

NI 43-101 Technical Report

for the

ORO CRUZ GOLD PROJECT

Imperial County, California, U.S.A.

**Located in the Historical Cargo Muchacho - Tumco Mining District
of the Cargo Muchacho Mountains
(WGS) 1984 Zone 11S 704375.00 m E, 3639680.00 m N**

Prepared for:

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Effective Date: September 30, 2019
Report Date/Signing Date: September 30, 2019
Filing Date:

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Date and Signature Page

Oro Cruz Gold Project

September 30, 2019

Owl Capital Corp.

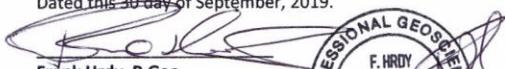
Date and Signature Page

This report entitled "NI 43-101 Technical Report for the Oro Cruz Gold Project, Imperial County, California, U.S.A.", dated September 30, 2019 with an effective date of September 30, 2019, was prepared and signed by the following Qualified Person(s) within the meaning of National Instrument 43-101:

Prepared by: Frank Hrdy, P.Ge.
CanMine Consultants

Effective Date: September 30, 2019
Signing Date: September 30, 2019
Filing Date: December 10, 2019

Dated this 30 day of September, 2019.


Frank Hrdy, P.Ge.



IMPORTANT NOTICE

This report was prepared as National Instrument 43-101 Technical Report for Owl Capital Corp. (Owl) by Frank Hrdy, P.Ge. of CanMine Consultants (CanMine). The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in CanMine's services, based on: i) information available at the time of preparation; ii) data supplied by outside sources; and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Owl subject to terms and conditions of their contract with CanMine and permits Owl to file this report as a Technical Report with Canadian Securities Regulatory Authorities pursuant to National Instrument 43-101 Standards of Disclosure for Mineral Projects. Except for the purposes legislated under applicable Canadian provincial, territorial, and federal securities law, any other use of this report by any third party is at that party's sole risk.

FORWARD LOOKING STATEMENTS

This Technical Report may contain forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian securities laws. While these forward-looking statements are based on expectations about future events as at the effective date of this Technical Report, the statements are not a guarantee of Owl's future performance and are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Such risks, uncertainties, factors and assumptions include, but not are limited to, metal prices, mineral resources, smelter terms, labour rates, consumable costs and equipment pricing. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements.

Certificate of Qualified Person

Oro Cruz Gold Project

September 30, 2019

Owl Capital Corp.

Certificate of Qualified Person**Frank Hrdy, P.Geo.**

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I, Frank Hrdy, do hereby certify that:

1. I am an independent consultant working with CanMine Consultants, a consulting firm located in Vancouver, British Columbia, Canada. This certificate is part of the report titled "NI 43-101 Technical Report for the Oro Cruz Gold Project, Imperial County, California, U.S.A."; Effective Date September 30, 2019, and prepared for Owl Capital Corp.
2. I graduated from the University of Saskatchewan with a Bachelor of Science Degree in Geology in 1987, a Master of Science Degree in Geology in 1994 and a Masters of Business Administration Degree from the University of Victoria in 2000.
3. I have worked in the exploration/mining field since 1984 and practiced my profession as a geologist since graduating in 1987 in industry and academics for 30 years (an additional 5 years were spent in business school and working as a manager in the manufacturing industry). I have worked as a geologist in exploration, production and resource and reserve evaluation positions. Countries I have worked in or visited in a geological capacity include Canada (BC, Saskatchewan, Manitoba, Ontario, Yukon, NWT), U.S.A. (Montana, Nevada and California), Czech Republic, Greece, Mexico, China, Argentina, Ecuador and Haiti. I also have experience in operations management including permit acquisitions, public relations, infrastructure procurement and installation, site management, mine planning and equipment manufacture.
4. I am a member in good standing of the Association of Professional Engineers and Geoscientists of Saskatchewan (Registered Professional Geoscientist, No. 10266).
5. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that I do fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101. I have read NI 43-101 and Form 43-101F1, 43-101CP (updated in June, 2011) and Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 and the Technical Report has been prepared in compliance with the instrument to the best of my knowledge.
6. I visited the Oro Cruz Property between January 14th and January 16th, 2019.
7. I am responsible for all sections of the report titled "NI 43-101 Technical Report for the Oro Cruz Gold Project, Imperial County, California, U.S.A."; Effective Date September 30, 2019, (the "Technical Report").
8. I am independent to Owl Capital Corp., Lincoln Mining Corporation, Lincoln Gold US Corp., Bell Mountain Exploration Corp., Eros Resources Corp., and Demerara Gold Corp.
9. I have had prior minor involvement with the property that is subject to this Technical Report since 2017 for Lincoln Mining Corporation performing various informal database, geological modeling and grade-related work.
10. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
11. I consent to the public filing of this Technical Report only in its entirety, in a prospectus or any similar offering document, for presentation to any stock exchange or other regulatory authority, and for publication, including electronic publication accessible by the public. This consent extends as well to all other forms of written disclosure.

Dated this 30 day of September, 2019.

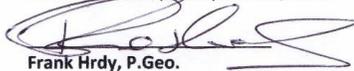

Frank Hrdy, P.Geo.



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1 Summary

Purpose of Report

Pursuant to a term sheet (the Agreement) dated April 10, 2019 between Owl Capital Corp. (Owl; TSX-V: OCC.P), Eros Resources Corp. (Eros; TSX-V: ERC), Bell Mountain Exploration Corp. (Bell Mountain, a wholly-owned subsidiary of Eros) and Demerara Gold Corp. (Demerara, a privately held non-reporting British Columbia company), Owl will acquire all of Eros' and Demerara's rights, titles and interests in and to the Oro Cruz Property (the Property), located in Imperial County, California, and the Eastgate Property, located in Churchill County, Nevada, from Eros and Demerara, respectively, as well as a 5.58% undiluted equity interest in Bullfrog Gold Corp. (Bullfrog; OTCQB: BFGC, an exploration stage company), from Eros (the Transaction). A news release dated April 24, 2019 (Newsfile Corp. – April 24, 2019 “Owl Capital Corp. Announces Proposed Gold-Focused Qualifying Transaction”) was issued describing the Agreement and further describing the Transaction and is available on the Owl filing page of the Canadian Securities Administrators System for Electronic Document Analysis and Retrieval ([SEDAR](#)).

Owl is a capital pool company (CPC) listed on the TSX Venture Exchange (the Exchange) and intends the Transaction to constitute a Qualifying Transaction pursuant to Exchange Policy 2.4 – Capital Pool Companies. Upon successful completion of the Transaction, Owl will change its name to Southern Empire Resources Corporation and be a Tier 2 mining issuer listed and trading on the Exchange.

CanMine Consultants (CanMine) was retained by Owl to: undertake a review of all available data regarding the Oro Cruz Gold Project; recommend (if warranted) specific areas and methods for further exploration and development of the Property; and prepare an independent report (the Technical Report) that is compliant with the requirements set forth by the Canadian Securities Administrators Standards of Disclosure for Mineral Projects, National Instrument 43-101 (NI 43-101). This Technical Report was prepared as a part of the materials required for filing of the Qualifying Transaction with the Exchange and other regulatory authorities having jurisdiction.

Frank Hrdy, P.Geo., the Qualified Person (QP) and author of this Technical Report, visited the Oro Cruz Gold Project site between January 14th and January 16th, 2019. A tour of the entire Property including the Oro Cruz open pit and existing underground development occurred. Representatives of Eros and Bell Mountain, Demerara and Lincoln Mining Corporation (Lincoln) and Lincoln's wholly owned U.S. subsidiary Lincoln Gold US Corp. (Lincoln Gold) were also on the Property tour.

Oro Cruz Gold Project

The Oro Cruz Gold Project is in the Cargo Muchacho Mountains of Imperial County, southeast California, approximately 25 kilometres (15.5 miles) northwest of Yuma, Arizona. The Oro Cruz mine (also historically known as the Golden Cross or Tumco mine), situated on the Property, is a former gold (Au) producer within the historical Cargo Muchacho - Tumco Mining District (also referred to as the Hedges Mining District).

The Oro Cruz open pit, historically known as the Cross pit and one of the sources of the most recent gold production from the Property in 1996, is accessed from Yuma by 34.4 km (21.4 miles) of paved road via Interstate Highway 8 and County Road S34 (Ogilby Road) and then by 2.4 km (1.5 miles) of unimproved and gated BLM Route 668.

The operating Mesquite Gold Mine of Equinox Gold Corp. (Equinox Gold; TSX-V: EQX) is approximately 22.5 km (14 miles) northwest of the Oro Cruz open pit and the international border with Mexico is 18 km (11.2 miles) due south of the pit.

The Oro Cruz Gold Project currently comprises of a total of 271 Bureau of Land Management (BLM) unpatented lode mining claims totaling approximately 2,160 hectares (ha; 5,338 acres) and 13 BLM unpatented placer mining claims totaling about 105 ha (260 acres).

Historical gold mining on the Property occurred from 1890 to 1916 and 1931 to 1941, with production estimated at greater than 150,000 ounces of gold.

The Oro Cruz Property was last mined for about one year during 1995 and 1996 by the American Girl Mining Joint Venture (AGMJV); operated and 53%-owned by MK Gold Company (MK Gold), a subsidiary of Morrison Knudsen Corporation. Gold production was approximately 61,000 troy oz from oxide ore extracted by both open-pit and underground mining operations before the mine closed due to low gold prices.

Adjacent to the Oro Cruz Property are the historically past-producing American Girl and Padre y Madre gold mines. Gold was again produced from these properties in 1988 through 1996 by the AGMJV.

The Oro Cruz Property has a historical inferred resource estimate totaling 341,800 ounces gold based on 4,386,000 tonnes averaging 2.20 grams gold per tonne (g Au/t) at a cut-off grade of 0.68 g Au/t (4,835,000 tons at 0.07 ounces gold per ton (oz Au/ton)). This historical inferred resource estimate is disclosed in a technical report dated April 29, 2011 prepared for Lincoln by Tetra Tech, Inc. (Tetra Tech) and is available on the Canadian Securities Administrators System for Electronic Document Analysis and Retrieval ([SEDAR](#)). The historical mineral resource estimate, termed "inferred mineral resource", which is a category set out in NI 43-101, was based on previous drill hole, underground channel samples and blasthole assays, and calculated using ordinary kriging to estimate gold grades in 10 foot x 10 foot x 5 foot blocks. Accordingly, the QP has not done sufficient work to validate the reliability of the historical resource estimate but considers it relevant as it represents a key target for exploration work to be carried out by Owl Capital. To the knowledge of the QP, there is no new data available since the estimation of the above historical resource estimate and no additional work has been done to upgrade or verify the historical resource estimate. In order for the historical inferred resource estimate to be considered a current mineral resource, Owl will need to complete additional drilling on the deposit.

The QP has not done sufficient work to classify the historical estimate as a current mineral resource and it is not being treated as a current mineral resource (See Section 6.4.1 for a description of the estimation method used by Tetra Tech).

Based on the mining completed in the mid-1990's by the AGMJV, gold mineralization from the Oro Cruz Property has been proven amenable to conventional heap leach recovery methods. Column cyanide leach metallurgical tests completed for MK Gold in 1990 and 1991 on a 25.9 m (85 ft) core interval grading 1.39 g Au/t (0.039 oz Au/ton) taken from the west portion of the Oro Cruz deposit gave 75.0% gold recovery from minus 9 millimetre (3/4 inch) crush material.

There are multiple exploration targets on the Oro Cruz Property, notably to the southeast of the open pit along the down dip extension of the known mineralized zones where gold grades and thickness improve as shown by results from historical surface reverse circulation (RC) drilling.

Location and Access

The Oro Cruz Property lies within the historical Cargo Muchacho - Tumco Mining District of Imperial County in southeastern California. More precisely, the center of the existing Oro Cruz open pit is located at World Geodetic System (WGS) 1984 Zone 11 S grid coordinates 3639680.00 m N and 704375.00 m E. This coordinate system is used here for location purposes only because it is used by Google Earth. The location of the center of the pit in Latitude/Longitude coordinates is at Latitude +32.876432 and Longitude -114.815457 approximately 24.7 km (15.4 miles) northwest of the Colorado River bridge crossing at Yuma, Arizona.

The Oro Cruz open pit is accessed by 34.4 km (21.4 miles) of paved road; west from Yuma via Interstate Highway 8, north along County Road S34 (Ogilby Road) and then east by 2.4 km of unimproved gravel BLM Route 668.

Equinox Gold's producing Mesquite Gold Mine is approximately 22.5 km (14 miles) northwest of the Oro Cruz open pit; the formerly producing open pit Picacho Mine of Glamis Gold Mines Ltd. is approximately 18.8 km (11.7 miles) northeast of the pit and the international border with Mexico is 18 km (11.2 miles) due south of the pit.

Ownership

The Oro Cruz Gold Project currently comprises a total of 271 BLM unpatented lode mining claims totaling approximately 2,160 hectares (5,338 acres) and 13 BLM unpatented placer mining claims totaling about 105 ha (260 acres).

ADGIS, Inc. (ADGIS) of 210 South Rock Boulevard, Reno, Nevada 89502 owns a core group of 20 BLM unpatented lode mining claims (the Hercules Claims) that cover the Oro Cruz gold deposit. ADGIS is wholly-owned by Mr. Paul Hartley of Reno, Nevada.

Lincoln Gold, in a Purchase Option Letter Agreement dated May 1, 2018 (the ADGIS Agreement) obtained the right to purchase a 100% interest in the Hercules Claims from ADGIS for cash consideration totaling US \$500,000 and the granting of a Net Smelter Return (NSR) royalty interest on metal production from the Hercules Claims or other claims within a 1 mile Area of Interest radius of the Hercules Claim boundary (the AOI Claims). The NSR royalty is 2% (with a buy-down provision to a 1% NSR) on production from the Hercules Claims and 1% (with a buy-down provision to a 0.5% NSR) on production from any AOI Claims.

The other 251 BLM unpatented lode mining claims and 13 BLM unpatented placer mining claims that form the balance of the Oro Cruz Gold Project are registered in the name of Lincoln Gold US Corp., a Nevada corporation.

The Company has the right to general access and surface disturbance subject to administration by the El Cento Field Office of the Bureau of Land Management.

Geology and Mineralization

The Oro Cruz Property lies within the Cargo Muchacho Mountains, which are an isolated mountain range surrounded by dissected pediment and a vast area of various alluvial deposits.

The Cargo Muchacho mountain range is composed of Jurassic Tumco Formation (gneiss and schist) that has been intruded by several large, slightly younger Jurassic diorite, granodiorite and granite bodies. Both the plutons and their host rocks have been subjected to amphibolite-facies metamorphism. The prevailing structural fabric is a northwest-striking, southwest-dipping ductile foliation and is attributed to Late Cretaceous Laramide Orogenic Event thrusting. Low-angle thrust and/or normal faults are present, as well as dextral strike-slip faults. Moderate, roughly concordant southeast dipping structures are also present.

The Property covers the northwestern portion of the Cargo Muchacho range and contains well-foliated metasedimentary gneiss and schist of the Tumco Formation. Gold mineralization remains exposed in the historical Oro Cruz open-pit and underground workings where it is hosted within a brown, iron-oxidized (magnetite, hematite, limonite, goethite) and partially silica/carbonate replacement band that is roughly concordant within the gneiss and schist lithologies of the host Jurassic Tumco Formation.

Examination of various drill logs reveals that significant gold mineralization is associated with the presence of 0.5 to 2+% magnetite and/or 0.5 to 5+% limonite. Minor amounts of gold are found as inclusions in silica gangue and carbonates. Gold occurs as native gold that contains very low silver (<5%) and iron. Particle size analysis show that the gold is mostly very fine with 64% at < 5 microns, 8% at 5 to 10 microns, and 28% > 10 microns in diameter with a few coarse particles up to 50 microns.

Status of Exploration

As of the date of this Technical Report, neither Owl, Lincoln, Eros nor Demerara have completed any exploration mapping, geochemical sampling, geophysical surveys, trenching or exploration drilling on the Property.

Applications have been submitted for two mineral prospecting permits, on two sections of approximately 1 square mile each, which are under the jurisdiction of the State of California (Section 16, T.15 S, R.21 E., San Bernardino Base & Meridian and Section 36, T.14 S., R.20 E., San Bernardino Base & Meridian). Permits for Section 36 have been granted and the permit application for Section 16, T.15 S, R.21 E will be heard in October, 2019.

The notices to conduct mineral exploration on the heap leaches and drill around Oro Cruz will be submitted by September, 2019.

No additional permits will be required for the school sections. Once the section 16 permit is received we will have the permits we need to do the work (Surface sampling) planned.

Development and Operations

Underground and open pit mining of the Oro Cruz Property was initiated in 1995 through the AGMJV but these operations ceased in 1996, reportedly due to low gold prices. Although haul roads have been ripped and reclaimed, the historical AGMJV open pit and underground mine workings are now in good condition, similar to their condition when mining ceased. As of the date of the QP's Property visit, a pool

of water is now found at the bottom of the existing underground development at approximately the 250 foot above sea level (a.s.l.) elevation (525 feet below surface) which may represent the elevation of the water table.

At present there are no facilities at the project site other than the AGMJV Oro Cruz deposit decline portal and vent shaft that provide access and fresh air for underground. Some historical foundations, remnants of the previous mining operations and tailings from the early 1900's exist on the Property. Reclaimed historical leach pads from the AGMJV operations also occur on the Property.

The Company has adequate surface rights to accommodate processing/storage/disposal/ of all mineral materials subject to the administration of the El Centro Field Office of the Bureau of Land Management.

Mineral Resource and Mineral Reserve Estimates

The most recent historical resource estimate was prepared for Lincoln by Tetra Tech, Inc., in a NI 43-101 Technical Report authored by John W. Rozelle, P.G. and dated April 29, 2011, which reports inferred gold resources contained within seven "Zones", the biggest of which is the Oro Cruz Zone. Table 1-1 summarizes these estimates:

Table 1-1 - Summary of Most Recent Historic Resource Estimate

Zone	Category	Cut-off Grade Oz Au/t	Tons	Avg. Grade Oz Au/t	Contained Ounces
Oro Cruz	Inferred	0.02	4,200,000	0.07	307,000
Zone A	Inferred	0.02	369,800	0.05	17,741
Zone B	Inferred	0.01	173,200	0.02	3,275
Zone C	Inferred	0.02	60,000	0.04	2,640
Zone D	Inferred	0.02	41,800	0.04	1,634
Zone E	Inferred	0.02	3,800	0.04	133
<u>Queen</u>	<u>Inferred</u>	<u>0.02</u>	<u>159,000</u>	<u>0.04</u>	<u>6,284</u>
Total	Inferred		4,835,000	0.07	341,795

Tetra Tech also reported that old mill tailings occur on the Property that contain gold values that could be recovered on a leach pad. However, there is no description as to how this historical resource was estimated so it cannot be reported here.

Note 1: Neither the QP, nor Owl or Lincoln have done sufficient work to classify the historical estimates as current mineral resources and the QP, Owl and Lincoln are not treating the historical estimates as current mineral resources.

Note 2: The QP has not done sufficient work to validate the reliability of these estimates but considers it relevant as it represents a key target for exploration work to be carried out by Owl Capital. To the knowledge of the QP, there is no new data available since the calculation of the above historical resource estimate and no additional work has been done to upgrade or verify the historical resource estimate. In order for the historical inferred resource estimate to be considered a current mineral resource, Owl will need to complete additional drilling on the deposit

Note 3: See Section 6.4.1 for a description of key assumptions, parameters and methods used to prepare the historical estimates.

Qualifying Person's Conclusions and Recommendations

1.1 Phase 1

It is the opinion of the QP that the Oro Cruz Gold Project warrants additional study and evaluation. The current Oro Cruz database has 491 drill holes. A strategic core drilling program designed to twin some of the most significant existing RC drill holes and to provide verification of the accuracy of the existing database is recommended as historical samples and corresponding assay sheets are missing. Additionally, this drill program should include in-fill drilling within zones of known mineralization to increase the level of confidence so that an Indicated and Measured NI 43-101 compliant mineral resource estimate to be established for the Property. This program should also include core drilling for metallurgical samples followed by metallurgical test work.

Tetra Tech reported that old mill tailings are present on the Property that contain gold values that could be recovered on a leach pad. A drill program designed to test the extent and concentration of gold at these tailing sites would be a first step to estimating a NI 43-101 compliant mineral resource estimate for these tailings. In addition, existing historical heap leach pads on the Property should be sampled and drilled. This program should also include drilling for metallurgical samples followed by metallurgical test work.

Once the drill programs are completed an updated NI 43-101 compliant mineral resource estimate should be conducted.

Tables 26-1 and 26-2 are estimated budgets for Phase 1 above and is US\$ 1,286,073 (approximately CAN \$1,693,300* July 29, 2019 9:32 p.m UTC).

1.2 Phase 2

If the results from the "updated NI 43-101 compliant mineral resource estimate" is positive in that it shows good potential for economic extraction a Pre-Feasibility study that is NI 43-101 compliant could be undertaken to provide a Mineral Reserve estimate. The estimated cost for this study is US\$ 300,000 (approximately CAN\$395,000* July 29, 2019 9:32 p.m. UTC).

2 Introduction

Owl, a CPC listed on the Exchange, entered into an Agreement dated April 10, 2019 with Eros and Demerara. Pursuant to the Agreement, Owl can acquire all of Eros' and Demerara's rights, titles and interests in the Oro Cruz Property, located in Imperial County, southeastern California.

Owl intends this Transaction to constitute a Qualifying Transaction pursuant to Exchange Policy 2.4 – Capital Pool Companies. Upon successful completion of the Transaction, Owl will change its name to Southern Empire Resources Corporation and be a Tier 2 mining issuer listed and trading on the Exchange.

The Transaction is further described in the Owl news release, dated April 24, 2019 available on SEDAR at the [Owl filing page](#).

CanMine Consultants was retained by Owl to: undertake a review of all available Oro Cruz Property data; recommend (if warranted) further exploration of the Property; and, prepare an independent Technical Report regarding the Oro Cruz Gold Project that is compliant with the requirements set forth by the Canadian Securities Administrators Standards of Disclosure for Mineral Projects, National Instrument 43-101 and the guidelines in Form 43-101 F1.

This Technical Report, titled "NI 43-101 Technical Report for the Oro Cruz Gold Project, Imperial County, California, U.S.A." was prepared as a part of the materials required for Owl's CPC Qualifying Transaction and will be filed with the Exchange as well as the British Columbia Securities Commission and other regulatory authorities having jurisdiction.

Information referred to in this Technical Report, including previous reports, electronic data, topographic and geological maps, existing underground development data and drill hole data were provided by Lincoln and Lincoln Gold, the current optionee of the Hercules Claims and the registered holder of the rest of the BLM claims that form the Property.

Frank Hrdy, P.Geo., the QP and author of this Technical Report, visited the Oro Cruz Gold Project site between January 14th and January 16th, 2019. A tour of the entire Property including the Oro Cruz open pit and existing underground development occurred. Representatives of Demerara, Eros, and Lincoln and were also on the Property tour.

3 Reliance on Other Experts

The QP, as author of this report has relied on contributions from:

1. Mr. Paul Saxton, P.Eng. of Lincoln for input regarding legal, political, environmental and tax matters.
2. Ms. Molly Hunsaker of Hunsaker Inc. - Consulting Geologists, 1675 Sky Mountain Drive, Reno, NV 89503 for the status of the Property mineral claims.
 - The QP has relied on Ms. Hunsaker for the most recent information regarding the claim status. April 4, 2019 – Tables and discussion of current claims status.
4. Mr. Jeffrey Wilson, Executive Vice President of Lincoln, for input regarding permits.

5. Owl Capital Corp.
 - The QP has relied on Owl for all Transaction related information, which to the QP's knowledge is correct. However, this research by the QP does not express a legal opinion as to the status of the Agreement regarding the claims which form the Property; any underlying agreements regarding the Property; or the legal status of the claims forming the Property. See: April 24, 2019 Press Release, Vancouver, British Columbia (Newsfile Corp.): Owl Capital Corp. Announces Proposed Gold-Focused Qualifying Transaction; also available on SEDAR at the [Owl filing page](#).

4 Property Description and Location

4.1 Location and Access

The Oro Cruz Property lies within the historical Cargo Muchacho - Tumco Mining District of Imperial County in southeastern California (see Figure 4.1). More precisely, at Universal Transverse Mercator (UTM) Zone 11 S grid coordinates 3639584 m N and 704701 m E; California State Plane, Zone 6 grid coordinates 1901296 ft N, 7003162 ft E and WGS84 Zone 11S coordinates 3639542 m N and 704696 m E.

The centre of the Oro Cruz open pit, located on the Property, is situated at Latitude +32.876432 and Longitude -114.815457 approximately 24.7 km (15.4 miles) northwest of the Colorado River bridge crossing at Yuma, Arizona. Equinox Gold's producing Mesquite Gold Mine is approximately 22.5 km (14 miles) northwest of the Oro Cruz open pit and the international border with Mexico is 18 km due south of the pit.

The Oro Cruz open pit is accessed by 34.4 km (21.4 miles) of paved road; west via Interstate Highway 8 from Yuma, north along County Road S34 (Ogilby Road) and then east by 2.4 km of unimproved BLM Route 668.

Adjacent to the Property are the past producing American Girl and Padre y Madre gold mines.

4.2 Mineral Title in the United States of America

Mineral rights in the U.S.A. can be held by several methods including direct ownership of, or lease rights to, patented or unpatented lode mining claims, patented or unpatented mill site claims, patented or unpatented placer mining claims, unpatented tunnel claims or land leased from states or private interests or owned by private interests. In the case of the Oro Cruz Gold Project, the mining claims are unpatented lode mining claims and unpatented placer mining claims that are located on federally administered BLM lands.

Pursuant to United States Law, patented lode mining claims and patented mill site claims on U.S. Federal Land represent a secure title to the land. Title to unpatented lode mining, mill site and placer mining claims does not expire if required payments of annual fees per mineral claim are made. Claim fees of US\$165 per claim must be made by September 1 for the 2019-2020 year. These were paid for OC on August 6, 2019.

Figure 4-1 - Oro Cruz Property Location Map

4.3 Land Tenure, Property Title, Surface Rights and Environmental Liabilities

The Oro Cruz Property currently comprises a total of 271 BLM unpatented lode mining claims covering approximately 2,160 ha (5,338 acres) and 13 BLM unpatented placer mining claims totaling roughly 105 ha (260 acres), all located in Imperial County, California and subject to survey location related to the San Bernardino Base Line and Principal Median.

The claim ownership associated with the Oro Cruz Gold Project is a mixture of 20 unpatented lode mining claims owned by ADGIS and optioned from ADGIS by Lincoln Gold, and 251 BLM unpatented lode mining claims and 13 BLM unpatented placer mining claims that have been staked by, and are registered in the name of, Lincoln Gold (Table 4-2; Figures 4-1 to 4-4). Please note that Figure 4-2 shows third party claims colored pink/purple and have senior rights over the boundary (in black). The Company has the right to

general access and surface disturbance subject to administration by the El Cento Field Office of the Bureau of Land Management.

Table 4-1 describes the 20 contiguous BLM unpatented lode mining claims owned by ADGIS that are held under option by Lincoln Gold pursuant to the ADGIS Agreement dated May 1, 2018.

The ADGIS Agreement states that ADGIS owns 100% of the 20 Hercules Claims, including all associated mining claims, mining leases, equipment, mill facilities, buildings, property, mine workings, permits, and any and all other related assets (collectively the ADGIS Property). The pertinent business terms of the ADGIS Agreement allow Lincoln Gold to purchase 100% of the interest in the ADGIS Property by:

- (a) paying ADGIS USD\$100,000 in 4 instalments; \$25,000 on May 1, 2018; \$25,000 on August 1, 2018; \$25,000 on October 1, 2018; and \$25,000 on December 1, 2018 (all paid);
- (b) paying ADGIS an additional USD \$50,000 by May 15, 2019 (paid);
- (c) paying ADGIS an additional USD \$50,000 by May 15, 2020;
- (d) paying ADGIS an additional USD \$100,000 by May 15, 2021;
- (e) paying ADGIS an additional USD \$100,000 by May 15, 2022;
- (f) paying ADGIS an additional USD \$100,000 By May 15, 2023;
- (g) paying ADGIS a 2% NSR royalty from production within the Hercules claim boundaries (the Hercules Royalty);
- (h) paying ADGIS a 1% net smelter return royalty from production generated by Lincoln outside of the Hercules claim boundaries but within a 1-mile radius of the Hercules Claims (the Buffer Royalty);
- (i) 0.5% of the Hercules Royalty and the Buffer Royalty together can be repurchased by Lincoln for \$500,000 (First Royalty Repurchase). For further clarity, the \$500,000 First Royalty Repurchase payment would reduce the Hercules royalty to 1.5% and the Buffer Royalty to 0.5%;
- (j) An additional 0.5% of the Hercules Royalty can be repurchased by Lincoln for \$500,000 (Second Royalty Repurchase), to reduce the Hercules Royalty to 1.0%. The Second Royalty Repurchase payment would not further reduce the Buffer Royalty; and
- (k) Between May 15, 2018 and completion of the option payments, Lincoln will make the annual BLM and Imperial County payments to keep the Property in good standing.

County Fees paid on August 8, 2019 were:

- For the OC claims - US\$143.50 per claim
- For the OCP claims – US\$115.50 per claim
- For the Hercules claims – US\$118.50 per claim.

BLM Fees paid on August 8, 2019 were:

- BLM – Hercules – 20 claims at US\$165.00 per claim = US\$3,300.00
- BLM – Oro Cruz – 251 claims at US\$165.00 per claim = US\$41,415.00
- BLM – Oro Cruz Placer – 13 claims at US\$165.00 per claim = US\$2,145.00

The ADGIS Agreement is binding and enforceable by and between the parties and is governed by, and construed in accordance with, the law from time to time in British Columbia, Canada.

Table 4-1- Unpatented Lode Mining Claims Optioned from ADGIS, Inc.

