Zacks Small-Cap Research

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Petaquilla Minerals Ltd. (T.PTQ – TSE)

T.PTQ: Petaquilla benefiting from Cobre Panamá project. Exploration beginning in Portugal

Current Recommendation	**Outperform**
Prior Recommendation	Neutral
Date of Last Change	02/23/2012
Current Price (07/05/13)	$0.34
Six- Month Target Price	**$0.94**

OUTLOOK

Petaquilla is benefiting from the settlement-agreement with Inmet Mining, now First Quantum Minerals. Already Petaquilla has received $15 million in cash and $13.3 in reduced royalty accruals of the anticipated $150 million benefit. Work on a mine access ramp has begun at the Lomero-Poyatos gold project in Spain, and two rigs are conducting exploratory work in Portugal. Despite progress in Panamá, Spain and Portugal, the recent decline in the prices of gold, silver and copper, along with our disciplined NAV valuation technique, require us to reduce our price target to $0.94.

SUMMARY DATA

52-Week High	**$0.66**
52-Week Low	**$0.28**
One-Year Return (%)	**-15.0**
Beta	**2.30**
Average Daily Volume (shrs.)	**235,806**
Shares Outstanding (million)	**222.33**
Market Capitalization ($ mil.)	**$75.6**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**21.2**
Insider Ownership (%)	**2.0**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**6.8**
P/E using 2014 Estimate	**5.7**
P/E using 2015 Estimate	**3.8**
Zacks Rank	**3**

Risk Level	**Above Average**
Type of Stock	**Small - Value**
Industry	**Mining - Gold**
Zacks Rank in Industry	**N/A**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Aug)	Q2 (Nov)	Q3 (Feb)	Q4 (May)	Year (May)
2012	26.2 A	25.3 A	18.8 A	24.0 A	94.3 A
2013	25.9 A	29.5 A	27.5 A	25.0 E	107.9 E
2014	25.9 E	27.5 E	29.5 A	25.0 E	114.9 E
2015					122.5 E

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	-$0.00 E	$0.10 E
2014	$0.02 E	$0.01 E	$0.02 E	$0.02 E	$0.06 E
2015					$0.09 E

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

Quarterly financials do not equal annual due to adoption of IFRS.

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KEY POINTS

- 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 216,100 ounces of gold**. Approximately **494,398 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.
- **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 the first three quarters of fiscal 2013. Management expects this incremental leach operation to be commissioned during fiscal 2014.
- 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.
- 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, $13 million for 10 years of land lease, $13.3 million waiver of royalties, etc., all of which total approximately $150 million.
- **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.
- 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**.
- In Portugal, two rigs are turning in order to provide additional results to be incorporated in an updated resource estimate for the Jales-Gralheira concession.
- Management's focus during fiscal 2014 lies in boosting gold production at Molejón gold project through capacity expansion, advancing the Lomero-Poyatos concessions to production, continuing exploration at Brazo and Oro del Norte, and the initiation of exploration of Jales-Gralheira in Portugal, along with pursuing the spin-out of Panamanian Development and Infrastructure Ltd. (PDI).
- Petaquilla usually reports fiscal year-end financial results and the MD&A report near the end of August.
- We maintain our Outperform rating on Petaquilla Minerals and adjust our target to $0.94 due to the recent dramatic decline in gold and silver prices.

RECENT NEWS

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.

Since February, specifically 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 also includes the option to purchase up to an additional $25 million of aggregate and screened rock. Minera Panama made an **advance payment of $2 million** to PDI; delivery of material has already begun.

Lomero-Poyatos gold project

On May 14, 2013, Petaquilla Minerals announced that the latest step in the advancement of the Lomero-Poyatos gold project in Spain, specifically that the construction of a mine access ramp has begun. The Lomero-Poyatos project is currently at the exploration stage with an inferred mineral resource estimate based primarily on historical drill-hole data of the 124 known drill holes. Completed by Behre Dolbear in May 2012, the revised NI 43-101-compliant report estimates an inferred resource of approximately 830,000 ounces Au and 17.3 ounces Ag (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) in an underground mining scenario at Lomero-Poyatos.

Thus far, Petaquilla has completed the first phase of twin drilling of historical holes, and the ramp will allow for additional twin drilling which also will contribute to upgrading the existing NI 43-101-compliant inferred resource estimate to the measured and indicated categories. In addition, the ramp will permit the infill drilling recommended by the NI 43-101 technical report, namely the drilling of holes at 50 meter intervals along N-S lines 100 meters apart.

Petaquilla Minerals acquired a 100% interest in the Lomero-Poyatos concessions through the acquisition of Iberian Resources in late August 2011; the titling process was completed in November 2012. Having secured the initial environmental permit to dewater the pit and the submerged galleries, along with the Andalusian Autonomous Government's administrative authorization, Petaquilla has already completed the construction of a project office building and improved roads on the property.

Located in the Huelva Province of Spain, Lomero-Poyatos is approximately 85 kilometers northwest of Seville and 60 kilometers north of the major port of Huelva. 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. Lomero-Poyatos was mined continuously from 1905 to 1982 solely as a sulphide (pyrite) mine. At least 2.6 million tonnes of massive sulphide ore was mined for pyrite content, which was smelted to manufacture sulfuric acid. 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.

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 about 20 years. Petaquilla has prepared for dewatering the mine by conditioning a 300 meter deep tap through which the water can be removed.

Gold projects in Portugal

See new Sections (below) on Portugal and the Jales-Gralheira and Banjas-Poco Romano concessions.

Results for third fiscal quarter of 2013

On April 17, 2013, Petaquilla Minerals reported third fiscal quarter results for the period ending February 28, 2013. Though gold production predictably declined due to the normal disruptions of adding incremental processing capacity, several positive disclosures were contained in the company's filing. First, PDI (Panamanian Development and Infrastructure) contributed $4.5 million to the top-line as construction of the by-pass road is being completed. Second, Petaquilla booked $9.8 million in other income as a waiver of accrued royalties was recouped from Inmet as part of the settlement agreement. And third, also as part of the agreement, Inmet prepaid $13 million (10 years of annual rent for the land lease) to Petaquilla on February 28th.

For the third fiscal quarter, gold equivalent production declined 12.2 % sequentially from 20,518 ounces to 18,013 ounces, leading to sequential declines in revenues and gross operating profits. However, the declines were less than our expectations. Management had issued guidance warning of the expected work flow and production disruptions during the processing capacity expansion program which added a fourth ball mill, two additional leach tanks, two additional carbon-in-pulp (CIP) tanks and one additional thickener, along with doubling ADR (Carbon Adsorption, Desorption & Recovery) and electro-winning capacity. However, the existing ball mills, tanks and thickeners were kept in operation during most of time of the execution of the capacity expansion project, minimizing the impact to production.

