SAN VICENTE PROJECT

LA LIBERTAD, PERU

NATIONAL INSTRUMENT 43-101F1 TECHNICAL REPORT

Prepared For: Lida Resources Inc.

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Effective Date: September 10th, 2019

COVER PHOTO:

Andesite breccia displaying angular to sub angular clasts with sphalerite, galena matrix, sample taken from MZ2 structure.

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ITEM 1. SUMMARY

No estimates of mineral resources or reserves have been undertaken in connection with this Technical Report

At the request of Leonard De Melt, President & CEO of Lida Resources Inc. ("Lida Resources"), George C. Sharpe, Mineral Exploration Services of Regina, Saskatchewan, has completed a 43-101 technical report on the San Vicente property. This report presents a technical summary of the San Vicente property that is wholly owned by Imperium Mining SAC ("Imperium"), a Peruvian company owned by Lida Resources, and is located in the department of La Libertad, Northern Peru.

The report presents the geological context and potential of the property. This report, originally written in 2011, was reviewed and updated by this author in November and December of 2017 following a site visit to the San Vicente property. All known technical data has been made available to the author for preparing this report. The conclusion and recommendations set by the author in this report are based on the site visit, the previous report and the interpretation of data acquired from 2011 exploration results (no detailed exploration had taken place prior 2011). When the author visited the property on October 27, 2017, several mineralized exposures on surface and adjacent to the exploration drifts were examined. The author also walked over the property and saw areas where oxide and sulphide mineralization was visible on surface. The author has more than 25 years of experience in global mining exploration, of which parts of the years 2012 and 2017 have been spent working in Peru.

The San Vicente property is located approximately 120km east of the coastal city of Trujillo in Peru. The San Vicente property comprises one mining concession covering 200ha which is located in the western side of the Central Andean Cordillera at an altitude of approximately 3,400m. The San Vicente property is directly owned by Imperium, indirectly owned by Lida Resources.

The property is located in the occidental part of the Tertiary Volcanic Belt of the Western Cordillera and is underlain by rocks of the Calipuy Formation, one of the most important precious and base metals metallotects in Peru. The Calipuy Formation is the product of post tectonic volcanism in the Cordillera region. It represents the effusive magmatism that followed the final emplacement of the Costal Batholith. At San Vicente, the Calipuy Formation consists of andesite as a massive greenish grey fine to intermediate grained rock with local millimetric sized feldspathic phenocrystals and Andesite tuff which is greenish grey to purple in colour with a fine-grained matrix.

The mineralization observed at the San Vicente Property would be consistent with an igneous hosted polymetallic veins Ag-Pb-Zn-Au deposit type. However, these deposits represent the low temperature near surface (or distal) facies of intrusion-related hydrothermal activity.

To date exploration has consisted of surface and underground mapping, mining exploration drives along structures and channel sampling of exploration drives. The surface and underground mapping identified 3 mineralized structures (MZ1, MZ2 and MZ3) with the MZ1 and MZ2 structures possibly linking up to the west.

The former operator, S.M.R.L. El Otro Lado has taken 187 samples from 66 channels with 122 samples on surface, 9 channel samples taken in the MZ 2 structure and 57 channel samples were taken in the MZ3 structure. The MZ1 structure could not be entered for sampling due to unsafe ground conditions. From sampling data, the MZ3 structure has an average width of 0.23m with average grades of 0.27g/t Au, 14.69 Oz/t Ag, 4.68% Zn, 7.56% Pb, 0.06% Cu, 0.98% Sb and 5.93% Mn.

Minimal samples were taken in the MZ2 structure, making it impossible to conduct a proper evaluation to reach conclusions. This was due to unstable ground conditions and the fact that some of the drive was filled with broken mineral from the MZ3 structure. The MZ1 drive was completely filled with broken material from the MZ2 and MZ3 structures so no channel samples could be taken in MZ1 to evaluate that structure.

The author concluded that the San Vicente property is now owned by Imperium through a purchase from S.M.R.L El Otro Lado. The San Vicente property hosts a polymetallic Ag-Pb-Zn±Au vein deposit which size and grade have yet to be accurately estimated. An initial preliminary evaluation (Stage 0), followed by a two-stage exploration program are required in order to fully define the size and grade of the deposit.

Stage 0 – Initial Evaluation ($75,000 – $100,000 CAD budgeted, $73,475.57 expended to August 31, 2019)

- Survey of the property, map out all surface features, infrastructure, buildings (in progress)
- Improve local access roads where required (in progress, on going)
- Harvest and ship to a local mill any existing extracted ore

Stage 1 – Surface Exploration ($175,000 – $200,000 CAD)

- Detailed surface geological mapping ($10,000 – $20,000 CAD)
- Geophysics ($25,000 – $35,000 CAD)
- Surface channel sampling ($5,000 CAD). Includes transportation and lab fees
- Limited diamond drilling ($135,000 – $145,000 CAD). All in, including direct drilling costs, geologist, assays, report and contingencies

Total of Stages 0 and 1: $250,000 – 300,000 (CAD)

Stage 2 - Underground Exploration with associated metallurgical test work (to be done at a later date, following completion of Stages 0 and 1A work.)

- Continue developing underground infrastructure through driving exploration drifts
- Geomechanics and lithology mapping
- Treat mineral from mining to increase metallurgy data

Irrespective of the geophysics results, drilling needs to take place as the strike of the main structures can be followed intermittently on surface for 800m. However, it is the author's opinion that the geophysics will help greatly in identifying structures and anomalies and help reduce the cost of any drilling program. The surface survey has to be defined in detail before any geophysics or drilling programs can start. The outcome of the survey will have a direct impact on the location of drilling platforms which in turn will have a direct impact on earthworks and meters to be drilled.

For the purpose of this report it is recommended that a drilling campaign should consider starting by drilling directly under the current mine workings intersecting the structures 50m, 100m and 150m below the current level. The drilling should then move both northeast and southwest in 100m intervals along strike away from the central position until the entire 800m strike length is covered off. The drilling from each section line should intersect the structures 50m, 100m and 150m below surface. The drilling campaign would total 9 section lines with drilling platforms in 2 to 3 different areas along the section lines. It is estimated that on average each section line would require 550m of drilling.

It is estimated that the cost of doing the work for Stages 0 and 1 will be in the region of 250,000 – 300,000. CAD. The time frame which the work program can be done is estimated at 4 months.

No budget has been calculated for the Stage 2 exploration program. Lida Resources does not have a detailed mining plan for continuing the exploration drives. However, it is thought that they will put in a new level 80m below the current exploration level. The first borehole to be drilled in Section Line 0 will give information relevant to the planning of this drive (geomechanics, lithology and assay data). It is estimated from the topography that approximately the same amount of mining will need to be done in waste material (as was done in the 100 level) before intersecting the structures 80m below the current level.

ITEM 2. INTRODUCTION

Terms of Reference

In August 2019, George C. Sharpe, Mineral Exploration Services of Regina, was commissioned by Mr. Leonard De Melt, President of Lida Resources to travel to Peru, conduct a site visit, and prepare a NI 43-101 technical report on Lida Resources' San Vicente project in the Provence of La Libertad Peru.

The San Vicente project (Ag, Zn, Pb, Sb veined system) consists of one single 200ha concession and is wholly owned by Lida Resources. This report is an update of a previous report which was authored by the late Shane Whitty. No new work was recorded on this property since 2011. Work at that time was suspended due to lack of funds and an extended downturn in the commodities markets.

Purpose of Report

The San Vicente project is in the advanced stages of exploration in some areas, while in others more preliminary exploration such as surface mapping, drifting along mineralized structures and underground mapping and sampling is required. The mineral extracted from the exploration drives has been treated in two processing plants and grab samples have been tested for mineralogy and flotation testing. The purpose of this report is to review the data collected to date and to recommend future exploration with the objective of increasing the value of the property and identifying exploration targets on the concession. The prior information collected in 2011 and 2017 was supplemented by the information gathered by George C. Sharpe, while in Peru in 2019.

ITEM 3. RELIANCE ON OTHER EXPERTS

George C. Sharpe has not reviewed the land tenure, nor independently verified the legal status of ownership of the property. The results and opinions expressed in this report are based on this author's field observations, prior data supplied by Lida Resources, and the geological and technical data listed in the references.

The results and opinions expressed in this report are qualified upon the aforementioned technical and legal information being current, accurate, and complete as of the date of this report, and the understanding that no information has been withheld which would affect the conclusions made herein. George C. Sharpe does not assume responsibility for Lida Resources in distributing this report.

Sources of Information

The author of this report has relied upon certain information, reports and statements provided by Lida Resources, as presented in Section Item 27 (References). The author has no reason to doubt the reliability

of the technical and other information supplied by Lida Resources that was used by this author in the preparation of this report.

Qualification of Consultant (George C. Sharpe)

Mining Exploration and Project Geologist who graduated from the Sault College of Applied Sciences and Technology in 1974, (Geology Program) followed by further studies and certificate courses in Petroleum Geology and Geophysics, Prospecting and Mapping Program, sponsored through the University of Manitoba and the Province of Manitoba Energy and Mines, Structural Geology, Geochemistry, and Technical Report Writing, with considerable mining and exploration experience in all of Canada, the USA, Mexico, Central America, Ecuador, Guyana, China, Mongolia, and Peru. George has worked in Peru in 2012, 2017, and 2019 and is the Qualified Person for Lida Resources.

This author is currently a member in good standing with:

- Association of Professional Geoscientists of Saskatchewan (A.P.E.G.S.) Geoscience Licensee, with Permission to Consult (P. to C.) Member #09697. Member since 2003.

- Association of Professional Geoscientists of Ontario (A.P.G.O.) Member #1639. Professional Geoscientist (Limited). Member since 2008.

Site Visit

The San Vicente property was visited, by George C. Sharpe, on September 2, 2019.

Key personnel at San Vicente were made available by Lida Resources to assist this author on the site visit and to discuss the work conducted to date on this property.

Key personnel were also made available at their Lima office to discuss the geological database and other data not readily available at the project location.

Units, Currency and Abbreviations

Contained silver (Ag Oz/t) is reported in troy ounces per metric tonne and gold (Au g/t) in grams per metric tonne. Base metals (zinc (Zn %), copper (Cu %), and lead (Pb %)) are reported in percentages. All currencies are expressed in U.S. Dollars ($), unless otherwise stated.

List of Abbreviations

$	United States of America Dollars	Na	Sodium
%	Percent	NE	Northeast
µm	Microns	Ni	Nickel
AA	Atomic Adsorption	NI	National Instrument of Canadian
Ag	Silver		Stock Exchange
Al	Aluminium	NW	Northwest
As	Arsenic	OSINERGMIN	Organismo Supervisor de la Inversión
Au	Gold		en Energía y Minería - Supervisary
Ba	Barium		Agency for Investment in Energy and
Bi	Bismuth		Mining
Ca	Calcium	oz	Troy Ounces
Cd	Cadmium	oz/t	Troy Ounces per tonne
cm	Centimetre	P	Phosphorus
Co	Cobalt	Pb	Lead
Cr	Chromium	ppb	Parts Per Billion

Cu	Copper	ppm	Parts Per Million
DB	Database	QA/QC	Quality Assurance/Quality Control
DIA	Declaracion de Impacto Ambiental - Environmental impact statement	QC	Quality Control
		QEMSCAN	Quantative Evaluation of Minerals by Scanning Electron Microscopy
DREM	Dirección Regional de Energía y Minas - Regional Directorate of energy and mines	QP	Qualified Person
		RMR	Rock Mass Rating
EIA	Environmental Impact Assessment	RQD	Rock Quality Designation
EIAsd	Environmental Impact Assessment Semi Detailed	S	Sulfur
		S.A.C.	Sociedad Anonima Cerrada - Closed Joint Stock Company
Fe	Iron		
g	Gram	Sb	Antimony
g/t	Grams per Tonne	SE	Southeast
GPS	Global Positioning System	Se	Selenium
ha	Hectare	SG	Specific Gravity
Hg	Mercury	S.M.R.L.	Sociedad Minera de Responsabilidad Limitada - Mining Limited Liability Company
ICP-OES	Inductively Coupled Plasma - Optical Emission Spectoscopy		
INGEMMET	Instituto Geologico Minero Metalurgico - Institute of Geology Mining and Metallurgy	Sn	Tin
		Sr	Strontium
		S.R.L.	Sociedad de Responsabilidad Limitada - Limited Liability Company
ISO	International Standards Organisation		
K	Potassium	SUNARP	Superintendencia Nacional de Los Registros Publicos - Public Registry
Kg	Kilogram		
Km	Kilometres	SW	Southwest
Km^2	Square Kilometres	t	Tonnes
La	Lanthanum	Te	Tellurium
m	Metre	Ti	Titanium
M	Million	TI	Thallium
MEM	Ministerio de Energia y Minas - Ministry of Energy and Mines	UTM	Universal Transverse Mercator - Coordinate System
mm	Milimetres	V	Volts
Mg	Magnesium	V	Vanadium
Mn	Manganese	W	Tungsten
Mo	Molybdenum	Zn	Zinc
MZ	Mineralised Zone		

Additional: m.a.s.l.: metres above sea level

Table 3.1: Abbreviations used in the report

Effective Date

The effective date of this Technical Report is September 10, 2019. This date reflects the day upon which all market, economic, technical and financial conditions are based. Changes in conditions after the effective date can occur and will not be reflected in the opinions and conclusions stated in this document.

ITEM 4. PROPERTY DESCRIPTION AND LOCATION

Country Description

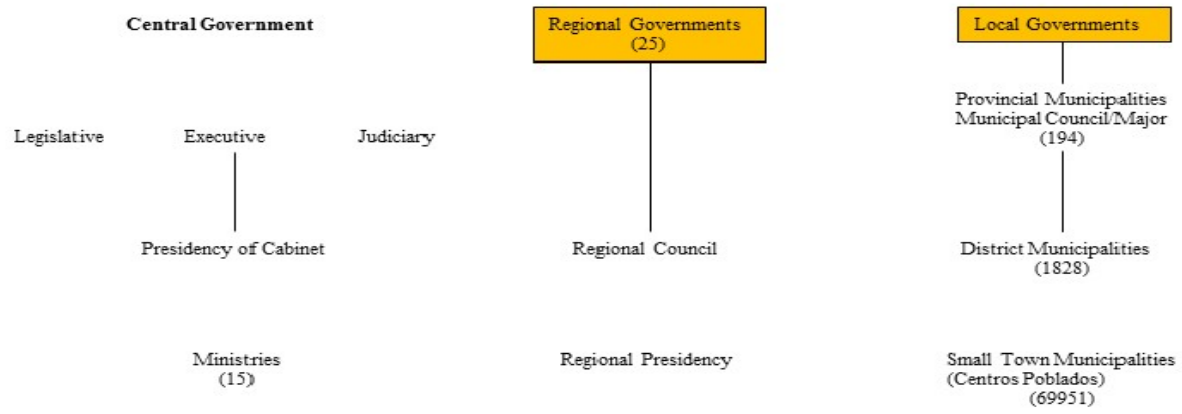
Peru covers an area of 1,285,216 km^2 with a population of 29.5M. Its economy reflects its varied geography - an arid coastal region, the Andes further inland, and tropical lands bordering Colombia and Brazil to the east. Abundant mineral resources occur in the Andes (copper, zinc, lead, gold and silver) and in the coastal regions, petroleum and natural gas. Other natural resources include iron ore, coal, phosphate and potash and the coastal waters provide an abundant source of fish. East of the Andes and within the Amazon Source region, timber is exploited and the rivers draining the mountains provide hydropower.

The Peruvian economy grew by more than 4% per year during the period 2002–2006, and for the current period 2016–2018, growth is again forecasted to be at 4% or better, with renewed market enthusiasm for base metals, gold and silver. Peru still has a stable exchange rate and low inflation. Growth has been 5% per year in 2016 and 2017, driven by higher world prices for minerals and metals and the government's aggressive trade liberalization strategies, which were brought back after a five-year bear market in commodities from 2012–2017. Growth resumed in 2016 at above 4%, due partly to a leap in private investment and renewed higher government spending. Peru's rapid expansion is once again appearing with the renewed interest and optimism due to the recent upturn in commodity prices, though underemployment remains high. Inflation in 2016 was within the Central Bank's 1-3% target range. Despite Peru's strong macroeconomic performance, overdependence on minerals and metals subjects the economy to fluctuations in world prices.[1]

Political System

Peru is a constitutional republic where power is balanced between executive, legislative and judicial branches. The legal system is based on a civil law system and the judicial branch comprises three tiers of lower courts which culminate in a Supreme Court, and the legislative branch takes the form of a unicameral congress. The executive branch is led by a president, two vice presidents and a prime minister who oversees a council of ministers. Ministers are appointed for specific sectors. At the regional level, Peru is divided into 25 political sub-divisions known as departments. The citizens of each department elect a regional president as well as local municipal authorities.

The project and its managing company will be accountable to all three levels of government to different extents. See Figure 4.1 for the structure of the central, regional and local government.



Fiigure 4.1: Structure of the central, regional and local government

Property Location

The San Vicente property is located in the District of Agallpampa, Province of Otuzco in the Department of La Libertad. As a reference the property is located approximately 120km east of the coastal city of

[1] Central Intelligence Agency. (2011). Economy - Overview. Available: https://www.cia.gov/library/publications/the-world-factbook/geos/pe.html. Last accessed 14th April 2011.

Trujillo (Figure 4.2). The access to the property is 70km by paved road to the town of Otuzco and then a combination of gravel and clay roads to Chota where the property is located (Table 4.1).

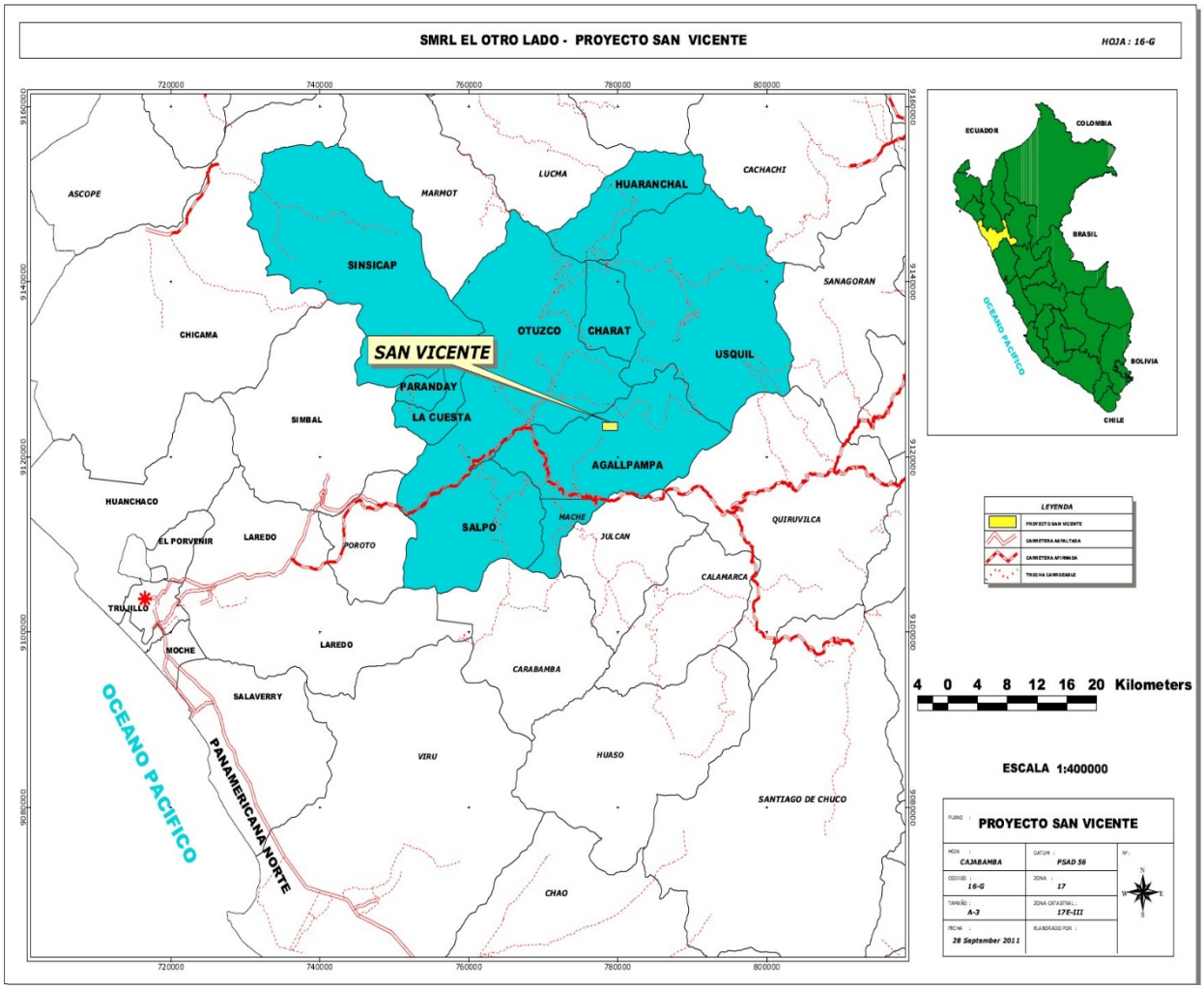


Figure 4.2: Location of property, approximatly120km east of the coastal city of Trujillo

Area of Property

The property covers an area of 200ha and comprises the concession El Otro Lado.

			Location		
Concession	**Area (Hectare)**	**District**	**Povince**	**Department**	**Record**
El Otro Lado	200.00	Agallpampa	Otuzco	La Libertad	10014602

Table 4.1: Summary of concession details

The claim forms a rectangle and consists of the coordinates in Table 4.2

	Coordinates	
Points	**Easting (m)**	**Northing (m)**
1	778000	9124000
2	780000	9124000
3	780000	9123000
4	778000	9123000

Table 4.2: Coordinates that form concession

Mineral Titles and Surface Rights

The property consists of one concession (owned by Lida Resources) totaling 200ha (Table 4.1 and Figure 5.1).

The claim is for metallic minerals giving the title holder the right to explore and exploit metallic minerals within the bounds of the claim. This is subject to the payment of the annual fees established by Peruvian Mining Law.

Lida Resources, has an agreement with the local community (San Vicente Bajo La Union) for surface rights of 2,500m^3 surrounding the level 100 mine opening. The agreement gives Lida Resources the use of the surface for a period of 20 years, from the commencement of surface activities. The rest of the surface rights are held by the communities of San Vicente Bajo La Union and San Vicente Alto La Union. The majority of the ground in the concession is controlled by San Vicente Bajo La Union. Lida Resources Ltd. is in discussions to obtain further surface rights from the community of San Vicente Bajo La Union, so that a new mine access can be driven into the veins approximately 80m below the 100 level.

Confirmation of Title

There has been no legal due diligence conducted to confirm title but the staff of Lida Resources has viewed the claim document over the concession area and the registration and can confirm that the claim is in the name of Lida Resources. The annual payments are up to date on the concession. The maintenance payments for this concession (2018-2019) have been paid to June 30, 2019. The author has examined the latest copy of the title document as supplied by Janet Lara, LLB, the attorney representing Lida Resources, and this author is satisfied based upon this document, that Lida currently is the 100% owner of this property.

Legal Survey

A 2011 survey of the area where the main access was driven was carried out by Gonzalo L. Espejo Horna of SEGGISTEM S.R.L.In this survey two points were located using GPS (GPS Navigator: Precision +-7 m) and then a Total station (Sokkia, model SET 630R) was used to carry out the survey. GPS (Garmin CSX-60) was also used during the geological mapping process. It can be said that all minerals as documented in this report are within the concession boundaries. However, for the purpose of geophysical surveys or drilling campaigns, in the Stage 1 and 2 programs, a more accurate survey will be required as the current survey is only based on two survey base stations located by GPS (see recommendations Section Item 26).

Location of Mineralization

Various areas of mineralization exist within the Lida Resources claim. The main mineralized areas identified to date, comprises a series of closely spaced narrow veins that strike northeast–southwest. These veins have been mined along strike for approximately 75m on the 100 level of the mine. The veins can be traced intermittently on surface over a total distance of 825m. To see the trace of the mineralized structures on surface see Figure 7.7 for details. The structures as observed from underground exploration tunnels can be seen in Figure 7.8.

Peruvian Law and Mineral Rights

Information in this sub-section has been compiled from the mining guide to Peru (MEM – General Mining Bureau, 2006). The QP has not verified this information and has relied upon information in the public domain.

In Peru, mineral claims are map-registered using a grid system based on the UTM PASD56 coordinate system. The vertices of the mineral claim that comprise the property are registered at the Instituto Geologico, Minero y Metalurgico (INGEMMET) and Superintendencia Nacional de Registros Publicos (SUNARP).

Pursuant to Articles 9, 12, 13, 39, 59, 106 and 163 of the single text of the Peruvian Mining Law and approved by supreme decree 014-92-EM:

1. Mineral claims applied for, and awarded according to the grid-based system are single claims for exploration and exploitation. They can be granted for metallic and nonmetallic minerals and no overlap between them is allowed. Exploration and exploitation work may be initiated once the title to the claim has been granted, except in those areas of overlap with claims pre-dating December 15th 1991. Upon completion of the title procedure, resolutions awarding title must be recorded with the public registry (SUNARP) to create enforceability against third parties and the state.
2. In order to maintain the mineral claims in good standing, the holders must comply with the payment of a license fee equal to $3.00 per hectare per year.

Claim holders must reach an annual production of $100.00 per hectare in gross sales within 6 years from January 1st of the year following the date the title was granted. If there is no production on the claim within that period the claim holder must pay a penalty of $6.00 per hectare under the general regime, $1.00 for small-scale miners and $0.50 for artisan miners, during the 7th through 11th years following the granting of the claim. From the 12th year onwards the penalty is equal to $20.00 per hectare under the general regime, $1.00 for small-scale miners and $0.50 for artisan miners; however, Imperium does not currently qualify as small-scale miner so general regime rate would apply to it.

1. The claim holder is exempt from the penalty if exploration expenditures incurred during the previous year were 10 times the amount of the applicable penalty.
2. Failure to pay the license fee or the penalty for 2 consecutive years will result in the forfeiture of the mineral claim.
3. Mineral rights and surface rights in Peru are severed. The surface rights are granted for an indefinite term and are freely transferable, in whole or in part and can be optioned, leased or given as collateral or mortgage with no need for approval from any governmental agency.

4. Mineral agreements (such as an option to acquire a mining lease or transfer of mineral claim must be formalized through a deed issued by a notary public and must be recorded with the Public Registry (SUNARP) to create enforceability against third parties and the Peruvian state.

Royalties and Other Agreements

Peru established a sliding scale mining royalty in 2004. Calculation of the royalty payable per month is made monthly and is based on the value of the concentrate sold (or its equivalent) using international metal prices as the base for establishing the value of metal. The sliding scale is applied as follows:

1. First stage: up to $60 million annual value; 1.0%
2. Second stage: in excess of $60 million up to $120 million annual value; 2.0%
3. Third stage: in excess of $120 million annual value; 3.0%

Article 4 of the regulation establishes the base for the application of the royalty in the following manner; the gross metal value of concentrate or metal component when the products are commercialized or alternatively the gross metal value declared by the owner. In the case of integrated companies transforming their concentrate, the cost of treatment will be deducted. In both cases, fees, indirect taxes, insurance, transportation costs, warehousing, port fees as well as other costs for exportation and general agreements along international commerce will be deducted from the calculation of the royalty.

The author knows of no other agreements that have been made between the owners and any other third parties.

Environmental Liabilities

The Ministry of Energy and Mines ("MEM") is the responsible authority for all environmental matters related to mining and extraction of natural resources. In terms of the regulations the holder of a producing concession is liable for any emissions resulting from these activities. To this end, maximum permissible discharges of effluents (volume and quality) are prescribed for each mining operation along with monitoring procedures. A detailed description of Peru's environmental regulations is found on the MEM website (www.minem.gob.pe).

Generally, MEM requires exploration and mining companies to prepare an Environmental Impact Statement (DIA) – Category I, Environmental Impact Assessment Semi Detailed (EIAsd) – Category II (Table 3.3), an Environmental Impact Assessment, a program for environmental management and adjustment, and a mine closure plan. Mining companies are also subject to annual environmental audits of operations by the Organismo Supervisor de la Inversion en Energia y Mineria (OSINERGMIN).

Under Peruvian regulations (D.S. 020-2008-EM y la R.M. 167-2008-MEM-DM) a DIA–Category I covers drilling of less than 20 drill platforms within a 10ha area. An EIAsd–Category II is applicable to mining and exploration programs with either more than 20 drill platforms, exploration areas greater than 10ha, or construction of more than 50m of tunnels. Both classifications require development of public community involvement processes, which are administered under regulations D.S. 028-2008-EM and R.M. 304-2008-MEM-DM.

MEM typically gives automatic approval of DIA–Category I studies, and turnaround is of the order of 10 days. An EIAsd–Category II study can typically take several months for approval, due to notification periods and public community participation processes.

A mining company that has completed its exploration stage work program must submit an Environmental Impact Assessment or a modified Environmental Impact Assessment either when applying for a new mining or processing concession, increasing the size of existing processing operations by more than 50%; or executing any other changes to an existing mining project that results in a greater than 50% change in the mining rate or expected profit (DS 016-93- EM. Cap III, Art. 20):

- A new Environmental Impact Assessment must be developed when additional, previously unmined areas are proposed to be added to an operation (DS 016-93-EM, D.S. 028-2008- EM and R.M. 304-2008-MEM-DM, review Articles 15 and 16), and must include preparation of an executive summary and scheduling of workshops and public community participation.
- The Environmental Impact Assessment must incorporate planned expenditure on environmental programs at a rate that is no less than one percent of the value of annual production of the planned operation. MEM must review and make a decision on the project within 120 days, including initial notification, and the initial stage of the public consultation process. The process of actual project approval may take 8–12 months. Within this period the applicant company must organize hearings and workshops to present project data and coordinate the dates and locations of such hearings with MEM.

A mining company must also prepare and submit a closure plan (Plan de Cierre) for each component of its operation. The closure plan must outline what measures will be taken to protect the environment over the short-, medium- and long-term from solids, liquids and gases generated by the mining operation. The General Mining Law of Peru has in place a system of sanctions or financial penalties that can be levied against a mining company which is not in compliance with the environmental regulations. Lida Resources has applied for a license to operate as a small-scale mining company in November 2017. This license is currently in application and is awaiting pending approval.

At this time no environmental liabilities have been identified on the San Vicente property.

The San Vicente mine (Lida Resources) has a report written for a Category I DIA. The report for the Category I DIA was originally submitted to the DREM La Libertad (Direccion Regional De Energia y Minas La Libertad) on May 26, 2010, and was renewed in 2017. The DREM La Libertad did not reply to the submission so it was thought that the DIA was approved since the 120 days required by law for the DREM to respond to the submission had passed. Recent meetings with the DREM La Libertad showed that the DIA was not approved but only required one final study to be carried out showing the approval of the local community (San Vicente la Union parte Baja) towards the project. This study is in progress and should be completed shortly.

When a satisfactory study is presented to DREM La Libertad regarding the approval of the local community for the project it will grant the Category I DIA as all other areas detailed in the original report were not subject to further investigation by the DREM.

Classification	Description	Application Requirements
Category I Environmental Impact Statement DIA	Mineral exploration with less than 20 drill platforms within a 10ha area	Required information as shown in Art.5 of Environmental Regulations for mining exploration

Table 4.3: Summary of environmental requirements for mining exploration programs

Permits

In order to conduct extensive exploration work such as earthworks and drilling, permits must be obtained from the INGEMMET. It is not necessary to obtain permits for basic exploration such as mapping and hand sampling. Companies are also required to submit a summary of annual exploration expenditures to the MEM. However, detailed assessment reports are not required. The small-scale mining permit comes with permits for use of explosives, use of water and extraction of mineral up to 350t per day. If the mineral is to be treated on surface in a processing plant additional permits will be required, or alternatively the material extracted can be shipped to a nearby milling facility, where permits are already granted.

ITEM 5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE & PHYSIOGRAPHY

Physiography

The property is situated in the upper part of the Moche river basin at altitudes that vary between 3,100m to 3,400m above sea level. The topography consists of moderate relief, ranging from hilly to locally flat. The slopes are typically covered with small brush and grasses which constitute natural pasture. Trees (predominantly eucalyptus) can be found growing in all areas and vegetables are grown through subsistence farming (Figure 5.1).

Figure 5.1: Photo showing general landscape in the area of the San Vicente project

Climate

The region is characterized by dry and cold temperatures from May to October while from November to April the climate is warmer with frequent rain. Exploration and surface activities can get disrupted during the rainy season.

Access to Property

From Trujillo, the property is accessed via the districts of Laredo, Samne and Agallpampa to the town of Chota. From Chota, an unpaved 2km long road leads to the property. It takes approximately 2 hours to travel from Trujillo to the property. Table 5.1 summarizes the distances between the various route legs. The access is considered good along the paved road that leads to Otuzco, however from the turn off after Otuzco the road is of poor quality.