Claim Name/Number	Serial No.	Claimant	MER	TWN	RANGE	SEC	SUBDIV
HERCULES #6	CAMC79794	ADGIS INC	27	0150S	0200E	12	SE
HERCULES #7	CAMC79795	ADGIS INC	27	0150S	0200E	12	NE,SE
HERCULES #8	CAMC79796	ADGIS INC	27	0150S	0200E	12	NE
HERCULES #9	CAMC79797	ADGIS INC	27	0150S	0200E	12	NE
HERCULES #10	CAMC79798	ADGIS INC	27	0150S	0200E	12	NE
HERCULES #11	CAMC79799	ADGIS INC	27	0150S	0200E	12	NE
HERCULES #12	CAMC79800	ADGIS INC	27	0150S	0200E	1	SE
HERCULES #26	CAMC79814	ADGIS INC	27	0150S	0200E	1	SW,SE
HERCULES #27	CAMC79815	ADGIS INC	27	0150S	0200E	1	SW,SE
HERCULES #28	CAMC79816	ADGIS INC	27	0150S	0200E	1	SW,SE
HERCULES #29	CAMC79817	ADGIS INC	27	0150S	0200E	1	SW,SE
HERCULES #30	CAMC79818	ADGIS INC	27	0150S	0200E	12	NE,NW
HERCULES #31	CAMC79819	ADGIS INC	27	0150S	0200E	12	NE,NW
HERCULES #32	CAMC79820	ADGIS INC	27	0150S	0200E	12	NE,NW
HERCULES #33	CAMC79821	ADGIS INC	27	0150S	0200E	12	NE,NW
HERCULES #53	CAMC79841	ADGIS INC	27	0150S	0200E	1	SW
HERCULES #54	CAMC79842	ADGIS INC	27	0150S	0200E	1	SW
HERCULES #55	CAMC79843	ADGIS INC	27	0150S	0200E	1	SW
HERCULES #132	CAMC274928	ADGIS INC	27	0150S	0210E	7	NW,SW
HERCULES #133	CAMC274927	ADGIS INC	27	0150S	0210E	6/7	SW

Table 4-2 – Unpatented Lode Mining and Unpatented Placer Mining Claims Staked by Lincoln

	CLAIM NAME	LOCATION DATE	BLM CAMC NUMBER	BLM FILING DATE	IMPERIAL CO. DOC. NO.*	COUNTY FILING DATE
1	OC 1	11/12/09	296320	02/03/10	2010-003173	02/02/10
2	OC 2	11/12/09	296321	02/03/10	2010-003174	02/02/10
3	OC 3	11/12/09	296322	02/03/10	2010-003175	02/02/10
4	OC 4	11/12/09	296323	02/03/10	2010-003176	02/02/10
5	OC 5	11/12/09	296324	02/03/10	2010-003177	02/02/10
6	OC 6	11/12/09	296325	02/03/10	2010-003178	02/02/10
7	OC 7	11/12/09	296326	02/03/10	2010-003179	02/02/10
8	OC 8	11/12/09	296327	02/03/10	2010-003180	02/02/10
9	OC 9	11/12/09	296328	02/03/10	2010-003181	02/02/10
10	OC 10	11/12/09	296329	02/03/10	2010-003182	02/02/10

	CLAIM	LOCATION	BLM CAMC	BLM	IMPERIAL CO.	COUNTY
	NAME	DATE	NUMBER	FILING DATE	DOC. NO.*	FILING DATE
11	OC 11	11/13/09	296330	02/03/10	2010-003183	02/02/10
12	OC 12	11/13/09	296331	02/03/10	2010-003184	02/02/10
13	OC 13	11/13/09	296332	02/03/10	2010-003185	02/02/10
14	OC 14	11/13/09	296333	02/03/10	2010-003186	02/02/10
15	OC 15	11/13/09	296334	02/03/10	2010-003187	02/02/10
16	OC 16	11/13/09	296335	02/03/10	2010-003188	02/02/10
17	OC 17	11/13/09	296336	02/03/10	2010-003189	02/02/10
18	OC 18	11/13/09	296337	02/03/10	2010-003190	02/02/10
19	OC 19	11/13/09	296338	02/03/10	2010-003191	02/02/10
20	OC 20	11/13/09	296339	02/03/10	2010-003192	02/02/10
21	OC 21	11/13/09	296340	02/03/10	2010-003193	02/02/10
22	OC 22	11/13/09	296341	02/03/10	2010-003194	02/02/10
23	OC 23	11/13/09	296342	02/03/10	2010-003195	02/02/10
24	OC 24	11/13/09	296343	02/03/10	2010-003196	02/02/10
25	OC 25	11/13/09	296344	02/03/10	2010-003197	02/02/10
26	OC 26	11/13/09	296345	02/03/10	2010-003198	02/02/10
27	OC 27	11/13/09	296346	02/03/10	2010-003199	02/02/10
28	OC 28	11/13/09	296347	02/03/10	2010-003200	02/02/10
29	OC 29	11/13/09	296348	02/03/10	2010-003201	02/02/10
30	OC 30	11/13/09	296349	02/03/10	2010-003202	02/02/10
31	OC 31	11/13/09	296350	02/03/10	2010-003203	02/02/10
32	OC 32	11/13/09	296351	02/03/10	2010-003204	02/02/10
33	OC 33	11/13/09	296352	02/03/10	2010-003205	02/02/10
34	OC 34	11/12/09	296353	02/03/10	2010-003206	02/02/10
35	OC 35	11/12/09	296354	02/03/10	2010-003207	02/02/10
36	OC 36	11/12/09	296355	02/03/10	2010-003208	02/02/10
37	OC 37	11/12/09	296356	02/03/10	2010-003209	02/02/10
38	OC 38	11/12/09	296357	02/03/10	2010-003210	02/02/10
39	OC 39	11/12/09	296358	02/03/10	2010-003211	02/02/10
40	OC 40	11/12/09	296359	02/03/10	2010-003212	02/02/10
46	OC 46	11/12/09	296365	02/03/10	2010-003218	02/02/10
47	OC 47	11/12/09	296366	02/03/10	2010-003219	02/02/10
48	OC 48	11/13/09	296367	02/03/10	2010-003220	02/02/10
49	OC 49	11/13/09	296368	02/03/10	2010-003221	02/02/10
50	OC 50	11/13/09	296369	02/03/10	2010-003222	02/02/10
51	OC 51	11/13/09	296370	02/03/10	2010-003223	02/02/10
52	OC 52	11/13/09	296371	02/03/10	2010-003224	02/02/10
53	OC 53	11/13/09	296372	02/03/10	2010-003225	02/02/10
54	OC 54	11/13/09	296373	02/03/10	2010-003226	02/02/10
55	OC 55	11/14/09	296374	02/03/10	2010-003227	02/02/10
56	OC 56	11/14/09	296375	02/03/10	2010-003228	02/02/10
57	OC 57	11/14/09	296376	02/03/10	2010-003229	02/02/10
58	OC 58	11/14/09	296377	02/03/10	2010-003230	02/02/10
59	OC 59	11/14/09	296378	02/03/10	2010-003231	02/02/10
60	OC 60	11/14/09	296379	02/03/10	2010-003232	02/02/10

	CLAIM	LOCATION	BLM CAMC	BLM	IMPERIAL CO.	COUNTY
	NAME	DATE	NUMBER	FILING DATE	DOC. NO.*	FILING DATE
61	OC 61	11/14/09	296380	02/03/10	2010-003233	02/02/10
62	OC 62	11/14/09	296381	02/03/10	2010-003234	02/02/10
63	OC 63	11/14/09	296382	02/03/10	2010-003235	02/02/10
64	OC 64	11/14/09	296383	02/03/10	2010-003236	02/02/10
65	OC 65	11/14/09	296384	02/03/10	2010-003237	02/02/10
66	OC 66	11/14/09	296385	02/03/10	2010-003238	02/02/10
67	OC 67	11/14/09	296386	02/03/10	2010-003239	02/02/10
68	OC 68	11/14/09	296387	02/03/10	2010-003240	02/02/10
69	OC 69	08/31/10	297910	01/03/11	2010-031921	12/27/10
70	OC 70	08/31/10	297911	01/03/11	2010-031922	12/27/10
71	OC 71	08/31/10	297912	01/03/11	2010-031923	12/27/10
72	OC 72	08/31/10	297913	01/03/11	2010-031924	12/27/10
73	OC 73	08/31/10	297914	01/03/11	2010-031925	12/27/10
74	OC 74	08/31/10	297915	01/03/11	2010-031926	12/27/10
75	OC 75	08/31/10	297916	01/03/11	2010-031927	12/27/10
76	OC 76	08/31/10	297917	01/03/11	2010-031928	12/27/10
77	OC 77	08/31/10	297918	01/03/11	2010-031929	12/27/10
78	OC 78	08/31/10	297919	01/03/11	2010-031930	12/27/10
79	OC 79	08/31/10	297920	01/03/11	2010-031931	12/27/10
80	OC 80	08/31/10	297921	01/03/11	2010-031932	12/27/10
81	OC 81	08/31/10	297922	01/03/11	2010-031933	12/27/10
82	OC 82	08/31/10	297923	01/03/11	2010-031934	12/27/10
83	OC 83	08/31/10	297924	01/03/11	2010-031935	12/27/10
84	OC 84	08/31/10	297925	01/03/11	2010-031936	12/27/10
85	OC 85	08/31/10	297926	01/03/11	2010-031937	12/27/10
86	OC 86	08/31/10	297927	01/03/11	2010-031938	12/27/10
87	OC 87	08/31/10	297928	01/03/11	2010-031939	12/27/10
88	OC 88	08/31/10	297929	01/03/11	2010-031940	12/27/10
89	OC 89	08/31/10	297930	01/03/11	2010-031941	12/27/10
90	OC 90	08/31/10	297931	01/03/11	2010-031942	12/27/10
91	OC 91	08/31/10	297932	01/03/11	2010-031943	12/27/10
92	OC 92	08/31/10	297933	01/03/11	2010-031944	12/27/10
93	OC 93	08/31/10	297934	01/03/11	2010-031945	12/27/10
94	OC 94	08/31/10	297935	01/03/11	2010-031946	12/27/10
95	OC 95	08/31/10	297936	01/03/11	2010-031947	12/27/10
96	OC 96	08/31/10	297937	01/03/11	2010-031948	12/27/10
97	OC 97	08/31/10	297938	01/03/11	2010-031949	12/27/10
98	OC 98	08/31/10	297939	01/03/11	2010-031950	12/27/10
99	OC 99	08/31/10	297940	01/03/11	2010-031951	12/27/10
100	OC 100	08/31/10	297941	01/03/11	2010-031952	12/27/10
101	OC 101	08/31/10	297942	01/03/11	2010-031953	12/27/10
102	OC 102	08/31/10	297943	01/03/11	2010-031954	12/27/10
103	OC 103	08/31/10	297944	01/03/11	2010-031955	12/27/10
104	OC 104	08/31/10	297945	01/03/11	2010-031956	12/27/10
105	OC 105	08/31/10	297946	01/03/11	2010-031957	12/27/10

	CLAIM	LOCATION	BLM CAMC	BLM	IMPERIAL CO.	COUNTY
	NAME	DATE	NUMBER	FILING DATE	DOC. NO.*	FILING DATE
106	OC 106	08/31/10	297947	01/03/11	2010-031958	12/27/10
107	OC 107	11/02/10	297948	01/03/11	2010-031959	12/27/10
108	OC 108	11/02/10	297949	01/03/11	2010-031960	12/27/10
109	OC 109	08/31/10	297950	01/03/11	2010-031961	12/27/10
110	OC 110	08/31/10	297951	01/03/11	2010-031962	12/27/10
111	OC 111	08/31/10	297952	01/03/11	2010-031963	12/27/10
112	OC 112	08/31/10	297953	01/03/11	2010-031964	12/27/10
113	OC 113	08/31/10	297954	01/03/11	2010-031965	12/27/10
114	OC 114	08/31/10	297955	01/03/11	2010-031966	12/27/10
115	OC 115	08/31/10	297956	01/03/11	2010-031967	12/27/10
116	OC 116	08/31/10	297957	01/03/11	2010-031968	12/27/10
117	OC 117	08/31/10	297958	01/03/11	2010-031969	12/27/10
118	OC 118	08/31/10	297959	01/03/11	2010-031970	12/27/10
119	OC 119	11/02/10	297960	01/03/11	2010-031971	12/27/10
120	OC 120	11/02/10	297961	01/03/11	2010-031972	12/27/10
121	OC 121	11/02/10	297962	01/03/11	2010-031973	12/27/10
122	OC 122	08/31/10	297963	01/03/11	2010-031974	12/27/10
123	OC 123	08/31/10	297964	01/03/11	2010-031975	12/27/10
124	OC 124	08/31/10	297965	01/03/11	2010-031976	12/27/10
125	OC 125	08/31/10	297966	01/03/11	2010-031977	12/27/10
126	OC 126	08/31/10	297967	01/03/11	2010-031978	12/27/10
127	OC 127	08/31/10	297968	01/03/11	2010-031979	12/27/10
128	OC 128	08/31/10	297969	01/03/11	2010-031980	12/27/10
129	OC 129	08/31/10	297970	01/03/11	2010-031981	12/27/10
130	OC 130	08/31/10	297971	01/03/11	2010-031982	12/27/10
131	OC 131	08/31/10	297972	01/03/11	2010-031983	12/27/10
132	OC 132	12/10/18	319768	02/12/19	2019-003036	02/19/19
133	OC 133	12/10/18	319769	02/12/19	2019-003036	02/19/19
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135	OC 135	12/09/18	319771	02/12/19	2019-003036	02/19/19
136	OC 136	12/10/18	319772	02/12/19	2019-003036	02/19/19
137	OC 137	12/10/18	319773	02/12/19	2019-003036	02/19/19
138	OC 138	12/10/18	319774	02/12/19	2019-003036	02/19/19
139	OC 139	12/10/18	319775	02/12/19	2019-003036	02/19/19
140	OC 140	12/10/18	319776	02/12/19	2019-003036	02/19/19
141	OC 141	12/10/18	319777	02/12/19	2019-003036	02/19/19
142	OC 142	12/10/18	319778	02/12/19	2019-003036	02/19/19
143	OC 143	12/09/18	319779	02/12/19	2019-003036	02/19/19
144	OC 144	12/10/18	319780	02/12/19	2019-003036	02/19/19
145	OC 145	12/10/18	319781	02/12/19	2019-003036	02/19/19
146	OC 146	12/09/18	319782	02/12/19	2019-003036	02/19/19
147	OC 147	12/09/18	319783	02/12/19	2019-003036	02/19/19
148	OC 148	12/09/18	319784	02/12/19	2019-003036	02/19/19
149	OC 149	12/09/18	319785	02/12/19	2019-003036	02/19/19
150	OC 150	12/09/18	319786	02/12/19	2019-003036	02/19/19

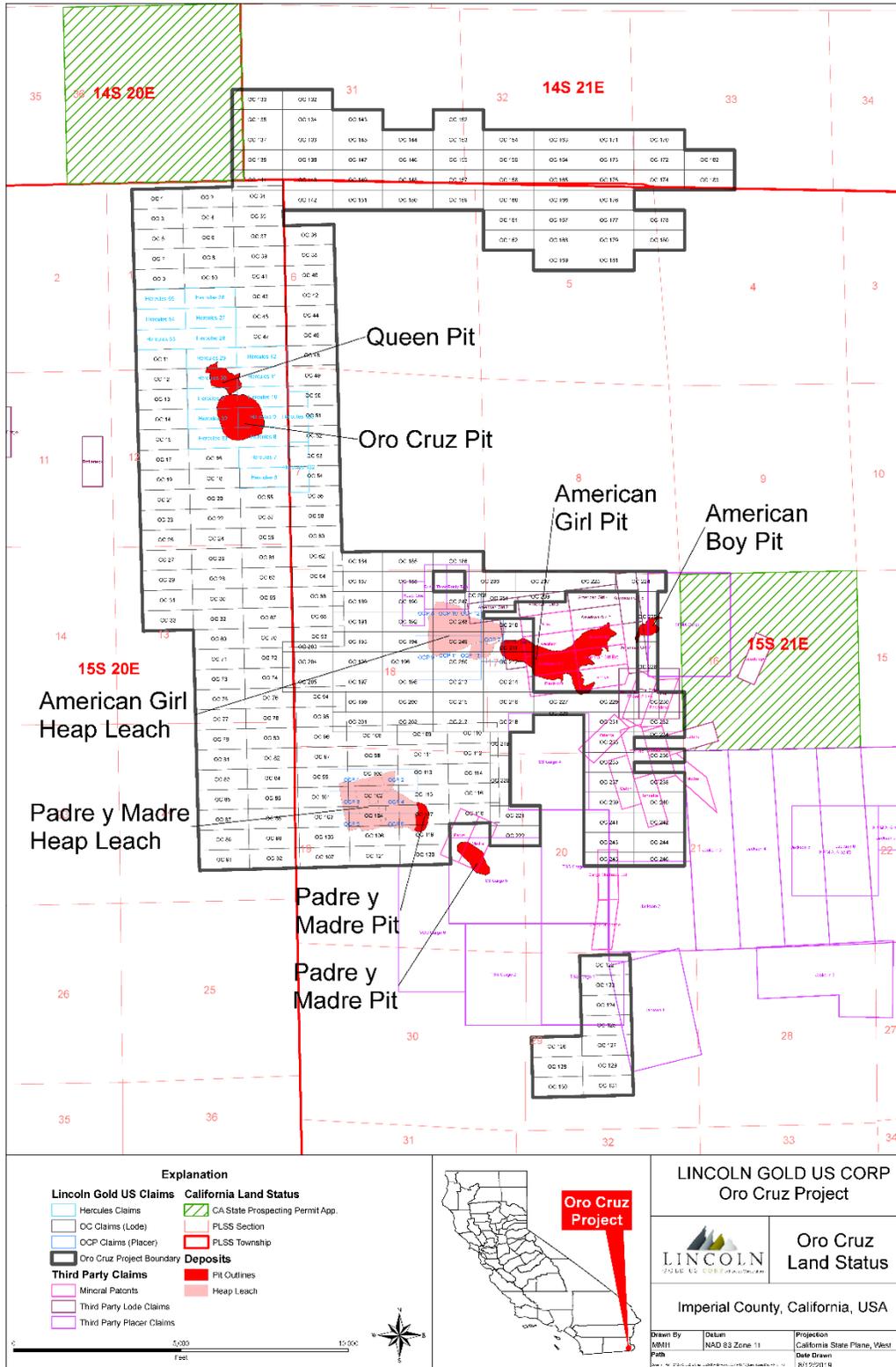
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152	OC 152	12/10/18	319788	02/12/19	2019-003036	02/19/19
153	OC 153	12/10/18	319789	02/12/19	2019-003036	02/19/19
154	OC 154	12/10/18	319790	02/12/19	2019-003036	02/19/19
155	OC 155	12/10/18	319791	02/12/19	2019-003036	02/19/19
156	OC 156	12/10/18	319792	02/12/19	2019-003036	02/19/19
157	OC 157	12/10/18	319793	02/12/19	2019-003036	02/19/19
158	OC 158	12/10/18	319794	02/12/19	2019-003036	02/19/19
159	OC 159	12/10/18	319795	02/12/19	2019-003036	02/19/19
160	OC 160	12/10/18	319796	02/12/19	2019-003036	02/19/19
161	OC 161	12/10/18	319797	02/12/19	2019-003036	02/19/19
162	OC 162	12/10/18	319798	02/12/19	2019-003036	02/19/19
163	OC 163	12/09/18	319799	02/12/19	2019-003036	02/19/19
164	OC 164	12/09/18	319800	02/12/19	2019-003036	02/19/19
165	OC 165	12/09/18	319801	02/12/19	2019-003036	02/19/19
166	OC 166	12/09/18	319802	02/12/19	2019-003036	02/19/19
167	OC 167	12/09/18	319803	02/12/19	2019-003036	02/19/19
168	OC 168	12/09/18	319804	02/12/19	2019-003036	02/19/19
169	OC 169	12/09/18	319805	02/12/19	2019-003036	02/19/19
170	OC 170	12/09/18	319806	02/12/19	2019-003036	02/19/19
171	OC 171	12/09/18	319807	02/12/19	2019-003036	02/19/19
172	OC 172	12/09/18	319808	02/12/19	2019-003036	02/19/19
173	OC 173	12/09/18	319809	02/12/19	2019-003036	02/19/19
174	OC 174	12/09/18	319810	02/12/19	2019-003036	02/19/19
175	OC 175	12/09/18	319811	02/12/19	2019-003036	02/19/19
176	OC 176	12/09/18	319812	02/12/19	2019-003036	02/19/19
177	OC 177	12/09/18	319813	02/12/19	2019-003036	02/19/19
178	OC 178	12/09/18	319814	02/12/19	2019-003036	02/19/19
179	OC 179	12/09/18	319815	02/12/19	2019-003036	02/19/19
180	OC 180	12/09/18	319816	02/12/19	2019-003036	02/19/19
181	OC 181	12/09/18	319817	02/12/19	2019-003036	02/19/19
182	OC 182	12/09/18	319818	02/12/19	2019-003036	02/19/19
183	OC 183	12/09/18	319819	02/12/19	2019-003036	02/19/19
184	OC 184	12/07/18	319820	02/12/19	2019-003036	02/19/19
185	OC 185	12/07/18	319821	02/12/19	2019-003036	02/19/19
186	OC 186	12/07/18	319822	02/12/19	2019-003036	02/19/19
187	OC 187	12/07/18	319823	02/12/19	2019-003036	02/19/19
188	OC 188	12/07/18	319824	02/12/19	2019-003036	02/19/19
189	OC 189	12/07/18	319825	02/12/19	2019-003036	02/19/19
190	OC 190	12/07/18	319826	02/12/19	2019-003036	02/19/19
191	OC 191	12/07/18	319827	02/12/19	2019-003036	02/19/19
192	OC 192	12/07/18	319828	02/12/19	2019-003036	02/19/19
193	OC 193	12/07/18	319829	02/12/19	2019-003036	02/19/19
194	OC 194	12/07/18	319830	02/12/19	2019-003036	02/19/19
195	OC 195	12/07/18	319831	02/12/19	2019-003036	02/19/19

	CLAIM	LOCATION	BLM CAMC	BLM	IMPERIAL CO.	COUNTY
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197	OC 197	12/07/18	319833	02/12/19	2019-003036	02/19/19
198	OC 198	12/07/18	319834	02/12/19	2019-003036	02/19/19
199	OC 199	12/07/18	319835	02/12/19	2019-003036	02/19/19
200	OC 200	12/07/18	319836	02/12/19	2019-003036	02/19/19
201	OC 201	12/07/18	319837	02/12/19	2019-003036	02/19/19
202	OC 202	12/07/18	319838	02/12/19	2019-003036	02/19/19
203	OC 203	12/08/18	319839	02/12/19	2019-003036	02/19/19
204	OC 204	12/07/18	319840	02/12/19	2019-003036	02/19/19
205	OC 205	12/07/18	319841	02/12/19	2019-003036	02/19/19
206	OC 206	12/08/18	319842	02/12/19	2019-003036	02/19/19
207	OC 207	12/08/18	319843	02/12/19	2019-003036	02/19/19
208	OC 208	12/08/18	319844	02/12/19	2019-003036	02/19/19
209	OC 209	12/08/18	319845	02/12/19	2019-003036	02/19/19
210	OC 210	12/07/18	319846	02/12/19	2019-003036	02/19/19
211	OC 211	12/07/18	319847	02/12/19	2019-003036	02/19/19
212	OC 212	12/07/18	319848	02/12/19	2019-003036	02/19/19
213	OC 213	12/07/18	319849	02/12/19	2019-003036	02/19/19
214	OC 214	12/07/18	319850	02/12/19	2019-003036	02/19/19
215	OC 215	12/07/18	319851	02/12/19	2019-003036	02/19/19
216	OC 216	12/07/18	319852	02/12/19	2019-003036	02/19/19
217	OC 217	12/07/18	319853	02/12/19	2019-003036	02/19/19
218	OC 218	12/07/18	319854	02/12/19	2019-003036	02/19/19
219	OC 219	12/07/18	319855	02/12/19	2019-003036	02/19/19
220	OC 220	12/07/18	319856	02/12/19	2019-003036	02/19/19
221	OC 221	12/08/18	319857	02/12/19	2019-003036	02/19/19
222	OC 222	12/08/18	319858	02/12/19	2019-003036	02/19/19
223	OC 223	12/08/18	319859	02/12/19	2019-003036	02/19/19
224	OC 224	12/08/18	319860	02/12/19	2019-003036	02/19/19
225	OC 225	12/08/18	319861	02/12/19	2019-003036	02/19/19
226	OC 226	12/08/18	319862	02/12/19	2019-003036	02/19/19
227	OC 227	12/08/18	319863	02/12/19	2019-003036	02/19/19
228	OC 228	12/08/18	319864	02/12/19	2019-003036	02/19/19
229	OC 229	12/08/18	319865	02/12/19	2019-003036	02/19/19
230	OC 230	12/08/18	319866	02/12/19	2019-003036	02/19/19
231	OC 231	12/08/18	319867	02/12/19	2019-003036	02/19/19
232	OC 232	12/08/18	319868	02/12/19	2019-003036	02/19/19
233	OC 233	12/08/18	319869	02/12/19	2019-003036	02/19/19
234	OC 234	12/08/18	319870	02/12/19	2019-003036	02/19/19
235	OC 235	12/08/18	319871	02/12/19	2019-003036	02/19/19
236	OC 236	12/08/18	319872	02/12/19	2019-003036	02/19/19
237	OC 237	12/08/18	319873	02/12/19	2019-003036	02/19/19
238	OC 238	12/08/18	319874	02/12/19	2019-003036	02/19/19
239	OC 239	12/08/18	319875	02/12/19	2019-003036	02/19/19
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	CLAIM	LOCATION	BLM CAMC	BLM	IMPERIAL CO.	COUNTY
	NAME	DATE	NUMBER	FILING DATE	DOC. NO.*	FILING DATE
241	OC 241	12/07/18	319877	02/12/19	2019-003036	02/19/19
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243	OC 243	12/07/18	319879	02/12/19	2019-003036	02/19/19
244	OC 244	12/07/18	319880	02/12/19	2019-003036	02/19/19
245	OC 245	12/07/18	319881	02/12/19	2019-003036	02/19/19
246	OC 246	12/07/18	319882	02/12/19	2019-003036	02/19/19
			SEQUENCE CHANGE		SEQUENCE CHANGE	
247	OC 247	02/17/19	319940	03/14/19	2019-005069	03/20/19
248	OC 248	02/17/19	319941	03/14/19	2019-005069	03/20/19
249	OC 249	02/17/19	319942	03/14/19	2019-005069	03/20/19
250	OC 250	02/18/19	319943	03/14/19	2019-005069	03/20/19
251	OC 251	02/17/19	319944	03/14/19	2019-005069	03/20/19
1	OCP 1	12/10/18	319761	02/12/19	2019-003035	02/19/19
2	OCP 2	12/10/18	319762	02/12/19	2019-003035	02/19/19
3	OCP 3	12/10/18	319763	02/12/19	2019-003035	02/19/19
4	OCP 4	12/10/18	319764	02/12/19	2019-003035	02/19/19
5	OCP 5	12/10/18	319765	02/12/19	2019-003035	02/19/19
6	OCP 6	12/10/18	319766	02/12/19	2019-003035	02/19/19
7	OCP 7	12/08/18	319767	02/12/19	2019-003035	02/19/19
8	OCP 8	02/17/19	319945	03/14/19	2019-005068	03/20/19
9	OCP 9	02/17/19	319946	03/14/19	2019-005068	03/20/19
10	OCP 10	02/17/19	319947	03/14/19	2019-005068	03/20/19
11	OCP 11	02/17/19	319948	03/14/19	2019-005068	03/20/19
12	OCP 12	02/17/19	319949	03/14/19	2019-005068	03/20/19
13	OCP 13	02/17/19	319950	03/14/19	2019-005068	03/20/19

* NOTE: Original Imperial County filing 2010-001681 was on January 26, 2010 and was amended due to wrong Base and Meridian designation on the Notices of Location. The amended Notices were filed with the County on February 2, 2010.

Figure 4-2 - Oro Cruz Property and Other Active Mining Claim Locations



Note: Please note that Figure 4-2 shows third party claims colored pink/purple and have senior rights over the boundary (in black).

Figure 4-3 - Oro Cruz Property Claim Locations Satellite View

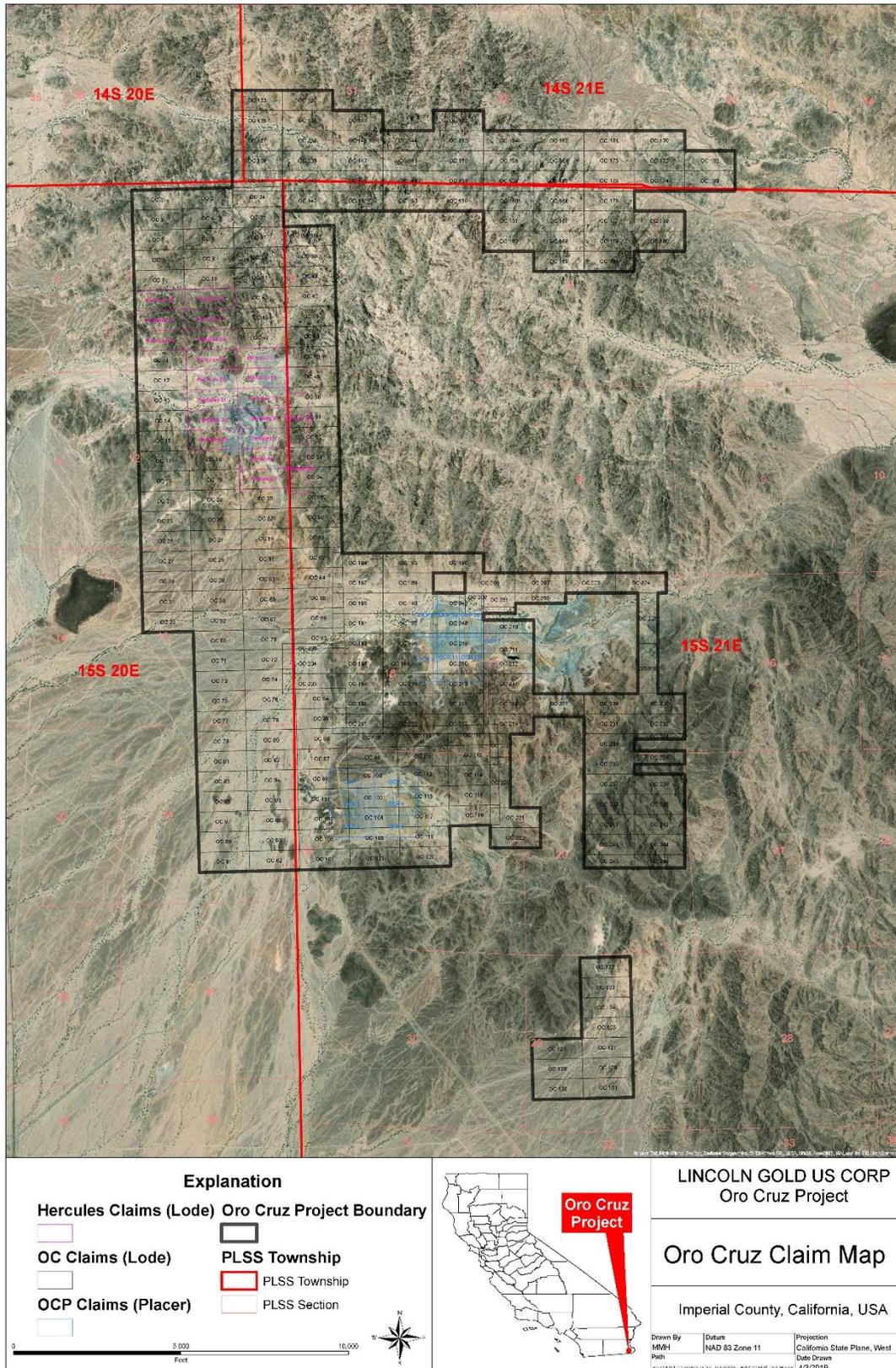
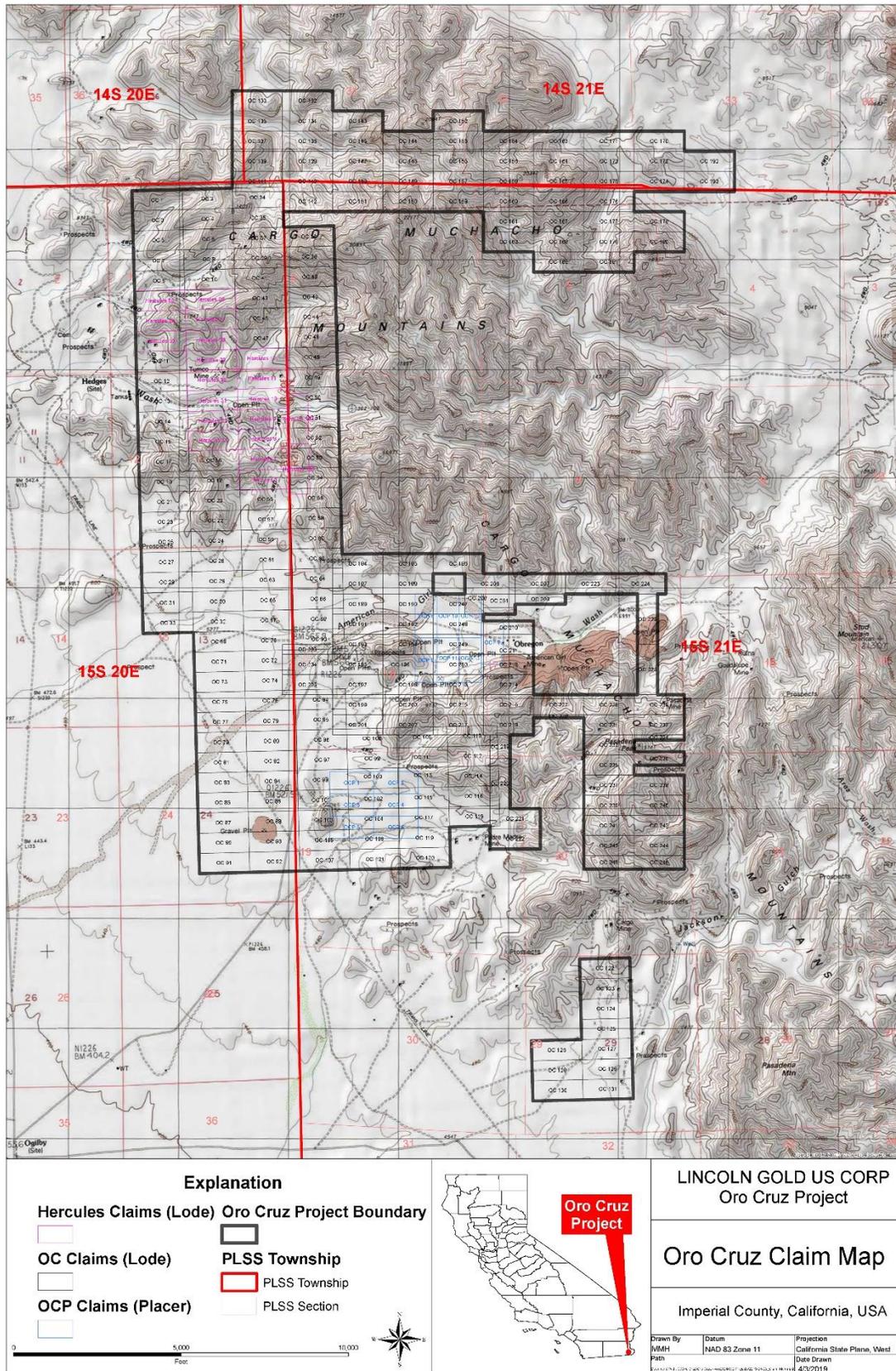


Figure 4-4 - Oro Cruz Property Claim Locations Map View



4.3.1 Terms of Agreement Prior to the Owl Capital Corp. Transaction

A Letter Agreement dated February 28, 2019 sets out the business terms and conditions upon which Demerara Gold Corp., a privately held, non-reporting British Columbia company, and Bell Mountain Exploration Corp., a 100% owned subsidiary of Eros, entered into an Agreement with Lincoln and Lincoln Gold (the Lincoln Agreement) concerning the acquisition of 51% to 75% undivided interest in the Oro Cruz Gold Project. The pertinent business terms of the Lincoln Agreement are as follows:

4.3.2 Parties

- (a) Bell Mountain Exploration Corp., of 912 North Division Street, Carson City, NV 89703, a wholly owned subsidiary of Eros;
- (b) Demerara Gold Corp. of Suite 420 – 789 West Pender Street, Vancouver, BC, Canada V6C 1H2;
- (c) Lincoln Gold US Corp. of 912 North Division Street, Carson City, NV 89703; and
- (d) Lincoln Mining Corporation of Suite 400 – 789 West Pender Street, Vancouver, British Columbia, Canada V6C 1H2.