For the quarter, earnings per diluted share were $0.07, well above expectations, primarily due to the positive aspects of the settlement agreement with Inmet, especially the recovery of the $9.8 million in accrued royalties. Revenues decreased 6.7% sequentially from $29.5 million to $27.5 million as the amount of gold equivalent ounces sold decreased 18.5% sequentially from 17,905 to 14,598 ounces. Gross operating profit decreased 5.5% sequentially to $14.0 million and the gross operating profit margin contracted 49 basis points to 63.0%. However, the company's cash & marketable securities improved, increasing to nearly $9.0 million from $1.3 million in the preceding quarter.

For fiscal 2013, management expects gold equivalent ounce production from the Molejón gold project to be approximately 75,000 ounces. Thereafter, driven by the additional processing capacity, roughly 90,000 ounces are expected to be produced during fiscal 2014.

Expected NI 43-101 reports

During the current 2013 fiscal year, 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

Between November 20, 2012 and April 17, 2013, Petaquilla **repurchased 471,000 common shares** between CAD$0.43 and CAD$0.485.

Financing

On April 11, 2013, Petaquilla received a new $3 million credit line facility by Metrobank, S.A. The credit line, which will be used for working capital, carries an annual interest rate of 7.50% and is repayable over 180 days.

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 68,002 ounces during the fiscal 2012 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 fiscal 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. An exploration program at Botija Abajo resulted in the release of a NI 43-101 compliant reserve and resource in September 2012. Exploration continues at Brazo, Palmilla 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.

In early January 2013, Petaquilla Minerals accepted a **five-year $140 million loan facility** made available by Red Kite Mine Finance Trust I. The facility has two tranches: the first for $90 million at 3-month LIBOR (or 1.0%, whichever is more) plus 750 basis points (bps) and the second for $50 million at 3-month LIBOR plus 850 bps. The first tranche will be available upon closing and the second tranche upon the completion of an updated NI 43-101 resource estimate on either the Molejón project in Panama or Lomero-Poyatos in Spain. The loan's term may be extended by one year and can be repaid prior to maturity without penalty Management estimates that the all-in cost of the loan facility is approximately 10.3%. The loan facility offer management the opportunity to terminate the existing gold and silver

prepayment contracts and convertible loan with Deutsche Bank, which would effectively release Petaquilla from the monthly obligation to pay over an average of 1,500 gold equivalent ounces.

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 road[1]). **Since 2009 through the fiscal year of 2012, the Molejón gold property has produced 178,193 poured ounces of gold, of which 171,910 ounces have been sold** by the company. Through the first three quarters of fiscal 2013, an additional 55,581 ounces of gold have been poured; 50,100 gold equivalent ounces have been sold.

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 a proven and probable silver reserve 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 148,868 ounces Au have been poured, **leaving about 494,398 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)

	GOLD			SILVER	
	Tonnes (000s)	Grade (g/t)	Contained (oz)	Grade (g/t)	Contained (oz)
Gold Mineralization					
Proven	9,072	1.549	451,884	2.39	697,315
Probable	6,259	0.951	191,382	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)

Category	GOLD			SILVER		
	Tonnes (000s)	Grade (g/t)	Contained (oz)	Tonnes (000s)	Grade (g/t)	Contained (oz)
Measured	14,743	1.09	514,500	11,417	2.23	819,100
Indicated	16,843	0.56	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,

[1] The gravel road was constructed in 2006, and later bridges spanning the San Juan and Coclesito rivers were built.
[2] Molejón NI 43-101 Technical Report, May 2012, page 108.

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 were completed in September and December, respectively (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**[3]**.**

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

Molejón Gold poured (ounces)	1Q (Aug)	2Q (Nov)	3Q (Feb)	4Q (May)	Total (May)
FY 2009	0	0	0	2,973	**2,973**
FY 2010	13,256	10,482	13,756	14,158	**51,652**
FY 2011	10,738	15,268	12,825	16,735	**55,566**
FY 2012	18,014	18,100	14,163	17,725	**68,002**
FY 2013	17,882	20,025	17,674		

Gold Equivalents Poured

Molejón Gold poured (ounces)	1Q (Aug)	2Q (Nov)	3Q (Feb)	4Q (May)	Total (May)
FY 2011 (Equivalents)	10,864	15,451	13,020	17,240	**56,575**
FY 2012 (Equivalents)	18,458	18,496	14,427	18,122	**69,503**
FY 2013 (Equivalents)	18,459	20,518	18,013		

[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.

Gold Equivalents Sold

Molejón Gold sold (ounces)	1Q (Aug)	2Q (Nov)	3Q (Feb)	4Q (May)	Total (May)
FY 2011 (Equivalents)	12,390	13,320	14,064	14,843	**54,617**
FY 2012 (Equivalents)	17,987	16,297	13,040	15,546	**62,870**
FY 2013 (Equivalents)	17,597	17,905	14,598		

Average Realized Prices - Equivalents

Molejón Avg. realized gold price	1Q (Aug)	2Q (Nov)	3Q (Feb)	4Q (May)	Total (May)
FY 2011 (Equivalents)	$1,206	$1,328	$1,377	$1,472	**$1,348**
FY 2012 (Equivalents)	$1,600	$1,717	$1,622	$1,617	**$1,640**
FY 2013 (Equivalents)	$1,595	$1,724	$1,647		

Cash Cost - Equivalents

Molejón Cash cost per oz. Au sold[4]	1Q (Aug)	2Q (Nov)	3Q (Feb)	4Q (May)	Total (May)
FY 2011 (Equivalents)	$729	$640	$627	$525	**$625**
FY 2012 (Equivalents)	$537	$546	$616	$612	**$574**
FY 2013 (Equivalents)	$524	$444	$637		

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.

[4] 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.

MEASURED AND INDICATED MINERAL RESOURCES WITHIN THE FINAL PIT DESIGN (AS OF SEPTEMBER 1, 2012)						
	Au			Cu		
	Kt	Contained		Kt	Contained	
		g/t	oz		%	Klbs
Measured	4,454	0.572	81,906	1,705	0.487	18,295
Indicated	1,846	0.474	28,136	2,981	0.486	31,929
Total	**6,300**	**0.543**	**110,042**	**4,687**	**0.486**	**50,225**
Slight numerical differences may exist in table values due to rounding						

PROVEN AND PROBABLE MINERAL RESERVES WITHIN THE FINAL PIT DESIGN (AS OF SEPTEMBER 1, 2012)										
	Au					Cu				
		Contained		Recovered			Contained		Recovered	
	Kt	g/t	oz	g/t	oz	Kt	%	Klbs	%	Klbs
Proven	4,753	0.55	79,448	0.438	60,524	1,820	0.44	17,747	0.32	12,640
Probable	1,970	0.25	27,291	0.201	20,642	3,181	0.44	30,971	0.32	22,156
Total	**6,723**	**0.49**	**106,739**	**0.376**	**81,166**	**5,001**	**0.44**	**48,718**	**0.32**	**34,796**
Numerical differences may exist in table values due to rounding Reserves include 3% Mining Losses and 10% Dilution										

Palmilla Gold Project (*Panamá*)

On December 13, 2012, Petaquilla filed a NI 43-101 compliant technical report on its **Palmilla gold project** on SEDAR. The report includes an **estimated inferred resource of 502,800 gold equivalent ounces** composed of 318,500 ounces gold (19,725,000 tonnes grading 0.50 g/t Au), 345,600 ounces silver (19,725,000 tonnes grading at 0.54 g/t Ag) and 80,368,000 pounds of copper (19,725,000 tonnes grading 0.18% Cu). The resource estimation utilized the drilling results from 21 holes drilled by Petaquilla in 2012 and 23 holes drilled by Adrian Resources between 1994 and 1996. The resource continues to be explored as Petaquilla has completed drilling at least 37 out of 42 planned holes in the drilling program.

