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AMC consultants
mine smarter

Report

Copalquin District - Maiden Mineral Resource Estimate

Mithril Resources Ltd

AMC Project 121047
16 November 2021

Unearth a smarter way

Executive summary

AMC Consultants Pty Ltd (AMC) was engaged in August 2021, by Mithril Resources Ltd (Mithril) to estimate the Mineral Resource for the El Refugio-La Soledad target area in the Copalquin District and report it according to JORC[1] Code (2012). The Copalquin District is located in the western Durango state of Mexico.

The Copalquin District is a typical low-sulfidation epithermal vein system hosted in volcanic rocks. Currently, approximately 91 holes have been drilled in the area defining a series of narrow gold vein mineralization.

Mr Rodney Webster, Principal Geologist at AMC, prepared this report. The report was peer reviewed by Andrew Proudman, Principal Consultant at AMC. Mr Webster is acting as the Competent Person for the reporting of the Mineral Resource estimate. A site visit was carried out by Jose Olmedo in September 2021 to observe the drilling, logging, sampling and assay database.

A total of 91 holes have been drilled in the area. Seven veins as Surpac software wireframes were provided by Mithril to model the gold and silver mineralization as follows:

- Lina
- Refugio_2
- Refugio_3
- Refugio_main
- Leon
- Soledad_main
- Soledad_mid

In AMC opinion, based on the QAQC results for blanks, laboratory duplicates and CRMs, the assay values are suitable for estimating and reporting of the Mineral Resources according to the JORC Code.

Based on the data provided a constant value of 2.56 t/m^3 was used for the bulk density for Mineral Resource estimation for all mineralization.

Block gold and silver grades were estimated using ordinary kriging with discretization of 5 E x 5 N x 5 RL points. Due to the limited sample data within each separate wireframe, semi-variogram analysis and search parameters were based on the results for Refugio_main for Refugio_main, Refugio_2 and Refugio_3. Soledad_main variogram and search parameters were used for Soledad_main, Soledad_mid, Leon and Lina samples

The estimated Mineral Resources above a 2 g/t AuEq cut-off and outside the areas of previous mining is shown in Table 1. Refugio Mineral Resources include Refugio_main, Refugio_2 and Refugio_3 modelled veins whilst Soledad includes Soledad_main, Soledad_mid, Leon and Lina modelled veins.

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Table 1 Mineral Resource above 2 g/t AuEq cut-off

		Tonnes (kt)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (koz)	Ag (koz)	AuEq (koz)
Refugio	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,447	4.63	137.1	6.59	215	6,377	307
Soledad	Indicated	0	0.00	0.0	0.00	0	0	0
	Inferred	278	4.12	228.2	7.38	37	2,037	66
Total	**Indicated**	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,725	4.55	151.7	6.72	252	8,414	372
	Total	**2,416**	**4.80**	**141**	**6.81**	**373**	**10,953**	**529**

Notes: 1. JORC Code (2012) used Mineral Resource classifications.
2. Totals may not compute exactly due to rounding.
3. AuEq=Au+Ag/70 based on assumed prices of Au US$1798.34/oz and Ag US$25.32/oz.
4. Areas of previous mining has been removed
5. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The block model grades were compared to the drillhole sample data along cross sections and long-sections. Good correlation was noted. Swath plots were prepared for the gold and silver block grades compared to the drillhole sample grades. These showed good correlation.

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Quality control

The signing of this statement confirms this report has been prepared and checked in accordance with the AMC Peer Review Process.

Project Manager	The signatory has given permission to use their signature in this AMC document **Rod Webster**	16 November 2021
Peer Reviewer	The signatory has given permission to use their signature in this AMC document **Andrew Proudman**	16 November 2021
Author	The signatory has given permission to use their signature in this AMC document **Rod Webster**	16 November 2021

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Appendices

1 **Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.**

Distribution list

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1 Introduction

AMC Consultants Pty Ltd (AMC) was engaged in August 2021, by Mithril Resources Ltd (Mithril) to estimate the Mineral Resource for the El Refugio-La Soledad target area in the Copalquin District and report it according to JORC[1] Code (2012). The Copalquin District is located in the western Durango state of Mexico.

The Copalquin District is a typical low-sulfidation epithermal vein system hosted in volcanic rocks. Currently approximately 91 holes have been drilled in the area defining a series of narrow gold vein mineralization.

Mr Rodney Webster, Principal Geologist at AMC, prepared this report. The report was peer reviewed by Andrew Proudman, Principal Consultant at AMC. Mr Webster is acting as the Competent Person for the reporting of the Mineral Resource estimate. A site visit was carried out by Jose Olmedo in September 2021 to observe the drilling, logging, sampling and assay database.

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2 Scope of work

The scope of work as listed in the AMC proposal number MP21063 and carried out is:

- Undertake a site visit.
- Load and check drill data.
- Review the geological interpretation provided.
- Review the three-dimensional interpretation wireframes for gold and silver mineralisation.
- Undertake statistical and geostatistical analysis for gold and silver.
- Determine requirement for use of top-caps.
- Determine a resource estimation method and prepare a block model.
- Estimate block grades into the model.
- Classify the Mineral Resource estimation according to the JORC Code, if applicable.
- Review bulk density data by lithology and mineralisation.
- Check the resource model using visual checks and comparisons with input data.
- Analyse and report on quality assurance/quality control (QA/QC) data.
- Update Table 1 Sections 1 and 2, generate Section 3.
- Prepare a report.

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3 Data Provided

Mithril provided AMC with the following:

- Drillhole collars, downhole surveys, assays, lithologies and bulk density values.
- Assay sample quality assurance quality control (QAQC) data.
- Surpac software wireframes for seven veins:
  - Lina
  - Refugio_2
  - Refugio_3
  - Refugo _main
  - Leon
  - Soledad_main
  - Soledad_mid
- Topographic surface as dxf file.
- A series of geological reports.
- Wireframes outlining areas mined in dxf format for:
  - Cometa_all
  - Refugio_all
  - Reyes_all
  - San_Manuel_all
  - Soledad_all
- Strings outlining the tenements for:
  - Copalquin_UTMWGS84
  - EL Cometa_UTMWS84
  - El Corral_UTMWGS84
  - EL Sol_UTMWGS84
  - San Manuel_UTMWGS84
  - Soledad_observed_UTMWGS84

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4 Geology

The following geology description was taken from H. Stewart internal company (Mithril) memo dated February 2021:

The Copalquin District lies within the Sierra Madre Occidental physiographic province of north-western Mexico. The project is underlain by andesitic volcanics of the Cretaceous-Tertiary Lower Volcanic Series. A Tertiary granodiorite to monzonite pluton intrudes the andesite and much of the area is capped by Tertiary (Miocene) rhyolite ignimbrites of the Upper Volcanic Series. Mineralization is thought to be contemporaneous with the eruption of the Upper Volcanic Series and related sub-volcanic intrusions.

Semi-continuous low-angle breccia zones have formed within the andesite parallel to the granodiorite contact. These zones include the El Cometa breccia and the Los Reyes breccia. The geometry of these zones is similar to the nearby El Gallo silver deposit of McEwen Mining which is also formed in a series of breccias parallel to the contact between intrusive rocks and Lower Volcanic Series andesite. A series of high angle normal faults strikes northwest and dips to the northeast including the Refugio, La Lina, El Leon and Soledad structures which host veins mineralized with gold and silver. North-south striking, steeply dipping dipping faults at San Manuel also host mineralized veins.
Both the low-angle breccias and the high-angle faults host extensive zones of mineralized quartz breccia.

It is likely that the low angle zones developed as tectonic breccias during the intrusion of the granodiorite and were later mineralized by hydrothermal activity related to the eruption of the Upper Volcanic Series. There are a series of rhyolite domes and dikes that intrude the lower volcanic series aligned along an east-west trend at least 5000 meters long from Los Gallos in the west to San Antonio in the east. These subvolcanic intrusions are spatially adjacent to the mineralized veins and are thought to have been the heat sources that drove the circulating hydrothermal cells. Large areas of argillic alteration occur across the concessions. The alteration forms haloes adjacent to the known structures and large zones where structures have not been identified. Argillic alteration is indicative of widespread penetration of hydrothermal fluids into the surrounding rocks and suggests a long-lived hydrothermal system was active at Copalquin.

Vein textures and mineralogy are consistent with low sulfidation epithermal veins developed from low salinity, near-neutral pH fluids dominated by meteoric water. Pulses of magmatic waters transported gold and silver into the hydrothermal system and the processes of fluid mixing, boiling and cooling were triggers for deposition of the precious metals. Veins are filled with quartz as both early crystalline quartz and later crustiform bands of alternating chalcedony, finely crystalline quartz, carbonate minerals (ankerite, kutnahorite, rhodocrosite and calcite) and adularia. Quartz after platy calcite is absent or rare suggesting that boiling was a less important process than fluid mixing. Mineralized zones have silver sulfides and sulfosalts present as black bands up to 8 mm wide and as disseminated aggregates. Visible gold in flecks up to 2 mm occurs in several drill holes in both the Refugio and Soledad veins.

The alteration from Refugio to Los Reyes is over 2,000 meters long and from 100 to 400 meters wide. Similar alteration is observed a further 2000 meters west at Los Gallos. It is expected that the widest zones are related to shallow-dipping portions of the Cometa-Los Reyes structures where the structure is nearer the outcrop surface. Similar alteration is present well to the west at El Platano and well to the east at Constancia. It cannot be stressed enough that this strong, widespread argillic alteration forming a large-volume halo well out from the veins is the observable geologic characteristic that identifies Copalquin as a major epithermal center.

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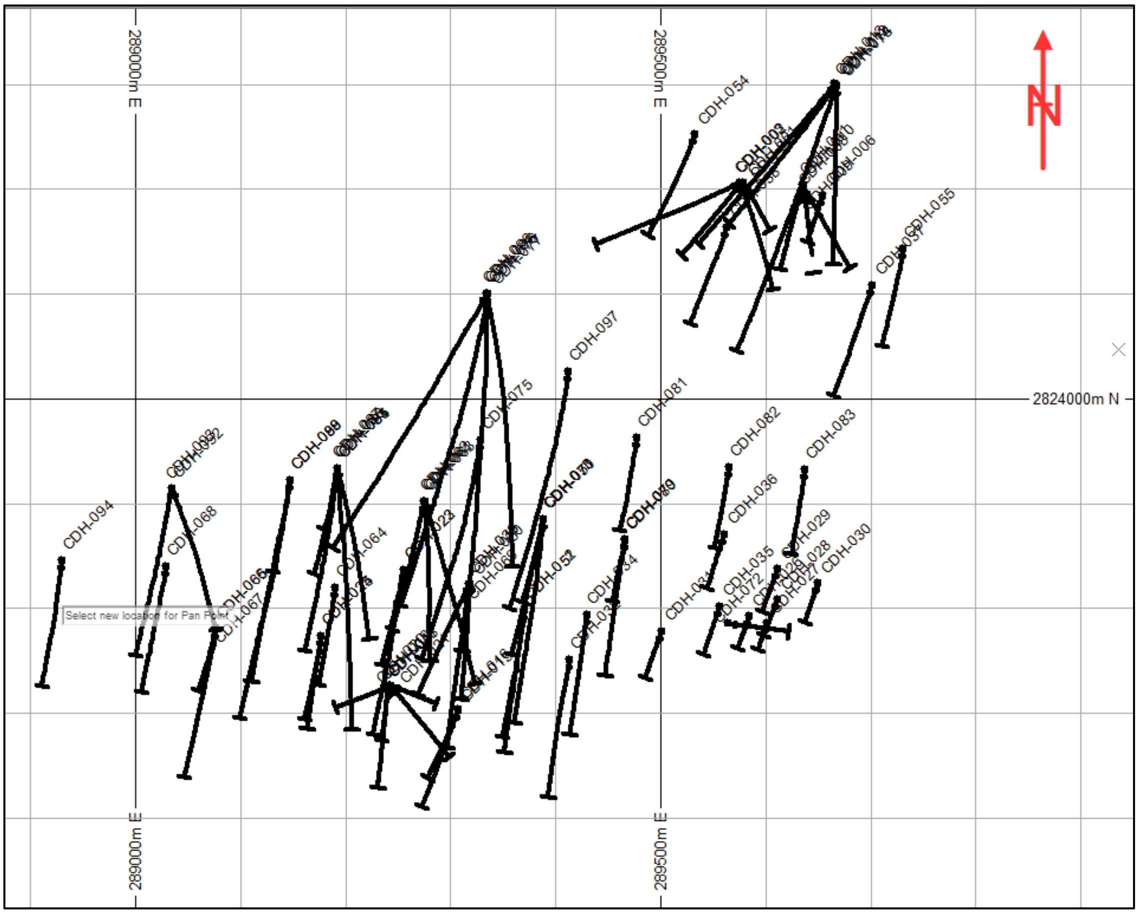
5 Drilling

The drillhole data was provided as the following files:

- 2021_08_24_DHDensity.xlsx
- 2021_11_08_DHCollars.xlsx
- 2021-11_08_DHSurveys.xlsx
- 2021_1108_Copalquin _DH_Geology.xlsx
- 2021_9_5_DH Assays_orig.xls
- 2021_09_05_DHGeotech.xls

A total of 91 holes have been drilled in the area. The location of the holes used in the Mineral Resource estimation is shown in Figure 5.1

Figure 5.1 Location of drillholes



5.1 Sample statistics

The drillholes were sampled for gold and silver mainly on 1 m intervals. Figure 5.2 shows a histogram of the sample lengths. The samples were composited to 1 m for block grade estimation.

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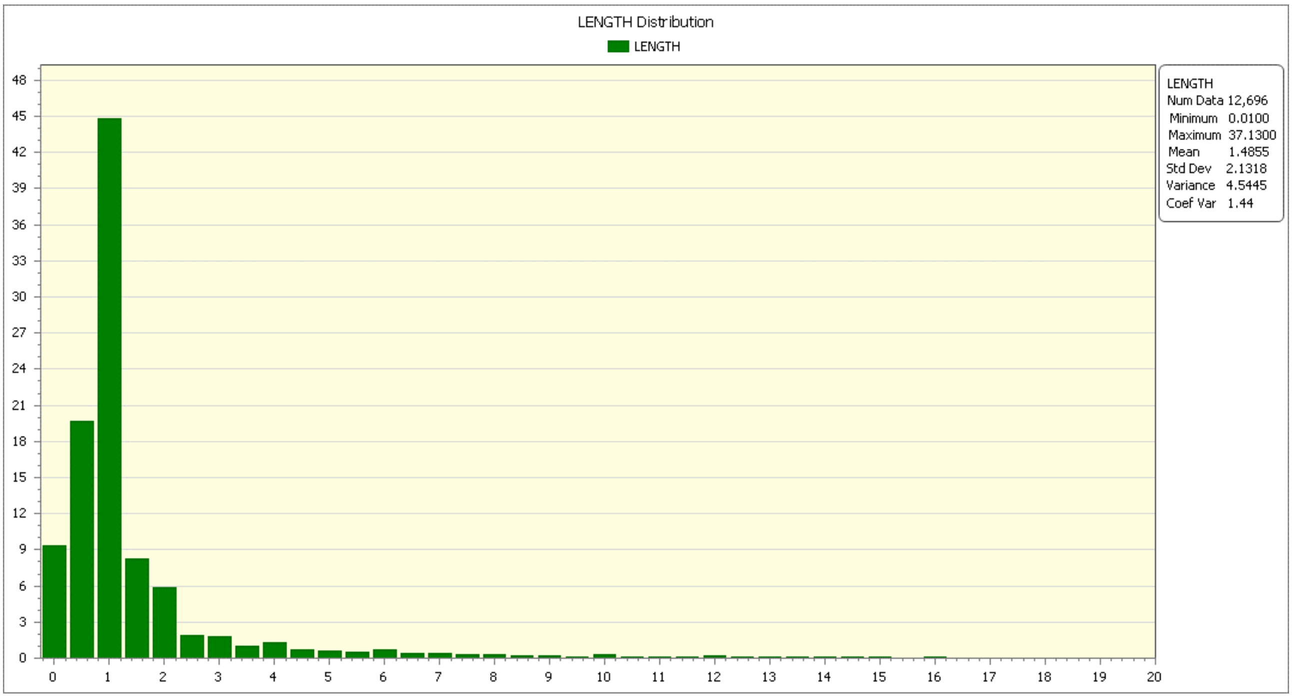
Figure 5.2 Histogram of sample lengths



The area was divided into seven veins for Mineral Resource estimation. Mithril provided wireframes for the following veins to be used in the deposit modelling and resource estimation:

- Lina
- Refugio_2
- Refugio_3
- Refugo_main
- Leon
- Soledad_main
- Soledad_mid

5.2 Lina Vein

The location of the Lina wireframe and drillhole samples located within the wireframe are shown in Figure 5.3.

The samples within the Lina vein were composited to 1 m lengths for block grade estimation. Based on log probability plots, no top-capping was applied. Table 5.1 shows the sample statistics for the raw assays and 1 m composited assays.

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Figure 5.3 Location of Lina Vein and intersected drillholes

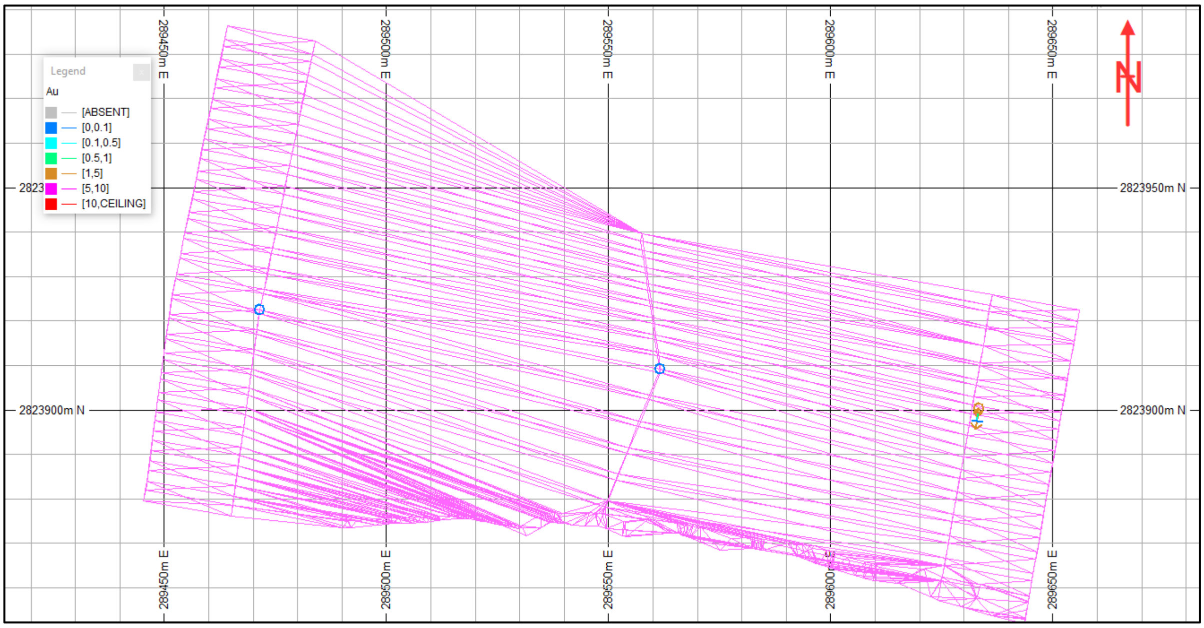

Table 5.1 Lina Vein sample statistics

Raw assays				**1m Composites**		
	Au (g/t)	**Ag (g/t)**	**Length (m)**	**Au (g/t)**	**Ag (g/t)**	**Length (m)**
Mean	0.723	38.409	0.727	0.542	28.084	0.889
Median	0.825	33	0.5	0.38	15.25	0.95
Std Dev	0.52	32.001	0.398	0.5	29.613	0.196
Variance	0.271	1,024.04	0.158	0.25	876.92	0.039
Std Error	0.157	9.649	0.12	0.167	9.871	0.065
Coeff Var	0.72	0.833	0.547	0.922	1.054	0.221
Minimum	0.03	0.5	0.2	0.03	0.5	0.5
Maximum	1.29	87	1.4	1.29	87	1
No. of samples	11	11	11	9	9	9

5.3 Leon vein

The location of the Leon wireframe and drillhole samples located within the wireframe are shown in Figure 5.4.

