# NI43-101 TECHNICAL REPORT

**On The**

# LOS VENADOS PROPERTY

Mulatos District,
State of Sonora, Mexico

Centered at Approximately

Latitude 28° 42’ North by Longitude 108° 46’ West

- Report Prepared For -


**WOLVERINE MINERALS CORP.**
Suite 1085, 555 Burrard Street
P.O. Box 201, Bentall Two
Vancouver, British Columbia, Canada V7X1M8


- Report Prepared By -


**JAMES A. McCREA. P. Geo.**


Effective Date:

November 29, 2016

## IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 Technical Report for Wolverine Minerals Corp. by James A. McCrea, P.Geo. The quality of information and conclusions contained herein are consistent with the level of effort involved in Mr. McCrea's services, based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions and qualifications set forth in this report. This report is intended to be used by Wolverine Minerals Corp., subject to the terms and conditions of its contract with Mr. McCrea. This contract permits Wolverine Minerals Corp. to file this report as a Technical Report to satisfy TSX Venture Policy requirements pursuant to National Instrument 43-101, Standards of Disclosure for Mineral Projects. Except for the purposes legislated under provincial securities law, any other use of this report by any third party is at that party's sole risk.

Title Page Photograph - – View of the southeastern part of the Los Venados property looking northward. Photograph taken on October 15, 2016.

## DATE and SIGNATURE PAGE

### CERTIFICATE OF QUALIFIED PERSON

I, James Albert McCrea, am a professional geologist residing at 306 - 10743 139 Street, Surrey, British Columbia, Canada do hereby certify that:

- I am the author of the "NI43-101 Technical Report on the Los Venados Property, Mulatos District, Sonora State, Mexico", dated November 29, 2016;
- I am a Registered Professional Geoscientist (P. Geo.), Practising, with the Association of Professional Engineers and Geoscientists of British Columbia, (Licence # 21450). I graduated from the University of Alberta, Canada, with a B. Sc. in Geology in 1988.
- I have worked as a geoscientist in the minerals industry for over 25 years and I have been directly involved in the mining, exploration and evaluation of mineral properties mainly in Canada, the United States, Mexico, Peru, Argentina, Bolivia and Colombia for gold, silver, copper, molybdenum and base metals;
- I visited the Los Venados Property and area on October 13th to 18th, 2016.
- I had no prior involvement with the property before I visited it in October of 2016;
- I am responsible for all sections of the "NI43-101 Technical Report on the Los Venados Property, Mulatos District, Sonora State, Mexico", dated November 29, 2016.
- I am independent of Wolverine Minerals Corp. and Almadex Minerals Limited as independence is described in Section 1.5 of NI 43-101. I have not received, nor do I expect to receive, any interest, directly or indirectly, in Wolverine Minerals Corp. or Almadex Minerals Limited;
- I was retained by Wolverine Minerals Corp. to prepare an exploration summary on the Rey Los Venados Property, Mulatos Mining District, Sonora State, Mexico, in accordance with National Instrument 43-101. The report is based on my review of project files and information provided by Almadex Minerals Limited and discussions with Wolverine Minerals Corp. personnel;
- I have read National Instrument 43-101 and Form 43-101F1 and, by reason of education and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI43-101. This technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
- As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.
- I, the undersigned prepared this report titled "NI43-101 Technical Report on the Los Venados Property, Mulatos District, Sonora State, Mexico", dated November 29, 2016, in support of the public disclosure of technical aspects for Los Venados Property by Wolverine Minerals Corp.

Effective Date: November 29, 2016

*Signed By James A. McCrea*

_____
James A. McCrea, B. Sc., P. Geo.
(signed and sealed original copy on file)

Dated this 29th day of November, 2016

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# 1.0 SUMMARY

## 1.1 Introduction

The Los Venados property (the 'Property") is a gold exploration project in the Mulatos District, Sonora State. On November 29, 2016 Wolverine Minerals Corp. ('Wolverine') announced an option to purchase 100% of the Property from Almadex Minerals Inc. (Almadex), the current operator.

At the request of Wolverine Minerals Corp. ('Wolverine'), James A. McCrea, P. Geo., carried out an independent review of the Los Venados Property in the Mulatos District, Sonora State, Mexico. The author conducted a property examination, reviewed available exploration results and prepared this independent technical report (the 'Report'). The Report was prepared in accordance with the formatting requirements of National Instrument 43-101 and Form 43-101F1 (Standards of Disclosure for Mineral Properties) to be a comprehensive review of the exploration activities on the Property, and to provide, if warranted, recommendations for future work.

Information and data used in this report consists of field observations made by the author during the site visit on October 15th to 16h of 2016; data provided by Almadex Minerals, NI43-101 technical reports from surrounding properties and sampling completed during the site visit.

## 1.2 Property Description and Ownership

The Los Venados Property consists of one mining concession or mining right totalling 1,524.3090 ha. The concession is known by the name of 'Los Venados 1'. The mining concession is listed in Table 1.1 and is shown in Figure 4.2.

**Table 1.1: Los Venados Property Mining Concession Titles**

| Number of the Title | Name | Holder of Record | Granted Area (ha) | Expiration Date |
|---|---|---|---|---|
| 244241 | Los Venados 1 | Compañia Minera La Pitahaya, S.A. de C.V. | 1524.3090 | 13-June-2056 |

Note: Title information effective November 25, 2016

The Los Venados 1 concession was originally registered with the Secreteria de Economia, Coordinacion General de Mineria on July 13, 2015 to Compañia Minera La Pitahaya, S.A. de C.V. The concession is now under option to Minera Gavilan S.A. de C.V., a wholly owned subsidiary of Almadex Minerals Limited, and are the subject of an option to purchase agreement with Wolverine.

### 1.2.1 Description of the Transaction

On November 29rd, 2016, Wolverine Minerals Corp. announced the terms of an Option to Purchase Agreement with Almadex, subject to approval by the TSX Venture Exchange (the "TSX-V"). It includes provisions to earn a 100% interest in the Property. The terms of the Option Agreement include that Wolverine will:

- assume all obligations of Almadex to the underlying optionor of the Los Venados property (the "Underlying Optionor")(as detailed in Almadex's news release of October 7, 2015), with the exception of the issuance of Almadex shares which remains an obligation of Almadex;

- pay CAD$30,000 on execution of the Option Agreement for expenditures on the property;
- issue 250,000 common shares within 10 days of receipt of approval of the TSX-V (the "Approval Date");
- issue 250,000 common shares on or before the first anniversary of the Approval Date;
- issue 500,000 common shares on or before the second anniversary of the Approval Date; and
- issue 1,000,000 common shares on or before the third anniversary of the Approval Date.

In addition, Wolverine has agreed to drill a minimum of 1,000 metres by the second anniversary of the Approval Date, as part of the total required project expenditures of a minimum of US$500,000, which must be incurred on or before the third anniversary of the Approval Date.

If Wolverine exercises the option, it has agreed to grant to Almadex a 2.0% net smelter returns royalty (the "NSR Royalty") with respect to production of all precious metals from the property. The NSR Royalty will be payable following commencement of commercial production on the property. The property is also subject to an underlying 2.0% net smelter returns royalty to the Underlying Optionor (the "Underlying Royalty"), which Underlying Royalty may be purchased by Wolverine for CAD$1.0 million. If Wolverine purchases the Underlying Royalty, then any payments under the NSR Royalty will be deferred until Wolverine has recovered at least CAD$1.0 million from operation of the property.

## 1.3 Accessibility and Physiography

The Property is situated approximately 220 kilometres east-southeast of the city of Hermosillo, capital of the State of Sonora, and 260 kilometres west of Chihuahua, capital of the state of Chihuahua. The project is situated 300 kilometres south of the border with the United States of America. The closest villages are Mulatos, located about one kilometre southeast of the Property, and Matarachi some five kilometres east of the Property.

Road access from Hermosillo is through the towns of Mazatan, Sahuaripa (population 7,500, Wikipedia), Arivechi, Tarachi and Matarachi, a distance of approximately 380 kilometres, or from Hermosillo via Tecoripa and Yecora on the Chihuahua-Hermosillo highway, then northeast to Mulatos on an all-weather gravel road (see Figure 5.1). Both routes, under normal conditions, take approximately 4 to 6 hours to travel.

Various small unpaved airstrips exist in the area. The nearest serviceable airstrip is 5 kilometres to the east at Matarachi. There is also a private airstrip for light aircraft maintained by Alamos Gold Inc. and Minas de Oro Nacional, S,A. de C.V. ('Oro Nacional') for mine use within the Mulatos mine camp installation.

The Property is located within the Sierra Madre Occidental mountain range, which is characterized by relatively high relief with steep-sided V-shaped valleys, local cliffs hundreds of metres high, and rounded mountainous ridges. It is regionally situated in the Basin and Range physiographic province with predominantly north to northwest trending block faults and related structures. Elevations range within the Property range from 960 m along the Mulatos River to 1,630 m AMSL along the ridges on the west side of the Property.

## 1.4 History

The Property history is as for the Mulatos mine property, which borders on the south, west and east. Mulatos was first discovered in 1635 by Jesuit priests. The area saw considerable activity

by various groups throughout the 1800's and 1900's. Companies that have been interested in the district since 1960 include: Phillips Petroleum in 1962, Theodore A. Dodge in 1963, Cannon Hicks Associates in 1972, Tormex Developers in 1973, Explomin S.A. de C.V. in 1974 (formerly part of Minera Real de Angeles), Homestake Mining Company in 1975, British Petroleum in 1982, Papanton Minas in 1984, and Kennecott in 1990 (Austin *et al).* There were two recent previous operators of the Los Venados 1 concession. Cangold Limited carried out exploration from 2007 to 2010, collected 1,000 rock samples and identified three zones of gold mineralization. From 2012 to 2013, Pembrook Mining Corp. managed the property and completed geochemical rock, soil and stream sampling. Pembrook drilled 8 holes in the northern area of the property were 2 are outside the current concession. Two holes: LV-003 intersected a 1.5-metre drilling interval of 4.76 gpt gold and LV-007 intersected a 13.5-metre drilling length averaging 225 ppb gold (Irwin, 2013).

## 1.5 Geological Setting

The Property is situated within the northern part of the Sierra Madre Occidental volcanic province that comprises two distinct packages of volcanic rocks: a Lower Volcanic Series comprised of early Oligocene-age (28 to 36 Ma) volcanic rocks, overlain by the Upper Volcanic Series, comprised of Miocene-age (18 to 24 Ma) volcanic rocks. The other country rocks include basement rocks of Paleozoic to Cretaceous age and later early Tertiary-age sediments. The sedimentary package is well exposed along the road between the towns of Arivechi and Tarachi. Several Laramide-age (60 to 65 Ma) intrusives are also known to exist in the area, one near the village of Matarachi.

The Lower Volcanic Series of volcanic rocks are andesite lavas, tuffs and agglomerates that are fine-grained to porphyritic in texture. There appears to have been erosion following the deposition of the Lower Volcanics, over which the Miocene age felsic to intermediate flows and tuffs and ignimbrites were deposited. The two volcanic packages are distinguished by an angular unconformity with the older Oligocene package typically tilted between $20^{o}$ to $50^{o}$ whereas the younger Miocene rocks are typically flat lying or tilted up to $15^{o}$.

The youngest rocks in the sequence are less than 10 Ma rift-related basalts. North to northwesterly and northeasterly trending faults cut all rocks in the Mulatos area, related to basin and range extension. The Mulatos mine is exposed in the footwall uplift of the Mulatos extension fault. The age of mineralization at Mulatos is between 25 to 32 Ma with only the Oligocene-age rocks hosting gold mineralization in this part of the Sierra Madre Occidental.

## 1.6 Mineralization

There is currently local precious metal mineralization associated with a number of quartz-filled fault and fracture fillings known on the Property. However, preliminary exploration results from recent work on the Property and its close location of the Property to the nearby Mulatos mine suggest that high sulphidation epithermal precious metal mineralization should be the target for further exploration work.

A description of the local high sulphidation epithermal mineralization at the Estella open pit on the Mulatos mine site is contained in the May 19, 2004 technical report on the Estella Pit Resource and Reserves by M3 Engineering and Technology Corporation (Austin *et al*, 2004*)*. The Estrella Pit of the Mulatos mine is one kilometre from the southeast corner of the property.

> *"Gold mineralization controls are both structural and stratigraphic. A series of northwesterly trending, en echelon structural zones is the primary control of silica alteration and higher-grade gold concentrations in the Cerro Estrella portion of the Mulatos deposit with important secondary*

*stratigraphic control along flow boundaries and within coarse-grained volcaniclastic fragmental rocks.*

*The altered and mineralized units are locally overlain by a thick section of unaltered volcanic rocks that are believed to be post-mineral in nature. Although the basal unit is locally argillized, clay mineralogy is low temperature, and altered intervals are barren of gold concentrations. The post-mineral units form a relatively thick sequence northeast of the Mulatos deposit, and extend from Puerto del Aire to the El Victor area. Maximum thickness is 200m but in general range from 0-150 m.*

*Gold mineralization within the Mulatos deposit occurs primarily within areas of pervasive silicic alteration of the volcanic host rocks. Gold also occurs within advanced argillic alteration assemblages proximal to silicic alteration, largely consisting of pyrophyllite or dickite dominant alteration. Quartz veins and quartz stockwork zones are rare to absent. Silicified rocks host approximately 80% of the contained gold within the deposit."*

## 1.7 Exploration and Drilling

Exploration work carried out by the property vendor, Almadex Minerals, commenced in December 2015 and continued until early 2016. Field crews carried out geologic mapping, geochemical rock, soil, and stream silt sampling. Aster imagery of the property was analyzed and 8.6 kilometres of Induced Polarization ('IP') geophysical surveying was conducted on four lines. The geochemical sampling comprised: 491 soil samples ranging in values from below detection limit to 1.42 g/t gold, plus 523 rock samples and 62 stream sediment samples were analyzes for gold (Almadex, 2016).

There is no current drilling on the Los Venados Property.

## 1.8 Mineral Processing and Metallurgical Testing

There are currently no metallurgical studies for this property.

## 1.9 Mineral Resources

There are currently no mineral resource estimates for this property.

## 1.10 Interpretations and Conclusions

Current and historic exploration on the Los Venados property has identified alteration zones with anomalous gold values. These alteration zones are in two main areas of the property and of two types. The northern part of the Property was explored for epithermal style vuggy quartz veins and returned high-grade results from rock samples. These samples returned gold values from below detection limit to 102 g/t gold. The highest values came from quartz veins in the area of the Pembrook drilling. The area of veining is extensive and indicates, possibly, a large mineralizing system in the area. However, due to the structural and stratigraphic complexity of the area, drill results proved inconclusive.

The second area of the Property with alteration zones and anomalous gold values is in the south where rock, soil and stream sediment sampling returned anomalous gold values. These alteration zones on the eastern side of the Property display silicification and argillization of a style characteristic of high sulphidation epithermal systems. Soil sampling in this area returned values up to 1.42 g/t gold.

Four lines of Induced Polarization geophysical survey were taken over the area of the soil, rock geochemical and alteration anomalies in the southern part of the Property. The geophysics returned anomalous results coincident with these anomalies on Line 3173150 N.

It is the author's opinion that there are three obvious target areas for near-term exploration, including (see Figure 24.1):

1) The area with anomalously high gold-in-soil and gold-in-rock geochemical samples coincident with aster, IP and intense high sulphidation-type alteration within and peripheral to the area located at UTM 3173,000 m to 3173500 m North by 719,000 m East to the eastern property boundary;

2) The area trending to the northwest from 719,000 to 718,000 East along the trend of scattered aster and anomalous gold-in-soil samples. The northwesterly trend of anomalously high gold-in-soil geochemistry may be reflecting a similarly oriented structural trend hosting buried precious metal mineralization; and

3) The northerly trend of low to high aster values reflecting high to intense high sulphidation-type alteration with scattered gold-in-soil values. This area has not received reconnaissance geophysical surveying and little geological mapping.

Mineral exploration by its nature has attendant risks and uncertainties from the discovery stage through to advanced mine development. For this reason, it is incumbent that the Company minimize the uncertainties and financial risks involved in possible advanced exploration work by first evaluating the exploration potential of the known targets on the Property. It is the author's opinion that the Los Venados property has good exploration potential for discovering precious metal mineralization associated with one or more, high sulphidation epithermal systems and further work is warranted.

## 1.11 Recommendations and Proposed Exploration Budget

The recommended exploration and work programs for the Los Venados Property are as follows:

**Phase I CAD$200,000**

- Structural and geological mapping with and prospecting: $40,000
  Detailed structural mapping and sampling to identify additional alteration zones on the Property.
- Geophysics - Induced Polarization survey with soils sampling: $67,000
  Fill-in IP survey and extended soil sampling to define altered zones of interest.
- Camp: $13,500
  Rental accommodations in Matarachi including cook.
- Analyses and QA/QC: $25,000
  Assays and QA/QC materials
- Truck Rental: $6,000
  Truck rental including fuel
- Miscellaneous: $500
  Lumber, samples bags, flagging, etc.
- Environmental Baseline Study: $15,000
  Bottle roll tests
- Documentation: $15,000

Interim exploration report
- Contingency: $18,000
  ~ 10%

The Phase II program is contingent on positive results from the Phase I program and following a thorough compilation and review by a qualified person the following Phase II program is recommended.