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

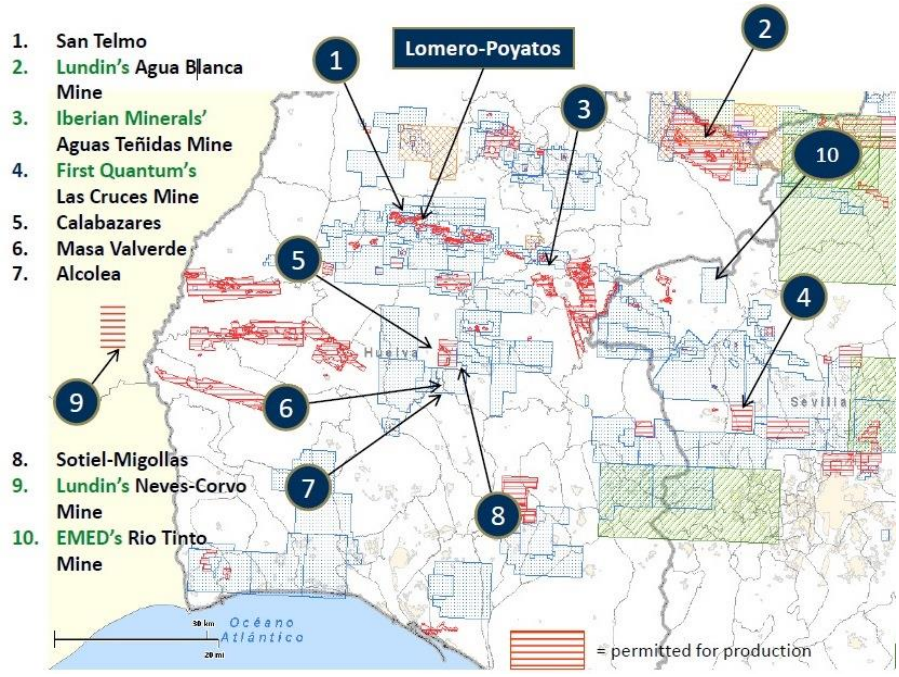
Gold Cut-off Grade (g/t Au)	Kt	Au Contained		Cu Contained		Ag Contained		Au Equivalent Contained oz
		g/t	oz	%	K lbs	g/t	oz	
>0.3	13,499	0.64	276,,800	0.20	60,908	0.60	261,400	416,500
>0.2	17,008	0.56	305,100	0.19	72,842	0.57	309,900	472,100
>0.1	**19,725**	**0.50**	**318,500**	**0.18**	**80,368**	**0.54**	**345,600**	**502,800**

LOMERO – POYATOS MINING CONCESSIONS (SPAIN) - GOLD

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[5]**.** 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[6] 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[7], 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 floatation 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 Grándola 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.



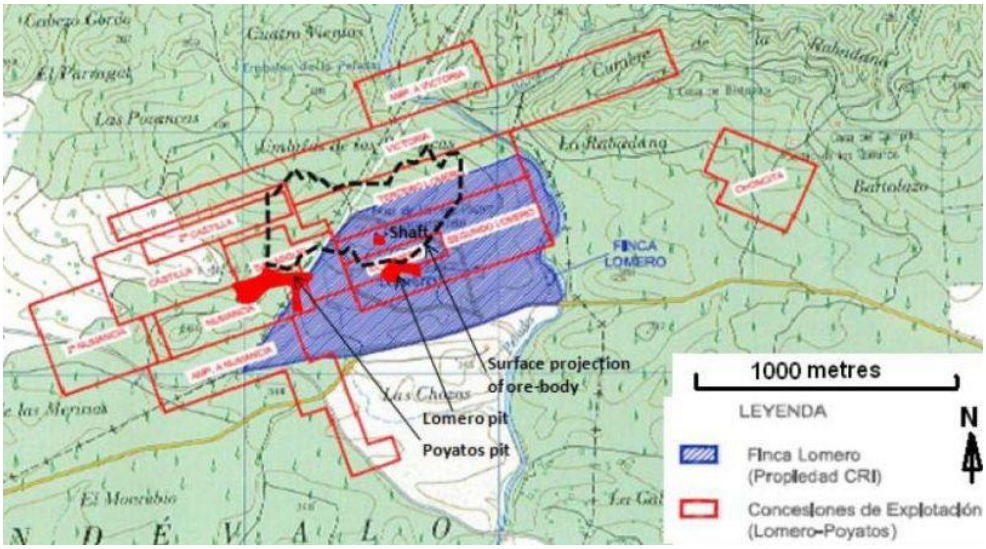
[5] On September 1, 2011, Petaquilla Minerals acquired Iberian Resources Corp. for 44,635,225 newly issued common shares and 1,511,248 warrants to purchase 1,640,419 shares at prices between US$0.14 and US$0.60, along with options to purchase 3,357,313 shares between CAD$0.10 and US$0.60.
[6] The underground 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.

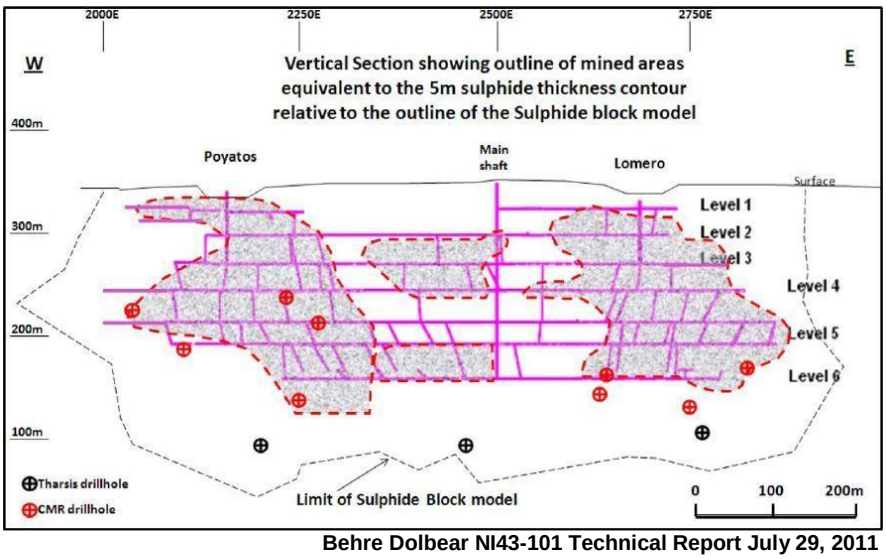


Resources

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 NI43-101 Technical Report July 29, 2011