The samples within the Leon vein were composited to 1 m lengths for block grade estimation. Based on log probability plots, top-capping of 20 g/t Au was applied. Table 5.2 shows the sample statistics for the raw assays and 1 m composited, top-capped assays.

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Figure 5.4 Location of Leon vein and intersected drillholes

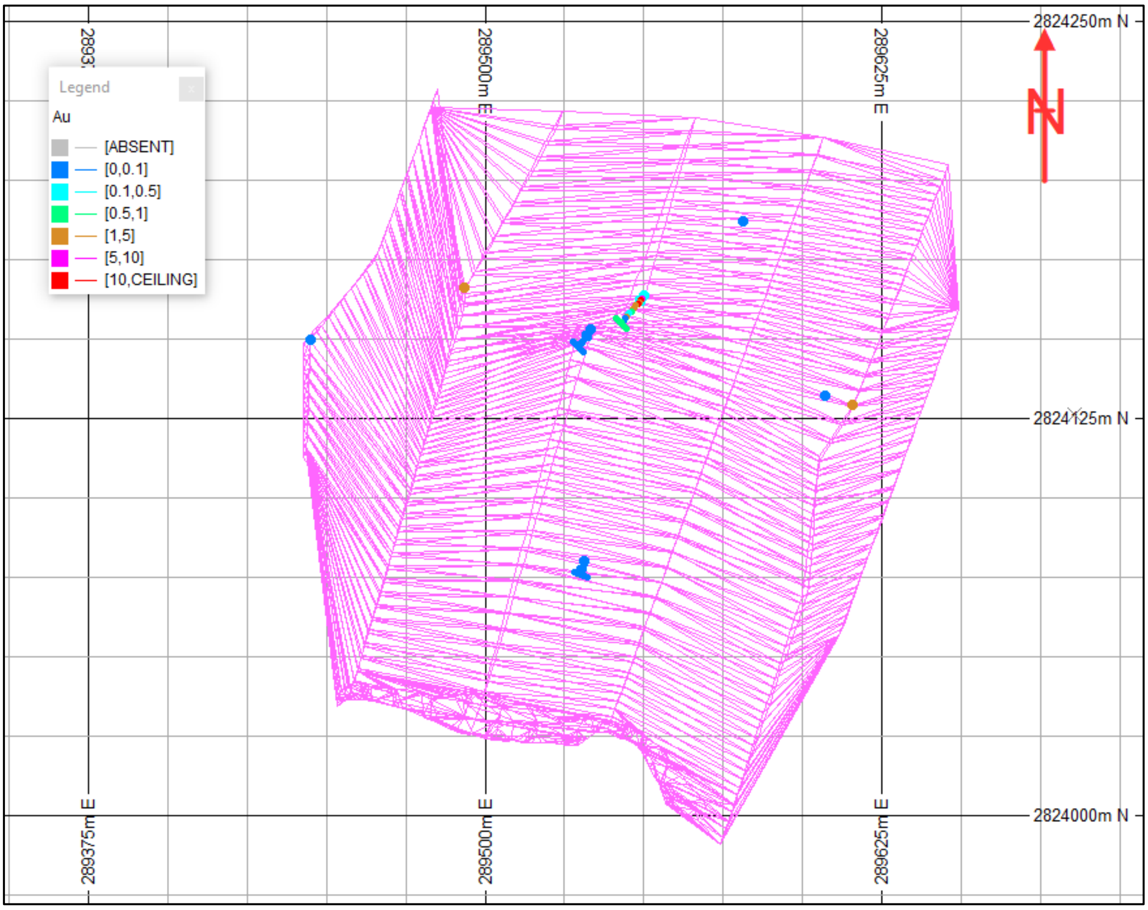

Table 5.2 Leon vein sample statistics

Raw assay				**1 m Composited top-capped**		
	Au (g/t)	**Ag (g/t)**	**Length (m)**	**Au (g/t)**	**Ag (g/t)**	**Length (m)**
Mean	3.139	61.22	0.603	1.929	39.365	0.976
Median	0.005	1	0.5	0.005	0.84	1
Std Dev	8.048	118.896	0.334	4.334	82.354	0.088
Variance	64.774	14,136.16	0.111	18.787	6,782.22	0.008
Std Error	0.942	13.916	0.035	0.626	11.887	0.012
Coeff Var	2.564	1.942	0.554	2.247	2.092	0.09
Minimum	0	0	0.01	0	0	0.5
Maximum	57.1	497	1.32	20	343.352	1
No. Samples	92	92	92	56	56	56

5.4 Refugio_2 Vein

The location of the Refugio_2 wireframe and drillhole samples located within the wireframe are shown in Figure 5.5.

The samples within the Refugio_2 vein were composited to 1 m lengths for block grade estimation. Based on log probability plots, top-capping of 20 g/t Au and 600 g/t Ag was applied. Table 5.3 shows the sample statistics for the raw assays and 1 m composited, top-capped assays.

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Figure 5.5 Refugio_2 vein location and intersected drillholes

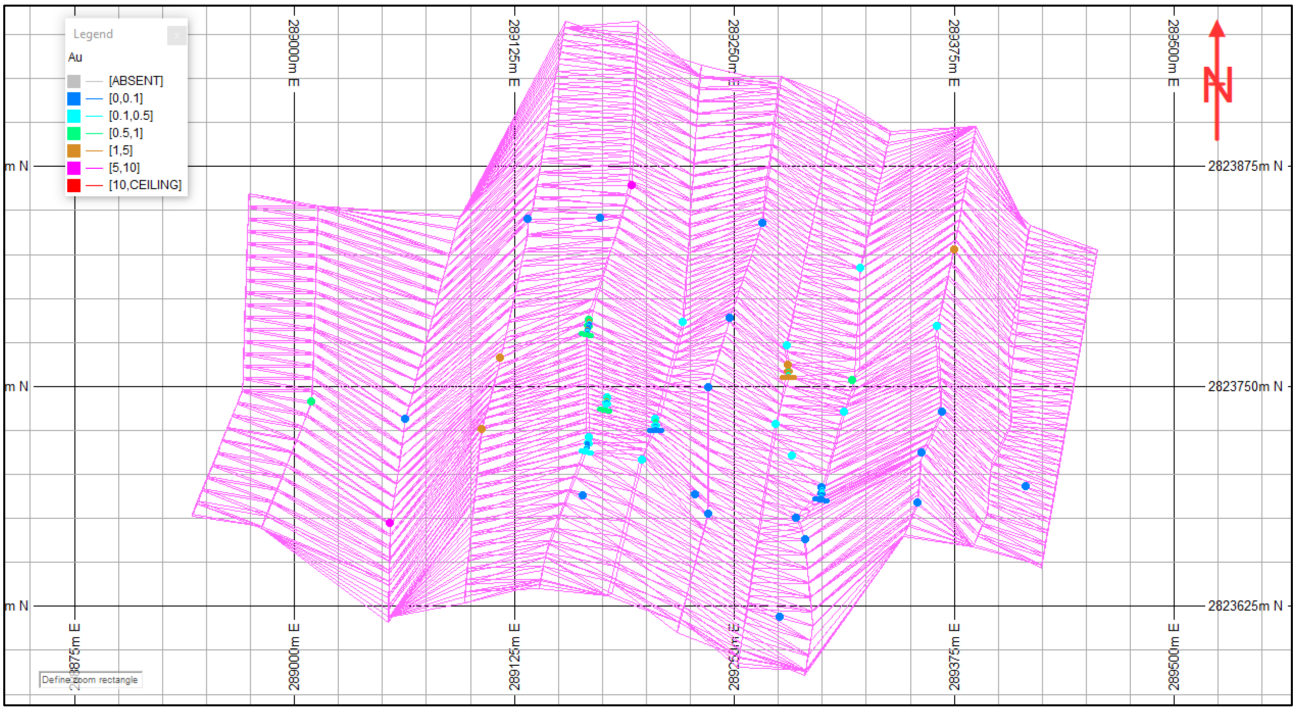

Table 5.3 Refugio_2 vein sample statistics

Raw assays				1 m Composited and top-capped		
	Au (g/t)	Ag (g/t)	Length (m)	Au (g/t)	Ag (g/t)	Length (m)
Mean	2.941	41.601	0.767	0.699	23.722	0.987
Median	0.1	4.6	0.9	0.116	5.25	1
Std Dev	43.876	363.197	0.31	2.021	63.39	0.067
Variance	1,925.13	131,912.26	0.096	4.083	4,018.30	0.004
Std Error	2.366	19.582	0.016	0.123	3.844	0.004
Coeff Var	14.92	8.73	0.404	2.889	2.672	0.067
Minimum	0	0	0.01	0	0	0.5
Maximum	814	6,680.00	1.5	20	600	1
No. Samples	368	368	368	282	282	282

5.5 Refugio_3

The location of the Refugio_3 wireframe and drillhole samples located within the wireframe are shown in Figure 5.6.

The samples within the Refugio_3 vein were composited to 1 m lengths for block grade estimation. Based on log probability plots, no top-capping was applied. Table 5.4 shows the sample statistics for the raw assays and 1 m composited assays.

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Figure 5.6 Refugio_3 vein location and intersected drillholes

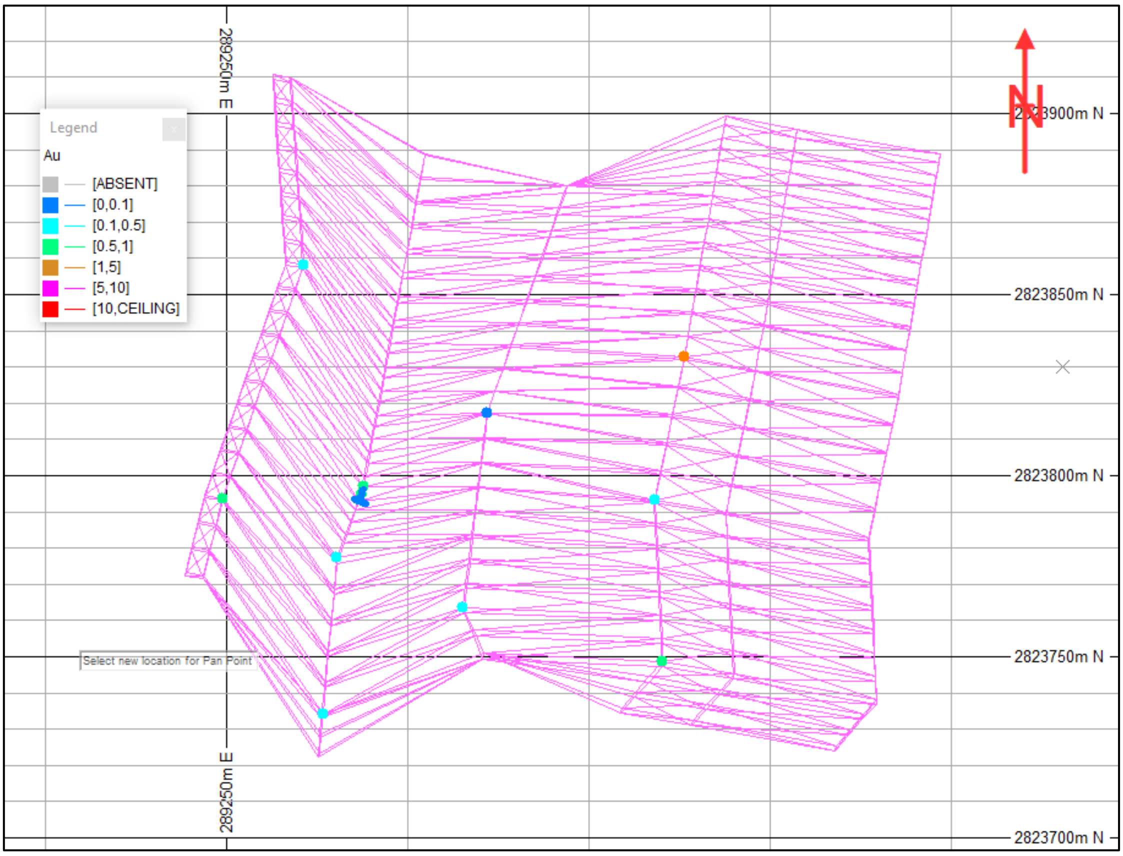

Table 5.4 Refugio_3 vein sample statistics

Raw assays				1 m Composited		
	Au (g/t)	Ag (g/t)	Length (m)	Au (g/t)	Ag (g/t)	Length (m)
Mean	2.489	51.213	0.744	0.759	22.704	0.969
Median	0.111	10	0.76	0.159	10	1
Std Dev	7.732	123.828	0.298	1.831	31.203	0.096
Variance	59.777	15,333.40	0.089	3.353	973.655	0.009
Std Error	1.238	19.828	0.048	0.34	5.794	0.018
Coeff Var	3.107	2.418	0.401	2.412	1.374	0.099
Minimum	0.003	0.5	0.01	0.003	0.5	0.6
Maximum	28.9	471	1.04	7.818	127.9	1
No.Samples	39	39	39	29	29	29

5.6 Refugio_main

The location of the Refugio_main wireframe and drillhole samples located within the wireframe are shown in Figure 5.7.

The samples within the Refugio_main vein were composited to 1 m lengths for block grade estimation. Based on log probability plots, top-capping of 200 g/t Au and 2,000 g/t Ag was applied. Table 5.5 shows the sample statistics for the raw assays and 1 m composited assays.

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Figure 5.7 Refugio_main vein location and intersected drillholes

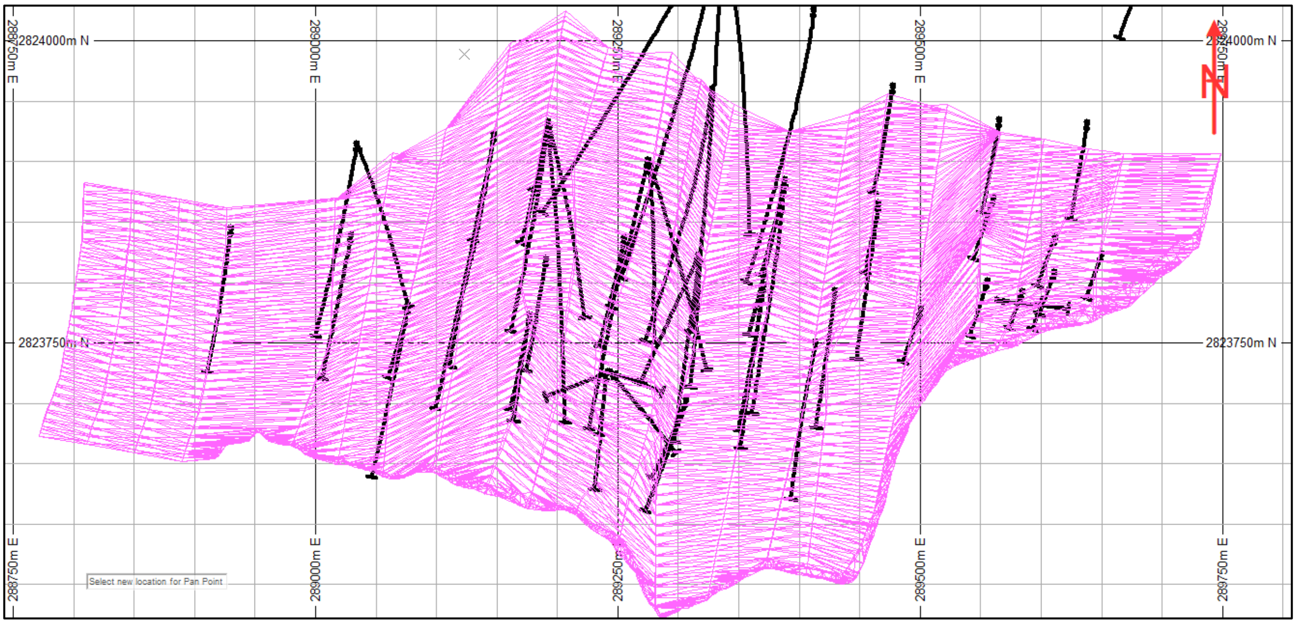

Table 5.5 Refugio_main vein sample statistics

Raw assays				1 m Composited top-capped		
	Au (g/t)	Ag (g/t)	Length (m)	Au (g/t)	Ag (g/t)	Length (m)
Mean	3.318	69.896	0.728	3.42	72.48	0.985
Median	0.45	15.9	0.775	0.54	19.30	1
Std Dev	19.88	235.051	0.346	15.18	182.85	0.072
Variance	395.216	55,248.85	0.12	230.48	37,191	0.005
Std Error	0.768	9.081	0.013	0.691	6.917	0.003
Coeff Var	5.991	3.363	0.476	4.54	2.66	0.073
Minimum	0.003	0.25	0.01	0.003	0.25	0.5
Maximum	287	2,900.00	3	200	2,000	1
No. samples	673	673	673	520	520	520

5.7 Soledad_main

The location of the Soledad_main wireframe and drillhole samples located within the wireframe are shown in Figure 5.8.

The samples within the Soledad_main vein were composited to 1 m lengths for block grade estimation. Based on log probability plots, top-capping of 30 g/t Au and 3,000 g/t Ag was applied. Table 5.6 show the sample statistics for the raw assays and 1 m composited assays.

