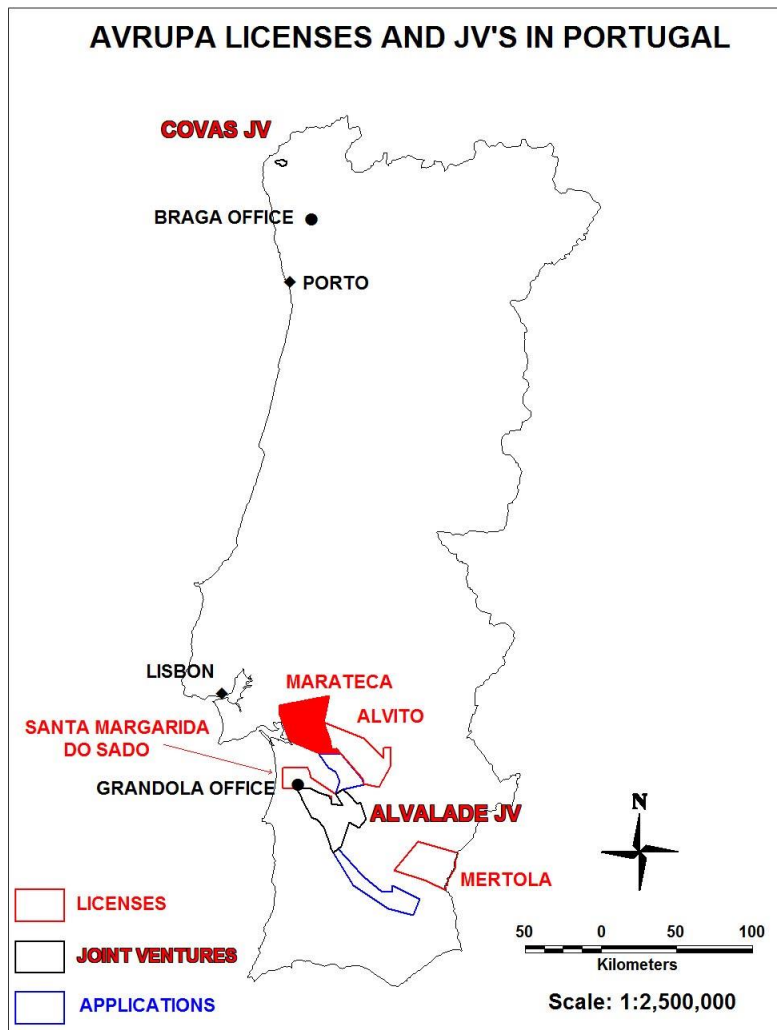


Executive Summary

- I suggest a two phase approach for the advancement of the Marateca license. The first phase can be undertaken by Avrupa Minerals with a limited cash commitment, and might include further geological mapping and rock sampling at a number of already-known targets in order to upgrade the property to a higher level of JV-ready status. The second phase of advancement would involve drilling, ideally funded by the JV partner.
- **Subsequent work by Avrupa Minerals has upgraded the Pego do Altar gossan prospect to drill-ready status. Other outcropping/sub-cropping targets require some mapping and sampling to bring to drill-ready status. No work has been completed in the areas of Tertiary cover between the Paleozoic windows, though there is no reason to not have blind VS-hosted mineralization in the large areas between the Paleozoic outcrops.**
- Portugal is one of the most favorable countries for mining in Europe. This spans the whole process from exploration permitting to mineral extraction.
- Portugal is host to two giant massive sulfide occurrences. The Iberian Pyrite Belt hosts nine of the world's 22 largest VMS deposits. These deposits are polymetallic with variable concentrations of Cu, Zn, Sn, Co, Ag, Au, Pb, and other elements that may increase the value per ton.
- With limited field work, Jeff Geier and Bryan MacFarlane have developed several target areas that need additional work. Furthermore, with reinterpretation of existing information and basic field work, quality drill targeting ideas have been developed in several of the target areas. Geological mapping and rock chip sampling are underway.
- Basic geologic mapping and geochemical sampling are needed to bring the project to JV status with a major partner. This work can be completed in less than three months with one senior field geologist and assistant. After this mapping and sampling is complete, up to 12 targets will be developed and ready to drill.
- Favorable rocks of the Volcano-Sedimentary Complex are present on the license, including porphyritic felsic volcanic rocks and exhalative chert and jasper horizons. These rocks are characteristic of the depositional environments favorable for massive sulfide deposition.
- During our reconnaissance mapping of the Pego do Altar target, we discovered several areas of intense hematite alteration, including two gossans. The Pazes Gossan target, with an open strike length of one kilometer and ~50 meters of true width. We also discovered several FeOx and Mn showings associated with hydrothermal systems in the vicinity.
- During reconnaissance mapping of the Serrinha target, we determined that FeOx and MnOx showings strike N-S and steeply dip to the east. They are associated to chert horizons with intense quartz veining in the vicinity. Geochemically, the felsic volcanic rocks at Serrinha are moderately altered, with strong sericite+silica and local

chlorite+pyrite alteration. These are all positive indications of a nearby hydrothermal system.

- Structurally, the host rocks have been involved in polyphase deformation. The result is a pervasive cleavage axial planar to tight folds. Late thrust faulting further complicates the geology. Within the belt, this deformation has been shown to concentrate and segregate sulfides, aiding in both grade and recovery.



Marateca location in the northern Iberian Pyrite Belt