TECHNICAL REPORT
ON THE SLOVINKY-GELNICA PROPERTY,
Spišská Nová Ves Mining District
SLOVAK REPUBLIC
FOR
AUROPEAN VENTURES INC.

By: G.A. Harron, P.Eng.
Effective Date: June 30, 2010
Signing Date: September 17, 2010
Revised Signing Date: December 15, 2010

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1.0 SUMMARY

The Slovinky - Gelnica Exploration Project (the "Project") consists of two prospecting permits covering 62.42 sq. km, arranged as one contiguous parcel approximately 30 km northwest of Košice, in the Spiš-Gemer Ore Mountains.

In October, 2009, Auropean Ventures Inc. ("Auropean" or the "Corporation") entered into an acquisition agreement to acquire a 100% interest in the Project whereby Dom Steiner s.r.o. and RNDr. Karol Piovarcsy, all of Gánovce, Slovakia (collectively the "Trustee"), would secure the Project permits and hold them in trust for Auropean as to such time as they could be transferred to Auropean one year following their approval and verification.

Auropean agreed to pay all the expenses incurred by the Trustee in acquiring and maintaining the Project permits. In addition, Auropean agreed to issue a total of 150,000 common shares to the trustee: (1) 75,000 upon approval of the permits and (2) 75,000 upon transfer of the permits to Auropean, approximately one year from granting of the permits.

There are approximately 35 separate mineralized veins related to two major structures crossing the project area. All known prospects are primarily contained within rhyolitic and other felsic fragmental rocks of the Gelnicá Assemblage, commonly along a faulted and mylonitized contact with the overlying Rakovecká Assemblage. These assemblages host all of the exploited Cu, Ag and iron deposits in the area. There is a Cu metal smelter at Krompachy, approximately 3 kilometres to the northeast of the Project.

This project is advanced stage and offers the opportunity to evaluate the precious metal contents (Au and Ag) of these Cu and iron lode deposits, based on the historical references to Au and Ag mineralization and production. These references are corroborated by recent geochemical exploration (rock and soil samples) defining sites of potentially economic Au mineralization within these polymetallic vein deposits.

Historical references to exploration and exploitation of the various deposits in the area date back to the 13th century. Underground exploration by drifting in the 1980s has identified a 1.65 km long segment of the Slovinky Hrubá mineralized vein structure extending west from the Dorota Shaft. The exploration drift is approximately 300-350 m below the ground surface. Some channel samples collected in the drift returned economically interesting Au and Ag values that warrant additional exploration. Of 53 channel samples analyzed for Au, 10 samples returned values greater than1 g/t Au, 11 samples returned values greater than 10 g/t Ag and 14 samples returned values greater than 1.2% Cu.This segment of the Slovinky Hrubá mineralized vein structure has not been fully delineated nor developed. A single surface diamond drill hole located 600 m beyond the end of the west drift suggests that Au-bearing Cu mineralization (2 g/t

Au, 12 g/t Ag and 3.34% Cu over 0.9 metres) exists well to the west of the drift heading.

It is proposed that a two phase exploration program be initiated to explore this prospective mineralized portion of the Slovinky Hrubá vein system, primarily its upper levels. In other parts of the permit area significant geochemical indicators of Au and Ag polymetallic mineralization will also be drill tested.

Based on the potential to discover additional Cu-rich sulphide veins with significant Au and Ag contents in the project area, the proposed sequential exploration programs are warranted.

The proposed Phase 1 exploration program will focus on defining the precious metal component of the polymetallic mineralization, by diamond drilling in an area west of the Dorota Shaft. A survey grid tied to the Dorota Shaft mine grid coordinates will be re-established and cover approximately 2.5 km of strike length along the Hrubá vein. Cross lines will be oriented north-south at 50 to 100 m intervals in the vicinity of previously recorded elevated values of Au and Ag, and at 300 m to 400 intervals in intervening areas. Fan drilling on sections will allow the vein structure to be intersected at depths between 100 m and 450 m below surface. Approximately 9,000 m of NQ diameter core diamond drilling at 26 sites is recommended to provide a preliminary test of this area. One diamond drill hole (360 m) on section 294350W will be drilled to duplicate a historical intercept of 3.4 g/t Au, 1.0 g/t Ag and 1.3% Cu over 1.7 m. A proposed budget of approximately € 1.637 million ($C 2,325,000) is estimated to allow for this work. A currency conversion of € 1=$C 1.42 is used throughout this report.

A portion of the Phase 2 exploration program is contingent upon success of the Phase I program in defining precious metal-rich polymetallic mineralization. An additional 16,000 m of diamond drilling is proposed to continue drill testing of the Slovinky Hrubá vein, focusing on continuity of precious metal mineralization and assay values. The non-contingent portion of the Phase 2 program consists of preliminary testing of other of surface geochemical anomalies by limited diamond drilling (4,000 m) of 5 target areas is also proposed. In addition further investigations of “rare earth elements” mineralization will be included in the Phase 2 work program. A proposed budget of approximately € 4,040 million ($C 5,739,000) budget is proposed to execute this work.

The combined Phase 1 and Phase 2 expenditures are estimated to be approximately € 5,677 million ($C 8,064,000).

2.0 INTRODUCTION AND TERMS OF REFERENCE

At the request of Dr. V.N.Rampton, P. Eng., President of Auropean Ventures Inc. ("Auropean" or the "Corporation"), G.A. Harron & Associates Inc. ("GAHA") was contracted to prepare a technical report on the mineral potential of the Slovinky – Gelnica Exploration Project, located in the Spiš-Gemmer Ore Mountains of eastern Slovakia, as of June 30, 2010. GAHA was also requested to qualify the proposed exploration programs and budgets for the on-going development of the major mineralized quartz and siderite veins on the property and the "rare earth element" mineralization potential. The property is considered to be at an "advanced" stage of exploration, as new and existing drill targets have been selected and a historical inferred resource has been identified. The Project is material to the Corporation.

Auropean is a private corporation in the process of becoming a reporting issuer listed on the TSX Venture exchange under the jurisdiction of the Ontario Securities Commission. The address of the corporation is P.O.Box 158, 3232 Carp Road, Carp, Ontario, Canada, K0A 1L0. A fully owned Slovakian subsidiary, Auropean-Slovakia s.r.o., has been incorporated to eventually take ownership of the permit and to operate in Slovakia. It is understood that this report will be used to provide first written disclosure of the Project to the Auropean Board of Directors and to support future listing and financing Activities of the Corporation.

This technical report is to conform to National Instrument 43-101 standards. Terms of engagement are in a letter from GAHA to Auropean dated November 1, 2009. A revision of the initial technical report was occasioned by a request from the Ontario Securities Commission to add clarity to the equivalence of Slovakian and and NI 43-101 resource and reserve categories, notably in Table 18.1.

Prior to this assignment GAHA has not provided any technical services to the Corporation.

A site visit to the Project occurred in the period November 23-26, 2009 at which time access, terrain characteristics, surficial geology, bedrock geology, land use, existing environmental conditions and exploration logistics were noted.

The presence of abandoned exploration and mining infrastructure and mineralized waste rock in conjunction with numerous reports and files describing the Project's geology, mineralization and former mining activity, is taken as evidence that economic mineralization could be present in the area.

The information herein is derived from a review of documents listed in Section 21.0, information provided by RNDr. K. Piovarcsy and private files maintained by GAHA. Considerable use was also made of scientific articles published by the Slovakia Geological Survey. Numerous technical reports were extracted by RNDr. K. Piovarcsy from Geofond (a government corporation), and used to supplement the publically, more easily available general information.

There were no limitations put on the author with respect to technical information by Auropean management in the preparation of this report.

This report contains details of the land tenure, a summary of previous exploration and development work, a compilation and synthesis of geology, geophysics and historical inferred resource data. The report also contains recommendations for further exploration and development of the property.

Cost data used to create proposed budgets to support the proposed work programs are based on a general knowledge of current costs in Slovakia.

Metric units of measure are used in this report. References to dollars in the report are to Canadian currency, unless otherwise indicated. The current foreign exchange rate for the European Euro (€) is approximately $C 1 = € 0.704

All geographical projections are referenced to the Krovák System, also known as the Adriatic Sea System; and all co-ordinastes are referenced to the JTSK system, which uses “westings” and “southings”.

The following list shows the meaning of the abbreviations for technical terms found in the text of this report.

Abbreviation	Meaning
Ag	silver
As	arsenic
Au	gold
cm	centimetre
Cu	copper
DDH	diamond drill hole
FA-ASS	Fire assay-atomic absorption spectroscopy
g	gram
Ga	billion years
g/t	grams per tonne
ha	hectare(s)
km	kilometre(s)
m	metre(s)
mm	millimetre
Pb	lead
ppb	part per billion
ppm	part per million
Sb	antimony
t	metric tonne
Zn	zinc

3.0 RELIANCE ON OTHER EXPERTS

GAHA has prepared the entire report based upon information believed to be accurate at the time of certification. However the accuracy of the information is not guaranteed. The author has relied on private technical reports and Government sponsored geological reports for geological and technical data. The author therefore relies on the completeness and accuracy of these public domain documents listed in Section 21.0.

GAHA relies on representations of Auropean's management that the Corporation is the sole owner of the rights attached to the Project Permit Decisions, except for an existing mining permit (DP-Slovinky), which will be made available to Auropean in the near future, as discussed in Sections 4.0 and 7.0 of this report.

Copies of the translated and approved Exploration Permit Decision document for Slovinky, issued February 24, 2010 (validated March 8, 2010) with its subsequent modification on May 3, 2010 (validated May 10, 2010), and the Gelnica Exploration Permit Decision, which was issued June 3, 2010 (validated June 18, 2010) are included in Appendix 1 The companion documents relating to the ("Mining Act") setting out the Royalty payments related to the Project are included as Appendix 2.

GAHA relies on the accurate translation of these documents into the English language.

4.0 PROPERTY DESCRIPTION AND LOCATION

The Project is located in the east-central part of Slovakia (Figure 4.1), approximately 45 km southeast of the City of Poprad and 30 km northwest of the City of Košice (Figure 4.2), in the Spiš-Gemer Ore Mountains. On a detailed scale the Project is situated in the municipalities of Slovinky and Gelnica, Spišská Nová Ves and Gelnica districts, in the county of Košice, Slovakia.

Areas covered by the Project's permits, their descriptions and conditions of approval are laid out fully in Exploration Decisions 10420/2010 (File 2254/2010/9.3) issued February 24, 2010 (validated March 8, 2010). Exploration Decision (Modification of Exploration Decision) (10420) 25769/10 (File 2254/2010/9.3 issued May 3, 2010 (validated May 10, 2010) and 33724/2010 (File 6135/2010/9.3 issued June 3, 2010 (validated June 18, 2010).The complete text of the Exploration Decisions translated into English are presented in Appendix 1.

The Gelnica exploration permit (PU) has an area of 5,604 ha (56.04 sq km) (Figure 4.3), and the Slovinky exploration permit has an area of 638 ha (6.38 sq km). (Figure 4.4). The two Project permits area covers 6,242 hectares (62.42 sq km) distributed as a single irregularly shaped polygon (Figure 4.5).

Auropean has a trust agreement with Dom Steiner s.r.o. ("Dom Steiner"), a corporation wholly-owned by RNDr. Karol Piovarcsy, whereby Dom Steiner was to acquire the Project permits and hold them for the Corporation until such time as they can be transferred to Auropean-Slovakia s.r.o. The transfer date is one year following the formal granting of the permits to Dom Steiner.

UTM co-ordinates of the Project's perimeter angles using the JTSK/Krovák Datum are listed on the respective plan maps (Figures 4.3 and Figure 4.4).

Exploration for "exclusive" minerals, which are the property of the State, may be carried out in an exploration permit area only. The first application registered for a given exploration permit has a priority of ownership, except in the case of an auction. Auctions arise when the government divests itself of "special exploration permits" (lands that were explored by government sponsored exploration funds).

The area of an exploration permit is limited to a maximum of 250 km^2. Each successive renewal of the permit requires that the area of the permit be reduced by at least 25%.

The fee for maintaining an exploration permit is € 99.58 per km^2 annually for the first 4 years, increasing to approximately € 200 per km^2 annually for the next 2 years. This fee for the Project permits is approximately € 6,373 annually for the first 4 years.

The right to mine “exclusive” mineral deposits is given by granting a “mining area” permit, and granting a “permission to perform” mining activities. Both documents are issued by the regional mining offices. The owner of an exploration permit in the area has a priority to apply for a mining area (permit) within 6 months of the approval date of the mineral reserves by the State Commissioner for Classification of Reserves, attached to the Ministry of the Environment. Mining needs to commence within 3 years from the granting of the mining permit. A fee for maintaining a mining permit is € 664 per km^2, and the area involved will be determined at the time of issuance of a mining licence.

Production royalties, which are divided between municipalities affected by the mining licenses, and the State are payable to the State. The reference percentage for calculating royalties is 5% on Au and Ag, and 2% on other metals. The actual royalty paid is calculated as follows:

A/B times C times D/100 (Formula)

Where:

A equals cost of mining

B equals cost of mining and treatment

C equals metal sales revenue

D is the reference royalty percentage

Income and VAT taxes are 19%, and the VAT tax is refundable on exploration Activities. Employee payroll burden is currently about 40%.

To the writer’s knowledge there are no significant current or pending challenges to ownership of the Project. As shown in Figure 4.3 and 4.4, a mining permit (“DP - Slovinky”) exists within the boundaries of the Project. This mining permit is owned by Rudné Bane š.p., (“Rudné Bane”) a State enterprise engaged in the reclamation of former mining areas throughout Slovakia. The mining permit allows State funds to be used for this work. Upon completion of the reclamation the mining permit will be relinquished. Rudné Bane has indicated that it could on short notice relinquish certain critical parts of the mining permit if requested by Dom Steiner s.r.o. Further, an agreement is being finalized whereby Auropean has the right to explore on the mining permit for Cu in addition to those metals allowed under the Exploration Decision for Slovinky, and that the mining permit would be transferred when Auropean provides the mining authorities with a defined resource on the Slovinky Permit.

The “CHLÚ-Slovinky” and the CHLU-Gelnica, outlined on Figures 4.3 and 4.4, represents areas officially designated for the protection of present and future mining activities and mining infrastructure. Other minor encumbrances are defined and discussed in section 18.5 of this report.

Auropean warrants to GAHA that the corporation has not received from any government authority any notice of, or communication relating to, any actual or alleged breach of any environmental laws, regulations, policies or permits with regard to the Slovinky-Gelnica Project. Ecological Reserves adjacent to the Slovinky Exploration Permit are detailed in section 18.5.

The GAHA site visit to the various historical mining operations indicated that most adits, tunnels and shafts have largely been reclaimed over the years. However not all openings, such as open stopes, have been secured, and reclamation is an on-going activity. Rudné Bane has indicated possible completion of reclamation within two years.

