Geology and Exploration of the Cocula Project
Municipality of San Martin Hidalgo
Jalisco State, Mexico

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

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CERTIFICATE OF AUTHOR AND STATEMENT OF QUALIFICATIONS:

The effective date of this report is August 27, 2019.

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I, F. Carranza, hereby certify:

1. That I am a Certified Professional Geologist #11933 with the American Institute of Professional Geologists of Westminster, Colorado since 2018.

2. That I graduated with a BS degree in Geology in 1985 from the Universidad de Sonora.

3. That I have accrued more than 33 years of experience in exploration, evaluation, discovery and research of mineral deposits in Mexico. Relevant experience includes evaluation and exploration of multiple types of mineral systems throughout Mexico.

4. That I have personally conducted an examination of the Cocula Project on July 12, 2019.

5. That I am the author of the Technical Report titled "GEOLOGY AND EXPLORATION OF THE COCULA PROJECT, MUNICIPALITY OF SAN MARTIN HIDALGO, JALISCO STATE, MEXICO" dated August 27, 2019 and am solely responsible for its content.

6. That I have read the definition of "qualified person" set out in National Instrument 43-l0l ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined by NI 43-101) and experience in geology, mineral exploration and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101 and am independent of the issuer under Part 1.5 of NI 43-101 and as described in Part 1.5 of the Companion Policy 43-101CP.

7. That I am acting as a Qualified Person to Silver Spruce Resources Inc. (Silver Spruce), and that I do not have any present interest or involvement in the Cocula Project or Property other than remuneration for consulting services, nor shares or interest in Silver Spruce or in any adjacent properties, nor do I expect to receive any such interest or shares.

8. As of the dates of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all such scientific and technical information that is required to be disclosed to make this Technical Report complete and accurate, and not misleading. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report which is not reflected in the Technical Report.

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

DATED this 27th day of August, 2019

(Original signed) "Francisco M Carranza, CPG."

Francisco M Carranza, CPG.

GLOSSARY OF TERMS

TERM	DESCRIPTION
%	Percent
<	Less than
>	More than
±	More or less
#N	UTM grid measurement in meters north of the equator
#E	UTM grid measurement in meters east of the central Meridian
Ag, As, Au, Bi, Co, Cu, Fe, Hg, K, Mo, Pb, Sb, Te, U, and Zn	Chemical symbols from the periodic group of elements. silver (Ag), arsenic (As), gold (Au), bismuth (Bi), cobalt (Co), copper (Cu), iron (Fe), mercury (Hg), potassium (K), molybdenum (Mo), lead (Pb), antimony (Sb), tellurium (Te), uranium (U and zinc (Zn).
ALS, ALS Chemex, Chemex	ALS, a division of ALS Global Ltd through Chemex De Mexico, S.A. De C.V., located in Mexico and Vancouver.
Alteration	Physical and chemical changes to the original composition of rocks due to the introduction of hydrothermal fluids, of ore forming solutions, to changes in the confining temperature and pressures or to any combination of these. The original rock composition is considered "altered" by these changes, and the product of change is considered an "alteration". (From Hacettepe University online dictionary, after AGI)
Anomalous (anomaly)	a. A departure from the expected or normal. b. The difference between an observed value and the corresponding computed value (background value). c. A geological feature, esp. in the subsurface, distinguished by geological, geophysical, or geochemical means, which is different from the general surroundings and is often of potential economic value; e.g., a magnetic anomaly. (From Hacettepe University online dictionary, after AGI)
Silver Spruce or Company	Silver Spruce Resources Inc., a public company incorporated in Canada.
Background	A measured or calculated geochemical, geophysical, petrological or other threshold considered representative of an area. The "Normal" or "not anomalous".
Body	Generally irregularly shaped mass of mineralized rock in the form of mantos or chimney consisting of massive sulfides or the oxidized equivalent
Breccia	Means fragmental rocks whose components are angular and, therefore, as distinguished from conglomerates as not water worn. May be sedimentary or formed by crushing or grinding along faults or by hydrothermal explosions.
BV, Acme Labs, Inspectorate, IPL	Bureau Veritas Group, primary analytical lab for the author at the Project, and used for the audit samples taken by the author, located in Hermosillo, Mexico and Vancouver; acquired Acme Labs and Inspectorate Labs.
CAD$ US$	Canadian dollars, United States of America dollars.
Constancia de	An official "statement of good standing" provided by the Mexican

Vigencia	Government as a confirmation to holders of mineral concessions that the mineral rights and concessions are active and in good standing according to Mexican Mining Law as published in the Official Mexican public journal ("Diario Official") dated October 12, 2012
CRM	Consejo de Recursos Minerales (also Coremi). The former name of the Mexican Geological Survey now renamed the Servicio Geológico Mexicano or SGM
Diario Oficial	Official gazette of the Mexican Government
Epithermal	Said of a hydrothermal mineral deposit formed within about 1 km of the Earth's surface and in the temperature range of 50 to 200 degrees C, occurring mainly as veins. Also, said of that depositional environment.
FeOX	Iron oxide minerals
g/t or Gm/Tonne	Grams per Tonne. Where a gramme (also gram) is a unit of measure equal to $1/1000^{th}$ of a kilogram. A Tonne is a metric Tonne having a unit weight of 1,000 kilograms.
GPS	An electronic device that records the data transmitted by the geographic positioning satellite system.
F13-D73	Mapping index system for Mexico, 1:50,000 scale maps; this designation is the Atengo sheet covering the Project.
IP	Induced Polarization, a ground geophysical method to measure electrical properties of rocks (IP polarization or chargeability and apparent resistivity) and define anomalies that may be related to mineralization. Generally pole-dipole or dipole-dipole arrays and measured in milliradians (mrad) for phase domain IP or milliseconds (msec) for time domain IP.
Km, Kms	Kilometer, Kilometers
Ltd, Inc	Limited, Incorporated
M, Ma, MT, Moz	million, million years, million tonnes, million ounce
Mineralization (mineralizing)	The presence of minerals of possible economic value – and also the process by which concentration of economic minerals occurs.
N, S, E, W, NW, etc	North, south, east, west, northwest, northeast etc.
NAD27, NAD83	Ellipsoid projection models of the earth, North America Datum, from 1927 and 1983; NAD27 is commonly used in Mexico and was formerly required by the Federal Mines Department, and NAD83 is an update very similar to WGS84.
NI 43-101	National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators
No.	Number
oz, ppm, ppb, ºC, mm, cm, m, Km, $Km^{2,}$	Units of measure: ounce, parts per million, parts per billion, degrees Celsius, millimeter, centimeter, meter, kilometer and square kilometers.
Property	Mineral rights controlled by Silver Spruce at the Cocula Project
QAQC	A quality assurance and quality control program
S.A de C.V	Sociedad Anónima de Capital Variable, a corporation in Mexico
S.A.P.I. de C.V.	Sociedad Anónima Promotora de Inversion de Capital Variable, a corporation for promoting investment with the eventual goal of listing on

	the stock Exchange
SEDAR	Canadian System for Electronic Document Analysis and Retrieval (SEDAR)
Showing	A location where alteration and/or mineralization occurs at surface.
SGM	Servicio Geológico Mexicano, the Mexican Geological Survey, also formerly known as the Consejo de Recursos Minerales, CRM.
Target	A focus or loci for exploration.
UTM	Universal Transverse Mercator.
WGS84	An ellipsoid model of the earth, used for UTM coordinates in this report.

CONVERSIONS

The following table sets forth certain standard conversions from the Standard Imperial units to the International System of Units (or metric units). Unless otherwise stated United States currency (US$) is used throughout this report. Canadian dollars ($CAD) are converted at 1.3 for one for the purposes of this Report.

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

1.0 SUMMARY

1.1 Introduction and Terms of Reference

The following Technical Report was prepared by Francisco M. Carranza (The Author), Certified Professional Geologist (CPG 11933) of the American Institute of Professional Geologists and Qualified Person under N I43-101 requirements, undertaken on behalf of Silver Spruce Resources Inc. (Silver Spruce or the Company). Silver Spruce has acquired an interest in a certain mining concessions known as the Cocula Property (Property) located in the Ameca mining region, San Martin Hidalgo municipality of Jalisco State (Fig. 4.1). Silver Spruce contracted the author, Francisco M. Carranza, to carry out an examination of the property and to prepare this report.

This Technical Report was prepared in compliance with Canadian National Instrument 43-101 (NI 43-101). The Technical Report is based in internal and public geologic information, historic data from Servicio Geologico Mexicana (SGM) and other public sources and is an accurate representation of the geologic potential of the Cocula Project based in the property visit on July 12, 2019 and available information. At the present time the Project is an intermediate stage Exploration Project and there are no resources or reserves defined at the Property. Work recommended herein was planned by and will be supervised by a Qualified Person(s) as defined by NI-43-101.

1.2 Reliance on Other Experts

The author was accompanied by Ings. Rene Ramirez and Hector Velo of Prospeccion y Desarrollo Minero del Norte, S.A. de C.V. (ProDeMin) during the site visit for this Technical Report completed on July 12, 2019 during which 8 rock samples and 4 RC drill samples for audit were taken.

The mineral rights to the concessions constituting the Cocula Project are considered to be valid by the Mining Department in México as of the date of this Technical Report. The author has reviewed legal documentation provided by the Company, but has not performed an exhaustive legal investigation into the status of the concessions including legal filings, tax payments and assessment work filings for past years. The author has relied upon legal documents provided by ProDeMin and Silver Spruce. It was not within the scope of this Technical Report to examine in detail or to independently verify the legal status or ownership of the Property and has no reason to believe that ownership and status are other than has been represented. Determination of secure mineral title and surface estate ownership is solely the responsibility of the Company.

Information from prior exploration at the Project was provided by ProDeMin and Silver Spruce. This information was generated by several companies and the author has used this data as a general reference for the field visits as discussed in the sections on Exploration and Results. Dr. Craig Gibson of ProDeMin reviewed a draft of this report and the author is grateful for his suggestions for improvements; however, the interpretation of the available geological data and the conclusions of this study are solely those of the author.

1.3 Property Description and Location

1.3.1 Mineral Rights

Silver Spruce has entered into an agreement with ProDeMin to acquire a 100% interest in certain mineral rights and concessions that make up the Cocula Project (Table 1.1). ProDeMin previously

acquired 100% of the rights to the mining concessions under an option agreement with the concession owners. The terms of this agreement include a total payment of $3,100,000.00 USD over a period of 4 years for a 100% interest subject to an NSR of 2%. ProDeMin can buy 1% of the NSR at any time for $500,000.00 USD, and the royalty is capped at $1,500,000.00 USD.

Table 1.1. Mining Concessions of the Cocula Project.

CLAIM	HECTARES	GRANTED	TITLE	EXPIRATION
La Margarita	128.0	Dec. 19, 1991	192562	Dec. 18, 2041
Hermosa Provincia	105.5489	Aug. 25, 1992	195133	Aug.24 , 2042
TOTAL	**233.5489**			

Silver Spruce has entered into a binding letter of agreement (LOA) to acquire 100% of the Project from ProDeMin subject to a 6 month Due Diligence period. Under the terms of the LOA, Silver Spruce will assume ProDeMin's option agreement with the concession holders, will pay ProDeMin USD125,000 over two years to reimburse ProDeMin for its expenditures on the project, issue ProDeMin 3 million shares of Silver Spruce stock over four years and perform minimum work expenditures totaling US$250,000 over the first two years and US$500,000 over the remaining two years of the agreement. ProDeMin has agreed to negotiate with the concession holders to delay payments and/or to accept Company shares for part of the payments.

The details of the agreement have been reviewed by the author during the writing of this technical report, but an exhaustive legal investigation was not undertaken. The author relied upon publically available documents and those provided by the Company and has no reason to doubt the representation by Silver Spruce that it controls these concessions.

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

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

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

1.3.2 Surface Access Rights

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

The surface rights covering the Cocula Property are held by some rustic properties belong to private owners. ProDeMin has entered into formal access agreements with several private individuals to allow

access for the work to be performed on the Project. These agreements area assignable to the Company. To the best of the author's knowledge, Silver Spruce enjoys the right of surface access to the Property.

1.3.3 Permitting

The Company has not completed any exploration work to date other than the limited surface examinations, mapping and sampling described in this report. ProDeMin applied for and received an environmental permit for drilling at the Project. The Project was subject to previous drill program and has good access and existing roads and drill pads, and no new road construction is necessary nor has been permitted at this time. No potential past environmental liabilities are known.

With respect to surface exploration at the Property, at the present time, and up until exploration activities have progressed further to include surface disturbance, no other permits are required. The current permit allows rehabilitation of existing roads and drilling from them. Additional permits would be required for new surface disturbance, including construction of new roads and drill sites and include an Environmental Impact Statement (*Manifiesto de Impacto Ambiental*, or MIA) and Change of Soil Use (*Estudio Justicativo Para Cambio de Uso de Suelos* EJCUS) permit. The required permits are shown in Table 1.2.

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

Table 1.2. Permitting Requirements for the Cocula Project

Permit	Relevant to	Status
Preventative Notice (Informe Preventivo);	Early exploration	Applied for, accepted
The Permit for Change of Soil Use in Forested Area and Environmental Impact Statement issued by the State Delegations of Secretary of the Environment, Natural Resources and Fisheries (SEMARNAT)	Transitional, advanced exploration to development	Not necessary until surface area is to be disturbed

1.3.4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Cocula Project is located in the west portion of Jalisco state and lies in the Sierras Altas del Norte Physiographic Province, and the Neo volcanic axis Geologic Province (E. Lopez-Ramos, 1979). Topography in the region is moderately abrupt and ranges from about 1300 meters above sea level on plains surrounding the ranges to as much as 2500 meters above sea level in the nearby ranges. The Company's exploration activities will be conducted primarily between 1500 and 1700 meters elevation.

Vegetation is desert-like with grasses, bushes, minor cacti, and dominating the vegetation with abundant huizache trees in arroyos and hills. The foliage becomes lush and jungle-like during the rainy season. Strongly altered areas with near surface oxidation and argillization commonly are bare, with little plant growth (Fig. 5.4). Surface land use in the region of the Project is devoted largely to grazing and the area is generally uninhabited except for small ranches.

The climate in the region is classified as tropical temperate, with an average annual temperature of 20 degrees Celsius with average highs of 33 degrees Celsius and average lows temperature of 12 degrees Celsius. Precipitation is 950 millimeters per year, mainly from July through September, with occasional rain in December and January.

The villages of San Jeronimo and San Martin Hidalgo, with a combined population of about 28,000, are the closest population centers, and are located 7.5 and 15 kms from the Property, respectively. The property lies some 75 kilometers southwest from the city of Guadalajara, the capital of Jalisco State. The Project concessions are accessible from Guadalajara by driving for about 1 hour and 30 minutes via good highways and 30 minutes by 7.5 km of dirt road in moderate to poor condition.

The area offers little infrastructure and a limited unskilled work force is available in the nearby communities. The nearest power is at San Jeronimo that is served by powerlines of the electrical grid. All major supplies and services are available from San Martin Hidalgo, Ameca and Guadalajara, which are 30, 45 minutes and 1.5 hours respectively driving from the Project, Figs. 4.1, 5.1. The nearest airport is at Guadalajara with a modern international airport. Water in the arroyos that drain the project would be enough for a small drill program.

1.4 History

The early history of the Project is not known. Metallic mining activity was not large in scale although small adits, digs and pits in the area provide evidence for small scale mining. Mining was important in the region, however, with several large mines active in the past. The project area is located within the Las Minas Mineralized area, part of the Ameca Mining District. This region has several active precious metal projects, including Agnico Eagle's El Barqueño exploration project and Endeavor Silver's Terronera development project.

The project was explored by Timmins Gold Corp. from late 2007 to 2011 and carried out geologic mapping, geochemical sampling, 1,974 meters of RC drilling and evaluation of results.

1.5 Geology and Mineralization

A volcano-sedimentary sequence, Mesozoic in age, crops out in the central portion of Jalisco State, and is the basement correlated to the Guerrero terrane. It is intruded by multiple stocks of diorite to granite in composition. A younger volcanic sequence, Tertiary in age and constituted by andesite and basaltic flows associated with the Neo volcanic Axis, locally covers the basement and intrusive rocks.

Mineralization is associated with a breccia hosted in the contact of andesite from volcano-sedimentary sequence and a granodiorite intrusive or perhaps a more felsic pyroclastic unit. The breccia is hosted in a fault zone with a general NW-SE strike and it contains andesite and intrusive fragments cemented by clays, iron oxides, barite and quartz, along with stockwork quartz veining mineralized with Au, Pb, Zn, Cu, and Ag.

1.6 Exploration and Drilling

The Company has completed one two week period of exploration at the Project consisting of geologic mapping and limited sampling. A Due Diligence program consisted of sampling mineralized areas and check sampling of past RC cuttings stored at the project to establish a general overview prior to a more intensive exploration program.

1.6.1 Exploration Program

The Company completed a limited mapping program to re-interpret the geology of the Project. This program identified three styles of spatially-related mineralization and alteration. The first type consists of a mineralized structure striking northwesterly and dipping steeply to moderately to the southwest that hosts a multilithic breccia that locally contains quartz filling and stockwork veining. The quartz

generally consists of clear crystalline quartz with open space and drusy textures, locally with finer grained silica. The structure is exposed over a strike length of approximately 800 meters and is adjacent to a wider zone of similar breccia near its northwestern end. The wall rocks of the breccia are locally strongly argillized and are cut by numerous quartz veins and iron oxide bearing fractures.

The second type of mineralization and alteration is located west of the breccia described above and consists of chloritized andesite with disseminated pyrite cut by banded massive milky quartz veins. Epidote is locally observed and oxidized copper minerals and staining are commonly present. Northwest striking veins with abundant sulfides, dominantly pyrite and galena, occur within this zone.

The third type of mineralization consist of quartz-barite veins associated with manganese oxide that lie to the east of the breccia body and along the northwest trending breccia structure and are evidently younger. The quartz is crystalline and occurs with massive and bladed barite.

1.6.2 Drilling

No drilling has been carried out on the Property by the Company. Drilling on these concessions was completed in the past and some data has been acquired. Review and compilation of the data is planned.

1.6.3 Sample Preparation, Analyses, and Security

The Company has taken 26 rock samples at the Project as well as 14 samples of RC cuttings collected by ProDeMin geologists to audit the Timmins database as part of a Due Diligence program. The Author also took 8 samples of outcrops in trenches and small mine workings and 4 samples of RC cuttings during a visit to the Project. Rock samples generally consisted of 1-3 kg of material that was taken as chips across mineralized exposures or of selected material, including outcropping or sub-outcropping rock, dumps and locally float. The samples are described and located with a GPS.

Once collected, the samples were in the possession of the Company or the author until delivered to the laboratory. The Company competed widely-spaced sampling in areas where results of previous samples are available. A control sample pulp and a coarse blank were included. As standard procedure and as sampling becomes more systematic, project geologists should insert control samples in numerical sequence prior to submission to the laboratory.

All descriptive data collected in the field is recorded the Company's database by the responsible geologist. Once geochemical assay results are received from the laboratory the assay certificates are digitally merged with the descriptive database.

Samples collected by the author were prepared and analyzed by ALS Chemex at their facilities in Guadalajara and Vancouver, respectively. ALS Chemex is a worldwide analytical laboratory. For assays by the author, the samples were analyzed for all elements using a multielement ME-MS61, Au ore grade Au-AA26, Hg-MS42 package that included 50 grs pulp sample for gold fire assay.

The Property sample database is maintained in an Excel spreadsheet. The database includes the sample number, prospect or target, location of the sample site, sampler, date collected, width or area for channel or chip channel samples, lithologic description, structural details (if observed), analytical certificate and results.

It is the opinion of the author that the procedures and methods of sample collection, security, preparation and analysis, as well as data handling, are adequate and appropriate for the geochemical sampling program that has been conducted on the Property to date.

1.7 Conclusions and Recommendations

1.7.1 Data Verification and QAQC

The rock samples taken by the author remained in the author's custody until they were delivered to ALS Chemex in Guadalajara, Jalisco. The analytical results from the samples taken by the author and compared to past results from other workers are shown in Table 12.1. The analytical results from these samples confirm the presence of metal values at similar levels as reported in the analytical data from the historical exploration work.

Based on the field review and sampling results, it is the author's opinion that the current database is adequate and appropriate for continued evaluation of the Cocula Project.

1.7.2 Results of Exploration

Based on the geology, historical exploration and the field review completed for this report, the Cocula Project warrants further exploration.

Historical sampling, abundant evidences of mineralization and structural preparation provide encouragement for further exploration at the Cocula Project.

In the opinion of the author of this Technical Report, the Cocula Property has exploration potential. Detailed geologic mapping and gathering of structural data, sampling, surveying and data compilation is necessary. Future diamond drill testing is warranted and necessary to determine the tenor and extent of mineralization, as well as the future economic viability of the Property.

1.7.3 Recommendations

Information from exploration carried out by Timmins Gold, as well as data evaluation and the exploration visits made to the Cocula Project were successful in demonstrating potential for encountering precious metals and other base metal mineralization by exploration at the Project. Recommendations for further work are included below.

- Detailed geologic and structural mapping and systematic sampling is required over the Property to help further define the controls on mineralization.
- The Timmins RC drill hole data should be digitized and compiled to be able to use with the Company's own data for interpretation and planning.
- Based on work to date an exploration diamond drill program to test subsurface mineralization is warranted and should be undertaken in readily accessible areas.

The table below presents a proposed budget for the Cocula Project. The program includes diamond drilling along existing roads and disturbed areas as allowed by the environmental permit.

Table 1.3. Proposed 6 month budget for the Cocula Project.

Proposed exploration budget, geology and drilling (amounts in USD)	
Personnel	$60,000
Road rehabilitation (20 hrs at $150/hr)	$5,000
Drilling (1000 meters at $100/meter)	$100,000
Samples (1000 at $40 per sample)	$40,000
Expenses: travel, fuel, office supplies	$35,000
Contingencies	$10,000
Total	**$250,000**

2.0 INTRODUCTION AND TERMS OF REFERENCE

Preparation of this Technical Report was undertaken on behalf of Silver Spruce Resources, Inc. (Silver Spruce or the Company). Silver Spruce has signed a binding letter of agreement (LOA) to acquire 100% of the rights to certain mining concessions that makes up the Cocula Project (Property or Project) located in the San Martin Hidalgo municipality of Jalisco State (Figures 4.1 and 4.2). Silver Spruce contracted the author, Francisco M. Carranza, CPG, to carry out an examination of the property and to prepare this report.

This Technical Report was prepared in compliance with Canadian National Instrument 43-101 (NI 43-101). The Technical Report is based in internal and public geologic information, historic data from Servicio Geologico Mexicano (SGM) and other public sources, as well as data from the property visit made by the author on July 12, 2019. This Technical Report is an accurate description of geologic potential of Cocula based on the property visit and available information.

At the present time the Project is an intermediate stage Exploration Project. The Company has completed little exploration at the Project, but has reports and sample data generated during past exploration by some companies, mainly Timmins Gold Corp. and the vendor, Prospeccion y Desarrollo Minero del Norte, S.A. de C.V. (ProDeMin). At the present time there are no resources or reserves defined at the Property, and limited drilling has been completed.

The author, Francisco Manuel Carranza, a Certified Professional Geologist of the American Institute of Professional Geologists (CPG 11933) and Qualified Person under NI 43-101 requirements, visited the Project for this Technical Report on July 12, 2019, during which eight rock samples were taken and four samples of RC drill cuttings were selected for re-assay. Ings. Guillermo Florenzani and Hector Velo of ProDeMin accompanied the author during the visit. Dr. Craig Gibson, CPG, reviewed the manuscript for this report and made useful suggestions to improve it; however, the content of this report is solely the responsibility of the author.