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) [11]. 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[12]
(underground mining scenario)
(Behre Dolbear NI 43-101 compliant Technical Report dated May 21, 2012**)**

Cut-off Grade (g/t)	Inferred tonnes	Grade (g/t Au)	Contained ounces Au	Grade (g/t Ag)	Contained ounces Ag
> 6.0	590,000	6.51	123,500	124.57	2,363,000
≥ 5.0	1,920,000	5.77	356,000	111.60	6,890,000
≥ 4.0	3,630,000	5.16	602,000	102.24	11,930,000
≥ 3.0	4,890,000	4.74	745.000	96, 47	15,168,000
≥ 2.0	5,660,000	4.45	810,000	92.33	16,800,000
≥ 1.0	**6.070,000**	**4.25**	**830,000**	88.74	**17,320,000**

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

[11] The 2011 estimate also included 62.38 g/t Ag.
[12] Lomero-Poyatos NI 43-101 Technical Report, May 21, 2012, Table 12, page 59.

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 now 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 2013.

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.[13] 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 Economía** 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.

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

[13] USGS 2010 Minerals Yearbook - Portugal.

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[14]. 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, Argozelo and Montesinho), gold and/or silver mines (Castromil, Jales-Gralheira, Penedono and Freixedo), and copper mines (São Domingos).

Portugal's Important Mines

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

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

[14] SEG newsletter 80, Society of Economic Geologists, January 2010, page 14.

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 (Decretos-Lei no 88/90[15] and Decretos-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 Economía**). 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.

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).[16] However, the Government may opt for a profit-related royalty of 10% of the net mining income (after income tax and charges).[17] Some

[15] Decretos-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.
[16] The Aljustrel mining concession was granted prior to 1990 and is exempt from the governmental royalty (NSR).
[17] For example, the Portuguese Government elected the profit-related royalty of 10% of the net income at Neves-Corvo in 2005.

mining contracts include a reduction of revenue-based royalty payments for mining development investment.

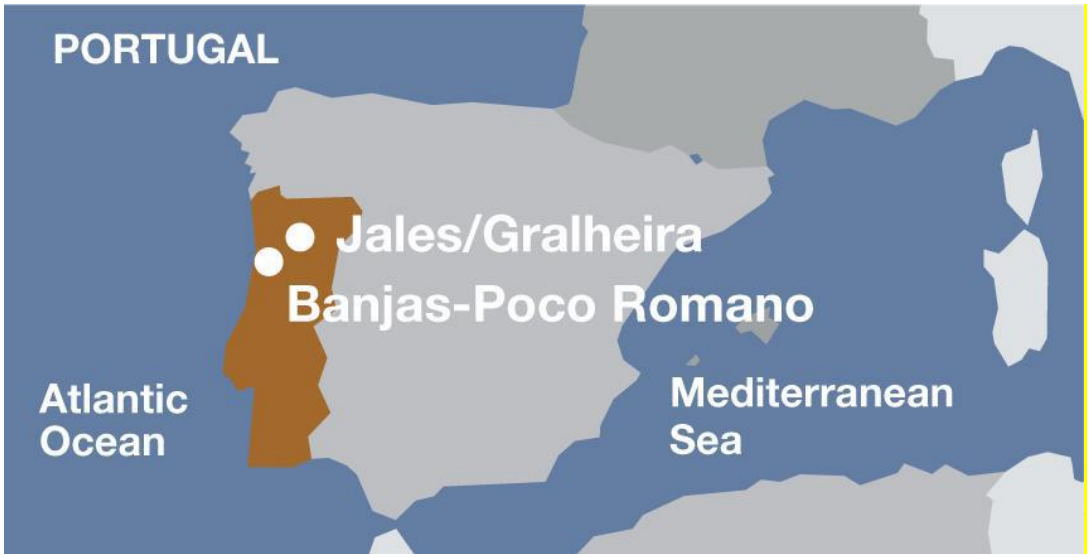
The total corporate tax rate for commercial and industrial activity in Portugal is 27.5% composed of a standard corporate tax rate 25% and a 2.5% local tax. The tax code allows for full deductibility of capital expenditures and also provides for an annual deduction for future expenses related to the 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

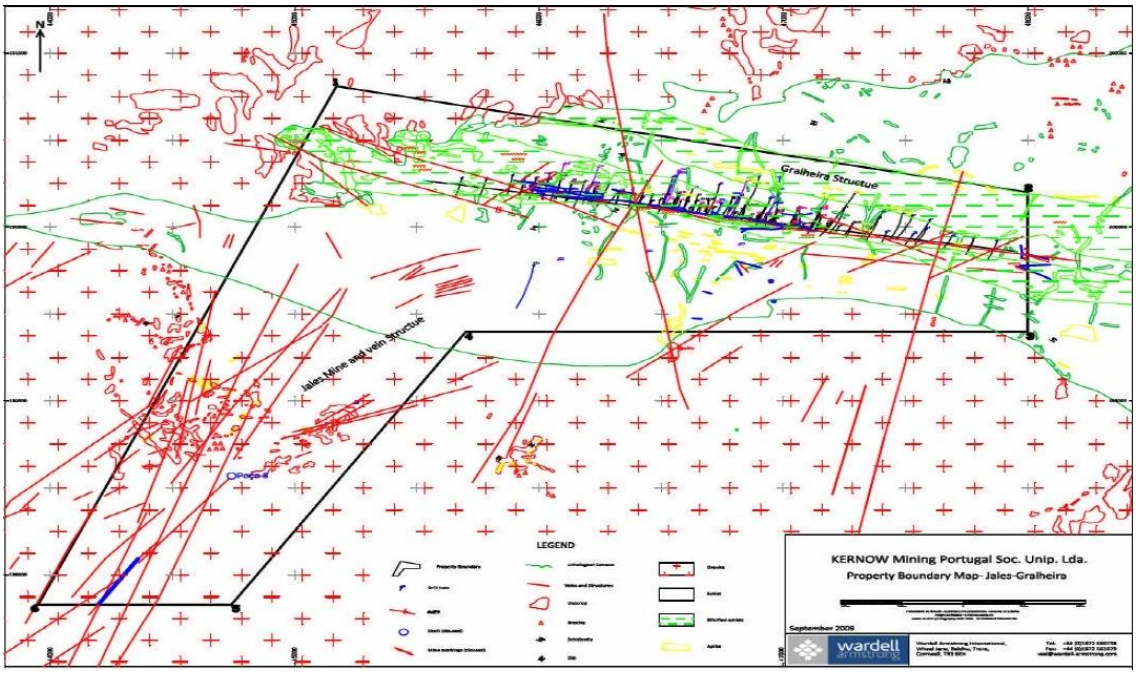
The **Jales-Gralheira** concession is located in Vila Real District of northern Portugal, approximately 330 kilometers north-northeast of Lisbon. The concession encompasses 1,540 hectares and contains an area of historic mining operations. Petaquilla is advancing studies toward an updated NI 43-101 compliant 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 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-to-40 g/t Au. Currently, two rigs

are drilling in order to provide additional assay results that are expected to contribute to an updated resource estimate of the Jales-Gralheira concession.