4.3.3 Entry into Detailed Option and Joint Venture Agreement

Lincoln, Demerara and Bell Mountain agreed to enter into a detailed Option and Joint Venture Agreement by June 30, 2019 (subsequently extended to July 31, 2019) that will allow Demerara and Bell Mountain together to earn up to an undivided 51% to 75% interest in the Oro Cruz Property by making certain cash payments, including funding of the underlying payments to ADGIS and incurring the costs of ongoing exploration and development of the Property, in accordance with and subject to basic business terms and conditions set out in the Lincoln Agreement.

4.3.4 Terms of the Lincoln Agreement – Cash Payments

- (a) As per the ADGIS Agreement, Lincoln has paid ADGIS US\$25,000 due on May 15, 2018;
- (b) Demerara has paid to Lincoln, who subsequently paid ADGIS a further total of US\$75,000 as per the ADGIS Agreement;
- (c) Demerara and Bell Mountain shall pay ADGIS a total of US\$400,000 as follows: by May 15, 2019 an additional US\$50,000 (paid); by May 15, 2020 an additional US\$50,000; and by May 15 of 2021, 2022 and 2023 an additional US\$100,000 each year.
- (d) Demerara and Bell Mountain together will pay Lincoln US\$10,000 upon the signing of the Option and Joint Venture Agreement.
- (e) By June 30, 2019 and on the anniversary day of the following 4 years, Demerara and Bell Mountain, will together commit to pay the Property annual BLM and Imperial County filing fees prior to September 1, 2019. In the event Demerara and Bell Mountain do not agree to fund these fees by any of these June 30th dates, then Lincoln has the right to find another party who agrees to fund these fees and any agreement between Lincoln and Demerara and Bell Mountain is terminated.

- (f) On each of February 15, 2020, 2021, 2022 and 2023, Demerara and Bell Mountain, together will pay Lincoln US\$25,000.

4.3.5 Terms of the Lincoln Agreement – Work Commitments

- (a) Lincoln, Demerara and Bell Mountain will share proportionately, according to their use by each company, Lincoln's Carson City office and operating costs for facilities and equipment that may also be used by other associated companies.
- (b) Prior to December 31, 2019, Demerara and Bell Mountain shall spend an additional US\$200,000 on exploration and development or other appropriate activities on the Property. Bell Mountain shall be the operator of such activities. Accounting and charges of amounts toward such expenditures shall be in accordance with industry standards.
- (c) Prior to October 1, 2020, Demerara and Bell Mountain shall spend an additional US\$200,000 on exploration and development or other appropriate activities on the Property under programs and budgets proposed by Demerara and Bell Mountain and approved by Lincoln, which approval shall not be unreasonably withheld. Bell Mountain shall be the operator of such activities. Accounting and charges of amounts toward such expenditures shall be in accordance with industry standards.
- (d) Prior to October 1, 2021, and October 1, 2022, Demerara and Bell Mountain shall spend an additional US\$300,000 per year on exploration and development or other appropriate activities on the Property under programs and budgets proposed by Demerara and Bell Mountain and approved by Lincoln, which approval shall not be unreasonably withheld. Bell Mountain shall be the operator of such activities.
- (e) Upon completing the cash payments and exploration and development or other appropriate expenditures, Demerara and Bell Mountain shall together be vested in an undivided 51% joint venture interest in the Property and shall at their discretion have an option to earn an additional undivided 24% joint venture interest (for a total of 75%) by the expenditure for work and/or payments of an additional US\$600,000 related to the Property by October 1, 2023, under programs and budgets proposed by Demerara and Bell Mountain and approved by Lincoln, which approval shall not be unreasonably withheld. Bell Mountain shall be the operator of such activities. Accounting and charges of amounts toward such expenditures shall be in accordance with industry standards. Any expenditure on purchasing the Hercules Property NSR royalties, all as set forth in the ADGIS Agreement shall be included as exploration and development expenses incurred.
- (f) The exploration and development amounts shall include annual BLM, State of California and Imperial County fees and any other land maintenance or administrative costs for the Property. Additionally, amounts in (b), (c) and (d) shall include expenses and costs incurred within the 5-mile Area of Mutual Interest described in the section below and such expenses may include costs for expanding the Property through acquiring other claims or interests, leases, options, staking claims, or other means of acquisition.

Demerara and Bell Mountain shall prepare technical reports of all its exploration and development work on a quarterly basis and inform Lincoln on a timely basis the progress and results of the work and its analyses. Demerara and Bell Mountain shall be the operators of the joint venture as long as they are expending the funds as described above.

If Demerara and Bell Mountain do not make the cash payments or complete the work expenditures by the dates specified above Lincoln may terminate the Lincoln Agreement.

4.3.6 Area of Mutual Interest

Demerara, Bell Mountain and Lincoln agree to an Area of Mutual Interest that is 5 miles from the perimeter of the Oro Cruz Properties. Any newly staked ground (claims acquired after September 24, 2018) or school leases acquired from the State of California will become subject to the Agreement or the resultant Option and Joint Venture Agreement. The acquisition of any patented claims, unpatented lode mining claims and unpatented placer mining claims from third parties are specifically excluded from the Area of Interest.

Demerara and Bell Mountain may vend their respective interests to a third-party company without any restriction except that the third party must agree to assume the duties, commitments and responsibilities of the Agreement or the resultant Option and Joint Venture Agreement as the case may be.

4.3.7 Permits

The Oro Cruz Gold Project is located in the southeast corner of Imperial County, California, on federal public lands administered by the El Centro Field Office of the US Department of the Interior, Bureau of Land Management. The BLM is expected to be the lead agency for the regulatory process, ensuring all required federal, state and local permits and approvals are obtained. The BLM is expected to issue federal approval for exploration/operations in accordance with their Surface Management Regulations.

4.3.8 Exploration Permit Applications

Applications have been submitted for two mineral prospecting permits, on two sections of approximately 1 square mile each, which are under the jurisdiction of the State of California. The applications are currently with the California State Lands Commission based in Long Beach, California. Fees have been paid and the parties to the Lincoln Agreement are awaiting a hearing for approval. Both sections are in the Cargo Muchacho Mountains in Imperial County and are defined as Section 16, T.15 S, R.21 E., San Bernardino Base & Meridian and Section 36, T.14 S., R.20 E., San Bernardino Base & Meridian (this permit has been granted – see below). When granted, the term of the mineral prospecting permit is 2 years and may be extended to no more than 3 years. Certain fees must be paid annually to keep these prospecting permits active. If warranted, a mineral extraction lease can be negotiated. The permit application for Section 16, T.15 S, R.21 E will be heard in October, 2019.

4.3.9 Exploration Permit for Land Located on Section 36, T14S, R21E, SBM, Imperial County

The effective date of the permit is August 1, 2019 and will expire on July 31, 2021.

Pursuant to Public Resources Code section 6896, royalty payable under this permit shall be 20 percent of the gross value of all minerals produced, extracted, shipped, used or sold under the permit. Quarterly reports of mineral exploration activities in accordance with paragraph 12 of the permit are required

4.3.10 Other Required Permits for Proposed Work Plan

The notices to conduct mineral exploration on the heap leaches and drill around Oro Cruz will be submitted within the next 30 days.

No additional permits will be required for the school sections. Once the section 16 permit is received we will have the permits we need to do the work (Surface sampling) planned.

4.4 Potential Environmental and Socio-Economic Impacts and Issues

The size and timeline of an exploration project can vary from days to weeks to months to years. It is expected that the proposed exploration/drilling activity at the Oro Cruz Gold Project will have a relatively minor environmental and socio-economic impact at this stage of Property exploration and development.

4.4.1 Historic Reclamation

Historic reclamation has generally consisted of removal of buildings and surface facilities, closure of the vent shaft and access portal (by means of metal grates), and “ripping” of the access roads to prohibit access of the property by automobiles and/or trucks. Very little, if any, actual revegetation or moder reclamation has occurred. In the case of the historic Tumco mill to the west, the historic tailings have washed out onto the gravel plain and no system has been used to limit the extent of the tailings flows and/or subsequent environmental damage.

4.4.2 Environmental Liabilities

At the time of writing this Report and with respect to the Oro Cruz Gold Project, the QP is not aware of any existing environmental liabilities.

4.5 Other Significant Factors or Risks

At the time of writing the Report and with respect to the Oro Cruz Gold Project, the QP is not aware of any potential limitations to the project that would materially change any of the data, historic resource estimates, environmental considerations, socio-economic factors, or conclusions presented within this report that are outside of the normal factors that may impact mining projects, such as price variability, exchange rates, permitting time, etc.

5 Accessibility, Climate, Local Resources, Infrastructure and Physiography

5.1 Topography, Elevation, Climate and Vegetation

The Oro Cruz Gold Project in the Cargo Muchacho Mountains of southeastern California covers some of the border area between the Mojave Desert and the Colorado Desert physiographic provinces.

Exploration activities can be conducted year-round, but temperatures from October through April are more accommodating for outdoor field work. The climate is arid, with high temperatures in the summer generally in the 38° to 43°C (100 to 110°F) range. Winter temperatures are rarely below freezing. The average annual temperature is about 23°C (73° F).

Sunshine hours are approximately 4,000 hours per year and annual precipitation for the area of the Oro Cruz Gold Project totals about 85 mm (3.3 inches). Precipitation is most common during the late-summer months (August and September) or during the winter months (January through March). The combination of low precipitation and high evaporation results in a situation where surface runoff is uncommon. Washes in the area are dry and will channel runoff only during severe storms. When surface water flows do occur, washes will typically flow for periods of less than one hour.

Elevations on the Property range between 155 to 610 metres (510 to 2,000 ft) a.s.l. About 75% of the Property is steep and mountainous, with the remainder being sloping alluvial fans and level desert terrain.

In the immediate area of the Property, desert vegetation is very sparse and generally consists of creosote bush, brittle brush, barrel cactus, cholla cactus and octillion cactus.

5.2 Property Access

The Oro Cruz open pit, situated on the Property, is approximately 24.7 km (15.4 miles) northwest of the Colorado River bridge crossing at Yuma, Arizona and is accessed by 34.4 km (21.4 miles) of paved road; west via Interstate Highway 8, north along County Road S34 (Ogilby Road) and then east by 2.4 km of unimproved BLM Route 668. (see Figure 4-1).

5.3 Local Resources and Infrastructure

Power Supply - A 92 kV power line administered by the Imperial Irrigation District Power Company crosses the southwest portion of the Property. This is the same power line that is stepped down to supply power to Equinox Gold's producing Mesquite Gold Mine approximately 22.5 km (14 miles) northwest of the Oro Cruz open pit. At the present time no issues regarding the availability of electrical power are anticipated. Transmission lines that would deliver power to new site(s) would be subject to local, state, and federal permitting and environmental documentation activities as determined by the Imperial County Planning and Development Services Department and the BLM.

Water Supply - At the present time, there is no water available at the project site. In order to start mining operations, water will need to be developed and pumped to the site. For reference, water for Equinox Gold's Mesquite mine is supplied by two active wells that provide about 2 times the required 1,000 gpm. For exploration and development activities of the Property, well water could possibly be purchased from either the nearby Gold Rock Ranch or the aggregate operations of Pyramid Construction and Aggregates, Inc. and pumped to the site; however, it is not known if the wells supplying this water would meet the required demand for a mine and ore processing operation.

New water wells could be drilled. The Imperial County Planning and Development Services Department issues permits for the drilling and operation of water wells. This permitting would be coordinated with the California Water Resources Control Board (WRCB), Division of Water Rights which regulates all activities related to water rights, from the initial filing of applications to appropriate groundwater, to the issuance of a water rights permits or licenses. Drilling of new water wells should also be coordinated with the City of Needles, which serves as the federal water manager for the Lower Colorado River Water Authority (LCRWA). Such coordination would ensure no LCRWA-jurisdictional regulatory issues with groundwater designated for agricultural use in the Imperial Valley.

New water wells drilled on private land could be subject to environmental assessment under the California Environmental Quality Act (CEQA); however, the need to complete this type of assessment would be determined by the Imperial County Planning and Development Services Department. Wells drilled on BLM managed public land would be subject to various federal permitting requirements, including right of way uses, and possibly National Environmental Policy Act (NEPA) environmental documentation.

Transport Facilities - Access to the Property from Yuma, Arizona is currently by US Interstate Highway 8 and paved California County Road S34 (Ogilby Road). From the county road, the site is accessible by gravel roads. Should mining operations be restarted, the access from Ogilby Road to the mine facilities will need to be improved. Some existing drill roads on the Property have been reclaimed and will need to be re-established.

Buildings and Ancillary Facilities - There are no facilities at the project site other than the Oro Cruz mine portal and vent shaft that provide access and fresh air to the underground mine workings. During the QP's 2019 site tour, the condition of both the open pit and underground workings were found to be in good order; similar to the findings described by Guy F. Atkinson Construction, LLC of Golden, Colorado during their March 2010 site visit.

There are also some historical foundations and remnants of the mining operations from the early 1900's; however, they are located sufficiently far from the existing infrastructure so as not to be an issue should sufficient gold mineralization be realized to support the re-starting of commercial mining operations.

Manpower - Accommodations, supplies and labour are available in Yuma, Arizona (population 95,502 - 2017 census), Brawley, California (population 24,953 - 2010 census) or El Centro, California (population 44,364 - 2017 census). Brawley and El Centro are each about 90 km (56 miles) via road from the Property.

No issues with the availability of labor are anticipated. The Yuma Metropolitan Statistical Area has the highest unemployment rate in the United States as of 2018 at 20.9%. A large percentage of the work force is employed seasonally in agriculture, contributing to apparent unemployment.

El Centro is the county seat of Imperial County and the location of the El Centro Field Office of the US Department of the Interior, Bureau of Land Management.

5.4 Sufficiency of Surface Rights for Mining Operations

The Company has adequate surface rights to accommodate processing/storage/disposal/ of all mineral materials subject to the administration of the El Centro Field Office of the Bureau of Land Management.

The topics of availability and sources of potential tailings storage areas, potential waste disposal areas, heap leach pad areas, and potential processing plant sites have not been addressed. The author believes that, when and if the need arises, such concerns can be satisfactorily resolved.

6 History

6.1 Early History – 1700's to 1980's

The historical Cargo Muchacho - Tumco Mining District has a gold mining history spanning more than 200 years. The following history of the general area in which the Oro Cruz Gold Project is located is paraphrased from: *Desert Fever, An Overview of Mining History of the California Desert Conservation Area, Imperial County*; by Russ Hartill, et al, 1980. Figure 6-1 and 6-2 below are general location map of historical and current mines for reference and Figures 6-3 and 6-4 are historical photos of the general area.

6.1.1 "California's First Spanish Miners

Soldiers, settlers, and laborers, part of two mission colonies under the administration of Franciso Garces, mined placer gold in the southeastern Chocolate Mountains in 1780 and 1781. Their mining methods were simple. Placer gold was recovered by winnowing (tossing the lighter materials away by gently shaking a blanket in the wind). Dry washers may also have been used. Their mining endeavors, almost recreational in nature (as they were not mining gold for a living) ended abruptly when the Yuma Indians attacked the two missions on July 17, 1781, killing at least 50 men and taking 67 women and children captive. Mining activity was resumed in the area only after the establishment of the Mexican Republic in 1823.

Also worked in the 1780's were the placer grounds of Jackson Gulch and the oxide ores of Padre y Madre Valley in the Cargo Muchacho Mountains. The Padre y Madre Mine (Figure 6-5), located 13 miles northwest of Yuma and 3 miles northwest of Ogilby, was one of the most extensively developed early mines. This mine enjoyed modest production from the 1780's until 1894 with few interruptions.

**Figure 6-1 - General Location Map of Historic and Current Mines
(westernmininghistory.com)**

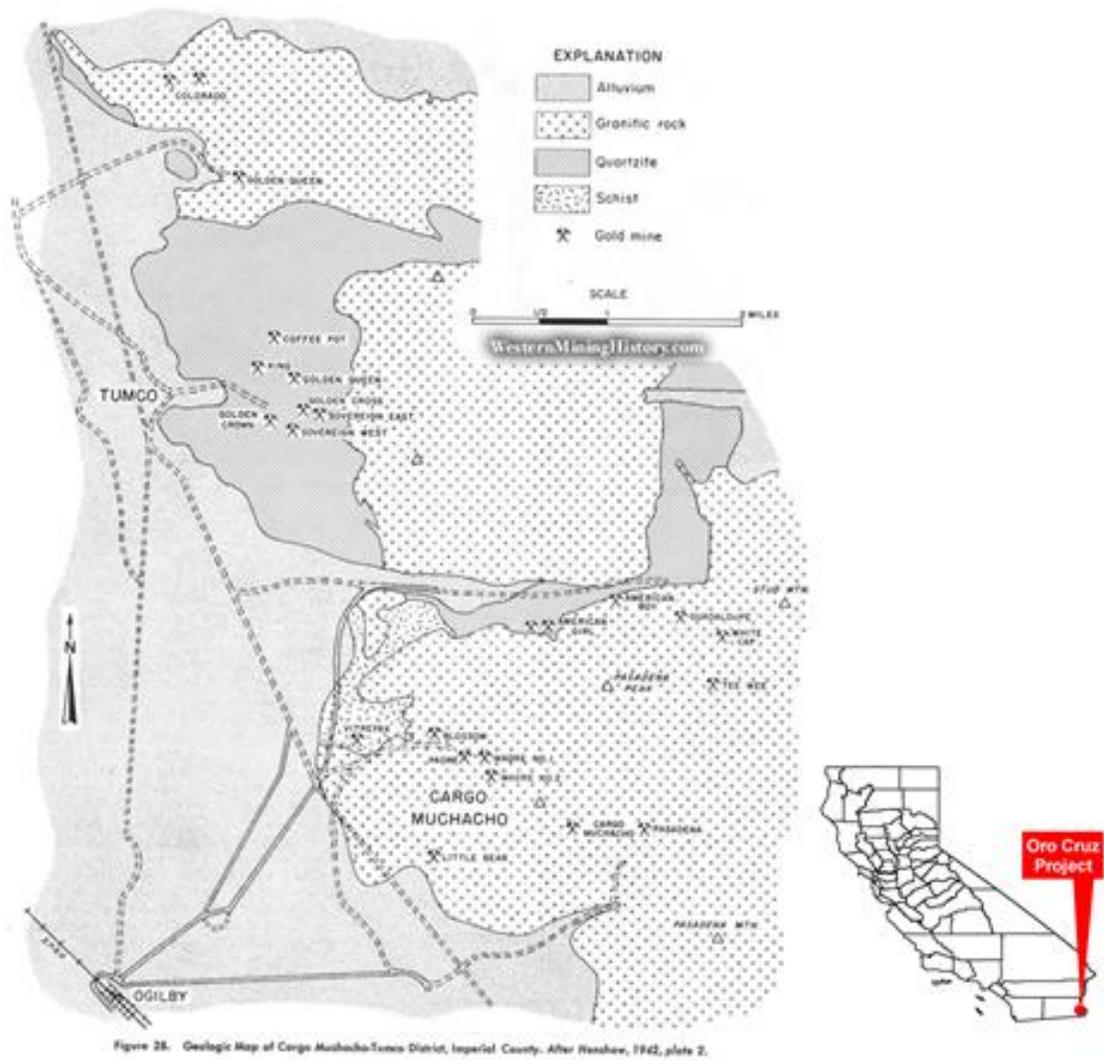


Figure 28. Geologic Map of Cargo Muchacho-Tumaco District, Imperial County. After Washow, 1942, plate 2.

Even the name of the mountain range speaks of the early interest in mining in the area. Reportedly in the early 1800's two young lads playing at prospecting in imitation of their fathers came into camp with their shirts loaded with gold ore. The antics of these "*muchachos cargados*" (loaded boys) resulted in the name of Cargo Muchacho, for the mountains where they had made their find. Although it is difficult to estimate the area's gold production during the Spanish and Mexican eras (1780–1848) it was probably not more than half a million dollars.

Figure 6-2 - General Historical Topographic Location Map of the Tumco Area (in-the-desert.com)

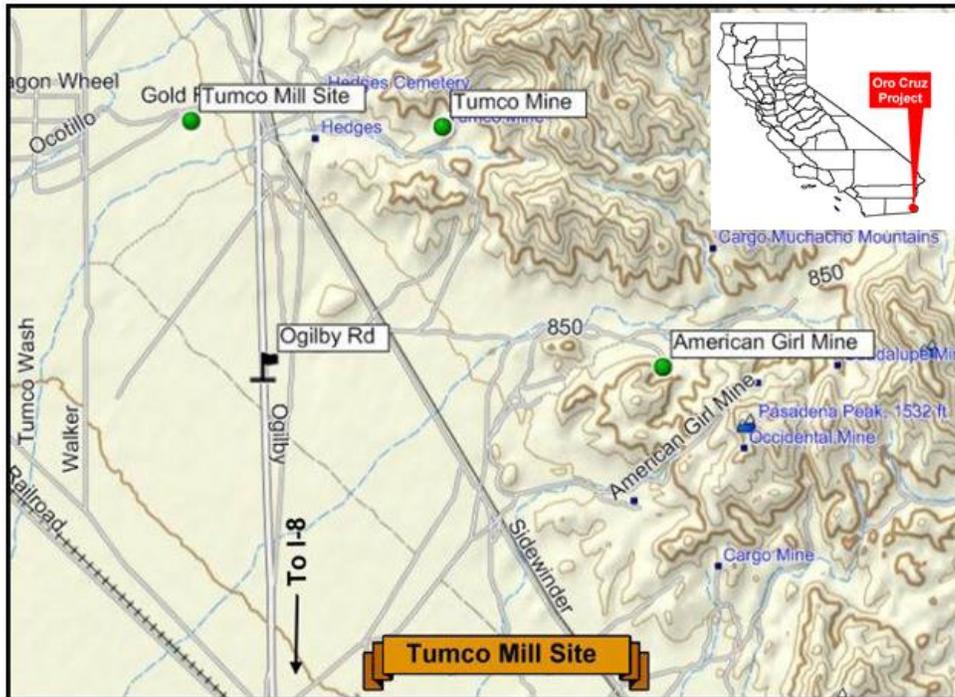


Figure 6-3 - Historical Photograph of the Tumco Mining Town (sandieghistory.org)

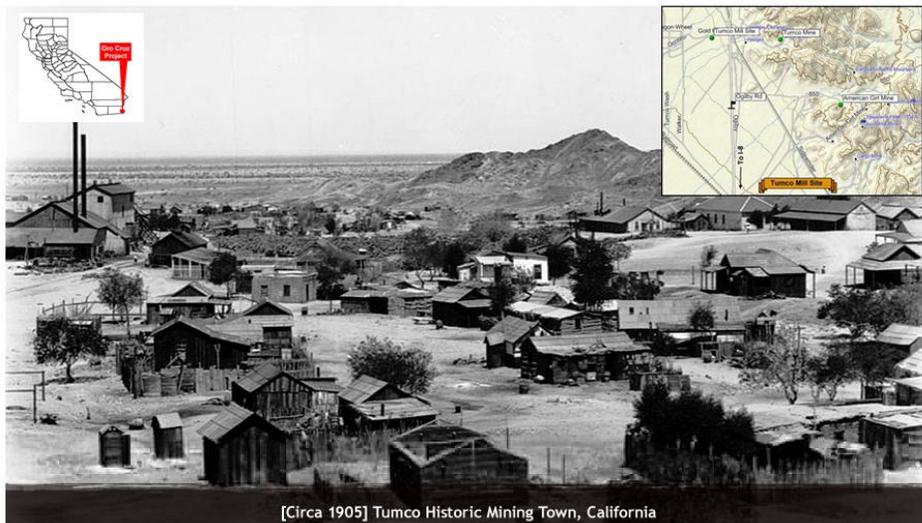
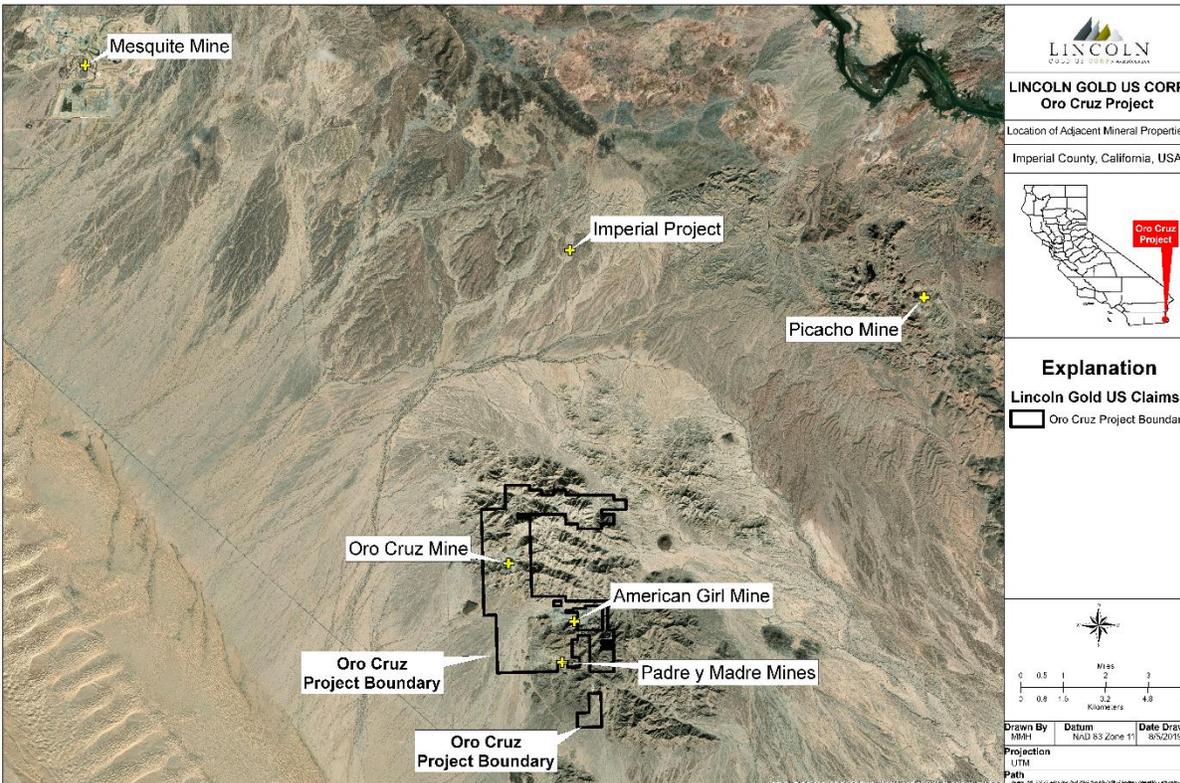


Figure 6-4 - Historical Photo of the Golden Crown Mine (commons.wikimedia.org)



William P. Blake, a geologist with Lt. Williamson's Pacific Railroad exploration party, was the first Anglo-American to visit the southern portion of the Cargo Muchacho Mountains with an eye toward mining. In 1853 he reported seeing several quartz veins from three inches to a foot or two in thickness. His observations were recorded in official government reports, but no one acted upon this evidence of possible mineralization until the Southern Pacific Railroad between Yuma and the coast was completed in 1877. With a safe means of transporting bullion to market now at hand, prospectors and developers flooded into the area.

Figure 6-5 - Location of Adjacent Mineral Properties to Oro Cruz

6.1.2 Cargo Muchacho Mine

One of the first deposits to be commercially developed on a large scale in the Cargo Muchacho Mountains was the Cargo Muchacho Mine. Located by Thomas Porter Neet in 1877, within 5 years 14,000 tons of ore had been mined, yielding \$168,000 in gold. At the time, the ore averaged \$12 per ton. The mine was surveyed for patent in 1892, but two years later it was idle. A six -year renewal of activity began in 1936 when ore left on the mine dump was cyanided. Total production figures for the Cargo Muchacho Mine are estimated at more than 25,700 ounces of gold then valued at \$852,000.

6.1.3 Tumco Mine

Peter Walters discovered the Gold Rock Mine (located 4 miles northwest of the Cargo Muchacho Mine) in 1884, and shortly thereafter sold out to developers for \$75,000. The developers renamed the mine the Golden Cross in 1892. The Golden Cross Mining and Milling Company immediately embarked upon a development program, and the flourishing town that sprang up around the mines was named Hedges, in honor of the firm's vice president.

In 1910 a new company took over and the mine was renamed Tumco, (an acronym for **The United Mines Company**). The Tumco mine was also known as the Hedges, Gold Rock, Golden Cross, Golden Crown, Golden Queen, Good Luck, King, Sovereign, Sovereign East, and Sovereign West mines.

Ore from both the Cargo Muchacho and Golden Cross mines was first treated by the Yuma Mill and Mining Company's twenty-stamp mill located at El Rio, 6 miles south of Yuma. Later, the Golden Cross Mining and Milling Company began construction of a forty-stamp mill when their ore production

overloaded the twenty-stamp mill in the early 1890's. By 1896 they had increased their milling facilities to 100 stamps, but were experiencing considerable difficulty with recovering the gold from their low grade ore.

The company discovered in the spring of 1896 that finer crushing of the ore was needed to release the free milling gold from the matrix. Finer screens were installed as well, resulting in a greater percentage of gold saved. A 12-mile pipeline from the Colorado River supplied the mill reservoir with 250,000 gallons of water at a cost of about ten cents per ton of ore crushed.

Worked continually from 1892 until 1917, and again from 1937 until 1942, the Tumco mines have produced 45 percent of the total county gold production, or some \$2,863,000.

In 1896, the shaft at the Golden Queen Mine was 550 feet deep on a 40 percent incline, and the Golden Cross and Golden Crown shafts were 250 feet and 350 feet deep respectively. By 1914, the Golden Cross shaft had been extended to 1,100 feet, and at that time the Tumco mines were said to be the second largest mine in the United States producing gold from low grade ore. Its underground workings totalled more than 8 miles.

The town of Hedges (also renamed Tumco in 1910) supported a population of several thousand in the late 1800's. By 1900 there were several dozen buildings, two cemeteries, a dance hall, a volunteer fire department, and a miner's union. The population had reduced to 30 by 1942.

6.1.4 Pasadena Mine

Between the discovery of Peter Walter's Gold Rock Mine in 1884 and the American Girl Mine in 1892, Thomas Grimes of Pasadena located the Pasadena Mine. Its gold ore ran 16 dollars to the ton and was milled on the Colorado River. The Pasadena and the Guadalupe Mine (discovered in 1887) comprise with the Cargo Muchacho the easternmost mines of the Cargo Muchacho District.

6.1.5 American Girl Mine

Johnson and Lohman discovered the American Girl Mine, located 2 miles north of the Cargo Muchacho Mine, in 1892. By 1900 it had produced 30,000 tons of ore that averaged \$8 per ton in gold. Inactive from 1900 until 1913, during the next 3 years the mine went on to produce 20,000 tons of ore that averaged \$6.50 per ton in gold. A cloudburst during the second week of November, 1914, flooded the lower workings, occasioning a 4 month delay while workers dewatered the mine and reopened the shaft.

Inactive for 20 years starting in 1916 the mine was again worked from July, 1936 until 1939 and during that time delivered 150,000 tons of ore valued at \$900,000. Total estimated production of the American Girl Mine is 205,000 tons of ore valued at \$1,285,000. Although mined primarily for gold, other minerals found at the American Girl included silver, galena and copper. Former state governor H.H. Markham owned shares in this mine.

Other important mines in the vicinity of the American Girl include the Blossom (known as early as 1894) the American Boy (an extension of the American Girl), Desert King, and La Colorado. The Blossom, also known as the Salamanca Consolidated, had 3 shafts 70, 240 and 280 feet deep, and several hundred feet of workings. It was in operation in the late 1890's. The La Colorado Mine, discovered in 1914, consisted of 400 feet of underground workings and has a recorded production of several hundred tons of ore. Some traces of scheelite (tungsten mineral) were found at this gold mine.

6.1.6 Cargo Muchacho District

The Cargo Muchacho, Tumco, Pasadena and American Girl Mines comprise the major gold producers of the Cargo Muchacho District. Although essentially a gold mining district some copper was produced as a by-product of gold mining, mainly at the American Girl Mine.

Ore in this district contains free-milling gold or gold in disseminated pyrite. Gold alone and in association with minor silver and copper, and some sericite and kyanite are the only minerals that have been extracted from the Cargo Muchachos, the latter two minerals have been produced mainly since 1930. All of the known mineral deposits lie on the west side of the mountain range and strike westerly. The quartz veins are up to 8 feet thick in this region and contain the highest grade of gold ore found in Imperial County.”

6.2 Recent History (1977 – 2018)

The history of recent exploration and mining activities in the area of the Oro Cruz Gold Project is derived from regulatory filings of Lincoln, the reports of Mr. Robert Towner, et al; Morton, 1977; Guthrie, et al 1987; the 1990 thesis of Raul Borrastero; the websites of Daniel Kunz Associates, LLC and westernmininghistory.com and the September, 1986 Prospectus of Eastmaque Gold Mines Ltd. (Eastmaque).

Between 1943 and 1981 federal lands in the area of the Oro Cruz Gold Project were withdrawn from mining and exploration activities by an act of the U.S. government and no known exploration work occurred during this time.

In 1977, Newmont Exploration Limited (Newmont) acquired the right to explore patented claims in the American Girl Canyon area located immediately adjacent to the southeast of current Oro Cruz Property and began an exploration program in 1978.

From December of 1979 to mid-1985, Newmont completed about 335,000 feet of percussion drilling in 1,170 holes on the adjacent property. Additional diamond drilling provided core for lithologic, petrographic and structural studies and metallurgical testwork.

