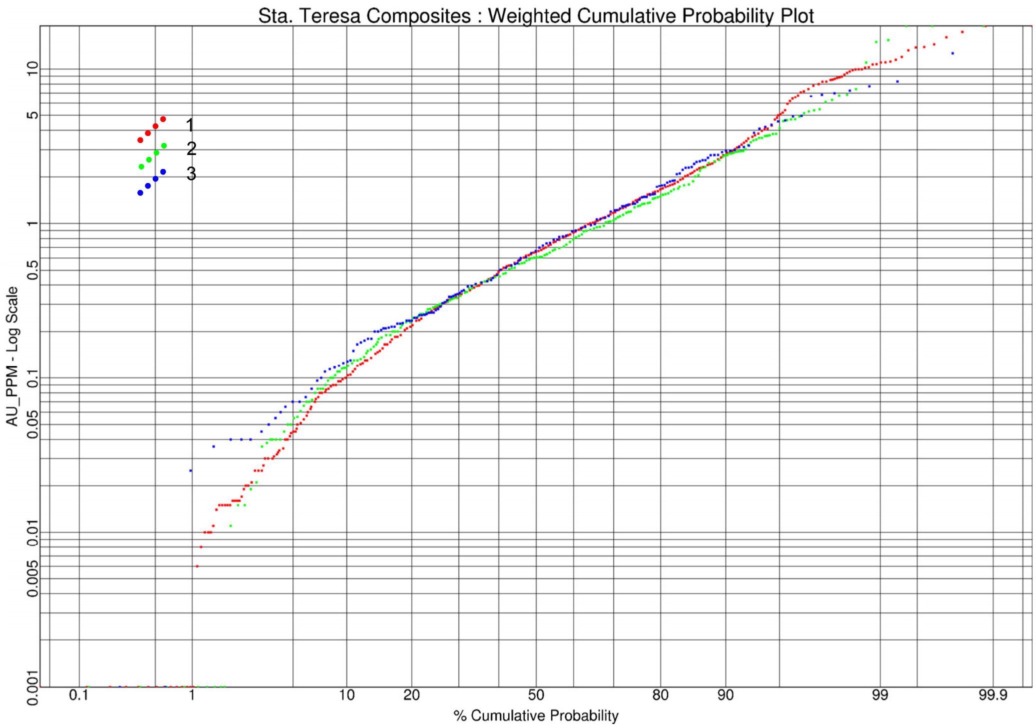
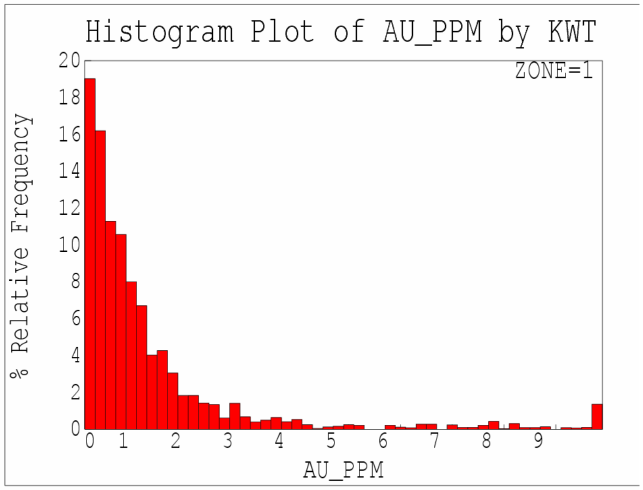
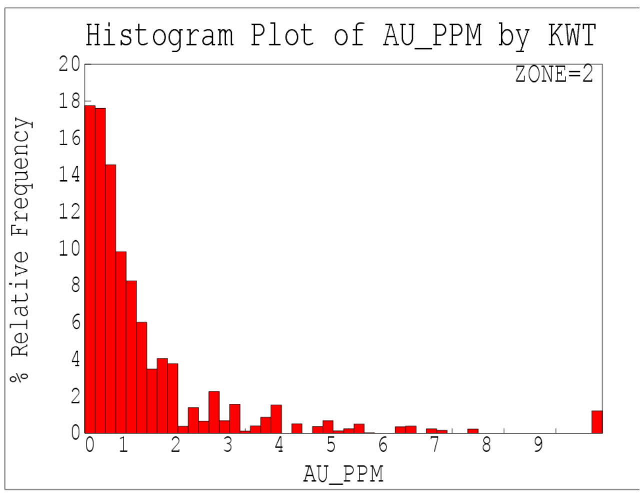
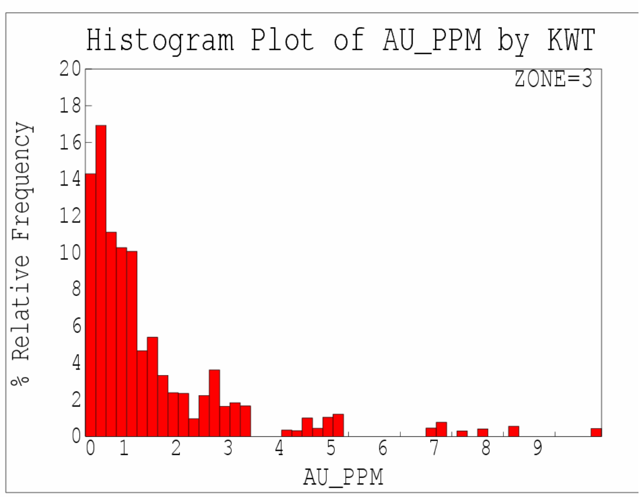


Figure 5-15
Histograms of gold grades by estimation unit







5.2.3 Variography

Directional, omnidirectional and down-the-hole variograms were calculated by Golder for each estimation unit. The nugget effect was defined based on the down-the-hole correlograms. Where directional correlograms did not show a clear structure, omnidirectional correlograms were modelled.

Units 1 and 2 showed more structured directional variograms than unit 3, which was modelled using an Omnidirectional model. Correlograms were modelled for all units. Table 5-7 shows a summary of the correlogram models obtained and Figure 5-16 to Figure 5-18 show the experimental correlogram with their corresponding models.

Table 5-7
Correlogram model summary for all estimation units

UE	Dir Azimuth/Plunge	Type	C0	C1	R1	C2	R2
1	125/-80	Spherical	0.60	0.30	10	0.10	50
	125/10		0.60	0.30	45	0.10	45
	35/0		0.60	0.30	30	0.10	30
2	135/50	Spherical	0.60	0.10	10	0.30	43
	135/-40		0.60	0.10	10	0.30	40
	45/0		0.60	0.10	10	0.30	30
3	Omni	Spherical	0.60	0.15	20	0.25	30

Figure 5-16
Experimental correlogram Unit 3

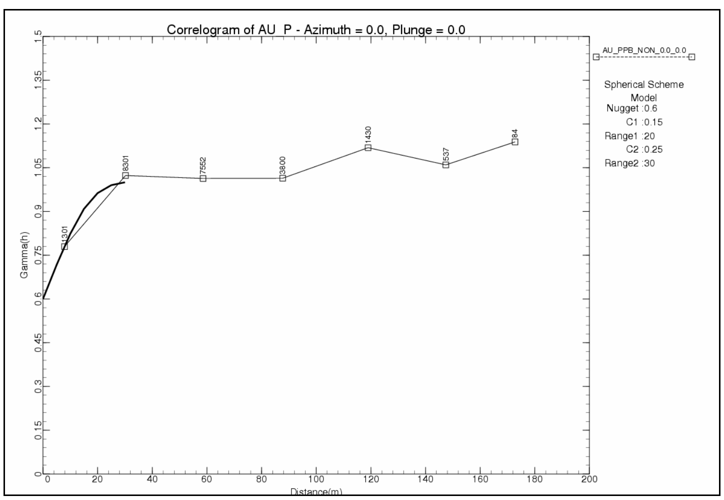
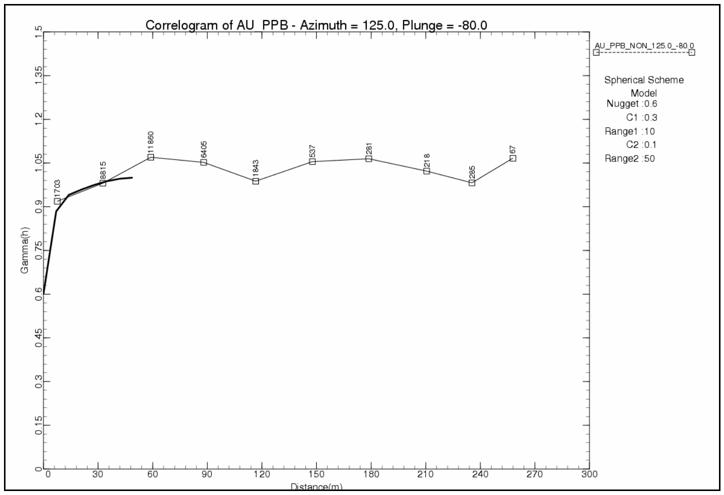
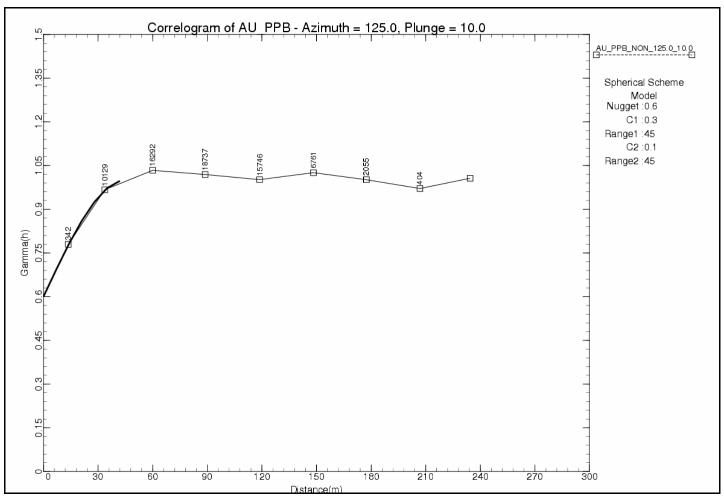