Route	Distance	Road	
	Km	Type	Condition
Trujillo-Otuzco	70	Paved	Good
Otuzco-Chota	13	Gravel	Poor
Chota-Claim	2	Clay	Poor

Table 5.1: Distances and road conditions from Trujillo to property

Local Resources and Infrastructure

The property is located in a moderately populated area where small villages are scattered within the landscape. The nearest village (Chota) has a population of less than 500 inhabitants and is located approximately 2km southwest from the property. No modern amenities exist in Chota or nearby. The small villages of Huarush and San Vicente are located within the concession boundaries. The area surrounding the concession is characterized as rural whose economy is dominated by agriculture. As the property is situated between 3,100–3,400m.a.s.l., crops are restricted to potatoes, vegetables and some cereals.

Power Supply

There is 220V electricity installed at the property. As far as is known to this author, there are no nearby higher voltage facilities, which would mean that any upgrades to the voltage capacity for the operation of the San Vicente Mine would have to be accomplished through the construction on site of upgraded electrical capacity.

Water Supply

Water is readily available all year round from streams that run through the property. To date this water has not been used in the extraction process. See Figure 7.7 for the location of streams that run through the concession area.

Buildings and Ancillary Facilities

No buildings or other ancillary facilities exist for the project. A local house is rented to store mine equipment. If the project advances then a new area will have to be found and proper offices and core storage areas built (see Recommendations Section Item 26 for details).

Man Power

In the process of excavating the exploration tunnels S.M.R.L. El Otro Lado had contracted 19 people. Skilled labourers (miners and others) can be found in the town of Otuzco.

ITEM 6. HISTORY

Ownership

The concession owned by Lida Resources (200ha with code 010014602). Appendix 1 attached hereto evidences the Permission to Operate as a Small Mining Company issued by the government of Peru to Lida Resources (in Spanish).

The below information disclosed in this section is historical in nature.

Previous to the involvement of S.M.R.L. El Otro Lado the concession had been staked three times (Figure 6.1). The first time the area was claimed was by Roberto Espejo Alvarez in March 1980 under the title Patron Santiago No1. He claimed a total of 900ha which covered the concession now known as El Otro Lado. This concession expired in September 1994 due to abandonment. During the year 1986, 60t was extracted while in 1987 40t was extracted from the area of the concession but not the area that was previously mined. The grades associated with the tonnes extracted were not recorded, however the resources as calculated and submitted to INGEMMET by Roberto Espejo Alvarez in 1986 quoted 330t with a grade of 1.9% Pb, 5.32% Zn and 15.30 Oz/Ag. These resource figures are not NI 43-101 compliant. After Roberto Espejo Alvarez lost the concession due to abandonment the area was next picked up by Julio Washington Cabrera Melendez and Adolfo Bueno Leon in August 1994 under the title Neptuno BC II. It is unknown if the concession holders did any work on the claim. In May 1997, the claim was lost due to nonpayment of the concession fees in 1996. In August 1997, Roger Chavez Borga and Renee Garcia Caballero took up the concession that now includes the concession El Otro Lado under the title Chota 1. This concession expired in February 2001 due to failure to pay the annual concession fees.

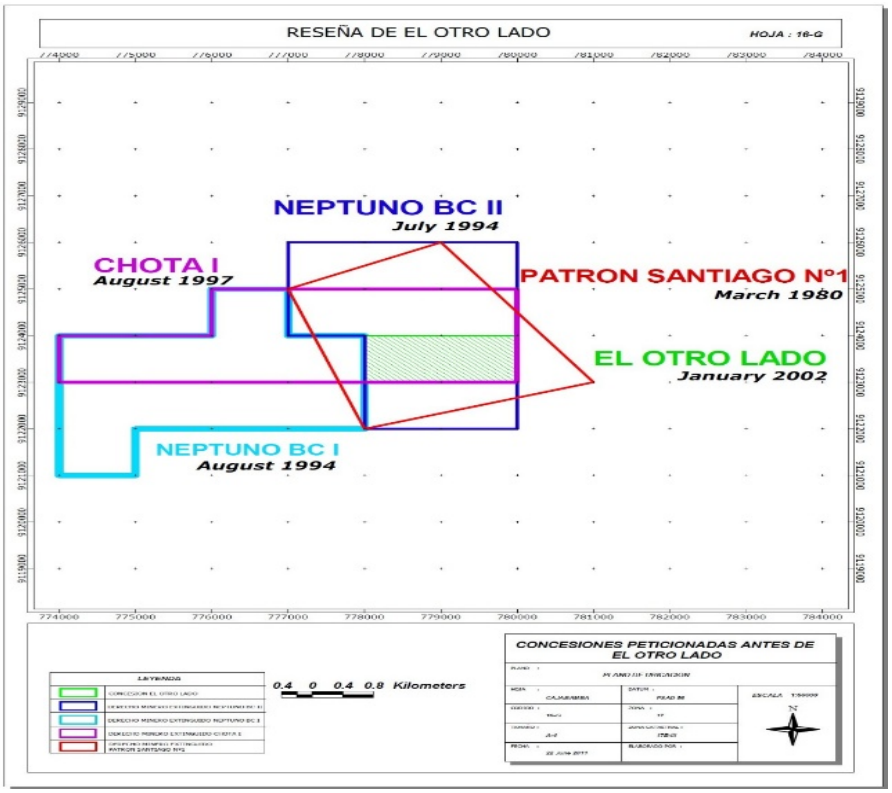


Figure 6.1: Historic concessions in the area of the El Otro Lado concession

ITEM 7. GEOLOGICAL SETTING AND MINERALIZATION

Regional Geology

The property is located within the Cordillera Occidental part of the Tertiary Volcanic Belt of the Western Cordillera morpho-structural and tectonic units of Northern Peru. It is underlain by volcanic rocks of the Calipuy Formation (one of the most important precious and base metals metallotects in Peru). The volcanic rocks of the Calipuy Formation are the product of post-tectonic volcanism and represent the effusive part related to the definite emplacement of the Coastal Batholith.

The volcanics of the Calipuy Formation are flanked to the southwest by the Costal Batholith and to the northeast by a thick series of sedimentary rocks. The Calipuy volcanics comprises more than 1.2km of intercalations of rhyolitic to andesitic flows, fine-grained to lapillis-blocky tuff, volcanic derived sediments and sub-volcanic hypabissal intrusive with pervasive hydrothermal alteration. The volcanics are deposited in sub-horizontal layers gently folded in a series of weakly dipping (10-20˚) synclines and anticlines. The dominant structural feature affecting the rocks of the region is one associated to the Andean trend which is characterized by a complex network of NW-SE and NE-SW trending lineaments and major NE trending structures.

Figure 7.1 shows the regional geology surrounding the El Otro Lado concession and Figure 7.2 shows the stratigraphic column for the lithologies associated with the regional geology.

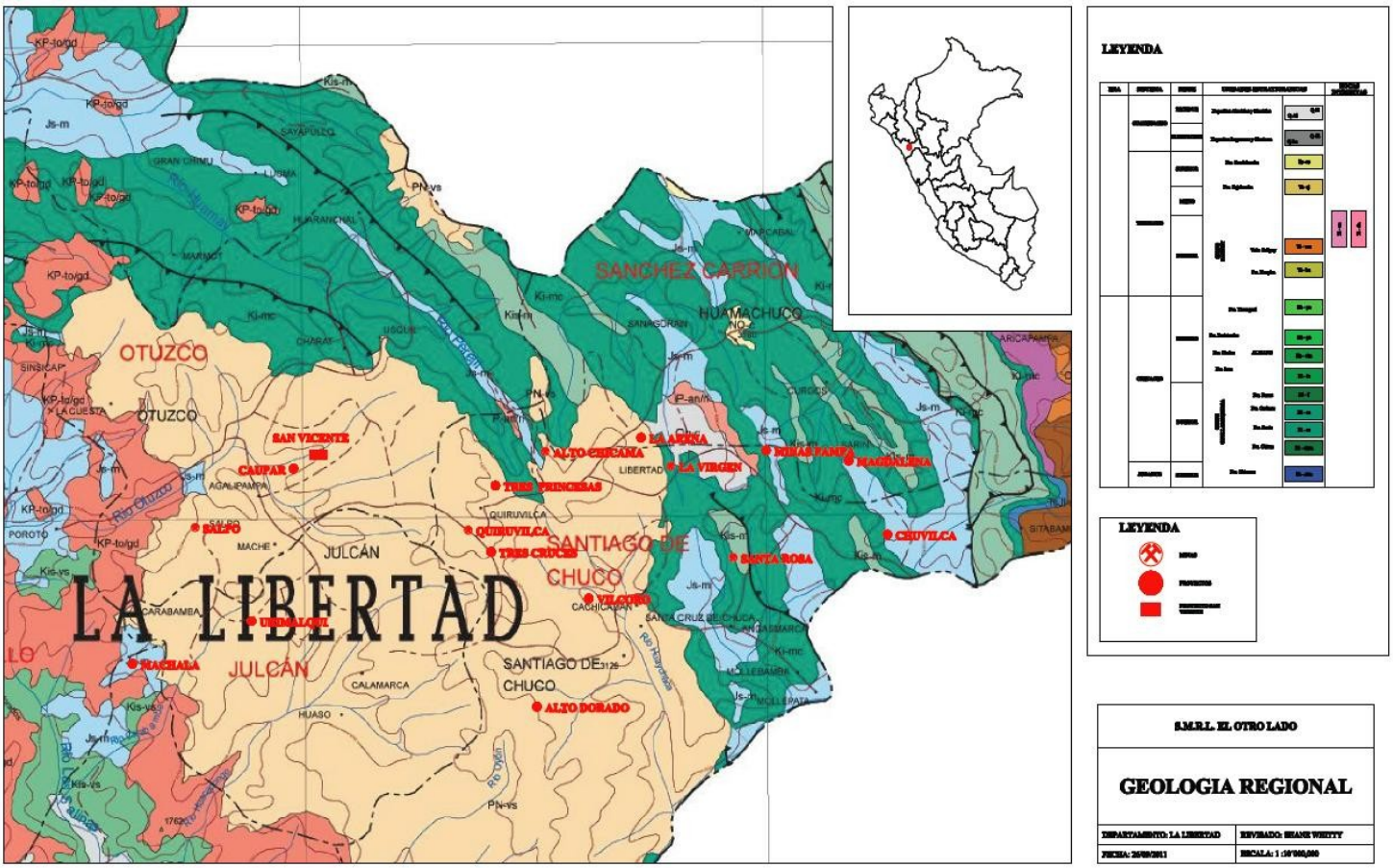


Figure 7.1: Regional geology surrounding the Lida Resources San Vicente concession

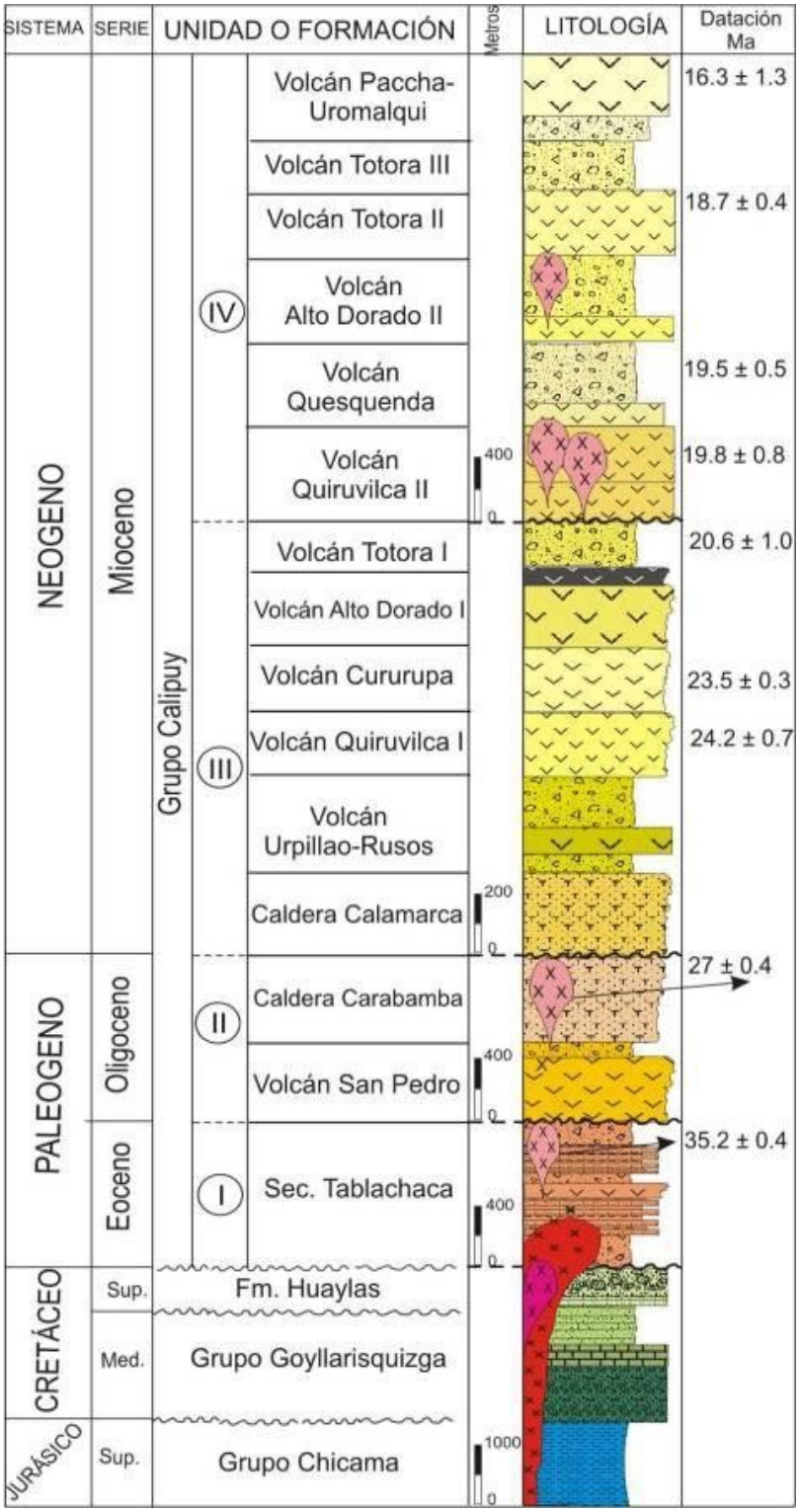


Figure 7.2: Stratigraphic column for the lithologies associated with the regional geology

Property Geology

The property is located in the southwest corner of the CAJABAMBA 16-g map sheet within an area of extensive regional sub-aerial volcanic cover. The local geology is dominated by sub-horizontal Tertiary Calipuy Group volcanic rocks. The Calipuy Group is the product of post tectonic volcanism in the Cordillera region and is host to several metallic mineral deposits. It represents the effusive magmatism that followed the final emplacement of the Costal Batholith. The rocks are mostly of andesitic composition consisting of thick andesite flows interbedded with andesitic breccias, andesitic tuffs, conglomerates and other associated pyroclastic deposits. Several small stocks, sills and dykes intrude the Cretaceous sedimentary rocks and Tertiary volcanic rocks. The deep-seated intrusions are usually diorites, tonalities and granodiorites that are correlated to the northern extension of the Costal Batholith. Several porphyritic dacitic and andesitic hypabyssal bodies outcrop in the area especially within zones of structural weaknesses such as fold hinges and regional scale faults. These intrusions are commonly associated with metallic mineralization. These rocks commonly intrude the Calipuy volcanoclastic rocks.

The property is located within a mineralized belt extending from the Cordillera Negra. Mineralization occurs as fracture filling quartz, carbonate veins that contain elevated concentrations of Pb, Ag, Cu and Zn but can also be characterized with anomalous Au and Sb values. Surface mapping of the concession area can be viewed in Figure 7.7 and mapping of the underground mine can be viewed in Figures 7.8 and 7.9. Surface mapping found intermittent veining on surface. The continuation of the veins on surface could not be seen as the only areas that the veins cropped out were streams that had cut into the underlying rocks. Subsurface exploration drifts did cut the structures and have been followed to a distance of 75m in some cases.

Lithological Descriptions

The following is a brief lithological description of each unit found on site.

Diorite: Rusty orange medium grained equigranular strongly altered dioritic rock (Figure 7.3). The diorite has undergone intense brittle deformation and alteration. The plagioclase crystals and matrix have been completely altered to an assemblage of clay minerals resulting in the loss of most of the rocks competency. Relict textures indicate that the protolith was most likely diorite. The rocks rusty orange colour results from iron carbonate staining. The diorite was found in the main crosscut of the underground mine and in many areas during surface mapping.

Figure 7.3: Rusty orange medium grained equigranular strongly altered dioritic rock

A second type of dioritic rock is also present, as a medium grained rock that is strongly silicified (Figure 7.4). This rock type has probably been intruded as a dyke. The dyke is located approximately 40m into the mine entrance (Figure 7.8).

Figure 7.4: Silicified dioritic rock present as dyke

Andesite: The andesite is a massive greenish grey fine to intermediate grained rock with local millimetric sized feldspathic phenocrystals (Figure 7.5). The andesite is hard with some silicification and can contain up to 10% disseminated pyrite.

Figure 7.5: Andesite, greenish-grey fine-grained rock

Andesite Breccia: The andesite breccia is a clast supported breccia displaying angular to sub-angular clasts that formed as a result of the intense local brittle fracturing (Figure 7.6). The matrix is composed of calcite and/or rhodochrosite in the un-mineralized structures and of sphalerite and galena within the mineralized structures. The fragments are composed of altered (argillic and/or carbonate) porphyritic andesite.

Figure 7.6: Clast supported breccia displaying angular to sub angular clasts

Lapilli Tuff: Andesite tuff greenish-grey to purple in colour, fine-grained matrix containing centimetric sub angular intrusive clasts with fine-grained disseminated pyrite. The lapilli tuff was only found in the farthest south of the concession.

Structural Controls

The dominant structural features affecting the rocks of the region are the ones associated with the Andean trend which is characterized by a complex network of NW-SE and NE-SW trending lineaments. On the property this trend is clearly demonstrated by the presence of three structures that follow a NE-SW strike within the exploration drives. These three structures have been mineralized with polymetallic mineralization (Zn, Pb, Ag, Sb). See Figure 7.8 for further details.

Several volcanic calderas are dotted around the property such as that of the Caupar project being explored by Trinity mining. In the type of structural environment favoured by vein hosted epithermal deposits the veins typically crosscut volcanic sequences and follow volcano-tectonic structures such as caldera ring faults and other pre-existing fault systems.

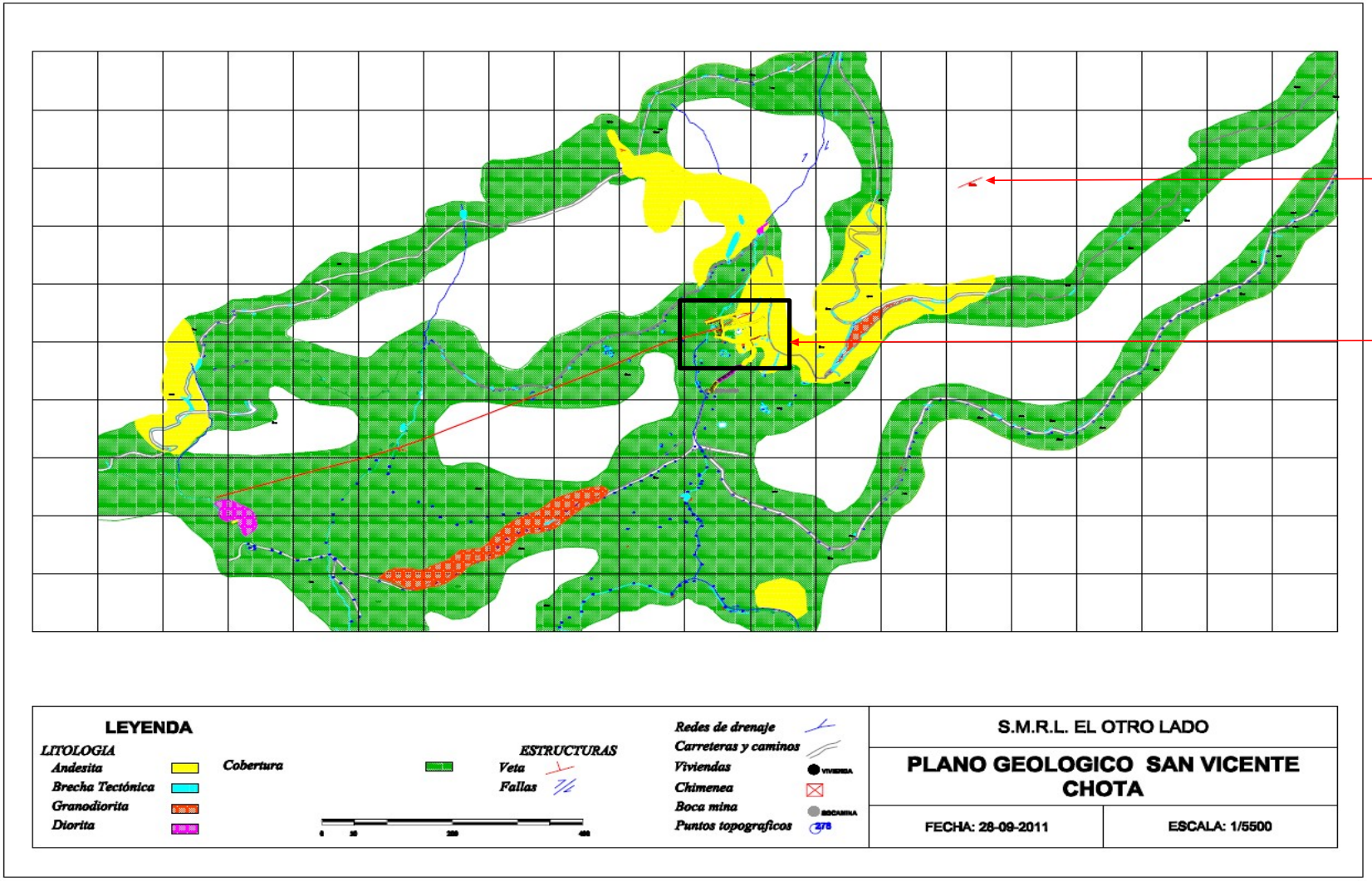


Figure 7.7: Geological plan showing surface geological interpretation

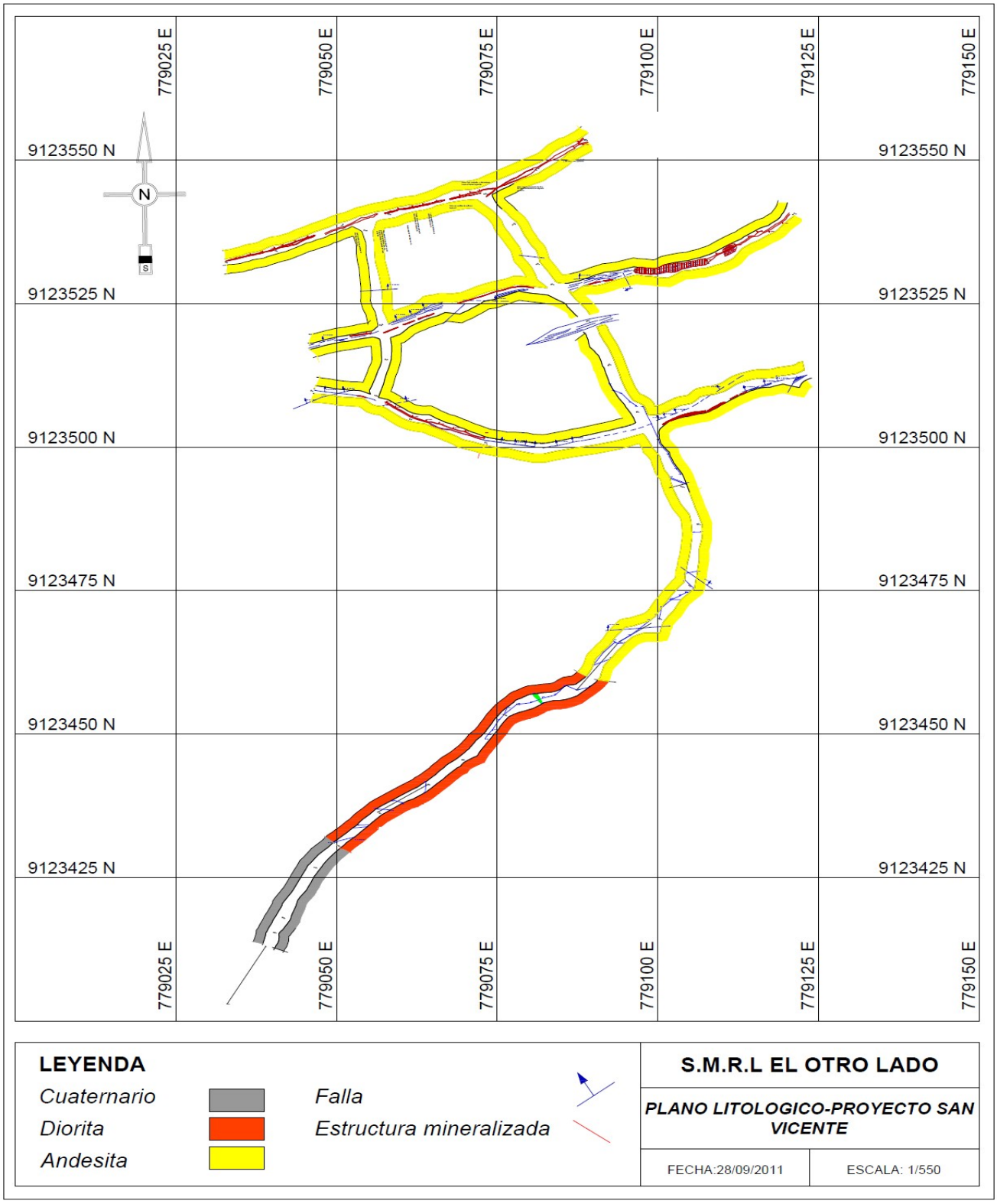


Figure 7.8: Underground mapping of mineralised structures and lithologies

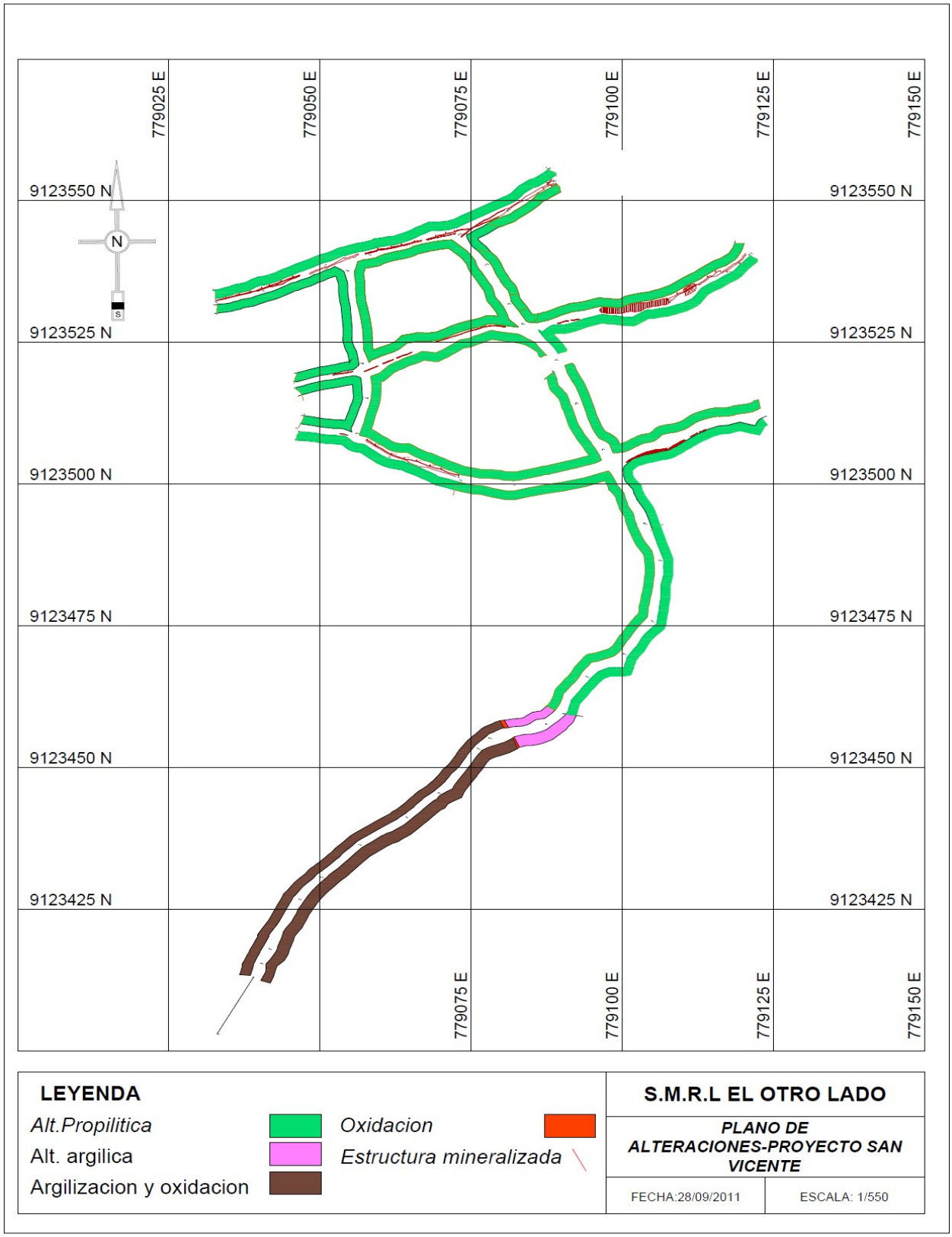


Figure 7.9: Underground mapping of alteration of lithologies

Mineralization

A number of mineralized structures have been identified on the property. The main mineralized structures identified to date can be seen in Figure 7.8 (mine plan) and Figure 7.7 (surface plan). Of all the mineralized structures identified to date, only three are described in detail within this report. These are the mineralized structures that have been cut with exploration drives in the mine. These three structures are called:

1. Mineralized Zone 1 (MZ1)
2. Mineralized Zone 2 (MZ2)
3. Mineralized Zone 3 (MZ3)

The three structures identified in the mine crosscuts as hosting mineralization are NE-SW striking and have a southern dip of between 60–90°. The three mineralized structures are hosted within plagioclase porphyritic subvolcanic andesite member of the Tertiary Lower Calipuy Group volcanic rocks.

A fourth mineralized structure (MZ4) encountered by T. Yagua in January 2011 is also described in this section as it appears Au bearing unlike the other base metal veins.

Mineralized Zone 1 (MZ1)

The majority of the information for the MZ1 mineralized structure comes from a technical report written by Luc Pigeon of Gateway Solutions S.A.C. When Carbajal & Whitty S.A.C. visited the mine it was found that the tunnel mined along the strike of the structure was full of broken mineral from the MZ2 and MZ3 structures. This meant that this structure could not be evaluated by Carbajal & Whitty S.A.C. and that the majority of information used in this subsection of the report to describe the MZ1 structure is as it was described from the sampling and mapping undertaken by Luc Pigeon of Gateway Solutions S.A.C. in June 2009.

The MZ1 structure is only observed in the exploration drift (gallery 100) within the mine, it is not observed on surface. In the mine the gallery 100 was driven NE and SW from the main access. In total the gallery 100 has been driven 80m along the MZ1 structure. From the Gateway Solutions S.A.C. technical report, the MZ1 structure was described where it cut the main access. This described the structure as having a width of 15–20cm massive black sphalerite surrounded by a 0.80–1.10m wide mineralized in-situ clast supported breccia zone characterized by sub angular to angular andesite clasts (Figure 7.6). A sample taken by Gateway Solutions S.A.C. across the structure in this area returned values of Ag 12.47 Oz/t, Zn 5.45%, Pb 3.94% and Sb >1%, *Technical Report on the Platera Polymetallic (Ag, Zn, Pb, Sb ± Au) property, La Libertad, Peru, Luc Pigeon 2009*.

The only areas of the MZ1 structure that were accessible to Carbajal & Whitty S.A.C. were along the western extents of the strike of the structure. In this area it was found that the width of the mineralized structure was between 30–70cm and contained gouge and sulphides (galena, sphalerite and pyrite). No channel samples were taken by S.M.R.L. El Otro Lado in this area as the roof was too high to sample safely. From mapping it was observed that the country rock (andesite) of the MZ1 structure had undergone moderate propylitic alteration and contained up to 10% very fine-grained pyrite crystals that did not appear to be related to the Ag, Zn, Pb mineralization.

Mineralized Zone 2 (MZ2)

The MZ2 structure was observed in exploration drifts and on surface.

On surface the MZ2 structure has a width of between 0.9–1.10m and consists of a structure similar to MZ1. The surface is oxidized and consists of secondary iron carbonates and oxides. Bright yellow jarosite is present with the secondary iron carbonates and oxides.

In the mine the 120 gallery was driven along the MZ2 structure to the NE and SW from the main access for a distance of 78m. Above the 120 gallery a sublevel (105) was driven along the MZ2 structure for a distance of 41m. The mineralization within the MZ2 structure can be described as having a width of 15–20cm massive black sphalerite surrounded by a 0.80–1.20 m wide mineralized (galena, sphalerite, and pyrite) in-situ clast supported breccia zone characterized by sub angular to angular andesite clasts.

