Technical Report
Los Reyes Property
Sinaloa, México

Submitted to:
Prime Mining Corp.

Report Date: April 2, 2020
Effective Date: March 24, 2020

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Project No. 1668740245

Important Notice

This notice is an integral component of the Los Reyes Property Technical Report (Technical Report or Report) and should be read in its entirety and must accompany every copy made of the Technical Report. The Technical Report has been prepared in accordance with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects.

The Technical Report has been prepared for Prime Mining Corp. by Stantec Consulting Ltd (Stantec). The quality of information, conclusions, and estimates contained herein are consistent with the level of effort involved in the services of Stantec, based on: i) information available at the time of preparation of the Report, and ii) the assumptions, conditions, and qualifications set forth in this Report.

Each portion of the Technical Report is intended for use by Prime Mining Corp. and subject to the terms and conditions of its contract with Stantec that was signed on October 24, 2019. Except for the purposes legislated under Canadian provincial and territorial securities law, any other uses of the Technical Report, by any third party, is at that party's sole risk.

The results of the Technical Report represent forward-looking information. The forward-looking information may include pricing assumptions, sales forecasts, projected capital and operating costs, mine life and production rates, and other assumptions. Readers are cautioned that actual results may vary from those presented. The factors and assumptions used to develop the forward-looking information, and the risks that could cause the actual results to differ materially are presented in the body of this Report.

Stantec has used their experience and industry expertise to produce the estimates in the Technical Report. Where Stantec has made these estimates, they are subject to qualifications and assumptions, and it should also be noted that all estimates contained in the Technical Report may be prone to fluctuations with time and changing industry circumstances.

CERTIFICATE OF QUALIFICATIONS

I, William A. Turner, P. Geol., do hereby certify that:

1. I am currently employed as Manager, Geology by Stantec Consulting Ltd., 200-325 25 Street S.E., Calgary, Alberta, Canada T2A 7H8.
2. I graduated with a Bachelor of Science degree from the University of Alberta in 1995, and a Master of Science degree from the University of Alberta in 2000.
3. I am a member in-good-standing of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (Member 58136) and a member in-good-standing of the Association of Professional Engineers, Geologists and Geophysicists of Saskatchewan (Member 15364), and a member in-good-standing of the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (Member L3656).
4. I have 25 years as a Geologist since graduating from my undergraduate degree in Geology. My thesis-based MSc degree, which spanned over three years, was titled "Geology and Geochemisty of the Mallery Lake Precious Metal-Bearing Epithermal System, Nunavut, Canada". Results from this study were published in Mineralium Deposita and Canadian Journal of Earth Sciences. Following completion of this degree, I have an additional 11 years of exploration and scientific assessment of base and precious metal-bearing properties, hosted as vein and disseminated deposits in volcanic, carbonate, and siliciclastic environments in Canada, the United States, México, Portugal, and Turkey.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101), and past relevant work experience, I meet the requirements to be a "Qualified Person" for the purposes of NI 43-101.
6. I am responsible for the preparation of portions of Sections 1, Sections 2 through 5, portions of Section 6, Sections 7 through 13, Sections 15 through 24, and portions of Sections 25 through 27 of the report titled "Technical Report Los Reyes Property, Sinaloa, México" dated April 2, 2020, Effective Date March 24, 2020.
7. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
8. I personally inspected the Property and collected samples between January 8 and January 11, 2020.
9. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
10. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Report, the omission to disclose which makes the Report misleading.
11. I am independent of the issuer applying all of the tests in Section 1.5 of NI 43-101.

Dated this 2nd day of April 2020.

"Original Signed and Sealed by Author"

_____

William A. Turner, P.Geol.
Manager, Geology

CERTIFICATE OF QUALIFICATIONS

I, Andrew Christopher Hunter (Chris), P. Geol., do hereby certify that:

1. I am currently employed as Senior Resource Geologist by Stantec Consulting Limited 200-325 25 Street SE Calgary, Alberta, Canada T2A 7H8.
2. I graduated with a Bachelor of Science degree from Lakehead University Thunder Bay, Ontario in 1994.
3. I am a member in-good-standing of the Association of Professional Engineers and Geoscientists of Alberta, (Member 88635) and a member in-good-standing of the Association of Professional Geoscientists of Ontario (Member 2871).
4. I have 25 years of experience in mine geology and resource modelling since my graduation from university. I have worked in multiple vein-hosted gold and base metals operations in Canada. I have produced computer-based geological models for those operations, work which includes the estimation of resources for short range planning and annual resource statements.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101), and past relevant work experience, I meet the requirements to be a "Qualified Person" for the purposes of NI 43-101.
6. I am responsible for the preparation of portions of Section 1 and 6, Section 14, and portions of Sections 25 through 27 of the report titled "Technical Report Los Reyes Property, Sinaloa, México" dated April 2, 2020, Effective Date March 24, 2020.
7. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.
8. I have not conducted an inspection of the Property.
9. At the effective date of the Technical Report, to the best of my knowledge, information, and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
10. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Report, the omission to disclose which makes the Report misleading.
11. I am independent of the issuer applying all of the tests in Section 1.5 of NI 43-101.

Dated this 2nd day of April 2020.

"Original Signed and Sealed by Author"

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A.C. (Chris) Hunter, P.Geol.
Senior Resource Geologist

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1 SUMMARY

Introduction

On October 24, 2019, Prime Mining Corp. (Prime Mining) contracted Stantec Consulting Ltd. (Stantec) to prepare a Technical Report in accordance with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). The purpose of this Technical Report is to complete resource estimates for deposits that are included in the Los Reyes Property (Property), which are El Zapote (North and South), San Miguel (East and West), Guadalupe (East and West), Noche Buena, and Tahonitas.

An independent Stantec Qualified Person inspected the Property between January 8, 2020 and January 11, 2020. During this property inspection, the Qualified Person collected 15 outcrop samples from El Zapote (North and South), Guadalupe West, San Miguel (East and West). The samples were transported by the Qualified Person to Calgary, Alberta. The samples were analysed by AGAT Laboratory (AGAT). The Effective Date of this Technical Report in March 24, 2020.

Reliance on other Experts

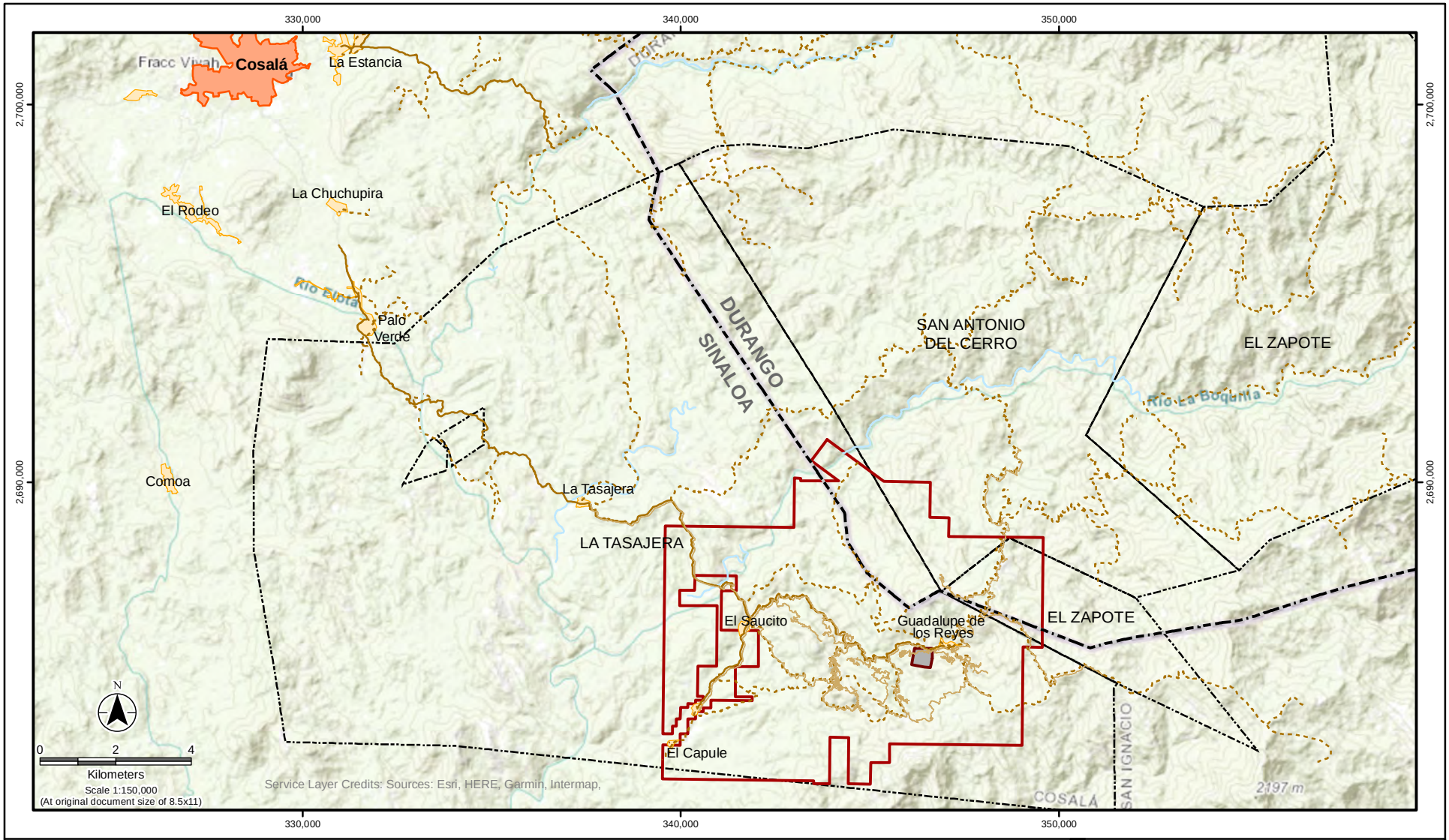
The Author(s) were provided with an opinion document, which is dated May 14, 2019, by the law firm DBR Abogados, S.C., Per: Patricia Vivar, that related to the standing of the Los Reyes Property title documentation, royalties, tax payments, and assessment works. This document was provided by Prime Mining to Stantec on March 29, 2020.

Property Description and Location

The Property is north of the coastal city of Mazatlán, approximately 110 km by air and 200 km by road. The city closest to the Property is Cosalá, having a population of approximately 17,000, is located 30 km to the southeast of the Property (INEGI 2000). Enroute to the Property from Cosalá are the villages of Palo Verde and La Tasajera. The village of Guadalupe de los Reyes is on the Property and was the site of Spanish colonial mining (Figure 1-1). The general geographic coordinates of the Property are N-24°16´42" and W-106°30´15" (13R 0347019E, 2685586N).

Property Concessions

The Los Reyes Property is composed 37 contiguous concessions that have an area of 6,302.7 hectares; however, due to overlap between some of the concessions, the actual area is 6,273 ha**.** Figure 1-2 shows the concessions and their associated overlap.



Legend

- Los Reyes Claim Block Outline
- Six de Enero Claim (not Los Reyes)
- Rural Area
- Urban Area
- Ejido Land
- State Boundary
- Road
- Trail
- Drill Road
- River/ Creek

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N

2. Data Source: Prime Mining Corp; basemap-Esri World Topographic Map.

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TECHNICAL REPORT LOS REYES PROPERTY

Property Location Map

Figure 1-1

DRAWN BY: M.B.
CHK'D BY: A.T.
Date: 20 03 24

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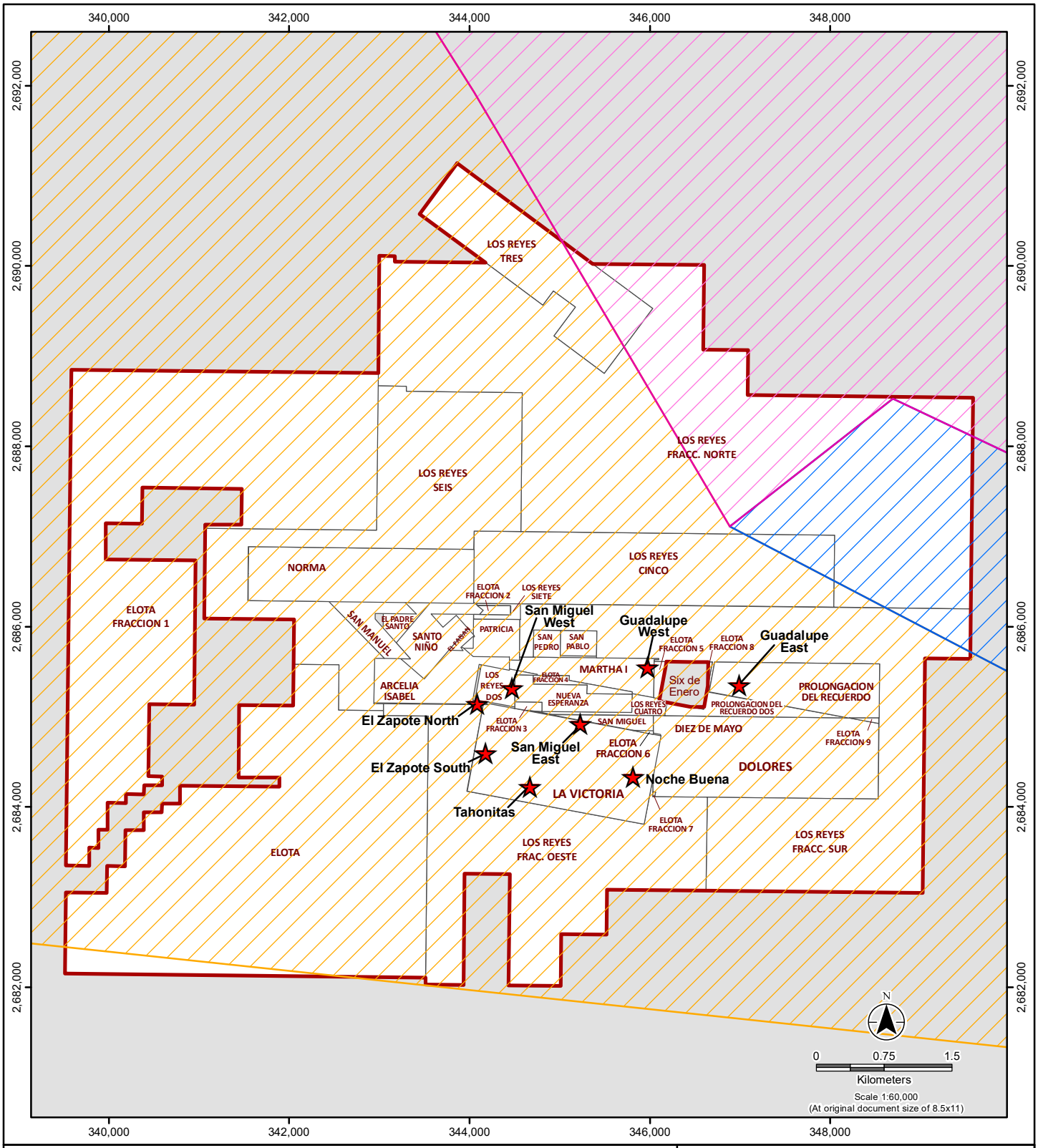

Legend

- Los Reyes Deposits
- Los Reyes Property Outline
- Los Reyes Claim
- Six de Enero Claim (not Los Reyes)
- Ejido El Zapote
- Ejido San Antonio del Cerro
- Ejido Land (La Tasajera)

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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TECHNICAL REPORT LOS REYES PROPERTY

Property Concessions Map

Figure 1-2

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Option Agreements, Royalties and Encumbrances

Vista Gold Agreement

Vista Gold, MGS Canada and Granges together own 100% of the outstanding common shares of MGS. MGS acquired a 100% interest in portions of the El Zapote zone on August 1, 2003 from Sr. Enrique Gaitán Maumejean. The final payment of the purchase option, which also included acquisition of a data package that was associated with the project, was completed in 2009. In January 2008, MGS further consolidated the remaining mining concessions, subsequently known as the Guadalupe de los Reyes project (Los Reyes project), with the exception of the 6 de Enero claim, which is 23.7 hectares in size. Following this consolidation, and the acquisition of ten new claims, including fractionals, MGS's land position included 37 contiguous concessions. The consolidation of the mineral rights was completed through agreements with Grandcru Resources Corporation (Grandcru), Goldcorp Inc., and the San Miguel Group. In addition to securing the mineral tenure, MGS also negotiated access agreements to lands held by Ejido La Tasajera. These agreements provided access the Property.

Minera Alamos Option Agreement

MAI and its wholly owned Mexican subsidiary, MAI México, entered into an option agreement dated October 23, 2017 with Vista, MGS, MGS Canada and Granges. This option agreement granted to MAI an option to acquire 100% of the issued and outstanding common shares of MGS, and therefore own the Los Reyes mining concessions.

This option agreement, subject to 49% Back-In Right on underground resources, requires the payment of US $6 million payable in four payments of US $1.5 million. The first option payment stipulated payment at the time of execution of the Agreement, with the following two payments being made on the 12th month and 24th month of execution of the agreement. Payment of the last installment, termed the Purchase Price Payment, was to be made on or before the end of the Option Period. In the case that MAI announces a positive decision to take the Los Reyes project into construction, then MAI agreed to make this final payment within 30 days following the date of announcement. The date of the announcement will be the closing date. In addition to these cash payment requirements, MAI agreed for the duration of the option agreement to pay for storage of the core in Hermosillo and to pay for 100% of the Maintenance costs to keep the mining concession in good standing.

Prime Mining Corp. (formerly ePower Metals Inc.) Purchase Agreement Terms

Effective June 25, 2019 (Assumption Date), MAI and MAI México transferred all rights of the Los Reyes project, through an option agreement, to Prime Mining Corp. To meet the contractual obligations of this option agreement, Prime Mining Corp. (Prime Mining) agreed to the following conditions:

- Payment to MAI US$1,500,000, which is a reimbursement to MAI for the April 2019 payment that MAI made to Vista Gold on April 23, 2019.

- Assume MAI's remaining option payments of US$3,000,000 in favour of Vista Gold that included US$1,500,000 that was due October 23, 2019, and US$1,500,000 on the earlier of October 23, 2021 or a production decision.

- Issuance of 9,450,000 post-Consolidation common shares of Prime Mining and 3,350,000 common share purchase warrants of Prime Mining to MAI, entitling MAI to acquire further post-Consolidation common shares at a price of $0.50 per share for a period of 24 months. Prime Mining completed this transaction, as stated in the August 28, 2019 news release.

Effective on the Assumption Date, Prime Mining took over all obligations and liabilities of MAI and MAI México with respect to the option agreement between Vista Gold and MAI.

Property Royalties

DBR Abogados, S.C., completed an opinion on the royalties associated with the Los Reyes Property, dated May 14, 2019, that states the following:

"The following royalties: "CTSL Royalty 3%"; "DMSL Royalty 1%"; and "DMSL Royalty 3%"; are derived from the transfer agreement entered into Desarrollos Mineros San Luis, S.A. de C.V. and Minera Paredones Amarillos, S.A. de C.V. (now Desarrollos Zapal, S.A. de C.V.), dated January 23, 2008, certified and attested to by Mr. Guillermo Aaron Chapa Vigil, Public Notary number 247 for the Federal District (now México City), as recorded on March 10, 2008, under Entry 95, at Pages 58, Volume 14 of the Mining Acts, Contracts and Agreements Book of the Registry;

- The mining Concessions subject to CTSL Royalty 3% are: "Los Reyes Dos"; "Los Reyes Tres"; "Los Reyes Cuatro"; Los Reyes Cinco"; Los Reyes 8"; "Los Reyes Fracc. Oeste"; "Los Reyes Fracc. Sur"; and "Los Reyes Fracc. Norte";

- The mining concessions subject to DMSL Royalty 1% are: "Los Reyes Dos"; "Los Reyes Tres"; "Los Reyes Cuatro"; Los Reyes Cinco"; "Los Reyes Seis"; "Los Reyes Siete"; Los Reyes 8"; "Los Reyes Fracc. Oeste"; "Los Reyes Fracc. Sur"; "Los Reyes Fracc. Norte"; "Norma"; "Nueva Esperanza"; "San Miguel"; "San Manuel"; "El Padre Santo"; "El Faisán"; "Santo Niño"; "San Pablo"; "San Pedro"; "Patricia"; and "Martha 1"; and

- The mining concessions subject to DMSL Royalty 3% are: "Diez de Mayo"; "Prolongación del Recuerdo"; "Prolongación del Recuerdo Dos"; "Arcelía Isabel"; "Dolores"; and "La Victoria."

Accessibility, Climate, Local Resources, Infrastructure

The Property is approximately 110 km by air and 200 km by road from the coastal city of Mazatlán, Sinaloa. The Property is near the village of Guadalupe de Los Reyes and can be accessed year-round by a road located 30 km southwest from the city of Cosalá, with the best time for access being fall through spring. Recent improvements to the area's infrastructure, such as the high bridge over the Las Habitas River, have enhanced accessibility.

Cosalá has a regional airport, Aeropuerto de Cosalá, located north west from the city centre. The road from Cosalá through Guadalupe de los Reyes is the only land access to the south eastern mountains in this part of the country. Local facilities include: a hospital and health clinics, schools, banks, retail stores, hotels, restaurants, and tourism companies. The surrounding communities can provide labor, but a skilled workforce would have to be sourced either from larger cities such as Mazatlán, Culiacán, and Durango, or imported from other countries.

Annual temperatures range from 16°C to 29°C. Precipitation reaches a peak in July, with 212.6 mm of rainfall in 2019.

History

The Property was drilled between 1992 and 2015. Companies that completed drilling during this time span included Northern Crown Mines, Meridian Gold, Vista Gold Corp., and Great Panther Silver Limited.

- Northern Crown Mines completed reverse circulation (RC) drilling in 1992, 1993, 1994, 1996 and 1997. In total, 381 drill holes were completed that resulted in 36,108 m.
- Meridian Gold completed 23 RC drill holes in 2001 that totalled 2,700 m.
- Vista Gold Corp. completed 48 diamond drill core holes in 2011 and 2012 that totalled 7,432 m.
- Great Panther Silver Limited drilled 41 core holes in 2015 that totalled 5,505 m.

Several historical resource estimates have been completed on the Property on the following years by the following companies: 1998 (Northern Crown Mines); 2003 (Vista Gold Corp.); 2005 (Grandcru Resources Corporation); 2009 and 2013 (Vista Gold Corp.); and 2016 (Great Panther Silver Limited).

Geological Setting and Mineralization

The Property is in the Guadalupe de los Reyes mining district in the western foothills of the Sierra Madre Occidental mountain range, Sinaloa State, México. In the vicinity of the Property, the volcanic sequence unconformably overlies a late Cretaceous-aged felsic batholith. This overlying volcanic package is subdivided into Lower and Upper sequences that are separated by an angular unconformity. The Lower Sequence spans from late Cretaceous-early Tertiary, is approximately 1 km thick, and is predominantly composed of intermediate (andesite) volcanics and intercalated sandstone and volcanic conglomerate intervals. The Lower volcanic sequence also contains more

felsic units that are dacitic in composition. The upper sequence that is deposited conformably on the lower sequence, is composed of ash-flow and ash-fall tuffs that are rhyolitic to dacitic in composition. This sequence is over 1 km thick in high elevation areas.

In the main area of mineralization, the deposits dominantly occur along three northwest and west-northwest oriented silicified structural corridors. These mineralized structural corridors are named after the mineralized areas that they host, which include: 1) the Mariposa-El Zapote-Tahonitas trend, which strikes to the south-southeast and dips at approximately 50° to the southwest; 2) San Miguel-Noche Buena trend, which is a regional northwest – southeast striking structure that moderately dips between 50° and 60° to the southwest; and 3) the Guadalupe trend, which bifurcates to the east from the San Miguel West deposit, is subdivided into East and West deposits that are separated by the "6 de Enero" claim.

Mineralized areas that are not along the main structural cooridors include Fresnillo, Las Primas, Las Palmitas, El Orito, El Apomal, El Mirador, and Las Casitas.

Exploration

In late 2019, Prime Mining personnel began a test program, systematically trenching and road cutting approximately 5,000 m, that focused on sampling across outcropping mineralized structures. This program was designed to obtain continuous surface grades in select areas that, when combined with drill hole data, assisted to advance the geological model and refined the resource estimation. The result of this program was the collection of 724 trench samples from 24 trenches, 101 adit samples from four historic underground workings, and 995 road-cut samples from 30 sets of outcrop exposures along historic road cuts. To date, Prime Mining has not completed drilling on the Property.

Sample Methodology and Analyses

Northern Crown Mining & Meridian Gold

Northern Crown Mining and Meridian Gold collected samples from cuttings during RC drilling. In addition, NCM collected soil and rock samples for geochemical analyses.

RC samples were collected at 1.52 m intervals (five feet) from 133 mm (5.2 inch) diameter drill holes. Samples were collected from the cyclone into collection buckets. Dry samples were split using a Jones riffle splitter, while wet samples were split via a rotary splitter. A five kg split was placed into a plastic sample bag to be sent to the laboratory for analyses, while a duplicate sample, which varied from 15 to 20 kg, was stored in a second sample bag. The lithology, alteration, and mineralization were recorded on site for each sample.

A total of 4,640 soil samples were collected, which typically were a mixture of B and C soil horizons that were collected at a depth of 15-20 cm. Samples were placed in kraft paper bags and shipped to Bondar-Clegg México for sample preparation.

Surface Grab and chip rock samples were collected from surface exposures along lengths up to 15 m, with sample lengths varying from 2 to 5 m. Samples typically weighed 5 to 15 kg. Samples were collected from the field camp by Bondar-Clegg México, and directly transported to their preparation facility in Hermosillo.

Vista Gold Corp.

In 2011, Vista Gold collected 271 surface rock samples, which ranged from 1 to 3 kg. Samples were sent to ALS Chemex de México, S.A. de C.V. (ALS Chemex) in Hermosillo, Sonora, for sample preparation.

Vista Gold completed diamond drilling during their 2011-2012 drill campaign. The diamond drill core was boxed and stacked at the rig by the drill crews. Core was then picked up daily by the staff geologist, or his designate, and transported directly to Guadalupe de los Reyes exploration camp for processing and sampling. The facilities consisted of secured storage and a core cutting area located in the village of Guadalupe de los Reyes. Processing of the core included digital photographing, geotechnical and geological logging, and marking the core for sampling. Zones of strong alteration, quartz veining, and quartz vein stockworks were sampled for assay.

Great Panther Silver Limited

Great Panther Silver Limited (Great Panther) completed drilling using a track mounted HTM 2500 drill rig generating HQ or NQ core. The diamond drill core was boxed and stacked at the rig by the drill crews. Core was then picked up daily by the staff geologist, or his designate, and transported directly to Guadalupe de los Reyes for processing and sampling. Processing of the core included digital photographing, geotechnical and geological logging, and marking the core for sampling. Core intervals that contained strong alteration, quartz veining, and quartz vein stockworks were marked for cutting and sampling. Each sampled interval was tagged and put in plastic bags with unique sample numbers. Samples were not collected across geologic breaks and sample intervals did not exceed 2 m. The minimum core length was 0.35 metres. Half of the core was used for assay testing while the remaining half was conserved for future reference and metallurgical test work. All the samples were kept in a secure area until shipped for assay.

Great Panther collected 406 surface and underground (adit) rock samples. Samples were collected by hand and weighed between 2 kg and 6 kg. All samples were described and tagged in the field with coordinates taken by GPS at each surface sample site, and measured from adit entrance for underground samples.

Prime Mining

Prime Mining personnel collected 724 samples from 24 trenches, 101 samples from historic underground workings, and 995 samples from 30 sets of outcrop exposures along historic road-cuts. All samples were collected from 1.5 m intervals, with careful attention to consistent volume

of material along the interval. Samples weighed on average 6.25 kg. Trenches were hand dug using pickaxes and shovels to a depth of not more than 1.5 m for safety considerations. Where the bedrock contact consisted of broken rubble, which is typical, a trench was dug to competent material. Road and adit samples were also at 1.5 m intervals and were collected using a hammer and chisel.

Geologists measured the sample intervals, checking that a consistent sample could be collected. A geologist supervised the sampling team as they collected samples, using chisels and hammers as necessary, putting the material into prelabeled sample bags. Once collected, the geologist marked the intervals with an aluminum tag indicating sample number, date, and geologist's initials, completed the sample ID tag, and inserted a tear-off ID tag into the sample bag. Each sample was described by a geologist using a standardized sample description form. Following completion of the sample description, the sample bag was then closed using a tie strap. Samples were placed in larger prelabeled rice bags, maximum eight samples to a bag, and tie strapped shut.

Quality Control

Northern Crown Mines

Northern Crown Mines had approximately 10 percent of the sample intervals in the mineralized zone sent for duplicate analysis by a second laboratory to evaluate the quality of the sample analyses. Check assay data for samples were completed between 1992 and 1995, and for the 1996 and 1997 drilling programs. For this work, Bondar-Clegg supplied the sample pulps to Min-En Laboratories (Min-En) in Vancouver, British Columbia. Min-En analyzed the sample pulp material utilizing similar methodology as described by Bondar-Clegg.

Vista Gold Corp.

Control samples were included in each batch of samples that Vista Gold submitted to Chemex at a frequency of one in 20 samples. Control samples consisted of the following:

- Coarse blanks: washed construction gravel obtained locally;
- Standards: certified standards, submitted as pulps (Predominately RockLabs CRMs);
- Replicate assays of a second pulp from coarse rejects by Chemex Labs; and
- Assays of duplicate pulps from the same sample by the Acme Labs.

Great Panther Silver Limited

Great Panther geologists inserted a blank and standard every twentieth sample and a duplicate sample was inserted every fortieth sample. Great Panther used standards created by SGS Laboratories. In all, Great Panther submitted 61 standard reference material samples, 61 blanks, and 48 duplicate samples. Three standards returned values in excess of three standard deviations for gold, and five silver standards were above three standard deviations. All sample batches that exceed the ± 3 standard deviations were re-assayed. Great Panther also submitted 48 duplicate drill core samples for assays.

Prime Mining

A quality assessment program that included blanks, reference standards (certified reference materials or CRMs), and check assays was implemented by Prime to monitor the ongoing integrity of assay results. Trench, adit, and road-cut sampling all followed a quality control program. For each batch of samples, control samples were inserted into the sample stream at predetermined intervals as outlined below. Every odd tenth sample of a batch was a prepared blank, and every twentieth sample was a prepared standard. Standards were purchased from CDN Laboratories Ltd. based in Vancouver.

A selection of 48 sample coarse rejects and corresponding pulps were submitted to SGS laboratories in Durango for check analyses. This represents 5.2% of the sample population. CRMs were also submitted with the rejects and pulps including five gold standards and two blanks. Samples were selected based on: 1) certificate batches that have any standard/blanks that are reported outside recommended values; 2) samples with elevated silver or gold, but uncharacteristic corresponding silver or gold values based on review of other samples (surface and core/chips) from that particular deposit; 3) other marker elements based on sample reviews; and 4) gaps in the mineralization. Samples selected for coarse reject reanalysis included samples that stood out, based on the above criteria, as well as adjacent samples into a mineralized zone. Checks were also done on samples that ran elevated gold/silver.

Data Verification

The goals of the site investigation by the Qualified Person were three-fold: 1) to validate that the proposed mineralized system conformed to textures that align with a low sulphidation epithermal deposit type; 2) to validate sample locations and collect samples so that an independent assessment could be completed to assess the presence of gold and silver across the Property; and 3) to validate the locations of historic drill holes. The Property investigation was completed between January 8 to 11, 2020. The Author was accompanied by a Prime Mining representative, three site geologists, and a sampler. Most areas of the Property are easily accessible by road.

Limitation to Data Validation by Qualified Person

Limitations to the validation that the Qualified Person was able to complete are listed below:

- The Qualified Person was not involved in the Property prior to 2019, and did not complete a field visit until 2020, and therefore cannot validate the field procedures used during drilling and sample collection prior to the involvement by Prime Mining.
- The core storage facility was not proximal to the Property area, and the Qualified Person did not travel to Hermosillo to review the core.
- Laboratory inspections were not completed by the Qualified Person.

Opinion of the Independent Qualified Person

It is the opinion of the Qualified Person(s) that the field procedures and sampling protocols that were implemented by Prime are reasonable. Also, the quality of the laboratory testing completed during the various stages of the Los Reyes project are reasonable. The independent Qualified Person(s) is confident that the samples and associated laboratory datasets that are used in this Technical Report are accurate.

Mineral Processing and Metallurgical Testing

The majority of mineral processing and metallurgical testing has been completed between 1998 and 2012. The most recent work completed was done by RDI Inc. (RDi) in September 2012.

Leach testing was completed on composite samples comparing whole ore agitated leaching carbon in leach (CIL), as well CIL with lead nitrate. Parameters such as cyanide concentration, pulp density, grind size, and leach method were evaluated to determine preliminary operating parameters.

Gravity separation testing was completed to determine if a direct smelter product could be produced with no additional on-site processes. This type of processing would allow for additional gold recovery from concentrations remaining after cyanidation, however, the test work results indicated that the gravity concentrate would not produce high enough recovery rates to substitute for leaching. Due to the wide range of mesh sizes for the samples tested, and the high variability of results for recovery, it was difficult to determine the efficacy of gravity recovery.

Floatation testing was completed on composite samples. Gold and silver recovery rates are ninety percent for all samples except for the third composite sample. This composite sample had a silver recovery of twenty percent, however, sample three had poor silver recovery during leach and gravity testing as well. This could be due to the mineralogy of the sample rather than processing factors.

Mineral Resource Estimates

In accordance with the requirements of NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards, the independent Qualified Person(s) reviewed the available drill hole and sample dataset and created geologic models for the purposes of generating gold and silver mineral resource estimates within the Property.

Two 3D geologic resource models, named TZSM and GUAD, were developed for delineated portions of the Property. The TZSM model encompasses the El Zapote and Tahonitas deposits, as well as the San Miguel and Noche Buena deposits. The GUAD model includes the Guadalupe deposits. The resource estimates calculated in this study were restricted to pit constrained surface resources. The pits were built using a constant 45° pit slope and block revenue minus block cost was used as a driver to determine the overall size of the Lerchs-Grossmann pits. Figure 1-3 shows the extents of the TZSM and GUAD models.

Resource Classification

Resources are classified according to the confidence categories defined by *CIM Mineral Exploration Best Practice Guidelines*, which was published by the CIM Estimation Best Practice Committee on November 23, 2018. The assigned resource classification is currently constrained by a pit floor elevation determined visually from the down dip extent of blocks estimated in the first pass (inferred) and by the maximum search distance of each estimation pass.

Assessment of Reasonable Prospects for Eventual Economic Extraction

In coming to a determination regarding the assessment of reasonable prospects for the eventual economic extraction of the resources on the Property, the Author(s) considered the following:

The resource estimates are based on pit constrained surface resources. The surface resource includes mineralized gold blocks limited to within a 45-degree constant slope pit shell. All resource estimates include contained ounces within the constrained pit shells as shown on Tables 1.1 and 1.2. Table 1.1 summarize the base case with a cutoff of 0.22 g/t gold resources for each of the deposit areas in metric units. Table 1.2 summarize the historic case with a cutoff of 0.50 g/t gold resources for each of the deposit areas in metric units.

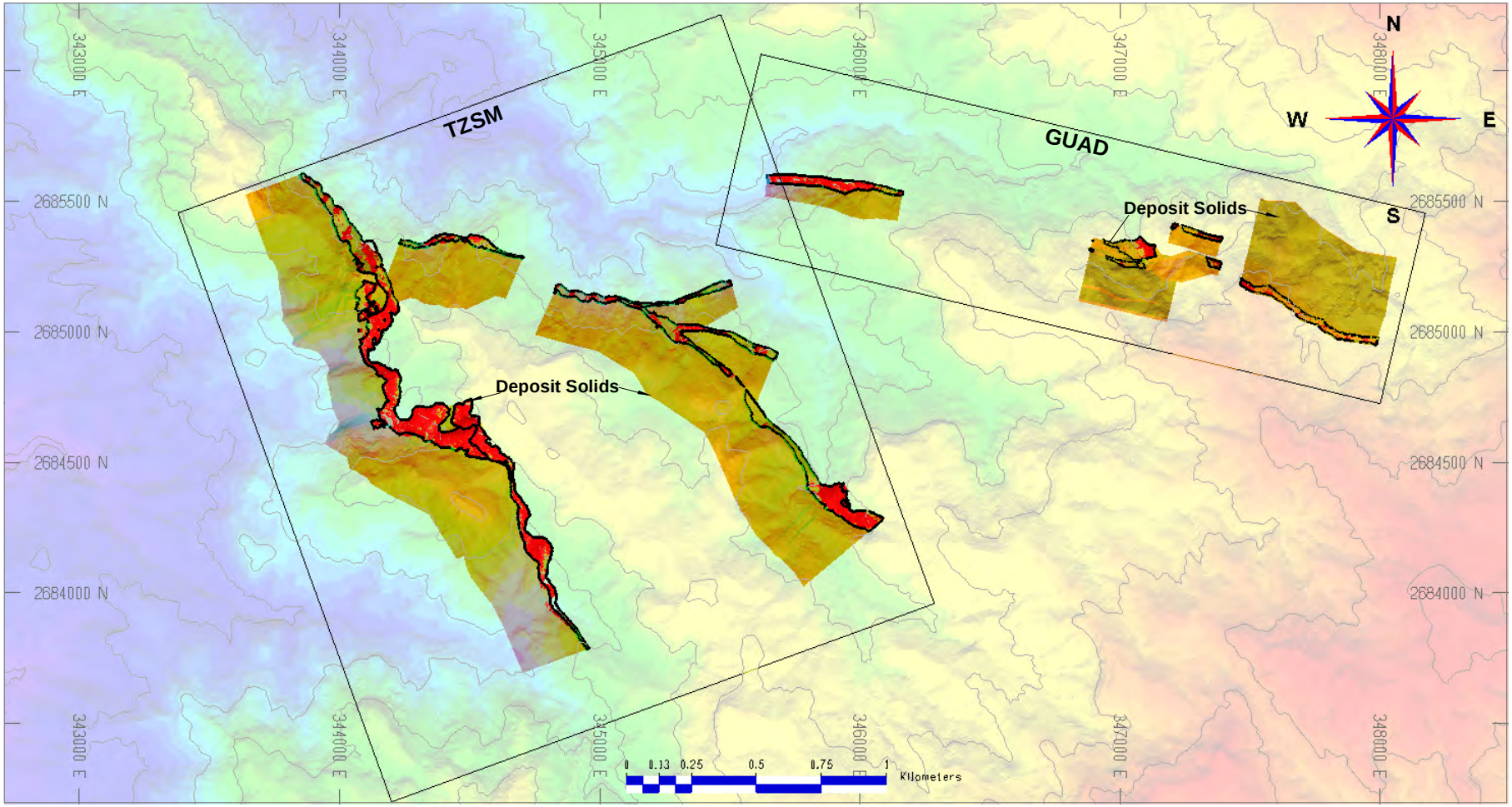
The pit shell is defined by a 0.22 g/t (0.007 opt) minimum gold cutoff grade, a US$2.40 per tonne (US$2.15 per ton) mining cost, a gold price of US$1,329 per Troy ounce and a silver price of US$16 per Troy ounce. Mineralization density was based on laboratory analyses on specific lithologies and a default mine rock density was based on 2.6 tonnes/m^3 for all other areas. Modifying factors considered for the definition of mineralized zones into classified resources of eventual economic interest include the following:

- Metallurgical recovery factors of 72% for gold and 25% for silver that are typical for conventional heap leach operations;
- No allowance for dilution and mining losses in the calculation of the cutoff grade;
- Mining costs of US$2.40 per tonne mined;
- Combined leaching, site costs and overhead of approximately US$4.30 per tonne placed on the leach pad; and
- No refining and royalty costs have been applied.

Truck and shovel surface operations are the expected primary mining method. Mining, leaching, site and other cost inputs have been based on comparable property costs. The level of detail of cost estimation and mining evaluation is deemed to be appropriate for the definition of resources prior to undertaking a preliminary economic assessment level evaluation.

There are no tonnages of potential economic interest reported for underground mining of mineralized zone below the projected pit shell limits.

These factors lead the Author(s) to conclude that the Property could be developed.



Legend

- Model Limits
- Mineralized Deposit Outline
- 100m Topography Contour (305-1455m)

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TECHNICAL REPORT LOS REYES PROPERTY

TZSM and GUAD Model Boundaries - Plan View

Figure 1-3

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Mineral Resource Estimation

The resource estimations were at the base case cutoff of 0.22 g/t gold, as well as cutoffs at 0.50 g/t gold, 0.70 g/t gold, 0.90 g/t gold, and 1.00 g/t gold. Table 1.1 shows each pit at 0.22 g/t gold.

Table 1.1
In-Place Mineral Resource, Effective Date March 24, 2020. Base Case Pit Constrained Resource at 0.22g/t Gold

Deposit	Assurance Category	Tonnes ('000)	Average Gold Grade (g/t)	Contained Gold (ounces '000)	Average Silver Grade (g/t)	Contained Silver (ounces '000)
Tahonitas - El Zapote (North & South)	Measured (M)	4,576	1.15	169	17.97	2,644
	Indicated (I)	5,622	0.78	141	16.55	2,992
	M+I	10,198	0.95	311	17.19	5,637
	Inferred	2,407	0.91	70	17.17	1,329
Noche Buena	Measured (M)	300	1.25	12	25.93	250
	Indicated (I)	1,939	0.80	50	20.92	1,304
	M+I	2,239	0.86	62	21.59	1,554
	Inferred	1,123	0.73	26	17.34	626
San Miguel East	Measured (M)	650	1.22	26	59.88	1,251
	Indicated (I)	1,784	0.84	48	53.09	3,045
	M+I	2,434	0.94	74	54.91	4,297
	Inferred	2,391	0.81	62	54.89	4,219
San Miguel West	Measured (M)	93	3.15	9	42.26	126
	Indicated (I)	379	1.51	18	20.65	252
	M+I	472	1.83	28	24.91	378
	Inferred	116	0.59	2	10.97	41
Guadalupe East	Measured (M)	2,141	1.46	100	42.08	2,896
	Indicated (I)	809	0.89	23	25.26	657
	M+I	2,950	1.30	124	37.46	3,553
	Inferred	814	0.58	15	18.82	492
Guadalupe West	Measured (M)	767	0.97	24	31.51	777
	Indicated (I)	692	0.53	12	18.37	409
	M+I	1,459	0.76	36	25.27	1,186
	Inferred	243	0.30	2	15.74	123
TOTAL	Measured (M)	8,527	1.24	341	28.98	7,946
	Indicated (I)	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Table 1.2 shows the estimate of the mineral resource for the for the Property by each pit at with the historic case cutoff at 0.50 g/t gold as of March 24, 2020.

Table 1.2
In-Place Mineral Resource Summary, Effective Date March 24, 2020. Pit Constrained at 0.50 g/t Gold Cutoff

Deposit	Assurance Category	Tonnes ('000)	Average Gold Grade (g/t)	Contained Gold (ounces '000)	Average Silver Grade (g/t)	Contained Silver (ounces '000)
Tahonitas - El Zapote (North & South)	Measured (M)	2,701	1.72	149	22.29	1,936
	Indicated (I)	3,108	1.13	113	20.35	2,033
	M+I	5,809	1.40	262	21.25	3,969
	Inferred	1,384	1.31	58	19.22	855
Noche Buena	Measured (M)	165	2.00	11	36.10	191
	Indicated (I)	1,249	1.05	42	26.61	1,068
	M+I	1,414	1.16	53	27.72	1,260
	Inferred	664	1.00	21	23.98	512
San Miguel East	Measured (M)	386	1.84	23	76.57	950
	Indicated (I)	1,068	1.18	40	70.00	2,403
	M+I	1,454	1.35	63	71.74	3,354
	Inferred	1,306	1.22	51	87.00	3,653
San Miguel West	Measured (M)	50	5.58	9	71.08	114
	Indicated (I)	297	1.82	17	24.18	231
	M+I	347	2.36	26	30.93	345
	Inferred	50	1.02	2	16.04	26
Guadalupe East	Measured (M)	1,518	1.92	94	53.06	2,589
	Indicated (I)	493	1.24	20	34.55	548
	M+I	2,011	1.75	113	48.52	3,137
	Inferred	318	0.86	9	28.60	292
Guadalupe West	Measured (M)	474	1.36	21	40.83	622
	Indicated (I)	313	0.78	8	22.40	225
	M+I	787	1.13	28	33.50	848
	Inferred	234	0.30	2	15.68	118
TOTAL	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Table 1.3 shows the estimate of the mineral resource for the Property with the differing gold cutoff grades as of March 24, 2020.

Table 1.3
In-Place Mineral Resource Summary, Effective Date March 24, 2020. Pit Constrained at varying Gold Cutoffs

Cutoff	Assurance Category	Tonnes ('000)	Average Gold Grade (g/t)	Contained Gold (ounces '000)	Average Silver Grade (g/t)	Contained Silver (ounces '000)
0.22 g/t cutoff total	Measured (M)	8,527	1.24	341	28.98	7,946
	Indicated (I)	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831
0.50 g/t cutoff total	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456
0.70 g/t cutoff total	Measured (M)	4,094	2.15	283	42.46	5,589
	Indicated (I)	4,603	1.38	204	35.48	5,251
	M+I	8,697	1.74	488	38.77	10,840
	Inferred	2,603	1.44	120	54.36	4,549
0.90 g/t cutoff total	Measured (M)	3,323	2.47	264	46.57	4,975
	Indicated (I)	3,423	1.58	174	39.46	4,342
	M+I	6,746	2.02	438	42.96	9,317
	Inferred	1,859	1.71	102	64.23	3,839
1.00 g/t cutoff total	Measured (M)	3,019	2.62	254	48.42	4,700
	Indicated (I)	2,895	1.70	158	41.85	3,895
	M+I	5,914	2.17	413	45.20	8,595
	Inferred	1,685	1.78	97	67.22	3,642

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Potential Risks

The accuracy of resource estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time; the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available after the date of the estimates may necessitate revision. These revisions may be material.

Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as Proven or Probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Potential risks that impact the accuracy of resource estimates include:

- The accuracy of the underground excavation survey data impacting the deposits resource cannot be directly measured since these opening are no longer accessible due to safety concerns and /or may have collapsed. Other historic mine workings may be present which have not been documented and would impact the stated resource.

- The mineralized zones used to define and constrain the data analysis and estimations are created using laboratory analysis, core descriptions and field observations. Further exposure of the mineralized zone through mining may modify existing interpretations of the data.

- The resource is limited to the depths of drilling on the Property and is restricted to a depth below surface of approximately 100-150m. Future drilling beyond these depths using appropriately scaled equipment may impact the current understanding of the resources below those depths.

Interpretations and Conclusions

The Property is in the Sierra Madre Occidental mountain range of the North American Cordillera that extends for hundreds of kilometers from central to northern México in the Basin and Range province. The Property is near the village of Guadalupe de Los Reyes and can be accessed year-round by a road located 30 km southwest from the city of Cosalá. Since the discovery of gold and silver on the Property in 1772, there have been several changes in ownership.

The Property is composed 37 contiguous concessions that have an area of 6,302.7 hectares; however, due to overlap between some of the concessions, the actual area is 6,273 ha. The main mineralized trends on the Property occur on three northwest and west-northwest oriented silicified structural corridors that are hosted in intermediate to felsic volcanics. These mineralized structural corridors are named after the mineralized areas that they host, which include: 1) the Mariposa-El Zapote-Tahonitas trend; 2) San Miguel-Noche Buena trend; and 3) the Guadalupe trend. The mineralization conforms to the Low Sulphidation Epithermal deposit classification type.

Two 3D geologic resource models, named TZSM and GUAD, were developed for delineated portions of the Property. The TZSM model encompasses the El Zapote and Tahonitas deposits, as well as the San Miguel and Noche Buena deposits. The GUAD model includes the Guadalupe deposits. The resource estimates calculated in this study were restricted to pit constrained surface

resources. The pits were built using a constant 45° pit slope and block revenue minus block cost was used as a driver to determine the overall size of the Lerchs-Grossmann pits.

The resource estimations were completed using the following parameters:

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used;
- Cutoff grade of 0.22 g/t gold applied;
- Total mining and processing cost of US$6.70 / tonne applied;
- No NSR charges were applied in calculation of cutoff or mining costs; and
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue.

Recommendations

The data compilation, model build, and trenching/roadcut sampling program identified prospective areas to further delineate. There are two main recommendations to advance this program that are: 1) to further identify and characterize ore mineralization spatially and geochemically; and 2) to complete a comprehensive Preliminary Feasibility Study on the Property. The proposed phases are addressed below.

Phase 1

Additional trenching is recommended to potentially extend the mineralization in El Zapote North and South, San Miguel East and West, between San Miguel East and Noche Buena, as well as in the Tahonitas area. It is also recommended to complete additional drilling for the purpose of: 1) assessing the extension of mineralization down dip below current pit bottoms; 2) subsurface testing of mineralization identified during trenching programs; and 3) assess the continuity between ore bodies, such as El Zapote North and El Zapote South, and between San Miguel and El Zapote North. The proposed method of drilling would include both core and RC holes.

Following the trenching and drilling campaigns, it is recommended that the collected samples be assessed by multi-element analyses to expand the knowledge of variability across the Property and to potentially identify deleterious components in the ore bodies. In addition, metallurgical test work on the drill and trench data is recommended to expand the database on the general recovery characteristics using different extraction methods (eg. bottle rolls, shakers). Mineralogical studies, such as petrography and x-ray diffraction, is recommended to further understand the epithermal system complexities and sulphide boundaries. Table 1.4 lists the estimate of the recommended drilling, sampling, and testing proposed for Phase 1.

Table 1.4
Recommended Drilling, Sampling, Testing

Estimated Number of Holes	Estimated Average Hole Depth (m)	US$ ('000)			
		Drilling (RC & Core)	Testing (assay, metallurgical, mineralogical)	Field Personnel	Total
40	250	1,125	500	175	**1,800**

Phase 2

Depending on the results obtained from the execution of Phase 1, further reporting may be necessary in the case that the results are material to the Project. In that case, the models would be updated, and the associated resource estimations and classifications would be completed, and a new Technical Report would be released. Phase 2 is estimated at **US$75k**

2 INTRODUCTION

On October 24, 2019, Prime Mining Corp. (Prime Mining) contracted Stantec Consulting Ltd. (Stantec) to prepare a Technical Report in accordance with the requirements of National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). The purpose of this Technical Report is to complete resource estimates for deposits that are included in the Los Reyes Property (Property), which are El Zapote (North and South), San Miguel (East and West), Guadalupe (East and West), Noche Buena, and Tahonitas.

An independent Stantec Qualified Person inspected the Property between January 8, 2020 and January 11, 2020. During this property inspection, the Qualified Person collected 15 outcrop samples from El Zapote (North and South), Guadalupe West, San Miguel (East and West). The samples were transported by the Qualified Person to Calgary. The samples were analysed by AGAT Laboratory (AGAT).

The “Effective Date” means, with reference to a Technical Report, the date of the most recent scientific or technical information included in the Technical Report.

The accuracy of resource estimates is, in part, a function of the quality and quantity of available data, and of engineering and geological interpretation and judgment. Given the data available at the time this report was prepared, the estimates presented herein are considered reasonable. They should, however, be accepted with the understanding that additional data and analyses available subsequent to the date of the estimates may necessitate revision. These revisions may be material. There is no guarantee that all or any part of the estimated resources will be recoverable.

3 RELIANCE ON OTHER EXPERTS

The Author(s) were provided with an opinion document, which is dated May 14, 2019, by the law firm DBR Abogados, S.C., Per: Patricia Vivar, that related to the standing of the Los Reyes Property title documentation, royalties, tax payments, and assessment works. This document was provided by Prime Mining to Stantec on March 29, 2020.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Description and Location

The Property is in the Guadalupe de los Reyes mining district in the western foothills of the Sierra Madre Occidental mountain range, Sinaloa State, México (Figure 4-1). The Property is north of the coastal city of Mazatlán, approximately 110 km by air and 200 km by road. The city closest to the Property is Cosalá, having a population of approximately 17,000, is located 30 km to the southeast of the Property (INEGI 2000). Enroute to the Property from Cosalá are the villages of Palo Verde and La Tasajera. The village of Guadalupe de los Reyes is on the Property and was the site of Spanish colonial mining (Figure 4-2). The general geographic coordinates of the Property are N-24°16´42" and W-106°30´15" (13R 0347019E, 2685586N).