3.0 RELIANCE ON OTHER EXPERTS

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

The mineral rights to the concessions constituting the Cocula Property are valid based on information available from the Mining Department (*Dirección de Minas*) in México as of the date of this Technical Report. The author has reviewed legal documents provided by the company showing the ownership of the rights to the Property, but an exhaustive legal investigation was not undertaken. The author has not investigated the status of legal filings including tax payments and assessment work filings. It was not within the scope of this Technical Report to examine in detail or to independently verify the legal status or ownership of the Property, but the author has no reason to believe that ownership and status are other than has been represented. Determination of secure mineral title and surface ownership is solely the responsibility of the Company.

Information from historical exploration conducted was provided to the author for review in preparation of this report. Much of this information was generated by exploration programs of Timmins Gold Corp. under the supervision of Ing. Miguel A Soto, Vice President, Exploration of Timmins Gold at that date. Some data generated by ProDeMin, the vendor, was also reviewed by the author. The author used this

data during the field visit and for the preparation of this report. The author is solely responsible for the interpretation of the available geological data and the conclusions of this study.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 Location

The Cocula Project is located in the west-central part of the State of Jalisco in western Mexico, approximately 75 kilometers W-SW of Guadalajara, Jalisco, in the Municipality of San Martin Hidalgo (Fig. 4.1). For the purposes of this report, the Cocula Project or Property includes La Margarita and Hermosa Provincia concessions (Fig. 4.2). The Cocula Property main zone is located at approximately UTM Zone 13 WGS84, 601,766m E and 2,254,919m N or by 104° 01'29.1" west longitude and 20° 23'23.3" north latitude.

Figure 4.1 shows the location of the Cocula Project in relation to geographic points in the state of Jalisco, and Figure 4.2 shows the location of Company's mining claims, La Margarita and Hermosa Provincia, in the area.

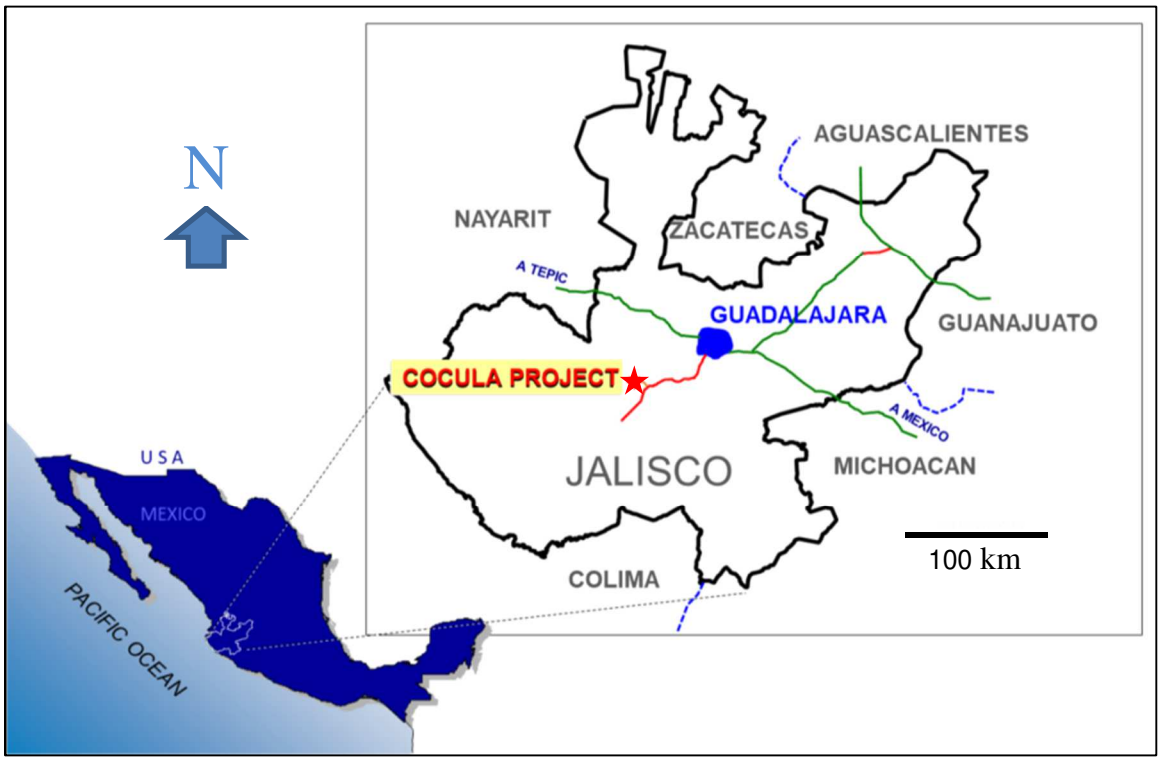

Figure 4.1. The Cocula Project location in Jalisco State, western Mexico.
The Cocula Project is located in west central Jalisco, about 75 km southwest of Guadalajara.

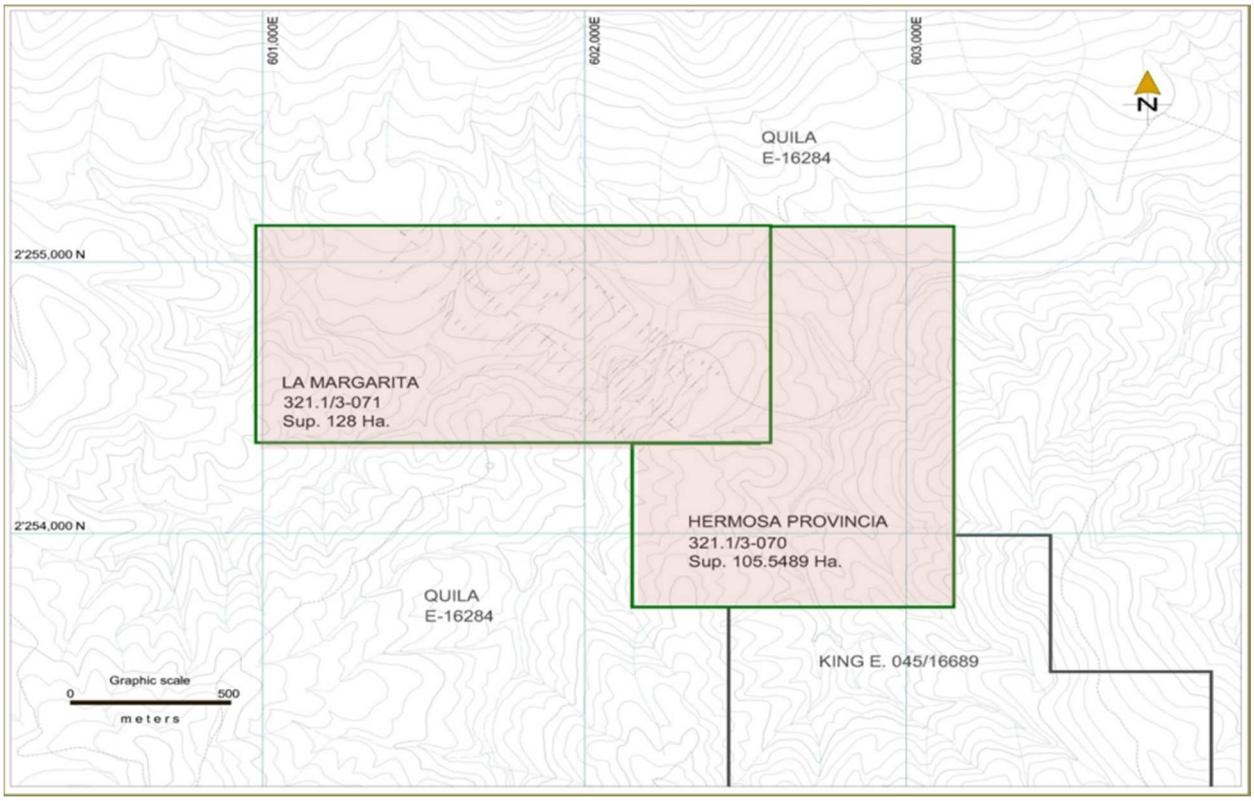

Figure 4.2. Cocula Property.
The Cocula Property consists of the La Margarita and Hermosa Provincia concessions, shown in the green outline and shaded. The concessions are surrounded by other concessions controlled by third parties.

4.2 Mineral Concessions and Agreements

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

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

The Mexican Constitution maintains a direct non-transferable ownership of the nation's mineral wealth (considered a national resource) that is governed under established Mining Law. The use and exploitation of such national resources is provided for through clear title to a mineral rights concession ("lote" or "concession") that is granted by the Federal Executive Branch for a fee and under prescribed conditions. Mining concessions are only granted to Mexican companies and nationals or Ejidos, (agrarian communities, communes, and indigenous communities). Foreign companies can hold mining concessions through their 100% owned Mexican companies.

The main obligations to maintain title to a concession in good standing are performance of work expenditures, payment of mining fees and compliance with environmental laws. Mineral rights fees are paid bi-annually in January and July, and annual proof of exploration work expenditures is done via a work report filed by the end of May of the following year ("assessment" report or "comprobacion de obras"). The amount of the mineral rights fees and the amount of expenditures required varies each year. It is calculated based on a per hectare rate that typically increases annually in line with annual inflation rates. The new rates are published each year in advance in the Official Gazette of the Mexican Federation ("Diario Oficial"). The author has not verified that the tax payments are up to date or that the assessment documents have been filed and is relying on disclosure by Silver Spruce.

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

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

4.2.1 Mineral Rights

Silver Spruce has entered into an agreement dated July 13 2019, with Prospeccion y Desarrollo Minero del Norte, S.A. de C.V. (ProDeMin) to earn 100% of the rights to the La Margarita and Hermosa Provincia concessions that makes up the Cocula Property that constitutes ProDeMin's interest acquired from private individuals (Table 4.1, Fig. 4.2). ProDeMin previously entered into an option to acquire 100% of the rights to the Project under an agreement with the concession holders.

Table 4.1. Mining Concessions of the Cocula Property included in the contracts.

CLAIM	HECTARES	GRANTED	TITLE	EXPIRATION
La Margarita	128.0	Dec. 19, 1991	192562	Dec. 18, 2041
Hermosa Provincia	105.5489	Aug. 25, 1992	195133	Aug.24 , 2042
TOTAL	**233.5489**			

On December 19, 2017, ProDeMin signed an exploration-exploitation contract with the heirs of the original concession holder, Clemente Lopez Rodriguez, Alicia Lopez Rodriguez, Antonio Lopez Rodriguez, Salvador Lopez Rodriguez and Juan Alberto Nuñez Lopez, for a purchase option of the

Project for $3,100,000.00 USD over a period of 4 years. The contract term is obligatory to the heirs, and optional for ProDeMin, which can terminate the contract when they consider it necessary. In addition to the amount to be paid to the heirs for this contract, they will get an NSR of 2%. ProDeMin can purchase 1% of this NSR anytime for $500,000.00 USD. The limit of the royalty payment is $1,500,000 USD. This contract was modified in April, 2018 to extend the option to 5 years.

Silver Spruce Resources Inc. (Silver Spruce) and Prospeccion y Desarrollo Minero del Norte SA de CV (ProDeMin), signed a Letter of Agreement (LOA), in July 13, 2019; the letter of agreement is for the purchase or sale of the Mexico mining concessions of La Margarita and Hermosa Providencia that comprise the Cocula Project, Jalisco State, Mexico. Under the terms of the LOA, Silver Spruce agreed to assume the existing purchase option contract held by ProDeMin to purchase 100% interest in the concessions from its current owners, private Mexican citizens. It is intended by Silver Spruce and ProDeMin that the terms of this LOA are binding and are subject to a six months due diligence period, during which period Silver Spruce will carry a first right of refusal to formalize definitive purchase agreement, incorporating the terms herein, and both parts will have certain obligations. Silver Spruce agrees to pay the concession taxes and make required fillings to keep the concessions in good standing.

The Silver Spruce payment considerations to ProDeMin are as follow:

- Silver Spruce agreed to issue 1,000,000 common shares of Silver Spruce to ProDeMin at signing the LOA and,
- Silver Spruce agreed to pay $25,000.00 USD to ProDeMin at soon as possible after the signing of the LOA up to the close of the next financing, and
- Silver Spruce agreed to issue 500,000 common shares of Silver Spruce to ProDeMin one year after signing of the LOA , and
- Silver Spruce agreed to pay $100,000.00 USD to ProDeMin at the end of two years from signing the LOA , and
- Silver Spruce agreed to issue 500,000 common shares of Silver Spruce to ProDeMin at two years after signing the LOA , and
- Silver Spruce agreed to issue 1,000,000 common shares of Silver Spruce to ProDeMin upon exercising the option in the contract.

Obligations of ProDeMin during the Right of Refusal;

- ProDeMin will negotiate with the owners to obtain more time to make the payments under the contract, and negotiate with the owners to accept cash and Silver Spruce shares in lieu of payments, and
- ProDeMin will negotiate with the owners to obtain surface access agreements for the parcels necessary for exploration work including drilling, and
- ProDeMin will complete the work required to obtain the environmental permit by submitting a Preventive Notice (*Informe Preventivo)*, and
- ProDeMin may provide $35,000.00 USD to cover a portion of the first 500m of drilling depending on the drill contractor selected, to be reimbursed upon closing of Silver Spruce´s next financing, and
- ProDeMin will facilitate the completion of a NI 43-101 Technical Report on the project by an independent QP, and
- ProDeMin will immediately notify to Silver Spruce any changes to its option rights, property access status or any change of title status, including any and all notice from Mexican Federal or state government entitles.

Obligations of Silver Spruce during the Right of Refusal;

- Silver Spruce will pay concessions taxes and make required fillings to keep the concessions in good standing, and
- Silver Spruce will contract ProDeMin to conduct due diligence work and to assist in the contracting of drill companies and arm´s-length, Qualified Person to oversee due diligence work, and
- Silver Spruce will pay the pending $30,000.00 USD plus VAT option payment due in August, 2019.

Obligations of both parties;

- The parties hereby agree to include comprehensive Force Majeure sections in the Definitive Purchase Agreements.
- Both parties will use "best efforts" in a timely manner to fulfill their respective obligations set forth in this LOA. This LOA can be assigned by Silver Spruce to a wholly owned affiliate of Silver Spruce. This LOA will be governed by Canadian Law and subject to the jurisdiction of Nova Scotia, Canada.

To the extent there is a force majeure event for instance; government or owners preventing Silver Spruce and/or ProDeMin from working on the concessions, then the payment obligations described in the contracts will be delayed until the force majeure event concludes to the satisfaction of Silver Spruce and ProDeMin.

Table 4.1 shows the relevant data including the expiry dates of the mining concessions controlled by the Company as part of the Cocula Project. The author of this report has not examined the detailed legal agreements nor verified the good standing of the concessions and has relied on representations made by the Company. To the best of the author's knowledge the Company controls these concessions and the other rights as mentioned.

4.2.2 Surface Exploration Rights

Mining concession licenses in Mexico are separate from surface rights. Permission for surface access must be negotiated with the owners of the surface rights to the areas covered by the mining concessions, and commonly involve leasing of the surface rights. In Mexico surface rights are owned by private persons or ejidos (local communal organizations), and agreements for access must be made with the surface owners to do significant work. The surface rights that cover the property are controlled by several private properties as shown in Figure 4.3. ProDeMin has completed three formal surface rights agreements with individuals or families for 5 parcels comprising about 27 hectares that cover the main portion of the exploration area at the Cocula Project and that allows the first pass exploration work recommended herein to be carried out (Fig. 4.4). These agreements are assignable to the Company in the event the company desires to continue after the Due Diligence period. A land study is in progress to identify other parcels in the surrounding area and their owners.

The author has not examined the details of the surface ownership and has relied on the representations of the Company and on public information available on government websites. To the best of the knowledge of the author, Silver Spruce has the necessary rights for surface access and the exploration work on the Cocula Property recommended herein.

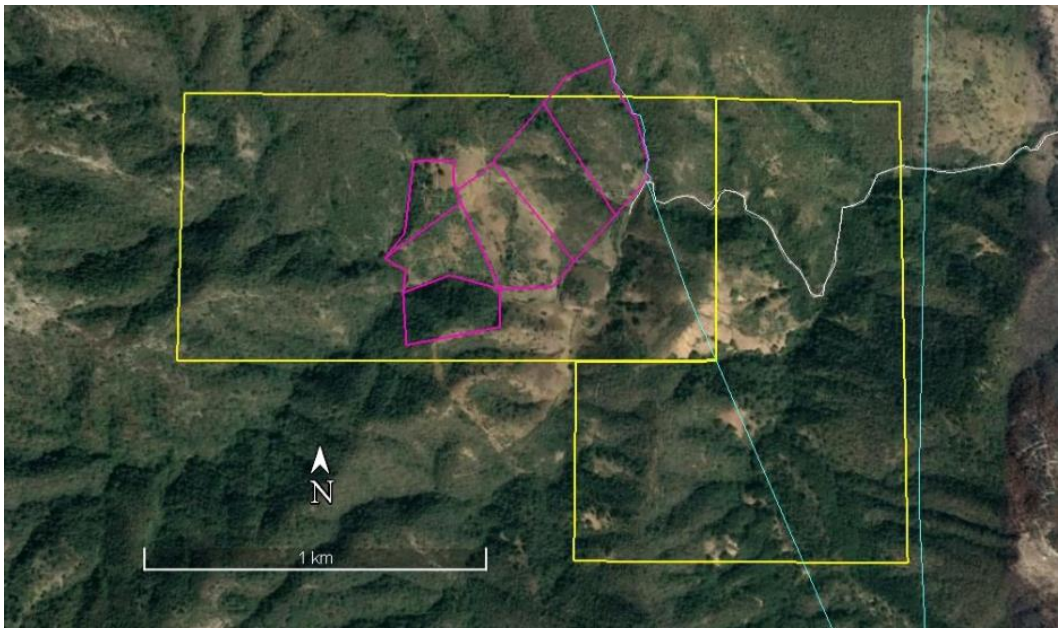

Figure 4.3. Surface rights for the Cocula Property.
The rustic properties with access agreements are shown in magenta and the concessions that make up the Cocula project are shown in yellow. The Lazaro Cardenas Ejido covers the eastern portion of the Project and is shown in cyan.

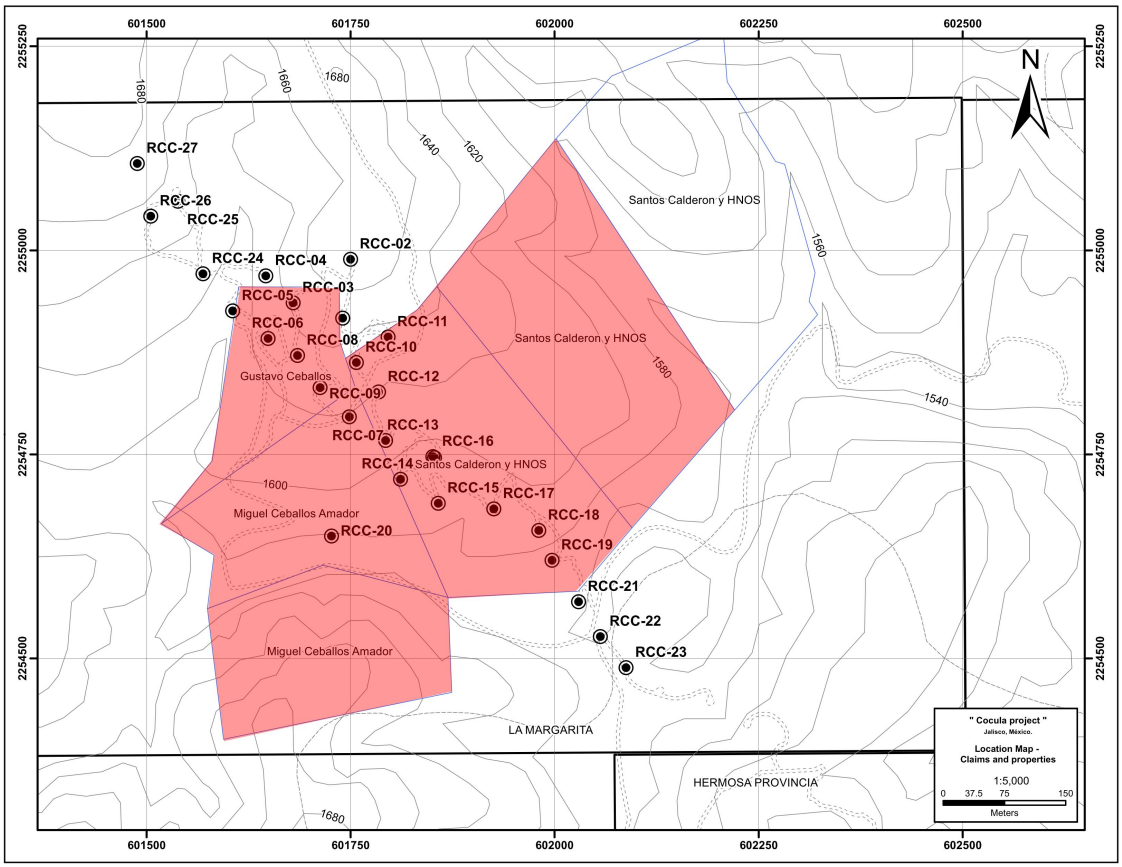

Figure 4.4. Surface rights for the Cocula Property.
The properties with formal access agreements are highlighted.

4.2.3 Permits and other Considerations

All permissions and applications required for the exploitation and exploration process must be performed in accordance with the applicable Mexican Official Laws and Standards (*Normas Oficiales Mexicanas*). The Cocula Property does not fall within any Natural Protected Area (*Area Natural Protegida*). Exploration work including drilling on existing roads but with no new road construction or other surface disturbance requires the filing of a Preventative Notice (*Informe Preventivo*) filed with the SEMARNAT the agency responsible for issuing environmental permits. Once filed, the agency has 20 calendar days to respond, issuing approval or a requirement for more information; the response is called a resolution (*resolutivo*) and details requirements and or limitations for the permit. If there is no response in the given time the permit is taken as approved, but a resolution may subsequently be issued. With the approval of the Preventative Notice and in some cases a letter advising as to Initiation of Activities (*Aviso de Inicio de Actividades*) received and stamped by the government authority work can begin. In the case of new surface disturbance such as road construction, studies that must be filed and approved include a Technical Study Justifying a Change of Soil Use (*Estudio Tecnico Justificativo para Cambio de Uso de Suelos*) and an Environmental Impact Statement (*Manifiesto de Impacto Ambiental*) over the areas to be affected. The required permits and the stage when they are required are shown in Table 4.2.

ProDeMin applied for a permit to allow drilling on 47 sites by filing a Preventative Notice (Informe Preventivo) on July 12, 2019. The application is to allow exploration activities including drilling on existing disturbed areas at the project, with no new road or drill pad construction or other significant surface disturbance. The formal permit resolution was issued on August 13, 2019 for a period of 3 years and includes no requirements or restrictions other than those already contemplated in the applicable laws and regulations. At the present time, and up until exploration activities have progressed further to require construction of new roads and/or drill pads, no other permits are required for exploration activities at the project. For road construction and drilling in the future, the permits that are generally required for exploration activities are those mentioned previously and shown in Table 4.2.

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

Table 4.2. Permitting Requirements for the Cocula Project

Permit	Relevant to	Status
Preventative Notice (Informe Preventivo);	Early exploration	Applied for, accepted
The Permit for Change of Soil Use in Forested Area and Environmental Impact Statement issued by the State Delegations of Secretary of the Environment, Natural Resources and Fisheries (SEMARNAT)	Transitional, advanced exploration to development	Not necessary until surface area is to be disturbed

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

5.1 Topography, Climate, Physiography

The Cocula Project is located in the Physiographic Province of the Sierras Altas del Norte close to the western limit of the Neovolcanic Axis or belt that has an orientation east-west. Topography is characterized by a high plain with mountain ranges and volcanos, with elevations of as much as 2,000 meters above sea level rising from low elevations of about 1300 meters on plains east of the property. Mountain peaks to the south and southwest rise to over 2,500 meters in elevation (Figs. 5.1, 5.2). The Company's activities are conducted primarily between about 1500 and 1700 meters elevation. The Property is located in the San Martin Hidalgo Municipality. The Las Minas arroyo which drains the Property, has intermittent water flow mainly in the rainy season, and flows towards San Jeronimo and into the San Martin River. Local drainages are commonly dammed for livestock. The area is part of the Ameca River catchment basin that flows into the Pacific Ocean at Puerto Vallarta.