In May of 1986, the Lundin family controlled Eastmaque of Vancouver, Canada formed a subsidiary company, American Girl Mining Corporation, with a view to achieving gold production and purchased the adjacent American Girl and Padre y Madre properties from Newmont for the assumption of existing lease and royalty interests on the property, US \$7.5 million cash and a further 3.5% NSR royalty payment to Newmont.

By 1987, using contract mining services provided by MK Gold, the pilot phase of Eastmaque’s operation was permitted and mining activities began, with 200,000 tons of ore taken from the nearby Padre y Madre West Pit for heap leaching. After a successful pilot run, full scale development of the nearby Padre y Madre West and East Pits was permitted for 3.5 million tons of ore and 12.5 million tons of waste rock.

During 1987 and 1988 the first underground deposit, the nearby American Girl B Zone, was accessed via a decline. The proposed action was a gold mining and processing operation that would result in the removal of about 8.5 million tons of gold-bearing ore over 10 to 11 years.

In 1989, Lundin approached MK Gold to become joint venture partners in the American Girl Mining Joint Venture and in January of 1990, as a contract miner and operating partner, MK Gold acquired its first direct equity interest in a gold project.

Conventional mill facilities for the AGMJV were completed in May of 1990 and sustainable production was reached in June of 1990.

Underground development of the nearby American Girl B-Zone Mine began in February of 1990 and this mine reached full production in July of 1991.

Although the nearby American Girl Mine was planned to be the final phase of the AGMJV, in 1990 the mining rights covering the Oro Cruz deposit in nearby Tumco Canyon were acquired and a second joint venture was formed to mine the Oro Cruz surface and underground deposits.

By certificate of amalgamation dated December 8, 1992, Ross Beaty's Equinox Resources Ltd. (Equinox Resources) and *Eastmaque* amalgamated with Equinox Resources being the successor company.

In 1993 permits were approved to mine 2.5 million tons of ore and 8.5 million tons of waste rock from the Oro Cruz, Golden Queen and Golden Cross pits and underground orebody as a third phase of the American Girl Project. By the start of Oro Cruz surface mining operations, open pit mining at the nearby American Girl and nearby Padre-Madre operations were phased out but all ore processing continued at the nearby American Girl facilities.

On December 14, 1993, MK Gold Company completed an Initial Public Offering and became a publicly traded company listed on the NASDAQ with Morrison Knudsen retaining a 46.4% ownership interest.

The Oro Cruz Joint Venture was merged into the AGMJV in 1994 concurrent with Hecla Mining Company acquiring Equinox Resources.

Morrison Knudsen completed the sale of its non-core interest in MK Gold to Leucadia National Corporation in June of 1995.

At the nearby American Girl Mine, production was from four district ore bodies: B-Zone, American Boy, Southwest Extension (American Girl vein) and C-Zone. The C-Zone underground mine was developed from the abandoned C-Zone open pit starting in 1993 by MK Gold crews. Since the start-up of underground mining in 1990, 800,000 tons of ore at 0.25 ounces gold per ton and 100,000 tons of waste has been mined producing 200,000 ounces of gold. The nearby American Boy deposit is believed to have been exhausted by early 1995.

The development of the Oro Cruz Mine began in early 1995 with production commencing during the second half of 1995. Again, processing of ore from Oro Cruz was undertaken at the nearby American Girl site.

The nearby American Girl B-Zone, Southwest Extension and the C-Zone deposits were exhausted by early 1996 and operations at all AGMJV sites were completed by 1996 due to low gold prices. The production history at the Oro Cruz underground development is not clear as most of the records have been lost.

After the Oro Cruz Mine closure in September of 1996, MK Gold completed rudimentary reclamation by 1999 and the claims reverted to Mr. Michael Tornabene.

In 1999, Mr. Tornabene contracted Mine Development Associates, Inc. (MDA) of Reno, Nevada to complete an evaluation of the Property. Mr. Paul Hartley, working as an associate of MDA, supervised this work. Mr. Hartley had been Exploration Manager for Texasgulf Minerals and Metals Inc. (Texasgulf) during the 1980's and supervised their exploration and development activities on Oro Cruz during that time period. He had also reviewed the AGMJV work for Mr. Tornabene from 1993 through 1996.

In 2002, Mr. Tornabene quit claimed all the claims that were in good standing to Mr. Hartley. The intention was for Mr. Hartley to maintain the claims in good standing and find a mining company who would be interested in developing the property. In exchange, any proceeds to Mr. Hartley from a future agreement would be shared with a charity selected by Mr. Tornabene.

From 2001 through 2008, Mr. Hartley maintained the claims but reduced the holdings to 20 core claims (the Hercules Claims). During this time, all available pertinent information was organized into a digital database and re-evaluated with the intention of finding an interested party to advance the property.

In November of 2008, the 20 Hercules Claims were quit-claimed to ADGIS, Inc.; a company wholly owned by Mr. Hartley.

In anticipation of acquiring the 20 core Hercules Claims, Lincoln staked an additional 68 contiguous lode claims in November of 2009.

On February 22, 2010, Lincoln entered into a formal Mining Lease agreement (the ADGIS Mining Lease Agreement) regarding the Oro Cruz Property with ADGIS that covered the 20 core Hercules Claims which encompassed the Oro Cruz open pit with exposed gold mineralization and an underground ramp that intersects gold mineralization below the pit.

The term of the ADGIS Mining Lease Agreement was for 20 years and extendible thereafter if Lincoln was conducting exploration, development, mining or processing of minerals from the property. This agreement included a 3% NSR royalty on the first 500,000 oz of gold produced that increased to 4% thereafter. Minimum advance royalty payments began with a US\$50,000 payment upon execution of the agreement, escalating annually to a maximum of US\$200,000 upon the seventh anniversary and annually thereafter. Lincoln had the option to buy down 2% of the royalty at a rate of US\$500,000 per half percent. The NSR royalty applied to an Area of Interest of approximately 7 square miles surrounding the Hercules Claims.

In November of 2010, Lincoln located another 63 lode claims to cover potential target areas south of the main claim group. By the end of 2010, Lincoln's entire land position encompassed 151 lode claims.

In 2011, Lincoln planned to drill nine deep exploration holes on strike and to the southwest of the main Oro Cruz gold deposit and 23 holes in the immediate vicinity of the existing Oro Cruz pit to validate the deposit and upgrade its resource categories. Lincoln hired Sonoran Resources, LLC of Somerton, Arizona to design drill roads in steep terrain for the planned drilling, but no drilling was performed.

On March 31, 2011, Lincoln announced that it had entered into an option agreement granting Elgin Mining Inc. (Elgin) the exclusive right and option to acquire up to a 60% undivided interest in each of Lincoln's Oro Cruz and La Bufa properties by funding expenditures totaling \$10,000,000 over a maximum four year period (the Elgin Agreement).

In 2012, Lincoln terminated the Elgin Agreement as certain obligations had not been fulfilled by Elgin. Elgin disputed the validity of Lincoln's termination and the parties proceeded to arbitration in order to address and resolve their dispute.

In June of 2013, Lincoln and Elgin reached a full and final settlement wherein Lincoln paid \$350,000 cash to Elgin upon execution of Elgin's quitclaim deed in relation to the Oro Cruz Property, at which time control of the Property reverted to Lincoln.

Pursuant to a letter agreement dated May 9, 2017, Lincoln granted Ausgold Resources Pty. Ltd. (Ausgold) an option until June 30, 2017 to enter into a joint venture agreement for the development of the Oro Cruz Property. A joint venture was entered into, but Lincoln announced March 26, 2018 that it had terminated the option as a consequence of Ausgold not satisfying its obligations under the option agreement. Subsequently, the ADGIS Mining Lease agreement terminated.

On May 1, 2018, Lincoln Gold entered into the current ADGIS Agreement to re-acquire a 100% interest in the Hercules claims from ADGIS, Inc.

Owing to lack of sufficient funding, the past arbitration issue with Elgin cease work order, no substantive work has been conducted on the Property by Lincoln, Lincoln Gold, Elgin or Ausgold from 2010 to the present.

6.3 Past Exploration and Development

6.3.1 Exploration

The following is paraphrased from Tetra Tech's NI 43-101 Technical Report prepared for Lincoln Mining Corporation, dated April 29, 2011 and titled: "Amended and Restated Oro Cruz Gold Project Resource Estimate, Imperial County, California, USA".

Between 1943 and 1981 the Oro Cruz Gold Project area was withdrawn from mining and exploration activity by an act of the U.S. government and no known exploration work occurred during this time. In January of 1981 the Oro Cruz Gold Project area was reopened by the U.S. federal government for exploration and development and a land rush by several competing groups ensued. One of the groups was led by Mr. Michael Tornabene who staked and consolidated a land position between 1981 and 1985. During that time period his group collected 232 chip / channel samples from surface prospects, 417 rock chip samples and 202 gravel and soil samples.

In 1986, Texasgulf acquired a lease from Mr. Tornabene and over the next 4 years spent approximately \$785,000 on mapping, sampling, permitting and drilling. Texasgulf collected 107 rock chip samples, 72 panned concentrate samples, drilled 76 RC exploration holes (23,584 ft), 36 of which were in the Cross area. A geological map of the Property was also completed at a 1" to 500' scale. A small ground magnetic survey of the Tumco Valley was also completed.

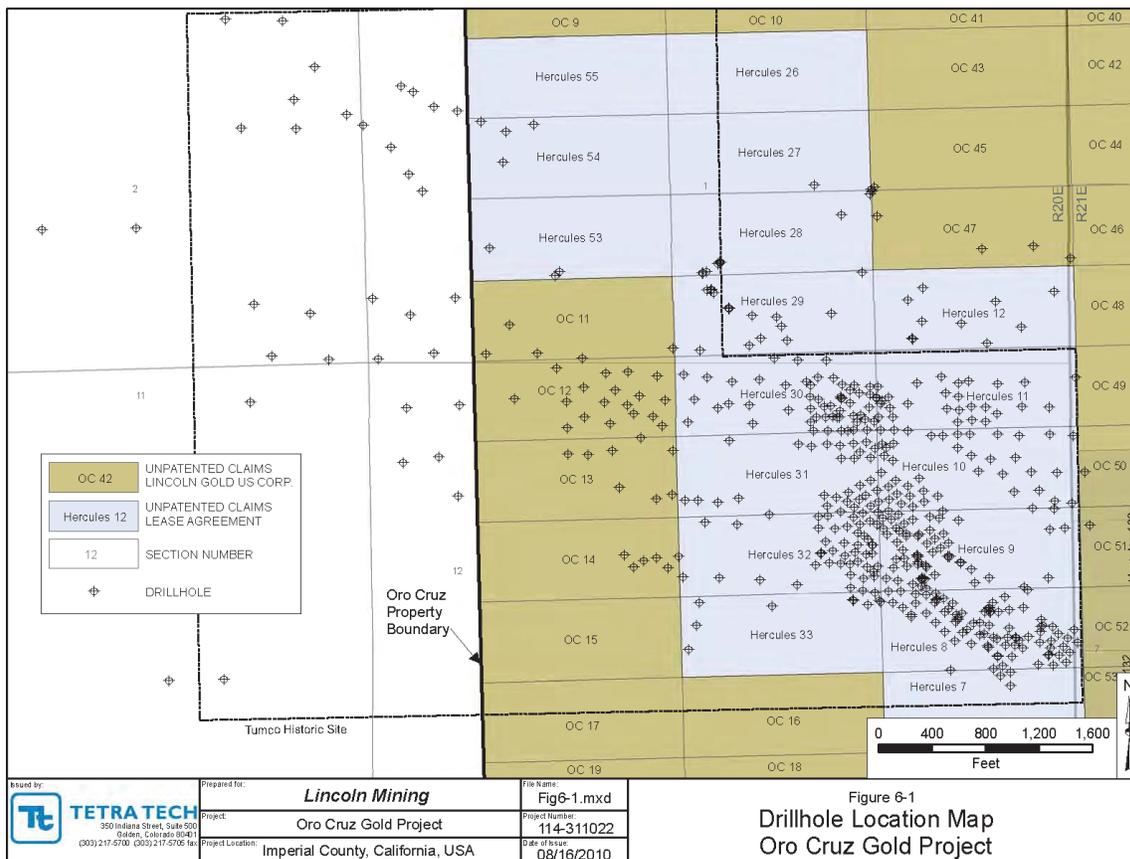
In 1989, Texasgulf was sold to NERCO Minerals Company (NERCO) and the Oro Cruz Property reverted back to Mr. Tornabene.

In the early 1990's the Property was leased by the American Girl Mining Joint Venture (AGMJV). The exploration work included collecting 239 soil samples, 63 samples of the pre-1943 tailings, 511 rock chip samples and 422 drill holes (165,922 ft) of which 235 (102,360 ft) were development holes in the vicinity

of the Cross and Queen areas. Thirteen of the 422 holes were core holes (6,818 ft) and were in the vicinity of the Cross area. All other holes were reverse circulation (RC).

Ten exploration targets have been identified on the Property and good potential exists for extension of known gold mineralization and discovery of new gold zones. Pan concentrates and gravel samples suggest potential for placer deposits. Magnetic anomalies are thought to be associated with elevated magnetite in the siliceous, gold-bearing zones. Figure 6-6 is a drill hole location map of known, existing drill holes on the Property (more details regarding the sources of drill hole information can be found on pages 3 and 4 in the NI 43-101 Technical by Tetra Tech dated April 29, 2011 that is available on the Canadian Securities Administrators System for Electronic Document Analysis and Retrieval ([SEDAR](#)) . The current drill hole database has 491 drill holes.

Figure 6-6 - Location Map of Known Existing Drill Holes



6.3.2 Oro Cruz Significant Drill Hole Intersections

Figure 6-7 shows the locations of significant drill hole intercepts at Oro Cruz (labeled “selected high-grade holes”) in plan view with an accompanying interpreted outline (in light red) of a gold zone representing intervals of >= 10 ft downhole with grades > 0.100 troy ounce gold per ton (opt). It must be noted that this view does not take into account that these higher-grade intersections could represent more than one zone as no cross sections of the intersections exist. This compilation of drill holes and accompanying plan view was created by Lincoln geologists to get a better understanding of

the drill hole grade distribution of the Oro Cruz gold deposit. It should not be used to estimate a resource based on the width and grade of only these higher-grade drill hole intersections.

Table 6-1 shows the significant drill hole intercepts described above and the down hole depths; (both imperial and metric) and also shows the grade x thickness (GT) value of the significant drill hole intersections. Of particular note is core hole OC-DD-7, which is a twin of RC hole OC-250, the only twin core hole of all holes drilled to date.

Figure 6-7 - Oro Cruz Plan View of High Grade Drill Hole Intersections

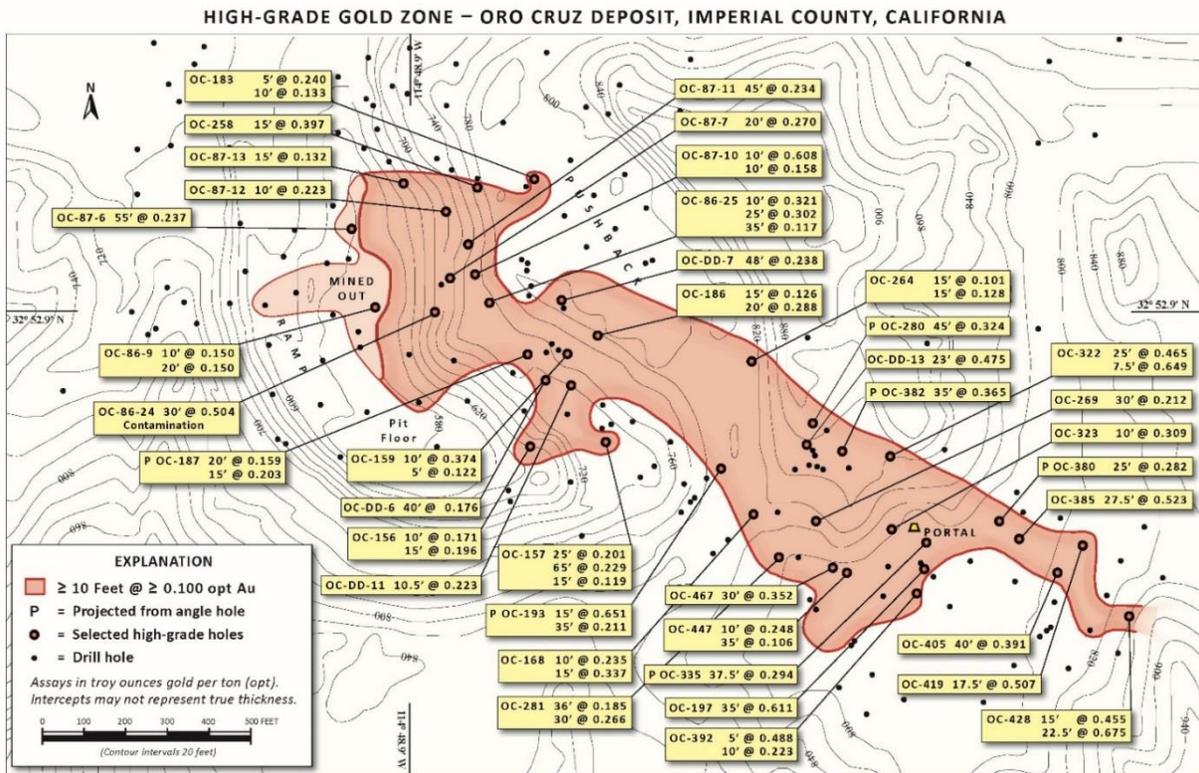


Table 6-1 – Table of Significant Historic Drill Results (GT = Grade X Thickness)

Hole Number	Hole Type	From (feet)	To (feet)	Intercept (feet)	Gold opt	Intercept (meters)	g Au/t	GT
OC-DD-7	Core	223	271	48	0.238	14.6	8.2	119
OC-250	RC	205	265	60	0.189	18.3	6.5	119
OC-DD-6	Core	326	366	40	0.176	12.2	6.0	74
OC-DD-11	Core	314	324.5	10.5	0.223	3.2	7.6	24
OC-DD-12	Core	428	435	7	0.121	2.1	4.1	9

Hole Number	Hole Type	From (feet)	To (feet)	Intercept (feet)	Gold opt	Intercept (meters)	g Au/t	GT
		440.5	456	11.5	0.491	3.5	16.8	59
OC-DD-13	Core	311	334	23	0.475	7.0	16.3	114
OC-DD-14	Core	455	460.5	5.5	0.166	1.7	5.7	10
		478	500	22	0.128	6.7	4.4	29
OC-DD-15	Core	363	374.5	11.5	0.067	3.5	2.3	8
OC-86-9	RC	90	100	10	0.15	3.0	5.1	16
		110	130	20	0.15	6.1	5.1	31
OC-86-24	RC	235	265	30	0.504	9.1	17.3	158
OC-86-25	RC	270	280	10	0.321	3.0	11.0	34
		315	340	25	0.302	7.6	10.4	79
		380	415	35	0.117	10.7	4.0	43
OC-87-6	RC	20	75	55	0.237	16.8	8.1	136
		30	60	30	0.342			
OC-87-7		250	270	20	0.27	6.1	9.3	56
		250	265	15	0.333			
OC-87-8	RC	190	205	15	0.28	4.6	9.6	44
		247	260	13	0.092	4.0	3.2	12
OC-87-9	RC	305	335	30	0.116	9.1	4.0	36
OC-87-10	RC	140	150	10	0.608	3.0	20.8	64
		215	225	10	0.158	3.0	5.4	17
OC-87-11	RC	130	140	10	0.118	3.0	4.0	12
		205	250	45	0.234	13.7	8.0	110
OC-87-12	RC	110	120	10	0.223	3.0	7.6	23
OC-87-13	RC	10	25	15	0.132	4.6	4.5	21
OC-88-12	RC	340	355	15	0.124	4.6	4.3	19
		365	375	10	0.118	3.0	4.0	12
OC-112	RC	280	285	5	0.179	1.5	6.1	9
		360	380	20	0.102	6.1	3.5	21
OC-156	RC	335	345	10	0.171	3.0	5.9	18
		375	390	15	0.196	4.6	6.7	31
OC-157	RC	270	295	25	0.201	7.6	6.9	53
		395	460	65	0.229	19.8	7.9	156
		470	485	15	0.119	4.6	4.1	19
OC-159	RC	285	295	10	0.374	3.0	12.8	39
		335	340	5	0.122	1.5	4.2	6
OC-168	RC	425	435	10	0.235	3.0	8.1	25
		445	460	15	0.337	4.6	11.6	53
OC-183	RC	5	10	5	0.267	1.5	9.2	14
		35	40	5	0.24	1.5	8.2	13
		50	60	10	0.133	3.0	4.6	14

Hole Number	Hole Type	From (feet)	To (feet)	Intercept (feet)	Gold opt	Intercept (meters)	g Au/t	GT
OC-186	RC	275	290	15	0.126	4.6	4.3	20
		480	500	20	0.288	6.1	9.9	60
		480	490	10	0.471			
OC-187	RC	280	300	20	0.159	6.1	5.5	33
		325	240	15	0.203	4.6	7.0	32
OC-193	RC	365	380	15	0.651	4.6	22.3	102
		410	445	35	0.211	10.7	7.2	77
OC-195	RC	410	420	10	0.108	3.0	3.7	11
		430	445	15	0.25	4.6	8.6	39
		460	475	15	0.225	4.6	7.7	35
OC-196	RC	390	410	20	0.106	6.1	3.6	22
		390	400	10	0.184			
OC-197	RC	530	565	35	0.611	10.7	20.9	223
OC-250	RC	205	265	60	0.189	18.3	6.5	119
		220	265	45	0.209			
OC-258	RC	115	130	15	0.397	4.6	13.6	62
OC-264	RC	305	320	15	0.101	4.6	3.5	16
		355	370	15	0.128	4.6	4.4	20
OC-265	RC	220	225	5	0.158	1.5	5.4	8
		255	270					
		255	290	35	0.111	10.7	3.8	41
		265	280	15	0.147			
OC-269		460	490	30	0.212	9.1	7.3	66
OC-280	RC	300	345	45	0.324	13.7	11.1	152
		325	345	20	0.531			
OC-281	RC	526	562	36	0.185	11.0	6.3	70
		587	617	30	0.266	9.1	9.1	83
OC-322	RC	447.5	472.5	25	0.465	7.6	15.9	121
		457.5	467.5	10	0.913			
		487.5	495	7.5	0.649	2.3	22.3	51
OC-323	RC	550	560	10	0.309	3.0	10.6	32
OC-335	RC	485	522.5	37.5	0.294	11.4	10.1	115
		485	500	15	0.314			
		510	522.5	12.5	0.467			
OC-380	RC	487.5	512.5	25	0.282	7.6	9.7	74
OC-381	RC	330	335	5	0.173	1.5	5.9	9
		347.5	365	17.5	0.164	5.3	5.6	30
		352.5	365	12.5	0.209			
OC-382	RC	362.5	397.5	35	0.365	10.7	12.5	134
		377.5	397.5	20	0.521			

Hole Number	Hole Type	From (feet)	To (feet)	Intercept (feet)	Gold opt	Intercept (meters)	g Au/t	GT
OC-384	RC	542.5	560	17.5	0.163	5.3	5.6	30
OC-385	RC	517.5	545	27.5	0.523	8.4	17.9	150
OC-392	RC	532.5	537.5	5	0.488	1.5	16.7	25
		552.5	562.5	10	0.223	3.0	7.6	23
OC-393	RC	427.5	447.5	20	0.139	6.1	4.8	29
OC-405	RC	575	615	40	0.391	12.2	13.4	163
OC-419	RC	40	45	5	0.208	1.5	7.1	11
		502.5	520	17.5	0.507	5.3	17.4	93
OC-422	RC	672.5	680	7.5	0.22	2.3	7.5	17
OC-428	RC	672.5	687.5	15	0.455	4.6	15.6	71
		677.5	687.5	10	0.645			
		712.5	735	22.5	0.675	6.9	23.1	159
		712.5	720	7.5	0.981			
		725	735	10	0.504	3.0	17.3	53
OC-447	RC	535	545	10	0.248	3.0	8.5	26
		645	680	35	0.106	10.7	3.6	39
OC-467	RC	520	550	30	0.352	9.1	12.1	110

6.3.3 Development and Production

The following is paraphrased from Tetra Tech's NI 43-101 Technical Report prepared for Lincoln Mining Corporation, dated April 29, 2011 and titled: "Amended and Restated Oro Cruz Gold Project Resource Estimate, Imperial County, California, USA".

The Cargo Muchacho-Tumco district was discovered by the Spaniards and mined as early as 1780-1781. The district is believed to have been the site of the first gold mine in California.

Americans began mining endeavours in the district at the end of the Mexican-American War in 1848.

Mining in the region was firmly established in 1877 with completion of the Southern Pacific Railroad to Yuma. Large-scale mining at Oro Cruz (Golden Cross) occurred during 1890-1916 and 1932-1941, producing greater than 150,000 ounces of gold.

Texasgulf explored the Property from 1985-1989 and conducted some column leach tests.

In the early 1990's the Oro Cruz Property was leased by the American Girl Mining Joint Venture and was mined from 1995-1996 as underground and open pit operations that together produced approximately 61,000 troy ounces of gold. Figure 6-8 illustrates the extent of the MK Gold underground mine development. Figure 6-9 illustrates the known underground workings from the historical Golden Queen underground mine. There has been no additional production from the site since its closure in 1996.

Figure 6-8 – Oro Cruz Underground Mine Workings

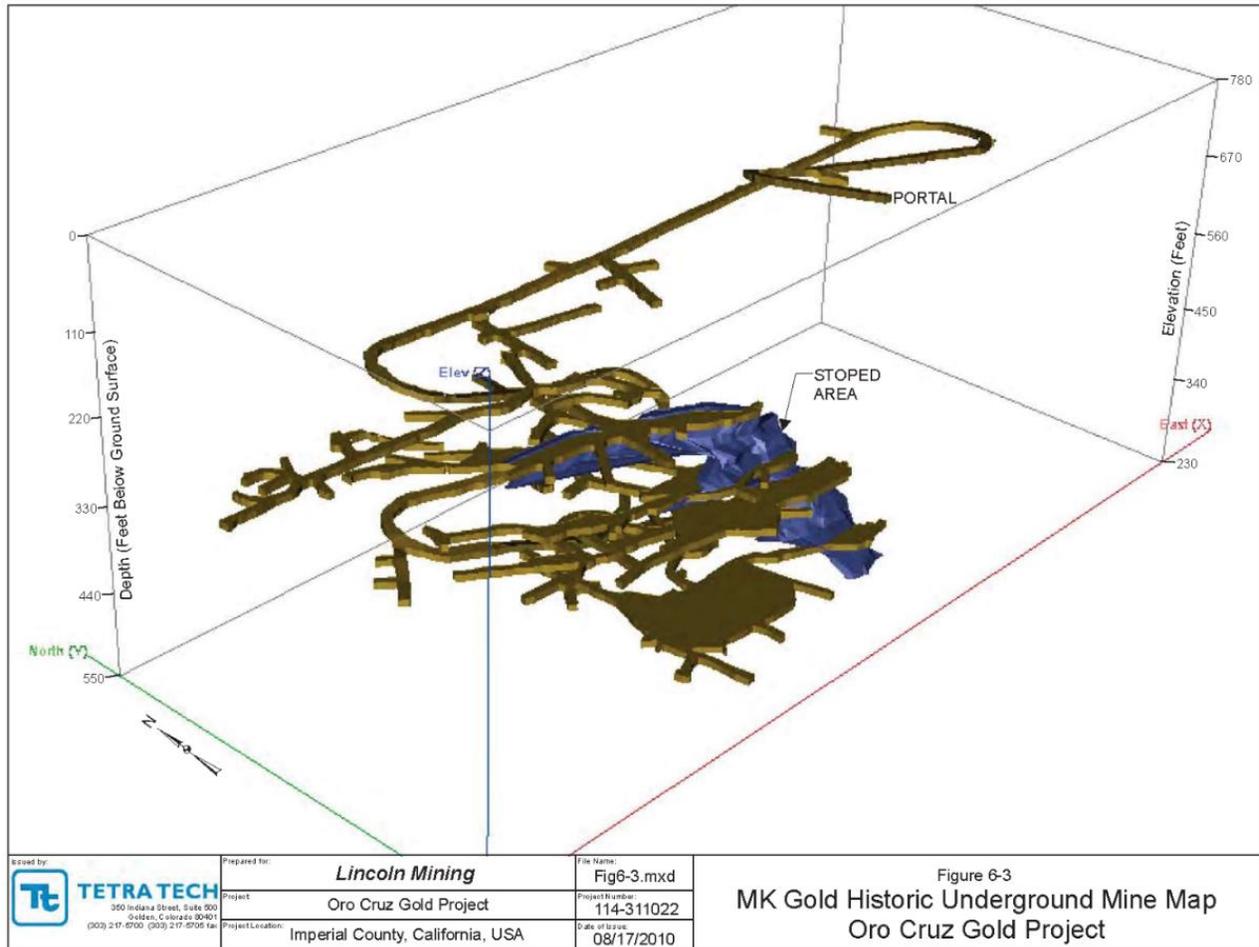
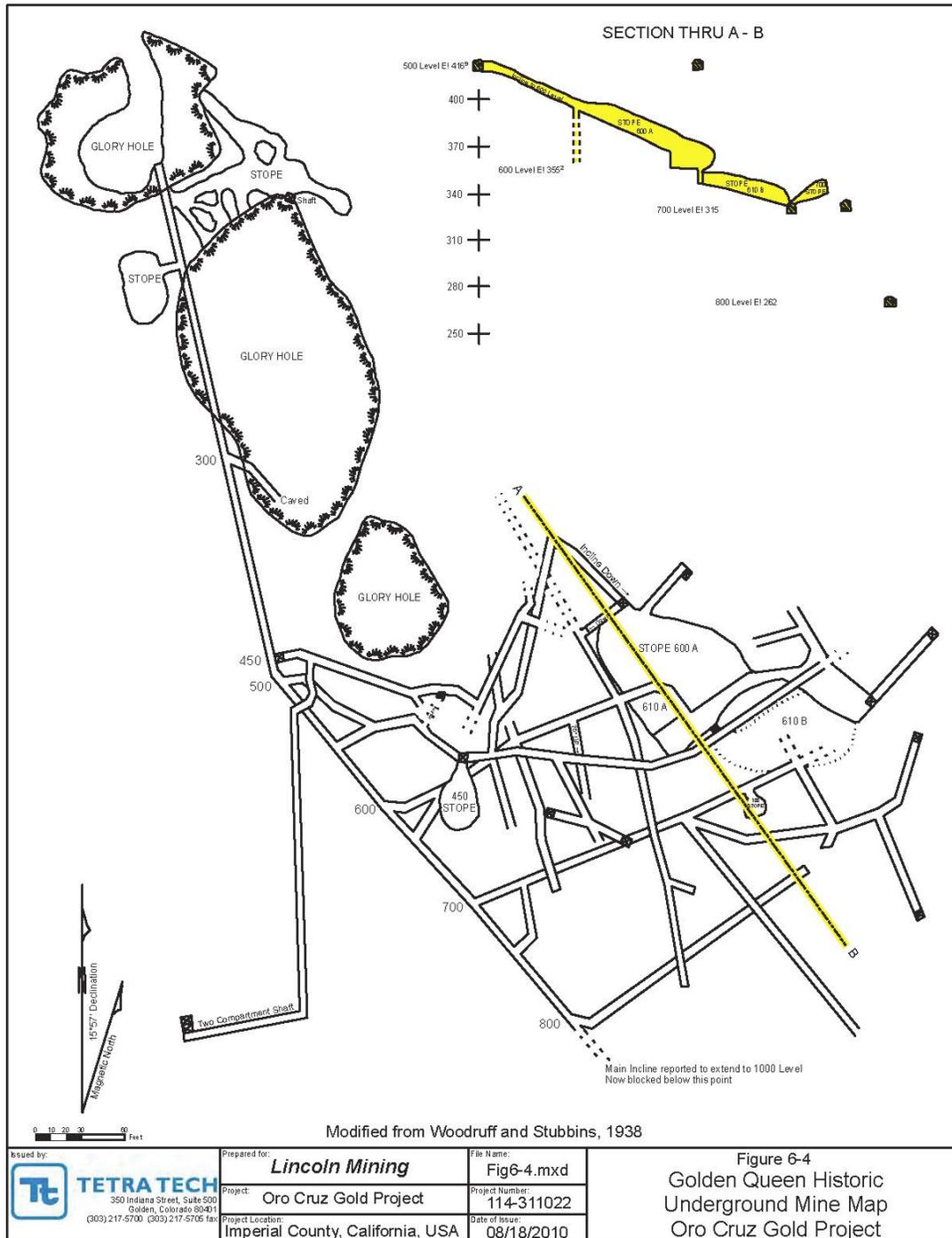


Figure 6-9 – Known Underground Mine Workings at the Golden Queen Mine



6.4 Historical Mineral Resource and Reserve Estimates

Neither the QP nor Owl, Lincoln, Eros or Demerara have done sufficient work to classify any of the historical estimates as current mineral resources or mineral reserves, and the QP, Owl, Lincoln, Eros and Demerara are not treating the historical estimates as current mineral resources or mineral reserves as defined in Section 1.2 and 1.3 of NI 43-101, hence the historical estimates should not be relied on.