Figure 5-17
Experimental correlogram Unit 1





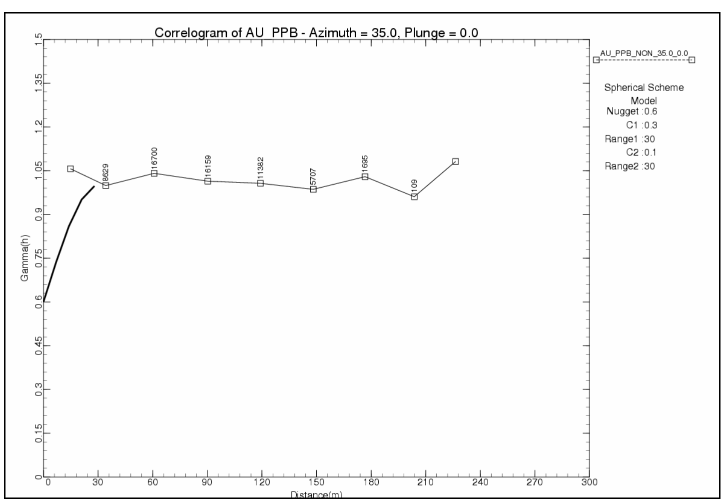
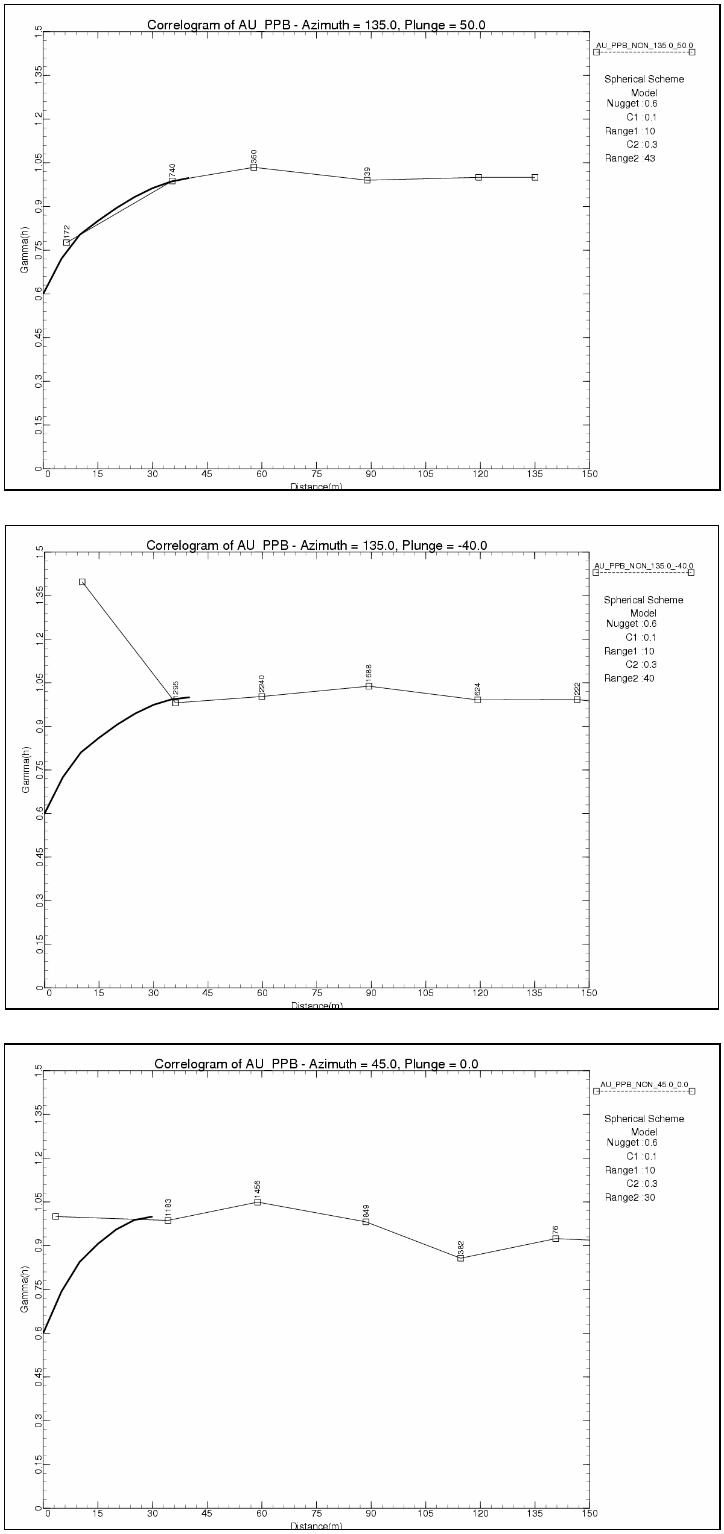


Figure 5-18
Experimental correlogram Unit 2



5.2.4 Grade Estimation

With the definition of estimation units and the correlogram models, the estimation was produced in Vulcan® using OK. As for Arenal, Composites from each estimation unit were used exclusively to estimate blocks of the same unit.

An estimation using 3 passes was carried out. The 1st, 2nd and 3rd passes used 90%, 100% and 150% of the variogram sill respectively. The directions of the search radiuses were defined to match the orientation of the mineralization and considering the available sample density.

Table 5-8 summarizes the kriging plan used to estimate the gold grades.

Table 5-8
Kriging plan summary

UE	Min/Max Samples	Max Samples per Octant *	Min Octants *	Max Samples per DH	Search Radius			Azimuth	Dip	Plunge
					Major	Semi Mayor	Minor			
1	4/15	5	2	3	10.00	25.00	18.00	0	0	40
					50.00	45.00	30.00			
					75.00	67.50	45.00			
2	4/15	5	2	3	27.00	24.00	15.00	0	0	40
					43.00	40.00	30.00			
					64.50	60.00	45.00			
3	4/15	5	2	3	15.00	15.00	15.00	0	0	40
					30.00	30.00	30.00			
					45.00	45.00	45.00			

* Only for first and second pass

5.2.5 Model Validation

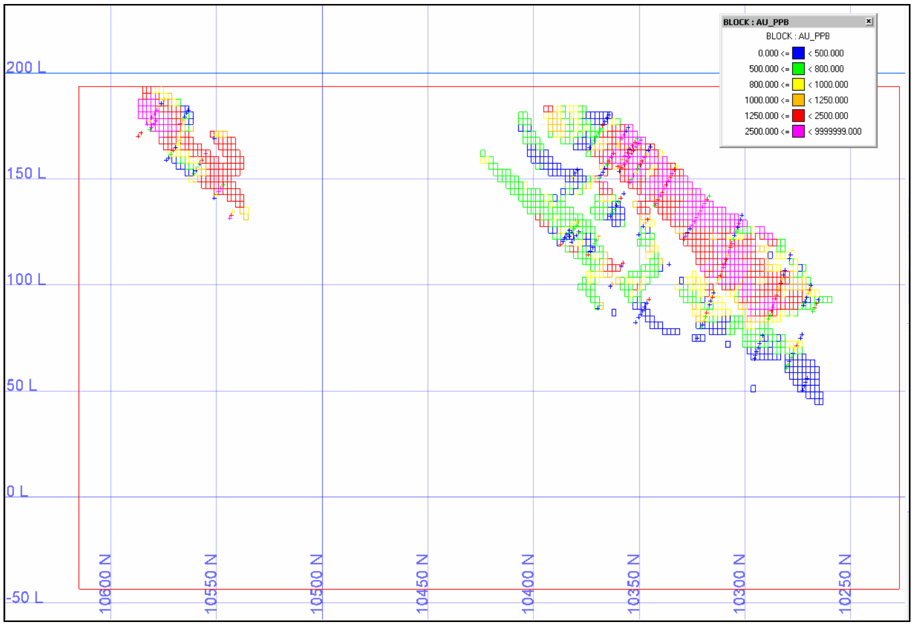
The visual validation indicates that in general the block grades follow the composite grades in most areas of the model. Figure 5-19 presents two sections showing blocks and composites colour coded by gold grades.

Table 5-9 shows the statistical comparison between average block grade estimates and declustered composite average grade. It is observed that all estimation units present a very low difference in mean. Swath plots support the observed in the statistics analysis. Figure 5-20 to Figure 5-22 show the swath plot obtained for each estimation unit.

