Geology and Exploration of the La Purisima Prospect
Municipality of Buenaventura
Chihuahua State, Mexico

May 19, 2018, amended July 5, 2018

Submitted by
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Prepared for

Ethos Gold Corp.

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

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CERTIFICATE OF AUTHOR AND STATEMENT OF QUALIFICATIONS:

The effective date of this report is May 19, 2018.

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I, P. Craig Gibson, hereby certify:

1. That I am a Certified Professional Geologist #11096 with the American Institute of Professional Geologists of Westminster, Colorado since 2007.

2. That I graduated with a BS degree in Geosciences in 1984 from the University of Arizona, and MS. and PhD degrees in Geology in 1986 and 1992 respectively, from the Mackay School of Mines, University of Nevada, Reno.

3. That I have accrued 30 years of experience in exploration, evaluation, discovery and research of mineral deposits in North and South America. Relevant experience includes investigation, evaluation, and exploration of multiple types of mineral systems, including several types of gold, silver, copper, lead and zinc deposits, throughout Mexico since 1993.

4. That I have personally conducted an examination of the La Purisima Property, with a visit on March 27, 2018.

5. That I am the author of the Technical Report titled "GEOLOGY AND EXPLORATION OF THE LA PURISIMA PROSPECT, MUNICIPALITY OF BUENAVENTURA, CHIHUAHUA STATE, MÉXICO" dated May 19, 2018, as amended on July 5, 2018 and am solely responsible for its content.

6. That I have read the definition of "qualified person" set out in National Instrument 43-l0l ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined by NI 43-101) and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.

7. That I am acting as a Qualified Person, and as an independent Technical Advisor to Ethos Gold Corporation (Ethos), and that I do not have any present interest or involvement in the La Purisima Property other than remuneration for consulting services, nor shares or interest in Ethos, nor do I expect to receive any such interest or shares.

8. I was involved in an evaluation of the Purisima property in 2007-2008 as part of a regional exploration program by EXMIN Resources, of which I was VP Exploration at that time.

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

10. As of the dates of the technical report, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make this technical report not misleading.

P. Craig Gibson

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GLOSSARY OF TERMS

TERM	DESCRIPTION
%	Percent
<	Less than
>	More than
±	More or less
#N	UTM grid measurement in metres north of the equator
#E	UTM grid measurement in metres east of the central Meridian
Ag, As, Au, Bi, Co, Cu, Fe, Hg, K, Mo, Pb, Sb, Te, U, and Zn	Chemical symbols from the periodic group of elements. silver (Ag), arsenic (As), gold (Au), bismuth (Bi), cobalt (Co), copper (Cu), iron (Fe), mercury (Hg), potassium (K), molybdenum (Mo), lead (Pb), antimony (Sb), tellurium (Te), uranium (U and zinc (Zn).
ALS Chemex	ALS Chemex, a division of ALS Global Ltd through Chemex De Mexico, S.A. De C.V., the primary analytical laboratory for the Project located in Chihuahua, Mexico.
Alteration	Physical and chemical changes to the original composition of rocks due to the introduction of hydrothermal fluids, of ore forming solutions, to changes in the confining temperature and pressures or to any combination of these. The original rock composition is considered “altered” by these changes, and the product of change is considered an “alteration”. (From Hacettepe University online dictionary, after AGI)
Anomalous (anomaly)	a. A departure from the expected or normal. b. The difference between an observed value and the corresponding computed value (background value). c. A geological feature, esp. in the subsurface, distinguished by geological, geophysical, or geochemical means, which is different from the general surroundings and is often of potential economic value; e.g., a magnetic anomaly. (From Hacettepe University online dictionary, after AGI)
background	A measured or calculated geochemical, geophysical, petrological or other threshold considered representative of an area. The “Normal” or “not anomalous”.
Breccia	Means fragmental rocks whose components are angular and, therefore, as distinguished from conglomerates as not water worn. May be sedimentary or formed by crushing or grinding along faults or by hydrothermal explosions.
CAD$ US$	Canadian dollars, United States of America dollars.
calc-silicate alteration	An alteration consisting mainly of calc-silicate minerals
Constancia de Vigencia	An official “statement of good standing” provided by the Mexican Government as a confirmation to holders of mineral concessions that the mineral rights and concessions are active and in good standing according to Mexican Mining Law as published in the Official Mexican public journal (“Diario Official”) dated October 12, 2012
CRM, SGM	Consejo de Recursos Minerales (also Coremi). The former Mexican Geological

	Survey now renamed the Servicio Geológico Mexicana or "SGM"
Ethos	Ethos Gold Corp., ECC the Toronto Stock exchange.
epithermal	Said of a hydrothermal mineral deposit formed within about 1 km of the Earth's surface and in the temperature range of 50 to 200 degrees C, occurring mainly as veins. Also, said of that depositional environment.
FeOX	Iron oxide minerals
g/t or Gm/Tonne	Grams per Tonne. Where a gramme (also gram) is a unit of measure equal to 1/1000th of a kilogram. A Tonne is a metric Tonne having a unit weight of 1,000 kilograms.
GPS	An electronic device that records the data transmitted by the geographic positioning satellite system.
Km, Kms	Kilometre, Kilometres
Ltd, Inc	Limited, Incorporated
M, Ma, MT, Moz	million, million years, million tonnes, million ounce
Mineralization (mineralizing)	The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs.
NAD27	Ellipsoid model of the Earth, commonly used in Mexico but being replaced with WGS84.
NI 43-101	National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators
H13-A62	Mapping index system for Mexico, 1:50,000 scale map, San Pedro Corralitos sheet, covering the La Purisima prospect.
oz, ppm, ppb, ºC, mm, cm, m, Km, Km^{2,}	Units of measure: ounce, parts per million, parts per billion, degrees Celsius, millimetre, centimetre, metre, kilometre and square kilometres.
N, S, E, W, NW, etc	North, south, east, west, northwest, northeast etc.
No.	Number
nt	Nano Tesla. The international unit for measuring magnetic flux density.
ProDeMin	Prospección y Desarrollo Minero del Norte S.A. de C.V., the Company that provides contract geological services for the exploration program.
Property, Project	Mineral rights controlled by Ethos at the La Purisima prospect
Purisima Property	The concessions controlled by Ethos that make up the Purisima Project
Purisima workings	Main area of historic exploitation on the Purisima and adjacent veins
QAQC	A quality assurance and quality control program
S.A. de C.V.	Sociedad Anónima de Capital Variable, a corporation in Mexico
S.A.P.I. de C.V.	Sociedad Anónima Promotora de Inversion de Capital Variable, a corporation for promoting investment with the eventual goal of listing on the stock Exchange
Sedar	Legally required Canadian System for Electronic Document Analysis and Retrieval (SEDAR)

showing	A location where alteration and/or mineralization occurs at surface.
skarn	A metamorphic rock rich in calcium bearing silicate minerals (calc-silicates), commonly formed at or near intrusive rock contacts by the introduction of silica rich hydrothermal fluids into a carbonate rich country host rock such as limestone and dolomite. Also, part of an alteration process for the introduction and formation of ore forming mineralization and a common host for mineralization/ore.
SMG	Servicio Geologico Mexicano, the Mexican Geological Survey, also formerly known as the Consejo de Recursos Minerales, CRM.
target	A focus or loci for exploration
UTM	Universal Transverse Mercator, a coordinate system for representing the curved surface of the Earth on a flat surface.
WGS84	An ellipsoid model of the Earth used with UTM to project the curved surface to a flat sheet, used in this report.

CONVERSIONS

The following table sets forth certain standard conversions from the Standard Imperial units to the International System of Units (or metric units). Unless otherwise stated United States currency (US$) is used throughout this report. Canadian dollars ($CAD) are converted at one $CAD for 0.78 US$ for the purposes of this Report.

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

1.0 SUMMARY

1.1 Introduction and Terms of Reference

Preparation of this Technical Report was undertaken on behalf of Ethos Gold Corp. (Ethos or the Company). Ethos has acquired an option on certain mining concessions known as the La Purisima Property (the "Property") located in the San Pedro Corralitos mining district, Buenaventura municipality of Chihuahua State. Ethos contracted P. Craig Gibson of Prospeccion y Desarrollo Minero del Norte S.A. de C.V. (ProDeMin) to review the geology and past exploration history, carry out an examination of the Property and to prepare this report.

This Technical Report was prepared in compliance with Canadian National Instrument 43-101 ("NI43-101"), and is based on published and unpublished geologic and historic data from the Servicio Geológico Mexicano ("SGM") and other sources in the archives of the author and of the Company.

This Technical Report is an accurate representation of the status and geologic potential of the La Purisima based on the information available to the author and the site visit. Work recommended herein was planned by and will be supervised by a Qualified Person(s) as defined by N43-101.

1.2 Reliance on Other experts

The author, P. Craig Gibson, is a Certified Professional Geologist of the American Institute of Professional Geologists and Qualified Person under NI43-101 requirements. A site visit to the Property was completed on March 27, 2018 during which 5 samples for audit were taken. The author was accompanied during the site visit by Mr. Mel Herdrick and Ing. Jorge Diaz representatives of the Company, Mr. Jose Villar Saenz and Mr. Carlos Villar Saenz, the property vendors, and Ing. Jose Trevizo, an assistant geologist of ProDeMin.

The mineral rights to the concessions constituting the La Purisma Property are considered to be valid by the Mining Department in México as of the date of this Technical Report, and the author has reviewed a contract for the option of the Property from the underlying concession owners. The author, however, has not investigated in detail the status of legal filings including tax payments and assessment work filings. The author has no reason to believe that ownership and status are other than has been represented, however it was not within the scope of this Technical Report to examine in detail or to independently verify the legal status or ownership of the Property. Determination of secure mineral title and surface estate ownership is solely the responsibility of the Company.

This report greatly benefited from discussions and data provided by Mel Herdrick, geologist, Qualified Person, and a Director of the Company. Exploration data from EXMIN Resources, developed while the author was Vice President, Exploration and Qualified Person, was also available.

1.3 Property Description and Location

1.3.1 Mineral Rights

Compania Minera Roca Dorada, SA de CV, a Mexican company effectively wholly owned by Ethos, entered into an agreement on November 29, 2017 to acquire a 100% interest in certain mineral rights for the La Purisima Property from Coztic Recursos Minerales S. de R.L. de C.V., a Mexican company controlled by the Villar Saenz family (Table 4.1). The terms of the agreement include making staged payments totalling 3,495,000 USD (plus the 16% value added tax) and issuing 3,000,000 common shares of Ethos over a period of 72 months from the date of the agreement for a 100% interest in the Property subject to a 2% Net Smelter Return (NSR) royalty, of which 1% can be purchased by the Company for US$ 1,000,000. The Company must spent US$ 1,000,000 in exploration during the 72 month option period and pay back Mineral Rights taxes (of about US$ 60,000) and pay the Mineral Rights tax and complete sufficient assessment work and file necessary reports to keep the concessions in good standing during the option period. The details of the agreement were reviewed by the author during the writing of this technical report, but an exhaustive legal investigation was not undertaken. The author has no reason to doubt the representation by Ethos that it controls these concessions.

Mexican Mining Law requires certain mineral rights payments, paid each January and July, and an annual minimum exploration work obligation (assessment work), is filed each May for the preceding year. The required amounts are subject to modification as annual fee schedules are released for publication by the Mines Office.

The Mines Department in Mexico issued new regulations effective January 1, 2006, whereby all the Exploration and Exploitation concessions that existed in good standing under the old system were automatically transformed to a single type of Mining Concession valid for 50 years, beginning from the date of their registration in the Public Mining Registry. Under the new decree, all claims in good standing are renewable for an additional 50 year term.

Table 1.1 shows the relevant data including the expiry dates of the mining concessions controlled by Ethos. The author of this report has not verified the good standing of the concessions and has relied on representations made by Ethos.

Table 1.1 Mining Concessions at the La Purisima Project controlled by Ethos

CLAIM	HECTARES	GRANTED	TITLE	EXPIRATION
Minas de la Purisima	280	Nov. 25, 1999	210791	Nov. 25, 2049
La Aurora	390	Dec. 19, 1991	191779	Dec. 19, 2041
Serena 1	100	Mar. 30, 2006	226908	Mar. 30, 2056
TOTAL	**770**			

1.3.2 Surface Access Rights

Mining concession licenses in Mexico are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions, and commonly involve leasing of the surface rights. In Mexico surface rights are owned by private persons or ejidos (local communal organizations), and agreements for access must be made with the surface owners to do significant work.

Surface ownership over most of the area of interest at La Purisima is largely held by Pedro Jose Garcia Gutierrez, and lies within the Cerros Blancos Ranch. The Company has entered into a surface access agreement for exploration and exploitation of the Project.

Additional agreements, either through long term lease or through direct purchase of surface title, will be required as certain areas are advanced from exploration to development. To the best of the knowledge of the author, Ethos controls surface access of the portion of the Cerros Blanco Ranch overlying surrounding the La Purisima Property.

1.3.3 Permitting

All permissions and applications required for the exploitation process must be performed in accordance with the applicable Mexican Official Laws and Standards (Normas Oficiales Mexicanas). To the author's knowledge, Ethos' La Purisima Project does not fall within any protected area or special jurisdiction and there are no known existing environmental liabilities located on the Project.

At the present time, and up until exploration activities have progressed further, no permits are required for exploration activities. For road rehabilitation and drilling on existing roads in the future, permits include a letter of initiation of activities received and sealed by the government authority and a Preventive Notice (*Informe Preventivo*). A Change of Land Use and Environmental Impact Statement are required for construction of new roads and drill sites. The required permits and their progress status at La Purisima are shown in Table 1.2.

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

Table 1.2 Permitting Requirements, Purisima Project

Permit	Relevant to	Status
Letter of Initiation of exploration activities	Exploration	Not yet necessary
The Preventative Notice (Informe Preventivo);	Exploration	Not yet necessary, allows drilling along existing roads and surface disturbance, about 30 days for reception
The Permit for Change of Land Use and Environmental Impact Statement issued by the State Delegations of Secretary of the Environment, Natural Resources and é Fisheries (SEMARNAT)	Transitional, required for areas of surface disturbance	Not necessary at this point, needed for construction of new roads and drill pads, about 60-90 days

Permits are issued by the State Delegations of Secretary of the Environment, Natural Resources (SEMARNAT)

1.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The La Purisima Project is located in the eastern foothills of the Sierra Madre Occidental mountain range of Chihuahua State in northern Mexico. Topography is relatively flat with steep hills and ranges from moderate to rugged with elevations varying from 1350 metres to over 1450 metres above sea level.

The climate in the region is classified as semiarid, with an average annual temperature of 16.6 degrees Celsius with average highs of 26 degrees Celsius and average lows temperature of 8 degree Celsius, but temperatures can be extreme and can range from subzero to 35 degrees Celsius. Precipitation averages 316 millimetres per year. Rainfall occurs mainly from July through September during a monsoonal tropical wet season that includes the influence of hurricanes from both the Atlantic and Pacific oceans. Winters are dry with occasional rain or snow falls in December and January.

Thorny plants and cacti dominate the vegetation on the Project. Vegetation is desert-like during the dry winter months, with lush tropical growth during the wet summer season and along the river valley. Surface land use in the immediate area of exploration interest within the Project is devoted to cattle grazing and is generally uninhabited.

The project can be accessed via the main Federal highway (45 and 45D the toll portion) from Chihuahua to Ciudad Juarez, taking highway 7 to Gomez Farias. One takes the 54D toll road at Galeana instead of the road to San Buenaventura, and turns to the north to the town of Del Valle (Fig. 5.1), a Menonite community with a small population but significant infrastructure including a service station, restaurants and hotels located about 2 hours from Chihuahua City. The property is reached from Del Valle via a 1.5

hour drive on 25 km of paved road and 55 km of good to moderate quality all season unpaved roads northerly towards Cerros Blancos, continuing westerly to the Cerros Blancos ranch. The property is accessed by a 3 km moderate quality dirt road. One can also access the property via the town of Nuevo Casas Grandes towards San Pedro Corralitos Station on generally poor quality dirt roads. Exploration activities can be carried out year round.

The area is isolated and does not offer significant infrastructure, although an unskilled work force is available in nearby small communities. The Casas Grandes and Buenaventura municipalities have populations of about 60,000 and 25,000 respectively with the largest towns being Nuevo Casas Grandes with 55,000 inhabitants and San Buenaventura and Gomez Farias with about 7,000 and 2,500 inhabitants, respectively. The nearest available international airport is in Chihuahua with a landing strip suitable for large aircraft. The border cities of Ciudad Juarez and El Paso are approximately the same distance from the Project.

The closest power lines are about 9 km from the Project. All major supplies and services are available from the mentioned cities or Chihuahua, the State capital, which is a 3.5 to 4.0 hour drive from the Project, Figure 5.1. Skilled labor and heavy equipment is available in these communities.

1.5 History

The Purisma prospect has been subject to small scale mining in the past, and numerous small mine working and prospect pits are found in the area (see Fig. 7.1). The early history of the region began with mining by the Spanish at San Pedro Corralitos during the Colonial Period, with production in 1680 and 1750 (Lloyd, 2001, SGM, 2003). The town of San Pedro Corralitos was officially founded in 1839 and the mines exploited bonanzas in 1847-1878 and 1889-1910. Prospecting and mining at La Purisima likely began at this time.

Several modern exploration programs have been carried out at the project, including by Compania Fresnillo (Fresnillo), Teck Resources Ltd. (Teck), and junior explorers Pandora Industries Ltd. (Pandora) with Pacific Amber Resources Inc. (Pacific Amber).

1.6 Geology and Mineralization

The regional geology of western central Chihuahua is characterized by thick sequences of Tertiary volcanic rocks that overlie Cretaceous sedimentary rocks and local intrusive rocks that are generally exposed in deeply incised canyons. In general the Cretaceous rocks are composed of massive to medium bedded limestone or clastic rocks that were formed in a platform or restricted basin setting. The Cretaceous sedimentary rocks are commonly intruded by intermediate to felsic stocks and or dikes of late Cretaceous to early Tertiary age associated with the Laramide Orogeny and typically exhibit moderate to strong alteration and locally mineralization.

The area surrounding the La Purisima Project is covered by a bimodal volcanic sequence of Oligocene or Miocene age. In the Project area, the rocks are composed mainly of an andesitic to basaltic andesite unit and a rhyolitic unit. Rhyolitic rocks occur as flow banded units that probably formed as domes as well as tuffaceous units. The contacts between these units were not observed, but they are believed to be of approximately equivalent ages. The rocks have not been well studied except in a relatively small area of the Project. The andesitic to basaltic unit covers most of the area visited at the Purisima prospect with locally more mafic vesicular units.

The main structural feature on the property is the NNW to NW strike of the veins at the historic Purisima workings and adjacent areas. Based on few observations of slickensides and fault surfaces, it appears that the veins in the Purisima workings are hosted in a normal fault zone with a northwesterly strike and southwesterly dip.

In the area of the Project alteration and mineralization are dominantly constrained to the northwesterly structural zones mentioned previously. The main alteration assemblages are moderate to pervasive silicification and clay-illite alteration, both associated with iron oxides, mainly hematite and goethite. Jarosite is locally present. The alteration and iron oxides and bleaching is associated with the structural zone and with quartz veins and stockwork zones; masses of fine grained pyrite with silica are locally preserved. In general the alteration envelopes around the structures are relatively narrow except where multiple parallel structures are present such as at the Purisima workings.

Several veins and vein systems are known throughout the Property, including the Purisima vein, the Cuatro Amigos vein located about 150 meters west of Purisima, Jasper or East vein to the east of Purisima, Lechuza which may be the strike extend of the Purisima vein, and several outlying veins at Venadas-Margaritas, Esperanza, and the Calcite or Manganese vein, and other areas. The veins are dominantly composed of fine grained quartz or silica, with locally abundant calcite and barite. Some veins reportedly contain significant copper and manganese with iron oxides (Haynes, 1998).

In the area of the Purisima workings the vein seems to split into several branches and at least some of them turn to the north and dip at a lower angle, about 45 degrees to the west. This area has been exploited in the past by shallow underground workings and by a more recent small open pit.

1.7 Exploration and Drilling

The Company has completed almost no exploration at the La Purisima Project other than the property visit by the Author of this technical report and brief visits by principals of the Company. Several public and private companies as well as the Servicio Geologico Mexicano (SGM) have explored the project in the past (*see* section 6, History). The Property was explored in the past by Teck Resources Ltd. (Teck), and by Pandora Industries Inc. (Pandora) with Pacific Amber Resources Ltd. (Pacific Amber). Incomplete datasets for both programs are available in a summary report by L. Haynes for Pacific Amber (Haynes, 1998). The Company has information from past exploration programs including a sample database that it has compiled and published and unpublished reports.

A database of 243 rock chip samples is available for project, taken mostly on vein in surface outcrops or shallow workings (Fig. 9.4). Sample maps for gold, silver, arsenic, antimony, mercury, barium, copper, lead, and zinc are shown in Figures 9.5 to 9.13. Apparent metal zoning is observed, and the anomalous samples provide targets for further exploration.

A geophysical survey consisting of 46 line kilometers and covered an area of 2.5 km by 3.2 km. Three chargeability anomalies with subparallel resistivity anomalies were identified. The zone of highest chargeability is associated with the manganese bearing structures on the west side of the property. The second highest chargeability anomaly is located in the southeastern corner of the property and is associated with anomalous mercury and antimony in soils. The third chargeability anomaly is associated with the Purisima workings and coincident gold, arsenic and mercury anomalies.

The ground magnetic survey is characterized by erratic data over most of the area, except to the east where the volcanic rocks are in fault contact with the older sandstones (Haynes, 1998).

The company has carried out no drilling on the property to date. Teck completed five reverse circulation (RC) dill holes in 1994. Data from that program was summarized by Haynes (1998) and shown in Table 10.1 and in sections in Figs 10.1 to 10.4. Haynes indicates that the best intercept in the RC holes was 23.5 m with 0.72 g/t Au, including 11.5 m of 1.16 g/t Au. The other holes had anomalous gold values above 0.1 ppm Au including wide zones of about 20 meters in holes PAQ 2and PAQ 4 to as much as 40 meters PAQ 3, but the values are illegible on the sections.

The SGM reportedly drilled several core holes in 1997 (Haynes, 1998). Little data is available from that program and only part of one hole is described by (Chairez B., 1997).

1.8 Sample Preparation, Analyses, and Security

The Company has taken no samples at the project. Details of sampling and analysis by other workers are not available in all cases. Samples by the author and others with available information were prepared and analyzed by ALS Chemex at their facilities in Chihuahua and Vancouver, respectively. Gold assays were carried out by 50 gram fire assay with an atomic absorption finish, and other elements were analyzed as part of a multielement ICP package. Overlimit values for Au (.10g/t) were carried out by fire assay with a gravimetric finish, and Ag (>100 g/t) and Cu (> 10,000 ppm) were completed by ICP or AA.

ALS Chemex (now ALS Group) is a worldwide analytical laboratory with completed registration to ISO 9001:2008, and a number of analytical facilities have received ISO/IEC 17025:2005 accreditations for specific laboratory procedures.

Sample cuttings consisting of rock chips were collected at the site by the author and were placed in labelled plastic bags with a sample tag and sealed with plastic ties at the collection site. These samples were transported from the field to Chihuahua by the author in the author's vehicle and stored at the office of ProDeMin. The samples were delivered to the sample preparation facility by personnel of ProDeMin. The prepared sample pulps were subsequently transported by a contracted commercial airliner to ALS in Vancouver, Canada for all analyses. Contractors and employees of the Company do not participate in any part of the sample preparation and analytical procedures once samples are submitted to ALS.

The Property sample database is maintained in an Excel spreadsheet. The database includes the sample number, X-Y UTM coordinates (WGS84 or NAD27) of the sample site, coordinate system, lithologic description, and results. Information that should be added to the database as new samples are taken include date taken, area or target, sampler, width or area, type of sample, structural details (if observed) and the analytical certificate. It is the opinion of the author that the sample database available, although lacking in information, is adequate and appropriate for the surface geochemical sampling program that has been conducted on the Property to date considering it was done by third parties. The procedures and methods of sample collection, security, preparation and analysis, as well as data handling by the company should follow the guidelines listed herein for future sampling.

1.9 Conclusions and Recommendations

1.9.1 Data Verification and QAQC

The author visited the Project on March 27, 2018, and collected five samples for analysis to confirm the presence of metals. The author has personal knowledge of the property from past work including supervision of a reconnaissance evaluation of the property as part of a regional exploration program conducted by EXMIN Resources in 2006 and 2007, of which the author was Vice President Exploration and Qualified Person. The author has also reviewed reports by past operators, data from nearby properties, as well as published data from the Servicio Geologico Mexicano. The rock samples taken by the author remained in the author's custody until they were delivered to ALS in Chihuahua City. The analytical results from the samples taken by the author are shown in table 12.1 below, and sample descriptions are presented below. The results confirm the presence of metal values in the samples in the ranges of the previous sampling.