Figure 4.1 General Location Map

Figure 4.2 Access Map

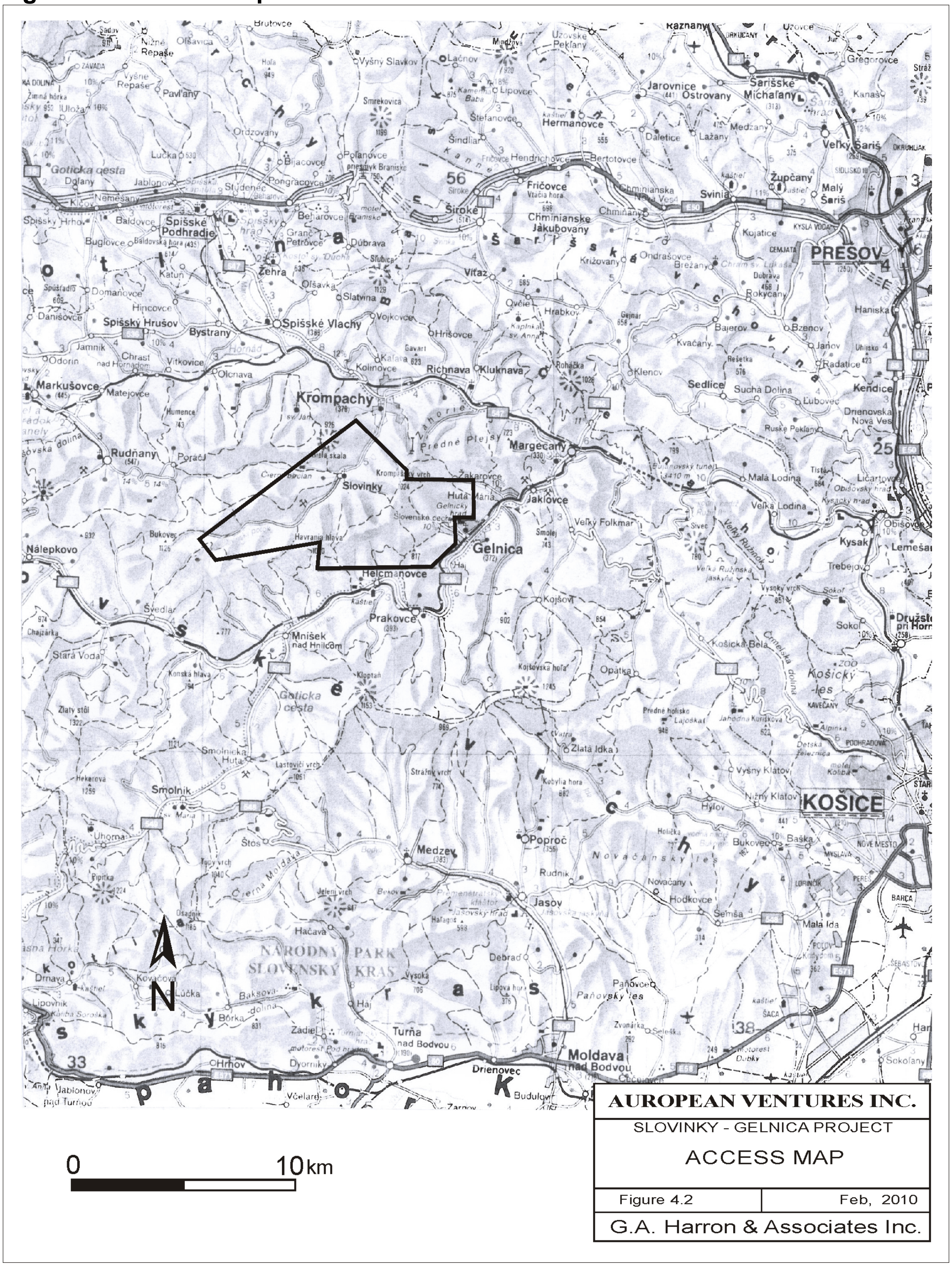


Figure 4.3 Gelnica Exploration Permit

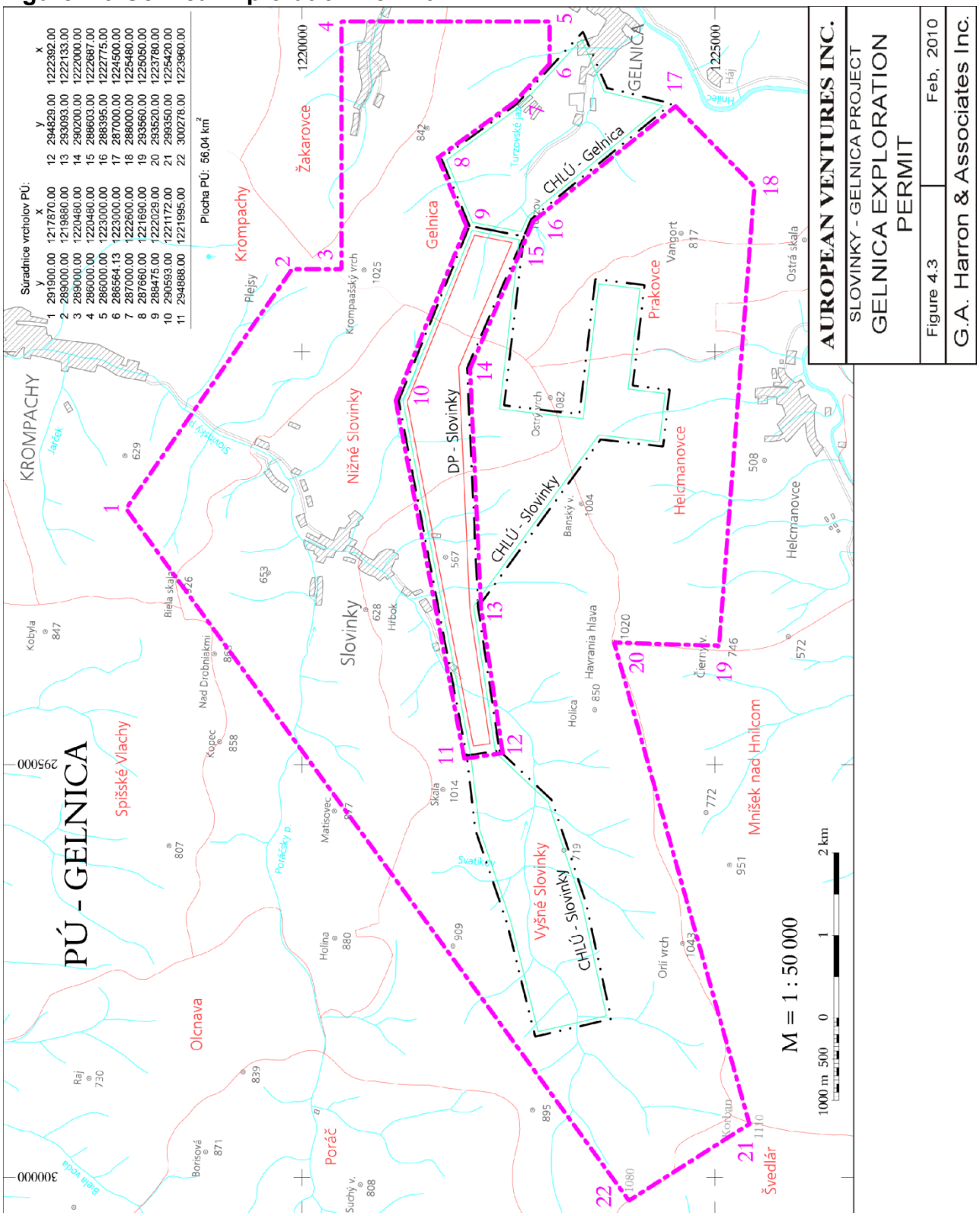


Figure 4.4 Slovinky Exploration Permit

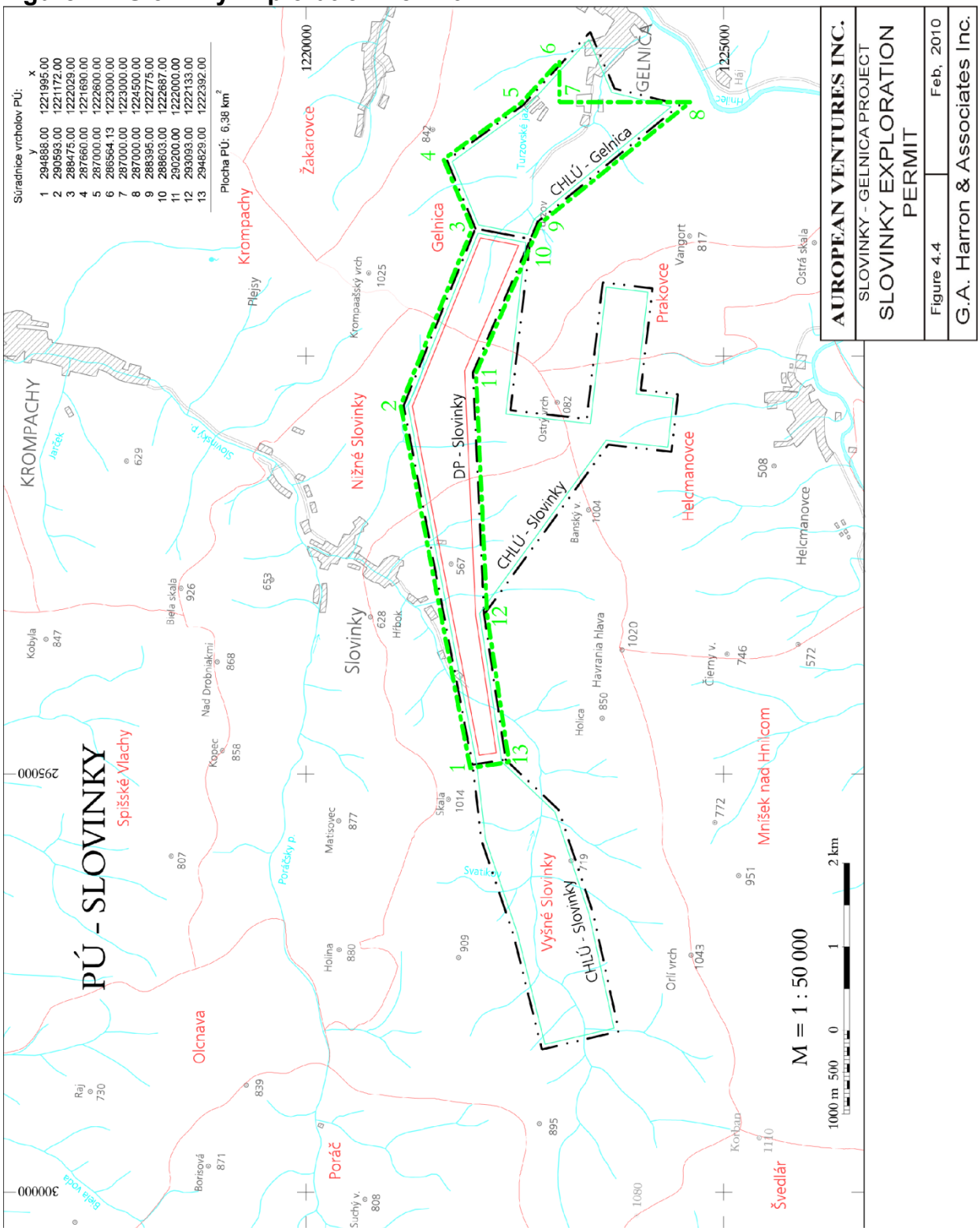
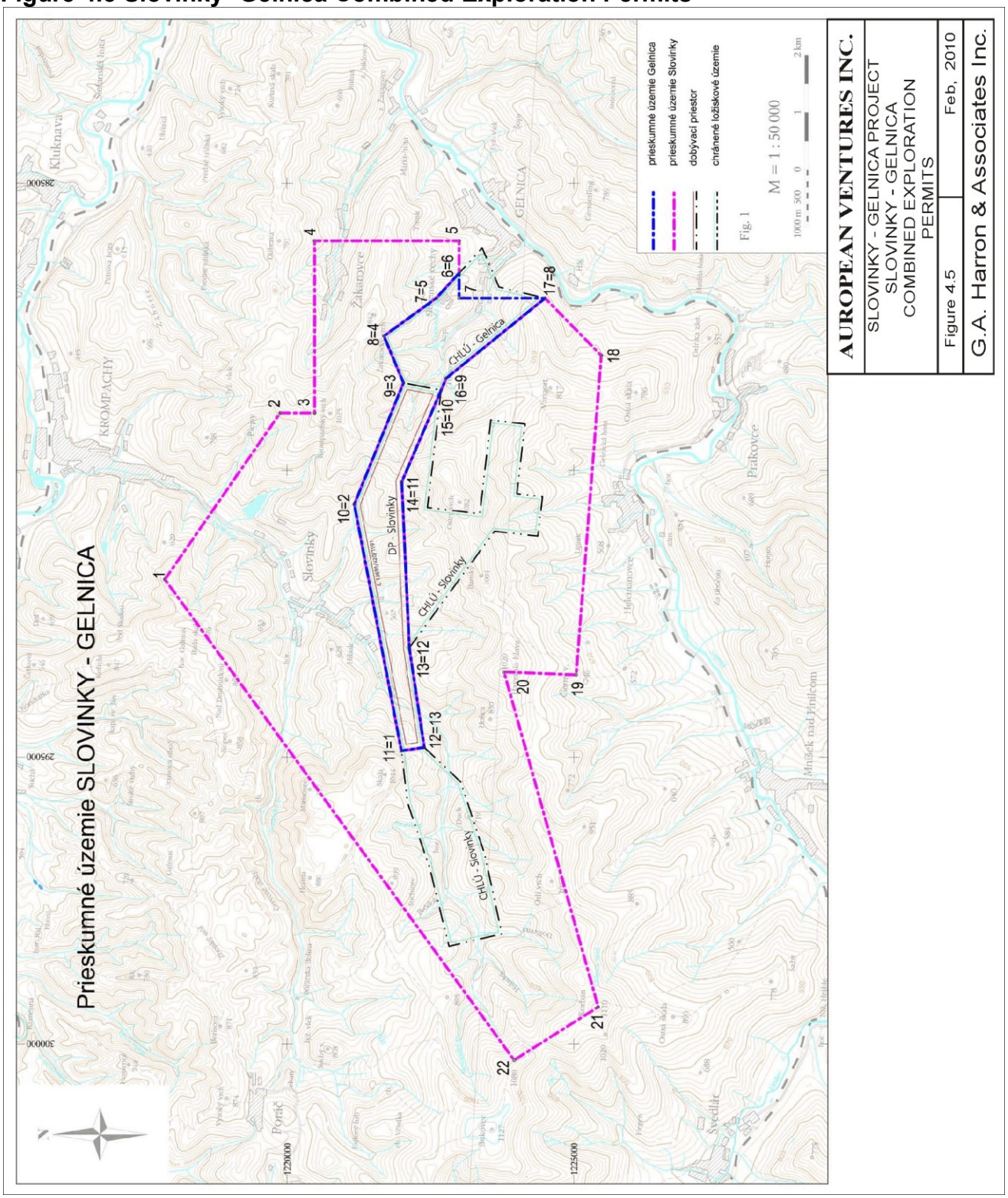


Figure 4.5 Slovinky -Gelnica Combined Exploration Permits



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

A well developed network of paved and gravel-surfaced roads provides access to all parts of the Project's area (Figure 4.2 and 4.3). The eastern boundary of the Project passes within 7 km of the Krompachy smelter, which is a potential buyer of mineral products originating on the Project.

The Project is centered at approximately latitude 48° 47' north and longitude 20° 55' east. All of the non-forested ground is covered with natural and cultivated vegetation. Boreal forest covers the valley walls and the upper reaches of the hills.

Winters are cold with snow, which lasts for approximately 100 days in the area. The hottest month is July, with daily maximum temperatures over 30°C. Yearly precipitation varies from 100 mm in the lowlands to about 600 mm in the mountains. Hills in the area range 300 to 500 m above valley floors, which are generally at an elevation of 300 m. Ridge tops are rounded when underlain by Paleozoic sediments and craggy when underlain by Cretaceous carbonate rocks.

Drainage is well organized with branching watercourses traversing moderate gradients. Drainage is east then south into the Hornàd River.

The ambient seasonal temperatures indicate that drilling and geophysical surveys can be conducted in the winter months. Geochemical and geological surveys are best carried out in the summer months.

Local resources include an abundance of water, mature coniferous trees, and aggregate. Land use is generally subsistence farming in the valleys and small scale forestry operations at higher elevations.

Infrastructure is well developed with access to electricity, communications, road and rail transportation, and other social amenities located in nearby villages and towns.

6.0 HISTORY

Archeologists have recovered evidence pointing to the extraction and utilization of metals in the Spiš Gemer Ore Mountains that relate to Celtic colonization at some time prior to the birth of Christ. Historical records indicate that mining activities in the Gelnica and Slovinky regions were well developed in the 13th century. By 1280 Ag production from the Gelnica area was substantial. It was the second largest Ag producer in the country in the 14th century. Cu and Ag extraction in the 15th century remained strong and attracted increased immigration from Poland and Germany. In the 16th and 17th centuries mining activity declined due to various social and political activities and a decline in the price of Cu. However, mining expanded in the early 19th century. The important mines in this mining boom were the Jozefi, Simoni, Nassfeld and Katarina shafts exploiting the Križová vein.

In the latter half of the 19th century new technological innovations led to the re-opening the Klippberg and Helcmanovce deposits. In 1857 low grade Cu "ore" from the Gränzling and Kahlehöhe shafts on the Gelnická vein system were treated to recover Au. By 1870 most of the mines in the area closed until approximately 1900 due to low Cu prices. Prior to 1900, approximately 930,000 tons of ore were mined with a Cu content of between 4.4% and 13.4% in the Gelnica area, yielding a minimum of 54,460 tonnes of Cu (calculation based using grades between 5% and 7%). At Slovinky 13,170 tonnes of Cu were produced from 877,990 tonnes of ore grading 1.56% during the same period.

At the beginning of the 20th century a new phase of activity focused on the exploitation of both Cu and iron in the Slovinky-Helcmanovce area; this lasted until 1922. This was followed by a transitional revival of the Slovinky-Helcmanovce area in 1925-1931 focusing on the production of Cu concentrate. In 1933 a public company consolidated Cu mining operations that continued until 1944. In the period 1900 to 1944 over 4,129,500 t of ore grading 1-3% Cu were mined at Gelnica yielding 54,380 t of Cu. (Piovarcsy, 1987). Approximately 1,607,500 t of ore grading 1.0-1.2 % Cu was mined at Slovinky, yielding 18,588 t of Cu.

Operations were re-started at Gelnica in 1950 by Geologicky prieskum n.p. Spišská Nová Ves ("GpSNV"). Exploration was specifically accelerated in the vicinity of Gelnica in 1951 with the opening of several adits on the Križová vein system over the next few years. In 1959 the Križová vein was further developed, with mining continuing until 1978. Between 1966 and 1977, 160,571 t of ore grading 0.88% Cu were mined from the Križová vein yielding 1,413 t of Cu. Mining ended in the Gelnica area in 1978, but exploration by GpSNV continued until 1987. GpSNV was a large government controlled company focused primarily on exploration, with branch offices located throughout Slovakia.

In 1973 GpSNV commenced a program of locating and developing "ore" in the Slovinky – Gelnica area. Activities of particular interest were tracing the vein structures east and west from the vicinity of the Dorota Shaft, with final work completed in 1993. Mining at Slovinky was undertaken by Železorudné bane n.p. Košice from 1950 to 1987 when it

was taken over by Železorudné bane š.p. Spišská Nová Ves (Železorudné bane, Slovinky Branch). Železorudné bane š.p. was a government controlled mining company with branch offices located throughout the country. This company ceased mining operations at Slovinky in 1993. Cessation of mining activities appears to be related to "central planning' inefficiencies in an emerging market based economy accompanying the dismantling of the Union of Soviet Socialist Republics. Between 1950 and 1993, 7,842,875 t of ore with an average Cu content of 0.8% yielded 60,666t of Cu from Slovinky. Eventually the responsibility for reclamation of mining permits was undertaken by Rudné Ban š.p., another state enterprise, which operates to this day.

In summary, according to historical records, a minimum of 202,780 t of Cu has been extracted at Slovinky and Gelnica. Undoubtedly, not all of the Cu extracted in early years was recorded.

In the 1980s, a State owned exploration company (Geologicky prieskum n.p., Spišská Nová Ves) commenced a program of locating and developing "ore" in the Slovinky-Gelnica area. Activities of particular interest were tracing the vein structures east and west from the vicinity of the Dorota Shaft, with final work completed in 1993. Tunneling to the west of the Dorota Shaft occurred on the 29th level and successfully delineated the Hruba vein over a distance of 1,600 m. Details of the sampling and results are presented in section 7.2.4.

In 1997 Geologia s.r.o., Spišská Nová Ves undertook surface exploration for a private Canadian exploration company over an area comparable in size and location to the current Slovinky exploration permit. Sample pre-treatment was handled by Geologicky prieskum n.p., Spišská Nová Ves, Slovakia with multi-element analyses completed by Activation Laboratories, Ancaster, Ontario,(ISO certified), and Consorminex, Gatineau, Quebec, Canada. Operations terminated without testing any of the geochemical surface anomalies when the prices of Au, Ag and Cu collapsed.

Results of this work identified Au anomalies based on stream sediment sampling coincident with heavy mineral concentrate samples within a 7 km long zone stretching from Slovinky in the west to Gelnica in the east (Figure 6.1). This was further verified by analysis of vein material from waste dumps along this trend.

Stream sediment sampling for Au also highlights a 2 km long section of the Zlatá Zila structure in the south central part of the exploration permit area. These also were verified by analyses of vein material from waste dumps along this trend.

Of the 31 sample of vein material collected from waste dumps, 4 samples contained greater than 1g/t Au. Notable samples include the Nadložná Gelnická vein, which returned values of 2.45 g/t Au and 2.06% Cu; Josef vein, 3.3 g/t Au and 1.89% Cu; and a sample collected 200 m north of the Hrubá vein and 150 m south of the Gelnická vein returned values of 7.12 g/t Au and 2.21 % Cu.

Re-examination in 2010 of the analytical results from stream sediments and pan concentrate samples indicated anomalous "rare earth element" values having a source

in an area measuring about 6 km east-west by 3 km north-south to the west of the Dorota shaft. Rare earth elements ("REE") are herein defined as La (Lanthanum), Ce (Cerium), Nd (Neodymium), Sm (Samarium), Eu (Europium), Tb (Terbium), Yb (Ytterbium) and Lu (Lutetium) as only these REE were analyzed in the 1998 exploration. Individual metals have specific characteristics and are in demand for high tech electronic and optical applications.

Approximately 120 stream sediment samples and 66 heavy mineral pan concentrate samples were collected in and adjacent to the exploration permit areas. A total of 8 samples contained more than 10,000 ppm (1%) REE-bearing heavy minerals. Due to the small population of samples a rigorous statistical evaluation of the results was not undertaken. Rather a natural break in the spectrum of results suggests analytical values in excess of 10,000 ppm total are considered to be anomalous. The eight samples designated as anomalous represent 11% of the analytical population, and appears to be a reasonable number. The location of the anomalous values as shown in Figure 6-2 indicate a source area on the headwaters of Slovinsky Creek in the Lancemberk Vally, to the west of the Dorota Shaft. This is supported by a stream sediment sample also containing very anomalous REE values near the Dorota Shaft.

The anomalous analytical values and their distribution in amongst the copper-gold rich veins suggest that additional sampling and mineralogical examination of the pan concentrates is warranted in a Phase 2 program.

Figure 6.1 Au Geochemical Anomalies

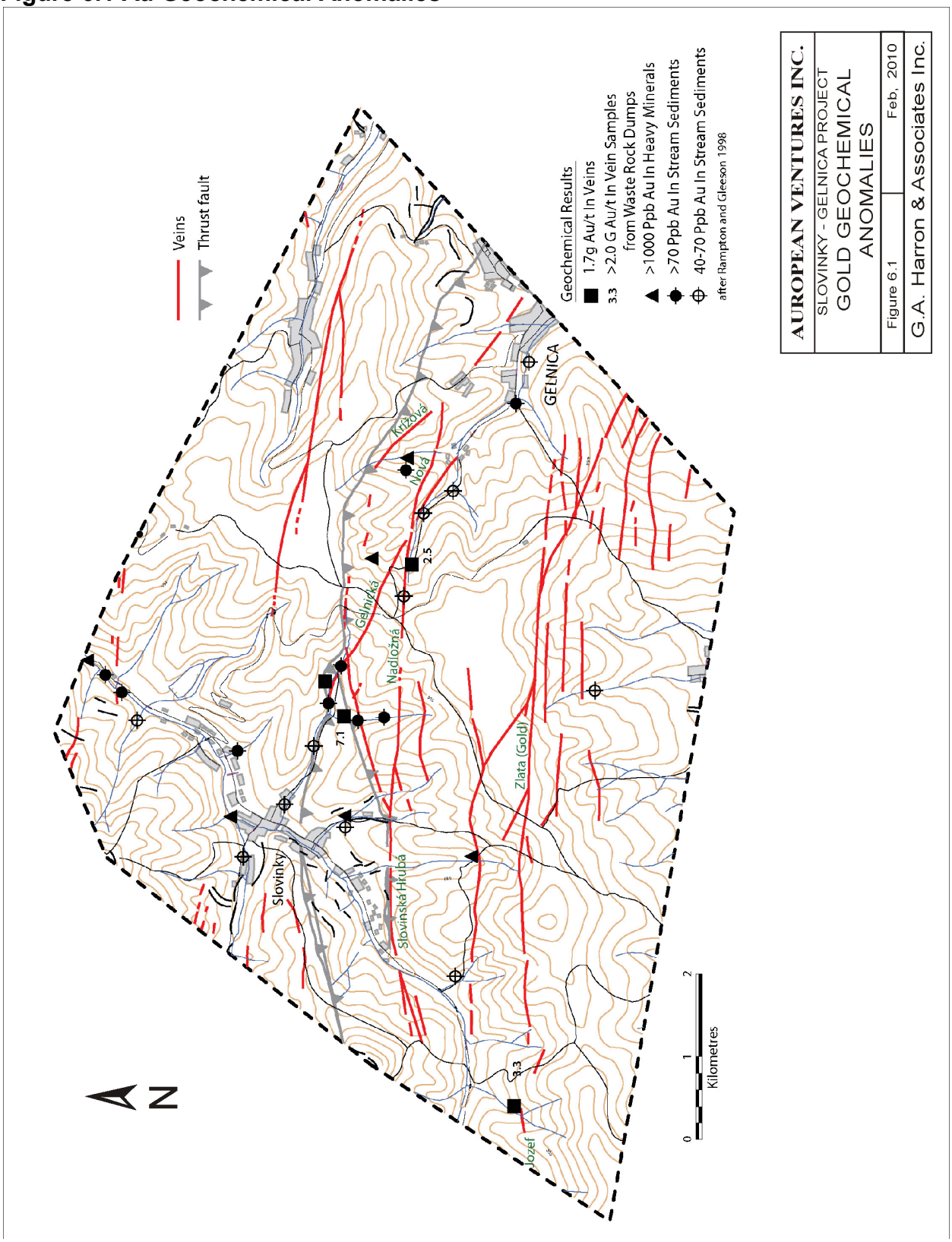
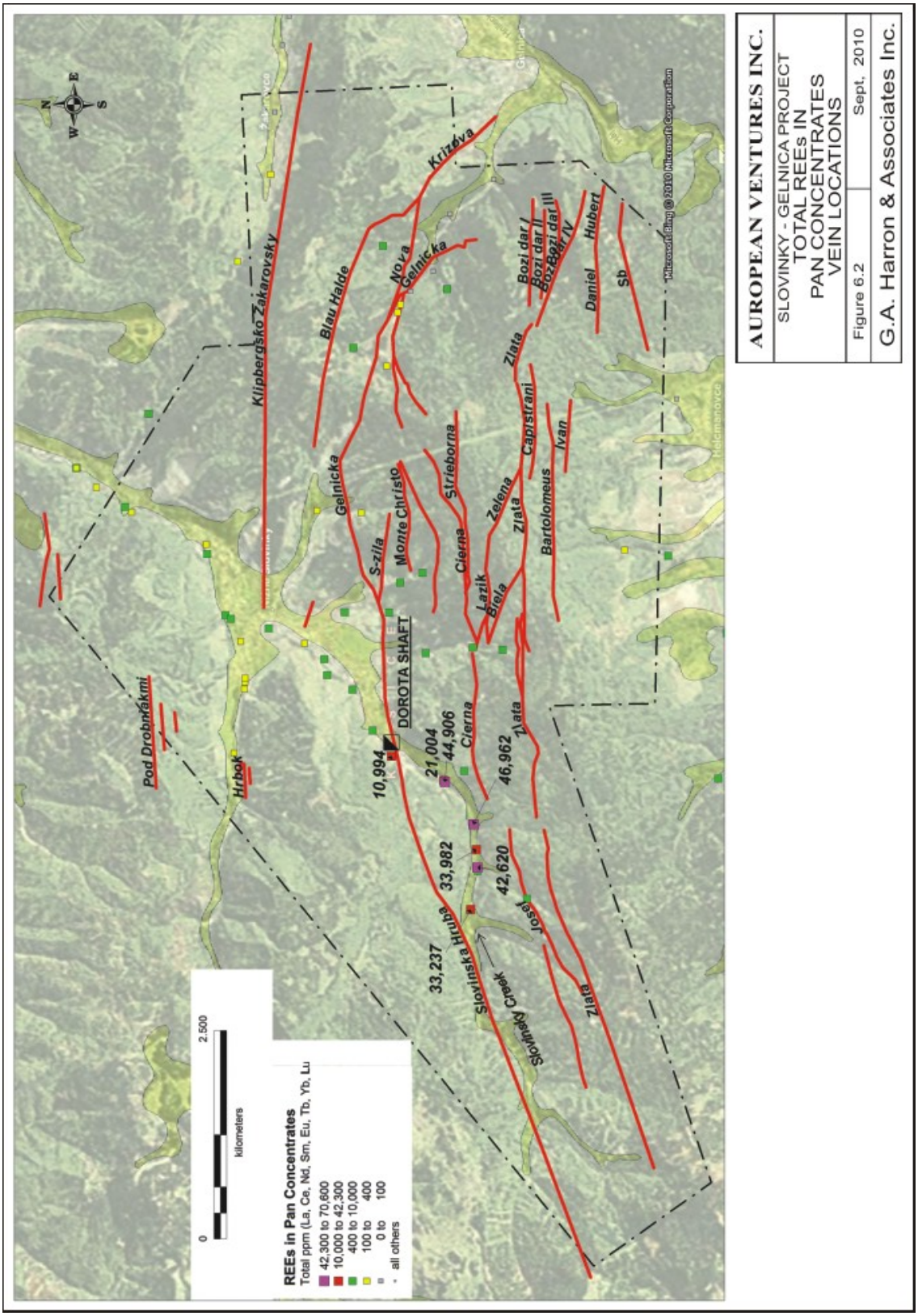


Figure 6.2 Total REEs in Pan Concentrates Vein Locations



7.0 GEOLOGICAL SETTING

7.1. REGIONAL GEOLOGY

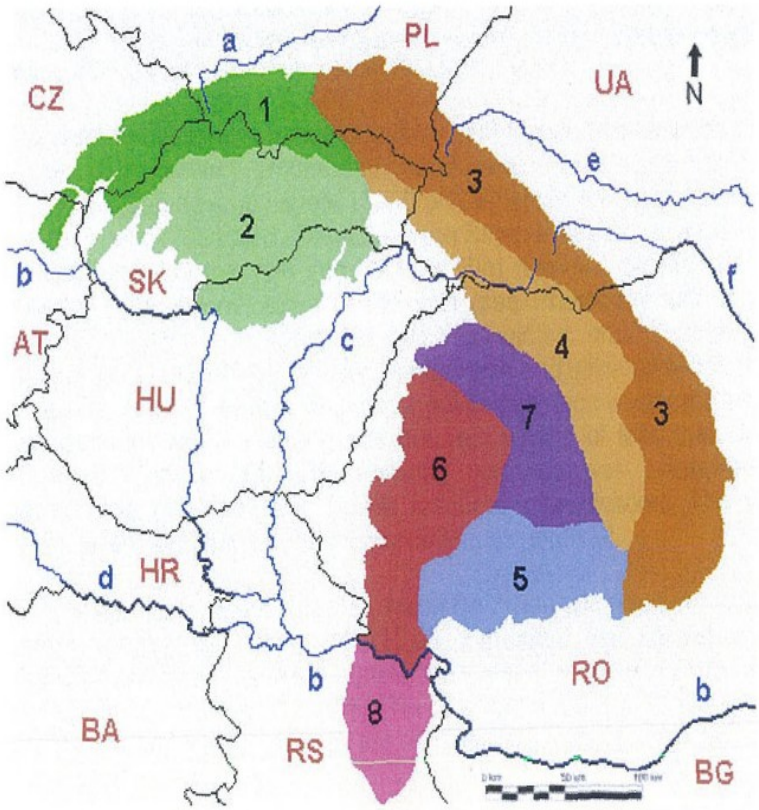
The Hercynian (Variscan) Orogeny (380-280 Ma) is a geological mountain- building event caused by Late Paleozoic continental collision between Laurussia and Gondwana to form the supercontinent of Pangaea. Hercynian structural features are partly hidden and overprinted by the Alpine orogenic features. The Alpine Orogeny was an event in the Late Mesozoic and Early Tertiary and formed the mountain ranges of the Alpide belt. This belt of mountains include, the Carpathians, which form an arc approximately 1,500 km long across Central and Eastern Europe from the Czech Republic in the northwest to Romania in the southeast.