Table 5-9
Statistical comparison - Block estimates vs composite grades

UE	Declustered composites Au (ppm)					Block Estimates Au (ppm)					
	No. Obs.	Minimum	Maximum	Mean	Variance	No. Obs.	Minimum	Maximum	Mean	Variance	Mean Diff
1	1,316	0.001	19.000	1.272	4,256.164	93,663	0.042	8.845	1.277	1,101.491	0.327%
2	431	0.001	19.000	1.189	4,182.977	30,529	0.112	10.084	1.219	787.060	2.563%
3	215	0.001	12.645	1.285	2,680.300	10,082	0.072	5.977	1.284	823.746	-0.112%
Total	1,962	0.001	19.000	1.255	4,068.663	134,274	0.042	10.084	1.264	1,009.716	0.687%

Figure 5-19
Sections showing the visual validation of estimated grades versus composite grades (E 7505 and E 7952)



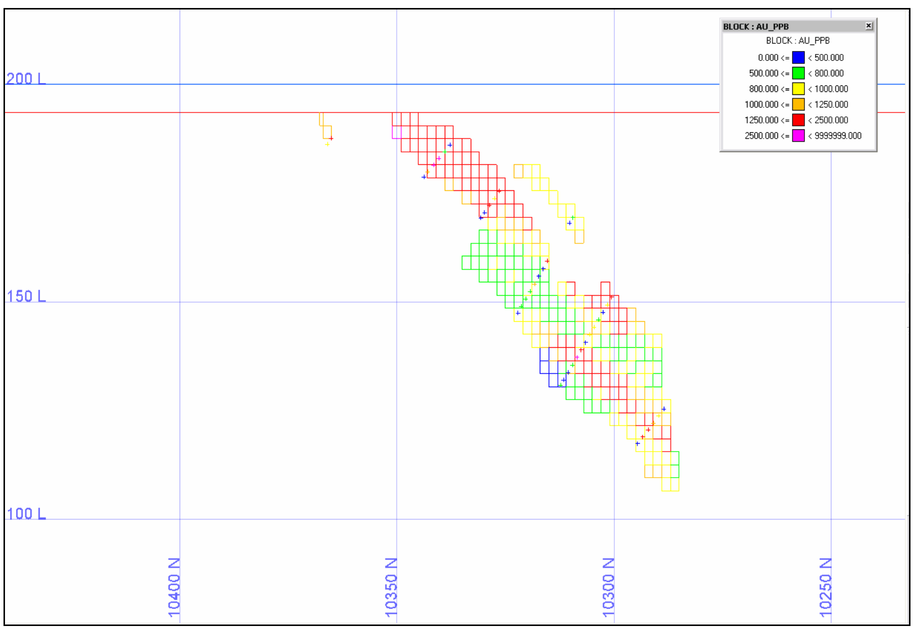


Figure 5-20
Swath plot, Blocks vs Samples in 10m x 10m x 15m Panels, Unit 1

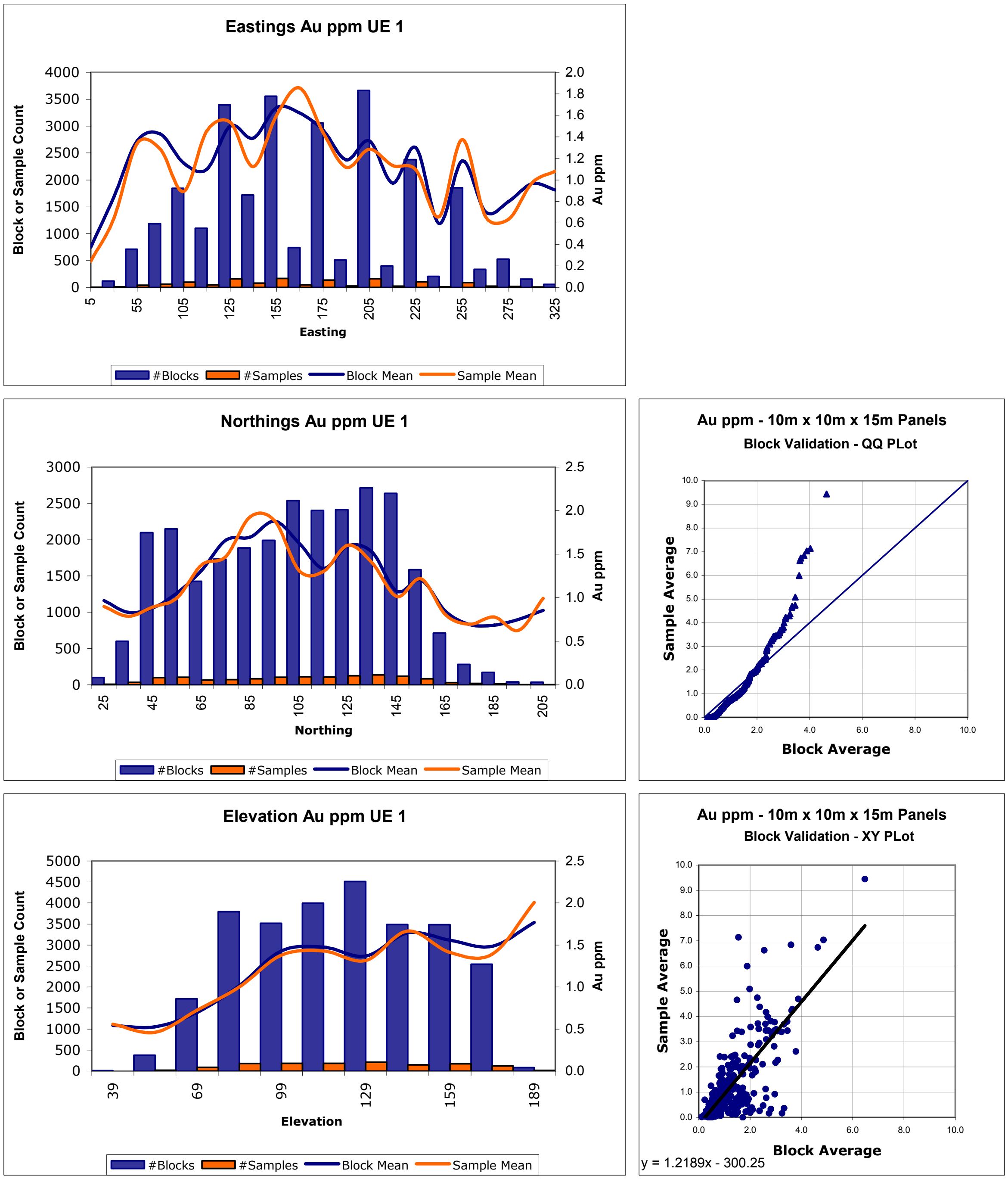


Figure 5-21
Swath plot, Blocks vs Samples in 10m x 10m x 15m Panels, Unit 2

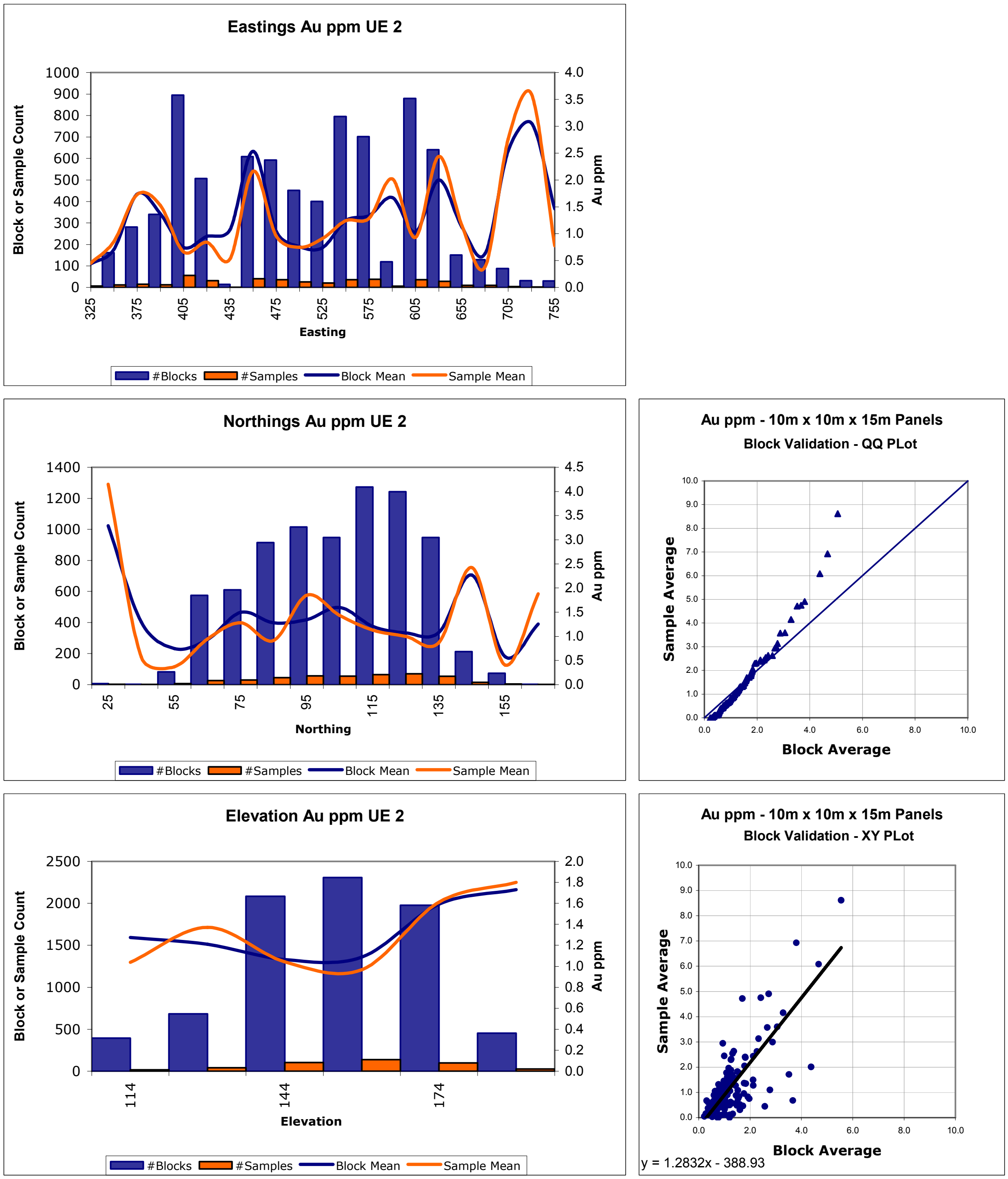
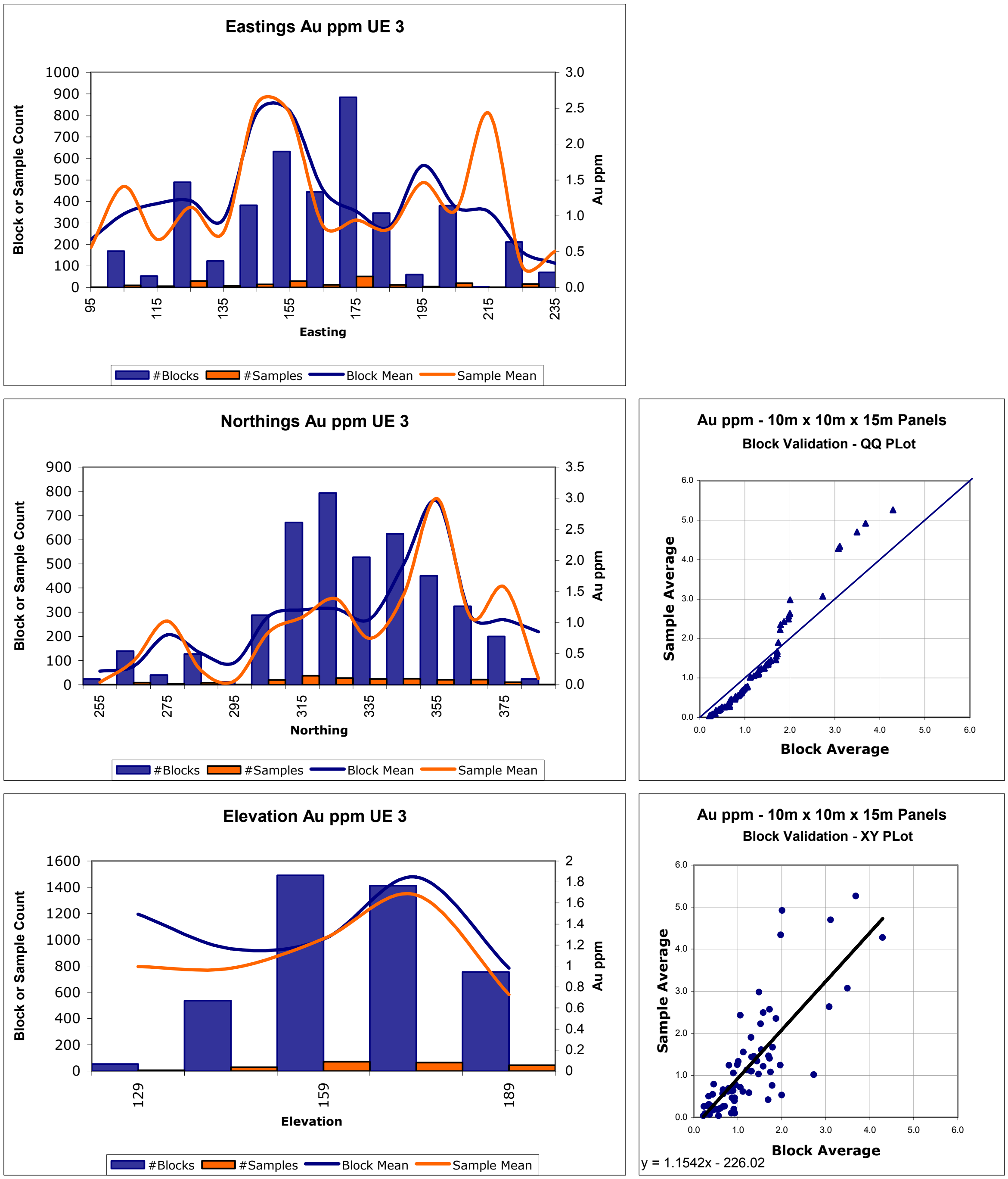


