

Report February 14, 2009

CUSI SILVER PROJECT

Eugene Schmidt
Vice President of Exploration and Geology
Dia Bras Exploration

Second Semester 2008 Drilling Results Report from Cusi Silver Project

During 2008 14,235 meters of core were drilled at Cusi to further define silver, gold and base metal resources along the Santa Eduwiges, San Antonio, Santa Marina, Santa Rosa "stockwork", Tascate, and Minerva veins for a 43-101 compliant resource estimate. In the last half of the year, Cusi exploration focused on definition drilling and stope development to prepare these available resources for pilot-mining activities.

In the fourth quarter 2008, research into a 1930s vintage database, detailed surface geologic mapping and sampling, and synthesis of Dia Bras' drilling and underground work began and produced four new target types in proximity to existing Dia Bras' workings as well as elsewhere in the most intensely silver mineralized part of the district between the Santa Eduwiges and Promontorio mines. These targets include:

1. Surface silver oxide mineralization above known veins that crop out in the San Antonio pit.
2. The Santa Rosa "chimney" or stockwork body, a bulk tonnage, underground high-grade silver resource that consists of disseminated and veinlet controlled argentite mineralization.
3. Silver mineralization in silicified wall rock in +2 meter envelopes showing 100 to 300 g/t Ag assays around the major quartz veins. This mineralization was previously unrecognized and unassayed.
4. New veins showing previous stoping and mining activity peripheral and perpendicular to the Santa Eduwiges and Promontorio vein systems including the Tascate, Mexicana, San Nicolas, and Minerva veins.

Late in 2008, exploration of these new development targets commenced with discovery drilling to confirm the best of these targets and lay the ground work to increase the Cusi resource in preparation for resumption of pilot mining in the fourth quarter of 2009. During the second half of the year, 3385 meters were drilled. In January, 2009 drilling at Cusi advanced an additional 586 meters from both surface and underground platforms. The results of this work are described below.

Drill Meterage From the 2nd Half 2008

Vein	July	August	Sept.	Oct.	Nov.	Dec.	July-Dec Total
Sta Eduwiges	358	363	336	186	357	123	1723
Promontorio	0	0	0	0	0	20	20
Total Underground	358	363	336	186	357	143	1743
Promontorio	0	0	0	0	0	0	0
San Antonio	0	0	0	0	0	399	399
Sta Eduwiges	487	0	0	0	105	0	592
Sta Marina	420	231	0	0	0	0	651
Minerva	0	0	0	0	0	0	0
Total Surface	907	231	0	0	105	399	1642
Grand total:	1265	594	336	186	462	542	3385

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Meterage shows a significant decline in output after July, 2008 as development drilling of the Santa Eduwiges vein system wound down. The Company's exploration emphasis shifted to underground exploration for new high-grade gold-silver resources to support the Cusi pilot mining.

Cusi drill results from the first and second quarters of 2008 are described in Press Releases numbers 7 and 15 dated April 10 and June 3, 2008. Results from the second semester are described and tabulated by vein below.

Santa Rosa "Stockwork" Zone

In plan view the Santa Rosa "stockwork" zone occupies a 50 x 150 meter area that has been drilled to a depth of 50 meters below the 2000 Level of the Santa Eduwiges mine and continues for an unknown distance to depth. Mineralization consists of a strongly fractured, pervasively silicified and quartz veined zone. Quartz veins and veinlets form a stockwork between the Santa Marina and San Antonio veins at their intersection. An additional two, narrower unnamed veins are present lying semi-parallel to San Antonio within the Santa Rosa zone.

Argentite is the dominant silver mineral in the Santa Rosa "stockwork" zone and is associated with both quartz veinlets and as disseminated blebs and grains within crushed and broken rhyolite host. Silver grades average from 30 to 120 g/t Ag with the highest grade encountered in the quartz veins themselves.

