This Week's News

• Globe & Mail - Goldcorp cuts outlook, sees shorter production life for key Mexican mine – 9/1/2014
  Goldcorp Inc. boosted its gold production for the year but reported a lower long-term outlook
  For the complete story, see: (http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/goldcorp-cuts-outlook-sees-shorter-production-life-for-key-mexican-mine/article16252867/)

• Aol - Updates from Unilever and SABMiller – 21/1/2014
  The FTSE 100 inched up 7.43 points yesterday, finishing at 6,836. Miner Fresnillo saw the biggest lift
  For the complete story, see: (http://money.aol.co.uk/2014/01/21/updates-from-unilever-and-sabmiller/)

• BN America - Mexico’s Ahmsa completes mill refurb – 21/1/2014
  Mexican steelmaker Altos Hornos de México has restarted operations at its hot rolling steel mill,
  For the complete story, see: (http://www.bnamericas.com/news/metals/mexicos-ahmsa-completes-mill-refurb)

Other Story

• Mining weekly - Mexican authorities give McEwen Mining’s El Gallo 2 the environmental nod – 22/1/2014
• Silver Investing News - VRIC 2014: Mining Execs Not Fazed by Mexican Tax – 22/1/2014

Media Releases

• Carmen Silver-Gold Mine Production Has Been Initiated, Sonora Mexico - 7/10/2013
• War Eagle Completes Sale Of Tres Marias Project, Mexico – 16/1/2014
• Selling Mining Equipment And Supplies Into Mexico – 2013

Latest Research

• Variation and Transmission of Sonoran Wild Food Knowledge in Southern Arizona
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Altos Hornos de México
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News and Commentary

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For the complete story, see:

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Mexican authorities have given McEwen Mining the all clear to proceed with construction

For the complete story, see:

Silver Investing News - VRIC 2014: Mining Execs Not Fazed by Mexican Tax – 22/1/2014
Since September, when the Mexican government proposed that miners operating in the country be taxed 7.5

For the complete story, see:

Media Releases

CARMEN SILVER-GOLD MINE PRODUCTION HAS BEEN INITIATED, SONORA MEXICO - 7/10/2013

HERMOSILLO, SONORA Mexico, Oct. 7, 2013 /PRNewswire/ – Silver Scott Mines, Inc. (OTC: SILS.pk) is pleased to announce that primary crushed, precious metal mineralization from the Carmen open pit mine has been placed for leaching on the prepared HDPE lined surface. The quantity of crushed rock placed on the leach pad is approximately 25,000 tonnes upon which the leach process has begun with application of leach solution. Acceptable rates of infiltration are seen with the application of solution.

Mining and crushing is continuing at the mine site with the target production of 80,000 to 100,000 tonnes of crushed mineralized rock being completed for leaching by year end that is concurrent with leaching production. Approximately 30,000 tonnes of mineralized material has now been crushed. Mining in this starting area of the open pit is working in mineralization where production does not require blasting due to the natural strongly broken and oxidized nature of the zone, which lowers the cost of production. Mineralization grades are being maintained near or better than the average projected precious metal content based on previous drill sampling.

(http://www.silverscottmines.com/investor/press)
War Eagle Completes Sale Of Tres Marias Project, Mexico – 16/1/2014

Vancouver, British Columbia — January 16, 2014 - War Eagle Mining Company Inc. (TSXV - WAR) ("War Eagle" or the "Company") reports that it has completed the sale of the Tres Marias zinc-lead-germanium project in Chihuahua, Mexico to Contratista y Operaciones Mineras SA de CV ("COMSA"), a Mexican mining company. Total consideration for the sale was US$5,000,000 cash which will be satisfied by (i) US$65,000 cash received on closing with the balance of US$2,435,000 in fixed periodic cash payments over three years and (ii) a 2% net smelter return royalty to a maximum of a further US$2,500,000 with (iii) a possible increase in the royalty to a maximum of up to US$3,300,000 depending on metal sales volumes and prices.

President and CEO of War Eagle, Thomas R. Atkins, commented on the sale of the Tres Marias project, stating: "The transaction with COMSA enables the development of the mineral resource at Tres Marias such that shareholders of War Eagle can realize a return from the prior investment in the property. COMSA intends to mobilize mobile equipment that should enable the mining and processing of this small, but high grade zinc-lead-germanium mineral resource at Tres Marias to the mutual benefit of both COMSA and War Eagle. Numerous permits are in place to facilitate rapid development and much of the mineral resource at Tres Marias is of such high grade that it can simply be mined and sent to a smelter." The sale of Tres Marias has received the approval of the shareholders of the Company and the approval of the TSX Venture Exchange.

