



A Field Tour of Avrupa Minerals' Projects in Portugal

A Monday Morning Musing from Mickey the Mercenary Geologist

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My recent trip to Europe included four days in Portugal. The purpose was to examine [Avrupa Minerals Ltd's \(AVU.V\)](#) Portuguese projects including its tungsten-gold project in the north and Pyrite Belt projects in the south. Thus, I was able to see the entire length of this small country.

I started my continental tour on May 13 in Kosovo where Avrupa's other projects are located. The company has established a three-concession package to explore for Stan Terg-style zinc-lead-silver carbonate replacement deposits. We examined the company's concessions on the ground and toured state-owned mining company Trepca's inefficiently-run Stan Terg mine. It is historically one of Europe's largest producers at 32 million tonnes grading 6% Zn, 4% Pb, and 80 g/t Ag with 12.5 million tonnes of current resources.

On the morning of May 17, fellow analyst Brent Cook and I flew from Pristina, Kosovo via Zurich to Porto, Portugal. Paul Kuhn, geologist and CEO of Avrupa, met us at the airport and we enjoyed a home-cooked meal with his family. The next morning we drove an hour north to the company's office in Braga.

There we met Adriano Barros, AVU's in-country Managing Director, local junior geologists, and Bill Fuchs, an American consulting geologist. We reviewed the company's work in the tungsten-gold skarn belt of northern Portugal and after the usual long Portuguese lunch, looked briefly at its Covas tungsten skarn play and gold occurrences in the area.

Avrupa, following its mandate as a European prospect generator, recently joint ventured the Covas concession to privately-held Blackheath Resources Inc. Blackheath is led by James Robertson, a British mining engineer with much tungsten and junior resource executive experience. I have known Jim for many years thru our mutual association with Vancouver-based public companies.

That night Brent and I made our way from a beach hotel to Porto's Ribeira district for a traditional Rio Douro meal and wine:

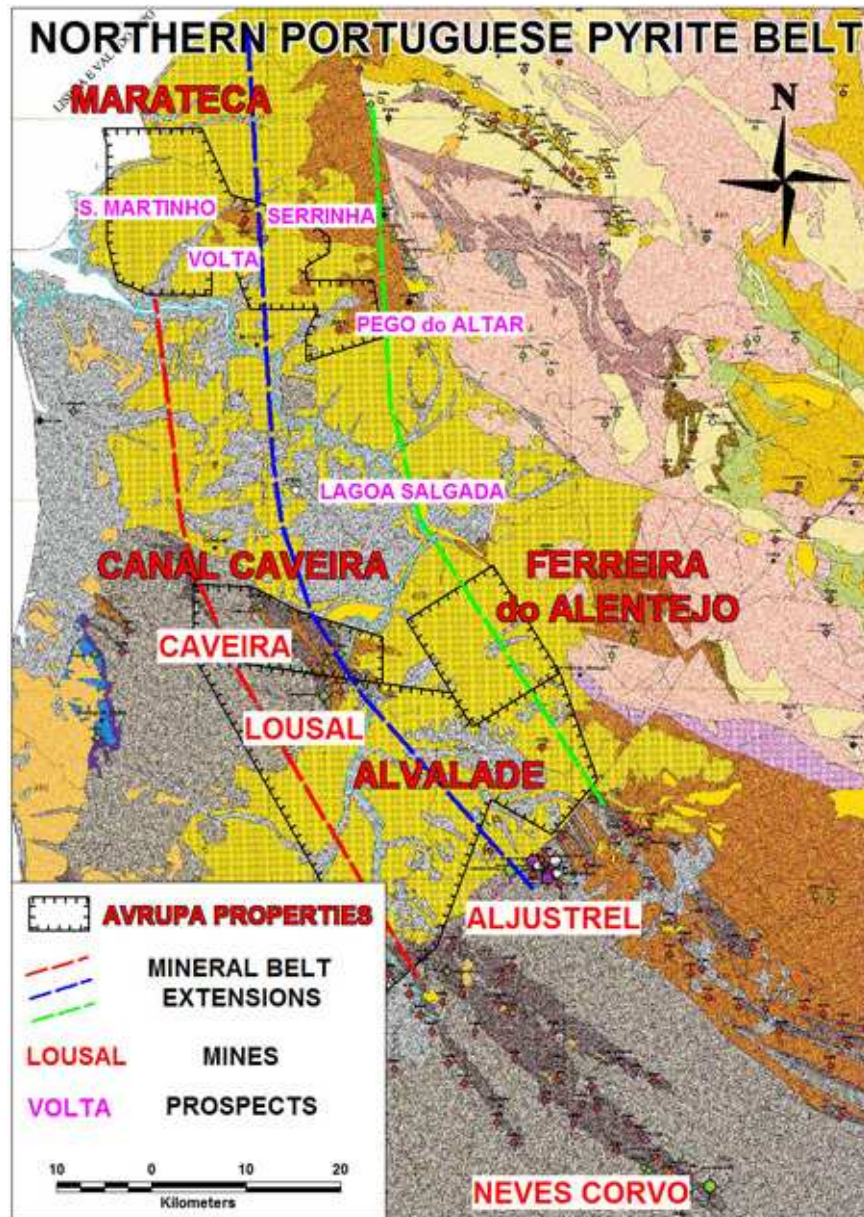


Porto's Famous Ribeira District

The next morning Paul, Adrianno, Brent, and I drove south on European Union-subsidized four-lane highways and wind turbines located in farm and ranch lands.

