Geology and Exploration of the Los Pavitos Property
Municipality of Alamos
Sonora State, Mexico

Report Date: March 18, 2021.

Submitted by

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In Compliance with NI 43-101 and Form 43-101F1

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CERTIFICATE OF AUTHOR AND STATEMENT OF QUALIFICATIONS:

The effective date of this report is March 18, 2021.

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I, Francisco M Carranza, hereby certify:

1. That I am a Certified Professional Geologist #11933 with the American Institute of Professional Geologists of Westminster, Colorado since 2018.

2. That I graduated with a BS degree in Geology in 1985 from the Universidad de Sonora.

3. That I have accrued more than 34 years of experience in exploration, evaluation, discovery and research of mineral deposits in Mexico. Relevant experience includes evaluation and exploration of multiple types of mineral systems throughout Mexico.

4. That I have personally conducted an examination of Los Pavitos Property on August 24, 2020.

5. That I am the Author of the Technical Report titled "GEOLOGY AND EXPLORATION OF LOS PAVITOS PROPERTY, MUNICIPALITY OF ALAMOS, SONORA STATE, MEXICO" dated March 18, 2021, and I am solely responsible for its content.

6. That I have read the definition of "qualified person" set out in National Instrument 43-l0l – Standards of Disclosure for Mineral Properties ("NI 43-101") and certify that by reason of my education, affiliation with a "Professional Association" (as defined by NI 43-101) and experience in geology, mineral exploration and past relevant work experience, I fulfil the requirements to be a "Qualified Person" for the purposes of NI 43-101.

7. That I am independent of Prismo Inc. (Prismo) as described in Part 1.5 of NI 43-101 and in Part 1.5 of the Companion Policy 43-101CP.

8. That I am acting as a Qualified Person to Prismo, Inc. (Prismo), and that I do not have any present interest or prior involvement in Los Pavitos Property or Project other than remuneration for consulting services, nor shares or interest in Prismo or in any adjacent properties, nor do I expect to receive any such interest or shares.

9. As of the dates of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all such scientific and technical information that is required to be disclosed to make this Technical Report complete and accurate, and not misleading. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report which is not reflected in the Technical Report.

10. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1

DATED this 18th day of March 2021.

(Original signed) "Francisco M. Carranza, CPG."

Francisco M. Carranza, CPG.

GLOSSARY OF TERMS

TERM	DESCRIPTION
%	Percent
<	Less than
>	More than
±	More or less
#N	UTM grid measurement in metres north of the equator
#E	UTM grid measurement in metres east of the central Meridian
Ag, As, Au, Bi, Co, Cu, Fe, Hg, K, Mo, Pb, Sb, Te, U, and Zn	Chemical symbols from the periodic group of elements. silver (Ag), arsenic (As), gold (Au), bismuth (Bi), cobalt (Co), copper (Cu), iron (Fe), mercury (Hg), potassium (K), molybdenum (Mo), lead (Pb), antimony (Sb), tellurium (Te), uranium (U and zinc (Zn).
Bureau Veritas Minerals	Bureau Veritas Minerals or BVM, is a worldwide provider of geochemistry, geoanalytical, mineral processing and environmental services, with offices in Mexico and Canada.
Alteration	Physical and chemical changes to the original composition of rocks due to the introduction of hydrothermal fluids, of ore forming solutions, to changes in the confining temperature and pressures or to any combination of these. The original rock composition is considered "altered" by these changes, and the product of change is considered an "alteration." (From Hacettepe University online dictionary, after AGI)
Anomalous (anomaly)	a. A departure from the expected or normal. b. The difference between an observed value and the corresponding computed value (background value). c. A geological feature, esp. in the subsurface, distinguished by geological, geophysical, or geochemical means, which is different from the general surroundings and is often of potential economic value; e.g., a magnetic anomaly. (From Hacettepe University online dictionary, after AGI)
Prismo or Company	Prismo Inc., a private company incorporated in Canada.
Background	A measured or calculated geochemical, geophysical, petrological, or other threshold considered representative of an area. The "Normal" or "not anomalous."
Body	Generally, irregularly shaped mass of mineralized rock in the form of mantos or chimney consisting of massive sulfides or the oxidized equivalent
Breccia	Means fragmental rocks whose components are angular and, therefore, as distinguished from conglomerates as not water worn. May be sedimentary or formed by crushing or grinding along faults or by hydrothermal explosions.
CAD$ and US$	Canadian dollars, United States of America dollars, as applicable.
CRM, SGM	Consejo de Recursos Minerales (also Coremi). The former Mexican Geological Survey now renamed the Servicio Geológico Mexicana or "SGM"
CuOX	Oxide copper minerals
Diario Oficial	Official gazette of the Mexican Government

DTU	Unified Technical Document (Documento Tecnico Unificado) required to be approved by environmental authorities for surface disturbance and mining activities.
Epithermal	Said of a hydrothermal mineral deposit formed within about 1 km of the Earth's surface and in the temperature range of 50 to 200 degrees C, occurring mainly as veins. Also, said of that depositional environment.
FeOX, MnOX	Iron oxide minerals, Manganese oxide minerals
Fg, fg	Fine grained, referring to rock or mineral texture
g/t or Gm/Tonne	Grams per Tonne. Where a gramme (also gram) is a unit of measure equal to $1/1000^{th}$ of a kilogram. A Tonne is a metric Tonne having a unit weight of 1,000 kilograms.
GPS	An electronic device that records the data transmitted by the geographic positioning satellite system.
G12-B46	Mapping index system for Mexico, 1:50,000 scale maps; this designation is the Mocuzari sheet.
Km, Kms	Kilometre, Kilometres
Ltd, Inc.	Limited, Incorporated
M, Ma & My, MT, Moz	million, million years, million tonnes, million ounces
Mineralization (mineralizing)	The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs.
Cascabel or Cascabel	Cascabel SA de CV, owner of the mining concessions
N, S, E, W, NW, etc.	North, south, east, west, northwest, northeast etc.
NAD27, NAD83	Ellipsoid projection models of the earth, North America Datum, from 1927 and 1983; NAD27 is commonly used in Mexico and was formerly required by the Federal Mines Department, and NAD83 is an update very similar to WGS84.
NI 43-101	National Instrument 43-101 *Standards of Disclosure for Mineral Properties*
No.	Number
oz., ppm, ppb, ºC, mm, cm, m, Km, $Km^{2,}$	Units of measure: ounce, parts per million, parts per billion, degrees Celsius, millimetre, centimetre, metre, kilometre and square kilometres.
Property	Los Pavitos Property comprised of 1 mining concession located in Sonora State, Mexico
QAQC	A quality assurance and quality control program
S.A de C.V.	*Sociedad Anónima de Capital Variable*, a corporation in Mexico
SEDAR	Canadian System for Electronic Document Analysis and Retrieval (SEDAR)
SEMARNAT	*Secretaria de Medio Ambiente y Recursos Naturales*, the Mexican Governmental organization responsible for issuing environmental permits
SGM	*Servicio Geológico Mexicano*, the Mexican Geological Survey, also formerly known as the *Consejo de Recursos Minerales*, CRM.

Target	A focus or loci for exploration.
UTM	Universal Transverse Mercator.
WGS84	An ellipsoid model of the earth, used for UTM coordinates in this report.

CONVERSIONS

The following table sets forth certain standard conversions from the Standard Imperial units to the International System of Units (or metric units). Unless otherwise stated United States currency (US$) is used throughout this report. Canadian dollars ($CAD) where used if necessary are converted at 1.3 for one for the purposes of this Report.

To Convert From	To	Multiply By
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471
Grams	Ounce (troy)	0.032
Ounce (troy)	Grams	31.103
Tonnes (T)	Short tons (t)	1.102
Short tons (t)	Tonnes (T)	0.907
Grams per ton	Ounces (troy) per Tonne	0.290
Ounces (troy) per Tonne	Grams per ton	34.438

1.0 SUMMARY

1.1 Introduction and Terms of Reference

The following technical report (the "Technical Report" or the "Report") was prepared by Francisco M. Carranza (the "Author"), Certified Professional Geologist (CPG 11933) of the American Institute of Professional Geologists and a Qualified Person under NI43-101 requirements, and was undertaken on behalf of Prismo Metals Inc. ("Prismo" or the "Company"). Prismo has an option to acquire a 100% interest in a certain mining concession known as Los Pavitos Reduccion ("Property", "Project" or "Los Pavitos") located in the Alamos- Minas Nuevas mining region, Alamos municipality of Sonora State (Fig. 4.1) in Mexico. The mineral concessions over the Project are 100% owned by Minera Cascabel SA de CV ("Cascabel"). Prismo contracted the Author, Francisco M. Carranza Heredia, to carry out an examination of the Property and to prepare this Report.

This Technical Report was prepared in compliance with NI 43-101. The Technical Report is based on internal and public geologic information, historic data from Servicio Geológico Mexicana ("SGM"= Mexican Geological Service) and other public sources and is an accurate representation of the geological potential of Los Pavitos which the Author visited on August 24, 2020 (the "Field Visit"). At the present time, the Property is an early-stage exploration project and there are no resources or reserves defined at the Property. The work recommended herein was planned by and will need to be supervised by a Qualified Person(s) as defined by NI-43-101.

Information from prior exploration at the Property was provided by Cascabel and Prismo. This information was generated during several exploration campaigns and the Author has used this data as a general reference for the Field Visit. The interpretation of the available geological data and the conclusions of this study are solely those of the Author.

During the Field Visit, the Author was accompanied Ing. Rafael Gallardo Romero, a director of Prismo and a consultant to Cascabel and by Craig Gibson, PhD, the President and CEO of Prismo and a Qualified Person under NI 43-101.. During the Field Visit the Author collected five samples which were taken for audit purposes.

The mineral rights to the concessions constituting the Property are considered to be valid by the Mining Department in México as of the date of this Technical Report. The Author has reviewed legal documentation provided by Cascabel and the Company, but has not performed an exhaustive legal investigation into the status of the concessions, including the review of all legal filings, tax payments and assessment of exploration work filings for prior years. The Author has relied mainly on documents provided by Cascabel and Prismo. It was not within the scope of this Technical Report to examine in detail or to independently verify the legal status or ownership of the Property.

The Author has no reason to believe that the status of ownership of the Property is different than it has been represented to the Author. Determination of secure mineral title and surface estate ownership is solely the responsibility of the Company.

All amounts in this Technical Report are in US dollars, unless otherwise indicated.

1.2 Reliance on Other Experts

The mineral rights to the concessions constituting the Los Pavitos Property are considered to be valid by the Mining Department in México as of the date of this Technical Report. The Author has relied upon a legal opinion titled 'Los Pavitos Legal Opinion, Nov 2019' prepared by F. Rodriguez, and has reviewed legal documentation provided by the Company to verify the validity of the concession and ownership.

Information from prior exploration efforts at the Project was provided by Prismo. This information was generated by several sources and the Author has used these data as a general reference for the Field Visit as discussed in the sections on Exploration and Results.

1.3 Property Description and Location

1.3.1 Mineral Rights

Prismo has entered into an option agreement with Cascabel to acquire a 100% interest in the mineral rights and the concession that make up the Property (the "Option") (Table 1.1). The terms of the Option are as follows:

a) in consideration for being granted the Option, Prismo issued 2,000,000 units of Prismo at a deemed price of CAD $0.05 per unit, with each unit consisting of one common share and one share purchase warrant of Prismo, each warrant being exercisable at a price of CAD $0.10 on or before October 11, 2024;

b) agreed to make two cash payments of $10,710.00 and $27,489.00 to Mexican authorities as payments of owed taxes for 2018 and 2019 respectively; and

c) as additional consideration for Prismo to acquire all the rights, titles and interests of Cascabel to and in the Property, Prismo incurring a total of $1.5 million in Expenditures (as defined herein) on the Property during the Option period of five years, paying to Cascabel an additional amount of $500,0000 less the amount paid for taxes owed for 2019 and issuing an additional tranche of 2,000,000 common shares of Prismo on fully exercising the Option.

The term "Expenditures" is defined in the Option agreement as all costs, expenses, obligations and liabilities of whatever kind or nature, spent or incurred directly or indirectly by Prismo in connection with the acquisition, maintenance (including taxes), exploration and development of the Property, including a charge for management and other general or indirect costs, equal to a maximum of ten per cent (10%) of all other Expenditures.

The yearly minimum Expenditures, payments to Cascabel and issuance of shares to Cascabel are as follows;

a) Subject to Cascabel having paid the taxes owed, incurring a minimum of CAD $75,000 in Expenditures for the first two years following the execution date of this Agreement, plus the funding of the preparation and delivery of a technical report on the Property prepared in accordance with National Instrument 43-101- Standards of Disclosure for Mineral Projects (This Report).

b) Paying an amount of $100,000 to Cascabel and incurring a minimum of CAD $100,000 in Expenditures on the Property for each of the third and fourth year following the date of this Agreement

c) Paying an amount of $300,000 to Cascabel, issuing to Cascabel, or as directed by Cascabel, 2,000,000 common shares and incurring a minimum of CAD $500,000 in Expenditures on the Property in the fifth year following the date of this Agreement, such Expenditures to include a drilling program of at least 2,500 meters.

d) Prismo will perform sufficient assessment work to satisfy the applicable government work commitment cost in the Property through the end of each tax period.

Mexican Mining Law requires certain mineral rights payments, paid each January and July, and an annual minimum exploration work obligation (assessment work) report, is filed each May for the preceding

calendar year. The required amounts are subject to modification as annual fee schedules are published by the Mines Office in the Diario Oficial, the official gazette of the Mexican Government. Mining Concessions are valid for 50 years, beginning from the date of their registration in the Public Mining Registry and can be renewed for a second 50-year term if in good standing.

Table 1.1 shows the relevant data including the expiry dates of the mining concession forming the Property. The Author of this Report has not verified the good standing of the concessions and has relied on representations made by Prismo.

Table 1.1. Mining Concessions of the Los Pavitos Property

CLAIM	HECTARES	GRANTED	TITLE	EXPIRATION
Los Pavitos Reduccion	5289	January 18, 2015	243919	June 13, 2062
TOTAL	**5289**			

Title to the concessions is registered to Minera Cascabel SA de CV (100%).

1.3.2 Surface Access Rights

Mining concessions' licenses in Mexico are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights for access to the areas covered by the mining concessions. Commonly this involves leasing of the surface rights. In Mexico surface rights are owned by private persons or ejidos (local communal organizations), and agreements for gaining access must be made with the surface owners prior to any significant work being undertaken.

The surface rights covering the Property belong to the Francisco Villa Ejido. A formal access agreement has not yet been entered into to allow access for the exploration work. According to Cascabel an informal agreement for access is in place. A formal agreement is not yet necessary to perform initial exploration work. Prismo is required to obtain a formal agreement for access and an environmental permit prior to being allowed to make surface disturbances and to carry out drilling. To the best of the Author's knowledge there are currently no limitations on surface access, but Prismo will need to negotiate a formal agreement with the owners of the surface rights prior to surface disturbance and drilling.

1.3.3 Permitting

The Property is an early stage exploration project, and the Company has not completed any exploration work to date. Limited surface examinations and sampling as described in this Report was undertaken without the need for an environmental permit. At the present time, and up until exploration activities have progressed further to include rehabilitation of roads and drilling, no such permit is required. Prismo will need to file the documentation for an environmental permit (*Informe Preventivo*) once exploration activities advance to the drilling stage.

Additional permits may need to be obtained in the future if exploration requires the removal of soil and vegetation. Such additional permit may include an Environmental Impact Statement (*Manifiesto de Impacto Ambiental*, or MIA) and Change of Land Use (*Estudio Justicativo Para Cambio de Uso de Suelos* EJCUS) permit, known together as a Unified Technical Document (DTU). These would be required for new surface disturbance, including the construction of roads and drill sites. The required permits are shown in Table 1.2.

To the Author's knowledge there are no other permits or agreements needed to conduct exploration on the Property, and there are no other significant factors or risks which may affect access, title or the right to perform work on the Property.

Table 1.2. Permitting Requirements for the Los Pavitos Property

Permit	Relevant for	Status
Letter of Initiation of exploration activities and Preventative Notice (Informe Preventivo);	Early exploration/drilling	Required for drilling
The Permit for Change of Land Use in Forested Area and Environmental Impact Statement (DTU) issued by the State Delegations of Secretary of the Environment, Natural Resources and Fisheries (SEMARNAT)	Transitional, for surface disturbance in advanced exploration to the development stage	Not necessary until surface area is to be disturbed

1.3.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Property is located on the west side of the Sierra Madre Occidental of northwestern Mexico. The topography consists of rolling hills with elevation ranging from about 150 meters above sea level in low areas to about 350 to 500 metres above sea level at hilltops. The Company's exploration activities will be conducted primarily between an elevation of 180 and 250 metres.

The climate in the region is classified as arid to semi-tropical. According to the national Meteorological Service, the average annual temperature is 22 degrees Celsius with average highs in summer of 36 degrees Celsius and average lows in winter of 8 degrees Celsius. Temperatures can range from about 4 degrees Celsius to over 39 degrees Celsius. Precipitation averages 852 millimetres per year, and rainfall occurs mainly from late June to early October during a monsoonal tropical wet season which includes the influence of hurricanes mainly from the Pacific coast. Winters are relatively dry.

The vegetation on the Property is classified as dry to semi-humid deciduous tropical forest with both desert and jungle type plants. The surface land use is dominantly grazing for goats and cattle with some firewood being harvested from the surrounding region.

The Property is accessible via highway No. 13 from Navojoa to Alamos, Sonora. The nearest major city is Navojoa which is about a 30 to 40-minute drive from the Property. The nearest international airports are at Ciudad Obregon, 93 km by paved road from the property, and Hermosillo, 350 km and a 4 hour drive from the property.

1.4 History

The mining districts of Alamos and Minas Nuevas have been known since Spanish Colonial times for their high-grade Ag-Au and polymetallic veins. In the XVII Century the mines were exploited by Don Pedro Garces and the heiress of Don Jose Maria Moreno. Mines such as Minas Nuevas, La Aduana, Promontorio and La Zambona had great activity. In 1683, after the discovery of important silver veins, the town of Aduana was established as a settlement dedicated to mining exploitation. Currently some of those historic mines are being intensely explored by Minaurum Gold Inc. (TSXV:MGG).

1.5 Geology and Mineralization

The Property is underlain by a volcanosedimentary sequence affected by regional dynamic metamorphism and contact thermal metamorphism. The sequence consists of shales, calcareous shales, sandstone, calcareous sandstone interbedded with andesitic tuffs and flows and thinly bedded limestone. The sequence is affected by regional dynamic metamorphism that formed schist, shale and mylonite, and folded these rocks into a N40-50°E orientation. The volcanosedimentary sequence is also intruded by coarse-grained granodioritic plutons that generated hornfels and recrystallization. Mineralization occurs as veins and veinlets fillings of white and gray colored quartz and is locally strongly fractured and sheared. Three main mineralization trends are recognized. The Las Auras trend has a northwest orientation and dips to the northeast, and is composed of quartz veins, veinlets and stockworks hosted in rhyolitic and quartz-monzonitic dykes with sericitic alteration where it is best exposed to the northwest. The other trends, Santa Cruz and Oromuri, consist of two parallel zones with a northeast strike and northwest dip, consisting of shear zones, veins and stockworks hosted in the folded volcanosedimentary sequence. Alteration observed is moderate to strong oxidation and silicification close to the mineralized structures, and sericite in the dykes and intrusive rocks. Gold and silver grading up to 15 g/t Au, 59.8 g/t Ag is present, with some Pb and locally high As in some mineralized structures.

1.6 Exploration and Drilling

The Company has not completed any exploration work on the Property. Cascabel, the optionor, has performed mapping and sampling of the Property, with two exploration reconnaissance programs in 2012 and 2014. In 2018, Centerra Gold Corp. completed an evaluation of the Property, as detailed herein.

1.6.1 Geochemical Sampling

The Company has no sampling from the Property other than the five samples taken during the Field Visit by the Author for audit purposes. Some campaigns of historical sampling have been carried out and partial data has been obtained by the Company. These data are useful as a general guide to establish characteristics of the mineralization on the Property but should not be relied upon as they are not 43-101 compliant.

1.6.2 Drilling

No drilling has been carried out on the Property by the Company or any predecessors

1.6.3 Sample Preparation, Analyses, and Security

The Company has completed no sampling on the Property to date. The Author took five samples during the Field Visit to confirm the presence of mineralization at the Property as identified by previous workers. The rock samples generally consisted of 1-3 kg of material taken as chips across mineralized exposures. The samples were described in the field and located with a handheld GPS.

Once collected, the samples were in the possession of the Author until their delivery to the laboratory. Because the sampling was taken in areas where results of previous samples are available, standards were not included. As standard procedure and sampling becomes more systematic, project geologists should insert control samples consisting of standards and blanks in numerical sequence prior to submission to the laboratory.

The samples were analyzed by Bureau Veritas Minerals, an industry-leading analytical lab, using a multi-element AQ201 package that included gold. A 15g sample charge was used for the sample digestion to yield a more representative gold assay.

The Property sample database is maintained in an Excel spreadsheet. The database includes the sample number, prospect or target, location of the sample site, sampler, date collected, width or area for channel or chip channel samples, lithologic description, structural details (if noted), analytical certificate and results.

It is the opinion of the Author that the procedures and methods of sample collection, security, preparation and analysis, as well as data handling, are adequate and appropriate for the geochemical sampling programs that have been conducted on the Property to date.

1.7 Conclusions and Recommendations

1.7.1 Data Verification and QAQC

The rock samples taken by the Author remained in the Author's custody until they were delivered to the laboratory Bureau Veritas Minerals in Hermosillo, Sonora. The analytical results from the samples taken by the Author were compared to past results in Table 12.1. The analytical results from these samples confirm the presence of metal values at similar levels as reported in the analytical data from the historical exploration work.

For the previous samples not taken by the Authors, no data for control samples were reported. For future work by the Company, standards and blanks should be inserted into the sample stream at approximately one out of every 20 samples.

Based on the field review and sampling results, it is the Author's opinion that the current database is adequate and appropriate for continued evaluation of the Property.

1.7.2 Results of Exploration

Based on the geology, historical exploration and the Field Visit completed for this Technical Report, Los Pavitos Property, the Author is of the opinion that further exploration is warranted as exploration potential is present.

Continued mapping, sampling, surveying and systematic exploration drilling on evenly spaced cross sections is recommended. Future diamond drill testing is recommended and necessary to determine the tenor and extent of mineralization, as well as the future economic viability of the Property.

1.7.3 Recommendations

The exploration work completed on the Property in the past has been successful in demonstrating potential and has encountered precious and base-metal mineralization. Recommendations for further work are included below, with a proposed budget in Table 1.3:

a) Detailed surface mapping and sampling of specific areas to help further define the controls on mineralization and structures. Mapping should be 1:2000 scale

b) Together with detailed mapping, a semi-detailed reconnaissance within the concessions in altered and mineralized zones is recommended. Scale for this activity should be 1:5,000 or 1:10,000.

c) Use of an analytical package that has low detection limits for indicator elements would be helpful to define geochemical correlations and the amplitude of anomalies.

d) Lay out regularly spaced cross sections for geologic interpretation and drill hole planning.

e) Obtain surface access permits and apply for Environmental Permits with SEMARNAT (Informe Preventivo) in due course.

f) Research the legal situation of the mining concessions within the Los Pavitos claim, Santa Cruz, Santa Cruz Dos and Santa Cruz 3, all of which are reported as being canceled by the Mines Directorate.

Table 1.3. Proposed budget for the Los Pavitos Property.

Proposed exploration budget for geology (amounts in USD)	
Personnel	220,000
Field expenditures	30,000
Travel/Meals/Lodging	35,000
Assays	50,000
Environmental	20,000
Land Acquisition	60,000
Road rehabilitation	35,000
Surveys: remote sensing/geophysics	50,000
Total	**500,000**

2.0 INTRODUCTION AND TERMS OF REFERENCE

The preparation of this Report was undertaken on behalf of Prismo Metals Inc (Prismo). Prismo has an option to acquire 100% of the rights to the Los Pavitos Reduccion concession that makes up the Property, located in the Alamos Municipality of Sonora State (Figures 4.1 and 4.2). Prismo contracted the Author, Francisco M. Carranza, a Certified Professional Geologist of the American Institute of Professional Geologists (CPG 11933) and Qualified Person under NI 43-101 requirements, to carry out an examination of the Property and to prepare this Report.

This Report was prepared in compliance with Canadian National Instrument 43-101 (NI 43-101). The Report is based on internal company geologic information, historic data from Servicio Geológico Mexicano (SGM) and other public sources, as well as data from the Field Visit made by the Author on August 24, 2020, during which five samples were taken.

At the present time, the Property is an early stage exploration project, and the Company has not completed any exploration on the Property themselves. Reports and sample data were generated during past exploration, mainly by the optionor of the Property. There are currently no resources or reserves defined at the Property, and no drilling has been completed to date.

Historical exploration information was provided to the Author for his review. Most of this historical information was generated by exploration programs conducted by Cascabel as well as a property evaluation carried out by Centerra Gold Corp. Public information available from the SGM was also obtained. The Author used this data during the Field Visit and for the preparation of this Report.

Based on documents provided by the Company, the mineral rights to the concessions constituting the Property are valid based on information publicly available from the Mining Department (*Dirección de Minas*) of México as of the date of this Technical Report. It was not within the scope of this Technical Report to examine in detail nor to independently verify the legal ownership status of the Property. The Author has no reason to believe that ownership and status are other than has been represented; however, determination of secure mineral title and surface ownership is solely the responsibility of the Company.

This Technical Report provides an accurate representation of the status and geologic potential of the Property based on the information available to the Author and based on the Field Visit. The Author is solely responsible for the interpretation of the available geological data and the conclusions contained in this Report. Work recommended herein was planned by and should be supervised by a Qualified Person(s) as defined by NI-43-101.

3.0 RELIANCE ON OTHER EXPERTS

The mineral rights to the concessions constituting the Los Pavitos Property are valid based on information available from the Mining Department (*Dirección de Minas*) in México as of the date of this Technical Report. The Author has reviewed legal documents provided by the company showing the ownership of the rights to the Property, but an exhaustive legal investigation was not undertaken. Preparation of a legal opinion for the validity of the Los Pavitos Concessions, titled Los Pavitos Legal Opinion, Nov. 2019, by Lic. Felipe Rodriguez of Servexplor SC was contracted by Prismo and made available to the Author.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Los Pavitos Property is located in the southern part of the State of Sonora in northwestern Mexico, approximately 26 kilometers east of Navojoa, Sonora, and 35 kilometers northwest of Alamos in the Municipality of Alamos (Fig. 4.1). The Los Pavitos Property or Project comprises the Los Pavitos Reduccion concession that covers 5,289 hectares (Fig. 4.2). The Los Pavitos Property centroid is located at approximately UTM Zone 13 WGS84, 677,000m E and 3,002,000m N or by 109° 13.0’ west longitude and 27° 07.62’ north latitude.

