

## MATERIAL CHANGE REPORT

**1. Name & Address of Company**

SAN MARCO RESOURCES INC.  
c/o Suite 704, 595 Howe Street  
Vancouver, BC V6C 2T5

**2. Date of Material Change**

July 5, 2019

**3. News Release**

A press release dated July 16, 2019 was issued on July 16, 2019 through Newsfile Corp.

**4. Summary of Material Change**

Option to acquire Buck property in northern British Columbia.

**5.1 Full Description of Material Change**

See attached news release.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**6. Reliance on subsection 7.1(2) [*Confidential Filing*] of National Instrument 51-102**

Not applicable.

**7. Omitted Information**

None.

**8. Executive Officer**

The following executive officer of the Company is knowledgeable about the material change and this report:

Robert Willis  
Tel: 604-813-2606

**9. Date of Report**

July 16, 2019



**San Marco Announces Option to Acquire 100% Interest in  
Buck Gold-Silver Project, Northern British Columbia**

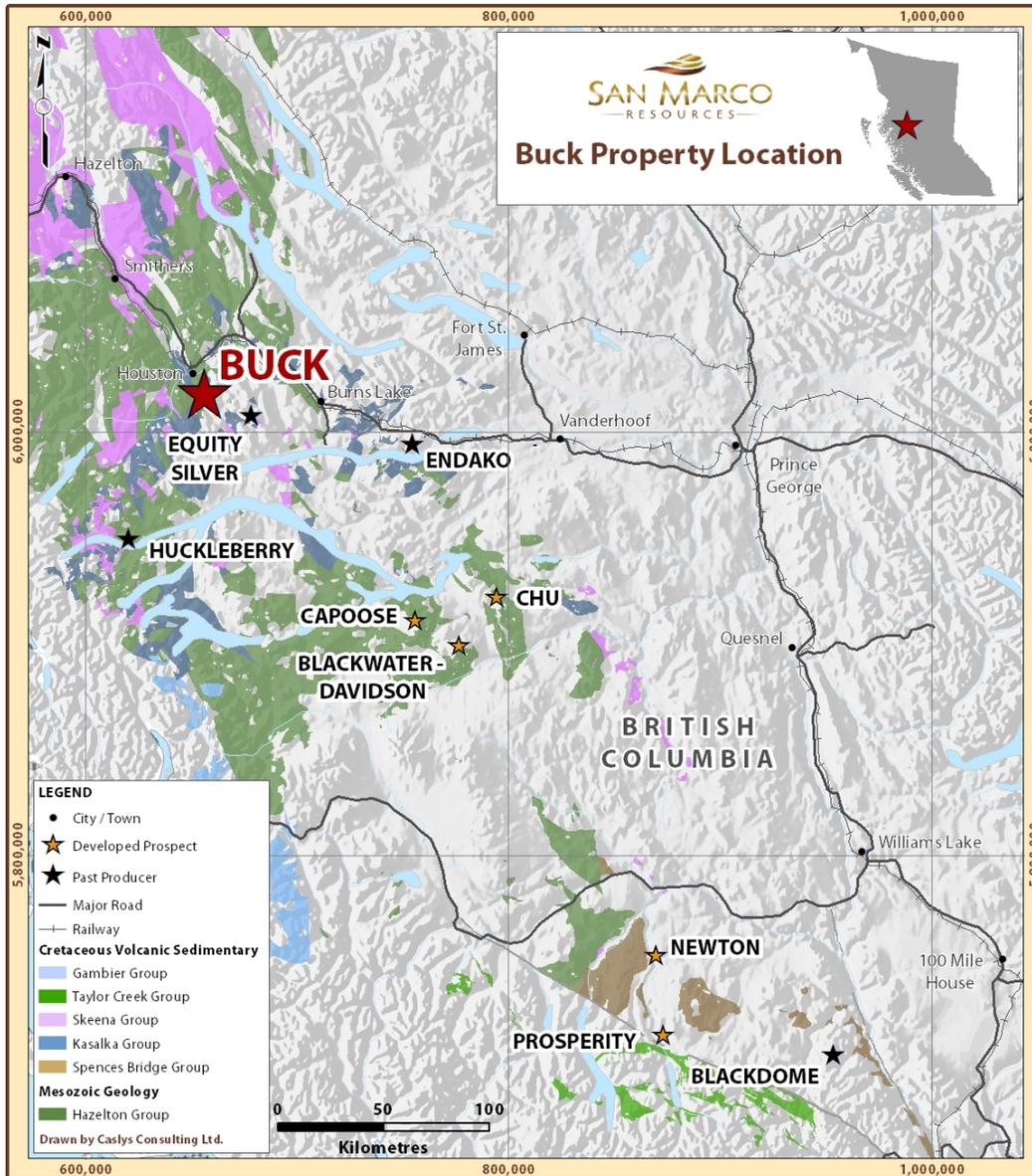
**Vancouver, B.C. – July 16, 2019:** San Marco Resources Inc. (SMN: TSX-V) ("San Marco" or the "Company") is pleased to announce it has entered into an option agreement whereby San Marco has the right to acquire a 100% interest in the Buck Property, an intermediate sulphidation, epithermal gold/silver zinc property near the town of Houston in north-central British Columbia.