The Carpathian Mountain chain is usually divided into three major parts on the basis of geography and geology. The Western Carpathians are further subdivided into an Inner and an Outer zone. Similarly the Eastern Carpathians are subdivided into an Inner and an Outer zone, and the Southern Carpathians are divisible into four subdivisions (Figure 7.1).

The Alpine Orogeny occurred when the northward moving continents of Africa and India and the small Cimmerian plate collided with Eurussia in the north. Convergent movements between the tectonic plates began in the Early Cretaceous, but the major phases of mountain building began in the Paleocene to Eocene. Currently the process still continues in some of the Alpide mountain ranges.

In Slovakia the Alpine mountain ranges of the Western Carpathians extend from the Danube River in the west to approximately the Tisza River in the east (Figure 7.1). The The Outer Western Carpathians comprise molassic sediments of Late Tertiary age and a broad flysch belt composed of thrust units along the northern boundary of Slovakia. The Inner Zone boundary is marked by the narrow Pieniny Klippen Belt composed of Lower Jurassic to Lower Cretaceous carbonate rocks and marl flysch of middle Cretaceous-Paleocene age. The Inner Western Carpathians consist of three principal crustal scale super units: the Tatricum, Veporicum and Gemericum, and several covering nappe systems (Fatricum, Hronicum and Silicicum) (Figure 7.2).

Figure 7.1 Main Structural Division of Carpathians



Legend:

1. Outer Western Carpathians
2. Inner Western Carpathians
3. Outer Eastern Carpathians
4. Inner Eastern Carpathians
5. Southern Carpathians
6. Western Romanian Carpathians
7. Transylvanian Plateau
8. Serbian Carpathians

Rivers: a: Vistula; b: Danube; c: Tisza; d: Sava; e: Dniester; f: Prut.

Countries
CZ: Czech Republic; PL: Poland; UA: Ukraine; AT: Austria; SK: Slovakia; HU: Hungary; RO: Romania; HR: Croatia; BA: Bosnia and Herzegovina; RS: Serbia; BG: Bulgaria.

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SLOVINKY - GELNICA PROJECT CARPATHIAN STRUCTURAL DIVISIONS	
Figure 7.1	Feb, 2010
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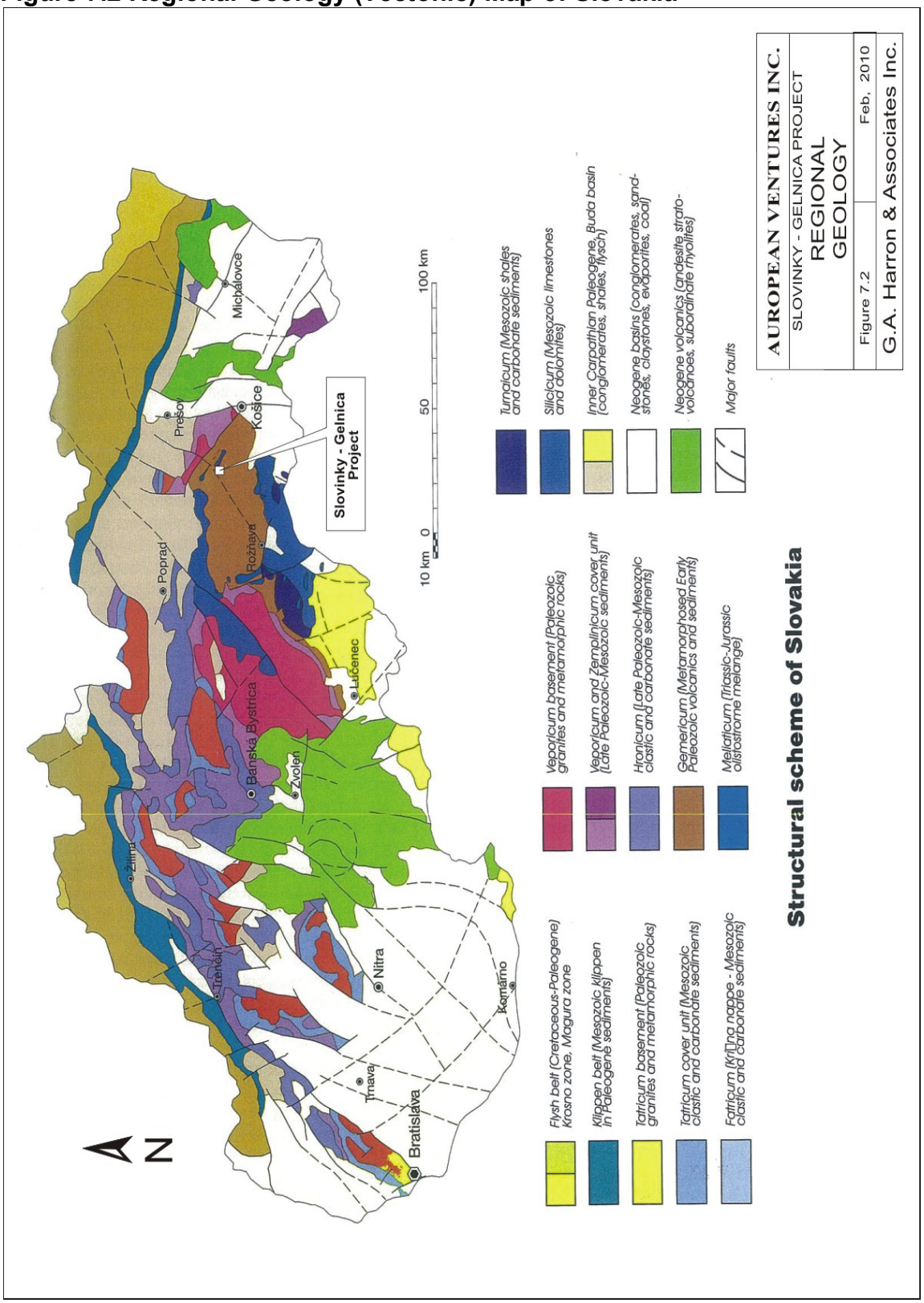
Figure 7.2 Regional Geology (Tectonic) Map of Slovakia



The Tatricum super unit crops out in the mountain ranges of western and northern Slovakia. It is represented by Hercynian crystalline rocks overlain by early Triassic to Middle Cretaceous sedimentary cover. The Hercynian (Paleozoic) crystalline basement is built up mostly by complex granitoid plutons and subordinate high grade metamorphic rocks. Sedimentary cover rocks include epiclastic, arenaceous and chemical sedimentary rocks. The Fatricum is represented by the Krížňanský nappe composed of Mesozoic sedimentary rocks thrust northward over the Tatricum in the mountain ranges of western and northern Slovakia. The Krížňanský nappe is built of Permian shales and quartzites. Early Mesozoic sedimentary rocks are dominantly shallow water facies becoming deep water facies in the Late Mesozoic.

The Veporicum is composed of a Paleozoic crystalline basement covered by Late Paleozoic to early Mesozoic sedimentary rocks. This tectonic unit has also been thrust northward over the Tatricum, which in turn has over thrust the Gemericum. Complicated internal structures within the Veporicum are superimposed on several Palaeozoic litho-tectonic units. In the northern portion of this tectonic unit slightly metamorphosed Late Paleozoic and Mesozoic cover rocks have an affinity to the Krížna nappe sequence, and several late stage high level A-type granites are present. Late Paleozoic cover of the southern Veporicum involves Late Carboniferous and Permian sandstones, arkoses, shales and rare limestone. Rocks of the southern Veporicum, including the cover rocks have been strongly affected by the Alpine deformation and thrusting accompanied by low grade metamorphism and emplacement of some I-type granites.

The Hronicum is represented by a group of rootless nappes above the Krížňanský nappe (Fatricum) in mountain ranges of western and northern Slovakia. Late Carboniferous and Permian rocks include terrigenous sediments, evaporates and bi-modal tholeiite/rhyolite rift-related volcanics. Early Triassic quartzites and shales are overlain by a thick horizon of Middle to Upper Triassic dolomites.

The Gemericum tectonic super unit is exposed east of the Veporicum and along its southern margin. During the Alpine orogenic events it was thrust northward over the Veporicum. These Early Paleozoic sedimentary and volcanic formations were metamorphosed to the greenschist facies of metamorphism during the Hercynian orogeny. Lithologies in the Gemericum have been divided into two assemblages based upon the composition of the included volcanic rocks. The stratigraphically lower lithologies, the Gelnická Assemblage, include limestone, graphitic phyllites, sericitic/chloritic/quartzitic pyllites, overlain by quartzites and quartz porphyry flows and tuffs. The felsic volcaniclastic rocks belong to a peraluminous, calc-alkaline high-K magmatic series. The age data indicates a two phase long-lasting magmatic activity, starting in the Late Cambrian and continuing to the Middle/Late Ordovician. The Late Cambrian volcanic sequence of the Gelnická Assemblage reflects an active continental margin setting. The second Middle Ordovician volcanic phase documents an assumed rifting stage, accompanied by a strong volcanic activity with inherited features of the Late Cambrian magmatic arc (Vozárová et al 2009).

The stratigraphically upper lithologies of the Rakovecká Assemblage are separated from the Gelnická Assemblage by a crustal scale Rakovec geosuture (Grecula et al

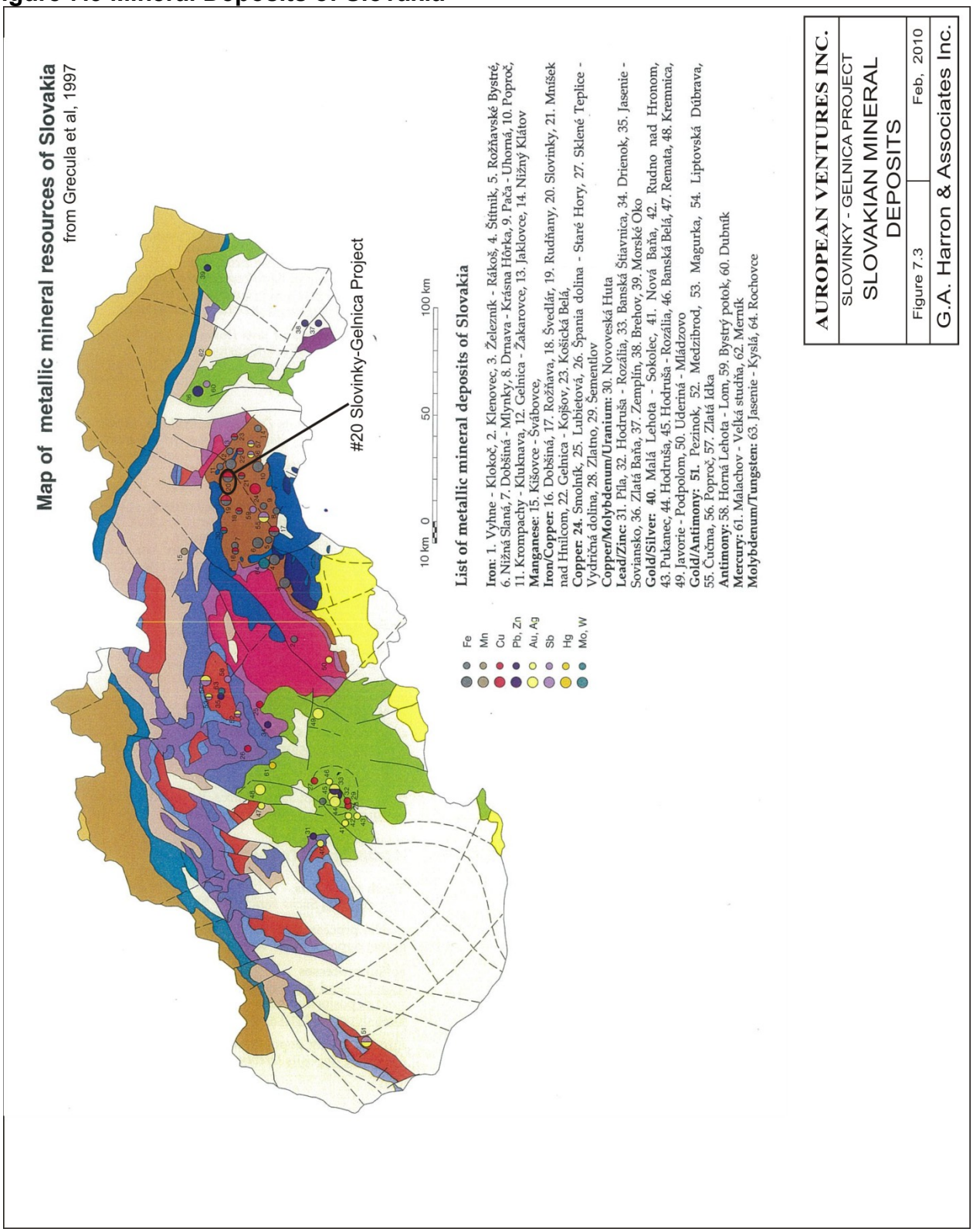
1990), located at their mutual contact. The geosuture is of Hercynian age and consists of mylonite and other zones of ductile shearing. The Rakovecká Assemblage consists of diabase (tholeiitic basalt) and chlorite/sericite phyllites of Carboniferous and Permian age. Metamorphosed volcano-sedimentary rocks are intruded by several high level leucocratic granite plutons / stocks of Late Paleozoic or Cretaceous age.

The Silicicum is the southernmost and uppermost tectonic unit of the Paleo-Alpine (Cretaceous) orogen. Structurally the nappe features generally flat tectonic outliers composed of a thick complex of Triassic dolomites, limestones and nodular limestones overlying the Veporicum and Gemericum tectonic units.

Neogene age volcanic rocks outcrop mainly in the central southern and eastern Slovakia and are a part of an extensive volcanic region of the Carpathian arc and Pannonian Basin. The origin of the volcanic rocks is related to the subduction and back-arc extension of the Carpathian arc and its gradual collision with the margin of the European plate. Subarial felsic calc-alkaline volcanic rocks of rhyolite/rhyodacite composition mark the initial stage of back-arc extension. Subarial medium to high-K andesitic calc-alkaline volcanic rocks are associated with an advanced stage of back-arc extension. Medium-K andesitic calc-alkaline arc basaltic and andesitic volcanic rocks are closely related to subduction in the Carpathian arc foreland in eastern Slovakia. Mafic alkaline volcanic rocks, mainly nepheline basanites to alkali olivine basalts mark a period of thermal subsidence of the Pannonian Basin and extensional relaxation of the tectonic blocks.

Most of the mineral deposits in Slovakia are concentrated in two areas of volcanic rocks (Figure 7.3). The pre to Early Hercynian period is characterized by deposits of syngenetic massive sulphide deposits, magnetic and hematitic iron formation associated with volcanic rocks and magnesite / talc deposits formed by metasomatic/diagenetic replacement of carbonate rocks. Deposits associated with the main Hercynian orogenic event include metamorphic-hydrothermal veins of the quartz-siderite-sulphide type, the siderite-quartz-sulphide type and veins of stibnite/Au and barite deposits, with all veins hosted in volcanic rocks. Late Hercynian deposits are represented by quartz veins carrying values of Au, arsenic, tungsten and antimony, and stratiform Cu and uranium deposits. Early Alpine deposits are generally sedimentary carbonate, gypsum marble, limestone, evaporites and hematite/ manganese deposits. Paleo-Alpine deposits consist mainly of porphyry/ stockwork mineralization, although remobilization of mineralization in vein structures also occured during this epoch. Neo-Alpine deposits in molasse basins are generally carbonate, evaporite and clay based sedimentary deposits. In the Neogene volcanism portion of the Neo-Alpine orogenic terrain, hydrothermal vein deposits of Au and base metals predominate. The Neo-Alpine post orogenic period deposits are mainly sedimentary in origin (lignite, marl clay and peat).

Figure 7.3 Mineral Deposits of Slovakia

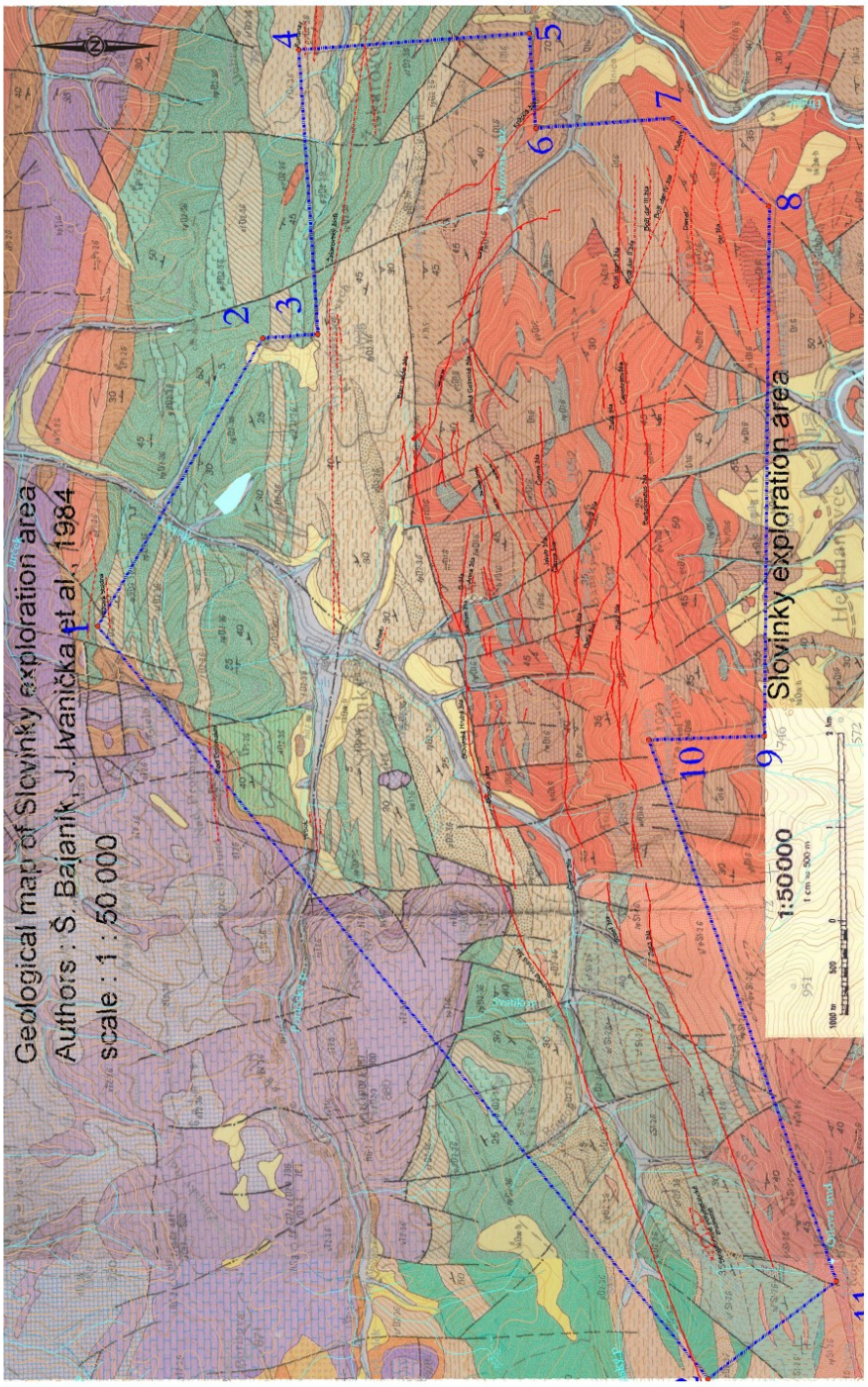


7.2. PROPERTY GEOLOGY

The Project is situated on the northern margin of the Gemericum tectonic block in the Western Carpathian Mountains. The bedrock within the permit area consists of two assemblages; the Gelnická Assemblage and the younger overlying Rakovecká Assemblage. Geology as shown in (Figure 7.4a and 7.4b) by Bajanik and Ivanička (1984) indicates that the Rakovecká Assemblage covers approximately 50 % of the permit area, with the Gelnická Assemblage covering the balance. The geology as presented by Piovarcsy and Husar (~ 1998) at a scale of 1:25,000 (Figure 7.5) suggests a larger areal distribution of the Gelnická Assemblage (approximately 65%), and provides a pictorial view of the relationship between veins, tectonic structures and the Gelnická Assemblage. The relationship of the veins vis-a-vis each other and the geology in a vertical sense is illustrated in Figures 7.6. This figure also illustrates that the potentially economic veins are preferentially concentrated in the Gelnicá Assemblage relative to the Rakovecká Assemblage, and dip steeply south, over vertical intervals of 1,000-1,500 m.

Structurally the Gemericum is traversed by two major fault zones that trend generally east-west across the area The northern Rakovec geosuture is a broad zone of mylonite and shear zones that marks the northern extent of mineralized quartz vein deposits. The major southern fault zone, the Zlata Zila is also a broad zone of mylonite and shear zones, with economically important lode mineralization located on the north side of the tectonic feature. These regional scale faults bound the epigenetic mineralized veins which are the subject of this report. The disposition of smaller faults linking segments of the major faults together implies two periods of tectonic activity, generally considered to be the Lower Paleozoic age Hercynian and the Cretaceous to Miocene age Paleo-Alpine orogenies. The brecciated nature of the sulphide mineralization and two distinct types of quartz veins also implies two periods of tectonic activity.