Figure 4.1 shows the location of the Los Pavitos Property in relation to geographic points in the state of Sonora, and Figure 4.2 shows the location of Company’s mineral rights.

4.2 Mineral Concessions and Agreements

A mining law was passed by the Mexican Legislature in 1993 which opened the industry and led to increased exploration by foreign interests. While mineral concessions in Mexico can only be held by Mexican Nationals or Mexican incorporated companies, there are virtually no restrictions on foreign ownership of such companies. To acquire a concession, a monument must be erected and located on a 50,000 scale topographic map and an application submitted to the Federal Mining Directorate. The concessions must subsequently be surveyed by an official surveyor and the concessions are registered with the Public Registry of Mining when titled.

Mining concessions are valid for a 50-year period from the original title date as long as taxes are paid in advance in January and July of each year and annual assessment work is completed and reports are filed. This 50-year period is renewable for an additional 50-year term upon application prior to expiry of the original term. Taxes and assessment work are based on the size and age of the concessions.

The Mexican Constitution maintains a direct non-transferable ownership of the nation’s mineral wealth (considered a national resource) and is governed under established Mining Law. The use and exploitation of such national resources is provided for through clear title to a mineral rights concession (“lote” or “concession”) granted by the Federal Executive Branch for a fee and under prescribed conditions. Mining

concessions are only granted to Mexican companies and nationals or Ejidos (agrarian communities, communes, and indigenous communities). Foreign companies can hold mining concessions through their 100% owned Mexican companies.

Figure 4.1. The Los Pavitos Property location in Sonora State, northwestern Mexico.
The Los Pavitos Property is located in south Sonora, about 26 km east of Navojoa

The main obligations to maintain title to a concession and maintain the rights thereon in good standing are the performance of work expenditures, payment of mining fees and compliance with environmental laws. Mineral rights fees are paid semi-annually in January and July, and annual proof of exploration work expenditures is done via a work report filed by the end of May of the following year ("assessment" report or "comprobación de obras"). The amount of the mineral rights fees and the amount of expenditures required are calculated based on a per hectare rate that typically increases annually in line with annual inflation rates. The new rates are published each year in advance in the Official Gazette of the Mexican Federation ("Diario Oficial"). The Author has reviewed legal documentation provided by the Company but has not performed an exhaustive legal investigation into the status of the concessions including legal filings, tax payments and assessment work filings for past years. The Author has relied upon legal documents provided by Cascabel and Prismo. It was not within the scope of this Technical Report to examine in detail

or to independently verify the legal status or ownership of the Property. The Author has no reason to believe that ownership and status are other than has been represented.

The Mexican Senate approved a tax reform implementing changes effective January 1, 2014 which affects operating mining companies in Mexico. The changes include: the corporate income tax remaining at 30%; a new mining royalty fee of 7.5% on income before tax, depreciation and interest; an extraordinary governmental fee on precious metals, including gold and silver, of 0.5% of gross revenues; and changes affecting the timing of various expense deductions for tax purposes. This implies an effective combined tax and royalty rate of 35.25% depending on how deductions will be applied. The new rates put Mexico in line with the primary mineral producing nations of the world. Should the tax reform changes remain in place as is, the Property will be subject to the new tax regime.

Holding title to mineral properties in Mexico involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

4.2.1 Mineral Rights

Prismo has entered into the Option agreement dated October 11, 2019 with Cascabel to acquire 100% of the rights to the Los Pavitos Reduccion concession that makes up the Los Pavitos Property covering 5,289 hectares and constitutes Cascabel´s interest acquired government concessions (Table 4.1, Fig. 4.2). Cascabel obtained the concessions' rights through a mining application. The Los Pavitos Reduccion concessions surrounds a cluster of smaller concessions that were staked previously.

Table 4.1. Mining Concessions of the Los Pavitos Property included in the option agreement.

CLAIM	HECTARES	GRANTED	TITLE	EXPIRATION
Los Pavitos Reduccion	5289	January 18, 2015	243919	June 13, 2062
TOTAL	**5289**			

Title to the concession is registered to Minera Cascabel 100%.

Figure 4.2a. Los Pavitos Property.
The Los Pavitos Property consists of the Los Pavitos Reduccion concession shown in yellow, north of Highway No. 13. The Highway connects the city of Navojoa with Alamos, Sonora

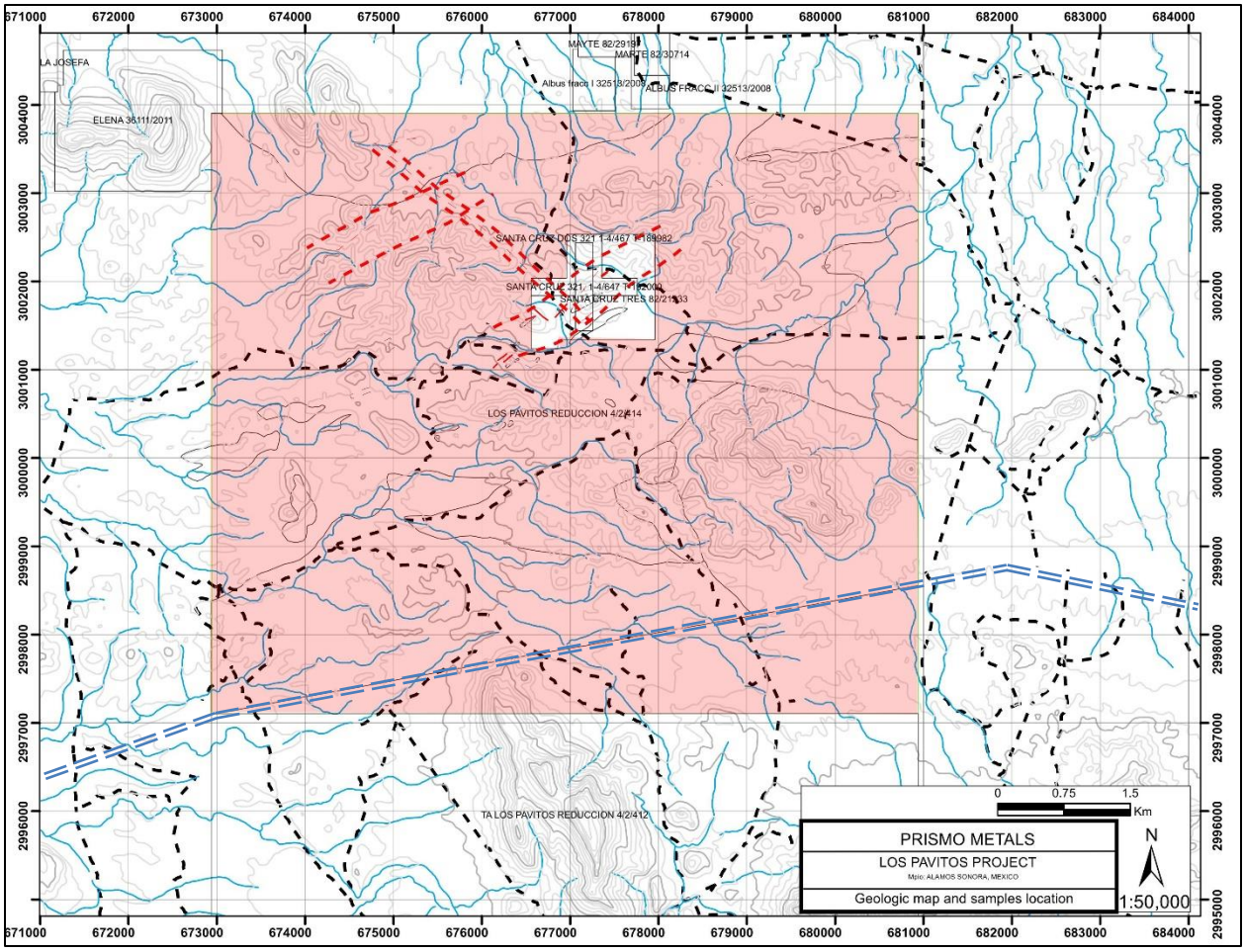

Figure 4.2b. Los Pavitos Property.
The Property consists of the Los Pavitos Reduccion concession, shaded pink, with small internal concessions unshaded. Highway 13 shown in blue dashed double line

The terms of the Option are as follows:

a) in consideration for being granted the Option, Prismo issued 2,000,000 units of Prismo at a deemed price of CAD $0.05 per unit, with each unit consisting of one common share and one share purchase warrant of Prismo, each warrant being exercisable at a price of CAD $0.10 on or before October 11, 2024;

b) agreed to make two cash payments of $10,710.00 and $27,489.00 to Mexican authorities as payments of owed taxes for 2018 and 2019 respectively; and

c) as additional consideration for Prismo to acquire all the rights, titles and interests of Cascabel to and in the Property, Prismo incurring a total of $1.5 million in Expenditures (as defined herein) on the Property during the Option period of five years, paying to Cascabel an additional amount of $500,000 less the amount paid for the owned taxes of 2019 and issuing an additional of 2,000,000 common shares of Prismo.

The terms Expenditures is defined in the Option agreement as all costs, expenses, obligations and liabilities of whatever kind or nature, spent or incurred directly or indirectly by Prismo in connection with the acquisition, maintenance (including taxes), exploration and development of the Property, including a charge

for management and other general or indirect costs, equal to a maximum of ten per cent (10%) of all other Expenditures.

The yearly minimum Expenditures, payments to Cascabel and issuance of shares to Cascabel are as follows;

a) Subject to Cascabel having paid taxes owed, incurring a minimum of CAD $75,000 in Expenditures for the first two years following the execution date of this Agreement, plus the funding of the preparation and delivery of a technical report on the Property prepared in accordance with National Instrument 43-101- Standards of Disclosure for Mineral Projects.

b) Paying an amount of $100,000 to Cascabel and incurring a minimum of CAD $100,000 in Expenditures on the Property for each of the third and fourth year following the date of this Agreement

c) Paying an amount of $300,000 to Cascabel, issuing to Cascabel, or as directed by Cascabel, 2,000,000 common shares and incurring a minimum of CAD $500,000 in Expenditures on the Property in the fifth year following the date of this Agreement, such Expenditures to include a drilling program of at least 2,500 meters.

d) Prismo will perform sufficient assessment work to satisfy the applicable government work commitment cost in the Property through the end of each tax period.

Mexican Mining Law requires certain mineral rights payments to be paid each January and July, and an annual minimum exploration work obligation (assessment work), is filed each May for the preceding calendar year. The required amounts are subject to modification as annual fee schedules are published by the Mines Registry in the Diario Oficial, the official gazette of the Mexican Government.

Table 4.1 shows the relevant data including the expiry date of the mining concession forming the Property. The Los Pavitos Reduccion concession surrounds three small concessions that cover the historic Santa Cruz mine; two of these concessions are reported as cancelled by the Mines Directorate. The Author of this Report has not verified the good standing of the concession and has relied on representations made by Prismo. To the best of the Author's knowledge the Company has a valid option to acquire the stated interest in this concession and the other rights as mentioned.

4.2.2 Surface Exploration Rights

Mining concession licenses in Mexico are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights for the areas covered by the mining concessions, and commonly involve leasing of the surface rights. In Mexico surface rights are owned by private persons or ejidos (local communal organizations), and agreements for access must be made with the surface owners before significant work can be conducted, particularly work involving surface disturbance. Initial exploration activities are commonly conducted with informal verbal agreements, with formal contracts being entered into for access for more advanced work.

The surface rights that cover the main areas of interest on the Property are controlled by the Francisco Villa Ejido as shown in Figure 4.3. Cascabel has not negotiated a formal surface rights agreement covering the Property but has a good relationship with the Francisco Villa Ejido. An informal verbal agreement allows access for initial exploration work, and a member of the ejido served as a guide during the Field Visit. A formal agreement will need to be entered into prior to proceeding with drilling or road construction. With further work it may be necessary to investigate the owners of the surface rights to the part of the concession not covered by the Francisco Villa Ejido.

The Author has not examined the details of the surface ownership and has relied on the representations of the Company and on public information available on government websites.

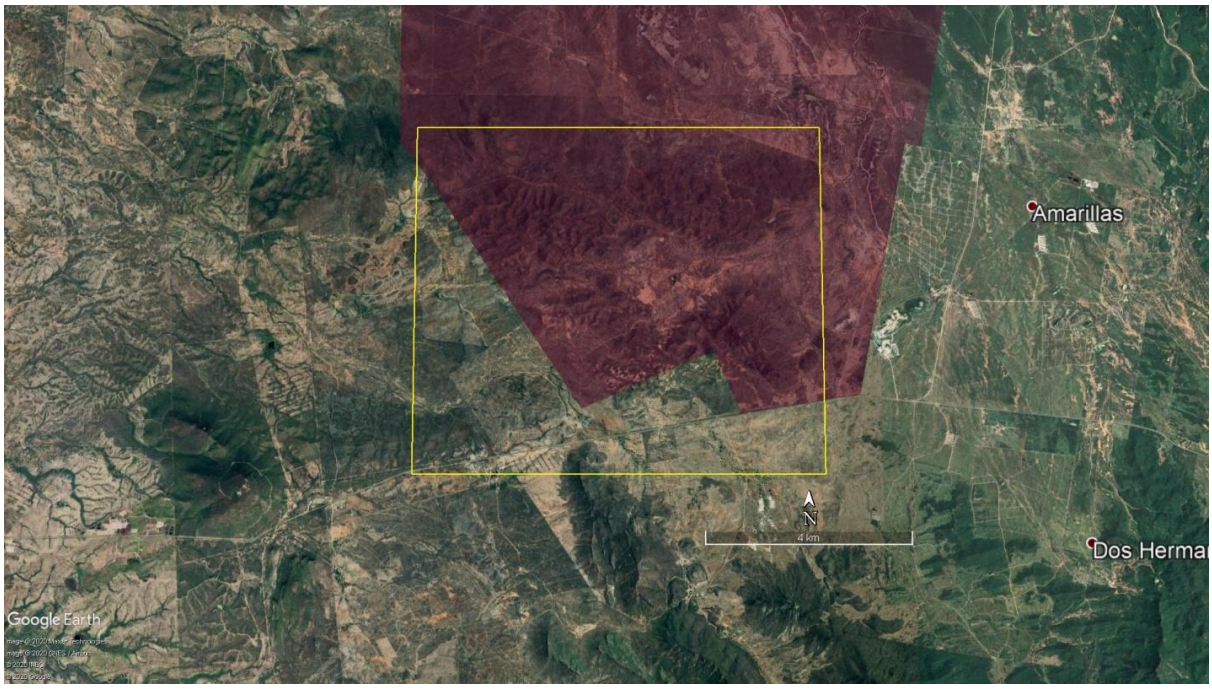

Figure 4.3. Surface rights for the Los Pavitos Property.
The Francisco Villa Ejido covers the northern portion of the Los Pavitos Reduccion concession and is the area of greatest interest for the current exploration work.

4.2.3 Permits and other Considerations

Exploration activity must be performed in accordance with the applicable Mexican Official Laws and Standards (*Normas Oficiales Mexicanas*). The Los Pavitos Property does not fall within any Natural Protected Area (*Area Natural Protegida*). At the current time with exploration mapping and sampling, no permits other than permission for access from the surface owners is required. More advanced exploration work including drilling on existing roads but with no new road construction or other surface disturbance requires the filing of a Preventative Notice (*Informe Preventivo*) with SEMARNAT the agency responsible for issuing environmental permits. Once filed, the agency has twenty calendar days to respond, issuing an approval or requesting more information. The response is called a resolution (*resolutivo*) and it details the requirements and/or limitations for the permit. If there is no response within twenty days, the permit is deemed to have been approved. With the approval of the Preventative Notice and if required, a letter of initiation of activities (*Aviso de Inicio de Actividades*) received and stamped by the government authorities, work can begin. In the case of new surface disturbance such as road construction, certain studies must be filed and approved, including a Technical Study Justifying a Change of Land Use (*Estudio Técnico Justificativo para Cambio de Uso de Suelos*) and an Environmental Impact Statement (*Manifiesto de Impacto Ambiental*) covering the areas to be affected. These documents are combined in a Unified Technical Document (DTU). The required permits and the stage when they are required are shown in Table 4.2.

At the present time, the exploration activities have not required a Preventive Notice due to only sporadic exploration consisting of sampling and surface mapping. For future trenching and drilling a Preventive Notice will need to be filled as shown in Table 4.2. To the Author's knowledge, there are no environmental liabilities related to the Property.

To the Author's knowledge there are no other permits or agreements that are needed to explore the Property, and there are no other significant factors or risks that may affect access, title or the right to perform work on the Property.

Table 4.2. Permitting Requirements for the Los Pavitos Property

Permit	Relevant to	Status
Letter of Initiation of exploration activities and Preventative Notice (Informe Preventivo);	Early exploration/drilling	Required for drilling
The Permit for Change of Land Use in Forested Area and Environmental Impact Statement (DTU) issued by the State Delegations of Secretary of the Environment, Natural Resources and Fisheries (SEMARNAT)	Transitional, for surface disturbance in advanced exploration to the development stage	Not necessary until surface area is to be disturbed

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

5.1 Topography, Climate, Physiography

The Los Pavitos Property is located in the Physiographic Province of Llanura Sonorense. The Property is located on the western slope of the Sierra Madre Occidental and 55 km from the coast of the Gulf of California, between the cities of Navojoa and Alamos (Figs. 4.1, 5.1). The topography is flat with rolling hills with elevations of as much as 450 meters above sea level at a peak in the southeastern corner of the concession. The lowest elevation is about 175 meters in the western part of the concession with mountain peaks to the southeast of the property rising to over 1500 meters in elevation. The Company's activities are conducted primarily at an elevation of between about 200 and 300 metres. The Property is located in the Alamos Municipality and lies in the valley of a tributary of the Rio Mayo and is part of the Rio Mayo catchment basin, which drains to the coastal plains and the Gulf of California.

The climate in the region is classified as arid to semi-tropical. According to the national Meteorological Service the average annual temperature is 22 degrees Celsius with average highs in summer of 36 degrees Celsius and average lows in winter of 8 degrees Celsius. Temperatures can range from about 4 degrees Celsius to over 39 degrees Celsius. Precipitation averages 852 millimetres per year, and rainfall occurs mainly from late June to early October during a monsoonal tropical wet season that includes the influence of hurricanes mainly from the Pacific coast. Winters are relatively dry.

Figure 5.1. Satellite view of the Los Pavitos Property region.
Satellite view from Google Earth showing the region surrounding the Los Pavitos Property, shown in yellow. The Property is located at the west slopes of the Sierra Madre Occidental near the transition to the coastal plain. Main sites shown in the image are Mocuzari dam to the NE, Navojoa City to the west-southwest and Alamos town to the southeast.

5.2 Vegetation

Vegetation on the Property is classified as dry to semi-humid deciduous tropical forest with both desert and jungle type plants. Thorny plants and cacti dominate the vegetation during the dry season with abundant thorny bushes and small trees such as chirahui, creepers and chicura in arroyos, with mesquite and torota trees at higher elevations in the surrounding region. The foliage becomes green and dense near water dams and streams and jungle-like during the rainy season. Surface land use is dominantly grazing for goats and cattle. Some timber is harvested from the region to be used for firewood.

5.3 Accessibility

The town of Alamos lies about 30 km E-SE of the Los Pavitos Property with an estimated population of 25,700 (Figs. 5.1). Alamos is reached from Navojoa, Sonora by the State highway No. 13. The nearest major city is Navojoa, about 22 km west southwest of the Property and an approximately 15 to 20-minute drive (Figure 4.1). The nearest fuel station is located at Navojoa. The Property is accessible by highway 13 from Navojoa to Alamos, with a regular to poor quality dirt roads crossing the central part of the Los Pavitos concession. Exploration activities can be carried out year-round.

5.4 Local Resources and Infrastructure

The Property is about 22 kilometers E-NE of the city Navojoa, with the most significant infrastructure in the area. Alamos has markets, service stations and lodging available. The population of the municipality is approximately 25,700, with large population centers mainly outside the municipality at Navojoa and Ciudad Obregon. A semi-skilled work force for a variety of technical personnel and mining staff and an unskilled work force are available in communities close to the Property and are sufficient to provide laborers throughout exploration stages. The nearest international airport is Ciudad Obregon International Airport (CEN) at Ciudad Obregon, an industrial and agricultural destination with daily national and international flights located approximately one hour from the Property which itself can be reached by the interstate highway 15.

The local economy consists of small-scale livestock and tourism services, and the area is known as an important mining center with historic medium to larger scale mining evident and several small mills in operation. All major supplies and services are available from Ciudad Obregon, Navojoa or Alamos.

Power from the national grid is available at the Francisco Villa Ejido, which is 2.3 km from the Property. There is no local water system, but water is available in streams near the Property and a local irrigation system. This water is sufficient for the needs of a small drill program. The mining concession is relatively large, with an area sufficient for an underground or open pit mining operation including installations and waste dumps.

6.0 HISTORY

The early history of the Property is not known but small-scale exploration and exploitation is evidenced by numerous small historic mines and prospects, probably by informal miners called gambusinos. There are no references about native exploitation before the Hispanic period. The Mining Districts of Alamos and Minas Nuevas were well known since the XVII Century when the mines were exploited by Don Pedro Garces and the heiress of Don Jose Maria Moreno when they exploited high grade Ag-Au ore shoots in the veins during that time from mines such as Minas Nuevas, La Aduana, La Zambona and Promontorio. These mines had great activity and due to the economic boom in the region, in 1683 La Aduana was established as the main economic center in Northwestern of Mexico. Mining activities have continued intermittently for more than three centuries to the present. Mines and mills remained active during the Mexican Revolution.

Modern mining and exploration activities in the region are focused in areas mainly close to Alamos with mines at Cobre del Mayo (Cu) and Alamo Dorado (Ag, recently exhausted and closed). Exploration is being carried out by Minaurum Gold Inc. in the Minas Nuevas area; and in Las Minitas, near the Mocuzari dam. Other companies working in the region are Azure Minerals and Minera Puma.

Sonora State is also best known for agriculture, cattle raising and for metal mining. Mining is an important industry and numerous mineralized areas are known and documented. The Alamos-Minas Nuevas mining district is historically the most important silver producer in Sonora with abundant mines and prospects. Currently several small mines produce mineralized rock for a few mills in operation in the region.

6.1 Exploration

No systematic exploration work is known to have been carried out on the Property. Past exploration and exploitation work is evident by numerous historic workings apparently completed by informal gambusino

miners, consisting mainly of small underground workings and prospect pits. What appear to be trenches cut across structures were also observed in some areas.

Cascabel

In 2012 and 2014 Cascabel carried out two reconnaissance field visits with the objective of defining and evaluating mineralized structures and the exploration potential of the Property (Fig. 6.1). A total of 110 rock chip samples and 52 soil samples were collected at the Property in these two stages of exploration (Fig. 6.2). In the first stage, carried out by Rafael Gallardo and Manuel Campa from Cascabel in 2012, twenty-one rock chips samples were taken from several areas across the Property to identify mineralized structures and a reconnaissance geologic map was completed. Several northeast trending veins were sampled in the Santa Cruz area partly covered by the small internal concessions previously mentioned and some outcrops of skarn in the south eastern corner of the concession were mapped and sampled. The samples from the Santa Cruz area yielded interesting assay results for gold and silver from several vein exposures in small historic workings, with samples of 3.49 g/t Au and 6.2 g/t Ag; >10 g/t Au and 59.8 g/t Ag; and 7.36 g/t Au and 10.7 g/t Ag along with locally anomalous base metals and arsenic (Table 6.1). One sample of skarn in the southeastern corner of the Property yielded 1.47 g/t Au and 20.1 g/t Ag. (Fig 6.x, Table 6.1).

In 2014, a second phase of exploration work was carried out by Minera Los Lagartos SA de CV. (a company affiliated with Cascabel). Geologists Pavel Willys and Paul Lopez, supervised by Rafael Gallardo, completed a soil and rock chip sampling program along with geologic reconnaissance mapping at 1:10,000 scale. During this phase, mineralized structures were mapped and sampled and possible extensions were delimited. New areas were also visited with the objective of integrating the information to better determine the potential of the Property. A total of 89 rock chip samples were taken across the trend of mineralized structures, including elected samples taken from altered outcrops (Table 6.2). The rock sampling completed was for the purpose of confirming the presence of mineralization as previously reported and extending this information to new areas. This work was not systematic. Two general trends of mineralized structures were noted, a northeast trend observed in two structural corridors, denominated Oromuri and Santa Cruz, and a northwest trend that is less pronounced but visible in several areas termed Las Auras (Fig. 6.1). About 600 meters of strike length on the mineralized systems were sampled, and some samples were taken on other structures. (Figure 6.2, Table 6.2). During this second stage of work 52 soil samples were also collected in four lines perpendicular to the Santa Cruz mineralized trend along strike in areas with poor outcrop (Table 6.3).

Centerra Gold Corp.

In October 2018, Centerra Gold Corp. (Centerra) carried out an evaluation of the Property with the intention of negotiating an option agreement with Cascabel. Centerra spent ten days performing geologic reconnaissance, soil and rock sampling, and collected 63 samples in total, 42 of soil and 21 of rock chips (Tables 6.4 to 6.6). Three soil lines were sampled, L-1 parallel to Santa Cruz trend and crossing the projection of the Las Auras trend; L-2 across the Oromuri trend and L-3 perpendicular to the Las Auras structure (Fig. 6.2).