Los Reyes Property

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General Location Map

Figure 4-1

Notes
1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: National Geographic, ESRI - ArcGIS Online basemap.

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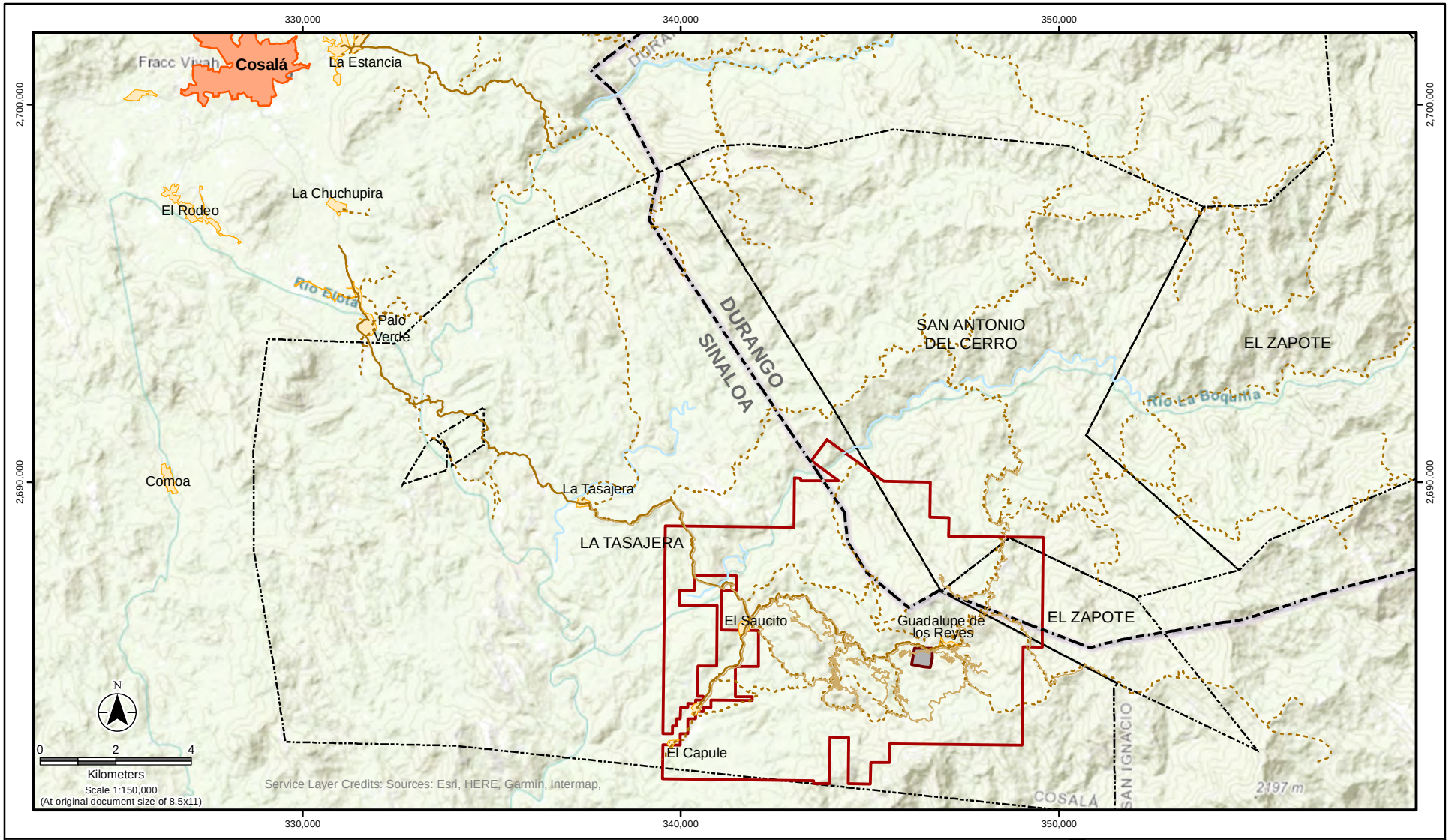

Legend

- Los Reyes Claim Block Outline
- Six de Enero Claim (not Los Reyes)
- Rural Area
- Urban Area
- Ejido Land
- State Boundary
- Road
- Trail
- Drill Road
- River/ Creek

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N

2. Data Source: Prime Mining Corp; basemap-Esri World Topographic Map.

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Property Location Map

Figure 4-2

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4.2 Property Concessions

Los Reyes Property Concessions and Area

The Los Reyes Property is composed 37 contiguous concessions that have an area of 6,302.7 hectares; however, due to overlap between some of the concessions, the actual area is 6,273 ha**.** Figure 4-3 shows the concessions and their associated overlap.

DBR Abogados, S.C. Legal Opinion on Los Reyes Property Mining Concessions

DBR Abogados, S.C., which is a law firm in México, was commissioned in 2019 to provide a title opinion and related matters that are associated with the mining concessions of the Los Reyes Property. This title opinion study, which was completed in May 2019 by Patricia Vivar of DBR Abogados, S.C., sourced information from the General Bureau of Mines and the Mining Public Registry within the Ministry of Economy. This study, which was addressed to Tetra Tech, is dated May 14, 2019. Prime Mining provided this title opinion document to Stantec on March 29, 2019. Specific to the state of the mining concessions, the opinion stated:

- "the concessions are in good standing regarding the payment of the mining fees, as of the date of this opinion.", and
- "Based on the due diligence conducted at the GBM, Los Reyes Project is in good standing regarding the compliance of filing the Annual Assessment of Works Reports, as of the date of this opinion. The mining concessions are grouped into two groups of concessions for purposes of assessing the minimum amounts to be invested, as follows: "Los Reyes Fracc. Oeste Group"; and "Norma Group". It would be highly advisable to obtain a copy of such groups in order to confirm that all the mining concessions are included and that the information provided by the GBM is correct."

4.3 Option Agreements, Royalties and Encumbrances

Portions of the claim block have been owned by several entities over time, and therefore there are several royalty agreements in place. The entities that hold agreements are listed below:

- Minera Alamos Inc. (MAI), a company incorporated under the laws of the Province of Ontario;
- Minera Alamos De Sonora S.A. De C.V. (MAI México), a company incorporated under the laws of the United Mexican States;
- ePower Metals Inc. (name changed to Prime Mining Corp. on August 28, 2019), which is a company incorporated under the laws of the Province of British Columbia;
- Vista Gold Corp. (Vista Gold) is a corporation existing under the laws of the Province of British Columbia;

- Minera Gold Stake, S.A. de C.V. (MGS), a corporation existing under the laws of the United Mexican States;
- Minera Gold Stake Holdings Corp. (MGS Canada), a corporation existing under the laws of British Columbia; and
- Granges Inc. (Granges), a corporation existing under the laws of British Columbia.

Vista Gold Agreement

Vista Gold, MGS Canada and Granges together own 100% of the outstanding common shares of MGS. MGS acquired a 100% interest in portions of the El Zapote zone on August 1, 2003 from Sr. Enrique Gaitán Maumejean. The final payment of the purchase option, which also included acquisition of a data package that was associated with the project, was completed in 2009. In January 2008, MGS further consolidated the remaining mining concessions, subsequently known as the Guadalupe de los Reyes project (Los Reyes project), with the exception of the 6 de Enero claim, which is 23.7 hectares in size. Following this consolidation, and the acquisition of ten new claims, including fractionals, MGS's land position included 37 contiguous concessions. The consolidation of the mineral rights was completed through agreements with Grandcru Resources Corporation (Grandcru), Goldcorp Inc., and the San Miguel Group. In addition to securing the mineral tenure, MGS also negotiated access agreements to lands held by Ejido La Tasajera. These agreements provided access the Property.

Minera Alamos Option Agreement

MAI and its wholly owned Mexican subsidiary, MAI México, entered into an option agreement dated October 23, 2017 with Vista, MGS, MGS Canada and Granges. This option agreement granted to MAI an option to acquire 100% of the issued and outstanding common shares of MGS, and therefore own the Los Reyes mining concessions.

This option agreement, subject to 49% Back-In Right on underground resources, requires the payment of US $6 million payable in four payments of US $1.5 million. The first option payment stipulated payment at the time of execution of the Agreement, with the following two payments being made on the 12th month and 24th month of execution of the agreement. Payment of the last installment, termed the Purchase Price Payment, was to be made on or before the end of the Option Period. In the case that MAI announces a positive decision to take the Los Reyes project into construction, then MAI agreed to make this final payment within 30 days following the date of announcement. The date of the announcement will be the closing date. In addition to these cash payment requirements, MAI agreed for the duration of the option agreement to pay for storage of the core in Hermosillo and to pay for 100% of the Maintenance costs to keep the mining concession in good standing.

In order for the Alamos companies (MAI and MAI México) to comply with Mexican law, MGS and MAI México entered into an exploration agreement to conduct exploration work on the mining concessions, to cover the costs of the core storage facility in Hermosillo, and to fulfill all of the

obligations with the Ejido La Tasajera. An Ejido is communal land used for agriculture in which the community members have usufruct rights rather than ownership rights to the land. Obligations to the Ejido La Tasajera and other landowners in the Property area include obtaining a Temporary Occupancy Agreement to obtain access to the Property along with other potential required agreements.

Prime Mining Corp. (formerly ePower Metals Inc.) Purchase Agreement Terms

Effective June 25, 2019 (Assumption Date), MAI and MAI México transferred all rights of the Los Reyes project, through an option agreement, to Prime Mining Corp. To meet the contractual obligations of this option agreement, Prime Mining Corp. (Prime Mining) agreed to the following conditions:

- Payment to MAI US$1,500,000, which is a reimbursement to MAI for the April 2019 payment that MAI made to Vista Gold on April 23, 2019.
- Assume MAI's remaining option payments of US$3,000,000 in favour of Vista Gold that included US$1,500,000 that was due October 23, 2019, and US$1,500,000 on the earlier of October 23, 2021 or a production decision.
- Issuance of 9,450,000 post-Consolidation common shares of Prime Mining and 3,350,000 common share purchase warrants of Prime Mining to MAI, entitling MAI to acquire further post-Consolidation common shares at a price of $0.50 per share for a period of 24 months. Prime Mining completed this transaction, as stated in the August 28, 2019 news release.

Effective on the Assumption Date, Prime Mining took over all obligations and liabilities of MAI and MAI México with respect to the option agreement between Vista Gold and MAI.

DBR Abogados, S.C. Legal Opinion on Los Reyes Property Royalties

DBR Abogados, S.C., completed an opinion on the royalties associated with the Los Reyes Property, dated May 14, 2019, that states the following:

"The following royalties: "CTSL Royalty 3%"; "DMSL Royalty 1%"; and "DMSL Royalty 3%"; are derived from the transfer agreement entered into Desarrollos Mineros San Luis, S.A. de C.V. and Minera Paredones Amarillos, S.A. de C.V. (now Desarrollos Zapal, S.A. de C.V.), dated January 23, 2008, certified and attested to by Mr. Guillermo Aaron Chapa Vigil, Public Notary number 247 for the Federal District (now México City), as recorded on March 10, 2008, under Entry 95, at Pages 58, Volume 14 of the Mining Acts, Contracts and Agreements Book of the Registry;

1) The mining Concessions subject to CTSL Royalty 3% are: "Los Reyes Dos"; "Los Reyes Tres"; "Los Reyes Cuatro"; Los Reyes Cinco"; Los Reyes 8"; "Los Reyes Fracc. Oeste"; "Los Reyes Fracc. Sur"; and "Los Reyes Fracc. Norte";

2) The mining concessions subject to DMSL Royalty 1% are: “Los Reyes Dos”; “Los Reyes Tres”; “Los Reyes Cuatro”; Los Reyes Cinco”; “Los Reyes Seis”; “Los Reyes Siete”; Los Reyes 8”; “Los Reyes Fracc. Oeste”; “Los Reyes Fracc. Sur”; “Los Reyes Fracc. Norte”; “Norma”; “Nueva Esperanza”; “San Miguel”; “San Manuel”; “El Padre Santo”; “El Faisán”; “Santo Niño”; “San Pablo”; “San Pedro”; “Patricia”; and “Martha 1”; and

3) The mining concessions subject to DMSL Royalty 3% are: “Diez de Mayo”; “Prolongación del Recuerdo”; “Prolongación del Recuerdo Dos”; “Arcelía Isabel”; “Dolores”; and “La Victoria.”

Summary of Los Reyes Property Concessions and Royalties

A summary of the royalty agreements, the requirements and associated encumbrances by mining concession are included in Tables 4.1 and 4.2. Table 4.1 lists the mining concessions that comprise the claim block and lists the associated royalty percentages, while Table 4.2 describes the terms of the royalties shown in Table 4.1. The Property dispositions are shown on Figure 4-3.

Table 4.1
Royalty Agreement Summary by Mining Concession within the Property

Concession	Title	Title Holder	Surface Area (Hectares)	Expiration Date	Location	NSR 1	NSR 2	NSR 3
Los Reyes Dos	214131	Minera Gold Stake, S.A. de C.V.	17.4	August 9, 2051	Cosalá, Sinaloa	3%	1%	1.0-2.0%
Los Reyes Tres	214302	Minera Gold Stake, S.A. de C.V.	197.0	September 5, 2051	Tamazula, Durango	3%	1%	1.0-2.0%
Los Reyes Cuatro	217757	Minera Gold Stake, S.A. de C.V.	11.2	August 12, 2052	Cosalá, Sinaloa	3%	1%	1.0-2.0%
Los Reyes Cinco	216632	Minera Gold Stake, S.A. de C.V.	320.0	May 16, 2052	Cosalá, Sinaloa	3%	1%	1.0-2.0%
Los Reyes Seis	225122	Minera Gold Stake, S.A. de C.V.	427.7	July 21, 2055	Cosalá, Sinaloa	NIL	1%	1.0-2.0%
Los Reyes Siete	225123	Minera Gold Stake, S.A. de C.V.	4.8	July 21, 2055	Cosalá, Sinaloa	NIL	1%	1.0-2.0%
Los Reyes 8	226037	Minera Gold Stake, S.A. de C.V.	9.0	November 14, 2055	Cosalá, Sinaloa	3%	1%	1.0-2.0%
Los Reyes Fracc. Oeste	210703	Minera Gold Stake, S.A. de C.V.	476.9	November 17, 2049	Cosalá, Sinaloa	3%	1%	1.0-2.0%
Los Reyes Fracc. Sur	212758	Minera Gold Stake, S.A. de C.V.	589.1	October 7, 2049	Cosalá, Sinaloa	3%	1%	1.0-2.0%
Los Reyes Fracc. Norte	212757	Minera Gold Stake, S.A. de C.V.	1334.5	October 7, 2049	Cosalá, Sinaloa	3%	1%	1.0-2.0%
Norma	177858	Minera Gold Stake, S.A. de C.V.	150.0	April 28, 2036	Cosalá, Sinaloa	2%	1%	1.0-2.0%
Nueva Esperanza	184912	Minera Gold Stake, S.A. de C.V.	33.0	December 5, 2039	Cosalá, Sinaloa	2%	1%	1.0-2.0%
San Miguel	185761	Minera Gold Stake, S.A. de C.V.	11.8	December 13, 2039	Cosalá, Sinaloa	2%	1%	1.0-2.0%
San Manuel	188187	Minera Gold Stake, S.A. de C.V.	55.8	November 21, 2040	Cosalá, Sinaloa	2%	1%	1.0-2.0%
El Padre Santo	196148	Minera Gold Stake, S.A. de C.V.	50.0	July 15, 2043	Cosalá, Sinaloa	2%	1%	1.0-2.0%
El Faisán	211471	Minera Gold Stake, S.A. de C.V.	2.6	May 30, 2050	Cosalá, Sinaloa	2%	1%	1.0-2.0%
Santo Niño	211513	Minera Gold Stake, S.A. de C.V.	44.1	May 30, 2050	Cosalá, Sinaloa	2%	1%	1.0-2.0%
San Pablo	212752	Minera Gold Stake, S.A. de C.V.	11.2	November 21, 2050	Cosalá, Sinaloa	2%	1%	1.0-2.0%
San Pedro	212753	Minera Gold Stake, S.A. de C.V.	9.0	November 21, 2050	Cosalá, Sinaloa	2%	1%	1.0-2.0%
Patricia	212775	Minera Gold Stake, S.A. de C.V.	26.2	January 30, 2051	Cosalá, Sinaloa	2%	1%	1.0-2.0%
Martha I	213234	Minera Gold Stake, S.A. de C.V.	46.7	April 9, 2051	Cosalá, Sinaloa	2%	1%	1.0-2.0%
Elota	237661	Minera Gold Stake, S.A. de C.V.	947.7	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%

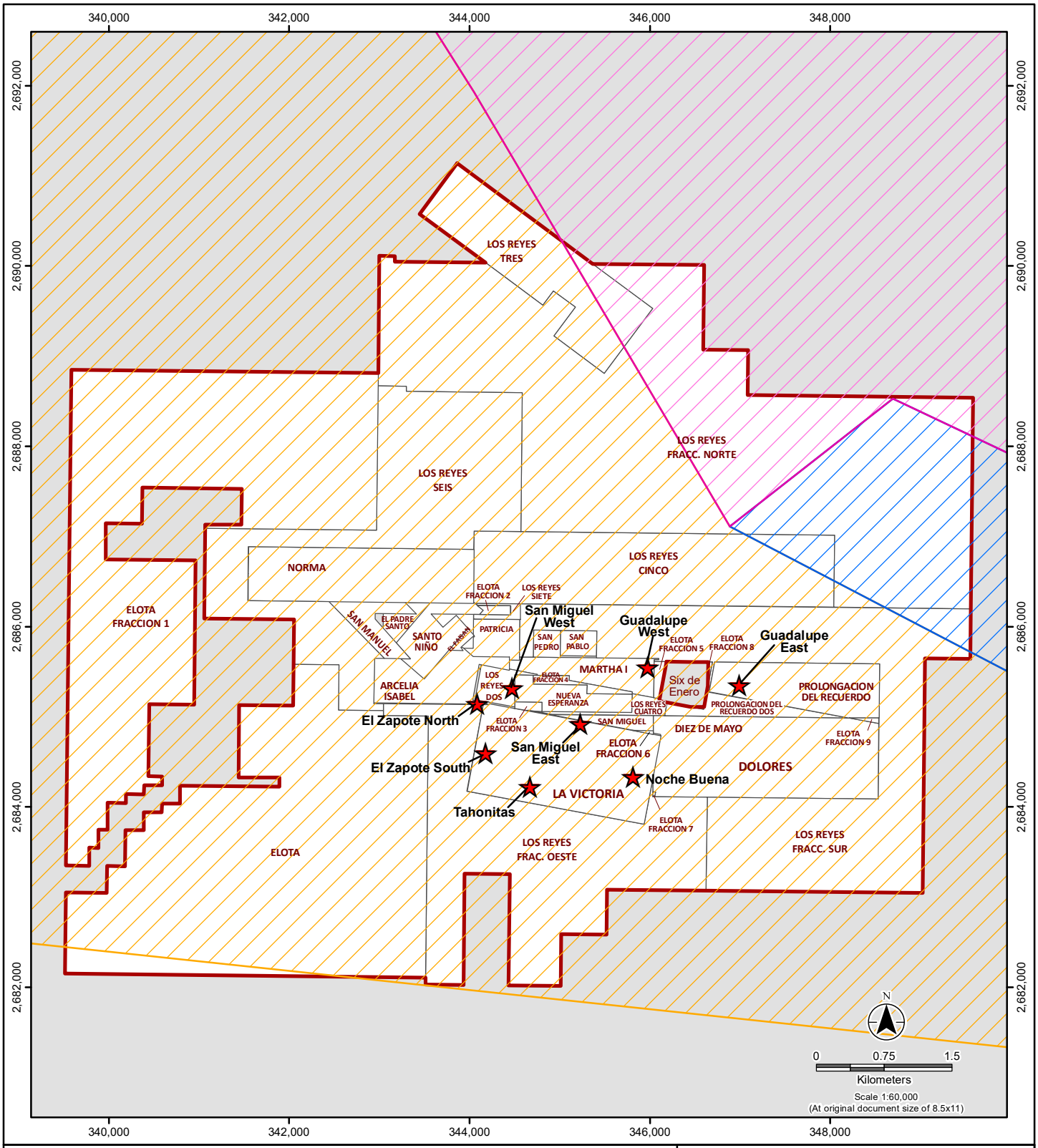
Table 4.1 (Cont'd)

Concession	Title	Title Holder	Surface Area (Hectares)	Expiration Date	Location	NSR 1	NSR 2	NSR 3
Elota Fracción 1	237662	Minera Gold Stake, S.A. de C.V.	905.6	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 2	237663	Minera Gold Stake, S.A. de C.V.	3.3	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 3	237664	Minera Gold Stake, S.A. de C.V.	2.7	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 4	237665	Minera Gold Stake, S.A. de C.V.	8.1	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 5	237666	Minera Gold Stake, S.A. de C.V.	4.2	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 6	237667	Minera Gold Stake, S.A. de C.V.	0.5	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 7	237668	Minera Gold Stake, S.A. de C.V.	0.2	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 8	237669	Minera Gold Stake, S.A. de C.V.	0.7	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Elota Fracción 9	237670	Minera Gold Stake, S.A. de C.V.	1.0	April 19, 2061	Cosalá, Sinaloa Tamazula, Durango	NIL	NIL	1.0-2.0%
Diez De Mayo	223401	Minera Gold Stake, S.A. de C.V.	0.2	December 10, 2054	Cosalá, Sinaloa	2%	2-3%	1.0-2.0%
Prolongación Del Recuerdo	210497	Minera Gold Stake, S.A. de C.V.	91.5	October 7, 2049	Cosalá, Sinaloa	2%	2-3%	1.0-2.0%
Prolongación Del Recuerdo Dos	209397	Minera Gold Stake, S.A. de C.V.	26.7	April 8, 2049	Cosalá, Sinaloa	2%	2-3%	1.0-2.0%
Arcelia Isabel	193499	Minera Gold Stake, S.A. de C.V.	60.4	December 18, 2041	Cosalá, Sinaloa	2%	2-3%	1.0-2.0%
Dolores	180909	Minera Gold Stake, S.A. de C.V.	222.0	August 5, 2037	Cosalá, Sinaloa	2%	2-3%	1.0-2.0%
La Victoria	210803	Minera Gold Stake, S.A. de C.V.	199.9	November 29, 2049	Cosalá, Sinaloa	2%	2-3%	1.0-2.0%
Total Surface Area of Concessions (Hectares)			**6,302.7**					

Table 4.2
Agreement Definitions

NSR 1: A royalty of 3% Net Smelter Returns (NSR) to be obtained as a result of producing and selling gold, silver and other ores to be extracted from the lots covering the mining concessions: "Los Reyes Dos", title 214131; "Los Reyes Tres", title 214302; "Los Reyes Cuatro", title 217757; "Los Reyes Cinco", title 216632; "Los Reyes 8", title 226037; "Los Reyes Fracc. Oeste",title 210703; "Los Reyes Fracc. Sur", title 212758; and "Los Reyes Fracc. Norte", title 212757, in favor of Corporación Turística San Luis, S.A. de C.V. or its designee.
NSR 1: Can purchase Enrigue Gaitan's 2% NSR (Minera Tatemas S.A. de C.V.) for $1M USD before July 31, 2053. Gaitan NSR came from Vista's acquisition of the Gaitan claim's Jan 3, 2003 for $1.4M plus 2% NSR.
NSR 1: Can purchase the San Miguel Group (SMG) 2% NSR for $1M USD at any time. The SMG NSR is owed to Genssler Investment Partnership, LLP, Doug Foote, and Synergy Group Limited (San Miguel Group). GrandCru acquired the San Miguel Group claims in 2004 for $650,000 plus the 2% NSR.
NSR 2: A royalty of 1% NSR to be obtained as a result of producing and selling gold, silver and other ores to be extracted from the lots covering the mining concessions "Los Reyes Dos", title 214131; "Los Reyes Tres", title 214302; "Los Reyes Cuatro", title 217757; "Los Reyes Cinco", title 216632; "Los Reyes Seis", title 225122, "Los Reyes Siete", title 225123; "Los Reyes 8", title 226037; "Los Reyes Fracc. Oeste", title 210703; "Los Reyes Fracc. Sur", title 212758; and "Los Reyes Fracc. Norte", title 212757, in favor of Desarrollos Mineros San Luis, S.A. de C.V. or its designee. **NSR 2:** A royalty of 1% NSR to be obtained as a result of producing and selling gold, silver and other ores to be extracted from the lots covering the mining concessions "Norma", title 177858; "Nueva Esperanza", title 184912; "San Miguel", title 185761; "San Manuel", title 188187; "El Padre Santo", title 196148; "El Faisán", title 211471; "Santo Niño", title 211513; "San Pablo", title 212752; "San Pedro", title 212753; "Patricia", title 212775; and "Martha I", title 213234, in favor of Desarrollos Mineros San Luis, S.A. de C.V. or its designee.
NSR 2: A royalty between 2% (two percent) and 3% (three percent), as indicated below, on Net Smelter Returns (NSR) to be obtained as a result of producing and selling gold, silver and other ores to be extracted from the lots covering the mining concessions: "Prolongación del Recuerdo", title 210497; "Prolongación del Recuerdo Dos", title 209397; "Arcelia Isabel", title 193499; "Dolores", title 180909; and "La Victoria", title 210803, in favor of Desarrollos Mineros San Luis, S.A. de C.V. or its designee. $499.00 or less 2.00% $500,00 or more 3.00%
NSR 3: Minera Alamos's option to acquire the Property from Vista Gold provided Vista Gold with an NSR that ranges from 1% to 2% based on the gold price, which is as follows: <$1,400/oz is 1% NSR; between $1,400.1/oz and $1,600/oz is 1.5% NSR; and >$1,600/oz is 2.0% NSR. The NSR is broken out as open-pit mining and underground mining with the open pit NSR payable to an aggregate amount of US$2.0M

Note: NSR percentages present the gold price in US dollars per Troy ounce



Legend

- Los Reyes Deposits
- Los Reyes Property Outline
- Los Reyes Claim
- Six de Enero Claim (not Los Reyes)
- Ejido El Zapote
- Ejido San Antonio del Cerro
- Ejido Land (La Tasajera)

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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TECHNICAL REPORT LOS REYES PROPERTY

Property Concessions Map

Figure 4-3

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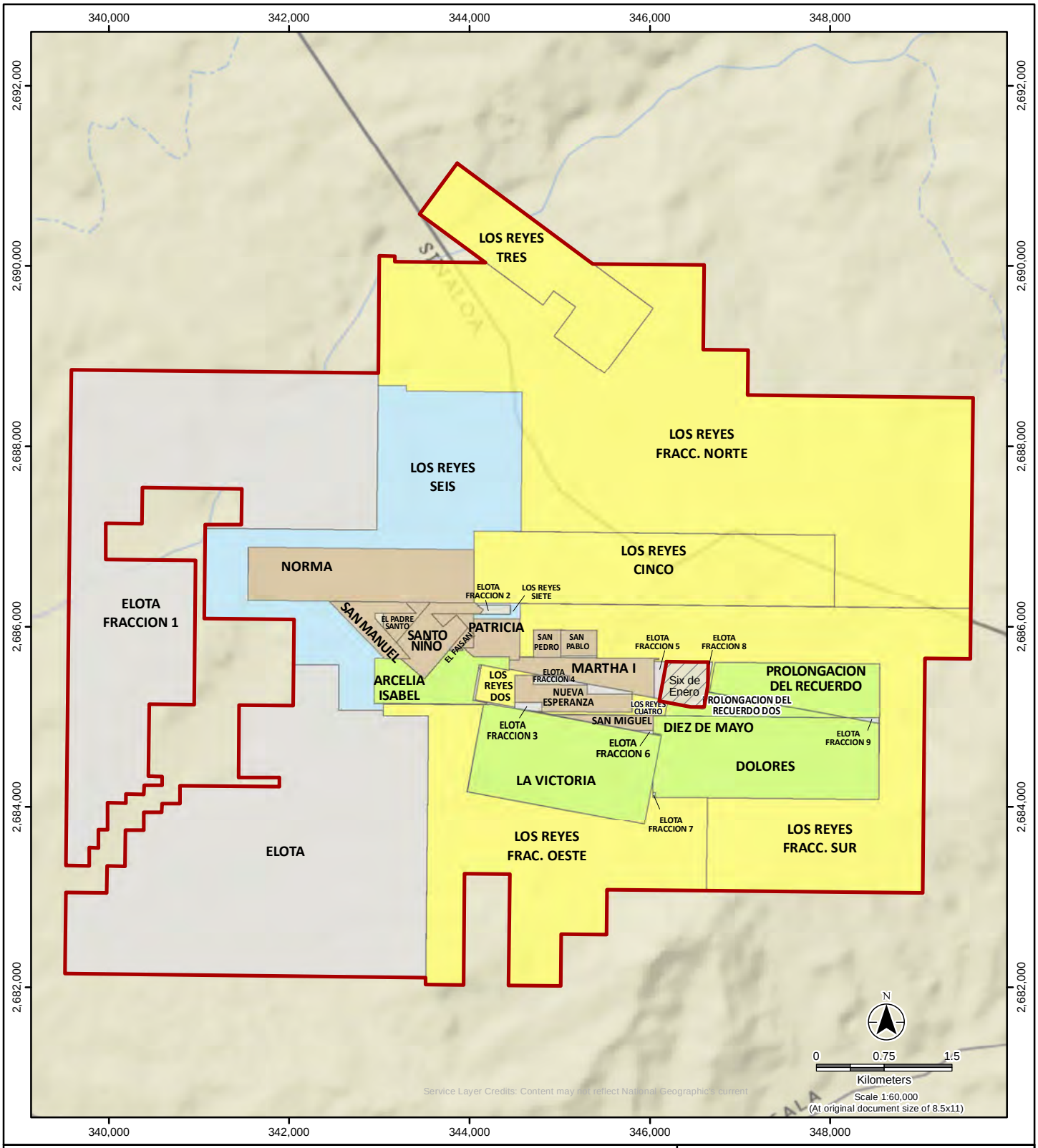

Legend

- Los Reyes Property Outline
- Six de Enero Claim (not Los Reyes)

NSR (All claims have a 1-2% Vista Gold NSR)

- 1% DMSL
- 2% +1% DMSL
- 3% +1% DMSL
- 3% +2% Gaitan
- 1-2% Vista Gold only

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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TECHNICAL REPORT LOS REYES PROPERTY

Property Royalties by Concession Map

Figure 4-4

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DATE: 20/ 03/ 29	

4.4 Surface Use and Disturbance Agreement

On March 3, 2020 Prime Mining announced in a news release that it had signed a long-term agreement (the Agreement) with the representatives of the Ejido Tasajera for surface use and compensation for disturbance of the Los Reyes project area. This agreement has an initial term of 15 years and can be extended for an additional 15-year period, and includes access and land use for exploration, engineering, construction, commissioning, and commercial operation. Upon execution of this agreement, Prime Mining made an initial payment of US$38,300 to Ejido Tasajera.

The commercial terms of the Agreement are divided into three stages of activities: exploration, construction and commercial production. The main conditions of the agreement include:

- For an initial period of three years while conducting exploration, Prime agreed to pay an upfront fee of MXP$700,000 (US$38,300) that includes the exploration work completed over the past six months and a three-year prepayment of three MXP$200,000 annual payments.
- Prime has the right to extend the exploration period for up to two additional years by making an annual payment of US$20,000 in year four and US$30,000 in year five.
- Prime has the right to initiate construction of a mine at any time. If construction begins prior to the fifth year, the annual payment is increased to US$30,000.
- Upon commencement of commercial production, the annual payment increases to US$200,000, paid in semi-annual installments of US$100,000.
- Payments due to the Ejido Tasajera during commercial production are subject to adjustments based on Unidad de Medida de Actualizacion, the official Mexican index for the adjustment of government pensions, social security payments, taxes, etc.
- During commercial production, Prime Mining will also make, collectively, a US$15,000 annual “apoyo” or gift distributed to the local families of Ejido Tasajera.
- During the dry season months, Prime will arrange to haul water to the Tasajera village if requested.
- Prime also intends to maximize employment of qualified local and Ejido Tasajera residents in its activities with individuals having the necessary skill levels and capability.

The Agreement is fully transferable without further approval of the Ejido Tasajera.

In addition to the Agreement, an arrangement has also been completed that establishes specific, non-material payments to local individuals whose traditional land use within the ejido becomes affected by Prime Mining’s exploration, construction and production activities.

4.5 Environmental Liabilities

As noted in previous technical reports, existing environmental liabilities are limited and include mine adits, roads and small waste rock piles, and one cyanidation vat, which operated in the 1950s, near the village of Guadalupe de Los Reyes (Borrastero, López, & Stevens, 2003; López 2009). No acid mine drainage from the existing adits and underground mine has previously been reported. The Author understands from Prime Mining that a cyanidation vat was used between 1988 and 1989 at the El Zapote operation, which processed approximately 31,500 tonnes of ore.

Permitting Requirements

It is understood that environmental permitting will involve environmental impact assessment, obtaining permission to utilize natural resources, and changing land use. Approval of these permits is pre-requisite for obtaining a construction permit, which is the final permit that must be approved prior to commencement of mining activities.

The primary law legislating environmental protection in México is the Ley General del Equilibrio Ecológico y la Protección al Ambiente (LGEEPA). This environmental law is administered by the Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT), which is a branch of the federal government. SEMARNAT is also responsible for issuing land-use change permits for properties such as Los Reyes that involve alteration of forested areas. SEMARNAT representatives in each state administer and address environmental impact issues as they are familiar with local issues and concerns.

The Procuraduría Federal de Protección al Ambiente (PROFEPA) is the agency responsible for enforcing SEMARNAT regulations. PROFEPA's main activities are to deal with complaints, conduct inspections, and in general verify compliance with all federal environmental laws and regulations. It imposes penalties for violations of environmental laws and regulations, and monitors compliance with any preventive and mitigating measures issued by it. PROFEPA also conducts environmental audits.

Water use and infrastructure, water quality, and the right to discharge process water (collectively referred to as water rights) related to the Property would be handled by CONAGUA. Land use permits are handled by local agencies in charge of the zoning and registration of land ownership (López, 2009).

Permitting is in process for exploration on the Property.

4.6 Other Significant Factors and Risks

The Author is unaware of significant factors or risks that may materially restrict Prime Mining from its right and ability to perform work on the Property.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE, AND PHYSIOGRAPHY

5.1 Topography, Elevation, and Vegetation

The Property is located within the Sierra Madre Occidental (SMO) mountain range that trends north-northwest along the western coast of México. The topography varies from steep mountain terrain in the north-east to river valley in the south-southwest. These elevations range from 600 to 1100 metres above sea level.

The vegetation varies from tropical bushes and shrubs within the river valleys to evergreen and other types of trees within the mountainous regions. Most of the land surrounding the villages is developed for agriculture.

5.2 Property Access and Proximity to Population Centers

The Property is approximately 110 km by air and 200 km by road from the coastal city of Mazatlán, Sinaloa. The Property is near the village of Guadalupe de Los Reyes and can be accessed year-round by a road located 30 km southwest from the city of Cosalá.

5.3 Climate

According to the Köppen-Geiger Climate Classification, this region is classified as Aw - Tropical Wet and Dry (De Jesus, A., Brena-Naarnjo, J.A., Pedrozo-Acuna, A., & Yamanaka, V.H.A., 2016). This region's weather is characterized by distinct wet and dry seasons, with most of the precipitation occurring in the high-sun ('summer') season (Britannica, 2020). Annual temperatures range from 16°C to 29°C. Precipitation reaches a peak in July, with 212.6 mm of rainfall in 2019 (World Weather online, 2020, paras. 2-3). This can cause flooding along the river that can limit access from the Property to Cosalá (López, 2009). To improve access to the Property, widening and upgrading the road, as well as reinforcing the river crossings, will be necessary.

The Property is accessible year-round, with the best time for access being fall through spring. Recent improvements to the area's infrastructure, such as the high bridge over the Las Habitas River, have enhanced accessibility.

5.4 Infrastructure

Cosalá is proximal to four international airports. Mazatlán International Airport is located approximately 2.5 hours from Cosalá and has regular flights from many North America centres. The other three airports are: Culiacán International Airport, also located approximately 2.5 hours from Cosalá; Mochis International Airport, located approximately five hours from Cosalá; and General Guadalupe Victoria International Airport, also known as the Durango International Airport, located approximately six hours from Cosalá.

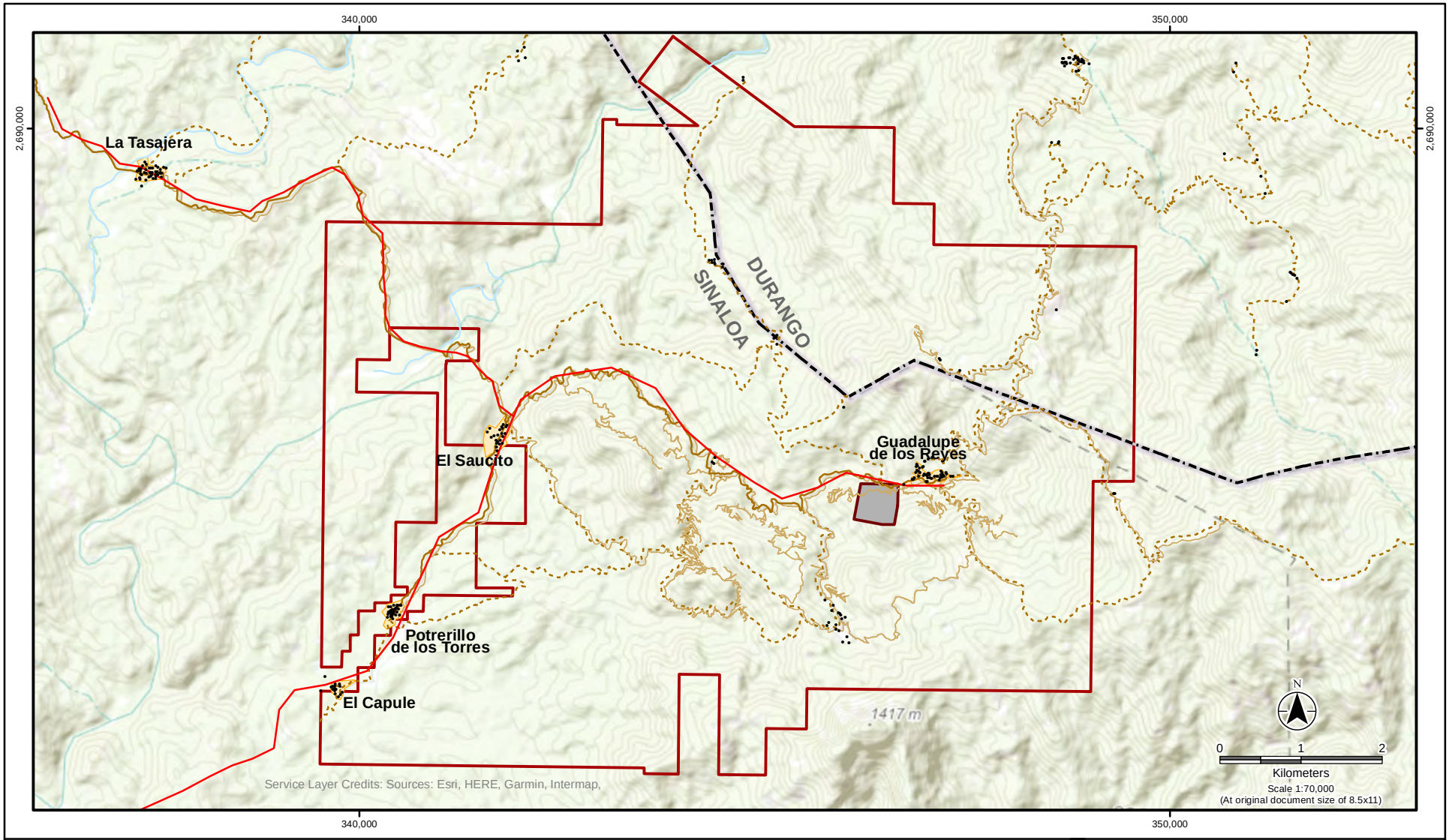
Cosalá has a regional airport, Aeropuerto de Cosalá, located north west from the city centre.

The road from Cosalá through Guadalupe de los Reyes is the only maintained land access to the south eastern mountains in this part of the country.

Local facilities include: a hospital and health clinics, schools, banks, retail stores, hotels, restaurants, and tourism companies.

The surrounding communities can provide labor, but a skilled workforce would have to be sourced either from larger cities such as Mazatlán, Culiacán, and Durango, or imported from other countries.

Figure 5-1 shows an infrastructure map of the area.



Legend

- Los Reyes Claim Block Outline
- Six de Enero Claim (not Los Reyes)
- Town/ Village
- River/ Creek
- State Boundary
- Road
- Drill Road
- Trail
- Power_Lines
- Building

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N

2. Data Source: Prime Mining Corp; basemap-Esri World Topographic Map.

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TECHNICAL REPORT LOS REYES PROPERTY

Infrastructure Map

Figure 5-1

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6 HISTORY

6.1 Prior Ownership and Ownership changes on the Property

Since the discovery of gold and silver on the Property in 1772, there have been several changes in ownership. The current ownership of the concessions that make up the Property are reviewed in detail in Section 4.

6.2 Exploration Type, Amount, Quantity and Results

Property Overview

Within the bounds of the Property several mineralized areas are identified, which include: Mariposa; El Zapote North; El Zapote South; Tahonitas; San Miguel West (previously La Chiripa); San Miguel East; Fresnillo; Guadalupe West; Guadalupe East (previously Laija); Las Primas; Noche Buena; El Apomal; El Orito; Las Casitas; and El Mirador. Figure 6-1 shows the location of these mineralized areas. Previous Technical Reports mention two additional areas: Tatemas and Candelaria (Borrastero, López, & Stevens, 2003; López, 2009). It was concluded during this study that Tatemas was an open pit in the northern extent of El Zapote North, while Candelaria was in the current extents of San Miguel West. Figure 6-1 shows the topography in the area that contains main deposits.

Historic Surface Exploration

In the last three decades, several companies completed surface mapping, sampling (soil and rock), and geophysics exploration campaigns. These companies included Luismin (Gold Corp's Mexican subsidiary), Northern Crown Mines (NCM), Vista Gold, and Great Panther. Historic surface activities are shown in Table 6.1.

Table 6.1
Overview of Exploration Activities on Property (1992 to 2015)

Company Name	Years	Surface Sampling Method (Sample total)	Mineralized Areas
Luismin	1990-2000	Unknown	El Orito, La Palmita, El Mirador, Las Casitas, El Apomal
NCM	1992-2000	Soil (4,640 samples) **	Guadalupe, El Zapote, San Miguel, Noche Buena, Tahonitas, El Orito, Mariposa
		Rock (1,448 samples)	
Vista Gold	2011-2012	Rock (271 samples)	Guadalupe, El Zapote, San Miguel, Noche Buena
Great Panther	2014	Rock (275 samples)	El Zapote, San Miguel, Las Primas

** Exploration activities also included low frequency electromagnetic and magnetic surveys

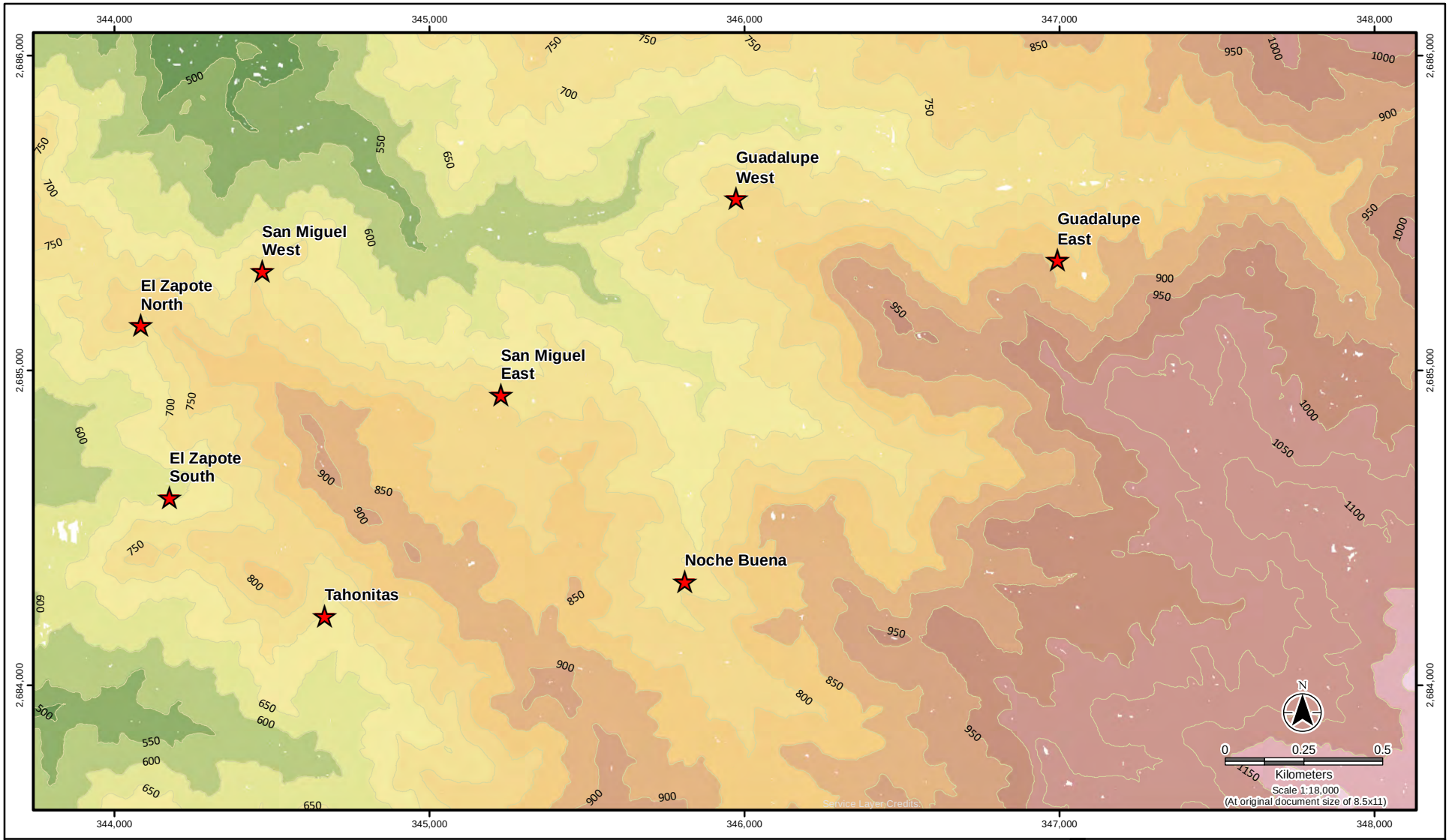
Historic Drilling

The historical drilling on the Property from 1992 to 2015 is listed in Table 6.2, which is modified from Table 6.7 of López & Ramirez, 2019. Figure 6-2 shows the drill hole locations in the area.

Table 6.2
Summary of Historic Drilling

Company	Drill Type	Year	Guadalupe		El Zapote		San Miguel		Noche Buena		Tahonitas		El Orito		Mariposa		Total	
			Drill Holes	Metres	Drill Holes	Metres	Drill Holes	Metres	Drill Holes	Metres	Drill Holes	Metres	Drill Holes	Metres	Drill Holes	Metres	Drill Holes	Metres
NCM	RC	1992			15	1,573											15	1,573
	RC	1993			51	4,140											51	4,140
	RC	1994							4	247							4	247
	RC	1996	48	6,783	22	1,991			9	1,017	33	2,258	8	1,140			120	13,189
	RC	1997	31	3,765	113	8,025	34	3,674	12	1,329					1	166	191	16,959
	Total		**79**	**10,549**	**201**	**15,729**	**34**	**3,674**	**25**	**2,593**	**33**	**2,258**	**8**	**1,140**	**1**	**166**	**381**	**36,108**
Meridian Gold	RC	2001			7**	1,082	13*	1,244					3*	375			23	2,700
	Total				**7**	**1,082**	**13**	**1,244**					**3**	**375**			**23**	**2,700**
Vista Gold	Core	2011	10	1,470													10	1,470
	Core	2012	8	1482	15	1,898	11	1,854	4	729							38	4,480
	Total		**18**	**2,952**	**15**	**1,898**	**11**	**1,854**	**4**	**729**							**48**	**7,432**
Great Panther	Core	2015	9	1,494	11	1,157	17	2,313	4	542							41	5,505
	Total		**9**	**1,494**	**11**	**1,157**	**17**	**2,313**	**4**	**542**							**41**	**5,505**
GRAND TOTAL			**106**	**14,994**	**234**	**19,865**	**75**	**9,085**	**33**	**3,863**	**33**	**2,258**	**11**	**1,515**	**1**	**166**	**493**	**51,746**

(*) there is no available data, which includes assay and geological information, for these holes; (**) two of the seven drill holes have no assay or geological information



Legend

- Main Deposits on Property

Topography Elevation (m)

445.6 - 500	700.1 - 750	950.1 - 1,000
500.1 - 550	750.1 - 800	1,000.1 - 1,150
550.1 - 600	800.1 - 850	1,150.1 - 1,200
600.1 - 650	850.1 - 900	1,200.1 - 1,250
650.1 - 700	900.1 - 950	

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N

2. Data Source: Prime Mining Corp.

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TECHNICAL REPORT LOS REYES PROPERTY

Topography Map

Figure 6-1

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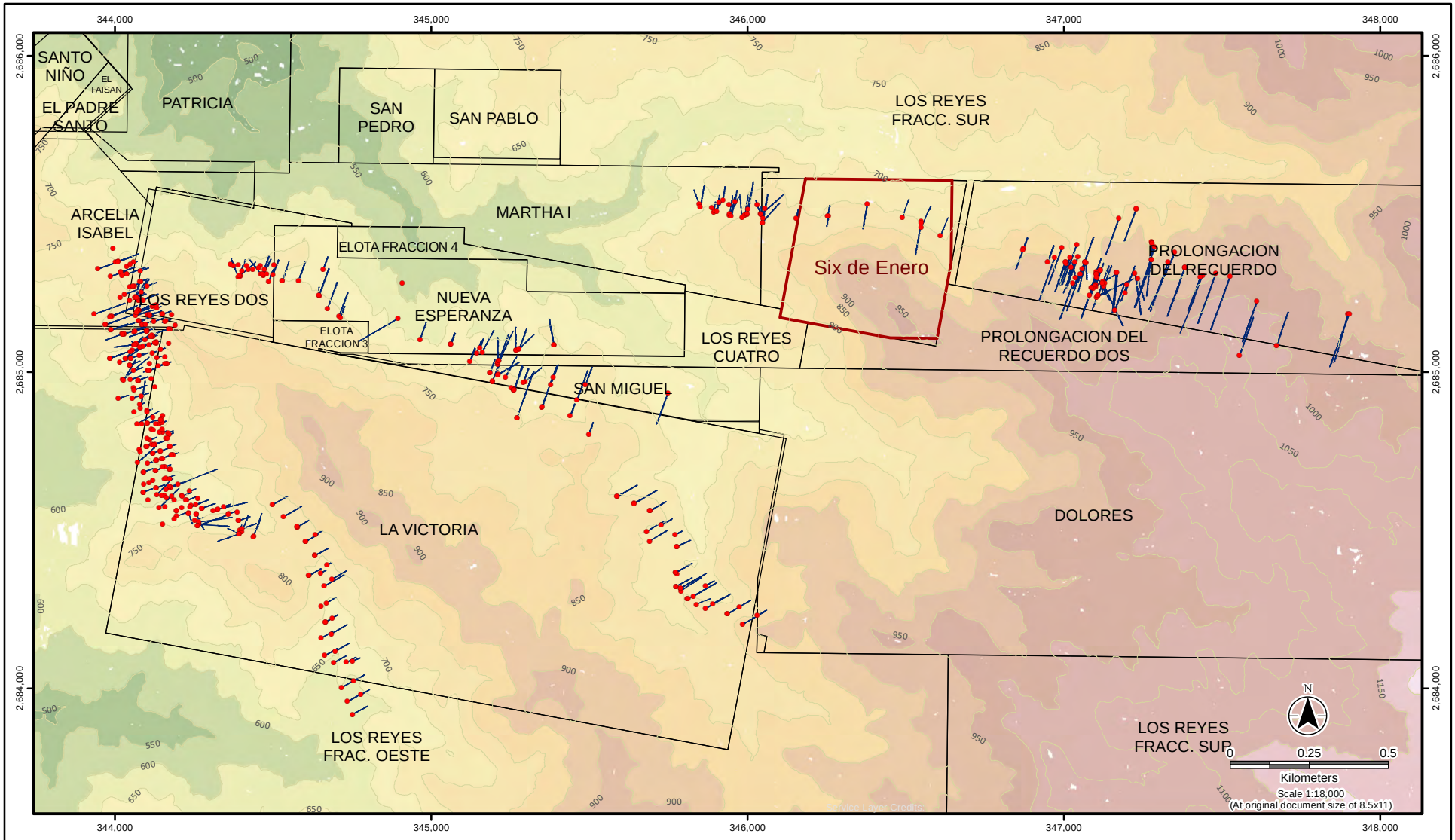

Legend

- Drill Hole Collar
- Drill Hole Trace
- Los Reyes Claim
- Six de Enero Claim (not Los Reyes)
- Topography Contour 50m

Topography Elevation (m)

445.6 - 500	700.1 - 750	950.1 - 1,000
500.1 - 550	750.1 - 800	1,000.1 - 1,150
550.1 - 600	800.1 - 850	1,150.1 - 1,200
600.1 - 650	850.1 - 900	1,200.1 - 1,250
650.1 - 700	900.1 - 950	

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N

2. Data Source: Prime Mining Corp.

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TECHNICAL REPORT LOS REYES PROPERTY

Drill Hole Location Map

Figure 6-2

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 03 27

FILE: Fig_9_1_Drill_Hole_Location_Map_L
V:\1295\active\1668740245\Discipline\Geology\Geospatial

Northern Crown Mines

NCM did reverse circulation (RC) drilling in 1992, 1993, 1994, 1996 and 1997. In 1992 drilling was contracted to Tonto Drilling Services Ltd. of Hermosillo, Sonora, México. In 1994 the contract changed to Dateline International, S.A. de C.V. of Hermosillo. In 1996 and 1997 drilling was contracted to Dateline International, S.A. de C.V. and Lyne de México, S.A. de C.V., both based in Hermosillo.

