Technical Report
Manto Negro Property
Coahuila State, Mexico

Submitted to:
Prize Mining Corporation

Project Number: 1050-1

Report Date:	Effective Date:
March 26, 2018	March 14, 2018

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CERTIFICATE OF QUALIFICATIONS

I, Derek J. Loveday, P.Geo., of Salt Lake City, Utah, do hereby certify that:

1. I am currently employed as a Project Manager by Norwest Corporation, 57 West 200 South, Suite 500, Salt Lake City, Utah 84101 USA.
2. I graduated with a Bachelor of Science Honours Degree in Geology from Rhodes University, Grahamstown, South Africa in 1992.
3. I am a licensed Professional Geoscientist in the Province of Alberta, Canada, #159394. I am registered with the South African Council for Natural Scientific Professions (SACNASP) as a Geological Scientist #400022/03.
4. I have worked as a geologist for a total of twenty-four years since my graduation from university, both for mining and exploration companies and as a consultant specializing in resource evaluation for precious metals and industrial minerals. I have many years' experience in the base metals and precious metals mining and exploration industry from mine site grade control and structural mapping to modeling and evaluation of polymetallic deposits in North America and Africa. I recently completed an exploration drill project for stratabound copper-silver deposits in the United States.
5. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
6. I am responsible for preparation of portions of Section 1, Sections 2, 3, 5, 7, 8, 9, 10, 11, Sections 13 through 26 and portions of Sections 27 and 28, of the technical report titled "Technical Report Manto Negro Property, Coahuila State, Mexico" dated March 26, 2017, with an effective date of March 14, 2017.
7. I have had no prior involvement with the Manto Negro project that is subject to this Report.
8. I personally inspected the Property between February 19, 2018 and February 21, 2018.
9. As at the effective date of the Technical Report, to the best of my knowledge, information and belief, the parts of the Technical Report for which I am responsible contain all scientific and technical information that is required to be disclosed to make the parts of the Technical Report for which I am responsible not misleading.
10. I am independent of the issuer and the vendor of Prize Mining Corporation applying all of the tests in Section 1.5 of NI 43-101.
11. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Report, the omission to disclose which makes the Report misleading.

12. I have read NI 43-101 and the parts of the Technical Report for which I am responsible have been prepared in compliance with NI 43-101.

Dated March 26, 2018

“Original Signed and Sealed By Author”

____

Derek J. Loveday, P.Geo
Project Manager, Norwest Corporation

CERTIFICATE OF QUALIFICATIONS

I, William Allan Turner, P. Geol., do hereby certify that:

1. I am currently employed as Manager, Geology by Norwest Corporation, Suite 1900, 555 – 4th Avenue S.W., Calgary, Alberta, Canada T2P 3E7.
2. I graduated with a Bachelor of Science degree from the University of Alberta in 1995, and a Master of Science degree from the University of Alberta in 2000.
3. I am a member in-good-standing of the Association of Professional Engineers, Geoscientists of Alberta (Member 58136), a member in-good-standing of the Association of Professional Engineers, Geologists and Geophysicists of Saskatchewan (Member 15364), and a member in-good-standing of the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (Member L3656).
4. I have over 22 years of experience in the field of geology since graduating from my undergraduate degree. My thesis-based M.Sc. degree focussed on assessing the geology and geochemisty associated with precious metal vein-hosted deposits in Nunavut, Canada. Results from this study were published in Mineralium Deposita and Canadian Journal of Earth Sciences. Following completion of this degree, I have an additional nine years of exploration and scientific assessment of base and precious metal-bearing deposits that dominantly include stratabound, vein-hosted, and shear-hosted base metal and precious metal deposits. I recently completed an exploration drill project for stratabound copper-silver deposits in the United States.
5. I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101), and past relevant work experience, I meet the requirements to be a “qualified person” for the purposes of NI 43-101.
6. I am responsible for preparation of portions of Section 1, Sections 4, 6, and 12, and portions of Sections 27 and 28, of the technical report titled “Technical Report Manto Negro Property, Coahuila State, Mexico” dated March 26, 2017, with an effective date of March 14, 2017.
7. I have had no prior involvement with the Manto Negro Project that is subject to this Report.
8. I personally inspected the Property between February 19, 2018 and February 21, 2018.
9. At the effective date of the Technical Report, 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.
10. I am independent of the issuer and the vendor of Prize Mining Corporation applying all of the tests in Section 1.5 of NI 43-101.
11. I am not aware of any material fact or material change with respect to the subject matter of

the Technical Report that is not reflected in the Report, the omission to disclose which makes the Report misleading.

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

Dated March 26, 2018

"Original Signed and Sealed By Author"

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William Allan Turner, P. Geol.
Senior Geologist

NORWEST CORPORATION

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1 SUMMARY

1.1 Introduction

Norwest Corporation ("Norwest") was commissioned by Prize Mining Corporation ("Prize") to prepare this Technical Report concerning the Manto Negro Property in Coahuilla, Mexico (the "Property"). Prize is a publicly-traded mineral exploration company listed on the Toronto Venture Exchange (TSX-V:PRZ). Prize completed acquisition of the Property in December 2017 (news release dated December 7, 2017).

This Technical Report includes a review of the regional and local geology, mineralization types and grades, exploration history and results, overall mineral potential and recommendations for further work. The report does not include any estimate of mineral resources nor reserves. The authors, William Allan Turner, P.Geol., and Derek Loveday, P.Geo., visited the Property from February 19-21, 2018. They collected nine chip and grab samples, verified the locations of mineral showings and workings, and generally reviewed the geology and situation of the Property.

The effective date of this report is March 14, 2018.

1.2 Property Description

The Property is situated in the State of Coahuila de Zaragoza ("Coahuila"), Mexico. The northwest edge of the concessions are 38 km by road south of Cuatro Ciénegas municipality. The Coahuila state capital is Saltillo, which is 280 km by road to the south. The Property comprises seven concessions in four separate claim blocks, which together total an area of 17,659 ha. The concession blocks are named Don Indio, Granizo, Adriana, and Madero; these concession blocks are located within a northwest trending area about 10 km NE-SW by 40 km NW-SE. The Madero concession block includes only a single Prize-controlled concession called Apache 4 that surrounds several smaller concessions that are not controlled by Prize.

The Property is arrayed around the north to northwest-trending Valle del Jabali, a 5-10 km wide intermontane valley with a gentle southeasterly drainage. The Sierra El Granizo bounds the west side of the valley, while the Sierra San Marcos y Pinos lies to the east. Desert vegetation in the valley is dominated by shrubs and succulents with surrounding mountain ridges having sparse high desert vegetation.

The Property is accessible by Federal Highway 30 from Monclova to the town of Cuatro Ciénegas. From Cuatro Ciénegas, the Property is accessed by driving southwest on Highway 30 for 38 km, then by a well-maintained gravel road that runs along the Valle del Jabali. Dirt tracks exiting the gravel road provide access to most of the known mineral occurrences. The region is sparsely populated and the nearest town, Cuatro Ciénegas is dominantly an agricultural centre but supports small-scale mining and exploration. The climate in the Project area is classified as mid-latitude desert.

1.3 Land Tenure

Table 1.1 lists the concessions and their associated attributes that comprise the Property. The Authors have relied on the legal opinion of lawyers Hugo Quintanilla and Associates, in correspondence dated 17 Nov 2017 and supplied by Prize (Quintanilla and Associates, 2017), as to the validity of the concessions and Prize's right of ownership. The Authors have not independently verified Prize's title to the concessions through Mexican government authorities.

The Apache 4 concession listed in Table 1.1 surrounds seven smaller concessions that are not part of the subject Property. These concessions are, from north to south: Martha E, El Jabali, El Jabali 2, San Antonio, Apache 14, El Ojito and El Ojito E, as illustrated on Figure 1-1. The exploration history and results from some of these smaller concessions areas are available in the public domain and are of material importance in the understanding of the copper mineralization on the Property.

Table 1.1
Mineral Tenures Manto Negro Property

Concession Name	Concession Number	Concession Area (ha)	Year of Issue
100% interest			
Don Indio	215002	2,947	2002
El Granizo	217734	36	2003
El Granizo 1	220138	36	2004
El Granizo 3	232918	187	2008
Adrianna	229318	100	2007
Adriana 2	229639	100	2007
Apache 4	229092	14,253	2007
Total Area	---	**17,659**	---

1.4 History

Early exploration and production of copper in the Cuatro Ciénegas region occurred between 1900 and 1950. These activities were carried out by artisanal miners, as is evidenced by the existence of numerous pits and abandoned small and medium-scale workings within and surrounding the Property. The artisanal mining was poorly organized and lacked systematic methods for both exploration and exploitation. However, the extent of some of the underground workings, including stopes, suggests that some production was attained from prospects on the Don Indio concession block. There are no records of production for this work. It is apparent that the oxidized ores were dominantly exploited.

Exploration history after the 1950 artisanal mining period is summarized in Table 1.2 below.

Table 1.2
Summary of Historic Exploration Work by Year and Concession Block
Italicized entries are for exploration work close to, but largely outside the current Property boundaries

Year	Operator	Concession Block	Work
unknown	unknown	Adriana	Mechanical excavations
unknown	unknown	Granizo	Mechanical excavations
1968-75	unknown	Granizo	Small-scale mining and crushing up of 2-7% Cu ore; cumulative production about 100 tonnes of 70-75% Cu metal
1995	*Noranda*	*West of Granizo*	*at least one hole CC-95-01*
1995	BHP	Granizo	Eight RC drill holes, 76 samples
2011	Santa Fe/ Coronado	Granizo	Bench-scale column and bottle-roll leach tests; specific gravity measurements
2011	Santa Fe/ Coronado	Granizo	SEMARNAT approves heap-leach operation. Certificate is good for 15 years. Planned 1,000 tonne per day leach operation. No resource estimate, no feasibility study filed
ca.1900-1950	Unknown (artisanal and small miners)	Don Indio	Pits, underground workings (on multiple levels) at least at: San Marcos West, La Abandonada (El Rincon), La Encalmada and Pilar Grande
1994-96	Noranda	Don Indio	Mapping, sampling (1289 samples not all from the current Property), trenching, two drill holes from underground workings, totaling 180 m
1999	Stratabound	Don Indio	Mapping and sampling, surface and underground (278 samples)
2008-2011	Santa Fe/ Coronado	Don Indio	Sampling, mapping (452 samples); 19 select samples by Goo (2008), 5 samples by Bersch (2008)
2011	Santa Fe/ Coronado	Don Indio	Sampling Pilar Grande (126 samples)
1995-98	*BHP*	*Madero (San Antonio)*	*10 RC holes, 3 diamond drill core holes*
2011	*Molycomex*	*Madero*	*Access roads, trenching, sampling (471 samples), bench-scale leach tests, four diamond drill holes from surface, 123.15 m, 35 core samples.*

1.5 Geology

The Property is located within the Sierra Madre Oriental ("SMO") of Mexico, part of the North American Cordillera. The SMO in the vicinity of the Property comprises west and northwest-oriented mountain ranges uplifted during Laramide Orogeny of the North American Plate; with intervening Quaternary-filled intermontane basins (Padilla y Sánchez et al., 2013).

The Property is situated between the Coahuila Fold Belt to the north and the Coahuila Block to the south separated by the sinistral, transcurrent range-front fault named the San Marcos Fault (Charleston, 1981). The San Marcos Fault is one of a number of major sinistral transform faults thought to be related to the Triassic breakup of Pangea and rift opening of the ancestral Gulf of Mexico (Anderson et al., 1983; Chavez Cabello et al., 2005).

The surface geology of the Property as illustrated in Figure 1-2 is dominated by the Laramide-aged Jabali anticline. The Jabali anticline is breached and plunging to the N and NW. The limbs of the fold are marked by resistant, cliff-forming limestones of the Middle Cretaceous Cupido and Aurora formations, which form the spines of the Sierra San Marcos y Pinos on the northeast, and the Sierra El Granizo on the southwest (Figure 1-2). The central Valle del Jabali runs along the breached crest of the anticline. Sierra San Marcos is formed by a generally uniform monocline of NE to north-dipping rocks; while the Sierra El Granizo is more structurally complex, with folding, back thrusts, and a fault mapped near the range crest which juxtaposes Acatita Formation over Trevino Formation.

The stratigraphic sequence on the Property, in summary, is as follows: the ranges are dominated by Middle and Upper Cretaceous limestones and lesser mudstones (Indidura, Trevino, Aurora-Acatita, La Peña, and Cupido formations); overlying a thick sequence of sandstones and minor conglomerates (San Marcos Formation). The San Marcos Formation is an approximately 1,000 m thick sequence of alluvially-derived, at least partly subaerial redbeds. Carbonaceous beds are reported to lie near the top of the unit, at its contact with Cupido Formation. The Cretaceous rocks lie above a poorly exposed sequence of Jurassic siliciclastic rocks including more redbeds (La Casita Formation and equivalents), and Permian (or possibly Triassic as mapped by Chávez-Cabello et al., 2005) granitoid rocks. All units are intruded by Tertiary andesitic dykes which outcrop sparsely on the Property. The valley slopes and floor are dominated by unconsolidated to weakly consolidated colluvium and alluvial deposits.

1.6 Mineralization

The Property hosts stratabound/stratiform sediment-hosted Cu-Ag mineralization as well as Pb-Ag-Zn-Cu that is not the focus of this Technical Report. Figure 1-2 shows locations of the mineralized occurrences. The Cu-Ag occurrences are typically proximal to the contact of the San Marcos Formation redbeds with the overlying Cupido Formation. Several exposures of mineralization have been identified at numerous locations around the Valle del Jabali, where the San Marcos – Cupido contact has been mapped near the bases of the cliffs of the sierras San

Marcos y Pinos and El Granizo. Figure 1-3 shows a schematic interpretive cross section of the units that host the mineralization on the Property.

Mineralization occurs in generally decimeter-scale beds over 1 m to 23 m thick concordant layers, referred to informally as “mantos”. Mineralization is marked at surface and shallow underground workings by the conspicuous copper carbonate minerals malachite and lesser azurite, and chrysocolla (a copper silicate). Identified sulphide minerals include: chalcocite, galena, tetrahedrite, tennantite, argentite-acanthite, and covellite; and secondary minerals such as: native copper, chalcanthite, cuprite, tenorite, caledonite, mimetite, linarite, anglesite, cerussite and plumbojarosite have also been identified.

Mineralization has also been observed in cross-cutting veins and replacement bodies (cm to m scale), and these are generally less oxidized and supergene-altered than the mantos (Wunder, 1995; Morton and Brown, 2013).

1.7 Exploration

Prize conducted a resampling program in December 2017. According to a news releases dated February 28 and March 14, 2018, a total of 52 (including blanks and duplicates) were collected over 8 channels, 2 panels and 5 separate samples ranging from 0.25 m to 8.9 m in width through level 3, 4 and 4A at the Pilar Grande Mine. In addition, 20 samples (including 1 blank) were collected over 2 vertical channels at the Manto Negro Pit. Available composite sample results from the Manto Negro and Pilar Grande resampling program are provided in Table 1.3 below. The individual sample results used to derive the composite grades outlined in Table 1.3 can be viewed in Section 9 of the report as well as results from four other chip samples taken at significant outcrops on the Property.

Table 1.3
2017 Prize Sampling Composite Results

Concession Block	Location	Channel No. Composite	No. Samples	Weighted Average		Channel/Panel Width (m)
				Ag g/t	Cu %	
Granizo	Manto Negro	Channel 1	13	36	1.65	7.00
		Channel 2	6	40	1.78	5.20
Don Indio	Pilar Grande	Channel 1	3	332	1.73	1.35
		Channel 2	3	275	3.05	1.85
		Channel 3	7	212	2.61	7.00
		Channel 4	4	86	1.14	1.40
		Channel 5	2	252	2.10	1.25
		Channel 6	3	110	1.80	2.25
		Sample 1	1	214	3.69	1.05
		Sample 2	1	65	1.56	0.50
		Sample 3	1	321	6.33	0.60
		Panel 1	1	218	3.58	0.5x0.95
		Sample 4	1	364	5.53	0.30
		Sample 5	1	192	3.31	0.95
		Panel 2	1	172	6.18	0.3x0.45
		Channel 7	13	138	2.22	8.90
		Channel 8	6	198	2.90	4.00

The chip samples were collected using standard industry practice ensuring that the channel chip samples were cut perpendicular to strike and dip of the observed mineralization. For QA/QC, two each of blanks and duplicates were included in the Pilar Grande samples, and one blank with the Manto Negro samples. The two duplicate pairs collected at Pilar Grande (DI-21, 22 and DI42, 43) yielded good agreement on Cu analyses (35700 and 36700 ppm; and 31500 and 33200 ppm) respectively. Sample preparation took place at the ALS facility in Guadalajara, Mexico then shipped to the ALS facility in North Vancouver, British Columbia, Canada for analysis. The majority of the samples were analyzed using ICP-AES method.

1.8 Data Verification

Norwest's Qualified Persons visited the Property between February 19 and 21, 2018 and inspected all the concessions held by Prize, which are shown in Table 1.1. The sampling associated with the trenching, completed by Prize Mining as outlined in Section 9, was reviewed.

Chip and grab samples were collected from many of the occurrences, the locations of which are shown in Table 1.4, so that an independent assessment of the grades could be completed. The suite of samples was sent to SGS Mineral Services of Vancouver, British Columbia for analysis. Silver ore grade analyses were determined by fire assay and a gravimetric finish. Ore grade copper analyses were made using a sodium peroxide fusion, and ICP-AES, as well as bulk density immersion, for future conversion of the volumes to tonnage estimates.

Table 1.4
Location Verification

Area/Zone	Occurrence Name	Easting (UTM NAD 83)	Northing (UTM NAD 83)	UTM Zone	Date Visited
SAN ANTONIO	Buena Suerte	214732	2933547	14	2/19/2018
SAN ANTONIO	San Antonio	214375	2933890	14	2/19/2018
APACHE 4	Los Ojitos	211471	2938304	14	2/19/2018
EL JABALI 2	Las Juanitas	208419	2939115	14	2/19/2018
EL GRANIZO	Manto Negro	795092	2943171	13	2/20/2018
DON INDIO	Pilar Grande	787460	2959105	13	2/20/2018
DON INDIO	La Cuchilla	786901	2957907	13	2/21/2018
DON INDIO	Close to El Pilon	786576	2956903	13	2/21/2018
ADRIANA 2	Granizo	790751	2946639	13	2/21/2018

1.9 Mineral Processing and Metallurgical Testing

Bench scale leach tests were completed by Santa Fe in 2008 at Granizo and by Molycomex in 2012 in adjacent properties San Antonio-Buena Suerte.

At the request of Santa Fe, Professional Research Associates Ltd. (“PRA”) laboratories in Richmond, British Columbia, as reported in a news release dated October 16, 2008, tested a 150 kg “composite sample” by bottle roll and column leach tests. The tested material was collected from eight channel samples over approximately 100 m of the exposed mineralization at El Granizo concession (Manto Negro; Section 7.3.2). The average “head grade” determined by PRA was 1.7% Cu, of which 86% was determined to be leachable copper. Eight specific gravity (“SG”) determinations were performed by PRA using the waxed immersion method. The average SG was estimated to be 2.5 g/cm³.

Velázquez and Murillo (2012) of the Metallurgical Institute of the University of San Luis Potosi reported on acid leaching tests conducted for Molycomex. About 40 kg sample was supplied to the laboratory from the San Antonio-Buena Suerte occurrence. Sample material was ground to ¼” size and homogenized. Head grade was determined to be 1.85% Cu. A 30-kg sample fraction was tested in a leach column. The sample material was irrigated with acid and 93% Cu recovery was determined after 21 days, with the major part of Cu recovered (76%) by 15 days. The conclusion was that the material responded well to acid leaching, with good recoveries in a reasonable time frame. Further tests were recommended at coarser particle sizes as it would reduce crushing costs.

Acid consumption was calculated at 16.4 kg/tonne which was considered low due to the small amount of carbonate in the sample. It should be noted that acid consumption for the Santa Fe (2008) test is not known.

1.10 Mineral Resource Estimates

A mineral resource estimate has not been completed on the Property.

1.11 Interpretations and Conclusions

The Property contains the following key features that are associated with sediment-hosted copper (SHC) deposits that are outlined in the following points:

- Redbed Association: There is a thick sequence of underlying redbeds as the San Marcos Formation is a 1,000-m thick sequence of alluvial derived, at least partly subaerial sandstones and conglomerates;
- Chemical Trap: A Redox boundary occurred at the carbonaceous shaly beds at the top of San Marcos Formation, which acted as reductants and sites of copper deposition;
- Metal Source: Copper and silver may have been scavenged from the sediments associated with the San Marcos Formation and underlying Jurassic redbeds, as well as Permian or Triassic granitoids;
- Fluids to Transport Metals: Meteoric water and basinal fluids may have dissolved evaporites to form oxidized sulphate-bearing brines, which are capable of stripping and transporting metals;
- Fluid Pathways: Porous clastic beds and deep-seated faults provide the plumbing system required to bring the metal-bearing fluids to the locations where the metals are precipitated out of the system; and
- Hydrodynamics to Circulate Fluids: Meteoric and basinal fluids were driven by basin and range hydrodynamics, which may also have been aided by local elevated heat flow from the andesitic porphyry dykes and sills. The semi-restricted basin facilitated the recirculation of the fluids.

Following review of the available information, as well as observations that were made during the field visit, the Authors identified the following limitations associated with the previous exploration programs:

- **Resampling Programs:** As observed while completing underground mine tours of mines in the Don Indio Concession, exploration companies typically focused on known showings and mines. The work that was completed included mapping and resampling with only two drill holes for exploration. In the case of Pilar Grande, underground observations showed the existence of four generations of sampling programs following mining in the late 1940s.

- **Exploration along the Carbonate/Arkosic Sandstone Contact:** With exception of the systematic trenching conducted by Molycomex, limited continuous exploration appears to have been completed at the contact between the Cupido Formation carbonate hanging wall and the San Marcos Formation arkosic sandstone footwall. This was most notable in the Don Indio concession area, where areas between historic mine workings that were covered by colluvium showed limited to no evidence of exploration.

- **Structural and Stratigraphic Mapping:** With exception of a few select deposits, detailed structural mapping of the Property appears to have not been completed. As such, exploration targets appear to be restricted to areas with visible mineralization on surface. A regional approach to systematic depositional mapping has not been completed for the Property. As such, an understanding as to the subtleties associated with mineralized areas relative to unmineralized areas has not been completed. This is a critical component from an exploration standpoint, so that areas with higher prospectivity are targeted versus areas with limited opportunity for mineralization. Ultimately, locating the highest prospective depositional environments relative to the associated structure may assist with focusing drill programs.

- **Topographic Studies**: Light Detection and Ranging (LiDAR) surveys and a comprehensive review of air photographs have not been completed in the area to identify surface expressions of faults through subtle elevation differences, or visible stratigraphic offsets. Refinement of the topographic surface and review of air photographs is also necessary for the geological models.

- **Implementation of Geophysical Exploration Methods:** Geophysical surveys in the area are restricted to high-level government surveys. Targeted geophysics following specific testing of barren and mineralized host rocks, may be instrumental in identifying local structures that may have acted as fluid conduits and as well as areas with sulphide concentration.

- **Drilling:** Previous drilling programs completed by BHP and Molycomex focused on areas with easy access rather than resource delineation through applying a grid configuration. For example, the Authors observed at the San Antonio concession that drills were set up on areas with easy road access and collared in arkosic sandstone at or below the mineralization observed from nearby trench sampling. Based on this observation, the Authors believe that significant potential may have been missed by drilling the area that had already undergone erosion, as mineralization is also commonly observed in the hanging wall carbonate sequence.

The Authors believe that the lack of systematic exploration is largely due to limited financial capacity or interest by concerned companies in conducting a regional comprehensive study. The previous exploration philosophy was most likely to identify high grade deposits that could be rapidly exploited and produced for short-term profit.

