

# MININGINSIGHTS

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MININGINSIGHTS™

## Tartisan Resources Corp. (TTC-CSE)

13 December 2014

Your Guide to Global  
Mining Stock  
Knowledge and Profits!

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### > INTRO AND FINANCIAL

Tartisan Resources Corp. (TTC-CSE C\$0.05; "Tartisan") is a junior Canadian resource company exploring the La Victoria Concessions in northern Ancash Province, Peru. The Company trades at an adjusted market cap of C\$2.41MM. Exploration will be financed by Option Agreement and Joint Venture with Eoro Resources Ltd, which is providing C\$1.5MM in exploration spending over four years and paying \$0.15MM to Tartisan. Exploration is set to restart with Eoro's first year commitment of C\$250,000; nothing is holding back value creation, especially with no royalties on the property to claim production shareholder value.

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### > ON THE BEST PROJECT PROXIES TO USE...

Northern Peru is awash in gold and silver mines, with, in the area, Lagunas Norte, La Arena, Virgen, Quiruvilca, El Toro, Pasto Bueno, and Magistral, with Yanacocha on trend to the north, and Pierina on trend to the south. However, when one considers the principal determinants of discovery value, with favourable Chimu Fm geology, primary N-S faulting and secondary extensional faulting, plus IP and magnetic anomalies, and hydrothermal heat sources – Algamarca, La Arena, Virgen, Sta Rosa, and Patibal are all comparable deposits on these terms and they really line up well with the main structural orientation at La Victoria.

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### > ON TARTISAN WORKS AND PROJECT GROWTH STRATEGY...

To date, extensive mapping and sampling has been accomplished, with a geophysical survey. The Company knows where the values are and why they are there. Sufficient sampling has been done outside of the main target areas to assign priorities. Project growth may now be fast-tracked with exploration focused on structural determinations and geotechnical and metallurgical insights relevant to a potentially profitable production future.

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### > MI CONCLUSIONS AND INVESTMENT VIEW

MI concludes that Tartisan Resources Corp may represent a low-cost entry in northern Peru exploration success; of course this is not guaranteed, but we believe that the strength of the results in exploration to date offers a solid base of value creation to shareholders.

**> TARTISAN RESOURCES CORP. (TTC-CSE C\$0.05)**

Tartisan Resources Corp. is a junior Canadian resource company exploring the La Victoria Concession in northern Ancash Province in Peru. There are four primary targets on the La Victoria Concession – San Markito, La Victoria, Ccori Orcco, and Rufina. Early-stage sampling and geophysics have shown values consistent of favourable deposit characteristics, and the Company is setting the stage to resume exploration.

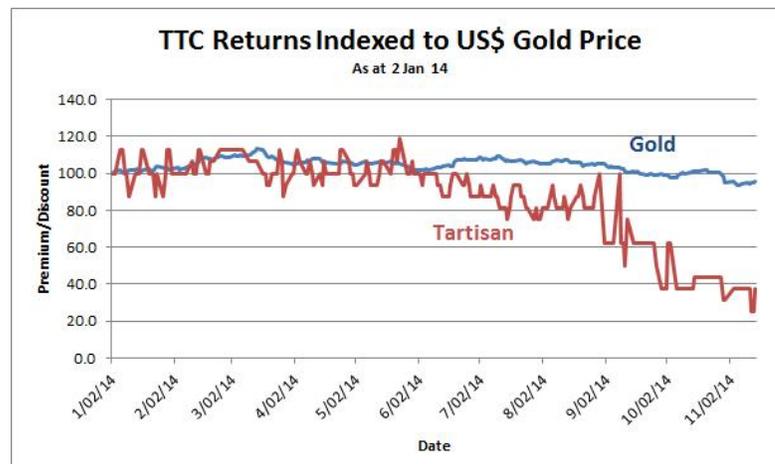
As an exploration company in a time of complete market disinterest in investment, Tartisan has done a very good job of keeping the lights on for the past few years. The principal means of financing operational quiescence of late has been by relying on small term notes from individuals both insider and third-parties (the financial liabilities in the table below), instead of blowing out the share capital to excessively liquid levels that conspire to limit returns.

**Tartisan Financial Workup**

<b>Tartisan Resources Corp. Financial Workup</b>			
Share Price C\$	\$ 0.045	<b>Adjustments</b>	
Shares Out MM	35.36	In-The-Money Options	-
Market Cap C\$MM	\$ 1.59	In-The-Money Warrants	-
Options	2.50	Financial Assets C\$MM	\$ -
Warrants	2.26	Short Term Fin Liabs C\$MM	\$ 0.45
Fully Diluted MM	40.12	Net Adjustments	\$ 0.45
FD Market Cap C\$MM	\$ 1.81	Adj FD Market Cap (C\$MM)	\$ 2.26

With an adjusted market cap of C\$2.26MM, Tartisan is holding up better than some comparable exploration stocks, and the decline in value (figure below) coupled with the divergence in tracking away from the gold price is only a recent event.