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Figure 5.8 Soledad_main vein location and intersected drillholes

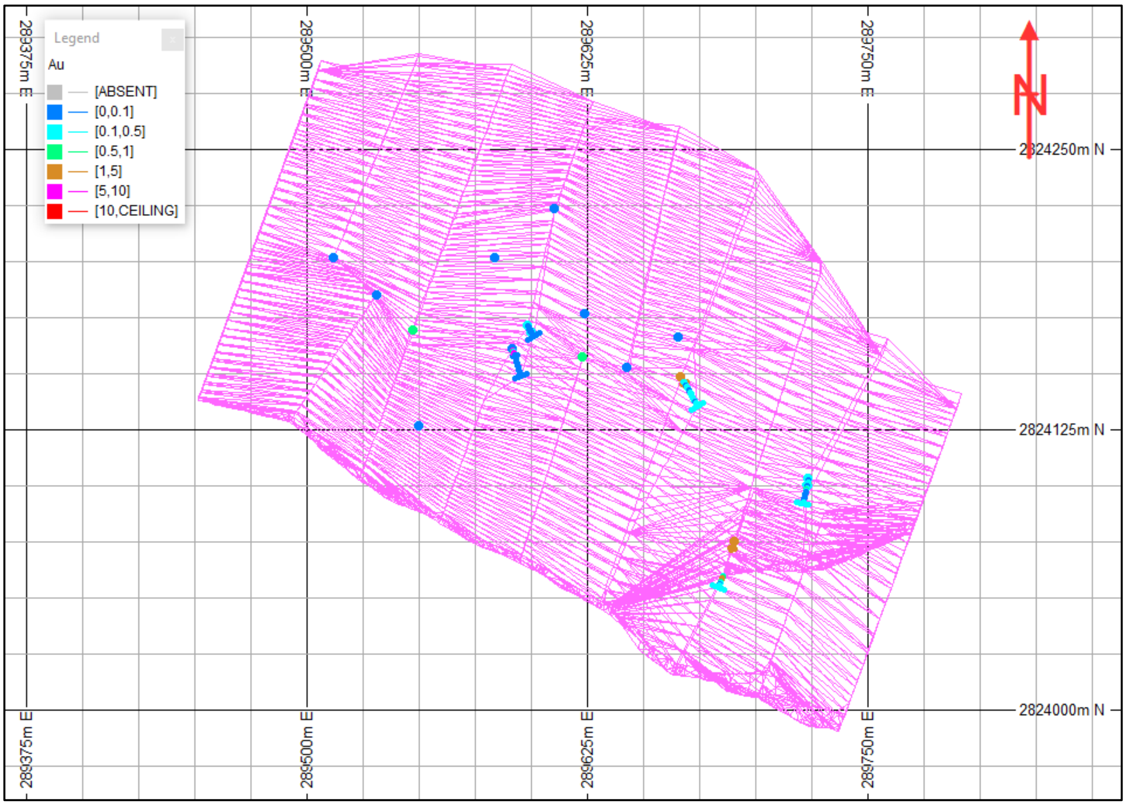

Table 5.6 Soledad_main Vein sample statistics

Raw assays				1 m Composited top-capped		
	Au (g/t)	Ag (g/t)	Length (m)	Au (g/t)	Ag (g/t)	Length (m)
Mean	1.593	110.246	0.678	0.96	80.868	0.987
Median	0.025	1.3	0.5	0.052	3.3	1
Std Dev	7.943	615.291	0.316	3.458	365.894	0.077
Variance	63.098	378,583.33	0.1	11.96	133,878.67	0.006
Std Error	0.676	52.377	0.022	0.331	35.046	0.007
Coeff Var	4.986	5.581	0.466	3.603	4.525	0.078
Minimum	0	0	0	0	0	0.5
Maximum	88.4	6,750.00	1.54	30	3,000.00	1
No. Samples	202	202	202	136	136	136

5.8 Soledad_mid Vein

The location of the Soledad_mid wireframe and drillhole samples located within the wireframe are shown in Figure 5.9.

The samples within the Soledad_mid vein were composited to 1 m lengths for block grade estimation. Based on log probability plots, no top-capping applied. Table 5.7 shows the sample statistics for the raw assays and 1 m composited assays.

1 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Figure 5.9 Soledad_mid vein location and intersected drillholes

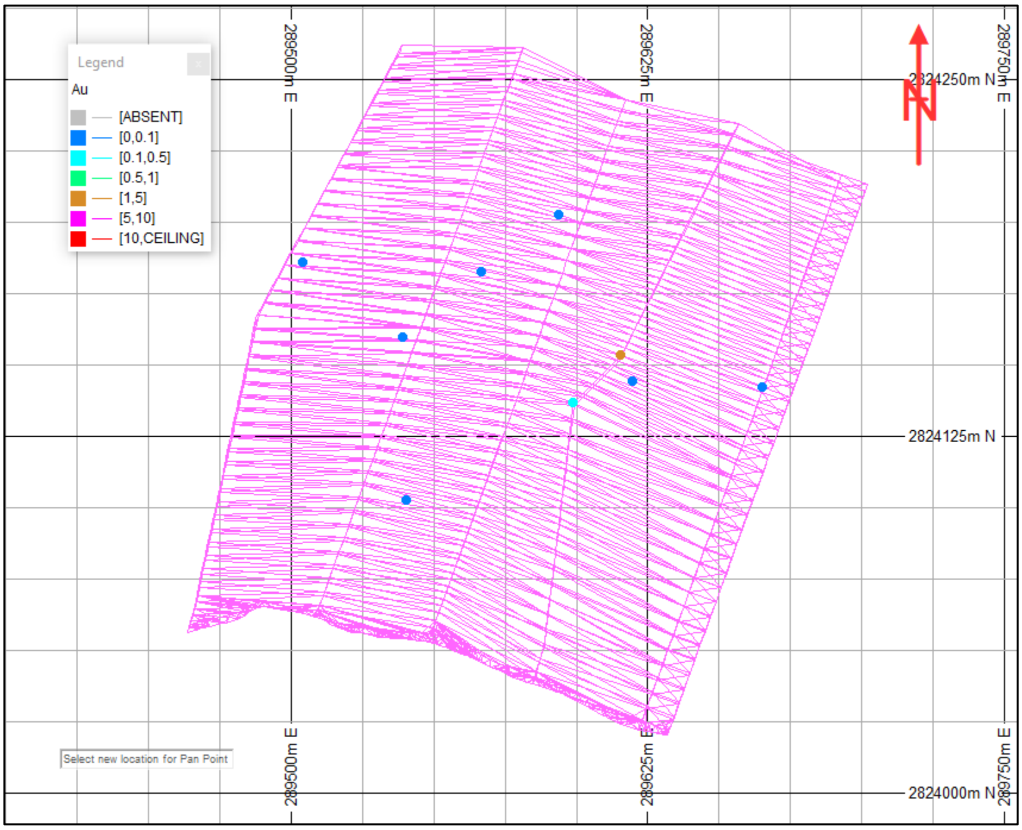

Table 5.7 Soledad_mid vein sample statistics

Raw assays				1 m Composited		
	Au (g/t)	Ag (g/t)	Length (m)	Au (g/t)	Ag (g/t)	Length (m)
Mean	1.116	48.65	0.593	1.154	61.874	0.932
Median	0.004	0.375	0.5	0.004	0.375	1
Std Dev	2.584	178.704	0.26	2.622	211.463	0.158
Variance	6.679	31,935	0.067	6.874	44,716.73	0.025
Std Error	0.564	38.996	0.045	0.677	54.6	0.034
Coeff Var	2.315	3.673	0.438	2.273	3.418	0.169
Minimum	0	0	0.04	0	0	0.5
Maximum	9.57	825	1	9.57	825	1
No. Samples	33	33	33	21	21	21

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6 Data check

AMC has undertaken the following checks on the drillhole data:

- Drillhole coordinates all fall within the expected areas.
- Assay values fall within expected parameters.
- Downhole from and to values are not inconsistent.

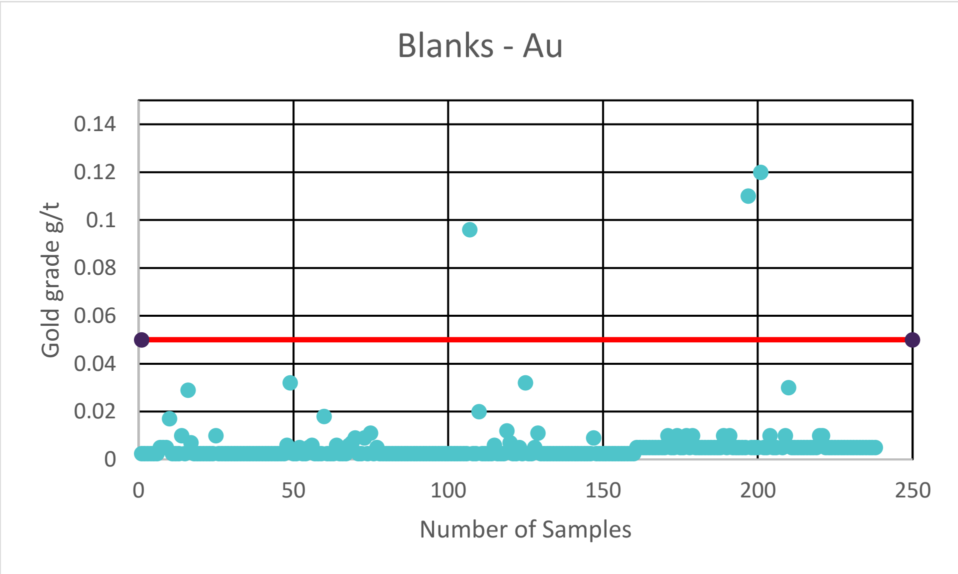
Data was imported into Datamine software and no obvious errors were found during the data importation.

6.1 Quality assurance

AMC reviewed the quality assurance data for blanks, laboratory duplicates and certified reference material (CRM) for gold and silver.

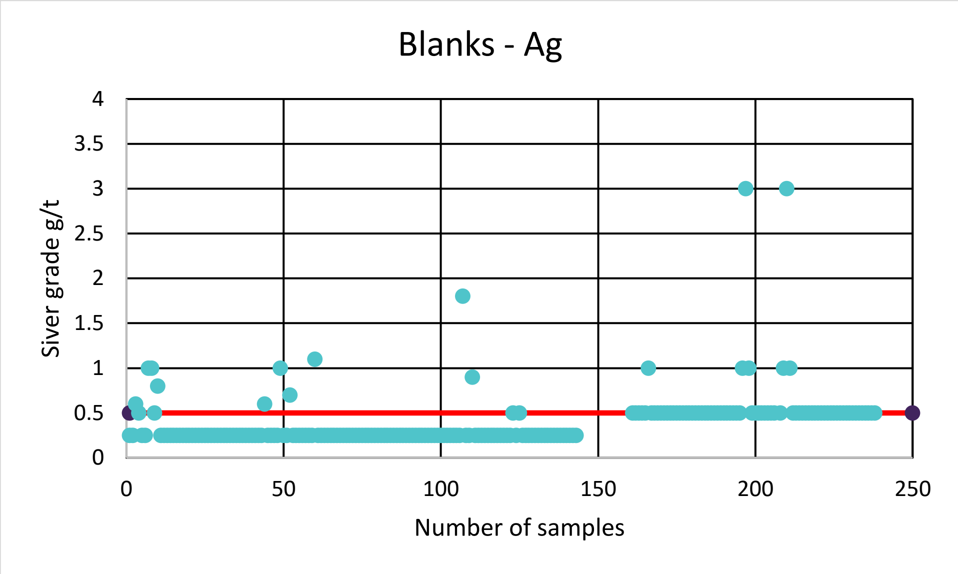
Figure 6.1 and Figure 6.2 show the laboratory blank assay values. The red line is the expected value for the blank assay. Both plots show the laboratory cleaning procedure is appropriate.

Figure 6.1 Laboratory blanks for gold



1 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Figure 6.2 Laboratory blanks for silver



The laboratory duplicates were checked against the original assay using scatter plots. The review of the laboratory duplicates shows poor results for both gold and siver analysis.

Figure 6.3 and Figure 6.4 show the results of the scatter diagrams. The review of the laboratory duplicates shows poor results for both gold and siver analysis.

Figure 6.3 Gold Laboratory Duplicates

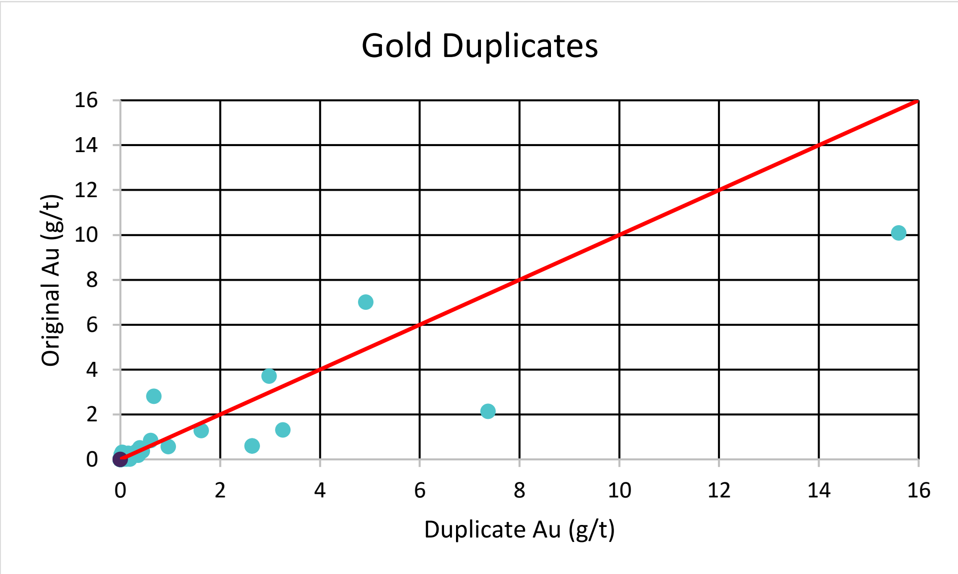


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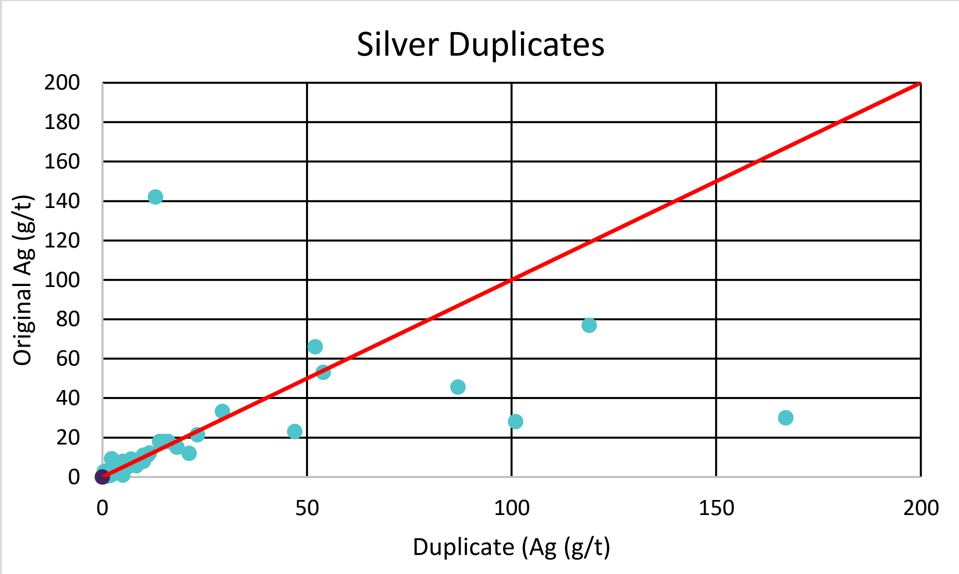
Figure 6.4 Silver Laboratory Duplicates



A total of 14 CRMs were used to assess the accuracy of the laboratory. Appendix 1 contains the CRM plots for both gold and silver. These plots show a few assays were outside two standard deviations of the CRM stated grades. However, most of the assays were within two standard deviations. Also, for some CRM's the estimated grade was slightly above the expected CRM value.

In AMC opinion, based on the QAQC results for blanks, laboratory duplicates and CRMs the assay values are suitable for estimating and reporting of the Mineral Resources according to the JORC Code.

1 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

7 Bulk Density

A total of 83 samples were tested for bulk density using the Wax Immersion method. Figure 7.1 shows a histogram of the bulk density values ranging from 2.30 t/m^3 to 2.82 t/m^3 with a mean of 2.56 t/m^3. Figure 7.2 is a histogram of the bulk density values for the main lithologies contained within the wireframed mineralized zones. The mean values range from 2.52 t/m^3 to 2.62 t/m^3.

Figure 7.1 Bulk density values

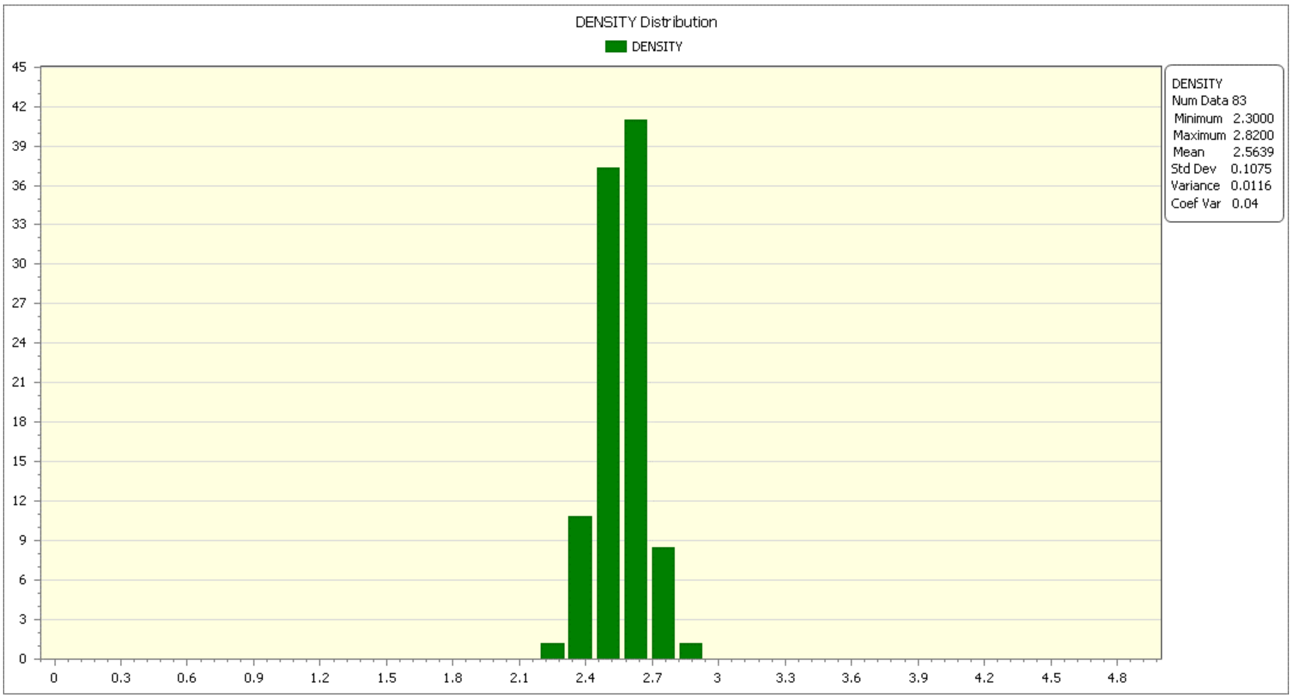
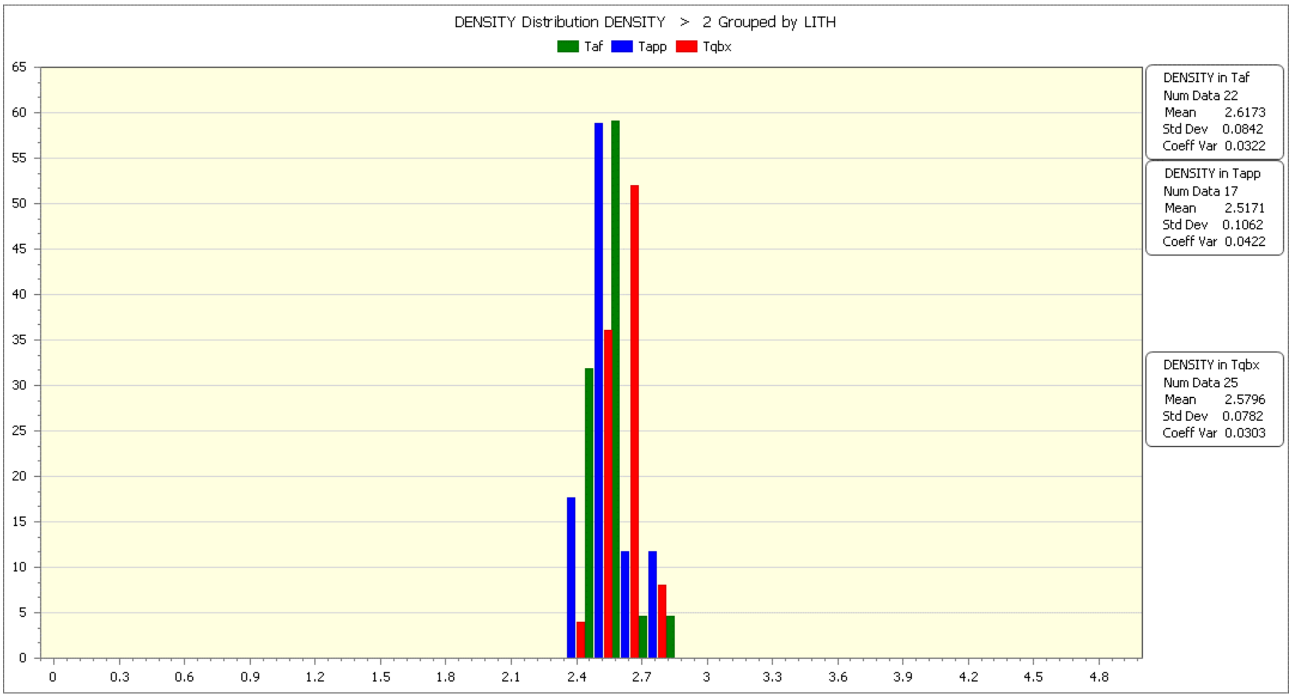


Figure 7.2 Bulk density for lithologies Taf, Tapp and Tqbx



Based on the data provided a constant value of 2.56 t/m^3 was used for the bulk density for Mineral Resource estimation for all mineralization.