Centre return hammers were used whenever possible to increase sample recoveries, and to ensure quick sample return after penetrating workings. Most of the reverse circulation drilling was carried out using air for a medium to recover the drill chips but when ground water was encountered, a water recovery medium was occasionally used.

The processing and geological logging of the samples was conducted at the various drill sites by qualified geologists and geotechnicians who were either independent contractors or employed by NCM. The physical features and lithologic composition of each sample were recorded onsite, including alteration, mineralization, and any observable structural evidence. Any underground workings intersected by the drilling were also documented on the drill log forms.

Collar locations, originally spotted by chain and pacing, were later located with a handheld GPS. The RC drill holes were not surveyed for down hole deviation. Samples were picked up from the NCM field camp by the assay laboratory and transported to their facility in Hermosillo, Sonora, México.

Meridian Gold

Meridian Gold entered into an agreement with NCM in late 2000 and conducted an RC drilling program in 2001. Meridian contracted the drilling to Layne de México, of Hermosillo, México, and completed 23 RC drill holes on the Property (Table 6.2). The drill tested sites at Guadalupe East, San Miguel West, El Zapote North and El Zapote South. Meridian collected samples from approximately 15 m above the mineralized/altered zone (hanging wall) and generally to the end of the hole. Bonder Clegg picked up samples at the field camp site and transported them to their laboratory in Hermosillo. Only the drill holes in the El Zapote south area have geological logs and sample assay data which includes 313 intervals.

Vista Gold

During 2011 and 2012, Vista Gold completed 48 diamond drill core holes on the Property. Drill collar locations within El Zapote, Noche Buena, Guadalupe, and San Miguel were placed along section lines that spanned 25 m to 100 m apart, depending on the area. Drill hole spacing along those lines was difficult to maintain due to the steep terrain.

The 2011-2012 Vista Gold completed a diamond core drilling program that was conducted under the supervision of Minera Cascabel. Vista Gold core drilling in 2011 and 2012 utilized HQ core to depths of approximately 110-150 m (rarely as shallow as 50 m) switching to NTW size core and

occasionally BTW size core around 130 m depending on conditions. Vista Gold drilled 7,432 m in 48 core holes. The drill contractor was Energold de México, S.A de C.V., of México City, México.

All collars locations were collected using a handheld gps unit. Downhole surveys were completed on all drill holes.

All the samples were kept in the secure area until picked up by ALS Chemex and delivered to Hermosillo for sample preparation and assay. Vista Gold submitted 5,396 split core samples. All remaining core, pulps, and rejects are currently stored in a warehouse in Hermosillo, México.

Great Panther Silver Limited

In 2015, Great Panther drilled 41 confirmatory core holes for a total of 5,505 m. This includes 11 holes in the El Zapote area, four holes in the Noche Buena area, 9 holes in the Guadalupe areas, and 17 holes in the San Miguel area. The drill program was supervised by Great Panther personnel. The drilling was carried out by Maza Diamond Drilling of Mazatlán, México using a track mounted HTM 2500 drill rig generating HQ or NQ core.

The objectives of the drill program were to test the continuity of the mineralized structures and associated gold-silver mineralization with fill-in holes, and to expand the mineralized zones with select step-outs.

6.3 Historical Resource Estimates

Since 1998, several resource estimations for the Property have been reported by previous owners. The resources that are reported in this section are historic in nature, have not been independently verified by the Author(s), and should not be relied upon without referencing the source Technical Reports. The Author(s) have not completed sufficient work to classify these historical estimates as current.

1998 NCM Historic Resource Estimate

Pincock, Allen & Holt Ltd. (Pincock, Allen & Holt) was retained by NCM to prepare a Technical Report that is titled “Prefeasibility of the Zapote Deposit Guadalupe de Los Reyes Project, Sinaloa, Mexico”, dated January 28, 1998. The mineral resource estimates for Zapote and San Miguel deposits were based on reverse circulation drilling programs carried out by NCM from 1994 to 1997. Table 6.3 shows the 1998 reported historic resource estimates, and is reproduced from Table 1.1 of Pincock, Allen & Holt (1998). The Author(s) did not complete sufficient work to classify the 2003 Vista Gold historic resource estimates as current.

Table 6.3

1998 NCM Historic Resource Estimate for San Miguel and Zapote

Geological Resource (unconstrained)	Base Case Zapote	Conceptual Study Zapote	Conceptual Study San Miguel	Total Base & Conceptual
	Indicated & Inferred	Inferred	Inferred	Indicated & Inferred
Cutoff Grade (g/t gold)	0.50		1.00	
Mineralized tonnes	5,852,000		1,120,000	6,972,000
Average grade gold (g/t)	1.35		3.79	1.74
Average grade silver (g/t)	8.7		91.0	21.9
Contained gold (ounces)	254,000		136,500	390,400
Contained silver (ounces)	1,637,000		3,277,000	4,915,000
In-Pit Resource	**Indicated**	**Inferred**	**Inferred**	**Indicated & Inferred**
Cutoff Grade (g/t gold)	0.50	0.50	1.00	
Mineralized tonnes	3,183,000	148,400	377,800	3,709,000
Average grade gold (g/t)	1.47	2.14	4.49	1.80
Average grade silver (g/t)	8.9	8.7	98.5	18.0
Contained gold (ounces)	150,500	10,300	54,600	215,400
Contained silver (ounces)	908,000	41,500	1,197,000	2,147,000

Note: This resource estimate is historic in nature and should not be relied upon, but it is considered relevant with respect to understanding the development of resources on the Los Reyes Property. Modelling methodology was not comprehensively presented in the 1998 Pincock, Allen & Holt Technical Report.

2003 Vista Gold Historic Resource Estimate

Pincock, Allen & Holt was retained by Vista Gold to prepare a Technical Report in accordance with NI 43-101 standards that is titled "Technical Report for the Guadalupe de Los Reyes Gold-Silver Project, State of Sinaloa, Western México", dated July 17, 2003. The Guadalupe de Los Reyes mineral resource estimates for the El Zapote and other deposits within the Property area were based on reverse circulation drilling programs carried out by NCM from 1994 to 1997 and Vista Gold in 2003. Table 6.4 shows the 2003 reported historic resource estimates.

Table 6.4

2003 Vista Historic Resource Estimate

Deposit	Indicated K Tonnes	Gold g/t	Silver g/t	Inferred K Tonnes	Gold g/t	Silver g/t
El Zapote	4,209	1.34	9.3	107	1.78	8.5
Tahonitas	404	1.41	48.4	290	1.54	52.0
Noche Buena	459	1.18	23.6	1,144	1.13	24.9
San Miguel – La Chiripa (now San Miguel East and West)	515	1.15	70.8	173	1.80	60.3
Guadalupe – Laija (now Guadalupe East)	751	1.71	53.2	2,106	2.59	93.4
Guadalupe – West	9	0.59	19.1	20	0.66	15.5
TOTAL	**6,347**	**1.36**	**23.0**	**3,840**	**2.01**	**65.6**

Note: Resource has been adjusted to reflect material removal from old u/g workings and are reported within Optioned Claims @ 0.5 g/t Au. This resource estimate is historic in nature and should not be relied upon, but it is considered relevant with respect to understanding the development of resources on the Los Reyes Property.

Pincock, Allen & Holt utilised mineralisation envelopes or zones built from the database to create solid zones which were estimated by ordinary kriging. Derived historical mining solids were removed from the resource.

- Number of holes: 401
- Number of composites: Gold: 4,547 Silver: 3,896
- Composite length: 3.0 & 1.5 m
- Zone solids: 6
- Block size: 5x5x5 regular
- Estimation type: ordinary kriging, multi-pass
- Number of passes: Gold: 2 Silver: 3
- Maximum search: Varied by zone
- Capping: Gold: 15 g/t Silver: 45 g/t
- Density: 2.6 tonnes / m^3 all rock types
- Cutoff 0.50 g/t Gold

The 2003 resource assessment was superseded by a resource estimate presented in the 2009 Technical Report, as addressed in the following subsection. The Author(s) did not complete sufficient work to classify the 2003 Vista Gold historic resource estimates as current.

2005 Grandcru Historic Resource Estimate

Pincock, Allen & Holt was retained by Grandcru Resources Corporation (Grandcru) to prepare a Technical Report in accordance with the requirements of NI 43-101 that is titled "Technical Report Los Reyes, Gold-Silver Project, State of Sinaloa, Western México", dated April 11, 2005. This report stated that the Los Reyes mineral resource estimates included in the report were based on reverse

circulation drilling programs carried out by NCM from 1994 to 1997 (López & Stevens, 2005). Table 6.5 shows the historic resource estimate presented in this study.

Table 6.5

2005 Grandcru Historic Resource Estimate

Deposit	Indicated K Tonnes	Gold g/t	Silver g/t	Inferred K Tonnes	Gold g/t	Silver g/t
El Zapote	1,520	1.45	7.42	68	1.60	6.44
Tahonitas	7	0.76	42.70	0.50	0.56	30.60
San Miguel – Chiripa (now San Miguel East and West)	1,568	2.19	54.59	491.00	2.58	55.30
Guadalupe – West	619	1.28	25.29	477.00	1.57	27.80
TOTAL	**3,714**	**1.73**	**30.38**	**1,036**	**2.05**	**39.43**

Note: Resource has been adjusted to reflect material removal from old u/g workings and are reported within Optioned Claims @ 0.5 g/t Au. This resource estimate is historic in nature and should not be relied upon, but it is considered relevant with respect to understanding the development of resources on the Los Reyes Property.

Pincock, Allen & Holt utilised mineralisation envelopes or zones built from the database to create solid zones which were estimated by ordinary kriging. Derived historical mining solids were removed from the resource.

- Number of holes: 398
- Number of composites: Gold: 3,425 Silver: 2,684
- Composite length: 3.0 & 1.5 m
- Zone solids: 4
- Block size: 5x5x5 regular
- Estimation type: ordinary kriging, multi-pass
- Number of passes: Gold: 2 Silver: 3
- Maximum search: Varied by zone
- Capping: Gold: 15 g/t Silver: 45 g/t
- Density: 2.6 tonnes / m^3 all rock types
- Cutoff: 0.50 g/t Gold

The 2005 resource assessment was superseded by a resource estimate presented in the 2009 Technical Report, as addressed in the following subsection. The Author(s) did not complete sufficient work to classify the 2005 Grandcru historic resource estimate as current.

2009 Vista Gold Historic Resource Estimate

In 2009, Pincock, Allen & Holt was retained by Vista Gold to prepare a Technical Report in accordance with the requirement of NI 43-101 that is titled "Technical Report for the Guadalupe de Los Reyes Gold-Silver Project, Sinaloa, México", dated August 12, 2009. The Guadalupe resource estimates for the El Zapote and other deposits in the Property area were based on

reverse circulation drilling programs completed by NCM between 1994 and 1997 (López, 2009). Table 6.6 shows the 2009 historic resource estimate that is a copy of Table 17-6 of López, 2009.

Table 6.6
2009 Vista Gold Historic Resource Estimate

Deposit	Indicated K Tonnes	Gold g/t	Silver g/t	Inferred K Tonnes	Gold g/t	Silver g/t
El Zapote	5,723	1.37	8.80	180	1.71	7.70
Tahonitas	404	1.41	48.40	297	1.54	52.00
Noche Buena	459	1.18	23.60	1,144	1.13	24.90
San Miguel – Chiripa (now San Miguel East and West)	2,083	1.93	58.60	664	2.38	56.60
Guadalupe – Laija (now Guadalupe East)	751	1.71	53.20	2,106	2.59	93.40
Guadalupe West	628	1.27	25.20	497	1.53	27.30
TOTAL	**10,048**	**1.50**	**25.74**	**4,888**	**2.02**	**59.98**

Note: Resource has been adjusted to reflect material removal from old u/g workings and are reported within Optioned Claims @ 0.5 g/t Au. This resource estimate is historic in nature and should not be relied upon, but it is considered relevant with respect to understanding the development of resources on the Los Reyes Property.

Pincock, Allen & Holt utilised mineralisation envelopes or zones built from the database of holes drilled throughout the area to create solid zones which were estimated by ordinary kriging in the GEMCOM software. Derived historical mining solids were removed from the resource.

- Number of holes: 398
- Number of composites: Gold: 4,547 Silver: 3,896
- Composite length: 3.0 & 1.5 m
- Zone solids: 6
- Block size: 5x5x5 regular
- Estimation type: ordinary kriging, multi-pass
- Number of passes: Gold: 2 Silver: 3
- Maximum search: Varied by zone
- Capping: Gold: 20 g/t Silver: 500 g/t
- Density: 2.6 tonnes / m^3 all rock types
- Cutoff: 0.50 g/t Gold

The 2009 resource assessment was superseded by a resource estimate presented in the 2013 Technical Report, as addressed in the following subsection. The Author(s) did not complete sufficient work to classify the 2009 Vista Gold historic resource estimate as current.

2012 Vista Gold Historic Resource Estimate

In 2012, Tetra Tech was commissioned by Vista Gold to prepare a Technical Report in accordance with the requirements of NI 43-101 titled "NI 43-101 Technical Report Resource of Guadalupe de los Reyes Gold Silver Project", dated November 29, 2012. This Technical Report included resource estimates for the El Zapote, Noche Buena, San Miguel-Chiripa (now San Miguel East and West), and Guadalupe areas. The historic resource estimates shown in Table 6.7 are based on the estimates presented in Tables 14.3 and 14.4 of the 2012 Vista Gold Technical Report (Bryan and Spiller, 2012) and Table 14-3 and 14.4 of the Vista Gold Preliminary Economic Assessment that was released the following year (Bryan, Lips, Scharnhorst, and Spiller, 2013). Minera Alamos Inc. (Minera Alamos) reproduced these resource estimates in Tables 14.5 and 14.6 of the Technical Report titled "NI 43-101 Updated Technical Report Guadalupe de los Reyes Gold/Silver Project Sinaloa, México", that has an amended and reissued date of April 16, 2018.

Table 6.7

2012 Vista Historic Resource Estimate

Deposit	Indicated K Tonnes	Gold g/t	Silver g/t	Inferred K Tonnes	Gold g/t	Silver g/t
El Zapote	3,905	1.65	16.52	1,127	1.25	11.82
Noche Buena	937	1.32	16.52	480	1.13	17.80
San Miguel – Chiripa (now San Miguel East and West)	459	3.19	77.37	583	2.21	64.75
Guadalupe	1,541	1.74	52.51	1,054	1.52	50.75
TOTAL	6,843	1.73	28.71	*3,244	1.49	34.87

*Note: Resource has been adjusted to reflect material removal from old u/g workings and are reported within Optioned Claims @ 0.5 g/t Au. * = total for this column is different from what was presented in the 2012 Technical Report due to summation difference. This resource estimate is historic in nature and should not be relied upon, but it is considered relevant with respect to understanding the development of resources on the Los Reyes Property.*

- Number of holes: 425
- Number of composites: Gold: 12,365 Silver: 8,752
- Composite length: 3.0 m
- Zone solids: 4
- Block size: 5x5x5 regular
- Estimation type: ordinary kriging
- Number of passes: Gold: 3 Silver: 3
- Maximum search: 120m
- Capping: Gold: 50 g/t Silver: 700 g/t
- Density: 2.6 tonnes / m^3 all rock types
- Cutoff: 0.50 g/t Gold

Tetra Tech utilised mineralisation envelopes or zones built from the database of holes drilled in the area to create solid zones that were estimated by ordinary kriging in the GEMCOM software. Derived historical mining solids were removed from the resource. The Author(s) did not complete sufficient work to classify the 2013 Vista Gold historic resource estimates as current.

2016 Great Panther Historic Resource Estimate

Great Panther commissioned SRK Consulting (Canada) Inc. (SRK) to prepare a Technical Report in accordance with the requirements of NI 43-101 titled "Independent Technical Report for the Guadalupe de los Reyes Gold-Silver Project, Sinaloa, México", dated February 16, 2016. Table 6.8 shows the historic resource estimates.

Table 6.8

2016 Great Panther Historic Resource Estimates

Open Pit Resource						
Deposit	**Indicated K Tonnes**	**Gold g/t**	**Silver g/t**	**Inferred K Tonnes**	**Gold g/t**	**Silver g/t**
El Zapote	706	2.28	15	43	2.48	24
TOTAL	**706**	**2.28**	**15**	**43**	**2.48**	**24**
Underground Resource						
Deposit	**Indicated K Tonnes**	**Gold g/t**	**Silver g/t**	**Inferred K Tonnes**	**Gold g/t**	**Silver g/t**
El Zapote	215	4.14	16.0	20	3.58	23.0
Noche Buena	172	4.31	57.0	115	5.76	48.0
San Miguel – Main	99	3.21	140.0	102	3.14	173.0
San Miguel – North	52	6.25	91.0	19	4.46	54.0
TOTAL	**538**	**4.23**	**59.17**	**256**	**4.45**	**96.30**

**Open pit mineral resources are reported at a cutoff grade of US$40 and underground mineral resources are reported at a cutoff grade of US$110. Cutoff grades are based on a price of US$1,150 per ounce of gold, US$18.50 pre ounce of silver and gold recoveries of 96 percent and 53 percent for silver **Mineral resources are reported in relation to a conceptual pit shell.*

- Number of holes: 466
- Number of composites: Gold: 12,365 Silver: 8,752
- Composite length: 2.0 m
- Zone solids: 4
- Block size: 5x5x5 regular
- Estimation type: ordinary kriging
- Number of passes: Gold: 2 Silver: 2
- Maximum search: Varied by zone
- Capping: Varied by zone solids, restricted volume
- Density: Not stated
- Cutoff: US$40 / tonnes for open pit mining
  US$110 / tonnes for underground mining

SRK utilised mineralisation envelopes built from the database of holes drilled throughout the area to create solid zones that were estimated by ordinary kriging in the GEMCOM software. Derived historical mining solids were removed from the resource.

The 2016 resource estimation is superseded by the resource estimation in Section 14 of this Technical Report. The Author(s) did not complete sufficient work to classify the 2016 Great Panther historical resource estimates as current.

6.4 Historical Production on the Property

Historical production for the Guadalupe de los Reyes district was estimated in February 1936 by Mr. C.W. Vaupell at approximately 600,000 ounces of gold and over 40 million ounces of silver from 1.5 million tonnes of ore averaging 12 g Au/t and 900 g Ag/t (Arseneau, 2016). Development focused primarily on three principal vein systems, which included the 2.5 km long East-West system of the Guadalupe mine, 4.0 km long NW-trending systems of San Miguel-Chiripa-Noche Buena, and Mariposa-Zapote-Tahonitas, and other secondary systems. Table 6.9 shows a summary of the main developments and production prior to the involvement of NCM and is derived from Table 5.1 of Arseneau 2016.

Table 6.9
Historic Production from the Property

Main Areas Mined	Years Mined	Production Mined (KTonnes)	Estimated Gold grade (g/t)	Estimated Silver grade (g/t)
Guadalupe de los Reyes District	1772 to 1871	Unknown	Unknown	Unknown
Guadalupe de los Reyes District	1871 to 1936	875	8.8	521
El Zapote	1935 to 1944	170	5.8	50
El Zapote	1944 to 1988	Unknown	Unknown	Unknown
El Zapote	1988 to 1989	32	5.8	50
Total		**1077**	**9.2**	**433**

7 GEOLOGIC SETTING AND MINERALIZATION

7.1 Regional and Property Geology

The Property is in the Sierra Madre Occidental (SMO) mountain range of the North American Cordillera that extends for hundreds of kilometers from central to northern México in the Basin and Range province (Rossotti, Ferrari, López-Martinez, & Rosas-Elguere, 2002). The SMO is a large continuous sequence of volcanics that spans in age from late Cretaceous to middle Tertiary (McDowell & McIntosh, 2012).

In the vicinity of the Property, the volcanic sequence unconformably overlies a late Cretaceous-aged felsic batholith. This overlying volcanic package is subdivided into Lower and Upper sequences that are separated by an angular unconformity. The Lower Sequence spans from late Cretaceous-early Tertiary, is approximately 1 km thick, and is predominantly composed of intermediate (andesite) volcanics and intercalated sandstone and volcanic conglomerate intervals (Figure 7-1). The Lower volcanic sequence also contains more felsic units that are dacitic in composition (Figure 7-1). The upper sequence that is deposited conformably on the lower sequence, is composed of ash-flow and ash-fall tuffs that are rhyolitic to dacitic in composition (Figure 7-1). This sequence is over 1 km thick in high elevation areas (López & Ramirez, 2019).

7.2 Mineralization

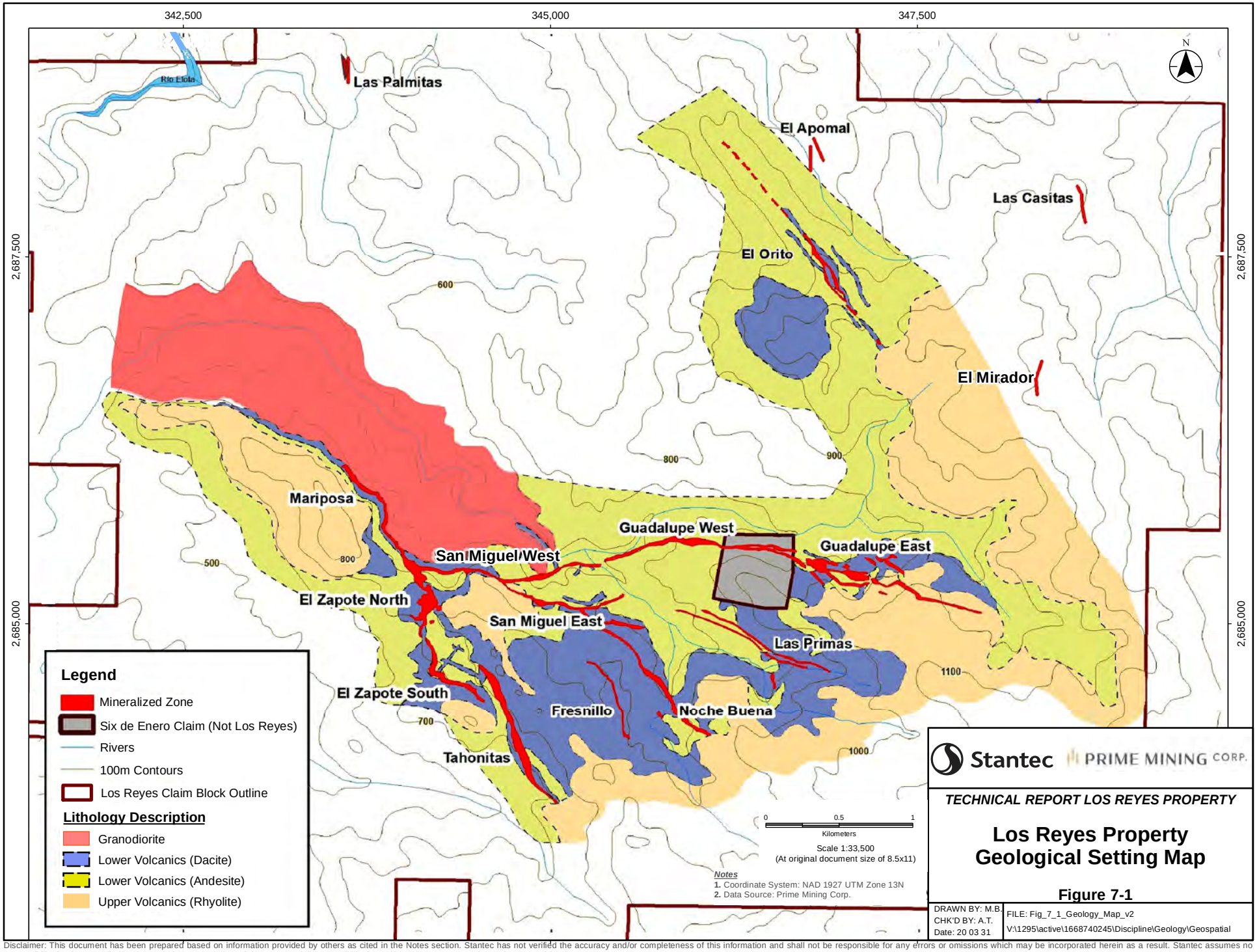
In the main area of mineralization, the deposits dominantly occur along three northwest and west-northwest oriented silicified structural corridors (Figure 7-1). These mineralized structural corridors are named after the mineralized areas that they host, which include: 1) the Mariposa-El Zapote-Tahonitas trend; 2) San Miguel-Noche Buena trend; and 3) the Guadalupe trend. These main mineralized areas are described in the following subsections and key characteristics are listed in Table 7.1, which is after which is after Table 9.1 of López (2009).

Mariposa-El Zapote-Tahonitas Trend

The Mariposa-El Zapote-Tahonitas structure strikes to the south-southeast and dips at approximately 50° to the southwest.

Mariposa is the northernmost deposit along the mineralized trend and has a length of approximately 750 m. The structure at Mariposa is at the contact between andesite and granodiorite. This structure is exposed on surface intermittently along the road that provides access to the historic mine workings. Examination of the historic workings, which were developed on three levels, exploited an area of dilation along the structure that was 150 to 200 m in length (López, 2009). Mineralization is associated with hydrothermal breccias (Table 7.1).

El Zapote, which is divided into the North and South deposits, is drill tested and modelled to a length of 1.3 km and has a true width that varies from 7 m to 66 m (Table 7.1). The hanging wall mineralization of El Zapote is gradual and consists of quartz veining, brecciation, moderate



silicification and argillization. Mineralization along the footwall is variable and consists of weak silicification and propylitic alteration. Mineralization within the zone is strongly associated with silicified breccia and contains quartz, calcite, and adularia veins (López, 2009). A plan view map of El Zapote North is shown in Figure 7-2.

Tahonitas, which is the southernmost deposit along the mineralized trend, and is approximately 750 m in length. The true width of this deposit varies from 5 m to 28 m. The mineralized structure at Tahonitas dips between 45° and 60° to the southwest (López, 2009). Tahonitas is hosted by andesite of the Lower Volcanic Sequence and is capped to the east by rhyolite and aplitic dikes of the Upper Volcanic Sequence. Figure 7-3 is a plan view map of El Zapote South and Tahonitas.

A schematic section across the Mariposa-El Zapote-Tahonitas structure is shown in Figure 7-4.

San Miguel-Noche Buena Trend

The San Miguel West, East, and Noche Buena areas occur along a regional northwest – southeast striking structure that moderately dips between 50° and 60° to the south west (Figure 6-1). The San Miguel West and East deposits have a combined length of 1,450 m and a true width that varies from 9 m to 75 m. This trend shows evidence of previous workings, such as stopes, trenches, and adits. The host rock in the area andesites of the Lower Volcanic sequence that were subsequently intruded by an argillic altered feldspar-hornblende-biotite porphyry dike. The mineralized zone is associated with the brecciated zones proximal to the dike, as well as along the structure (López, 2009). A plan view map of San Miguel is shown in Figure 7-5.

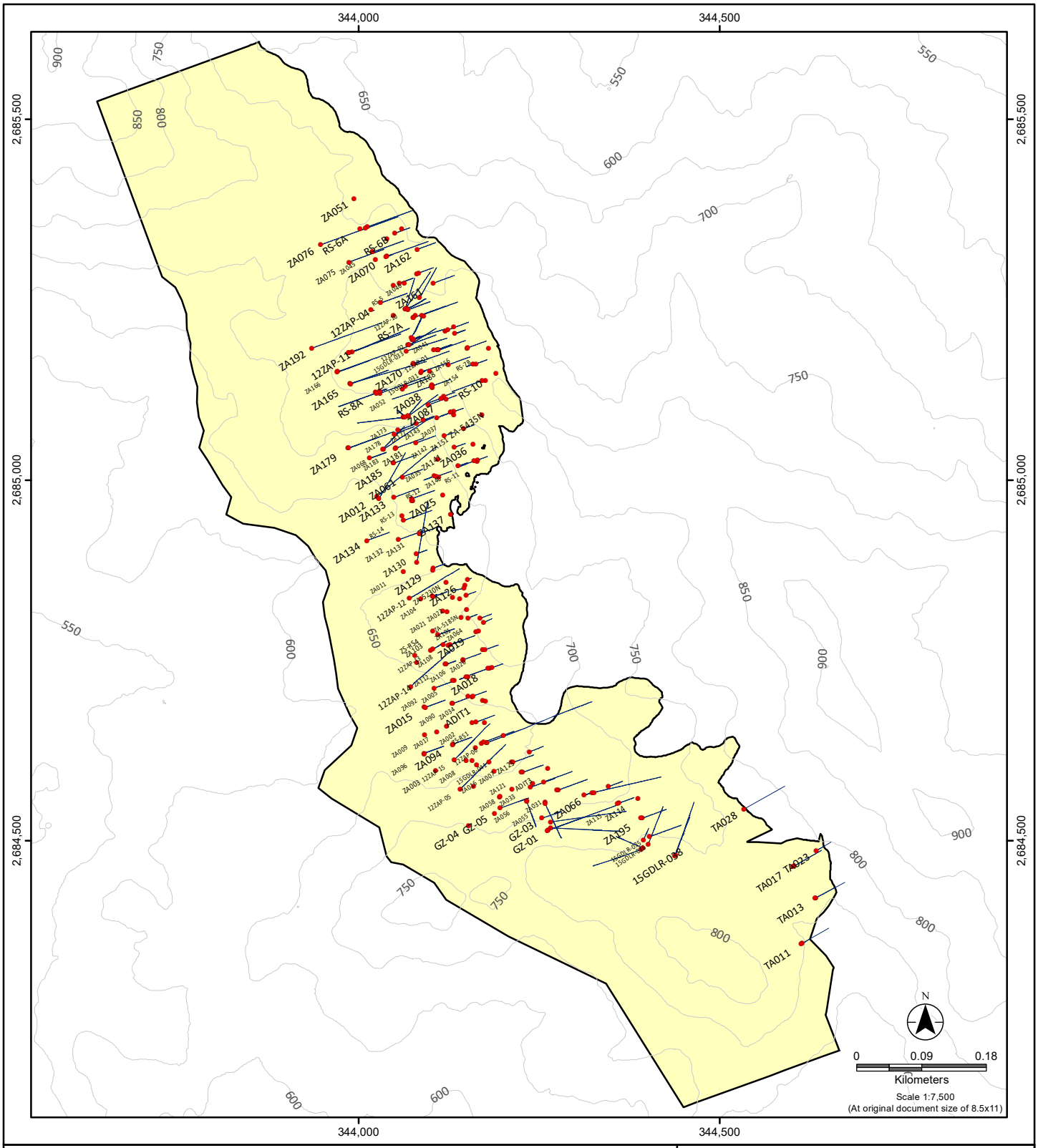
The Noche Buena zone is the southernmost extension of San Miguel and is hosted in a system of sub-parallel quartz veins and veinlets. This zone has a length of 700 m and a true width that varies from 12 m to 53 m. A plan view map of Noche Buena is shown in Figure 7-6.

A schematic section across the San Miguel-Noche Buena structure is shown in Figure 7-7.

GuadalupeTrend

The Guadalupe trend, which bifurcates to the east from the San Miguel West deposit, is subdivided into the Guadalupe East and Guadalupe West deposits that are separated by the “6 de Enero” claim. The trend, which has an east-west orientation, is strongly silicified and contains zones of silica stockworks. Guadalupe East and Guadalupe West have a cumulative length of 1,675 m and a true width that varies from 4 m to 68 m. The area was previously mined, with underground working that extend laterally by approximately 1 km and vertically to 400 m. The host rocks to mineralization are intermediate volcanics (typically andesitic flows and tuffs) of the Lower Volcanic sequence. This volcanic sequence gently dips to the eastward (López, 2009).

Plan view maps of Guadalupe East and West, and schematic section across the Guadalupe Trend is shown in Figures 7-8, 7-9, and 7-10.



Legend

- Drill Hole Collar
- Drill Hole Trace
- El Zapote Deposit
- Topography Contour 50m

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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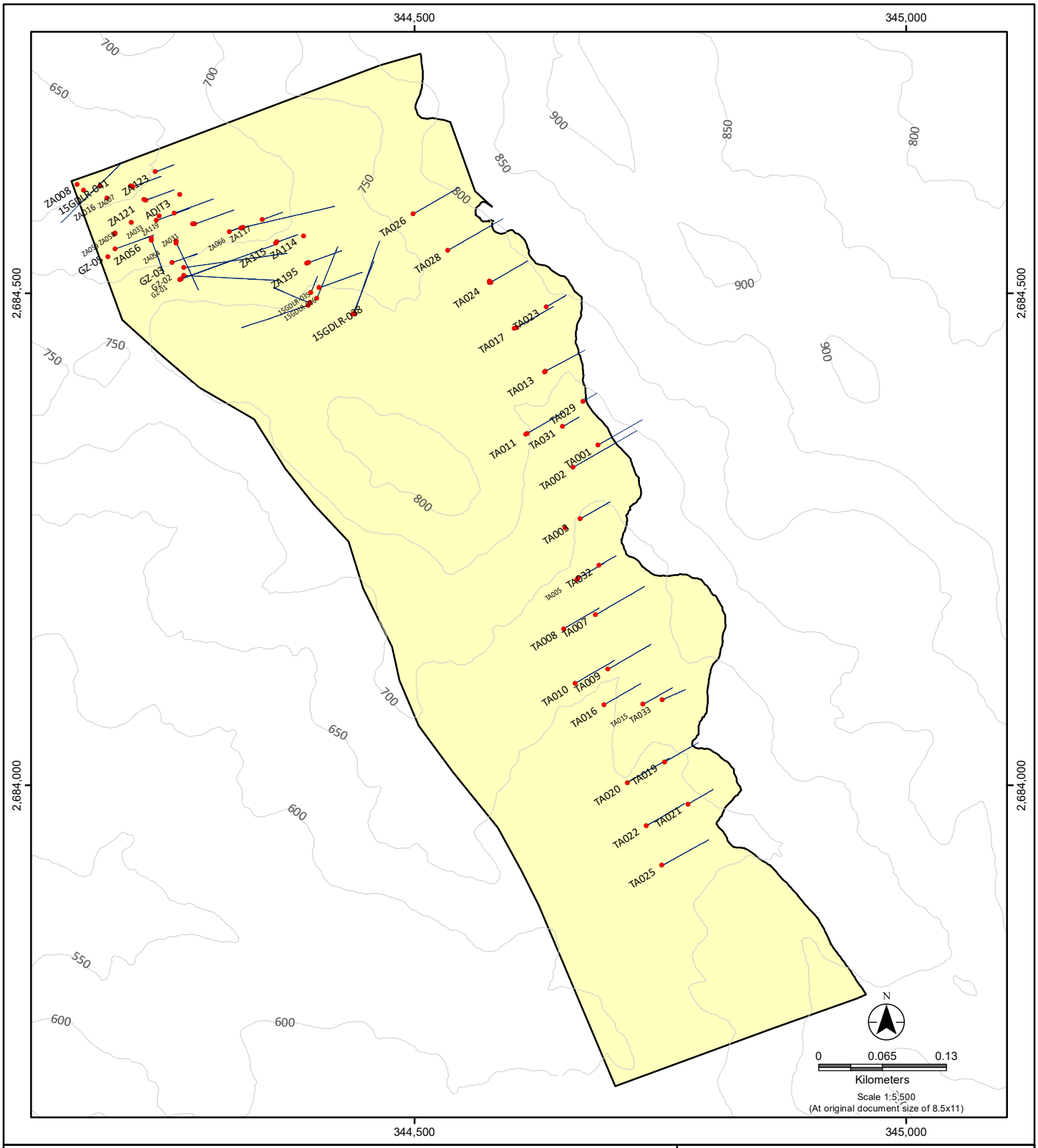
Plan View
El Zapote Deposit Map

Figure 7-2

DRAWN BY: M.B. CHK'D BY: A.T. DATE: 20/ 03/ 31	FILE: Fig_7_2_Plan_View_El_Zapote V:\1295\active\1668740245\1Discipline\2 Geology\0Geospatial



Legend

- Drill Hole Collar
- Drill Hole Trace
- Tahonitas Deposit
- Topography Contour 50m

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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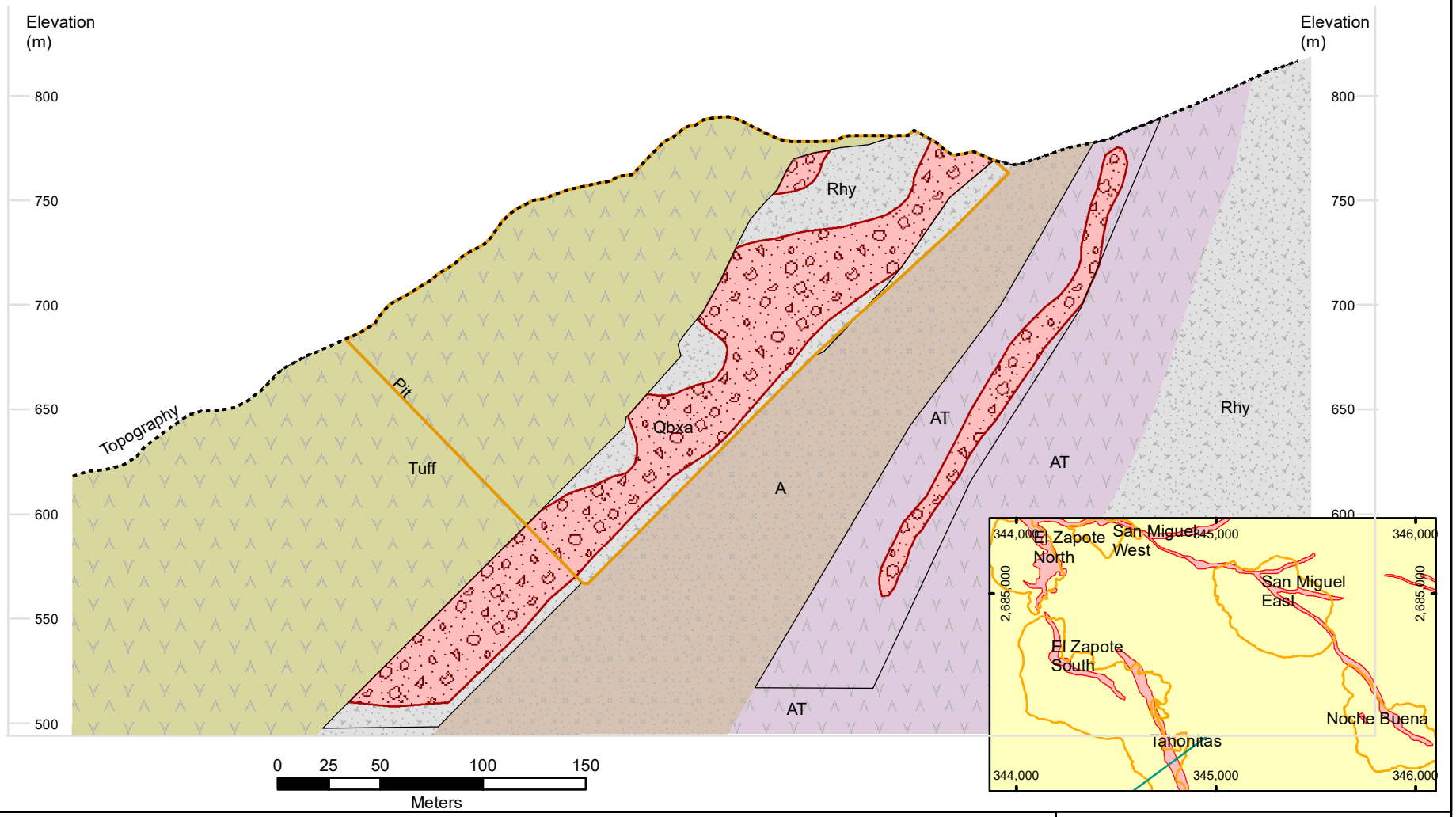
TECHNICAL REPORT LOS REYES PROPERTY

Plan View
Tahonitas Deposit Map

Figure 7-3

DRAWN BY: M.B. CHK'D BY: A.T. DATE: 20/ 03/ 31	FILE: Fig_7_3_Plan_View_Tahonitas_Deposit1 V:\1295\active\1668740245\1Discipline\2 Geology\0Geospatial



Legend

- Topography
- Pit
- Mineralized Deposit Solid

Lithology

- Quartz Breccia (Qbxa)
- Andesite (A)
- Andesite Tuffs (AT)
- Rhyolite (Rhy)
- Tuff

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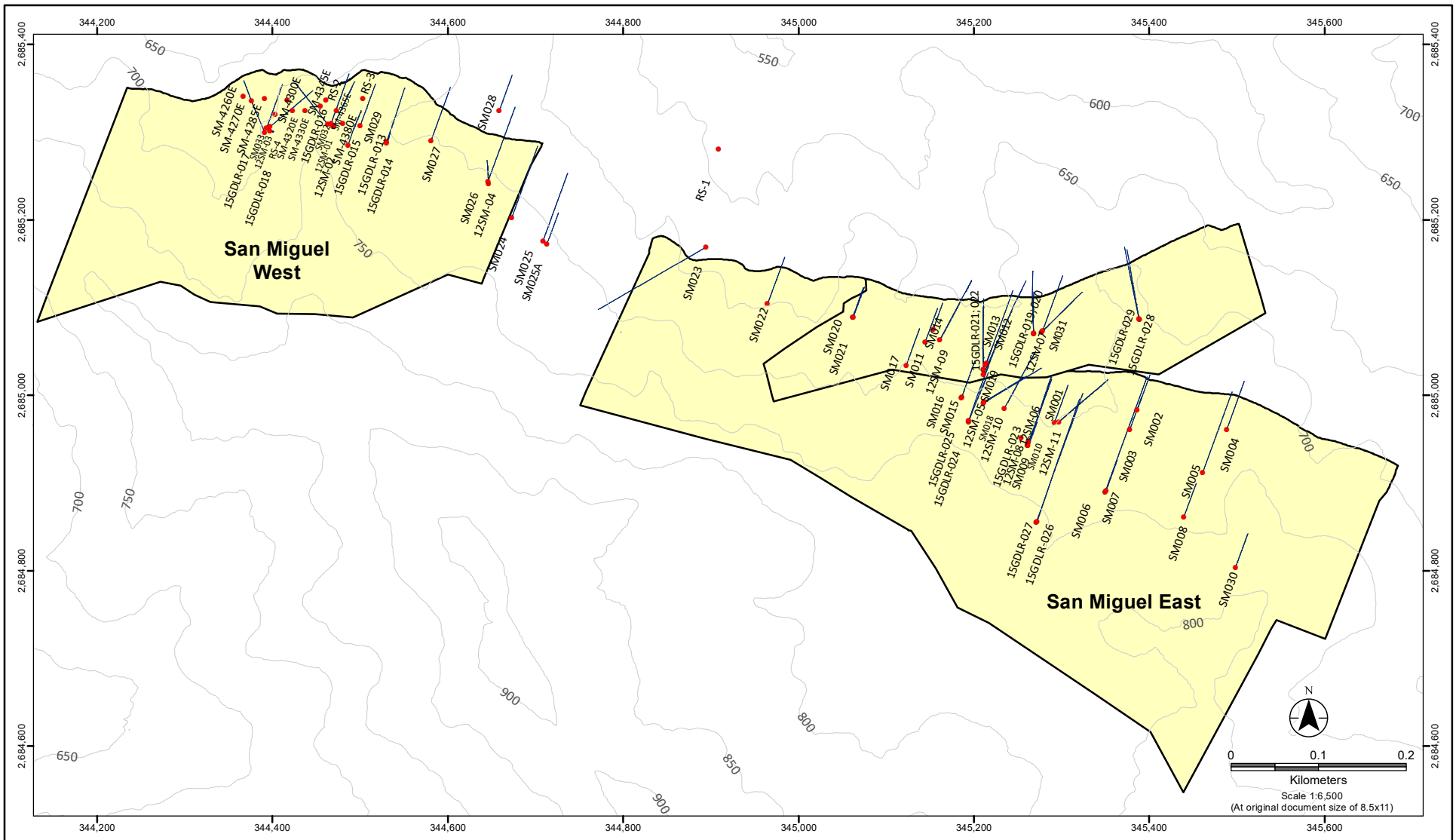
TECHNICAL REPORT LOS REYES PROPERTY

Schematic Section Mariposa-El Zapote-Tahonitas Trend

Figure 7-4

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 30	FILE: Fig_7_4_Schematic_Section_MZT_Trend V:\1295\active\1668740245\Discipline\Geology\Geospatial



Legend

- Drill Hole Collar
- Drill Hole Trace
- San Miguel Deposit
- Topography Contour 50m

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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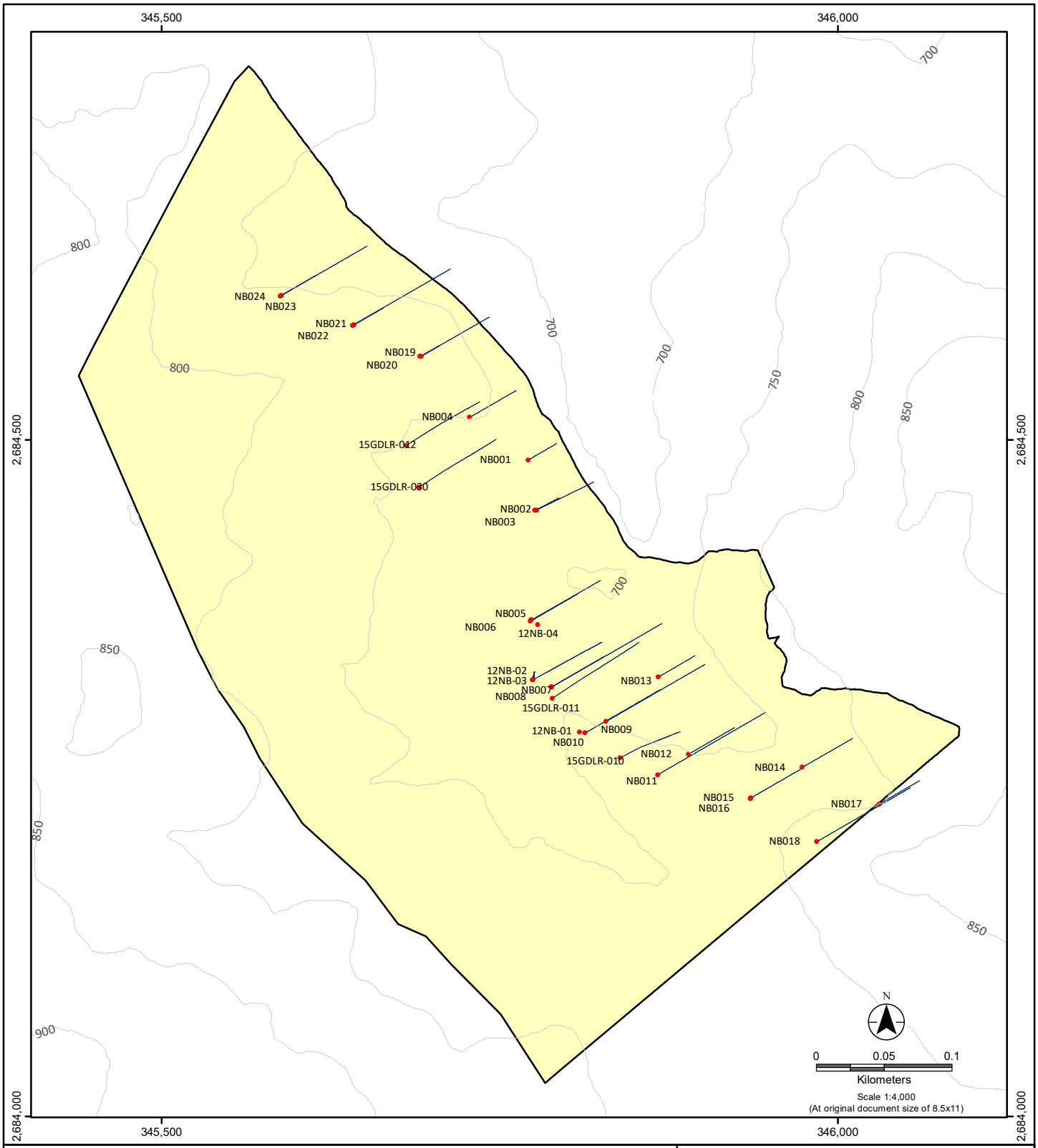
TECHNICAL REPORT LOS REYES PROPERTY

Plan View
San Miguel Deposit Map

Figure 7-5

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 31	FILE: Fig_7_5_Plan_View_SanMiguel_Deposit_dh V:\1295\active\1668740245\Discipline\Geology\Geospatial



Legend

- Drill Hole Collar
- Drill Hole Trace
- Noche Buena Deposit
- Topography Contour 50m