6.4.1 Tetra Tech, Inc. - 2011

The latest historical resource estimate was completed by Tetra Tech, Inc. for Lincoln and was reported in a NI 43-101 Technical Report titled "Amended and Restated Oro Cruz Gold Project Resource Estimate, Imperial County, California, USA" dated April 29, 2011. Tetra Tech produced an independent evaluation of the contained inferred gold resources within several deposits; however, these resources could not be classified as measured or indicated because of the lack of verifiable quality controls, assurance, and sample security procedures. Table 6-2 lists this historical resource by zone, Figure 6-10 shows the resource model area, with six "wireframe" zones and Figure 6-11 shows the grade distribution of the Oro Cruz zone.

Table 6-2 - 2011 Historical Resource by Tetra Tech

Zone	Category	Cut-off Grade Oz Au/t	Tons	Avg. Grade Oz Au/t	Contained Ounces
Oro Cruz	Inferred	0.02	4,200,000	0.07	307,000
Zone A	Inferred	0.02	369,800	0.05	17,741
Zone B	Inferred	0.01	173,200	0.02	3,275
Zone C	Inferred	0.02	60,000	0.04	2,640
Zone D	Inferred	0.02	41,800	0.04	1,634
Zone E	Inferred	0.02	3,800	0.04	133
Queen	Inferred	0.02	159,000	0.04	6,284
Total	Inferred		4,835,000	0.07	341,795

Tetra Tech also reports that old mill tailings are present on the Property that contain gold values that could be recovered on a leach pad. However, there is no description as to how this historical resource was estimated so it cannot be reported here.

Note 1: *Neither the QP nor Owl, Lincoln, Eros or Demerara have done sufficient work to classify any of the historical estimates as current mineral resources or mineral reserves and the QP, Owl, Lincoln, Eros and Demerara are not treating the historical estimates as current mineral resources or mineral reserves as defined in Section 1.2 and 1.3 of NI 43-101, hence the historical estimates should not be relied on.*

Note 2: *The QP has not done sufficient work to validate the reliability of these historical estimates but considers it relevant as it represents a key target for exploration work to be carried out by Owl Capital. To the knowledge of the QP, there is no new data available since the calculation of the above historical resource estimate and no additional work has been done to upgrade or verify the historical resource estimate. In order for the historical inferred resource estimate to be considered a current mineral resource, Owl will need to complete additional drilling on the deposit.*

Note 3: *See Section 6.4.2 for a description of key assumptions, parameters and methods used to prepare the historical estimates.*

Note 4: The “total” in Table 6-2 differs somewhat from the sum of the individual zones but this is how it is reported by Tetra Tech.

Figure 6-10 - Tetra Tech's Resource Model Area

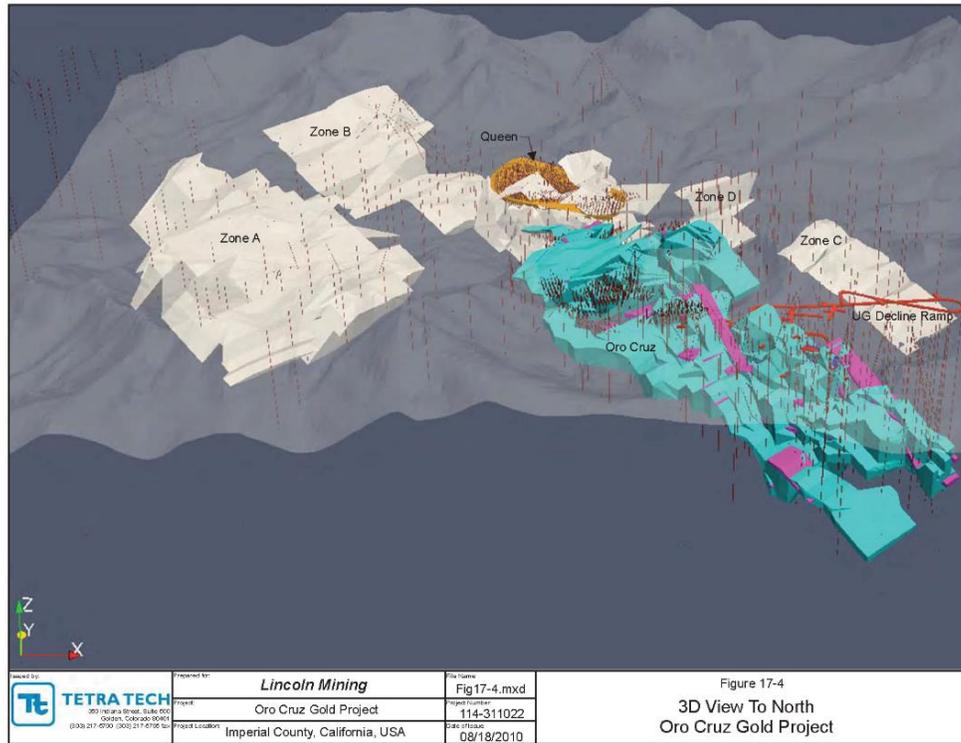
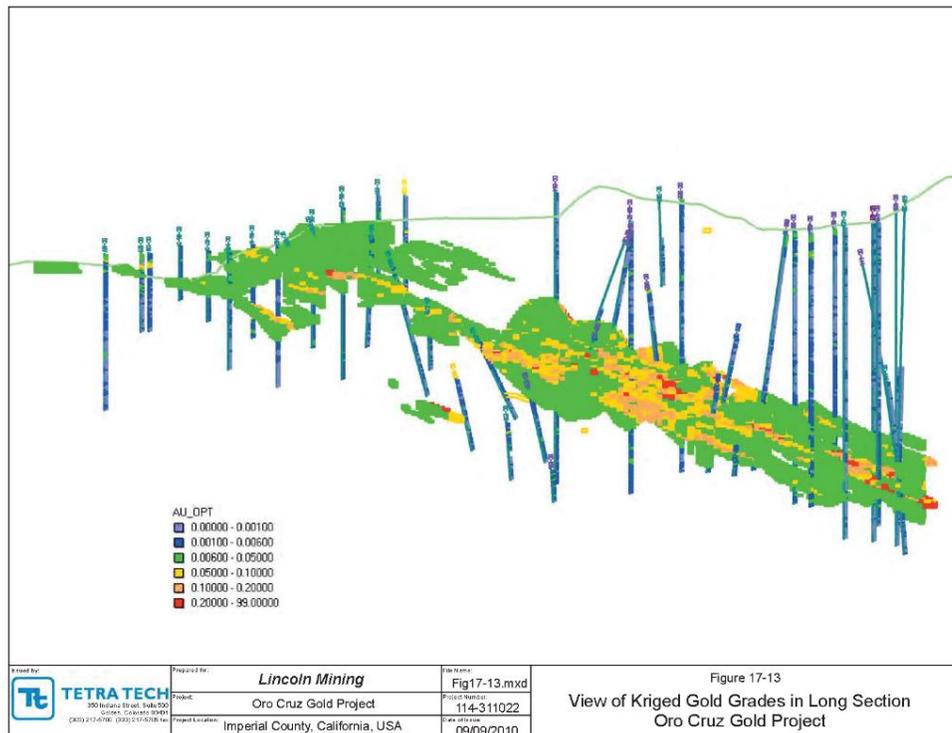


Figure 6-11 - Tetra Tech's Grade Distribution of the Oro Cruz Zone



6.4.2 Tetra Tech Estimation Method

The Tetra Tech historical resource was estimated from drill hole, trench and blast hole assays, along with an interpretation of a geological model which relates to the spatial distribution of gold in with Oro Cruz deposits. The location of the deposits is shown in Figure 6-10. Interpolation characteristics have been defined based on the geology, drill hole spacing and geostatistical analysis of the data. The mineral resources have been classified by a combination of their proximity to the sample locations and kriging error. Tetra Tech coded drill hole assays and 5-foot composites inside and outside of three-dimensional wireframes. Statistics for surface samples, drill hole assay and composite data were generated. Log, Indicator and relative variograms were generated using composite data. Model validation (jackknifing) was used to determine the geostatistical ranges, direction and search parameters in estimating grade values. Ordinary kriging was used to estimate gold grades in 10 ft x 10 ft x 5 ft blocks. A 1.5 troy ounce gold per ton cap grade was used. A tonnage factor of 12.5 cubic feet per ton was used for all zones. A base case cut-off grade of 0.02 opt was used. The kriged grade values were visually inspected in section and plan and compared to the composite data. A resource classification of inferred was developed and assigned based on a combination of “jackknifing” and kriging error analysis. Validation of the kriged model was performed using statistics and visual inspection.

6.4.3 Pre – NI 43-101 Reporting Standards

Prior to NI 43-101 reporting requirements and standards, historical non-compliant NI 43-101 mineral resource estimates were prepared and reported by:

6.4.4 Mine Development Associates, Inc. - 1999

In 1999, Mine Development Associates, Inc., estimated non-compliant resources within the Cross and Queen zones of 2,480,000 tons grading 0.074 oz Au/ton “indicated” (183,520 ounces) at a cut-off grade of 0.02 oz Au/ton. “Inferred” resources were estimated but were not assigned a grade. See Section 6.4.5 for MDA’s estimation method.

***Note 1:** Neither the QP nor Owl, Lincoln, Eros or Demerara have done sufficient work to classify any of the historical estimates as current mineral resources or mineral reserves and the QP, Owl, Lincoln, Eros and Demerara are not treating the historical estimates as current mineral resources or mineral reserves as defined in Section 1.2 and 1.3 of NI 43-101, hence the historical estimates should not be relied on.*

***Note 2:** The QP has not done sufficient work to validate the reliability of these estimates.*

6.4.5 Mine Development Associates, Inc. Estimation Method

To estimate their non-compliant resource data from exploration and development drilling, underground chip channel sampling and underground long hole drilling were used. A “Quantile-Quantile Plot of LNAU” was used to determine natural mineralization boundaries and to determine a low-grade of 0.010 opt Au to 0.100 oz Au/ton and high-grade as anything higher than 0.100 oz Au/ton. Cross-sections were used to model the mineralization using a “top-truncated ellipsoid model” and then refined. Twenty-foot composites were extracted from the drill hole database within high-grade zones. Omni-directional variograms produced the best results for both high grade and low-grade zones. Grades were estimated for 25 ft x 25 ft x 20 ft blocks by ordinary kriging with a maximum horizontal search of 45 ft for low-grade and 50 ft for high-grade and a maximum vertical search of 15 ft for both high- and low-grade. Minimum

composites of 2 and maximum number of 10 were used. A tonnage conversion of 12.5 cubic ft/ton was used to estimate the resource. A cut-off of 0.02 oz Au/ton was used.

The AGMJV completed an examination of the tailings material and estimated a resource for the eastern and western tailings piles but the QP cannot find any mention of how the estimation was conducted so this estimate cannot be presented here.

6.4.6 Independent Mine Consultants Inc. Pit Reserve Audit - 1996

***Note 1:** Neither the QP nor Owl, Lincoln, Eros or Demerara have done sufficient work to classify any of the historical estimates as current mineral resources or mineral reserves and the QP, Owl, Lincoln, Eros and Demerara are not treating the historical estimates as current mineral resources or mineral reserves as defined in Section 1.2 and 1.3 of NI 43-101, hence the historical estimates should not be relied on.*

***Note 2:** The QP has not done sufficient work to validate the reliability of these estimates.*

An independent pit reserve audit of a 1996 reserve model was conducted by Independent Mine Consultants Inc. (IMC) of Tucson, Arizona because “significant shortfalls in the production of leach ore was predicted by the 1994 model”. However, their 1996 reserve estimate cannot be located.

The IMC reserve audit states:

“IMC accepts that the current reserve estimate may be classified as probable reserve. It is likely that the estimate is conservative and actual results will be better than the estimate. Given the recent history at Queen and Cross it is reasonable to adopt a conservative position.

AGMJV personnel need to review the orientation of the composite search operator and correct it to better match the orientation of the mineralization. Since almost all of the blocks in the mineralized zone have received a grade, the global results should not change too much. It could have a significant impact on local results and short range mine planning.

It should also be noted that the bottom few benches of the Cross pit are defined by a couple high-grade composites in holes OC-273 and OC-86-25. Given the recent poor mining results it is recommended that a couple grade confirmation holes be drilled into the material at the pit bottom.”

6.4.7 Mintec Inc. – 1994

***Note 1:** Neither the QP nor Owl, Lincoln, Eros or Demerara have done sufficient work to classify any of the historical estimates as current mineral resources or mineral reserves and the QP, Owl, Lincoln, Eros and Demerara are not treating the historical estimates as current mineral resources or mineral reserves as defined in Section 1.2 and 1.3 of NI 43-101, hence the historical estimates should not be relied on. The historical resource estimate uses terms that are not categories set forth in NI 43-101. Notwithstanding the fact the estimates should not be relied on, the historical estimate represents a key targets for the Queen Pit and Cross Pit on the Oro Cruz Property. The Qualified Person has not completed sufficient work to verify this historical estimate as a current resource estimate and is not treating the historical estimate as a current resource estimate. Additional surface samples, trench samples, and drill hole samples will be required to comply with National Instrument (“NI”) 43-101 guidelines in order to provide a current resource estimate*

Note 2: The QP has not done sufficient work to validate the reliability of these estimates.

Table 6-3 - Cross Surface Pit Reserve at US\$350 Gold

	Unrestricted	Restricted
Ore Tons	1,624,687	756,708
Grade	0.058	0.054
Mineable Ounces	94,232	40,862
Waste Tons	6,931,725	2,011,167
Strip Ratio	4.27:1	2.66:1

Table 6-4 – Gridded Seam Model Reserves Outside Unrestricted Pit

Cutoff (opt)	Tons	Grade (opt)	Contained Ounces
0.125	469,794	0.223	105,009
0.150	374,653	0.246	92,400
0.175	314,307	0.262	82,416

Table 6-5 – Gridded Seam Model Reserves Outside Restricted Pit

Cutoff (opt)	Tons	Grade (opt)	Contained Ounces
0.125	611,096	0.227	138,430
0.150	489,310	0.249	121,799
0.175	401,378	0.268	107,751

Table 6-6 - Cross Underground Reserves

Cutoff (opt)	0.125
Tons	727,379
Grade (opt)	0.222
Contained Ounces	161,478

Table 6-7 - Cross Underground Mineable Reserves (Undiluted)

Cross Restricted	400,000 tons grading 0.245 opt	98,000 contained ounces
Cross Unrestricted	335,000 tons grading 0.245 opt	82,075 contained ounces

Table 6-8 - Queen Pit US\$360 Gold

Ore Tons	447,533
Grade	0.046
Mineable Ounces	24,599
Waste Tons	1,456,036
Strip Ratio	3.25:1

6.4.8 Mintec Inc. Estimation Method

Cross Surface Pit

Open pit and underground “reserves” for the Oro Cruz project were calculated by Mintec Inc. (Mintec) of Tucson, Arizona and have been summarized in two separate Mintec reports (February 3, 1993: 1993-

Cross area and February 11, 1993: 1993-Queen area). The Oro Cruz drill hole database, as well as all pertinent geologic information (cross sections, structure contour maps, etc.) were forwarded to Mintec for use in these reserve studies. Mr. D. Laybourn of AGMJV worked closely with Mintec to ensure that the computer-generated models of the ore bodies were consistent with the geological interpretation.

Ore “reserves” for the Cross and Queen pits were developed by constructing a block model of the mineralized area, generating a preliminary pit based on the appropriate economic parameters, and finalizing the pit by smoothing the walls and placing of the pit ramps. The ultimate open pit reserves were considered “mineable reserves”.

The Cross surface “unrestricted” reserves were modelled on a computer block model using 10 foot high x 20 foot wide x 20 foot deep block sizes. Each block gold grade was assigned by using kriging with geostatistical parameters. The Cross surface reserves were based on US\$350 gold and AGMJV cost parameters (discussed in Estimation Methods below).

A second pit configuration was determined by limiting the pit design on the east side of the pit so that the overall strip ratio was minimized. This set of “mineable reserves” is identified as the “restricted” pit case.

The Cross underground reserves were analyzed by the gridded seam model. The block model used 8.5 foot high x 10 foot wide x 10 foot deep block size. The inverse distance cubed was used for grade interpolation and 2% of the high grade values were cut to 1.0 ounce per ton (8 assays).

Graded Seam Model Surface Pit

The GSM was rationalized against both the restricted Cross surface pits to determine the underground diluted geological reserves remaining outside the planned surface pit limits.

Underground Reserves in the Cross Area

The underground reserves in the Cross area were determined by constructing a gridded seam model (GSM). This modelling technique involves restricting grade and thickness interpolation to a defined seam. The calculated geological reserves are independent of any economic parameters. The block model used 8.5 foot high x 10 foot wide x 10 foot deep block sizes. The inverse distance cubed was used for grade interpolation and 2% of the high-grade values were cut to 1 ounce per ton (8 assays).

Cross Pit Reserves

A three dimensional (3-D) block model was generated for the Cross area using a 10 foot height x 20 foot width x 20 foot depth block size. Based on geologic considerations and the study of variograms, the Cross area was divided into four sectors for purposes of grade interpolation. Gold grades were assigned to individual blocks using ordinary Kriging with geostatistical parameters and search radii varying from sector to sector. In addition to gold grades, two additional items were modelled to insure that ore tonnage was not overestimated.

- A barren pegmatite dike that crosses the middle of the pit area at a high angle was modelled in 3-D and coded such that any blocks falling within the modelled volume would be assigned a nil opt grade.
- Based on an analysis of drill hole intercepts, underground workings were modelled in 3-D. Following grade interpolation, blocks occurring within the stoped areas were assigned a nil opt grade.

Preliminary economic pit design was conducted using a floating cone technique and gold prices of \$350, \$375 and \$400. The floating cone technique produces a crude economic pit design by converting individual block grades to economic values and determining with blocks are mineable at the specified pit parameters. The final pit design is created by smoothing the pit walls and placing haul roads in the floating cone pit. In the case of the Cross area, the finalized pit design was based on the \$350 gold case. Cost and design parameters used in the pit design are summarized below:

Table 6-9 – Cross Pit Reserves – Cost and Design Parameters used in the Pit Design

Bench Height	10 feet
Tonnage Factor	12.5 cubic feet/ton
Pit Slope	44 degrees to 49 degrees (based on geotechnical sector of pit)
Mill Cutoff (US\$350)	0.126 ounces per ton (opt)
Heap Cutoff (US\$350)	0.020 opt
Mill Recovery	94%
Heap Recovery	60%
Mining Cost (Waste) (US\$)	\$0.95/ton
Mining/Milling Cost (Heap ore) (US\$)	\$4.08/ton
Mining/Milling Cost (Mill ore) (US\$)	\$19.08/ton
Royalty (US\$350)	\$350 case – 5%

In addition to the floating cone pits generated at the three price cases indicated, a US\$350 floating cone was run on a pit that was restricted in such a way as to mine only the base of the prominent cliffs on the east portion of the pit area; thereby limiting the overall stripping ratio. This would allow an examination of the impact of the strip ratio on the overall ore tonnage and ultimate cash flow.

Table 6-10 – Cross Pit Floating Cone Reserve Summary

	Unrestricted Pit	Restricted Pit
Gold price per ounce (US\$)	\$350	\$350
Ore tons (total)	1,542,400	801,280
Grade	0.060	0.053
Ounces	92,544	42,468
Heap tons (0.02-0.100 opt)	1,329,920	725,760
Heap grade	0.044	0.043
Heap ounces	58,760	31,064
Mill tons (+0.100 opt)	212,480	75,520
Mill grade	0.159	0.151
Mill ounces	33,784	11,404
Waste tons	5,352,950	1,582,400
Stripping Ratio	3.47:1	1.97:1
Recoverable ounces	67,012	29,358

6.4.9 Queen Pit Reserves

Mintec was contracted to construct a block model of the Queen deposit, generate three floating cone (dipper) pits at different gold prices (US\$340, \$360 and \$380) and finalize one of the pits with haul roads.

The Queen deposit was modeled on 20 foot height x 20 foot width x 20 foot depth block sizes. Areas of underground workings (stopes), as determined from drill intercepts, were independently modeled, with the stope volumes subtracted from the ore tonnage. Due to the relatively small size of the area and the influence of past mining, an analysis of variograms in the area failed to yield satisfactory results for a geostatistical approach to grade interpolation. For this reason, a simple inverse distance to the power of two was used for grade interpolation. Two precautions were taken in the block modelling to ensure that ore tonnage and grade were not overestimated:

- To avoid “smearing” of gold grades over the search radius, outlines of mineralized zones were digitized from cross sections and coded in such a way as to limit grade interpolation to digitized area.
- In order that a single, very high-grade drill intercept in the area did not overly influence surrounding grades, the search distance of 25 feet was imposed on composites with grades greater or equal to 0.150 opt.

Preliminary pit designs for the three price cases were completed using a Lerchs-Grossman program, which created an optimum pit. The mining costs and recovery parameters used in the pit design are summarized below. The US\$360 gold case was chosen for the smoothed ultimate pit with haul roads.

Table 6-11 – Summary of Mining Costs and Recovery Parameters

Bench Height	20 feet
Pit Slope	45 degrees all sides
Tonnage factor	12.5 cubic feet/ton
Mill cutoff (US\$360)	0.117 opt
Heap cutoff (US\$360)	0.023 opt
Mill Recovery	90%
Heap Recovery	52%
Mining Cost (waste) (US\$)	\$0.95/ton
Mining/Milling cost (Heap ore) (US\$)	\$4.08/ton
Mining/Milling cost (Mill ore) (US\$)	\$19.08/ton
Royalty (US\$)	\$340 case – 5%, \$360 and \$380 case – 6.25%

Results of the reserve studies for the three preliminary pits and the finalized pit design with ramps are indicated below.

Table 6-12 – Results of Reserve Studies

Gold price per ounce	US\$340	\$360	\$380	\$360 Pit with Ramps
Ore tons (total)	403,840	419,840	427,520	447,533
Grade	0.058	0.058	0.057	0.055
Ounces	23,400	24,327	24,274	24,599
Heap tons (0.02-0.100 opt)	383,360	397,440	407,040	425,415

Heap Grade	0.049	0.049	0.048	0.046
Heap Ounces	18,678	19,279	19,522	19,551
Mill tons (0.100 opt)	20,480	22,400	20,480	22,118
Mill grade	0.235	0.225	0.235	0.228
Mill ounces	4,722	5,048	4,722	5,048
Waste tons	834,068	917,022	996,450	1,456,036
Stripping ratio	2.07:1	2.18:1	2.33:1	3.25:1
Recoverable ounces	13,963	14,568	14,401	14,710

6.4.10 Cross Underground Area

Mintec conducted a two-fold project to assess the underground ore reserves in the Cross area. The initial step was to generate a gridded seam model (GSM) and tabulate total geologic reserves of the high grade ore zone. Following completion of this phase, the GSM was “rationalized” with the Cross restricted and unrestricted pits to determine the underground reserves occurring outside the two pit cases. In this way, different cases involving the two surface mining outlines could be evaluated.

6.4.11 Cross Gridded Seam Model

The GSM involves restricting grade interpolation to a defined seam within the ore body. Based on the examination of cross sections, high grade mineralization in the Cross has been found to occur in two primary zones, the Cross and the Sovereign. Locally, both zones split, forming upper and lower horizons of the primary zones.

To accomplish the Graded Seam Model, Mintec was provided with specific drill intercepts for all holes in the Cross area, with intercepts coded as occurring in one of four zones: (1) Upper Sovereign (2) Main Sovereign, (3) Upper Cross and (4) Main Cross. The four zones were modelled as individual seams. The basic steps in creating the model and the modelling parameters used were as follows:

- Grades and thickness were independently modelled using inverse distance cubed, a 10 width x 10 foot depth block size and a uniform search distance of 150 feet. Based on a statistical analysis, high grade assays were cut to a value of 1 opt (roughly the 90 percentile). This involved cutting eight assays with values of 1.004 to 2.635 opt.
- Following the initial grade modelling, all blocks were diluted to a minimum thickness of 8.5 feet.
- Underground workings were independently modelled using drill hole intercepts and a polygonal technique. All ore blocks that occurred within the stope model were deleted from the final tabulation.
- Blocs were “rationalized” against the existing topography and against each other. That is, zones were truncated where they crossed each other and the topographic surface. Based on evidence from drilling, the upper Sovereign and upper Cross zones are considered splits from the main zones; therefore, the upper zones were truncated against the main zones.
- Reserves were tabulated using a tonnage factor of 12 cubic feet/ton. It was assumed that, due to the increased magnetite in the higher grade ore, a lower tonnage factor would be appropriate for the GSM versus the open pit block models.

6.5 Prior Ownership of the Property and Ownership Changes

The Oro Cruz mine has had many names throughout its history, including: Gold Rock, Golden Cross, Tumco, Hedges, Golden Crown, Golden Queen, Good Luck, King, Sovereign, Sovereign East and Sovereign West.

In 1884, Peter Walters discovered the Gold Rock Mine and sold it to The Golden Cross Mining and Milling Company. The mine was renamed Golden Cross in 1892 and the flourishing town that sprang up around the mine was named Hedges in honour of the firm's vice president, C. L. Hedges.

The United Mines Company bought the mine and in 1910 renamed both the mine and the town "Tumco". The mine operated continuously from 1892 until 1917 and again from 1937 until 1942. The population of the Tumco was reduced from several thousand people during the height of production to about 30 by 1942.

Between 1943 and 1981, federal lands in the Oro Cruz Gold Project area were withdrawn from mining and exploration activity by an act of the U.S. government and no known exploration work occurred during this time. Under the Reagan administration, Secretary of the Interior James Watt implemented policies designed to open up federal territories to oil drilling and surface mining and the area was reopened in 1981 by an act of the U.S. federal government.

In 1981, Mr. Michael Tornabene successfully led one of many competing groups to stake mineral rights in the area. Tornabene consolidated this land position between 1981 and 1985.

Texasgulf acquired a lease from Mr. Tornabene and explored the Oro Cruz Property between 1986 and 1989. Mr. Karl Kanbergs was Texasgulf's project geologist and Mr. Paul Hartley was their regional exploration manager.

In 1989 Texasgulf was sold to NERCO and the Oro Cruz Property reverted to Mr. Tornabene.

In the early 1980's Newmont had acquired the rights to the claims adjacent to the Oro Cruz Property in the nearby American Girl Canyon area.

In 1987 Eastmaque formed the American Girl Mining Corporation and purchased the nearby American Girl and Padre y Madre Properties from Newmont.

In 1989, Eastmaque joint ventured the Property with Morrison Knudsen who became the operating partner of the AGMJV in January 1990. In 1993 Morrison Knudsen's gold mining activities were formed into a publicly traded company known as MK Gold Company (Eastmaque was acquired by Equinox Resources which was acquired by Hecla Mining Company in 1994).

In 1990, the mineral rights in Tumco Canyon to the north of the American Girl Canyon were acquired by Eastmaque. A second joint venture (Oro Cruz Joint Venture) was formed to mine the Oro Cruz surface and underground deposits.

During 1994 the Oro Cruz JV was merged with the AGMJV with MK Gold acting as operator.

After the Oro Cruz Mine closed in September 1996, MK Gold completed rudimentary reclamation (removal of all structures, equipment and debris and re-contouring the haulage road) and the claims again reverted to Mr. Tornabene.

In 1999 Mr. Tornabene contacted MDA to evaluate the Property and Mr. Paul Hartley was involved once again.

In 2002 Mr. Tornabene "quit claimed" all the claims that were in good standing to Mr. Hartley and any proceeds to Mr. Hartley from a future agreement would be shared with a charity selected by Mr. Tornabene. Mr Hartley maintained the claims to 2008 but reduced the holdings to the 20 core Hercules Claims which encompassed the Oro Cruz open pit with exposed gold mineralization and an underground ramp that intersects gold mineralization below the pit.

In November of 2008, the 20 Hercules Claims were "quit-claimed" to ADGIS, Inc.; a company wholly-owned by Mr. Hartley.

In anticipation of acquiring the Hercules Claims, Lincoln Gold staked an additional 68 contiguous lode mining claims in November of 2009.

On February 22, 2010, Lincoln and ADGIS entered into the ADGIS Mining Lease Agreement regarding the 20 Hercules Claims.

The term of the ADGIS Mining Lease Agreement was for 20 years and extendible thereafter if Lincoln was conducting exploration, development, mining or processing of minerals from the property. This agreement included a 3% NSR royalty on the first 500,000 oz of gold produced that increased to 4% thereafter. Minimum advance royalty payments began with a US\$50,000 payment upon execution of the agreement, escalating annually to a maximum of US\$200,000 upon the seventh anniversary and annually thereafter. Lincoln had the option to buy down 2% of the royalty at a rate of US\$500,000 per half percent. The NSR royalty applied to an Area of Interest of approximately 7 square miles surrounding the Hercules Claims.

In November of 2010, Lincoln located another 63 lode mining claims to cover potential target areas south of the main claim group. By the end of 2010, Lincoln's entire land position encompassed 151 lode mining claims.

On March 31, 2011, Lincoln announced that it had entered into an option agreement granting Elgin Mining Inc. the exclusive right and option to acquire up to a 60% undivided interest in each of Lincoln's Oro Cruz and a Mexican property by funding expenditures totaling US\$10,000,000 over a maximum four year period.

In 2012, Lincoln terminated the Elgin Agreement as certain obligations had not been fulfilled by Elgin. Elgin disputed the validity of Lincoln's termination and the parties proceeded to arbitration in order to address and resolve their dispute.

In June of 2013, Lincoln and Elgin reached a full and final settlement wherein Lincoln paid \$350,000 cash to Elgin upon execution of Elgin's quitclaim deed in relation to the Oro Cruz Property, at which time control of the Property reverted to Lincoln.

Pursuant to a letter agreement dated May 9, 2017, Lincoln granted Ausgold Resources Pty. Ltd. an option until June 30, 2017 to enter into a joint venture agreement for the development of the Oro Cruz Property.

Lincoln announced on March 26th, 2018 that it had terminated the option as a consequence of Ausgold not satisfying its obligations under the option agreement. Subsequently, the ADGIS Mining Lease agreement terminated.

On May 1, 2018, Lincoln Gold entered into the current ADGIS Agreement to re-acquire a 100% interest in the Hercules claims from ADGIS, Inc.

Owing to lack of sufficient funding, the past arbitration issue with Elgin cease work order, no substantive work has been conducted on the Property by Lincoln, Lincoln Gold, Elgin or Ausgold from 2010 to the present.

7 Geological Setting and Mineralization

Information concerning the regional geology and tectonic setting was obtained from several published papers, including Sherrod & Tosdal (1991), Anderson & Nourse (2005) and Tosdal & Wooden (2015). The description of the local geological units and structure of the Cargo Muchacho Mountains has been summarized largely from J.T. Dillon's (1975) Ph.D dissertation on the *Geology of the Chocolate and Cargo Muchacho Mountains, Southeasternmost California*, supplemented by information from several published papers, as referenced in the text.

The geology and structure of the Oro Cruz property was largely summarized from T.K. Cawood's ongoing Ph.D. research at the University of Southern California, with references to the 1986 geologic map prepared by Texasgulf geologist Karl Kanbergs.

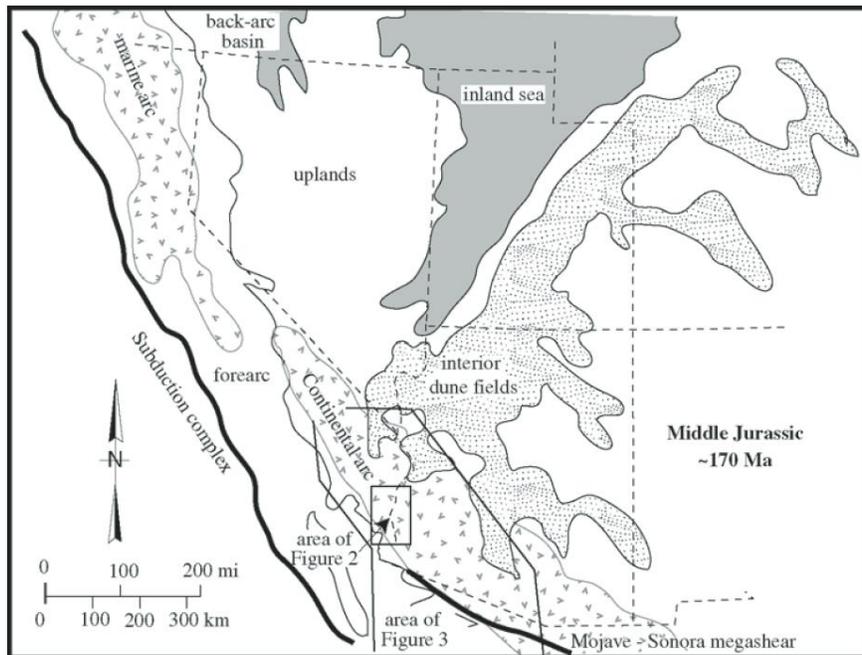
7.1 Regional Geology

7.1.1 Tectonic Setting

The Oro Cruz Property is located in the geologically complex lower Colorado River region of south western North America, a region with a tectonic history spanning nearly 200 million years (Ma).