SELLING MINING EQUIPMENT AND SUPPLIES INTO MEXICO

Over the past couple of weeks, our Latin American team conducted interviews with several procurement managers of producing mines. The major question was, "Given foreign ownership in your facility does that impact your equipment and supply purchasing habits?"

In every case, these managers stated that although they have foreign ownership, all procurement decisions are the responsibility of the Mexican JV partner or Mexican subsidiary. We also followed up with several public companies with interests in Mexico and got confirmation that purchasing is done by their Mexican operations.

All buyers interviewed expressed an openness regarding looking at Canadian companies as purchasing options. Several individuals said, "We are interested in everything," but price is obviously going to be a major consideration.

Other Facts listed below were compiled and cross referenced from 3 different Mexican sources:

- Mines in Production: 110
- Exploration Projects: 680
- Projects being proposed: 83

Of the producing mines, ownership (either wholly or partially):

- Argentina: 3
- Canada: 41
- USA: 19
- Japan: 2
- Peru: 2
- India: 4
- UK: 1
- Mexico: 38
Latin America – Mexican Mining

Supply Chain
There are 373 companies currently operating in Mexico supplying mining companies: These companies include manufacturing reps, agents, distributors, and manufacturing offices.

One of the keys to developing a successful sales initiative includes analyzing potential channel partners against those of your competitors.

If your company is interested in pursuing opportunities in mining in Mexico or other Latin American countries we would be happy to discuss your goals with you.


Latest Research

Variation and Transmission of Sonoran Wild Food Knowledge in Southern Arizona
Colleen O’Brien Cherry

Abstract:
Since knowledge about wild foods is thought to be declining in younger generations worldwide, this study’s objective was to describe variation in Sonoran wild food knowledge in southern Arizona between adults (n = 19) and students (n = 110) using free lists, an identification exercise, and structured interviews. There are fundamental differences in the quantity and quality of knowledge that adults and students have about wild desert foods. Adults know more native species, specific names, and correctly identify Sonoran wild foods twice as often as students. Fewer direct nature experiences in the younger generation may account for the observed variation in wild food knowledge.

http://www.tandfonline.com/doi/abs/10.1080/03670244.2013.768117#.UuDDARCwrIU

The Industry

MINING INDUSTRY ON THE RISE
The Mexican mining industry entered a new era in 2013. After a decade-long mining boom, which was only briefly interrupted by the global financial crisis, commodity prices are under pressure and access to financing for exploration activities is tightening. At the national level change is also on the horizon as the Mexican government, under the leadership of President Peña Nieto prepares to introduce a royalty tax for mining companies while the upcoming energy and fiscal reforms, as well as the recently implemented labor reform, looks set to change the Mexican operating environment. Despite growing market uncertainty, investment in the Mexican mining industry is forecasted to increase from US$8.043 billion last year to US$8.145 billion in 2013, setting a new industry investment record.

At this time of change, Mexico Mining Review provides a comprehensive and timely overview of the latest developments, business strategies, technological breakthroughs, and operational challenges in the Mexican mining industry. By connecting key stakeholders across the national and international mining industry, Mexico Mining Review is perfectly positioned to accelerate the exchange of vital industry information and strengthen Mexico’s position as one of the world’s most attractive mining investment destinations. Published annually, Mexico Mining Review features the perspectives of the Mexican and international business and political leaders that are shaping the future development of the Mexican mining industry.

DEDICATED AND RELEVANT COMMUNICATION PLATFORM
Mexico Mining Review is dedicated to accelerating the exchange of essential industry information that will drive the mining industry’s development by connecting key stakeholders across the Mexican and international mining community. In today’s business environment, reliable and relevant information is essential to capitalize on growth...
opportunities in the Mexican mining industry and drive the implementation of new technologies and international best practices.

To provide the most comprehensive and relevant industry overview of Mexico’s mining industry, Mexico Mining Review analyzes innovative business models, investment opportunities, international best practices and a broad range of mining technologies through a mixture of articles, interviews, project features, and technology spotlights. Key stakeholders in the Mexican mining industry - ranging from the Federal Government to industry regulators, leading industry associations, financial institutions, and professional service providers – introduce the political, regulatory, legal, and financial frameworks that are currently in place and the ways in which they are developing. The core of the book provides an overview of the key developments on Mexico’s main operating mines and exploration and development projects through the eyes of the leading Mexican and international mining operators, exploration companies, and suppliers and service providers. The remaining chapters are dedicated to safety standards, risk management, and transportation and logistics, as well as sustainability and social responsibility in mining.