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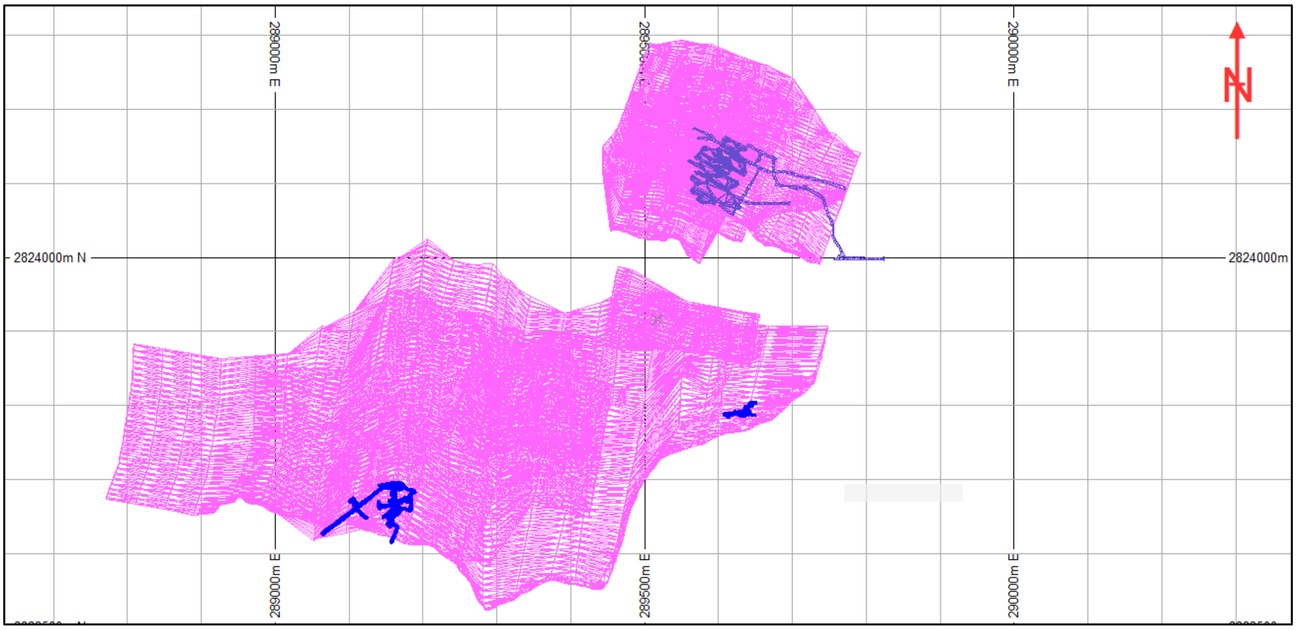
8 Areas of previous mining

Five wireframes outlining areas of previous mining was provided:

- Cometa_all.dxf
- Refugio_all.dxf
- Soledad_all.dxf

Figure 8.1 Location of the areas mined



Note: Pink areas are the modelled wireframes and blue areas are the areas mined

For modelling of the deposit, the areas of previous mining had the gold and silver grades set to zero, bulk density set to zero and labelled as MINED = 1.

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9 Mineral Resource estimation

Mr. Rodney Webster (MAusIMM and MAIG) of AMC Consultants Pty Ltd is the Certified Person (CP) for reporting of the Mineral Resource estimates. The Mineral Resource is reported in accordance with the JORC Code (2012)

The CP is not aware of any known environmental, permitting, legal, title, taxation, socioeconomic, marketing, political or other similar factors that could materially affect the stated Mineral Resource estimate.

A Mineral Resource was estimated for the seven modelled wireframes using block models and ordinary kriging to estimate the gold and silver block grades.

The estimated Mineral resources above a 2 g/t AuEq cut-off and outside the areas of previous mining is shown in Table 9.1. Refugio Mineral Resources include Refugio_main, Refugio_2 and Refugio_3 modelled veins whilst Soledad includes Soledad_main, Soledad_mid, Leon and Lina modelled veins.

Table 9.1 Mineral Resource above 2 g/t AuEq cut-off

		Tonnes (kt)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (koz)	Ag (koz)	AuEq (koz)
Refugio	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,447	4.63	137.1	6.59	215	6,377	307
Soledad	Indicated	0	0.00	0.0	0.00	0	0	0
	Inferred	278	4.12	228.2	7.38	37	2,037	66
Total	**Indicated**	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,725	4.55	151.7	6.72	252	8,414	372
	Total	2,416	4.80	141.0	6.81	373	10,953	529

Notes: 1. JORC Code (2012) used Mineral Resource classifications.
2. Totals may not compute exactly due to rounding.
3. AuEq=Au+Ag/70 based on assumed prices of Au US$1798.34/oz and Ag US$25.32/oz.
4. Areas of previous mining has been removed
5. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

9.1 Block Model parameters

The block model parameters used to model the deposit are listed in Table 9.2. The block sizes were selected based on the general drillhole spacing.

Table 9.2 Block Model parameters

	East (m)	North (M)	Vertical (m)
Origin	288,846	2,823,596	822
Block size	12	12	4
Number of blocks	81	64	126
Minimum sub-block size	2	2	1

1 **Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.**

9.2 Estimation parameters

Block gold and silver grades were estimated using ordinary kriging with discretization of 5 E x 5 N x 5 RL points. The parameters used are shown in Table 9.3. Due to the limited sample data within each separate wireframe, semi-variogram analysis and search parameters were based on the results for Refugio_main for Refugio_main, Refugio_2 and Refugio_3. Soledad_main variogram and search parameters were used for Soledad_main, Soledad_mid, Leon and Lina samples.

The search ellipse was increased for the second search pass by a factor of 1.5 and for the third search pass by 3, to ensure all blocks had grades estimated. There was no octant search.

The search ellipse radii and orientation were based on the results of a two-structured spherical variogram analysis. The variogram parameters are listed in Table 9.4.

Table 9.3 Estimation parameters

Zone	Search Radii			Rotation			No. Samples		Maximum Samples Per Drillhole
	East (m)	North (m)	Vert. (m)	Z (⁰)	X (⁰)	Y (⁰)	Min.	Max.	
Refugio_main - Gold	100	100	10	-141	-27	-143	3	6	3
Refugio_main - Silver	100	100	10	-140	-27	-143	3	6	3
Soledad_main - Gold	150	70	10	-117	-65	145	3	6	3
Soledad_main - silver	160	70	10	-117	-65	145	3	6	3

Table 9.4 Variogram parameters

Zone	Orientation			Nugget	Range 1			Sill 1	Range 2			Sill 2
	Z (⁰)	X (⁰)	Y (⁰)		East (m)	North (m)	Vert. (m)		East (m)	North (m)	Vert. (m)	
Refugio_main – Gold	-141	-27	-143	0.1	59	80	2.5	0.5	101	93	3	0.4
Refugio_main - Silver	-141	-27	-143	0.1	97	56	2	0.37	98	99	3	0.53
Soledad_main - Gold	-117	-65	145	0.1	81	58	1.5	0.5	157	73	2.5	0.54
Soledad_main - silver	-117	-65	145	0.12	61	54	3	0.61	149	68	3.6	0.27

9.3 Gold Equivalent

The gold equivalent formula was calculated as:

$$AuEq = Au + (Ag/70)$$

Where:

- The value of gold per ounce = US$1,798.34.
- The value of silver per ounce = US$25.32.
- Converting the gold weight from grams to ounces =31.10348.
- No allowance has been made for recovery and payable values.

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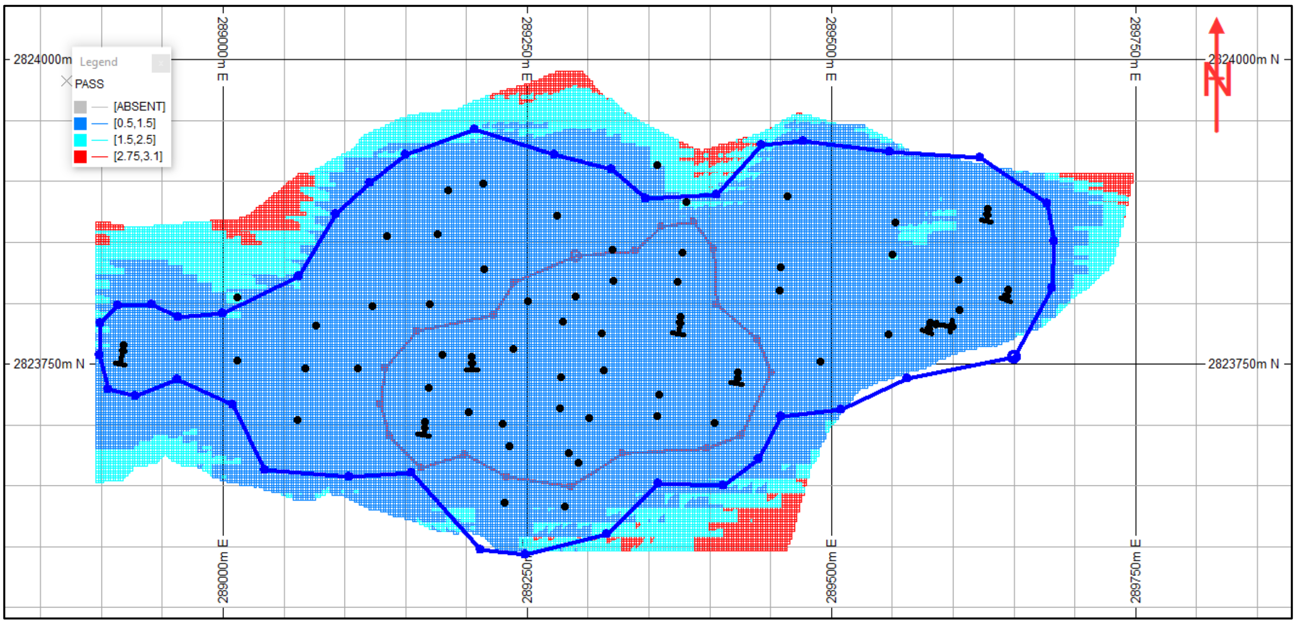
9.4 Mineral Resource classification

The deposit Mineral Resources was classified as Indicated or Inferred based on:

- Block grades for the Refugio_main and Refugio_2 wireframes were classified as Indicated where blocks were estimated on the first pass with drillholes less than 35 m apart.
- Block grades for the Refugio_main and Refugio_2 wireframes were classified as Inferred outside the Indicated area where samples were estimated on the first pass.
- Block grades for the other five wireframe were classified as Inferred where samples were estimated on the first pass.

Figure 9.1 is an example of the classification using the Refugio_main model.

Figure 9.1 Resource Classification



Note 1. Block coloured my pass as shown in the legend.

2. Red line defines the limit to the Indicated Mineral Resource

3. Blue line defines the limit to the Inferred Mineral Resource

4. Black points are the drillholes

9.5 Mineral resources

Then estimated resources above a series of AuEq (g/t) cut-offs is shown in Table 9.5 for the Indicated mineralization and Table 9.6 for Inferred resources.

The tonnes and gold and AuEq grade are shown as scatter plots in Figure 9.2 for Indicated and Figure 9.3 for Inferred.

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Table 9.5 Indicated resources above AuEq cut-offs

Cut-off AuEq (g/t)	Tonnes (kt)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (koz)	Ag (koz)	AuEq (koz)
0.2	1,897	2.35	55.1	3.13	143	3,361	191
0.4	1,617	2.72	63.4	3.63	141	3,298	189
0.6	1,419	3.05	70.8	4.06	139	3,229	185
0.8	1,293	3.30	76.0	4.39	137	3,162	183
1	1,171	3.59	81.5	4.76	135	3,069	179
1.2	1,053	3.91	87.9	5.16	132	2,977	175
1.4	944	4.26	94.3	5.61	129	2,863	170
1.6	831	4.71	102.3	6.17	126	2,733	165
1.8	755	5.07	108.4	6.62	123	2,631	161
2	691	5.43	114.2	7.06	121	2,538	157
2.2	650	5.69	117.9	7.37	119	2,465	154
2.4	615	5.93	120.9	7.66	117	2,390	151
2.6	565	6.32	125.5	8.12	115	2,280	147
2.8	531	6.62	129.3	8.47	113	2,208	145
3	500	6.92	132.6	8.82	111	2,130	142
3.2	480	7.12	134.8	9.04	110	2,082	140
3.4	451	7.45	138.4	9.42	108	2,005	137
3.6	427	7.74	140.9	9.75	106	1,933	134
3.8	403	8.05	144.1	10.11	104	1,868	131
4	392	8.20	145.9	10.28	103	1,840	130
4.2	374	8.46	148.6	10.59	102	1,786	127
4.4	352	8.81	151.9	10.98	100	1,719	124
4.6	331	9.17	154.8	11.38	98	1,648	121
4.8	307	9.64	159.2	11.91	95	1,571	117
5	285	10.12	163.2	12.45	93	1,493	114

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Table 9.6 Inferred resources above AuEq cut-offs

Cut-off AuEq (g/t)	Tonnes (kt)	Au (g/t)	Ag (g/t)	AuEq (g/t)	Au (koz)	Ag (koz)	AuEq (koz)
0.2	4,947	1.94	66.3	2.89	309	10,541	459
0.4	4,317	2.20	74.7	3.27	305	10,372	453
0.6	3,732	2.49	84.4	3.70	299	10,126	444
0.8	3,107	2.91	98.0	4.31	290	9,785	430
1	2,768	3.19	107.2	4.72	284	9,537	420
1.2	2,482	3.47	116.8	5.14	277	9,321	410
1.4	2,235	3.76	126.3	5.57	270	9,079	400
1.6	2,042	4.02	135.0	5.95	264	8,866	391
1.8	1,861	4.30	144.2	6.36	257	8,630	381
2	1,725	4.55	151.7	6.72	252	8,414	372
2.2	1,595	4.81	159.5	7.09	247	8,176	364
2.4	1,487	5.06	166.8	7.44	242	7,972	356
2.6	1,396	5.29	173.3	7.76	237	7,778	348
2.8	1,303	5.54	180.7	8.12	232	7,568	340
3	1,200	5.86	189.8	8.57	226	7,320	331
3.2	1,123	6.13	197.2	8.94	221	7,120	323
3.4	1,058	6.38	204.3	9.29	217	6,948	316
3.6	969	6.76	214.5	9.83	211	6,681	306
3.8	902	7.09	223.8	10.28	205	6,488	298
4	830	7.44	237.5	10.83	199	6,340	289
4.2	734	8.08	254.8	11.72	191	6,015	277
4.4	673	8.56	268.5	12.40	185	5,808	268
4.6	641	8.85	275.9	12.79	182	5,682	263
4.8	611	9.13	284.2	13.19	179	5,579	259
5	589	9.35	290.3	13.49	177	5,495	255

Figure 9.2 Tonnes-Grade - Indicated

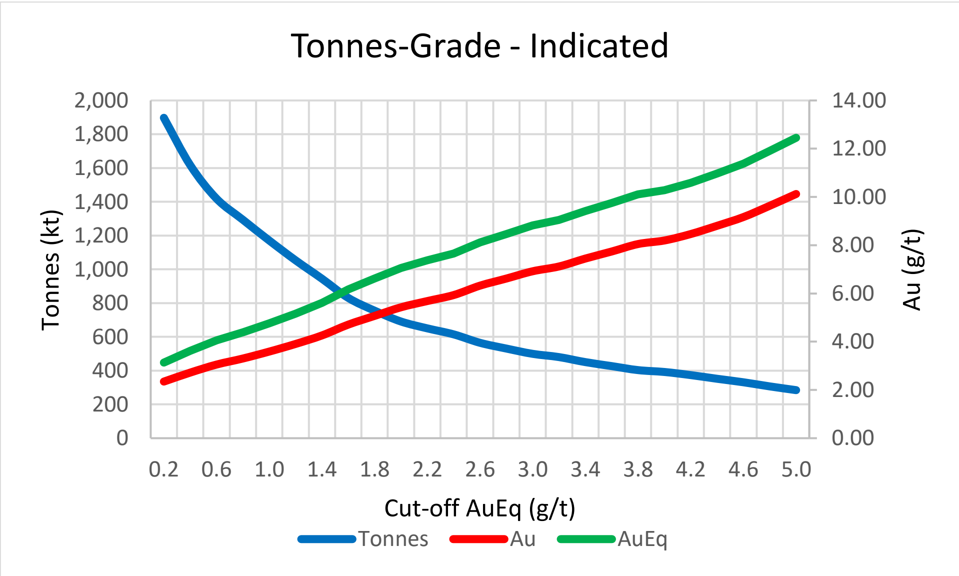

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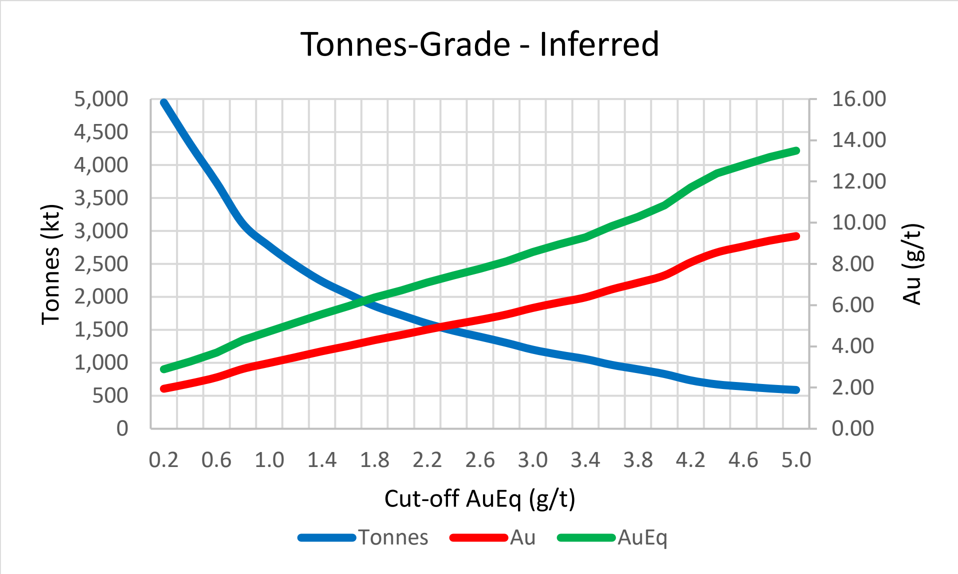
Figure 9.3 Tonnes – Grade -Inferred



9.6 Model Validation

The block model grades were compared to the drillhole sample data along cross sections and long-sections. Good correlation was noted. Swath plots were prepared for the gold and silver block grades compared to the drillhole sample grades (Figure 9.4 to Figure 9.9). These showed good correlation.

