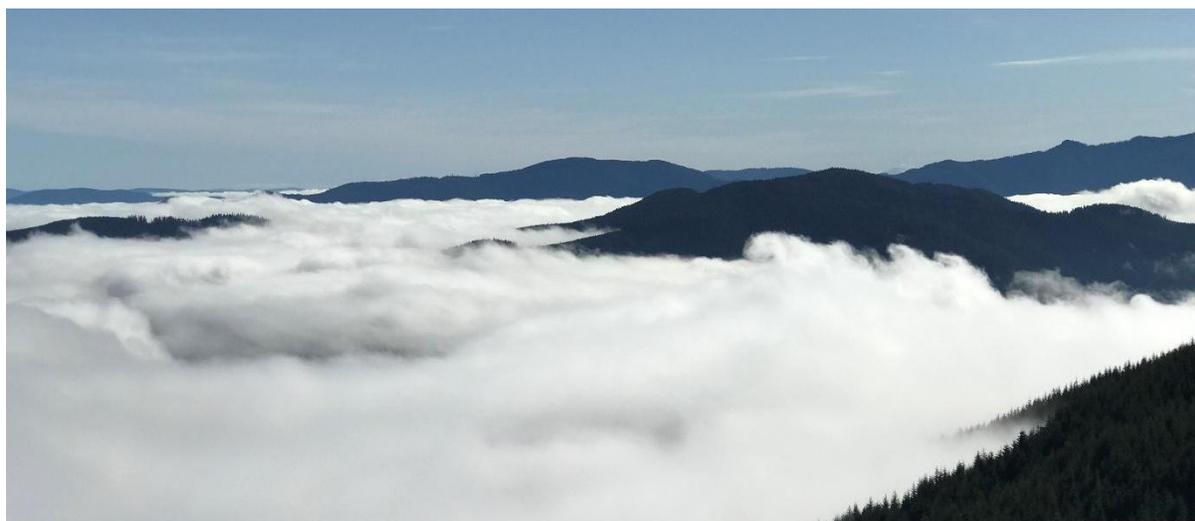


# TECHNICAL REPORT FOR THE WUSA GOLD PROJECT, LANE AND DOUGLAS COUNTIES, OREGON, USA



Prepared For: **Aguila American Gold Ltd**  
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Signing Date: 8<sup>th</sup> September, 2020  
Effective Date: 4<sup>th</sup> September, 2020

**DATE AND SIGNATURE**

The Report, “Independent NI 43-101 Technical Report For the WUSA Gold Project, Lane and Douglas Counties, Oregon, USA”, dated 8<sup>th</sup> September 2020 and with an Effective Date of 4<sup>th</sup> September 2020, and prepared for Aguila American Gold Ltd, was authored by the following:

“signed and sealed original on file”

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Dated: 8 September, 2020

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## **1.0 Summary**

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### **1.1 Overview**

At the request of Canadian public company Aguila American Gold Ltd (“Aguila”, the “Company”, or the “Issuer”), Mr John Rice, Consulting Geologist, has prepared this technical report as a National Instrument 43-101 (“NI 43-101”) Technical Report (the “Technical Report”) on the WUSA Gold Project (the “WUSA Gold Project” or the “Project”). The Project is located in the State of Oregon, USA, about 60 km south of the city of Eugene and 130km south of the capital, Salem.

This Technical Report was prepared as an NI 43-101 Technical Report for Aguila American Gold Ltd to be provide an initial technical assessment and summary of the WUSA Gold Project and be used in support of a Joint Venture transaction with Mawson Resources Ltd (now Mawson Gold Ltd) (“Mawson”).

This Report has been prepared to be in compliance with the disclosure and reporting requirements set forth in the Canadian Securities Administrators’ National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1, as well as with the Canadian Institute of Mining, Metallurgy and Petroleum’s “CIM Definition Standards for Mineral Resources and Reserves, Definitions and Guidelines” (“CIM Standards”) adopted by the CIM Council on November 27, 2010 and updated November 29, 2019.

The Effective Date of this Report is September 4, 2020. The agreement between Aguila and Mr John Rice permits Aguila to file this Report with Canadian securities regulatory authorities pursuant to NI 43-101 Standards of Disclosure for Mineral Projects.

This Report has been completed by professional geoscientist Mr John Rice. The Author has experience in geology, mineral exploration, mineral resource and mineral reserve estimation and classification, land tenure management, metallurgical testing, mineral processing, capital and operating cost estimation, and mineral economics.

Mr Rice, by virtue of his education, experience, and professional association, is considered to be a Qualified Person (“QP”), as that term is defined in NI 43-101, for this Technical Report. Mr Rice is responsible for all sections of this Technical Report.

Mr John Rice has completed a personal inspection of the WUSA Gold Project.

### **1.2 Property Description and Ownership**

The WUSA Gold Project lies immediately east and south of the township of Cottage Grove within the Western Cascades, central-western Oregon, USA. The property lies on the boundary of the Lane and Douglas Counties, and is accessible with a network of unpaved and forestry roads. Principal road networks originate from the Interstate 5 Freeway that marks the western boundary of the WUSA Gold Project, and the Row River Road that travels south from Cottage Grove towards Dorena.

The WUSA Gold Project is characterised by rugged vegetated mountains with deep incision by substantial watercourses. The area has a long history of forest harvesting, which has provided a robust gravel road network, even through areas of steep terrain.

Aguila has gained future rights to the WUSA Gold Project through a Letter of Intent to form a Joint Venture with Mawson Resources Ltd (now Mawson Gold Ltd). Mawson’s interest in the project is held by its wholly owned Canadian subsidiary M2 Resources Corp, which is the 100% owner of Mawson Resources USA Inc, a US registered corporation.

The WUSA Gold Project is the subject of a pre-existing agreement between Mawson Resources USA Inc and a third-party private Landholder. In 2017, the Landholder invited Mawson Resources USA Inc to explore a defined area of their land, their Bureau of Land Management claims, and the public or private land that surrounds or lies within their landholding, subject to various conditions. Mawson Resources USA Inc received confidential data from the Landholder, gained access rights for surface sampling, and could select smaller priority areas for additional detailed work under an option and lease agreement. Mawson completed regional exploration and data collection, and transferred a number of areas to the option and lease agreement.

Through the Joint Venture with Mawson, Aguila has gained rights to the priority areas, the confidential data, rights to explore the large forestry area, and rights to select additional smaller priority areas for detailed work. Aguila must complete certain minimum exploration to ensure the Joint Venture with Mawson Resources Ltd and the option agreement with the Landholder remain in good standing.

### **1.3 Exploration History**

The WUSA Gold Project and surrounding region is very under-explored in comparison to similar North American cordilleran terranes. The mineral and land rights have been held as a contiguous parcel by one third party landholder for at least 50 years. The Landholder has not completed significant modern exploration prior to the agreement with Mawson Resources Ltd, and has not permitted exploration to be undertaken on their land.

Very limited exploration was undertaken by the Landholder across the WUSA Gold Project area to evaluate the potential for undiscovered mineralized systems. Sporadic geological mapping and low level prospecting was completed across the WUSA Gold Project area during the late 1980's and early 1990's, culminating in the drilling of 10 percussion drillholes at the Walker Creek prospect.

Following the establishment of an agreement with the Landholder, Mawson undertook a coherent exploration program during 2018 to test the broader WUSA Gold Project and follow up on priority prospect areas. Mawson undertook a variety of regional and prospect-based work programs including geochemistry and geophysics, with a focus on the Scorpion-Cinnabar and Huckleberry areas. Both prospects were drill tested, with the one hole at Scorpion-Cinnabar intersecting gold mineralization with widespread alteration and anomalous pathfinder metals indicative of potential for a low-sulphidation epithermal system.

### **1.4 Geology and Mineralization**

The Western Cascades, where the WUSA Gold Project is located, lie between the High Cascade Range and Willamette Valley. Geologically the region is generally comprised of late Eocene to late Miocene andesites, basaltic andesites, pyro-/volcaniclastic rocks and, to a lesser extent, of dacite, trachyte, and rhyolite.

The extensive development of pyroclastic rocks, widespread alteration and hydrous alteration phases in the Western Cascades evidences the hydrous magmatic setting and the formation in a subduction-related environment. The thickness of volcanic accumulation in the Western Cascades exceeds 6,000m. Interbedded sedimentary rocks unrelated to volcanism constitute a minor component of the Western Cascades, while small dioritic intrusions are widespread and commonly cluster in the larger mining districts.

Most base- and precious-metal occurrences in rocks of the Western Cascades are typically composed of economic sulphide minerals within quartz veins or shear zones, and contain gold with or without silver, lead,

zinc, copper, and (or) antimony. Vein textures and alteration assemblages suggest classification as polymetallic vein deposits or epithermal based on the host rock, commodities present, and mineralogy.

While the WUSA Gold Project area remains poorly studied, the geological setting, hydrothermal alteration, styles of gold-silver mineralization, and close spatial and timing association with substantial hot-spring mercury deposits (Black Butte), suggests the region has potential for high level low-sulfidation and epithermal precious metal deposits.

A number of prospect areas have been defined within the WUSA Project area. The Walker Creek, Huckleberry and Scorpion-Cinnabar prospects are all associated with intense epithermal style mineralization, while Walker Creek and Scorpion-Cinnabar both demonstrate gold in drilling.

### **1.5 Conclusions and Recommendations**

Through Joint Venture, Aguila has gained access and prospective title to a large area of privately owned mineral rights within the Western United States. The work completed by the Landholder and Mawson, though sparse, has demonstrated bedrock gold mineralization in areas of intense epithermal hydrothermal style alteration.

Consistent surface exploration has never been completed suggesting the potential for discovery near surface and at relatively low cost. The volume of drilling is extremely low considering geological setting, accounted for by the limited past access granted by the Landholder.

Based on the historical information reviewed to date, the best opportunities for future exploration success and potential development toward mining, are the Scorpion-Cinnabar and Walker Creek prospects. Both sites encountered gold in bedrock drilling which has not been followed up.

It is the opinion of the Author that additional exploration expenditures are warranted on the WUSA Gold Project. General recommendations applying to the regional areas are provided, along with proposed exploration programs and budget estimates for the more advanced prospects.

Recommendation for Phase 1 and 2 exploration across the WUSA Gold Project totals approximately CA\$1,250,000.

## **2.0 Introduction**

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### **2.1 General**

Mr John Rice has prepared this Technical Report (the “Technical Report”) on the WUSA gold project, located in the Lane and Douglas Counties, Oregon, USA, at the request of Aguila American Gold Ltd (“Aguila”), a Canadian mineral exploration company based in Vancouver, British Columbia, Canada. Aguila has entered into a binding Letter of Intent (“LOI”) agreement dated July 27<sup>th</sup> 2020 with Canadian public company Mawson Resources Ltd (subsequently renamed Mawson Gold Ltd) to acquire a majority interest in the Western USA project (the “WUSA Gold Project”) by achieving exploration expenditure and work program milestones.

Pursuant to the LOI, if Aguila completes a total of US\$1,200,000 in exploration expenditure by no later than December 31st 2022, Aguila shall earn an 80% interest in Mawson’s rights to the WUSA Gold Project. On Aguila acquiring an 80% interest in Mawson’s rights, the 20% holding of Mawson will be non-dilutable until a decision to mine, and Mawson shall be free carried by loans from Aguila, repayable from production cash flows at an agreed rate.

The WUSA Gold Project is subject to a pre-existing agreement between an arm’s length party that holds surface and mineral rights at WUSA (the “Landholder”) and Mawson. This pre-existing agreement, dated December 27<sup>th</sup> 2017, sets terms for mandatory exploration expenditure, a pathway to mining, and defines a gold price-linked Net Smelter Return Royalty should a prospect within the WUSA Gold Project area progress to production.

The WUSA Project is at an early stage of exploration and does not include any current or historic resources or reserves.

### **2.2 Terms of Reference and Project Scope**

This Technical Report was commissioned to provide an initial technical assessment and summary of the WUSA Gold Project.

This Technical Report has been prepared to be in compliance with the disclosure and reporting requirements set forth in the Canadian Securities Administrators’ National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1, as well as with the Canadian Institute of Mining, Metallurgy and Petroleum’s “CIM Definition Standards for Mineral Resources and Reserves, Definitions and Guidelines” (“CIM Standards”) adopted by the CIM Council on November 27, 2010 and updated November 29, 2019.

The quality of information, conclusions, and recommendations contained herein is consistent with the level of effort involved in the Author’s services, determined using: i) information available at the time of Technical Report preparation; ii) data supplied by outside sources; and iii) the assumptions, conditions, and qualifications set forth in this Technical Report. This Technical Report is intended for use by Aguila subject to the terms and conditions of its contract with the Author and relevant securities legislation.

The agreement between the Author and Aguila permits Aguila to file this Technical Report with Canadian securities regulatory authorities pursuant to NI 43-101 Standards of Disclosure for Mineral Projects. Except for the purposes legislated under provincial securities law, any other use of this Technical Report by any third party is at that party’s sole risk. The responsibility for this disclosure remains with Aguila. The user of this document should ensure that this is the most recent technical report for the WUSA Project Project as it is not valid if a new technical report has been issued.

The effective date of this Technical Report is 4<sup>th</sup> September 2020. Interpretations and conclusions reported herein are based on technical data available prior to the effective date of this Technical Report.

### **2.3 Qualifications of Consultants**

The author (the “Author”) of this Technical Report is Mr. John Rice. The Author is independent of Aguila American Gold Ltd and is a Qualified Person (“QP”) as defined by NI 43-101. The CIM defines a QP as “an individual who is a geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.”

Mr. Rice, by virtue of his education, experience, and professional association, is considered to be a Qualified Person (“QP”), as that term is defined in NI 43-101, for this Technical Report. Mr. Rice is responsible for all sections of this Technical Report.

A Certificate for the Author is provided in Section 28.

### **2.4 Sources of Information**

This Technical Report is a compilation of proprietary and publicly available information, including non-public information obtained from the Landholder, and information obtained from recent exploration programs conducted on the WUSA Gold Project by Mawson Resources Ltd during 2018 and 2019. All sources of information are cited in Section 29: References.

References used in this Technical Report comprise publicly available reports, including government publications and journal manuscripts, available through the United States Geological Survey (USGS) and scientific publishing houses, respectively. Information on the regional geological setting in Oregon was sourced from various government reports and journal articles. Background information for prior exploration and local geology comes from work completed on the WUSA Gold Project prior to Mawson’s ownership and has been referenced where possible.

The Author has reviewed all publicly available information, proprietary material and geochemical data and found no significant issues or inconsistencies. Based upon the Author’s property visit and review of all available information, the Author takes responsibility for the information herein.

### **2.5 Scope of Site Inspection by the Author**

The Author visited the WUSA Gold Project between 7 June 2018 and 17 November 2018. The most recent visit by the Author was from 5 November 2018 to 17 November 2018.

The visit was on a geological consulting basis for Mawson for data collection purposes including the support of drilling described within this Technical Report. The general conditions of the WUSA Gold Project were extensively observed, and a working view of the geology and mineralization was acquired.

The Author departed the site at the conclusion of the Mawson drilling program. The Author has confirmed with both Mawson and the Landholder that no field activity has taken place at the WUSA Gold Project following 17 November 2018. Mawson has not press released any WUSA Gold Project activity after drilling resulted were reported 26<sup>th</sup> February 2019. Mawson financial statements for the year ended May 31, 2020

do not record any expenditure for the WUSA Gold Project. Technical databases provided to the Author by Aguila do not include any new information beyond that collected as at 17 November 2018.

The Author is therefore confident that all material information was acquired prior to his most recent site visit, and that no material change has occurred as at the effective date of this Technical Report.

## 2.6 Units of Measure

With respect to units of measure, unless otherwise stated, this Technical Report uses:

- Abbreviated shorthand consistent with the International System of Units (International Bureau of Weights and Measures, 2006);
- Weight presented in metric tonnes (tonnes; 1,000 kg or 2,204.6 lbs.);
- Geographic coordinates projected in the Universal Transverse Mercator (UTM) system relative to Zone 10 of the North American Datum (NAD) 1927;
- Currency in United States dollars (US\$), unless otherwise specified (e.g., Canadian dollars, CDN\$; Euro dollars, €);
- Assay and analytical results for precious metals quoted in parts-per-million (ppm), parts-per-billion (ppb);
- Temperature readings reported in degrees Fahrenheit (F) and/or Celsius (C); and
- Lengths quoted in feet (ft), kilometres (km), metres (m) or millimetres (mm).

## 2.7 Frequently Used Acronyms and Abbreviations

AA	atomic absorption spectrometry
Ag	silver
As	arsenic
Au	gold
asl	above sea level
cm	centimeters
core	diamond core-drilling method
°C	degrees centigrade
°F	degrees Fahrenheit
ft	foot or feet
g/t	grams per tonne
ha	hectares
Hg	mercury
ICP	inductively coupled plasma analytical method
in	inch or inches
kg	kilograms
km	kilometers
lb	pound or pounds
µm	micron
m	meters
Ma	million years old
mi	mile or miles
mm	millimeters
oz	ounce
ppm	parts per million
ppb	parts per billion
QA/QC	quality assurance and quality control
RC	reverse-circulation drilling method
t	metric tonne or tonnes
ton	Imperial short ton

### **3.0 Reliance on Other Experts**

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Aguila has retained Maxis Law Corporation of Vancouver to provide legal opinion as to the validity of the transferral of rights provided by the Landholder to Mawson via an agreement dated December 27<sup>th</sup> 2017, to Aguila via the LOI and the Definitive Agreement. The opinion of Maxis Law Corporation is summarised in Section 4 of this Technical Report and is accepted by the Author as being a valid representation.

The Author of this Technical Report has not attempted to verify the status of any permits or any potential environmental liabilities that may or may not exist for the WUSA Gold Project beyond that completed by Maxis Law Corporation.

## 4.0 Property Description and Location

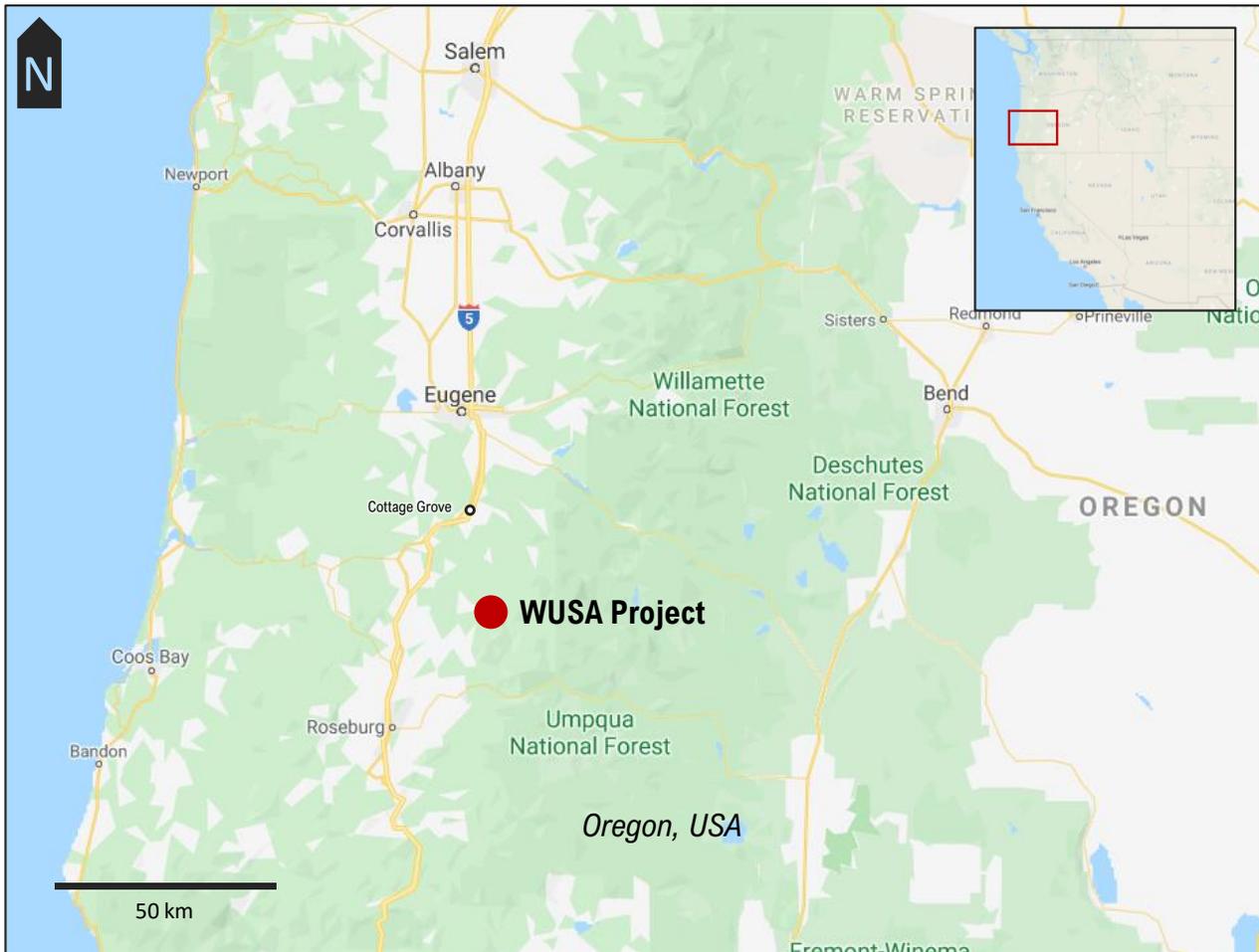
### 4.1 Location

The WUSA Project lies immediately east and south of the township of Cottage Grove (population approximately 10,000) within the Western Cascades, central-western Oregon, USA. Cottage Grove provides adequate food, lodging, and supplies to support any exploration activity in the region (Figure 4.01).