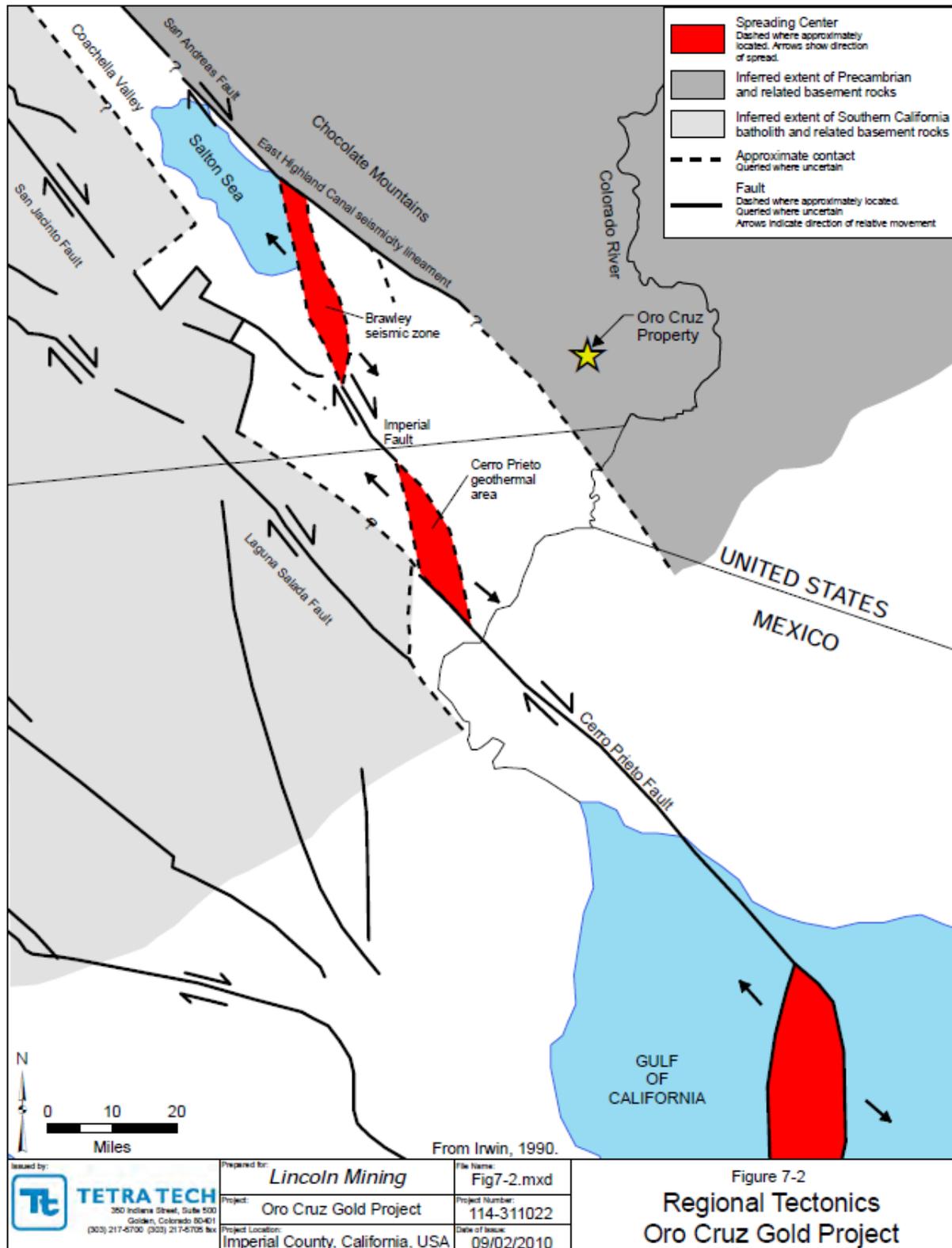
During the Jurassic (~190-158 Ma), this region was moderately close to the then-west coast of North America (Figure 7-1) and formed part of the Jurassic magmatic arc (Tosdal & Wooden 2015).

Figure 7-1 - Paleotectonic & Paleogeographic Map of the Jurassic Arc in Southwestern North America at 170 Ma



Arc magmatism was related to eastward subduction of the Farallon slab below the North American craton. Arc activity may have been overlapped and outlasted by sinistral motion on the highly debated Mojave-Sonora Megashear (~162-148 Ma), a major NW-striking transtensional zone related to opening of the Atlantic and formation of the Gulf of Mexico (Anderson & Nourse 2005, and references therein). Related structures include mainly NW-striking sinistral faults, E-striking normal faults at releasing steps and lesser NE-striking dextral faults (Anderson & Nourse 2005). Many of these structures were reactivated by NE-directed compression during the Late Cretaceous (~70-50 Ma) Laramide Orogeny, which was related to a shallowing of the subducting Farallon slab (Humphreys 2009) and was primarily accommodated by low-angle thrust faults. Reactivation of these as extensional normal faults, together with the development of additional new low-angle detachment faults, occurred during the Mid Tertiary, NE-SW-directed Basin and Range extension. These extensional structures were active between 28 and 20 Ma in the lower Colorado River region, and possibly as early as ~50-40 Ma (Losh et al. 2005), and were accompanied and outlasted by volcanism (~33-20 Ma, Sherrod & Tosdal 1991, and references therein). Subsequent activity on a complex system of braided, NW-striking oblique- to dextral strike-slip faults, associated with N-NE-striking normal faults, began post ~13 Ma, with associated but later steep, NE-striking sinistral faults active post ~11 Ma (Sherrod & Tosdal 1991, Willis & Tosdal 1992). This late motion is likely related to the NW-striking dextral San Andreas system and opening of the Salton Sea Trough (Willis & Tosdal 1992). At least some of these faults were still active after ~5 Ma (Sherrod & Tosdal 1991), and the San Andreas itself is active to this day. Figure 7-2 shows the present-day regional tectonics, which demonstrate the extensive faulting associated with the transfer of strike-slip plate-boundary motion along the San Andreas fault system to divergent motion at the spreading ridge in the Gulf of California.

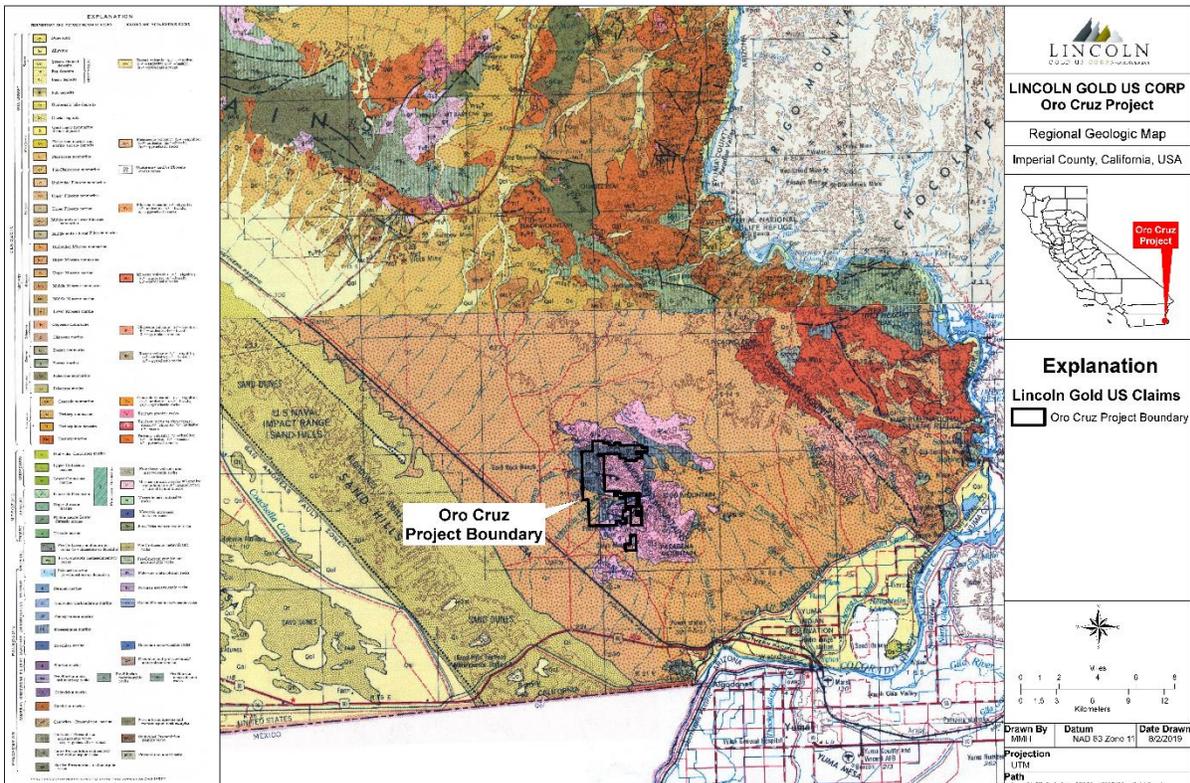
Figure 7-2 - Modern Plate Tectonic Setting of the Oro Cruz Property and Surrounding Region



Geology

The regional geology of the lower Colorado River region is best described by two California Division of Mines and Geology maps, the *San Diego - El Centro* and *Salton Sea* map sheets. Figure 7-3 is a compilation of these sheets. The primary mountain ranges in the region are the NW-striking Chocolate Mountains, shown in the northwestern part of Figure 7-3, and the Cargo Muchacho Mountains, which form an outlier south of the main mountain range, and host the Oro Cruz property.

Figure 7-3: Regional Geological Map of the Chocolate & Cargo Muchacho Mountains and the Algodones Dunes



The Chocolate Mountains dominate the region and form the axis of a west-northwest-trending antiform. The range is comprised of a complex mix of Precambrian, Mesozoic, mid Tertiary and Tertiary to Recent material. The Precambrian rocks comprise granitic and metamorphic rocks, including amphibolite-to greenschist-facies gneiss and schist. The Mesozoic terrain is a structurally complicated package of gneiss, schist, phyllite and plutons, and the Mesozoic thrust faults are folded. Tertiary Quechan volcanics and Quaternary alluvial deposits cover the older rocks.

The Cargo Muchacho Mountains form an isolated range surrounded on all sides by dissected pediment and a vast area of various alluvial deposits. The range is comprised of remnants of Jurassic gneiss and schist (Tumco Formation) which have been intruded by several large, slightly younger Jurassic diorite, granodiorite and granite bodies (Tosdal & Wooden 2015). Both the plutons and their host rocks subsequently underwent amphibolite-facies metamorphism (Owens & Hodder 1993).

The prevailing structural fabric is a NW-striking, SW-dipping ductile foliation, which parallels the Chocolate Mountain Thrust and is attributed to Late Cretaceous Laramide thrusting (Dillon 1975). Low-angle thrust and/or normal faults are present, as well as dextral strike-slip faults. The Oro Cruz property covers the northwestern portion of the range and contains well-foliated metasedimentary gneiss and schist of the Tumco Formation.

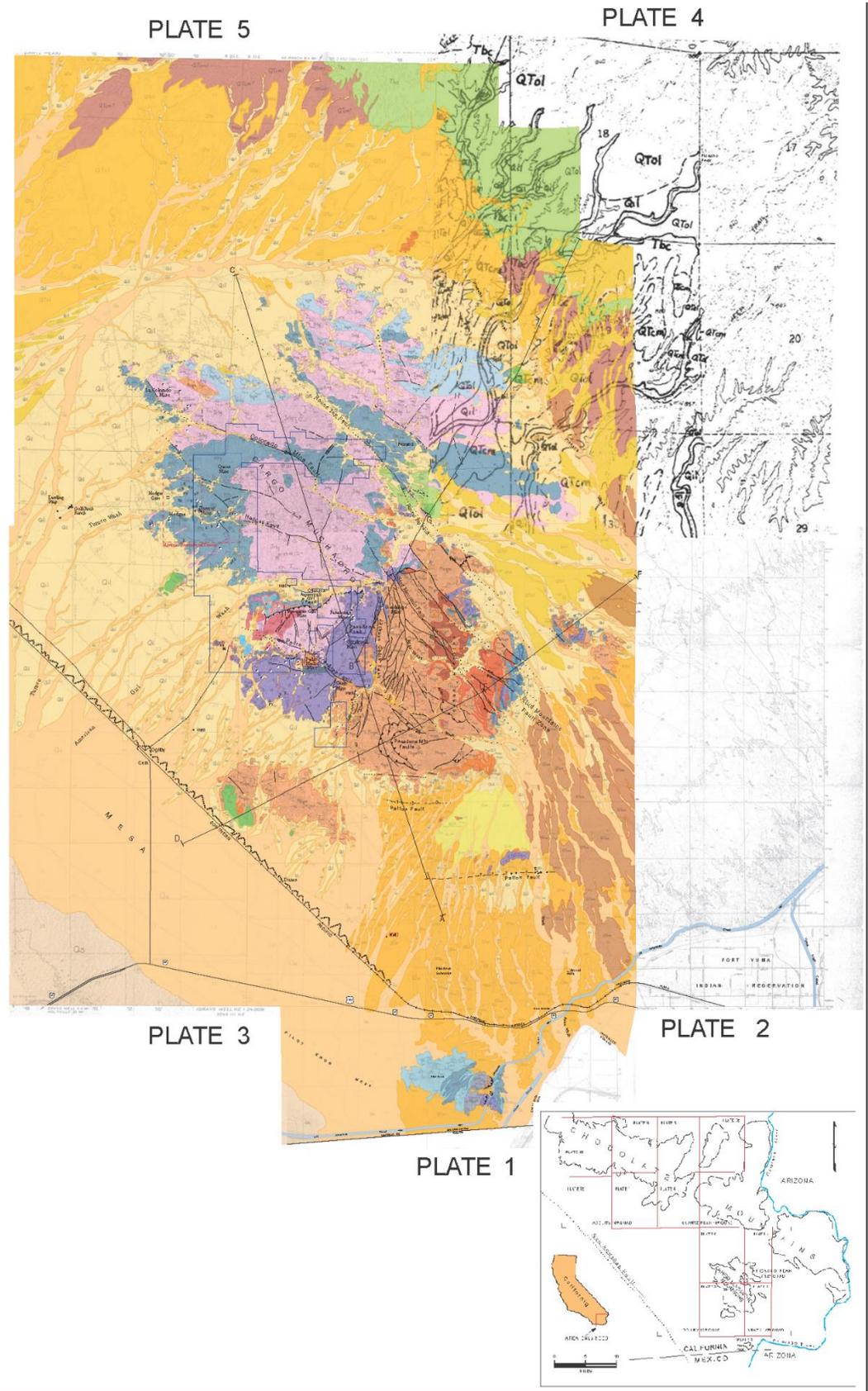
The Sand Hills or Algodones Dunes occupy a well-defined, northwest trending zone that lies west of the Oro Cruz property. In the U.S., these aeolian deposits occupy a zone 40 miles long and up to 6 miles wide, forming a conspicuous dune field. The San Andreas fault zone forms the western boundary of this dune field. The dunes extend southward across the border into Mexico.

7.2 Local Geology

The local geology in the vicinity of Oro Cruz is best described by J.T. Dillon (1975) in his Ph.D. dissertation entitled *Geology of the Chocolate and Cargo Muchacho Mountains, Southeasternmost California*. Dillon's mapping was at a scale of 1:24,000 (1 inch = 200 ft). That portion of his mapping that covers the Cargo Muchacho Mountains has been colored by Molly Hunsaker and is shown in Figure 7-4 with a corresponding legend below.

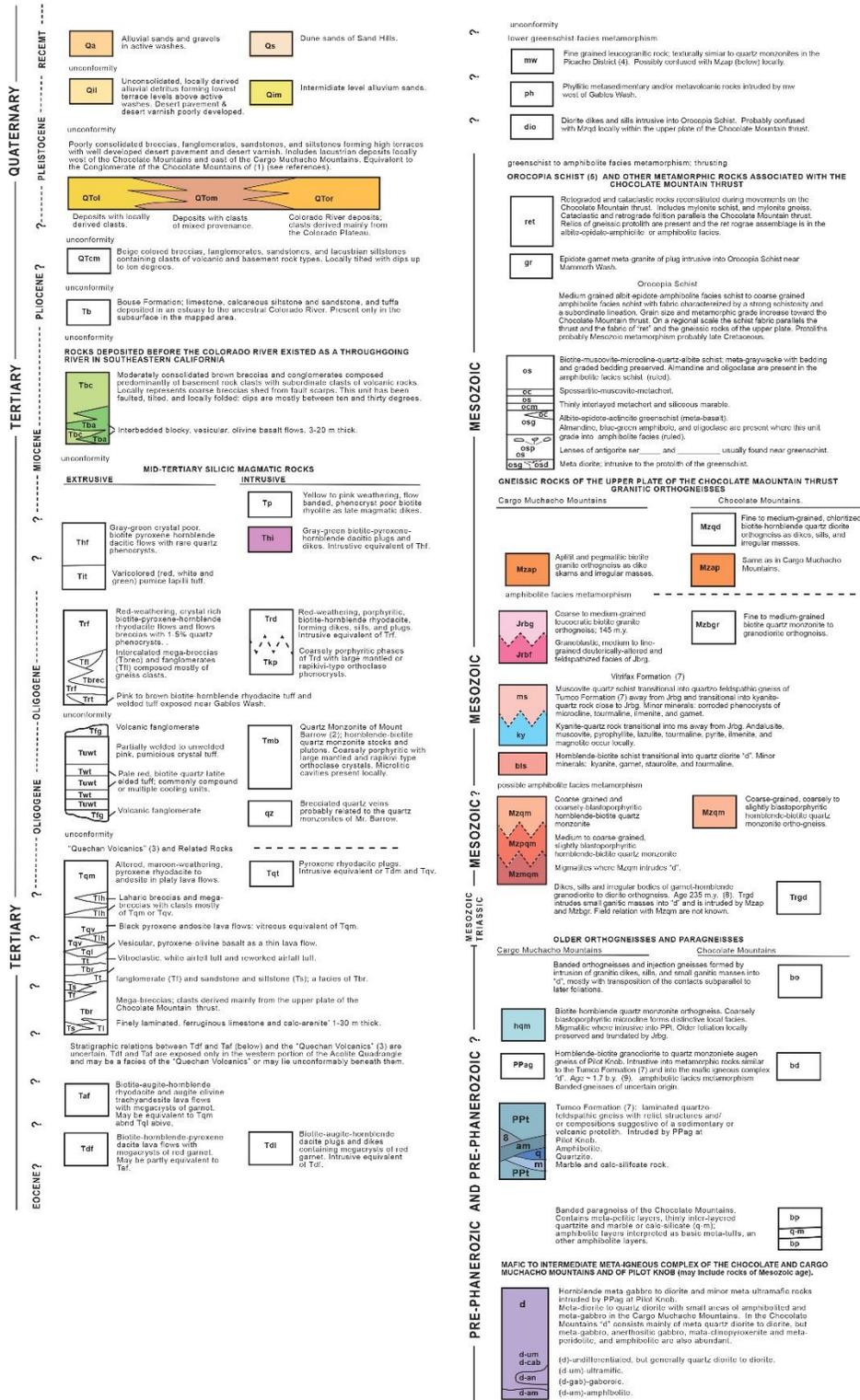
The geology of the Cargo Muchacho Mountains includes a strongly foliated metavolcaniclastic package of schist and gneiss (the Jurassic Tumco Formation), intruded by foliated diorite to granite bodies with a slightly younger Jurassic age (Tosdal & Wooden 2015), all metamorphosed to amphibolite-facies grades (Owens & Hodder 1993). Especially in the area of the Oro Cruz Property, these Jurassic rocks are cut by numerous pegmatites with a significantly younger Late Cretaceous age (Cawood 2019). These units are affected by low-angle -thrust and -normal faults, which were subsequently cut by northwest-striking, high-angle dextral strike-slip faults. Minor outcrops of Tertiary volcanics are also present, and the outcropping material is surrounded by various Quaternary alluvial deposits.

Figure 7-4 - Geological Map of the Cargo Muchacho Mountains (from Dillon, 1975)



EXPLANATION FOR THE PLATES

DEPOSITS POST-DATING THE PRESENT RANGES AND DRAINAGE SYSTEMS



7.3 Local Rock Units

7.3.1 Tumco Formation (Jurassic, 190-185 Ma)

The Tumco Formation hosts all known gold mineralization on the Oro Cruz Property. It consists of laminated, well-foliated quartzofeldspathic gneiss and hornblende schist with minor interbeds of quartzite, marble and amphibolite. The protolith was likely a volcanoclastic material, deposited at ~190-185 Ma (Tosdal & Wooden 2015), and subsequently metamorphosed to amphibolite facies. Near to the Oro Cruz open pit, the Tumco Formation has a strong foliation and a sporadically developed lineation, defined predominantly by the preferred orientation of biotite and hornblende, although this foliation is less well developed away from the area of the open pit (Cawood 2019). The "Vitrifax Formation", defined by Henshaw (1942), is actually a leached facies of the Tumco Formation that occurs predominantly in the E-SE part of the Cargo Muchacho Mountains, near to the American Girl and Padre y Madre open pits. It was reassigned to the Tumco Formation by Dillon (1975).

7.3.2 Araz Wash Diorite (Jurassic, 173-169 Ma)

The Araz Wash Diorite includes bodies of diorite (outcropping in the SW central part of the Cargo Muchacho Mountains), monzodiorite (in the south) and granodiorite (in the SE), and its emplacement has been dated at ~173-169 Ma (Tosdal & Wooden 2015). These rocks vary considerably in texture, mineralogy and mafic mineral content, and modal layering observed in the diorites is suggestive of a partially cumulate origin. Where unaltered, the dioritic rocks are dominated by blocky euhedral hornblende and lavender plagioclase, while the monzodiorite and granodiorite comprise sparse white plagioclase and pink K-feldspar, together with abundant hornblende, biotite and mm-sized sphene (Tosdal & Wooden 2015).

7.3.3 Gold Rock Ranch Granite (Jurassic, 163-159 Ma)

The Gold Rock Ranch Granite outcrops over much of the northern part of the Cargo Muchacho Mountains, where it intrudes the Tumco Formation. It is characterized by biotite and pinkish K-feldspar and is dated at 163-159 Ma (Tosdal & Wooden 2015).

7.3.4 Pegmatites (Late Cretaceous, 66-63 Ma)

Abundant pegmatites cross-cut the Tumco Formation and the Gold Rock Ranch Granite, especially in the northern part of the Cargo Muchacho Mountains and on the Oro Cruz Property. Although previously thought to be related to the Gold Rock Ranch Granite and other Jurassic plutons, recent U-Pb geochronology shows that they were emplaced in the Late Cretaceous, at ~66-63 Ma (Cawood 2019).

7.3.5 Dacite dykes (Oligocene, ca. 34-23 Ma)

Occasional E-NE-trending dacite dykes cut all younger rock units and are attributed to Oligocene volcanism by Guthrie et al. (1987).

7.4 Structure

The Jurassic rocks of the Cargo Muchacho Mountains (Tumco Formation and intrusive diorites and granites) are affected by a penetrative, SW-dipping, ductile foliation. The parallelism between this and

the nearby Chocolate Mountain Thrust has led several workers to suggest that this foliation was imparted during Late Cretaceous Laramide thrusting.

According to Dillon (1975), the oldest Cenozoic faults are the low-angle Pasadena Mountain and American Girl faults, and the north-trending high-angle Jackson Gulch fault zone (see Figure 7-4). Undescribed low-angle faults on the Oro Cruz Property are probably also in this category of older faults. The low- and high-angle faults are cut by a series of NW-trending, steeply dipping faults, including the Padre-Madre-Araz, Hedges, Colorado, and Round Top faults, which have predominantly dextral strike-slip offsets of up to half a mile. The Hedges fault in particular bisects the Oro Cruz Property and appears to offset gold mineralization in older, low-angle faults. The NW-trending, dextral San Andreas fault system, located ca. 6-12 miles west of the Oro Cruz Property, was active by late Miocene times (10-8 Ma), and it seems likely that the NW-trending faults in the Cargo Muchacho Mountains are part of the San Andreas system.

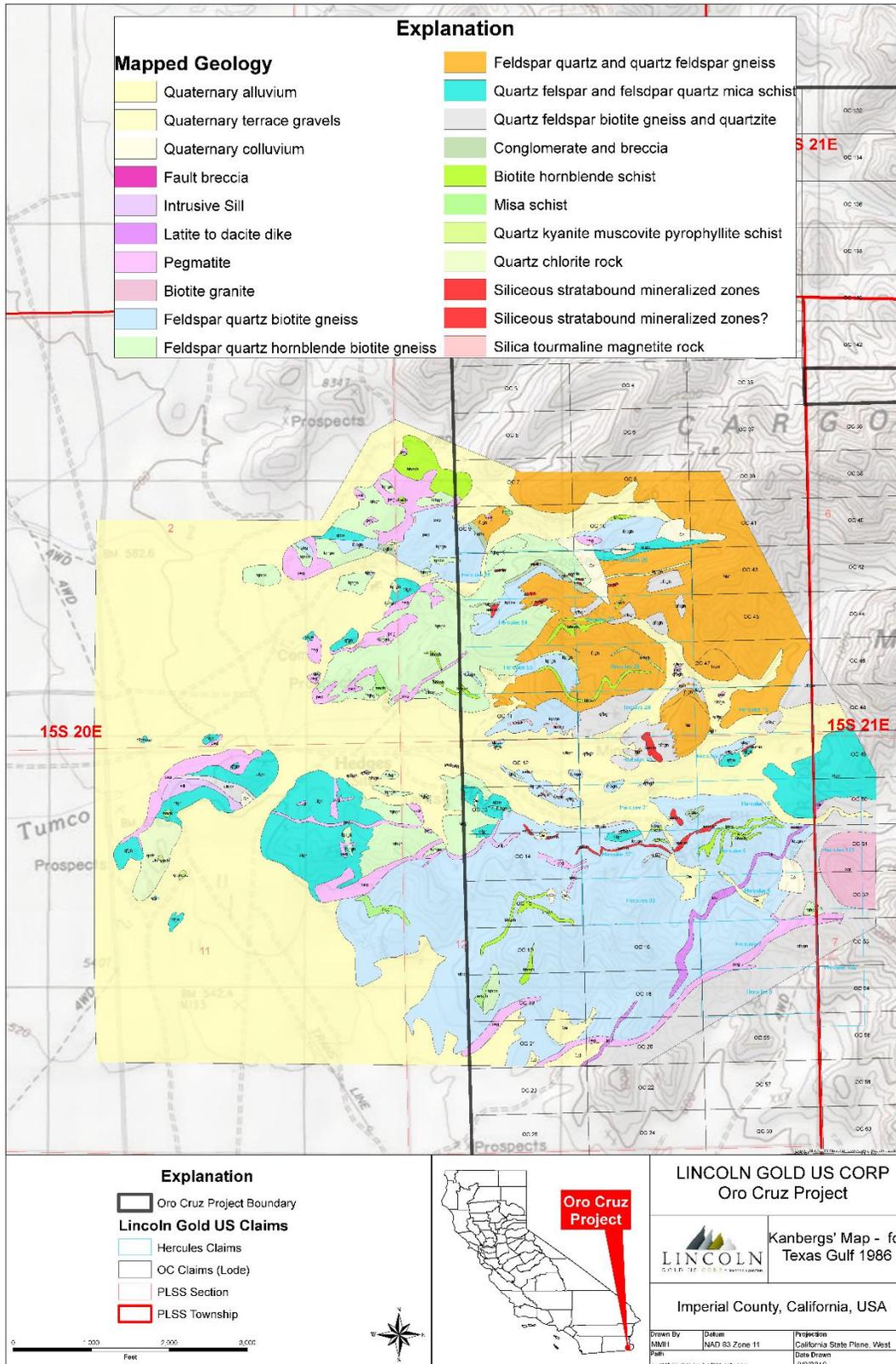
7.5 Property Geology

Bedrock exposures on the Oro Cruz Property are excellent. In 1986, approximately 50% of the Property was mapped at a scale of 1 inch = 100 ft and compiled at 1 inch = 500 ft by Karl Kanbergs, a Texasgulf project geologist. Texasgulf mapping was biased towards a siliceous, stratabound exhalite target model for the gold mineralization, whereby the exhalites were deposited synsedimentarily with the host rocks, and subsequently metamorphosed and faulted. However, other geologists believe that the gold mineralization is structurally controlled, and recent work on the Property supports such a structurally controlled model (Cawood 2019). Kanberg's geologic map is the most detailed map available of the Property and is presented in Figure 7-5. It is a lithological map illustrating rock units without any formational designation or structure. The map lacks faults and foliation attitudes which are clearly illustrated by Dillon's (1975) map in Figure 7-4. During mine production by MK Gold (American Girl Joint Venture), no geologic mapping was conducted in the Queen pit, Oro Cruz pit or Oro Cruz underground workings.

7.5.1 Rock Units

The Queen and Oro Cruz deposits are situated entirely within the metavolcaniclastic Tumco Formation, but relatively close to the contact with the Gold Rock Ranch Granite. Note that all of the metamorphic (metasedimentary) units mapped by Kanbergs belong to the Tumco Formation; this illustrates the compositional variation within the Tumco. On the Oro Cruz Property, both the Tumco Formation and the granite are cut by numerous light-coloured pegmatites.

Figure 7-5 - Detailed Geology Map of the Oro Cruz Area

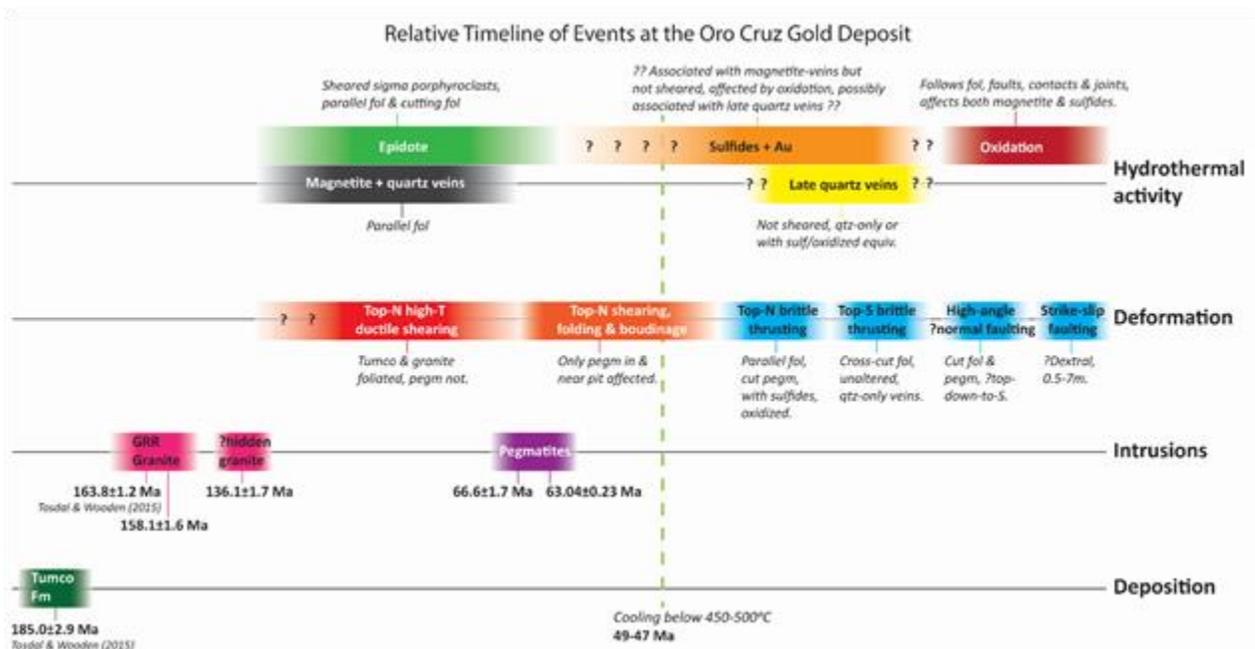


7.5.2 Structure

The Tumco Formation and various Jurassic intrusive diorite and granite bodies display a pervasive weak to strong ductile foliation. This foliation generally dips gently SW, although on the Oro Cruz Property this dip changes to S/SE. Field and microstructural observations indicate that this foliation formed by ductile shearing at temperatures of 500-700°C, and that it likely accompanied thrusting of the Gold Rock Ranch Granite northwards over the Tumco Formation during the Late Cretaceous Laramide orogeny. The later stages of this thrusting occurred during pegmatite intrusion at 66-63 Ma (Cawood 2019). Significant fluid flow accompanied this ductile thrusting and created high-temperature alteration assemblages in the sheared portions of the Tumco Formation. These assemblages include quartz-magnetite veining and epidote-quartz-garnet-amphibole alteration (Cawood 2019).

Low-angle brittle faults, generally developed parallel to the existing foliation, are observed in the Oro Cruz open pit to cut both the Tumco Formation and the younger pegmatites, with offsets at the scale of several feet. These low-angle faults include both (?) earlier northwards-directed thrusts and (?) later southwards-directed normal faults. Preliminary data suggests that sulfide and gold mineralization is associated with the low-angle northward-directed thrust faults (Cawood 2019). Occasional subsequent high-angle brittle normal faults are also observed in the Oro Cruz open pit and are expected to offset mineralized zones by several feet. The NW-striking dextral Hedges fault, likely related to the San Andreas system, can be observed a short way east of the pit. The youngest structures are numerous brittle joints and fractures with variable orientations, which were likely associated with late-stage oxidizing fluids that caused the supergene alteration of existing magnetite and sulfides. This created the bright orange-red iron minerals (hematite etc.) and blue-green copper minerals (chrysocolla, malachite) that are evident in the Oro Cruz open pit.

Figure 7-6: Relative Timeline of Events Recorded in the Oro Cruz Open Pit



7.6 Mineralization

The following is paraphrased from Tetra Tech's NI 43-101 Technical Report prepared for Lincoln Mining Corporation, dated April 29, 2011 titled: "Amended and Restated Oro Cruz Gold Project Resource Estimate, Imperial County, California, USA".