Figure 9.4 Gold - East-West SWATH plot

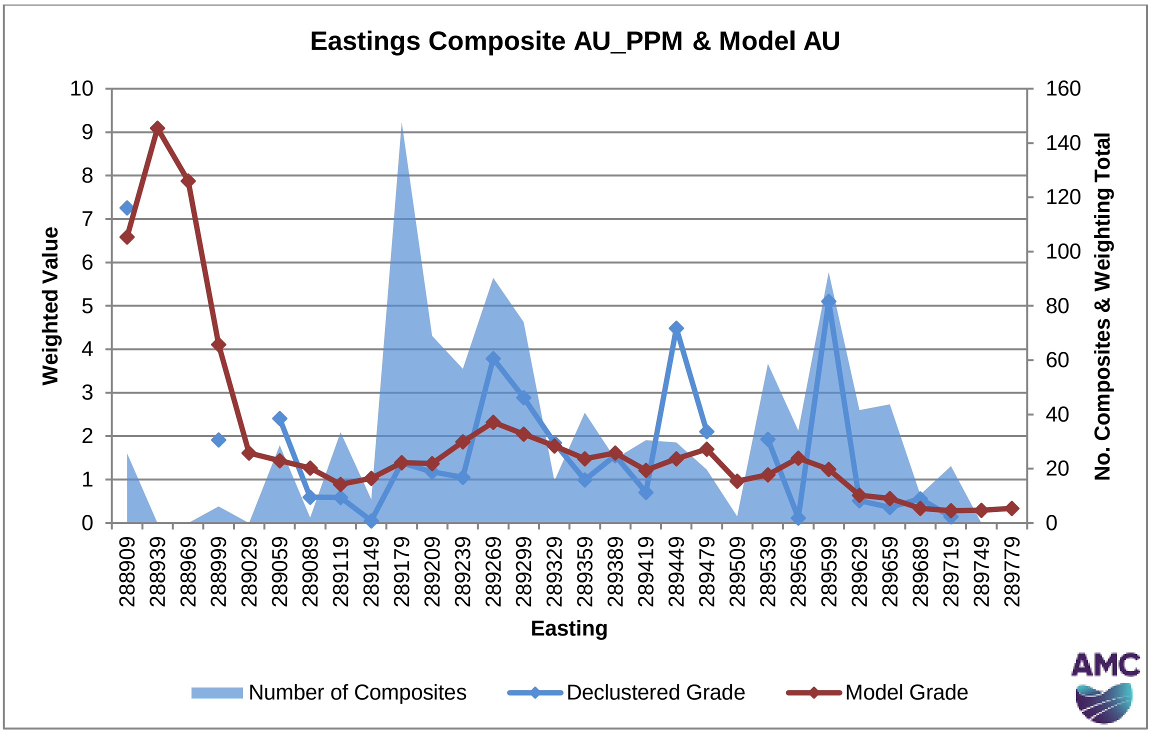


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Figure 9.5 Gold – North-South SWATH plot

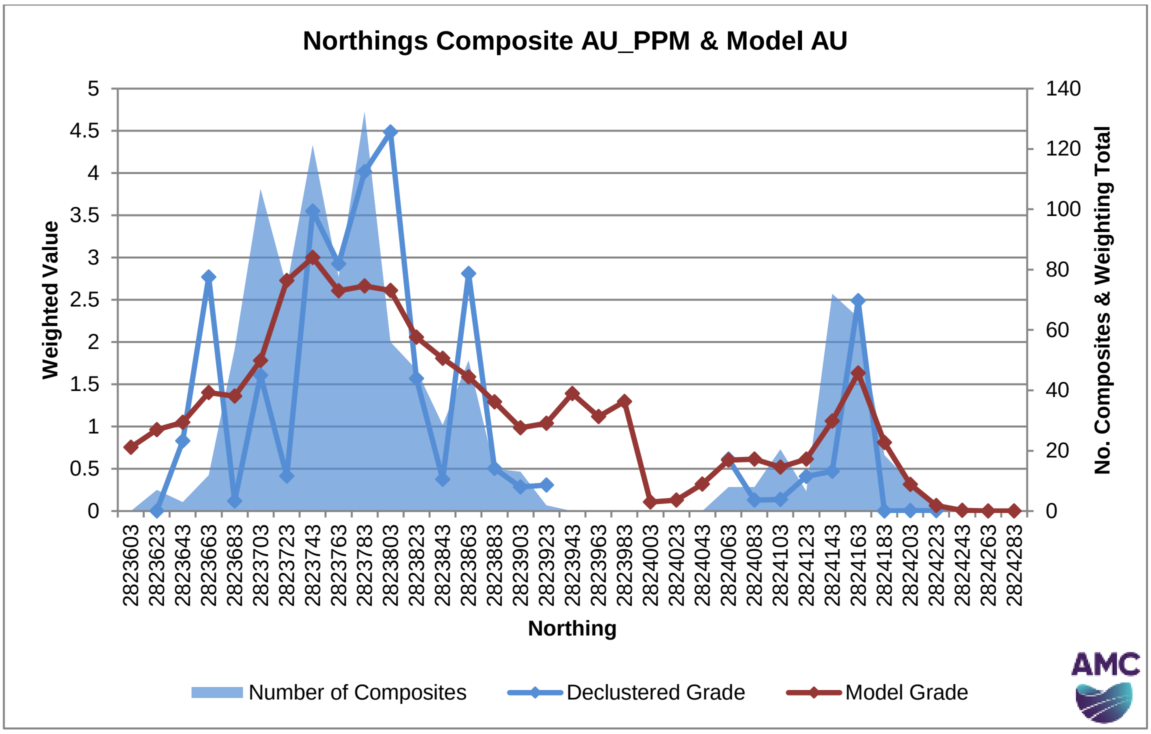

Figure 9.6 Gold - Elevation SWATH plot

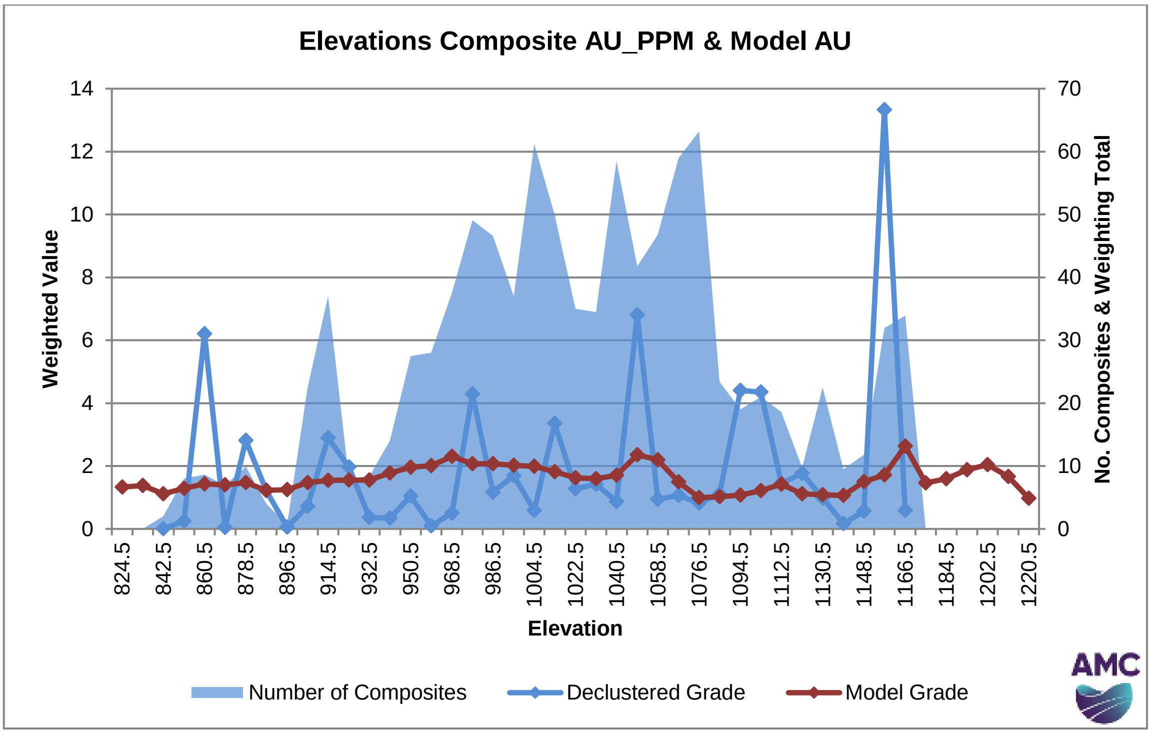

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Figure 9.7 Silver – East-West SWATH plot

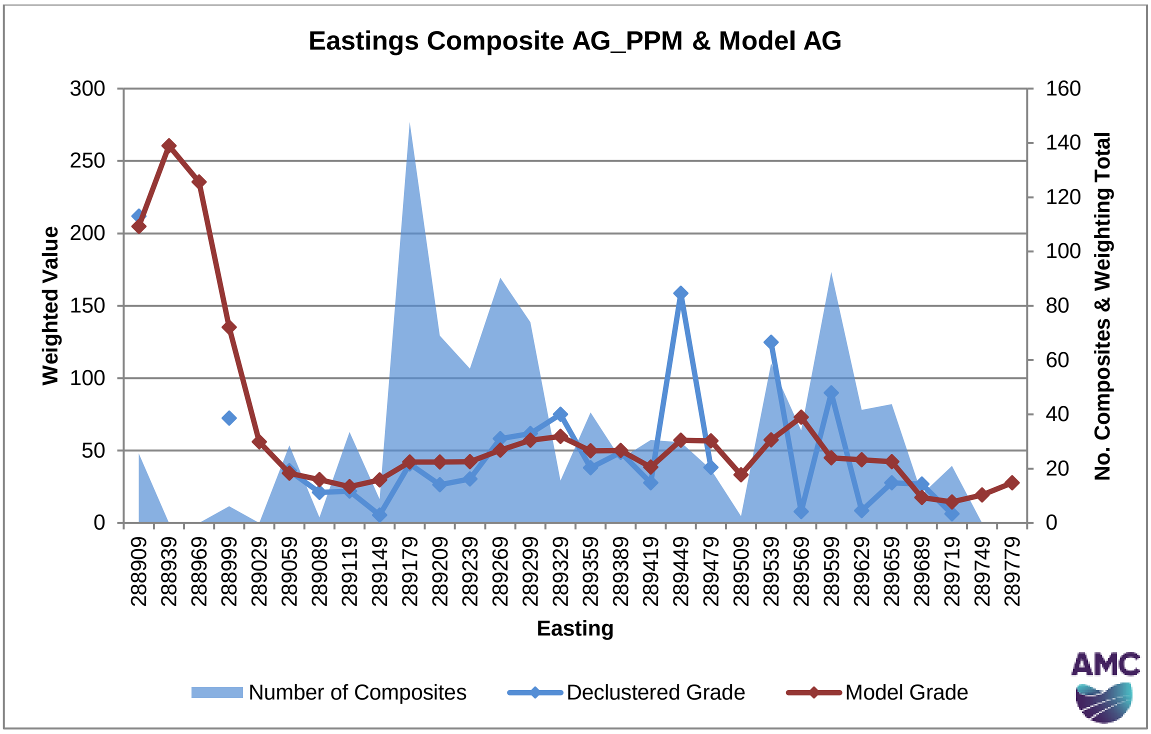
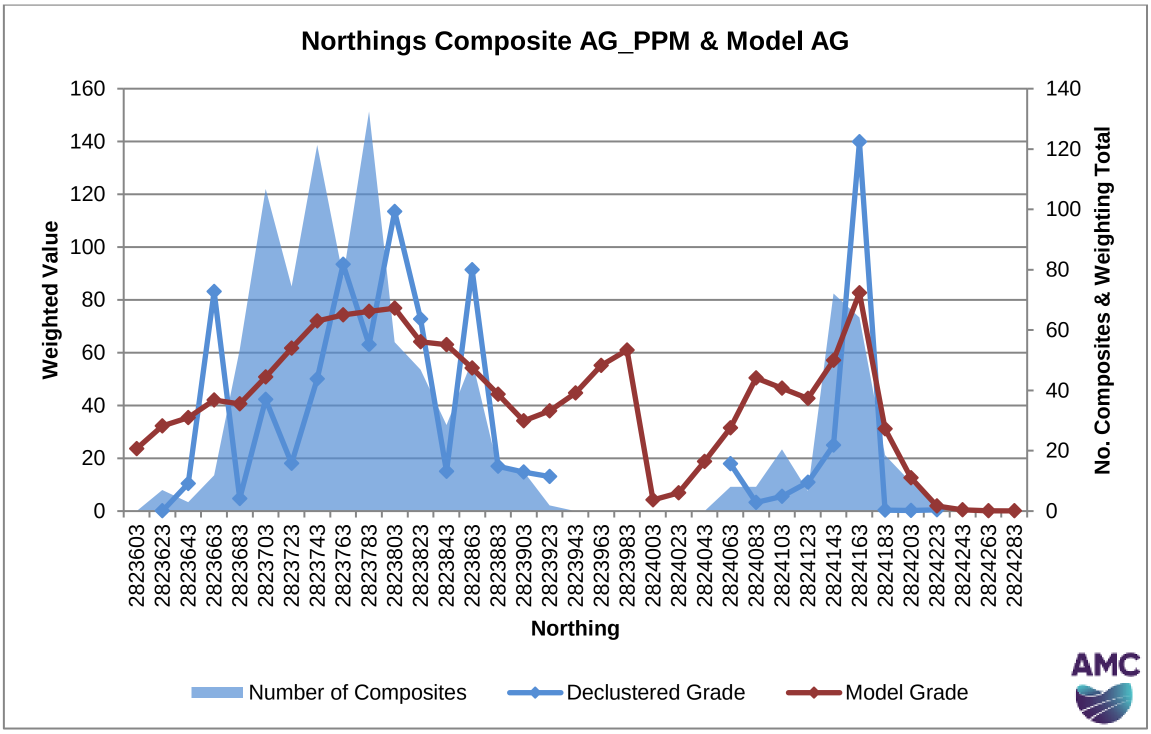
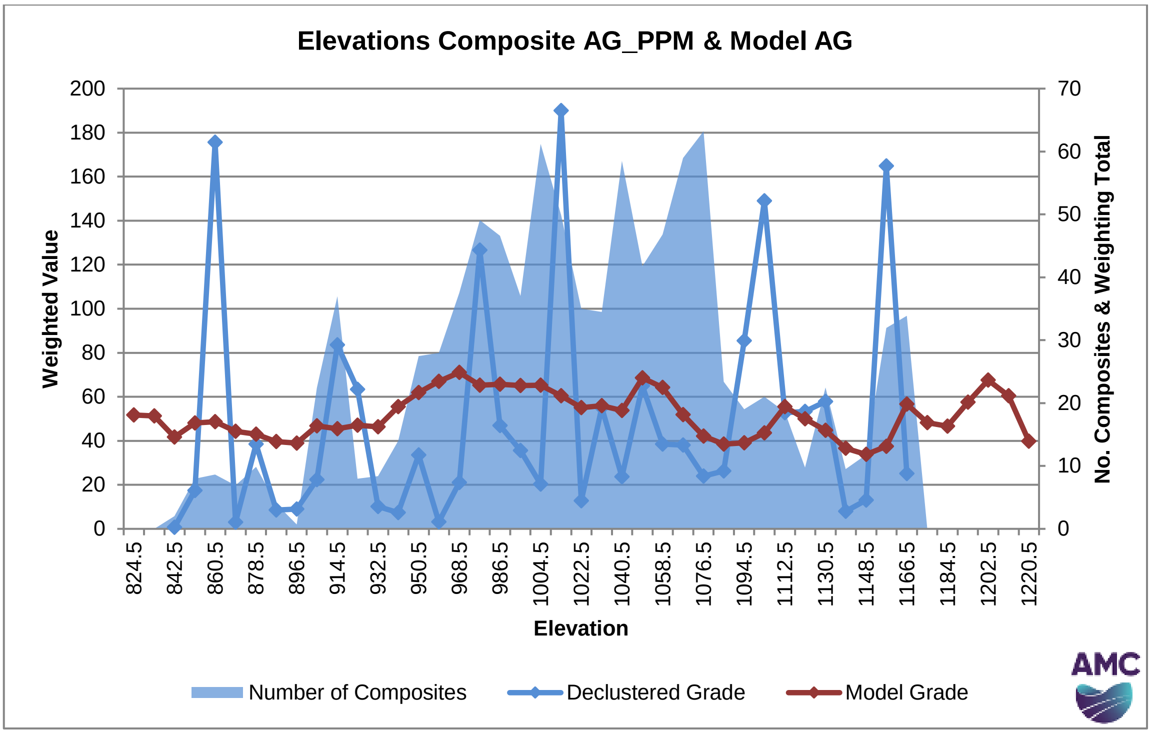


Figure 9.8 Silver – North-South SWATH plot



1 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Figure 9.9 Silver - Elevation SWATH plot



1 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

10 References

ASTM Designation: C 914- 95 *Standard test Method for Bulk Density and Volume of Solid Refractories by Wax Immersion*

Rodrigues R. August 2017 *Preliminary Assessment Copalquin Project Durango, Mexico*

