

Casablanca Mining Ltd.
Form 10-K
April 18, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2010

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the transition period from _____ to _____.

Commission File Number: 000-53558

CASABLANCA MINING LTD.
(Exact name of Registrant as Specified in its Charter)

Nevada
(State or other jurisdiction of incorporation or
organization)

80-0214005
(I.R.S. Employer Identification No.)

9880 North Magnolia, Suite 176,
Santee, CA 92071
(Address of principal Executive Offices, including ZIP code)

619-717-8047
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:
Title of Each Class Name of each exchange on which registered
None None

Securities registered pursuant to Section 12(g) of the Act:
Common stock, \$0.001 par value

Indicate by check mark if the registrant is a well known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer
Non-accelerated Filer Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed fiscal quarter. \$10,221,510

On April 13, 2011, the Registrant had 52,053,878 outstanding shares of Common Stock, \$.001 par value.

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Introductory Comment

Throughout this Annual Report on Form 10-K, the terms “we,” “us,” “our” and the “Company” refer to Casablanca Mining Ltd., a Nevada corporation, formerly known as USD Energy Corp., and, unless the context indicates otherwise, also include our subsidiary, Santa Teresa Minerals, S.A., a limited liability company organized under the laws of Chile (“Santa Teresa Minerals”).

“Safe Harbor” Statement

From time to time, we make oral and written statements that may constitute “forward-looking statements” (rather than historical facts) as defined by the Securities and Exchange Commission (the “SEC”) in its rules, regulations and releases, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

All statements in this Annual Report, including under the captions “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” other than statements of historical fact, are forward-looking statements for purposes of these provisions, including statements of our current views with respect to our business strategy, business plan and research and development activities, our future financial results, and other future events. These statements include forward-looking statements both with respect to us, specifically, and the mining industry, in general. In some cases, forward-looking statements can be identified by the use of terminology such as “may,” “will,” “expects,” “plans,” “anticipates,” “estimates,” “potential” or “could” or the negative thereof or other terminology. Although we believe that the expectations reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations or any of the forward-looking statements will prove to be correct, and actual results could differ materially from those projected or assumed in the forward-looking statements.

All forward-looking statements involve inherent risks and uncertainties, and there are or will be important factors that could cause actual results to differ materially from those indicated in these statements. Such risk factors include, among others: whether the Company can successfully execute its operating plan, including mining and exploration projects; results of exploration, project development and capital costs of mineral properties; volatility of market prices for gold, copper and copper sulfate; the Company’s ability to integrate acquired companies and technology; the Company’s ability to retain key employees; general market conditions; and other factors discussed under the captions “Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” all of which you should review carefully. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we anticipate. Please consider our forward-looking statements in light of those risks as you read this Annual Report. Furthermore, any estimates of mineralized material are based upon estimates made by us and our consultants. Until mineralized material is actually mined and processed, it must be considered an estimate only. Actual results may differ materially from those contained in the forward-looking statements in this press release. The Company does not undertake any obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Item 1 BUSINESS

History

The Company was incorporated in Nevada on June 27, 2008 as “USD Energy Corp.” Our historical plan of operations was to engage in the business of natural gas and oil production, with an emphasis on providing enhanced methods for redeveloping low risk developmental oil and gas wells. Until December 31, 2010, we had nominal cash and other assets and nominal operations, which made us a “shell” corporation as defined under the Securities Exchange Act of 1934, as amended.

On December 31, 2010, USD Energy Corp. acquired Santa Teresa Minerals pursuant to that certain Exchange Agreement (the “Exchange Agreement”), dated December 7, 2010, among the Company, Santa Teresa Minerals, and the stockholders of Santa Teresa Minerals (collectively, the “Santa Teresa Stockholders”). Santa Teresa Minerals was formed on July 27, 2008 as a limited liability company organized under the laws of Chile. Under the Exchange Agreement, we acquired all of the outstanding securities of Santa Teresa Minerals in exchange for 25,500,000 shares of our common stock and a convertible promissory note in the principal amount of \$1,087,000. We accounted for this acquisition as a purchase. As a result of this acquisition (the “Santa Teresa Acquisition”), we ceased to be a “shell” corporation and modified our plan of operations to engage in the current business of Santa Teresa Minerals. On February 4, 2011, we amended our Articles of Incorporation to change our name from “USD Energy Corp.” to “Casablanca Mining Ltd.”