Second Half 2008 Drill Results from the Santa Rosa "Stockwork" Zone

Hole	From	To	Length	Au g/t	Ag g/t	Cu %	Pb %	Zn %	True Width
DC08M054	5.65	9	3.35	0.03	193	0.14	0.22	0.13	2.90
	39.2	42.2	3	0.08	173	0.05	0.18	0.21	2.6
DC08M054B	3.8	4.3	0.5	0.04	115	0.01	0.03	0.06	0.4
	15.65	16.45	0.8	0.06	216	0.06	0.05	0.11	0.7
DC08M055	8.4	13	4.6	0.12	2031	0.14	0.78	0.12	3.97
	15.7	18	2.3	0.04	151	0.08	0.22	0.09	1.99
	19.3	24.85	5.55	0.06	186	0.24	0.22	0.15	4.79
	24.85	25.65	0.8	0.57	4860	0.31	0.81	0.12	0.69
	25.65	26.65	1	0.03	110	0.10	0.08	0.17	0.86
DC08M056	No significant interceptions								
DC08M057	7.50	9.00	1.50	0.055	230	0.095	0.289	0.295	1.26
	15.5	23.7	8.2	0.044	114	661	0.38	0.367	6.92
	23.7	24.6	0.9	0.039	1095	0.336	0.744	0.633	0.76
	40.4	41.4	1	0.065	199	0.0619	0.391	0.277	0.85
	42.4	43.4	1	0.136	261	0.0384	1.84	0.388	0.85
DC08M058	7	8	1	0.087	134	0.0666	0.488	0.475	0.68
	9	10	1	0.081	284	0.142	0.317	0.375	0.68
DC08M059	2	4	2	0.025	160	0.1395	0.181	0.131	1.41
	11.3	12	0.7	0.021	261	0.218	0.329	0.473	0.62
	12	17.8	5.8	0.015	170	0.0765	0.183	0.244	5.16
	36	37	1	0.034	152	0.0478	0.114	0.051	0.89
DC08M060	4	6	2	0.035	147	0.101	0.408	0.148	1.65
	18.1	19.3	1.2	0.021	321	0.115	1.2	0.523	1.11
	20.65	21.55	0.9	0.038	707	0.318	1.15	0.696	0.83
	37.3	39	1.7	0.2	225	0.272	4.42	3.31	1.57
	39	39.8	0.8	0.064	151	0.0304	5.24	0.505	0.74

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Santa Rosa "Stockwork" Zone Results (cond't)

Hole	From	To	Length	Au g/t	Ag g/t	Cu %	Pb %	Zn %	True Width
DC08M061	15.00	16.50	1.50	NA	116	0.002	0.155	0.17	1.29
	20.4	21.6	1.2	NA	347	NA	0.22	0.203	1.03
	29.5	30.5	1	NA	106	NA	0.1795	0.1885	0.86
	40.6	41.4	0.8	NA	273	NA	0.224	0.266	0.69
DC08M062	10	11.1	1.1	NA	180	NA	0.547	0.177	0.86
	36.7	36.95	0.25	NA	1105	NA	2.54	7.3	0.2
DC08M063	16.1	17.4	1.3	NA	125	NA	0.283	0.26	1.03
	20.1	20.65	0.55	NA	102	NA	0.298	0.169	0.50
	21.65	22.65	1	NA	122	NA	0.152	0.214	0.90
	31.9	32.4	0.5	NA	205	NA	0.22	0.235	0.40
DC08M064	No significant interceptions								
DC08M065	11.9	13.1	1.2	0.084	316	0.135	0.707	0.188	0.75
	17.9	18.6	0.7	0.008	2630	0.943	1.11	0.349	0.44
	18.6	21	2.4	NA	220	0.0899	0.249	0.2	1.50
	21	22.5	1.5	0.043	143	0.0814	0.2	0.171	0.94
	24	25.5	1.5	0.1	158	0.216	0.319	0.394	0.94
	28.1	29.2	1.1	0.195	160	0.1	0.252	0.331	0.69
DC08B194	37.5	39	1.5	0.035	100	0.091	0.1025	0.197	0.94
	39	40.5	1.5	0.032	115	0.0873	0.102	0.111	0.94

Santa Marina Vein

Diamond drilling of the Santa Marina vein has defined a mineralized shoot of 120 meters horizontally by 50 m vertically that averages 1.97 meters in width. These dimensions include intercepts of underground holes in the Santa Rosa area. Both the hanging wall and foot wall of the vein are silicified and mineralized equally.