The property lies on the boundary of the Lane and Douglas Counties, and is accessible with a network of unpaved and forestry roads. Principal networks originate from the Interstate 5 Freeway that marks the western boundary of the WUSA Gold Project, and the Row River Road that travels south from Cottage Grove towards Dorena.

The principal prospect areas can be accessed using four-wheel drive vehicles. Local access to most areas of the property is via well established and maintained forestry roads.

The central point of the WUSA project can be found at 43°39'00"N 122°59'00"W. Operating datum for the WUSA Project is NAD27 / UTM zone 10N.

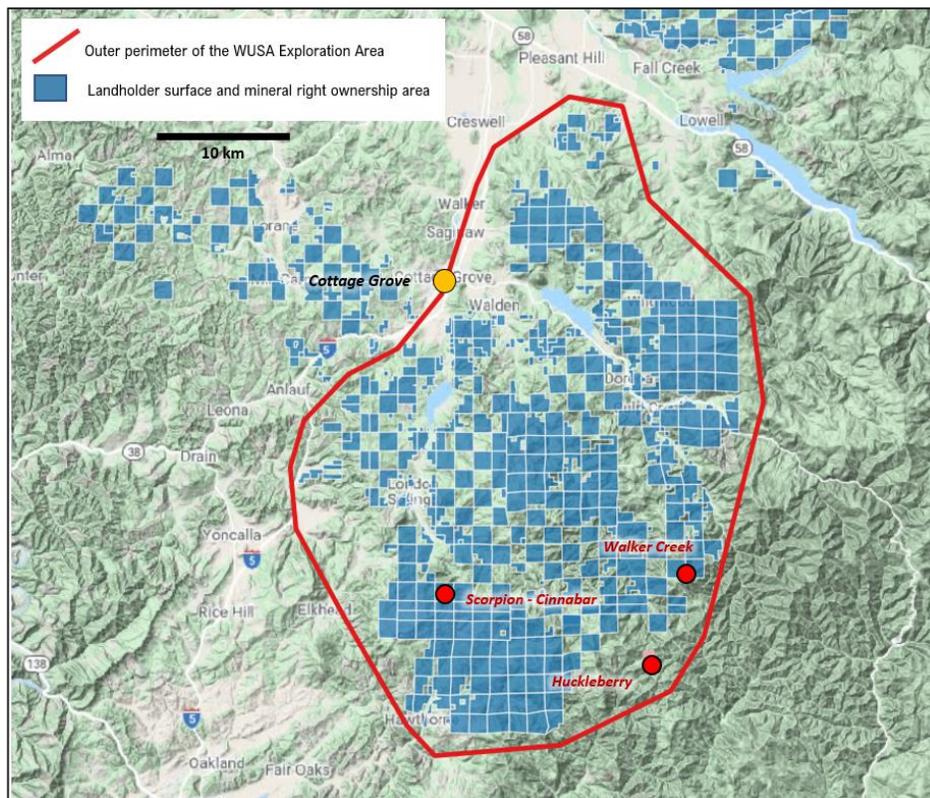


**Figure 4.01:** Location of the WUSA Gold Project, South Central Oregon, USA (Source: google maps)

## 4.2 Property Description

The WUSA Project covers land of a variety of ownership classifications as described in section 4.3 below (Figure 4.02). For clarity:

- The Landholder owns surface and mineral rights over a very large forestry area in south central Oregon;
- In addition to their own land and mineral rights, the Landholder holds Bureau of Land Management (“BLM”) claims for minerals on public lands;
- In 2017, the Landholder invited Mawson to explore their land, their BLM claims, and the public or private land that surrounds or lies within their landholding, subject to various conditions;
- Mawson received confidential data from the Landholder, gained access rights for surface sampling, and could select smaller priority areas for additional detailed work;
- Mawson completed regional exploration and data collection. Mawson undertook drilling on two priority areas. Both priority areas demand further exploration;
- Aguila has gained rights to the priority areas, the confidential data, rights to explore the large forestry area, and rights to select additional smaller priority areas for detailed work;
- Aguila must complete certain minimum exploration to ensure a joint venture with Mawson and an option with the Landholder remain in good standing;



**Figure 4.02:** WUSA Exploration Area, Oregon (red boundary). Aguila is provided with rights to undertake surface exploration on land owned by the Landholder within the Exploration Area (blue shading). Based on positive results, Aguila may move to an Option to Lease Agreement for detailed exploration activity.

## **4.3 Ownership Agreements**

### **Joint Venture With Mawson Resources Ltd**

Aguila has gained prospective future rights to the WUSA Gold Project through a Letter of Intent to form a Joint Venture with Mawson Resources Ltd (now Mawson Gold Ltd). Mawson's interest in the project is held by its wholly owned Canadian subsidiary M2 Resources Corp, which is the 100% owner of Mawson Resources USA Inc, a US registered corporation.

The LOI, signed with Mawson, provides Aguila the right to earn an 80% interest in the WUSA Gold Project. Through exploration expenditure of US\$200,000 and completion of 600 meters of drilling during the calendar year of 2020, Aguila shall earn a 51% interest in the project.

In addition, by investing a further US\$1,000,000 in exploration by no later than by December 31, 2022, Aguila shall earn an additional 29% interest in the project (80% in total). On Aguila acquiring an 80% interest, the 20% holding of Mawson will be non-dilutable until a decision to mine, and Mawson shall be free carried by loans from Aguila, repayable from production cash flows.

### **Underlying Agreement Between Mawson Resources Ltd and Third Party Landholder**

Mawson Resources USA Inc is the 100% owner of the legal rights, title and interests in a private exploration permit (the "WUSA Exploration Permit") signed 28th August 2017 and extended effective November 15, 2018; and an Option to Lease Agreement (the "WUSA Option to Lease Agreement") signed 27th December 2017 and extended effective 30th June 2020, with a private third-party Landholder (the "Landholder") (see Mawson, 2018).

Through the rights assigned by the WUSA Exploration Permit and its extension, the third-party Landholder has permitted Mawson Resources USA Inc to conduct non-invasive mineral exploration on approximately 150,500 Ha (371,900 acres) of private commercial timberlands in Lane and Douglas Counties (the "WUSA Exploration Area"). The third-party Landholder is the majority but not exclusive surface and mineral rights holder within the WUSA Exploration Area comprising 68,075 hectares where mineral and land rights are held by the Landholder ("Fee Simple Land"); 1,447 hectares where mineral rights only are held by the Landholder; and 333.1 hectares (40 claims) of unpatented Bureau of Land Management claims held by the Landholder.

The third-party Landholder granted permission to conduct exploration and data acquisition (stream sediment sampling, rock chip sampling, mapping, and geophysical surveys) pertaining to precious and base metals (the "Exploration Activities") on and/or across the WUSA Exploration Area, noting that Exploration Activities shall not include any drilling or other invasive activities.

The WUSA Exploration Permit provided by the Landholder is non-exclusive, however at the time of writing, the Author has confirmed that no similar rights have been granted to other parties. The WUSA Exploration Permit is in good standing to December 31, 2021 with no additional expenditure or payment requirements.

Throughout the duration of the WUSA Exploration Permit, Mawson Resources USA Inc may request the exclusive optioning of up to a total of 16,187 Ha (40,000 acres) for more detailed exploration (the "Option Area"). At the time of writing, 4,169 Ha have been optioned, with rights assigned to Mawson Resources USA Inc under the WUSA Option to Lease Agreement and its extension (Figure 4.03).

The WUSA Option to Lease Agreement and its extensions, provides Mawson Resources USA Inc with sole and exclusive rights to conduct exploration on the Option Area, subject to various conditions, until December 31<sup>st</sup>, 2023. Conditions include an annual rental payment to the Landholder of US\$35 per acre for the Option Area subject to an annual minimum payment of US\$100,000; and annual exploration expenditures of 2020

(balance of year) – US\$200,000, 2021 – US\$550,000, 2022 – US\$1,000,000, 2023 – US\$1,000,000. Such expenditures are inclusive of the expenditure requirements defined by the Joint Venture with Mawson.

Prior to December 31<sup>st</sup>, 2023, Mawson Resources USA Inc may exercise its option and convert selected sections of the Option Area to mining leases (each a “Mining Lease”) where each does not exceed 1,500 contiguous acres. Subject to various industry-standard conditions, the third-party Landholder will grant the Mining Lease for 15 years, with a right to extend for an additional 15 years.

Subject to environmental and other state and federal government approvals, mining may be carried out by Mawson Resources USA Inc (the “Lessee”) on a Mining Lease. The Lessee shall pay to the Landholder an annual rental payment up to US\$300,000 for each Mining Lease, and make annual work expenditure commitment of between US\$500,000 and US\$1,500,000.

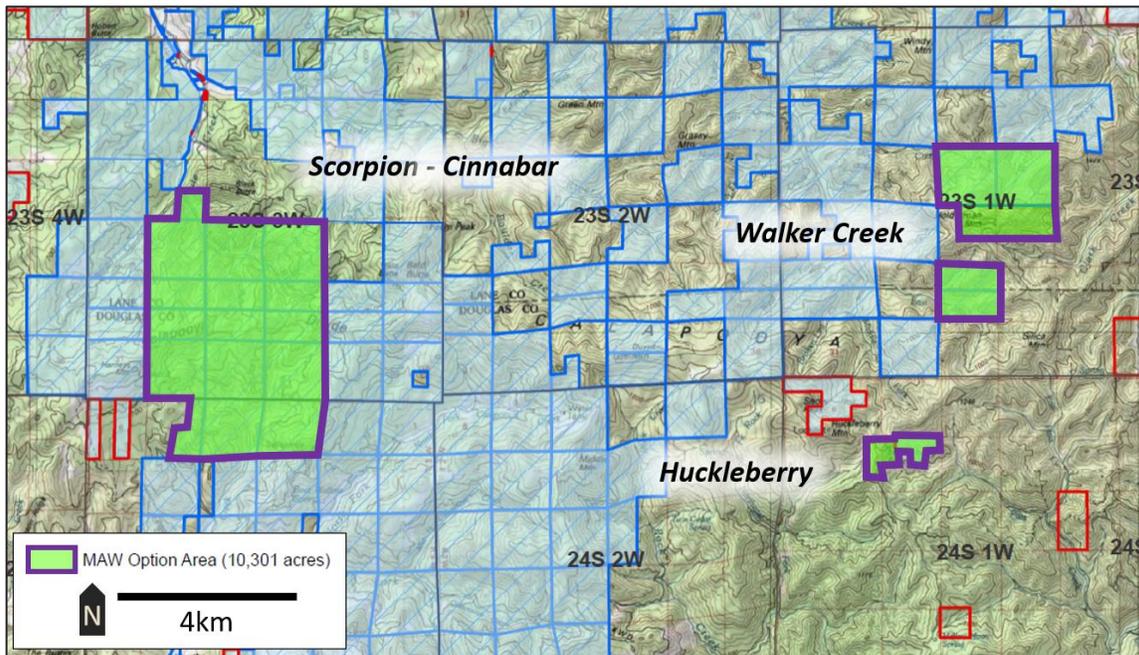


Figure 4.03: WUSA Option Area, Oregon totalling 10,301 acres/4,169 Ha. Aguila is provided exclusive rights to undertake surface exploration and drilling within the Option Area (green shaded, purple border). The Landholder is the exclusive owner of mineral rights within all Option Areas, as fee simple land where mineral and land rights are held by the Landholder; as area where mineral rights only are held by the Landholder, and unpatented Bureau of Land Management claims.

Should mine production occur on a Mining Lease, the Lessee will pay a Net Smelter Return Royalty to the Landholder based on the quarterly average gold price as provided in Table 4.01. Within sixty days of a decision to mine notice being provided to the Landholder, the Lessee may, at its sole option, purchase a 0.5% Net Smelter Return Royalty from Lessor, by paying the greater of the following:

- (a) Three Million Dollars (\$3,000,000), adjusted for inflation based on any changes in the CPI-U (Consumer Price Index for All Urban Consumers); or
- (b) The Net Present Value (NPV), calculated using a discount rate of 10%, of the One-Half Percent (0.5%) Net Smelter Return Royalty

% NSR	QUARTERLY AVG. GOLD SPOT PRICE (USD/t. oz)
3.0%	\$1249.99 and below
3.5%	\$1250.00-\$1699.99
4.0%	\$1700.00 and above

**Table 4.01:** Gold price increments for NSR calculation based on Mawson Resources USA Inc – Landholder Agreement

**BLM Claims Held By the Landholder**

40 unpatented BLM claims held by the Landholder on public land have had mineral rights assigned to Mawson within the WUSA Option to Lease Agreement. All claims lie upon the Silica Mountain Quadrangle. The location of these claims are defined by the Public Land Survey System (PLSS) as follows:

- Huckleberry Prospect: 10 Mining Claims upon township T24S R1W  
 Huckleberry 1, Huckleberry 2, Huckleberry 3, Huckleberry 4, Huckleberry 5, Huckleberry 6, Huckleberry 7, Huckleberry 8, Huckleberry 9, Huckleberry 10
- Walker Creek Prospect: 30 Mining Claims upon township T23S R1W  
 Walker Creek 1, Walker Creek 2, Walker Creek 3, Walker Creek 4, Walker Creek 5, Walker Creek 6, Walker Creek 7, Walker Creek 8, Walker Creek 9, Walker Creek 10, Walker Creek 11, Walker Creek 12, Walker Creek 13, Walker Creek 14, Walker Creek 15, Walker Creek 16, Walker Creek 17, Walker Creek 18, Walker Creek 19, Walker Creek 20, Walker Creek 21, Walker Creek 22, Walker Creek 23, Walker Creek 24, Walker Creek 25, Walker Creek 26, Walker Creek 27, Walker Creek 28, Walker Creek 29, Walker Creek 30

The Landholder has appropriate agreements in place for non-invasive access and exploration, and has previously drilled within the Walker Creek claim area. Future drilling or other ground disturbance shall be the subject of access agreements with surface right owners.

**Title Opinion**

The Author of this Technical Report has communicated directly with corporate and legal representatives of Mawson and the Landholder on numerous occasions and received signed copies of the relevant agreements that define the transactions described in Section 4.3.

The Author has received copies of original land title records from the Landholder that indicate it is the exclusive owner of both property and mineral rights for the WUSA Gold Project. The Author has received independent legal opinion from Maxis Law Corp that the transaction as described is binding on the Landholder, Mawson, and Aguila, should payment and exploration expenditure milestones be fulfilled, and other standard corporate/mineral exploration practices are adhered to.

The Author has not conducted an independent title search, but is satisfied that as a large corporate entity, with more than 100 years of land ownership at the WUSA Gold Project, land and mineral rights are the property of the Landholder.

**4.4 Environmental Liabilities, Permitting and Significant Factors**

Aguila, Mawson, and the Landholder have informed the Author that they know of no potential environmental liabilities associated with the WUSA Gold Project. During site visits, the Author did not observe any evidence of cultural sites, prior mining, historic structures, or debris that would have the potential to create access or

operating limitations or incur future environmental liabilities. The area has been the subject of regular forestry activity by the Landholder, providing an extensive local network of access and low impact forestry-related disturbance.

The Oregon Department of Geology and Mineral Industries (“DOGAMI”) administers the exploration permitting program on private land in Oregon. An exploration permit from DOGAMI is required when exploration involves drilling to greater than 50 feet deep or disturbs more than one surface acre. Accordingly, low-impact exploration methods, such as soil sampling, hand trenching, mapping, and rock chip sampling, do not require a DOGAMI exploration permit.

For exploration activities requiring a DOGAMI exploration permit, DOGAMI’s rules specify that exploration must be “conducted so as to minimize adverse effect[s] upon wildlife.” DOGAMI will circulate an exploration permit application to other state agencies, including the Oregon Department of Fish and Wildlife (“ODFW”), for comment. If ODFW provides comments, and although DOGAMI is not required to defer to ODFW’s comments or recommendations, DOGAMI may well give weight to ODFW’s perspective, being the state agency responsible for species protection.

The WUSA Exploration Permit includes areas known to provide habitat for the Northern Spotted Owl (“NSO”). NSOs are protected under the federal Endangered Species Act (“ESA”) and the related Oregon state law and consideration must be included in exploration program planning to minimize adverse effects on NSOs and their habitat.

The Landholder has informed Mawson of the presence of an NSO nest in close proximity to the Scorpion prospect. The nest location is identified by the yellow point on Figure 4.04 and is within a 12-acre stand of 133-year-old trees. The Landholder observed NSO activity at the Scorpion Butte NSO nest site at the end of August 2017. Prior to that, the last recorded NSO activity at the Scorpion Butte site was in 2013. The Landholder has not conducted forestry operations that would necessitate submitting a written plan to the Oregon Department of Forestry (“ODF”) in connection with this NSO nest.

Mawson received legal and environmental expert guidance on how best to minimise all adverse effects on the Scorpion Butte NSO nest site (Craig and Martin, 2017). By ensuring there is no disturbing activity (including drilling) within 0.25 miles of the nest site during the critical NSO nesting season from March 1 to September 30, no additional permits for drilling are required from the U.S. Fish and Wildlife Service (“USFWS”). Activities that are non-disturbing can occur without concern throughout the year, including during the NSO nesting season inside NSO core areas.

Permits for future mining activities at the WUSA Project will involve a number of Federal, State, and local regulatory authorities. The project will require the following major environmental permits to construct, operate, and close: 1) a Plan of Operations from the BLM; 2) a DOGAMI Consolidated Permit for Mining Operations; 3) an Oregon Department of Environmental Quality (“ODEQ”) Chemical Mining Permit; 4) Water rights from the Oregon Department of Water Resources; 5) an Air Quality Operating Permit (“AQOP”) with the ODEQ; and 6) a Conditional Use Permit from Lane and/or Douglas Counties. Other State of Oregon and federal permits may be required.

The Black Butte mercury mine is a designated EPA Superfund site and is not included within the Exploration Permit area.

While the Author is not an expert with respect to environmental matters, the Author is not aware of any other potential risk or issues.

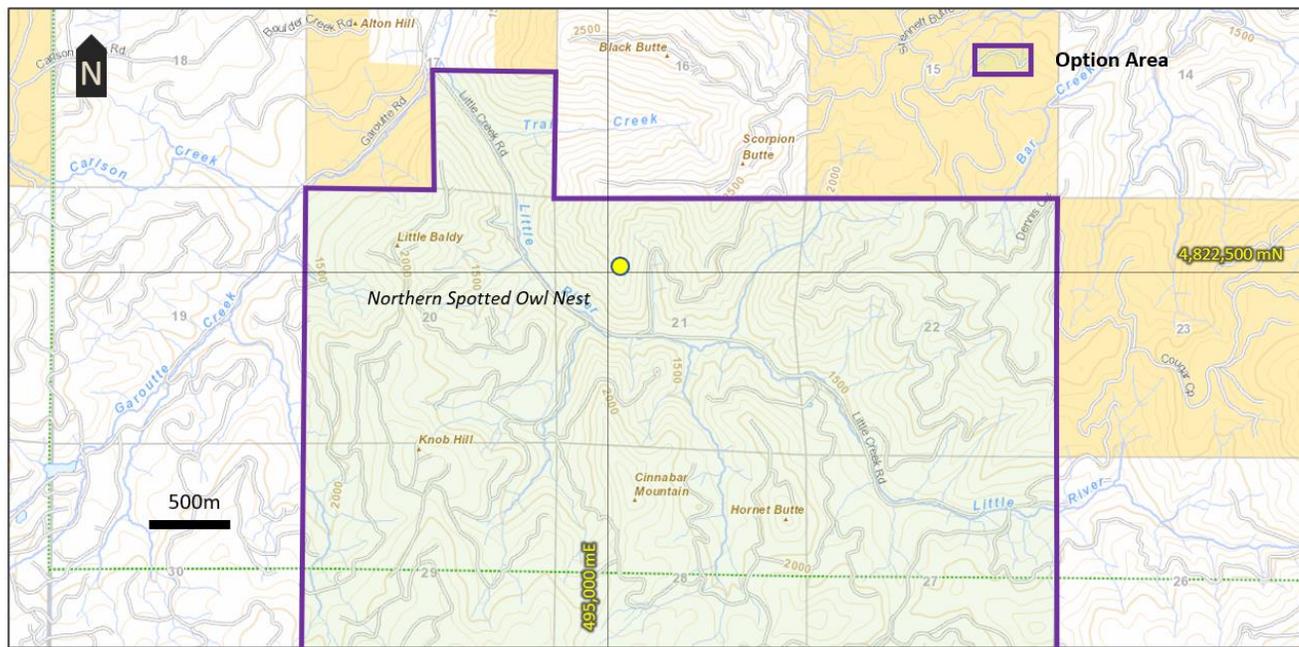


Figure 4.04: Northern Spotted Owl Nest Location, Scorpion-Cinnabar Area

## **5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography**

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### **5.1 Accessibility**

The Property is best accessed from the township of Cottage Grove (population approximately 10,000) within the Western Cascades, central-western Oregon, USA. Cottage Grove provides adequate food, lodging, and supplies to support any exploration activity in the region (see Figure 4.01).

Principal road networks will originate from the Interstate 5 Freeway that marks the western boundary of the WUSA Gold Project, the Row River Road that travels south from Cottage Grove towards Dorena, and the east-west trending North Umpqua Highway (Oregon Route 138) that traverses close to the southern margin of the WUSA Exploration Area.

A number of small communities exist within the WUSA Exploration Area, including London Springs, Hawthorne, Latham, and Brumbaugh. These communities lie well away from the areas of exploration focus but may be passed when accessing work sites.

The WUSA Option Areas where the principal prospects of interest are located are sited on timberlands that are accessible via the very extensive network of well-established and maintained forestry roads. Four-wheel drive vehicle access is possible for much of the year to the WUSA Option Areas, with drill rig access available with only limited support.