The Authors observed during the site visit, key regional-scale mineralization features that support the interpretation that mineralization may exist at a much larger scale than from what has been discovered to date. The Authors propose that a large-scale exploration approach be taken to identify areas on the Property that contain currently unrecognized mineralization potential. Such an approach will also assist Prize with releasing low-potential ground, which will ultimately increase the working capital that the company needs to advance discoveries. Specific recommendations to enhance discoveries are addressed below.

1.12 Recommendations

The recommendations presented in this section adopt a large-scale exploration approach to identify areas on the Property that contain currently unrecognized mineralization potential. To accomplish this goal, two phases are outlined below.

Phase 1: Exploration Target Identification

- **Data Compilation:** Compilation of available geological data and laboratory certified assay data into a database.
- **Data Review and Geological Model Development:** Review of available datasets in Geographic Information System ("GIS") platform and geological modeling software. Such tools will, in addition to potentially providing initial resource volumes, highlight potential exploration targets to optimize resource delineation. If resource volumes can be determined at this point, then an updated Technical Report might be completed at this stage.
- **Topographic Survey:** LiDAR surveys and a comprehensive review of air photographs will assist with identifying surface expressions of faults through subtle elevation differences or visible stratigraphic offsets.

- **Structural, Stratigraphic, Sedimentological Mapping:** A regional approach to systematic mapping of the sedimentary environments / facies, and structure will significantly assist with understanding the subtleties associated with the mineralized areas relative to the unmineralized areas.

The estimated cost to complete Phase 1 are shown in Table 1.5.

Table 1.5
Phase 1 Exploration Target Identification Cost Estimate

Category	C$
Data Compilation	10,000
Data Review and Geological Model Development	35,000
Topographic Survey	35,000
Structural and Sedimentological Mapping	40,000
Total	**120,000**

Phase 2: Target Delineation, Resource Estimation, and Technical Report Update

Following completion of Phase 1, it is recommended that geophysics and drilling be conducted to further define the exploration targets.

- **Geophysical Exploration:** Following laboratory-based testing of barren and mineralized materials for properties such as density, chargeability, and resistivity, targeted geophysics may assist with identifying local structures that may have acted as fluid conduits and concentrated sulphide mineralization;

- **Drilling:** Following refinement of targets, diamond drilling will be required to test and/or further increase the level of assurance of the size and grade of any deposits. The estimated cost for the drilling program is dependent on the targets identified in Phase 1;

- **Geological Model Update, Resource Estimate, and Technical Report:** This stage would involve update of the geological model following the drilling and sampling campaign, revision of any resource estimate, followed by an update to the Technical Report.

2 INTRODUCTION

Norwest Corporation ("Norwest") was commissioned by Prize Mining Corporation ("Prize") to prepare this Technical Report concerning the Manto Negro Property in Coahuila, Mexico (the "Property"). Prize is a publicly-traded mineral exploration company listed on the Toronto Venture Exchange (TSX-V:PRZ). Prize completed acquisition of the Property in December 2017 (news release dated December 7, 2017).

This Technical Report includes a review of the regional and local geology, mineralization types and grades, exploration history and results, overall mineral potential and recommendations for further work. The report does not include any estimate of mineral resources nor reserves. The Authors have relied on published and unpublished reports, company filings and news releases available on-line from the System for Electronic Document Analysis and Retrieval (SEDAR; www.sedar.com), academic and government body reports and maps, materials supplied by Prize, and Molycomex S.A. de C.V. through the property vendors.

William Allan Turner, P.Geol., and Derek Loveday, P.Geo., visited the Property from February 19-21, 2018. They collected nine chip and grab samples, verified the locations of mineral showings and workings, and generally reviewed the geology and situation of the Property.

The effective date of this report is March 14, 2018.

The accuracy of information presented here is, in part, a function of the quality and quantity of available data and geological interpretation and judgment. Given the information available at the time this report was prepared, the conclusions and interpretations presented herein are considered reasonable. However, they should be accepted with the understanding that additional data and analysis that becomes available subsequent to the date of this report may necessitate revision. These revisions may be material.

3 RELIANCE ON OTHER EXPERTS

The Authors have relied on correspondence, supplied by Prize, from law firm Hugo Quintanilla and Associates; that gives legal opinion as to the title to mineral tenures as described in Section 4 (Quintanilla and Associates, 2017).

4 PROPERTY DESCRIPTION AND LOCATION

The Property is situated in the State of Coahuila de Zaragoza (“Coahuila”), Mexico, and is centered at approximately 26.64°N, 102.11°W; UTM coordinates 800,000E 2,950,000N (WGS 84 datum Zone 13N); as shown on Figure 4-1. The northwest edge of the concessions are 38 km by road south of Cuatro Ciénegas municipality. The Coahuila state capital is Saltillo, which is 280 km by road to the south.

The Property location is included in the Tanque Nuevo quadrangle (G13-B59) topographic map. The Property comprises seven concessions in four separate claim blocks, which together total an area of 17,659 ha. The concession blocks are named Don Indio, Granizo, Adriana, and Madero; these concession blocks are located within a northwest trending area about 10 km NE-SW by 40 km NW-SE, as shown on Figure 4-2. The concessions shapes and locations were largely taken from the official government web mapping interface (Cartografia Minera) provided by Sistema de Administracion Minera, or SIAM (http://www.cartografia.economia.gob.mx). The concession shapes and attribute data were further verified using the mining concession dataset that was provided by Sr. Rodolfo Aguirre who is a Certified Mining Engineer (Reg. 769-4) and completed the survey using control points.

Table 4.1 lists the concessions and their associated attributes that comprise the Property. The Authors have relied on the legal opinion of lawyers Hugo Quintanilla and Associates, in correspondence dated 17 Nov 2017 and supplied by Prize (Quintanilla and Associates, 2017), as to the validity of the concessions and Prize’s right of ownership. The Authors have not independently verified Prize’s title to the concessions through Mexican government authorities.

The Madero concession block surrounds seven smaller concessions that are not part of the subject Property. These concessions are, from north to south: Martha E, El Jabali, El Jabali 2, San Antonio, Apache 14, El Ojito and El Ojito E, as illustrated on Figure 4-2. The exploration history and results from some of these smaller concessions areas are available in the public domain and are of material importance in the understanding of the copper mineralization on the Property. Relevant information from one or more of these adjacent and surrounded properties can be found in sections 6, 7, 11, 12, 13 and 23 of the Technical Report.

Table 4.1
Mineral Tenures Manto Negro Property

Concession Name	Concession Number	Concession Area (ha)	Year of Issue
100% interest			
Don Indio	215002	2,947	2002
El Granizo	217734	36	2003
El Granizo 1	220138	36	2004
El Granizo 3	232918	187	2008
Adrianna	229318	100	2007
Adriana 2	229639	100	2007
Apache 4	229092	14,253	2007
Total Area	---	**17,659**	---

4.1 Property Acquisition

The following information is taken from documents supplied by Prize as well as a news release issued by Prize dated November 23, 2017.

Pursuant to a share purchase agreement dated November 22, 2017; Prize purchased all of the issued and outstanding shares of Scion Mines S.A. de C.V. (“Scion”) in consideration of the issuance by Prize of 6,000,000 common shares (the “Acquisition Shares”) in the share capital of Prize. Scion owns a 100% interest in the Property which consists of seven mining concessions located in the State of Coahuila, covering a total of 17,660 hectares. Scion was owned 50% by Sr. Raul Ramirez Morton and 50% by Sr. Jose Avina Parra. Scion acquired the concessions through non- arm’s length transfer of rights agreements dated 17 October 2017; with Molycomex S.A. de C.V. (“Molycomex”) for the Apache 4 concession and with Minera Coronado S.A. de C.V. (“Coronado”) for the other six concessions comprising the 100% owned concessions. In the legal opinion of Hugo Quintanilla and Associates lawyers, the concessions are not subject to any encumbrances and the titles are free and clear (Quintanilla and Associates, 2017).

The 6,000,000 Acquisition Shares of Prize were issued at a deemed price of $CDN 0.28 for an aggregate deemed value of $CDN 1,680,000. The shares are subject to contractual resale restrictions; which expire in respect of 10% of the shares on the closing date, and in respect of an additional 15% of the shares on each of the 6th, 12th, 18th, 24th, 30th, and 36th month anniversaries of the closing date.

Prize, as noted in their December 13, 2017 press release, had an aggregate of 59,416,868 common shares issued and outstanding.

4.2 Mineral Titles, Duties and Royalties in Mexico

Surface land rights in Mexico are held either by governments (Federal, Estate, Municipal), privately held, or communally held (Ejidos, Bienes Comunales). Through the Mexican Constitution, the Nation owns the minerals, but can grant rights of exploration and exploitation (concessions) to Mexican individuals, groups or companies. The Federal Government of Mexico regulates the mining industry through the Ministry of Economy, and in particular the General Bureau of Mining Regulation ("GBMR").

Concession contracts are granted by the GBMR and give the recipient the right to explore for, and to exploit, mineral resources within the associated tenure. Only Mexican companies or social entities (such as Ejidos) can hold concession contracts. However, foreign ownership of up to 100% through Mexican-registered subsidiaries is allowed.

As of April 2005, a single concession contract allows for both exploration and exploitation, as well as the sale of all minerals (excepting uranium) extracted from the associated tenure. A concession contract is valid for 50 years and can be extended provided a request is submitted within five years prior to the expiry date.

In order to keep the concessions valid, holders are required to perform exploration and exploitation work on the tenures; provide periodic reports evidencing exploration work performed; pay semi-annual mining duties ("Holding Duties") to the Mexican government, allow inspections by the Ministry of Economy, and comply with applicable safety and environmental regulations. The Holding Duties are based on the size of the concession and when it was registered; fees increase with the number of years a concession is held. In addition, concession holders that fail to perform exploration and/or exploitation work for two consecutive years during the first eleven years of the concession's life, are penalized an additional 50% on semi-annual mining duties. If such lapses occur after 11 years, the penalty is 100% of semi-annual fees.

According to Prize management, the semi-annual payments required to hold the Property are up to date as of the effective date of this report.

Effective in 2014, if and when a property reaches production, there is a 7.5% royalty fee on miner's profits (net profit) and an additional 0.5% fee on income generated by the sale of gold, silver or platinum. These royalty fees are discussed at the following link: http://www.internationaltaxreview.com/Article/3325223/Mexico-New-mining-and-environmental-royalties.html.

4.3 Environmental Considerations, Liabilities and Permitting

4.3.1 Protected Areas

North and northeast of the Property is a Federal Natural Resource and Forestry Protected Area (Área de Protección de Recursos Naturales y Forestales). The Area de Protección de Flora y Fauna de Cuatrociénegas is a Federal Natural Plant and Animal protected area surrounding rare desert wetlands, with stringent restrictions on land uses. The closest approach is 8 km northeast of the edge of Don Indio concession block, which is on the opposite slope of Sierra San Marcos y Pinos (Michoacán, 2010).

4.3.2 Exploration and Exploitation Permits

The following information was taken from International Comparative Legal Guides website (www. iclg.com, accessed 10 Feb 2018) and is believed to be substantially accurate. In order to begin mineral exploration, in addition to a concession being in place, an agreement must be registered with the surface title holder(s), as well as an Environmental Impact Manifest authorized by SEMARNAT. A Preventive Report must be filed that assures that exploration activities will comply with the government standards set out in 120-SEMARNAT-2010 that outline environmental protections to be put in force for exploration activities.

For the Property, rights contracts for surface use and exploitation of common use lands have been assigned to Scion. The original contracts for surface rights were executed between Molycomex and Common Lands (Ejidos) Estanque de Palomas and Los Cuates de Australia. Both Common Lands tracts are owned by the Municipality of Cuatro Ciénegas; the assignment of rights from Molycomex to Scion, grants Scion the 100% rights for the use of land within these Ejidos (Quintanilla and Associates, 2017).

According to Prize, the permits required for mineral exploration on the Property are currently in place (e.g., Environmental Impact Manifest and Preventive Report as mentioned above).

For mining activities, in addition to the above items being in place, permission is required to store, transport, and use explosives. If lands to be exploited are in a Federal Natural Resource and Forestry Protected area, then an authorization for Change of Use on Forest Lands ("CUSTF") is required. A water concession is needed for processing water use, and a discharge permit for water used in processing and then treated.

The operations (mining) stage requires an Environmental Impact Statement ("MIA") and a risk assessment; and operators are required to comply with various official government norms and standards ("NOM") for mining operations including heap leaching of copper oxide ores. Further operations-level permits include: registering as a Hazardous Waste Generator, registering an approved Hazardous Waste Management Plan, a Programme for the

Prevention of Accidents, Single Environmental License ("LAU"), Report on Releases and Transfers of Pollutants ("COA"), and to prove compliance with Emissions Standards NOM-043 and NOM-085.

A complete list of all the necessary permits required for mining operations is beyond the scope of this report.

4.3.3 Water Resources

The availability and quantity of water for exploration and mining on the Property has not been determined. Hydrogeological studies have been carried out in several basins in the Cuatro Ciénegas area (Morton and Brown, 2013). These indicate that the water table ranges in elevation from 680 m to 780 m above sea level, and that there is a regional aquifer in the Valle del Jabali, the central valley around which the Property concessions are arrayed (Instituto Mexicano de Tecnologia del Agua, 2005; Johannesson et al., 2004). However, publicly available hydrological information specific to this aquifer was not found. Standing water is present in the northwest part of the Property, suggesting that the water table is close to surface there. Additional research and a hydrogeological study of the Valle del Jabali may be required to evaluate the availability and quality of water in the area.

5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Topography, Elevation and Vegetation

The Don Indio, Adriana, Granizo and Madero concession blocks comprising the Property are arrayed around the north to northwest-trending Valle del Jabali, a 5-10 km wide intermontane valley with a gentle southeasterly drainage as shown on Figure 5-1. The Sierra El Granizo bounds the west side of the valley, while the Sierra San Marcos y Pinos lies to the east as illustrated on Figure 5-1. Both of these ranges feature steep cliffs that enclose the valley on the sides and to the north. Elevations on the Property range from about 2,000 m above sea level (masl) to 900 m on the nearly flat valley floor.

Desert vegetation in the valley is dominated by shrubs including agave, creosote bush, mesquite, ocotillo, candelilla, guayule, prickly-pear and other cacti, mormon tea, yuccas and xerophytic sages (Morton and Brown, 2013). The surrounding mountain ridges, despite being within a Federal Natural Resource and Forestry Protected area, have only sparse high desert vegetation.

5.2 Property Access, Proximity to Population Centers and Infrastructure

The Property is accessible by Federal Highway 30 from Monclova, a city of 231,000 (2015 census); about 80 km east of the town of Cuatro Ciénegas as shown on Figure 5-2. Cuatro Ciénegas is the seat of the local Municipality, which has a population of about 13,000. From Cuatro Ciénegas, the Property is accessed by driving southwest on Highway 30 for 38 km, then by a well-maintained gravel road that runs along the Valle del Jabali. Dirt tracks exiting the gravel road provide access to most of the known mineral occurrences. Recent work by Prize included the rehabilitation of 14.5 km of access roads (news release dated 11 January 2018).

Other large population centres in the region include the State capital of Saltillo, which has a population of approximately 762,000, based on 2014 estimates. Saltillo lies 280 km by road to the south-southeast, about the same distance as Monterrey, Mexico's third largest city with about 1.2 million people. To the southwest, about 245 km by road, is the city of Torreón, which based on 2014 estimates, has a population of approximately 652,000.

A rail line (Coahuila Durango Line) connects Monclova with Cuatro Ciénegas. The nearest seaports are Mazatlan on the Pacific coast and Tampico on the Gulf Coast. Airports exist in all the cities named above including Monclova. Additionally, a 1,250 m by 21 m paved airstrip, operated by the Mexican military but available for public use, is located just east of Cuatro Ciénegas (Morton and Brown, 2013).

A 240 kV electrical transmission line passes north of the Property (Global Energy Network Institute; www.geni.org; web page accessed 11 Feb 2018).

Cuatro Ciénegas is dominantly an agricultural centre but supports small-scale mining and exploration as well. The town has goods and services, which include food, water, fuel, accommodation, medical aid, electricity, communications, such as telephone land line, cell phone and internet services, and labour. Infrastructure, services and existing population bases for labour, supplies and services appear to be sufficient for continued exploration and future development.

5.3 Climate

The climate in the Project area is classified as mid-latitude desert. For the town of Cuatro Ciénegas, at an elevation of 740 masl; average temperature for July is 28.6°C and for January 12.4°C (www.weatherbase.com; web site accessed 11 Feb 2018). The town averages 213 mm of precipitation per year. September is, on average, the wettest month with 38 mm precipitation and March the driest with 5 mm of precipitation; and on average it rains 26 days in a year (weatherbase.com). Exploration and development can occur year-round.

6 HISTORY

6.1 Prior Property Ownership

6.1.1 Don Indio, Granizo, Adriana Concession Blocks

Details of Property ownership prior to 1993 are not known. Much of the following is taken from Morton and Brown (2013), Bersch (2008), and SEDAR (www.sedar.com) filings and news releases for various companies.

In 1993, Metalurgica Costa Dorada S.A. de C.V. ("MCD") and Minerales Noranda Inc. ("Noranda") formed a joint venture and optioned the Granizo Concession. This joint venture ended when Noranda failed to fund the project. However, this was followed by a joint venture between Noranda and Outokumpu Oyj of Finland on the Don Indio Concession. Noranda acquired that ground by staking (Wunder, 1995).

Between 1993 and 1994 MCD continued to hold the Granizo Concession. In late 1994, MCD was purchased by Goldeneye Exploration Ltd. ("Goldeneye"). In 1995 MCD joint ventured the Granizo concession with the BHP Billiton subsidiary Minera BHP S.A. de C.V. ("BHP").

Between 1994 and 1996 Noranda carried out exploration on the Don Indio concession, but dropped their claims in 1997 (Bersch, 2008).

Sr. Ezequiel Aguero Zamudio and Sra. Maria de Los Angeles Antuna Coello acquired the Don Indio concession under a 50%/50% ownership agreement in 1998 and held it until late 2007 or early 2008.

In 1998, Stratabound Minerals Corp. ("Stratabound") optioned the Don Indio concession and held it until 2001. Much of the exploration work on behalf of Stratabound was carried out by Compaňía Minera Cascabel ("Cascabel") of Hermosillo, Mexico (Bersch, 2008).

In 2001 and 2002, Sr. Ezequiel Aguero Zamudio acquired the Granizo and El Granizo I concessions, and held both of these concessions until 2007. Sr. Zamudio jointly with Sr. Enrique Gaylan Enriquez (50/50% interest) acquired the Adriana and Adriana 2 concessions in 2005 and held these concessions until 2007.

In 2007, Sterling Mining de Mexico S.A de C.V. ("Sterling"), a subsidiary of Sterling Mining Co., signed an agreement to acquire the Don Indio, Granizo and Adriana concessions; however, this agreement fell through (Bersch, 2008).

Sometime between 2007 and early 2008, Minería Melina S.A. de C.V. ("Melina") acquired the Don Indio, Granizo and Adriana concessions (six blocks in total); and subsequently sold them in May

2008 to Santa Fe Metals Corp. ("Santa Fe"), who held the concessions through their wholly-owned Mexican subsidiary, Compaňía Minera Coronado S.A. de C. V. ("Coronado"; Bersch, 2008). Santa Fe/Coronado explored their concessions until 2012.

In September 2013, Brigadier Gold Limited ("Brigadier") signed an agreement with Santa Fe to acquire a 100% interest in the Don Indio, Granizo and Adriana concessions. By 31 December 2014 Brigadier had abandoned its interest in the Property (Brigadier Gold Limited Annual Report, 2016; accessed on SEDAR 10 February 2018).

At the end of 2014, the concession titles reverted to Coronado. On 17 October 2017 the rights were transferred to Scion, a related company. It is unknown how or when Coronado went from a wholly-owned subsidiary of Santa Fe to a company at least partly controlled by the same persons who control Scion. The outstanding shares of Scion were purchased by Prize in December 2017, giving Prize control of the concessions.

6.1.2 Madero Concession Block

The Apache 4 concession was registered in 2007 and came to be controlled by Molycomex in 2009 (Molycomex, 2017). Scion acquired the Apache 4 concession through a transfer of rights agreements dated 17 October 2017 with Molycomex, a related company. Scion shares were then acquired by Prize as detailed above.

There are seven small concessions that fall within the boundaries of the Apache 4 concession that are not part of the Property. These excluded concessions are: the Jabali, Jabali 2 and Apache 14 concessions (306 ha) owned 70% by Molycomex and 30% by Sr. Ezequiel Aguero Zamudio; the Martha E concession (210 ha) owned by Compañia Minera La Luz S.A. de C.V., and the two El Ojito concessions, one of which covers 43 ha and is owned by Sr. Armando Humberto Garcia Robledo, and the second concession that covers 83 ha and is owned by Sr. Juan Velez Castillo (Morton and Brown, 2013b).

6.2 Previous Exploration and Development Work

Much of the following section is from Bersch (2008) and Morton and Brown (2013).

Early exploration and production of copper in the Cuatro Ciénegas region occurred between 1900 and 1950. These activities were carried out by artisanal miners, as is evidenced by the existence of numerous pits and abandoned small and medium-scale workings. The artisanal workings were established on mineralized outcrops, with more extensive underground development where higher-grade mineralization was encountered. The artisanal mining was poorly organized and lacked systematic methods for both exploration and exploitation. However, the extent of some of the underground workings, including stopes, suggests that some production was attained from prospects on the Don Indio concession block. There are no records of production for this work. It is apparent that the oxidized ores were dominantly exploited.

There is evidence of early mechanical pitting and trenching work on both the Adriana and Granizo concession blocks; although it is unknown when and by whom the work was done.

Between 1968 and 1975, a local miner from Cuatro Ciénegas extracted copper intermittently from the Manto Negro occurrence on the Granizo concession. Total production was about 100 tonnes grading 7% Cu (Garćia-Alonso et al., 2011). The high grade suggests ore was hand sorted. Recovery of copper was through a small leach plant located in Cuatro Ciénegas (Martinez, 1993).

In 1975, the Consejo de Recursos Minerales ("CRM"; part of the Geological Survey of Mexico SGM) conducted an aeromagnetic survey in the area of Cuatro Ciénegas which revealed 13 magnetic anomalies, which were subsequently attributed to detrital magnetite occurrences (Luna, 1998; SGM, 1998).

In 1987, Metalurgica Costa Dorada S.A. de C.V. ("MCD"), blasted some excavations in the Granizo area (Guardia et al., 1994).

In 1992, CRM conducted drilling in the Valle del Jabali, possibly under contract, as no information on the project was publicly released (Martinez, 1993). CRM conducted further exploration in 1993 (Vargas, 1993).

In 1993 and 1994, MCD and Noranda carried out exploration in the Valle del Jabali (Wunder, 1995; Guardia et al., 1994). MCD conducted hand trenching and excavating; while Noranda completed mapping, sampling, trenching and two diamond drill holes from underground workings. Noranda drilled one hole about 10 km west of Granizo concession. MCD trench work included exploring the adjacent San Antonio prospect (Morton and Brown, 2013b). In 1994 Noranda collected 1,289 samples, of which 1,100 of these samples were from the underground workings (Wunder, 1995). Noranda continued exploring in the area until 1996.

In 1995, BHP conducted a drill program in the Valle del Jabali. Seven reverse circulation ("RC") holes were drilled at the Granizo Concession, and ten RC holes were drilled at the adjacent San Antonio concession (Morton and Brown, 2013b). BHP also drilled 13 diamond drill core holes in 1995, mainly at Cañon Rosillo. At least three of these (BD95-1, -4, and -6) were collared on the current Apache 4 Concession. Known drill locations are shown in Figure 6-1, and results are outlined in section 6.2.1 below.