**Phase II CAD$582,000**
- 2,500 m of diamond drilling: $375,000
  Ten holes from six platforms of all in diamond drilling including moves, additives and core boxes.
- Geologists, core splitters and assistants: $53,500
  60 days on site
- Down hole survey tool: $5,000
  $2,500 per month rental
- Camp: $19,000
  Rental accommodations in Matarachi including cook.
- Analyses and QA/QC: $22,000
  Assays and QA/QC materials
- Truck Rental: $8,000
  Truck rental including fuel
- Miscellaneous: $1,500
  Lumber, samples bags, flagging, etc.
- Metallurgical Testing: $25,000
  Bottle roll tests
- NI 43-101 Technical Report with Resource Estimate: $20,000
  Technical report
- Contingency: $53,000
  ~ 10%

Phase I Total: CAD$200,000
Phase II Total: CAD$582,000

Program Total: CAD$782,000

# 2.0 INTRODUCTION

## 2.1 Introduction and Terms of Reference

At the request of Wolverine Minerals Corp. ('Wolverine'), James A. McCrea, P. Geo., carried out an independent review of the Los Venados property (the 'Property') in the Mulatos District of Sonora State, Mexico. The author conducted a property examination, reviewed available exploration results and prepared this independent technical report (the 'Report'). This Report was prepared in accordance with the formatting requirements of National Instrument 43-101 and Form 43-101F1 (Standards of Disclosure for Mineral Properties) to be a comprehensive review of the exploration activities on the Property, and, if warranted, to provide recommendations for future work. This Report is intended to be read in its entirety.

## 2.2 Site Visit

The author, an independent qualified person according to NI43-101, visited the Los Venados property on October 15th and 16th of 2016. The author conducted two traverses across the south central portion of the property, collected nine verification surface rock samples and reviewed all aspects of the historical exploration work with Almadex Minerals Limited ('Almadex') personnel including: results from historical exploration work, local lithological and structural features, sampling and shipping procedures, geophysical surveying method and results, and available project documentation. This Property is considered an early-stage exploration project due to only preliminary geological, geochemical and geophysical exploration work.

## 2.3 Sources of Information

The author was not involved in any previous exploration activities on the Property. This report refers to the past works undertaken by other qualified geologists and professional field personnel. Other non-project specific reports by qualified personnel have been referenced whenever possible. The information, conclusions, opinions and recommendations are based upon:

- information available to the author at the time of the preparation of this report;
- assumptions, conditions and qualifications as set forth in this report; and
- data, reports and other information provided by Almadex, Wolverine and other third party sources;
- reports from the operating mines in the area, plus other published government reports and scientific papers.

During the site visit and while preparing this report, the author reviewed all of the readily available exploration and technical reports pertaining to this property. This exploration information is of good quality, and there is no reason to believe that any of the information is incomplete or inaccurate.

Information concerning mining concessions was provided by Almadex, the Property vendor, and has not been independently verified by the author. Population statistics, weather and local information for the project area were obtained from Wikipedia (http://www.en.wikipedia.org/wiki/sonora). A detailed list of references and sources of information is provided in the References section of this report.

## 2.4 Abbreviations and Units of Measure

Metric units are used throughout in this report and currencies are in United States Dollars (US$) unless otherwise stated. Market gold or silver metal prices are reported in US$ per troy ounce. A list of abbreviations that may be used in this report is provided below.

| Abbreviation | Description | | Abbreviation | Description |
|---|---|---|---|---|
| % | percent | | li | limonite |
| AA | atomic absorption | | m | metre |
| Ag | silver | | $m^2$ | square metre |
| AMSL | above mean sea level | | $m^3$ | cubic metre |
| as | arsenic | | Ma | million years ago |
| Au | gold | | mg | magnetite |
| AuEq | gold equivalent grade | | mm | millimetre |
| Az | azimuth | | $mm^2$ | square millimetre |
| b.y. | billion years | | $mm^3$ | cubic millimetre |
| CAD$ | Canadian dollar | | mn | pyrolusite |
| cl | chlorite | | Mo | Molybdenum |
| cm | centimetre | | Moz | million troy ounces |
| $cm^2$ | square centimetre | | ms | sericite |
| $cm^3$ | cubic centimetre | | Mt | million tonnes |
| cc | chalcocite | | mu | muscovite |
| cp | chalcopyrite | | m.y. | million years |
| Cu | copper | | NI43-101 | National Instrument 43-101 |
| cy | clay | | opt | ounces per short ton |
| °C | degree Celsius | | oz | troy ounce (31.1035 grams) |
| °F | degree Fahrenheit | | Pb | lead |
| DDH | diamond drill hole | | pf | plagioclase |
| ep | epidote | | ppb | parts per billion |
| ft | feet | | ppm | parts per million |
| $ft^2$ | square feet | | py | pyrite |
| $ft^3$ | cubic feet | | QA | Quality Assurance |
| g | gram | | QC | Quality Control |
| gl | galena | | qz | quartz |
| go | goethite | | RC | reverse circulation drilling |
| GPS | Global Positioning System | | RQD | rock quality description |
| gpt, g/t | grams per tonne | | sb | antimony |
| ha | hectare | | Sedar | System for Electronic Document Analysis and Retrieval |
| hg | mercury | | SG | specific gravity |
| hm | hematite | | sp | sphalerite |
| ICP | induced coupled plasma | | st | short ton (2,000 pounds) |
| kf | potassic feldspar | | t | tonne (1,000 kg or 2,204.6 lbs) |
| kg | kilogram | | to | tourmaline |
| km | kilometre | | um | micron |
| $km^2$ | square kilometre | | US$ | United States dollar |
| l | litre | | Zn | zinc |

### 2.5 Acknowledgements

The author wishes to thank the officers and personnel of Almadex Minerals Limited and Wolverine Minerals Corp. for providing the technical materials and assistance required to prepare this report.

## 3.0 RELIANCE ON OTHER EXPERTS

On November 25, 2016, the author confirmed the status of the subject mineral tenure with information available through the Mexican government web page of the Secretaria de Economia (Secretary of the Economy): http://www.siam.economia.gob.mx and through this access a report from Coordinacion General de Mineria (General Coordination of Mining) (CGMINERÍA). This Mexican agency records concession information. The Mexican government's geological library was accessed for geological maps from Sevicio Geologico Mexicano (Mexican Geologic Service), also part of the Secretaria de Economia found at http://www.sgm.gob.mx.

The author is not an expert in legal matters, such as the assessment of the legal validity of mining claims, mineral rights, and property agreements. The author did not conduct any detailed investigations of the environmental or social-economic issues associated with the Property, and the author is not an expert with respect to these issues. The author has relied on Almadex and Wolverine to provide full information concerning the legal status of mineral tenures, material terms of all agreements, and material environmental and permitting information that pertain to the Property.

This report has been prepared for use by Wolverine Minerals Corp. The Report is intended to be read as a whole, and sections or parts thereof should therefore not be read or relied upon out of context.

# 4.0 PROPERTY DESCRIPTION and LOCATION

## 4.1 Property Location

The Los Venados property is in the Mulatos district, Sahuaripa municipality that is located in the State of Sonora, Mexico, near the border with the state of Chihuahua. The Property is situated in the Sierra Madre Occidental mountains approximately 220 km east-southeast of the State of Sonora capital of Hermosillo. The geographic coordinates near the centre of the Property are approximately 28° 42' North latitude by 108° 46' West longitude, or in the local North American Datum 27 (NAD 27) coordinate system, Zone 12N, at 3,175,000 m North by 718,000 m East (see Figure 4.1). The property is within Mexican National Topographic System (NTS) map area Tecopira H12-12.

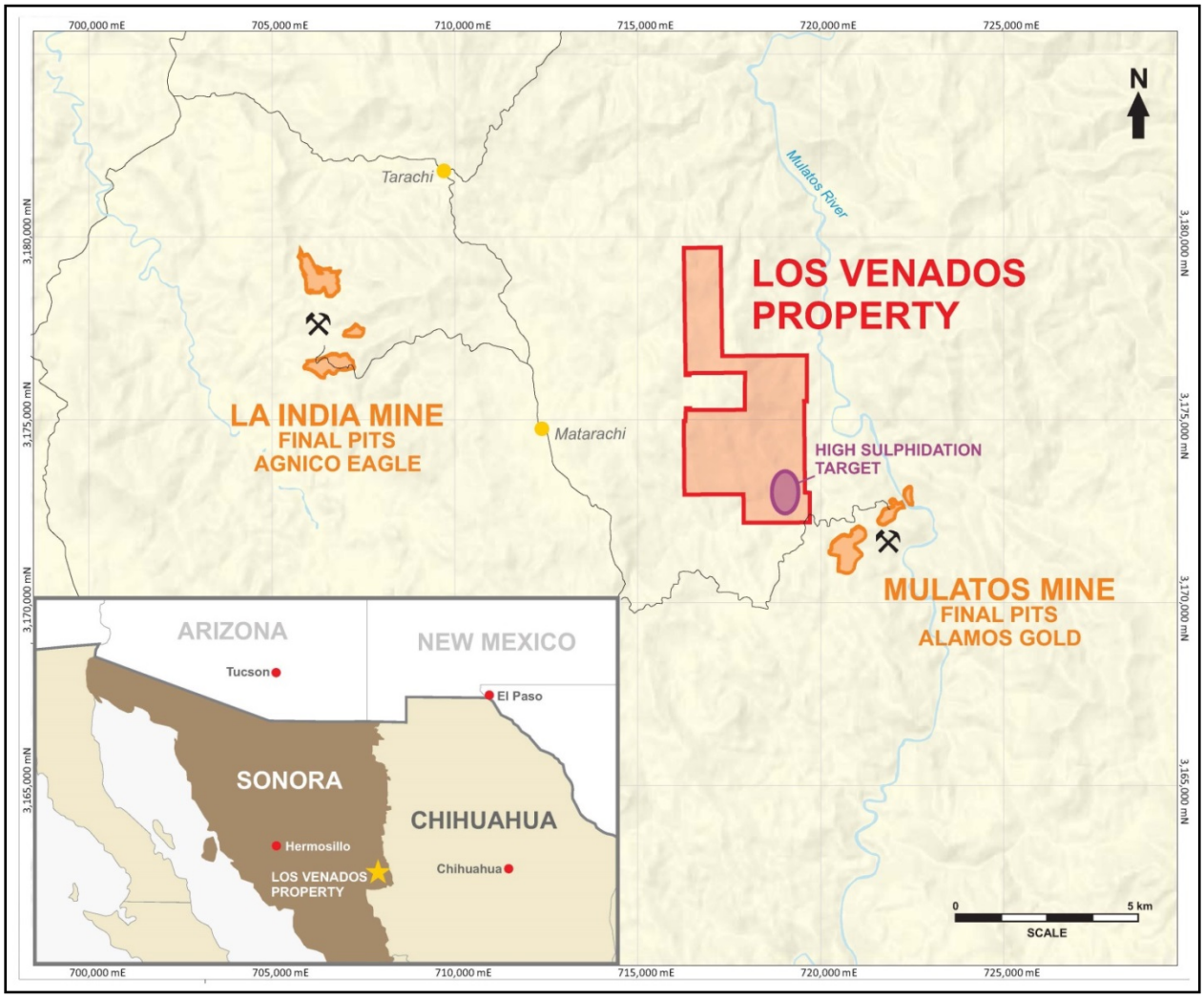



**Figure 4.1: Location Map of the Los Venados Property**

## 4.2 Property Description

The Los Venados property consists of one mining concession or mining right totalling 1,524.3090 ha. The concession is known by the name of 'Los Venados 1'. The mining concession is listed in Table 4.1 and is shown in Figure 4.2.

**Table 4.1: Los Venados Property Mining Concession Title**

| Number of the Title | Name | Holder of Record | Granted Area (ha) | Expiration Date |
|---|---|---|---|---|
| 244241 | Los Venados 1 | Compañia Minera La Pitahaya, S.A. de C.V. | 1524.3090 | 13-June-2056 |

Note: Title information effective November 25, 2016

The Los Venados 1 concession was originally registered with the Secreteria de Economia, Coordinacion General de Mineria on July 13, 2015 to Compañia Minera La Pitahaya, S.A. de C.V . The concession is now under option to Minera Gavilan S.A. de C.V., a wholly owned subsidiary of Almadex Minerals Limited, and are the subject of an option to purchase agreement with Wolverine.

There are no known environmental liabilities within the property limits.

## 4.3 Underlying Agreements

### 4.3.1 Compañia Minera La Pitahaya, S.A. de C.V. and Minera Gavilan, S.A. de C.V.

On October 7th, 2015 Almadex Minerals Limited announced an option to purchase agreement whereby Almadex through its subsidiary Minera Gavilan would acquire the Los Venados 1 concession subject to the following payment schedule:

- On signing - CAD$ 10,000 cash and 50,000 shares of Almadex
- In one year - CAD$ 10,000 cash and 50,000 shares of Almadex
- In two years - CAD$ 10,000 cash and 100,000 shares of Almadex
- In three years - CAD$ 20,000 cash and 100,000 shares of Almadex
- In four years - CAD$ 50,000 cash and 100,000 shares of Almadex
- In five years - CAD$ 50,000 cash and 100,000 shares of Almadex

A one-time bonus resource payment of CAD$500,000 when a resource is disclosed in compliance with NI43-101 section 2.2 to 2.4 of greater than 500,000 ounces of gold has been issued

Minera La Pitahaya will have a 2% NSR on the property which can be purchased at anytime for CAD$1,000,000 (Almadex Press Release, 2015).

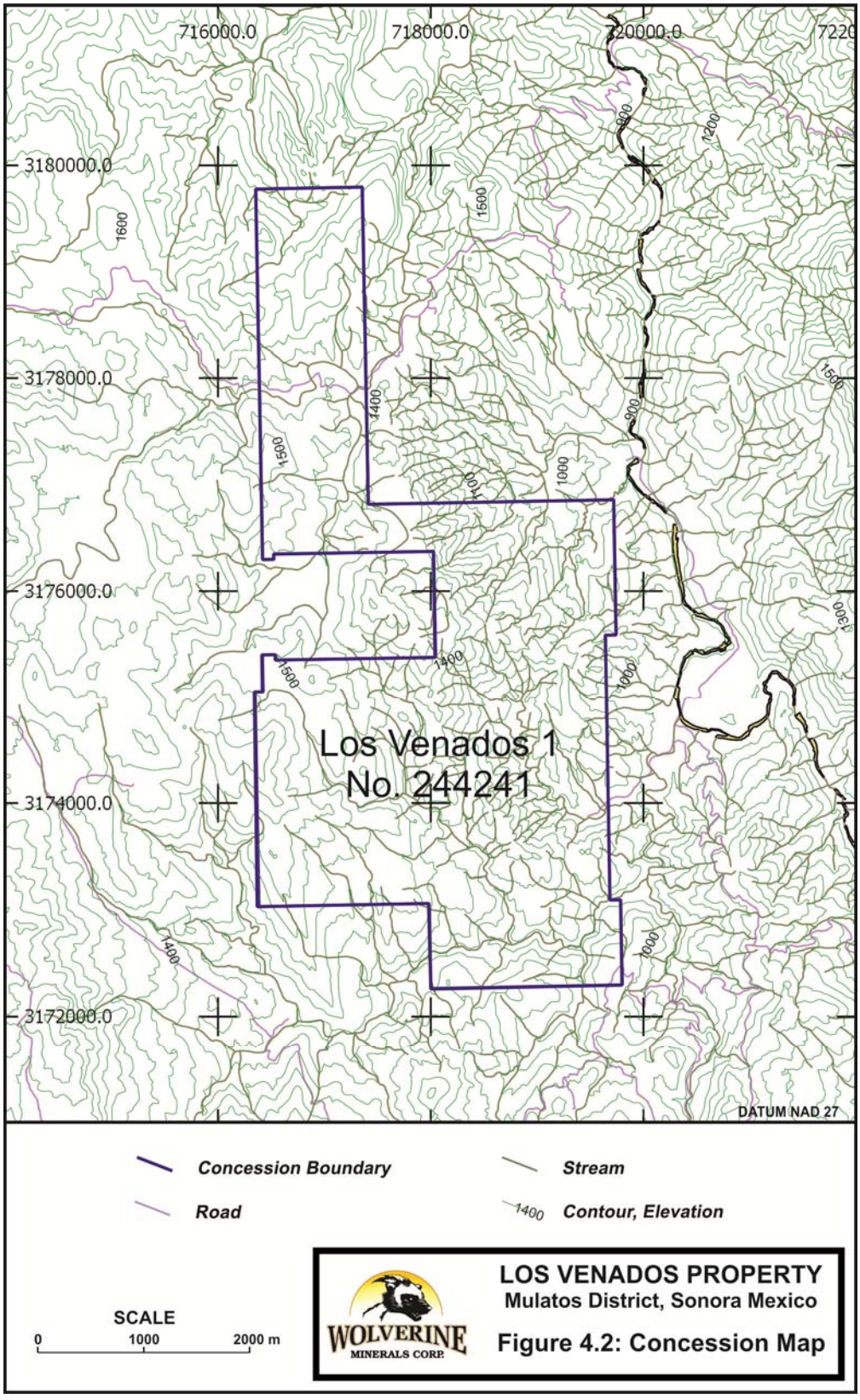



**Figure 4.2: Mineral Concession Map of the Los Venados Property**

### 4.3.2 Wolverine Minerals Corp. and Minera Gavilan, S.A. de C.V.

On November 29rd, 2016, Wolverine Minerals Corp. announced entering into an option agreement with Almadex. The Option to Purchase Agreement includes the right to purchase the entire (100%) Almadex interest in the Property, subject to approval by the TSX Venture Exchange (the "TSX-V"). Terms of the Option to Purchase agreement include that Wolverine will:

- assume all obligations of Almadex to the underlying optionor of the Los Venados property (the "Underlying Optionor")(as detailed in Almadex's news release of October 7, 2015), with the exception of the issuance of Almadex shares which remains an obligation of Almadex;
- pay CAD$30,000 on execution of the Option Agreement for expenditures on the property;
- issue 250,000 common shares within 10 days of receipt of approval of the TSX-V (the "Approval Date");
- issue 250,000 common shares on or before the first anniversary of the Approval Date;
- issue 500,000 common shares on or before the second anniversary of the Approval Date; and
- issue 1,000,000 common shares on or before the third anniversary of the Approval Date.