### **5.2 Site Topography, Elevation and Vegetation**

Like much of the Western Cascades, central-western Oregon, USA, the WUSA Exploration Permit and WUSA Option Areas are characterised by rugged vegetated mountains with deep incision by substantial watercourses. The area has a long history of forest harvesting, which has provided a robust gravel road network, even through areas of steep terrain.

The WUSA Exploration Permit is dominated regionally by the east-west trending Calapooya Divide, which forms a watershed between creeks and rivers flowing north to the Willamette River catchment, and those flowing south to the Umpqua River catchment.

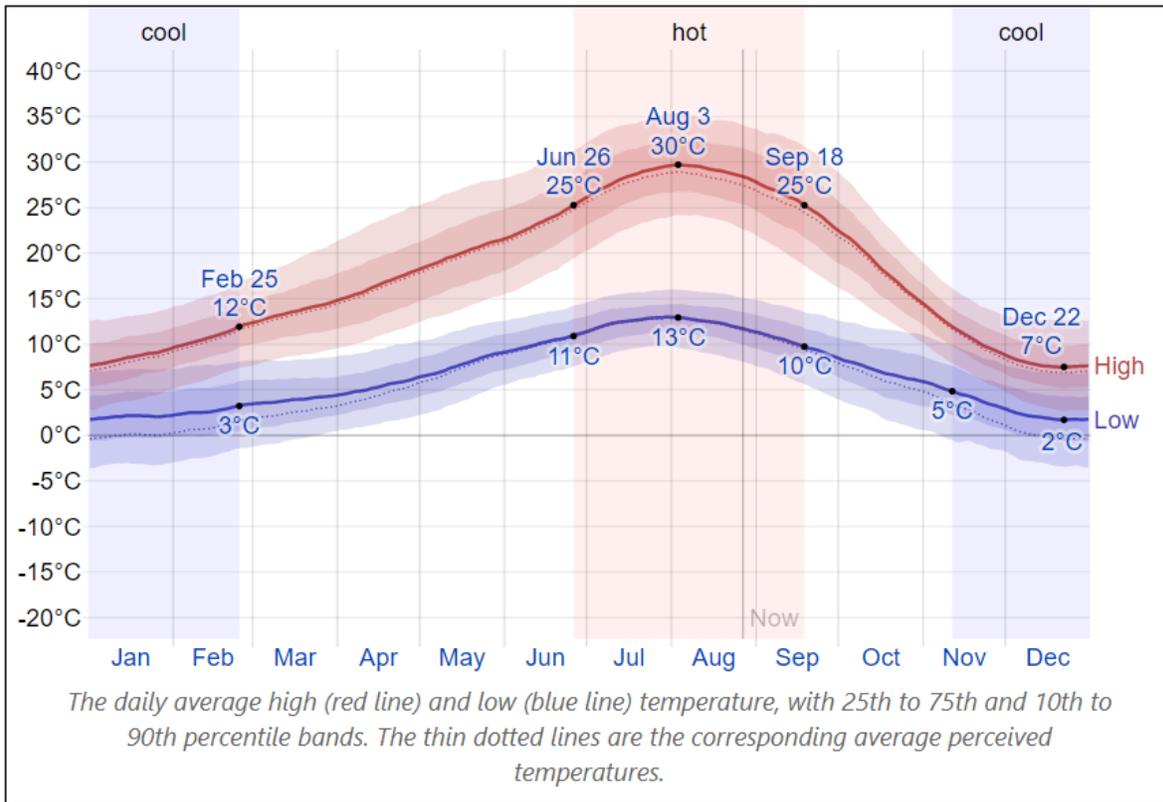
Mountain peaks range from 2500ft to 4500ft and are typically well forested. At the lowest elevations, there is dense conifer forest of Douglas-fir, western red cedar, western hemlock, grand fir, silver fir, Sitka spruce, and Alaska-cedar. Numerous species of shrubs grow exceptionally well in this forest and around its margins. Western hemlock and several other species of fir are more tolerant of shade than Douglas-fir and exist in mature forest stands. In the humid conifer forests of southwestern Oregon, Alaska-cedar is replaced by silver fir and redwood.

### **5.3 Climate**

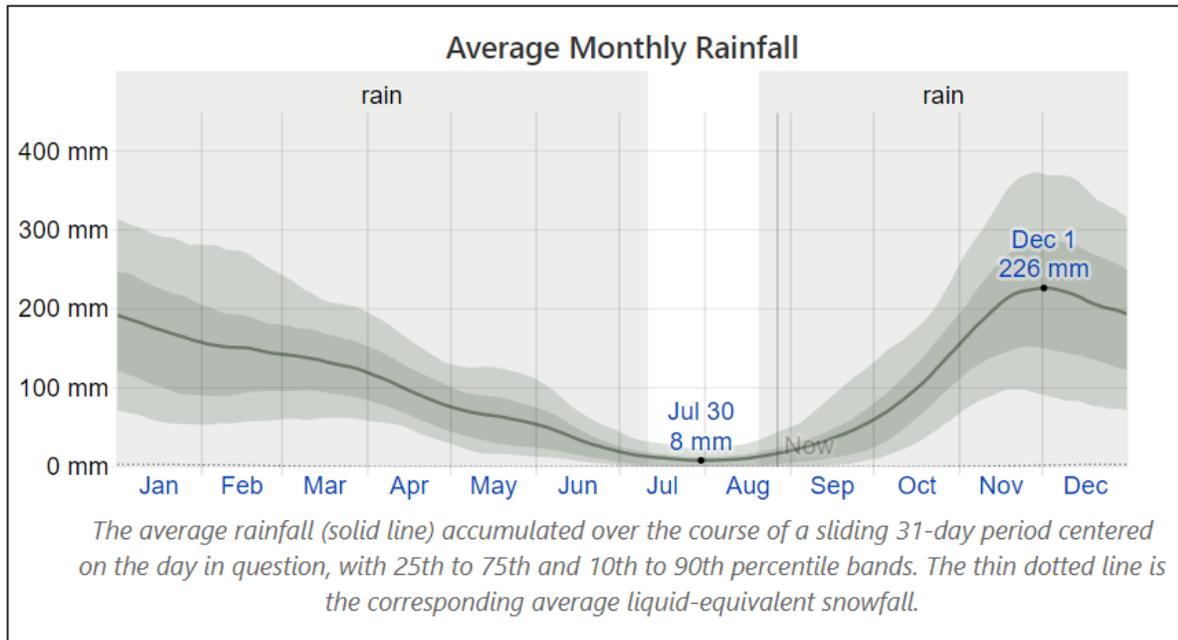
The WUSA Exploration Permit is proximal to the Pacific Ocean, and therefore its climate is characterized by generally mild temperatures averaging 35 to 60F (2 to 18C) throughout the year. Rainfall is heavy, at 30 to 150 inches (770 to 3,800 mm) per year, with a maximum in winter. Humidity is always high, producing an extremely favorable precipitation/evaporation ratio. The lower areas are winter-wet with no snow, while at elevated levels, snowfall is common from December to March. A blanket of snow may cover the higher elevations through much of the winter.

Based on the experience of Mawson and discussion with the Landholder, the principal prospect areas are likely to be accessible without support or snow removal for at least 11 months of the year.

Average conditions for the nearby township of Cottage Grove can be found in Figure 5.01 and Figure 5.02:



**Figure 5.01:** Average High and Low Temperatures (°C) for Cottage Grove, Oregon, USA (<https://weatherspark.com/y/388/Average-Weather-in-Cottage-Grove-Oregon-United-States-Year-Round>)



**Figure 5.02:** Average Rainfall (mm) for Cottage Grove, Oregon, USA (<https://weatherspark.com/y/388/Average-Weather-in-Cottage-Grove-Oregon-United-States-Year-Round>)

#### **5.4 Local Resources and Infrastructure**

The townships of Cottage Grove (population approximately 10,000) and Roseburg (population approximately 25,000), both situated in the State of Oregon, USA, are the nearest communities to the WUSA Gold Project, both situated approximately 40km from the centre point of the WUSA Exploration Permit. 35km north of Cottage Grove lies the larger city of Eugene, with a population of 175,000. These population centres can provide all personnel and light industrial needs for a future mining operation at the WUSA Project.

The Department of Earth Sciences at the University of Oregon is based in Eugene, with well-respected under- and post-graduate programs. Industrial, fuel, maintenance, and engineering services and supplies can be readily obtained in Eugene. A broad range of accommodations, housing and businesses, industrial and government services, and amenities are available in Eugene, as are an airport, hospitals, and banking services.

Water for drilling is widely available on site. Electrical power is not presently available in close proximity to the WUSA Option areas. However, it is available in nearby valleys servicing light industrial, forestry, and agriculture-related practices.

#### **5.5 Potential for Future Mining**

Within the Option Area, the third-party Landholder owns both of Fee Simple land where surface and mineral rights are owned outright, and mineral rights through BLM claims. The principal prospect area (Scorpion-Cinnabar) lies upon Fee Simple land. The Landholder owns very substantial land of a spectrum of topography and accessibility types within the WUSA Exploration Permit and it is very likely that appropriate land for mining infrastructure, tailings, waste rock disposal would be made available from the Landholder (subject to rental payment).

Within the WUSA Option to Lease Agreement, the terms for progression to a Mining Lease, and to mine operation, have been set (see Section 4.3). The Landholder, due to potential financial gain through royalties, is supportive of a progression to mining at this locality.

## 6.0 History

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### 6.1 *History of the Area*

The WUSA Gold Project and surrounding region is very under-explored in comparison to similar North American cordilleran terranes. The mineral and land rights have been held as a contiguous parcel by the third-party Landholder for at least 50 years. The Landholder has not completed significant modern exploration prior to the agreement with Mawson Resources Ltd.

### 6.2 *Third Party Landholder Exploration Activity*

Very limited exploration was undertaken by the Landholder across the WUSA Gold Project area. This work was done to evaluate the potential for undiscovered mineralized systems in the region, and as follow-up of peripheral areas, subsequent to the discovery of the Walker Creek prospect.

Sporadic geological mapping and low level prospecting was completed across the WUSA Gold Project area during the late 1980's and early 1990's, with informal references made to mineralized float observations, rock sampling, and mapping of alteration zones where results have not been provided. Widespread quartz/clay/adularia/pyrite alteration, and anomalous gold/silver/arsenic /mercury/antimony are recorded from various prospect areas. Reconnaissance was limited to accessible existing roads and was generally focussed on BLM tracks.

Selected stream sediment (33 samples) and rock (41 samples) samples were taken by the Landholder across the WUSA Gold Project. Low tenor anomalies were identified. The sample density is too low to determine any zoning based on the results. Several gold anomalous samples were detected, although no follow up has been completed. Moderately anomalous quantities of antimony and mercury with low level arsenic anomalies were detected.

#### Geological Mapping

Prospect-based outcrop mapping was completed by the Landholder in the 1980's and early 1990's, with localities and observations well recorded (Heinemeyer and Herdrick, 1993a; Heinemeyer and Herdrick, 1993b). This has provided robust fact maps and interpretation maps for **Huckleberry** (Figure 6.01) and **Walker Creek** (Figure 6.02) prospects.

During 2016, mapping was undertaken by consulting geologist Stann Dodd at the Scorpion-Cinnabar prospect, to provide context to highly anomalous soil sampling values.

#### Geochemistry

The newly discovered **Walker Creek** prospect was the subject of a significant exploration focus from 1989 – 1993 ((Heinemeyer and Herdrick, 1993b). A total of 227 rock chip samples were taken during mapping, with an additional 53 follow up samples from road-cut channels. Assay results and localities were provided by the Landholder, which have been located on the basis of topographic features. Gold values ranged from 5 ppb to 1.5 ppm in rocks representing pyroclastic facies, associated with silica and adularia alteration. As-Sb-Hg values are noted to be anomalous and associated with gold mineralization, while Cu was depleted. The principal gold anomaly trends NW at 56deg coincident with interpreted vent pyroclastics.

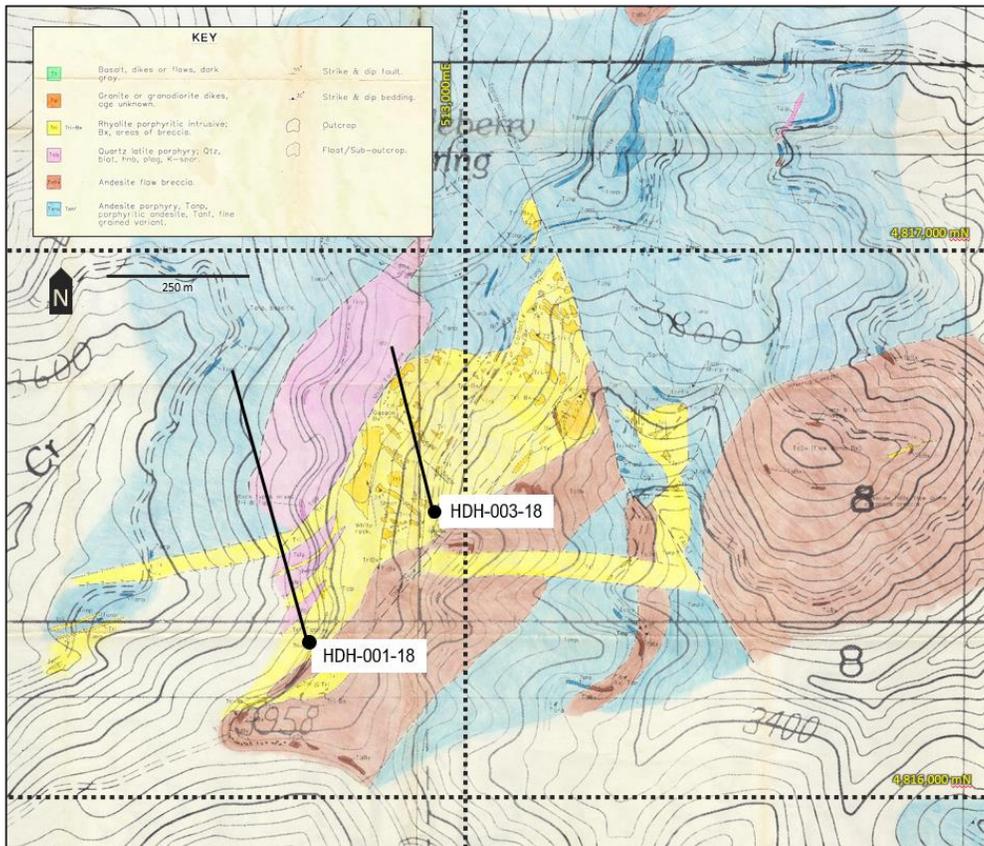
The **Huckleberry** prospect is a large area of quartz, alunite, clay alteration developed within a northeast trending structural zone (Heinemeyer and Herdrick, 1993a). The site was discovered and sampled by the Landholder in 1989 (reported in 1993) after the success at Walker Creek. 171 surface rock chip samples

discovered arsenic, antimony, mercury, bismuth, and molybdenum anomalism that were considered consistent with epithermal acid-sulphate precious metal deposits. Despite intense silica alteration, gold values were subdued, ranging from below detection limits, rarely up to 15 ppb. The Landholder believed that sample density was insufficient to test for a zoned low sulphidation epithermal deposit and recommended follow up sampling and drilling.

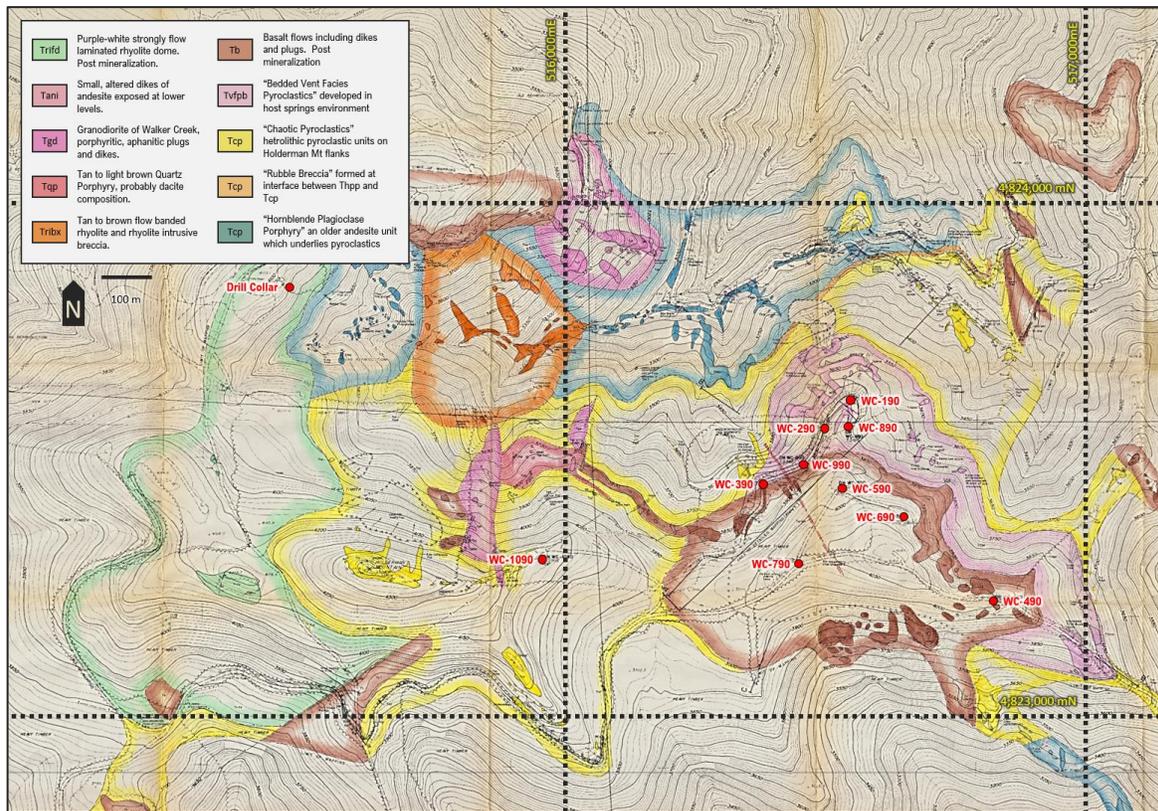
In follow up of a stream sediment anomaly, semi-regional grid-based soil sampling was completed by the Landholder in 2014 and 2015, totalling 636 samples. Sampling was focused on the Scorpion-Cinnabar area using long sample lines as a prospecting tool. Anomalous areas were then in-filled with additional sampling (see Figure 6.03).

In this program, Au values ranged from below detection limit (0.4 ppb) to 5.51g/t Au. 61 samples (9.6%) exceeded 0.1 ppm Au which was considered highly anomalous. Five samples greater than 0.5 g/t Au were identified in a valley setting immediately south of the Black Butte low sulphidation mercury mine, and the anomalous zone was confirmed by follow up sampling. This area, now known as the Scorpion prospect, became a priority area for additional exploration. Acid leached volcanic rocks underlie the thin soils which host the anomalous gold.

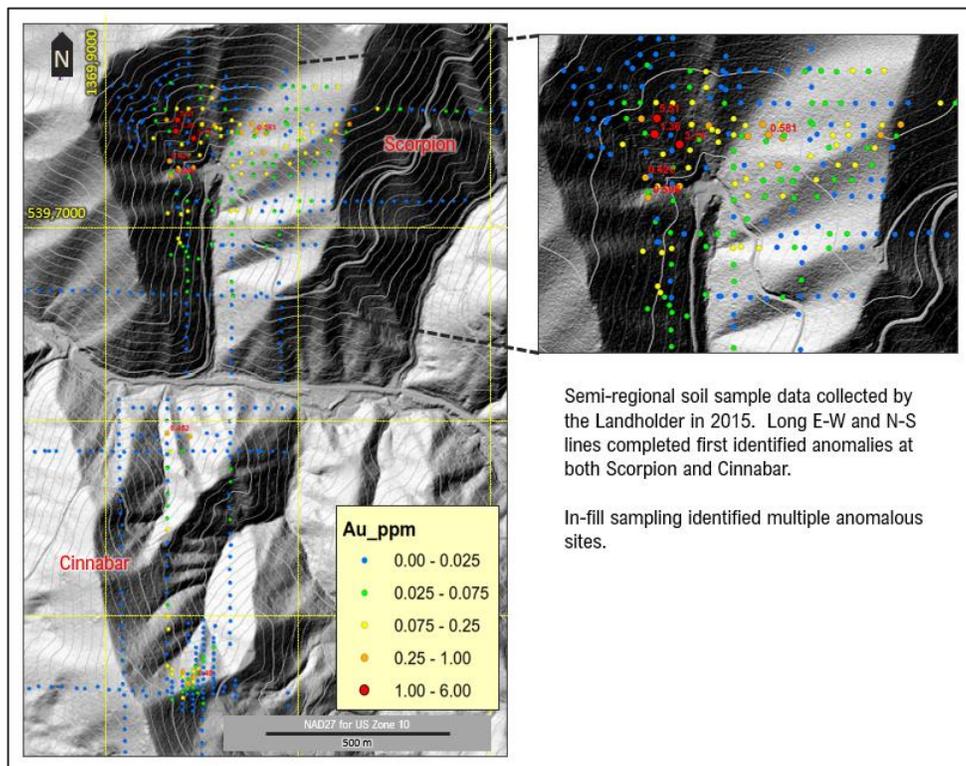
Twenty-six rock samples were collected by geologist Stan Dodd on behalf of the Landholder in follow up to the soil sampling program during 2016. Au ranged from 0.003ppm to 0.106 ppm with 9 samples exceeding 0.01 ppm. Highly anomalous As and Hg was identified alongside elevated Au. As ranged from 41ppm to 1460 ppm averaging 299 ppm, which Hg ranged from 0.3 ppm to >100 ppm and averaged 18.2 ppm.



**Figure 6.01:** Original Geological Mapping of the Huckleberry prospect, by the Landholder, circa 1990 (Heinemeyer and Herdrick, 1993a). Drill holes completed by Mawson Resources Ltd in 2018 overlain.