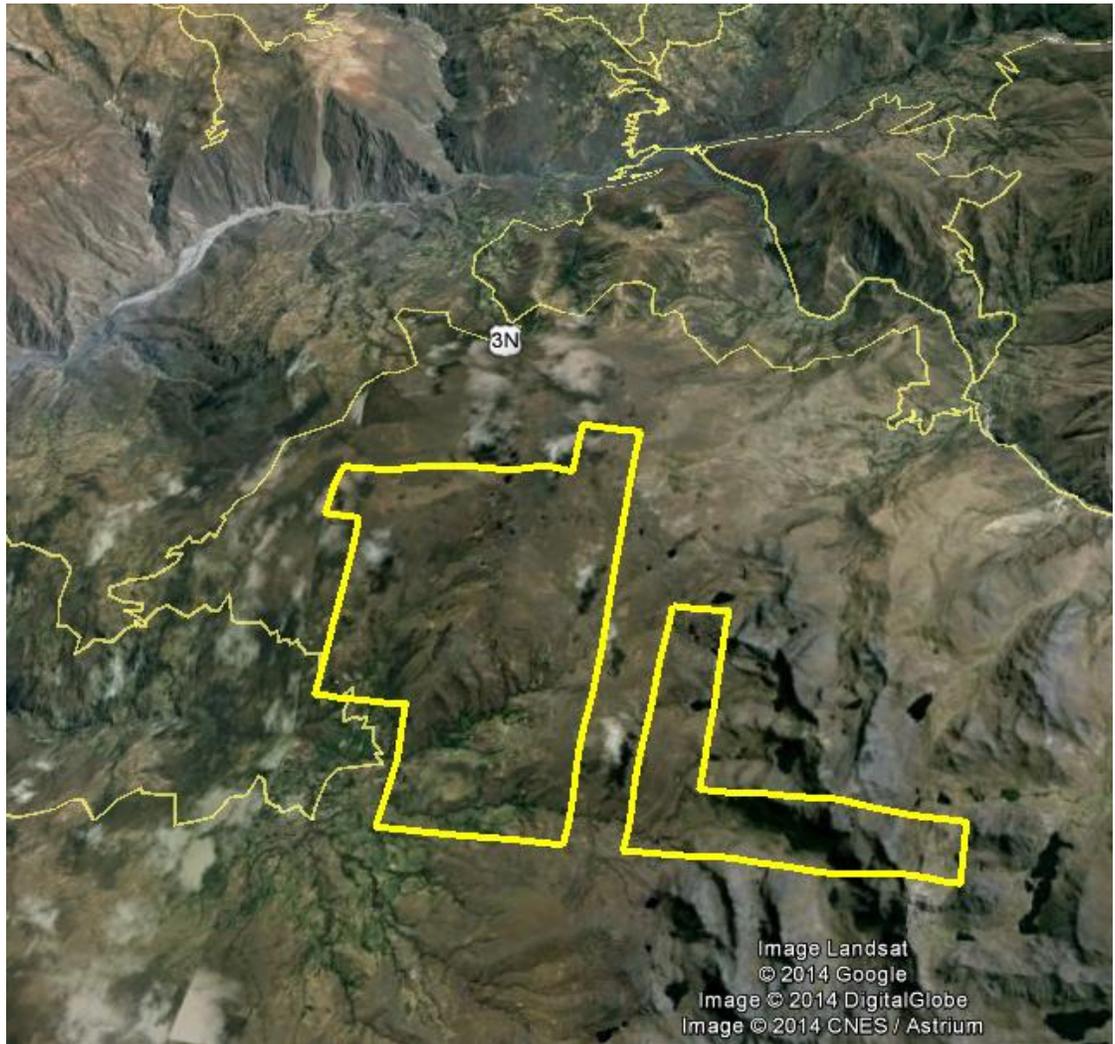
**Tartisan Returns Indexed to Gold Returns**



<<< MINING INSIGHTS **TARTISAN RESOURCES CORP.**

As such, getting Tartisan moving again for the benefit of shareholders may simply be to define the value promise at the La Victoria Property, which this report shall try to do.

**ON THE BEST PROJECT PROXIES TO USE...**



The La Victoria Property is located right up against the boundary of Ancash and La Libertad in northern Ancash Province, Peru. It is 4,521 hectares in size. The nearest village is Huandoval, which can be seen in the lower left of the figure below; the view looks north from the Tartisan claims to the Patibal Gold Mine (seen as the cleared area in the upper centre), which is looking northeast.

The river on the northern boundary of the image is the Quebrada Sacaycacha, which divides Ancash Province on the south from La Libertad Province in the north. Highway 3N provides access to the Rufina sector, and just crosses into the Property

at that point. The highway passes the La Victoria sector northeast of the claim line, near the village of Huacaschuque. The property is for the most part above treeline, which makes everything easier, but with very steep canyon access on the western boundary, which not coincidentally is where the bulk of the sampling has taken place.

Presently the centre block of the claims is held by a third party, effectively dividing the property into two halves, separated by the centre block.

**Regionally...**

Northern Peru (Ancash, La Libertad, Cajamarca) Provinces are globally known for the vast gold and silver mineral resources, and it is natural to compare your project with any one of a number of them. In Tartisan’s case, the gold/silver deposits used for comparison are in the margin table.