Mining Operations

Historical Development. We engage, through our wholly owned subsidiary, Santa Teresa Minerals, in the acquisition, exploration, development and operation of precious metal properties in Chile, South America.

Santa Teresa Minerals directly owns several mining properties in the “Casuto Project,” a gold exploration project, and also operates through a number of subsidiaries with gold, copper and copper sulfate properties in various stages of development. These subsidiaries include entities with other mining claims in the Casuto Project (Cia Contractual Casuto, Sociedad Legal Minera 5, Sociedad Legal Minera 6, and Sociedad Contractual Minera Los Azules), a producing gold mine (Sociedad Contractual Free Gold), and a copper sulfate production project (Sulfatos Chile, S.A.). These gold and copper mining operations are based in Quilpue, Illapel and Los Vilos, Chile. In addition, Santa Teresa Minerals owns 60% of a company with the rights to a proprietary and patent-pending electrolysis mining technology.

In November 2008, Santa Teresa Minerals and Mario Oscar Comas San Martin, Alfredo Rovaldo Manfredi Aguirre and Carlos Manuel Ugarte Lamarid formed the mining legal society, “Compania Minera Casuto,” (also known as “Cia Contractual Casuto”) to which they contributed the mining properties, Tauro Uno 1-20, Tauro Dos 1-20, Tauro Tres, 1-20 and Tauro Quatro, 1-20 of the “Casuto Project,” a gold exploration project. Santa Teresa Minerals owned 55.125% of the equity interests of Cia Contractual Casuto at December 31, 2010.

In August 2009, Santa Teresa Minerals formed the mining society, “Legal Minera Tauro Cinco” (also known as “Sociedad Legal Minera 5”) to which was contributed the gold exploration properties, Tauro Cinco 1-20 of the Casuto Project. Santa Teresa Minerals owned a 70% equity share in Sociedad Legal Minera 5 at December 31, 2010.

In August 2009, Santa Teresa Minerals formed the mining society, “Legal Minera Tauro Seis” (also known as “Sociedad Legal Minera 6”) to which was contributed the gold exploration properties, Tauro Seis 1-20 of the Casuto Project. Santa Teresa Minerals owned a 70% equity share in Sociedad Legal Minera 6 at December 31, 2010. In August 2009, Santa Teresa Minerals formed the mining legal society, “Compania Minera Los Azules,” (also known as

“Sociedad Contractual Minera Los Azules”) to which was contributed the mining properties, “Los Azules Uno 1-20”, “Los Azules Dos 1-20” and “Los Azules Tres 1-20” of the Casuto Project. Santa Teresa Minerals owned a 55.125% equity share in Sociedad Contractual Minera Los Azules at December 31, 2010. In March 2010, Santa Teresa Minerals established mining exploration claims Chipi 1-16 of the Casuto Project by successfully completing mining exploration petitions in the Los Vilos, Chile Discovery of Mine Registry. Santa Teresa Minerals owns 100% of these claims.

In August 2010, the “Contract Mining Company - Free Gold” (also known as “Sociedad Contractual Free Gold”) was formed as a joint venture between Santa Teresa Minerals and Mario Oscar Comas San Martin. Santa Teresa Minerals contributed cash and mining properties owned by Santa Teresa Minerals identified in the Mine Registry of Quilpue, Chile as “Los Esteros 1-1-20,” “Los Esteros Dos-1-20,” “Los Esteros 2-1-20,” “Los Esteros 4-1-20,” “Los Esteros 5-1-20,” and Mario Oscar Comas San Martin contributed cash and mining properties identified in the Mining Registry of Quilpue, Chile as “Tauro 1-1-20,” “Tauro 2-1-13,” and Tauro 3-1-20.” Santa Teresa Minerals owned a 60% equity interest in Free Gold at December 31, 2010.