**Figure 6.02:** Original Geological Mapping of the Walker Creek prospect, by the Landholder, circa 1990 (Heinemeyer and Herdrick, 1993a). Drill hole collars from 1993 RC program shown in red.



**Figure 6.03:** 2015 Soil Sampling Results from the Landholder. Identified Scorpion and Cinnabar areas.

### Drilling

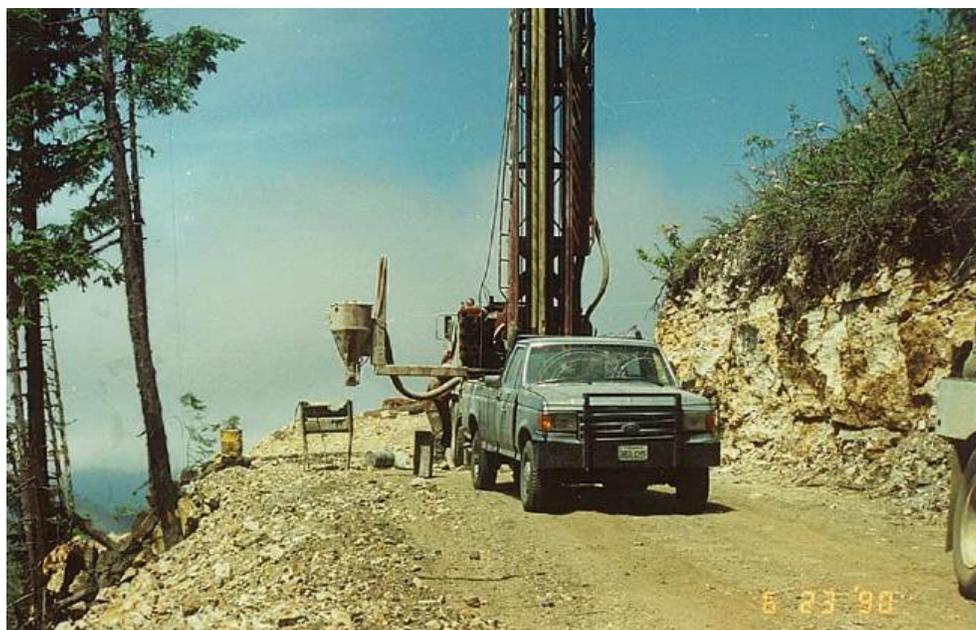
In 1993, ten widely spaced vertical percussion drill holes (Figure 6.04) were drilled into the large alteration zone within volcanic rocks at the **Walker Creek** prospect (Heinemeyer and Herdrick, 1993b). Eight holes intersected gold mineralization with a peak of 12.2m @ 1.41 g/t Au in WC-290 including 1.52m @ 4.9 g/t Au. Holes WC-190, WC-290, WC-390 and WC-890 were drilled in altered and mineralized zones and returned anomalous gold. Drill holes 590, 690, 790 were collared in basalt and targeted to drill altered vent facies pyroclastics beneath the basalt.

Drill results are provided in Table 6.01. Only drillhole summary results, not individual sample results, have been provided. Drill collar locations have been adequately reconciled from mapping and access sites (Figure 6.02). The true thickness of mineralized intercepts is not known, however mineralization was interpreted to be flat dipping suggesting true thickness should be greater than 80% of drilled thickness.

Explorers of the time noted Walker Creek to be a “significant new gold occurrence in the Western Cascade Mountains” however no further drilling was completed.

HOLE_ID	FROM (FT)	TO (FT)	INTERVAL (FT)	FROM (M)	TO (M)	INTERVAL (M)	AU OZ/TON	AU G/T
WC-190	40	60	20	12.2	18.3	6.1	0.040	1.37
WC-290	85	125	40	25.9	38.1	12.2	0.041	1.41
WC-390	170	185	15	51.8	56.4	4.6	0.011	0.38
WC-590	520	535	15	158.5	163.1	4.6	0.017	0.58
WC-690	300	310	10	91.4	94.5	3.0	0.030	1.03
WC-790	395	405	10	120.4	123.4	3.0	0.030	1.03
WC-890	150	190	40	45.7	57.9	12.2	0.011	0.38
WC-990	260	280	20	79.2	85.3	6.1	0.013	0.45

**Table 6.01:** Walker Creek Drilling Results from the Landholder, 1993



**Figure 6.04:** Percussion drilling completed at Walker Creek, 1993 (Heinemeyer and Herdrick, 1993b)

### **6.3 Mawson Resources Ltd**

Following the establishment of the Exploration Permit and Option to Lease Agreement, Mawson undertook a coherent exploration program during 2018 to test the broader WUSA Gold Project and follow up on priority prospect areas.

Mawson undertook a variety of regional and prospect-based work programs, with a focus on the **Scorpion-Cinnabar** and **Huckleberry** areas. Both prospects were drill tested, with the one hole at Scorpion-Cinnabar intersecting gold mineralization with widespread alteration and anomalous pathfinder metals indicative of potential for a low-sulphidation epithermal system.

#### **Geological Mapping**

Geological mapping was completed by the Author at the **Scorpion-Cinnabar** prospect under contract to Mawson Resources Ltd during 2018. The program focussed on identifying geological trend and potential host rocks within the area of gold-in-soil anomalism to guide the upcoming drilling program. Various volcanic facies and overprinting structural fabric was identified which was used to define drill direction.

#### **Geochemistry**

Mawson completed a regional stream sediment program within the southern and central sections of the Exploration Permit to highlight prospect areas. Sample sites are extremely constrained by topography and access, however 94 samples were collected from active streams, and an average of approximately 2.5 sq km catchments was achieved. At least three catchment areas with significant anomalism were identified that were not related to known mineralization or alteration features. As these areas lie in areas where Aguila may not have exclusive land tenure at the time of writing, they will not be further disclosed.

Mawson completed soil sampling and sporadic rock chip sampling at the **Scorpion-Cinnabar** prospect prior to drilling. A 1,600m x 500m area was systematically soil sampled around the Landholders initial anomalous sampling area by Mawson during 2018, for a total of 598 samples. Samples were collected on 120m spaced grid lines, and assayed by Au-ST43 and ME-MS41 technique at ALS Global in Reno, Nevada. Gold ranged from below detection limits (3 ppb) to 0.4 g/t, averaged 277 ppb, with 33 samples (5.5%) exceeding 0.1 g/t Au, highlighting a coherent 600m x 100m Au-As anomaly open to the north and south.

105 rock chip samples were collected by Mawson across the Exploration Permit, which showed anomalous Au. Values range from below detection limits (0.003 ppb) to 0.22 g/t Au with the population averaging 0.01 ppm. Occasional samples were highly anomalous in As (ranging from 3 ppm to up to 9930 ppm, averaging 504 ppm) and Hg (ranging from below detection at 0.5 ppm to 257 ppm averaging 9.7 ppm).

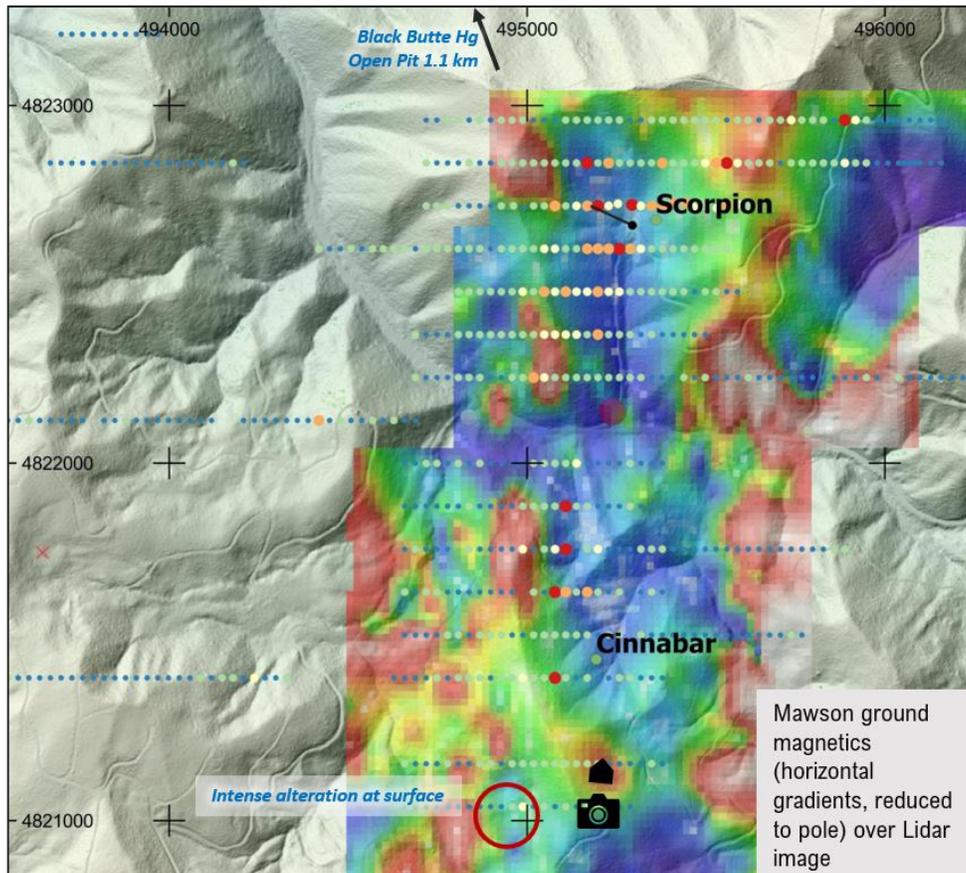
Rockchips from Cinnabar displayed the highest Au and As values. Three samples had a gold contents of 0.083 g/t, 0.161 g/t and 0.22 g/t respectively. Arsenic was highly anomalous ranging from 1500 ppm to almost 1%. The most anomalous As samples (0.7% - 0.99%) also had the elevated gold contents as well as Hg of 50 ppm to 257 ppm.

#### **Geophysics**

A ground magnetic survey was conducted over the Scorpion prospect for Mawson during the period of April 14-26, 2018 by Magee Geophysical Services LLC (Magee Geophysical Services LLC, 2018). A total of 31 line kilometers of magnetic data were acquired using Geometrics Model G-858 magnetometers. Data was collected on east-west sample lines 120m apart, mimicking the soil sampling grid, covering approximately a 3km x 2km area (Figure 6.05).

Real-time differentially corrected GPS was used for positioning. Measurements of the total magnetic intensity were taken in the continuous mode at two second intervals along 23 east-west lines spaced 100m apart. A base magnetometer was operated during all periods of data acquisition and recorded readings every two seconds. The field operations were based out of Cottage Grove, OR. Magnetic data from this survey have been diurnally corrected. Topography and heavy tree cover proved challenging for survey quality.

The survey highlighted a zone of low magnetics associated with elevated gold in soils.



**Figure 6.05:** Total Magnetic Intensity Image from Mawson Ground Magnetic Survey, 2018 with Soil Sample Points

### **Drilling**

During 2018, Mawson completed four diamond drill holes (Table 6.02) for a total of 1033 metres at the WUSA Project (Kainulainen, 2019; Mawson, 2019) at prospects that had never previously been drill tested. Two successful holes were drilled at **Huckleberry** (one abandoned hole due to broken ground), and one hole at **Scorpion**. Intense silica and argillic alteration of porphyritic andesite and quartz phyric rhyodacite was intersected in all drill holes. Iron oxides and pyrite were commonly associated with brecciation and stockwork fractures, and disseminated pyrite was present throughout more weakly altered host rocks.

Drilling was executed by IDEA Drilling LLC using an open track mounted rig with HQ-size core barrel. Drill core was oriented using a Reflex ACT (III/IQ) device. At Huckleberry, fractured and at times intensively argillized rocks caused problems for drilling, and gaining appropriate core orientations.

Progress was slow due to the need to ream the holes to prevent hole collapse. The second hole at Huckleberry (HDH-002-18) was abandoned due to broken ground and collapse on reaching a wide, strongly

and pervasively argillized zone at 90 metres. A second hole was drilled from the same site at 65 degree angle which successfully intersected the strongly argillic zone.

At Scorpion the rock was less broken and easier to drill so drilling progressed at a faster pace.

Project	Hole number	Grid	Northing	Easting	Length (m)	Azimuth (T)	Dip
Oregon	HDH-001-18	NAD27 / UTM zone 10N	4816186	512830	395.63	340	60
Oregon	HDH-002-18	NAD27 / UTM zone 10N	4816413	513045	114.3	350	60
Oregon	HDH-003-18	NAD27 / UTM zone 10N	4816413	513045	253.75	350	65
Oregon	SDH-001-18	NAD27 / UTM zone 10N	4822665	495294	227.05	295	60

**Table 6.02:** Drill Collar Location Table Mawson 2018 Drill Program

### Huckleberry

Drill holes HDH001-18 and HDH003-18 (collared at the same location as abandoned hole HDH002-18) targeted zones of mapped silicification alteration and associated anomalous geochemical zones (As, Hg, Mo, Bi, Sb) in rock chip geochemistry data that was provided by the Landholder (Figure 6.06) from early 1990’s sampling. Drilling at Huckleberry provided evidence of the association between high- or intermediate-sulphidation epithermal style alteration with strongly elevated values of pathfinder elements, e.g. As, Sb, Se, Te, locally Bi and Mo along with Hg in surface rock samples.



**Figure 6.06:** Arsenic in rock chip contour from 1993, with location of Mawson drill holes 2018. (Heinemeyer and Herdrick, 1993a)

Drilling did not intersect significant values of Au and Ag, however higher values may lie within the intense alteration system at greater depth than targeted in HDH001-18 and HDH003-18.

### HDH-001-18

HDH-001-18 intersected andesite porphyry where plagioclase was the most common phenocryst component. Andesite porphyries were usually weakly argillized by grey to light grey to white clay minerals (kaolinite +/- illite). White, randomly oriented and at times networked argillic veinlets were common.

A silica-altered breccia zone with fractures filled by rusty brown limonitic material and yellowish-brown argillic minerals (smectite?) was intersected between 10m - 16.8m with minor vugs or voids and possibly some alunite. The zone was sharply terminated by a 2m wide, broken and intensively argillized section interpreted as fault gouge.

The first instance of a rock that was interpreted as volcanoclastic was intersected between 176.2m - 201.6m. Two similar volcanoclastic horizons separated by andesites were intersected at deeper levels. Volcanoclastics were moderately to strongly argillized with common pyrite dissemination of up to 5% in places. A zone between 249.2m - 253.8m appeared to be hydrothermally brecciated with qz-py bearing veinlets.

From 351.3m to 390m regular pyrite-kaolinite(?) +/- quartz veinlets and stringers and 2-5% disseminated pyrite was encountered. In a few cases the quartz-pyrite veins exhibited narrow halos of reddish wall rock alteration that could be potassic. Most intense concentration of sulphide bearing quartz veining and at least 5% disseminated pyrite was observed at 371m - 372.6m and at 388.5m - 390.0m.

A total of 30 samples each 1.5m long were taken between from HDH-001-18 201.2 m and 385.57 m (184.4 m) for a combined length of 45.7 metres. The 30 samples averaged: 0.13 g/t Ag, 321.6 ppm As, 6.9 ppm Sb and 4.8 ppm Te. Au values were consistently below 0.01 g/t. Only one sample exceeds this limit at 0.016 g/t (265648, 262.13m - 263.65m). Andesites and volcanoclastic interlayers below 201.6m appear to be compositionally highly anomalous with elevated to high results for Te, As, Se and Sb. The most prominent features for these rocks are strong to intense argillization and pervasive fine grained py +/- apy dissemination. Rb/Sr ratio below 180 metres are extremely low, as opposed to moderate to high values above 180 metres, which may be characteristic of advanced argillic alteration systems and indicative of high sulphidation epithermal Au mineralization (Hikov, 2004).

### HDH-003-18

HDH-003-18 was drilled from the same position as aborted HDH-002-18 at -65 degree. From 0- 85 metres a quartz-phyric latite was dominant with a fine-grained, creamy to light reddish brown coloured and weakly to moderately argillized feldspar matrix with quartz-phenocrysts rounded by corrosion. From 30 metres the matrix showed sign of leached silica-alteration and silica flooding oriented almost parallel to core axis (Figure 6.07). At 39 metres silicification becomes more pervasive with rusty brown to reddish brown coloured stockwork veining of silica and iron oxides after sulphides. Up to metre scale silicified zones were separated by zones where yellowish brown argillic alteration dominated. This style of alternating alteration continued to 84.9m, until a sharp but non-symmetric contact with a strongly to intensely argillized volcanoclastic rock.

Argillization on the volcanoclastic rock became more intense from 91.45m to 123.45 m. This clay altered zone corresponds with where HDH-002-18 was abandoned and indicates the likelihood of a major fault zone. Disseminated fine grained pyrite was abundant from 140 metres to 255 metres. The dissemination is most intense (approx 5-10%) and pervasive in the interval of 237m - 244m.

Assay results from HDH003-18 encountered strong alteration, including silicification down to 64 metres and argillic/advanced argillic, as well as propylitic. The silicified zone demonstrated strongly anomalous As, Sb, Bi and to some extent Mo, but with background values of Au and Ag. Best results were 54.9 metres @ 0.13 g/t Ag, 309 ppm As, 46 ppm Sb and 5.0 ppm Te from 36.6 metres, including 15.2 metres @ 0.34 g/t Ag, 1038 ppm As, 96.4 ppm Sb and 16.5 ppm Te from 56.4 metres.

Gold contents did not exceed 0.006 ppm.



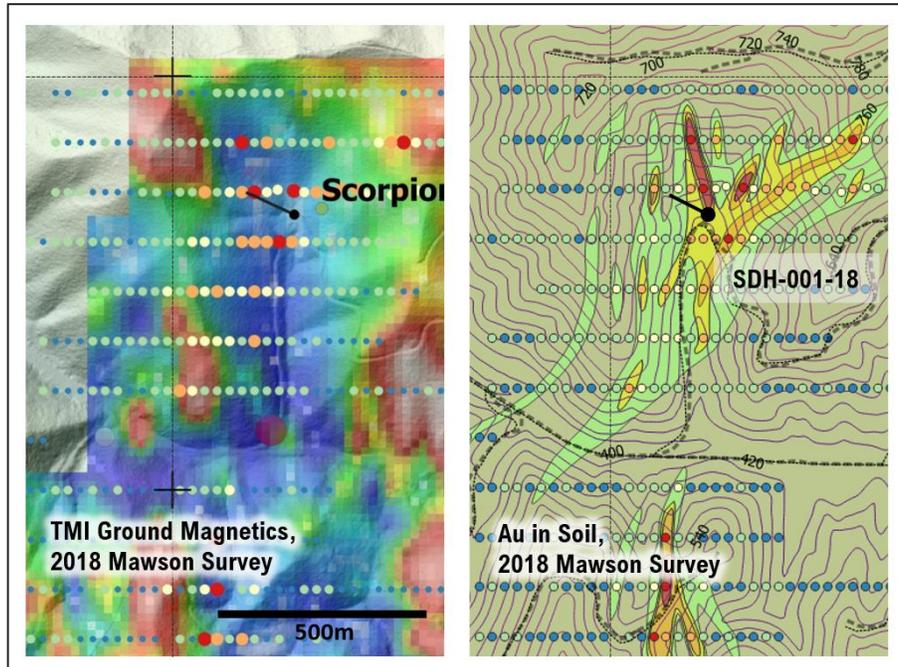
**Figure 6.07:** Silicified stockwork bx 44.65m - 47.55m in HDH-003-18

A review of geochemical data including whole rock assays was completed by consulting petrologist Paul Ashley (Ashley, 2019) who concluded “Although at Huckleberry there is good evidence for strong alteration of the types found at epithermal systems (maybe conforming to high- or intermediate-sulphidation types), and that there are strongly elevated values of pathfinder elements, e.g. S, As, Sb, Se, Te, locally Bi and Mo (and Hg in surface samples), the low (commonly near-background) values of Au and Ag are a concern. It is possible that higher values of the precious metals lie at greater depth than intersected in HDH001-18 and HDH003-18 and that zones of apparent silicification at the present surface (and in HDH-003-18 above ~64 m) represent positions close to the palaeosurface. There does not appear to be evidence in the drill hole geochemical data for metal zoning at depth although in HDH-001-18, increases in pathfinder elements, and very subtly Au and Cu, is most likely due to a primary rock type change at ~178 m, with the higher Fe content of an andesitic protolith favouring more pyrite development during alteration (and hence capacity to sequester the trace elements). Drill targeting deeper under the silicified and adjacent argillic/advanced argillic zone in HDH-003-18 (i.e. above 99 m) could be an option, due to strongly anomalous values of pathfinder elements in this interval, but precious metal values are not encouraging.”

### **Scorpion-Cinnabar**

The Scorpion prospect is centred on a 2.2 km long by up to 400 metre wide area where gold in soil samples regularly exceeding 1 g/t Au. These gold enriched soils overlie strongly acid altered volcanic rocks, however a bedrock gold-mineralized source had not been identified prior to drilling by Mawson. Mineral tenure at Scorpion consists of fee simple land held by the Landholder.

One scout hole was drilled by Mawson (Figure 6.08) which intersected structurally controlled argillic alteration. Two zones of gold-bearing sulphide alteration were intersected with pathfinder elements regularly associated with low sulphidation epithermal mineralization. The upper mineralized breccia is encouraging with respect to metal values (gold, base metals and pathfinders) while the broader stockwork has patchy high values, including gold and copper. Boiling textures were identified within carbonate-bearing veins, indicative of a shallow epithermal setting.



**Figure 6.08:** Mawson 2018 Scorpion Drillhole vs Ground Magnetics and Au in Soil Data

Being the first and only hole drilled, the Scorpion prospect warrants follow-up exploration. Orientated drill core measurements suggest future holes should be orientated at 270 deg.