Mine
Yanacocha
Lagunas Norte
Quiruvilca
Pierina
La Arena
Retamas
Parcoy
Santa Rosa
Poderosa
La Virgen
Patibal

In this market, while it is nice to be close to another globally-recognized gold deposit, the true value perspective is only seen on geologic similarity, not geographic similarity. Without the latter, also referred to as ‘In The Shadow Of The Headframe’ if the host geology isn’t the same unit as is present on the La Victoria Property, then the expectation of discovering another one may not be relevant. Likewise for comparable structural settings, if they apply.

The deposits Tartisan uses for comparison range from the giant Yanacocha deposit in Cajamarca to the tiny Retamas/Parcoy deposits in La Libertad, with the Patibal gold deposit a figurative ‘stone’s throw’ from the La Victoria Property. All told, they together produce in excess of 40 tonnes of gold per year (mostly from Yanacocha).

For example, Yanacocha is not directly comparable, for Longo et. al., (2010) notes that the host stratigraphy for the La Victoria Property, from Pigeon, (2011), is too high, and is separated from the rocks hosting the La Victoria Property by an unconformity (time gap in the stratigraphic section). Likewise the Pierina deposit, located 132km almost due south from La Victoria, is in the Upper Cretaceous Carhuaz Fm (Rainbow, et. al, 2004) and is not directly comparable to La Victoria.

The La Victoria Property is hosted with the Upper Jurassic Chicama Gp sediments at the contact with the Lower Cretaceous Chimu Fm sediments, which have been identified at the San Markito Sector in the highest stratigraphic levels of the Property. There are two Eocene/Oligocene intrusions called Victoria and Ccori Orcco; the Victoria intrusion appears to be implicated in the silver values and is described by Pigeon (2011, p8) as a ‘magnetic diorite crosscut by quartz plagioclase biotite porphyritic rock of granodioritic composition.’

<<< MINING INSIGHTS **TARTISAN RESOURCES CORP.**

The stratigraphic table (next page) shows the general stratigraphy of northern Peru, with deposits located (Tumialán, 2010; Pigeon, 2011), and the comments below refer to the chart.

The comparable deposits are those within the Chicama Fm and the Chimu Fm, both sedimentary units, ideally with evidence of hydrothermal brecciation:

- The La Arena deposit, originally acquired and explored by Cambior Ltd, and is hosted by Chimu Fm overlain by the Calipuy Group (Kirk, 2010) with two Chimu Fm breccias that host the high-sulphidation oxide resource (Montgomery, 2012);
- Maria Angola, which is a concession proximal to La Arena;
- Munmalca, Tinguish, and Chavinil are drilled projects in favourable stratigraphy;
- Virgen, a silver-antimony deposit in the Chicama Fm and the lower three units of the Goyllarisquizga Gp – Chimu Fm, Santa Fm, and Carhuaz Fm (Tumialán, 2003).