In addition, Wolverine has agreed to drill a minimum 1,000 metres by the second anniversary of the Approval Date, as part of the total required project expenditures of a minimum of US$500,000, which must be incurred on or before the third anniversary of the Approval Date.

If Wolverine exercises the option, it has agreed to grant to Almadex a 2.0% net smelter returns royalty (the "NSR Royalty") with respect to production of all precious metals from the property. The NSR Royalty will be payable following commencement of commercial production on the property. The property is also subject to an underlying 2.0% net smelter returns royalty to the Underlying Optionor (the "Underlying Royalty"), which Underlying Royalty may be purchased by Wolverine for CAD$1.0 million. If Wolverine purchases the Underlying Royalty, then any payments under the NSR Royalty will be deferred until Wolverine has recovered at least CAD$1.0 million from operation of the property.

## 4.4 Ejido Lands

Ejidos are communal agrarian and/or ranching societies formed as part of the Mexican Government's post-revolutionary agrarian reform policies. Ejido land is collectively-owned by the Ejido members. The collectively owned land may be leased but cannot be purchased by private parties or corporations. Constitutional reforms enacted in the 1990s permit the Ejidos to privatize the collectively-owned land such that it may be freely combined, rented, or sold. Over 50% of the surface area of Mexico is assigned to Ejidos. Most major mines in Mexico are developed on Ejido lands where land tenure is secured by the mining companies via special lease arrangements defined by Federal Mining Law as Temporary Occupations, or alternatively, via direct purchase of Ejido lands that have been privatized following Federally prescribed procedures (after Doucet *et al.*, 2012).

The Mulatos Ejido owns the surface rights covering the Los Venados concession. Almadex through its subsidiary Minera Galilan has a written exploration contract with the Ejido whereby exploration access is granted and the company pays compensation of MXN$250,000

(CAD$18,075) for 12 drill platforms. Additional compensation fees for road and additional drill pad construction are to be negotiated on a case-by-case basis, commensurate with the value of the affected land (Gavilan Ejido agreement, 2016).

## 4.5 Mineral Rights in Mexico

Mining and exploration rights in Mexico are controlled by the Federal Government. Prior to 2006, exploration and mining rights were assigned to third parties by the granting of "exploration" and "exploitation" concessions, each with differing validity periods and tax and assessment obligations. Mining law reform in December 2005 simplified the concession regime, and all new concessions are "mining concessions", which are valid for a 50-year period and are renewable. Upon enactment of the mining law reform, all previously issued "exploration" and "exploitation" concessions automatically converted to "mining concessions" with the effective date of title the same as that of the previously titled "exploration" or "exploitation" concession. The mining concessions are administered by the Direccion General de Minas (DGM), a subsecretariat of the cabinet-level Secretaria de Economia (after Doucet et al, 2012).

## 4.6 Royalties and Obligations

To maintain concessions in good legal standing, concession holders are obligated to pay semi-annual tax payments (January and July) and to annually file documentation of exploration or development work at the concession (after Doucet *et al.*, 2012). The documentation for exploration and development work are due for filing at the end of March. The Sistema de Administracion Mineria (SIAM) or Mining Adimistration System web site states that the semi-annual fee for the maintenance of the Los Venados concession is MXN$6.41 per hectare (pesos) or $9770.82, pesos which is approximately CAD$706.00.

## 4.7 Environmental Regulations & Exploration Permits

Exploration and mining activities in Mexico are subject to control by the Secretaria del Medio Ambiente y Recursos Naturales (Secretary of the Environment and Natural Resources), known by its acronym "SEMARNAT". To the best knowledge of the author, the Los Venados property is not included within any specially protected, federally designated ecological zones; therefore, basic exploration activities are regulated under Norma Oficial Mexicana (Mexican Official Norm) NOM-120-ECOL-1997. NOM120 allows for activities including mapping, geochemical sampling, geophysical surveys, mechanized trenching, road building and drilling. If each particular activity does not exceed a defined threshold for surface disturbance (which varies by activity), and if in aggregate these activities will affect less than 25% of the project surface area, the project operator is required only to inform SEMARNAT in writing of the proposed exploration activities. If after five days SEMARNAT has not formally objected, work may proceed immediately. NOM120 defines the impact mitigation procedures that must be followed for each activity.

Most exploration activities can be permitted utilizing NOM120. Mine construction and operation activities generally require preparation of the following:

- a Manifesto de Impacto Ambiental (Environmental Impact Statement), known by its acronym "MIA", and
- a Cambio de Uso de Suelo (Land Use Change) permit, known by its acronym "CUS".

Properly prepared MIA and CUS applications and mine operating permits for a project that does not affect federally protected biospheres or ecological reserves can usually be approved in 12 months (after Doucet *et al.*, 2012).

The vendor of the Property has obtained permits for exploration and drilling that includes 12 drilling platforms.

### 4.8 Environmental Considerations

To the best of the author's knowledge, there are no environmental considerations or other significant factors or risks that may affect access, title, or the right or ability to perform work on the Property.

# 5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE and PHYSIOGRAPHY

## 5.1 Accessibility

The Property is situated approximately 220 kilometres east-southeast of the city of Hermosillo, capital of the state of Sonora, and 260 kilometres west of Chihuahua, capital of the state of Chihuahua, or 300 kilometres south of the U.S.A. border. The closest villages are Mulatos, located about one kilometre to the southeast of the southeastern corner of the Property, and Matarachi some 10 kilometres to the east-northeast of the Property.

Road access from Hermosillo is through the towns of Mazatan, Sahuaripa (population 7,500, Wikipedia), Arivechi, Tarachi and Matarachi, a distance of approximately 380 kilometres, or from Hermosillo via Tecoripa and Yecora on the Chihuahua-Hermosillo highway, then northeast to Mulatos on an all-weather gravel road (see Figure 5.1). Both routes, under normal conditions, take approximately 4 to 6 hours to travel.

Various small unpaved airstrips exist in the area. The nearest serviceable airstrip is 15 kilometres to the east at Matarachi. There is also a private airstrip for light aircraft maintained by Alamos Gold Inc. and Minas de Oro Nacional, S,A. de C.V. ('Oro Nacional') for mine use within the Mulatos mine camp installation.

## 5.2 Climate and Vegetation

Annual temperatures vary from -12$^{o}$ to 48$^{o}$ C with a mean of 18.5$^{o}$ C. nighttime summer low temperatures are typically 15$^{o}$ to 20$^{o}$ C, and winter nightly lows are 0$^{o}$ to -12$^{o}$ C range. Snow can occur on surrounding mountains.

Average annual rainfall totals 874 millimetres, mainly occurring from June through September during the 'monsoon' period. Light rains may occur also during the late fall and early winter, with dry conditions generally prevailing from February to June. During the summer rainy season, the wind blows northwestward half of the time and to the southwest or southeast during the balance of the year. The wind generally reaches a moderate intensity of about 15 to 20 kilometres per hour in the late afternoon. None of this weather restricts exploration or mining activities, although the use of heavy equipment, such as a truck-mounted drilling rig, during the summer rainy period is not recommended.

Oak and mesquite trees, numerous types of cactus and various dryland grasses are the dominant flora within the Property with ponderosa pine trees growing at higher elevations.

## 5.3 Local Resources and Infrastructure

The village of Mulatos is the closest to the property but has no power, water or sewer systems. Since May of 2007, the operators of the Mulatos open pit mine have been encouraging the residents to move away under the terms of a standard relocation agreement. The village once had about 100 structures and a population of 300 but now more than 60 percent of the community has been relocated to various other towns in the states of Sonora and Chihuahua.


**Figure 5.1: Property Access Map**

The village of Matarchi has a gravel airstrip, situated 15 km northeast of the Property, has a population in excess of 300 persons and has a grocery store, medical centre, post office and gas is available from a private resident. During the exploration phase of the Mulatos deposit, drilling and exploration personnel maintained offices and lodging within this village.

The larger towns in the vicinity include Yecora with a population of 10,000, a 4- hour drive to the south, and Sahuara with a population of 7,000, a 3-hour drive to the north. Both towns are situated within 100 km of the Property, and are accessible via gravel roads in poor to well-maintained condition.

There are skilled exploration and mining personnel readily available in Sonora State. Mexico allows a minimum number of ex-patriot supervisors.

There is little infrastructure on the property. One ranch is located just inside the property boundary on the east side and two situated immediately east of the property, these ranches have houses and outbuildings along the southern property access road. There are two other ranches along the northern access road, one inside the property boundary.

Water for exploration work may be drawn from the nearby drainages as long as it does not affect the water rights of the local ranchers. Later advanced exploration and mining will require purchasing water rights for a portion of the flow from the nearby Mulatos River.

There is no readily available power near the Property. Exploration work will require the use of electric generators. Future possible mining operations would require connecting to the power grid servicing the mines in the area.

There is sufficient area within the Property for any possible mining and mineral processing facilities.

## 5.4 Physiography

The Property is situated within the Sierra Madre Occidental mountain range, which is characterized by relatively high relief with steep-sided V-shaped valleys, local cliffs hundreds of metres high, and rounded mountainous ridges. It is regionally situated in the Basin and Range physiographic province with predominantly north to northwest trending block faults and related structures. Elevations range within the property range from 960 m along the Mulatos River to 1,630 m AMSL along the ridges on the west side of the property.

**Photograph 5.1: View of Los Venados Property Looking Northward**

The Mulatos River, flowing northward near the eastern property boundary, is the primary drainage in the area. There are also secondary drainages from the Mulatos open pit and another through the southern part of the property. These creeks and the numerous local springs and seeps are used by local ranchers for watering livestock.

# 6.0 HISTORY

This property was once part of the much larger Salamandra property within which the Estella open pit of the Mulatos mine is now located. Thus, much of the historic but unreported exploration of the Los Venados property was probably carried out during the exploration of the nearby Mulatos gold-silver deposits.

## 6.1 Regional Exploration and Mining History

Exploration and mining within the Mulatos district has been well documented in the July 14, 2004 technical report entitled 'Technical Report The Estrella Pit Development, Mulatos Sonora Mexico' by M3 Engineering and Technology Corporation ('M3'). The following text has been extracted from this report.

*"Mulatos was first discovered in 1635 by Jesuit priests. The area saw considerable activity by various groups throughout the 1800's and 1900's. The owner of the first registered claim was Thomas Suza, in 1806. Succeeding owners include: N.Y. Ancheta and Ramon Bringas in 1821 and Mr. Ortese in 1863. In 1869, the property was bought by the Aguayo brothers. In 1887, they sold it to Hobart and Hayward of San Francisco, California. After a long lawsuit in 1890, the property was given to the Rey del Oro Mining Company and later transferred to Greene Gold Silver Company, which worked the claim until the Mexican Revolution in 1910.*

*Companies that have been interested in the district since 1960 include: Phillips Petroleum in 1962, Theodore A. Dodge in 1963, Cannon Hicks Associates in 1972, Tormex Developers in 1973, Explomin S.A. de C.V. in 1974 (formerly part of Minera Real de Angeles), Homestake Mining Company in 1975, British Petroleum in 1982, Papanton Minas in 1984, and Kennecott in 1990.*

*Kennecott conducted exploration activities on the ground surrounding the Nuevo Mulatos and Tequila claims for many years. Their efforts focused on the El Victor-San Carlos area as well as the area immediately surrounding the Nuevo Mulatos claim.*

*Minera Real de Angeles (MRA) acquired the Nuevo Mulatos claim in 1986 and carried out extensive exploration activities. MRA culminated their efforts with a prefeasibility study on 1990. As part of that study, MRA calculated a lognormally kriged mineral resource. Details of this historic resource estimate are available in M3's 2004 technical report on Sedar.*
*"Placer Dome, Inc. (PDI) acquired full ownership of the claims from MRA in 1993. Subsequently, PDI and Kennecott entered into a joint venture agreement covering the Mulatos deposit and 34,000 ha of surrounding land. PDI functioned as the developer and potential operator with a 70 percent interest.*

*"Canmex", a subsidiary of Placer International Exploration, Inc., undertook exploration work on the property from 1993 to 1999.*

*In 2001 National Gold Corporation (National), through its Mexican subsidiary Minas de Oro Nacional, S.A. de C.V. (MON) (formerly O.N.C. de Mexico, S.A. de C.V.) acquired a 100 percent interest in the Salamandra Property from Minera San Augusto, S.A. de C.V. (MSA) a placer subsidiary, for cash and a sliding scale Net Smelter Royalty in favor of MSA on the first two million ounces of gold produced. Alamos Minerals (AM) optioned 50 percent of the assets by being responsible for exploration and other expenditures.*

*In 2003, Alamos and National Gold merged to form Alamos Gold, Inc. Alamos, through its wholly owned Mexican subsidiary MON owns a 100 percent interest in the Salamandra Property.*

*The Salamandra Property consists of the Mulatos deposit and more than nine satellite gold systems known as El Halcon, La Yaqui, Los Bajios, El Jaspe, La Dura, Cerro Pelon, El Victor/San Carlos, La Dura, and El Carricito."*

*According to M3 (2004), by 2004 360 RC and 134 core drill holes had been drilled on the Mulatos property to primarily define the gold-silver mineralization within the Estella deposit. After several resource and reserve estimates by Minera Real de Angeles (1990), Placer Dome/Kennecott Consortium (1997), Pincock Allen and Holt (2002), M3 reported the following.*

*"The sum of the proven and probable Estrella open pit reserve is 37.5 Mt @ 1.61g/t Au using an internal cut-off grade which varies by ore type from 0.34 g/t in the oxide to 0.63 g/t in the silicified sulfide ore type. The open pit reserve can be subdivided into:*

*Proven Reserve 7.5 Mt @ 1.80 g/t Au*
*Probable Reserve 30.0 Mt @ 1.56 g/t Au"*

The author has been unable to verify the reserve information for the Estrella pit and that the information is not necessarily indicative of the mineralization on the Property.

## 6.2 Property Exploration History

The Los Venados Property was historically larger than the current property at 3200 ha. The historic property boundaries are shown in Figure 6.1 for reference. There were two past operators of the Property. The property history of Los Venados is summarized by Irwin (2013) in his property report and is largely quoted here:

### 6.2.1 Cangold Limited - 2007 to 2010

*"The project was optioned to a Canadian junior called Cangold Exploration Ltd. in 2007. Cangold hired a contract exploration group based in Hermosillo, Resource Geoscience de Mexico, (RGM) conducted a program that included geological mapping and rock sampling in the winter season of 2007 and 2008. Approximately 1,000 rock samples were collected, which identified three major zones of gold mineralization and included grab samples in excess of 3 ounces per tonne gold. Cangold/RGM sampled both high-grade relatively narrow mineralized veins and wider zones of stockwork quartz mineralization, typically of vuggy, epithermal character. Mercury was included in some of the assays, which showed a very strong mercury signature in some areas, up to 60,000 ppm."* The author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the Property.

*"Cangold focused on the gold-bearing epithermal veins and stockworks in the northern half of the concessions and paid virtually no attention to the potential high-sulphidation alteration zone immediately adjacent to the Mulatos mine. Cangold returned the property to Pitahaya in the summer of 2010."*

The locations of the Cangold rock sampling and geologic mapping were not available to the author. Part of the sampling may have been on what is now the neighbouring property however, the Pembrook drill holes targeting these veins are mainly on the current property or

immediately adjacent to the property boundary indicating that the reported mineralization occurs on the Property. No other information on this program was available to the author.