### SDH-001-18

The upper 152 metres of SDH-001-18 was principally comprised of plagioclase-phyric andesite porphyry. Below 152 metres the rock types alternated between porphyritic andesite and porphyritic dacite with medium grained hornblende and plagioclase +/- biotite and quartz phenocrysts. The matrix of the dacites is grey, hard with quartz and variable amounts of magnetite resulting in weak to strong magnetic susceptibility.

The andesite porphyry to 21.3 metres was weakly but pervasively argillized. Down hole lies a 0.6 metre wide zone hydrothermal breccia with weakly magnetic sulphide veining within a moderately silicified matrix. Andesite porphyry below 25.6 metres was weakly to moderately argillized and featured randomly oriented dark grey argillic +/- argillic pyrite bearing veinlets. Silica alteration and sporadic quartz-pyrite veinlets appear again gradually from 41 metres to 44 metres with additional fine-grained disseminated pyrite (3%). This zone shows no consistent structures and is quite chaotic. From 44 metres to 77 metres the rocks are moderately to weakly argillized with only minor disseminated pyrite, and argillization gets weaker down the hole.

Hydrothermally brecciated zones with formless breccia fragments and stockwork veinlets of quartz, clay minerals and iron sulphides (py) +/- possible arsenopyrite appear from 92 metres. The amount of disseminated pyrite varies from 1-2% to locally up to 5%.

A semi-continuous stockwork zone begins at 101.5 metres, with weak to strong intensity. The most intense silica and pyrite +/- arsenopyrite-(pyrrhotite) bearing veining was observed at 107.5m - 110m, 123m - 125.5m and 139.6m - 140m.

Scorpion drill hole SDH001-18 (282 m) intersected predominantly argillic alteration with clear evidence of structural control on better-mineralized zones. The upper zone correlated in part with a sulphide-rich breccia and the lower zone with a stockwork system. In the upper interval, elevated Au and Ag are associated with high levels of epithermal pathfinder elements including As, Sb, Pb, Zn, Cu suggesting galena and sphalerite are present. In the lower interval,

there are patchy strong enrichments of As, Sb, Cu and Au and locally Mo, W, Pb and Zn relative to background values. In contrast to Huckleberry, contents of bismuth ("Bi"), Se and Te at Scorpion were lower.

Two zones of interest were drilled:

- Upper sulphide-rich breccia zone:

Drill hole SDH-001-18: 7.6 metres @ 0.41 g/t Au, 3.1 g/t Ag, 1133 ppm As, 88.1 ppm Sb and 0.5 ppm Te from 21.3 metres; including 0.6 metres @ 3.25 g/t Au, 27.3 g/t Ag, 6680 ppm As, 485 ppm Sb and 2.8 ppm Te from 21.3 metres

- Lower stockwork zone (Figure 6.09):

Drill hole SDH-001-18: 36.6 metres @ 0.15 g/t Au, 0.5 g/t Ag, 597 ppm As, 111.6 ppm Sb and 0.5 ppm Te from 106.7 metres, including 1.5 metres @ 1.59 g/t Au, 4.6 g/t Ag, 2570 ppm As, 104 ppm Sb and 0.6 ppm Te from 21.3 metres

Orientated drill core measurements suggest true thickness is approximately 70% of drilled thickness for both mineralized intervals.



**Figure 6.09:** Sulphide veining in brecciated andesite porphyry at 123.5m (sample 262016, 123.44m - 124.05m, 0.292 g/t Au, 2270ppm As)

A review of geochemical data including whole rock assays was completed by consulting petrologist Paul Ashley (Ashley, 2019) who concluded “The geochemical data from the Scorpion drill hole SDH001-18 is more encouraging than at Huckleberry and it appears as though there is stronger evidence of structural control of better-mineralised zones. Alteration is dominated by argillic to possibly propylitic, somewhat similar to Huckleberry, although there is no evidence for silicification. The focussed mineralised zone in a breccia at ~25.0-25.6 m is very encouraging with respect to metal values (Au, base metals and pathfinders) and the broader stockwork zone has patchily high values, including those of Au and base metals, particularly Cu. As Jani has indicated, this encouragement has come from the first hole drilled at Scorpion and thus warrants follow-up exploration. Locating a new collar to the east of SDH001-18 and drilling across the apparently structurally controlled zones of strongly anomalous Au soil geochemistry that trend N-S or NE-SW would be ideal. It is thus recommended that further drilling be performed here: (a) to test the positions of the Au soil geochemical anomalies better (unless there is a severe problem regarding access and siting of the drill rig) and (b) test the down-dip extensions of the mineralised zones encountered in SDH001-18.”

## **7.0 Geological Setting and Mineralization**

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### **7.1 Regional Geology**

The Cascade Range is a major volcanic mountain chain located in the US Pacific Northwest. The Cascades extend southwards from the Fraser River in British Columbia to Mount Lassen in Northern California. The Willamette River Valley separates the middle part of The Cascades from The Oregon Coast Range.

The range includes around 4000 stratovolcanoes, cinder cones, lava domes and shield volcanoes, including major volcanoes such as Lassen Peak, Crater Lake (the caldera of Mount Mazama), Mount Hood, Mount Saint Helens, and Mount Rainier (Figure 7.01). The continental volcanic arc formed as a result of the Cascadia Subduction Zone, with the Juan de Fuca oceanic plate subducting under the North American Plate (see Figure 7.02). The Oregonian Cascades are principally comprised of Eocene to Holocene age calc-alkaline volcanics of andesitic to basaltic composition and associated volcanoclastics.

The Cascade Range can be divided into three prominent regions (Swanson, 1989). The eastern half of the range is called the High Cascades, is of higher elevation, and is made up of Pliocene to Quaternary volcanic formations. The prominent volcanoes of the Cascades are mostly confined to the High Cascades region, where numerous young shield- and strato-volcanoes with original well-preserved physiographic forms present.

The Western Cascades, where the WUSA Gold Project is located, lie between the High Cascade Range and Willamette Valley. Geologically the region is generally comprised of late Eocene to late Miocene andesites, basaltic andesites, pyro-/volcaniclastic rocks and, to a lesser extent, of dacite, trachyte, and rhyolite. Younger mid-Pliocene to Pleistocene intra-canyon basalt flows, such as the Umpqua and Columbia River basalts also occur in relatively minor amounts. The primary source for these younger flows is located in the High Cascades, but some local vents are also thought to have existed within the Western Cascades. Folds, faults, and extensive areas of hydrothermally altered rocks are common within the Western Cascades, features that are lacking in the High Cascades (Hammond, 1979; Priest, 1990).

The third and last of the regions, the North Cascades, is located on the US-Canada border, and while there are some strata-volcanoes (eg. Glacier Peak), the domain is for the most part non-volcanic. Geology here is structurally and lithologically more complex; the rocks are generally pre-Paleogene, metamorphic, and strongly deformed compared to the rest of the Cascades.

The extensive development of pyroclastic rocks, widespread alteration and hydrous alteration phases in the Western Cascades evidences the hydrous magmatic setting and the formation in a subduction-related environment. The thickness of volcanic accumulation in the Western Cascades exceeds 6,000m. Interbedded sedimentary rocks unrelated to volcanism constitute a minor component of the Western Cascades, while small dioritic intrusions are widespread and commonly cluster in the larger mining districts.

Because rocks of the Western Cascades formed from eruption at numerous volcanic centers, hundreds of units overlap and inter-tongue, and very few distinctive laterally extensive marker beds exist. Poor exposure, deep weathering, and challenging topography in many parts further obscure geologic relationships.

Many rocks have undergone regional metamorphism to zeolite-facies assemblages. More locally, contact metamorphism has altered rocks to a greenschist-facies assemblage that resembles the propylitic alteration commonly developed around mineralized areas.

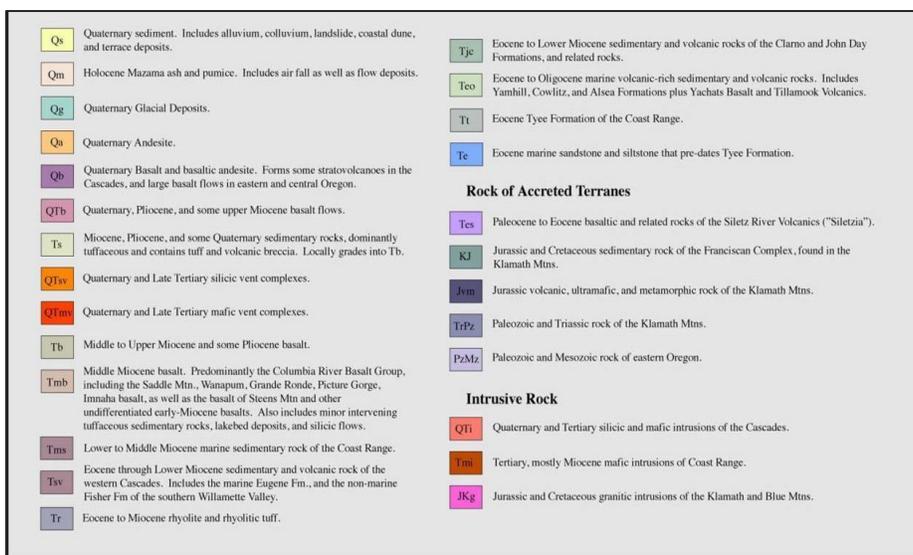
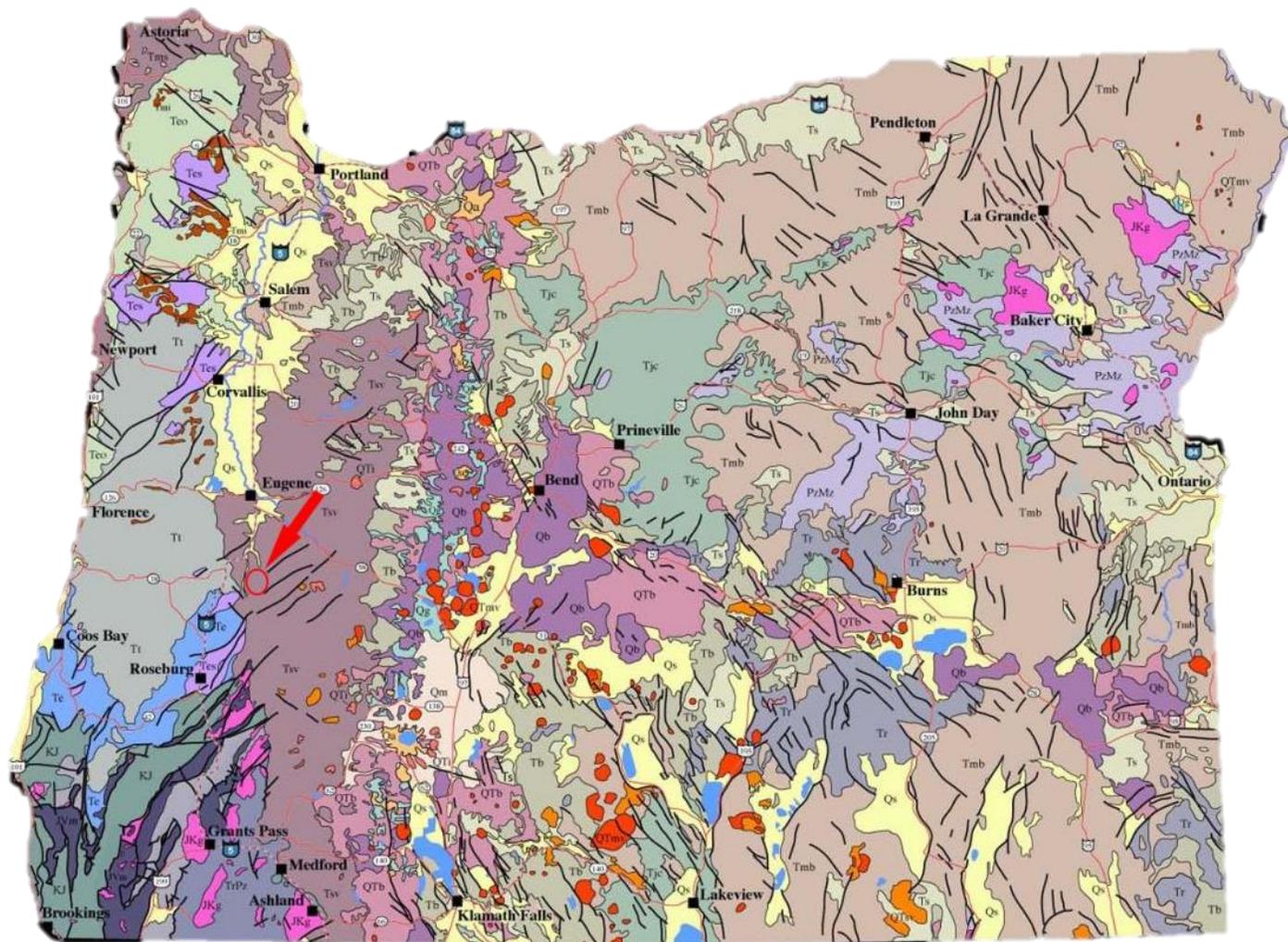
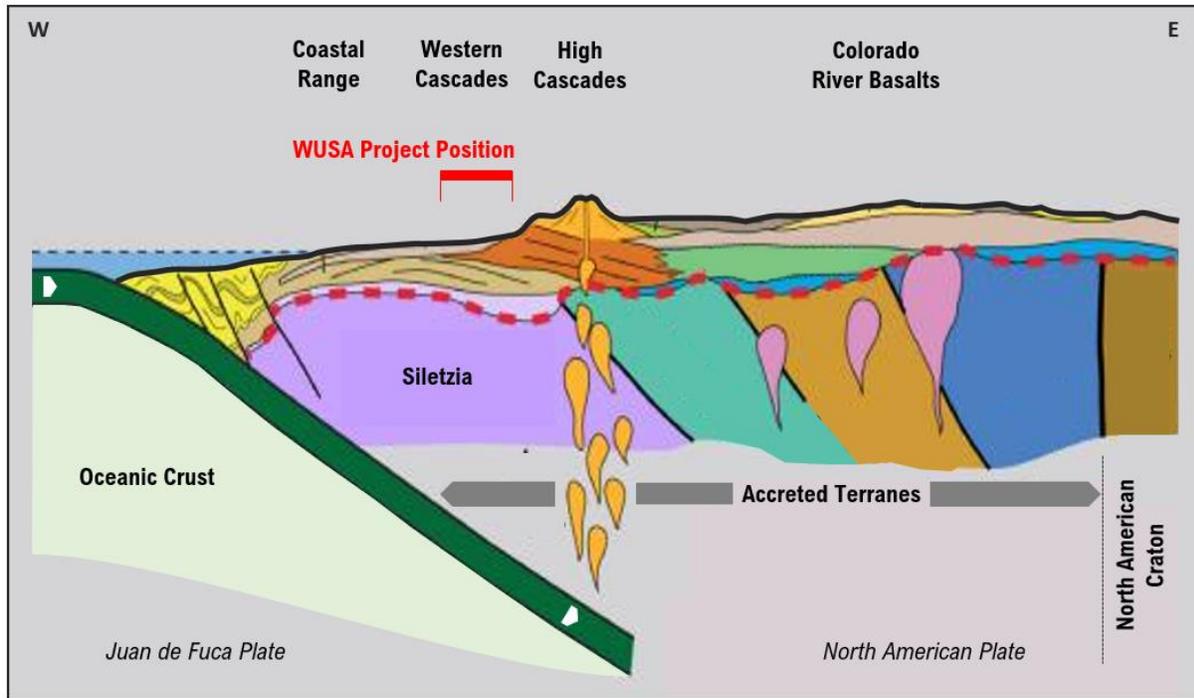


Figure 7.01: Geologic Map of Oregon, Project area marked by a red arrow (Marli Bryant Miller, the University of Oregon <https://www.marlimillerphoto.com/Oregongeomap.html>).

Weak to intense argillic alteration caused by acidic and low temperature hydrothermal activity is quite common around the WUSA Gold Project area and the Western Cascades in general. Leaching related to pervasive silica alteration, quartz +/- sulphide veining, hydrothermal brecciation and disseminated to breccia/stockwork style sulphidization occur locally. Ductile deformation is very weak while fault related brittle deformation is common, as exhibited by fault breccias and fracture zones.

Cropping out to the immediate west of the Cascade Range in southern Oregon lies the accreted terranes of the Siletzia River Volcanics ("Siletzia") which are interpreted to underlie much of the Western and High Cascades.



**Figure 7.02.** Stylized geological cross section of Southern Oregon displaying the Cascadia Subduction Zone

## 7.2 Local Geology

The most prevalent rocks within the WUSA Gold Project area comprise a complex series of andesite flows, flow breccias and pyroclastics. Geological mapping by the Landholder (Heinemeyer and Herdrick, 1993a, b) defined the Holderman Mountain Volcanic Centre in the central west of the WUSA Gold Project area a probable nested andesitic volcanic vent active in the Oligocene-Miocene. This is concurrent with volcanic activity in other scattered locations that lead to the deposition of similar widespread and coalescing lithologies.

The Holderman Mountain Volcanic Centre is part of the regionally extensive Little Butte Volcanic Series (Peck et al, 1964 renamed Little Butte Formation now Little Butte Volcanics) (see Figure 7.03). The Little Butte Volcanics are host to multiple precious metal prospects in the Western Cascades, including sites to the south of the Umpqua River, east in the Bohemia district, and north in the Fall Creek, Blue River, and Quartzville districts.

The Little Butte Volcanics consist of massive beds of andesitic and dacitic tuff of ash-flow origin, and lesser amounts of andesitic and basaltic lava. Bedded tuffs and syn-volcanic intrusives are only locally observed. A distinctive lower unit of rhyodacitic welded ash-flow tuff (the Bond Creek Tuff) unconformably overlies the Fisher Formation in the southern part of Douglas County. The Bond Creek tuff is one of few regional markers, having been dated at 35 Ma, and is considered the base of the Little Butte Volcanic Series.

Total thickness for the Little Butte Volcanics approaches 15,000 feet in parts of the Western Cascades, but in general ranges from 5,000 to 10,000 feet. Age dating (Sherrod and Smith, 1989) defined a range of 35 Ma to 17 Ma.

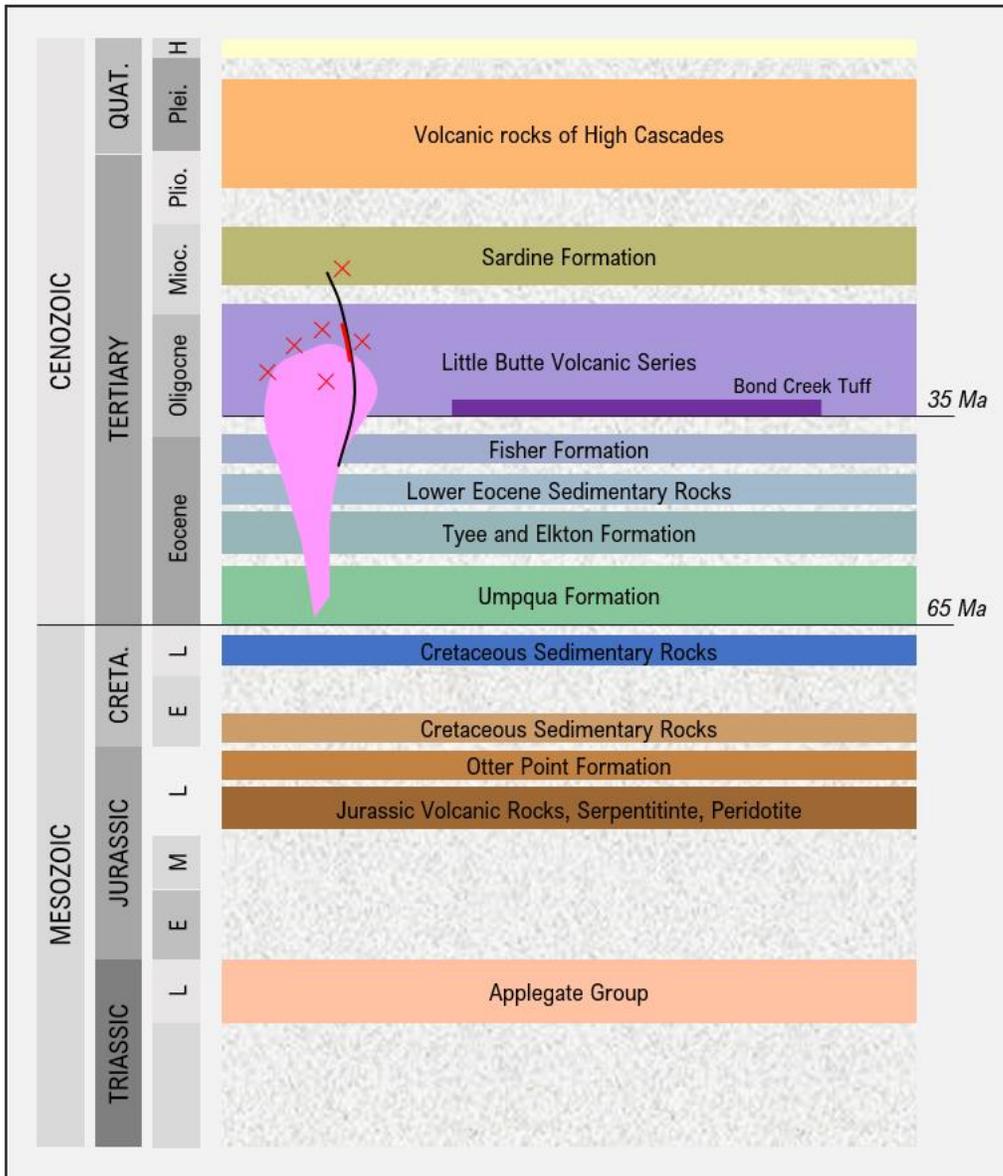


Figure 7.03: Stratigraphy of the WUSA Project area, after Ramp, 1972.