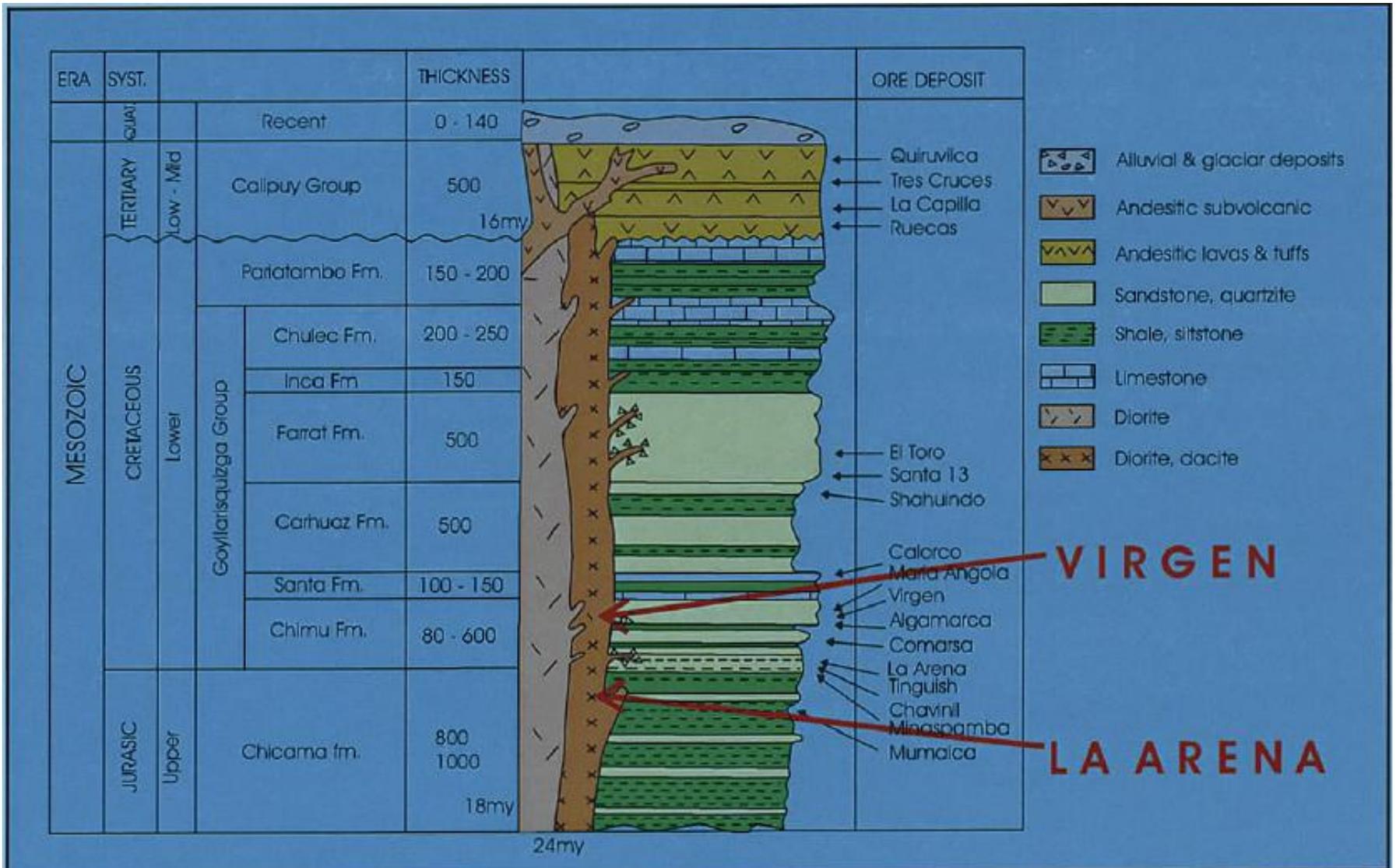


The figure left shows the relevant deposits that can be used as proxies for La Victoria/Rufina discovery (in the author’s opinion) as they contain the correct sedimentary stratigraphy, the correct intrusive rock types, and are on trend with the regional fault structures (not relevant to this report). Patibal is shown in green because it is an excellent proxy for development due to similar geology, structure, and topography.

The line of best fit through these deposits passes through San Markito and Rufina, and continues through the La Victoria Property on the south well within the

eastern Tartisan claims, such that the intervening claim as noted on page 4 bears no effect on project value...

**Regional Stratigraphic Comparable Deposits to La Victoria**



> **ON TARTISAN WORKS AND PROJECT GROWTH STRATEGY**

Every good discovery story that has the wherewithal to become a producing mine enjoys a combination of favourable geology, structure, and alteration. Works that Tartisan has done to date show that for at least two sectors, multiple elements point to an interesting exploration phase coming up.

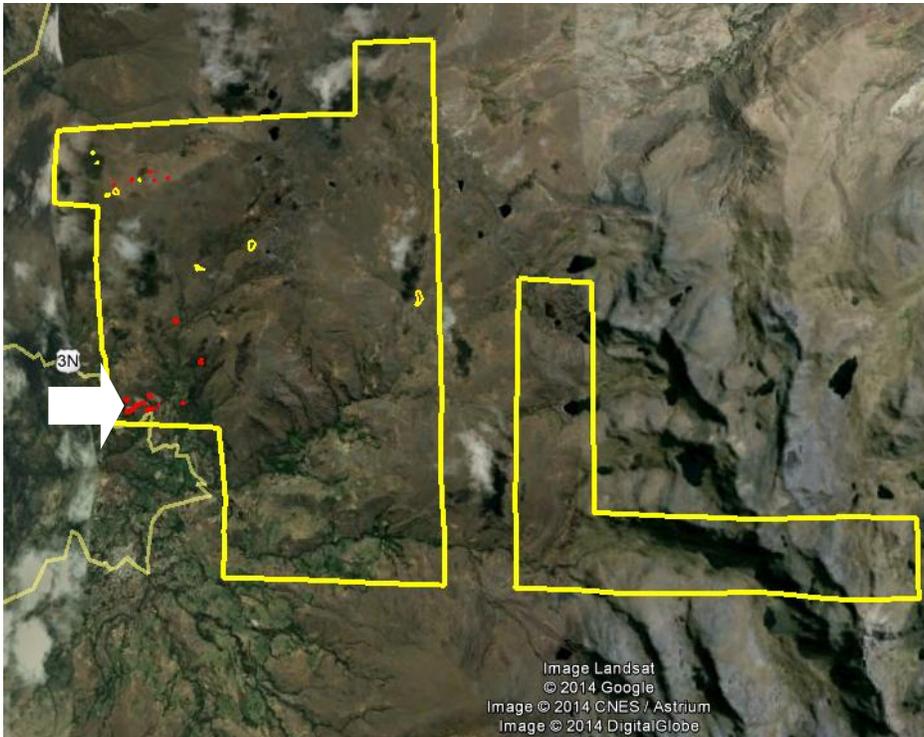
-----Explanatory Sidebar

*The diagrams that follow are based on the raw sampling data that underlies the NI 43-101 report, and that was graciously provided by the Company. Exploration results are characterized within as grams of metal per tonne, or 'ppm' (parts per million, which equals g/t).*

*In block modeling and wireframing, mining geoscientists use supplementary data showing the insitu value of the samples or the intervals. While not usable in NI 43-101 reports, exploration followup can be greatly focused using \$ values as a reference.*

