Independent Technical Report for the Cachinal Silver-Gold Project, Region II, Chile

Report Prepared for

Aftermath Silver Ltd.

Report Prepared by

SRK Consulting (Canada) Inc.
3CA054.000
August 7, 2018

Independent Technical Report for the Cachinal Silver-Gold Project, Region II, Chile

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Cover: Northern portion of the Cachinal Deposit viewed from the central portion of the deposit, looking north.

IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* Technical Report for Aftermath Silver Ltd. (Aftermath) by SRK Consulting (Canada) Inc. (SRK). The quality of information, conclusions, and estimates contained herein are consistent with the quality of effort involved in SRK's services. The information, conclusions, and estimates contained herein are based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Aftermath subject to the terms and conditions of its contract with SRK and relevant securities legislation. The contract permits Aftermath to file this report as a Technical Report with Canadian securities regulatory authority pursuant to National Instrument 43-101. Except for the purposes legislated under provincial securities law, any other uses of this report by any third party is at that party's sole risk. The responsibility for this disclosure remains with Aftermath. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new Technical Report has been issued.

Foreword

On June 25, 2018, Aftermath Silver Ltd. (Aftermath) announced that it entered into a definitive agreement with Apogee Opportunities Inc. (Apogee Opportunities) to purchase their holding in the Cachinal De La Sierra Silver-Gold Project (Cachinal Project) through the of purchase of Apogee Opportunities' shares in the Chilean holding company Minera Cachinal S.A., representing 80 percent ownership. This technical report was originally prepared for Valencia Ventures Inc. (Valencia) and was subsequently re-addressed to Apogee Minerals Ltd (Apogee) on February 9, 2010 and amended on July 8, 2010. It is now being readdressed to Aftermath on August 7, 2018 to support the original disclosure of a Mineral Resources Statement prepared by SRK Consulting (Canada) Inc. (SRK) on April 30, 2008.

The Mineral Resource Statement documented in the original technical report dated April 30, 2008 released by Valencia Ventures Inc. (Valencia) considered drilling and trenching information up to January 25, 2008. Drilling on the property was ongoing at that time. Subsequent to the technical report, Valencia completed an additional 17 core boreholes, 43 reverse circulation boreholes and five geotechnical core boreholes (the "subsequent drilling"). The subsequent drilling aimed at infilling the deposit to 50-metre sections in the northern part of the deposit, testing the depth extensions of the deposit below the mineral resources and testing other exploration targets outside the resource areas. Some of the exploration targets investigated by the subsequent drilling were recommended in the April 30, 2008 technical report.

Apogee made available to SRK the results from the subsequent drilling. SRK reviewed the location, geology and assaying results for the subsequent drilling. In the professional opinion of the qualified persons authoring this technical report, the subsequent drilling results should be considered as work in progress. The subsequent drilling data would not materially impact on the mineral resource evaluation prepared by SRK as documented in the original April 30, 2008 technical report. The results of the subsequent drilling would not alter the recommendations for additional drilling expressed in the April 30, 2008 technical report except for the targets actually tested. As a consequence, SRK considers that the Mineral Resource Statement for the Cachinal Project documented in the April 30, 2008 technical report remains current. The same Mineral Resource Statement was re-addressed to Apogee in a technical report prepared by SRK dated February 9, 2010 and amended on July 8, 2010. This same Mineral Resource Statement is still regarded as current and is now being re-addressed to Aftermath on August 7, 2018.

In the professional opinion of SRK it is not justified to revise the mineral resource evaluation for the Cachinal Project until exploration drilling program recommended in the April 30, 2008 technical report is fully completed. Apart from the few targets tested by the subsequent drilling, the conclusions and recommendations remain current.

SRK is therefore of the opinion that it is appropriate to readdress the latest technical report for the Cachinal Project (dated July 8, 2010) to Aftermath. The following re-addressed technical report is similar to the July 8, 2010 technical report.

In this technical report, the legal aspects, mineral tenure, and illustrations have been updated to reflect status of the property.

SRK Consulting (Canada) Inc.

1 Executive Summary

1.1 Introduction

On June 25, 2018, Aftermath Silver Ltd. (Aftermath) announced that it entered into a definitive agreement with Apogee Opportunities Inc. (Apogee Opportunities) to purchase their holding in the Cachinal De La Sierra Silver-Gold Project (Cachinal Project) through the of purchase of Apogee Opportunities' shares in the Chilean holding company Minera Cachinal S.A., representing 80 percent ownership.

This technical report originally prepared for Valencia Ventures Inc. (Valencia) and subsequently re-addressed for Apogee is now being readdressed to Aftermath on August 7, 2018 to support the original disclosure of a Mineral Resources Statement prepared by SRK Consulting (Canada) Inc. (SRK) on April 30, 2008.

The Cachinal project is a resource delineation stage silver-zinc-gold exploration project located in the Cachinal de la Sierra area in the Region II of Chile. It is located approximately 175 kilometres southeast of Antofagasta, Chile. The project encloses several silver occurrences including the Cachinal silver-gold deposit that is an exploration focus of Aftermath.

During the third quarter of 2007, Valencia commissioned SRK to review and audit the exploration work undertaken by Valencia, and to prepare a revised mineral resource estimate for the Cachinal silver-gold deposit. This technical report documents the resource model constructed by SRK. It was prepared following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1, and in conformity with generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines." SRK visited the Cachinal project on October 10, 2007.

1.2 Property Description and Agreements

Minera Cachinal S.A. was formed on December 9, 2013 from the division of the assets owned by Minera Silver Standard Chile S.A (Minera Silver). Minera Silver had two controlling partners: (i) Silver Standard Resources, Inc. (SSR) and (ii) Silver Standard Ventures, Inc. (SSV).

Minera Silver was divided into three companies: (i) Minera Silver Standard Chile S.A (Minera Silver), (ii) Minera Cachinal S.A (Minera Cachinal), and (iii) Minera Juncal y La Flora S.A (Minera Juncal). The assets were divided among the resulting companies: 96 mining concessions for Minera Silver, 11 mining concessions for Minera Cachinal and 11 mining concessions for Minera Juncal.

The Cachinal Project is comprised of sixteen Chile mining concessions (Table 1) covering an aggregate area of approximately 4,867 hectares, comprising of the 11 mining concessions gained from Minera Silver (3,387 ha) in 2014 and an additional 5 mining concessions (the Cachinal claim group) purchased from Compañia Minera Valencia Ventures Chile Limitada in 2016. The property boundaries have not been legally surveyed.

1.3 Location, Access and Physiography

The closest community to the Cachinal project is the township of Taltal, with a population of about 11,000, which is approximately 170 kilometres from the project. Taltal is located 306 kilometres south of Antofagasta and 25 kilometres from Route 5, with no local public transportation to Antofagasta. Mining is the primary activity for the community of Taltal.

Access to the project area from the Pan American Highway is along a sand and gravel road. Numerous secondary tracks provide easy access to all parts of the project area. The center of the property is located at 69.5333 degrees longitude west and 24.9716 degrees latitude south. The property and the region have no established towns or villages and electricity or water supply.

The project is located in the Atacama Desert, considered to be the driest desert of Chile. The west and south sides of the property are comprised of gentle rolling terrain, with rounded hill tops, while the central and eastern parts of the property form slightly inclined to nearly flat plain. Elevation varies between 2,690 and 3,150 metres above sea level. There is no sharp contrast in temperature between seasons. The average temperature of the coldest month (July) is 11.8°C and the average temperature for the hottest month (January) is 19.2°C. The daily variation is significant, ranging from a maximum of 33.5°C to a minimum of 2.3°C. Exploration work can be carried out year-round.

1.4 History

Although different references give conflicting dates about the early history of the Cachinal de la Sierra district, it appears that initial mineral activities began during the 1850s focussing on silver mineralization. Gold was discovered 10 to 20 years later in the Guanaco District about fourteen kilometres to the south of Cachinal.

Silver was first produced in the district in 1875 and production continued uninterrupted from 1880 to 1930. The total historic production was estimated to be approximately 1,000 tonnes of silver (about 32 million ounces). Independent miners intermittently mined the area when silver prices were relatively high in the early 1980s, from 1985 to 1987 and in the early 1990s. Unverifiable records suggest that between 1985 and 1987 a total of 170,639 tonnes were mined at an average grade of 280 grams of silver per tonne ("g/t silver") and 0.58 g/t gold.

1.5 Regional and Local Geology

The Cachinal project area is located within the Paleocene Gold Belt of northern Chile, which hosts several significant gold and silver deposits. The known Cachinal veins are all located within and near the western margin of the Cachinal volcanic caldera that is approximately 30 kilometres in diameter and developed in Paleocene-Eocene volcanic rocks assigned to the Chile-Alemania Formation. This bimodal rhyo-andesite sequence is widely distributed throughout the Antofagasta Region.

The western margin of the caldera is characterised by a chain of dacite flow domes and their related dacite to andesite lava. The southern end of the dome chain appears to be related to the high sulphidation epithermal El Guanaco Gold district.

The center of the district is underlain by a propylitic-altered diorite stock and related andesite lavas, covered by rhyodacite, ash-flow tuff with co-genetic porphyry facies. The rhyodacite and ash-flow tuff are overlain by and interbedded with reddish volcaniclastic sedimentary rocks and dacite to andesite lava.

The age of the diorite stock ranges from 62 to 60 million years. This sequence is intruded by dacite flow-domes to the west. The diorite stock in turn intrudes the rhyodacite tuff and the volcaniclastic sedimentary rocks. A flat relief plain composed of colluvial and alluvial loose sediments covers a buried sequence of green coloured conglomerate and sandstone sedimentary rocks to the east of Cachinal.

1.6 Deposit Types and Mineralization

The Cachinal project was assembled by Valencia for its potential to host low and high sulphidation epithermal silver and gold deposits. Epithermal deposits comprise a wide clan of hydrothermal deposits associated with volcanic and magmatic edifices and formed by the circulation of hydrothermal fluids into fractured rocks. Exploration work in this area has uncovered several precious metal (silver, gold-silver and silver-gold associated with base metals) deposits and occurrences exhibiting characteristics indicative of epithermal hydrothermal systems.

The Cachinal silver-gold deposit is the most important exploration target on the Cachinal project. This deposit was mined from underground workings during the twentieth century and drilling by Valencia since 2005 has delineated a near surface silver, gold and zinc mineral resource associated with a network of steeply dipping north to northwest trending low-sulphide quartz veins.

The epithermal veins and breccias have been recognized by trenching and drilling over a strike length of at least two kilometres and are known to have been mined to a depth of at least 300 metres. They range in thickness from a few centimetres to two metres, reaching up to twenty metres locally at the intersection of two structures. The main veins trend north-northwest and north-west with a secondary set trending east-northeast to east-west, best developed at the southern end of the deposit.

1.7 Exploration and Drilling

All exploration work completed by Valencia at Cachinal since 2004 was conducted by SBX Consultores Ltda. ("SBX"), an independent consultant. The exploration work included:

- 219 inclined reverse circulation boreholes (over 31,000 metres).
- 27 core boreholes (6,241 metres).
- 43 trenches (2,076 metres).
- 129 line-kilometres of ground electromagnetic surveying (VLF-EM).
- 955 line-kilometres of ground magnetic surveying.
- 1,109 soil geochemical samples (200-400 metre lines and 50-100 metre stations).

Drilling was conducted by Terra Services S.A. and Perfo Chile Ltda. Boreholes have been drilled on 50 to 100 metres sections to sample the Cachinal mineralization to a depth of 40 to 200 metres below the surface. All borehole collars were surveyed using a theodolite and reported in UTM coordinates (PSAD-56 datum). The drilling area extends approximately two kilometres in strike length. Downhole deviation was monitored in 56 reverse circulation boreholes using a gyroscope. The remaining reverse circulation boreholes could not be probed. Eleven of the core holes were surveyed for downhole deviation using a Maxibore device or a gyroscope.

Valencia completed an additional seventeen core boreholes, forty-three reverse circulation boreholes and five geotechnical core boreholes (the "subsequent drilling"). The subsequent drilling aimed at infilling the deposit to fifty metre sections in the northern part of the deposit, testing the depth extensions of the deposit below the mineral resources and testing other exploration targets outside the resource areas

1.8 Sampling Method, Approach and Analyses

Limited details are available for the sampling procedures used by previous project operators. No historical sampling was used for estimating the Cachinal mineral resources.

Valencia used industry best practices to collect, handle and assay soil, trench, reverse circulation chips and core samples of the Cachinal silver mineralization. All assay samples were prepared and assayed by ALS-Chemex Laboratory in Antofagasta and La Serena, Chile that are accredited ISO 9001 by NCS International Pty. The La Serena Laboratory is also accredited under ISO 17025 (INN LE 246) by the Instituto Nacional de Normalization of Chile for a number of specific test procedures. The analytical protocols used by Valencia are not within scope of the accreditation.

Samples were assayed for gold by conventional fire assay, and silver and zinc using multi-acid digestion and atomic absorption spectrometry. Valencia relied on the laboratory internal quality control measures, but implemented increasing external control measures consisting of inserting an appropriate frequency of quality control samples (blanks, project specific standards and certified reference standards) with each batch of trench, reverse circulation and core drilling samples submitted for assaying. The quality control program developed by Valencia for this project is mature and overseen by appropriately qualified geologists.

1.9 Data Verifications

During the fourth quarter of 2007, Valencia mandated Maxwell GeoServices (Maxwell) from Australia to review, compile and verify the Cachinal exploration database. In its review of analytical quality control data, Maxwell did not uncover any material issues with the quality of the assaying data for the Cachinal project. Maxwell noted few control sample failures.

In accordance with National Instrument 43-101 guidelines, SRK visited the Cachinal project on October 10, 2007 while active drilling was ongoing. The purpose of the site visit was to inspect the property and ascertain the geological setting of the Cachinal deposit, witness the extent of exploration work and assess logistical aspects and other constraints relating to conducting exploration work in the area. SRK was given full access to project data.

SRK reviewed the report produced by Maxwell and visually examined assay results for the internal quality control samples used by the assay laboratory and found no suspicious or anomalous results. SRK aggregated the assay results for the external quality control samples for further analysis, focussing exclusively on assay results for silver, gold and zinc. After review, SRK is of the opinion that the analytical results delivered by ALS-Chemex are sufficiently reliable for the purpose of resource estimation. SRK identified a number of sample mislabelling issues, especially mislabelling of control samples. SRK concurs with Maxwell's recommendations for improvement in sample labelling procedures.

The Cachinal silver-bearing mineralization was sampled by surface trenches and by reverse circulation and core drilling. SRK conducted certain verifications to ensure that the three sample supports yielded geostatistically comparable silver assay results. In general, SRK considers that, for the main silver grade ranges observed in the Cachinal deposit, there is no significant bias between each sample support and that, therefore, all three sample types can be used for resource estimation.

In 2007 and 2008, Valencia drilled eleven core holes to reproduce eleven reverse circulation intersections. The analysis of the twin hole data suggests that the core boreholes delivered on average lower grades for all three metals considered. Not only the core holes failed to reproduce the average grades of each intercept, but the widths of silver-bearing mineralization are also different. Analysis of Q-Q' plots suggest that reverse circulation boreholes deliver higher grades than core boreholes for all grade categories, except for zinc. The difference in grade distribution may be in part attributed to the wireframe interpretation or high variability of metal grades across short ranges that are not unusual for epithermal vein deposits. The quality control data does not highlight any material bias between the two drilling types. Accordingly, SRK cannot draw conclusions from the limited twin hole data available.

1.10 Mineral Resource Estimation

The mineral resource model presented herein represents the second mineral resource evaluation for the Cachinal silver-gold deposit. An earlier resource model was prepared in February 2007 by Gonzales and Diaz using a polygonal method on vertical sections. The current resource estimate was completed by Mr. Glen Cole, PGeo an independent qualified person as this term is defined in National Instrument 43-101. The effective date of this resource estimate is April 30, 2008.

Eleven north to northwest trending silver-bearing vein wireframes were constructed to constrain geostatistical analysis and grade estimation using a geological interpretation prepared by SBX personnel using assaying data over a minimum width of two metres. Two sets of faults and four lithological wireframes were also modelled. The impact of the mined-out areas on the resource model was considered at the geological modelling stage. Modelled veins are considered as remnants of the veins left behind the historical mine. SRK considers this approach represents a reasonable interpretation for the "in situ" silver-bearing veins with the current level of information available about the historical mining. Further investigations are required for feasibility level work.

A total of 3,293 data points was extracted from the eleven modelled veins for statistical analysis. All assay samples were composited to equal 1-metre lengths. Grade capping was assessed using probability plots for assays samples within each domain. In general, the silver, gold and zinc composites belong to a single population, requiring minimal outlier treatment. Only three silver, two gold and four zinc composites were capped.

A Datamine sub-block routine was used to fill the vein wireframes with blocks aligned with the local UTM grid (PSAD-56 datum). Each vein mineralization block was assigned a density of 2.43 grams per cubic centimetre and waste blocks were assigned an average bulk density of 2.45 grams per cubic centimetre, based on a database containing 289 measurements on core samples. Parent block size was sent at 3 by 5 by 5 metres (minimum block size of 0.75 by 1.25 by 1.25 metres). A regularized block model was also generated from the detailed sub-block model for the pit optimization.

Variograms were used to assess grade continuity along various ellipse axes and to determine appropriate grade interpolation ranges. Normal-score variography was conducted with Isatis software for silver, gold and zinc. A single spherical structure variogram (including a nugget effect) was constructed and fitted for each modelled vein and direction for silver, gold and zinc (with rotation angles relative to the vein parallel reference plane set at primary = N340, secondary = N070).

Metal grades were estimated into the block model using ordinary kriging and search neighbourhood parameters adjusted from variography results. Metal grades were estimated using two estimation runs for each modelled vein. The first pass considered full variogram ranges to estimate block grades assigned to Indicated Mineral Resources. The second pass considered three times the variogram ranges to estimate metal grades for Inferred Mineral Resources. A third estimation run was completed to assign metal grades to the blocks surrounding the silver-bearing veins. The average mining dilution grade was determined from the average of all composites located outside the modelled veins, but within an enveloping ‘low grade shell’ defined by considering all drill data (this includes 11,749 data points).

The Cachinal mineral resources were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) by Glen Cole, PGeo (APGO #1416), an appropriate independent qualified person for the purpose of National Instrument 43-101. Resource blocks are informed by a minimum of four a maximum of twenty composites. Resource blocks situated within the primary ranges defined by variography are assigned an Indicated classification. All other resource blocks situated within three times the maximum variography ranges are assigned an Inferred classification.

The “reasonable prospects for economic extraction” requirement was assessed by considering the most likely extraction scenarios for the vein mineralization taking into account processing recoveries. SRK believes that portions of the Cachinal deposit are amenable for open pit extraction, while the deeper parts of the deposit could be extracted using an underground mining method.

In order to determine the quantities of material offering reasonable prospects for economic extraction by an open pit, SRK used Minesight and the Lerchs-Grossman optimizing algorithm, which evaluates the profitability of each resource block based on its value. The optimization parameters are based on ongoing scoping studies undertaken by SRK on the Cachinal project. The reader is cautioned that the results from the pit optimization are used solely for the purpose of reporting mineral resources that have “reasonable prospects” for economic extraction by an open pit.

After review of several scenarios considering different metal prices, design criteria and operating costs assumptions, SRK is of the opinion that the portion of the Cachinal silver deposit above a 40 g/t silver-equivalent grade and situated between the surface and approximately 150 metres depth shows “reasonable prospects” for economic extraction via open cast mining. SRK considers that the silver mineralization located below that elevation is amenable for underground mining using a cut-off of 150 g/t silver-equivalent to reflect the higher costs associated with underground mining. Silver equivalent grades were derived using metal price assumptions of US$12.50 per ounce of silver, US$650 per ounce of gold and metallurgical recoveries of eighty-five percent for silver and gold. Zinc does not contribute to revenues (Table i).

SRK undertook a sensitivity analysis to determine if the application of current (2017 / 2018) metal prices and cost inputs would have a material impact on the dimensions of the conceptual pit shell being referenced during mineral resource reporting. It was found that the application of current metal prices and costs did not lead to a deep or larger conceptual pit shell. It seems likely that the positive impact of increased metal prices has been neutralized by the negative impact of higher mining and processing costs. SRK is therefore satisfied that applying the vertical elevation of 150 metres is still appropriate to segregate mineral resources amenable to open pit mining from that that amenable to underground mining. SRK has recently verified that the application of current metal prices (and costs) will not have a material impact on the silver equivalency formula, reporting cut-off grades and on the reported mineral resources.

The Mineral Resource Statement for the Cachinal silver-gold-zinc deposit is presented in Table i.

Table i: Mineral Resource Statement* for the Cachinal Silver-Gold Project, Chile, SRK Consulting (Canada) Inc. March 4, 2008 (Sections 1250NNW - 1000SE).

Resource Classification	Quantity (Mt)	Grades Silver (g/t)	Gold (g/t)	Zinc (%)	Contained Metal Silver (Moz)	Gold (000'oz)	Zinc (Mlbs)
Indicated							
Opencast†	5.50	99	0.13	0.21	17.49	23.00	25.97
Underground‡	0.15	188	0.21	0.52	0.92	1.02	1.75
Total	**5.66**	**101**	**0.13**	**0.22**	**18.41**	**24.03**	**27.72**
Inferred							
Opencast†	0.45	61	0.07	0.13	0.88	1.01	1.26
Underground‡	0.37	180	0.19	0.34	2.14	2.25	2.77
Total	**0.82**	**115**	**0.12**	**0.22**	**3.02**	**3.26**	**4.03**

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on metal price assumptions of US$12.50 per ounce of silver, US$650 per ounce of gold and metallurgical recoveries of eighty-five percent for silver and gold. Zinc does not contribute to revenues.

† reported at a cut-off of 40 g/t AgEq to a vertical depth of 150 metres below surface.

‡ reported at a cut-off of 150 g/t AgEq below a vertical depth of 150 metres.

The SRK 2008 mineral resource statement supersedes an earlier mineral resource model prepared by Gonzales and Diaz (as reported in a technical report dated February 14, 2007; the "Gonzalez and Diaz model").

The direct comparison between the SRK resource model with the Gonzalez and Diaz February 2007 polygonal model is difficult, because the two models consider different areas and are reported using different reporting assumptions.

The Gonzales and Diaz model considered sampling information from 42 reverse circulation and 40 surface trenches in the southern portion of the Cachinal silver deposit (00 metre SSE to 800 metres SSE). The mineral resources were estimated using a polygonal methodology. A total of 128 polygons were constructed and assigned a grade based on the weighted average grade of the borehole or trench assay data. Inferred polygons metal grades were derived from the nearest adjacent Indicated polygons. Where sufficient information was available, mined out areas were excluded from the interpreted vein polygons. An average specific gravity of 2.5 was used to convert volumes into tonnages. Mineral resources were tabulated at various cut-off grades and reported at a cut-off grade of 20.0 g/t silver, without considering gold revenues and metallurgical recoveries.

The SRK model extends over the entire strike length of the deposit (from sections 1,250 metres NNW to 1,000 metres SSE) and includes resource blocks to a depth of 250 metres. The SRK mineral resources were estimated using a geostatistical block modelling approach constrained by vein mineralization wireframes interpreted from the drilling data. Mined out areas were removed during wireframing. The mineral resources are reported using a silver equivalent grade taking into account reasonable metallurgical recoveries.

The impact of using a silver equivalent grade to report resources is that the SRK global quantities and grades are marginally larger than if a silver cut-off was applied. The differences are not material to the comparison.

At a cut-off grade of 40 g/t silver-equivalent considered by SRK to be reasonable for reporting open pit resources for this project, the SRK model reports approximately 43 percent less tonnes and 50 percent less silver and gold. At the cut-off grade used by Gonzales and Diaz, the SRK model forecasts approximately 45 percent less silver and gold for a tonnage approximately 25 percent less. At all cut-off grades global quantities and grades are considerably less than those predicted by the Gonzalez and Diaz model.

SRK is also of the opinion that the application of a silver equivalency formula based on 2017/2018 metal prices will also not have a material difference on the reported mineral resources, primarily due to the low gold grades intersected within the modeled veins.

1.11 Conclusions and Recommendations

In the opinion of SRK, the block model resource estimate and resource classification reported herein are a reasonable representation of the global silver, gold and zinc mineral resources found in the Cachinal deposit. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve.

In reviewing the mineral resource model, SRK draws the following conclusions:

- A cut-off of 40 g/t silver-equivalent is considered appropriate for potential opencast mining resources.
- The SRK model reports approximately 43 percent less tonnes and 50 percent less silver and gold at a cut-off grade of 40 g/t used by Gonzales and Diaz.
- The SRK model forecasts approximately 45 percent less silver and gold for a tonnage approximately 25 percent less at a cut-off grade used by Gonzales and Diaz.
- At all cut-off grades, global quantities and grades are considerably less than those predicted by the Gonzalez and Diaz model.
- A drilling spacing at 25 to 30 metres should allow conversion of Indicated to Measured mineral resources.

The geological and mineral resource models were reviewed to identify any potential target areas warranting additional drilling. Three types of targets are identified: vein extensions, new vein structures and infill drilling around poor drilling results. Each target was assessed in terms of size, quality of the potential silver vein mineralization and potential quantities and grades.

When the April 2008 technical report was prepared, drilling at Cachinal was ongoing. Subsequent to the preparation of that technical report Valencia completed an additional seventeen core boreholes, forty-three reverse circulation boreholes and five geotechnical core boreholes (the “subsequent drilling”). The subsequent drilling aimed at infilling the deposit to fifty metre sections in the northern part of the deposit, testing the depth extensions of the deposit below the mineral resources and testing other exploration targets outside the resource areas. Some of the subsequent drilling tested some recommended drilling targets. In consideration for the subsequent drilling, the recommended drilling program was revised by SRK on February 9, 2010 to remove targets tested by the subsequent drilling. The revised recommended drilling program comprises seventy-nine boreholes totalling 11,800 metres.

At a unit price of approximately US$150 per metre of drilling (all inclusive) the revised cost for the recommended drilling program is approximately US$1,770,000. At the conclusion of the recommended drilling program, the geology model and mineral resources for the Cachinal Project should be revised at a cost estimated at approximately US$100,000.

SRK is satisfied that the disclosure of mineral potential follows the National Instrument 43-101 guidelines in relation to mineral disclosure of exploration targets. The mineral potential is expressed as a range of quantity and grade, with explanation of the basis of the statement. Mineral potential is only recognized where supported by one or more intersections with grade and width that meet current economic parameters for mineral resources, or where the lateral extent of mineralization is supported by physical sampling that indicates economic parameters will be met, or where the lateral extent of mineralization is known and its characteristics may be assessed on the basis of immediately adjacent similar, economically delineated mineralization.

The mineral potential was evaluated by SRK to provide a range of quantities and grades for each target and assist Aftermath management to prioritize the recommended drilling program. The summary statement of potential for each target is expressed explicitly on the basis that the potential range of quantity and grade is conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if additional drilling will result in the delineation of a mineral resource on the targets.

For each target, a polygonal interpretation of the potential vein structure was constructed and sub-divided at the 150-metre depth threshold used for reporting open pit resources. The ranges of quantity are obtained by multiplying the surface area of the potential vein structure by its potential ranges of thicknesses, based on existing drilling information and observed thickness variations for each specific vein structure. The potential quantities above cut-off were estimated using the grade tonnage characteristics specific to the Cachinal deposit. The open pit mineral resources reported at a cut-off of 40 g/t silver equivalent grade to a depth of 150 metres represent approximately 44 percent of the tonnage for the modelled silver-bearing vein structures. Conversely, the underground mineral resource reported at 150 g/t silver equivalent grade represent only five percent of the tonnage contained in the modelled veins. Accordingly, the ranges of open pit and underground quantities of potential mineralization are obtained by multiplying the ranges of vein quantity by the ratio above cut-off.

The aggregated mineral potential for the Cachinal deposit is estimated at between 1.1 and 2.8 million tonnes grading between 80 to 120 g/t silver, or between 2.9 and 10.9 million potential ounces of silver to a depth of 150 metres. The underground mineral potential is estimated at between 0.1 and 0.2 million tonnes grading between 144 and 216 g/t silver or between 0.3 and 1.5 million potential ounces of silver below 150 metres to a depth of 250 metres. The underground mineral potential below the 250-metre depth has not been evaluated.

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2 Introduction and Terms of Reference

On June 25, 2018, Aftermath Silver Ltd. (Aftermath) announced that it entered into a definitive agreement with Apogee Opportunities Inc. (Apogee Opportunities) to purchase their holding in the Cachinal De La Sierra Silver-Gold Project (Cachinal Project) through the of purchase of Apogee Opportunities' shares in the Chilean holding company Minera Cachinal S.A., representing 80 percent ownership.

This technical report was originally prepared for Valencia Ventures Inc. (Valencia), which was subsequently re-addressed to Apogee Minerals Ltd (Apogee) on February 9, 2010 and amended on July 8, 2010. It is now being readdressed to Aftermath on August 7, 2018 to support the original disclosure of a Mineral Resources Statement prepared by SRK Consulting (Canada) Inc. ("SRK") on April 30, 2008.

The Cachinal project is a resource delineation stage silver-zinc-gold exploration project located in the Cachinal de la Sierra area in the Region II of Chile. It is located approximately 175 kilometres southeast of Antofagasta, Chile. The project encloses several silver occurrences including the Cachinal silver-gold deposit that is an exploration focus of Aftermath.

During the third quarter of 2007, Valencia commissioned SRK to review and audit the exploration work undertaken by Valencia, and to prepare a revised mineral resource estimate for the Cachinal silver-gold deposit. This technical report documents the resource model constructed by SRK. It was prepared following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1, and in conformity with generally accepted CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines." SRK visited the Cachinal project on October 10, 2007.

2.1 Scope of Work

The original scope of work, as defined in the letter of engagement presented to Valencia in September 2007, comprised of an audit of the exploration work undertaken by Valencia and the preparation of a mineral resource estimate for the silver, gold and zinc vein mineralization delineated by Valencia during 2007. It also included a compilation of an independent technical report in compliance with National Instrument 43-101 Form 43-101F1 guidelines. This typically requires an assessment of the following aspects of the project:

- Topography, landscape, access
- Regional and local geology
- Exploration history
- Audit of exploration work carried out on the project
- Geological modelling
- Mineral resource estimation and validation
- Preparation of a Mineral Resource Statement
- Recommendations for additional work

2.2 Work Program

The mineral resource estimate for the Cachinal silver-gold-zinc deposit was a collaborative effort between Valencia and SRK personnel. The geological model and outlines for the silver-bearing vein mineralization were constructed by SRK using geological interpretations provided by Valencia in September 2007 and early February 2008. The geostatistical analysis, variography and grade models were completed by SRK during the month of March 2008. The mineral resource statement was presented to Valencia in mid March 2008 and disclosed publicly in a news release dated March 27, 2008.

The technical report was assembled in Toronto, Canada during the month of April 2008.

The Mineral Resource Statement reported herein was prepared in conformity with the generally accepted CIM *Exploration Best Practices Guidelines* and CIM *Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines*. This technical report was prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1.

2.3 Basis of Technical Report

This report is based on information collected by SRK during a site visit performed in October 2007 while active drilling was ongoing, on additional information provided by Valencia and its consultants, and other information obtained from the public domain. SRK has no reason to doubt the reliability of the information provided by Valencia.

This technical report is based on the following sources of information:

- Discussion with Valencia personnel.
- Discussions and exchange of information with SBX Consultores Ltda. an independent consultant supervising exploration work on the Cachinal project.
- Exchange of information with Maxwell GeoServices of Australia who has compiled and verified the Cachinal project exploration database.
- Inspection of the Cachinal project area, including drill core from the Cachinal deposit.
- Review of the exploration data collected by Valencia.
- Additional information from public domain sources.

2.4 Qualifications of SRK and SRK Team

The SRK Group comprises more than 1,400 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK to provide its clients with conflict-free and objective recommendations. SRK has a proven track record in undertaking independent assessments of mineral resources and mineral reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work with a large number of major international mining companies, the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

The geological model was prepared by Mr. Fred Nimoh under the supervision of Mr. Glen Cole, PGeo (APGO#1416) who also completed the mineral resource evaluation work. This technical report was compiled by Mr. Fred Nimoh, Mr. Glen Cole, PGeo and Dr. Jean-François Couture, PGeo (APGO#0197). Mr. Dominic Chartier, PGeo and Dr. Lars Weiershäuser, PGeo reviewed the "subsequent drilling" data and results. By virtue of their education, membership to a recognized professional association and relevant work experience, Mr. Cole and Dr. Couture are Qualified Persons as this term is defined by National Instrument 43-101.

Mr. Nimoh has over 16 years diversified practical experience in open pit and underground in various mining environments including Ghana, South Africa and Canada. Mr. Nimoh has a specialist expertise in mapping and interpretations, and grade control procedures which include gold and platinum mineral deposits. Mr. Nimoh has not visited the property.

Mr. Cole is a Principal Resource Geologist with SRK and has been employed by SRK since 2006. Mr. Cole has over 20 years practical experience gained from numerous exploration and mining projects in Southern and West Africa and North America. Mr. Cole has gained solid practical experience in most aspects of applied economic geology in a host of geological settings and commodities. These applications include: scientific research, target generation, technical exploration, database management, geological modelling, resource estimation, mineral mine economics and mine production. Mr. Cole has not visited the property.

Dr. Couture is a Principal Geologist with SRK and has been employed by SRK since 2001. He has been engaged in mineral exploration and mineral deposit studies since 1982. Since joining SRK, Dr. Couture has authored and co-authored independent technical reports on several exploration and mining projects in Canada, United States, China, Kazakhstan, Northern Europe, South America, West Africa and South Africa. Dr. Couture visited the Cachinal Project on October 10, 2007.

2.5 Site Visit

In accordance with the NI 43-101 guidelines, Dr. Couture visited the Cachinal project on October 10, 2007. Dr. Couture was accompanied by Mr. Brian Connolly, PEng and Mr. Tom Rannelli, PEng also of SRK and by Mr. Doug Currie of Valencia and Mr. Sergio Diaz of SBX Consultores Ltda. Mr. Diaz was supervising the drilling program on the Cachinal project.

The purpose of the visit to was to ascertain the geology of the project area, with a specific emphasis on the Cachinal silver deposit. SRK examined drill core and visited outcrop exposures in different portions of the property. SRK was able to witness an active drilling site (Borehole CLRC-113) as well as recent drilling sites used by Valencia. SRK also examined several trenches.

At the time of the site visit a surveying contractor, Comprobe, was conducting downhole surveys in recently drilled boreholes.

SRK was given full access to relevant data and conducted interviews of Valencia personnel to obtain information on the past exploration work, understand field procedures used to collect, record, store and analyse exploration data.

2.6 Acknowledgement

SRK would like to acknowledge the support and collaboration provided by Aftermath personnel for this assignment. Their collaboration was greatly appreciated and instrumental to the success of this project.

2.7 Declaration

SRK's opinion contained herein and effective **April 30, 2008** is based on information collected by SRK throughout the course of SRK's investigations. The information in turn reflects various technical and economic conditions at the time of writing this report. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive subtotals, totals, and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Aftermath, and neither SRK nor any affiliate has acted as advisor to Aftermath, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

3 Reliance on Other Experts

SRK has not performed an independent verification of land title and tenure information as summarized in Section 3 of this report. SRK did not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but has relied on Carey, a Santiago-based law firm, as expressed in a legal opinion provided to Aftermath on March 29, 2018 A copy of the title opinion is provided in Appendix A. The reliance applies solely to the legal status of the rights disclosed in Sections 3.1 and 3.2 below.

SRK was informed by Aftermath that there are no known litigations potentially affecting the Cachinal silver gold project.

4 Property Description and Location

4.1 Introduction

The Cachinal project is located in the Cachinal de la Sierra area of Region II of Chile, in the Community of Taltal. It lies approximately 175 kilometres southeast of Antofagasta, the largest port city and main supply centre for the region, and 105 kilometres northeast of the village of Taltal (Figure 1). The property is situated approximately thirty kilometres east of the Pan American Highway and is centred on UTM coordinates (datum: PSAD-56, Zone 19S) 7,238,200 North and 446,300 East (69 degrees 32 minutes longitude west and 24 degrees 58.3 minutes latitude south).

4.2 Mineral Rights in Chile

There are two types of mining concessions in Chile: exploration mining concessions and exploitation mining concessions.

In accordance with the Chilean Mining Code, the owner of a mining concession can explore, exploit and benefit from all minerals within the boundaries of the relevant concessions, except for hydrocarbon and lithium, without additional administrative concessions or operation agreements.

Every titleholder of a mining concession, whether exploitation or exploration, has the right to establish an occupation easement over the surface properties required for the comfortable exploration or exploitation of its concession. In the event that the surface property owner does not voluntarily agree to the granting of the easement, the titleholder of the mining concession may request such easement before the Courts of Justice, which shall grant the same upon determination of due compensation for losses.

All mining exploration and exploitation concession applications are submitted to the Chilean court and granted through a court procedure. Once the court procedure is completed, the court issues a final ruling decision. If the decision is supportive of the application, the ruling decision acts as the legal title of the concession, which is then registered in the national mining registrar. The application to court decision process typically takes 6 to 8 months for an exploration concession and 12 to 15 months for an exploitation concession.

The main characteristics of exploration and exploitation concessions are described in the following subsections.

Figure 1: Location of the Cachinal Silver-Gold Project, Chile

4.2.1 Exploration Mining Concessions

The titleholder of an exploration concession has the right to carry out all types of mining exploration activities within the area of the concession. Exploration concessions can overlap or be granted over the same area of land, however, the rights granted by an exploration concession can only be exercised by the titleholder with the earliest dated exploration concession over a particular area.

For each exploration concession, the titleholder must pay an annual fee of approximately US$1.60 per hectare to the Chilean Treasury. Exploration concessions have a duration of two years. At the end of this period, they may: (i) be renewed as an exploration concession for two additional years in which case at least 50 percent of the surface area must be renounced, or (ii) be converted, totally or partially, into exploitation concessions.

A titleholder with the earliest dated exploration concession has a preferential right to an exploitation concession in the area covered by the exploration concession, over any third parties with a later dated exploration concession for that area or without an exploration concession at all and must oppose any applications made by third parties for exploitation concessions within the area for the exploration concession to remain valid.

4.2.2 Exploitation Mining Concessions

The titleholder of an exploitation (or mining) concession is granted the right to explore and exploit the minerals located within the area of the concession and to take ownership of the minerals that are extracted. Exploitation concessions can overlap or be granted over the same area of land, however, the rights granted by an exploitation concession can only be exercised by the titleholder with the earliest dated exploitation concession over a particular area.

Exploitation concessions are of indefinite duration and an annual fee is payable to the Chilean Treasury of approximately US$8 per hectare. Where a titleholder of an exploration concession has applied to convert the exploration concession into an exploitation concession, the application for the exploitation concession and the exploitation concession itself are back-dated to the date of the exploration concession.

A titleholder to an exploitation concession must apply to annul or cancel any exploitation concessions that overlap with the area covered by its exploitation concession within a certain time period in order for the exploitation concession to remain valid.

4.3 Mineral Tenure

On June 25, 2018, Aftermath announced that it entered into a definitive agreement with Apogee Opportunities to purchase their holding in the Cachinal De La Sierra Silver-Gold Project (Cachinal Project) through the of purchase of Apogee Opportunities' shares in the Chilean holding company Minera Cachinal S.A. (Minera Cachinal), representing 80 percent ownership.

Minera Cachinal S.A. was formed on December 9, 2013 from the division of the assets owned by Minera Silver Standard Chile S.A (Minera Silver). Minera Silver had two controlling partners: (i) Silver Standard Resources, Inc. (SSR) and (ii) Silver Standard Ventures, Inc. (SSV).

Minera Silver was divided into three companies: (i) Minera Silver Standard Chile S.A (Minera Silver), (ii) Minera Cachinal S.A (Minera Cachinal), and (iii) Minera Juncal y La Flora S.A (Minera Juncal). The assets were divided among the resulting companies: 96 mining concessions and also some water rights for Minera Silver, 11 mining concessions for Minera Cachinal and 11 mining concessions for Minera Juncal.

The current ownership of Minera Cachinal is approximately as follows:

- SSR 19.99%
- SSV 0.01%
- Apogee 80%

The Cachinal Project is comprised of sixteen Chile mining concessions (Table 1) covering an aggregate area of approximately 4,867 hectares, comprising of the 11 mining concessions gained from Minera Silver (3,387 hectares) in 2014 and an additional 5 mining concessions (the Cachinal claim group) purchased from Compañia Minera Valencia Ventures Chile Limitada in 2016. The property boundaries have not been legally surveyed, with the approximate location of the claim pillar posts shown in Figure 3. A listing of the concessions is presented in Table 1.

The mineral resources reported herein are located within the Silvania 2, 3 and 8 mining concessions (Figure 2 and Figure 3) registered in the name Minera Cachinal S.A.

The mining concessions are two groups of contiguous mining concessions, for a total property area of 4,867 hectares. Please note that the surface of the mining concessions “Silvana 3, 1 al 59” and “Silvana 4, 1 al 30” were reduced during their measurement operation to respect the surface area of three older mining concessions with preferential rights, named “Carmela”, “Pastora”, and “Victoria”. The impact of these surface area modifications is highlighted in Figure 2 and Figure 3.

Table 1: Listing of Mining Concessions Included in the Cachinal Silver Gold Project

	Claim Group	National Number	Area (Hectares)	Ownership
1	Silvana 1, 1/60	02202-4535-7	300	Minera Cachinal Chile S.A.
2	Silvana 2, 1/30	02202-4536-5	300	Minera Cachinal Chile S.A
3	Silvana 3, 1/60	02202-4537-3	269	Minera Cachinal Chile S.A
4	Silvana 4, 1/30	02202-4538-1	298	Minera Cachinal Chile S.A
5	Silvana 5, 1/30	02202-4539-k	300	Minera Cachinal Chile S.A
6	Silvana 6, 1/30	02202-4540-3	300	Minera Cachinal Chile S.A
7	Silvana 7, 1/30	02202-4541-1	300	Minera Cachinal Chile S.A
8	Silvana 8, 1/30	02202-4542-k	300	Minera Cachinal Chile S.A
9	Silvana 9, 1/30	02202-4543-8	300	Minera Cachinal Chile S.A
10	Silvana 10, 1/30	02202-4544-6	300	Minera Cachinal Chile S.A
11	Katherine 1/80	02202-4527-6	400	Minera Cachinal Chile S.A
12	Cachinal 21A, 1 al 60	02202-6336-3	300	Minera Cachinal Chile S.A
13	Cachinal 22A, 1 al 60	02202-6337-1	300	Minera Cachinal Chile S.A
14	Cachinal 23A, 1 al 60	02202-6338-K	300	Minera Cachinal Chile S.A
15	Cachinal 24A, 1 al 60	02202-6339-8	300	Minera Cachinal Chile S.A
16	Cachinal 25A, 1 al 60	02202-6340-1	300	Minera Cachinal Chile S.A
	Total		**4,867**	

4.4 Environmental Considerations

The Cachinal project is an undeveloped exploration project in an historical mining area with substantial historical surface disturbance (i.e. shafts, pits, trenches, abandoned plant foundations, etc.). Recent surface disturbances resulting from exploration work completed by Valencia, which has included some trenching, partially rehabilitated, reverse circulation and diamond drilling and other non-disturbing geological activities, is considered minimal.

There are no known aboriginal or surface rights issues relating to the project area.

Valencia undertook baseline archaeological, anthropological and environmental studies, which, although incomplete, are not known to have identified any substantial concerns which might limit or preclude future development of the Cachinal deposit.