1 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

Appendix A
CRM plots

Figure 1 CRM CDN-ME1311 - Au

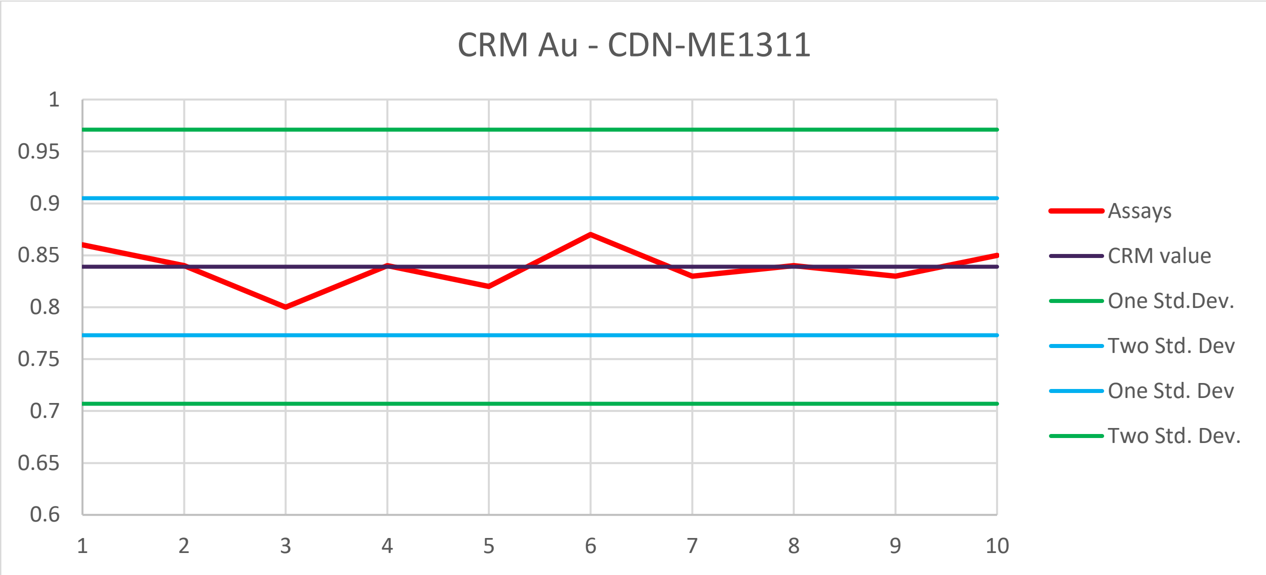


Figure 2 CRM CDN-ME1311 - Ag

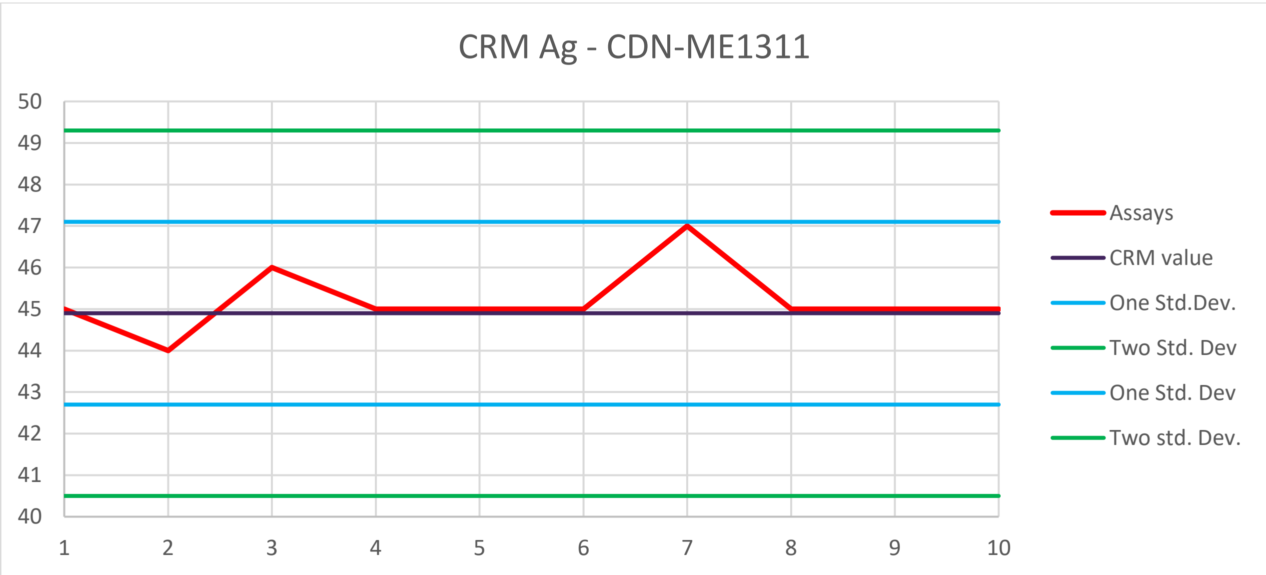


Figure 3 CRM CDN-ME1414 - Au

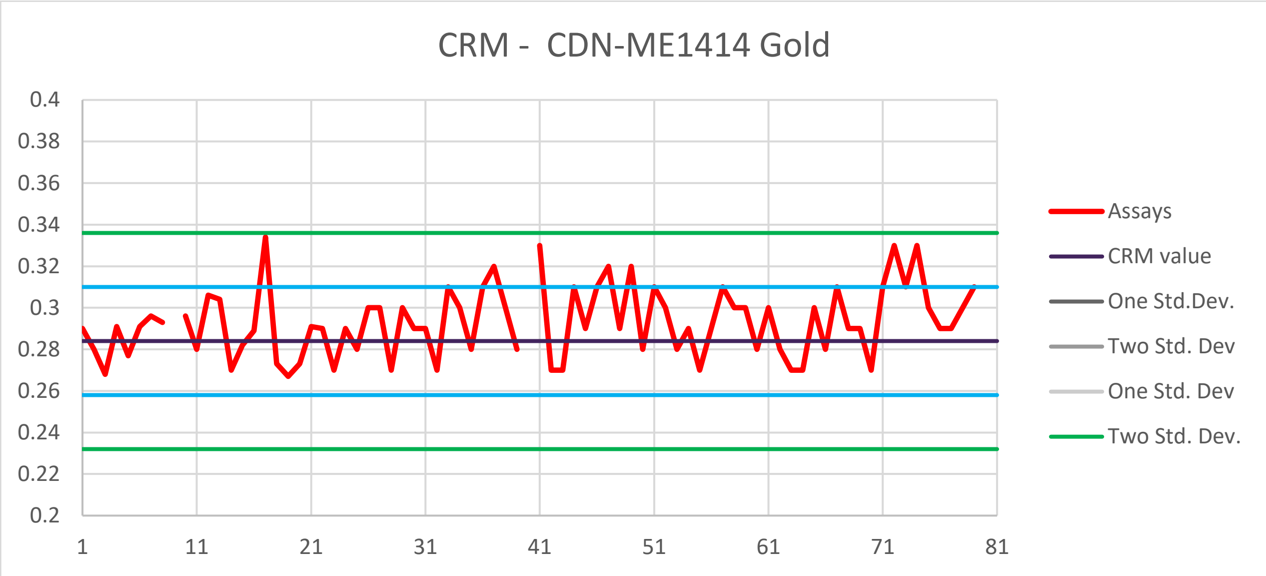


Figure 4 CRM CDN-ME1414 - Ag

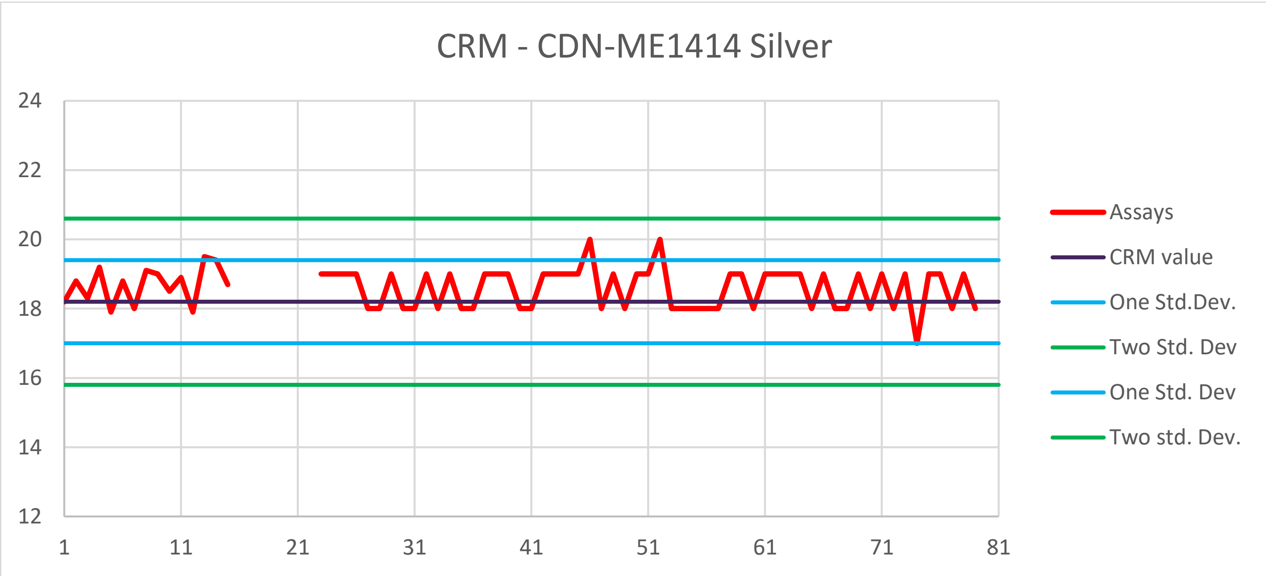


Figure 5 CRM CDN-ME1803 – Au

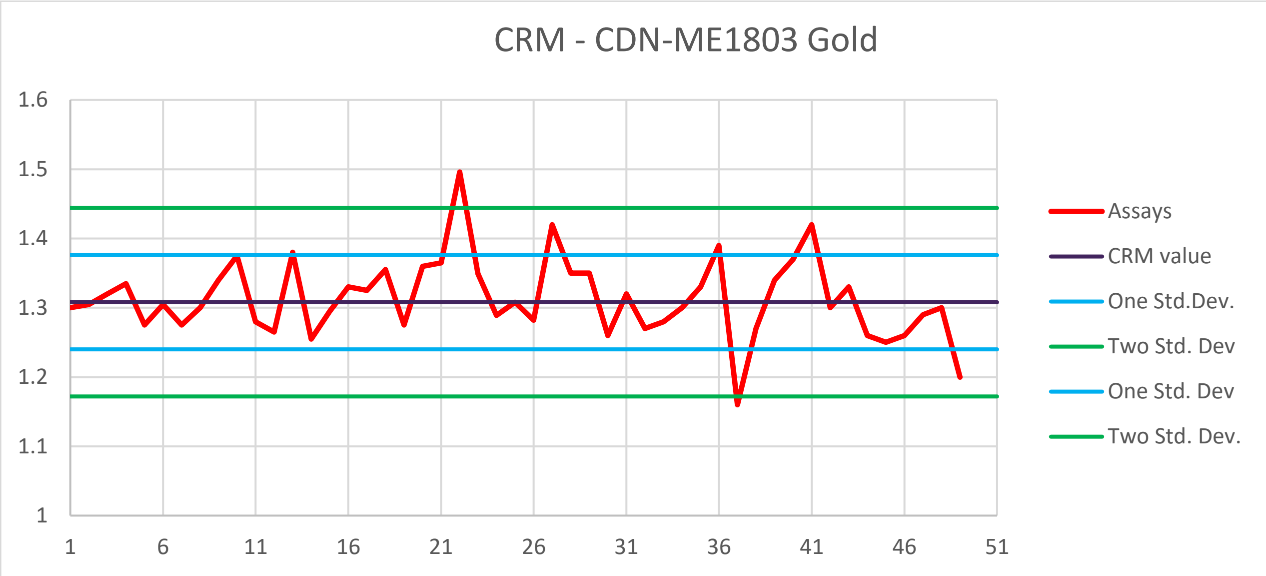


Figure 6 CRM CDN-ME1803 – Ag

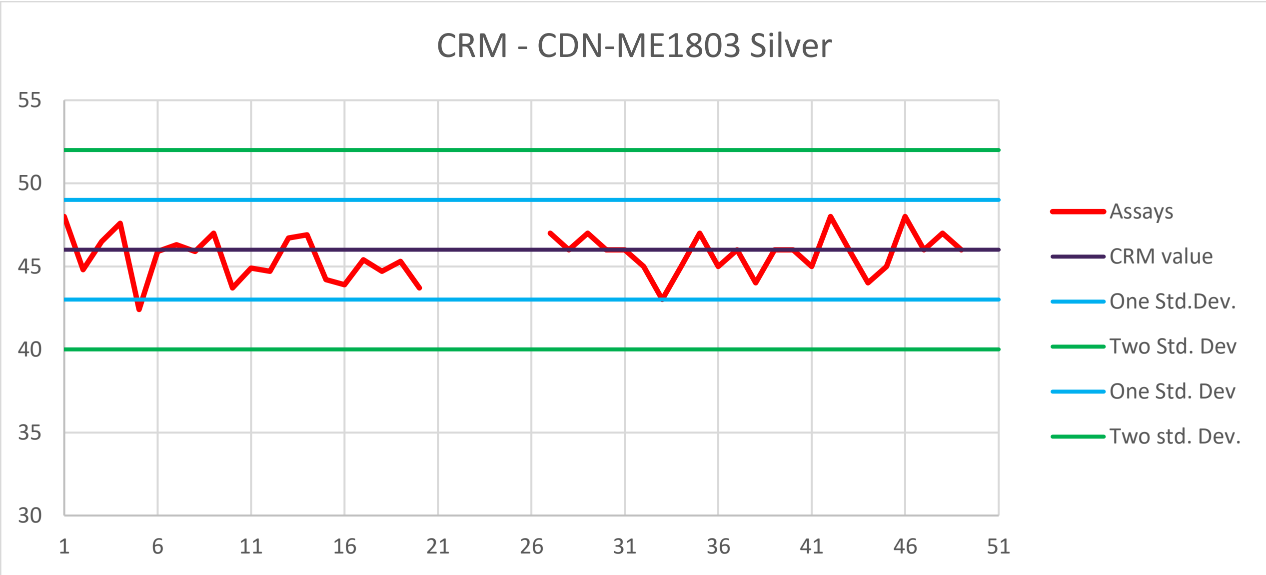


Figure 7 CRM CDN-ME1808 – Au

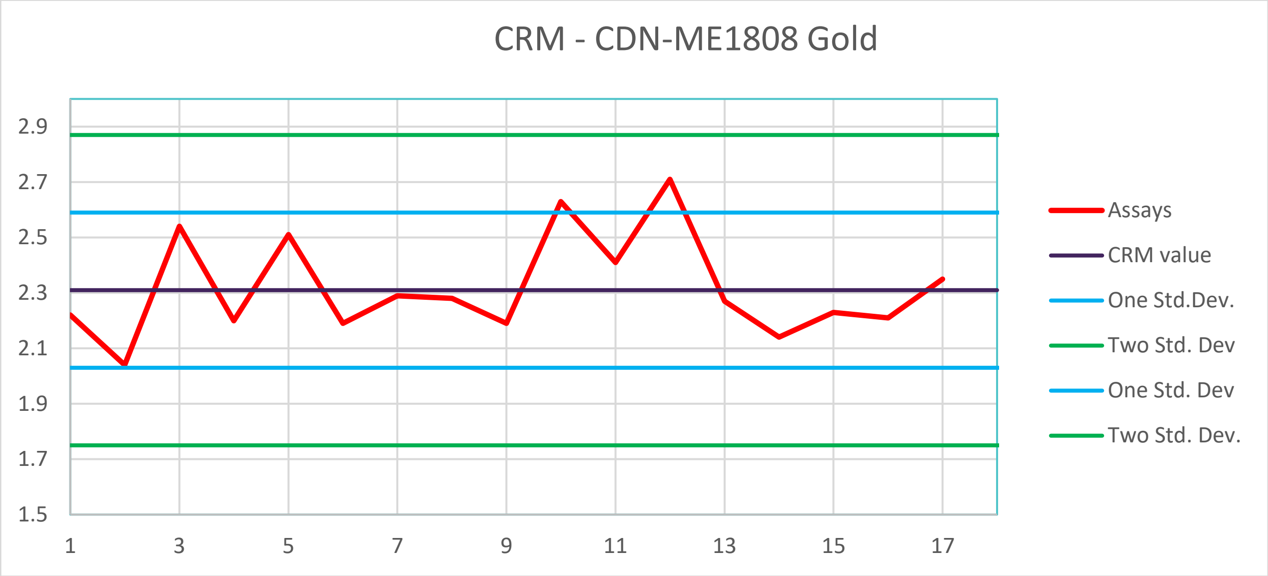


Figure 8 CRM CDN-ME1808 – Ag

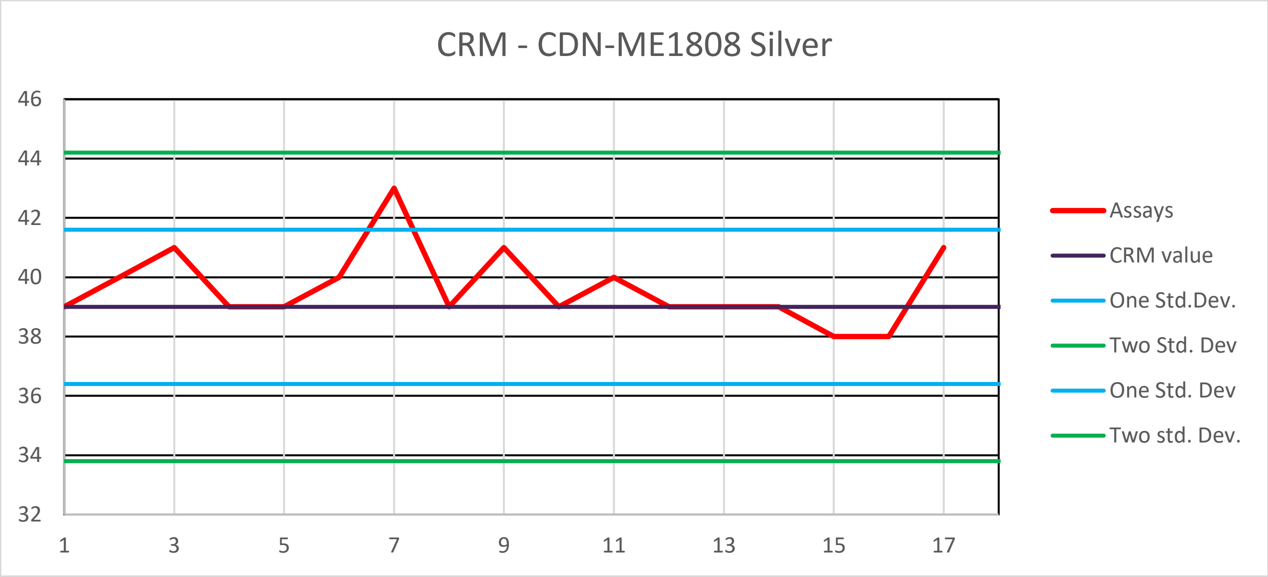


Figure 9 CRM CDN-ME1901 – Au

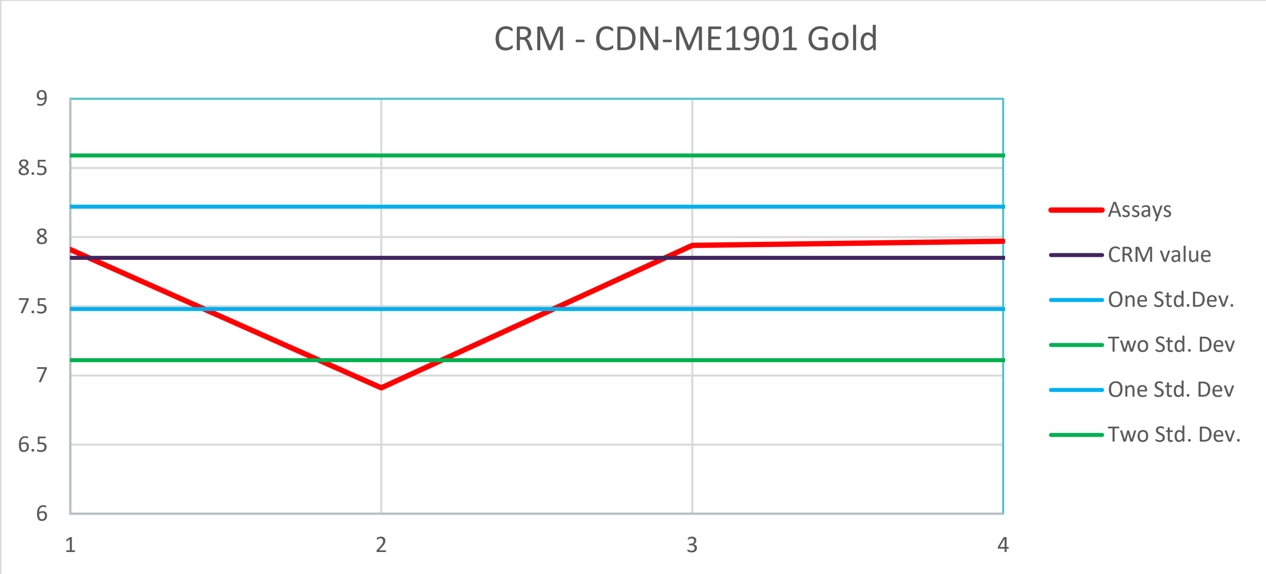


Figure 10 CRM CDN-ME1901 – Ag

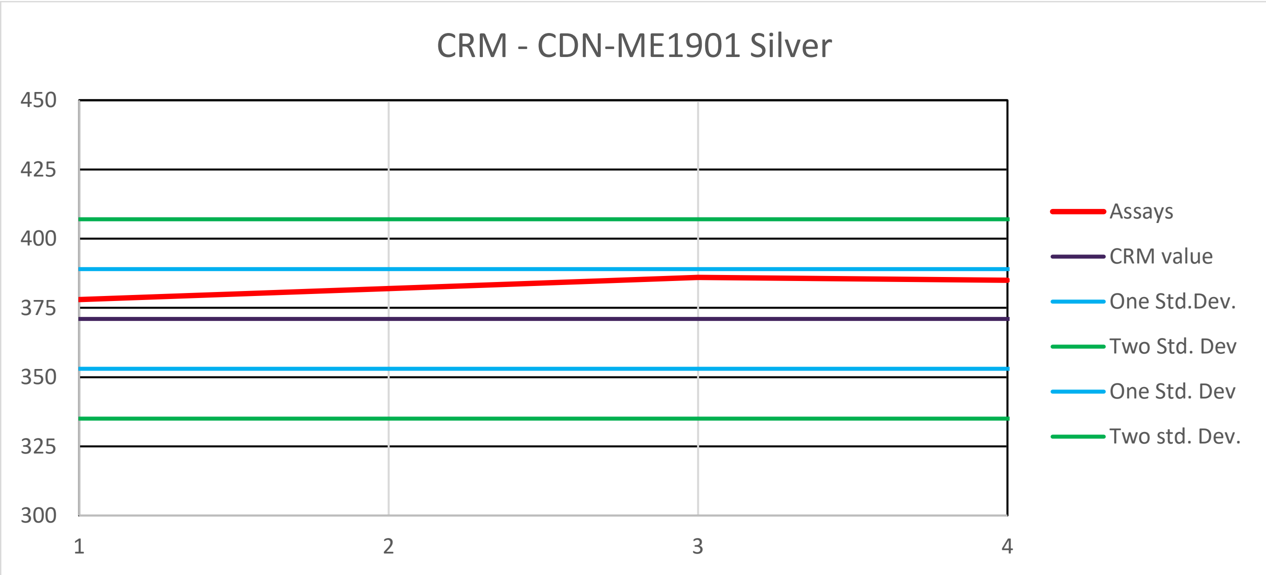


Figure 11 CRM CDN-ME1902 – Au

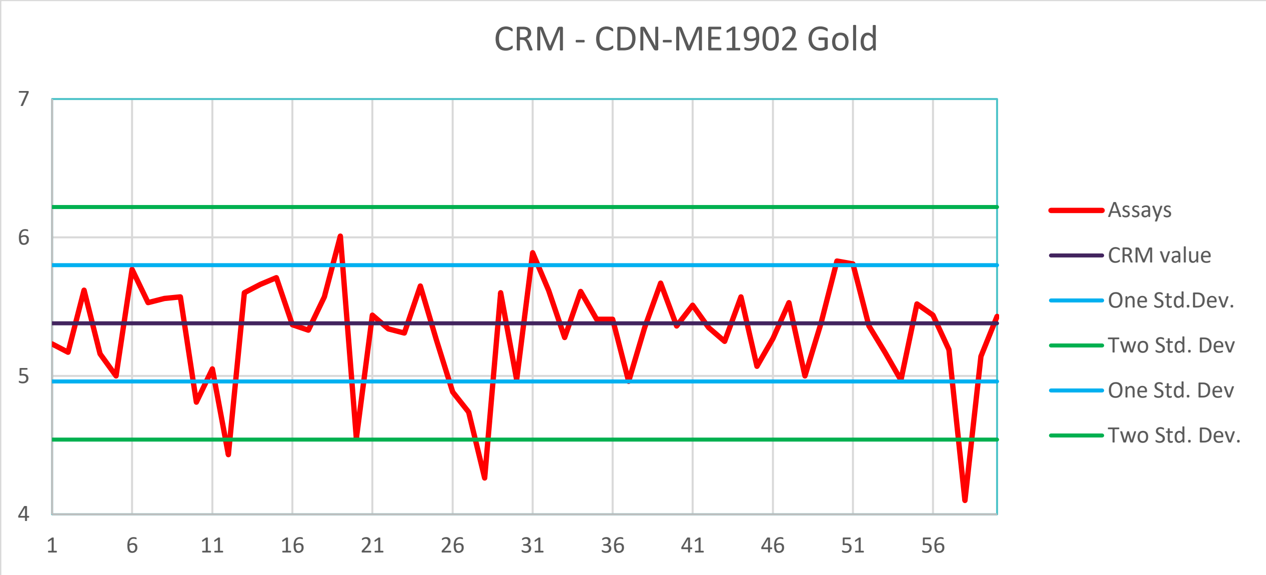


Figure 12 CRM CDN-ME1902 – Ag

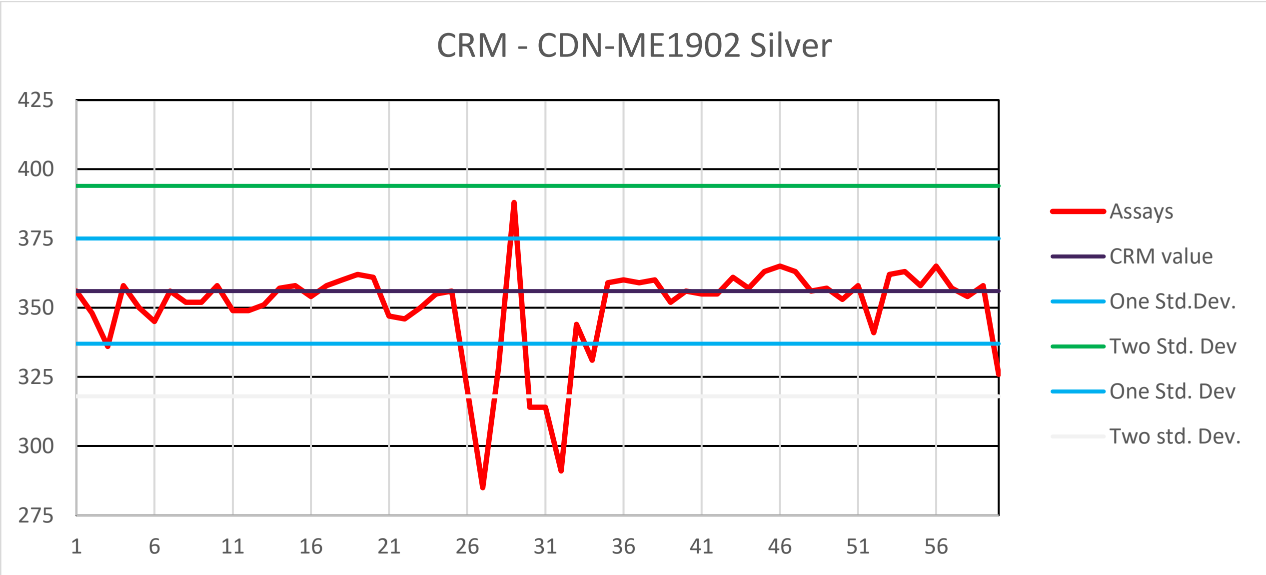


Figure 13 CRM OREAS 215 – Au

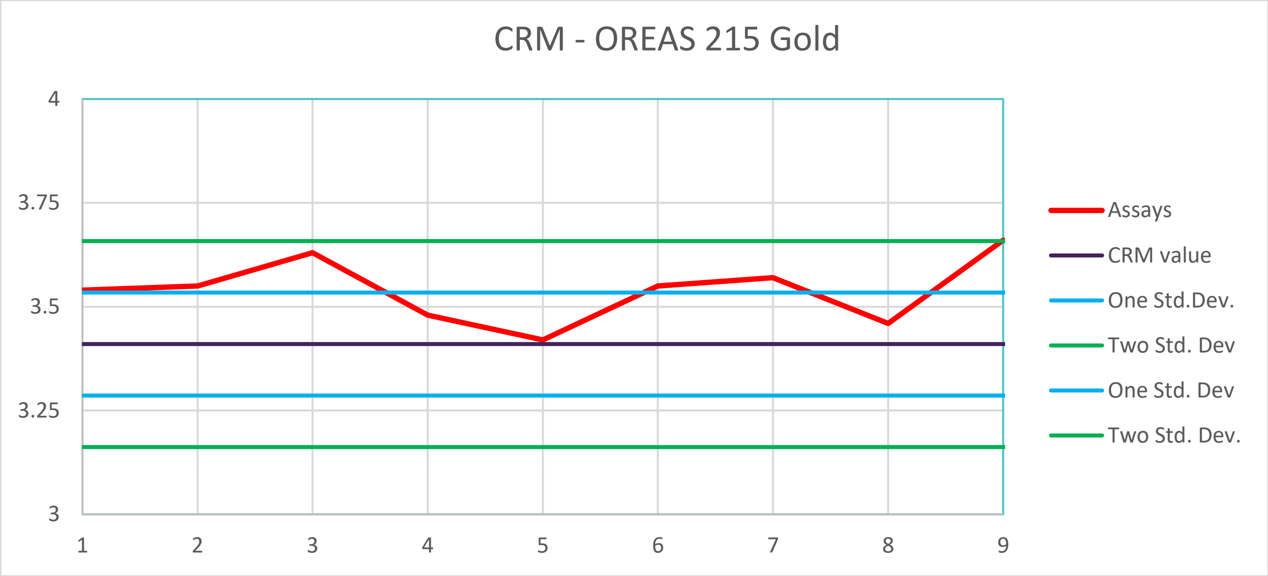


Figure 14 CRM OREAS 217 – Au

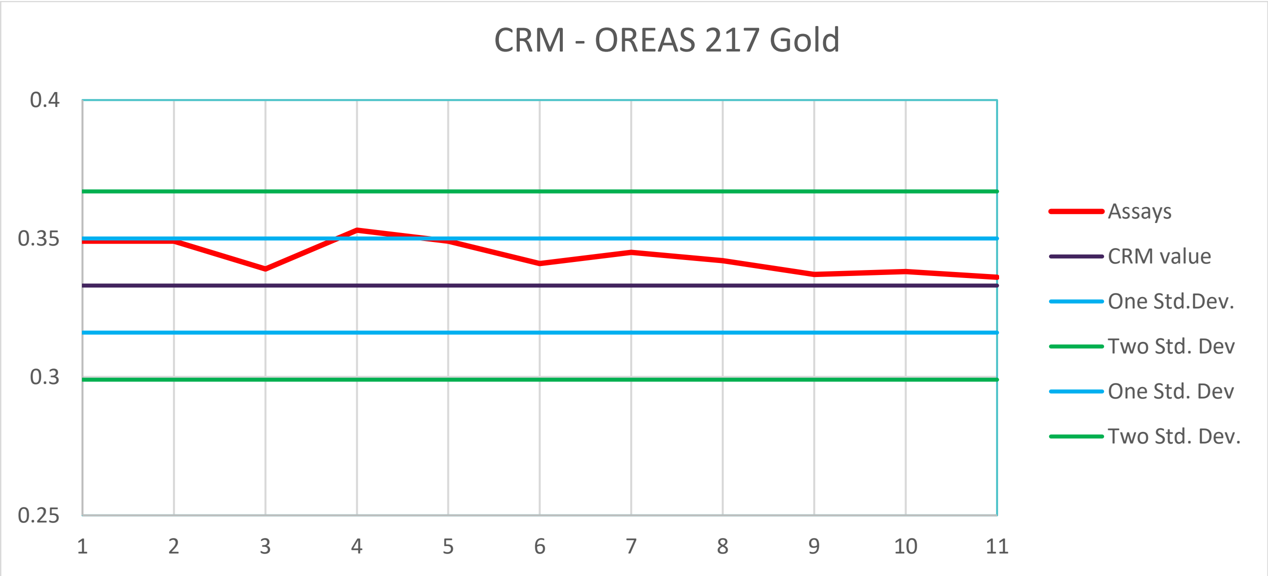


Figure 15 CRM OREAS 257 – Au

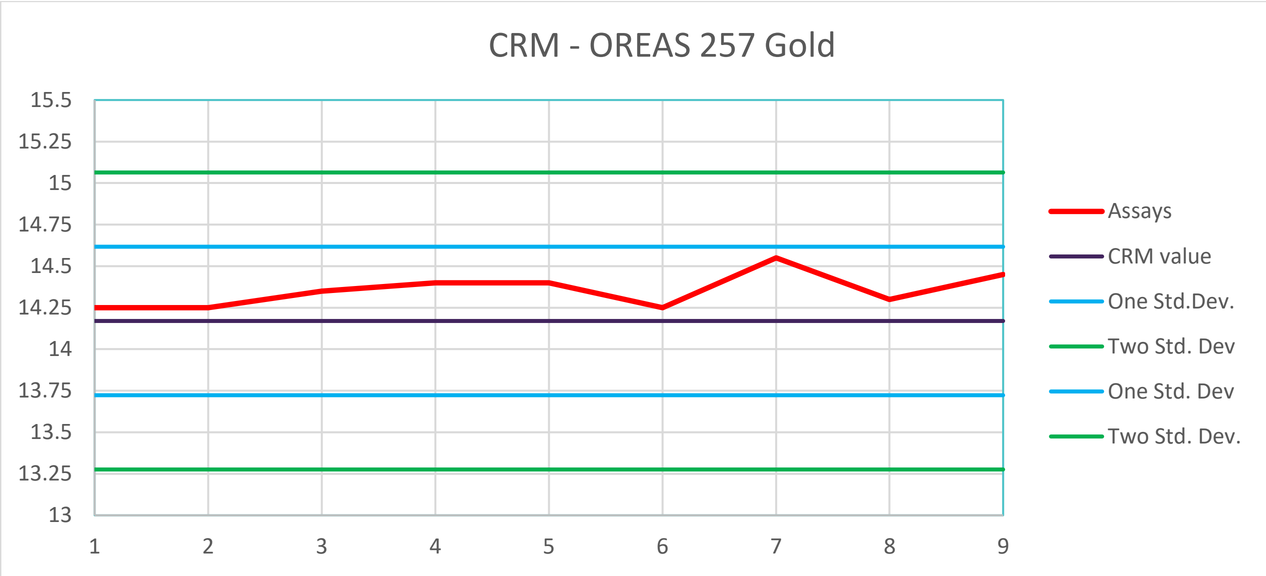


Figure 16 CRM OREAS 602 – Au

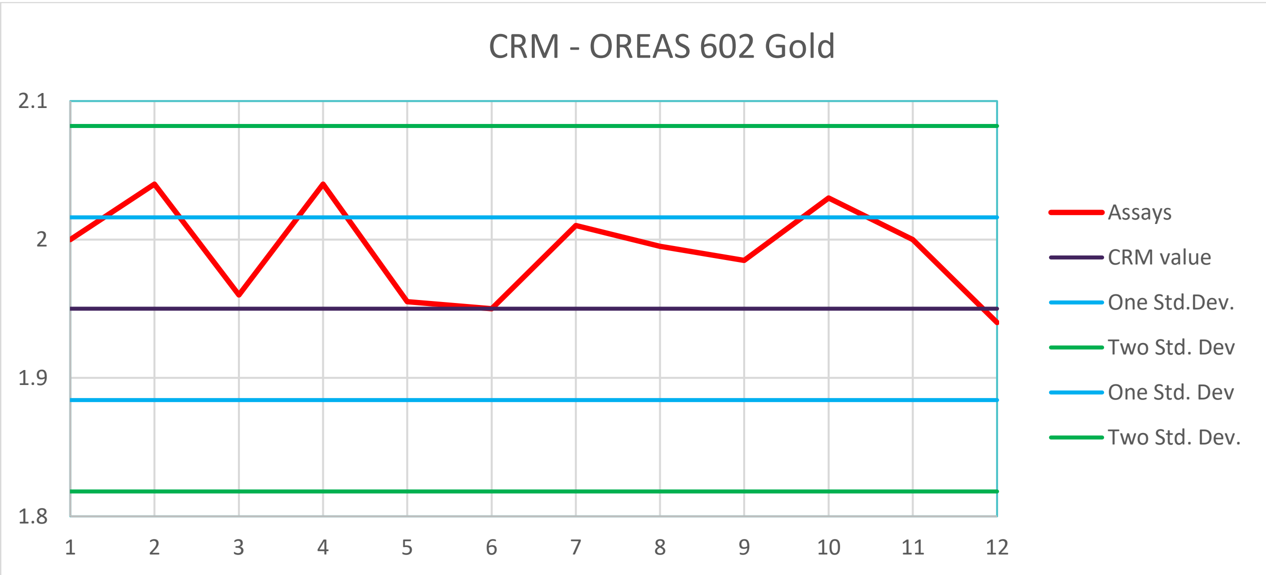


Figure 17 CRM OREAS 602 – Ag

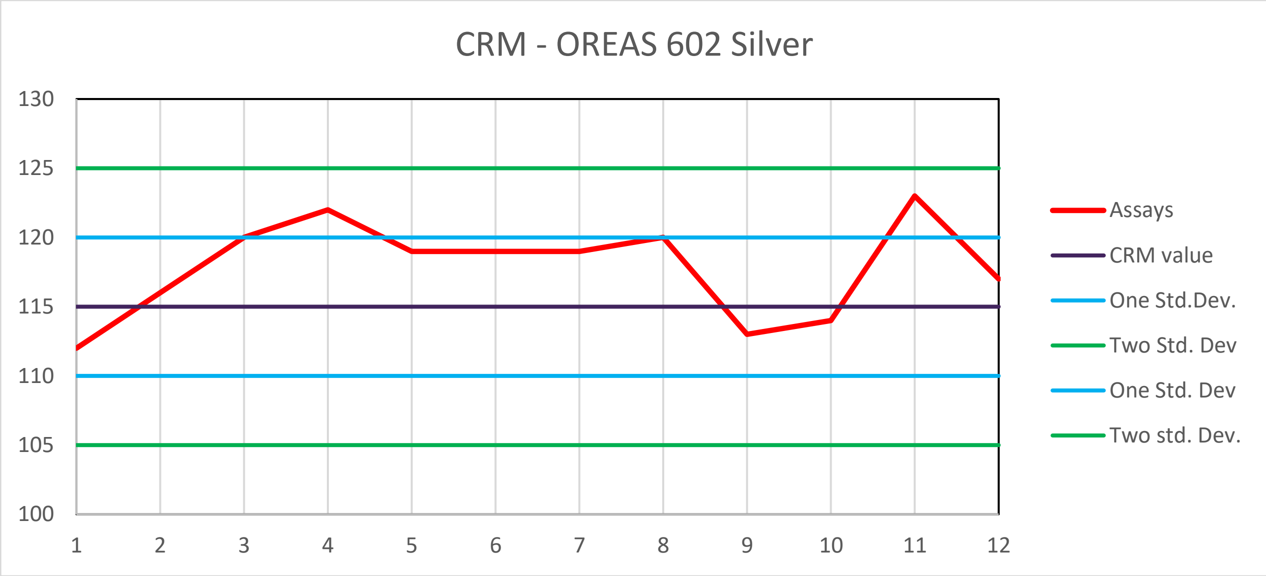


Figure 17 CRM OREAS 604 – Au

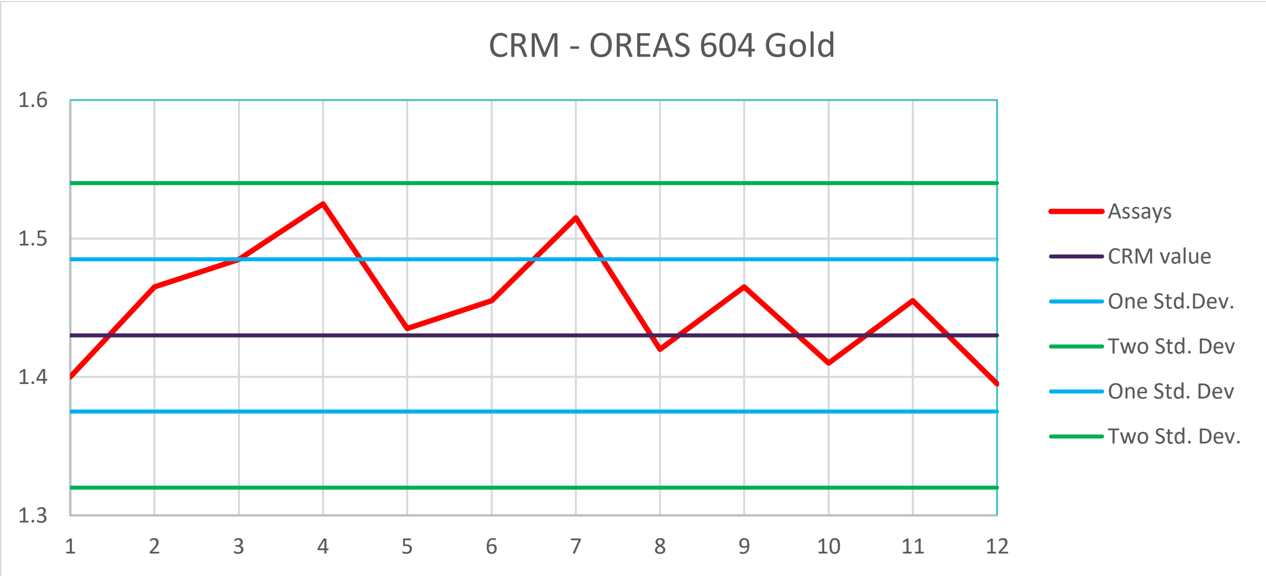
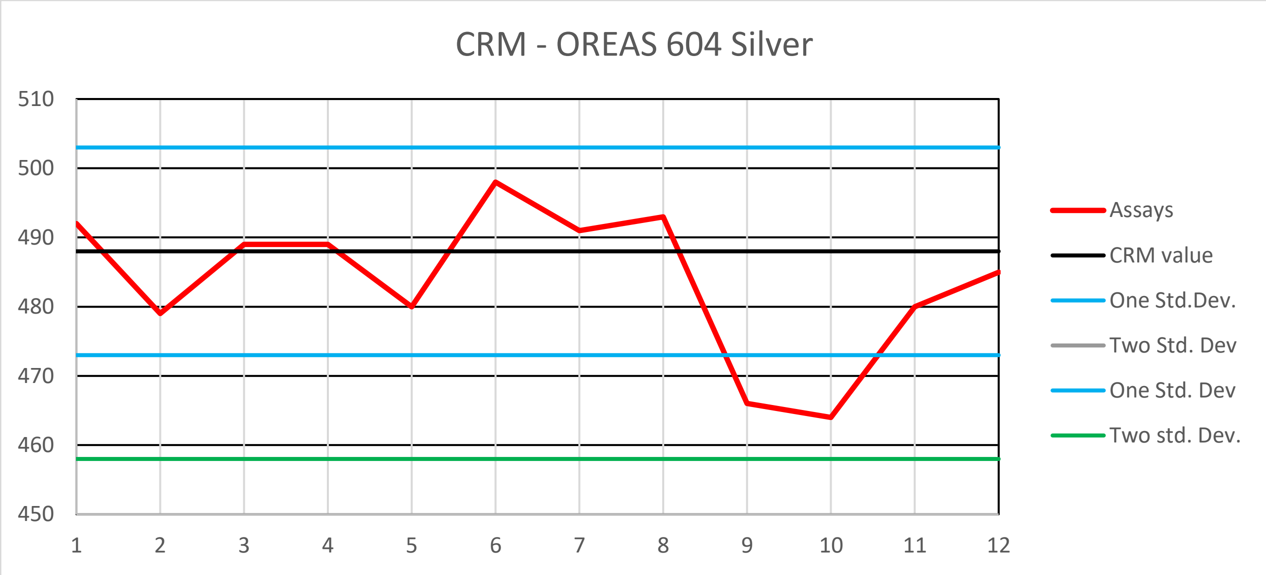


Figure 17 CRM OREAS 604 – Ag



Appendix B
JORC Code Table 1

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples of the diamond core drilling consists of 95% of HQ and 5% of NQ core cut in half lengthwise with a diamond saw using a Honda Mantra diamond cutter. Changes from HQ to NQ diameter depend on drilling conditions. • Sample sizes are nominally 1 m but may vary between 0.5 m to 1.5 m based on geological criteria. • Sample weights vary from 3.7 kg to 4.2 kg for HQ cores and 2.1 kg to 2.3 kg for NQ cores. • Sampling intervals are from 10 m above to 10 m below visible mineralized structures. • The right side of the core is sent to sample for analysis at an accredited laboratory analysis, mainly ALS Global or Bureau Veritas. The remaining half core is stored appropriately in a secure core warehouse. • In 2021, soil sampling was carried out by locating pre-planned points by handheld GPS and digging below the first colour-change, sampling the B horizon 25 cm above the regolith. Samples are sieved to -80 mesh in the field. A 15 g aliquot of sample is split from the soil pulps for analysis by X-Ray Fluorescence (XRF). Mithril uses an Olympus Vanta 50kV X-Ray fluorescence analyzer with a lower detection limit for silver of 2 ppm and fire assay with atomic absorption (FA/AA).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling is done with a Multipower MP-500 man-portable diamond core rig capable of drilling up to 400 m using HQ diameter. The deepest drill hole is 477 m and finished with NQ diameter. • The drilling rig is properly orientated in 5 m by 5m stable platforms; initial inclination is given using a Starrett Angle Meter Inclinometer Model AM-2 36080.

Criteria	JORC Code explanation	Commentary
		• The core is routinely orientated with the first measurement at 10 m, and then every 50 m for the total length using an Easy Track, Model ET-6813 – V1 0.27 Reflex Software.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• The diamond core is reconstructed in the core box into continuous runs using wooden markups. Depths are checked against drillers blocks and rod counts are routinely carried out by the drillers. • Drill recovery is measured based on the measured length of core divided by the length of drill run. • Measurements for core recoveries are logged and recorded using Geotech Software to calculate Recovery percentages and RQD's. All measurements for every drill hole are recorded in the Mithril Database. • Recovery in holes CDH-001 through CDH-025 and CDH-032 through CDH-90 was always above 90% in the mineralized zones. • Holes CDH-026 through CDH-031 had some problems with core recovery in highly fractured, clay-rich breccia zones. • Core recovery is appropriate for Mineral Resource Estimation. There is no adverse relationship between recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Mithril's system of logging core uses a very robust software GV Mapper. It records lithology, mineralogy, mineralization, alteration, structure, colour, and other primary features of the rock samples. • Core logging is both qualitative and quantitative. Photographs are taken of each box of core before samples are cut. Core is wet to improve the visibility in the photos. • All drill holes are logged and photographed in full to the end of the hole. • The core logging supports adequate Mineral Resource estimation.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• The core is sawn in half and the right-side half core is taken for sample. • Samples taken from drill holes CDH-001 through CDH-060 (Mithril Database Code ALS 1) and from CDH-064 through CDH-90 (Mithril

Criteria	JORC Code explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Database Code ALS2) were sent to ALS Global for preparation and analysis. ALS sample preparation code Prep-31 is used following industry best practice where all drill samples are crushed to 70% less than 2 mm, riffle split off 250 g, pulverized split to better than 85% passing 75 microns. This method is appropriate for the type of deposit being explored. For drill holes CDH-061 through CDH-063 (Mithril Database Code BV1), samples were sent to Bureau Veritas using preparation code Prep 70-250 which is the same procedure as ALS Prep-31. • The core is always visually reviewed to assure that the half is representativity of samples. • Field duplicate/second-half sampling is undertaken for 3% of all samples to determine the representativity of sample media submitted. • Sample sizes are appropriate to the grain size of the material being sampled. • Both laboratories used are certified worldwide.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples taken from drill holes CDH-001 through CDH-060 were submitted to ALS Laboratories for analysis; for gold using ALS Au-AA23 method, a 30g fire assay and AAS finish (detection limits: 0.005 – 10 ppm). Samples of higher grades will be routinely re-assayed by ALS Au-GRA21 fire assay with a gravimetric finish (detection limits: 0.5 – 1000 ppm); for silver, the ALS MEICP-61 method, which is four-acid digestion with ICP-AES finish + 32 elements (detection limits: 0.5 – 100 ppm), over the limits samples were reassayed using ALS Ag-OG62 method, detecting Ag by HF-HNO, HClO, digestion with HCl leach, ICP-AES or AAS finish. • For drill holes CDH-061 through CDH-063 (Mithril Database Code BV1), samples were submitted to Bureau Veritas for analysis; for gold using Au-FA430, a 30g fire assay and AAS finish (limits: 0.005 – 10 ppm) method, for higher values samples were reassayed using Au-FA530, a 30g fire assay with gravimetric finish method; for silver, the Ag-GRA530 method