The optionors are Dick Billingsley, and his wife, Gaye Richards, who notably vended the Tatogga project in the Golden Triangle to GT Gold Corp.

**The Buck Property highlights include:**

- large hydrothermal system, intensely altered and oxidized breccia bodies possibly diatreme related, all mineralization is open in all directions.
- considered to be part of the Telkwa Formation of the lower Jurassic Hazelton Group; similar to some major bulk tonnage gold deposits in B.C., such as NewGold's Blackwater-Davidson deposit;
- close proximity to several former operating mines: Equity Silver, (Equity Silver Mines Inc.), Endako (Centerra Gold Inc.) and Huckleberry (Imperial Metals Corporation);
- total of 68 prior drill holes have been conducted within the property - most holes ended in gold/silver/zinc mineralization. Mineralization extends up to 300 meters below surface suggesting bulk tonnage gold/silver/zinc potential;
- excellent exploration potential for possible new discoveries at multiple untested targets including porphyry copper deposit; high grade, structurally controlled gold/silver mineralization; and additional mineralized breccia bodies.
- road accessible with excellent infrastructure, including access to electrical and gas utilities, highways and major airports; and
- large land package totaling approximately 15,000 hectares

See accompanying [location map](#).



Bob Willis, Executive Director of San Marco stated, “We are pleased to announce the acquisition of an option to acquire the Buck Property. This property represents a significant opportunity for the Company and provides San Marco with an advanced exploration staged gold-silver, zinc project in a prominent exploration region of British Columbia. The Buck Property has seen reliable prior work by notable operators, yet many of the property’s prospective exploration targets have gone untested to date. We continue to be bullish on our existing suite of Mexican prospects, but given the Buck Property’s clearly delineated targets, excellent location and year-round access and infrastructure, we intend to rapidly explore this new property and identify key target areas towards a drill program within the coming months.”

### Historical Drilling:

A total of 68 prior drill holes have been drilled on the property - most holes ended in gold/silver/zinc mineralization. Mineralization extends up to 300 metres below surface suggesting bulk tonnage, low grade gold/silver/zinc potential. The Buck property has large volumes of mineralization containing greater than 0.10 grams per tonne (“g/t”) gold; greater than 1-3 g/t silver, and strongly elevated, zinc.