THIS IS HOW WE DO IT

• Cutting-edge editorial content based on interviews with the most influential business leaders in the Mexican mining industry, and the country’s political leaders and key policy makers.
• Dedicated editorial team combining broad experience in covering Mexico’s mining industry with an in-depth understanding of global trends, technological advances, and international best practices.
• Editorial cooperation with the leading voices of the Mexican mining industry
• Our uniquely customized readership ensures unprecedented reach among key decision makers in Mexico and around the world. Send your message to the mining executives and policy makers that shape the mining industry of tomorrow.
• Available on today’s most impactful business intelligence platforms: print edition, digital edition, and iPad application.

http://www.mexicominingreview.com/

Leading Company

Altos Hornos de Mexico

About Us
Altos Hornos de Mexico, S.A. de C.V. (AHMSA) is the largest integrated steel plant in the country. It has corporate offices in Monclova, Coahuila, in the center of the Mexican state of Coahuila, 155 miles from the United States border.

In an area of nearly 3,000 acres operates two steelworks plants. AHMSA’s operations start with the extraction of coal and iron ore and finishes with the manufacture of high value-added steel products. Currently, AHMSA operates at an annual production rate of 3.5 million metric tons of liquid steel, and it has a workforce of 19,000 people, including its subsidiary companies.

It is a national leader in the production and commercialization of flat steel products including Hot Rolled Coil, Wide Plate, Cold Rolled Coil, Tinplate and Tin-Free Steel. It also produces non-flat steel products like Heavy Shapes.

The Company has its own coal mines in Palau, located 70 miles from Monclova. Once extracted, the washed coal is shipped by railroad to AHMSA’s coke plants.

The main source of iron ore is located in Hercules, Coahuila, a mine owned by AHMSA. From that point the iron ore is transported to AHMSA through a 180 mile pipe (called Ferroduct) that crosses the Coahuila desert. The Company also has iron ore mines in some other Mexican states.


Quality Circles and Technological Innovation
Seventy projects were concluded in the Quality Circles and Improvement Groups during 2009. Two of them were in the area of Quality, 39 in Productivity, 22 in Safety, 5 in Environmental Protection, and 2 in Electrical Power Saving. The Drager quality circle, in Mine VII of the MICARE Unit, won first place in the Twentieth National 2009 Forum of Quality Circles.

The National Council on Science and Technology (CONACYT) awarded Minera del Norte (previously Minerales Monclova) a recognition and a fiscal stimulus for research and development of a specific technology for the operation of iron mines in the “Cuerpo Aceros” deposits located in Hércules, Coahuila.

As part of the National Council on Science and Technology (CONACYT) contest on Innovation and Application of New Technologies, The MICARE Unit obtained approval of the geophysical technology projects applied to the exploration of coal and development of regional purveyors for the supply of critical components for the coal industry.


Social Responsibility
For over six decades, Altos Hornos de México (AHMSA) has focused the emphasis of investments, on changes in the industrial processes and the improvement of home and workplace living conditions for its employees. This effort has spread into a series of programs and social activities for the improvement of quality of life in the communities that make up the environment of its steelworks and mining companies.

Since 1942, the evolution, welfare and growth of AHMSA and Monclova have been closely linked to each other. In 1991, when Grupo Acerero del Norte (GAN) became the majority stockholder at AHMSA, the commitment to the future of the region was strengthened through social investment programs in agreement with civil authorities.

In this manner, by means of joint efforts with the authorities and community organizations, AHMSA maintains a deliberate presence in community development, primarily in municipalities in the state of Coahuila, with investments and equipment for public safety, urban cleaning, educational and social institutions, road work, recreational facilities and cultural activities.

For example, some actions that stand out are the investment in the modernization and expansion of the Monclova-Frontera International Airport, the installation of a water-treatment plant in the Center of Coahuila, and the constant effort to maintain an environmentally sustainable operation.

The reinforcement of infrastructure for communications, basic services and educational services have brought about an improvement in community life, while at the same time, introducing an additional incentive for businessmen and industrialists that have installed new companies that create jobs and generate wealth for the region.

Through interaction with local and state authorities, as a greater expression of the effort to ensure a future of progress for communities, AHMSA carries on activities aimed at strengthening regional economies, by attracting new businesses and promoting competitiveness among local suppliers of goods and services.

For this purpose, in the allocation of contracts, the company maintains a preference for the companies of former employees or local businesses, the level of competitiveness and market prices being equal. Additionally, a department of supplier development is maintained for every level of requirements of supplies and services.