The climate in the region is classified as semi-tropical-temperate, and according to the national Meteorological Service, with an average annual temperature of 20 degrees Celsius with average highs in summer of 33 degrees Celsius and average lows in winter of 12 degrees Celsius, but temperatures can range from about 5 degrees Celsius to over 35 degrees Celsius. Precipitation averages 950 millimeters per year, and rainfall occurs mainly from late June to September during a monsoonal tropical wet season that includes the influence of hurricanes mainly from the Pacific coast. Winters are relatively dry.

5.2 Vegetation

Vegetation on the Property is classified as semi-arid to humid deciduous tropical forest with both desert and jungle type plants (Fig. 5.2). Thorny plants and cacti dominating the vegetation during the dry season with abundant thorny bushes and small trees such as parota in arroyos, with pinzan and huizaches forests at higher elevations in the surrounding region. The foliage becomes green and dense near water dams and streams and jungle-like during the rainy season. Surface land use is dominantly grazing for livestock. Flat lands are used as growing areas for corn, vegetables or agave.

5.3 Accessibility

The project is well located near Guadalajara and is reached by taking the main highways to the northwest towards Tepic or to the southwest towards Barra de Navidad. The main route is via highway 54 towards Tequila and Tepic, turning to the west towards Tala and Ameca. A junction before Ameca leads south to the town of San Martin Hidalgo that lies about 15 km northeast of the central portion of the Cocula Project, with an estimated population close to 28,000 (Figs. 5.1, 5.2). The access to the project is 7.5 km by paved road to San Jeronimo and 7.5 km of dirt road in moderate condition that follows the Las Minas drainage. Time traveling from Guadalajara is 1.5 to 2 hours. The nearest major city is Ameca, an approximately 50 to 60 minute drive from the Property, Figure 5.1. San Martin Hidalgo has facilities such as fuel stations, hardware stores, supermarkets, banks, etc. The Company has rented a small house as a field office and core storage area in San Martin Hidalgo. Exploration activities can be carried out year round.

Figure 5.1. Google earth image showing the physiography surrounding the Cocula Project. The Property is shown in yellow in the center of the image, and lies on a high plateau with mountain ranges within the Neo-volcanic axis of south-central Mexico. The Tequila volcano and the active Colima volcano are in the region. North is to the right and the Pacific Ocean is in the background.

5.4 Local Resources and Infrastructure

The Project is about 95 kilometers southwest of the city Guadalajara, with the most significant infrastructure in the area, although San Martin Hidalgo and Ameca have markets, service stations and lodging available. The population of the municipality is about 30,000, with the largest population centers mainly at San Martin Hidalgo, Ameca and Cocula. A semi-skilled work force for a variety of technical personnel and mining staff and an unskilled work force are available in communities close to the Project, and is probably sufficient to provide laborers throughout exploration stages.

The nearest international airport is Miguel Hidalgo y Costilla International Airport (GDL) at Guadalajara, a business and tourist destination with multiple daily national and international flights located approximately 2 hours from the Property.

The local economy consists of small scale services, farming and cattle. All major supplies and services are available from Guadalajara. Power from the national grid is available at San Jeronimo, 7.5 km from the Property. There is no local water system but water is available in streams near the Property. This water is sufficient for the needs of a small drill program.

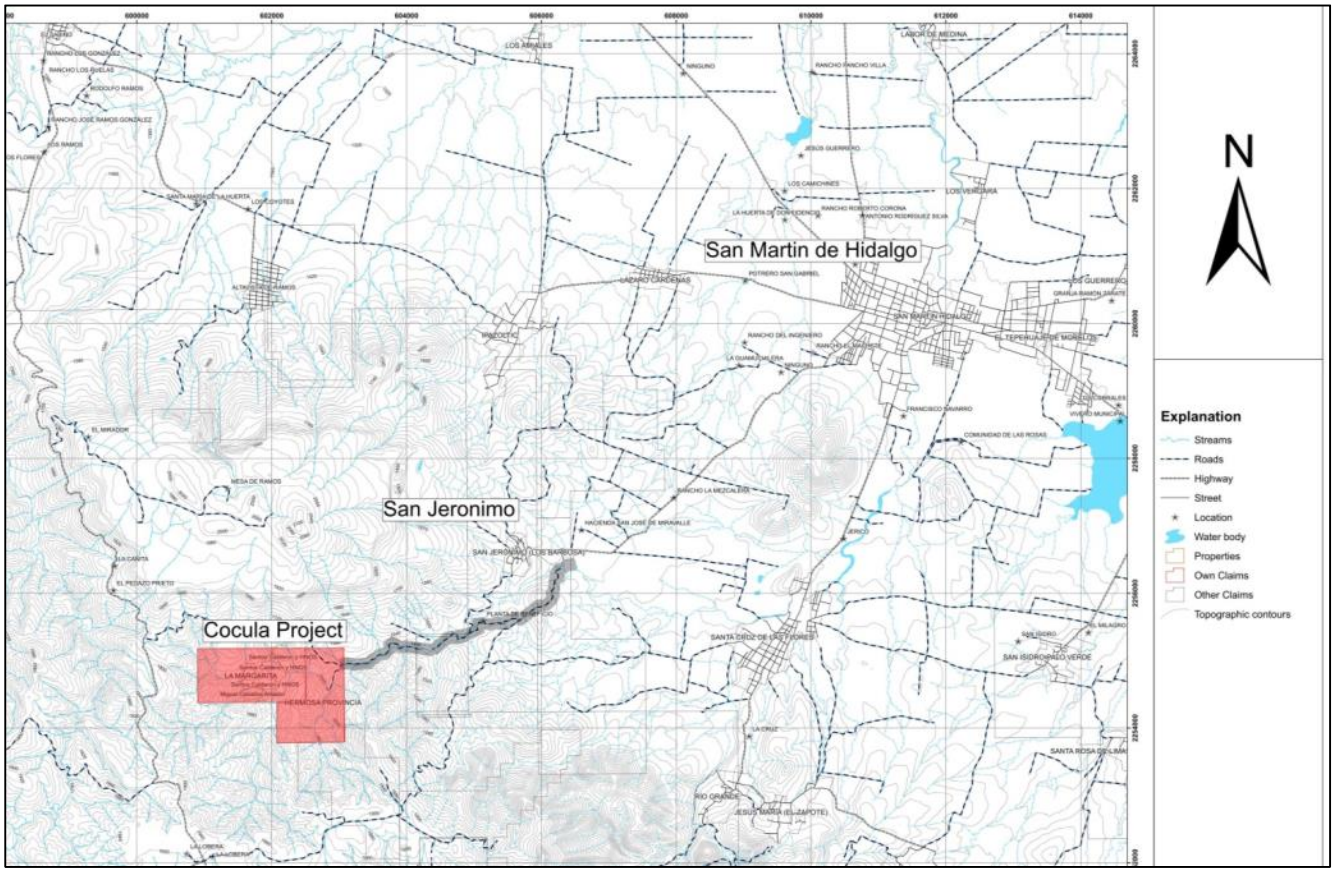

Figure 5.2. Cocula Project location and Access.

The main access route to the Project is from San Martin de Hidalgo and San Jeronimo via a good quality paved and cobblestone road and a moderate to poor quality dirt road (shaded gray) that follows the main drainage from the area. (Base map after INEGI, 2016)

Figure 5.4. View of altered areas bare of vegetation.

View of the Cocula Project, looking north from near the Cerro Colorado area, showing low hills relatively bare of vegetation where underlying rocks are strongly altered with abundant iron oxides and hematite

6.0 HISTORY

The early history of the Cocula Project is not well known. Metallic mining activity was not large in scale although small adits, digs and pits in the area provide evidence for small scale mining. Mining was important in the region, however, with several large mines active in the past. The oldest recorded activity was documented by J.R. Southworth in 1905 in the Ameca region. Ameca was important as it was on the western branch of the railway, and was the shipping and distribution point for a number of rich mining companies to the south and west. The shipping business supported a branch of the ore buying house the National Metal Co. and a branch of the agency for the sales of mining supplies and explosives manufactured by the Dwight Furmess Co. The Palmarejo District is located 19 km west of Ameca, the characteristics of this district were the "great ore bodies of free gold", the veins in the district are numerous and large size and hosted in porphyritic diorite, the prevailing mineral is hematite with high grade free gold in a gangue of "granular quartz", in some of the veins some copper ore is found chiefly consisting of pyrite and copper carbonates with gold values. On the northern edge of this district is located the Atraviada Mine which is a system of parallel veins with hematite and free gold, the big dumps showed in 1905 a large scale exploitation by hispanics. The mine was under the management of Granville Hart who was also part owner. To the south of the Atraviada mine is located La Verdiana Mine, a five to six veins system parallel to La Atraviada, mineralization is similar in both mines, with an exception, in la Verdiana there is a vein with fine copper ore, the owner of this mine was Paul Brouskie. In the early Twentieth century in the Ameca district and closest areas at south and east there were other owners that controlled mines and mining lands as Bryan McLellan and Geo. E McCormick. To the south of Ameca the La Soledad District where the La Soledad Mine is located in la Titilla hills, veins run parallel to other systems and the mineralization is copper carbonates, oxides and chalcopyrite with high gold values; the owners were Geo. E McCormick, T L Woodruff, H H Cross and J U Fraley.(The Mines of Mexico, J R Southworth. 1905). It is probable that since the early XX century many companies have worked these mining districts, but no information is available.

The Cocula Project was explored by Timmins Gold Corp. (Timmins) from 2007 to 2011. Previous exploration activity is evidenced by the presence of 4 core holes but no information other than the locations and some core is available.

6.1 Exploration by Timmins Gold Corp.

At the end of 2007 Timmins' geological team carried out the first geologic reconnaissance in the main area denominated Cerro Colorado at the Cocula Project and subsequently made a purchase option agreement with the owner. Timmins carried out an exploration program in 2008 with mapping, sampling, geochemistry and RC drilling. Timmins collected approximately 1800 samples at the project including along several trenches and sample lines that cut across the main mineralized structures (Fig. 6.1). Results from surface samples taken by Timmins Gold in the main area showed interesting gold values in trenches and individual samples. The results from geochemical sampling and geologic mapping justified a drill program.

In late 2008 Timmins drilled 28 RC holes totaling 1974m. The locations of the RC holes drilled by Timmins is shown in Figure 6.2 and the drill hole data in Table 6.1. Data and assays of this drill program are available and can be used as reference in the exploration program of Silver Spruce.

6.2 Results of Historic Exploration

The Timmins sampling defined an area with interesting gold values as well as the presence of other metals including silver, lead, zinc and copper (Figs. 6.3 to 6.7). The best gold mineralization defined by Timmins in trench sampling is associated with the area of breccia with quartz filling in the matrix and stockwork veining (Fig. 6.8, Table 6.2). Trenches yielded intervals of as much as 21 meters of 5.6 g/t Au, 15 meters of 2.18 g/t Au and 99 meters of 2.8 g/t Au (Table 6.2). Timmins noted metal zoning in the system (Fig. 6.9).

Based on the sampling results the RC drill program mentioned previously was completed. Selected results of the drilling are shown in Table 6.3. Many of the holes intersected anomalous gold values over significant intervals and defined a mineralized strike length of about 800 meters. Important intercepts from this drill program include RCC-01 with 37.50 meters of 1.30 g/t Au, RCC-09 with 10.50 meters of 1.8 g/t Au, RCC-10 with 12 meters of 2.00 g/t Au and RCC-17 with 10.50m of 1.41 g/t Au. According to the interpretation by Timmins, the intercepts approximate true with; however true widths would be less if a different interpretation is used. Also, the continuity of the mineralization is not known as the drilling is widely spaced outside of the large breccia body, and structural interpretations are difficult due to the nature of RC drill samples.

With the information obtained from drilling, Timmins contracted an independent geologist to complete a resource calculation in December, 2008. This calculation used 1,552 samples with gold assays from drill holes and trenches. The historical inferred resource contained about 75,000 ounces of Au using a cutoff of 0.3 g/t Au. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources. The Company is not treating the historical estimates as current mineral resources.

The exploration results were generally positive, but Timmins did not proceed with the option they had on the concessions. ProDeMin signed an agreement with the owners in December 2017, but carried out only limited due diligence field work during a prior property visit. With the information from Timmins exploration ProDeMin completed a database of maps, samples and RC rejects stored in San Martin de Hidalgo. ProDeMin also confirmed the presence and locations of many of the Timmins RC drill holes and assayed two sampled from the mineralized breccia.

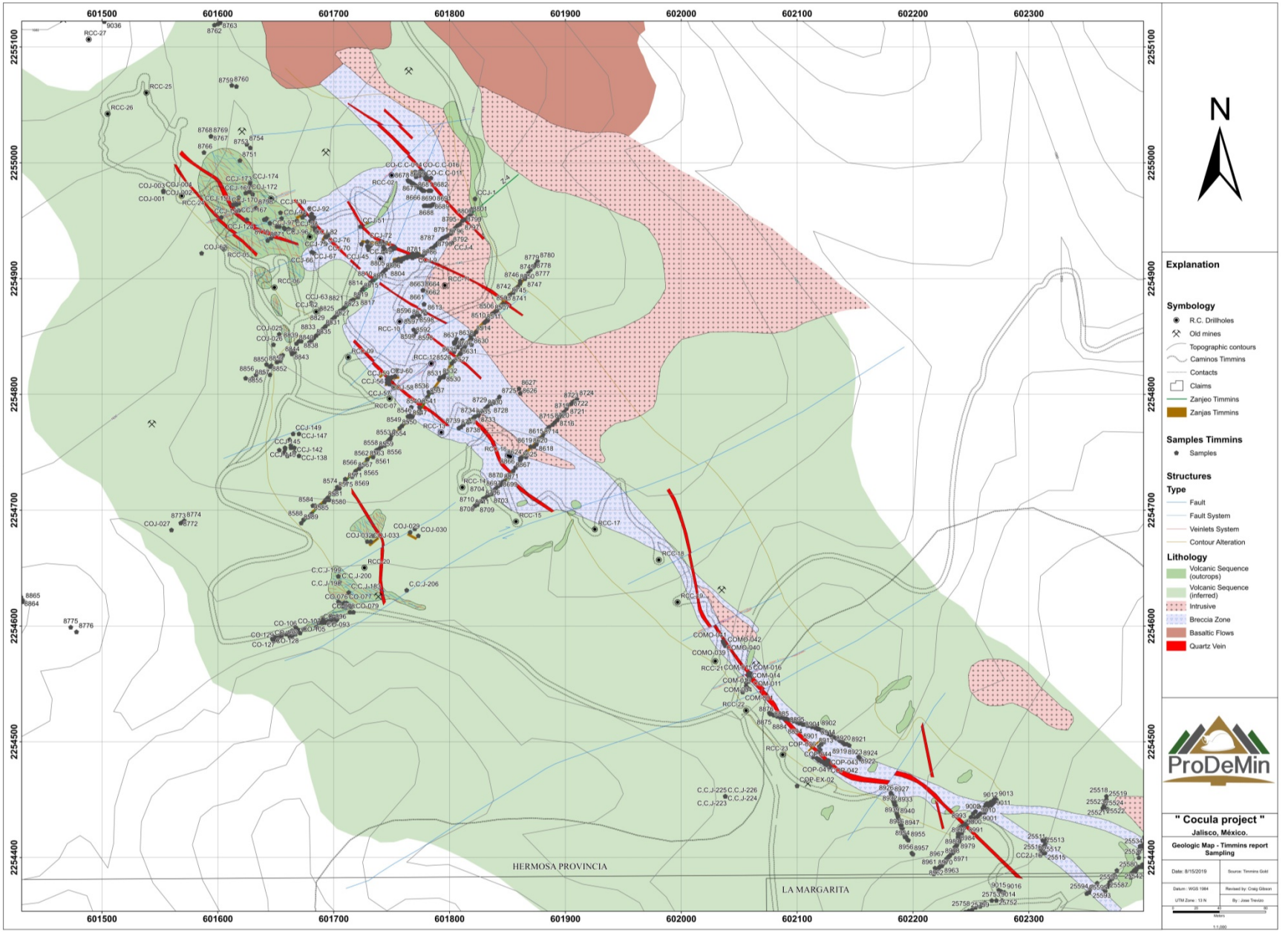

Figure 6.1. Geologic map with rock sample locations for the Cocula Project.
Geologic map of the Cocula Project showing geology and the locations of rock samples of Timmins.

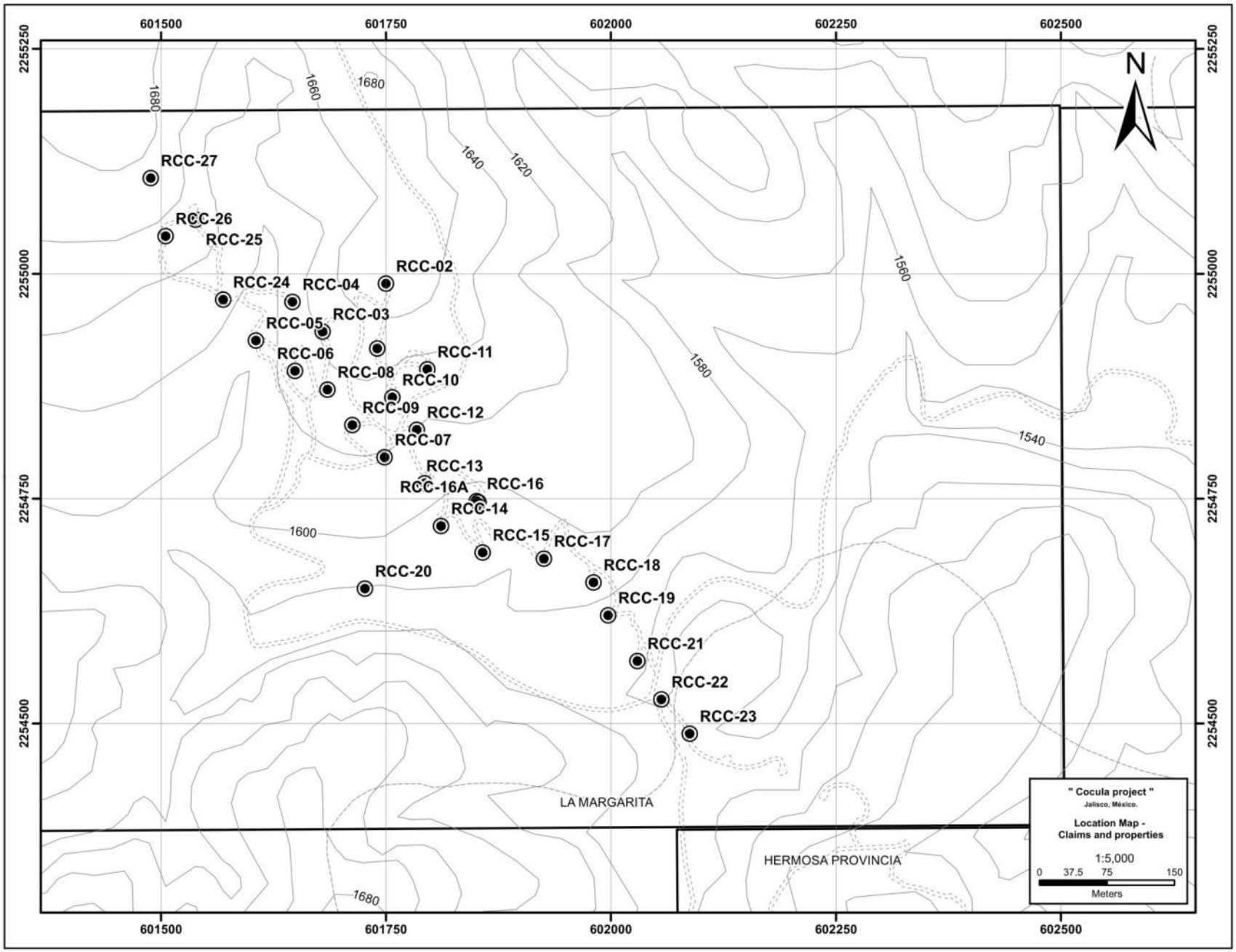

Figure 6.2. Drill hole locations for the Cocula Project.
Topographic map of the Cocula Project showing the locations of RC drill holes completed by Timmins.

Table 6.1. Drill hole data for Timmins 2008 drill program, Cocula Project

Hole	Easting	Northing	Elevation	Azimuth	Angle	T.D. (m)
RCC-01	601,740	2,254,917	1,666	0°	-90°	90.0
RCC-02	601,750	2,254,989	1,681	0°	-90°	60.0
RCC-03	601,679	2,254,936	1,649	0°	-90°	90.0
RCC-04	601,646	2,254,969	1,636	0°	-90°	81.0
RCC-05	601,605	2,254,926	1,616	40°	-60°	54.0
RCC-06	601,649	2,254,892	1,631	40°	-55º	81.0
RCC-07	601,748	2,254,796	1,638	40°	-60º	81.0
RCC-08	601,685	2,254,871	1,645	40°	-60°	81.0
RCC-09	601,713	2,254,832	1,643	40°	-60°	72.0
RCC-10	601,757	2,254,863	1,651	0°	-90°	102.0
RCC-11	601,796	2,254,894	1,658	0°	-90°	72.0
RCC-12	601,784	2,254,827	1,636	0°	-90°	60.0
RCC-13	601,793	2,254,767	1,627	0°	-90°	60.0
RCC-14	601,811	2,254,720	1,616	0°	-90°	73.5
RCC-15	601,857	2,254,690	1,604	40°	-60°	63.0
RCC-16	601,851	2,254,747	1,615	0°	-90°	33.0
RCC-16A	601,853	2,254,746	1,614	0°	-90°	57.0
RCC-17	601,925	2,254,683	1,601	40°	-60°	45.0
RCC-18	601,981	2,254,657	1,603	40°	-60°	72.0
RCC-19	601,997	2,254,621	1,594	40°	-70°	70.5
RCC-20	601,727	2,254,650	1,602	40°	-60°	90.0
RCC-21	602,029	2,254,570	1,575	40°	-70°	42.0
RCC-22	602,056	2,254,527	1,575	40°	-70°	45.0
RCC-23	602,088	2,254,489	1,577	40°	-60°	81.0
RCC-24	601,569	2,254,972	1,647	40°	-60°	90.0
RCC-25	601,538	2,255,060	1,669	0°	-90°	60.0
RCC-26	601,505	2,255,042	1,675	40°	-60°	87.0
RCC-27	601,489	2,255,107	1,685	40°	-60°	81.0
Total						1974.0

Data from Timmins reports. Coordinates in UTM WGS84. TD = total depth.