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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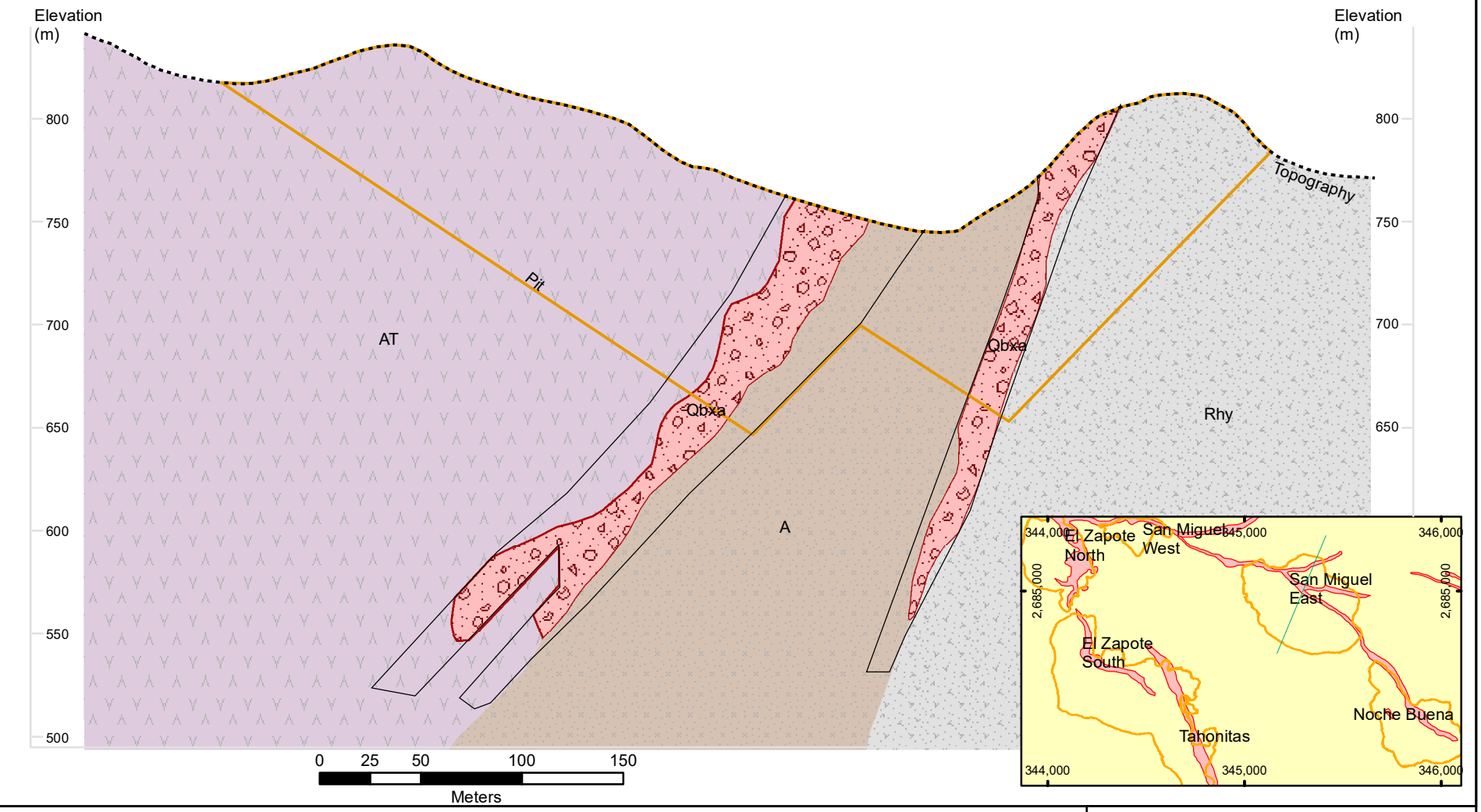
TECHNICAL REPORT LOS REYES PROPERTY

Plan View
Noche Buena Deposit Map

Figure 7-6

DRAWN BY: M.B. CHK'D BY: A.T. DATE: 20/ 03/ 31	FILE: Fig_7_6_Plan_View_Noche_Buenal_Deposit V:\1295\active\1668740245\1Discipline\2 Geology\0Geospatial



Legend

- Topography
- Pit
- Mineralized Deposit Solid

Lithology

- Quartz Breccia (Qbxa)
- Andesite (A)
- Andesite Tuffs (AT)
- Rhyolite (Rhy)
- Tuff

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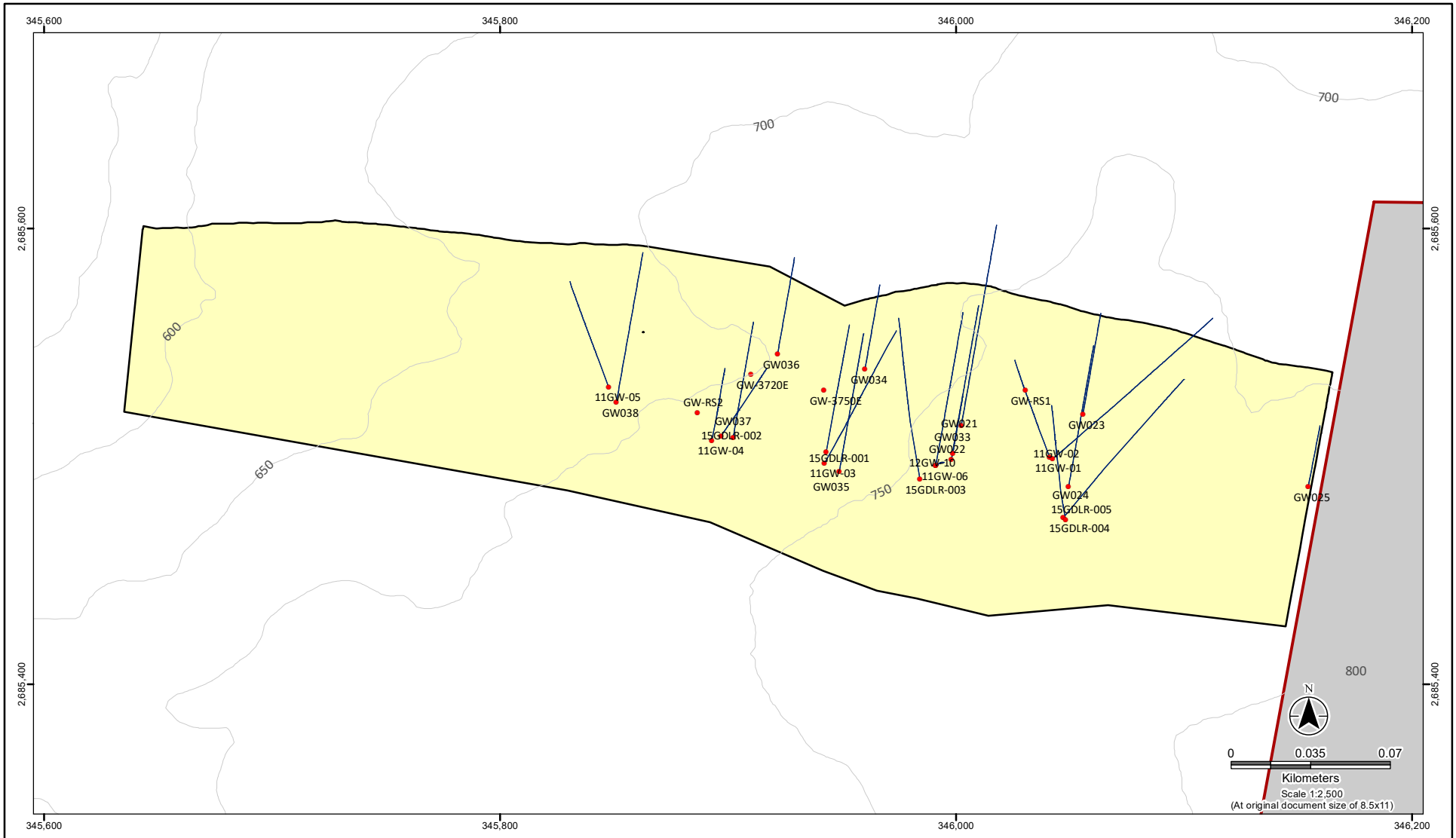
TECHNICAL REPORT LOS REYES PROPERTY

Schematic Section San Miguel-Noche Buena Trend

Figure 7-7

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 30	FILE: Fig_7_7_Schematic_Section_SM_NB_Trend V:\1295\active\1668740245\Discipline\Geology\Geospatial



Legend

- Drill Hole Collar
- Drill Hole Trace
- Guadalupe West Deposit
- Topography Contour 50m
- Six de Enero Claim (not Los Reyes)

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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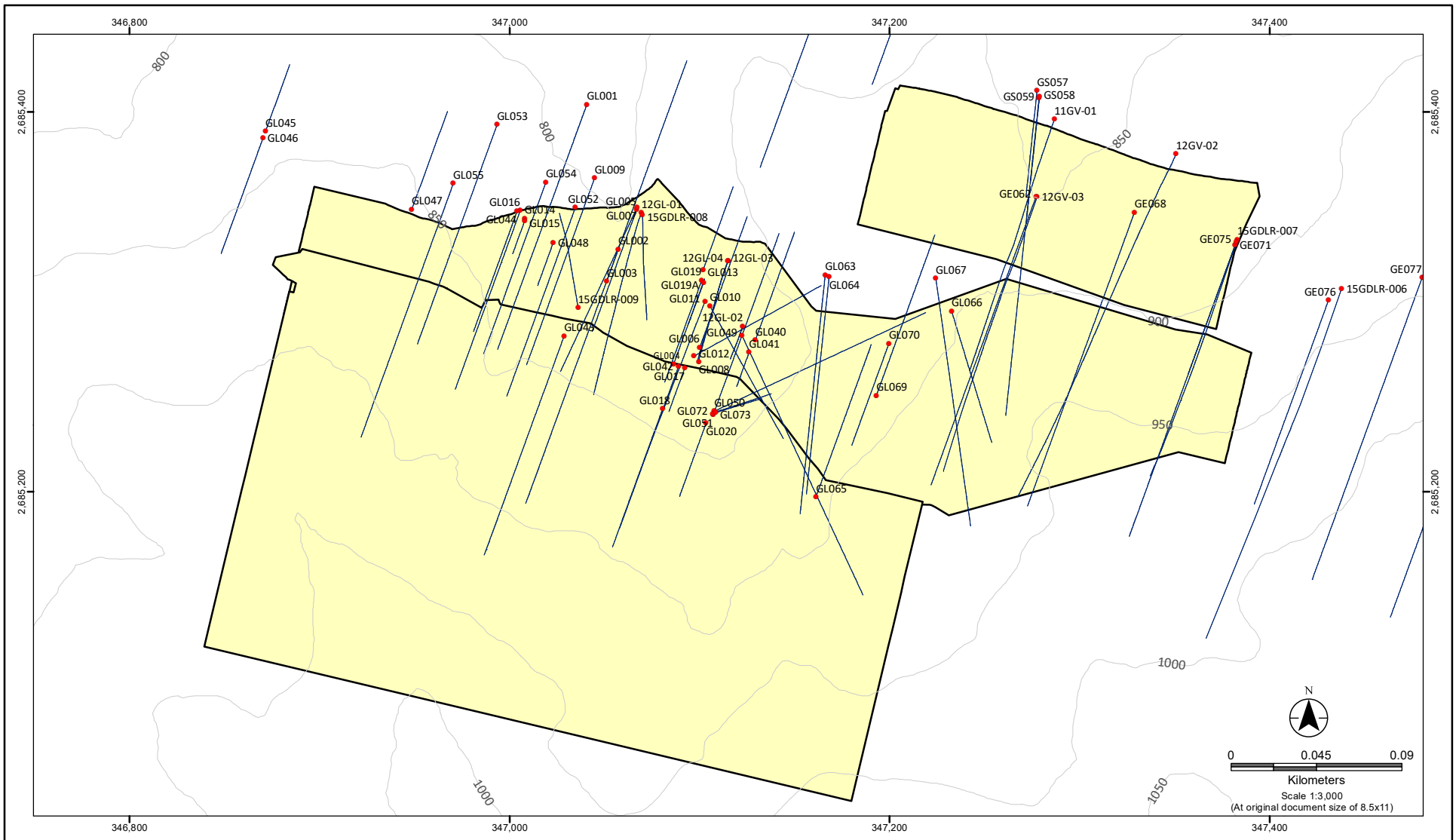
TECHNICAL REPORT LOS REYES PROPERTY

Plan View
Guadalupe West Deposit Map

Figure 7-8

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 31	FILE: Fig_7_8_Plan_View_Guadalupe_West_Deposit V:\1295\active\1668740245\Discipline\Geology\Geospatial



Legend

- Drill Hole Collar
- Drill Hole Trace
- Guadalupe East Deposit
- Topography Contour 50m

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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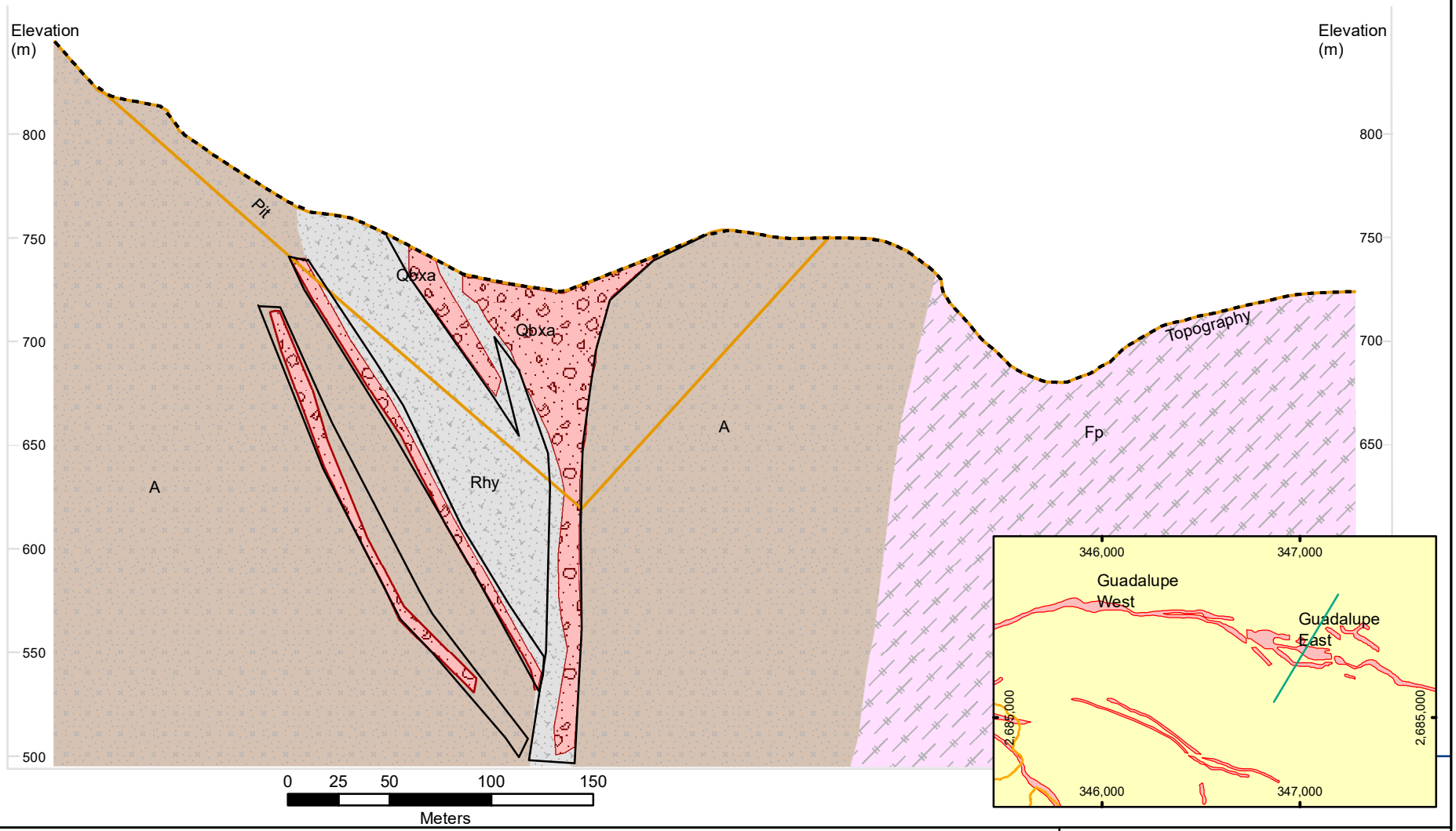
TECHNICAL REPORT LOS REYES PROPERTY

Plan View
Guadalupe East Deposit Map

Figure 7-9

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 31	FILE: Fig_7_9_Plan_View_Guadalupe_East_Deposit V:\1295\active\1668740245\Discipline\Geology\Geospatial



Legend

- Topography
- Pit
- Mineralized Deposit Solid

Lithology

- Quartz Breccia (Qbxa)
- Andesite (A)
- Rhyolite (Rhy)
- Feldspar Porphyry (Fp)

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TECHNICAL REPORT LOS REYES PROPERTY

Schematic Section Guadalupe Trend

Figure 7-10

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 30	FILE: Fig_7_10_Schematic_Section_GUAD_Trend V:\1295\active\1668740245\Discipline\Geology\Geospatial

Additional Mineralized Areas

Two mineralized areas named Fresnillo and Las Primas occur along subordinate subparallel structures to these main structures described above (Figure 6-1). Additional mineralized areas are also identified to the north and northeast of the main area of mineralization. These deposits include Las Palmitas, El Orito, El Apomal, El Mirador, and Las Casitas (Figure 6-1). Table 7.1 is a summary of deposit characteristics. Two additional deposits that are mentioned in previous technical reports include Tatemas and Candelaria; however, these two areas are believed to be part of the northern extent of El Zapote North and San Miguel West, respectively. The characteristics of these additional mineralized areas are also presented in Table 7.1, which is modified after Table 9.1 of López (2009).

Table 7.1

Characteristics of Mineralized Areas of the Property

Mineralized Area	Characteristics
Mariposa	**Structure:** Mariposa-El Zapote-Tahonitas Trend **Strike:** from ~300° in the southeast to 265° in the northwest **Dip:** ~50° SE **Length:** 750 m **Width (estimated):** 5 m to >35 m **Mineralization Style:** Silicified host rock, breccias, and veins **Contacts:** Breccias along faults proximal to andesite to granodiorite contact
El Zapote (North & South)	**Structure**: Mariposa-El Zapote-Tahonitas Trend **Strike**: 290° to 350° in the south, 360°-330° in the north **Dip:** 50º W **Length:** 1,600 m **Width (true):** varies from 7 m to 66 m **Mineralization Style:** Silicified host rock and veins **Contacts**: Sharp footwall contact and stockwork to the hanging wall
Tahonitas	**Structure:** Mariposa-El Zapote-Tahonitas Trend **Strike:** 350° **Dip**: 45º to 60º SW **Length:** 950 m **Width (true):** varies from 5 m to 28 m **Mineralization Style:** Silicified host rock and veins **Contacts:** Sharp footwall, some veining to the hanging wall
San Miguel (West & East)	**Structure:** San Miguel-Noche Buena Trend **Strike:** 295° in the southeast to 275° in the northwest **Dip:** 70º SW **Length:** 1,450 m **Width (true):** varies from 9 m to 75 m **Mineralization Style:** Silicified host rock and veins **Contacts:** Sharp both walls
Noche Buena	**Structure:** San Miguel-Noche Buena Trend **Strike:** 335° **Dip**: 50º to 60º SW **Length:** 700 m **Width (true):** varies from 12 m to 53 m **Mineralization Style:** Silicified host rock and veins **Contacts:** Sharp footwall and stockwork to the hanging wall
Guadalupe (West & East)	**Structure:** Guadalupe Trend **Strike:** 270° to 290° **Dip:** 65º to 90º SW **Length:** 1,675 m (cumulative) **Width (true):** varies from 4 m to 68 m **Mineralization Style:** Silicified host rock and veins **Contacts**: Sharp in veins within breccia zone

Table 7.1 (Cont'd)

Mineralized Area	Characteristics
Las Primas	**Structure:** Fault Zone **Strike:** NW 45º- 60º SE **Dip:** 80°SW to 80° NE **Length:** 750-1,000 m **Width (estimated):** 1 m to 2 m based on outcrop exposures **Mineralization Style:** 2 or more parallel to divergent structures with stockwork **Contacts:** Breccia to stockwork zone with quartz veining
Fresnillo	**Structure:** Outcroppings (structure not defined) **Strike:** 315-340° **Dip:** 65º- 70º SW **Length:** 750 m **Width (estimated):** unknown **Contacts:** Breccia zone with quartz veining
El Orito	**Structure:** Outcroppings (structure not defined) **Strike:** 330° **Dip:** 66º- 76º NE **Length:** 3,000 m **Width (estimated):** 1 m to 10 m based on the width of brecciated zones **Contacts:** Breccia zone with quartz veining and iron oxide alteration, kaolinization
El Mirador & Las Casitas	**Structure:** Fault zone **Length:** unknown **Width (estimated):** 1 m to 4 m **Contacts:** unknown
Las Palmitas	**Structure:** Fault Zone **Strike:** 350° **Dip:** unknown **Length:** unknown **Width (estimated):** unknown **Contacts:** Quartz vein within structural trend
El Apomal	**Structure:** Fault zone with associated quartz vein (0.30 m) **Strike:** 350° **Dip**: 66º NE **Length:** unknown **Width (estimated):** 1 m **Contacts:** Unknown

8 DEPOSIT TYPES

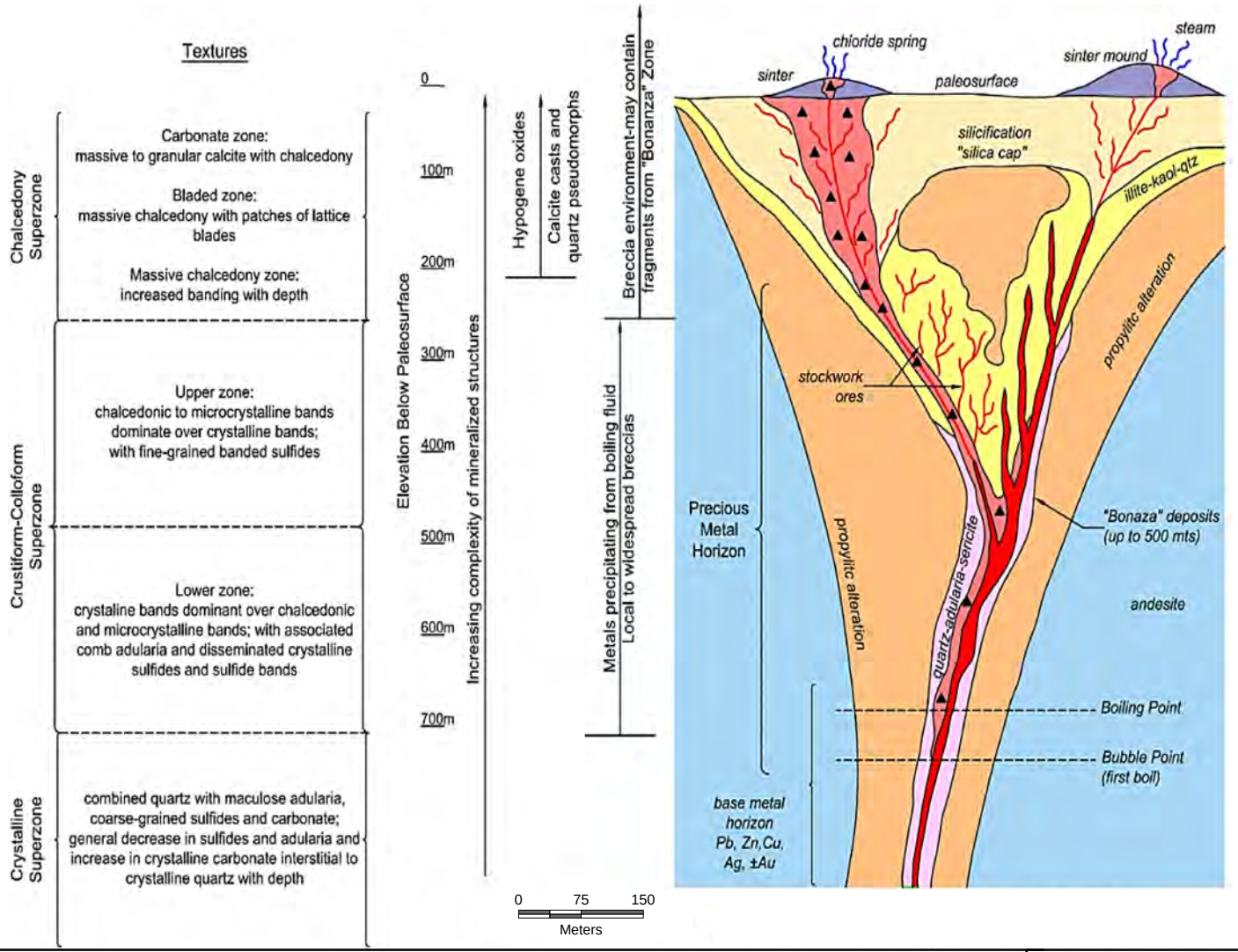
The mineralized zone is characterized by a low sulphide epithermal system containing silica stockwork veins. These zones are generally formed in felsic subaerial complexes in extensional strike slip structural settings. Low sulphidation gold deposits are associated with magmas where ore deposition occurs several kms above the intrusion, and display certain alteration assemblages (Cooke & Simmons, 2000). The intrusions are likely the result of tectonic activity, such as plate subduction and extension. Deep hydrothermal fluid flow systems comprised of meteoric water, as well as near surface systems such as hot springs, are the sites of mineralization. Mineral deposition takes place as the fluids undergo cooling by fluid mixing, boiling and decompression (Cooke & Simmons, 2000).

Distinguishing characteristics of low-sulphidation epithermal deposits are shown in Table 8.1 (Cooke & Simmons, 2000). A schematic cross-section diagram of a low sulphidation epithermal system is shown in Figure 8-1.

Table 8.1

Characteristics of the Low Sulphidation Epithermal Deposit Type

Characteristics	Descriptions
Size of largest deposit	~90 t gold in Florida Canyon
Age	Oilgocene, Miocene
Ore Bodies	Veins, stockwork, disseminations
Vein Textures	Brecciates, crustiform, colloform, lattice
Tectonic setting	Magmatic arc with transtensional faults or Basin and Range faults
District setting	Volcanic centres localized by crustal fractures
Igneous association	Calc-alkaline, subduction related or bimodal, mantle derived
Igneous composition	Mafic-intermediate, intermediate-felsic
Host rocks	Calcareous and siliceous sedimentary rocks, metasedimentary rocks, & volcanic rocks
Depth of formation	Shallow, 0 to 2 km
Mineralization	Discordant ± strata bound; sinters are stratiform
Alteration types	Phyllic, argillic and opaline silica near surface
Open-space filling minerals	Quartz, adularia, bladed calcite, fluorite, pyrite-marcasite, sulfides
Ore minerals	Pyrite/marcasite, sulfosalts, base metal sulfides, electrum
Residence of gold	Free, inclusions and solid solution in pyrite-marcasite, sulfosalts
Landscape geochemistry	Along fracture zone near magmatic centre
Geochemical signature	Gold, silver, arsenic, antimony, mercury, selenium, barite, manganese, ± base metals
Iron mobility	Introduced, generally weak
Gold – Silver ratio	Low, variable, up to 2
Base metal content	Low or variable, 100 ppm to 3%
Formation temperature	~250°C to 100°C
Ore fluid chemistry	Low to moderate salinity, low CO_2, H_2S
pH of ore fluid	Near neutral
Gold transport	Bisulfide complex
Source of H_2O	Meteoric, ± magmatic
Source of CO_2	Igneous or carbonate rocks
Source of H_2S	Magmatic, sedimentary rocks
Depositional mechanisms	Boiling and mixing, ± sulfidation, ± oxidation



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TECHNICAL REPORT LOS REYES PROPERTY

Schematic Low Sulphidation Epithermal Deposit Section

Figure 8-1

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 02 21

FILE: Fig_7_2_Epithermal_Model
V:\1295\active\1668740245\Discipline\Geology\Geospatial

Notes
Adapted from Buchanan (1960); Hollister (1985); Berger and Elmon (1963); Anaconda Corp. (1963); Guoyl (1992).

9 EXPLORATION

9.1 Trenching and Road Cut Testing Program

In late 2019, Prime Mining personnel began a test program, systematically trenching and road cutting approximately 5,000 m, that focused on sampling across outcropping mineralized structures. This program was designed to obtain continuous surface grades in select areas that, when combined with drill hole data, assisted to advance the geological model and refined the resource estimation. The result of this program was the collection of 724 trench samples from 24 trenches, 101 adit samples from four historic underground workings, and 995 road-cut samples from 30 sets of outcrop exposures along historic road cuts. Figure 9-1 shows the locations of the road-cuts and trenches.

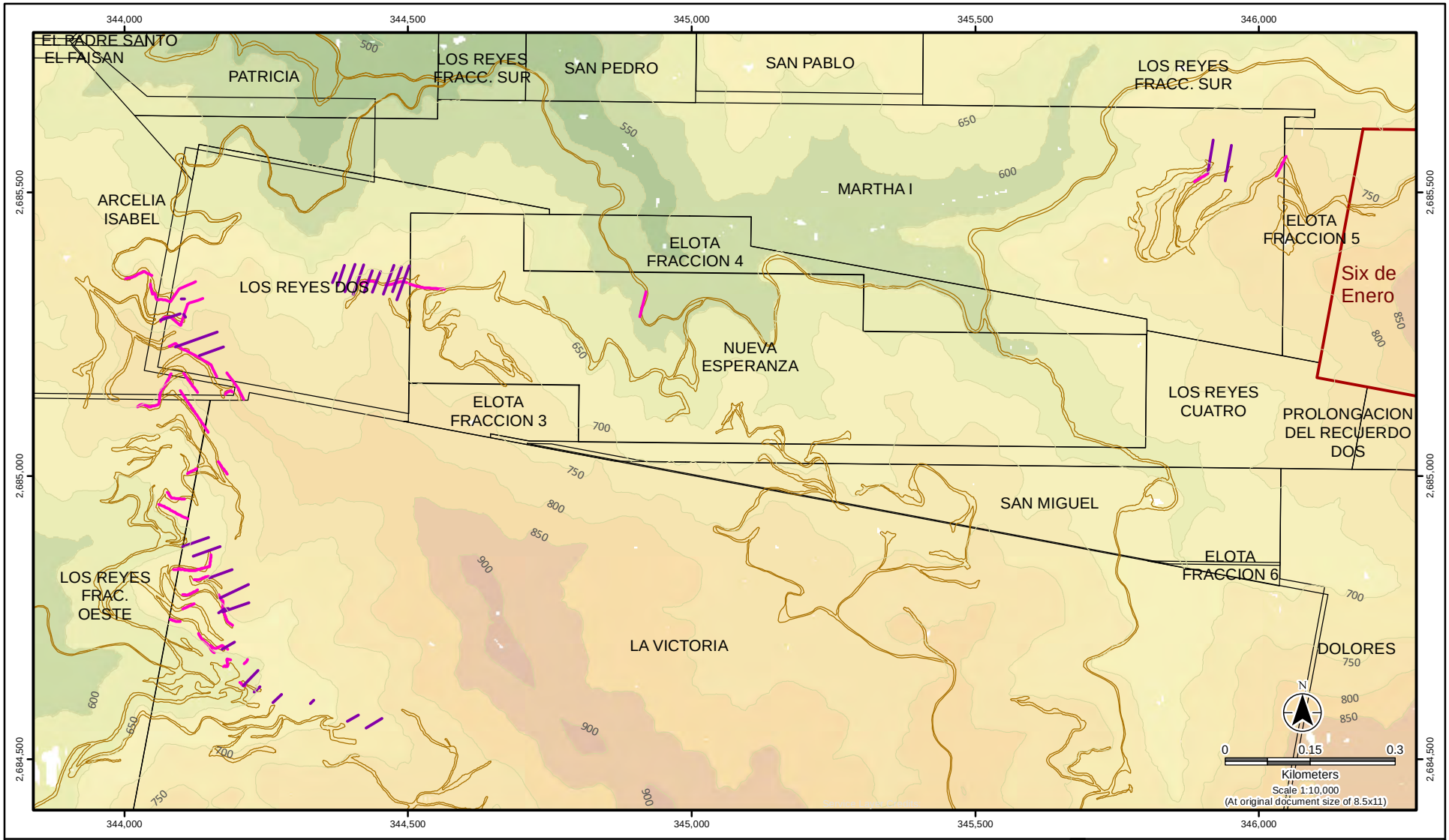
9.2 Sampling Methodology and Quality

Sampling occurred at 1.5 m intervals. Careful attention was paid to collecting the material with consistent volumes across the intervals so as not to bias the samples. Sample weights averaged 6.25 kg. Trenches were hand dug using pickaxes and shovels to a depth of not more than 1.5 m for safety considerations. The bedrock contact was typically broken rubble, and, when possible, the trenches were dug to competent material. Road and adit samples were collected using a hammer and chisel.

To ensure consistency in sampling quality, Prime Mining geologists supervised the sampling crew, and measured the sample intervals to ensure consistency in sample collection. Following collection of each sample, the material was put into a labeled sample bag, and a tear-off identification sample tag was inserted into the bag. The geologist marked each sample location and interval with an aluminum tag indicating sample number, date, and the geologist's initials. The sample bag was then closed using a tie strap. Samples were then placed into larger, prelabeled rice bags, with a maximum of eight samples to each bag, which was then tie strapped shut.

A GPS coordinate was taken at the starting point of the first sample and the end of the last sample. Coordinates from the tested locations were checked relative to the geographic features on a 1:1,000 field map. The coordinate system used for this program was NAD27 México UTM Zone 13, which was consistent with the drill hole database. The azimuth of the trench was frequently checked and documented. Spatial gaps in the sampling were noted, including the distance, reason for the gap, and the slope of the interval. For road cut samples, the azimuth was taken at any change in sampling line trend at the beginning of the sample interval.

Trenches were sampled across structures in El Zapote North and South, San Miguel West, Guadalupe, and the Tahonitas area. Road cut sampling, which did not necessarily test perpendicular to structures, was completed in El Zapote North and South, San Miguel West, and the Guadalupe area. Adit samples were completed at El Zapote North and South, and Tahonitas.



Legend

- Road-Cut
- Trench
- Los Reyes Claim
- Six de Enero Claim (not Los Reyes)
- Drill Road
- Topography Contour 50m

Topography Elevation (m)

445.6 - 500	650.1 - 700	850.1 - 900
500.1 - 550	700.1 - 750	900.1 - 950
550.1 - 600	750.1 - 800	
600.1 - 650	800.1 - 850	

Notes

1. Coordinate System: NAD 1927 UTM Zone 13N
2. Data Source: Prime Mining Corp.

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TECHNICAL REPORT LOS REYES PROPERTY

Road-Cut and Trench Location Map

Figure 9-1

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 27	FILE: Fig_9_2_Roadcut_Trench_Map_L V:\1295\active\1668740245\Discipline\Geology\Geospatial

The trench names were assigned relative to the historic drill grid nomenclature, while road cuts and adits were identified with an area abbreviation and simple number sequence.

Tables 9.1, 9.2, and 9.3 list the trenches, adits, and road cuts from the 2019 and 2020 field programs.

Table 9.1
Trench Sampling Program by Area

Trench Name	Length (m)	Number of Samples	Area
SM-4380E	66.0	44	San Miguel West
SM-4365E	48.0	32	San Miguel West
SM-4345E	55.5	37	San Miguel West
SM-4330E	40.5	27	San Miguel West
SM-4320E	42.0	28	San Miguel West
SM-4300E	57.0	38	San Miguel West
SM-4285E	52.5	35	San Miguel West
SM-4270E	39.0	26	San Miguel West
SM-4260E	19.5	13	San Miguel West
GW-3750E	66.0	44	Guadalupe West
GW-3720E	58.5	39	Guadalupe West
ZA-5590N	79.5	53	El Zapote North
ZA-5560N	46.5	31	El Zapote North
ZA-5255N	49.5	33	El Zapote South
ZA-5230N	52.5	35	El Zapote South
ZA-5185 N	43.5	29	El Zapote South
ZA-5150 N	56.5	40	El Zapote South
ZA-5125 N	50.6	28	El Zapote South
ZA-5000 N	39.0	26	El Zapote South
ZA-4975 N	15.0	10	El Zapote South
ZA-4920 N	9.9	7	El Zapote South
ZA-4865 N	24.0	16	El Zapote South
ZA-4840 N	34.1	25	El Zapote South
TA-4525 N	42.0	28	Tahonitas

Table 9.2
Adit Sampling Program by Area

Adit Name	Length (m)	Number of Samples	Area
ADIT 1	27.0	18	El Zapote South
ADIT 1_set2b	9.0	6	El Zapote South
ADIT 1_set2a	12.0	8	El Zapote South
ADIT 3	22.5	15	El Zapote South
ADIT 5_set3	42.0	25	El Zapote North
ADIT 5_set2	10.5	6	El Zapote North
ADIT 5_set1	7.5	5	El Zapote North
ADIT 10	27.0	18	Tahonitas

Table 9.3
Road Cut Sampling Program by Area

Road Cut Name	Length	Number of Samples	Area
SM-RS1	46.5	31	San Miguel West
SM-RS2	39	26	San Miguel West
SM-RS3	63	42	San Miguel West
SM-RS4	31.5	21	San Miguel West
GW-RS1	40.5	27	Guadalupe West
GW-RS2	28.5	19	Guadalupe West
RS-5	114	76	El Zapote North
RS-6A	52.5	35	El Zapote North
RS-6B	121.5	81	El Zapote North
RS-7A	111	74	El Zapote North
RS-7B	57	38	El Zapote North
RS-8A	100.5	67	El Zapote North
RS-8B	43.5	29	El Zapote North
RS-9	90	60	El Zapote North
RS-10	16.5	11	El Zapote North
RS-11	30	20	El Zapote North
RS-12	19.5	13	El Zapote North
RS-13	37.5	25	El Zapote North
RS-14	58.5	39	El Zapote North
ZS-RS1	30	20	El Zapote South
ZS-RS2	87	58	El Zapote South
ZS-RS4	30	20	El Zapote South
ZS-RS3	28.5	19	El Zapote South
ZS-RS7	64.5	43	El Zapote South
ZS-RS5	24	16	El Zapote South

Table 9.3 (Cont'd)

Road Cut Name	Length	Number of Samples	Area
ZS-RS6	19.5	13	El Zapote South
ZS-RS8A	46.5	31	El Zapote South
ZS-RS8B	37.5	25	El Zapote South
ZS-RS9	12	8	El Zapote South
ZS-RS10	12	8	El Zapote South

Tables 9.4 and 9.5 show some of the trench and road cut results from the El Zapote area that returned elevated grades. Of note is the road and trench sampling across and along the structure between the El Zapote North and South areas. Trenches ZA-5250 N and 5225 N, and road cuts RS-13 and RS-14 are from the El Zapote Central area.

Table 9.4
Trench Sample Intervals with Elevated Grades

Trench Name	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
ZA-5575 N	63	79.5	16.5	1.04	22.6
ZA-5550 N	31.5	46.5	15.0	5.58	23.2
including	34.5	42.0	7.5	9.43	29
ZA-5250 N	7.5	18.0	10.5	0.88	61.6
ZA-5225 N	16.5	46.5	30.0	3.93	40.1
including	27	34.5	7.5	8.71	59.9
ZA-5150N	0	54.0	54.0	1.91	16.6
including	4.5	13.5	9.0	5.92	46.2
ZA-5000N	0	39.0	39.0	6.75	58.2
including	10.5	28.5	18.0	9.88	62
ZA-4840N	0	37.5	37.5	1.76	175.3
including	0	7.5	7.5	6.21	698.6

Table 9.5
Road Cut Sample Intervals with Elevated Grades

Road Cut Name	From (m)	To (m)	Interval (m)	Gold (g/t)	Silver (g/t)
ZS-RS2	61.5	87.0	25.5	7.94	58.9
including	69.0	82.5	13.5	12.17	71.0
RS-14	21.0	58.5	37.5	0.76	18.0
RS-13	4.5	31.5	27.0	1.53	24.8
including	12.0	13.5	1.5	10.1	66.3

9.3 Sample Bias Factors

Bias in the sampling methodology may be introduced if rock exposures are inconsistent, if the chip samples across the selected intervals were not consistently collected, if contamination was introduced into the sample, or if the sampled intervals were not measured correctly.

10 DRILLING

Prime Mining has not completed any drilling on the Property to date.

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

The information presented in this section was sourced from the following reports:

- Section 10 from the report titled "Independent Technical Report for the Guadalupe de los Reyes Gold-Silver Project, Sinaloa, México", with a signature date of February 16, 2016;
- Section 11 from the report titled "NI 43-101 Technical Report Los Reyes Gold/Silver Project Sinaloa, México" with an issue date of June 25, 2019; and
- Section 12 from the report titled "Technical Report for the Guadalupe de Los Reyes Gold-Silver Project, Sinaloa, México" with amended and restated date of December 8, 2009.

11.1 Sampling Methodology and Analyses

Northern Crown Mines & Meridian Gold

NCM and Meridian Gold collected samples from cuttings during RC drilling. In addition, NCM collected soil and rock samples for geochemical analyses. Table 11.1 shows a summary of the type of sample collected, as well as the number of samples by deposit area.

Table 11.1

RC Drill Cutting Samples and Surface Geochemical Samples

Deposit	No. RC (1) Drill Samples	Geochemical Soil	Geochemical Rock (*)
El Zapote	10,612	151	105
Guadalupe	6,908	1,134	422
San Miguel	2,400	513	339
Noche Buena	1,671	314	111
Tahonitas	1,449	512	80
El Orito	754	564	64
Mariposa	144	651	212
Other Areas	0	621	115
Total	**23,938**	**4,460**	**1,448**

Note: (1) NCM and Meridian samples, (*) Underground samples not included

Reverse Circulation Drilling Sampling and Analyses

Reverse Circulation (RC) samples were collected at 1.52 m intervals (five feet) from 133 mm (5.2 inch) diameter drill holes. Samples were collected from the cyclone into collection buckets. Dry samples were split using a Jones riffle splitter, while wet samples were split via a rotary splitter. A five kg split was placed into a plastic sample bag to be sent to the laboratory for analyses, while a duplicate sample, which varied from 15 to 20 kg, was stored in a second sample bag. The lithology, alteration, and mineralization were recorded on site for each sample.

Once received, samples were prepared by Bondar- Clegg de México, S.A. de C.V. (Bondar- Clegg México) with exception of one series of drill holes (ZA-016 to ZA-053) that was analyzed by SGS-XRAL laboratories; both laboratories are in Hermosillo, Sonora, México. Sample preparation by

Bondar- Clegg México involved the sample being crushed by jaw and cone crushers until 75 percent passed through a 10 mesh. Representative 250-gram splits of the crushed sample were obtained using a Jones riffle splitter. These splits were then pulverized to -150 mesh using a ring and puck pulverizer.

The sample pulps were sent to Bondar-Clegg and Company Limited (Bondar-Clegg) in Vancouver, British Columbia. Bondar-Clegg, which was an accredited laboratory, was acquired by ALS Chemex in 2001. Gold assays were completed with an atomic absorption (AA) finish that was followed by a gravimetric finish if the AA gold value exceeded 10 g/t. NMC initially completed silver analyses by fire assay with an atomic absorption finish. Later, silver was analyzed by aqua regia digestion, followed by atomic absorption. Silver assay results obtained from acid digestion/atomic absorption were typically lower than those of fire assay. This discrepancy may be due to a less complete silver extraction from the samples.

Density measurements were completed by NCM on reverse circulation drill hole samples of the mineral envelope and the adjacent volcanic host rocks. In total, 1,352 density tests were completed. The density results on these cutting samples indicated a density of 2.6 g/cm^3. It was noted that these density results based on chip samples were higher than the actual bulk tonnage as fracture and void space is not adequately represented. Subsequent test work from McClelland on 16 samples from the surface metallurgical bulk samples determined a bulk tonnage average of 2.44 g/cm^3.

Soil Sampling and Analyses

NMC collected 4,640 soil samples. These soil sample were typically a mixture of B and C soil horizons that were collected at a depth of 15-20 cm. Samples were placed in kraft paper bags and shipped to Bondar-Clegg México for sample preparation. Sample preparation involved reducing the samples to minus 10 mesh using jaw and cone crushers. The entire sample was pulverized to ≥ 95% minus 150 mesh using a ring and puck pulveriser.

The pulps were sent to Bondar-Clegg in Vancouver, British Columbia. Gold analyses were completed on the samples through a 30-gram fire assay. The samples were fused with a lead flux, and the beads dissolved and analyzed using atomic absorption (fire assay/AA finish). The detection limits for this method are 5 to 10,000 ppb.

Surface Rock Sampling and Analyses

Grab and chip rock samples were collected from surface exposures along lengths up to 15 m, with sample lengths varying from 2 to 5 m. Samples typically weighed 5 to 15 kg. Samples were collected from the field camp by Bondar-Clegg México, and directly transported to their preparation facility in Hermosillo. Through the sample preparation process, samples were reduced to ≥75% minus 10 mesh using jaw and cone crushers. A 250-gram representative split of

the minus 10 mesh material was obtained using a Jones riffle splitter. This spit was further pulverized to ≥95% minus 50 mesh using a ring and puck pulveriser.

Pulps were sent to Bondar Clegg in Vancouver, British Columbia for analyses. Gold was analyzed by fire assay (30-gram cut), with an atomic absorption finish with deduction limits of 5 to 10,000 ppb gold. Samples that contained >10 grams gold per tonne gold were re-assayed using a gravimetric finish, which had a lower gold detection limit of 0.17 grams. Silver assays were completed by digestion in aqua regia and analysed by atomic absorption (detection limits: 0.1 to 50 ppm) and/or fire assay using palladium collection, and analysed by atomic absorption (detection limits: 0.7 grams per tonne). Samples with high silver values (>34 grams) were re-assayed using a gravimetric finish.

NCM determined that the fire assay technique for silver analyses of samples from the El Zapote zone yielded silver values approximately 50% higher than using the aqua regia digestion method. Since the palladium collection / fire assay method extracts a higher percentage of the total contained silver, it is possible that the rocks contain a silver-bearing silicate (possibly a zeolite) which is not digested by aqua regia. The leachable silver content of the ore is of primary interest to the company, and all silver analyses were subsequently conducted using the aqua regia digestion method.

Vista Gold

2011 Surface Rock Sampling

In 2011, Vista Gold collected 271 surface rock samples, which ranged from 1 to 3 kg. Samples were sent to ALS Chemex de México, S.A. de C.V. (ALS Chemex) in Hermosillo, Sonora, for sample preparation. Once received by ALS Chemex, surface rock samples were inventoried, weighed, and crushed so that 70% of the material would pass through a 10-mesh size. The sample was then processed through a riffle splitter to obtain a homogenized subsample. A pulp of the material was created from the collected subsample by pulverising the subsample so that 85% of the material would pass through the 200 mesh.

Sample pulps were sent to ALS Chemex in Vancouver, British Columbia, for analyses. Pulps were analyzed for 35 elements by aqua regia inductively coupled plasma atomic emission spectroscopy (ICP-AES; ALS Code ME-ICP41), gold was analyzed by fire assay and atomic absorption spectroscopy using a 50 g subsample. When gold was detected at >2.0 g/t, the 50 g sample was reanalyzed by fire assay with a gravimetric finish. Samples with silver concentrations greater than the upper detection limited (>100 ppm) were reanalyzed using AG-OG46: ICP-AES on a 0.5-gram subsample with a 1,500 g/t upper detection limit.

Drill Program Sample Collection and Analyses

Vista Gold collected 6,397 drill core samples during their 2011-2012 drill campaign. The diamond drilling program was conducted under the supervision of Minera Cascabel. Minera Cascabel was contracted to Vista Gold to provide qualified geologists, field technicians and a core handling/cutting crew for the Project. The diamond drill core was boxed and stacked at the rig by the drill crews. Core was then picked up daily by the staff geologist, or his designate, and transported directly to Guadalupe de los Reyes exploration camp for processing and sampling. The facilities consisted of secured storage and a core cutting area located in the village of Guadalupe de los Reyes. Processing of the core included digital photographing, geotechnical and geological logging, and marking the core for sampling. Zones of strong alteration, quartz veining, and quartz vein stockworks were sampled for assay. A minimum of eight to ten metres of unmineralized core were sampled in the hanging wall and foot wall to ensure that the mineralized zones were bounded for modeling. The geologists logging the core were encouraged to "over sample" when in doubt. Intact, competent core was cut using a diamond saw. Broken zones with samples too small for the saw were broken with a mechanical splitter. Each sampled interval was placed in marked plastic bags and contained a sample tag with a unique sample number. Samples were collected based on geologic breaks, but no sample interval in mineralized zones was greater than 1.0 meter. The minimum core length was 0.4 m. Half of the core was used for assay testing while the remaining half is conserved for future reference and metallurgical test work. Standards and blanks were placed in plastic bags for inclusion in the shipment at appropriate intervals. When a sequence of five samples was completed, it was placed in plastic or rice bags, and secured with industrial tape. All samples were kept in the secure area until shipped for assay. Only complete holes were shipped. A transmittal letter listing the shipment contents was included with each shipment, and a copy was scanned and emailed to the laboratory separately.

When core samples were received by ALS Chemex, Hermosillo, the samples were inventoried. Samples were dried and crushed to 70% less than 10 mesh. A 250-gram sub sample split was pulverised to 85% less than 200 mesh. Gold was assayed by fire assay with an ICP-AES finish (AU-ICP21) on a 30-gram subsample. Silver and 47 other elements were analyzed by four-acid digestion and inductively coupled plasma mass spectrometry (ICP-MS). Samples with gold concentrations greater than the upper detection limit of 10.0 ppm had a 30-gram subsample analyzed by fire assay and a gravimetric finish. Samples with silver concentrations above detection (100 ppm) also had a 30-gram subsample analyzed by fire assay with a gravimetric finish.

Check analysis on pulps was done at Acme Labs in Vancouver, BC. Gold was analyzed by fire assay on 30-gram sub-sample with an ICP-AA finish and silver was analyzed by a 4-acid digestion and ICP-AES finish. Sample pulps that returned > 10 ppm Au had a second pulp fire assayed with a gravimetric finish.

Great Panther

Great Panther Drilling Program

The Great Panther drill program was supervised by Great Panther personnel. The drilling was carried out by Maza Diamond Drilling of Mazatlán, México, using a track mounted HTM 2500 drill rig generating HQ or NQ core. The diamond drill core was boxed and stacked at the rig by the drill crews. Core was then picked up daily by the staff geologist, or his designate, and transported directly to Guadalupe de los Reyes for processing and sampling. The facility at Guadalupe is outside and unsecured, but only used for temporary storage while the core is being processed. Once core logging and sampling was completed, the core was moved to a secure location in Cosalá, and then subsequently moved to a core storage facility in Hermosillo.

Processing of the core included digital photographing, geotechnical and geological logging, and marking the core for sampling. Core intervals that contained strong alteration, quartz veining, and quartz vein stockworks were marked for cutting and sampling. Competent core was cut using a diamond saw. Broken zones with samples too small for the saw were broken with a mechanical splitter. Each sampled interval was tagged and put in plastic bags with unique sample numbers. Samples were not collected across geologic breaks and sample intervals did not exceed 2 m. The minimum core length was 0.35 metres. Half of the core was used for assay testing while the remaining half was conserved for future reference and metallurgical test work. All the samples were kept in a secure area until shipped for assay.

Samples were dispatched to SGS Durango by independent surface carrier. SGS is an ISO/IEC 17025 certified laboratory. Once received by the laboratory, samples were prepared using a standard rock preparation procedure (drying, weighing, crushing, splitting, and pulverization with 85% < 75 microns). The samples were then analysed by inductively coupled plasma atomic emission spectrometry (ICP-AES) for a suite of 34 trace elements. Gold and silver were analysed by fire assay and atomic absorption on 30-gram sub-samples with over limit samples re-analyzed with a gravimetric finish.

Surface Sampling and Analyses

Great Panther collected 406 surface and underground (adit) rock samples. Samples were collected by hand and weighed between 2 kg and 6 kg. All samples were described and tagged in the field with coordinates taken by GPS at each surface sample site, and measured from adit entrance for underground samples.

Surface rock samples collected by Great Panther were submitted to SGS laboratory in Durango, México for preparation and analysis. All samples were dispatched to Durango by independent surface carrier. The Durango laboratory is ISO/IEC 17025 certified. At SGS, all samples were prepared using a standard rock preparation procedure (drying, weigh, crushing, splitting and pulverization with 85% < 75 microns). The samples were then analysed by inductively coupled plasma atomic emission spectrometry (ICP-AES) for a suite of 34 trace elements. Gold and silver

were analysed by fire assay and atomic absorption on 30-gram sub-samples with over limit samples re-analyzed with a gravimetric finish. No standards were submitted with surface rock samples.

Prime Mining

Surface Sampling Program

Prime Mining personnel collected 724 samples from 24 trenches, 101 samples from historic underground workings, and 995 samples from 30 sets of outcrop exposures along historic road-cuts. All samples were collected from 1.5 m intervals, with careful attention to consistent volume of material along the interval. Samples weighed on average 6.25 kg. Trenches were hand dug using pickaxes and shovels to a depth of not more than 1.5 m for safety considerations. Where the bedrock contact consisted of broken rubble, which is typical, a trench was dug to competent material. Road and adit samples were also at 1.5 m intervals and were collected using a hammer and chisel.