Thus, the constant investment in industrial growth and activities benefiting the community have positioned Altos Hornos de México as a company of high social responsibility, committed to actively pursuing improvement of the quality of life of its employees and the community at large.

Fresnillo PLC

About Us
Fresnillo plc made its debut on the London Stock Exchange in 2008 following a successful, profitable and decades-long track record as a mining company with proven expertise in the mining value chain, from exploration through to mine development and operation.

Our world-class precious metal assets include the largest primary silver mine in the world in addition we have an exceptional portfolio of development projects and exploration prospects.

As the industry faces cyclical challenges, we are confident that our extensive management experience, attractive country environment, low-cost production, commitment to exploration investment throughout the metals cycle, and a financially sound balance sheet have positioned us to thrive over the long term.

Our continuous and growing investment in exploration in recent years has resulted in a strong pipeline of projects at all stages of exploration and development, ensuring long-term organic growth and advancing our strategic objectives to produce annually 65 moz of silver and 50 koz of gold by 2018. We are well positioned in the precious metals industry with a low cost production profile, rich resource base, robust growth pipeline and strong cash position.

The Group maintains the largest land area of concessions for precious metals exploration and mining in Mexico. Our primary focuses in on high potential silver and gold projects that can be developed into low-cost world class mines or cluster of mines. Central to our land acquisition and exploration efforts are community relations. The support of local governments and non government organizations and community leaders.

We maintain strict and consistent investment parameters in terms of tonnage, ore grade and production costs, with an eye towards consolidating our mining districts. Projects that meet these criteria are advanced through a disciplined development process.

Our business model is dependent on community support and constructive labour relations, sound environmental management and exemplary safety and healthy performance. A core pillar of our strategy is strengthening the Group's sustainability framework. I see our safety performance as the most challenging development of the year and consider our work in reinforcing safety conditions as the single most important effort. That said, I am pleased with our performance in operational efficiency and competitive cash costs, our progress at development sites, and the significant advancement of our growth platform as a result of the increase in total ore resources.

We remain committed to identifying and evaluating partnership and acquisition opportunities that align with our strategy and add value. I also believe that our ongoing focus on increasing productivity, containing costs, expanding the resource and reserve base, and strengthening our growth pipeline while investing in our people and communities will create ongoing and sustainable value for our shareholders and all our stakeholders.

http://www.fresnilloplc.com/about-fresnillo/history/history-overview.aspx

Our Strategy
The Fresnillo Group seeks to create value for stakeholders across precious metals cycles through ongoing investment in exploration and mine development, operational excellence, and a strong commitment to disciplined and sustainable growth.

We believe the successful execution of our strategy is dependent on creating long-term value for stakeholders in a sustainable manner. Thus value creation is part of the business rather than an outcome of the business.

Our goal is to consolidate and maintain the Group’s position as the world’s leading producer of silver and a top Mexican producer of gold, producing 65 million ounces of silver per year and 500,000 ounces of gold per year by 2018, and supporting that level of production for at least 10 years.
The four components of our strategy below are outlined within the segments above, along with the key performance indicators that monitor the effectiveness of each strategy over time.

- Maximising the potential of existing operations
- Delivering growth through development projects
- Extending the growth pipeline
- Advancing our sustainable development

http://www.fresnilloplc.com/about-fresnillo/strategy.aspx

**Mining in Mexico**

Mexico has a mining history extending almost 500 years and is among the world's largest metal producers. Although best known for its production of silver – over 10 billion ounces have been produced and it was the second largest silver producer in the world in 2010. The country also mines significant quantities of copper, gold, lead and zinc.

The geological potential remains strong. The country's terrain is one of the most tectonically active and complex in the world. Orogenesis has pushed up mountain chains all across Mexico, including the Sierra Madre Oriental, Sierra Madre Occidental and Sierra Madre del Sur. These three regions have formed some of the key metallogenic areas. Gold and silver mineralisation is commonly linked to the two belts of hydrothermal veins and gaps that stretch out underneath both sides of the Sierra Madre Occidental.

That potential has attracted more than 250 private exploration companies to Mexico, with operations concentrated in the northern states of Sonora, Zacatecas and Chihuahua.

As mining is an important contributor to the country's economy, the industry benefits from a well-structured and supportive regulatory framework.


**Grupo Mexico**

**About Us**

GMexico ranks among the most important companies in Mexico, Peru, and the US, and it is one of the major copper producers in the world. It additionally incorporates the largest multimodal rail service in México and a substantial Infrastructure Development Division with attractive growth prospects.