In 1998, CRM completed a mapping project at a scale of 1: 50,000 (Tanque Nuevo G13-B69 Geology Map; Tlahualilo de Zaragoza G13-6 Geology Map), together with a study of mineralogy, historic mines, and lithogeochemistry around Cuatro Ciénegas (Luna, 1998; SGM, 1998). The purpose of this project was to support and encourage further exploration and evaluation of the region's mineral resources and mining potential. A 1:50,000-scale map of regional magnetic data was produced (SGM, 1998b).

From 1998-2001, Stratabound completed outcrop mapping and surface and underground sampling, focusing on the main abandoned mine workings on the Don Indio concession block, which included El Rincon (La Abandonada), La Encalmada, Pilar Grande, and San Marcos West.

In 1999, CRM produced regional magnetic maps which included the Property area, at scales of 1:250,000, (Carta Magnética de Campo Total, Tlahualilo de Zaragoza G13-6; CRM, 1999), and 1:50,000 (Carta Magnética de Campo Total, Tanque Nuevo G13-B69).

In 2008, the Geological Survey of Mexico ("SGM") published a revised Tlahualilo de Zaragoza G13-669 Geology Map (SGM, 2008).

Santa Fe, through its subsidiary Coronado, began exploration on the Property with independent examinations by Goo (2008) and Bersch (2008). A sampling program was completed at the Manto Negro occurrence, the locations of which are shown in Figure 6-2. Coronado continued with a significant sampling program, focusing on the Don Indio concession block. In 2011, Santa Fe – Coronado contracted Professional Research Associates Ltd. of Richmond, British Columbia, to conduct metallurgical testing on samples from the Granizo Concession.

In 2011-2012, Molycomex undertook exploration work on the Madero concession block, mainly on the San Antonio, Apache 14 and El Jabili concessions, outside of the subject Property. This included the construction of access roads to facilitate sampling and drilling four short diamond drill holes at San Antonio that are shown on Figure 6-3 (Morton and Brown, 2013b; Escalante, 2012; Molycomex, 2017). Bench-scale leach tests of mineralized rock from San Antonio concession were also completed (Velázquez and Murillo, 2012).

In early 2011 Santa Fe - Coronado received approval for a heap leach operation at El Granizo from the Mexican environmental agency, Secretariat of the Environment and Natural Resources ("SEMARNAT"). The approval was for a duration of 15 years. According to a January 13, 2011 news release, Coronado planned to mine 1,000 tonnes per day of about 2% copper oxide ore via underground exploration drifts. The material was to be crushed to approximately one-inch size, stacked on heap leach pads and irrigated with sulphuric acid. The pregnant copper sulphate solution was to be processed by passing over scrap iron to produce a copper cement product of about 85% Cu. Plans were to produce about 10 million pounds (4,500 tonnes) of Cu annually. Silver was not planned to be recovered.

It is emphasized here that these plans were made and announced without there having been a NI 43-101 compliant resource estimate made for the Property; nor any kind of pre-feasibility or feasibility study. Nevertheless, the Mexican government through SEMARNAT issued the initial approval necessary to continue permitting with a goal of commencing production.

Brigadier Gold Ltd. acquired the project from Santa Fe in 2013 but reported work seems to be restricted to the property visit completed by Morton and Brown in 2013.

Since Molycomex's program in 2011-12 on the Madero concession block, and Coronado's sampling work at Don Indio in 2012, no further exploration work seems to have been reported for the Property. Table 6.1 below summarizes the exploration and development work that has been recorded. Table 6.2 summarizes sampling programs on the Property.

Table 6.1
Summary of Historic Exploration Work by Year and Concession Block
Italicized entries are for exploration work close to, but largely outside the current Property boundaries

Year	Operator	Concession Block	Work
unknown	unknown	Adriana	Mechanical excavations
unknown	unknown	Granizo	Mechanical excavations
1968-75	unknown	Granizo	Small-scale mining and crushing up of 2-7% Cu ore; cumulative production about 100 tonnes of 70-75% Cu metal
1995	*Noranda*	*West of Granizo*	*at least one hole CC-95-01*
1995	BHP	Granizo	Eight RC drill holes, 76 samples
2011	Santa Fe/ Coronado	Granizo	Bench-scale column and bottle-roll leach tests; specific gravity measurements
2011	Santa Fe/ Coronado	Granizo	SEMARNAT approves heap-leach operation. Certificate is good for 15 years. Planned 1,000 tonne per day leach operation. No resource estimate, no feasibility study filed
ca.1900-1950	Unknown (artisanal and small miners)	Don Indio	Pits, underground workings (on multiple levels) at least at: San Marcos West, La Abandonada (El Rincon), La Encalmada and Pilar Grande
1994-96	Noranda	Don Indio	Mapping, sampling (1289 samples not all from the current Property), trenching, two drill holes from underground workings, totaling 180 m
1999	Stratabound	Don Indio	Mapping and sampling, surface and underground (278 samples)
2008-2011	Santa Fe/ Coronado	Don Indio	Sampling, mapping (452 samples); 19 select samples by Goo (2008), 5 samples by Bersch (2008)
2011	Santa Fe/ Coronado	Don Indio	Sampling Pilar Grande (126 samples)
1995-98	*BHP*	*Madero (San Antonio)*	*10 RC holes, 3 diamond drill core holes*
2011	*Molycomex*	*Madero*	*Access roads, trenching, sampling (471 samples), bench-scale leach tests, four diamond drill holes from surface, 123.15 m, 35 core samples.*

Table 6.2
Summary of Sampling
Italicized entries are for sampling close to, but largely outside the current Property boundaries

Operator	Year	Concession Block	Samples Collected	Remarks
BHP	1995	Manto Negro, *San Antonio*	76	RC drill cuttings (assays from 13 holes available)
BHP	1995	uncertain	34	Core samples
Noranda	1994-96	Don Indio	1289	1100 samples from underground workings
unknown	unknown	uncertain	10	AP4 series, surface grabs?
Stratabound	1999	Don Indio (San Marcos West, La Abandonada (El Rincon), La Encalmada and Pilar Grande)	278	Panel, chip (assays from 270 available)
Santa Fe-Coronado	2008	Don Indio (El Pilon, Tajo Zanja, San Marcos 2, Pilar Grande, La Abandonada, La Escondida, El Ojito, Las Palmas, Los Mosquitos, and San Jose). Bersch sampled mainly from Manto Negro	24	Goo (2008) 19 select samples; Bersch (2008) 5 select and chip samples
Santa Fe-Coronado	2009-11	Mainly Pilar Grande levels 1, 3 and 4 and Manto Negro	578	Chip and grab (select)
Molycomex	*2011*	*San Antonio*	*35*	*Core samples*
Molycomex	*2011-12*	*San Antonio, Buena Suerte, Ojitos, Las Juanitas*	*471*	*Chip*
Scion/Prize	2017	Pilar Grande, Manto Negro	78	Chip, 4 grab samples
Norwest	2018	various	9	Samples collected for this report

6.2.1 Historic Drill Results

Historic drill records are incomplete but available data are summarized in Table 6.3. Out of a total of 30 holes drilled by BHP in the 1990s in the vicinity of the project area, at least 10 were on the Prize concession blocks. The BHP drill hole collars were located by Prize Mining field personnel between February 23 and March 1, 2018. Two Noranda holes drilled from underground workings were located on the Don Indio Concession at Pilar Grande.

Historic drilling results are reviewed below.

Table 6.3
Summary of Drilling on the Property and Immediate Area
Italicized entries are for drilling close to, but largely outside the current Property boundaries

Year	Operator	Type and number of drill holes	Area tested
1994-1996	Noranda	*Unknown, at least CC-95-1 (Wunder, 1995b) was a Noranda drill hole*	*CC-95-1 collared some 7.5 km W of Granizo main occurrence (Manto Negro)*
		Two underground diamond drill holes, 180 m depth in total.	Don Indio, Pilar Grande
1995-1998	BHP	Seven reverse circulation drill holes (BCI95-1 to -6, BCI95-19)	El Granizo
		Ten reverse circulation drill holes (BCI95-8 to -17)	*San Antonio*
		Thirteen diamond drill holes – at least three (BD95-1, -4, and -6) were collared on current Apache 4 concession	*Valle del Rosili, Valle del Jabali, Sierra San Marcos y Pinos*
2011	Molycomex	*Four diamond drill holes (SA-01 to -04)*	*San Antonio*

1995 Noranda Drilling

In 1995 Noranda drilled two holes from the underground workings of the abandoned Pilar Grande mine (Wunder, 1995b). Drill hole PG-95-01 has no associated location or orientation data, however, assays show a mineralized zone that yielded 1.53% Cu and 63.7 g/t Ag over 2.73 m true thickness from 39.55 m depth (Wunder, 1995b). The mineralized zone featured disseminated and locally fracture filling chalcopyrite, bornite, chalcocite, pyrite, argentite with traces of malachite and native copper. Wunder (1995b) noted locally common replacement of carbon/bitumen by bornite, followed by chalcocite in the highest-grade zone (40.15 m to 41.35 m depth). The mineralization and replacement textures observed were typical of sediment hosted copper deposits. Assay results from PG-95-01 are tabulated below (Wunder, 1995b).

Table 6.4
Noranda Drill Hole PG-95-01 Assay Results

Sample #	Core interval (m)	Core thickness (m)	Cu (%)	Ag (g/t)
58319	39.55-40.45	**0.90**	**1.17**	**35.0**
58320	40.45-41.35	**0.90**	**3.10**	**171.0**
58321	41.35-41.60	0.25	0.24	13.5
58322	41.60-42.05	0.45	0.37	17.5
58323	42.05-42.70	0.65	0.31	6.5

Drill hole PG-95-02 was also drilled from underground, at a -50° angle and due west azimuth. The hole was located at UTM coordinates 787,400E 2,958,800N (datum unknown). It is possible that

PG-95-01 and -02 were drilled from the same site. No assays are available but a summary log by Wunder (1995b) indicates the drill cored dolo-arenites, calc-arenites, and arkose, locally pebbly or carbonaceous. A mineralized zone from 73 m to 73.5 m comprised arkose with trace to 2% disseminated chalcocite, concentrated in two bands less than 15 cm wide each. This was underlain by 1.8 m of brecciated carbonaceous arkose with trace chalcopyrite and trace to 2% disseminated pyrite.

Wunder (1995b) noted that PG-95-02 was drilled down dip from the main mineralized zone at El Pilar, and the target stratigraphy was intersected, but the thinner 50 cm intersection of copper mineralization indicated poor down-dip continuity. Wunder (1995b) suggested that the fault crossing the underground workings may have had a stronger control on mineralization than previously thought.

Wunder (1995b) found a correlation between holes PG-95-01 and 02, although the mineralized arkose in PG-95-01 was largely replaced down-dip in PG-95-02 by dolomite. On the basis of these two holes, Wunder (1995b) downgraded the potential for a large stratiform copper deposit down dip from Pilar Grande due to thick, unmineralized, beds above the weakly mineralized zone in PG-95-02.

1995 BHP Drilling

In 1995, BHP drilled seven holes on the Granizo concession, 10 holes on the San Antonio concession, and 13 holes in the proximity of the Valle del Jabali. Each drill program is reviewed by area in the following subsections.

Granizo Concession

The seven holes drilled on the Granizo concession were completed by RC drilling, according to Molycomex company files. Table 6.5 summarizes the available information, and the drill hole collar locations are shown in Figure 6-2. Holes BCI 95-1 to -6 and BCI 95-19 were drilled along a strike length of a little over 100 m at the Manto Negro occurrence. In some holes listed in Table 6.5, a range of depths is reported, and in BCI 95-19 apparently two separate mineralized zones were encountered.

The weighted average of Cu values for the eight RC holes was 0.8% Cu over average intersections of 4.6 m, although this includes BCI 95-1 and -2 that had low Cu values of 0.12% and 0.02% Cu over 4.56 m and 7.9 m, respectively. The weighted average improves to 0.95% Cu over 4.3 m if BCI 95-2 is ignored. The low Cu values from the RC holes is possibly due to grade smearing commonly encountered when using the RC drilling and sampling method.

Copper and silver assays ranged up to 1.14% Cu and 17.4 g/t Ag over 6.93 m in BCI 95-4; 1.24% Cu and 28.3 g/t Ag over 3.46 m in BCI 95-5; and 1.71% Cu and 41.2 g/t Ag over 1.38 m in BCI 95-19.

Table 6.5
1995 BHP Reverse Circulation Holes at Granizo Concession

Hole #	Easting	Northing	Elevation (masl)	Dip°, Azimuth°, Depth (m)
	NAD 83, Zone 13R			
BCI 95-1	795135	2943105	1163	-90, na, 80
BCI 95-2	795135	2943105	1163	-50, 125, 71
BCI 95-3	795175	2943078	1157	-90, na, 90
BCI 95-4	795175	2943078	1157	-50, 123, 75
BCI 95-5	795202	2943060	1154	-65, 131, 85
BCI 95-6	795230	2943045	1150	-65, 120, 60
BCI 95-19	795169	2943082	1158	-45, nd, 85

Note: nd = no data; na = not applicable; masl = metres above sea level

San Antonio Concession and adjacent areas

BHP drilled 10 RC holes, mainly on the adjacent San Antonio concession in 1995. Hole BCI 95-18 was drilled at La Osa locality just west of the Apache 4 concession boundary. No laboratory assays were available for these holes; however, some grades were hand written on a hardcopy cross-section supplied by Molycomex. From these handwritten values, the highest values (1.11% Cu and 10.7 g/t Ag) were associated with BCI 95-12; drilled northeast of Apache 4 boundary.

Valle del Jabali area (partial Apache 4 Concession)

Of the 13 diamond drill holes cored by BHP in the Valle Jabali area, three holes were drilled within the current Apache 4 concession, north and northwest of the San Antonio concession at Cañon Rosillo (Figure 6-1). BD95-1 was collared about two km northeast of the exposed mineralization at San Antonio and was drilled vertically to test the down dip extension of the favourable horizon. The mineralized horizon was not encountered; however, proximal drill hole BD95-4 yielded an anomalous 2.35 m of 0.16% Cu. The third hole, BD95-6, was stopped short of the target horizon due to operational difficulties.

It is uncertain why the BHP core holes were located where they were, except to suppose that from a logistical standpoint, drilling holes from the bottom of Cañon Rosillo afforded an easily road accessible place to test the favourable horizon on a large step-out from the known mineralization.

2011 Molycomex Drilling

Four shallow vertical diamond drill holes (16 m to 41 m) were drilled by Molycomex in 2011 on the adjacent San Antonio Concession. Drilling results are described in Section 23, Adjacent Properties.

7 GEOLOGICAL SETTING AND MINERALIZATION

7.1 Regional Geology

The Property is located within the Sierra Madre Oriental ("SMO") of Mexico, part of the North American Cordillera. The SMO in the vicinity of the Property comprises west and northwest-oriented mountain ranges uplifted during Laramide Orogeny of the North American Plate; with intervening Quaternary-filled intermontane basins (Padilla y Sánchez et al., 2013). The ranges are made up of dominantly Cretaceous marine sedimentary rocks, as shown on Figure 7-1.

The Property is situated between the Coahuila Fold Belt to the north and the Coahuila Block to the south separated by the sinistral, transcurrent range-front fault named the San Marcos Fault (Charleston, 1981). The San Marcos Fault is one of a number of major sinistral transform faults thought to be related to the Triassic breakup of Pangea and rift opening of the ancestral Gulf of Mexico (Anderson et al., 1983; Chavez Cabello et al., 2005).

The Coahuila Block is a broad southeast- plunging dome, with a basement comprising Permian (or Triassic) granitoids, part of a Paleozoic island arc complex (Goldhammer, 1999). The Coahuila Fold Belt features doubly-plunging, tightly compressed anticlines, commonly cored by evaporites, and more open intervening synclines (Goldhammer, 1999, Chávez Cabello et al., 2005). Most of the folds in the Coahuila Belt trend NW, but in the south (in the Property area) folds trend WNW. Folds are commonly cut by thrust faults.

The basement rocks are Permian (or Triassic) granitoids that are typically poorly exposed in the valley floors, which is the case in the Valle del Jabali. The basement rocks were probably faulted, uplifted and eroded during Triassic times (Bersch, 2008), and later formed islands in the shallow Cretaceous sea. On the northern flank of Sierra El Granizo, Jurassic polymict conglomerates and coarse sandstones outcrop. These are part of an interpreted thick sequence of alluvial deposits that shed off of a Late Jurassic to Early Cretaceous paleotopographic high (Coahuila Block) that was bounded to the north by the San Marcos Fault (Wunder, 1995; Chávez-Cabello et al., 2005).

The mountains of the Fold Belt consist dominantly of Cretaceous basin-fill sediments (clastic wedges) deposited along the North American continental passive margin, with local rifting at the margins of paleotopographic highs. By Cretaceous time, true oceanic crust had formed in the Gulf of Mexico and thick marine sequences were deposited from Mexico to Florida (Bersch, 2008). The thick clastic sedimentary rocks (1,000 m) of the San Marcos Formation are interpreted as alluvial fan deposits that shed off of the Coahuila Block and were proximally deposited (Wunder, 1995). Deposits of the alluvial fan deposits are proposed, at least in part, to have been deposited concurrently with platformal limestones basinward (northeast) in the ancient Gulf of Mexico

(Garciá-Alonso et al., 2007). Platform carbonates, locally reefal (e.g. Cupido Formation), were overlain by a mudstone unit during maximum transgression in the basin (La Peña Formation). This sequence was overlain by further platform carbonates. Laramide uplift and deformation in the latest Cretaceous gave rise to thick orogenic clastic sequences, including coal beds in northern Coahuila. Such clastic sequences are not observed in the immediate vicinity of the Property.

The Laramide Orogeny gave rise to the Coahuila Fold Belt and its attendant structures. Tertiary andesitic dykes associated with volcanism intrude the Cretaceous strata. The youngest sediments are Quaternary colluvium and alluvium filled inter-range valleys, forming a basin and range type physiography. Table 7.1 summarizes the geological units that occur in the region and Figure 7-2 presents the units in a stratigraphic chart.

Table 7.1
Geological Units in the Region

Age (Ma – million years)	Unit or Formation (Fm) Name	Lithological Description
Quaternary (Holocene)	Colluvium, alluvium, salt pans (gypsum)	Unconsolidated sand, gravel and boulders
Tertiary (and Mesozoic?)	Andesite porphyry	Dykes associated with volcanic complexes
Upper Cretaceous (Cenomanian)	Indidura Fm	Limestone, shale
Middle Cretaceous Albian (110-113 Ma)	Trevino Fm	Limestone
Middle Cretaceous Albian (110-113 Ma)	Acatita / Aurora Fms	Limestone: Aurora Fm, and lateral facies equivalent Acatita Fm gypsiferous and limey mudstone.
Middle Cretaceous Aptian (113-125 Ma)	La Peña Fm	Mudstone
Middle Cretaceous Barremian to Hauterian (125 to 132 Ma)	**Cupido Fm**	Limestone: dolomitic grainstone and thin-bedded packstones, basal chert nodule-rich micritic limestone, upper beds locally reefs.
Middle Cretaceous Neocomian (Valangian; 132 to 140 Ma)	**San Marcos Fm**	Redbed Sandstone: fine to medium-grained poorly sorted, sub-angular to sub-rounded, arkoses to sub-arenite with minor conglomerate, and micritic limestones and carbonaceous siltstone at the base and top of the unit. Silica and minor calcite cement.
Upper Jurassic	La Casita Fm	Conglomerate: polymict, poorly rounded and sorted immature conglomerate with general fining-upward trend, coarse sandstones. Luna (1998), SGM (1998) do not map any Jurassic sediments and include all the conglomerates as Cretaceous or younger.
Permian (or Triassic?)	granitoids	Granitoid intrusive rocks. Luna (1998), SGM (1998) map as Permian; Chávez-Cabello et al. (2005) map as Triassic.

Note: Geological Unit names in Table 7.1 are taken from Luna, 1998; SGM, 1998; Chávez-Cabello et al., 2005, 2007.

7.2 Property Geology

The geology of the Property is dominated by the Laramide-aged Jabali anticline, as named by Bersch (2008). The Jabali anticline is breached and plunging to the N and NW. The limbs of the fold are marked by resistant, cliff-forming limestones of the Middle Cretaceous Cupido and Aurora formations, which form the spines of the Sierra San Marcos y Pinos on the northeast, and the Sierra El Granizo on the southwest (Figure 7-3). The central Valle del Jabali runs along the breached crest of the anticline. Sierra San Marcos is formed by a generally uniform monocline of NE to north-dipping rocks; while the Sierra El Granizo is more structurally complex, with folding, back thrusts, and a fault mapped near the range crest which juxtaposes Acatita Formation over Trevino Formation.

Structural complexity in the Sierra El Granizo includes steepening of the dip of the Jabali anticline limb, deflecting the trend of the fold northward, faulting and local brecciation. This later deformation is ascribed to possible re-activation of the regional west-trending transcurrent San Marcos Fault, or related structures, on the north flank of Sierra El Granizo (Chávez-Cabello et al., 2007). North trending folds in exposures of Jurassic clastic rocks in the Granizo concession area (La Casita Formation equivalents) may also be due to structures associated with the San Marcos Fault (Chávez-Cabello et al., 2005, 2007)

Subsidiary folds and thrusts, trending W to NW, are associated with the larger Jabali anticline structure. Minor E and NNE trending strike slip faults offset strata on the eastern limb of the Jabali anticline (Luna, 1998).

The stratigraphic sequence on the Property, in summary, is as follows: the ranges are dominated by Middle and Upper Cretaceous limestones and lesser mudstones (Indidura, Trevino, Aurora-Acatita, La Peña, and Cupido formations); overlying a thick sequence of sandstones and minor conglomerates (San Marcos Formation). The San Marcos Formation is an approximately 1,000 m thick sequence of alluvially-derived, at least partly subaerial redbeds. Carbonaceous beds are reported to lie near the top of the unit, at its contact with Cupido Formation. The Cretaceous rocks lie above a poorly exposed sequence of Jurassic siliciclastic rocks including more redbeds (La Casita Formation and equivalents), and Permian (or possibly Triassic as mapped by Chávez-Cabello et al., 2005) granitoid rocks. All units are intruded by Tertiary andesitic dykes which outcrop sparsely on the Property. The valley slopes and floor are dominated by unconsolidated to weakly consolidated colluvium and alluvial deposits.

As outlined in the following subsection, the San Marcos Formation, which is approximately 1,000 m thick, and the overlying Cupido Formation limestone (300 m to 600 m thick) are the primary units of interest on the Property. The San Marcos Formation is a thick redbed sequence, redbeds are critical to the formation of sediment-hosted copper deposits, and such deposits typically occur at or near the top of these redbeds.

7.3 Property Mineralization

The Property hosts stratabound/stratiform Cu-Ag mineralization as well as Pb-Ag-Zn-Cu. Figure 7-3 shows locations of the mineralized occurrences. The Cu-Ag occurrences are typically proximal to the contact of the San Marcos Formation redbeds with the overlying Cupido Formation. Several exposures of mineralization have been identified at numerous locations around the Valle del Jabali, where the San Marcos – Cupido contact has been mapped near the bases of the cliffs of the sierras San Marcos y Pinos and El Granizo. Figure 7-4 shows a schematic cross section of the units that host the mineralization on the Property.

Mineralization occurs in generally decimeter-scale beds over 1 m to 23 m thick concordant layers, referred to informally as “mantos”. Mineralization is marked at surface and shallow underground workings by the conspicuous copper carbonate minerals malachite and lesser azurite, and chrysocolla (a copper silicate). Identified sulphide minerals include: chalcocite, galena, tetrahedrite, tennantite, argentite-acanthite, and covellite; and secondary minerals such as: native copper, chalcanthite, cuprite, tenorite, caledonite, mimetite, linarite, anglesite, cerussite and plumbojarosite have also been identified.

Mineralization has also been observed in cross-cutting veins and replacement bodies (cm to m scale), and these are generally less oxidized and supergene-altered than the mantos (Wunder, 1995; Morton and Brown, 2013).