On the main level, twelve channel samples were taken in the southeast part of the vein and eight channel samples were taken on the 105 sub-level above the main 120 gallery. Not all of the main drive along the 120 gallery could be sampled as parts of the drive were mined into the roof (Figure 7.10)

The results of the channel samples taken in the MZ2 structure can be viewed in Table 11.1.

Figure 7.10: Area mined in MZ2 structure

Mineralized Zone 3 (MZ3)

The MZ3 structure is only observed in exploration drifts. It is the only structure that could be sampled along its entire length on the main level (gallery 130) and two sublevels above (gallery 130 SN 105 and 110). In the mine, the 130 gallery was driven along the MZ3 structure to the NE and SW from the main access for a distance of 60m. Above the 130 gallery the 105 sub-level was driven along the MZ3 structure for a total of 55m and the 110 sub-level has been driven for a distance of 36m.

On the main level the vein had an average width of 0.26m, on the 105 sublevel the average width of the vein was 0.17m, the vein width for the 110 sub-level was not calculated as the vein could not be followed as a continuous structure. Unlike MZ1 and MZ2 only 30% of the MZ3 structure had a mineralized in-situ clast supported breccia zone and it contained much less gouge.

The results of the channel samples taken in the MZ3 structure can be viewed in Tables 11.2–11.4.

Mineralized Zone 4 (MZ4)

During the 2011 site visit, the owner of the land on which this structure is located would not allow access to Carbajal & Whitty S.A.C., or S.M.R.L. staff when doing their mapping program but they indicated to T. Yagua (Chota January 2011) that the structure was Au bearing. Photos taken by T. Yagua (Figures 7.10 and 7.11) show that the surface of this structure had been worked on. Currently, it is the intention of Lida Resources, to make arrangements with the current surface rights holders to obtain permission to access the areas to be explored in the initial programs (Stages 0 and 1), and to acquire permits to carry on the more advanced work (Stage 2) when that is required.

Figure 7.11 Quartz bearing structure in heavily weathered rock and subsoil

Figure 7.12: Areas excavated along strike of MZ4 structure

Type Character and Distribution of Mineralization

The polymetallic mineralization forms one main ore type: veins. Sulphide bearing veins that form sub-vertical tabular orebodies. The strike length is known to be 80m with a possible strike length of up to 800m or more, depth unknown.

ITEM 8. DEPOSIT TYPE

The property is located within a well-known Miocene Oligocene epithermal Ag-Au metallogenic belt in northern Peru (Figure 7.1). The Yanacocha, Lagunas Norte and Quiruvilca mines to name but a few world class deposits are located within this belt. Based on the current geological knowledge of the property, the mineralization fits the igneous hosted polymetallic veins Ag-Pb-Zn±Au deposit type as described by Lefebure and Church (2005). However, these deposits represent the low temperature near surface (or distal) facies of intrusion related hydrothermal activity (Figure 7.10).

The San Vicente host rocks are also characterized by widespread disseminated pyrite mineralization which appears to have formed earlier in the paragenetic sequence. The occurrence of a diorite dyke a few meters from the polymetallic mineralization may explain this pyrite dissemination and also opens the potential of other type of mineralization such as porphyry type mineralization at depth. The Cretaceous sedimentary rocks of the area are also hosts to skarn and manto type deposits. Advanced exploration, such as drilling,

and underground exploration (Stage 2) would be required to fully appreciate the property potential and to pinpoint the exact deposit type.

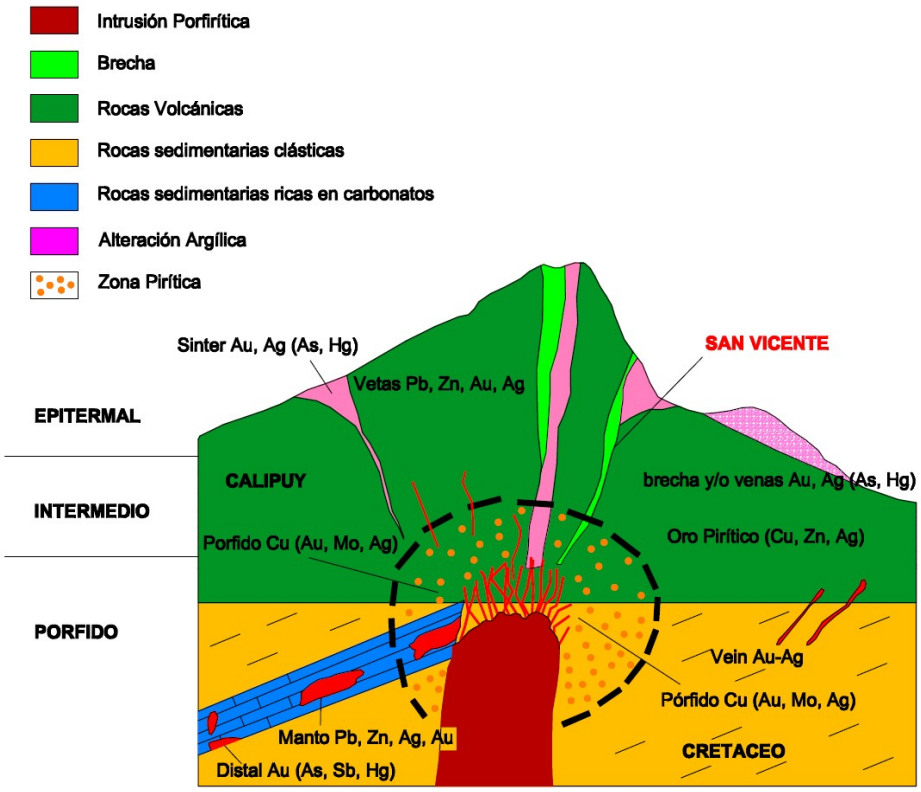


Figure 8.1: Schematic representing the relationship between various hydrothermal deposit types

ITEM 9. EXPLORATION

Lida Resources has conducted limited exploration work on the concession and the information disclosed in sections 9, 10, 11 and 12 is historical in nature.

Exploration prior to 2011 consisted of:

1. Surface mapping
2. Underground mapping
3. Underground sampling

Surface Mapping

Surface mapping of the area was undertaken by S.M.R.L. El Otro Lado geologists from August to September 2011. The data recovered from surface mapping was generally limited to exposures in streams and along tracks which had been cut out of the side of hills by local farmers. Most of what was mapped was weathered volcanic and intrusive rock types. Not all areas in the concession area were accessible as some landowners refused permission for entry onto their property. The area mapped can be seen in Figure 7.7.

Underground Mapping

Underground mapping was completed for the 100 level and 105 and 110 sublevels. The geological mapping was done from 2009–2011 by different contract geologists and company geologists. The underground mapping shows three mineralized structures which have been described in subsections 8.1, 8.2 and 8.3. Plans showing the geological mapping for lithologies and alterations can be seen in Figures 7.8 and 7.9.

Surface Sampling

Surface samples have been taken in the past but cannot be reported as the areas in which the samples were taken were not recorded properly. Future surface sampling requires coordination with the local community. It is hoped that Stage 1 program trenching can be done across the projected areas of structures in 2018 in coordination with the local community and the surface rights holders.

Underground Sampling

Various sampling campaigns have taken place in the underground mine to sample vein and wall material. Only the results from the latest sampling campaign have been considered in this report. This is because previous sampling campaigns apart from the one carried out by Gateway Solutions S.A.C. did not use a recognized laboratory for assaying.

Results

A total of 201 rock channel samples were obtained from sampling of the underground mine workings at the San Vicente property by SMRL El Otro Lado's geologists and were submitted to the lab in Callao, Peru, on the August 15, 2011. Those samples were assayed during the period of August 15. 2011 to September 5, 2011. All samples were bagged and sealed at each location, as they were taken, and a strict chain of custody was maintained during the transport of the samples to the lab. All of this sampling work was undertaken prior to this author's first visit to the San Vicente property in 2017. A total of 28 elements were assayed for, with the main focus being on Au, Ag, Pb and Zn, as these were the main elements that were being mined at San Vicente.

- Gold (Au) was done by the Fire Assay/Atomic Absorption Method, (FA/AA) with values being given in parts per million (ppm).
- Silver (Ag) was assayed by two methods, Atomic Absorption (AA) and Fire Assay/Gravity (FA/GRAV) with assay values in parts per million (ppm).
- Lead (Pb) and Zinc (Zn) were assayed by two methods, those being Atomic Absorption (AA) and by Volume (Volumeria) with values being given in percent (%)
- Remaining elements were assayed by ICP/Aqua Regia (ICP/AQR) in parts per million (ppm).

Blanks, duplicates, and standards were inserted into the sample series at regular intervals, with blanks inserted at intervals of every 12 samples, duplicates every 13 samples and standards every 10 samples. All of this assay work was designed and supervised under the direction of Senora Gladys Chomorro Montes, Certified Peruvian Engineer # 25107, Laboratory Superintendent.

It is this author's belief that this sampling program was conducted in a most diligent manner by well trained professional staff and all industry standards were followed in regards to the taking of, custody of and the submission of all of the samples.

Exploration Expense

Lida Resources has conducted $73,475.57 worth of exploration work on the concession, see Table 9.1 below for the details of such expenditures.

San Vicente Expenses Incurred from February 2018 to August 31, 2019 (CDN $)			
Transportation[(1)]			$ 7,326.98
Management Consulting[(2)]			$ 26,520.63
Camp Operations[(3)]			$ 17,283.73
Environmental[(4)]			$ 7,931.75
Geology, lab and other fees[(5)]			$ 12,325.97
Project reports[(6)]			$ 2,086.51
TOTAL $ EXPENDED			**$ 73,475.57**

Table 9.1: Evidence of Exploration Expenses

Notes:

(1) Represents transportation costs associated with the environmental impact study and geological studies conducted on the property.
(2) Represents payments made to Mr. José Rodriguez who is responsible for the: (i) supervision of the sampling sites and monitoring points (water, noise, air, soil in the mineralized areas of the San Vicente mine; (ii) supervision of the maintenance of the San Vicente mine; (iii) coordination of the operations team and staff in respect of sampling and monitoring of the San Vicente mine; (iv) direction, coordination and supervision of the operations at the San Vicente mine; and (v) development and implementation of the control and monitoring tools necessary for efficient project management at the San Vicente mine.
(3) Represents costs associated with program development and development of operations and payment of mining concession workers. Other accommodation expenses for mine workers are also included in these costs.
(4) Represents costs associated with the work conducted in order to prepare the environmental study of the mining concessions, the environmental monitoring studies and the water availability study (a 94 page environmental report produced in 2019 titled: "Información complementaria al levantamiento de observaciones Proyecto: Exploración Minera San Vicente" – in English: "Additional Information and Observations of Mining Exploration: the San Vicente Project".
(5) Represents costs associated with the topographic survey conducted in respect of the environmental impact of the San Vicente Mine and the analysis of samples for the geological study of environmental impact. Also included in these expenses are 65% of the fees incurred in the preparation of the technical report, which fees were incurred during the taking of samples and related analysis of the San Vicente mine by the technical report geologist.
(6) Represents miscellaneous costs associated with the reports prepared in respect of the San Vicente project and related legal procedures in the local and provincial government.

Included below are the results of the topographic survey and mine plan studies conducted on the San Vicente property during 2019. Figures 9.1 through 9.12 represent the topographic survey and geological studies commissioned by Lida Resources on the San Vicente property (see note 6 of table 9.1 above re: "Geology Lab and other fees").