Criteria	JORC Code explanation	Commentary
		was selected, using fire assay and gravimetric finish (limits: >20 ppm). And from CDH-064 through CDH-90 (Mithril Database Code ALS2) samples submitted to ALS were assayed using ALS Au-AA25 method, a 30g fire assay and AAS finish (detection limits: 0.05 – 100 ppm), and over the limit results, ALS Au-GRA21 re-assayed these. • Samples with significant amounts of observed visible gold were also assayed by ALS Au-SCR21. This screening assay analyses gold in both the milled pulp and in the residual oversize from pulverization. This method has been done for holes CDH-075 and CDH-077. • All these analytical methods used by Mithril are considered total assay techniques. • All assay certificates are recorded automatically into the Mithril Database using GV Mapper Software, avoiding any human error for transcripts in digital form. • Protocols for sampling and QA/QC procedures are adequate for Mineral Resources estimation. • QA/QC procedures include standards, blanks, and duplicates inserted appropriately into the sample stream. • Various grades of standards bought from CRM (Certified Reference Material) suppliers, including Canadian Resource Laboratories (CND), Rocklabs (Ox), and Oreas North America (Oreas). Systematic protocol for standards is to insert one random standard every 33 samples in numbers 15, 48, 81, etc. In addition, always insert one defined standard, two or three samples before visible high-grade mineralized zones. • Blanks for drill holes CDH-001 through CDH-060were supplied by Rocklabs, for drill holes CDH-061 through CDH-90 a local fresh porphyric andesite was used; Ten samples from this rock were analyzed in ALS lab, resulting in undetectable values for gold and silver. Blank's protocol is to insert a minimum of 3 up to 5 blanks for every 100 samples; the criteria is to place these blanks within mineralized intervals and at the end of the mineralized zones. Blanks were similar in appearance to core

Criteria	JORC Code explanation	Commentary
		samples. • All drill assays were required to conform to the procedural QA/QC guidelines and routine laboratory QA/QC guidelines. • Soil sampling is also subject to a program of standards and blanks using the X-ray fluorescence (XRF) analyzer. Results are acceptable. Samples were analyzed using three wavelengths, 50 Kv, 40 Kv, and 15 Kv for 120 seconds, 30 seconds, and 30 seconds, respectively. • Preliminary bulk densities are estimated in the Copalquín warehouse laboratory over different rocks and mineralized intervals using ASTM C 914 – 95 Standard Test Method for Bulk Density and Volume of Solid Refractories by Wax Immersion. Results from these measurements are adequate for Mineral Resources estimations.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant drilling intersections are noted in this report and were verified in the field by the independent qualified person (QP) José A. Olmedo, MSc. P. Geo, from August 7th to August 10th, 2021. From direct observations of geological logging, QP's descriptions matched the logging database. • Mr. Olmedo reviewed the grade database against ALS Global Laboratory, a selection of 500 certificates was selected at random from the files provided by Mithril, and these were compared back to the drilling database. Such a comparison represented a total of 500 samples. The author states that all samples reviewed matched the database exactly. • Both geological logging and assay data are adequate for the classification of Mineral Resources summarized in this Technical Report. • One twin hole has been drilled. Hole CDH-072, is a twin of historic holes UC-002 and UC-03; results are comparable (note historic drill holes are not used to estimate Mineral Resources in this Technical Report). • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) are maintained in the company's core facility.

Criteria	JORC Code explanation	Commentary
		• Assay data have not been adjusted other than applying length-weighted averages to reported intercepts.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collar coordinates for drill-holes CDH-001 through CDH-084 were surveyed by an independent private surveyor Eng. Edgardo Molina, professional ID No. DGRM 1359, using GPS Differential topographical equipment Hi-Target V30 Plus, to horizontal nominal accuracy of +- 6mm and vertical +- 11mm. Holes CDH-005 and CDH-081 were surveyed by using a handheld Garmin GPS. • Holes CDH-084 through CDH-094 were surveyed by handheld GPS. Some relevant drill hole collars, as well as old mine workings, were verified by José A. Olmedo in the field using a handheld Garmin GPS Map 62s. All coordinates matched with Mithril GV Mapper database. • The grid system used is WGS 84 Zone 13. • High-quality topographic control from Photosat covers the entire drill project area. • The core is routinely orientated; the first measurement is at 10 m and then for every 50m for the drill hole total length using an Easy Track, Model ET-6813 – V1 0.27 Reflex Software.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drillhole spacing was planned on a 40 m by 40 m and 40 m by 80 m grid. This was to allow significant intersections to have adequate spacing between them to allow sufficient geological and grade continuity as appropriate for inclusion in Mineral Resource estimations classified as Inferred. • Samples within the modelled mineralized zones were composited to one metre lengths for Mineral Resource estimation
Orientation of data in relation to	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation*	• Drill hole orientations were designed to intersect geological contacts as high an angle as possible to reflect approximately true widths. The drilling program is appropriate to the vein type of mineralized structures.

Criteria	JORC Code explanation	Commentary
geological structure	*of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling has been designed to cross structures as near to perpendicular as possible, minimizing any potential in creating a bias sampling orientation.
