

**NWM Mining Corporation Has Been Producing Gold And Copper, And Is Now Kicking Off A Comprehensive 25,000 Meter Exploration Program On Their Lluvia de Oro Mine In Sonora State, Mexico**

**Mining  
Gold  
(NWM-TSXV)**

**NWM Mining Corporation**

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**Chris Berlet, CFA  
CEO, President and Director**

**BIO:**

Chris Berlet is a graduate of Mining Engineering from Queen's University and holds a Diploma in Accounting & Finance from the London School of Economics and Political Science. He is a CFA charterholder. Mr. Berlet has experience in both finance and the mineral industries. He spent three years in London, England working with the capital markets group of Banque Paribas and was more recently 'Senior Analyst, Risk Monitoring' with HSBC Securities in Toronto, Canada. He has worked in underground gold and copper mines in both Canada and Australia, and in open pit

coal and nickel mines in Canada and Australia.

Chris Berlet now holds the position of President & CEO of NWM Mining Corp. Ltd.

**Company Profile:**

NWM Mining Corporation (TSX-V: COL) ("NWM") is engaged in the development of the Lluvia de Oro and La Jojoba gold mine property located in Sonora State, North West Mexico. NWM has mineral exploration & development rights to a combined property portfolio of some 15,880 hectares in the State of Sonora. The focus for NWM today is development of the Lluvia-Jojoba project and commercial mining at the Lluvia de Oro gold mine. The Lluvia-Jojoba project encompasses the past producing Lluvia de Oro gold mine, the La Jojoba gold resource and surrounding ground covering a total of 5,075 hectares. The La Jojoba gold resource and claims are located some 3.5 km west of Lluvia de Oro. NWM has combined the two mineral properties (Lluvia de Oro mine and La Jojoba gold resource) and secured surrounding ground with a view to developing a district level gold production and exploration project.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Berlet, what is NWM Mining all about?

**Mr. Berlet:** We have a gold with copper credit mine in Sonora State Mexico, about 75 kilometers from the US border, and we are putting it back into production. It was last in production in 1997. We are also doing considerable explora-

tion on the property, so we are producing gold and conducting exploration on the 5,075 hectares of property surrounding our plant.

**CEOCFO:** What do you like about this property?

**Mr. Berlet:** The property was last drilled in 1997. We think there is a tremendous amount of exploration potential around the Lluvia de Oro mine, which is comprised of four claims on the eastern portion of our package. There are also four claims on the western side, which is known as La Jojoba and there is a defined measured and indicated resource there. There are at least five exploration targets of merit around La Jojoba. At Lluvia de Oro, where we have completed building the plant, there is almost \$20 million of investment and we are now able to start processing copper from the copper complexed gold ore body. There are ADR circuits, a refinery, an assay lab and engineering offices. We have commissioned the plants, so we have poured gold and have exported to Johnson Matthey in Salt Lake City. We have also precipitated copper and sold that to Trafigura. Our plants are commissioned and operational, so we are ready to start mining in early 2010. We will blast new ore and start putting it on the pads and look to increase gold output from the property. We will also concurrently be drilling the Lluvia Shear, which hosts mineralization and has to date only been drilled out for about 200 meters beyond the current pit extension. We have detected mineralization trenches going out to more than 2 kilometers along that Shear, so we will do a considerable amount of infill-drilling along the Lluvia Shear and I think materially change the resources and ultimately

reserves that we have available for mining at the Lluvia de Oro property. It has taken about five years to get to where we are now. We have completed our property payments, transferred titles into the name of our subsidiary, resolved carried interest issues and clarified ownership for our shareholders. Therefore, we are ready to start gold production in a commercial way and to considerably advance the reserves on the property by conducting an exploration program.

**CEOCFO:** Do you own the property 100%?

**Mr. Berlet:** We do now. We completed property payments for the four claims of La Jobjoba in December 2006. We completed the property payments for the four claims of Lluvia de Oro in December 2008. We staked all the ground around in between those two deposits in 2005. We have had titles transferred for the last four claims of Lluvia de Oro and they came in September of this year (2009) and then we purchased the carried interest from Tara Gold Resources at the beginning of December. So we are set now. The only thing that remains against the property, which will remain for the duration of mining and development, is the 2% net smelter royalty. However, we are ready to materially change the reserves on the property by conducting this infill-drill program and to start commercial gold and copper production. They say that it takes 5 years to build a mine, and we have been at it now for just over 5 years but are set to go and to really begin development of shareholder value.

**CEOCFO:** You are in a really good spot at the moment!

**Mr. Berlet:** The timing is very good, but we have been working on this since 2004. When we first got involved on this property gold price was \$350. Our cash cost estimates for gold production are in the low \$300s per ounce and we will have copper credits that will materially improve the economics of the project. We will be able to sell copper and regenerate cyanide. These are some of the significant benefits of having the SART plant, which is used for treating copper complexed

gold ore bodies. It never made sense for us to do the drilling that we are about to do because we were on optioned ground and we would have proven up gold reserves and resources on ground that we didn't yet own and hadn't yet transferred titles for. Now that we have completed all of that, we are in a position to be able to advance the property. There are a number of very evident gold zones that we have been waiting to drill and we are very confident about being able to add significant values to our known gold resources. We are also quite fortunate with the gold price environment, which is different today than when we set about working on the project in 2004.