The author's samples consisted of 0.85-2.5 kg of material. Internal standards and blanks were not utilized in the limited sampling done by the author as it was completed in areas with past sampling to confirm the general presence of metals. The laboratories utilized have strict internal quality control/quality assurance procedures, including insertion of standard and blank samples, as well as systemic duplicate sample assays.

Based on the field review and review of exploration data generated by previous workers, it is the author's opinion that the current database is adequate and appropriate for continued evaluation of the La Purisima Property.

1.9.2 Results of Exploration

The available data on exploration carried out at the Purisima Project by various workers as well as field observations made by the Company and by the author of this Technical Report have resulted in the identification of several targets for further exploration, including drilling. It should be noted that virtually all of the technical data generated at the project was developed prior to the involvement of the Company, and supporting data is not complete; the data is generally consistent among the data sets and is useful as a guide to future work, but should not be relied upon. Also, most of the available data is confined to sampling along veins or areas immediately adjacent to them, and data for systematic sampling that was carried out is not available or has not been compiled. It is the opinion of the author that much of the work that is mentioned in reports available to the Company must be redone.

1.9.3 Budget

Based on the visit made by the author and the information available from past work the Project warrants further exploration. A two stage exploration program is recommended that includes detailed geological mapping and systematic rock chip and soil sampling as well as a Phase I drill program. Rock and/or soil sampling on a grid of about 25 meter spacing is warranted, and this could probably be undertaken with a portable XRF unit to detect anomalous values of indicator elements in real time before analyses are received from the laboratory. The Phase I drill program would consist of about 1,500 meters in areas with existing roads after reception of the Preventative Report environmental permit (about 30 days). A subsequent 1,500 meter Phase II drill program would be undertake if warranted by the previous results, and after reception of the Change of Land Use and Environmental Impact Statement (about 60 to 90 days, see Table 4.3). Specific drill sites for both phases should be selected based on the mapping and sampling and initial Phase I results. Table 18.1 below presents the costs for the line items in the proposed budget.

Table 1.3 Budget for proposed La Purisima exploration program.

La Purisima Proposed Exploration budget	
Stage 1	
Personnel (3 months)	32,000
Camp (3 months)	17,000
Samples (1,500)	35,000
Environmental permits	12,000
Drilling (1,500 meters)	125,000
Total Stage 1	**221,000**
Stage 2	
Road rehabilitation	12,000
Personnel (3 months)	30,000
Camp (3 months)	15,000
Samples (1,500)	22,000
Environmental compliance	4,000
Drilling (1,500 meters)	125,000
Total Stage 2	**208,000**
Total Stages 1 and 2	US$ **429.000**

2.0 INTRODUCTION AND TERMS OF REFERENCE

Preparation of this Technical Report was undertaken on behalf of Ethos Gold Corp. ("Ethos" or the "Company"). Ethos has acquired an interest in certain mining concessions known as the La Purisima prospect (the "Property") located in the San Pedro Corralitos mining district, San Buenaventura municipality of Chihuahua State. Ethos contracted the author, a principal of Prospeccion y Desarrollo Minero del Norte S.A. de C.V. (ProDeMin) to prepare an NI 43-101 technical report covering the Project.

This Technical Report, prepared in compliance with Canadian National Instrument 43-101 ("NI43-101"), is based on published and unpublished geologic and historic data from the Servicio Geológico Mexicano ("SGM"), other publications, and internal reports and primary geologic and geochemical data bases pertaining to work programs completed on the Property between 1994 and 2006.

The author, P. Craig Gibson, a Certified Professional Geologist of the American Institute of Professional Geologists and Qualified Person under NI43-101 requirements has benefited from discussions with Mel Herdrick, a Director of the Company. The author was accompanied by Mr. Herdrick and Ing. Jorge Diaz during the site visit for this Technical Report completed on March 27, 2018 during which five samples for audit were taken.

3.0 RELIANCE ON OTHER EXPERTS

This Technical Report is an accurate representation of the status and geologic potential of the La Purisima Property based on the information available to the author and the site visit completed on March 27, 2018. Work recommended herein was planned and will be supervised by a Qualified Person(s) as defined by NI-43-101.

The mineral rights to the concessions constituting the La Purisma Property are considered to be valid by the Mining Department in México as of the date of this Technical Report, and the author has reviewed a contract for the option of the Property from the underlying concession owners. The author, however, has not investigated in detail the status of legal filings including tax payments and assessment work filings. The author has no reason to believe that ownership and status are other than has been represented, however it was not within the scope of this Technical Report to examine in detail or to independently verify the legal status or ownership of the Property. Determination of secure mineral title and surface estate ownership is solely the responsibility of the Company.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The La Purisima Property is located in the north western part of the State of Chihuahua in northern Mexico, approximately 250 km NW of the major city of Chihuahua (Fig. 4.1). The Property centroid is located at UTM Zone13R, WGS84, 265,385E and 3,390,042N or by 107° 26' 49.1" west longitude and 30° 37' 5.3" north latitude.

Figure 4.1 shows the location of the Property in Chihuahua State, Mexico, and Figure 4.2 shows the location of the Company's mineral rights concession holdings and the main project area on the 1:50,000 topography.

Figure 4.1. The La Purisima Property location map, Chihuahua State, Mexico.

4.2 Mineral Concessions and Agreements with Surface Owners

A new Mining Law was passed by the Mexican Legislature in 1993 and opened the industry to increased exploration by foreign interest. Mineral concessions in Mexico can only be held by Mexican Nationals or Mexican incorporated companies, but there are virtually no restrictions on foreign ownership of such companies. To acquire a concession, a principal monument must be erected and located and an application submitted to the Federal Mining Directorate. The concession must subsequently be located by an official surveyor and the concessions are registered with the Public Registry of Mining when titled.

In the past, two types of concessions were in effect: Exploration and Exploitation. An Exploration Concession can be valid for up to six years if work is performed on the ground, assessment reports are filed in May of each year, and taxes are paid in advance in January and July of each year. The tax amount and assessment is based on the area and age of the concession. An Exploration concession may be converted to an Exploitation concession prior to expiry. An Exploitation concession is valid for fifty years and can be renewed, and the taxes are higher. The types of concession were changed with a the Mining Law Reform in 1999, and now only one type of concession, Mining, is recognized, with a renewable 50 year term from the original title date as long as taxes are paid and assessments are filed; this 50 year period was retroactive for concessions in good standing including the concessions that comprise the Property.

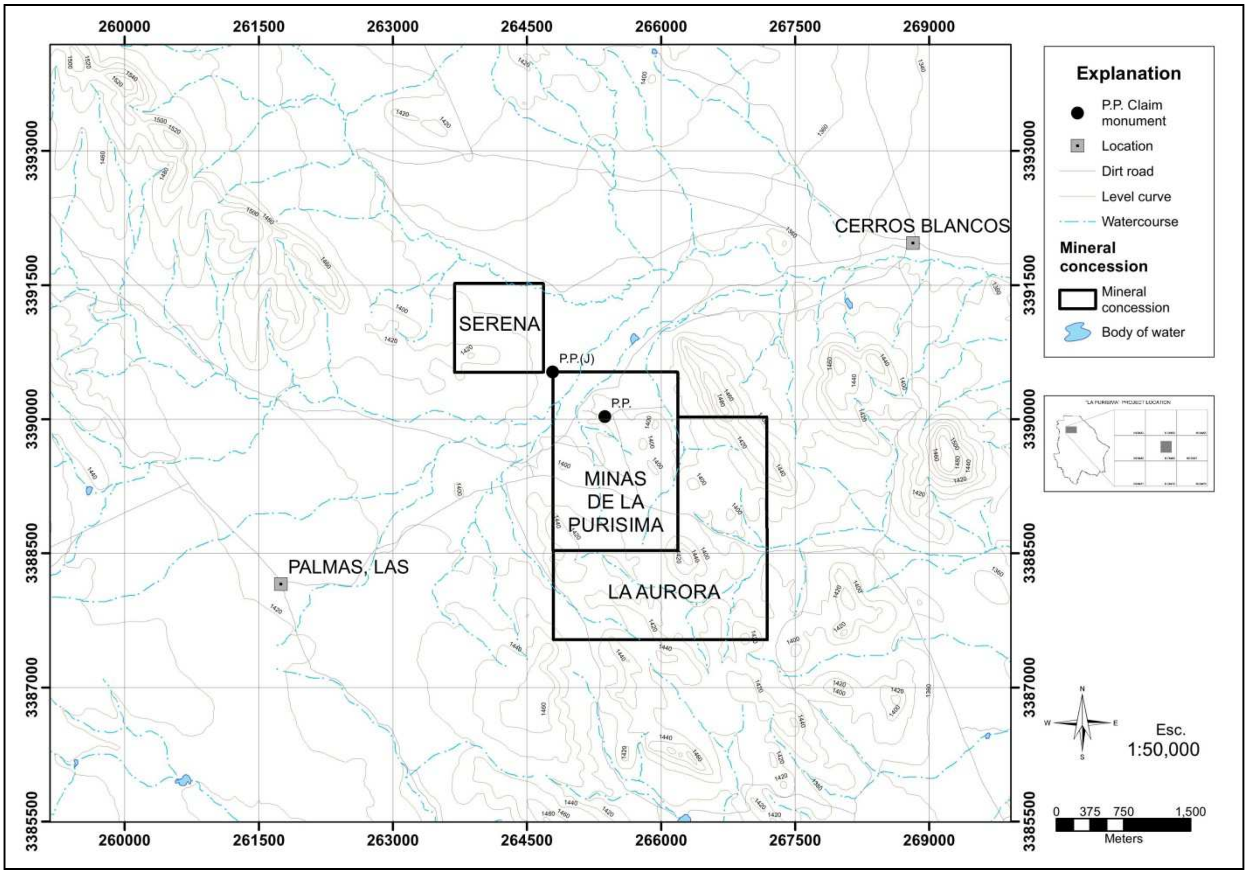

Figure 4.2. La Purisima Property concession map.
The concessions that make up the La Purisima Property, indicated by black outlines with concession names. PP's are concession survey monuments. Topography is from INEGI, 1:50,000 San Pedro Corralitos quadrangle, H13-A62.

The Mexican Constitution maintains a direct non-transferable ownership of the nation's mineral wealth (considered a national resource) that is governed under established Mining Law. The use and exploitation of such national resources is provided for through clear title to a mineral rights concession ("lot" or "concession") that is granted by the Federal Executive Branch for a fee and under prescribed conditions. Mining concessions are only granted to Mexican companies and nationals or Ejidos, (agrarian communities, communes, and indigenous communities). Foreign companies can hold mining concessions through their 100% owned Mexican-domiciled companies. A number of Government agencies have responsibility for enforcing mining laws and its applicable regulations that must be complied with; non-compliance may result in cancellation of a concession.

Mining concessions confer rights with respect to all mineral substances as listed in their Registry document (the "title") provided the concessions are kept in good standing. The main obligations to maintain title to a concession in good standing are performance of work expenditures, payment of mining fees and compliance with environmental laws. Mineral rights fees are paid bi-annually in January and July, and annual proof of exploration work expenditures is done via a work report filed by the end of May of the following year ("assessment" report or "*comprobacion de obras*"). The amount of the mineral rights fees and the amount of expenditures required varies each year. It is calculated based on a per hectare rate that typically increases annually in line with annual inflation rates. The new rates are published each year in advance in the Official Gazette of the Mexican Federation ("*Diario Oficial*").

The application process to acquire mineral rights is established under the Mining Law. Title is granted following a due diligence investigation of a mineral rights application as filed by the qualified party. Mineral rights fees and assessment works are required as of the date a concession title is issued. Following changes to the Mining Law in 2006, there are no longer any difference in Mexico between an exploration concession and a mining concession. The term of a mineral rights concession is 50 years, with the term commencing on the date recorded by the Public Registry of Mining, which is the date title is granted. A second 50-year term can be granted if the applicant has abided by all appropriate regulations, and makes the application within five years prior to the expiration date of the original title.

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

In Mexico, tax payments (*Derechos Sobre Mineria*) must be made bi-annually, in January and July, to keep a concession in good standing once it has been titled. The tax payments are based on the size as well as the age of the concessions. Annual assessment work (*Montos Minimos de Inversion*) must also be completed, and documentation must be filed by May 31 for the previous calendar year. The author has not verified that the tax payments are up to date or that the assessment documents have been filed and is relying on disclosure by the Company.

Mexico is a constituted federation of independent states that has been a party to the North American Free Trade Agreement (NAFTA) since it was signed it into law on December 8, 1993 and effective on January 1, 1994; as such it is governed by a tax and trade regime comparable to the USA and Canada. It operates under western-style legal and accounting systems, with a 30% flat tax rate.

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

4.2.1 Mineral Rights

Compania Minera Roca Dorada, SA de CV, a Mexican company effectively wholly owned by Ethos, entered into an agreement on November 29, 2017 to acquire a 100% interest in certain mineral rights for the La Purisima Property from Coztic Recursos Minerales S. de R.L. de C.V., a Mexican company controlled by the Villar Saenz family (Table 4.1). The terms of the agreement include making staged payments totalling 3,495,000 USD (plus the 16% value added tax) and issuing 3,000,000 common shares of Ethos over a period of 72 months from the date of the agreement for a 100% interest in the Property subject to a 2% Net Smelter Return (NSR) royalty, of which 1% can be purchased by the Company for US$ 1,000,000. The Company must spent US$ 1,000,000 in exploration during the 72 month option period and pay back Mineral Rights taxes (of about US$ 60,000) and pay the Mineral Rights tax and complete sufficient assessment work and file necessary reports to keep the concessions in good standing during the option period. The details of this agreement are shown in Table 4.2, and taken from a contract provided to the author during the writing of this technical report, and Ethos controls these concessions to the best of the author's knowledge.

Mexican Mining Law requires certain Mineral Rights payments, paid each January and July, and an annual minimum exploration work obligation (assessment work), is filed each May for the preceding year. The required amounts are subject to modification as annual fee schedules are released for publication by the Mines Office.

The Mines Department in Mexico issued new regulations effective January 1, 2006, whereby all the Exploration and Exploitation concessions that existed in good standing under the old system were automatically transformed to a single type of Mining Concession valid for 50 years, beginning from the date of their registration in the Public Mining Registry. Under the new decree, all claims in good standing are renewable for an additional 50 year term.

Table 4.1 shows the relevant data including the expiry dates of the mining concessions controlled by Ethos. The author of this report has not verified the good standing of the concessions and has relied on representations made by Ethos.

Table 4.1 Mining Concessions at the La Purisima Project controlled by Ethos

CLAIM	HECTARES	GRANTED	TITLE	EXPIRATION
Minas de la Purisima	280	Nov. 25, 1999	210791	Nov. 25, 2049
La Aurora	390	Dec. 19, 1991	191779	Dec. 19, 2041
Serena 1	100	Mar. 30, 2006	226908	Mar. 30, 2056
TOTAL	**770**			

Concessions were originally titled to Jose Saenz Castillo and Carlos Villar Saenz, and were transferred to Coztic Recursos Minerales S. de R.L. de C.V.

Table 4.2 Terms of the Option Agreement for the La Purisima Property

To be paid by Ethos to Coztic	US Dollars	Shares	Expenditures
Period			
At date of signing with notary	45,000	50,000	
12 months from signing	100,000	100,000	
24 months from signing	250,000	250,000	
36 months from signing	350,000	350,000	
48 months from signing	500,000	500,000	
60 months from signing	750,000	750,000	
72 months from signing	1,500,000	1,000,000	1,000,000
TOTAL	**3,495,000**	**3,000,000**	**1,000,000**

Option agreement for 100% of the rights to the concessions in Table 4.1 subject to a 2% Net Smelter Return royalty.

4.2.2 Surface Exploration Rights

Mining concession licenses in Mexico are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions, and commonly involve leasing of the surface rights.

In Mexico surface rights are owned by private persons or ejidos (local communal organizations), and agreements for access must be made with the surface owners to do significant work. The surface rights covering the La Purisima Project include a private parcel. An agreement with the owner of the surface rights over the areas to be explored by drilling has been obtained.

Surface ownership over most of the area of interest at La Purisima is largely held by Pedro Jose Garcia Gutierrez, and lies within the Cerros Blancos Ranch (Fig. 4.3). The Company has entered into a surface access agreement for exploration and exploitation of the Project. The author of this report has reviewed this contract that includes the legal description of the ranch property; however, an exhaustive legal review was not made by the author of this report, and the author has relied on representations made by Ethos. To the best of the knowledge of the author, Ethos controls surface access of the portion of the Cerros Blancos ranch overlying the La Purisima Project.

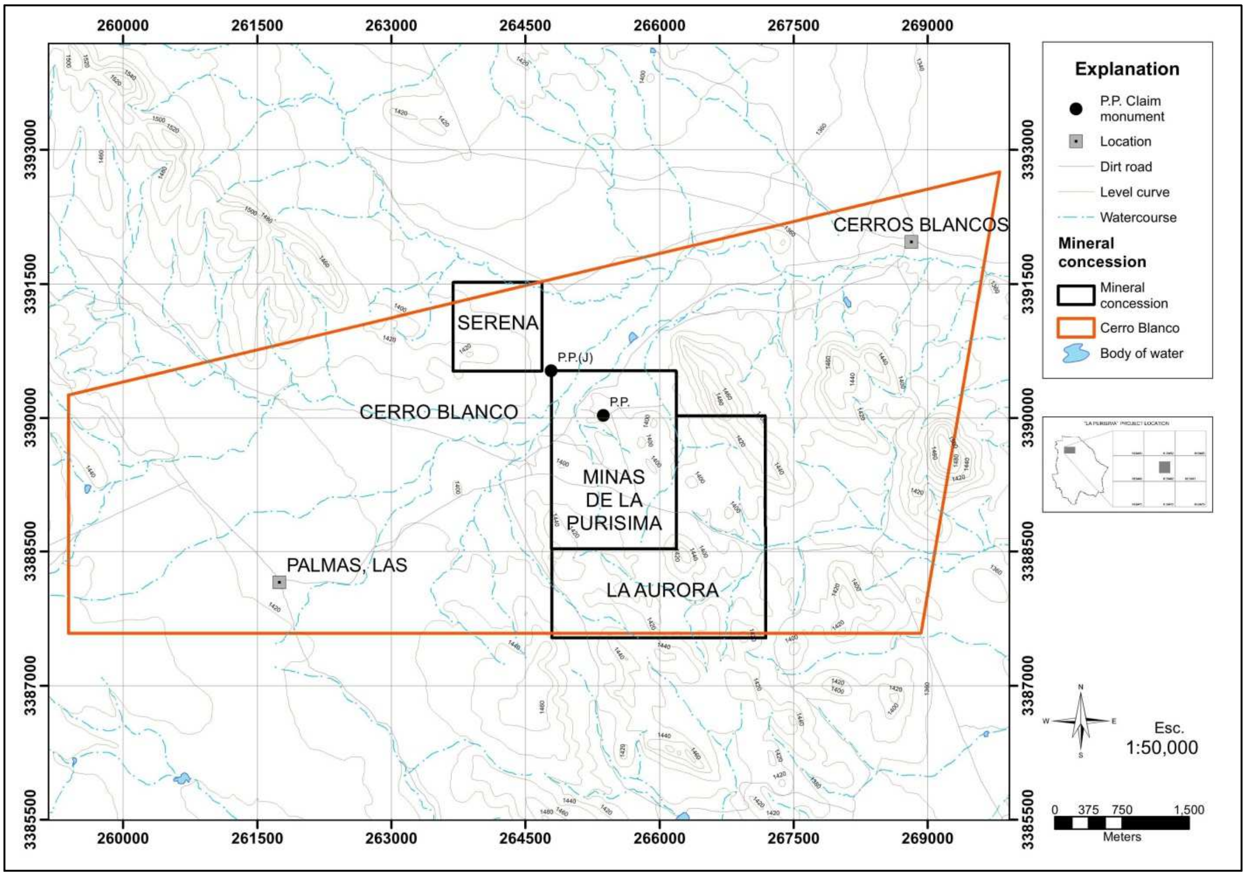

Figure 4.3 La Purisima Project mineral rights with surface ownership.
Surface access rights for the area of the La Purisima Project concessions that lie within the Cerros Blancos ranch (outlined in red) have been obtained by the Company to allow exploration work.

4.2.3 Permits and other Considerations

All permissions and applications required for the exploitation process must be performed in accordance with the applicable Mexican Official Laws and Standards (Normas Oficiales Mexicanas). To the author's knowledge, Ethos' La Purisima Project does not fall within any protected area or special jurisdiction and there are no known existing environmental liabilities located on the Project.

At the present time, and up until exploration activities have progressed further, no permits are required for exploration activities. For road rehabilitation and drilling on existing roads in the future, permits include a letter of initiation of activities received and sealed by the government authority and a Preventive Notice (*Informe Preventivo*). A Change of Land Use (*Estudio Tecnico Justificativo de Cambio de Uso de Suelos*) and Environmental Impact Statement (*Manifiesto de Impacto Ambiental*) are required for construction of new roads and drill sites and cover the areas with proposed surface disturbance. The required permits and their progress status at La Purisima are shown in Table 4.3.

Environmental permits required for early stage exploration that affects small surface areas, such as for road rehabilitation and limited road and drill pad construction for small programs, are obtained following a straightforward process including field surveys of flora and fauna in the areas to be affected and application to the proper authorities within the government with a report advising as to the scope of work to be undertaken. A surface access agreement is necessary. The cost for the application and the period for review by the authorities are specified by law. The author has no reason to believe that these environmental permits cannot be obtained, and knows of no environmental liabilities at the Property.

The concessions that make up the La Purisima Property, indicated by the tan color and blue outlines lines, and extend slightly off of the map. Concessions in the red color and with red outlines are owned by third parties. See Figure 4.3 for the details of the concessions in the La Purisima Project area. Topography is from INEGI, 1:50,000 San Pedro Corralitos sheet, H13-A62.

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

Table 4.3 Permitting Requirements

Permit	Relevant to	Status
Letter of Initiation of exploration activities	Exploration	Not yet necessary
The Preventative Notice (Informe Preventivo);	Exploration	Not yet necessary, allows drilling along existing roads and surface disturbance, about 30 days for reception
The Permit for Change of Land Use and Environmental Impact Statement issued by the State Delegations of Secretary of the Environment, Natural Resources and é Fisheries (SEMARNAT)	Transitional, required for areas of surface disturbance	Not necessary at this point, needed for construction of new roads and drill pads, about 60-90 days

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

5.1 Topography, Climate, Physiography

The La Purisima Property is located in the eastern foothills of the Sierra Madre Occidental mountain range of Chihuahua State in northern Mexico. Topography is relatively flat with steep hills and ranges from moderate to rugged with elevations varying from 1350 metres to over 1450 metres above sea level. The Company's exploration activities are conducted primarily between 1370 and 1400 metres elevation. The Project lays near the El Venado-Cerros Blancos drainage to the north that feeds a series of intermittent streams that drain to enclosed basins and playa lakes.

The climate in the region is classified as semiarid, with an average annual temperature of 16.6 degrees Celsius with average highs of 26 degrees Celsius and average lows temperature of 8 degree Celsius, but temperatures can be extreme and can range from subzero to 35 degrees Celsius. Precipitation averages 316 millimetres per year. Rainfall occurs mainly from July through September during a monsoonal tropical wet season that includes the influence of hurricanes from both the Atlantic and Pacific oceans. Winters are dry with occasional rain or snow falls in December and January.

5.2 Vegetation

Thorny plants and cacti dominate the vegetation on the Project. Vegetation is desert-like during the dry winter months, with lush tropical growth during the wet summer season and along the river valley. Surface land use in the immediate area of exploration interest within the Project is devoted to cattle grazing and is generally uninhabited.

5.3 Accessibility

The project can be accessed via the main Federal highway (45 and 45D the toll portion) from Chihuahua to Ciudad Juarez, taking highway 7 to Gomez Farias. One takes the 54D toll road at Galeana instead of the road to San Buenaventura, and turns to the north to the town of Del Valle (Fig. 5.1), a Menonite community with a small population but siginifcat infrastructure including a service station, restaurants and hotels located about 2 hours from Chihuahua City. The property is reached from Del Valle via a 1.5 hour drive on 25 km of paved road and 55 km of good to moderate quality all season unpaved roads northerly towards Cerros Blancos, continuing westerly to the Cerros Blancos ranch. The property is accessed by a 3 km moderate quality dirt road. One can also access the property via the town of Nuevo Casas Grandes towards San Pedro Corralitos Station on generally poor quality dirt roads. Exploration activities can be carried out year round.