Geologists measured the sample intervals, checking that a consistent sample could be collected. A geologist supervised the sampling team as they collected samples, using chisels and hammers as necessary, putting the material into prelabeled sample bags. Once collected, the geologist marked the intervals with an aluminum tag indicating sample number, date, and geologist's initials, completed the sample ID tag, and inserted a tear-off ID tag into the sample bag. Each sample was described by a geologist using a standardized sample description form. Following completion of the sample description, the sample bag was then closed using a tie strap. Samples were placed in larger prelabeled rice bags, maximum eight samples to a bag, and tie strapped shut.

Due to the nature of the sampling program, the start point of each sample set was determined using a Garmin GPS, and an azimuth was recorded. Road cut samples required numerous azimuth recordings due to the variability of the roads. Sample locations were checked against road locations, which are digitized from sub-one metre satellite imagery for best precision. The end points of road and trenches were also collected. Start and end locations were checked and rechecked to verify accuracy.

At the end of each day, samples were taken to a secure facility in Cosalá, inventoried, and stored. Bureau Veritas picked up the samples under the supervision of a company geologist. The samples were delivered to Bureau Veritas's laboratory, located in Durango, where the samples were inventoried against a shipping sample list.

All samples undergo the same analytical procedure. Samples were initially weighed, crushed, and a 250-gram split was taken to be pulverized to 200 mesh (75 microns). A 30-gram subsample was taken for fire assay fusion, and analyzed for gold content by atomic absorption spectroscopy, having a gold detection limit between 0.005 ppm and 10 ppm. For samples that returned greater

than or equal to 10 ppm gold, a second 30-gram subsample was reanalyzed by fire assay with a gravimetric finish, which has a lower detection limit of 0.9 ppm gold, and no stated upper limit. A 0.25-gram subsample was digested in a 4-acid solution and analyzed by inductive couple plasma emission spectroscopy, which provides 35 element concentrations, including silver, with a detection limit of between 0.5 ppm and 200 ppm. Samples with greater than or equal to 200 ppm silver had another 30-gram sub-sample fire assayed with a gravimetric finish, and 20 ppm silver lower detection limit.

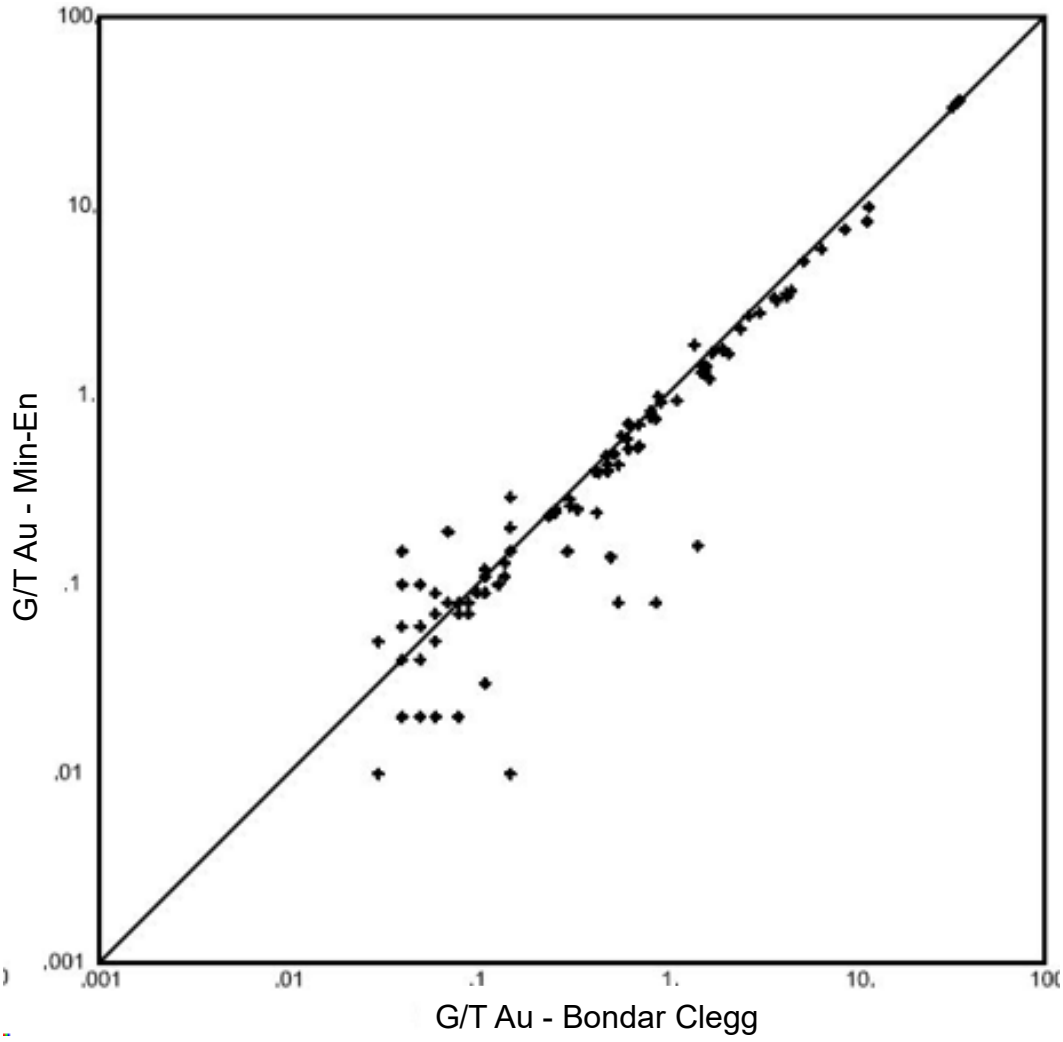
11.2 Quality Control

Northern Crown Mines

NCM had approximately 10 percent of the sample intervals in the mineralized zone sent for duplicate analysis by a second laboratory to evaluate the quality of the sample analyses. Check assay data for samples from the El Zapote area is shown in Figure 11-1, 11-2, and 11-3. Check samples were analysed from the 1996 and 1997 drilling programs. For this work, Bondar-Clegg supplied the sample pulps to Min-En Laboratories (Min-En) in Vancouver, British Columbia. Min-En analyzed the sample pulp material utilizing similar methodology as described by Bondar-Clegg.

Statistical evaluation of the samples collected from the 1996 drill program had a log normal correlation coefficient of 0.94 (out of 1.00) between the duplicate samples (Figure 11-1). Overall, the variance between most sample-duplicate pairs was + 20 percent. Pincock, Allen & Holt noted that there was a tendency, on the part of several samples, for the Bondar-Clegg analysis to be significantly higher than that from Min-En. A comparison of the average grades of the sample pairs found that, contrary to the 1997 drilling, the Bondar-Clegg originals were 10 percent higher than the Min-En duplicates. Pincock, Allen & Holt proposed that a 10 percent difference was the limit of what is acceptable by normal engineering practice.

Statistical evaluation of the samples analysed from the 1997 drilling program determined a log normal correlation coefficient of 0.98 (out of 1.00) between the duplicate samples (Figure 11-2). Overall, the variance between most sample-duplicate pairs was + 30 percent, and is typical of structural zone gold deposits. There was, however, a tendency on the part of several samples for the Bondar-Clegg analysis to be significantly higher than that from Min-En. A comparison of the average grades found that the Bondar-Clegg originals were about 5 percent lower than the Min-En duplicates, a difference that is acceptable by normal engineering practice.



1996 Drilling – Drill Holes 66-87

NUMBER OF SAMPLES	=	130
MEAN OF PRIMARY (X)	=	1.3984
VARIANCE OF PRIMARY (X)	=	20.718
MEAN OF SECONDARY (Y)	=	1.2675
VARIANCE OF SECONDARY (Y)	=	20.201
COVARIANCE	=	20.369
LOG CORRELATION COEFICIENT	=	0.9390

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Duplicate Sample Analyses from 1996 NCM Drilling Campaign - Min-En & Bondar Clegg

Figure 11-1

Notes
1. Data Source: Prime Mining Corp.

DRAWN BY: M.B.
CHK'D BY: A.T.
DATE: 20/ 03/ 26

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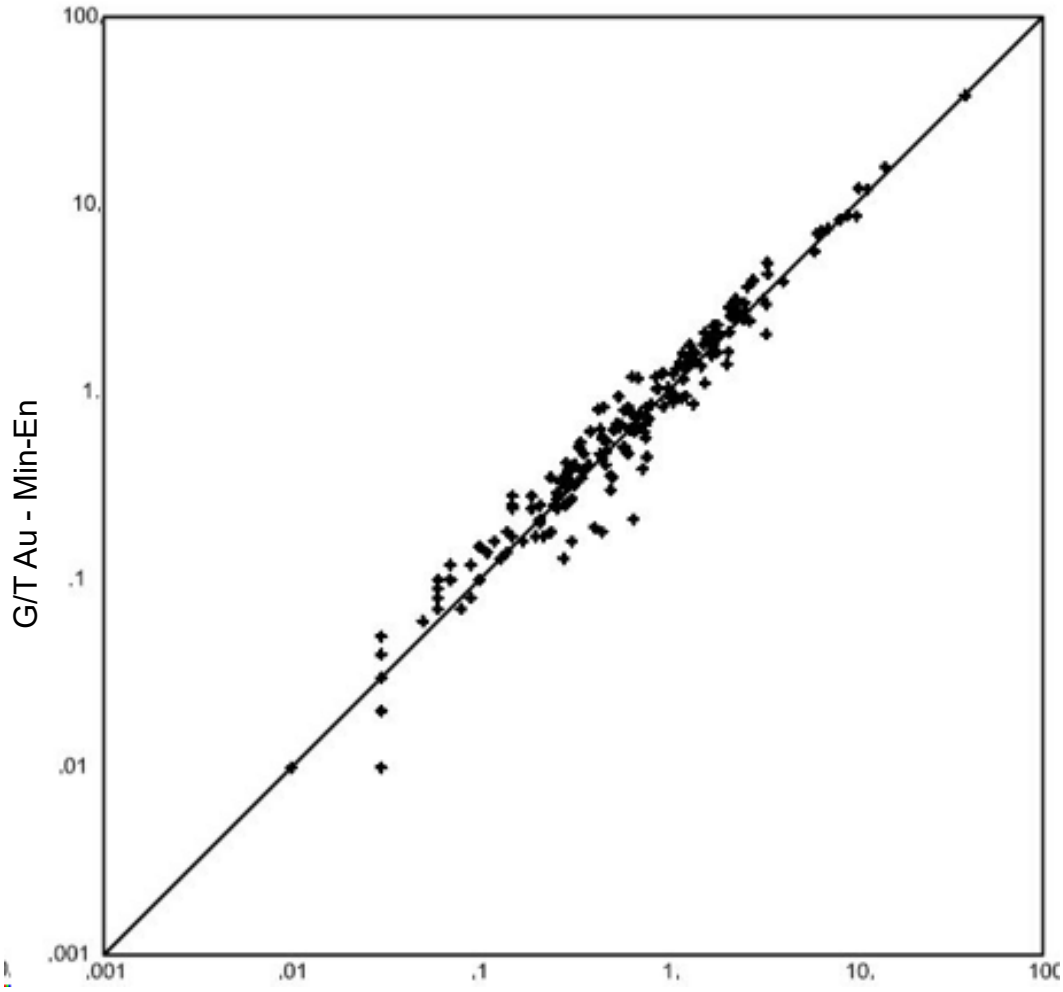

1997 Drilling – Drill Holes 88-197

NUMBER OF SAMPLES	=	194
MEAN OF PRIMARY (X)	=	1.5185
VARIANCE OF PRIMARY (X)	=	11.501
MEAN OF SECONDARY (Y)	=	1.5961
VARIANCE OF SECONDARY (Y)	=	11.748
COVARIANCE	=	11.562
LOG CORRELATION COEFICIENT	=	0.9778

Notes
1. Data Source: Prime Mining Corp.

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Duplicate Sample Analyses from 1997 NCM Drilling Campaign - Min-En & Bondar Clegg

Figure 11-2

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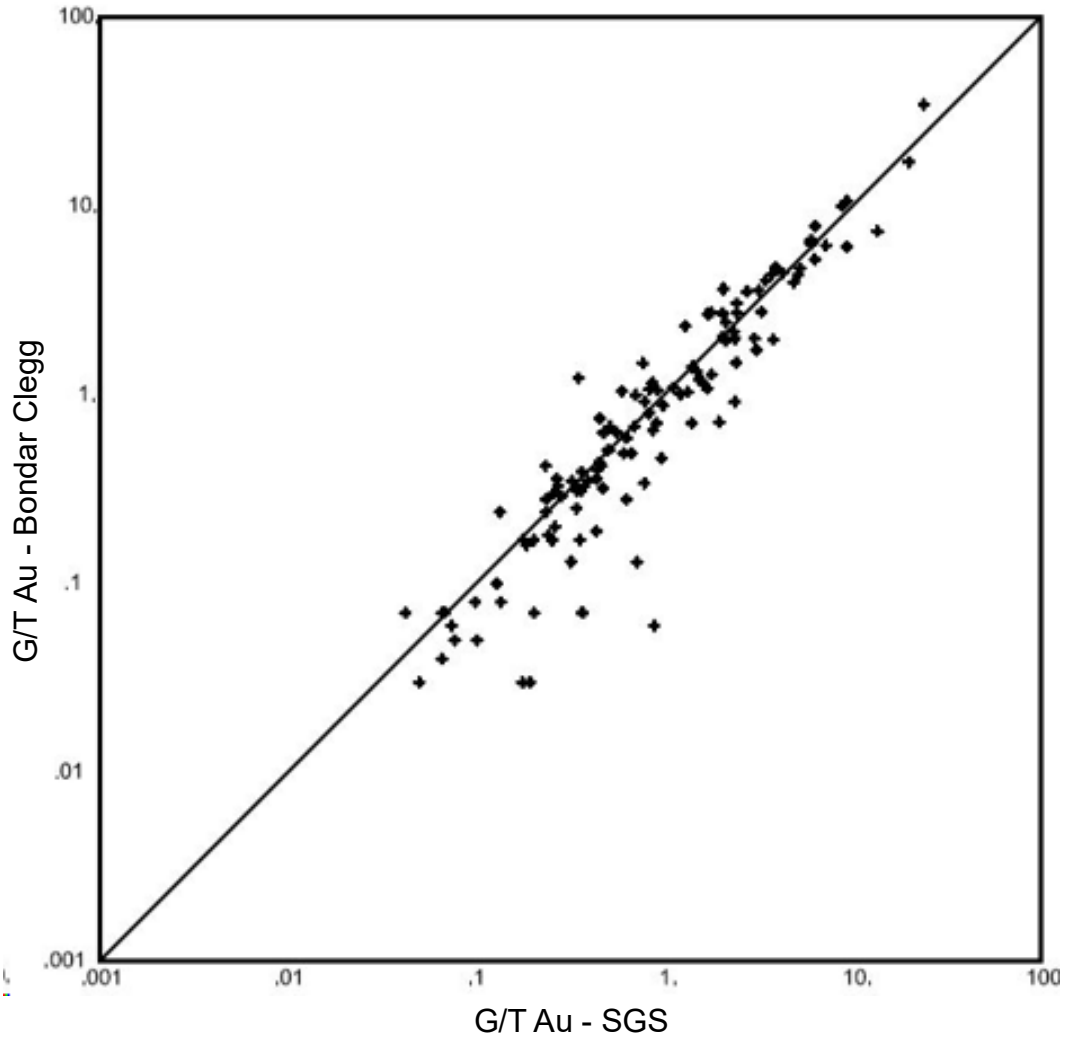

1992 - 1995 Drilling – Drill Holes 1-65

NUMBER OF SAMPLES	=	131
MEAN OF PRIMARY (X)	=	1.8694
VARIANCE OF PRIMARY (X)	=	11.258
MEAN OF SECONDARY (Y)	=	1.8082
VARIANCE OF SECONDARY (Y)	=	14.338
COVARIANCE	=	12.011
LOG CORRELATION COEFICIENT	=	0.9349

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Duplicate Sample Analyses for 1992 to 1995 NCM Drilling Campaign - SGS & Bondar Clegg

Figure 11-3

Notes
1. Data Source: Prime Mining Corp.

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Check analyses were also conducted on material from earlier drilling programs between 1992 and 1995 (ZA-016 to ZA-065), with original analysis largely by SGS-XRAL laboratory for drill holes ZA-016 to ZA-053 and to a lesser extent by Bondar-Clegg for drill holes ZA-054 to ZA-065, with the duplicate checks conducted by Bondar-Clegg. The evaluation completed by Pincock, Allen & Holt identified a log normal correlation coefficient of 0.93 (out of 1.00) between the duplicate samples (Figure 11-3). These data showed more variance than that of the 1996 and 1997 drilling, with the variance between most sample-duplicate pairs being + 45 percent, indicating less analytical precision than in the later sample analyses. Comparison of the average grades found that the riginal analyses were 3% higher than the duplicates, a difference acceptable by normal engineering practice.

Overall, Pincock, Allen & Holt concluded that the results from the check assaying were reasonable. Pincock, Allen & Holt recommended the inclusion of standard samples to assess analytical precision. In addition, field duplicate samples and blank samples would allow for an assessment of sample preparation procedures.

It was the opinion of Pincock, Allen & Holt that the sampling methods and analyses completed on the deposits of the Los Reyes project were in accordance to accepted industry standards and practices at the time.

Vista Gold

Control samples were included in each batch of samples that Vista Gold submitted to Chemex at a frequency of one in 20 samples. Control samples consisted of the following:

- Coarse blanks: washed construction gravel obtained locally;
- Standards: certified standards, submitted as pulps (Predominately RockLabs CRMs);
- Replicate assays of a second pulp from coarse rejects by Chemex Labs; and
- Assays of duplicate pulps from the same sample by the Acme Labs.

Standards and blanks are generally inserted samples, however, the geologist logging the hole had the flexibility to ensure that control samples were inserted at every twentieth sample within or after suspected high grade intervals. Additional blanks were inserted within or following these intervals to check for contamination during preparation.

The quality control program made use of commercial reference material (standards) purchased for the program. There were 237 prepared standards inserted into the sample stream. The majority were purchased from RockLabs of New Zealand (221 CRMs), along with 16 from CDN Labs of Vancouver, Canada (CDN-GS-5G). Standards returned within two standard deviations of the recommended gold value in 96.41% of the analyses. All the RockLabs standards have only a recommended gold value. All 16 CDN Standards silver values returned analyses within two standard deviations of the recommended value. Blanks returned only one value above 0.2 ppm

gold, and five blanks returned gold values between 0.05 – 0.1 ppm gold; 89.9% returned <0.01 ppm gold.

Chemex prepared a second pulp from every twentieth sample and sent the samples to Acme for the second lab check. Chemex was instructed to include a standard provided by Vista Gold with every shipment at a minimum rate of 1 per 20 samples. Comparison of duplicate samples shows an acceptable correlation with R2 value of 96.73% for gold values and 97.23% for silver values. Of the Acme re-runs, two samples returned gold above detection limits, and one sample with silver above detection. These were removed from the comparison. Figure 11-4 shows the comparisons between the two laboratories.

Chemex was instructed to retain the sample rejects for 90 days after which all pulps and rejects were returned to Vista Gold for long term storage. All core, pulps, and rejects are currently stored in a warehouse in Hermosillo, Sonora, México.

The Author's opinion is that the standards and duplicate samples indicate the sample analysis quality was adequate.

Great Panther

Drilling

Great Panther geologists inserted a blank and standard every twentieth sample and a duplicate sample was inserted every fortieth sample. Great Panther used standards created by SGS Laboratories. In all, Great Panther submitted 61 standard reference material samples, 61 blanks, and 48 duplicate samples. Three standards returned values in excess of three standard deviations for gold, and five silver standards were above three standard deviations (Figure 11-5). All sample batches that exceed the ± 3 standard deviations were re-assayed. Two blank samples returned anomalous values for silver (5 and 6 g/t specifically) but no action was taken. Great Panther also submitted 48 duplicate drill core samples for assays.

Prime Mining

Surface Sampling Program

A quality assessment program that included blanks, reference standards (certified reference materials or CRMs), and check assays was implemented by Prime Mining to monitor the ongoing integrity of assay results.

Trench, adit, and road-cut sampling all followed a quality control program. For each batch of samples, control samples were inserted into the sample stream at predetermined intervals as outlined below. Every odd tenth sample of a batch was a prepared blank, and every twentieth sample was a prepared standard. Standards were purchased from CDN Laboratories Ltd. based in Vancouver. The blank standard is CDN-BL-10 with a recommended value of <0.01 g/t Au. Standards are predominately GS-1Z with a certified value of 1.155 g/t Au (±0.095 g/t) and 89.5 g/t Ag (±4.4 g/t). The gold standard is based on 30-gram fire assay and the silver is based on 4-acid

digestion the same type of procedure employed in Prime Mining's analyses. Other standards include CDN-ME-1101 (0.564 ±0.056 g/t Au, 68.2 ±4.6 g/t Ag), CDN-ME-1205 (2.20 ±0.28 g/t Au, 25.6 ±2.4 g/t Ag). Ten standards were from an unknown source. (Figure 11-6)

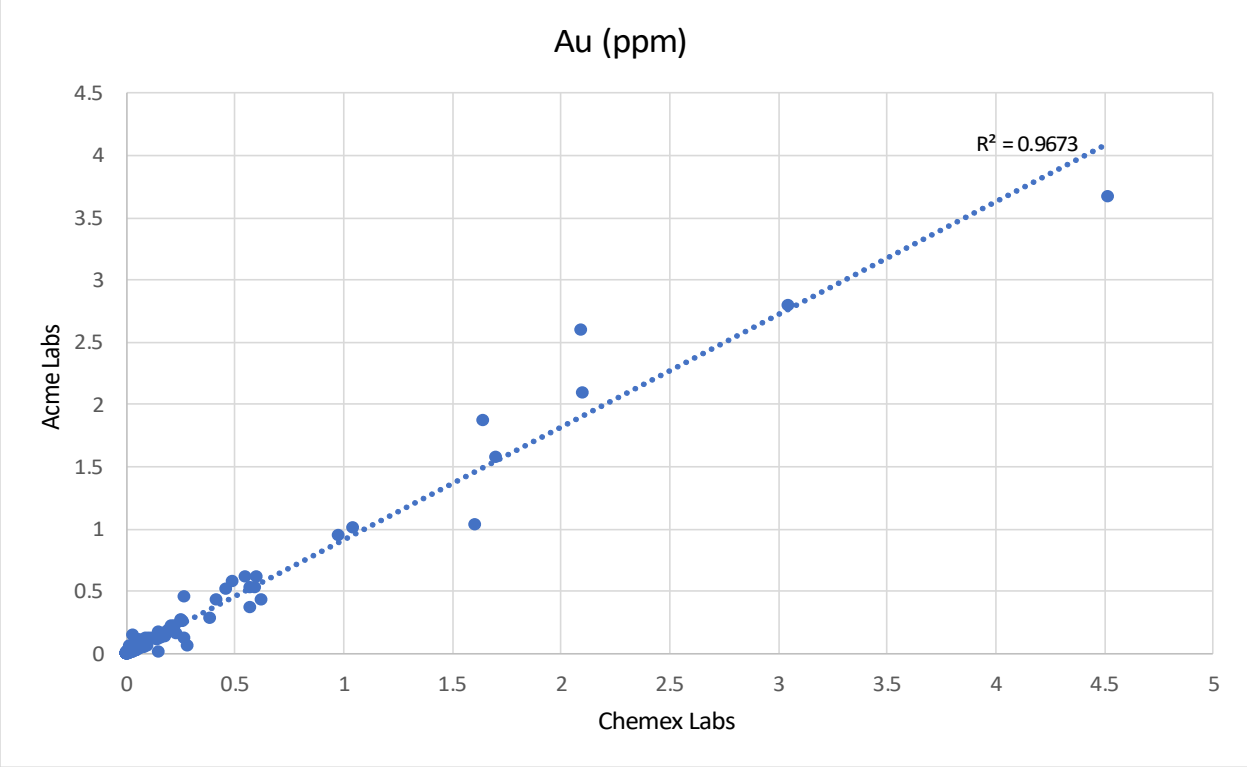
From the GS-1Z standards, eight of 70 (11.4%) gold concentrations were above the recommended two standard deviation range, including two consecutive and four above three standard deviations. As per Bureau Veritas's reanalysis policy, the batches with standards returning values above three standard deviations, and those with two standards consecutively above two standard deviations, had a selection of three samples before and three samples after reanalyzed for comparison. In all cases, the repeat analysis showed good correlation to the original (R^2=0.9671). All silver concentrations were within recommended thresholds (Figure 11-6).

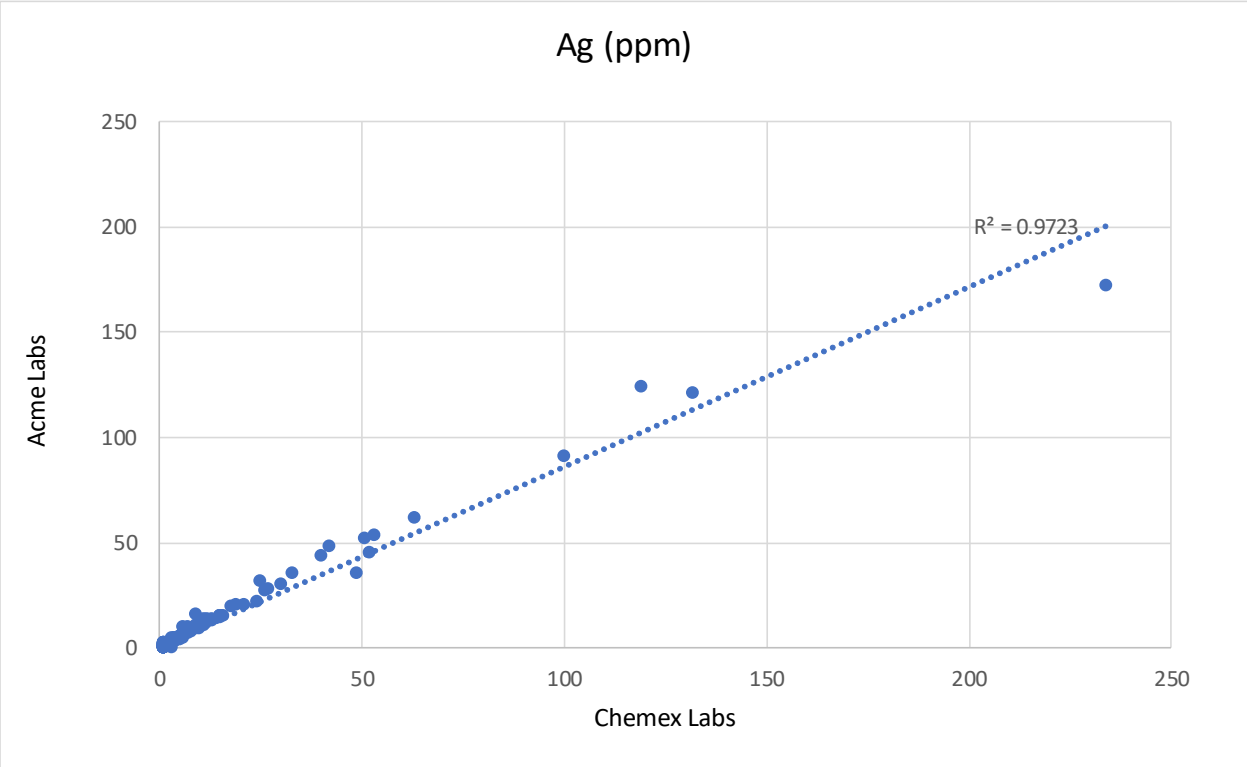
From the CDN-ME-1101 standards, two of 17 (11.7%) gold concentrations were above the two standard deviation recommendation thresholds by 0.01 ppm. These two samples were not consecutive. No action was taken. All silver concentrations were within recommended thresholds (Figure 11-6).

From the CDN-ME-1205 standards, one of 13 (7.6%) gold concentrations was above the two standard deviation recommendation thresholds by 0.01 ppm. No action was taken. All silver concentrations were within recommended thresholds (Figure 11-6).

From the CDN-BL-10 blanks, 14 of 105 (6.8%) were above the <0.01 ppm gold, and one sample was 0.023 ppm gold. These blanks were deemed to generally be within acceptable limits. Note that blank values below detection were set to zero (Figure 11-6).

A selection of 48 sample coarse rejects and corresponding pulps were submitted to SGS laboratories in Durango for check analyses. This represents 5.2% of the sample population. CRMs were also submitted with the rejects and pulps including five gold standards and two blanks. Samples were selected based on: 1) certificate batches that have any standard/blanks that are reported outside recommended values; 2) samples with elevated silver or gold, but uncharacteristic corresponding silver or gold values based on review of other samples (surface and core/chips) from that particular deposit; 3) other marker elements based on sample reviews; and 4) gaps in the mineralization. Samples selected for coarse reject reanalysis included samples that stood out, based on the above criteria, as well as adjacent samples into a mineralized zone. Checks were also done on samples that ran elevated gold/silver. The results of these check analysis were not yet completed for inclusion in this report.





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Vista Gold Duplicate Sample Analyses Acme and Chemex Labs

Figure 11-4

Notes
1. Data Source: Prime Mining Corp.

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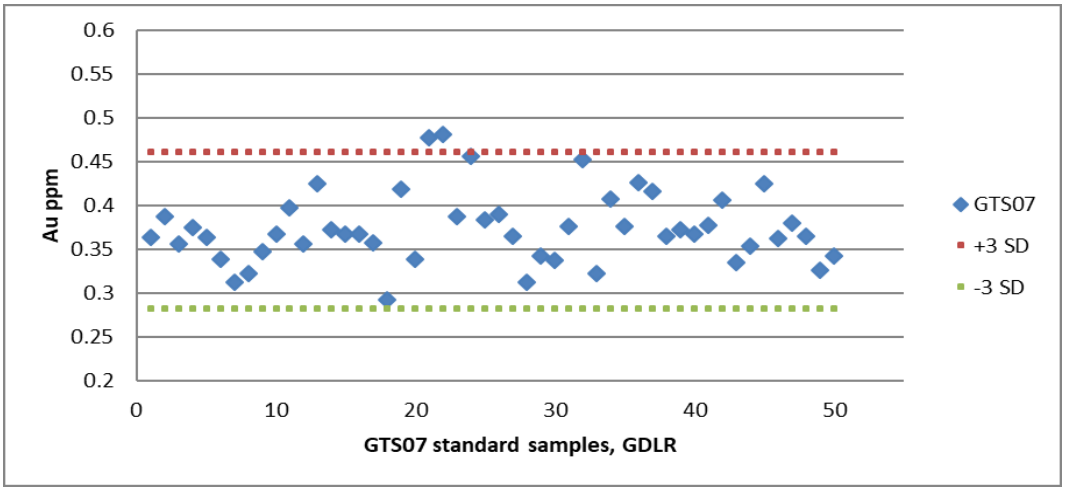

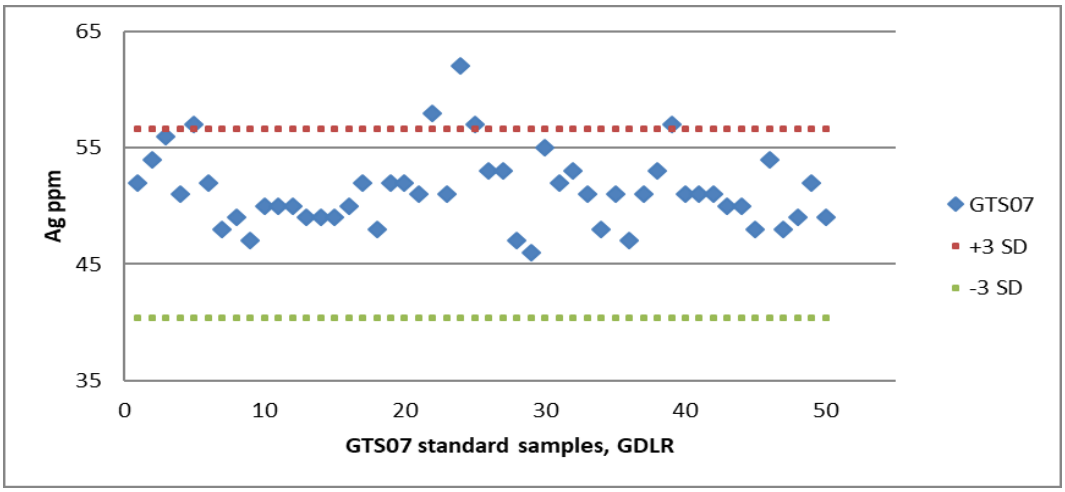

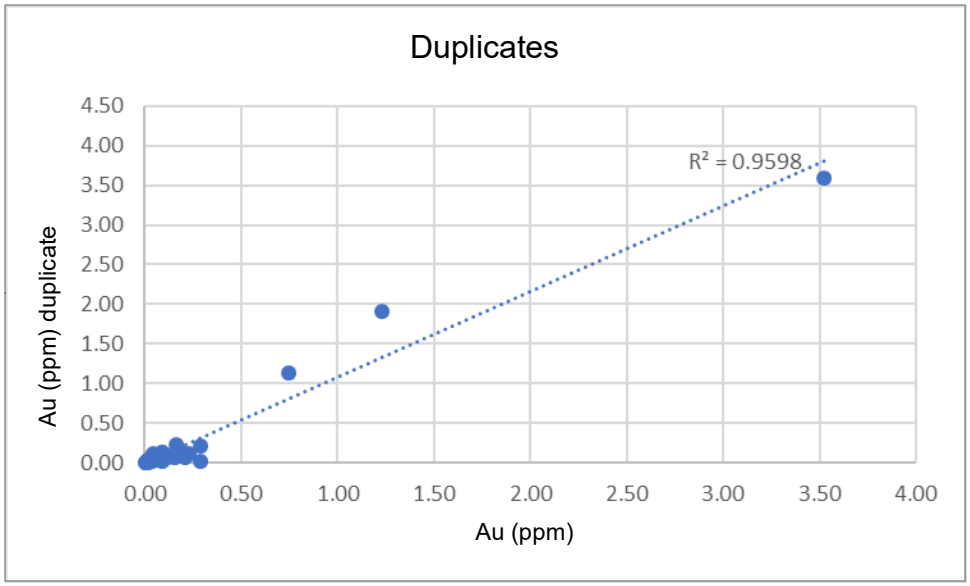

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Great Panther
Standard and Duplicate Analyses

Figure 11-5

Notes
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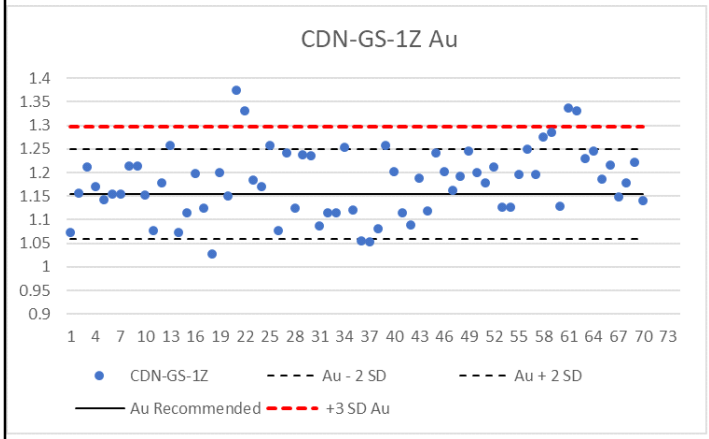

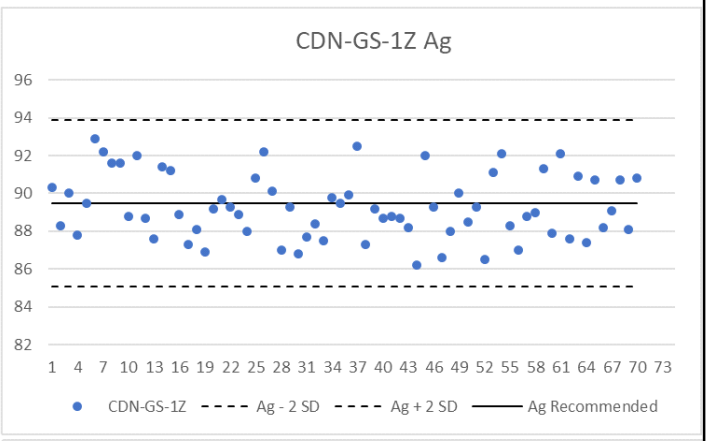

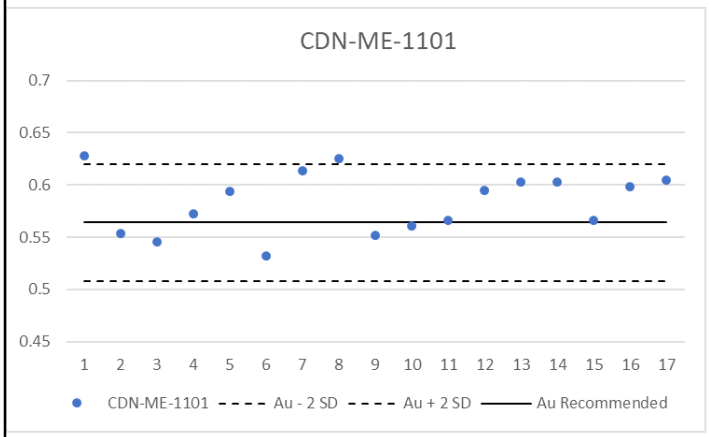

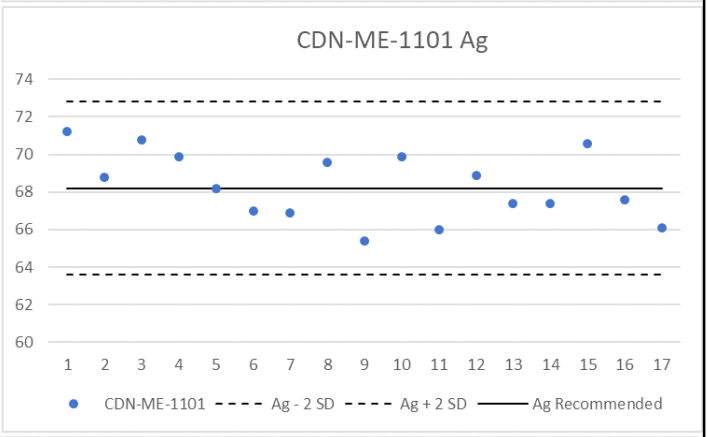

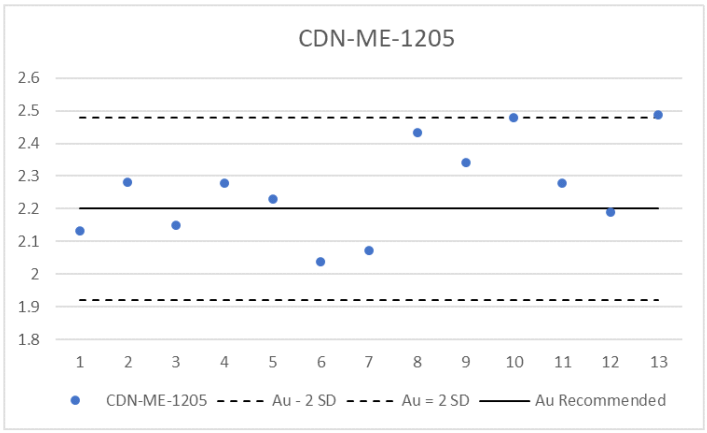

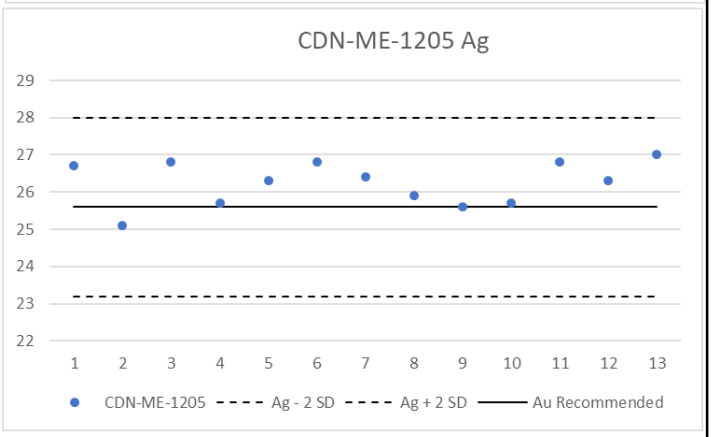

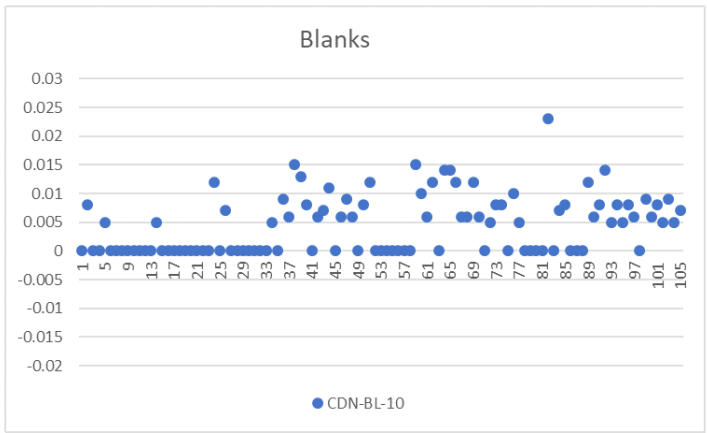

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Prime Mining Standards and Blanks Analyses

Figure 11-6

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12 DATA VERIFICATION

12.1 Property Investigation, Material Sampling, and Validation

The goals of the site investigation by the Qualified Person were three-fold: 1) to validate that the proposed mineralized system conformed to textures that align with a low sulphidation epithermal deposit type; 2) to validate sample locations and collect samples so that an independent assessment could be completed to assess the presence of gold and silver across the Property; and 3) to validate the locations of historic drill holes. The Property investigation was completed between January 8 to 11, 2020. The Author was accompanied by a Prime Mining representative, three site geologists, and a sampler. Most areas of the Property are easily accessible by road.

Deposit Type Validation

Textures of the mineralized rock that were observed by the Author during the site visit are consistent with epithermal deposits. These observed textures include:

- bladed silica following replacement of calcite blades that is indicative of a boiling environment in the upper sections of an epithermal fluid system;
- heterolithic hydrothermal breccias with multiple phases of silica cementation, which support intense hydrothermal activity at depth that has undergone adiabatic boiling and silica precipitation; and
- chalcedonically banded silica that is indicative of rapid silica precipitation following depressurization.

Material Sampling Validation

The Qualified Person completed rock and chip sampling from deposits on the Property. Samples were approximately one to three kg in weight and were sealed in a plastic bag in the field. The samples were transported from the Property to Calgary, Alberta, on January 11, 2020 by the Qualified Person. The samples were delivered by the Qualified Person to AGAT laboratories on January 13, 2020. Upon arrival, samples were inspected to verify that sample bags were not compromised during transport. A chain-of-custody document was signed by AGAT on January 13, 2020, to document the sample custody transfer. The final analytical results were received on February 4, 2020.

Analyses included determination of metals using 4 acid digestion with ICP/ICMS finish; silver values greater than 100 ppm were re-assayed with gravimetric finish. Gold analyses was completed by fire assay with gravimetric finish, and specific gravity was determined by pycnometer. Table 12.1 shows a comparison of samples collected during the site investigation relative to previously sampled areas. It is the opinion of the Qualified Person that when considering the practical limit of error for the types of sample collection methods, the analytical results presented by Prime Mining are accurate.

Table 12.1

Validation of Sample Locations and Grades

Northing (NAD 27)	Easting (NAD 27)	Area	Data Received from Prime Mining					Stantec Site Investigation Data				
			Prime Sample Number	From (m)	To (m)	Au[1] (g/t)	Ag[2] (g/t)	Stantec Sample Number	Au[3] (g/t)	Ag[4] (g/t)	Specific Gravity[5] (g/cm^3)	Sample Type
2684617	344171	**El Zapote South**	LRC464	7.5	9	1.6	66.4	11021	3.7	66.2	2.69	1.5-metre chip sample
2684706	344194	**El Zapote South**	LRZ-783	25.5	27	4.1	32.0	11022	<0.5	14.8	2.64	Grab sample
2684659	344164	**El Zapote South**	LRC-461	3	4.5	1.3	43.3	11023	3.9	53.7	2.61	Grab sample across 1.5 metres
2684858	344158	**El Zapote South**	LRZ-705	33	34.5	18.0	77.1	11024	20.3	78.1	2.64	Chip sample across 1.5 metres
2684968	344085	**El Zapote North**	LRC742	18	19.5	10.1	66.3	11025	5.4	59.9	2.67	Chip sample across 1.5 metres
2685168	344182	**El Zapote North**	LRC-425	12	13.5	17.1	37.3	11026	7.9	25.8	2.66	Chip sample across 1.5 metres
2685285	344097	**El Zapote North**	LRC-149	39	40.5	1.8	14.6	11027	1	18.1	2.62	Chip sample across 1.5 metres
2685308	344116	**El Zapote North**	LRC-183	84	85.5	6.6	26.5	11028	10.1	28.5	2.61	Grab sample across 1.5 metres
2685327	347060	**El Zapote North**	LRC-189	93	94.5	1.0	32.8	11029	<0.5	16.7	2.64	Grab sample
2685532	345923	**Guadalupe West**	LRZ-553	1.5	3	1.3	19.9	11030	1.33	63.7	2.67	Grab sample from outcrop
2685545	345938	**Guadalupe West**	LRZ-581	39	40.5	13.1	186.2	11031	12	152.0	2.64	Grab sample from trench
2685563	345745	**Guadalupe West**	-	-	-	-	-	11032	7.9	83.5	2.62	Grab sample along road cut
2685356	344452	**San Miguel West**	LRZ-144	34.5	36	4.5	33.7	11033	1	31.9	2.67	Grab sample
2685325	344556	**San Miguel West**	2PC-093	-	-	-	-	11034	<0.5	18.2	2.63	Grab sample
2685125	345083	**San Miguel East**	-	-	-	-	-	11035	0.5	13.7	2.62	Grab sample

[1] Lead collection fire assay fusion with AAS finish and Fire assay with gravimetric finish for Au values over 10 g/t

[2] Four acid digest with ICP/ES finish

[3] Fire Assay for Au with gravimetric finish

[4] Four Acid Digest with ICP/ICMS finish to upper detection limit (100 ppm). Fire Assay for Ag with gravimetric finish completed on samples where Ag > 100ppm.

[5] Specific gravity measurement using pycnometer

Historic Drill Hole Validation

During the site investigation of the Property, the Qualified Person located drill collars from the previous field campaigns. Table 12.2 compares locations of collars observed by the Qualified Person relative to the locations of these drill holes documented in the project database.

Table 12.2
Property Investigation Hole Locations

Drill Hole Name	Data Received from Prime Mining					Site Investigation Data		Difference	
	Hole Azimuth	Hole Inclination	Range	Northing (NAD 27)	Easting (NAD27)	Northing (NAD 27)	Easting (NAD27)	Δ Northing	Δ Easting
12GL-01	220	52	13	2685347	347069	347073	2685346	-4	1
12GL-02	200	75	13	2685287	347123	347125	2685289	-2	-2
12GL-04	220	52	13	2685321	347115	347112	2685318	3	3
12SM0-05	25	60	13	2685024	345211	345209	2685024	2	0
12SM-09	28	65	13	2685063	345161	345158	2685061	3	2
12ZAP-02	70	75	13	2685195	344076	344073	2685196	3	-1
12ZAP-04	0	90	13	2685236	344017	344017	2685235	0	1
12ZAP-10	70	75	13	2685238	344066	344067	2685241	-1	-3
15GDLR-001	10	60	13	2685502	345943	345943	2685503	0	-1
15GDLR-008	0	70	13	2685346	347070	347066	2685342	4	4
15GDLR-009	350	44	13	2685297	347036	347037	2685302	-1	-5
15GDLR-017	340	45	13	2685300	344391	344391	2685301	0	-1
15GDLR-022	0	70	13	2685030	345211	345211	2685029	0	1
15GDLR-018	50	45	13	2685306	344397	344399	2685308	-2	-2
15GDLR-033	71	54.5	13	2685179	344066	344069	2685179	-3	0
ZA010	0	90	13	2684611	344149	344132	2684611	17	0
ZA104	70	69	13	2684838	344104	344106	2684835	-2	3
ZA105	70	85	13	2684839	344102	344106	2684835	-4	4
ZA163	70	65	13	2685342	344050	344051	2685344	-1	-2

12.2 Limitation to Data Validation by Qualified Person

Limitations to the validation that the Qualified Person was able to complete are listed below:

- The Qualified Person was not involved in the Property prior to 2019, and did not complete a field visit until 2020, and therefore cannot validate the field procedures used during drilling and sample collection prior to the involvement by Prime Mining.
- The core storage facility was not proximal to the Property area, and the Qualified Person did not travel to Hermosillo to review the core.
- Laboratory inspections were not completed by the Qualified Person.

12.3 Opinion of the Independent Qualified Person

It is the opinion of the Qualified Person(s) that the field procedures and sampling protocols that were implemented by Prime are reasonable. Also, the quality of the laboratory testing completed during the various stages of the Los Reyes project are reasonable. The independent Qualified Person(s) is confident that the samples and associated laboratory datasets that are used in this Technical Report are accurate.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

The information presented in this section was sourced from the following reports:

- Section 13 from the report titled "NI 43-101 Technical Report Los Reyes Gold/Silver Project Sinaloa, México" with an issue date of June 25, 2019; and
- Section 16 from the report titled "Technical Report Los Reyes, Gold-Silver Project, State of Sinaloa, Western México" with an issue date of April 11, 2005; and
- Section 13 from the report titled "NI 43-101 Updated Technical Report Guadalupe de los Reyes Gold/Silver Project Sinaloa, México" with an amended and re issue date of April 16, 2018

13.1 Historical Metallurgical Test Work Prior to 1998

A summary of metallurgical work performed before 1998 is found in the 2005 report by López & Stevens. An excerpt from this report is listed below.

"According to petrographic studies the gold and silver minerals of the Guadalupe de Los Reyes Project occur as grains of native gold or electrum that typically range in size from 5 to 30 microns, with occasional coarser grains of up to 60 by 230 microns (0.23 mm). Approximately 50 percent of the grains are found liberated, while the rest are locked in quartz or occasionally intergrown with inclusions of Fe oxides. No other significant elements occur with the gold and silver that may interfere with the metallurgical recovery. Cyanidation methods are effective, provided that the grinding of the rock allows for the mineral grains to be reached by contact with the solvent solutions.

The Guadalupe de Los Reyes Mining District has recorded production of approximately 320,000 ounces of gold and 15.0 million ounces of silver since 1872 (Minas de San Luis, S.A. de C.V.) in addition to an unknown amount from the District's discovery in 1772. The majority of the production was processed by the methods of amalgamation and flotation in the Dolores plant, from 1872 to June 21, 1937 with installed capacity of 120 tpd. In 1935, the El Zapote plant-initiated operations with a capacity of 40 tpd by a combined method of amalgamation and flotation. The plant operated until November of 1944 when the companies Minas Tatemas and Zapote closed both the mine and plant. In 1939, the Chiripa mine initiated processing the ore at the new Crosolia cyanidation plant with 100-tpd capacity. The plant operated until 1944 when all mining activities in the area were shutdown due to political unrest. The gold and silver recoveries at the Crosolia plant were reported at over 90 percent. Finally, during the period of October 1988 to 1989, Compañía Minera Campanillas (Mr. Enrique Gaitán Enríquez) mined and processed 31,529 tonnes of mineral from the El Zapote deposit by vat leaching with cyanide extraction. The ore grade was reported as

containing 5.8 g/t Au and less than 50 g/t Ag. Mr. Gaitán indicated a recovery of 93 kilograms of gold or approximately 51 percent of the contained gold.