Table 6.2. Assays for intervals from selected trench sampling by Timmins, Cocula Project

Trench	Length (m)	# Samples	Au g/t
Z-1	15.0	10	2.18
Z-2	18.0	12	0.24
Z-2A	3.0	2	9.4
Z-3	9.0	6	0.3
Z-4	54.0	16	0.33
Z-4A	21.0	7	5.6
Z-4B	99.0	33	2.8
Z-5A	36.0	12	0.18
Z-5B	9.0	3	0.24
Z-5C	21.0	7	0.17
Z-5D	141.0	47	0.14
Z-6	45.0	15	0.20

Table 6.3. Assays for intervals from selected Timmins drill holes, Cocula Project

Dill hole	From (m)	To (m)	Interval (m)	Au g/t	Ag g/t	Cu %	Pb %	**Zn %**
RCC-01	0.00	37.50	37.50	1.30	13.00	0.09	1.10	0.14
includes	0.00	7.50	7.50	5.80	21.00	0.08	1.80	0.18
and	0.00	4.50	4.50	9.40	22.00	0.09	1.70	0.13
RCC-02	0.00	19.50	19.50	0.40	13.00	0.15	1.80	0.22
includes	7.50	18.00	10.50	0.70	21.00	0.19	1.97	0.22
and	10.50	15.00	4.50	1.22	34.00	0.21	1.97	0.14
RCC-03	0.00	48.00	48.00	0.37	5.00	0.20	0.08	0.04
includes	4.50	18.00	13.50	0.77	10.00	0.25	0.09	0.03
and	7.50	15.00	7.50	1.10	14.40	0.29	0.06	0.02
RCC-07	0.00	58.50	58.50	0.39	34.50	0.013	1.34	0.30
includes	0.00	31.50	31.50	0.53	17.00	0.015	1.28	0.33
RCC-08	0.00	42.00	42.00	0.24	8.70	0.035	0.95	0.16
includes	33.00	42.00	9.00	0.66	12.30	0.047	0.64	0.11
RCC-09	0.00	54.00	54.00	0.72	8.90	0.018	0.96	0.22
includes	24.00	34.50	10.50	1.80	11.00	0.017	0.95	0.22
and	39.00	52.50	13.50	1.40	17.50	0.024	1.50	0.22
RCC-10	0.00	37.50	37.50	1.20	13.00	0.04	1.34	0.25
includes	12.00	18.00	6.00	3.10	8.40	0.025	1.80	0.33
includes	24.00	36.00	12.00	2.00	27.00	0.076	1.40	0.16
RCC-16-A	10.50	28.50	18.00	0.41	17.00	0.045	1.38	0.21
includes	18.00	25.50	7.50	0.52	16.00	0.020	1.40	0.19
RCC-17	4.50	15.00	10.50	1.41	2.20	0.021	0.05	0.055
includes	4.50	9.00	4.50	3.04	2.30	0.090	0.10	0.034
RCC-19	0.00	25.50	25.50	0.44	6.80	0.046	0.62	0.25
includes	6.00	15.00	9.00	1.10	17.00	0.014	1.40	0.27
RCC-23	12.00	40.50	28.50	0.29	3.10	0.022	0.25	0.023
includes	13.50	16.50	3.00	1.20	10.00	0.006	0.77	0.039

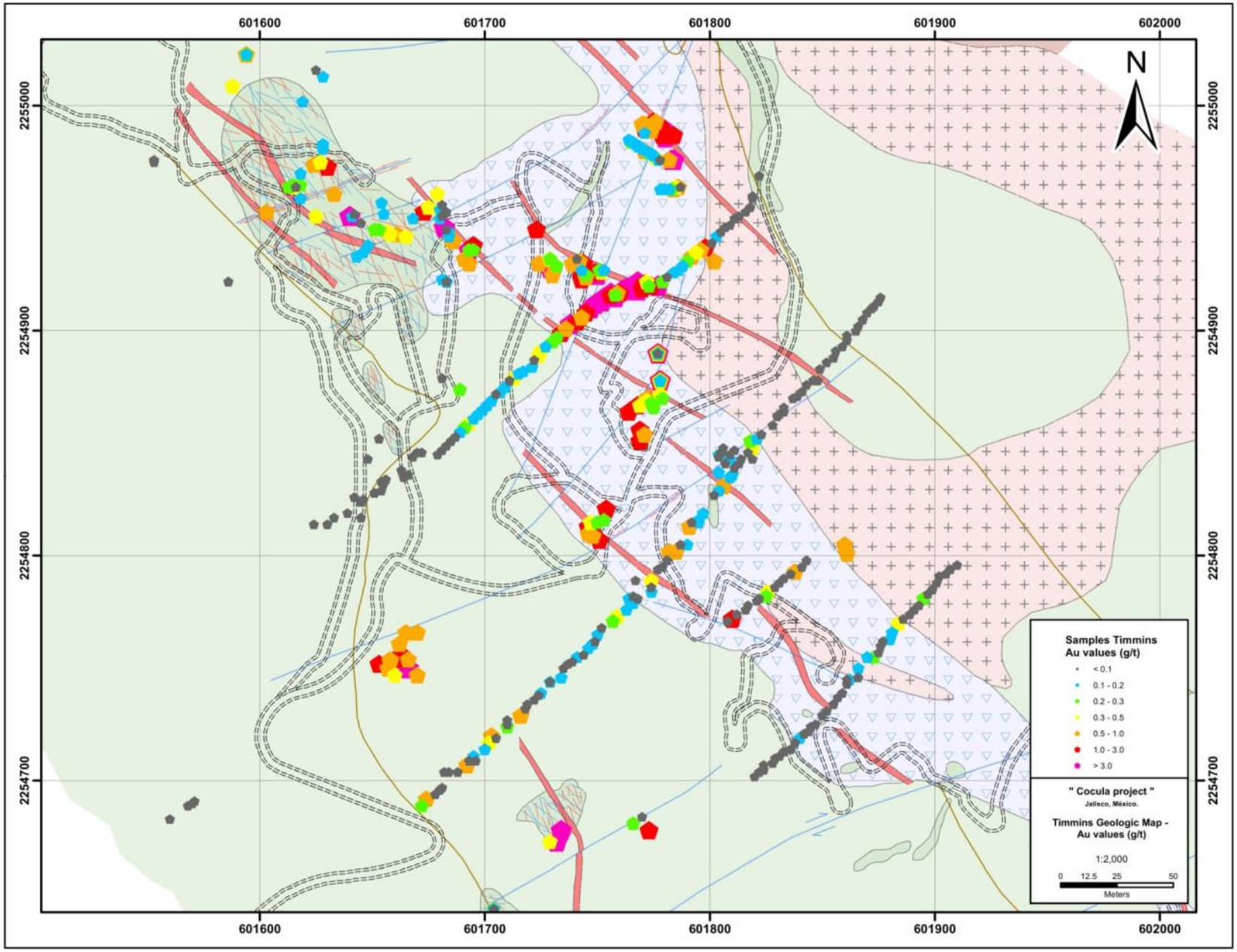

Figure 6.3. Gold rock geochemistry for the Cocula Project.
Gold geochemistry for rock samples from Timmins exploration program.

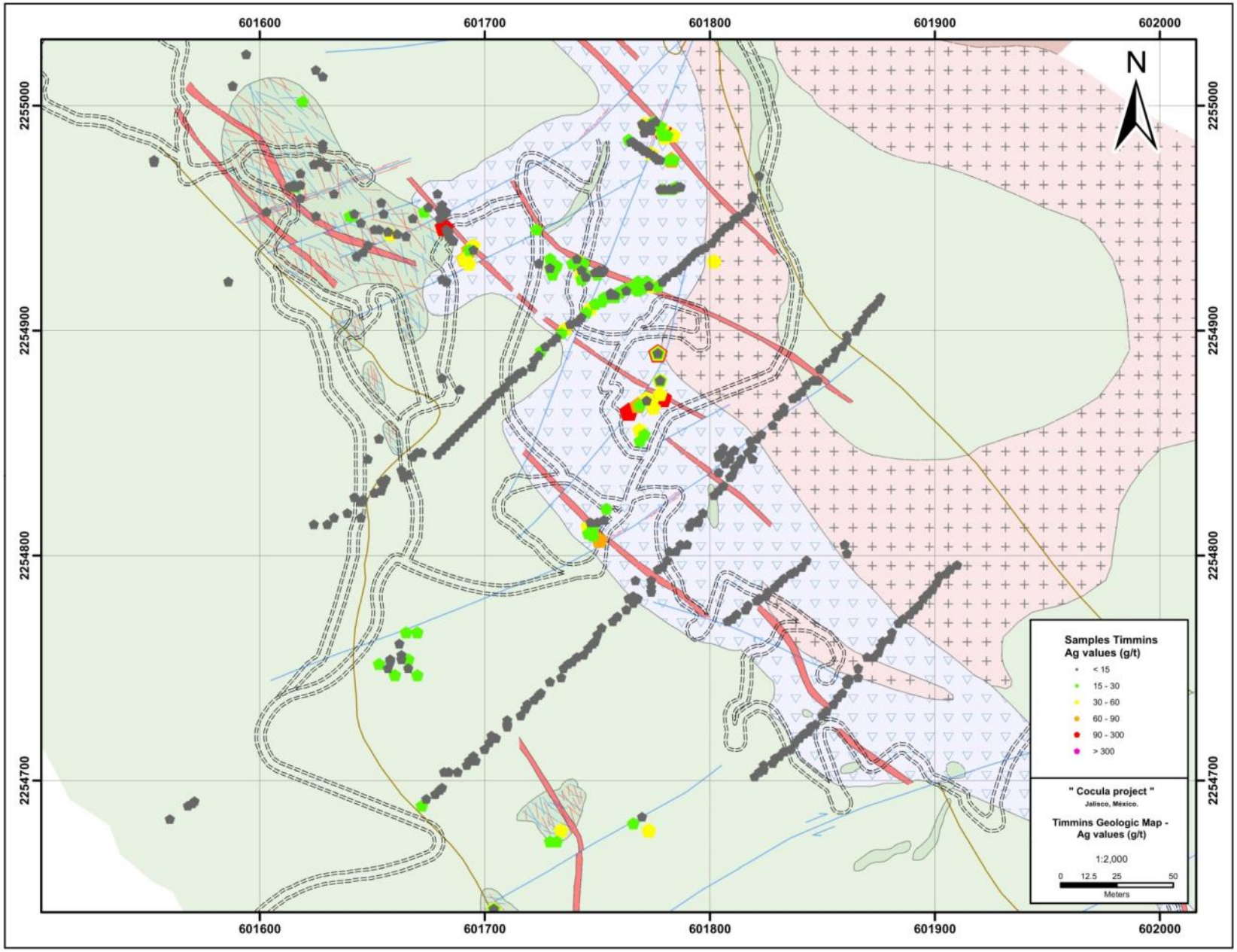

Figure 6.4. Silver rock geochemistry for the Cocula Project.
Silver geochemistry for rock samples from Timmins exploration program.

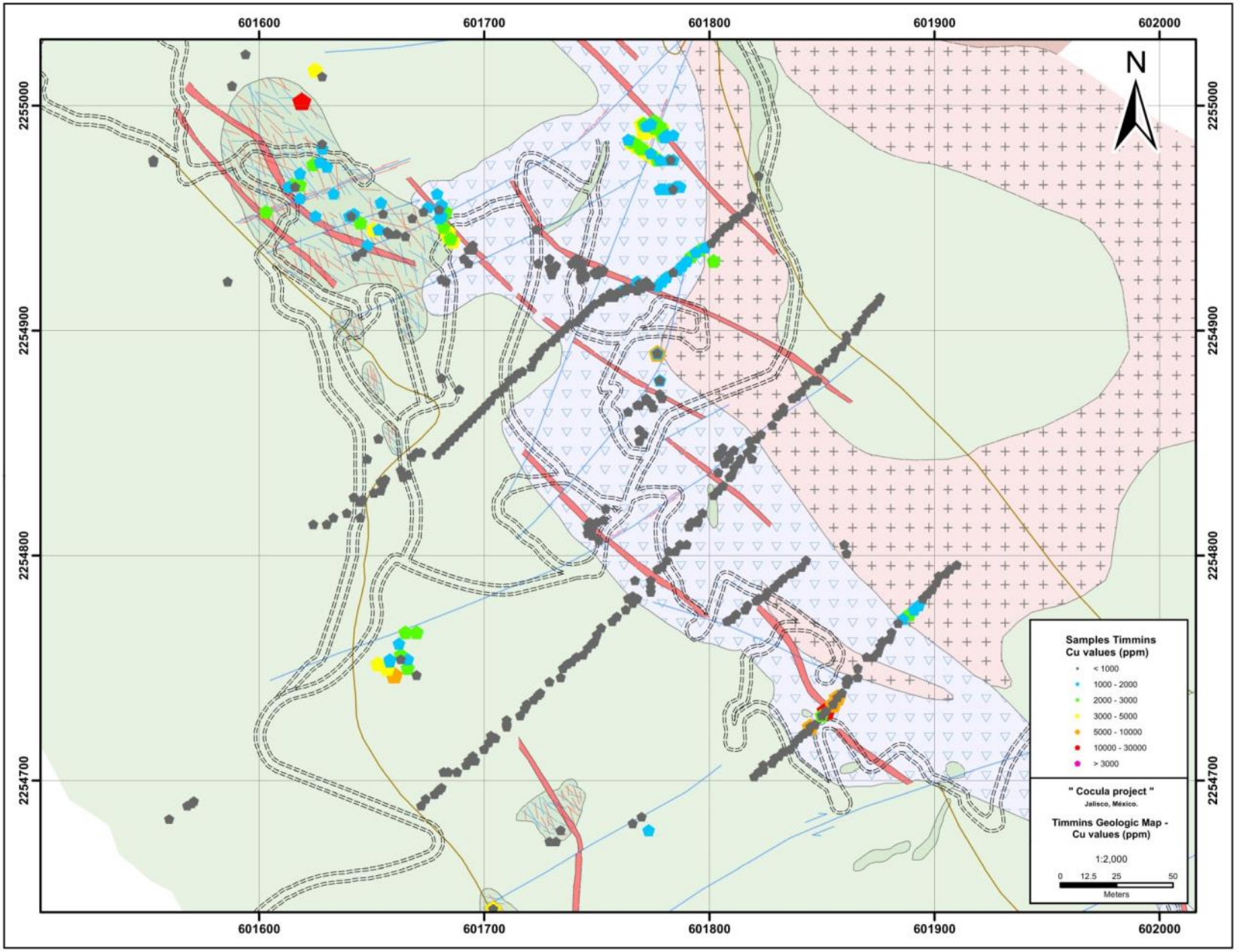

Figure 6.5. Copper rock geochemistry for the Cocula Project.
Copper geochemistry for rock samples from Timmins exploration program.

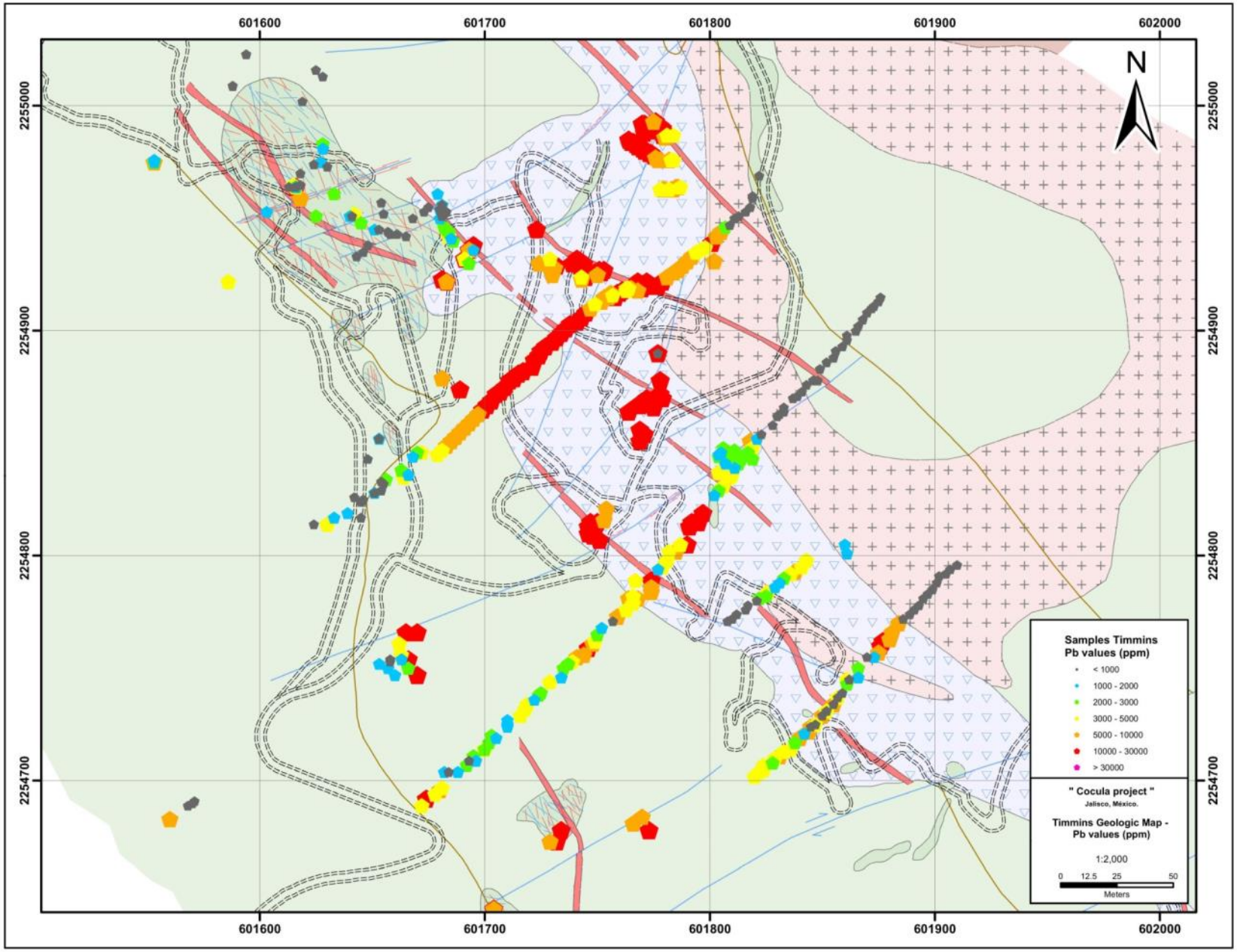

Figure 6.6. Lead rock geochemistry for the Cocula Project.
Lead geochemistry for rock samples from Timmins exploration program.

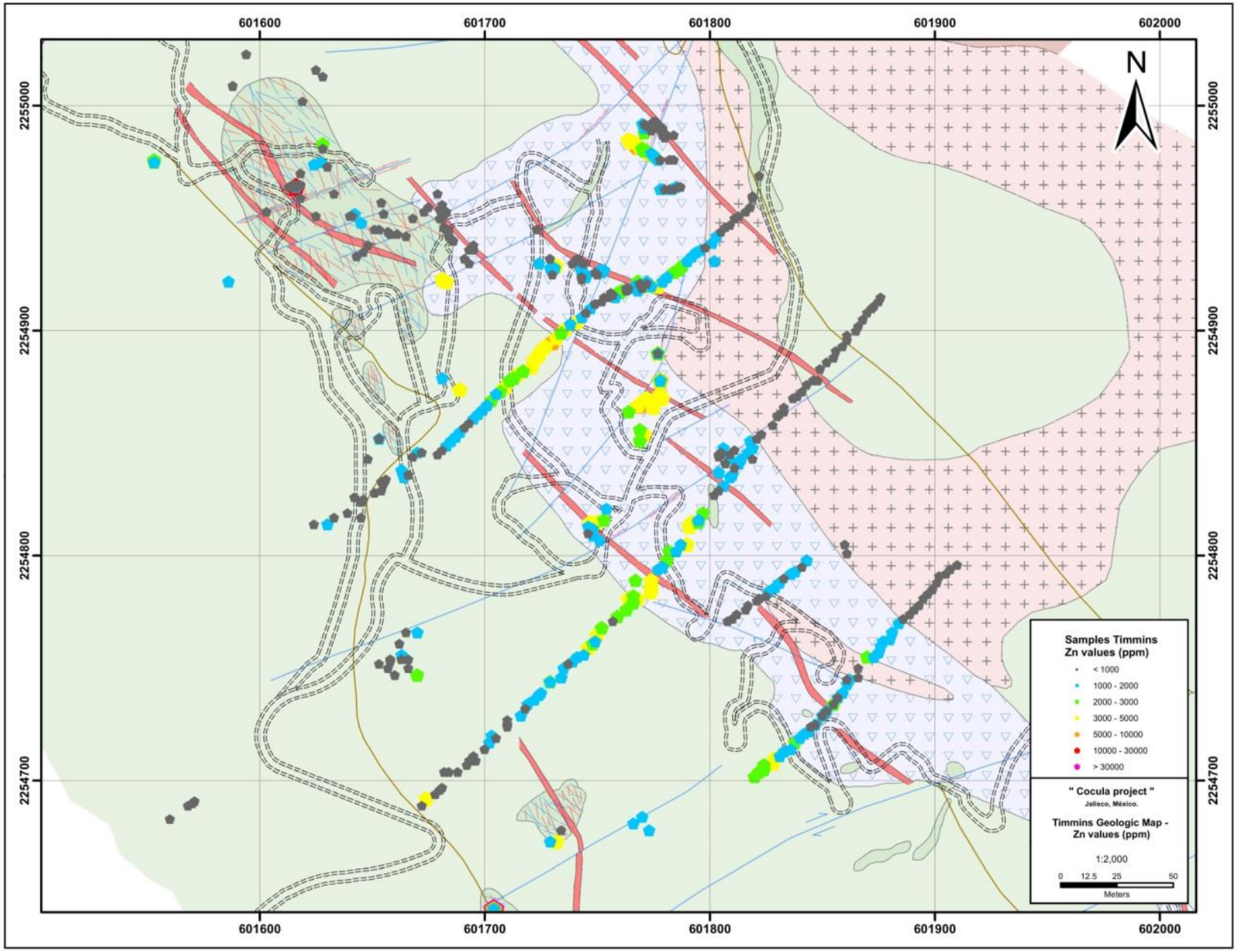

Figure 6.7. Zinc rock geochemistry for the Cocula Project.
Copper geochemistry for rock samples from Timmins exploration program.

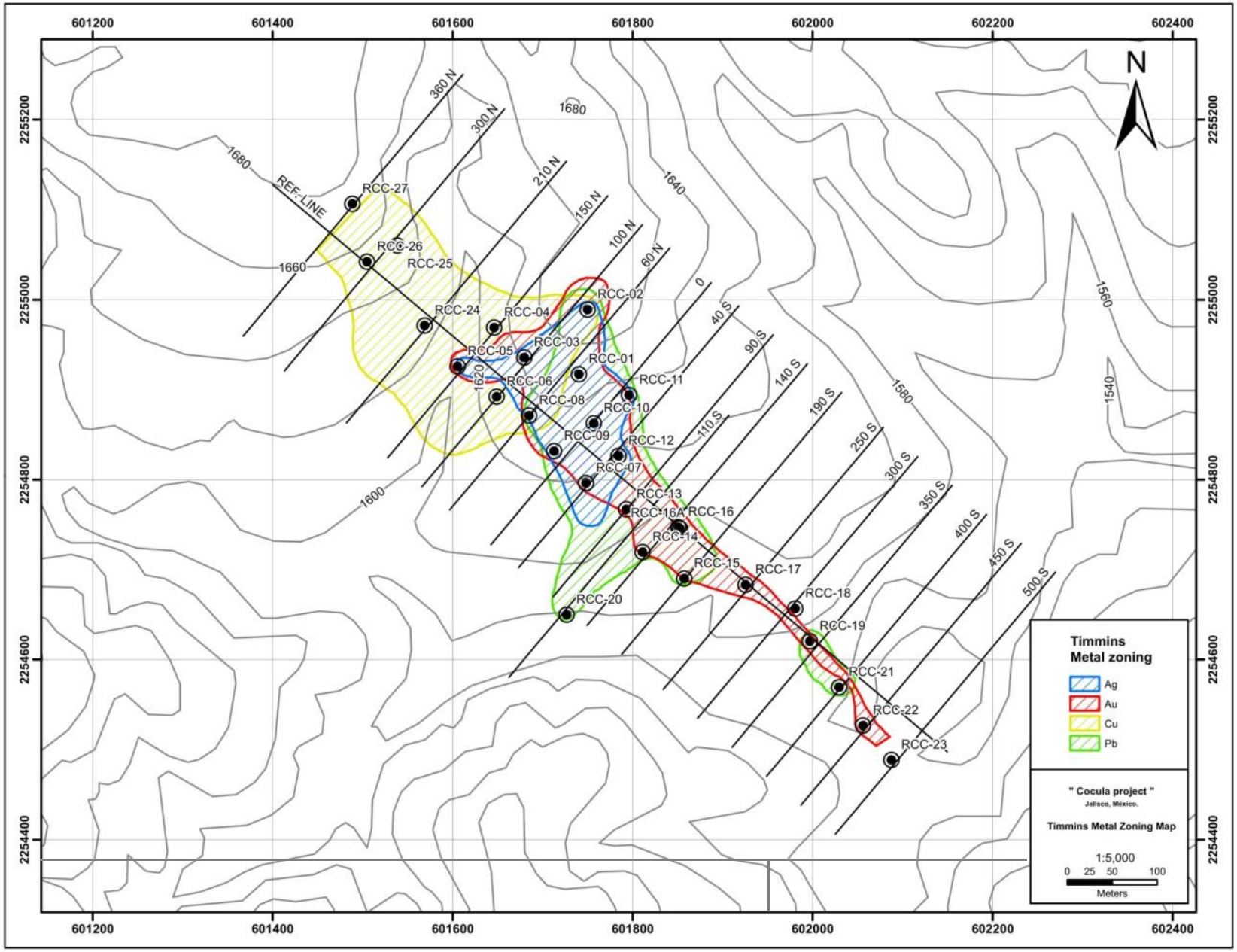

Figure 6.8. Metal zoning at the Cocula Project.
General metal zoning defined by Timmins from samping at the Project. Metal values for each zone were not reported.

