



## **THE HAQUIRA SX-EW COPPER DEPOSIT, LAS BAMBAS DISTRICT, SOUTH-CENTRAL PERU.**

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### **INTRODUCTION**

The Haquira Project hosts a large porphyry copper deposit with well-developed copper-oxide and secondary copper-sulphide mineralization overlying primary copper-sulphide mineralization. The project is located approximately 75 km to the southwest of Cuzco, Peru in the emerging middle Eocene to early Oligocene Andahuaylas-Yauri copper-gold porphyry/skarn belt which hosts the Tintaya copper-gold skarn mine (BHP Billiton), the Las Chancas copper-gold porphyry deposit (Southern Copper Corp.), the Las Bambas copper-gold skarn deposits (Xstrata Copper), as well as numerous other copper-gold-molybdenum porphyry and skarn occurrences. The Haquira project is contiguous with, and immediately to the south of, the Las Bambas District (Figure 1) where Xstrata Copper has committed to invest US\$121 million.

The Haquira project is a grass-roots discovery made by Minera Phelps Dodge del Peru S.A.C. (“Phelps Dodge”). Antares Minerals Inc. (“Antares”; ANM-TSX.V) can acquire a 100% interest in the Haquira project from Phelps Dodge by completing optional payments totalling US\$15 million over a five-year period. In addition, once a feasibility study is completed on Haquira, Antares will be obligated to make an additional payment to Phelps Dodge equal to US\$0.01 for each pound of copper in excess of 2.2 billion pounds that is calculated as part of the leachable mineral resource.

Antares has also issued 1.5 million warrants to Phelps Dodge.

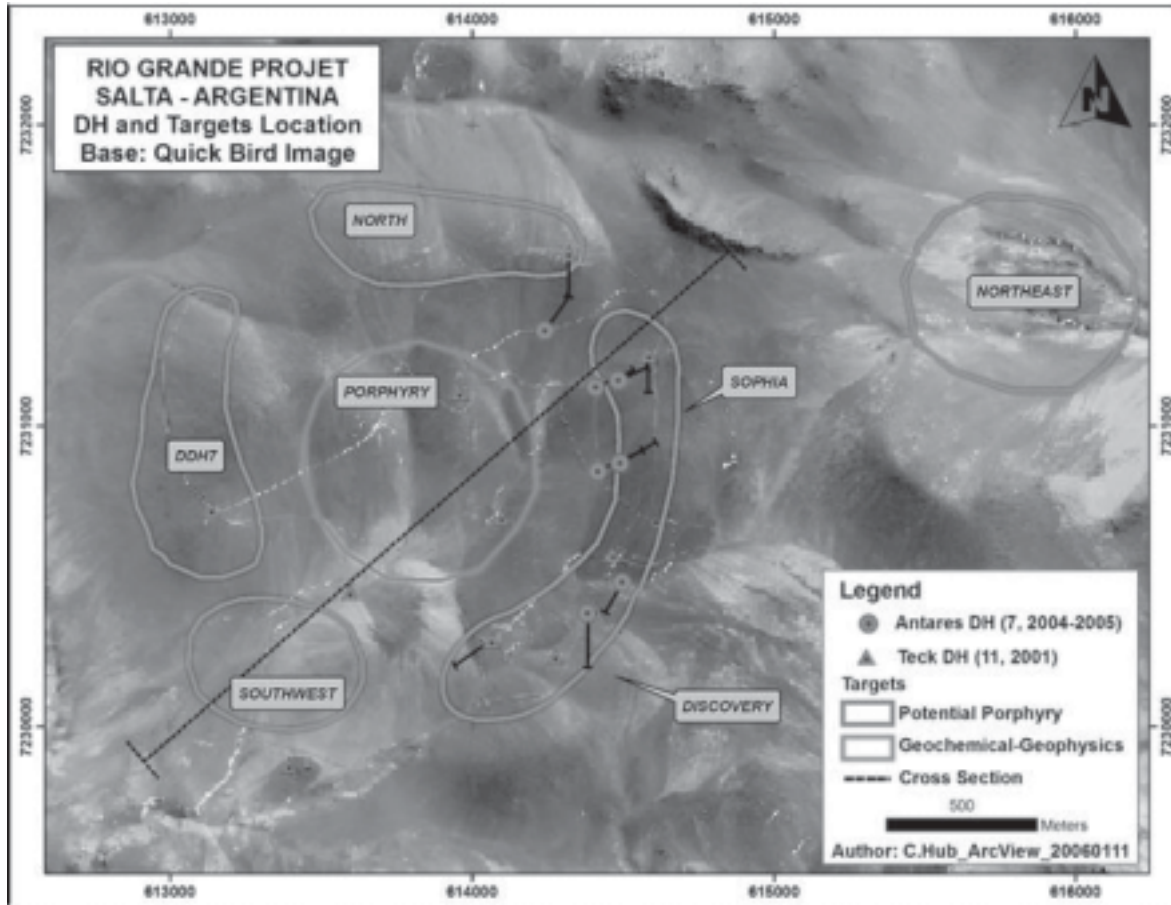


Figure 1: Location of the Haquira SE-EW Copper Deposit, South-Central Peru.

## MINERALIZATION

Copper mineralization at Haquira occurs within quartzites and siltstones of the Cretaceous Soraya Formation and a Tertiary multi-phase porphyry dike swarm. Magma emplacement and mineralization occurred during a period of intense deformation, crustal shortening, and regional uplift broadly synchronous with the Incaic orogeny. Phelps Dodge discovered two principal areas of mineralization; Haquira West (1500 by 1000 m) and Haquira East (500 by 1000 m). Mineralization in both areas remains open in several directions. The mineralized zones are oxidized to depths varying from several tens of meters to more than 200 meters deep. Secondary copper mineralization consists primarily of black and green copper-oxide minerals with lesser amounts of secondary chalcocite near the base of oxidation. The underlying primary mineralization has not been well-explored and

consists of stockwork quartz-chalcopyrite-pyrite-molybdenite veins and disseminated sulphides. Sequential leach-copper analyses have been completed by Phelps Dodge and Antares for all copper mineralized intervals to evaluate the leachability of copper-oxide and secondary copper-sulphide mineralization. These analytical results indicate the mineralization is amenable to conventional SX-EW processing.

### **INFERRED RESOURCE ESTIMATE**

Antares announced the completion of an updated independent National Instrument 43-101 compliant mineral resource estimate for the Haquira project in February of 2006. The estimate was prepared by Chlumsky, Armbrust, and Meyer L.L.C., ("CAM") of Denver, Colorado, USA and was based upon 85 drill holes (11,350 m) completed by Phelps Dodge in 2001-2003 and 33 drill holes (5,533 m) completed by Antares in late 2005. The CAM report estimates an inferred mineral resource, at a 0.3% total copper cut-off grade, of 156.3 million tonnes grading 0.49% copper amenable to SX-EW processing (secondary copper sulphides and oxides) and 96.5 million tonnes grading 0.45% copper amenable to flotation/concentrate processing (primary copper sulphides) for a total of 252.8 million tonnes grading 0.47% copper (please refer to Antares press release of February 14, 2006). All resources at Haquira at the time of this updated estimate were classified as inferred mineral resources due to the relatively wide average spacing of 200 m between drill holes.

### **PLAN FOR 2006**

Antares plans to complete an extensive exploration program at the Haquira project in 2006, including a drill program of 14,000-18,000 m that will commence by July 2006. The exploration program is designed to define the full extent of the mineralized system, evaluate convertibility of the inferred resource to measured-indicated status, and provide enough data to complete a pre-feasibility study by the end of the year.