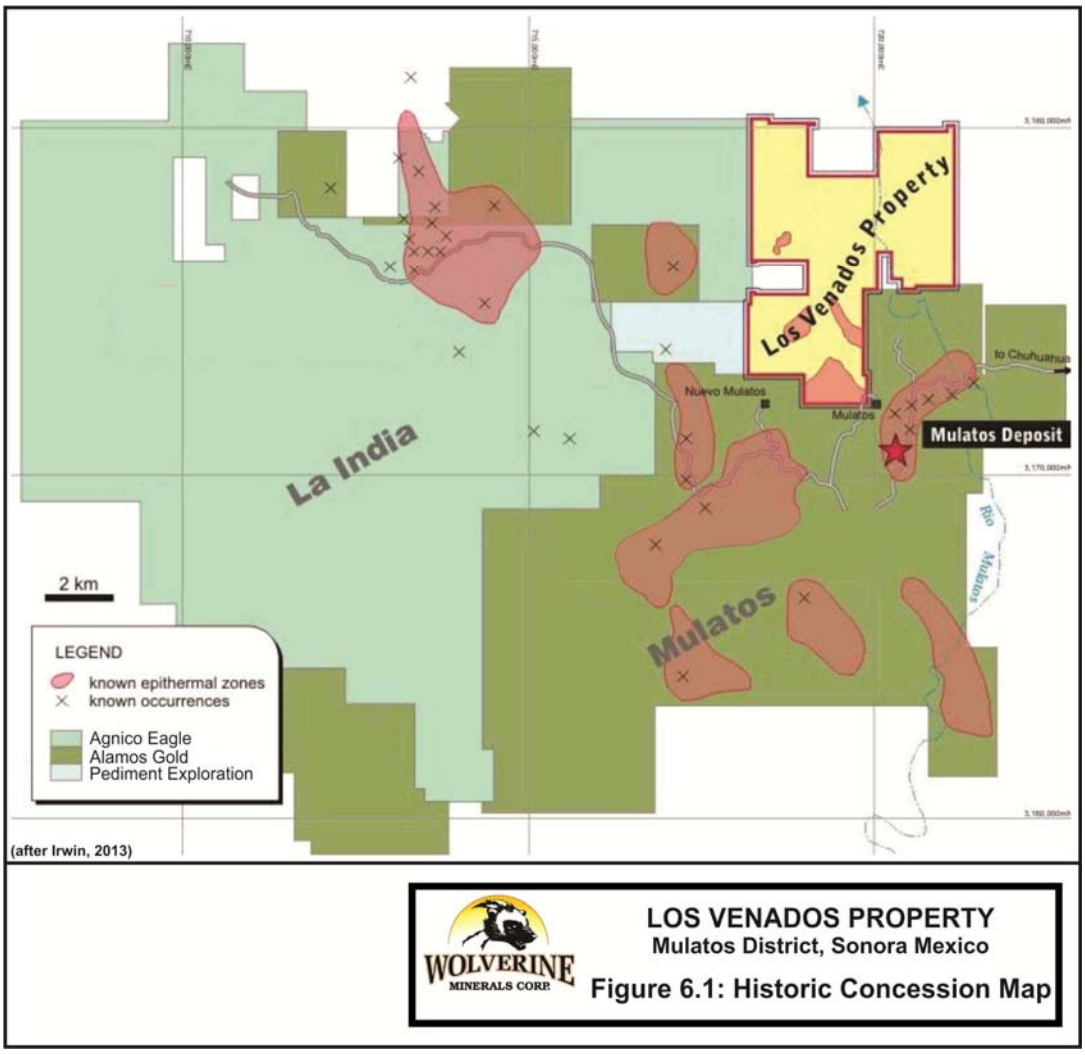



**Figure 6.1: Historic Concession Map for the Los Venados Property**

### 6.2.1 Pembrook Mining Corp. – 2012 to 2013

*"Pembrook Mining Corp. ('Pembrook') is a private Canadian company active in mineral exploration in Peru and formally in Mexico. Pembrook geologists made several site visits to Los Venados confirming prior assay results and signed an option agreement in August 2012.*

*Pembrook's exploration work is summarized in a report by H. Marsden, September 2013. A field crew of Mexican geologists and assistants resampled some of the outcrops sampled by RGM/Cangold, (most are marked by metal tags) and generally reproduced the results. Pembrook also conducted more detailed geological mapping and recognized some of the complexities of the mostly volcanic stratigraphy, and collected ~500 rock samples. Pembrook began drilling in January 2013, only a few months after beginning exploration. Pembrook owns their own drill rig and no details of the drilling equipment were provided. Eight holes were drilled in 6 different target areas distributed over an area of 10 square km, all in the northwest quadrant of the claim block in areas immediately adjacent to roads."*

Geochemical samples and drill hole locations are shown in Figures 6.2 and 6.3 and drill hole collars in Table 6.1.

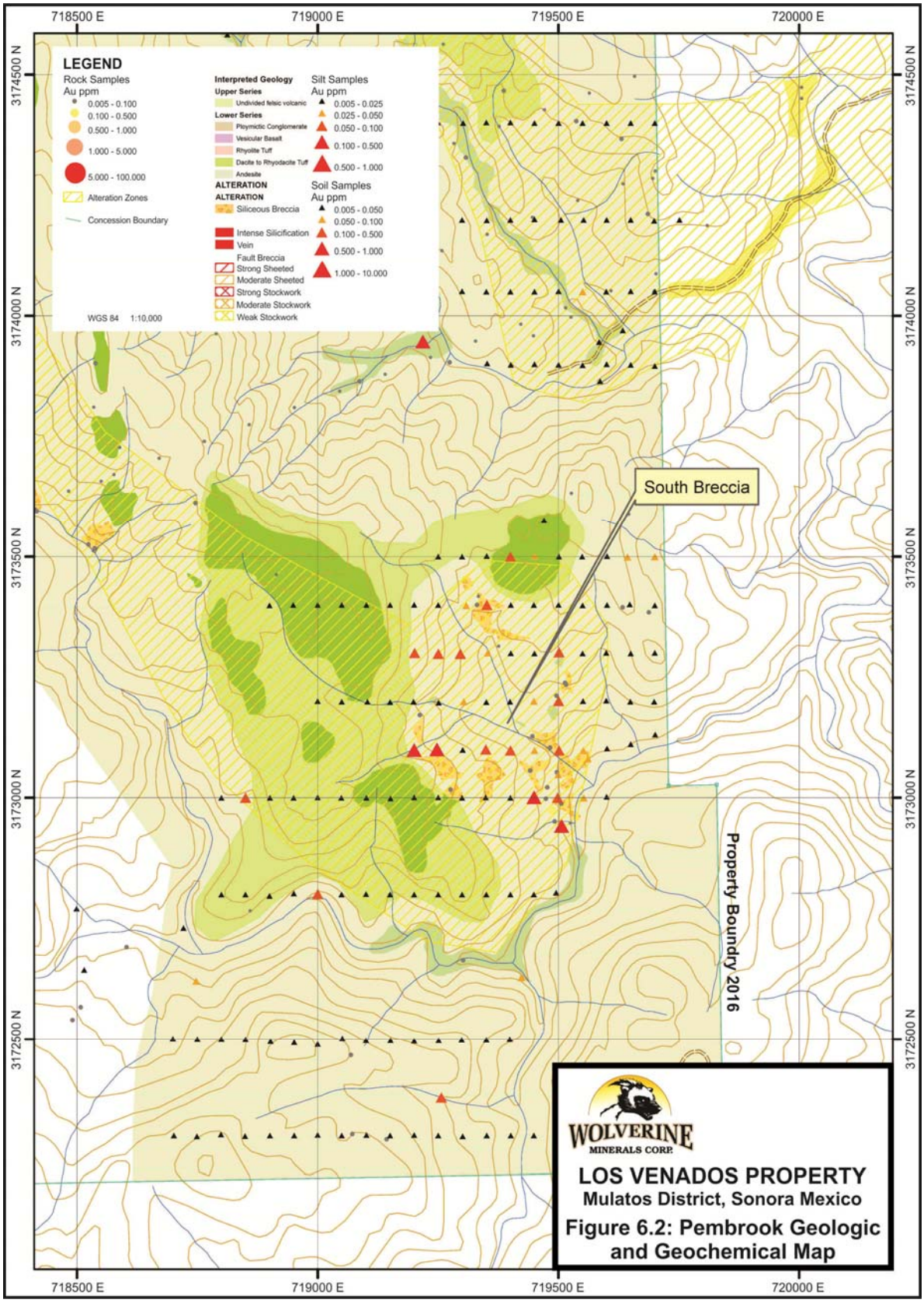

718500 E
719000 E
719500 E
720000 E
3174500 N
3174000 N
3173500 N
3173000 N
3172500 N
LEGEND
Rock Samples
Au ppm
0.005 - 0.100
0.100 - 0.500
0.500 - 1.000
1.000 - 5.000
5.000 - 100.000
Alteration Zones
Concession Boundary
Interpreted Geology
Upper Series
Undivided felsic volcanic
Lower Series
Ploymictic Conglomerate
Vesicular Basalt
Rhyolite Tuff
Dacite to Rhyodacite Tuff
Andesite
ALTERATION
ALTERATION
Siliceous Breccia
Intense Silicification
Vein
Fault Breccia
Strong Sheeted
Moderate Sheeted
Strong Stockwork
Moderate Stockwork
Weak Stockwork
Silt Samples
Au ppm
0.005 - 0.025
0.025 - 0.050
0.050 - 0.100
0.100 - 0.500
0.500 - 1.000
Soil Samples
Au ppm
0.005 - 0.050
0.050 - 0.100
0.100 - 0.500
0.500 - 1.000
1.000 - 10.000
WGS 84 1:10,000
South Breccia
Property Boundry 2016
WOLVERINE
MINERALS CORP.
LOS VENADOS PROPERTY
Mulatos District, Sonora Mexico
Figure 6.2: Pembrook Geologic and Geochemical Map

**Figure 6.2: Pembrook Geologic and Geochemical Map for the Los Venados Property**

*"The program was designed to search for ore shoots down dip of outcrops of mineralized, vuggy silica. Most holes were drilled at -60 degrees inclination. Pembrook geologists did not appreciate the many post mineralization faults, with both low angle normal faults and high angle normal faults. Fault zones observed by the author (Irwin) in the field close to Pembrook drill sites do not appear on Pembrook geologic maps nor are they mentioned in the report by H. Marsden."*

Two of the eight holes are outside the current concession boundaries: LV-007 and LV-008.

**Table 6.1: Pembrook Drill Hole Collars**

| Hole-ID | Area | East (m) | North (m) | Azimuth | Dip | Altitude (m) | Depth (m) |
|---|---|---|---|---|---|---|---|
| LV-001 | Carboneros | 717025 | 317695 | 120 | -50 | 1397 | 261.5 |
| LV-002 | Carboneros | 717148 | 3176695 | 110 | -60 | 1385 | 242.5 |
| LV-003 | Cerrito | 717006 | 3177570 | 90 | -60 | 1426 | 235 |
| LV-004 | Cerrito | 717159 | 3177607 | 240 | -60 | 1378 | 130.5 |
| LV-005 | Veta Hermosa | 717047 | 3179609 | 120 | -60 | 1421 | 20.5 |
| LV-005B | Veta Hermosa | 717044 | 3179609 | 120 | -65 | 1419 | 146.5 |
| LV-006 | Alacran | 717252 | 3178871 | 165 | -60 | 1466 | 112.5 |
| LV-007 | Veta El Cajon | 717442 | 3179351 | 135 | -60 | 1532 | 241.5 |
| LV-008 | Veta Hermosa | 717179 | 3179807 | 150 | -60 | 1464 | 175.5 |

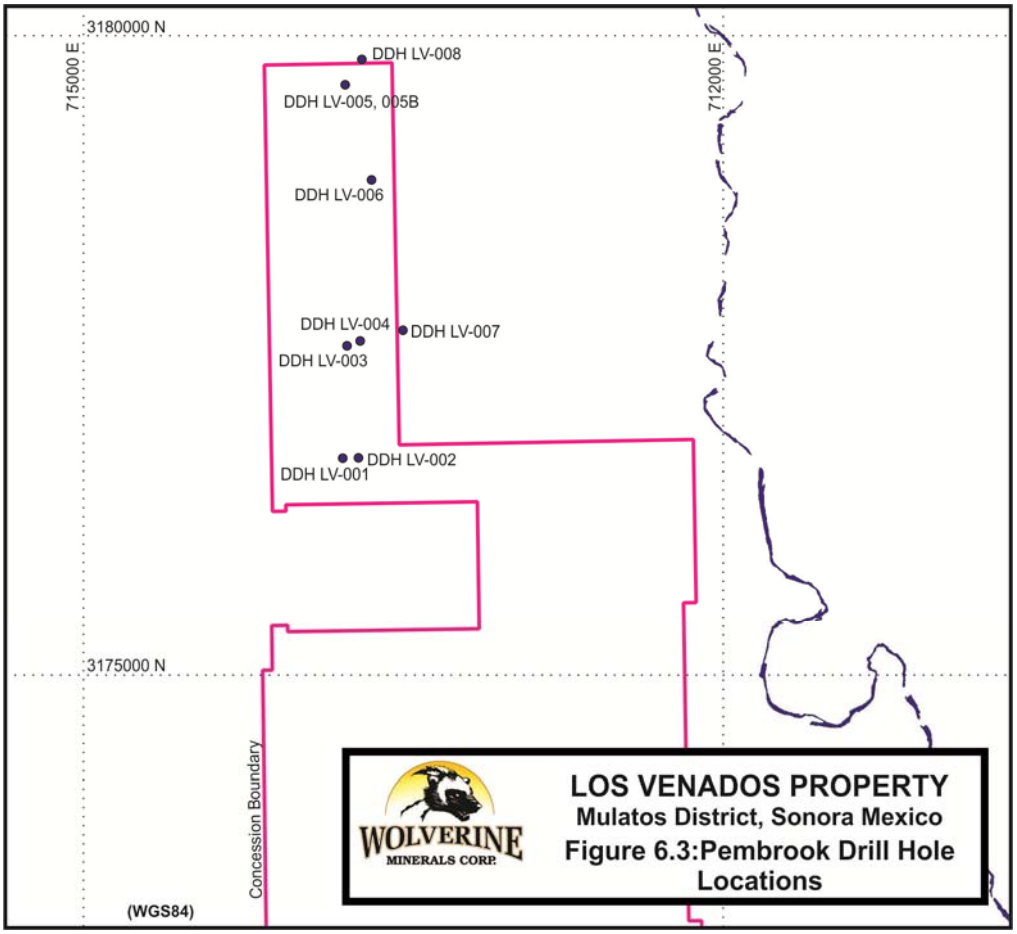



**Figure 6.3: Pembrook Drill Hole Location Map for the Los Venados Property**

*"Inexplicably, an area of complex faulting and tectonics with mostly stratified rocks, the geologic maps provided by Pembrook show no structural information such as strike and dip of bedding, faults and veins, nor do they appear to have drawn any cross sections.*

*The widespread silica veins and stockworks are an indication of a large and powerful mineralizing system but this is not the primary target on this project, which is a high sulfidation system adjacent to the Mulatos mine.*

*Four distinct stages and orientations of post or syn mineralization high angle normal faults plus one stage of low angle faulting are described in Mulatos technical report (2012). All of the zones of mineralization being mined or included in the current resource are offset and bounded by faults. Each and every ore zone at the Mulatos mine complex is offset by post mineral faults that drop the west and/or the north side down, from distances of 80 to100m to as much as 500m. These faults all bring younger, essentially barren volcanic rocks into contact with ore zones.*

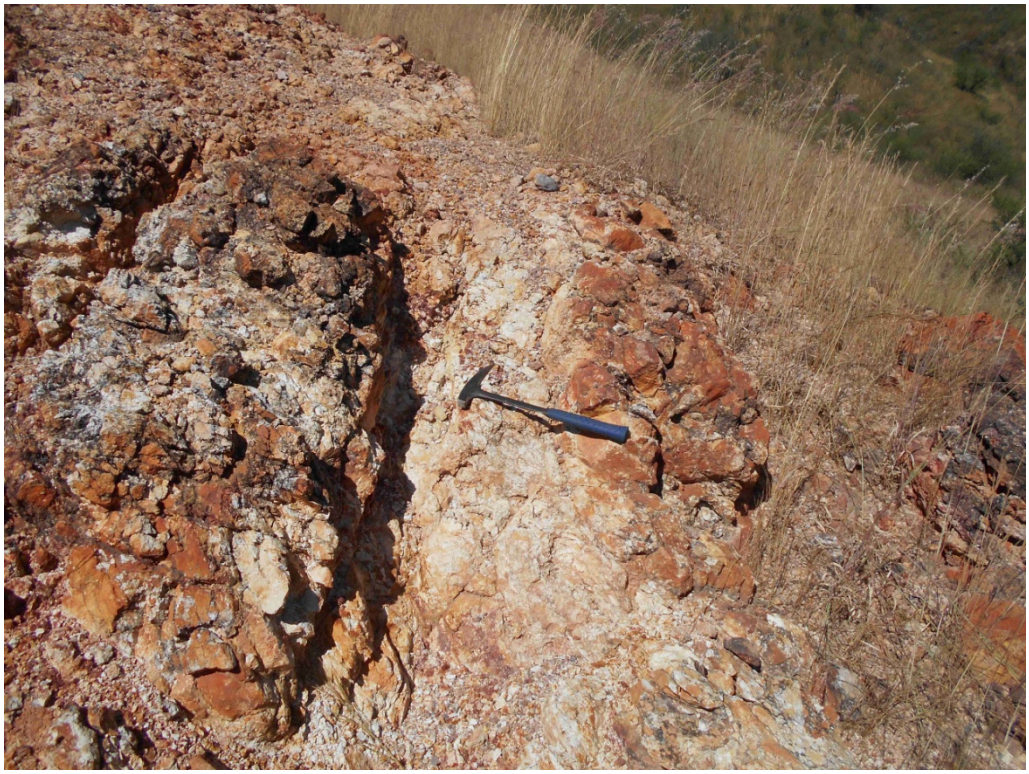
*All but one of the holes drilled by Pembrook were collared on the west side of the target exposures, which by analogy with the Mulatos orebodies (Keane et al, 2012), are all on the barren, down dropped, hanging wall side of faults: this virtually eliminated any chance of intersecting either flat lying ore or steeply dipping "feeders". Additionally, only three of these drill holes were targeted at areas with gold bearing rocks at the surface, the remainder either had no samples at all or were essentially barren at the surface. All of the drill logs mention faults, often more than one. Furthermore, of the eight holes drilled, six did not encounter any significant mineralization greater than 100 ppb gold. LV-003 cut a 1.5 m interval of 4.76 gpt gold and LV-007* cut 13.5 m averaging 225 ppb gold."* The author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the Property.