5.4 Local Resources and Infrastructure

The area is isolated and does not offer significant infrastructure, although an unskilled work force is available in nearby small communities. The Casas Grandes and Buenaventura municipalities have populations of about 60,000 and 25,000 respectively with the largest towns being Nuevo Casas Grandes with 55,000 inhabitants and San Buenaventura and Gomez Farias with about 7,000 and 2,500 inhabitants, respectively. The closest power lines are about 9 km from the Project. All major supplies and services are available from the mentioned cities or Chihuahua, the State capital, which is a 3.5 to 4.0 hour drive from the Project, Figure 5.1. Skilled labor and heavy equipment is available in these communities.

The nearest available international airport is in Chihuahua with a landing strip suitable for large aircraft. The border cities of Ciudad Juarez and El Paso are approximately the same distance from the Project. The Project lies within a largely enclosed catchment basin that drains to the El Barreal playa lake; water supply for drilling is available year round.

6.0 HISTORY

The Purisma prospect has been subject to small scale mining in the past, and numerous small mine working and prospect pits are found in the area (see Fig. 7.1). The early history of the region began with mining by the Spanish at San Pedro Corralitos during the Colonial Period, with production in 1680 and 1750 (Lloyd, 2001, SGM, 2003). The town of San Pedro Corralitos was officially founded in 1839 and the mines exploited bonanzas in 1847-1878 and 1889-1910. Prospecting and mining at La Purisima likely began at this time.

Several modern exploration programs have been carried out at the project, including by Compania Fresnillo (Fresnillo), Teck Resources Ltd. (Teck), and junior explorers Pandora Industries Ltd. (Pandora) with Pacific Amber Resources Inc. (Pacific Amber) as detailed below. Some of these will be described in more detail in Section 9, Exploration.

Data on past work at the Property from Haynes (1998):

1980's - 90's:	Small tonnage production of gold, silver, copper and manganese were exploited from several areas of the Property.
1990-92:	Fresnillo completed a mapping, trenching and sampling program.
1992-94:	Teck Resources conducted an exploration program including drilling of 5 Reverse Circulation (RC) holes totaling 618m.
1994:	The government geological survey, Consejo de Recursos Minerales (CRM, now Servicio Geologico Mexicano, SGM), complete a geological study on the property including underground and trench sampling.
1996:	Nord Pacific completed a ground geophysical program and trenching.
1997:	The SGM carried out a four-hole diamond drill program in two areas.
1997-98:	Pandora Industries and Pacific Amber Resources carried out geological, geophysical and geochemical surveys.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The regional geology of northwestern Chihuahua is characterized by the transition from thick Tertiary volcanic sequences in the Sierra Madre Occidental to the west, to the Mexican Fold and Thrust Belt of the Sierra Madre Oriental to the east (Campa and Coney, 1983) (Fig. 7.1). The Purisima Property is located in this transitional zone where Tertiary volcanic rocks overlie Cretaceous sedimentary rocks that are variably exposed in a region characterized by basin and range style faulting (Fig. 7.2).

In general the Cretaceous rocks in northern Mexico are composed of massive to medium bedded limestone and clastic rocks composed of sandstone and arkose, shale and locally conglomerate. Fig 7.3 shows the tectonic evolution of the region and the associated rock packages as described below. During the Jurassic the area was part of a high known as the Aldama platform and was emergent, but was part of the Chihuahua trough during the Cretaceous (Haenggi, 2001, 2002). The distribution and lithologies of the sedimentary rocks in the region were controlled by the tectonic framework during the Jurassic and Cretaceous, and these rocks crop out in relatively restricted areas in northern Chihuahua Fig. 7.4). The Mesozoic rocks were probably deposited on Paleozoic and older basement rocks that are near the edge of the North American Craton (Haenggi, 2001).

During the latest Cretaceous to early Tertiary (Laramide), the north central portion of Mexico was volcanically active, presumably related to subduction along the western continental margin. The Cretaceous sedimentary rocks were folded and intruded by intermediate and felsic rocks as well as both basic and felsic dikes and sills and are overlain by andesitic volcanic rocks (Fig. 7.4). Calc-alkaline intrusions are related to mineralization in many areas.

A thick sequence of younger volcanic rocks was emplaced in the Oligocene to Miocene (Fig. 7.4). Two sequences of Tertiary volcanic rocks are commonly recognized, termed the Lower Volcanic Sequence or Supergroup (LVS) and the Upper Volcanic Sequence or Supergroup (UVS) McDowell and Clabaugh (1979). The LVS is generally of intermediate composition and consists of andesite flows, flow breccias, and locally agglomerate. These rocks are probably transitional to the intermediate volcanic rocks of Laramide age described in the previous paragraph. The LVS is overlain by felsic volcanic rocks of the UVS. This sequence generally consists of various units of pyroclastic and flow rocks. The terms UVS and LVS have been used over large areas of Mexico both formally and informally but in general the ages and sources of the rocks have not been determined with certainty. Later Oligocene or Miocene basalt to basaltic andesite and rhyolite flows and domes cap the Tertiary sequence in some areas and is likely part of bimodal volcanism associated with extension.

Quaternary rocks in the region consist mainly of alluvium and colluvium as well as lacustrine sediments. Alluvial and colluvial deposits cover large areas of the intermontaine valleys characteristic of the region (Fig. 7.4). Some of the intermittent rivers drain to enclosed basins filled by playa lake sediments.

The structural geology of the region is characterized by strong folding and thrust faulting in the Cretaceous sedimentary rocks that occurred during the Laramide Orogeny, and NNW normal faulting that occurred during Tertiary extension. The northwest fabric is readily visible on regional geologic maps and on government aeromagnetic maps (Fig. 7.4, 7.5, 7.6). Mineralization in the region occurs as skarns and carbonate replacement deposits such as at Bismark (Fig. 7.4), Santa Eulalia and San Pedro Corralitos (Fig. 7.4) that formed in the Cretaceous rocks proximal or distal to Laramide intrusions. Porphyry copper mineralization has also been recognized at Guaynopita, Promontorio and Corralitos in Chihuahua. Tertiary mineralization occurs as precious metal bearing epithermal veins and breccias such as at Pinos Altos and Dolores and polymetallic veins as at Candamena. Mineralization in the Project area is largely hosted by Tertiary volcanic rocks and Mesozoic rocks are restricted in outcrop (Fig. 7.5).

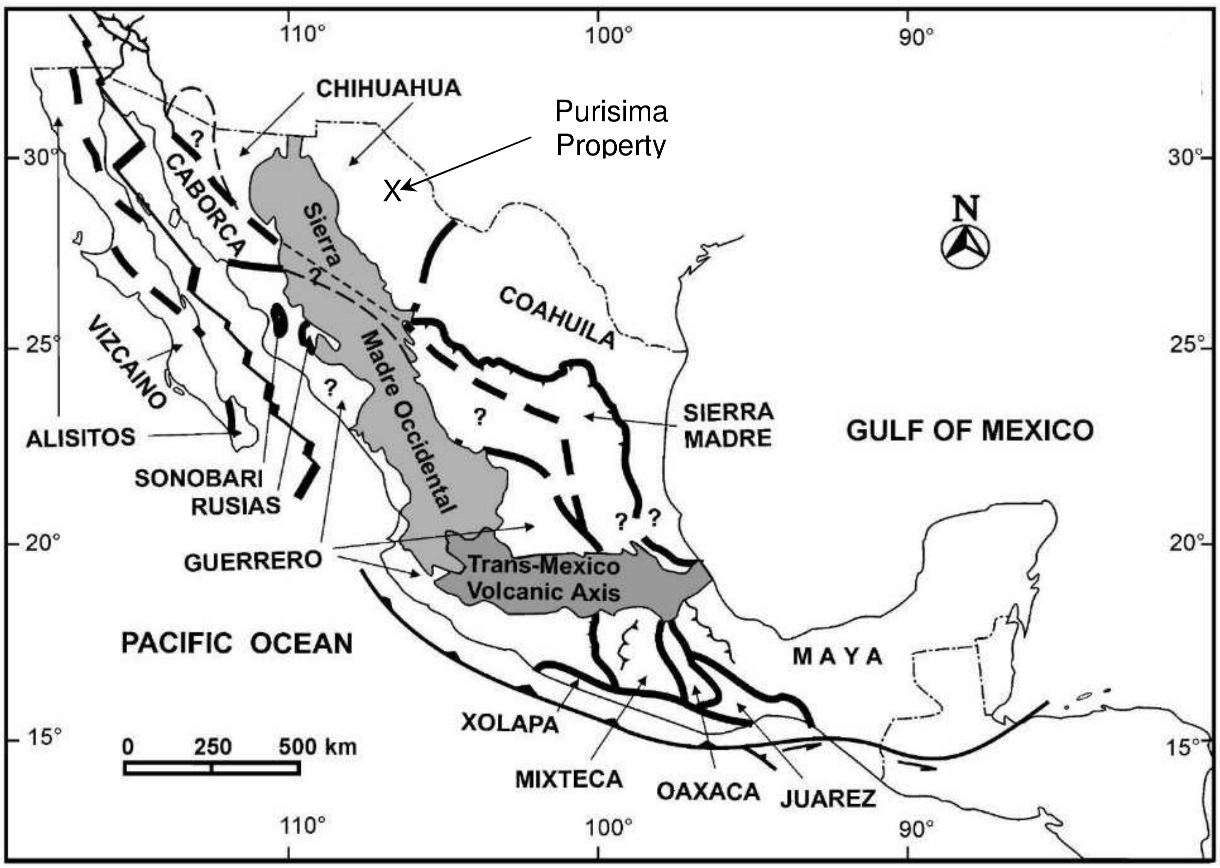

Figure 7.1. Tectonostratigraphic terranes of northeastern Mexico.
Map showing the Purisima Property in the Chihuahua terrane. The Sierra Madre Occidental lies to the west and the Sierra Madre Oriental to the southeast. After Campa and Coney (1983).

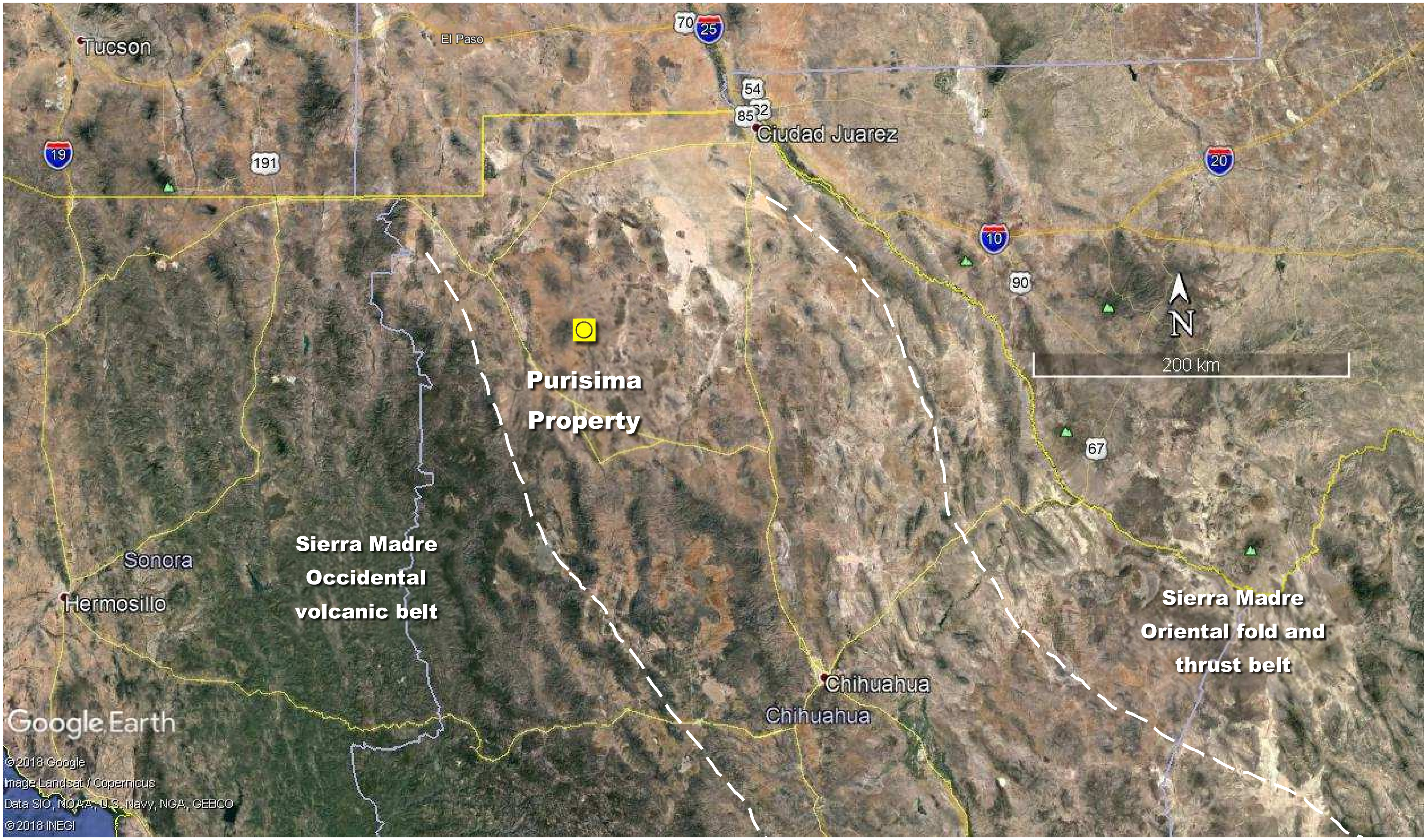

Figure 7.2 Google earth image of the Chihuahua region.
The Purisima Property is located in a region of basin and range type faulting near the boundary of the Sierra Madre Occidental volcanic belt and west of the Sierra Mad

re Oriental fold and thrust belt.

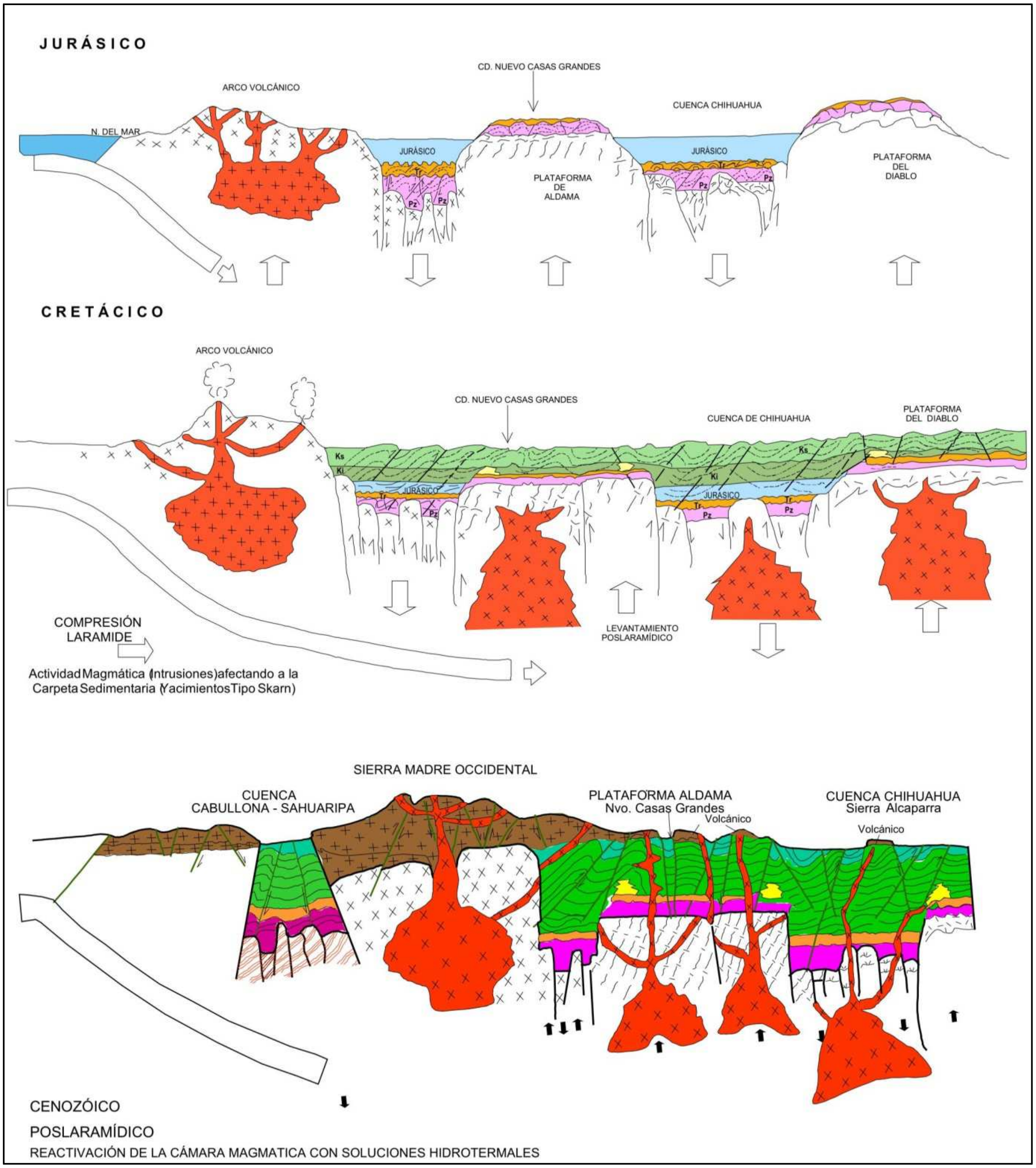

Figure 7.3 .Tectonic evolution of north central Mexico.
Schematic sections showing the tectonic evolution of the area surrounding the Purisima Project, near Nuevo Casas Grandes, from the Jurassic to the Tertiary. The Chihuahua trough and Aldama platform controlled the distribution of Mesozoic sedimentary rocks that were deformed and covered by Tertiary volcanic rocks. From Hernandez-Velazquez et al, 2003.

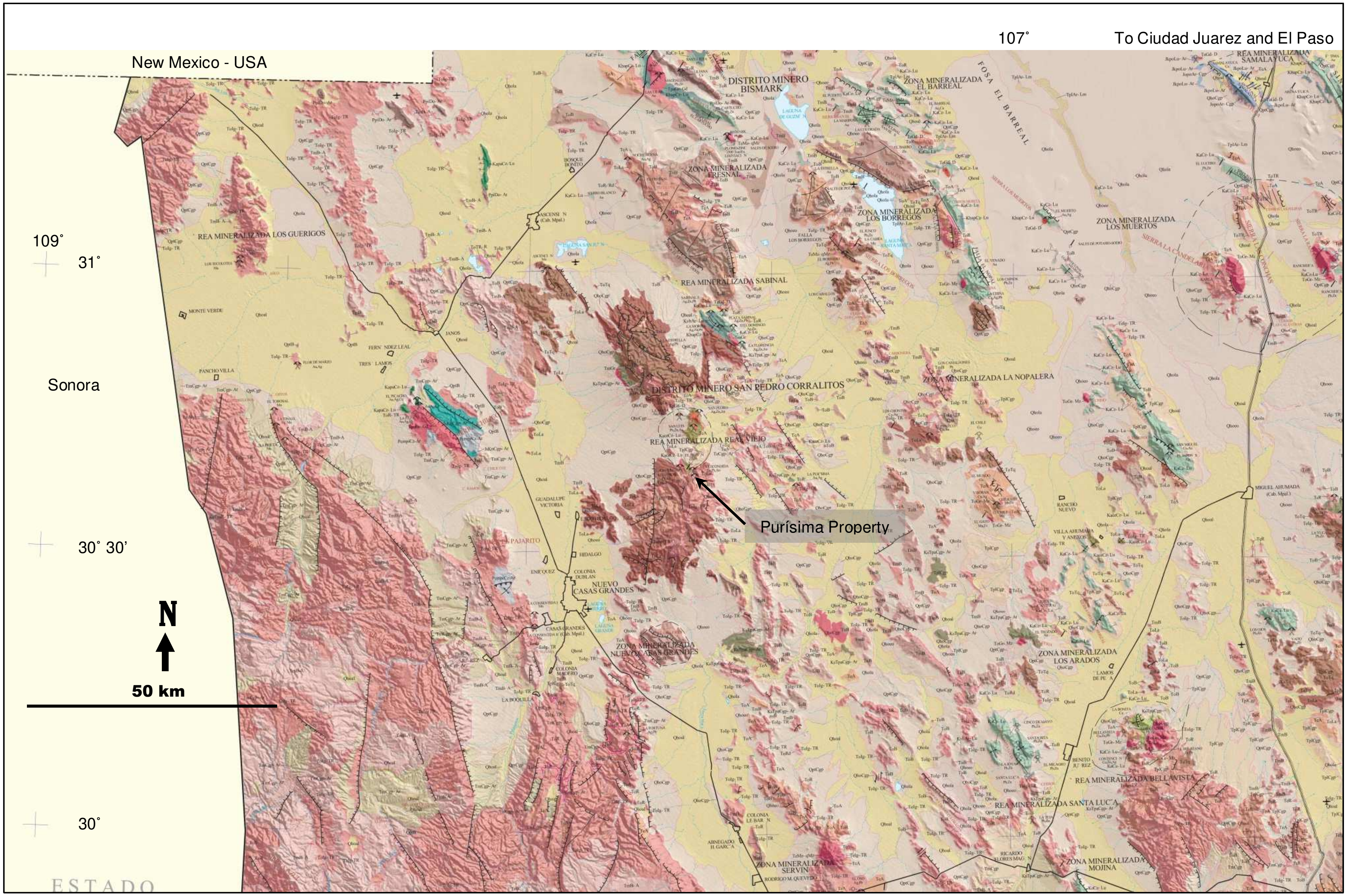

Figure 7.4 Regional geologic and Property location map.

Portion of the 1:500,000 Geologic-Mining map of Chihuahua. Green colors are Mesozoic sedimentary rocks. Red and pink are intrusive rocks, mostly Cretaceous or Tertiary in age. Brown and light pink colors are Tertiary volcanic rocks. Light brown and yellow are Quaternary sediments. Modified from 1:500,000 scale Carta Geológico-Minero Estado de Chihuahua (SGM, 2008).

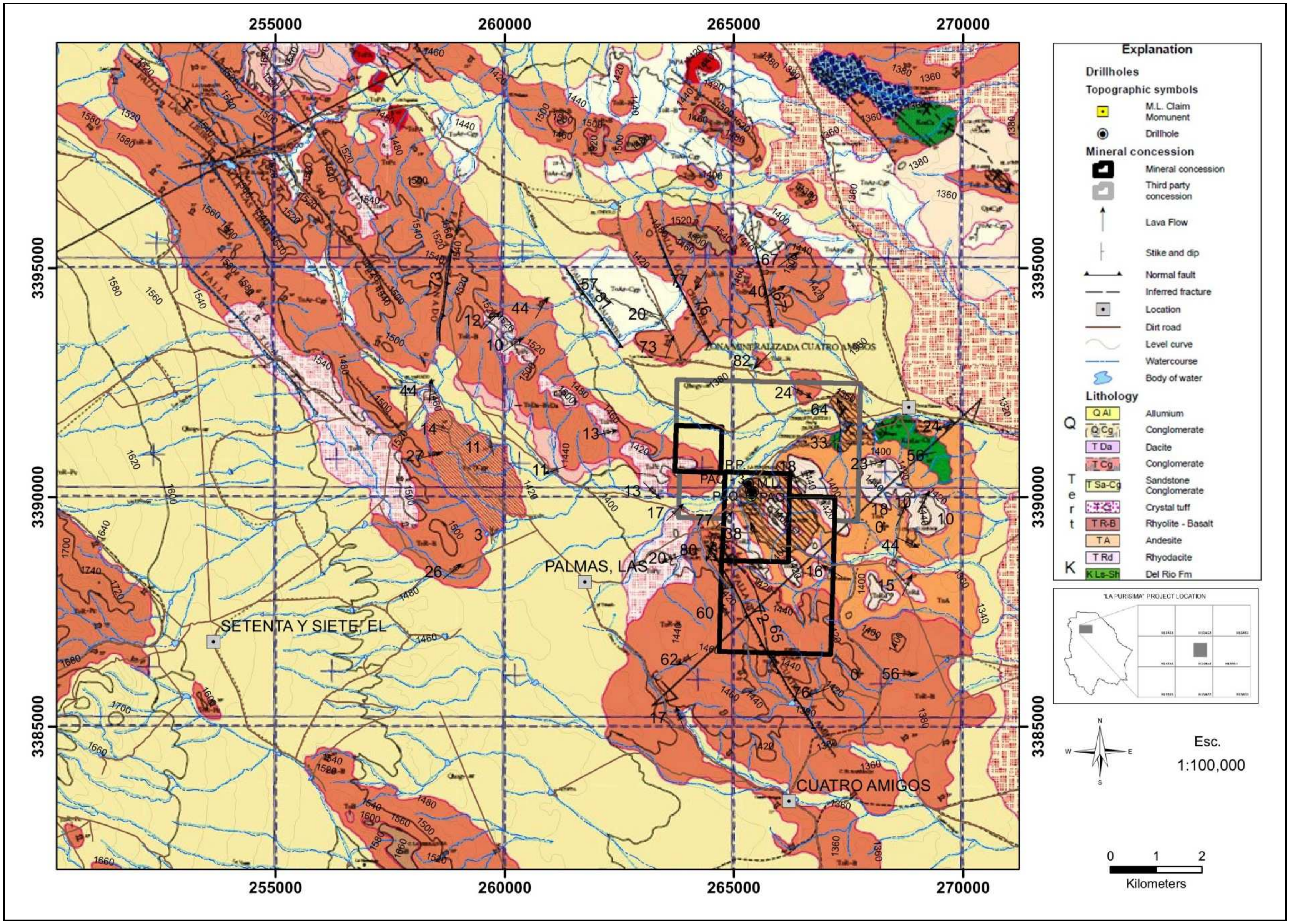

Figure 7.5 Geologic map of the La Purisima Project area.