On September 15, 2010, Santa Teresa Minerals and Minera Anica Ltda. formed the Chilean corporation, “Sulfatos Chile, S.A.” Minera Anica contributed the Anico Copper Mine and intellectual property for the production of copper sulfate and its derivatives. Santa Teresa Minerals contributed cash and intends to provide the further financing necessary to put a copper sulfate production facility into production. Santa Teresa Minerals owned a 60% equity interest in Sulfatos Chile at December 31, 2010.

On October 21, 2010, Santa Teresa Minerals and LAC Ingenieria y Construcciones, Ltda. formed the Chilean corporation, “Fast Cooper, S.A.” Santa Teresa Minerals contributed cash and agreed to provide an undetermined amount of financing for Fast Cooper, and LAC Ingenieria y Construcciones, Ltda. contributed the intellectual property for its proprietary electro-mining process. Santa Teresa Minerals owned a 60% equity interest in Fast Cooper at December 31, 2010.

On February 2, 2011, Santa Teresa Minerals, signed a Business Purchase Agreement with Mario Oscar Comas San Martin (the “Business Purchase Agreement”) to increase its equity ownership in five of its Chilean gold mining subsidiaries. The increased ownership stakes have been recorded with the local Chilean mining authorities. The transactions contemplated by the Business Purchase Agreement were completed upon recording of this agreement by the Chilean mining authorities. The increased stakes are being paid for in a combination of 20,000 shares of our common stock and \$200,000 cash paid in five equal monthly installments of \$40,000 each, starting February 4, 2011. Santa Teresa has made three payments under this agreement totaling \$120,000 and two payments totaling \$80,000 remain to be paid.

Pursuant to the Business Purchase Agreement, our equity ownership increased as follows:

Our equity interest in Cia Contractual Casuto, which is the owner of Tauro 1-4 mining properties of the Casuto Project, increased from 55.125% to 65.125%.

Our equity interest in Sociedad Contractual Free Gold, which is the owner of the Free Gold Project, increased from 50% to 99%.

Our equity interest in Sociedad Contractual Minera Los Azules, which is the owner of Los Azules 1-3 mining properties of the Casuto Project, increased from 55.125% to 65.125%.

Our equity interest in Sociedad Legal Minera Tauro 5, which is the owner of Tauro 5 mining property of the Casuto Project, increased from 70% to 85.215%.

Our equity interest in Sociedad Legal Minera Tauro 6, which is the owner of Tauro 6 mining property of the Casuto Project, increased from 70% to 85.215%.

Claims/Mining Properties	Location	Entity	Ownership Interest
Chipi 1 through 16	Casuto Project, Los Vilos	Santa Teresa Minerals (Directly)	100.00%

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Tauro Uno (1), Tauro Dos (2), Tauro Tres (3), Tauro Cuatro (4)	Casuto Project, Los Vilos	Santa Teresa Minerals (Directly)	5.13%
		Cia Contractual Casuto	65.125%
Total Tauro Uno through Tauro Cuatro			70.25%
Tauro Cinco (5)	Casuto Project, Los Vilos	Sociedad Legal Minera Tauro 5	85.215%
Tauro Seis (6)	Casuto Project, Los Vilos	Sociedad Legal Minera Tauro 6	85.215%
Los Azules 1, Los Azules 2, Los Azules 3	Casuto Project, Los Vilos	Sociedad Contractual Minera Los Azules	65.125%
Los Esteros 1, Los Esteros 2, Los Esteros 3, Los Esteros 4, Los Esteros 5	Free Gold Project, Marga Marga, Quilpue	Sociedad Contractual Free Gold	99.00%
Anica Copper Mines	Anico Project, Illapel	Sociedad Sulfatos Chile, S.A.	60.00%

Plan of Operations. Our current plan of operations is to perform further exploration, drilling and mapping on our various properties, as follows:

With respect to the Sociedad Contractual Free Gold, the Company plans to expand the alluvial gold operations at an estimated cost of \$1.97 million within the next eight months, by increasing the existing equipment inventory and expanding the company's alluvial processing plant.

With respect to our properties in the Casuto Project, we intend to conduct further geological assessment studies of the area in order to identify the old river channels and then to plan a campaign of boring and sampling in areas of greater interest. We estimate that we will spend approximately \$1.0 million on this activity in 2011.