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 are 975 kilotonnes grading 4.72g/t Au and 15g/t Ag, containing **147,786 ounces Au** and **483,621 ounces Ag**.

Evaluation Summary (WAI 2007) Top Cut Applied

Classification	No Cut-Off							1 g/t Cut-Off						
	Tonnes (kt)	Au			Ag			Tonnes (kt)	Au			Ag		
		g/t	kg	oz	g/t	kg	oz		g/t	kg	oz	g/t	kg	oz
Measured	69	3.68	255	8,190	21.18	1,466	47,148	66	3.84	252	8,109	22.10	1,451	46,641
Indicated	2,169	2.39	5,179	166,514	11.50	24,956	802,357	1,584	3.07	4,855	156,095	14.40	22,806	733,221
Measured+Indicated	**2,239**	**2.43**	**5,434**	**174,705**	**11.80**	**26,423**	**849,504**	**1,649**	**3.10**	**5,107**	**164,204**	**14.71**	**24,256**	**779,862**
Inferred	7,663	1.61	12,370	397,696	8.55	65,515	2,106,340	4,316	2.46	10,599	340,774	10.8	46,716	1,501,950
	2g/t Cut-Off							3g/t Cut-Off						
Measured	51	4.51	229	7,351	24.43	1,239	39,844	30	5.92	179	5,768	29.8	904	29,067
Indicated	953	4.12	3,921	126,066	18.71	17,825	573,101	569	5.24	2,980	95,825	22.8	12,986	417,500
Measured+Indicated	**1,003**	**4.14**	**4,150**	**133,417**	**19.00**	**19,065**	**612,945**	**599**	**5.27**	**3,160**	**101,593**	**23.18**	**13,890**	**446,567**
Inferred	2,088	3.49	7,278	233,981	13.57	28,323	910,597	975	4.72	4,597	147,786	15	15,042	483,621
	4g/t Cut-Off							6g/t Cut-Off						
Measured	23	6.66	155	4,974	32.7	761	24,453	13	7.95	101	3,235	39.7	503	16,157
Indicated	340	6.45	2,192	70,473	26.7	9,082	291,982	129	9.07	1,175	37,776	33.6	4,347	139,767
Measured+Indicated	363	**6.47**	**2,347**	**75,447**	**27.12**	**9,842**	**316,435**	**142**	**8.97**	**1,276**	**41,010**	**34.12**	**4,850**	**155,924**
Inferred	468	6.11	2,861	91,967	16.34	7,649	245,924	159	8.84	1,409	45,310	16	2,584	83,076

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) A 20% confidence factor is applied to the inferred resource of Palmilla. The inferred resource is 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 decline in the prices of **gold, silver and copper** reduced our price target by $0.67.

Based on our calculation of share value of attributable resources (see table below), **our adjusted target for Petaquilla Minerals stock is $0.94.**

Petaquilla Minerals Ltd.

Projects	Metal	Proven & Probable Reserve (oz or lb)	Measured & Indicated Resource (oz)	Grade (g/t or %)	Inferred Resource (oz or lb)	Recovery Rate	Average Production Costs (per oz)	Current Price	Royalties & Net Smelter Return (NSR)	% Ownership	Net Value to PTQ	Net Present Value to PTQ
PANAMA												
Molejón	Au	494,398		1.305	37,100	90%	600	1,235	4.0%	100%	254,299,139	192,184,943
	Ag	775,256		2.050		85%	15.00	19.15	4.0%	100%	2,362,794	1,785,666
(CIP/CIC)												
Molejón	Au		163,130	0.700		70%	625	1,235	4.0%	100%	40,122,150	26,845,683
(on/off leach)												
Molejón	Au		191,669	0.500		45%	650	1,235	4.0%	100%	4,843,859	3,241,020
(on/off leach)												
Belencillo	Au			0.500	318,500	45%	650	1,235	4.0%	100%	32,196,528	21,655,678
(on/off leach)												
PDI Panama	N/A									47.48%	5,348,147	5,348,147
BALANCE SHEET ADJUSTMENTS												
Working capital											(27,686,055)	(27,686,055)
Capital leases											(676,196)	(676,196)
Convertible senior secured notes											(3,027,606)	(3,027,606)
Community support obligation											(4,979,991)	(4,979,991)
Deferred revenue											(15,751,153)	(15,751,153)
Asset retirement obligation											(11,171,745)	(11,171,745)
								Net Assets & Resources			275,879,871	187,768,392
								Fully Diluted Shares			268,010,372	268,010,372
					Management Inferred Resource (oz)				**Discounted Asset Value** (Molejón only)			**0.70**
PANAMA												
Oro Del Norte	Au			0.470	276,383	85%	800	1,235	4.0%	100%	34,336,718	6,277,088
Botija Abajo	Au	106,739	3,303	0.490		76%	800	1,235	4.0%	100%	27,939,752	7,440,717
Botija Abajo	Cu	48,718,000	1,507,000	44%		72%	2.00	3.08	5.0%	100%	27,757,725	7,392,241
Palmilla	Au			0.500	318,500	76%	800	1,235	4.0%	100%	35,379,490	7,537,612
Palmilla	Ag			0.540	345,600	76%	15.00	19.15	4.0%	100%	366,248	78,029
Palmilla	Cu			18%	80,368,000	72%	2.00	3.08	5.0%	100%	20,727,831	4,416,071
SPAIN												
Lomero-Poyatos	Au			3.080	829,502	75%	725	1,235	0.0%	100%	111,049,580	27,347,842
	Ag			88.740	17,320,000	75%	15	19.15	0.0%	100%	18,867,975	4,646,559
									Discounted Asset Value			**0.94**

Petaquilla Minerals Ltd.