Figure 5-22
Swath plot, Blocks vs Samples in 10m x 10m x 15m Panels, Unit 3



5.2.6 Resource Classification

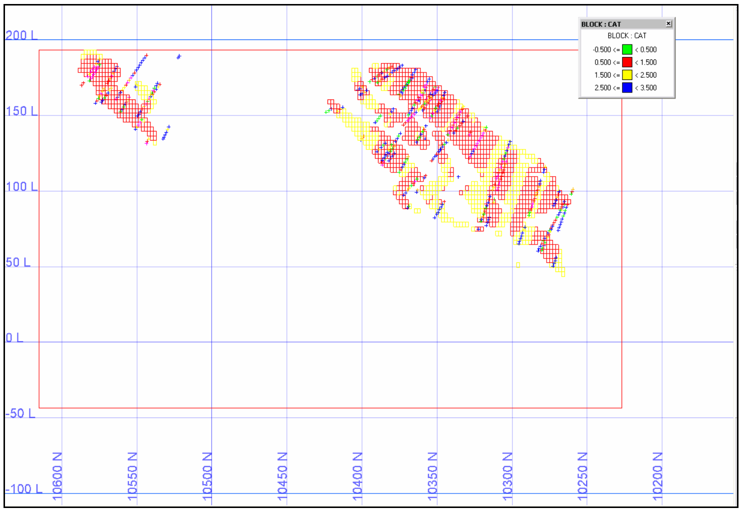
The available composites and the new estimation plan were used to define a classification scheme. The classification applied here does not take into consideration data quality and is solely based on estimation parameters such samples distance, number of drill holes used in estimation and the variogram, which is embedded in the definition of estimation passes. In addition the classification is done by unit. This provides a direct link to the confidence on the estimated grade.

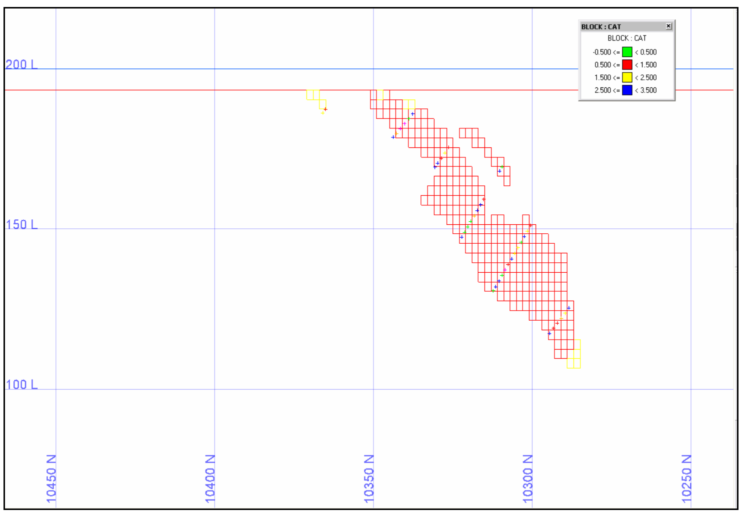
The criteria used to define each category were the following, according to the kriging plan shown in Table 5-8:

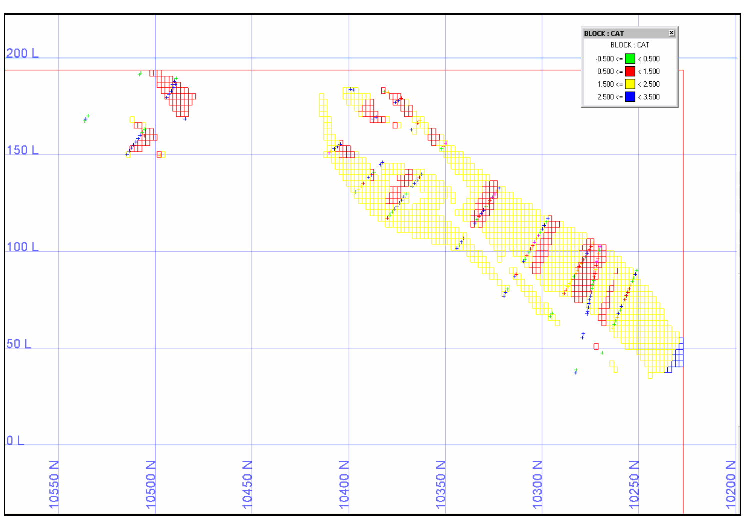
- **Measured Resource:** blocks estimated in the first pass. Code 1 corresponds to Measured material in the block model.
- **Indicated Resource:** blocks estimated in the second pass. Code 2 corresponds to Indicated material in the block model.
- **Inferred Material:** blocks estimated in the third pass. Code 3 corresponds to Inferred material in the block model.

According to this categorization, most of the blocks were defined as measured and indicated material. A few blocks were defined as inferred material, generally near the end of the orebody where composites are scarce. Figure 5-23 includes two sections showing the resulting categories.

Figure 5-23
Sections showing the new resource classification for the Santa Teresa block model (E 7505, E 7952 and E 7575)







5.3 San Gregorio Model

5.3.1 Input Data

UME provided a drill hole database in the file *SG_Rieles_East ext_drill.xls*. The spreadsheet contains tables including Collar, Survey, Assay, Lithology and Alteration data. The database was imported into a Vulcan® drill hole database (*umesgrdh.sgr.isis*) and used to produce 5 m composites. Compositing was carried out for both DDH and RC data.

Estimation was previously carried out by UME for zones 15 and 16 using 5x2x5 m blocks. The block model was provided to in Golder in ASCII format (*model-03* in). The block model used for estimation was restricted to an area to the west of the San Gregorio pit, therefore there is a large proportion of the San Gregorio Deposit that is not included in Golder's estimation. The estimation of the full San Gregorio model will be carried out at a later stage when a new geological model becomes available.

As for the other deposits the estimation units were defined by UME using a cut-off grade of 0.5 ppm Au. The polygons defining de grade shells were exported to DXF format and provided to Golder in file *zones.dxf*. These polygons were imported to Vulcan® and used to create solids *15.00t* and *16.00t*.

5.3.2 Exploratory Data Analysis

The San Gregorio data set includes 920 DDH composites and 6,846 RC drilling composites. None of the DDH samples are in the vicinity of the block model; hence they were not flagged with the zone code and will not be considered for estimation purposes.

Composites were flagged using the Zone code in the block model. An EDA was carried out for the San Gregorio composites to validate the estimation units adopted by UME in the previous resource estimation update. Table 5-10 shows the declustered summary statistics for all composites. Figure 5-24 shows the Mean versus Standard Deviation graph used in the analysis, Figure 5-25 shows their probability plots and Figure 5-26 shows their histograms.