With respect to Sulfatos Chile, we intend to construct a copper sulfate production facility that extracts copper sulfate from raw material extracted from the Anica Copper Mine or purchased in bulk at an estimated cost of \$6.2 million. The planning and permits for the facility were commenced on December 15, 2010 and we began construction on March 15, 2011.

On March 15, 2011, Santa Teresa Minerals V signed an Engineering and Construction of an SX-CR Plant Agreement with Francisco Morales Rivera – Ingefibras E.I.R.L. and Nunez, Ojeda Y da Silva Limitada – RCG Ingenieria (together the "Contractor") for Contractor to design and build a Solvent Extraction and Crystallization Plant in the Sulfatos Chile S.A. Anico Project. We will pay for this project in installments after the completion and verification of multiple scheduled milestones through the expected completion date of October 24, 2011. The total project cost per the agreement is estimated to be \$1,150,000 plus taxes.

This Engineering and Construction Agreement requires the Contractor's professionals and employees to carry out all aspects of the project in order to design, engineer, build and deliver a "turnkey", fully operational, solvent extraction (SX) and Crystallization (CR) plant to produce a minimum of 341 tons of feed-grade quality pentahydrated copper sulfate. In the event that a Feed-Grade quality is not obtained, the Contractor has agreed to introduce any modification necessary to the original design at its own expense. We anticipate that the operations will commence when construction is completed on approximately October 24, 2011, and we expect that when fully operational, operations will process up to 5,000 metric tons of raw material processing per month.

We contemplate undertaking additional research and development to build an electro-mining facility, as well as additional exploration and development costs on our properties. We expect to use a readily available outside labor force to explore and develop our properties.

During the next twelve months, the Company plans to satisfy its cash requirements through revenues from operations, existing cash and financing commitments and additional equity financings.

Distribution

Our subsidiary, Sociedad Contractual Free Gold is warehousing the gold it produces at the present time, due to the current trend of increasing gold price. The gold will be sold at a future time, and from time to time, as determined by management.

Employees

We currently have two management level employees who work for the Company on a part-time basis who are not compensated, not including persons employed through Santa Teresa Minerals.

Santa Teresa Minerals employs 24 full time employees.

The Company may require additional employees in the future as it expands its operations. There is intense competition for capable, experienced personnel and there is no assurance the Company will be able to obtain new qualified employees when required.

Patents

Santa Teresa Minerals owns a 60% equity interest in Fast Cooper, S.A. which holds the rights to mining technology that extracts gold, silver and copper from raw mining materials using a proprietary and patented electrolysis method of electromining. Patents are either issued or pending in the following countries: Chile, USA, China, South Africa, Canada, Australia, Brazil, and Peru. The Company owns no other patents or trademarks.

Competition

The exploration for, and the acquisition of gold and other precious metal properties, are subject to intense competition. We compete with major mining companies and other natural mineral resource companies in the acquisition, exploration, financing and development of new prospects. Factors that allow producers to remain competitive in the market over the long term include the quality and size of their ore bodies, costs of operation, and the acquisition and retention of qualified employees. Many of the companies we compete with are larger and better capitalized than we are. There is significant competition for the limited number of gold and precious metal acquisition and exploration opportunities. Due to our limited capital and personnel, we are at a competitive disadvantage compared to many other companies with regard to exploration and, if warranted, development of mining properties. Our present limited funding means that our ability to compete for properties to be explored and developed is limited. Furthermore, the availability of funds for exploration is sometimes limited, and we may find it difficult to compete with larger and more well-known companies for capital. Our inability to develop our mining properties due to lack of funding, even if warranted, could have a material adverse effect on our operation and financial position. We also compete with other mining companies for skilled mining engineers, mine and processing plant operators and mechanics, geologists, geophysicists and other technical personnel. This could result in higher turnover and greater labor costs. We believe that competition for acquiring mineral prospects will continue to be intense in the future.