Sample security	• *The measures taken to ensure sample security.*	• Core boxes are brought by drilling operators to the company´s core sampling preparation patio. • Samples are bagged in pre-numbered plastic bags; each sample weight is recorded in the database. Each bag has a numbered tag inside and are tied off with plastic ties and then bulk bagged in poly-weave bags in batches not to exceed 40 kg. These are then also numbered with respective samples of each bag it contains. • Batch bags are tied off with plastic ties and placed in the air services aircraft. They are taken to Tamazula, Durango, where ALS Global picks up to 3 tonnes of samples to be delivered either to ALS Guadalajara or ALS Hermosillo preparation labs. Analytical procedures are performed in ALS Vancouver, Canada. • Chain of custody is well established and secured and accomplishes international best exploration guidelines under mining industry standards. • The remaining half cores are stored in original labelled core boxes in well-secured core warehouses at the project site. Core Warehouse 1 contains drill cores from CDH-001 through CDH-071, Core Warehouse 2 includes cores from CDH-072 through CDH-90. Core boxes are stacked in steel frames, organized by sequential numbers, ready for any further inspection.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Mr. Olmedo has completed a review of all Mithril field exploration protocols and database; including, drill hole collar, core logging, database, and sample security verifications. • No external auditor or consultancy, including the author, has validated 100% of the database.

Criteria	JORC Code explanation	Commentary

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Exploration Results are not being report as a Mineral Resources is.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Exploration Results are not being report as a Mineral Resources is.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Copalquin project is a typical low-sulfidation epithermal vein system hosted in volcanic rocks. Currently, approximately 91 holes have been drilled in the area defining a series of narrow gold vein mineralization.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Currently, approximately 91 holes have been drilled in the area defining a series of narrow gold vein mineralization.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration Results are not being report as a Mineral Resources is
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Exploration Results are not being report as a Mineral Resources is
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Exploration Results are not being report as a Mineral Resources is
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Exploration Results are not being report as a Mineral Resources is
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Exploration Results are not being report as a Mineral Resources is
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Exploration Results are not being report as a Mineral Resources is

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Mr Olemedo, during his site visit reviewed all the drilling, sampling, data collection and recording and found them to be appropriate for Mineral Resource estimation and reporting.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit was undertaken by Jose A. Olemedo (MSc) from the 6 September to 9 September 2021. • Mr Olemedo reviewed all the drilling, sampling, data collection and recording and found them to be appropriate for Mineral Resource estimation and reporting..
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• Based on the drilling and previous mining in the area the geology and mineralization is considered to be well understood. • No alternative interpretations have been made. • Understanding of the geology was used to model the mineralization veins. • No structural factors were identified that limited the geology or mineralization.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The mineralization has been modelled for 850 m east-west, 750 m north-south and 400m in elevation.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to*	• The Mineral Resource was estimated using Ordinary Kriging and Datamine Software. • Drillhole samples were composited to 1 m lengths and top-capped if necessary, based on log-probability plots. • No check or previous estimates were available or production records. • No assumptions were made regarding recovery of by-products. • No deleterious elements were estimated. • Block size of 12 mE x 12 mN was based on approximately a quarter of the general drillhole spacing. Sub-blocking was down to 2mE x 2mN. • No selective mining units were used. • No assumptions were made about the correlation between gold and silver. • The geology was used to define the wireframing of the mineralization

Criteria	JORC Code explanation	Commentary
	the average sample spacing and the search employed. • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	veins. • Capping was applied. • The model was validated by comparing to drillhole data along sections and preparing SWATH plots.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages were estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A 2 g/t AuEq cut-off was applied for reporting where AuEq = Au + Ag/70
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Previous underground mining has occurred within the area modelled. • Areas of previous mining have been removed from the block model and reported resources. • It was presumed that future mining will be by underground methods.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No metallurgical treatment processes were assumed.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where*	• No assumptions of waste disposal were assumed.

Criteria	JORC Code explanation	Commentary
	these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• The bulk density was determined for drillhole samples using appropriate wax immersion techniques. • A constant bulk density of 2.56 t/m^3 was used for reporting the Mineral Resource.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The Mineral Resource has been classified as Indicated or Inferred. • The Indicated resources are located where there is close drilling for two of the modelled veins. • The Inferred resources are generally within the first estimation pass using ordinary kriging of the block grades • The results appropriately reflects the CP view.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No Audits or reviews of the Mineral Resource has been undertaken.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Mineral Resource classification as mostly Inferred reflects the Competent Persons assessment of the accuracy and confidence of the Mineral Resource estimate.

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