*The diagrams used the US\$ value of the sample gold grade, converted to ounces, and the sample silver grade, converted to ounces, with no correction for recovery (as it is not known). A US\$1200/oz gold price and US\$16.00/oz silver price was used in the calculations, and such values were then added together.*

-----End Sidebar



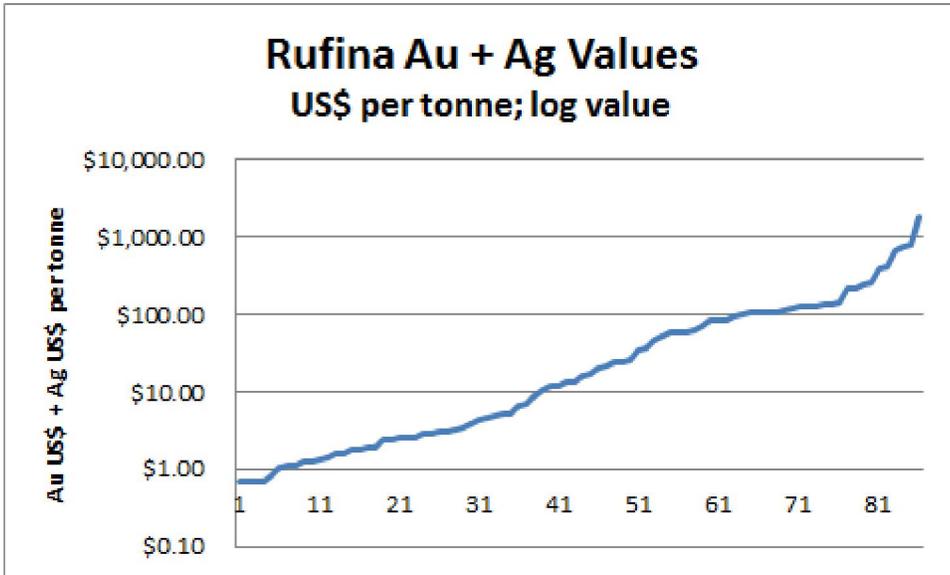
The figure shows the anomalies worth following-up, with yellow contours outlining the US\$50/tonne level and the red contours showing the US\$100/tonne level. Of course there are samples with values less than US\$50/tonnes, and these are not shown in this diagram for clarity. The western part of the Property has been very thoroughly sampled, and the anomalies shown are the best of the values.

For scale, the arrow indicates a long anomaly at Rufina. This anomaly is 276m long and

contains three sample sites with values averaging over US\$500/tonne.

**Rufina**

The Rufina sector is situated in the southwest corner of the Tartisan claim group, and is cut by the access road, Highway 3N. It is in a natural open bowl shape, which will facilitate mine design for any mineralized body, with sampling that has been done to date suggesting gold and silver is found at the surface. Rufina is where small volume miners have driven short adits into the rock and where small alluvial operations are active where scarce water resources exist for the purpose.



Values range from US\$0.48 to US\$1,806.79 with the highest assay of 46.4 g/t gold and 28.9 g/t silver. This is located in a roadcut at the lowest stratigraphic level, which would suggest it would be in the first bench to be exploited in an open pit scenario. In the logs, this value is ascribed to the R-11 structure, a quartz feldspar porphyry intrusive, with intense silicification and moderate argillitization.

This just describes the active hydrothermal system that presumably provided the heat source to mobilize the mineralization into where it is found now. Structure R-11 is mapped as 9m wide (east-west) and 24m long (north-south) and is sure to be a key point of exploration followup.



The image left shows the other anomalies at Rufina, with sample values (the image is 270m vertically and 360m horizontally). The cleared area in the lower left is a small heap leach operation that is not related to the Tartisan claim ownership, while the cleared areas in the centre and upper right areas are mine dumps from adits on the hillside.

The highest concentration of very good values at Rufina is in the base of the valley on roadcuts and cleared areas, where small volume miners are active. Mapping in this area will be key to understanding how the mineralization occurs; the downside of having a great pit highwall is having to sample and drill it in the exploration phase. From the US\$803 value on the side of the hill to the US\$249 value at the base of the hill shows a 38% grade.

**San Markito and Victoria**

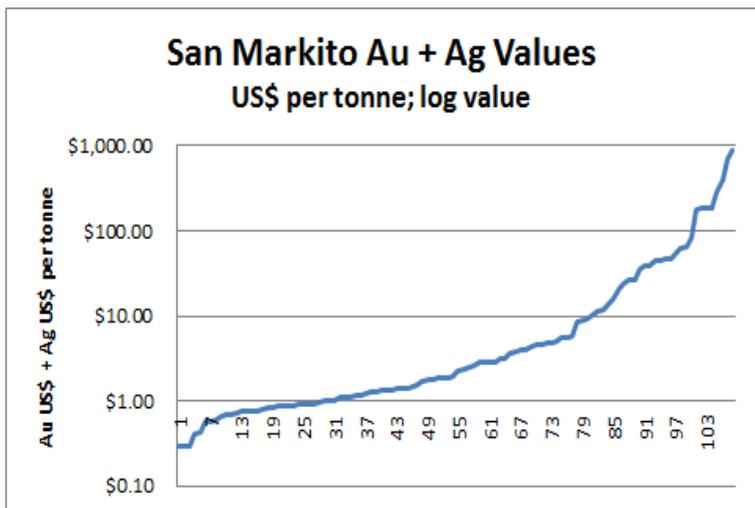
San Markito and Victoria are contiguous anomalous zones located in the upper northwest of the claim block. Mineralization is found on the flanks of an east-west ridge; a resistant unit based on a

large intrusive of quartz feldspar porphyry.