**CEOCFO:** Are there newer techniques in the mining that you are able to take advantage of?

**Mr. Berlet:** Yes and that is because of the SART technology. SART stands for

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Sulphidation, Acidification, Recycling, Thickening, S-A-R-T, and was first developed without patent by SGS Lakefield and Tech Cominco in the 1990's. There is currently Kinross using SART at Maricunga in Chile and there is a SART plant also at the Telfer Mine in Australia. There are several SART plants now being constructed at various locations around the world. There are plenty of copper-gold ore bodies in Mexico, but we have the first SART plant in Mexico, which can be used to treat these copper complexed deposits. The ore body at Lluvia de Oro was first mined in 1996, by September of 1997 the copper had built up in the circuit and was creating problems. They did not have a SART plant and were pouring 88% copper dore. So copper was a significant issue for them and the SART technology will allow us to precipitate copper, and that enhances the ability for the ADR circuit to recover gold. So to answer that question yes, the SART technology will allow us to treat

copper complexed gold ore bodies and the La Jobjoba deposit is a copper complexed gold deposit. It has maybe 225,000 ounces of gold. It is a small near surface gold deposit, but it also contains 12 million pounds copper and we are looking at probably eight million recoverable pounds in a 4 1/2 year mine life. That will provide meaningful economic credit in a \$3 dollar per pound copper price environment. There are also several further copper gold targets around La Jobjoba, while the La Jobjoba resource itself is well defined.

**CEOCFO:** What challenges might be on the horizon?

**Mr. Berlet:** As you start, you need to plan for recovery curves of up to eighteen months. In our particular case, we are concerned about our pad layouts but we have done a lot of engineering and I think we have been able to address pad space and availability. Other than that, we are well positioned for this price environment. Our technology is well understood in that the chemistry is very well understood. SART requires soluble copper ores to work effectively and we have soluble copper ores. We have commissioned both plants, so we are ready to start commercial mining in early 2010. We have commissioned both plants successfully and have been operating them over the last year and a half. July 2008 was when we first poured gold and six months later, we precipitated our first copper concentrate, so we are fairly comfortable now with the equipment that we have.

**CEOCFO:** What is the financial picture like for NWM today?

**Mr. Berlet:** We have about \$2 million in the treasury. We own our own drills, so we anticipate drilling costs in the range of \$50 a meter. We have a 25,000-meter program planned, and it is going to be going on throughout all of next year. We will be drilling on both Lluvia de Oro and then moving the drill over to La Jobjoba. We have warrants that have a very tight trigger for exercise in April that could contribute a further \$5.3 million in funding for the company, so we are in a very solid position in terms of how we are cur-

rently capitalized. All the plant and equipment investment has been previously undertaken, so we do have that. We have \$7 million of secured debt and not very onerous repayment schedules, so that is another good thing. We are certainly able to, within the context of the financial models that we have of this mine, service that debt.

**CEOCFO:** What is your two-minute take on the gold pricing, the cyclical, the commodities market?

**Mr. Berlet:** We are in the gold business. We have two other properties in Sonora State. It takes an awful long time to commission a mine, to start a mine from a Greenfield discovery. We have been at this about five years so gold prices changed materially in that time frame and likely we will continue to change either up or down; we can't predict which. Our cash costs are in the mid-\$300 range, and we are a long way from that, so having made the investments for a plant and equipment we are ready to handle the volatility in the price of gold, as we punch out increased reserves and start our mining. There many views on the price of gold, the market environment has been very robust this year and central banks have become purchasers. You see evidence of that obviously from what India has done, and the Russians have started the same and I think Bangladesh. They talk about other central banks in Asia, Taiwan, Japan and China. China is the biggest producer of gold in the world. People are now evaluating the gold hold-

ings of central banks and considering their total reserves. The arguments are that they could be continued buyers of gold, so that has generated a lot of interest this year. Then, I think there are all kinds of new participants like exchange traded funds which act as a catalysts for investment into the gold space. Some of those purchases have allowed equities for gold companies to not fully reflect potential i.e. investment dollars that went into the gold space went into ETFs or went into bullion purchase as in the case of central bank purchases. There is an enormous amount of market capitalization that can yet come to mining companies to reflect the gold price changes. That is particularly true of the junior end, but you are starting to see that change to.

**CEOCFO:** Is the investment community paying attention to NWM?

**Mr. Berlet:** We are going to do a lot more of that in starting in January 2010. This is new and it has taken us a long time to get this cleaned up. Two weeks ago, we purchased out the carried interest on the property so that we became the 100% owners. Then we effectively, just within the last week, announced that starting January 2010, we will have a comprehensive drill program, and we will have the first set of results by mid February. We are drilling some of the big holes that were left with very interesting results in 1997. Drill hole number 259 encountered fifty-seven meters of 1.3 grams per tonne and various others detected a size-

able lower zone of mineralization. As we come back with results on that, and show the geological potential of this property, it will gain recognition. We believe the property has tremendous geological potential and it has been off the market for twelve years during which there has been no activity. So the answer is, no the investment community has not yet been paying attention to NWM. I think that the next year is going to be a very different dynamic for our company and our equity shares.

**CEOCFO:** Final thoughts, what should readers remember most about NWM Mining?

**Mr. Berlet:** We are a small gold producer, and it is great that we are on the cusp of commercial gold production at the mine. Much more important, however, is that 25,000 meters of drilling is just getting started now. This is going to meaningfully change the known gold reserves and resources on our property and will act as a catalyst for share market revaluation. The comparables are the nearby El Chanante mine of Capital Gold and the San Francisco Mine of Timmins Gold. These companies are trading in the market at significant multiples of our current valuation. The assets that we have host a tremendous amount of geological potential and that is going to start to come out and be evident this year as our drilling gets underway. The valuation gap will close.



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