Table 5-10
Statistics summary for Au grades, all composites

UE	No. Obs.	Minimum	Maximum	Mean	Stand. Dev.	Variance	Coeff Var
15	559	0.002	15.733	0.717	1.195	1,426.850	1.665
16	379	0.002	28.070	2.524	3.049	9,298.522	1.208
Total	**938**	**0.002**	**28.070**	**1.447**	**2.322**	**5,393.378**	**1.605**

The mean Au grade and standard deviation are very different for units 15 and 16. Zone 15 presents a much lower mean grade compared to Zone 16.

The Mean versus Standard Deviation graph confirms that these statistical features are not similar for both units, which suggests that they should be estimated independently.

The cumulative probability distributions of the 2 units are also different, as observed in the overlay of the probability plots.

The results indicate that all units should be estimated independently.

Figure 5-24
Mean versus Standard Deviation comparison between units

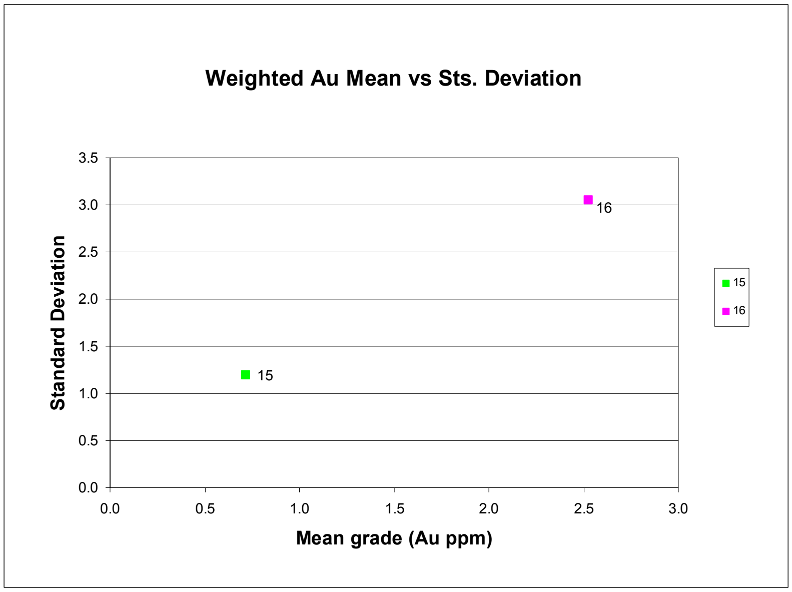


Figure 5-25
Cumulative probability plots

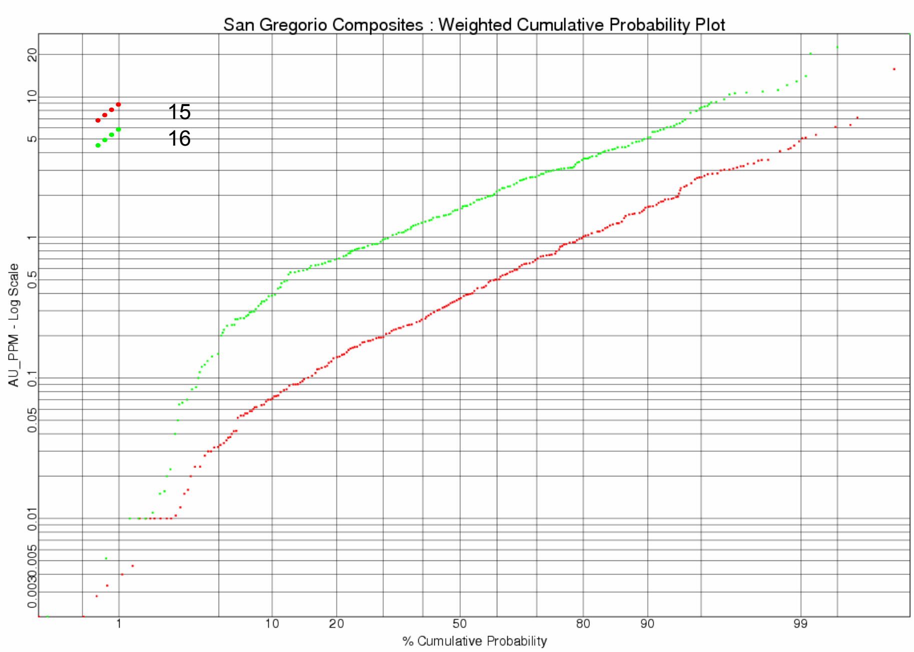
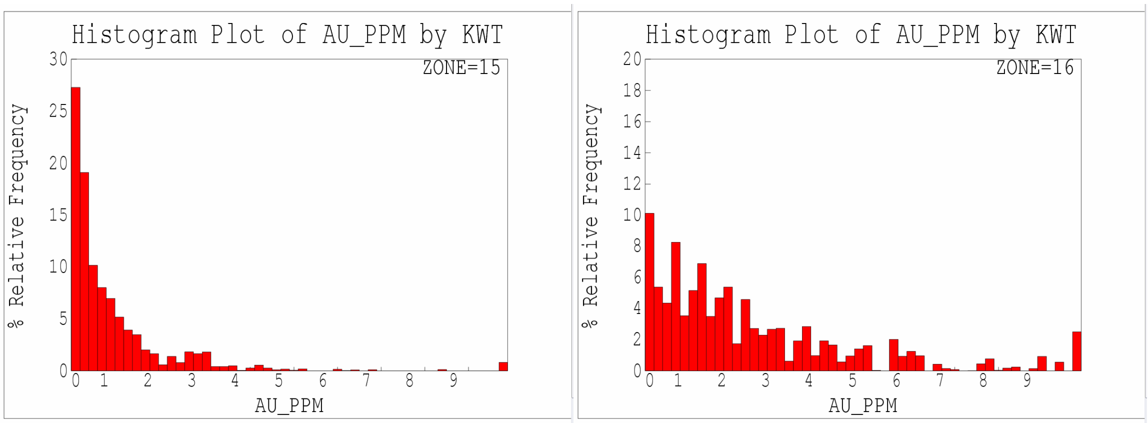


Figure 5-26
Histograms of gold grades by estimation unit



5.3.3 Variography

Directional, omnidirectional and down-the-hole variograms were calculated by Golder for each estimation unit. The nugget effect was defined based on the down-the-hole correlograms.

Correlograms were modelled for both units in three orthogonal directions following the experimental anisotropy. Table 5-11 shows a summary of the correlogram models obtained and Figure 5-27 and Figure 5-28 show the experimental correlograms with their correspondent models.

Table 5-11
Correlogram model summary for all estimation units

UE	Dir Azimuth/Plunge	Type	C0	C1	R1	C2	R2
15	150/-50	Spherical	0.50	0.25	10	0.25	60
	60/0		0.50	0.25	20	0.25	52
	150/40		0.50	0.25	10	0.25	25
16	35/0	Spherical	0.50	0.25	5	0.25	50
	125/-25		0.50	0.25	10	0.25	40
	125/65		0.50	0.25	5	0.25	15