The company is listed on the Mexican Stock Exchange since 1978 and is one of the most traded stocks in the exchange.

GMexico is a holding company whose main activities are in the mining-metallurgic industry, the exploration, exploitation, and benefit of metallic and non-metallic ores, multimodal freight railroad service, and infrastructure development.

GMexico's principal subsidiaries are:

- Mining Division
- Transportation Division
- Infrastructure Division

Since its creation over 70 years ago, the companies that comprise GMexico have shown a particular interest in preserving the environment and the social and economic development of our neighbor communities.

This is why our companies have remained on the cutting edge of technology, renewing and making ongoing adjustments to make their operations sustainable.

http://www.gmexico.com/about/about.php
Mission, Vision and Values
Our Mission, Vision, and Values place great importance on people and our actions are based on several values such as respect, honesty, responsibility, and professional ethics; we strive to generate the best value for our stockholders, customers, suppliers, personnel, and the communities where we operate, with high safety rates, preserving the ecological balance, and complying with the requirements set by our authorities.

The members of the governing bodies and all company personnel, Management, Officers, and Employees exemplify the following values:

Nuestros Valores

• Integrity, acting with honesty, responsibility, and professional ethics.
• Respect for people, our surroundings, and the environment.
• Serve our customers, internal and external, with our best efforts and commitment.
• Loyalty, through equality, based on honesty and our other values.
• Creativity, on doing things better, breaking paradigms.
• Solidarity, working as a team to meet our mission and achieve our vision.
• Punctuality, in meeting our commitments and obligations.

http://www.gmexico.com/about/values.php

Corporate Governance
Corporate Governance is the set of principles and guidelines that regulate the operation of the company. Good Corporate Governance protects the interests of the company and its stockholders, creates value, and uses the company's resources efficiently.

It is very important for us, as a public company that lists on the Mexican Stock Exchange, to generate value for our stockholders. With our financial reports, conference calls, press releases, and an executive team that is committed to investors, we manage to maintain transparency in our information through the use of high ethical standards.

Our Corporate Governance includes the following principles, among others:

• Protect stockholders.
• Promise equal treatment for all stockholders, including minority stockholders and foreigners.
• Report company current events, including its financial position, performance, stockholdings, administrative team, and news that may influence the behavior of company stock.
• Maintain a strategic guiding for the company, ensure effective monitoring of the executive team by the Board of Directors and other mayor responsibilities to our stockholders.

http://www.gmexico.com/about/governance.php

Where we operate
GMexico is a holding company, whose principal operations consist of mining, railroad service, and infrastructure with its headquarters in Mexico City.

Mining Division
GMexico operates large mining complexes with long useful lifetime that are geographically diverse (US, Mexico, and Peru), and with significant proven and probable reserves of copper and molybdenum. GMexico has various expansion and growth projects in the copper industry.

Some of GMexico's important assets include the mine complex at Buenavista, which has the largest copper reserve in the world; and also Toquepala and Cuajone in Peru. Explorations are ongoing in Mexico, Peru, and Chile.
Transportation Division
Ferromex began operations in 1998 and is currently the largest railroad operator in Mexico, both in terms of coverage and fleet size. Ferromex connects to 5 border crossings and 6 important ports: 4 on the Pacific and 2 others on the Gulf of Mexico.

Infrastructure Division
GMexico began its operations in the construction industry and has remained active in this area since 1942. Throughout its history, GMexico has participated in both public and private infrastructure projects, the construction of hydroelectric dams and storage, roadways, and railroad and mining projects, among others.

http://www.gmexico.com/about/where.php# 3rd Quarter 2013 report
Financial Highlights in Dollars1
Mexico City. October 28, 2013 - Grupo México, S.A.B. de C.V. (“Grupo México” “GMéxico” -BMV: GMEXICO). • Consolidated sales for 3Q13 were US$2.325 billion, a 4% increase over 2Q13, due to greater production from our Mining Division and a 25% increase in sales in our Infrastructure Division. This increase over last quarter was achieved despite the drop in metals prices and the heavy rains that affected our Transportation Division.
• Cost of sales for 3Q13 was US$1.285 billion, 3% higher than 2Q13, due to increased power and fuel costs in our Mining and Transportation Division and higher costs in our Infrastructure Division due to the startup of the first 250MW power plant.
• EBITDA for 3Q13 was US$992 million, representing a 10% growth over 2Q13. EBITDA for the Mining Division was US$786 million, with a margin of 44%, while EBITDA for the Transportation Division was US$159 million, with a margin of 34%, and the Infrastructure Division generated EBITDA of US$35 million, with a margin of 42%.
• Net consolidated earnings for 3Q13 were US$448 million, a 54% increase over 2Q13, with a margin on sales of 19%.
• Cumulative capital expenditures were a record US$1.910 billion, confirming the Company’s commitment to create value for its shareholders, employees, and the communities where we continue to invest in their growth and development, when the majority of industry worldwide invests only in maintaining their production levels.
• On October 18, 2013, the Board of Directors approved a dividend payment in cash of $0.26 pesos per outstanding share, to be paid on single exhibition on November 4, 2013.
Mining Division