An Eocene age group of volcanic related rock units with an age range of 45 Ma to 35 Ma underlies the Little Butte Volcanic Series. Volcaniclastic rocks of this age are included within the Fisher Formation, and host the well-known mercury deposits of Black Butte (located on an EPA Superfund site excluded from the WUSA

Gold Project). These Eocene volcanic and volcanoclastic rocks are exposed in a broad band flanking the western edge of the Western Cascades in Southern Oregon, and likely underlie the WUSA Gold Project area.

More regionally, older Jurassic basement rocks (andesitic volcanics, greywacke, shales, serpentinites) are extensively exposed approximately 35km SW of Holderman Mountain.

Because of volcanic complexity, cover, and lack of exploration or research, the geology of the Little Butte Volcanic Series in the WUSA Gold Project area is not well understood. Rocks in the project area consist primarily of Lower Oligocene andesite flows, flow breccias and pyroclastics. These massive volcanics tend to dip away from Holderman Mountain and may thicken in the vicinity of Holderman Mountain and toward other probable vent sources in the Bohemia District.

The andesitic volcanics of the district often display propylitic alteration with varying degrees of carbonate alteration, occurring as ground mass replacement and veins. Disseminated pyrite in small amounts (< 1 volume %) is present in scattered areas. Propylitic alteration may be a regional phenomenon; however, there is an increase in intensity towards the Holderman Mountain volcanic centre in the vicinity of the Walker Creek gold prospect.

The andesitic volcanic sequences are cut by silicic, often flow-banded dikes in a number of locations around the periphery of Holderman Mountain. These dikes have considerable variation in width, and display textures ranging from volcanic frothy flow banded felsic to distinct quartz porphyries. Several stocks and plugs similar to the composition of the dikes are also present.

A pattern of ridges and valleys radiates from Holderman Mountain, along with a series of aligned or sub-parallel north easterly trending alignments. Some of the ridges seem to be supported by weakly silicified pyritic structural zones, while the valleys appear to be developed along, or parallel to, distinct joint strikes, fault zones with clay alteration. Numerous structures with moderate clay alteration and pyrite mineralization, which crop out along the Upper Clark Creek Road, radiate from Holderman Mountain, or follow concentric features around the volcanic centre.

### **7.3 Regional Mineralization Setting**

Most known mineral deposits within the Cascade Range of Oregon are restricted to rocks of the Western Cascades, where base- and precious-metal occurrences cluster in well-defined districts from the Bohemia District northward (Figure 7.04). The region is lightly explored, and consequently there have been few modern discoveries.

Most base- and precious-metal occurrences in rocks of the Western Cascades are typically composed of economic sulphide minerals within quartz veins or shear zones, and contain gold with or without silver, lead, zinc, copper, and (or) antimony. Vein textures and alteration assemblages suggest classification as polymetallic vein deposits or epithermal based on the host rock, commodities present, and mineralogy.

The clustering of these deposits into discrete districts and the characteristics of many of the districts have led some researchers to propose that the major vein districts may be underlain by porphyry copper-type deposits (Power, 1984). There is indication that a porphyry copper deposit underlies the North Santiam district with potential high-grade breccia-pipe copper deposits like the Bornite property.

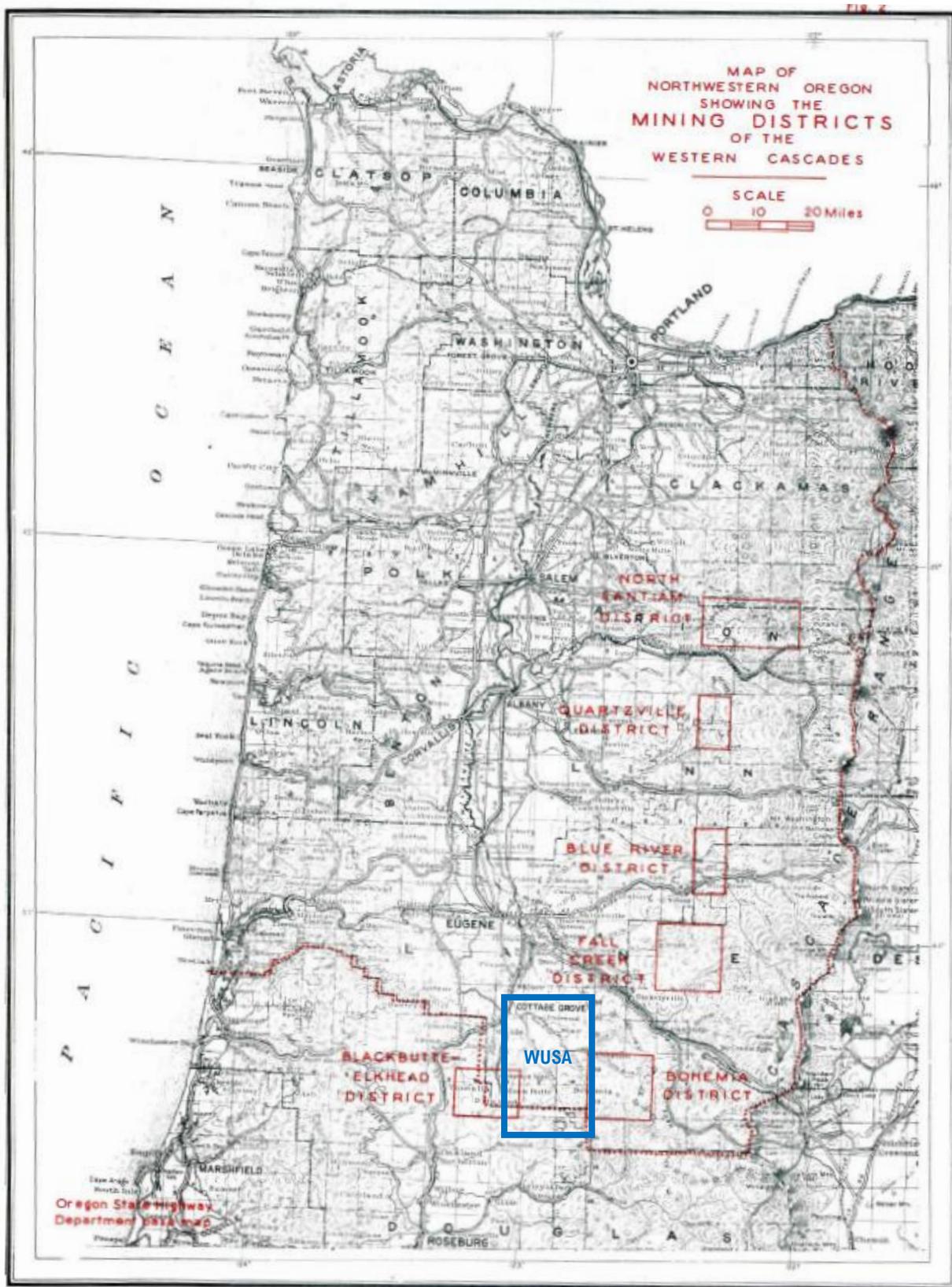


Figure 7.04: Mining Districts of NW Oregon, 1951. (Oregon Metal Mines Handbook, 1951; <https://www.oregongeology.org/pubs/B/B-014D.pdf>)

## 7.4 WUSA Prospect Areas

A number of prospect areas have been defined within the WUSA Project area. Data available from each prospect are defined in Section 6.0 History above. None of the reported data was collected by Aguila, however the Author was engaged by Mawson during part of the exploration program and believes best practice was applied.

Principal prospect areas include:

### Walker Creek

The Walker Creek prospect lies in the south-eastern section of the WUSA Exploration Area and is secured by a combination of fee simple land and BLM permits granted to the Landholder.

The prospect was explored, including drilling, by the Landholder in the late 1980's to early 1990's. It consists of a large altered zone within layered basaltic/rhyolitic volcanic rocks interpreted to be associated with an Oligocene-Miocene age (Little Butte Volcanic Series) vent. A maar type hydrothermal vent controlled adularia alteration and associated epithermal gold mineralization that pervaded clastic and pyroclastic sequences developed proximal to the vent.

Surface sampling, mapping and drilling (10 holes) defined highly anomalous gold, with co-extensive silver, mercury and antimony within the altered area. Drill intersections were considered potentially economic at the time, with the best results of 12.2m @ 1.41 g/t Au and 6.1m @ 1.37 g/t Au (see Table 6.01). The true thickness of mineralized intercepts is not known, however mineralization was interpreted to be flat dipping suggesting true thickness should be greater than 80% of drilled thickness.

The main rock type that hosts gold is a bedded vent facies pyroclastic, with chaotic pyroclastic breccia also considered suitable hosts. A potential vent feature was defined by sparse drilling (see Figure 7.06).

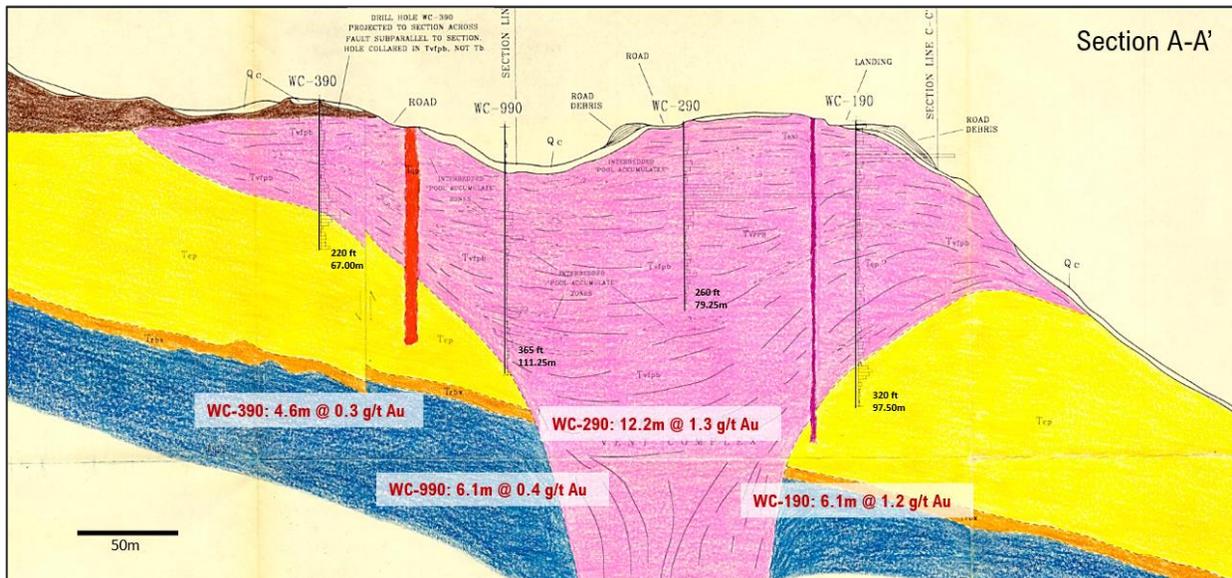


Figure 7.05: Interpreted Cross Section of the Walker Creek Prospect Based on 1993 Drilling

Alteration included quartz, clay, adularia and pyrite, resulting in a low-sulphidation classification for the prospect. Explorers of the day considered Walker Creek to be a “significant new gold occurrence of the Western Cascade Mountains”.

### **Huckleberry**

The Huckleberry prospect lies in the south-eastern section of the WUSA Exploration Area, secured by fee simple land owned by the Landholder, and BLM permits on public land granted to the Landholder.

The prospect was initially defined by the Landholder in the late 1980’s to early 1990’s, and drilled for the first time by Mawson in 2018 with two effective holes.

Huckleberry is characterised by a large area of hypogene acid-sulphate alteration covering 1km x 300m along northeast trending strike. The zone of alteration is controlled by a shear zone that effects a series of predominantly andesite and rhyolite domes of Oligocene-Miocene age (Little Butte Volcanic Series). The main feature of interest is an 800-metre-long ridge with regular out crop of vuggy silica alteration (Figure 7.07, 7.08). These ridges show an en echelon pattern suggesting a N-S trending shear may be a controlling feature. Alteration is quartz-alunite-clay dominated, resulting in a high-sulphidation classification for the prospect. Alteration is strongest associated with the andesite/rhyolite plugs but extends into wall rock.

Surface sampling during the 1980s/90s defined anomalous concentrations of arsenic, antimony, mercury, bismuth, molybdenum and other elements often associated with acid-sulphate epithermal style gold deposits. Interpretation from both surface and drill geochemistry is that the current area of exposure and testing corresponds with an acid leached vuggy silica zone, possibly above a deeper epithermal deposit.

Rockchip samples collected during 2017 exploration mapping by Mawson contained geochemically anomalous As, +/- Hg, and Mo. Some of the stream sediment samples collected along the forks of Mosby Creek down-stream from Huckleberry were anomalous of Au, Hg and As and placer claims have been located to the north of Huckleberry. Despite strong alteration and highly anomalous pathfinder geochemistry, no significant gold mineralization has been located at Huckleberry in surface rock chips or drilling.

Drill holes HDH001-18 and HDH003-18 by Mawson in 2018 targeted zones of mapped silicification alteration and associated anomalous geochemical zones (As, Hg, Mo, Bi, Sb) in rock chip geochemistry.

Drilling at Huckleberry provided evidence of an association between high- or intermediate-sulphidation epithermal style alteration with strongly elevated values of pathfinder elements, e.g. sulphur, arsenic, antimony, tellurium, selenium, bismuth and molybdenum. Drilling did not intersect significant values of Au and Ag, however higher values may lie within the intense alteration system at greater depth than targeted in HDH001-18 and HDH003-18.

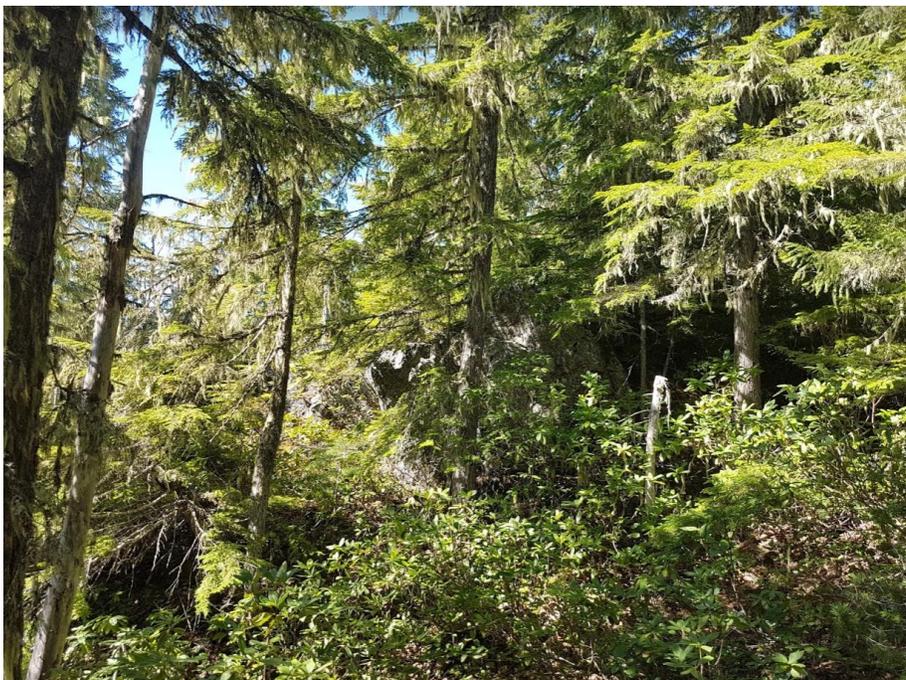
In HDH-001-18, a total of 30 samples each 1.5m in length were taken between 201.2 m and 385.57 m for a combined length of 45.7 m. The 30 samples averaged: 0.13 g/t Ag, 321 ppm As, 6.9 ppm Sb, 4.8 ppm Te.

Drill hole HDH003-18 (280 m) encountered strong alteration, including silicification down to 64 metres and argillic and possibly advanced argillic, as well as propylitic, based on core logging and geochemistry. The silicified zone also has strongly anomalous As, Sb, Bi and to some extent Mo, but with background values of Au and Ag. Best result was: HDH-003-18 54.9 metres @ 0.13 g/t Ag, 309 ppm As, 46 ppm Sb and 5.0 ppm Te from 36.6 metres.

At deeper levels the site has potential for either, both steep dipping structurally controlled bodies in a northeast orientation, or flat lying bodies within a permissive pyroclastic horizon that is known to occur more regionally at depth.



**Figure 7.06:** Strongly acid altered rocks from the Huckleberry Prospect



**Figure 7.07:** Extensive siliceous ridges from the Huckleberry Prospect

## **Scorpion-Cinnabar**

The Scorpion-Cinnabar area is a 2km long prospect located in the southwestern section of the WUSA Exploration Area and immediately to the south of the historic Black Butte mercury mine (see Section 23 below).

In follow up of a stream sediment anomaly, semi-regional grid-based soil sampling was completed by the Landholder in 2014 and 2015, totalling 636 samples. Sampling was focused on the Scorpion-Cinnabar area using long sample lines as a prospecting tool. Anomalous areas were then in-filled with additional sampling (see Figure 6.03).

In this soil program, Au values ranged from below detection limit (0.4 ppb) to 5.51g/t Au. 61 samples (9.6%) exceeded 0.1 ppm Au which was considered highly anomalous. Five samples greater than 0.5 g/t Au were identified in a valley setting immediately south of the Black Butte low sulphidation mercury mine, and the anomalous zone was confirmed by follow up sampling. This 2 sq km anomalous area, now known as the Scorpion prospect, became a priority area for additional exploration. Acid leached volcanic rocks underlie the thin soils which host the anomalous gold.

Mawson completed soil sampling and sporadic rock chip sampling at the Scorpion-Cinnabar prospect prior to drilling. A 1,600m x 500m area was systematically soil sampled around the Landholders initial anomalous sampling area by Mawson during 2018, for a total of 598 samples. Samples were collected on 120m spaced grid lines, and assayed by Au-ST43 and ME-MS41 technique at ALS Global in Reno, Nevada. Gold ranged from below detection limits (3 ppb) to 0.4 g/t, averaged 277 ppb, with 33 samples (5.5%) exceeding 0.1 g/t Au, highlighting a coherent 600m x 100m Au-As anomaly open to the north and south.

105 rock chip samples were collected by Mawson across the Exploration Permit, which showed anomalous Au. Values range from below detection limits (0.003 ppb) to 0.22 g/t Au with the population averaging 0.01 ppm. Occasional samples were highly anomalous in As (ranging from 3 ppm to up to 9930 ppm, averaging 504 ppm) and Hg (ranging from below detection at 0.5 ppm to 257 ppm averaging 9.7 ppm). Rockchips from Cinnabar displayed the highest Au and As values from within the Mawson rock sampling. Three samples had a gold contents of 0.083 g/t, 0.161 g/t and 0.22 g/t respectively. Arsenic was highly anomalous ranging from 1500 ppm to almost 1%. The most anomalous As samples (0.7% - 0.99%) also had the elevated gold contents as well as Hg of 50 ppm to 257 ppm.

Mawson drilled one hole at Scorpion, SDH001-18 (282 m) during 2018. This hole intersected predominantly argillic alteration with clear evidence of structural control on mineralized zones. An upper mineralized zone correlated in part with a sulphide-rich breccia, while a lower zone with a stockwork system. In the upper interval, elevated Au and Ag are associated with high levels of epithermal pathfinder elements including As, Sb, Pb, Zn and Cu indicating pyrite may be accompanied by galena and sphalerite. In the lower interval, enrichments of As, Sb, Cu and Au relative to background values was encountered. In drill core, alteration is dominated by argillic to possibly propylitic, with little evidence for silicification.

Two zones of interest were intersected in SDH-001-18:

- **Upper sulphide-rich breccia zone:**
  - 7.6 metres @ 0.41 g/t Au, 3.1 g/t Ag, 1133 ppm As, 88.1 ppm Sb, 0.5 ppm Te from 21.3 metres
    - Including 0.6 metres @ 3.25 g/t Au, 27.3 g/t Ag, 6680 ppm As, 485 ppm Sb, 2.8 ppm Te from 21.3 metres

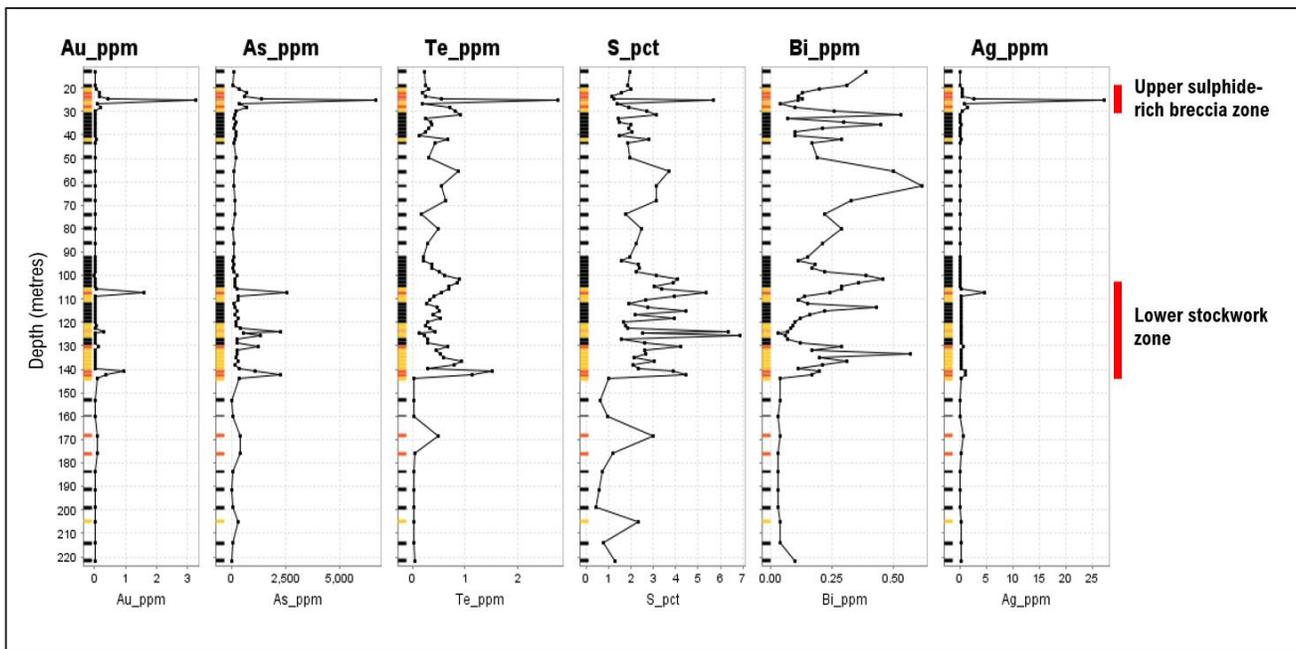
- **Lower stockwork zone:**

- 36.6 metres @ 0.15 g/t Au, 0.5 g/t Ag, 597 ppm As, 111.6 ppm Sb, 0.5 ppm Te from 106.7 metres
  - Including 1.5 metres @ 1.59 g/t Au, 4.6 g/t Ag, 2570 ppm As, 104 ppm Sb, 0.6 ppm Te from 21.3 metres

The Scorpion drill hole demonstrated strong structural control on elevated geochemical values, a clear association between gold and base metal values, and widespread modest tenor gold enrichment. The upper mineralized breccia is encouraging with respect to gold and pathfinder values while the broader stockwork has patchy high values, including gold and copper (Figure 7.09).