Figure 5-27
Experimental correlogram Unit 15

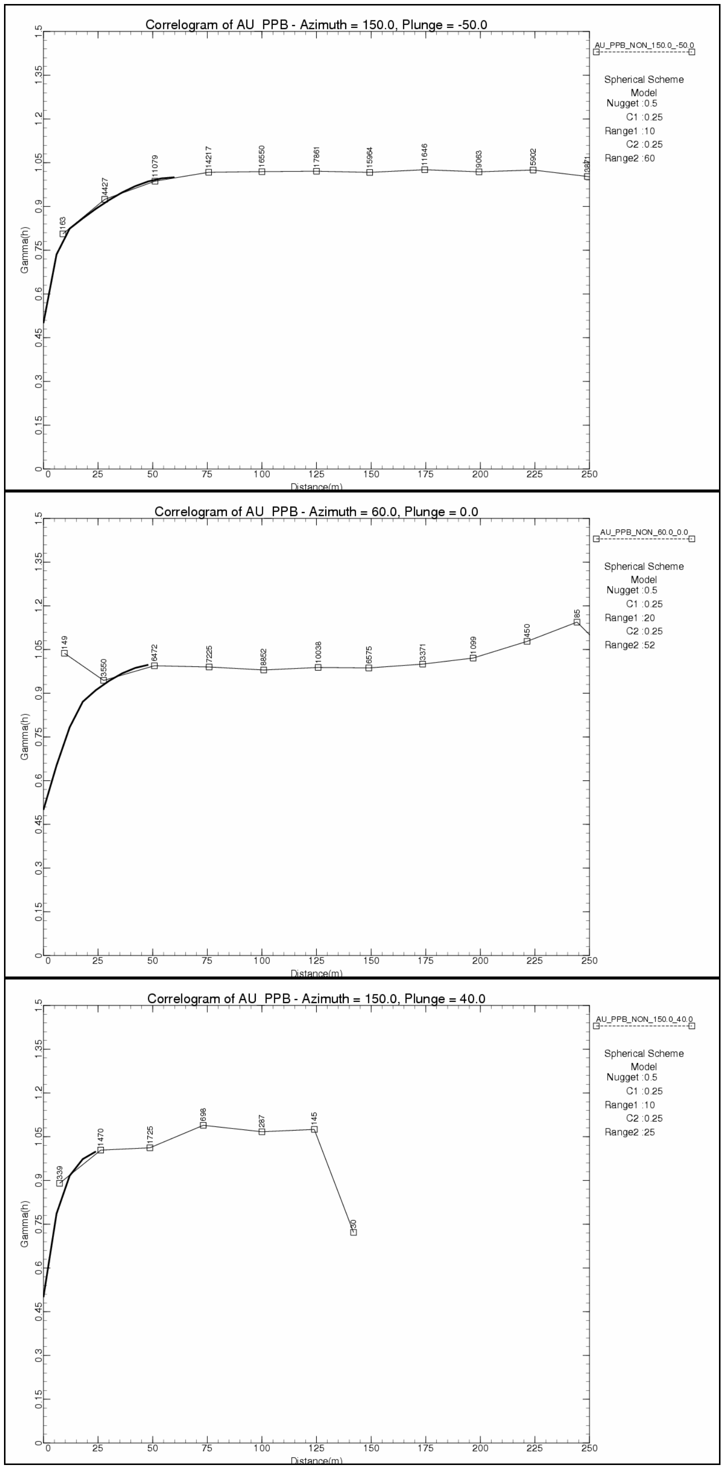
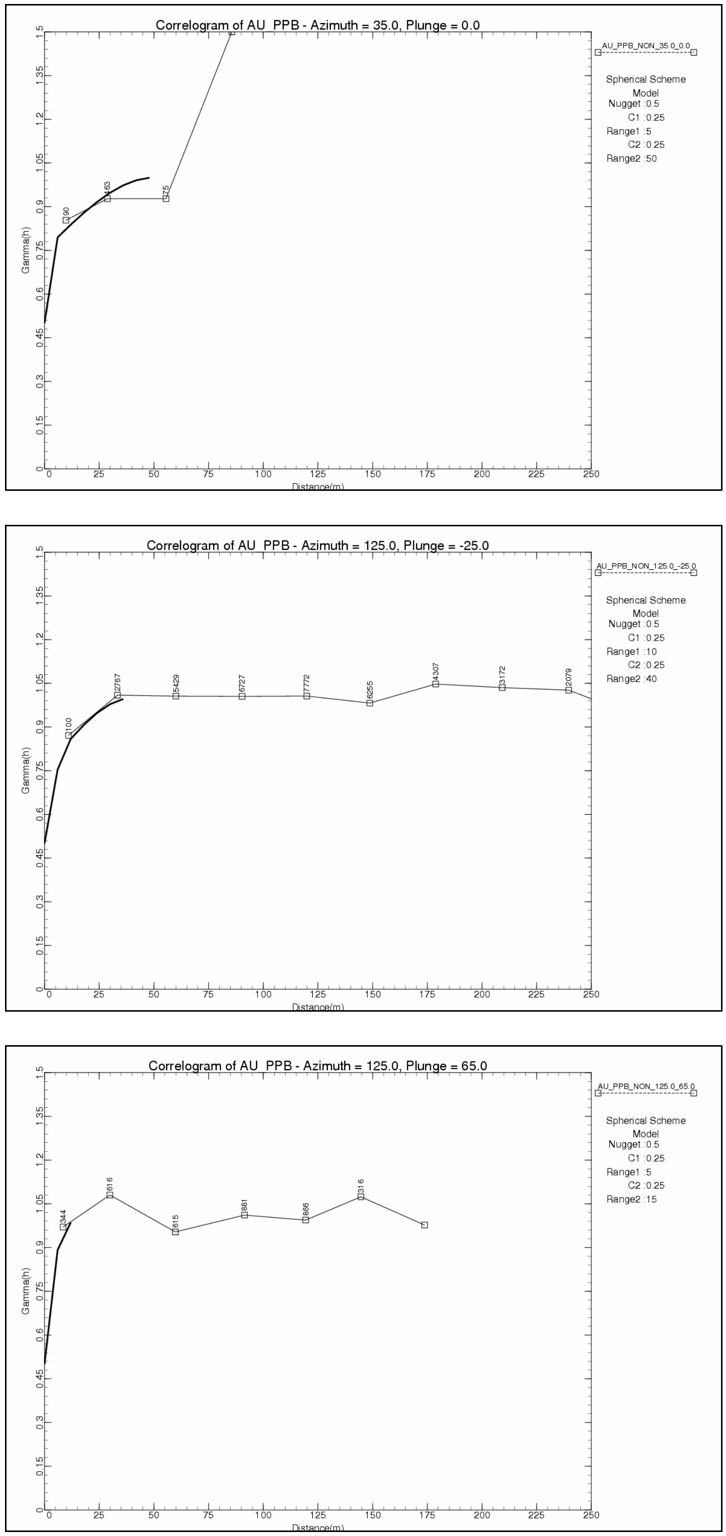


Figure 5-28
Experimental correlogram Unit 16



5.3.4 Grade Estimation

With the definition of estimation units and the correlogram models, the estimation was produced in Vulcan® using OK.

An estimation using 3 passes was carried out. The 1^{st}, 2^{nd} and 3^{rd} passes used 90%, 100% and 150% of the variogram sill respectively. The directions of the search radiuses were defined to match the orientation of the mineralization.

Table 5-12 summarizes the kriging plan used to estimate the gold grades.

Table 5-12
Kriging plan summary

UE	Min/Max Samples	Max Samples per Octant *	Min Octants *	Max Samples per DH	Search Radius			Azimuth	Dip	Plunge
					Major	Semi Mayor	Minor			
15	4/15	5	2	3	27.00	22.00	12.50	0	0	60
					60.00	52.00	25.00			
					120.00	104.00	50.00			
16	4/15	5	2	3	22.00	18.00	8.00	0	0	60
					50.00	40.00	15.00			
					100.00	80.00	30.00			

* Only for first and second pass

5.3.5 Model Validation

The visual validation indicates that the block grades follow the composite grades in most areas of the model. Figure 5-29 presents two sections showing block and composite grades for the new model. It is observed that the transitions between high grade and low grade blocks are smoother than the ones observed for the model estimated by UME. This indicates that the new estimation better reproduces the gradation shown in the composites for Au grades.

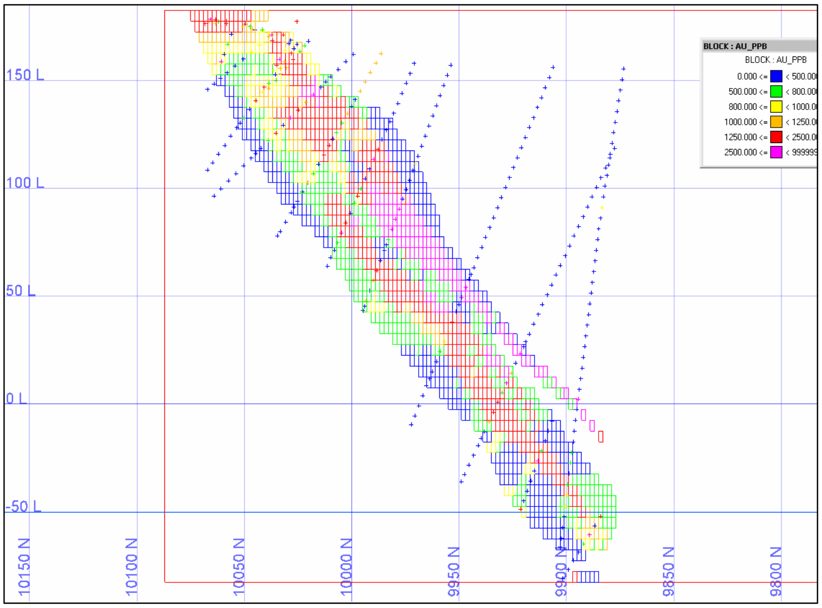
Table 5-13 shows the statistical comparison between block estimates and declustered composites. It is observed that both estimation units present a very small difference in mean, in both cases lower than 2%. Swath plots support the observed in the statistics analysis. Figure 5-30 and Figure 5-31 show the swath plot obtained by estimation unit.

In general, the estimated model seems to improve the results when compared to the original UME model.

Table 5-13
Statistics comparison - Block estimates vs composite grades

UE	Declustered composites					Block Estimates Cu					
	No. Obs.	Minimum	Maximum	Mean	Variance	No. Obs.	Minimum	Maximum	Mean	Variance	Mean Diff
15	559	0.002	15.733	0.717	1,426.850	33,255	0.006	5.085	0.713	213.095	-0.648%
16	379	0.002	28.070	2.524	9,298.522	19,544	0.046	13.050	2.557	1,715.468	1.315%
Total	938	0.002	28.070	1.447	5,393.378	52,799	0.006	13.050	1.395	1,562.388	-3.585%

Figure 5-29
Sections showing the visual validation of Golder estimated grades versus composite grades (E 9380 and E 9435)



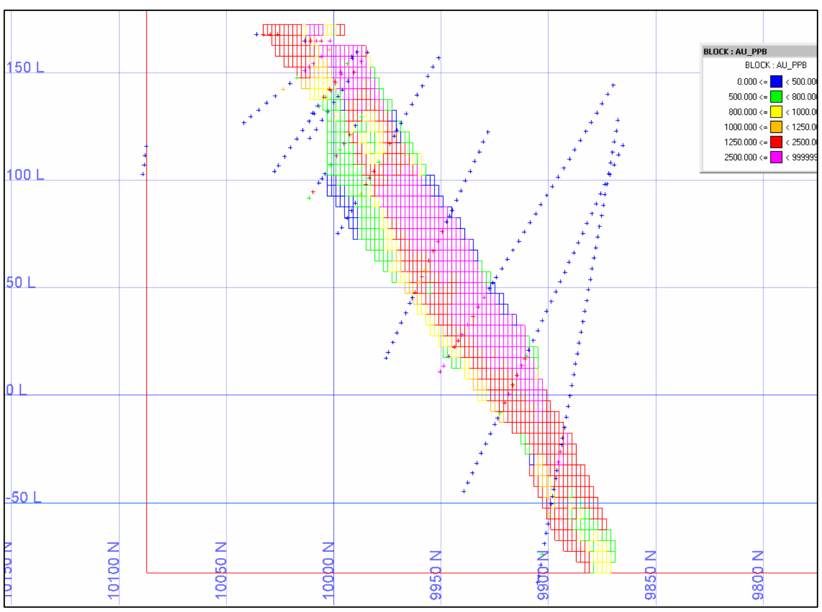


Figure 5-30
Swath plot, block estimates vs composites in 25m x 10m x 20m Panels, Unit 15