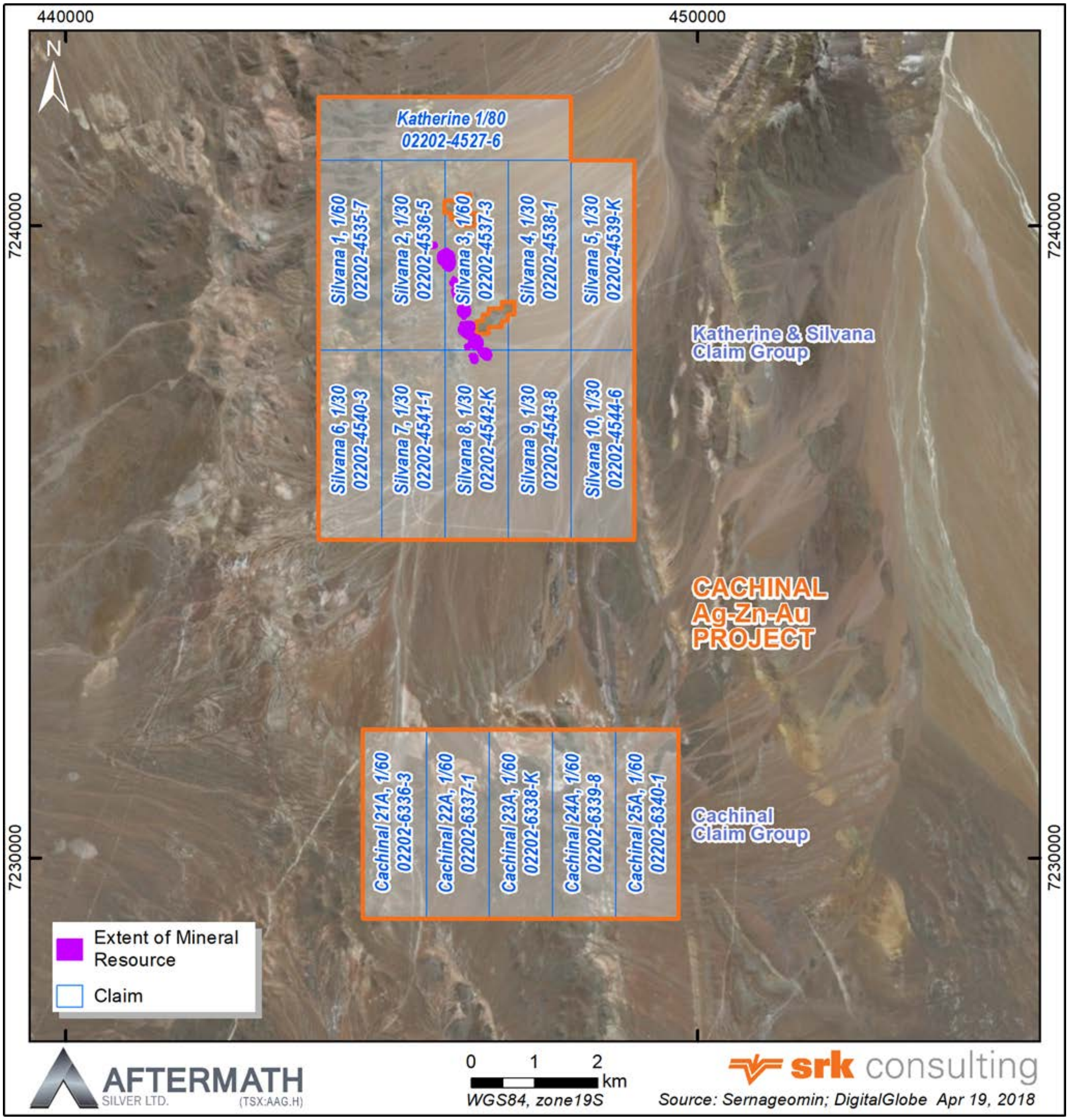
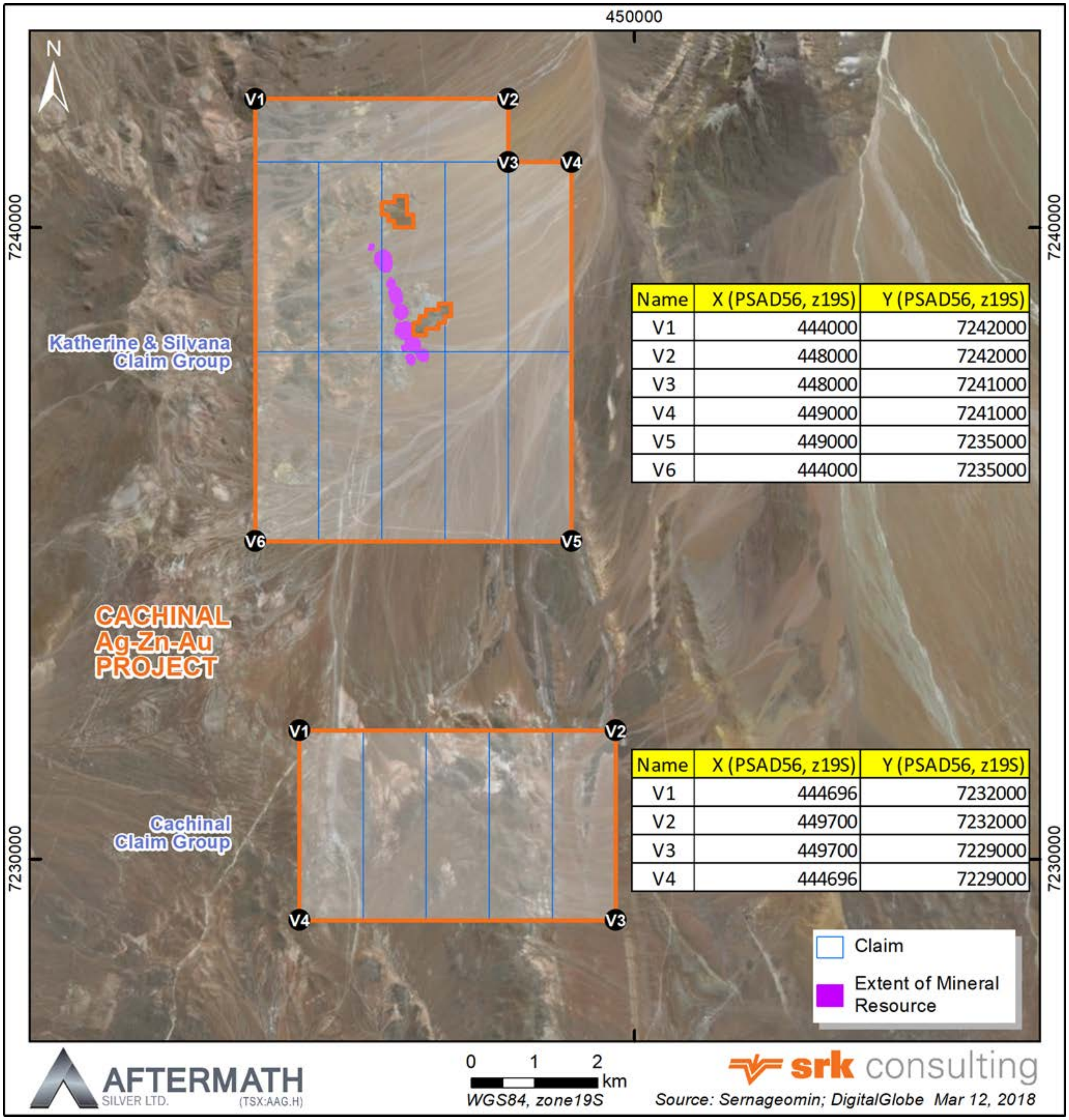


Figure 2: Tenement Map Showing Mineral Concession Details

Note: The surface of the mining concessions Silvana 3 and 4 were reduced to respect the surface area of three older mining concessions with preferential rights, named “Carmela”, “Pastora”, and “Victoria”



Name	X (PSAD56, z19S)	Y (PSAD56, z19S)
V1	444000	7242000
V2	448000	7242000
V3	448000	7241000
V4	449000	7241000
V5	449000	7235000
V6	444000	7235000

Name	X (PSAD56, z19S)	Y (PSAD56, z19S)
V1	444696	7232000
V2	449700	7232000
V3	449700	7229000
V4	444696	7229000

Figure 3: Tenement Map Showing Coordinates of Claim Posts

Note: The surface of the mining concessions Silvana 3 and 4 were reduced to respect the surface area of three older mining concessions with preferential rights, named “Carmela”, “Pastora”, and “Victoria”

5 Accessibility, Climate, Local Resources, Infrastructure, and Physiography

5.1 Accessibility

The Cachinal project is located in the Cachinal de la Sierra area of Chile, in the Community of Taltal. It lies approximately 175 kilometres southeast of Antofagasta. Access to the project area from the Pan American Highway is along a sand and gravel road which also connects the Guanaco mine to the Highway (Figure 1). Apart from the access road to the property, there are a number of secondary tracks to the property such that access to every corner is available by motorized transportation.

The closest community to the Cachinal project is the township of Taltal, with a population of about 11,000, which is approximately 170 kilometres from the project. Taltal is located 306 kilometres south of Antofagasta and 25 kilometres from Route 5, with no local public transportation to Antofagasta. Mining is the primary activity for the community of Taltal.

Valencia exploration camp was located approximately fourteen kilometres north of the Guanaco mine and the total distance to the camp from the Pan American Highway was approximately fifty-five kilometres. Access to the project area is available all the year round.

5.2 Local Resources and Infrastructure

The property and the region have no established infrastructure like towns or villages, electricity and water other than the roads. Cellular telephone communication is however available as is the case of many isolated areas in Chile.

5.3 Climate

The project is located in the Atacama Desert, which is considered to be the driest desert in Chile (Figure 4). The west and south sides of the property are comprised of gentle rolling terrain, with rounded hill tops, while the central and eastern parts of the property form slightly inclined to nearly flat plain (pampa). Elevation varies from about 2,690 metres above sea level in the valley floors to about 3,150 metres in the highest peaks.

A meteorological station has been operated since 2006 at the Guanaco Gold Mine, located 16 km to the south of the Cachinal project. The following extract is from a technical report by Roscoe Postle Associates (2017). There is no sharp contrast in temperature between seasons. The average temperature of the coldest month (July) is 11.8°C and the average temperature for the hottest month (January) is 19.2°C. The daily variation is significant, ranging from a maximum of 33.5°C to a minimum of 2.3°C. Exploration work can be carried out year-round.

5.4 Physiography

The vegetation in the Cachinal region is quite variable. Short-lived flowers emerge immediately after minor rainfall in the early part of the year. Sparse vegetation still exists in topographic lows and sheltered areas. The hills and plain (pampa) are generally barren of vegetation.

Figure 4: Typical Landscape in the Cachinal Silver-Gold Project Area

A: Access Road to Cachinal Looking West.

B: Cachinal Project Area Looking West (Valencia Trench in The Center of Photograph).

C: Access Road from Cachinal Deposit to Main Camp Looking North.

D: Cachinal Site Looking North.

E: Looking North at the Northern Extension of the Cachinal Deposit.

F: RC-Chip Samples Storage Yard.

6 History

There has been a sporadic history of mining in the Cachinal Mining District dating back to the middle 1800s. Silver was first discovered at Cachinal de la Sierra in 1881 by prospectors Pedro or Jose Peñafiel and Simon Figueroa, who were grubstaked by entrepreneur Berazarte, the owner of the Germania and Lagunas saltpeter works, located west of the Cachinal de la Sierra area (Vicuña Mackenna, 1882; Bermudez, 1963). The mine was first named “Descubridora”, but was subsequently named Arturo Prat. Mining began at the Arturo Prat mine in 1881.

Although different references give conflicting dates of the early history of the area, it appears that initial mineral exploitation was mainly for silver, with gold discovered 10 to 20 years later, in the Guanaco District, about fifteen kilometres south of Cachinal.

Cachinal de la Sierra became an important mining centre, with a large population, public services, and a railway to the coast at Taltal. Silver production continued uninterrupted from 1881 to 1930. During the fifty years the Arturo Prat silver mine operated, mining concentrated on high-grade ore because the critical silver mining cut-off grade during the first decades of the 20th Century was higher than 700 grams of silver per tonne (“g/t silver”) (Kuntz, 1928).

Between 1920 and 1930, the District produced five tonnes of silver bars per month. The total historic production was estimated to be approximately 1,000 tonnes of silver (about thirty-two million ounces) for the district (Llaumett, 1992). Independent miners intermittently mined the area when silver prices were relatively high in the early 1980s, from 1985 to 1987 and in the early 1990s. Historical records suggest that between 1985 and 1987 a total of 170,639 tonnes were mined at an average grade of 280 g/t silver and 0.58 g/t gold.

Historical reports also indicate that from 1882 to 1886 the silver ore was amalgamated at an ore treatment plant owned by Sociedad Beneficiadora de Cachinal, established approximately twenty kilometres to the south, adjacent to the wetland at Aguada de Cachinal (Vicuña Mackenna, 1882). Later, Compañia Arturo Prat itself built a plant in the Port of Taltal, but at the beginning of the 19th Century, they built a second amalgamation plant at Cachinal de la Sierra (Darapsky, 2003).

In addition to the historic workings developed on the Cachinal Vein System, five kilometres to the north, in the El Soldado District, a series of old small-scale workings were excavated (this sector has been called “Islote” in some reports).

When mining ceased in 1930, due to the world economic depression, there was an estimated 190,000 tonnes of tailings left, with a silver content of 178 g/t silver and 180,000 tonnes of waste material containing 288 g/t silver (Clunes, 1973). A portion of this material was reworked as a heap leach on the east side of the Cachinal property, reportedly during the 1980s.

6.1 Previous Work by Silver Standard and Others

Several exploration and evaluation studies have been conducted in the Cachinal area by other companies since the last mining activity in the 1970s - 1980s. The most comprehensive work was conducted by Enami (Llaumet, 1980), which included IP geophysics and topographic surveying of the veins, and by the Servicio Nacional de Geología y Minería (“Sernageomin”) and the Japan International Cooperation Agency (“Jica”) who carried out a comprehensive geological exploration program including two phases of angled diamond drilling at Cachinal between 1986 to 1987.

Sernageomin and Jica drilled thirteen short boreholes 100 to 150 metres in length (1,568.5 metres). Their objectives were to test rock chip geochemical anomalies, to evaluate strike extensions of known veins, and to locate possible new parallel veins.

Only holes B-1, B-5, B-8 and MJC-11 were collared to intercept the main veins (Carmen and Arturo Prat veins). In B-1 the possible north extension of Carmen vein was intercepted from 39.3 to 40.7 metres (1.4 metres) yielding 140 parts per billion (“ppb”) gold, 14.0 g/t silver, 0.21 percent lead and 925 parts per million (“ppm”) zinc, in a silicified breccia zone with quartz-hematite veinlets. The best intercept in this hole was 7.0 metres grading 217 ppb gold and 140 g/t silver (between 83.0 and 90.0 metres).

MJC-11 apparently cut the same Carmen north extension breccia-vein at 500 metres north of B-1, and yielded a 6.5-hole length interval (from 69.7 to 76.2 metres) grading less than 20 ppb gold and less than 12 g/t silver. The best intercept was a 0.3-metre-wide veinlet grading 300 ppb gold, 115 g/t silver, 0.26 percent lead and 0.41 percent zinc. The other drill holes didn’t intercept any interesting vein or veinlets.

There is insufficient information to determine if the reported core length intervals represent true widths. This historical information is unverifiable and therefore should not be relied upon.

As part of a regional evaluation program, Silver Standard investigated the Cachinal area in 2002 (Smith, 2002a). After some initial reconnaissance mapping and sampling, they completed more detailed mapping and sampling of historical workings and mine dumps. In total they took 128 rock chip samples and excavated thirty-one trenches (Smith, 2002b). A program of 1,700 metres of follow-up reverse circulation drilling was recommended but not completed.

6.2 Previous Work by Work by Valencia

After completing an assessment of several potential acquisition targets in Chile, Valencia commenced exploration at Cachinal in 2004. They negotiated farm-in agreements to acquire interests in three contiguous concession areas at Cachinal and have subsequently expanded the property by acquiring 100 percent interest in additional concessions.

During 2004, Valencia completed geological mapping of the property at 1: 10,000 scale and performed an orientation geochemical survey across the historical mining area. This survey was expanded to cover a broader area and VLF-EM16 electromagnetic surveying was performed in 2005. Trenching and three programs of reverse circulation drilling were also completed in 2005, primarily in the main Carmen-Arturo-Prat mining area.

As a result of the exploration program carried out at the Cachinal Project during 2005, an infill trenching and reverse circulation drilling campaign was conducted at the Carmen-Arturo Prat area of the property from May to October 2006. The program intended to evaluate the size and continuity of the mineralized area and to determine the potential to delineate an open pit mineral resource. The results of the 2006 drill programs allowed Valencia to complete a mineral resource estimation for the Cachinal Project early in 2007.

During 2007, exploration activities were focussed on expanding the resource. Three phases of drilling were completed in 2007. Encouraged by the results of the first two phases of drilling, Valencia appointed SRK to assist with preparation of an updated mineral resource estimate (the subject of this report) and to commence preliminary engineering studies.

7 Geological Setting and Mineralization

7.1 Regional Geology

The Cachinal project area is located within the Paleocene-Eocene Gold Belt of northern Chile, which hosts several significant gold and silver deposits (Figure 5). The known Cachinal veins are all located within and near the western margin of a volcanic caldera (Cachinal caldera), which is approximately 30 kilometres in diameter (Puig et al. 1988). The west rim of the caldera is outlined by distinct rounded hills forming a gentle arc on the west side of the property. The caldera is developed in Paleocene-Eocene volcanic rocks assigned to the Chile-Alemania Formation which is a bimodal rhyolite-andesite sequence distributed widely throughout the Antofagasta region. Another younger and smaller caldera, El Soldado, protrudes through the Cachinal caldera on its northern end. It is associated with polymetallic, gold-rich veins in the El Soldado Mining District

The western margin of the caldera is characterised by a chain of dacite flow domes and their related dacite to andesite lava. The southern end of the dome chain appears to be related to the high sulphidation epithermal El Guanaco gold district.

The center of the district is underlain by a propylitic-altered diorite stock and related andesite lava, covered by rhyodacite, ash-flow tuffs with co-genetic porphyry facies. The rhyodacite and ash-flow tuff are overlain by and interbedded with reddish volcaniclastic sedimentary rocks and dacite to andesite lava.

The age of the diorite stock ranges from 62 to 60 Million years (“Ma”). A flat relief plain (pampa) composed of colluvial and alluvial loose sediments covers a buried sequence of green coloured conglomerate and sandstone sedimentary rocks to the east of Cachinal.

7.2 Property Geology

7.2.1 Lithology

In the vicinity of the Cachinal deposit there are six main lithological types.

Cachinal Diorite and Pyroxene Andesite: In the center of the district and principally to the west of the Cachinal veins a diorite-microdiorite stock (62-60 Ma.) crops out (Figure 6). It is spatially and genetically related to pyroxene andesitic lava (circa. 60 Ma.). These rocks form a gentle to flat relief characterized by greenish coloration due to the weak generalized propylitic alteration (chlorite-epidote-calcite). The diorite textures vary from medium to fine porphyritic to equigranular. The andesite textures vary from aphanitic to finely porphyritic, with plagioclase and pyroxene phenocrysts.

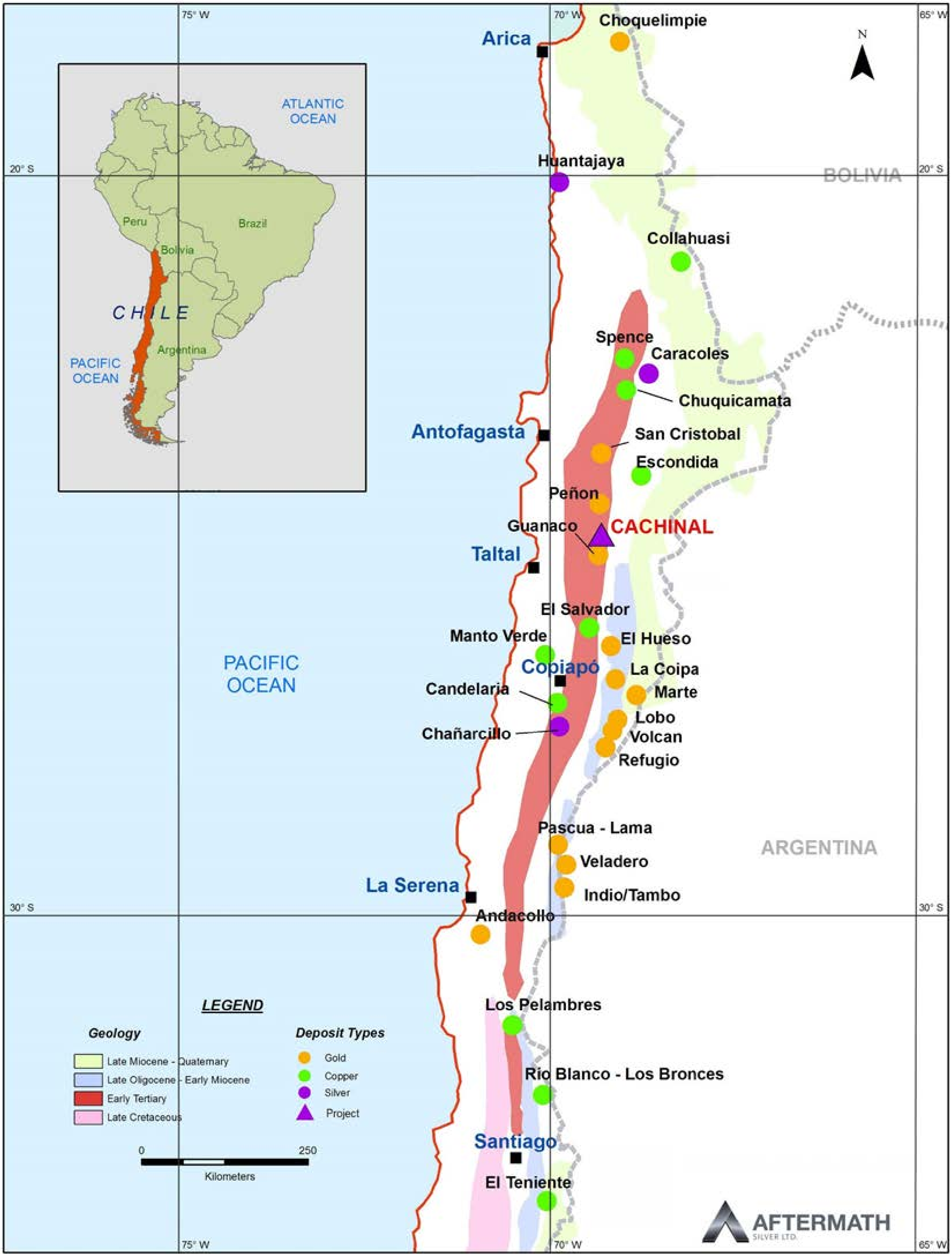


Figure 5: Location of the Cachinal Project Within the Paleocene-Eocene Gold Belt of Northern Chile

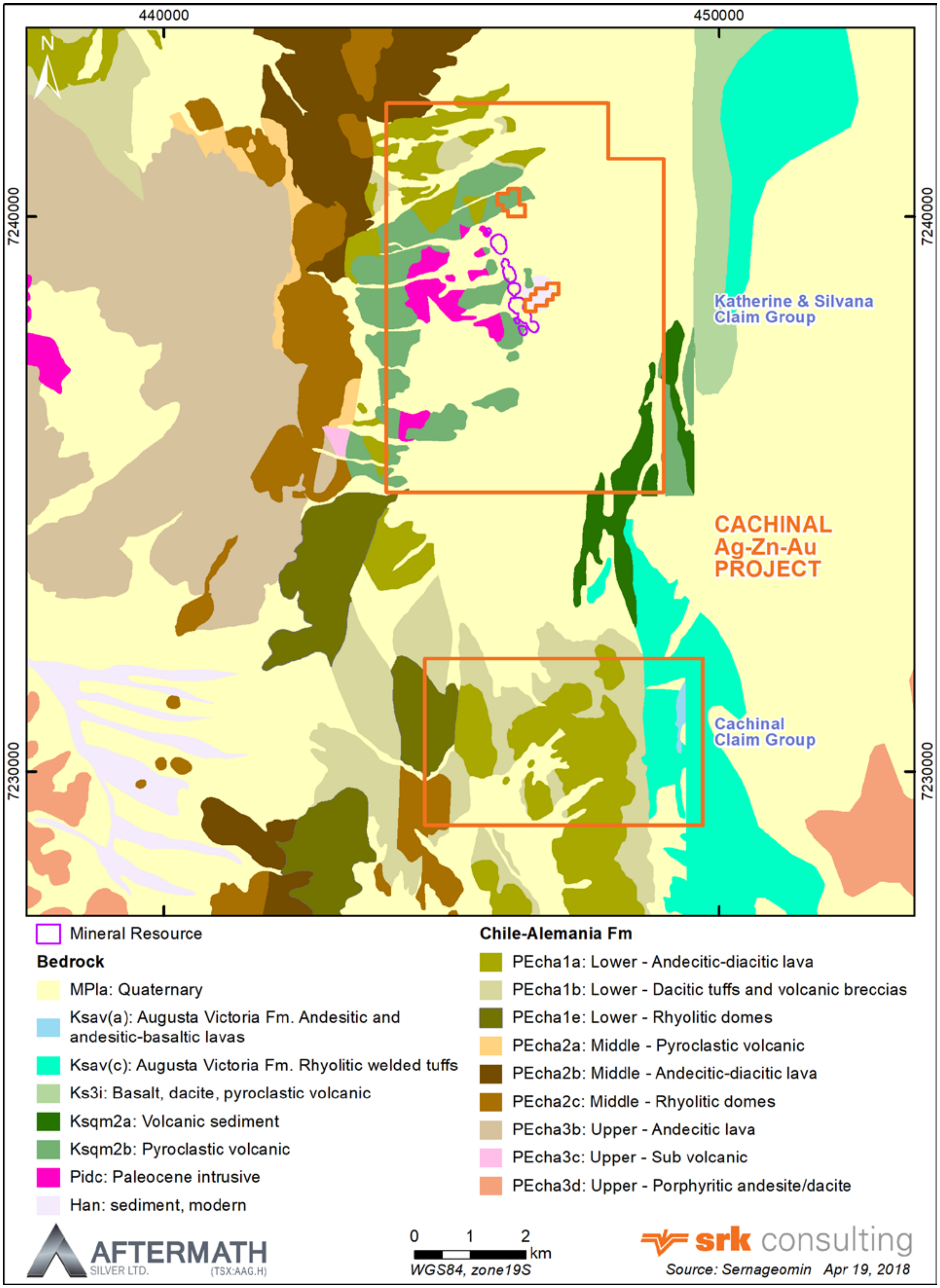


Figure 6: Geological Setting of the Cachinal Silver-Gold Project Area

Dacitic-rhyolitic ash flow tuffs and QFP: A dacitic to rhyolitic ash-flow tuff sequence (circa. 60 Ma.) covers the Cachinal Diorite (Figure 6). It is characterized by abundant quartz eyes crystals and fragments, feldspar and scarce oxidized biotite and amphibole in a vitreous fluidal matrix. The tuff grade locally to lapilli and/or pumice welded tuff and passes also gradually to rhyolitic-dacitic quartz-feldspar porphyry("QFP") dikes, probably feeders of the tuff flow. The QFP dikes have a silicified aphanitic groundmass with corroded quartz eyes and feldspars fragments; usually they display reddish to yellowish colors due to supergene oxidation of mafic minerals; most of its outcrops are not distinguishable from the dacitic crystal tuff, but in the contact between both types of rocks a crystalline - single phase - quartz stockwork and/or brecciation is developed.

To the east of Cachinal, a flat topography descending to northeast paved by alluvial to colluvial loose sediments partially cover a poorly documented tightly folded sequence of porphyritic andesite, crystal dacitic tuff and scarce diorite (Figure 6). These rocks are assigned to the same Paleocene-Eocene sequence of Cachinal (Chile- Alemania Formation), but at Cerro Islote Range a faulted contact with Jurassic calcareous formation (El Profeta Formation) and Cretaceous clastic sedimentary rocks (Santa Ana Formation) are recognized (Figure 7).

Reddish volcaniclastic sediments: A reddish volcaniclastic sediment of dacitic composition overlies and is interbedded with the dacitic-rhyolitic tuff. This rock unit exhibits graded bedding, and is distributed all over the property, but is more prominent in the southern part surrounding Sierra del Relincho Range. This unit includes fine to coarse grained sandstone, volcanic lithic breccia and also lapilli tuff, mainly at Cerro Limbo area.

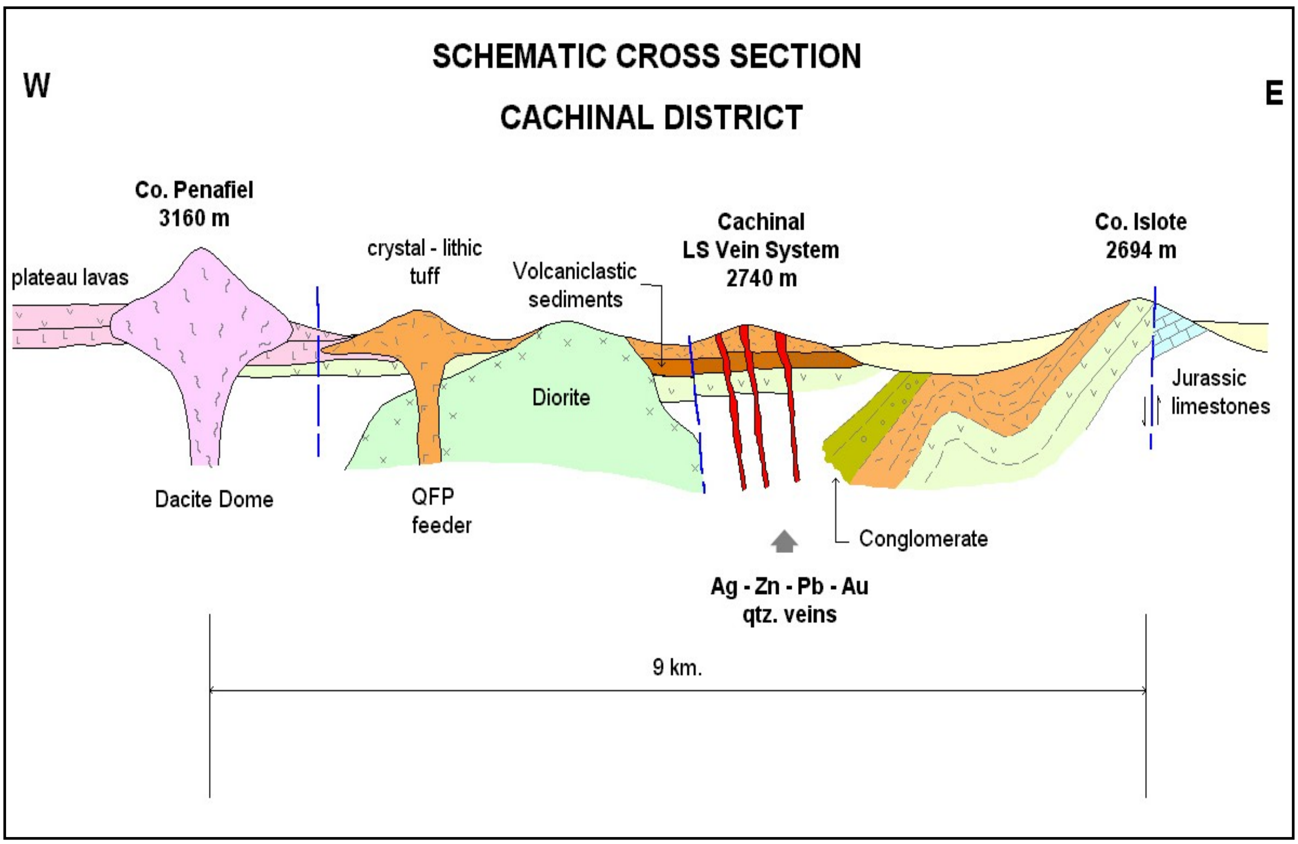


Figure 7: Schematic Section through the Cachinal District

Green conglomerate and sandstone: In the waste dumps of the exploration pits excavated from the Cachinal cemetery to the southeast green conglomerate and volcaniclastic sandstone are recognized. The conglomerate contains sub-rounded andesitic, dacitic and tuffaceous clasts up to twenty-five centimetres in diameter in a volcaniclastic sandstone matrix. The sandstone is arkosic containing quartz, feldspar and lithic fragments in an argillaceous matrix. In the pits, the conglomerate overlies andesite lava and dacitic crystal tuff, and is covered by up to thirty metres of consolidated gravels.

Dacitic-Andesitic Plateau Lava: The western parts of the district are underlain by a thick sequence of fine grained dacite and subordinate andesite, (58-53 Ma.) with weakly porphyritic to mottled fine textures, covering stratified lapilli tuff and reddish volcaniclastic sediments at Cerro Limbo (Figure 7). Along Sierra Peñafiel Range these lavas are intruded by the dacitic domes, and to the west of the Sierra the dacite and andesite were erupted as horizontal lava plateau. At Cerro Relincho massif and surrounding hills the dacite is a monomictic breccias with argillized feldspars in a matrix of crystalline silica, possibly of hydrothermal origin. Nevertheless, the breccia has the same texture and appearance as the small brecciated portions topping the dacitic domes at Cerro Peñafiel, Cerro 2953 and others.

Dacitic Domes: Along the western margin of the inferred Cachinal Caldera a set of isolated flow banded dacitic domes were emplaced from Cerro la Isla to Cerro Campana, also including the eastern slope of Cerro Limbo. The domes have a fluidal fine to coarse porphyritic texture, with plagioclase, biotite and hornblende phenocrysts in an aphanitic groundmass. Most of the domes exhibit green perlitic glass margins indicative of fast cooling and suggesting sub-aerial emplacement. Radiometric dating suggests the domes vary in age from 59 Ma. at Cerro La Isla to 55 Ma. at Cerro Campana.

7.2.2 Structural Geology

The most significant structural feature of the district is the preserved western half portion of the Cachinal Caldera hosting the diorite, pyroclastic flows, lava and the stacked epithermal veins. The Caldera is bordered to the west and south by the dacitic dome chain.

In the vicinity of the Cachinal epithermal veins, the stratigraphy is flat to gently east dipping. East of the vein system, up to the Cerro Islote Range, the volcano-sedimentary sequence is more strongly folded but this area is covered by extensive alluvial and colluvial cover (Figure 7).

7.3 Mineralization

At Cachinal, the silver-gold-zinc mineralization occurs in a cluster of interconnected sub-parallel, low-sulphidation epithermal quartz veins, and vein breccias located in the centre portion of the claim group, approximately four kilometres east of dacite domes (Figure 7). Generally, the vein structures are sub-parallel to the caldera rim and occur along a chain of dacitic domes.

According to scarce historical records, more than twenty individual vein structures have been mined at Cachinal. The veins are characterized by crustiform crystalline to amethyst quartz filling open space fractures or forming breccia bodies.

The veins have been recognized by trenching and drilling over a strike length of at least two kilometres and are known to have been mined to a depth of at least 300 metres. They range in thickness from a few centimetres to two metres, reaching up to twenty metres locally at the intersection of two structures. The main veins trend north-northwest and north-west with a secondary set trending east-northeast to east-west, best developed at the southern end of the deposit.

In the Cachinal area, the oxidation profile is extensive reaching between 120 and 150 metres below the surface. The depth of the hypogene mineralization is unknown, the deepest known workings reach 320 metres at the intersection of Carmen and Arturo Prat veins.

The veins formed as open space fracture and fault fillings. Silica is the dominant proximal hydrothermal alteration. In the wallrock, feldspar is typically replaced by propylithic to advanced argillic alteration (sericite-pyrophyllite) assemblages and adularia-fluorite intergrowths occur in wall rock in proximity to the quartz stockwork. There are three different styles of low-sulphidation epithermal vein mineralization (Figure 8):

- Massive crystalline quartz, locally amethyst, accompanied with minor silver, iron, lead, zinc and copper sulphide and oxides.
- Hydrothermal vein breccias composed of silica, argillic and mica altered fragments cemented by crustiform and banded quartz (minor amethyst), locally intergrowth with adularia, fluorite and silver, iron, lead, zinc and copper sulphides and oxides.
- Fractures filled or stained by iron oxides and silver oxides.

The Cachinal epithermal veins occupy open space fractures and faults sub-parallel to the caldera rim, approximately four kilometres east of the dacitic domes (Figure 7). The silver-bearing epithermal veins trend north-northwest to northwest with subordinate sets trending more north-easterly to east. The veins have been segmented by late east-trending faults.

Mineralogical studies have reported the presence of the following mineral species: freibergite, native silver, stromeyerite, chlorargirite, bromargite, miargirite and pearceite-polybasite, as silver minerals, accompanied by galena, sphalerite, specularite, pyrite, chalcopyrite, bornite, magnetite, chalcocite, covellite, cynabar and native gold. Anglesite and chalcocite were found in the upper, oxidized portion of the veins.

The low sulphidation veins are surrounded by a thin halo of pervasive silica-argillic alteration and crystalline quartz stockwork. The latter is best developed in the QFP host rock where hydrothermal quartz overgrows the pre-existent quartz eyes. Feldspar is replaced by sericite and lesser pyrophyllite. The stockwork consists on thin (one to two millimetres) wide crustiform quartz-adularia-sericite-fluorite veins. Sericite in the walls of Flor de Chile vein was dated as 59.2 Ma, while that from the Gemela Vein (Virginia 23 Shaft) carry an age of 59.3 Ma.

A series of small old workings have been excavated five kilometres north of the Cachinal. In this area, referred to as “Islote” in previous reports, a set of predominantly northeast trending thin veins and breccia veins cut through andesite lava and breccia-tuff, green conglomerate and few diorite. None of these workings reach the intensity of development as in Cachinal, possibly due to thin vein widths (0.2 to 2.5 metres) and lower silver content.

The dacitic domes are mostly barren, except for small gold showings reported at Cerro Campana (outside the Cachinal property).

On the eastern side of the property, the Jurassic sedimentary rocks contain minor iron-rich calcite veins (Figure 7).

In the southern part of the property, minor quartz veining occurs in an alteration zone possibly related to the high-sulphidation of El Guanaco district occurring south of the Cachinal property.

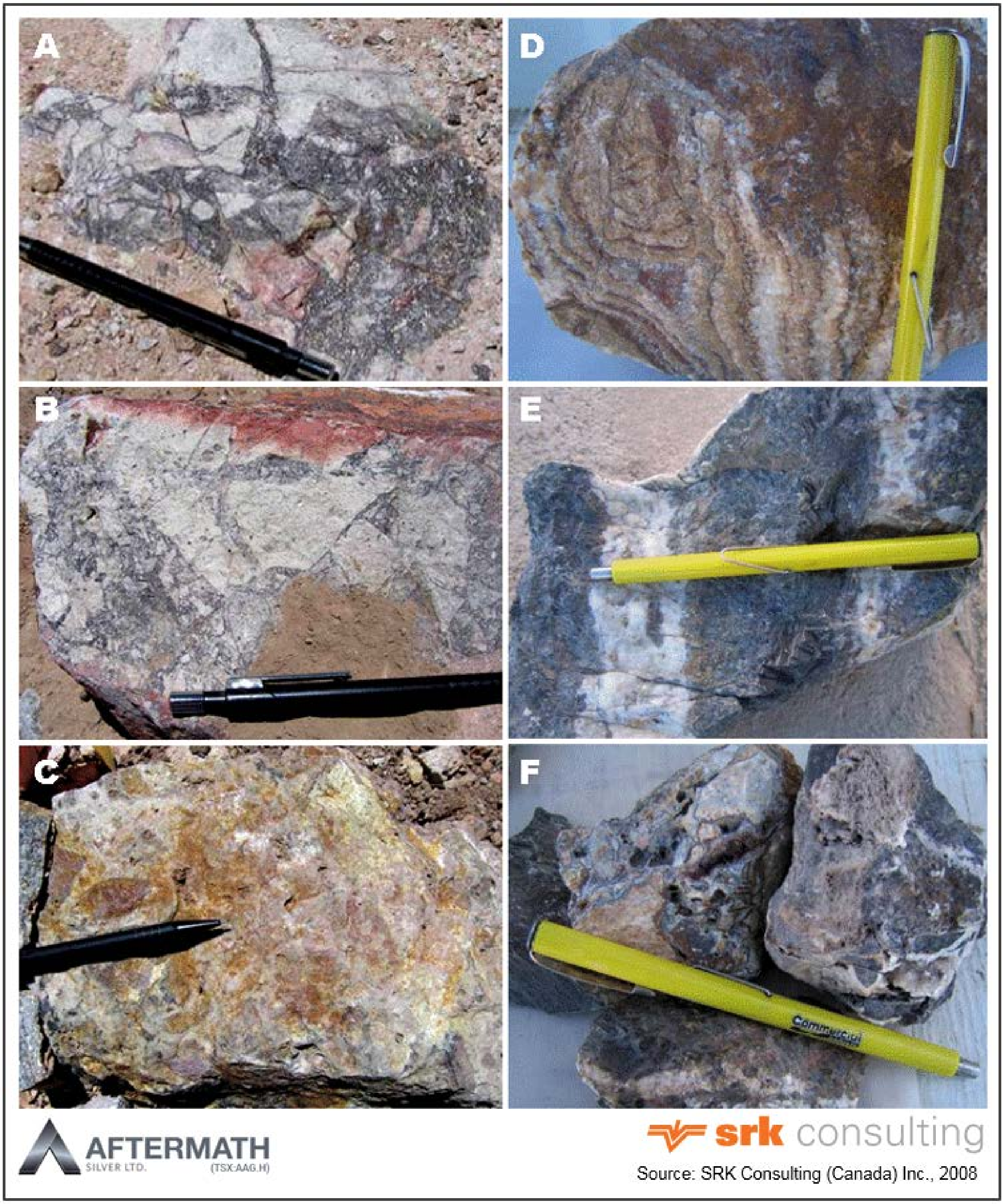


Figure 8: Cachinal Low Sulphidation Silver-Gold-Zinc Mineralization

A and B: Silver-Bearing Vein Breccia in the Floor of Trench TR-6.

C: Vuggy Quartz Vein Breccia Boulder. Su-Angular Fragments in a Vuggy Quartz matrix With Minor Sulphides.