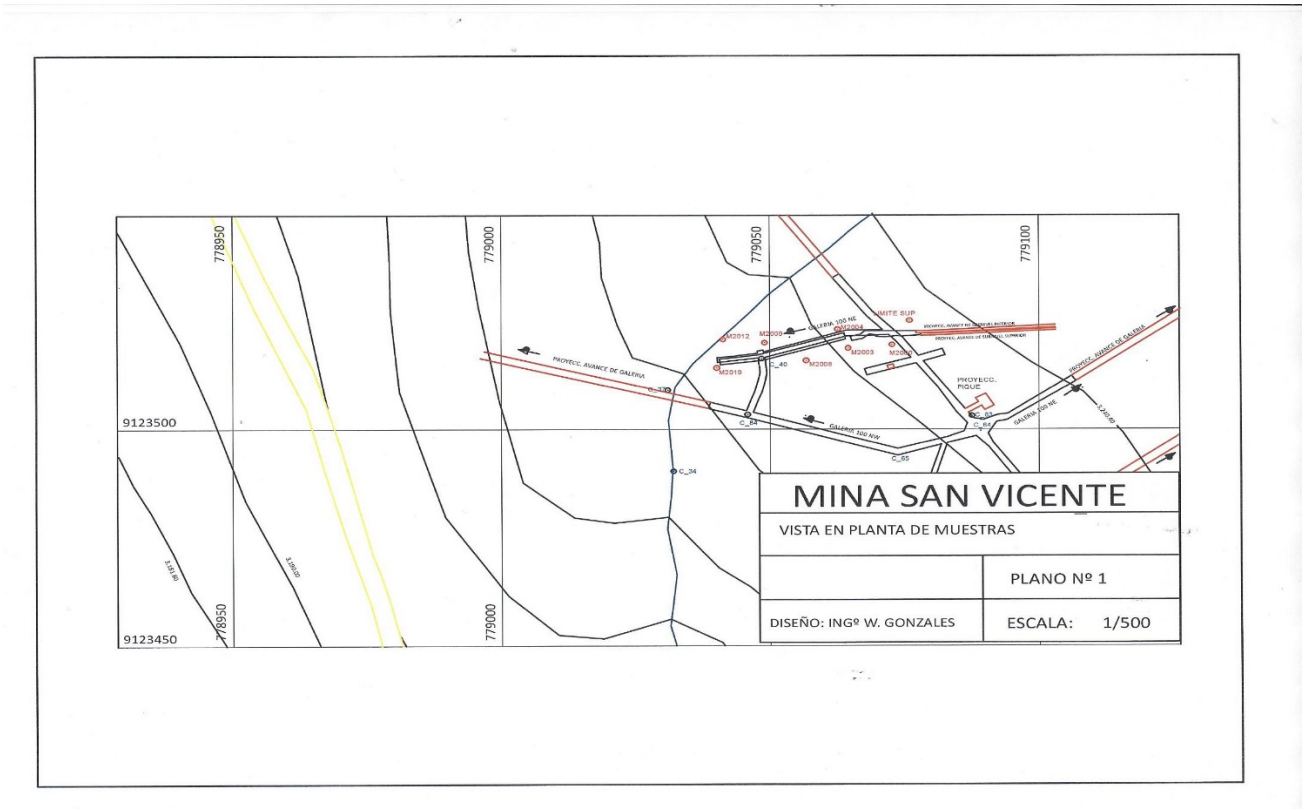


Figure 9.1: Plan View of Workings

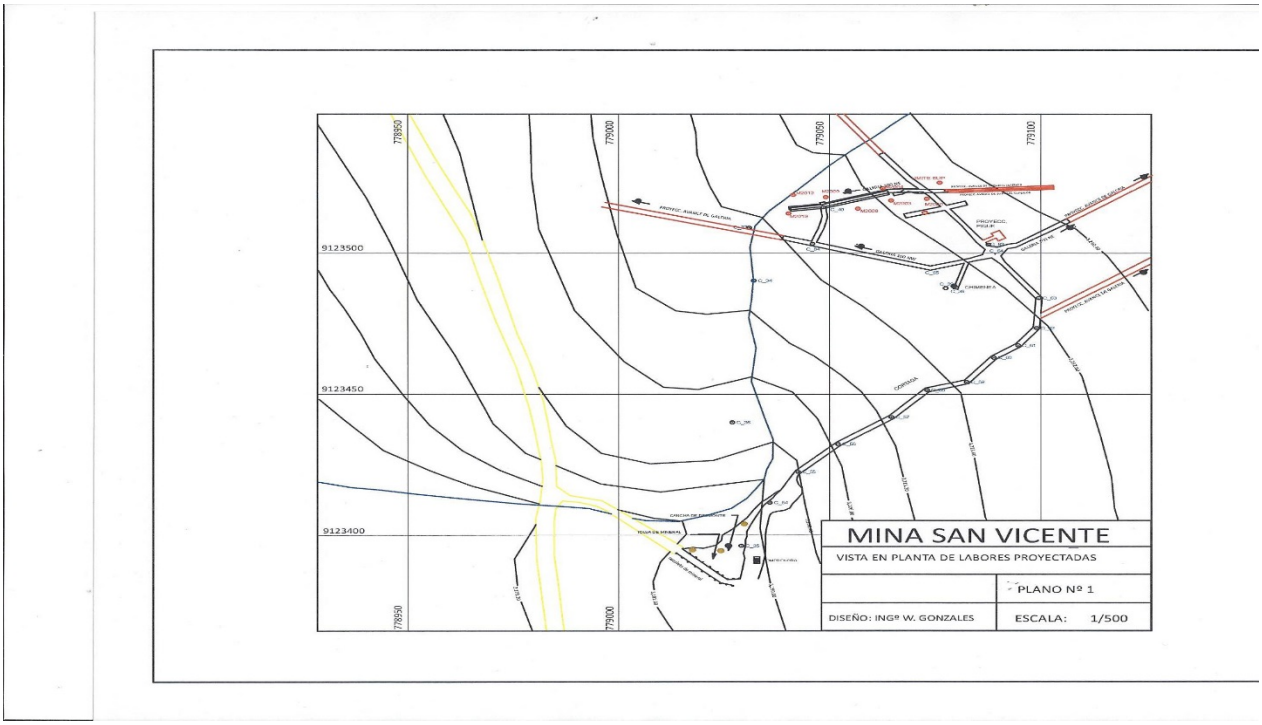


Figure 9.2: Plan View of Projected Work

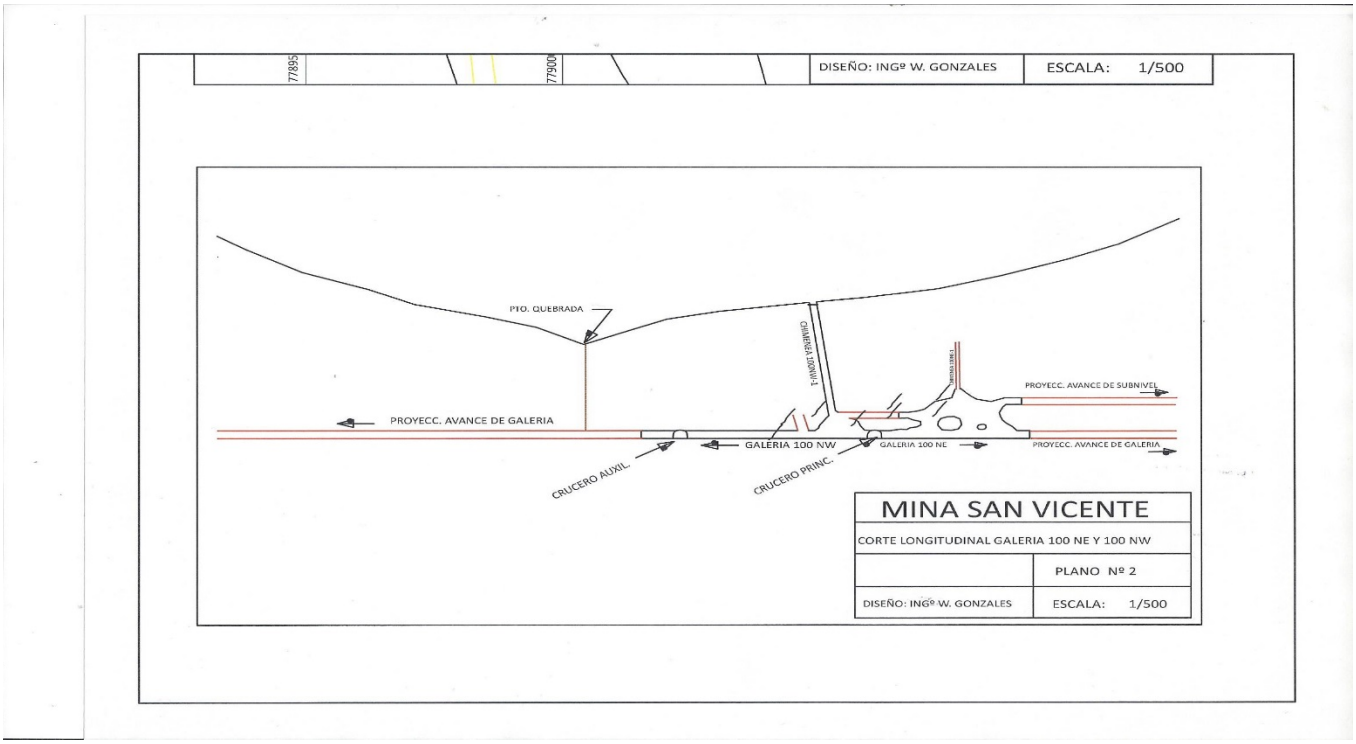


Figure 9.3: Longitudinal Section of 100 NE and 100 NW Galleries

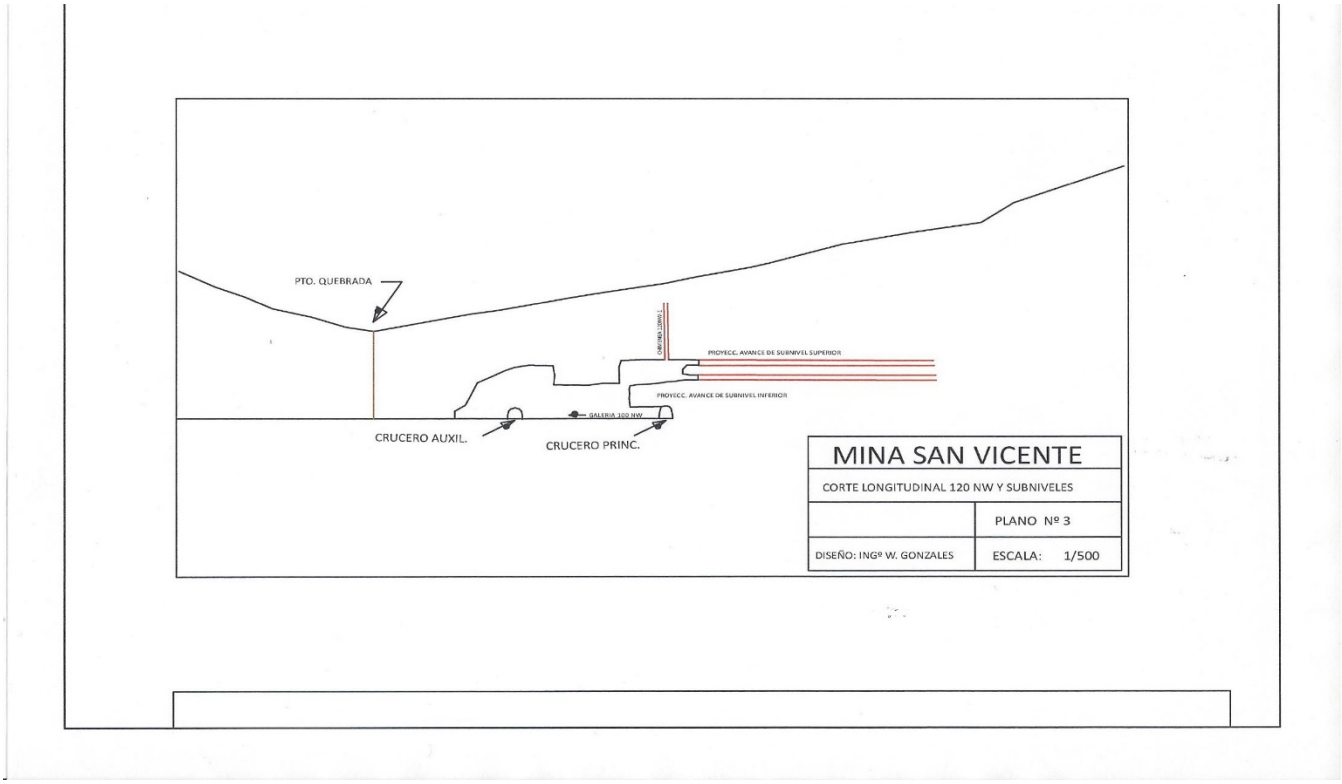


Figure 9.4: Longitudinal Plan of 100 NW Sublevels

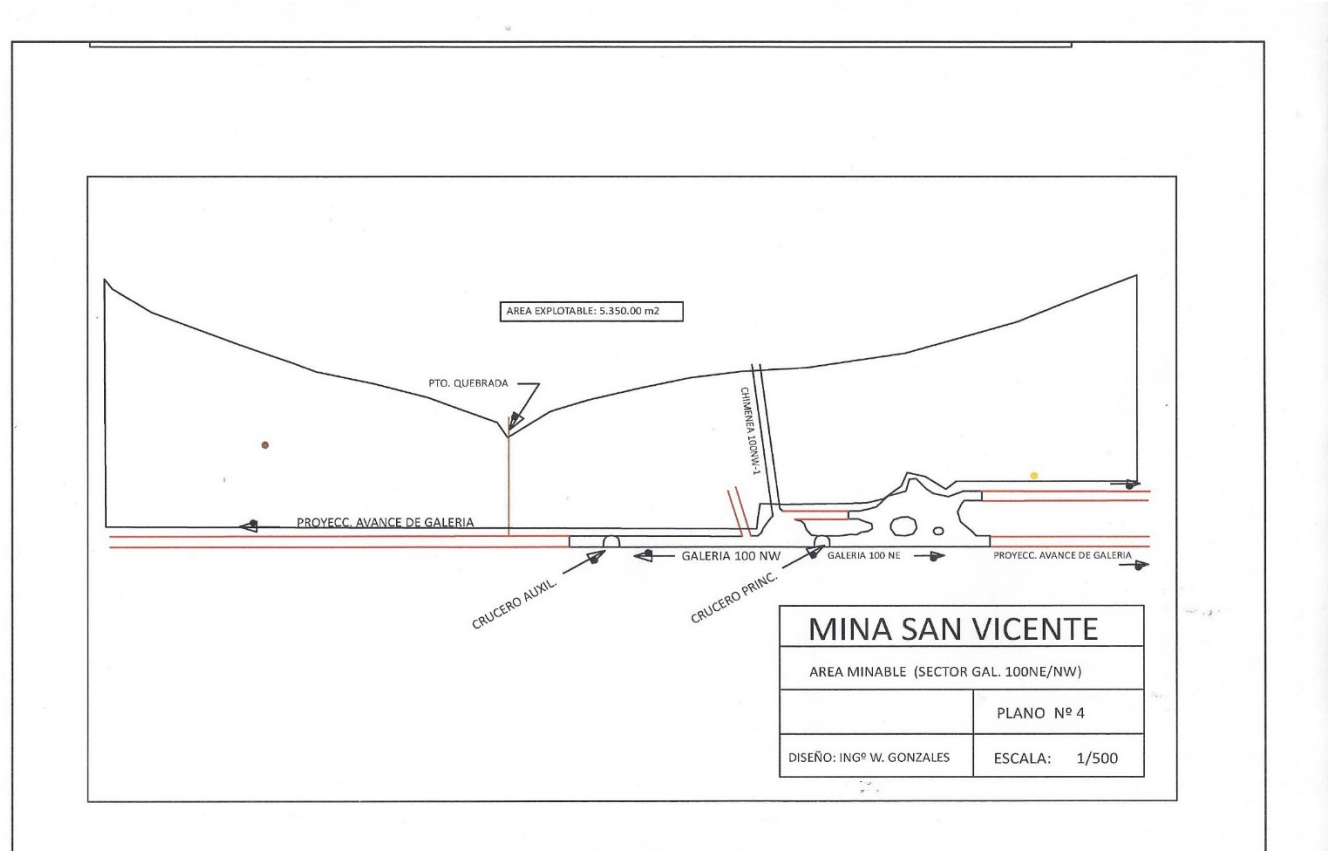


Figure 9.5: Minable Area of the 100 NE/NW Galleries

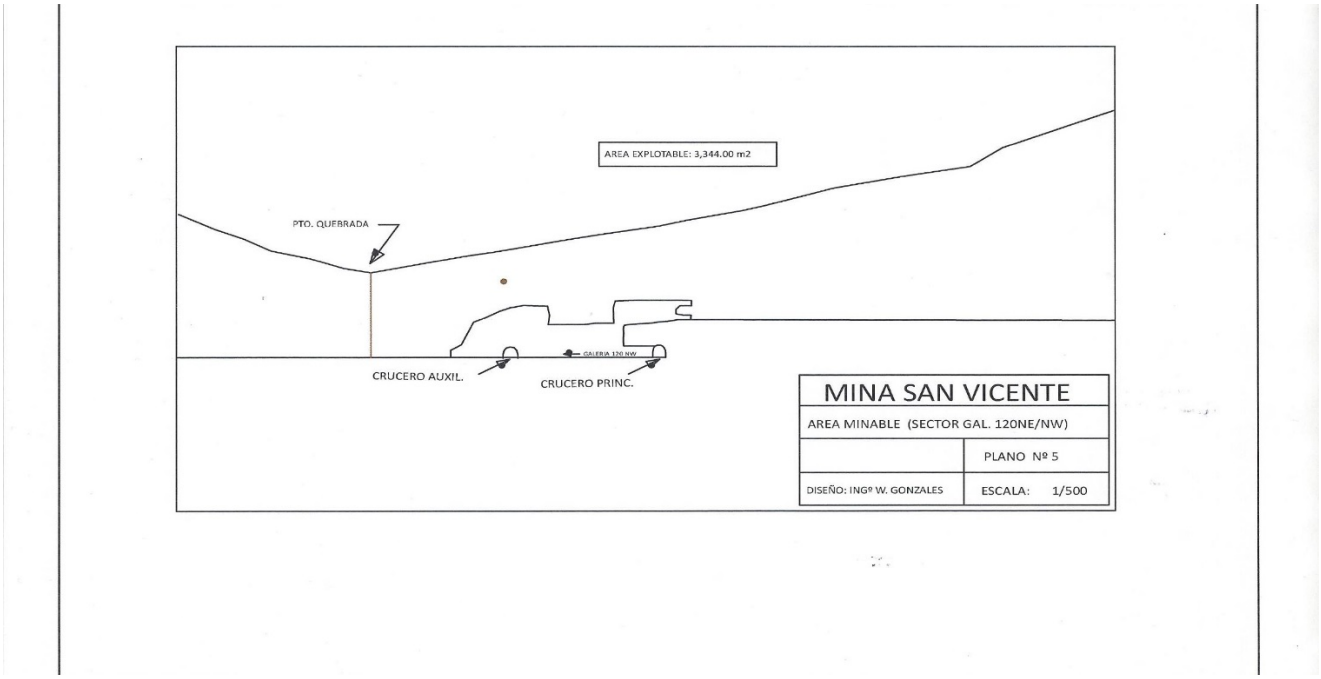


Figure 9.6: Minable Area, Gallery 120 NE/NW

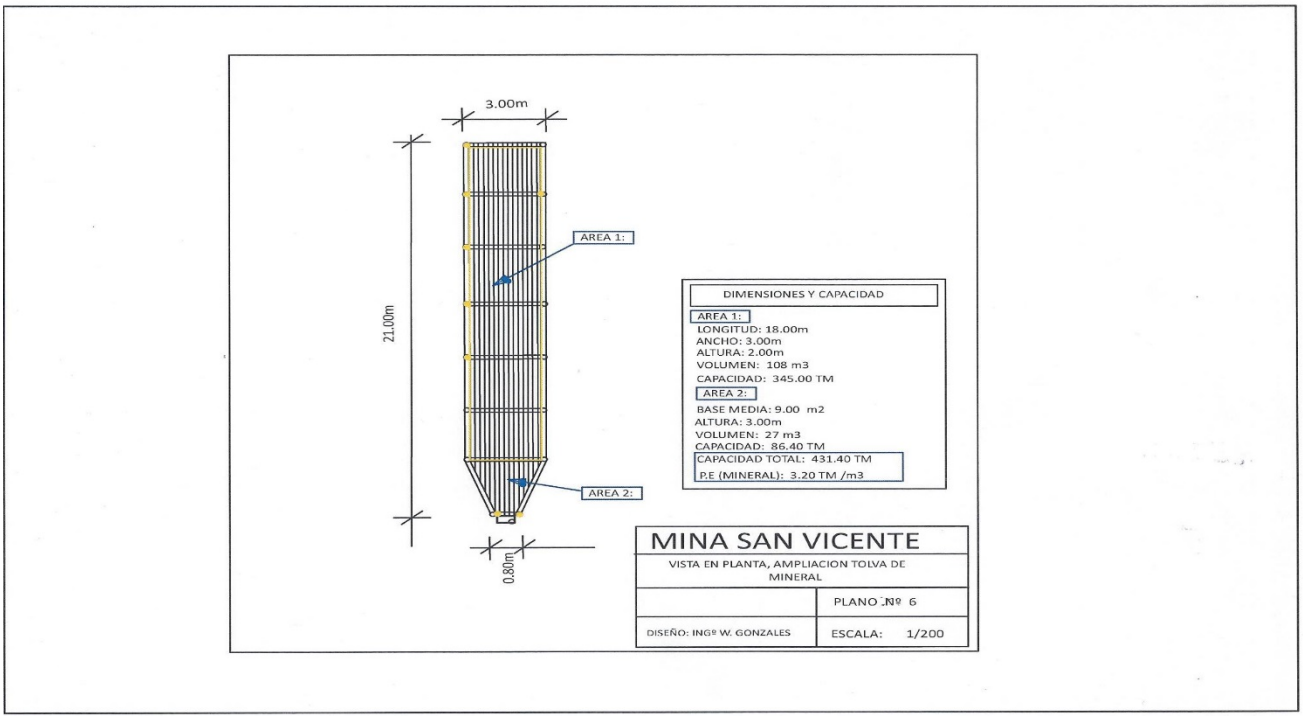


Figure 9.7: Floor Plan of Fine Blasting Powder Chamber

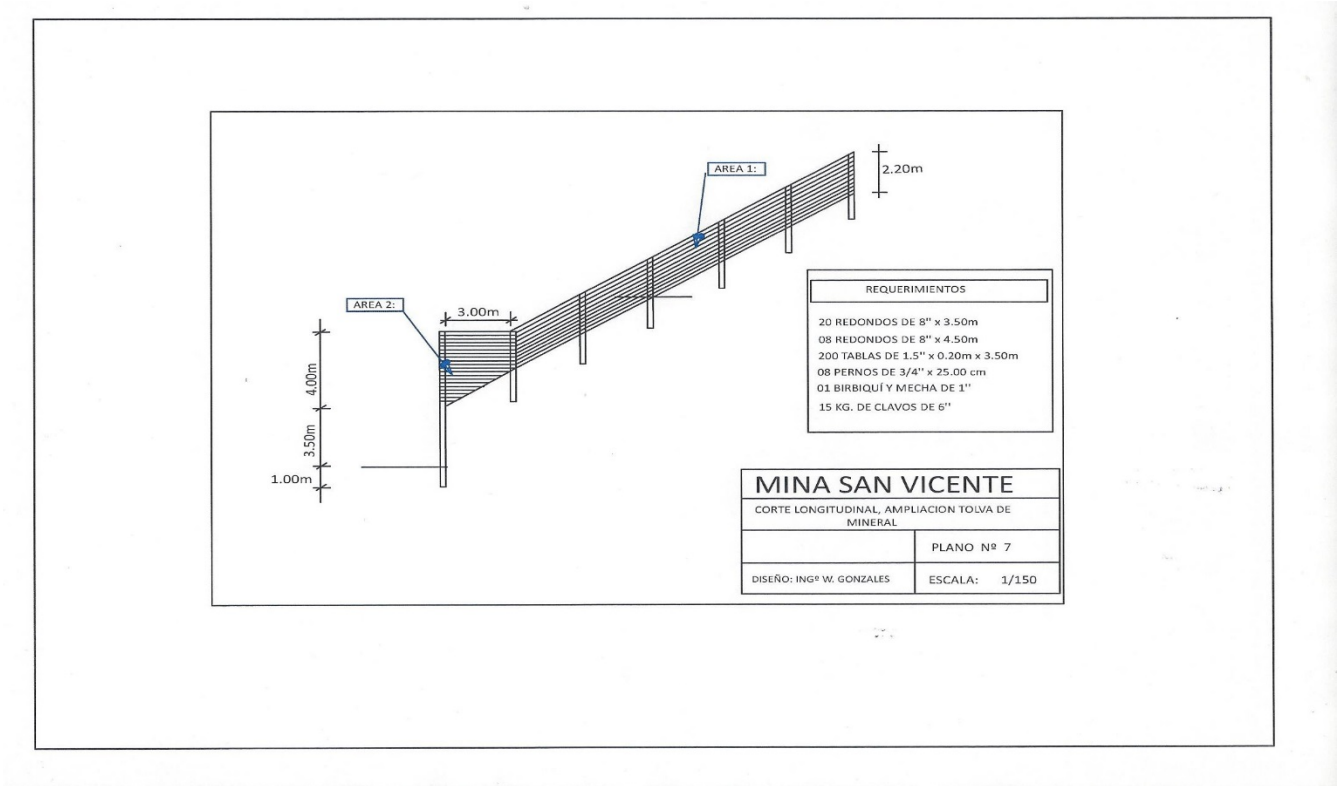


Figure 9.8: Longitudinal Section of the Mineral Hopper

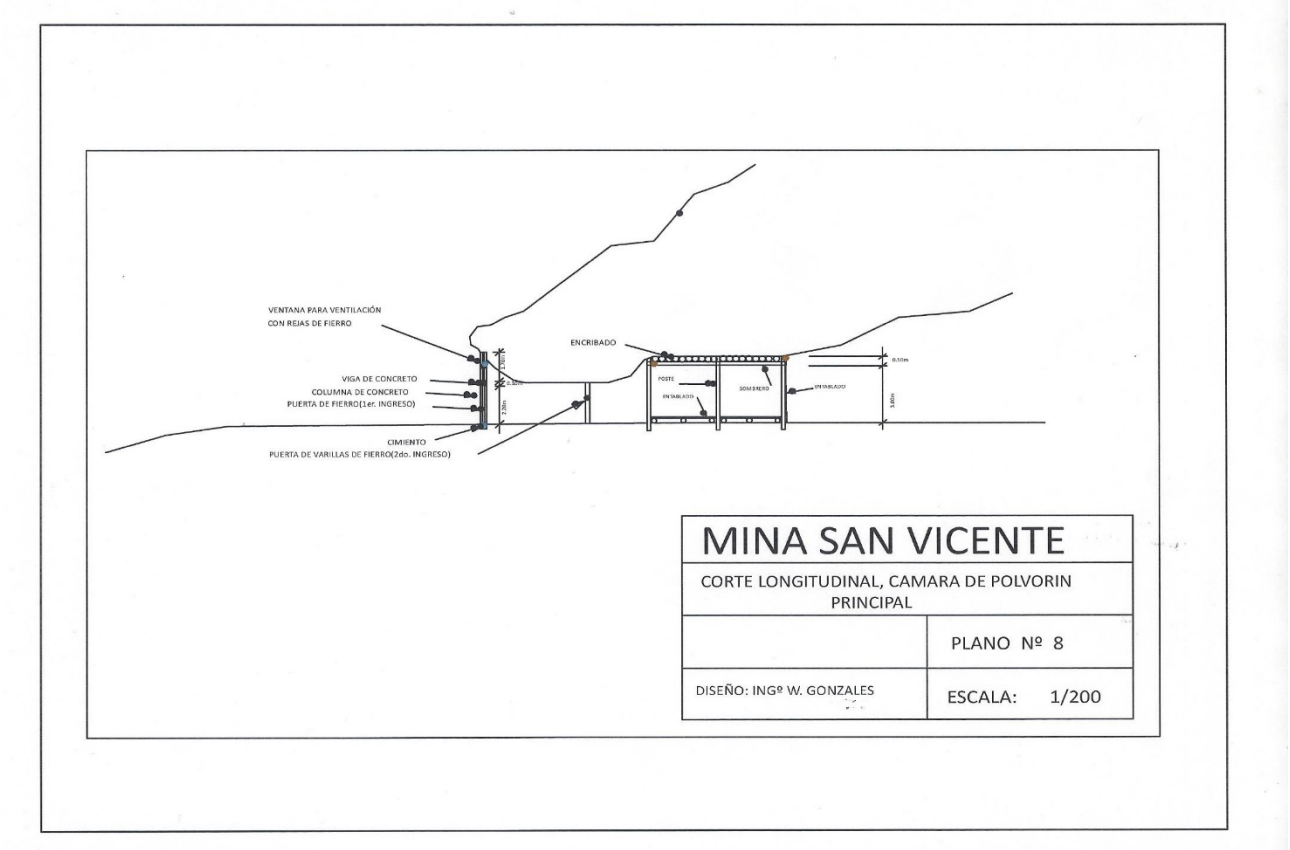


Figure 9.9: Longitudinal Section of the Fine Blasting Powder Chamber

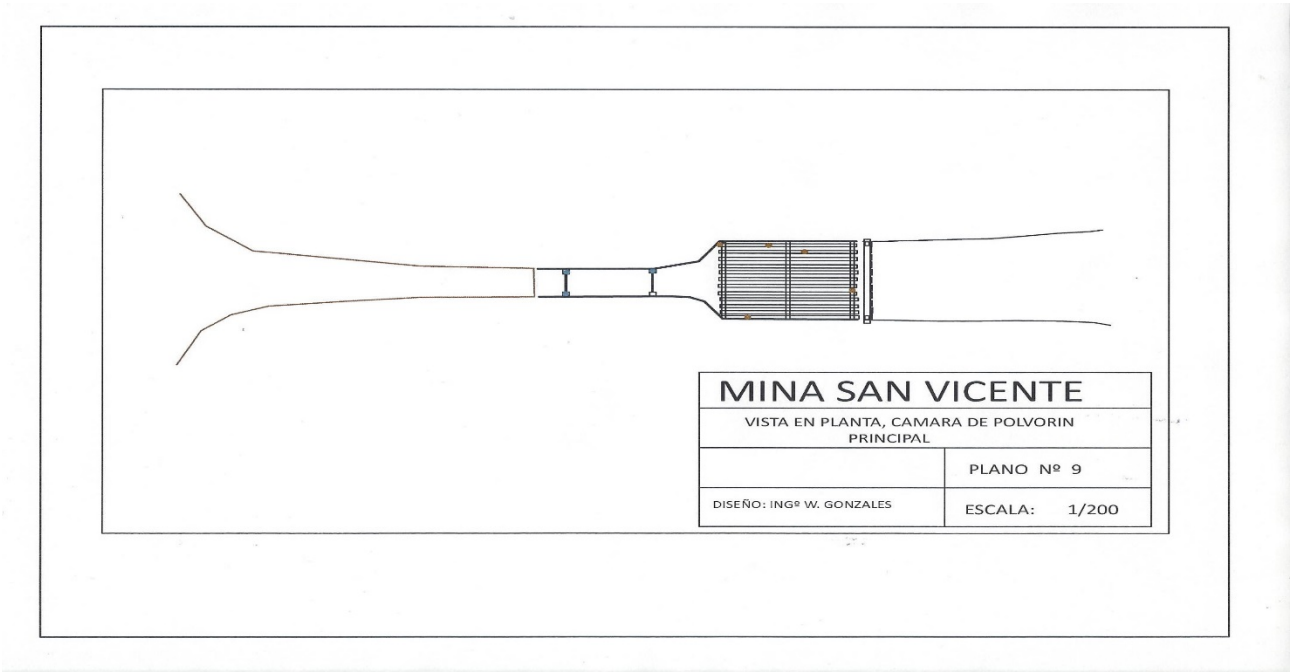


Figure 9.10: Floor Plan of the Fine Blasting Powder Chamber

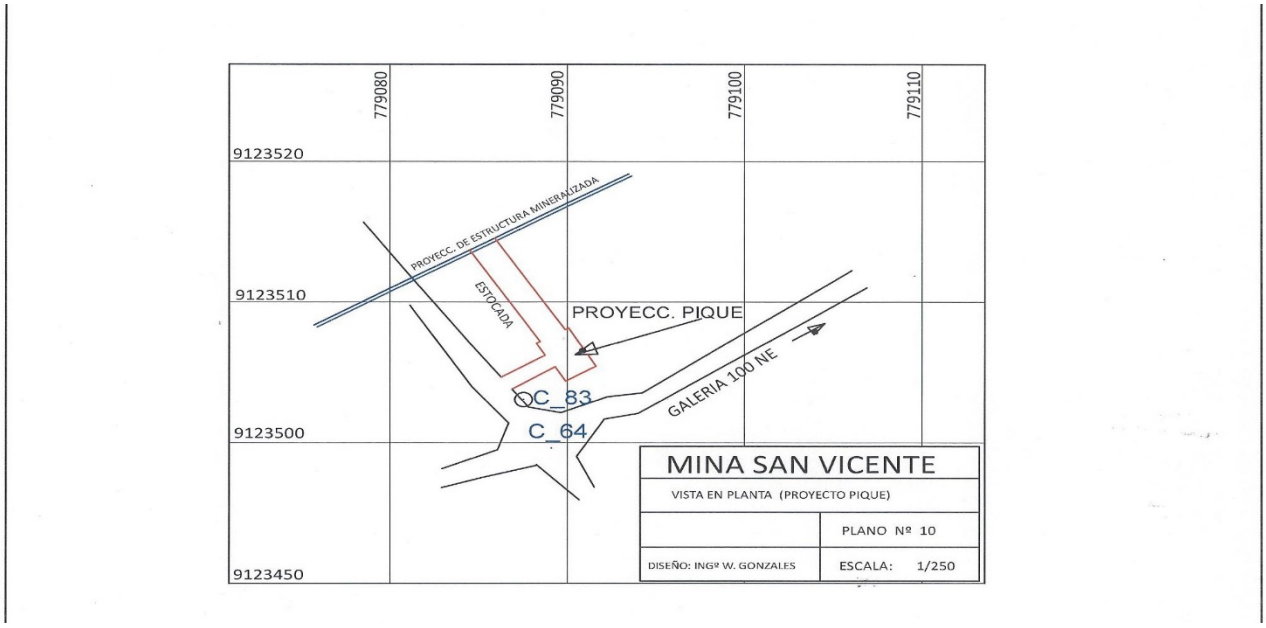


Figure 9.11: Floor Plan of the Shaft Project

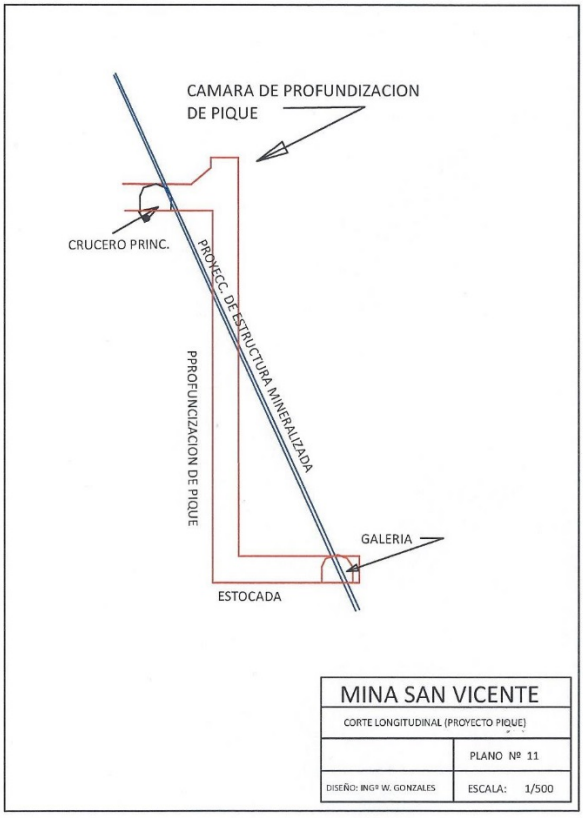


Figure 9.12: Longitudinal Projection of the Shaft

Included below are assay results taken in 2016 and the author's two grab samples taken during the 2019 site visit. Note that the base metal and precious metal values are similar in comparison to the 2011 mine sampling results.

SGS del Peru S.A.C.
Division Laboratorio
Departamento Inorganico

Orden: GQ1004945

Cliente: JESS MINING COMPANY - **"MINA SAN VICENTE "**

Number of Samples 28
Received at: CALLAO
Date of Report 24-Nov-16
Referencia del Cliente: Submitted 12/10/2016

Element	**Au**	**Au**	**Ag**	**Al**	**As**	**Ba**	**Be**	**Bi**	**Ca**	**Cd**
Measurement	ppb	g/TM	ppm	%	ppm	ppm	ppm	ppm	%	ppm
Method	FAA313	FAG303	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B
Lower Limit of Detection	5	0.02	0.2	0.01	3	1	0.5	5	0.01	1
Upper Limit of Detection	5000		100	15	10000	10000	10000	10000	15	10000
M2000	120	--	51.6	4.34	3046	237	0.7	<5	0.44	188
M2001	31	--	33	6.39	38	131	<0.5	<5	0.51	155
M2002	20	--	15.2	5.71	46	92	<0.5	<5	0.35	279
M2003	662	--	17.9	4.22	140	108	0.6	<5	0.32	65
M2004	256	--	>100	4.59	365	86	<0.5	<5	0.7	340
M2005	10	--	13.9	3.64	<3	97	0.6	<5	0.38	10
M2006	<5	--	0.3	8.65	73	328	1.6	<5	0.33	<1
M2007	<5	--	<0.2	5.42	11	369	1	<5	0.07	<1
M2008	114	--	43.1	6.12	1478	338	0.9	<5	0.07	2
M2009	4743	--	>100	4.23	4043	196	0.6	<5	0.03	<1
M2010	49	--	3.2	4.79	66	294	0.6	<5	0.06	<1
M2011	92	--	0.9	3.78	1700	167	<0.5	<5	0.03	<1
M2012	113	--	5.8	7.91	714	317	2.3	<5	0.21	2
*DUP M2000	113	--	53.2	4.09	2966	234	0.7	<5	0.43	185
*DUP M2010	43	--	2.8	4.59	60	280	0.5	<5	0.07	1
*DUP M2019	>5000	10	>100	0.6	142	1423	<0.5	338	0.02	7

Table 9.2: 2016 Sample Assays, Part 1 (Au – Cd)

Element	**Co**	**Cr**	**Cu**	**Fe**	**Ga**	**K**	**La**	**Li**	**Mg**	**Mn**
Measurement	ppm	ppm	ppm	%	ppm	%	ppm	ppm	%	ppm
Method	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B
Lower Limit of Detection	1	1	0.5	0.01	10	0.01	0.5	1	0.01	2
Upper Limit of Detection	10000	10000	10000	15	10000	15	10000	10000	15	10000
M2000	11	234	100.6	6.2	<10	1.95	8.7	21	0.58	>10000

M2001	16	194	109.1	9.68	<10	2.99	<0.5	16	1.24	>10000
M2002	18	136	75.5	10.89	<10	2.66	<0.5	18	1.47	>10000
M2003	12	387	35.7	5.49	<10	1.84	2.9	61	0.39	>10000
M2004	13	83	450.1	9.52	11	2.11	<0.5	10	1.04	>10000
M2005	12	574	18.3	5.35	<10	1.33	3.6	82	0.36	>10000
M2006	17	232	23.5	4.35	20	2.17	11.7	17	0.93	655
M2007	8	82	44.3	6.26	<10	1.89	2.3	18	0.35	258
M2008	9	254	187.1	7.14	15	2.62	15	18	0.22	1008
M2009	6	178	1733.5	>15	<10	1.6	0.7	11	0.11	742
M2010	4	40	108	>15	22	1.81	10.5	3	0.24	81
M2011	4	180	49.1	>15	<10	1.48	1	28	0.14	61
M2012	23	201	738.1	4.7	26	4.41	19.4	14	0.57	274
*DUP M2000	10	218	99.8	5.76	<10	1.83	8.1	20	0.56	>10000
*DUP M2010	5	37	99.7	>15	18	1.74	9.8	3	0.23	80
*DUP M2019	5	616	40.3	1.55	29	0.22	10.3	2	<0.01	78

Table 9.3: 2016 Sample Assays, Part 2 (Co – Mn)

Element	**Mo**	**Na**	**Nb**	**Ni**	**P**	**Pb**	**S**	**Sb**	**Sc**	**Sn**
Measurement	ppm	%	ppm	ppm	%	ppm	%	ppm	ppm	ppm
Method	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B
Lower Limit of Detection	1	0.01	1	1	0.01	2	0.01	5	0.5	10
Upper Limit of Detection	10000	15	10000	10000	15	10000	10	10000	10000	10000
M2000	8	0.31	6	8	0.03	>10000	4.16	3706	7.2	29
M2001	13	0.45	4	15	0.04	>10000	4.2	5649	14.9	70
M2002	4	0.4	5	11	0.04	>10000	5.21	4763	12.6	52
M2003	15	0.33	4	14	0.03	2973	2.21	1612	9.1	<10
M2004	14	0.32	<1	13	0.04	>10000	5.71	>10000	10.4	64
M2005	17	0.37	7	20	0.02	6651	1.93	3932	8.9	<10
M2006	7	0.64	5	16	0.17	89	2.06	27	19.6	22
M2007	5	0.34	4	3	0.07	73	0.04	5	12.2	<10
M2008	5	0.32	2	6	0.16	8875	0.1	57	17.9	35
M2009	6	0.44	4	6	0.17	5830	0.09	245	11	592
M2010	2	0.44	3	1	0.02	388	0.09	<5	11.3	47
M2011	3	0.36	4	4	<0.01	72	0.07	31	9.4	44
M2012	5	0.31	5	24	0.07	2613	4.87	28	14.1	<10
*DUP M2000	8	0.29	6	8	0.03	>10000	4.04	3427	7.1	32
*DUP M2010	3	0.41	4	<1	0.02	367	0.1	<5	10.9	46
*DUP M2019	16	0.07	5	20	0.02	3036	0.88	641	1.2	30

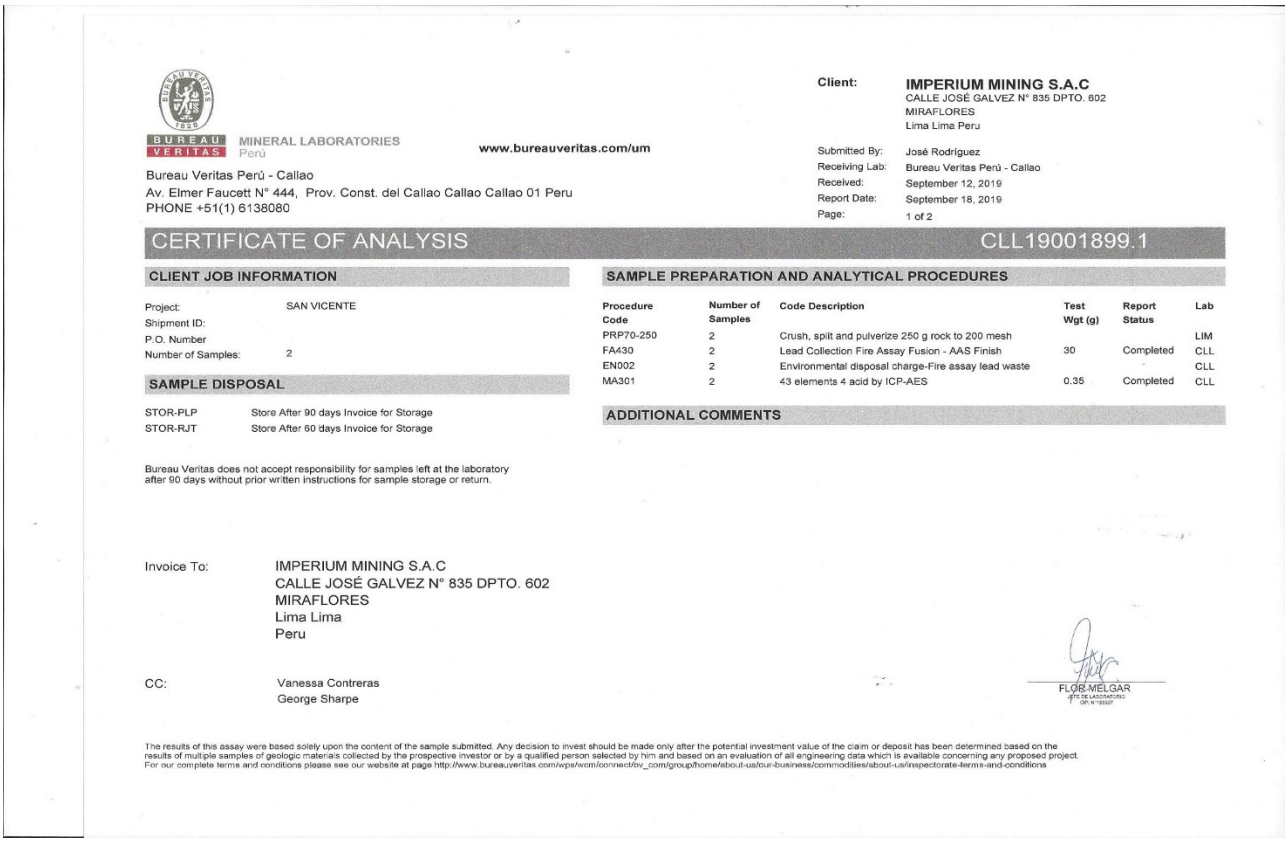
Table 9.4: 2016 Sample Assays, Part 3 (Mo – Sn)

Element	**Sr**	**Ti**	**Tl**	**V**	**W**	**Y**	**Zn**	**Zr**	**AG_G**	**Peso Muestra**
Measurement	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	g/TM	g
Method	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	ICP40B	AAS41B	PMI_CH
Lower Limit of Detection	0.5	0.01	2	2	10	0.5	0.5	0.5	10	

Upper Limit of Detection	5000	15	10000	10000	10000	10000	10000	10000		
M2000	16.4	0.12	<2	40	<10	13	>10000	50.5	--	2720
M2001	11.5	0.12	<2	119	<10	6.3	>10000	33.2	--	680
M2002	8.4	0.15	<2	107	<10	4.3	>10000	49.7	--	1260
M2003	12.9	0.14	<2	73	<10	6.2	7215.3	35.9	--	880
M2004	12.7	0.06	<2	91	<10	7.4	>10000	34.4	600	1160
M2005	27.3	0.14	<2	73	<10	7.2	1139.6	69.4	--	2120
M2006	93.6	0.31	<2	154	<10	18.5	213.7	48.1	--	1360
M2007	32.8	0.28	<2	102	<10	5.1	102.2	63.6	--	1340
M2008	17.5	0.23	<2	700	<10	15.9	1099.4	66.3	--	2340
M2009	12.9	0.21	<2	159	<10	8.9	492	63.6	154	1660
M2010	34.5	0.15	4	129	<10	5.6	78.1	59	--	1400
M2011	15.2	0.07	13	95	<10	1.4	34.7	32.5	--	1680
M2012	45.3	0.49	<2	137	<10	5.8	1010.2	54.1	--	1720
*DUP M2000	16.2	0.13	<2	39	<10	13.2	>10000	47.5	--	--
*DUP M2010	34.5	0.15	4	123	<10	5.8	75.5	58.2	--	--
*DUP M2019	328.2	0.15	<2	12	36	0.8	433.2	28	572	--

Table 9.5: 2016 Sample Assays, Part 4 (Sr – Peso Muestra)

Assay Results for 2019 Site Visit Grab Samples



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PHONE +51(1) 6138080

Client: IMPERIUM MINING S.A.C
CALLE JOSÉ GALVEZ N° 835 DPTO. 602
MIRAFLORES
Lima Lima Peru

Submitted By: José Rodríguez
Receiving Lab: Bureau Veritas Perú - Callao
Received: September 12, 2019
Report Date: September 18, 2019
Page: 1 of 2

CERTIFICATE OF ANALYSIS CLL19001899.1

CLIENT JOB INFORMATION

Project: SAN VICENTE
Shipment ID:
P.O. Number
Number of Samples: 2

SAMPLE DISPOSAL

STOR-PLP Store After 90 days Invoice for Storage
STOR-RJT Store After 60 days Invoice for Storage

Bureau Veritas does not accept responsibility for samples left at the laboratory after 90 days without prior written instructions for sample storage or return.

SAMPLE PREPARATION AND ANALYTICAL PROCEDURES

Procedure Code	Number of Samples	Code Description	Test Wgt (g)	Report Status	Lab
PRP70-250	2	Crush, split and pulverize 250 g rock to 200 mesh			LIM
FA430	2	Lead Collection Fire Assay Fusion - AAS Finish	30	Completed	CLL
EN002	2	Environmental disposal charge-Fire assay lead waste			CLL
MA301	2	43 elements 4 acid by ICP-AES	0.35	Completed	CLL

ADDITIONAL COMMENTS

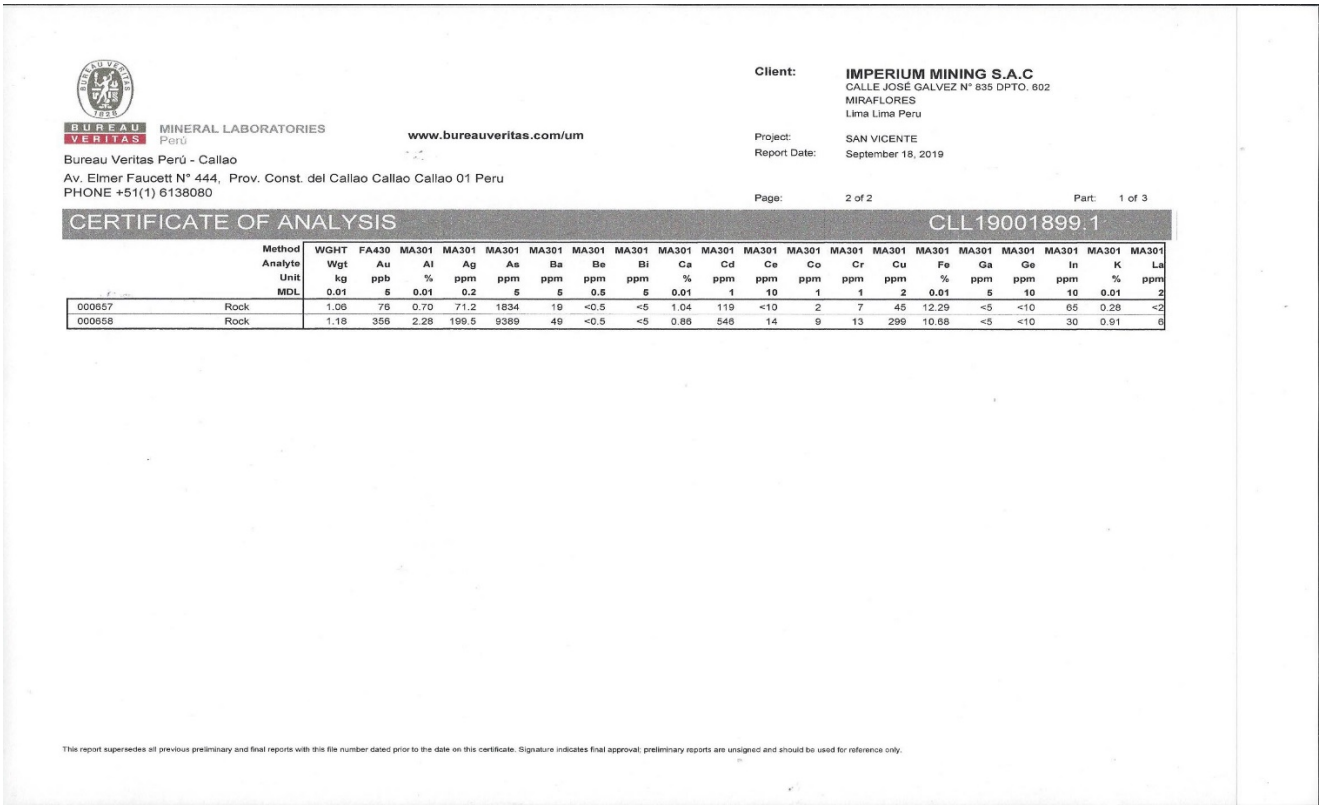
Invoice To: IMPERIUM MINING S.A.C
CALLE JOSÉ GALVEZ N° 835 DPTO. 602
MIRAFLORES
Lima Lima
Peru

CC: Vanessa Contreras
George Sharpe

FLOR MELGAR

The results of this assay were based solely upon the content of the sample submitted. Any decision to invest should be made only after the potential investment value of the claim or deposit has been determined based on the results of multiple samples of geologic materials collected by the prospective investor or by a qualified person selected by him and based on an evaluation of all engineering data which is available concerning any proposed project. For our complete terms and conditions please see our website at page http://www.bureauveritas.com/wps/wcm/connect/bv_com/group/home/about-us/our-business/commodities/about-us/inspectorate-terms-and-conditions

Figure 9.13: Assays For 2019 Site Visit Grab Samples, Title Page



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Client: **IMPERIUM MINING S.A.C**
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MIRAFLORES
Lima Lima Peru

Project: SAN VICENTE
Report Date: September 18, 2019

Page: 2 of 2 Part: 1 of 3

CERTIFICATE OF ANALYSIS CLL19001899.1

		Method	WGHT	FA430	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301
		Analyte	Wgt	Au	Al	Ag	As	Ba	Be	Bi	Ca	Cd	Ce	Co	Cr	Cu	Fe	Ga	Ge	In	K	La
		Unit	kg	ppb	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	%	ppm
		MDL	0.01	5	0.01	0.2	5	5	0.5	5	0.01	1	10	1	1	2	0.01	5	10	10	0.01	2
000657	Rock		1.06	76	0.70	71.2	1834	19	<0.5	<5	1.04	119	<10	2	7	45	12.29	<5	<10	65	0.28	<2
000658	Rock		1.18	356	2.28	199.5	9389	49	<0.5	<5	0.86	546	14	9	13	299	10.68	<5	<10	30	0.91	6