Government Regulations and Permits

Our mineral exploration activities are subject to extensive foreign laws and regulations governing prospecting, development, production, exports, taxes, labor standards, occupational health, waste disposal, protection and remediation of the environment, protection of endangered and protected species, mine safety, toxic substances and other matters. Mineral exploration is also subject to risks and liabilities associated with pollution of the environment and disposal of waste products occurring as a result of mineral exploration and production. Compliance with these

laws and regulations may impose substantial costs on us and will subject us to significant potential liabilities. Changes in these regulations could require us to expend significant resources to comply with new laws or regulations or changes to current requirements and could have a material adverse effect on our business operations.

Various permits from government bodies are required for mining operations to be conducted; no assurance can be given that such permits will be received. Permits for exploration and development are administered by the Chilean National Geological and Mining Service (SERNAGEOMIN). Environmental compliance is assured via the offices of the National Environmental Committee (CONAMA). Claim titles are recorded at the local Mining Conservator in Copiapo (Conservador de Minas).

We have obtained or have pending applications for those licenses, permits or other authorizations currently required in conducting our exploration and other programs. We believe that we are in compliance in all material respects with applicable mining, health, safety and environmental statutes and the regulations passed there under. There are no current orders or directions relating to us with respect to the foregoing laws and regulations. For a more detailed discussion of the various government laws and regulations applicable to our operations and potential negative effects of these laws and regulations please see Item 7 --“Management’s Discussion and Analysis of Financial Condition and Results of Operations – Factors that May Affect Future Operating Results.”

Environmental Regulation

In connection with mining, production and exploration activities, we are subject to extensive federal, state and local laws and regulations governing the protection of the environment, including laws and regulations relating to protection of air and water quality, hazardous waste management and mine reclamation as well as the protection of endangered or threatened species. Potential areas of environmental consideration for mining companies, including ours include, but are not limited to, acid rock drainage, cyanide containment and handling, contamination of water courses, dust and noise. Such laws and regulations increase the costs of these activities and may prevent or delay the commencement or continuance of a given operation. Specifically, we may be subject to legislation regarding emissions into the environment, water discharges and storage and disposition of hazardous wastes. These laws are continually changing and, in general, are becoming more restrictive. Additionally, we may be subject to liability for pollution or other environmental damages that we may elect not to insure against due to prohibitive premium costs and other reasons.

Chile’s environmental law (Law No 19.300), which regulates all environmental activities in the country, was first published in March 1994. An exploration project or field activity cannot be initiated until its potential impact to the environment is carefully evaluated. This is documented in Article 8 of the environmental law and is referred to as the Sistema de Evaluación de Impacto Ambiental (SEIA).

The SEIA is administered and coordinated on both regional and national levels by the Comisión Regional del Medio Ambiente (COREMA) and the Comisión Nacional del Medio Ambiente (CONAMA), respectively. The initial application is generally made to COREMA, in the corresponding region where the property is located, however in cases where the property might affect various regions the application is made directly to the CONAMA. Various other Chilean government organizations are also involved with the review process, however most documentation is ultimately forwarded to CONAMA, which is the final authority on the environment and is the organization that issues the final environmental permits.

Our policy is to conduct business in a way that safeguards public health and the environment. We believe that our operations are conducted in material compliance with applicable laws and regulations.

Item 1A. RISK FACTORS

Not applicable.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

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Item 2 PROPERTIES

We have an administrative office in San Diego, California, which Director and Chief Financial Officer Trisha Malone provides to us without charge. Santa Teresa Minerals has offices in Santiago, Chile that are leased by our Chief Executive Officer Juan Carlos Camus Villegas and provided to us without charge.

We own, through Santa Teresa Minerals or through subsidiaries of Santa Teresa Minerals, various mining properties described below.

Operating Mine Property

Free Gold Company

Santa Teresa Mineral's majority-owned subsidiary, Sociedad Contractual Free Gold, operates a producing alluvial gold mine in the Marga-Marga wash area of Quilpue, Chile. Alluvial mining refers to mining precious metal deposits found in alluvial deposits, or deposits of sand and gravel in modern or ancient stream beds.