D. E. and F: Texture of Silver-Bearing Veins.

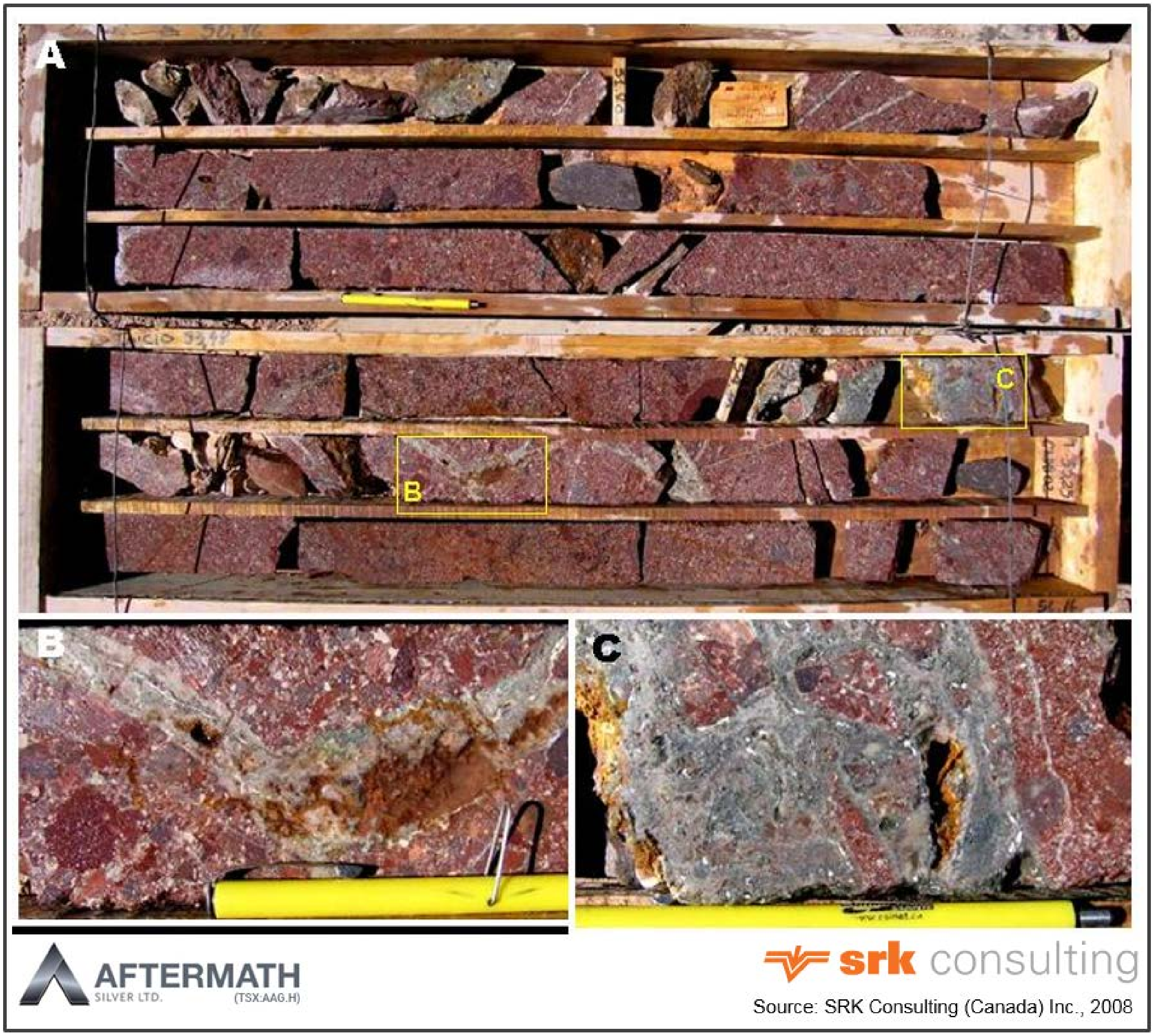


Figure 9: Borehole CL-DD-02

A. Section Between 50.9 to and 56.2 Metres.

B and C. Close up of Silver-Bearing Quartz Veins.

Figure 10: Borehole CL-DD-02

A: Section 56.2-61.3 Metres.

B-C: Close-up of Minor Quartz Veins that Yielded 452 g/t Silver, 1.4 g/t Gold and 0.5 Percent Zinc and 0.8 Percent Lead over 1.0 Metre (59 to 60 Metres).

8 Deposit Types

The Cachinal project is located within the Paleocene-Eocene Gold Belt in the northern Chile (Figure 5) known for its significant low and high sulphidation epithermal silver-gold deposit.

The Cachinal project was assembled by Valencia for its potential to host low and high sulphidation epithermal silver and gold deposits. Epithermal deposits comprise a wide clan of hydrothermal deposits associated with volcanic and magmatic edifices and formed by the circulation of hydrothermal fluids into fractured rocks. Exploration work in this area has uncovered several precious metals (silver, gold-silver and silver-gold associated with base metals) deposits and occurrences exhibiting characteristics indicative of epithermal hydrothermal systems.

The Cachinal silver-gold deposit is the most important exploration target on the Cachinal project. This deposit was mined from underground workings during the twentieth century and drilling by Valencia since 2004 has delineated a near surface silver, gold and zinc resource associated with a network of steeply dipping north to northwest trending low-sulphide quartz veins. The character of the silver-bearing vein mineralization is described in Section 7.3.

9 Exploration

9.1 Historical Exploration Work

After the exploitation period that ended in the late 1970's and early 1980's, numerous exploration and evaluation studies have been conducted in the Cachinal District. The most comprehensive were conducted by ENAMI and a joint effort by Sernageomin and Jica. Induced Polarization ("I.P.") and topographic surveys were completed by the former while Jica conducted geological mapping, additional I.P. surveying, rock chip geochemistry and approximately 1,570 metres of diamond core drilling in 1986 and 1987.

In January 2002, Silver Standard staked about thirty square kilometres of land in the central portion of Cachinal and initiated a limited field program. A second program in October-December 2002 targeted the North Anomaly, the Carmen-Arturo Prat Veins and the Gemelas areas. Some 128 samples were taken from the dumps and thirty-one trenches were excavated (254 chip-channel samples). Ten reverse circulation boreholes were recommended but never drilled.

9.2 Exploration Work Undertaken by Valencia

Initial field programs deployed by Valencia following the acquisition of the property included topographic surveying, geological mapping, soil sampling and ground electromagnetic surveys (VLF-EM). All exploration work completed by Valencia at Cachinal since 2004 has been conducted by SBX Consultores Ltda. (SBX), an independent consultant.

Between February and June 2005, more soil sampling and ground geophysics was followed by trenching (seventeen trenches; 640 metres) and an initial reverse circulation drilling program comprising sixteen boreholes (2,294 metres).

In the second half of 2006 Valencia excavated twenty-six trenches (1,436 metres) and drilled thirty-four reverse circulation boreholes (4,804 metres). All trenching and drilling work was tied to the ground geochemistry and geophysics grid data. Old workings were also surveyed. Towards the end of the program, five core boreholes (552 metres) were drilled to twin reverse circulation drilling data. One core hole was lost. The result from that exploration work was used by Valencia to prepare an initial mineral resource estimate for the Cachinal silver-gold deposit. In February 2007, the mineral resources were estimated by Ralf Gonzales, an independent consultant (Gonzales and Diaz, 2007).

Between February 2007 and February 2008, Valencia drilled 131 reverse circulation boreholes (20,000 metres) with the objective of expanding the resources of the project and infilling the delineation of the silver-bearing mineralization to fifty metre sections. Nine core boreholes (3,241 metres) were drilled to test the depth extensions of the Cachinal silver-bearing veins at depth. During the same program, ten reverse circulation boreholes (1,370 metres) and one core home (266 metres) were also drilled to test three other vein targets (Vino-9, Vino Central and Sector Islote). In summary, since 2004, Valencia has completed (Figure 11):

- 197 inclined reverse circulation boreholes (over 28,000 metres).
- 22 core boreholes (4,951 metres, 892 metes for geotechnical reasons).
- 43 trenches (2,076 metres).

- 129 line-kilometres of ground electromagnetic surveying (VLF-EM).
- 955 line-kilometres of ground magnetic surveying.
- 1,109 soil geochemical samples (200-400 metre lines and 50-100 metre stations).

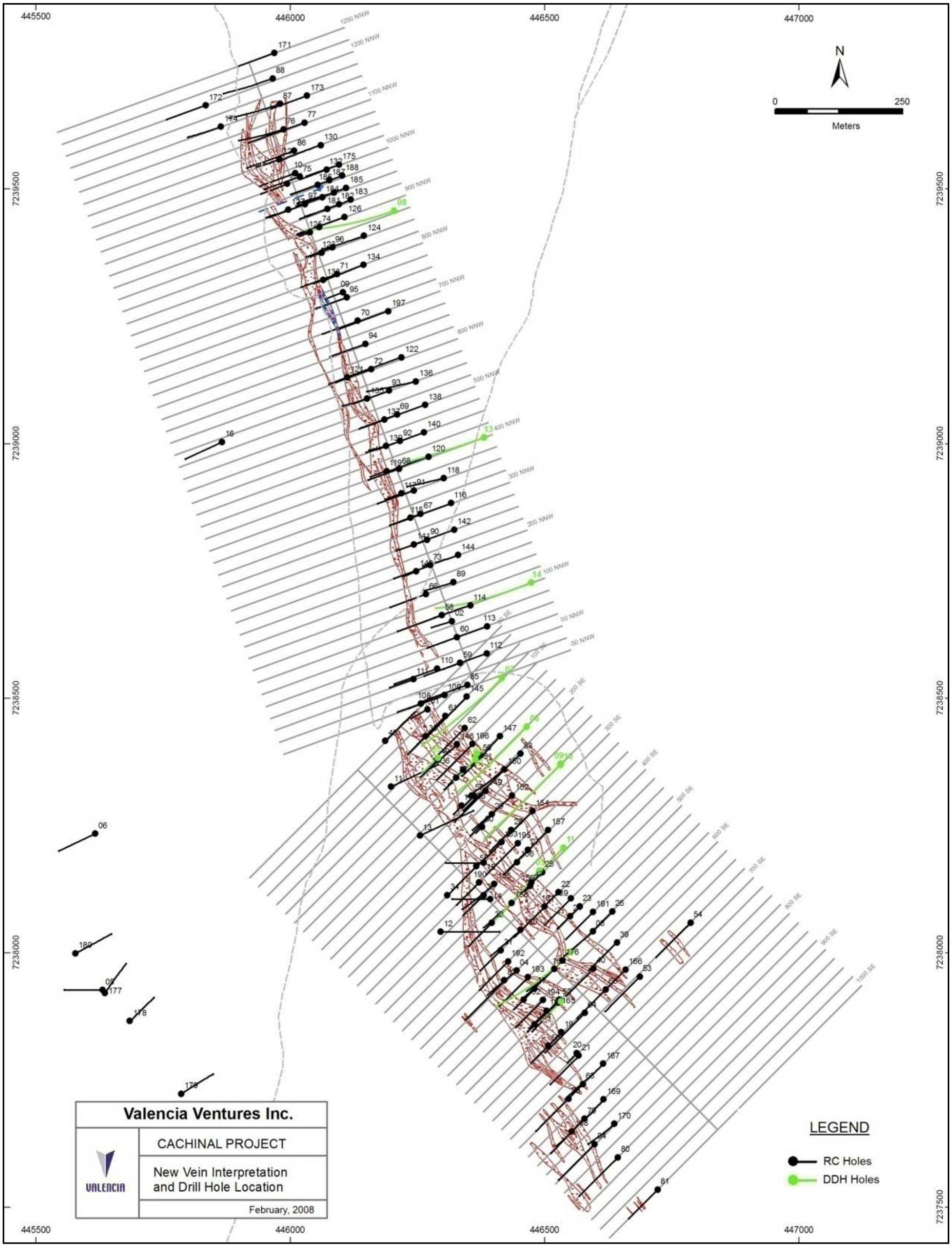


Figure 11: Borehole Distribution Map

10 Drilling

10.1 Historical Drilling

There are few records for historical drilling performed by Sernageomin and Jica on the Cachinal project. Thirteen short core boreholes (1,568.5 metres) were drilled at Cachinal in 1986-87 to test rock geochemical targets and evaluate the strike extension of the known silver-bearing veins. Four holes investigated the Carmen and Arturo Prat veins (see Section 6.2 above).

Jica brought its own drill rigs and personnel directly from Japan. Detailed core logging and some of the assays are reported in the Sernageomin-Jica 1988 report. The entire half-core pieces were finally sent to the Universidad del Norte in Antofagasta, but they are not available for review.

Silver Standard investigated the Cachinal area in 2002 but did not drill any boreholes.

10.2 Drilling by Valencia

Terra Service S.A. was contracted for the initial phases of reverse circulation drilling (2006 and early 2007) that targeted primarily the Carmen-Arturo Prat veins (southern portion of the Cachinal deposit) at vertical depths of 40 to 80 metres on sections spaced by 50 metres.

The latter phase of drilling (February 2007 to August 2008) was conducted by Perfo Chile Ltda and Boart Longyear. The objective of the program was to expand the delineation of the Cachinal deposit towards the north while infilling to 50 metre sections the southern portions of the deposit, where appropriate. Drilling undertaken after January 25, 2008 (cut-off date for resource evaluation) tested the depth extent of the deposit below the mineral resources areas, infill to 50 metres spacing the Cachinal deposit in the north and also tested other exploration targets on the property, outside the resource area. Figure 12 shows the drill collar locations of the various phases of drilling on the Cachinal property.

All borehole collars were surveyed using a theodolite (Total Station) and reported in UTM coordinates (Datum PSAD 56).

The drilling completed by Valencia aimed at intersecting the targeted vein structures as close as possible to a right angle so that the samples recovered from drilling approximately represent the true thickness of the intersected structures. Additional information about sampling length and true thickness of the vein structures is provided in Section 11 and Section 16.

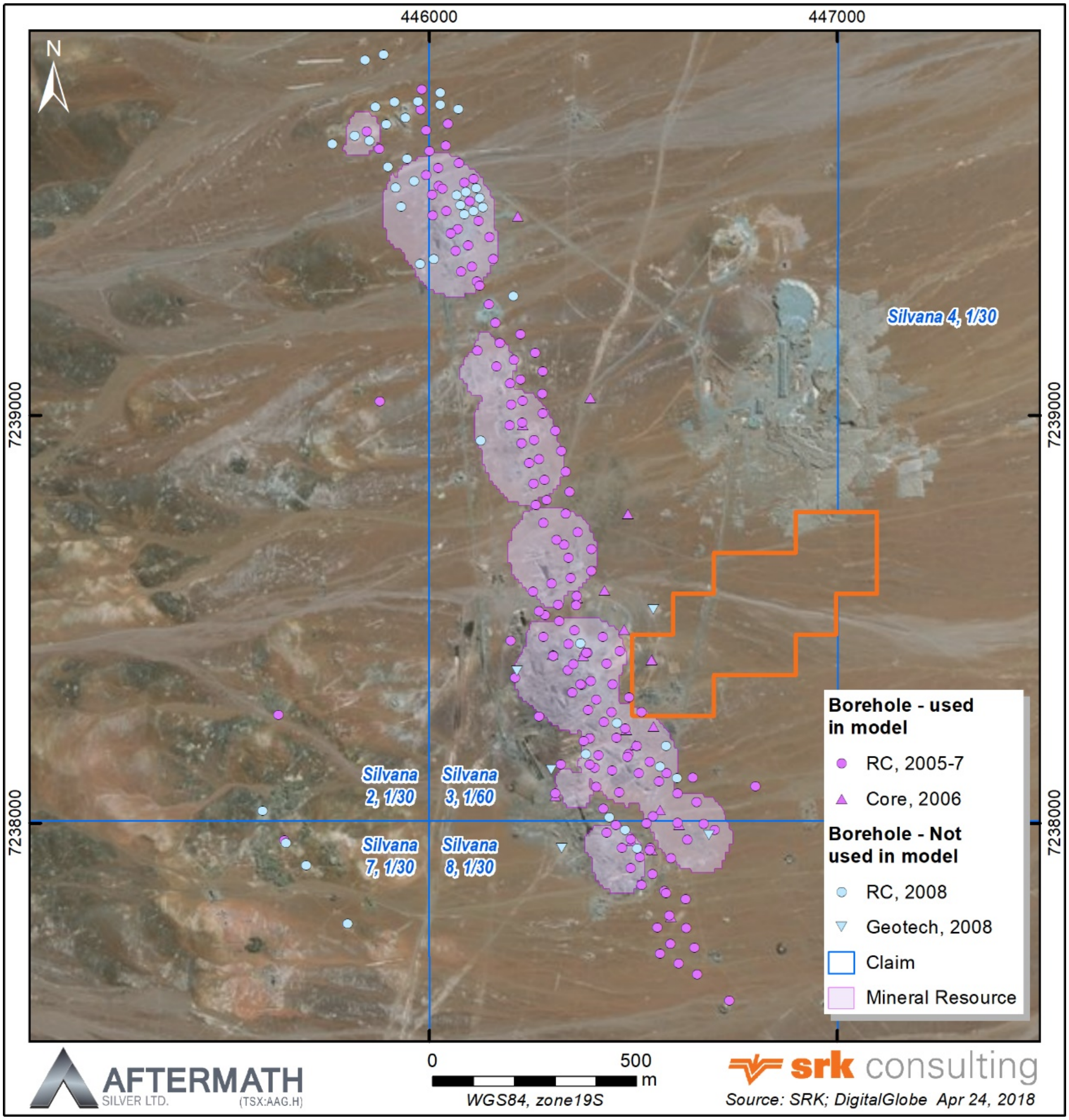


Figure 12: Drill Collar Location Plan Showing the Various Phases of Drilling on the Cachinal Project

10.2.1 Reverse Circulation Drilling

Two hundred and nineteen (219) reverse circulation boreholes (31,306 metres) have been drilled by Terra Service S.A and Perfo Chile Ltda in the Cachinal main resource area and adjacent targets areas (Gemelas, North Anomaly). Sixteen holes (1,980 metres) have been drilled in three regional exploration targets (East of Cachinal Veins, Vino-9 and Vino Central).

One-hundred and seventy-six (176) reverse circulation boreholes (25,199 metres) were considered for resource evaluation. All reverse circulation boreholes are 5.25 inches in diameter (13.3 centimetres). Terra Service used a Drilltech S40 KX and a Schramm drill rigs. Perfo Chile used an Atlas Copco RD-10 and an Ingersoll Rand T-4 drill rigs. The position of all borehole collars was surveyed with a differential GPS for the first two campaigns and a theodolite (Total Station) for the last ones.

Downhole deviation was monitored in fifty-six reverse circulation boreholes by Comprobe, a local contractor, using a digital gyroscope. The contractor was on site when SRK visited the property in October 2007. The remaining reverse circulation boreholes were not surveyed because they had collapsed.

10.2.2 Core Drilling

Twenty-seven (27) core boreholes (6,241 metres) were drilled on the main Cachinal resource area and surrounding exploration targets.

The initial five core holes (714 metres) were drilled in 2006 by Geotec S. A. contractor from Santiago, using a Drilltech S-40KX drill rig mounted on a truck. Drilling diameter was HQ (6.4-centimetre diameter) except for core hole CLDD-05 which was drilled on NQ diameter (4.8-centimetre diameter). Data from these initial five core boreholes were the only available for resource evaluation.

After January 25, 2008, ten HQ core boreholes (CLDD-06 to CLDD-15) were drilled by Boart Longyear using a Longyear LF-90D truck-mounted drill rig. Seven twin core holes (892.2 metres) CLDD-12t to CLDD-85t were also drilled in 2008 by Perfo Chile, on HQ diameter, using a Longyear 44 drill rig. Finally, five additional geotechnical core boreholes (GEOTECH_1 to GEOTECH_5; 1,290 metres) were drilled in 2008 by Boart Longyear. All drill collars were surveyed using a theodolite (Total Station).

The initial five core holes (CLDD01-CLDD-05) were not surveyed for downhole deviation. Their trace is assumed to be straight. Boreholes CLDD-06 to CLDD-14 were surveyed for downhole deviation by the drill contractor (Boart Longyear) using a Maxibore device. Borehole CLDD-15 was drilled over four kilometres northeast of the Cachinal deposit and was not surveyed. Three of the seven twin holes, CLDD-40t, CLDD-63t and CLDD-85t, were surveyed by Comprobe using a digital gyroscope. The five geotechnical core boreholes GEOTECH_1 to GEOTECH_5 were not surveyed for downhole deviation.

10.2.3 Valencia Drilling After January 2008

The Mineral Resource Statement documented in the original April 30, 2008 technical report released by Valencia considered drilling and trenching information up to January 25, 2008. Drilling on the property was ongoing. Subsequent to the April 30, 2008 technical report.

Valencia completed an additional 17 core boreholes, 43 reverse circulation boreholes and five geotechnical core boreholes (the “subsequent drilling”). The subsequent drilling aimed at infilling the deposit to 50-metre sections in the northern part of the deposit, testing the depth extensions of the deposit below the mineral resources and testing other exploration targets outside the resource areas (Figure 12). Some of the exploration targets investigated by the subsequent drilling were recommended for drilling in the April 30, 2008 technical report.

11 Sample Preparation, Analyses, and Security

11.1 Sample Preparation and Analyses

All aspects of the sampling, handling and dispatching to the assay laboratory was conducted under the supervision of SBX Consultores Ltda., an independent consultant. SRK also has no reason to believe that any tampering of data has occurred on this project.

Valencia used only one primary laboratory for preparing and assaying all samples (soil, rock, core and reverse circulation drilling) collected on the Cachinal project. All samples submitted for assaying were dispatched by SBX personnel to Antofagasta where ALS Chemex operates a sample preparation facility. Prepared samples were thereafter transferred by ALS Chemex to its assaying facility in La Serena, Chile.

The management system of ALS-Chemex Antofagasta and La Serena Laboratories are accredited ISO 9001 by NCS International Pty. The La Serena Laboratory is also accredited under ISO 17025 (INN LE 246) by the Instituto Nacional de Normalization of Chile for a number of specific test procedures. The analytical protocols used by Valencia are not within scope of the accreditation. ALS-Chemex laboratories also participate in a number of international proficiency tests, such as those managed by CANMET and Geostats. In 2007, Valencia submitted a small shipment of ninety samples to SGS Minerals Services laboratory in Santiago, Chile for check assaying.

Assay samples were prepared using standard preparation procedures developed by ALS-Chemex. Rock chips and core sample are weighted, dried and crushed to 70 percent passing -2.0-millimetre sieve and subsequently pulverized to better than 85 percent passing a 75 microns screen. Soil samples are weighted, dried and sieved dried to -180 microns screens.

All trench and drilling samples were assayed for gold by fire assay on a fifty grams sub-sample (method code Au-AA24) and silver and zinc using multi-acid digestion and atomic absorption spectrometry (method code Ag-AA62 and Zn-AA62). Samples with silver grades exceeding 200 g/t silver were systematically re-assayed using gravimetric method (method code Ag-GRA21). Sample rejects and pulps were archived and remain available for additional resting.

11.1.1 Soil Sampling

Soil samples were collected along east-west surveyed lines separated by 200 to 400 metres with sampling stations spaced at 50 to 100 metres. Since no true soil profile is developed in the Atacama Desert, small pits (0.4 to 0.6 metre) were hand dug and a single sample collected at the bottom of each pit. Samples were collected using a plastic shovel and sieved on site, to minus 80 Tyler-mesh to obtain a sample of approximately 0.8 kilogram. At each tenth sample site, a duplicate sample was collected and inserted in sequential order (the rate was reduced to one in twenty samples later in the program).

11.1.2 Trench Sampling

Surface trenches were excavated using an excavator. Each trench was positioned as to cut the vein structures perpendicular to its strike. Trench rock samples were collected over continuous two-metre intervals by cutting a channel with a rock hammer and a chisel. A duplicate sample was collected at a rate of one in ten samples (later at a rate of one in twenty) by chiselling a second sample over the same interval.

11.1.3 Core Drilling Sampling

Core boreholes were drilled for three purposes:

1. To duplicate reverse circulation drilling results.
2. For geotechnical purposes.
3. To test the depth extensions of the silver-bearing veins at approximately 200 metres below the surface.

In all cases inclined boreholes were drilled towards the west as to interest the projected silver-bearing structure as close as possible to a right angle.

Core assay samples were collected using two different procedures.

Initially, core recovered for drilling was logged and marked for sampling on the field. Core boxes where then sent to the SBX sample preparation and storage facility in Copiapo, Chile. Assay samples were collected over regular 1 metre intervals from half core sawed lengthwise with a diamond saw. The remaining half sample was replaced in the core box and archived.

In 2007, Valencia and SBX installed a core saw directly at the Cachinal camp to facilitate sample logistics. Core holes drilled in 2007 were sampled at regular one metre intervals from half core sawed lengthwise with a diamond saw. Prior to sampling all core was logged for geological, structural and geotechnical features.

11.1.4 Reverse Circulation Drilling Sampling

Reverse circulation boreholes were used to sample the silver-bearing veins on sections (50 to 100 metres spacing) perpendicular to the strike of the projected structures. Fences of inclined reverse circulation boreholes were drilled towards the west as to intersect the targeted vein structures as close as possible to a right angle.

Reverse circulation samples were collected on regular one metre drill advance. The material exiting the drill rig cyclone was collected in a clear plastic bag, weighted and riffle-split twice to yield assay sample approximately eight kilograms in weight. Representative chips were collected and described by a geologist.

In the past, samples were collected in 20-litre plastic pails and split twice through a mechanical riffle splitter to obtain approximately eight kilograms of material for assaying. The first split was stored in clear plastic bags in a selected area immediately adjacent to Valencia’s field camp. SRK noticed that the plastic bags have deteriorated and the older samples are useless.

11.2 Quality Assurance and Quality Control Programs

Quality control measures are typically set in place to ensure the reliability and trustworthiness of exploration data. This includes written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation and assaying. They are also important to prevent sample mix-up and monitor the voluntary or inadvertent contamination of samples. Assaying protocols typically involve regular duplicate and replicate assays and insertion of quality control samples to monitor the reliability of assaying results throughout the sampling and assaying process. Check assaying is typically performed as an additional reliability test of assaying results. This typically involves re-assaying a set number of sample rejects and pulps at a secondary umpire laboratory.

SRK cannot comment on the quality control measures used by previous project operators.

The exploration work conducted by Valencia was carried out using quality assurance and quality control program generally meeting industry best practices. All aspects of the exploration data acquisition and management including mapping, surveying, drilling, sampling, sample security, and assaying and database management were conducted under the supervision of appropriately qualified geologists.

The analytical quality control data for the Cachinal project include both internal and external quality control measures. ALS-Chemex implemented internal laboratory measures consisting of inserting quality control samples (blanks and certified reference materials and duplicate pulp) within each batch of samples submitted for assaying. The quality control data produced by ALS-Chemex was communicated to Valencia with assaying results.

Valencia also implemented external analytical quality control measures that were strengthened during 2007. This included inserting quality control samples (blanks, project specific standards and certified reference standards) with each batch of trench, reverse circulation and core drilling samples at an appropriate frequency. The quality control program developed by Valencia for this project is mature and is overseen by appropriately qualified geologists.

In the opinion of SRK, the exploration data from the Cachinal project was acquired by Valencia using adequate quality control procedures that generally meet or exceed industry best practices for a drilling stage exploration property.

11.3 SRK Comments

In the opinion of SRK, the sampling preparation, security and analytical procedures used by Valencia were consistent with generally accepted industry best practices and are, therefore, adequate.

12 Data Verification

12.1 Verifications by Valencia

During drilling Valencia implemented routine visual verifications to ensure the collection of reliable exploration data. Sample shipments and assay deliveries were routinely monitored as produced by the preparation and assaying laboratories. However, much of the quality control analysis was completed retrospectively and not as the data was produced. This limited the ability of Valencia to promptly identify sample mislabelling and react to abnormal assaying results delivered by the assaying laboratory.

During the fourth quarter of 2007, Valencia mandated Maxwell GeoServices ("Maxwell") from Australia to review, compile and verify the Cachinal exploration database. Sampling data acquired by Valencia were transferred to Maxwell and analysed to create a Data Shed database for the Cachinal project. In this process the integrity of the project data was verified by Maxwell.

Maxwell also reviewed the quality control data produced by Valencia and ALS-Chemex on the Cachinal project (Maxwell, 2008). Maxwell aggregated all internal and external analytical quality control data produced for the Cachinal project and analysed these data using a series of bias and precision plots.

In its review Maxwell did not uncover any material issues with the quality of the assaying data for the Cachinal project. Laboratory internal quality control data do not highlight assaying issues at the laboratory. The performance of the certified commercial standards used by Valencia is also good. The Maxwell analysis shows that the performance of the field standards prepared by SBX is acceptable, although assay results show more scatter resulting from non- homogeneous samples. Maxwell noted few control sample failures.

Maxwell formulated five main recommendations for Valencia to consider in the future:

- Use of commercial standard reference material with set tolerance intervals.
- Monthly analysis and review of quality control data to identify and investigate any abnormal assaying results and take appropriate actions.
- Development of a quality assurance and quality control policy.
- Improve sample labelling procedures to reduce frequency of mislabelled samples.
- Additional check assaying at an umpire laboratory (five percent recommended).

During 2007, Valencia drilled five core boreholes in an attempt to replicate four reverse circulation intersections. In 2008, an additional six core holes were drilled to replicate reverse circulation boreholes and for geotechnical purposes.

12.2 Verifications by SRK

12.2.1 Site Visit

In accordance with National Instrument 43-101 guidelines, SRK visited the Cachinal project on October 10, 2007 while active drilling was ongoing. The purpose of the site visit was to inspect the property and ascertain the geological setting of the Cachinal deposit, witness the extent of historical exploration work carried out on the property and assess logistical aspects and other constraints relating to conducting exploration work in the area. SRK was given full access to project data.

During the visit, SRK personally inspected an active drilling site, several trenches and recent drilling sites, including one of the sites where a reverse circulation borehole was twinned by a core hole. All drilling sites remain clearly visible. Sampling lines in trenches were also visible.

During the visit, the surveying contractor Comprobe was conducting downhole surveys in recently drilled boreholes. While on site, SRK interviewed project personnel regarding the exploration strategy and field procedures used by Valencia. Core from four core holes was examined.

Considering the comprehensive quality control program used by Valencia, SRK did not deem necessary to collect independent verification samples.

12.2.2 Verifications of Analytical Quality Control Data

Valencia and Maxwell made available to SRK the Cachinal project data in the form of extracts from the DataShed database created and verified by Maxwell.

SRK conducted a series of routine verifications to ensure the reliability of the electronic data provided by Valencia and Maxwell. In the opinion of SRK, the electronic data are reliable and exhaustive.

Valencia provided to SRK a copy of the Maxwell analytical quality control review report and separately, Maxwell provided to SRK an extraction of all analytical quality control data produced for the Cachinal project (to the end of January 2008 and for the "subsequent drilling").

SRK reviewed the report produced by Maxwell and visually examined assay results for the internal quality control samples used by the assay laboratory and found no suspicious or anomalous results.

SRK aggregated the assay results for the external quality control samples for further analysis, focussing exclusively on assay results for silver, gold and zinc. Sample blanks, field standards and certified reference materials data were summarized on time series plot to highlight any potential failure. Field duplicate and pulp replicate paired assay data were analysed using bias charts and ranked half absolute relative deviation charts.

The analytical quality control data produced by Valencia on the Cachinal project are summarized in Table 2. Quality control data are presented in graphical format in Appendix A.

In general, the quality control data examined by SRK suggest that silver, gold and zinc grades can be reasonably reproduced suggesting that the assay results reported by the primary assay laboratory are generally reliable for the purpose of resource estimation. SRK identified a number of sample mislabelling issues, especially mislabelling of control samples. SRK concurs with Maxwell's recommendations for improvement in sample labelling procedures.

In the opinion of SRK, the analytical results delivered by ALS-Chemex are sufficiently reliable for the purpose of mineral resource estimation.

Table 2: Summary of Analytical Quality Control Data Produced by Valencia on the Cachinal Silver-Gold-Zinc Project

	Total	Ag	Au	Zn
Total Samples Assayed	**33,922**	**33,922**	**33,922**	**33,922**
Valencia STDs				
CDN-SE-2	356	356	356	356
GBM996-5	348	348	348	348
GLG904-4	347	347	347	347
STD-1	40	40	40	40
STD-2	35	35	35	35
STD-3	32	32	32	32
STD-4	35	35	35	35
STD-5	25	25	25	25
STD-6	17	17	17	17
STD-7	32	32	32	32
STD-8	33	33	33	33
STD-9	44	44	44	44
STD-10	8	8	8	8
STD-11	55	55	55	55
STD-12	63	63	63	63
STD-13	29	29	29	29
STD-14	7	7	7	7
STD-15	7	7	7	7
STD-16	7	7	7	7
STD-17	7	7	7	7
Total STD	**1,527**	**1,527**	**1,527**	**1,527**
Blanks				
Lab Blank	3,473	2,552	873	1,602
Field Blank	448	448	448	448
Total Blanks	**3,921**	**3,000**	**1,321**	**2,050**
Paired Data				
Field Duplicate	1,005	1,005	1,005	1,005
Pulp Replicate	3,081	2,123	1,462	2,062
Total QC samples	**9,534**	**7,655**	**5,315**	**6,644**
Frequency (percent)	**28%**	**23%**	**16%**	**20%**
Umpire Checks				
CLRC-017	30	30	30	30
CLRC-025	30	30	30	30
CLRC-062	30	30	30	30
Total	**90**	**90**	**90**	**90**

12.2.3 Comparison of Trench, Core and Reverse Circulation Drilling Data

Assay data for the Cachinal deposit were collected using three different sampling methods. On the surface, the silver mineralization was sampled using trenches excavated by excavator. Assay samples were collected on regular intervals by chiselling the wall of the trench.

The Cachinal deposit was sampled in the sub-surface using two drilling techniques. The vast majority of the sampling was conducted using a reverse circulation drilling technique. The chips recovered by the drilling process were sampled at regular one metre of drill advance and mechanically split to yield the assay sample. Finally, diamond drilling equipment was used to recover core from the Cachinal deposit. The assay samples were collected on half core sawed lengthwise with a diamond saw. In total, eighty-six percent of the vein samples were collected from reverse circulation chips (Table 3).

SRK conducted certain verifications to ensure that the three sample supports yielded geostatistically comparable assay results. The analysis focussed on silver assays. Silver assay results intersecting the wireframes were extracted for analysis. Q-Q' plots comparing silver assay results on a percentile basis for each sample type are presented in Figure 13.

Above about 10 g/t silver, the graphs on Figure 13 show no significant bias between each sample support. Above about 250 g/t silver, core and trench sample populations are somewhat different than the reverse circulation population. The bias occurs above the 95th and 97th percentile, respectively.

In general, SRK considers that for the main silver grade ranges observed in the Cachinal deposit, there is no significant bias between each sample support and that therefore all three sample types can be used for resource estimation.

Considering the preponderance of reverse circulation samples (eighty-six percent; Table 3), the inclusion of core and trench assay data will introduce an insignificant sample support bias to mineral resource estimation.

Table 3: Sample Type Count inside Cachinal Deposit Wireframes.

Sample Type	Count	Percentage
RC Chips	2,825	86%
Core*	198	6%
Trench	259	8%
Total	**3,282**	

* Exclude core twin hole data that were not available.

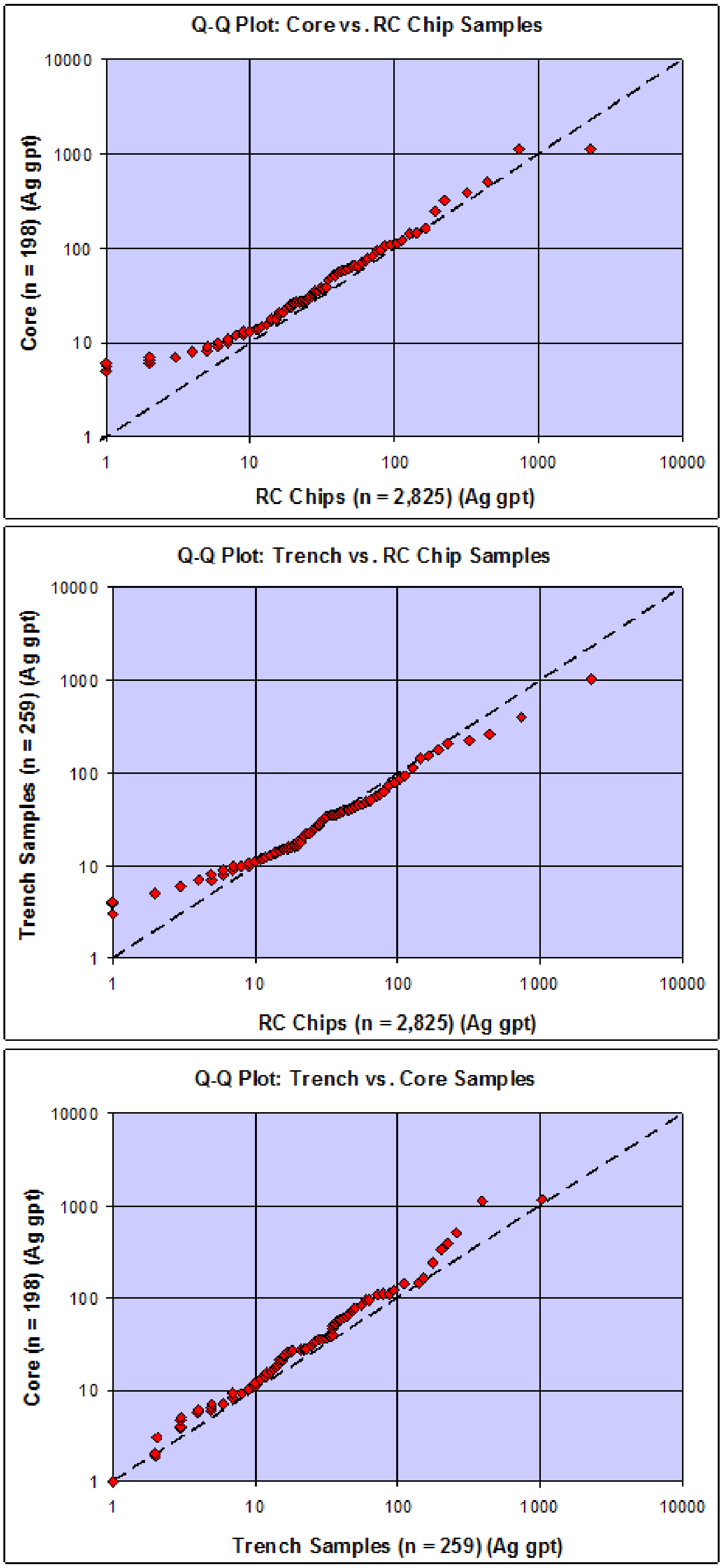


Figure 13: QQ Plots Comparing Trench, Core and RC Chip Samples Silver Assay Results, Cachinal Deposit

12.2.4 Review of Twin Drilling Results

In 2007 and 2008, Valencia drilled eleven core holes to reproduce eleven reverse circulation intersections (Table 4). The assay results for four core holes drilled in early 2008 were communicated to SRK in April 2008 and therefore were not considered for resource estimation.

Silver assay results for each pair of twin borehole are graphically presented in Figure 14. Assay samples from core and reverse circulation drilling within the vein wireframes defined from reverse circulation data were extracted and aggregated for geostatistical analysis (Table 5).

Table 4: Paired Core and Reverse Circulation Boreholes

Paired Boreholes	Year Drilled	X (metre)	Y (metre)	Z (metre)	Length (metre)
CLDD-02	2007	446,377	7,238,410	2,732	122.0
CLRC-056	2006	446,385	7,238,417	2,732	154.0
CLDD-03	2007	446,503	7,238,191	2,706	74.0
CLRC-025	2006	446,508	7,238,188	2,706	120.0
CLDD-04	2007	446,545	7,237,934	2,706	251.0
CLRC-052	2006	446,542	7,237,938	2,706	299.0
CLDD-05	2007	446,302	7,238,413	2,738	87.0
CLRC-036	2006	446,304	7,238,410	2,738	100.0
CLDD-12t	2008	446,308	7,238,066	2,705	212.3
CLRC-12	2006	446,309	7,238,071	2,718	180.0
CLDD-17t	2008	446,496	7,237,956	2,710	93.95
CLRC-17	2006	446,493	7,237,959	2,710	102.0
CLDD-27t	2008	446,482	7,238,228	2,708	120.0
CLRC-27	2006	446,480	7,238,232	2,708	110.0
CLDD-40t	2008	446,612	7,237,996	2,703	120.0
CLRC-40	2006	446,609	7,237,999	2,703	120.0
CLDD-63t	2008	446,592	7,237,770	2,703	165.0
CLRC-63	2007	446,588	7,237,772	2,704	162.0
CLDD-68t	2008	446,229	7,238,975	2,717	39.8
CLRC-68	2007	446,227	7,238,980	2,716	130.0
CLDD-85t	2008	446,362	7,238,551	2,713	151.5
CLRC-85	2007	446,361	7,238,556	2,714	203.0

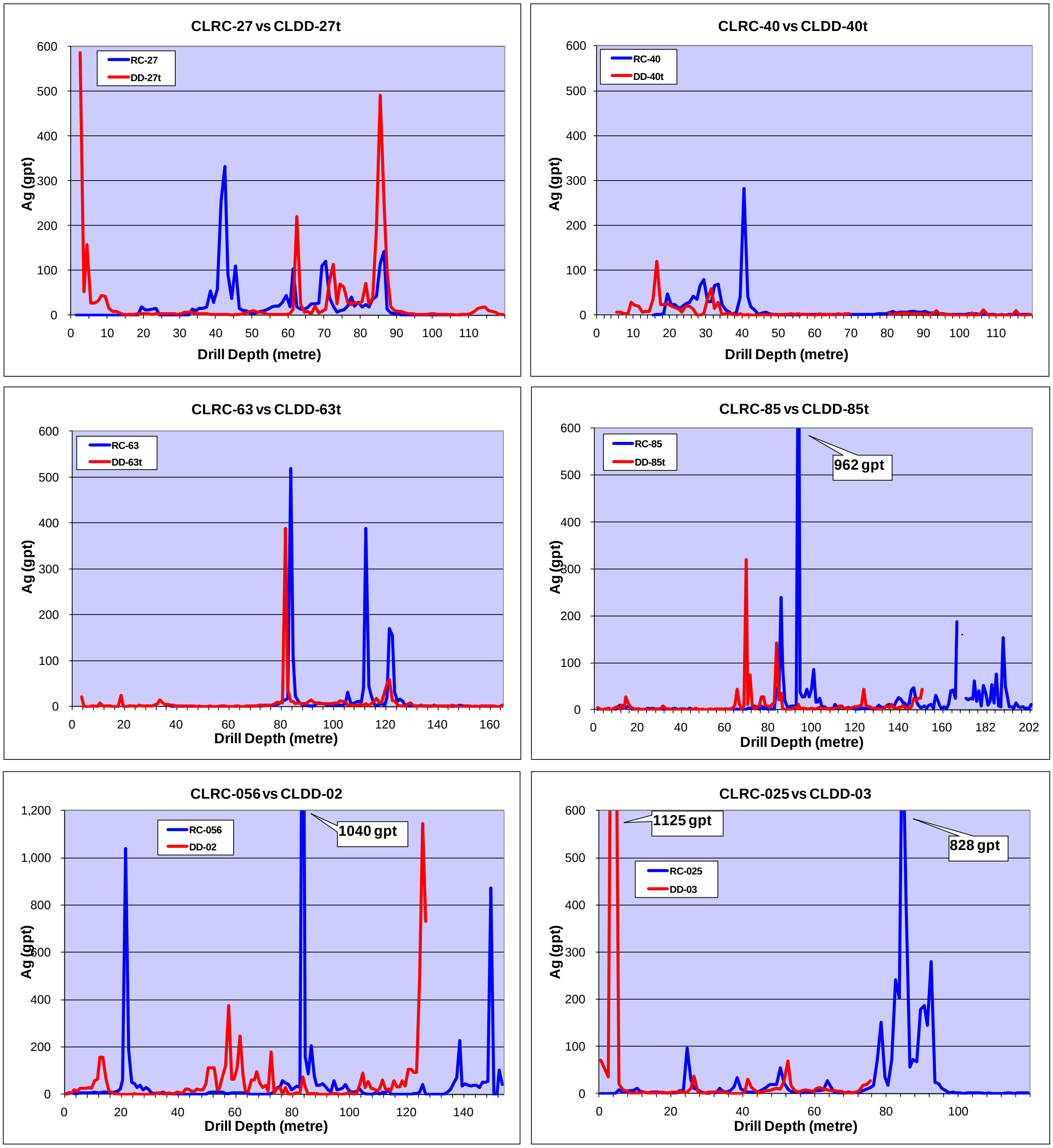


Figure 14: Comparison of Silver Assay Results in Eleven Pairs of Core and Reverse Circulation Boreholes, Cachinal Project.