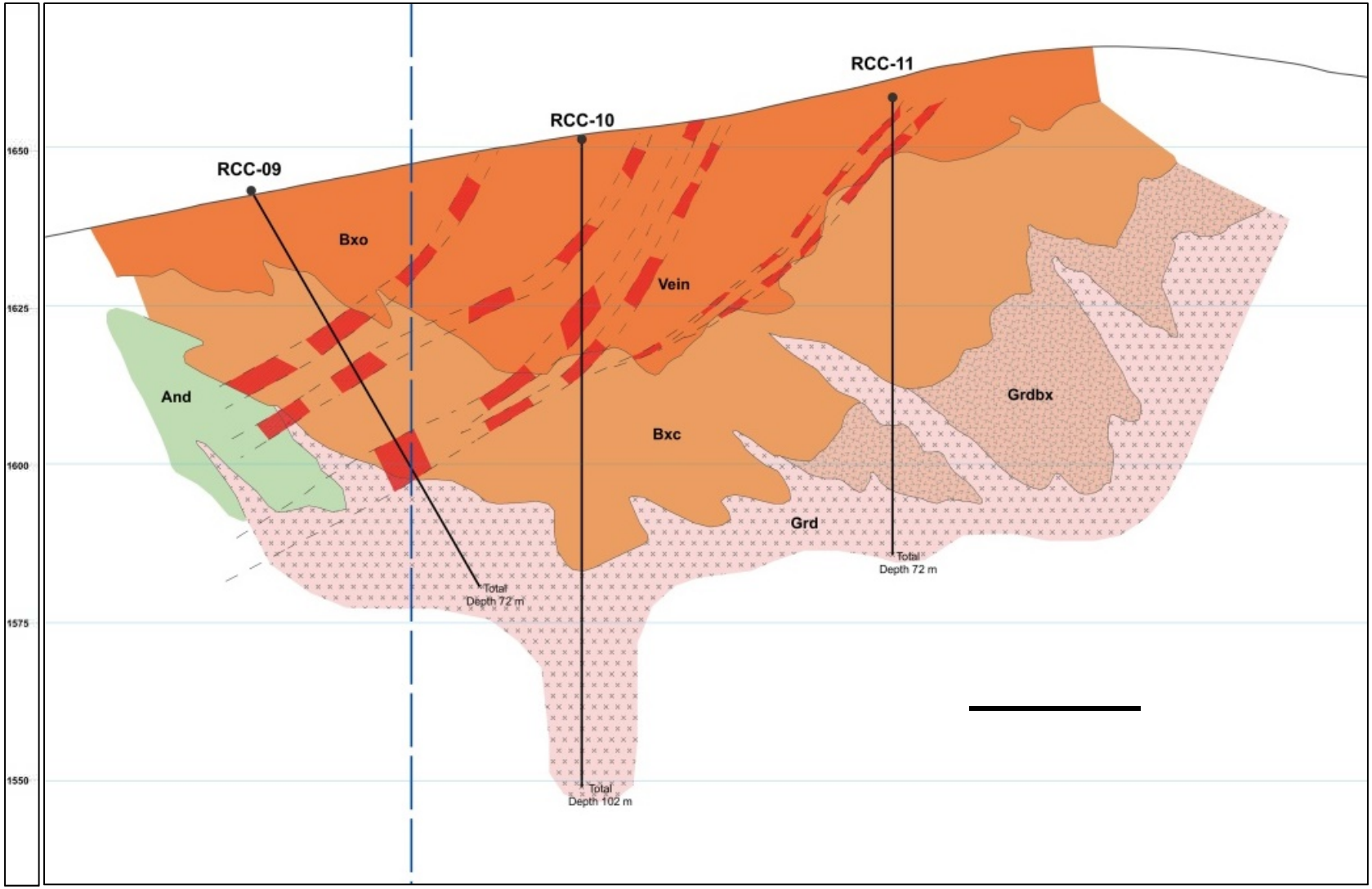

Figure 6.9. Cross section 0, Cocula Project.
Northeast cross section through Timmins drill holes on section 0 from Fig. 6.8 with interpretation after drilling.
Scale bar is 25m.

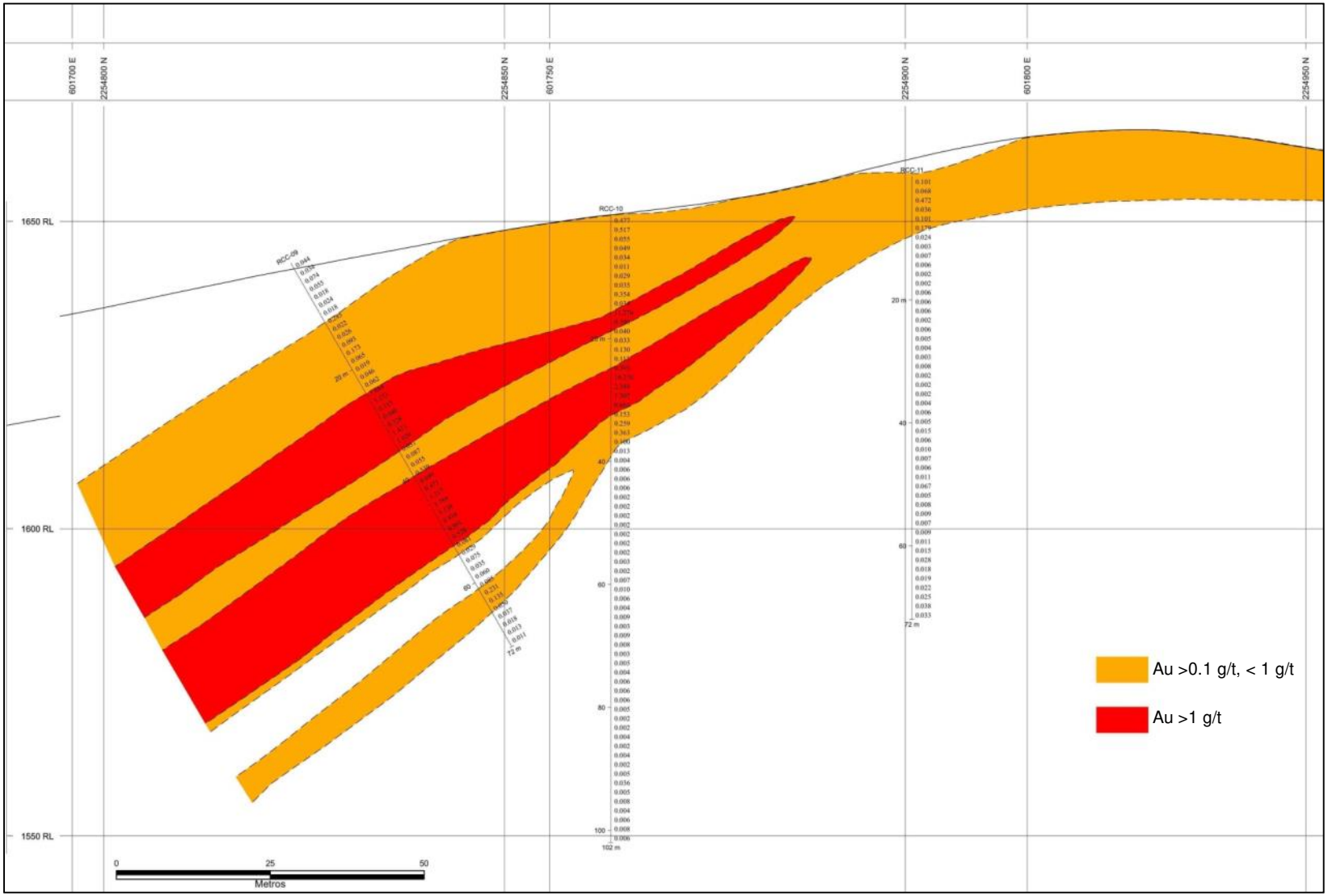

Figure 6.10. Cross section 0 from Timmins, Cocula Project.
Grade section 0 showing gold intervals defined by Timmins through holes RCC-9, RCC-10, and RCC-11.

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The tectonostratigraphic framework of west central Mexico is characterized by the Sierra Madre Occidental and Trans-Mexico volcanic belts that are superimposed on the accretionary terranes (Fig. 7.1). The region is underlain by several tectonostratigraphic terranes as defined by Campa and Coney (1983) and Sedlock et al. (1993). Table 7.1 shows the generalized stratigraphy of the region around the Cocula project.

The Guerrero terrain is the basement in the region and is represented by Alberca Formation that is constituted by a volcanosedimentary sequence of andesitic flows and tuffs of Berriasia-Huateriviari age that crops out isolated in the east side of the region (Fig. 7.1). This formation uncomfortably underlies, volcanosedimentary rocks of the Tepacaltepec Formation that are constituted by andesitic tuff, andesite, sandstone and siltstone that crops out in the east side of the region. This formation is overlain by two units from the Lower Volcanic Sequence of Sierra Madre Occidental of Upper Cretaceous to Paleocene age (McDowell and Clabaugh, 1979), relations between them are discordant and tectonic, the most ancient is a andesitic breccias-rhyolitic tuff, interbedded with andesitic tuff, andesite, rhyolitic tuff, dacitic tuff, dacite and epiclastic layers. This unit is overlaid by unconformity by rhyolitic tuff interbedded with andesitic tuff, andesite, rhyolite, dacitic tuff, epiclasts, sandstone and siltstone of Upper Cretaceous- Paleocene in age, this lithologic unit is the most widespread in the area. (SGM, 2001).

In the time between Upper Cretaceous to Lower Tertiary granitic bodies were emplaced, with composition varying from granodiorite to quartz monzonite. These bodies intruded the Cretaceous units and can be found in small exposures northwest of the Cocula Project. The youngest intrusive is a diorite which intrudes the Cretaceous and Tertiary rocks, and crops out southwest and south of the area. Andesite to basalt flows that cover large areas are Pliocene in age. Thin layered conglomerate, sandstone, silt and clays and a younger basalt of Pliocene to Pleistocene age locally cover all the units.

The evolution of western portion of Mexico is related with the Zihuatanejo Continental Arc that gave rise to the Sierra Madre del Sur and Sierra Madre Occidental, the Trans Mexican Volcanic Belt and an extensional detachment of a tectonic block known as Jalisco Block (Rodriguez-Leon, 2012). The Zihuatanejo Arc is part of the Guerrero Terrain that initially formed in the Lower Cretaceous and it had affinity with calc-alkaline volcanism interpreted as the basement formed by the Tecalitlan Formation. The tectonic evolution changes to a volcanosedimentary environment originating the Tepalcatepec Formation in a transarc basin where terrigenous sediments were deposited. The second event is related to the compression of the Laramide Orogeny previous to the accretion of the arc to the continent generating shear zones, folds, side faults and reverse faults with general convergence to the east-northeast. At the end of compressive events continuing with bimodal magmatism that is manifested with a continental coverage of Upper Cretaceous to Paleogene formed by andesitic volcanic breccia with thin layered rhyolite interbedding which migrated progressively to a felsic volcanism, with later granitic intrusions, and emplacement of andesitic dykes and dioritic bodies.

A third event occurs at Later Oligocene to Early Miocene with the subduction of the Rivera oceanic plate under the North-American plate lifting up the western part of Mexico and originating the Jalisco tectonic block. At the same time a distensive tectonic regime developed in the back arc region forming NW-SE normal faults and generated basin and range tectonism and magma emission as in the Tecolotlan basin contemporaneous with the evolution of Trans-Mexican Volcanic Belt with extension and associated basaltic volcanism. (Gamez-Ordaz and Rosales-Franco, 2014).

Western Jalisco State lies within the southern part of the epithermal precious metal belt that coincides with the Sierra Madre Occidental (Fig. 7.2), and is well endowed metallogenetically, with important past and current production in several districts, including San Sebastian del Oeste, El Barqueno and Mascota. Most of these districts are Tertiary structurally controlled epithermal vein deposits with a predominantly northwest orientation although northerly and northeasterly structures are locally important. Volcanogenic massive sulfide deposits also occur in the region and are hosted by Mesozoic rocks of the Guerrero terrane (Table 7.1).

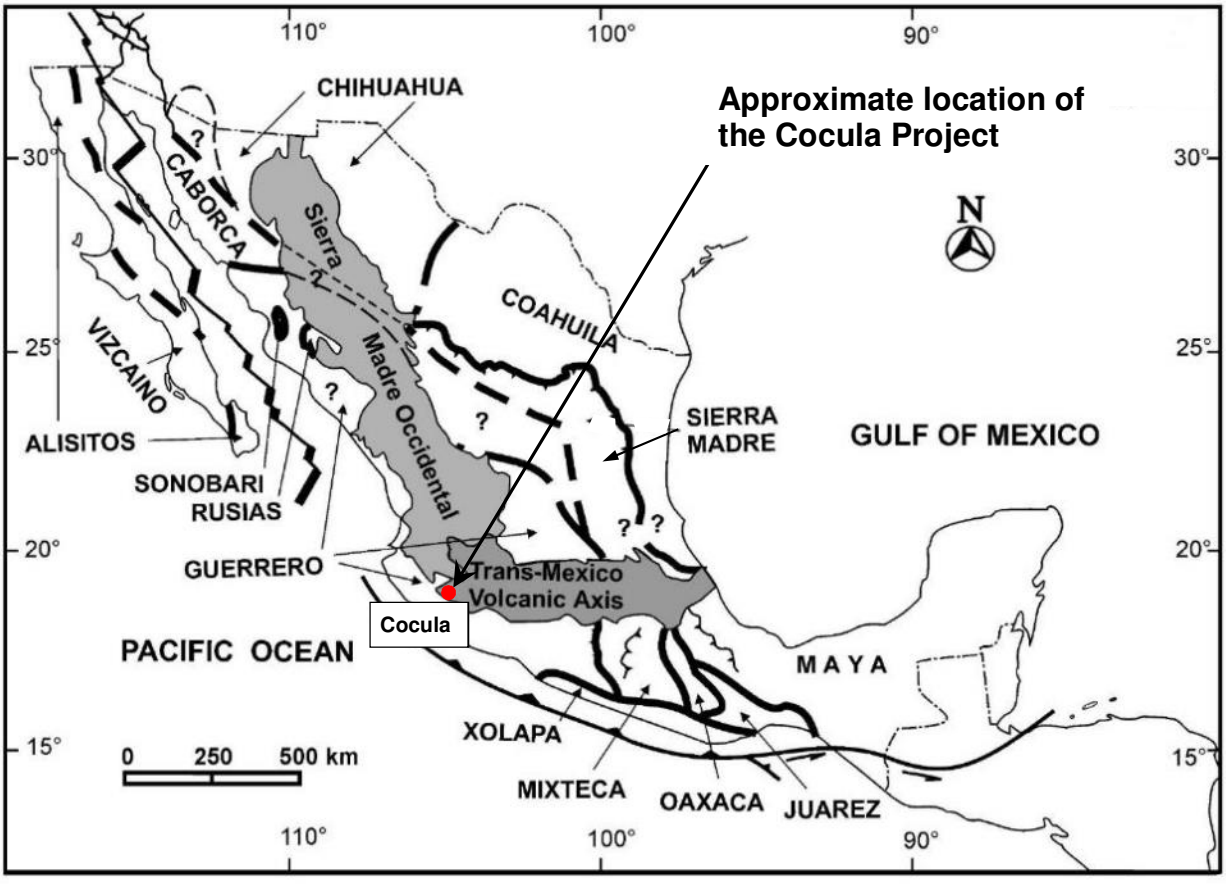

Figure 7.1. Tectonostratigraphic terranes of Mexico.
Map showing the terranes and plate tectonic framework for Mexico as well as the Sierra Madre Occidental and Trans-Mexico volcanic belts and the Sierra Madre Oriental fold and thrust belt to the east. The Cocula project is indicated by the red dot. After Campa and Coney (1983).

Table 7.1. Stratigraphic units and associated mineralization in the region of the Cocula Project

Age	Lithology	Tectonostratigraphic Unit	Associated Mineralization
Neogene-Quaternary	Conglomerate, basalt	Neo volcanic belt	
Cretaceous to Tertiary	Granodiorite and diorite intrusions		Veins and intrusion related replacements
Late Cretaceous	Andesitic to rhyolitic volcanics	Upper and Lower volcanic sequence	Epithermal veins
Early to Late Cretaceous	Volcanosedimentary rocks	Guerrero Terrane	Volcanogenic massive sulfides, epithermal veins
Early Cretaceous	Shale, andesite tuff		Epithermal veins

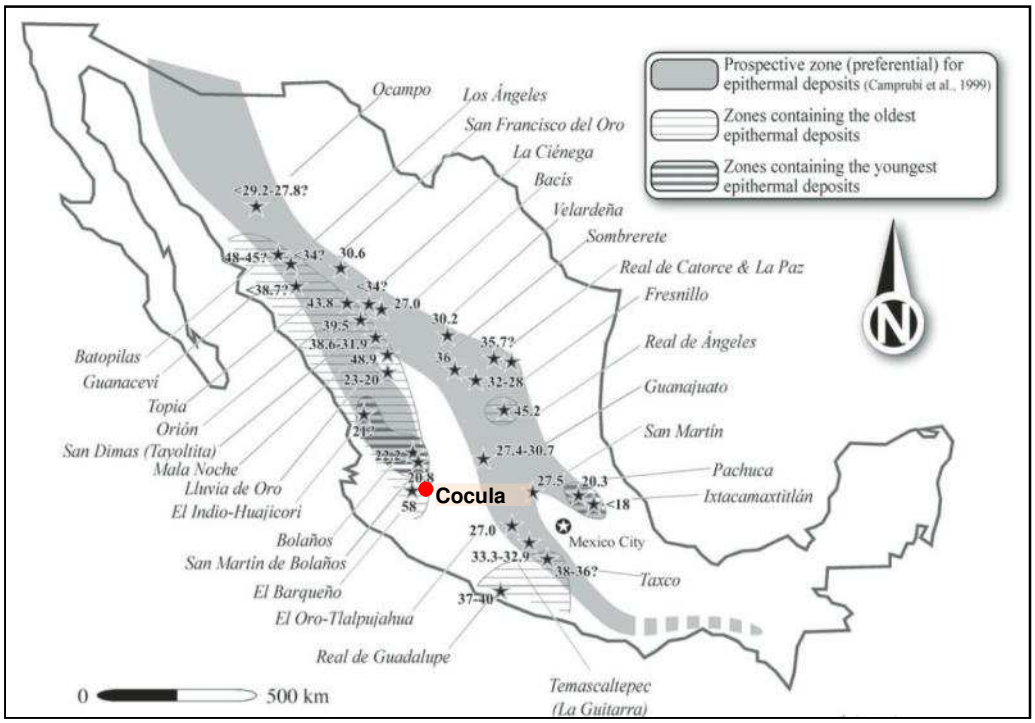

Figure 7.2. Epithermal Precious Metal belt, Northern Mexico. Distribution of important epithermal precious metal deposits in Mexico with the location of the Project. After Camprubi and Albinson (2005)..

The Cocula Project is located in the Las Minas mineralized area (Fig. 7.3) (SGM, 2014) where regional mineralized structures host veins and vein systems at small inactive mines such as Minas Cuatas and Cocula, and at numerous prospects including Altavista, Azul, Azul 2, El Jabali, La Presa 1 and 2, La Curva 1 and 2, Palmillas and el Cobre. Minas Cuatas and Cocula are possibly the same structure with a length more than 2.5 km and widths up to 8m. Surface samples taken by SGM geologists show values of 2.43 g/t Au, 48 g/t Ag, 0.26- 0.86% Cu, 1.09-4.47% Pb. Altavista vein has 350m length and 3m width average and 1.31g/t Au and 0.07% Cu. The other prospects show interesting values with as much as 2.99g/t Au, 78g/t Ag and 4.75% Cu. (Gamez-Ordaz and Rosales-Franco, 2014).

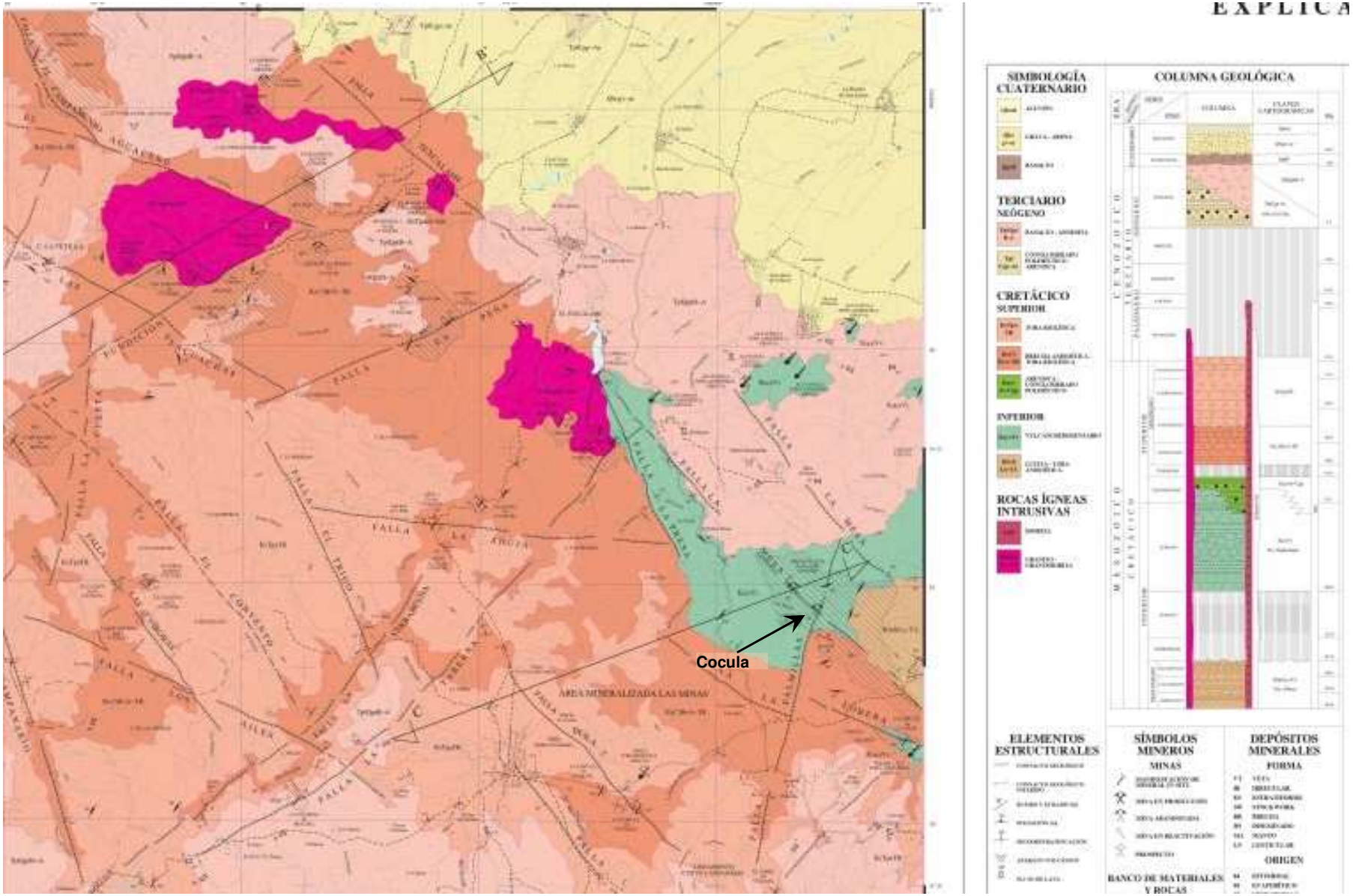

Figure 7.3. Government geologic map of the area around the Cocula Project.
Portion of SGM 1:50,000 scale Geologic-Mining map in the area of the Project showing mineralized areas and prospects.
The Cocula Project lies in the Las Minas Mineralized areas and is indicated. After SGM, 2014.