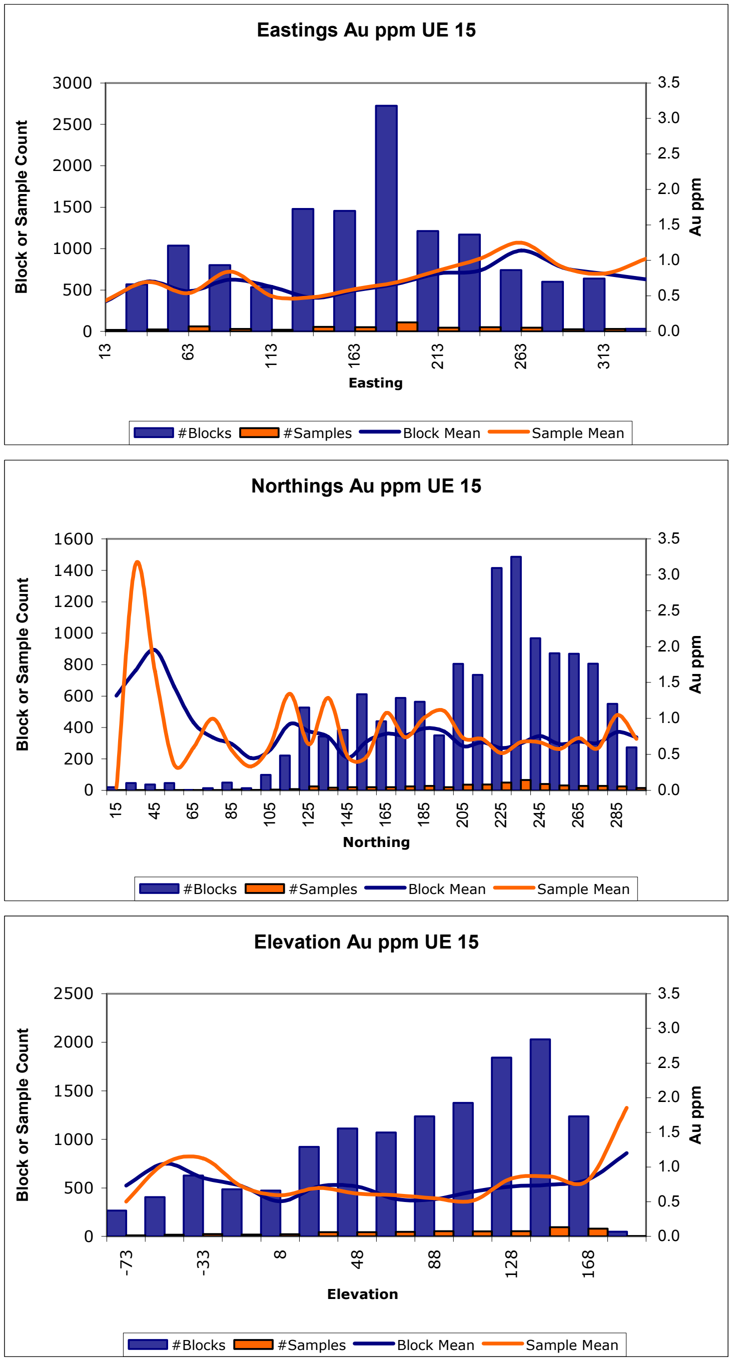
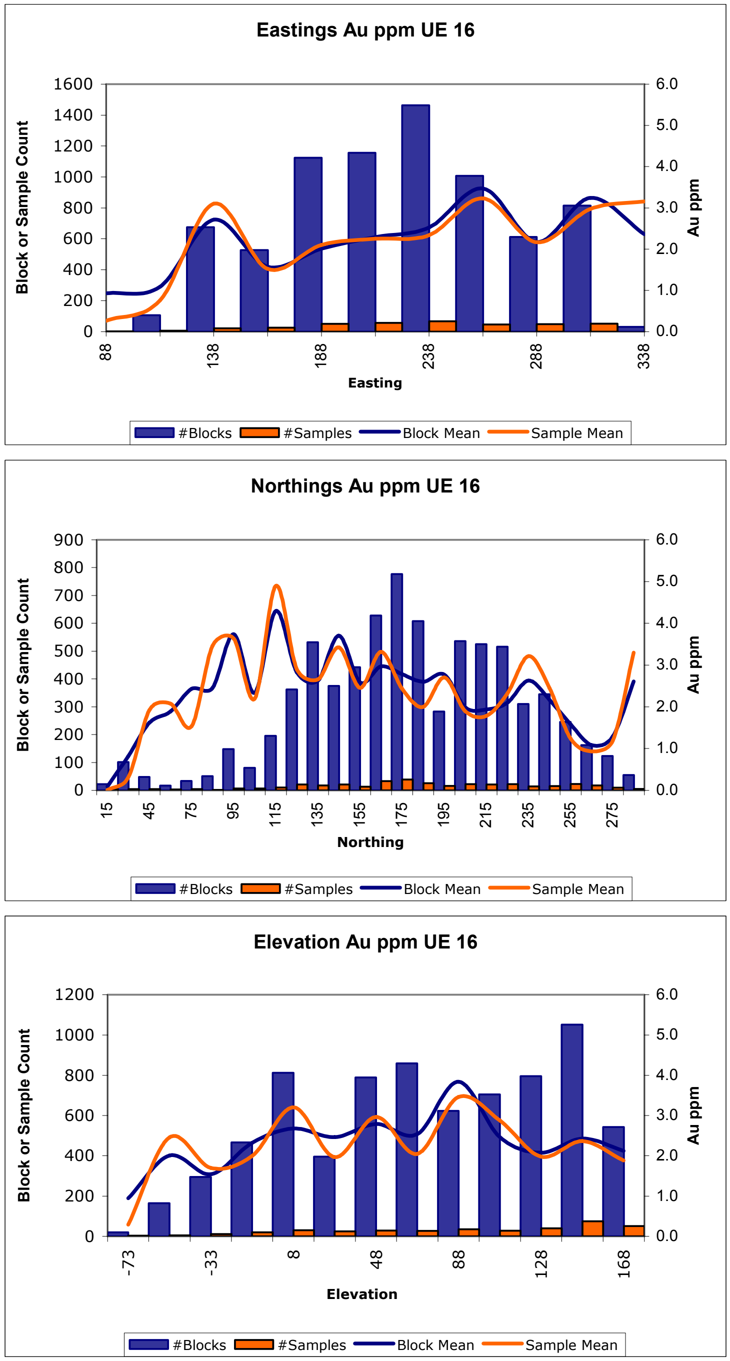


Figure 5-31
Swath plot, block estimates vs composites in 25m x 10m x 20m Panels, Unit 16



5.3.6 Resource Classification

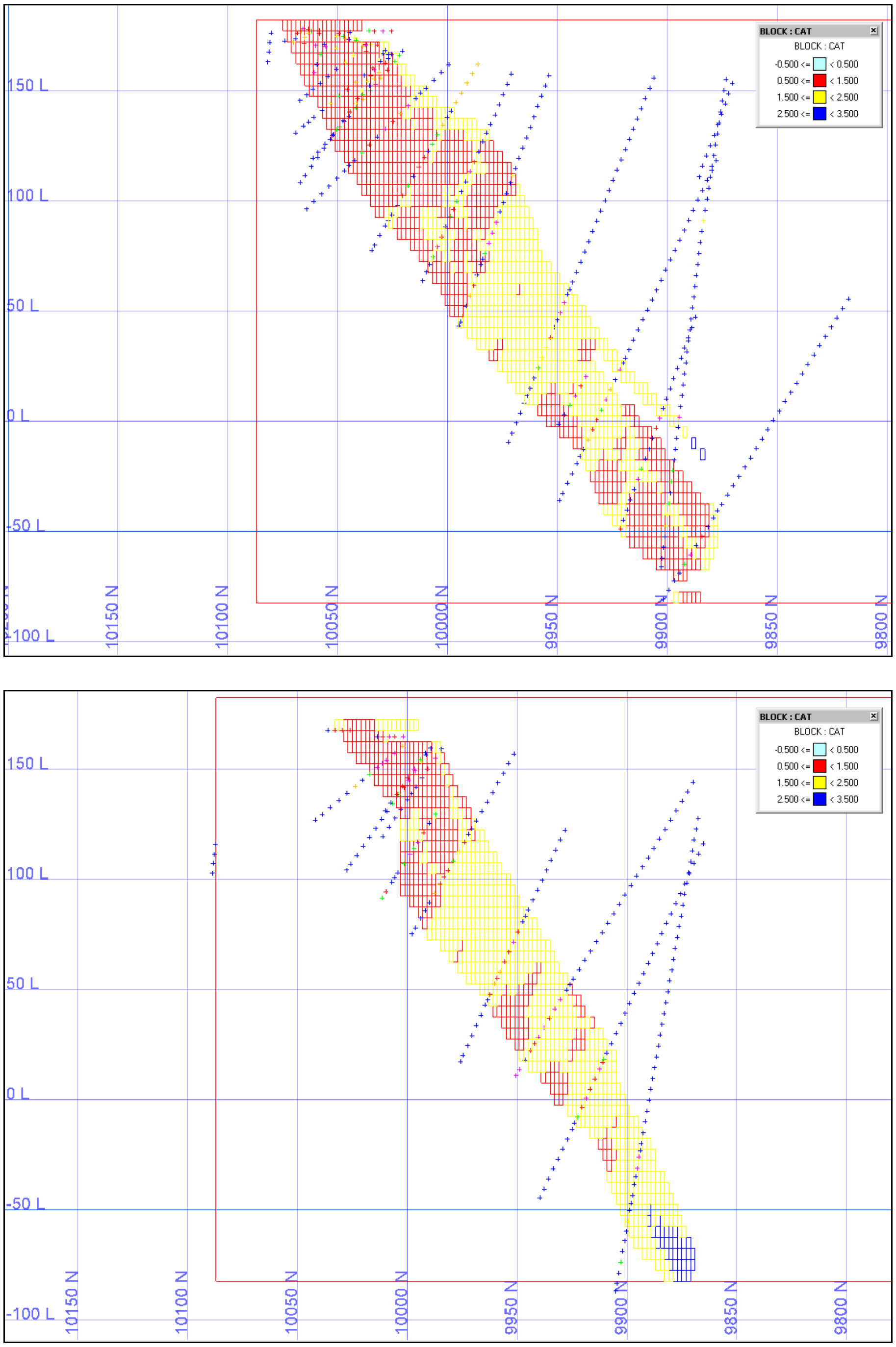
The criteria used to define each category were the following, according to the kriging plan shown in Table 5-12:

- **Measured Resource:** blocks estimated in the first pass. Code 1 corresponds to Measured material in the block model.