Figure 7.4a Project Geology Map



AUROPEAN VENTURES INC.
SLOVINKY - GELNICA PROJECT
PROJECT GEOLOGY MAP
Figure 7.4a | Feb, 2010
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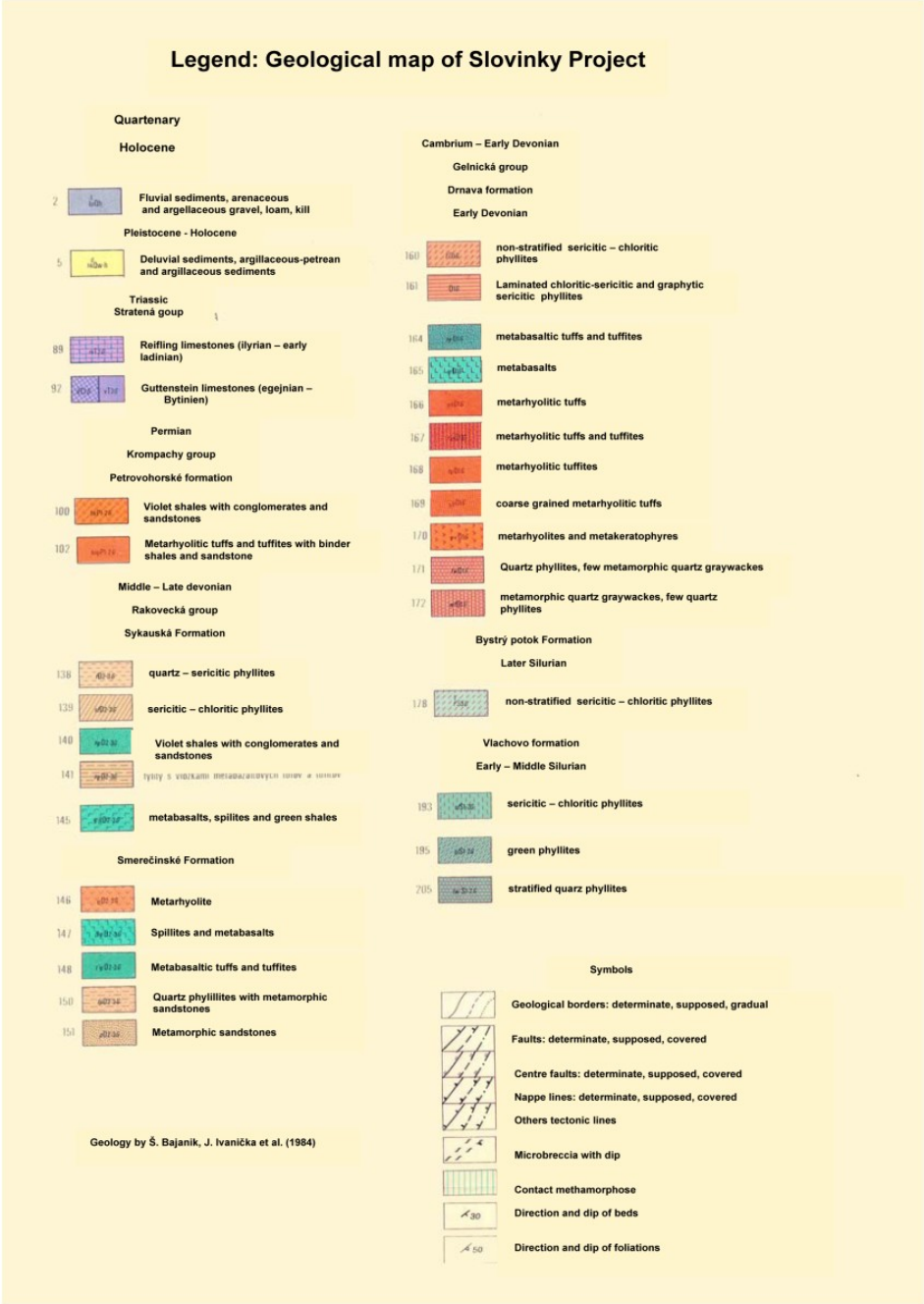
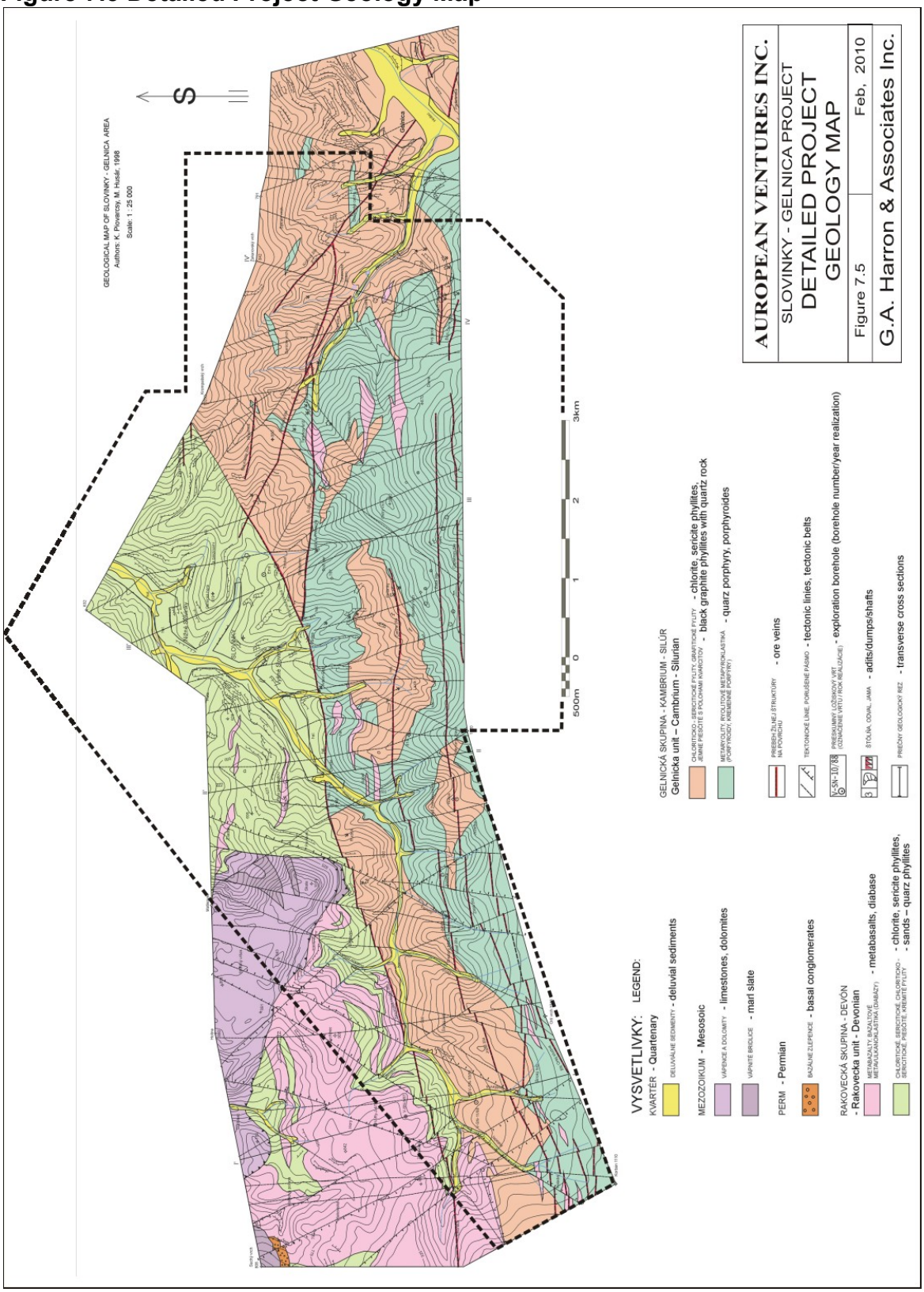
Figure 7.4b. Legend for Figure 7.4a



AUROPEAN VENTURES INC.	
SLOVINKY - GELNICA PROJECT	
PROJECT GEOLOGY MAP LEGEND	
Figure 7.4b	Feb, 2010
G.A. Harron & Associates Inc.	

Figure 7.5 Detailed Project Geology Map



7.2.1 Lithology

The Project is approximately 65% underlain by the Gelnická Assemblage, which in turn is overlain by the Rakovecká Assemblage; the later underlies approximately 35% of the Project area (Figure 7.5). The exact extent of these assemblages is open to interpretation, as some geologists have more recently shown that the Gelnická Assemblage is more extensive (Figure 7.5). Virtually all major vein systems lie within or at its northern edge. An approximately 15 km long segment of a 1.5 to 2.5 km wide zone of intense shearing and mylonite zones marks the mutual contact of the Gelnická and Rakovecká assemblages. The lithologies generally trend 70° in the western and central parts of the permit area and approximately 90° in the eastern part. Multiple phase deformation has resulted in refolded folds and rootless nappes.

The description of the lithologies comprising the two assemblages is derived mainly from Grecula et al (1995).

The lower sequence named the Gelnická Assemblage is a complex of regionally metamorphosed sedimentary, volcanoclastic and volcanic rocks, approximately 3-5 km thick. Dominant rock types include rhyolite, rhyodacite, volcanoclastics, quartzite, chloritic–sericitic phyllites, with local accumulations of graphitic phyllites, quartzites and carbonates. Two lithostratigraphic sequences are recognized in the permit area. The lower Vlachovo sequence and the conformably overlying Drnava sequence yield U/Pb ages of 494 +/- 1.6 Ma and 463 +/- 1.7 Ma respectively (Lower to Middle Ordovician) (Vozárová et al, 2009).

The Vlachovo is predominantly a green sporadically laminated seritic-chloritic-phyllite, underlain by greenish quartz phyllites and minor amounts of medium to coarse grained light-to-dark green colour occurring as thin intercalations. Coarse grained rhyolite metatuffs, which appear to be debris flows, overlie the phyllitic sequence and underlie small quantities of metarhyolite flows.

The overlying Drnava sequence is apparently the host for most of the vein structures in the Gelnická Assemblage. The sequence is composed of a thick volcanoclastic-sedimentary flysch complex and is considered by some to be the uppermost stratigraphic horizon in the Gelnicka Assemblage.

The basal 100 m of the Drnava Group is quartz metagreywacke and quartz phyllites in which graded bedding can be discerned. Minor amounts of violet coloured hematitic phyllite occur locally as layers in felsic metavolcaniclastic rocks. Rhyolite and dacite metatuffs cover an area 7 km wide and up to 800 m thick in the southeastern part of the permit area. Massive sericitic-chloritic pyllites overlie the felsic metavolcaniclastic beds, and are in turn overlain by laminated chloritic-sericitic and graphitic-sericitic phyllites up to 200 m thick. Minor quantities of metarhyolites and metabasalts have been mapped and may represent allocthonous Vlachovo rocks.

The Rakovecká Assemblage appears to be in fault contact with the underlying Gelnická Assemblage along a major zone of mylonitization and shearing. The predominant rocks

are subaqueous metabasalts and their altered volcaniclastic equivalents. In tectonic zones the basalts are schistose and green in colour. Quartz phyllites, metasandstones, chloritic-sericitic and graphitic-sericitic phyllites overlying the metabasalts are highly deformed, schistose and take on a greenish grey to grey silky lustre.

The Krompachy Assemblage of probable Permian age is present in the north and northwest parts of the permit area. It is composed of conglomerate with felsic metavolcanic fragments in the matrix. Subaerial felsic volcanism is recorded by violet-grey to green-grey metatuff and metarhyolite.

Lower to Middle Triassic are present in the northwest part of the permit area and unconformably overlie the Krompachy carbonates.

7.2.2 Mineralization

The Project contains two significant vein zones with many off-shoots that cross the exploration permit area. These are the Hrubá vein zone and its eastern continuation, the Gelnická vein zone and a second major vein system known as the Zlatá vein zone, located approximately 1 to 1.5 km south of the Hrubá vein system (Figure 7.7). Zlatá translates as "gold" in English. The Hrubá vein zone is considered to be about 7 km long, and the Zlatá is approximately 7-8 km long. Other vein zones do occur in the Project area, particularly in the Rakovecká Group, but do not appear significant from an economic viewpoint at this time, except for possibly the Cierna-Streiborna vein system, Cierna translates as "silver" in English.

Origin of the lode mineralization is attributed to at least two stages of metamorphogenic fluid flow induced by plate tectonic events during both the Hercynian and Alpine orogenies (Radvanec, 2004).

Two types of lode mineralization recognized in the project area are classified according to the main mineral filling: The siderite-quartz-sulphide type of vein contains siderite, milky quartz, chalcopyrite, tetrahedrite, pyrite and trace amounts of numerous other sulphide, sulfosalt and sulphate minerals. Examples of this type of mineralization of interest to Auropean are the, Slovinska Hrubá (“Hrubá”), Nadložná, “S”, Križová and Blau-Halde vein systems (Figure 7.7). The quartz-siderite-sulphide type of vein contains quartz, siderite, pyrite, chalcopyrite and trace amounts of other sulphide minerals. Examples of this type of mineralization of interest to Auropean are the Gelnická, Nadloźná, Nová and the Zlatá vein systems. In the Hrubá vein system both the siderite and the quartz type of mineralization are present and are co-mingled. Hydrothermal alteration associated with both vein types includes intense silicification sericitization (potassium metasomatism), and carbonatization.

The following table of estimated resources remaining in (some) veins present in the Project area was compiled by RNDr. Piovarcsy from official government documents.

Table 7.1 Historical Mineral Resources in the Hubrá-Gelnická and Zlatá Vein Systems

SLOVINSKÁ HRUBÁ VEIN (1)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE
1985	Z1	1,418,200 t @ 0.84% Cu, 0.3 g/t Au, 13.2 g/t Ag		29, horizon
	Z2	3,694,700 t @ 0.85% Cu, 0.85 g/t Au, 12.5 g/t Ag		29, horizon
	Z1 + Z2	5,062,926 t @0.85% Cu, 0.7 g/t Au, 12.7 g/t Ag		29, horizon
	P1	6,151,969 t @ 0.85% Cu, 0.3 g/t Au, 10.8 g/t Ag		29, horizon
1994	N	11,957,200 t, no grades recorded		all deposit, SMY 2008

NOVÁ VEIN (3)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE
1991	Z2	1,147,611 t @ 0.74.% Cu	2.04 m	III, horizon + Lýdia adit
	Z2 N	86,641 t @ 0.85% Cu	1.12 m	III, horizon + Lýdia adit
	P1	87,651 t @ 0.71% Cu	1.30 m	III, horizon + Lýdia adit
1994	N	679,277 t @ 1.04% Cu	1.36 m	SMY 2008

KRÍŽOVÁ VEIN (2)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE
1987	Z1	418,964 t @1.08% Cu	1.57 m	
	Z2	437,399 t @ 0.79% Cu	1.87 m	
	Z1 + Z2	856,363 t @0.93% Cu		
1994	Z2	464,202 t @ 1.41% Cu	1.66 m	SMY 2008
	Z3	368,969 t @ 1.16% Cu	1.69 m	SMY 2008
	Z2 + Z3	833,000 t @ 1.3% Cu	1.67 m	SMY 2008

GELNICKÁ VEIN (3)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE
1987	Z2	65,270 t @ 0.84% Cu	2.04 m	just Gelnica side!!!
	Z2N	1,166,929 t @ 0.53% Cu	2.92 m	just Gelnica side!!!
	P1	629,026 t @ 0.58% Cu	2.70 m	just Gelnica side!!!
1994	Z2	515,727 t @ 0.86% Cu	1.63 m	SMY 2008

GELNICKÁ NADLOŽNÁ VEIN (2)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE

1987	Z2	1,087,782 t @ 0.72% Cu	1.80 m	III, horizon + Štefania adit
	Z2N	10,937 t @ 0,37% Cu	0,60 m	III, horizon + Štefania adit
	P1	1,367,853 t @ 0.59% Cu	1.60 m	III, horizon + Štefania adit
1994	Z3	729,760 t @ 0.94%cu	1.34 m	SMY 2008

BLAU HALDE VEIN (3)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE
1988	Z1	333,680 t @ 0.9% Cu		
		NOT IN SMY		

"S" VEIN (3)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE
1993	Z1	217,300 t @ 1.07% Cu		

ZLATÁ VEIN (3)				
YEAR (a)	CLASS	TOTAL OF RESOURCES AND GRADES	THICKNESS	NOTE
1958	Z2	284,898,34 t @ 1.36% Cu	0.71 m	
1977		144 000 t		eliminated from SMY
		NOT IN SMY		

Notes

(a)	Year of resource calculation
SMY	Official Slovak Mineral Yearbook
Z1	Slovak Classification – Measured
Z2	Slovak Classification – Indicated
Z3	Slovak Classification – Inferred
N	Deemed uneconomic at time of resource evaluations
P	Slovak Classification - Prognostic (geologic)
(1)	Systematic Au analysis in selected areas, but incomplete
(2)	Incomplete Au analysis of samples
(3)	No Au analysis of sample

The resource estimates in Table 7.1 and those disclosed in sections 7.2.2.1 through 7.2.2.8 use the Slovakian classification which is an offshoot of the Russian classification developed in the 1960s and modified in 1981. After examining documents used for a Z1, Z2 and a Z3 historical resource estimate, GAHA believes that the categories are broadly equivalent to CIM resource categories, as does Henley (2004). However, a qualified person has not completely reviewed the estimation methodology or the relevant data bases in detail, and therefore the historical resource estimates are not to be relied on. Presentation of these historical resource estimates indicates that there is a potential to define CIM compliant resources in the eight veins discussed in this report.

Auropean views these historical estimates as an indication of the grade and minimum potential size of base metal resources contained in the Project area. The historical resource estimates are primarily limited by sampling along adits and drifts associated with mining Activities immediately prior to cessation of mining. In essence, the historical estimates are only relevant to Auropeans's decision to proceed with exploration for gold mineralization, which is known to accompany the base metal mineralization.

7.2.2.1. Hrubá Vein System

The Hrubá vein system is the largest vein in the permit area. The vein system trends generally east-west and dips approximately 75 ° south to vertical. Laterally the Hrubá vein has a known length of 6.5 km with a depth of 600 m. The average width is 2.5 m, with a maximum width of 14 metres. The eastern end of the Hrubá vein bifurcates into the S vein (east-west trend) and the east-northeast trending Blau Halde vein, which in turn connects with the southeast-trending Križová vein.

A "depletion and development" plan from 1998 shows that the Hrubá vein has been mined out east of the Dorota Shaft to a depth of about 400 m below surface, except for a 300 m section of the vein at its eastern terminus. The vein is open to depth east of the Dorota Shaft. West of the Dorota Shaft, with the exception of a small pit area near the shaft, no exploitation has occurred. This is a prime drill target where additional precious metal mineralization may be delineated.

The Hrubá vein system is comprised of both the quartz-siderite-sulphide vein type and the siderite-quartz sulphide type. Minerals present in both types of veins are abundant siderite (MgO-rich) quartz, chalcopyrite and pyrite, rare tetrahedrite, Bi-sulphosalts,

Figure 7.6 Typical Cross Sections

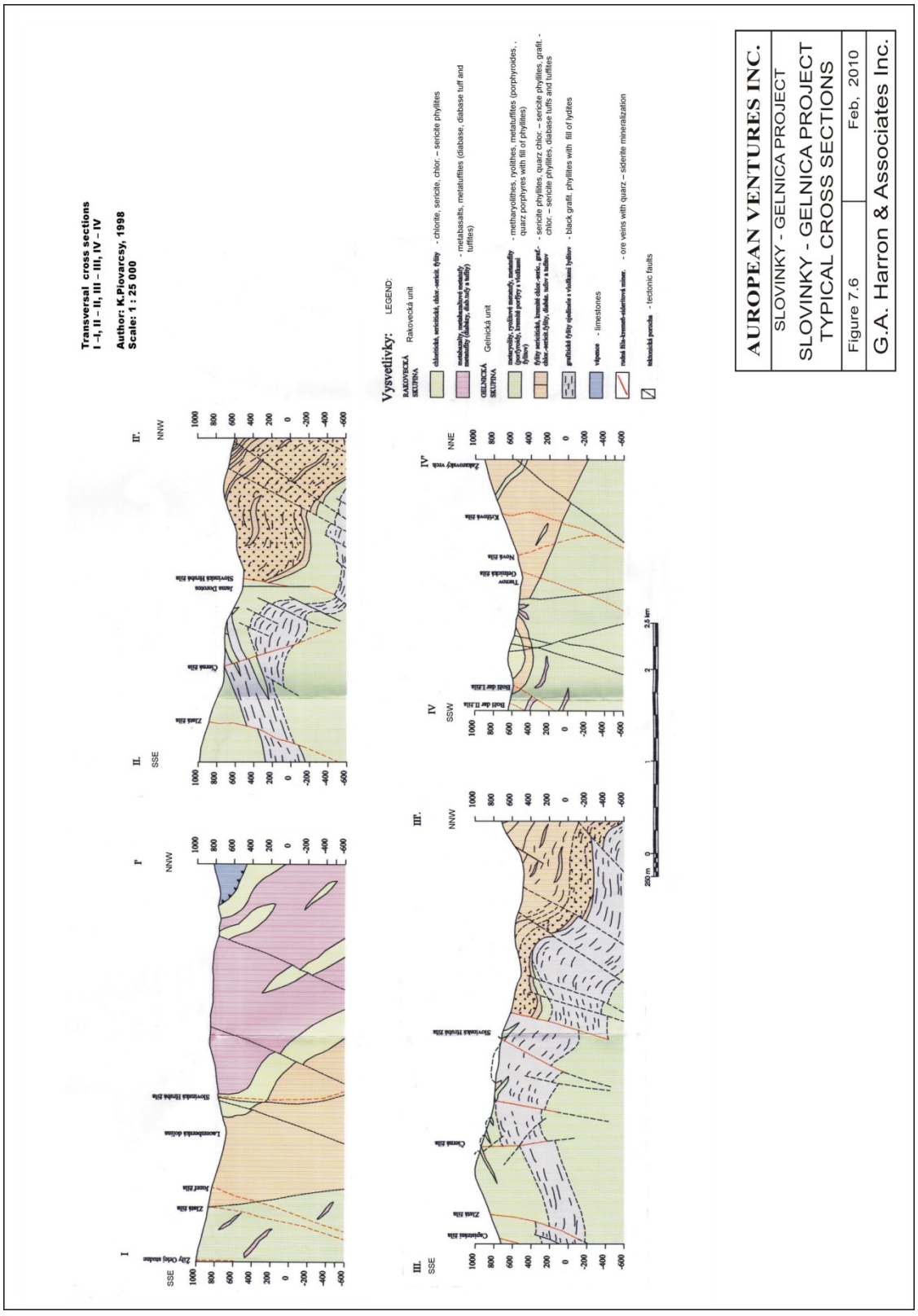
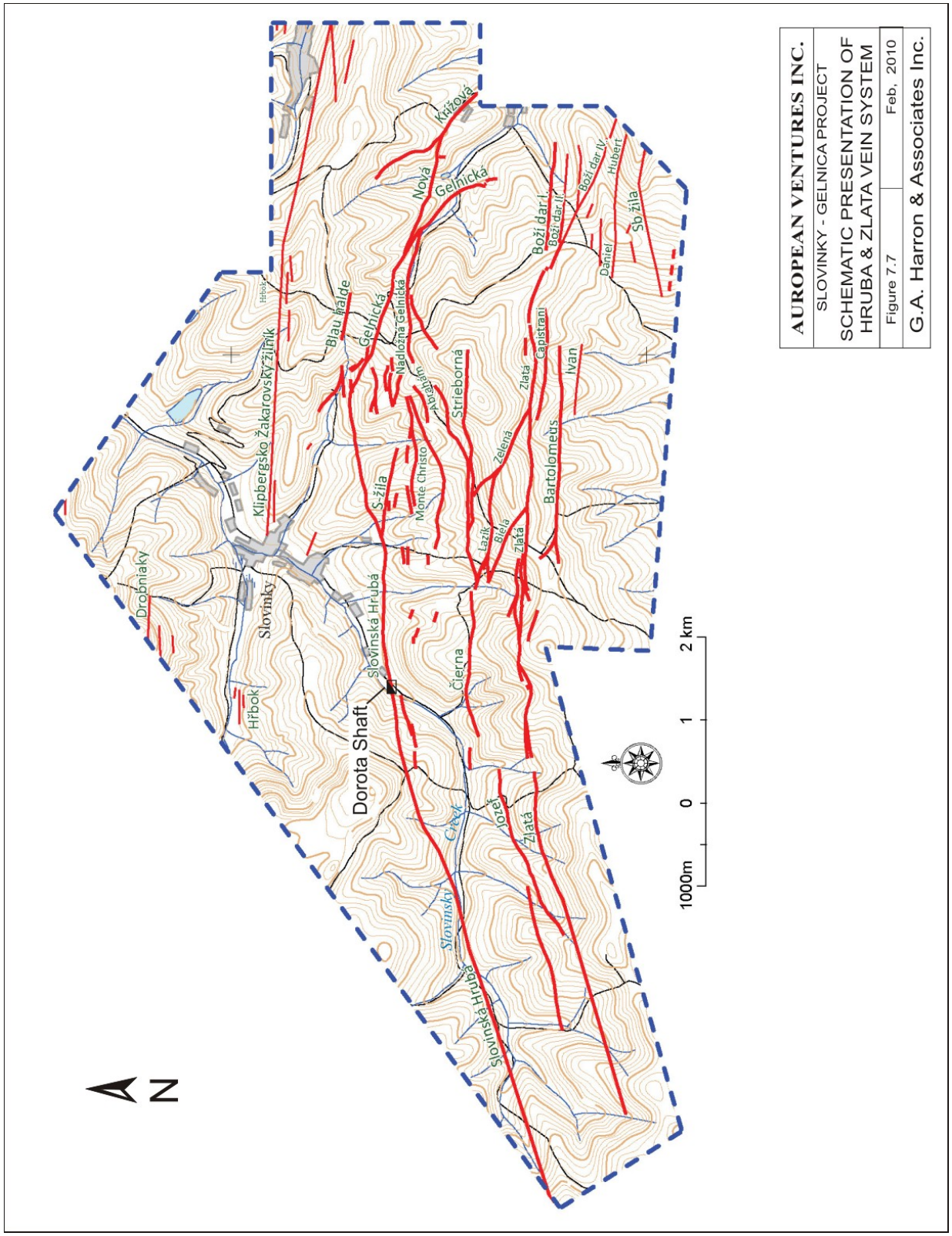


Figure 7.7 Schematic Presentation of Hubrá and Zlatá Vein Systems



arsenopyrite, hematite sphalerite, galena, native Au, tourmaline, albite, calcite, chlorite, sericite, rutile, danaite, cobaltite, stibnite cinnabar, and various secondary oxides. Native Au has been observed in tetrahedrite (100 g/t Au), chalcopyrite and pyrite. Au contents in the range of 2-4 g/t Au and enhanced bismuth values are present in the upper levels.

The proven and probable resources (Z1 + Z2) remaining in the Hrubá vein, as of 1985 are estimated to be 5,063,000 t grading 0.85% Cu, 0.7 g/t Au, 12.7g/t Ag, 62 ppm Bi and 0.09% As. Prognostic resources (P1) of 6,152,000 t at an average grade of 0.85% Cu, 0.3 g/t Au and 10.8 g/t Ag are located in the lowermost parts of the vein and along the western edge of the vein.