7.2 Geology of the Cocula Project

The Cocula Project is underlain mostly by Cretaceous andesitic volcanic rocks (Fig. 7.4). More felsic tuffaceous interbeds are also recognized. The andesite is intruded by quartz monzonite to granodiorite intrusive, although this unit may also be a pyroclastic layer within the volcanic sequence. All of these rocks are overlain by basalt of Pleistocene age.

7.2.1 Andesitic rocks

Andesite is the main rock type that crops out at the Cocula Project. It corresponds to the Lower Volcanic Group and is the main host for mineralized structures in the Mining District and the Property. The andesite is gray to greenish in color, and aphanitic to porphyritic in texture with local plagioclase phenocrysts. The rocks have not been mapped in sufficient detail to identify specific units within the andesitic package other than granular pyroclastic units that may have also been identified as intrusive rocks by some workers.

7.2.2 Intrusive rocks

An intrusive unit has been mapped at the surface by some workers, although others believe that it is a coarser grained pyroclastic unit within the volcanic sequence. The rock is intermediate in composition and has been described as a fine to medium grained granodiorite to quartz monzonite. Other workers have called this unit a volcaniclastic or pyroclastic rock. The contacts of this unit appear to dip westerly and it may be a sill or a volcanic horizon.

7.2.3 Structure

The main structural feature at the Cocula Project is a northwest striking fault zone which extends for at least 1 km on the Project, with at least three local subparallel local structures. These structures are affected by later northeast to east-west trending faults. The main structure dips to the southwest with steep to shallow dips of as shallow as 35-40°SW. The NW-SE structure is a breccia developed mainly in andesite near the contact with the intrusive rocks or possible pyroclastic (Fig. 7.4). The breccia contains altered fragments of both rocks and may be at least in part tectonic in origin.

7.2.4 Alteration and mineralization

The main mineralized zone in the Cocula Project, known as Cerro Colorado, is an area of alteration mostly bare of vegetation. The northwest trending breccia described above hosts stockwork quartz veining, quartz filling in the matrix and locally fragments of quartz veins as well as wall rocks (Fig. 7.5). Moderate to strong argillic alteration is developed in andesite (Fig. 7.6) and breccia fragments; the clays are probably kaolinite and illite. Strong to moderate silicification occurs in patches within the breccia and in the walls of host rock of quartz veins. Quartz veins also cut the mineralized breccia in places (Fig. 7.7). Hematite, goethite and jarosite are commonly observed in the matrix and may be earthy or siliceous (Fig. 7.8), and possible sulfate and carbonate efflorescence from oxidizing sulfides, mostly pyrite and galena, are also observed. Weak propylitic alteration is observed affecting the surrounding andesitic rocks, with abundant chlorite and minor epidote.

Two general types of mineralization are apparent. The first type consists of a quartz matrix breccia locally with specular hematite and barite and areas of silica formed along a northwest

trending structural zone (Fig. 7.4). This breccia widens out at the northern end of the structure apparently above the more constrained structure observed in lower elevations (Fig. 7.9). The breccia may be at least partly controlled by quartz monzonite/granodiorite-andesite contacts. The second type consists of NW trending lead-zinc-gold-silver epithermal veins with a more massive and milky quartz texture. These are discussed further in section 9. Exploration.

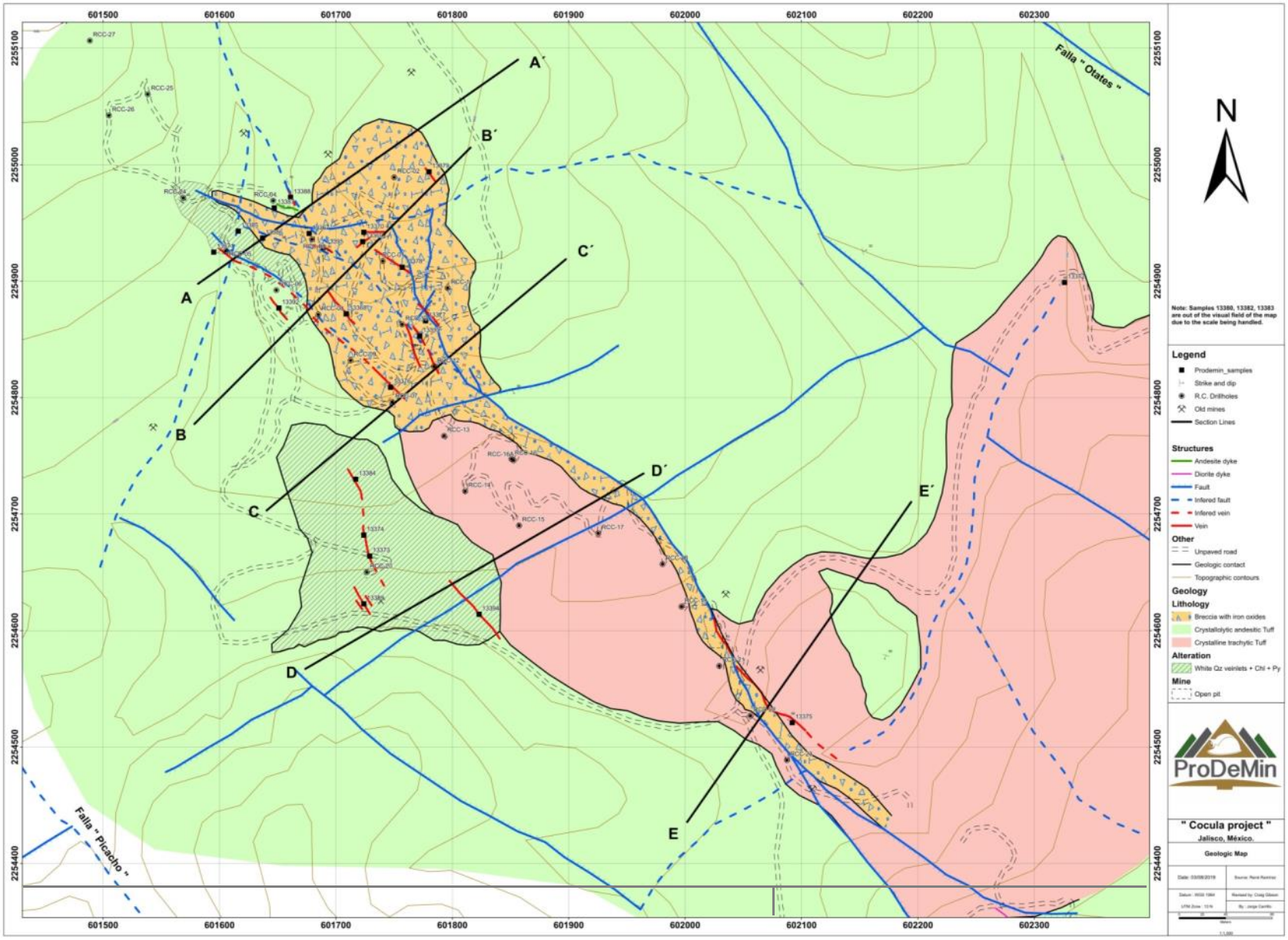

Figure 7.4. Geologic map of the Cocula Project.
Geologic map of the area of the Project from Ramirez (2019). Concession boundaries indicated by the gray lines.

Figure 7.5. Photo of mineralized breccia.
Breccia with fragments of brecciated quartz vein material.

Figure 7.6. Argillic alteration with veining.
Argillic altered andesitic volcanic rocks cut by quartz veins and fractures with iron oxides.

Figure 7.7. Veins in mineralized breccia.
Veins cutting oxidized and iron oxide rich mineralized breccia.
Note steep and moderate dips on veins.

Figure 7.8. Mineralized breccia at the Cocula Project.
View of mineralized breccia near hole RCC-2. Fragments of altered rock and vein material cemented by siliceous ferruginous matrix with abundant hematite.

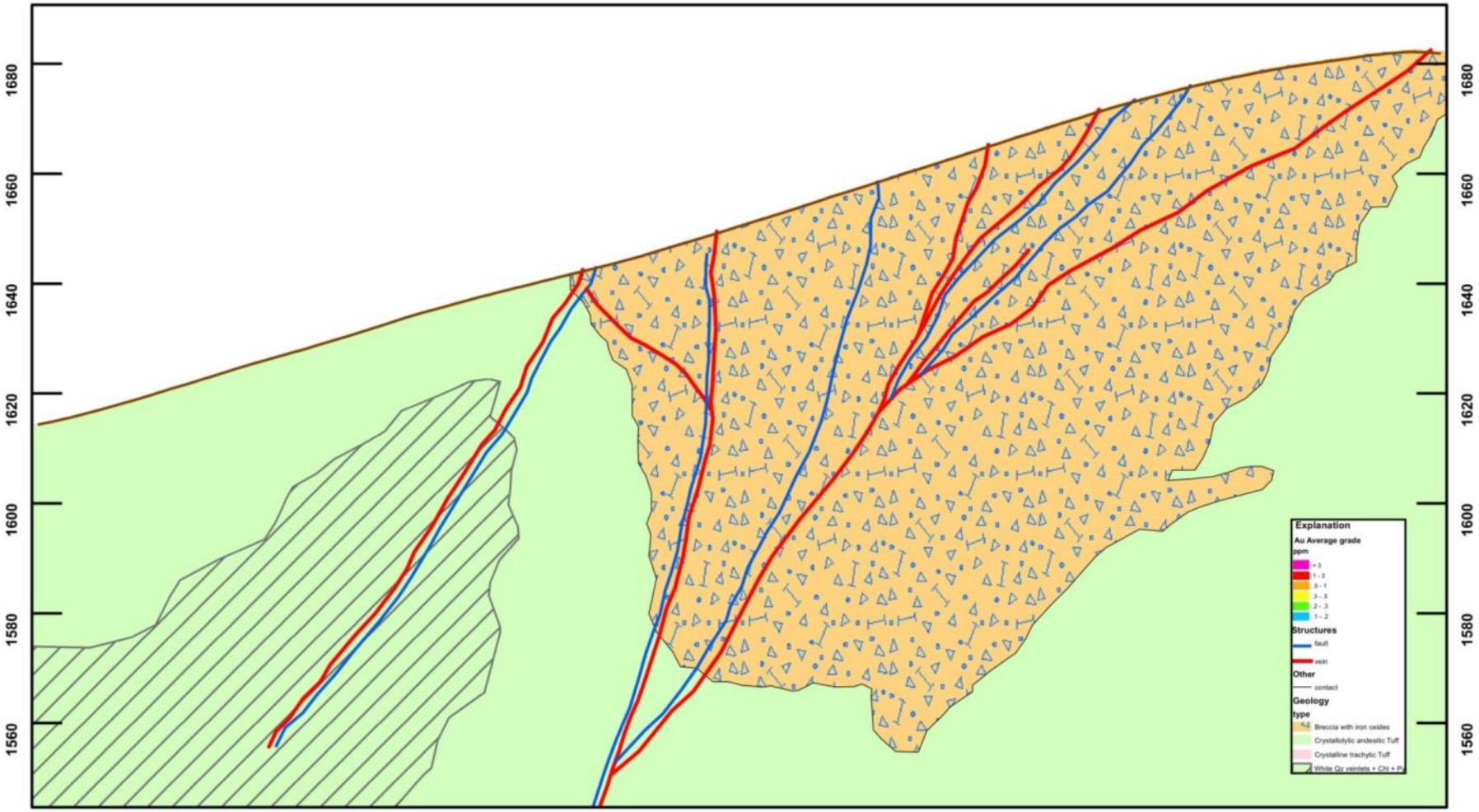

Figure 7.9. Cross section B-B' Cocula Project.
Cross section B-B' shown on Fig. 7.4, interpreted by Ramirez (2019).

8.0 DEPOSIT TYPES

The mineralization at the Cocula Project can be classified as a low sulfidation epithermal deposit. These types of deposits have been described by Buchanan, 1981 (Fig 8.1). In this model, veins with base metal values formed lower in the epithermal system. These deposits have also been termed intermediate sulfidation by some workers (Einaudi, et al., 2003), but others prefer the term polymetallic because the mineralization can be a continuum from shallower mineralization of the low sulfidation type (Corbett, 2005, 2013).

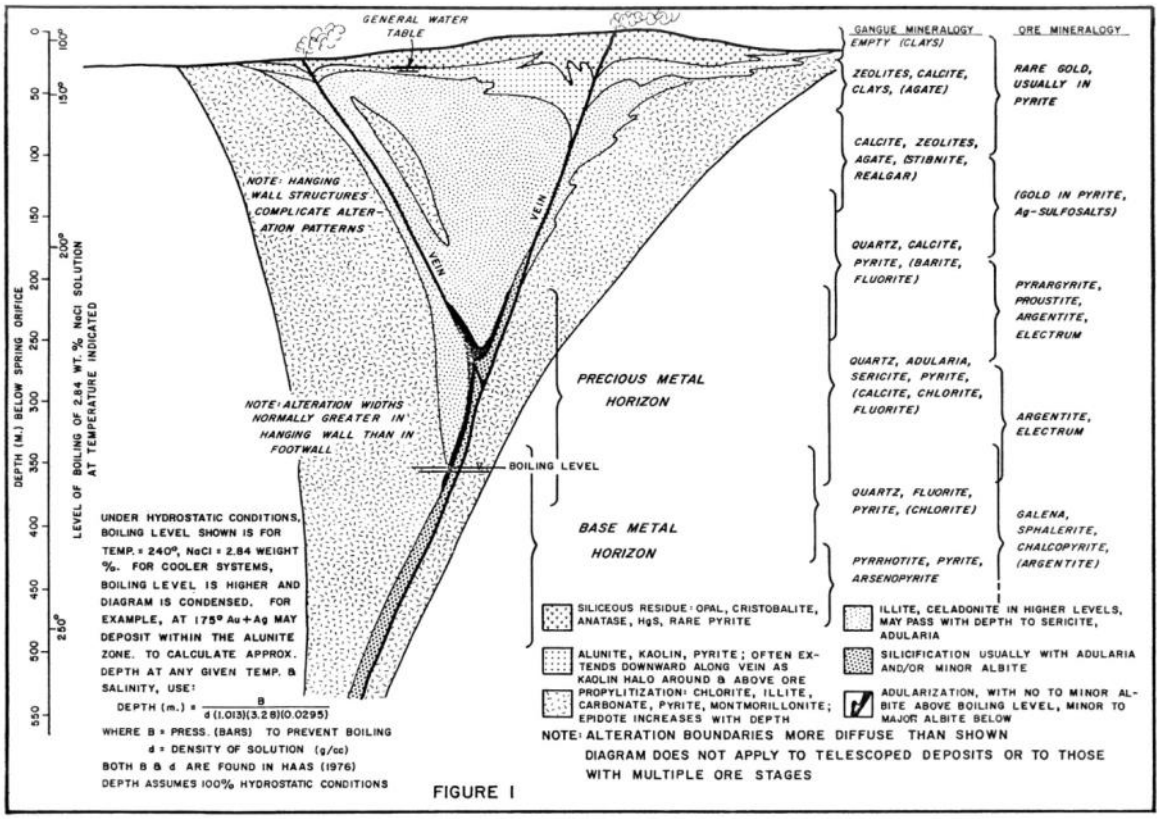

Figure 8.1. Mineralization model for low sulfidation epithermal veins
Schematic model for mineralization related to low sulfidation epithermal veins.
From Buchanan, 1981.

9.0 EXPLORATION

The Company has completed one period of exploration at the Project to date, consisting mainly of two weeks of geologic mapping to verify the geology of Timmins. A total of 26 samples were taken as part of this mapping program. An additional 14 duplicate samples of RC cuttings stored at the property were also analyzed as port of the Company's Due Diligence program under the LOA. Previous exploration by Timmins Gold Corp. is described in section 6.0 History.

A cursory examination of the geology of the property was made by the author for this report, and exposures of the structure at the surface were visited. Drill cuttings from Timmins' RC program were also available for review at a warehouse located in San Martin de Hidalgo. Recommendations for further work are included in the appropriate sections of this report.

9.1 Mapping and Geochemical Sampling

One 2 week period was spent by contract geologist Rene Ramirez conducting a mapping program over the main mineralized area at the Cocula Project in order to provide an updated interpretation for a future drill program. An area of about 10 hectares was mapped (Fig. 7.1) and 26 rock samples were taken (Figure 9.1, Table 9.1). This program identified three styles of spatially related mineralization and alteration (Fig. 9.2). The first type consists of a mineralized structure striking northwesterly and dipping steeply to moderately to the southwest that hosts a multilithic breccia that locally contains quartz filling and stockwork veining. The quartz generally consists of clear crystalline quartz with open space and drusy textures, locally with finer grained silica. The structure is exposed over a strike length of approximately 800 meters and is adjacent to a wider zone of similar breccia near its northern end (Fig. 9.2). The breccia is oxidized at the surface with abundant locally massive iron oxides and jarosite (Fig. 7.8) and locally contains specular hematite. Discrete quartz veins larger than a few centimeters in width are uncommon. The wall rocks of the breccia are locally strongly argillized and are cut by numerous quartz veins and iron oxide bearing fractures (Fig. 7.6).

The second type of mineralization and alteration is located west of the breccia described above and consists of chloritized andesite with disseminated pyrite cut by banded massive milky quartz veins. Epidote is locally observed and oxidized copper minerals and staining are commonly present. Northwest striking veins with abundant sulfides, dominantly pyrite and galena, occur within this zone.

The third type of mineralization consist of quartz-barite veins associated with manganese oxide that lie to the east of the breccia body and along the northwest trending breccia structure and are evidently younger. The quartz is crystalline and occurs with massive and bladed barite.

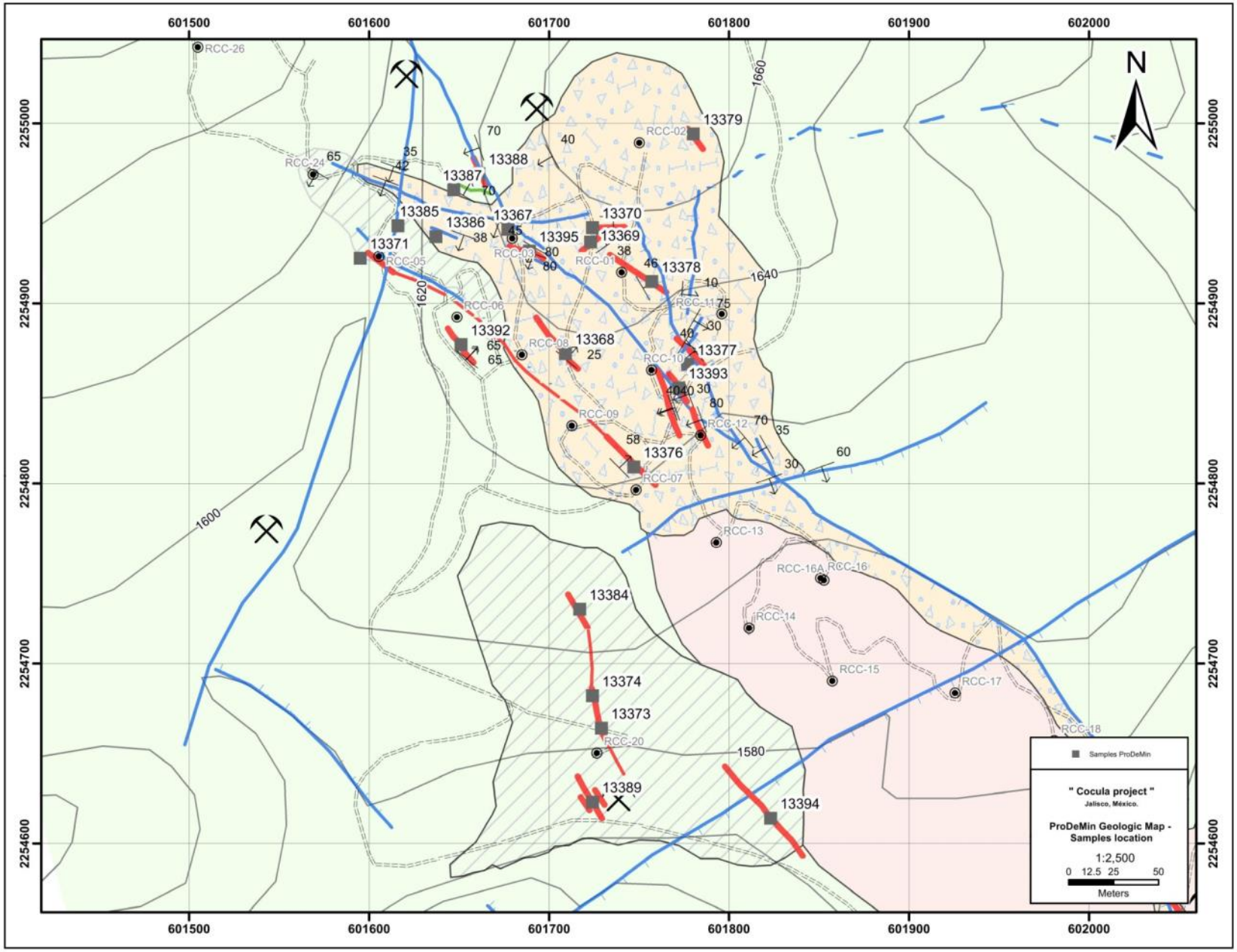

Figure 9.1. Samples taken at the Cocula Project.
Geologic map of the Cocula Project showing the locations of rock samples taken by the Company.