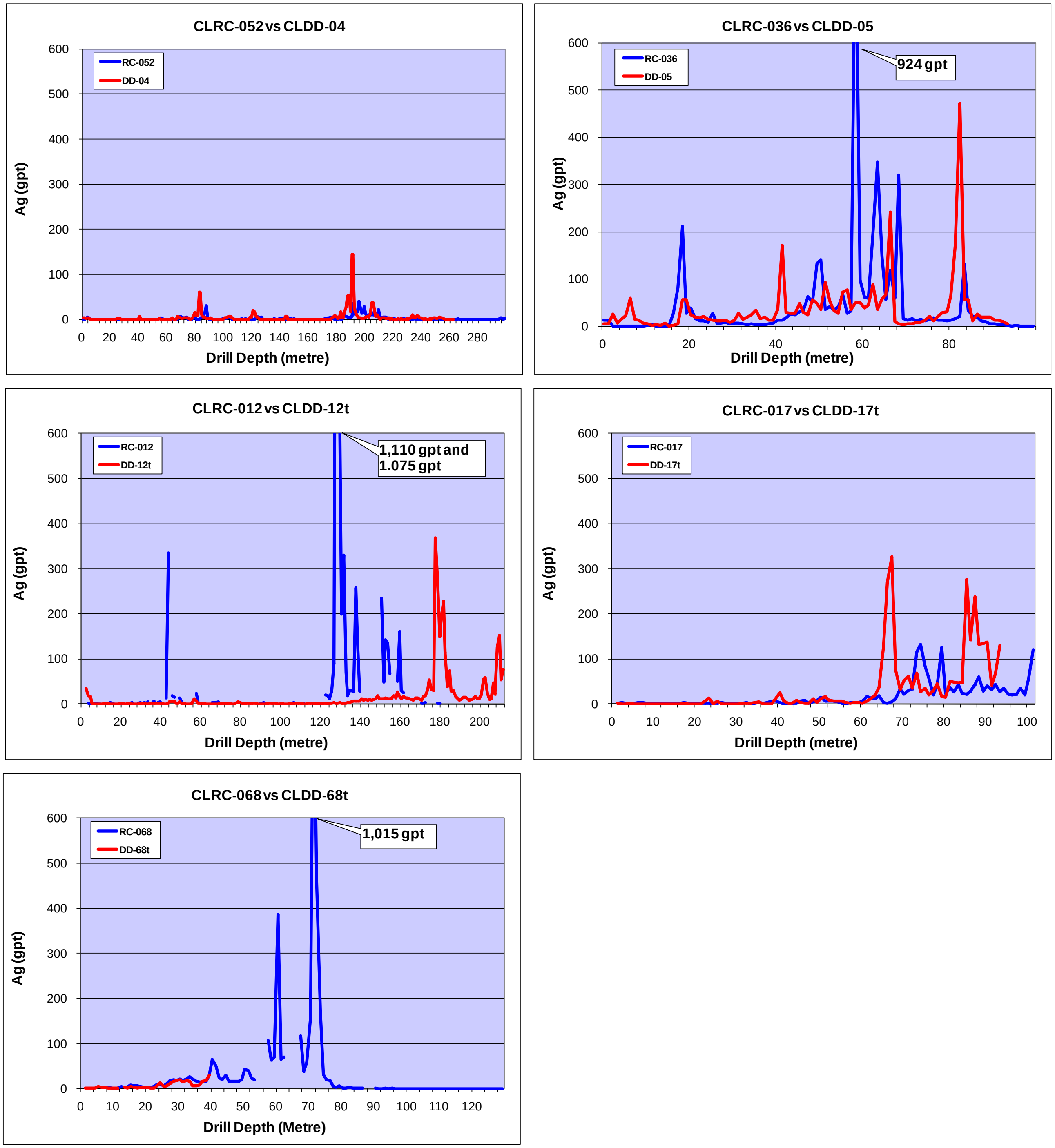


Figure 14 (continued): Comparison of Silver Assay Results in Eleven Pairs of Core and Reverse Circulation Boreholes, Cachinal Project.

Table 5: Basic Statistics for Aggregated Twin Boreholes Samples Inside Modelled Vein Wireframes

	Silver		Gold		Zinc	
	All Core	**All RC**	**All Core**	**All RC**	**All Core**	**All RC**
Mean	53.28	73.37	0.06	0.10	1,795.57	1,568.53
Standard Error	8.81	13.06	0.01	0.02	150.25	114.83
Median	17.00	28.00	0.01	0.01	1,100.00	1,200.00
Mode	2.00	0.00	0.01	0.00	300.00	800.00
Standard Deviation	133.67	198.92	0.15	0.34	2,278.63	1,749.04
Sample Variance	17,868.96	39,570.34	0.02	0.12	5,192,174.13	3,059,135.51
Kurtosis	40.20	67.75	39.94	66.20	26.31	59.32
Skewness	5.84	7.34	5.74	7.40	4.25	6.01
Range	1,145.00	2,250.00	1.41	3.76	20,900.00	20,500.00
Minimum	0.00	0.00	0.00	0.00	0.00	0.00
Maximum	1,145.00	2,250.00	1.41	3.76	20,900.00	20,500.00
Sum	12,254.00	17,021.00	12.66	23.85	412,980.00	363,900.00
Count	230	232	230	232	230	232

The respective sample populations are graphically presented on Q-Q' plots (Figure 15). The analysis of the twin hole data suggests that the core boreholes delivered on average lower grades for all three metals considered. Not only the core holes failed to reproduce the average grades of each intercept, but the widths of silver-bearing mineralization are also different (Figure 14). Analysis of Q-Q' plots suggest that reverse circulation boreholes deliver higher grades than core boreholes for all grade categories, except for zinc.

The wireframes used for extracting assay data was modelled using reverse circulation drilling data only. The difference in grade distribution may be in parts attributed to the wireframe interpretation.

Nonetheless, the grade difference emphasizes the high variability of metal grades across short ranges within the Cachinal silver bearing deposit. This poor grade correlation is not unusual for epithermal vein deposits exhibiting highly variable grade on short ranges.

Considering that the quality control data does not highlight any consistent material bias between the two drilling types (see Figure 9), SRK cannot draw conclusions from the limited twin hole data available. More twin hole data is required to investigate the apparent bias between core and reverse circulation drilling samples and to study the grade variability at short ranges.

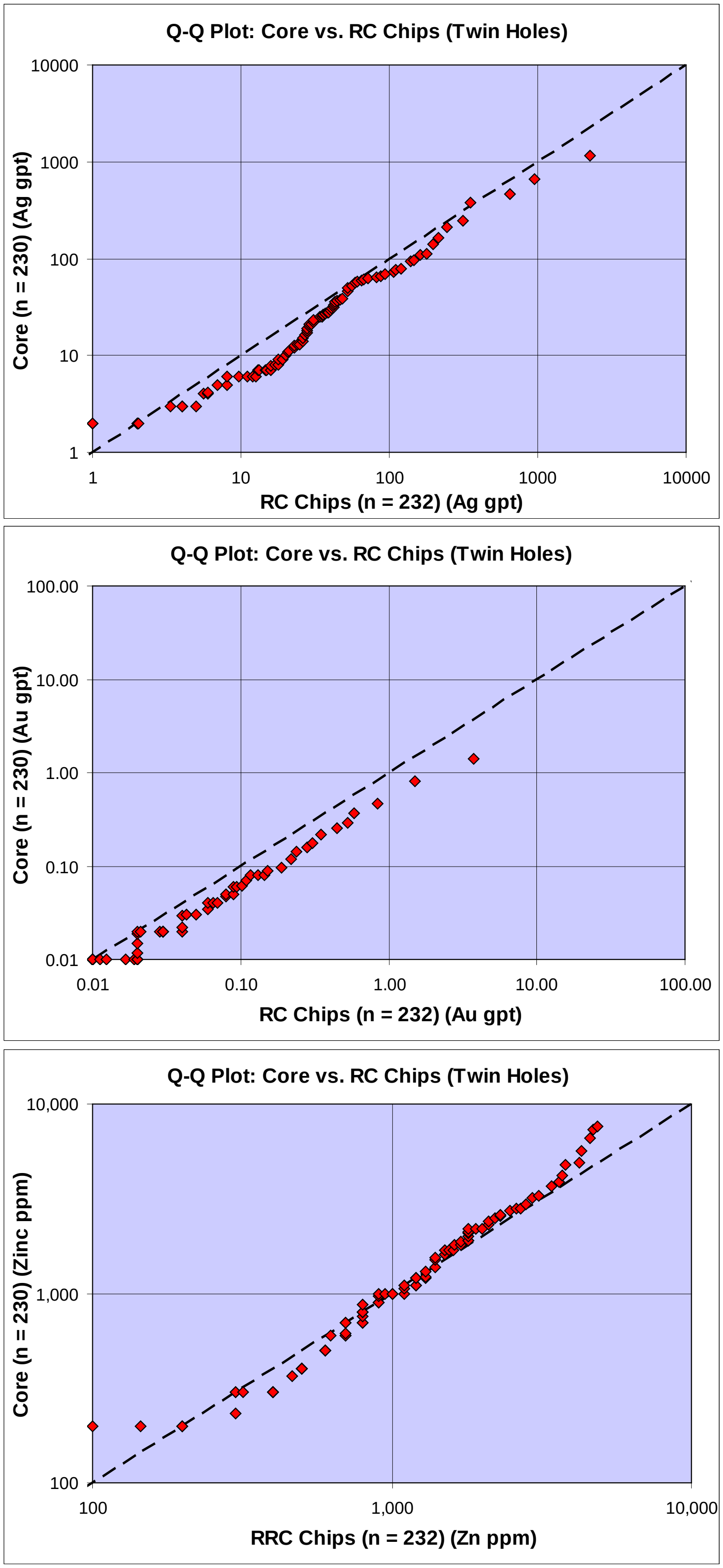


Figure 15: Q-Q' Plot for the Core and RC Chip Samples in Four Pairs of Core and Reverse Circulation Boreholes, Cachinal Project

13 Mineral Processing and Metallurgical Testing

In January 2007, SBX Consultores Ltda (on behalf of Valencia) submitted five composite samples for metallurgical testing at SGS Minerals Services (“SGS”) (Santiago, Chile) to determine silver, gold and zinc extractions, as well as cyanide and lime consumption on the five samples (17876, 17877, 17878, 17879 and 17880.) The following information is a summary from a memorandum report prepared by SGS and submitted to SBX Consultores Ltda. This report was made available to Valencia and SRK.

13.1 Samples Preparation

The samples were screened below 10# and put into 500-gram charges. For each sample, one charge was taken for assaying purposes and another charge was used for the actual cyanidation test. The samples taken for head assays were pulverized to 100 percent -150# and split into two sub-samples in order to perform the assay twice to check the reproducibility of the result.

13.2 Testing

The bottle cyanidation tests were carried out using 500 grams of mineral (100 percent -100#) in 33 percent solids slurry prepared with a NaCN solution (0.5 gram per litre). The slurry was agitated placed in a bottle and rolled for fourty-eight hours. During this period, seven samples were taken to study the extraction kinetics for gold, silver and zinc.

The following conditions were also followed during each test:

- The NaCN concentration was kept constant (0.5 gram per litre) by adding make-up NaCN.
- The pH was maintained between 10.5 and 11.0 and $Ca(OH)_2$ was added to keep this variable in range.
- The total weight of the reactor was also kept constant, by adding water in order to maintain the total volume constant throughout the test.

A Buchner funnel was used to filter the slurry once the cyanidation time was completed. The cake was then washed with tap water. The wet cake was weighed and placed in an oven at eighty degrees Celsius for twenty-four hours. The sample was taken out of the oven when completely dried to cool off and then weighed to determine the dry weight. The residue was pulverized to 100 percent -150 # and assayed twice in order to check the reproducibility of the result.

The concentrations of the elements of interests in the final solutions were estimated based on the grades of the head and the final residue for each sample.

13.3 Results from the Preliminary Testing

The assay values obtained for zinc and silver fall within an acceptable margin of error, whereas in the case of gold, the experimental error turned out to be high due to the low gold head grades. The assay values used in the metallurgical balances presented in this report correspond to the average head grade determined for each sample.

The analysis of the results did not include the gold due to the low concentrations present in all the cyanidation products. The highest silver recovery (76.36 percent) was observed for sample 17877, whereas the lowest silver recovery (14.1 percent) was observed on sample 17879. The recoveries observed for the rest of the tested samples were around fifty percent. The zinc recoveries were in general quite low. The highest zinc recovery observed was eleven percent (sample 17880).

13.4 Preliminary Findings

The head assays performed on the samples revealed low gold grades in three out of the five tested samples. Sample M-17876 exhibited the highest silver and zinc head grades, 411 g/t and 572 g/t, respectively. In general, the zinc recoveries were low and ranged between 2.6 and 11.9 percent.

The cyanide consumption in the majority of the tested samples was high (around two kilograms per tonne), probably due to the presence of cyanide consuming compounds and the pH level used in the test. Only sample 17880 exhibited a cyanide consumption rate lower than 1.0 kilogram per tonne.

To lower the cyanide consumption in future tests, it is recommended to carry out the test at a pH close to 11.5. The silver extraction could be increased with a finer regrind. It is also recommended to carry out a mineralogical study on the tested samples to supplement the results obtained in the cyanidation tests.

13.5 Metallurgical Investigation

In 2007, Valencia submitted five composite samples for metallurgical testing SGS laboratories in Santiago, Chile to determine silver, gold and zinc extractions, as well as cyanide and lime consumption on the five samples. Results of this initial work are summarized in this section.

Since the original release of this resource evaluation in April 2008, SRK associates Starkey & Associates Inc. designed a more thorough program to provide information on recovery characteristics of the potential ore. Testwork included heap leach simulation, gravity separation, floatation, whole ore cyanidation and grinding tests. Following this work, SRK concluded that:

- Heap leaching should not be considered at this time. Preliminary testwork indicated recoveries less than 50 percent for silver and less than 15 percent for gold.
- Recovery by a gravity circuit would be poor. Gravity testwork using a Knelson concentrator indicated silver recovery of only 11.5 percent in 0.21 percent of weight. High gold recoveries were not obtained.
- Flotation results were good, with about 88 percent of silver and 70 percent of gold recovered by rougher floatation pulling a weight recovery in the order of 20 percent to the floatation rougher concentrate. Unfortunately, only 25 percent of the zinc reported to the floatation concentrate.
- The Cachinal ore is amenable to whole ore cyanidation after grinding to P_{80} 75microns, with an average recovery of 85 percent for both silver and gold.
- SAGDesign testwork concluded a Bond Ball Mill Index on SG ground material of 18.2kWh/t. Based on a 1.75Mtpa throughput, a 24 x 11.5ft SAG mill and 16.5 x 24ft Ball mill are recommended.

Further testing is recommended prior to beginning mining studies on the Cachinal deposit.

14 Mineral Resource Estimates

14.1 Introduction

The mineral resource model presented herein represents a new mineral resource evaluation for the Cachinal silver deposit. This new mineral resource model was prepared to provide an assessment of silver zones delineated by drilling on this project and to provide Valencia management an independent assessment to justify additional exploration and development work.

The resource estimate was completed by Mr. Glen Cole, PGeo an independent qualified person as this term is defined in National Instrument 43-101. The effective date of this resource estimate is April 30, 2008.

This section describes the work undertaken by SRK and key assumptions and parameters used to prepare the initial mineral resource model for the Cachinal deposit together with appropriate commentary regarding the merits and possible limitations of such assumptions.

In the opinion of SRK, the block model resource estimate and resource classification reported herein are a reasonable representation of the global silver and gold mineral resources found in the Cachinal deposit at the current level of sampling. The mineral resources presented herein are reported in accordance with Canadian Securities Administrators' National Instrument 43-101 and have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserves. Mineral reserves can only be estimated as a result of an economic evaluation as part of a preliminary feasibility study or a feasibility study of a mineral project. Accordingly, at the present level of development there are no mineral reserves on the Cachinal project.

The database used to estimate the Cachinal mineral resources was audited by SRK and the mineralization boundaries were modelled by SRK using a geological interpretation prepared by Valencia personnel. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries of the silver mineralization and that the assaying data is sufficiently reliable to support estimating mineral resources. Mineral Resource Statement considers drilling and trenching information up to January 25, 2008 and excludes additional drilling undertaken after this cut-off date.

Geological and mineralization wireframes were constructed using Datamine modelling software. Statistical analysis, variography and resource estimation work was completed in Isatis Version 7.0.

14.2 Mineral Resource Database

The Cachinal project exploration database comprises descriptive and assaying information for a total of five diamond drill holes, 176 reverse circulation holes and 36 surface trenches (Table 6). This database was assembled by Maxwell. It was provided to SRK in an electronic format. The resource estimation database is a sub-set of the main database.

Table 6: Data Types used for the Mineral Resource Modelling and Estimation

Year	Company	Data Type*	Count	Length
2004	Valencia	Trench	36	1,433
2005	Valencia	RC	73	9,655
2006	Valencia	DDH	5	714
2007	Valencia	RC	24	4,374
2008	Valencia	RC	79	11,170
Total				**27,346**

* RC – Reverse circulation; DDH = diamond drillhole.

The database was audited by SRK. For mineral resource estimation, SRK replaced assay results below the detection limit with zero.

Downhole survey information was available for ten reverse circulation boreholes measured at ten metre intervals. Other boreholes have not been surveyed for downhole deviation.

The final geological interpretation on vertical sections for the SE and NW portions of the deposit was received from the SBX on January 25, and February 4, 2008, respectively.

All drilling and trench data as well as the digital vertical sections were provided to SRK using an UTM grid coordinate system. Resource modelling and grade estimation work has been conducted in UTM coordinate space (Datum: PSAD-56. Zone 19 South).

A topography wireframe DTM surface was generated in Minesight software from survey point data. Drill collar positions honour this surface well.

An overburden surface of variable thickness was generated from overburden drill log information in the final Maxwell drill database. No overburden is developed in the central part of the project area.

The specific gravity database contains 289 records derived from measurements on drill core (CLDD01 to 15). A total of 171 density measurements were derived from non-vein material and 118 from the silver-bearing veins. The average density for the vein material is 2.43, whereas the average waste specific gravity is 2.45 (Figure 16). The former value will be applied for modelled veins, whereas the latter will be applied to waste material. Although this limited dataset will suffice for the scoping study, it is recommended that additional specific gravity data be acquired for all lithological types for the next resource update. The specific gravity database is presented in Appendix B.

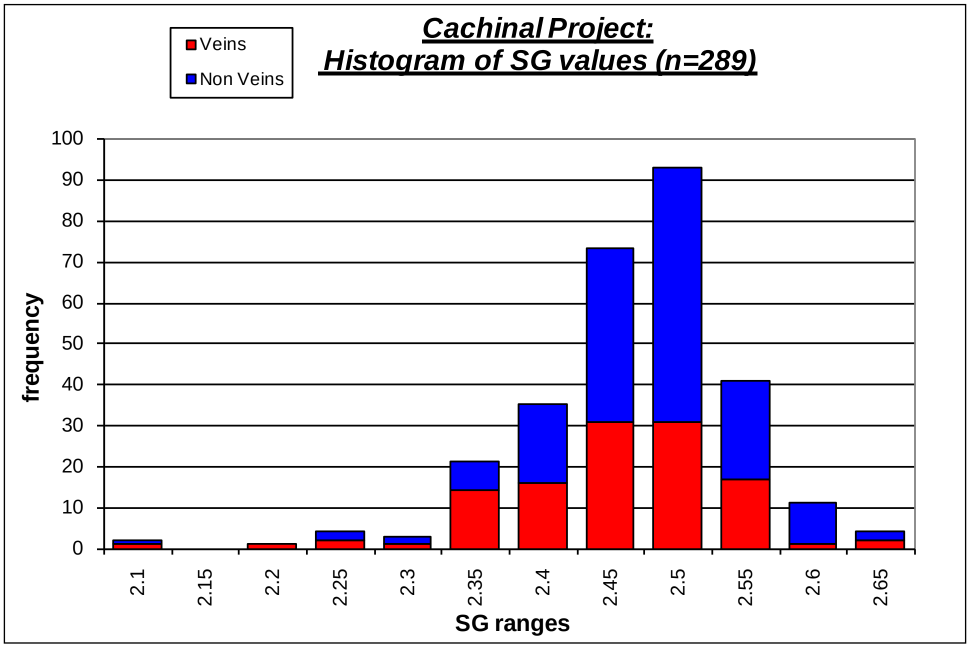


Figure 16: Specific Gravity Histogram from Core Determinations (n=289)

14.3 Evaluation of Extreme Assay Values

In order to assess grade capping, probability plots were generated for assays falling within each of the grade shells. The composited dataset was then checked for outlier values. In general, the silver, gold and zinc composites belong to a single population, requiring minimal outlier treatment. Figure 17 illustrates a log probability curve informed with composited silver data from the northern zone (showing only two values that require capping).

After review of log probability plots, the composited data were capped using the levels indicated in Table 7.

14.4 Solid Body Modelling

A series of NW-striking silver-bearing vein wireframes were constructed using Datamine software to constrain geostatistical analysis and grade estimation. This was done by applying geological information sourced from drilling, trenches, paper plans as well as a careful consideration of the sectional interpretations received from SBX.

From the drilling data, five and six silver mineralization sub-parallel veins characterized by continuous silver (+/- gold) grades (usually above 30 g/t silver) over a minimum width of two metres were modelled in the 'northern zone' and 'southern zone' respectively.

Two sets of fault structures were also modelled. One set define NW-SE structures, sub-parallel to the silver-bearing veins. The other set comprises younger ENE faults crosscutting the earlier faults and silver-bearing veins. The 'northern zone' is separated from the 'southern zone' by an ENE-striking fault zone.

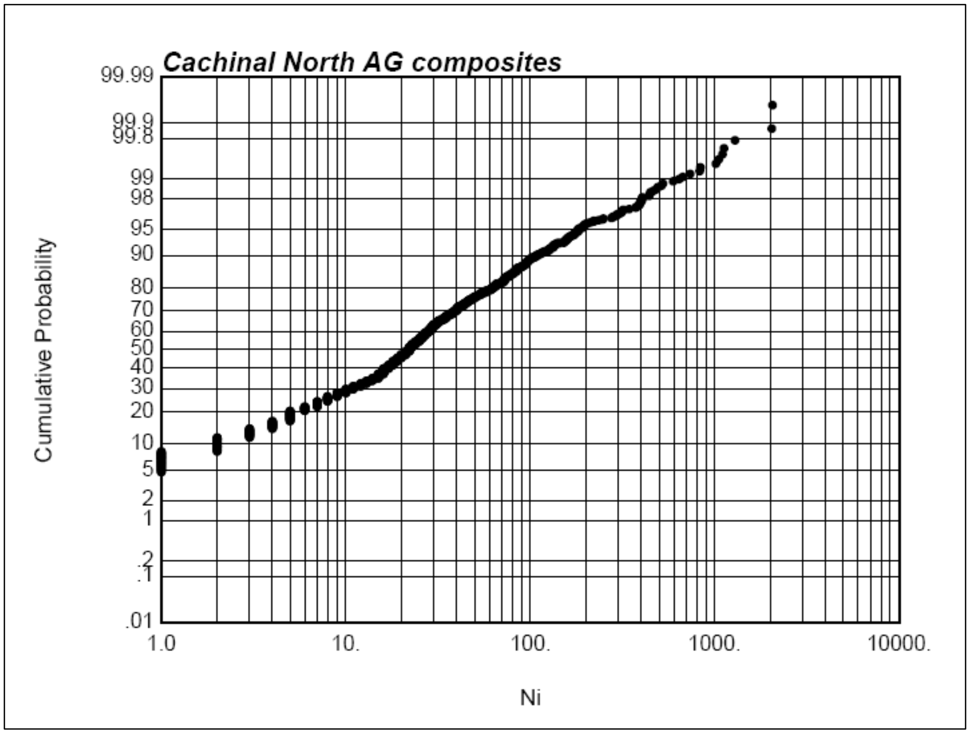


Figure 17: Log Probability Curve for Silver Composites in the Northern Zone (n=574)

Table 7: Capping Levels

Metal	**Capping Level (g/t)**	**No of Composites Capped**
Ag (North)	1,295	2
Ag (South)	2,250	1
Au (North)	3.62	1
Au (South)	3.76	1
Zn (North)	16,000	1
Zn (South)	16,000	3

Also, four main lithological types based on the drilling data were also modelled in three dimensions. These lithological units include:

1. Overburden (varying from zero to 30 metres in thickness),
2. Volcaniclastic sedimentary rock
3. Mafic intrusive rock and
4. Tuffaceous volcanic rock.

Considerable variation occurs within each of these lithotypes.

The impact of the mined-out areas on the resource model was considered at the geological modelling stage. In the final database, logging details for intersected underground workings was available for forty-one boreholes (out of a total of 176 reverse circulation holes). The three-dimensional position of these underground workings and their surveyed position on the surface were considered during the interpretation of the various veins on vertical sections. Modelled veins are considered as remnants of the veins left behind the historical mine. SRK believes that this approach represents a reasonable interpretation for the "in situ" silver-bearing veins with the current level of information available about the historical mining. The approach is adequate for scoping level resource modelling and engineering design, but will require further investigations for feasibility level work.

14.5 Compositing

All assay data within the eleven modelled veins were extracted for statistical analysis. A total of 3,293 data points was extracted from the total dataset. The majority of the assay samples were collected on regular 1-metre intervals. Therefore, all assay samples were composited to equal 1-metre lengths. Figure 18 illustrates original sample lengths within modelled Vein N1 (comprising 588 data points).

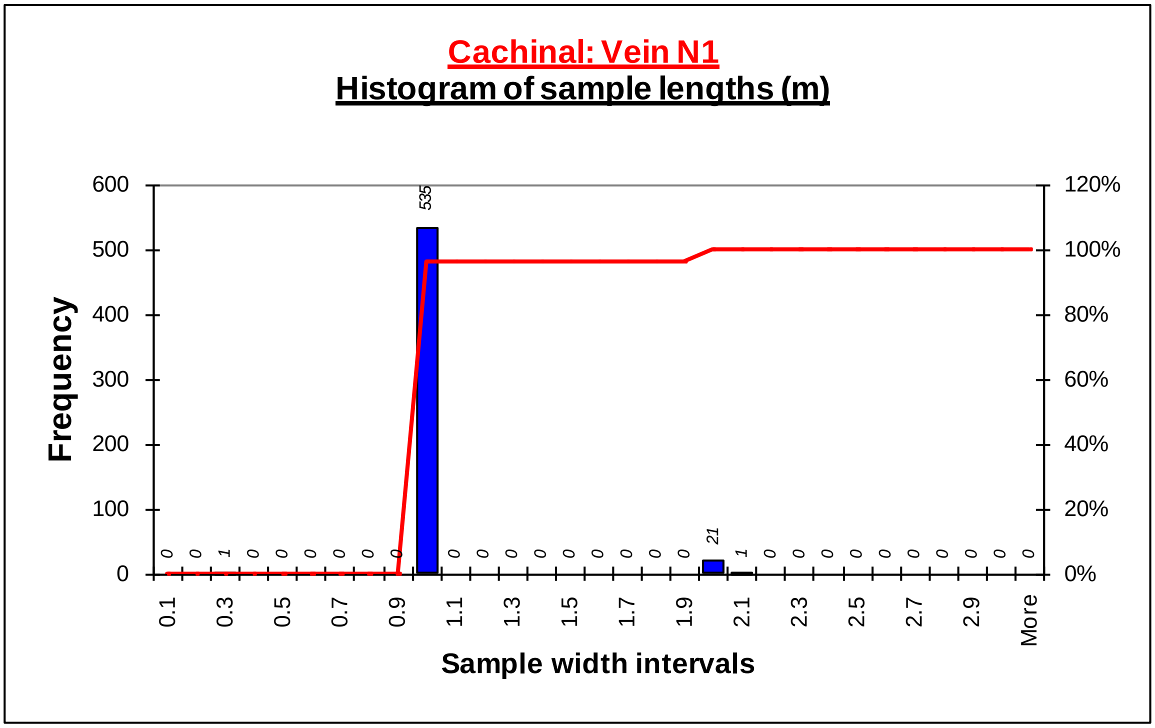


Figure 18: Assay Sample Length Histogram Within the Modelled Vein N1 (n=588)

14.6 Composite Statistics

A total of 3,240 composites were generated (1,146 in the north part of the deposit and 2,274 in the south). Summary statistics for silver from the eleven modelled veins are presented in Table 8.

Table 8: Descriptive Statistics for Composite Data from Each Modelled Vein

Silver	N1 Comp	N2 Comp	N3 Comp	N4 Comp	N5 Comp	S1 Comp	S2 Comp	S3 Comp	S4 Comp	S5 Comp	S6 Comp
Mean	77.56	28.67	59.85	13.41	25.69	43.02	59.62	54.46	32.04	64.89	35.35
Standard Error	7.54	3.16	9.81	1.47	4.91	3.78	6.19	13.86	9.43	15.12	5.93
Median	29.00	14.00	28.00	7.00	7.50	15.00	19.00	17.00	4.00	22.00	15.50
Mode	15.00	0.00	0.00	5.00	2.00	0.00	0.00	4.00	0.00	0.00	0.00
Standard Deviation	180.61	51.65	114.87	15.78	35.43	118.23	170.68	125.49	111.14	214.42	62.76
Sample Variance	32620.66	2668.09	13195.63	249.15	1255.28	13977.49	29131.14	15746.77	12351.19	45975.57	3938.55
Kurtosis	59.52	22.39	21.82	7.31	6.34	54.39	82.13	25.17	69.00	60.89	22.99
Skewness	6.83	4.22	4.39	2.43	2.20	6.89	8.02	4.69	7.52	7.18	4.20
Range	2060	403	838	85	182	1280	2330	873	1125	2250	475
Minimum	0	0	0	0	0	0	0	0	0	0	0
Maximum	2060	403	838	85	182	1280	2330	873	1125	2250	475
Sum	44519	7656	8200	1555	1336	42157	45312	4466	4453	13043	3959
Count	574	267	137	116	52	980	760	82	139	201	112

Gold	N1 Comp	N2 Comp	N3 Comp	N4 Comp	N5 Comp	S1 Comp	S2 Comp	S3 Comp	S4 Comp	S5 Comp	S6 Comp
Mean	0.13	0.06	0.07	0.03	0.02	0.04	0.07	0.05	0.04	0.11	0.05
Standard Error	0.02	0.02	0.01	0.00	0.00	0.00	0.01	0.01	0.01	0.03	0.01
Median	0.04	0.01	0.03	0.02	0.01	0.01	0.01	0.01	0.00	0.01	0.01
Mode	0.01	0.01	0.00	0.01	0.01	0.01	0.00	0.01	0.00	0.00	0.01
Standard Deviation	0.38	0.26	0.12	0.05	0.02	0.14	0.27	0.11	0.13	0.46	0.12
Sample Variance	0.15	0.07	0.01	0.00	0.00	0.02	0.07	0.01	0.02	0.21	0.01
Kurtosis	118.51	144.24	40.33	15.25	5.37	66.18	89.09	14.35	25.91	102.06	34.54
Skewness	9.31	10.97	5.43	3.49	2.21	7.35	8.57	3.66	4.84	9.16	5.24
Range	6.13	3.62	1.07	0.31	0.08	1.56	3.76	0.59	0.92	5.52	0.99
Minimum	0	0	0	0	0	0	0	0	0	0	0
Maximum	6.13	3.62	1.07	0.31	0.08	1.56	3.76	0.59	0.92	5.52	0.99
Sum	76.45	17.24	9.42	4.05	0.82	43.72	53.5	4.22	5.54	21.24	5.38
Count	574	267	137	116	52	980	760	82	139	201	112

Zinc	N1 Comp	N2 Comp	N3 Comp	N4 Comp	N5 Comp	S1 Comp	S2 Comp	S3 Comp	S4 Comp	S5 Comp	S6 Comp
Mean	2353.31	892.13	1408.03	761.21	705.77	1330.41	1693.55	1362.20	576.98	1378.51	1802.68
Standard Error	127.25	48.33	151.40	51.41	63.13	47.78	83.42	211.51	46.67	210.43	363.28
Median	1500	700	900	600	650	1000	1200	600	400	900	500
Mode	400	500	400	400	800	0	800	200	100	100	300
Standard Deviation	3048.79	789.72	1772.13	553.69	455.22	1495.77	2299.73	1915.35	550.27	2983.33	3844.60
Sample Variance	9295094	623660	3140450	306569	207221	2237318	5288773	3668553	302800	8900268	14780984
Kurtosis	65.42	10.96	12.36	-0.25	1.32	22.06	65.76	11.19	3.85	76.25	42.61
Skewness	5.86	2.79	3.27	0.92	1.13	3.68	6.37	3.04	1.70	7.90	5.76
Range	44500	5300	10400	2200	2000	14400	33700	11200	3000	33600	33500
Minimum	0	0	0	0	100	0	0	0	0	0	0
Maximum	44500	5300	10400	2200	2100	14400	33700	11200	3000	33600	33500
Sum	1350800	238200	192900	88300	36700	1303800	1287100	111700	80200	277080	201900
Count	574	267	137	116	52	980	760	82	139	201	112

14.7 Resource Estimation Methodology

A block model was constructed to cover the entire extent of the Cachinal mineralization and the potential limits of an optimized pit. The specifications for the block model (origin and extents) are presented in Table 9.

A Datamine sub-block routine (within the parent three by five by five metre blocks) was applied to fill the vein wireframes. A minimum block size was set at 0.75 by 1.25 by 1.25 metres. Each sub-block was estimated individually. An additional regularized block model was also generated from the detailed sub-block model for the pit optimization process. The regularized block model is a 'smoothed' version of the sub-blocked model derived by averaging the field values of all sub-blocks within a parent block. The regularized block model contains the additional fields FILLVOL and VOIDVOL, which sum to seventy-five square metres. Waste blocks were assigned a bulk density of 2.45 grams per cubic centimetre while each vein mineralized block was assigned a density of 2.43 grams per cubic centimetre.

Table 9: Cachinal Block Model Specifications

	Minimum	Maximum	Number of Blocks
X	445,750	447,000	416
Y	7,237,550	7,239,900	470
Z	2,320	2,800	96

14.8 Variography and Grade Interpolation

Variograms were used to assess grade continuity along various ellipse axes and to determine appropriate grade interpolation ranges. Block grades were estimated by ordinary kriging. Normal scores variography for the kriging process was conducted with Isatis software for silver, gold and zinc. A single spherical structure variogram (including a nugget effect) was constructed and fitted for each modelled vein and direction for silver, gold and zinc (with rotation angles relative to the vein parallel reference plane set at primary = N340, secondary = N070).

Variography parameters (and search distances) for all eleven modelled veins are tabulated in Table 10. Variograms were modelled with the reference plane inclined at seventy degrees towards direction N070 degrees.

Metal grades were estimated into the block model using ordinary kriging and search neighbourhood parameters presented in Table 10. Two estimation runs were made for each modelled vein. The first pass considered full variogram ranges (Table 10) to estimate block grades assigned to Indicated Mineral Resources. The second pass considered three times the variogram ranges (Table 10) to estimate metal grades for Inferred Mineral Resources. The Inferred and Indicated block models were combined into a single block model for each vein and subsequently aggregated into a single composite block model for the Cachinal silver deposit.

A third estimation pass was completed to assign metal grades to the blocks surrounding the silver-bearing veins. The average mining dilution grade was determined from the average of all composites located outside the modelled veins, but within an enveloping 'low grade shell' defined by considering all drill data (this includes 11,749 data points). The mining dilution grades are presented in Table 11.

Table 10: Variography Parameters and Search Neighbourhood Parameters Considered for Resource Estimation

Vein (Domain)	Nugget	1st Struct				Range X		Range Y		Range Z	
		Variance	Range X	Range Y	Range Z	Ind.	Inf.	Ind.	Inf.	Ind.	Inf.
Silver											
North Veins (1 to 5)	4,473	10,438	70	40	16	**70**	210	**40**	120	**16**	48
South Veins (1 to 6)	8,492	12,739	70	57	24	**70**	210	**57**	171	**24**	72
Gold											
North Veins (1 to 5)	0.02	0.05	76	50	23	**76**	228	**50**	150	**23**	69
South Veins (1 to 6)	0.02	0.03	76	48	24	**76**	228	**48**	144	**24**	72
Zinc											
North Veins (1 to 5)	1,716,533	2,574,799	60	45	24	**60**	180	**45**	135	**24**	72
South Veins (1 to 6)	1,258,470	2,337,158	72	67	24	**72**	216	**67**	201	**24**	72

Table 11: Average Grades of Waste Blocks in Blocks Surrounding the Main Silver-Bearing Veins

	Ag (g/t)	Au (g/t)	Zn (ppm)
North	5	0.01	666
South	9	0.01	654
Total	**8**	**0.01**	**660**

14.9 Mineral Resource Classification

The Cachinal mineral resources were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) by Glen Cole, PGeo (APGO #1416), an appropriate independent qualified person for the purpose of National Instrument 43-101.

The mineral resource model is largely based on geological knowledge derived from boreholes drilled on 50 metre sections. The Cachinal resource area is large (about 2,300 metres long and 300 metres wide) and although silver-bearing veins are geologically continuous and have been modelled with confidence, the metal grades are highly discontinuous and highly skewed towards lower values. This grade discontinuity is typical for this type of deposit, requiring closer-spaced drilling to improve the confidence in local grade estimates. In particular, no information is available for the critical short range (typically twenty to thirty metres).

Mineral resources at Cachinal have been classified as Indicated and Inferred primarily based in the distance from the nearest informing composites and on variography results. All resource blocks are informed by a minimum of four composites with a maximum set at twenty. Mineral resource blocks situated within the primary ranges defined by variography are assigned an Indicated classification. All other resource blocks situated within three times the maximum variography ranges are assigned an Inferred classification.

CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005) defines a mineral resource as:

> *"a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade,*

geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge".

The "reasonable prospects for economic extraction" requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade considering extraction scenarios and processing recoveries. To meet this requirement, SRK considers that portions of the Cachinal silver mineralization is amenable for open pit extraction, while the deeper parts of the deposit could be extracted using an underground mining method.

To determine the quantities of material offering reasonable prospects for economic extraction by an open pit, SRK used Mintec's Minesight and the Lerchs-Grossman optimizing algorithm, which evaluates the profitability of each resource block based on its value. The optimization parameters are based on ongoing scoping studies undertaken by SRK on the Cachinal project. The reader is cautioned that the results from the pit optimization are used solely for reporting mineral resources that have "reasonable prospects" for economic extraction by an open pit. After review of several scenarios considering different metal prices, design criteria and operating costs assumptions, SRK believes the portion of the Cachinal silver deposit above a 40 g/t silver-equivalent grade and situated between the surface and approximately 150 metres depth shows "reasonable prospects" for economic extraction via open cast mining. SRK considers that the silver mineralization located below that elevation is amenable for underground mining using a cut-off of 150 g/t silver-equivalent to reflect the higher costs associated with underground mining. The silver-equivalent grades are derived using the 2008 metal prices and recovery assumptions presented in Table 12 considering a 5,000 tonne per day conventional processing mill.

Table 12: Assumptions* for Conceptual Pit Optimization for Open Pit Resource Reporting

Parameter		Assumption used for Optimization
Pit slope angle		47 degrees
Average Mining Cost		US$1.50/t rock
G & A costs		US$1.50/t rock
Process cost		US$17.00 per tonne of rock processed (including power generation
Process recovery		
	Silver	85 percent
	Gold	85 percent
	Zinc	(not contributing to revenues)
Metal price		
	Silver	US$12.50 per ounce
	Gold	US$650 per ounce
	Zinc	(not contributing to revenues)
Mining dilution/losses		2.5 percent

SRK recently undertook a sensitivity analysis to determine if the application of current (2017 / 2018) metal prices and cost inputs would have a material impact on the dimensions of the conceptual pit shell being referenced during mineral resource reporting. It was found that the application of current metal prices and costs did not lead to a deeper or larger conceptual pit shell. It seems likely that the positive impact of increased metal prices has been neutralized by the negative impact of higher mining and processing costs. SRK is therefore satisfied that applying the vertical elevation of 150m is still appropriate to segregate mineral resources amenable to open pit mining from that that amenable to underground mining. The applied reporting cut-off grades are also still considered to be reasonable.

14.10 Validation of the Block Model

Various measures have been implemented to validate the produced resource block model. These measures include the following:

- Comparison of input composited datasets with output resource block models from all modelled veins (including sectional visual comparisons as well as full statistical analyses comparisons).
- Comparison of the Ordinary Kriging estimates with estimates derived using an inverse distance squared algorithm.
- Visual comparison of original drill hole data with resource block data.

14.11 Mineral Resource Statement

The mineral resources for the Cachinal silver deposit are reported using two cut-offs to reflect reasonable prospect for economic extraction considering an appropriate extraction scenario. Potential opencast mining resources are reported at a cut-off of 40 g/t AgEq, which is considered appropriate for shallow opencast mining, whereas mineral resource below the 150 metres elevation are reported at a cut-off of 150 g/t AgEq. The mineral resources statement for the Cachinal silver deposit is presented in Table 13. SRK has recently verified that the application of current metal prices (and costs) will not have a material impact on the silver equivalency formula, reporting cut-off grades and on the reported mineral resources and that the applied mineral resources reporting criteria are still reasonable.

Table 13: Mineral Resource Statement* for the Cachinal Silver-Gold Project, Chile, SRK Consulting (Canada) Inc, March 4, 2008 (Sections 1250NNW - 1000SE).

Resource Classification	Quantity (Mt)	Grades Silver (g/t)	Grades Gold (g/t)	Grades Zinc (%)	Contained Metal Silver (Moz)	Contained Metal Gold (000'oz)	Contained Metal Zinc (Mlbs)
Indicated							
Opencast†	5.50	99	0.13	0.21	17.49	23.00	25.97
Underground‡	0.15	188	0.21	0.52	0.92	1.02	1.75
Total	**5.66**	**101**	**0.13**	**0.22**	**18.41**	**24.03**	**27.72**
Inferred							
Opencast†	0.45	61	0.07	0.13	0.88	1.01	1.26
Underground‡	0.37	180	0.19	0.34	2.14	2.25	2.77
Total	**0.82**	**115**	**0.12**	**0.22**	**3.02**	**3.26**	**4.03**

* Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures have been rounded to reflect the relative accuracy of the estimates. The cut-off grades are based on metal price assumptions of US$12.50 per ounce of silver, US$650 per ounce of gold and metallurgical recoveries of eighty-five percent for silver and gold. Zinc does not contribute to revenues.

† Reported at a cut-off of 40 g/t AgEq to a vertical depth of 150 metres below surface.

‡ Reported at a cut-off of 150 g/t AgEq below a vertical depth of 150 metres.

The mineral resources are sensitive to the selection of the cut-off grade. The global tonnage and grades at various cut-off grades for open pit and underground resources are presented in Table 14 respectively. The reader is cautioned that these figures should not be misconstrued as a mineral resource. The reported quantities and grades are only presented as a sensitivity of the resource model to the selection of cut-off grade.