* - Drill hole LV-007 is just outside the current property boundary.

During the property examination the author identified five hand-dug trenches centred at approximately at UTM coordinates 719,569 m East by 3,173,047 m North. Documentation, regarding age and sampling results for these trenches were not available to the author. One of the trenches is shown in Photograph 6.2.

There has been no reported production from the Property and no mine workings or open cuts were observed by the author during the site visit.

**Photograph 6.1: Estella Open Pit of the Mulatos Mine Looking Southward**



**Photograph 6.2: Photograph of Hand-Dug Trench**

# 7.0 GEOLOGICAL SETTING and MINERALIZATION

The following description of the geological setting of the Los Venados is based upon: a 2004 technical report on the nearby Mulatos mine; two reconnaissance geological mapping reports by David Volkert in 2014 and 2016; and on the author's observations during a recent property visit on October 15 and 16, 2016.

## 7.1 Regional Geology

The Property is situated within the northern part of the Sierra Madre Occidental volcanic province that comprises two distinct packages of volcanic rocks: a Lower Volcanic Series comprised of early Oligocene age (28 to 36 million years (Ma)) volcanic rocks, overlain by the Upper Volcanic Series, comprised of Miocene age (18 to 24 Ma) volcanic rocks. The other country rocks include basement rocks of Paleozoic to Cretaceous age and later early Tertiary sediments. The sedimentary package is well exposed along the road between the towns of Arivechi and Tarachi. Several Laramide age (60 to 65 Ma) intrusives are also known to exist in the area, one near the village of Matarachi.

The Lower Volcanic Series of volcanic rocks are andesite lavas, tuffs and agglomerates that are fine-grained to porphyritic in texture. There appears to have been erosion following the deposition of the Lower Volcanics, over which the Miocene age felsic to intermediate flows and tuffs and ignimbrites were deposited. The two volcanic packages are distinguished by an angular unconformity with the older Oligocene package typically tilted between 20$^{o}$ to 50$^{o}$ whereas the younger Miocene rocks are typically flat lying or tilted up to 15$^{o}$.

The youngest rocks in the sequence are less than 10 Ma rift-related basalts. North to northwesterly and northeasterly trending faults cut all rocks in the Mulatos area, related to basin and range extension. The Mulatos mine is exposed in the footwall uplift of the Mulatos extension fault. The age of mineralization at Mulatos is between 25 Ma to 32 Ma with only the Oligocene-age rocks hosting gold mineralization in this part of the Sierra Madre.

## 7.2 District Geology

The following text was extracted from the May 19, 2004 technical report on the Estella Pit Resource and Reserves by M3 Engineering and Technology Corporation. The Estrella Pit is one kilometre from the southeast corner of the property.

### 7.2.1 Lithology

*"At the Mulatos mine, the lowest unit hosting mineralization in the deposit is dacite porphyry, a composite unit of several lava flows and some volcanic sediment, with one or two minor pyroclastic intervals. It is overlain by medium- to coarse-grained rhyodacite porphyry, one of two main host rocks for gold mineralization.*

*The rhyodacite appears to be comprised of several distinct flows, with texture and mineralogy varying slightly between flows. It is largely intact in the southern portion of the deposit, but is thin to absent in the northern portion due to partial erosion and destruction of the dome complex. The rhyodacite porphyry is overlain by another dacite porphyry unit very similar in composition and texture to the lower dacite porphyry and only distinguishable on the basis of stratigraphic position. It is absent from the central deposit area due to erosion during subaerial exposure of the dome complex, but hosts significant mineralization in the southern portion of the deposit. The dome complex appears to have been subject to a long period of erosion and possibly explosive*

*destruction following deposition of the dacitic and rhyodacitic flow units. Host rocks for the northern portion of the deposit are comprised of fragmental volcaniclastic sedimentary rocks derived from erosion and partial destruction of earlier dome complex units. The fragmental rocks unconformably overlie the dacitic and rhyodacitic flows with over 300m of relief on the basal unconformity surface. Fragmental rocks are comprised of two predominant facies, a coarse-grained clast supported conglomeratic facies, and coarse to fine grained volcaniclastic sandstone. Gold mineralization is generally confined to the coarse-grained facies. The fragmental rocks were previously interpreted as a breccia pipe, but textures within the breccia are frequently stratified, and no breccia roots are indicated by deep drill holes."* The author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the Property.

### 7.2.2 Alteration

*"Alteration assemblages at the Mulatos mine are typical of high sulfidation deposits, and show zonation patterns from distal propylitic alteration to illite to kaolinite to dickite/pyrophyllite to pervasive and vuggy silica alteration. Gold is predominantly hosted within silicic alteration. Two periods of alteration and gold mineralization are indicated as the fragmental unit contains clasts of varying alteration assemblages, plus is overprinted by strong silicic and/or argillic alteration."* The author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the Property.

### 7.2.3 Mineralization

*"Gold mineralization controls are both structural and stratigraphic. A series of northwesterly trending, en echelon structural zones is the primary control of silica alteration and higher-grade gold concentrations in the Cerro Estrella portion of the Mulatos deposit with important secondary stratigraphic control along flow boundaries and within coarse-grained volcaniclastic fragmental rocks.*

*The altered and mineralized units are locally overlain by a thick section of unaltered volcanic rocks that are believed to be post-mineral in nature. Although the basal unit is locally argillized, clay mineralogy is low temperature, and altered intervals are barren of gold concentrations. The post-mineral units form a relatively thick sequence northeast of the Mulatos deposit, and extend from Puerto del Aire to the El Victor area. Maximum thickness is 200m but in general range from 0-150 m.*

*Gold mineralization within the Mulatos deposit occurs primarily within areas of pervasive silicic alteration of the volcanic host rocks. Gold also occurs within advanced argillic alteration assemblages proximal to silicic alteration, largely consisting of pyrophyllite or dickite dominant alteration. Quartz veins and quartz stockwork zones are rare to absent. Silicified rocks host approximately 80% of the contained gold within the deposit."* The author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the Property.

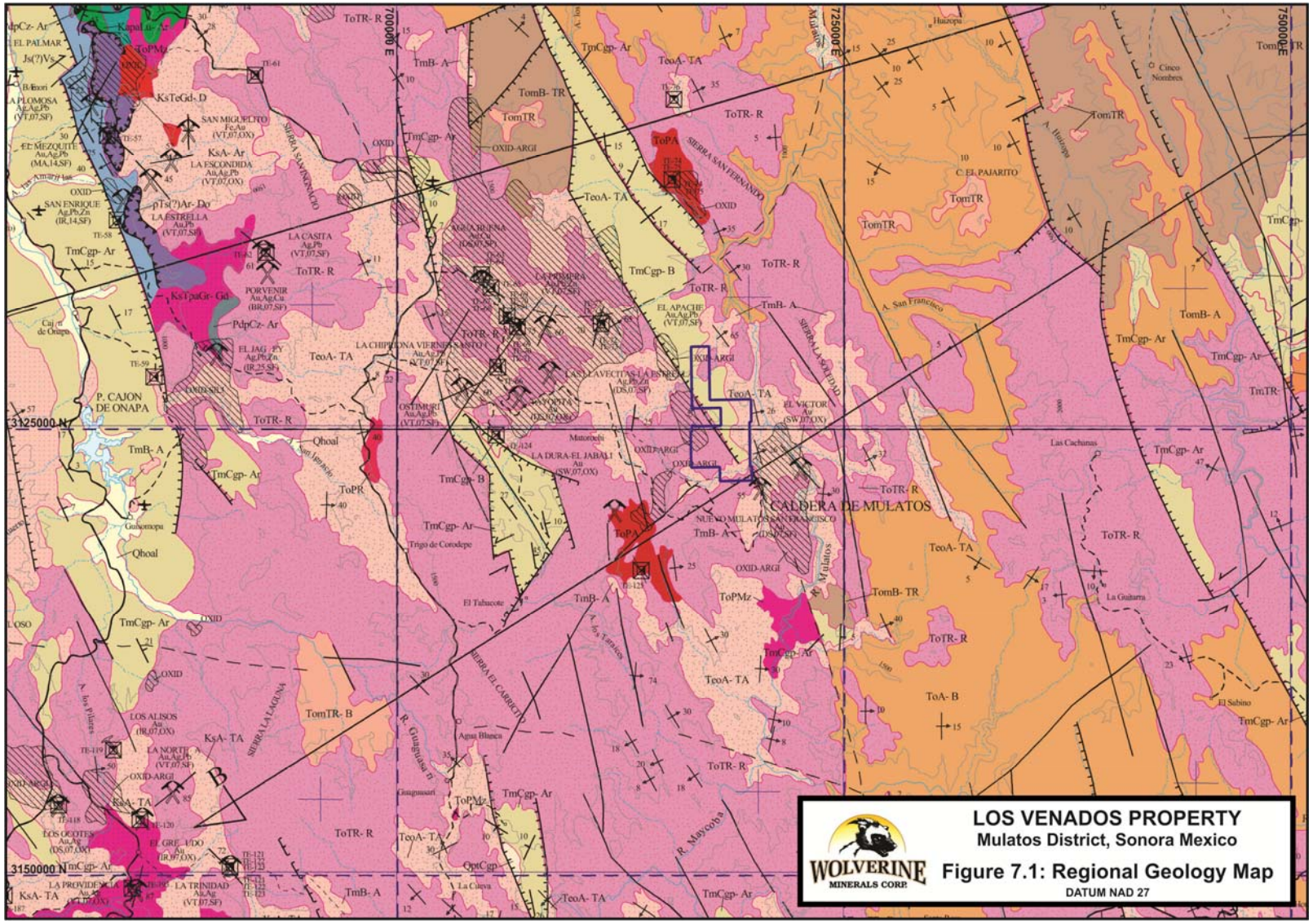



**Figure 7.1: Regional Geologic Map for the Los Venados Property**

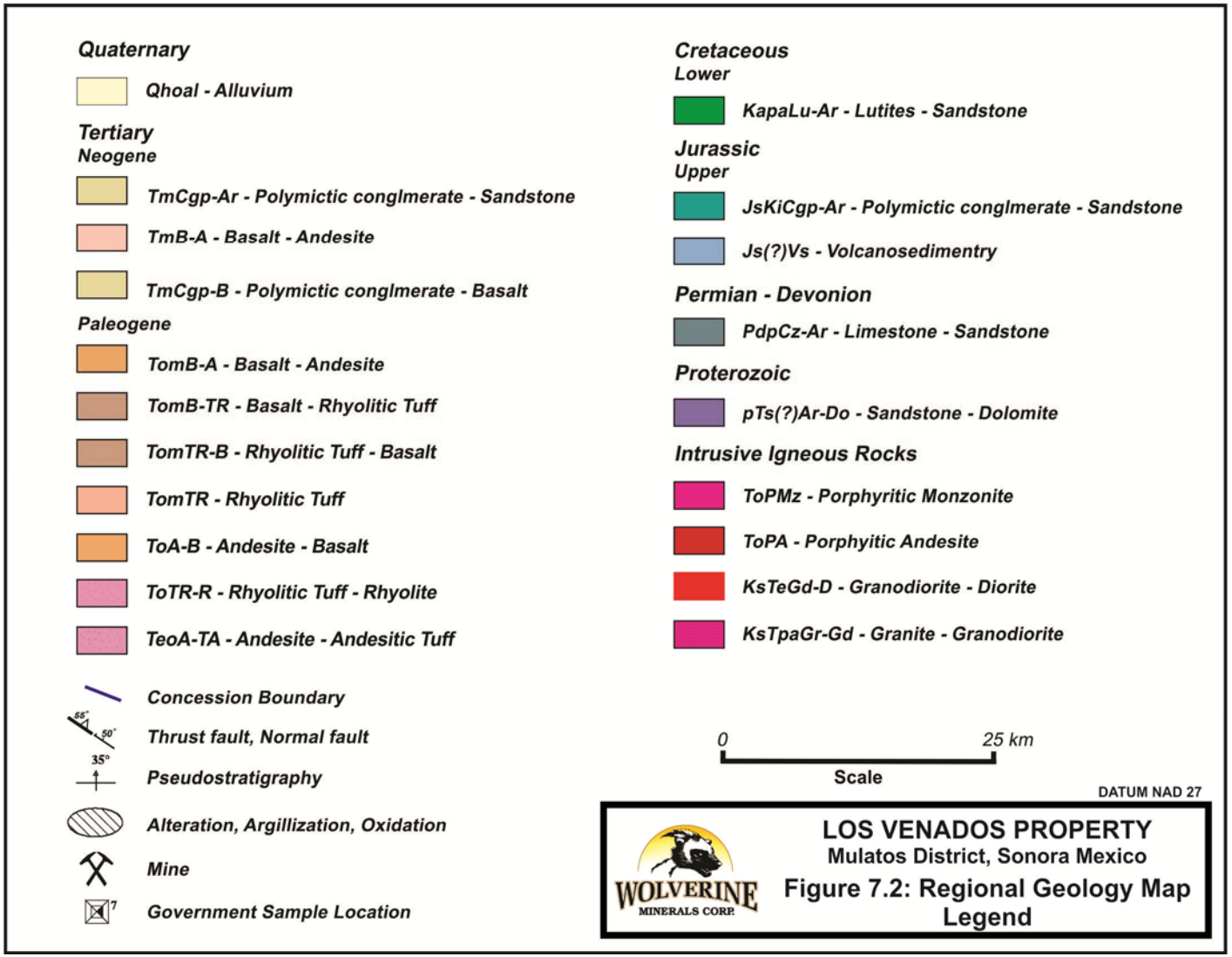



**Figure 7.2: Regional Geologic Map Legend for the Los Venados Property**

*"At Mulatos mine there are three main mineralization assemblages. From oldest to youngest they are: 1) quartz + pyrite + pyrophyllite + gold; 2) quartz + pyrite + kaolinite + gold + enargite; and 3) kaolinite + barite + gold. Minerals include: pyrite, enargite, chalcopyrite, molybdenite, gold, chalcocite, covellite, bornite, tetrahedrite/tennantite, marcasite, copper oxides, specularite, hematite, limonite, goethite, jarosite, pyrophyllite, kaolinite, alunite, montmorillonite, barite, chlorite, and epidote. Free gold is commonly found in hematite-filled fractures. Gold also occurs in pyrite, as gold/silver tellurides, and possibly as a solid solution in some copper sulfide minerals. The deposit is amenable to cyanidation in all ore types, but gold extraction decreases with decreasing levels of oxidation."* The author has been unable to verify the information and that the information is not necessarily indicative of the mineralization on the Property.

## 7.3 Property Geology

The following text has been extracted from the reports by Volkert (2014 and 2016). During 2014 he spent three days carrying out reconnaissance mapping in the northern part of the property and was later retained in 2016 by Almadex to do the same style of work in the southern part. In his 2016 report, Volkert reported the following for the southern area.