Known mineral occurrences are reviewed in the following subsections by concession block, which are Don Indio, Granizo, Adriana, and Madero. Tables 7.2 to 7.6 list significant assay results from the mineralized occurrences.

7.3.1 Don Indio Concession Block

On the Don Indio concession block, Cu-Ag and Zn-Pb-Ag mineralization has been identified outcropping over a 17 km distance near the base of the cliffs of the Sierra El Granizo and San Marcos y Pinos. At least 14 occurrences have been located and named, chief among which are the abandoned historic mines at Pilar Grande, San Marcos West and La Cuchilla (Figure 7.3). Most of the identified mineralization lies in a 4.5 km strike length between El Rincon and San Marcos, on the northwestern limb of the Jabali anticline. It is theorized that additional structural complications in the area, such as folding and faulting, have enhanced the mineralization though structural preparation and/or acting as fluid conduits.

Pilar Grande

The description below is taken largely from Wunder (1995). Pilar Grande is an abandoned mine consisting of 883 m of workings developed on four levels (Molycomex, 2017). Santa Fe observed that mineralization occurred in both the carbonate and clastic succession, as mine levels 1 and 2 are within the Cupido Formation, and mine levels 3 and 4 are hosted in the San Marcos Formation (Figure 7-5). This observation was confirmed by the Authors during the site visit.

Bedding in the workings strike 200° to 225°, and dip 25° to 40° W-NW. However, the exploration drifts generally follow a cross-cutting fault that strikes 70° to 75° and dips 65° to 75° S. This cross-cutting fault has itself been offset by minor bedding plane slip at the contact of San Marcos and Cupido formations. The underground development is mainly restricted to an area 100 m along strike and 40 m down dip (140 m and 80 m, respectively; Morton and Brown, 2013). Mineralization remains open down-dip, and a relationship of mineralization to the cross-cutting fault is proposed. It is possible that mineralization increased with depth, and this might have to do with metal zoning, as Wunder (1995) indicated that Pb and Zn occurred in the upper levels of the mine.

Mineralization at Pilar Grande is grouped into three associations that are presented below:

- Disseminated and replacement malachite, chalcocite and bornite in carbonaceous siltstone and shale beds (reported by Wunder, 1995) interbedded with arkosic sandstones of the San Marcos Formation. The carbonaceous host beds are generally less than 20 cm thick but can be followed along strike for more than 100 m. Arkosic sandstone interbeds average less than 1.5 m thick and also host Cu mineralization, in higher concentrations where carbonaceous detritus is present. Petrographic examination (Wunder, 1995) shows that copper minerals replace organic matter;

- Fracture-controlled, possibly remobilized chalcocite and malachite along the cross-cutting faulting and bedding plane parallel slips. The cross-cutting fault zone is 20 cm to 50 cm wide and contains stringers of massive chalcocite 1 cm to 5 mm wide (Wunder, 1995). Barite and calcite veinlets are also found within the fault zone; and

- Replacement chalcocite mineralization in the hanging-wall side of the cross-cutting fault within the lower 10 m of the Cupido Formation. Chalcocite and malachite replace oolites in Cupido limestone within 5 m of the fault. Mineralization within the Cupido Formation appears to be controlled by the intersection of the cross-cutting fault (about 070° strike) with a bedding plane parallel slip at the formation contact; these have a mutually offsetting relationship and may be coeval (Wunder, 1995).

In addition, Mo mineralization has been identified in the upper workings of the mine, associated with structural features (Morton and Brown, 2013).

El Rincon

The description below is taken largely from Wunder (1995). El Rincon is 2,100 m northeast of Pilar Grande and 1,500 m north of La Encalmada. Two short shafts and several trenches are developed along a 200-m strike length at the top of the San Marcos Formation. Copper mineralization, similar to that observed at Pilar Grande, occurs within carbonaceous siltstone and shale with vertical to locally overturned dips.

El Pilon

El Pilon is a small abandoned mine with 108 m of underground development on two levels, as well as 50 m of surface trenching (Molycomex, 2017).

San Marcos

Mineralization at San Marcos is dominantly Zn-Pb-Ag. The main zone at San Marcos, which is sub-vertical, is stratabound replacement that occurs in sheared to brecciated Cupido Formation limestone. Based on the old workings, the mineralized zone appears to have had a width of 2 m to 6 m, from surface to at least 135 m depth and along 100 m strike length. The ore was massive to semi-massive zinc and lead oxides with gypsum. Wunder (1995) also noted structural controls on mineralization.

San Marcos West

An abandoned mine with 300 m of workings on a single level (Molycomex, 2017); Pb-Zn-Ag mineralization occurs in brecciated carbonates of the Cupido Formation and has been observed to continue along strike for 40 m with a thickness of 5 m. Approximately 60 m stratigraphically below this upper level Pb-Zn-Ag zone, is a 16-m thick Cu-Ag zone (Stratabound, 1998).

La Cuchilla

A NW-striking fault resulted in overturned stratigraphy at La Cuchilla, resulting in the target horizon dipping shallowly eastward beneath the valley floor. Wunder (1995) found structurally controlled Pb-Zn-Ag mineralization associated with barite veins. It is possible, based on the descriptions by various workers, that two different showings were being referenced. Morton and Brown (2013) note a vertical mineralized zone (Cu-Ag-Pb-Zn) up to 6 m wide, exposed in three levels of the underground workings of a small mine. They report the upper levels of the mine having Pb-Zn mineralization, with Cu-Ag concentrated in the lower reaches of the mine. Molycomex (2017) report three levels of workings totaling 350 m.

La Encalmada

The following description is from Stratabound (1998) and Morton and Brown (2013). Mineralization in this abandoned mine (three levels and 950 m of underground workings; Molycomex, 2017) occurs over a distance of at least 300 m and 20 m down dip on Level 1A within brecciated carbonates and is open along strike and down-dip. The true width of the zone is unknown, but chip samples have yielded consistent high values in Cu, Pb, Zn and Ag.

Wunder (1995) noted that mineralization was at least partially structurally controlled. Wunder (1995) further observed seven thin carbonaceous beds within the upper 11 m of San Marcos Formation at La Encalmada, with only the lowermost bed hosting minor Cu mineralization.

La Abandonada

Cu-Ag mineralization at this showing, comprising a 27 m adit and 100 m of trenches (Molycomex, 2017) occurs in the arkoses of the San Marcos Formation, dominantly as malachite and azurite (Morton and Brown, 2013). The extent of the mineralization has not been defined. Santa Fe proposed that La Abandonada may be the same occurrence as El Rincon.

El Ojito

Stratabound Cu-Ag mineralization occurs in the arkoses of the San Marcos Formation at this showing with two small adits, 15 m length in total (Molycomex, 2017). Values in Cu, Pb, Zn and Ag have been recorded. This occurrence lies on the eastern limb of the Jabali anticline (Morton and Brown, 2013).

Las Palmas, Los Mosquitos

These showings have not been described, although Goo (2008) collected some anomalous samples.

Los Ocotillos, San Jose

These showings were mentioned by Morton and Brown (2013) but were not described. Molycomex (2017) noted 20 m deep adits at Los Ocotillos and San Jose. San Jose occurrence lies at the southeastern end of the Don Indio concession block at the base of the Sierra San Marcos y Pinos.

Table 7.2
Significant Assays from Don Indio Concession Block

Occurrence Name	Mineral-ization	Grades and Widths	Notes
El Rincon	Cu-Ag	1.96% Cu 32 g/t Ag 6.6 m	Chip sample reported by Wunder (1995)
Pilar Grande (abandoned mine)	Cu-Ag (Zn-Pb-Cu-Ag in upper parts)	2.38% Cu 159 g/t Ag 9.39 m	Chip sample reported by Wunder (1995)
		4.12% Cu 399 g/t Ag 3.4 m	Reported by Santa Fe (2011)
		0.2% Mo 0.6 m	Reported by Santa Fe (2011)
		1.8% Cu 263 g/t Ag 3.6 m	Reported by Molycomex (2017)– Level 3 of mine
		5.2% Cu 380 g/t Ag 2 m	Reported by Molycomex (2017)– Level 2 of mine
		4.12% Cu 299 g/t Ag 3.4 m	Santa Fe Metals Corp. news release 7 Sept 2011
		1.53% Cu 63.7 g/t Ag 3.05 m including 3.71% Cu 171 g.t Ag over 0.9 m	Drill hole intersection PG-95-01 reported by Wunder (1995)
La Cuchilla (abandoned mine)	Zn-Pb-Cu-Ag	5.36% Cu 276 g/t Ag 0.7 m (plus 1.51% Pb, 0.78% Zn)	Santa Fe Metals Corp. News release 24 Nov 2011
San Marcos West	Zn-Pb-Ag	0.73% Cu 75 g/t Ag 2 m	Reported in Stratabound (1998)
El Pilon (abandoned mine)	Cu-Ag	4.34% Cu 123.5 g/t Ag 1.00 m	Reported in Stratabound (1998)
San Marcos (abandoned mine)	Zn-Pb-Cu-Ag	0.175% Zn, 10.49% Pb, 231 g/t Ag 0.7 m	Santa Fe Metals Corp. News release 24 Nov 2011

7.3.2 Granizo Concession Block

Mineralized beds occur along a strike length of 1,800 m near the top of the San Marcos Formation. The mineralized intervals occur at topographically different levels, indicating offset by block faulting (Wunder, 1995).

The main mineralized area is named Manto Negro. The host beds strike NW and dip 5° to 15° S SW. The mineralized occurrences are proximal to a fault (320° / 16° SW) that is interpreted to be associated with the San Marcos Fault. Bersch (2008) estimated the Manto Negro occurrence as being 10 m to 15 m thick and exposed along a strike of 100 m.

Mineralization at Manto Negro comprises disseminated to replacement malachite, chrysocolla, azurite, and remnant chalcocite hosted in intercalated carbonaceous shale and arkose beds near the top of San Marcos Formation. More specifically, the mineralization lies just below a thin series of grey carbonaceous siltstones interbedded with micritic limestone and minor conglomerate that lie at the top of the San Marcos Formation (Garćia-Alonso et al., 2011). Wunder (1995) interpreted the depositional environment of these upper carbonaceous beds as lacustrine.

Santa Fe - Coronado collected 80 samples along eight transects through the mineralized zone along about 100 m strike length at Manto Negro occurrence (Santa Fe, 2011). The sampling results of this work are presented in Table 7.3, and other significant results in Table 7.4.

Table 7.3
Santa Fe - Coronado 2008 Samples from Manto Negro and Granizo Concessions

Transect No.	Total Sample Width (m)	Weighted average Cu (%)	Weighted average Ag (g/t)
1	7.2 including 2.3	1.53 3.67	37.1 86.2
2	5.9 including 3.2	2.42 3.46	63.8 82.3
3	7.3 including 3.5	1.12 2.17	37.5 73.1
4	7.0 including 3.2	0.69 1.51	20.3 41.7
5	9.6 including 5.3	1.19 1.70	208 31.4
6	4.5 including 2.0	1.03 1.65	8.6 11.1
7	5.55 including 2.65	0.30 0.63	7.2 12.5
8	9.6 including 3.5	0.48 1.31	10.5 24.2

Table 7.4
Significant Assays from the Granizo Concession

Mineralized Occurrence	Mineral -ization	Grades and Widths	Notes
Main showing (Manto Negro)	Cu-Ag	2% Cu, 38 g/t Ag, 8.7 m	Average reported by Wunder (1995)
Four "new" showings	Cu-Ag	1.67% Cu, 23.4 g/t Ag, 3.4 m	Average reported by Wunder (1995), including Main (Manto Negro) showing
Main showing (Manto Negro)	Cu-Ag	6.19% Cu, 161.7 g/t Ag, 1 m	"Channel" sample reported by Bersch (2008)
Manto Negro	Cu	1.5% Cu, 8 m	Molycomex, 2014

7.3.3 Adriana Concession Block

The Adriana area is generally characterized by colluvial pediment gravels just north of the Sierra El Granizo. Copper mineralization, exposed in a prospect trench, in the Adriana area is significantly different from the rest of the property. Mineralization was observed during the Author’s site visit within the Permian (or Triassic) granitic rocks associated with a fault that had an orientation of 155°/40° NE. The granite appears unaltered, even near the mineralization (Bersch, 2008).

7.3.4 Madero Concession Block

The Madero concession (also known as Apache 4 herein) lies in the Sierra San Marcos Y Pinos along the east limb of the Jabali anticline. The prospective San Marcos-Cupido formational contact, dipping northeast, lies along much of the length of the Madero concession. Mineralization near this contact comprises mainly malachite, azurite, chrysocolla, tenorite, and chalcocite. Silver is in the form of argentite-acanthite (Escalante, 2012); although silver values from recent sampling by Molycomex were typically low at less than 20 g/t Ag. Most of the work done in the area has been at the San Antonio and Buena Suerte occurrences on the adjacent San Antonio concession, where Molycomex collected a number of samples along vertical transects of the 0.65-4.5 m thick zone. The Authors visited the occurrence and did observe the manto style mineralization as well as some cross-cutting vertical veins, and a sub-vertical fault.

Las Juanitas

Las Juanitas zone, on or near the north end of the adjacent Jabali 2 concession, is of note because stratiform Cu-Ag mineralization occurs within San Marcos Formation arkoses some 200 to 225 m stratigraphically below the upper contact of the formation (Morton and Brown, 2013b). Molycomex sampled the area in 2011-2012.

Emes

Emes occurrence was discovered in 2011 by Molycomex and mineralization is similar to other sediment hosted copper occurrences in the region. Morton and Brown (2013b) and Molycomex (2017) reported samples from this occurrence but gave no widths.

Los Ojitos

Los Ojitos occurrence, about 1.5 km SE of Emes, was discovered in 2011 by Molycomex, who collected samples along 35 transects ranging from 0.5 m to 5.69 m. Weighted averages along these transects ranged from lows of 0.03% Cu to a highlight of 3.66% Cu over 5.04 m at transect C113 (Molycomex company files). Molycomex (2014) also reported a sample over 0.80 m that assayed 18.05% Cu and 583 ppm Ag. Other significant channel sample values from Los Ojitos are summarized in Table 7.5.

Table 7.5

Molycomex 2011 Channel Samples at Los Ojitos

Channel Sample Transect	Aggregate Channel length (m)	Cu% weighted average
C113 including	5.04 2.49	3.66 6.93
C114 including	4.64 1.30	3.17 9.79 and 491 g/t Ag
C116 Including	5.69 0.65	1.67 5.81

8 DEPOSIT TYPES

8.1 Sediment-hosted copper deposits

Virtually all explorationists and researchers who have studied the mineralization in the Valle Jabali area, with focus on the Manto Negro occurrence, have agreed that the mineralization style is reflective of a sediment-hosted copper ("SHC") environment (e.g., García-Alonso et al., 2011). This style of mineralization accounts for the second largest source of copper worldwide, second only to copper porphyries. However, there are only a few very large deposits in the world that broadly fall into the SHC camp. Chief of which are the Central African Copperbelt ("CAC") of Democratic Republic of Congo/Zambia, the Kodaro-Udokan basin in Siberia, and the European Kupferschiefer of Germany/Poland (Hitzman et al., 2005)

Cox et al. (2003, 2007) described three sub-types of the sediment-hosted copper deposits: redbed, reduced facies, and Revett types. These are distinguished on the strength and efficiency of the reductant at the site of Cu deposition. The observed style of mineralization and geology of the Property support the interpretation of the mineralization as redbed-type SHC. Other workers subdivide this deposit type simply into Redbed type and Kupferschiefer type, based largely on basinal setting of the mineralization (e.g., Hitzman et al., 2005). Again, the Property mineralization seems most closely aligned with the redbed type.

Cox et al. (2007) compiled grade and tonnage statistics for the sub-types of sediment-hosted Cu deposits that are shown below in Table 8.1:

Table 8.1
Median Tonnage and Grades for Sediment-Hosted Copper Deposit Subtypes

Deposit sub-type	Median tonnage (millions)	Median Cu grade (%)	Median Ag grade (g/t)
Reduced-facies (n=58)	33	2.30	28
Redbed (n= 35)	1.2	1.70	34
Revett (n=11)	14	0.79	31

SHC deposits are typically located within sedimentary basins associated with intra-continental rifts. In such cases oxidized aeolian to subaerial sediments that have a reddish coloured hue due to the presence of hematite, are deposited with associated shallow marine and marginal facies such as evaporitic sediments. These sediments are generally overlain by marine transgressive facies containing carbonates, evaporites and shales. The deposits are notable for their lack of association with igneous or volcanic bodies.

Oxidized brines, formed by mixing of meteoric or other waters with dissolved evaporite rocks, would strip Cu and other metals from the redbed clastic sequence and/or underlying basement rocks. Fluid movement along aquifers such as porous clastic rocks, and/or permeable fracture and fault zones would occur on a basin wide-scale. Deposition of metals occurs at redox boundaries between the oxidized redbeds and reduced pyritic grey shales in the overlying rocks. Further agents of reduction may be organic debris concentrated in channels or muddy beds, bacterial agents that have reduced evaporitic sulphates to sulphide, and/or hydrocarbons (including sour gas) that had migrated through the porous beds. The reduction of redbed hematite to pyrite (or biogenic pyrite) is shown to precede copper deposition, with copper sulphides replacing pyrite. Copper minerals may also directly replace organic material, including bitumen (Figure 8-1).

Typically, SHC deposits show a clear mineral zonation, from hematite in the oxidized part (generally footwall redbeds) to chalcocite, bornite, chalcopyrite, then to pyrite. Galena and sphalerite are enriched at the margins (vertically and horizontally distal) of SHC deposits. Silver bearing-minerals are commonly associated with the copper. Cobalt is a common constituent as well in the CAC. Other elements such as U, V, Ge or Mo may be present as part of the mineral assemblage. Gold is characteristically absent.

8.2 SHC Mineralization on the Property

Some of the salient features of SHC deposits that are present on the Property are summarized below:

- Thick sequence of underlying redbeds: The San Marcos Formation is a 1,000-m thick sequence of alluvial derived, at least partly subaerial sandstones and conglomerates. This unit provides an oxidized source rock (the “redbeds”). Beneath San Marcos is a thicker sequence of Jurassic redbed conglomerates and sandstones.

- Overlying reduced facies beds forming a redox boundary: The carbonaceous shaly beds at the top of San Marcos Formation (reported by Wunder, 1995; Garćia-Alonso et al., 2011 and others) would act as reductants and sites of Cu deposition. Petrographic evidence shows that Cu minerals replaced organic debris within the upper San Marcos greyish green beds and arkosic sandstones (Wunder, 1995). Mineralization also occurs within the lower limestone of Cupido Formation, which acted as a reduced unit at the redox interface. Additionally, the limestone might have acted as an aquitard that would have slowed and potentially concentrated fluid movement to enhance redox reactions. The San Marcos-Cupido contact is recognized regionally as a locus of Cu mineralization.

- Copper Source: Within the oxidized San Marcos Formation and underlying Jurassic redbeds, which were shed off of basement topographic highs as alluvial fans, are dominantly immature sediments with lithic clasts. Permian or Triassic granitoids, as exposed at the Adriana showing, may also have provided a copper source.

- Basinal brines to mobilize copper: Evaporitic sequences occur in the Palaeozoic sequence, as the Laramide Jabali anticline and similar structures are cored by evaporites. Additionally, upper Cretaceous gypsiferous beds occur through the region and have been remobilized resulting in the modern sulphate playas in the area. It is probable that meteoric waters passed through overlying evaporates to form oxidized sulphate-bearing brines. The resulting fluids would be capable to strip copper from source rocks and mobilize it.

- Heat engine to move fluids: This is somewhat contentious in SHC deposits as ore fluids are known to be relatively cool, and typical heat engines such as igneous intrusions are not present. Tertiary volcanism might have played a role, as evidenced by andesitic porphyry dykes and sills intruding the Cretaceous strata. It is more likely that meteoric fluids that became salt saturated and subsequently denser during dissolution of the evaporites, descended and re-ascended through faults and porous beds, driven by basin and range hydrodynamics, and possibly aided by local elevated heat flow.

- Fluid paths: Porous clastic beds provided channel-ways, and fluid flow may have focused at stratigraphic pinch-outs associated with basement highs. Carbonate and evaporite units might have acted as aquitards and seals. Faulting, including the San Marcos Fault with a history of re-activation, provided pathways for focused fluid flow. The Manto Negro showing is interpreted to occur along or near the San Marcos Fault.

8.3 Relationship to Regional Rifting Environments

One aspect of the Property that differs from the classic SHC deposit is that the environment of deposition was not a continental-scale rift environment. Major rifting did occur in the Triassic in the proto- Gulf of Mexico; however, the Middle Cretaceous rocks that host the mineralization were deposited well after continental scale rifting in an overall passive margin setting. That said, uplift and extension related to the Coahuila Block and bounding San Marcos fault did require local rifting and extension-related sedimentation in a local basin as shown on Figure 8-2.

While the largest SHC deposits worldwide are older and associated with intra-cratonic rifting and very long-lived fluid flow regimes in restricted environments; the deposits that occur on the Property are grossly situated at the margin of a continental shelf, which provided less constraint on fluid flow (Hitzman et al., 2010). However, it is important to note that a semi-restricted sub-basin constrained by the Coahuila Block to the south and topographic highs to the north likely did restrict fluid flow and allow for localized hydrodynamic cycling.

8.4 Other considerations

The age of mineralization is not well constrained; however, it is generally believed to be syn-diagenetic with the host beds (Garciá-Alonso et al., 2011). Thus, Laramide basin and range tectonics that gave rise to the present physiography was likely established well after copper mobilization and deposition had occurred. However, basement uplift and faulting, including the San Marcos Fault, is older.

At the Adriana Concessions, mineralization occurs in fractures within basement Permian granitoids. This is a similar observation to Selley et al. (2005) who identified that some deposits in the Central African Copperbelt (CAC) were hosted in the basement rocks.

As noted by García-Alonso et al. (2011) and Morton and Brown (2013), at the Manto Negro occurrence there is a predominance of secondary minerals such as chrysocolla, azurite, malachite and cuprite. Few vestiges of the original primary sulphide assemblages remain in the near surface stratabound mineralization. The supergene alteration represents the most recent phase of the mineral paragenesis of the mineralization. This has implications for mineral benefaction as the secondary ores are amenable to leaching, solvent-extraction/electro-winning (SX/EW), and other methods rather than concentrating and smelting.

8.5 Cu-Pb-Zn carbonate-hosted deposits (Kipushi-type)

A feature of many of the mineralized areas of Manto Negro, particularly the San Marcos, La Encalmada and La Cuchilla abandoned mines, is the clearly cross-cutting, subvertical, replacement style Pb-Zn-Ag (+/- Cu) mineralization associated with structures. These were classed as discordant, vein- or pipe-deposits with Cu-Ag (±Pb, Zn) by Santa Fe/Coronado workers and Morton and Brown (2013). The latter authors noted mineralization “intruding” the strata that host the manto-type deposits (SHC mineralization in this report) and the strata underlying the mantos. Morton and Brown (2013) supposed these veins and pipes were “feeder systems” through which mineralizing hydrothermal brines ascended and accessed permeable strata to generate the manto-type deposits. Morton and Brown (2013) observed that the mineral suites of the stratabound manto-type mineralization were the same as for the cross-cutting mineralization, but that the mineral assemblages seen in the veins and pipes appeared to be less altered by supergene (meteoric) fluids.

Morton and Brown (2013) noted the Dikulushi deposit in the Democratic Republic of the Congo bore a strong similarity with the Cu-Ag veins of the Cuatro Ciénegas area. Texturally, at the Dikulushi deposits the ore bodies are fault breccias with massive- to semi-massive sulphides, which is mainly chalcocite.