Ore-grade gold mineralization from the Oro Cruz deposit and its various satellites is hosted and concordant within the Jurassic (?) Tumco Formation (gneiss and schist). The massive brown-to gray-colored replacement mineralization contains 5 to 8% coarse-grained quartz and minor to moderate amounts of iron oxide consisting of well-crystallized magnetite and hematite. Noticeable amounts of hematite and magnetite have been oxidized to earthy hydrous iron oxides of limonite and goethite. Major gangue minerals consist of quartz, mica and feldspar. The siliceous gangue may contain trace amounts of pyrite and pyrrhotite. Traces of pyrrhotite also occur as inclusions in magnetite. Substantial amounts of micas have been bleached and/or are intensively affected by hematization. Minor amounts of chlorite and specular hematite are also present. Approximate 4 to 7% carbonate minerals are present. The "ore" is said to be "clean" with no significant arsenic, antimony, mercury or other toxic elements. Sulfides are largely absent. Mineralization is essentially inert.

The brown mineralized zones are conspicuously cut by abundant, irregular-shaped, light-colored pegmatite or aplite dikes that are barren of mineralization. An excellent photograph of the mineralization as exposed in the eastern Oro Cruz pit wall is presented in Figure 7-7.

Figure 7-7 - Photo of a Mineralized Zone within the Oro Cruz Open Pit.



Gold is primarily associated with iron oxides (magnetite, hematite, limonite, goethite). Examination of various drill logs reveals that significant gold mineralization is associated with the presence of 0.5 to +2% magnetite and/or 0.5 to +5% limonite. Minor amounts of gold are found as inclusions in silica gangue and carbonates. Gold occurs as native gold which contains very low silver (<5%) and iron. Particle size analysis show that the gold is mostly very fine with 64% at <1 to 5 microns, 8% > 5 to 10 microns, and 28% > 10 microns in diameter with a few coarse particles up to 50 microns.

7.7 Oro Cruz Deposit – Historical Model

The following is paraphrased from Tetra Tech’s NI 43-101 Technical Report prepared for Lincoln Mining Corporation, dated April 29, 2011 and titled: “Amended and Restated Oro Cruz Gold Project Resource Estimate, Imperial County, California, USA”.

The main mineralized body is the Oro Cruz deposit which is defined by drilling on 70 to 100 ft centers. Using a cut-off grade of 0.01 opt gold, the following paragraphs describe the physical distribution of mineralization:

The Oro Cruz deposit is a long, mineralized body with a somewhat rectangular expression in plan view and a tabular form in long section. In plan view, the deposit’s widest dimensions is 1,200 ft and its average width is approximately 580 ft. In long section the deposit is comprised of coalescing, stacked, irregular lenses that collectively dip 25° with a general azimuth of 120° (southeast) as shown in Figure 8-3. In cross section the deposit is approximately the same width throughout with the irregular lenses defining the downward dip. This mineralization forms a tabular envelope (all grades) that is 350 to 370 ft in true thickness with a known down-dip length of approximately 2,800 ft, including a portion mined out by the existing open pit.

The main mineralized body is comprised largely of material grading from 0.01 to 0.05 opt Au with abundant internal lenses >0.05 opt Au and up to > 1.0 opt Au. Larger mineralized lenses range from 5 to 25+ ft in true thickness and may reach up to 50 ft in true thickness with down-dip lengths ranging from 145 to 330 ft. Overall the continuity of the mineralization appears good.

Due to insufficient copper assay data, no copper zoning or copper-gold correlation can be made at this time.

7.8 Oro Cruz Deposit - Current Model

The following images are of a recent grade model of the Oro Cruz main zone as interpreted by F. Hrdy, the QP of this report. This updated model was created at the request of Lincoln to be used for future drill planning that would focus on a higher cut-off grade than the historic model.

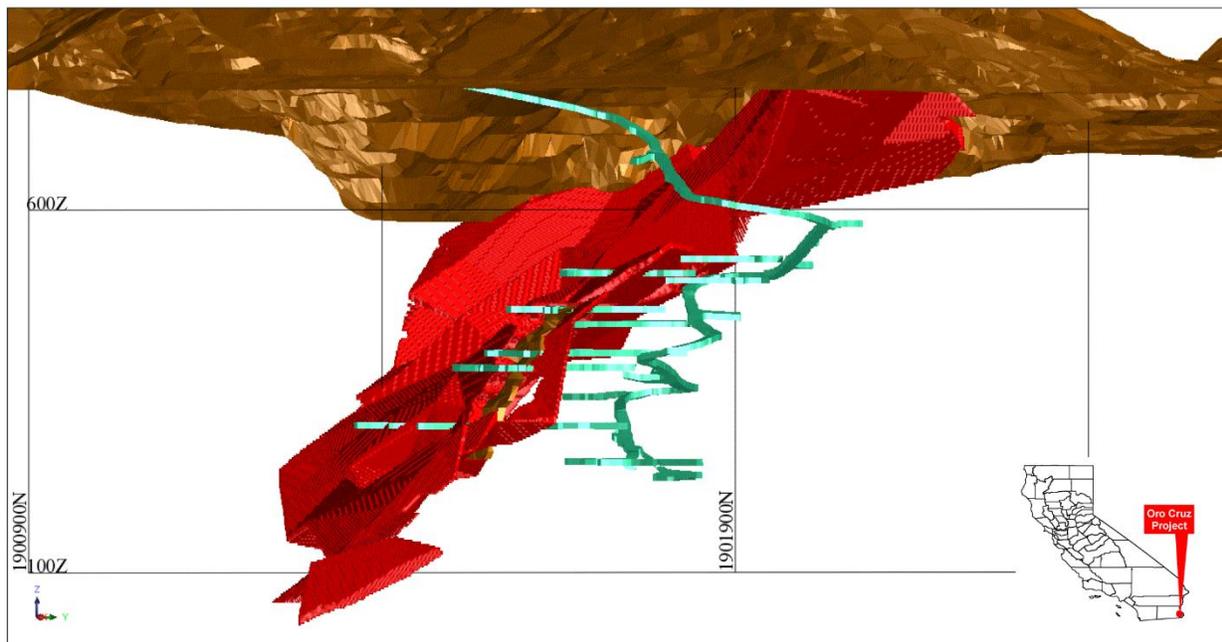
Figure 7-8 is an oblique view of the Oro Cruz mineralized zone below the existing open pit showing the existing underground development conducted between 1995 and 1996 by MK Gold. The grid is in feet to provide a scale for the area. The area in red represents the interpreted zone of mineralization modeled using the existing drill hole database. Modeling was done by using cross sections and level plans to create a “domain” that encompasses the mineralization, separating it from the areas that are not mineralized.

Figure 7-9 is the same as Figure 7-8, but is tilted more in a longitudinal view so the plunge of the mineralization can be visualized and the existing mined out area or stope can be seen (brown area within the underground access (green/blue)).

Figure 7-10 is similar to Figure 7-9 with added existing drill holes to demonstrate the density of the existing drill information.

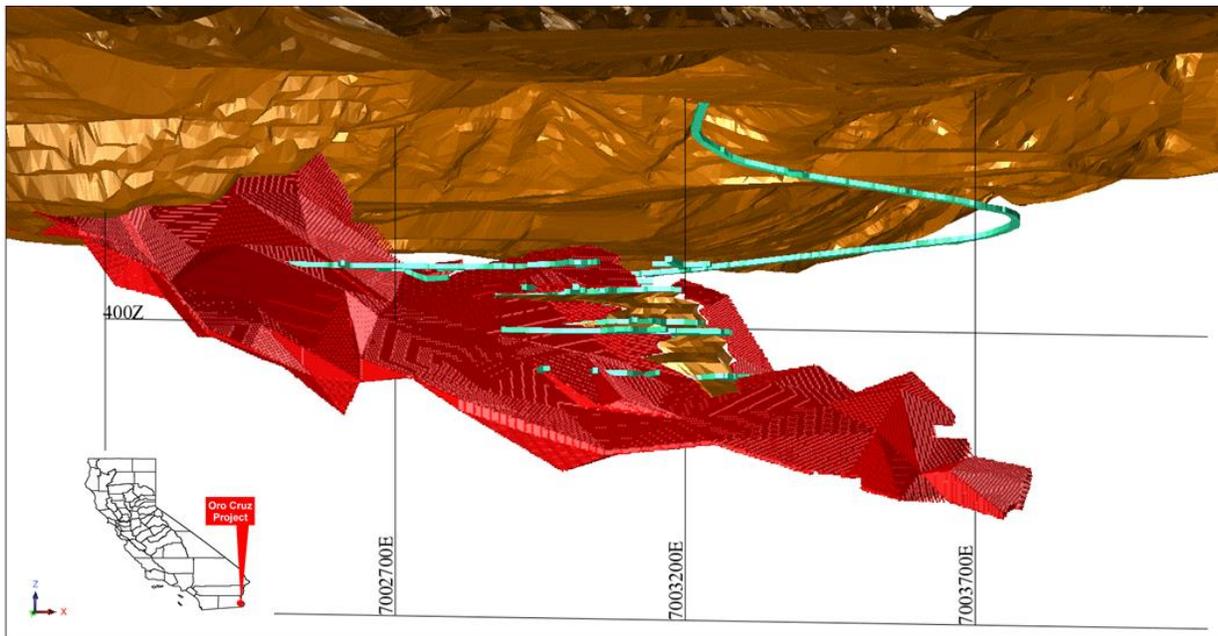
Figure 7-11 is a representative cross section to show the generally average width and dip of the mineralization.

Figure 7-8 - Oblique View of Oro Cruz Mineralized Zone with Topography and Existing Development



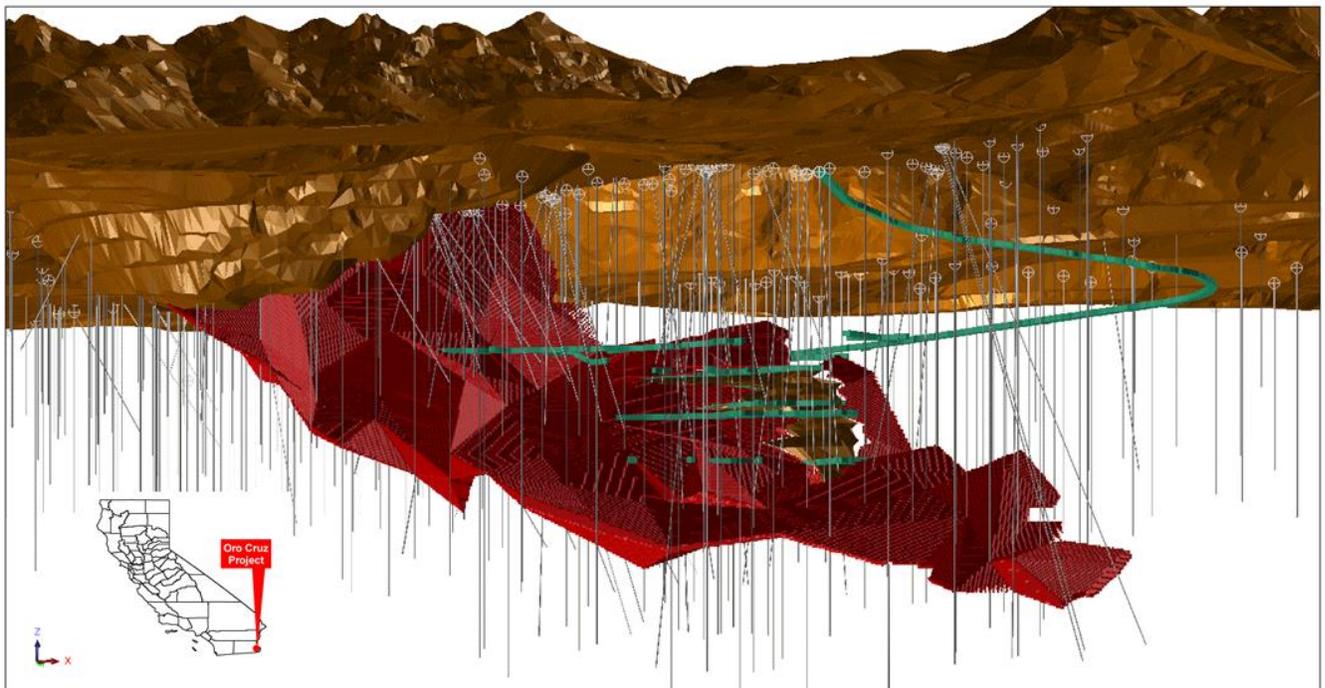
(Red = Mineralized Zone, Green/Blue = Existing Underground Development, Brown = Topography)

Figure 7-9 - Oblique Long Section View of Oro Cruz Mineralized Zone with Topography and Existing Development



(Red = Mineralized Zone, Green/Blue = Existing Underground Access, Brown = Topography, Brown Associated with Access Tunnels = Mined Out Stope)

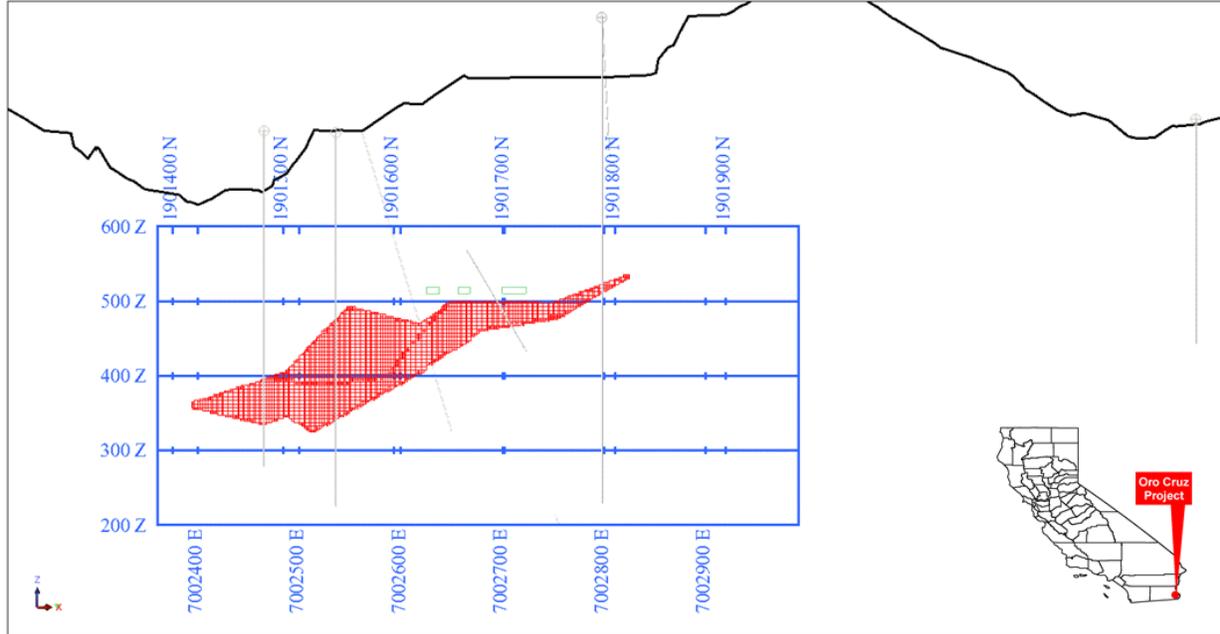
Figure 7-10 - Oblique Long Section of Oro Cruz Mineralized Zone with Existing Drill Holes



(Red = Mineralized Zone, Green/Blue = Underground Access, Brown = Topography, Light Grey Lines = Existing Drill Holes)

Figure 7-11 - Representative Cross Section of the Oro Cruz Mineralized Zone

(Red = Mineralized Zone, Black = Topography, Blue = Grid, Green = Underground Development)



7.8.1 Satellite Deposits

A least six satellite zones of mineralization are present on the Oro Cruz Property and include the Queen deposit (Figure 6-10). The structural relationship between these various satellite zones remains uncertain at this time. The Queen deposit shares similar characteristics with the nearby Oro Cruz deposit. The Queen was mined by open pit methods in the 1980's and backfilled; low-grade gold mineralization remains in the buried pit floor.

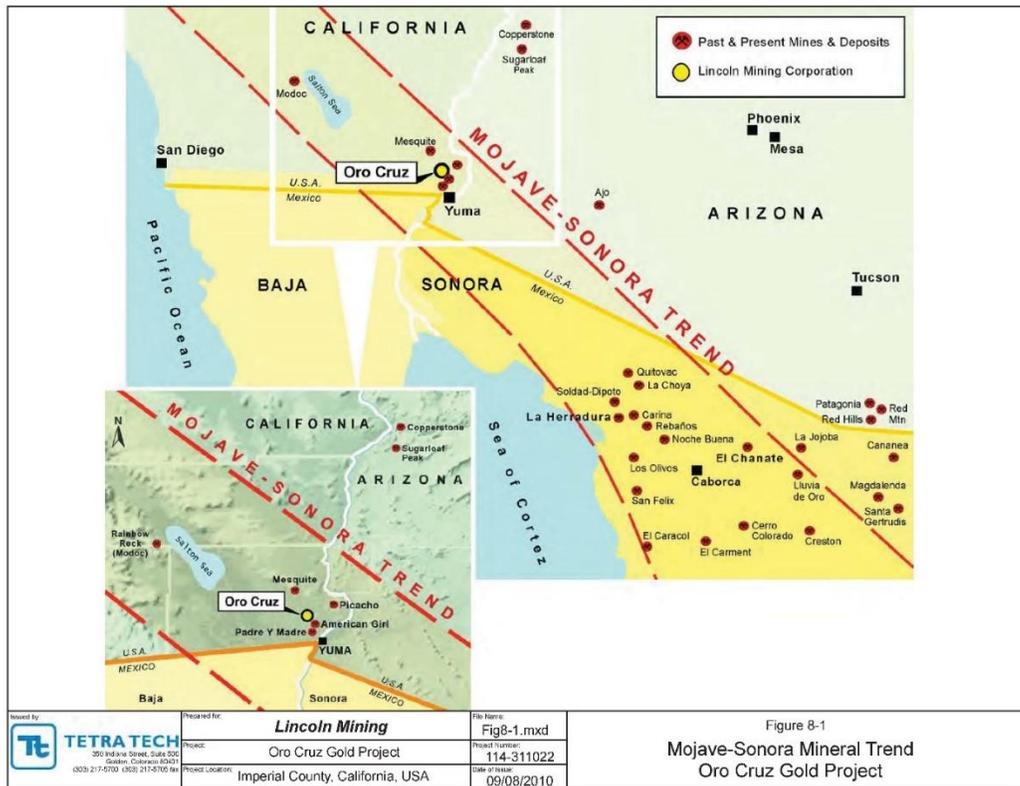
No information concerning mineralization is available from the historic workings on the western portion of the Oro Cruz Property.

8 Deposit Types

The following is paraphrased from Tetra Tech's NI 43-101 Technical Report prepared for Lincoln Mining Corporation, dated April 29, 2011 and titled: "Amended and Restated Oro Cruz Gold Project Resource Estimate, Imperial County, California, USA".

The Oro Cruz Property is located within the Mojave-Sonora mineral trend (Figure 8-1). Gold mineralization at Oro Cruz is presently believed to be "detachment fault-related mineralization" which was proposed as a distinct deposit type in the mid to late 1980's by various geologists in southern California, western Arizona and southern Nevada. Detachment deposits have characteristic mineral assemblages, alteration patterns, ore fluid types and structural controls that differ considerably from other deposit types found in the western United States.

Figure 8-1 – Location of the Oro Cruz Property within the Mojave-Sonora Mineral Trend

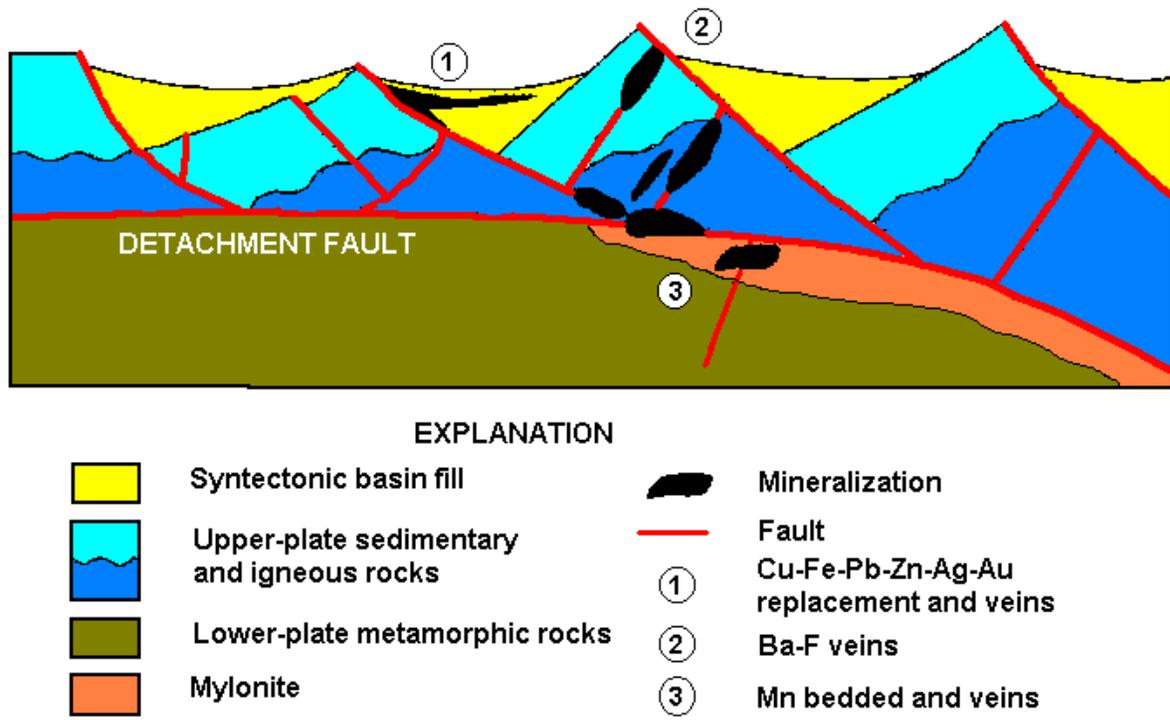


Detachment faults are low-angle normal faults (listric faults) of regional extent that have accommodated significant regional extension by upward movement of the footwall. The detachment fault and structurally higher normal faults may host massive replacements, stockworks and veins. Mineralization at Oro Cruz appears to be mostly massive, mesothermal replacement. Detachment deposits typically contain iron (hematite/magnetite), copper oxides (chrysocolla) and gold. These deposits are generally lacking the toxic element signature (arsenic, antimony, mercury) of epithermal deposits. Chloritic, potassium and oxide alteration are related to detachment fault deposits. Figure 8-2 is an idealized cartoon of a detachment fault geological environment.

In following years, detachment fault-related gold mineralization was also recognized at various other gold deposits south of Oro Cruz in northern Sonora State, Mexico. Examples near Oro Cruz include the nearby American Girl, Madre y Padre and Picacho mines and the Copperstone mine in Arizona. Examples in Mexico include La Choya, Quitovac, Noche Buena and La Herradura.

Note: The QP has been unable to verify the information about the genetic models of the “various other deposits south of Oro Cruz” and the information is not necessarily indicative of the mineralization on the Property that is the subject of this technical report.

Figure 8-2 – Idealized Cartoon of a Detachment Fault Geological Environment
(pubs.usgs.gov)



Historic underground mining reported that the mineralization is related to low-angle ($\pm 25^\circ$) hanging wall or footwall faults, but never both. Modern open-pit mining at the nearby American Girl mine, 2 miles to the southeast of the Oro Cruz deposit, was conducted along a low-angle fault in Jurassic biotite granite. The ores of Oro Cruz and American Girl are very similar gold ores with associated magnetite and copper oxides and both are presently interpreted by Lincoln Mining as occurring in detachment faults.

Note: *The QP has been unable to verify the information about the nature of the ore at the nearby American Girl gold deposit so the information provided above is not necessarily indicative of the mineralization at the Property that is the subject of this Report.*

9 Exploration

As of the date of this Technical Report, neither Owl, Lincoln, Eros nor Demerara have completed any new mineral exploration work on the project area. A summary of historical exploration is included in Section 6.3.

10 Drilling

As of the date of this Technical Report, neither Owl, Lincoln, Eros nor Demerara has completed any drilling within the project area. A summary of historical drilling is included in Section 6.3.

11 Sample Preparation, Analysis and Security

As of the date of this Technical Report, neither Owl, Lincoln, Eros nor Demerara have completed any sampling and therefore, has not developed any documented sampling protocols and/or approach to sample collection. A summary of historical sampling is included in Section 6.

12 Data Verification

While a significant amount of exploration and operational data exist for the Oro Cruz Gold Project, none of these data meet the requirements for development of a CIM compliant resource estimate in the indicated or measured category. As a result, Canmine was unable to completely, independently verify the original geologic logs, assay certificates, bulk density measurements, topography, etc. Canmine has independently checked the data available for internal consistency and has found it to be of good quality and indicative the databases generated at the time the original data was collected. In order to advance the project, the Operators will need to complete the following programs in order to validate the existing database.

1. Develop and implement a geologic logging protocol for the planned exploration
2. Develop and implement an assay QA/QC protocol for sample collection, sample preparation, sample security and development of internal checking programs
3. Determine the density of mineralized and un-mineralized material
4. Twin some of representative drill holes as a QA/QC measure.

13 Mineral Processing and Metallurgical Testing

As of the date of this Technical Report, neither Owl, Lincoln, Eros nor Demerara have collected any metallurgical samples and/or completed any metallurgical testwork. However, there is a history of both metallurgical testing and production from the Property and certain inferences can be reasonably made with respect to expected process and metallurgical performance.

The Oro Cruz Property has an intermittent history of producing gold from as early as 1890 through to 1996 when the most recent operation ceased due to the prevailing low gold price. Prior owners/operators have conducted significant metallurgical process studies on selected drill samples and on a bulk/surface sample from the deposit, including a mineralogical characterization of that surface whole ore and a column (heap) leach residue. These studies resulted in consistent and understandable metallurgical response data relatable to head grade, mineralogy and the beneficiation/extraction process employed.

Owl will somewhat rely on historical report documents primarily developed in the early 1990's as a basis for proposed processes moving forward, i.e., Owl have not yet conducted their own metallurgy studies. Reports and report summaries from this historical period were provided to Tetra Tech for review and to provide process basis for the then current owners to use in their evaluation. The provided documents were originally produced by companies and professional employees generally known to Tetra Tech and are considered reputable, independent, third-party references.

The referenced reports and documents show a site history of gold recovery in production and/or by test studies using gravity concentration, amalgamation, flotation and cyanide leaching in both bottle roll and column (heap leach) systems. Testwork showed that gold was recoverable by all these various processes and that finer crushing and grinding tended to increase the gold recovery as a result of better liberation.

Metallurgical testing conducted by Kappes, Cassidy & Associates of Reno, Nevada, for the AGMJV focused on heap leach processing and reported results for this work in the referenced documents (1990, 1991). Column cyanide leach tests were conducted on two samples; a bulk surface sample grading 0.083 oz Au per ton reportedly taken from the western portion of the Oro Cruz zone and a mineralized drill core interval covering 85 feet (reportedly through the entire ore zone) and grading 0.039 oz Au per ton. Portions of both samples were crushed to pass 3/4 inch (coarse crush) and 3/8 inch (fine crush) and subjected to standard column leach tests. Complete data are presented in the referenced report documents and summarized here.

The surface samples produced 55.6% and 64.8% Au recovery after 64 days of leaching for the coarse and fine crushed material, respectively. The underground (core) sample produced 67.6% and 75.0% Au recovery after 60 days of leaching for the coarse and fine crushed material, respectively. Concurrent mineralogical examination of both whole ore and column leach residue material concluded that with fine grinding (more liberation) virtually all the contained gold is recoverable at some cost. Consideration of grind/agglomeration heap leach methods should increase gold recovery, however, most likely with some increase in reagent consumption, hence increased operating cost. It can generally be concluded that the Oro Cruz gold mineralization is amenable to low cost, heap leach processing. Such processing is practiced commercially at many locations in the southwestern U.S.A. and is considered low risk.

Further testing is recommended on samples that represent a mine plan as well as different (and extreme) ore rock types within the deposit. Eventually, trade off studies are warranted to explore the cost of finer comminution (crushing and grinding) for increased liberation and higher gold recoveries vs. the resultant more complicated and costly processing scenarios.

***Note:** The QP has no knowledge of the degree to which the test samples are representative of the various types and styles of mineralization and the mineral deposit as a whole, and any processing factors or deleterious elements that could have a significant effect on potential economic extraction.*

14 Mineral Resource Estimates

As of the date of this Technical Report, a current NI 43-101 compliant resource estimate does not exist. While a significant amount of exploration and operational data exist for the Oro Cruz Gold Project, this data does not currently meet the requirements for development of a resource estimate in the indicated or measured category as set forth by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014). A summary of historical resource estimates is included in Section 6.

15 Mineral Reserve Estimates

This section is not relevant to this Technical Report.

16 Mining Methods

This section is not relevant to this Technical Report.

17 Recovery Methods

This section is not relevant to this Technical Report.

18 Project Infrastructure

This section is not relevant to this Technical Report.

19 Market Studies and Contracts

This section is not relevant to this Technical Report.

20 Environmental Studies, Permitting and Local Community Impact

This section is not relevant to this Technical Report.

21 Capital and Operating Costs

This section is not relevant to this Technical Report.

22 Economic Analysis

This section is not relevant to this Technical Report.

23 Adjacent Properties

Several local properties have been mined within a mineralized belt stretching about 35 km from Equinox Gold's operating Mesquite Gold Mine to the southern slopes of the Cargo Muchacho Mountains (Figure 23-1).

Properties in the region (Figure 23-1) that have been mined in the past include the AGMJV's American Girl, American Boy and Padre y Madre Mines, the historical Tumco and Pasadena Mines, the Picacho Mine. Currently, the most significant mine in the region is the open pit, heap leach Mesquite Gold Mine, located approximately 22.5 km (14 miles) northwest of the Oro Cruz open pit at the southeast end of the Chocolate Mountains, which produces an average of 135,000 ounces of gold per year.

On a larger scale, the Mojave-Sonora trend continues southeast into northern Mexico (Figure 8-1) where deposits such as Fresnillo plc's Herradura Mine, which has been in commercial production since 1998, is located about 250 miles to the southeast.

At present, there is no significant exploration or development activities on properties immediately adjacent to the Property. Table 23-1 and Figure 23-2 lists and display active lode and placer mining claims in the general area of the Oro Cruz Gold Project.

The QP has been unable to verify this information and the information is not necessarily indicative of the mineralization on the property that is the subject of this Technical Report.