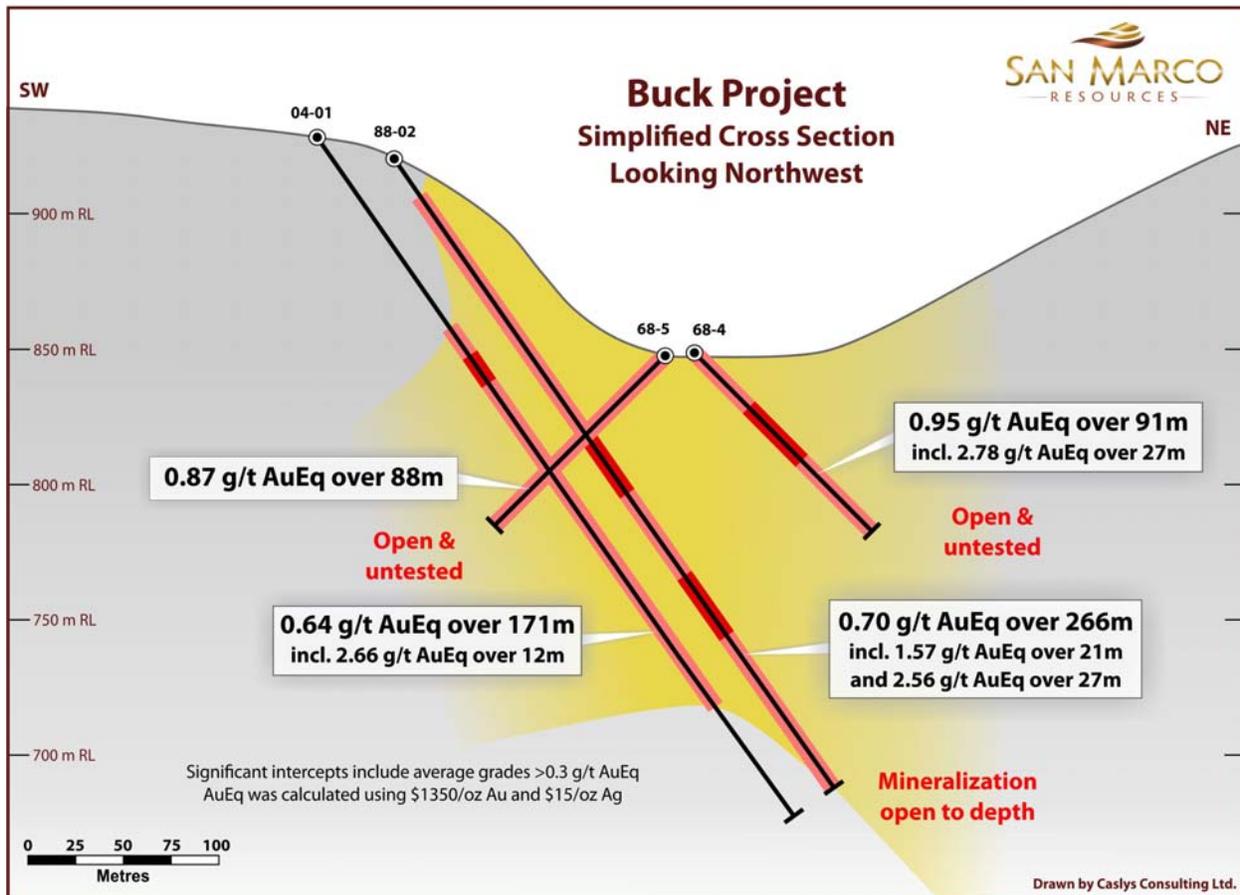
Note: the reported grade at the nearby analogous Blackwater-Davidson project is reported to be 0.74 grams per tonne gold.