San Markito values in gold and silver range to US\$848 and average US\$133 for all values greater than US\$10/ tonne.

Victoria values range to US\$500/tonne and average US\$80.24 for all values greater than US\$10/tonne.

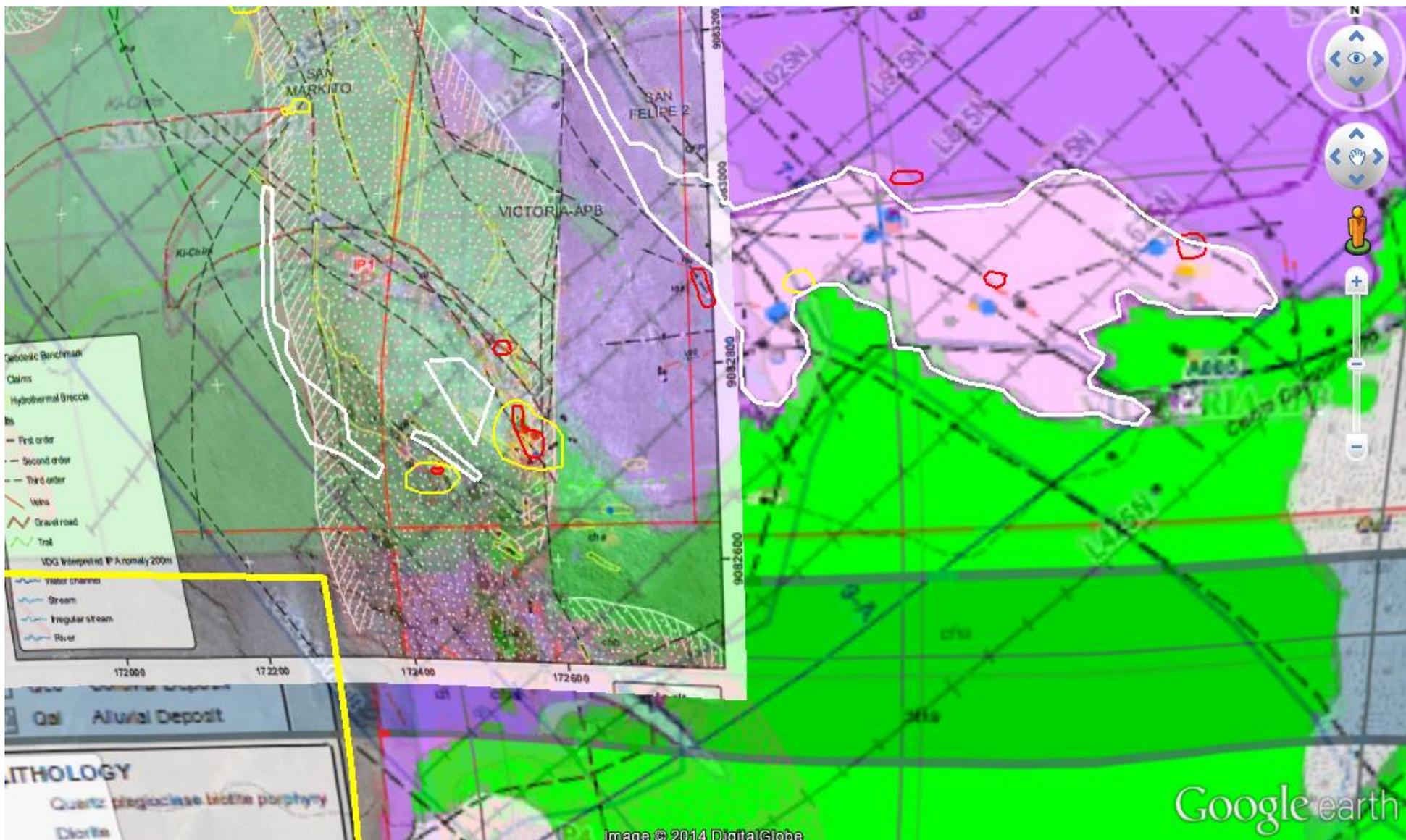
While values may seem to be lower here than at Rufina, San Markito and Victoria are where the principal determinants of discovery value coalesce.



