Petaquilla Minerals Ltd. (T.PTQ – TSE)

**T.PTQ:** Updated 43-101 report increases Palmilla deposit’s reserves by 120%

**OUTLOOK**

Petaquilla Minerals recently announced the results of an updated resource estimate for the Palmilla deposit and also financial results for fiscal 2013. The 120% resource increase at Palmilla and the increase in metal prices contributed to our higher price target of $1.04. During the fourth fiscal quarter, gold production was less than expectations due to disruptions in mining operations from the reassignment of some mining and crushing equipment towards deliveries of aggregate to the Cobre Panamá copper project. Additional equipment has been procured to alleviate the situation.

**SUMMARY DATA**

<table>
<thead>
<tr>
<th>Current Recommendation</th>
<th>Outperform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Recommendation</td>
<td>Neutral</td>
</tr>
<tr>
<td>Date of Last Change</td>
<td>02/23/2012</td>
</tr>
<tr>
<td>Current Price (10/15/13)</td>
<td>$0.34</td>
</tr>
<tr>
<td>Six- Month Target Price</td>
<td>$1.04</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Above Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Stock</td>
<td>Small - Value</td>
</tr>
<tr>
<td>Industry</td>
<td>Mining - Gold</td>
</tr>
<tr>
<td>Zacks Rank in Industry</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ZACKS ESTIMATES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong> (in millions of $)</td>
</tr>
<tr>
<td>Q1 (Aug)</td>
</tr>
<tr>
<td>2012</td>
</tr>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2015</td>
</tr>
</tbody>
</table>

| Earnings per Share (EPS is operating earnings before non recurring items) |
| Q1 (Aug) | Q2 (Nov) | Q3 (Feb) | Q4 (May) | Year (May) |
| 2012    | $0.03 A  | $0.03 A  | $0.02 A  | $0.02 A  | $0.10 A  |
| 2013    | $0.02 A  | $0.01 A  | $0.07 A  | $0.11 A  | $0.02 A  |
| 2014    | -$0.02 E | -$0.02 E | -$0.01 E | $0.00 E  | -$0.05 E |
| 2015    | $0.01 E  | $0.01 E  | $0.02 E  | $0.02 E  | $0.06 E  |

Zacks Projected EPS Growth Rate - Next 5 Years %: 15.0

Fiscal years ended May 31st prior to 2013.
Petaquilla Minerals is a junior gold production and exploration company with a producing mine in Panamá and numerous mineral exploration properties in Panamá, Spain and Portugal. The Molejón gold project in north-central Panamá achieved commercial production in January 2010 and has poured 245,686 ounces of gold. Approximately 482,486 ounces have yet to be monetized from the proven and probable reserve delineated in the most recent 43-101 compliant mineral reserve report at Molejón. Within 20 kilometers, the company controls the Palmilla gold deposit (M&I resource of 509,000 ounces Au) and the Botija Abajo deposit (proven and probable resource of 106,739 ounces Au).

- Petaquilla Minerals holds the mineral exploration and development rights to 842 square kilometers of concession lands that contain gold, copper and molybdenum deposits in Panamá. Oro del Norte and Brazo, continue to be advanced with exploration programs.
- NI 43-101 compliant estimates for the Botija Abajo and Palmilla deposits were released in the early 2013 adding $34.5 million (or $0.12 per diluted share) to the NPV to our valuation model.
- An updated NI 43-101 compliant estimate on the Palmilla gold deposit was announced on October 9, 2013. The report expanded and upgraded the resources from an estimated inferred resource of 502,800 gold equivalent ounces (using a cutoff grade of 0.30 g/t Au Eq.) to an estimated measured & indicated resource of 841,000 gold equivalent ounces and an inferred resource of 269,000 gold equivalent ounces (using a cutoff grade of 0.35 g/t Au Eq. Without even considering the significant upgrade of the resource, it can be stated that the estimate increased 120%. The updated estimate added $39.3 million (or $0.15 per diluted share) to the NPV to our valuation model.
- Petaquilla successfully asserted its rights over claims in the area of the Cobre Panamá copper project being advanced by First Quantum Minerals. In consideration for land access, Petaquilla received (through PDI) a $75 million contract for aggregate procurement (which was subsequently increased to $100 million), $13 million for 10 years of land lease, $13.3 million waiver of royalties, etc., all of which total approximately $150 million.
- On/off leach pads have been constructed at Molejón. During fiscal 2012, the on/off leach operation produced approximately 300 ounces. The start-up and construction of the operation continues, though no additional production was reported during fiscal 2013. Management expects this incremental leach operation to be commissioned during calendar 2014.
- In Spain, Petaquilla Minerals owns a 100% interest in Lomero-Poyatos through the acquisition of Iberian Resources. Based on historical drilling results, a NI 43-101 compliant Technical Report (dated May 21, 2012) estimates that the inferred mineral resource in an underground mining scenario contains 830,000 ounces Au and 17.3 ounces Ag.
- During the fourth fiscal quarter, the status of the Forward Gold Purchase Agreement with Deutsche Bank required the declassification of PDI as held-for-distribution despite management’s continued plans for a spin-out. Therefore, the company is pursuing a course to refinance and close the gold and silver contracts. Also, both events had impacts on the balance sheet and income statement.
- Management’s focus during fiscal 2014 lies in boosting gold production at Molejón gold project to approximately 100,000 ounces, advancing the Lomero-Poyatos concessions to production, continuing exploration at Brazo and Oro del Norte, and the continued exploration of Jales-Gralheira in Portugal, along with pursuing the termination of the gold and silver contracts with Deutsche Bank.
- We maintain our Outperform rating on Petaquilla Minerals and increase our target to $1.04 due to several factors, including increased working capital deficiency, the updated resource estimate of Palmilla, higher prices of gold, silver and copper and the resolution of deferred revenue.
**RECENT NEWS**

**Palmilla Gold Project (Panamá)**

On October 9, 2013, Petaquilla announced the completion of an updated NI 43-101 compliant technical report on its Palmilla gold project. The report expanded and upgraded the resources from an estimated inferred resource of 502,800 gold equivalent ounces (using a cutoff grade of 0.30 g/t Au Eq.) to an estimated measured & indicated resource of 841,000 gold equivalent ounces and an inferred resource of 269,000 gold equivalent ounces (using a cutoff grade of 0.35 g/t Au Eq.). Tables of both resource estimates can be found in the Palmilla Gold Project Section below. Without even considering the significant upgrade of the resource, it can be stated that the estimate increased 120%. The updated estimate added $39.3 million (or $0.15 per diluted share) to the NPV to our valuation model.

**Results for fourth fiscal quarter and fiscal year**

On October 8, 2013, Petaquilla Minerals reported fourth fiscal quarter and fiscal year results for the period ending June 30, 2013. Since the company changed its fiscal year-end from May 31st to June 30th, the fourth quarter covers a four-month period and the 2013 fiscal year 2013 encompasses 13 months.

For the fourth fiscal quarter, gold equivalent production declined 32.3% sequentially from 18,013 ounces to 12,191 ounces. Gold production declined due to the disruptions in mining operations from the reassignment of some mining and crushing equipment towards the efforts to make timely deliveries of aggregate to the Cobre Panamá copper project. Additional equipment has been procured to alleviate the situation. In addition, the average realized gold equivalent price declined 10.6% sequentially to $1,473. With the company drawing upon inventoried bullion and selling 14,196 gold equivalent ounces, along with $4.366 million in incremental revenues from aggregate sales, sequentially revenues increased 1.0%. Also, revenues from the aggregate business, along with silver sales, helped in the recovery of mining costs at the Molejón mine since the sales of silver and aggregates are considered to be by-products from the extraction of gold. For the quarter, the company reported a loss of $25,715,278 ($0.11 per diluted share), primarily due to the higher expenses related to the classification of forward agreements as derivatives ($9.8 million) and the declassification of PDI as held-for-distribution, namely higher production costs (approximately an incremental $11 million) and greater depreciation & depletion (approximately an incremental $6.5 million adjustment).

For the full fiscal year, gold equivalent production declined only 0.5% from 69,503 ounces to 69,181 ounces, and gross operating profit increased 3.0% to $35,992,420. During fiscal 2013, Petaquilla Minerals benefitted substantially through Inmet’s waiver of 5% royalty on Molejón mine by $13,348,341, which was somewhat offset by a $9,815,975 loss on the classification of forward agreements as derivatives. The company’s working capital deficiency expanded to $85,608,791, primarily as a result of an IAS requirement that the Forward Gold Purchase Agreement with Deutsche Bank totaling $32,250,000 be classified as a current liability, since the decline in gold production during the fourth fiscal quarter contributed to the company missing the gold delivery requirements to Deutsche Bank that are required under its Forward Gold Purchase Agreement. Despite Petaquilla Minerals having belatedly satisfied the delivery requirements for December 2012 and June 2013 with cash payments, the company appears to be in arrears for the September 2013 delivery. Petaquilla Minerals and Deutsche Bank are in discussions to remediate the situation.

During fiscal 2014, management expects Molejón’s cash costs to be reduced to the $550 to $600 range since supplying aggregate to the Cobre Panamá copper project should generate approximately $40 million in revenues.
Cobre Panamá copper project benefitting Petaquilla Minerals

Beginning in September 2012, the controlling partner of the $6.18 billion Cobre Panamá copper project, Inmet Mining, attempted to takeover Petaquilla Minerals, targeting its Panamanian assets. Petaquilla's lands, mining concessions and licenses are critical to the advancement of the Cobre Panamá project. On February 25, 2013, Petaquilla Minerals and Inmet Mining reached a binding agreement which resolved the issues.