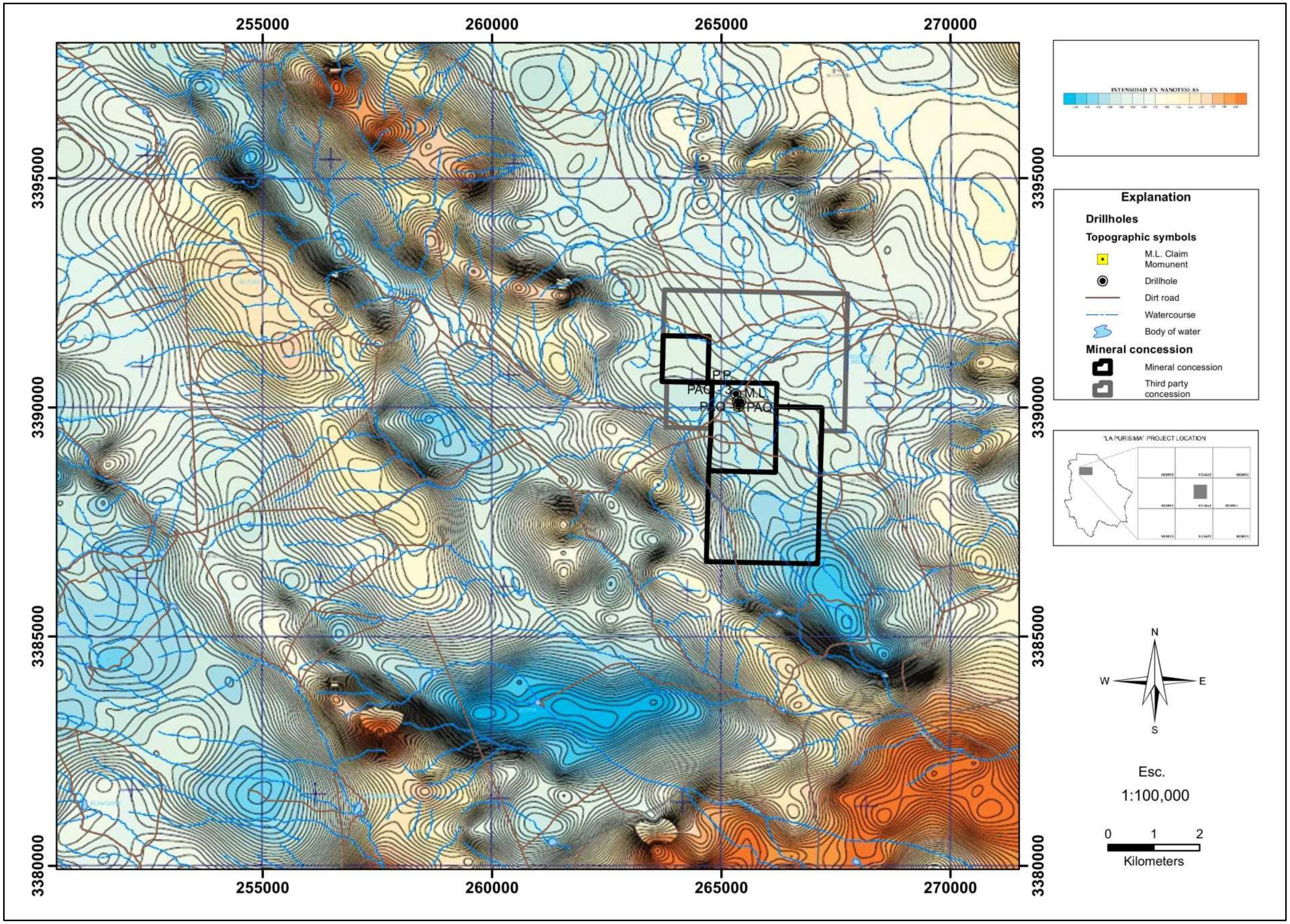

Figure 7.6. Reduced to the pole aeromagnetic map of the Purisima Project area.
Magnetic highs and lows define a northwest trending structural trend. After SGM (2013).

7.2 Project Geology

The project area is mostly underlain by Tertiary volcanic rocks and Quaternary alluvium (Fig. 7.5). Mesozoic sedimentary rocks of the Del Rio Formation are exposed to the east of the Property but were not observed at the site. These rocks were observed by Haynes (1998) in restricted outcrops on the property and in drill holes. The generalized stratigraphy of the Project is shown in Fig. 7.7.

Unit	Lithology	Age	Comments
Surficial deposits	Alluvium and colluvium	Recent	
Rd	Rhyolite flow domes	Tertiary	After Vasquez and Molina (2004)
Unit 2	Rhyolite crystal tuff	Tertiary	After Haynes (1998)
Unit 1	Andesite and basaltic andesite, 5 facies	Tertiary	After Haynes (1998)
1A	Fine grained gray-green basalt	Tertiary	Locally hosts mineralization
1B	Vesicular basalt/basaltic andesite	Tertiary	Locally hosts mineralization
1C	Banded andesite	Tertiary	Locally hosts mineralization, mixed with other units
1D	Monolithic basalt agglomerate	Tertiary	Mixed with other units
1E	Trachytic agglomerate	Tertiary	Found in restricted area
Del Rio Formation	Sandstone, shale and clayey limestone	Cretaceous	Observed in drill holes and rarely on surface

Figure 7.7. Summary of stratigraphy at the Purisima Project.

7.2.1 Mesozoic Sedimentary Rocks

The only Mesozoic rock exposed near the Property is composed of sandstone, shale, and 'dirty' limestone of the Del Rio Formation (Robles, 1994, Haynes, 1998). A large outcrop of this unit is shown to the east of the Property on the government geologic maps (Fig. 7.8) and is visible as one drives along the main access road from Rancho Cerro Blanco. Haynes (1998) states that this rock is exposed in the eastern portion of the Property and is probably in fault contact with the Tertiary volcanic units. Sedimentary rocks were also reportedly encountered in drilling around the historic Purisima workings.

7.2.2 Tertiary Volcanic Rocks

The area surrounding the La Purisima Property is covered by a bimodal volcanic sequence of Oligocene or Miocene age. In the Project area, the rocks are composed mainly of an andesitic to basaltic andesite unit and a rhyolitic unit. Rhyolitic rocks occur as flow banded units that probably formed as domes as well as tuffaceous units. The contacts between these units were not observed, but they are believed to be of approximately equivalent ages. The rocks have not been well studied except in a relatively small area of the Property.

Haynes (1998) and previous workers he cites separated the rocks into two main units, Unit 1, a basic to intermediate basalt-andesite and Unit 2, rhyolitic crystal tuffs. Unit 1 unconformably overlies the Mesozoic sedimentary rocks and is separated into five facies, two of which are readily identifiable, unit

1B, a vesicular basalt, and unit 1D, a monolithic agglomeratic basalt. The other units are intermixed; unit 1A, fine grained gray-green basalt and 1C, 'banded' andesite, or have uncertain relationship to the others or are restricted in outcrop area, 1E, a trachytic agglomerate. The rhyolitic unit is composed of rhyodacite domes and a rhyolitic crystal tuff. The latter unit is the Unit 2 of Haynes (1998) and may be related to base surge and other deposits related to the domes. The andesitic to basaltic unit covers most of the area visited at the Purisima prospect with locally more mafic vesicular units.

7.2.3 Quaternary sediments

The quaternary is represented by colluvium and talus deposits surrounding the ranges and by alluvium in the river valley at the northern end of the property.

7.2.1 Structure

The main structural feature on the property is the NNW to NW strike of the veins at the historic Purisima workings and adjacent areas (Fig. 7.8). Based on few observations of slickensides and fault surfaces, it appears that the veins in the Purisima workings are hosted in a normal fault zone with a northwesterly strike and southwesterly dip (7.9). This fits the general interpretation shown on the Pandora cross sections (after J. Islas of the Teck drilling) with westerly dipping faults and breccia zones and down to the west displacements (*see* Figs. 10.1 to 10.4). A shear cleavage several meters in width present in the andesitic rocks adjacent to the southeastward extension of the vein system (Fig. 7.10). The rock with the shearing is slightly resistant to erosion and sits higher than the surrounding rock. Haynes (1998) also interpreted a fault between the Del Rio Fm. sedimentary rocks and the younger volcanic rocks in the eastern portion of the property. This fault would likely be a normal fault parallel to the structural grain.

7.2.2 Alteration and Mineralization

In the area of the Project alteration and mineralization are dominantly constrained to the northwesterly structural zones mentioned previously. The main alteration assemblages are moderate to pervasive silicification and clay-illite alteration, both associated with iron oxides, mainly hematite and goethite. Jarosite is locally present. The alteration and iron oxides and bleaching is associated with the structural zone and with quartz veins and stockwork zones; masses of fine grained pyrite with silica are locally preserved (Figs. 7.11, 7.12). In general the alteration envelopes around the structures are relatively narrow except where multiple parallel structures are present such as at the Purisima workings.

Several veins and vein systems are known throughout the Property, including the Purisima vein, the Cuatro Amigos vein located about 150 meters west of Purisima, Jasper or East vein to the east of Purisima, Lechuza which may be the strike extend of the Purisima vein, and several outlying veins at Venadas-Margaritas, Esperanza, and the Calcite or Manganese vein, and other areas (Fig. 7.13). The veins are dominantly composed of fine grained quartz or silica, with locally abundant calcite and barite. Some veins reportedly contain significant copper and manganese with iron oxides (Haynes, 1998).

In the area of the Purisima workings the vein seems to split into several branches and at least some of them turn to the north and dip at a lower angle, about 45 degrees to the west. This area has been exploited in the past by shallow underground workings and by a more recent small open pit (Figs. 7.14, 7.15).

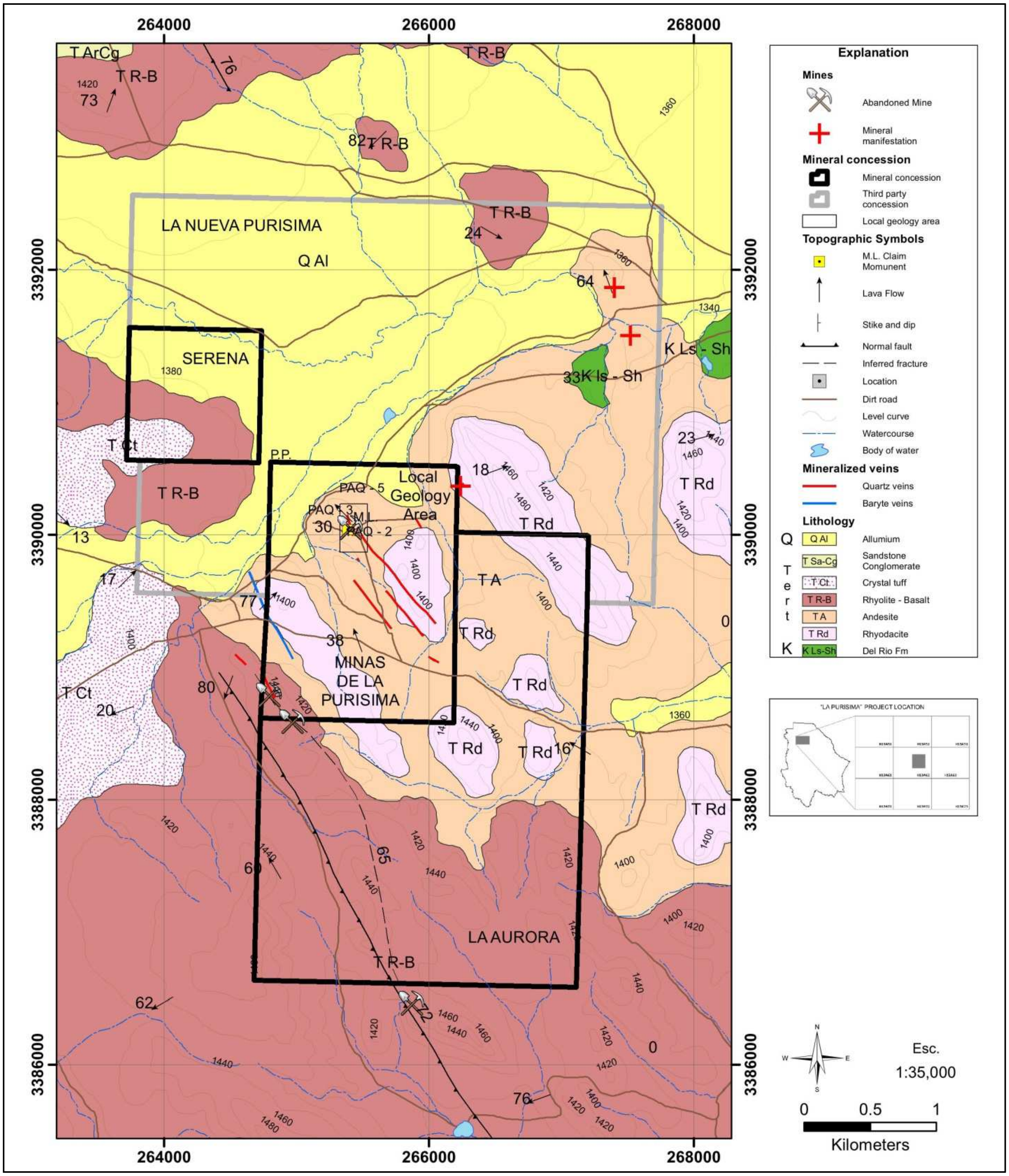

Figure 7.8 Geology of the Purisima Project.
Modified from Vazquez and Arzabala, 2005.

Figure 7.9 Fault exposed in the Purisima workings.
Fault with steeply raking striations within Purisima vein structural zone. Fault strikes N5E and dips 60NW. Photo taken in open pit. UTM WGS84, E265,412, N 3,390,052.

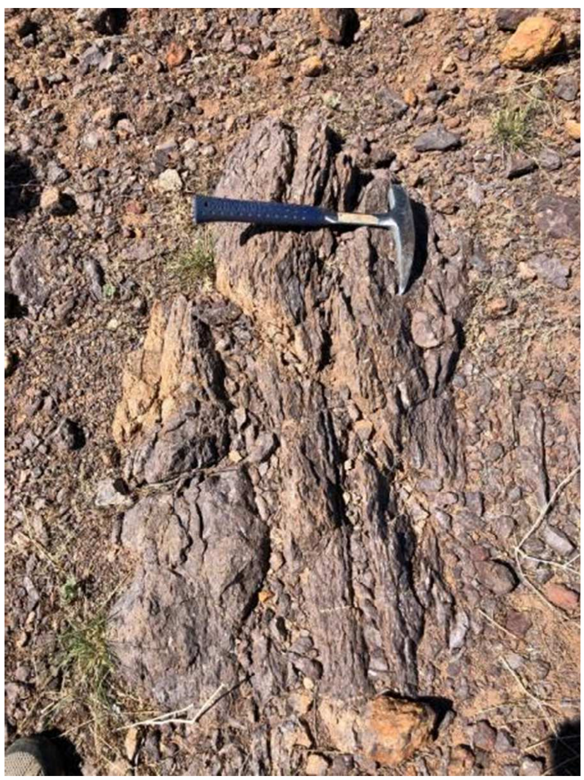

Figure 7.10 Sheared andesite in footwall of vein system.
Shear cleavage developed in footwall of the Jasper vein, striking about N45W with a steep to vertical dip. UTM WGS84, Z13, E 265,619, N 3,389,851.

Figure 7.11 Bleached volcanic crock with iron oxides around Purisima vein.
Small pit that exploited the vein is visible behind the truck in the center of the photo.
Photo by Mel Herdrick. UTM WGS84, E 265,375, N 3,390,164.

Figure 7.12 Alteration and iron oxides associated with quartz veins.
Iron oxide-bearing veins and fractures in bleached variably silicified fine grained volcanic rock. Near the top of the image where a foot is visible is a zone of silicified rock with abundant pyrite (gray).
UTM WGS 84, E 265,396, N 3,390,097.

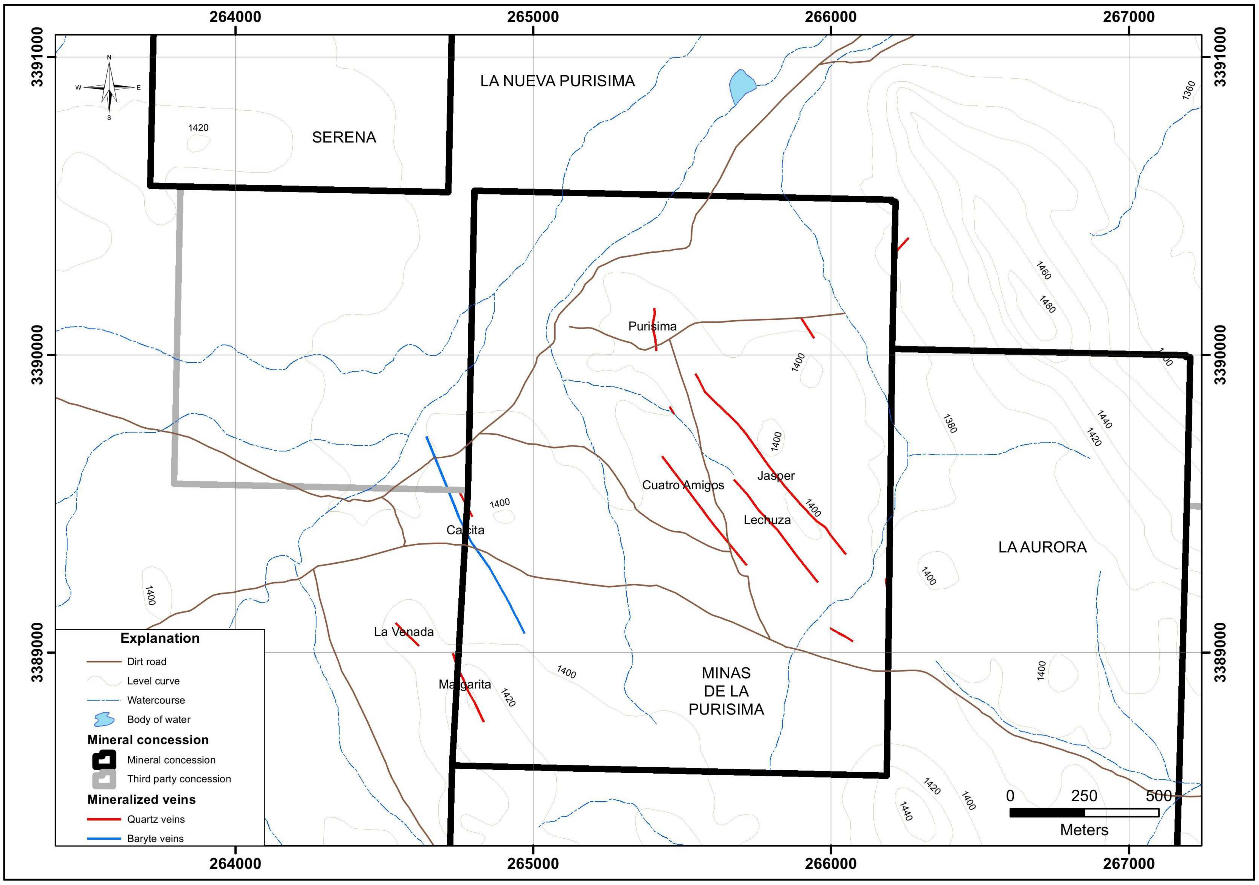

Figure 7.13 Veins at the Purisima Project
Map showing vein distribution at the Project.

Figure 7.14 Small open cut developed on the Purisima vein.
Cut shown in Fig. 7.22 that exploited the Purisima vein, roughly indicated on the longitudinal section of Fig. 9.2, and site of two samples taken by the author. UTM WGS84, E 265,401, N 3,390,089.

Figure 7.15. Mine workings at the Purisima Project.
Shallow mine workings at the northern end of the Purisima vein. In this area the vein has a N-S strike and dips 40W. Left figure looking north, UTM WGS84, E 265,371, N 3,390,164. Right figure looking southwest, by Mel Herdrick. UTM WGS84, E 265,373, N 3,390,179.

8.0 DEPOSIT TYPES

Mineralization at La Purisima conforms to the characteristics of a low sulfidation epithermal system and is considered to be associated with this style of mineralization as described by Buchanan (1981), Figure 8.1. Some workers have classified the deposit as of the Hot-Springs type, but in the author's opinion the distribution of mineralization and the silica distribution and textures do not seem to fit that model, but perhaps the gold mineralization is telescoped and shallower than in the model shown. The erosion level is probably relatively shallow, at about 50-100 m in the model. Mineralization is related to a probable middle Tertiary age volcanism and mineralization recognized in other areas in the Sierra Madre Occidental of Chihuahua and Northern Mexico.

The exploration program presented in Section 18, Recommendations, is designed to test the mineralization at the property based on the characteristics of this type of deposit as shown in Fig 8.1 and on the author's experience at other similar deposits. The presence of mineralization along the known structural zones and possible previously unknown zones will be tested using the distribution of typical indicator elements such as arsenic, antimony and mercury as well as alteration assemblages at the surface and will be tested in the subsurface through drilling.

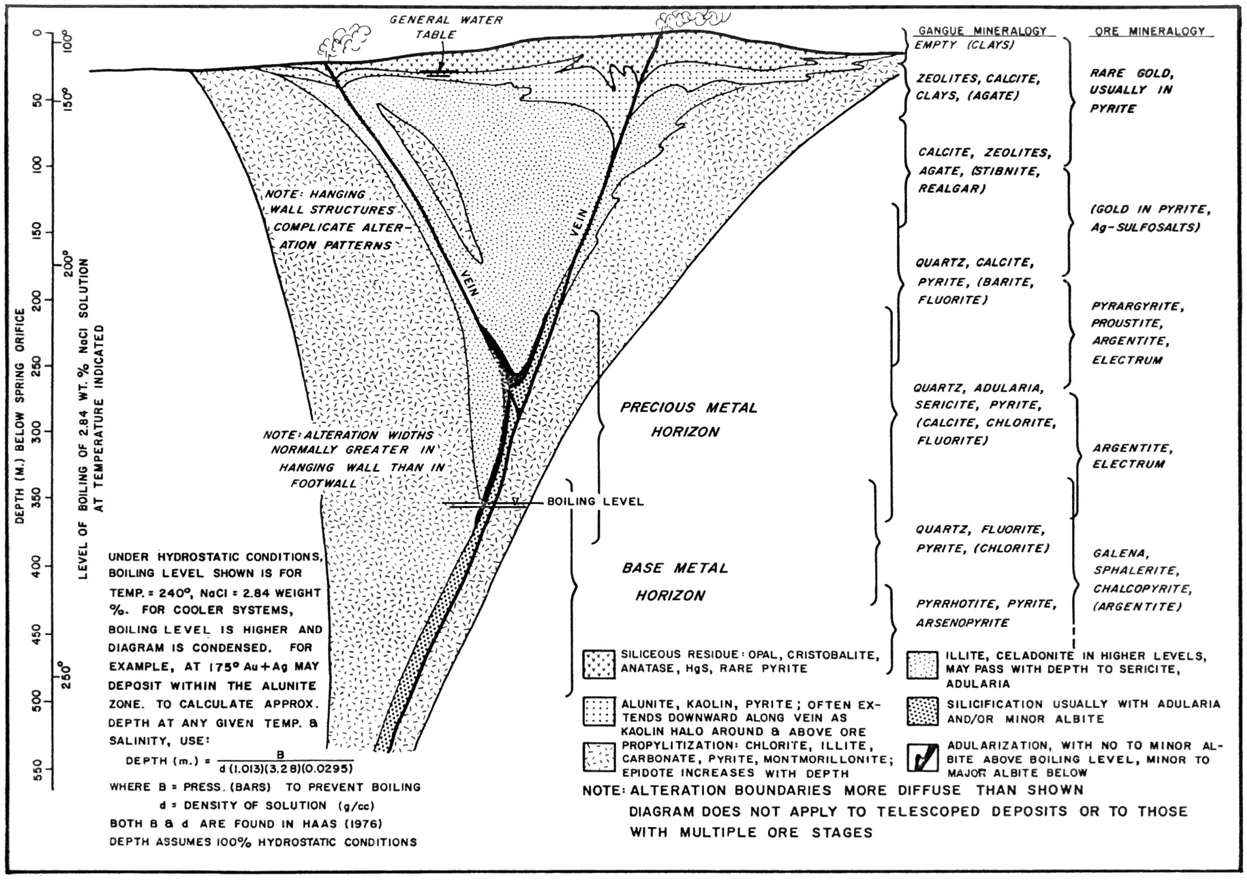

Figure 8.1 Mineralization model for La Purisima.
Schematic model for mineralization associated with a low sulfidation epithermal vein. Perhaps the Precious metal horizon could be telescoped and shallower than that shown. From Buchanan (1981).