Consolidated Statements of Operations and Retained Earnings (US $)

For the years ending May 31	IFRS 2011 JJA 1Q	IFRS 2011 SON 2Q	IFRS 2011 DJF 3Q	IFRS 2011 MAM 4Q	IFRS Year (May) 2011	IFRS 2012 JJA 1Q	IFRS 2012 SON 2Q	IFRS 2012 DJF 3Q	IFRS 2012 MAM 4Q	IFRS Year (May) 2012	IFRS 2013 JJA 1Q	IFRS 2013 SON 2Q	IFRS 2013 DJF 3Q	IFRS 2013 MAM 4Q E	IFRS Year (May) 2013 E	IFRS Year (May) 2014 E
Gold poured (ounces)	10,738	15,268	12,825	16,735	55,566	18,014	18,100	14,163	17,725	68,002	17,882	20,025	17,674	18,000	73,581	90,000
Gold eqivalent ounces poured	10,864	15,451	13,020	17,240	56,575	18,458	18,496	14,427	18,122	69,503	18,459	20,518	18,013			
Gold sold (ounces)	12,211	13,166	13,880	14,608	53,865	17,418	15,959	12,701	15,546	61,624	16,205	17,545		16,312	50,062	83,918
Gold eqivalent ounces sold	12,390	13,320	14,064	14,843	54,617	17,987	16,297	13,040	15,546	62,870	17,597	17,905	14,598			
Avg. realized gold price	$1,210	$1,312	$1,340	$1,413	$1,319	$1,508	$1,592	$1,520	$1,617	$1,520	$1,595	$1,724	$1,647	$1,500	$1,617	$1,390
Silver sold (ounces)												31,400				
Revenue	**14,728,011**	**17,371,378**	**18,682,104**	**19,805,680**	**71,708,685**	**26,176,900**	**25,310,502**	**18,831,519**	**23,978,000**	**94,297,396**	**25,925,176**	**29,463,602**	**27,498,989**	**25,005,921**	**107,893,688**	**119,212,707**
Production costs	10,076,688	9,744,754	10,115,381	8,498,413	39,157,086	11,549,160	10,708,285	9,419,019	12,387,570	44,064,034	10,810,988	10,772,638	10,188,141	12,908,634	44,680,401	62,100,000
Depreciation and depletion	2,812,858	2,900,294	3,092,600	3,491,197	12,510,346	4,792,464	3,972,940	3,082,762	3,453,162	15,301,328	4,503,543	3,833,829	3,270,436	3,798,824	15,406,632	17,285,843
Gross operating profit	**1,838,465**	**4,726,330**	**5,474,123**	**7,816,070**	**20,041,253**	**9,835,276**	**10,629,277**	**6,329,738**	**8,137,268**	**34,932,034**	**10,610,645**	**14,857,135**	**14,040,412**	**8,298,463**	**47,806,655**	**39,826,864**
General and administrative	1,981,602	2,822,324	2,620,341	2,663,916	10,088,183	1,965,505	3,492,388	2,339,269	6,431,338	14,228,500	3,025,648	4,307,117	3,787,856	3,901,492	15,022,113	15,472,776
Donations and community relations	30,392	43,075	242,054	1,391,669	1,707,190	344,931	639,618	(62,755)	621,066	1,542,860	275,537	477,061	413,408	418,408	1,584,414	1,589,414
Exploration and development costs	2,324,971	2,351,318	1,948,562	2,644,455	9,269,306	1,371,658	2,824,101	3,477,251	2,230,655	9,903,665	1,983,809	2,008,241	3,131,931	3,225,889	10,349,870	10,660,366
Stock-based compensation	171,698	32,392	495,402	220,364	919,856	130,310	283,988	52,429	48,072	514,799	108,365	59,782	126,319	100,000	394,466	500,000
Debt issuance costs	-	3,988,012	-	(1,690,043)	-	-	-	-	-	-	-	-	-	-	-	-
Other operating expenses	76,299	-	2,056,603	(45,055)	4,385,816	0	0	0	0	0	0	0	0	0	0	0
Operating expenses	**4,584,962**	**9,237,121**	**7,362,962**	**4,048,100**	**26,370,351**	**3,812,404**	**7,240,095**	**5,806,194**	**9,331,131**	**26,189,824**	**5,393,359**	**6,852,201**	**7,459,514**	**7,645,789**	**27,350,863**	**28,222,556**
Gain (loss) from operations	**(2,746,497)**	**(4,510,791)**	**(1,888,839)**	**3,767,970**	**(6,329,098)**	**6,022,872**	**3,389,182**	**523,544**	**(1,193,863)**	**8,742,210**	**5,217,286**	**8,004,934**	**6,580,898**	**652,675**	**20,455,793**	**11,604,308**
Finance (expense)	(181,778)	(418,748)	466,662	(400,024)	(533,888)	(160,918)	(151,103)	(499,338)	(1,363,103)	(2,174,462)	(735,124)	(440,439)	(187,201)	(1,400,000)	(2,762,764)	(5,600,000)
(Loss) on equity investments	104,937	-	-	(309,436)	(204,499)	(431,130)	0	0	(53,974)	(485,104)	0	0	0	0	0	9,000,000
Inmet's waiver of 5% royalty on Molejon mine	-	-	-	-	-	-	-	-	-	-	-	-	9,373,191	-	9,373,191	-
Gain on disposal of Vintage Mining Corp	-	-	-	4,793,737	4,793,737	-	-	-	-	-	-	-	-	-	-	-
Gain on expiry of deferred services contract	-	-	4,002,438	-	4,002,438	-	-	-	-	-	-	-	-	-	-	-
Mark-to-market gain (loss) on share purchase warrants	6,789	-	(3,714,258)	3,600,116	(107,353)	(495,635)	0	4,537,060	6,522,769	10,564,194	0	0	0	0	0	0
Mark-to-market gain (loss) on share embedded derivatives	-	-	-	-	-	-	-	-	3,265,000	3,265,000	-	-	-	-	0	0
Mark-to-market gain (loss) on share conversion feature	-	-	-	-	-	-	-	-	866,963	866,963	-	-	-	-	0	0
Mark-to-market gain (loss) on senior & conv. secured notes	(2,918,360)	-	2,210,769	(4,757,262)	(5,464,853)	34,209	-	(54,710)	(485,022)	(505,523)	0	0	0	0	0	0
Non-operating income (expenses)	0	(18,403,771)	0	2,651,847	0	0	5,658,973	0	(843,503)	2,146,356	(761,790)	(5,502,823)	0	0	0	0
Total other income (expense)	**(2,988,412)**	**(18,822,519)**	**2,965,611**	**5,578,978**	**2,485,582**	**(1,053,474)**	**5,507,870**	**3,983,012**	**7,909,130**	**13,677,424**	**(1,496,914)**	**(5,943,262)**	**9,185,990**	**(1,400,000)**	**6,610,427**	**3,400,000**
Income (loss) before minority interest and income taxes	**(5,734,909)**	**(23,333,310)**	**1,076,772**	**9,346,948**	**(3,843,516)**	**4,969,398**	**8,897,052**	**4,506,556**	**6,715,267**	**22,419,634**	**3,720,372**	**2,061,672**	**15,766,888**	**(747,325)**	**27,066,220**	**15,004,308**
Non-controlling interests	-	-	-	(2,507,156)	(2,507,156)	(219,878)	2,118,831	(70,774)	(34,745)	1,793,434	(29,421)	(7,632)	(41,127)	(41,127)	(119,307)	(209,193)
Shareholders income (loss) before income taxes	**(5,734,909)**	**(23,333,310)**	**1,076,772**	**6,839,792**	**(1,336,360)**	**5,189,276**	**6,778,221**	**4,577,330**	**6,750,012**	**20,626,200**	**3,749,793**	**2,069,304**	**15,808,015**	**(706,198)**	**26,946,913**	**14,795,115**
Other comprehensive income					449,572	0	0	(2,484,188)	(2,703,012)	(5,187,200)	558,460	1,085,646	183,686	0	0	0
Net comprehensive income (continuing operations)	**N/A**	**N/A**	**N/A**	**N/A**	**(886,788)**	**5,189,276**	**6,778,221**	**2,093,142**	**4,047,000**	**15,439,000**	**4,308,253**	**3,154,950**	**15,991,701**	**(706,198)**	**26,946,913**	**14,795,115**
Net income per common share (diluted) - continuing ops.	**(0.05)**	**(0.18)**	**0.01**	**0.04**	**(0.01)**	**0.03**	**0.03**	**0.02**	**0.03**	**0.10**	**0.02**	**0.01**	**0.07**	**(0.00)**	**0.09**	**0.06**
Net comprehensive income per share (diluted)	N/A	N/A	N/A	N/A	(0.01)	0.03	0.03	0.01	0.02	0.07	0.02	0.01	0.07	(0.00)	0.10	0.06
Weighted average common shares outstanding - diluted	125,294,994	127,176,855	156,821,635	176,323,851	146,404,334	178,684,859	221,658,390	215,065,874	210,833,000	206,560,782	230,200,617	226,222,082	231,651,958	232,346,914	230,105,393	265,000,000
Gross margin (net of amortization & depletion)	31.58%	43.90%	45.86%	57.09%	45.39%	55.88%	57.69%	49.98%	48.34%	53.27%	58.30%	63.44%	62.95%	48.38%	58.59%	47.91%