We met company geologists for another long lunch and proceeded to a ranch west of Beja where Avrupa has its core logging and processing facilities. There we were given a review of the geological setting of the Portuguese part of the Iberian Pyrite Belt by government geologist Joao Matos. Project geologist Paulo Caessa then presented his ideas for exploration in the northern, covered part of the belt where AVU's concessions lie.

Avrupa controls 1374 sq km in four concessions: Marateca, Alvalade, Canal Caveira, and Ferreira do Alentejo, including key ground at the past-producing mines of Lousal and Caveira:



Avrupa Minerals' Pyrite Belt Projects

The company has access to an extensive government and private database in the area. Its geologists have re-logged 25 old drill holes, assayed 550 samples from them, and re-processed regional airborne magnetic and gravity data and an electromagnetic survey in the Caveira Mine area. Based on this targeting work, AVU currently is drilling three scout holes on its Marateca concession.

Following the geology and core review, we visited the Caveira mine site where there has been minor production beginning in Roman times and continuing intermittently until the early 1980s. We looked at outcrops of hanging wall metarhyolite and narrow gossan at the productive mine horizon. Avrupa's compilation work has generated a compelling new massive sulfide target between Caveira and the Lousal mine, ten kilometers to the southeast.

We proceeded to Beja in the early evening for a couple of nights stay. Dinner was some of the biggest and best grilled prawns I've ever eaten washed down by copious amounts of *tinto*.

The next morning we went south to tour Lundin Mining's Neves Corvo mine, one of Europe's largest copper-zinc producers. The mine has well over 100 million tonnes of production and reserves. Current mine grades are 2.7% Cu and 6.0 % zinc from six underground massive and stringer sulfide ore bodies. After geology review and an underground tour, we drove to the exploration core shed and viewed their latest brownfields discovery: Semblana with 20 million tonnes of 4% copper in stringer ore.

Another long lunch was followed by return to Beja and a comprehensive review of Paulo's targeting methodology in the Pyrite Belt. Dinner that night was another memorable affair with a private dinner party at a nearby winery.

The next day included a morning conference call with Avrupa's exploration manager in Kosovo and a visit to a pyrite gossan and chert beds midway between the past-producing Lousal and Caveira mines.

The typically large and late lunch was followed by a drive to Lisbon where Brent and I toured the Alfama district until the wee hours of Sunday morning. That ended the Portugal leg of my trip and I was ready to go; it would be really easy to put on some pounds there. The following afternoon's flight landed me in Geneva, Switzerland for a conference speaking engagement.



Lisbon's Famous Alfama District

In early June, Avrupa announced a Memorandum of Understanding with Chilean copper miner Antofagasta Minerals S.A. (AMSA) for exploration on three concessions in the Pyrite Belt (Marateca is excluded). Antofagasta committed to spend \$300,000 over six months to complete an initial study of the property including acquisition of remaining historic data, re-logging of selected drill holes, systematic sampling, and integrated geological and geophysical interpretation of targeted areas.

Upon signing of a final agreement, Avrupa will grant AMSA the option to acquire 51% by spending an additional \$4 million over three years. After exercise of the first option, AMSA can earn an additional

24% interest (75% total) by delivering a 43-101 qualified feasibility study within five years. Avrupa is operator of the joint venture thru the first option period.

Avrupa is very tightly held having only 16.1 million shares outstanding with insiders, family, and friends holding 40%. Its current working capital is \$1.5 million. 6.3 million in-the-money warrants at 50-55 cents could bring in another \$3.2 million from January to April 2012. Here's the chart since it commenced trading in July 2010:



Since I first wrote about Avrupa Minerals ([Mercenary Alert, January 7](#); [Mercenary Musing, March 7, 2011](#)), the company has gone from 42 cents to a high of 60 cents and recently has settled in the upper 40s. The company has sporadic volume spurts amongst generally low liquidity, attributable to little public float. AVU plans to go to the market for a small financing in Q3 2011.

AVU is committed to prospecting in the relatively unexplored and overlooked ground of Portugal and executing the junior prospect generator-joint venture model successfully. For a company that is less than one year old, it has gotten off to a good start with four projects in the country vended to other companies via joint venture.

Avrupa Minerals remains a startup company with the right combination of low shares outstanding and tightly held structure and people who have been there and done that. It holds robust projects in a prolific base metal belt in Portugal that have been joint ventured to a successful mid-tier mining company.

I like the company a lot, but please realize that I am a founding shareholder and my share cost basis is lower than its current trading range. As with all companies that I write positively about, Avrupa is a paying sponsor of my website.

I urge you to consider Avrupa Minerals Ltd and do your own thorough research before speculating in it or any junior resource stock.

Ciao for now,

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The [Mercenary Geologist Michael S. "Mickey" Fulp](#) is a Certified Professional Geologist with a B.Sc. Earth Sciences with honor from the University of Tulsa, and M.Sc. Geology from the University of New Mexico. Mickey has over 30 years experience as an exploration geologist searching for economic deposits of base and precious metals, industrial minerals, uranium, coal, oil and gas, and water in North and South America, Europe, and Asia.

Mickey has worked for junior explorers, major mining companies, private companies, and investors as a consulting economic geologist for the past 24 years, specializing in geological mapping, property evaluation, and business development. In addition to Mickey's professional credentials and experience, he is high-altitude proficient, and is bilingual in English and Spanish. From 2003 to 2006, he made four outcrop ore discoveries in Peru, Nevada, Chile, and British Columbia.

Mickey is well-known and highly respected throughout the mining and exploration community due to his ongoing work as an analyst, writer, and speaker.

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