The terms of the agreement include an annual rental of $1.3 million for certain lands to be used for camp space, a three-year contract for aggregates totaling between $75 million and $100 million for the Cobre Panamá project and forgiveness of royalties and release of certain monetary claims by Inmet. The value of the arrangements is estimated to total approximately $150 million. Petaquilla immediately received a $13 million payment from Inmet for the in-advance payment of a 10-year land lease. In addition, Inmet waived its right on a 5% royalty from sales at the Molejón mine, resulting in a reversal of a $13.3 million accrual. On May 23, 2013, the agreement was amended to include the contemplation of joint venture agreements.

On April 30, 2013, First Quantum Minerals Ltd. (FM: TO) acquired Inmet Mining. Inmet Mining is now known as FQM (Akubra) Inc, a wholly owned subsidiary of First Quantum Minerals. Minera Panama, S.A., which is now 80% owned by FQM (Akubra), remains as the entity charged with the development of the Cobre Panamá project. After discussions with First Quantum, Petaquilla and Minera Panama executed a contract for the purchase of $75 million of aggregate and screened rock over three years from Petaquilla's wholly owned subsidiary, Panama Desarrollo de Infraestructuras, S.A. (PDI). The contract included the option to purchase up to an additional $25 million of aggregate and screened rock, which was exercised during the fourth fiscal quarter of 2013.

Expected NI 43-101 reports

Management expects additional NI 43-101 compliant resource reports to be completed, specifically for Oro del Norte and Brazo in Panamá and Lomero-Poyatos in Spain.

Share Repurchase

During fiscal 2013, the company repurchased $257,652 worth of treasury shares, including the $91,000 spent acquiring treasury shares during the fourth fiscal quarter.

Miscellaneous

On August 19, 2013, Petaquilla announced that the company has changed its fiscal year from May 31 to June 30. As a result, the company will have a transitional 13-month financial year ending June 30, 2013 including a transitional 4-month fourth fiscal quarter.

It was disclosed in the fiscal year-end report that the spin-out of Panamanian Development of Infrastructures, S.A. can only be executed upon the repayment of all the outstanding Deutsche Bank debt.

OVERVIEW

Based in Vancouver, British Columbia, Petaquilla Minerals Ltd. (PTQ: TO, PTQMF: OTCOB) is a junior gold production and exploration company with a producing gold concession located in the Republic of Panamá and with numerous mineral exploration properties in Panamá and Spain. Management expects to reach a production level of 90,000 gold equivalent ounces in fiscal 2014 and plans for an updated NI 43-101 compliant estimated resource on the Lomero-Poyatos concessions during calendar 2013.
Management continues to focus on expanding production capacity at the Molejón mine. Molejón is situated in one of the four zones of the Cerro Petaquilla Concession which operates under a unique set of rules and regulations known as Ley Petaquilla No. 9. Having successfully reached commercial production in January 2010, Molejón poured gold 67,493 ounces during the fiscal 2013 year from a carbon-in-pulp (CIP) leaching process and a carbon-in-column (CIC) gold adsorption stack.

Management believes that the low grade gold resource (between 0.2 g/t and 1.0g/t) at Molejón can be economically processed through on/off pad leaching. After conducting column leach tests on the low grade material at laboratory facilities in Arizona, an on/off pad leach project was advanced, and a stockpile of low grade ore is being accumulated. The leach pad and a pregnant solution processing plant have been constructed, and management expects the leach operation to be commissioned during calendar 2014.

In total, Petaquilla Minerals Ltd. holds gold exploration and development rights to 842 square kilometers of concession lands in north-central Panamá, including the Cerro Petaquilla Concession, and Oro del Norte. Exploration programs at Botija Abajo and Palmilla resulted in the completion of NI 43-101 compliant resource estimates for both deposits. Exploration continues at Brazo and Oro del Norte.

On September 1, 2011, Petaquilla Minerals acquired Iberian Resources Corp., which holds a 100% interest in the Lomero-Poyatos concessions in Spain. Located in the northeast part of the Iberian Pyrite Belt, Lomero-Poyatos contains an estimated inferred mineral resource of 830,000 ounces Au and 17.3 ounces Ag 2.07 million ounces Au and 41.98 million ounces Ag in an underground mining scenario. Though the acquisition provides geographic diversification, the transaction is indicative of the opportunistic nature of management.

The company has been successful in obtaining capital through equity and debt offerings. During fiscal 2010, Petaquilla Minerals not only raised equity capital, but also entered into a $45,000,000 prepaid Forward Gold Purchase Agreement with Deutsche Bank AG, requiring Petaquilla Minerals to deliver 66,650 ounces of gold to Deutsche Bank over a five-year period. With the cash flow from gold sales, successful equity offerings and the proceeds from the Forward Gold Purchase Agreement, management was able to retire most of the debt issued in fiscal 2008 and 2009. The acquisition of Iberian Resources was financed through the issuance of 44,635,225 newly issued common shares, along with warrants and options exercisable into 4,997,732 shares. The closing of a CAD$6,000,000 Convertible Loan Agreement and a US$11,300,000 Forward Silver Purchase Agreement in March 2012 enabled the company to retire the remainder the debt issued in fiscal 2008 and 2009. Subsequently, the company has entered into a series of bank loan facilities with MetroBank S.A. finance leaseback arrangements with Caterpillar and gold prepayment facilities with Auramet.

MOLEJÓN MINE (PANAMÁ) - GOLD

Petaquilla Minerals acquired 100% of the gold rights and related surface rights on the Cerro Petaquilla Concession, including the Molejón gold property (Zone 3) from an Agreement among Teck Cominco (now Teck Resources Ltd. - TCK-A & TCK-B: TSE), Inmet Mining Corporation (IMN: TSE) and Petaquilla Minerals in June 2005. Located in the Republic of Panamá (District of Donoso, Province of Colon), the Molejón property is approximately 130 kilometers west of Panama City, 20 kilometers inland from the Caribbean coast and 54 kilometers from the Penonomé exit of the Pan-American Highway (13 kilometers by paved road and 41 kilometers by a maintained gravel road1). Since 2009 through the fiscal year of 2013, the Molejón gold property has produced 245,686 poured ounces of gold, of which 233,423 ounces have been sold by the company.

1 The gravel road was constructed in 2006, and later bridges spanning the San Juan and Cocolisito rivers were built.
**Reserves**

The most recent 43-101 compliant mineral reserve report for the Molejón project area was completed in May 2012 by Behre Dolbear with a revised reserve estimated as of January 1, 2011. The proven and probable gold reserve totals **643,266 ounces Au** (15.33 million tonnes graded at 1.305 g/t), along with proven and probable silver reserves of **1,008,693 ounces Ag** (15.33 million tonnes graded at 2.05 g/t). Since January 1, 2011 (the effective date of the Behre Dolbear revised resource estimate), approximately 160,780 ounces Au have been poured, **leaving about 482,486 ounces yet to be monetized**.

The Behre Dolbear 43-101 Technical Report outlines **two processes at Molejón**:  
1) milled ore with an average grade of 1.77 g/t processed through the carbon-in-pulp (CIP) column leaching process with an expected 93% recovery rate and  
2) leached ore with an average grade of 0.56 g/t with an expected peak recovery rate of 82%².

| Proven and Probable Reserves (as of January 1, 2011) |  |
|---|---|---|---|---|---|---|---|
| | Tonnes (000s) | Grade (g/t) | Gold Contained (oz) | Silv Grade (g/t) | Silver Contained (oz) |  |
| Proven | 9,072 | 1.549 | 451,884 | 2.39 | 597,315 |  |
| Probable | 6,250 | 0.951 | 101,382 | 1.55 | 311,378 |  |
| Total | 15,330 | 1.305 | 643,266 | 2.05 | 1,008,693 |  |

| Measured and Indicated Mineral Resources (as of January 1, 2011) |  |
|---|---|---|---|---|---|---|---|
| | Tonnes (000s) | Grade (g/t) | Contained (oz) | Tonnes (000s) | Silver Grade (g/t) | Contained (oz) |  |
| Measured | 14,743 | 1.00 | 514,500 | 11,417 | 2.23 | 819,100 |  |
| Indicated | 15,843 | 0.58 | 302,900 | 14,968 | 1.31 | 628,100 |  |
| Total | 31,586 | 0.80 | 817,400 | 26,385 | 1.74 | 1,447,200 |  |

The Molejón deposit contains zones of both high-grade and low-grade gold mineralization. With the availability of multiple grades of ore at the Molejón project, low-grade material is blended with high-grade tonnage which enhances the recovery of gold resources by the CIP process. In addition, management has embarked on the construction of leach pad for low-grade ore (between 0.2 g/t to 1.0 g/t). As a result, the 43-101 Technical Report revised in 2012 conclude that the Molejón deposit contains **817,400 ounces Au** (31.6 million tonnes graded at 0.80 g/t) and **1,447,200 ounces Ag** (26.4 million tonnes graded at 1.74 g/t) in the measured and indicated categories utilizing a cut-off grade of 0.20 g/t. Management believes that resources with a cut-off grade of 0.18 g are economically recoverable through on/off pad leaching. The revised technical report on the Molejón project also identifies 61.4 million tonnes of waste material as construction-grade aggregate.