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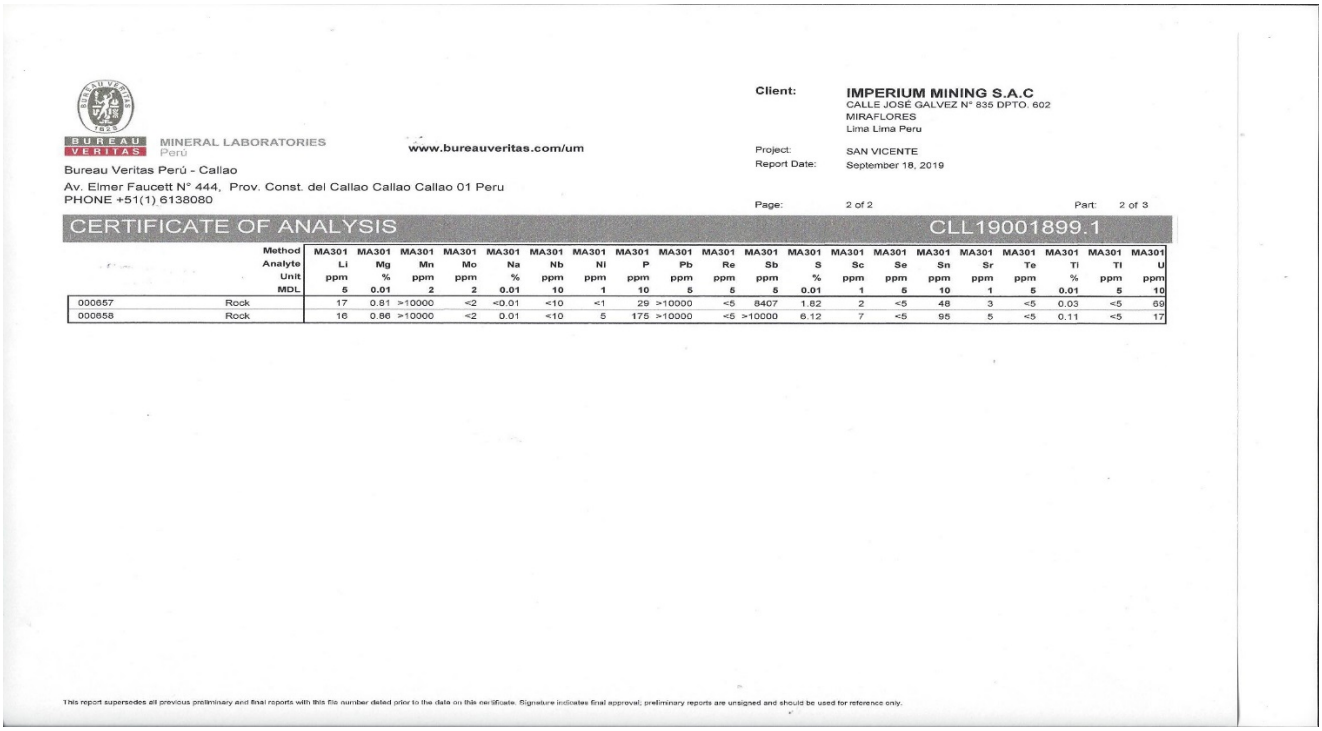
Figure 9.14: Assays For 2019 Site Visit Grab Samples, Part 1



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Lima Lima Peru

Project: SAN VICENTE
Report Date: September 18, 2019

Page: 2 of 2 Part: 2 of 3

CERTIFICATE OF ANALYSIS CLL19001899.1

		Method	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301
		Analyte	Li	Mg	Mn	Mo	Na	Nb	Ni	P	Pb	Re	Sb	S	Sc	Se	Sn	Sr	Te	Ti	Tl	U
		Unit	ppm	%	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm
		MDL	5	0.01	2	2	0.01	10	1	10	5	5	5	0.01	1	5	10	1	5	0.01	5	10
000657	Rock		17	0.81	>10000	<2	<0.01	<10	<1	29	>10000	<5	8407	1.82	2	<5	48	3	<5	0.03	<5	69
000658	Rock		16	0.86	>10000	<2	0.01	<10	5	175	>10000	<5	>10000	6.12	7	<5	95	5	<5	0.11	<5	17

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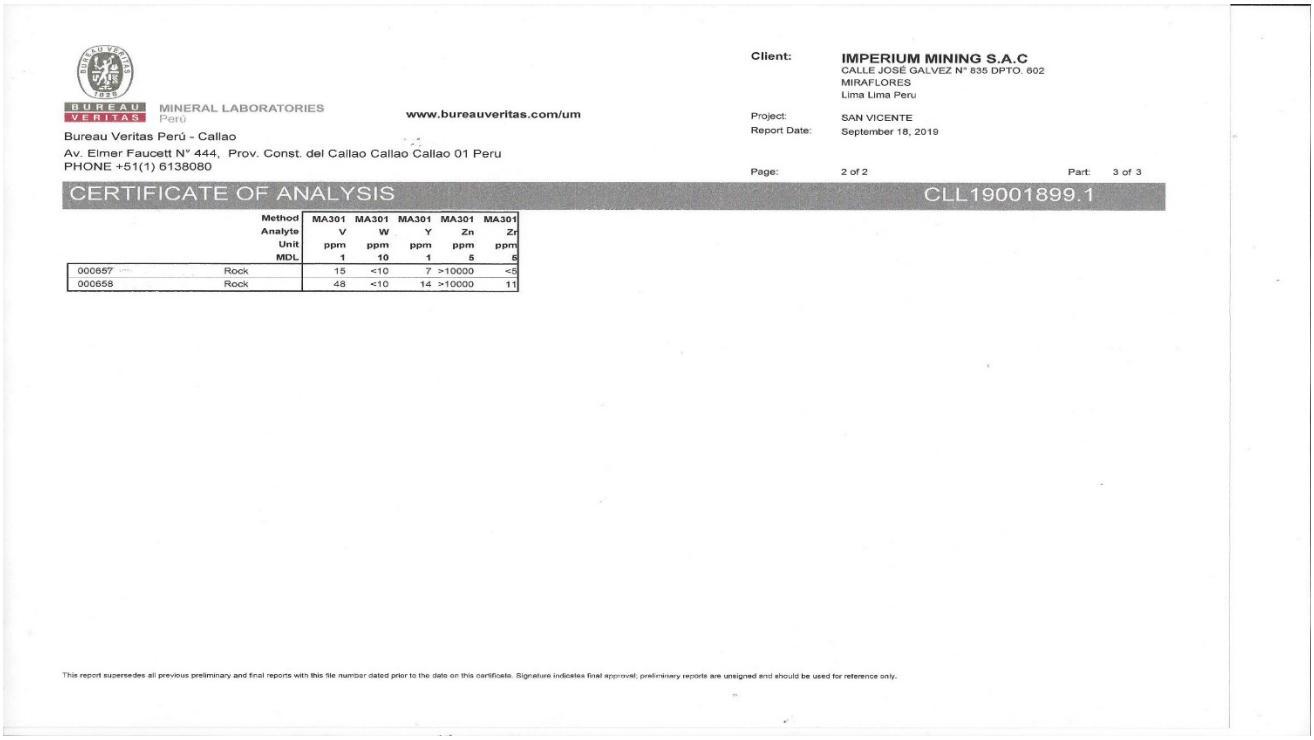
Figure 9.15: Assays For 2019 Site Visit Grab Samples, Part 2



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MIRAFLORES
Lima Lima Peru

Project: SAN VICENTE
Report Date: September 18, 2019

Page: 2 of 2 Part: 3 of 3

CERTIFICATE OF ANALYSIS CLL19001899.1

Method		MA301	MA301	MA301	MA301	MA301
Analyte		V	W	Y	Zn	Zr
Unit		ppm	ppm	ppm	ppm	ppm
MDL		1	10	1	5	5
000657	Rock	15	<10	7	>10000	<5
000658	Rock	48	<10	14	>10000	11

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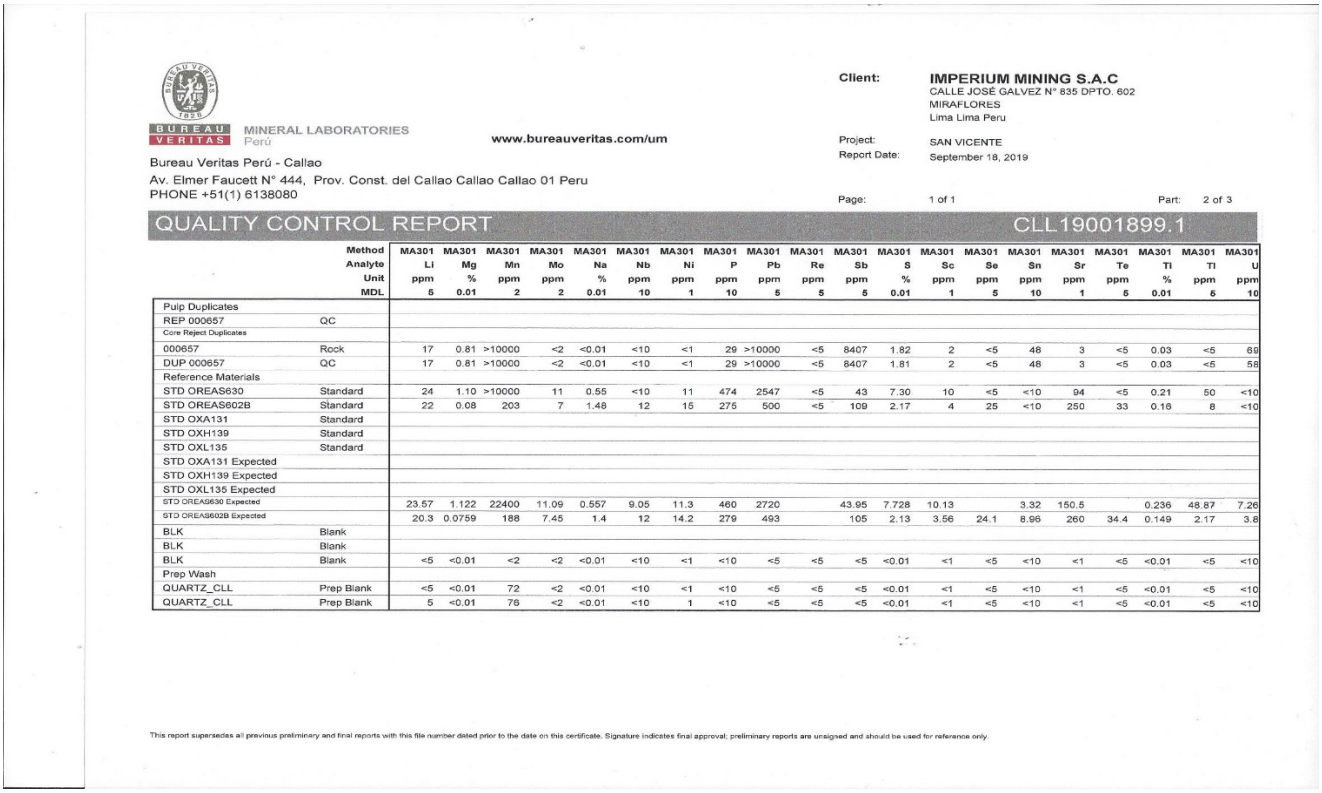
Figure 9.16: Assays For 2019 Site Visit Grab Samples, Part 3



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MIRAFLORES
Lima Lima Peru

Project: SAN VICENTE
Report Date: September 18, 2019

Page: 1 of 1 Part: 2 of 3

QUALITY CONTROL REPORT CLL19001899.1

Method		MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301	MA301
Analyte		Li	Mg	Mn	Mo	Na	Nb	Ni	P	Pb	Re	Sb	S	Sc	Se	Sn	Sr	Te	Tl	Tl	U
Unit		ppm	%	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	%	ppm	ppm
MDL		5	0.01	2	2	0.01	10	1	10	5	5	5	0.01	1	5	10	1	5	0.01	6	10
Pulp Duplicates																					
REP 000657	QC																				
Core Reject Duplicates																					
000657	Rock	17	0.81	>10000	<2	<0.01	<10	<1	29	>10000	<5	8407	1.82	2	<5	48	3	<5	0.03	<5	69
DUP 000657	QC	17	0.81	>10000	<2	<0.01	<10	<1	29	>10000	<5	8407	1.81	2	<5	48	3	<5	0.03	<5	58
Reference Materials																					
STD OREAS630	Standard	24	1.10	>10000	11	0.55	<10	11	474	2547	<5	43	7.30	10	<5	<10	94	<5	0.21	50	<10
STD OREAS602B	Standard	22	0.08	203	7	1.48	12	15	275	500	<5	109	2.17	4	25	<10	250	33	0.16	8	<10
STD OXA131	Standard																				
STD OXH139	Standard																				
STD OXL135	Standard																				
STD OXA131 Expected																					
STD OXH139 Expected																					
STD OXL135 Expected																					
STD OREAS630 Expected		23.57	1.122	22400	11.09	0.557	9.05	11.3	460	2720		43.95	7.728	10.13		3.32	150.5		0.236	48.87	7.26
STD OREAS602B Expected		20.3	0.0759	188	7.45	1.4	12	14.2	279	493		105	2.13	3.56	24.1	8.96	260	34.4	0.149	2.17	3.8
BLK	Blank																				
BLK	Blank																				
BLK	Blank	<5	<0.01	<2	<2	<0.01	<10	<1	<10	<5	<5	<5	<0.01	<1	<5	<10	<1	<5	<0.01	<5	<10
Prep Wash																					
QUARTZ_CLL	Prep Blank	<5	<0.01	72	<2	<0.01	<10	<1	<10	<5	<5	<5	<0.01	<1	<5	<10	<1	<5	<0.01	<5	<10
QUARTZ_CLL	Prep Blank	5	<0.01	76	<2	<0.01	<10	1	<10	<5	<5	<5	<0.01	<1	<5	<10	<1	<5	<0.01	<5	<10

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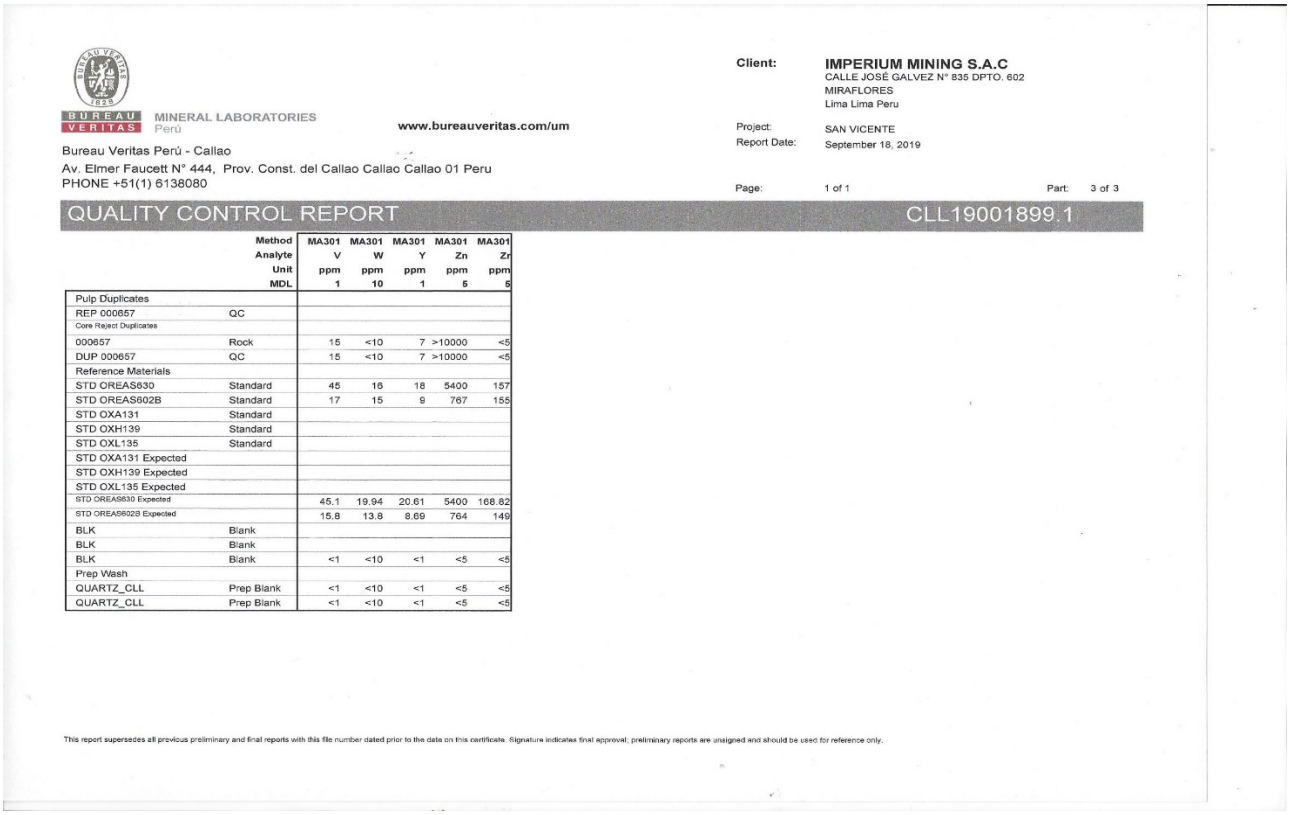
Figure 9.17: Assays For 2019 Site Visit Grab Samples, Part 4



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CALLE JOSÉ GALVEZ N° 835 DPTO. 602
MIRAFLORES
Lima Lima Peru

Project: SAN VICENTE
Report Date: September 18, 2019

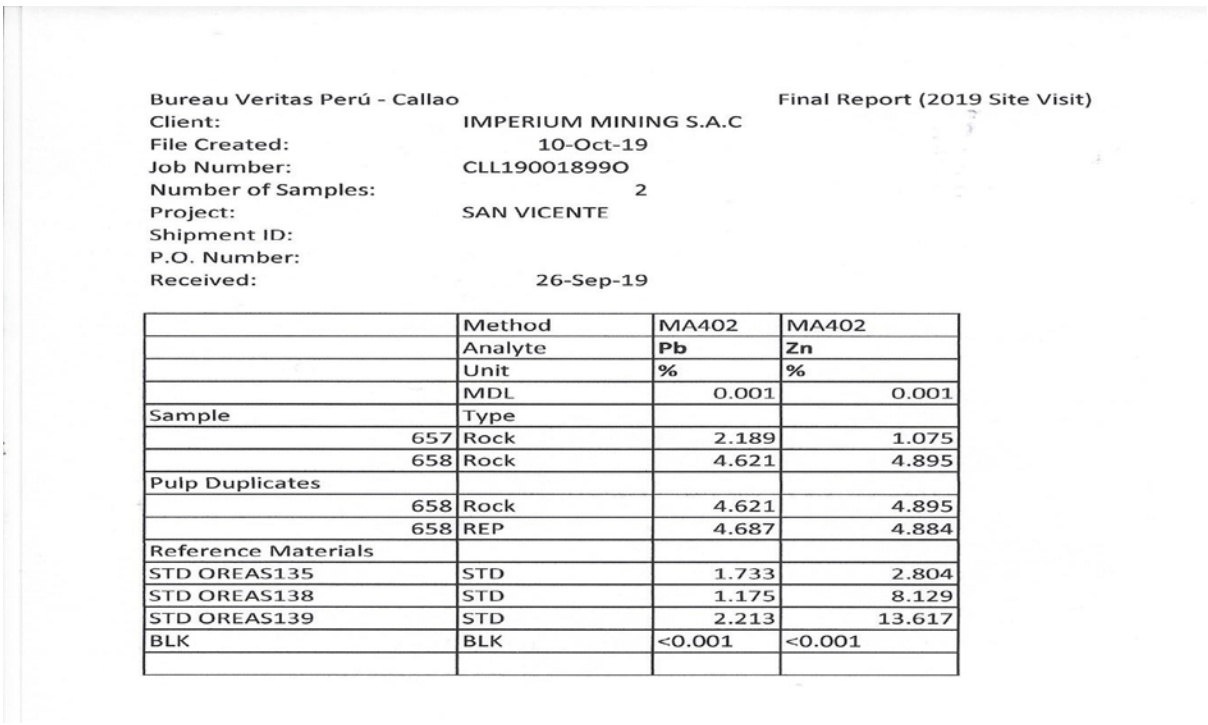
Page: 1 of 1 Part: 3 of 3

QUALITY CONTROL REPORT CLL19001899.1

	Method	MA301	MA301	MA301	MA301	MA301
	Analyte	V	W	Y	Zn	Zr
	Unit	ppm	ppm	ppm	ppm	ppm
	MDL	1	10	1	5	5
Pulp Duplicates						
REP 000657	QC					
Core Reject Duplicates						
000657	Rock	15	<10	7	>10000	<5
DUP 000657	QC	15	<10	7	>10000	<5
Reference Materials						
STD OREAS630	Standard	45	16	18	5400	157
STD OREAS602B	Standard	17	15	9	767	155
STD OXA131	Standard					
STD OXH139	Standard					
STD OXL135	Standard					
STD OXA131 Expected						
STD OXH139 Expected						
STD OXL135 Expected						
STD OREAS630 Expected		45.1	19.94	20.61	5400	168.82
STD OREAS602B Expected		15.8	13.8	8.69	764	149
BLK	Blank					
BLK	Blank					
BLK	Blank	<1	<10	<1	<5	<5
Prep Wash						
QUARTZ_CLL	Prep Blank	<1	<10	<1	<5	<5
QUARTZ_CLL	Prep Blank	<1	<10	<1	<5	<5

This report supersedes all previous preliminary and final reports with this file number dated prior to the date on this certificate. Signature indicates final approval; preliminary reports are unsigned and should be used for reference only.

Figure 9.18: Assays For 2019 Site Visit Grab Samples, Part 5



Bureau Veritas Perú - Callao — Final Report (2019 Site Visit)

Client: IMPERIUM MINING S.A.C
File Created: 10-Oct-19
Job Number: CLL19001899O
Number of Samples: 2
Project: SAN VICENTE
Shipment ID:
P.O. Number:
Received: 26-Sep-19

	Method	MA402	MA402
	Analyte	Pb	Zn
	Unit	%	%
	MDL	0.001	0.001
Sample	Type		
657	Rock	2.189	1.075
658	Rock	4.621	4.895
Pulp Duplicates			
658	Rock	4.621	4.895
658	REP	4.687	4.884
Reference Materials			
STD OREAS135	STD	1.733	2.804
STD OREAS138	STD	1.175	8.129
STD OREAS139	STD	2.213	13.617
BLK	BLK	<0.001	<0.001

Figure 9.19: Percentage Assays for Pb & Zn, 2019 Site Visit Sample Assays

ITEM 10. DRILLING

No drilling has taken place on the San Vicente project to date.

ITEM 11. SAMPLE PREPARATION ANALYSIS AND SECURITY

The sampling and handling procedures follow normal best practice. At the mine site, samples are placed in plastic bags and sealed with tie strips with the sample ticket placed in the neck of the plastic bag. The sealing of the plastic sample bag with the tie strip securely holds the ticket in place. The sample ticket number is written on the outside of each sample bag. The samples were placed in sacks five to six at a time. The sacks are numbered with the samples placed in each bag recorded. Samples are checked on dispatch from site and again upon receipt at S.M.R.L. offices in Lima and in the laboratory. Transport from site is to the head office of Imperium. This trip takes approximately 10 hours and the samples are locked in a truck at all times. It is a requirement of Peruvian legislation that an official form (Guia) with details of the number and type of samples accompanies each consignment.

Samples may be opened and inspected by Peruvian police looking for the transport of illegal material. This has not happened to date with any of the samples transported by Imperium, however if this was to happen the procedure is for the driver to document which samples were opened. The samples spend approximately one day in the office of Imperium, where control samples (excluding twin samples) are introduced to the sample batches. At the moment, sample pulps and sample rejects are stored in the Lima offices of Lida Resources.

Analytical Laboratories

All samples were analyzed at the Inspectorate Laboratory located in Callao, Lima. Inspectorate is an internationally recognized analytical group. The Inspectorate laboratory in Lima is certified to ISO 17025 standards. At the time of writing this report 187 samples had been assayed by Inspectorate.

Sample Preparation and Analysis

The sample preparation process went through the following stages:

1. Each sample is dried in a 150° oven and then cooled.
2. The entire sample is crushed to 88%minus half inch size.
3. The entire crushed sample is passed through a roll crusher to produce a 50% minus 10 mesh size sample.
4. The crushed sample is then passed through a Jones riffle splitter to produce a 250g subsample that is pulverized to 92% minus 200 mesh size and placed in a numbered envelope.
5. The sample was first analysed by using Inductively Coupled Plasma – Optical Emission Spectroscopy (—ICP-OES). In this process Ag-g/t, Zn%, Pb%, Cu%, and Mn% are assayed along with a suite of 26 other elements (Al, As, Ba, Bi, Ca, Cd, Co, Cr, Fe, Hg, K, La, Mg, Mo, Na, Ni, P, S, Sb, Se, Sn, Sr, Te, Ti, TI, V and W all assayed as a percentage).
6. Zn, Pb, Cu and Mn values which pass above a 1% over-limit are then analysed using an Atomic Absorption (—AA) finish.
7. Ag values which go above 30g in the ICP-OES method are assayed using an AA finish.

8. Zn, Pb, Cu and Mn values which pass above 10% in the AA method are assayed using titration with a gravimetric finish.
9. Ag assays which pass above a value of 300g are passed for fire assay with a gravimetric finish.
10. All samples for Au are fire assayed with an AA finish.

Assay Receipts

The laboratory sends the assay results to the senior geologist firstly by email. Hard copy certificates follow after the company geologist checks if the quality control inserts meet the required specifications. The results sent by email are processed within 48 hours of receipt and correspondence is sent to the assay laboratory to issue the certificates.

Quality Controls

Apart from the internal laboratory quality controls, S.M.R.L. El Otro Lado had its own checks on assay receipts using coarse blanks, pulp blanks and twin samples. In total, 17 control samples (4 coarse blanks, 4 pulp blanks and 9 twin samples) were used to support 187 samples. Coarse blank samples consisted of material sourced from an outcrop of unmineralized sandstone. Six check samples were taken and analyzed by Inspectorate S.A.C. Lima. The check samples returned with no contaminants, and as such have been used in the QA/QC program. Pulp blanks samples were bought from Inspectorate S.A.C before the sample program started. The pulp blanks are white in colour and are sealed in aluminum foil envelopes.

For the blanks that were used the procedure was to put in a pulp blank after a high-grade sample with the pulp blank followed by a coarse blank. The reason for this is the coarse blank will be prepared immediately after the high-grade sample, whereas the pulp blank will be assayed immediately after the high-grade sample. This would highlight contamination in the sample preparation and sample analysis if evident. Twin samples are samples taken parallel to original channel samples. Twin samples were taken twice for every 100 samples taken. Twin samples were taken to show that the grade of the original sample could be replicated within a given tolerance to an original sample.

Carbajal & Whitty has assessed the results of the coarse blanks, pulp blanks and twin samples (Section 12 for details). No SRMs, duplicate pulp rejects or coarse rejects were entered into the sample stream as this is the start of an exploration program and no pulp duplicates or coarse rejects were available for insertion since the first batch of samples sent to the laboratory are those discussed in this report. Pulp material and coarse rejects from the first batch can be used as control samples in future sample batches sent to the laboratory.

Results

Assay results for the channel samples taken to date are summarized in Item 9.

Sampling Results

MZ1

One channel sample was taken in the MZ1 structure by Luc Pigeon of Gateway Solutions S.A.C. in June 2009. This sample was taken where the vein cut the main access. The vein would later be developed along the GAL 100 to the NE and SW. The one channel sample taken by Gateway Solutions S.A.C. returned

values of Ag 12.47Oz/t, Zn 5.45%, Pb 3.94% and Sb >1%, *Technical Report on the Platera Polymetallic (Ag, Zn, Pb, Sb ± Au) property, La Libertad, Peru, Luc Pigeon 2009.*

When S.M.R.L. El Otro Lado personnel started a sampling campaign in 2011 it was found that Gallery 100 was full of broken material from the MZ2 and MZ3 structures. In areas where the MZ1 structure was still accessible the roof was deemed too high to sample safely. It is recommended that in the Stage 2 exploration program, the 100 Gallery be emptied of the broken ore material inside in order to be re-mapped and re-sampled, see Section Item 26 (Recommendations) for details.

MZ2

El Otro Lado personnel took 12 channel samples on the 100 level of the 120 gallery and 8 channel samples on the 105 sublevel located directly above the 120 gallery (see Figure 11.1 for the location of channel samples in the 120 gallery and 105 sublevel). Only 12 channel samples were taken in the 120 gallery as the rest of the gallery was either too high to sample or backfilled with material from MZ3. The assay results for both levels can be seen in Table 11.1.

It has to be noted that the samples taken on the 100 level are at the north-eastern extents of the structure and that the last samples taken were in waste as the structure pinched out. Just for this section of the vein where mineralization was present the average width was calculated to be 0.20m with average grades of Au 0.18 g/t, Ag 20.10 oz/t, Zn 6.35%, Pb 11.10%, Cu 0.05%, Sb 0.90% and Mn 4.54% (calculation without top cut). The hanging-wall and footwall contained minor mineralization through veining. The hanging-wall material came back with average grades of Au 0.19 g/t, Ag 0.33 oz/t, Zn 0.27%, Pb 0.12%, Cu 0%, Sb 0.01% and Mn 1.17% and the footwall material came back with average grades of Au 0.021 g/t, Ag 1.30 oz/t, Zn 0.24%, Pb 0.40%, Cu 0.01%, Sb 0.10% and Mn 1.63% (calculation without top cut).

It could be seen from mapping that the vein did open out along strike, however these areas were not available for sampling as the roof was deemed to be too high. Figure 7.10 is a photograph of the vein where its width is approximately 1.2m wide. In Figure 7.10 it can be seen that the footwall is irregular compared to the hanging-wall. This might have some relevance as to why there are low metal values in the immediate footwall compared to the hanging wall in sampling.

CH ID	Level	Gallery	HW, Vein, FW	Width	Grades							Observations
					Au	Ag	Zn	Pb	Cu	Sb	Mn	
CH58	100	Gal 120°NE	HW	0.34	0.001	0.132	0.05	0.05	0.00	0.00	0.92	Hanging-wall and footwall are moderately altered, the vein is composed of gouge with visual mineralisation observed as galena, sphalerite and pyrite. Minor quartz was also visible in the structure.
CH58	100	Gal 120°NE	Vein	0.11	0.118	60.990	12.23	36.49	0.13	1.72	5.03	
CH58	100	Gal 120°NE	FW	0.48	0.01	2.218	0.79	1.04	0.01	0.06	4.05	
CH59	100	Gal 120°NE	HW	0.3	0.017	0.260	0.29	0.15	0.00	0.01	0.65	
CH59	100	Gal 120°NE	Vein	0.21	0.158	61.922	11.93	36.95	0.12	1.02	3.25	
CH59	100	Gal 120°NE	FW	0.31	0.032	5.768	0.76	0.82	0.02	0.09	2.04	
CH60	100	Gal 120°NE	HW	0.36	0.006	0.678	0.47	0.28	0.01	0.03	2.79	
CH60	100	Gal 120°NE	Vein	0.09	0.079	6.257	15.68	2.98	0.05	1.13	9.57	
CH60	100	Gal 120°NE	FW	0.29	0.009	1.058	0.39	0.38	0.01	0.03	0.97	
CH61	100	Gal 120°NE	HW	0.43	0.019	0.360	0.06	0.12	0.00	0.01	0.41	
CH61	100	Gal 120°NE	Vein	0.11	0.14	13.825	0.38	7.41	0.05	2.97	6.80	
CH61	100	Gal 120°NE	FW	0.41	0.029	0.527	0.05	1.04	0.00	0.38	1.58	
CH62	100	Gal 120°NE	HW	0.42	0.088	2.469	0.48	0.21	0.01	0.05	7.53	Vein pinches out
CH62	100	Gal 120°NE	FW	0.43	0.012	0.302	0.05	0.11	0.00	0.01	1.38	
CH63	100	Gal 120°NE	Vein	0.33	0.105	7.067	8.37	1.75	0.04	0.85	4.83	Vein reappears, vein structure and veinlets in HW
CH63	100	Gal 120°NE	Vein	0.24	0.216	4.816	2.20	0.94	0.03	0.25	3.92	
CH63	100	Gal 120°NE	FW	0.3	0.016	0.765	0.13	0.12	0.01	0.02	3.04	

CH64	100	Gal 120°NE	HW	0.47	0.732	0.235	0.02	0.04	0.00	0.01	1.15	
CH64	100	Gal 120°NE	Vein	0.1	1.018	26.524	2.27	17.73	0.01	0.74	9.29	
CH64	100	Gal 120°NE	FW	0.32	0.033	0.614	0.05	0.05	0.00	0.01	3.02	
CH65	100	Gal 120°NE	HW	0.63	0.08	0.370	0.0086	0.012	0.0023	0.0057	0.7577	Structure dies out, only tight fault 1cm wide is left in the roof, Samples taken either side of fault with HW samples incorporating fault material.
CH65	100	Gal 120°NE	FW	0.64	0.055	1.813	0.0646	0.0141	0.0095	0.0104	1.44	
CH66	100	Gal 120°NE	HW	0.45	0.097	0.502	0.516	0.0313	0.006	0.0085	0.765	
CH66	100	Gal 120°NE	FW	0.44	0.053	0.556	0.5393	0.0196	0.0036	0.0064	1.09	
CH67	100	Gal 120°NE	HW	0.50								
CH67	100	Gal 120°NE	FW	0.47								
CH68	100	Gal 120°NE	HW	0.46								
CH68	100	Gal 120°NE	FW	0.36								
CH69	100	Gal 120°NE	HW	0.30								
CH69	100	Gal 120°NE	FW	0.55								

Table 11.1: Assay results associated with areas of MZ2 Level 100 that could be sampled

MZ3

El Otro Lado personnel took 27 channel samples on the 100 level in the 130 gallery, 20 channel samples on the 105 sublevel located directly above the 130 gallery and 12 channel samples on the 110 sublevel located directly above the 105 sublevel (see Figure 11.2 for the location of channel samples in the 130 gallery, 105 sublevel and 110 sublevel).