Table 9.1. Data for samples taken by the Company at the Cocula Project

Sample	Easting	Northing	Elev	Type	Width(m)	Description
13367	601,677	2,254,941	1,666	Selected	1	3 quartz veinlets parallel to fault, crosscutting fracture N35E/70SE
13368	601,709	2,254,872		Chip	0.25	Structure with quartz, possibly mineralized
13369	601,723	2,254,934		Chip	1.5	Silicified structure with white crystalline quartz veining, strong brecciation, strong Mn
13370	601,724	2,254,942		Chip	0.5	Silicified structure with white crystalline quartz veining, strong brecciation
13371	601,569	2,254,971		Chip	1.5	Trachytic tuff, strong quartz veining, brecciation, pyrite, galena, and Cu carbonates
13372	602,326	2,254,899		Selected	3	Outcrop of trachytic tuff (?), moderately oxidized with syngenetic sulfides of Fe and As (?), weakly stratified
13373	601,729	2,254,650	1,629	Chip	0.4	Greenish quartz vein with galena in 'hanginwall' of zone of veinlets, mineralized sigmoids at N45W
13374	601,764	2,254,682		Chip	0.4	Brecciated and silicified vein with white quartz and Fe oxides and galena, cutting volcaniclastic
13375	602,092	2,254,521	1,588	Chip	0.6	Structure with barite and minor quartz, with Fe oxides, cutting fractured and oxidized volcaniclastic
13376	601,747	2,254,809		Chip	0.6	Silicified and brecciated structure
13377	601,777	2,254,866		Chip	0.4	Silicified and brecciated structure
13378	601,757	2,254,912		Chip	0.6	Brecciated White crystalline quartz vein, Fe oxides
13379	601,780	2,254,994		Chip	0.5	Silicified and brecciated structure with Fe oxides and native gold (?)
13380	602,420	2,254,404	1,638	Chip	0.1	10 cm quartz vein with parallel veinlets in rhyolite tuff (?) strongly oxidized, with liesengang
13381	602,565	2,254,239	1,642	Chip	0.5	Silicified structure with quartz veining cutting volcaniclastic, drusy quartz
13382	603,036	2,254,948	1,513	Chip	0.6	Volcaniclastic andesite, weak propylitization, veining of silica and Fe at N60W
13383	602,447	2,254,543	1,652	Chip	0.4	Gray-white quartz vein, with associated pyrite
13384	601,717	2,254,730	1,629	Chip	1.15	Quartz vein with Fe and Mn oxides
13385	601,616	2,254,943	1,632	Chip	0.4	Sample taken within fault with slickensides on the hangingwall, silicification and quartz
13386	601,637	2,254,937	1,641	Chip	0.35	Crystalline White quartz, in 'hangingwall' of structure
13387	601,647	2,254,963	1,644	Chip	2.1	Andesite dike, strong chloritization, with pyrite, bornite, hornblende and quartz veinlets
13388	601,661	2,254,972	1,647	Chip	0.25	Quartz vein with specular hematite, galena (?), same strike as fault
13389	601,724	2,254,623	1,596	Chip	0.4	Quartz veining in andesite, scarce visible sulfides
13392	601,651	2,254,877	1,639	Chip	0.3	Silica filled fractures, with weak to moderate Fe oxides
13393	601,772	2,254,853	1,647	Chip	1	Quartz vein with galena crystals, Fe oxides, greenish quartz
13394	601,823	2,254,614	1,596	Chip	0.3	White and gray quartz veining, in crystal-lithic volcaniclastic rock
13395	601,689	2,254,929	1,655	Chip	0.9	Quartz breccia vein with green quartz, galena, pyrite, chlorite

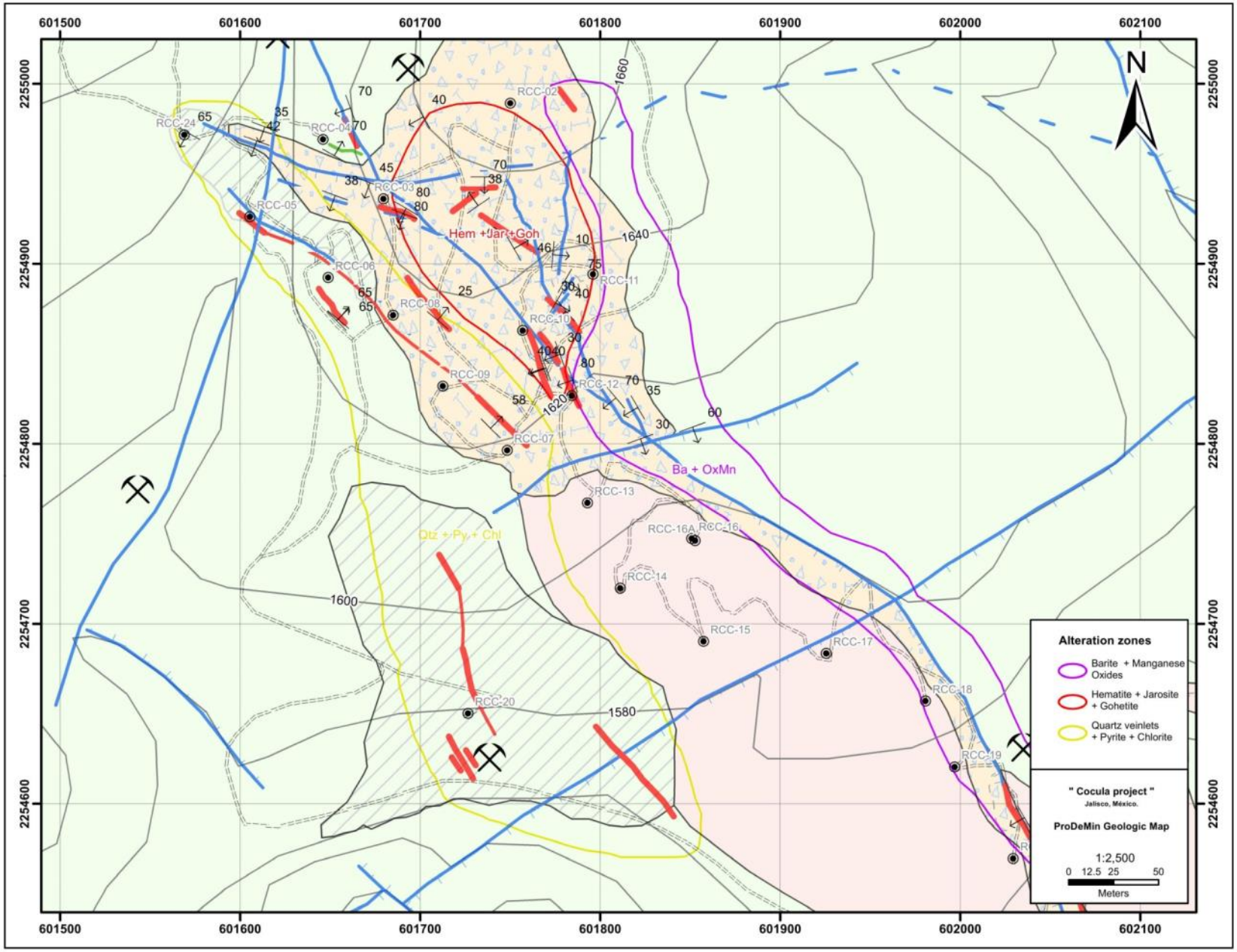

Figure 9.2. Alteration and mineralization zoning at the Cocula Project.
Geologic map of the Cocula Project showing areas of alteration and mineralization described in text.

9.2 Geophysics

There has been no geophysics conducted at the property other than that completed as part of an airborne regional program conducted by the SGM. The SGM survey was a high altitude program with widely spaced lines and is not useful at the scale of the Project.

9.3 Drilling

The Company has completed no drilling at the project. Data and assays of the Timmins 2008 RC drill program described in section 6 are available and can be used as a reference in the Company's exploration program.

9.4 Results of Exploration

Table 9.2 shows the analytical data of the duplicate RC drill samples taken during the initial due diligence program compared to the original database from Timmins. The duplicate assays are generally in close agreement with the original assays, although there is some variability in gold values as would be expected. There may be an increase in the silver and lead values because the original assays were completed using an aqua regia digestion while the duplicate assays used a four acid digestion resulting in more complete dissolution of refractory oxide minerals, but more data is needed to confirm this.

Gold assays for the 26 samples taken the Company are shown in Table 9.3, and Fig. 9.3 shows the values on the geologic map. The sampling was not systematic but was oriented towards testing the different styles of veins and mineralization. Only gold was assayed for at this time.

The geologic mapping program identified several areas that require more exploration. Figures 9.4 to 9.6 show geologic cross sections interpreted from the mapping program. The results of Timmins drilling is shown on the cross sections, as well as several possible drill holes to test areas that were not explored by the Timmins program. The main northwest trending structurally controlled breccia is apparently a moderately to steeply dipping as observed at the surface and in historic workings (Fig. 9.7), but has only been drill tested at widely spaced intervals, and some of the holes are vertical and may not have cut across the structure. This structure may also occur beneath the wider breccia body mapped in the northern part of the mineralized area but was also not targeted in past drilling (Fig. 9.5). The relatively galena-rich veins (Fig. 9.8) to the west of the main breccia structure have also not been well tested by drilling with only shallow intercepts (Figs. 9.4 to 9.6).

Table 9.2. Results for duplicate assays from RC drill samples, Cocula Project

Hole/lab	Sample	Weight kg	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
RCC-01							
IPL	17001		22.51	22.3	1,058	14,626	950
ALS		1.5	23.7	29.7	975	12,700	981
RCC-02							
IPL	17076		1.088	38.3	2,349	19,601	1,301
ALS		2.2	0.94	45.2	2,280	91,200	1,180
RCC-03							
IPL	17115		0.768	2.1	955	1,203	192
ALS		6.6	0.3	4.25	888	1,495	222
IPL	17116		0.277	9	3,165	598	280
ALS		4.82	0.31	10.2	2,720	1,895	304
IPL	17117		0.814	15.8	4,625	466	277
ALS		3.18	0.6	14.25	4,100	545	286
IPL	17118		0.766	18.7	4,822	470	210
ALS		2.84	0.93	21	4,470	623	215
IPL	17119		1.856	19.9	1,382	680	104
ALS		3.8	1.57	24.3	1,340	1,125	119
IPL	17120		0.894	10.3	1,179	909	193
ALS		2.9	1	14.15	1,225	1,250	220
IPL	17122		1.12	7.6	2,536	572	310
ALS		2.34	1.05	9.79	2,210	773	329
RCC-09							
IPL	17490		0.699	4.9	112	7,476	1,297
ALS		6.44	0.42	4.52	110	6,740	1,200
IPL	17491		0.473	24.6	113	14,736	1,129
ALS		6.5	0.48	19.6	103	13,650	1,110
IPL	17493		3.789	9.2	238	16,601	2,450
ALS		2.88	3.66	11.45	229	16,750	2,420
IPL	17497		0.991	22	347	18,518	1,582
ALS		5.6	0.61	29.3	272	21,800	1,380
IPL	17498		0.52	22.7	506	17,259	1,786
ALS		3.22	0.58	22.4	484	42,300	1,860
RCC-17							
IPL	17911		6.451	3.5	241	692	590
ALS		4.44	8.44	5.09	271	1,150	607

Table 9.3. Gold assays from the Cocula Project

Sample	Sample weight kg	Width m	Au g/t
13367	1.96	1.0	0.27
13368	1.22	0.25	0.1
13369	1.62	1.5	0.88
13370	1.86	0.5	1.25
13371	3.22	1.5	0.3
13372	1.4	3.0	<0.01
13373	1.6	0.4	0.13
13374	3.02	0.4	12.55
13375	3.34	0.6	0.08
13376	2.64	0.6	1.4
13377	3.34	0.4	1.68
13378	2.14	0.6	2.7
13379	2.6	0.5	5.89
13380	1.34	0.1	0.05
13381	1.58	0.5	0.01
13382	2.1	0.6	0.02
13383	1.88	0.4	0.09
13384	1.68	1.15	0.1
13385	2.4	0.4	1.6
13386	1.96	0.35	0.46
13387	2.8	2.1	0.07
13388	2.46	0.25	0.21
13389	2.74	0.4	0.03
13392	1.46	0.3	0.07
13393	2.18	1	0.94
13395	1.82	0.9	0.34

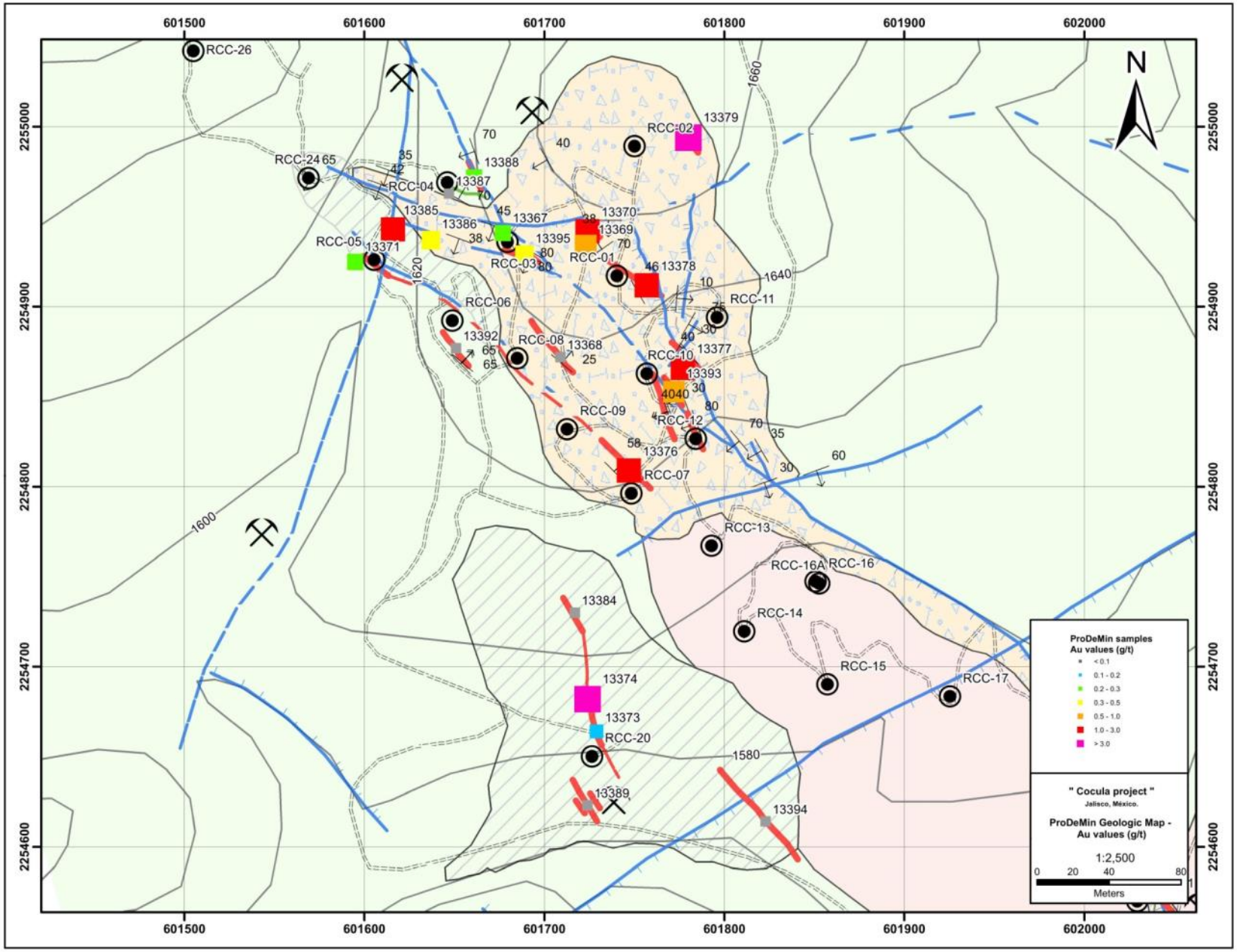

Figure 9.3. Gold rock geochemistry for the Cocula Project.
Gold geochemistry for rock samples from the Silver Spruce program.

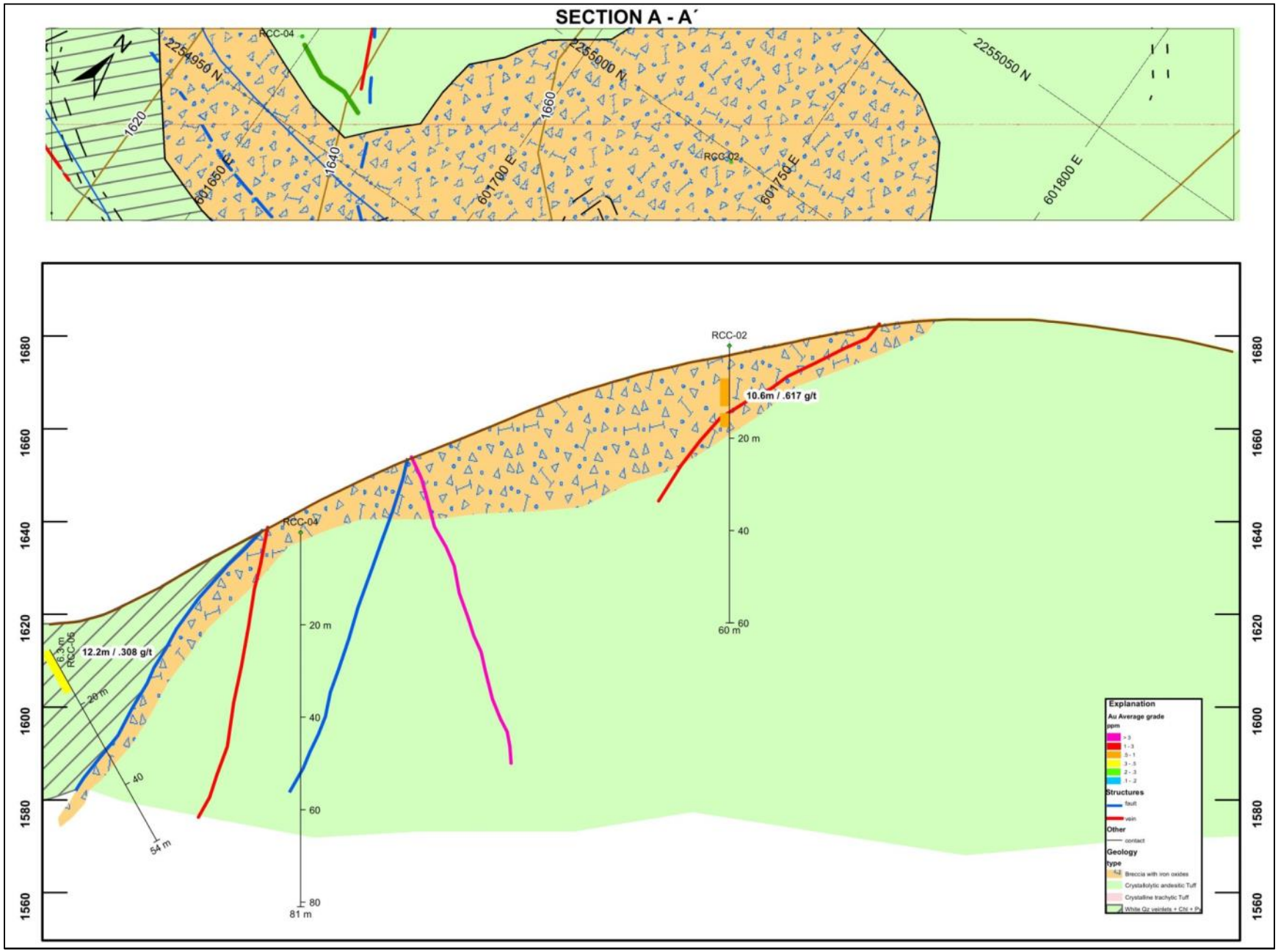

Figure 9.4. Cross section A-A' for the Cocula Project.
Cross section A-A' located on Fig. 7.4. Widely spaced drilling has not covered much of the exploration target.

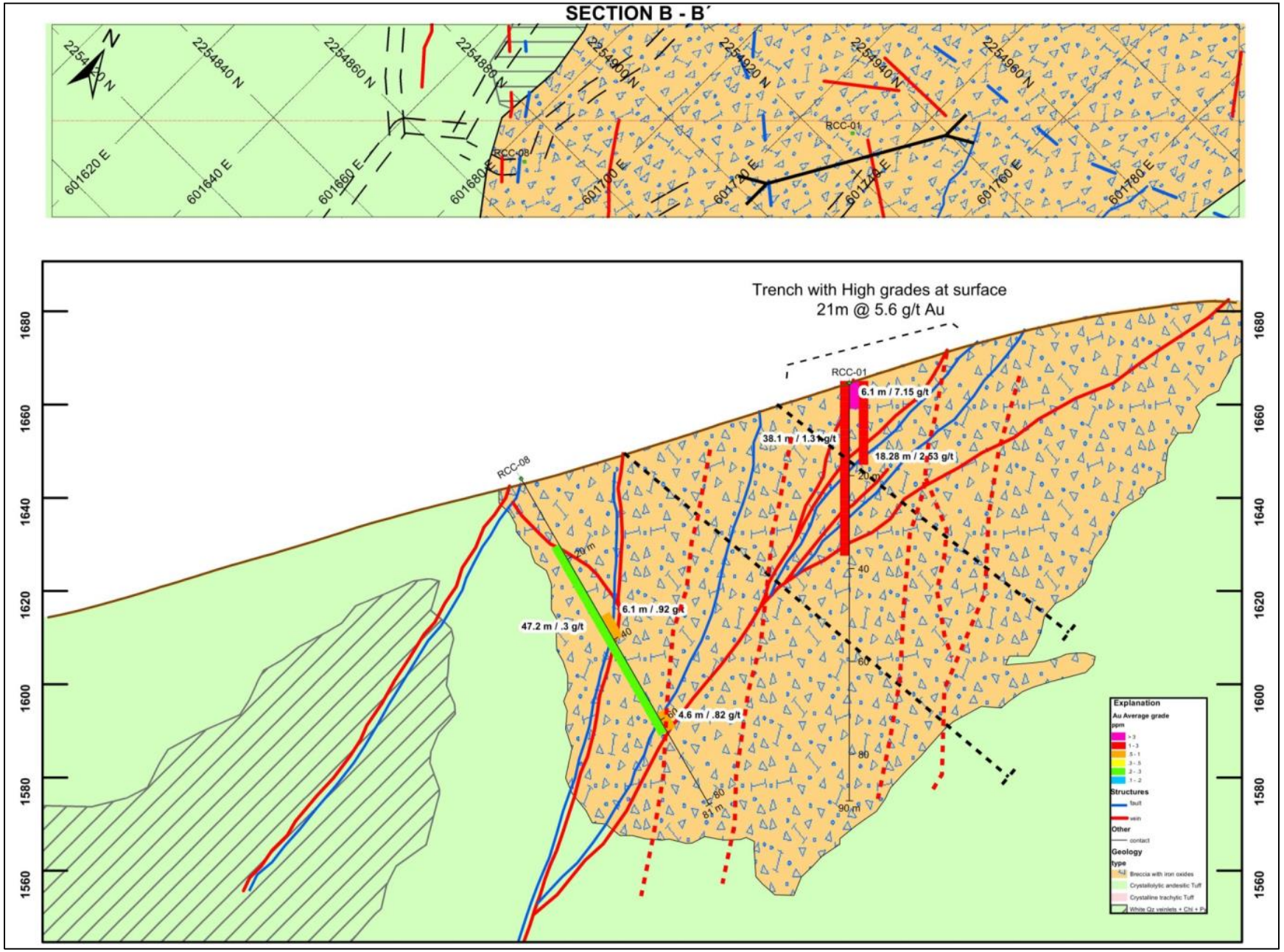

Figure 9.5. Cross section B-B' for the Cocula Project with proposed drill holes.
Cross section B-B' located on Fig. 7.4, showing results of drilling in the large breccia body that has not tested the entire target.