It is not clear at this point what relationship the Zn-Pb dominated mineralization has to the SHC mineralization. In many SHC deposits, there is a clear metal zonation in which Cu minerals nearest the redox boundary are supplanted by Pb and Zn minerals at a lateral and vertical distance away from the Cu mineralization. At Cuchilla, San Marcos and Pilar Grande occurrences, Zn-Pb mineralization is apparent at upper levels and topographically above the copper workings. At the Sierra Mojado deposit, lying on the western extension of the San Marcos Fault about 250 km north of Torreon, there is a similar spatial occurrence of apparent SHC mineralization and oxide Zn-Ag mantos in the same Cretaceous clastic and carbonate stratigraphic package as on the Property (Silver Bull Resources Inc. website; silverbullresources.com, accessed 20 February 2018). Further afield, mineralization on the west coast of Somerset Island in the Canadian Arctic also shows some similarities to Sierra Mojado (Figure 8-3; Aston Bay Holdings Ltd. website astonbayholdings.com accessed 20 February 2018).

Cox and Bernstein (1992) and Trueman (1998) identified a separate class of deposits; Kipushi-type Cu-Pb-Zn (or carbonate-hosted Cu+/-Pb+/-Zn) that most fully fits the mineralization and geology seen at the Property. Worldwide examples of this style of deposit include Tsumeb, Namibia; Kipushi, Democratic Republic of Congo; Apex, Utah; and Kennecott and Ruby Creek, Alaska. It is postulated here that the cross-cutting replacements and structurally controlled Zn-Pb-Ag (+/- Cu mineralization) seen at some of the occurrences may be a later stage Kipushi-type mineralization, , rather than feeders to the SHC mineralization as postulated by Morton and Brown (2013).

Post-peak SHC fracture-hosted Cu-Mo-U and Cu-Zn-Ga mineralization in the CAC was noted by Hitzman et al. (2010). Mo mineralization, as mentioned above, has been found locally at Pilar Grande on the Don Indio block (Morton and Brown, 2013). Sillitoe et al. (2010) noted that crosscutting veins in deposits of the CAC had the same mineralogy as the orebodies which they cut and used this observation to infer a later timing for mineralizing fluid flow for these SHC deposits, which are thought by most workers to be epigenetic or even diagenetic. Sillitoe and co-authors observations may simply support the long-lived fluid flow regime (spanning diagenetic to post-lithification) required for the giant deposits of the CAC.

9 EXPLORATION

Prize conducted a resampling program in December 2017. According to a news releases dated February 28 and March 14, 2018, a total of 52 samples (including blanks and duplicates) were collected over 8 channels, 2 panels and 5 separate samples ranging from 0.25 m to 8.9 m in width through level 3, 4 and 4A at the Pilar Grande Mine. The plan view locations of the Pilar Grande Mine samples are illustrated on Figure 9.1. In addition, 20 samples (including 1 blank) were collected over 2 vertical channels at the Manto Negro Pit. The plan view locations of the Manto Negro pit samples are illustrated on Figure 9.2. Available sample results from the Manto Negro pit are listed in Table 9.1 and from Pilar Grande Mine are listed in Table 9.2. Table 9.3 outlines the results of four chips samples taken by Prize at other significant outcrops at Manto Negro, Pilar Grande, and Los Ojitos open pit.

Table 9.1
2017 Assay Data from Prize Manto Negro Sampling Program

Sample ID	Channel No. Composite	Sample Grades		Sample Width (m)	Weighted Average		Channel/Panel Width (m)
		Ag g/t	Cu %		Ag g/t	Cu %	
MN-1	Channel 1	1	0.16	0.55	36	1.65	7
MN-2		4	0.38	0.30			
MN-3		43	1.78	0.60			
MN-4		76	3.18	0.95			
MN-5		13	0.74	0.55			
MN-6		20	1.21	0.80			
MN-7		83	2.81	0.50			
MN-8		69	3.49	0.35			
MN-9		72	2.66	0.50			
MN-10		13	0.71	0.65			
MN-12		11	1.13	0.65			
MN-13		30	1.91	0.25			
MN-14		7	0.67	0.35			
MN-15	Channel 2	56	2.32	0.90	40	1.78	5.2
MN-16		3	0.20	1.05			
MN-17		100	3.85	1.00			
MN-18		54	2.21	0.70			
MN-19		3	0.42	0.85			
MN-20		19	1.70	0.70			

Table 9.2

2017 Assay Data from Prize Pilar Grade Sampling Program

Sample ID	Channel No. Composite	Sample Grades		Sample Width (m)	Weighted Average		Channel/Panel Width (m)
		Ag g/t	Cu %		Ag g/t	Cu %	
DI-1	Channel 1	1,140*	4.88	0.30	322	1.73	1.35
DI-2		137	0.95	0.70			
DI-3		30	0.61	0.35			
DI-4	Channel 2	565*	4.44	0.65	275	3.05	1.85
DI-5		114	1.49	0.55			
DI-6		121	2.98	0.65			
DI-7	Channel 3	264*	4.60	0.45	212	2.61	7.00
DI-8		8	0.16	0.50			
DI-9		52	0.93	0.30			
DI-10		54	1.67	0.80			
DI-12		492*	2.96	0.85			
DI-13		146	2.31	0.40			
DI-13A		404*	5.46*	1.25			
DI-13B		234*	2.23	0.75			
DI-13C		80	1.07	0.95			
DI-14		89	2.11	0.75			
DI-15	Channel 4	259*	2.31	0.40	86	1.14	1.40
DI-16		13	0.23	0.45			
DI-17		14	0.62	0.25			
DI-18		25	1.38	0.30			
DI-19	Channel 5	147	1.35	0.45	252	2.10	1.25
DI-20		311*	2.52	0.80			
DI-21	Channel 6	228*	3.57	0.70	110	1.80	2.25
DI-23		57	1.23	0.85			
DI-24		56	0.74	0.70			
DI-25	Sample 1	214*	3.69	1.05	214	3.69	1.05
DI-26	Sample 2	65	1.56	0.50	65	1.56	0.50
DI-27	Sample 3	321*	6.33*	0.60	321	6.33	0.60
DI-28	Panel 1	218*	3.58	0.5x0.95	218	3.58	0.5x0.95
DI-29	Sample 4	364*	5.53*	0.30	364	5.53	0.30
DI-30	Sample 5	192	3.31	0.95	192	3.31	0.95
DI-31	Panel 2	172	6.18*	0.3x0.45	172	6.18	0.3x0.45

Table 9.2 (cont.)

Sample ID	Channel No. Composite	Sample Grades		Sample Width (m)	Weighted Average		Channel/Panel Width (m)
		Ag g/t	Cu %		Ag g/t	Cu %	
DI-33	Channel 7	110	2.33	0.80	138	2.22	8.90
DI-34		35	0.78	0.40			
DI-35		22	0.79	0.35			
DI-36		7	0.29	0.50			
DI-37		80	0.80	1.05			
DI-38		178	2.64	0.65			
DI-39		281*	3.85	0.70			
DI-40		115	1.53	0.50			
DI-41		255*	3.01	0.40			
DI-42		256*	3.15	0.75			
DI-44		88	2.09	0.70			
DI-45		159	3.07	1.10			
DI-46		128	2.78	1.00			
DI-47	Channel 8	33	1.78	0.80	198	2.90	4.00
DI-48		279*	3.01	0.80			
DI-49		183	4.14	0.60			
DI-50		403*	4.19	0.40			
DI-51		448*	3.82	0.40			
DI-52		91	2.10	1.00			

* = Over detection limit for ICP-AES method, re-analyzed using four-acid digestion Total Copper Cu-(“OG62”) and Silver (“Ag-OG62”) packages.

Table 9.3
2017 Chip Sample Assay Data from Outcrop Showings

Concession Block	Location	Sample ID	Sample Grades	
			Ag g/t	Cu %
Madero	Ojitos Open Pit	Los Ojitos	>1,500	45.5
Granizo	Manto Negro Open Pit	Manto Negro	71	1.89
Don Indio	Level 4 Pilar Grande Mine	L4- Pilar Grande	153	2.54
	Level 4A Pilar Grande Mine	LA-4-A-Pilar Grande 2	711	5.53

10 DRILLING

Prize has not drilled the Property.

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

11.1 Historic Sampling Methods, Analyses, and Security

11.1.1 Artisanal Miners

The historic sampling methods, approaches, and analytical techniques are not known. It is likely that artisanal miners simply relied on visual cues to mine the higher-grade ores.

11.1.2 1994 Noranda Sampling

Noranda collected 1,289 sample analyses (1,100 from underground workings) in 1994. Many of those samples were analysed by SGS-XRAL Laboratories ("SGS") of Hermosillo, Sonora, Mexico (Wunder, 1995). SGS de Mexico S.A. de C.V., part of a worldwide group, remains an established company with several labs in Mexico (www.sgs.mx).

The submitted samples were analysed for Cu and Ag. Detection limits were 0.5 ppm for Ag and 5 ppm for Cu. Analytical method appears to be dissolution in perchloric acid followed by determination by atomic absorption spectrometry ("AA"). Soluble copper was determined through a sulphate leach process. Roughly every 20th to 40th sample was reanalyzed by SGS laboratory as a repeat, which the Author believes was a repeat analysis completed from the pulps.

Noranda completed analyses on 388 samples at their in-house laboratory by inductively coupled plasma spectrometry ("ICP"); after dissolving a 0.2 g sample in 3 ml solution of 4:1 $HClO_4$:HNO_3 for four hours at 203°C, then diluting the solution to 10 ml with distilled water (Wunder, 1995). These analyses were completed for 27 element analyses. The many high Cu values obtained were determined to be acceptable after many were checked against AA data. The Noranda laboratory did warn, however, that Pb results may not have been accurate due to possible co-precipitation with Ba during the ICP runs. Check assays (by unspecified means) were made of Cu, Zn, and Pb values obtained by AA and/or ICP methods.

Noranda did not appear to have submitted its own duplicates, blanks or standards to external or internal labs. The vast majority of collected samples were chip or channel samples, with recorded widths (Wunder, 1995). The usage of "channel" samples here, and following, is taken to mean chipped channel samples, rather than channels cut from the rock face, as no evidence of sawn channels was seen. Therefore, the "channel" samples are essentially synonymous here with chip samples. From sample data sheets, it appears that a number of different persons collected samples from surface outcrops and underground workings. Most of the surface samples have associated UTM coordinates, although the datum is unspecified. There is no information as to how the Noranda samples were packaged, secured, shipped or handled, so no comment can be made on sample security and chain of custody.

11.1.3 1995 BHP Sampling

BHP sampled and analysed samples from its RC drilling programs that were completed on the Granizo and San Antonio concessions. The analyses reported in Section 6.2 were obtained from Molycomex from a cross section that had hand written grade values on it. At times, depths were not provided for the intervals that contained elevated grades. No original BHP documents were available to the Authors. As such, nothing is known of BHPs sampling methods, approaches, analytical techniques or laboratories used. Similarly, no comment can be made on sample handling or security.

11.1.4 1999 Stratabound Sampling

Stratabound collected 278 samples in 1999. These samples were collected from the underground workings. Samples were assayed by Chemex Labs of North Vancouver, British Columbia. Similarly, no comment can be made on sample handling or security. It is known that much of the sampling work was carried out for Stratabound by Compaňía Minera Cascabel (“Cascabel”) of Hermosillo, Mexico (Bersch, 2008). Cascabel, with sister company Imdex Inc., remains an active mineral exploration services company today (www.imdex.com).

11.1.5 2008-2012 Santa Fe - Coronado Sampling

Bersch (2008) collected five samples on behalf of Santa Fe - Coronado. The samples were collected in plastic bags, marked and then double bagged. Bersch carried the samples with him and they remained under his control until he shipped them from his USA office to Skyline Laboratories in Tucson, Arizona. Analyses included assessment of copper, lead, zinc, molybdenum, gold and silver. Bersch (2008) did not include laboratory certificates in his report, so analytical methods are unknown, except for Ag that was determined with fire assay and gravimetric methods.

Santa Fe - Coronado collected 578 “channel” or chip samples from the Don Indio concession from underground workings as well as exposed mineralization at the Granizo concession. Information from news releases dated September 7 and November 24, 2011 concerning samples collected at Pilar Grande (Don Indio Concession) is summarized below and indicates fairly standard treatment and analysis of exploration-level samples. It is unknown if all sampling conducted by or for Santa Fe - Coronado was done the same way.

Individual channel samples were continuous, 10 cm wide and cut perpendicular to the strike of the mineralized zone to a depth of 3 cm to 5 cm. Sampling was supervised by a geologist (in this case Ing. P.R. Marquez) who also logged the sample sites. Santa Fe - Coronado inserted commercially prepared standards (from CDN Resource Labs; cdnlabs.com), blanks and split duplicates every 25 samples. The ratio of blanks, standards and duplicates is unknown. It is unclear whether one of each QA-QC sample type was submitted per run of 25 samples, or merely one of the group. If it was the latter case, then the rate of QA-QC sample insertion is insufficient compared to standard industry practice.

All samples were bagged and sealed on site, stored securely at Santa Fe's field office in Cuatro Ciénegas; then transported by company personnel to Inspectorate Exploration and Mining Services Ltd.'s preparation laboratory in Durango, Mexico. Prepared samples were then shipped to Inspectorate Labs in Reno, Nevada, USA. A sample pulp split was digested in aqua regia and analysed by ICP methods for a suite of elements. A 30-g split was analysed for Au and Ag by fire assay with an AA finish. Original assay certificates from the sampling programs completed by Santa Fe – Coronado are not available.

11.1.6 2011-12 Molycomex Sampling

Molycomex collected and analysed at least 449 samples and 35 drill core samples during their 2011 - 2012 sampling program, mainly from the San Antonio concession that is not part of the Property. Samples were submitted to ALS Chemex Labs ("ALS") for multi-element analyses (Molycomex, 2017).

11.2 2017 Prize Sampling

During December 2017, Prize collected channel and panel chip samples at Pilar Grande, channels chip samples at Manto Negro occurrence on the Granizo concession and chip (grab) samples from outcrop locations in the Don Indio concession. Where mineralized channel intervals were identified at Pilar Grande and Manto Negro, the chip samples were cut perpendicular to strike and dip of the observed mineralization. The samples were collected with a 4 lb mallet and chisel or steel spike onto a 1.5 m^2 plastic canvas placed at the base of the channel and then transferred into plastic sample bags and sealed with plastic zip ties. Sample numbers were written on the sample bags and a piece of flagging tape with the corresponding sample number was inserted into each bag. Duplicates were made by collecting extra material from a channel sample and then triturating the material and splitting it into two separate sample bags. The plastic canvas used to collect the samples was thoroughly cleaned prior to collecting each new channel sample. The bags of samples were then packaged in plastic boxes for transport. Samples were inventoried and placed in sacks and transported by the Scion Mines chauffeur to the ALS facility in Guadalajara, Mexico for preparation.

For QA/QC, two each of blanks and duplicates were included in the Pilar Grande samples, and one blank with the Manto Negro samples representing an approximate 5% insertion rate for QA/QC samples, which is low by industry standards which typically have an insertion rate of 10% or more. The two duplicate pairs collected at Pilar Grande (DI-21, 22 and DI42, 43) yielded good agreement on Cu analyses (35700 and 36700 ppm; and 31500 and 33200 ppm) respectively, but the duplicate pairs sample size is too small to make any meaningful statement.

According to a 14 March 2018 news release, Prize followed a rigorous QA/QC program over the chain-of-custody of samples. Sample preparation took place at the ALS facility in Guadalajara, Mexico. Prepared samples were then shipped to the ALS facility in North Vancouver, British Columbia, Canada for analysis. The majority of the samples were analyzed using a 34 Element Package with ample dissolution by aqua regia and analyses by ICP-AES (ALS lab code "ME-ICP41a"). Samples with Cu and Ag over the detection limits as shown in Table 9.2, were re-analyzed with the four-acid digestion Total Copper Cu-("OG62") and Silver ("Ag-OG62") packages. Four chip samples (Table 9.3) were analyzed using a 12 Element Ore Grade Analysis Package ("OG46") by aqua regia and ICP-AES.

12 DATA VERIFICATION

12.1 Data Validation by Qualified Person for each Concession

Norwest's Qualified Persons visited the Property between February 19 and 21, 2018 and inspected all the concessions held by Prize, which are shown in Table 12.1. The sampling associated with the trenching, completed by Prize Mining as outlined in Section 9, was reviewed.

Chip and grab samples were collected from many of the occurrences, the locations of which are shown in Table 12.2, so that an independent assessment of the grades could be completed. The suite of samples was sent to SGS Mineral Services of Vancouver, British Columbia for a determination of a suite of 56 elements using a sodium peroxide fusion, and ICP-AES / ICP-MS analysis. Silver ore grade analyses were determined by fire assay and a gravimetric finish. Ore grade copper analyses were made using a sodium peroxide fusion, and ICP-AES, as well as bulk density immersion, for future conversion of the volumes to tonnage estimates.

Specific information on data verification at each concession block is presented in the following subsections.

Table 12.1
Location Verification

Area/Zone	Occurrence Name	Easting (UTM NAD 83)	Northing (UTM NAD 83)	UTM Zone	Date Visited
SAN ANTONIO	Buena Suerte	214732	2933547	14	2/19/2018
SAN ANTONIO	San Antonio	214375	2933890	14	2/19/2018
APACHE 4	Los Ojitos	211471	2938304	14	2/19/2018
EL JABALI 2	Las Juanitas	208419	2939115	14	2/19/2018
EL GRANIZO	Manto Negro	795092	2943171	13	2/20/2018
DON INDIO	Pilar Grande	787460	2959105	13	2/20/2018
DON INDIO	La Cuchilla	786901	2957907	13	2/21/2018
DON INDIO	Close to El Pilon	786576	2956903	13	2/21/2018
ADRIANA 2	Granizo	790751	2946639	13	2/21/2018

Table 12.2
Validation Samples

Concession	Occurrence Name	Sample #	Easting (UTM NAD 83)	Northing (UTM NAD 83)	UTM Zone	Sample Number	Sample weight (kg)	Cu %	Ag ppm
San Antonio	Buena Suerte	5460	214732	2933547	14	5460	1.74	3.38	222
San Antonio	Buena Suerte	5461	214717	2933536	14	5461	1.80	5.22	170
San Antonio	San Antonio	5462	214362	2933945	14	5462	1.89	6.89	118
Apache 4	Los Ojitos	5463	211471	2938304	14	5463	0.66	6.72	82
Apache 4	Los Ojitos	5464	211472	2938305	14	5464	1.11	29.6	1770
El Jabali 2	Las Juanitas	5466	208419	2939115	14	5466	0.62	0.17	7
El Granizo	Manto Negro	5467	795180	2943090	13	5467	2.90	2.81	102
Don Indio	Close to El Pilon	5468	786587	2956811	13	5468	1.34	2.01	70
Adriana	Granizo	5469	790798	2946653	13	5469	1.20	0.64	<1

12.1.1 Madero Concession Block

Norwest Qualified Persons completed site visits to the Madero concession block on February 19, 2018. As the Buena Suerte, San Antonio, and Las Juanitas areas are encompassed within the Madero concession block, although not part of the Prize Mining holdings, these mineralized locations are deemed material to the discussion. As such, mineralization at the Buena Suerte, San Antonio, Los Ojitos, and Las Juanitas trenched areas were visited and sampled. Collar locations for Molycomex drill sites SA-01 to SA-04 and BHP drill site CI95-12 were obtained, as shown in Table 12.3. Chip and grab samples were collected from the trenches so that an independent assessment of the grades could be completed (Table 12.2). Host rocks and the alteration assemblage that is associated with the mineralization on the Property are consistent with sediment-hosted stratiform copper deposits.

Table 12.3
Drill Hole Location Verification

Occurrence Name	Hole Identification	UTM Zone 14		
		Easting	Northing	Elevation (m)
Buena Suerte	CI95-12	214617	2933641	1,317
San Antonio	SA-01	214378	2933934	1,324
San Antonio	SA-02	214376	2933890	1,327
San Antonio	SA-03	214403	2934009	1,331
San Antonio	SA-04	214418	2933982	1,330

12.1.2 El Granizo Concession Block

Norwest's Qualified Persons visited the El Granizo concession block on February 20, 2018. The Manto Negro occurrence was reviewed and sampled. The monument that was used to survey the El Granizo concession block was located.

12.1.3 Don Indio Concession Block

Norwest's Qualified Persons visited the Don Indio concession block on February 20 and 21, 2018. The visit included completing an underground review of the four levels of Pilar Grande, during which previous sampling completed by Stratabound, Santa Fe, and Prize Mining was reviewed. Assay results from specific samples were compared to the known sample sites to assess reasonableness. In addition, an underground tour of the La Cuchilla Mine was completed, and a trench nearby to El Pilon was examined and sampled.

12.1.4 Adriana Concession Block

On February 21, 2018, Norwest's Qualified Persons visited and sampled the mineral occurrence, which is hosted in granites. In addition, the monument that was used to survey the Adriana concession was located.

12.2 Limitations to Data Validation by Qualified Person for each Concession

12.2.1 Madero Concession Block

No drill core was available to be reviewed. In addition, none of the BHP drill holes have geological descriptions, and laboratory certified assay sheets have not been obtained.

12.2.2 El Granizo Concession Block

The eight BHP drill holes on this concession do not have drill core descriptions, and the sample chips are not available to be reviewed. In addition, the laboratory certified assay sheets have not been obtained.

12.2.3 Don Indio Concession Block

Collars for the two Noranda holes that were drilled at Pilar Grande were not observed. Due to the abundance of mineral occurrences within this concession block, only select deposits were visited and sampled during the brief site visit. The available information for many of the deposits is restricted to assay data, sample locations, and maps that show sample locations, structural and lithological information. Typically, original field notes were not available.

12.2.4 Adriana Concession Block

An original trench map was not available to be reviewed. Also, no original assay information is available.

12.3 Qualified Person's Opinion

It is the Norwest's Qualified Person's opinion that the data provided to Norwest is adequate for the purposes used in this Technical Report.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

Details of mineral processing by artisanal miners from ore taken from the abandoned mines are unknown. As mentioned in Section 6.2; from 1968-75 a small independent operator processed material from Granizo (likely Manto Negro) likely using some kind of acid leach to treat oxidized ores. However, no information on the processes used is available.

The only metallurgical testing done that is known to the Authors was bench scale leach tests completed by Santa Fe in 2008 at Granizo and by Molycomex in 2012 in adjacent properties San Antonio-Buena Suerte.

At the request of Santa Fe, Professional Research Associates Ltd. ("PRA") laboratories in Richmond, British Columbia, as reported in a news release dated October 16, 2008, tested a 150 kg "composite sample" by bottle roll and column leach tests. The tested material was collected from eight channel samples over approximately 100 m of the exposed mineralization at El Granizo concession (Manto Negro; Section 7.3.2). The average "head grade" determined by PRA was 1.7% Cu, of which 86% was determined to be leachable copper. Eight specific gravity ("SG") determinations were performed by PRA using the waxed immersion method. The average SG was estimated to be 2.5 g/cm^3.

Velázquez and Murillo (2012) of the Metallurgical Institute of the University of San Luis Potosi reported on acid leaching tests conducted for Molycomex. About 40 kg sample was supplied to the laboratory from the San Antonio-Buena Suerte occurrence. Sample material was ground to ¼" size and homogenized. Head grade was determined to be 1.85% Cu. A 30-kg sample fraction was tested in a leach column. The sample material was irrigated with acid and 93% Cu recovery was determined after 21 days, with the major part of Cu recovered (76%) by 15 days. The results from this test are shown in Figure 13-1 (Velázquez and Murillo, 2012). The conclusion was that the material responded well to acid leaching, with good recoveries in a reasonable time frame. Further tests were recommended at coarser particle sizes as it would reduce crushing costs.

Acid consumption was calculated at 16.4 kg/tonne which was considered low due to the small amount of carbonate in the sample. It should be noted that acid consumption for the Santa Fe (2008) test is not known.

14 MINERAL RESOURCE ESTIMATES

No mineral resource estimates have been completed on the Property.