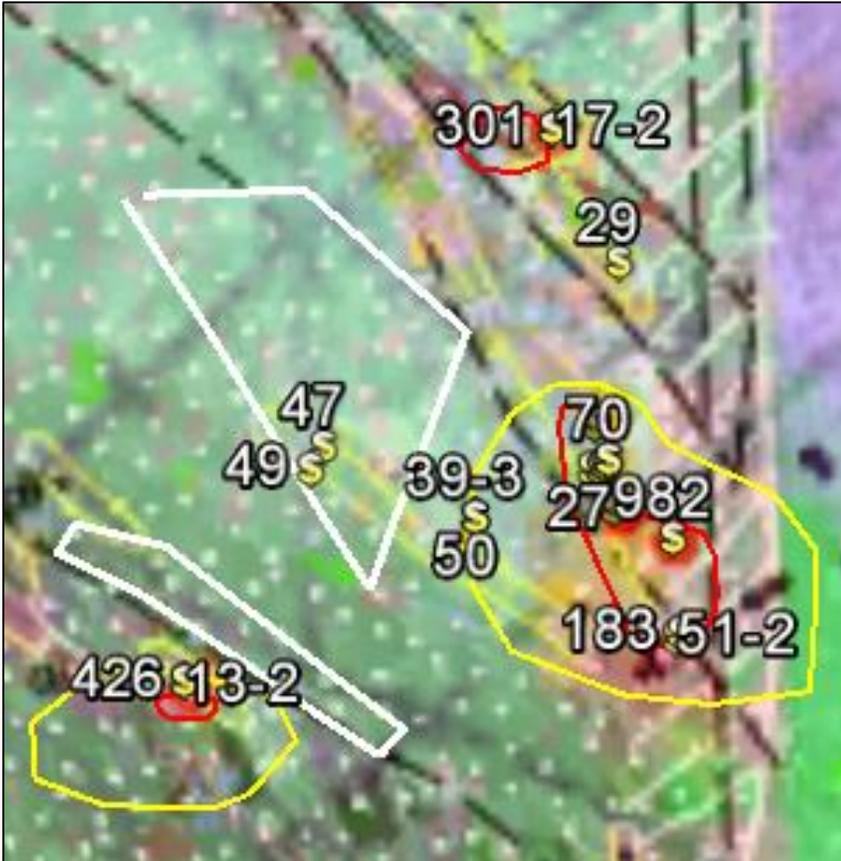
**Determinants of Discovery Value**

The map on the landscape page is a Google Earth overlay of several different maps and analytical points:

- Geologically, the bright green unit on the main map is the Chicama Fm, which is one of the key mineralized horizons, but not the main one. This is the Chimu Fm, which is seen on the San Markito sector as a greyish-green unit.
- Hydrothermal activity where mineralization has been identified to date is outlined in white. The Victoria anomaly is the large white unit on the left, with four sampling areas with grade values in excess of US\$100/tonne.
- The geological structure is seen in dotted lines, defining at least two phases of faulting and fracturing, and where, not coincidentally, areas of favourable value samples are found.
- The geophysical survey is seen as equally spaced parallel lines, with the interpreted IP highs noted as the speckled area on the San Markito.



- In the detail map at left, the discovery determinants are seen, with faulting, hydrothermal bodies, IP anomaly, and the favourable rock unit, in which a north-south fault appears to influence mineralization at the contact of the Chimu Fm and the Chicama Fm.



### **Ccori Orcco Sector**

The Ccori Orcco sector sits to the south and east of the Victoria anomalies and to the north and east of the Rufina anomalies. It has been mapped on a 1:5000 scale basis and has had a magnetic survey over it that shows several strong anomalies that do not appear to be caused by any of the rock units in this area.

Sampling in Ccori Orcco has turned up several target areas where at least two of the four potential Determinants of Discovery Value are seen:

- In an interbedded sliver of the Chimu Fm in the Chicama Fm host rock, associated with a magnetic anomaly.
- In the Puca fault, which is a primary fault and crosses the property from the northeast to the southwest and may be implicated in the Rufina mineralization.
- Within a quartz feldspar porphyry intrusive into Chicama Fm sediments, with a second-order fault crossing it; very good consistent values are seen in multiple samples here, so clearly the project geoscientists have identified this for followup.
- Outside of the 1:5000 map area and limit of the magnetic anomaly, but on the Government geology map sheet associated with Chimu Fm and in the upper block of a large regional thrust fault.

### **> MI CONCLUSIONS AND INVESTMENT VIEW**

On 3 July, 2014, Tartisan announced that it has signed a definitive option agreement and joint venture agreement with Eloro Resources Ltd (ELO-TSXV C\$0.05), where

Eloro will provide C\$1.5MM in exploration expenditures over a four year period and pay Tartisan C\$150,000 over the same period. The first year exploration spend is C\$250,000.