9.0 EXPLORATION

The Company has completed almost no exploration at the La Purisima Project other than the property visit by the Author of this technical report and brief visits by principals of the Company. Several Public and private companies as well as the Servicio Geologico Mexicano (SGM) have explored the project in the past (*see* section 6, History). The property was explored in the past by Teck Resources Ltd. (Teck), and by Pandora Industries Inc. (Pandora) with Pacific Amber Resources Ltd. (Pacific Amber). Incomplete datasets for both programs are available in a summary report by L. Haynes for Pacific Amber (Haynes, 1998). The Company has information from past exploration programs including a sample database that it has compiled and published and unpublished reports. Also, the property vendors completed some small scale production more recently but this information is not available. The information on exploration carried out by third parties is summarized below.

9.1.1 Teck

Little is known about the Teck exploration program except that 5 RC holes were completed. The work was carried out by Minera Cascabel that was contracted for work by Teck at that time, and information may be available from that company. Four RC holes were drilled in the area of the historic Purisima workings, and one hole was drilled to the north in the river valley exploring for the strike extension of the vein system. The locations of the first four holes were recorded during several of the subsequent studies, but have been lost due to surface disturbance. Only the cement plate of hole PAQ 1 was identified during the author's visit, and the plate had probably been moved from its original location. The location if hole PAQ 5 is only available on a property scale map from Chairez (1997). The Teck drill program is further discussed in Section 10, Drilling.

9.1.2 SGM

The SGM published a report on the Project in 1994 (Robles, 1994). This report included geological descriptions, mapping and sampling of the underground workings and in 11 trenches in the Purisima area, and a resource calculation. The SGM completed detailed mapping of the veins in the area of the Purisima workings showing several splits and a turn in the northwest striking veins to the north (Fig. 9.1). They also mapped and sampled the underground workings, which consisted of a shaft of about 45 meters depth and three levels of drifting about 50 meters in length with some stoping (Fig. 9.2). A series of trenches were also dug along the vein system (Fig. 9.1).

In the 1994 report, the SGM evaluated several scenarios and concluded that there was a resource (they called it a proven and probable reserve) of 7,485 tonnes around the old workings with 3.36 g/t Au and 46 g/t Ag over a width of 2.36 meters, and an additional tonnage of inferred material based on surface sampling in trenches that varied from 71,010 tonnes with 3.22 g/t Au and 30 g/t Ag with an average width of 6.65 meters to as much as 233,422 tonnes with 1.88 g/t au and 17 g/t Ag with an average width of 19.27 meters, depending on the cutoff grades of the samples utilized (Fig. 9.3). This resource estimate was not conducted to standards for NI 43-101 and should not be relied upon. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the Company is not treating the historical estimate as current mineral resources or reserves. The grades and widths are only useful as a general guide to the tenor of the mineralization at the Property based on surface and underground sampling. Resampling of the underground workings with use of appropriate control samples as well as drilling would be required to verify the SGM resource calculation. Also it should be noted that some of the material that was included in the SGM resource was removed during later mining by the owners of the Property.

A second exploration program was carried out in 1997, reportedly with 4 core holes completed. This data is not available. A report by Hernandez (1997) has proposed drill holes and sections but was apparently written before the drilling was completed. Chairez (1997) reports partial data from one hole and includes two holes in a property scale map.

9.1.3 Pandora Industries/Pacific Amber

Pandora and Pacific Amber explored the property in 1997 and 1998. According to Haynes (1998) the exploration compiled the data from previous work, mainly rock sampling, and also included soil sampling on a grid (549 samples), geologic mapping, and geophysics consisting of IP and ground magnetics. Although none of this data was available to the author, the results are summarized by Haynes (1998) and are included here.

The soil sampling defined a gold anomaly measuring 800 meters in length and 200-200 meters in width with the strongest values over the historic Purisima workings and open to the north. Other anomalous metals associated with the Purisima-Cuatro Amigos vein system include arsenic, and local coincident copper and barium. Manganese is anomalous to the west associated with the Calcite vein and has coincident mercury and barium anomalies. Two other mercury anomalies were identified to the east of the Purisima vein system and indicate the presence of mineralization at depth. Antimony is elevated throughout the property with relatively little variation.

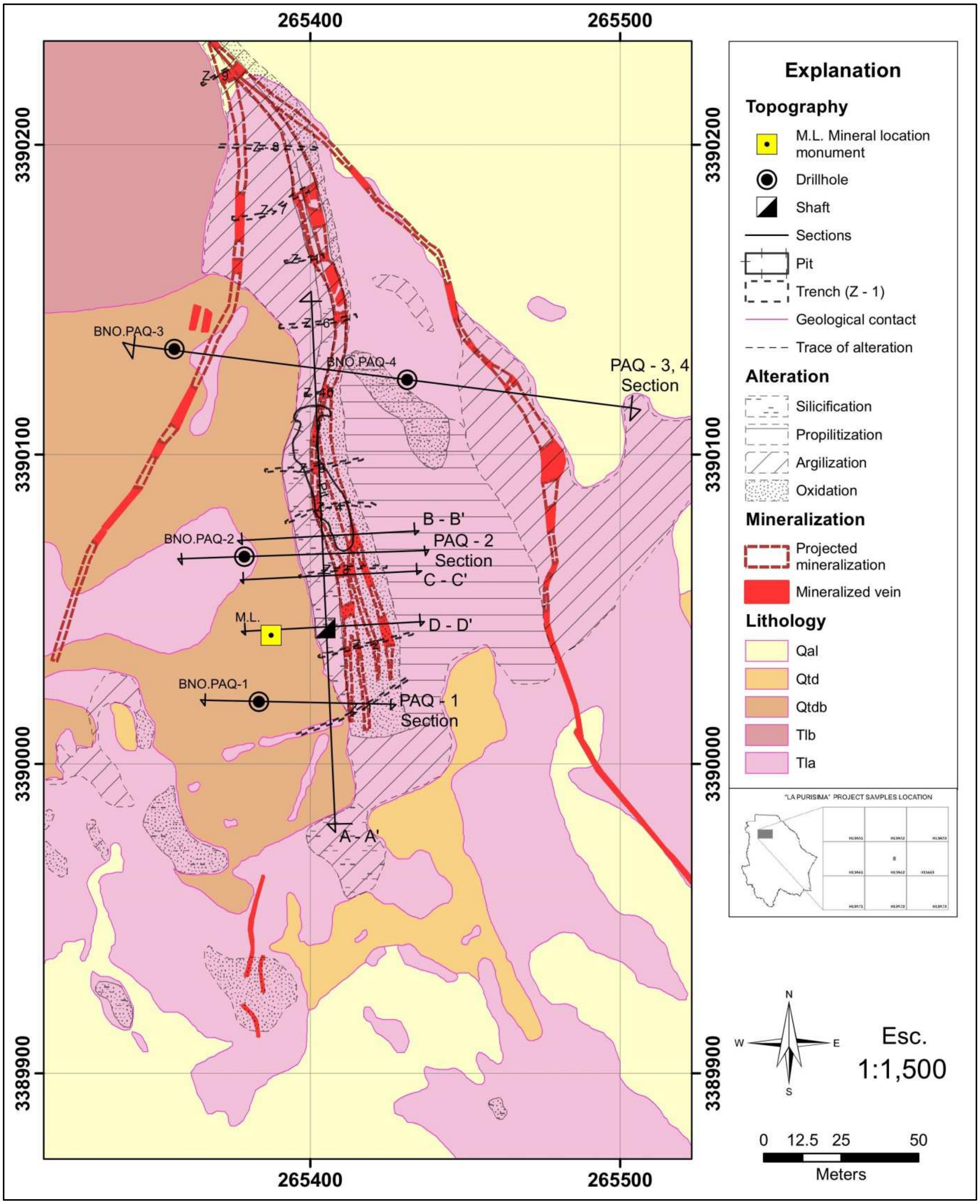

Figure 9.1. Geologic map for the area of the Purisima workings.
Geologic map of the area around the Purisima workings showing alteration and veining, as well as trenches and drill holes. Modified from Robles (1994).

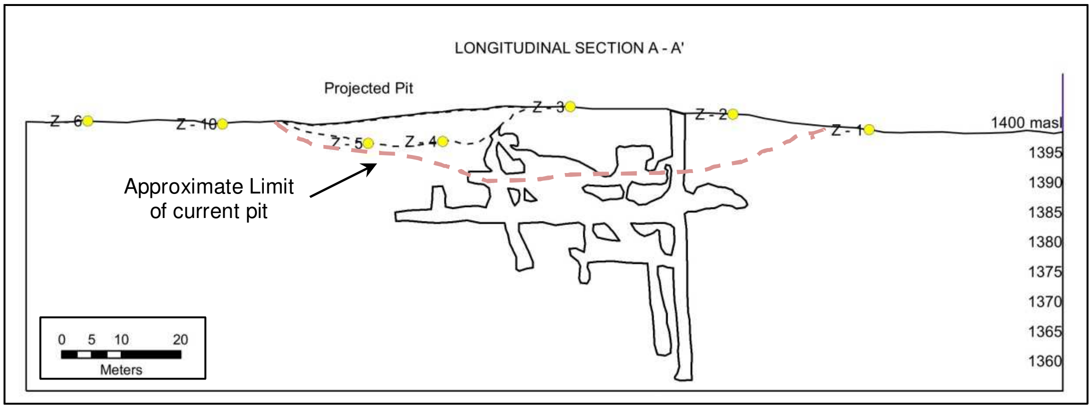

Figure 9.2. Longitudinal section of workings on the Purisima vein.

The outline of underground workings and the Purisima shaft are shown on a longitudinal projection. The locations of surface trenches is also shown, as well as the approximate limit of the current pit shown in Figs. 7.11 and 7.14. After Robles (1994).

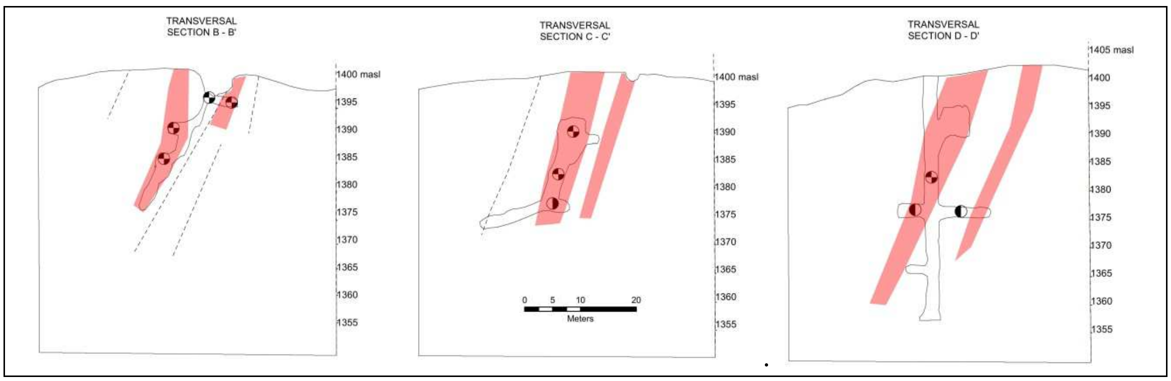

Figure 9.3. Cross sections of workings on the Purisima vein.

Cross sections of the underground workings at the La Purisima vein showing the interpreted vein structures. Section lines shown on Fig. 9.1. After Robles (2004).

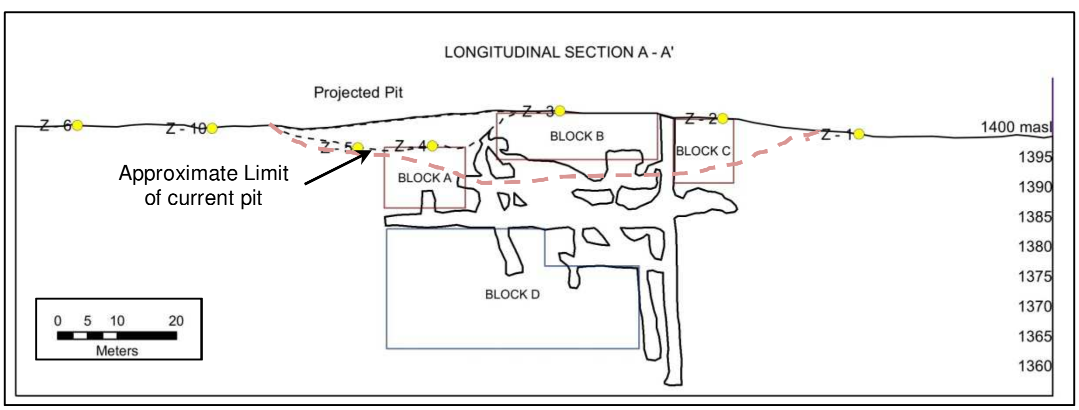

Figure 9.4. SGM resource blocks on the Purisima vein.

Blocks based on underground sampling with additional tonnages from samples in the trenches. Note that part of the material has been removed by subsequent exploitation. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves and the Company is not treating the historical estimate as current mineral resources or reserves. The SGM resource does not meet NI 43-101 standards and should not be relied upon. After Robles (1994)

The geophysical survey consisted of 46 line kilometers and covered an area of 2.5 km by 3.2 km. Three chargeability anomalies with subparallel resistivity anomalies were identified. The zone of highest chargeability is associated with the manganese bearing structures on the west side of the property. The second highest chargeability anomaly is located in the southeastern corner of the property and is associated with anomalous mercury and antimony in soils. The third chargeability anomaly is associated with the Purisima workings and coincident gold, arsenic and mercury anomalies.

The ground magnetic survey is characterized by erratic data over most of the area, except to the east where the volcanic rocks are in fault contact with the older sandstones (Haynes, 1998).

9.1.4 EXMIN Resources

EXMIN Resources (EXMIN) conducted a property examination of the Project in 2007-2008 under the supervision of the author of this technical report as Vice President, Exploration and Qualified Person. The objective of the work was to evaluate the property for possible acquisition as part of a regional exploration program. The work consisted of a reconnaissance mapping and sampling program to determine whether the property was of further interest to EXMIN. A total of 55 samples were taken and simple geologic sketch maps of the area of the historic workings and veins and of the surrounding area were made (Fig. 9.1). Sample assay results are included Figs. 9.2 to 9.5. The locations of the claim monument, small scale mine workings, and several past drill collars were also determined.

The results of the sampling identified an area of high grade gold assays in the area of the historic Purisima workings as well as several other vein structures with significant strike lengths of as much as 800 meters. The Cuatro Amigos structure yielded generally higher copper values (0.1 to 3.4% Cu) as well as silver (as much as 897 g/t) with lower but anomalous gold (most 0.1 to 0.4 g/t gold). Antimony, mercury and barium are also elevated in this area. The strike extent of the Purisima or East structure to the southeast (Jasper vein) has lower gold values than the Purisima area with elevated arsenic, mercury and barium.

9.1.5 Other data

The Company has provided a database that contains assay data not only from EXMIN but also from sampling by Yamana and by geologist R. Blakestad (Blakestad). This database contains a total of 243 samples (Fig. 9.5), 55 by EXMIN as discussed previously, 108 by Yamana and 80 by Blakestad; all are plotted in Figs. 9.6 to 9.14. The Yamana samples do not have sample descriptions while those for Blakestad and EXMIN do. The Yamana and EXMIN samples are reported in NAD27, while those of Blakestad are in WGS84. All samples on the figures in this report are in the WGS84 datum. Laboratory certificates are available only for the EXMIN samples.

9.1.6 Results of Exploration

The available data on exploration carried out at the Purisima Project by various workers as well as field observations made by the Company and by the author of this Technical Report have resulted in the identification of several targets for further exploration (Fig. 9.14). It should be noted that virtually all of the technical data generated at the project was developed prior to the involvement of the Company, and supporting data is not complete; the data is generally consistent among the data sets and is useful as a guide to future work but should not be relied upon. Also, most of the available data is confined to sampling along veins or areas immediately adjacent to them, and data for systematic sampling that was carried out is not available or has not been compiled. Much of the data will need to be replaced with new data of the Company.

The highest grade gold values in sampling of veins at the surface and in workings are present in the area of the Purisima workings. Other areas have generally lower grade gold values, but have anomalous values for the indicator elements As, Sb, Hg and Ba indicating potential for mineralization in the subsurface.

Sampling along the vein systems show that there is potential metal zoning, with the highest gold values in the Purisima workings, with higher silver and copper to the southeast along the vein system and perhaps to the southwest. Lead and zinc are generally low and may be zoned outward. The indicator elements arsenic, antimony and mercury are generally elevated along the main vein system but may be higher to the south of the main gold zone. Mercury was not analyzed for all samples taken by all workers.

The main area of past small scale mining activity as well as the immediate surrounding area are prospective for exploration for precious metal bearing veins, stockworks and silicified zones. A second zone with anomalous gold values in a stockwork zone to the northeast may follow a partly buried parallel structural zone. This zone may be associated with faulting that juxtaposes Tertiary volcanic rocks in the hangingwall with Mesozoic sedimentary rocks in the footwall as described by Haynes (1998). It is also important to note that the trend of the structural zones, as well as the possible metal zoning described above, trend off of the Property controlled by the Company onto an adjacent concession.

Table 9.1. Veins and exploration targets, Purisima Property and surrounding area

Vein/zone	Characteristics	Comments
Purisima vein	Normal fault zone with shearing, bleached and silicified wallrock, abundant hematite and goethite, more northerly trend, high gold assays	Main target for historic gold production at the Purisima workings
Jasper Vein	Possible split off of the Purisima vein on the east side, intermittently exposed for about 1 km along strike to the south	Also called East vein or split, to the east of the Purisima vein and seems to join it in the area of the historic workings
Cuatro Amigos	Similar to the Purisima structure, traced for 1200 meters along strike, locally copper-rich	Vein west of Purisima, part of main vein system, some historic copper production
Lechuza Vein	Similar to Jasper vein, between the Cuatro Amigo and Jasper veins	Possible southern extension of Purisima vein
Hydrobx zone	Zone of hydrothermal breccia in the footwall of the Jasper vein.	Footwall of the main vein system
Stockwork zone	Area of stockwork quartz veining exposed at the surface east of the vein veins	Possible buried target target along the structural trend
Calcita or Manganese vein	Vein exposed for several hundred meters 1 km west of the Purisima vein, two areas of workings with high manganese content	Veins runs off west edge of Property onto adjacent third party concession
Venadas-Margarita vein	Quartz vein about 1.5 km west of the Purisima vein	Vein partly off of Property
Serena area	Area to the northwest along strike from the Purisima vein system across river valley	Area partly explored with trenches in river valley on third party concession

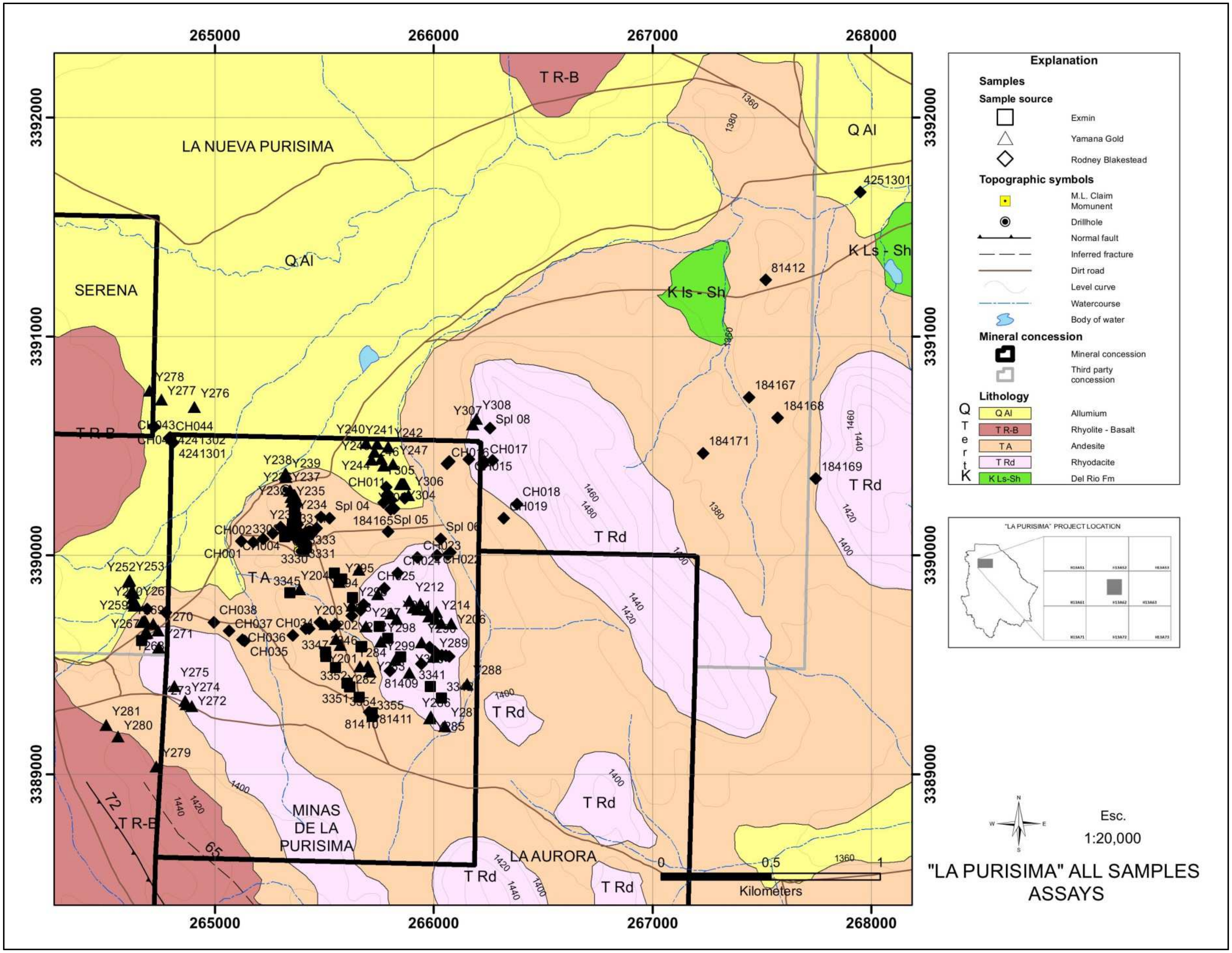

Figure 9.5. Sample map for the La Purisima Project.