In October 1988, the Servicios Industriales Peñoles, S.A. de C.V. (Peñoles), Centro de Investigaciones Técnicas reported metallurgical test work for El Zapote samples submitted by Mr. Gaitán indicating recoveries for gold and silver by bottle roll tests of 96.70 and 49.39 percent respectively, at a size 67.04 percent passing minus 0.075 mm (-200 mesh). Column tests were carried out in several granolumetric compositions, and the best results (90.48 percent recovery for the gold and 44.51 percent for the silver) were obtained at a size of minus 0.50 mm (-35 mesh) with agglomeration. A separate sample submitted for vat leaching test reported recoveries of 55.06 percent for the gold, and 26.76 percent for the silver at a mineral size of minus 9.53 mm (3/8"). These tests indicate that recoveries are higher at finer grinding. In February 1990, a flotation test on the El Zapote mineral was also carried out by Peñoles resulting in recoveries of 84.15 and 40.43 percent of gold and silver, respectively, at a size of 81.11 percent minus 0.075 mm (-200 mesh)."

13.2 Metallurgical Test Work (1998 to 2012)

Since 1998, multiple metallurgical analyses were conducted on a range of mineral samples primarily from the El Zapote deposit. The analysis and results are summarized in Table 13.1. Details of each analyses are reviewed in the subsequent sub sections.

Table 13.1

Metallurgical Studies between 1998 and 2012

Date	Laboratory	Deposit	Analytical Method	Au Recovery (%)	Ag Recovery (%)	NaCn (kg/t)	Lime (kg/t)	CWI (Kwh/t)	Abrasion Index value
1995	Kappes, Cassiday and Associates	El Zapote	Heap leach processes: bottle roll	63.2 - 70.6	NA	NA	NA	NA	NA
1998	Mclelland Laboratory	El Zapote	Heap leach processes	76	24	0.15 - 0.37	1.4 - 2.9	NA	NA
			Comminution: crushing work index	NA	NA	NA	NA	~5	NA
2012	RDi Consulting Ltd.	El Zapote	Gravity concentration	11.8 - 32.8	1.7 - 24.3	NA	NA	NA	NA
			Flotation test	93	83	NA	NA	NA	NA
			Heap leach testing: CIL	57.7 - 98.9	28.5 - 47.2	NA	NA	NA	NA
			Heap leach testing: CIL with Pb $(NiO_3)_2$	93	83	NA	NA	NA	NA
			Comminution using Bond Ball Mill Index	NA	NA	NA	NA	16.85 - 17.44	0.2613 - 0.4619

Note: CIL = Carbon in leach

Leaching

In 1995, metallurgical testing for gold recovery was conducted by Kappes Cassiday & Associates on four drill cutting samples from the El Zapote deposit. Recovery was based on three-day leach time for bottle roll testing.

McClelland Laboratories

Analyses conducted in 1998 by McClelland Laboratories focused on the amenability of samples to heap leaching processes. Three bulk samples and eight composite RC samples from the El Zapote deposit were tested. The composite samples were comprised of 461 individual RC samples. The sample compositions were predominantly quartz stock work veins of known high grade veins. The bulk samples were taken at shallow depths which could have been subject to oxidation. It was shown during this analysis that gold recovery could be improved by grinding and leaching the material using conventional cyanidation processes. Cyanide and lime consumption were low except for cyanide consumption in some column tests (Bryan, Scharnhorst, & Spiller, 2018).

The composite samples were analysed as received (1.7mm), and the bulk samples were crushed to 12.5mm, 9.5mm, 6.3mm, and 70 percent -1.7mm for direct agitated cyanidation "bottle roll" testing. Finer sized samples yielded higher percentages of recovery. The highest gold recovery achieved was 75.4% from a minus 10 mesh composite sample after 96 hours of leaching (López & Stevens, 2005). Average gold and silver recovery within the composite samples was 58 and 22.5 percent, respectively. Table 13.2 summarizes the López & Stevens (2005).

Table 13.2

M1998 Bulk Sample Testing Results

Sample	Grind Size mm	Au Recovery (%)	Ag Recovery (%)	NaCN (kg/t)	Lime	Notes
A-Zapote Saddle	- 12.7	37.5	13.8	0.14	1.30	Reagent requirements low Gold recovery rates were rapid and complete after 24hours
	- 10 mesh	59.6	25.2	0.14	1.50	
	- 9.53	40.7	23.6	0.14	1.50	
	- 6.35	47.6	16.8	0.23	1.40	
C-Gaitan Footwall	- 12.7	57.5	12.6	0.07	1.20	Gold recovery increased with decreased mesh size; reagent requirements low
	- 10 mesh	73.0	25.2	0.16	1.20	
	- 9.53	59.6	13.1	0.16	1.20	
	- 6.35	64.1	17.8	0.16	1.20	
D-Gaitan Stringer	- 12.7	57.5	22.2	0.06	1.60	Gold recovery increased with decreased mesh size; reagent requirements low
	- 10 mesh	72	35.7	0.09	1.80	
	- 9.53	62.4	23.4	0.14	1.50	
	- 6.35	65.0	29.4	0.22	1.50	
Composite ZPF-01	- 10 mesh	60.5	25.3	0.23	2.10	NA
Composite ZPF-02	- 10 mesh	64.2	27.0	0.29	2.70	NA
Composite ZPF-03	- 10 mesh	58.2	21.8	0.30	2.60	NA
Composite ZPF-04	- 10 mesh	47.5	22.9	0.40	2.20	NA
Composite ZPF-05	- 10 mesh	57.5	20.1	0.15	2.00	NA
Composite ZPF-06	- 10 mesh	60.5	23.5	0.22	1.90	NA
Composite ZPF-07	- 10 mesh	43.0	12.0	0.16	1.00	NA
Composite ZPF-08	- 10 mesh	75.4	27.4	0.37	1.40	NA

Column percolation leach tests were also conducted on the three bulk samples of various mesh sizes to determine amenability to heap leach conditions, precious metal recovery, recovery rate, and reagent requirements. The results are shown in Table 13.3 (based on López & Stevens, 2005):

Table 13.3
Results from Column Leach tests 1998

Sample Name	Mesh size mm	Leach time (days)	Au Recovery (%)	Ag Recovery (%)	NaCN (Kg/t)	Lime (Kg/t)
P1 Zapote Saddle	12.70	67	64.56	14.28	1.45	1.00
P2 Zapote Saddle	9.53	53	62.81	15.15	1.23	1.20
P3 Zapote Saddle	6.35	53	71.61	17.50	1.17	1.10
P4 Gaitan Footwall	12.70	67	85.76	17.14	1.25	1.00
P5 Gaitan Footwall	9.53	67	83.88	18.64	1.37	0.90
P6 Gaitan Footwall *	6.35	47	91.08	19.50	1.34	1.00
P7 Gaitan Footwall	6.35	67	83.93	19.84	1.34	1.00
P8 Gaitan Stringer	12.70	60	83.74	26.88	1.24	1.30
P9 Gaitan Stringer	9.53	60	81.52	29.86	1.19	1.20
P10 Gaitan Stringer	6.35	53	94.31	35.01	1.31	1.20

*Leach test to provide data for environmental testing

The results of the column leach testing showed that samples were amenable to heap leach cyanide treatment at most mesh sizes. Gold recovery ranged from 62.81 percent to 94.31 percent, and silver recovery ranged from 14.28 percent to 35.01 percent. Leach time ranged from 53 to 67 days. Gold recovery rates increased incrementally, with decreasing mesh size and reagent requirements (López et al., 2019).

Gold recovery rates were rapid for the column samples and extraction was largely complete after 20 days of leaching. Additional gold was extracted after 20 days but at a substantially slower rate (López & Ramirez, 2019).

RDi Inc.

Leach Testing

In September 2012, RDi Inc. (RDi) performed leach testing on composite samples comparing whole ore agitated leaching carbon in leach (CIL), as well CIL with lead nitrate. Parameters such as cyanide concentration, pulp density, grind size, and leach method were evaluated to determine preliminary operating parameters, shown in Table 13.4 (based on López & Ramirez, 2019). The results of these analyses are summarized in Table 13.5.

Table 13.4
Anticipated leach recoveries and parameters 2012

Mesh Size (mm)	Retention time (hours)	Pulp Density (% of solids)	Au Recovery (%)	Ag Recovery (%)
150	48	40	93	83

Table 13.5
General Results of RDi Leach Testing 2012

Method	Sample Type	Au Recovery (%)	Ag Recovery (%)	Notes
Direct cyanide leaching	Composite	57.7 - 98.9	28.5 - 47.2	Refractory silver recovery
Direct cyanide leaching	Composite	57.7 - 98.9	16.8 - 90.4	Leaching exhibited recovery
CIL with $Pb(NO_3)_2$	Composite	93	83	Addition of $Pb(NO_3)_2$ reduced cyanide consumption significantly

Note: The cause for the variance in silver extractions between composites was not determined.

There are no known processing factors or deleterious elements that could have a significant effect on potential economic extraction (López & Ramirez, 2019).

Gravity Concentration

In September 2012, RDi conducted gravity separation testing to determine if a direct smelter product could be produced with no additional on-site processes. This type of processing would allow for additional gold recovery from concentrations remaining after cyanidation, however, the test work results indicated that the gravity concentrate would not produce high enough recovery rates to substitute for leaching. Due to the wide range of mesh sizes for the samples tested, and the high variability of results for recovery, it was difficult to determine the efficacy of gravity recovery.

Gold recovery ranged from 11.8% to 32.8% with higher recovery found in smaller mesh sizes. Gold concentrations also varied from 97.1 g/t to 5,698.7 g/t (López & Ramirez, 2019).

Flotation

In September 2012, RDi also performed floatation test work on composite samples. Gold and silver recovery rates are ninety percent for all samples except for the third composite sample. This composite sample had a silver recovery of twenty percent, however, sample three had poor silver recovery during leach and gravity testing as well. This could be due to the mineralogy of the sample rather than processing factors (López & Ramirez, 2019).

14 MINERAL RESOURCE ESTIMATES

In accordance with the requirements of NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards, the independent Qualified Person(s) reviewed the available drill hole and sample dataset and created geologic models for the purposes of generating gold and silver mineral resource estimates within the Property.

The geologic model construction, resource estimation approach, criteria and assumptions used for the mineral resource estimates are outlined in the following sections.

14.1 Resource Model Construction

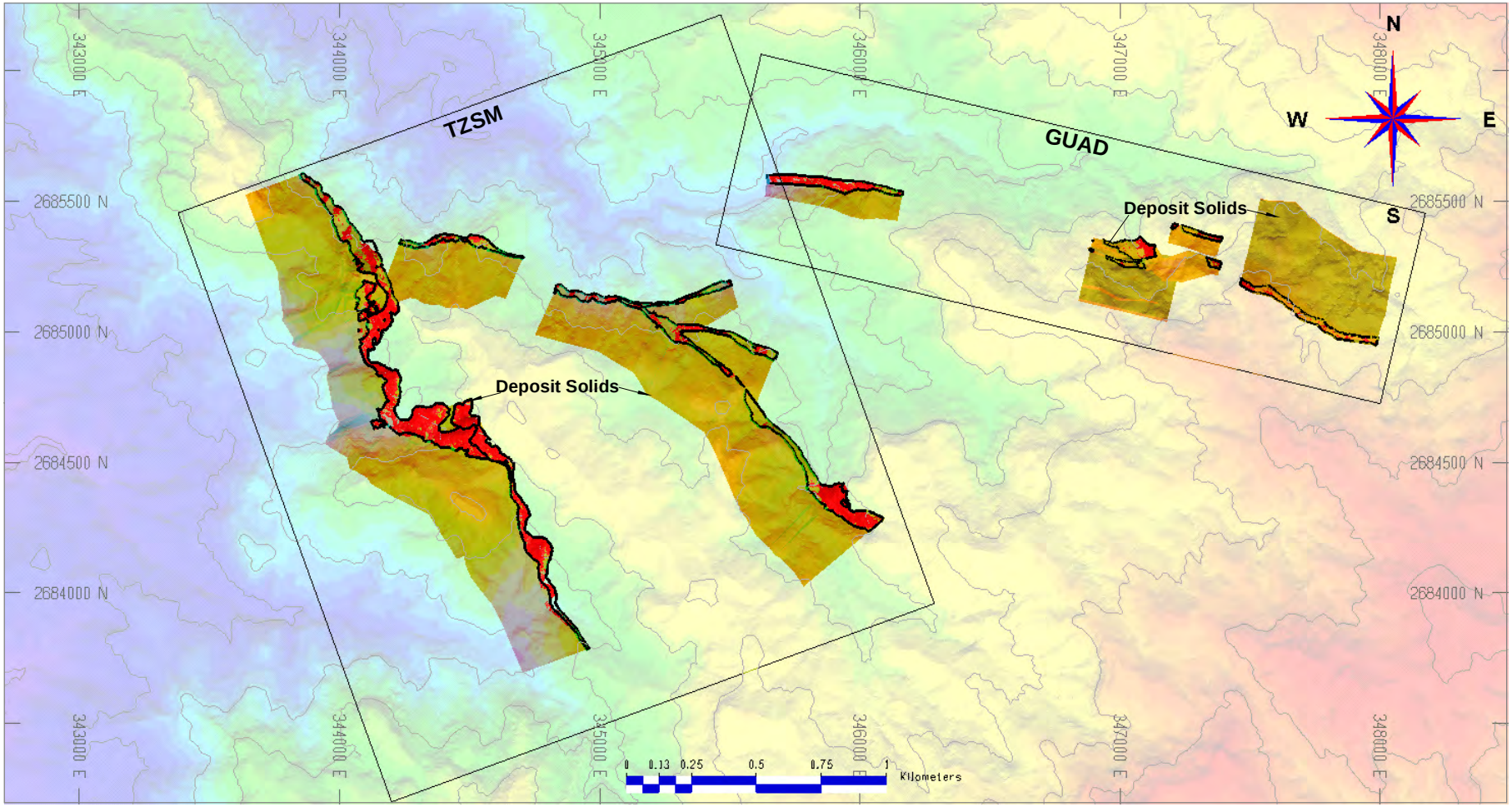
Two 3D geologic resource models, TZSM and GUAD, were developed using Hexagon Mining's geological modelling and mine planning software, MinePlan version 15.60. MinePlan is widely used throughout the mining industry for digital resource model development. Hexagon Mining's suite of interpretive and modelling tools is well-suited to meet the resource estimation requirements for the Property. The TZSM model encompasses the Tahonitas, El Zapote, Noche Buena and San Miguel mineralized zones. The GUAD model covers four separate mineralized zones; East, Central, Footwall and West, collectively known as Guadalupe.

Table 14.1 details the block model limits on the Property, Figure 14-1 shows the plan view extents of the two model areas together with mineralized deposit solids. Both the TZSM and GUAD model are rotated horizontally to f 340 degrees and 283 degrees azimuth respectively to best align the blocks to the regional mineralization trends observed from the exploration data.

Table 14.1

Block Model Parameters

Model	Rotation	Coordinate	Minimum	Maximum	Number of Blocks	Block (m)
TZSM	340 Az	Easting (X)	343,380	346,286	740	3
		Northing (Y)	2,683,200	2,686,215	800	3
		Elevation (Z)	350	902	184	3
GUAD	283 Az	Easting (X)	345,446	348,174	750	3
		Northing (Y)	2,684,725	2,686,063	875	3
		Elevation (Z)	350	1070	240	3



Legend

- Model Limits
- Mineralized Deposit Outline
- 100m Topography Contour (305-1455m)

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TZSM and GUAD Model Boundaries - Plan View

Figure 14-1

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14.2 Data Sources

Information used to compile the geologic models that form the basis for resource estimation includes the following:

- drilling;
- trenching and road cuts;
- prior geologic models as part of Technical Reports on the Property
- surface topography data;
- mineralized zone solids; and
- historical underground working.

Exploration sample data is separated in the model into three categories: samples collected by RC drilling; core-drilling samples; and chip-channel (chip) samples collected on the surface in road cuts and trenches excavated to expose the mineralized zones. Each of these categories has been reviewed separately to identify any grade bias for the sample type as discussed in Section 14.3. The drilling and sampling that has been carried out by previous ownership make up much of the sample data.

The most current data available to the model are the chip samples collected in 2020 by Prime. The continuous chip sample strings from trenches and road cuts are processed and loaded to the model as drill pseudo-holes. The pseudo-holes data is loaded, managed and reviewed with the same level of detail as the drill hole data but is flagged in the system so they can be separated in grade estimation. These samples account for only a small portion of the total sample database used for modelling and are a new sample type for the Property. No grade bias is evident between the three sampling methods utilised on the Property.

For further discussion on the sampling methods, quality controls and repeatability, refer to Sections 11 and 12.

The total number of sample locations, assay intervals and composites by sample type used for exploratory data analysis and the geological model are outlined in Table 14.2.

Table 14.2
Raw Model Data by Type

Sampling Method	Number of Locations	Sampled Metres	Number of. Assays	Average Length	Number of Composites
RC	378	33,322	21,994	1.51	8,626
Core	55	7,542	7,535	1.00	2,385
Chip / Road	62	2,730	1,820	1.50	1,179
Total	**495**	**43,594**	**31,349**	**1.42**	**12,190**

14.3 Data Analyses

In the database RC drill sampling makes up the largest portion of the analyses with 21,992 samples that have a mean sample interval of 1.51 m. The core drilling with 7,535 analyses have a mean sampling interval of 1.0 m. The chip data with 1,820 analyses have a mean sampling interval of 1.5 m. Mean sample length for all sample data is 1.42 m. Not all sample intervals found on the Property are used in the two models. Only samples that fall within the deposit solids are attributed with a zone flag, composited and used for modelling. Other attributes relevant to modelling such as rock type and alteration were used to inform the model and aid in construction of the deposit solids.

Excluded Holes

Out of the 466 drill holes available in the database, three were abandoned for drilling reasons and do not contain any information, twenty-seven holes fall outside of the mineralization zones and six have been removed due to the hole orientation, drilling effectively downdip.

Table 14.3 details the holes not used for data analysis or modelling.

Table 14.3

Holes Not Used for Data Analyses or Modelling

Hole Name	Easting (m)	Northing (m)	Elevation (m)	Hole Depth (m)	Reason for Exclusion
11GW-07	346609.50	2685432.00	747.49	125.05	No Zone
11GW-08	346549.10	2685458.20	756.22	170.80	No Zone
11GW-09	346488.50	2685489.00	761.26	149.45	No Zone
15GDLR-006	347438.00	2685307.00	926.59	300.00	No Zone
15GDLR-035	344395.00	2684501.00	752.10	30.85	No Zone
15GDLR-040	344392.00	2684488.00	754.57	168.50	No Zone
GE028	347554.19	2685052.03	1059.95	182.88	No Zone
GE077	347480.33	2685312.81	940.84	239.27	No Zone
GL008	347099.65	2685268.58	811.87	6.09	No Zone
GL045	346871.51	2685389.74	838.16	74.68	No Zone
GL046	346870.14	2685386.20	840.13	91.44	No Zone
GL066	347232.61	2685295.07	899.25	102.11	No Zone
GL067	347224.32	2685312.42	898.96	235.31	No Zone
GL069	347192.96	2685250.72	872.61	149.35	No Zone
GL070	347199.56	2685278.11	870.91	80.77	No Zone
GS056	347173.64	2685485.76	797.73	173.11	No Zone
GS060	347227.72	2685515.83	810.75	152.40	No Zone
GS061	347228.60	2685517.62	809.99	94.49	No Zone
GW026	346255.55	2685492.35	760.83	45.72	No Zone
GW031	346377.98	2685530.93	750.68	111.25	No Zone
GW032	346548.99	2685476.90	746.35	153.92	No Zone
GW039	346548.32	2685471.82	748.82	82.30	No Zone
NB025	345748.13	2684934.55	674.25	149.35	No Zone
SM023	344894.75	2685168.92	623.83	201.17	No Zone
SM025	344708.63	2685176.19	707.06	128.02	No Zone
SM025A	344713.21	2685172.51	706.69	53.34	No Zone
SM028	344658.61	2685324.33	670.09	60.96	No Zone
ZA099	344178.97	2684738.64	685.94	64.01	Down Dip
ZA128	344145.95	2684849.61	679.85	44.20	Down Dip
ZA149	344100.65	2685129.72	727.68	114.30	Down Dip
ZA153	344171.57	2685137.87	791.40	89.92	Down Dip
ZA173	344062.20	2685086.92	711.58	166.12	Down Dip
ZA173A	344062.20	2685086.92	711.58	42.67	Down Dip

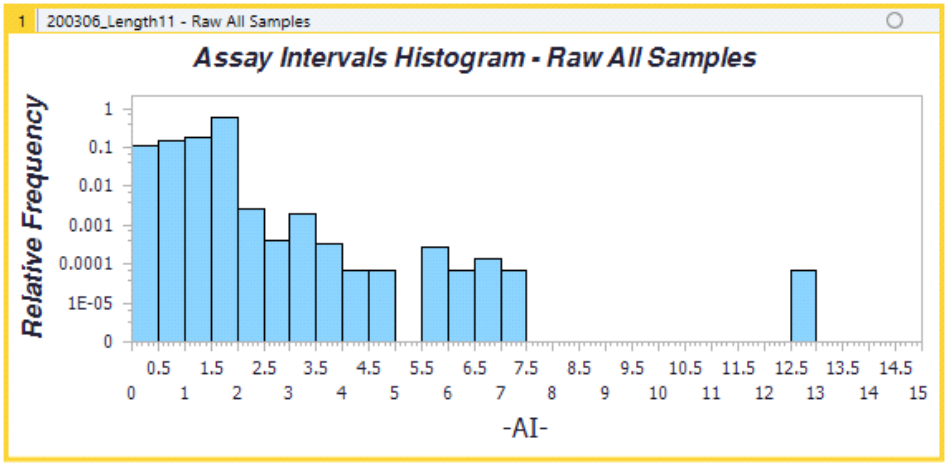
Table 14.3 (Cont'd)

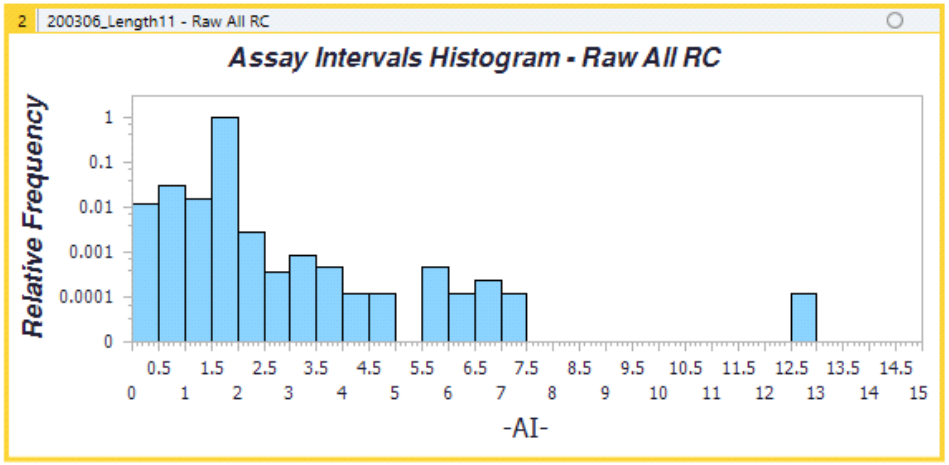
Hole Name	Easting (m)	Northing (m)	Elevation (m)	Hole Depth (m)	Reason for Exclusion
GL008	2685268.58	347099.65	811.8709717	6.09	Abandoned
ZA150A	2685093.58	344127.62	723.3641357	10.67	Abandoned
ZA173A	2685086.92	344062.2	711.5776367	42.67	Abandoned

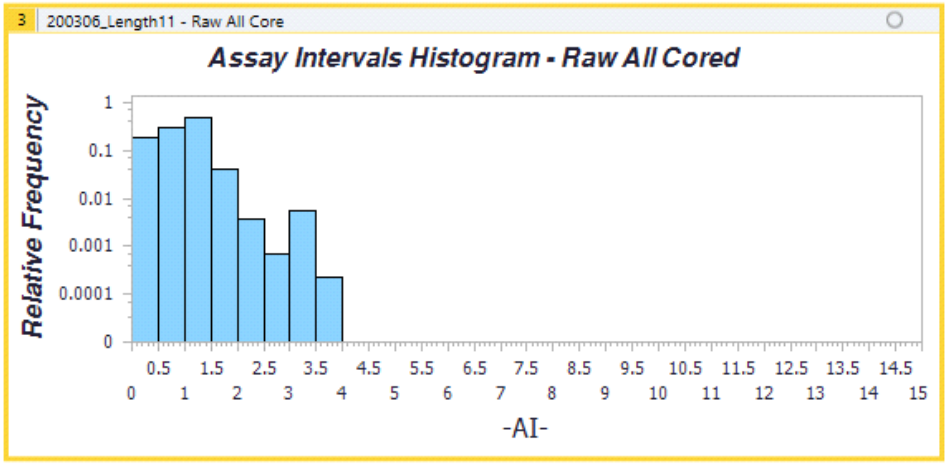
Compositing

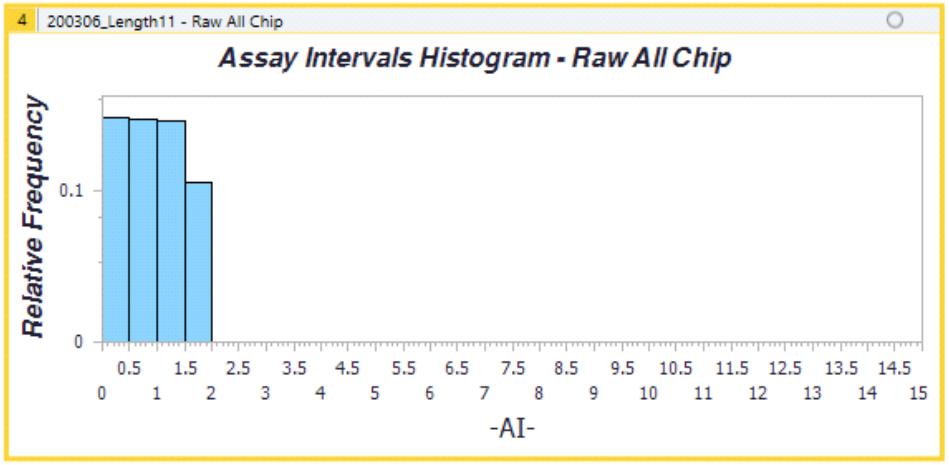
From the modelling subset database, the sample intervals were analyzed to determine the most common sample interval for an appropriate composite length. Histograms were created for sample intervals filtering the data for either: All samples, RC samples, Core samples and Chip samples in order to identify differences between the sample types. The mean sample interval selected for modelling is the RC sampling mean interval of 1.5 m for both the TZSM and GUAD models. The compositing is 1.5 m fixed length, honouring the code inside the zone solids.

Figure 14-2 is the histogram for sample intervals from RC drilling, core drilling, chips, as well as all sample types combined used in the model.









	1: 200306_Length11 - Raw All Samples	2: 200306_Length11 - Raw All RC	3: 200306_Length11 - Raw All Core	4: 200306_Length11 - Raw All Chip
Valid Data	**15263**	**8687**	**4349**	**2227**
Total Data	**15263**	**8687**	**4349**	**2227**
Minimum	**0.0**	**0.0**	**0.1**	**0.1**
Maximum	**12.8**	**12.8**	**3.7**	**1.5**
Mean	**1.2**	**1.5**	**0.8**	**0.8**
Variance	**0.2**	**0.1**	**0.2**	**0.2**
Standard Deviation	**0.5**	**0.3**	**0.4**	**0.5**
Coefficient Of Variation	**0.4**	**0.2**	**0.5**	**0.6**

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Sample Intervals from all Methods

Figure 14-2

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 03 29

FILE: Fig_14_2_Sample_Interval_from_RC_Drilling
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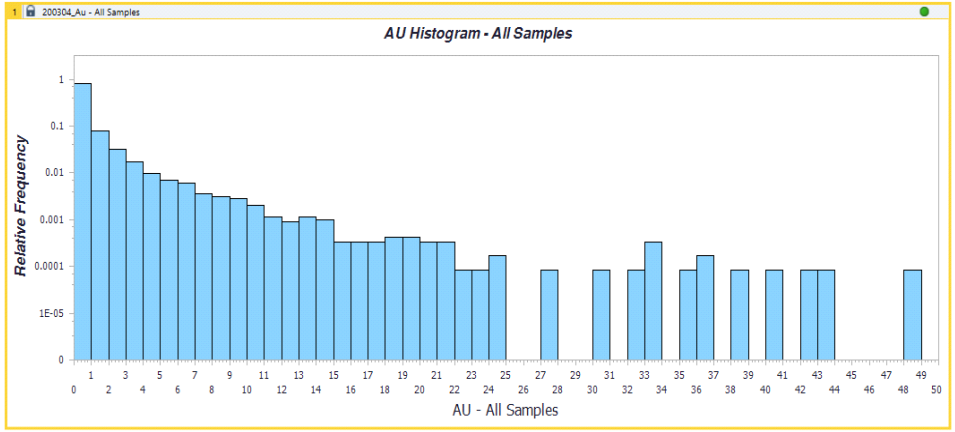
Grade Capping

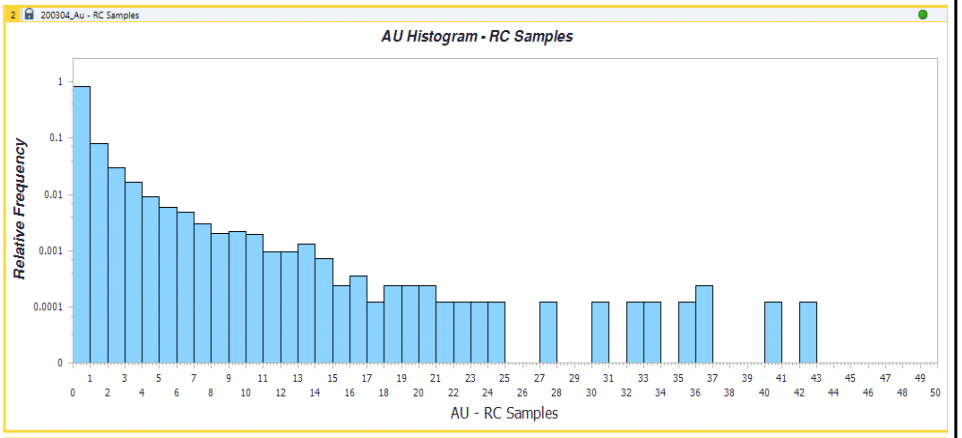
Capping of gold and silver values was completed on the post-composite values by referencing histograms and cumulative probability plots for gold and silver. After review of histograms and probability plots for each zone separately, a global capping value of 25 g/t gold and 550 g/t silver was selected for all zones. Figures 14-3 and 14-4 are the histograms and cumulative probability plots by sample type for gold. Figures 14-5 and 14-6 are the histograms and cumulative probability plots by sample type for silver. Table 14.4 details the composite capping by zone.

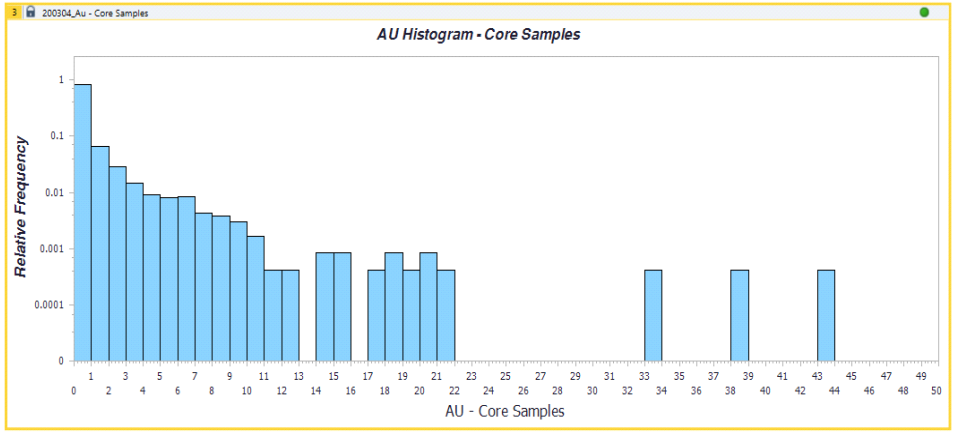
Table 14.4

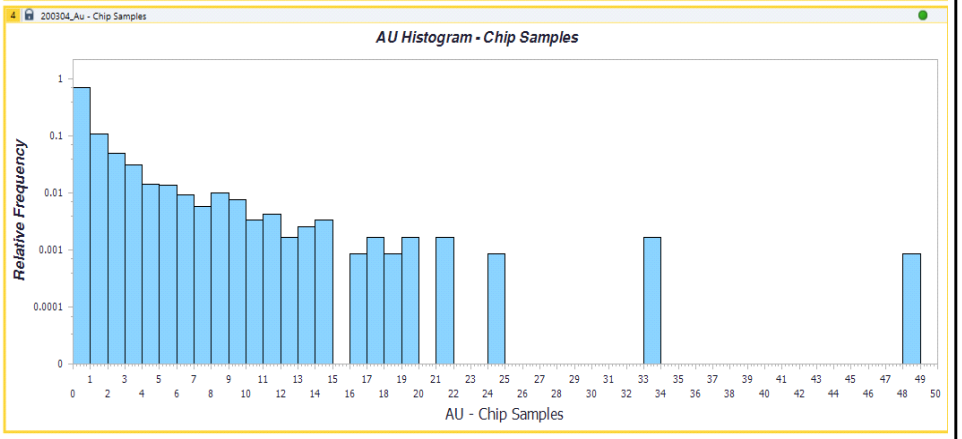
Composites Capped by Zone

Mineralized Zone Name	Zone Code	Maximum Au g/t	Cap Level Au g/t	Number Capped	Maximum Ag g/t	Cap Level Ag g/t	Number Capped
Tahonitas	10	13.6	25	0	620	550	1
El Zapote	20	64.4	25	12	1,250	550	2
Noche Buena	30	43.4	25	1	567	550	1
San Miguel	40	20.2	25	0	1,185	550	2
San Miguel-North	50	13.6	25	0	1,102	550	1
San Miguel-West	60	76.9	25	4	402	550	0
Guadalupe-East	70	6.2	25	0	311	550	0
Guadalupe-Central	71	22.5	25	0	957	550	10
Guadalupe-Footwall	72	7.1	25	0	176	550	0
Guadalupe-West	74	23	25	0	624	550	1
TOTAL				**17**			**18**









	1: 200304_Au - All Samples	2: 200304_Au - RC Samples	3: 200304_Au - Core Samples	4: 200304_Au - Chip Samples
Valid Data	**11972**	**8418**	**2376**	**1178**
Total Data	**12187**	**8623**	**2385**	**1179**
Minimum	**0.00**	**0.00**	**0.00**	**0.01**
Maximum	**76.91**	**76.91**	**43.38**	**48.30**
Mean	**0.82**	**0.75**	**0.76**	**1.41**
Variance	**5.83**	**5.21**	**5.25**	**11.01**
Standard Deviation	**2.41**	**2.28**	**2.29**	**3.32**
Coefficient Of Variation	**2.96**	**3.05**	**3.00**	**2.35**

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Gold Histogram Plots

Figure 14-3

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 03 29

FILE: Fig_14_3_AU_Histogram_Samples
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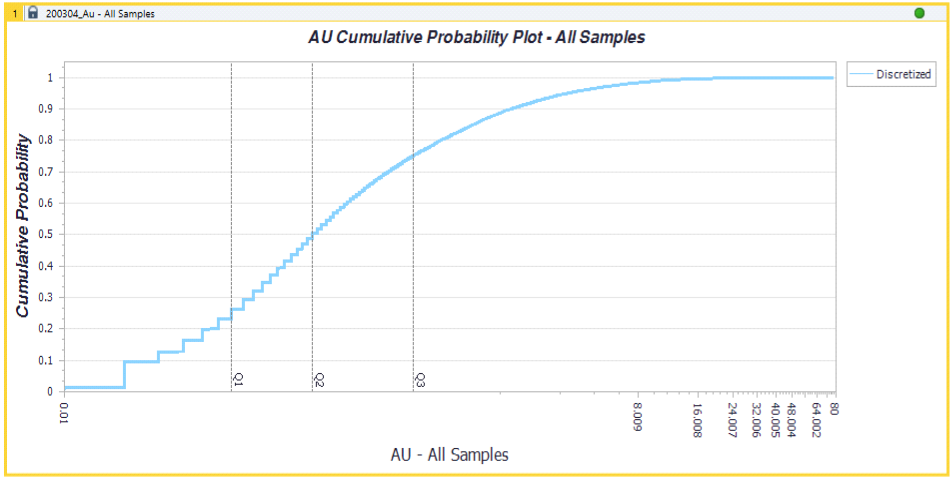

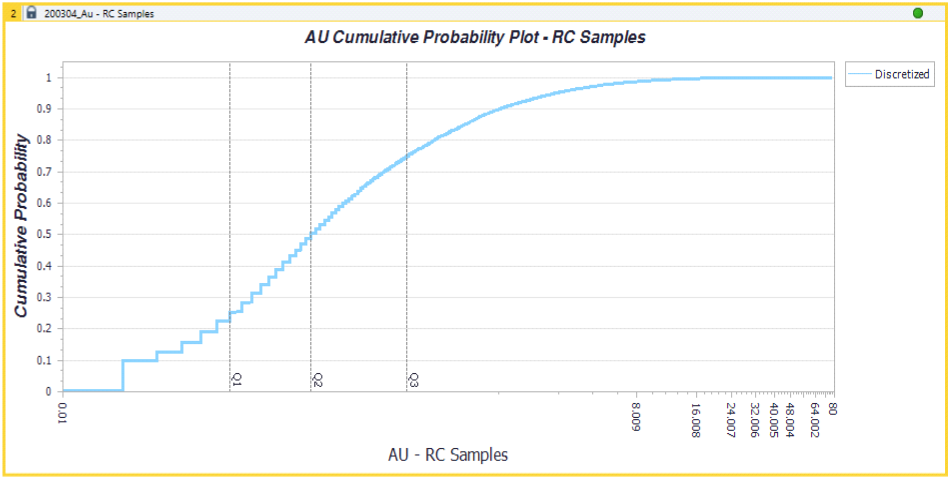

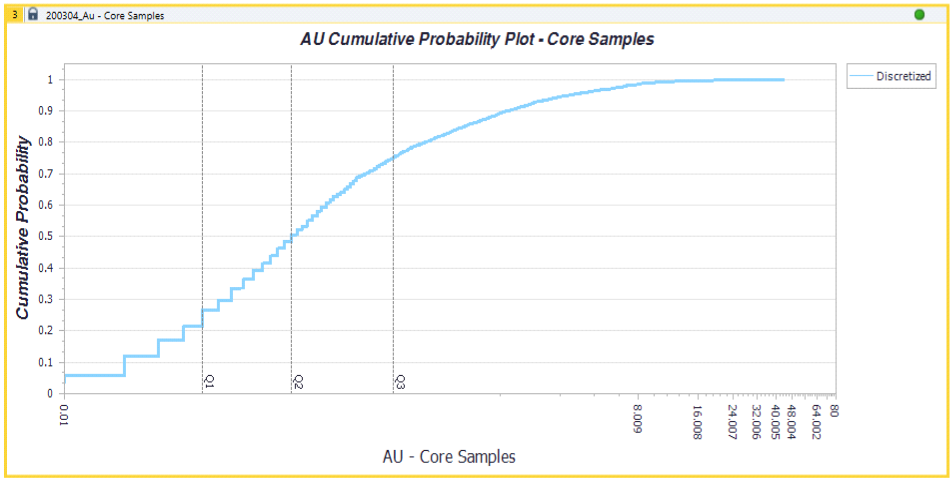

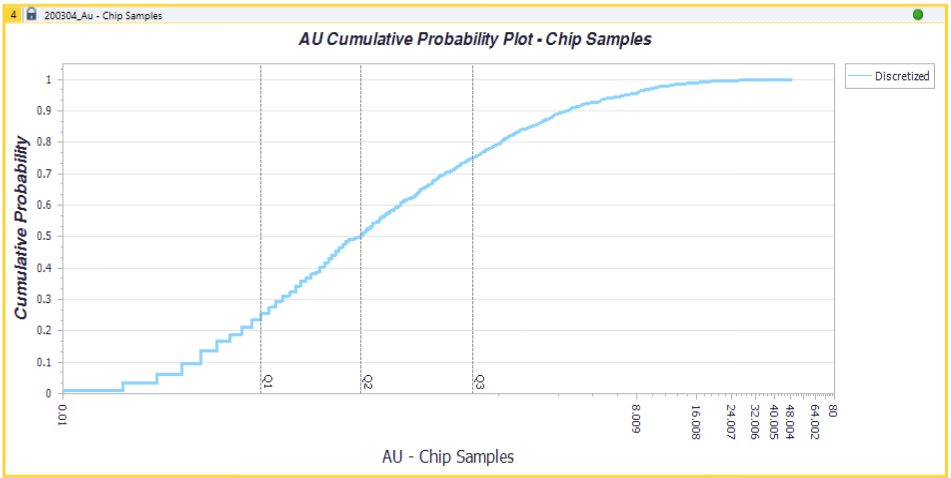

	1: 200304_Au - All Samples	2: 200304_Au - RC Samples	3: 200304_Au - Core Samples	4: 200304_Au - Chip Samples
Valid Data	**11972**	**8418**	**2376**	**1178**
Total Data	**12187**	**8623**	**2385**	**1179**
Minimum	**0.00**	**0.00**	**0.00**	**0.01**
Maximum	**76.91**	**76.91**	**43.38**	**48.30**
Mean	**0.82**	**0.75**	**0.76**	**1.41**
Variance	**5.83**	**5.21**	**5.25**	**11.01**
Standard Deviation	**2.41**	**2.28**	**2.29**	**3.32**
Coefficient Of Variation	**2.96**	**3.05**	**3.00**	**2.35**
First Quartile (Q1)	**0.07**	**0.07**	**0.05**	**0.10**
Median (Q2)	**0.18**	**0.18**	**0.14**	**0.32**
Third Quartile (Q3)	**0.58**	**0.55**	**0.46**	**1.18**

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Gold Cumulative Probability Plots

Figure 14-4

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 03 29

FILE: Fig_14_4_AU_Cum_ProbabilityPlot
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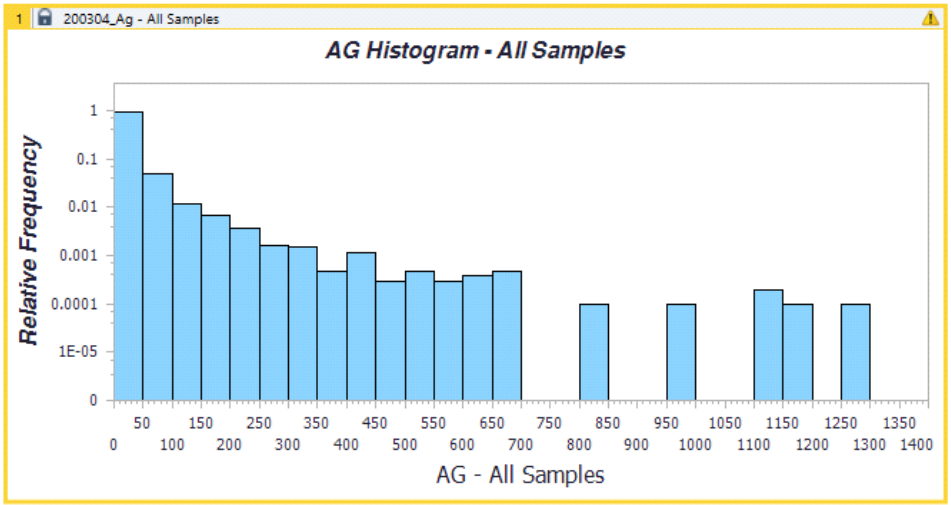

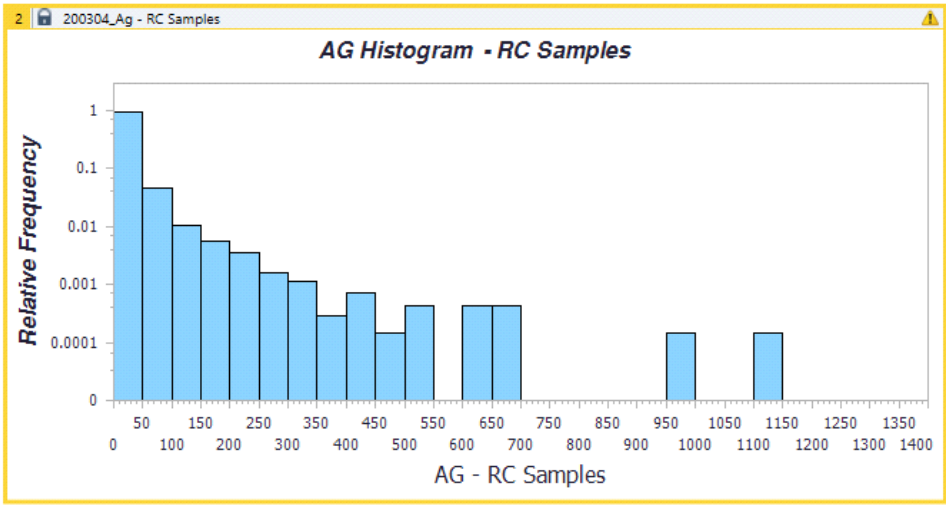

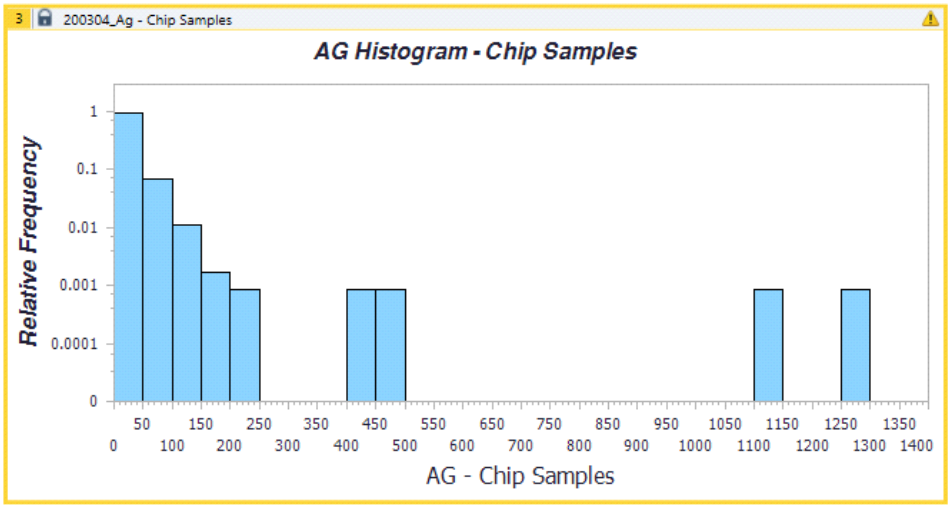

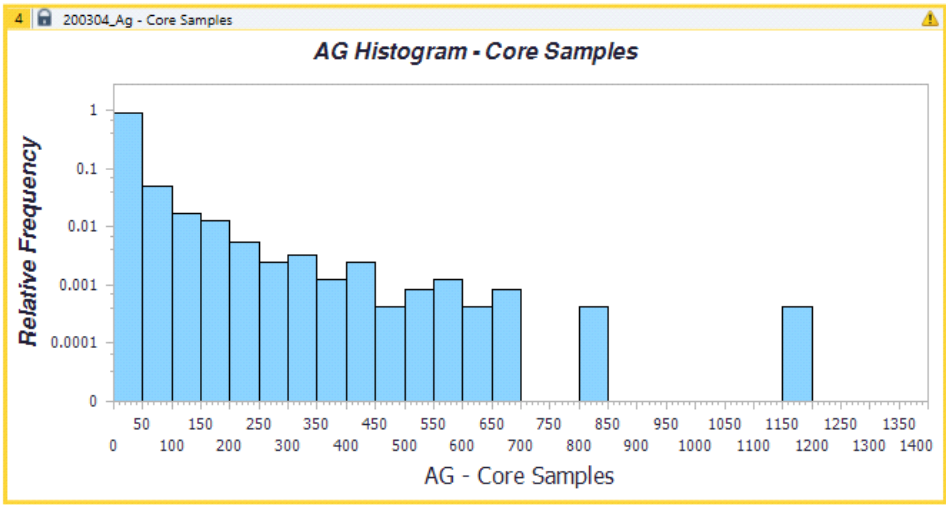

	1: 200304_Ag - All Samples	2: 200304_Ag - RC Samples	3: 200304_Ag - Chip Samples	4: 200304_Ag - Core Samples
Valid Data	10562	7003	1179	2380
Total Data	12187	8623	1179	2385
Minimum	0.01	0.01	0.25	0.08
Maximum	1250.00	1101.70	1250.00	1185.99
Mean	20.77	18.79	23.79	25.13
Variance	2463.46	1787.61	3083.12	4110.04
Standard Deviation	49.63	42.28	55.53	64.11
Coefficient Of Variation	2.39	2.25	2.33	2.55

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Silver Histogram Plots

Figure 14-5

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 03 29

FILE: Fig_14_5_Ag_Histogram_Samples
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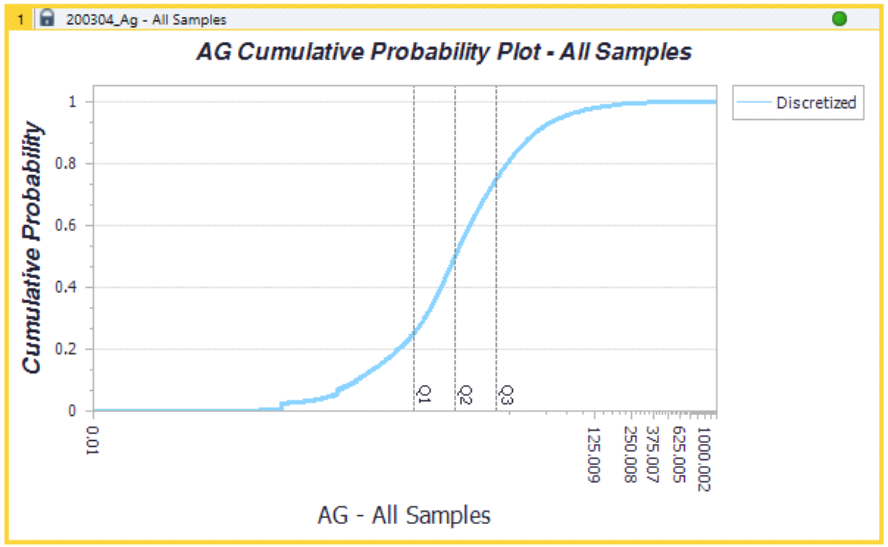

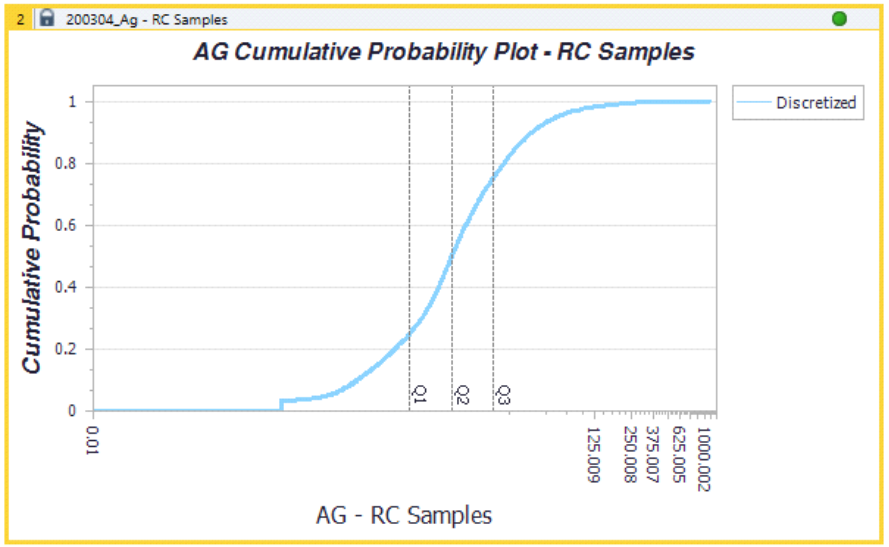

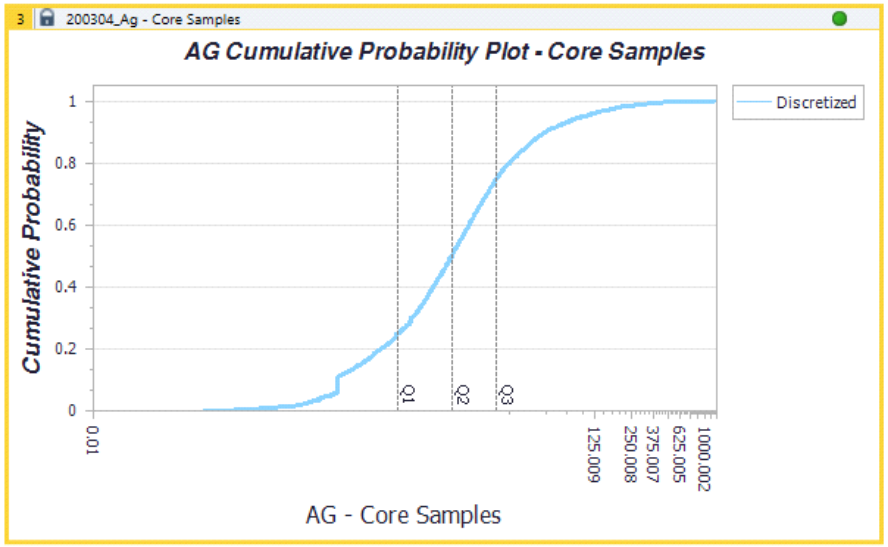

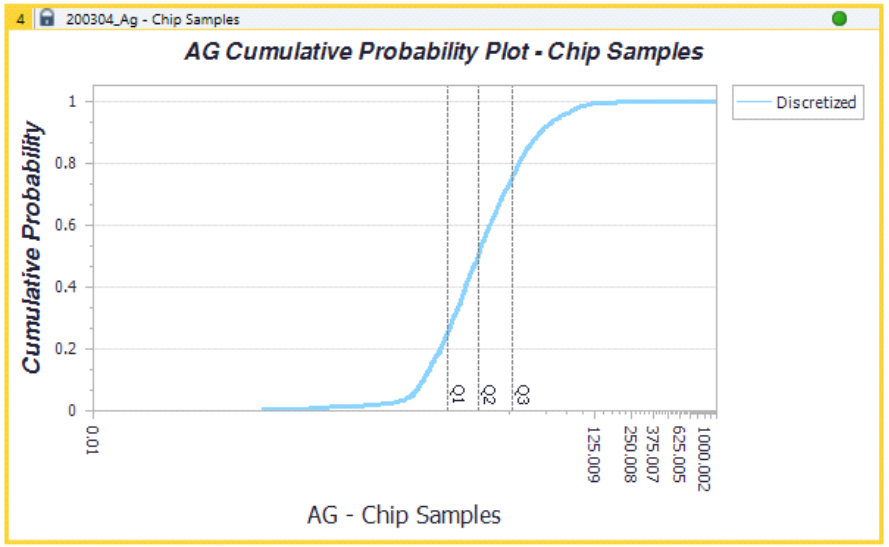

	1: 200304_Ag - All Samples	2: 200304_Ag - RC Samples	3: 200304_Ag - Core Samples	4: 200304_Ag - Chip Samples
Valid Data	**10562**	**7003**	**2380**	**1179**
Total Data	**12187**	**8623**	**2385**	**1179**
Minimum	**0.01**	**0.01**	**0.08**	**0.25**
Maximum	**1250.00**	**1101.70**	**1185.99**	**1250.00**
Mean	**20.77**	**18.79**	**25.13**	**23.79**
Variance	**2463.46**	**1787.61**	**4110.04**	**3083.12**
Standard Deviation	**49.63**	**42.28**	**64.11**	**55.53**
Coefficient Of Variation	**2.39**	**2.25**	**2.55**	**2.33**
First Quartile (Q1)	**4.14**	**3.88**	**3.08**	**7.80**
Median (Q2)	**9.08**	**8.52**	**8.57**	**14.10**
Third Quartile (Q3)	**19.89**	**18.47**	**19.94**	**26.50**

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Silver Cumulative Probability Plots

Figure 14-6

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 03 29

FILE: Fig_14_6_Ag_Cum_ProbabilityPlot
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Lithology and Specific Gravity

A list of lithologies used in field and core descriptions was provided by Prime Mining. The lithology data was gridded into the model using nearest neighbour estimation (NN) with the maximum search distance for each model resulting in all model blocks having a lithology code.