- **Indicated Resource:** blocks estimated in the second pass. Code 2 corresponds to Indicated material in the block model.

- **Inferred Material:** blocks estimated in the third pass. Code 3 corresponds to Inferred material in the block model.

Figure 5-32
Section showing the resource classification for the San Gregorio block model (E 9380 and E 9435)



6 RESOURCE STATEMENT

Golder calculated the resources statement for the estimated models using 0.5 ppm Au as the reporting cut-off. Table 6-1 shows the tabulated resources for the three deposits.

The following files are the topographies used for the resource calculation:

- Arenal: *to_1006st.dm*
- San Gregorio: *to_actual1st.dm*
- Santa Teresa: *topo_st1st.dm*

Table 6-1
Resource statement at 0.5 g/t Au for UME deposits as for 1st of November 2006

Arenal	Ore Tonnage (tonnes)	Grade (g/t Au)	Metal (oz)
Measured Resources	1,203,514	2.58	99,985
Indicated Resources	5,741,100	1.51	279,086
Inferred Resources	2,983,479	1.12	106,952

San Gregorio	Ore Tonnage (tonnes)	Grade (g/t Au)	Metal (oz)
Measured Resources	277,613	0.94	8,345
Indicated Resources	1,850,200	1.50	89,049
Inferred Resources	114,813	1.86	6,858

Santa Teresa	Ore Tonnage (tonnes)	Grade (g/t Au)	Metal (oz)
Measured Resources	497,013	1.14	18,169
Indicated Resources	1,434,279	1.09	50,171
Inferred Resources	6,666	0.76	162

7 CONCLUSION

7.1 Conclusions

The sampling methods adopted by UME are appropriate and are being undertaken to accepted industry standards.

Golder reviewed the drilling and sampling procedures for blastholes and considers it to be appropriate for the current mining requirements.

Golder considers that although precision levels could be improved, for this type of gold deposit the assay data available have acceptable levels of precision for the purpose of resource estimation.

The preparation of exploration and production samples carried out at the site laboratory are considered reasonable and appropriate for the purpose of resource estimation reporting.

7.2 Recommendations

Written procedures should be produced for all tasks involved in sample collection and transport.

It is recommended that the blast hole samples be taken directly from the cyclone, before the cut is deposited on the floor. This will avoid contamination.

It is considered that the laboratory's internal quality control procedures are industry standard and appropriate. The UME quality control procedures should not be restricted to RC field duplicates and should be expanded to include standard reference samples and blanks.

A study should be carried out to validate the density values being used for resource estimation. Further measurements are necessary in order to improve the confidence on density estimates.

Downhole surveying should be routinely carried out for all drill holes. In addition it is recommended that when possible the current inclined drill holes with more then 200 m in length be re-surveyed. The deviation measurements must be a standard procedure in both exploration and infill drilling programs.

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Lindqvist, W., 2004,
Review of Uruguay Mineral Exploration Inc. Resource Estimates for the Minas de Corrales Gold Project in Northern Uruguay Announced by Media Release on March 8th 2004. – Independent Technical Report.

8 CERTIFICATES

Golder Associates S.A.

Certificate of Qualified Person

As an author of the report entitled "Resource Estimation of Gold Deposits San Gregorio, Uruguay" dated January 2007, on the Minas de Corrales property of Uruguay Mineral Exploration Inc (the "Report"), I hereby state:-

1. My name is Dr William John Shaw and my title is Principal, Ore Evaluation Services with the firm of Golder Associates. I am a Director of Golder Associates S.A., registered in Chile. I am currently employed by Golder Associates Pty Ltd, of 1 Havelock Street, West Perth, 6005. My residential address is 6 Lesueur Rise, Sorrento, 6020, Western Australia.
2. I am a practising geologist and a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM), a Chartered Professional (CP AusIMM), a Fellow of the Australian Institute of Geoscientists (FAIG) and a Registered Professional Geoscientist (RPGeo AIG).
3. My formal education qualifications include PhD (Doctor of Philosophy) from the University of Western Australia (2002), MGeoSc (Master of Geoscience) in Mineral Economics, Macquarie University and BSc (Bachelor of Science) in Geology, University of Melbourne (1971).
4. I have practiced my profession continuously since 1972 except for a two-year break in 1976 and 1977.
5. I am a "qualified person" as that term is defined in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) (the "Instrument").
6. I have not personally visited the Minas de Corrales Property but professional senior staff of Golder Associates S.A. under my direct supervision did so from April 24 to April 29 2006 and reported to me on their findings. I have personally reviewed data files and resource estimation work carried out by Golder Associates S.A. in Santiago, Chile.
7. I have prepared all sections of the Report and I take responsibility as the principal author of this Report.
8. I am not aware of any material fact or material change with respect to the subject matter of the Report, which is not reflected in the Report, the omission of which would make the Report misleading.
9. I am independent of Uruguay Mineral Explorations Inc pursuant to section 1.5 of the Instrument.
10. I have read the National Instrument and Form 43-101F1 (the "Form") and the Report has been prepared in compliance with the Instrument and the Form.
11. I do not have nor do I expect to receive a direct or indirect interest in the Minas de Corrales property of Uruguay Mineral Explorations Inc, and I do not beneficially own, directly or indirectly, any securities of Uruguay Mineral Explorations Inc or any associate or affiliate of such company.

Dated at Perth, Western Australia, on 9 January, 2006.

Dr W J Shaw
FAusIMM, CPGeo, FAIG, RPGeo.
Principal, Ore Evaluation Services

Golder Associates S. A.

Certificate of Qualified Person

As an author of the report entitled "Resource Estimation of Gold Deposits San Gregorio, Uruguay" dated January 2007, on the Minas de Corrales property of Uruguay Mineral Exploration Inc (the "Report"), I hereby state:-

1. My name is Dr Marcelo Godoy and my title is Senior Geostatistician, Ore Evaluation Services with the firm of Golder Associates. I am currently employed by Golder Associates S.A., of Av. 11 de Septiembre 2353 piso 2, Providencia, Santiago, Chile. My residential address is Vicente Perez Rosales 1871-G La Reina, Santiago, Chile.
2. I am a practising Mining Engineer and Geostatistician and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), a Member of the Society for Mining Metallurgy and Exploration (SME) and a Member of the International Association of Mathematical Geology.
3. My formal education qualifications include PhD (Doctor of Philosophy) from the University of Queensland, Australia (2002), MEng (Master of Engineering), Federal University of Porto Alegre, Brazil and BSc (Bachelor of Science) in Mining Engineering, University of Porto Alegre (1995).
4. I have practiced my profession continuously since 1995.
5. I am a "qualified person" as that term is defined in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) (the "Instrument").
6. I have personally visited the Minas de Corrales Property in 1997.
7. I have prepared sections 5 and 6 of the Report and contributed to sections 1, 2, 3 and 4.
8. I am not aware of any material fact or material change with respect to the subject matter of the Report, which is not reflected in the Report, the omission of which would make the Report misleading.
9. I am independent of Uruguay Mineral Explorations Inc pursuant to section 1.5 of the Instrument.
10. I have read the National Instrument and Form 43-101F1 (the "Form") and the Report has been prepared in compliance with the Instrument and the Form.
11. I do not have nor do I expect to receive a direct or indirect interest in the Minas de Corrales property of Uruguay Mineral Explorations Inc, and I do not beneficially own, directly or indirectly, any securities of Uruguay Mineral Explorations Inc or any associate or affiliate of such company.

Dated at Santiago, Chile, on 9 January, 2006.

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Certificate of Qualified Person

As an author of the report entitled "Resource Estimation of Gold Deposits San Gregorio, Uruguay" dated January 2007, on the Minas de Corrales property of Uruguay Mineral Exploration Inc (the "Report"), I hereby state:-

1. My name is Omar Enrique Cortés Castro and my title is Senior Resource Geologist, Ore Evaluation Services with the firm of Golder Associates. I am currently employed by Golder Associates S.A., of Av. 11 de Septiembre 2353 piso 2, Providencia, Santiago, Chile. My residential address is Francisco Otta 8135, Peñalolen, Santiago, Chile.
2. I am a practising Geologist and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM).
3. My formal education qualifications include MEng (Master of Engineering) in Economic Geology, Universidad Católica del Norte, (2001) Chile and BSc (Bachelor of Science) in Geology, Universidad Católica del Norte, (1981)
4. I have practiced my profession continuously since 1978.
5. I am a "qualified person" as that term is defined in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) (the "Instrument").
6. I have personally visited the Minas de Corrales Property in August 2006.
7. I have prepared sections 2, 3 and 4 of the Report.
8. I am not aware of any material fact or material change with respect to the subject matter of the Report, which is not reflected in the Report, the omission of which would make the Report misleading.
9. I am independent of Uruguay Mineral Explorations Inc pursuant to section 1.5 of the Instrument.
10. I have read the National Instrument and Form 43-101F1 (the "Form") and the Report has been prepared in compliance with the Instrument and the Form.
11. I do not have nor do I expect to receive a direct or indirect interest in the Minas de Corrales property of Uruguay Mineral Explorations Inc, and I do not beneficially own, directly or indirectly, any securities of Uruguay Mineral Explorations Inc or any associate or affiliate of such company.

Dated at Santiago, Chile, on 9 January, 2006.

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Senior Resource Geologist, Ore Evaluation Services