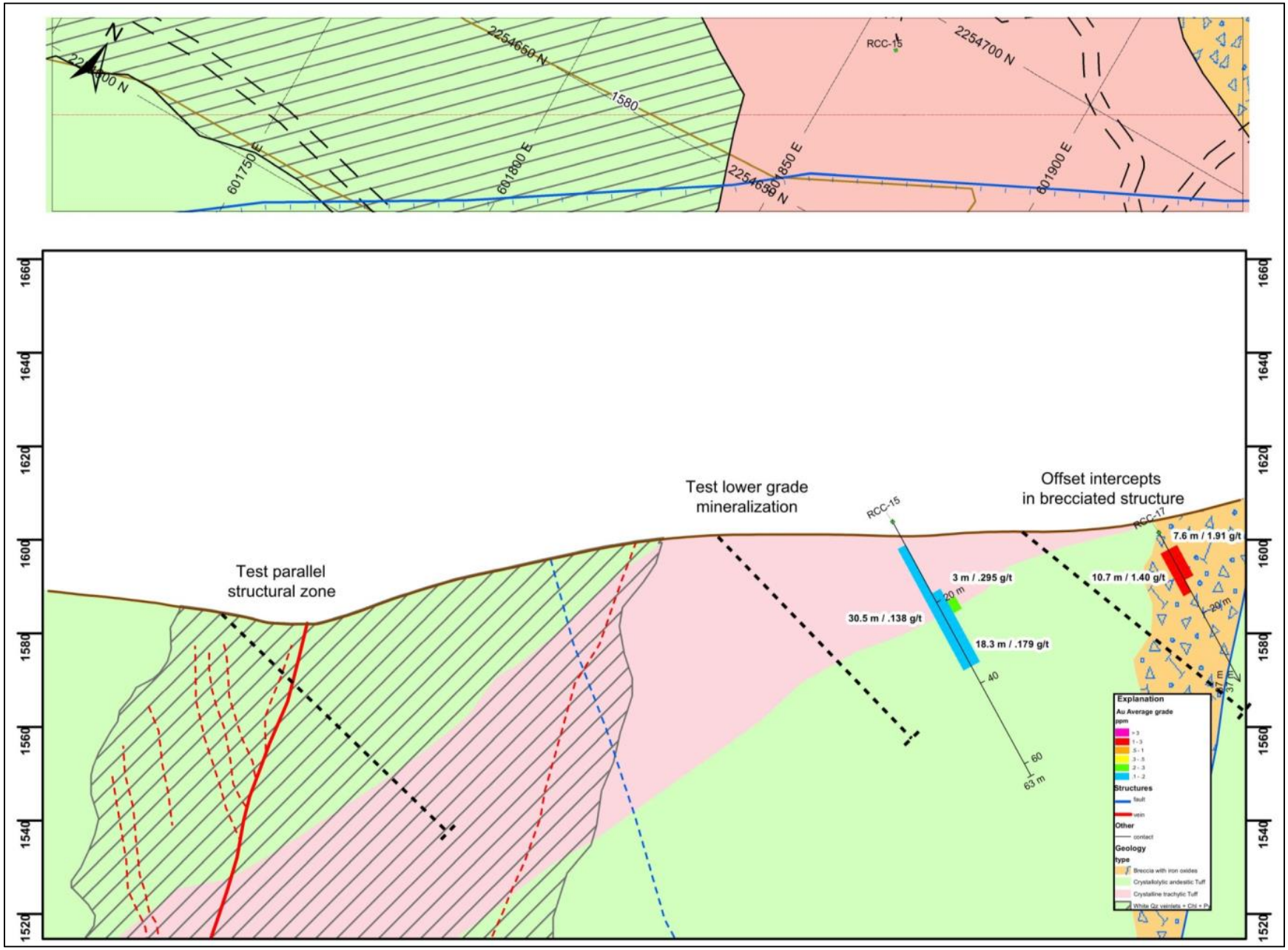

Figure 9.6. Cross section D-D' for the Cocula Project with proposed drill holes.
Cross section D-D' located on Fig. 7.4, showing drilling in the southern part of the main structure. Other targets are poorly tested.

Figure 9.7. Mine working at the Cocula Project.
Workings at the Magui mine that exploited quartz matrix breccia.
Note relatively steep dip to southwest. Looking to the northwest.

Figure 9.8. Galena-rich vein.
Photo of sample 13371, a galena-rich epithermal vein from the Cocula Project. Scale in cm.

10.0 DRILLING

There has been no drilling carried out by the Company on the property to date. Drilling carried out previously by Timmins in 2008 is described in Section 6.0 History.

11.0 SAMPLE PREPARATION, ANALYSES, AND SECURITY

The Company has taken 26 rock samples at the Project as well as 14 samples of RC cuttings collected by ProDeMin geologists to audit the Timmins database as part of a Due Diligence program. The Author also took 8 samples of outcrops in trenches and small mine workings and 4 samples of RC cuttings during a visit to the Project.

Sampling was completed with a rock hammer by breaking off chips of rock, with the continuity of sampling depending on the sample type. The rock sampling completed was for the purpose of confirming the presence of mineralization as previously reported and thus was not systematic. Channel samples are taken to be a nearly continuous strip of rock sampled between two point with the length based on geology, while chip channels are similar but not as continuous. Selected samples are taken of a particular feature and thus are variable in size, and may include samples of areas separated by unsampled material. For samples taken during the mapping program, control samples consisting of a standard pulp and a coarse blank were inserted in the sample stream for QA/QC purposes. For samples taken of RC cuttings and those taken by the author control samples were not used as the samples were duplicates or were taken in areas with previous sampling and were taken to verify the general metal concentrations previously reported.

Samples remained in the possession of the Company's contractors until delivered to the sample preparation facility in Guadalajara. Sample preparation and analyses were carried out by ALS Global (ALS), at their facilities in Hermosillo and Vancouver, respectively. ALS is a worldwide analytical laboratory with completed registration for Quality Management Systems to ISO 9001:2008 for the Mexico preparation facilities and the North American analytical laboratories. The samples were analyzed by the AA26 method for gold and by the ME-MS61m method for a package of 48 elements.

ALS standard sample preparation procedures employed include:

PRP70-250 – Sample preparation - The sample is logged in the system, weighed, dried and one kg is finely crushed to better than 70 % passing a 2 mm (Tyler 9 mesh, US Std. No.10) screen. A split of 250 g is taken and pulverized to better than 85 % passing a 75 micron (Tyler 200 mesh, US Std. No. 200) screen.

The ALS analytical packages are described below:

Samples sent to ALS were analyzed for gold using the Au-AA26 and for other elements using the ME-MS61m package. Au-AA26 consists of a 50 gram fire assay with an atomic absorption finish with a higher detection limit of 100 g/t Au. The ME-MS61m is a multi-element package that uses ICP and mass spectrometry for lower detection limits for some of the indicator elements and a four acid digestion. This package includes a lower detection limit for mercury by analyzing using a separate digestion.

Samples previously taken by Timmins were analyzed by IPL at their labs in Mexico and Vancouver. IPL had ISO 9001:2000 certification and was subsequently acquired by Inspectorate Labs, now under the umbrella of the Bureau Veritis Group. Sample certificates are included in

the database acquired by ProDeMin. The samples were analyzed for gold using a 30 gram fire assay with an AA finish, and for other elements using ICP emission spectroscopy and an aqua regia digestion. Samples with over 1 g/t Au or 100 g/t Ag were reanalyzed using a fire assay with a gravimetric finish. Timmins inserted control samples consisting of standards and blanks at a rate of one control sample per approximately 15 to 20 rock or drill samples but at irregular intervals. Duplicate samples were also inserted into the sample stream at about intervals of 50 to 60 samples. It is the author's opinion the sample preparation, security and analytical procedures are adequate for the Cocula Project.

12.0 DATA VERIFICATION

The author visited the Project on July 12, 2019, and reviewed the geology of the Property as well as verified the presence of drill sites based on cement plaques (Fig. 12.1). Eight samples from mineralized areas were collected during this visit (Figs. 12.2, 12.3, Table 12.1). The samples were taken in several mineralized areas that had been sampled previously by others in the past in order to verify the presence of metals at the concentrations indicated in those studies. An additional 4 samples of RC cuttings were also collected. Sample data is shown in Table 20.1. The samples taken by the author remained in the author's custody until they were delivered to ALS in Guadalajara, Mexico.

Samples collected by the author were prepared and analyzed ALS (also known as Chemex and ALS-Chemex) at their facilities in Guadalajara and Vancouver, respectively. ALS is a worldwide analytical laboratory with completed registration to ISO 9001:2008. The samples were analyzed for 50 elements as a multi-element ME-MS61 and Hg-MS42 package, and gold was analyzed by 50 gm fire assay with and atomic absorption finish, method AuAA26, as previously described in section 11.0 Sample Analysis and Security.

The analytical results from the samples taken by the author are shown in table 12.2 below and the rock sample sites are shown in Fig. 12.3. Sample descriptions are presented in Table 12.1 below. The results confirm the presence of metal values in the samples.

Based on the field review and review of the mapping and sampling results, it is the author's opinion that the current database is adequate and appropriate for continued evaluation of the Cocula Project.

Figure 12.1. Historic drill sites.
Photos of cement plates marking RC drill sites of the Timmins program.

Figure 12.2. Photo of sample site at the Cocula Project.
Sample sites for samples 13362, 13363 and 13364 taken by the author from the Cocula Project.

Table 12.1. Data and descriptions for samples taken by the author.

SAMPLE	LOCATION	EASTING	NORTHING	ELEV	TYPE	WIDTH(m)	DESCRIPTION
13359	Cerro Colorado	601,775	2,254,991	1,686	Channel	0.6	Small dig 3x3x1.7m, east wall, red color breccia, Az 50°, -75°. Weak to moderate silicified, barite, specularite, iron oxides, minor secondary CuOX.
13360	Cerro Colorado	601,773	2,254,988	1,686	Channel	1.0	Small dig 3x3x1.7m, west wall, red to light red color, breccia, Az 50° -60°, weak to moderate silicification, barite, specularite, hematite and minor CuOX.
13361	Cerro Colorado	601,740	2,2549,30	1,674	Channel	0.7	0.20m quartz vein taken in 4x1.5x1.7 trench, low angle Az 270° -19°, light color, minor iron stained and hematite, no sulphides visible.
13362	Cerro Colorado	601,766	2,254,919	1,675	Channel	1.5	Sample taken in 10m long main trench, south extreme, breccia, texture well not observed due to alteration, barite, specularite, hematite.
13363	Cerro Colorado	601,768	2,254,920	1,674	Channel	0.7	Sample taken in the middle portion of main trench, reddish color, breccia, weak to moderate silicified, barite, specularite, sometimes leached appearance, hematite and minor Cu stained.
13364	Cerro Colorado	601,769	2,254,920	1,674	Channel	2.3	Sample taken in north portion in main trench, reddish color, brecciated, Az 300, mostly vertical, weak silicified, leached appearance, barite, specularite, iron stained, hematite.
13365	Cerro Colorado	601,772	2,254,878	1,660	Channel	1.5	Sample taken in 1.7x1.5x8m adit, E-NE strike, fault zone?, strongly fractured, clays, gouge, hematite stained and filling fractures.
13366	Southeast Extension	602054	2,254,560	1,585	Channel	1.1	SE portion of Project, small 1.5x1.7x3.0m adit, breccia, moderate to strong silicified, minor barite and specularite, weak iron stained.
17532	RCC-10				RC cuttings	1.5	Hole RCC-10 24-25.5
17537	RCC-10				RC cuttings	1.5	Hole RCC-10 31.5-33
17538	RCC-10				RC cuttings	1.5	Hole RCC-10 33-34.5
17540	RCC-10				RC cuttings	1.5	Hole RCC-10 34.5-36

Sample coordinates are in UTM, WGS84.

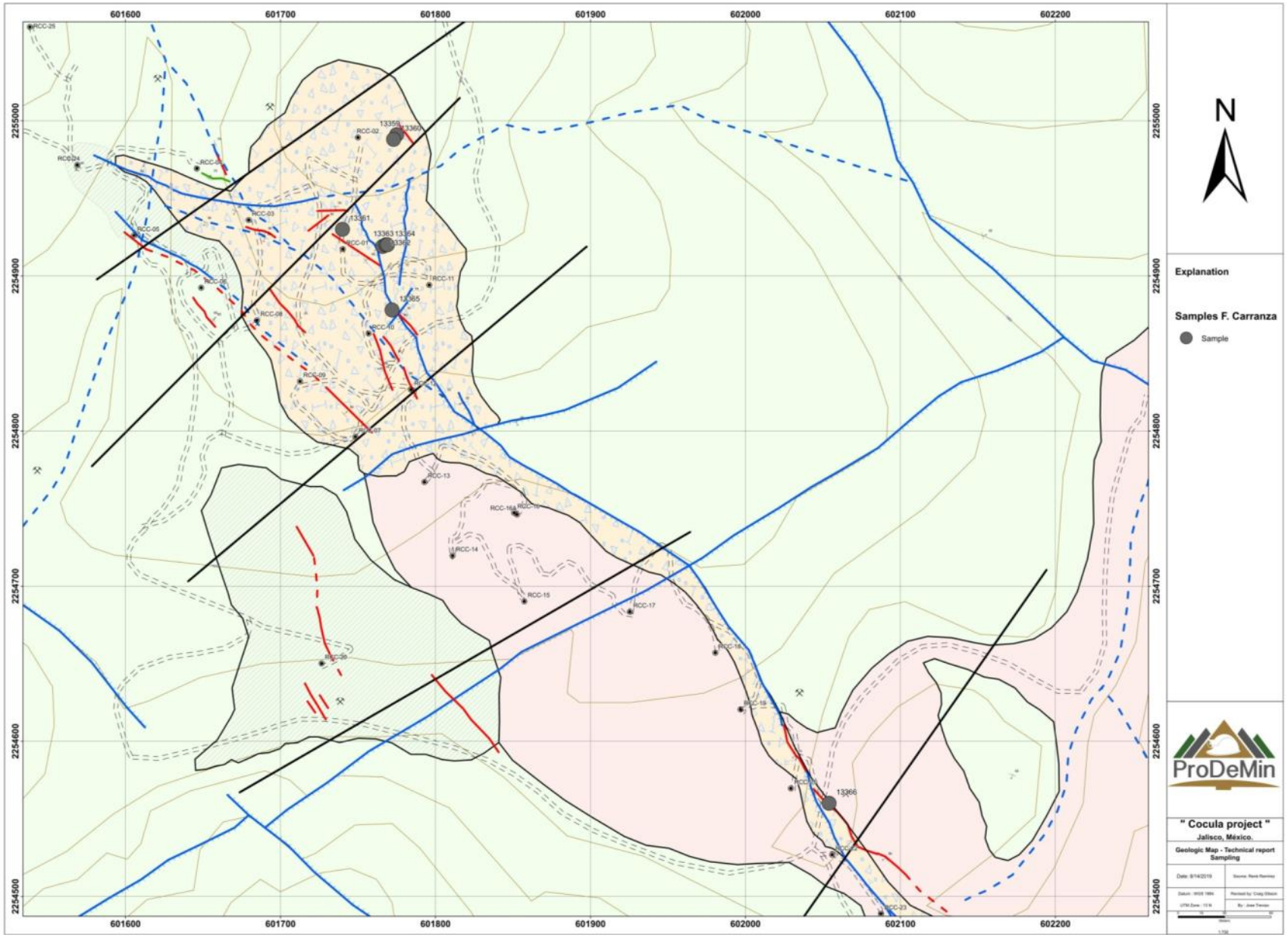

Figure 12.3. Locations for samples taken by the author.
Locations for samples taken by the author during the Property inspection.
Samples of RC drill cuttings not shown.

Table 12.2. Analytical results for samples of the Author, with comparisons for duplicates of RC cuttings.

Sample	Weight kg	Type	Width	Au g/t	Ag g/t	Cu ppm	Pb %	Zn %	As ppm	Sb ppm	Hg ppm	Bi ppm
13359	1.9	Channel	0.6	0.97	29.4	3100	1.32	0.08	49.0	21.6	0.163	91.2
13360	3.95	Channel	1.0	1.42	46	2550	2.96	0.11	23.7	25.4	0.413	81.5
13361	1.8	Channel	0.7	0.1	17.25	148.5	5.74	0.16	10.9	18.8	0.176	6.89
13362	3.25	Channel	1.5	7.61	36.8	745	1.55	0.16	47.3	28.8	0.381	6.75
13363	2.2	Channel	0.7	16.65	50.5	754	1.58	0.26	42.6	22.1	0.309	5.08
13364	2.35	Channel	2.3	10.85	35.9	482	2.57	0.13	19.0	26.1	0.279	7.58
13365	1.9	Channel	1.5	0.35	25.2	721	5.18	0.33	27.4	34.3	0.773	4.72
13366	3	Channel	1.1	0.47	6.37	1200	0.32	0.06	15.9	15.4	0.063	7.91
17532	2.05	RC cuttings	1.5	0.41	43.1	341	3.14	0.24	72.9	27.5	0.756	6.9
IPL Assays	NR	RCC-10	1.5	0.393	40.5	339	1.94	0.25	64	<5	<3	2
17537	1.9	RC cuttings	1.5	0.19	9.06	281	0.84	0.14	62.1	12.25	0.094	4.8
IPL Assays	NR	RCC-10	1.5	0.153	7.5	322	0.76	0.13	51	<5	<3	<2
17538	2.1	RC cuttings	1.5	0.08	12.4	428	3.58	0.15	26.8	10.85	0.15	2.69
IPL Assays	NR	RCC-10	1.5	0.259	10.5	421	1.89	0.15	20	<5	<3	<2
17540	2.45	RC cuttings	1.5	0.33	7.4	2380	0.53	0.22	18.7	19.15	0.243	8.22
IPL Assays	NR	RCC-10	1.5	0.363	7	2544	0.53	0.23	12	<5	<3	<2

Samples of the author were run by Au AA26 and multielement ICP-ES/MS for other elements by ALS as described in section 11. Sample Preparation, Analysis and Security.
*Previous IPL sample results are shown for the RC cuttings, analytical methods described in section 11; NR – not recorded.

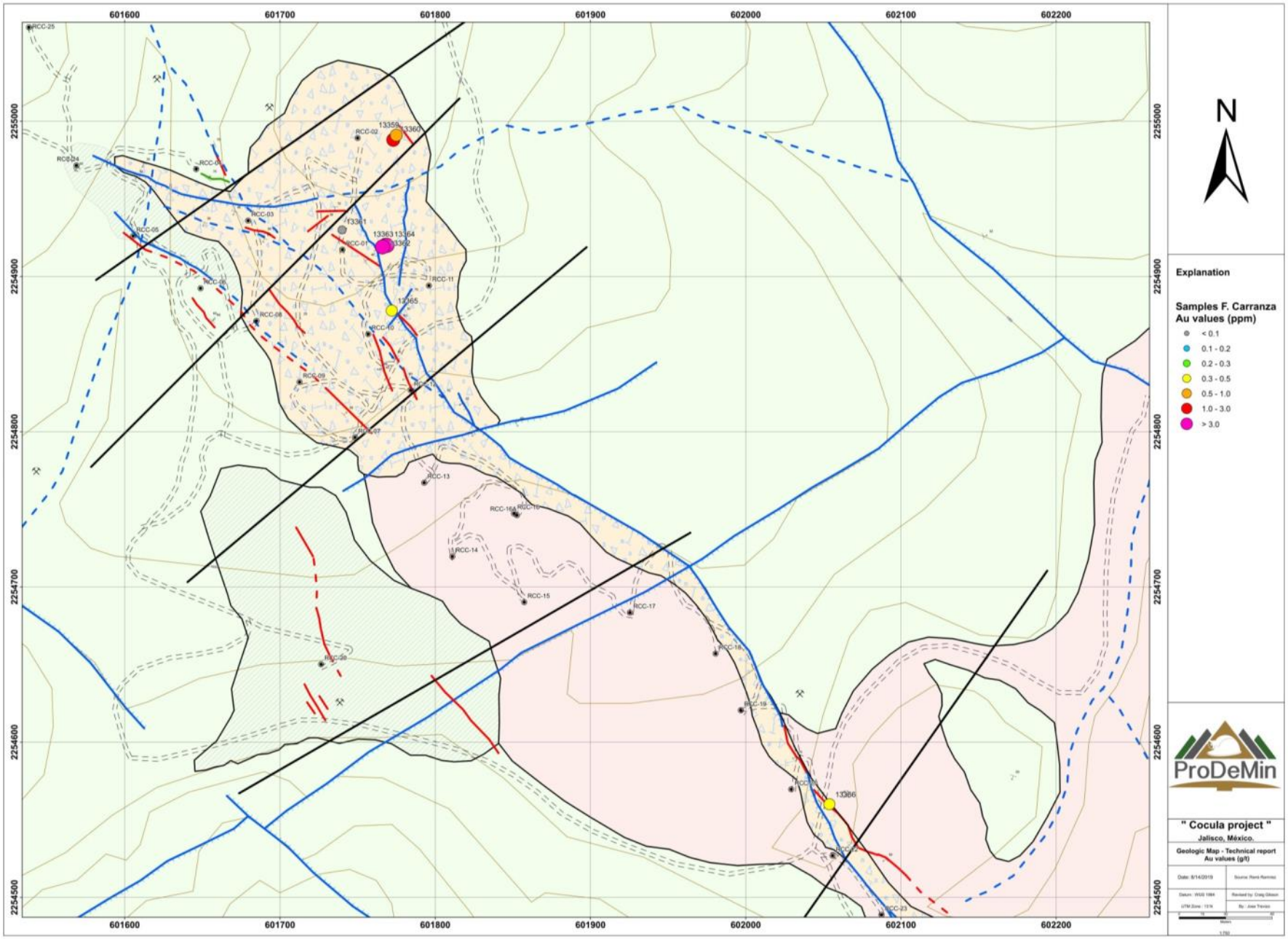

Figure 12.4. Gold values for samples taken by the Author from the Cocula Project.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The Company has performed no metallurgical testing at the Project. Timmins previously conducted metallurgical testing, including bottle rolls and column leaches, that suggest that the mineralized rock at the Project might be amenable to gold recovery using cyanide leaching. Currently there is insufficient information to allow for a determination of mineral processing methods.

14.0 MINERAL RESOURCE ESTIMATES

The company has not completed a mineral resource estimate at the Project. Timmins previously calculated an inferred resource as described in Section 6, History. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources. The Company is not treating the historical estimates as current mineral resources.

15.0 ADJACENT PROPERTIES

The Cocula Project is surrounded on three sides by the Quila concession, originally staked by Soltoro Ltd. (Soltoro), but now controlled by Agnico Eagle Mines Ltd. after its acquisition of Soltoro in 2015. The Project is also bounded on the south by a third party concession, King. There are also several smaller concessions near the Project within the Quila concession, and numerous small mines and prospects are known. Little information is available, the SGM has catalogued some of these (Gamez-Ordaz and Rosales-Franco, 2014).

Regional exploration around the Project was conducted by Timmins in 2009-2011 under an agreement with Soltoro and several target areas were identified. The author has not been able to verify the information, and the information is not necessarily indicative of the mineralization on the Property.

16.0 OTHER RELEVANT DATA AND INFORMATION

The author knows of no other relevant information concerning to the property.

17.0 INTERPRETATION AND CONCLUSIONS

Based on the geology, historical exploration and the field review completed for this report, the Cocula Project warrants further exploration. The results of historical sampling and drilling, abundant evidence of mineralization and structural preparation provide encouragement for further exploration at the Cocula Project. Exploration results from Timmins Gold were successful in identifying a body of mineralized rock at the Cocula Project, although they did not decide to go ahead with the option. The limited work by ProDeMin, the Company and the author as part of this Technical Report confirms the presence of interesting precious metal values.

In the opinion of the author of this Technical Report, the Cocula Property has exploration potential. Future diamond drill testing is warranted and necessary to determine the tenor and extent of mineralization, as well as the future economic viability of the Property.

18.0 RECOMMENDATIONS

Information from exploration work carried out by Timmins Gold, data evaluation and the exploration visits made to the Cocula Project were successful in demonstrating potential for encountering precious metals and other base metals mineralization by exploration at the Project.

Recommendations for further work are included below.

- Detailed geologic and structural mapping is required over the Property combined with localized systematic sampling to help further define the controls on mineralization.
- The Timmins RC drill holes should be relogged and the data and compiled into the Company's database for interpretation and planning.
- Based on work to date an exploration diamond drill program to test subsurface mineralization is warranted and should be undertaken in readily accessible areas.

The table below presents a proposed budget for the Cocula Project. The program includes diamond drilling along existing roads and disturbed areas as envisioned in the environmental permitting and could be completed within about 6 months.

Table 18.1. Proposed budget for the Cocula Project.

Proposed exploration budget, geology and drilling (amounts in USD)	
Personnel	$60,000
Road rehabilitation (20 hrs at $150/hr)	$5,000
Drilling (1000 meters at $100/meter)	$100,000
Samples (1000 at $40 per sample)	$40,000
Expenses: travel, fuel, office supplies	$35,000
Contingencies	$10,000
Total	**$250,000**

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