*"Rock units include a basal andesite flow (purple to green color, with variable green clay-altered flattened clasts and white plagioclase in fine grained groundmass), rhyodacite tuff (light-colored, some quartz eyes, plagioclase and variable biotite with flattened fiamme, minor dacite (as rhyodacite without the quartz eyes), and very minor volcanoclastic. The latter is an important ore host at the adjacent Mulatos Mine but has, to date, been found on Venados in two locations and it is unaltered. All rock units mapped to date are assumed to be part of the Late Cretaceous-Oligocene Lower Volcanic Series of SE Sonora.*

*All rock units generally trend northerly with dominant moderate east dips (20-30 degrees). Local variations in strike and dip are found but those variations are local and do not indicate large-scale folding.*

*Structural zones trending NNW to NW dominate and appear to control the alteration (and mineralization?). The South Breccia where the highly anomalous gold-in-soil anomalies are found is proposed to be at the intersection of 2 structures. The greatest amount of alteration on the property is also found at this intersection. The possibility remains that the observed faulting that places fresh volcanics against highly altered volcanics is post-alteration (and mineralization?).*

*The rhyodacite is the preferred unit for early-stage, monophase, massive silicification, which is dominantly low-temperature, cryptocrystalline quartz with local chert. Quartz eyes in the rhyodacite survive the silicification as does some very faint volcanic texture. Otherwise, the silicification is texture destructive. Outcrops of the silicification vary from ribs measuring a few meters to 50m long x 1-2 m wide to large irregular areas that can retain the bedding of the host rhyodacite and progresses from massive to strongly fractured to strongly brecciated."*

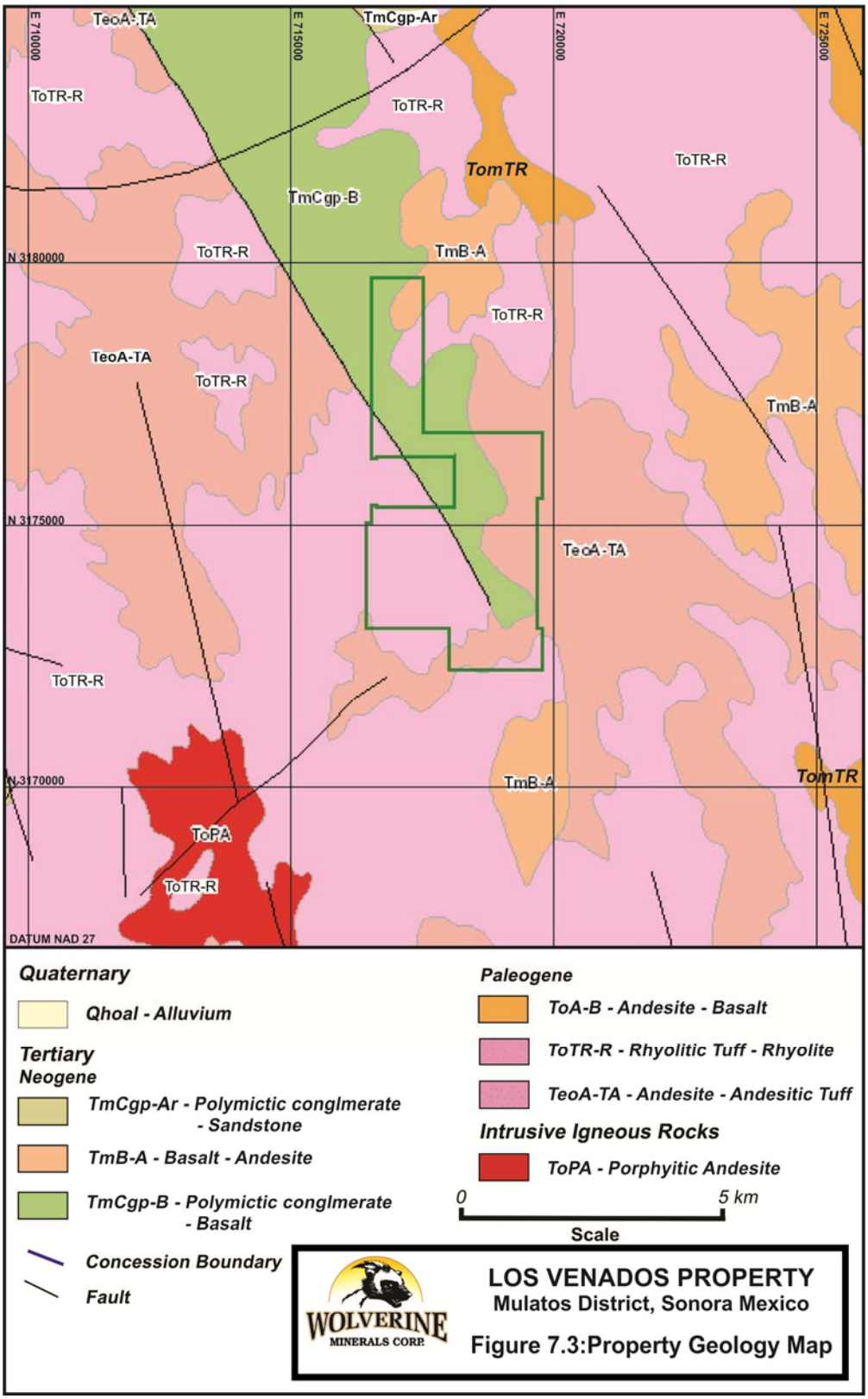

E 710000
E 715000
E 720000
E 725000
N 3180000
N 3175000
N 3170000
TeoA-TA
TmCgp-Ar
ToTR-R
TomTR
TmCgp-B
TmB-A
ToPA
DATUM NAD 27
Quaternary
Qhoal - Alluvium
Tertiary
Neogene
TmCgp-Ar - Polymictic conglmerate - Sandstone
TmB-A - Basalt - Andesite
TmCgp-B - Polymictic conglmerate - Basalt
Concession Boundary
Fault
Paleogene
ToA-B - Andesite - Basalt
ToTR-R - Rhyolitic Tuff - Rhyolite
TeoA-TA - Andesite - Andesitic Tuff
Intrusive Igneous Rocks
ToPA - Porphyitic Andesite
0
5 km
Scale
WOLVERINE MINERALS CORP.
LOS VENADOS PROPERTY
Mulatos District, Sonora Mexico
Figure 7.3:Property Geology Map

**Figure 7.3: Property Geology Map**

*"Iron oxides are dominated by hematite as earthy red concentrations, almost gossan in a few locales, to nearly black on fracture coatings and is generally restricted to the silicified zones. Goethite, generally typical brown but locally as a soft ocher orange, and jarosite are present but are far more restricted in extent than hematite. Hematite, as an oxidation product, is an important ore guide at the Mulatos Mine.*

*Argillic to advanced argillic alteration is wider spread that the silicification/hematite and consists of kaolin, hand-identified alunite, pyrophyllite and local sericite.*

*The massive silicification can be accompanied by fine-grained disseminated brassy pyrite as relicts surrounded by oxidation fronts penetrating from fractures. Locally the pyrite is very fine grained and is evidenced by a typical black "stain" to the silicified rhyodacite. Relict pyrite is the exception and the vast majority of the area is fully oxidized. No other sulfides have been noted to date.*

*The 541 ppb Au result (sample 2), besides being the highest value obtained (rock sample during Volkert's mapping work), comes from a 2m-thick, massive, conformable "bed" of silicification sandwiched between clay-altered rhyodacite and is the topographically lowest point of silicification sampled. Further, my field notes contain the observation that the silicification is coarser grained and possibly higher temperature and cite the presence of later-phase, crosscutting clear crystalline quartz veinlets. The next highest gold assay of 168 ppb (sample 26) is located, by contrast, near the highest topographic level sampled and is from a clear stratiform section of highly fractured and brecciated silicification."*

In his 2014 report on the northern part of the property, Volkert reported the following:

*"Volcanic stratigraphy dipping steeply to the west is well exposed across the central part of the claim. Juxtaposed altered and fresh volcanic beds clearly show stratigraphic control to alteration (mineralization). Ignimbrite horizons outcrop and are generally altered with fine-grained alunite.*

*Altered volcanic float with pyrophyllite was found at 719098E – 3173335N and was also noted by Pembrook Mining at 719277E – 3173032N. In addition to alunite and pyrophyllite, sericite, illite and kaolinite were also identified at various locations in altered volcanics. Dickite was identified by earlier workers.*

*Veining in the northern part of the Venados claim consists of narrow white quartz in sheeted zones across 5m maximum widths. The epithermal veins are at the highest topographic level on the claim, and are discontinuous along strike but, while mineralized, are not high-sulfidation style and are not an exploration target. These veins were drilled by Pembrook Mining to the exclusion of additional work on the more promising high-sulfidation target to the south.*

*Just below the camp site in the central part of the claim, an old arrastre was found along the river draining the south breccia zone along with evidence of gold placer operations, and very strong iron oxide alteration outcrops."*

During the property examination, the author conducted two traverses across the west-central and east-central parts of the property. The southeastern area, just north of the southern breccia zone with its notable geochemical and geophysical anomalies, is dominantly underlain by finely

bedded dacitic ash and lithic tuffs. These tuffs vary in colour from greenish grey where they are poorly altered with chlorite to white and buff coloured where they have been intensely silicified and altered to illite and kaolinite.

Along the road cut the alteration zones vary locally with weak to intense shearing and faulting that is dominantly northwesterly oriented (315$^{o}$ to 335$^{o}$) and steeply to vertically inclined. These structural zones are often pervasively silicified with quartz (± calcite, clay) veins and stockworks with hematite and limonite along joints and shear faces. Pyrite is rare except in wide, propylitically-altered fault zones. Two plagioclase porphyry dykes were also observed in a fault zone bounded by north-northwesterly faults. These silicified structural zones vary locally from a few metres to well over 100 metres wide, and trend NNW through the property from the Mulatos open pit mine.

Many of the silicified structures exhibit low-sulphidation characteristics with some having lamellar quartz veining parallel to the vein selvages; characteristic of epithermal, low sulphidation silicification. Furthermore, there were several east-west and north easterly trending topographic depressions that likely reflect similarly-oriented normal displacement faulting; perhaps a continuation of the step-like faulting to the north of the Mulatos pit.

**Photograph No. 7.1: Grey, unaltered lithic tuff**

**Photograph No. 7.2: Hematitic and silicified fault zone**

An initial geological assessment of the southern part of the property is that it has been down-dropped by multiple east-west normal fault structures, and that the local dacitic tuffs and rhyodacitic flows may be the upper members of the pre-mineralization sequence reported at the Mulatos mine. The locally intense argillic alteration with quartz veining and silicification within the northwesterly trending shear structures are upper level low-temperature, low-sulphidation features overprinting possible shallow-buried high-sulphidation alteration and mineralization similar to that at the Mulatos mine.

### 7.3.1 Mineralization

There are currently no identified zones of gold-silver mineralization on the Property. Based upon the geological and geochemical results from Almadex's initial exploration work, gold- and silver-bearing mineralization with minor base metal mineralization is hosted by a number of siliceous zones and structurally-controlled quartz veins.

Locally anomalous gold, silver, barium and base metal geochemistry may be reflecting structural conduits associated with the buried high-sulphidation mineralization and intrusive breccia bodies reported in the vicinity.

# 8.0 DEPOSIT TYPES

The known mineral occurrences within the Mulatos district are volcanic-hosted, epithermal, high-sulphidation ('HS') gold-silver deposits, as veins and/or disseminated deposits. According to Hayba et al. (1985), Heald et al. (1987), Berger and Henley (1988), Arribas (1995), and Pantelyev (1996), the general characteristics and genetic model of epithermal, high sulphidation mineral deposits include:

- located within extensional and transtensional settings, commonly in volcano-plutonic continent margin and oceanic arcs and back-arcs. In zones with high- level magmatic emplacements where stratovolcanoes and other volcanics have extruded above plutons;
- associated with intermediate subvolcanic to volcanic rocks in calderas, flow-dome complexes, rarely maars and other volcanic structures; often associated with subvolcanic stocks and dikes, breccias. Postulated to overlie, and be genetically related to, porphyry copper systems in deeper mineralized intrusions that underlie the volcanics.
- dominantly of Tertiary to Quaternary age; less commonly Mesozoic and rarely Paleozoic volcanic belts;
- commonly hosted by volcanic pyroclastic and flow rocks such as subaerial andesite to dacite and rhyodacite, their subvolcanic intrusive equivalents and occasionally sedimentary intervolcanic units;
- deposits occur as veins and massive sulphide replacement pods and lenses, stockworks and breccias. Commonly irregular deposit shapes are determined by host rock permeability and controlling structures;
- alteration mineral assemblages indicative of high-temperature acidic hydrothermal fluids, include an advanced argillic assemblage characterized by one or more of pyrophyllite, alunite, dickite, kaolinite, and diaspore;
- vuggy 'slaggy' silica derived as a residual product of acid leaching is characteristic. Textures include: drusy cavities, banded veins, hydrothermal breccias, and massive wallrock replacements with fine-grained quartz;
- two types of ore are commonly present as massive enargite-pyrite and/or quartz-alunite-gold. Common principal minerals include: pyrite, enargite/luzonite, chalcocite, covellite, bornite, gold, and electrum Pyrite and quartz are common gangue minerals. Barite may also occur but carbonate minerals are absent;
- alteration zoning typified by a central zone of silica alteration flanked by a zone of advanced argillic alteration which in turn is surrounded by illite-dominated argillic alteration;
- weathered rocks contain abundant limonite (jarosite-goethite-hematite) generally in a groundmass of kaolinite and quartz. Fine-grained supergene alunite veins and nodules are common; and
- ore controls include: volcanic edifices - caldera ring and radial fractures; fracture sets in resurgent domes and flow-dome complexes; hydrothermal breccia pipes and diatremes; faults and breccias in and around intrusive centres; and permeable volcanic lithologies. Deposits may occur over considerable depths, ranging from high-temperature solfataras at paleosurface down into cupolas of intrusive bodies at depth.

Some of the most intensely studied and described high-sulphidation deposits include:

- Summitville, Colorado (Stoffregen, 1987; Gray and Coolbaugh, 1994),
- Goldfield, Nevada (Ransome, 1909; Ashley, 1974; Vikre, 1989),
- Lepanto, Philippines (Hedenquist et al., 1998), and
- Julcani, Peru (Petersen et al., 1977; Deen et al., 1994).

Genetic models proposed for HS systems call upon shallow emplacement of an oxidized calc-alkaline magma. As the magma crystallizes, a metal- and volatile-rich fluid phase exsolves and, at relatively low confining pressures, will separate into a low-salinity vapour and a hypersaline liquid. The vapour phase ascends and, when absorbed into connate or meteoric waters, forms a high-temperature, sulphate-rich, acidic hydrothermal fluid. As this hydrothermal fluid ascends and cools, acidity progressively increases, resulting in a vertical zonation where advanced argillic assemblages overlie illite-dominated argillic assemblages. Neutralization and cooling of the fluid during lateral fluid flow repeats this zoning pattern, with proximal silicified and leached zones flanked first by advanced argillic alteration, and then by more distal illite-dominated alteration. As the hydrothermal system evolves, younger, more reduced hydrothermal fluids, probably generated by interactions between ascending hypersaline magmatic fluid and meteoric-water-dominated convection cells, then transport and deposit metals (gold-silver-copper) along the same conduits utilized previously. Metals may be sourced directly from the magmatic fluids or leached from country rocks (Agnico-Eagle Mines Limited, 2012).

The target deposit type for mineralization on the Property would be similar to the nearby Mulatos deposit that is a epithermal, high sulphidation, disseminated gold deposit hosted within a mid-Tertiary dacitic to rhyodacitic volcanic dome complex. There gold mineralization is closely associated with silicic and advanced argillic alteration occurring near the upper contact of rhyodacite porphyry and in overlying dacite flows and volcaniclastic rocks. Gold occurs in oxide, mixed oxide/sulphide, and sulphide ore types, with pyrite as the primary sulphide mineral. The Mulatos deposit is amenable to cyanidation in all ore types, but gold extraction decreases with decreasing levels of oxidation.

The author has been unable to verify this information about the Mulatos deposit and that the information may not be indicative of the mineralization on the Property.

# 9.0 EXPLORATION

Almadex Minerals, the Property vendor, carried out exploration work on the property that commenced in December of 2015 and continued until early 2016. The program began with the analysis of Aster imagery and the prioritization of Aster anomalies for follow up in the field. Field crews carried out geological mapping and rock geochemical sampling guided by the Aster images. Field mapping included geology and alteration mapping in the areas around the Aster anomalies. Mapping identified various altered and silicified zones with anomalous gold values. Field crews collected 523 rock geochemical samples. These samples returned gold values from below detection limit to 102 g/t gold. The highest values came from quartz veins in the northern part of the property in the area of the Pembrook drilling. Surface sampling at the north end of the Property returned some high-grade values but the southern end, with a more high sulphidation rather than low sulphidation style of mineralization, returned more moderate grades. The highest value returned from rock sampling in the southern end, south of 3175,000 m N, was 0.84 g/t gold. The values from the south of the property are more in line with a high sulphidation style of mineralization. Rock samples, Aster anomalies and anomalous geochemical zones are shown in Figure 9.1.