This was the only structure that could be sampled along its entire mined length by S.M.R.L. El Otro Lado personnel. The assay results for the main mining level and two sublevels can be seen in Tables 11.2 and 11.4.

The following average results were obtained for the MZ3 structure on the 100 sublevel:

- On the 100 level of the MZ3 structure where the mineralization was present, the average width was calculated to be 0.26m with average grades of Au 0.39 g/t, Ag 18.43 Oz/t, Zn 5.37%, Pb 7.12%, Cu 0.09%, Sb 1.67% and Mn 8.82% (without top cut).

- The hanging-wall and footwall contained minor mineralization through veining. The hanging-wall material came back with average grades of Au 0.06 g/t, Ag 0.70 Oz/t, Zn 0.30%, Pb 0.40%, Cu 0.01%, Sb 0.11% and Mn 2.70 and the footwall material came back with average grades of Au 0.07 g/t, Ag 1.08 oz/t, Zn 0.49%, Pb 0.41%, Cu 0.01%, Sb 0.10% and Mn 2.65% (without top cut).

The following average results were obtained for the MZ3 structure on the 105 sublevel**:**

- On the 105 level of the MZ3 structure where the mineralization was present, the average width was calculated to be 0.17m with average grades of Au 0.24 g/t, Ag 16.54 Oz/t, Zn 3.81%, Pb 8.38%, Cu 0.07%, Sb 1.25% and Mn 7.13% (without top cut).

- The hanging-wall and footwall contained minor mineralization through veining. The hanging-wall material came back with average grades of Au 0.08 g/t, Ag 0.61 Oz/t, Zn 0.42%, Pb 0.27%, Cu 0%, Sb 0.03% and Mn 2.87 and the footwall material came back with average grades of Au 0.03 g/t, Ag 0.76 oz/t, Zn 0.37%, Pb 0.30%, Cu 0.01%, Sb 0.03% and Mn 2.74% (without top cut).

The following average results were obtained for the MZ3 structure on the 110 sublevel:

- On the 110 level of the MZ3 structure it was found that the structure was discontinuous, so an average grade of the structure could not be determined with the limited channel samples taken.

- The complete results with all elements can be seen in the certificate issued by Inspectorate S.A.C. The complete results are recorded in the S.M.R.L. El Otro Lado Geological DB. The entire list of elements comprise Ag, Au, Zn, Pb, Cu, Mn, Al, As, Ba, Bi, Ca, Cd, Co, Cr, Fe, Hg, K, La, Mg, Mo, Na, Ni, P, S, Sb, Se, Sn, Sr, Te, Ti, TI, V and W.

CH ID	Level	Gallery	HW, Vein, FW	Grades								Observations
				Width	Au g-tn	Ag Oz/t	Zn %	Pb %	Cu %	Sb %	Mn %	
CH1	100	Gal 130°NE	TECHO	0.51	0.095	0.56	0.75	0.38	0.00	0.08	5.97	Hanging-wall and footwall are moderately altered, the vein is composed of galena, sphalerite and pyrite, gouge present but not as much as observed in MZ2
CH1	100	Gal 130°NE	VETA	0.2	0.088	20.03	1.80	8.59	0.10	0.65	4.99	
CH1	100	Gal 130°NE	PISO	0.22	0.024	0.34	0.03	0.20	0.00	0.00	1.34	
CH2	100	Gal 130°NE	TECHO	0.12	0.022	0.13	0.06	0.05	0.00	0.01	3.92	
CH2	100	Gal 130°NE	VETA	0.35	0.514	45.72	1.93	23.50	0.08	1.48	3.99	
CH2	100	Gal 130°NE	PISO	0.14	0.083	0.27	0.03	0.13	0.00	0.01	1.01	
CH3	100	Gal 130°NE	TECHO	0.25	0.037	0.04	0.02	0.02	0.00	0.00	1.25	
CH3	100	Gal 130°NE	VETA	0.3	0.165	1.38	0.52	0.20	0.01	0.07	9.76	
CH3	100	Gal 130°NE	PISO	0.26	0.019	0.21	0.03	0.08	0.00	0.00	1.35	
CH4	100	Gal 130°NE	TECHO	0.28	0.03	0.14	0.02	0.02	0.01	0.00	0.92	
CH4	100	Gal 130°NE	VETA	0.09	0.184	0.18	0.15	0.13	0.00	0.01	1.97	
CH4	100	Gal 130°NE	PISO	0.37	0.058	0.70	0.02	0.45	0.00	0.01	0.80	
CH5	100	Gal 130°NE	TECHO	0.16	0.042	0.15	0.95	0.05	0.00	0.02	1.08	
CH5	100	Gal 130°NE	VETA	0.21	0.736	88.93	12.18	10.58	0.26	3.90	12.02	
CH5	100	Gal 130°NE	PISO	0.19	0.122	10.19	1.56	2.00	0.03	0.66	6.90	
CH6	100	Gal 130°NE	TECHO	0.23	0.062	0.11	0.02	0.03	0.00	0.01	1.96	
CH6	100	Gal 130°NE	VETA	0.28	0.485	18.13	4.60	10.39	0.04	4.78	13.41	
CH6	100	Gal 130°NE	PISO	0.58	0.264	2.49	1.96	0.99	0.01	0.45	5.51	
CH7	100	Gal 130°NE	TECHO	0.34	0.106	0.12	0.04	0.04	0.00	0.01	1.04	
CH7	100	Gal 130°NE	VETA	0.54	0.837	26.59	8.63	8.79	0.10	4.47	4.73	
CH7	100	Gal 130°NE	PISO	0.28	0.207	3.14	2.71	1.75	0.02	0.87	5.53	
CH8	100	Gal 130°NE	TECHO	0.35	0.067	0.06	0.02	0.03	0.00	0.01	0.57	
CH8	100	Gal 130°NE	VETA	0.25	0.13	1.38	1.09	1.28	0.01	0.54	13.96	
CH8	100	Gal 130°NE	PISO	0.39	0.06	0.23	0.12	0.07	0.00	0.01	4.10	
CH9	100	Gal 130°NE	TECHO	0.28	0.039	0.07	0.03	0.01	0.00	0.00	0.19	
CH9	100	Gal 130°NE	VETA	0.6	0.468	0.45	5.23	0.56	0.02	0.22	14.74	
CH9	100	Gal 130°NE	PISO	0.6	0.0	0.28	0.07	0.06	0.00	0.01	0.54	
CH10	100	Gal 130°NE	TECHO	0.3	0.0	0.21	0.17	0.07	0.00	0.01	1.25	
CH10	100	Gal 130°NE	VETA	0.2	0.2	0.28	0.88	0.44	0.01	0.17	17.67	
CH10	100	Gal 130°NE	PISO	0.46	0.04	0.19	0.16	0.13	0.00	0.01	1.64	
CH11	100	Gal 130°NE	TECHO	0.48	0.029	0.13	0.07	0.05	0.00	0.01	1.11	
CH11	100	Gal 130°NE	VETA	0.1	0.422	31.31	0.69	10.79	0.07	0.36	15.33	
CH11	100	Gal 130°NE	PISO	0.48	0.134	1.98	0.08	0.21	0.01	0.05	4.20	
CH13	100	Gal 130°NE	TECHO	0.32	0.263	1.62	0.17	0.61	0.01	0.11	6.51	
CH13	100	Gal 130°NE	VETA	0.14	0.358	50.99	0.15	4.54	0.20	1.02	16.88	
CH13	100	Gal 130°NE	PISO	0.43	0.206	0.08	0.05	0.06	0.00	0.02	3.53	
CH14	100	Gal 130°NE	TECHO	0.46	0.047	1.22	0.85	0.95	0.01	0.36	1.61	
CH14	100	Gal 130°NE	VETA	0.16	0.557	56.87	2.91	1.80	0.25	0.90	16.76	
CH14	100	Gal 130°NE	PISO	0.19	0.021	0.25	0.39	0.08	0.01	0.01	3.09	
CH15	100	Gal 130°NE	TECHO	0.45	0.067	2.84	0.58	2.30	0.05	1.01	6.93	
CH15	100	Gal 130°NE	VETA	0.15	0.631	52.63	18.55	5.89	1.12	2.76	5.05	
CH15	100	Gal 130°NE	PISO	0.33	0.016	0.17	0.13	0.06	0.00	0.01	2.16	
CH16	100	Gal 130°NE	TECHO	0.31	0.011	0.13	0.05	0.09	0.00	0.02	1.53	
CH16	100	Gal 130°NE	VETA	0.07	0.486	21.16	6.53	9.92	0.49	0.12	1.50	
CH16	100	Gal 130°NE	PISO	0.1	0.009	0.40	0.22	0.28	0.01	0.01	1.61	

CH17	100	Gal 130°NE	TECHO	0.36	0.045	2.04	0.48	1.19	0.00	0.01	0.75	
CH17	100	Gal 130°NE	VETA	0.06	0.182	0.78	3.61	0.26	0.02	0.06	5.98	
CH17	100	Gal 130°NE	PISO	0.36	0.021	1.00	0.27	0.60	0.00	0.05	1.85	
CH18	100	Gal 130°NE	TECHO	0.25	0.064	0.79	0.28	0.31	0.00	0.01	3.14	
CH18	100	Gal 130°NE	VETA	0.2	0.172	33.24	6.50	23.90	0.02	1.88	4.81	
CH18	100	Gal 130°NE	PISO	0.27	-0.005	0.58	0.14	0.19	0.00	0.03	2.00	
CH19	100	Gal 130°NE	TECHO	0.38	0.03	1.61	0.16	0.31	0.01	0.03	2.79	
CH19	100	Gal 130°NE	VETA	0.13	0.22	62.18	9.13	31.14	0.27	0.57	3.10	
CH19	100	Gal 130°NE	PISO	0.43	0.06	2.03	0.10	1.22	0.00	0.04	2.30	
CH20	100	Gal 130°NE	TECHO	0.38	0.012	0.29	0.14	0.13	0.00	0.01	2.51	
CH20	100	Gal 130°NE	VETA	0.38	0.114	3.26	2.80	4.19	0.01	1.42	6.03	
CH20	100	Gal 130°NE	PISO	0.67	-0.005	0.70	0.52	0.45	0.01	0.05	1.34	
CH21	100	Gal 130°NE	TECHO	0.45	0.026	0.56	0.41	0.20	0.00	0.03	2.42	
CH21	100	Gal 130°NE	VETA	0.67	0.183	3.65	3.02	2.89	0.02	0.94	5.70	
CH21	100	Gal 130°NE	PISO	0.22	-0.005	0.49	0.11	0.12	0.00	0.04	2.65	
CH22	100	Gal 130°NE	TECHO	0.54	0.037	0.47	0.59	0.33	0.00	0.03	2.99	
CH22	100	Gal 130°NE	VETA	0.23	0.286	3.02	1.83	2.52	0.01	0.47	4.04	
CH22	100	Gal 130°NE	PISO	0.33	0.007	0.14	0.11	0.07	0.01	0.01	2.11	
CH23	100	Gal 130°NE	TECHO	0.35	0.008	0.40	0.14	0.20	0.00	0.00	3.45	
CH23	100	Gal 130°NE	VETA	0.21	0.218	12.51	13.82	7.82	0.05	0.26	2.16	
CH23	100	Gal 130°NE	PISO	0.35	0.009	0.15	0.16	0.09	0.01	0.03	3.95	
CH24	100	Gal 130°NE	TECHO	0.25	0.154	0.17	0.06	0.04	0.00	0.01	3.17	
CH24	100	Gal 130°NE	VETA	0.32	0.264	11.09	5.16	5.36	0.04	1.63	15.42	
CH24	100	Gal 130°NE	PISO	0.28	0.246	1.88	2.73	0.61	0.02	0.11	2.38	
CH25	100	Gal 130°NE	TECHO	0.45	0.032	0.95	0.32	0.74	0.01	0.23	3.98	
CH25	100	Gal 130°NE	VETA	0.4	0.88	5.57	14.46	10.24	0.07	4.65	7.43	
CH25	100	Gal 130°NE	PISO	0.37	0.015	0.45	0.19	0.13	0.01	0.03	1.95	
CH26	100	Gal 130°NE	TECHO	0.05	-0.005	0.04	0.01	0.01	0.00	0.00	0.42	Structure dies out, only tight fault 1 cm wide is left in the roof
CH26	100	Gal 130°NE	PISO	0.25	0.014	0.27	0.04	0.04	0.00	0.01	1.85	
CH27	100	Gal 130°NE	TECHO	0.35	0.015	0.13	0.06	0.03	0.01	0.01	1.10	
CH27	100	Gal 130°NE	PISO	0.51	0.031	0.10	0.01	0.01	0.00	0.00	1.12	Samples taken either side of fault with HW samples incorporating fault material.

Table 11.2: Assay results associated with areas of MZ3 Level 100 that could be sampled

CH ID	Level	Gallery	Grades									Observations
			HW, Vein, FW	Width	Au g-tn	Ag Oz/t	Zn %	Pb %	Cu %	Sb %	Mn %	
CH28	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.32	0.03	0 19	0.22	0.08	0.00	0.00	1.53	
CH28	105	ub.Nivel 105 ex Gal 130°N	VETA	0.2	0.52	2.41	7.45	1.69	0.03	0.15	1.49	
CH28	105	ub.Nivel 105 ex Gal 130°N	PISO	0.36	0.02	0.17	0.07	0.08	0.00	0.00	1.40	
CH29	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.20	0.08	1.73	2.06	0.67	0.01	0.07	11.74	
CH29	105	ub.Nivel 105 ex Gal 130°N	VETA	0.15	0.60	71.47	19.03	34.58	0.83	0.90	2.87	
CH29	105	ub.Nivel 105 ex Gal 130°N	PISO	0.33	0.02	1.55	0.58	1.02	0.02	0.01	0.89	
CH30	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.48	0.76	0.84	0.24	0.43	0.00	0.01	1.48	
CH30	105	ub.Nivel 105 ex Gal 130°N	VETA	0.07	0.29	4.43	7.38	2.03	0.03	0.32	8.07	
CH30	105	ub.Nivel 105 ex Gal 130°N	PISO	0.28	0.01	0.57	0.09	0.26	0.00	0.01	1.47	
CH31	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.32	0.01	0.32	0.06	0.17	0.00	0.01	1.39	
CH31	105	ub.Nivel 105 ex Gal 130°N	VETA	0.13	0.27	2.75	2.77	0.88	0.01	0.21	9.18	
CH31	105	ub.Nivel 105 ex Gal 130°N	PISO	0.35	0.02	0.51	0.58	0.26	0.00	0.01	1.89	
CH32	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.25	0.03	1.33	0.36	0.58	0.00	0.03	0.97	
CH32	105	ub.Nivel 105 ex Gal 130°N	VETA	0.07	0.25	66.84	6.04	33.68	0.07	1.75	7.03	
CH32	105	ub.Nivel 105 ex Gal 130°N	PISO	0.4	0.03	1.44	0.83	0.53	0.01	0.04	12.16	
CH33	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.31	0.02	0.48	0.13	0.24	0.00	0.01	2.06	
CH33	105	ub.Nivel 105 ex Gal 130°N	VETA	0.1	0.08	1.77	1.08	1.15	0.01	0.07	9.84	

CH33	105	ub.Nivel 105 ex Gal 130°N	PISO	0.19	-0.01	0.27	0.08	0.12	0.00	0.00	0.92	
CH34	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.33	0.02	0.12	0.04	0.05	0.00	0.00	1.54	
CH34	105	ub.Nivel 105 ex Gal 130°N	VETA	0.17	0.04	0.56	1.05	0.57	0.00	0.07	4.82	
CH34	105	ub.Nivel 105 ex Gal 130°N	PISO	0.28	0.02	0.14	0.11	0.07	0.00	0.01	2.00	
CH35	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.33	0.03	0.11	0.04	0.06	0.00	0.00	0.29	
CH35	105	ub.Nivel 105 ex Gal 130°N	VETA	0.11	0.56	39.13	2.61	11.02	0.14	1.69	6.40	
CH35	105	ub.Nivel 105 ex Gal 130°N	PISO	0.38	0.04	0.56	0.06	0.24	0.00	0.07	1.83	
CH36	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.33	0.06	1.92	0.59	0.55	0.01	0.25	6.94	
CH36	105	ub.Nivel 105 ex Gal 130°N	VETA	0.23	0.14	4.18	3.25	2.51	0.02	1.05	9.38	
CH36	105	ub.Nivel 105 ex Gal 130°N	PISO	0.41	0.03	0.55	0.50	0.46	0.01	0.07	0.23	
CH37	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.31	0.01	0.40	0.37	0.13	0.00	0.01	2.24	
CH37	105	ub.Nivel 105 ex Gal 130°N	VETA	0.1	0.07	0.28	0.29	0.23	0.00	0.03	5.91	
CH37	105	ub.Nivel 105 ex Gal 130°N	PISO	0.41	0.05	.16	0.18	0.11	0.00	0.01	1.61	
CH38	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.48	0.01	0.08	0.15	0.09	0.00	0.02	2.48	
CH38	105	ub.Nivel 105 ex Gal 130°N	VETA	0.16	0.04	0.28	1.46	0.78	0.01	0.01	1.69	
CH38	105	ub.Nivel 105 ex Gal 130°N	PISO	0.35	-0.01	0.15	0.28	0.12	0.01	0.01	1.56	
CH39	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.3	0.01	1.48	0.84	0.84	0.01	0.01	1.72	
CH39	105	ub.Nivel 105 ex Gal 130°N	VETA	0.18	0.02	0.25	1.00	0.17	0.00	0.00	3.08	
CH39	105	ub.Nivel 105 ex Gal 130°N	PISO	0.37	-0.01	0.72	0.44	0.42	0.01	0.02	1.74	
CH40	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.39	0.01	0.53	0.16	0.22	0.00	0.01	3.36	
CH40	105	ub.Nivel 105 ex Gal 130°N	VETA	0.2	0.52	18.90	3.92	11.25	0.04	2.98	7.93	
CH40	105	ub.Nivel 105 ex Gal 130°N	PISO	0.34	0.08	3.79	1.19	0.22	0.02	0.06	3.39	
CH41	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.45	0.02	0.36	.99	0.15	0.01	0.03	5.09	
CH41	105	ub.Nivel 105 ex Gal 130°N	VETA	0.41	0.35	33.28	3.41	12.99	0.10	5.29	10.07	
CH41	105	ub.Nivel 105 ex Gal 130°N	PISO	0.4	0.02	0.65	0.39	0.20	0.00	0.02	3.50	
CH42	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.3	0.06	1.40	1.78	0.59	0.01	0.08	1.69	
CH42	105	ub.Nivel 105 ex Gal 130°N	VETA	0.34	0.09	6.60	3.02	6.25	0.03	1.01	17.39	
CH42	105	ub.Nivel 105 ex Gal 130°N	PISO	0.26	0.03	0.25	0.33	0.15	0.00	0.01	6.25	
CH43	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.40	0.01	0.28	0.15	0.13	0.00	0.01	3.99	
CH43	105	ub.Nivel 105 ex Gal 130°N	VETA	0.18	0.30	65.01	5.46	39.96	0.07	0.95	7.96	
CH43	105	ub.Nivel 105 ex Gal 130°N	PISO	0.23	0.16	1.88	0.67	1.05	0.01	0.05	4.03	
CH44	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.31	0.08	0.26	0.11	0.13	0.00	0.01	4.45	
CH44	105	ub.Nivel 105 ex Gal 130°N	VETA	0.03	0.75	0.64	0.14	0.48	0.00	0.09	5.97	
CH44	105	ub.Nivel 105 ex Gal 130°N	PISO	0.34	0.03	0.16	0.08	0.09	0.01	0.01	2.15	
CH45	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.28	0.01	0.06	0.08	0.08	0.00	0.01	0.87	
CH45	105	ub.Nivel 105 ex Gal 130°N	VETA	0.26	0.16	1.40	3.13	0.39	0.02	0.07	3.66	
CH45	105	ub.Nivel 105 ex Gal 130°N	PISO	0.27	0.03	0.15	0.10	0.12	0.00	0.02	1.35	
CH46	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.38	0.02	0.07	0.03	0.01	0.00	0.00	0.62	Structure dies out, only tight fault 1cm wide is left in the roof, Samples taken either side of fault with HW samples incorporating fault material.
CH46	105	ub.Nivel 105 ex Gal 130°N	PISO	0.31	0.01	0.05	0.05	0.01	0.00	0.00	0.79	
CH47	105	ub.Nivel 105 ex Gal 130°N	TECHO	0.22	0.01	-0.01	0.02	0.00	0.00	0.00	0.52	
CH47	105	ub.Nivel 105 ex Gal 130°N	PISO	0.38	-0.01	-0.01	0.01	0.00	0.00	0.00	0.49	
CH48	105	ub.Nivel 110 ex Gal 130°N	TECHO	0.31	0.01	0.82	0.31	1.08	0.01	0.05	0.04	

Table 11.3: Assay results associated with areas of MZ3 Level 105 that could be sampled

CH ID	Level	Gallery	Grades									Observations
			HW, Vein, FW	Width	Au g-tn	Ag Oz/t	Zn %	Pb %	Cu %	Sb %	Mn %	
CH48	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.31	0.01	0.82	0.31	1.08	0.01	0.05	0.04	Hanging-wall and footwall are moderately altered, the vein is composed of galena, sphalerite and pyrite, gouge present but not as much as observed in MZ2.
CH48	110	ub.Nivel 110 ex Gal 130°N	VETA	0.44	0.34	6.17	45.12	2.36	0.10	0.39	0.62	
CH48	110	ub.Nivel 110 ex Gal 130°N	PISO	0.36	0.06	4.00	0.28	1.99	0.01	0.61	0.21	
CH49	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.48	0.01	1.08	0.18	0.41	0.02	0.02	0.90	
CH49	110	ub.Nivel 110 ex Gal 130°N	VETA	0.48	0.18	2.20	8.48	1.06	0.03	0.21	8.36	
CH49	110	ub.Nivel 110 ex Gal 130°N	PISO	0.45	0.03	0.75	1.50	0.27	0.01	0.04	1.67	
CH50	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.41	0.01	0.38	0.45	0.17	0.00	0.02	2.37	Structure dies out, only tight fault 1cm wide is left in the roof, Samples taken either side of fault with HW samples incorporating fault material.
CH50	110	ub.Nivel 110 ex Gal 130°N	PISO	0.44	0.11	0.79	1.11	0.69	0.01	0.20	7.54	
CH51	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.25	-0.01	0.11	0.09	0.04	0.00	0.00	0.35	
CH51	110	ub.Nivel 110 ex Gal 130°N	PISO	0.19	0.01	0.39	0.43	0.19	0.01	0.01	0.48	
CH52	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.15	0.02	0.36	0.21	0.28	0.00	0.02	3.99	
CH52	110	ub.Nivel 110 ex Gal 130°N	VETA	0.14	0.26	98.25	3.71	52.28	0.33	0.54	2.72	
CH52	110	ub.Nivel 110 ex Gal 130°N	PISO	0.26	0.01	0.83	0.58	0.54	0.00	0.02	1.49	
CH53	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.32	0.18	3.34	1.71	0.99	0.02	0.12	6.28	
CH53	110	ub.Nivel 110 ex Gal 130°N	VETA	0.56	0.47	22.47	14.85	3.64	0.13	0.89	7.36	
CH53	110	ub.Nivel 110 ex Gal 130°N	PISO	0.23	0.09	1.59	2.00	1.52	0.01	0.29	4.54	
CH54	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.34	0.02	0.15	0.22	0.15	0.00	0.02	2.60	
CH54	110	ub.Nivel 110 ex Gal 130°N	VETA	0.25	0.71	53.27	17.02	15.07	0.29	4.08	8.32	
CH54	110	ub.Nivel 110 ex Gal 130°N	PISO	0.30	0.02	0.94	0.69	0.41	0.01	0.04	5.94	Structure dies out, only tight fault 1cm wide is left in the roof, Samples taken either side of fault with HW samples incorporating fault material.
CH55	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.24	0.01	0.22	0.03	0.03	0.00	0.01	0.93	
CH55	110	ub.Nivel 110 ex Gal 130°N	PISO	0.34	0.05	0.46	0.06	0.16	0.01	0.02	3.72	
CH56	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.40	0.05	0.87	0.17	0.35	0.01	0.02	3.42	
CH56	110	ub.Nivel 110 ex Gal 130°N	VETA	0.06	0.31	109.12	1.60	61.19	0.08	0.56	2.76	
CH56	110	ub.Nivel 110 ex Gal 130°N	PISO	0.27	0.08	1.02	0.04	0.48	0.00	0.01	0.50	
CH57	110	ub.Nivel 110 ex Gal 130°N	TECHO	0.28	0.03	0.23	0.02	0.02	0.01	0.00	1.15	
CH57	110	ub.Nivel 110 ex Gal 130°N	PISO	0.40	0.04	0.17	0.03	0.02	0.00	0.00	0.82	

Table 11.4: Assay results associated with areas of MZ3 Level 110 that could be sampled

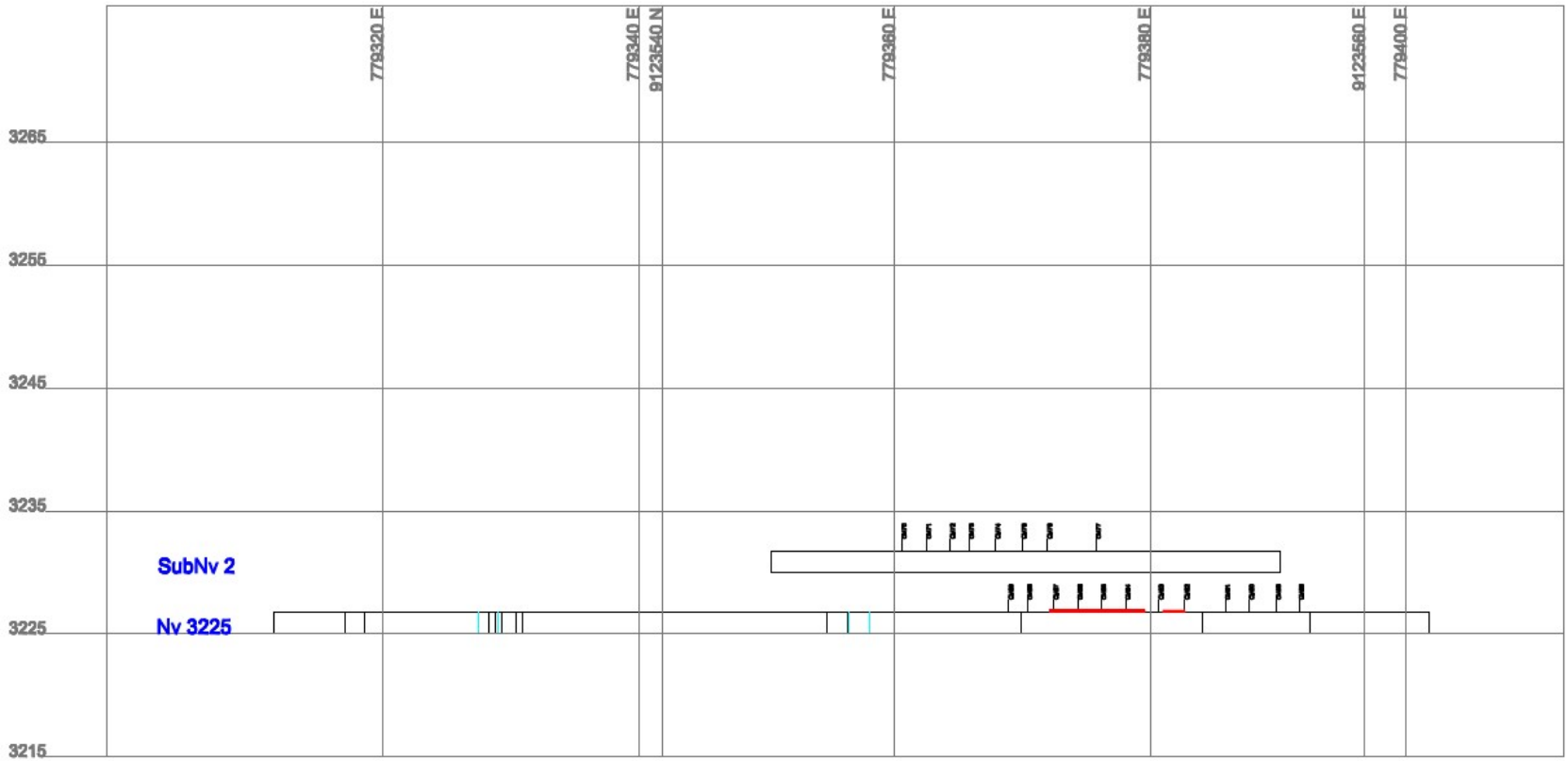


Figure 11.1: Location of channel samples in MZ2 structure in long section

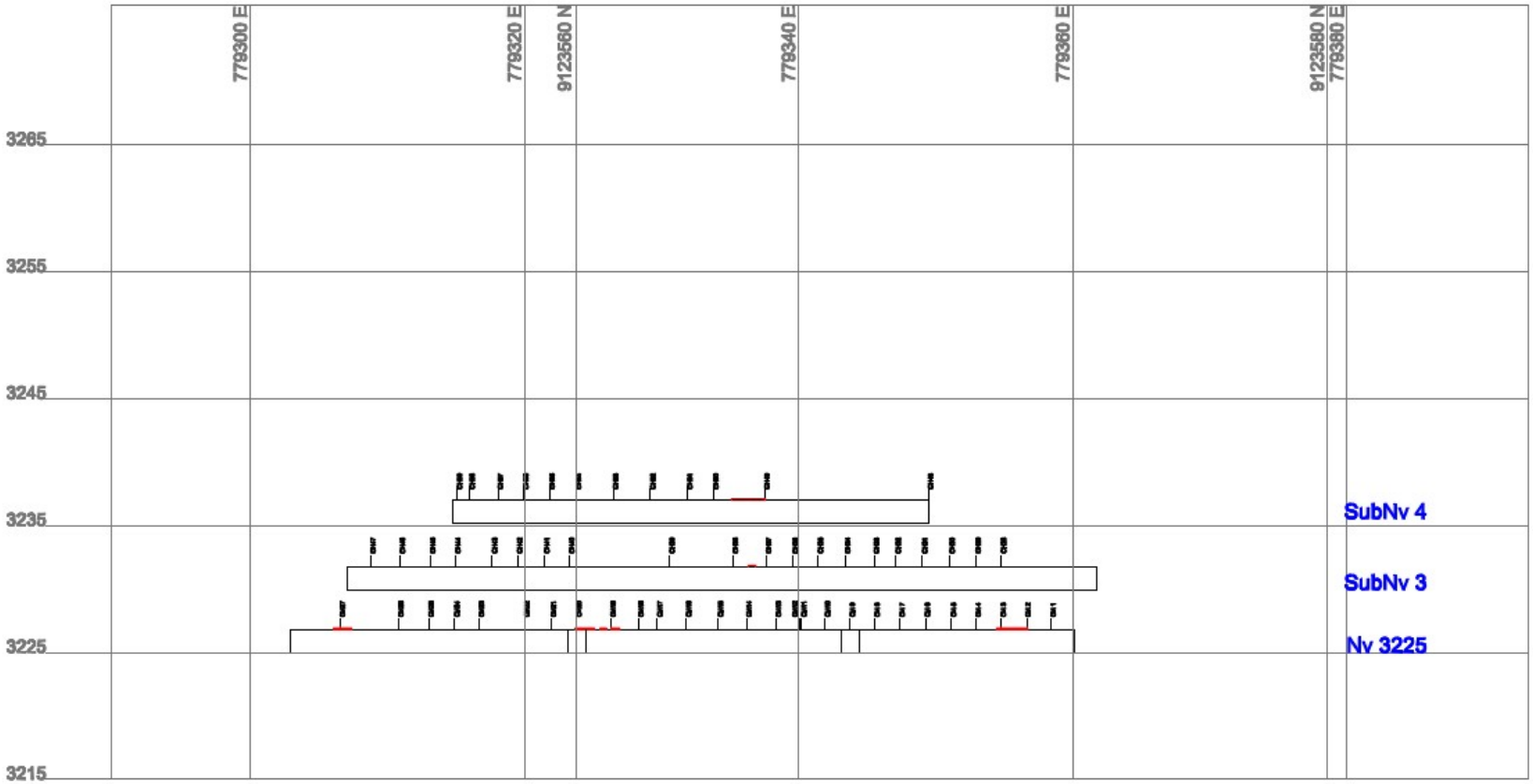


Figure 11.2: Location of channel samples in MZ3 structure in long section

Sampling Method and Approach

The previous operator, SMRL El Otro Lado had in place a QA/QC program designed to ensure the integrity of data collected during the various stages of exploration, to be implemented, and they had drawn up a protocol based on internationally recognized best-practice guidelines. All members of the geological team (which, in 2011, numbered 3 geologists) were trained in the procedures as they were then followed.