Proposed Tax Reform.- We believe Mexico's competitiveness in the Mining Industry will be considerably affected by the proposed tax reform, which imposes a 7.5% tax on mining earnings, in addition to 0.5% on revenue from precious metals, and eliminates the immediate deductibility of exploration expenses. This reform will jeopardize investment in current and future projects in the sector, with the consequent effect on jobs and infrastructure.

If approved, we will conclude our current investment program of US$3.5 bn for 2013 and US$1.5 bn for 2014. Nevertheless we will be obliged to re-direct our future investment program of US$5.3 bn for the coming years, which is primarily allocated to Mexico, and analyze opportunities in countries where investment conditions are more favorable, such as the US, Canada, Peru or Chile which offer a stable tax regime with stimuli and low energy costs.

First sales from the new Molybdenum Plant at Buenavista.- Buenavista reported its first sales of Molybdenum this quarter. The annual production capacity is 2,000 tons of molybdenum content in concentrates.

Minera México receives the "Industry Ethics and Values" Award for the second time.- The Mexican Federation of Industrial Chambers (CONCAMIN) awarded this prize to Minera México in September, for its social responsibility and sustainable development practices.

Capital Expenditures.- Through September, 2013, in keeping with the budget, US$1.326 billion has been invested in the Mining Division, a record amount representing an increase of 69% year over year. The major projects include US$707 million for Buenavista, US$118 million for Mission and the purchase of mine equipment for Asarco, and US$90 million for Toquepala.

Transportation Division

Record number of cars transported.- Over the first nine months of the year, 836,617 cars have been transported, a new record for ITM. The energy, automotive, and chemical segments made the most contribution to this growth.

“Eagle Premium” starts service.- A new overland container freight service was started in September in collaboration with our partner Union Pacific, called “Eagle Premium”. This project consists of an intermodal railroad bridge that is more competitive than trucking, and will open the way for direct traffic between Chicago, Illinois and Monterrey, Nuevo Leon, improving cargo efficiency and offering our customers competitive advantages.

Automotive Segment.- Contracts are in place to start automotive freight service at the new Honda plant in Celaya next year. The Chrysler contract has been extended for 2 years starting January 2014, which will generate sales of approximately $500 million pesos. The contract held with Ford Motor Co. de México was renewed in August for a further three years, representing $1.150 billion pesos in sales over that period.

Legal disputes involving monopolistic practices close favorably.- On September 6, the CFC closed its investigation into monopolistic practices by Ferromex and Ferrosur removing all fines and ending the legal disputes that arose following the acquisition of Ferrosur in 2005.

Capital Expenditures.- The Railroad Division reports investments of US$225 million at September close. Investment is focused mainly on improving the railroad infrastructure, increasing operating capacity through the construction of sidings, double tracks, and yards, and also operating and communication systems.

Infrastructure Division

The first Combined Cycle Power Plant starts operations.- The first combined cycle power plant reached its maximum capacity of 250 MWH on September 26. Testing is nearly complete and operations are expected to start in 4Q13. The second plant reports 90% completion and is scheduled to start operations in 1Q14. To date, US$533 million has been invested in the two plants, of the total US$540 million budgeted.
“Best Power Financing” Award.- The prestigious financial publication Latin Finance gave this award to the US$575 million 20-year MGE bond placed in November 2012. The rate was one of the lowest for a “Project Bond” in Latin America.

PEMEX recognizes PEMSA for its high efficiency levels.-Each year, PEMEX recognizes the top performers in its ocean fleet. This year, reaffirming our proven operating excellence over more than 50 years of providing uninterrupted service to Pemex, the GMexico platforms take the top spots: 1st Chihuahua, 2nd Zacatecas, and 4th Sonora.

Capital Expenditures.-Through September 2013, US$359 million has been invested in the Infrastructure Division, which includes US$148 million for the construction of the power plants and US$207 million for two new ocean platforms and two modular units.