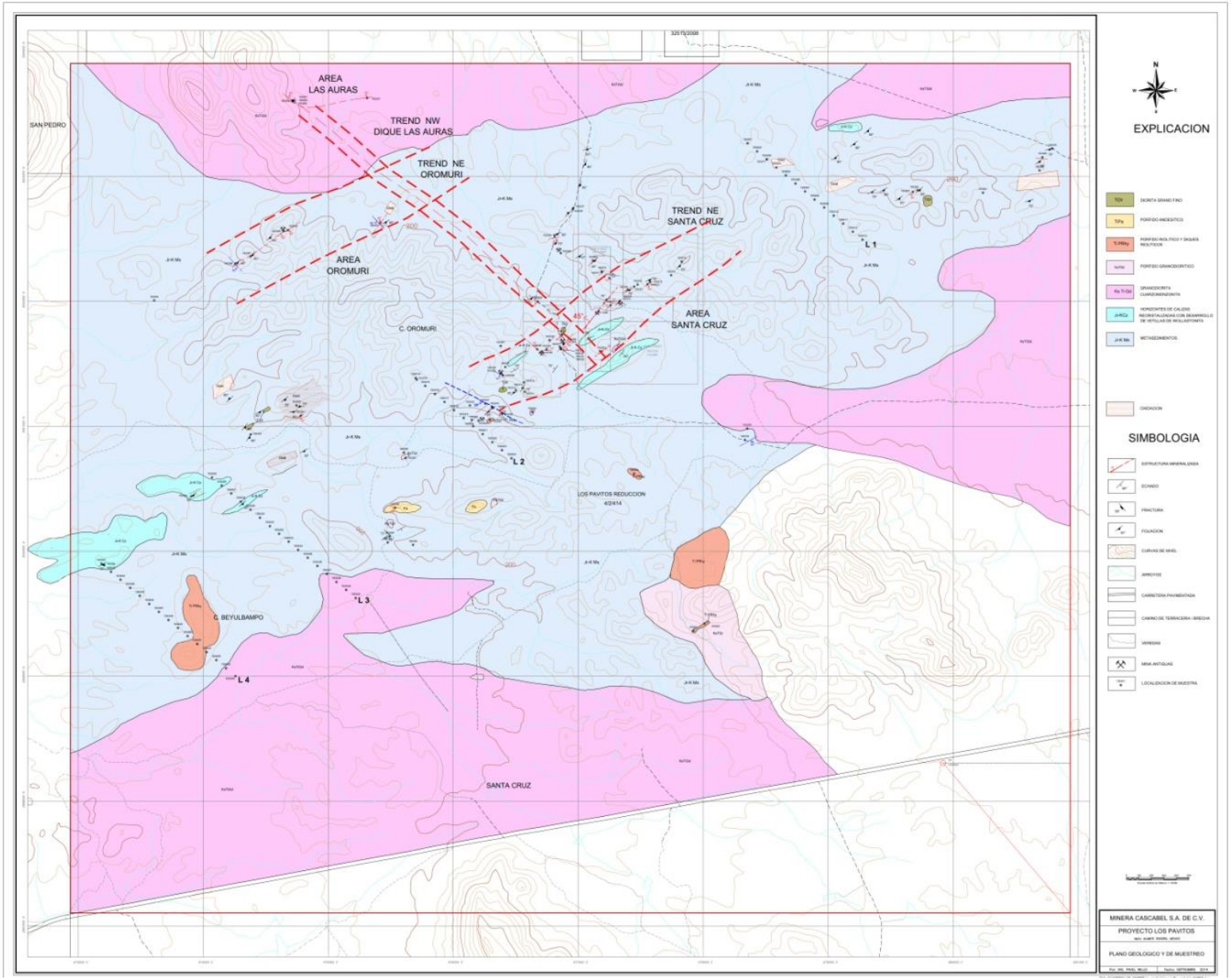

Figure 6.1. Geologic map at 1:10,000 from work completed by Cascabel.

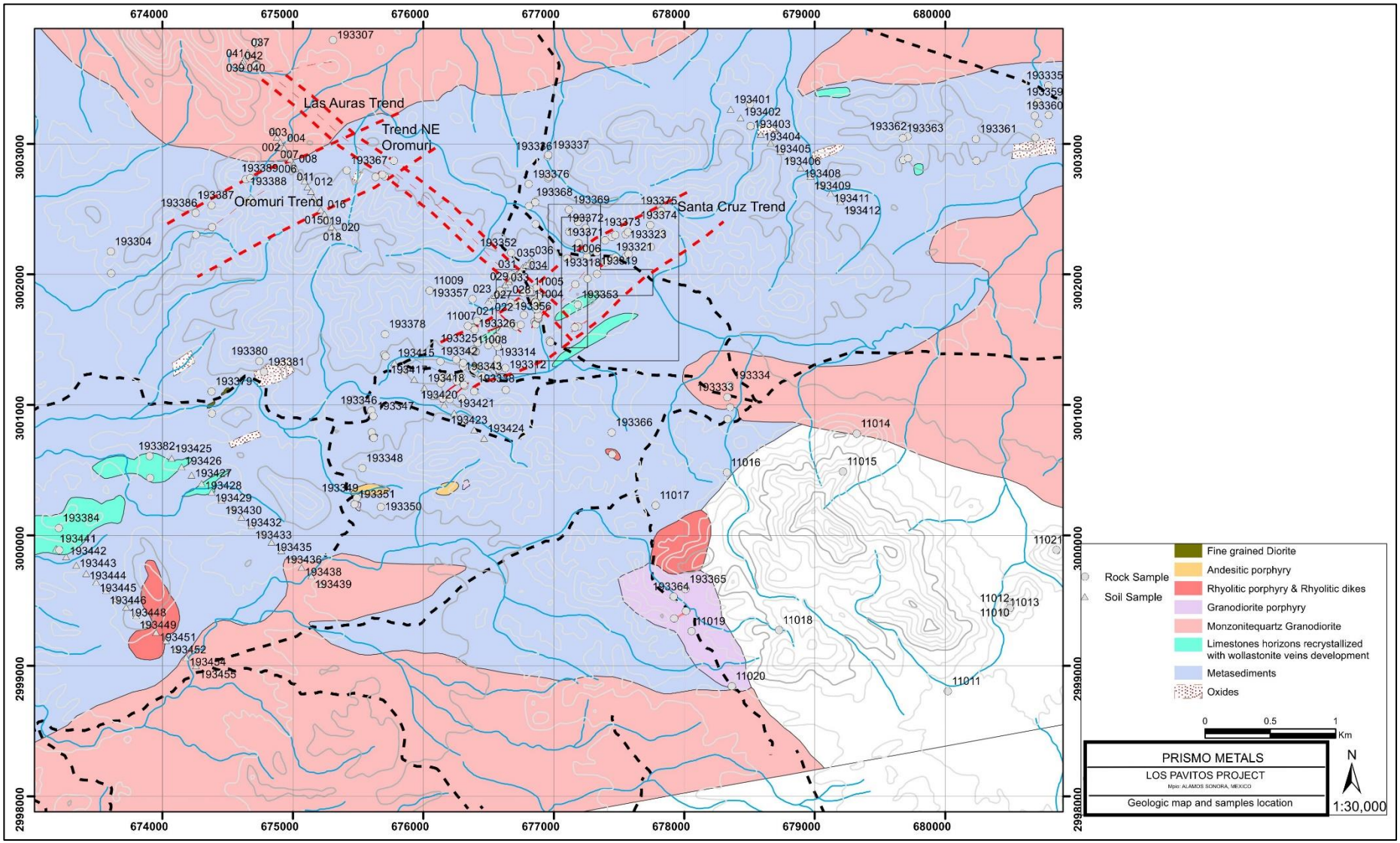

Figure 6.2. Location of rock and soil samples taken at Los Pavitos by Cascabel and Centerra.

6.1 Results of Exploration

The work conducted by Cascabel defined two main structural controls on mineralization and three possible trends or structural corridors as well as some skarn mineralization (Fig. 6.1). The trends host the Au-Ag mineralized structures as veins, stockwork, veinlets and shear zones. Two trends, Santa Cruz and Oromuri strike 40-60° to the northeast, dip mainly to the northwest and are composed of shear zones, veins and stockworks hosted in the deformed volcanosedimentary sequence. The trends are separated by about 1.5 kilometers. The third trend, Las Auras, strikes 40-50° to the northwest and dips to the northeast and consists of veins and stockwork zones hosted in rhyolitic and quartzmonzonitic dykes with strong sericitic alteration and may extend to intersect the other trends (Figure 6.1).

Rock chip samples have yielded interesting precious metals values of as much as 40.8 g/t Au and 160 g/t Ag in several areas of the concession (Tables 6.1, 6.2, Figs. 6.3, 6.4). Although some of the samples lie on the internal concessions at the Santa Cruz mine area, many of them are on the Los Pavitos Reduccion concession. Assays for the base metals are locally elevated (Fig. 6.5-6.7) and arsenic and antimony show local high values (Figs. 6.8, 6.9). Soil samples collected on four lines perpendicular to the NE Santa Cruz trend, show anomalous gold, silver, and arsenic values: L1, 10-53 ppb Au, 78-159 ppm As, 0.3-0.6 ppm Ag; L2, 20-128 ppb Au, 80-457 ppm As, 0.4-0.9 ppm Ag; L3 and L4 show only low As anomalies in order of 62-80 ppm. (Figs. 6.10, 6.11) (Tables 6.1, 6.2, 6.3).

Results from the Centerra exploration yielded similar results to those of Cascabel, with average gold in soils of 20-30 ppb but with as much as 130 ppb, but assays for other elements are not available (Table 6.6). Rock chip samples taken by Centerra showed generally low gold values with as much as 2.41 ppm, Ag with two values of more than the upper detection limit of 100 ppm, Cu 405 ppm, Pb 0.21%, Zn 0.14% and relatively high values in As, Sb and Hg (Tables 6.4, 6.5).

The exploration work has been successful in identifying several mineralized zones at Los Pavitos. Rock samples along the structural zones in outcrops and in old workings yielded interesting precious and base metal values in several areas. Soil sampling in covered areas along strike show interesting geochemical anomalies of gold and arsenic.

Based on the results of the mapping and sampling program, Cascabel and Prismo decided to continue the exploration with an option agreement.

Table 6.1. Rock chip samples description and assay results of first reconnaissance carried out by Minera Cascabel in 2012.

SAMPLE	COORDINATES		ELEVATION		SAMPLE	Au	Ag	Cu ppm	Pb	Zn	Bi	Mo	As	Sb	Hg
SAMPLE	NORTH	ESAT	(mts)	DESCRIPTION	SAMPLE	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
11001	3004060	672715	203	Dark Brown redish metasediments strongly oxidised by hem, lim with moderated silicifised weak drussy qtz in veinletting.	11001	<0.005	<0.2	162	27	122	3	13	148	5	<1
11002	3004081	672710	213	Dark Brown redish metasediments strongly oxidised and argillized by hem, lim, goe.t with moderated silicifised drussy qtz in veinletting.	11002	0.006	0.2	183	55	49	3	44	407	5	<1
11003	3004081	672710	212	Dark Brown redish metasediments strongly oxidised by hematite limonite. Veinletting gray qtz	11003	<0.005	<0.2	165	4	380	2	1	96	3	<1
11004	3001885	676817	227	moderated silicifised interbandded in foliation. With trace Py and Cpy diss. Trench sample.	11004	3.49	6.2	187	526	78	5	1	5040	12	<1
11005	3001867	676816	227	Dump sample Dark Brown redish metasediments strongly oxidised by hematite limonite with moderated silicifised with interbanded in foliation with malaquite crisocola azurite in fracture.	11005	0.322	30.4	>10000	10	601	<2	3	317	100	<1
11006	3002122	677102	202	Santa Cruz Mine dump sample metasedimentas srongly oxidiced with hem lim goet and patches Py with veinletting gray qtz stockwork AZ 210/60	11006	>10.0	59.8	3130	2030	6060	9	3	>10000	75	1
11007	3001605	676341	246	Dark Brown redish metasediments strongly oxidised by hematite limonite with moderated silicifised interbanded in foliation with veinletting gray qtz and trace Py	11007	0.769	5.4	211	415	122	2	1	430	9	<1
11008	3001422	676384	254	Dark Brown redish metasediments strongly oxidised by hematite limonite with moderated silicifised interbanded in foliation with veinletting gray qtz and trace Py	11008	7.56	10.7	407	366	545	13	3	2660	17	1
11009	3001876	676048	251	Vein milk Qtz 30 cm Az 20/45 containg oxidised with hematite and manganeso in fracture	11009	0.017	<0.2	22	4	6	2	<1	15	<2	<1
11010	2999488	680502	282	Old work 2 mts brown redish endoskarn contains weak malaquite in fracture and moderated oxidized by hematite limonite	11010	1.47	20.1	>10000	15	168	<2	8	56	5	<1
11011	2998806	680021	253	Old work (cata) 4 mts cream granite fine grainet contains malaquite in fracture and hematite, patchy biotite remplaced by chlorite.	11011	0.021	2.5	3840	12	11	6	2	5	3	<1
11012	2999442	680496	289	Endo skarn green brown anhedral to subhedral tightly packed garnet medium granied andradite grosularita contains moderated oxidized with hematite limonite and goetite	11012	0.007	<0.2	112	13	40	5	<1	16	9	<1
11013	2999410	680463	280	Cream redish rhyolite strongly silicifized aphanitic texture contains stronly oxidised with hematite and moderated py diseminated 3%	11013	0.012	0.9	94	41	53	4	10	555	10	<1
11014	3000780	679322	247	Cream redish rhyolite strongly silicifized aphanitic texture contains stronly oxidised with hematite and moderated argilized and Py diseminated close contact with granite	11014	0.025	1.3	64	18	38	7	4	49	2	<1
11015	3000489	679217	372	Cream redish rhyolite pohpyritic strongly silicifized aphanitic texture contains stronly oxidised with hematite and moderated py diseminated 3%	11015	0.006	0.3	24	5	20	3	5	6	<2	<1
11016	3000482	678327	245	Cream redish rhyolite strongly silicifized aphanitic texture contains stronly oxidised with hematite and moderated argilized and Py diseminated close contact with granite	11016	<0.005	<0.2	18	5	23	2	5	4	<2	<1
11017	3000230	677780	244	Brown and redish breccia rhylitic contains strongly oxidized and very fine Py diss Autoclastic breccia	11017	<0.005	0.6	40	293	94	2	295	317	65	6
11018	2999274	678726	312	Cream and pale brown granite fine grained with veinletting biotite and breccia turmaline	11018	<0.005	<0.2	2	10	26	2	1	4	2	<1
11019	2999265	678056	256	Dike andesite basaltic ? Presenta amygdales filled qtz and strongly oxidized by hematite and fine sulfide neatocita ?	11019	<0.005	<0.2	34	4	89	<2	2	37	3	<1
11020	2998844	678364	256	Endo skarn green brown anhedral to subhedral garnet medium granied andradite grosularita contains moderated oxidized with hematite limonite and goetite	11020	<0.005	<0.2	2	26	20	2	<1	13	4	<1
11021	2999889	680853	293	Endo skarn green brown anhedral to subhedral garnet medium granied andradite grosularita contains moderated oxidized with hematite limonite and goetite	11021	<0.005	<0.2	9	6	37	<2	<1	29	7	<1

Table 6.2. Rock chip sample descriptions and assay results from the second reconnaissance at Los Pavitos carried out by Cascabel in 2014.

PROJECT:	LOS PAVITOS				AREA: Los Pavitos, Navojoa, Sonora										
DATE:	Julio, 2014				GEOLOGIST: Pavel Willis-Rafael Gallardo										
	NAD 27 Mexico						Au	Ag	Cu	Pb	Zn	Bi	Mo	As	Sb
SAMPLE	EAST	NORTH	WIDE(Mts)	TYPE	DESCRIPTION	SAMPLE	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm	ppm
193301	674723	3003608		Dump	Fragmentos de Cuarzomonzonita grano fino a medio, stwk cuarzo cristalino, vetillas de hematita, jarosit	193301	2.210	3.30	31	466	885	7	3	1565	6
193302	674714	3003608	0.20	Chip-Channel	Estructura N55W/65NE (Az 305/65) de Cuarzo sacaroide con fuerte hematita en vetillas, Sulfuros oxida	193302	2.190	4.70	16	185	680	<2	3	2060	5
193303	674719	3003604		Chip	Bajo de anterior, superficie de falla. Cuarzo cristalino, sulfuro negro parches, escurodita en parches, her	193303	0.634	15.00	23	733	1440	<2	1	1805	8
193304	673607	3002007		Dump	Terrero en pozo de agua, esquisto de biotita, bandas de cuarzo, sericita, hematita, jarosita, MnOx en fo	193304	0.011	0.20	85	8	40	<2	1	72	2
193305	671944	3000970		Floats	Rodados de esquisto bandeado, fuertemente oxidado, bandas de cuarzo gris, sulfuros oxidados disemi	193305	0.019	0.30	60	18	18	<2	6	38	2
193306	671455	3000465	1.70	Chip-Channel	Caliza laminada, fuerte oxidacion, trazas de sulfuro negro en bandas de cuaarzzo gris, clorita-sericitaa	193306	0.015	0.80	114	16	586	<2	2	164	5
193307	675311	3003628	1.50	Chip-Channel	Vetilleo de Cuarzo N85°E/70°SW, (Az 265/70), abundante hematita, debil jarosita, sericita en bordes, ja	193307	0.011	1.00	15	15	6	2	2	297	<2
193308	676880	3001662	0.20	Chip-Channel	Obra en zanja, Estructura N40°W/80SW, Cuarzo sacaroide, AgS trazas en parches negros, jarosita-he	193308	0.496	54.20	309	11500	138	11	1	877	27
193309	676883	3001660		Chip	Obra en zanja, muestra tomada en la pared del bajo de la estructura N40°E/80°SE, Oxidos de arsenico	193309	0.326	1.90	473	98	505	<2	4	1035	2
193310	676870	3001732	1.00	Chip-Channel	Pequeña obra, estructura de cuarzo gris con oxidos de arsenico y sulfuros negros,N40°W/80SW, MnO	193310	0.493	21.20	665	4320	138	32	<1	551	10
193311	676573	3001277		Chip	Esquisto bandeado debilmente calcareo, con oxidos en bandas, MnOx en fracturas, moderadamente si	193311	0.027	2.20	36	114	757	3	1	28	7
193312	676632	3001115		Suboutcrop	Granodiorita fuertemente oxidada, vetillas de hematita y cuarzo sacaroide.	193312	0.014	3.20	23	52	58	<2	4	210	23
193313	676501	3001289		Chip	Metasedimentos café rojiso, arsenopirita diseminada,calcopirita y pirita en trazas, clorita,fuertemente si	193313	0.255	0.30	34	13	20	<2	1	383	5
193314	676554	3001307		Chip	Caliza recristalizada color gris,bandas de oxicod de Fierro,pirita en trazas, foliacion N40°E/70°SE	193314	0.010	<0.2	3	9	19	<2	<1	13	3
193315	676567	3001352		Suboutcrop	Metasedimentos color gris, fuertemenete foliado,ssericita ematita en planos,sufuros de oxidados	193315	0.011	0.20	31	4	85	<2	<1	25	<2
193316	676416	3001475		Chip	Metasedimentos calcareos baja silicificacion diseminados de arseno pirita,clorita trazas, oxidos amaril	193316	<0.005	0.40	22	11	903	<2	1	22	3
193317	677258	3001968		Chip	Metasedimentos color gris, vetillas de cuarzo sugar, N40E/75°NW.	193317	<0.005	<0.2	49	11	43	<2	1	26	<2
193318	677332	3002003		Chip	Pequeñas catas alineadas NE, estructura de cuarzo con FeOx y Oxidos de arsenico en fracturas, veta	193318	0.407	0.50	130	46	80	<2	5	842	9
193319	677332	3002003		Dump	Catas, fuerte Hematita, limonitas, cuarzo drusado, Oxidos de Arsenico, brechas, microtrazas de sulfur	193319	5.260	65.70	788	1970	1710	4	43	4150	70
193320	677396	3002093		Chip	Metasedimentos N60°E/76 SE, café rojiso, sericita diseminada, parches de hematita-limonita, microbre	193320	0.979	3.00	38	26	9	2	4	1340	12
193321	677448	3002119		Chip	Metasedimentos café rojiso, vetillas de cuarzo sugar, hematita-limonitas, trazas de Oxidos de Arsenico	193321	0.032	1.00	153	4	252	2	2	156	2
193322	677475	3002134		Chip	Metasedimentos café rojiso, vetillas de cuarzo sugar.	193322	0.106	1.60	33	6	15	<2	5	160	2
193323	677554	3002138		Chip	Metasedimentos café rojiso, hematita-limonita en fracturas y huecos, vetillas de cuarzo blanco, N60°E/	193323	1.110	2.60	104	74	468	14	28	1540	2
193324	676384	3001424		Chip	Cata, Veta de Cuarzo N73°W/45SW, Oxidos de arsenico, vetillas de cuarzo posteriores,clorita, hemati	193324	0.696	0.90	75	50	128	<2	1	566	3
193325	676383	3001422		Dump	Fragmentos de veta de cuarzo, arsenopirita, Hematita-jarosita, Oxidos amarillos AsOx.	193325	1.390	2.20	136	62	332	<2	1	1090	2
193326	676396	3001408		Dump	Fragmentos de veta, Oxidos,escorudita en vetillas,cuarzo en vetillas,sulfuros oscuros, Oxidos de arseni	193326	1.515	39.10	332	9710	944	22	<1	2940	69
193327	676852	3001637	2.00	Chip-Channel	Metasedimentos, vetillas de cuarzo,jarosita, limolita, oxidos de arsenico, leves bandas de hematita N35	193327	0.436	0.90	105	45	41	2	<1	843	3
193328	667857	3001627		Chip	Dique monzonitico color gris, intemperisado, biotita,cuarzo en fractura, minerales oscuros, hematita en	193328	0.011	<0.2	4	25	57	<2	<1	15	<2
193329	676861	3001623	1.00	Chip-Channel	Dique monzonitico color gris con sericita,oxidos con sulfuros opacos, cuarzo en vetilas, hematita. N50	193329	0.053	0.40	61	32	67	<2	<1	204	<2
193330	676861	3001623	0.30	Chip-Channel	Dique monzonitico grano medio,pirita diseminada, debil silicificacion, minerales oscuros, poca sericita,	193330	0.014	0.40	11	19	35	<2	<1	233	2
193331	676861	3001622	2.50	Chip-Channel	Metasedimento, jarosita-hematita en planos de exfoliacion, vetilas de cuarzo, minerales oscuros, N50	193331	0.529	1.60	134	177	149	3	<1	1145	<2
193332	676862	3001617	0.15	Chip-Channel	Estructura de cuarzo, hematita, jarosita, oxidos amarillos N50E/70NW	193332	0.278	0.60	49	34	62	<2	<1	953	<2
193333	678333	3000891		Chip	Metasedimentos color gris, oxidos, fuerte fracturamiento, con turmalina,hematita,jarosita,Qz azucarado	193333	0.007	<0.2	30	16	108	2	11	205	<2
193334	678352	3000982		Chip	Metasedimentos color gris, hematita,fuertemete fracturada, vetillas de carbonatos de calcio, en contact	193334	0.006	0.50	14	41	60	<2	2	60	<2
193335	680793	3003280		Channel	Metasedimentos color gris, con bandas de hematita, y bandas de minerales oscuros paralelos a la folia	193335	0.050	<0.2	115	2	30	<2	2	32	<2
193336	676956	3002737		Chip	Metasedimentos color gris, fuertemente fracturado, vetillas de cuarzo,hematita en planos de foliacion, N	193336	<0.005	<0.2	15	3	8	2	<1	45	<2
193337	676961	3002748		Chip	Metasedimentos, bandeamientos de minerales opacos,Qz, Hematita, sulfuros opacos, N50E/70SE	193337	<0.005	<0.2	14	<2	5	<2	<1	40	<2
193338	676390	3001104		Chip	Posible dique color claro silicificado, riolitico, Qz en vetillas y lentes, Py oxidada, Jarosita, hematita	193338	0.007	0.20	26	10	17	2	5	150	<2
193339	676307	3001126		Chip	Metasedimento color gris,bandas de minerales opacos,clorita, bandas de mineral café trslucido,hematit	193339	<0.005	0.50	46	30	49	<2	1	41	3
193340	676309	3001154	.30 cm	Channel	Vetillas de Cuarzo, encajonado por los metasedimentos, jarosita,hematita, oxidos amarillos, N50°E/85	193340	0.007	0.30	31	6	14	<2	<1	109	<2
193341	676256	3001181		Chip	Metasedimentos, oxidos de As, clorita, hematita, minerales opacos, vetillas de Qz, bandasd de colores	193341	0.056	1.00	56	11	31	<2	1	235	3
193342	676134	3001166		Chip	Metasedimentos, fuertemente fracturados, silicificados, hematita, oxidos amarillos, minerales opacos, M	193342	0.014	0.50	57	15	43	<2	<1	165	<2
193343	676294	3001051		Chip	Subaflormiento posible dique riolitico, silicificado, oxidos amarillos, hematita, Qz, minerales oscuros	193343	0.059	1.40	21	351	359	2	<1	59	<2
193344	676203	3001044		Chip	Metasedimentos silicificado, jarosita, galena, clorita, oxidos y sulfuros negros, carbonatos, posible ska	193344	0.007	3.20	1	1210	851	3	<1	10	3
193345	676148	3001051	1.00	Channel	Subaflorammiento, veta de Cuarzo, vetillas de minerales opacos, hematita y jarosita en fractura, sulfuro	193345	<0.005	<0.2	11	4	11	3	<1	20	<2
193346	675604	3000790		Chip	Hornfels color café claro a oscuro, oxidos de cuarzo, hematita, jarosita, sulfuros negros, fuerte fracturan	193346	0.005	0.20	24	18	78	2	<1	33	<2
193347	675619	3000746		Chip	Metasedimentos con fuerte silicificacion, con pirita deseminada, oxidos oscuros y hematita en fracturas	193347	<0.005	1.80	10	42	84	2	5	29	2

Table 6.2. Cont.