Table 14: Global Block Model Quantity and Grade Estimates* at Various Silver-Equivalent Cut-off Grades, Cachinal Silver-Gold Project, Surface to 150 Metres Depth and Below 150 Metres Depth (Sections 1250NNW - 1000SE)

Cut-off Ag-Eq g/t	Quantity (Mt)	Grades Silver (g/t)	Gold (g/t)	Zinc (%)	Contained Metal Silver (Moz)	Gold (000'oz)	Zinc (Mlbs)
Indicated – Surface to 150 Metres							
0	12,419,194	53	0.07	0.16	21.31	27.95	43.10
20	8,863,940	72	0.1	0.19	20.42	28.50	36.51
40	5,503,517	99	0.13	0.21	17.49	23.00	25.97
50	4,492,390	112	0.15	0.22	16.15	21.67	22.10
60	3,755,606	124	0.16	0.23	14.94	19.32	19.34
80	2,693,316	147	0.19	0.25	12.73	16.45	15.07
100	2,011,371	169	0.21	0.26	10.90	13.58	11.47
120	1,458,548	194	0.24	0.26	9.08	11.25	8.45
140	1,091,204	218	0.26	0.27	7.64	9.12	6.61
150	955,903	229	0.28	0.28	7.04	8.61	5.89
160	837,470	241	0.29	0.28	6.49	7.81	5.25
200	541,515	281	0.34	0.31	4.89	5.92	3.74
Inferred – Surface to 150 Metres							
0	1,133,886	35	0.05	0.11	1.28	1.82	2.69
20	823,916	46	0.06	0.13	1.21	1.59	2.35
40	448,005	61	0.07	0.13	0.88	1.01	1.26
50	210,951	84	0.11	0.16	0.57	0.75	0.74
60	150,874	96	0.14	0.17	0.47	0.68	0.55
80	91,895	119	0.15	0.19	0.35	0.44	0.39
100	57,857	139	0.15	0.20	0.26	0.28	0.26
120	42,425	152	0.16	0.20	0.21	0.22	0.18
140	20,659	181	0.21	0.28	0.12	0.14	0.13
150	19,233	184	0.21	0.28	0.11	0.13	0.12
160	15,073	194	0.23	0.29	0.09	0.11	0.10
200	7,396	223	0.26	0.31	0.05	0.06	0.05
Indicated – Below 150 Metres							
0	3,474,959	37	0.05	0.17	4.08	5.59	13.19
20	1,764,245	64	0.09	0.26	3.65	5.10	9.99
40	1,127,708	86	0.12	0.29	3.12	4.35	7.17
50	957,247	94	0.13	0.29	2.90	4.00	6.09
60	814,347	102	0.13	0.30	2.67	3.40	5.35
80	526,786	122	0.15	0.33	2.07	2.54	3.88
100	307,567	149	0.17	0.43	1.48	1.68	2.92
120	212,134	170	0.19	0.49	1.16	1.30	2.30
140	165,949	184	0.21	0.52	0.98	1.12	1.91
150	151,618	188	0.21	0.52	0.92	1.02	1.75
160	114,923	203	0.19	0.48	0.75	0.70	1.22
200	36,795	285	0.16	0.37	0.34	0.19	0.30
Inferred – Below 150 Metres							
0	6,899,503	39	0.06	0.17	8.73	13.31	25.45
20	4,040,997	62	0.1	0.25	8.12	12.99	21.92
40	2,632,133	83	0.13	0.27	7.01	11.00	15.61
50	2,043,557	95	0.14	0.29	6.22	9.20	13.08
60	1,736,667	102	0.16	0.31	5.71	8.93	11.84
80	1,280,758	116	0.17	0.34	4.78	7.00	9.64
100	662,241	149	0.18	0.31	3.17	3.83	4.51
120	477,208	167	0.18	0.31	2.56	2.76	3.23
140	382,796	179	0.19	0.34	2.20	2.34	2.85
150	368,585	180	0.19	0.34	2.14	2.25	2.77
160	254,657	196	0.17	0.39	1.60	1.39	2.21
200	153,057	214	0.15	0.41	1.06	0.74	1.40

* The reader is cautioned that the figures presented in these tables should not be misconstrued as mineral resource statements. The reported quantities and grades are only presented as a sensitivity of the resource model to the selection of cut-off grade

In considering mineral resource classification from a purely geostatistical standpoint, resource blocks situated closer than half the variogram ranges from the nearest informing composites can be usually classified as Measured Mineral Resource.

SRK recently undertook a sensitivity analysis to determine if the application of current (2017 / 2018) metal prices and cost inputs would have a material impact on the dimensions of the conceptual pit shell being referenced during mineral resource reporting. It was found that the application of current metal prices and costs did not lead to a deeper or larger conceptual pit shell. It seems likely that the positive impact of increased metal prices has been neutralized by the negative impact of higher mining and processing costs. SRK is therefore satisfied that applying the vertical elevation of 150m is still appropriate to segregate mineral resources amenable to open pit mining from that that amenable to underground mining. SRK is also of the opinion that the application of a silver equivalency formula based on current metal prices will also not have a material difference on the reported mineral resources, primarily due to the low gold grades intersected within the modeled veins.

Apogee made available to SRK the drilling results from drilling completed after the cut-off date of the mineral resource considered in this report which comprised seventeen core boreholes, forty-three reverse circulation boreholes and five geotechnical core boreholes. SRK reviewed the location, geology and assaying results for the subsequent drilling. In the professional opinion of the qualified persons authoring this technical report, the subsequent drilling results should be considered as work in progress. The subsequent drilling data would not materially impact on the resource evaluation prepared by SRK as documented in the original April 30, 2008 technical report. The results of the subsequent drilling would not alter the recommendations for additional drilling expressed in the April 30, 2008 technical report. Therefore, SRK considers that the Mineral Resource Statement for the Cachinal Project documented in the April 30, 2008 technical report remains current. The same Mineral Resource Statement was re-addressed to Apogee in a technical report prepared by SRK dated February 9, 2010 and amended on July 8, 2010. This Mineral Resource Statement remains current for this technical report, which is re-addressed to Aftermath.

For the Cachinal silver deposit, variogram ranges vary from 60 to 70 metres in the strike and dip direction, suggesting that a drill spacing at 25 to 30 metres should allow conversion of Indicated to Measured Mineral Resources. The Cachinal mineral resource model is hosted by the modeled vein wireframes illustrated in Figure 19. Figure 20, Figure 21 and Figure 22 present a plan view and two vertical sections through the Cachinal deposit.

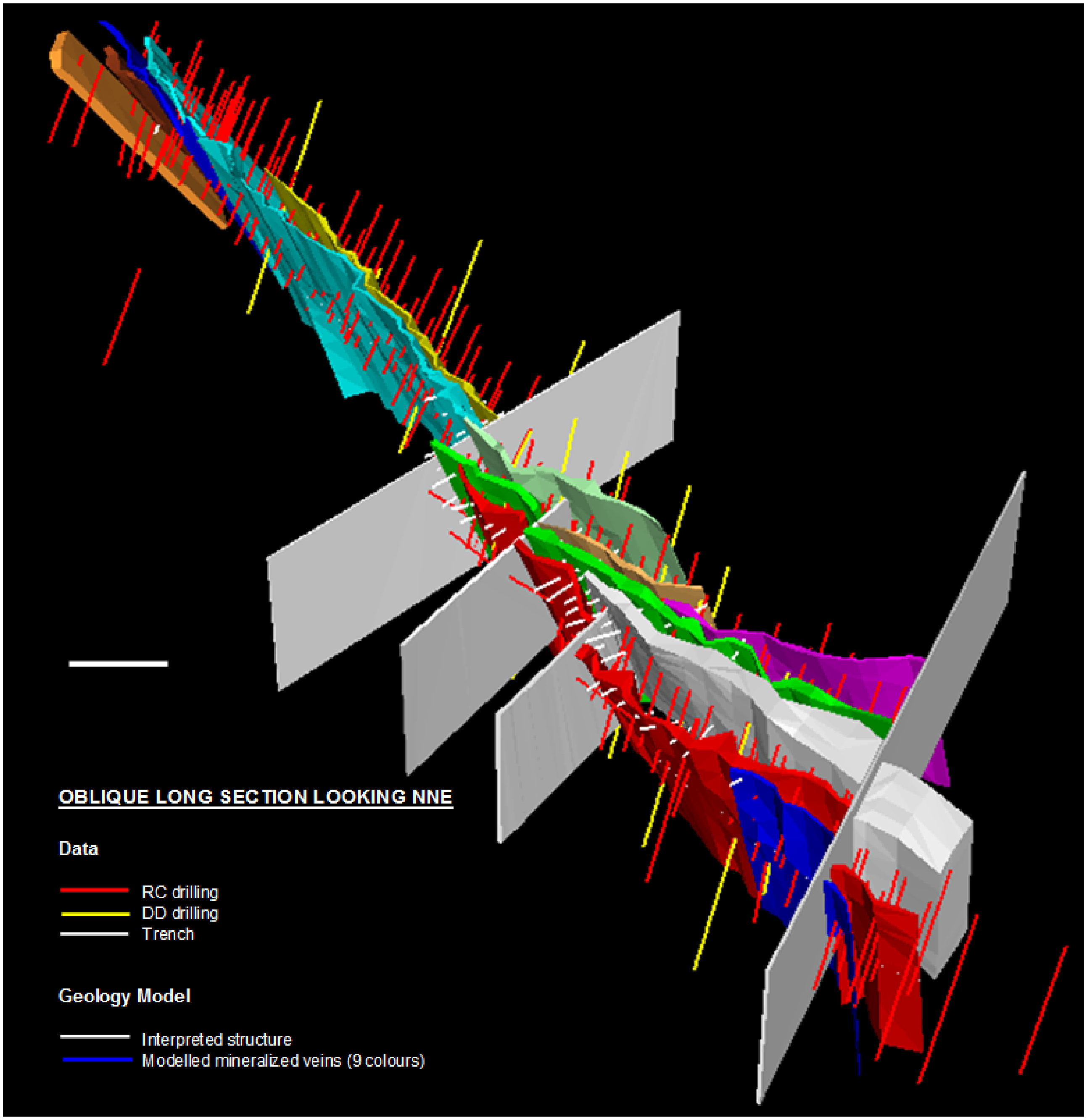


Figure 19: Silver-Bearing Wireframes Modelled for Cachinal Deposit

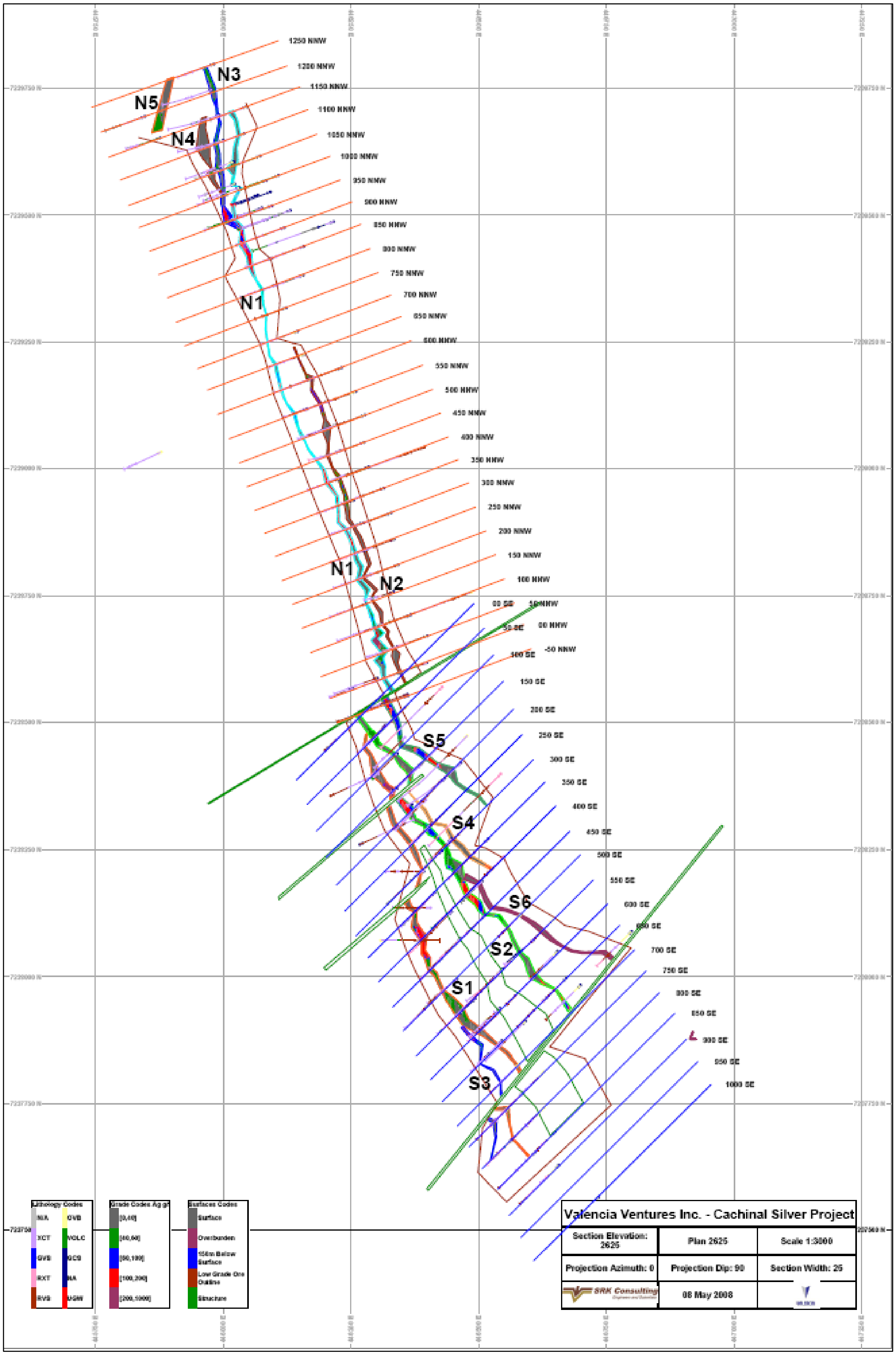


Figure 20: Distribution of Drilling and Modelled Veins and location of Sections 1000 NNW and 300 SE

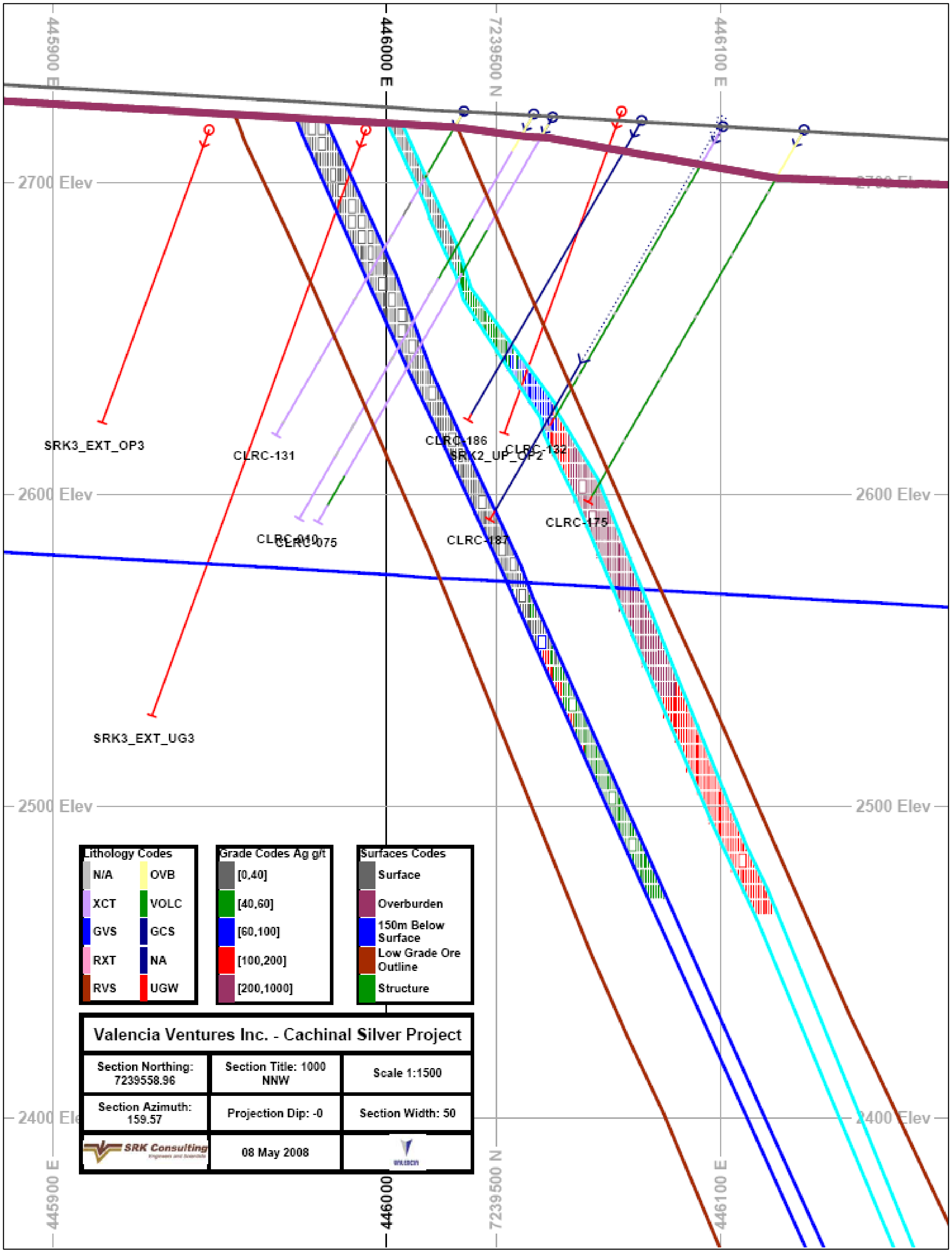


Figure 21: Section 1000 NNW (see for Figure 16 section location)

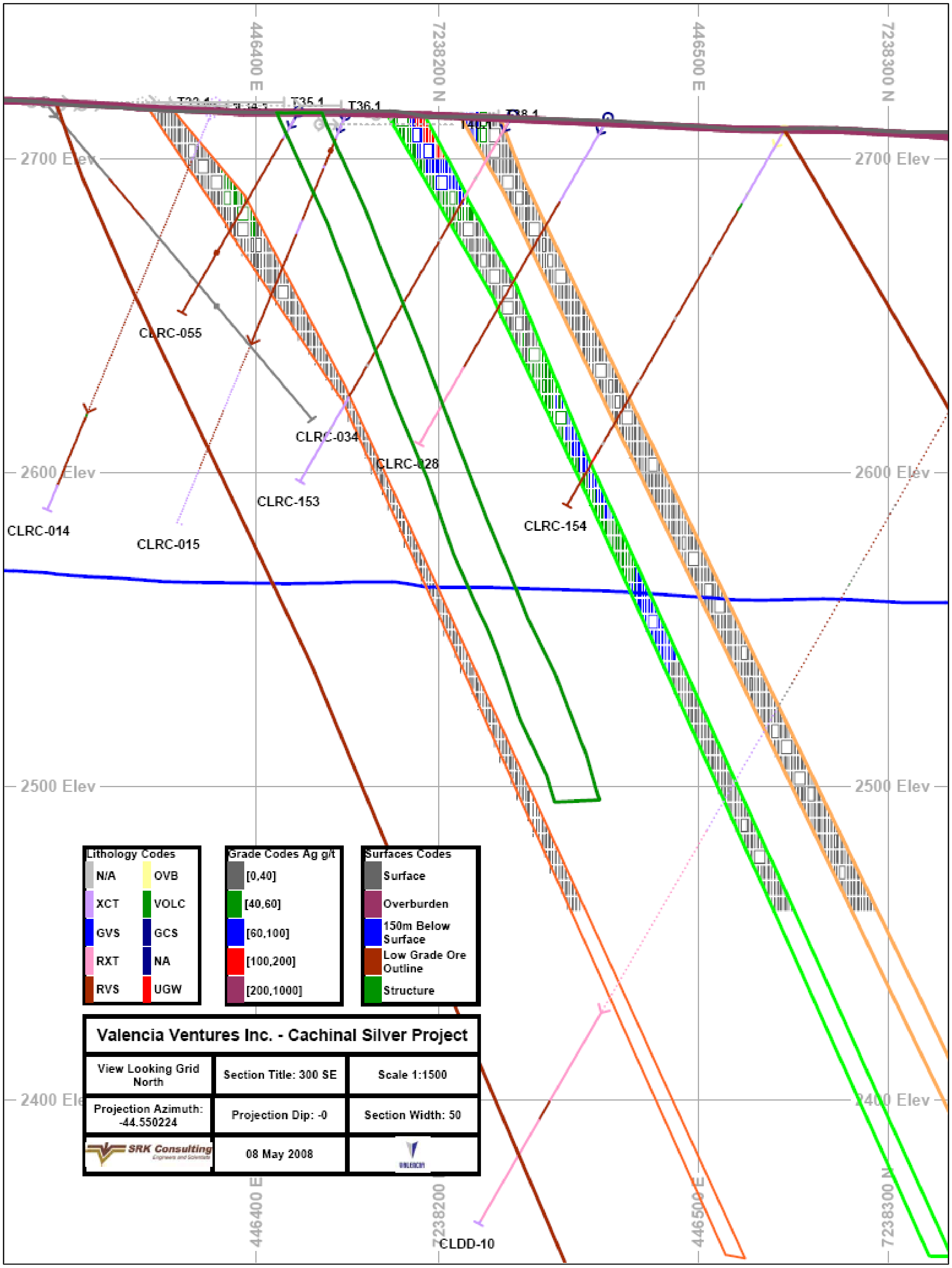


Figure 22: Section 300 SE (see for Figure 16 section location)

14.12 Reconciliation with Polygonal Resource Estimate

The SRK 2008 Mineral Resource Statement supersedes an earlier mineral resource model prepared by Gonzales and Diaz as reported in a technical report dated February 14, 2007 (the "Gonzalez and Diaz model").

The Gonzalez and Diaz resource model considered sampling information from forty-two reverse circulation and forty surface trenches in the southern portion of the Cachinal silver deposit. The mineral resources were estimated using a polygonal methodology with Gemcom. Vein mineralization polygons were constructed from the interpretation of sampling data on vertical sections spaced at fifty-metre intervals

Resource blocks were projected at section mid-distance and projected along the dip of the veins at the half distance to adjacent borehole or trench and to a maximum of twenty-five metres below the deepest drill intercept. The polygons were extended from the top of bedrock to a depth of 200 metres. Blocks located at distances greater than twenty-five metres from the nearest borehole, were classified as inferred and assigned grades based on the nearest adjacent polygons.

A total of 128 polygons were constructed (84 Indicated polygons and 44 Inferred polygons) and assigned a grade based on the weighted average grade of the borehole or trench assay data. Inferred polygons metal grades were derived from the nearest adjacent Indicated polygons. Where sufficient information was available, mined out areas were excluded from the interpreted vein polygons.

An average specific gravity of 2.5 was used to convert volumes into tonnages. Mineral resources were tabulated at various cut-off grades and reported at a cut-off grade of 20.0 g/t silver, without considering gold revenues and metallurgical recoveries.

The direct comparison between the SRK resource model with the Gonzalez and Diaz February 2007 polygonal model is difficult, because the two models considers different areas and are reported using different reporting assumptions.

The SRK model extends over the entire strike length of the deposit (from sections 1,250 metres NNW to 1,000 metres SSE) and includes resource blocks to a depth of 250 metres.

The mineral resources were estimated using a geostatistical block modelling approach constrained by vein mineralization wireframes interpreted from the drilling data. Mined out areas were removed during wireframing. The mineral resources are reported using a silver equivalent grade taking into account reasonable metallurgical recoveries.

The Gonzalez and Diaz model considers the southern portion of the deposit (from sections 00 metre SSE to 675 metres SSE) to a depth of 200 metres. The mineral resources were estimated using a polygonal methodology with metal grades derived from weighted averages of assay data interesting polygons, without geostatistical analysis. The mineral resources were reported using a silver cut-off grade without considering metallurgical recoveries.

In order to attempt to reconcile the two resource models, the global quantities and grades at various cut-offs were re-tabulated from the SRK block model for the Southern Zones area only to a depth of 200 metres. This area approximates the volume area considered by the Gonzalez and Dias February 2007 model.

The global quantities and grades at various cut-offs for the SRK 2008 and Gonzalez and Diaz models are presented in Table 15 and Table 16 . SRK notes that the figures reported in the technical report filed on SEDAR differ from those extracted from a mineral resource spreadsheet provided by Valencia. The figures reported for 80, 100 and 120 g/t silver cut-offs are considerably less than those extracted from the spreadsheet (refer to Table 17). It must also be noted that the SRK Mineral Resource Statement is reported at a silver equivalent cut-off considering metallurgical recoveries of eighty-five percent for gold and silver.

Table 15: South Zones Global Model Quantity and Grade Estimates* at Various Silver-Equivalent Cut-off Grades, Cachinal Project, SRK Consulting (Canada) Inc. March 4, 2008 (Sections 00SE - 1000SE)

		Grades			Contained Metal		
Cut-off Ag-Eq g/t	**Quantity (Mt)**	**Silver (g/t)**	**Gold (g/t)**	**Zinc (%)**	**Silver (Moz)**	**Gold (000'oz)**	**Zinc (Mlbs)**
Indicated							
20	5.93	67	0.08	0.18	12.72	15.25	23.40
40	3.74	90	0.10	0.20	10.80	12.04	16.12
50	3.04	101	0.12	0.20	9.86	11.74	13.55
60	2.50	111	0.13	0.21	8.96	10.44	11.37
80	1.66	135	0.15	0.22	7.19	7.99	7.88
100	1.13	159	0.17	0.22	5.76	6.16	5.39
120	0.81	181	0.18	0.22	4.70	4.68	3.92
140	0.59	203	0.20	0.23	3.83	3.78	2.92
150	0.50	215	0.21	0.23	3.43	3.36	2.48
160	0.42	227	0.23	0.23	3.06	3.11	2.10
200	0.25	266	0.27	0.24	2.15	2.18	1.31
Inferred							
20	0.96	56	0.10	0.23	1.71	3.08	4.77
40	0.54	81	0.15	0.21	1.41	2.60	2.49
50	0.46	89	0.16	0.22	1.30	2.35	2.24
60	0.40	94	0.17	0.23	1.21	2.20	2.02
80	0.30	104	0.18	0.23	1.02	1.76	1.54
100	0.14	128	0.21	0.21	0.57	0.92	0.65
120	0.11	136	0.22	0.20	0.46	0.75	0.47
140	0.06	147	0.26	0.25	0.27	0.48	0.31
150	0.05	150	0.27	0.23	0.23	0.42	0.25
160	0.02	160	0.32	0.21	0.08	0.16	0.07
200	0.00	194	0.46	0.18	0.01	0.02	0.01
Total							
20	6.89	65	0.08	0.19	14.43	18.33	28.17
40	4.28	89	0.11	0.20	12.21	14.64	18.60

* The reader is cautioned that the figures presented in this table should not be misconstrued as mineral resource statements. Includes all mineralized material from the surface to a depth of 200 metres. Global tonnage and grades reported at a AgEq cut-off grade based on metal prices of US$12.50 per ounce of silver and US$650 per ounce of gold and metallurgical recoveries of eighty-five percent for silver and gold.

Table 16: South Zones Global Block Model Quantity and Grade Estimates* at Various Cut-off Grades, Cachinal Silver Deposit, Gonzalez and Diaz, February 14, 2007

		Grades			Contained Metal		
Cut-off Ag g/t	Quantity (Mt)	Silver (g/t)	Gold (g/t)	Zinc (%)	Silver (Moz)	Gold (000'oz)	Zinc (Mlbs)
Indicated							
20	4.11	104	0.11	0.17	13.73	13.98	15.30
40	3.63	113	0.11	0.18	13.21	13.07	14.33
60	2.62	138	0.12	0.19	11.88	10.08	10.76
80	0.77	164	0.14	0.12	4.06	3.42	2.11
100	0.67	174	0.15	0.14	3.76	3.25	2.00
120	0.45	207	0.17	0.17	2.97	2.39	1.64
Inferred							
20	5.09	78	0.11	0.16	12.80	18.05	17.98
40	3.87	92	0.13	0.40	11.45	16.42	34.13
60	1.72	149	0.15	0.17	8.23	8.43	6.57
Total							
20	9.20	90	0.11	0.16	26.53	32.03	33.28
40	7.50	102	0.12	0.29	24.66	29.50	48.46

* The reader is cautioned that the figures presented in this table should not be misconstrued as mineral resource statements. Includes all mineralized material from the surface to a depth of 200 metres. Tonnages and grades reported at a Ag cut-off only without considering payable gold and metallurgical recoveries

Table 17: South Zones Global Block Model Quantity and Grade Estimates* at Various Silver Cut-off Grades, Cachinal Silver Deposit, Gonzalez and Diaz, February 14, 2007 (Data from Valencia Spreadsheet)

		Grades			Contained Metal		
Cut-off Ag g/t	Quantity (Mt)	Silver (g/t)	Gold (g/t)	Zinc (%)	Silver (Moz)	Gold (000'oz)	Zinc (Mlbs)
Indicated							
20	4.11	104	0.11	0.17	13.73	13.98	15.30
40	3.63	113	0.11	0.18	13.19	13.05	14.31
60	2.62	138	0.12	0.19	11.67	10.07	10.77
80	2.10	155	0.12	0.19	10.42	8.39	8.90
100	1.82	164	0.13	0.20	9.62	7.84	8.11
120	1.21	191	0.15	0.19	7.46	5.70	5.02
Inferred							
20	5.09	78	0.11	0.16	12.80	18.05	17.98
40	3.87	92	0.13	0.40	11.45	16.42	34.13
60	1.72	149	0.15	0.17	8.23	8.43	6.57
80	1.55	158	0.16	0.19	7.89	8.13	6.57
100	1.55	158	0.16	0.18	7.89	8.13	6.12
120	1.27	170	0.18	0.20	6.95	7.43	5.53
Total							
20	9.20	90	0.11	0.16	26.54	32.04	33.28
40	7.50	102	0.12	0.29	24.64	29.48	48.44

* The reader is cautioned that the figures presented in these tables should not be misconstrued as mineral resource statements. Includes all mineralized material from the surface to a depth of 200 metres. Tonnages and grades reported at a Ag cut-off only without considering payable gold and metallurgical recoveries.

The differences between the two models are summarized in Table 18 for two cut-off grades. At a cut-off grade of 40 g/t silver equivalent considered by SRK to be reasonable for reporting open pit resources for this project, the SRK model reports approximately 43 percent less tonnes and 50 percent less silver and gold. At the cut-off grade used by Gonzales and Diaz, the SRK model forecasts approximately 45 percent less silver and gold for a tonnage approximately 25 percent less. At all cut-off grades global quantities and grades are considerably less than those predicted by the Gonzalez and Diaz model.

The impact of using a silver equivalent grade to report resources is that the SRK global quantities and grades are marginally larger than if a silver cut-off was applied. The differences are not material to the comparison.

Table 18: Summary of Differences in South Zones Global Quantity and Grade Estimates Between the SRK March 2008 Block Model and Gonzalez and Diaz February 2007 Polygonal Model

		Grades			Contained Metal		
Cut-off AgEq g/t	**Quantity (Mt)**	**Silver (g/t)**	**Gold (g/t)**	**Zinc (%)**	**Silver (Moz)**	**Gold (000'oz)**	**Zinc (Mlbs)**
SRK March 2008 Model							
20	6.89	65	0.08	0.19	14.43	18.33	28.17
40	4.28	89	0.11	0.20	12.21	14.64	18.60
2007 Technical Report Ag g/t							
20	9.20	90	0.11	0.16	26.53	32.03	33.28
40	7.50	102	0.12	0.29	24.66	29.50	48.46
Differences							
20	-25%	-27%	-25%	13%	-46%	-43%	-15%
40	-43%	-13%	-13%	-33%	-50%	-50%	-62%

* Note SRK tonnages and grades reported at a AgEq cut-off grade based on metal prices of US$12.50 per ounce of silver and US$650 per ounce of gold and metallurgical recoveries of eighty-five percent for silver and gold. Zinc does not contribute to revenues. Gonzalez and Diaz tonnages and grades reported at a Ag cut-off only without considering payable gold and metallurgical recoveries

15 Adjacent Properties

There are no immediately adjacent properties or tenement boundaries that influence or terminate the mineralization delineated on the Cachinal project.

Although there are no adjacent properties that are considered directly relevant to the mineral resource reported in this technical report, Austral Gold's Guanaco Gold Project, comprising the Guanaco and Amancaya mines, is located approximately 16 kilometres to the south of the Cachinal project. Although geologically not related to the mineral resource reported in this technical report, the Guanaco Gold Project merely demonstrates the ability to build and operate a precious metal mine in the Cachinal district.

The information below is extracted from the Roscoe Postle Associates (2017) technical report on the Guanaco Gold Project.

The Guanaco Gold Project deposits are considered an example of a high-sulphidation epithermal deposit. The Guanaco Gold Project has produced approximately 50,000 ounces of gold per year for the last four years from a heap leach operation. In late 2017, a new processing plant was commissioned, designed to treat up to 1,500 tonnes per day using crushing, grinding, agitated cyanide leaching and Merrill-Crowe to produce doré. Ore is sourced from underground at Guanaco and from Amancaya, a satellite deposit, where ore is hauled by contractor via a 75-kilometre road.

The Guanaco camp has capacity for 333 people. Power is a 34.8-kilometre long, 33-kilovolt power line and substation that were constructed to transport power from the Central Interconnected System (SIC, Sistema Interconectado Central) to the Guanaco operations. Diesel generators provide backup power generation. The Guanaco Gold Project operations have water rights to 18.79 litres per second: 4.84 litres per second, that is sourced from a surface catchment area and piped under gravity 30 kilometres to Guanaco, with the remaining 13.95 litres per second from wells.

The underground operations at Guanaco and Amancaya are designed to produce approximately 1,000 tonnes per day and 800 tonnes per day, respectively. Open pit operations at Amancaya commenced early 2017 are planned to produce 400 tonnes per day. Each operation will overlap to produce an average mill feed of approximately 1,000 tonnes per day during peak production in 2017 and 2018.

The mineral resources and reserves for the Guanaco Gold Project as of December 31, 2016 are tabulated in Table 19 and Table 20.

Table 19: Audited Mineral Resource Statement Guanaco Gold Project, Roscoe Postle Associates, December 31, 2016*

	Tonnes	Grade (g/t)			Ounces (koz)		
	(kt)	Au	Ag	AuEq	Au	Ag	AuEq
			Guanaco				
Underground							
Measured	641	3.02	12.90	3.19	62	266	66
Indicated	1,552	2.86	13.00	3.03	143	650	151
M+I	**2,193**	**2.90**	**13.00**	**3.08**	**205**	**916**	**217**
Inferred	1,200	2.60	13.00	2.80	100	500	110
			Amancaya				
Open Pit							
Indicated	172	11.24	177.50	13.61	32	979	75
Inferred	60	7.60	110.00	9.00	15	210	20
Underground							
Indicated	633	9.21	54.50	9.94	187	1,110	202
Inferred	900	6.70	31.00	7.20	195	910	210
Subtotal Indicated	**805**	**9.64**	**80.70**	**10.72**	**249**	**2,088**	**277**
Subtotal Inferred	960	6.80	36.00	7.30	210	1,110	220
Total M+I	**2,998**	**4.71**	**31.20**	**5.13**	**454**	**3,004**	**494**
Total Inferred	2,150	4.50	23.00	4.80	310	1,600	330

* Notes:

Mineral Resources followed CIM definitions and are compliant with the JORC Code.

Mineral Resources are reported inclusive of Mineral Reserves.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

For Guanaco, Mineral Resources are reported at a 1.5 g/t AuEq cut-off grade.

For Amancaya, open pit Mineral Resources are reported at a cut-off grade of 1.5 g/t AuEq. Pit optimization shells were used to constrain the resources. Underground Mineral Resources are estimated at a cut-off grade of 2.5 g/t AuEq beneath the open pit shells.

Mineral Resources are estimated using a long-term gold price of US$1,300 per ounce and a silver price of US$20 per ounce.

Gold Equivalents (AuEq) were calculated as AuEq = Au + 0.0134 x Ag based on a gold and silver price of $1,300/oz and $20/oz and recoveries of gold and silver of 92% and 80% respectively.

A minimum mining width of 1.0 m was used for the open pit resource at Amancaya, and 1.5 m for the underground resource at Guanaco and Amancaya.

Bulk density is 2.50 t/m^3.

Numbers may not add due to rounding.

Table 20: Audited Mineral Reserve Statement, Guanaco Gold Project, Roscoe Postle Associates, December 31, 2016*

Category	Area	Tonnes	Grades (g/t)			Contained Metal Ounces (koz)		
		(kt)	Au	Ag	AuEq	Au	Ag	AuEq
Underground								
Proven	Cachinalito West	172	3.47	2.86	3.51	19	16	19
Probable	Cachinalito West	282	2.77	3.01	2.81	25	27	26
Total	**Cachinalito West**	**454**	**3.04**	**2.96**	**3.08**	**44**	**43**	**45**
Proven	Dumbo	11	3.38	4.72	3.44	1	2	1
Probable	Dumbo	14	2.29	7.52	2.39	1	3	1
Total	**Dumbo**	**25**	**2.77**	**6.29**	**2.85**	**2**	**5**	**2**
Proven	Perseverancia	6	1.67	37.75	2.18	0.3	7	0.5
Probable	Perseverancia	4	1.43	14.39	1.63	0.2	2	0.2
Total	**Perseverancia**	**10**	**1.58**	**28.67**	**1.96**	**0.5**	**9**	**0.6**
Total Proven	All	190	3.41	4.07	3.46	21	225	21
Total Probable	All	300	2.73	3.37	2.78	26	33	26
Total Reserves	**All**	**490**	**2.99**	**3.64**	**3.04**	**47**	**257**	**48**

* Notes:

Mineral Reserves followed CIM definitions and are compliant with the JORC Code.

Mineral Reserves are estimated at a break-even cut-off grade of 2.0 g/t AuEq for stopes and an

incremental cut-off grade of 1.0 g/t AuEq for drifts.

Mineral Reserves are estimated using an average long-term gold price of US$1,300 per ounce and silver

Price of US$20 per ounce.

Gold Equivalents (AuEq) were calculated as AuEq = Au + 0.0134 x Ag, based on prices of $1,300/oz Au and $20/oz Ag and recoveries of Au and Ag of 92% and 80%, respectively.

A minimum mining width of 1.5 m was used for stopes and 3.5 m for drifts.

Stope dilution: 0.5 m in the hanging wall and 0.5 m in the footwall (1.0 m total).

Drift dilution: 0.25 m in each of the side walls (0.5 m total).

Bulk density is 2.50 t/m3.

Numbers may not add due to rounding.

16 Other Relevant Data and Information

16.1 2008 Exploration Program

The Mineral Resource Statement documented in Section 13 considered drilling and trenching information up to January 25, 2008. Drilling on the property was still ongoing at that time, Valencia completed an additional seventeen core boreholes, forty-three reverse circulation boreholes and five geotechnical core boreholes as discussed in Section 9. Some of the exploration targets investigated by the subsequent drilling were recommended for drilling in the original April 30, 2008 technical report.

The subsequent drilling includes forty-three reverse circulation boreholes CLRC-177 to CLRC-219, seventeen core boreholes CLDD-06 to CLDD-15, twin core holes CLDD-012t to CLDD-085t and geotechnical core holes GEOTECH_1 to GEOTECH_5. These boreholes had four objectives:

- Infilling and possibly extending the silver bearing veins in the northern and southern portions of the Cachinal deposit.
- Testing the potential depth extension of the Carmen-Arturo-Prat vein system.
- Assess the geotechnical properties along potential open pit walls.
- Testing other exploration targets outside the resource areas.

Significant assay results from the subsequent reverse circulation boreholes are presented in Table 21. The most significant results are from boreholes CLRC-181 to CLRC-187 drilled in the northern portion of the deposit near the Buena Esperanza Pit to infill at 25 metre line spacing an area previously tested at 50-metre spacing and demonstrate the geological continuity of the silver and gold mineralization.

Nine core boreholes were drilled at intervals varying from approximately 500 metres to 100 metres over two kilometres to test the depth extension of the primary Carmen-Arturo-Prat vein system. One hole failed to reach its final depth. The significant assay results are summarized in Table 22. This table also contains significant results from seven twin core boreholes aimed at validating reverse circulation borehole results.

16.2 Geotechnical Investigation

In preparation for supporting conceptual design of a mining project at Cachinal, five geotechnical core boreholes were drilled to investigate the quality of the rock mass in the vicinity of conceptual pit walls. SRK provided personnel to log nine core boreholes (CLDD-06 to CLDD-14) and the five geotechnical core boreholes (GEOTECH_1 to GEOTECH_5) to record information about geotechnical properties of the rock mass.

Table 21: Significant Results from Reverse Circulation Drilling Not Included in Mineral Resource Evaluation

Hole ID		From	To	Length (m)	Ag (ppm)	Au (ppm)	Zn (%)	Comment
CLRC-177	no significant results							
CLRC-178	no significant results							
CLRC-179	no significant results							
CLRC-180		**164**	**165**	**1**	**115**	**0.17**	**2.56**	
CLRC-181		**93**	**113**	**20**	**311**	**0.20**	**0.28**	
	including	101	110	9	584	0.36	0.28	
CLRC-182		**148**	**162**	**14**	**511**	**0.33**	**0.11**	
	including	155	160	5	1,134	0.80	0.16	
CLRC-183	no significant results							
CLRC-184		**94**	**101**	**7**	**201**	**0.21**	**0.11**	
	including	94	97	3	420	0.44	0.08	
CLRC-185		**185**	**190**	**5**	**71**	**0.06**	**0.47**	
	including	185	186	2	130	0.10	0.19	
CLRC-186		**85**	**91**	**6**	**76**	**0.09**	**0.48**	
		98	**100**	**2**	**1,146**	**0.77**	**0.20**	
		105	**106**	**1**	**118**	**0.19**	**0.05**	
CLRC-187		**132**	**148**	**16**	**49**	**0.08**	**0.63**	
	including	132	136	4	84	0.16	0.59	
	including	140	141	1	122	0.20	0.97	
CLRC-188		**184**	**186**	**2**	**92**	**0.08**	**0.18**	
CLRC-189		**8**	**10**	**2**	**74**	**0.09**	**0.03**	SRK Target 10
		84	**86**	**2**	**88**	**0.12**	**0.58**	
CLRC-190	no significant results							
CLRC-191		**4**	**5**	**1**	**406**	**0.03**	**0.02**	SRK Target 10
CLRC-192		**73**	**76**	**3**	**103**	**0.09**	**0.20**	
	including	73	74	1	227	0.06	0.08	
CLRC-193		**16**	**17**	**1**	**483**	**0.07**	**0.14**	
CLRC-194		**56**	**59**	**3**	**105**	**0.08**	**0.08**	
		99	**106**	**7**	**90**	**0.05**	**0.27**	
	including	101	102	1	184	0.05	0.41	
	including	104	106	2	138	0.20	0.86	
CLRC-195		**48**	**51**	**3**	**95**	**0.17**	**0.19**	SRK Target 8
		140	**149**	**9**	**40**	**0.05**	**0.05**	
	including	147	149	2	86	0.12	0.05	
CLRC-196		**29**	**34**	**5**	**59**	**0.08**	**0.15**	
	including	32	33	1	106	0.16	0.19	
		93	**102**	**9**	**101**	**0.05**	**0.23**	
	including	93	95	2	275	0.13	0.22	
		143	**153**	**10**	**87**	**0.17**	**0.42**	
	including	146	149	3	129	0.26	0.54	
CLRC-197	no significant results							SRK Target 4
CLRC-198		**43**	**45**	**2**	**62**	**0.02**	**0.09**	SRK Target 1
CLRC-199	no significant results							SRK Target 2
CLRC-200		**43**	**44**	**1**	**158**	**0.13**	**0.04**	SRK Target 2
CLRC-201	no significant results							
CLRC-202		**12**	**58**	**46**	**74**	**0.08**	**0.33**	SRK Target 3
	including	28	33	5	112	0.03	0.20	
	including	45	52	7	142	0.37	1.19	

Table 21: Significant Results from Reverse Circulation Drilling Not Included in Mineral Resource Evaluation (2/2)

Hole ID		From	To	Length (m)	Ag (ppm)	Au (ppm)	Zn (%)	Comment
CLRC-203		**31**	**39**	**8**	**62**	**0.01**	**0.10**	SRK Target 3
CLRC-204		**111**	**113**	**2**	**51**	**0.49**	**0.09**	SRK Target 3
CLRC-205		**45**	**51**	**6**	**72**	**0.17**	**0.16**	
	including	46	47	1	116	0.25	0.26	
		55	**56**	**1**	**115**	**0.75**	**0.75**	
CLRC-206		**27**	**37**	**10**	**86**	**0.04**	**0.24**	SRK Target 3
	including	28	31	3	107	0.04	0.21	
	including	34	36	2	131	0.06	0.38	
CLRC-207		**22**	**25**	**3**	**97**	**0.03**	**0.11**	SRK Target 2
	including	24	25	1	231	0.06	0.18	
CLRC-208		**4**	**5**	**1**	**161**	**0.05**	**0.21**	
CLRC-209	no significant results							SRK Target 3
CLRC-210	no significant results							SRK Target 3
CLRC-211		**85**	**91**	**6**	**105**	**0.03**	**0.15**	SRK Target 2
	including	87	89	2	180	0.03	0.26	
	including	90	91	1	116	0.04	0.23	
		144	**147**	**3**	**69**	**0.21**	**0.10**	
CLRC-212	no significant results							SRK Target 3
CLRC-213	no significant results							SRK Target 3
CLRC-214		**28**	**30**	**2**	**68**	**0.03**	**0.12**	SRK Target 1
		39	**45**	**6**	**57**	**0.02**	**0.02**	
		87	**89**	**2**	**62**	**0.43**	**0.13**	
CLRC-215	no significant results							SRK Target 5
CLRC-216	no significant results							SRK Target 1
CLRC-217	no significant results							SRK Target 3
CLRC-218		**96**	**98**	**2**	**237**	**0.03**	**0.37**	SRK Target 1
CLRC-219	no significant results							SRK Target 10

Table 22: Significant Results from Core Borehole Drilling Not Included in Mineral Resource Evaluation

Hole ID		From	To	Length (m)	Ag (ppm)	Au (ppm)	Zn (%)	Comment
CLDD-006		**38**	**40**	**2**	**68**	**0.11**	**0.07**	
		256	**257**	**1**	**104**	**0.07**	**0.53**	
		261	**262**	**1**	**41**	**0.31**	**6.62**	
CLDD-007		**168**	**171**	**3**	**108**	**0.13**	**0.69**	
	including	170	171	1	161	0.10	0.59	
		275	**278**	**3**	**503**	**0.59**	**5.68**	
	including	276	277	1	1,240	1.10	7.90	
CLDD-008		**260**	**262**	**2**	**68**	**0.08**	**0.28**	
		289	**290**	**1**	**206**	**0.14**	**3.51**	
CLDD-009	Failed to reach planned depth. No significant results.							
CLDD-010	no significant results							
CLDD-011		**14**	**15**	**1**	**200**	**0.16**	**0.08**	
		152	**154**	**2**	**225**	**0.26**	**0.66**	
		161	**162**	**1**	**267**	**0.51**	**0.37**	
CLDD-012		**139**	**143**	**4**	**209**	**0.05**	**0.08**	
	including	139	141	2	371	0.09	0.06	
		228	**230**	**2**	**111**	**0.02**	**0.17**	
CLDD-012t		**174**	**185**	**11**	**142**	**0.39**	**0.16**	Twin hole
	including	177	183	6	222	0.52	0.14	
		208	**21.3**	**4.3**	**100**	**0.19**	**0.19**	
CLDD-013		**126**	**132**	**6**	**87**	**0.01**	**0.05**	
		270	**272**	**2**	**78**	**0.05**	**0.40**	
CLDD-014		**246**	**251**	**5**	**167**	**0.16**	**0.71**	
	including	246	247	1	398	0.30	1.25	
		255	**258**	**3**	**148**	**0.11**	**1.35**	
	including	257	258	1	320	0.30	3.39	
		274	**276**	**2**	**97**	**0.05**	**1.03**	
		280	**286**	**6**	**194**	**0.14**	**4.21**	
	including	283	284	1	403	0.27	3.47	
CLDD-015	no significant results							
CLDD-017t		**65**	**74**	**9**	**117**	**0.04**	**0.19**	Twin hole
	including	65	68	3	241	0.08	0.18	
		81	**93.95**	**12.95**	**115**	**0.02**	**0.28**	
	including	85	91	6	177	0.02	0.25	
CLDD-027t		**2.2**	**5**	**2.8**	**246**	**0.19**	**0.02**	Twin hole
	including	2.2	3	0.8	601	0.45	0.02	
		62	**63**	**1**	**218**	**0.01**	**0.41**	
		71	**76**	**5**	**69**	**0.11**	**0.14**	
		84	**88**	**4**	**267**	**0.39**	**0.15**	
CLDD-040t		**26**	**27**	**1**	**120**	**0.05**	**0.09**	Twin hole
CLDD-063t		**81**	**82**	**1**	**385**	**0.16**	**0.03**	Twin hole
CLDD-068t	no significant results							Twin hole
CLDD-085t		**69**	**72**	**3**	**136**	**0.07**	**0.09**	Twin hole
	including	69	70	1	321	0.15	0.13	
		83	84	1	142	0.23	0.17	

17 Interpretation and Conclusions

SRK reviewed and audited the exploration data available for the Cachinal project. This review suggests that the exploration data generated by Valencia is generally reliable for the purpose of resource estimation.