Underground Channel Sampling, Past and Future

Channel samples will be marked normal to the trend of the mineralized zone at 2m intervals along drifts with sample lengths as dictated by geological contacts. The outer limits of the channels will then be marked up with chalk some 100mm apart. A hammer and chisel will be used to extract the sample to a depth of 10–15mm. The detritus that falls out of the channel samples will be caught in plastic sample bags, as was done in the 2011 program.

The sample bags are then sealed after insertion of a sample ticket with the ticket counterfoil recording the sample description (lithology, mineralization and interval) and locality. The sample number is written on the front of the sample bags. Sample bags are placed in sacks and transported to the main office in Lima where the insertion of pulp blanks and coarse blanks take place.

Sampling Quality

The 2011 sampling appears to be of good quality. The faces were fresh and tool marks could be observed on the rock surface (Figure 11.3). Sample weight was between 1.5 and 2kg. A photographic database exists of most of the channel samples taken. However, for future sampling, a semi mechanical method is recommended (Recommendation in Section 18).

Figure 11.3: Typical channel sample

ITEM 12. DATA VERIFICATION

S.M.R.L. El Otro Lado managed the channel sampling program from its inception. Only Inspectorate Services Peru S.A.C was used in the analysis of samples. The QA/QC program only consists of blanks (pulps and coarse blanks) and twin samples. The QA/QC program will be expanded to include coarse reject duplicates, pulp duplicates and standards as the program advances. Also, a representative proportion of check samples of coarse duplicates, pulp duplicates, blanks and standards assayed by Inspectorate Services Peru will be sent to an additional certified laboratory. Sieve tests will also be carried out on a representative proportion of pulp samples. This author has reviewed the sample sheets as presented here, and the description of how and where the samples were taken, and based on the sampling program as described by the original geology crew, the sampling method and approach does appear, in this author's opinion, to conform to NI-43-101 standards.

Blank Analyses – Pulps

A review of the pulp blank assay receipts showed no problems with all pulp blank assays returning within acceptable levels (Table 12.1). The low number of pulp blanks used (4) is related to the low number of samples (187 samples) taken to date.

Type of Sample	Sample Description	Au g/t	Ag Total Oz/t	Cu Total %	Pb Total %	Sb Total %	Zn Total %	Mn Total %
Pulp Blank	6008A	-0.005	-0.006	0.0004	-0.0005	-0.0005	0.0005	0.0093
Pulp Blank	6060A	-0.005	-0.006	0.0003	-0.0005	-0.0005	-0.0005	0.0103
Pulp Blank	6126A	-0.005	-0.006	0.0004	-0.0005	-0.0005	0.0005	0.0107
Pulp Blank	6150A	-0.005	-0.006	0.0003	-0.0005	-0.0005	-0.0005	0.0095

Table 12.1: Analytical results for pulp blanks

Blank Analysis – Coarse Blanks

A review of the coarse blank receipts showed no problems with all the coarse blank assays returning within acceptable levels (Table 12.2). The low number of coarse blanks used (4) is related to the low number of samples (187 samples) taken to date.

Type of Sample

Type of Sample	Sample Description	Au g/t	Ag Total Oz/t	Cu Total %	Pb Total %	Sb Total %	Zn Total %	Mn Total %
Coarse Blank	6008B	0.016	-0.007	0.0008	-0.0005	-0.0005	-0.0005	0.0374
Coarse Blank	6060B	0.017	-0.007	0.0009	-0.0005	-0.0005	0.0005	0.0069
Coarse Blank	6126B	0.020	-0.007	0.0008	-0.0005	-0.0005	0.0005	0.033
Coarse Blank	6150B	0.019	-0.007	0.0010	-0.0005	-0.0005	-0.0005	0.0065

Table 12.2: Analytical results for pulp blanks

The only observation that the author has with the pulp blanks is how S.M.R.L. El Otro Lado has numbered the blanks in an A and B format. S.M.R.L. El Otro Lado indicated that they took the channel samples without leaving spaces in the book of tickets for inclusion of the blanks and that this was a remedial measure for including the blanks once the samples arrived at their Lima office after the error was spotted by their senior geologist.

Twin Sample Analysis

Only 9 twin samples were taken, however it was noted that not all the twin samples returned within the given tolerance limit of 15% difference between original and twin samples (Figure 12.1 showing results). This could be due to two reasons:

1. Sample widths were too small in some areas resulting in samples that did not recover sufficient material.

2. The style of mineralization in some areas made extracting twin samples difficult. For example, if the sampler took a twin sample parallel to the sample taken in Figure 12.1, this would result in two completely different assays as it can be seen that the change in mineralization within the vein is sharp from predominantly polymetallic mineralization to rhodochrosite.

In the opinion of the author the twin samples in this geological setting should be done in the original sample and not parallel. The use of a GBH 11DE Bosch drilling machine should also be used for the collecting of a more representative sample (see Recommendations Section Item 18 for details). Hydrothermal mineralization of this type is normally very variable (grade and width) over short intervals and the San Vicente property is no exception. The underground mapping and channel sampling is sufficiently detailed to take this into account, however due to the problem observed in the 2011 twin sample results, in future work, Lida Resources should take a series of twin samples in original sample sites to see if the data set can be improved.

Database

The author, George C. Sharpe, randomly checked the database inputs from hard copy assay certificates and found no errors. This author is confident that the channel sample database has been created carefully and accurately with routine checks that will minimize the number and severity of errors to insignificant levels.

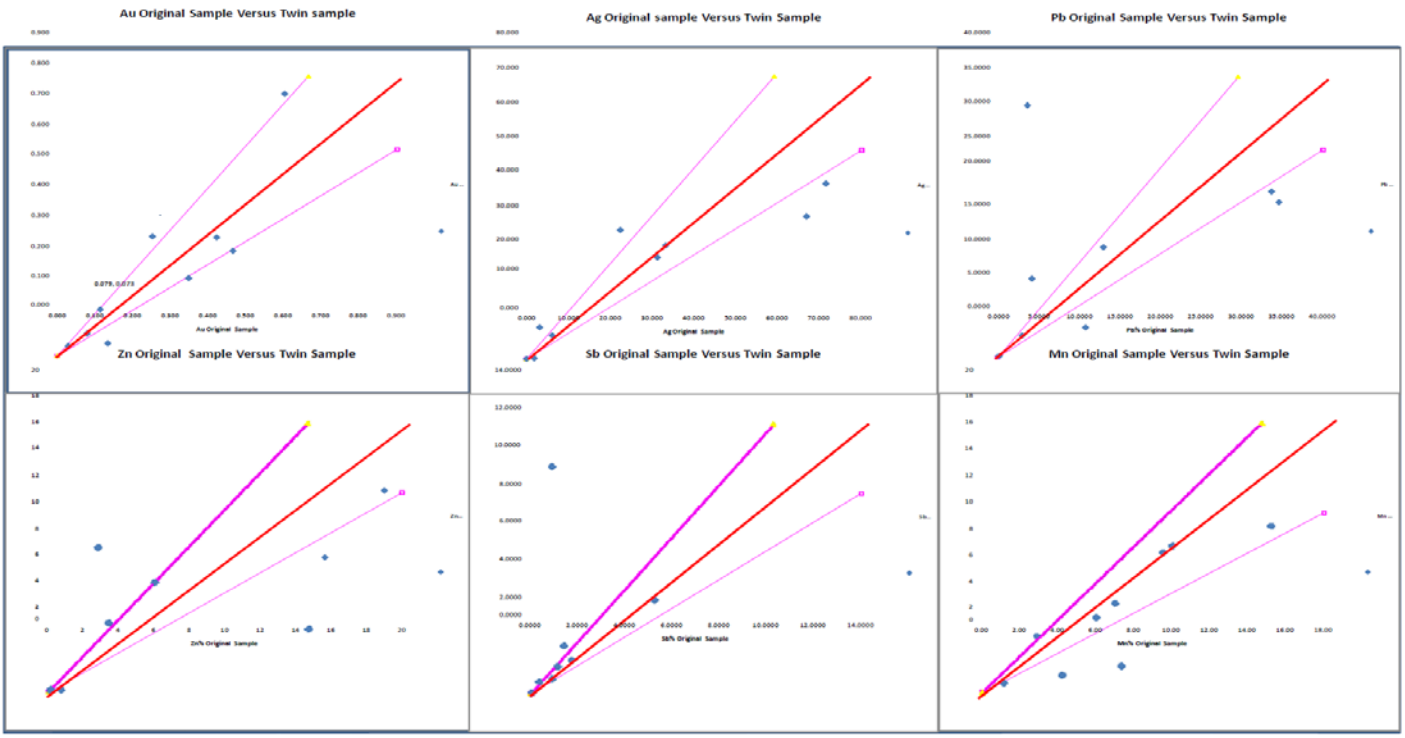


Figure 12.1: Results of twin samples

ITEM 13. MINERAL PROCESSING AND METALLURGICAL TESTING

The minerals from the mine exploration drives have been treated in two small processing plants close to the deposit with the sole purpose of generating revenue. Unfortunately, S.M.R.L. El Otro Lado did not ask for metallurgical balance sheets or processing flow sheets for either of the two campaigns.

The first processing plant used was the Virgen De La Puerta processing plant which is located 15km from the project.

The second processing plant used was the Marlin processing plant located approximately 200km from the project.

Metallurgical test work on a scoping scale level has also been carried out on a sample taken from the projects surface stockpiles by G&T Metallurgical Services LTD based in Canada. The test work was done for two reasons:

1. To see if modifications could be made to either of the processing plants used to date to increase recovery.

2. To generate metallurgical data that may be useful in evaluating the deposit.

Virgen De La Puerta Processing Plant

The Virgen De La Puerta Processing plant treated approximately 600t of ore from the San Vicente project in August of 2010. The mineral sent to the Virgen De La Puerta Processing plant was estimated to have a grade of Au 0.23 g/t, Ag 5.77 Oz/t, Zn 2.91%, Pb 1.89. Seven samples were taken from the mineral entering the processing plant. It is not known how these samples were taken only that they were meant to be representative for each 80 tonnes of mineral treated. No channel samples existed in the exploration drives when the mineral was sent to the processing plant to verify the grade of the tonnes mined.

The Virgen De La Puerta Processing plant did not report a head grade of the material processed. The contract signed between S.M.R.L. El Otro Lado with the Virgen De La Puerta Processing plant did not stipulate that they had to report a head grade or give a metallurgical balance at the end of processing. In total this campaign resulted in two concentrates (1) Pb-Ag and (2) Zn-Ag concentrate. The tonnes and grades on the concentrates produced were:

> Pb-Ag Concentrate: 51.47t with grades of 21.04% Pb, 86.98 Oz/t Ag, 4.45 g/t Au and 13.36% Sb. The concentrate was assayed by Inspectorate S.A.C. for Mincorp (Mineria Corporativa S.A.C.). Mincorp bought the concentrate for $88,754.67.
>
> Zn-Ag Concentrate: 22.89t with grades of 48.89% Zn, 25.56 Oz/t Ag, 149 ppm As, 1.26% Sb, 8.15% Fe and 0.046% Mg. The concentrate was assayed by Inspectorate S.A.C for Mincorp (Mineria Corporativa S.A.C). Mincorp bought the concentrate for $24,336.32.

It has to be noted that the amount of Ag ounces recovered was greater than the sample assays predicted, this could be due to inadequate sampling of the mineral entering the plant or an under estimation of the tonnes sent to the processing plant for treatment or a combination of both.

Marlin Processing Plant

The Marlin Processing plant treated 420tof ore from the San Vicente project in June 2011. The mineral sent to the Marlin processing plant was estimated to have a grade of Au 0.40 g/t, Ag 6.87 Oz/t, Zn 2.02%, Pb 4.15%, Cu 0.06%, Sb 0.05% and Mn 5%. The sample taken was from the top of the stockpile and may not have been representative of the 420t treated. No channel samples existed in the exploration drives when the mineral was sent to the processing plant to verify the grade of the tonnes mined.

In total this campaign resulted in two concentrates (1) Pb-Ag and (2) Zn-Ag concentrate. The tonnes and grades of the concentrates produced were:

- Pb-Ag Concentrate: 14.115t with grades of 37.80% Pb and 100.17 Oz/t Ag. The concentrate was assayed by Inspectorate S.A.C .for Mincorp (Mineria Corporativa S.A.C). Mincorp bought the concentrate for $60,766.25.

- Zn-Ag Concentrate: 9.35t with grades of 38.791% Zn and 17.011 Oz/t Ag with 5.02% Pb and 0.11% As; no other elements were shown with grades in the report. The concentrate was assayed by Inspectorate S.A.C. for Mincorp (Mineria Corporativa S.A.C). Mincorp bought the concentrate for $6,371.25.

It has to be noted that the amount of Ag recovered was only 54% of the estimated Ag predicted from sampling of the stockpile. This could indicate inadequate sampling of the mineral entering the plant or an under estimation of the tonnes sent to the processing plant for treatment or a combination of both.

Problems of Mineral Processing Completed to Date

There are a number of problems with the mineral processing to date:

1. The stockpile at the San Vicente project is designed with concrete walls on either side to stop overflow of the broken mineral. This means that samples can only be taken from the top of the stockpile. This is normally only done before sending mineral to a processing plant. This can over estimate or under estimate the grade being sent to the processing plant.
2. In the past no channel samples existed in the exploration drives so an estimate could not be made of the grade of the broken material put on the stockpile.
3. There was no way of calculating the tonnes treated accurately. No balance existed in the processing plants and S.M.R.L. El Otro Lado did not survey the tonnes transported to the processing plants.
4. Strong contracts were not made with the processing plants. No detailed metallurgical information was obtained.

See Section 26 (recommendations) for a proposed contract with the Quirivilca mine mill.

This processing plant is the most convenient and closest facility. In addition, on site there are metallurgists that can prepare reports on the batches sent to them and they have a balance for weighing the tonnes to be treated. This way the mine can send batches from the different structures for processing. This would provide useful metallurgical information and revenue for the project.

Data from Metallurgical Test Work – G&T Metallurgical Services Ltd.

In June 2011, G&T Metallurgical Services LTD based in Kamloops, British Colombia, Canada issued a

scoping level mineralogy and flotation testing report based on a grab sample taken from surface stockpiles at the San Vicente project. G&T Metallurgical Services LTD are ISO 9001 certified. A grab sample selecting vein material was taken from surface stockpiles during May 2011. The grab sample taken weighed 9.5kg and supposedly represented vein material from a stockpile of 300t. All the material sampled would have come from the MZ3 structure. Since the sample was taken selectively it did not include wall rock material from outside of the vein.

The sample was crushed to -6 mesh in the laboratory and homogenized for the selection of representative samples for assay. The average result of the selected samples returned the assay shown in Table 13.1.

	Cu	Pb	Zn	Fe	S	Ag	Au	C	As	Sb
	%	%	%	%	%	g/t	g/t	%	%	%
Grab Sample Grades	0.11	6.1	1.9	7.5	7.35	475	0.16	1.67	0.05	0.73

Table 13.1: Grades associated with grab sample for metallurgical test work

The Particle Mineral Analysis (PMA) using QEMSCAN was conducted on the sample ground to 74µm K80. The result of this analysis revealed the mineral content and fragmentation characteristics. The results are presented in Table 13.2 and Figure 13.1.

Sulphide Mineral	Mass %	Non-Sulphide Mineral	Mass %	Copper Deportment	Mass %
Copper Sulphides	0.15	Quartz	35.9	Chalcopyrite	51
Tetrahedrite	0.13	Muscovite	22.2	Bornite	2.57
Galena	7.91	Carbonates	15.8	Chalcocite	1.87
Sphalerite	3.4	Feldspars	2.25	Covellite	2.41
Pyrite	8.02	Rutile/Anastase	0.38	Tennanite	0.89
Pb-Sb Sulphide	1.83	Apatite	0.32	Tetrahedrite	41.3
Arsenopyrite	0.1	Iron Oxides	0.22		
		Other Guange	1.34		
Total	**21.5**	**Total**	**78.5**	**Total**	**100**

Notes:

1) Copper Sulphides includes Chalcopyrite, Bornite, Chalcocite, Covellite, Tennantite and Tetra hedrite.
2) Carbonates includes Calcite, Dolomite, Mn-Carbonate, Ankerite and Manganocalcite.
3) Other Gangue includes Garnet and trace amounts of other mineral species.

Table 13.2: Mineral composition and copper deportment of the grab sample

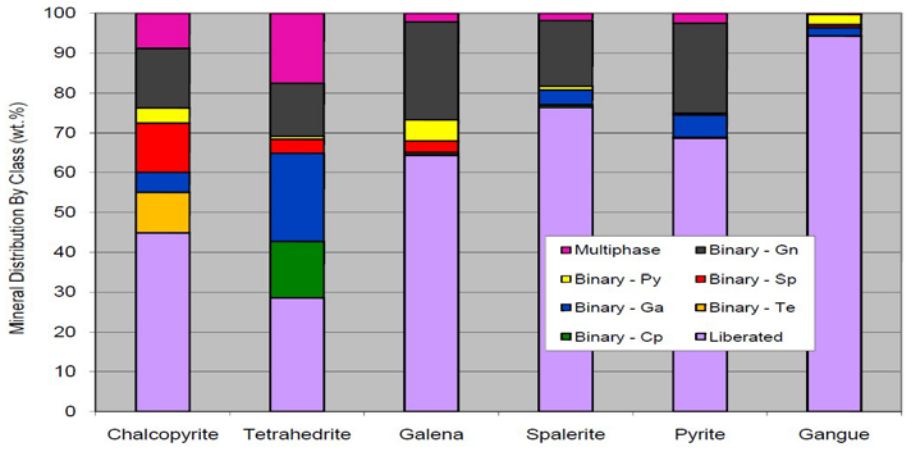


Figure 13.1: Mineral distribution by class of association – grab sample - 74µm K80

The galena and sphalerite particles were well liberated at 64% and 76% respectively. The majority of unliberated particles were present in binary form with non-sulphide gangue minerals. Both galena and sphalerite gangue binary minerals were rich in galena and sphalerite respectively and both are expected to be recovered by flotation.

The fragmentation data can be manipulated to estimate the effect of primary grind size on mineral liberation (Figure 13.2).

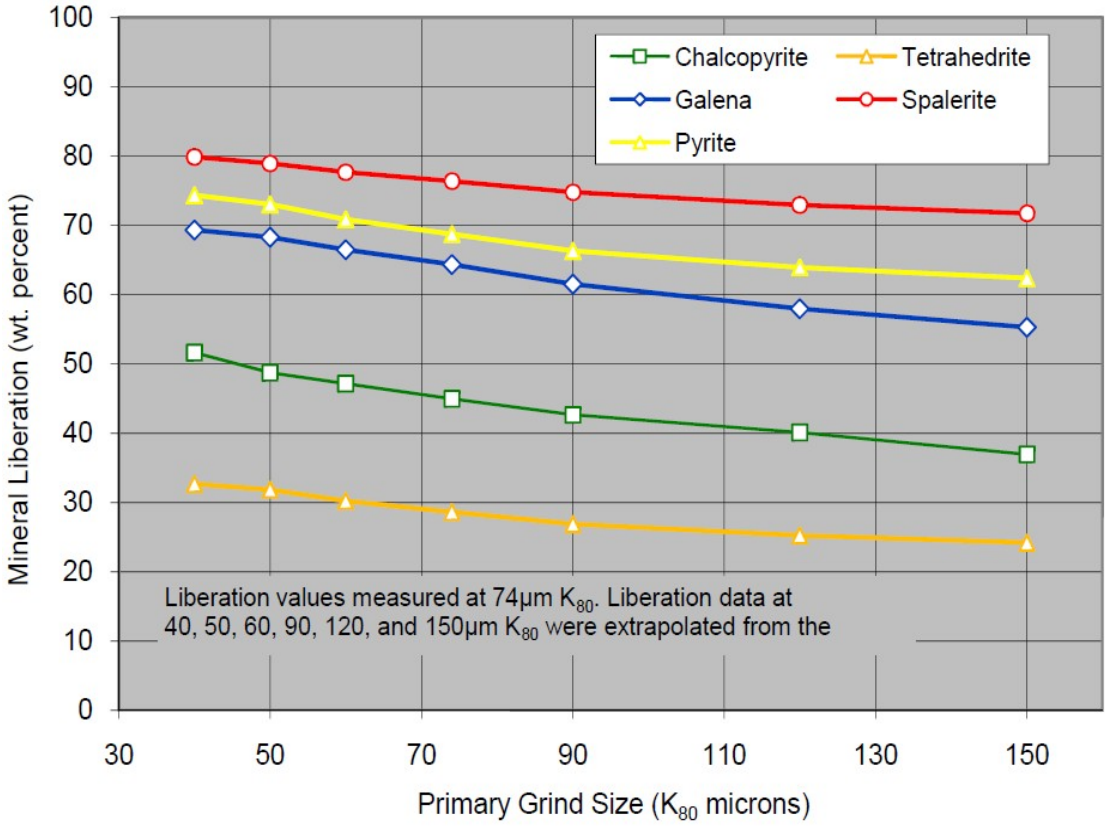


Figure 13.2: Effect of primary grind size on mineral liberation

The primary grind sizing, across the range evaluated, had little effect on the liberation of sulphide minerals. It was therefore concluded that in order to significantly increase mineral liberation values, a major change in grinding sizing would be required.

Despite the high levels of Ag detected by the chemical analysis, silver minerals were not detected by the QEMCSAN. X-ray analysis of the tetrahedrite particles determined that these minerals contained, on average, about 16% Ag.

A single rougher flotation test was conducted on the sample. The test conditions can be seen in Table 13.3.

Stage	Reagent Addition - g/t					Time (minutes)			pH
	Lime	ZnSO4	NaCN	3418A	MIBC	Grind	Cond.	Float	
Primary Grind		30	10			20			7.4
Lead Circuit									
Rougher 1	300			15	15		1	3	8.5
Rougher 2	√			15	0		1	2	8.5
Rougher 3	√			5	0		1	2	8.5
Zinc Circuit		CuSO4		SIPX					
Condition	1150	200					5		11
Rougher 1	0			5	8		1	2	11
Rougher 2	√			5			1	2	11

Flotation Data	Rougher
Flotation Machine	D2A
Cell size in liters	4.4
Aspiration	Air
Impeller speed in rpm	1100

Grinding Data	Primary Grind
Mill	M3-Mild
Charge/Material	20Kg-Mild
Water	1500 mL

Table 13.3: Metallurgical test conditions

Pb from the feed was 93% recovered into a Pb rougher concentrate, containing 17% of the feed mass. About 28% of the feed Zn was also recovered into this stream. Zn from the feed was 71% recovered into the Zn rougher concentrate, containing 11% of the feed mass.

Ag from the feed was well recovered into the Pb rougher concentrate at approximately 94% from the feed. Test results indicate that the Ag was recovered at the same rate as Pb.

The amount of As in the sample indicates that As was present in the form of arsenopyrite. As from the feed was mainly recovered into the An rougher concentrate. Reduction in collector additions in the Zn circuit could help to reduce As recovery in the Zn rougher concentrate. This is something that should be highlighted in future metallurgical test work.

The Zn and Pb in the grab sample were well liberated and generally responded well to conventional rougher flotation. Future test work should examine the response of representative sample sets from the deposit. Cleaner tests should be conducted to assess grinding and concentrate production potential. Future test work should also include locked cycle testing to simulate continuous flotation circuit operations.

The assaying of the grab sample indicated 0.73% Sb. This could attract penalties for the Pb concentrates. Future samples extracted for metallurgical test work should assay the Sb in the final concentrates.

The overall metallurgical balance can be seen in Table 13.4.

Problems with Data from Metallurgical Test Work

Some very useful information was revealed in the metallurgical test work. The grades from the channel samples of the MZ2 structure for the main working level and two sublevels above showed that the vein had an average width of 0.23m with grades of 0.27g/t Au, 14.69 Oz/t Ag, 4.68% Zn, 7.56% Pb, 0.98% Sb and 5.93% Mn (calculated with top cut). These grades are representative of the sample selected for the

metallurgical test.

Unfortunately, the sample was taken without taking into consideration dilution of wall rock material. With dilution of wall rock material these grades will be reduced and it is unknown what influence the extra wall rock material will have on flotation. It is possible that the recoveries will be reduced from the introduction of such material.

The data would have been more useful if the sample had been taken in the underground exploration drives from the results of select channel samples and documented in detail before testing occurred. In future, samples to be taken for metallurgical test work should be taken carefully with the objective that the results can be used in the conversion of resource to reserves (see Recommendations Section Item 26 for details).

Product	Weight		Assay								Distribution Percent							
	Grams	%	Cu	Pb	Zn	Fe	S%	Ag	Au	As	Cu	Pb	Zn	Fe	S%	Ag	Au	As
Lead Ro	217.6	10.8	0.68	47.9	2.6	3.1	13.4	3780	0.93	0.04	54.9	86.6	14.3	4.2	19.8	87.2	49.8	10.2
Con 1	57.1	2.8	0.32	9.3	5	7.8	10.2	822	0.49	0.09	6.8	4.4	7.2	2.8	3.9	5	6.9	5.8
Lead Ro	57.6	2.9	0.07	3.91	4.5	9.2	9.11	288	0.23	0.09	1.4	1.9	6.5	3.3	3.6	1.8	3.3	5.5
Con 2	125.8	6.3	0.09	0.7	21.3	13.1	22.4	186	0.37	0.23	4.2	0.7	67.6	10.3	19.1	2.5	11.5	32.4
Lead Ro	91	4.5	0.02	0.4	1.62	26.4	25.1	106	0.31	0.17	0.8	0.3	3.7	15	15.5	1	7	17.5
Con 3	1456.9	72.6	0.06	0.5	0.02	7.1	3.87	16	0.06	0.02	31.9	6.1	0.7	64.5	38.2	2.5	21.6	28.6
Zinc Ro																		
Feed	2006	100	0.14	6.00	1.98	8.00	7.36	470	0.20	0.05	100	100	100	100	100	100	100	100

Table 13.4: Overall metallurgical balance

ITEM 14. MINERAL RESOURCE ESTIMATES

A resource estimate has not been calculated to date.

ITEM 15. MINERAL RESERVE ESTIMATES

A reserve estimate has not been calculated to date.

ITEM 16. MINING METHODS

The property is not an advanced property and, as such, no data is available as of the date hereof.

ITEM 17. RECOVERY METHODS

The property is not an advanced property and, as such, no data is available as of the date hereof.

ITEM 18. PROJECT INFRASTRUCTURE

The property is not an advanced property and, as such, no data is available as of the date hereof.

ITEM 19. MARKET STUDIES AND CONTRACTS

The property is not an advanced property and, as such, no data is available as of the date hereof.

ITEM 20. ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

The property is not an advanced property and, as such, no data is available as of the date hereof.

ITEM 21. CAPITAL AND OPERATING COSTS

The property is not an advanced property and, as such, no data is available as of the date hereof.

ITEM 22. ECONOMIC ANALYSIS

The property is not an advanced property and, as such, no data is available as of the date hereof.

ITEM 23. ADJACENT PROPERTIES

The property is located within the Alto Chicama mining district of Peru. The closest mines to the project area are the Quiruvilca mine owned by Pan American Silver S.A.C and Barricks Lugunas Norte mine. Another interesting area close to the property is the Caupar project owned by Trinity Mining Holding AG.

Quiruvilca Mine – Pan American Silver S.A.C.

The Quiruvilca mine is owned by Pan American Silver S.A.C and is located approximately 12km southeast of the San Vicente project (Figure 6.1). The Quiruvilca mine is a polymetallic deposit with over 130 mineralized narrow veins, fractures and faults. At least 75% of the veins have been in production at some point in time[2]. Although narrow, the veins at Quiruvilca tend to have extensive lateral and vertical continuity within various structure types.

The Quiruvilca mine has been in operation since the 1940s.

Lugunas Norte Mine – Barrick S.A.

The Lugunas Norte Project owned by Minera Barrick Misquichilca S.A. (Barrick Gold Corp.) is located 25km east of the San Vicente project (Figure 6.1). The Lagunas Norte Mine is a world-class high sulphidation deposit. Barrick reports: In 2010, the mine produced 808,000Oz of Au at total cash costs of $182 per ounce. The proven and probable Au reserves as of December 31, 2010 were 6.6 million ounces.[3]

Caupar Project - Trinity Mining Holding AG

The Caupar project is located approximately 2km southwest of the San Vicente project (Figure 6.1). Trinity Mining Holding AG (Frankfurt: TKX) announced in a press release Zurich, September 23, 2009 – TRINITY MINING HOLDING AG (―Trinity or the ―Company; TKX― Frankfurt) is pleased to announce that it has received a positive NI 43- 101 report on its Caupar property from Qualified Person Mr. Alain Vachon, P.Eng. The report clearly confirms the potential of this project to become a very important gold-silver mineralization located in the well known Alto Chicama gold mining district (Barrick) of Northern Peru.[4]

Concessions Surrounding Claims

The north, east and south of the property are surrounded by claims owned by Minera Gold Fields Peru S.A.

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[2] Pan American Silver. (2011). *Quiruvilca*.
[3]Barrick. (2011). *Lagunas Norte*. Available: http://www.barrick.com/GlobalOperations/SouthAmerica/LagunasNorte/default.aspx.
[4] Trinity Mining Corp. (2009). *Press Release.* Available: http://www.trinityminingholding.com/media/news/Press_release_Trinity-2009-09-23.pdf. Last accessed 20th Apr 2011.

The west of the property is bordered by a claim owned by Carlos Andres Mendoza Salazar.

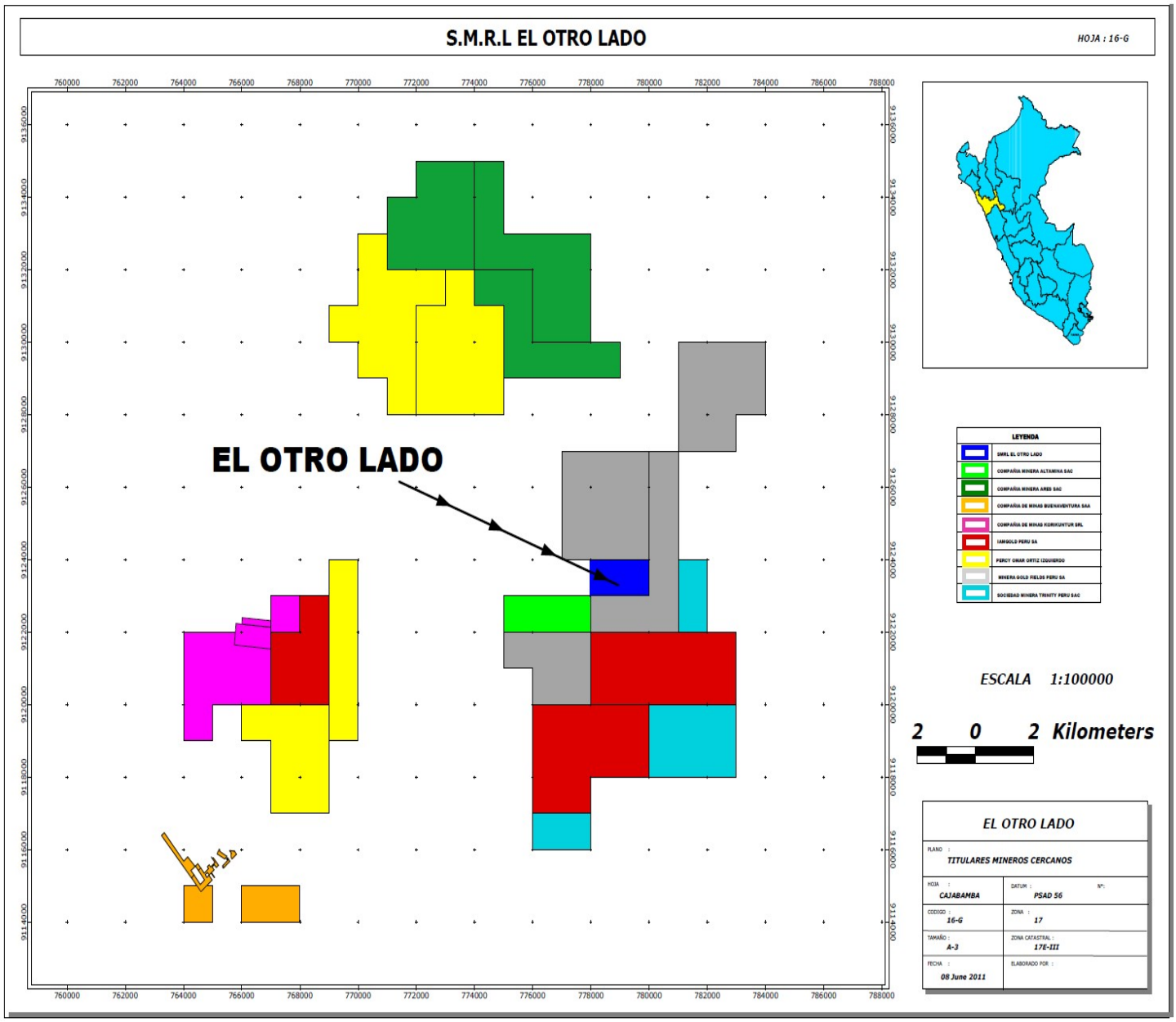


Figure 23.1: Claims surrounding El Otro Lado concession

ITEM 24. OTHER RELEVANT DATA AND INFORMATION

All relevant data and information have been described in the different chapters of this report. There is no other relevant data and information applicable to this report.