193348	675535	3000347		Chip	Porfido andesitico con vetillas de cuarzo, hematita, pirita trazas, cuarzo rosado, clorita trazas N80°W/7	193348	0.007	<0.2	27	3	11	<2	<1	11	<2
193349	675493	3000119		Chip	Metasedimentos, diques pequeños de granito grano grueso, pirita oxidada, hematita en bandas y mine	193349	<0.005	<0.2	4	4	24	2	1	27	<2
193350	675678	3000051		Chip	Metasedimentos con moderada silicificacion, vetillas de cuarzo finas, vetillas de hematitas, manganeso	193350	<0.005	<0.2	5	3	29	<2	<1	28	<2
193351	675475	3000071		Chip	Metasedimentos. Fuerte fracturamiento, vetillas de hematita, cuarzo, minerales opacos, N75°E/60SE	193351	<0.005	<0.2	9	5	27	3	2	104	2
193352	676676	3001998		Chip	Vetillas de cuarzo con mineralesoscuros, hematita, cuarzo rosado, N55°W/80SW	193352	<0.005	0.30	29	3	13	2	<1	18	<2
193353	677186	3001600		Chip	Metasedimentos, fuerte fracturamiento relleno de hematita, jarosita, boxwork de pirita deiseminados.	193353	1.025	160.00	152	2840	278	2	<1	>10000	403
193354	676746	3001614		Chip	Cata, veta de cuarzo con pirita diseminada, parches de cuarzo gris, Arsenopirita trazas, mineral negro t	193354	0.104	1.10	59	71	98	2	3	118	9
193355	676709	3001600		Dump	Cata, fragmentos de cuarzo, fuerte hematita, jarosita en fracturas, oxidos amarillos.	193355	0.058	0.50	37	12	18	3	<1	62	<2
193356	676672	3001617	0.50	Chip-Channel	Cata, veta de cuarzo N50W/75°NE, CuOx, hematita en fracturas, MnOx, trazas de mineral negro, en m	193356	0.097	11.90	6220	11	204	2	3	146	21
193357	676380	3001644		Chip	Metasedimentos fuerte oxidacion entre los planos de foliacion, PyOs dieminada, vetillas de hematita, N	193357	0.018	0.40	73	9	14	<2	1	82	13
193358	676770	3001690	1.00	Chip-Channel	Veta de cuarzo blanco, manchas rosadas y gris claro, hematita en fracturas.	193358	<0.005	<0.2	13	<2	2	<2	<1	2	2
193359	680715	3003154		Chip	Metasedimentos, PyOx diesem, cuarzo gris en bandas, oxidos negros, moderada hematitra en fractura	193359	0.005	0.30	50	10	71	<2	6	57	<2
193360	680691	3003048		Chip	Subafloramiento, PyOx diseminada, hematita-jarosita en fracturas, vetillas de hematita, escasas vetillas	193360	0.042	0.40	405	10	23	<2	5	74	12
193361	680239	3002870		Suboutcrop	Metasedimentos silicificados con hematita-jarosita en fracturas, cuarzo blanco con manchas grises,+-	193361	0.013	0.60	39	4	8	2	8	118	4
193362	679716	3002890		Chip	Metasedimentos, moderados FeOx bandeados, cuarzo y hematita bandeados, foliacion N55°E/85°SE	193362	0.009	<0.2	113	4	86	<2	5	49	2
193363	679678	3002876	1.00	Chip-Channel	Cuarzo sugar, Jarosita-hematita, parches de color gris oscuro en el cuarzo, N60°E/85°SE	193363	0.019	0.60	261	2	19	<2	3	144	3
193364	677922	2999363		Chip	Dique Riolitico brechado, furtemente silicificado pirita 20% diseminado y en vetillas, hematita-jarosita en	193364	0.090	0.30	36	6	8	<2	3	14	<2
193365	678012	2999420		Chip	Dique Riolitico brechado, furtemente silicificado pirita 20% diseminado y en vetillas, hematita-jarosita en	193365	0.026	0.60	43	4	8	2	2	73	4
193366	677447	3000621		Suboutcrop	Posible dique, no se observa claro la texturam, fuerte silicificacion, vetillas de cuarzo, mineral negro mu	193366	<0.005	<0.2	7	4	23	<2	1	11	2
193367	675416	3002629		Chip-Channel	Estructura silicificada N35°E/80°NW, en metasedimentos fuertemente silicificados y oxidados en banda	193367	0.062	1.50	2160	9	150	<2	1	2280	8
193368	676861	3002385		Dump	Metasedimentos, con vetillas de cuarzo color gris con jarosita,pirita,hematita en vetillas, sericita, fuerte	193368	<0.005	<0.2	19	7	8	<2	2	20	<2
193369	677118	3002327		Chip	Metasedimentos con sulfuros oscuros, jarosita,hematita en bandas, trazas de pirita,cuarzo en vetillas, f	193369	<0.005	<0.2	49	2	29	<2	3	48	4
193370	677189	3002240		Chip	Subafloramiento de horizonte de calcareo moderado a fuertemente oxidado, hematita en vetilla y en frac	193370	<0.005	0.30	64	<2	18	<2	3	195	6
193371	677189	3002235		Chip	Subafloramiento de banda o veta de cuarzo con moderada oxidacion, hematita-limolitas en fractura N50	193371	0.008	0.20	27	<2	8	<2	1	43	<2
193372	677248	3002187		Chip	Metasedimentos con oxidos en vetillas jarosita hemantita, cuarzo en vetillas, algunos colores tornasol,N	193372	0.008	0.20	32	3	15	<2	1	73	<2
193373	677573	3002156		Chip	Metasedimentos fuertemente foliados N80°E/SE62°, con hematita, jarosita en bandas, trazas de pirita,	193373	<0.005	0.20	31	8	12	<2	53	433	10
193374	677743	3002209		Chip	posible cuarzita,escorodita,jarosita, oxidos y trazas de pirita	193374	<0.005	0.30	14	2	3	<2	6	90	2
193375	677827	3002319		Chip	Metasedimentos, vetillas de cuarzo en stockwork, fuerte plegamiento, hematita botroedal y en bandas,	193375	0.007	0.30	76	4	187	<2	23	462	8
193376	676810	3002524		Chip	Metasedimentoos, vetillas de cuarzo, cuarzo azucarado, hematita,sericita,la roca presenta esquistosis	193376	<0.005	<0.2	58	4	28	<2	1	13	<2
193377	678508	3003137		Chip	Metasedimentos con cuarzo gris y bandeado, moderada oxidacion, vetillas de cuarzo blanco, trazas de	193377	0.013	<0.2	60	5	21	<2	<1	23	<2
193378	675709	3001374		Floats	Brecha, fuerte oxidacion, fragmentos de cuarzo subangulosos, Arsenopirita trazas, sulfuros oscuros tra	193378	<0.005	<0.2	45	9	81	<2	4	78	<2
193379	674379	3000935		Chip	Metasedimentos, foliacion N30°E/60°SE, trazas de Pirita, moderada hematita jarosita entre los planos	193379	0.005	0.20	21	4	28	<2	4	808	14
193380	674746	3001167		Chip	Metasedimentos fuertemente oxidados en fracturas y paralelo a la foliacion N70°E/75°NW, cristales am	193380	<0.005	<0.2	20	7	8	<2	4	61	4
193381	674781	3001085		Chip	Posible estructura de cuarzo gris sugar, N60°E/75SW, hematita-jarosita en fracturas y huecos, cristale	193381	0.016	0.30	91	7	54	<2	11	1390	42
193382	673905	3000440		Chip	Caliza, oxidada, pirita oxidada diseminada cubos de hasta 5mm, foliacion N62°E/85°SE.	193382	<0.005	<0.2	4	9	11	<2	<1	16	<2
193383	670692	3002313		Chip	Metasedimentos foliacion N60°W/50°NE, cuarzo gris bandeado(Fuera del Lote, zona NW.	193383	0.005	<0.2	38	5	24	<2	6	54	12
193384	673209	2999888		Chip	Veta de cuarzo blanco con escasos oxidos en fracturas, E-W/S	193384	0.005	<0.2	3	<2	8	<2	<1	7	<2
193385	674716	3003605	0.30	Channel	Veta de Cuarzo gris N65°W/65°NE, Escorodita en fracturas y en huecos, hematita-jarosita, Au visible.	193385	40.800	99.00	72	6490	2410	69	6	6640	80
193386	674257	3002303		Chip	Metasedimentos color rojiso foliacion N50°E/60°SE, moderadamente oxidado, hematita-jarosita en fract	193386	0.138	1.70	100	43	24	4	3	574	9
193387	674380	3002362		Suboutcrop	Metasedimentos rojisos, fuerte hematita-jarosita en la foliacion y en fracturas, posible foliacion N40°E/6	193387	0.446	0.60	259	10	21	2	8	554	3
193388	674643	3002561	0.65	Channel	Pequeña Cata, Estructura cuarzo N55°E/60°SE, cuarzo gris, abundante hematita en vetillas de hasta 1	193388	4.860	3.10	780	27	16	14	3	3360	13
193389	674677	3002570	0.20	Channel	Pequeña Cata, Estructura cuarzo N55°E/68°SE, cuarzo gris, abundante hematita en vetillas de hasta 1	193389	1.575	3.80	215	16	6	11	4	1740	33

Table 6.3. Assay results of soil samples from the second reconnaissance by Cascabel in 2014.

|	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	ME-ICP41	Au-AA24
Analyte	Ag	As	Bi	Ca	Cu	Mo	Pb	Sb	Zn	Au
	ppm	ppm	ppm	%	ppm	ppm	ppm	ppm	ppm	ppm
	0.2	2	2	0.01	1	1	2	2	2	0.005
193401	<0.2	25	3	2.63	77	2	13	<2	85	0.008
193402	<0.2	24	<2	7.18	76	1	9	<2	57	0.009
193403	0.6	96	2	3.27	120	2	9	<2	100	0.053
193404	0.2	49	<2	0.27	63	2	8	<2	50	0.007
193405	<0.2	42	3	1.72	68	2	9	<2	79	0.010
193406	0.2	101	<2	1.49	102	2	14	16	84	0.014
193407	<0.2	43	<2	4.58	120	2	12	<2	66	0.016
193408	0.2	49	<2	6.97	81	2	6	<2	59	0.009
193409	<0.2	17	2	0.55	163	1	3	<2	23	<0.005
193410	0.2	78	3	0.13	116	3	7	2	44	0.009
193411	<0.2	24	4	0.46	72	2	9	<2	90	0.021
193412	0.2	159	<2	0.1	154	2	11	3	48	0.020
193413	0.3	113	3	0.32	103	2	9	2	57	0.021
193414	0.3	103	2	0.39	53	2	13	4	52	0.031
193415	<0.2	74	<2	2.52	104	1	7	<2	40	0.034
193416	0.4	45	<2	0.27	63	1	17	2	48	0.012
193417	<0.2	44	<2	0.23	55	1	9	2	43	0.007
193418	0.6	162	3	0.49	62	2	25	<2	95	0.035
193419	0.2	457	3	0.57	19	2	20	<2	64	0.027
193420	0.7	427	<2	0.32	39	2	48	4	182	0.128
193421	0.5	80	<2	0.2	10	1	24	3	90	0.013
193422	0.4	15	<2	0.12	9	2	9	2	29	<0.005
193423	0.9	52	<2	0.48	26	1	16	4	80	0.009
193424	0.4	61	<2	0.68	24	<1	14	3	71	0.010
193425	<0.2	16	<2	2.59	32	<1	7	<2	62	<0.005
193426	<0.2	19	<2	1.7	38	<1	18	<2	78	<0.005
193427	<0.2	26	<2	4.5	40	<1	23	2	96	<0.005
193428	<0.2	11	<2	13.6	12	<1	14	<2	137	<0.005
193429	<0.2	13	<2	14.2	12	<1	8	<2	60	<0.005
193430	<0.2	21	<2	4.89	14	<1	26	<2	83	<0.005
193431	0.2	36	<2	0.45	18	1	17	2	89	<0.005
193432	<0.2	19	<2	0.59	12	<1	16	<2	60	<0.005
193433	<0.2	34	<2	5.86	29	<1	18	2	116	<0.005
193434	<0.2	16	<2	10.9	14	<1	15	<2	65	<0.005
193435	<0.2	26	<2	9.4	28	1	15	18	82	0.007
193436	<0.2	29	<2	9.7	21	<1	17	2	92	<0.005
193437	<0.2	70	<2	1.32	33	1	48	3	121	<0.005
193439	<0.2	23	<2	0.55	10	<1	16	2	47	<0.005
193440	<0.2	33	2	0.95	14	<1	15	2	79	<0.005
193441	0.2	80	<2	11.1	44	1	22	10	317	0.006
193442	<0.2	16	<2	5.69	10	<1	4	<2	46	<0.005
193443	<0.2	17	<2	9.9	15	<1	17	<2	70	<0.005
193444	<0.2	20	<2	4.27	17	<1	13	2	70	<0.005
193445	<0.2	12	<2	0.82	21	<1	23	<2	81	<0.005
193446	<0.2	15	<2	4.84	21	<1	15	<2	74	<0.005
193447	<0.2	17	<2	3.82	26	<1	17	<2	79	<0.005
193448	0.2	62	<2	3.4	56	<1	28	<2	106	<0.005
193449	<0.2	19	<2	2.47	29	<1	18	<2	59	<0.005
193450	<0.2	6	<2	2.62	22	<1	11	<2	51	<0.005
193451	<0.2	3	<2	1.32	31	<1	8	<2	49	<0.005
193452	<0.2	7	<2	1.13	20	<1	17	<2	56	<0.005
193455	0.2	21	<2	3.47	31	<1	17	2	82	0.006

Table 6.4. Rock chip sample descriptions for Los Pavitos samples taken by Centerra in 2018

Sample	E_UTM_NAD27	N_UTM_NAD27	E_UTM_WGS84 (NAD27 - 58)	N_UTM_WGS84 (NAD27 + 197)	Elevation_ (m)	Tenement	Sample_Type	Width_(m)	Description
622969	675,261	3,002,415	675,203	3,002,612	247	L-1/017 Soils	Chips Channel	3.00	Schist strong thing foliation, moderate hematite in fractures and granular quartz in layers and Fe-Mg in layers too
622970	676,589	3,001,875	676,531	3,002,072	228	L-2/025 Soils	Chips Channel	0.85	Hangingwall of structure (622971), Subcrop of white-gray Schist, with weak hematite in fractures and strong glassy quartz layers and moderate gray quartz layers, strong thin foliation, strike: N60°E;85°SE
622971	676,588	3,001,875	676,530	3,002,072	228	L-2/025 Soils	Chips Channel	0.95	Porous quartz structure microbrecciated, moderate calcite veinlets and strong hematite in fractures, quartz porous texture
622972	676,587	3,001,876	676,529	3,002,073	228	L-2/025 Soils	Chips Channel	1.10	Subcrop footwall of structure (622981), with glassy quartz layers, strong thing foliation, with moderate hematite in fractures
622973	674,715	3,003,599	674,657	3,003,796	197	Las Auras	Chips Channel	2.50	Footwall of structure, Vulcanosediments with strong fractures N85°E;70°NW, strong sericite, strong hematite in fractures, strong bleaching, PyOx <1%, strong argilization
622974	674,717	3,003,598	674,659	3,003,795	197	Las Auras	Chips Channel	2.50	Footwall of structure, Vulcanosediments with strong fractures N80°W;50°SW , filled of hematite, weak quartz veinlets N70°W;65°NE, moderate bleaching, moderate argilization
622975	674,720	3,003,597	674,662	3,003,794	197	Las Auras	Chips Channel	2.50	Footwall of structure, Vulcanosediments with strong silicification, strong quartz veinlets with same strike and dip of main vein, moderate sericite, strong bleaching, moderate argilization, strong hematite in fractures
622976	674,722	3,003,596	674,664	3,003,793	197	Las Auras	Chips Channel	2.50	Footwall of structure, Vulcanosediments with strong fractures S75°W;80°NW, strong hematite in fractures, intense argilization, weak quartz veinlets, moderate silicification, PyOx <1%, strong bleaching
622977	674,724	3,003,595	674,666	3,003,792	197	Las Auras	Chips Channel	2.00	Footwall of structure, Vulcanosediments with strong hematite in fractures, strong quartz veinlets, strong argilization, moderate silicification, PyOx <1%, weak sericite, weak bleaching
622978	674,726	3,003,595	674,668	3,003,792	197	Las Auras	Chips Channel	0.50	Top of pit, main structure between Vulcanosediments (footwall) and Granodiorite (hangingwall) intense fractures, strong hematite in fractures, strong argilization, strong quartz veinlets, weak sericite
622979	675,691	3,002,763	675,633	3,002,960	200	rend NE Oromu	Chips Channel	0.80	Strata silice (granular quartz) replaced, moderate brecciation, in schist not outcroping
622980	675,680	3,002,765	675,622	3,002,962	195	rend NE Oromu	Chips Channel	2.20	Taken in hangingwall of structure (622979). Schist subcrop with thin foliation, granular silice, moderate hematite, very weak specularite, weak sericite, weak silicification, weak microbreeciated
622981	675,775	3,002,874	675,717	3,003,071	176	rend NE Oromu	Chips Channel	1.10	Glassy quartz vein and granular, cubic boxwork <1%, strong hematite in fractures, weak sericite, S55°E;65°SW
622982	677,977	3,001,494	677,919	3,001,691	227	Skarn Sta Cruz	Chips Channel	1.80	Limestone with strong silicification, moderate hematite in fractures and gray and black silice (jaspe ?), exoskarn, grren and fine garnets, N65°E;48°SE
622983	676,975	3,001,482	676,917	3,001,679	229	Skarn Sta Cruz	Chips Channel	1.70	Limestone with strong silicification, moderate hematite in fractures and gray and black silice (jaspe ?), exoskarn, grren and fine garnets, N65°E;48°SE
622984	676,970	3,001,489	676,912	3,001,686	229	Skarn Sta Cruz	Chips Channel	1.10	Contact zone between limestone and granodiorite, strong argilization, strong hematite in fractures, Endoskarn
622985	676,971	3,001,488	676,913	3,001,685	229	Skarn Sta Cruz	Chips Channel	2.00	Granodiorite with strong argilization and moderate hematite in fractures, phenocrystals of biotite
622986	677,160	3,001,594	677,102	3,001,791	270	Skarn Sta Cruz	Chips Channel	2.10	Skarn zone, strong hematite in fractures, strong argillic alteration, moderate presence of black silica bands, intense silicification, granular silica matrix, N65°E; Vertical
622987	677,162	3,001,594	677,104	3,001,791	270	Skarn Sta Cruz	Chips Channel	3.00	Endoskarn zone, intense silicification, moderate hematitein fractures, intense sericite, traces of Arsenopirita, moderate presence of black silica bands.
622988	675,634	3,002,745	675,576	3,002,942	193	rend NE Oromu	Chips Channel	1.00	Glassy quartz vein, moderate fracture hematite, weak sericite, black silica fragments, with microbreaking, PyOx <1% and fresh pyrite <1%, N42°E: Vertical
622989	675,703	3,002,751	675,645	3,002,948	194	rend NE Oromu	Chips Channel	1.10	Glassy quartz vein, moderate fracture hematite, weak sericite, black silica fragments, PyOx <1%, S80°W: N30°W

Table 6.5. Assay results for rock chip samples taken at the Property by Centerra in 2018.

Sample	Width_(m)	Au (ppm)	Mo (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Ag (ppm)	Mn (ppm)	As (ppm)	Sb (ppm)	Bi (ppm)	Ba (ppm)	W (ppm)	Hg (ppm)
622969	3.00	<0.005	2.9	78.2	1.5	12	<0.1	177	33	1.7	0.3	192	<0.1	<0.01
622970	0.85	0.011	0.5	56.1	5	12	0.3	255	31.1	2.5	0.2	108	<0.1	<0.01
622971	0.95	0.187	2.5	179.6	6.1	5	0.9	98	31.4	3	1.6	42	<0.1	<0.01
622972	1.10	0.05	3.5	405.2	3.9	52	0.1	253	586.5	3	0.9	63	<0.1	0.01
622973	2.50	0.199	2	32.9	2182.7	1418	19.7	174	662.1	9.7	0.9	23	0.1	0.03
622974	2.50	0.683	1.4	23.1	1081.5	1439	16	312	1109.5	13.7	1.1	13	0.4	0.05
622975	2.50	1.504	0.6	21.9	1166.5	993	22.8	260	2537.5	16.2	2	17	0.4	0.05
622976	2.50	2.418	0.8	16.8	877.1	912	15.9	241	4166	26.6	2.6	23	0.4	0.04
622977	2.00	1.057	0.5	8.7	212.6	914	4.9	310	4339.9	11.1	0.6	36	0.6	0.03
622978	0.50	2.298	0.7	11.1	366.7	1121	2.9	619	3660.2	9.1	0.5	21	2.1	0.29
622979	0.80	0.006	2	11.7	2.9	10	0.2	74	166.6	1.4	<0.1	127	0.5	<0.01
622980	2.20	0.015	1.2	16.4	6	8	0.2	64	42.3	1	0.3	117	<0.1	0.01
622981	1.10	0.06	0.7	7.7	10	4	0.4	69	39.1	2.8	2.3	92	1.6	<0.01
622982	1.80	1.472	2	119.9	2189.1	116	>100.0	62	>10000.0	194.9	1.5	101	0.4	0.03
622983	1.70	1.159	1.7	113.8	2091.5	496	>100.0	95	7365.3	190.8	1.8	150	2	0.03
622984	1.10	0.216	1.2	102.7	398.3	781	23	311	3417.4	38.5	0.5	69	0.7	0.02
622985	2.00	0.041	0.2	8.6	18.7	74	0.8	333	168.3	2.9	0.2	65	0.1	<0.01
622986	2.10	0.489	1.5	97.1	363.6	187	39.5	53	>10000.0	241.3	0.7	137	0.5	0.04
622987	3.00	0.546	1.8	65.5	982.5	160	42.3	113	>10000.0	310.3	0.4	188	14.3	0.03
622988	1.00	0.049	9.9	19	18.4	11	0.5	91	366.2	7.7	1.3	139	0.8	0.02
622989	1.10	0.014	15.2	47.8	12.7	48	0.3	166	594.4	5	0.4	279	1.4	0.02

Table 6.6. Soil sample descriptions and locations for Centerra with gold values reported, 2018.

SAMPLE	E_UTM_NAD 27	N_UTM_NAD27	E_UTM_WGS 84	N_UTM_WGS 84	LEV (m	LINE / STATION	ORGANIC MATERIAL DEPTH (m)	SAMPLE DEPTH	COLOR SOIL	GRAVEL/MESH RELATION	FLOAT ROCK TYPES	MAGNETIC MINERALS (0-4)	COMMENTS	Au (ppm)
1	674851	3003103	674793	3003300	182	L1/01	0.15	0.30	Light Brown	3/1	GD	1	Coarse grain, weak hematite	0.01
2	674877	3003053	674819	3003250	176	L1/02	0.15	0.35	Dark brown	4/1	GD	0	Coarse grain, weak hematite	0.03
3	674901	3003014	674843	3003211	179	L1/03	0.10	0.25	Dark brown	5/1	GD	1	Weak sericite, strong hematite in fractures	0.04
4	674931	3002971	674873	3003168	176	L1/04	0.20	0.50	Dark brown	3/1	GD	1	Moderate hematite, weak quartz veinlets	0.02
5	674958	3002934	674900	3003131	173	L1/05	0.15	0.30	Light Brown	2/1	Fine VS float	0.5	weak floats	0.02
6	674981	3002887	674923	3003084	175	L1/06	0.05	0.25	Light Brown	2/1	Float GD- Caliza	0.5	Moderate calcite veinlets and hematite in fractures in limestone	0.02
7	675002	3002842	674944	3003039	180	L1/07	0.10	0.30	Redish Brown	2/1	Floats Orthoquarcite	0.5	weak floats, moderate black calcite in veinlets, weak hematite in fractures	0.01
8	675020	3002811	674962	3003008	174	L1/08	0.10	0.25	Dark red	2/1	OrthoQz- Sch	0	Intense oxidation in soils and moderate FeOx in fractures	0.01
9	675060	3002752	675002	3002949	183	L1/09	0.08	0.30	Redish	3/1	OrthoQz	0	Strong and small orthocuarcite floats	0.01
10	675089	3002714	675031	3002911	189	L1/10	0.07	0.25	Redish Brown	3/1	OrthoQz	0	weak calcite veinlets	0.01
11	675111	3002671	675053	3002868	192	L1/11	0.10	0.30	Redish Brown	4/1	OrthoQz+ Sch	0	moderate FeOx in fractures	0.01
12	675138	3002634	675080	3002831	202	L1/12	0.10	0.35	Light Redish	3/1	OrthoQz	0.5	FeOx in fractures	0.01
13	675157	3002591	675099	3002788	196	L1/13	0.15	0.30	Light Redish	3/1	OrthoQz + Sch	0	moderate FeOx in fractures	0.01
14	675182	3002549	675124	3002746	196	L1/14	0.15	0.30	Light Redish	3/1	OrthoQz + Sch	0	FeOx in fractures	0.01
15	675213	3002495	675155	3002692	202	L1/15	0.10	0.30	Redish Brown	3/1	Schist	0	Outcroping Schist in bottom of hole	0.02
16	675241	3002461	675183	3002658	224	L1/16	0.10	0.30	Light Redish	3/1	Schist	0	Moderate floats	0.01
17	675262	3002413	675204	3002610	245	L1/17	0.00	0.25	Redish Brown	4/1	Schist + OrthoQz	0	Moderate hematite in fractures	0.02
18	675287	3002361	675229	3002558	237	L1/18	0.05	0.35	Redish	3/1	Schist	0.5	Moderate floats	0.02
19	675318	3002335	675260	3002532	231	L1/19	0.00	0.35	Redish Brown	3/1	Schist	0.5	Outcroping Schist foliated N20°E;80°SE, west portion of creek	0.02
20	675345	3002285	675274	3002538	232	L1/20	0.05	0.25	Redish Brown	3/1	Schist	0	Segregated quartz floats and hematite in fractures, strong granular quartz in layers	0.01
21	676502	3001794	676444	3001991	222	L2/01	0.10	0.35	Redish Brown	2/1	Schist	0	moderate gray quartz floats	0.01
22	676523	3001820	676465	3002017	225	L2/02	0.10	0.30	Redish Brown	3/1	GD	0	Hematite filled fractures and glassy quartz floats	0.01
23	676546	3001840	676488	3002037	231	L2/03	0.05	0.30	Redish Brown	4/1	Schist- Segregation Qz	0.5	In Botton of hole outcroping Schist	0.03
24	676570	3001859	676512	3002056	227	L2/04	0.10	0.25	Redish	3/1	Schist	0.5	Weak quartz veinlets floats	0.03
25	676587	3001883	676529	3002080	230	L2/05	0.05	0.30	Redish Brown	3/1	Schist	0.5	Strong oxidation in soil	0.02
26	676610	3001899	676552	3002096	217	L2/06	0.05	0.30	Redish Brown	3/1	Schist- Sacaroide Qz	0	Scarce sugarly quartz float, weak sericite	0.05
27	676627	3001922	676569	3002119	204	L2/07	0.10	0.30	Light Redish	3/1	Schist- Glassy Qz	0	Thin foliation in schist	0.04
28	676655	3001941	676597	3002138	207	L2/08	0.10	0.35	Brown	3/1	GD	1	Fine grain in granodiorite	0.01
29	676675	3001964	676617	3002161	213	L2/09	0.10	0.25	Light Brown	3/1	GD	0.5	gray color float without alteration	0.05
30	676706	3001992	676648	3002189	210	L2/10	0.10	0.35	Redish Brown	3/1	GD+OthoQz	0.5	Moderate hematite in fractures	0.03
31	676724	3002007	676666	3002204	205	L2/11	0.10	0.35	Redish Brown	3/1	Schist	0.5	Moderate foliation, oxidation in layers	0.05
32	676741	3002025	676683	3002222	208	L2/12	0.12	0.40	Light Brown	3/1	schist- Skarn	1	Green radial mineral	0.03
33	676761	3002054	676703	3002251	207	L2/13	0.15	0.45	Brown	3/1	Skarn	1	Greenish gray Skarn floats	0.02
34	676783	3002072	676725	3002269	209	L2/14	0.05	0.20	Light Brown	3/1	Schist + Skarn	0.5	Skarn with green garnet and epidote floats	0.01
35	676811	3002092	676753	3002289	213	L2/15	0.05	0.30	Brown	3/1	GD+Sch+Skarn+Qtz	0.5	Moderate segregated quartz float,	0.02
36	676830	3002109	676772	3002306	203	L2/16	0.10	0.25	Brown	4/1	GD+Sch+Skarn+Qtz	0	Moderate segregated quartz float,	0.03
37	674653	3003703	674595	3003900	200	L3/01	0.10	0.30	Brown	6/1	GD	1	Coarse-grained, Moderate Hematite in Fractures, traces of sericite and PyOx <0.5%	0.03
38	674645	3003680	674587	3003877	201	L3/02	0.15	0.30	Brown redish	4/1	GD	1	Coarse-grained, Moderate Hematite in Fractures.	0.02
39	674635	3003658	674577	3003855	204	L3/03	0.10	0.30	Brown redish	4/1	GD	1	Coarse-grained, Moderate Hematite in Fractures, weak argilic alteration.	0.13
40	674620	3003635	674562	3003832	195	L3/04	0.10	0.25	Light brown	3/1	GD	1	Outcrop of Granodiorite, coarse grained, moderate hematite in fractures, moderate argilic alteration.	0.05
41	674611	3003617	674553	3003814	202	L3/05	0.15	0.30	Light brown	4/1	GD	1	Outcrop of Granodiorite, coarse grained, moderate hematite in fractures, moderate argilic alteration.	0.06
42	674603	3003601	674545	3003798	227	L3/06	0.15	0.35	Light brown	4/1	GD	0.5	Outcrop of Granodiorite, coarse grained, moderate hematite in fractures, moderate argilic alteration.	0.04