The following line item reported in the unaudited quarterly Income Statements (Canadian GAAP) did not appear in the audited Annual Income Statement (IFRS):
Cost associated with forward sales agreement of $399,662 in the third fiscal quarter on 2011

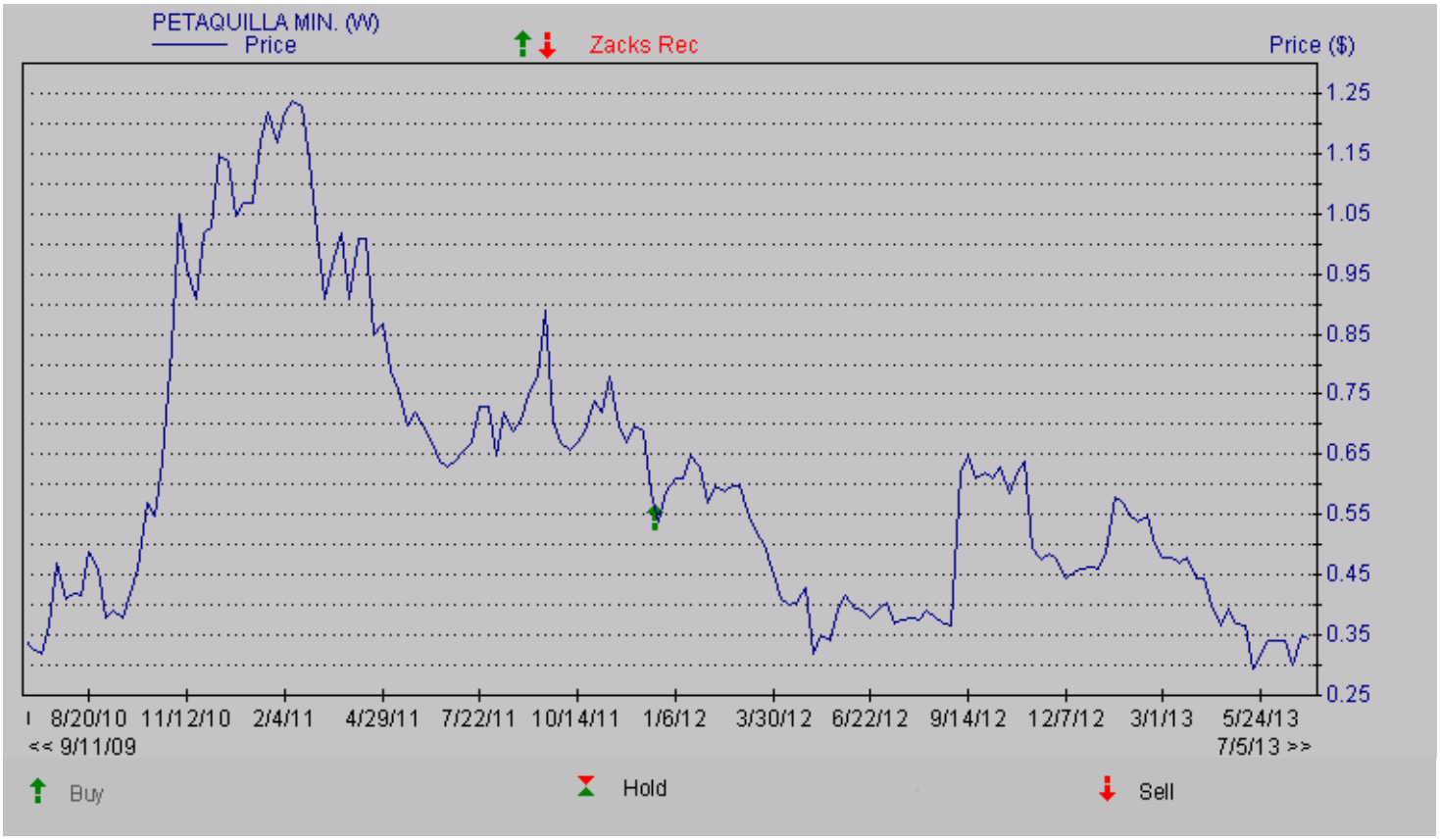
BALANCE SHEET

Petaquilla Minerals Ltd.