Values for Ag between 40 and 1,200 g/t Ag have been recorded for a vein 150 m to the north of the Hubrá vein in the vicinity of the Dorota Shaft (Piovarcsy, pers. comm).

7.2.2.2. S Vein

The dimensions of this vein are approximately 1,000 m long by 500 m in depth with a general east-west strike and an approximate dip of 60° to the south. The width of the vein is approximately 1.25 m with a maximum thickness of 3 m and is a quartz-siderite-sulphide type of vein.

A “Depletion and Development” plan dated 1997 shows that approximately 900 m of the western end of the S vein has been mined out to a depth of about 250 m below surface. The vein is open below this depth. The eastern 750 m of vein, measured from where it intersects the Nadložná Gelnická vein and further to the east, has not been mined. Near surface exploitation of the S-vein is possible from its mid-point (291500W, 1221850S) to its projection along strike with the Nadložná Gelnická vein to near the east end of the later vein (189100W, 1222200S), a total of about 2,900 m.

The S vein trends east-west and at its west end connects with the eastern end of the northern bifurcation of the Hrubá vein. The eastern end of the S vein appears to join the Nadlozná Gelnická vein. The vein is of the quartz-siderite- sulphide type with the main sulphide minerals being chalcopyrite and tetrahedrite. Between the 26th and 29th levels there was a large “pod” of near massive chalcopyrite and pyrite over a strike length of 100 metres. The eastern extension of the vein is complicated by a zone of apparent horizontal structural displacement.

A resource estimate in 1993 documented a measured resource (Z2) of 217,300 t grading 1.07% over a true width of 0.71 m. Au assaying was not carried out during exploration or exploitation phases.

7.2.2.3. Blau Halde Vein System

This vein strikes east-northeast, dips 70° to 80° south and connects with the Hrubá vein at its western end. The eastern terminus of the vein lies within an area of complicated structures and projects toward the west end of the Križová vein. The vein is approximately 400 m long with an average width of 1-2 m, a maximum width of 4 m and

is known to a depth of 400 metres. At depth the vein splits into two parts and latter branches into a swarm of quartz veinlets. Mineralization in this vein is described as being quartz-siderite-sulphide type containing siderite, ankerite and quartz with tetrahedrite and chalcopyrite.

The Blau Halde vein has been delineated in part between its west end (290500W, 1221300S) where it appears to connect along strike to the Hrubá vein and its east end (287700W, 1221750S) where it connects along strike to the Križová vein. Only small surface operations are present along its surface trace.

A resource estimate in 1988 reported measured resources (Z1) as 333,680 t grading 0.9% Cu over an un-specified width. Au analyses were not carried out.

7.2.2.4. Gelnická Vein System

The Gelnická vein system is considered to be the eastern continuation of the Hrubá vein zone. A change in direction (flexure) marks the eastern end of the Hrubá vein zone and the western end of the Gelnická zone. The overall length of the vein is approximately 5,000 m, it trends northwest, dips 55-75° southwest and is open beyond a depth of 350 m. below surface. True thickness of the vein ranges from 1-5 m with an average of 2.5 m.

This vein belongs to the quartz-siderite-sulphide type, with modest amounts of siderite, Fe-dolomite and calcite. Sulphide minerals present include chalcopyrite, pyrite and tetrahedrite, rare arsenopyrite, galena, sphalerite and very rare native Au and Ag, bornite, cobaltite, and Bi-sulphosalts. The average Cu content of the western part of the vein ranges from 0.5-3.8%. In the southeastern part of the vein the siderite-sulphide mineralization prevails and towards the northwest the quartz-sulphide type of mineralization becomes more abundant. The Gelnická vein is reported to contain rare native Au (Geologia s.r.o., 1998)

Examination of “Depletion and Development” plans for 1997 indicate that the westernmost 800 m of the Gelnická vein has been mined out to a depth of about 400 m below surface. The next 800 m to the east has been mostly mined out to a depth of 150 m below surface. The vein is open below depths of 400 m and 150 m below surface respectively. Further to the east small pits evidence a minor amount of surface vein mining (between 289900W, 1221950S, 288600W and 1222150S).

A resource estimate in 1994 documented an indicated resource (Z2) of 515,727 t grading 0.86 % Cu. The main exploitable metals contained in the Gelnická Vein were Cu, Fe and small amounts of Ag, Sb and Au. Archived documents indicate that 18 kg of Au was produced (Grecula et al 1987), in the distant past. However, the Au content of the remaining resource has not been determined.

7.2.2.5. Nadložná Gelnická Vein System

The Nadložná Gelnická vein is approximately 1 km long and 1-5 m wide with an average width of 2 metres. The vein strikes east-west, dips 70° south bridging the gap between the east end of the S vein and the midpoint of the Gelnická vein. The vein persists to approximately 500 metres vertical.

“Depletion and Development” plans from 1997 show that the Nadložná Gelnická vein has not been mined over much of its extent: (from its western end where it appears to be on strike with the S vein to its east end (289100W, 1222200S)). In total there has been negligible exploitation between co-ordinates 291500W, 1221850S on the S vein to the west and 289100W, 1222200E at the east end of the Nadložná Gelnická vein, a total of about 2900 m.

The mineralogy of the vein is typical of “quartz-siderite-sulphide” veins (quartz, siderite, chalcopyrite, pyrite, tetrahedrite, with lesser amounts of arsenopyrite, galena, sphalerite, bornite, Bi-sulphosalts, calcite and tourmaline). One sample from the underground workings yielded an assay of 67 g/t Ag over 0.7 m.

In 1987 the vein had a reported indicated resource (Z2) of 1,087,782 t grading 0.72% Cu over a width of 1.8 m, and an inferred resource of 729,760 t grading 0.94% Cu over a width of 1.34 metres. In 1993 this resource was re-classified to be an inferred resource (Z3) of 729,760 t grading 0.94% Cu over a width of 1.34 metres. Records indicate that assaying for Au was not systematic.

7.2.2.6. Nová Vein System

The Nová vein represents an approximate 1.5 km long east-west trending vein that bridges the Križová and the west-northwest trending Nadložná Gelnická vein. The vein trends east-west and appears to be a long splay off of the main Gelnická vein. The vertical extent of the vein had not been determined when mining ceased in 1993. The vein dips steeply both north and south and varies in thickness from 0.2 to 4 m wide with an average of 1.2 metres. The vein is a quartz-siderite-sulphide type filled with siderite, ankerite, dolomite, pyrite, calcite, tetrahedrite, sphalerite and galena. Au mineralization attached to pyrite grains has been reported for this vein (Husar, 1998), which is a quartz-siderite-sulphide type of vein.

A resource estimate in 1991 documents an indicated resource (Z-2) of 1,147,611 t grading 0.74 % Cu over a true width of 2.04 m. Au content of the resource was not recorded. However, Au bound to pyrite crystals have been observed in quartz veins (Grecula et al, 1995).

The Nová vein was discovered just prior to the cessation of mining and other than minor surface workings near its eastern end where it intersects the Križová vein, there has been no mining along its 1250 m length (288575W, 1222150S to 287350W, 1222500S).

7.2.2.7. Križová Vein System

The Križová vein is oriented southeast - northwest with a dip of 75° southwest to vertical. The vein averages 2.5 m wide within a range of 0.3 to 6 m wide and persists over a 3.5 km strike length parallel to the Gelnická vein. Hydrothermal alteration of the wall rocks is well developed in this vein and consists of carbonatization, sericitization and silicification. The vein is of the quartz-siderite-sulphide type.

The western part of the Križová vein is depleted to approximately 300 m below surface and 150 m below surface in the eastern portion of the vein. Below these depths the vein is open.

A resource estimate in 1989 indicates that the 3.5 km of the Križová vein has a measured resource (Z1) of 418,964 t grading 1.08 % Cu over a true width of 1.57 m, and an indicated resource (Z2) of 437,399 t grading 0.79 % Cu over a true width of 1.87 metres. The Au content of the exploited mineralization and measured resources was not systematically recorded. However there is a reference to native Au occurring in a quartz vein at this location.

7.2.2.8. Zlatá Vein System

The Zlatá vein system trends approximately 76° in the western part of the prospecting permit then swings to E-W south of Slovinky. Mineralization in this vein system is of the quartz-siderite-sulphide type. The vein zone is approximately 5 km long, ranges from 0.2 to 2.0m wide, averages 0.6 m, and dips +/- 10° from vertical over a 500 m depth interval.

Depletion and Development" plans for the Zlatá and associated veins from 1988 show a central portion (292000W, 1223600S to 289850W, 1223600S) that has been exploited to a depth of 50 m below the surface. The vein is open at depth. Even though some adits and shallow shafts have been driven to the east and west of the central portion, there have been only small surface operations outside of this central portion.

The indicated resource (Z2) estimation is recorded as 284,898 t grading 1.36% Cu. Au content of the mineralization was not determined even though "Zlata" means Au in English.

7.2.3 Alteration

Rocks in the Slovinky –Gelnica Project area have been subjected to both regional and hydrothermal alteration. Hydrothermal alteration is recorded as silicification, sericitization and carbonatization accompanying the sulphide mineralization. Regional metamorphism appears to be responsible for pervasive chloritization and perhaps some sericitization (potassium metasomatism).

Multi-element geochemical studies along the 29th horizon west of the Dorota shaft indicated negligible alteration of the wall rocks, possibly obliterated within the zones of mylonitization.

GAHA is of the opinion that some of the schistose lithologic units are actually parts of a large hydrothermal alteration zone developed within sheared felsic volcanic rocks (Gelnická Assemblage). This suggests that the alteration accompanying sulphide mineralization is a voluminous mixture of quartz, sericite and chlorite, a common alteration assemblage. Local geologists commonly use the term “porphyroid” to describe rocks showing this alteration.

7.2.4 Probable Distribution of Au & Ag in the Exploration Permit

The mining laws of the 13th and 14th centuries decreed that all Au belonged to the Monarchy; consequently production statistics were not recorded. As mining laws progressed over the ensuing centuries, the crown’s ownership of Au continued and the production statistics continued to be unreliable.

In the recent past (1950-1973) the content of Au and Ag in the mineralized rock extracted from the Hrubá and Gelnická deposits was not of interest and consequently went undetected and unrecorded. Under the Russian influence the Hrubá – Gelnická mines were classified as Cu mines, and not polymetallic mines, hence there was no money allocated to document the distribution of other minerals or elements such as Au and Ag. Analyses of the concentrations of Au and Ag contents of the sulphide mineralization commenced on a sporadic basis in the 1980s.

Observations, both historical and since circa 1950 indicate that Au occurs in the upper parts of the mineralized veins and decreases with depth. In the Hrubá vein east of the Dorota Shaft, native Au grains approximately 5 microns in diameter were observed in the upper levels. In deeper areas of the vein microscopic examination indicated native Au grains attached to pyrite and chalcopyrite grains. Although little is known about Au distribution above the 29th level, it is known to generally exceed 0.1 g/t Au in the few stopes that were sampled. Au has not been identified below the 37th level (Piovarcsy, 1987). Sampling along the 29th level west of the Dorota Shaft revealed some economically interesting Au, Ag and Cu values (Figure 7.8). Highlights of the channel sampling along the 29th level include assays of 2.6 g/t Au over 1.0 m, 3.56 g/t Au over 1.7 m and 1.56 g/t Au over 0.4 m, 57 g/t Ag and 2.44% Cu over 1.9 metres. A total of 53 channel samples collected along the 29th level indicated that 10 samples contain greater than 1 g/t Au, 11 samples contain greater than 10 g/t Ag and 14 samples contain greater than 1.2% Cu.

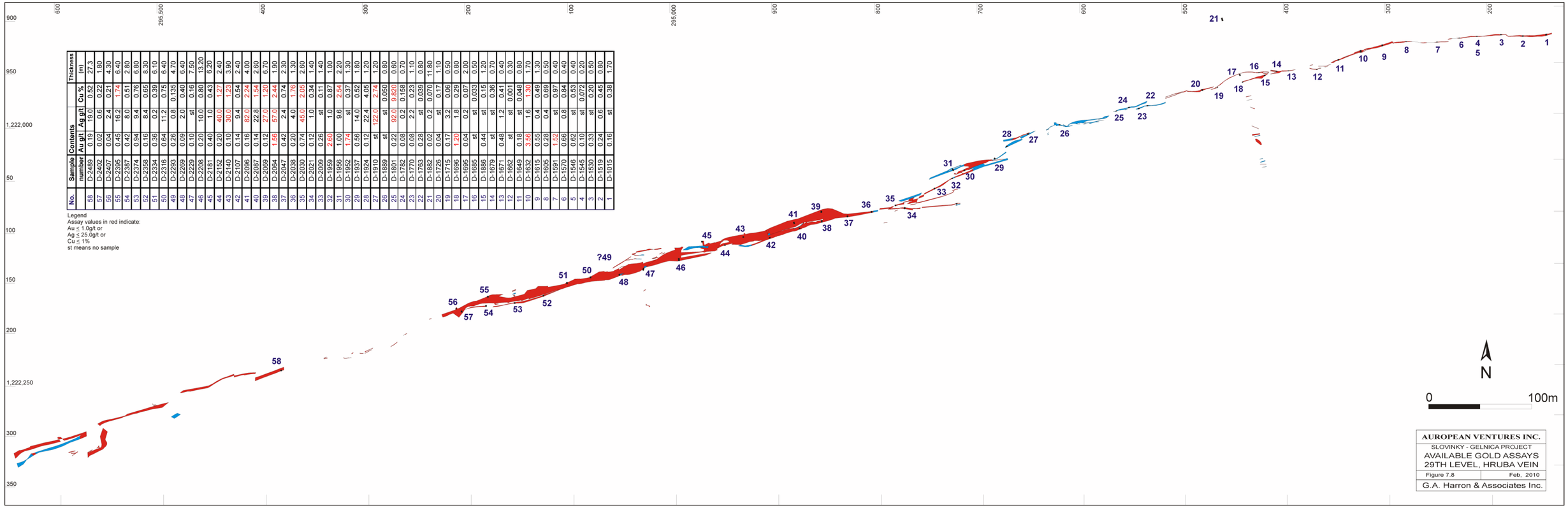
All of the samples referred to above were analyzed by SVN using aqua regia digestion and accordingly the assay results are of low accuracy. This dissolution technique under reports the Au contents due to incomplete dissolution of Au encapsulated in silicate minerals.

Assay values of 2.0 g/t Au, 12.0 g/t Ag and 3.34% Cu over 0.9 m were recorded from diamond drill hole SLZ-12/84 which was drilled approximately 600 m west of the

western termination of the 29th level drift and which intersected the Hrubá vein approximately 150 m below the 29th level (Piovarcsy, 1987)(Figure 7.9).

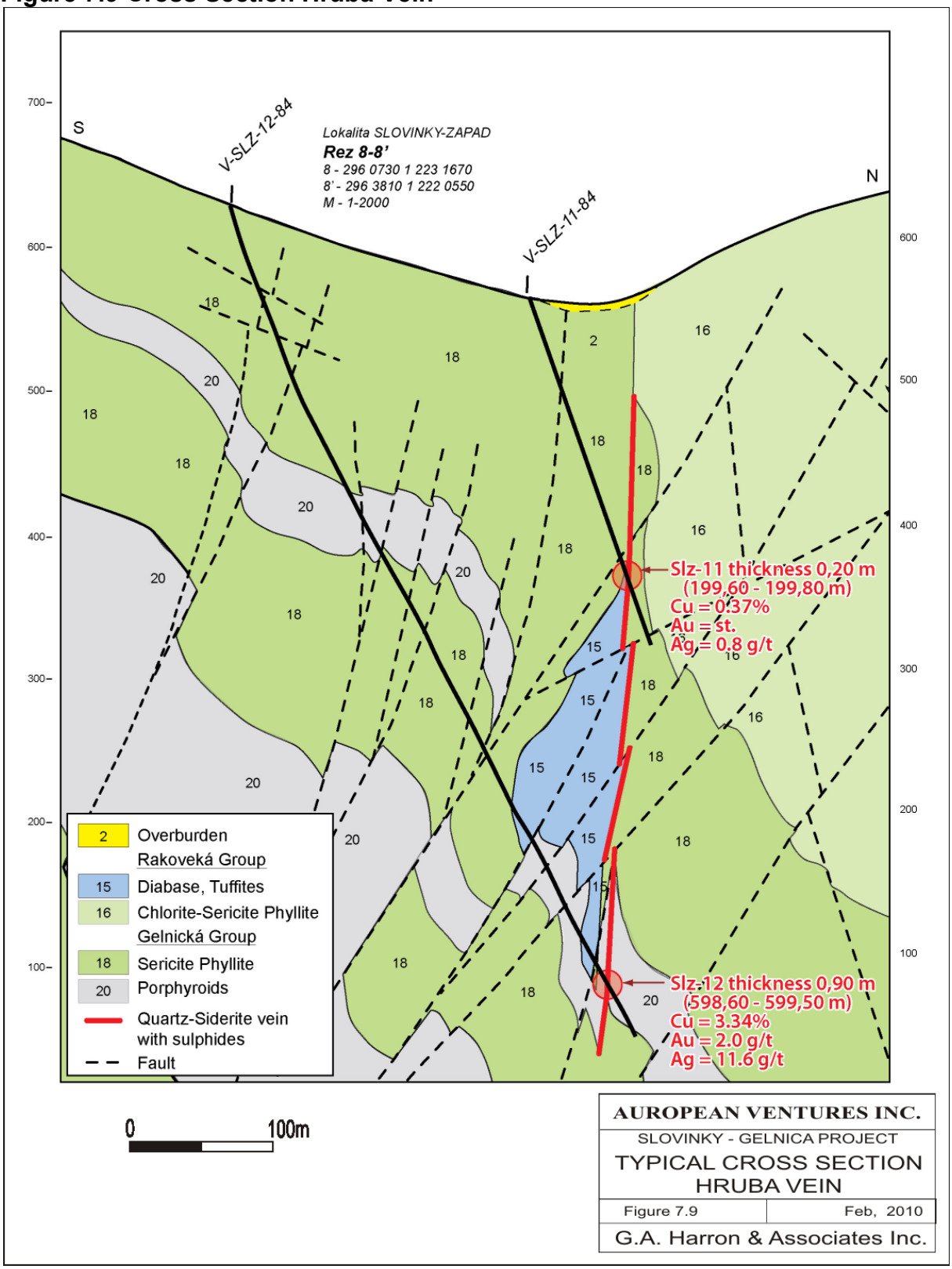
This suggests that a broad area from 150 m below the 29th level to the surface, (approximately 500 m vertical), and 2,200 m westward from the Dorota Shaft is prospective for the occurrence of economic concentrations of precious metals inclusive of Cu credits.

Figure 7.8 Available Au Assays on 29th Level Hubrá Vein



No.	Sample number	Contents Au g/t	Ag g/t	Cu %	Thickness (m)
58	D-2489	0.19	19.0	0.52	27.3
57	D-2402	0.02	0.6	0.22	1.80
56	D-2407	0.04	2.4	0.21	4.30
55	D-2395	0.45	16.2	1.74	6.40
54	D-2387	0.42	8.0	0.51	2.80
53	D-2374	0.94	9.4	0.76	6.80
52	D-2358	0.16	8.4	0.65	8.30
51	D-2334	0.36	0.2	0.36	6.10
50	D-2316	0.64	11.2	0.75	6.40
49	D-2293	0.26	0.8	0.135	4.70
48	D-2269	0.09	2.0	0.40	6.40
47	D-2229	0.10	st	0.16	7.50
46	D-2208	0.20	10.0	0.80	13.20
45	D-2181	0.40	1.0	0.43	6.20
44	D-2152	0.20	40.0	1.27	2.40
43	D-2140	0.10	30.0	1.23	3.90
42	D-2107	0.14	9.4	0.54	2.40
41	D-2096	0.16	82.0	2.24	4.00
40	D-2087	0.14	22.8	1.54	2.60
39	D-2069	0.12	27.0	1.20	6.70
38	D-2064	1.56	57.0	2.44	1.90
37	D-2047	0.42	2.4	0.74	2.30
36	D-2038	0.20	4.0	1.76	1.30
35	D-2030	0.74	45.0	2.05	2.60
34	D-2021	0.12	1.0	0.34	1.40
33	D-2009	0.26	st	0.11	1.40
32	D-1959	2.60	1.0	0.87	1.00
31	D-1956	1.00	9.6	2.54	2.20
30	D-1952	1.74	st	0.37	1.30
29	D-1937	0.56	14.0	0.52	1.80
28	D-1924	0.12	22.4	4.05	1.20
27	D-1910	st	122.0	2.74	1.20
26	D-1889	st	st	0.050	0.80
25	D-1801	0.22	92.0	9.820	0.60
24	D-1782	0.08	0.2	0.158	0.70
23	D-1770	0.08	2.2	0.23	1.10
22	D-1763	0.28	st	0.039	0.80
21	D-1882	0.02	0.2	0.070	11.80
20	D-1726	0.04	st	0.17	1.10
19	D-1715	0.17	3.2	0.06	0.50
18	D-1696	1.20	1.8	0.29	0.80
17	D-1695	0.04	0.2	0.07	2.00
16	D-1685	st	st	0.033	0.50
15	D-1886	0.44	st	0.15	1.20
14	D-1679	st	st	0.36	0.70
13	D-1671	0.48	1.2	0.41	0.40
12	D-1662	st	st	0.001	0.30
11	D-1649	0.18	st	0.048	0.80
10	D-1632	3.56	1.6	1.30	1.70
9	D-1615	0.55	0.4	0.49	1.30
8	D-1605	0.28	0.4	0.69	0.50
7	D-1591	1.52	st	0.97	0.40
6	D-1570	0.66	0.8	0.84	0.40
5	D-1546	0.62	st	0.53	0.40
4	D-1545	0.10	st	0.072	0.20
3	D-1530	0.33	st	0.20	0.50
2	D-1519	0.24	0.6	0.45	0.80
1	D-1015	0.16	st	0.38	1.70

Figure 7.9 Cross Section Hrubá Vein



8.0 DEPOSIT MODELS

Many ore deposit types are present in the Gemericum tectonic block (Figure 7.3). Important siderite-quartz-sulphide vein deposits of the Spiš-Gemer region have been mined in the distant past for their iron content, represented by siderite. These veins contain about 20% Fe, between 0.2 – 0.6% Cu and trace amounts of other metallic minerals. Other veins of the quartz-siderite-sulphide category have been mined for their Cu (approximately 1-2% Cu) and Ag (50-150 g/t Ag) contents. These vein deposits also contain Au accompanying the Cu sulphide minerals. The main minerals in the veins are quartz, siderite, ankerite, barite, Ag and mercury-bearing tetrahedrite, chalcopyrite and pyrite. Individual veins are up to 14 m thick and zones of continuous mineralization extend several hundreds of metres in depths and kilometres along strike. Both vein types are more prevalent in the northern part of the Gemericum tectonic block, primarily belts marked by thrust faults and mylonization.

Lower Paleozoic age mineral deposits in the Gemericum also include Cu-rich massive sulphide deposits, and stratiform hematite, magnetite and manganese deposits. The important Smolník massive sulphide deposit was mined for 600 years and is now exhausted.

The siderite-quartz-sulphide vein deposits are considered to have been generated by metamorphic- hydrothermal fluids related to the Hercynian Orogeny, although some authors strongly believe that some sulphide mineralization or at least some sulphide re-mobilization occurred during the Paleo-Alpine Orogeny.

A second type of vein deposits is characterized by abundant quartz with subordinate amounts of siderite accompanying chalcopyrite and pyrite. Locally these veins are more abundant than the siderite-quartz-sulphide type. Contained sulphide minerals include chalcopyrite, tetrahedrite, arsenopyrite and pyrite, rare galena sphalerite, bornite, bournonite, jamesonite, tennantite, stibnite, Bi-sulphosalt, Cu-rich arsenopyrite, cobaltite and native Au. Other accessory minerals include albite, rutile, chlorite, sericite and tourmaline. Tetrahedrite with Ag and microscopic native Au is more abundant near the surface in the western part of the Hrubá vein, but decreases with depth (Piovarcsy and Badárová, 1987) indicative of hydrothermal zoning.

Both types of veins appear to be variations of Model 22C, “Polymetallic Veins”, otherwise called “felsic intrusion related veins” as described in Cox and Singer (1992). Examples include the Keno Hill Ag camp in the Yukon, the Coeur d’Alene mining camp in Idaho, the Comstock Mine in Nevada and Misima Island, Papua New Guinea.