Orientated drill core measurements suggest true thickness is approximately 70% of drilled thickness for both mineralized intervals.

A narrow but significant 3.25 g/t gold intersection from 24.99m - 25.6m is hosted by a hydrothermal breccia zone within an andesite porphyry. Lower grade intersections were drilled between 101.5m and 142.2m in an andesite porphyry with brecciating stockwork style silica-sulphide veining of varying intensity. Highlights include 106.68m - 108.2m at 1.59 g/t Au and 140.21m - 141.73m at 0.954 g/t Au.



**Figure 7.08:** Down hole distribution of target and pathfinder elements, Scorpion prospect

### **Hobart Butte**

The Hobart Butte Mine lies near the summit of Hobart Butte, within the WUSA Exploration Area, and has long been exploited for high alumina clay. Mercury is present within small quantities of cinnabar, along with realgar and orpiment.

The deposit was discovered in 1930 by local landholders and prepared for production by the Willamina Clay Products Co. for use in manufacturing refractory brick. Because of the findings of the Geological Survey and the Bureau of Mines, the Columbia Metals Corporation of Seattle secured a lease on the property in

September 1942, with the idea of using the clay as a source of alumina. The lease expired, however, before any mining was completed.

The need for aluminium during World War II was so great that the US Department of the Interior undertook the investigation of many high-alumina clay deposits as possible sources of alumina. The regional geology, characteristics of the ore body, and the reserves of the Hobart Butte high-alumina clay deposit were investigated jointly by the U. S. Geological Survey and the U. S. Bureau of Mines in 1942, 1943, and 1944.

Hobart Butte is hosted within pyroclastic rocks of the Fisher Formation.

In 1938 (Wilson et al, 1938) the State Department of Geology and Mineral Industries estimated that some 46,200,000 tons of alumina clay material were available at Hobart Butte. Chemical analyses of the day are provided in Table 7.01.

This limited historical major oxide geochemical data is indicative of dominant kaolinite or dickite mineralogy in all but two samples (36HC and 36G). Data from these two samples suggest the presence of either kaolinite/dickite as well as quartz, or samples dominated by pyrophyllite. The interpreted alteration mineral assemblages in all samples are characteristic of argillic to advanced argillic alteration. They are most likely related to a high sulfidation epithermal system from both low temperature regimes (kaolinite/dickite), and high temperature regimes (pyrophyllite). The samples would be considered prospective for gold mineralization.

FIELD NO	LOCALITY	Al2O3	SiO2	Fe2O3	TiO2	CaO	MgO	LOI	TOTAL
35 C 1	Hobart Butte	39.86	46.98	0.46	0.17	0.47	0.19	12.46	100.59
35 C 2	Hobart Butte	39.20	48.40	0.74	0.19	0.50	0.22	10.92	100.17
35 F 2	Hobart Butte	40.20	46.98	0.37	0.50	0.47	0.17	11.38	100.07
35 G	Hobart Butte	38.42	49.68	0.66	0.13	0.44	0.15	11.18	100.56
35 H 2	Hobart Butte	38.75	45.60	0.57	0.34	0.37	0.19	14.90	100.72
35 I 1	Hobart Butte	39.82	47.20	0.47	0.25	0.43	0.16	12.40	100.73
36 A	Black Butte	35.43	50.12	2.23	0.22	0.37	0.15	11.52	100.04
36 H 3	Black Butte	27.44	62.06	1.48	0.22	0.40	0.17	8.83	100.60
36 G	Black Butte	29.68	58.10	1.76	0.44	0.21	0.20	9.61	100.00

**Table 7.01:** Hobart Butte major element analytical results, from *Chemical Analysis of Western Oregon Clays (Wilson et al, 1938)* demonstrating the intense acid alteration which could be associated with precious metal mineralization.

Neither the Landholder or Mawson have provided any exploration data from Hobart Butte.

## 8.0 Deposit Types

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While the WUSA Gold Project area within the Western Cascade Range remains poorly studied, the geological setting, hydrothermal alteration, styles of gold-silver mineralization, and close spatial and timing association with substantial hot-spring mercury deposits (Black Butte), suggest the region has potential for high level low-sulfidation epithermal precious metal deposits.

The spatial and age association of polymetallic vein deposits, hot-spring mercury, epithermal precious metal veins, and breccia-pipe copper deposits is indicative of a complex overprinting caldera setting with multiple generations of volcanism, alteration, and mineralization. The mercury deposits of Black Butte indicate hydrothermal fluids vented at the paleosurface, concurrent with volcanism and possible lacustrine sedimentation.

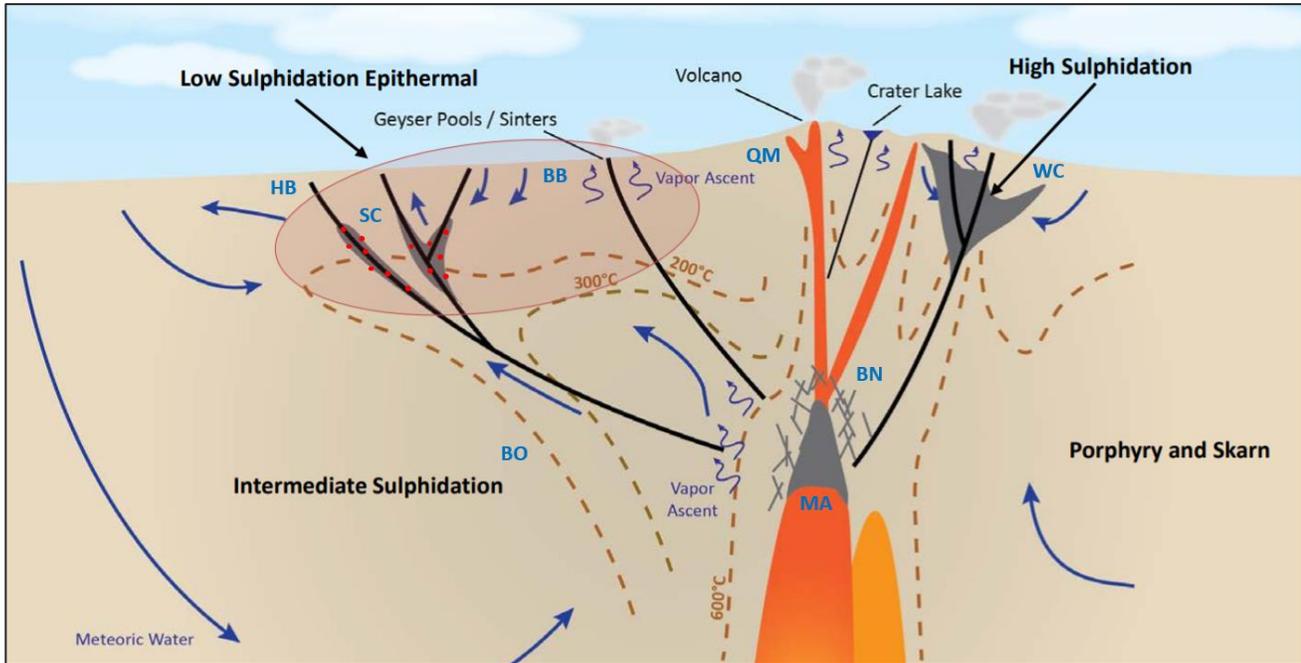
Large zones of acid-sulphate and silica alteration have been identified associated with volcanic and sub-volcanic igneous rocks. Gold deposits within these settings will demonstrate a high degree of structural control and may achieve very high grades. Such deposits are often associated with elevated tellurium, arsenic, mercury, and antimony, as has been identified in drilling at the Scorpion prospect.

A conceptual, schematic section (Figure 8.01) shows a low-sulfidation epithermal system and its variable form with increasing depth. Figure 8.02 provides the typical alteration zonation, including the distribution of sinter, advanced argillic alteration, and silicification (Wilson and Tunningley, 2013).

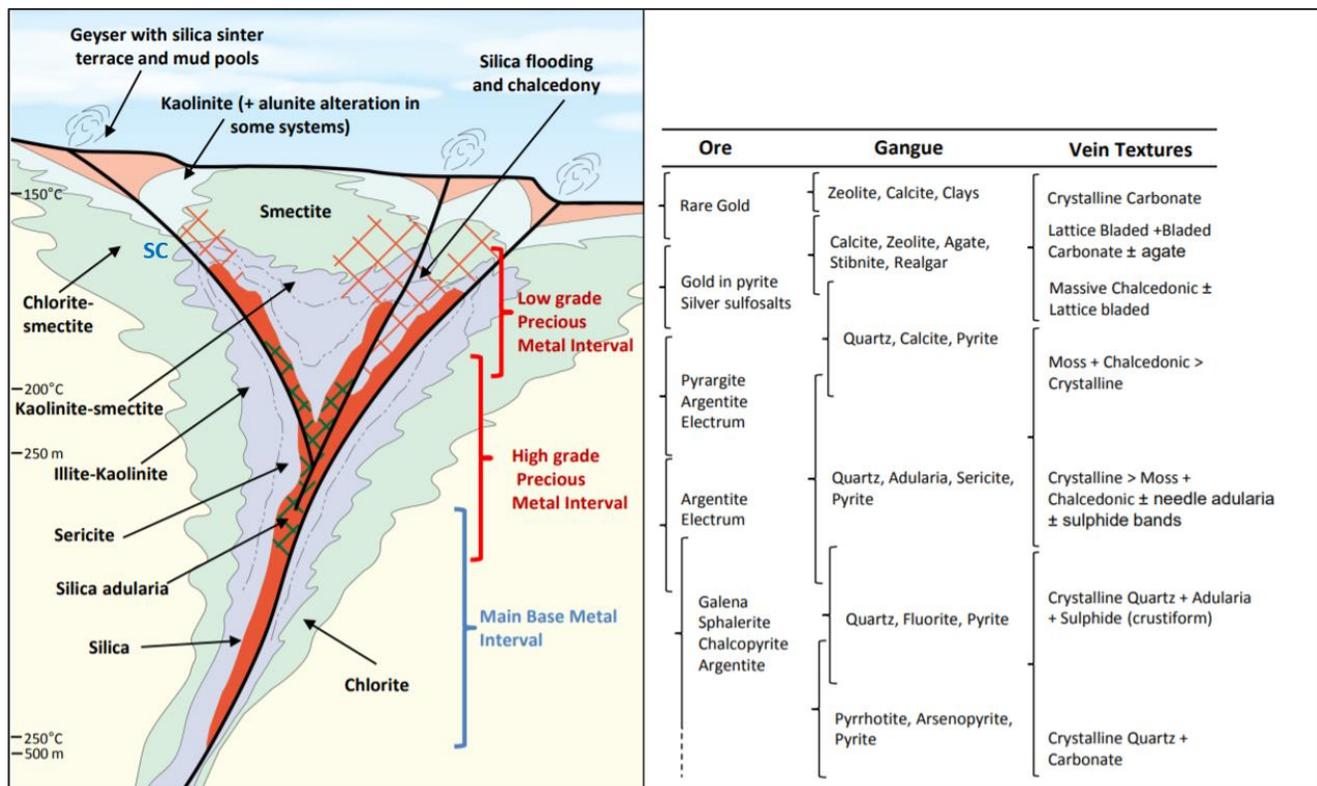
The exploration approach being applied by Aguila is tailored for the discovery of low-sulfidation epithermal precious metal deposits with a strong structural control. Exploration to date has encountered a permissive volcanic setting, and multiple indications of high intensity epithermal alteration. The Scorpion-Cinnabar prospect with Au-Te-Ag-Se anomalism has indication of being such a system.

Improving the understanding of the structural setting through regional structural interpretation will provide valuable information for prospect ranking. Satellite data for alteration mapping (ASTER, Sentinel, Landsat) may provide direct indication of altered areas. Alteration mineralogy and geochemistry are essential indicators of the potential position in an epithermal system and will be widely applied. Regional datasets remain sparse and insufficient for the direct targeting of small footprint deposits.

Low sulfidation epithermal mineralization displays rapid variation from barren to mineralized with depth, along with subtle structural control. Drilling to depth in the vicinity of permissive alteration is an essential exploration tool.



**Figure 8.01:** Cross section of a typical intrusion related setting with high and low sulphidation and porphyry target positions. Alteration/mineralization localities from the WUSA Project area are provided by initials: **Scorpion-Cinnabar** – low sulphidation discovery at WUSA with one drillhole (SC), **Walker Creek** – high sulphidation drill discovery at WUSA (WC), **Black Butte** – large hot-spring mercury mine (BB), **Hobart Butte** – high alumina kaolinite/dickite clay mine (HB), **Quartz Mountain** – high purity microcrystalline silica mine (QM), **Bohemia** – famous vein gold and sulphide field with large placer (BO), **Bornite** – high grade tourmaline-copper sulphide breccia and (BN), **Margaret** – 0.5 B tonne Cu, Au, Ag porphyry deposit (MA). Modified from Wilson and Tunningley (2013) and Hedenquist et al (1996).



**Figure 8.02:** Cross section of a typical low sulphidation epithermal vein system with varying mineralogy and alteration characteristics. Interpreted alteration/mineralization setting for Scorpion – Cinnabar prospect given by initials **SC**. Modified from Wilson and Tunningley (2013).

## **9.0 Exploration**

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The Issuer, Aguila American Gold Ltd, has not completed any field-based exploration work on the WUSA Gold Project. Exploration by prior explorers is summarised in Section 6.0 History within.

Stream sediment sampling, rock chip sampling, soil sampling, and ground magnetics has been completed by previous explorers.

## **10.0 Drilling**

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The Issuer, Aguila American Gold Ltd, has not completed any drilling on the WUSA Gold Project. Drilling by prior explorers is summarised in Section 6.0 History within.

A total of 14 holes (10 percussion, 4 diamond) have been drilled on the project area at the Walker Creek (10), Huckleberry (3), and Scorpion-Cinnabar (1) prospects.

Drill permits for a more extensive program have been received from the relevant authorities.

## 11.0 Sample Preparation, Analyses and Security

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The Issuer, Aguila American Gold Ltd, has not completed any exploration at the WUSA Gold Project.

The Author is unaware of sample preparation and security protocols applied by the Landholder during late 1980's/early 1990's. Data from drilling at the Walker Creek prospect has been provided by the Landholder as original laboratory files from BondarClegg, a leading independent commercial laboratory of the day. Location data supplied in reports appears coherent and consistent with later results.

The Author has received from the Landholder original data files from soil and rock sampling undertaken in 2014 and 2015. Analyses were completed at ALS Global Ltd in Vancouver using Au-ST43 (a "Super Trace" method for Au where a 25g sample was subjected to aqua regia digestion with ICP-MS finish) and ME-MS41 (Aqua regia digestion with super trace ICP-MS analysis for a 50 element suite). No record is available for sampling protocols, security or sample preparation methods. No duplicates/blanks/standards were used within this program beyond the typical laboratory internal protocols.

The Author provided consulting service to Mawson and was engaged with most issues regarding data collection including surface and drill sampling during the 2018 and 2019 programs.

The Author was present on-site during soil, stream sediment and rock sampling, during which time site location acquisition and sampling was of appropriate high practice. Analyses were completed by American Assay Laboratories in Reno, Nevada. Samples were bagged on site in Oregon, transported by the Author and hand delivered in Reno. Samples were analysed for Au (method FA-PB30-ICP) and multi-elements (method ICP-2B) as appropriate, with elevated grade analysed for Au and Hg by method ICP-2Z. No duplicates/blanks/standards were used within this program beyond the typical laboratory internal protocols. American Assay Laboratories is an ISO/IEC 17025:2005 accredited laboratory.

The Author was present on site for the Mawson drilling program at Huckleberry and Scorpion, and was involved with all aspects of hole sighting. The Author was involved with drill hole logging and sample selection alongside Mawson personnel. Drill core was transported and hand delivered by the Author to ALS Global Ltd in Reno, Nevada for cutting and subsequent crushing, splitting and pulverizing of the half core sample. Assaying of the powder was by completed ALS Global Ltd in Vancouver. Analysis was completed using ALS method ME-MS61 (48 element four acid ICP-ms) and method Au-ICP22 (Au 50g Fire Assay ICP-AES finish).

Three certified gold standards were included (S105002X, S107004X, S108004X) provided by MEG, Inc in Reno Nevada and inserted within samples by ALS Global Ltd at requested intervals. Standard S105002X with a certified value of 0.44 g/t Au returned 0.436, 0.437, 0.443; S107004X with a certified value of 0.544 g/t Au returned 0.576 0.544; and S108004X with a certified value of 1.156 g/t Au returned 1.20, 1.155. All results fall within the expected range.

The Author has a high degree of confidence in the validity of the Mawson drilling results. The Author was instrumental with the sample chain of command from the rig to delivery at ALS Global. ALS Global is an internationally recognised and accredited laboratory. ALS Global has no relationship beyond commercial service provider to Mawson or to Aguila.

## 12.0 Data Verification

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Data verification, as defined in NI 43-101, is the process of confirming that data have been generated with appropriate procedures, have been accurately transcribed from the original sources and are suitable to be used.

The Author has completed data verification to the extent possible based on the age and source of data.

For work undertaken in late 1980's to early 1990's by the Landholder, original copies of reports, maps, field notebooks, drill logs and external laboratory assay sheets have been sighted, and all work appears professionally conducted. Surface and drill assays were completed with Bondar Clegg, a leading laboratory of the day. Drill collar positions correspond with road access that remains in place. The Author is not aware of the use of blanks or standards for external QA/QC control of rock chip or drill sample assays.

Surface samples were collected with topographic control using air photographs and will not have the same degree of accuracy as more recent GPS-controlled samples. Additional future sampling may be required to better control anomaly positions.

The Author has received copies of ALS Global Ltd assay sheets and field descriptions from the Landholder for work completed in 2014 and 2015. Soil and rock sampling this work was completed by a well-regarded contract geologist. Location data was GPS-controlled.

This Landholder data has been collated by Mawson and passed to Aguila in database and other appropriate formats along with original source data. The Author has checked files provided to Aguila and believes Aguila has complete and accurate access to the Landholder's information.

The Author was involved in all facets of data collection for the work undertaken by Mawson Resources Ltd in 2018. Work completed was of a high standard with regard to sampling protocol and security. This data has been collated in databases and well reported (Kainulainen, 2019).

The Author has viewed original assay files from ALS Global Ltd and is of the opinion that surface and drill data is validly recorded and supplied to Aguila, and can be relied upon as the basis of future exploration efforts.

### **13.0 Mineral Processing and Metallurgical Testing**

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The WUSA Gold Project is not an advanced project, and there has therefore been no mineral processing and metallurgical testing completed by the Issuer, Aguila American Gold Ltd., on the Project. Any historical mineralogical studies, mineral processing, or metallurgical test work is covered in Section 6.0 History within.

### **14.0 Mineral Resource Estimates**

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The WUSA Gold Project is not an advanced project and mineral resources have not been estimated.

## 23.0 Adjacent Properties

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The Author is not aware of any granted mineral exploration claims, BLM claims or mining properties immediately adjacent to the WUSA Gold Project beyond small placer claims.

### 23.1 Local Mineralization

Numerous sites of mineralization and alteration are known from the vicinity of the WUSA Project. Noteworthy sites are highlighted below. The Author has been unable to verify the information from these mineralization areas, and the information is not necessarily indicative of mineralization which does or may lie within the WUSA Gold Project that is the subject of this Technical Report.

#### **Black Butte**

The Black Butte mercury district lies about 25 km south of Cottage Grove, within the bounds of, but excluded from the WUSA Exploration Area. The Black Butte EPA Super Fund site (see <https://cumulis.epa.gov/supercpad/cursites/csinfo.cfm?id=1001865>), a former mercury mine, lies in the central western portion of the WUSA Gold Project area. The site is federally controlled and is not part of the Landholder's interests. The site is being remediated.

Two mines and several prospects are found in the district, the most important being the Black Butte Mine, from which about 18,000 flasks of mercury were produced (Brooks, 1963). Small mercury-bearing pits and trenches collectively known as the Woodward prospects can be found on Cinnabar Mountain and Little Baldy.