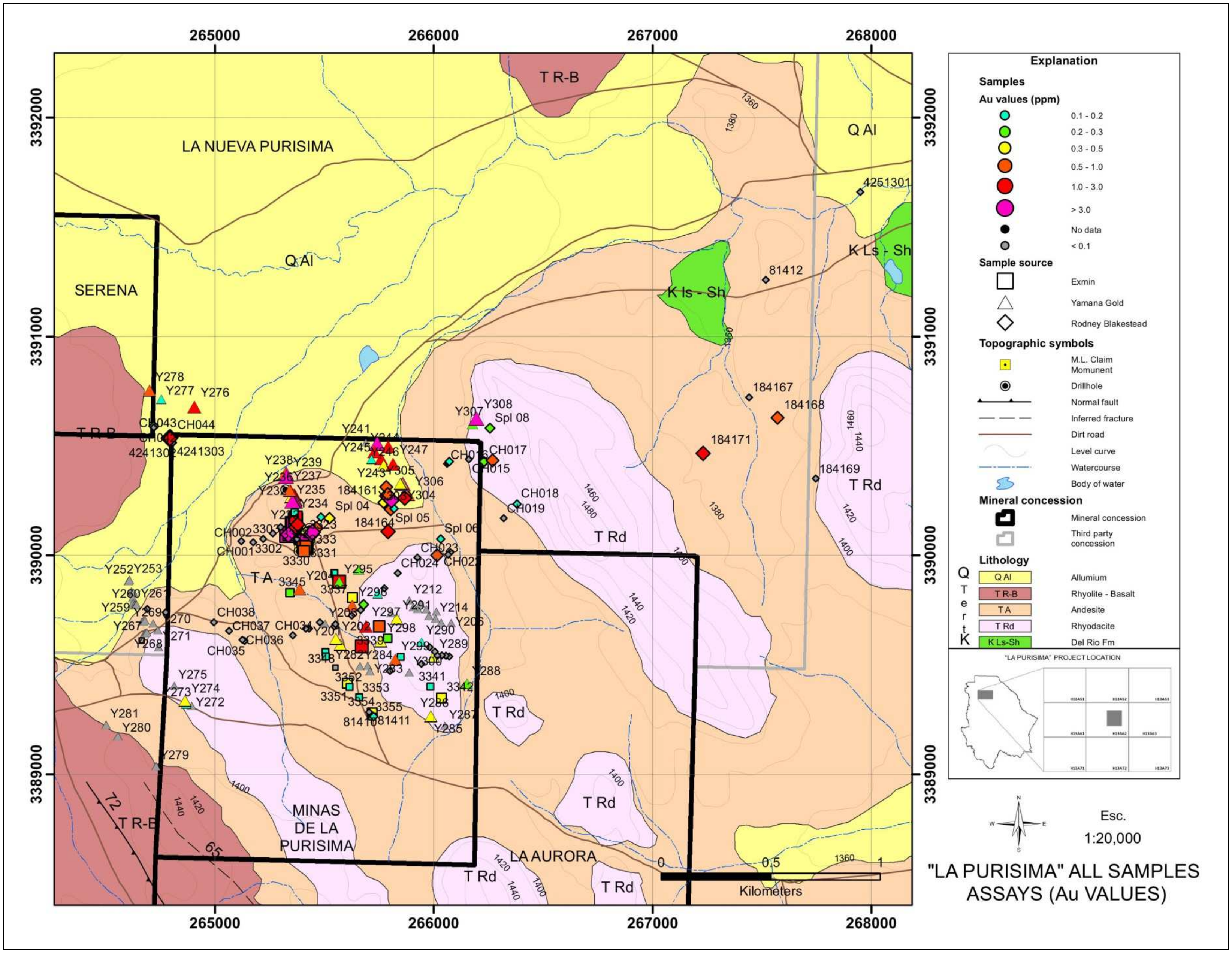

Figure 9.6. Gold values in samples from the La Purisima Project.

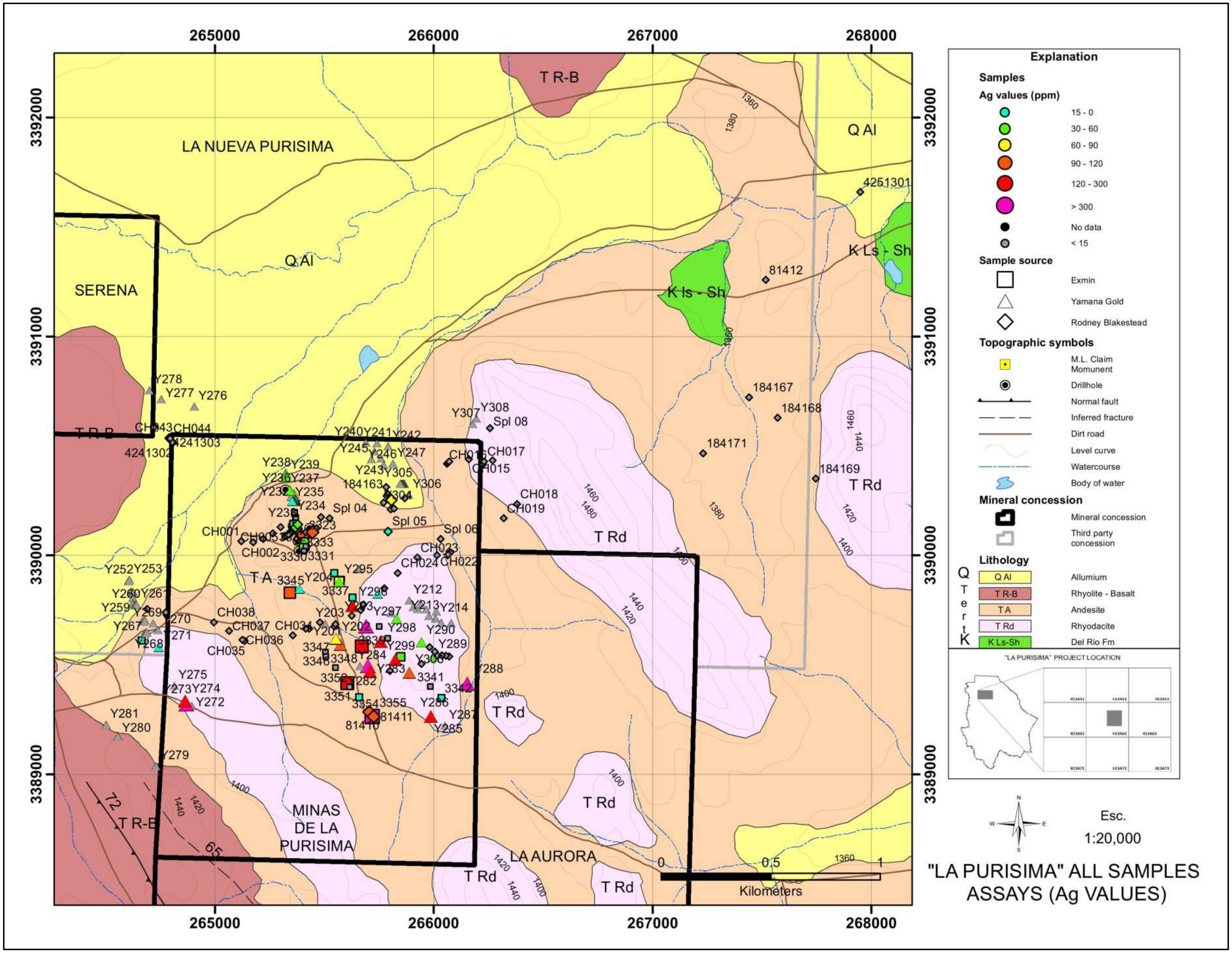

Figure 9.7. Silver values in samples from the La Purisima Project.

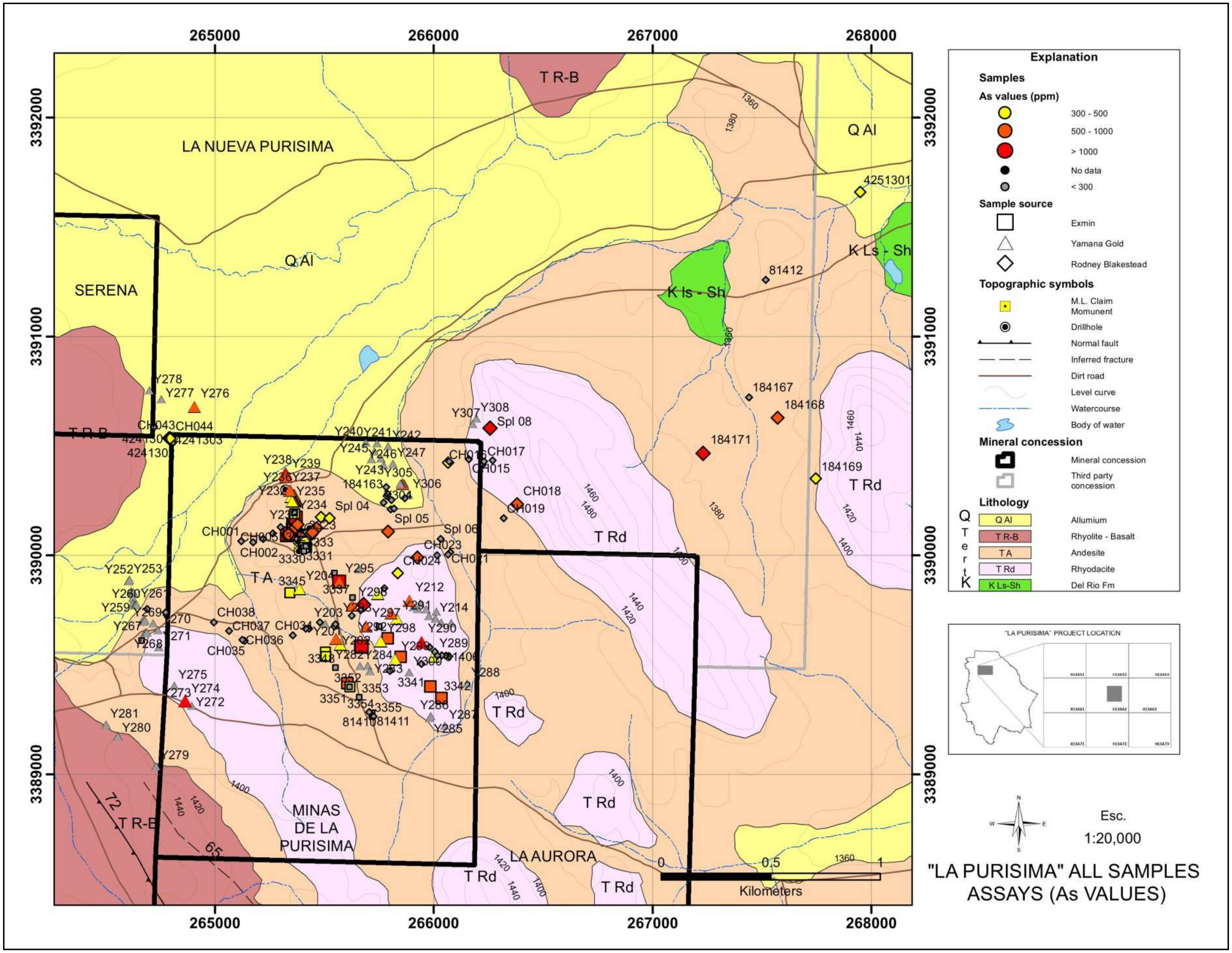

Figure 9.8. Arsenic values in samples from the La Purisima Project.

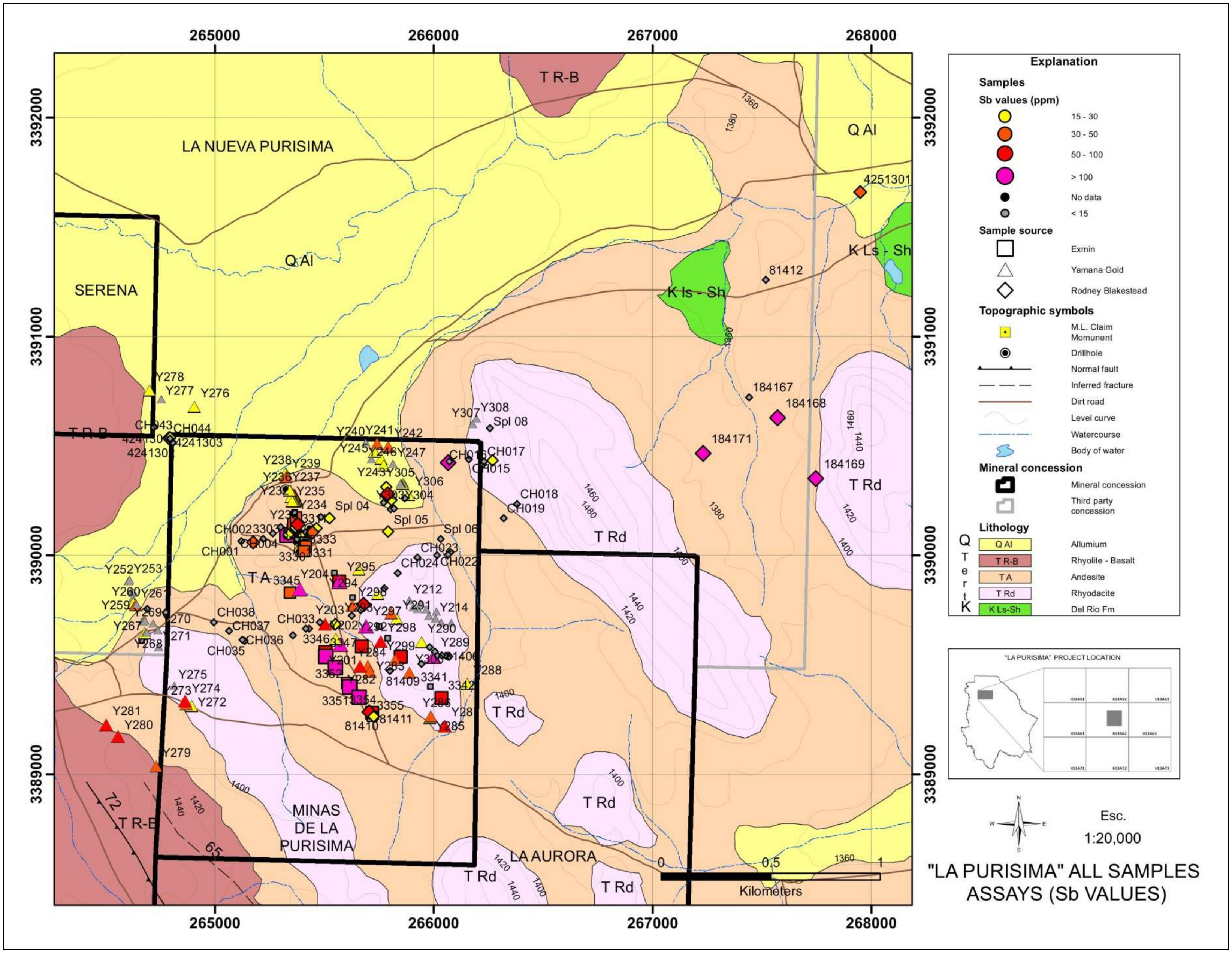

Figure 9.9. Antimony values in samples from the La Purisima Project.

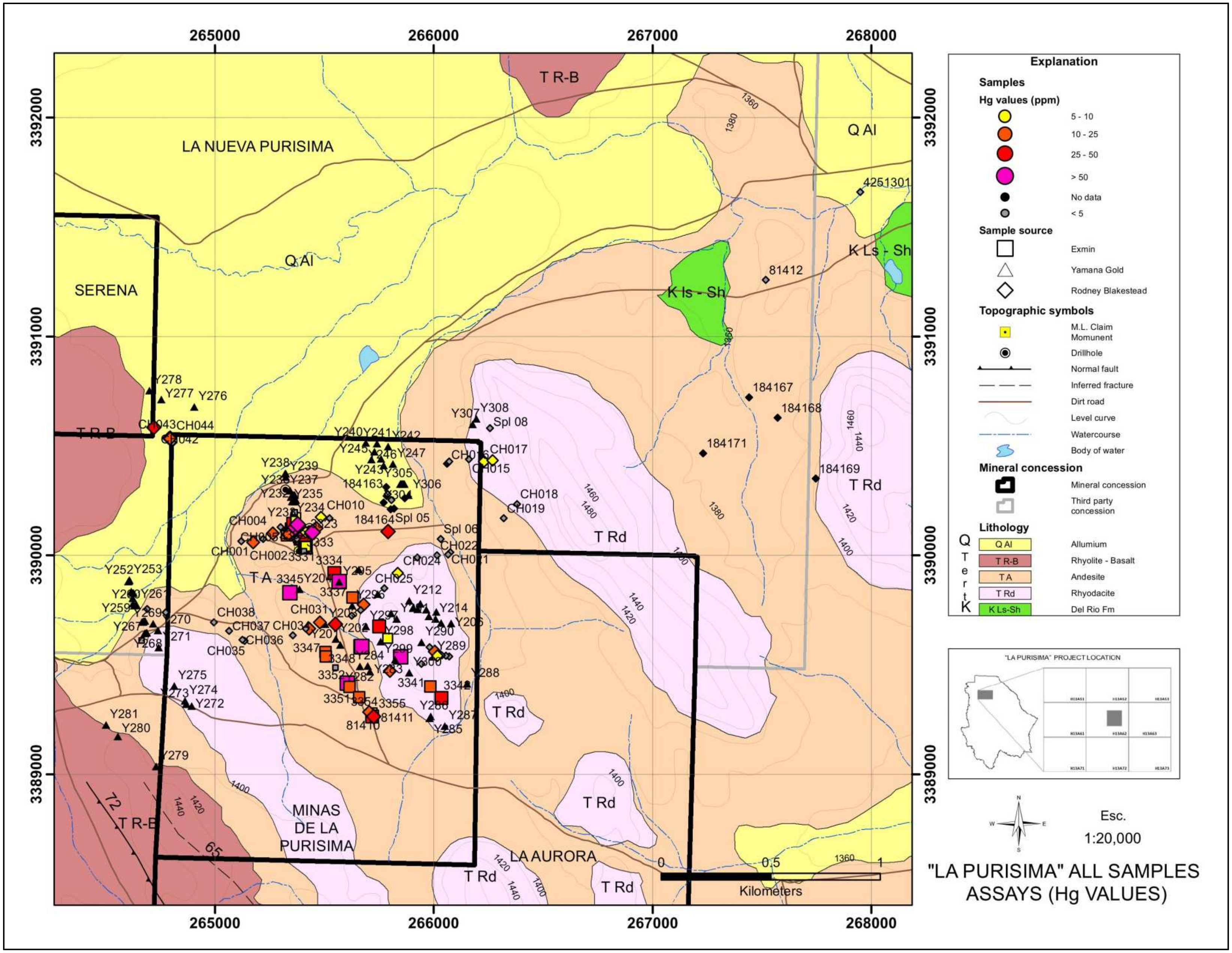

Figure 9.10. Mercury values in samples from the La Purisima Project.

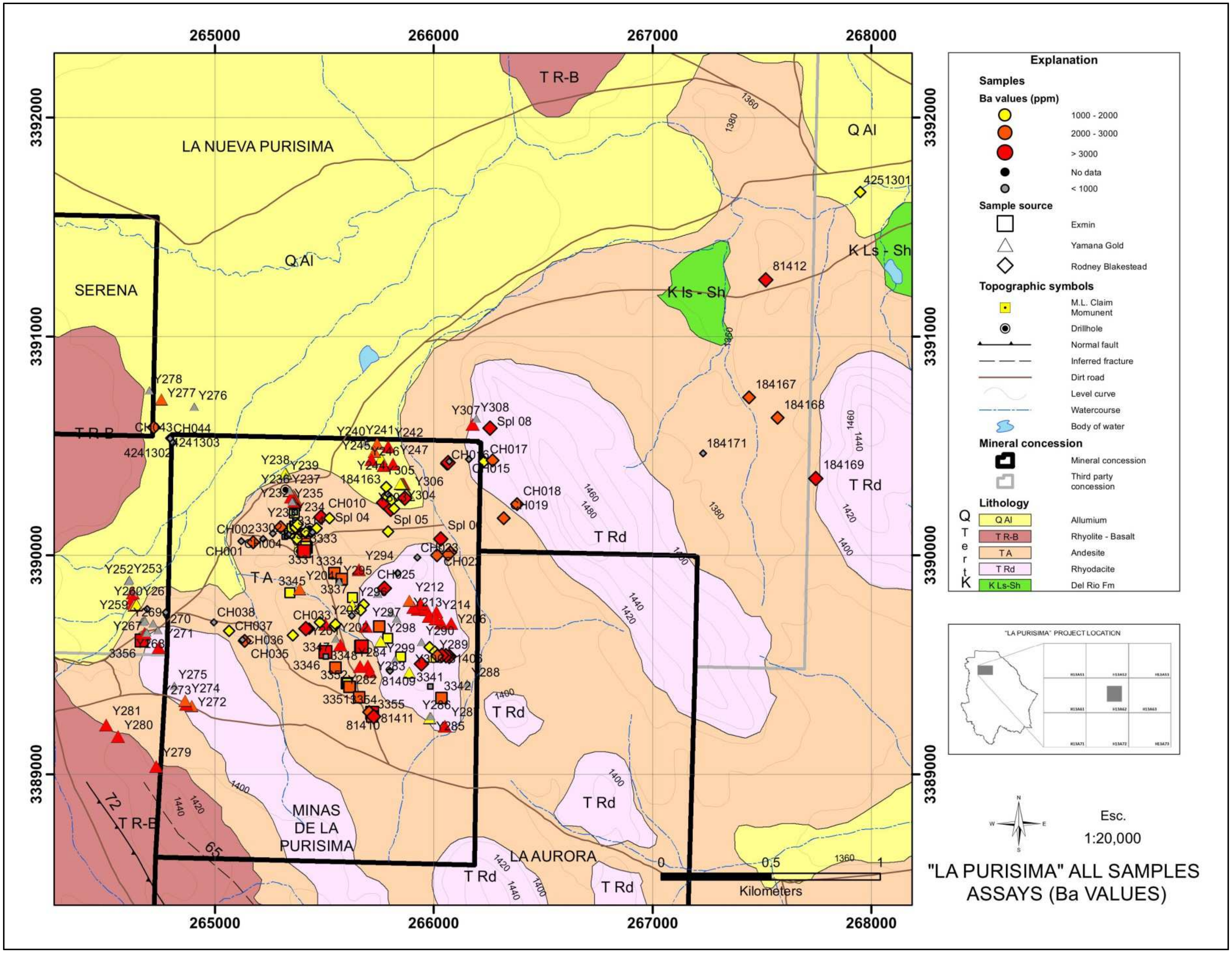

Figure 9.11. Barium values in samples from the La Purisima Project.

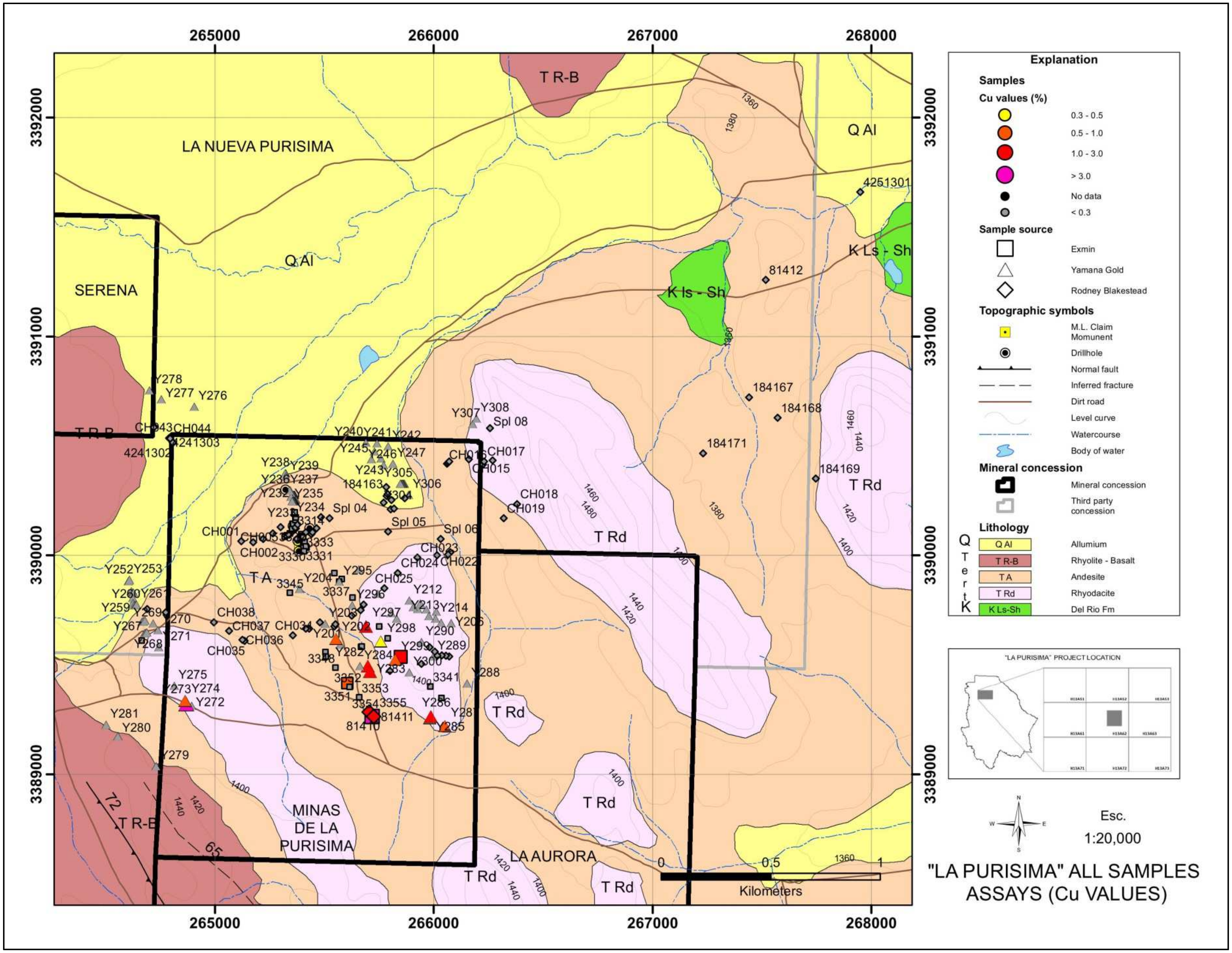

Figure 9.12. Copper values in samples from the La Purisima Project.

