

Los Filos Mine

FACT SHEET / SUMMER 2011

LOS FILOS, MEXICO



Los Filos Pit

DESCRIPTION

Los Filos mine consists of two open pit mines – Los Filos and El Bermejil – and one underground mine with common heap leach, wet plant and ancillary facilities. Commercial production for Los Filos open pits operation commenced on January 1, 2008. Since 2009, Los Filos has been Mexico's largest gold producer.

LOCATION

Los Filos mine is located in the Nukay mining district of central Guerrero State in southern Mexico, approximately 230 kilometres

south of Mexico City. The property is located at the Village of Mezcala and is accessible from Highway 95, a major paved route between Mexico City and Acapulco.

FUTURE

Exploration efforts are targeted at the 4P project which is located along a ridge in the west part of the Los Filos intrusive. Further drilling is planned at 4P with the aim of developing an open pit mine that will be integrated into the existing operations and testing of the underground mining potential as a supplementary source of production at Los Filos. Additionally, recent exploration programs are now proving the extension of El Bermejil pit to the north and south.



KEY OPERATIONAL FACTS

Location	Mezcala, Guerrero, Mexico
Workforce (including contractors)	2,120
Estimated mine life (reserves)	18 years
Mining type	Open Pit and Underground
Processing method	Static Heap Leaching (Cyanide)
Power usage	4 MW
Milling/Processing capacity	70,000 tpd
2011 gold production estimate	335,000 oz

GOLD AND SILVER RESERVES

Gold reserves

Proven (oz)	1,450,000
Probable (oz)	4,030,000
Proven and Probable (oz)*	5,470,000

Silver reserves

Proven (oz)	8,870,000
Probable (oz)	32,110,000
Proven and Probable (oz)*	40,970,000

KEY FACTS SUMMARY

Operating data

	2010A	2009A	2008A
Gold produced (oz)	306,100	239,300	213,600
Gold sold (oz)	304,200	238,900	215,100
Ore milled/processed (t)	28,055,300	25,424,400	22,180,100
Gold grade (g/t)	0.67	0.62	0.62
Gold recovery (%)	44%	42%	39%
By-product cash costs (US\$/oz)	\$423	\$469	\$407
Realized gold price (US\$/oz)	\$1,237	\$975	\$871
Throughput (tpd)	77,931	70,623	61,611
Mining costs per tonne mined (US\$/t moved)	\$0.83/\$60	\$0.69/\$78	\$0.39/\$72
Processing costs per tonne milled (US\$/t milled)	\$1.41	\$1.26	\$0.71

Financial data (US\$ millions)

	2010A	2009A	2008A
Revenue	\$379.4	\$236.2	\$189.2
Depreciation and depletion	\$50.8	\$45.7	\$42.2
Earnings from operations	\$188.3	\$72.9	\$58.3
Expenditures on mining interests	\$50.0	\$72.8	\$49.5

* Due to rounding, numbers may not add up.

GEOLOGY

The ore bodies at Los Filos and El Bermejil consist of iron-gold skarn with minor amounts of Cu and Ag at the intrusive-limestone contact. Ore bodies also occur with endoskarn and are disseminated within the hydrothermally altered intrusive rocks.

At El Bermejil, mineralization is distributed around a granodiorite stock, both at the limestone contact and within the intrusion; Los Filos ore body is associated with a diorite sill.

The mineralogy of the contact ore bodies is predominantly iron oxides with Au, in associations with lesser quantities of Cu, Pb, Zn and As occurring in carbonates and oxides as well as sulfides. Primary minerals are hematite, magnetite and jasper with lesser amounts of pyrite, chalcopyrite and arsenopyrite.

SETTING

Although topographic variations result in different climate types at the project, a very hot, semi-dry climate is predominant at the site. The average annual temperature ranges between 22°C and a low of 18°C. The average annual precipitation is 700 millimetres. The months with the most rainfall are June through August. Less than 5% of the annual rainfall occurs between November and April. However, the project area can be affected by tropical storms and hurricanes which can result in short-term high precipitation events.

The area is characterized by large limestone mountains divided by wide valleys. The slopes of the hills vary from very flat to strong slopes. The maximum elevation in the project area, 1,820 metres above mean sea level, is the summit of Bermejil hill.



Los Filos Leach Pad

five-minute safety talks, planned inspections, safety meetings and STOP observations. Los Filos has received Goldcorp's Safety Award for the last two years. Also, in 2010 Los Filos won the coveted Silver Helmet awarded by the Mexican Chamber of Mining for the safety records at its underground operations.

ENVIRONMENTAL STEWARDSHIP

Los Filos obtained the Master Environmental License, issued by the Mexican Environmental and Natural Resources Authority (SEMARNAT), granting the authorization for extraction and beneficiation of gold and silver ore in their production stage.

Los Filos subscribed to the Clean Industry Certification Program offered by the Mexican Environmental Protection Authority (PROFEPA) and expects to obtain certification during 2011. In 2010 Los Filos became fully certified under the International Cyanide Management Code for the Manufacture, Transport and Use of Cyanide in the Production of Gold.

COMMUNITY DEVELOPMENT

To help understand the needs and potential of the Carrizalillo, Mezcala and Mazapa communities a professional rural assessment was performed resulting in a sustainable development strategy for each of the communities. Implementation of the recommended plans has been ongoing since 2007 and includes scholarship programs, nutritional support, construction and improvement of health facilities and nurseries for local species. An important investment has been made in community infrastructure such as roads, telecommunications, power supply, water supply and housing. Los Filos works in coordination with host communities, authorities and government agencies, to identify and support productive projects that are sustainable.



Employees at the Underground Tunnel Entrance

SAFETY INITIATIVES

Since 2008, Los Filos mine has worked with the STOP program methodology, which focuses on people's attitude based on the premise that "safety is everyone's responsibility." The methodology is directed by a multi-disciplinary committee. These efforts have contributed to an improved safety performance. Currently, the Mine General Manager, the Superintendents, Department Chiefs, Supervisors and Contractors are participating on the four pillars of the PROSE safety program, which includes

Tomas Iturriaga
Mine General Manager