**Selected Highlights of historical drilling:**

	Hole ID	From (m)	To (m)	Length (m)	Au g/t	Ag g/t	AuEq ** g/t	Zn %
Intercept	04-01*	84.4	255.1	170.7	0.61	3	0.64	0.3%
<i>Includes</i>		96.6	108.8	<b>12.2</b>	<b>2.58</b>	<b>7</b>	<b>2.66</b>	<b>0.8%</b>
Intercept	45-2	42.7	61.0	18.3	1.03	11	1.15	N/A
Intercept	45-3	21.3	42.7	21.3	0.69	10	0.80	N/A
Intercept	68-1*	0.0	76.2	76.2	0.93	6	0.99	N/A
Intercept	68-2*	0.0	122.5	122.5	0.71	2	0.74	N/A
<i>Includes</i>		33.5	54.9	21.3	1.68	6	1.75	N/A
Intercept	68-4*	0.0	91.4	<b>91.4</b>	<b>0.93</b>	<b>2</b>	<b>0.95</b>	N/A
<i>Includes</i>		27.4	54.9	<b>27.4</b>	<b>2.74</b>	<b>3</b>	<b>2.78</b>	N/A
Intercept	68-5*	0.0	88.4	88.4	0.79	8	0.87	N/A
Intercept	68-6*	0.0	91.4	91.4	0.33	8	0.42	N/A
<i>Includes</i>		12.2	45.7	33.5	0.58	21	0.82	N/A
Intercept	68-7*	0.0	76.2	76.2	0.46	10	0.57	N/A
<i>Includes</i>		0.0	33.5	33.5	0.62	10	0.73	N/A
Intercept	83-04*	99.0	114.0	15.0	0.72	6	0.79	0.2%
Intercept	84-11*	9.8	149.7	139.9	0.36	2	0.38	0.3%
<i>Includes</i>		103.0	149.7	46.7	0.71	4	0.76	0.6%
Intercept	84-13	6.7	150.0	<b>143.3</b>	<b>0.75</b>	<b>9</b>	<b>0.86</b>	<b>0.3%</b>
<i>Includes</i>		10.0	40.8	<b>30.8</b>	<b>2.70</b>	<b>33</b>	<b>3.07</b>	<b>0.9%</b>
Intercept	85-19*	9.9	101.8	92.0	0.57	9	0.67	N/A
<i>Includes</i>		9.9	67.0	<b>57.2</b>	<b>0.83</b>	<b>12</b>	<b>0.96</b>	N/A
Intercept	85-20	18.0	30.0	12.0	0.94	19	1.15	N/A
Intercept	85-21*	75.0	90.8	15.8	0.45	4	0.49	N/A
Intercept	85-23	18.0	30.0	12.0	1.06	25	1.33	N/A
Intercept	85-25	6.1	102.1	96.0	0.35	7	0.43	N/A
<i>Includes</i>		6.1	45.0	38.9	0.61	10	0.71	N/A
Intercept	85-28	3.5	122.5	119.1	0.31	4	0.36	N/A
<i>Includes</i>		3.5	21.0	17.5	0.90	12	1.04	N/A
Intercept	88-01	24.6	47.2	22.6	0.58	13	0.72	0.8%
Intercept	88-02*	16.8	282.6	265.9	0.65	4	0.70	0.4%
<i>Includes</i>		129.5	150.0	20.5	1.36	19	1.57	0.8%
<i>and</i>		187.5	214.0	<b>26.5</b>	<b>2.50</b>	<b>6</b>	<b>2.56</b>	<b>0.8%</b>
Intercept	88-03	84.0	193.5	109.5	0.45	3	0.49	0.5%
<i>Includes</i>		93.0	126.0	33.0	0.53	3	0.56	0.8%
Intercept	90-1*	76.2	239.6	163.4	0.36	5	0.41	0.2%
<i>Includes</i>		146.5	197.0	50.5	0.68	8	0.77	0.4%
Intercept	90-3	129.0	287.7	158.7	0.32	5	0.38	0.1%
<i>Includes</i>		153.7	210.0	56.3	0.45	8	0.54	0.2%

\* Drill hole ends in mineralization \*\* AuEq calculated using Au price US\$ 1,350/oz and Ag price US\$ 15/oz

See accompanying [drill section](#) and the Company's website at [www.sanmarcocorp.com](http://www.sanmarcocorp.com) for more project illustrations and figures.



### The Buck Property's Background:

The Buck Property is located within a geologically-favourable, mineralized setting that is highly amenable to discovery of economic precious and base metal deposits. Target types include intermediate sulphidation, polymetallic epithermal deposits similar to Blackwater-Davidson, as well as porphyry Cu±Mo±Au deposits similar to nearby active and past-producing mines at Huckleberry and the Babine Lake area.

Mineralization at Buck is hosted mostly by felsic volcanic rocks that are spatially and genetically related to felsic intrusions of the highly-productive, Late Cretaceous Bulkley Intrusive Suite. These igneous rocks are temporally and compositionally correlative with host rocks and causative intrusions at the Blackwater-Davidson, Capoose and Newton polymetallic epithermal deposits.

### Near-term Exploration Potential of the Buck Property:

Large portions of the Buck Property hydrothermal system have been tested only by reconnaissance drilling and many highly prospective areas remain completely untested. The scale of the Buck system, its magmatic-hydrothermal complexity and the extent of cover implies a strong potential to discover additional zones.