What would \$250k buy in rural Peru on exploration? Everything needed to set up low risk drill targets in service of shareholder value. While Mining Insights Inc. is not advising on exploration strategy, here is what we would like to see in value creation at the La Victoria Project:

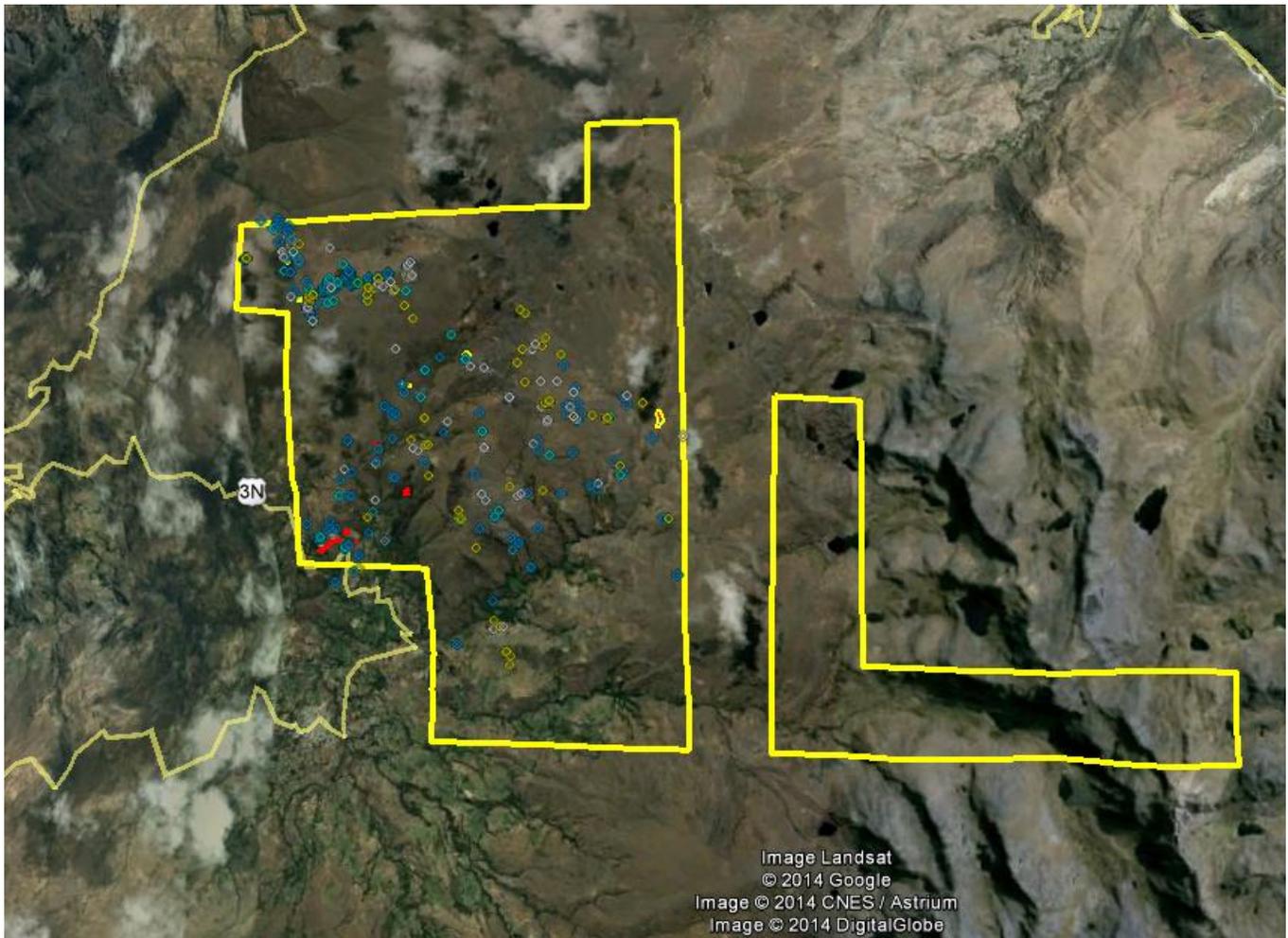
1. Go back to San Markito, where the confluence of structure, geology, alteration, and mineralization suggests a focus of value. Trench across the fault zone where previous samples indicate good values. Figure out the orientation to facilitate selecting drill targets.
2. At Victoria, map the contacts where faults are involved to see if there is a mineralizing relationship.
3. At Rufina, channel sample the roadcut to see how big the mineralized zone is when you can tie it all together. Find someone who doesn't mind a 38% grade at 3,100m, and followup on structural orientation for deposit modeling and do a fracture analysis for geotechnical assessment.
4. Visit the heap leach pile, and see if some oxide mineralization can be found, like almost every other deposit in the Chimu Fm.

it is our opinion that there are a multitude of reasons to consider investing in Tartisan and Eloro, from the confluence of everything important to discovery at San Markito, to high-value intrusives and structures at Rufina, to Ccori Orcco areas of favourable results with at least two determinants of discovery value.

The key to successful exploration is determining where there is no mineralization, and why that is the case. This allows the Company to focus on what is there and avoid what is not.

The image on the next page shows all samples that did not meet the US\$50/tonne cutoff for this report. In potential production terms, it is unlikely that any grade value less than US\$50/tonne will cover mining and processing costs, unless the entire property mineralization turns out to be bulk minable and heap leachable.

However, all the blue diamonds indicate the presence of a weakly mineralizing system, because gold, silver, and other values are there in anomalous quantities, but not potentially ore grade quantities. This map suggests that the La Victoria Concession is very well located for the discovery of more mineralization away from the previously defined areas. There is more to be found in exploration, it seems, but the point of critical mass that can define economic potential may have been passed with results at San Markito and Rufina.



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