ITEM 25. INTERPRETATION AND CONCLUSIONS

The San Vicente project consists of polymetallic mineralization hosted in sulphide bearing veins that form

sub-vertical tabular orebodies which size and grade have yet to be determined more accurately in the third dimension.

The mineralization is hosted in a clast supported andesite breccia displaying angular to sub-angular clasts that formed as a result of intense local brittle fracturing. The matrix is composed of calcite and/or rhodochrosite in the unmineralized structures and of sphalerite and galena within the mineralized structures. The fragments are composed of altered (argillic and/or carbonate) porphyritic andesite.

The dominant structural feature of the region is that of the Andean trend which is characterized by a complex network of NW-SE and NE-SW trending lineaments. On the property this trend is clearly demonstrated with mineralization within the MZ1, MZ2 and MZ3 structures.

Several volcanic calderas are dotted around the property such as that of the Caupar project being explored by Trinity mining. In the type of structural environment favoured by vein hosted epithermal deposits the veins typically crosscut volcanic sequences and follow volcano-tectonic structures such as caldera ring faults and other pre-existing fault systems.

In the opinion of the author, the prior sampling done by S.M.R.L. El Otro Lado for metallurgical test work was not carried out correctly as it did not take into consideration wall rock material that dilutes the grade of the vein material. The results from the test work were good but only for material of higher grade than the stockpiled material. This test work is not critical to the project at the present time, and later proposed processing using the Quiruvilca processing plant will give usable data if the raw material is managed properly.

In the opinion of the author no useful metallurgical data was recovered from processing mineral in the Virgen De La Puerta or Marlin processing plants as the tonnes and grades processed by both processing plants is questionable.

In conclusion, the San Vicente project owned by Imperium, has a vein hosted polymetallic deposit with unknown strike length which size and grade have to be accurately estimated before planning any complementary work regarding a possible commercial operation. It is also possible that other mineralization types exist on the property. Processing of mineral taken from exploration drives by the Duran Ventures processing plant, if done correctly, will give metallurgical data useful for the project.

ITEM 26. RECOMMENDATIONS

Not enough samples were taken in the MZ2 structure to be able to evaluate it properly; this was due to ground conditions and the fact that some of the drive was filled with broken mineral from the MZ3 structure. The MZ1 drive was completely filled with broken material from the MZ2 and MZ3 structures so no channel samples could be taken in MZ1 to evaluate that structure.

The author concluded that the San Vicente property owned by Imperium, hosts a polymetallic Ag-Pb-Zn±Au vein deposit which size and grade have yet to be accurately estimated. An initial preliminary evaluation (Stage 0), followed by a two-stage exploration program are required in order to fully define the size and grade of the deposit.

- Stage 0 – Initial Evaluation ($75,000 – $100,000 CAD; $73,475.57 expended to August 31, 2019)
    - Survey of the property, map out all surface features, infrastructure, buildings (in progress)
    - Improve local access roads where required (in progress)

    - Harvest and ship to a local mill any existing extracted ore (currently on-going)

- Stage 1 – Surface Exploration ($175,000 – $200,000 CAD)
    - Detailed surface geological mapping
    - Geophysics
    - Surface channel sampling
    - Limited diamond drilling of the most promising targets

Total for Stage 0 and Stage 1: $250,000 – $300,000 CAD

- Stage 2 – Underground Exploration with associated metallurgical test work (cost to be determined after the next tranche of financing).
    - Continue developing underground infrastructure through driving exploration drifts
    - Geomechanics and lithology mapping
    - Treat mineral from mining to increase metallurgy data
    - Detailed diamond drilling

Irrespective of the geophysics results, drilling needs to take place as the strike of the main structures can be followed intermittently on surface for 800m. However, it is the author's opinion that the geophysics will help greatly in identifying structures and anomalies and help reduce the cost of any drilling program. The surface survey has to be defined in detail before any geophysics or drilling programs can start. The outcome of the survey will have a direct impact on the location of drilling platforms which in turn will have a direct impact on earthworks and meters to be drilled.

For the purpose of this report it has been recommended that a drilling campaign should consider starting by drilling directly under the current mine workings intersecting the structures 50m, 100m and 150m below the current level. The drilling should then move both northeast and southwest in 100m intervals along strike away from the central position until the entire 800m strike length is covered off. The drilling from each section line should intersect the structures at 50m and 100m

Stage 1 - Surface Exploration

Define survey of area in more detail

A new topography survey is required to define the survey of the concession area in more detail. The previous survey used two survey stations to bring the survey into the underground mine, this survey, because it only used two survey station points, cannot be closed so the accuracy of the two survey points is questionable.

The new survey will need to give 5m contours of the area surrounding the mine and concession. The survey has to include a closed survey on surface using at least 6 survey station points. This has to be done before any other exploration work is carried out.

This work also has to resurvey all existing channel samples and the outline of the structures as marked up by the mine geologists. This will tie the surface survey in with the underground workings which is essential

before drilling or geophysics can take place.

Geophysics

Since at least 90% of the surface is covered in vegetation it is proposed to use geophysics as polymetallic veins of this type may have elongated zones of low magnetic response and/or electromagnetic, self potential or induced polarization anomalies related to ore zones.

In 2017, the management of San Vicente obtained permission to carry out surface surveys.

Surface channel sampling

Channel samples should be taken in all areas on surface where mineralization is evident.

Stage 1 - Underground Channel Sampling

Channel sampling needs to be done in all areas not sampled to date and in all new areas to be mined. However due to the results observed in the twin sampling the following is proposed:

> It is proposed that a GBH-11DE Bosh drilling machine be adapted with a 38mm drill bit to be used to drill holes to a depth of 15mm along channel out lines. The areas left between the drilled holes are then knocked out using a hammer and chisel until the back of the sample is uniform without ridges. This is much more effective than conventional sampling techniques (hammer and chisel). It is especially more effective in narrow vein mine environments and the results should be evident in the twin sampling analysis as was carried out by S.M.R.L. El Otro Lado geologists.
>
> The twin samples are to be taken in original samples and not parallel to original samples as the variance in mineralization can be such to give poor original to twin sample results. It is recommended that Imperium retake their twin samples in original samples to see if current results can be improved.

Erection of buildings and ancillary facilities

Erect a new structure for core logging, or locate an existing building nearby suitable for this purpose.

Drilling

The vein structures can be intermittently traced for 800m on the surface. A drilling campaign should consider starting by drilling directly under the current workings, intersecting the structures 50m, 100m and 150m below the current level. The drilling should then move both northeast and southwest in 100m intervals along strike away from the central position until the entire 800m strike length is covered off. The drilling from each section line should intersect the structures 50m, 100m and 150m below surface. The drilling campaign would total 9 section lines with drilling platforms in 2 to 3 different areas along the section lines. From using the current survey, the drilling lengths per section line are estimated to be approximately 550m. The new survey as described in Item 18 will have to be completed before a detailed drilling program can be planned, also data from the geophysics survey if carried out will help in planning the boreholes.

All boreholes drilled must be logged for lithology, structure and geomechanics. The geomechanics should be logged using the criteria in the RMR (Rock Mass Rating) system. Sampling must be done along

geological contacts and the maximum sample length to be sampled is to be 1.5m. Database constructed from collected data must be structured so digital logs can be plotted.

Stage 2 - Underground Exploration with Associated Metallurgical Test Work

Continue developing underground infrastructure through driving exploration drifts

The project needs to continue developing underground infrastructure through driving exploration drifts. It is proposed to continue sublevels in the MZ2 structure and sample the structure every 2m. This has to be done in order to calculate the resource for this vein as it has been mined too high to sample safely on the 100 level of the mine.

Continue MZ2 and MZ3 structures to the northeast following mineralization. The MZ2 structure should be advanced first with a small drilling machine such as a KIPHY-V50 or an INGETROL- ULTRA 20E used to intersect the MZ1 and MZ3 structures at 25m intervals. The MZ1 structure requires channel sampling in order for a resource to be calculated, this first requires that the 1,500t stored within MZ1 exploration drift to be removed.

Drive another tunnel into the veins approximately 80m below the current working level, this should allow for the veins to be mined along strike for a greater distance and also give confidence that the structures are continuous along strike.

Geomechanics and Geology Mapping

During the next stage of this project, an initial engineering judgment should be made on the likely range of mining methods to be considered. This is done through mapping exploration drives using geomechanics mapping methods such as the RMR (Rock Mass Rating) system. The geomechanics mapping and geomechanics logging of boreholes builds up an interpretation of the rock mass to be mined, as well as if the rock mass is expected to be the same throughout the project or if it differs in areas. This combined with strength tests and the geometry of the orebodies (to be interpreted through geological mapping and modelling) defines the possible mining methods that can be used.

Treat mineral from mining to increase metallurgy data

The 1,500t stored in the 100 gallery of the underground mine should be treated. This gallery contains broken mineral from the MZ2 and MZ3 structures. The processing of the mineral can be done in the Quiruvilca processing plant owned by Pan American Silver S.A.C. This processing plant is more modern than the two currently in use. Further, the personnel are sufficiently qualified to write reports on how the mineral was treated, concentrates produced and recoveries achieved. Samples of the tailing can also be recovered for sizing and petrological test work (interlocked mineral with gangue etc). An agreement has been made between Pan American Silver S.A.C and S.M.R.L. El Otro Lado to treat the mineral if Lida Resources wishes to proceed in this direction.

It has to be noted that it is possible that the mineral might not be suited to that of the Quiruvilca processing plant; however, any new metallurgical data that can be obtained will help in future development of a processing plant on the San Vicente project if the exploration programs determine sufficient resource. The data will also determine if the Quiruvilca processing plant can treat the mineral from the San Vicente project. It has been known for some time that the Quiruvilca mine is for sale. If it is found that the San Vicente mineral can be treated with good concentrates produced, then it might be an option for Lida Resources to buy the Quiruvilca mine and associated claims.

Any future mineral extracted should be batched and processed separately without mixing with mineral from different structures. Blending of mineral from different structures should only take place once metallurgical data is known for each individual structure.

Budget Associated with Stage 1 Exploration Program

It is proposed to use approximately $250,000 – $300,000 CAD, in Stage 0 and Stage 1 exploration programs.

Budget associated with Stage 2 Exploration Program

No budget has been calculated for the Stage 2 exploration program. Lida Resources does not have a detailed mining plan for continuing the exploration drives. However, it is thought that they will put in a new level 80m below the current exploration level. The first borehole to be drilled in Section Line 0 will give information relevant to the planning of this drive (geomechanics, lithology and assay data). It is estimated from the topography that approximately the same amount of mining will need to be done in waste material as was done on the 100 level before intersecting the structures.

Imperium has only incurred small losses on its underground exploration program to date due to the sale of concentrates produced. This trend will probably be reversed now as current, on-hand broken ore is harvested and shipped.

Additional Recommendations

Associated with the exploration program are the following additional recommendations:

1. Changes to QA/QC program, to conform with current NI 43-101 Standards.

2. Collecting of samples to define SG of mineral and wall rock.

3. Photographic database for channel samples.

Changes to QA/QC program

A larger QA/QC program now needs to be considered for the channel sampling and future drilling campaign. The QA/QC program needs to be expanded to include coarse reject duplicates, pulp duplicates and standards. Also, a representative proportion of check samples of coarse duplicates, pulp duplicates, blanks and standards assayed by Inspectorate Services Peru need to be sent to an additional certified laboratory such as SGS. Sieve tests also need to be carried out on a representative proportion of pulp samples and coarse sample rejects.

The pulp blanks that are currently sourced from Inspectorate S.A.C. should be sourced from a different company if Inspectorate S.A.C. will continue to be used as the main laboratory for analyzing samples. It is recommended that S.M.R.L. El Otro Lado continue using Inspectorate S.A.C for the analysis of samples if the QA/QC program gives acceptable results.

Twin samples should be sampled within original sample and not parallel to original sample due to variance in mineralization. All twin samples taken to date should be resampled in original samples to see if better results can be obtained.

Collection of Samples to Define SG of Mineral and Wall Rock

Samples need to be taken to define the SG for different grade ranges in the vein and hanging wall and footwall wall rock material. Samples should be taken systematically with their location surveyed. Samples need to be at least the size of a hand. Each sample should be photographed and described and then cut in half. Half of the sample should be coded and saved while the other half should be sent to Inspectorate S.A.C for determination firstly of SG and then analyzed. The SG values are then graphed against the different values obtained from analysis to produce SG ranges for the mineralization.

Photographic Database for Channel Samples

A photographic database exists for the channel samples but it does not contain all the channel samples. Clear marking of the sample number and channel ID in the photographs is required along with a scale. The photographs should also be taken with high resolution.

ITEM 27. REFERENCES

Technical Report on the Platera Polymetallic (Ag, Zn, Pb, ±Au) Property, La Libertad, Peru, Gateway Solutions S.A.C. June 11, 2009.

Declaracion de Impacto Ambiental Categoria 1 – Proyecto De Explotacion Minera ―Mina CHOTA‖ – Mayo 2010.

Proyecto de Reconocimiento Arqueologico en la Mina Chota, Gerald Miguel Zubiaga Sanchez – Mayo 2010.

Informe Geologico Mina ―San Vicente de CHOTA‖, Ing. Tirzo Yauga P. Febrero 2011.

Scoping Level Mineralogy and Flotation Testing – Grab Sample – Peru Project KM2991, June 7 2011, G&T Metallurgical services LTD.

This technical report prepared on behalf of Lida Resources Inc. and entitled National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* on the San Vicente Project La Libertad Peru.

Dated effective: September 10, 2019

LIDA RESOURCES INC.

Per: (signed) "*Leonard De Melt*"
Leonard De Melt
President and Chief Executive Officer

George C Sharpe, Geo. Lic. APEGS; P. Geo. (Limited) AGO

Appendix 1:

Surface Rights Certificate with Permission to Operate as a Small Mining Company.

Ley de Formalización y Promoción de la Pequeña Minería y la Minería Artesanal
(Ley N° 27651 y su Reglamento D.S. N° 013-2002-EM)

Son pequeños productores mineros (PPM) los que:

1- En forma personal o como conjunto de personas naturales o personas jurídicas conformadas por personas naturales o cooperativas mineras o centrales de cooperativas mineras, se dedican habitualmente a la explotación y/o beneficio directo de minerales.

2- Posean por cualquier título hasta 2,000 Has., entre denuncios, petitorios y concesiones mineras.

3- Posean por cualquier título una capacidad instalada de producción y/o beneficio no mayor de 350 TM/día. En el caso de los productores de minerales no metálicos y materiales de construcción, el límite máximo de capacidad instalada de producción y/o beneficio será de hasta 1,200 TM/día.

   En el caso de los yacimientos metálicos tipo placer, el límite máximo de capacidad instalada de producción y/o beneficio será de 3,000 m^3/día.

Son productores mineros artesanales (PMA) los que:

1- En forma personal o como conjunto de personas naturales o personas jurídicas conformadas por personas naturales o cooperativas mineras o centrales de cooperativas mineras, se dedican habitualmente y como medio de sustento, a la explotación y/o beneficio directo de minerales, realizando sus actividades con métodos manuales y/o equipos básicos.

2- Posean por cualquier título hasta 1,000 Has., entre denuncios, petitorios y concesiones mineras; o hayan suscrito Acuerdos o Contratos de Explotación con los titulares mineros (Requisito alternativo a la tenencia de derechos mineros).

3- Posean por cualquier título una capacidad instalada de producción y/o beneficio no mayor de 25 TM/día. En el caso de los productores de minerales no metálicos y materiales de construcción, el límite máximo de capacidad instalada de producción y/o beneficio será de hasta 100 TM/día.

   En el caso de los yacimientos metálicos tipo placer, el límite máximo de capacidad instalada de producción y/o beneficio será de 200 m^3/día.

Gestión Ambiental en la Pequeña Minería y la Minería Artesanal

En el caso de los PPM y los PMA, la autoridad competente en Asuntos Ambientales del Sector Energía y Minas es la Dirección Regional de Energía y Minas (DREM) respectiva, ante la cual deberán presentar las Declaraciones de Impacto Ambiental (DIA) para los Proyectos de la Categoría I, y los Estudios de Impacto Ambiental Semidetallados (EIAsd) para los Proyectos de la Categoría II; los Planes de Cierre; así como sus modificaciones y otros instrumentos de Gestión Ambiental .

Para el inicio o reinicio de actividades de exploración, construcción, extracción, procesamiento, transformación y almacenamiento o sus modificaciones y ampliaciones, los PPMs y los PMAs deberán contar con la Certificación Ambiental expedida por la DREM respectiva.

El PPM o el PMA, presentará ante la DREM, una solicitud de Certificación Ambiental, indicando en ella su propuesta de clasificación de Categoría I o II del Proyecto. Con la Certificación Ambiental, el titular estará en condiciones de tramitar los permisos, autorizaciones o pronunciamientos favorables relacionados con la ejecución del proyecto.

Autorización de Beneficio de Minerales para la Minería Artesanal y/o Ampliaciones

El PMA solicitará la Autorización de Beneficio de Minerales y/o Ampliaciones ante la DREM, la que expedirá la autorización respectiva una vez verificada la conformidad de la información técnica y de la Declaración de Impacto Ambiental presentadas por el solicitante.

Certificado de Operación Minera (COM)

El PPM o el PMA, solicitará la aprobación del COM en formato aprobado por la Dirección General de Minería, una vez verificado el cumplimiento de los requisitos así como el Programa de Trabajo con su respectivo consumo de explosivos la DREM expedirá el COM correspondiente al año solicitado.

De la Veracidad de la Información

De acuerdo al principio de Privilegio de Controles Posteriores prescrito en el inciso 1.16 del Artículo IV de la Ley N° 27444, la tramitación de los procedimientos administrativos se sustentara en la aplicación de la fiscalización posterior; reservándose la autoridad administrativa, el derecho de comprobar la veracidad de la información presentada, el cumplimiento de la normatividad sustantiva y la aplicación de las sanciones pertinentes en caso que la información presentada no sea veraz.

Prohibición de trabajo de personas menores de 18 años de edad en la Pequeña Minería y Minería Artesanal

Mediante Ley N° 28992 se prohíbe el trabajo de personas menores de 18 años de edad en las actividades concernientes a la pequeña minería y la minería artesanal.

MINISTERIO DE ENERGIA Y MINAS
REPUBLICA DEL PERU

CONSTANCIA DE PEQUEÑO PRODUCTOR MINERO Nº 1691-2009

(Ley Nº 27651 y su Reglamento Decreto Supremo Nº 013-2002-EM)

FECHA 20/11/2009

Vista la Declaración Jurada adjunta a la solicitud con registro Nº 1940502

INFORMACIÓN GENERAL

NOMBRE O RAZON SOCIAL
S.M.R.L. EL OTRO LADO

Nº RUC	Nº DNI	TELEFONO	FAX	CORREO ELECTRONICO
20521595800		7158844	7158843	

DOMICILIO FISCAL

DIRECCIÓN
CA. FAURE 135

DEPARTAMENTO	PROVINCIA	DISTRITO
LIMA	LIMA	SAN BORJA

DATOS DE LA EMPRESA

FECHA INSCRIP. RRPP	TOMO/FICHA	FOLIO	ASIENTO	Nº PARTIDA	PAIS DE ORIGEN

DERECHOS MINEROS DECLARADOS

DERECHO MINERO	HECTÁREAS	CÓDIGO	S	PROVINCIA	DEPARTAMENTO	CESION/TRANSF	TIPO
EL OTRO LADO	200.00	010014602	M	OTUZCO	LA LIBERTAD		Titular
TOTAL HECTÁREAS.	200.00						

PLANTAS DE BENEFICIO

PLANTA DE BENEFICIO	CAP.INSTALADA	CÓDIGO	PROVINCIA	DEPARTAMENTO	CESION/TRANSF	TIPO
TOTAL CAP.INSTALADA	0.00					

REPRESENTANTE LEGAL

LE/DNI/CE	APELLIDOS Y NOMBRES
26928562	RODRIGUEZ PIZAN, JOSE SANTOS

DOMICILIO REPRESENTANTE LEGAL

DIRECCIÓN
CA. FAURE 135

DEPARTAMENTO	PROVINCIA	DISTRITO
LIMA	LIMA	SAN BORJA

La presente Constancia de Pequeño Productor Minero tendrá vigencia por el plazo de dos años, contados a partir de la fecha de expedición con vencimiento al : 20/11/2011

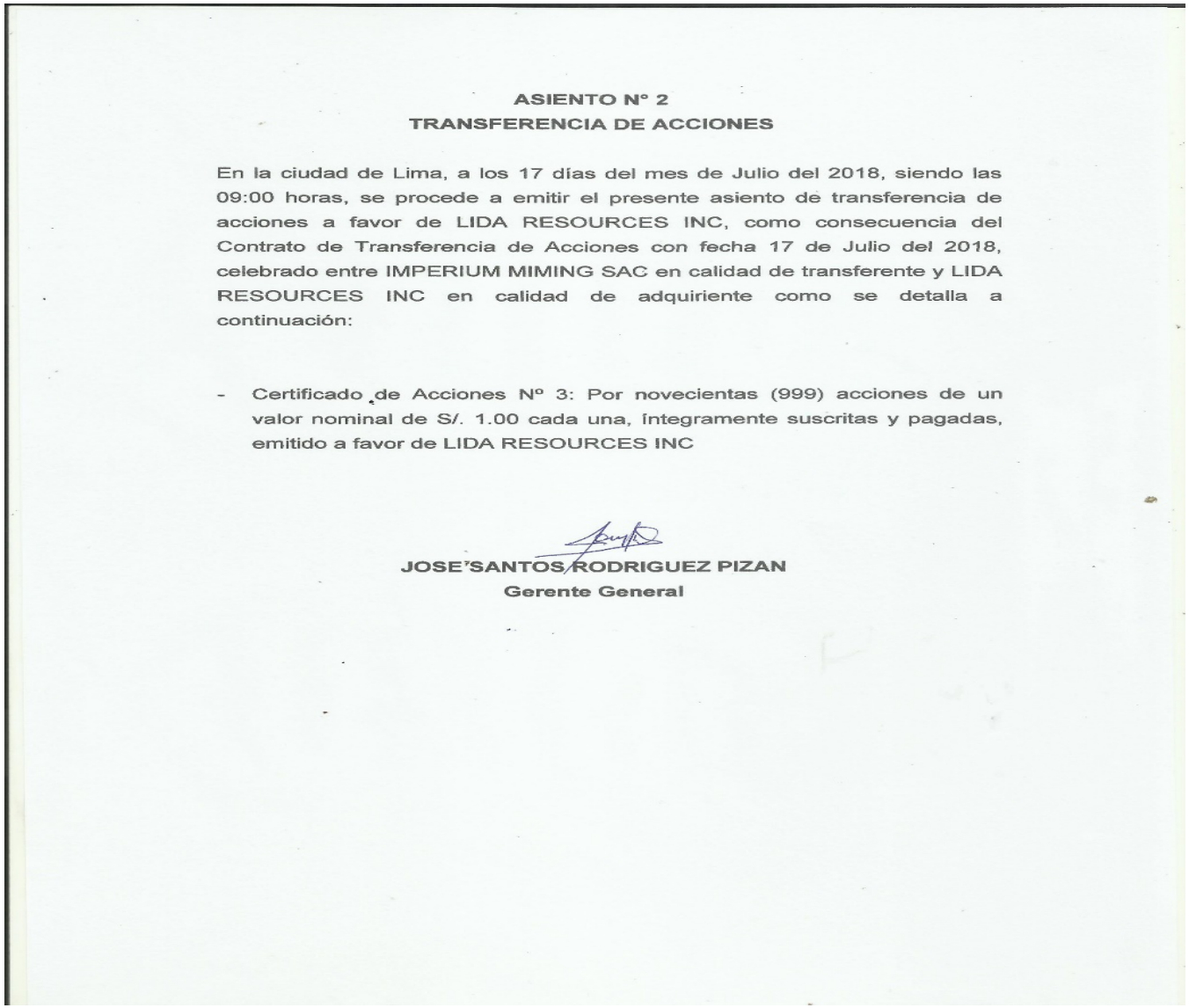
Quedando automaticamente sin valor ni efecto legal, cuando supere los límites estipulados en los dispositivos legales vigentes.

ORIGINAL

Eda Luisa Carrascal Miranda
Evaluador
DIRECCIÓN DE PROMOCIÓN MINERA

Ing. Henry John Luna Cordova
Director(e) de Promoción Minera
DIRECCIÓN GENERAL DE MINERÍA

Appendix 2: Current Title of Ownership



ASIENTO N° 2
TRANSFERENCIA DE ACCIONES

En la ciudad de Lima, a los 17 días del mes de Julio del 2018, siendo las 09:00 horas, se procede a emitir el presente asiento de transferencia de acciones a favor de LIDA RESOURCES INC, como consecuencia del Contrato de Transferencia de Acciones con fecha 17 de Julio del 2018, celebrado entre IMPERIUM MIMING SAC en calidad de transferente y LIDA RESOURCES INC en calidad de adquiriente como se detalla a continuación:

- Certificado de Acciones Nº 3: Por novecientas (999) acciones de un valor nominal de S/. 1.00 cada una, íntegramente suscritas y pagadas, emitido a favor de LIDA RESOURCES INC

JOSE SANTOS RODRIGUEZ PIZAN
Gerente General

CONTRATO DE TRANSFERENCIA DE ACCIONES

Conste por el presente documento el Contrato de transferencia de acciones que celebran de una parte:

- **IMPERIUM MINING SAC,** identificada con RUC Nº 20601913748, inscrita en la Partida Electrónica Nº 13815079 del Registro de Personas Jurídicas de la Oficina Registral de Lima, debidamente representada por su Gerente General, el señor JOSE SANTOS RODRIGUEZ PIZAN, identificado con DNI Nº 26928562, con domicilio en calle José Gálvez Nº 835, distrito de Miraflores, provincia y departamento de Lima, a quien en adelante se le denominará EL TRANSFERENTE y

- **LIDA RESOURCES INC,** empresa pública canadiense, debidamente representado por **LEONARD RAYMOND DEMELT,** canadiense, identificado con Pasaporte N° HK114488, *con domicilio en calle José Gálvez Nº 835, distrito de Miraflores,* provincia y departamento de Lima a quienes en adelante se les denominará EL ADQUIRIENTE.

En adelante, al TRANSFERENTE y EL ADQUIRIENTE se les denominará las Partes.

El presente contrato se regirá por los siguientes términos y condiciones:

PRIMERA: ANTECEDENTES

1.1 A la fecha, LIDA RESOURCES PERU SAC, en adelante la Sociedad, cuenta con un capital social suscrito y pagado de S/. 1,000.00 (un mil y 00/100 Nuevos Soles) representado por 1,000 acciones de un valor nominal de S/ 1.00 (Un y 00/100 Nuevo Sol) cada una. A la fecha, el capital social de la SOCIEDAD se encuentra distribuido de la siguiente manera:

ACCIONISTAS	NUMERO DE ACCIONES	PARTICIPACION RESPECTO DEL CAPITAL SOCIAL
IMPERIUM MINING SAC	999	99%
JOSE SANTOS RODRIGUEZ PIZAN	1	1%
TOTAL	1,000	100%

1.2 Las Partes han sostendido negociaciones destinadas a celebrar un contrato en virtud de cual EL TRANSFERENTE transfiere al ADQUIRIENTE la acciones de las cuales es titular y todos los derechos que deriven de éstas sin restricción, reserva ni limitación alguna, habiendo acordado los términos y condiciones de la transferencia, los que se expresan en las cláusulas siguientes.

SEGUNDA: OBJETO DEL CONTRATO

2.1 Por el presente documento EL TRANSFERENTE transfiere de manera onerosa la propiedad de 999 (novecientas noventa y nueve) acciones de la Sociedad a favor de "EL ADQUIRIENTE".

2.2 La transferencia de las acciones commprende todos los derechos políticos y económicos, inherentes y derivados de las mismas, sin ninguna restricción, reserva o limitación alguna, incluyendo mas no limitándose a los derechos a percibir los dividendos que se distribuyan.

TERCERA: PRECIO DE TRANSFERENCIA

El precio libremente pactado, por las partes contratantes, para el efecto de la transferencia de la titularidad de acciones del presente contrato, es de S/.999.00 (novecientas noventa y nueve y 00/100 nuevos soles), a razón de S/. 1.00 cada acción. La misma que se paga a la firma del presente instrumento sin más constancia y recepción del dinero que la firma de las partes en èl presente documento.

CUARTA: EQUIVALENCIA DE LAS PRESTACIONES

Las Partes declaran que entre el precio convenido en la cláusula tercera y la contraprestación por el valor de las ACCIONES existe justa y perfecta equivalencia, renunciando desde ya a toda diferencia inadvertida que estuvieran dejando de percibir y a toda acción o excepción y a sus plazos para interponerlas, que pudieran invalidadr los efectos de la presente transferencia.

QUINTA: DERECHO DE ADQUISICIÓN PREFERENTE

El señor JOSE SANTOS RODRIGUEZ PIZAN, interviene en el presente acto jurídico, en virtud de que es titular de 1 acción.
Por el presente documento, el señor JOSE SANTOS RODRIGUEZ PIZAN, declara no estar interesado en adquirir las 999 (novecientas noventa y nueve) acciones que se están transfiriendo.
En este sentido, EL TRANSFERENTE han cumplido con el procedimiento societario por el cual se garantizá el Derecho de Adquisición Preferente del socio de la Sociedad.

SEXTA: GRAVÁMENES

EL TRANSFERENTE declara que sobre las acciones, objeto del presente acto jurídico, no existe ningún gravamen ni cualquier otro acto o medida de cualquier tipo que impida su transferencia o limite sus derechos de libre disposición que en forma alguna afecte o recorte los derechos que correspondan o puedan corresponder a los titulares de las acciones. No obstante ello, EL TRANSFERENTE se comprometen a cumplir con la obligación de saneamiento por evicción.

SÉTIMA: OBLIGACIONES DE LAS PARTES

7.1 EL TRANSFERENTE se comprometen a cumplir con cualquier acto o formalidad destinada a perfeccionar la transferencia de las acciones.

7.2 EL ADQUIRIENTE" se compromete a respetar el estatuto de la sociedad, directivas internas y guardar la confidencialidad de los informes técnicos y legales de los proyectos mineros de la Sociedad.

OCTAVA: SOLUCIÓN DE CONTROVERSIAS

8.1 Las partes acuerdan expresamente que toda controversia o conflicto derivado de la interpretación o ejecución del presente contrato será resuelto directamente por las partes, para cuyo efecto estas se comprometen a realizar sus mayores esfuerzos para la solución armónica de sus controversias con sustento a las reglas de la buena fe y atendiendo a la común intención manifestada en el presente contrato, en un plazo que no podrá ser superior a los diez (10) días hábiles contados a partir del día en que se comunique a la otra partes el surgimiento de la disputa.

8.2 Si a pesar de ello las diferencias subsisten, la controversia será sometida a la decisión inapelable de un árbitro, el cual será designado de la relación de árbitros con que cuentan la Cámara de Comercio de Lima.

8.3 El arbitraje será estrictamente de Derecho y no de conciencia, conforme a los Reglamentos de la Cámara de Comercio de Lima.

Las partes firman el presente acto jurídico en señal de conformidad, en Lima a los diecisiete días del mes de Julio del año dos mil dieciocho.

IMPERIUM MINING SAC
JOSE SANTOS RODRIGUEZ PIZAN

LEONARD RAYMOND DEMELT
PASAPORTE N° HK114488

JOSE SANTOS RODRIGUEZ PIZAN
DNI Nº 26928562

ASIENTO N° 1
EMISIÓN DE ACCIONES

En la ciudad de Lima, a los 29 días del mes de Junio del 2018, siendo las 09:00 horas, se deja en constancia la emisión de mil (1,000) acciones de un valor nominal de S/.1.00 (un y 00/100 Nuevo Sol) cada una, como consecuencia de la inscripción de la Escritura Pública de Constitución de LIDA RESOURCES PERU SAC la misma que fue extendida con fecha 31 de Mayo de 2018, ante el notario de Lima Carcausto Tapia, y que quedará inscrita en el asiento A00001 de la Partida Nº 14099194 del registro de Personas Jurídicas de Lima.

Como consecuencia de la inscripción de la antes indicada Escritura Pública de Constitución, se registran dos (2) asientos de Acciones conforme al siguiente detalle:

- Certificado de Acciones Nº 1: Por novecientos noventa y nueve (999) acciones de un valor nominal de S/. 1.00 cada una, íntegramente suscritas y pagadas, emitido a favor de IMPERIUM MINING SAC,
- Certificado de Acciones Nº 2: Por una (1) acción de un valor nominal de S/. 1.00 cada una, íntegramente suscritas y pagadas, emitido a favor del Sr. José Santos Rodriguez Pizán

JOSE SANTOS RODRIGUEZ PIZAN
Gerente General

Appendix 3: Site Visit Photos, September 2, 2019

Photo 1: Author arrives on site to examine San Vicente Property, Sept. 2, 2019

Photo 2: Author and assistant collecting and bagging samples for future analysis and study

Photo 3: Typical ore sample from San Vicente

Photo 4: Details of some of the samples collected at San Vicente