The best holes to date are DB08B191 and DB09B193. Both exhibit wide intercepts of silver mineralization in the hanging wall of the Santa Marina vein. Hole 193 presents numerous sulphide veins to its intersection with the Santa Marina vein (stoped out).

Second Half 2008 Drill Results from the Santa Marina Vein

Hole	From	To	Length	Au (g/t)	Ag (g/t)	Cu %	Pb (%)	Zn (%)	True Width
DC08M042	20	22.3	2.3	0.46	39	0.03	1.49	1.84	2.07
	77.5	81.2	3.7	0.23	147	0.011	0.97	1.11	3.33
DC08M043	21	24.6	3.6	0.46	125	0.02	1.32	1.08	3.24
DC08M044	No significant interceptions								
DC08M045	No significant interceptions								
DC08M051	66	66.9	0.9	0.24	65	0.06	1.09	1.46	0.90
	84.55	90.1	5.55	0.59	255	0.0185	0.0501	0.106	5.55
DC08M052	No significant interceptions								
DC08M053	No significant interceptions								
DC08M067	14.2	15.3	1.1	0.17	32.9	0.0109	2.86	1.63	1.05
	18	19.5	1.5	0.353	25.3	0.0246	1.84	3.05	1.43

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Santa Marina Vein Results (cond't)

Hole	From	To	Length	Au (g/t)	Ag (g/t)	Cu %	Pb (%)	Zn (%)	True Width
DC08M068	7.8	9.6	1.8	NA	13.9	0.0308	0.418	1.12	1.75
	51	54	3	NA	64.4	0.0955	1.64	3.93	2.92
	57	60	3	NA	131	0.0968	0.622	1.32	2.92
DC08M069	8.95	10.6	1.65	0.01	19	0.07	0.54	3.58	1.62
	27.5	30.4	2.9	0.05	59	0.09	3	2.61	2.85
	45.00	48.00	3.00	NA	306	0.0361	0.0171	0.0788	2.95
DC08M070	8.4	11.4	3	0.07	29	0.042	1.95	3.57	3.00
DC08B182	359.8	360.8	1	0.11	28	0.13	2.23	1.71	
DC08B184	No significant interceptions								
DC08B188	No significant interceptions								

Continued drilling along the Santa Marina vein defines an additional area of mineralization approximately 70 meters in length by 40 meters in height with 1.65 meters average width and 328 g/t Ag grade as oxide in San Antonio vein. Mineralization forms in this zone where the subparallel veins intersect at a 20° angle. The following table shows their close proximity and the mineralized nature of the intervening rock.

Drilling Results across the Santa Marina and San Antonio Veins

Hole	From	To	Length	Au g/t	Ag g/t	Cu %	Pb %	Zn %	True Width
DC08B189	65.3	70.3	5.00	0.02	493	0.05	0.11	0.08	3.05
DC08B190	55.5	57	1.5		766	0.0592	0.1155	0.0508	1.11
	63	63.9	0.9		743	0.0986	1.14	0.178	0.67
	63.9	64.8	0.9		179		0.3320	0.245	0.67
	106.55	108.4	1.85		126	0.0620	0.3500	0.258	1.38
DC08B191	75.00	79.50	4.50	0.04	155	0.061	0.20	0.18	2.88
	133.6	138.1	4.5	0.55	344	0.102	5.36	4.11	2.88
DC08B192	No significant interceptions								
DC08B193	42.00	44.7	2.7	0.000	106	0.0237	0.0546	0.03	1.82
	45.2	46.8	1.6	0.303	691	0.046	0.221	0.059	1.08
	79.7	81.3	1.6	0.000	336	0.101	0.91	0.402	1.08
	89.3	90.7	1.4	0.000	251	0.165	3.59	1.74	0.95
	91.9	94.4	2.5	0.15	169	0.034	1.58	0.431	1.69
	96.3	96.7	0.4	0.275	368	0.163	12.45	1.67	0.27
	101.1	102	0.9	0.556	1080	0.358	24.54	2.23	0.61
	102	106.4	4.4	0.10	146	0.06	4.40	0.74	2.98
	107.7	108.8	1.1	0.145	314	0.07	0.66	0.85	0.74
	108.8	112.3	3.5	0.05	177	0.136	0.79	0.71	2.37