SRK was impressed by a geological interpretation provided by Valencia personnel to construct geological and silver mineralization wireframes using Datamine software. Eleven separate silver mineralization wireframes were interpreted and modelled.

Following geostatistical analysis and variography, SRK constructed a new mineral resource block model for the Cachinal silver deposit constraining grade interpolation to within the eleven silver mineralization domains. After validation and classification, SRK used preliminary pit optimization routines to assess the portions of the Cachinal deposit that shows reasonable prospects for economic extraction from an open pit. A pit shell was used to report an open pit resource at cut-off grade of 40 g/t silver equivalent, while the resource blocks external to the selected pit shell are reported as an underground resource at a cut-off grade of 150 g/t silver equivalent to reflect reasonable prospects for economic extraction by bulk underground methods.

Mineral resources for the Cachinal deposit have been estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserves Best Practices” Guidelines. In the opinion of SRK, the block model resource estimate and resource classification reported herein are a reasonable representation of the global zinc, gold and silver mineral resources found in the Cachinal deposit. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve.

The drilling data generated after January 2008, would not materially impact the resource evaluation prepared by SRK as documented in the original April 30, 2008 technical report. The results of the subsequent drilling would not alter the recommendations for additional drilling expressed in the April 30, 2008 technical report. SRK therefore considers that the Mineral Resource Statement for the Cachinal Project documented in the April 30, 2008 technical report remains current

In reviewing the mineral resource model SRK draws the following conclusions:

- A cut-off of 40 g/t silver equivalent is considered appropriate for potential opencast mining resources.
- The SRK model reports approximately 43 percent less tonnes and 50 percent less silver and gold at a cut-off grade of 40 g/t silver.
- The SRK model forecasts approximately 45 percent less silver and gold for a tonnage approximately 25 percent less at a cut-off grade used by Gonzales and Diaz.
- At all cut-off grades, global quantities and grades are considerably less than those predicted by the Gonzalez and Diaz model.
- A drilling spacing at 25 to 30 metres should allow conversion of Indicated to Measured mineral resources.

18 Recommendations

The geological and mineral resource models were reviewed to identify any potential target areas warranting additional drilling. Each vein structure was closely examined on vertical sections to identify areas where additional drilling would positively impact the geological interpretation and possibly extend the vein model along strike and down-dip.

Three types of targets are identified. The first target type consists of extensions of existing veins along strike and down-dip beyond the available drilling information. The current geology and resource model has been cut to the north and south at the end of the drilling information, but the vein structures remain open at both ends and untested below the 250 metres depth. SRK is of the opinion that additional drilling will extend the silver mineralization further to the north and south and at depth.

The second target type consists of new vein structures intersected during the latest drilling and for which there are not enough drilling intersections to model a vein structure with confidence. One such target is located towards the south end of the deposit where a few boreholes suggest the presence of several vein splays. The other target area is located in the northern part of the deposit, to the west of the main vein structure.

The third target type consists of vein segments where the current drilling data suggest poor silver mineralization. In many instances, the resource model is driven by a few low-grade boreholes that sterilize the vein structure on some vertical sections. Considering the silver grade distribution observed in the Cachinal deposit, SRK considers that additional infill drilling in those areas may help constrain better the barren vein segments and therefore "upgrade" those areas. Two main targets of this type occur in the northern part of the deposit.

Twelve target areas were identified by SRK as illustrated in Figure 23. Each target was assessed in terms of size, quality of the potential silver vein mineralization and potential quantities and grades. After review, SRK estimates that approximately 100 boreholes (14,000 metres) will be required to adequately test these targets, based on drilling two holes per section on average; one-hole testing at about the 100-metre elevation and the second at about 200-metre elevation.

When this technical report was originally prepared, drilling at Cachinal was ongoing. Subsequent to the preparation of this technical report Valencia completed an additional seventeen core boreholes, forty-three reverse circulation boreholes and five geotechnical core boreholes (the "subsequent drilling"). The subsequent drilling aimed at infilling the deposit to fifty metre sections in the northern part of the deposit, testing the depth extensions of the deposit below the mineral resources and testing other exploration targets outside the resource areas. Some of the subsequent drilling tested some recommended drilling targets. In consideration for the subsequent drilling, the recommended drilling program was revised to remove targets tested by the subsequent drilling. The revised recommended drilling program comprises seventy-nine boreholes totalling 11,800 metres.

At a unit price of approximately US$150 per metre of drilling (all inclusive) the revised cost for the recommended drilling program is approximately US$1,770,000. After the recommended drilling program, the geology and mineral resources model for the Cachinal project should be revised at a cost estimated at approximately US$100,000.

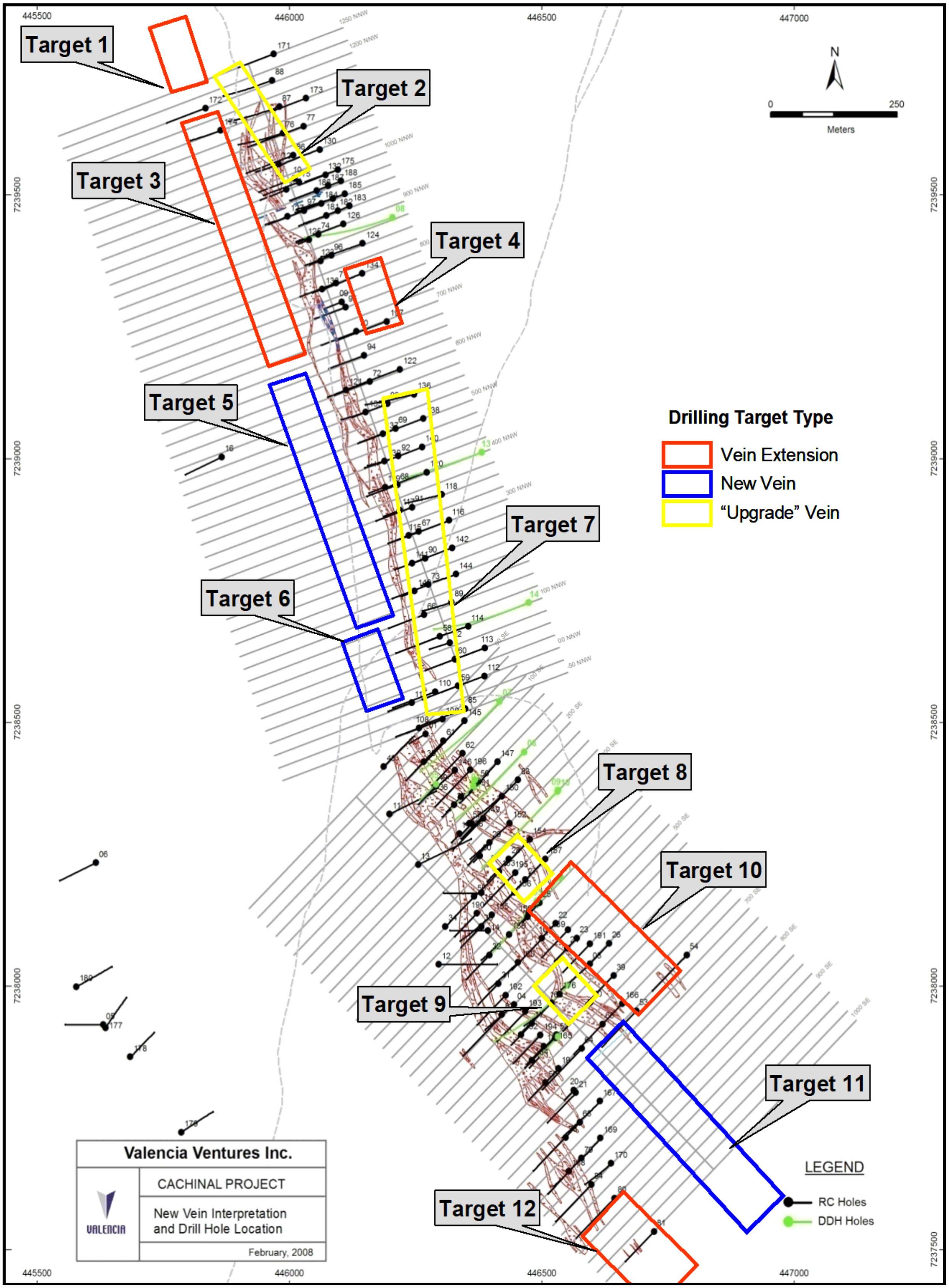


Figure 23: Location of the Drilling Targets

JORC (2012, Section 18) and National Instrument 43-101 (Section 2.3, sub-paragraph 2) recognize that it is appropriate to comment on and discuss exploration results in terms of mineral potential provided that such information relating to exploration targets is not misconstrued as an estimate of Mineral Resources or Ore Reserves. Mineral potential must be expressed as ranges, include a detailed explanation of the basis for the statement, and a proximate statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

The mineral potential was evaluated by SRK to provide a range of quantities and grades for each target and assist Valencia management to prioritize the recommended drilling program. The summary statement of potential for each target is expressed explicitly on the basis that the potential range of quantity and grade is conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if additional drilling will result in the delineation of a mineral resource on the target.

SRK is satisfied that the disclosure of mineral potential follows the National Instrument 43-101 guidance in relation to mineral disclosure of exploration targets. The mineral potential is expressed as a range of quantity and grade, with explanation of the basis of the statement. Mineral potential is only recognized where supported by one or more intersections with grade and width that meet current economic parameters for mineral resources, or where the lateral extent of mineralization is supported by physical sampling that indicates economic parameters will be met, or where the lateral extent of mineralization is known and its characteristics may be assessed on the basis of immediately adjacent similar, economically delineated mineralization.

The mineral resources for the Cachinal silver deposit are reported by SRK at two cut-offs based on reasonable prospects for economic extraction by open pit and underground mining. In assessing the mineral potential for the exploration targets, the potential ranges of quantity and grades were evaluated on the basis of potential silver mineralization above the respective cut-off grades used for reporting mineral resources for this deposit.

For each target, a polygonal interpretation of the potential vein structure was constructed and sub-divided at the 150-metre depth threshold used for reporting open pit resources. The ranges of quantity are obtained by multiplying the surface area of the potential vein structure by its potential ranges of thicknesses, based on existing drilling information and observed thickness variations for each specific vein structure. The potential quantities above cut-off were estimated using the grade tonnage characteristics specific to the Cachinal deposit. The open pit mineral resources reported at a cut-off of 40 g/t silver equivalent grade to a depth of 150 metres represent approximately 44 percent of the tonnage for the modelled silver-bearing vein structures. Conversely, the underground mineral resource reported at 150 g/t silver equivalent grade represent only five percent of the tonnage contained in the modelled veins. Accordingly, the ranges of open pit and underground quantities of potential mineralization are obtained by multiplying the ranges of vein quantity by the ratio above cut-off.

SRK reviewed the statistical distribution of the silver block grades in the Cachinal deposit. The range of grades for each target is derived from the average grade of the mineral resources above the respective cut-off grade and is expressed as a range of silver grade 20 percent below and above the mean resource grade of 100 g/t and 180 g/t silver for open pit and underground potential, respectively.

The mineral potential is summarized in Table 23. The aggregated open pit mineral potential is estimated at between 1.1 and 2.8 million tonnes grading between 80 to 120 g/t silver, or between 2.9 and 10.9 million potential ounces of silver to a depth of 150 metres. The underground mineral potential is estimated at between 0.1 and 0.2 million tonnes grading between 144 and 216 g/t silver or between 0.3 and 1.5 million potential ounces of silver below 150 metres to a depth of 250 metres. The underground mineral potential below the 250-metre depth has not been evaluated.

Table 23: Summary of Mineral Potential* for the Cachinal Silver-Gold Deposit, Chile, Considering Three Types of Drilling Targets (see text for discussion).

	Target Size and Drilling Requirement						Open Pit Mineral Potential (Surface to 150 metres)					
Target ID	**Strike (metre)**	**Length (metre)**	**Structure Width (metre)**	**(metre)**	**No. of Holes**	**Length (metre)**	**Potential Quantity* (tonne)**	**(tonne)**	**Potential Grade Ag (g/t)**		**Potential Metal (Moz)**	**(Moz)**
			Min	**Max**			**Min**	**Max**	**Min**	**Max**	**Min**	**Max**
Vein Extension Targets												
1	150	270	5	10	1	100	130,000	260,000	80	120	0.33	1.00
3	500	270	2	8	6	600	170,000	370,000	80	120	0.44	1.43
4	150	270	2	8	2	200	50,000	370,000	80	120	0.13	1.43
10	280	270	4	8	5	500	190,000	370,000	80	120	0.49	1.43
12	150	270	3	6	3	300	80,000	280,000	80	120	0.21	1.08
Sub-total					**17**	**1,700**	**620,000**	**1,650,000**	**80**	**120**	**1.59**	**6.37**
New Vein Targets												
5	450	270	2	6	8	800	150,000	460,000	80	120	0.39	1.77
6	200	270	3	7	4	400	100,000	240,000	80	120	0.26	0.93
11	300	270	3	5	6	600	150,000	260,000	80	120	0.39	1.00
Sub-total					**18**	**1,800**	**400,000**	**960,000**	**80**	**120**	**1.03**	**3.70**
Upgrade Vein Targets												
2	200	80	3	5	1	100	50,000	90,000	80	120	0.13	0.35
7	400	40	3	5	3	300	50,000	90,000	80	120	0.13	0.35
8	50	45	4	5	0	0	10,000	10,000	80	120	0.03	0.04
9	50	40	5	10	1	100	10,000	20,000	80	120	0.03	0.08
Sub-total					**5**	**500**	**120,000**	**210,000**	**80**	**120**	**0.31**	**0.81**
Total					**40**	**4,000**	**1,140,000**	**2,820,000**	**80**	**120**	**2.93**	**10.88**

	Target Size and Drilling Requirement						Underground Mineral Potential (150 to 250 metres)					
Target ID	**Strike (metre)**	**Length (metre)**	**Structure Width (metre)**	**(metre)**	**No. of Holes**	**Length (metre)**	**Potential Quantity* (tonne)**	**(tonne)**	**Potential Grade Ag (g/t)**		**Potential Metal (Moz)**	**(Moz)**
			Min	**Max**			**Min**	**Max**	**Min**	**Max**	**Min**	**Max**
Vein Extension Targets												
1	150	270	5	10	1	200	10,000	20,000	160	200	0.05	0.13
3	500	270	2	8	7	1,400	10,000	50,000	160	200	0.05	0.32
4	150	270	2	8	3	600	0	20,000	160	200	0.00	0.13
10	280	270	4	8	6	1,200	10,000	30,000	160	200	0.05	0.19
12	150	270	3	6	3	600	10,000	10,000	160	200	0.05	0.06
Sub-total					**20**	**4,000**	**40,000**	**130,000**	**160**	**200**	**0.21**	**0.84**
New Vein Targets												
5	450	270	2	6	9	1,800	10,000	40,000	160	200	0.05	0.26
6	200	270	3	7	4	800	10,000	20,000	160	200	0.05	0.13
11	300	270	3	5	6	1,200	10,000	20,000	160	200	0.05	0.13
Sub-total					**19**	**3,800**	**30,000**	**80,000**	**160**	**200**	**0.15**	**0.51**
Total					**39**	**7,800**	**70,000**	**210,000**	**160**	**200**	**0.36**	**1.35**

* The reported ranges of potential quantity and grade are conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource. The reported mineral potential is expressed as ranges of tonnage and grade based on sampling data, interpreted continuity and range of thicknesses for each vein structure. Potential quantity range is derived from the ratio between the tonnage of each vein structure and tonnage above cut-off in the Cachinal mineral resources, 44 and 5 percent for open pit and underground resources, respectively. Ranges of grade are based on ranges about the mean resource grade.

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Valencia Ventures Inc. News Release dated September 11, 2007 announcing the Phase II Drill Results Confirming High Grade Silver Mineralization in the Northern Extension of the Cachinal Project.

Valencia Ventures Inc. News Release dated March 27, 2008 announcing the revsed resource estimate for the Cachinal deposit and beginning of drilling program.

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APPENDIX A

Legal Opinion on Mineral Cachinal S.A. Mining Concessions

MEMORANDUM

To	:	Aftermath Silver Ltd.
From	:	Carey y Cía.
Ref.	:	Legal Opinion on Minera Cachinal S.A.'s Mining Concessions
Date	:	March 29th, 2018

Dear Mr. Hurd,

We have reviewed the documentation sent to us by Minera Cachinal S.A. ("Cachinal"), and also accessed information available on public databases. Based on these documents, we prepared the below report, which contains our observations from the review of Cachinal and 16 groups of already constituted exploitation mining concessions, located in the borough of Taltal, Region of Antofagasta, which are registered under the name of Cachinal.

Aftermath Silver ("Aftermath") has an interest in acquiring a controlling interest over Cachinal. The goal of the project would be for Aftermath to acquire all the shares that Apogee Silver Ltd. has of Cachinal, which correspond to 80% of the shares.

For a better understanding of the observations and conclusions of this opinion, we include, as Annex 1, an overview of the Chilean Mining Law.

A. EXECUTIVE SUMARY

- Cachinal is a closed corporation (277,587 shares), dully constituted, valid and in full force. The company was created on December 9th, 2013, and its current shareholders are:

Silver Standard Resources, Inc.	: 55,516 shares	19.9995%
Silver Standard Ventures, Inc.	: 1 share	0.00036%
Apogee Silver Ltd.	: 222,070 shares	80.00014%

- All Mining Concessions are currently valid and registered under the name of Cachinal.

- Except for the observations made below, the Mining Concessions have been properly granted.

- The Mining Concessions have preferential rights over the area covered by them.

- The mining licenses of the Mining Concessions are paid until the 2017-2018 period. The term to pay the mining licenses for the 2018-2019 period expires on March 31st, 2018.

B. LEGAL OPINION

II. MINERA CACHINAL S.A.

a. CORPORATE SITUATION

Cachinal was created on December 9th, 2013, as a result of a corporate division.

The originating company was Minera Silver Standard Chile S.A. ("Minera Silver"), which had two partners: (i) Silver Standard Resources, Inc. ("SSR") with 28,711 shares, and (ii) Silver Standard Ventures, Inc. ("SSV") with 1 share.

Minera Silver was divided into three companies: (i) Minera Silver Standard Chile S.A, (ii) Minera Cachinal S.A., and (iii) Minera Juncal y La Flora S.A. The assets were divided among the resulting companies: 11 mining concessions for Cachinal, 11 mining concessions for Juncal y La Flora, and 96 mining concessions and also some water rights for Minera Silver.

SSR and SSV kept the same ratio of participation on these new entities as they had in the original corporation.

On April 18th, 2016, Cachinal made the following capital increase:

i. Company capital was increased from $151,904,347 CLP (approx. $252,161 USD) to
ii. **$1,468,610,275 CLP (approx. $2,437,893 USD)**.
iii. 248,875 new shares were issued, which, when added to the original 28,712 shares, gave a **total amount of shares of 277,587**.
iv. SSR subscribed 26,805 additional shares, ending up with a total of **55,516 shares of** Cachinal. SSR relinquished its right to subscribe any more shares.
v. SSV relinquished its right to subscribe any shares.
vi. It was agreed that the remaining shares, 222,070, would be offered to Apogee Silver Ltd. ("**Apogee**"), who would be allowed to pay for the shares through the transfer of mining resources study which includes probing and other costs over the mining concessions of Cachinal.

On April 18th, 2016, Apogee subscribed 222,070 shares of Cachinal, equivalent to the 80.00014% of interest over the company. The shares were paid for by the transfer of the aforementioned study, payment which was accepted by Cachinal. This means that these shares are fully paid for by Apogee.

The current corporate ownership composition of Cachinal, corroborated by Cachinal's shareholders registry, is the following:

- SSR: 55,516 shares 19.9995%
- SSV: 1 share 0.00036%
- Apogee: 222,070 shares 80.00014%

b. CONCLUSIONS

1. **Validity.** Cachinal was properly created and duly incorporated under Chilean law. As of March 29th, 2018, there are no records indicating the partners have terminated the corporation.
2. **Partners.** Cachinal has only three partners: SSR, SSV and Apogee.
3. **Capital and Shares.** The corporate capital is $2,437,893 USD, divided among 277,587 shares. There are no special or preferential classes of shares, being all of them equal. All the capital and shares have been fully subscribed and paid.
4. **Shareholders agreements.** According to the information and statements provided by Cachinal, there are no shareholders agreements or any other commitment among the partners.
5. **Management.** Cachinal is managed by a 5-member board, elected at the shareholders general assembly, and by a CEO, designated by the board.

II. MINING CONCESSIONS

a. DESCRIPTION OF THE MINING CONCESSIONS

Cachinal's main assets are **16 groups of mining concessions**, located in the borough of Taltal, in the province and region of Antofagasta (the "**Mining Concessions**"), as detailed below:

#	Mining Concession	National Number	Area ha	Registry of Property Custodian of Mines of Taltal					
				Registration of judicial award and measurement minutes			Current ownership registration		
				Page	#	Year	Page	#	Year
1	Silvana 1, 1/60	02202-4535-7	300	44	14	2007	24	7	2014
2	Silvana 2, 1/30	02202-4536-5	300	48	15	2007	25	8	2014
3	Silvana 3, 1/59	02202-4537-3	269	52	16	2007	26	9	2014
4	Silvana 4, 1/30	02202-4538-1	298	58	17	2007	27	10	2014
5	Silvana 5, 1/30	02202-4539-k	300	62	18	2007	28	11	2014
6	Silvana 6, 1/30	02202-4540-3	300	66	19	2007	29	12	2014

#	Mining Concession	National Number	Area ha	Registry of Property Custodian of Mines of Taltal					
				Registration of judicial award and measurement minutes			Current ownership registration		
				Page	#	Year	Page	#	Year
7	Silvana 7, 1/30	02202-4541-1	300	70	20	2007	30	13	2014
8	Silvana 8, 1/30	02202-4542-k	300	74	21	2007	31	14	2014
9	Silvana 9, 1/30	02202-4543-8	300	78	22	2007	32	15	2014
10	Silvana 10, 1/30	02202-4544-6	300	82	23	2007	36	16	2014
11	Katherine 1/80	02202-4527-6	400	86	24	2007	34	17	2014
12	Cachinal 21A, 1 al 60	02202-6336-3	300	1215	367	2011	379	91	2016
13	Cachinal 22A, 1 al 60	02202-6337-1	300	1220	368	2011	380	92	2016
14	Cachinal 23A, 1 al 60	02202-6338-K	300	1225	369	2011	381	93	2016
15	Cachinal 24A, 1 al 60	02202-6339-8	300	392	88	2012	382	94	2016
16	Cachinal 25A, 1 al 60	02202-6340-1	300	1230	370	2011	383	95	2016

Cachinal acquired the Mining Concessions as follows: (i) the "Silvana" and "Katherine" groups of mining concessions were contributed by Minera Silver Standard Chile S.A. at the moment of Cachinal's incorporation, and (ii) the "Cachinal" groups of mining concessions were acquired from Compañía Minera Valencia Ventures Chile Limitada on June 6th, 2016.

The Mining Concessions are two groups of contiguous mining concessions, for a total property area of 4,867 hectares. Please note that the surface of the mining concessions "Silvana 3, 1 al 59" and "Silvana 4, 1 al 30" were reduced during their measurement operation in order to respect the surface area of three older mining concessions with preferential rights, named "Carmela", "Pastora", and "Victoria". Details of this can be seen on Annex 2 of this report.

The total annual 2017 mining license tax for Mining Concessions was CLP$22,612,569.- or US$37,438.-, using an exchange rate of 604 CLP to one US dollar. Details of the payment of the mining licenses and also a summary of them can be found on Annex 3.

b. CONCLUSIONS

1. **Ownership.** According to the ownership certificates issued by the Custodian of Mines of Taltal on March 26th, 2018, Cachinal is the registered owner of all the Mining Concessions.
2. **Preferential Rights.** According to cadastral reports, dated March 26th, 2018, and March 29th, 2018, issued by the Mining Engineer Mr. Juan Bedmar Rivera, all the Mining Concessions have preferential rights over their respective area. Furthermore, according to the maps obtained from the National Cadastre of the National Mining Service ("**Sernageomin**"), there would be no third parties mining concessions overlapping the Mining Concessions. These maps can be seen in Annex 2.
3. **Mining Licenses.** According to the payment receipts of the mining licenses and the information available from public sources1, all the mining licenses have been duly paid; except for the 2005 period for "Silvana 1, 1 al 60" and "Silvana 8, 1 al 30" concessions, which appear to be unpaid according to the website of Sernageomin.

In this regard, please note that article 146 of the Mining Code provides that if the owner of a mining concession does not pay the mining license opportunely, the General Treasury of the Republic (hereinafter the "Treasury") will be entitled to initiate a judicial procedure to publicly auction such mining concession. The affected mining concession can be excluded from the auction before such auction is executed, by paying an amount equivalent to twice the unpaid mining licenses. If the latter does not occur, the affected mining concession will be auctioned, and if there are no bidders on such mining concessions, the Court will declare it as "terreno franco" (free space or terminated).

Notwithstanding the above, the statute of limitations to initiate this judicial action procedure, three years according to third paragraph of article 146 of the Mining Code, has already elapsed. Therefore, the risk of the Treasury initiating this procedure is minimal.

Annex 3 describes the current status of the Mining Concessions regarding payment of mining licenses.

1. 2018 Mining Licenses. We have not been provided with any information regarding the payment status of 2018 mining licenses. Please be advised that the term to pay the 2018 mining licenses expires on March 31st, 2018.
2. **Royalties.** We could not find any royalty agreements taxing the Mining Concessions in any of the documents we reviewed.
3. **Mortgages, Encumbrances, Prohibitions and Litigation.** The official certificates issued by the Custodian of Mines of Taltal on March 26th, 2018, declare there are no mortgages, encumbrances, prohibitions or any litigation affecting any of the Mining Concessions.

Notwithstanding the above, we noticed the certificates declare that the Custodian of Mines reviewed the registries only from a specific year onwards and not from the year the concession was granted[2]. This means that technically the certificates do not prove whether or not there is any Mortgage, Encumbrance, Prohibition or Litigation affecting the concessions from before the year the Custodian of Mines declared it made its revision.

1 Website of Sernageomin: www.sernageomin.cl
2 In the case of all the "Silvana" and "Katherine" mining concessions groups, the Custodian of Mines declared to have reviewed its registries from 2014 onward, even though these concessions were granted before that. Regarding the "Cachinal" concessions groups, the Custodian of mines declared to have reviewed its registries from 2016 onward, despite these concessions being granted before that.

However, our opinion is that this situation is most likely an error on behalf of the Custodian of Mines. Our suggestion would be to clarify this matter with the Custodian of Mines.

1.0 Other observations regarding the Mining Concessions.

1.1. “Silvana 3, 1 al 30”. The registration of the judicial award contains an error in coordinate V27 North of the mining concession, which mentions “2.240.500,00” instead of the correct coordinate “7.240.500,00”. This error does not appear neither in the registration of the measurement minutes nor the publication of the abstract of the judicial award, both of which refer to the correct coordinate.

Considering the prior, in our opinion this is most likely a transcription error on the judicial award or its registration, but in either case it can be amended.

In any case, we do not consider that this situation may imply negative consequences for the mining concessions, as more than 4 years have elapsed since the publication of the abstract and therefore the statute of limitation established in section 2 of the article 96 of the Mining Code becomes applicable.

1.2. “Cachinal” mining concessions. According to article 90 of the Mining Code, the publication of the abstract of the judicial award of all these groups of mining concessions should have mentioned the year of their court file number and the date of filing of their corresponding exploration claims, as they were filed by making use of the preferential rights derived from a prior exploration mining concession. However, the publications of their corresponding abstracts do not mention this information.

In any case, we do not consider that this situation may imply negative consequences for the mining concessions, as more than 4 years have elapsed since the publication of the abstract and therefore the statute of limitation established in section 2 of the article 96 of the Mining Code becomes applicable.

1.3. “Cachinal 21A, 1 al 60”. The registration of the judicial award contains an error in coordinate L1 East of the mining concession, which mentions “445.700,00” instead of the correct coordinate “444.700,00”. We confirmed that this is a transcription error on the registration, as the judicial award mentions the correct coordinates. This error can be amended by a request to the Custodian of Mines, and in our opinion it does not imply any negative consequence for the mining concession.

1.4. “Cachinal 24A, 1 al 60”. The registration of the judicial award contains an error the year of registration of the exploitation claim, indicating “2008” instead of the correct year “2009”. We confirmed that this is a transcription error on the registration, as the judicial award mentions the correct year. This error can be amended by a request to the Custodian of Mines, and in our opinion it does not imply any negative consequence for the mining concession.

III. C. OTHER ASSETS.

Environmental Permits. According to the information provided by Mr. César López from Cachinal, there are no environmental permits requested or granted for any project involving the Mining Concessions.

Water rights. According to the information provided by Mr. César López from Cachinal, there are no water rights owned by Cachinal.

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Please direct all questions, inquiries and/or requests in connection with this legal opinion to:

Rafael Vergara Partner	Francisco Corona Director	Marco Antonio Muñoz Associate
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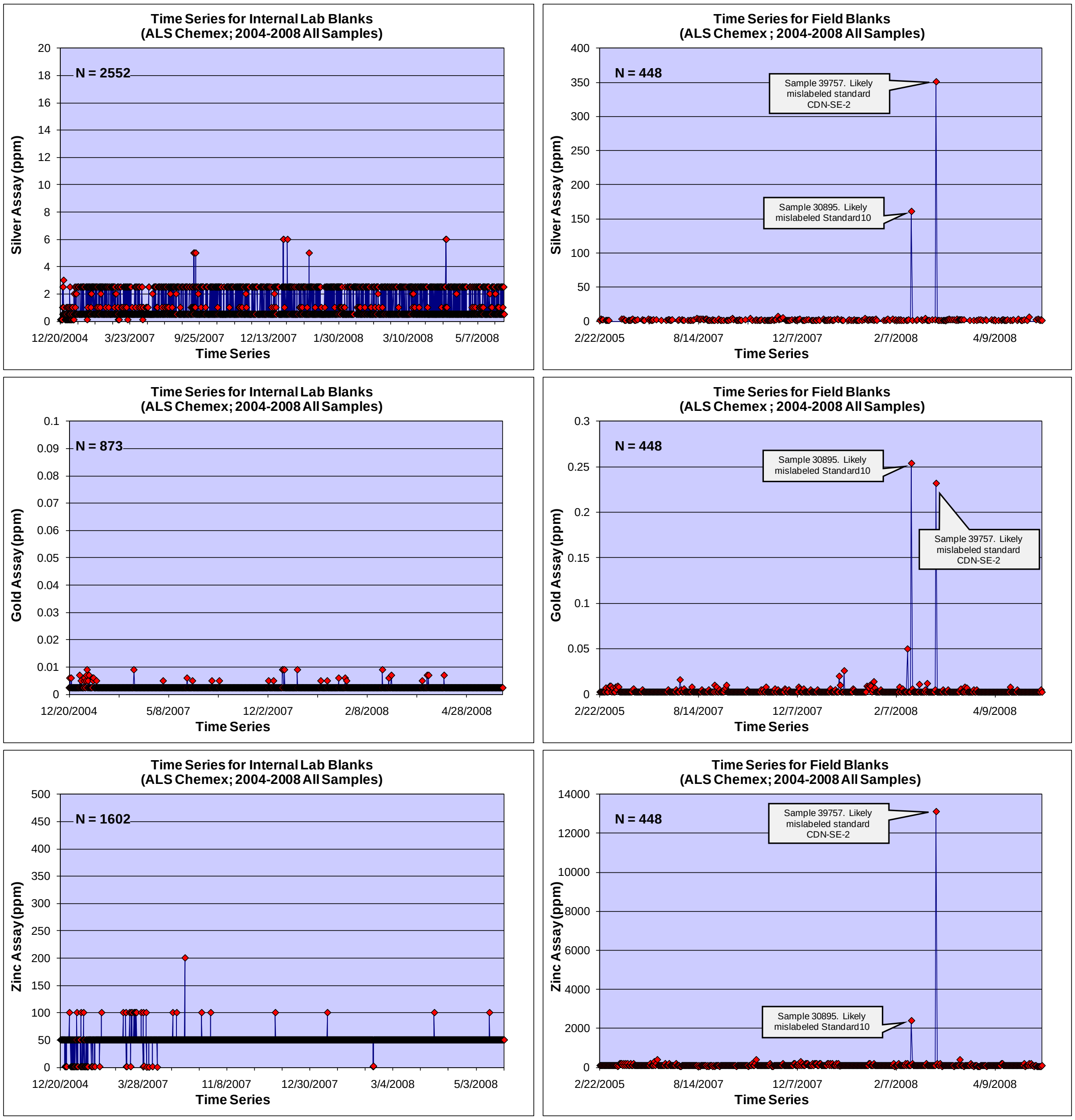
APPENDIX B

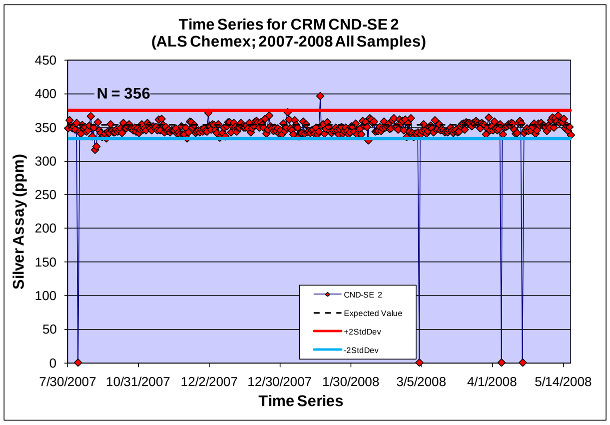
Analytical Quality Control Data

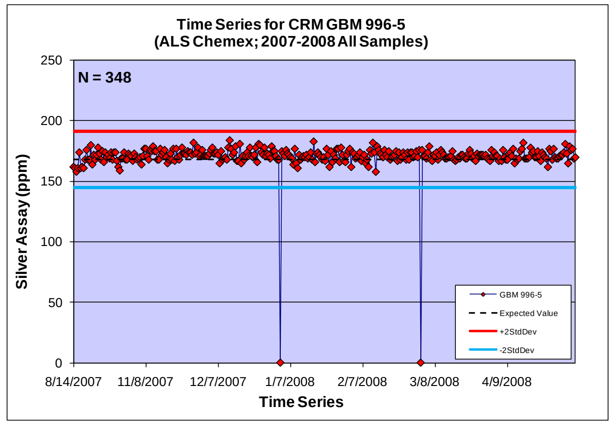
- Time Series for Control Samples
- Selected Bias and Relative Precision Charts for Silver, Gold and Zinc.

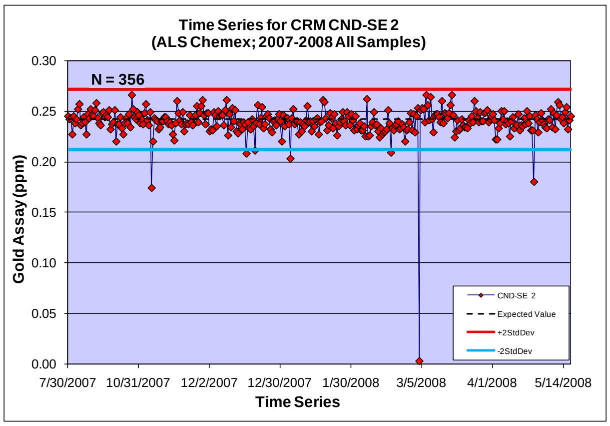
ALS-Chemex Blank Samples (left) and Valencia Field Blank Samples (right) time series charts

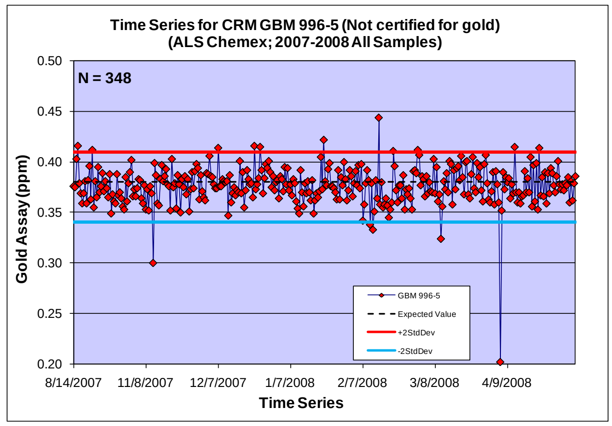


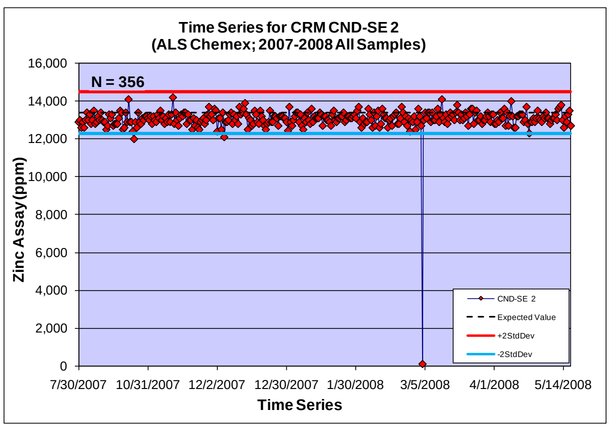
Assay results for standards CND-SE-2 and GBM-996-5.