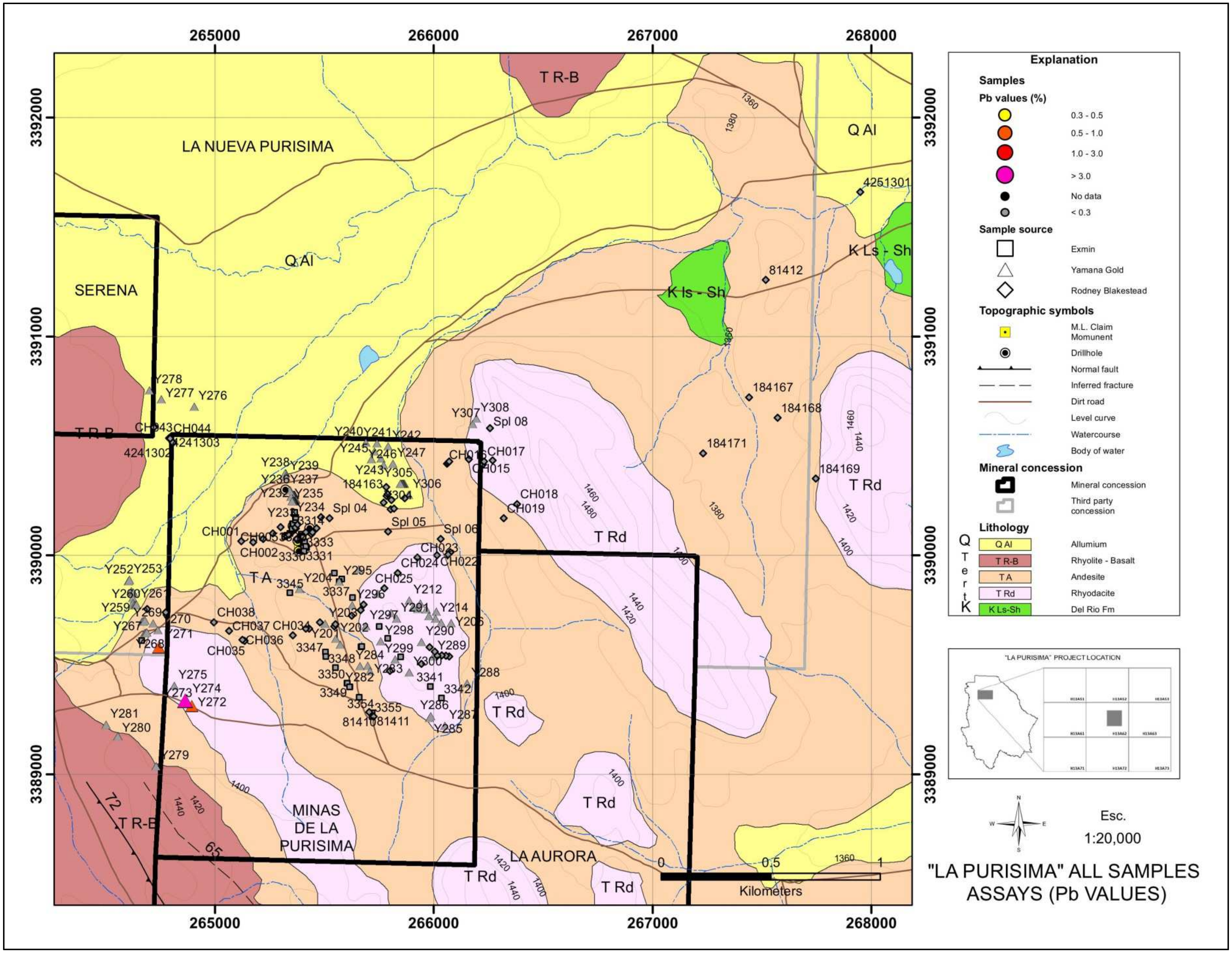

Figure 9.13. Lead values in samples from the La Purisima Project.

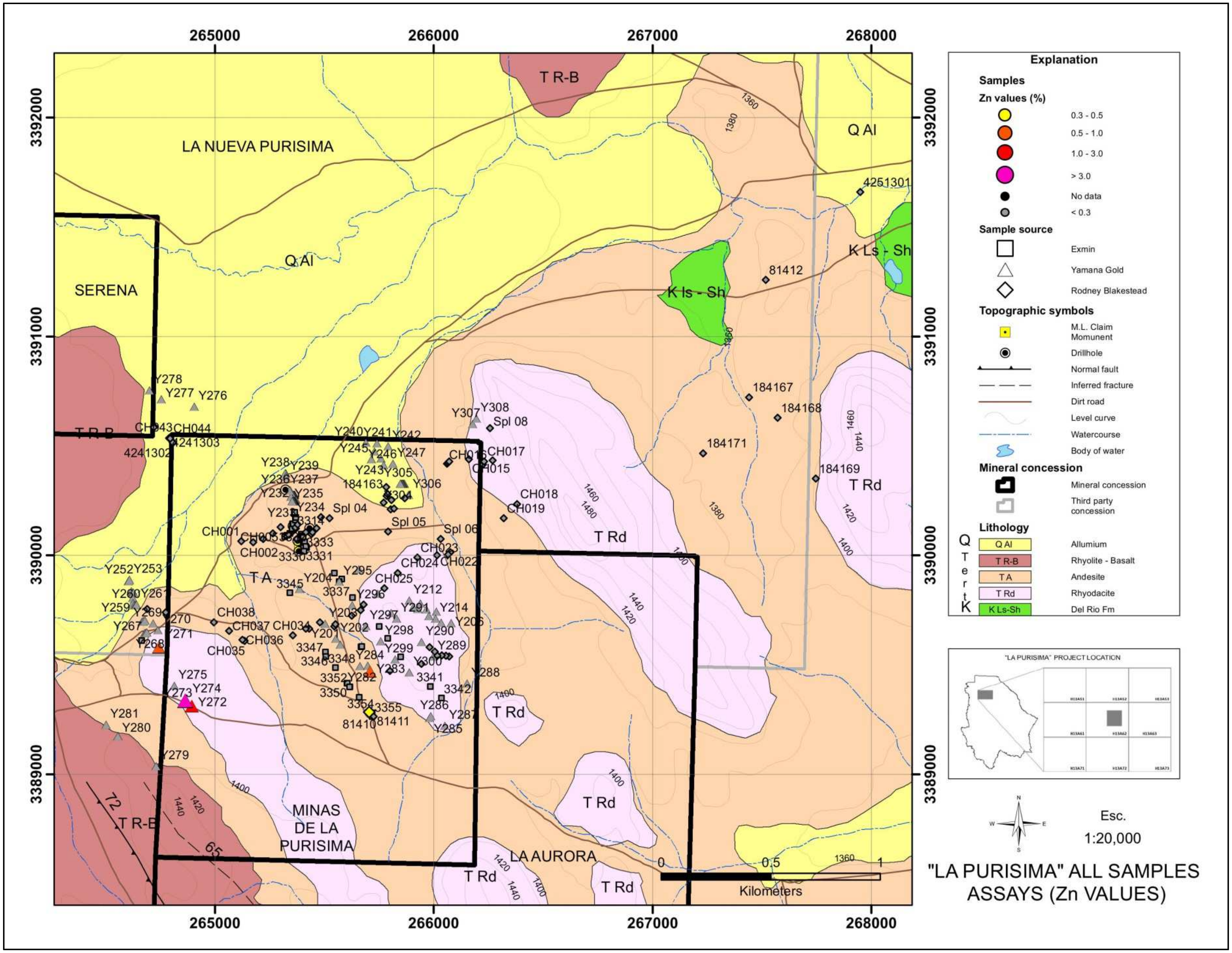

Figure 9.14. Zinc values in samples from the La Purisima Project.

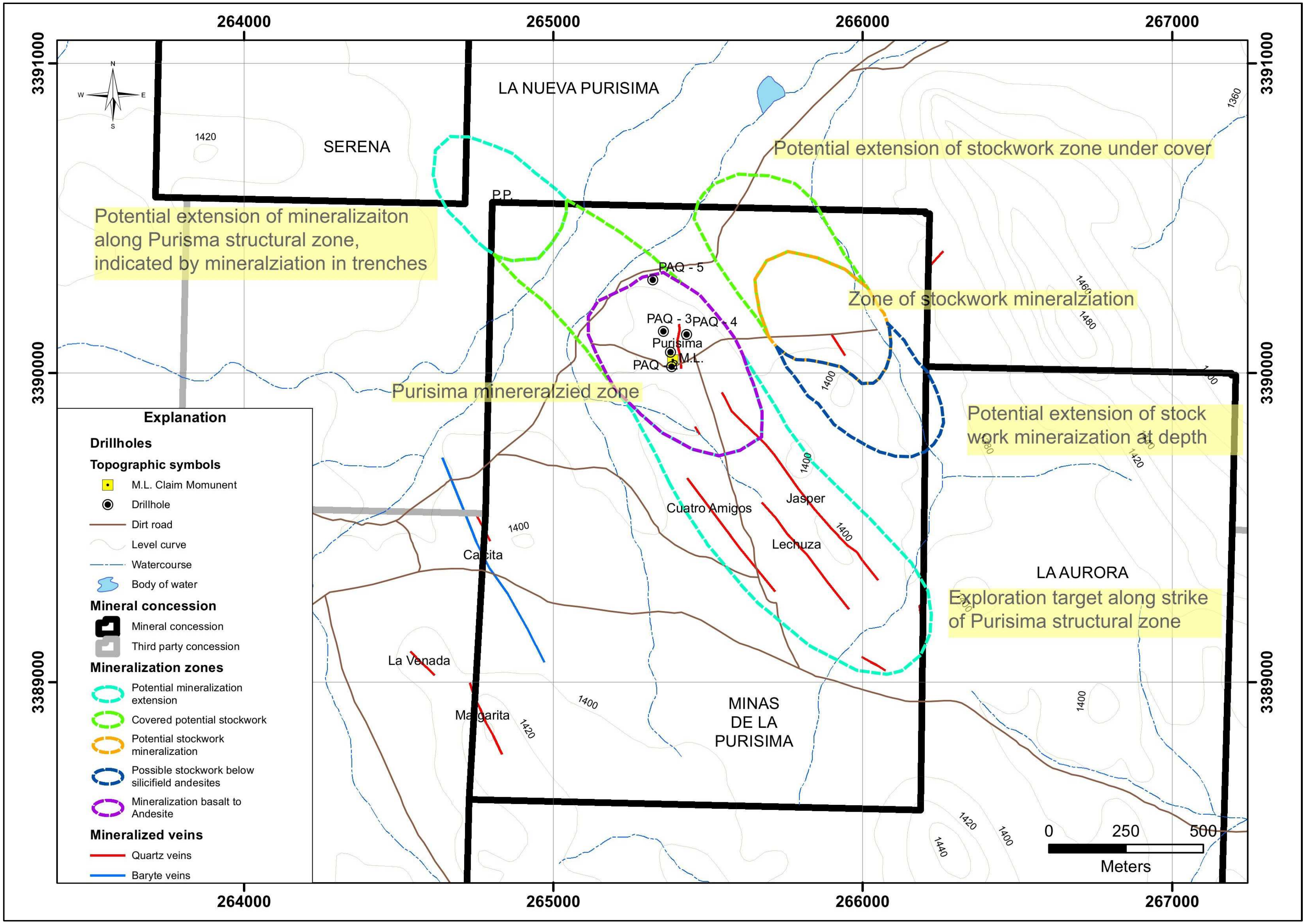

Figure 9.15. Exploration targets at the La Purisima Project.

10.0 DRILLING

The Company has carried out no drilling on the property to date. Teck completed five reverse circulation (RC) dill holes in 1994. Data from that program was summarized by Haynes (1998) and shown in Table 10.1 and in sections in Figs 10.1 to 10.4 (hole locations are shown in Figs. 9.1 and 9.15, and section lines are indicated in Fig. 9.1). Haynes indicates that the best intercept in the RC holes was 23.5 m with 0.72 g/t Au, including 11.5 m of 1.16 g/t Au. The other holes had anomalous gold values above 0.1 ppm Au including wide zones of about 20 meters in holes PAQ 2and PAQ 4 to as much as 40 meters PAQ 3, but the values are illegible on the sections.

The SGM reportedly drilled several core holes in 1997 (Haynes, 1998). Little data is available from that program and only part of one hole is described by (Chairez B., 1997).

Table 10.1. Data for drill holes at the Purisima Project

No.	**Coordinates WGS84**		**Azimuth**	**Inclination**	**Total depth**
	E	**W**			
Teck RC					
PAQ 1	265,383	3,390,020	90	-45	102
PAQ 2	265,379	3,390,067	-	-90	188
PAQ 3	265,356	3,390,134	90	-45	108
PAQ 4	265,431	3,390,124	90	-45	100
PAQ 5	265,322	3,390,301	90	-45	100
SGM core				**Total Teck**	**598***
PAQ 6	NA	NA	NA	NA	NA
PAQ 7	NA	NA	NA	NA	NA
PAQ 8	NA	NA	-	-90	120.7?
PAQ 9	NA	NA	45	NA	NA
			NA	NA	NA
				Total SGM	**NA**

Information is taken from maps and sections. * does not agree with total of Haynes (1998).
Teck holes, RC, SGM holes, core; NA – not available.

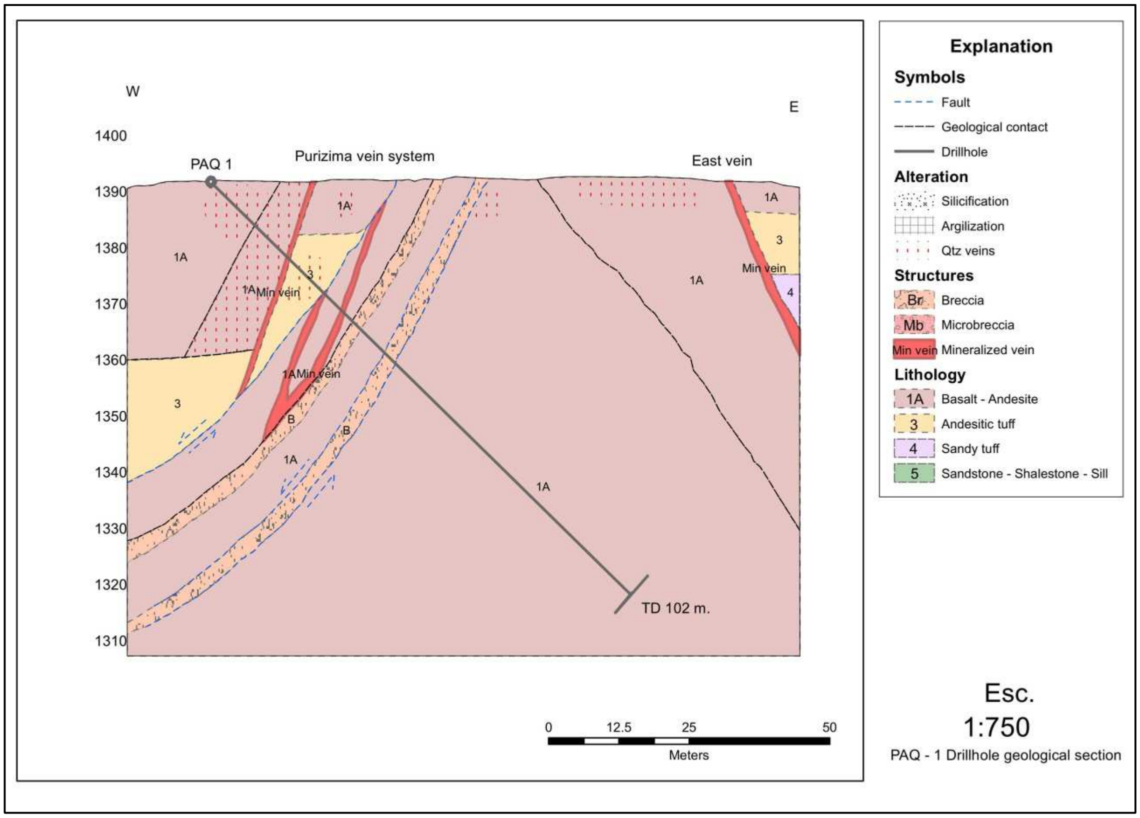

Figure 10.1. Cross section through hole PAQ 1, Purisima Project.

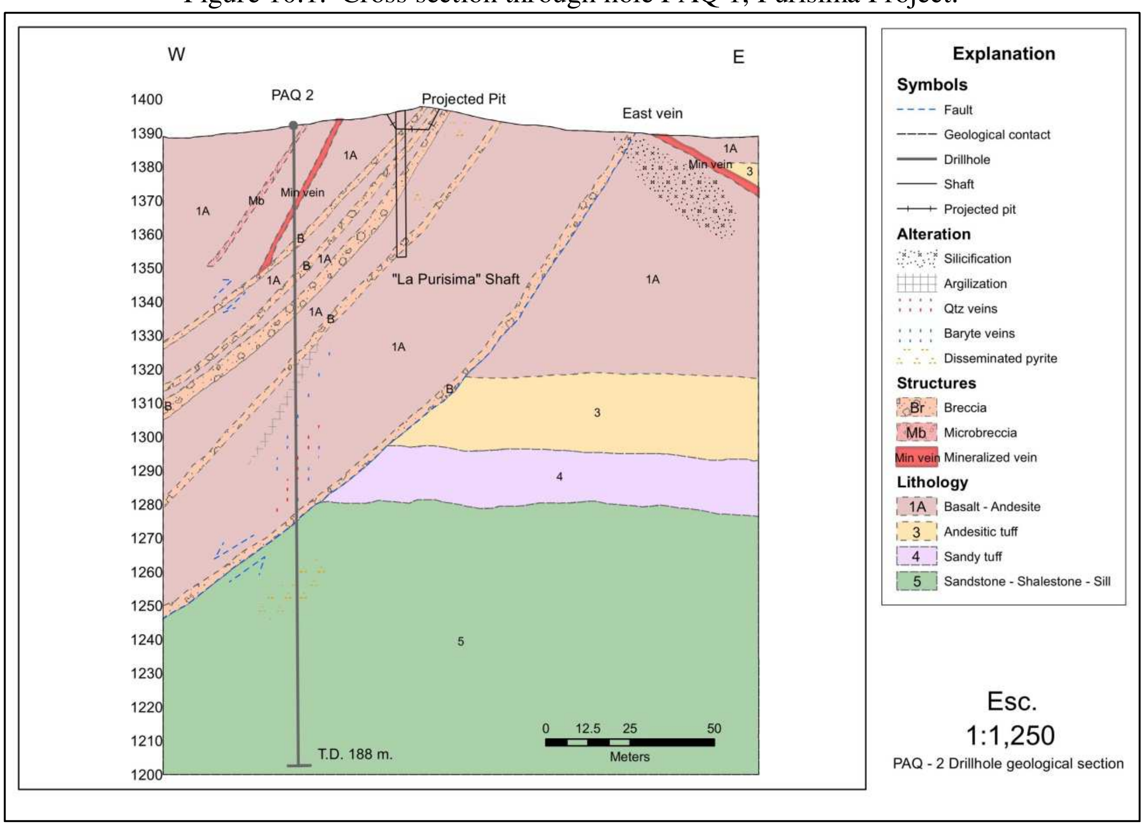

Figure 10.2. Cross section through hole PAQ 2, Purisima Project.

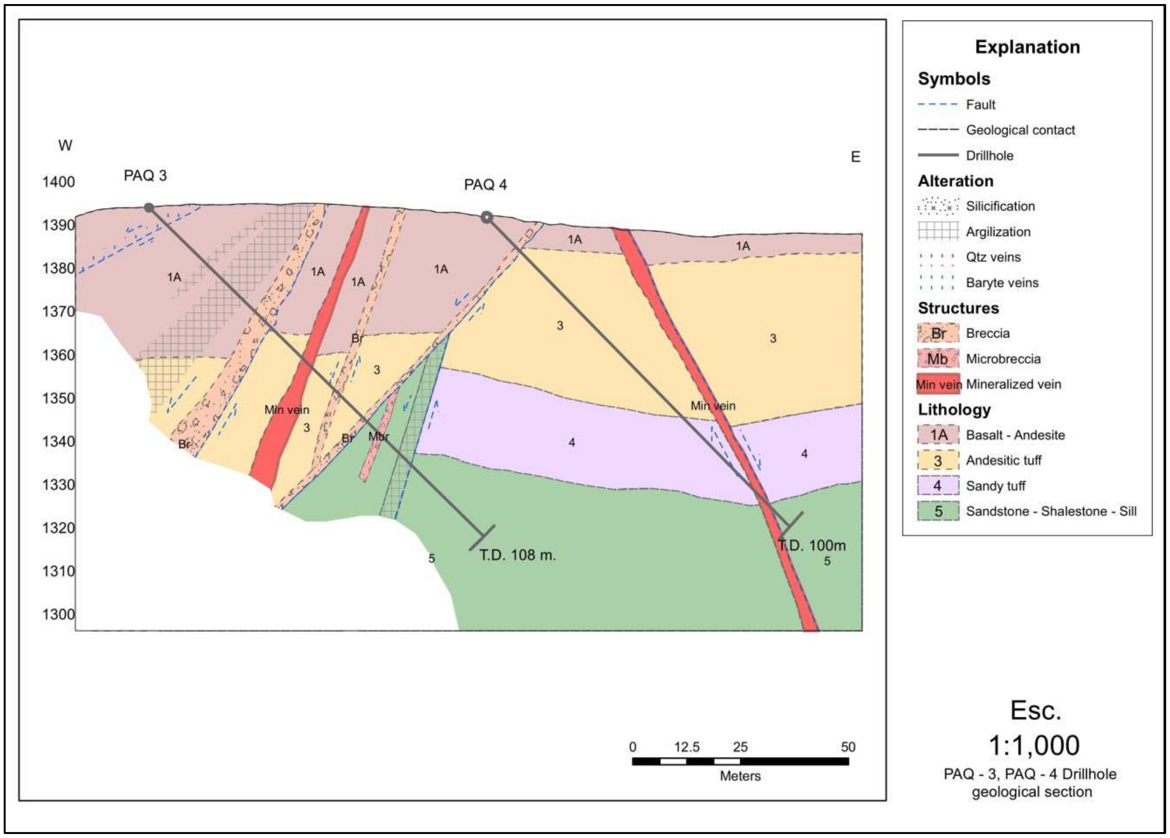

Figure 10.3. Cross section through hole PAQ 3 & PAQ 4, Purisima Project.