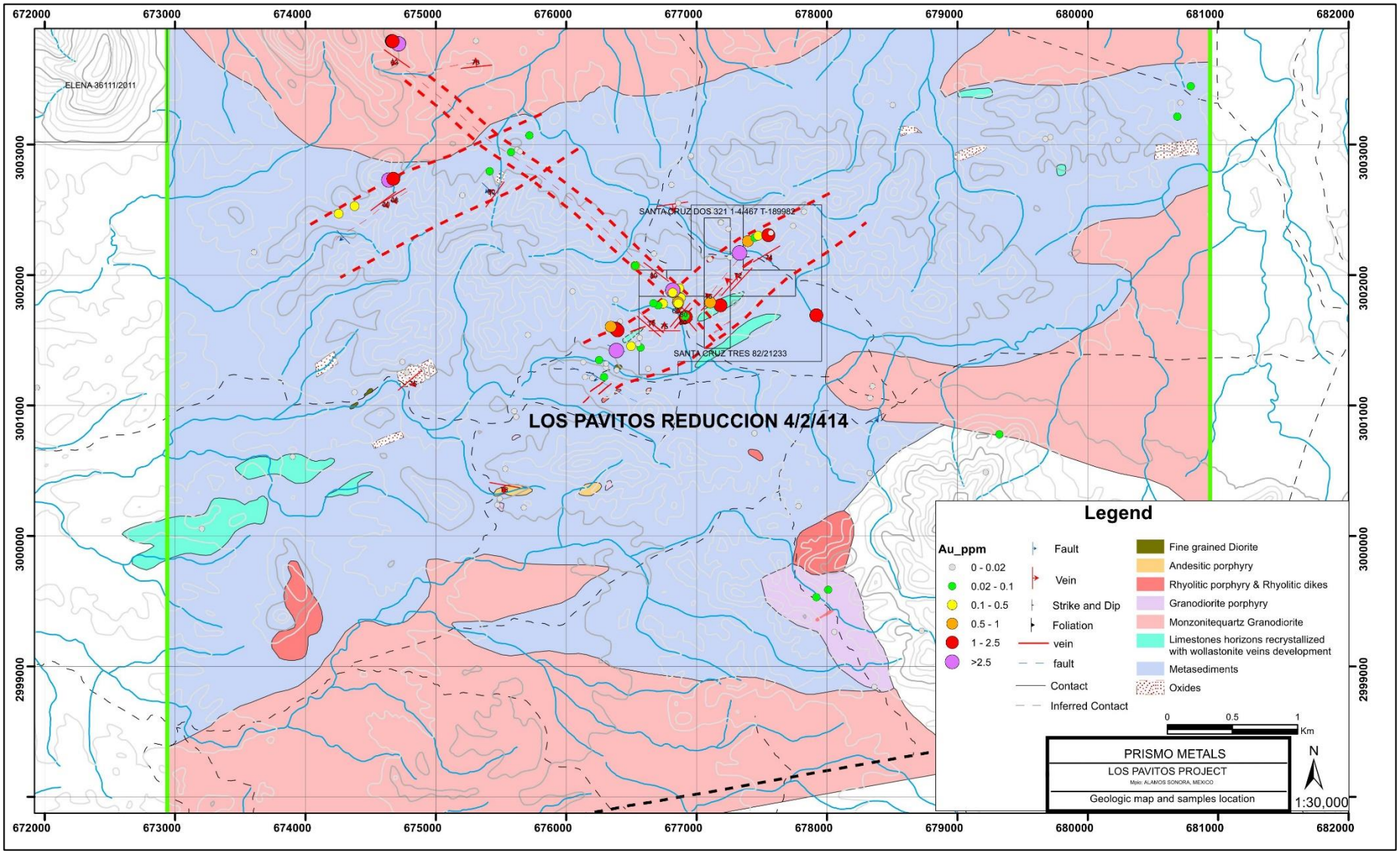

Figure 6.3. Los Pavitos Property. Gold geochemistry in rock samples.
Distribution of gold assays from rock samples for Cascabel and Centerra sampling at Los Pavitos. Internal concessions are shown.

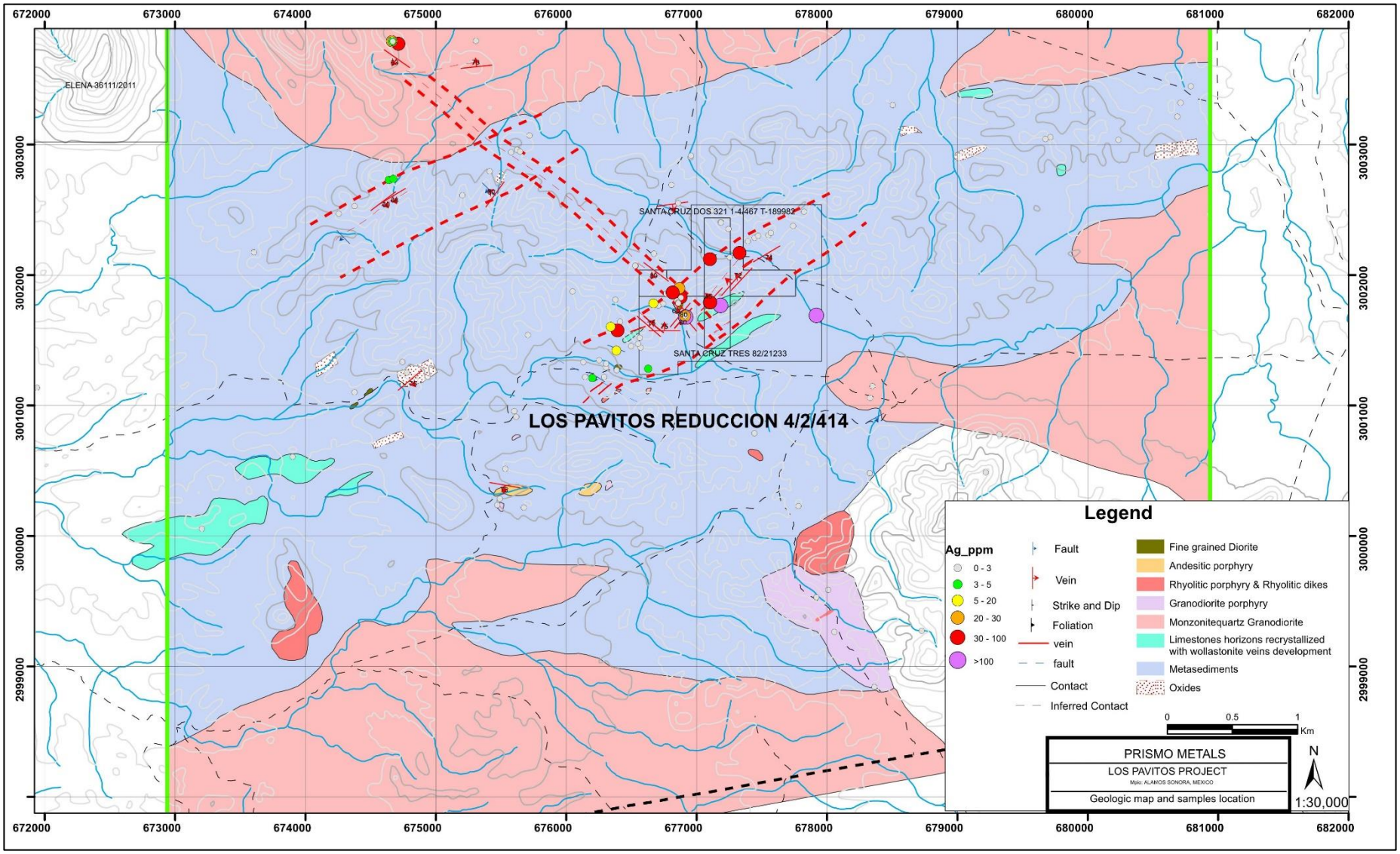

Figure 6.4. Los Pavitos Property. Silver geochemistry in rock samples.
Distribution of silver assays from rock samples for Cascabel and Centerra sampling at Los Pavitos. Internal concessions are shown.

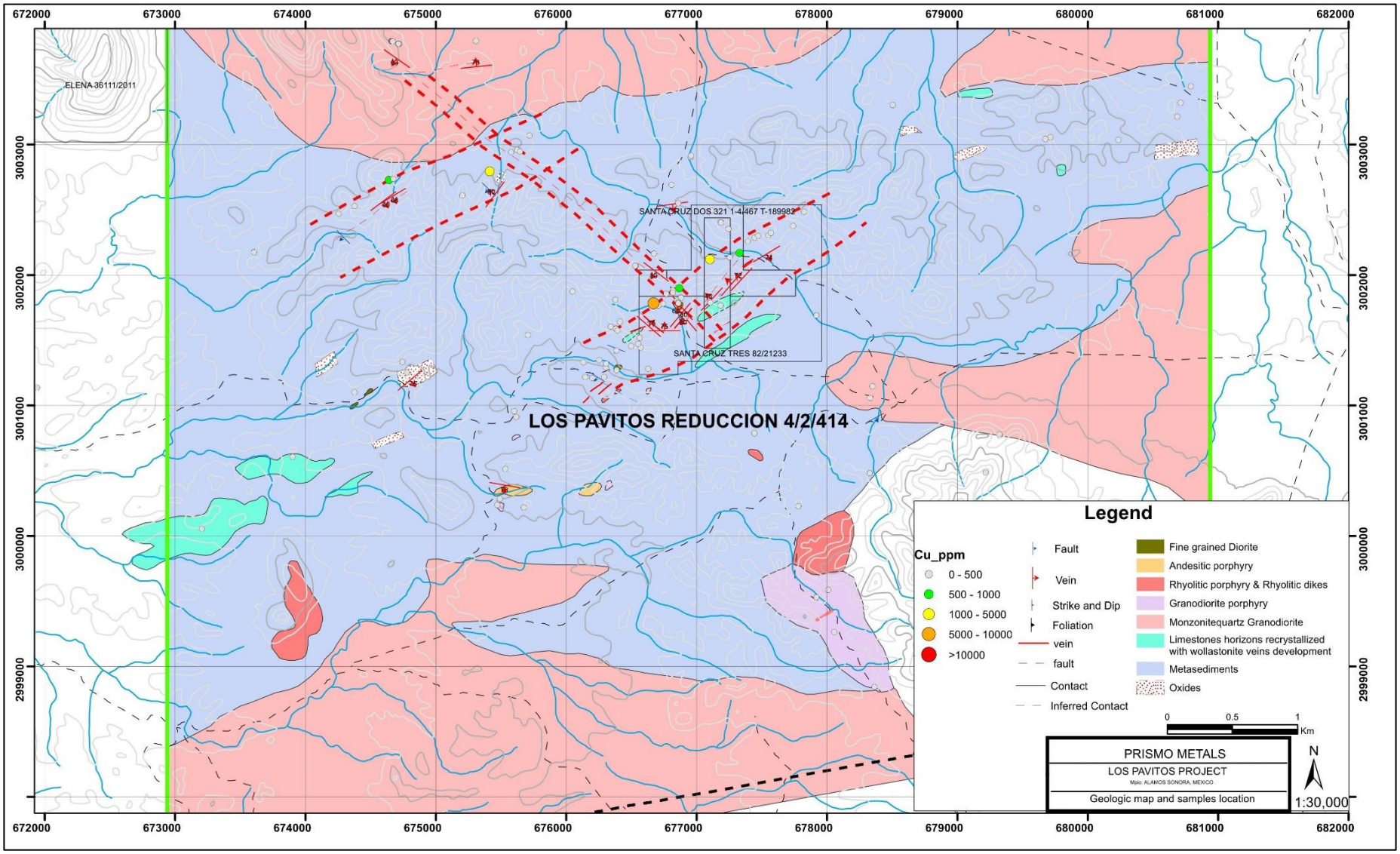

Figure 6.5. Los Pavitos Property. Copper geochemistry in rock samples.
Distribution of copper assays from rock samples for Cascabel and Centerra sampling at Los Pavitos. Internal concessions are shown.

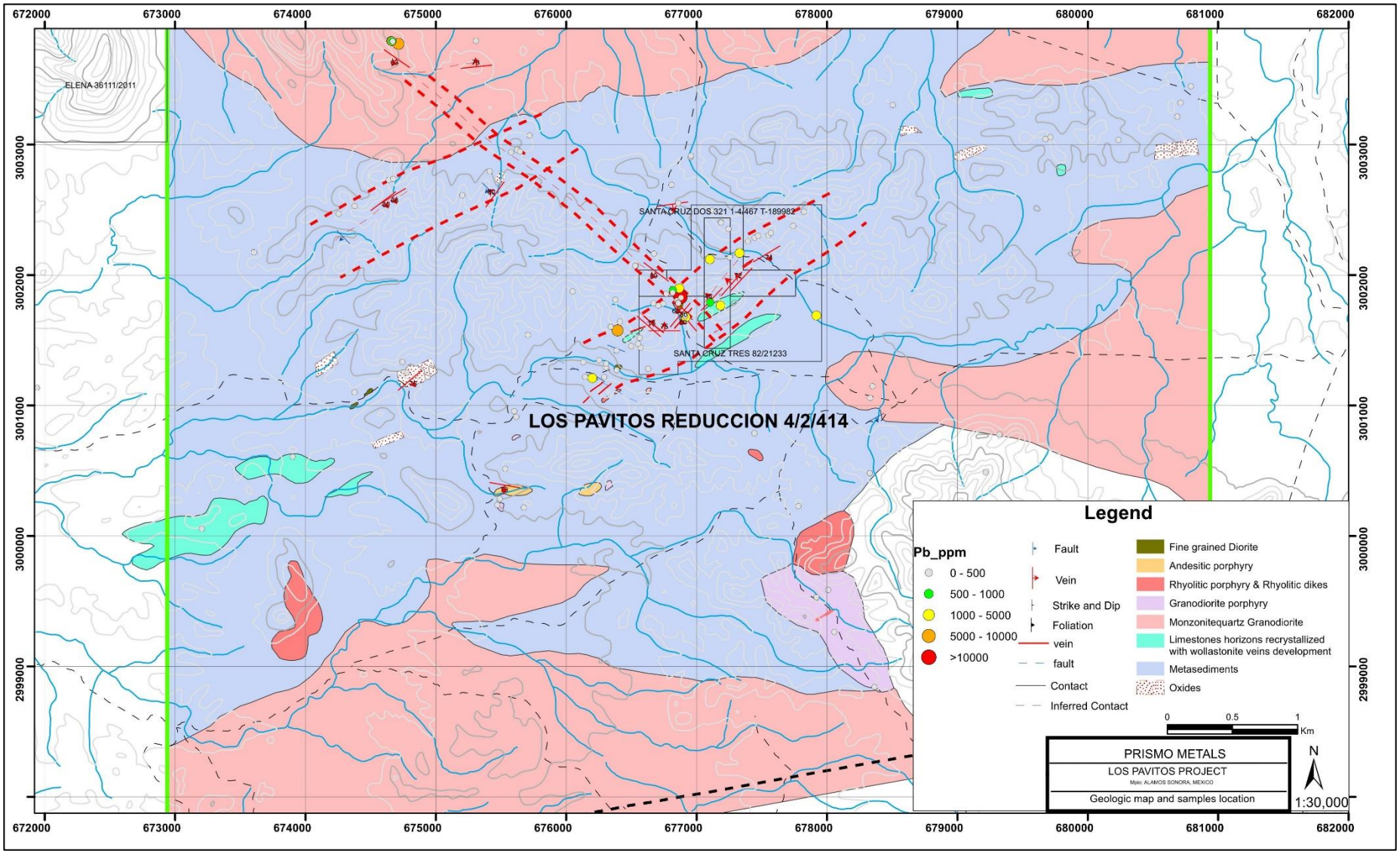

Figure 6.6. Los Pavitos Property. Lead geochemistry in rock samples.
Distribution of lead assays from rock samples for Cascabel and Centerra sampling at Los Pavitos. Internal concessions are shown.

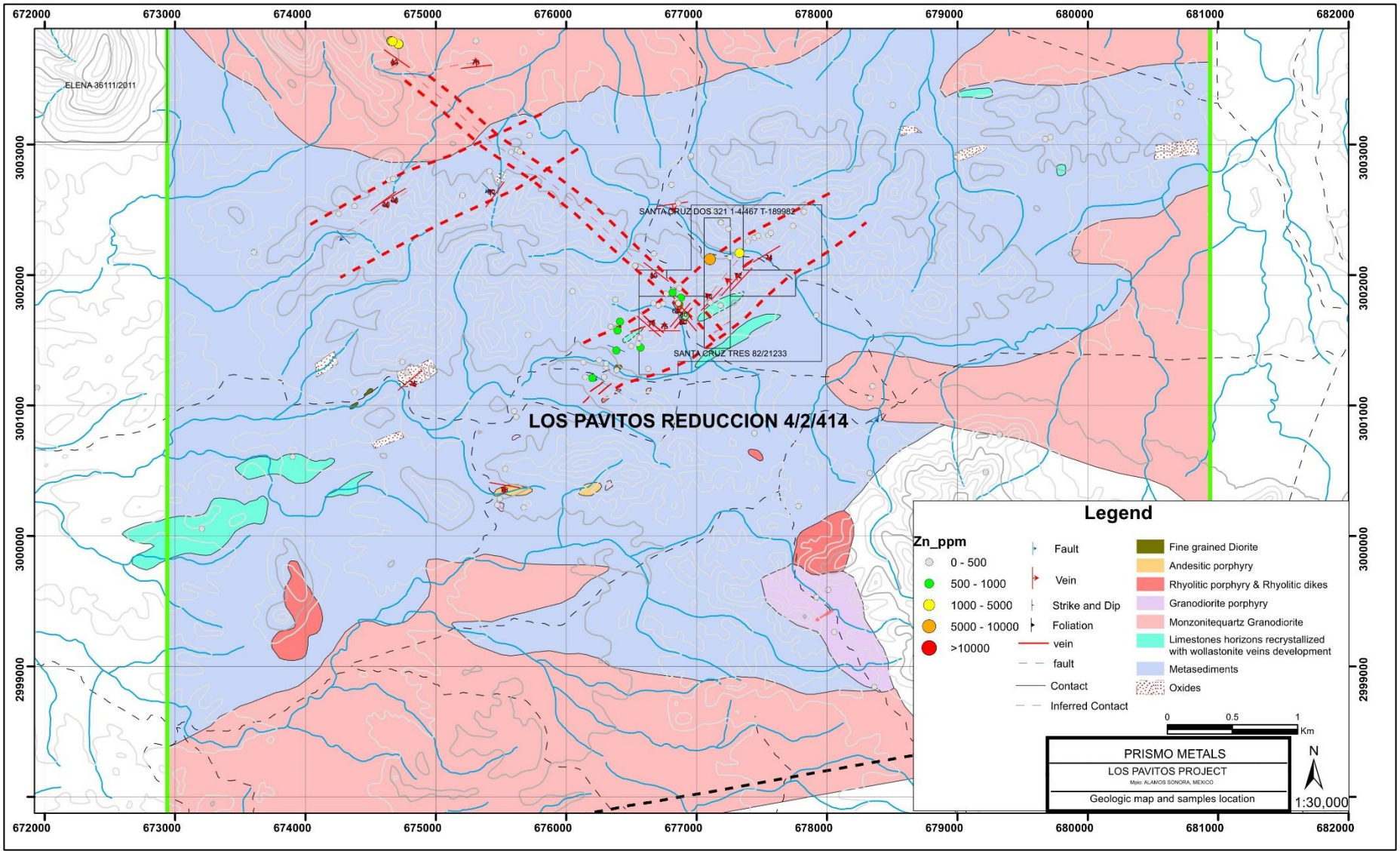

Figure 6.7. Los Pavitos Property. Zinc geochemistry in rock samples.
Distribution of zinc assays from rock samples for Cascabel and Centerra sampling at Los Pavitos. Internal concessions are shown.

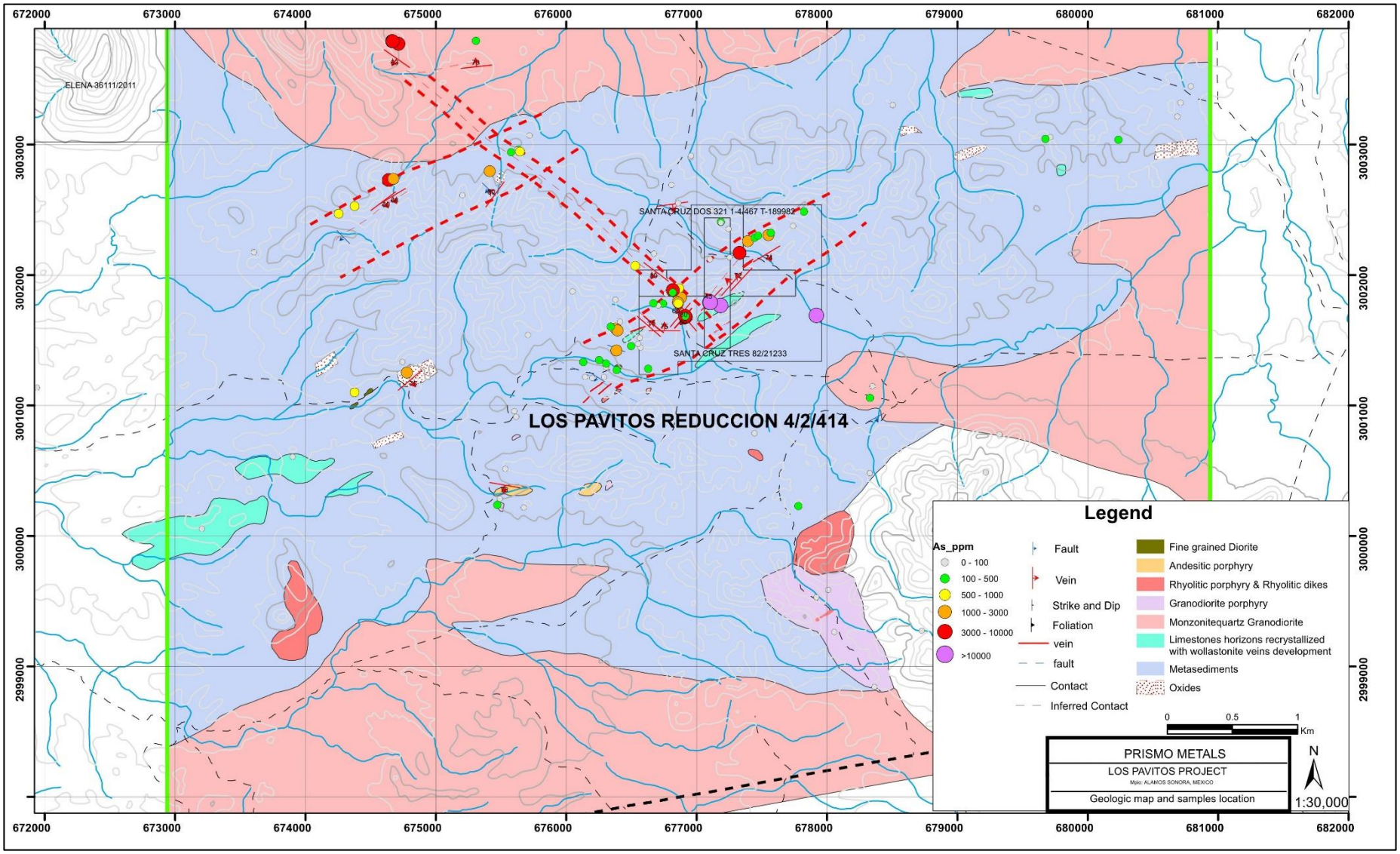

Figure 6.8. Los Pavitos Property. Arsenic geochemistry in rock samples.
Distribution of arsenic assays from rock samples for Cascabel and Centerra sampling at Los Pavitos. Internal concessions are shown.