A program of soil and stream sediment sampling was carried out on the property. 491 soil samples were collected from mainly the southern part of the Property near the mapped alteration zones. Soil samples returned values ranging from below detection limit to 1.42 g/t gold. Stream sediment samples were collected from the major drainages on the property and 62 samples were collected where values ranged from detection limit to 0.147 g/t gold. The highest values are coincident with the Aster and rock geochemical anomalies and are shown in Figure 9.2 (Almadex, 2016).

Almadex surveyed four widely spaced lines of Induced Polarization (IP) geophysics on lines 3174000 N, 3173500 N, 3173150 N and 3173000 N. The lines were placed to cover known geochemical and Aster anomalies. IP Line 3173150 N shows a chargeability anomaly and a moderate resistivity anomaly with coincident soil, rock and Aster anomalies. The chargeability anomaly increases with depth possibly due to oxidation while the resistivity anomaly appears near vertical possibly showing silicification/alteration following a structure. IP Line 3173150 N with surface geochemical plan is shown in Figure 9.3.

The coincident geochemical, Aster and IP anomaly on Line 3173150 N with the mapped alteration shown in Figures 9.1 and 9.3 presents evidence of a possible epithermal high sulphidation system in that area of the property. These coincident anomalies are a priority exploration target.

No formal exploration report was prepared by Almadex and plots of the results were extracted from promotional materials. Descriptions of the sampling methodology were not available to the author. From observations in the field of tagged sample sites, the sampling method appeared to be chip or panel sampling. The sample quality is good and the samples appear to be representative with no biases known to the author.

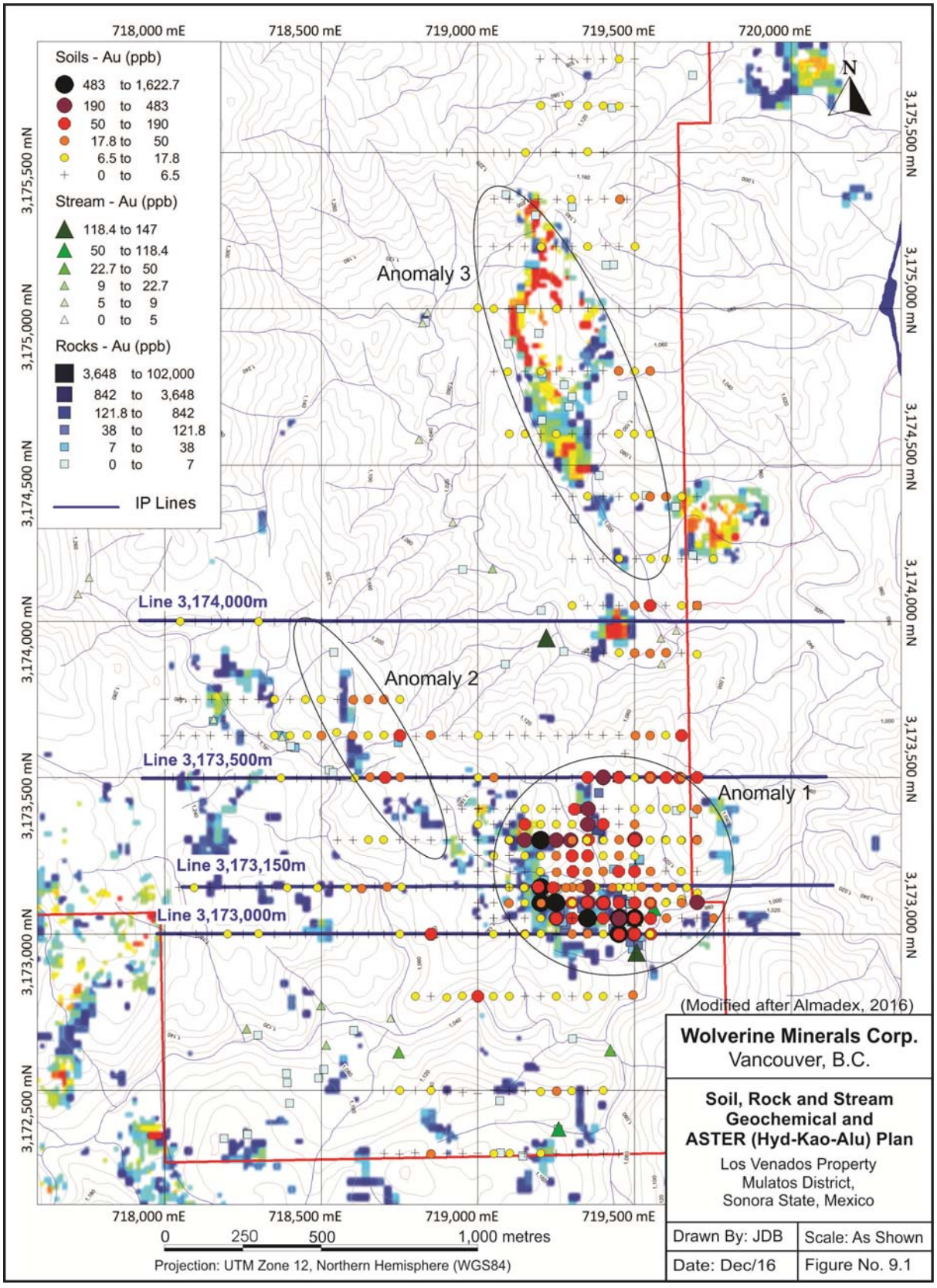

718,000 mE
718,500 mE
719,000 mE
719,500 mE
720,000 mE
3,175,500 mN
3,175,000 mN
3,174,500 mN
3,174,000 mN
3,173,500 mN
3,173,000 mN
3,172,500 mN
N
Soils - Au (ppb)
483 to 1,622.7
190 to 483
50 to 190
17.8 to 50
6.5 to 17.8
0 to 6.5
Stream - Au (ppb)
118.4 to 147
50 to 118.4
22.7 to 50
9 to 22.7
5 to 9
0 to 5
Rocks - Au (ppb)
3,648 to 102,000
842 to 3,648
121.8 to 842
38 to 121.8
7 to 38
0 to 7
IP Lines
Anomaly 3
Anomaly 2
Anomaly 1
Line 3,174,000m
Line 3,173,500m
Line 3,173,150m
Line 3,173,000m
0 250 500 1,000 metres
Projection: UTM Zone 12, Northern Hemisphere (WGS84)
(Modified after Almadex, 2016)
Wolverine Minerals Corp.
Vancouver, B.C.
Soil, Rock and Stream Geochemical and ASTER (Hyd-Kao-Alu) Plan
Los Venados Property
Mulatos District,
Sonora State, Mexico
Drawn By: JDB
Scale: As Shown
Date: Dec/16
Figure No. 9.1

**Figure 9.1: Soil Rock and Stream Geochemical and Aster**

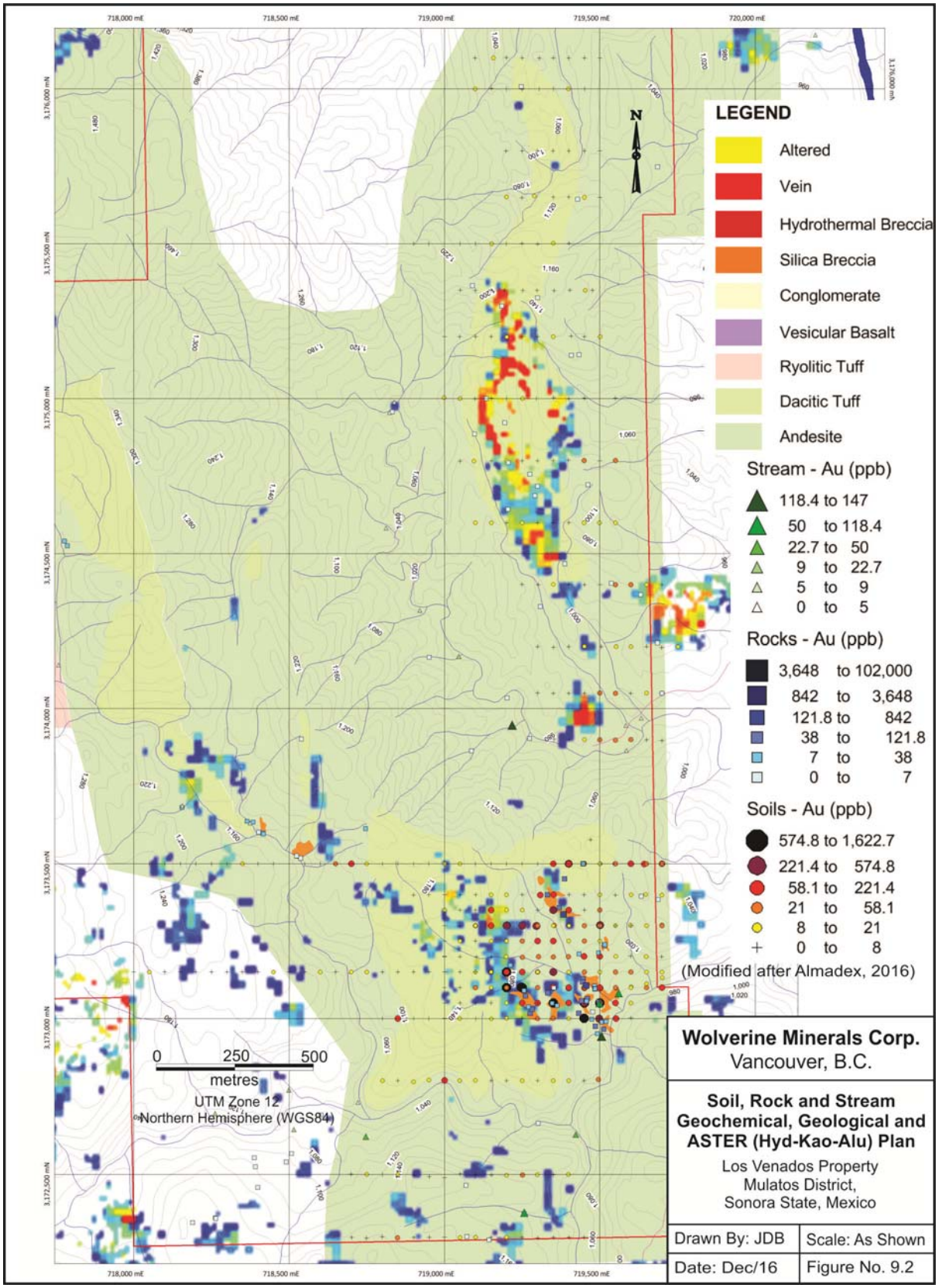
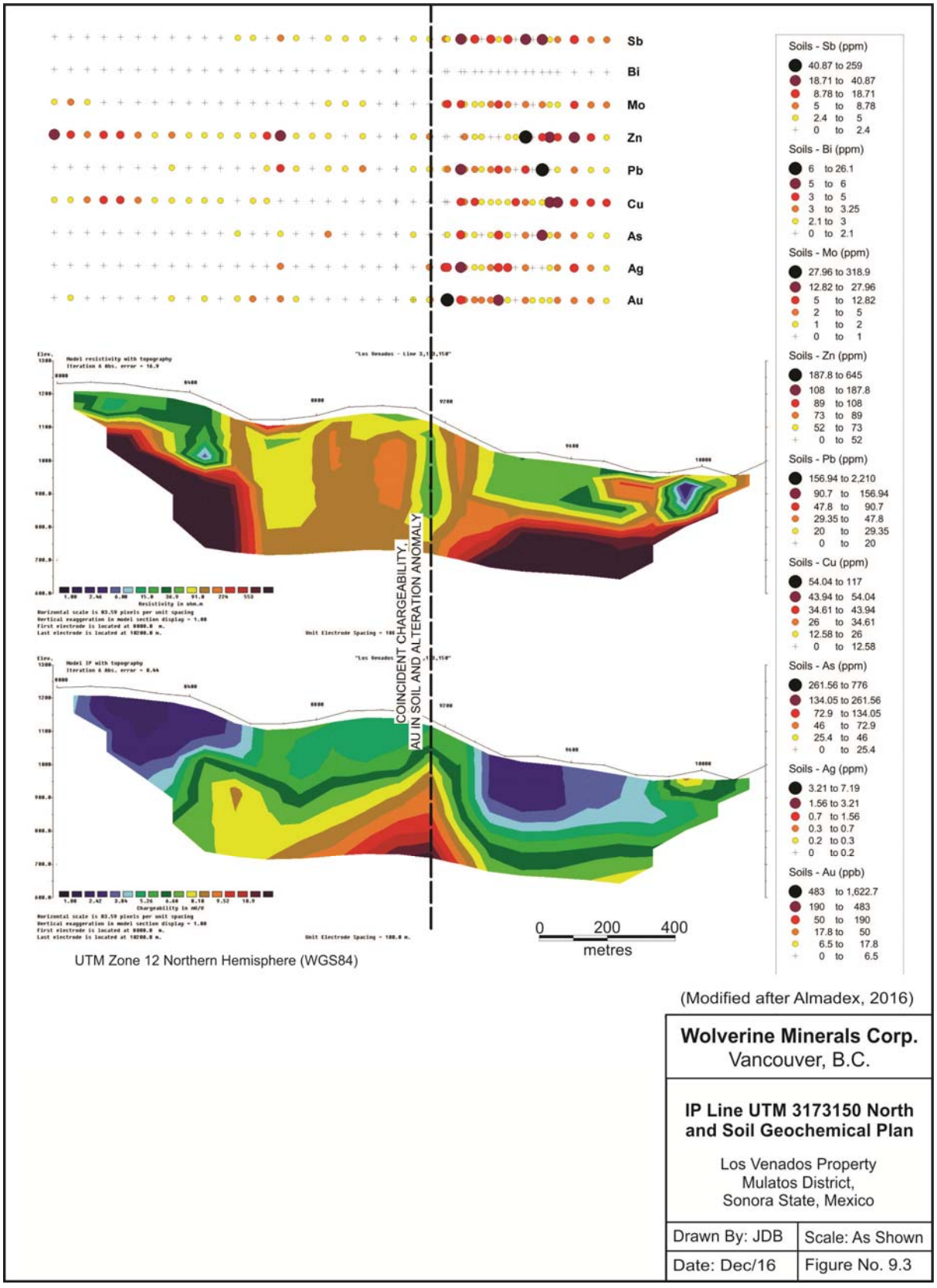

718,000 mE
718,500 mE
719,000 mE
719,500 mE
720,000 mE
3,176,000 mN
3,175,500 mN
3,175,000 mN
3,174,500 mN
3,174,000 mN
3,173,500 mN
3,173,000 mN
3,172,500 mN
N
LEGEND
Altered
Vein
Hydrothermal Breccia
Silica Breccia
Conglomerate
Vesicular Basalt
Ryolitic Tuff
Dacitic Tuff
Andesite
Stream - Au (ppb)
118.4 to 147
50 to 118.4
22.7 to 50
9 to 22.7
5 to 9
0 to 5
Rocks - Au (ppb)
3,648 to 102,000
842 to 3,648
121.8 to 842
38 to 121.8
7 to 38
0 to 7
Soils - Au (ppb)
574.8 to 1,622.7
221.4 to 574.8
58.1 to 221.4
21 to 58.1
8 to 21
0 to 8
(Modified after Almadex, 2016)
0 250 500
metres
UTM Zone 12
Northern Hemisphere (WGS84)
Wolverine Minerals Corp.
Vancouver, B.C.
Soil, Rock and Stream Geochemical, Geological and ASTER (Hyd-Kao-Alu) Plan
Los Venados Property
Mulatos District,
Sonora State, Mexico
Drawn By: JDB
Scale: As Shown
Date: Dec/16
Figure No. 9.2

**Figure 9.2: Soil, Rock and Stream Geochemical, Geological and Aster**




(Modified after Almadex, 2016)

**Wolverine Minerals Corp.**
Vancouver, B.C.

**IP Line UTM 3173150 North and Soil Geochemical Plan**

Los Venados Property
Mulatos District,
Sonora State, Mexico

| | |
|---|---|
| Drawn By: JDB | Scale: As Shown |
| Date: Dec/16 | Figure No. 9.3 |

**Figure 9.3: IP Line UTM 3173150 North and Soil Geochemical Plan**

## 10.0 DRILLING

There has been no current drilling on the Los Venados property

# 11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

## 11.1 Cangold, Pembrook 2007 to 2013

There is no description of the sampling procedures utilized by Cangold or Pembrook during their geochemical sampling work on the Property.

## 11.2 2016 Verification Sampling Preparation

The 2016 verification samples were collected by the author as chip channel samples during the two traverses across the property. These samples were described, bagged, labelled and sealed with one-use ties when they were collected. The bagged shipment of samples was personally delivered by the author to the ALS Global preparation laboratory ('ALS') in Hermosillo maintaining chain of custody of the samples from their collection locations to ALS. After preparation pulps of these samples were air-shipped directly to the ALS Global assay laboratory in North Vancouver, B.C. for analysis.

