

TNR Gold banks on Argentine potential

Argentina has newfound economic stability and has all the characteristics of a mineral-rich country providing great potential within the mining sector while offering substantial opportunity for foreign investment. It is here that TNR Gold and others seek to find world class deposits of gold and other economic metal and mineral deposits.

Argentina's evolution as a new mining frontier is based upon its relatively untapped mineral potential coupled with a stable and generally mining friendly climate. The bulk of the country's mineral wealth is located in the west/northwest along the Andean Cordillera. The exploration boom that Argentina has been experiencing has resulted in the development of several new mining ventures. Probably the most important is the cross border development of the massive Pascua Lama gold project (Barrick Gold Corp) with Chile.

However, negatively impacting the Argentine mining sector is the recent imposition of 10% export duty on existing operations. The new tax was introduced in December 2007, and threatens to dampen near-term investment having allegedly violated a 1993 law guaranteeing no changes to taxes for 30 years. A number of companies including Rio Tinto and Xstrata plc were rumoured to be seeking legal action against the government as *Global Capital* went to press. Nevertheless, Argentina should see some major operations come online in the near future, including Yamana Gold Inc's Gualcamayo gold project in San Juan province, Intrepid Mines Ltd's Cerro Casposo gold-silver project also in San Juan province and Silver Standard Resources Inc's Pirquitas open pit silver-tin project in Jujuy province. Also at an advanced stage is Rio Tinto's giant Rio Colorado potash project. There are also many junior exploration companies with interests in the country in-



cluding TNR Gold, Latin American Minerals and Cardero Resources Corp.

Over the past eighteen years, TNR has had a strong

Below: TNR Gold's Argentine assets

Argentine Project	Ownership status	Retained interest	Target type	Status
El Tapau	Earn-in	70%	Cu-Au	Drilling early 2008
Eureka	Earn-in	Up to 75%	Exotic Cu-Au	Drilling early 2008
El Salto	Earn-in	100%		Drilling late 2007
Los Azules (Xstrata option)	0%	25% back-in right, 1% NSR	Porphyry Cu-Au	Drilling late 2007
La Carolina (Geocom and Latin American Minerals option)	50%	12.5% / 2% NSR	Epithermal Au	Current drilling
Las Carachas	100%	100%	Porphyry Cu-Au. Epithermal	Surface target definition
Northern project (4 options) Suramina, Vale	25%	25% / 2% NSR	Epithermal Au / porphyry Cu-Au	Exploration by Vale: Target definition
Batidero (Suramina)	25%	25% / 2% NSR	Porphyry Cu-Au	Suramina exploration operator
La Ortiga (La Mancha)	100%	25%	Porphyry Cu-Au. Epithermal Au	La Mancha exploration operator
Ranchillios & La Brea (Suramina, Vale)	25%	25% / 2% NSR	Epithermal Au / Porphyry Cu-Au	Exploration by Vale: Target definition
La Rica	75%	75%	Epithermal Au	No exploration planned

presence in Argentina consisting of 14 properties focusing on gold/copper exploration, mainly in San Juan and Jujuy provinces. Compania Minera Solitario de Argentina SA, TNR's 100% Argentine subsidiary, currently carries out all field work and administrative functions from its office in San Juan. TNR's three main assets are the Eureka, El Salto and El Tapau properties. Eureka was historically productive with minimal drilling exploration to date, leaving TNR to further explore the 450m deep formation. El Salto bears geological similarities with deposits found in the Yellow Belt district,

such as the Xstrata plc's (Falconbridge) El Pachón copper mine and Antofagasta plc's Los Pelambres copper mine. El Tapau is close to the El Salto for dual exploration efforts with indications of gold-copper mineralisation.

TNR Gold told *Global Capital* the imposition of an export tax would not affect exploration, as they would learn to adapt. A spokesman for the company noted that despite the imposition of taxes on oil sands in the Canadian province of Alberta, oil sands producers and explorers had not been discouraged.

Gary Schellenberg, president of TNR Gold, speaks to Global Capital

Summarise your main assets in Argentina? At what stage of development are these assets? What are your plans for 2008, and over the next five years?

El Salto

The El Salto property, which comprises of 33km² in the San Juan Province, is located at an altitude of 1600m in the Precordillera of the eastern Andes. The property lies within the area known as the Yellow Belt district of San Juan with the signature of copper-gold-molybdenum porphyry systems. The Yellow Belt district hosts two well-known copper deposits, the El Pachon deposit (724Mt at 0.65% Cu) in Argentina and the Los Pelambres mine (1487Mt at 0.66% Cu) near the Chile-Argentine border.



During the past year the company completed mapping, and a chip rock sampling programme. The chip samples yielded anomalous to highly anomalous copper values ranging from 500ppm to 4000ppm (72 samples) and one sample assayed >10,000ppm. A vuggy silica float sample assayed 4.23g/t Au and 11.7g/t Ag and is strongly anomalous both in arsenic (4096ppm) and antimony (445ppm). In 2007, 32km of 3D-IP was completed and had delineated a large chargeability anomaly. This anomaly is coincident with the known copper and molybdenum geochemical anomalies on the surface. A 5000m diamond drill programme began in mid-November 2007 and will continue into early 2008.