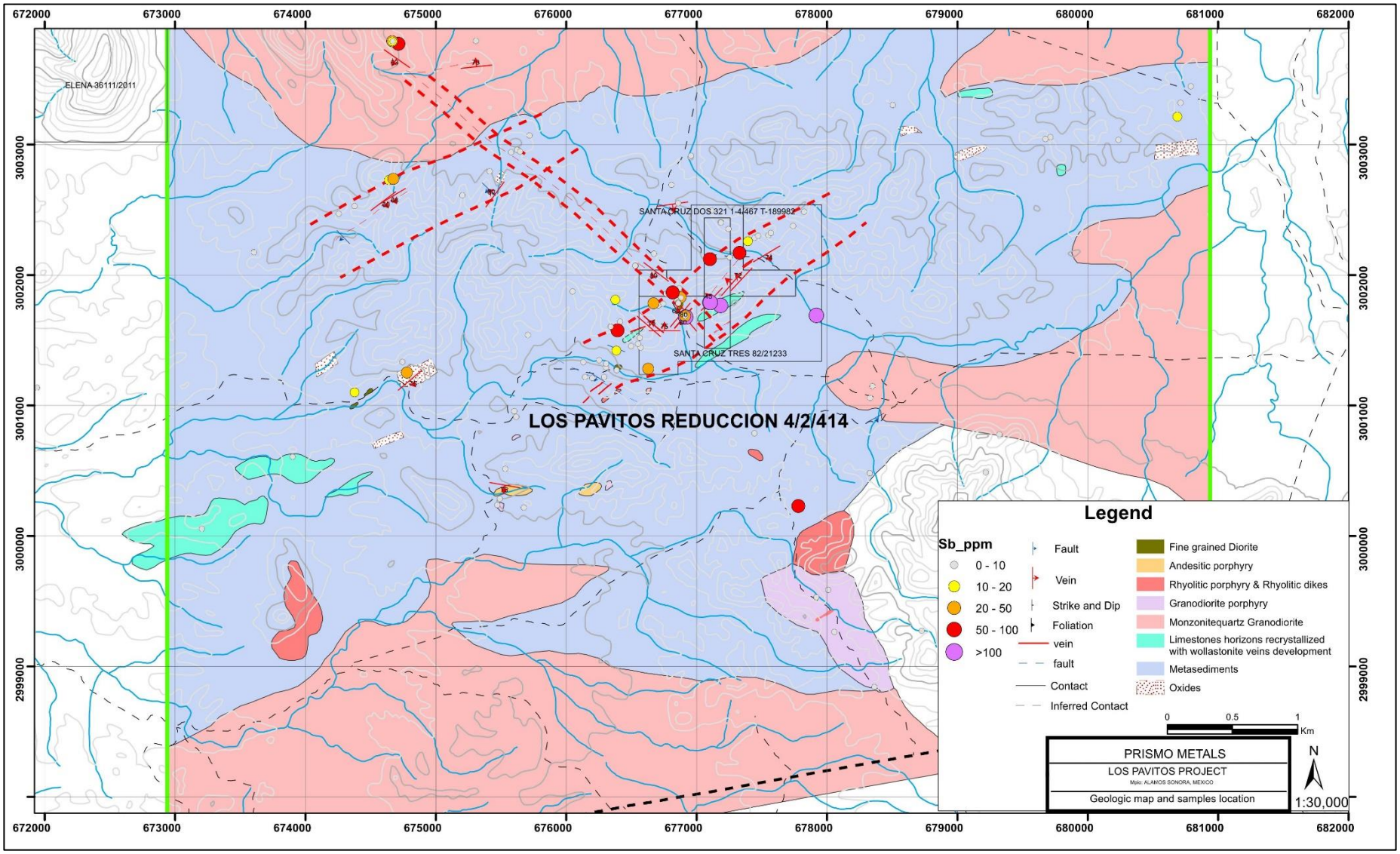

Figure 6.9. Los Pavitos Property. Antimony geochemistry in rock samples.
Distribution of antimony assays from rock samples for Cascabel and Centerra sampling at Los Pavitos. Internal concessions are shown.

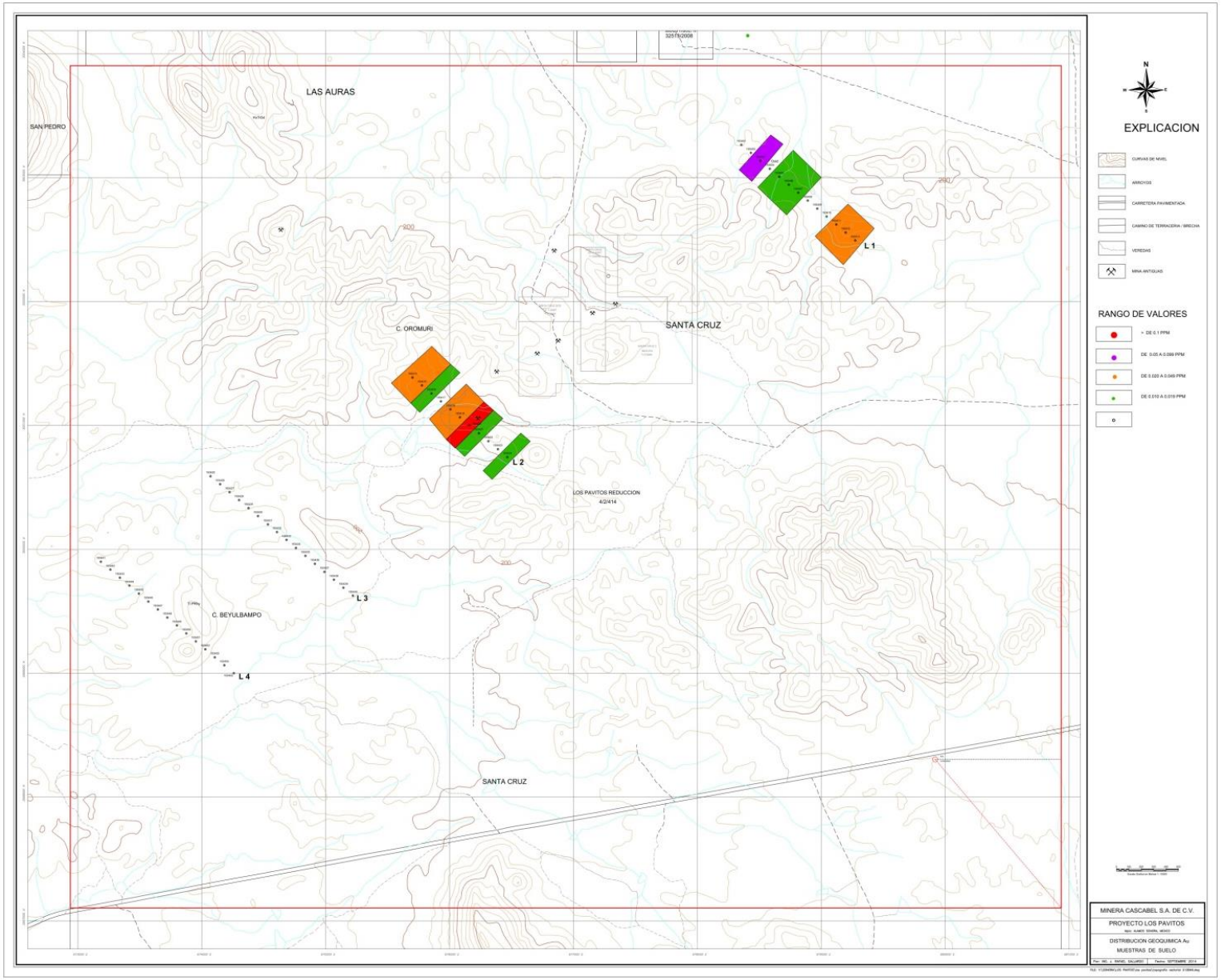

Figure 6.10. Los Pavitos Property. Gold soil geochemistry.
Distribution of gold from soil samples, Cascabel, 2014 reconnaissance.

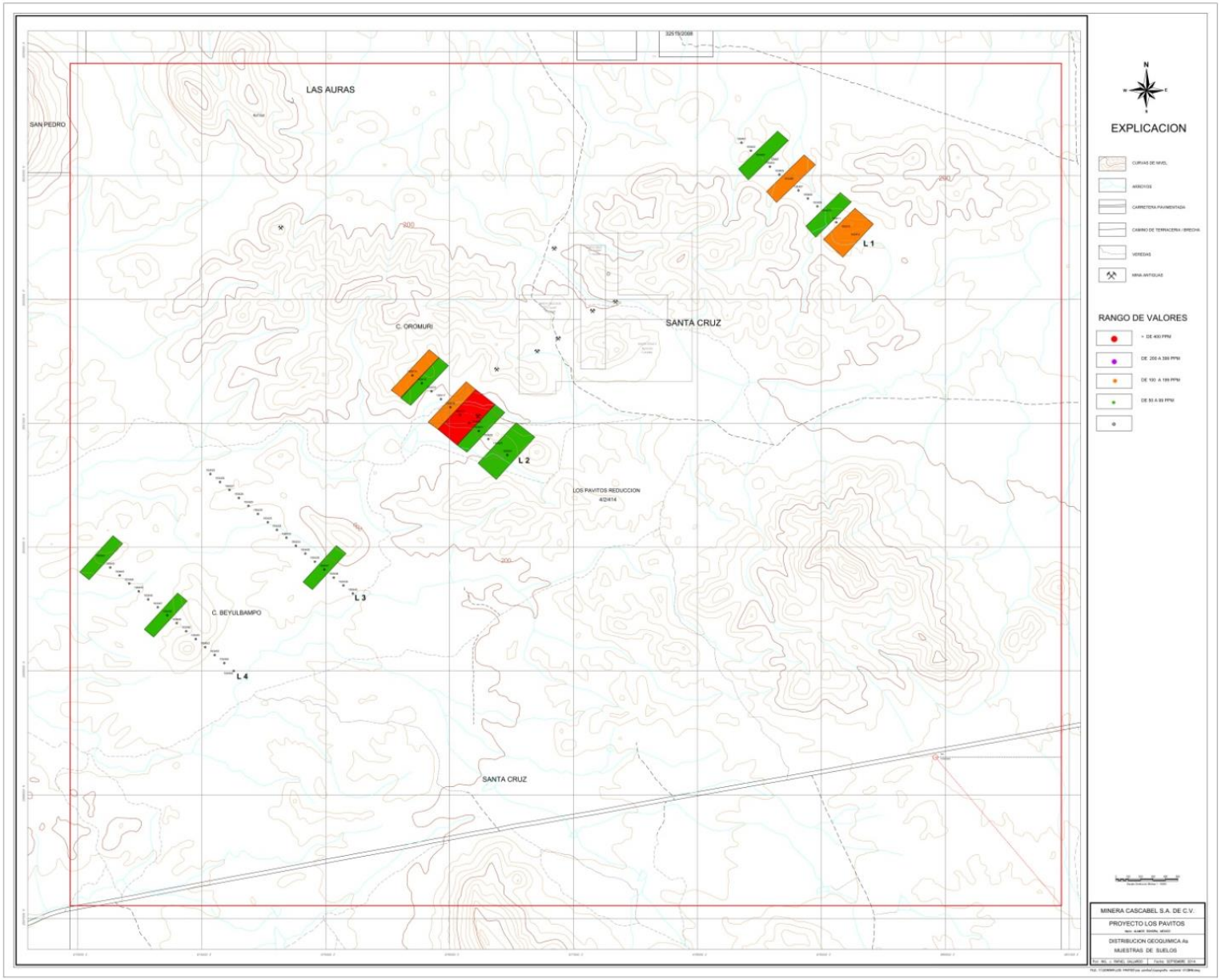

Figure 6.11. Los Pavitos Property. Arsenic soil geochemistry.

Distribution of arsenic from soil samples, Cascabel, 2014 reconnaissance.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The tectonostratigraphic framework of northwestern Mexico is characterized by several tectonostratigraphic terrains as defined by Campa and Coney (1983) and Sedlock et al. (1993) (Fig. 7.1). The Caborca terrain is probably the basement of the region and was partly covered during volcanism of the Sierra Madre Occidental during the Tertiary. The area was affected by later extension and opening of the Gulf of California.

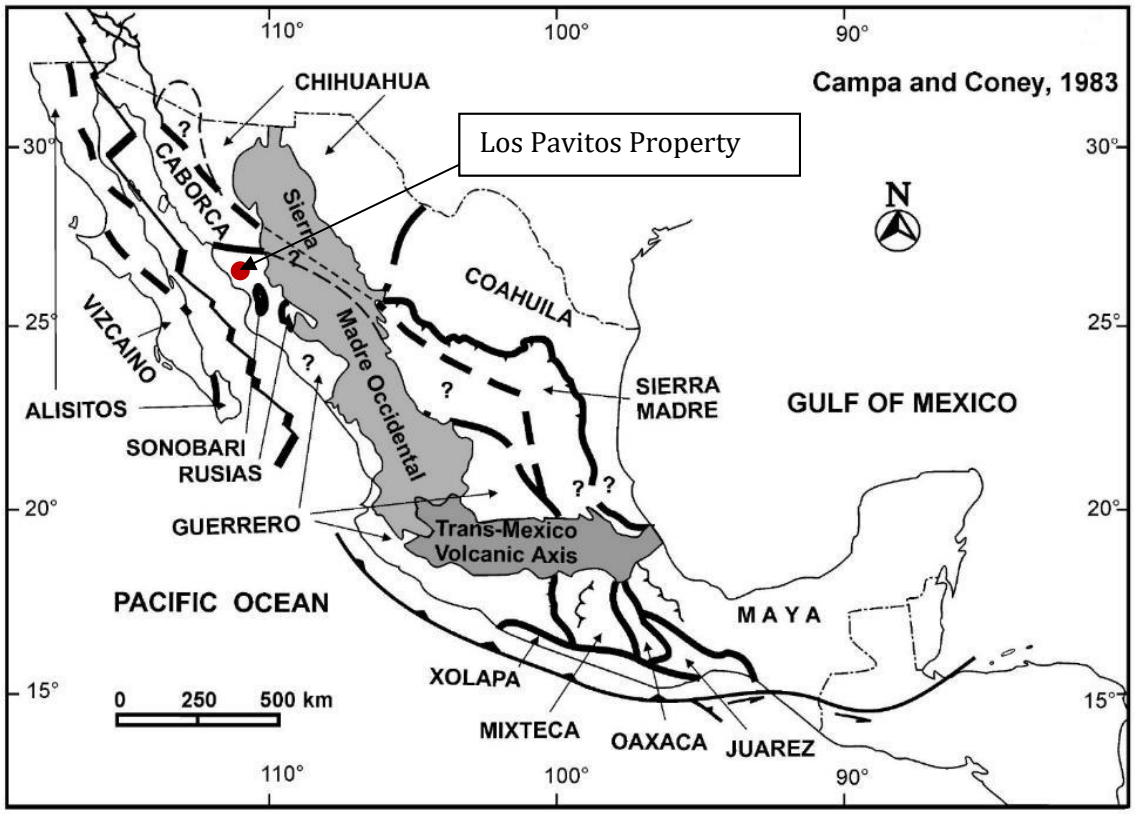

Figure 7.1. Tectonostratigraphic terranes of Mexico.
Map showing the terranes and plate tectonic framework for Mexico as well as the Sierra Madre Occidental and Trans-Mexico volcanic belts. After Campa and Coney (1983).

Geologic mapping in the region has identified eight units and sequences (Fig. 7.2), four of igneous origin, one formed in a volcanosedimentary setting and three composed of continental deposits. The age of the units ranges from Upper Jurassic to Recent. The oldest unit corresponds to an Upper Jurassic (Tithonian) to Lower Cretaceous (Albian) volcanosedimentary sequence associated with an arc-trench setting that accreted to the North America continental margin during Meso-Cretaceous orogeny (Sevier). The sequence is formed by lutites, sandstone, quartz-conglomerate, andesitic flows and limestone.

Andesite and intrusive rocks are considered as part of Lower Volcanic Complex proposed by McDowell and Clabaugh (1979). The composition of the intrusive rock ranges from granodiorite to quartz monzonite-diorite, while the volcanic sequence is of intermediate composition and is dominated by andesitic agglomerate, with aphanitic and porphyritic fragments.

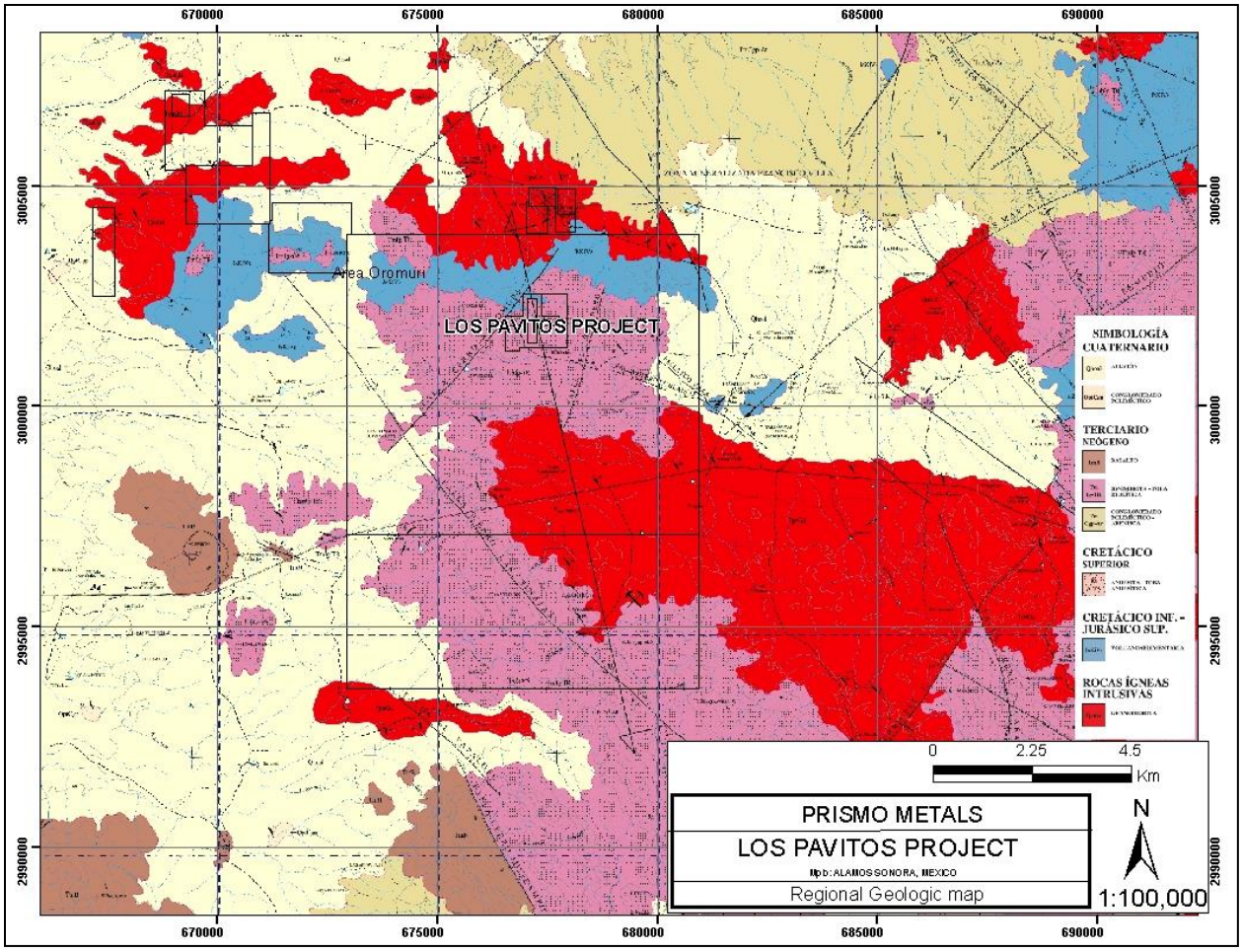

Figure 7.2. Government geologic map of the area around the Los Pavitos Property. Pink and blue colors are Jurassic to Cretaceous metamorphosed volcanosedimentary rocks. Granodioritic intrusive rocks are in red. The locations of the Property and surrounding concessions are shown. Geology from Mexican Geological Survey, 1:50,000 Mocuzari sheet (SGM, 2008).

Discordantly overlying the intrusive rocks is a sequence of sandstone, lithic sandstone, basalt flows and polymictic conglomerate. This sequence is, in turn, overlain by lithic tuffs of the Baucarit Formation of Miocene age. Conglomerates are considered as basin deposits associated with tectonic trenches. A volcanic package overlies the upper sequence and is composed of pyroclastic flows, ignimbrites associated with flows, rhyolitic domes and volcanoclastic rocks formed during transition between magmatic subduction and intraplate volcanism. Regionally the sequence lies along the western limit of the Sierra Madre Occidental Province. At the end of the Miocene, volcanic bodies of basaltic composition suggest volcanic activity associated with the main extensional phase in the Late Miocene, Pleistocene age rocks are present as polymictic conglomerates and poorly consolidated sandstone, these rocks crops out in alluvial valleys of continental basins and are named The Sonora Group (SGM, 2008).

Tectonic evolution is related to the interaction of Pacific Plate with the Farallon Plate causing the deformation of the volcanosedimentary sequence in an arc-subduction complex. Later, the sequence was affected by Tertiary magmatic processes, including intermediate intrusions and the extrusion of large volumes of igneous rocks that made up the Sierra Madre Occidental.

The region area is characterized by brittle deformation of the Sierra Madre Occidental, except in the volcanosedimentary sequence where earlier ductile deformation is evident. Brittle deformation produced two main fault systems, oriented SW-NE and NW-SE with wide distribution in the region. A SW-NE

system corresponds generally to normal faults from an extensive event; this event having served as structural control to the first generation of mineralization. The second system is involved in transform faults associated with the opening of the Gulf of California within an area made up of lateral fault systems. At depth, these show a close relationship to the mineralized zones of the second-generation oriented NW-SE mineralized trends and remobilized the mineralization of the first generation.

Metallic mineral deposits in the region generally are associated with a magmatic arc formed during the Laramide Orogeny and are within the Metallogenetic Province of the Sierra Madre Occidental with gold, silver, copper and polymetallic mineralization (Figs. 7.3, 7.4) (SGM, 2008). Known mineralization styles in the region are classified as intrusion related deposits, epithermal precious metal veins, and possibly orogenic gold systems. (R. Gallardo, pers. comm.).

Formation	**Lithology**	**Age (Ma)**	**Mineralization**
Surficial deposits	Alluvium and colluvium	Recent	Local placer gold deposits
Felsic volcanic rocks and intrusive	Rhyolite tuffs and ignimbrite, local plugs	Mid to Late Tertiary	Unknown, potential for epithermal mineralization
Intermediate intrusions	Diorite to granodiorite	Mid to Late Tertiary	Veins, contact related, porphyry systems
Volcanosedimentary sequence, lutite, sandstone, calcareous lutite and sandstone, flows, limestone	Sedimentary rocks, flows, intrusions	Upper Jurassic-Lower Cretaceous	Low sulfidation epithermal veins with precious- and base-metal values, possible orogenic gold deposits
Metamorphic basement	Metamorphosed sandstone and shale (phyllite)	Paleozoic (?)	Low sulfidation epithermal veins, possible orogenic gold deposits
Sonobari Complex	Gneiss, amphibolite, pegmatite, migmatite	Precambrian	

Figure 7.3. Summary of stratigraphy and associated mineralization in the region.

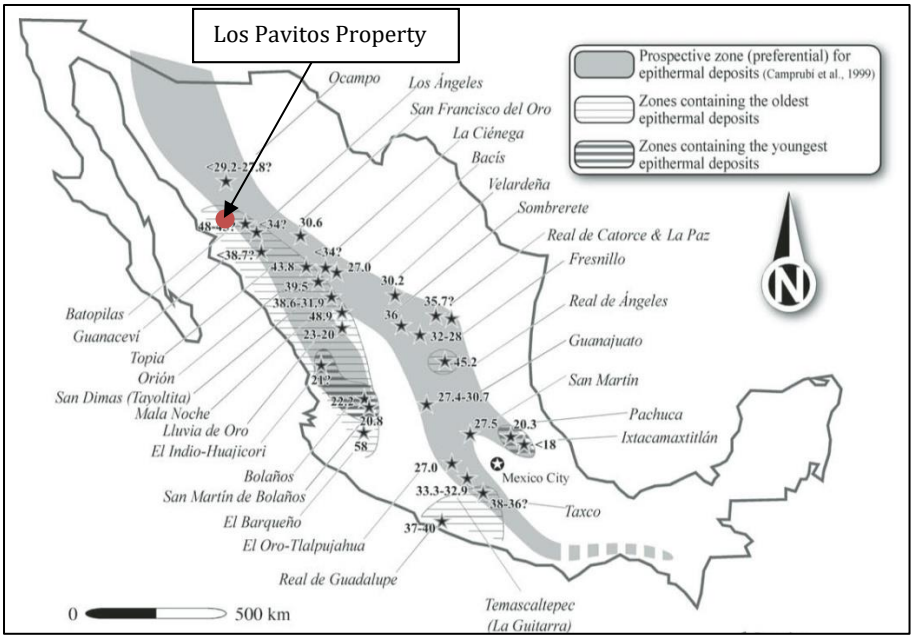

Figure 7.4. Epithermal Precious Metal belt, Northern Mexico. Distribution and ages of epithermal precious metal deposits in Mexico with the location of the Property. After Camprubi and Albinson (2005).

7.2 Geology of the Los Pavitos Property

The oldest rocks that crop out on the Los Pavitos Property are a volcanosedimentary sequence affected by regional metamorphism and metasomatism. Foliation of the sequence is N40-50°E with inflections to E-W. The dip of the foliation is mainly NW50-70°. Intrusive rocks are coarse grained granodiorite belonging to the Coastal Batholith, with later episodes forming dykes and rhyolite porphyry stocks. Younger rocks are represented by the Baucarit Formation. (Figs. 6.1, 7.5).

7.2.1 Volcanosedimentary sequence and intrusive rocks

The volcanosedimentary sequence, also referred to as metasediments, is Upper Jurassic to Lower Cretaceous in age. The sequence is constituted by lutites, calcareous lutites, sandstone and calcareous sandstone interbedded with andesitic flows and tuffs and limestone layers. These rocks were affected by regional metamorphism that converted them to schist, phyllites, mylonites and cataclasites.

Intrusive rocks consist of granodiorite, of Miocene age, with later pulses of rhyolite dykes and local fine-grained rhyolite porphyry stocks.