The net financing cost during 3Q13 was US$49.5 million. GMexico maintains a solid balance with a low leverage level, with a net debt to EBITDA ratio of 132x. The debt contracted in US dollars accounts for 91% of the total and the remaining 9% is in Mexican pesos. Also, 90% of the debt is at fixed rates.

Maturities of only US$82 million come due before year end. AMC and Asarco are debt-free and SCC maintains a flexible debt profile with no relevant maturities until 2020.


Minera San Xavier / New Gold

New Gold Inc. is an intermediate gold producer with a complementary portfolio of global assets in the United States, Mexico, Australia, Canada and Chile.

New Gold will focus on the following objectives to achieve its growth strategy:
Delivering on operational targets (safety, cost, production, environment, and social responsibility);
Maintaining a strong financial position, internal growth through project development and continuous improvement of our existing operations; and External growth through additional value enhancing merger and acquisition opportunities.

New Gold is working towards maximizing shareholder value through diversified production, maintaining a reduced risk profile and enhancing growth potential. The board of directors, management and the employees of New Gold Inc. are committed to achieving this in a socially responsible and sustainable manner.

New Gold Inc. is listed on the Toronto Stock Exchange (TSX) and the NYSE MKT under the symbol NGD.

Operations
New Gold has four operating properties:

• Cerro San Pedro, a gold-silver heap-leach operation which is located in central Mexico and began production in the first quarter of 2007.

• Mesquite, a gold heap-leach, run of mine operation which commenced production in 2008.

• New Afton, met its targeted June 2012 production start and began commercial production ahead of schedule in July 2012.

• Peak Mines, a gold-copper underground mining operation that commenced production in 1992.

http://www.newgold.com/properties/operations/default.aspx
Projects

Currently, New Gold has two development/exploration projects:

- **Blackwater**, an exciting exploration/development project located in south-central British Columbia, Canada. Since acquiring the project in June 2011, New Gold has been actively drilling to extend the limits of the Blackwater mineral resource and expand its mineral rights through the acquisitions of Silver Quest Resources and Geo Minerals Inc., which includes the addition of the Capoose gold-silver deposit to the Blackwater mineral resource inventory. In parallel with advancing the project toward completion of a feasibility study in 2014, New Gold is aggressively pursuing new discoveries within the greater Blackwater region.

Visit the Blackwater Project office

- **El Morro**, a joint venture project in Chile with owner-operator Goldcorp Inc., in which New Gold has a 30% interest. El Morro entered the permitting stage in November 2008, in March 2011 received approval for the Environmental Impact Assessment from the Chilean Authorities, and in January 2012, Goldcorp's Board of Directors formally approved construction.


FINANCIAL HIGHLIGHTS

- Revenues were $196.0 million for the third quarter of 2013, compared to $195.5 million in the same prior year period. The benefit from increased copper sales in the quarter was offset by a decrease in gold and silver sales and a decrease in the average realized price of all metals. The average realized price for the third quarter of 2013 was $1,359 per ounce of gold, $21.31 per ounce of silver and $3.25 per pound of copper, compared to $1,560 per ounce of gold, $30.09 per ounce of silver and $3.69 per pound of copper in 2012. For complete financial report see:


Penoles

About Us

Peñoles is part of Grupo BAL, a private, diversified organization, composed of independent Mexican companies, among which are Grupo Palacio de Hierro (department stores), Grupo Nacional Provincial (insurance); Profuturo GNP (Afore) Securities Mexicans - House Bag (financial services); Credit Afianzador (bonds) and agribusiness.

We are a mining group with integrated operations in smelting and refining of non-ferrous metals and chemical manufacturing operations and currently the largest producer of refined silver, metallic bismuth, Latin American leader in the production of gold and lead, and is among the world's leading producers of refined zinc and sodium sulphate.

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Our History

The Peñoles Mining Company, SA was incorporated on March 1, 1887 in the City of Durango on the initiative of a group of Mexican entrepreneurs to exploit several mines in the region.

The Company acquired the mines of Jesus Mary, Our Lady of Refuge and San Rafael located in the village of Peñoles, Municipality of San Pedro del Gallo, State Durango. Hence the name of the company was taken, later established its metallurgical plant in Hacienda Water and acquired mine Ojuela in Mapimí, Durango.

Incorporating foreign capital in Peñoles allowed him to achieve major improvements in Ojuela and casting Mapimí, the cog railway, the bridge Ojuela remarkable feat of engineering and electricity was introduced in its facilities starting operations on a large scale was constructed. Peñoles became established and could survive during the Revolution.