NI 43-101 compliant estimates for the Botija Abajo deposit and the Palmilla project have also been completed (see below). In the future, management expects that NI 43-101-compliant technical reports will be completed on adjacent exploration targets, namely Brazo and Oro del Norte.

**Production**

After Petaquilla Minerals obtained the gold rights for Molejón, the open pit gold project officially began in September 2005 when governmental approval was attained for the Mine Development Plan. In 2008 and 2009, Petaquilla Minerals developed the Molejón open pit mine and constructed the gold processing plant. During the commissioning period, which included the testing of gold room recovery processes, approximately 29,500 ounces of gold were poured. In November 2009, the project received an operating

permit from the Government of the Republic of Panamá to advance to commercial production, which was achieved on January 8, 2010.  

The following tables detail the metrics of the Molejón mine's gold production. Due to the addition of significant NI 43-101 compliant silver reserves, management is now reporting gold-equivalent production, sales, realized prices and cash costs.

### Gold Poured

<table>
<thead>
<tr>
<th>Molejón</th>
<th>1Q (Aug)</th>
<th>2Q (Nov)</th>
<th>3Q (Feb)</th>
<th>4Q (May)</th>
<th>Total (May)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2,973</td>
<td>2,973</td>
</tr>
<tr>
<td>FY 2010</td>
<td>13,256</td>
<td>10,482</td>
<td>13,756</td>
<td>14,158</td>
<td>51,652</td>
</tr>
<tr>
<td>FY 2011</td>
<td>10,738</td>
<td>15,268</td>
<td>12,825</td>
<td>16,735</td>
<td>55,566</td>
</tr>
<tr>
<td>FY 2012</td>
<td>18,014</td>
<td>18,100</td>
<td>14,163</td>
<td>17,725</td>
<td>68,002</td>
</tr>
<tr>
<td>FY 2013</td>
<td>17,882</td>
<td>20,025</td>
<td>17,674</td>
<td>11,912</td>
<td>67,493</td>
</tr>
</tbody>
</table>

### Gold Equivalents Poured

<table>
<thead>
<tr>
<th>Molejón</th>
<th>1Q (Aug)</th>
<th>2Q (Nov)</th>
<th>3Q (Feb)</th>
<th>4Q (May)</th>
<th>Total (May)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>10,864</td>
<td>15,451</td>
<td>13,020</td>
<td>17,240</td>
<td>56,575</td>
</tr>
<tr>
<td>FY 2012</td>
<td>18,458</td>
<td>18,496</td>
<td>14,427</td>
<td>18,122</td>
<td>69,503</td>
</tr>
<tr>
<td>FY 2013</td>
<td>18,459</td>
<td>20,518</td>
<td>18,013</td>
<td>12,191</td>
<td>69,181</td>
</tr>
</tbody>
</table>

### Gold Equivalents Sold

<table>
<thead>
<tr>
<th>Molejón</th>
<th>1Q (Aug)</th>
<th>2Q (Nov)</th>
<th>3Q (Feb)</th>
<th>4Q (May)</th>
<th>Total (May)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>12,390</td>
<td>13,320</td>
<td>14,064</td>
<td>14,843</td>
<td>54,617</td>
</tr>
<tr>
<td>FY 2012</td>
<td>17,987</td>
<td>16,297</td>
<td>13,040</td>
<td>15,546</td>
<td>62,870</td>
</tr>
<tr>
<td>FY 2013</td>
<td>17,597</td>
<td>17,905</td>
<td>14,598</td>
<td>14,196</td>
<td>64,296</td>
</tr>
</tbody>
</table>

### Average Realized Prices - Equivalents

<table>
<thead>
<tr>
<th>Molejón</th>
<th>1Q (Aug)</th>
<th>2Q (Nov)</th>
<th>3Q (Feb)</th>
<th>4Q (May)</th>
<th>Total (May)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011</td>
<td>$1,206</td>
<td>$1,328</td>
<td>$1,377</td>
<td>$1,472</td>
<td>$1,348</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$1,600</td>
<td>$1,717</td>
<td>$1,622</td>
<td>$1,617</td>
<td>$1,640</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$1,595</td>
<td>$1,724</td>
<td>$1,647</td>
<td>$1,473</td>
<td>$1,601</td>
</tr>
</tbody>
</table>

3 In January 2010, the Molejón Gold project continuously maintained a processing rate of 1,500 tonnes per day or an operating rate of approximately 70% of the designed capacity 2,200 tonnes per day for a period of 30 days with metallurgical recoveries approaching forecast levels.
Cash Cost - Equivalents

<table>
<thead>
<tr>
<th></th>
<th>1Q (Aug)</th>
<th>2Q (Nov)</th>
<th>3Q (Feb)</th>
<th>4Q (May)</th>
<th>Total (May)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2011 (Equivalents)</td>
<td>$729</td>
<td>$640</td>
<td>$627</td>
<td>$525</td>
<td>$625</td>
</tr>
<tr>
<td>FY 2012 (Equivalents)</td>
<td>$537</td>
<td>$546</td>
<td>$616</td>
<td>$612</td>
<td>$574</td>
</tr>
<tr>
<td>FY 2013 (Equivalents)</td>
<td>$524</td>
<td>$444</td>
<td>$637</td>
<td>$540</td>
<td>$569</td>
</tr>
</tbody>
</table>

Botija Abajo Gold Project (Panamá)

A NI 43-101 compliant estimate for the Botija Abajo deposit was released in September 2012 adding $12.8 million (or $0.05 per diluted share) to the NPV calculated by our valuation model. The resource and reserve estimate was completed by Behre Dolbear & Company (USA) Inc. with an effective date of September 1st. The estimate adds 210,000 gold equivalent ounces (110,042 ounces Au and 50,225,000 pounds Cu) to Petaquilla’s Molejón project. Ultimately, these reserves and resources will be processed through the facilities at Molejón.

The Botija Abajo deposit contains zones of low-grade gold mineralization with an in situ value greater than the value of the copper. If other deposits in the Cerro Petaquilla Concession exhibit the same characteristic, by contract, those gold deposits will no longer be under the purview of Cobre Panamá but rather will become mineable assets of Petaquilla Minerals. The reserve and resource estimates are included into our valuation model.

---

Botija Abajo Gold Project (Panamá)  
A NI 43-101 compliant estimate for the Botija Abajo deposit was released in September 2012 adding $12.8 million (or $0.05 per diluted share) to the NPV calculated by our valuation model. The resource and reserve estimate was completed by Behre Dolbear & Company (USA) Inc. with an effective date of September 1st. The estimate adds 210,000 gold equivalent ounces (110,042 ounces Au and 50,225,000 pounds Cu) to Petaquilla’s Molejón project. Ultimately, these reserves and resources will be processed through the facilities at Molejón.

The Botija Abajo deposit contains zones of low-grade gold mineralization with an in situ value greater than the value of the copper. If other deposits in the Cerro Petaquilla Concession exhibit the same characteristic, by contract, those gold deposits will no longer be under the purview of Cobre Panamá but rather will become mineable assets of Petaquilla Minerals. The reserve and resource estimates are included into our valuation model.

---

Cash cost includes mine site operating costs (such as mining, processing and administration) but does not include amortization, depletion, reclamation, capital costs, exploration costs, corporate administration costs and royalties. Contrary to most mining companies, Petaquilla Minerals began excluding royalties from cash cost in FY 2011, restating FY 2010’s cash cost to $590 from $681.
Palmilla Gold Project (Panamá)

On October 9, 2013, Petaquilla announced the completion of an updated NI 43-101 compliant technical report on its Palmilla gold project. The report expanded and upgraded the resources from an estimated inferred resource of 502,800 gold equivalent ounces (using a cutoff grade of 0.30 g/t Au Eq.) to an estimated measured & indicated resource of 841,000 gold equivalent ounces and an inferred resource of 269,000 gold equivalent ounces (using a cutoff grade of 0.35 g/t Au Eq.). The measured & indicated resource is composed of 509,000 ounces gold (27,020,000 tonnes grading 0.59 g/t Au), 755,800 ounces silver (27,020,000 tonnes grading at 0.87 g/t Ag) and 143,900,000 pounds of copper (27,020,000 tonnes grading 0.24% Cu). Below are the tables of both estimates for comparative purposes. Without even considering the significant upgrade of the resource, it can be stated that the estimate increased 120%. The updated estimate added $39.3 million (or $0.15 per diluted share) to the NPV to our valuation model.