Left: Gary Schellenberg, president of TNR Gold Corp



EXPLORING A PORTFOLIO OF BASE AND PRECIOUS METAL PROJECTS ACROSS THE AMERICAS

CORPORATE HIGHLIGHTS

- SENIOR AND MID-TIER JOINT VENTURE PARTNERS
- 16 PRECIOUS AND BASE METAL PROJECTS AT VARIOUS STAGES OF DEVELOPMENT
- FOUR ARGENTINA PROJECTS TO BE DRILL-TESTED IN EARLY 2008
- 57% OWNED BY INSTITUTIONS, INSIDERS AND MINING COMPANIES



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El Tapau

The El Tapau property occurs within the eastern Andes of the San Juan Province and is located approximately 50km north-northwest of TNR's El Salto property. It is road-accessible year-round by paved and gravel roads. The property occurs within the 'Yellow Belt' district of San Juan Province, representing intrusion-related, high-sulphidation gold-copper system. The property is predominantly underlain by fine- to medium-grained quartzites of the Carboniferous Agua Negra formation, which has been intruded by composite granitic plutons and related dikes and sills. The youngest and economically important phase is the feldspar-phyric biotite granite to quartz monzonite of the Triassic-age Tocota stock occupying most of the property.

Alteration within and proximal to the stock is weakly to strongly potassic but tourmaline with sericitic and argillic zones have also been developed adjacent to cuprous and auriferous quartz & tourmaline veins and breccias. The veins are variably mineralised with chalcopyrite, pyrite, galena, arsenopyrite, bornite-covellite with crysocola, malachite, azurite, specularite and other ferrous oxides as secondary minerals. Quartz vein stockwork and stringer zones occur locally and are variably mineralised with chalcopyrite, pyrite, bornite-covellite with crysocola, malachite-azurite as secondary minerals. The veins and breccias are apparently controlled by structures, occurring within and/or adjacent to faults.

The lithology, alteration and mineral assemblage are suggestive of the porphyry-type copper-gold system on the property. Systematic rock sampling in 2006 by TNR yielded gold values ranging from trace to 19 g/t gold, averaging 2.2 g/t gold from 157 rock sample sites. TNR currently completed a 3D IP survey on the property, designed to delineate a previously discovered chargeability anomaly that was open ended beneath the anomalous gold area. The company is planning to drill the property in early 2008

Eureka

The 102km² Eureka property is located in the northwest corner of Jujuy Province in northern Argentina, near the border with Bolivia. The property is accessible from the provincial capital of San Salvador de Jujuy, approximately 4 hours to the south, with easy access within the property by a series of gravel roads. Geologically, the property occurs within the Argentine portion of the regionally extensive Bolivian-Argentine Tertiary Belt, which is known to host Red Bed copper deposits such as Coro Coro (>80.0Mt at 0.6% Cu) in southwest Bolivia.

The Eureka property contains Red Bed-type strata-bound copper mineralisation hosted by fluvial sediments consisting of sands, clays and conglomerates similar to the deposit settings in the Bolivian part of the Tertiary Belt. Alluvial gold mineralisation has been worked at the Eureka mine before the Spanish arrival. This gold was recovered from basal conglomerate of Eureka formation.

The Eureka property has a geological estimate of between 50 to 60Mt grading 1% Cu (historical resource estimates, which do not comply with NI 43-101 standards). Only 70m of the 450m deep prospective Eureka

formation has been explored to date, which leaves much exploration upside potential of the property. Exploration work is underway on the Eureka property and will include detailed geological mapping, trenching, geochemical sampling and IP survey. The property contains over 5km of historic underground workings, which have been cleaned out and will be re-sampled and analysed for copper, gold and other elements. Drilling will follow upon the completion of these works.

Please outline the ease or difficulty of working in Argentina? What would you advise other companies do in order to work safely and efficiently in the country?

Working in Argentina for the most part is relatively easy. Infrastructure is very good, skilled labour is available and it is a safe country to work in. The procedures for acquiring mineral title are rather complex and thus it is imperative that a good landperson is employed to ensure the claims are kept in good standing (the company's landman was formerly employed by the Ministry of Mines in San Juan). We have legal title opinions on the claims we acquired. Working in Argentina is similar to working in many foreign places in that having an established local network works most efficiently. The general manager of Minera Solitario, TNR's Argentina subsidiary, is from the city of San Juan – where the subsidiary is located, and thus has an established network in the region as well as the mining industry.

Please describe the mining policies of San Juan and Jujuy Provinces? How do they contrast with the La Pampa, Tucuman, Chubut, la Roja, Mendoza and Rio Negro Provinces, which have set limitations on mining.

The mining policies of San Juan & Jujuy Provinces contrast with the other above mentioned Provinces in one important way. Most of these other Provinces have enacted laws (such as Law No. 5001 in Chubut and more recently the banning of the use of any chemicals in the process of gold and other metals in Mendoza) that curtail mining in those Provinces. In contrast, the Provinces of San Juan & Jujuy have not put in laws that would encumber mining in anyway. Moreover, San Juan has benefited from the Mining Integration Treaty between Argentina and Chile that has allowed the Pascua-Lama project to reach feasibility status. The El Aguilar Mine in Jujuy is Argentina's most important underground zinc, lead and silver mine.

Describe the mineral potential of western Argentina.

Western Argentina has tremendous mineral potential. Some of the world's richest and largest copper and gold deposits are in the central Andes (Kay, S. M. & Mpodozis, C., 2001, Central Andean Ore Deposits Linked to Evolving Shallow Subduction Systems and Thickening Crust. GSA Today) that extend from Peru to Argentina. Within Argentina, this includes the Maricunga, El Indio and El Teniente belts. The El Indio belt host a number of Au-Cu deposits including the recent Valderero and Pascua-Lama deposits (25.3 million oz Au), both in the Province of San Juan.

