

Table 3: Proven and Probable Mineral Reserves at Mulatos Project Area as of December 31, 2011

Reserve Area	Proven and Probable Mineral Reserves ¹ As of December 31, 2011					
	Proven ²		Probable ²		Proven + Probable ²	
	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au	Tonnes (000s)	Grade (g/t Au)	Contained Ounces Au
Mulatos Mine ^{3,4,5}	8,626	1.55	423,659	48,788	0.98	1,527,442
Existing Stockpiles	3,347	2.01	216,550	-	-	-
La Yaqui Pit ⁶	-	-	-	1,574	1.58	79,826
Cerro Pelon Pit ⁷	-	-	-	2,673	1.64	140,525
TOTAL	11,973	1.66	640,209	53,035	1.03	1,747,793
						1.14
				65,008		2,388,002

- (1) The Company's mineral reserves as at December 31, 2011 are classified in accordance with the Canadian Institute of Mining Metallurgy and Petroleum's "CIM Standards on Mineral Resources and Reserves, Definition and Guidelines" as per Canadian Securities Administrator's National Instrument 43-101 requirements.
- (2) Tonnes are rounded to the closest "000s" and grades are rounded to the closest "0.00"s.
- (3) The mineral reserve estimate for the Mulatos Mine incorporates the Estrella, Escondida, Puerto del Aire, El Salto, Mina Vieja, El Victor, and San Carlos areas.
- (4) Mineral reserve gold cut-off grade for the Mulatos Mine is determined as a net of process value of \$0.10 per tonne for each model block. The determination was based on an \$1,150 per ounce gold price, a December 2011 resource and recovery model, and the 2012 budget costs based on the actual cost figures from current mining operations.
- (5) Pit-contained mineral reserves for the Escondida high-grade zone are 434,000 tonnes grading 11.81 g/t Au for 164,792 ounces and San Carlos high-grade is 649,000 tonnes grading 7.67 g/t Au for 160,043 ounces.
- (6) Mineral reserve gold cut-off grade for the La Yaqui Pit is a 0.30 g/t gold. The determination was based on an \$800 per ounce gold price, a May 2009 resource model, gold recovery at the current mining operations, and the 2010 budget costs based on the actual cost figures from current mining operations.
- (7) Mineral reserve gold cut-off grade for the Cerro Pelon Pit is determined as a net of process value of \$0.10 per tonne, for each model block. The determination was based on an \$800 per ounce gold price, a November 2009 resource model, gold recovery at the current mining operations, and the 2010 budget costs based on the actual cost figures from current mining operations.