Exploration techniques that can be employed to discover additional veins include detailed mapping of lithologies and structures, prospecting and sampling of outcropping mineralization. Geochemical techniques include soil, stream sediment and heavy mineral surveys as a method of detecting shallow but hidden mineralization. Geophysical techniques, including induced polarization, self potential and magnetic surveys are useful in interpreting targets for drilling. Power stripping can be effectively used in clearing overburden materials from the anomalous sites defined by geological, geochemical and geophysical surveys. The object of the surveys is to discover mineralized structures that persist to the surface, and to define drill targets for testing the economic potential of the vein systems.

9.0 MINERALIZATION

Auropean has not discovered any new mineralized zones in the Project area, as no exploration has been completed to date.

Historical accounts of known vein mineralization, within the Project area, are discussed in section 7.2.2.1 through 7.2.2.8.

10.0 EXPLORATION

Auropean has not undertaken any exploration activities as of the date of this report other than compile and review previously obtained data relative to mineralization.

11.0 DRILLING

Auropean has not undertaken any diamond drilling as of the date of this report.

12.0 SAMPLING METHOD AND APPROACH

Auropean has not undertaken any systematic surface sampling programs or drill core sampling as of the date of this report.

13.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

Auropean has not completed any sample preparation Activities as of the date of this report.

14.0 DATA VERIFICATION

Auropean has not collected any “exploration” samples for analyses, and consequently there are no QA/QC data to report. GAHA collected 19 mineralized waste rock samples in the vicinity of historical adits and shafts, the analyses of which confirm that base metal and precious metal mineralization is present in the Project veins. Selected elements present in the due diligence samples are listed in the following table. Analyses were performed by ALS Laboratory Group of Burnaby, B.C., which is an accredited laboratory. This laboratory inserts their own standard and blank samples into the sample batches.

Table 14.1Waste Samples Selected Analytical Results

Method	Au-AA24	ME-MS61	ME-MS61	Cu-OG62	ME-MS61
Element	Au	Ag	Bi	Cu	Sb
Sample No.	ppm	ppm	ppm	%	ppm
N257958	0.023	12.9	84.8	0.49	1580
N257959	0.351	14.9	152.5	0.89	2150
N257960	0.065	67.6	419	1.69	6130
N257961	0.336	30.9	26.9	0.65	696
N257962	0.015	3.53	49.3	0.41	23.4
N257963	0.19	0.9	2.99	0.81	60.5
N257964	0.006	0.11	0.28	0.01	7.09
N257965	1.7	1.46	0.91	1.65	87.7
N257966	0.246	3.16	0.58	2.53	127.5
N257967	0.511	12.25	47.8	1.60	1025
N257968	0.511	2.55	7.25	0.82	235
N257969	0.167	3.16	2.94	1.90	369
N257970	0.076	8.5	18.65	1.32	545
N257971	0.348	10.45	14.2	1.00	2950

The analytical results indicate that mineralization as portrayed in the waste material sampled is predominantly Cu-rich with significant credits for Ag, Au, bismuth and antimony associated with quartz veins. Acquiring exact duplicates of samples collected in 1997-98 by Geologia s.r.o., Spišská Nova Ves is impossible as most exploration sites have been reclaimed, with a loss of sample material.

Analytical certificates listing the results from the heavy mineral pan concentrates, issued by Activation Laboratories Ltd. are available for examination. A visual comparison between the analytical results contained in the certificates and those listed in this report did not reveal any transcription errors.

15.0 ADJACENT PROPERTIES

There are no adjacent properties of significance immediately peripheral to the Sovlinky-Gelnica Project undergoing exploration or development. There is one producing mine and three mines under development in Slovakia.

The Rosália Mine, located at Hodruša approximately 180 km west- southwest of the Slovinsky –Gelnica Permit (Figure 7.3), and operated by Slovenská banská spol.s.r.o. continues to produce Au in lead-zinc concentrate at a rate of about 2,350 ounces (72.3 kg) per year. This deposit is hosted in quartz-sulphide veins cutting Neogene age volcanic rocks.

A new underground Ag mine (Strieborná) is under development by Global Minerals s.r.o., at Rožnavá, approximately 40 km south of the Project (Figure 4.1). Both Strieborna and the Slovinky-Gelnica Project lie within the Germerican Structural Unit (Figure 7.3), At Strieborná mine, the siderite-quartz-sulphide veins are hosted in Gelnická Assemblage rocks and are very similar to the mineralization present on the Sovlinky-Gelnica Project. However this deposit is predominately Ag rich. The deposit has a 43-101 compliant measured plus indicated resource of 1,925,000 tonnes grading 231.7 g/t Ag, 1.1% Cu and 0,7% Sb and an inferred resource of 1,500,000 grading 180 g/t Ag, 1.0% Cu and 0.7 % Sb.

Ortac Resources plc. recently purchased the Kremnica Au Ag deposit from Tournigan Energy Ltd. and is working toward developing an open pit at Kremnica, approximately 190 km west-southwest of the Slovinky-Gelnica Project (Figure 7.3).The deposit consists of quartz veins hosted in rhyolite of Neogene age volcanic rocks. Au is present in the form of electrum dispersed amongst several sulphide minerals. A NI 43-101 compliant resource was estimated by Beacon Hill Consultants (1988) Ltd. of Vancouver, B.C.in 2009. This study estimated 23.6 million t of measured plus indicated resources grading 1.37 g/t Au and 11.3 g/t Ag. Inferred resources are estimated at 10.6 million t grading 1.01 g/t Au and 6.27 g/t Ag.

Eastern Mediterranean Resources s.r.o. is systematically moving the Biely Vrch Au prospect, forward. It contains a JORC-standard mineral resource of 41.7 million tonnes at 0.8g Au/t containing 1.1 million ounces of Au. Biely Vrch is located in central Slovakia.

Tournigan Energy Corp has a 100 percent interest in six exploration permits in Slovakia and is preparing a feasibility study for its Kuriskova uranium deposit where 20.5 million pounds of U_3O_8 indicated and 17.5 million pounds U_3O_8 inferred have been reported in a recent 43-101 compliant report. Kuriskova is located immediately north of Košice.

According to government data files there are 47 Active exploration projects in Slovakia, Au and uranium being the primary commodities being investigated.

In spite of a sharp decline in mining and development since 1993, Slovakia has a long tradition of active exploration, development and mining. Its government ministries, departments, acts and regulations are structured to encourage exploration and development, particularly in areas of high unemployment.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Auropean has not commissioned any metallurgical test work on mineralization sourced from the Project area.

Historical operators of the Slovinky mine-mill complex produced concentrate from mineralization located on the Project, as evidenced by tailings ponds and mill buildings and foundations, which indicate that the “ores” located on the Project are amenable to beneficiation.

17.0 MINERAL RESOURCE AND RESERVE ESTIMATES

Auropean has not completed any resource or reserve estimations of any of the mineralization found in the various veins located within the project area.

18.0 OTHER RELEVANT DATA AND INFORMATION

18.1. HISTORICAL ASSAY METHOD BY GEOLOGICAL LABORATORY (SNV)

Au assays reported for the Hrubá vein 29th level exploration drift were completed by the analytical laboratory of the Slovakia Geological Survey (SNV). Available information indicates that all of the Au assaying relied on aqua regia digestion of samples. This dissolution captures Au within or associated with sulphide minerals, but only partially dissolves Au encapsulated in silica (quartz),and other resistant minerals, which leads to under-reporting of Au values. Fire assaying is the preferred method of assaying of Au in quartz veins.

The author is of the opinion that the Au values disclosed in this report are lower than the real values due to the dissolution method employed. The magnitude of the error is unknown at present.

18.2. RESERVE AND RESOURCE CLASSIFICATION

The Slovakian classification of mineral reserves and resources was re-written in 1995 (Grecula et al 1995). Historical resources present on the Slovinky-Gelnica Project were previously classified using the “old” Soviet system in the 1980s. Under the current Slovakian system five defined classes of resources are recognized depending upon the degree of reliability in the data base.

All categories are considered to be resources. Economic and engineering factors have not been applied to the Z1 and Z2 categories that would make the estimates comparable to mineral reserve estimates under codes acceptable to NI 43-101. The equivalent CIM categories of resources are included in the table for comparison (Henly, 2004).

Table 18.1 Resource Classification Reconciliation

Slovak	Slovak Category	Equivalent NI 43-101 (CIM) Category
Z-1	Proved reserve	Measured resource
Z-2	Probable reserve	Indicated resource
Z-3	Proposed reserve	Inferred resource
P-1	Prognostic resource	Exploration information
P-2	Prognostic resource	Not used
N	Non economic	Not used

18.3. ADMINISTRATION OF GEOLOGY AND MINING IN THE SLOVAK REPUBLIC

Exploration for mineral resources in Slovakia is administered by the Ministry of the Environment. Within the ministry it is the Division of Geology and Natural Resources which directly oversees the field of geology. The division is headed by a director general, and has two main departments: 1) the Legal Department and 2) the Department of Geological Research and Exploration.

18.4. MINISTRY OF THE ENVIRONMENT

The Ministry of the Environment Acting under law No. 569/2007 and registration N.51/2008 provides oversight and management of the country's mineral deposits and energy sources. Activities include the following:

- Proposes government-sponsored programs of geological research and exploration
- Supervises contract geological work including vetting of the results
- Ensures that results of government-sponsored geological activities are properly archived and made available to users
- Approves the estimate of reserves / resources of "exclusive minerals" discovered and issues notice thereof. Exclusive minerals are spatially defined deposits of mineralization for which a tonnage and grade have been estimated
- Grants the right to non-governmental companies to manage the deposits of "exclusive minerals" found by government sponsored prospecting and exploration programs.
- Guarantees an integrated system of geological information
- Issues decrees and regulations as to staking mineral claims, changing, and cancelling claims
- Issues licenses to firms and individuals to perform geological exploration work
- Deals with abandon mines and site remediation.

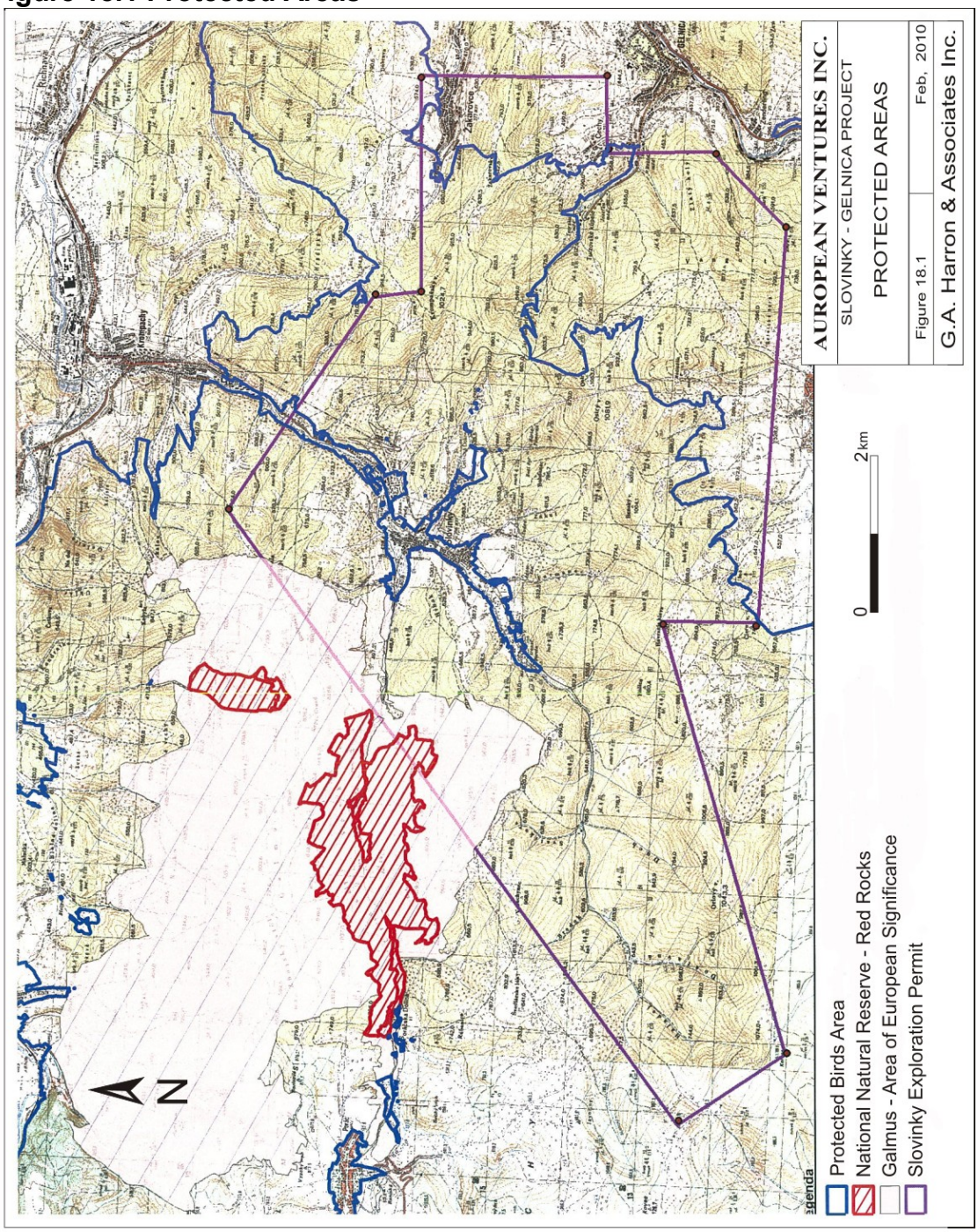
The Ministry of Environment will be integrated into the Ministry of Agriculture in June of 2010.

18.5. ENVIRONMENTAL AND OTHER RESTRICTIONS

The only portion of the Project in which exploration is totally restricted is within a small area on the northwest boundary of the Project area (Figure 18.1) that conflicts with the NPR Ćerviné scaly (National Natural Reserve Red Rocks). It is an area that has no apparent economic potential. Galmus (Area of European Significance) has no restrictions or encumbrances other than those affecting the

Project in general. In the Protected Birds Area (navrkované CHU Volovské vrchy) one must apply to the appropriate State administration to obtain a work permit. Generally the only restrictions that would apply is the requirement to not work in established nesting areas during the season when the birds are nesting. RNDr Piovarcsy has met with the administrators and they indicated that there would be minimal conflict (as witnessed by the on-going works in the area). The Decisions of Approval for Exploration (Appendix 1) lists numerous conditions which must be respected. Generally plans must be outlined and submitted to various utilities for approval, in order that neither their provision of services is not interrupted nor their assets are damaged. The same approvals are required along roads and in built up areas. An occupational fee (tax) is required for working in forested areas with compensation required for any trees felled during the course of operations.

Figure 18.1 Protected Areas



18.6. MINISTRY OF THE ECONOMY AND MAIN MINING BUREAU

Mining activities are administered by the Main Mining Bureau at the Ministry of the Economy, located in Banska Stiavnica. The Main Mining Bureau also has five regional offices in Bratislava, Banská Bystrica, Košice, Prievidza and Spišská Nová Ves. The tasks of the Main Mining Bureau are set out in law No. 44/1988 and law 214/2002

- Monitors mining activity in Slovakia
- Administers the regional mining offices
- Regulates the rational exploitation of mineral resources
- Regulates mine safety
- Carries out inspections of mining activities
- Registers Mining Permits and changes or cancellations thereto

18.6.1 Regional Mining Offices

Regional mining offices perform the following functions:

- Manages compliance with the mining law and safety regulations
- Inspection of active mining operations
- Oversees the use and storage of explosives
- Issue, modify or cancel mining permits for cause
- Issues permits for the development and exploitation of exclusive mineral deposits
- Issues permits for underground exploration
- Issues permits for surface

18.7. THE STATE GEOLOGICAL SURVEY

The state Geological Survey of the Slovak Republic (Štátny Geologický ústav Dionýza Štúra) is based in Bratislava and has three regional branches located in Košice, Spišská Nová Ves, and Banská Bystrica. Activities are divided into six divisions,

- Regional Geology
- Environmental Geology
- Mineral Resources
- Analytical Laboratories
- Informatics and Accounting
- Administration Office

The state Geological Survey carries out:

- Systematic and comprehensive geological investigations of the entire country, including geological mapping, hydrogeology, engineering geology, environmental geology and metallogeny
- Completes mineral resource assessments
- Exploration for minerals, water, and energy resources, engineering and geological assessment of waste disposal sites
- Geophysical and geochemical surveys
- Chemical and technological analyses
- Develops and operates an information system of geology and mineral reserves, including geological archives
- Provides geological information to the public, maps, reports, etc.
- Operates the central geological library of Slovakia
- Publishes geological maps, books and journals
- Provides an impartial advise to government bodies and state institutions
- Engages in contract exploration for private corporations using its highly experienced staff and excellent data base.

18.8. THE COMMERCIAL CODE

The Commercial Code regulates legal issues related to business activities of foreign entrepreneurs in Slovakia. Foreign individuals and legal entities are afforded the same treatment as national persons and companies. Foreign individuals and legal entities wishing to undertake business Activities in Slovakia are required to employ a domestic resident partner and to register the scope of the business in the Commercial Register. The Ministry of the Environment issues the permits to undertake geological exploration programs in compliance with Law No. 569/2007 and by Registration No. 51/2008.

Individual applicants are required to demonstrate professional competency once every four years and provide proof of a university degree and relevant experience. A legal entity applicant needs to attach to the application form a Statement of the Commercial Register a document certifying the establishment of a legal entity.

18.9. GEOLOGICAL & MINING LEGISLATION

At present all geological and mining activities are regulated by three acts. These Acts define essential rights and obligations of legal entities and individuals carrying out exploration and mining operations.

Law No. 569/2007 on geological operations and geological administration sets forth:

- The scope, performance and evaluation of geological operations

- Conditions for the issue of permits to undertake geological exploration and certificates of professional competence.
- Rules governing granting and transfer of exploration permits
- Role, position, and activities of the state administration in geology (Division of Geology and Natural Resources of the Ministry of the Environment)
- Role and duties of the state geological survey

Law No. 44/1988 on protection and exploitation of mineral resources (Mining Code), as revised in Law 214/2002 determines:

- Determines ownership and administration of mineral resources
- Principles of protection and rational exploitation of mineral wealth
- Conditions for mining and mining permits
- Reimbursement of damages due to mining activities.

Law No. 154/1995 and Law No. 58/1998, (Mining Regulations) determine the:

- Conditions under which mining activities and techniques can be carried out, with special attention paid to safety regulations, environmental protection and rational exploitation of mineral deposits.
- Conditions for the use of explosives.
- State mining administration.

According to these laws geological operations (exploration) may be carried out by legal entities and individuals on the basis of licence only, granted by the Ministry of the Environment. Exploration for exclusive minerals, which are the property of the State may be carried out only on exploration permit areas granted by the same ministry.

18.10. THE SOCIAL AND ECONOMIC CHARACTERISTICS OF THE SLOVAK REPUBLIC

The dissolution of the Austro-Hungarian Empire at the close of World War I allowed the Slovaks to join with the closely related Czechs to form Czechoslovakia. Following the chaos of World War II, Czechoslovakia became a Communist nation within Soviet-dominated Eastern Europe. In 1989 Soviet influence collapsed and Czechoslovakia once more became a “stand alone” free country.

The Slovaks and the Czechs agreed to separate peacefully on January 1, 1993. Slovakia joined both NATO and the EU in the spring of 2004 and the Eurozone on January 1 2009.

Slovakia is a multi-party parliamentary democracy with a unicameral National Council of the Slovak Republic. The National Council has 150 members elected

by proportional representation to serve a four-year term. The next general election is scheduled for June 2010.

Slovakia has largely succeeded in transforming its economy from one of central control to a free market orientation. The privatized sector now accounts for approximately 80% of GDP, however the banking sector is almost completely in foreign hands. Foreign investment is encouraged with business-friendly policies such as liberalized labour legislation and the introduction of a 19% flat tax.

Slovakia has made significant economic and social reforms since 1993. Reforms to the taxation, healthcare, pension, and social welfare systems helped Slovakia to consolidate its budget and join the EU in 2004, with the adoption of the Euro (€) in January 2009.

19.0 INTERPRETATION AND CONCLUSIONS

The Slovinky-Gelnica Permit is located along the northern margin of the Gemericum tectonic block in east central Slovkia. The areal distribution of known mineralized veins indicates two major fault systems trend east-west across the Permit area and control the development of the Hrubá, Zlatá and other vein systems. The fault systems are marked by shearing and mylonitization of the host rocks.

Approximately 35 mineralized veins are present on the property of which at least six are of further interest as exploration targets for Au, Ag and Cu. Auropean plans to test the significant veins. The largest unexploited vein on the property is the Hrubá which has been drifted on for 1,650 m west from the Dorota Shaft at the 300 m (above sea level) elevation. A total of 53 channel samples collected along the 29th level indicated that 10 samples contain greater than 1 g/t Au, 11 samples contain greater than 10 g/t Ag and 14 samples contain greater than 1.2% Cu. Mineralization continues below the exploration drift for an unknown distance, vertically upward to the surface and at least for a further 600 m along strike to where an exploration drill hole encountered significant economically interesting polymetallic mineralization (2.0 g/t Au, 12.0 g/t Ag and 3.34% Cu over 0.9 metres).

The Hrubá and related vein systems (Gelnická, Nová, S., Nadložná Gelnická) are localized along the contact between the older Gelnická Assemblage (on the south side), which consists of epiclastic metasedimentary rocks and felsic metavolcanic rocks and the younger Rakovecká Assemblage. This younger assemblage is composed of epiclastic metasedimentary rocks and mafic metavolcanic rocks and occurs on the north side of the structure.

In the southern part of the permit area the Zlatá vein system also traverses the property in an east-west direction. The mineralized vein system is completely hosted in the Gelnicá Assemblage rocks.

The veins within the Hrubá system are dominantly of the quartz-siderite-sulphide type and are Cu-Ag-Au rich compared to the quartz-sulphide type of the Zlatá vein system. Both types of veins are polymetallic and contain Au mineralization as evidenced by historical reports of Au production and some assays.

The Au contents of the veins are poorly documented for the period from the 13th century until 1984. Reasons given for the lack of documentation include attempts to conceal Au production from the monarchy in past centuries, and more recently the Russian style of management which classified the deposits as Cu mines, with little or no recognition of other minerals and metals. Following 1985, analysis for precious metals (Au and Ag) was sporadic due to the centrally controlled system dictating that only Cu mineralization was of interest at Slovinky.

In addition, all Au analyses were processed using aqua regia digestion, which generally understates Au values due to some exclusion of Au encapsulated in resistate minerals.

Exploration work carried out by Geologia s.r.o., Spišská Nová Ves in 1987-1988 revealed coincident stream sediment, and heavy mineral sample Au anomalies coincident with known vein structures that have not been explored for Au mineralization. One sample of siderite type vein mineralization returned a value of 7.1 g/t Au suggesting the presence of economic mineralization in the area. Target areas defined by this work plus the western undeveloped portion of the Hrubá vein warrant detailed exploration.

The Au assays reported for samples analyzed by the Slovakia Geological Survey, SNV are considered to be biases towards lower values, because aqua regia was used for sample dissolution, which does not completely dissolve all of the Au. The magnitude of the bias is currently unknown. Fire assaying for Au is a more appropriate method.

Anomalous REE values are present in stream sediments and pan concentrates primarily in the western part of the Slovinky-Gelnica permit areas. The most significant and robust anomaly is located in the Lancemberk Valley west of the Dorota Shaft. Future evaluation of the REE mineralization potential should include mineralogical identification of the REE-rich heavy minerals and their bedrock source.

20.0 RECOMMENDATIONS

20.1. PROPOSED PHASE 1 PROGRAM

The object of the Phase 1 exploration program is to drill test a 2,200 m long segment of the Hrubá vein system to the west of the Dorota Shaft. Drilling will be focused primarily above the 29th level except at the west end near diamond drill hole V-SLZ-12-84 (intercept of 2 g/t Au, 12 g/t Ag, and 3.34% Cu over 0.9 m at approximately 80 m asl) where deeper drilling will occur. This exploration drift is approximately 250-450 m below surface (250m asl) in this area.