15 MINERAL RESERVE ESTIMATES

No mineral resource estimates have been completed on the Property.

16 MINING METHODS

As the Property is in a relatively early exploration stage, no discussion of mining methods is included in this report.

17 RECOVERY METHODS

As discussed in Section 13, metallurgical testing undertaken by Santa Fe (2008) at Granizo and by Molycomex (2012) in adjacent properties San Antonio-Buena Suerte indicate that the copper recovery from the mineralized zone at these properties is amenable to heap leaching followed by solvent-extraction/electro-winning (SX/EW). The similar oxide-type mineralization observed in the remaining Prize properties suggest that a heap leach SX/EW extraction method would be the preferred recovery method for copper from these deposits.

18 PROJECT INFRASTRUCTURE

The Property is in a relatively early exploration stage. Infrastructure proximal to the Property, such as powerlines, paved roads, airports and population centres, are addressed in Section 5.2.

19 MARKETS AND CONTRACTS

19.1 Markets

As the Property is in a relatively early exploration stage, no discussion of commodity markets is included in this report.

19.2 Contracts

To the best of the Author's knowledge, Prize is a party to no contract concerning mining, material handling and transport, ore treatment, product sales from minerals from the Property. As the Property is in a relatively early exploration stage, no discussion of contracts is included in this report.

20 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

As the Property is in a relatively early exploration stage, no discussion of environmental studies, permitting, or social and community impact is included in this report.

21 CAPITAL AND OPERATING COSTS

As the Property is in a relatively early exploration stage, no discussion of capital or operating costs is included in this report.

22 ECONOMIC ANALYSIS

As the Property is in a relatively early exploration stage, no economic analysis is included in this report.

23 ADJACENT PROPERTIES

23.1 Concessions surrounded by Madero (Apache 4) Block

The Apache 4 concession surrounds and includes a number of smaller concessions that are not part of the Property. These include: The El Ojito, El Ojito E and Martha E concessions. Ownership of these concessions was discussed in Section 6, History. No information is available as to the mineralization present on these concessions, but it seems likely that the El Ojito E concession may cover part of the favourable contact zone between the Cupido and San Marcos formations. The El Ojito concession likely covers lower strata in San Marcos Formation. The Martha E concession lies within the northwest part of Apache 4 concession and is fairly low down on the slopes of Sierra San Marcos y Pinos; probably below the main horizon of interest.

The El Jabali, El Jabali 2, San Antonio and Apache 14 concessions are held 70% by Molycomex and 30% by Sr. Ezequiel Aguero Zamudio. The concessions total about 306 ha and are enclosed by Apache 4 concession. Mineralization at these concessions was examined by the Authors, particularly the occurrences at San Antonio-Buena Suerte and at Las Juanitas. The mineralization is similar to sediment-hosted stratiform copper occurrences seen elsewhere on the Property. Molycomex has collected a considerable number of samples at San Antonio-Buena Suerte, and also drilled four shallow holes. Drill hole results ranged up to a weighted average of 1.77% Cu over 2.98 m in drill hole SA-01. The mineralized contact zone at San Antonio-Buena Suerte very likely continues northwestward onto the Apache 4 concession.

At Las Juanitas, copper mineralization occurs in San Marcos Formation 200 to 225 m stratigraphically below the upper contact of the formation (Morton and Brown, 2013b). Molycomex collected samples in 2011-2012. Mineralized zones range from 0.2 m to 2.05 m, with weighted averages across the zones yielding trace amounts up to 2.83% Cu over 0.5 m. Las Juanitas lies at the northern end of El Jabali 2 concession and likely continues northwest along strike onto Apache 4 concession.

23.2 La Luz

Southeast of Granizo concession and southwest of Apache 4 lies the La Luz Property of Compañia Nueva Minera La Luz S.A. de C.V. comprising three concessions totalling 825 ha. This property hosts the intermittently producing (since 2005) La Luz mine, that contains carbonate hosted Pb-Zn mineralization in collapse breccias and karstic structures in the Acatita Formation (Morton and Brown, 2013).

23.3 La Monarca

Stratabound explored the next valley to the east of Valle del Jabali, at the south end of a 70-km long belt with at least 85 mineral occurrences, including the past-producing La Reforma Zn-Pb-Ag mine which produced up into the 1950s. La Reforma appears to be a carbonate hosted style deposit within the dolomitized limestones of Cupido Formation (Tritlla et al., 2007). While most of the occurrences in this area are Zn-Pb, some Cu mineralization was also seen, with results up to 8.78% Cu and 598 g/t Ag over 1.05 m from a sample at the San Luis occurrence in the Dolores area, on the eastern flank of the Sierra San Marcos y Pinos (Stratabound, 1999). This Cu occurrence is likely similar to those found on the Property.

24 OTHER RELEVANT DATA AND INFORMATION

There is no additional information for this section of the report since the property is not presently a producing mine.

25 INTERPRETATION AND CONCLUSIONS

25.1 Summary of Mineralization Features observed on the Property

The Property contains the following key features that are associated with SHC deposits:

- Redbed Association: There is a thick sequence of underlying redbeds as the San Marcos Formation is a 1,000-m thick sequence of alluvial derived, at least partly subaerial sandstones and conglomerates;
- Chemical Trap: A Redox boundary occurred at the carbonaceous shaly beds at the top of San Marcos Formation, which acted as reductants and sites of copper deposition;
- Metal Source: Copper and silver may have been scavenged from the sediments associated with the San Marcos Formation and underlying Jurassic redbeds, as well as Permian or Triassic granitoids;
- Fluids to Transport Metals: Meteoric water and basinal fluids may have dissolved evaporites to form oxidized sulphate-bearing brines, which are capable of stripping and transporting metals;
- Fluid Pathways: Porous clastic beds and deep-seated faults provide the plumbing system required to bring the metal-bearing fluids to the locations where the metals are precipitated out of the system; and
- Hydrodynamics to Circulate Fluids: Meteoric and basinal fluids were driven by basin and range hydrodynamics, which may also have been aided by local elevated heat flow from the andesitic porphyry dykes and sills. The semi-restricted basin facilitated the recirculation of the fluids.

25.2 Limiting Factors Associated with Previous Exploration Programs

Following review of the available information, as well as observations that were made during the field visit, the Authors identified the following limitations associated with the previous exploration programs:

1) **Resampling Programs:** As observed while completing underground mine tours of mines in the Don Indio Concession, exploration companies typically focused on known showings and mines. The work that was completed included mapping and resampling. In the case of Pilar Grande, underground observations showed the existence of four generations of sampling programs following mining in the late 1940s.

2) **Exploration along the Carbonate/Arkosic Sandstone Contact:** With exception of the systematic trenching conducted by Molycomex, limited continuous exploration appears to have been completed at the contact between the Cupido Formation carbonate hanging wall and the San Marcos Formation arkosic sandstone footwall. This was most notable in the Don Indio concession area, where areas between historic mine workings that were covered by colluvium showed limited to no evidence of exploration.

3) **Structural and Stratigraphic Mapping:** With exception of a few select deposits, detailed structural mapping of the Property appears to have not been completed. As such, exploration targets appear to be restricted to areas with visible mineralization on surface. A regional approach to systematic depositional mapping has not been completed for the Property. As such, an understanding as to the subtleties associated with mineralized areas relative to unmineralized areas has not been completed. This is a critical component from an exploration standpoint, so that areas with higher prospectivity are targeted versus areas with limited opportunity for mineralization. Ultimately, locating the highest prospective depositional environments relative to the associated structure may assist with focusing drill programs.

4) **Topographic Studies**: Light Detection and Ranging (LiDAR) surveys and a comprehensive review of air photographs have not been completed in the area to identify surface expressions of faults through subtle elevation differences, or visible stratigraphic offsets. Refinement of the topographic surface and review of air photographs is also necessary for the geological models.

5) **Implementation of Geophysical Exploration Methods:** Geophysical surveys in the area are restricted to high-level government surveys. Targeted geophysics following specific testing of barren and mineralized host rocks, may be instrumental in identifying local structures that may have acted as fluid conduits and as well as areas with sulphide concentration.

6) **Drilling:** Previous drilling programs completed by BHP and Molycomex focused on areas with easy access rather than resource delineation through applying a grid configuration. For example, the Authors observed at the San Antonio concession that drills were set up on areas with easy road access and collared in arkosic sandstone at or below the mineralization observed from nearby trench sampling. Based on this observation, the Authors believe that significant potential may have been missed by drilling the area that had already undergone erosion, as mineralization is also commonly observed in the hanging wall carbonate sequence.

25.3 Exploration Potential on the Property

The Authors believe that the lack of systematic exploration is largely due to limited financial capacity or interest by concerned companies in conducting a regional comprehensive study. The previous exploration philosophy was most likely to identify high grade deposits that could be rapidly exploited and produced for short-term profit.

The Authors observed during the site visit, key regional-scale mineralization features that support the interpretation that mineralization may exist at a much larger scale than from what has been discovered to date. The Authors propose that a large-scale exploration approach be taken to identify areas on the Property that contain currently unrecognized mineralization potential. Such an approach will also assist Prize with releasing low-potential ground, which will ultimately increase the working capital that the company needs to advance discoveries. Specific recommendations to enhance discoveries are addressed in the following section.

26 RECOMMENDATIONS

The recommendations presented in this section adopt a large-scale exploration approach to identify areas on the Property that contain currently unrecognized mineralization potential. To accomplish this goal, two phases are outlined below.

Phase 1: Exploration Target Identification

- **Data Compilation:** Compilation of available geological data and laboratory certified assay data into a database.

- **Data Review and Geological Model Development:** Review of available datasets in Geographic Information System ("GIS") platform and geological modeling software. Such tools will, in addition to potentially providing initial resource volumes, highlight potential exploration targets to optimize resource delineation. If resource volumes can be determined at this point, then an updated Technical Report might be completed at this stage.

- **Topographic Survey:** LiDAR surveys and a comprehensive review of air photographs will assist with identifying surface expressions of faults through subtle elevation differences or visible stratigraphic offsets.

- **Structural, Stratigraphic, Sedimentological Mapping:** A regional approach to systematic mapping of the sedimentary environments / facies, and structure will significantly assist with understanding the subtleties associated with the mineralized areas relative to the unmineralized areas.

The estimated cost to complete Phase 1 are shown in Table 26.1.

Table 26.1
Phase 1 Exploration Target Identification Cost Estimate

Category	C$
Data Compilation	10,000
Data Review and Geological Model Development	35,000
Topographic Survey	35,000
Structural and Sedimentological Mapping	40,000
Total	**120,000**

Phase 2: Target Delineation, Resource Calculation, and Technical Report Update

Following completion of Phase 1, it is recommended that geophysics and drilling be conducted to further define the exploration targets.

- **Geophysical Exploration:** Following laboratory-based testing of barren and mineralized materials for properties such as density, chargeability, and resistivity, targeted geophysics may assist with identifying local structures that may have acted as fluid conduits and concentrated sulphide mineralization;

- **Drilling:** Following refinement of targets, diamond drilling will be required to test and/or further increase the level of assurance of the size and grade of any deposits. The estimated cost for the drilling program is dependent on the targets identified in Phase 1;

- **Geological Model Update, Resource Estimate, and Technical Report:** This stage would involve update of the geological model following the drilling and sampling campaign, revision of any resource estimate, followed by an update to the Technical Report.

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28 ILLUSTRATIONS

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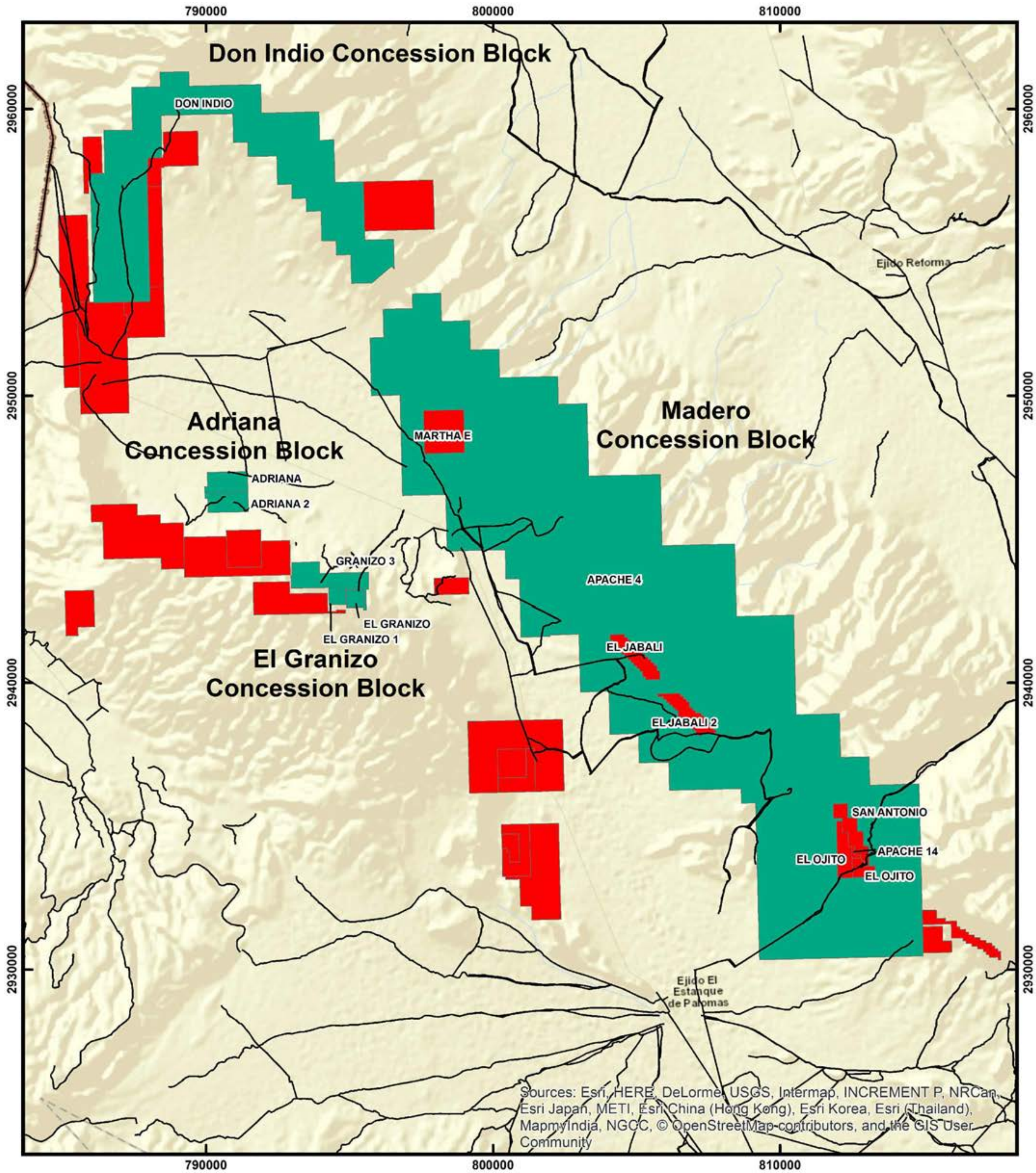


Legend

Mining Concession Ownership

- Other Companies
- Prize Mining -100% ownership
- Roads

0 1.25 2.5 5 7.5 10 Kilometers

N

GRID: WGS 84 UTM Zone 13

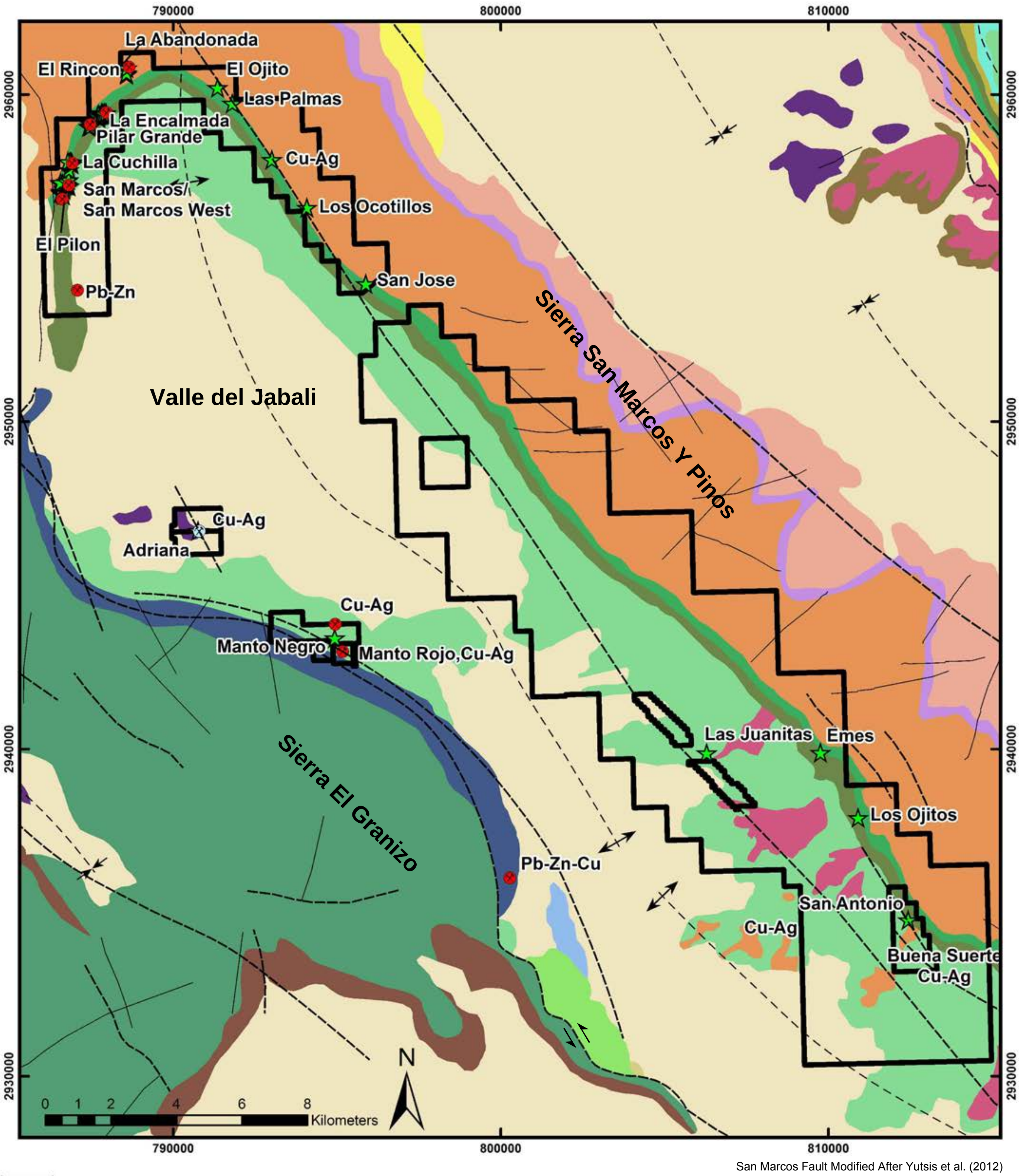
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

MINING CONCESSION MAP

FIGURE 1-1

DRAWN BY: A.W.	File: Fig 1-1_Mining Concession Map.dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 22	TR\Reports\Draft\Figures	



San Marcos Fault Modified After Yutsis et al. (2012)

Legend

Deposit Type-Origin-Mineralization

- Irregular-Hydrothermal-Carbonates
- Stratiform-Sedimentary-Carbonates
- Stratiform-Sedimentary-Sulfide
- Mine Workings
- Prize Mining Concession

Formation

Quaternary	Austin	Las Delicias
Acatita	Barril viejo	Menchaca
Ahuichila	Conglomerado Sabinas	Monclova
Aurora	Cupido	Ninguno
	Eagle Ford	Padilla
	Indeterminado	Parras
	Indidura	Patula
	Kiamichi	San Marcos
	La Casita	Treviño
	La Mula	Upson
	La Peña	Zuloaga

- San Marcos Fault
- Anticline
- Syncline
- Fracture
- Fault Trace

GRID: WGS 84 UTM Zone 13

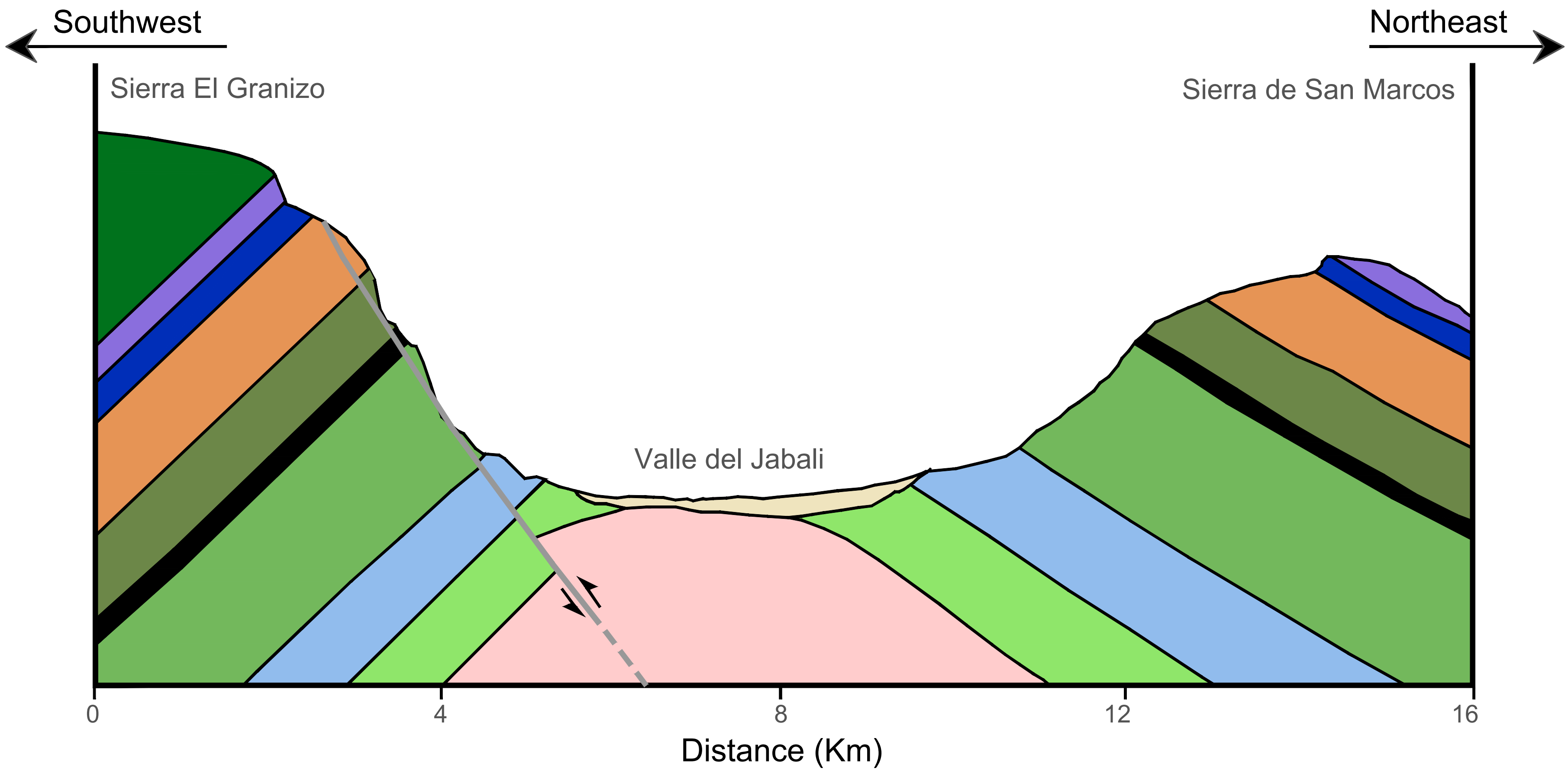
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

PROPERTY GEOLOGY, DEPOSITS AND SHOWINGS MAP

FIGURE 1-2

DRAWN BY: A.W.	File: Figure 1-2_Deposits_Showings_Map	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 22	TR\Reports\Draft\Figures	



Note: Vertical component of units and surface features not to scale. Select units verified by Author.