### Inferred Mineral Resources Within Whittle Shell Design
(As of October 26, 2012)

<table>
<thead>
<tr>
<th>Gold Cut-off Grade (g/t Au)</th>
<th>Kt</th>
<th>Au Contained</th>
<th>Cu Contained</th>
<th>Ag Contained</th>
<th>Au Equivalent Contained oz</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>g/t</td>
<td>oz</td>
<td>%</td>
<td>K lbs</td>
</tr>
<tr>
<td>&gt;0.3</td>
<td>13,499</td>
<td>0.64</td>
<td>276,800</td>
<td>0.20</td>
<td>60,908</td>
</tr>
</tbody>
</table>

### Mineral Resources Within Whittle Shell
(As of October 9, 2013)

<table>
<thead>
<tr>
<th>Resources Categ.</th>
<th>Kt</th>
<th>Au g/t</th>
<th>Cu %</th>
<th>Ag g/t</th>
<th>AuEq. g/t</th>
<th>Contained Au (oz.)</th>
<th>Contained Cu (Klbs.)</th>
<th>Contained Ag (oz.)</th>
<th>Contained AuEq. (oz.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEASURED</td>
<td>2,500</td>
<td>0.81</td>
<td>0.29</td>
<td>8.99</td>
<td>1.26</td>
<td>64,700</td>
<td>16,000</td>
<td>75,700</td>
<td>101,004</td>
</tr>
<tr>
<td>INDICATED</td>
<td>24,530</td>
<td>0.56</td>
<td>0.24</td>
<td>8.36</td>
<td>0.94</td>
<td>444,700</td>
<td>128,000</td>
<td>676,100</td>
<td>740,000</td>
</tr>
<tr>
<td>MEAS. + IND.</td>
<td>27,020</td>
<td>0.59</td>
<td>0.24</td>
<td>8.37</td>
<td>0.97</td>
<td>509,400</td>
<td>143,900</td>
<td>755,800</td>
<td>841,000</td>
</tr>
<tr>
<td>INFERRED</td>
<td>11,060</td>
<td>0.40</td>
<td>0.22</td>
<td>6.87</td>
<td>0.76</td>
<td>144,300</td>
<td>54,600</td>
<td>239,260</td>
<td>269,000</td>
</tr>
</tbody>
</table>

cutoff grade of 0.35 g/t AuEq.
Petaquilla Minerals acquired a 100% interest in the Lomero-Poyatos concessions through the acquisition of Iberian Resources Corp. by way of a “three-cornered amalgamation” in September 2011. Located in the Kingdom of Spain (Huelva Province, Andalusia Autonomous Community), Lomero-Poyatos is approximately 85 kilometers northwest of Seville and 60 kilometers north of the major port of Huelva. Though first worked by the Romans, the mine was rediscovered in 1853 by Ernesto Deligny and mining re-commenced in the late 1850’s. The mining complex includes two open pits (one at Lomero and the other at Poyatos) and a six level underground mine with a central shaft between the open pits. At least 2.6 million tonnes of massive sulphide ore was mined for pyrite content, which was smelted to manufacture sulfuric acid. Lomero-Poyatos was mined continuously from 1905 to 1982 solely as a sulphide (pyrite) mine. Since then, several companies, including the pyrite smelter, have investigated Lomero-Poyatos as a possible gold-silver deposit and/or a base metal (copper-lead-zinc) deposit. The project is currently at the exploration stage with an inferred mineral resource estimate based on historical data and relatively wide-spaced drilling.

Management estimated that approximately $80 million will be required for the further development of the Lomero-Poyatos mine, namely drilling, metallurgical test work and process flow-sheet and engineering design for a full feasibility study, along with the construction of water treatment plants and a flotation circuit. Management expects that the Lomero-Poyatos project should achieve on-site production in mid-2014.

Lomero-Poyatos is situated in the Iberian Pyrite Belt (IPB), which is located in southwestern part of the Iberian Peninsula. The IPB contains volcanic massive sulphide (VMS) deposits that host gold, copper and other base metal mineralizations in an arch about 240 kilometers long and roughly 35 kilometers wide between Seville in Spain and Grândola in Portugal. The Iberian Pyrite Belt is one of the most important VMS districts in the world, and has been mined for over 5,000 years. Major mines are depicted below.

---

5 On September 1, 2011, Petaquilla Minerals acquired Iberian Resources Corp. for 44,635,225 newly issued common shares and 1,511,248 warrants to purchase 1,640,419 shares at prices between US$0.14 and US$0.60, along with options to purchase 3,357,313 shares between CAD$0.10 and US$0.60.
6 The underground mine was begun in 1905.
7 Indumetal, the smelting company that treated the roasted pyrite residue from Lomero-Poyatos, conducted some underground mapping and sampling in 1986 in order to assess the gold grades and delineate the gold reserves.
**Description**

Lomero-Poyatos is a poly-metallic, massive-sulphide deposit, in which pyrite is the predominant sulphide. When mined for pyrite, sulfur mineralization greater than 43% sulfur was regarded as ore. However, the sulphide zones are significantly enriched in gold with two drill holes assaying with grades above 14 g/t\(^8\). According to work by University of Madrid in April 2011, there are at least three different ore types at Lomero-Poyatos: cupriferous ore assaying 1.0% to 1.5% Cu, arsenic/pyrite ore containing gold and massive sulphide ore containing copper, lead and zinc (with silver associated with lead and gold associated with sulphides). The cupriferous ore lies predominately in the central area while the zinc-lead-gold enrichment is predominate at the eastern and western borders.

Located in the northeast part of the Iberian Pyrite Belt, the Lomero-Poyatos permit block consists of 13 concessions (El Lomero, Ampliación a Numancia, Segundo Lomero, Castilla, Numancia, San Miguel, Ampliación Victoria, Victoria, Segunda A Castilla, Demasía San Miguel, Segunda Numancia, Tercer Lomero and Conchita). In mid-2001, the Andalusia Autonomous Community granted a consolidation of these concessions, which are valid until August 2033.

Lomero-Poyatos contains two independent ore bodies (Lomero and Poyatos) that form a single ore body at depth, over 800 meters in strike. Initially, each ore body was opened to the surface by small open pit mines. Later, in the twentieth century, a main shaft and an underground mine complex with at least six levels that intersected both ore bodies was developed. The underground mine has been flooded for the about 20 years.

![Map of Lomero-Poyatos](image)

**Resources**

During the last decade, the mineral resources at the Lomero-Poyatos concessions have been reviewed and estimated by three consultant companies: Steffen Robertson and Kirsten Ltd. (SRK) in 2002\(^9\), Wardell Armstrong International (WAI) in 2005 and 2007\(^10\) and Behre Dolbear International Ltd. in 2011 and 2012. Primarily based on the 2,490 meter diamond drill hole program conducted by Newmont Mining, in 2002, SRK estimated an inferred mineral resource of 2.05 million ounces Au under an open-pit mining scenario (20.6 million tonnes at an average grade of 3.1 g/t Au), which included an indicated resource of 389,894 ounces Au attainable by underground mining (3.71 million tonnes at an average grade of 3.26 g/t Au at 1.5 g/t Au cut-off). Also, SRK estimated that Lomero-Poyatos contains 46.3 million

---

\(^8\) During the drilling program of Cambridge Mineral Resources, a drill hole returned 14.1 g/t Au over 2.0 meters and another assayed 0.55m at 16.84 g/t Au over 0.55 meters within a northeast target.

\(^9\) This upgraded Conceptual Mining Study was completed in 2002; SRK produced another updated report in September 2010.

\(^10\) In 2005, WAI completed a NI 43-101 compliant pre-feasibility study and in April 2007 a Competent Persons Report based upon the 2005 resource data.
ounces Ag, 675,000 tonnes Zn and 250,000 tonnes Cu. SRK indicated that expected recoveries were approximately 76% for gold, 78% for zinc and 50% for copper.

Behre Dolbear International Limited completed a NI 43-101 compliant Technical Report on the Lomero-Poyatos in July 2011. Based primarily on historical drill-hole data of the 124 known drill holes (roughly one-half surface and one-half underground) and augmented by mineral resource estimation reviews generated by Gemcom’s deposit block model software, Behre Dolbear estimated an inferred mineral resource of 2.07 million ounces Au under an open-pit mining scenario (20.93 million tonnes at an average grade of 3.08 g/t Au at a 1.0 g/t Au cut-off)\(^1\).

However, the open pit scenario is currently considered uneconomic, for various reasons including that the depth of the deposit would require an open-pit depth of at least 250 meters, which is on the verge of the transition depth from open-pit to underground mining. As a consequence, the permitting would be difficult, and the waste:ore ratio would probably exceed 50:1. Subsequently, a revised NI 43-101 compliant Technical Report was completed by Behre Dolbear in May 2012 in which inferred resources were estimated to be approximately 830,000 ounces Au and 17.3 ounces Ag in the underground mining scenario (6.07 million tonnes at an average grade of 4.25 g/t Au at a 1.0 g/t Au cut-off and 88.74 g/t Ag).

### Lomero-Poyatos Project Resources\(^2\)
(underground mining scenario)  

<table>
<thead>
<tr>
<th>Cut-off Grade (g/t)</th>
<th>Inferred tonnes</th>
<th>Grade (g/t Au)</th>
<th>Contained ounces Au</th>
<th>Grade (g/t Ag)</th>
<th>Contained ounces Ag</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 6.0</td>
<td>590,000</td>
<td>6.51</td>
<td>123,500</td>
<td>124.57</td>
<td>2,363,000</td>
</tr>
<tr>
<td>≥ 5.0</td>
<td>1,920,000</td>
<td>5.77</td>
<td>356,000</td>
<td>111.60</td>
<td>6,890,000</td>
</tr>
<tr>
<td>≥ 4.0</td>
<td>3,630,000</td>
<td>5.16</td>
<td>602,000</td>
<td>102.24</td>
<td>11,930,000</td>
</tr>
<tr>
<td>≥ 3.0</td>
<td>4,890,000</td>
<td>4.74</td>
<td>745,000</td>
<td>96.47</td>
<td>15,168,000</td>
</tr>
<tr>
<td>≥ 2.0</td>
<td>5,660,000</td>
<td>4.45</td>
<td>810,000</td>
<td>92.33</td>
<td>16,800,000</td>
</tr>
<tr>
<td>≥ 1.0</td>
<td>6,070,000</td>
<td>4.25</td>
<td>830,000</td>
<td>88.74</td>
<td>17,320,000</td>
</tr>
</tbody>
</table>

\(^1\) The 2011 estimate also included 62.38 g/t Ag.  
According to the most recent NI 43-101 compliant Technical Report by Behre Dolbear International, the mineral resource at Lomero-Poyatos deposit has been categorized as an Inferred Mineral Resource since the estimate is based on relatively wide-spaced drilling. The revised Behre Dolbear NI 43-101 Technical Report again recommends drilling an additional 20,080 meters of drill holes to better define the deposits in two parts: a scoping study and a pre-feasibility study. The Phase 1 drilling program would be composed of drilling at 50 meter intervals along N-S lines 100 meters apart (10,040 meters) and a scoping study (costing €6 million). The drilling results of Phase 1 should be sufficient to upgrade the inferred resource to the indicated resource classification. Phase 2 consists of a pre-feasibility study that would require in-fill drilling at 50 meter intervals along N-S section lines 50 meters apart (10,040 meters costing €7 million).