Black Butte, Oregon's second largest mercury producer, was discovered by S. P. Garoutte in 1890 (Brooks, 1963). Little was done on the property until 1897, when the mine was taken over by the Black Butte Quicksilver Mining Company. By 1908, more than 5km of underground development was in place, and the richest ores were being mined.

The mine was closed from 1909 to 1916 due to low mercury prices, but was opened again during World War I in response to wartime demands. The mine was inoperative from 1919 to 1927, when it was purchased by the Quicksilver Syndicate. The Quicksilver Syndicate operated the mine continuously from 1929 until 1942 despite the low grade of ore. The mine was reopened during 1956 - 1957 by the Mercury and Chemicals Corporation, and closed again until 1964 with American Mercury Corporation, followed by Black Butte Mining Incorporated, operating until 1969.

The site has remained dormant since that time, and was classified as an EPA Superfund site for clean-up and restoration. That restoration remains active to this day.

The host rocks of these mercury deposits are primarily andesitic pyroclastic rocks, and interbedded flows of the upper part of the late Eocene to early Oligocene Fisher Formation (Derkey, 1973). The mineralization occurs along and adjacent to the Black Butte fault which outcrops along the crest of Black Butte, marked by prominent silicified ribs. Intense alteration is associated with the fault, with quartz, kaolinite, siderite, calcite, and pyrite alteration affecting a broad area around the mercury deposit. Emplacement of cinnabar occurred last in the cycle in open spaces in weakly silicified, very porous tuff units and in brecciated, silicified rocks. It occurs as disseminated grains in the tuff and short discontinuous veinlets and blebs in the brecciated, silicified rocks. The orebodies in the tuffs have very irregular boundaries and are generally pod-shaped.

The Black Butte mine is an excellent example of a hot-spring mercury deposit, that form at the upper levels of epithermal systems. This deposit style is widely described (Panteleyev, 1996), where the uppermost

portions of epithermal systems develop clay altered zones and siliceous caps a few metres to hundreds of metres below surface and silica sinter deposits above the groundwater table as hot spring deposits.

Such deposits are often associated with gold or silver mineralization at deeper volcanic levels.

### **Bohemia**

The gold-rush era Bohemia Mining District, the productive source of approximately 200,000 oz of gold, is located immediately east of the WUSA Gold Project area, where quartz vein hosted gold-polymetallic veining is the principal mineralization style. The Bohemia district surpasses all the other mining districts of the Oregon Cascades in area, number of producing properties, amount of development work, and total production (Gray, 1978).

In 1858, miners found placer gold along Sharps Creek, followed by lode gold mineralization in 1863. Gold and silver were mainly mined at Bohemia, but copper, zinc, and lead were also extracted until the early 1900's. Placer claims along Sharps Creek remain in operation to the present day, while placer claims are also found draining to the north of Huckleberry and south of the Walker Creek area (Figure 23.01).

Mineralization is hosted by bedded northeast-dipping volcanic flows of tuffs, breccias, rhyolite, and andesites of the Little Butte Volcanic Series. Andesite dikes and other scattered intrusions with small metamorphic aureoles are believed genetically related to mineralization. Veins have dominant north-northwest trends with steep south west dips. Veins consist of brecciated, altered, and partly replaced country rock, cemented by or containing fissure fillings of drusy or comb quartz that locally contain sulphides. Gold, largely from the oxidized portions of the sulphide veins, has been the principal commercial metal mined. The dominant sulphide is sphalerite, which is associated with galena, chalcopyrite, and pyrite, with a small amount of tetrahedrite.

Alluvial/placer mines and dredging operations remain active today on placer claims in major rivers in the Bohemia district.

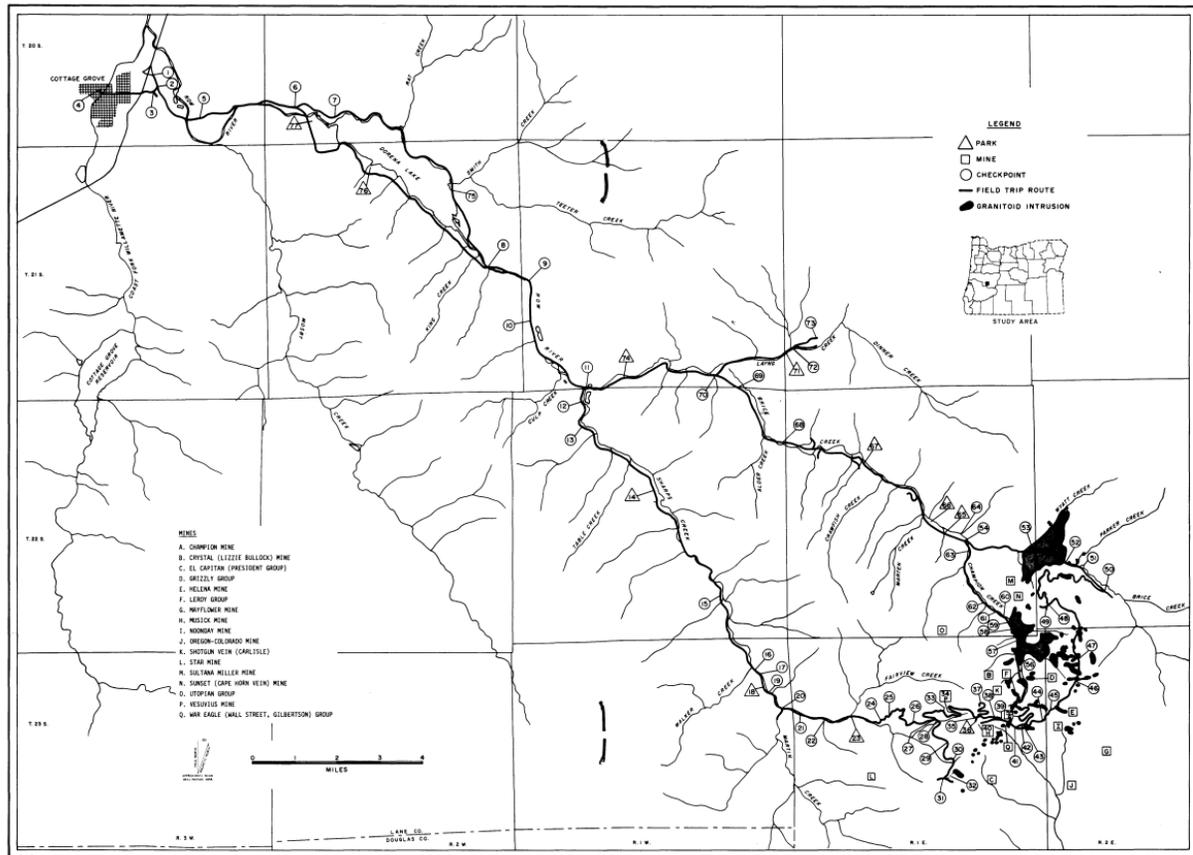


Figure 23.01: Features of the Bohemia Mining District which lies immediately east of WUSA Gold Project, (Gray, 1978)

### Quartz Mountain

The Quartz Mountain mine is situated in the Western Cascades, approximately 50km east of Roseburg, and 30km south of the WUSA Gold Project. The deposit is a massive body of microcrystalline silica within the Little Butte Volcanic Series, formed by intense hydrothermal alteration and replacement of pyroclastics by silica. The geology of the area was mapped and described in detail by Ramp (1960).

The main deposit of silica at Quartz Mountain measures 3,000 feet by 1,200 feet, and crops out between 4,800- and 5,500-foot elevation. Layer-like zones of partly silicified tuff containing abundant clay, and displaying cavernous weathering occur within the deposit. The more massive areas of complete silicification contain large tonnages of silica rock that assay from 96 to 99 percent SiO<sub>2</sub> with iron, aluminium, and titanium impurities. The deposit was located in 1957, when timber access roads were first built, and following exploration and development, shipments began to the Hanna Nickel Smelting Co in Riddle for metallurgical testing during 1962. By 1970, Quartz Mountain became the principal source of silica for the manufacture of ferrosilicon metal for the reduction of ferronickel. A similar occurrence of fine-grained massive silica rock is located further south near Abbott Butte.

Intense and pervasive alteration of this style demonstrates the local potential for epithermal mineralization development.

## **24.0 Other Relevant Data And Information**

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The Author is not aware of other relevant data or information for the WUSA Gold Project beyond that presented within.

## 25.0 Interpretation and Conclusions

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The objective of this NI 43-101 Technical Report is to capture historical information from the WUSA Gold Project, evaluate this information with respect to the prospectivity, and present recommendations for future exploration and development.

In addition, this Technical Report was prepared in support of a Joint Venture transaction with Mawson Resources Ltd (now Mawson Gold Ltd).

This Report has been prepared to be in compliance with the disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101, Companion Policy 43-101CP, and Form 43-101F1, as well as with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards for Mineral Resources and Reserves, Definitions and Guidelines" ("CIM Standards") adopted by the CIM Council on November 27, 2010 and updated November 29, 2019.

The WUSA Gold Project is located in the State of Oregon, USA, about 60 km south of the city of Eugene and 130km south of the capital, Salem.

Through Joint Venture, Aguila has gained access to up to 80% of Mawson's interest and prospective title in a large area of privately owned mineral rights within the Western United States. The mineral rights along with the surface rights, are held by a single private landholder who is now facilitating exploration and potential development should an economic mineral deposit be discovered.

Past exploration activity and data is sparse, with data collection taking place in three phases being late 1980's/early 1990's; 2014/15; and 2018/19. Data reviewed for this Technical Report includes stream sediment sampling, soil sampling, rock chip sampling, geological mapping, ground magnetics, 10 reverse circulation drill holes and 3 successful diamond drill holes. The data set provided appears complete based on the Author's discussion with the Landholder and with Mawson.

Surface exploration (mapping, rock sampling) by the Landholder in 1980's/early 1990's highlighted the Walker Creek and Huckleberry prospect areas. Subsequent drilling at Walker Creek provided promising results that were not followed up.

Surface exploration (soil sampling, rock sampling, mapping) by the Landholder during 2014/15 discovered the Scorpion-Cinnabar prospect, through the use of soil sampling as a prospecting tool. The area was never drill tested by the Landholder.

Surface exploration by Mawson focused on target generation at Scorpion-Cinnabar (soil sampling, ground magnetics) prior to drilling (one hole), whilst drilling at Huckleberry (two successful holes) followed on from earlier work of the Landholder.

The Author has acted as a consulting geologist for Mawson, and is familiar with the history and data available for the project. While some data is now 40 years old, it was well collected and reported and remains valid to the on-going exploration program. Exploration completed by Mawson was of a high standard, and the data provided to Aguila can be relied upon.

The Author does not see any risk or uncertainty to the project based on the quality of exploration data provided to Aguila.

The work completed by the Landholder and Mawson, has demonstrated bedrock gold mineralization in areas of intense epithermal hydrothermal style alteration. Exploration activity at all prospects identified to date remains at an early stage, and further exploration, in particular drilling is required to make a thorough assessment.

Consistent surface exploration has never been completed at the WUSA Gold Project, suggesting the potential for discovery near surface and at relatively low cost. The volume of drilling is extremely low considering geological setting, accounted for by the limited past access granted by the Landholder.

Based on the historical information reviewed to date, the best opportunities for future exploration success and potential development toward mining, are the Scorpion-Cinnabar and Walker Creek prospects. Both sites encountered gold in bedrock drilling which has not been followed up.

It is the opinion of the Author that additional exploration expenditures are warranted on the WUSA Gold Project. General recommendations applying to the regional areas are provided, along with proposed exploration programs and budget estimates for the more advanced prospects.

## **26.0 Recommendations**

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The WUSA Gold Project covers a very under-explored area within the Western Cascades of south western Oregon, USA. The land and mineral rights have been owned by a single private landholder for approximately 70 years, which has neither undertaken or permitted significant exploration until the investment completed by Mawson Resources Ltd in 2018 and 2019.

The area shows multiple indications of intense epithermal alteration and mineralization. The Black Butte mine (mercury), Hobart Butte mine (hydrothermal clay), Quartz Mountain mine (hydrothermal silica) and Bohemia (gold, copper) which lie in the close vicinity of the WUSA Gold Project are all substantial occurrences that relate to Oligocene – Miocene volcanic activity.

The project is deserving of significant additional regional and prospect-based exploration. Both phases can occur simultaneously as required, and dependent upon climate conditions. A cost estimate for Phase 1 and Phase 2 work proposal is provided in Table 26.01.

### **Regional**

The Exploration Permit Area remains lightly explored with the geology still poorly understood. A robust semi-regional view of the project needs to be acquired through skilled interpretation and processing of remote datasets, including Sentinel-2 and Landsat 8 utilizing Lidar/DTM backdrop. Interpretation will provide an integrated view of geology, alteration, and structure over the Exploration Permit Area and its surrounds.

Stream sediment anomalies defined by Mawson have not been followed up and require additional sampling and mapping.

Three principal prospect areas have been defined by the Landholder and Mawson.

### **Walker Creek**

The Walker Creek low-sulphidation gold prospect was drill-tested with ten widely spaced RC holes by the Landholder in 1992, intersecting highly anomalous gold in eight holes. The prospect was not followed up by Mawson.

The prospect requires grid-based soil sampling and updated mapping to place prior drill results in context. Diamond drilling in the vicinity of WC-290 is recommended to gain understanding of mineralization and alteration chemistry.

### **Huckleberry**

The Huckleberry high-sulphidation epithermal gold prospect was drilled by Mawson, utilizing surface data from the Landholder. While only two successful holes were completed and epithermal pathfinder elements were elevated, precious metal values were low.

Additional drilling requires substantial down dip step out from prior intersections, which should occur after success at other locations. Additional permitting would be required which is not budgeted.

### **Scorpion-Cinnabar**

The Scorpion-Cinnabar high-sulphidation epithermal gold prospect has delivered very promising results in both soil sampling and drilling. A single drill hole test of the site provided evidence of strong alteration, epithermal pathfinder elements and gold mineralization which may suggest the upper portion of an epithermal system. Soil anomalies presently define a prospective target area of 2.2 km x 0.4 km.

Scorpion-Cinnabar is drill ready and permits for additional drilling are in place. A minimum 4-hole program is recommended based on access and detailed geological interpretation. Trace and whole rock geochemistry should be prioritized during the drill program to determine zonation.

As sulphide mineralization and clay alteration are present near surface, IP may be considered for additional target development.

	QTY	UNIT	UNIT COST (US\$)	US\$	CA\$
<b>Land Access</b>					
<b>BLM Claim Costs</b>					
Govt Payment	40		200	\$5,000	\$6,667
Submission				\$3,000	\$4,000
<b>Landholder Payments</b>				\$100,000	\$133,333
<b>Regional</b>					
<b>Remote Sensing (Phase 1)</b>					
Data Acquisition				\$5,000	\$6,667
Interpretation				\$30,000	\$40,000
Reporting				\$5,000	\$6,667
<b>Stream Sediment Sampling (Phase 1)</b>					
Planning	5	Day	700	\$3,500	\$4,667
Personnel (2 people)	15	Team Day	750	\$11,250	\$15,000
Vehicles, Accom, Equipment	15	Day	300	\$4,500	\$6,000
Assays	80	Samples	30	\$2,400	\$3,200
<b>Prospect Based</b>					
<b>Project Planning (Phase 1)</b>					
	10	Day	700	\$7,000	\$9,333
<b>Geological Mapping (Phase 1)</b>					
Personnel (2 people)	10	Team Day	1100	\$11,000	\$14,667
Vehicles, Accom, Equipment	10	Day	350	\$3,500	\$4,667
Assays	100	Samples	30	\$3,000	\$4,000
<b>Drilling (Phase 1)</b>					
Drill Planning	5	Day	700	\$3,500	\$4,667
Access				\$12,000	\$16,000
Mobilization/Demob	2	Trip	8500	\$17,000	\$22,667
Drilling	750	metres	220	\$165,000	\$220,000
Personnel (2 people)	40	Team Day	1100	\$44,000	\$58,667
Vehicles, Accom, Equipment	40	Day	300	\$12,000	\$16,000
Assays	200	Samples	30	\$6,000	\$8,000
Mineralogy	20	Samples	500	\$10,000	\$13,333
Reporting	10	Day	650	\$6,500	\$8,667
<b>Geophysics (Phase 1)</b>					
IP				\$40,000	\$53,333
<b>Phase 1 Total Including Land Access Costs for Phase 1 and Phase 2</b>				<b>\$510,150</b>	<b>\$680,202</b>

<b>Project Planning (Phase 2)</b>	10	Day	700	\$7,000	\$9,333
<b>Geological Mapping (Phase 2)</b>					
Personnel (2 people)	10	Team Day	1100	\$11,000	\$14,667
Vehicles, Accom, Equipment	10	Day	350	\$3,500	\$4,667
Assays	100	Samples	30	\$3,000	\$4,000
<b>Drilling (Phase 2)</b>					
Drill Planning	5	Day	700	\$3,500	\$4,667
Access				\$11,000	\$14,667
Mobilization/Demob	2	Trip	8500	\$17,000	\$22,667
Drilling	1000	metres	200	\$200,000	\$266,667
Personnel (2 people)	40	Team Day	1100	\$44,000	\$58,667
Vehicles, Accom, Equipment	40	Day	300	\$12,000	\$16,000
Assays	300	Samples	30	\$9,000	\$12,000
Mineralogy	20	Samples	500	\$10,000	\$13,333
Reporting	10	Day	650	\$6,500	\$8,667
<b>Phase 2 Total</b>				<b>\$337,500</b>	<b>\$450,002</b>
Contingency (10%)				\$90,000	\$120,000
<b>TOTAL</b>				<b>\$937,650</b>	<b>\$1,240,867</b>
<b>TOTAL ROUNDED</b>					<b>\$1,250,000</b>

Table 26.01: Proposed Budget for WUSA Gold Project

## 27.0 References

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## Website References

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[www.aguila.gold](http://www.aguila.gold)

### Mawson Resources Ltd (now Mawson Gold Ltd)

<https://mawsongold.com/>

### Canadian Institute of Mining, Metallurgy and Petroleum

[www.cim.org](http://www.cim.org)

### United States Geological Survey

<https://www.usgs.gov/>

<https://mrdata.usgs.gov/geology/state/state.php?state=OR>

### EPA Superfund Management

<https://www.epa.gov/superfund>

### Geologic Map of Oregon

<https://catalog.data.gov/dataset/geologic-map-of-oregon-ngmdb>

**Oregon Department of Geology and Mineral Industries**

<https://www.oregongeology.org/>  
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<https://www.blm.gov/oregon-washington>  
<https://www.blm.gov/services/geospatial/GISData/oregon>

**Oregon Department of Fish and Wildlife**

<https://www.dfw.state.or.us/>

**Oregon Department of Forestry**

<https://www.oregon.gov/ODF/Pages/index.aspx>

**Oregon Department of Environmental Quality**

<https://www.oregon.gov/DEQ/Pages/index.aspx>

**Douglas County**

<https://www.co.douglas.or.us/>

**Lane County**

<https://lanecounty.org/>

**Department of Earth Sciences at the University of Oregon**

<https://earthsciences.uoregon.edu/>

**Maxis Law Corporation**

<https://maxislaw.com/>

## Certificates Of Qualified Persons

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### CERTIFICATE OF AUTHOR

**John A. Rice**

I, John A. Rice, do hereby certify that:

1. I am an independent consultant of Aquila American Gold Ltd. and have an address at 5430 Twin Creeks Dr., Reno, NV 89423, USA
2. I graduated from Colorado State University with a B.Sc. in Geology in 1978 and from the same school with a Masters degree in Economic Geology in 1984.
3. I am a Certified Professional Geologist, in good standing, of the American Institute of Professional Geologist (AIPG), Member Number CPG-10917.
4. I have practiced my profession continuously for 36 years and have been involved primarily in mineral exploration and mine site geology at multiple locations in the western United States, South and Central America, Mexico, and Canada. I have authored and been co-author to NI43-101 technical reports pertaining to gold and uranium.
5. I have read the definition of “Qualified Person” set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “Qualified Person” for the purposes of NI 43-101.
6. I am responsible all Sections of the technical report titled “Technical Report for the WUSA Project, Land and Douglas counties, Oregon, USA” (the “Technical Report”), dated September 8th, 2020 and with an Effective Date of September 4th, 2020.
7. I have worked extensively, collecting data and mapping in support of drilling on the WUSA project.
8. I visited the WUSA Gold Project between 7 June 2018 and 17 November 2018. My most recent visit was from 5 November 2018 and 17 November 2018 to correspond with the completion of the Mawson drilling program.
9. I am independent of Aquila American Gold Ltd and Mawson Resources Ltd (now Mawson Gold Ltd), applying all of the tests in Section 1.5 of NI 43-101.
10. I have read NI 43-101, Form 43-101F1 and confirm the Technical Report has been prepared in compliance with that instrument and form.
11. As of the Effective Date of the Technical Report, to the best of my knowledge, information and belief, the Sections of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Signed at Reno, Nevada, USA this 8th day of September 2020.

“Signed and Sealed, original on file”

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John Rice (MSc, P.Geo., AIPG)

## Consent of Qualified Person

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To: British Columbia Securities Commission

I, John A. Rice do hereby consent to the public filing of technical report entitled Technical Report For The WUSA Gold Project, Lane And Douglas Counties, Oregon, USA and dated 4th September 2020 (the "Technical Report") by Aguila American Gold Ltd (the "Issuer"), with the TSX Venture Exchange under its applicable policies and forms in connection with the execution of a Joint Venture with Mawson Resources Ltd (now Mawson Gold Ltd) as a per press release from the Issuer dated 8<sup>th</sup> August 2020, to be entered into by the Issuer and I acknowledge that the Technical Report will become part of the Issuer's public record.

Signed at Reno, Nevada, USA this 8th day of September 2020.

“Signed and Sealed, original on file”

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John Rice (MSc, P.Geo., AIPG)