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Santa Marina and San Antonio Veins Results (cond't)

Hole	From	To	Length	Au g/t	Ag g/t	Cu %	Pb %	Zn %	True Width
DC08B194	50	51	1	0.031	147	0.0397	0.127	0.0272	0.56
	55.8	56.9	1.1	0.086	305	0.0402	0.15	0.03	0.61
	56.9	58	1.1	0.013	134	0.0898	0.116	0.05	0.61
	88.1	89.1	1	0.098	124	0.129	1.305	0.508	0.56
	110.9	112.1	1.2	0.044	231	0.269	1.445	0.562	0.67
	120.8	121.7	0.9	0.047	513	0.645	3.19	1.205	0.50

San Antonio Vein

The San Antonio vein is probably one of the best known veins in the district and is shown on maps and plans from several generations of mining. In spite of previous mining efforts, however, potential remains in the silicified wall rock in both the hanging wall and footwall of the vein. Silicified and mineralized host rock presents high grade silver values at several localities.

Previous drilling into this vein by Dia Bras encountered several +200 g/t Ag intercepts in the wall rock, however these were widely spaced and deep. Current drilling is targeting shallow vein intervals in the oxide zone and following the broadest intercepts down rake into the sulfide zone.

Second Half 2008 Drill Results from the San Antonio Vein

Hole	From	To	Length	Au (g/t)	Ag (g/t)	Cu %	Pb (%)	Zn (%)	True Width
DC08B185	52.5	54	1.5	0.13	189	0.04	0.20	0.12	1.20
	60.5	63	2.5	0.04	243	0.05	0.35	0.18	2.15

Santa Eduwiges Vein

Drilling of the Santa Eduwiges vein focused on establishing continuity between the ore shoots being exploited by pilot mining. The vein is 1 to 2 meters wide and consists of a series of narrow quartz veins that host argentiferous galena mineralization. The ore shoots are 30 to 60 meters apart on strike and show a plunge of around 50 degrees to the east. After crossing the "Falla Verde", the strike of the vein changes and has not yet been identified on the opposite side. The "Falla Verde" structure produced high grade silver mineralization in the overlying oxide zone and is a significant structure in its own right. Significant exploration targets for high grade oxide and argentite sulfide mineralization are down dip on the "Falla Verde" structure in the footwall of the fault.

The Carta Blanca structure is a narrow quartz vein parallel to Santa Eduwiges and can be traced along several scattered outcrops and small surface mine workings. Surface work showed no significant results and past systematic drilling explored the vein with three holes. None of the holes cut the projected structure in depth. An attempt will be made to cut the vein in drill holes targeted at other major structures.