The revised Behre Dolbear Technical Report replaces and supersedes the report completed in July 2011. The revised report omits the preliminary economic valuation of the Lomero-Poyatos deposit based on equal weightings of 1) average global stock market valuations per ounce of in-situ gold resources and 2) the value of comparable acquisition transactions.

The titling process for the Lomero-Poyatos project was completed in November 2012. Having secured the initial environmental permit to dewater the pit and the submerged galleries and the Andalusian Autonomous Government’s administrative authorization, Petaquilla is constructing a mine access ramp, after which the wastewater will be discharged from the pit and underground mine so that the shaft and headgear can be refurbished and further drilling can be completed to help confirm historical results and upgrade the Inferred Resource to Measured and Indicated Resources. An updated NI 43-101 compliant estimated resource is expected during calendar 2013. Management’s goal is to initiate commercial on-site production during the first half of fiscal 2015.

PORTUGAL

By virtue of its unique geologic history, Portugal is home to two world class mines. The country is one of the leading producers of mined copper, silver, tin and zinc in the European Union and continues to be one of the world's largest producers of tungsten outside of China, ranking fifth after Russia, Bolivia, and Australia. Still rich in these minerals and others, Portugal has considerable mining potential, especially since the Portuguese Government encourages mineral exploration and development. Portugal is a modern, industrial country with well-developed infrastructure (excellent road, power and communication networks) to support mine operations. The nation's mining laws are favorable towards the development of mines with reasonable regulations. Both the Ministério da Economia and its subordinate agency, the Direcção-Geral de Energia e Geologia, may grant exploration and mining rights. The government's geology and mining agency (the Instituto Geológico e Mineiro or IGM) encourages and promotes the advancement of projects geared toward the exploitation of the country's mineral resources.

Geologically, during the Hercynian-Variscan age (between 380 and 300 million years ago), a complicated series of tectonic microplate collisions occurred in the area of present day Portugal. The resulting crustal deformations created a variety of complex structures, which were formed by folding, metamorphism, fracturing, shearing and magmatization. The multifaceted and diverse geologic history created an environment conducive for the formation of considerable mineral deposits. In the north and central part of the country, granite intrusions and associated vein/hydrothermal mineralizations created tungsten, tin and gold deposits along the contact zones. In the south, the Iberian Pyrite Belt (IPB) contains volcanic massive sulphide (VMS) deposits that host gold, copper and other base metal mineralizations. The IPB is one of the most mineralized areas of Western Europe.

13 USGS 2010 Minerals Yearbook - Portugal.
With abundant mineral occurrences, Portugal has a remarkable mining history. Mining began in the Copper Age around 5,000 BC as evidenced by archeological finds of copper utensils. Later, from 700 BC to 300 BC, copper, iron, tin, gold and silver was extracted by the Phoenicians, followed by more intense operations by the Romans until approximately 400 AD. The Romans exploited gold, pyrite and copper deposits on large scales. For example, approximately 10 million tons of ore and overburden was extracted from the Três Minas gold deposits in northern Portugal. In southern Portugal, the Romans excavated 120-meter mine shafts at the Aljustrel zinc and copper mine. Also, the Romans mined copper and pyrite at São Domingos in the Iberian Pyrite Belt. Slag piles at São Domingos indicate the excavation of an estimated 750,000 tons of ore between 12 AD and 397 AD.

Little mining occurred during the Middle Ages; however, around the beginning of the Industrial Revolution, the first mining concessions were granted in 1836. By 1900, about 300 concessions had been granted. The main minerals mined were polymetallic sulphides [galena (lead), sphalerite (zinc) and chalcopyrite (copper)] at Aljustrel and São Domingos in the IPB, tungsten and tin at Panasqueira and gold at Jales-Gralheira, Castromil, Freixeda and Santo Antonio (Penedono). For example, between 1933 and 1992, 830,000 ounces of gold and 3 million ounces of silver were extracted from the Jales-Gralheira mine. Demand for tungsten increased during the Second World War with Portugal supplying both the Allied and the Axis Powers.

Today, there are two active world class metal ore mines in Portugal: Neves-Corvo (copper and tin) in the Iberian Pyrite Belt and Panasqueira (tungsten and tin) in the Central Iberian Zone (CIZ). With mineral deposits discovered in 1977, Neves-Corvo commenced commercial production in 1989 with the support of the Portuguese government. Cited as a mining project that helped rejuvenate the Portuguese mining industry, Neves-Corvo was acquired by Lundin Mining (LUN: TO) in 2006.

The Aljustrel mining area is in the Iberian Pyrite Belt, which is one of the most mineralized areas in the European Union. Copper, zinc, lead and silver mineral deposits were discovered at several areas at Aljustrel (namely, Moinho in 1955, Feitais in 1963, Estacão in 1968 and Gavião in 1970). In late 2008, zinc production at Aljustrel was suspended due to the decline in zinc prices, and Lundin Mining sold the mine to a private firm (MTO SGPS) in early 2009. However, targeting copper-rich zones, production of copper-silver ores recommenced in late 2010. Silver Wheaton (SLW: NYSE and TO) owns the silver stream at both Neves-Corvo and Aljustrel at a cash cost of $3.98 and $3.94 per ounce, respectively.

In addition, in testament to the country’s mineral resources, Portugal has approximately 175 abandoned or inactive mine sites. Examples include polymetallic sulphides mines in the IPB (Aljustrel and São Domingos), tungsten and/or tin mines (Covas, Borralha, Argzelos and Montesinho), gold and/or silver mines (Castromil, Jales-Gralheira, Penedono and Freixedo), and copper mines (São Domingos).

<table>
<thead>
<tr>
<th>Mine</th>
<th>Zone</th>
<th>Type</th>
<th>Dates</th>
<th>Minerals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covas - Três Minas</td>
<td>GTMZ</td>
<td>Open/Pit/adit</td>
<td>Roman only</td>
<td>Gold</td>
</tr>
<tr>
<td>Ribeirinha - Três Minas</td>
<td>GTMZ</td>
<td>Open/Pit/adit</td>
<td>Roman only</td>
<td>Gold</td>
</tr>
<tr>
<td>Lagoinhos - Três Minas</td>
<td>GTMZ</td>
<td>Underground</td>
<td>Roman only</td>
<td>Gold</td>
</tr>
<tr>
<td>Freixeda</td>
<td>GTMZ</td>
<td>Underground</td>
<td>1952 - 1955</td>
<td>Gold, Silver &amp; Lead</td>
</tr>
<tr>
<td>Covas</td>
<td>GTMZ</td>
<td>Underground</td>
<td>N/A</td>
<td>Tungsten &amp; Tin</td>
</tr>
<tr>
<td>Jales - Gralheira</td>
<td>GTMZ</td>
<td>Underground</td>
<td>Romans, 1933-1992</td>
<td>Gold &amp; Silver</td>
</tr>
<tr>
<td>Castromil</td>
<td>CIZ</td>
<td>Open/Pit/adit</td>
<td>Romans, -1940</td>
<td>Gold</td>
</tr>
<tr>
<td>Santo António-Penedono</td>
<td>CIZ</td>
<td>Underground</td>
<td>Romans, 1954-1957</td>
<td>Gold</td>
</tr>
<tr>
<td>Panasqueira</td>
<td>CIZ</td>
<td>Underground</td>
<td>1898 - present</td>
<td>Tungsten &amp; Tin</td>
</tr>
<tr>
<td>São Domingos</td>
<td>IPB</td>
<td>Open/Pit</td>
<td>Romans, 1855-1966</td>
<td>Copper &amp; Pyrite (Sulfur)</td>
</tr>
<tr>
<td>Aljustrel</td>
<td>IPB</td>
<td>Underground</td>
<td>Romans, 1955-2008</td>
<td>Copper, Zn, Pb, Silver &amp; Pyrite</td>
</tr>
<tr>
<td>Neves-Corvo</td>
<td>IPB</td>
<td>Underground</td>
<td>1989 - present</td>
<td>Copper, Zn, Silver, Tin, Lead</td>
</tr>
</tbody>
</table>

The Portuguese Government encourages mineral exploration and mine development. Having implemented several reforms to improve the economic environment for foreign investment, major and junior mining and exploration companies from North America, Europe and Australia have been granted concessions and have conducted exploration programs in search of base and precious metals. Managements of many mining companies have reported that interaction with the Portuguese Government and its mining agencies have been positive, constructive and productive. During the exploration phase, the Government of Portugal benefits directly from the annual payments based on the surface area of the concession contracts, and the economy is stimulated through the required exploration expenditures to maintain the contracts in good standing. Once a mine is in production, the government receives royalty rates (a 3% net smelter return) and corporate taxes. Officially entitled República Portuguesa, Portugal has been a stable constitutional democratic republic since 1976.