Specific gravity has been assigned to the model based on the rock lithology code. There are currently 1,533 samples with a laboratory measurement of specific gravity, less than 5% of the sampled data. The specific gravity analyses available were added to the modelling database and compared to the corresponding lithology code. An average specific gravity for each rock type was determined and applied to the models by script. In cases where the lithology code was not determined the default value of 2.60 was applied. Table 14.5 details the lithology and specific gravity used in the model.

Table 14.5
Lithology Coding and Specific Gravity

Name	Code	Specific Gravity
Andesite, Amygdaloidal	ANAM	2.63
Andesite	ANDS	2.63
Andesite Flow	ANFL	2.60
Andesite Tuff	ANTF	2.62
Diabase Dyke	DIA	2.60
Felsic Dyke	DYKE	2.58
Fault	FAUL	2.70
Felsic Tuff	FETF	2.57
Felsic Intrusive	FINT	2.60
Felsic Intermediate Flow	FITF	2.60
Intermediate Flow	INTF	2.60
Intermediate Volcanic	INVL	2.60
Overburden	OVBN	2.55
Porphyry, Felsic	PFEL	2.61
Plagioclase Feldspar Porphyry	PPFP	2.59
Quartz	QZ	2.62
Rhyolite Tuff	RHTF	2.59
Rhyolite	RHYL	2.58
Tuff	TUFF	2.57
All Others	All	2.59

Variography

A geostatistical evaluation of the gold and silver sample data was completed using MinePlan software. Figure 14-7 illustrates the 3D isotropic grade trends throughout two structures for the TZSM model and one structure for the GUAD model as derived from multi-directional semi-variogram analysis of the data. Directional correlograms were generated from composited data at 30 degree increments along horizontal and vertical directions.

The TZSM deposit has a local, grade trend north-west (WN Plan) due to the drilling predominantly oriented from southwest to northeast, and a second structure which is isotropic over the maximum range of the variogram which is 84 m. The GUAD model has a generally north-south (WNW Plan) trend over the maximum range of the variogram which is 60 m. The grade trends are consistent with the regional mineralization described in Section 7. Figure 14-7 illustrates the grade trends.

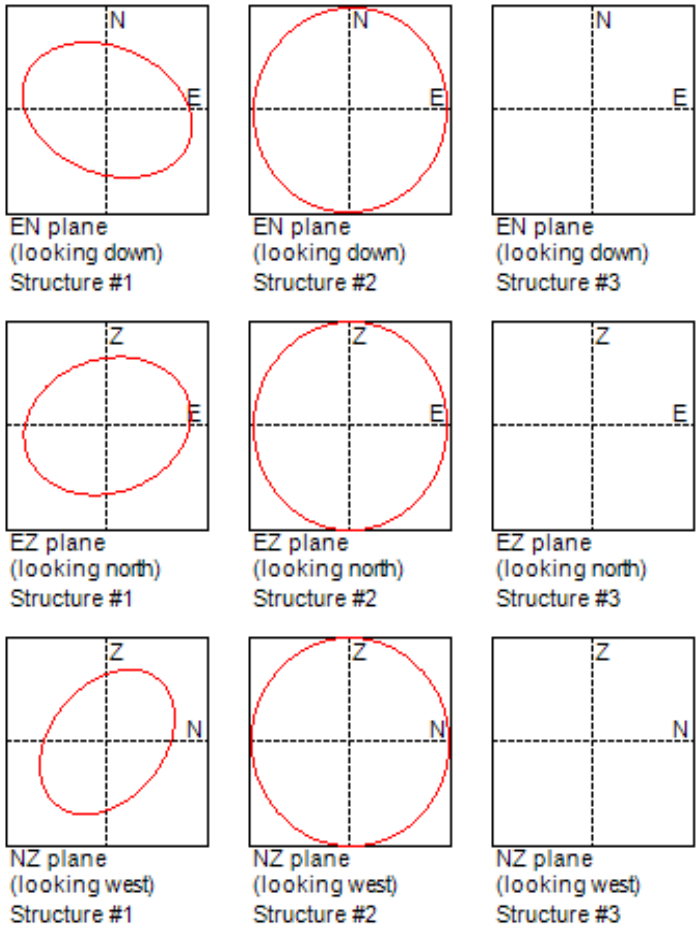
Core drill sampling versus RC drill sampling

Seventeen RC holes have adjacent or nearby Core hole samples allowing for a comparison of assay results and repeatability between the two drilling methods. Comparing gold assay histograms for all seventeen holes together by each method shows that the general distribution of grades is very similar with a slightly higher mean grade for RC holes but similar variance, standard deviation and coefficient of variation. The comparison indicates a reasonable repeatability and no general bias between the two drilling methods and as such both RC and Core sample data is treated in an equivalent manner

Table 14.6 lists the locations where companion RC and core holes occur. Figure 14-8 shows the histogram comparison for gold between the two data sets.

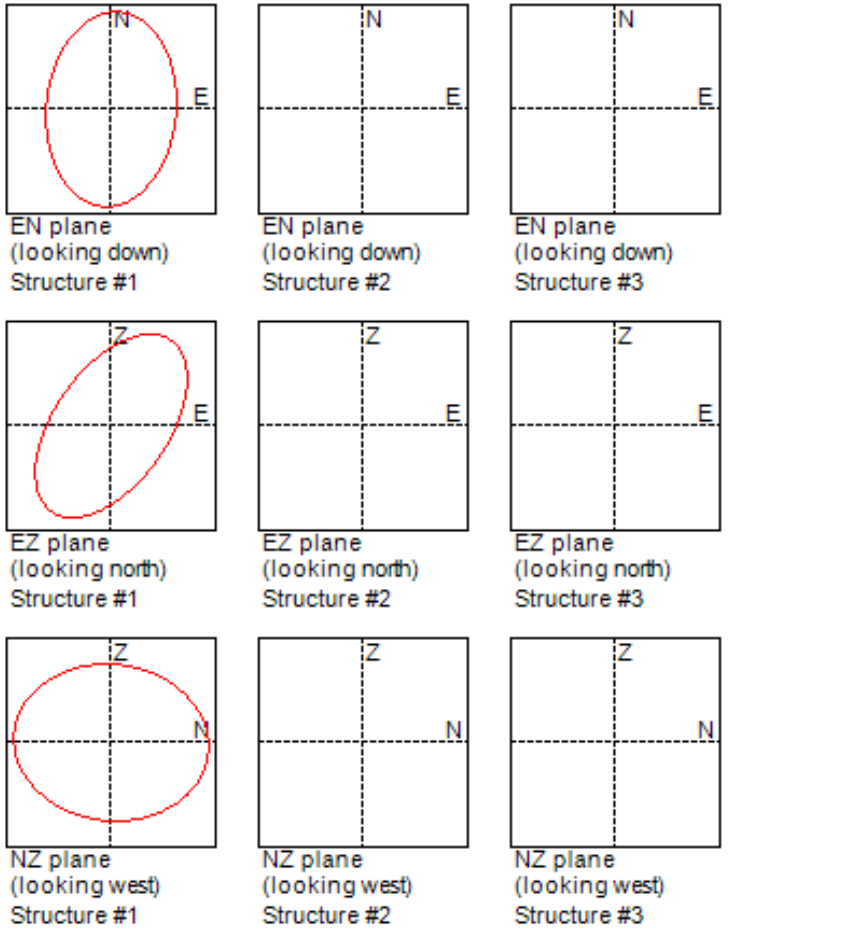
Variogram 3D Model by principal plane and structure

Note: The 1/2-width of each box is scaled to the maximum range, which is 83.67.



Variogram 3D Model by principal plane and structure

Note: The 1/2-width of each box is scaled to the maximum range, which is 59.91.



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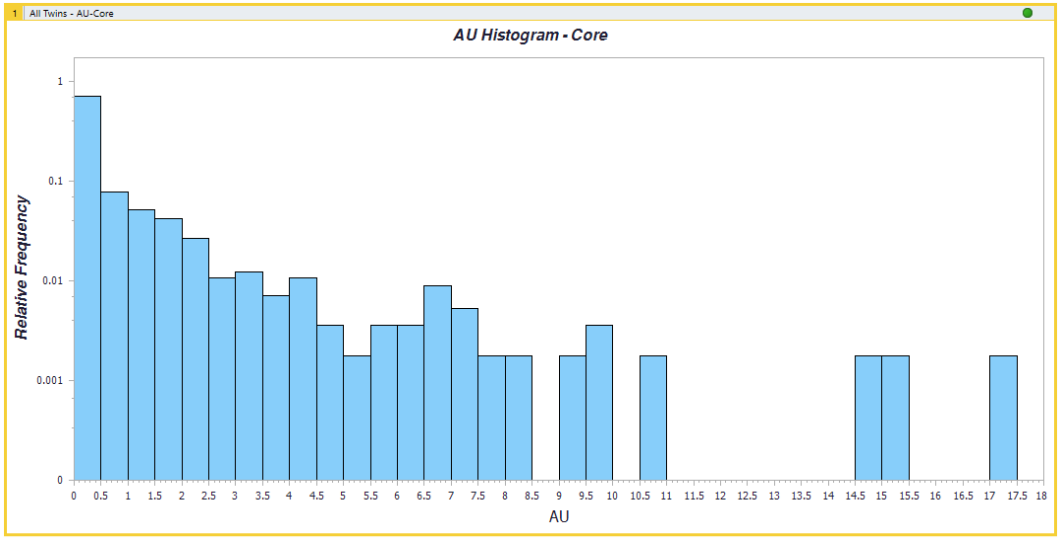
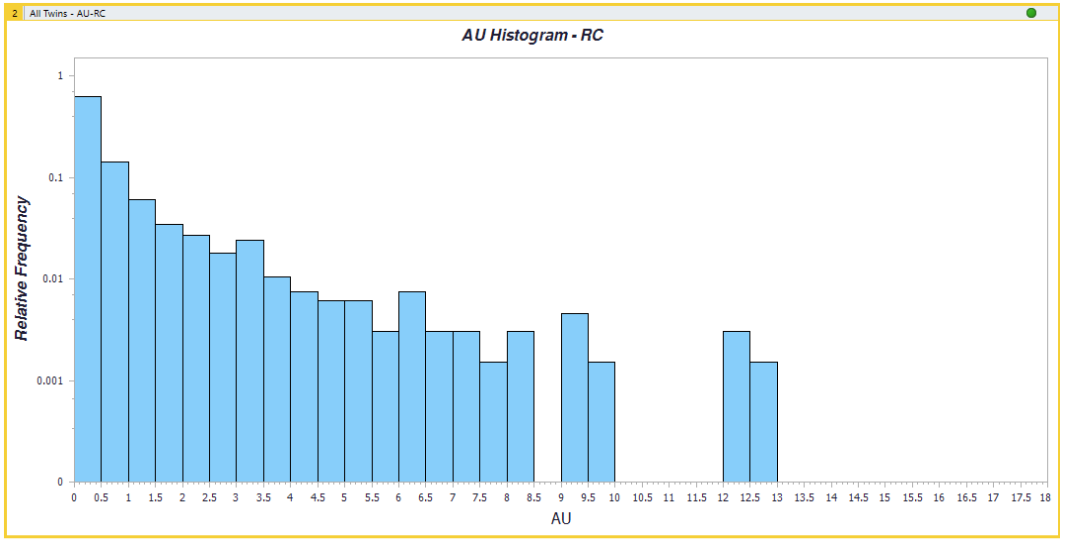
Variogram Trends and Ranges

Figure 14-7

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 30	FILE: Fig_14_7_Model_Trends V:\1295\active\1668740245\Discipline\Geology\Geospatial





	1: All Twins - AU-Core	2: All Twins - AU-RC
Valid Data	563	663
Total Data	1500	1136
Minimum	0.00	0.02
Maximum	20.92	27.53
Mean	0.87	1.00
Variance	4.25	4.82
Standard Deviation	2.06	2.19
Coefficient Of Variation	2.37	2.19

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Gold Assay Comparison b/w Paired RC & Core Holes

Figure 14-8

DRAWN BY: M.B.
CHK'D BY: C.H.
Date: 20 03 29

FILE: Fig_14_8_RC_Core_Hole_Comparison
V:\1295\active\1668740245\Discipline\Geology\Geospatial

Table 14.6 Companion Holes

Pair	Hole Type	Hole Name	Easting (m)	Northing (m)	Elevation (m)	Azimuth (°)	Dip (°)
Pair 1	Core	12NB-02	2684322.50	3774.50	744.97	60	-70
	RC	NB008	2684317.07	345787.84	745.37	60	-70
Pair 2	Core	12SM-06	2684946.60	345262.40	709.35	20	-70
	RC	SM009	2684942.34	345261.00	709.45	20	-60
Pair 3	Core	12SM-08	2684945.90	345261.40	709.30	0	-90
	RC	SM010	2684942.65	345261.80	709.35	20	-80
Pair 4	Core	12ZAP-01	2685180.80	344109.30	758.71	70	-75
	RC	ZA084**	2685180.19	344109.93	758.58	70	-77
Pair 5	Core	12ZAP-02**	2685194.70	344076.00	772.66	70	-75
	RC	ZA040	2685187.07	344069.97	772.80	58	-68
Pair 6	Core	12ZAP-02**	2685194.70	344076.00	772.66	70	-75
	RC	ZA082	2685187.37	344069.57	773.73	70	-68
Pair 7	Core	12ZAP-06	2684635.90	344177.70	636.16	70	-45
	RC	ZA027	2684636.69	344173.23	635.76	70	-45
Pair 8	Core	12ZAP-07	2684635.60	344176.90	636.13	0	-90
	RC	ZA001	2684634.33	344170.17	635.75	0	-90
Pair 9	Core	12ZAP-08	2685180.80	344109.60	758.79	70	-85
	RC	ZA084**	2685180.19	344109.93	758.58	70	-77
Pair 10	Core	12ZAP-10	2685237.80	344066.40	763.17	70	-75
	RC	ZA159	2685236.26	344068.66	764.49	70	-71
Pair 11	Core	12ZAP-11	2685177.50	343990.90	756.02	70	-60
	RC	ZA190	2685176.45	343986.86	755.57	70	-60
Pair 12	Core	12ZAP-15	2684612.30	344132.80	634.56	45	-55
	RC	ZA094	2684634.01	344131.01	630.43	70	-68
Pair 13	Core	15GDLR-011	2684309.00	345789.00	746.80	56	-58
	RC	SM013	2685034.75	345213.33	688.36	60	-50
Pair 14	Core	15GDLR-034	2685197.00	344073.00	776.78	27	-75
	RC	ZA042	2685225.15	344075.65	775.73	0	-90
Pair 15	Core	15GDLR-036	2684495.00	344401.00	753.82	22	-55
	RC	ZA195	2684531.20	344392.75	716.92	70	-45
Pair 16	Core	15GDLR-021	2685029.00	345211.00	689.25	358	-60
	RC	SM013	2685034.75	345213.33	688.36	20	-73
Pair 17	Core	15GDLR-022	2685030.00	345211.00	689.21	359	-45
	RC	SM012	2685036.30	345214.15	688.11	20	-45

Note: ** = Hole with two companions

14.4 Model Attributes

Solids and Surface Flags

The model blocks are attributed with a topo percent which identifies what proportion of the block is below topography. The proportion is used to calculate the tonnage appropriately for blocks that are on the margin of the surface. Model blocks that are partially covered by topography (<100 %) are flagged to constrain grade estimates from the Trench and Road sampling only these near surface blocks.

Ten mineralized zone solid wireframes were built by Prime from valid drilling and surface mapping data by cross section, long section and plan interpretations in MinePlan™. These deposit solids were verified by the Author(s). The deposit solids were given a unique code which was flagged into the model and applied to the drill hole database for each hole inside a zone. The ore zone code was used in the database to constrain the composting of values, which was in turn used for estimation in the blocks using a zone code match.

Mined Areas

Small scale mining has occurred intermittently over many years. Due to the inherent risk of entering historic workings, the underground openings are not surveyed. Solids representing mined out areas have been estimated from observation of portals, adits and pits as well as RC drilling records of lost circulation or no recovery of core, likely indicating a mine opening in the El Zapote and Guadalupe areas. These solids were used to flag the model and remove any block from the resource volume. Blocks with greater than 10 percent intersection with the mined solids are classified as mined out, blocks with 0.1 – 10 percent intersection with the mined solids are classified as Inferred regardless of the resource category due to the margin of error associated with the location of the openings. Other historic workings maybe present that are currently unknown and may impact the total resource.

Grade Cutoff and Pit Economics

Grade cutoff was established using the three-year rolling metal prices to determine a metal value and research of comparable properties for recovery, mining, and production costs. The cutoff grade applied to all models is 0.22 g/t gold.

Economic parameters used in the development of the resource pits are detailed in Table 14.7

Table 14.7

Pit Economics

Item	Value
Three Year Average Gold ($US/g)	$43.00
Three Year Average Silver ($US/g)	$0.50
Processing and G&A (US$/t)	$4.30
Mining Cost for Pit (US$/t)	$2.40
Default Ore Density (t/m^3)	2.60
Gold Cutoff (g/t)	0.22
Silver Cutoff (g/t)	54.00
Gold Recovery (%)	72
Silver Recovery (%)	25

Note: "G&A" = General and Administrative Expense

14.5 Resource Estimation Approach

Prior to modeling the exploration and sampling data was checked for errata. This included, but not limited to, the following checks:

- anomalous drill hole collar locations in undisturbed areas;
- overlapping sample intervals; and
- outliers in grade and thickness.

Stantec used the following approach to facilitate the estimation of resources:

- Two, 3D block models with mineralized zones coded from mineralized solids identified from drill hole records;
- Adjustments were made to the mineralized solids to reflect the lithologic and grade distribution observed in the most recent drilling and trenching campaigns;
- Zone code matching was used to constrain estimation of grades into blocks;
- Assignment of specific gravity to the model for per rock type based on average laboratory measurements for each rock type;
- Independent geostatistical analysis of the sample data to optimize estimation;
- Resource estimation using an Inverse Distance Weighting cubed (IDW^3) algorithm with multiple search passes; and
- Construction of Lerchs-Grossmann (LG) economic pit shells using independently assessed mining extraction costs and revenue.

IDW^3 has been used for estimating gold and silver grades into the 3DBM using semi-variogram maximum search distances. The sampled data used for grade estimation was capped at approximately 99 percentile of cumulative probability plots for both gold and silver. The estimation was completed in four passes of decreasing search. The first three passes are estimated from drill hole composites only and the fourth pass, with the shortest search distance is drill hole, plus chip sample composites from the road and trench sampling. The fourth pass is also limited to only near surface contact blocks.

Additional estimation parameters used for modeling are listed in Table 14.8.

Table 14.8
Estimation Parameters

Model	1.5 m Assay Composites		Range (m) Maximum	Minimum Samples	Maximum Samples	Top Cap Gold opt	Top Cap Silver opt
	Minimum Number	Maximum Number					
TZSM Pass1	1	99	84	1	99	25	550
TZSM Pass2	1	99	42	3	99	25	550
TZSM Pass3	3	12	21	3	12	25	550
TZSM Pass4	3	12	10	3	12	25	550
GUAD Pass1	1	99	120	1	99	25	550
GUAD Pass2	3	99	60	1	99	25	550
GUAD Pass3	3	12	30	3	12	25	550
GUAD Pass4	3	12	15	3	12	25	550

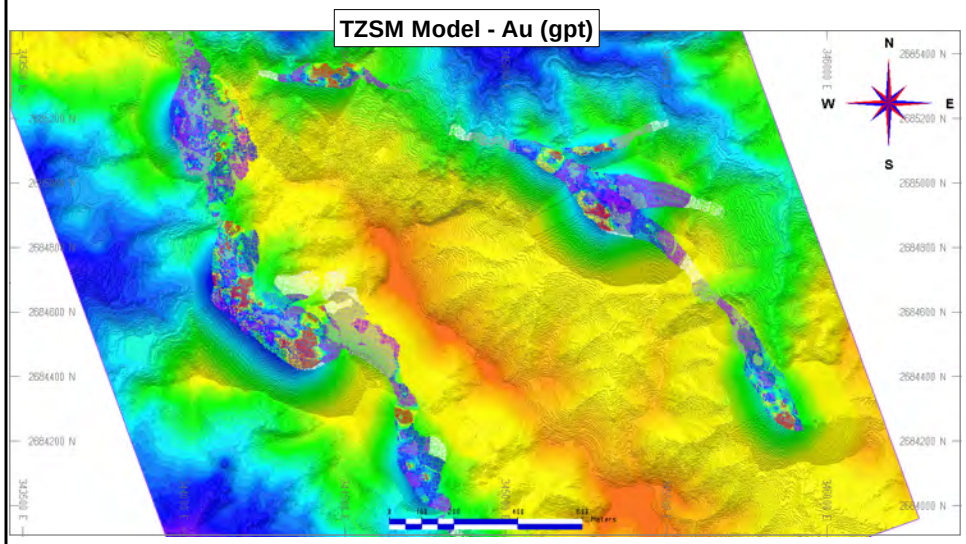
14.6 Pit Design Approach

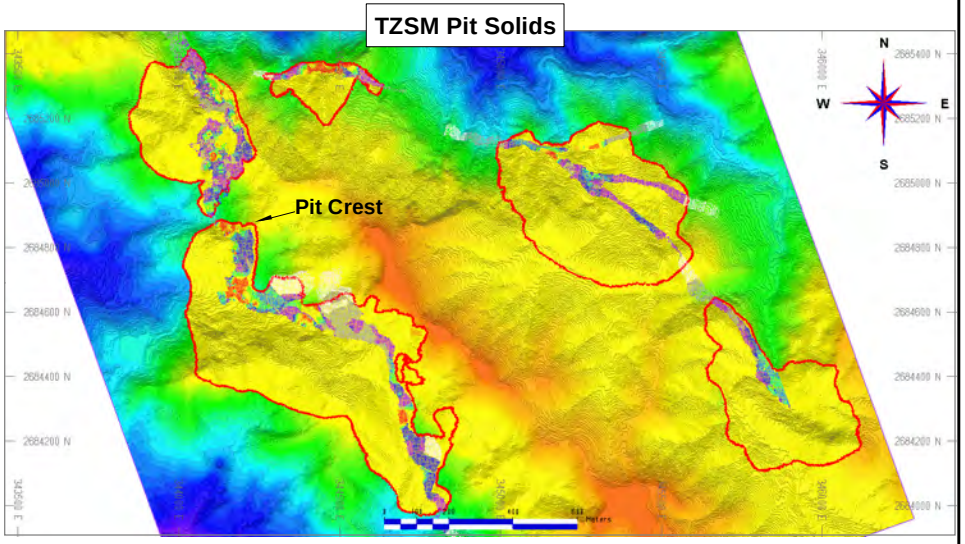
All pits were designed using general parameters for this level of study using the LG tools within MinePlan. The pits are built using a constant 45° pit slope and block revenue minus block cost was used as a driver to determine the overall size of the LG pits.

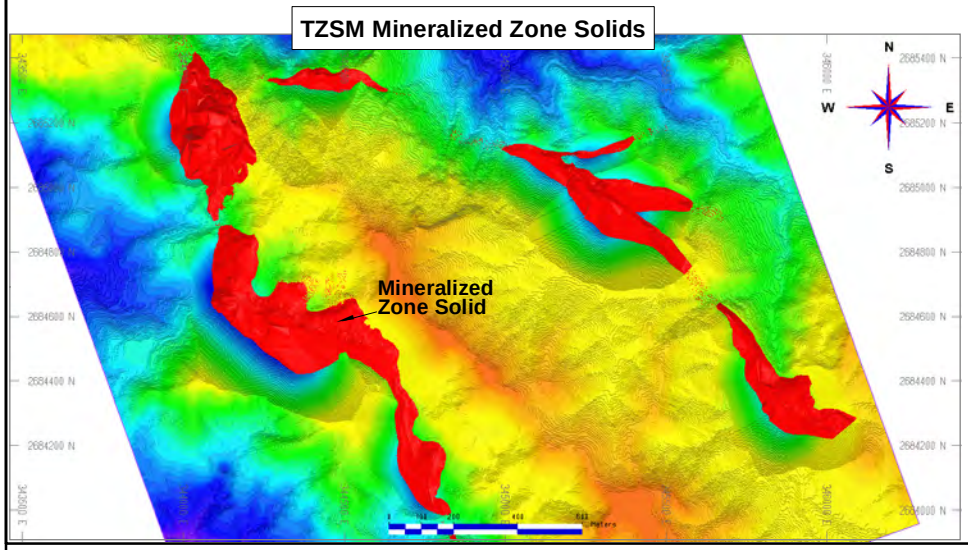
14.7 TZSM Model Pits

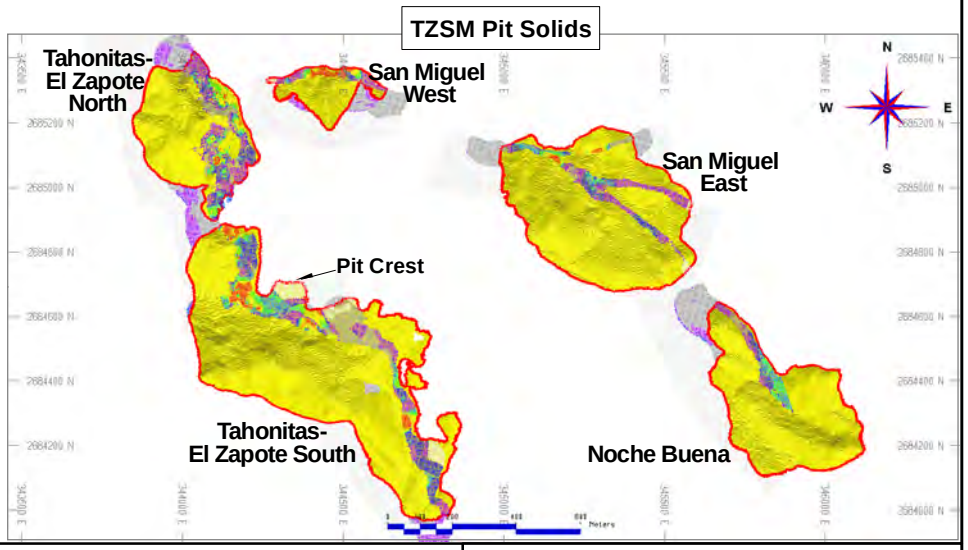
The six mineralized zone wireframe solids that make up the TZSM model produce four LG pits.

Figure 14-9 illustrates the TZSM model mineralized zone solids and the four resultant pit shapes. Figures 14-10 to 14-14 are close up views of each pit displaying gold grades and drill holes in a central cross section view.









Legend

- Pit Crest
- Mineralized Zone Solid

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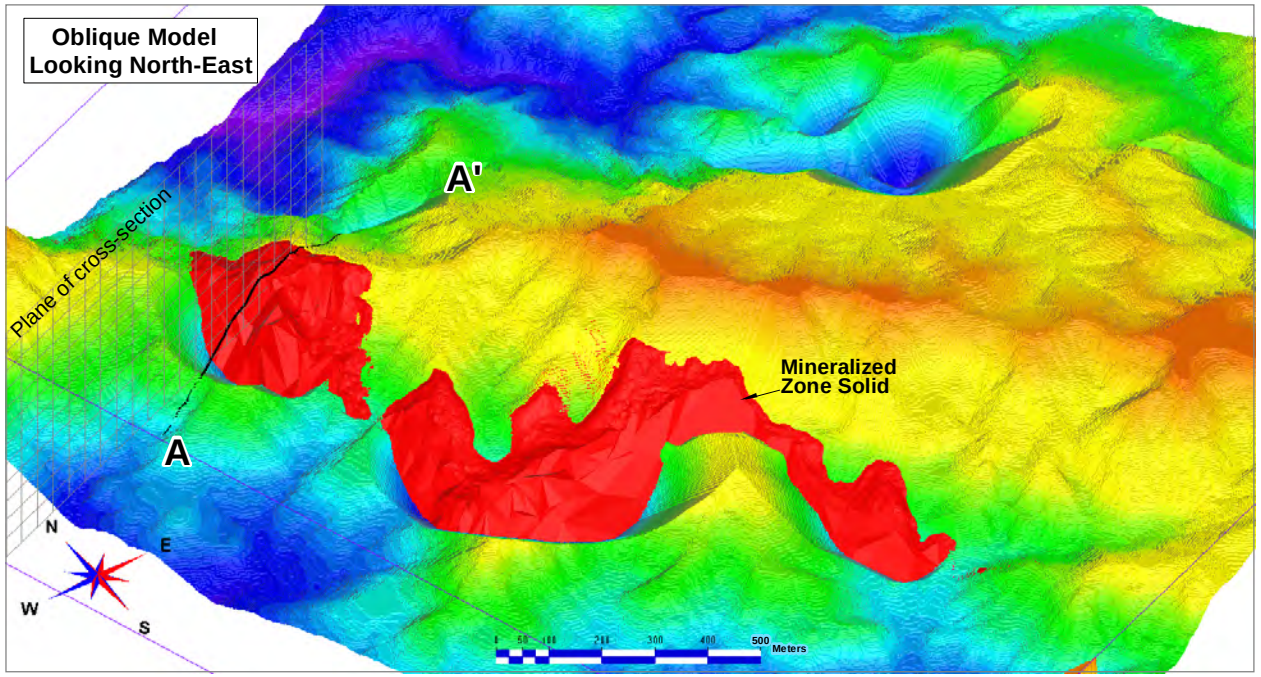
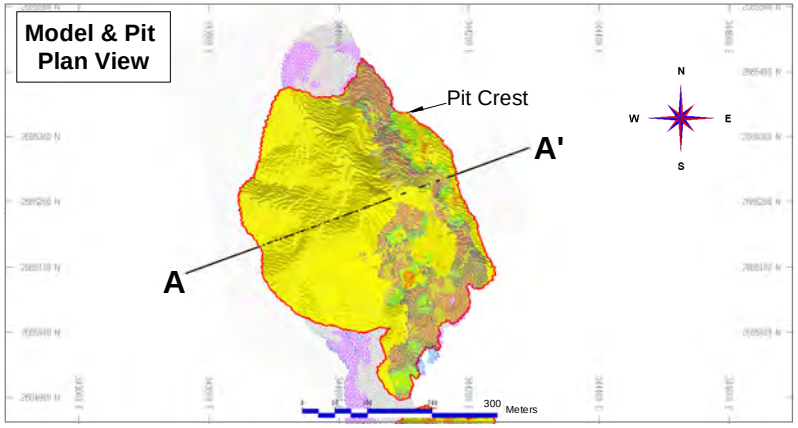
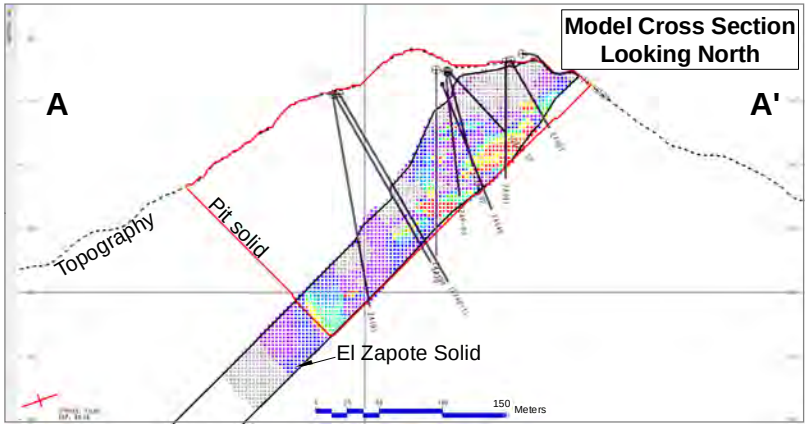
Pits of the TZSM Model

Figure 14-9

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_9_Pits_TZSM_Model_Views V:\1295\active\1668740245\Discipline\Geology\Geospatial







Legend

- Pit Crest
- Topography
- Mineralized Zone Solid

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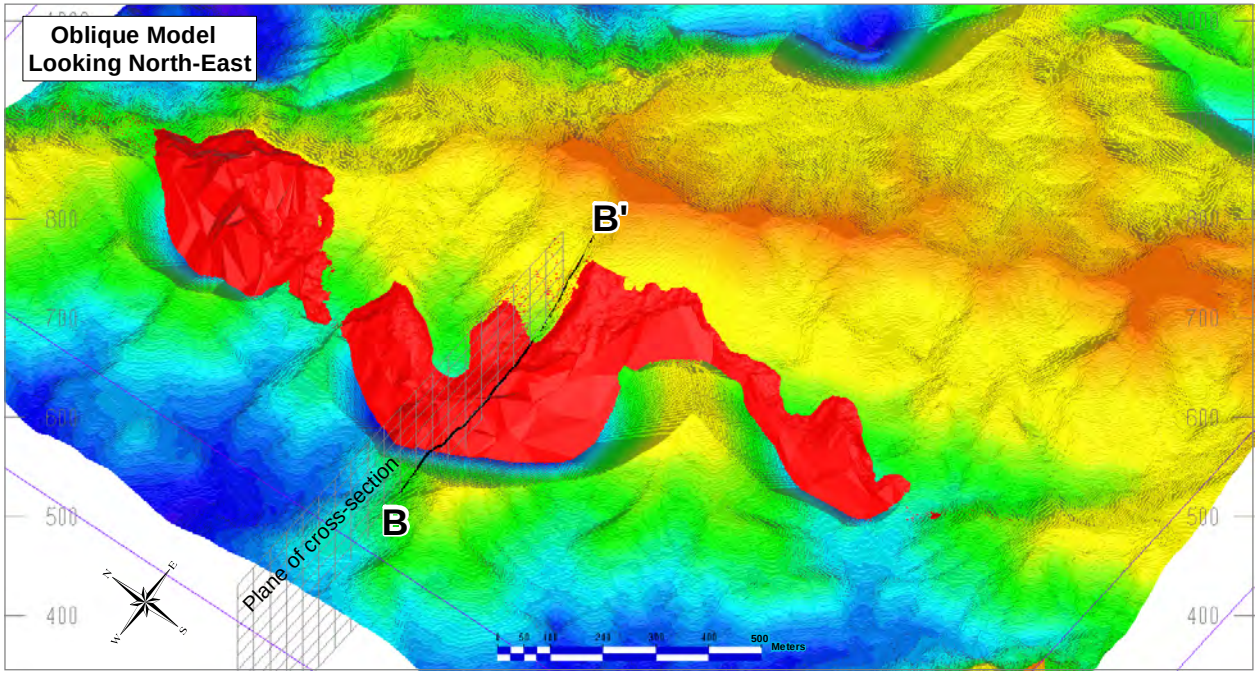
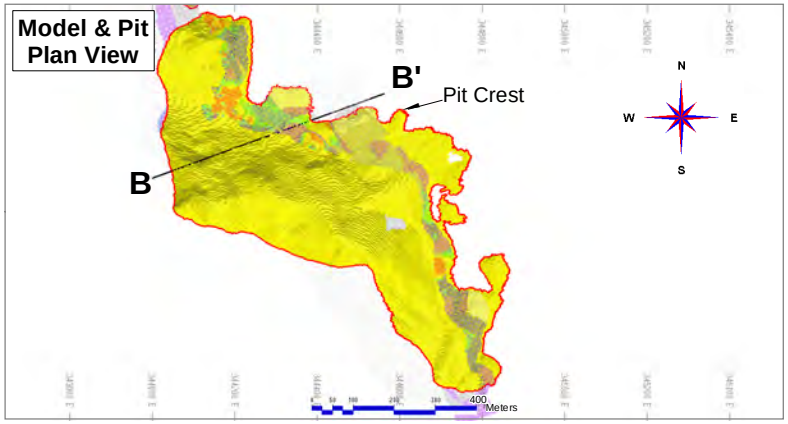
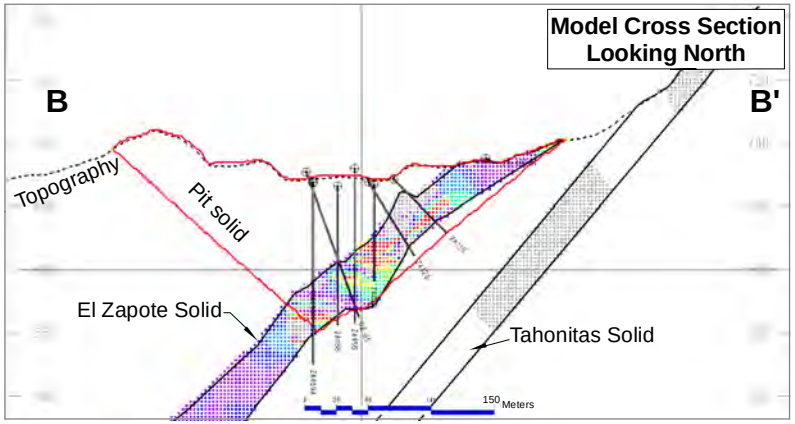
El Zapote North Pit

Figure 14-10

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 30	FILE: Fig_14_10_El_Zapote_N_Pit V:\1295\active\1668740245\Discipline\Geology\Geospatial







Legend

- Pit Crest
- Topography
- Mineralized Zone Solid

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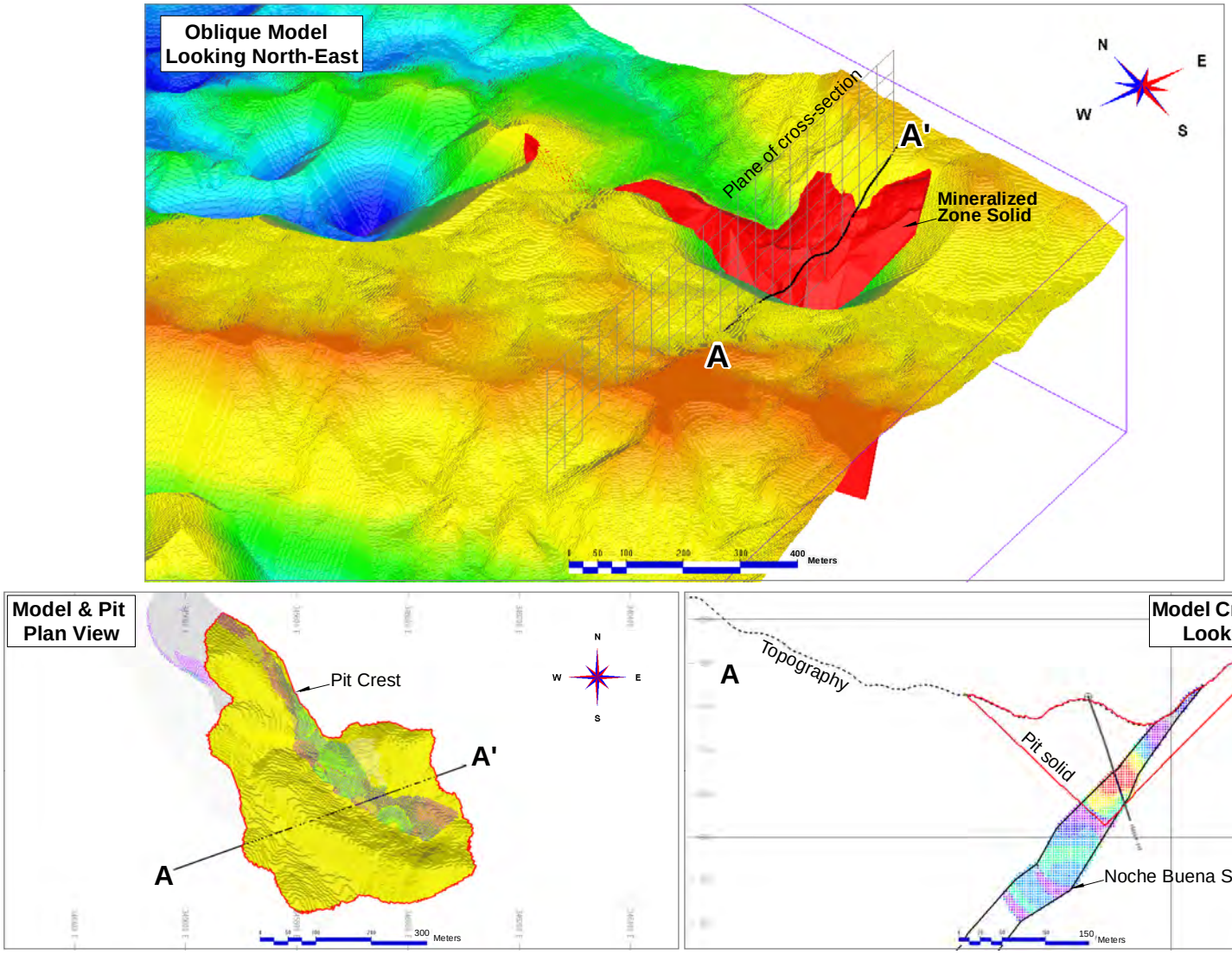
El Zapote South Pit

Figure 14-11

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 30	FILE: Fig_14_11_El_Zapote_S_Pit V:\1295\active\1668740245\Discipline\Geology\Geospatial



Legend

- Pit Crest
- Topography
- Mineralized Zone Solid

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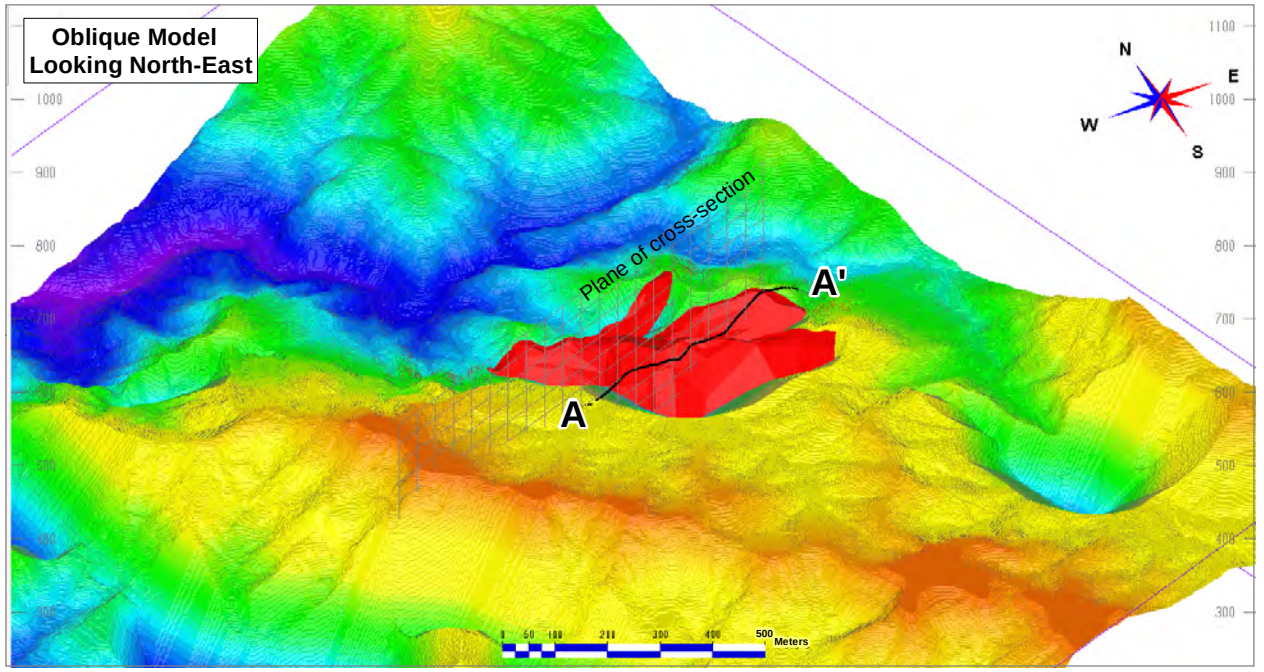
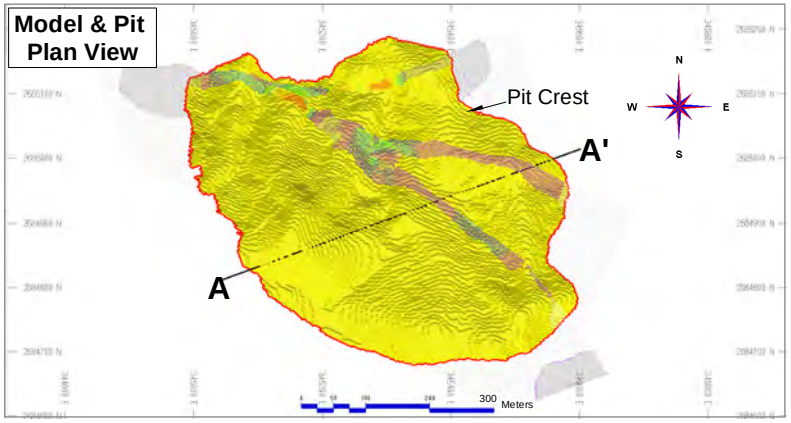
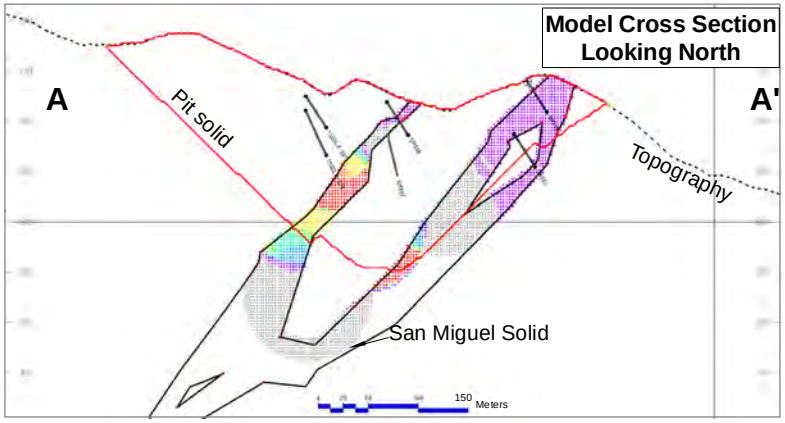
Noche Buena Pit

Figure 14-12

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_12_Noche_Buena_Pit V:\1295\active\1668740245\Discipline\Geology\Geospatial







Legend

- Pit Crest
- Topography
- Mineralized Zone Solid

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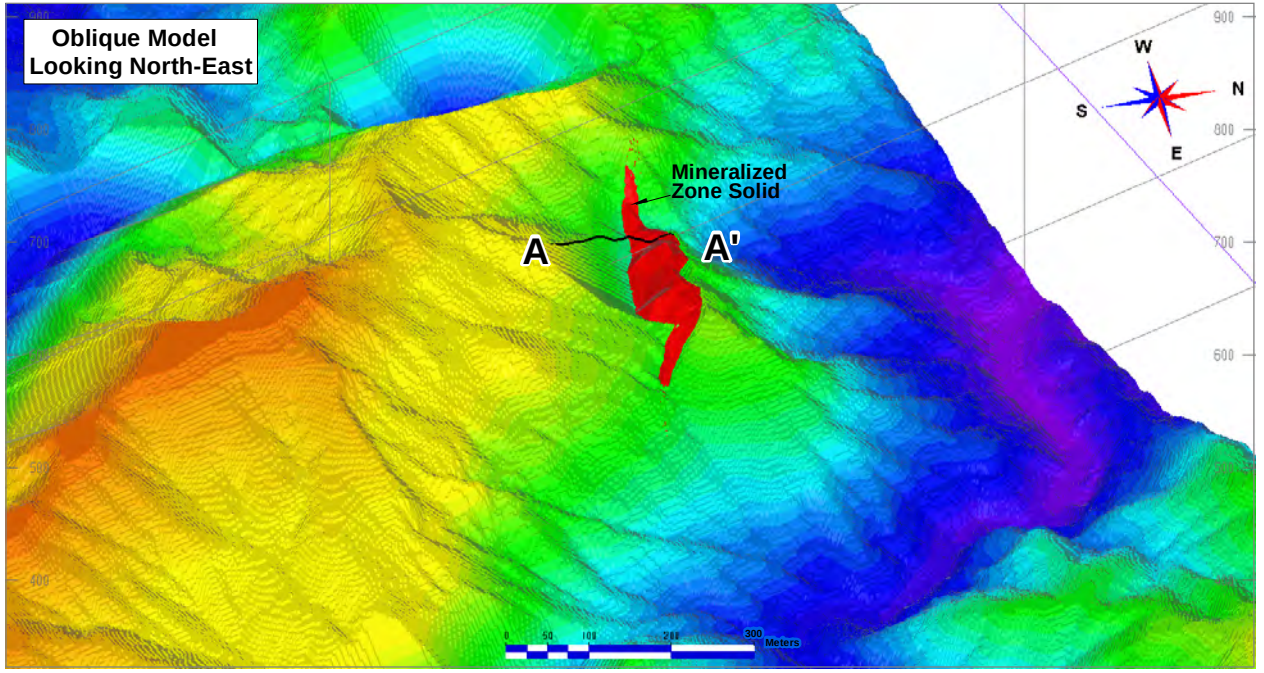
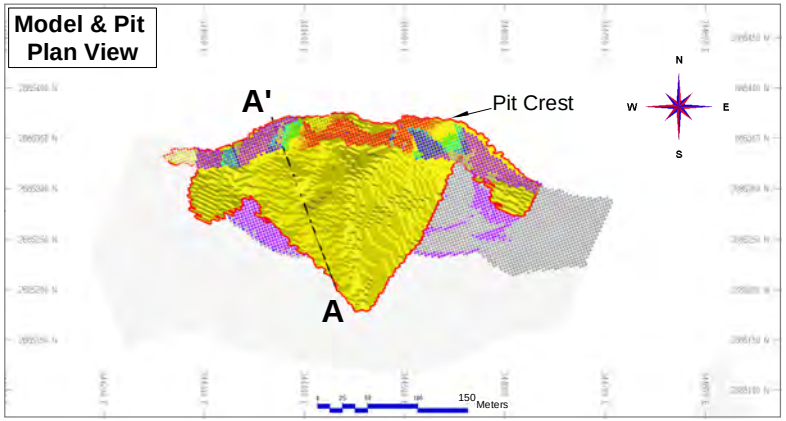
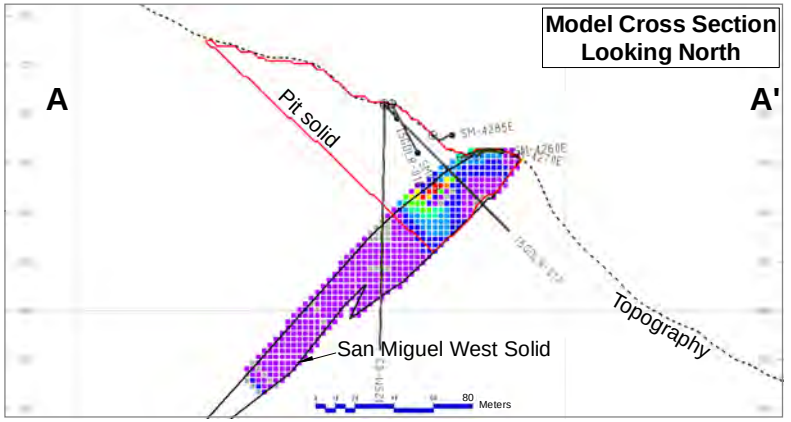
San Miguel East Pit

Figure 14-13

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_13_San_Miguel_East_Pit V:\1295\active\1668740245\Discipline\Geology\Geospatial







Legend

- Pit Crest
- Topography
- Mineralized Zone Solid

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San Miguel West Pit

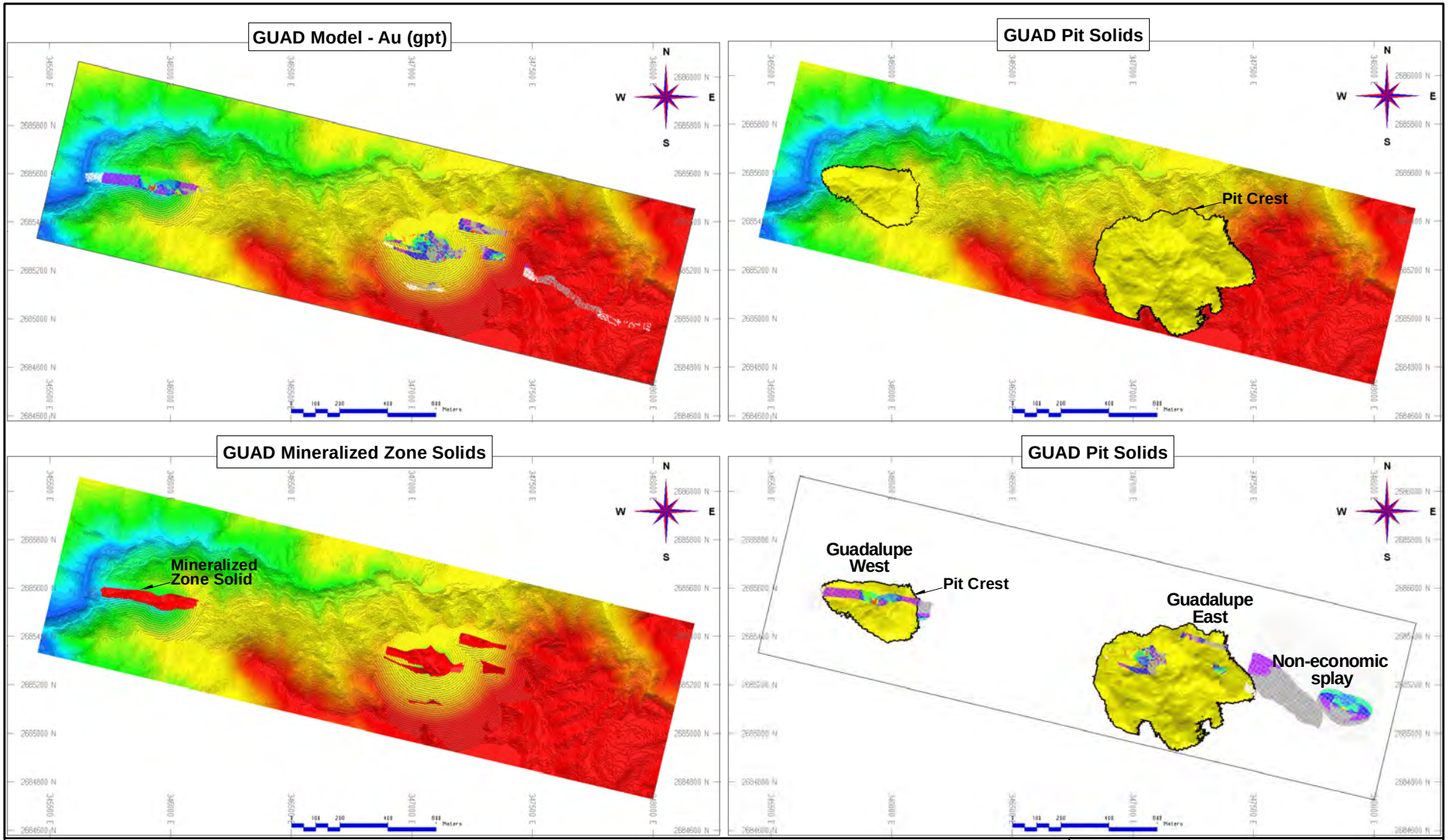
Figure 14-14

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_14_San_Miguel_West_Pit V:\1295\active\1668740245\Discipline\Geology\Geospatial

14.8 GUAD Model Pits

The four mineralized zone wireframe solids that make up the GUAD model produce two LG pits.