7.2.2 Structure

There are three important structural features on the Property. The foliation in the metasediments has an orientation of N40-50°E with E-W inflections due to drag folds and a dip of 50-70° generally to the NW. Then there are two main structural trends associated with the mineralization (Fig. 7.5). A SW40-60°NE trend dips to the NW and is composed by two parallel trends, Santa Cruz and Oromuri which consist of shear zones, veins and stockworks hosted in the folded metasediments. The Las Auras trend has a NW40-50°SE orientation, and dips to the NE, and consists of veins and stockworks hosted in rhyolitic and quartz-monzonitic dykes with sericitic alteration.

7.2.3 Alteration and mineralization

Alteration observed in the volcanosedimentary sequence is mainly zones of moderate to strong oxidation and sericite parallel to the foliation. Metasomatism at the contacts between the volcanosedimentary sequence and intrusive rocks form hornfels, occasionally with finely disseminated pyrite. Moderate to strong recrystallization with quartz and calcite veinlets with bands of wollastonite are observed in the limestone. Patchy skarn alteration occurs with local green garnet with traces of epidote. Silicification is restricted to narrow zones close to the veins and stockworks.

Mineralization occurs as gray quartz veins and veinlets, crystalline quartz stockworks and in intense shear zones and fracturing developed in the foliation of the metasediments. Sulfide minerals observed are pyrite and arsenopyrite as masses in the quartz veins, with oxidation to limonite and hematite. The same type of mineralization occurs in rhyolitic and quartz-monzonitic dykes with moderate to strong sericite. Metal values include gold, silver, and credits of copper, lead and zinc. Arsenic and antimony are highly anomalous. One small stockpile of rock with abundant malachite was observed in the area of abundant small mines and prospect pits. The source of this material was not observed.

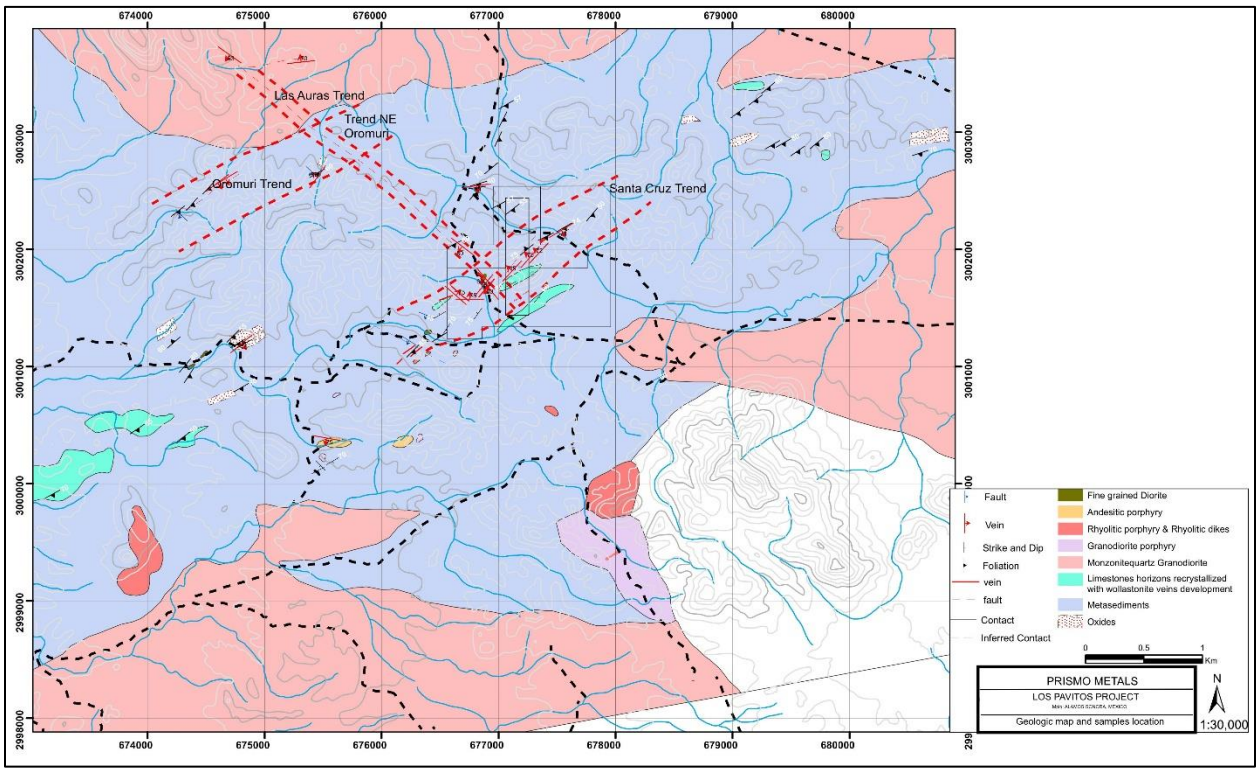

Figure 7.5. Geologic map of the Los Pavitos Property.
Geologic map from Cascabel (2014) showing structural trends and the main prospective areas: Las Auras, Cerro Oromuri and Santa Cruz.

8.0 DEPOSIT TYPES

Field evidence and observations made by the Author and geologists of Cascabel and Centerra Gold Corp. indicate that the mineralization at the Los Pavitos Property includes low sulfidation epithermal veins. These types of deposits have been described by Buchanan, 1981 (Fig 8.1). In this model, veins with precious metal values formed at high and intermediate levels in the epithermal system. Although the Los Pavitos veins and stockworks have some features of the low sulfidation epithermal type, some workers have hypothesized that the mineralization at Los Pavitos may be related to orogenic gold mineralization based on the associated shear zones and geochemistry similar to other areas in Sonora (Fig. 8.2). More work is needed to confirm this aspect as the vein types can have similarities depending on level of exposure and the geologic history is permissive of an epithermal event superimposed on and remobilizing earlier orogenic mineralization.

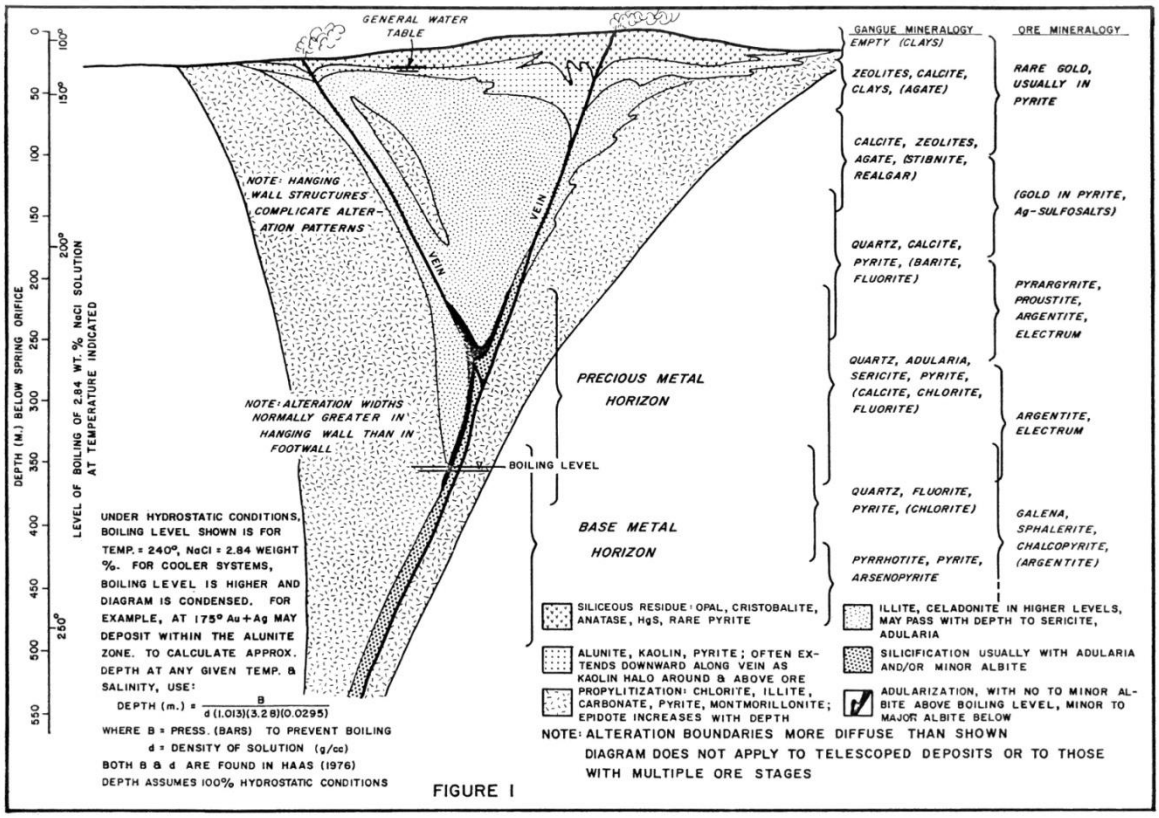

Figure 8.1. Mineralization model for low sulfidation epithermal veins.
Schematic model for mineralization related to low sulfidation epithermal veins. From Buchanan, 1981.

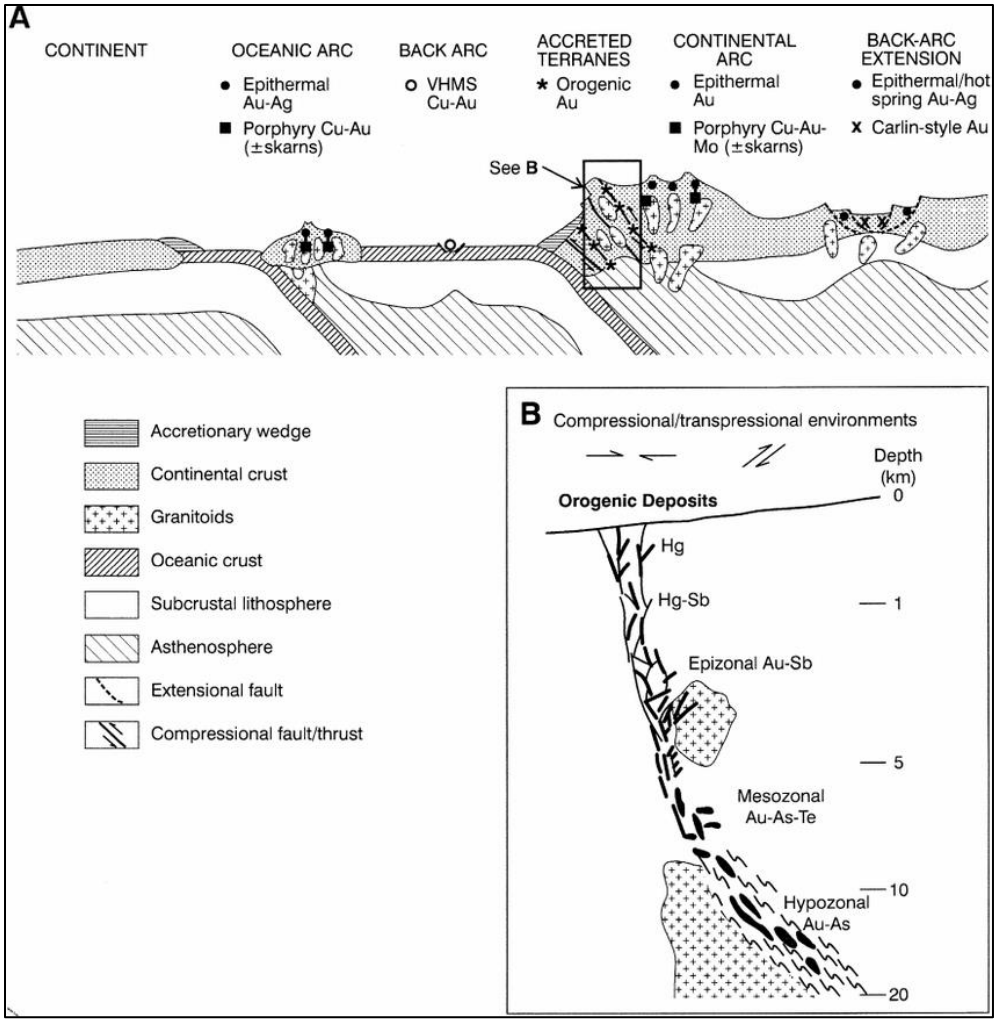

Figure 8.2. Schematic diagram of orogenic gold deposits
Orogenic gold deposits and their relationship to other deposit types and tectonic setting.
From Groves et al., 2000.

9.0 EXPLORATION

The Company has not undertaken exploration at the Property to date. The Property was previously explored by the original owners of the concessions as well as mining companies as described in section 6.0 History.

There has been no geophysics conducted at the Property other than that completed as part of a regional program conducted by the SGM (1998), G12 B46 Mocuzari, Magnetic Chart.

10.0 DRILLING

No drilling has been carried out on the Property.

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

The Company has not taken samples at the Property. The Author took five samples of mineralized structures in small historic workings as well as one dump sample during the Field Visit. The rock samples are all chip-channel samples across mineralized structures, as well as selected rock fragments taken from a small dump. Sampling was completed with a rock hammer by breaking off chips of rock, with the moderately continuous sampling perpendicular to the principal structure. Selected samples were taken of particular features and thus are variable in size and may include samples of areas separated by unsampled material. One sample was taken of selected material from a small stockpile or dump.

The sampling completed by the Author was for the purpose of confirming the presence of mineralization as previously reported and thus was not systematic. Control samples were not included with the lab submittal. Sample locations were marked in the field with spray paint and an aluminum tag and flagging with the sample number. Samples were located with a handheld GPS and sample data was recorded in a notebook. Sample data was later transcribed into a digital database in a spreadsheet and GPS locations and assay data were copied from digital files into the database.

Samples taken by the Author remained in the possession of the Author until their delivery to the sample preparation facility in Hermosillo. Sample preparation and analyses were carried out by Bureau Veritas Minerals, at their facilities in Hermosillo and Vancouver, respectively. BVM is a worldwide analytical laboratory with completed registration for Quality Management Systems to ISO/IEC 170225 for the Hubs preparation facilities and the North American analytical laboratories.

The samples were analyzed for 36 elements as a multi-element ICP-ES/MS package, AQ201. The sample digestion used was 15g as gold was analyzed as part of the multi-element package. One sample with copper over 10,000 ppm was rerun using a similar ICP-ES procedure for higher concentrations.

Rock sampling of surface and old working exposures completed by Cascabel was mainly along the mineralized structures in Los Pavitos Property and consisted of chip, chip-channel and grab/dump samples. The samples from Cascabel's initial work were analyzed by the ICP 41 method by the ALS Group, a worldwide accredited analytical laboratory, and sample data is stored in an Excel database. No other information is available for the samples taken by Cascabel or by Centerra Gold Corp. and sample locations were not observable in the field, probably due to the age of the sampling.

It is the Author's opinion that the sample security, preparation and analytical procedures are adequate for the continued evaluation of the Los Pavitos Property.

12.0 DATA VERIFICATION

The Author visited the Property on August 24, 2020. A cursory examination of the geology of the Property was made and exposures of the mineralized structures at the surface and in old workings were visited.

Five samples from mineralized structures and a dump were collected during this visit (Tables 12.1, 12.2, Fig. 12.1). The samples were taken in various mineralized areas in the Los Pavitos Property including Las Auras and Santa Cruz , from the surface and in shallow workings that had been sampled by others in the past (Fig. 12.1). The samples taken by the Author remained in the Author's custody until they were delivered to BVM in Hermosillo, Mexico. Control samples were not used as the samples taken by the Author were taken in areas previously sampled.

Samples collected by the Author were prepared and analyzed by the Bureau Veritas Minerals at their facilities in Hermosillo and Vancouver, respectively. BVM is a worldwide analytical laboratory with completed registration to ISO/IEC 17025. The samples were analyzed for 36 elements as a multi-element

ICP-ES/MS AQ201 package. The sample digestion used was 15g as gold was analyzed as part of the multi-element package.

The analytical results from the samples taken by the Author are shown in table 12.2 below and the rock sample sites are shown in Fig. 12.1. Sample descriptions are presented in Table 12.1, and photos of some samples are shown in Figs. 12.2 to 12.5. The results confirm the presence of metal values in the samples taken and confirm presence of metal values in the mineralized structures. (Figures 12.9 to 12.12)

Based on the field review and review of the mapping and sampling results, it is the Author's opinion that the current database is adequate and appropriate for continued evaluation of the Los Pavitos Property. As described further in the Interpretation and Conclusions and Recommendations sections, more systematic sampling and mapping is required to begin to develop sufficient data to complete the exploration program.

Table 12.1. Rock sample locations and descriptions for samples taken by the Author.

LOS PAVITOS PROPERTY
Samples taken by the Author

SAMPLE ID	DATE	AREA	East-WGS84	North-WGS84	ELEVATION	SAMPLE TYPE	WIDTH (m)	DESCRIPTION
13334	08-24-2020	Las Auras	674665	3003800	200	channel	0.35	trench 4x1.5x1.6m, sample taken in SE portion, white quartz vein and gray veinlets, black sulfides?, hematite stained, S65°E 60°NE
13335	08-24-2020	Las Auras	674670	3003796	200	channel	0.2	old working 2.5x1.5x2m, channel sample, whitw and grat vein, footwall of fault zone?, gouge, Iron oxides, S60°E dipping 50°NE
13336	08-24-2020	La hedionda	677103	3002132	211	channel	1.2	metasediments, quartz veining, iron oxides, footwall of 13337 sample
13337	08-24-2020	La hedionda	677102	3002132	211	channel	0.25	sample taken beside 13336, quartz vein, white and light gray color, iron oxides, arsenopyrite
13338	08-20-2020	Santa Cruz	676816	3001864	233	dump		small dump, netasediment and quartz fragments, Iron oxides and minor Cu secondary stained

Table 12.2. Assay results for samples taken by the Author at Los Pavitos.

LOS PAVITOS PROPERTY
Assay results, AQ201 Method, Bureau Veritas Minerals

SAMPLE ID	DATE	AREA	East-WGS84	North-WGS84	ELEVATION	SAMPLE TYPE	WIDTH (m)	Weight Kg	Au- ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm	As ppm	Sb ppm
13334	08-24-2020	Las Auras	674665	3003800	200	channel	0.35	1.76	144.6	8.6	5.6	80	180	2095.5	6.1
13335	08-24-2020	Las Auras	674670	3003796	200	channel	0.2	1.81	189.9	0.6	13.3	284.4	1096	2261.6	4.3
13336	08-24-2020	La hedionda	677103	3002132	211	channel	1.2	1.59	846	8.1	192.5	391.3	319	2365.7	11.8
13337	08-24-2020	La hedionda	677102	3002132	211	channel	0.25	1.39	8315.7	62.5	428.5	5251.8	662	>10000.0	73.4
13338	08-20-2020	Santa Cruz	676816	3001864	233	dump		2.12	268.2	22.3	1.80%	12.7	839	327.5	61.5

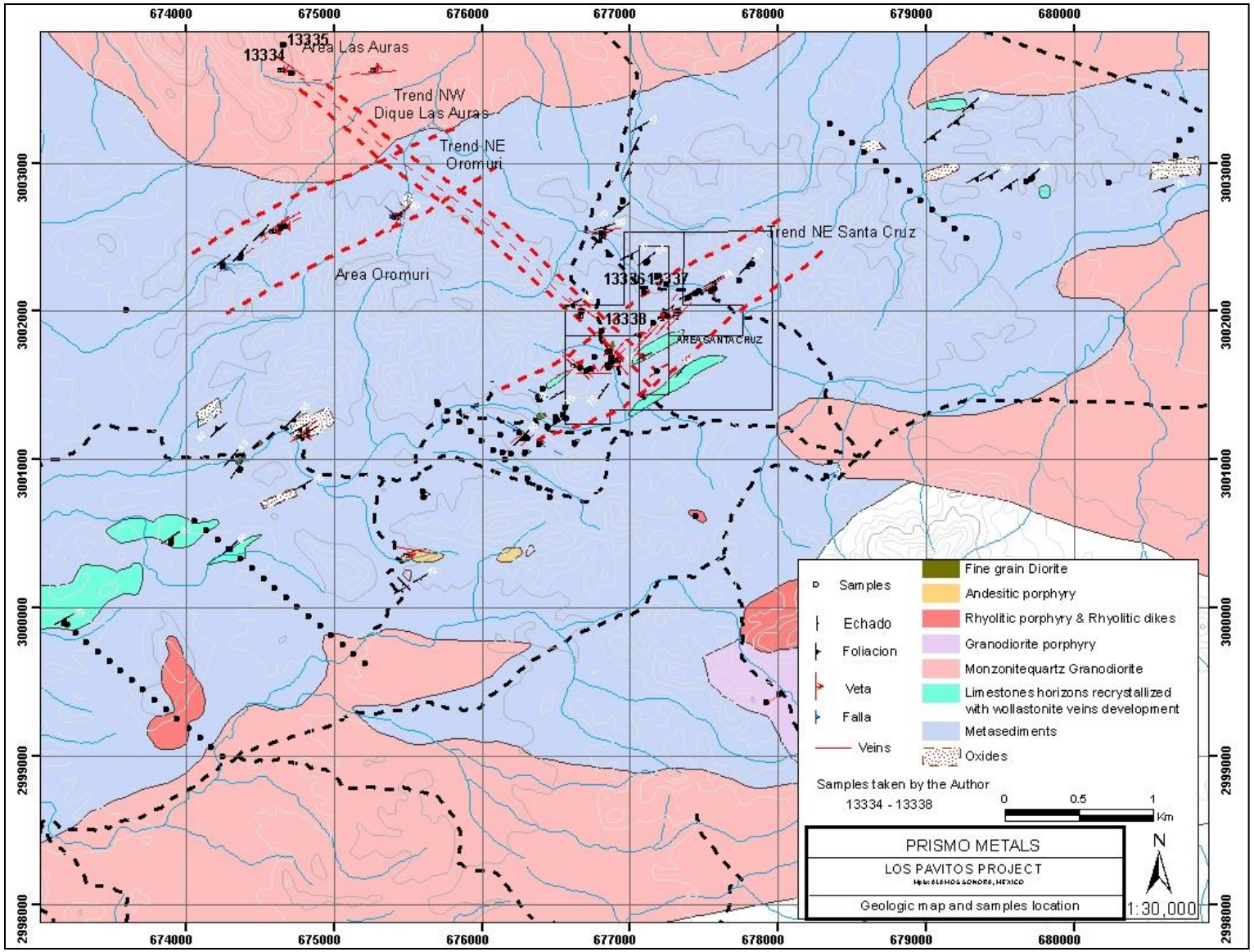

Figure 12.1. Locations of the authors samples, Los Pavitos Property.
Samples 13334 to 13338 indicated were taken by the Author. Geologic base map was modified from Cascabel (2014).

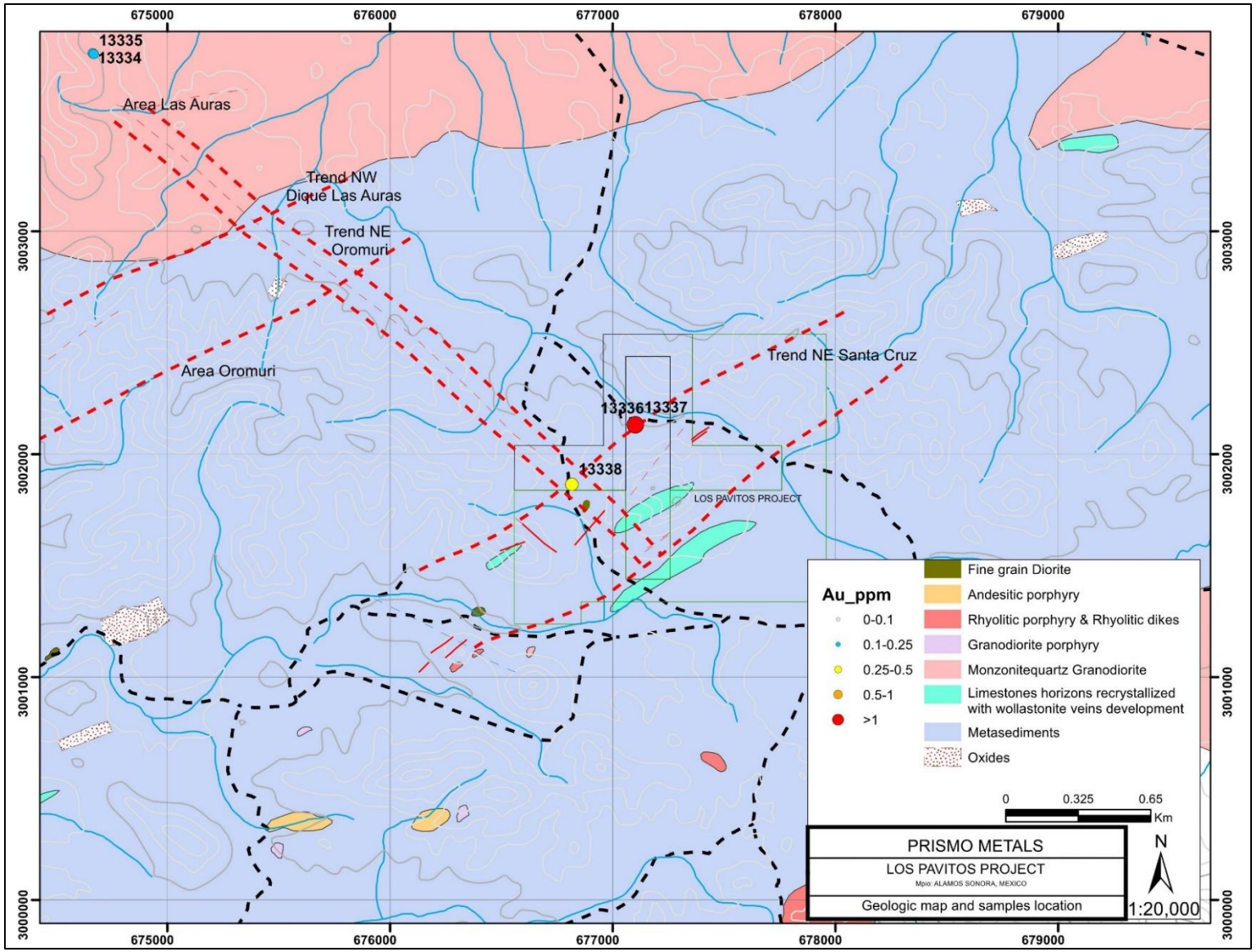

Figure 12.2. Gold assays for rock samples taken by the Author.