The mining laws of Portugal were updated and modernized on March 16, 1990 by Decree-Law No. 88/90 and Decree-Law No. 90/90 (Decreto-Lei no 88/9015 and Decreto-Lei no 90/90). Since the minerals in Portugal are owned by the State, mining activity (including exploration, development, production, environmental protection and royalties) is regulated by the Ministry of Economy (Ministério da Economia). Both the Ministry of Economy and its subordinate agency, the General Directory of Geology and Energy (Direcção-Geral de Energia e Geologia or DGGE) are empowered to grant exploration and mining concessions. The DGGE also oversees the extraction and processing of ore and is responsible for amassing the geological data and research on the country's geological resources. Exploration contracts are processed and monitored by the Geological and Mining Institute (Instituto Geológico e Mineiro or IGM). The IGM also promotes the development of mineral resources by providing access to maps and technical documentation (geological, geophysical, geochemical and drilling data) resident in the Portuguese archives. In addition, the IGM offers technical and administrative assistance in the submission of the applications, the definition of exploration targets and the formulation of exploration strategies.

Exploration concessions (rights) are be granted by the Ministry of Economy or the DGGE. A prospecting and exploration contract defines the land boundaries of the concession, the mineral resources to be explored, the initial duration period, renewal terms, the annual surface area fee and the minimum exploration work expenditures required to maintain the concession. Though the terms of the exploration contract are negotiated with Portuguese authorities, generally the duration period (including optional renewals periods) for mineral resources is five years with the initial period being two or three years and subsequent renewals thereafter. At the time of each renewal, the concession land area is reduced by 50%. During the term of the contract, the licensee must semiannually submit progress reports detailing the work completed and the expenditures made. After the fifth year, in order to maintain the concession either a new exploration contract or an exploitation concession must be applied for and granted. During the life of the exploration contract, the licensee has the option to apply for and upgrade to either an experimental mining license or a mining contract.

Mining (or exploitation) concessions are governed by mining contracts which entitle the licensee the sole right to exploit specific mineral deposits within a defined area for a duration period, usually determined by the estimated life of mine under normal operating conditions and with conditions for renewal. For example, the mining concession of Neves-Corvo grants the rights to exploit the deposits for copper, zinc, lead, silver, gold, tin and cobalt for an initial period of fifty years with two further extensions of twenty years. The application must include a geological report, preliminary feasibility study, mining plan and an environmental impact assessment. An experimental mining license may be granted for operations covering 5 hectares or less, not located in an area of protected landscape identified in the law and with expected production of less than 150,000 tonnes.

15 Decreto-Lei no 88/90 applies to ore deposits, including all metallic and radioactive ores, coal, graphite, pyrites, phosphates, asbestos, talcum, kaolin, diatomite, quartz, feldspar, precious and semi-precious stones, potassium salts and rock-salt.
Production from mineral concessions granted in Portugal since 1990 is subject to a net smelter return (NSR) of 3% payable to the DGGE (the Portuguese government). However, the Government may opt for a profit-related royalty of 10% of the net mining income (after income tax and charges). Some mining contracts include a reduction of revenue-based royalty payments for mining development investment.

The total corporate tax rate for commercial and industrial activity in Portugal is 27.5% composed of a standard corporate tax rate 25% and a 2.5% local tax. The tax code allows for full deductibility of capital expenditures and also provides for an annual deduction for future expenses related to the mine site's environment recovery plan, including landscaping.

Canada and the United States have tax treaties with Portugal by which earnings may be repatriated subject to a 10% withholding tax.

JALES-GRALHEIRA & BANJAS-POCO ROMANO (PORUGAL) - GOLD

The Jales-Gralheira concession is located in Vila Real District of northern Portugal, approximately 330 kilometers north-northeast of Lisbon. The concession encompasses 1,540 hectares and contains an area of historic mining operations. Petaquilla is advancing studies toward an updated NI 43-101 compliant resource estimate.

Almada Mining, a wholly owned subsidiary of Petaquilla, in joint venture (JV) with Portuguese Mining Development Company (EDM) was granted the mineral rights to the Jales-Gralheira concession through a prospecting and exploration license agreement with the government of Portugal. The Direcção Geral de Energia e Geologia awarded the concession contract for an initial three-year period for an area of 1,540 hectares. During this initial probationary period, the JV must make at least certain exploration expenditures, including €4,395,000 for 29,300 meters of surface exploration, €750,000 for 5,000 meters in the mine's gallery and €20.4 million for work in the gallery. The required minimum work requirement during this first three-year phase is slightly above €26 million, after which a mining license can be sought after completing an Environmental Impact Study. The Jales-Gralheira concession is subject to a 4% Net Smelting Royalty (NSR) on mineral production or a 10% royalty of the concession's net profit.

The Aljustrel mining concession was granted prior to 1990 and is exempt from the governmental royalty (NSR). For example, the Portuguese Government elected the profit-related royalty of 10% of the net income at Neves-Corvo in 2005.
The first mining operations at Jales-Gralheira date back to the 1st and 2nd centuries A.D. when Romans excavated down to a vertical depth of 120 meters. In modern times, the Jales mine has produced 830,000 ounces of gold and almost 3 million ounces of silver between 1933 and 1992. The mine was operated by Minas de Jalles Lda and exploited gold-bearing quartz veins to vertical depths up to 620 meters below surface. The average vein width was 1.0 meter which produced ore averaging 12.9 g/t Au, though the grade was fairly irregular with some areas reaching up to 30-40 g/t Au.

The Gralheira concession was last controlled by Kernow Mining between 2002 and 2010, during which time three 43-101 compliant technical reports were filed. As of November 2007, the Gralheira resource was estimated to contain in the combined Measured and Indicated categories (at a 3 g/t Au cut-off) 599 kilotonnes grading 5.27 g/t Au and 23.18 g/t Ag representing in situ 101,593 ounces Au and 446,567 ounces Ag. The Inferred resource estimate was 975 kilotonnes grading 4.72 g/t Au and 15 g/t Ag, containing 147,786 ounces Au and 483,621 ounces Ag.

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measured</th>
<th>Indicated</th>
<th>Measured</th>
<th>Indicated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Au (g/t)</td>
<td>4.63</td>
<td>2.93</td>
<td>4.17</td>
<td>3.92</td>
</tr>
<tr>
<td>kg</td>
<td>3.04</td>
<td>2.43</td>
<td>2.13</td>
<td>2.07</td>
</tr>
<tr>
<td>oz</td>
<td>53.2</td>
<td>61.2</td>
<td>60.2</td>
<td>65.4</td>
</tr>
<tr>
<td>Au (g/t)</td>
<td>4.52</td>
<td>5.24</td>
<td>5.82</td>
<td>5.35</td>
</tr>
<tr>
<td>kg</td>
<td>2.23</td>
<td>3.07</td>
<td>3.17</td>
<td>3.05</td>
</tr>
<tr>
<td>oz</td>
<td>59.9</td>
<td>4.59</td>
<td>3.27</td>
<td>2.65</td>
</tr>
<tr>
<td>Au (g/t)</td>
<td>4.47</td>
<td>5.28</td>
<td>4.72</td>
<td>5.35</td>
</tr>
<tr>
<td>kg</td>
<td>2.58</td>
<td>3.16</td>
<td>3.07</td>
<td>3.05</td>
</tr>
<tr>
<td>oz</td>
<td>55.0</td>
<td>3.79</td>
<td>3.26</td>
<td>2.65</td>
</tr>
</tbody>
</table>

Evaluation Summary (WAI 2007) Top Cut Applied

<table>
<thead>
<tr>
<th>Classification</th>
<th>Measured</th>
<th>Indicated</th>
<th>Measured</th>
<th>Indicated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Au (g/t)</td>
<td>4.63</td>
<td>2.93</td>
<td>4.17</td>
<td>3.92</td>
</tr>
<tr>
<td>kg</td>
<td>3.04</td>
<td>2.43</td>
<td>2.13</td>
<td>2.07</td>
</tr>
<tr>
<td>oz</td>
<td>53.2</td>
<td>61.2</td>
<td>60.2</td>
<td>65.4</td>
</tr>
<tr>
<td>Au (g/t)</td>
<td>4.52</td>
<td>5.24</td>
<td>5.82</td>
<td>5.35</td>
</tr>
<tr>
<td>kg</td>
<td>2.23</td>
<td>3.07</td>
<td>3.17</td>
<td>3.05</td>
</tr>
<tr>
<td>oz</td>
<td>59.9</td>
<td>4.59</td>
<td>3.27</td>
<td>2.65</td>
</tr>
<tr>
<td>Au (g/t)</td>
<td>4.47</td>
<td>5.28</td>
<td>4.72</td>
<td>5.35</td>
</tr>
<tr>
<td>kg</td>
<td>2.58</td>
<td>3.16</td>
<td>3.07</td>
<td>3.05</td>
</tr>
<tr>
<td>oz</td>
<td>55.0</td>
<td>3.79</td>
<td>3.26</td>
<td>2.65</td>
</tr>
</tbody>
</table>

Zacks Investment Research
**Banjas-Poco Romano** concession is located in the municipalities of Maia and Walls. Almada Mining was awarded this concession in Banjas area, which is situated in the counties of Gondomar, Valongo, Paredes Penafiel, Castelo de Paiva, Vila Nova de Gaia and Santa Maria da Feira. To remain in good standing, the concession requires a minimum investment of €160,000 toward exploratory work.