The ALS Global Hermosillo and Vancouver facilities are ISO 9001/2008 registered laboratories. Sample preparation started with crushing where the sample was crushed to 70% less than 2 mm then riffle split off 250 g and pulverize the split to 85% passing 75 microns. Samples were analyzed for gold by fire assay followed by atomic absorption spectroscopic (AAS) finish. Silver, copper, molybdenum, lead and zinc, with 30 other elements, were analysed by inductively coupled plasma-atomic emission spectrometry (ICP-AES) following aqua regia (partial) dissolution of each pulp.

The author included quality control samples with the verification samples. Two quality control - quality assurance samples were also included with the verification sample submittal. None of the QA/QC samples returned failed analytical results.

The author believes the sample handling, preparation and analyses of these verification samples was adequate for this stage of exploration on the Los Venados property.

Wolverine has no relationship with ALS other than the procurement of analytical services.

# 12.0 DATA VERIFICATION

## 12.1 Verification Sampling Results

The verification sampling, supervised by the author, was part of Wolverine's due diligence in support of the option to purchase the Property. The author is of the opinion that the data is adequate for the purposes used in this technical report. The author's verification sample results have been tabulated in Table 12.1. Sample locations are shown in Figure 12.1 and examples of sample locations are shown in Photographs 12.1 and 12.2.

Data verifications for the report included examination and sampling of the mineral showings on the property, review of technical publications for the area, technical reports from the operating mines in the area, and checking the Mexican Government web page of the public registry to confirm title to the concessions. The author believes that these data verifications are sufficient for this exploration-stage project.

The samples taken by the author are highly anomalous in gold with the highest grade sample, 2387, collected from the known gold surface geochemical anomaly shown in Sections 6 and 9 of this report.

**Table 12.1: Verification Samples from Los Venados**

| Sample | Au ppm | Ag ppm | Cu ppm | Width (m) | Description |
|---|---|---|---|---|---|
| 2379 | 0.060 | 0.5 | 6 | grab | Silicified Breccia |
| 2380 | <0.005 | <0.2 | 5 | grab | Silicified outcrop with vuggs |
| 2381 | <0.005 | <0.2 | 24 | 0.50 | Altered volcanics with bedding, hematite stain |
| 2382 | 0.009 | 0.5 | 38 | 1.00 | Altered volcanics with bedding, hematite stain |
| 2383 | 0.014 | 2.6 | 19 | 1.00 | Altered volcanics with bedding, hematite stain |
| 2384 | 0.005 | <0.2 | 21 | 1.00 | Altered volcanics with bedding, hematite stain |
| 2385 | 0.039 | 2.5 | 26 | 0.40 | Altered volcanics, silicified, hematite |
| 2386 | 0.024 | 3.1 | 1 | 0.50 | Argillicly altered volcanics with Mn |
| 2387 | 0.058 | 0.5 | 12 | 0.80 | Altered volcanics with hematite stain |

**Photograph No. 12.1: Sample 2385, Silicified volcanics with hematite**

**Photograph No. 12.2: Sample 2387, Silicified volcanics with hematite**

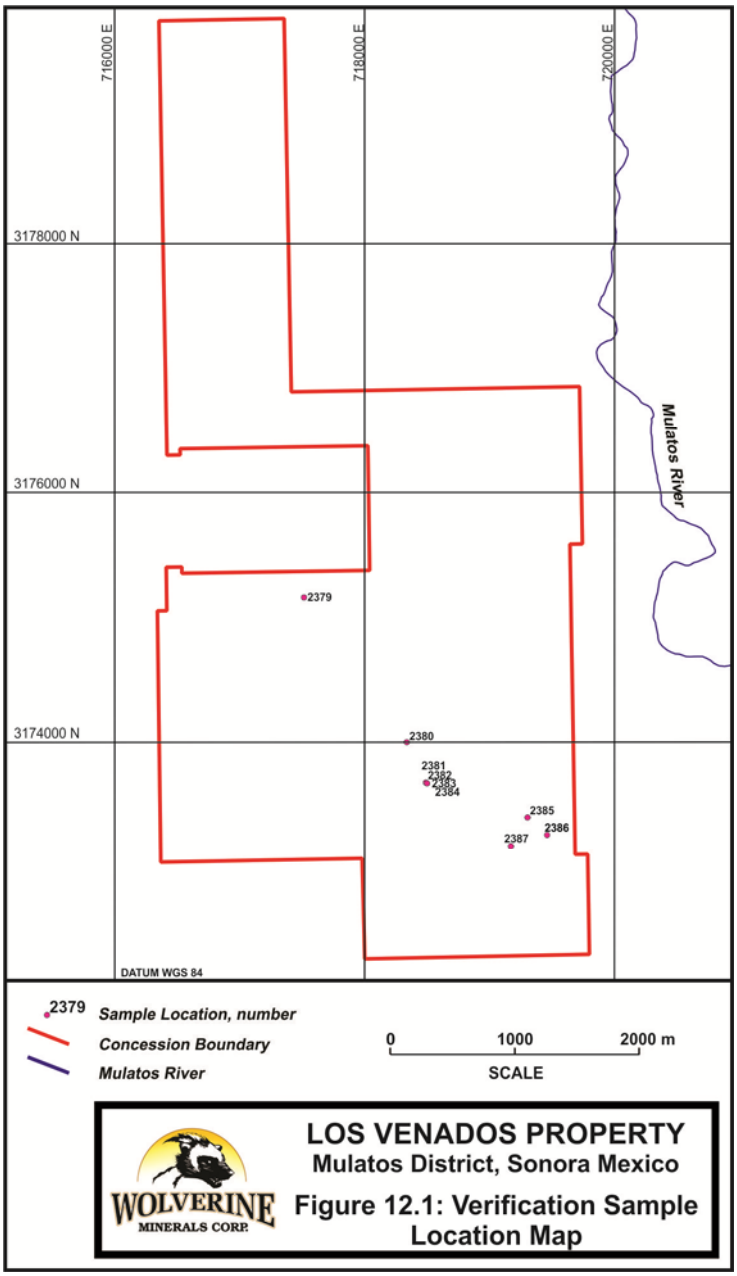



**Figure 12.1: Verification Sample Locations**

## 13.0 MINERAL PROCESSING and METALLURGICAL TESTING

There are currently no metallurgical studies for this property.

# 14.0 MINERAL RESOURCE ESTIMATES

There are currently no mineral resource estimates for the subject property.

# 23.0 ADJACENT PROPERTIES

The Sahuaripa municipality has two mining operations that are close to the Los Venados property. The most noteworthy properties within 10 km (6 miles) that meet the criteria defined in NI43-101, Section 1.1 are as follows:

- The Estrella Pit of the Mulatos mine is one kilometre southeast from the southeast corner of the concession. The mine has published a NI43-101 with a measured and indicated resource of 116,147,000 tonnes grading 1.08 g/t Au at a 0.5 g/t Au cut-off (Keane *et al.*, 2012); and
- La India mine is located 10 km WNW of the property and has published a NI43-101 with a measured and indicated resource of 27,243,000 tonnes grading 0.5 g/t Au at a 0.2 g/t cut-off (Doucet *et al.*, 2012).

These examples are both high sulphidation system gold deposits. The geological and structural settings, and alteration patterns and mineralogy observed during the preliminary exploration work indicate high sulphidation epithermal mineralization may also exist on the Property.

The author has been unable to verify the information on the Mulatos and La India mines and that the information may not be indicative of the mineralization on the Property.

## 24.0 OTHER RELEVANT DATA and INFORMATION

To the author's best knowledge, all the relevant data and information on the Property has been provided in the preceding text.

# 25.0 INTERPRETATION and CONCLUSIONS

Current and historic exploration on the Los Venados property has identified alteration zones with anomalous gold values. These alteration zones are in two main areas of the property and of two types. The northern part of the Property was explored for epithermal style vuggy quartz veins and returned high-grade results from rock samples. These samples returned gold values from below detection limit to 102 g/t gold. The highest values came from quartz veins in the area of the Pembrook drilling. The area of veining is extensive and indicates, possibly, a large mineralizing system in the area. However, due to the structural and stratigraphic complexity of the area, drill results proved inconclusive.

The second area of the Property with alteration zones and anomalous gold values is in the south where rock, soil and stream sediment sampling returned anomalous gold values. These alteration zones on the eastern side of the property display silicification and argillization of a style characteristic of high sulphidation epithermal systems. Soil sampling in this area returned values up to 1.42 g/t gold.

Four lines of Induced Polarization geophysical survey were taken over the area of the soil, rock geochemical and alteration anomalies in the southern part of the Property. The geophysics returned anomalous results coincident with these anomalies on Line 3173150 N.

It is the author's opinion that there are three obvious target areas for near-term exploration, including (see Figure 24.1):

1) The area with anomalously high gold-in-soil and gold-in-rock geochemical samples coincident with aster, IP and intense high sulphidation-type alteration within and peripheral to the area located at UTM 3173,000 m to 3173500 m North by 719,000 m East to the eastern property boundary;

2) The area trending to the northwest from 719,000 to 718,000 East along the trend of scattered aster and anomalous gold-in-soil samples. The northwesterly trend of anomalously high gold-in-soil geochemistry may be reflecting a similarly oriented structural trend hosting buried precious metal mineralization; and

3) The northerly trend of low to high aster values reflecting high to intense high sulphidation-type alteration with scattered gold-in-soil values. This area has not received reconnaissance geophysical surveying and little geological mapping.

Mineral exploration by its nature has attendant risks and uncertainties from the discovery stage through to advanced mine development. For this reason, it is incumbent that the Company minimize the uncertainties and financial risks involved in possible advanced exploration work by first evaluating the exploration potential of the known targets on the Property. It is the author's opinion that the Los Venados property has good exploration potential for discovering precious metal mineralization associated with one or more, high sulphidation epithermal systems and further work is warranted.

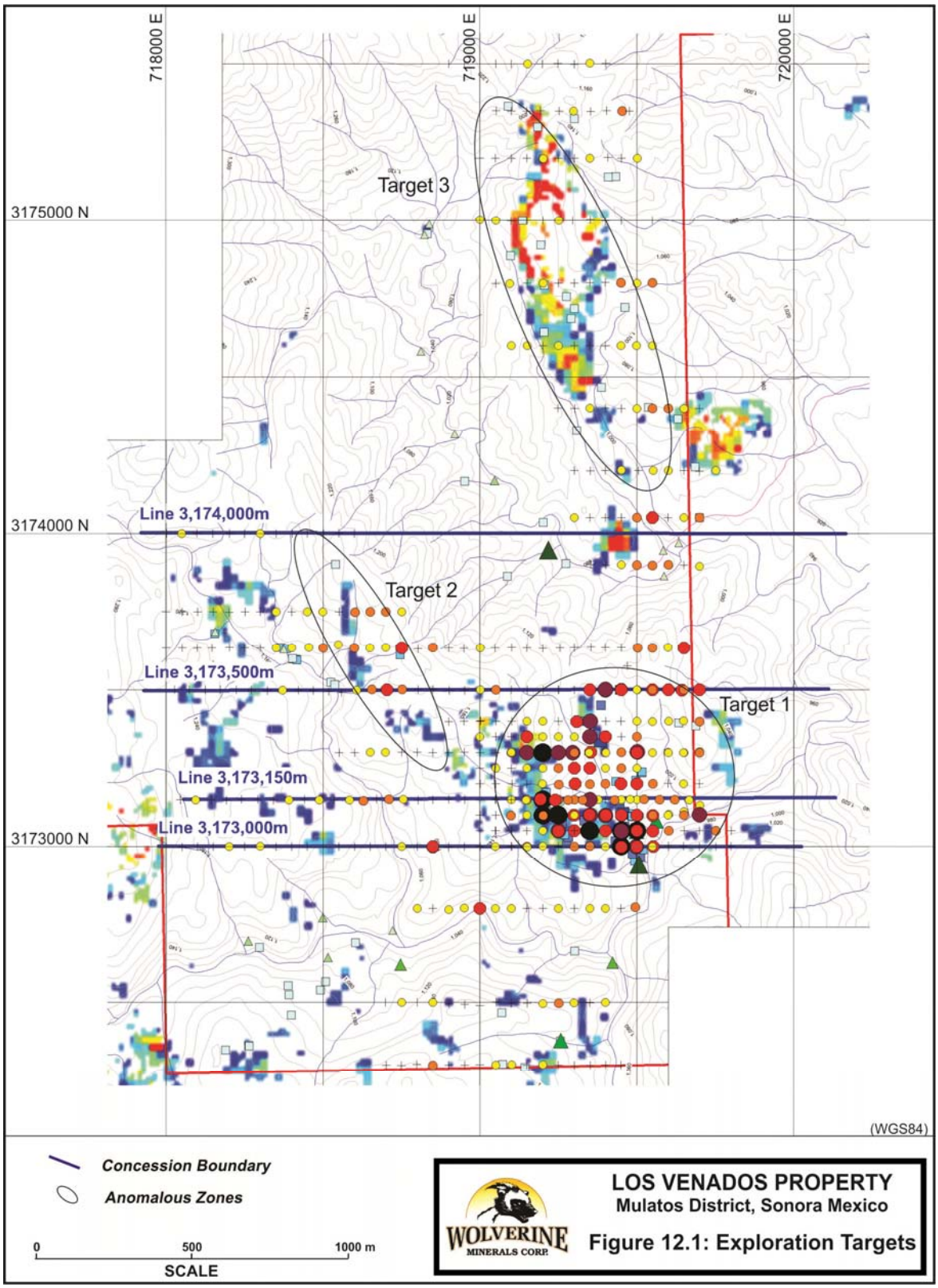



**Figure 24.1: Exploration Targets**

# 26.0 RECOMMENDATIONS

Given that the Property has good exploration potential and its continued assessment is justified, a two-phase exploration program is recommended to evaluate its potential for possible bulk-tonnage precious metal mineralization. A detailed description of a recommended exploration program follows.

## Phase I

Property-wide prospecting with rock geochemical sampling should be carried out with detailed geological and structural mapping of the three known target areas. Fill-in IP surveying and extended soil sampling should also be carried out over these three target areas during the detailed geological mapping work.

Prior to any further exploration work that may result in surficial disturbance, it is recommended that a qualified environmental consultant be retained to establish an environmental baseline for the local water quality, flora and fauna.

## Phase II

Pending a thorough review of the Phase I results, any indicated precious metal mineralization and/or favourable buried exploration target should be tested with diamond drilling from the pre-approved drilling pads. If more than twelve pads are required to carry out this drilling, both the local ranchers and the Sonora State governmental agencies should be contacted for further drill site permitting. The locations for these drill pads will be determined after a thorough review of all recent and current geological, geochemical and geophysical results.

A small diamond drilling rig capable of being manually moved is recommended for the initial drilling program. Such a drill rig would eliminate the excavation of drilling access roads within the ranch lands until the source for the anomalous gold-in-soil and -rock geochemistry can be determined. All drill cores should be thoroughly logged, and core samples should be properly analysed and subjected to industry-standard quality control and quality assurance procedures. There are several drilling contractors based locally and in Hermosillo that are capable of conducting such drilling.

Furthermore, several drill sample rejects should be submitted for preliminary metallurgical testing to determine possible gold recoveries and processing methods.

Following the Phase II work, the results should be thoroughly reviewed and a 43-101 technical report prepared documenting this exploration work for corporate, annual, governmental, and investor relations reporting purposes. In addition, the local surface rights owners should be contacted and updated with the exploration results and the Company's plans for possible future exploration work.

## 26.1 Proposed Exploration Budget

The recommended exploration and work programs for the Los Venados Property are as follows:

**Phase I CAD$200,000**

- Structural and geological mapping with and prospecting: $40,000
  Detailed structural mapping and sampling to identify additional alteration zones on the Property.
- Geophysics - Induced Polarization survey with soils sampling: $67,000
  Fill-in IP survey and extended soil sampling to define altered zones of interest.
- Camp: $13,500
  Rental accommodations in Matarachi including cook.
- Analyses and QA/QC: $25,000
  Assays and QA/QC materials
- Truck Rental: $6,000
  Truck rental including fuel
- Miscellaneous: $500
  Lumber, samples bags, flagging, etc.
- Environmental Baseline Study: $15,000
  Bottle roll tests
- Documentation: $15,000
  Interim exploration report
- Contingency: $18,000
  ~ 10%

The Phase II program is contingent on positive results from the Phase I program and following a thorough compilation and review by a qualified person the following Phase II program is recommended.

**Phase II CAD$582,000**

- 2,500 m of diamond drilling: $375,000
  Ten holes from six platforms of all in diamond drilling including moves, additives and core boxes.
- Geologists, core splitters and assistants: $53,500
  60 days on site
- Down hole survey tool: $5,000
  $2,500 per month rental
- Camp: $19,000
  Rental accommodations in Matarachi including cook.
- Analyses and QA/QC: $22,000
  Assays and QA/QC materials
- Truck Rental: $8,000
  Truck rental including fuel
- Miscellaneous: $1,500
  Lumber, samples bags, flagging, etc.
- Metallurgical Testing: $25,000

Bottle roll tests

- NI 43-101 Technical Report with resource estimate: $20,000
  Technical report
- Contingency: $53,000
  ~ 10%

Phase I Total: CAD$200,000
Phase II Total: CAD$582,000

Program Total: CAD$782,000

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