History

The Marga-Marga wash has a history of artisanal alluvial mining since 1542. The area's historical gold production was the subject of Benjamin Vicuña Mackenna's book *The Golden Age of Chile*, that discusses the Marga-Marga area in the second chapter "The Gold in Chile at the Time of Don Pedro de Valdivia" and highlights the discovery of gold mines in Marga-Marga and its "prodigious wealth." The wash is also mentioned in the fifth Chilean Geological Congress in Santiago, 8-12 August 1988, led by the Department of Geology and Geophysics, University of Chile (Volume 1, pgs. 489-502) which in summary translation states:

"Gold-bearing placers of the Marga-Marga stream in the Valparaíso region have always developed in a stretch of water 8 to 10 km upstream from the aforementioned stream (measured from the merging of the Quilpué stream to the East, and the Viña stream to the West). Practically uninterrupted exploitation of the wash has occurred from the time of the Spaniards in 1542, or around 450 years. The news of the remains of a fossil flora gold producing treasure-trove found in the area of Quilpué, motivated the authors to obtain geological information in relation as to the origin of gold present in the stream."

Since January 2011 the project has operated at an average of 2,500 cubic meters of material per month. Since mid January 2011, this type of materials has generated anywhere from 0.6g to 1.0g of gold per cubic meter. At \$1,400 per ounce, this equates to \$39.20 of gold per cubic meter. This gold is being warehoused for sale at a future date. The Company's historical average cost for operations of this project over the last six months is \$19,910. We intend to increase production to 5,000 metric tons of material per month by July 2011 by finalizing water and use permits and increasing daily mining operations with existing equipment. Additional increases in production costs are expected in the coming months to support the increase in production.

Map of Marga-Marga Wash, Quilpue, Chile

The mine is open-pit and consists of 765 hectares on eight claims owned by Sociedad Contractual Free Gold, designated Los Esteros 1 through 5 and Tauro 1-3 in Region V, Quilpue, Chile. Quilpue is serviced by two ports in Valparaiso, a distance of approximately 53 kilometers away via established highways and roads. The property is accessible by access roads from Quilpue to the Marga-Marga creek. We have three trucks, an alluvial plant, a bulldozer and an excavator on site. Well water and electric power are available and in place.

Exploration Properties

Casuto Wash Location

Santa Teresa Minerals directly and indirectly through several majority owned subsidiaries has several mining claims in the Casuto Project, a gold exploration project. The Casuto project is comprised of 6,200 hectares, located 20 kilometers to the north of the city of Los Vilos, IV Region, Province of Choapa, Chile, and its central coordinates are N 6.483.000 and E 268.000 at an average height of 50 meters above sea level.

Access to the project is via access roads off the Pan American highway (Route 5 North) which passes 15 kilometers west of the Casuto Wash area. Well water resources are available on the property and power can be brought from existing power lines about four kilometers away. The area is serviced by two ports; the privately owned Port of Punta Chungo, in the City of Los Vilos, which is the closest, and the privately owned Port of Coquimbo, located about 200 kilometers away in Coquimbo. The area is served by La Florida Airport in Coquimbo. Communication with the area is by cellular telephone only.

Map showing location of Casuto Wash Project

History

The history of the gold deposit dates back to the 1880s, when it was exploited by artisanal miners utilizing shafts, test pits and underground labor, built specifically to recognize the circa, where the most alluvial gold is concentrated. Numerous historical studies have been conducted over the past two centuries, indicating that the site may have significant resources of alluvial material.

It is understood and agreed that each of the parties hereto is responsible for the timely filing of such statement and any amendments thereto, and for the completeness and accuracy of the information concerning such party contained therein, but such party is not responsible for the completeness or accuracy of information concerning the other party unless such party knows or has reason to believe that such information is inaccurate.

It is understood and agreed that a copy of this Agreement shall be attached as an exhibit to the statement on Schedule 13G/A, and any amendments thereto, filed on behalf of each of the parties hereto

DATE: February 14, 2019

RMB Capital Holdings, LLC By: /s/ Walter Clark Name: Walter Clark Title: Manager

**RMB Capital
Management,
LLC**

**Iron
Road
Capital
Partners
LLC**

**RMB
Mendon
Managers,
LLC**

Mendon Capital Advisors Corp

By: /s/ Lisa M. Tamburini

Name: Lisa M. Tamburini

Title: Chief Compliance Officer