---

**VALUATION**

Managements of mineral production and exploration companies create value through evaluating, acquiring, exploring and/or developing mining properties. In the case of Petaquilla Minerals, management's strategy is to increase shareholder value through developing the Molejón gold project and other properties in north-central Panamá, along with evaluating and acquiring other projects, such as Lomero-Poyatos in Spain. Also, Petaquilla Minerals has achieved the status of an exploration/production company, in which the reserves at Molejón warrant a higher valuation than typical junior gold exploration companies. Therefore, we believe it would be inappropriate to value Petaquilla Minerals on a current earnings, cash flow or book value basis. Both earnings and cash flow are ramping up and do not adequately capture the value of the company's resource base. Book value can often represent the value of a junior gold exploration company, but Molejón mine has evolved well beyond the exploration phase and Petaquilla Minerals has the potential to become a mid-tier producer.

Our calculation of **share value of attributable reserves and resources** is based on the ascertained value of each property plus balance sheet adjustments for working capital, PPE (property, plant and equipment) and marketable securities. **The value of each individual property is determined by adjusting the value of current reserves/resources for the expected recovery rate, mining/processing costs and royalties, if any.** The reserves/resources are assigned a **confidence factor** that attempts to take into account the risks of each project, such as the locality of the deposits, the assurance level of the reserves/resources, various technical mining/production risks, etc. The current price of gold is utilized. The reserve/resource valuation methodology involves the following assumptions:

1) At Molejón, a 90% confidence factor is applied to proven and probable reserves with an average grade of 1.305 g/t since the production facility has been operating consistently since 2009. The grade of ore is quite high for an open pit mine.

2) At Molejón, a 60% confidence factor is applied to measured & indicated reserves with an average grade of 0.70 g/t for a combination of factors, but primarily since the on/off leach operations have begun recently and the company has yet to report production from the process.

3) At Molejón, only a 10% confidence factor is applied to measured & indicated reserves with an average grade of 0.50 g/t. According to laboratory column leach tests, only low grade oxide materials can be processed economically on the on/off leach pads. The low recovery rate of fresh ore in the laboratory (between 38% and 53%) impedes its profitable extraction. A breakdown of low grade oxide materials and fresh ore is not available.

4) At Botija Abajo, an 80% confidence factor is applied to the proven & probable reserve and measured & indicated resource. The recovery rates for gold and copper are 76% and 72%, respectively, which are derived from the NI 43-101 compliant report. Production is not expected until 2015.

5) At Palmilla, an 80% confidence factor is applied to the measured & indicated resource. The recovery rates for gold and copper are 76% and 72%, respectively. A 35% confidence factor is applied to the inferred resource of Palmilla. The resource estimates are NI 43-101 compliant, and production is expected to begin in 2015.

6) At Oro del Norte, a 20% confidence factor is applied to inferred resource. The inferred resource is not yet NI 43-101 compliant, and production is not expected until 2016.

7) At Lomero-Poyatos, a 35% confidence factor is applied to inferred resource. The property was previously mined for pyrite, but not for precious metals. The copper, lead and zinc deposits are currently not included in the valuation; however, when a feasibility study provides sufficient information for their evaluation, they will be included. We conservatively estimate the life of mine (LOM) to be nine years (conservative in comparison to management's six year goal).
8) The royalties and Net Smelter Return for Molejón include both the Government of Panamá’s 2% royalty on gold and silver sold and the graduated 1% to 5% NSR provided by the June 2005 agreement. The royalty on copper is 5%.

9) In the case of PDI Panama, only the announced contracts are being used to value the operations on a price-to-sales (P/S) basis. Small-capitalization companies with a sales profile that should grow and expand over time historically are valued in a P/S range between 1.1 and 3.2. Given the limited information on PDI Panama, the valuation target is based on a third quartile 1.6 price-to-sales ratio valuation. Only Petaquilla’s percentage interest in PDI is attributed in the valuation model.

10) With the issuance of a significant number of warrants and options, we use fully diluted shares instead of shares outstanding.

Since our last report, the following important modification affected our valuation model:

1) The updated resource estimate of Palmilla added $0.15 per diluted share to the price target.
2) The increase in the prices of gold, silver and copper increased the price target by $0.12.
3) The increased working capital deficiency reduced the target by $0.22.
4) The removal of deferred revenue added $0.05.

Based on our calculation of share value of attributable resources (see table below), our adjusted target for Petaquilla Minerals stock is $1.04.

### Petaquilla Minerals Ltd.

<table>
<thead>
<tr>
<th>Projects</th>
<th>Metal</th>
<th>Proven &amp; Probable Reserve (oz or lb)</th>
<th>Measured &amp; Indicated Resource (oz)</th>
<th>Grade (g/t or %)</th>
<th>Inferred Resource (oz or lb)</th>
<th>Recovery Rate</th>
<th>Average Production Costs (per oz)</th>
<th>Current Price</th>
<th>Royalties &amp; Net Smelter Return (NSR)</th>
<th>% Ownership</th>
<th>Net Value to PTO</th>
<th>Net Present Value to PTO</th>
</tr>
</thead>
<tbody>
<tr>
<td>PANAMA Molejón</td>
<td>Au</td>
<td>482,486</td>
<td>37,100</td>
<td>90%</td>
<td>600</td>
<td>1,281</td>
<td>4.0%</td>
<td>100%</td>
<td>266,412,862</td>
<td>201,339,811</td>
<td>(85,608,791)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ag</td>
<td>756,577</td>
<td>37,100</td>
<td>85%</td>
<td>15,000</td>
<td>21,30</td>
<td>4.0%</td>
<td>100%</td>
<td>3,500,470</td>
<td>2,645,458</td>
<td>(5,681,936)</td>
<td></td>
</tr>
<tr>
<td>(CIP/CIC)</td>
<td></td>
<td></td>
<td>2,050</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>43,147,754</td>
<td>28,870,112</td>
<td>(12,997,029)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Au</td>
<td>163,130</td>
<td>625</td>
<td>70%</td>
<td>1,281</td>
<td>4.0%</td>
<td>100%</td>
<td>201,357,411</td>
<td>5,224,744</td>
<td>3,495,870</td>
<td>(2,990,332)</td>
<td></td>
</tr>
<tr>
<td>(on/off leach)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34,728,221</td>
<td>23,358,517</td>
<td>(5,348,147)</td>
<td></td>
</tr>
<tr>
<td>Molejón</td>
<td>Au</td>
<td>191,669</td>
<td>650</td>
<td>45%</td>
<td>1,281</td>
<td>4.0%</td>
<td>100%</td>
<td>201,357,411</td>
<td>34,728,221</td>
<td>23,358,517</td>
<td>(2,990,332)</td>
<td></td>
</tr>
<tr>
<td>(on/off leach)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34,728,221</td>
<td>23,358,517</td>
<td>(2,990,332)</td>
<td></td>
</tr>
<tr>
<td>Belencillo</td>
<td>Au</td>
<td>318,500</td>
<td>650</td>
<td>45%</td>
<td>1,281</td>
<td>4.0%</td>
<td>100%</td>
<td>201,357,411</td>
<td>34,728,221</td>
<td>23,358,517</td>
<td>(2,990,332)</td>
<td></td>
</tr>
<tr>
<td>(on/off leach)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34,728,221</td>
<td>23,358,517</td>
<td>(2,990,332)</td>
<td></td>
</tr>
<tr>
<td>PDI Panama</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>47.48%</td>
<td>5,348,147</td>
<td>5,348,147</td>
<td></td>
</tr>
</tbody>
</table>

**BALANCE SHEET ADJUSTMENTS**

- Working capital: $85,608,791
- Convertible senior secured notes: 0
- Community support obligation: (5,681,936)
- Asset retirement obligation: (12,997,029)

**Net Assets & Resources**

- Fully Diluted Shares: 254,074,442
- Management Inferred Resource (oz): 160,770,159
- Net Present Value to PTO: 268,010,372

**Discounted Asset Value**

- Molejón only: 0.60
- Molejón: 34,728,221
- Molejón: 23,358,517
- Molejón: 160,770,159
- Molejón: 268,010,372

**Discounted Asset Value**

- Spain: 0.60
- Spain: 1,439,000
- Spain: 1,732,000
- Spain: 1,281
- Spain: 0.00
- Spain: 1,281
- Spain: 266,412,862
- Spain: 201,339,811
- Spain: 121,065,817
- Spain: 29,814,510
- Spain: 28,642,950
- Spain: 7,053,812
- Spain: 254,074,442
- Spain: 268,010,372
- Spain: 1,439,000
- Spain: 1,732,000
- Spain: 1,281
- Spain: 266,412,862
- Spain: 201,339,811
- Spain: 121,065,817
- Spain: 29,814,510
- Spain: 28,642,950
- Spain: 7,053,812
- Spain: 1.04
## PROJECTED INCOME STATEMENT

### Petaquilla Minerals Ltd.

Consolidated Statements of Operations and Retained Earnings (US $)