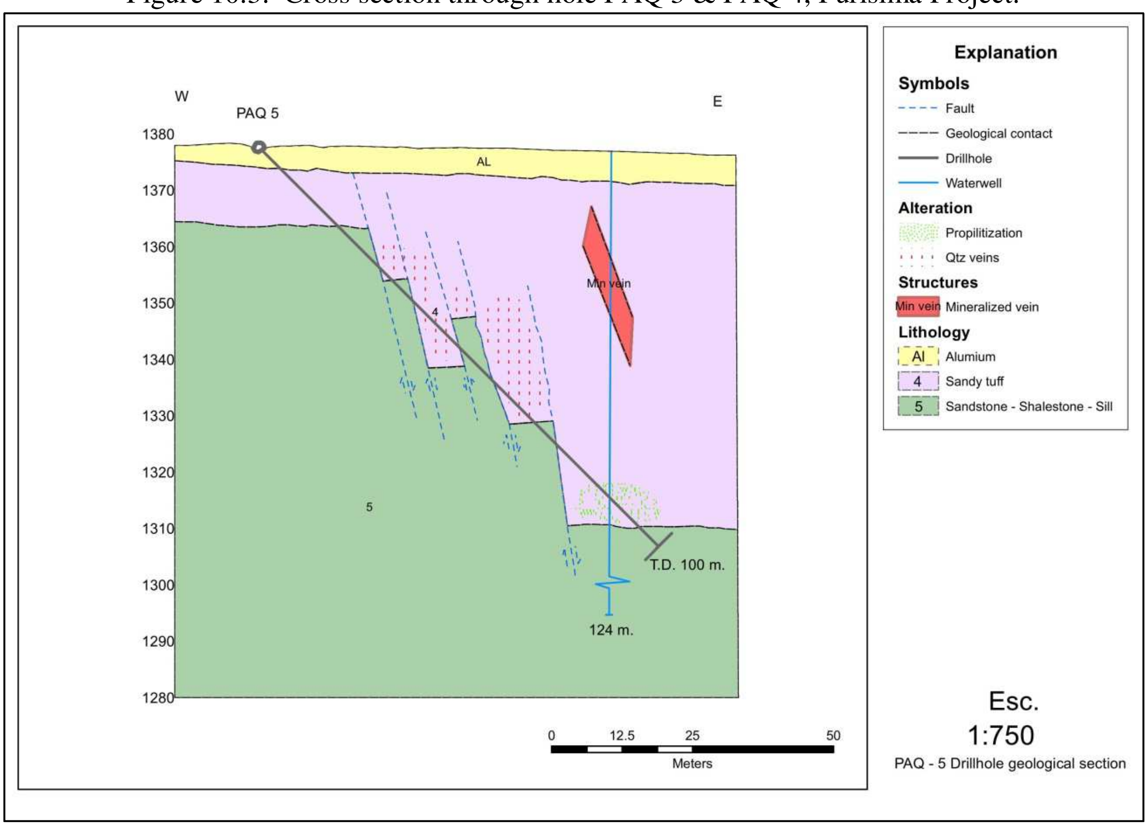

Figure 10.4. Cross section through hole PAQ 5, Purisima Project.

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

The Company had taken no samples at the project as of the date of this report. Details of sampling and analysis by other workers are not available except for EXMIN. Samples taken by EXMIN and the author as part of this report were prepared and analyzed by ALS Minerals at their facilities in Chihuahua and Vancouver, respectively. Gold assays were carried out by 50 gram fire assay with an atomic absorption finish, and other elements were analyzed as part of a multielement ICP package. Overlimit values for Au (>10 g/t), were completed by fire assay with a gravimetric finish.

ALS Group is a worldwide analytical laboratory with completed registration to ISO 9001:2008, and a number of analytical facilities have received ISO/IEC 17025:2005 accreditations for specific laboratory procedures. ALS Group is an independent provider of services to the Company.

The author's samples consisted of 0.85-2.5 kg of material. Internal standards and blanks were not utilized in the limited sampling done by the author as it was completed in areas with past sampling to confirm the general presence of metals. The laboratories utilized have strict internal quality control/quality assurance procedures, including insertion of standard and blank samples, as well as systemic duplicate sample assays.

Sample cuttings consisting of rock chips were collected at the site by the author and were placed in labelled plastic bags with a sample tag and sealed with plastic ties at the collection site. These samples were transported from the field to Chihuahua by the author in the author's vehicle and stored at the office of ProDeMin. The samples were delivered to the sample preparation facility by personnel of ProDeMin. The prepared sample pulps were subsequently transported by a contracted commercial airliner to ALS in Vancouver, Canada for all analyses. Contractors and employees of the Company do not participate in any part of the sample preparation and analytical procedures once samples are submitted to ALS.

ALS standard sample preparation procedures employed for the Property include:

CRU-31 – Fine Crushing - The sample is logged in the tracking system, weighed, dried and finely crushed to better than 70 % passing a 2 mm (Tyler 9 mesh, US Std. No.10) screen. A split of up to 250 g is taken and pulverized to better than 85 % passing a 75 micron (Tyler 200 mesh, US Std. No. 200) screen.

SPL-21 – Sample split using a riffle splitter.

PUL-31 – Pulverize a split or total sample up to 85% -75 microns.

ALS standard geochemical analysis procedures employed for the Property include:

Multi-element (33) analyses, ME–ICP61 – A prepared sample is digested with aqua regia plus hydrofluoric acid in a graphite heating block for a near total digestion. After cooling, the resulting solution is diluted to 12.5 mL with deionized water, mixed and analyzed by ICP-AES. The analytical results are corrected for inter-element spectral interferences. In the majority of geological matrices, data reported from a four-acid leach should be considered as representing the leachable portion of the particular analyte.

Gold analysis, Au-AA24 – A prepared 50g sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead. The bead is digested in 0.5 mL dilute nitric acid in the microwave oven, 0.5 mL concentrated hydrochloric acid is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 4 mL with de-mineralized water, and analyzed by AAS against matrix-matched standards. Gold values above 10 g/t, the upper limit of detection for the method, are re-analyzed by fire assay with a gravimetric finish (method Au-GRA22).

Trace mercury analysis, HG-MS42 – The sample is digested in aqua regia, and is analyzed by ICP-MS (Mass Spectrometry).

The Property sample database is maintained in an Excel spreadsheet. The database includes the sample number, X-Y UTM coordinates (WGS84 or NAD27) of the sample site, coordinate system, lithologic description, and results. Information that should be added to the database as new samples are taken include date taken, area or target, sampler, width or area, type of sample, structural details (if observed) and the analytical certificate. Additionally, all sample shipments should be tracked and logged on a separate Excel sheet which includes sample numbers or series in each shipment, type of sample medium (rock or stream sediment), date shipped and date received at the lab, geologist supervising the shipment, and analytical certificate number pertaining to each shipment. Samples and analytical data can also plotted in kmz files for inspection in Google Earth and should be reviewed for errors in location by the database specialist and the sampler.

It is the opinion of the author that the sample database available, although lacking in information from past samplers, is adequate and appropriate for the surface geochemical sampling program that has been conducted on the Property to date considering it was done by third parties. Further sampling by the Company should be completed, preferably systematic soil and/or rock chip sampling to confirm the previously reported results and to further refine the exploration targets. The procedures and methods of sample collection, security, preparation and analysis, as well as data handling by the company should follow the guidelines listed herein for future sampling.

12.0 DATA VERIFICATION

The author visited the Project on March 27, 2018, and collected five samples for analysis to confirm the presence of metals. The author has personal knowledge of the property from past work including supervision of a reconnaissance evaluation of the property as part of a regional exploration program conducted by EXMIN Resources in 2006 and 2007, of which the author was Vice President Exploration and Qualified Person. The author has also reviewed reports by past operators, data from nearby properties, as well as published data from the Servicio Geologico Mexicano. The rock samples taken by the author remained in the author's custody until they were delivered to ALS in Chihuahua City. The analytical results from the samples taken by the author are shown in table 12.1 below, and sample descriptions are presented below. The results confirm the presence of metal values in the samples in the ranges of the previous sampling. No control samples were submitted because the samples were taken in areas with known mineralization as indicated by past sampling. Internal laboratory QA-QC data show acceptable results.

Based on the field review and review of the mapping and sampling results, it is the author's opinion that the current database is adequate and appropriate for continued evaluation of the La Purisima Property. In the future all work should be completed using appropriate control samples, including Certified Reference Materials as pulp standards and coarse blanks.

Sample descriptions for samples taken by the author:

Sample 13326: 1 m chip, strongly silicified volcanic, composition indeterminate due to fine grained nature and alteration, generally weak quartz veinlets. Taken in floor of Purisima pit.

Sample 13327: 2 x 2 meter chip sample, silicified bleached volcanic, abundant iron oxides, sparse discrete quartz veins, large pod of unoxidized pyrite-rich 'precursor'(?), general N45-60W fabric, weak silica after tabular calcite or possibly barite. Taken in floor of Purisima pit.

Sample 13328: 1.5 chip channel across NS structure dipping 40W, strongly silicified with fine grained silica with uncommon small frags of sulfide rich material, strong clay alteration in hangingwall, iron oxide in footwall, taken in portal of irregular workings.

Sample 13329: 1 meter chip channel across vein structure exposed in prospect pit, N10-20W, 65SW, 20 centimetre discrete quartz plus barite vein.

Sample 13330: 1 meter chip across vein crest, N45W, 70NE, barite + quartz + iron oxide.

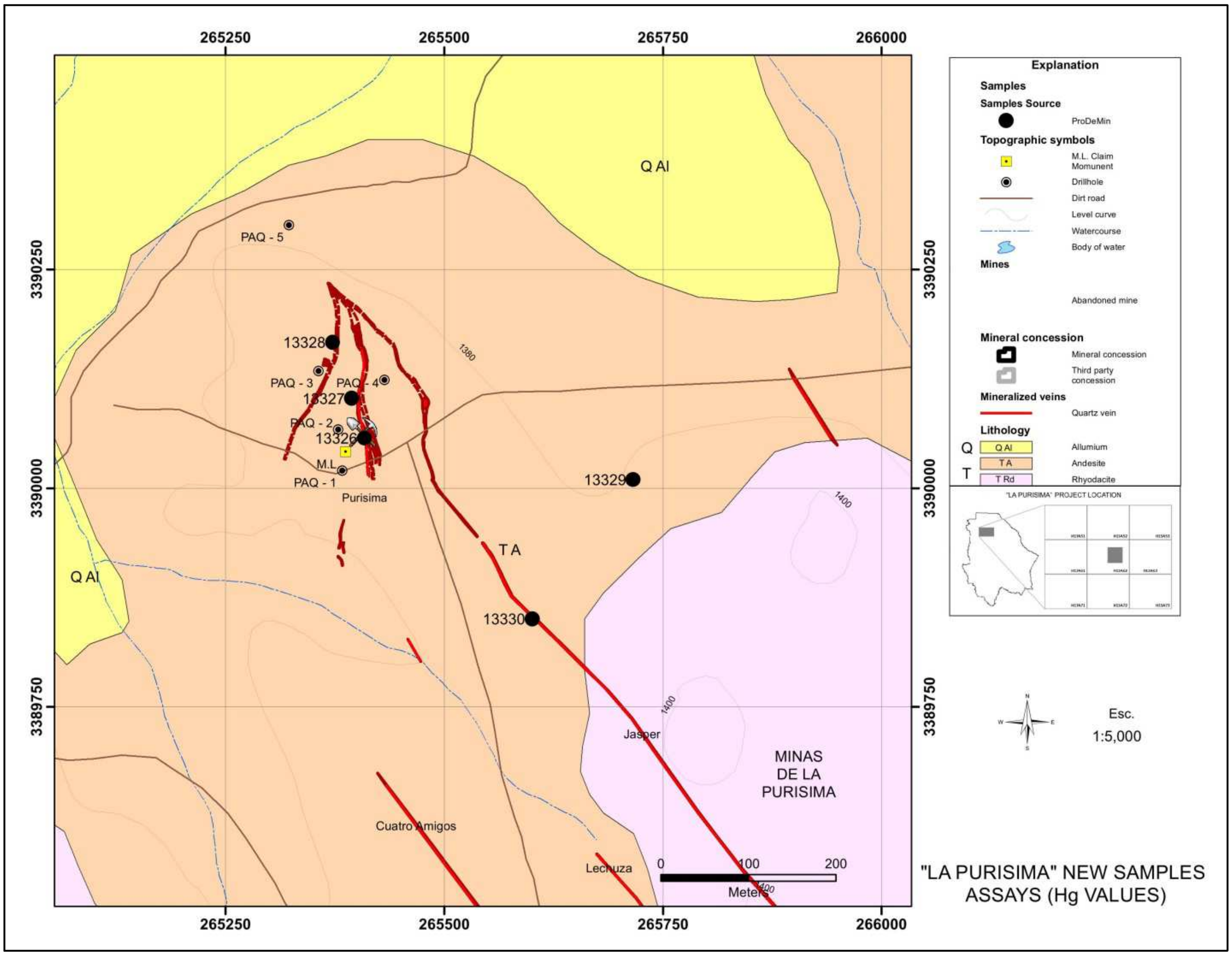

Figure 12.1 Location of samples taken by the author.
Author's samples on geological map with veins compiled from various sources, showing Teck drill holes and concession monument ML.

Table 12.1 Selected results for samples taken by author.

Sample	Easting	Northing	Elev	Width m	Au g/t	Ag g/t	As ppm	Sb ppm	Hg ppm	Ba ppm
13326	265,409	3,390,057	1,387	1.0	11.95	23.1	450	15	8.12	940
13327	265,394	3,390,103	1,383	2 x 2	2.05	56.4	1025	33	15.35	80
13328	265,372	3,390,167	1,387	1.5	2.89	9.2	377	14	2.85	340
13329	265,716	3,390,010	1,372	1.0	0.587	4.0	655	13	8.74	3030
13330	265,601	3,389,850	1,382	1.0	0.281	43.6	334	11	19.90	1160

All samples are rock chip samples, coordinates from a Garmin GPSMap64s. Analyses on ALS Certificate CH18069204.

Figure 12.2. Sample site 13326.
Bleached and silicified volcanic rock cut by quartz veins, with abundant iron oxides.

Figure 12.3. Sample site 13327.
Unoxidized pyrite-rich silicified volcanic rock within bleached and silicified rock cut by quartz veins, with abundant iron oxides.

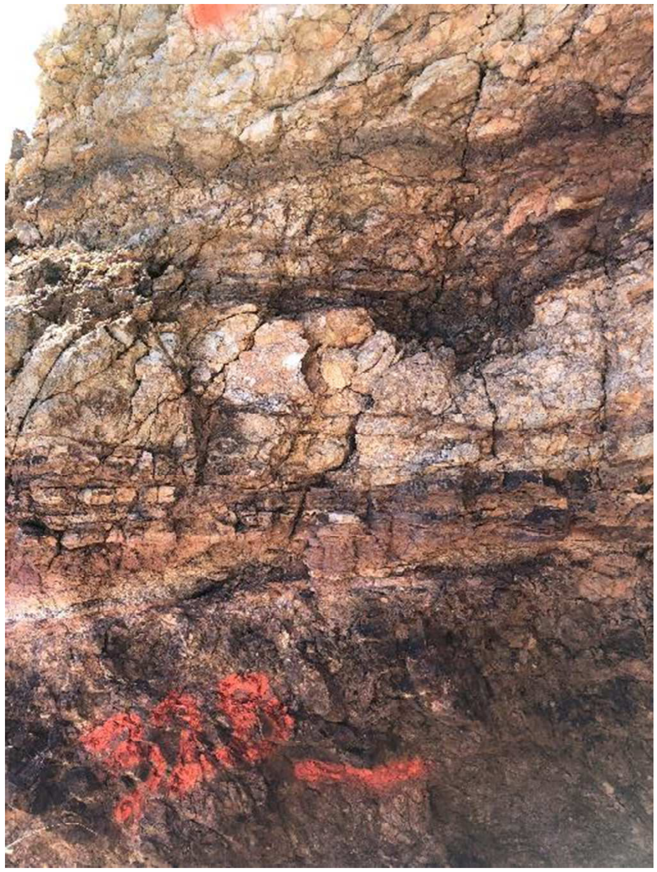

Figure 12.4. Sample site 13328.
Strongly silicified structure in fine grained volcanic rock, with veins of fine grained silica that locally contain pyrite-rich fragments.

Figure 12.5. Sample site 13329.
Structure in prospect with quartz veining and abundant bladed barite.

Figure 12.6. Sample site 13330.
Resistant crest along quartz vein running from upper left to lower right part of photo, with locally abundant barite. Jasper or East vein.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The Company has completed no metallurgical testing. The Company has obtained two reports from bottle rolls undertaken by two different labs on three samples taken at the property by a third party. The Company does not have data on the sample sites for the samples. The samples consisted of bulk material, with head grades ranging from 0.88 to 8 g/t Au and 12 to 46 g/t Ag.

The bottle roll tests show moderate recoveries of 30-56.4% for gold and 5.6 to 56% for silver from coarse crushed material (-3/4 inch to -30 mesh) for 72 hour leaching. Recoveries increase to 81.4 to 100% for gold and 27.9 to 84% for silver for finely ground material (-10 mesh and -100 mesh), with better recoveries for finer material. Column leach tests were recommended.

This data is useful as it shows that gold and silver can be recovered using cyanide leaching, but it is insufficient to make general conclusions about the amenability of the mineralized rock to processing methods. More work is needed, and at this time not enough information is available to allow further discussion of precious metal recovery methods.

14.0 MINERAL RESOURCE ESTIMATES

The Company has not completed a mineral resource estimate for the Property.

15.0 ADJACENT PROPERTIES

The only property adjacent to the Purisima property is the Nueva Purisima concession that abuts the land package on the northern and western sides (Figs. 7.8, 9.15). This concession is owned by a third party.

There is sampling from trenches along strike with the main Purisima vein system and it may partly cover the northwestern strike projection of the veins exposed on the Property.

16.0 OTHER RELEVANT DATA AND INFORMATION

The author knows of no other data or information relevant to the evaluation of the Project.

17.0 INTERPRETATION AND CONCLUSIONS

The Purisima Property covers a system of low sulfidation epithermal veins hosted by tertiary volcanic rocks. Past exploration work and the property visit made by the author indicate the presence of relatively high grade gold mineralization in the area of past mining, and several more veins with anomalous precious and base metal values are exposed in the surrounding area. Although significant past work has been done on the property, information from this work is incomplete, but gives important information that can be used to help guide future work.

The mineralization at Purisima contains elevated concentrations of arsenic, antimony, barium and mercury. Geochemical anomalies of the elements are described over the main area of past mining activity at the Purisima workings as well as several other areas with or without the presence of discrete veins. Chargeability and resistivity anomalies are also described as being associated with some of the geochemical anomalies.

Several targets for exploration for gold and silver are present, including the area of past small scale mining at the Purisima workings, the veins along the southeastern strike extension of this area, as well as several other veins that have been recognized to the west and east and two possible breccia or stockwork zones (Fig. 25.1). Most of the highest gold assays are in the area of the historic Purisima workings with assays over 2 g/t Au common, and ranging over 10 g/t Au. Sampling along the vein systems show that there is potential metal zoning, with the highest gold values in the Purisima workings, with higher silver and copper to the southeast along the vein system and perhaps to the southwest. Lead and zinc are generally low and may be zoned outward. The indicator elements arsenic, antimony and mercury are generally elevated along the main vein system but may be higher to the south of the main gold zone. Mercury was not analyzed for all samples taken by all workers, but should be included in future programs, with analysis by low detection limit methods for all samples.

The main area of past small scale mining activity as well as the immediate surrounding area are prospective for exploration for precious metal bearing veins, stockworks and silicified zones. It is important to note that all of the known drilling conducted at the project has been in the area of the Purisima workings. A second zone with anomalous gold values in a stockwork zone to the east may follow a partly buried parallel structural zone. This zone may be associated with faulting that juxtaposes Tertiary volcanic rocks in the hangingwall with Mesozoic sedimentary rocks in the footwall as described by Haynes (1998). It is also important to note that the trend of the structural zones as well as the possible metal zoning described above, trend off of the Property controlled by the Company onto an adjacent concession. It is recommended that an attempt be made to acquire ground adjacent to the Minas de la Purisima concession on the north and west. Samples taken to the northwest across the river valley from the Purisima showing also have anomalous metal values (Fig. 25.1). This area in near the corner of the Serena concession, and prospecting of this area should be undertaken.

The information from past work is sufficient to show that further exploration is warranted and necessary to determine the tenor and extent of mineralization as well as the future economic viability of the Property.

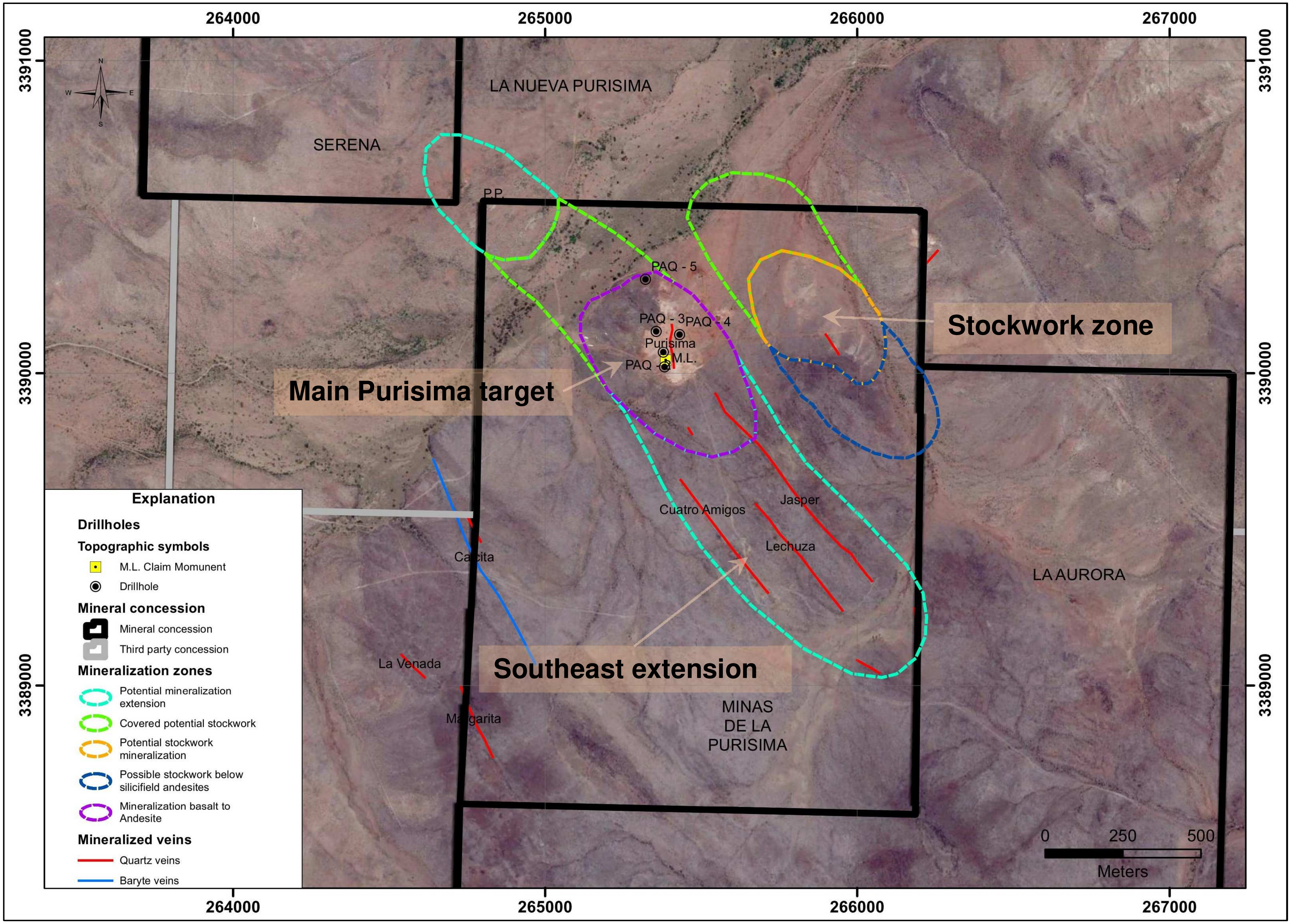

Figure 17.1. Exploration targets at the Purisima Project.

18.0 RECOMMENDATIONS

Based on the visit made by the author and the information available from past work the Project warrants further exploration. A two stage exploration program is recommended that includes detailed geological mapping and systematic rock chip and soil sampling as well as a Phase I drill program. Rock and/or soil sampling on a grid of about 25 meter spacing is warranted, and this could probably be undertaken with a portable XRF unit to detect anomalous values of indicator elements in real time before analyses are received from the laboratory. The Phase I drill program would consist of about 1,500 meters in areas with existing roads after reception of the Preventative Report environmental permit (about 30 days). A subsequent 1,500 meter Phase II drill program would be undertake if warranted by the previous results, and after reception of the Change of Land Use and Environmental Impact Statement (about 60 to 90 days, see Table 4.3). Specific drill sites for both phases should be selected based on the mapping and sampling and initial Phase I results. Table 18.1 below presents the costs for the line items in the proposed budget.

Table 18.1 Budget for proposed La Purisima exploration program.

La Purisima Proposed Exploration budget	
Stage 1	
Personnel (3 months)	32,000
Camp (3 months)	17,000
Samples (1,500)	35,000
Environmental permits	12,000
Drilling (1,500 meters)	125,000
Total Stage 1	**221,000**
Stage 2	
Road rehabilitation	12,000
Personnel (3 months)	30,000
Camp (3 months)	15,000
Samples (1,500)	22,000
Environmental compliance	4,000
Drilling (1,500 meters)	125,000
Total Stage 2	**208,000**
Total Stages 1 and 2	US$ **429.000**

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