A total, of 228 channel samples were taken along the 29th level in 1987, and only 53 samples were analyzed for Au and Ag. Ten of the composited samples returned values greater that 1 g/t Au, and 11 samples contained greater than 10 g/t Ag and 14 samples contained greater than1.2% Cu. In most cases the higher Au and Ag values are coincident with Cu values and define a 1,300 m long target. Drilling will test the vein in a vertical sense from the exploration drift to surface, a 250-450 m interval, specifically above or near those sections reporting the highest Au and Ag values on the 29th level and above diamond drill hole V-5LZ-12-84. The locations of the sections with reference to the Dorota Shaft where diamond drilling is proposed is illustrated in Figure 20.1 and detailed in Table 20.1.

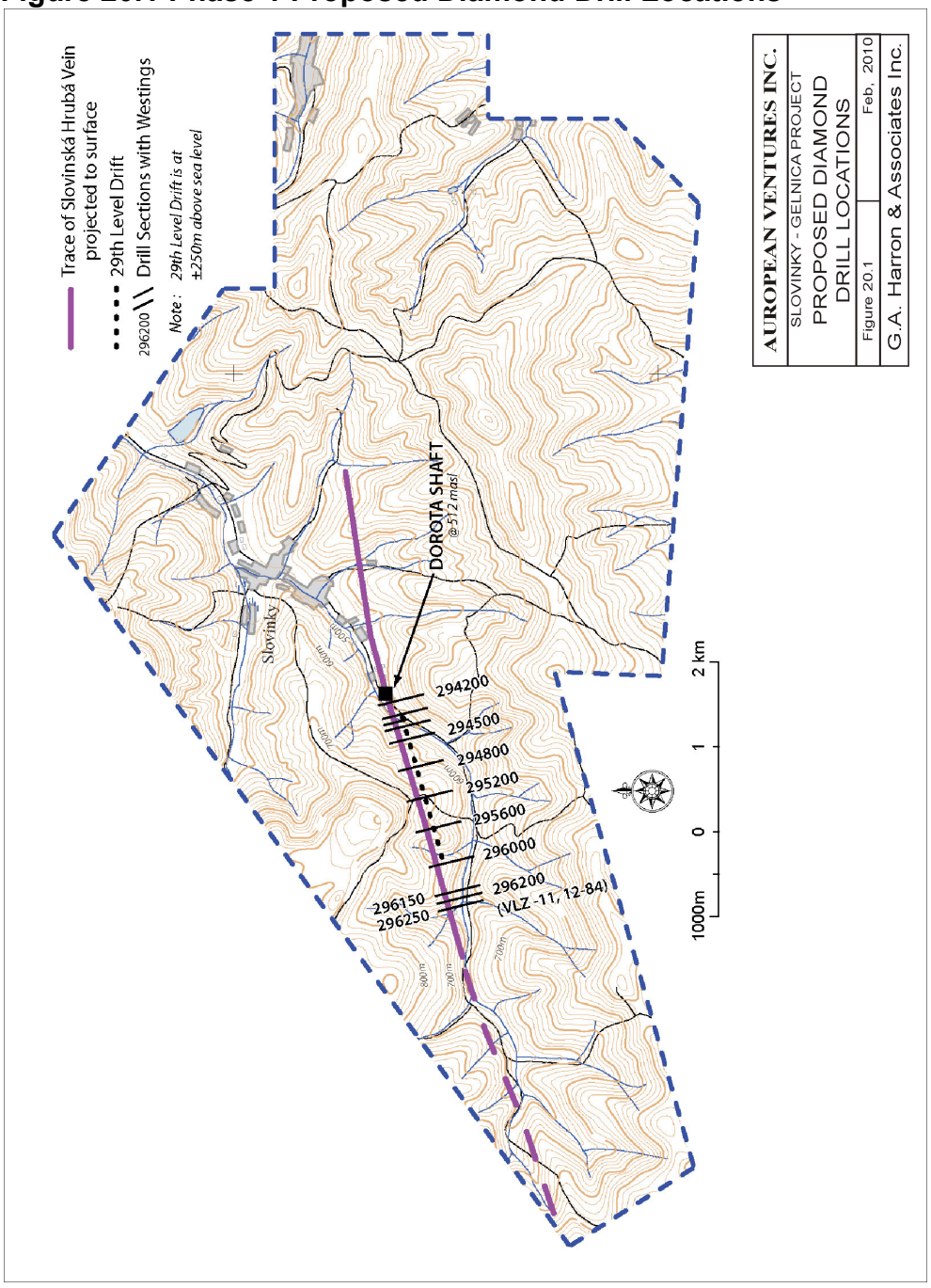
Table 20.1 Phase 1 Recommended Diamond Drilling ,Hubrá Vein.

DDH #	Section	Dip (Note 1)	Length (m).	Target Elev
P-1	294200W		160	450 m asl
P-2	294200W		280	350 m asl
P-3	294200W		420	200 m asl
P-4	294300W		160	450 m asl
P-5	294300W		280	350 m asl
P-6	294300W		420	200m asl
P-7	294400W		160	450 m asl
P-8	294400W		280	350 m asl
P-9	294400W		420	200 m asl
P-10	294500W		160	450m asl
P-11	294500W		280	350 m asl
P-12	294500W		420	200 m asl
P-13	294350W		360	260 m asl
P-14	296250W		380	300 m asl
P-15	296250W		500	200 m asl
P-16	296200W		560	150 m asl
P-17	296150W		380	300 m asl
P-18	296150W		500	200 m asl

P-19	294800W		420	350 m asl
P-20	294800W		300	450 m asl
P21	295200W		420	350 m asl
P-22	295200W		300	450 m asl
P-23	295600W		420	350 m asl
P-24	295600W		300	450 m asl
P-25	296000W		420	350 m asl
P-26	296000W		300	450 m asl
Total			9,000	

Note 1: The inclination of the drill holes will be determined by drill site accessibility and topography.

Figure 20.1 Phase 1 Proposed Diamond Drill Locations



A Phase I Budget of € 1,637,000 ($C 2,325,000) is recommended to allow for the proposed exploration activities.

Table 20.2 Proposed Phase 1 Budget

Activity	Expenditure ($C)
Diamond drilling (9,000 m) 26 sites	1,700,000
Analyses (Au plus 27 elements)	17,000
Geology	40,000
Support	25,000
Rentals	12,000
Administration (Fees, Legals)	12,000
Communications	12,000
Contingency ~ 7.5 %	136,000
Total	1,954,000
VAT (19 %, Refundable)	371,000
Grand Total	**2,325,000**

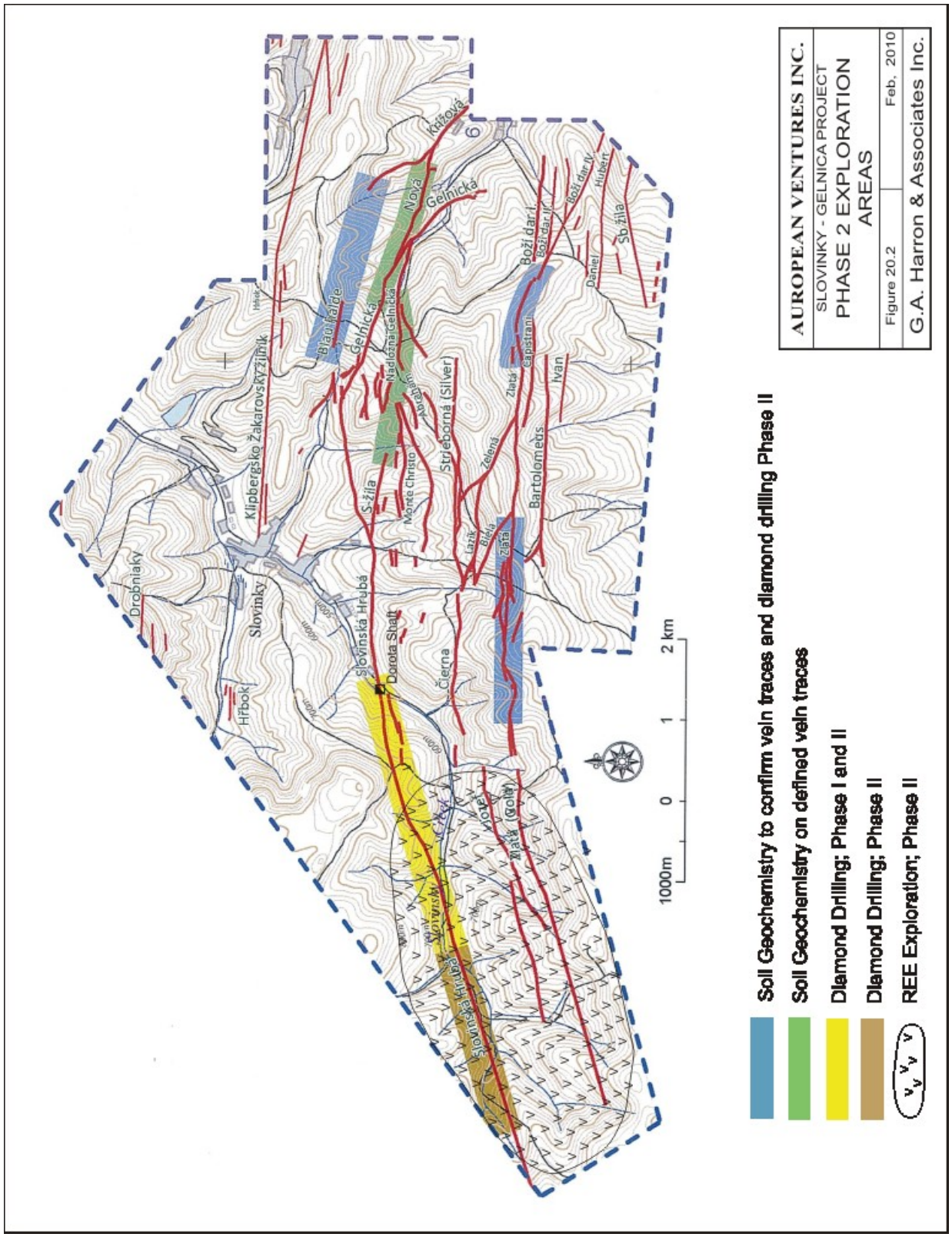
20.2. PROPOSED PHASE 2 PROGRAM

Additional diamond drilling of the Hrubá vein system in this area is dependent upon receiving encouraging assay results from the Phase 1 program. A total of 16,000 m of infill drilling have been allocated to continue exploration of this target, highlighted in orange and yellow colours in Figure 20.2.

The second component of the Phase 2 exploration program is preliminary surface geochemical soil surveys and diamond drill testing of the Gelnicá, Nová, S-Nadložná-Gelnická, Blau Halde and Zlatá veins where the soil surveys indicate enhancement of precious metals mineralization. The priority areas are highlighted by blue and green colours in Figure 20.2.

A third element of the Phase 2 program is to collect additional samples, analyze and identify the REE-bearing minerals and locate the in-situ REE mineralization. The most significant REE anomaly is located west of the Dorota Shaft in the Lancemberk Valley and indicates a source of REE mineralization somewhere in the headwaters of Slovinky Creek that flows east-north east past the Dorota shaft. This should be the focus of REE exploration, but other anomalies of lesser magnitude should also be sampled as noted by samples coloured green in Figure 6.2.

Figure 20.2. Phase 2 Priority Exploration Areas



Geochemical soil surveys will be conducted over the surface expression of the Gelnická, Nová, S-Nadložná-Gelnická and Zlatá veins as highlighted in green and blue colours on Figure 20.2 to detect portions of the underlying veins containing precious metals. Soil geochemical surveys will be used to refine the location of the surface trace and those portions containing precious metals diamond drill targets on the Blau Halde as well as two portions of the Zlatá vein, highlighted in blue on Figure 20.2. It is recommended that soil samples be collected at 10 m intervals along grid lines 120 m long at 40 m spacing along the moderately well defined surface expression of the Gelnická, Nová and S-Nadložná-Gelnická veins. Sampling at 15 m intervals along grid lines 240 m long with a 60 m spacing is recommended for the Blau Halde and Zlatá veins where veins are not so well defined.

An allocation of 4,000 m of diamond drilling is proposed for preliminary drill testing where the soil samples indicate enhanced precious metal values.

The Phase 2 exploration program will be supported by a € 4,040,000 ($C 5,739,000) proposed budget as follows.

Table 20.3 Proposed Phase 2 Budget

Activity	Expenditure ($C)
Diamond drilling (22,000 m)	4,004,000
Analyses (Au plus 27 elements	36,000
Geology	100,000
Survey Grid	36,000
Geochemical collection	42,000
Geochemical analyses	80,000
Geochemical Interpretation	12,000
Support	100,000
Rentals	40,000
Administration	24,000
Communication	12,000
Contingency	337,000
Total	4,832,000
VAT (19% Refundable)	916,000
Grand Total	**5,739,000**

The aggregate expenditure of the two phase exploration program is estimated to be approximately € 5,677,000 ($C 8,064,000).

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22.0 THE DATE AND SIGNATURE PAGE

This report titled “Technical Report on the Slovinky-Gelnica Project, Spišská Nová Ves Mining District, Slovak Republic for Auropean Ventures Inc. and dated September 15, 2010 was prepared by and signed by the following author:

“Gerald A. Harron”

Gerald A. Harron P.Eng.

September 17, 2010
Dated at Toronto, Ontario

G.A. Harron & Associates Inc.
133 Richmond St. West, Suite 501, Toronto, Ontario, M5H 2L3, Canada.
Tel.: 416-865-1060
E-mail: gaharron@bellnet.ca

23.0 CERTIFICATE

G.A. Harron & Associates Inc.
Suite 501, 133 Richmond Street West,
Toronto, Ontario, Canada M5H 2L3
Tel.: (416) 865-1060 Fax.: (416) 865-0213
Email: gaharron@bellnet.ca

Certificate of Author

I, Gerald A. Harron, M.Sc., P.Eng. do hereby certify that:

1. I am the President of:
   G.A. Harron & Associates Inc.
   Suite 501, 133 Richmond Street West
   Toronto, Ontario, Canada M5H 2L3

2. I graduated with a Bachelor of Science degree in Geology from Carleton University in 1969 and also graduated from the University of Western Ontario with a Master of Science degree in Economic Geology in 1972.

3. I am a member of the Association of Professional Engineers of Ontario, the Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories and Nunavut.

4. I have worked as a geologist for over 35 years since my graduation from university and have been involved in minerals exploration for base, precious and noble metals and uranium throughout North America, South America and Africa, during which time I directed, managed and evaluated regional and local exploration programs.

5. I have read the definition of "qualified person" set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

6. I am responsible for the overall preparation of all the technical report titled "Technical Report on the Slovinky-Gelnica Project. Spišská Ves Nová Mining District, Slovak Republic, for Auropean Ventures dated September 17, 2010” (the "Technical Report”). Most of the technical information in the Technical Report is based on examination of public and private documents pertaining to the Slovinky-Gelnica Area. The sources of all information not based on personal examination or knowledge are referenced in the Technical Report.

7. I am the author of the report to which this certificate is attached, having prepared the entire report. I have conducted a site visit of the Slovinky-Gelnica Project on November 22-27, 2010.

8. I have not had prior involvement with the property that is the subject of the Technical Report.

9. I acknowledge that as of the date of the certificate, and to the best of my knowledge, information and belief, that the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

10. I am independent of the issuer applying all of the tests in section 1.4 of NI 43-101.

11. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 17th day of September, 2010

"Gerald A. Harron"
Signature of Qualified Person

"PEO"
Seal
Professional Engineers Ontario

Gerald A. Harron
Print name of Qualified Person

24.0 APPENDIX 1: DECISIONS (EXPLORATION PERMITS & MODIFICATIONS)

MINISTRY OF ENVIRONMENT
OF THE SLOVAK REPUBLIC
812 35 BRATISLAVA, LUDOVIT STUR`S SQUARE
Department of Geological Law and Contractual Relations

this decision acquired
validity on 8 March 2010
Bratislava on 8 March 2010
Clerk - illegible signature
Rounded stamp with national coat of arms
in the centre and a text along the periphery

Bratislava on 24 February 2010
File number 2254/2010/93
Number 10420/2010

DECISION

on the Exploration Area Establishment

The Ministry of Environment of the Slovak Republic, Department of Geological Law and Contractual Relations (hereinafter "Ministry") pursuant to § 22, § 23 and § 36 paragraph 1 letter (h) of the Act No 569/2007 of the Code on geological works (Geological Act) as amended by the Act No 515/2008 of the Code, by which there are amended some Acts in field of care on the environment in connection with the introduction of the Euro currency in the Slovak Republic, § 46 and § 47 of the Act No 71/1967 of the Code on administrative procedure (Administrative Code) as amended by later regulations has decided on

Establishment

of the exploration area: **Slovinky - Au, Ag, Pb, Zn, Sb ores**
(hereinafter "exploration area")

for execution of geological works at the level of: prospecting and geological exploration of deposits

for: **DOM STEINER s.r.o**
Nova 132/14
058 01 Ganovce – Filice (hereinafter "exploration area holder")

Identification number of organization: 35 730641

The exploration area holder is pursuant to § 4 paragraph 1 letter a) of the Geological Act authorized to execute geological works.

1. Basic data on the exploration area

Name and code of the county: Kosice 8

Name and code of the district: Gelnica 801

Spiska Nova Ves 810

The exploration area has the established acreage of 62.42 km^2 and is situated in following cadastral areas and municipalities:

Serial number	Identification number of municipality	Name of municipality identification number of municipality organization	Identification numbers of cadastral areas	Names of cadastral areas	Relative shares		
					in %	Village in €	Environmental fund in €
1	526509	Gelnica 00329061	814741	Gelnica	18.09	567.44 €	567.44 €
2	526541	Helcmanovce 00329100	816001	Helcmanovce	9.88	309.91 €	309.91 €
3	543365	Mnisek nad Hnilcom 00329380	837890	Mnisek nad Hnilcom	0.79	24.78 €	24.78 €
4	543497	Prakovce 00329517	84920	Prakovce	4.31	135.20 e	135.20 €
5	543659	Svedlar 00329681	862401	Svedlar	0.51	32.00 €	32.00 €
6	526649	Zakarovce 00329801	873942	Zakarovce	3.22	101.00 €	101.00 €
7	543268	Krompachy 003239282	829307	Krompachy	6.73	211.73 €	211.73 €
8	543535	Slovinky 00329330	856665	Nizne Slovinky	56.45	1770.71 €	1770.71 €
			856681	Vysne Slovinky			

Marking and co-ordinates of apical points of the exploration area

Points	X	Y
1	1 217 877.00	291 900.00
2	1 219 880.00	289 000.00
3	1 220 480.00	289 000.00
4	1 220 480.00	286 000.00
5	1 223 000.00	286 000.00
6	1 223 000.00	287 000.00
7	1 224 500.00	287 000.00
8	1 225 480.00	288 000.00
9	1 225 050.00	293 560.00
10	1 223 780.00	293 520.00
11	1 225 420.00	229 350.00
12	1 223 960.00	300 273.00

Map annex in scale 1: 50 000 in which the exploration area is depicted as an annex of this decision and forms part and parcel thereof.

2. Conditions Applicable to geological works Execution

Holder of the exploration area:

1. will execute geological works in conformity with the design of geological project elaborated pursuant to the Geological Act,
2. in conformity with § 16 of the Geological Act will elaborate the final report and pursuant to § 18 paragraph 2 of the Geological Act and will submit the final report with the exclusive deposit reserves calculation to Ministry for the judgement and approval, pursuant to § 25 paragraph 1 of the Geological Act will submit to Ministry the annual report on exploration Activity giving results of selected geological works and documents on expended financial funds for geological exploration within six weeks after the calendar year elapse,
3. entering lands he will proceed pursuant to§ 29 of the Geological Act,
4. pursuant to § 22 paragraph 5 of the Geological Act in the first year of the decision on the exploration area validity will expend at least 10 % of financial fund of the total financial volume of geological works,
5. will not execute geological works in protected area of small acreage – National Natural Reserve Cervene skaly (Red rocks), neither in Territory of European Significance SKUEV0287,
6. prior to technical works execution in proposed Protected Birds`Area SKUEV0287 Volovske vrchy will ask the State Protection of the Nature of the Slovak Republic Administration of the National Park Slovensky raj for consent and approval,
7. in technical works execution will minimize interference into the nature and landscape,
8. will assure possibility of supervision of the State Protection of the Nature of the Slovak Republic Administration of the National Park Slovensky raj workers at technical works execution during the whole geological exploration,
9. in case of technical works execution in zones of water-supply resources will ask appropriate body of the state water administration for consent,
10. will meet general rules of waters protection pursuant to the Act No 564/2004 of the Code on waters and on amendment of the Slovak National Council Act No 372/1990 of the Code on violations as amended by later regulations (Water Act),
11. will meet principles of forest land protection and in case of interference into the forest soil fund will proceede pursuant to the Act No 326/1990 of the Code on forests as amended by later regulations,
12. will respect the Act No 49/2002 of the Code on the monumental fund protection as amended by later regulations,
13. will fulfil announcing duty pursuant to § 4 of the Act No 538/2005 of the Code on natural balneal waters, natural balneal spa, spa sites and natural mineral waters as amended by later regulations,
14. will respect existing 3rd class road lines,
15. ouside of the build-up territory will respect prospective layout in width of the 3rd class roads in category C 7.5/70 pursuant to Slovak Technical Standard (hereinafter „STN“) 73 6101 Designing of roads and motorways,

16. in the build-up territory will respect prospective layout in width of the 3rd class roads in category MZ 8.5(8.0)/50, or MOK 7.5/40 (functional class B3) pursuant to STN 73 6110 Designing of local roads,
17. ouside of the build-up territory will respect protective zone of the 3rd class roads (120m of the roadway axis to both sides) pursuant to the Act No 135/1961 of the Code on land roads as amended by later regulations,
18. in case of geological works execution on the 3rd class roads and in their protective zones will ask for opinion of the Transport department of the Higher administration unit office of the Kosice self-administrative county and appropriate road administrative body,
19. in case of technical works execution in zones of water resources protection will ask Podtatranska vodarenska prevadzkova spolocnost,a.s., Poprad for its statement,
20. in case of geological works execution in vicinity of water resources protection – mine adits Stefania and Lydia will ask for the statement of administrator town Gelnica,
21. in case of earth works execution in vicinity of air lines will assure intActness of points of support stability, intactness of an electric line earthing system and will meet safety distances pursuant to STN in force,
22. will meet protective zone from installations of electrical system pursuant to § 36 of the Act No 656/2004 of the Code on energetics and on amendment of some Acts as amended by later regulations,
23. before starting technical works execution will ask pertinent operator of Slovak Telecom, a.s., Bratislava for demarcation of telecommunication installations,
24. will announce termination of technical works to Slovak Telecom, a.s., Bratislava at least 5 days before backfilling,
25. in case of requirement of increase or decrease of telecommunication cables cover during the building wil ask the consent of appropriate net administrator,
26. in geological works execution wil not place any machineries in distance approx 50 m from television operational installations Slovinky, Zakarovce and Slovinky 1, that could interfere with their reliability and coverage of neighbouring municipalities by television signal,
27. will respect to electrical connection to SITU 175 KO, 958 KO, 203 KO, 362 KO Orange Slovensko a.s.,
28. before starting of technical works execution will ask for demarcation of gas pipes and gas installations under administration of SPP- distribucia, a.s.,
29. in geological works execution will meet pertinent STN, Technical rules of gas and protective zones of gas installations pursuant to § 56 and § 57 of the Act No 656/2004 of the Code on energetics and on amendment of some Acts as amended by later regulations,
30. in case of technical works execution in the mining area Slovinky will ask Rudne bane, s.p., Banska Bystrica for the opinion.

3. Time-limit of the exploration area

The exploration area is established for **four years.**

4. Settlement for the exploration area

The exploration area holder is obliged to pay settlement for the established exploration area pursuant to § 26 paragraphs 1 and 2 of the Geological Act of 99.58 € for each started year and each started km^2 (99.58 € x 63 km^2) i.e. in amount 6,273.54 € (in words: six thousand, two hundred and seventy-three Euro and fifty-four Eurocents) yearly within three months after beginning of each year taking into account the day of the decision on the exploration area extablishment enterig into force to the deposit account of the Ministry in

State Treasury, account No 70000761118180, variable symbol 497916705. Together with settlement for the exploration area, holder of the exploration area will despatch to the address of Ministry, Department of Finance, an announcement – notice on payment. Pursuant to § 26 paragraph 4 of the Geological Act 50 % of the settlement represents income of the Environmental Fund and 50 % represents income of municipalities in areas of which the exploration area is situated.(Pursuant to the Act No 44/1988 of the Code as amended by the Act No 219/2007 of the Code this ratio is 20: 80 – annotation by Zelman.) Pursuant to § 26 paragraph 5 of the Geological Act, Ministry will remit part of the settlement to municipality within 30 days from receiving the settlement, so as it is given in item 1.