<table>
<thead>
<tr>
<th></th>
<th>IFRS</th>
<th>IFRS</th>
<th>IFRS</th>
<th>IFRS</th>
<th>IFRS</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Year</td>
<td>2013</td>
<td>2013</td>
<td>2013</td>
<td>2013</td>
<td>MAMJ</td>
</tr>
<tr>
<td></td>
<td>(May)</td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
<td>4Q</td>
<td>Year</td>
</tr>
</tbody>
</table>

For the years ending June 30 (and May 31 prior to 2013)

- **Revenue**: 94,297,396 25,925,176 29,463,602 27,498,989 27,779,254 110,667,021 114,010,060
- **Production costs**: 44,064,034 10,810,925 10,772,638 10,188,141 21,168,741 52,940,508 66,727,500
- **Depreciation and depletion**: 15,301,328 4,503,543 3,633,829 3,270,436 10,126,285 21,734,093 19,381,710

### Gross operating profit

- 34,932,034 10,610,645 14,857,133 14,904,912 (3,451,772) 35,992,420 29,700,850

### General and administrative

- 14,226,500 3,025,648 4,307,117 3,787,856 6,272,261 17,392,882 17,018,266

### Donations and community relations

- 1,542,860 275,537 477,061 413,408 4,394,993 5,560,999 6,560,375

### Exploration and development costs

- 9,903,665 1,983,809 2,008,241 3,131,931 3,991,432 11,115,413 15,000,000

### Stock-based compensation

- 514,799 108,365 59,782 126,319 297,952 592,418 700,000

### Debt issuance costs

- - - - - - -

### Other operating expenses

- - - - - - -

### Operating expenses

- 26,189,624 5,393,359 6,852,201 7,459,514 14,956,638 34,661,712 39,276,641

### Gain (loss) from operations

- 8,742,210 5,217,286 8,004,934 6,580,898 (18,472,410) 1,330,708 (11,377,791)

### Finance (expense)

- (2,174,462) (735,124) (440,439) (187,201) (3,122,623) (4,485,387) (3,500,000)

### (Loss) on equity investments

- (485,104) 0 0 0 0 0 0

### Inmet's waiver of 5% royalty on Molejon mine

- - - 9,373,191 3,975,150 13,348,341 -

### Gain on disposal of Vintage Mining Corp

- - - - - - -

### Gain on expiry of deferred services contract

- - - - - - -

### Mark-to-market gain (loss) on share purchase warrants

- 10,564,194 0 0 0 0 0 0

### Mark-to-market gain (loss) on share embedded derivatives

- 3,265,000 - - - - - 0

### Mark-to-market gain (loss) on share conversion feature

- 866,963 - - - - - 0

### Mark-to-market gain (loss) on senior & conv. secured notes

- (505,523) 0 0 0 0 0 0

### Non-operating income (expenses)

- 2,146,356 (761,790) (5,502,823) 0 (8,530,740) (14,795,353) 0

### Total other income (expense)

- 13,677,424 (1,496,914) (5,943,282) 9,185,990 (7,678,213) (5,932,399) (3,500,000)

### Income (loss) before minority interest and income taxes


### Non-controlling interests

- 1,793,434 (29,421) (7,632) (41,127) (435,345) (513,525) (997,629)

### Shareholders income (loss) before income taxes

- 20,626,200 3,479,993 2,069,304 15,808,015 (25,715,278) (4,088,166) (13,880,162)

### Other comprehensive income

- (5,187,200) 558,460 1,059,846 183,686 (237,716) 1,590,076 0

### Net comprehensive income (continuing operations)

- 15,439,000 4,308,253 3,154,950 15,991,701 (25,952,994) (2,498,090) (13,880,162)

### Net income per common share (diluted) - continuing ops.

- 0.10 0.02 0.01 0.07 (0.11) (0.02) (0.06)

### Net comprehensive income per share (diluted)

- 0.07 0.02 0.01 0.07 (0.11) (0.01) (0.05)

### Weighted average common shares outstanding - diluted

- 206,560,782 230,200,617 226,222,082 231,651,958 226,825,979 214,891,382 265,000,000

### Gross margin (net of amortization & depletion)

- 53.27% 58.30% 63.44% 62.95% 23.80% 52.16% 41.47%

---

Zacks Investment Research

Page 20

scr.zacks.com
## BALANCE SHEET

### Petaquilla Minerals Ltd.

**Consolidated Balance Sheets (in $ US)**

**For the years ending as noted**

<table>
<thead>
<tr>
<th>Year</th>
<th>Canadian GAAP</th>
<th>IFRS</th>
<th>IFRS</th>
<th>IFRS</th>
<th>IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>ending 1/31</td>
<td>ending 4/30</td>
<td>ending 4/30</td>
<td>ending 5/31</td>
<td>ending 5/31</td>
</tr>
<tr>
<td>2007</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2009</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2010</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### ASSETS

- Cash and cash equivalents
- Short-term investments
- Accounts receivable
- Prepaid expenses
- Accounts receivable, prepaid, etc.
- Inventory and stockpiled ore
- Assets (PDI) held for distribution to owners

### Liabilities

- Current portion of bank loans
- Current portion of deferred revenue
- Current portion of derivative obligation
- Bank overdraft
- Operating credit line facility
- Senior secured notes
- Convertible senior secured notes
- Other liabilities - Community support obligation
- Share purchase warrants
- Deferred revenue
- Derivative obligation
- Asset retirement obligation
- Long-term liabilities

### Other Assets

- Restricted cash - reclamation obligations
- Long term investments
- Inventories (stockpiled ore)
- Advances to suppliers
- Other assets
- Property, plant and equipment (net)
- Mineral properties
- Exploration and evaluation assets (primarily Iberian)
- Mineral property, plant & equipment

### Total Assets

- 12,807,172 14,375,983 71,208,177 81,543,823 80,262,195 151,519,276 90,252,208 128,733,415 186,251,191 217,976,849

### LIABILITIES

- Accounts payable and accrued liabilities
- Deferred services and materials
- Current obligations under capital leases
- Current portion of long-term debt
- Current portion of bank loans
- Current other liabilities - Community support
- Current portion of deferred revenue
- Current portion of derivative obligation
- Bank overdraft
- Senior secured notes
- Convertible senior secured notes
- Other liabilities - Community support obligation
- Share purchase warrants
- Deferred revenue
- Derivative obligation
- Asset retirement obligation
- Long-term liabilities

### Share Capital and Equity

- Share capital (no par value)
- Treasury shares
- Warrants
- Shares subscribed
- Additional paid-in capital
- Equity component of cv. sr. secured notes
- Accumulated comprehensive income
- Retained earnings (deficit)
- Equity attributed to non-controlling interests

### SHAREHOLDERS’ EQUITY

- 12,256,074 34,837,619 14,606,134 8,920,288 21,353,115 20,320,106 25,246,279 10,398,510 55,929,263 53,309,551

### Total Liabilities and Equity

- 12,807,172 45,375,983 71,208,177 81,543,823 80,262,195 151,519,276 90,252,208 128,733,415 186,251,191 217,976,849

### Common shares outstanding

- 89,876,951 89,876,951 95,958,641 96,040,121 125,281,951 176,429,501 125,281,951 176,429,501 221,863,781 222,330,161
**HISTORICAL ZACKS RECOMMENDATIONS**

The following disclosures relate to relationships between Zacks Investment Research ("ZIR") and Zacks Small-Cap Research ("Zacks SCR") and the issuers covered by the Zacks SCR analysts in the Small-Cap Universe.

ZIR or Zacks SCR Analysts do not hold or trade securities in the issuers which they cover. Each analyst has full discretion on the rating and price target based on their own due diligence. Analysts are paid in part based on the overall profitability of Zacks SCR. Such profitability is derived from a variety of sources and includes payments received from issuers of securities covered by Zacks SCR for non-investment banking services. No part of analyst compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in any report or blog.

ZIR and Zacks SCR do not make a market in any security nor do they act as dealers in securities. Zacks SCR has never received compensation for investment banking services on the small-cap universe. Zacks SCR does not expect received compensation for investment banking services on the small-cap universe. Zacks SCR has received compensation for non-investment banking services on the small-cap universe, and expects to receive additional compensation for non-investment banking services on the small-cap universe, paid by issuers of securities covered by Zacks SCR. Non-investment banking services include investor relations services and software, financial database analysis, advertising services, brokerage services, advisory services, investment research, and investment management.

Additional information is available upon request. Zacks SCR reports are based on data obtained from sources we believe to be reliable, but is not guaranteed as to accuracy and does not purport to be complete. Because of individual objectives, the report should not be construed as advice designed to meet the particular investment needs of any investor. Any opinions expressed by Zacks SCR Analysts are subject to change. Reports are not to be construed as an offer or the solicitation of an offer to buy or sell the securities herein mentioned. Zacks SCR uses the following rating system for the securities it covers. Buy/Outperform: The analyst expects that the subject company will outperform the broader U.S. equity market over the next one to two quarters. Hold/Neutral: The analyst expects that the company will perform in line with the broader U.S. equity market over the next one to two quarters. Sell/Underperform: The analyst expects the company will underperform the broader U.S. Equity market over the next one to two quarters.

The current distribution of Zacks Ratings is as follows on the 1,024 companies covered: Buy/Outperform: 14.9%, Hold/Neutral: 78.9%, Sell/Underperform: 5.5%. Data is as of midnight on the business day immediately prior to this publication.