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Second Half 2008 Drill Results from the Santa Eduwiges Vein

Hole	From	To	Length	Au (g/t)	Ag (g/t)	Cu %	Pb (%)	Zn (%)	TRUE Width
	32	34	2	0.02	64	0.05	1.64	0.37	1.66
DC08M036	37.6	39.2	1.6	0.07	59	0.01	0.50	1.33	1.38
DC08M037	No significant interceptions								
DC08M038	31.2	32.8	1.6	0.39	107	0.01	0.22	0.45	1.49
DC08M046	No significant interceptions								
DC08M047	20	21	1	0.23	149	0.02	0.66	0.90	0.94
DC08M048	20	21	1	0.02	34	0.08	1.62	2.38	0.94
DC08M049	No significant interceptions								
DC08M050	No significant interceptions								
DC08B186	No significant interceptions								
DC08B187	No significant interceptions								

Tascate Vein

The Tascate veins have similar characteristics to Santa Marina but run nearly perpendicular to it. These structures are poorly explored. Previously reported Dia Bras sampling shows three 5 -20 centimeters wide quartz veins with assays of 200-478 g/t Ag. One surface hole incidentally penetrated the Tascate vein near surface and showed encouraging silver values. Additional holes were drilled down dip with negative results.

Old maps and sections do show the presence of at least two ore shoots with strong silver mineralization along the vein. The sub-parallel Mexicana vein showed a head grade of 863 g/t Ag over a 1.1 meter width from historic mining results. These ore shoots are located close to new workings from Dia Bras Pilot Mining and four holes are planned to test the vein near the old stopes.

Second Half 2008 Drill Results from the Tascate Vein

Hole	From	To	Length	Au (g/t)	Ag (g/t)	Cu %	Pb (%)	Zn (%)	True Width
DC08M034	25.75	26.5	0.75	0.06	410	0.59	10.70	16.00	0.75
	66	68	2	0.03	11	0.01	0.37	1.30	2.00
DC08M035	No significant interceptions								

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The Minerva vein is a northeast structure consisting of a narrow, quartz-veined, stockworked and brecciated zone that hosts gold silver mineralization at the structural intersection of several converging smaller veins. Early Dia Bras work showed 1.3 - 5.5 g Au/t and 150-3,000 g/t Ag. Subsequent holes resulted in negative results. Detailed structural, lithologic, and alteration-mineralization mapping combined with litho geochemistry is underway. Original rock samples are being relocated as a starting point to begin more extensive detailed rock chip sampling.

Second Half 2008 Drill Results from the Minera Vein

Hole	From	To	Length	Au (g/t)	Ag (g/t)	Cu %	Pb (%)	Zn (%)	TRUE Width
DC08B180	No significant interceptions								
DC08B181	No significant interceptions								

Promontorio Vein System

The Promontorio Mine was the largest historic producer in the Cusi district and is located one-half kilometer northwest of the Santa Eduwiges mine along the strike of the Cusi Fault. The Promontorio deposit consists of several narrow veins that intersect a principal structure. The area has been widely mined but several targets remain. These include areas that yielded high-grade, multi-kilo silver assays as shown on 1930s vintage sample maps, vein intersections that remain untested by previous mining and drilling campaigns, encouraging drill intercepts from previous Dia Bras drill programs, and surface oxide mineralization. Little work was done on the Promontorio vein system during 2008 and another look at the Promontorio vein system is forthcoming.

Second Half 2008 Drill Results from the Promontorio Vein System

Hole	From	To	Length	Au (g/t)	Ag (g/t)	Cu %	Pb (%)	Zn (%)	TRUE Width
DC08M066	No significant interceptions								
DC08B183	No significant interceptions								

Method of analysis

Samples were prepared at the Chemex lab facility in Chihuahua, Mexico, and analyzed by ICP and AA methods at their facilities in Vancouver, Canada. Diamond drill samples sent for analysis consisted of half NQ-size and BQ-size diamond core split on site, prepared by the ALS Chemex sample preparation laboratory in Chihuahua, Mexico, and assayed for Au by 50 g fire assay with AA finish, and for Ag by AA on 50 g split sample at the ALS Chemex North Vancouver Laboratory. Assays for Pb, Zn and Cu are done by Induction Coupled Plasma (ICP) at Chemex.

Quality control

The quality assurance-quality control (QA-QC) of Dia Bras has been described in detail in both RPA Scott Wilson's 43-101 reports of December 2006 at Cusi and October 2005 for Bolivar.