Modified after Martinez (1993)

LEGEND

Alluvium	Acatita Formation	San Marcos Formation	Granitoid
Trevino Formation	Aurora Formation	La Casita Formation	Mineralized Zone (Cu + Ag)
Kiamichi Formation	Cupido Formation	Zuloaga Formation	San Marcos Fault

PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

SCHEMATIC GEOLOGICAL CROSS SECTION

FIGURE 1-3

DRAWN BY: A.W. CHK'D BY: A.T DATE: 18 02 28	File: Fig 1-3_Geological_Cross_section ...\Prize Mining Corp_1050\1050-1_Mexico TR\Reports\Draft\Figures	NORWEST

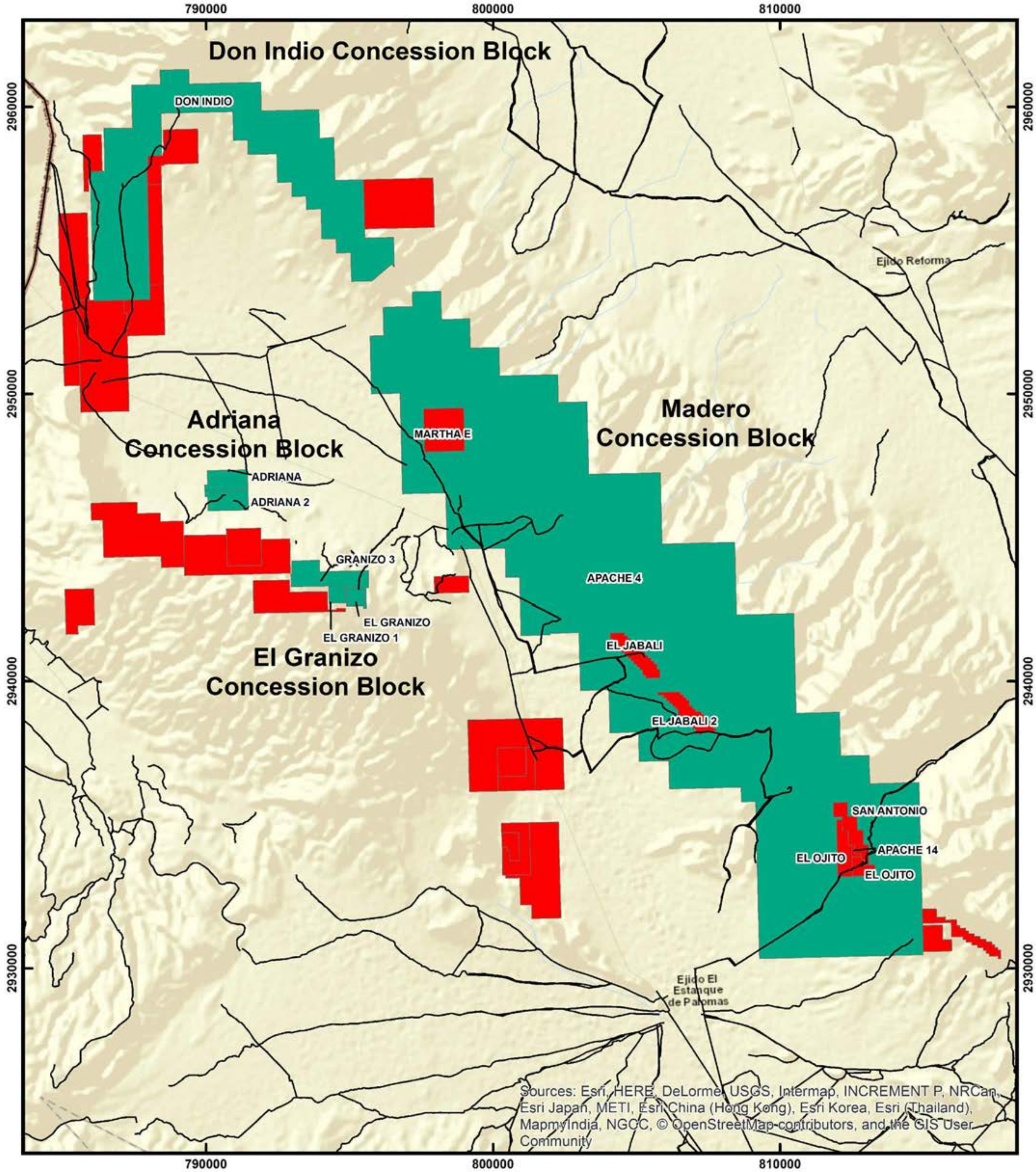
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

PROPERTY LOCATION MAP

FIGURE 4-1

DRAWN BY: A.W.	File: Fig 4-1_Property Location Map.dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 02 28	TR\Reports\Draft\Figures	



Legend

Mining Concession Ownership

- Other Companies
- Prize Mining -100% ownership
- Roads

0 1.25 2.5 5 7.5 10 Kilometers

N

GRID: WGS 84 UTM Zone 13

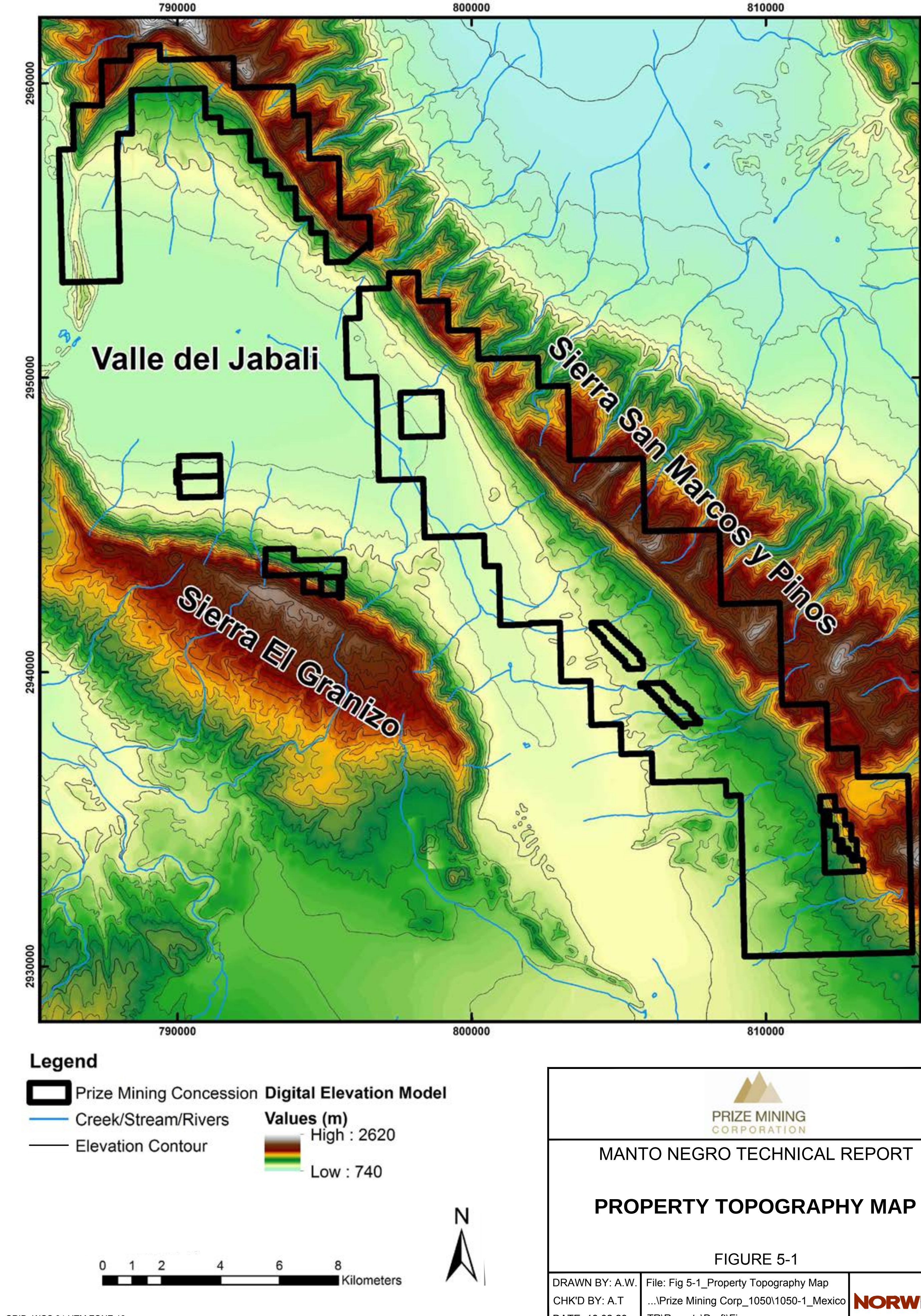
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

MINING CONCESSION MAP

FIGURE 4-2

DRAWN BY: A.W.	File: Fig 4-2_Mining Concession Map.dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 21	TR\Reports\Draft\Figures	



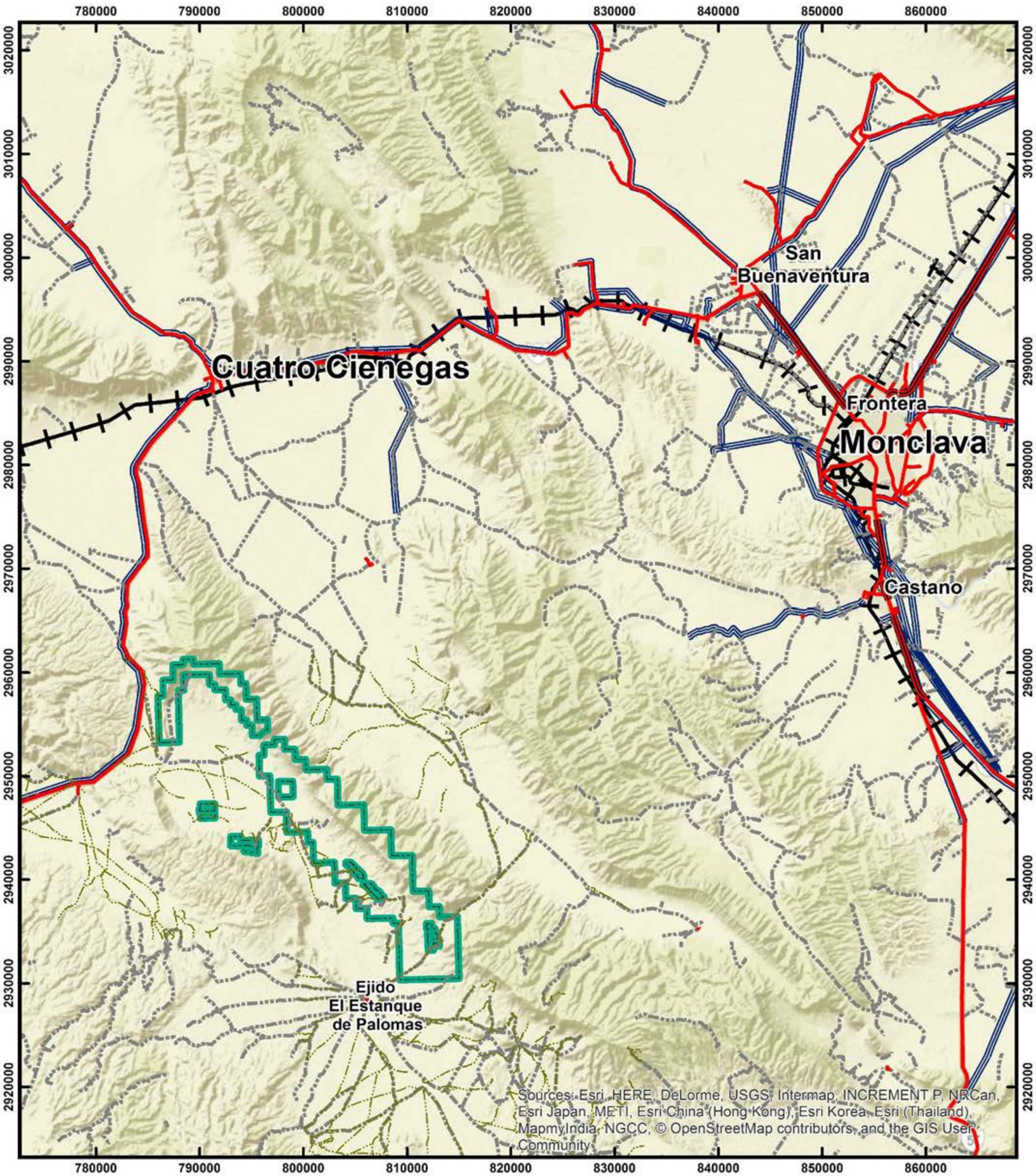
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

PROPERTY TOPOGRAPHY MAP

FIGURE 5-1

DRAWN BY: A.W.	File: Fig 5-1_Property Topography Map	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 02 28	TR\Reports\Draft\Figures	



Legend

Freeway
Transmission Lines
Paved Road
Rail Line
Path/Dirt Road
Prize Mining Concession

0 3.5 7 14 21 28 Kilometers

N

GRID: WGS 84 UTM Zone 13

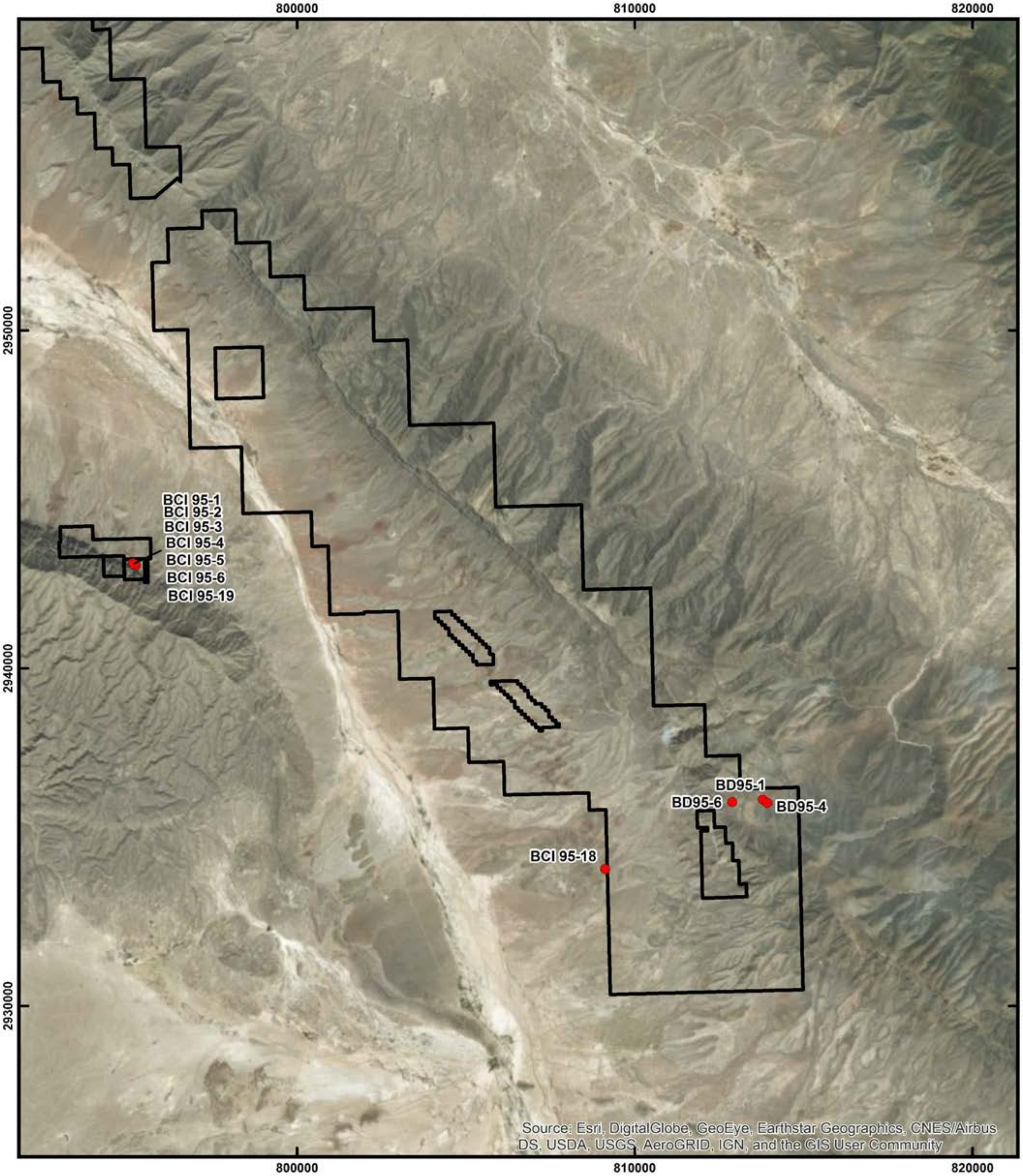
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

INFRASTRUCTURE MAP

FIGURE 5-2

DRAWN BY: J.R.	File:Fig 5-2_Infrastructure Map.dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 08	TR\Reports\Draft\Figures	



Legend

- BHP Drill Hole Collar Locations
- Prize Mining Concession

0 1 2 4 6 8 Kilometers

N

GRID: WGS 84 UTM ZONE 13

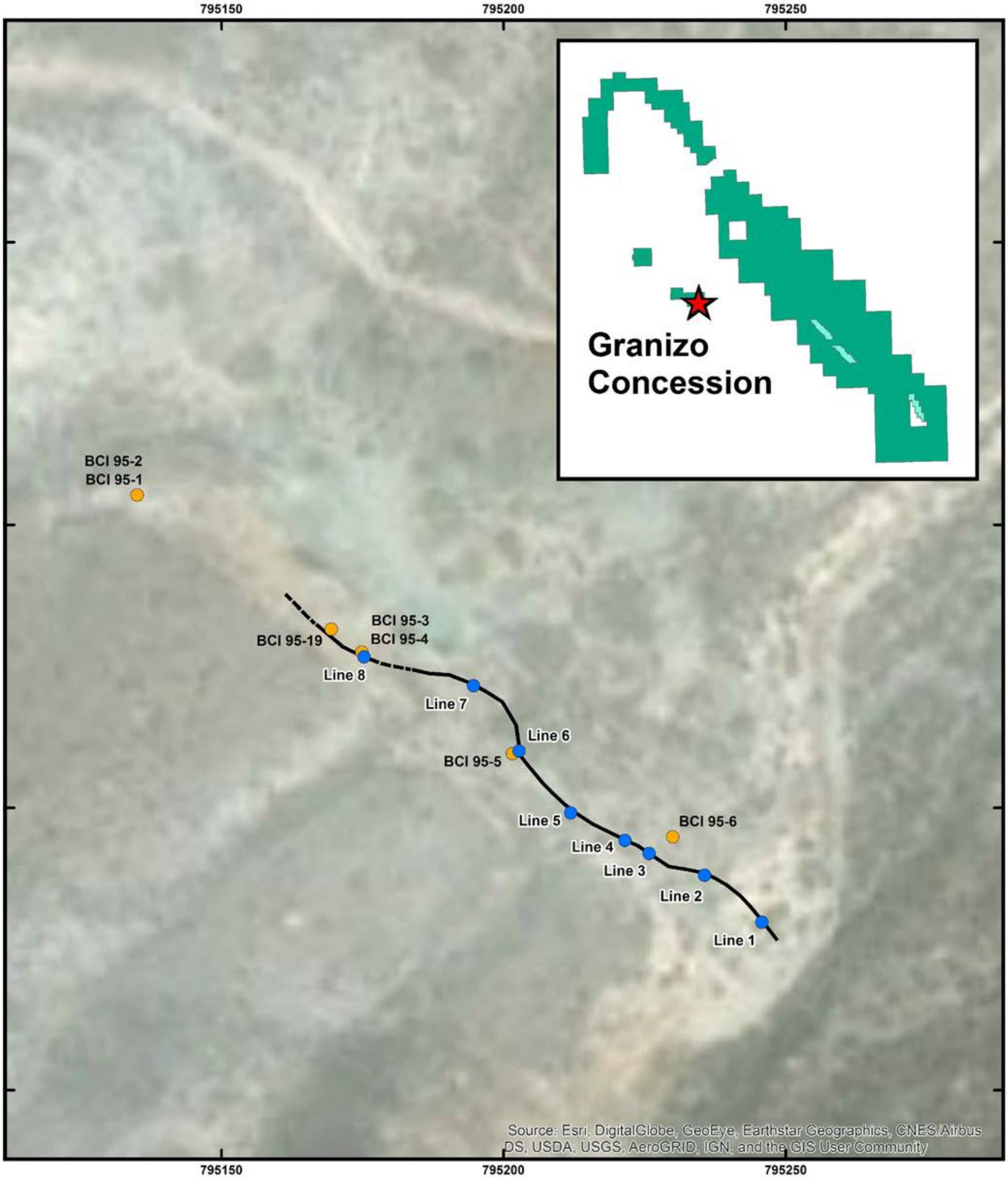
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

BHP DRILL HOLE LOCATION MAP

FIGURE 6-1

DRAWN BY: J.R.	File: Fig 6-1_BHP_Drilling_Map	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 21	TR\Reports\Draft\Figures	



Legend

- Vertical Channel Sample Locations (Santa Fe)
- BHP Drill Holes
- Cross Section Line
- Gap

0 10 20 40 60 80 Meters

N

GRID: WGS 84 UTM Zone 13

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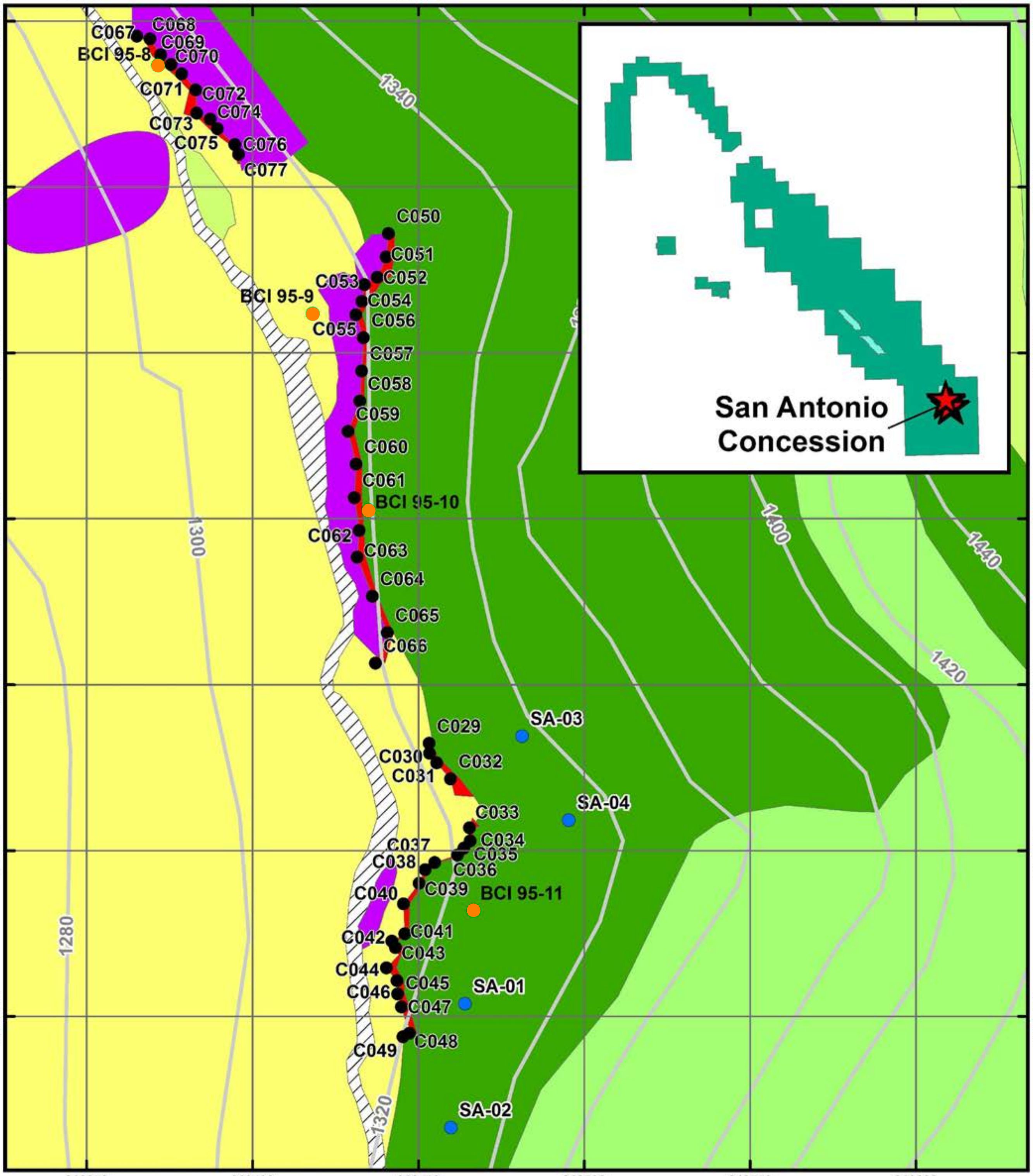
PRIZE MINING TECHNICAL REPORT