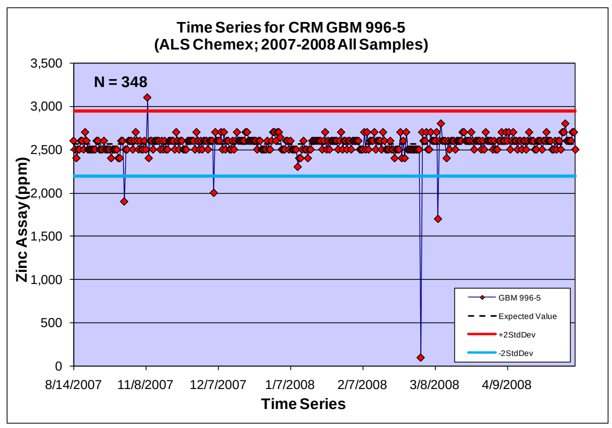




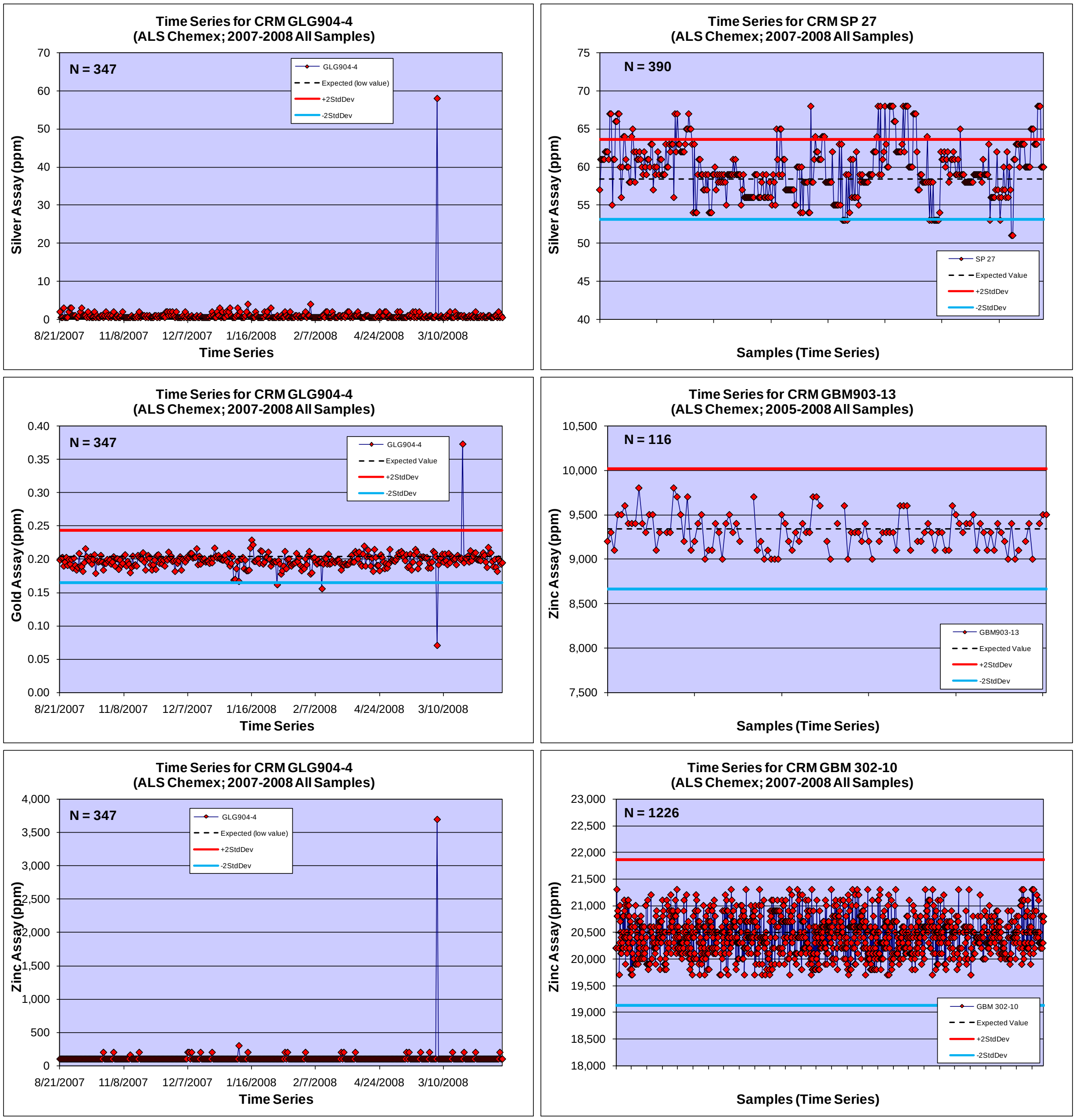




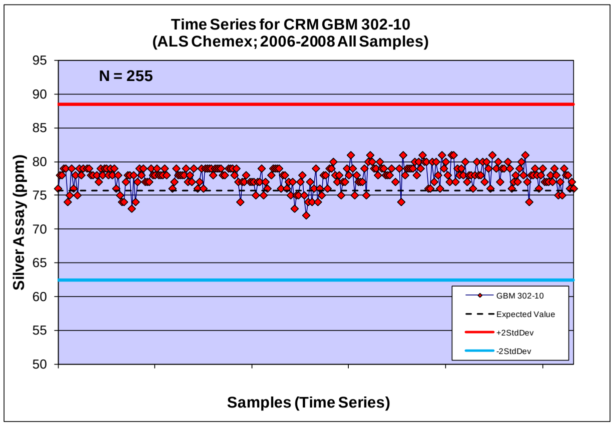


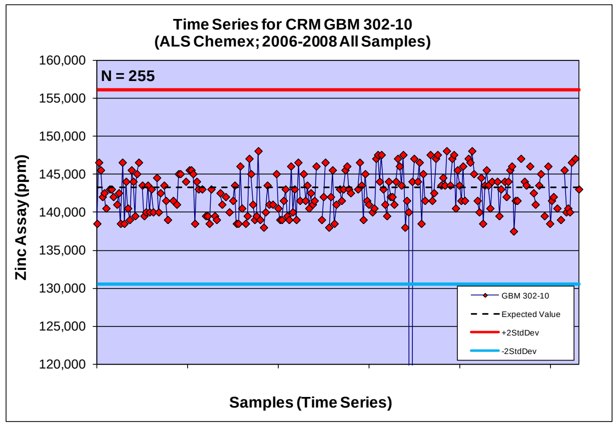


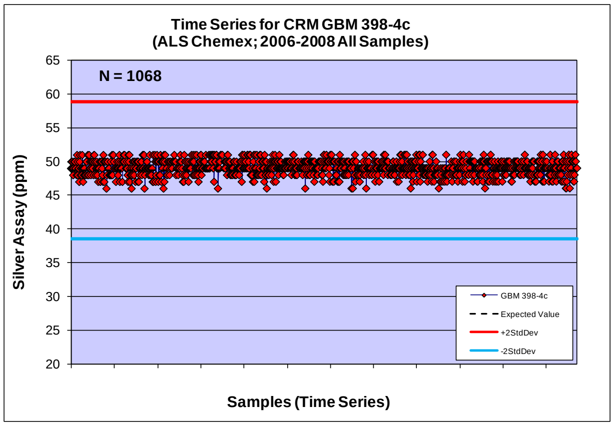
Assay results for standards GBM-904-4, SP 27, GBM-903-13, and GBM-302-10

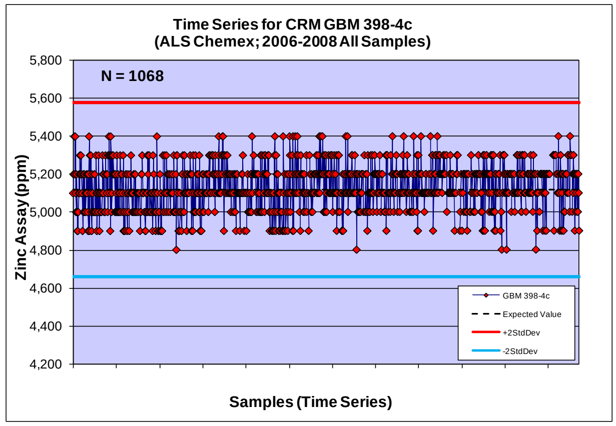


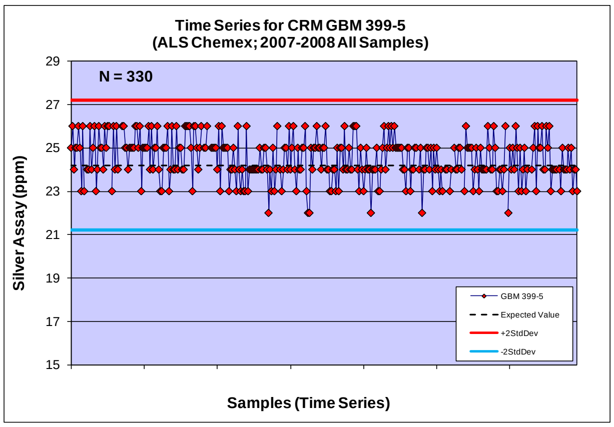
Assay results for standards GBM-302-10, GBM-398-4c, and GBM-399-5.

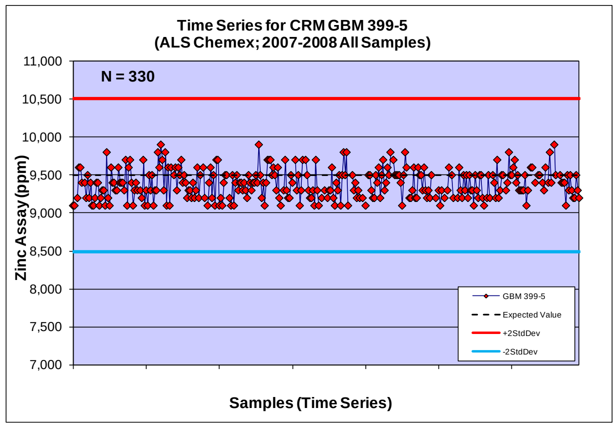




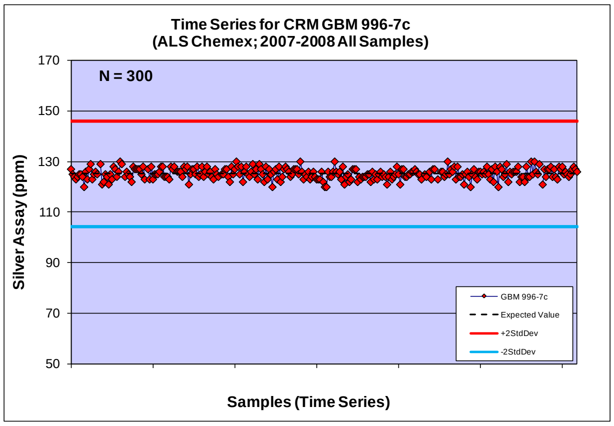


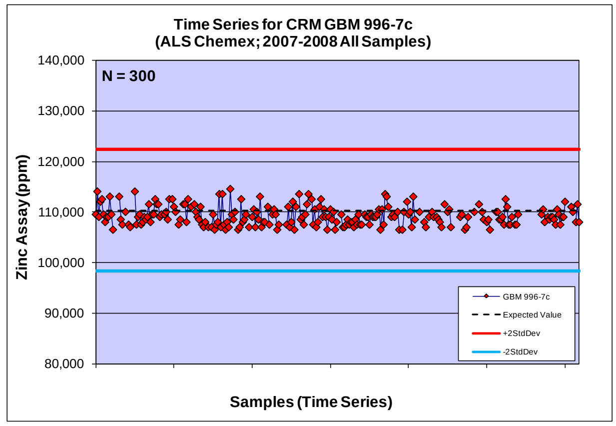


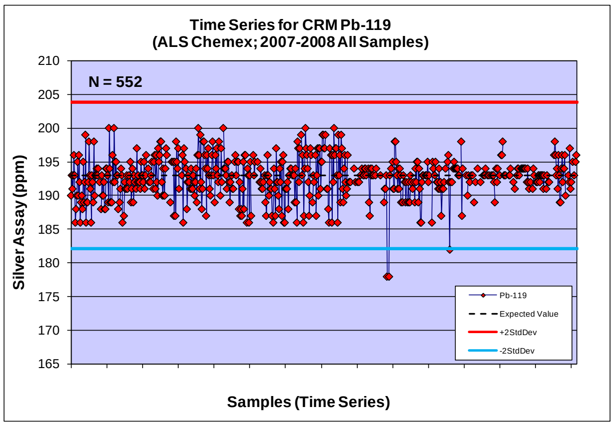


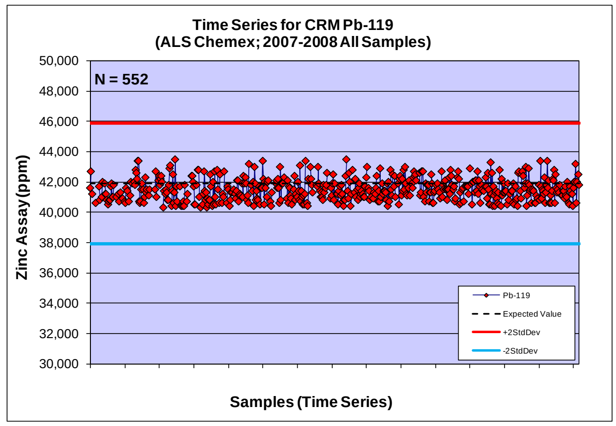


Assay results for standards GBM-996-7c and Pb-119.

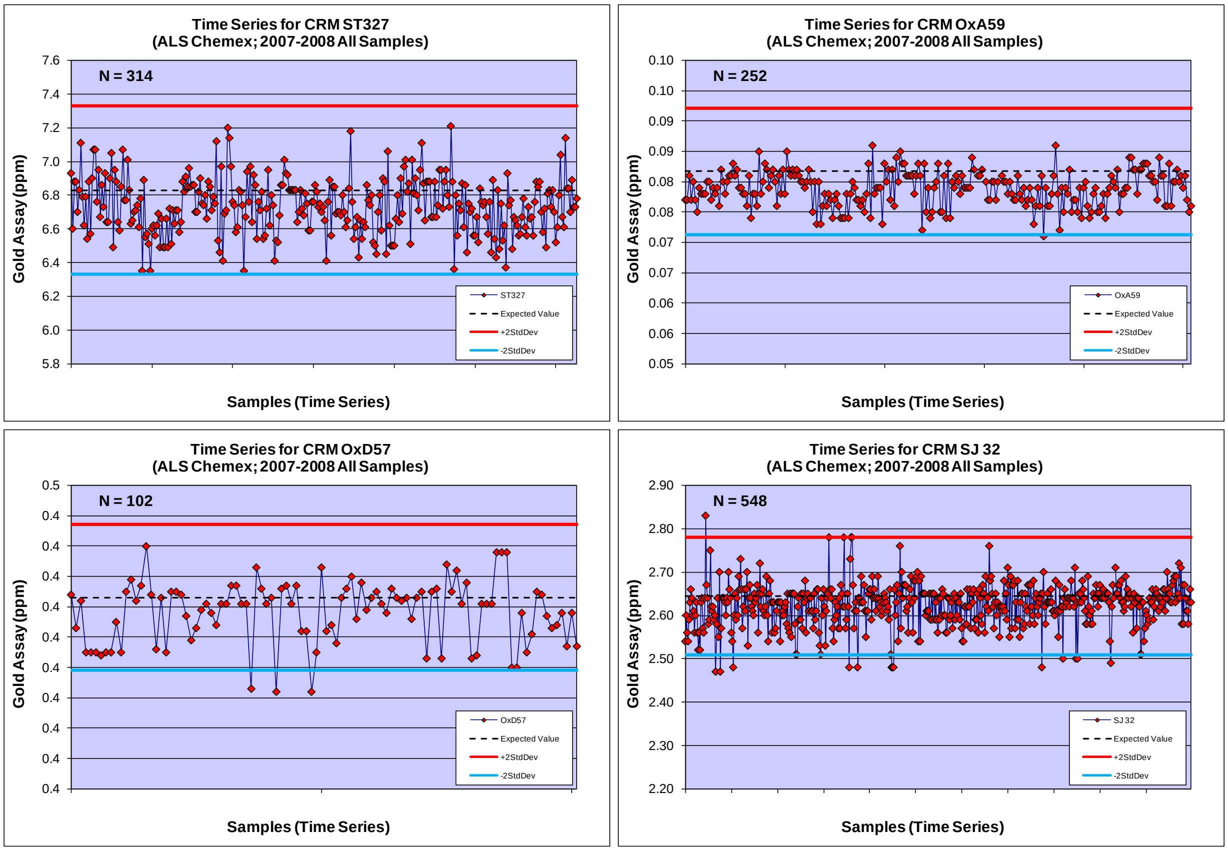








Assay results for gold standards ST 327, OxA 59, OxD 57, and SJ 32.

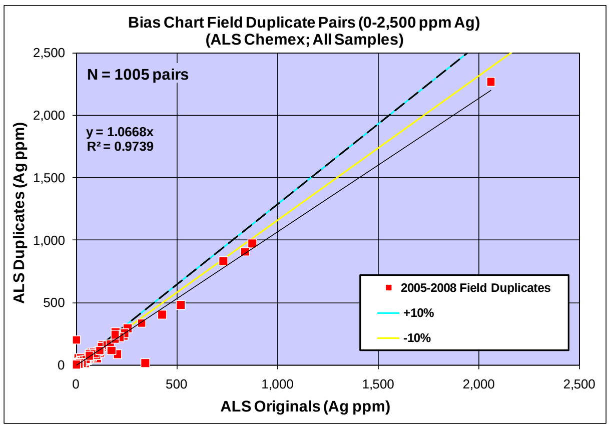


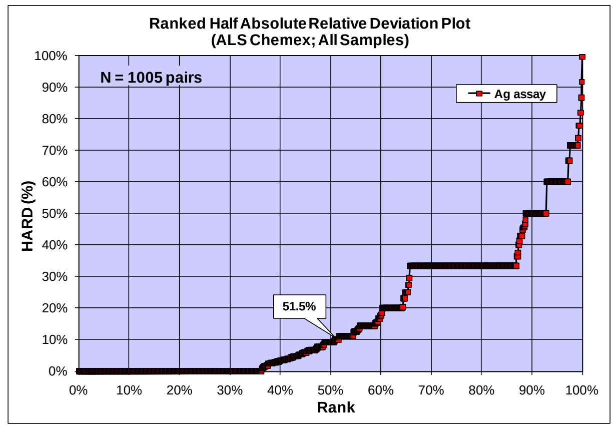
Silver Assay Results for Field Duplicate Pairs including Trench, RC Chip and Core Samples.

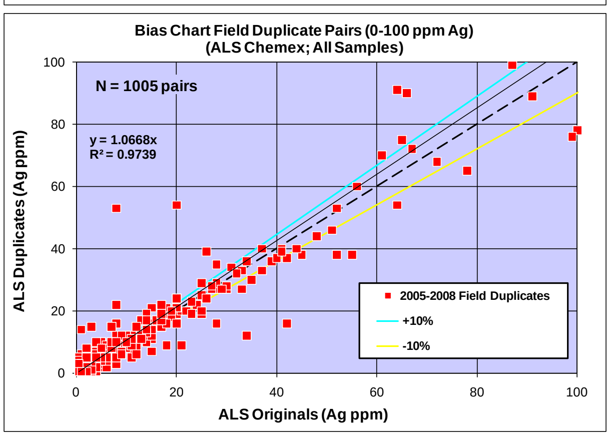
SRK Consulting
Engineers and Scientists

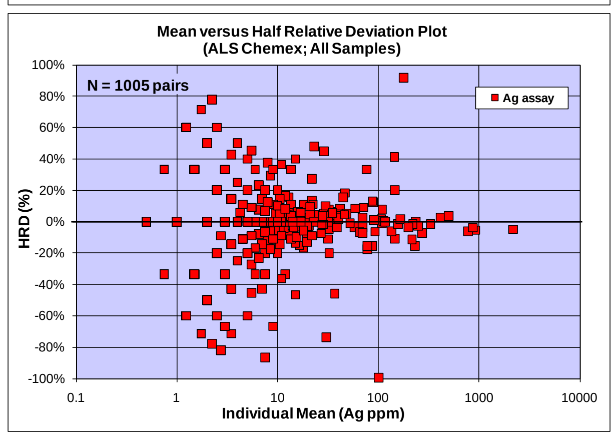
Project	Cachinal
Data Series	2005-2008 Field Duplicates
Data Type	All Samples
Commodity	Ag in ppm
Analytical Method	Multi Acid Digestion and AAS
Detection Limit	5 ppm
Original Dataset	ALS Originals
Paired Dataset	ALS Duplicates

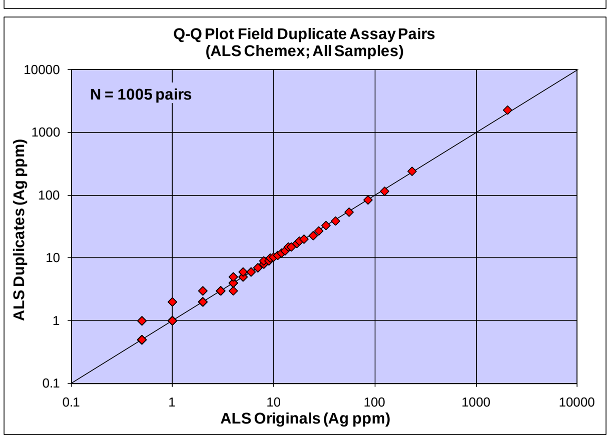
Statistics	ALS Original	ALS Duplicate
Sample Count	1,005	1,005
Minimum Value	0.50	0.50
Maximum Value	2,060	2,270
Mean	14.93	15.34
Mode	0.50	0.50
Median	2.00	2.00
Standard Error	2.71	2.94
Standard Deviation	86.00	93.06
Pairs ≤ 10% HARD	51.5%	

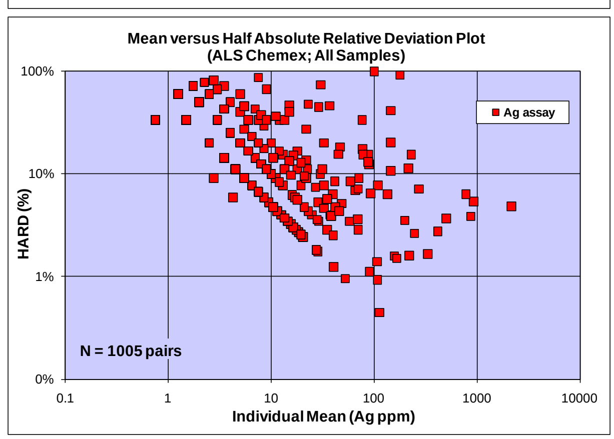










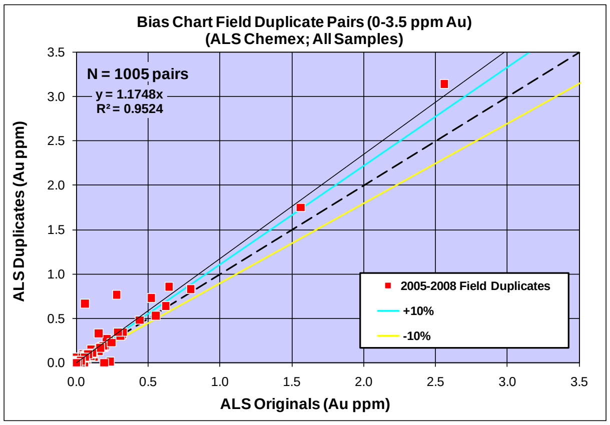


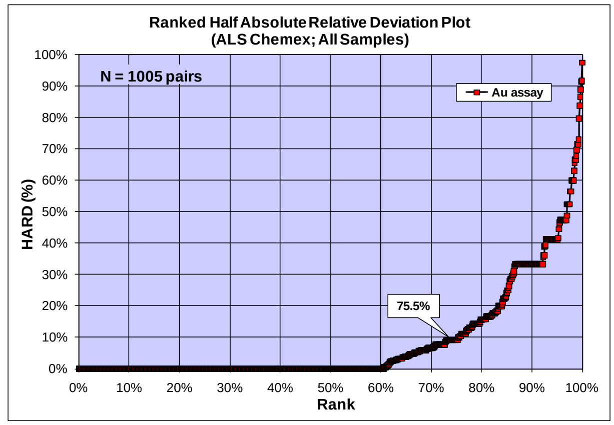
Gold Assay Results for Field Duplicate Pairs including Trench, RC Chip and Core Samples.

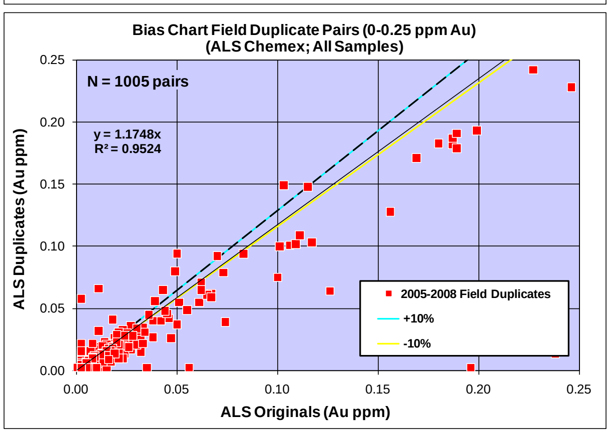
SRK Consulting
Engineers and Scientists

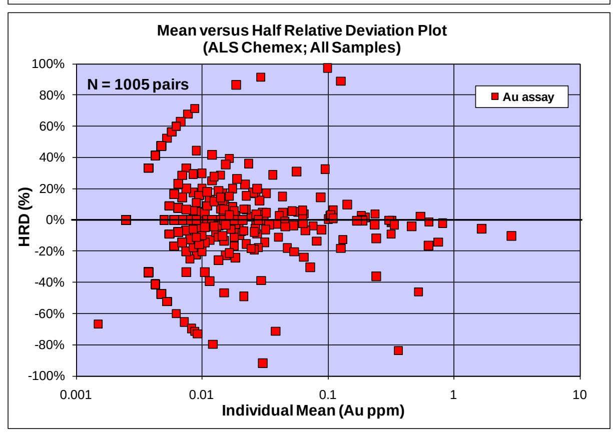
Project	Cachinal
Data Series	2005-2008 Field Duplicates
Data Type	All Samples
Commodity	Au in ppm
Analytical Method	Fire Assay
Detection Limit	0.005 ppm
Original Dataset	ALS Originals
Paired Dataset	ALS Duplicates

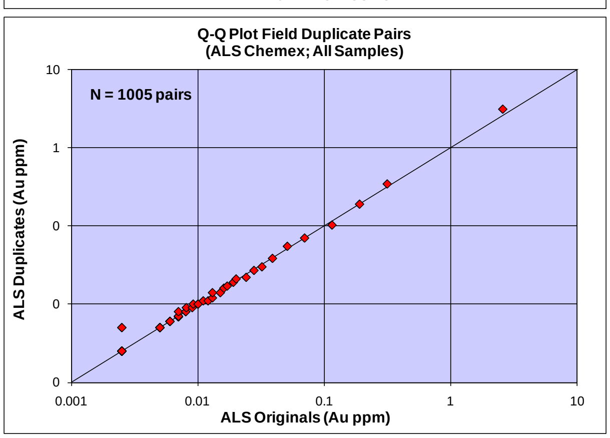
Statistics	ALS Original	ALS Duplicate
Sample Count	1005	1005
Minimum Value	0.00	0.0025
Maximum Value	2.56	3.14
Mean	0.020	0.022
Mode	0.003	0.003
Median	0.003	0.003
Standard Error	0.003	0.004
Standard Deviation	0.110	0.133
Pairs ≤ 10% HARD	75.5%	

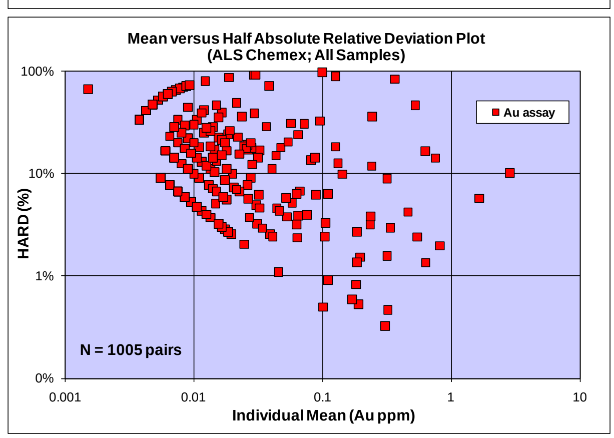










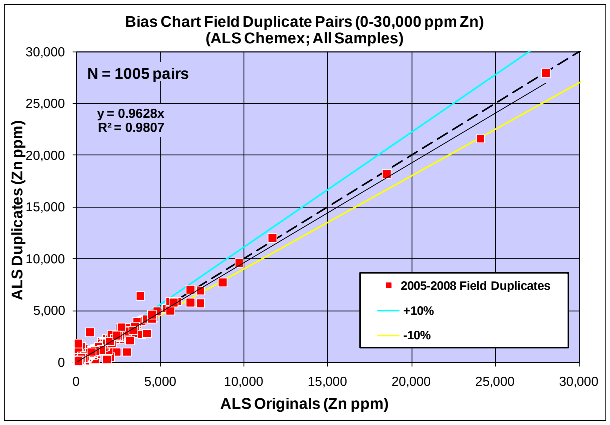


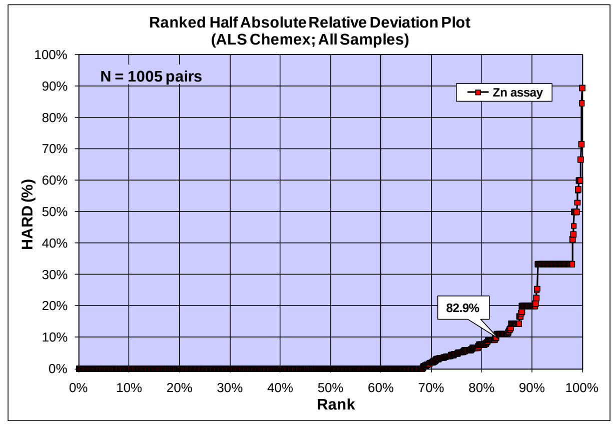
Zinc Assay Results for Field Duplicate Pairs including Trench, RC Chip and Core Samples.

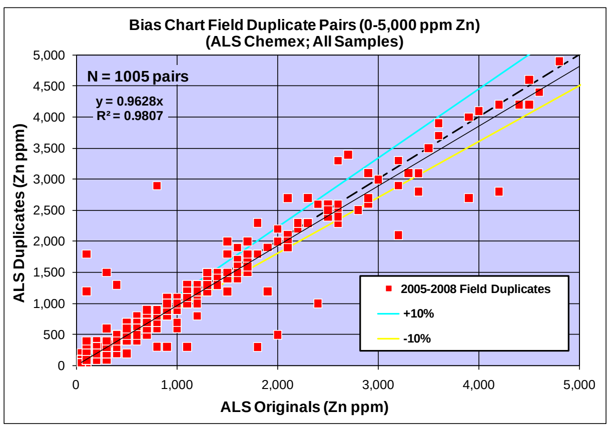
SRK Consulting
Engineers and Scientists

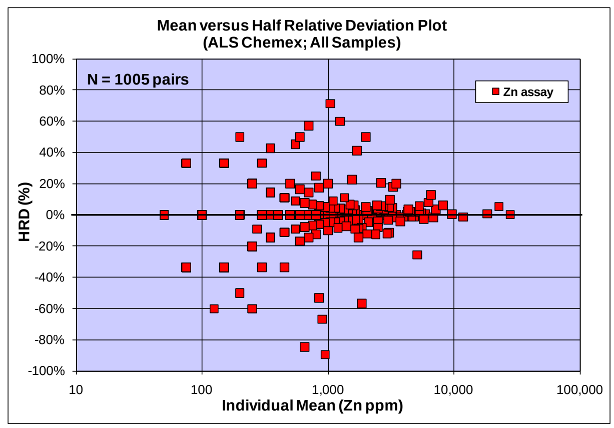
Project	Cachinal
Data Series	2005-2008 Field Duplicates
Data Type	All Samples
Commodity	Zn in ppm
Analytical Method	Multi Acid Digestion and AAS
Detection Limit	10 ppm
Original Dataset	ALS Originals
Paired Dataset	ALS Duplicates

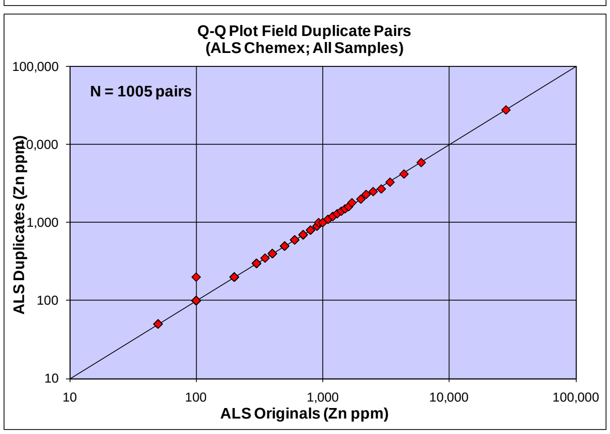
Statistics	ALS Original	ALS Duplicate
Sample Count	1005	1005
Minimum Value	50	50
Maximum Value	28,000	27,900
Mean	709	701
Mode	100	100
Median	300	300
Standard Error	52	50
Standard Deviation	1,652	1,598
Pairs ≤ 10% HARD	82.9%	

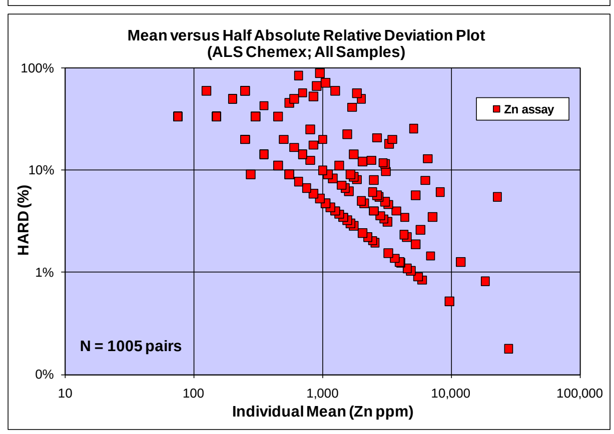










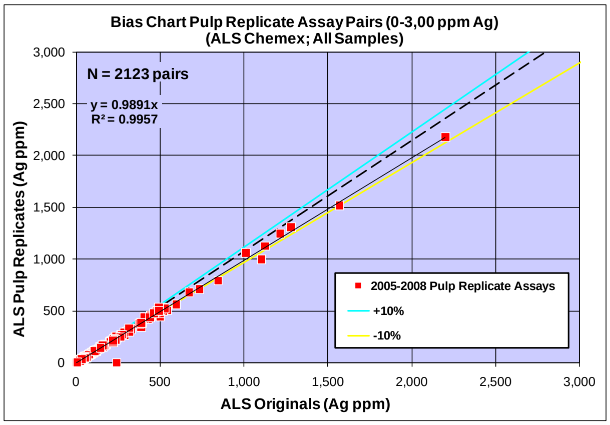


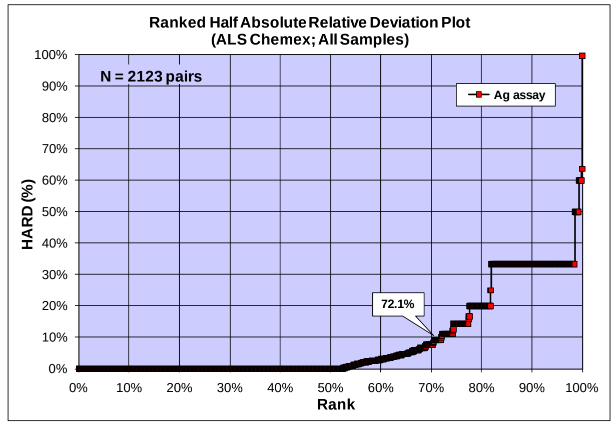
Silver Assay Results for Pulp Replicate Pairs of Trench, RC chip and Core samples.

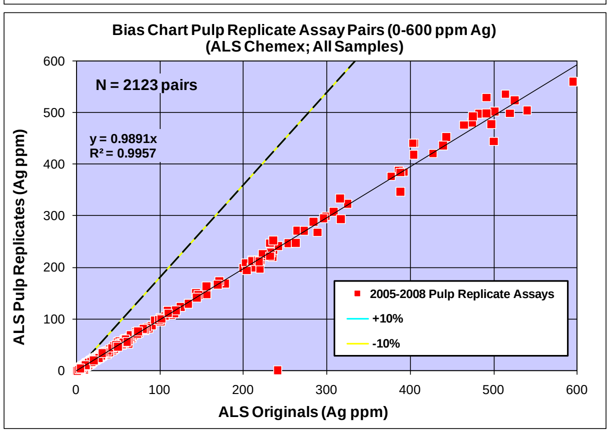
SRK Consulting *Engineers and Scientists*

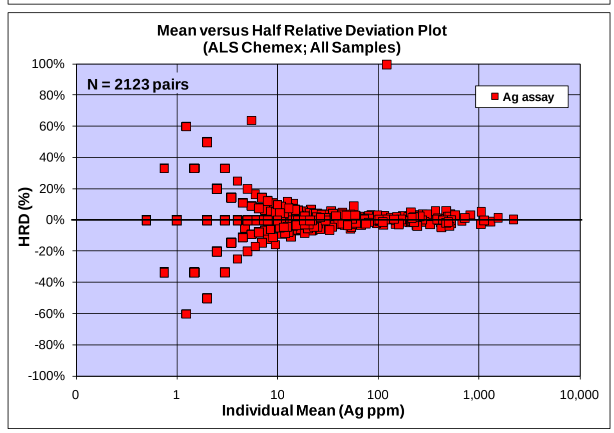
Project	Cachinal
Data Series	2005-2008 Pulp Replicate Assays
Data Type	All Samples
Commodity	Ag in ppm
Analytical Method	Multi Acid Digestion and AAS
Detection Limit	5 ppm
Original Dataset	ALS Originals
Paired Dataset	ALS Pulp Replicates

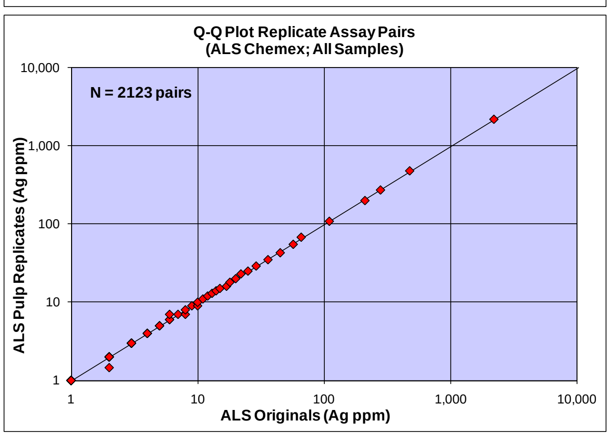
Statistics	ALS	ALS Replicate
Sample Count	2,123	2,123
Minimum Value	0.50	0.50
Maximum Value	2,200	2,180
Mean	22.34	22.10
Mode	0.50	0.50
Median	2.00	2.00
Standard Error	2.25	2.23
Standard Deviation	103.70	102.79
Pairs ≤ 10% HARD	72.1%	

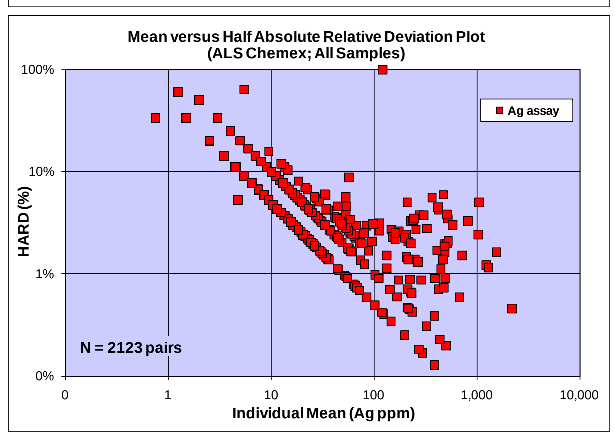










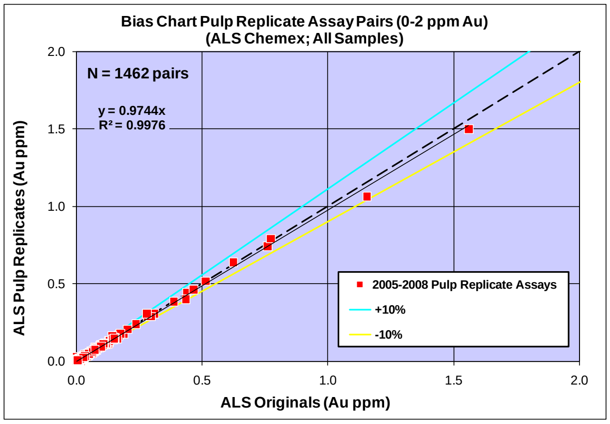


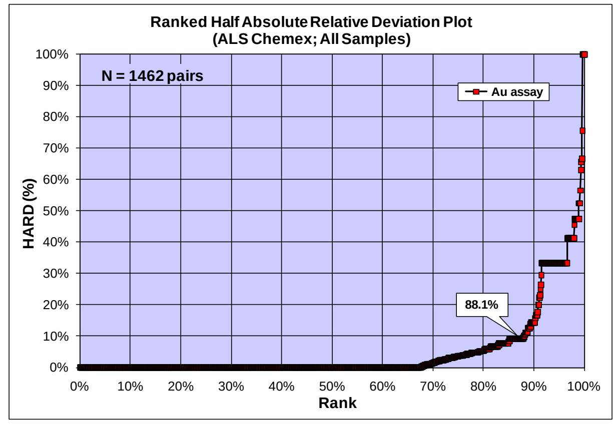
Gold Assay Results for Pulp Replicate Pairs of Trench, RC chip and Core samples.

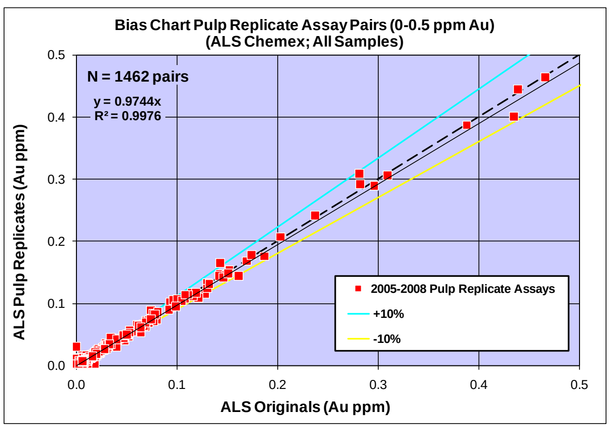
SRK Consulting
Engineers and Scientists

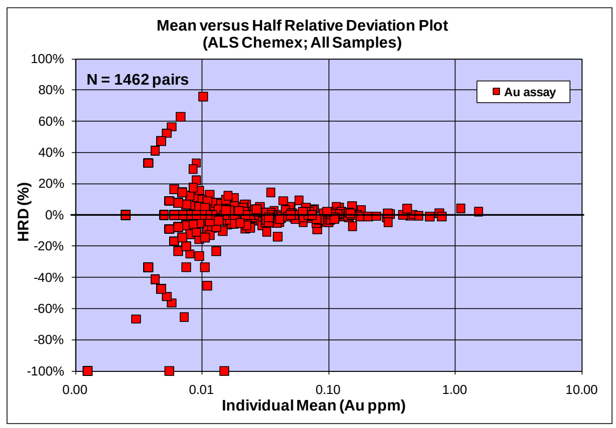
Project	Cachinal
Data Series	2005-2008 Pulp Replicate Assays
Data Type	All Samples
Commodity	Au in ppm
Analytical Method	Fire Assay
Detection Limit	0.005 ppm
Original Dataset	ALS Originals
Paired Dataset	ALS Pulp Replicates

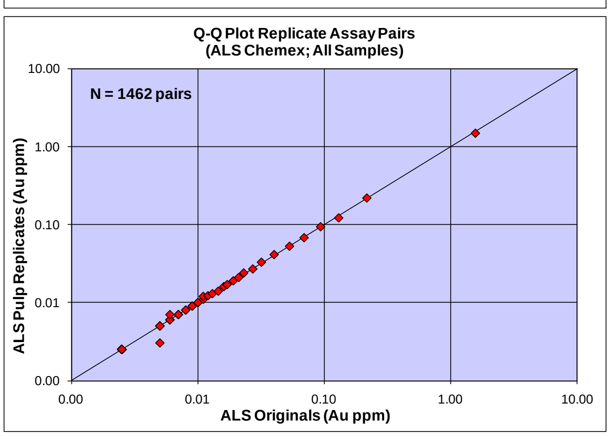
Statistics	ALS	ALS Replicate
Sample Count	1,462	1,462
Minimum Value	0.00	0.00
Maximum Value	1.56	1.50
Mean	0.02	0.02
Mode	0.00	0.00
Median	0.00	0.00
Standard Error	0.00	0.00
Standard Deviation	0.07	0.07
Pairs ≤ 10% HARD	88.1%	

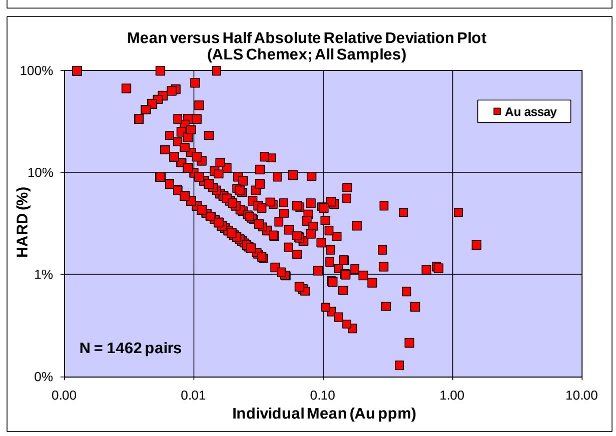










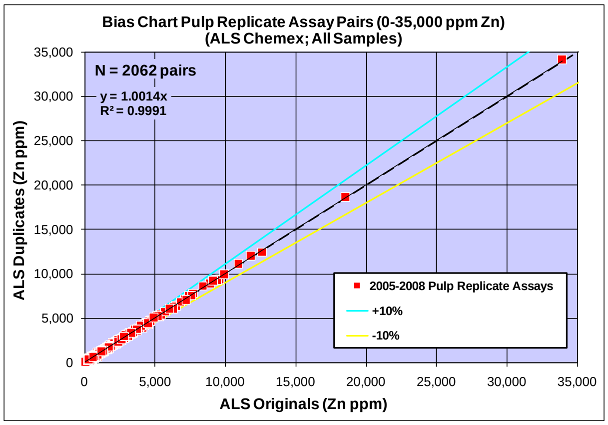


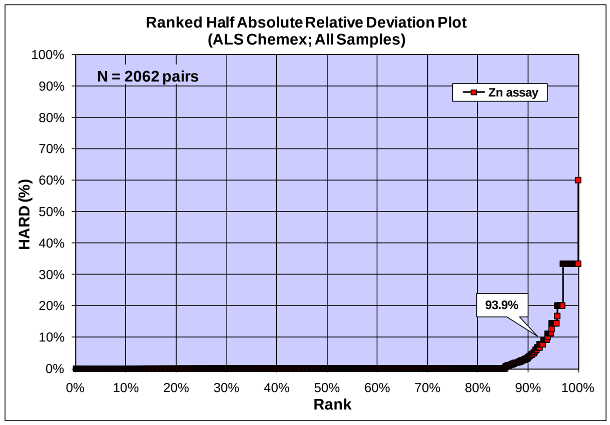
Zinc Assay Results for Pulp Replicate Pairs of Trench, RC chip and Core samples.