In 1934 the Company Metallurgical Peñoles, SA was organized for the purpose of operating metallurgical plants of the Mining Company of Peñoles, SA

The mexicanization mining ended in 1961 supported by President Adolfo López Mateos, had intended that companies mining the country were largely controlled by Mexican capital. That year led to the merger of the Company Minera Peñoles, SA and Metallurgical Company Peñoles, SA, Metallurgical born Mexican Peñoles, SA mexicanization this important metallurgical company was made by a group of Mexican businessmen headed by Mr. Don Raúl Bailleres and Mr. Joseph A. García to take over 51% of the company. Peñoles In 1961 acquired 51% of the Fresnillo Company, Ltd. This company had large mines in Zacatecas and Fresnillo Naica Chihuahua, likewise, won 51% of the Company Zimapán, SA which had mines in Carrizal and Zimapán Monte, Hidalgo.

Química del Rey, SA began operations in 1963 with a capacity of 60,000 ton / year of sodium sulfate in Wet Saw, Coahuila. Química del Rey expanded and increased capacity in stages, reaching in 1980 to 400,000 tons of sodium sulfate. Also the magnesium oxide plant increased its capacity from 30,000 to 100,000 tons in 1984.

'September 1, 1968 a new company, Industrias Peñoles, SA as controller and financial center of all its subsidiaries was created, disappearing Mexican Metallurgical Peñoles SA and this transferring their operations and metallurgical smelting and refining of metals to a subsidiary, Met-Mex, SA in Torreon, Coahuila.

Later electrolytic zinc refinery, first of its kind in Mexico opened and supplemented with a sulfuric acid. Shortly after operations Foundry No. 2 in Monterrey were closed moving machinery and equipment to Torreon.

In 1986 he conducted the purchase of 40% of the shares of Met-Mex, SA de CV owned by Bethlehem Steel International started in Bermejillo In 1990, Durango plant built to process waste arsenical copper (speiss) to ensure the fate of the sulfuric acid produced in the smelter in Torreon, Coahuila and ammonium sulfate plant was purchased of Fertimex and initiated at Met-Mex operations of the plant for the production of liquid sulfur oxide in order to improve environmental control.

That same year, the port facility was purchased in Tampico, Tamaulipas and began operating the communication system via satellite being linked major workplace. In 1992 he began operating the plant magnesium oxide electromelted in Ramos Arizpe, Coahuila. In 1994 acquired 100% of Minera Sabinas, SA Bonnet polymetallic mine, Zacatecas.
Besides the Tizapa Unit began operations in Zacazonapan, Edo. of Mexico, polymetallic mine, and started operations in the La Cienega Unit Papasquiaro Santiago, Durango, goldmine. In 1996 the purchase of the minority interest that the company closed Alumax had with Fresnillo (40%), Minera Sabinas (40%), Minera Proaño (40%), Compañía Minera Las Torres (14%), La Encantada (14.1%), acquiring Peñoles 100% control of these mining companies. began operations in 1998 Horseshoe Mining Unit in Caborca, Sonora, Mine open pit gold.

Steeler In partnership with North Group (GAM) started operation Peñoles Coahuila-Durango railroad transportation service ensures products Química del Rey. begins operations in 2001 Francis I Unit. Madero in Morelos, Zacatecas, lead zinc mine. ‘s lead smelter Met-Mex in Torreon, Coahuila 100th birthday. concludes the closure in 2002 of the Enchanted Ocampo, Coahuila due to depletion of its reserves (1917-2002). In 2004, the Chemical Plant Rey will celebrated its 40th anniversary and had a record production of 608,000 tons of sodium sulfate, 73,310 tons of magnesium oxide, 25,100 tonnes of magnesium sulfate and 224,620 tons of ammonium sulfate. were initiated commercial plant operations in thermoelectric power generation in Tamuín, San Luis Potosi.

With this, the power supply for all operations is ensured. In 2006 Milpillas Unit began operations in Santa Cruz, Sonora was the first copper mine Peñoles. in 2008 to optimize operational synergies corporate downsizing was made focusing operations mining of precious metals and base metals. Peñoles in 2010 became the first Mexican company to issue stock certificates denominated in dollars for 530 million USD. Peñoles has invested heavily in exploration allowing increase ore reserves in mining units and have a portfolio of projects that may eventually become productive mines. ‘s base metals mine in Naica Chihuahua, mine is the richest and largest lead of Mexico and Francisco I. Madero in Zacatecas, Mexico’s largest zinc mine. Peñoles The last decade has emphasized sustainable development, the harmonious integration of economic activities with social progress and environmental protection.

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