Table 23-1 – Location of Active and Formerly Mined Deposits

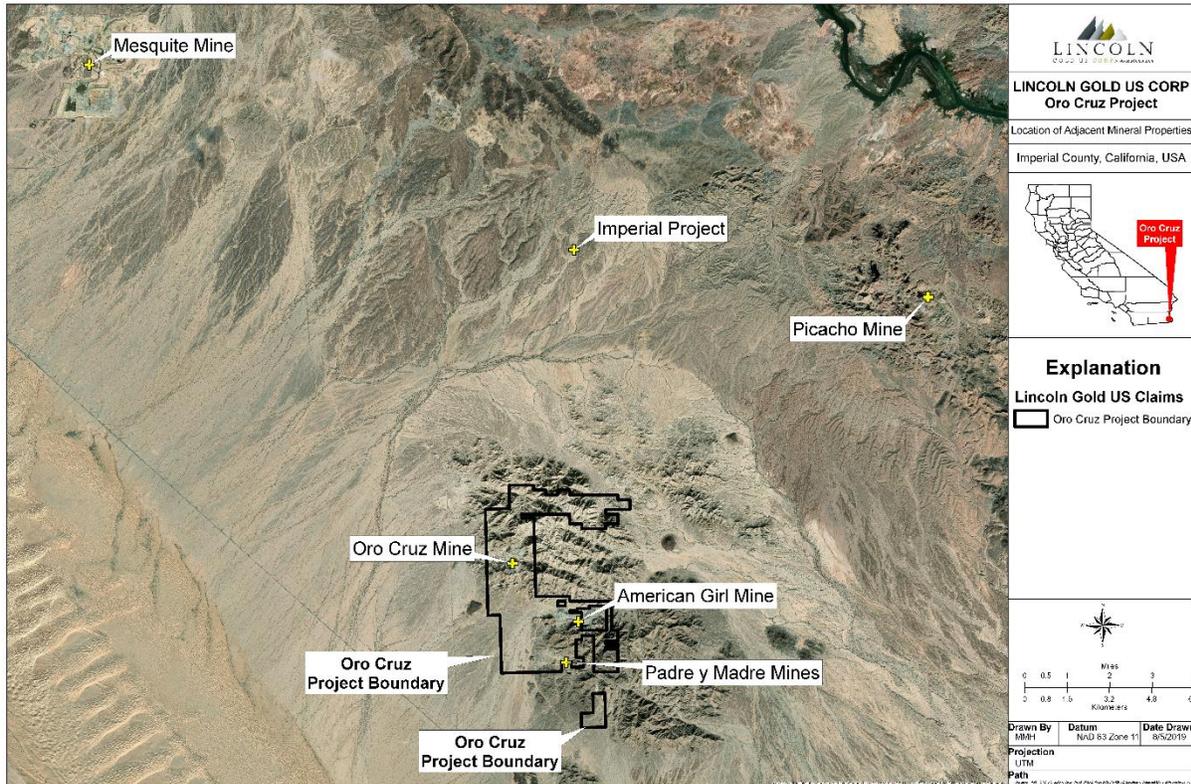
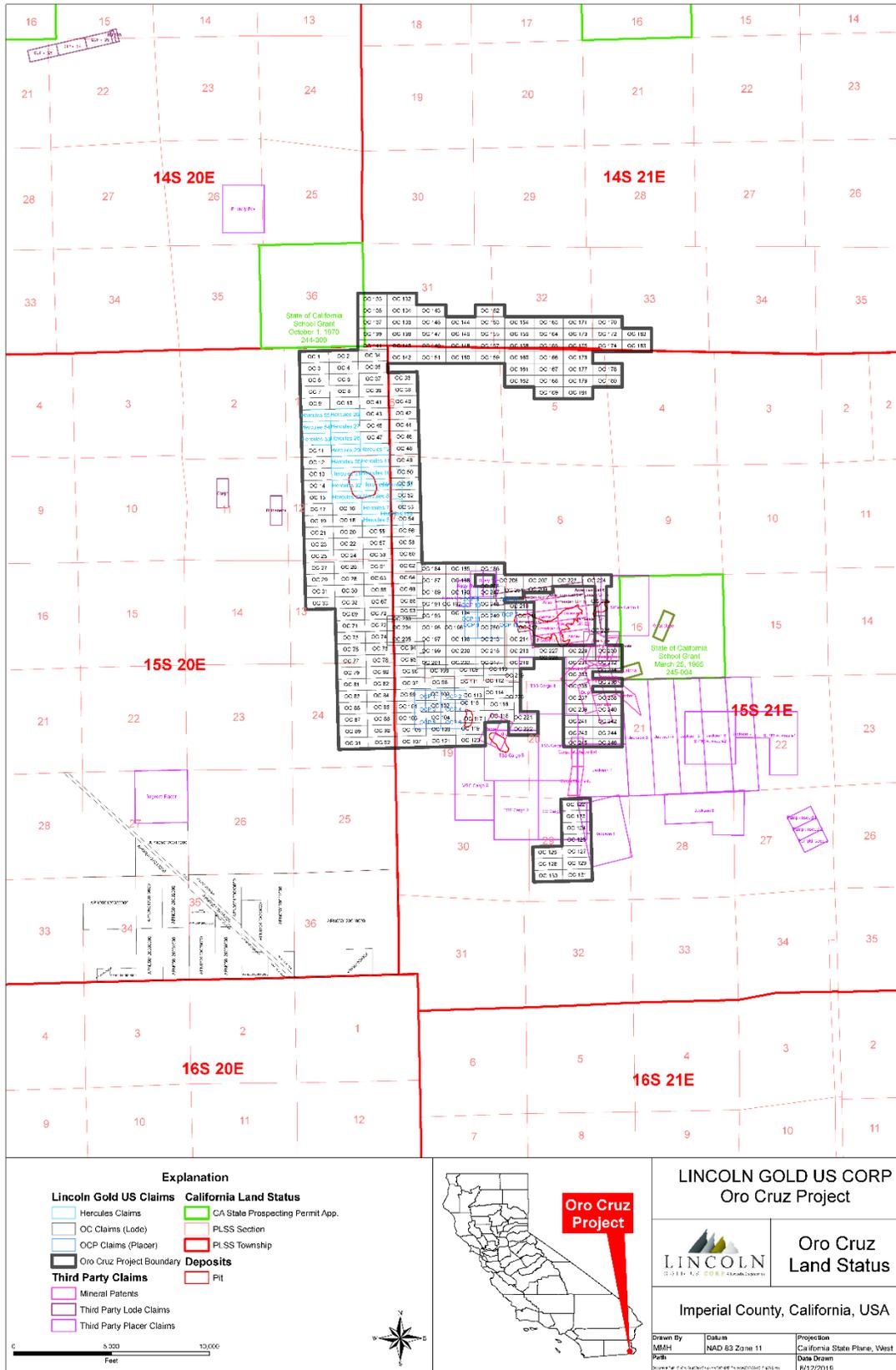


Table 23-1 - Active Claims in the General Area of Oro Cruz

CLAIM_NAME	OWNER	NMC	LEAD_FILE	YEAR	DATE	CASETYPE	TWPRNGSEC	PART
DJP - 33	IMPERIAL USA CORP	CAMC266964	CAMC266932	2019	1995-11-03	LODE	14S 20E S22	NW
DJP - 34	IMPERIAL USA CORP	CAMC266965	CAMC266932	2019	1995-11-03	LODE	14S 20E S22	NW
DJP - 35	IMPERIAL USA CORP	CAMC266966	CAMC266932	2019	1995-11-03	LODE	14S 20E S22	NE,NW
BB 335	GLAMIS IMPERIAL CORP	CAMC274105	CAMC273771	2019	1998-03-30	MILLSITE	14S 20E S22	NE
Maximilian	DEITZ DARLENE	CAMC299670	CAMC299670	2019	2011-07-15	LODE	15S 21E S20	NE
The Chief	MASSAGLI DANIEL	CAMC299671	CAMC299670	2019	2011-07-15	LODE	15S 21E S17	SW,SE
Dutchess	DEITZ DARLENE	CAMC299672	CAMC299670	2019	2011-07-15	LODE	15S 21E S17	SE
American Girl 1	AMERICAN GIRL MINING AND EXPLO	CAMC308649	CAMC308649	2019	2014-03-11	LODE	15S 21E S17	NW
American Girl 2	AMERICAN GIRL MINING AND EXPLO	CAMC308650	CAMC308649	2019	2014-03-11	LODE	15S 21E S17	NW
American Girl 3	AMERICAN GIRL MINING AND EXPLO	CAMC308651	CAMC308649	2019	2014-03-11	LODE	15S 21E S17	NW
American Girl 4	AMERICAN GIRL MINING AND EXPLO	CAMC308652	CAMC308649	2019	2014-03-11	LODE	15S 21E S17	NE,NW
American Girl 5	AMERICAN GIRL MINING AND EXPLO	CAMC308653	CAMC308649	2019	2014-03-11	LODE	15S 21E S17	NE,NW
American Girl 6	AMERICAN GIRL MINING AND EXPLO	CAMC308654	CAMC308649	2019	2014-03-11	LODE	15S 21E S8	SE
American Girl 7	AMERICAN GIRL MINING AND EXPLO	CAMC308655	CAMC308649	2019	2014-03-11	LODE	15S 21E S17	NE
Bottleneck	BOARDMAN CHAD A	CAMC315120	CAMC315118	2018	2016-12-02	LODE	15S 20E S11	NE,SE
Cargo	BOARDMAN CHAD A	CAMC315121	CAMC315118	2018	2016-12-02	LODE	15S 20E S10	NW
Jackson 1	HARRIS ROLAND W	CAMC280154	CAMC280154	2018	2002-09-21	PLACER	15S 21E S20	NE,SE
Jackson 2	HARRIS ROLAND W	CAMC280155	CAMC280154	2018	2002-09-21	PLACER	15S 21E S20	SE
Jackson 3	HARRIS ROLAND W	CAMC280156	CAMC280154	2018	2002-09-21	PLACER	15S 21E S21	NW,SW
Jackson 4	HARRIS ROLAND W	CAMC280157	CAMC280154	2018	2002-09-20	PLACER	15S 21E S21	NW,SW
Jackson 5	HARRIS ROLAND W	CAMC280158	CAMC280154	2018	2002-09-20	PLACER	15S 21E S21	NE,SE
Jackson 6	HARRIS ROLAND W	CAMC280159	CAMC280154	2018	2002-09-20	PLACER	15S 21E S21	NE,SE
Jackson 7	HARRIS ROLAND W	CAMC280160	CAMC280154	2018	2002-09-22	PLACER	15S 21E S21	NE,SE
Jackson 8	HARRIS ROLAND W	CAMC280161	CAMC280154	2018	2002-09-22	PLACER	15S 21E S27	NW
Sageoro Placer	HILMO RUSCHELL SAGE	CAMC285194	CAMC285194	2018	2006-03-11	PLACER	15S 20E S27	NE
Friendly Fox	BROWNING KEITH	CAMC291998	CAMC291992	2019	2008-03-26	PLACER	14S 20E S26	NE,SE
S.P.M.A. Araz #1	ATWOOD MARGE	CAMC294255	CAMC294255	2018	2008-12-21	PLACER	15S 21E S22	NE,NW,SE
S.P.M.A. Araz #2	ATWOOD MARGE	CAMC294256	CAMC294255	2018	2008-12-21	PLACER	15S 21E S21	NE,SE
TSS Cargo 1	BROWNING KEITH	CAMC299161	CAMC299161	2019	2011-05-09	PLACER	15S 21E S29	NE,NW,SW,SE
TSS Cargo 2	BROWNING KEITH	CAMC299162	CAMC299161	2019	2011-05-09	PLACER	15S 21E S29	NW
TSS Cargo 3	BROWNING KEITH	CAMC299163	CAMC299161	2019	2011-05-09	PLACER	15S 21E S20	NW,SW
TSS Cargo 4	BROWNING KEITH	CAMC299164	CAMC299161	2019	2011-05-09	PLACER	15S 21E S17	SW
TSS Cargo 5	BROWNING KEITH	CAMC299165	CAMC299161	2019	2011-05-09	PLACER	15S 21E S19	SE
SPMA Cargo 1	CLEMENTS PAM	CAMC302789	CAMC302789	2018	2012-02-14	PLACER	15S 21E S17	NE
IVGC Cargo 6	ADAMS WARREN	CAMC309338	CAMC309338	2018	2014-06-07	PLACER	15S 21E S19	SE
Rusty One	AMERICAN GIRL MINING AND EXPLO	CAMC310207	CAMC310207	2019	2014-11-30	PLACER	15S 21E S18	NE
Rusty Three	AMERICAN GIRL MINING AND EXPLO	CAMC310208	CAMC310207	2019	2014-11-30	PLACER	15S 21E S7	SE
Rusty Two	AMERICAN GIRL MINING AND EXPLO	CAMC310209	CAMC310207	2019	2014-11-30	PLACER	15S 21E S18	NE
Pumpkinseed 1	GERRARD MICHAEL	CAMC310619	CAMC310619	2018	2015-01-27	PLACER	15S 21E S27	NE
Pumpkinseed 2	GERRARD MICHAEL	CAMC310620	CAMC310619	2018	2015-01-27	PLACER	15S 21E S27	NE
Pumpkinseed 3	GERRARD MICHAEL	CAMC310621	CAMC310619	2018	2015-01-27	PLACER	15S 21E S27	NE

Figure 23-2 - Location of Active Claims in the General Area of Oro Cruz Gold Project



24 Other Relevant Data and Information

The QP and author of this Technical Report is not aware of any other data or additional information that would be relevant to this Technical Report, the omission of which would make this Technical Report not understandable or misleading.

The QP visited the Oro Cruz Project site between January 14th and January 16th, 2019. A tour of the Property including a walk through the Oro Cruz open pit and existing underground development occurred. Representatives of Owl, Demerara, Eros and Lincoln were also on the tour. Figures 24-1 to 24-5 are pictures of the existing Oro Cruz underground development and open pit as of January 15, 2019.

The condition of both the open pit and underground workings were found to be in good order; similar to the findings described by Guy F. Atkinson Construction, LLC of Golden, Colorado during their March 2010 site visit.

Figure 24-1 – Front View of Oro Cruz Portal



Figure 24-2 – Portal to Oro Cruz Underground Development Workings



Figure 24-3 – Oro Cruz Underground Visit



Figure 24-4 – Oro Cruz Open Pit



Figure 24-5 – Oro Cruz Open Pit



25 Interpretation and Conclusions

25.1 Interpretation

Historical gold mining on the Oro Cruz Property occurred from 1890 to 1916 and 1931 to 1941, with production estimated at greater than 150,000 ounces of gold. The Oro Cruz Property was last mined for about one year during 1995 and 1996 by the American Girl Mining Joint Venture (AGMJV); operated and 53%-owned by MK Gold Company (MK Gold), a subsidiary of Morrison Knudsen Corporation. Gold production was approximately 61,000 troy oz from oxide ore extracted by both open-pit and underground mining operations before the mine closed due to low gold prices.

Based on the mining completed in the mid-1990's by the AGMJV, gold mineralization from the Oro Cruz Property has been proven amenable to conventional heap leach recovery methods. Column cyanide leach metallurgical tests completed for MK Gold in 1990 and 1991 on a 25.9 m (85 ft) core interval grading 1.39 g Au/t (0.039 oz Au/ton) taken from the west portion of the Oro Cruz deposit gave 75.0% gold recovery from minus 9 millimetre (3/4 inch) crush material.

An updated mineral resource on the Oro Cruz Property was completed on April 29, 2011 by Tetra Tech that reported an inferred resource estimate totaling 341,800 ounces gold based on 4,386,000 tonnes averaging 2.20 grams gold per tonne (g Au/t) at a cut-off grade of 0.68 g Au/t (4,835,000 tons at 0.07 ounces gold per ton (oz Au/ton)). This historical inferred resource estimate is disclosed in a technical report dated April 29, 2011 prepared for Lincoln by Tetra Tech, Inc. (Tetra Tech) and is available on the Canadian Securities Administrators System for Electronic Document Analysis and Retrieval ([SEDAR](#)). The historical mineral resource estimate, termed "inferred mineral resource", which is a category set out in NI 43-101, was based on previous drill hole, underground channel samples and blasthole assays, and calculated using ordinary kriging to estimate gold grades in 10 foot x 10 foot x 5 foot blocks.

Note: *The QP has not done sufficient work to classify the historical estimate as a current mineral resource and it is not being treated as a current mineral resource.*

There are multiple exploration targets on the Oro Cruz Property, notably to the southeast of the open pit along the down dip extension of the known mineralized zones where gold grades and thickness improve as shown by results from historical surface reverse circulation (RC) drilling.

It is the QP's opinion that most of the past work and all the current Lincoln work meets and/or exceeds the current standards and those areas that do not meet current standards have been identified within the body of this report. The work has been completed by well qualified technical professionals, reputable mining companies and independent third-party contractors and laboratories according to standards that meet most of today's requirements.

25.2 Conclusion

It is the Author's opinion that the Oro Cruz Gold Project warrants additional study and evaluation. There are sufficient historic data to move forward with an updated resource estimate once a work plan to twin select drill holes to verify the existing database and a drill program designed to test the extent and concentration of gold at existing tailing sites is complete.

It is the Author's opinion that a "prudent man" would continue to invest in the exploration and development of the project.

25.3 Risks and Uncertainties

This report is based on the best information and data available at the time of writing. Certain risks, uncertainties and opportunities are inherent for all early – stage mineral exploration project.

Risks and uncertainties associated with mineral exploration that could cause actual events or results to differ from those expressed or implied in this report include, but are not limited to:

- potential delays in obtaining, or the failure to obtain or maintain exploration and development permits;
- challenges related to obtaining adequate financing for exploration and development;
- interpretation of, and statistical conclusions drawn from, diamond drilling, sampling, geologic interpretation, and grade and continuity of mineralization;
- future geological modelling and estimated mineral resources;
- prospects for economic viability including factors such as metallurgical recoveries, fluctuating metal prices, lower than expected grades and quantities of resources, increases to capital costs and/or operating costs; and
- unexpected changes related to governmental regulations, including environmental regulations.

25.3.1 Opportunities

Opportunities identified on the Oro Cruz Gold Project that may have a positive impact include:

- applying new geological models to guide future exploration and to enhance the likelihood of expanding the continuity of gold mineralization as well as identifying new targets;
- the potential increase in the size of the historical mineral resource that could be obtained by additional drilling and geological modeling;
- the potential to increase the confidence level of the historical mineral resource by the completion of successful confirmation and infill drilling; and
- improving markets for gold.

The authors are not aware of any foreseeable extraordinary difficulties that should arise or hamper additional exploration activities on the Oro Cruz Gold Project.

26 Recommendations

26.1 Phase 1

It is the opinion of the QP that the Oro Cruz Gold Project warrants additional study and evaluation. The current Oro Cruz database has 491 drill holes. A strategic core drilling program designed to twin some of the most significant existing RC drill holes and to provide verification of the accuracy of the existing database is recommended as historical samples and corresponding assay sheets are missing. Additionally, this drill program should include in-fill drilling within zones of known mineralization to increase the level of confidence so that an Indicated and Measured NI 43-101 compliant mineral resource estimate to be established for the Property. This program should also include core drilling for metallurgical samples followed by metallurgical test work.

Tetra Tech reported that old mill tailings are present on the Property that contain gold values that could be recovered on a leach pad. A drill program designed to test the extent and concentration of gold at

these tailing sites would be a first step to estimating a NI 43-101 compliant mineral resource estimate for these tailings. In addition, existing historical heap leach pads on the Property should be sampled and drilled. This program should also include drilling for metallurgical samples followed by metallurgical test work.

Once the drill programs are completed an updated NI 43-101 compliant mineral resource estimate should be conducted.

Tables 26-1 and 26-2 are estimated budgets for Phase 1 above and is US\$ 1,286,073 (approximately CAN \$1,693,300* July 29, 2019 9:32 p.m UTC).

26.2 Phase 2

If the results from the “updated NI 43-101 compliant mineral resource estimate” is positive in that it shows good potential for economic extraction a Pre-Feasibility study that is NI 43-101 compliant could be undertaken to provide a Mineral Reserve estimate. The estimated cost for this study is US\$ 300,000 (approximately CAN\$395,000* July 29, 2019 9:32 p.m. UTC).

Table 26-1 – Oro Cruz RC & Core Drilling & Metallurgy Budget

Oro Cruz Gold Project		Page 1 - RC & Core Drilling & Metallurgy				USD Budget: \$ 844,565	
Imperial County, California							
Expense Element	Description	Days	\$/Day	Units	\$/Unit	Cost Estimate	
CORE DRILLING - MET SAMPLES							
		Days	\$/Day	Units	\$/Unit		
Three vertical core holes: 950 ft.	Drill Rig Mobilization	2	3,000	na	na	\$ 6,000	
	Drill Rig Demobilization	2	3,000	na	na	\$ 6,000	
	HQ Core Drilling \$/ft.	15	na	950	45	\$ 42,750	
	Buy water from private source	15	na	10,000	0.05	\$ 500	
	Water Truck	15	200	na	na	\$ 3,000	
	Additives estimate	na	na	950	5	\$ 4,750	
	Drill Bits	na	na	3	700	\$ 2,100	
	Bit Shoes	na	na	3	500	\$ 1,500	
	Core boxes \$/box	na	na	120	6.50	\$ 780	
	Used pallets	na	na	0	0	\$ -	
	Crew travel \$/hr	20	na	2	150	\$ 6,000	
	Crew Per Diem - 3 men \$/day	20	150	3	na	\$ 9,000	
	Tear-Down/Set-Up \$/move	na	na	12	350	\$ 4,200	
	Standby \$/hr	na	na	20	350	\$ 7,000	
	Fishing \$/hr	na	na	10	350	\$ 3,500	
	Down-Hole Tool rental + ins./mo.	na	na	1	3,200	\$ 3,200	
	Down-Hole Surveying \$/hr	na	na	6	200	\$ 1,200	
						Subtotal: \$ 101,480	
CORE DRILLING - SAMPLE PREP/ASSAY							
Quality Control & Assurance	Purchase Standards & Blanks	na	na	0	0	\$ -	
Shipping	Truck core to Reno	na	na	1	2,500	\$ 2,500	
	Temporary core storage	60	na	0	0	\$ -	
	Rent Secure Logging Facility	6	100	na	na	\$ 600	
	Core Photography	na	na	120	4	\$ 480	
	Assays - Au + Multielement	na	na	190	36	\$ 6,840	
	Core Sawing	na	na	950	4	\$ 3,325	
Second Lab Assay	Assays - Prep - Au + Multielement	na	na	15	36	\$ 540	
						Subtotal: \$ 14,285	
CORE DRILLING - GEOLOGIST & LABOR							
Geologist #1	Prep time + Rig time + Logging + Data	45	500	na	na	\$ 22,500	
Expenses	Vehicle - Mileage Charge	45	na	60	0.50	\$ 1,350	
Expenses	Meals	45	50	na	na	\$ 2,250	
Expenses	Lodging	45	120	na	na	\$ 5,400	
Labor #1	Local Labor	30	150	na	na	\$ 4,500	
						Subtotal: \$ 36,000	
RC DRILLING - CONFIRMATION & INFILL							
3-man crew; 12 hrs/day	Drill Rig Mobilization	2	3,000	na	na	\$ 6,000	
13 vertical RC holes; 6,950 ft	Drill Rig Demobilization	2	3,000	na	na	\$ 6,000	
	RC Drilling - Conventional Hammer	na	na	6,950	15	\$ 104,250	
	Drilling Additives (variable) \$/ft.	na	na	6,950	3	\$ 20,850	
	Drill Bit Changes	na	na	13	650	\$ 8,450	
	Down-Hole Tool rental + ins./mo.	na	na	2	3,200	\$ 6,400	
	Down-Hole Surveying	na	na	33	300	\$ 9,900	
	Diesel Fuel	35	270	na	na	\$ 9,450	
	Crew Per Diem	35	150	3	na	\$ 15,750	
	Crew Daily Travel Time	35	75	na	na	\$ 2,625	
	Tear down-move-set up	na	na	40	350	\$ 14,000	
	Standby/Fishing Time	na	na	20	350	\$ 7,000	
	Water Truck (no charge)	na	na	40	100	\$ 4,000	
1390 samples; 100 standards;	Sample Bags 10"x17" 100/box	na	na	14	130	\$ 1,820	
50 blanks + 100 duplicates	Duplicate sample bags 100/box	na	na	1	130	\$ 130	
= 1,640 samples	Used Gaylord Storage Boxes	na	na	5	10	\$ 50	
	Used pallets	na	na	0	7	\$ -	
						Subtotal: \$ 216,675	

Oro Cruz Gold Project		Page 2 - RC & Core Drilling & Metallurgy				USD Budget: \$ 844,565	
Imperial County, California							
Expense Element	Description	Days	\$/Day	Units	\$/Unit	Cost Estimate	
RC DRILLING - SAMPLE ANALYSES							
Quality Control & Assurance	Standards & Blanks (Have in stock)	na	na	0	0	\$ -	
Shipping	Truck samples to Reno	na	na	1	2,500	\$ 2,500	
	Assays - Prep - Au + Multitelement	na	na	1,640	36	\$ 59,040	
	Temporary Sample Storage	60	na	na	na	\$ -	
Second Lab Assay	Assays - Prep - Au + Multitelement	na	na	90	36	\$ 3,240	
						Subtotal: \$ 64,780	
RC DRILLING - GEOLOGIST & LABOR							
Geologist #1	Prep time + Rig time + Data Workup	60	500	na	na	\$ 30,000	
Expenses	Meals	45	50	na	na	\$ 2,250	
Expenses	Lodging	45	100	na	na	\$ 4,500	
Expenses	Vehicle - Mileage Charge	45	na	60	0.50	\$ 1,350	
Geologist #2	Prep time + Rig time + Data Workup	60	500	na	na	\$ 30,000	
Expenses	Lodging	45	100	na	na	\$ 4,500	
Expenses	Meals	45	35	na	na	\$ 1,575	
Expenses	Vehicle - Mileage Charge	45	na	60	0.50	\$ 1,350	
Labor #1	Local Labor	30	150	na	na	\$ 4,500	
						Subtotal: \$ 80,025	
ROAD WORK, SITE PREP, RECLAMATION							
Local Contractors	Mobilization - D8 Dozer	1	1,000	na	na	\$ 1,000	
	Drill road construction	15	1,500	na	na	\$ 22,500	
	Drill pad prep/reclamation	5	1,500	na	na	\$ 7,500	
	Demobilization - D8 Dozer	1	1,000	na	na	\$ 1,000	
	Mobilization - Backhoe	1	350	na	na	\$ 350	
	Dig mud pits/reclaim pits	2	375	na	na	\$ 750	
	Demobilization - Backhoe	1	350	na	na	\$ 350	
	Keep Out Signage	na	na	10	15	\$ 150	
	Install barb-wire fencing at pit access	na	na	na	na	\$ 10,000	
						Subtotal: \$ 43,600	
METALLURGICAL TESTS							
Engineering Consultants	See attached Proposal	na	na	1	137,220	\$ 137,220	
Milling and Heap Leach Test Work	On 3 grade ranges						Subtotal: \$ 137,220
SURFACE SURVEYING							
Local Contractor	Survey drill hole collars	1	2,000	na	na	\$ 2,000	
						Subtotal: \$ 2,000	
PERMITTING							
Contractor	Permit drilling	na	na	1	30,000	\$ 30,000	
Contractor Retainer	Monthly Retainer	na	na	6	3,000	\$ 18,000	
Contractor Expense	Expenses as needed	na	na	6	1,500	\$ 9,000	
						Subtotal: \$ 57,000	
BONDING							
	BLM Bond estimate	na	na	1	15,000	\$ 15,000	
						Subtotal: \$ 15,000	
MANAGEMENT							
Exec. V.P.	Management (\$/mo.)	na	na	12	6,000	\$ 72,000	
Exec. V.P.	Expenses (\$/mo.)	na	na	3	1,500	\$ 4,500	
						Subtotal: \$ 76,500	
						USD Total: \$ 844,565	

	USD	CAD
Total	\$ 844,565	\$ 1,106,329
USD:CAD	1.30994	

Table 26-2 – Oro Cruz Heap Reprocessing, Sonic Drilling & Metallurgy Budget

Oro Cruz Gold Project		Page 1 - Heap Reprocessing Sonic Drilling & Metallurgy					USD Budget: \$ 322,073	
Imperial County, California								
Goal: To demonstrate sufficient gold grade, tons, contained ozs gold, and favorable metallurgy to warrant continued drilling of gold resources in the American Girl and Padre y Madre leach pads								
Expense Element	Description	Hours	\$/Hr	Units	\$/Unit or hour	Cost Estimate		
LAND								
G.I.S. Land Services	Advise on Land Status	20	96	na	na	\$	1,920	
G.I.S. Land Services	Drafting & Maps	20	96	na	na	\$	1,920	
Subtotal:						\$	3,840	
LEGAL								
Lawyer	Advise on Community Pit issue	10	400	na	na	\$	4,000	
Lawyer	Advise on Pyramid Construction issue	20	400	na	na	\$	8,000	
Subtotal:						\$	12,000	
PERMITTING								
BLM Permitting - WestLand Resources	Site Visit, Baseline Work, Prepare NOI	na	na	na	30,000	\$	30,000	
BLM Permitting - Consultant	Expedite permitting - all aspects (retainer)	na	na	3	3000	\$	9,000	
Reclamation Bond	Reclamation Bond with BLM	na	na	na	15,000		15,000	
Subtotal:						\$	39,000	
4-INCH SONIC DRILLING - PHASE 1								
Drill Company	Drill Rig Mobilization	1	5500	na	na	\$	5,500	
Drill Company	Drill Rig Demobilization	1	5500	na	na	\$	5,500	
Site Preparation - Local Contractor	Prepare drill roads and drill sites	15	650	na	na	\$	9,750	
Padre y Madre Pad - 18 holes (510 ft.)	Padre y Madre Pad Drilling (\$/ft.)	na	na	510	24.00	\$	12,240	
American Girl Pad - 13 holes (1160 ft.)	American Girl Pad Drilling (\$/ft.)	na	na	1160	24.00	\$	27,840	
Drill Company	Crew Per Diem (3 persons) including daily travel	20	na	3	150	\$	9,000	
Total Footage: 1670 ft.	Tear down - move - setup (\$/hr)	na	na	32	350	\$	11,200	
Average Hole Depth: 53 ft.	Standby/non-operating time (\$/hr)	na	na	10	350	\$	3,500	
Drill Company	Drilling Supplies - cost per drill hole ft.	na	na	1670	3.00	\$	5,010	
Supplier	Chip Trays - 20 compartments per tray	na	na	40	2.50	\$	100	
Supplier	Sample Bags - 250/box - polyethylene bags	na	na	2	62.35	\$	125	
Surveying - Local Contractor	Drill Hole Collar Survey	1	2000	na	na	\$	2,000	
Subtotal:						\$	91,765	
SONIC DRILLING ASSAYS - PHASE 1								
Primary Lab	Estimated number of original 5 ft. samples	na	na	334	na	\$	-	
Primary Lab	Estimated number of duplicate 5 ft. samples	na	na	20	na	\$	-	
Shipping	Ship samples from Yuma, AZ to lab in Sparks, NV	1	2000	na	na	\$	2,000	
Primary Lab	Sonic core sampling to create 3-4kg sample	na	na	334	35.00	\$	11,690	
Primary Lab	Sample prep - split, crush, pulverize PRP70-250 4kg	na	na	334	9.85	\$	3,290	
Primary Lab	Metallic Screen Analyses - Au - 500g FS632	na	na	33	52.4	\$	1,729	
Primary Lab	Primary sample assays - Au Fire +AA finish FA430	na	na	334	15.65	\$	5,227	
Primary Lab	Sample assays - 33 multi-element AQ300 (50%)	na	na	167	9.70	\$	1,620	
Quality Control	Duplicate sample assays - Au Fire + AA finish FA430	na	na	20	15.65	\$	313	
Quality Control	Duplicate sample assays - 33 multi-element AQ300	na	na	10	9.70	\$	97	
Quality Control	Standards - Au Fire + AA finish FA430	na	na	20	15.65	\$	313	
Quality Control	Standards - 33 multi-element AQ300	na	na	10	9.70	\$	97	
Quality Control	Blanks - Au Fire + AA finish FA430	na	na	20	15.65	\$	313	
Quality Control	Blanks - 33 multi-element AQ300	na	na	10	9.70	\$	97	
Primary Lab	Lab Bags	na	na	334	1.00	\$	334	
Second Lab Quality Control	Second lab check assays - Au Fire + AA finish	na	na	33	17.10	\$	564	
Second Lab Quality Control	Second lab check assays - 41 multi-element	na	na	20	23.70	\$	474	
Primary Lab	Sample storage - 15 pallets - 60 days free	60	na	7	0	\$	-	
Note: 33 multi-element AQ430 is two acid digestions; includes assays						\$	28,158	

Oro Cruz Gold Project		Page 2 - Heap Reprocessing Sonic Drilling & Metallurgy		USD Budget: \$ 322,073		
Imperial County, California						
Goal: To demonstrate sufficient gold grade, tons, contained ozs gold, and favorable metallurgy to warrant continued drilling of gold resources in the American Girl and Padre y Madre leach pads						
Expense Element	Description	Hours	\$/Hr	Units	\$/Unit or hou	Cost Estimate
METALLURGY						
		Days	\$/Day	Units	\$/Unit	
Engineering Consultant	Transport rejects from lab to KCA	1	800	na	na	\$ 800
Engineering Consultant	merican Girl - Make composites/assays/bottle rolls	na	na	8	610	\$ 4,880
Engineering Consultant	Padre y Madre - Make composites/assays/bottle rolls	na	na	4	610	\$ 2,440
Engineering Consultant	merican Girl 6-inch column leach test + agglom tests	na	na	3	12000	\$ 36,000
Engineering Consultant	Madre 6-inch column leach tests + agglom tests	na	na	2	12000	\$ 24,000
<i>Note: Includes interim and final reporting</i>						Subtotal: \$ 68,120
STORAGE UNIT - YUMA, AZ						
1000 sq. ft. - high ceiling & roll up door	Upfront rent deposit (refundable)	na	na	1	800	\$ 800
	Monthly rent	2	400	na	na	\$ 800
	Monthly utilities deposit (refundable)	na	na	1	100	\$ 100
	Monthly utilities	2	150	na	na	\$ 300
	Modifications/supplies	na	na	1	500	\$ 500
	Forklift Rental - pneumatic tires, 5K lbs. cap + delivery	1	1750	na	na	\$ 1,750
						Subtotal: \$ 4,250
ENGINEERING - CONCEPTUAL DESIGN						
Engineering Consultant	Prepare conceptual design of facilities	na	na	1	12000	\$ 12,000
						Subtotal: \$ 12,000
PROJECT GEOLOGIST						
		Days	\$/Day	Units	\$/Unit	
Project Geologist	Compensation - run program + interpret data	90	400	na	na	\$ 36,000
Expenses	Meals	30	40	na	na	\$ 1,200
Expenses	Hotel	30	130	na	na	\$ 3,900
Expenses	Rent Vehicle	30	50	na	na	\$ 1,500
Expenses	Fuel - tank fill-ups	na	na	5	70	\$ 350
Expenses	Airfare - Roundtrip	na	na	2	650	\$ 1,300
Expenses	Miscellaneous	na	na	1	250	\$ 250
						Subtotal: \$ 44,500
LABOR						
		Days	\$/Day	Hours	\$/hr	
Extra man to help with heavy samples	Handle samples in field; ship samples	30	200	na	na	\$ 6,000
Provided by service w/ insurance	Overtime	na	na	20	37.50	\$ 750
						Subtotal: \$ 6,750
MANAGEMENT						
		Months	\$/Month	Units	\$/Unit	
VP Exec	Compensation - Estimate	3	3000	na	na	\$ 9,000
Expenses	Meals	6	40	na	na	\$ 240
Expenses	Hotel	6	130	na	na	\$ 780
Expenses	Rent Vehicle	6	50	na	na	\$ 300
Expenses	Fuel - tank fill-ups	na	na	2	35	\$ 70
Expenses	Airfare - Roundtrip	na	na	2	650	\$ 1,300
						Subtotal: \$ 11,690
						USD Total: \$ 322,073

	USD	CAD
Total	\$ 322,073	\$ 421,896
<u>USD:CAD</u>	1.30994	

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