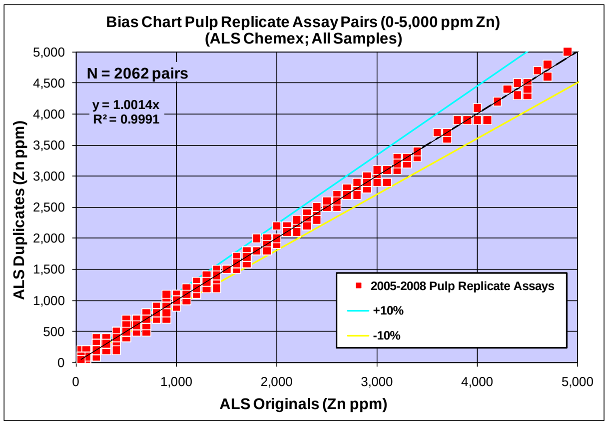
SRK Consulting
Engineers and Scientists

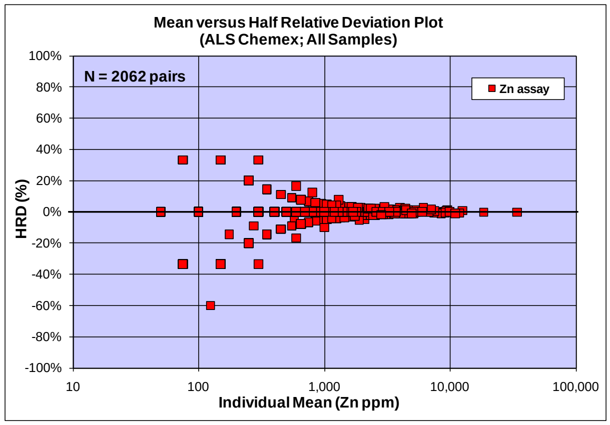
Project	Cachinal
Data Series	2005-2008 Pulp Replicate Assays
Data Type	All Samples
Commodity	Zn in ppm
Analytical Method	Multi Acid Digestion and AAS
Detection Limit	10 ppm
Original Dataset	ALS Originals
Paired Dataset	ALS Duplicates

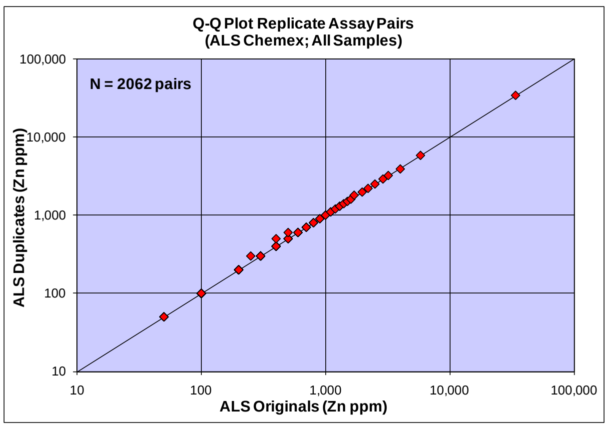
Statistics	**ALS**	**ALS Replicate**
Sample Count	2,062	2,062
Minimum Value	50	50
Maximum Value	33,900	34,100
Mean	674	675
Mode	100	100
Median	300	300
Standard Error	30	30
Standard Deviation	1,375	1,377
Pairs ≤ 10% HARD	93.9%	

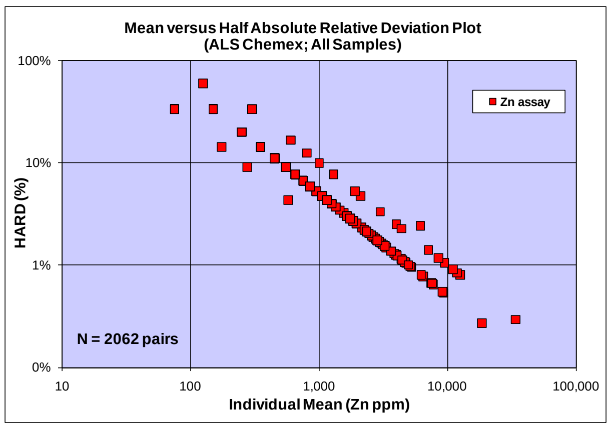










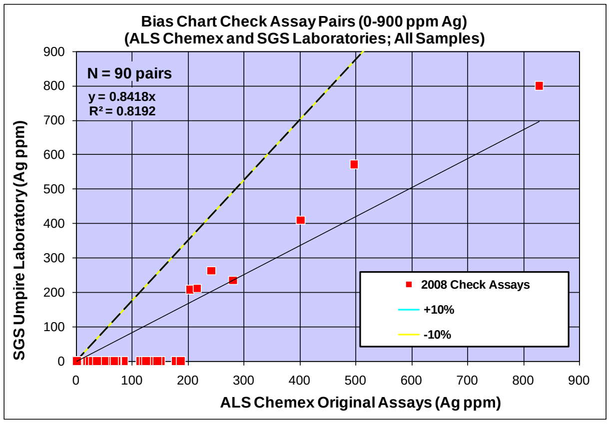


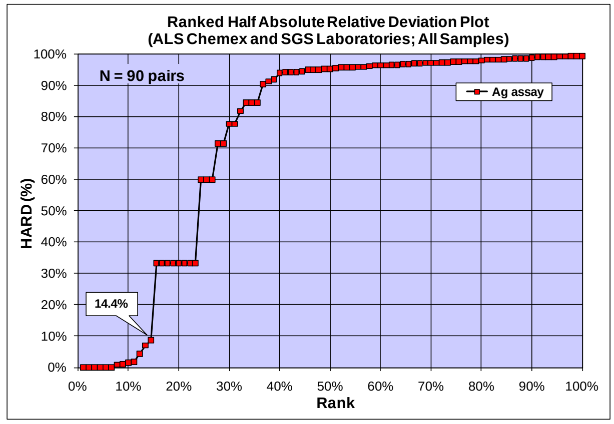
Silver Assay Results for Umpire Sample Pairs of Trench, RC chip and Core samples.

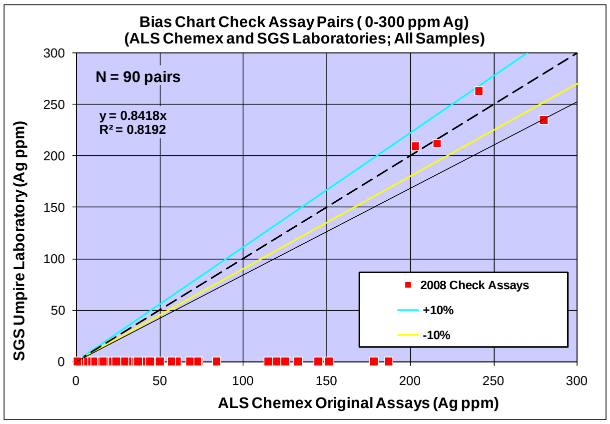
SRK Consulting
Engineers and Scientists

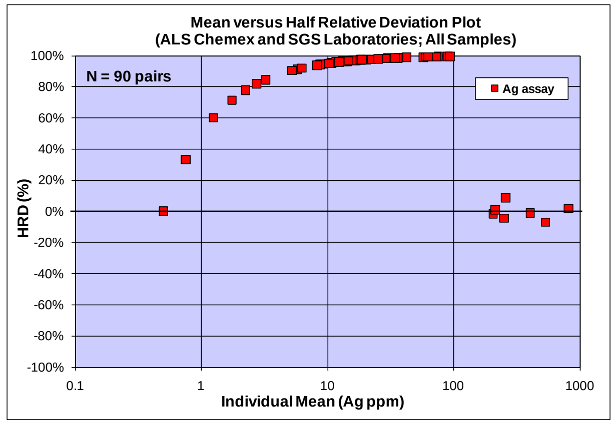
Project	Cachinal
Data Series	2008 Check Assays
Data Type	All Samples
Commodity	Ag in ppm
Analytical Method	Multi Acid Digestion and AAS
Detection Limit	5 ppm
Original Dataset	ALS Chemex Original Assays
Paired Dataset	SGS Umpire Laboratory

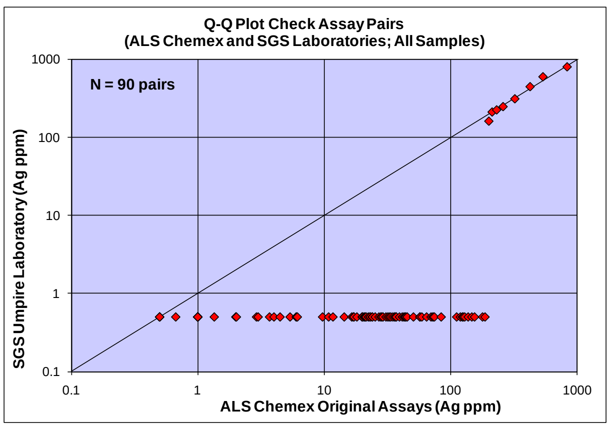
Statistics	ALS Chemex	SGS
Sample Count	90	90
Minimum Value	0.50	0.50
Maximum Value	828.00	800.00
Mean	63.34	30.47
Mode	1.00	0.50
Median	27.00	0.50
Standard Error	12.34	12.57
Standard Deviation	117.03	119.21
Pairs ≤ 10% HARD	14.4%	

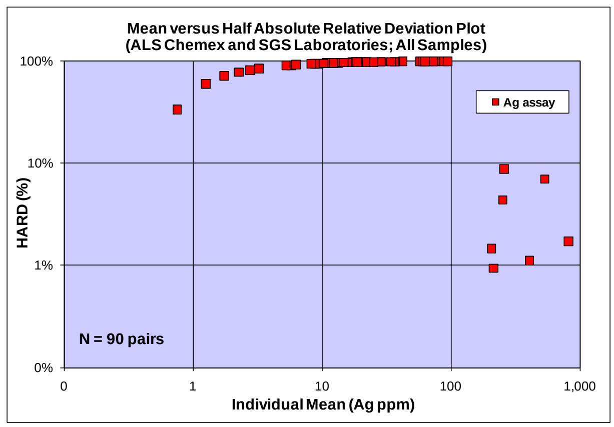








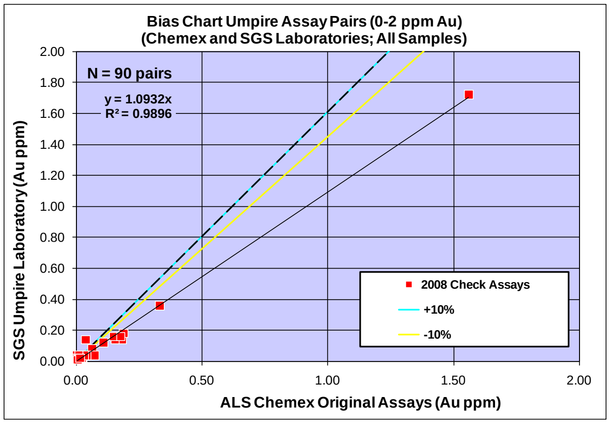


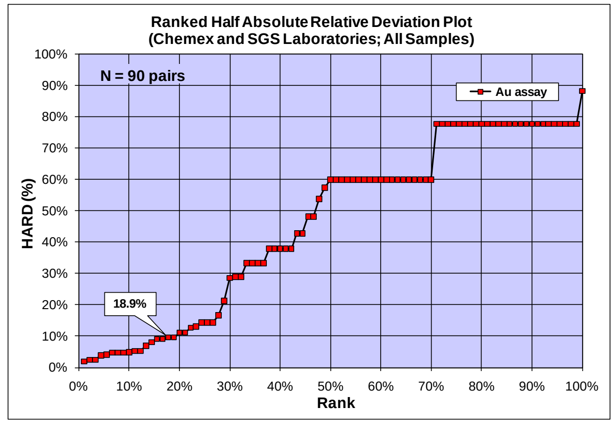


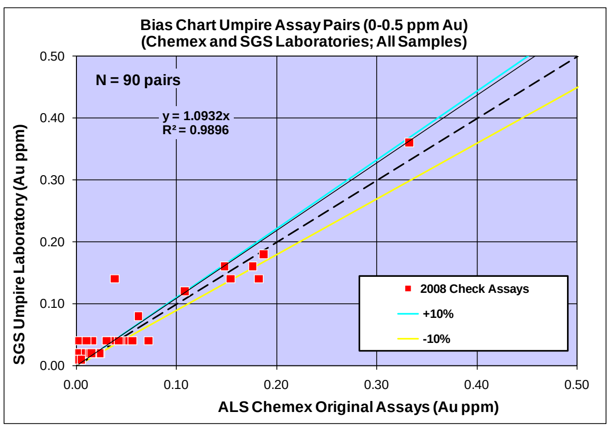
Gold Assay Results for Umpire Sample Pairs of Trench, RC chip and Core samples.

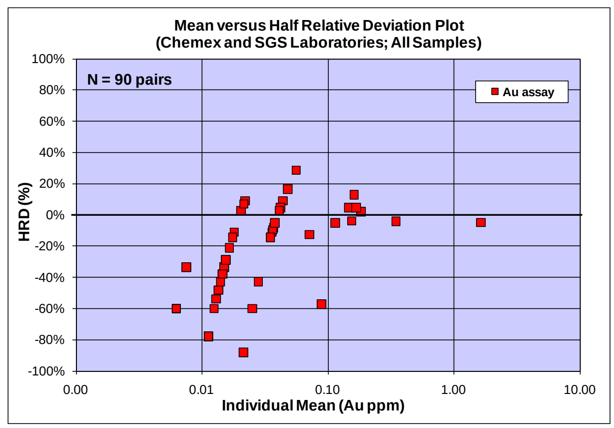
Project	Cachinal
Data Series	2008 Check Assays
Data Type	All Samples
Commodity	Au in ppm
Analytical Method	Fire Assay
Detection Limit	0.005 ppm (ALS); 0.02 ppm (SGS)
Original Dataset	ALS Chemex Original Assays
Paired Dataset	SGS Umpire Laboratory

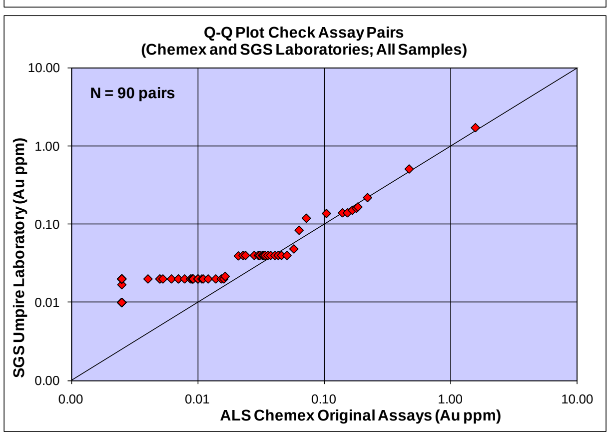
Statistics	ALS Chemex	SGS
Sample Count	90	90
Minimum Value	0.0025	0.010
Maximum Value	1.56	1.72
Mean	0.042	0.055
Mode	0.0025	0.02
Median	0.005	0.02
Standard Error	0.018	0.019
Standard Deviation	0.170	0.184
Pairs ≤ 10% HARD	18.9%	

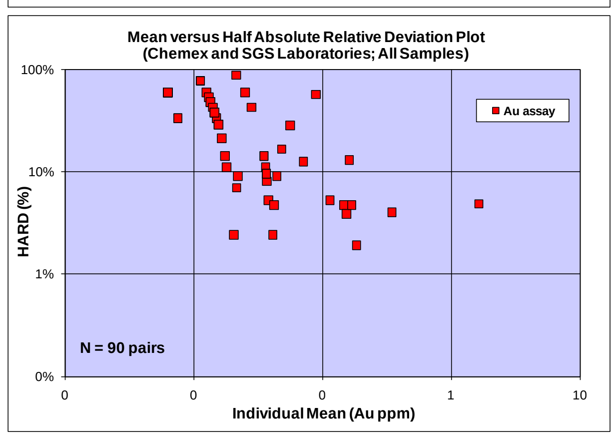










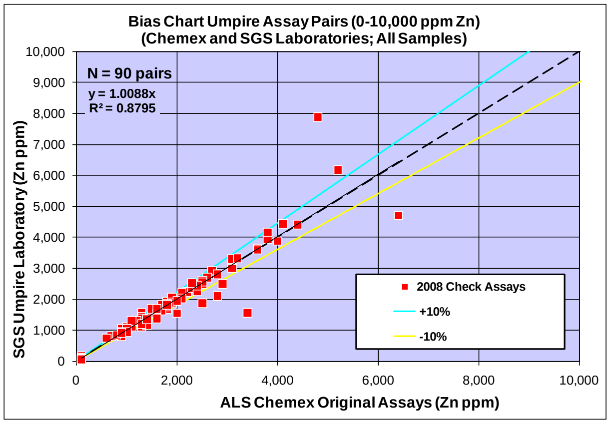


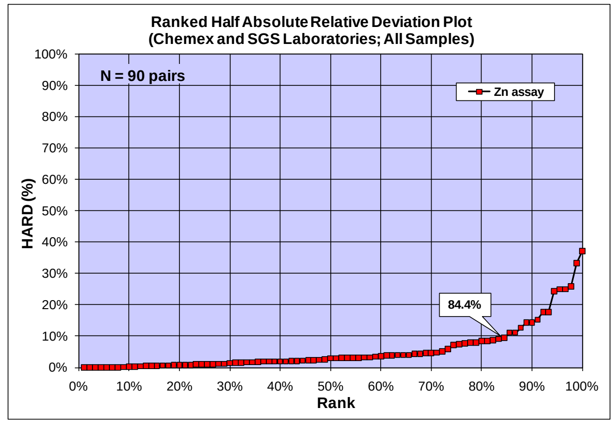
Zinc Assay Results for Umpire Sample Pairs of Trench, RC chip and Core samples.

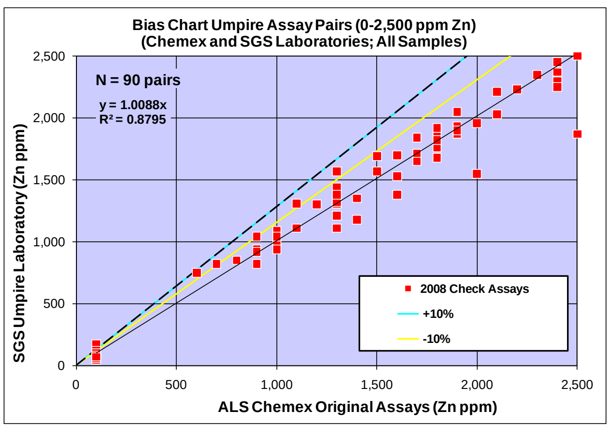
SRK Consulting — Engineers and Scientists

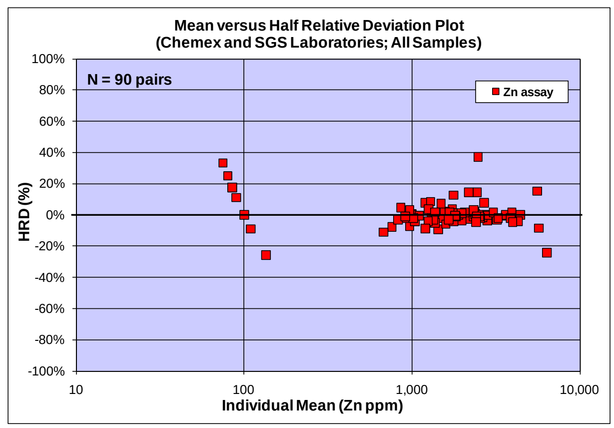
Project	Cachinal
Data Series	2008 Check Assays
Data Type	All Samples
Commodity	Zn in ppm
Analytical Method	Multi Acid Digestion and AAS
Detection Limit	10 ppm
Original Dataset	ALS Chemex Original Assays
Paired Dataset	SGS Umpire Laboratory

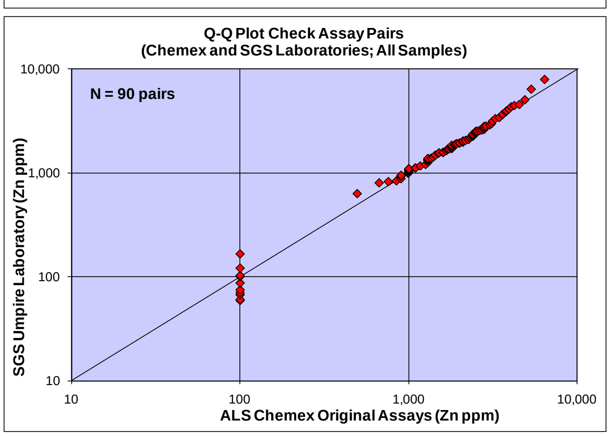
Statistics	ALS Chemex	SGS
Sample Count	90	90
Minimum Value	100	50
Maximum Value	6,400	7,890
Mean	1,872	1,886
Mode	100	1,310
Median	1,700	1,685
Standard Error	130	140
Standard Deviation	1,234	1,332
Pairs ≤ 10% HARD	84.4%	

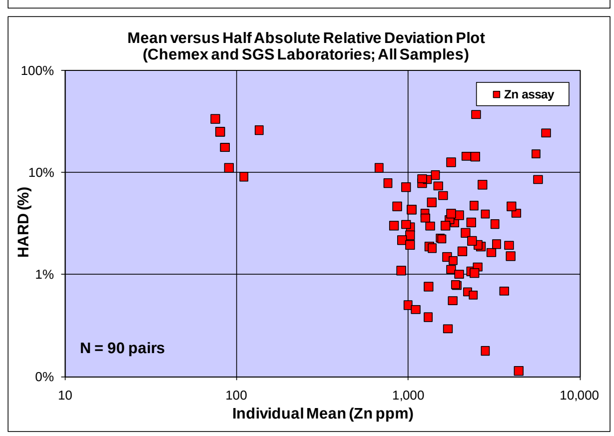












APPENDIX C

Specific Gravity Database for the Cachinal Silver-Gold-Zinc Deposit

Specific Gravity measurement on mineralized core samples within the vein wireframes.

Borehole ID	From (metre)	To (metre)	Width (metre)	Sp. Gravity. (g/cm^3)	Borehole ID	From (metre)	To (metre)	Width (metre)	Sp. Gravity (g/cm^3)
CLDD-06	152.85	153.00	0.15	2.42	CLDD-11	262.69	262.82	0.13	2.36
CLDD-06	156.93	157.08	0.15	2.41	CLDD-11	266.73	266.84	0.11	2.21
CLDD-06	162.43	162.58	0.15	2.47	CLDD-11	270.44	270.58	0.14	2.25
CLDD-06	174.24	174.39	0.15	2.45	CLDD-11	277.22	277.42	0.20	2.46
CLDD-06	244.04	244.19	0.15	2.43	CLDD-12	18.26	18.44	0.18	2.49
CLDD-06	245.76	245.90	0.14	2.46	CLDD-12	23.80	23.96	0.16	2.31
CLDD-06	257.60	257.75	0.15	2.44	CLDD-12	29.71	29.91	0.20	2.50
CLDD-06	261.82	261.97	0.15	2.42	CLDD-12	44.15	44.28	0.13	2.34
CLDD-06	266.92	267.06	0.14	2.43	CLDD-12	55.02	55.18	0.16	2.37
CLDD-06	272.15	272.30	0.15	2.42	CLDD-12	73.39	73.52	0.13	2.33
CLDD-06	279.36	279.51	0.15	2.46	CLDD-12	86.10	86.24	0.14	2.46
CLDD-06	280.85	281.00	0.15	2.45	CLDD-12	102.51	102.64	0.13	2.42
CLDD-06	288.55	288.70	0.15	2.39	CLDD-12	116.10	116.24	0.14	2.38
CLDD-06	295.85	296.00	0.15	2.39	CLDD-12	134.10	134.28	0.18	2.49
CLDD-06	302.67	302.82	0.15	2.50	CLDD-12	137.13	137.27	0.14	2.40
CLDD-06	323.32	323.47	0.15	2.38	CLDD-12	142.30	142.44	0.14	2.41
CLDD-06	327.92	328.07	0.15	2.48	CLDD-12	149.41	149.54	0.13	2.45
CLDD-07	190.92	191.07	0.15	2.45	CLDD-12	159.41	159.55	0.14	2.31
CLDD-07	243.10	243.25	0.15	2.47	CLDD-12	170.10	170.22	0.12	2.36
CLDD-07	248.27	248.42	0.15	2.53	CLDD-12	177.69	177.86	0.17	2.38
CLDD-07	253.90	254.05	0.15	2.46	CLDD-12	193.85	194.04	0.19	2.35
CLDD-07	263.34	263.49	0.15	2.43	CLDD-12	207.61	207.79	0.18	2.39
CLDD-07	269.07	269.22	0.15	2.58	CLDD-12	216.16	216.32	0.16	2.42
CLDD-07	274.18	274.30	0.12	2.52	CLDD-12	222.19	222.35	0.16	2.44
CLDD-07	276.63	276.78	0.15	2.63	CLDD-12	228.75	228.87	0.12	2.42
CLDD-08	42.50	42.64	0.14	2.33	CLDD-12	234.28	234.44	0.16	2.41
CLDD-08	240.86	241.01	0.15	2.52	CLDD-12	238.60	238.75	0.15	2.41
CLDD-08	247.00	247.10	0.10	2.30	CLDD-12	243.82	243.96	0.14	2.42
CLDD-08	250.56	250.66	0.10	2.33	CLDD-12	247.80	247.98	0.18	2.43
CLDD-08	265.96	266.11	0.15	2.48	CLDD-12	254.28	254.41	0.13	2.45
CLDD-08	273.54	273.65	0.11	2.28	CLDD-12	257.54	257.69	0.15	2.41
CLDD-10	228.11	228.26	0.15	2.48	CLDD-12	264.56	264.68	0.12	2.38
CLDD-10	243.87	244.03	0.16	2.51	CLDD-12	274.35	274.48	0.13	2.39
CLDD-10	255.38	255.49	0.11	2.51	CLDD-12	292.23	292.39	0.16	2.46
CLDD-10	259.07	259.22	0.15	2.42	CLDD-12	320.50	320.64	0.14	2.49
CLDD-10	266.58	266.73	0.15	2.45	CLDD-12	336.19	336.34	0.15	2.47
CLDD-10	275.74	275.90	0.16	2.41	CLDD-12	349.76	349.93	0.17	2.40
CLDD-10	289.70	289.85	0.15	2.39	CLDD-12	362.42	362.57	0.15	2.49
CLDD-10	318.85	319.00	0.15	2.47	CLDD-12	383.45	383.55	0.10	2.35
CLDD-10	325.62	325.77	0.15	2.32	CLDD-13	127.20	127.34	0.14	2.44
CLDD-10	327.04	327.14	0.10	2.51	CLDD-13	133.27	133.39	0.12	2.45
CLDD-10	332.05	332.22	0.17	2.45	CLDD-13	137.20	137.36	0.16	2.46
CLDD-10	339.70	339.84	0.14	2.30	CLDD-14	43.93	44.03	0.10	2.54
CLDD-10	344.58	344.70	0.12	2.16	CLDD-14	153.40	153.54	0.14	2.49
CLDD-10	358.05	358.18	0.13	2.32	CLDD-14	243.33	243.46	0.13	2.49
CLDD-11	35.43	35.57	0.14	2.39	CLDD-14	249.65	249.79	0.14	2.44
CLDD-11	145.10	145.25	0.15	2.61	CLDD-14	252.16	252.26	0.10	2.51
CLDD-11	145.10	145.25	0.15	2.48	CLDD-14	256.37	256.51	0.14	2.51
CLDD-11	147.57	147.72	0.15	2.48	CLDD-14	263.89	264.03	0.14	2.41
CLDD-11	153.44	153.59	0.15	2.51	CLDD-14	272.27	272.46	0.19	2.48
CLDD-11	157.76	157.90	0.14	2.46	CLDD-14	279.70	279.85	0.15	2.39
CLDD-11	165.58	165.70	0.12	2.36	CLDD-14	284.35	284.51	0.16	2.50
CLDD-11	179.31	179.43	0.12	2.31	CLDD-04	98.65	98.75	0.10	2.48
CLDD-11	230.00	230.15	0.15	2.46	CLDD-04	138.44	138.52	0.08	2.51
CLDD-11	232.15	232.28	0.13	2.32	CLDD-04	195.70	195.75	0.05	2.50
CLDD-11	239.42	239.54	0.12	2.48	CLDD-05	78.72	78.85	0.13	2.44
CLDD-11	249.33	249.46	0.13	2.46	CLDD-05	53.65	53.75	0.10	2.53
CLDD-11	255.71	255.84	0.13	2.09	CLDD-05	38.10	38.16	0.06	2.51
CLDD-11	257.02	257.12	0.10	2.38	**Average**				**2.43**

Specific Gravity measurement on waste core samples outside the vein wireframes.

Borehole ID	From (metre)	To (metre)	Width (metre)	Sp. Gravity. (g/cm^3)	Borehole ID	From (metre)	To (metre)	Width (metre)	Sp. Gravity (g/cm^3)
CLDD-06	12.34	12.47	0.13	2.38	CLDD-10	399.65	399.80	0.15	2.33
CLDD-06	29.79	29.92	0.13	2.46	CLDD-11	17.05	17.18	0.13	2.40
CLDD-06	44.68	44.86	0.18	2.45	CLDD-11	29.83	29.96	0.13	2.42
CLDD-06	62.18	62.33	0.15	2.39	CLDD-11	48.43	48.57	0.14	2.34
CLDD-06	74.45	74.55	0.10	2.09	CLDD-11	64.57	64.73	0.16	2.44
CLDD-06	89.74	89.90	0.16	2.43	CLDD-11	79.74	79.89	0.15	2.47
CLDD-06	104.71	104.83	0.12	2.43	CLDD-11	94.72	94.82	0.10	2.55
CLDD-06	134.69	134.86	0.17	2.48	CLDD-11	109.72	109.84	0.12	2.45
CLDD-06	150.22	150.37	0.15	2.37	CLDD-11	124.94	125.05	0.11	2.42
CLDD-06	189.54	189.67	0.13	2.42	CLDD-11	139.77	139.89	0.12	2.46
CLDD-06	204.85	205.00	0.15	2.47	CLDD-11	194.83	194.97	0.14	2.26
CLDD-06	219.46	219.61	0.15	2.46	CLDD-11	209.63	209.77	0.14	2.38
CLDD-06	236.28	236.43	0.15	2.43	CLDD-11	222.82	222.97	0.15	2.46
CLDD-06	320.32	320.15	-0.17	2.45	CLDD-11	291.70	291.89	0.19	2.49
CLDD-06	344.51	344.63	0.12	2.44	CLDD-11	302.52	302.69	0.17	2.49
CLDD-06	359.92	360.17	0.25	2.39	CLDD-11	324.50	324.69	0.19	2.48
CLDD-06	374.75	374.87	0.12	2.34	CLDD-11	334.52	334.67	0.15	2.51
CLDD-06	390.97	391.14	0.17	2.38	CLDD-11	350.48	350.59	0.11	2.49
CLDD-06	404.41	404.52	0.11	2.50	CLDD-11	366.11	366.26	0.15	2.51
CLDD-07	14.82	14.92	0.10	2.38	CLDD-11	380.05	380.20	0.15	2.55
CLDD-07	29.56	29.70	0.14	2.38	CLDD-11	395.09	395.25	0.16	2.43
CLDD-07	44.88	45.00	0.12	2.43	CLDD-12	14.10	14.29	0.19	2.32
CLDD-07	59.89	60.03	0.14	2.38	CLDD-13	12.10	12.21	0.11	2.50
CLDD-07	74.07	74.19	0.12	2.52	CLDD-13	24.30	24.47	0.17	2.51
CLDD-07	89.80	89.95	0.15	2.43	CLDD-13	40.33	40.48	0.15	2.60
CLDD-07	104.74	104.89	0.15	2.47	CLDD-13	55.68	55.81	0.13	2.49
CLDD-07	119.85	119.95	0.10	2.38	CLDD-13	71.55	71.69	0.14	2.49
CLDD-07	134.77	134.89	0.12	2.45	CLDD-13	86.10	86.23	0.13	2.47
CLDD-07	149.27	149.47	0.20	2.46	CLDD-13	100.60	100.71	0.11	2.33
CLDD-07	165.03	165.15	0.12	2.41	CLDD-13	115.47	115.60	0.13	2.47
CLDD-07	179.63	179.78	0.15	2.45	CLDD-13	150.74	150.90	0.16	2.51
CLDD-07	209.53	209.68	0.15	2.52	CLDD-13	164.29	164.45	0.16	2.45
CLDD-07	225.45	225.60	0.15	2.47	CLDD-13	180.02	180.17	0.15	2.44
CLDD-07	239.84	239.99	0.15	2.49	CLDD-13	195.69	195.87	0.18	2.52
CLDD-07	284.65	284.80	0.15	2.42	CLDD-13	210.80	210.94	0.14	2.47
CLDD-07	299.83	299.95	0.12	2.53	CLDD-13	223.40	223.55	0.15	2.52
CLDD-07	314.28	314.42	0.14	2.53	CLDD-13	239.45	239.61	0.16	2.53
CLDD-07	329.49	329.62	0.13	2.43	CLDD-13	256.22	256.41	0.19	2.48
CLDD-07	344.15	344.26	0.11	2.47	CLDD-13	266.62	266.73	0.11	2.46
CLDD-07	359.84	359.97	0.13	2.46	CLDD-13	272.32	272.48	0.16	2.52
CLDD-07	374.77	374.90	0.13	2.44	CLDD-13	289.87	290.02	0.15	2.59
CLDD-07	389.64	389.81	0.17	2.44	CLDD-13	291.68	291.82	0.14	2.63
CLDD-07	399.85	400.00	0.15	2.43	CLDD-13	298.70	298.82	0.12	2.54
CLDD-08	14.25	14.38	0.13	2.47	CLDD-13	313.02	313.19	0.17	2.62
CLDD-08	29.40	29.53	0.13	2.27	CLDD-13	326.15	326.29	0.14	2.44
CLDD-08	59.78	59.90	0.12	2.33	CLDD-13	339.74	339.89	0.15	2.56
CLDD-08	74.83	74.93	0.10	2.47	CLDD-13	352.42	352.55	0.13	2.52
CLDD-08	89.61	89.81	0.20	2.42	CLDD-13	371.84	371.95	0.11	2.50
CLDD-08	105.10	105.22	0.12	2.46	CLDD-14	14.88	15.01	0.13	2.44
CLDD-08	119.74	119.87	0.13	2.41	CLDD-14	30.23	30.39	0.16	2.42
CLDD-08	134.06	134.20	0.14	2.40	CLDD-14	60.08	60.23	0.15	2.49
CLDD-08	159.83	160.00	0.17	2.50	CLDD-14	74.30	74.42	0.12	2.46
CLDD-08	174.75	174.93	0.18	2.22	CLDD-14	89.50	89.65	0.15	2.48
CLDD-08	190.10	190.27	0.17	2.46	CLDD-14	104.85	105.00	0.15	2.46
CLDD-08	204.61	204.74	0.13	2.36	CLDD-14	119.73	119.91	0.18	2.46
CLDD-08	219.40	219.56	0.16	2.42	CLDD-14	134.50	134.66	0.16	2.40
CLDD-08	234.64	234.79	0.15	2.46	CLDD-14	149.61	149.74	0.13	2.41
CLDD-08	286.45	286.60	0.15	2.41	CLDD-14	169.44	169.55	0.11	2.49
CLDD-08	304.03	304.19	0.16	2.44	CLDD-14	184.91	185.03	0.12	2.42
CLDD-08	320.52	320.65	0.13	2.44	CLDD-14	199.76	199.88	0.12	2.43
CLDD-08	334.61	334.75	0.14	2.54	CLDD-14	213.87	214.03	0.16	2.48
CLDD-08	350.95	351.11	0.16	2.57	CLDD-14	229.76	229.86	0.10	2.42
CLDD-08	364.32	364.52	0.20	2.52	CLDD-14	299.69	299.86	0.17	2.57
CLDD-08	379.80	379.92	0.12	2.55	CLDD-14	314.78	314.89	0.11	2.59
CLDD-08	394.41	394.51	0.10	2.50	CLDD-14	329.10	329.29	0.19	2.53

Borehole ID	From (metre)	To (metre)	Width (metre)	Sp. Gravity. (g/cm^3)	Borehole ID	From (metre)	To (metre)	Width (metre)	Sp. Gravity (g/cm^3)
CLDD-09	13.79	1.98	-11.81	2.40	CLDD-14	344.80	345.00	0.20	2.45
CLDD-09	28.97	29.14	0.17	2.47	CLDD-14	359.66	359.85	0.19	2.52
CLDD-09	33.81	33.95	0.14	2.36	CLDD-14	374.30	374.48	0.18	2.49
CLDD-10	14.48	14.63	0.15	2.38	CLDD-14	389.47	389.66	0.19	2.46
CLDD-10	29.41	29.51	0.10	2.46	CLDD-14	395.96	396.08	0.12	2.56
CLDD-10	44.71	44.83	0.12	2.36	CLDD-01	10.00	10.10	0.10	2.45
CLDD-10	59.93	60.04	0.11	2.36	CLDD-02	105.27	105.37	0.10	2.47
CLDD-10	89.82	89.92	0.10	2.47	CLDD-02	51.24	51.37	0.13	2.49
CLDD-10	104.73	104.90	0.17	2.42	CLDD-03	51.13	51.23	0.10	2.52
CLDD-10	119.87	120.00	0.13	2.49	CLDD-04	134.00	134.10	0.10	2.48
CLDD-10	134.80	134.91	0.11	2.46	CLDD-04	19.29	19.39	0.10	2.50
CLDD-10	149.49	149.62	0.13	2.42	CLDD-04	115.77	115.87	0.10	2.42
CLDD-10	164.49	164.67	0.18	2.50	CLDD-04	127.65	127.75	0.10	2.49
CLDD-10	179.74	179.86	0.12	2.47	CLDD-04	219.59	219.70	0.11	2.52
CLDD-10	194.66	194.83	0.17	2.49	CLDD-04	9.00	9.10	0.10	2.45
CLDD-10	209.87	210.00	0.13	2.35	CLDD-04	170.33	170.40	0.07	2.44
CLDD-10	223.17	223.32	0.15	2.49	CLDD-04	191.90	192.00	0.10	2.45
CLDD-10	304.70	304.84	0.14	2.49	CLDD-04	72.65	72.75	0.10	2.25
CLDD-10	314.18	314.33	0.15	2.46	CLDD-05	17.40	17.56	0.16	2.38
CLDD-10	374.88	374.98	0.10	2.53	CLDD-05	49.00	49.12	0.12	2.52
CLDD-10	389.92	390.03	0.11	2.45	**Average**				**2.45**

CERTIFICATE OF QUALIFIED PERSON

To accompany the report entitled**: Independent Technical Report, Cachinal Silver-Gold Project, Region II, Chile.**

I, Glen Cole, do hereby certify that:

1) I am a Principal Consultant (Resource Geology) with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 1500 – 155 University Avenue, Toronto, Ontario, Canada;
2) I am a graduate of the University of Cape Town in South Africa with a BSc (Hons) in Geology in 1983; I obtained an MSc (Geology) from the University of Johannesburg in South Africa in 1995 and an MEng in Mineral Economics from the University of the Witwatersrand in South Africa in 1999. I have practiced my profession continuously since 1986. I am an expert in geostatistical techniques and geological and resource modelling. Since 2006, I have estimated and audited mineral resources for a variety of early and advanced international base and precious metals projects. I have worked in the mining industry on several underground and open pit mining operations and held various positions senior operational and corporate positions;
3) I am a Professional Geoscientist registered with the Association of Professional Geoscientists of the province of Ontario (APGO#1416) and am also registered as a Professional Natural Scientist with the South African Council for Scientific Professions (Reg#400070/02);
4) I have not visited the Cachinal Project;
5) I have read the definition of Qualified Person set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
6) I, as a Qualified Person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
7) I am the co-author of this report and responsible for all sections of this report and accept professional responsibility for those sections of this technical report;
8) I have had no prior involvement with the subject property;
9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
10) SRK Consulting (Canada) Inc. was retained by Aftermath Silver Ltd. to prepare a technical report for the Cachinal project in accordance with National Instrument 43-101 and Form 43-101F1 guidelines;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Cachinal project or securities of Aftermath Silver Ltd.;
12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

	["Original signed and sealed"]
Toronto, Canada	Glen Cole, PGeo (APGO#1416)
Effective Date: April 30, 2008	Principal Consultant (Resource Geology)
Readdressed on: August 7, 2018	SRK Consulting (Canada) Inc.

CERTIFICATE OF QUALIFIED PERSON

To accompany the report entitled**: Independent Technical Report, Cachinal Silver-Gold Project, Region II, Chile.**

I, Jean-François Couture, do hereby certify that:

1) I am an Associate Corporate Consultant (Geology) with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 1500 – 155 University Avenue, Toronto, Ontario, Canada;
2) I am a graduate of the Université Laval in Quebec City with a BSc. in Geology in 1982. I obtained an MSc.A. in Earth Sciences and a Ph.D. in Mineral Resources from Université du Québec à Chicoutimi in 1986 and 1994, respectively. I have practiced my profession continuously since 1982. From 1982 to 1988, I conducted regional mapping programs in the Precambrian Shield of Canada, from 1988 to 1996, I conduced mineral deposit studies for a variety of base and precious metals deposits of hydrothermal and magmatic origins. From 1996 to 2000, I was a Senior Exploration Geologist responsible for the development, execution and management of exploration program for base and precious metals in Precambrian terranes, including volcanogenic sulphide deposits. Since 2001 I am a Principal Geologist and have authored and co-authored several independent technical reports on several base and precious metals exploration and mining projects in Canada, United States, China, Kazakhstan, Northern Europe, South America, West Africa and South Africa;
3) I am a Professional Geoscientist registered with the Association of Professional Geoscientists of the province of Ontario (APGO#0197) and a fellow with the Geological Association of Canada;
4) I have personally inspected the subject property and surrounding areas on October 10, 2007;
5) I have read the definition of Qualified Person set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
6) I, as a Qualified Person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
7) I am the co-author of this report and am the senior reviewer of all sections of this report and accept professional responsibility for those sections of this technical report;
8) I have had no prior involvement with the subject property;
9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
10) SRK Consulting (Canada) Inc. was retained by Aftermath Silver Ltd. to prepare a technical report for the Cachinal project in accordance with National Instrument 43-101 and Form 43-101F1 guidelines;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Cachinal project or securities of Aftermath Silver Ltd.;
12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

	["Original signed and sealed"]
Toronto, Canada	Jean François Couture, PGeo (APGO#0197)
Effective Date: April 30, 2008	Associate Corporate Consultant (Geology)
Readdressed on: August 7, 2018	SRK Consulting (Canada) Inc.