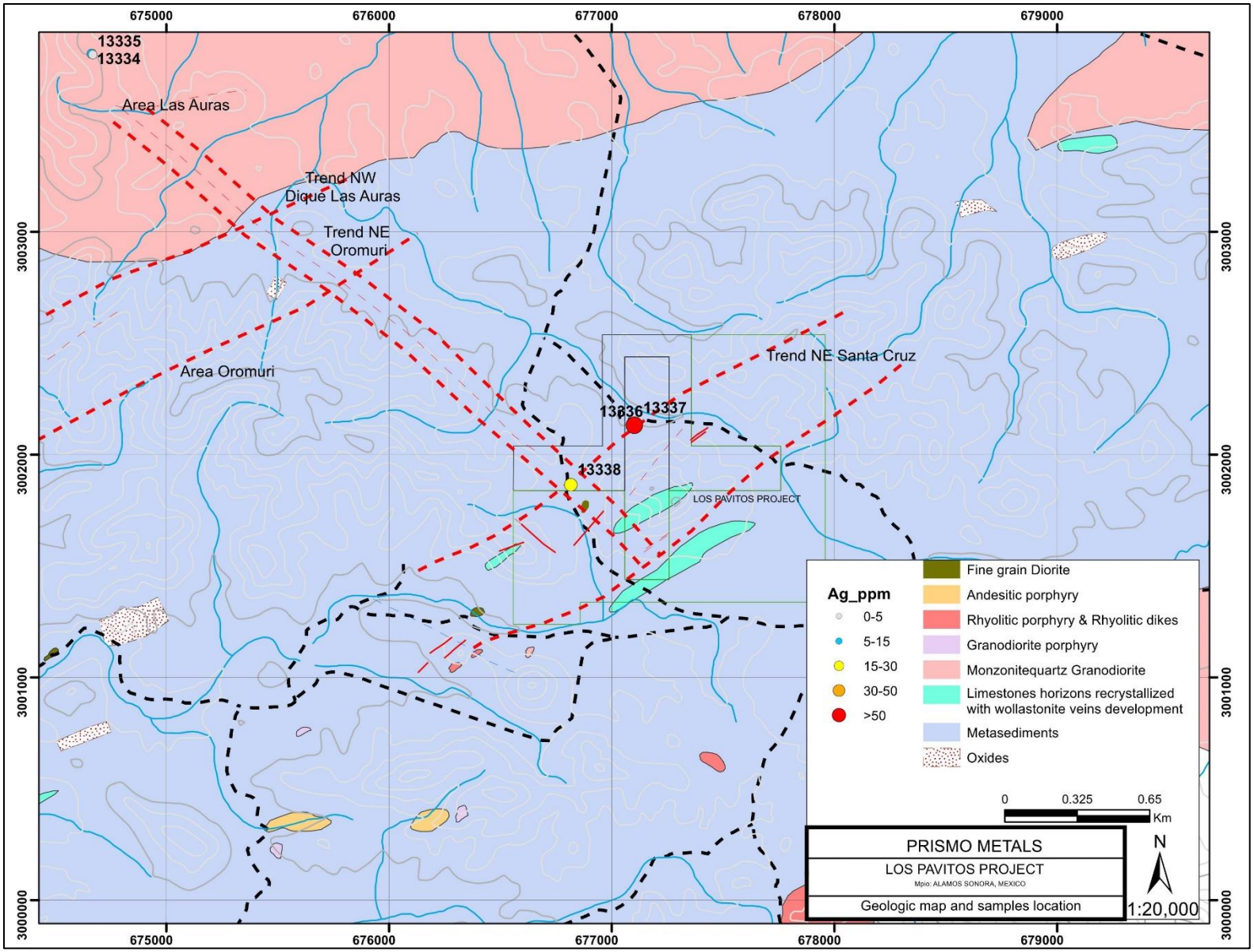

Figure 12.3. Silver assays for rock samples taken by the Author.

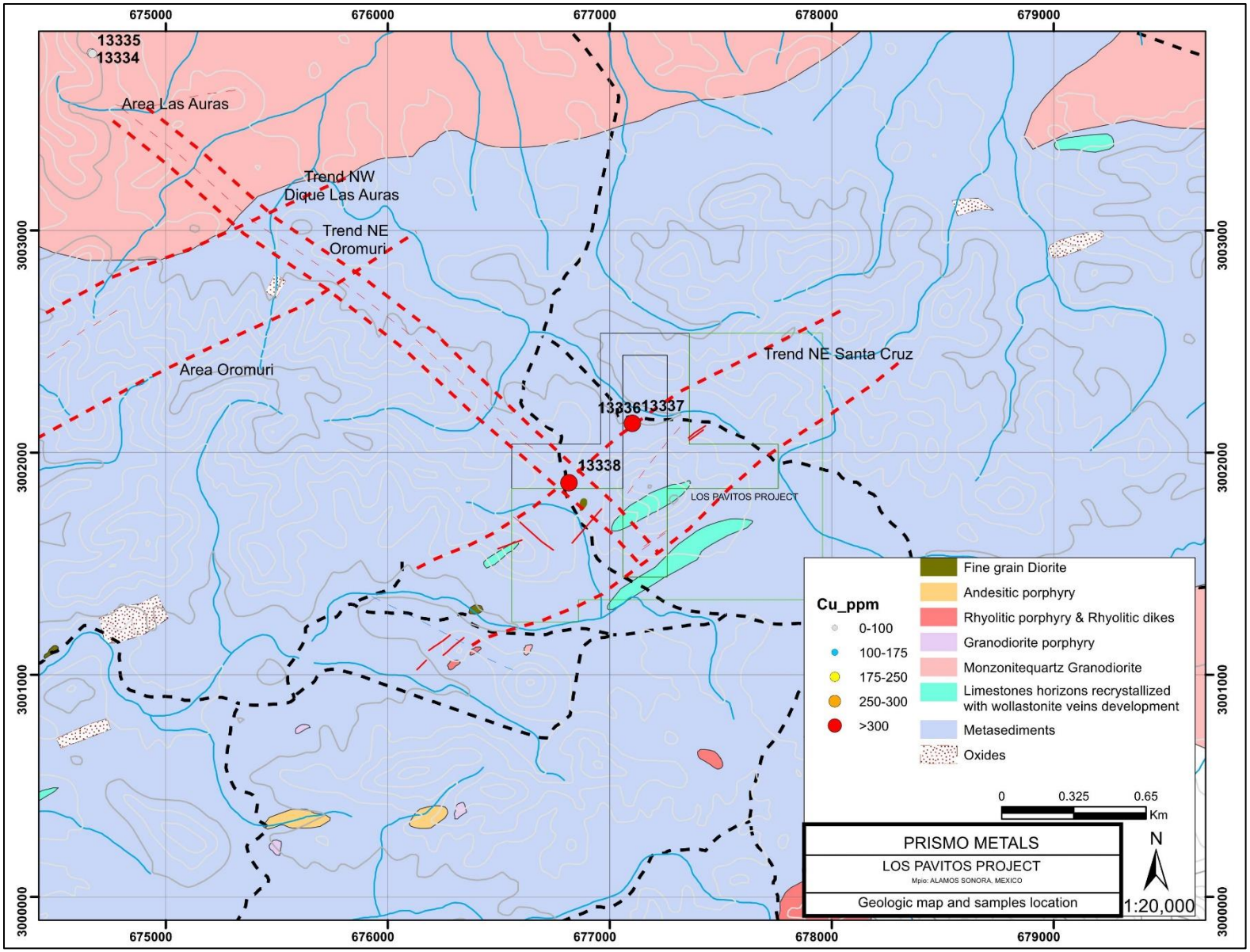

Figure 12.4. Copper assays for rock samples taken by the Author.

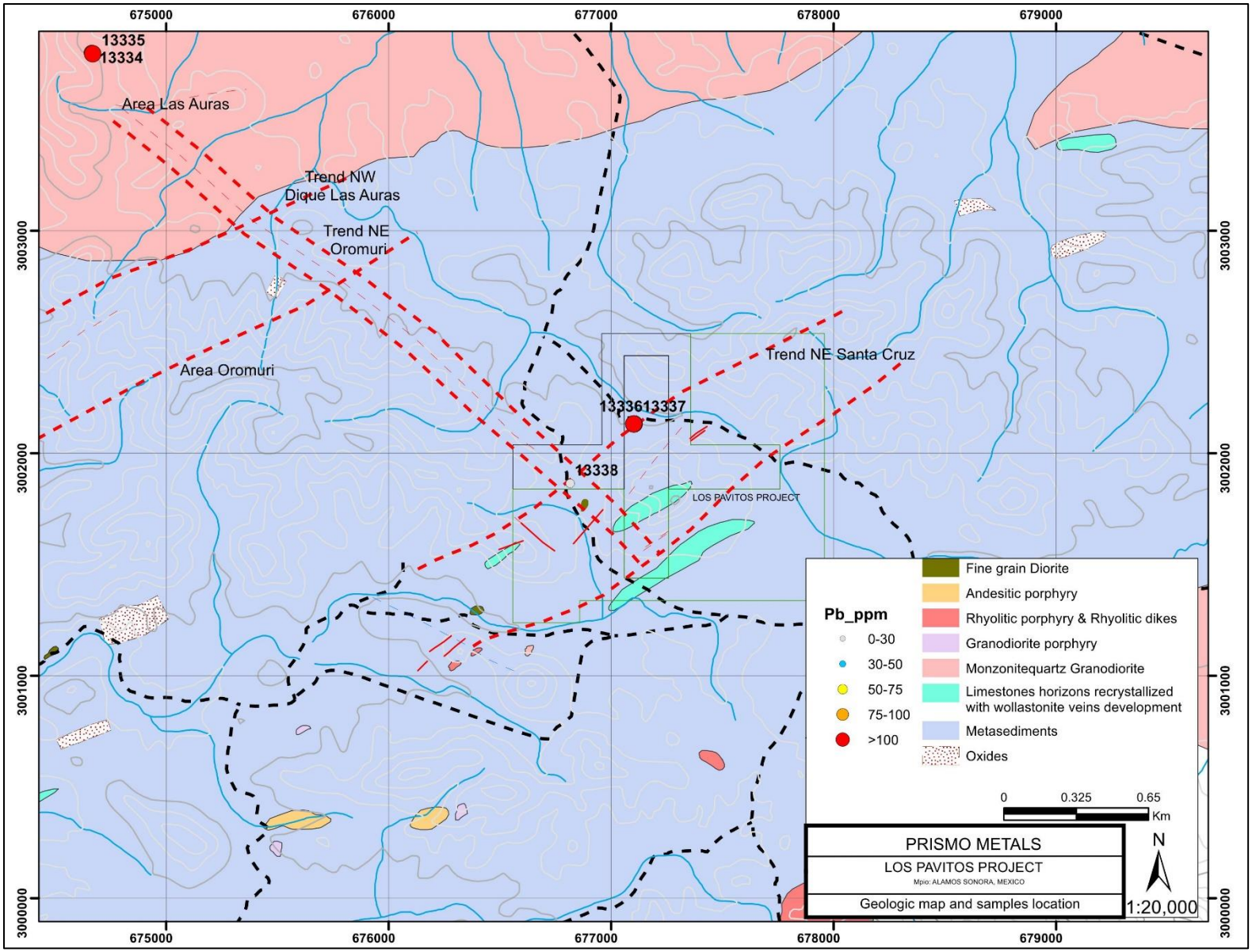

Figure 12.5. Lead assays for rock samples taken by the Author.

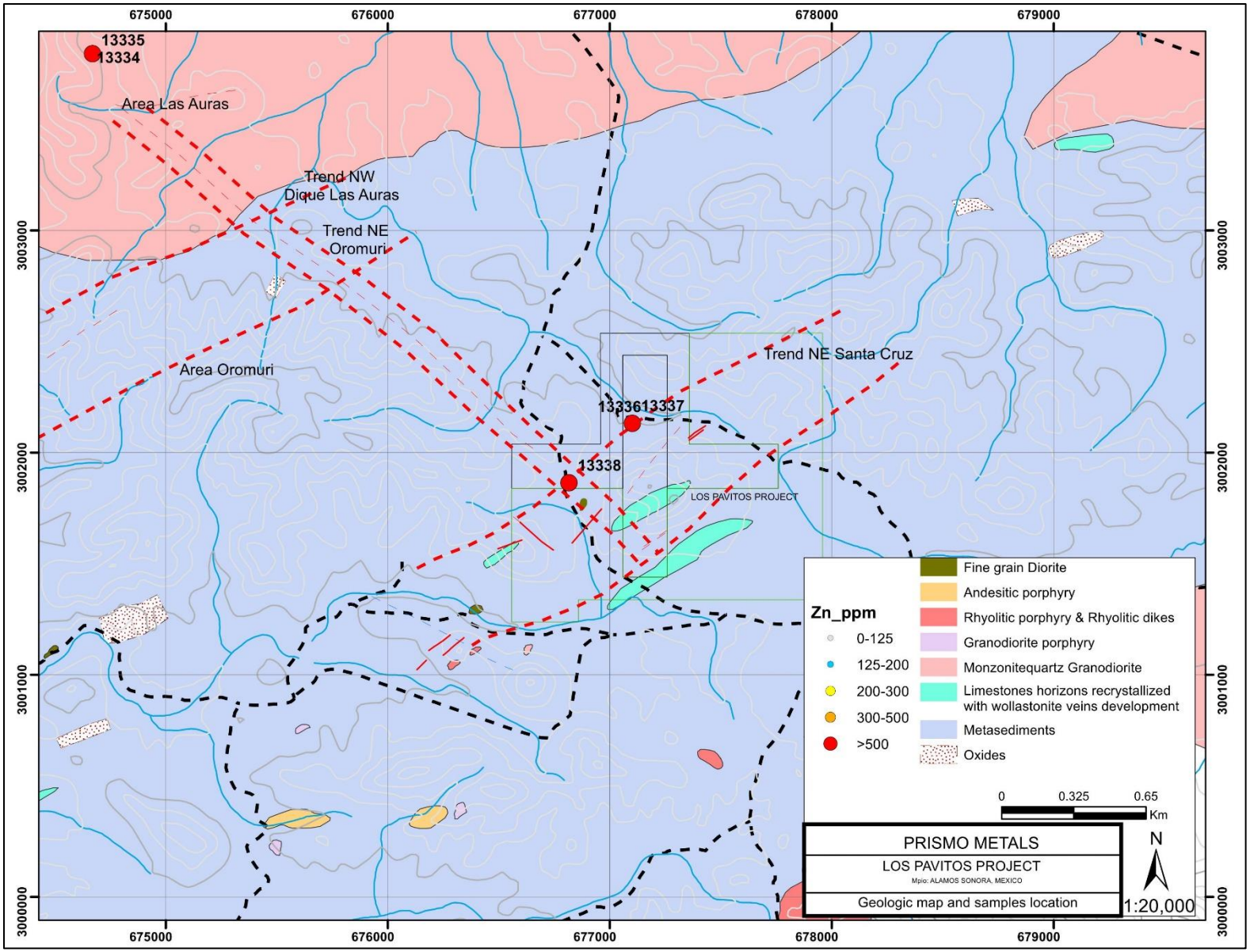

Figure 12.6. Zinc assays for rock samples taken by the Author.

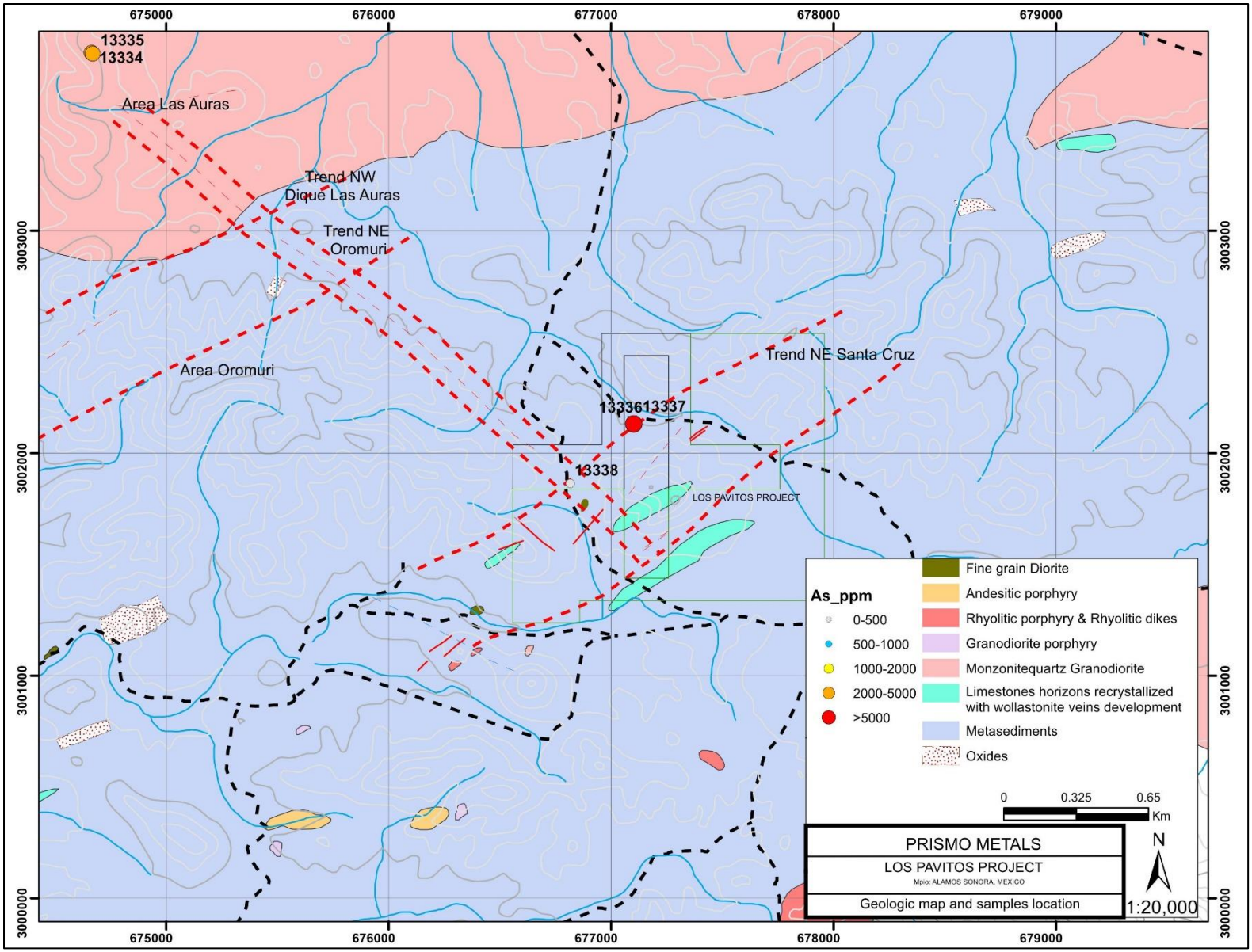

Figure 12.7. Arsenic assays for rock samples taken by the Author.

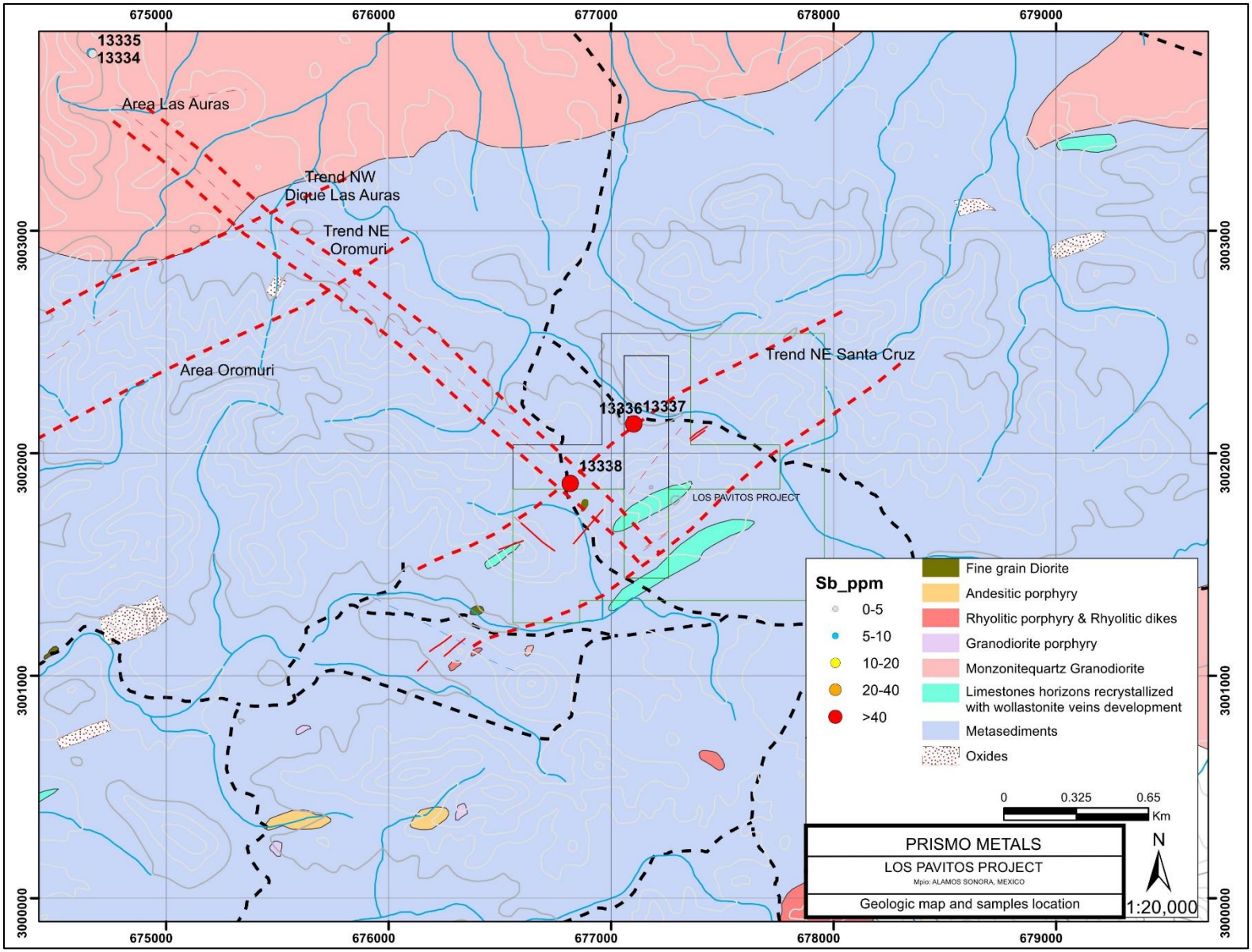

Figure 12.8. Antimony assays for rock samples taken by the Author.

Figure 12.9. Photo of old working in Las Auras Area.
Quartz vein and shear zone hosted in sericitized quartz-monzonitic intrusive.

Figure 12.10. Photo of sample No. 13335 (674,670E-2,003,796N), Las Auras Area.
Sample taken in narrow quartz vein hosted in strongly sericitized intrusive.

Figure 12.11. Photo of old working in La Hedionda Area (Santa Cruz).
Samples No. 13336 and No. 13337 (677,102E-3,002,132N). Narrow quartz vein hosted in metasediments.

Figure 12.12. Photo of small dump in Santa Cruz Area.
Quartz and metasediments fragments, with copper staining, sample 13338 (676,816E-3,001,864N).

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The Company has not performed metallurgical testing at the Property, and there is no information that would allow for a determination of mineral processing.

14.0 MINERAL RESOURCE ESTIMATES

The Property is early stage and there is no information available that would allow for estimation of mineral resources.

15.0 ADJACENT PROPERTIES

There are several adjacent concessions with small historic mines, but little or no information is available other than that compiled in SGM.

16.0 OTHER RELEVANT DATA AND INFORMATION

The Author knows of no other relevant data or information.

17.0 INTERPRETATION AND CONCLUSIONS

Based on the information obtained during the Author's Field Visit and on historic exploration work completed mainly by Cascabel, the Los Pavitos Property warrants further exploration. Assays from samples taken at surface exposures and in historic workings show precious and base metal values of interest. Much of the work completed to date has been on the small third-party concessions within the large Los Pavitos Reduccion concession, and work should be expanded to the larger concession, where it is believed that the geology is similar and that mineralization extends. More detailed mapping and sampling is needed to determine the local lithology of the volcanosedimentary and intrusive rocks to aid in structural and alteration interpretation.

The greatest potential risks to the completion of a successful exploration program at the Property include the possibility of not being able to obtain or negotiate interests in the Santa Cruz, Santa Cruz Dos and Santa Cruz 3 mining concessions that are internal to the Los Pavitos Reduccion concession, and not being able to negotiate a formal surface access agreement with the ejido that covers the area of interest within the Property. Risks may also be associated with obtaining an environmental permit for road construction and drilling. Based on the data available and the Field Visit to the Project, it is the Author's opinion that there are no reasons to believe that surface access agreements will not be obtained or that an environmental permit will not be issued.

18.0 RECOMMENDATIONS

Work completed at the Property in the past has been successful in demonstrating potential for encountering precious- and base-metal mineralization by exploration at the Property. Recommendations for further work are included below:

a) Detailed surface mapping and sampling of specific areas to help further define the controls on mineralization and structures at a scale of 1:2000.

b) Together with detailed mapping, a semi-detail reconnaissance within the concession in altered and mineralized zones, is recommended. Scale for this activity could be 1:5,000 or 1:10,000.

c) Use of an analytical package that has lower detection limits for indicator elements than that used by Cascabel to better define geochemical correlations, amplitude of anomalies, and other geochemical features.

d) Regularly spaced cross sections for geological interpretation and future drill hole planning should be constructed.

e) Surface access permits and to preparation of the necessary reports for environmental permitting should be considered and completed in due course.

g) Research the legal situation of the mining concessions within the Los Pavitos claim, Santa Cruz, Santa Cruz Dos and Santa Cruz 3, all of which are reported as being canceled by the Mines Directorate.

The table below presents a proposed budget for the recommended exploration program at the Los Pavitos Property. The program includes mapping at different scales accompanied by sampling. The proposed work could be completed in about 6 to 12 months.

Table 18.1. Proposed budget for the Los Pavitos Property.

Proposed exploration budget for geology (amounts in USD)	
Personnel	175,000
Field expenditures	30,000
Travel/Meals/Lodging	35,000
Assays	50,000
Environmental	20,000
Land Acquisition	60,000
Road rehabilitation	35,000
Surveys: remote sensing/geophysics	50,000
Contingencies	45,000
Total	**500,000**

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