Figure 14-15 illustrates the GUAD model mineralized zone solids and the two resultant pit shapes. Figures 14-16 and 14-17 are close up views of each pit displaying gold grades and drill holes in a central cross section view.



Legend

- Pit Crest
- Mineralized Zone Solid

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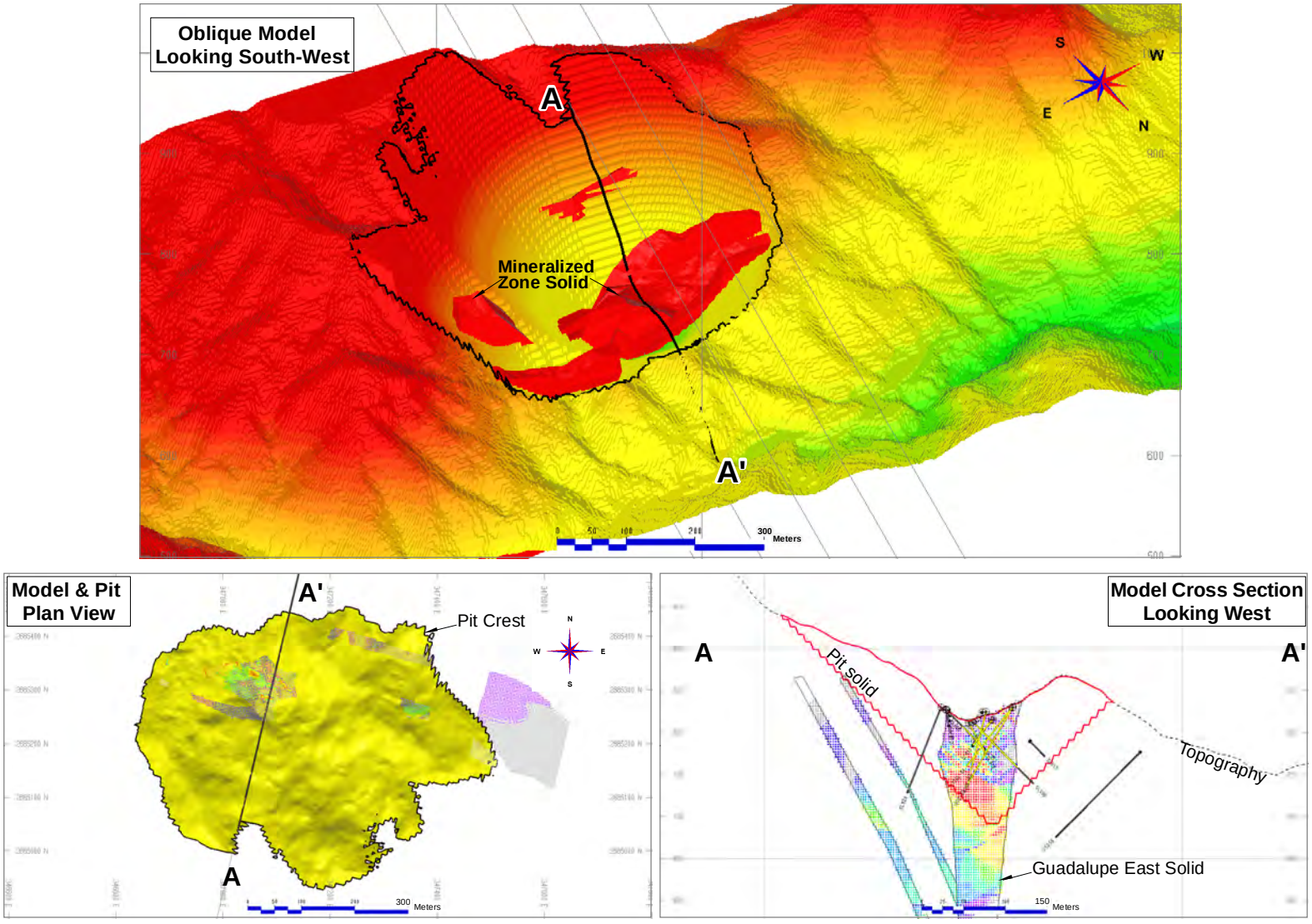
Pits of the GUAD Model

Figure 14-15

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_15_Pits_GUAD_Model_Views V:\1295\active\1668740245\Discipline\Geology\Geospatial



Legend

- Pit Crest
- Topography
- Mineralized Zone Solid

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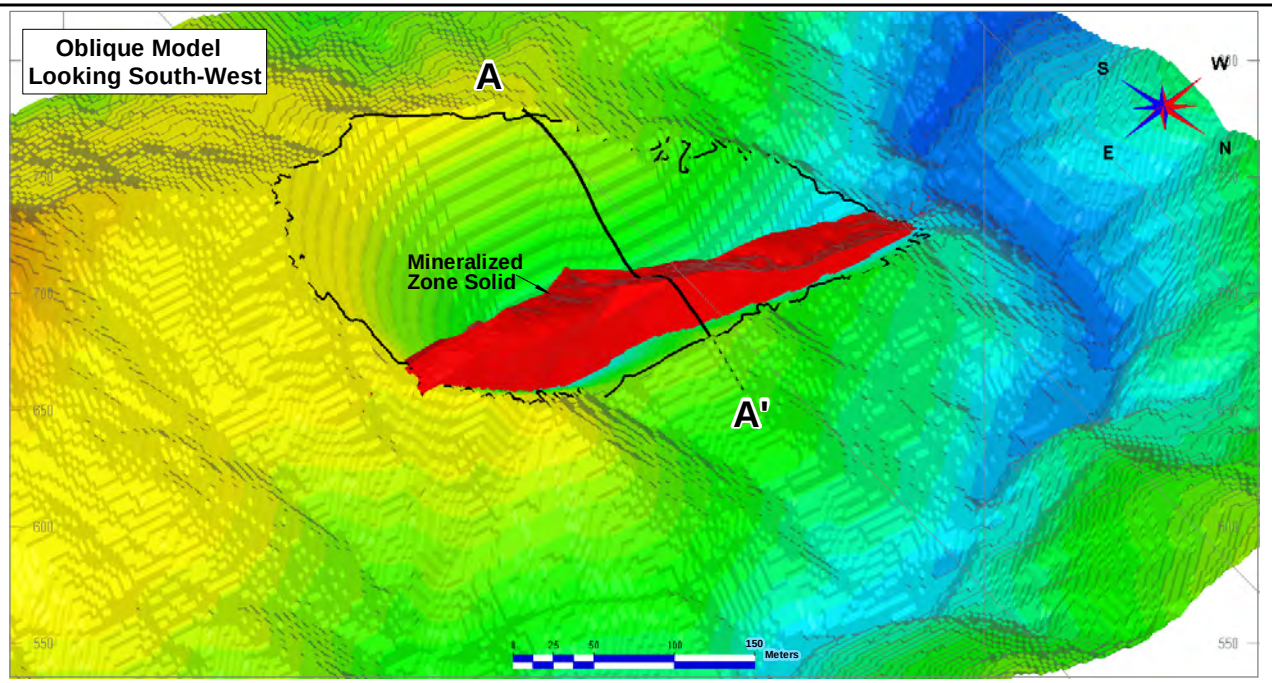
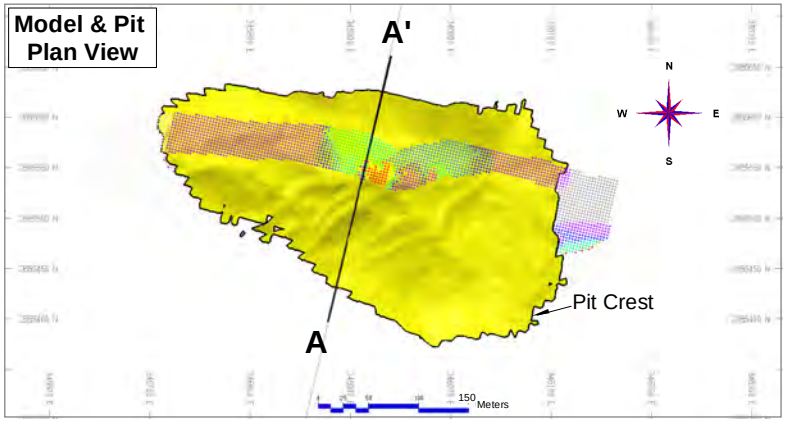
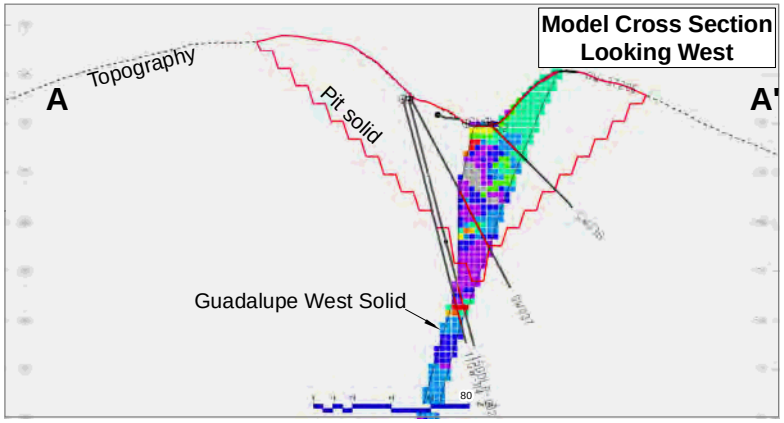
Guadalupe East Pit

Figure 14-16

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_16_Guadalupe_East_Pit V:\1295\active\1668740245\Discipline\Geology\Geospatial







Legend

- Pit Crest
- Topography
- Mineralized Zone Solid

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Guadalupe West Pit

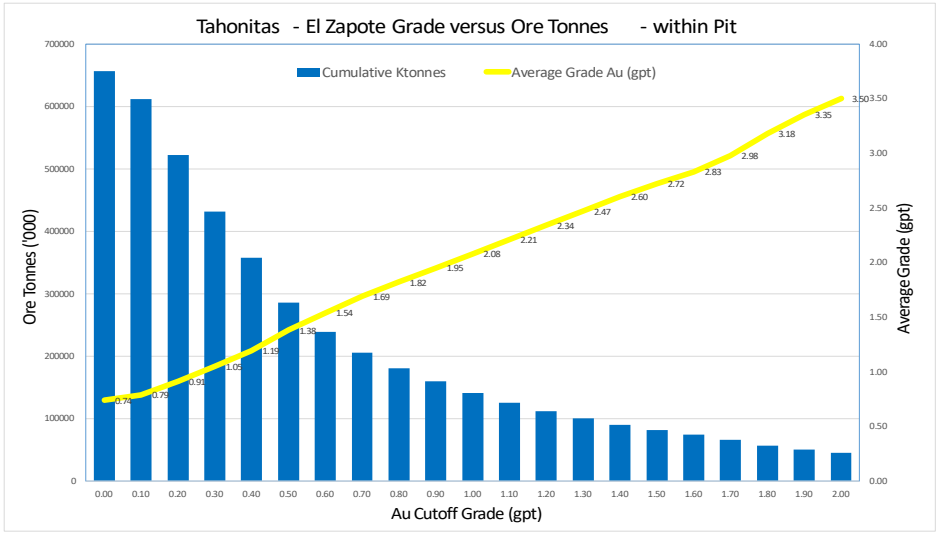
Figure 14-17

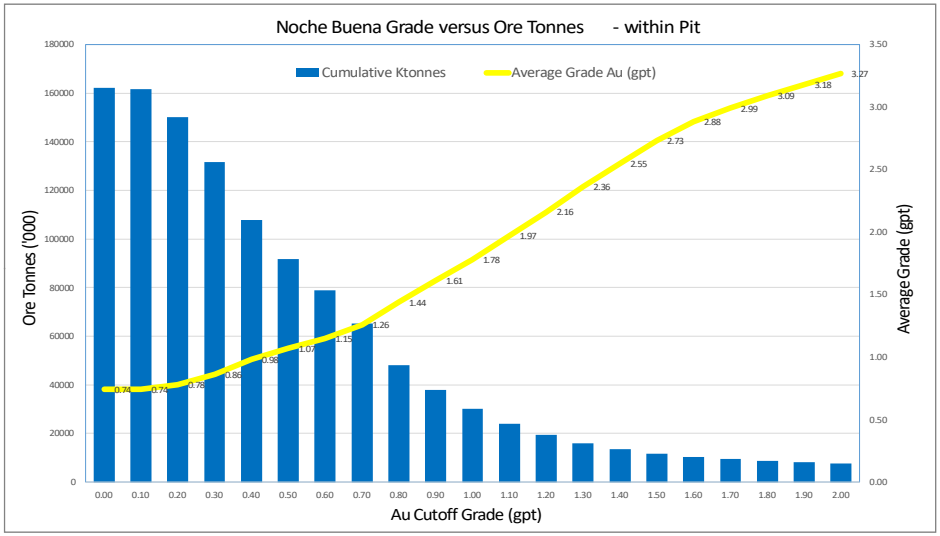
DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_17_Guadalupe_West_Pit V:\1295\active\1668740245\Discipline\Geology\Geospatial

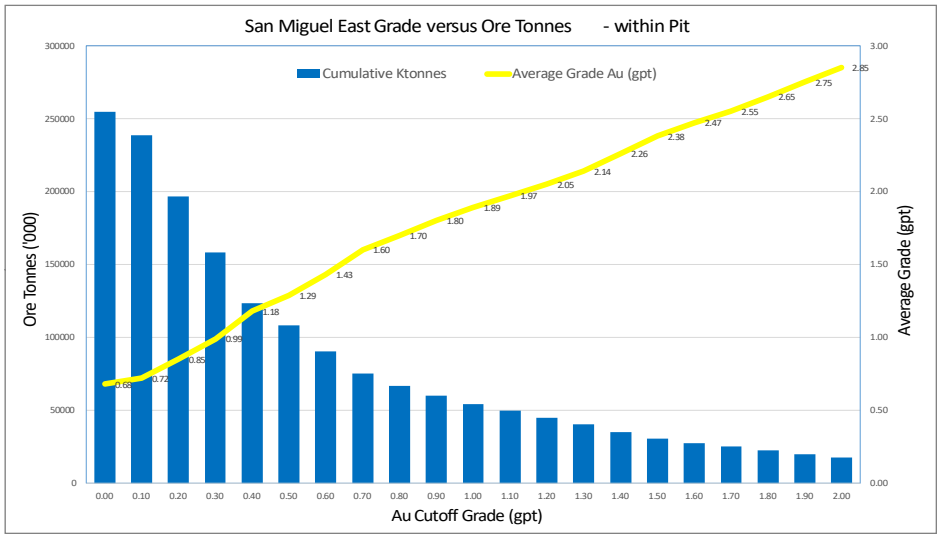
Grade Sensitivity

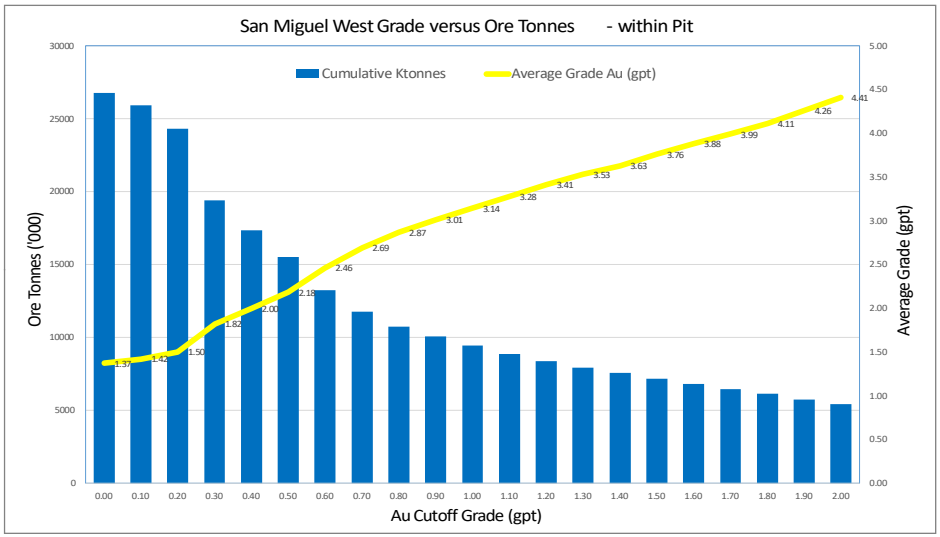
Grade-Tonnage plots were completed on the in-place gold resource model constrained by each of the pit solids for a range of cut-offs. The plots aid in understanding the sensitivity of mineralized zone tonnage and average grade with increasing cut-off grade. Large inflections in the curve indicate that metal is not evenly distributed throughout the model. The tonnage within the four TZSM model pit solids display a uniform decrease with increasing gold cut off. The tonnage within the two GUAD model pit solids are more variable with the west pit showing a marked change in tonnage between 0.2 g/t and 0.3 g/t gold.

Figure 14-18 are the grade-tonnage curves for the four TZSM pit models. Figure 14-19 are the grade-tonnage curves for the GUAD pit models.









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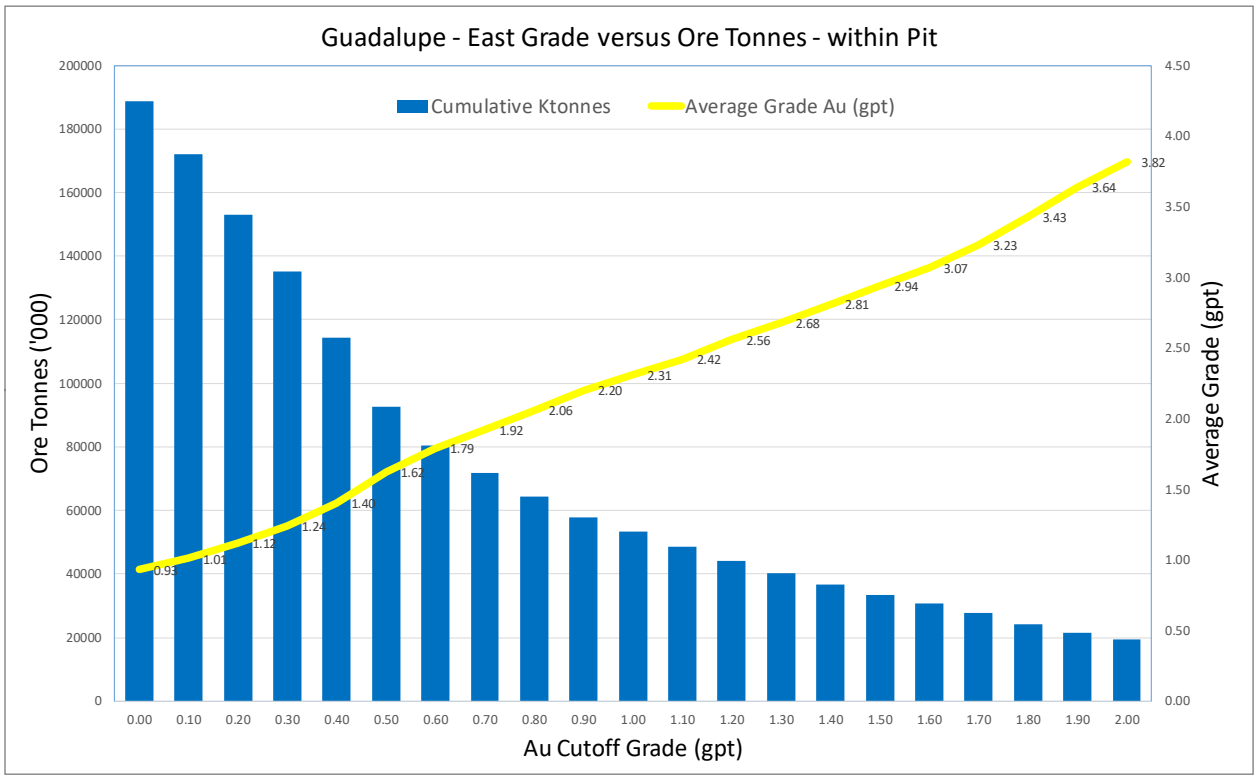
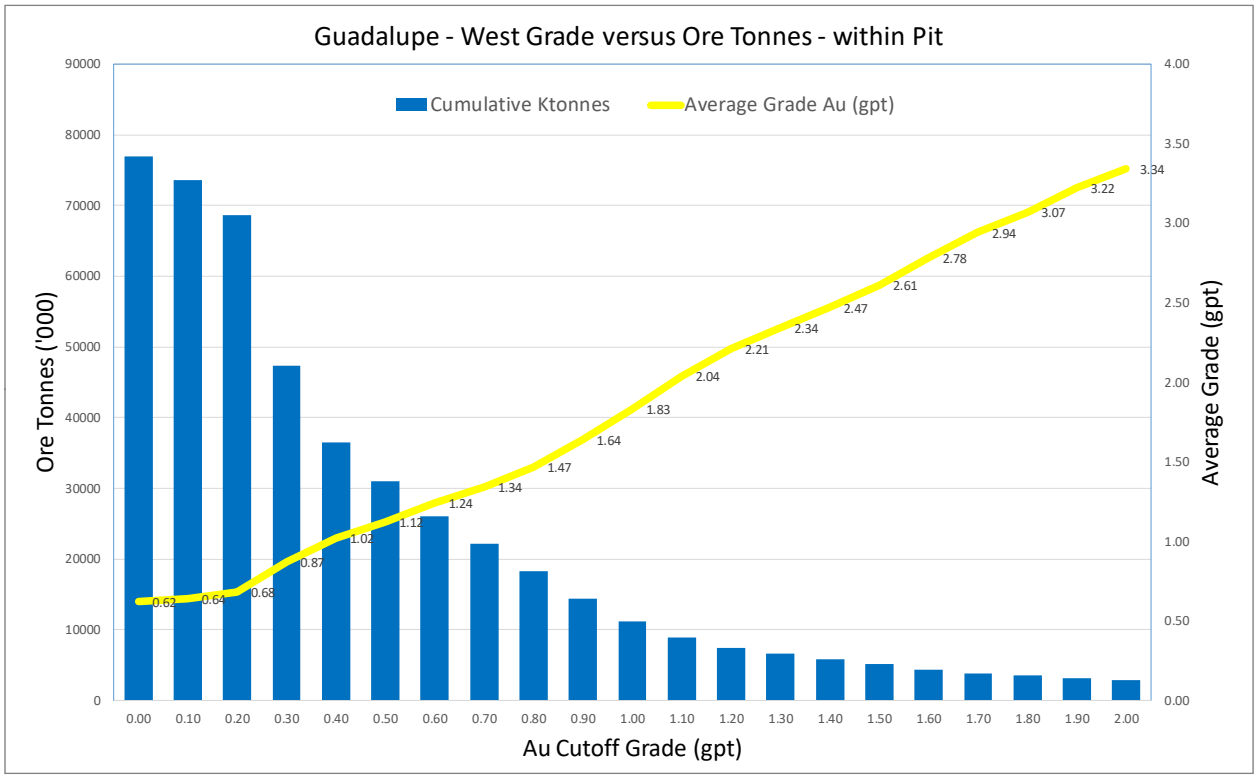
TZSM Model Grade versus Ore Tonnes within Pit

Figure 14-18

DRAWN BY: M.B. CHK'D BY: C.H. Date: 20 03 29	FILE: Fig_14_18_TZSM_Grade_Ore_Tonnes V:\1295\active\1668740245\Discipline\Geology\Geospatial





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GUAD Model
Grade versus Ore Tonnes within Pit

Figure 14-19

DRAWN BY: M.B. CHK'D BY: A.T. DATE: 20/ 03/ 29	FILE: Fig_14_19_GUAD_Grade_Ore_Tonnes V:\1295\active\129500285\Reports\Draft\Figures\MXD

14.9 Basis for Resource Classification

NI 43-101 specifies that the definitions of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Guidelines be used for the identification of resources. The CIM Resource and Reserve Definition Committee have produced the following statements which are restated here in the format originally provided in the CIM Reserve Resource Definition document:

> "Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource."

The Definition of Resources is as follows:

> "A Mineral Resource is a concentration or occurrence of material of economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling."
>
> "Material of economic interest refers to diamonds, natural inorganic material, or natural fossilized organic material including base and precious metals, coal, and industrial minerals."

The committee went on to state that:

> "The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for eventual economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron, potash deposits and other bulk minerals or commodities, it may be reasonable to envisage 'eventual economic extraction' as covering time periods in excess of 50 years. However, for many gold deposits, application of the concept would normally be restricted to perhaps 10 to 15 years, and frequently to much shorter periods of time."

These definitions and statements clearly show that natural material is considered a resource if there is clear identification of the economic potential of the deposit. For sand deposits this means that the nature of the deposit, technology for mining and mine planning, some degree of practical

recovery constraints and the economic potential in current markets must be considered in order to identify a sand resource.

14.10 Property Resource Classification

Resources are classified according to the confidence categories defined by *CIM Mineral Exploration Best Practice Guidelines*, which was published by the CIM Estimation Best Practice Committee on November 23, 2018. The assigned resource classification is currently constrained by a pit floor elevation determined visually from the down dip extent of blocks estimated in the first pass (inferred) and by the maximum search distance of each estimation pass.

TZSM Model

As shown in Table 14.8, resource blocks are classified as inferred if they are 42 m to 84m away from a sample. Resource blocks are classified as indicated if they are 21 m to 42 m away from a sample. Resource blocks are classified as measured if they are less than 21 m away from a sample. There is no classification change with Pass 4.

GUAD Model

As shown in Table 14.8, resource blocks are classified as inferred if they are 60 m to 120 m away from a sample. Resource blocks are classified as indicated if they are 30 m to 60 m away from a sample. Resource blocks are classified as measured if they are less than 30 m away from a sample. There is no classification change with Pass 4.

14.11 Assessment of Reasonable Prospects for Eventual Economic Extraction

A range of minimum cutoff grades are presented for each resource category. Average gold grades are listed using both imperial measurement in ounces per ton (opt) and metric measurements in grams per tonne (g/t). All ounces are in Troy ounces.

In coming to a determination regarding the assessment of reasonable prospects for the eventual economic extraction of the resources on the Property, the Author(s) considered the following:

The resource estimates are based on pit constrained surface resources. The surface resource includes mineralized gold blocks limited to within a 45-degree constant slope pit shell. All resource estimates include contained ounces within the constrained pit shells as shown on Tables 14.9 and 14.10. Table 14.9 summarize the base case with a cutoff of 0.22 g/t gold resources for each of the deposit areas in metric units. Table 14.10 summarize the historic case with a cutoff of 0.50 g/t gold resources for each of the deposit areas in metric units.

The pit shell is defined by a 0.22 g/t (0.007 opt) minimum gold cutoff grade, a US$2.40 per tonne (US$2.15 per ton) mining cost, a gold price of US$1,329 per Troy ounce and a silver price of US$16 per Troy ounce. Mineralization density was based on laboratory analyses on specific lithologies and a default mine rock density was based on 2.6 tonnes/m^3 for all other areas. Modifying factors

considered for the definition of mineralized zones into classified resources of eventual economic interest include the following:

- Metallurgical recovery factors of 72% for gold and 25% for silver that are typical for conventional heap leach operations;
- No allowance for dilution and mining losses in the calculation of the cutoff grade;
- Mining costs of US$2.40 per tonne mined;
- Combined leaching, site costs and overhead of approximately US$4.30 per tonne placed on the leach pad; and
- No refining and royalty costs have been applied.

Truck and shovel surface operations are the expected primary mining method. Mining, leaching, site and other cost inputs have been based on comparable property costs. The level of detail of cost estimation and mining evaluation is deemed to be appropriate for the definition of resources prior to undertaking a preliminary economic assessment level evaluation.

There are no tonnages of potential economic interest reported for underground mining of mineralized zone below the projected pit shell limits.

These factors lead the Author(s) to conclude that the Property could be developed.

14.12 Mineral Resource Estimation

The resource estimations were at the base case cutoff of 0.22 g/t gold, as well as cutoffs at 0.50 g/t gold, 0.70 g/t gold, 0.90 g/t gold, and 1.00 g/t gold. Table 14.9 shows each pit at 0.22 g/t gold.

Table 14.9

In-Place Mineral Resource, Effective Date March 24, 2020. Base Case Pit Constrained Resource at 0.22g/t Gold

Deposit	Assurance Category	Tonnes ('000)	Average Gold Grade (g/t)	Contained Gold (ounces '000)	Average Silver Grade (g/t)	Contained Silver (ounces '000)
Tahonitas - El Zapote (North & South)	Measured (M)	4,576	1.15	169	17.97	2,644
	Indicated (I)	5,622	0.78	141	16.55	2,992
	M+I	10,198	0.95	311	17.19	5,637
	Inferred	2,407	0.91	70	17.17	1,329
Noche Buena	Measured (M)	300	1.25	12	25.93	250
	Indicated (I)	1,939	0.80	50	20.92	1,304
	M+I	2,239	0.86	62	21.59	1,554
	Inferred	1,123	0.73	26	17.34	626
San Miguel East	Measured (M)	650	1.22	26	59.88	1,251
	Indicated (I)	1,784	0.84	48	53.09	3,045
	M+I	2,434	0.94	74	54.91	4,297
	Inferred	2,391	0.81	62	54.89	4,219
San Miguel West	Measured (M)	93	3.15	9	42.26	126
	Indicated (I)	379	1.51	18	20.65	252
	M+I	472	1.83	28	24.91	378
	Inferred	116	0.59	2	10.97	41
Guadalupe East	Measured (M)	2,141	1.46	100	42.08	2,896
	Indicated (I)	809	0.89	23	25.26	657
	M+I	2,950	1.30	124	37.46	3,553
	Inferred	814	0.58	15	18.82	492
Guadalupe West	Measured (M)	767	0.97	24	31.51	777
	Indicated (I)	692	0.53	12	18.37	409
	M+I	1,459	0.76	36	25.27	1,186
	Inferred	243	0.30	2	15.74	123
TOTAL	Measured (M)	8,527	1.24	341	28.98	7,946
	Indicated (I)	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Table 14.10 shows the estimate of the mineral resource for the for the Property by each pit at with the historic case cutoff at 0.50 g/t gold as of March 24, 2020.

Table 14.10

In-Place Mineral Resource Summary, Effective Date March 24, 2020. Pit Constrained at 0.50 g/t Gold Cutoff

Deposit	Assurance Category	Tonnes ('000)	Average Gold Grade (g/t)	Contained Gold (ounces '000)	Average Silver Grade (g/t)	Contained Silver (ounces '000)
Tahonitas - El Zapote (North & South)	Measured (M)	2,701	1.72	149	22.29	1,936
	Indicated (I)	3,108	1.13	113	20.35	2,033
	M+I	5,809	1.40	262	21.25	3,969
	Inferred	1,384	1.31	58	19.22	855
Noche Buena	Measured (M)	165	2.00	11	36.10	191
	Indicated (I)	1,249	1.05	42	26.61	1,068
	M+I	1,414	1.16	53	27.72	1,260
	Inferred	664	1.00	21	23.98	512
San Miguel East	Measured (M)	386	1.84	23	76.57	950
	Indicated (I)	1,068	1.18	40	70.00	2,403
	M+I	1,454	1.35	63	71.74	3,354
	Inferred	1,306	1.22	51	87.00	3,653
San Miguel West	Measured (M)	50	5.58	9	71.08	114
	Indicated (I)	297	1.82	17	24.18	231
	M+I	347	2.36	26	30.93	345
	Inferred	50	1.02	2	16.04	26
Guadalupe East	Measured (M)	1,518	1.92	94	53.06	2,589
	Indicated (I)	493	1.24	20	34.55	548
	M+I	2,011	1.75	113	48.52	3,137
	Inferred	318	0.86	9	28.60	292
Guadalupe West	Measured (M)	474	1.36	21	40.83	622
	Indicated (I)	313	0.78	8	22.40	225
	M+I	787	1.13	28	33.50	848
	Inferred	234	0.30	2	15.68	118
TOTAL	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Table 14.11 shows the estimate of the mineral resource for the Property with the differing gold cutoff grades as of March 24, 2020.

Table 14.11

In-Place Mineral Resource Summary, Effective Date March 24, 2020. Pit Constrained at varying Gold Cutoffs

Cutoff	Assurance Category	Tonnes ('000)	Average Gold Grade (g/t)	Contained Gold (ounces '000)	Average Silver Grade (g/t)	Contained Silver (ounces '000)
0.22 g/t cutoff total	Measured (M)	8,527	1.24	341	28.98	7,946
	Indicated (I)	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831
0.50 g/t cutoff total	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456
0.70 g/t cutoff total	Measured (M)	4,094	2.15	283	42.46	5,589
	Indicated (I)	4,603	1.38	204	35.48	5,251
	M+I	8,697	1.74	488	38.77	10,840
	Inferred	2,603	1.44	120	54.36	4,549
0.90 g/t cutoff total	Measured (M)	3,323	2.47	264	46.57	4,975
	Indicated (I)	3,423	1.58	174	39.46	4,342
	M+I	6,746	2.02	438	42.96	9,317
	Inferred	1,859	1.71	102	64.23	3,839
1.00 g/t cutoff total	Measured (M)	3,019	2.62	254	48.42	4,700
	Indicated (I)	2,895	1.70	158	41.85	3,895
	M+I	5,914	2.17	413	45.20	8,595
	Inferred	1,685	1.78	97	67.22	3,642

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

14.13 Potential Risks

The accuracy of resource estimates is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data available at the time; the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis available after the date of the estimates may necessitate revision. These revisions may be material.

Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as Proven or Probable reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Potential risks that impact the accuracy of resource estimate include:

- The accuracy of the underground excavation survey data impacting the deposits resource cannot be directly measured since these opening are no longer accessible due to safety concerns and /or may have collapsed. Other historic mine workings may be present which have not been documented and would impact the stated resource.

- The mineralized zones used to define and constrain the data analysis and estimations are created using laboratory analysis, core descriptions and field observations. Further exposure of the mineralized zone through mining may modify existing interpretations of the data.

- The resource is limited to the depths of drilling on the Property and is restricted to a depth below surface of approximately 100-150m. Future drilling beyond these depths using appropriately scaled equipment may impact the current understanding of the resources below those depths.

15 MINERAL RESERVE ESTIMATES

This Technical Report does not include an estimate of reserves.

16 MINING METHODS

There is no information for this section of the Technical Report as the Property is not presently producing and is not yet under development.

17 RECOVERY METHODS

There is no information for this section of the Technical Report as the Property is not presently producing and is not yet under development.

18 PROJECT INFRASTRUCTURE

There is no information for this section of the Technical Report as the Property and is not yet under development.

19 MARKETS AND CONTRACTS

There is no information for this section of the Technical Report as the Property is not presently producing and is not yet under development.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

There is no information for this section of the Technical Report as the Property is not presently producing and is not yet under development.

21 CAPITAL AND OPERATING COSTS

There is no information for this section of the Technical Report as the Property is not presently producing and is not yet under development.

22 ECONOMIC ANALYSIS

There is no information for this section of the Technical Report as the Property is not presently producing and is not yet under development.

23 ADJACENT PROPERTIES

The “6 De Enero” claim is privately held and surrounded by Prime Mining’s claims. It is understood that the “6 De Enero” claim has not gone through recent exploration. There are several placer claims in an inlier on the western side of the project. There is no known hard rock mineralization associated with the placer claims.

The nearest operating mines are La Reyna and La Estrella that are located approximately 30 km to the northwest of the Project area. Similar epithermal-style gold and silver deposits are identified approximately 60 km from the Property in the San Dimas and Tayoltita Mining District.

24 OTHER RELEVANT DATA AND INFORMATION

The information presented in this section was extracted from Section 24 from the report titled "NI 43-101 Technical Report Los Reyes Gold/Silver Project Sinaloa, México" with an issue date of June 25, 2019.

Introduction

Water consumption for the project has not yet been determined. The water supply for the process plant potentially can be obtained from three sources, including groundwater wells, river water, or a collection/retention structure. Due to a lack of hydrogeological data, groundwater availability is uncertain. Previous mining operations in the region have utilized river water for similar volumetric requirements.

Climate

The climate of the region is arid to semi-arid with an average annual precipitation of 1,000 mm, most of which occurs from July to September, often in strong storm events making rivers and drainages susceptible to flash flooding. No significant rainfall occurs during the dry season of December to June. Average evaporation rates range from approximately 80 mm in December to 250 mm in May, with a total annual average of approximately 1,800 mm. Due to the large precipitation events, a runoff diversion around mine workings will be necessary.

Surface Water

México's river catchments are organized into 37 hydrological regions, which are in turn grouped into the 13 Hydrological-Administrative Regions. The site is in the Hydrological-Administrative Region 3, Northern Pacific, and within the River Elota sub-Basin. The main channel of the River Elota runs year-round and is located approximately 2 km west of the proposed process plant. A road connects the proposed process plant location and main river channel. The route has an upward gradient which will require pumping (approximately 150-metre elevation). Tributary streams, which are closer to the site, have flows highly dependent on seasonal precipitation and are denoted as intermittent by INEGI. These streams may not be a reliable source of water during the dry season.

- Extraction point A is in the closest proximity to the process facility (1.7 km), draining an area of 21 km^2.
- Extraction point B is located 4.1 km from the site and drains an area of 205 km^2.
- Extraction point C is just below the confluence of the Las Habitas and Elota Rivers, located 6.8 km from the site and draining an area of 1,140 km^2.

The Scorpio mine, a similar operation in the area, located west of the town of Cosalá, utilized surface water from the Las Habitas River, which drains approximately 835 km^2. Water consumption at the Scorpio facility was estimated at 138 m^3/ hr for 1,500 metric tonnes milled per day and estimated to recirculate 50-60 percent of the process water.

A prefeasibility water balance model, completed by Pincock, Allen & Holt in 1998, calculated an average year peak excess water volume of 7,638 m^3, and with extreme wet season conditions of 70,533 m^3, draining from a total catchment area of 117,807 m^2.

Surface water in the area is used by small local communities, using a hose directly from the stream. A previous drilling operation utilizing surface water was halted following disruption of this water source. Los Reyes project is down drainage from those known communities and is not considered likely to impact their surface water usage.

Groundwater

The project is located on the Rio Elota Aquifer (aquifer reference number 2506). According to data published in the *Diario Oficial de la Federación* from August 2009, the available volume of water to the Rio Elota Aquifer is approximately 33.55 million cubic metres per year, available from the alluvial portion of the aquifer. Los Reyes project is located on fractured bedrock in the high area of the aquifer where recharge occurs.

Assessment of groundwater potential within the fractured bedrock has not been undertaken. Exploratory drilling and well installation, followed by appropriate aquifer testing, is required to identify potential production zones and to assess supply opportunities for the Project.

Water rights and approvals are controlled by CONAGUA. Water tariffs in México are generally based on increasing block tariffs. The rate charged increases with the amount of water used and is set locally by each municipality. The site is within the municipality of Cosalá. According to the current legislation, individuals or companies must pay for the use of the national waters regardless of how the rights were obtained. These rates are determined by its availability and the method of extraction.

25 INTERPRETATION AND CONCLUSIONS

The Property is in the Sierra Madre Occidental mountain range of the North American Cordillera that extends for hundreds of kilometers from central to northern México in the Basin and Range province. The Property is near the village of Guadalupe de Los Reyes and can be accessed year-round by a road located 30 km southwest from the city of Cosalá. Since the discovery of gold and silver on the Property in 1772, there have been several changes in ownership.

The Property is composed 37 contiguous concessions that have an area of 6,302.7 hectares; however, due to overlap between some of the concessions, the actual area is 6,273 ha. The main mineralized trends on the Property occur on three northwest and west-northwest oriented silicified structural corridors that are hosted in intermediate to felsic volcanics. These mineralized structural corridors are named after the mineralized areas that they host, which include: 1) the Mariposa-El Zapote-Tahonitas trend; 2) San Miguel-Noche Buena trend; and 3) the Guadalupe trend. The mineralization conforms to the Low Sulphidation Epithermal deposit classification type.

Two 3D geologic resource models, named TZSM and GUAD, were developed for delineated portions of the Property. The TZSM model encompasses the El Zapote and Tahonitas deposits, as well as the San Miguel and Noche Buena deposits. The GUAD model includes the Guadalupe deposits. The resource estimates calculated in this study were restricted to pit constrained surface resources. The pits were built using a constant 45° pit slope and block revenue minus block cost was used as a driver to determine the overall size of the Lerchs-Grossmann pits.

Table 25.1 shows the estimate of the mineral resource for the Property with the differing gold cutoff grades as of March 24, 2020. The cutoff of 0.22 g/t gold is the base case.

Table 25.1

In-Place Mineral Resource Summary

Cutoff	Assurance Category	Tonnes ('000)	Average Gold Grade (g/t)	Contained Gold (ounces '000)	Average Silver Grade (g/t)	Contained Silver (ounces '000)
0.22 g/t cutoff total	Measured (M)	8,527	1.24	341	28.98	7,946
	Indicated (I)	11,225	0.81	293	23.99	8,658
	M+I	19,752	1.00	633	26.15	16,604
	Inferred	7,094	0.78	179	29.95	6,831
0.50 g/t cutoff total	Measured (M)	5,294	1.80	306	37.62	6,403
	Indicated (I)	6,528	1.15	240	31.01	6,509
	M+I	11,822	1.44	546	33.97	12,912
	Inferred	3,956	1.13	144	42.90	5,456
0.70 g/t cutoff total	Measured (M)	4,094	2.15	283	42.46	5,589
	Indicated (I)	4,603	1.38	204	35.48	5,251
	M+I	8,697	1.74	488	38.77	10,840
	Inferred	2,603	1.44	120	54.36	4,549
0.90 g/t cutoff total	Measured (M)	3,323	2.47	264	46.57	4,975
	Indicated (I)	3,423	1.58	174	39.46	4,342
	M+I	6,746	2.02	438	42.96	9,317
	Inferred	1,859	1.71	102	64.23	3,839
1.00 g/t cutoff total	Measured (M)	3,019	2.62	254	48.42	4,700
	Indicated (I)	2,895	1.70	158	41.85	3,895
	M+I	5,914	2.17	413	45.20	8,595
	Inferred	1,685	1.78	97	67.22	3,642

- Three year rolling gold price of US$1,329 / Troy ounce and silver price of US$16 / Troy ounce used
- Cutoff grade of 0.22 g/t gold applied
- Total mining and processing cost of US$6.70 / tonne applied
- No NSR charges were applied in calculation of cutoff or mining costs
- In-place tonnages constrained to the LG pit solids using combined gold and silver revenue

Potential risks that impact the accuracy of resource estimate include:

- The accuracy of the underground excavation survey data impacting the deposits resource cannot be directly measured since these opening are no longer accessible due to safety concerns and /or may have collapsed. Other historic mine workings may be present which have not been documented and would impact the stated resource.

- The mineralized zones used to define and constrain the data analysis and estimations are created using laboratory analysis, core descriptions and field observations. Further exposure of the mineralized zone through mining may modify existing interpretations of the data.

- The resource is limited to the depths of drilling on the Property and is restricted to a depth below surface of approximately 100 m to 150 m. Future drilling beyond these depths using appropriately scaled equipment may impact the current understanding of the resources below those depths.

26 RECOMMENDATIONS

The data compilation, model build, and trenching/roadcut sampling program identified prospective areas to further delineate. There are two main recommendations to advance this program that are: 1) to further identify and characterize ore mineralization spatially and geochemically; and 2) to complete a comprehensive Preliminary Feasibility Study on the Property. The proposed phases are addressed below.

Phase 1

Additional trenching is recommended to potentially extend the mineralization in El Zapote North and South, San Miguel East and West, between San Miguel East and Noche Buena, as well as in the Tahonitas area. It is also recommended to complete additional drilling for the purpose of: 1) assessing the extension of mineralization down dip below current pit bottoms; 2) subsurface testing of mineralization identified during trenching programs; and 3) assess the continuity between ore bodies, such as El Zapote North and El Zapote South, and between San Miguel and El Zapote North. The proposed method of drilling would include both core and RC holes.

Following the trenching and drilling campaigns, it is recommended that the collected samples be assessed by multi-element analyses to expand the knowledge of variability across the Property and to potentially identify deleterious components in the ore bodies. In addition, metallurgical test work on the drill and trench data is recommended to expand the database on the general recovery characteristics using different extraction methods (eg. bottle rolls, shakers). Mineralogical studies, such as petrography and x-ray diffraction, is recommended to further understand the epithermal system complexities and sulphide boundaries. Table 26.1 lists the estimate of the recommended drilling, sampling, and testing proposed for Phase 1.

Table 26.1
Recommended Drilling, Sampling, Testing

Estimated Number of Holes	Estimated Average Hole Depth (m)	US$ ('000)			
		Drilling (RC & Core)	Testing (assay, metallurgical, mineralogical)	Field Personnel	Total
40	250	1,125	500	175	**1,800**

Phase 2

Depending on the results obtained from the execution of Phase 1, further reporting may be necessary in the case that the results are material to the Project. In that case, the models would be updated, and the associated resource estimations and classifications would be completed, and a new Technical Report would be released. Phase 2 is estimated at **US$75k**.

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