Prior drilling at the property returned broad intercepts of mineralization in nearly every hole, but drilling is not evenly spaced across the mineralization and many large prospective areas have not yet been drilled tested. In those areas which have been more closely drilled, there is good continuity of gold/silver grades and many drill holes end in significant gold/silver mineralization. These areas will be a priority for near-term follow up by the Company.

Based on its preliminary review of historic data, the Company's management believes the property may have potential for overlooked brecciation that may be related to a possible diatreme (explosive breccia pipe). This would support the potential for the vertical implications of the breccia to host significant size potential. The Company's management also believes there is the potential presence of a concealed porphyry deposit in the vicinity of the Buck property, based on comparisons with the Kerr, Sulphurets, Mitchell, Iron Cap and Snowfields deposits in the Iskut region of northwestern British Columbia. Permissible target types include Mo, Cu-Mo and Cu-Au deposits. This exploration model has also not been tested within the Buck Property.

**Option Terms:**

Upon incurring at least \$112,000 in exploration by December 31, 2019 and completion of the following, San Marco will have exercised the option and earned a 100% interest in the Buck Property:

<b>Due Date</b>	<b>Payment</b>	<b>Shares of San Marco</b>
Upon signing	\$25,000	0
Following 3:1 share consolidation	0	250,000
First anniversary of Exchange approval	\$25,000	400,000
Second anniversary of Exchange approval	\$25,000	500,000
Third anniversary of Exchange approval	\$25,000	750,000
Fourth anniversary of Exchange approval	\$50,000	1,000,000
Fifth anniversary of Exchange approval	\$150,000	1,100,000
<b>Totals</b>	<b>\$300,000</b>	<b>4,000,000</b>

Once the option is exercised, San Marco must grant the optionors a 2.5% net smelter returns royalty. The royalty can be reduced to 1.5% of net smelter returns in consideration of a payment of \$2,500,000 to the optionors made any time prior to the first anniversary of the commencement of commercial production.

An additional 4,000,000 shares of San Marco must be issued to the optionors upon the earlier of completion of a bankable feasibility study or the eighth anniversary of the Effective Date.

**Share Consolidation:**

It is a condition of the option agreement that, prior to the issuance of any shares pursuant to the option, San Marco must complete a three into one share consolidation.

San Marco currently has 67,916,082 common shares issued and outstanding and, if the consolidation is completed, it will have 22,638,694 common shares issued and outstanding. The exercise price of outstanding incentive stock options to purchase 5,600,000 (1,866,667 post-consolidation) common shares will be increased accordingly to reflect the share consolidation. No fractional shares will be issued in the share consolidation. Instead, all resulting fractional

shares of less than one-half will be rounded down to the nearest whole number, and of one-half or greater will be rounded up to the nearest whole number.

The Company does not intend to change its name in connection with the consolidation, although its CUSIP number and ISIN will change.

A special general meeting of shareholders will be called as soon as possible to approve the consolidation.

### **About San Marco**

San Marco is a Canadian mineral exploration company actively pursuing world class gold, silver, zinc and copper projects with a focus on mining friendly jurisdictions in both British Columbia, Canada and Mexico.

The Company's principal focus and asset is the recently optioned Buck Property in north-central British Columbia that has large tonnage gold-silver-zinc potential in a mining-friendly region that includes many former and current operating mines. In addition, the Company's portfolio includes the Mexican properties Chunibas, Espiritu SMR, 1068 and Mariana projects in mining-friendly Sonora state while it pursues other district-scale opportunities.

### **For further information, contact:**

**Robert Willis, P. Eng.**  
**Executive Director**

[info@sanmarcocorp.com](mailto:info@sanmarcocorp.com)

### **National Instrument 43-101 Disclosure**

This news release has been approved by San Marco's Executive Director, Robert D. Willis, P. Eng. a "Qualified Person" as defined in National Instrument 43-101, *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators. He has verified the data disclosed, including sampling, analytical and test data, underlying such technical information by reviewing the data and reports from previous exploration of the property which he believes to be accurate and were provided to San Marco by the optionors.

### **Forward Looking Information**

Information set forth in this document may include forward-looking statements. While these statements reflect management's current plans, projections and intents, by their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the control of San Marco Resources Inc. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on these forward-looking statements. San Marco's actual results, programs, activities and financial position could differ materially from those expressed in or implied by these forward-looking statements.

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