Ministry pursuant to § 26 paragraph 5 of the Geological Act will remit the settlement to municipality if its claim is at lest 16.59 €. The sum smaller than 16.59 € represents income of the Environmental fund.

Substantiation

Decision on the exploration area establishment is issued on the basis of proposal of the exploration area holder in matter of the exploration area establishment.

Conditions of geological works execution are established on the basis of statements of bodies, interests of which are protected by special regulations (they are part and parcel of the file material) and were subject of hearing in oral negotiation for the exploration area establishment in Bratislava on 24th February 2010.

The exploration area holder fulfilled all conditions established by the Geological Act for the exploration area establishment, for this reason Ministry decided so as it is given in the dictum part of this decision.

Instruction

It is possible to file an appeal against this decision to Ministry pursuant to § 61 of the Administration Code within fifteen days from the day of delivery. This decision can be revised by a court only after taking ordinary legal remedies

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RNDr. Erika Benakova
Director of the Department

Administration fee in sum of 33 € (in words: thirty-three Euro) was settled at the proposal for the exploration area establishment filing on 18th November 2009.

Decision will be delivered to:
DOM STEINER s.r.o., Nova 132/14, 058 01 Ganovce - Filice

MINISTRY OF ENVIRONMENT
OF THE SLOVAK REPUBLIC
35 BRATISLAVA, LUDOVIT STUR`S SQUARE
Department of Geological Law and Contractual Relations

This decision acquired
validity on May 10th 2010 *812*
Bratislava on May 10th 2010
Clerk - illegible signature

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Bratislava on May 3rd 2010
File number 2254/2010-9.3
Number 25769/2010

DECISION

On the Exploration Area Modification

The Ministry of Environment of the Slovak Republic, Department of Geological Law and Contractual Relations (hereinafter "Ministry") pursuant to § 22, § 23 and § 36 paragraph 1 letter (h) of the Act No 569/2007 of the Code on Geological Works (Geological Act) as amended by Act No 515/2008 of the Code, by which there are amended some Acts in the field of environmental protection in connection with the introduction of the Euro currency in the Slovak Republic, § 46 and § 47 of the Act No 71/1967 of the Code on Administrative Procedure (Administrative Code) as amended by later regulations has decided on.

Modification No.1 (decrease of area)

of the exploration area: **Slovinky - Au, Ag, Pb, Zn, Sb ores**
(hereinafter "exploration area")

for execution of geological works at the level of: prospecting and geological exploration of deposits.

for: **DOM STEINER s.r.o**
Nova 132/14
058 01 Ganovce – Filice (hereinafter "exploration area holder")

Identification number of organization: 35 730 641
Created by Decision of Ministry under the number 10420/2010 dated February 14th, 2010, This Decison acquired validity on March 8th, 2010.

3. Basic data on the exploration area

Name and code of the county:	Kosice	8
Name and code of the district:	Gelnica	801

Spiska Nova Ves 810

The exploration area has an established surface area of 6.38 sq. km and is situated in the following cadastral municipal divisions.

Serial number	Identification number of municipality	Name of municipality identification number of municipality organization	Identification numbers of cadastral areas	Names of cadastral areas	Relative shares		
					in %	Village in €	Environmental Fund in €
1	526509	Gelnica 00329061	814741	Gelnica	52.04	181,38 €	181,38 €
2	543535	Slovinky 00329330	856665	Nizne Slovinky	47,96	167,15 €	167,15 €
			856681	Vysne Slovinky			

Marking and co-ordinates of apical points of the exploration area

Points	X	Y
1	1 221 995.00	294 888.00
2	1 221 172.00	290 593.00
3	1 222 029.00	288 475.00
4	1 221 690.00	287 660.00
5	1 222 600.00	287 000.00
6	1 223 000.00	286 564.13
7	1 223 000.00	287 000.00
8	1 224 500.00	287 000.00
9	1 222 775.00	288 395.00
10	1 222 687.00	288 603.00
11	1 222 000.00	290 200.00
12	1 222 133.00	293 093.00
13	1 222 392.00	294 829 00

Map annex (scale 1: 50 000) in which the exploration area is depicted is an annex of this Decision and forms part and parcel thereof.

2. Settlement for the exploration area

The exploration area holder is obliged to pay settlement for the established exploration area pursuant to § 26 paragraphs 1 and 2 of the Geological Act of 99.58 € for each started year and each started km^2 (99.58 € x 63 km^2) i.e. in amount 697.06 € (in words: six hudered and ninetyseven Euro and six Eurocents) yearly within three months after beginning of each year taking into account the day of the decision on the exploration area establishment entering into force to the deposit account of the Ministry in State Treasury, account No 70000761118180, variable symbol 497916705. Together with settlement for the exploration

area, holder of the exploration area will dispatch to the address of the Ministry, Department of Finance, an announcement – notice of payment. Pursuant to § 26 paragraph 4 of the Geological Act 50 % of the settlement represents income for the Environmental Fund and 50 % represents income for municipalities in areas of which the exploration area is situated. Pursuant to the Act No 44/1988 of the Code as amended by the Act No 219/2007 of the Code this ratio is 20: 80 – annotation by Zelman.) Pursuant to § 26 paragraph 5 of the Geological Act, the Ministry will remit part of the settlement to municipalit(y)ies within 30 days from receiving the settlement, so as it is given in item 1.

The other articles of the decision concerning the exploration area establishment were approved by the Ministry under number 10420/2010 dated February 24th, 2010, and which acquired validity on March 8th, 2010 remain unaltered.

This amended decision is part and parcel of the Decision concerning creation of the exploration area under number 10420/2010 dated in February 24th, 2010, and which acquired validity on March 8th,2010.

Substantiation

This Decision concerning modification of the exploration area is issued on the basis of a proposal of the exploration area holder in a letter dated April 30th, 2010.

The exploration area holder fulfilled all conditions established by the Geological Act for the modifiocation of the exploration area, and for this reason the Ministry decided so as it is given in the dictum part of this decision.

Instruction

It is possible to file an appeal agaist this decision with the Ministry pursuant to § 61 of the Administration code within fifteen days from the day of delivery. This decision can be revised by a court only after applying all ordinary legal remedies.

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RNDr. Erika Benakova
Director of the Department

An administration fee in sum of 26,50 € (in words: twentysix Euro and fifty eurocents) was settled at the same time as the proposal for changing of the exploration area was filed on April 30th 2010.

Decision will be delivered to:
DOM STEINER s.r.o., Nova 132/14, 058 01 Ganovce - Filice

MINISTRY OF ENVIRONMENT
OF THE SLOVAK REPUBLIC
812 35 BRATISLAVA, LUDOVIT STUR`S SQUARE
Department of Geological Law and Contractual Relations

This decision acquired
validity on 18. June 2010
Bratislava on 18 June 2010
Clerk - illegible signature

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Bratislava on 03 June 2010
File number 6135/2010-93
Number 33724/2010

Decison

On the Exploration Area Establishment

The Ministry of Environment of the Slovak Republic, Department of Geological Law and Contractual Relations (hereinafter "Ministry") pursuant to § 22, § 23 and § 36 paragraph 1 letter (h) of the Act No 569/2007 of the Code on Geological Works (Geological Act) as amended by Act No 515/2008 of the Code, by which there are amended some Acts in field of environment protection in connection with the introduction of the Euro currency in the Slovak Republic, § 46 and § 47 of the Act No 71/1967 of the Code on administrative procedure (Administrative Code) as amended by later regulations has decided on.

Establishment

of the exploration area: **Gelnica -** mineral ores from which metals can be obtained by industrial processes (hereinafter "exploration area")

for execution of geological works at the level of: prospecting and geological exploration of deposits

for: **DOM STEINER s.r.o**
Nova 132/14
058 01 Ganovce – Filice (hereinafter "exploration area holder").

Identification number of organization: 35 730 641.

The exploration area holder is pursuant to § 4 paragraph 1 letter (a) of the Geological Act authorized to execute geological works.

1. **Basic data on the exploration area**

Name and code of the county:	Kosice	8
Name and code of the district:	Gelnica	801

Spiska Nova Ves 810

The exploration area has the established acreage of 56.04 sq.km and is situated in following cadastral areas and municipalities:

Serial number	Identification number of municipality	Name of municipality identification number of municipality organization	Identification numbers of cadastral areas	Names of cadastral areas	Relative shares		
					in %	Village in €	Environmental Fund in €
1	526509	Gelnica 00329061	814741	Gelnica	14.22	403.57 €	403.57 €
2	526541	Helcmanovce 00329100	816001	Helcmanovce	11.26	319.56 €	319.56 €
3	543365	Mnisek nad Hnilcom 00329380	837890	Mnisek nad Hnilcom	0.84	23.84 €	23.84 €
4	543497	Prakovce 00329517	84920	Prakovce	4.80	136.22 €	136.22 €
5	543659	Svedlar 00329681	862401	Svedlar	0.38	00.00 €	21.56 €
6	526649	Zakarovce 00329801	873942	Zakarovce	3.59	101.89 €	101.89 €
7	543268	Krompachy 003239282	829307	Krompachy	7.51	213.14 €	213.14 €
8	543535	Slovinky 00329330	856665	Nizne Slovinky	56.45	1 629.03 €	1 629.03 €
			856681	Vysne Slovinky			

Marking and co-ordinates of apical points of the exploration area

Points	X	Y
1	1 217 870.00	291 900.00
2	1 219 880.00	289 000.00
3	1 220 480.00	289 000.00
4	1 220 480.00	286 000.00
5	1 223 000.00	286 000.00
6	1 223 000.00	286 564.13
7	1 222 600.00	287 000.00
8	1 221 690.00	287 660.00
9	1 222 029.00	288 475.00
10	1 221 172.00	290 593.00
11	1 221 995.00	294 829.00
12	1 222 392.00	294 829.00
13	1 222 133.00	293 093.00
14	1 222 000.00	290 200.00
15	1 222 687.00	288 603.00
16	1 222 775.00	288 395.00
17	1 224 500.00	287 000.00

18	1 225 480.00	288 000.00
19	1 225 050.00	293 560.00
20	1 223 780.00	293 520.00
21	1 225 420.00	299 350.00
22	1 223 950.00	300 278.00

Map annex (scale 1: 50 000) in which the exploration area is depicted in an annex of this Decision and forms part and parcel thereof.

2. Conditions Applicable to Geological works Execution

Holder of the exploration area:

31. will execute geological works in conformity with the design of geological project elaborated pursuant to the Geological Act,
32. will create a final report pursuant to § 18 paragraph 2 of the Geological Act and will submit the final report with the exclusive deposit reserves calculation to the Ministry for judgement and approval,pursuant to § 25 paragraph 1 of the Geological Act exploration area holder will submit to the Ministry the annual report on exploration activity giving results of selected geological works and documents on expended financial funds for in conformity with § 16 of the Geological Act the exploration area holder geological exploration within six weeks after the calendar year elapse,
33. entering lands he will proceed pursuant to§ 29 of the Geological Act,
34. pursuant to § 22 paragraph 5 of the Geological Act in the first year of the decision on the exploration area the exploration area holder will expend at least 10 % of the total funds allocated for the total of the geological works.
35. will upon execution of the geological works follow No. 543/2002 of the Geological Act according to nature and country environmental protectionregulations as amended.
7. will not execute geological works in protected area of small acreage – National Natural Reserve Cervene skaly (Red rocks), neither in Territory of European Significance SKUEV0287,
8. prior to technical works execution in proposed Protected Birds`Area SKUEV0287 Volovske vrchy will ask the State Protection of the Nature of the Slovak Republic Administration of the National Park Slovensky raj for consent and approval,
9. the technical works execution will minimize interference into the nature and landscape,
10. will assure possibility of supervision of the State Protection of the Nature of the Slovak Republic Administration of the National Park Slovensky raj workers at technical works execution during the whole geological exploration,
11. in case of technical works execution in zones of water-supply resources will ask appropriate body of the state water administration for consent,
12. will meet general rules of waters protection pursuant to the Act No 564/2004 of the Code on waters and on amendment of the Slovak National Council Act No 372/1990 of the Code on violations as amended by later regulations (Water Act),
13. will in case of any technical works execution consider the existance of drinking water-supply resources,the importance tof protecting existing drinking water-supply resources for individual need of inhabitants and companies and general protection of underground or surface water.

14. will in case of any dangerous material usage respect § 39 paragraph the Act No.364/2004 of the Code on waters and on amendment of the Slovak National Council Act No 372/1990 of the Code on violations as amended by later regulations (Water Act) and Act No.100/2005 of Ministry regulation by which circumstances of handeling dangerous materials, accidents planning and the solution by the water damage are assigned,
15. will in case of geological works execution in agricultural area pursuant to Act No 220/2004 of the Code on protection and usage of agricultural area and on amendment of Act No.245/2003 on integrated prevention and control of environment pollution as amended by later regulations,
16. will meet principles of forest land protection and in case of interference into the forest soil fund will proceede pursuant to the Act No 326/1990 of the Code on forests as amended by later regulations,
17. will respect the Act No 49/2002 of the Code on the Monumental Fund Protection as amended by later regulations,
18. will fulfil announcing duty pursuant to § 4 of the Act No 538/2005 of the Code on natural mineral waters, natural mineral water spas, spa sites and natural mineral waters as amended by later regulations,
19. will respect the Act No 49/2002 of the Code on the monumental fund protection as amended by later regulations, will respect the Act No 49/2002 of the Code on the monumental fund protection as amended by later regulations,
20. will respect existing 3rd class road lines,
21. ouside of the build-up territory will respect prospective layout in width of the 3rd class roads in category C 7.5/70 pursuant to Slovak Technical Standard (hereinafter "STN") 73 6101 design of roads and motorways,
22. in the build-up territory will respect prospective layout in width of the 3rd class roads in category MZ 8.5(8.0)/50, or MOK 7.5/40 (functional class B3) pursuant to STN 73 6110 Designing of local roads,
23. ouside of the build-up territory will respect protective zone of the 3rd class roads (20 m of the roadway axis to both sides) pursuant to the Act No 135/1961 of the Code on land roads as amended by later regulations and Regulation No 35/1984 Road Act on violations as amended by later regulations
24. in case of geological works execution on the 3rd class roads and in their protective zones will ask for opinion of the Transport Department of the Higher Administration Unit Office of the Kosice self-administrative county and appropriate road administrative body,
25. in case of technical works execution in zones of water resources protection the exploration area holder will ask Podtatranska Vodarenska Prevadzkova Spolocnost,a.s., Poprad for its statement,
26. in case of earth works execution in vicinity of air lines will assure intactness of points of support stability, intactness of an electric line earthing system and will meet safety distances pursuant to STN in force,
27. will meet protective zone from installations of electrical system pursuant to § 36 of the Act No 656/2004 of the Code on energetics and on amendment of some Acts as amended by later regulations,
28. before starting technical works execution will ask pertinent operator of Slovak Telecom, a.s., Bratislava for demarcation of telecommunication installations,
29. will announce termination of technical works to Slovak Telecom, a.s., Bratislava at least 5 days before backfilling,
30. in case of requirement of increase or decrease of telecommunication cables cover during the building will ask the consent of appropriate net administrator,

31. the geological works execution will not place any machinery within a distance of approximately 50 m of television operational installations located in Slovinky, Zakarovce and Gelnica 1, that could interfere with their reliability and coverage of neighbouring municipalities by television signal,
32. will respect to electrical connection to SITU 175 KO, 958 KO, 203 KO, 362 KO Orange Slovensko a.s.,
33. before starting of technical works execution will ask for demarcation of gas pipes and gas installations under administration of SPP- distribucia, a.s.,
34. in geological works execution will meet pertinent STN, Technical rules of gas and protective zones of gas installations pursuant to § 56 and § 57 of the Act No 656/2004 of the Code on energetics and on amendment of some Acts as amended by later regulations,

3. Time-limit of the exploration area

The exploration area is established for **four years.**

4. Settlement for the exploration area

The exploration area holder is obliged to pay settlement for the established exploration area pursuant to § 26 paragraphs 1 and 2 of the Geological Act of 99.58 € for each started year and each started km^2 (99.58 € x 63 km^2) i.e. in amount 5,676.06 € (in words: five thousand, six hundred and seventy-six Euro and fifty-eight Eurocents) yearly within three months after beginning of each year taking into account the day of the Decision on the exploration area extablishment enterig into force to the deposit account of the Ministry in State Treasury, account No 70000761118180, variable symbol 497916713. Together with settlement for the exploration area, the holder of the exploration area will dispatch to the address of the Ministry, Department of Finance, an announcement – notice of payment. Pursuant to § 26 paragraph 4 of the Geological Act 50 % of the settlement represents income of the Environmental Fund and 50 % represents income of municipalities in areas of which the exploration area is situated.(Pursuant to the Act No 44/1988 of the Code as amended by the Act No 219/2007 of the Code this ratio is 20: 80 – annotation by Zelman.) Pursuant to § 26 paragraph 5 of the Geological Act, the Ministry will remit part of the settlement to municipality within 30 days from receiving the settlement, so as it is given in item 1. The Ministry pursuant to § 26 paragraph 5 of the Geological Act will remit the settlement to municipality, if its claim is at least 16.59 €. The sum smaller than 16.59 € represents income for the Environmental Fund.

Substantiation

The Decision on the exploration area establishment is issued on the basis of a proposal of the exploration area holder in matter of the exploration area establishment.

Conditions of geological works execution are established on the basis of statements of interested organizations of which are protected by special regulations (they are part and parcel of the file material) and were subject of hearing in oral negotiation for the exploration area establishment in Bratislava on 3rd June 2010.

The exploration area holder fulfilled all conditions established by the Geological Act for the exploration area establishment, and for this reason the Ministry decided so as it is given in the dictum part of this decision.

Instruction

It is possible to file an appeal against this decision with the Ministry pursuant to § 61 of the Administration Code within fifteen days from the day of delivery. This decision can be revised by a court only after applying ordinary legal remedies

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RNDr. Erika Benakova
Director of the Department

Administration fee in sum of 33 € (in words: thirty-three Euro) was settled at the same time as the proposal for the exploration area establishment filing on 11th May 2010.

Decision will be delivered to:
DOM STEINER s.r.o., Nova 132/14, 058 01 Ganovce - Filice

24.1. APPENDIX 2: GOVERNMENT ROYALTY & CONDITIONS

50/2002 of the Code
DECREE OF THE GOVERNMENT

of the Slovak Republic

of 23 January 2002

on settlement for the mining area, mined minerals and storing of gases or liquids

Amendment:618/2007 of the Code with effectiveness since1st January 2008

The government of the Slovak Republic pursuant to § 32a paragraph 14 of the act No 44/1988 of the Code on protection and exploitation of mineral wealth (Mining act) as amended by the Slovak National Council act No. 498/1991 of the Code and the act No 558/2001 of the Code enacts:

§ 1
Settlement calculation for the mining area

(1) Settlement calculation for the mining area for each calendar year is calculated as a produkt of settlement rate and areal volume of the mining area expressed in km^2 rounded up to whole number.
(2) Settlement calculation for the mining area is done for every mining area singly in settlement declaration for the mining area according to Apendix 1. If a mining area is situated in territories of several municipalities, an organization is obliged in settlement declaration for the mining area to give percentage share of the mining area territory falling to individual municipalities.

§ 2
Settlement payment for the mining area

Settlement payment for the mining area calculated pursuant to § 1 is paid to special account of the State budget kept by the Distrikt Mining Autority in sphere of action of which 1) the mining area is situated. The District Mining Autority will divide 80 % of the settlement for the mining area among municipalities according to the size of parts of the mining area in their territories.

§ 3
Settlement calculation for mined minerals

(1) Settlement calculation for mined minerals is quarterly calculated as product of quotient of costs for minerals mining to total costs of products manufactured from mined minerals, sales reached for sold products manufactured from mined minerals and rate of settlement. Rate of settlement for mined minerals according to the kind of minerál is given in Apendix 2.
(2) Costs for minerals mining consist of costs (direct and indirect costs) 2) expended in pertinent quarter for the developoment, preparation and mining of the exclusive deposit including the mined mineral transport up to the site where mined mineral enters into the process of its dressing, refinement and further processing into products, as well as costs for the establishment, assurance and liquidation of mine workings and quarries and for the establishment and operation of dumps, stockpiles and setting pits required for the development, preparation and mining of the exclusive deposit. 3)
(3) Total costs for manufacturing of products from mined minerals consist of costs for mining of minerals (paragraph 2) and further costs expended for dressing and refinement of mined minerals 4) and their further processing into products up to selling of these products.

(4) If organization executes dressing and processing of mineral mined from the mining area into products and together with mined mineral executes dressing and procesing also of the same kind of mineral gained as goods from another supplier , the organization have to in Apendix 1
a) into the costs calculation according to individual items included into total costs for dressing and manufacturing of products from mined minerals, encompass only items for manufacturing of products from mined minerals without costs for dressing and processing of the mineral bought from another supplier,
b) into specification of sales according to kinds of sold products and products used for its own need, give only sales for products manufactured from a mineral mined from the nining area without sales for products manufactured from bought mineral.
(5) For purpose given in paragraph 4 an organization is obliged to keep required registration.
(6) If mined mineral, without its dressing and refinement and further processing is sold as product, costs for mining are identical with total costs for manufactoring of products from mined minerals.
(7) Into sales for products manufactured from mined minerals in pertinent quarter there are included sales gained for sold products, as well as assumed sales for products used for its own need, namely in the amount as if these products were sold.
(8) Settlement calculation for mined minerals is done in the declaration of settlement for mined minerals according to Annex 3. Assumed sales for products used for its own need are evaluated by amount of the price of product sold in pertinent quarter.
(9) Part of settlement calculation for the 4^{th} quarter represents also clearance of settlements for the calendar year.

§ 4
Payment of settlement for mined minerals

Settlement for mined minerals calculated pursuant to § 3 is paid to special account of the State budget kept by the District Mining Autority in sphere of action of which 1) the mining area established for mining of minerals for which the settlement is paid, is situated.

§ 5
Calculation of settlement for gases or liquids storing

(1) Settlement for gases or liquids storing is calculated as produkt of stored (injected) volume of gas in m^3 or liquid in tons in pertinent quarter and rate of settlement pursuant to paragraph 2.
(2) Rate of settlement for 1 000 m^3 of gas or 1 000 t of liquid is 0.50 €. (Up to 0.66 € pursuant to the act No 44/1988 of the Code as amended by the act No 219/2007 of the Code – annotation by Zelman.)
(3) Settlement calculation for gases or liquids storing is done in the declaration of settlement for gases or liquids storing acording to Annex 4.
(4) Settlement pursuant to paragraph 1 is not paid for stored gas required for the storage safe operation.

§ 6
Payment of settlement for gases or liquids storing

Settlement for gases or liquids storing calculated pursuant to § 5 is paid to special account of the State budget kept by the District Mining Autority in sphere of action of which 1) this storing is realized.

§ 7
Settlement accounts keeping

Background documents for keeping of special accounts pursuant to § 2, 4 and 6 are declarations of settlements (§ 1 paragraph 2, § 3 paragraph 6 and § 5 paragraph 3), documents on payment of settlement, on reduction of settlement, on permission of the settlement payment delay and payment of pertinent interests and documents on imposing and payment of penalty for overdue payment of the settlement.

§ 8
Temporary provision

The settlement rates given in Annex 2 in letters b) and e) are in force for calendar year 2002; rates for calendar year 2003 are 1 % and for calendar year 2004 and further years are 0.1 %.

§ 9
Abrogating provision

There is abrogated Decree of the government of the Slovak Republic No 155/1994 of the Code on settlement for the mining area and settlement for mined minerals.

§ 10
Effectiveness

This decree comes into effectiveness on 15th February 2002.

Mikuláš Dzurinda by his own hand

Settlement calculation for mined mineral:

A : B x C x (D:100)

A – Costs for mining of mineral

B – Totlal costs for manufacturing of product

C – Sales reached for selling of product

D – Rate of settlement in %