Consolidated Balance Sheets (in $ US)
(as reported prior to application of IFRS)
(in Canadian $ prior to FY 2009, in US $ starting in FY 2009)
For the years ending as noted

	Canadian GAAP 2006 ending 1/31	2007 ending 4/30	Canadian GAAP 2008 ending 4/30	2009 ending 5/31	Canadian GAAP 2010 ending 5/31	2011 ending 5/31	IFRS 2010 ending 5/31	IFRS 2011 ending 5/31	IFRS 2012 ending 5/31	IFRS 3Q 2013 ending 2/28
ASSETS										
Cash and cash equivalents	9,171,318	665,290	12,850,137	3,575,168	4,625,649	5,712,792	4,625,649	5,712,792	1,975,660	8,630,477
Short-term investments	-	-	-	-	-	200,000	-	200,000	340,000	340,000
Accounts receivable	32,188	100,410	450,885	144,225	116,326	460,324	116,326	-	-	-
Prepaid expenses	36,650	452,718	310,255	591,847	690,152	1,138,977	690,152	-	-	-
Accounts receivable, prepaids, etc.		-	-	-	-	-	-	1,599,301	4,525,236	5,894,877
Inventory and stockpiled ore	-	-	-	1,038,999	3,634,715	11,613,321	3,634,715	11,657,676	15,446,317	22,314,941
Assets (PDI) held for distribution to owners	-	-	-	-	-	-	-	-	16,532,176	23,927,869
Current Assets	**9,240,156**	**1,218,418**	**13,611,277**	**5,350,239**	**9,066,842**	**19,125,414**	**9,066,842**	**19,169,769**	**38,819,389**	**61,108,164**
Other Assets										
Restricted cash - reclamation obligations	892,242	1,188,026	670,175	707,480	566,708	255,091	566,708	-	2,300,000	2,300,000
Long term investments	-	1,807,000	2,408,443	-	-	2,400,000	-	2,400,000	-	-
Inventories (stockpiled ore)	-	-	-	1,762,945	1,107,316	2,228,405	1,107,316	2,228,405	14,077,466	28,053,069
Advances to suppliers	-	-	-	-	816,461	3,509,817	816,461	-	-	-
Other assets	-	4,582,937	-	-	-	6,616,964	-	10,381,872	6,710,884	1,186,169
Property, plant and equipment (net)	285,005	5,343,147	16,779,149	12,879,658	9,916,595	14,713,518	-	-	-	-
Mineral properties	2,389,769	31,236,455	37,739,133	60,843,501	58,788,273	66,670,067	-	-	-	-
Exploration and evaluation assets (primarily Iberian)		-	-	-	-	-	-	-	31,170,407	33,389,254
Mineral property, plant & equipment	-	-	-	-	-	-	78,700,875	94,553,369	93,173,045	96,870,085
Total Assets	**12,807,172**	**45,375,983**	**71,208,177**	**81,543,823**	**80,262,195**	**115,519,276**	**90,258,202**	**128,733,415**	**186,251,191**	**222,906,741**
LIABILITIES										
Accounts payable and accrued liabilities	551,096	4,951,297	8,493,460	8,746,892	17,586,683	30,318,558	17,586,683	30,318,558	44,211,407	44,943,278
Deferred services and materials	-	-	248,786	120,000	3,153,394	-	-	-	-	-
Current obligations under capital leases	-	-	2,174,903	5,054,987	4,136,032	1,468,561	4,136,032	1,468,561	-	-
Current porton of long-term debt	-	487,882	436,151	160,993	35,465	435,733	-	-	4,927,642	5,175,824
Current porton of bank loans		-	-	-	-	-	35,465	435,733		
Current other liabilities - Community support	-	-	-	-	-	-	5,184,816	1,424,290	1,396,856	2,703,891
Current portion of deferred revenue	-	-	-	-	-	9,246,437	0	9,246,437	14,216,977	14,685,611
Bank overdraft	-	-	2,100,000	-	-	-	-	-	-	-
Operating credit line facility	-	-	3,872,434	-	-	-	-	-	-	-
Senior secured notes	-	-	-	15,653,483	26,646,631	217,984	26,646,631	217,984	-	-
Convertible senior secured notes	-	-	-	-	44,837,991	276,983	45,094,084	276,983	-	-
Liabilities (PDI) held for distribution to owners	-	-	-	-	-	-	-	-	15,841,613	21,285,615
Current Liabilities	**551,096**	**5,439,179**	**17,325,734**	**29,736,355**	**96,396,196**	**41,964,256**	**98,683,711**	**43,388,546**	**80,594,495**	**88,794,219**
Long term debt	-	699,185	162,568	-	80,235	1,840,500	-	-	-	10,675,914
Bank loans		-	-	-	-	-	80,235	1,840,500	8,430	-
Accounts payable and accrued liabilities	-	-	-	-	-	1,866,667	-	1,866,667	-	-
Obligations under capital leases	-	-	3,991,743	-	440,229	3,850,475	440,229	3,850,475	801,750	-
Senior secured notes	-	-	26,785,359	13,754,019	-	2,906,453	-	2,906,453	-	-
Convertible senior secured notes	-	-	-	34,794,455	-	3,693,111	0	3,693,122	4,705,428	-
Other liabilities - Community support obligation		-	-	4,391,168	-	-	6,453,281	6,703,799	5,681,936	16,328,136
Share purchase warrants	-	-	-	-	-	-	5,030,904	11,064,020	499,826	397,141
Deferred revenue	-	-	4,003,423	3,123,394	-	33,390,472		33,390,472	26,750,484	15,751,153
Derivative obligation			-	-	-	-	-	-	217,000	484,000
Asset retirement obligation	-	4,400,000	4,333,216	4,664,720	4,698,650	5,687,236	4,816,121	9,630,851	11,062,579	11,171,745
Long-term liabilities	**0**	**5,099,185**	**39,276,309**	**60,727,756**	**5,219,114**	**53,234,914**	**16,820,770**	**74,946,359**	**49,727,433**	**54,808,089**
Share capital (no par value)	62,977,209	101,482,015	89,002,273	89,208,668	102,334,997	131,078,574	(25,246,279)	7,891,354	48,454,407	71,627,757
Treasury shares	(166,981)	(166,981)	(122,193)	(122,193)	(122,193)	(122,193)	N/A	N/A	N/A	N/A
Warrants	-	-	11,771,374	14,109,097	13,209,412	26,874,201	N/A	N/A	N/A	N/A
Shares subscribed	-	150,000	-	-	-	-	-	-	-	-
Additional paid-in capital	1,004,480	12,893,667	14,714,276	13,897,197	16,219,808	17,367,137	N/A	N/A	N/A	N/A
Equity component of cv. sr. secured notes	-	-	-	495,121	495,121	42,817	N/A	N/A	N/A	N/A
Accumulated comprehensive income	-	-	(2,084,526)	(6,733,242)	(6,733,242)	(6,733,242)	N/A	N/A	N/A	N/A
Retained earnings (deficit)	(51,558,632)	(79,521,082)	(98,675,070)	(119,774,936)	(146,757,018)	(150,694,344)	N/A	N/A	N/A	N/A
Equity attributed to non-controlling interests			-	-	-	2,507,156		2,507,156	7,474,856	7,676,676
SHAREHOLDERS' EQUITY	**12,256,076**	**34,837,619**	**14,606,134**	**(8,920,288)**	**(21,353,115)**	**20,320,106**	**(25,246,279)**	**10,398,510**	**55,929,263**	**79,304,433**
Total Liabilities and Equity	**12,807,172**	**45,375,983**	**71,208,177**	**81,543,823**	**80,262,195**	**115,519,276**	**90,258,202**	**128,733,415**	**186,251,191**	**222,906,741**
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	221,863,781

HISTORICAL ZACKS RECOMMENDATIONS



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