GRANIZO CONCESSION
BHP DRILL HOLE AND
SANTA FE SAMPLING LOCATION MAP

FIGURE 6-2

DRAWN BY: J.R.	File:Fig 6-2_SantaFe Channel Sampl..dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 08	TR\Reports\Draft\Figures	



Legend

- BHP Drill Holes
- Trench Locations
- 2011 Molycomex Drill Holes
- Elevation (m)
- Mineralized Zone

Formation

- LA AURORA
- PEÑA
- CUPIDO
- SAN MARCOS
- UNKNOWN - SLOPE
- QHOCO

0 12.5 25 50 75 100 Meters

GRID: WGS 84 UTM ZONE 13

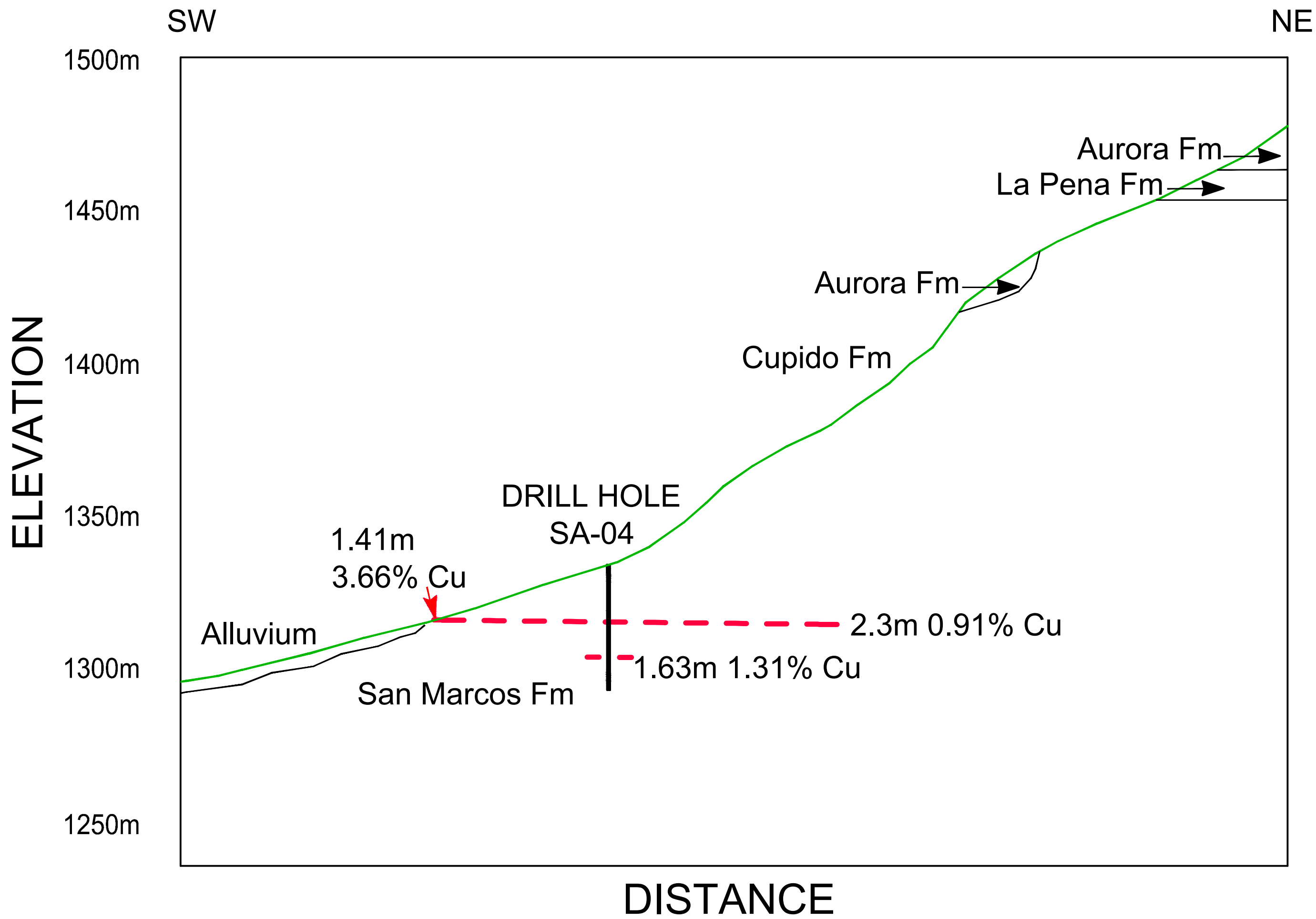
PRIZE MINING CORPORATION

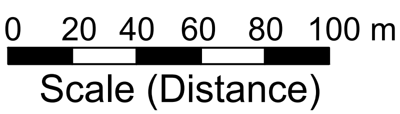
MANTO NEGRO TECHNICAL REPORT

SAN ANTONIO CONCESSION TRENCH AND DRILL HOLE LOCATION MAP

FIGURE 6-3

DRAWN BY: J.R.	File: Fig 6-3_SanAntonio_TrenchDrill..dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 02 28	TR\Reports\Draft\Figures	





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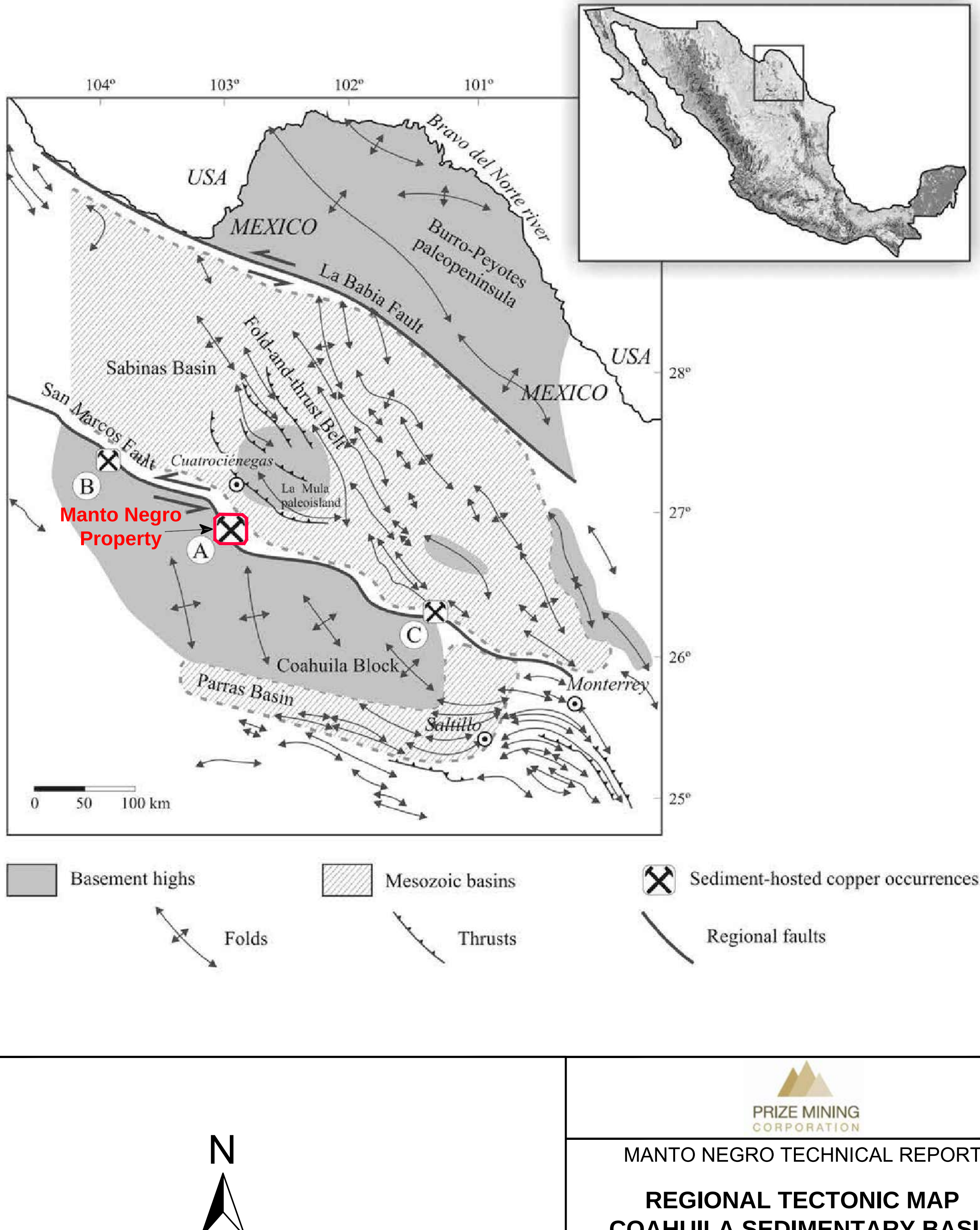
MANTO NEGRO TECHNICAL REPORT

DRILL HOLE SA-04
SECTION PROJECTING
060 AZIMUTH

FIGURE 6-4

DRAWN BY: A.W. CHK'D BY: A.T DATE: 18 02 28	File: Fig 6-4_Drillhole SA-04_Section.dwg ...\Prize Mining Corp_1050\1050-1_Mexico TR\Reports\Draft\Figures	NORWEST



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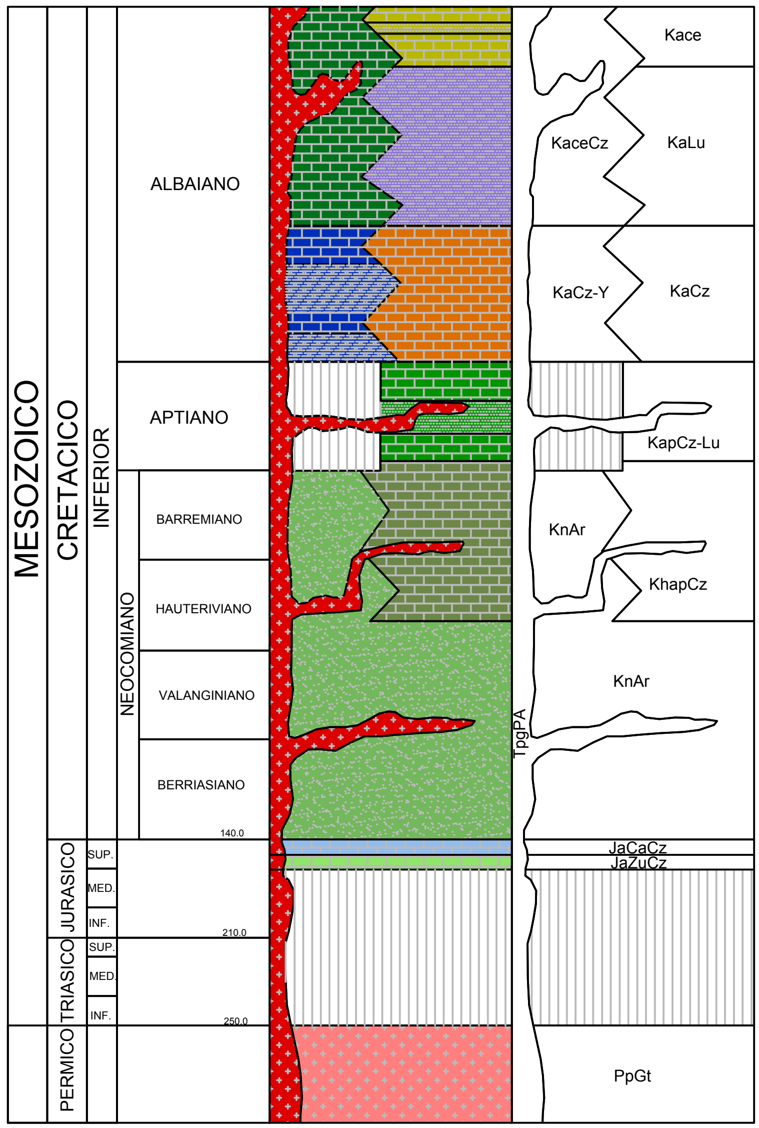
MANTO NEGRO TECHNICAL REPORT

REGIONAL TECTONIC MAP
COAHUILA SEDIMENTARY BASIN

FIGURE 7-1

DRAWN BY: J.R.	File: Fig 7-1_Regional_Tectonic_Map	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 05	TR\Reports\Draft\Figures	



LEGEND

Kace	Limestone-shale Unit
KaceCz	Trevino Fm: Limestone
KaLu	Kiamichi Fm: Shale
KaCz-Y	Acatita Fm: Limestone & Gypsum
KaCz	Aurora Fm: Limestone
KapCz-Lu	La Peña Fm: Limestone & Shale
KhapCz	Cupido Fm: Limestone
KnAr	San Marcos Fm: Sandstone
JaCaCz	La Casita Fm: Limestone
JaZuCz	Zuloaga Fm: Limestone
PpGt	Granitoid
TpgPA	Porphyritic Andesite

Modified after Morton and Brown (2013b)

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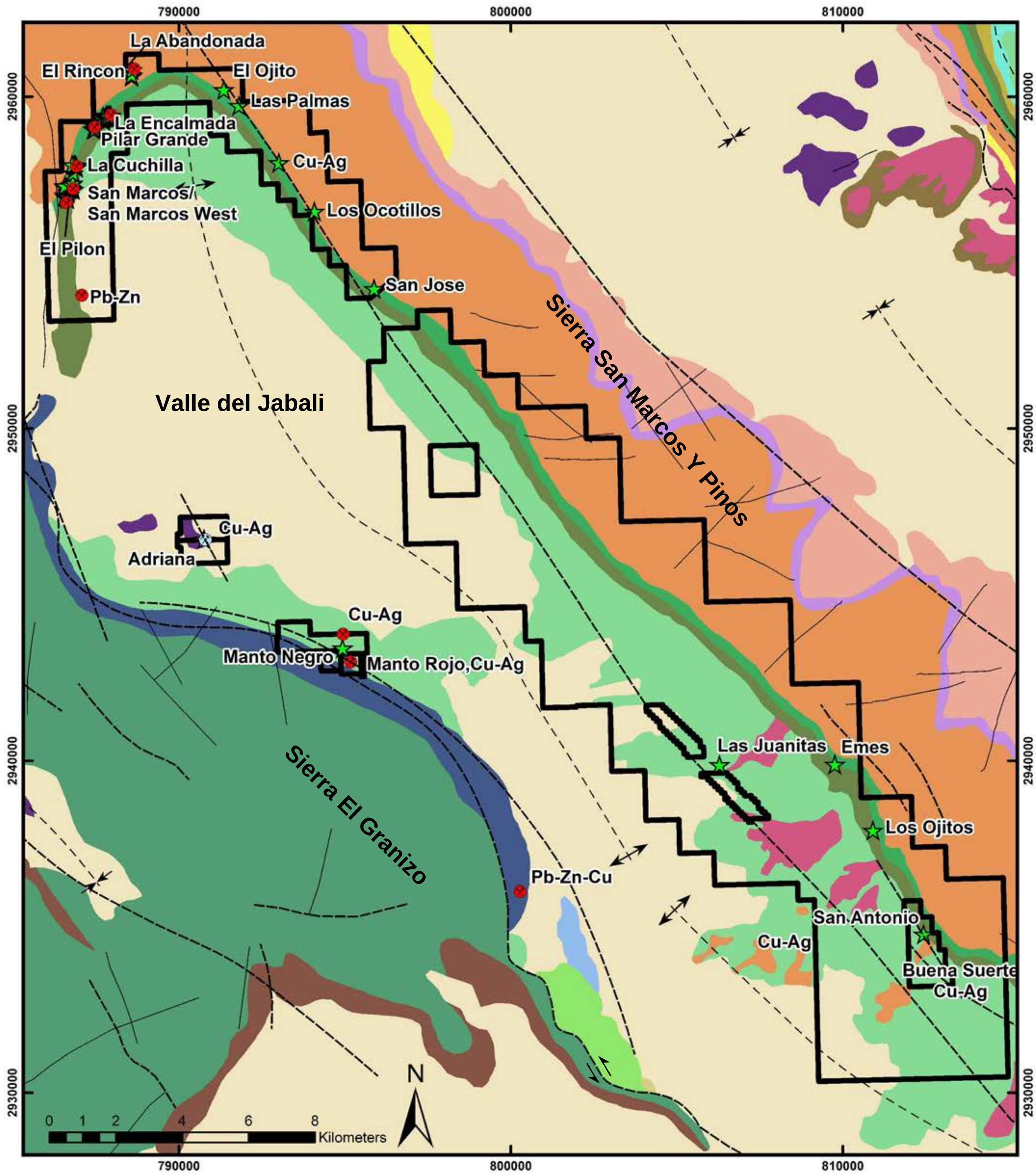
MANTO NEGRO TECHNICAL REPORT

REGIONAL STRATIGRAPHY

FIGURE 7-2

DRAWN BY: J.R. CHK'D BY: A.T DATE: 18 03 05	File: Fig 7-2_Regional_Stratigraphy.dwg ...\Prize Mining Corp_1050\1050-1_Mexico TR\Reports\Draft\Figures	NORWEST



San Marcos Fault Modified After Yutsis et al. (2012)

Legend

Deposit Type-Origin-Mineralization

- Irregular-Hydrothermal-Carbonates
- Stratiform-Sedimentary-Carbonates
- Stratiform-Sedimentary-Sulfide
- Mine Workings
- Prize Mining Concession

Formation

Quaternary	Austin	Las Delicias
Acatita	Barril viejo	Menchaca
Ahuichila	Conglomerado Sabinas	Monclova
Aurora	Cupido	Ninguno
	Eagle Ford	Padilla
	Indeterminado	Parras
	Indidura	Patula
	Kiamichi	San Marcos
	La Casita	Treviño
	La Mula	Upson
	La Peña	Zuloaga

- San Marcos Fault
- Anticline
- Syncline
- Fracture
- Fault Trace

GRID: WGS 84 UTM Zone 13

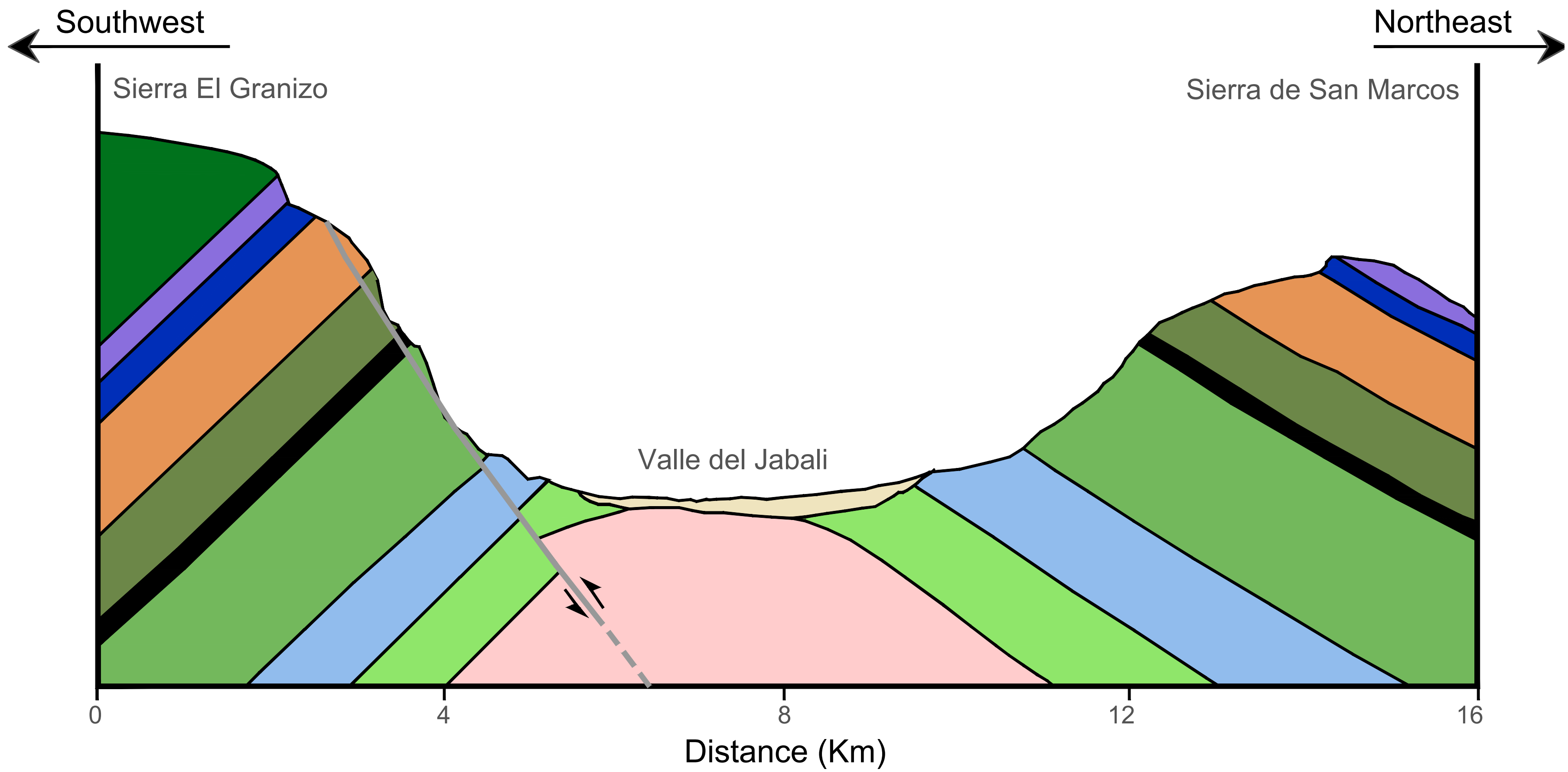
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

PROPERTY GEOLOGY, DEPOSITS AND SHOWINGS MAP

FIGURE 7-3

DRAWN BY: A.W.	File: Figure 7.3_Deposits_Showings_Map	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 21	TR\Reports\Draft\Figures	



Modified after Martinez (1993)

Note: Vertical component of units and surface features not to scale. Select units verified by Author.

LEGEND

- Alluvium
- Trevino Formation
- Kiamichi Formation
- Acatita Formation
- Aurora Formation
- Cupido Formation
- San Marcos Formation
- La Casita Formation
- Zuloaga Formation
- Granitoid
- Mineralized Zone (Cu + Ag)
- San Marcos Fault

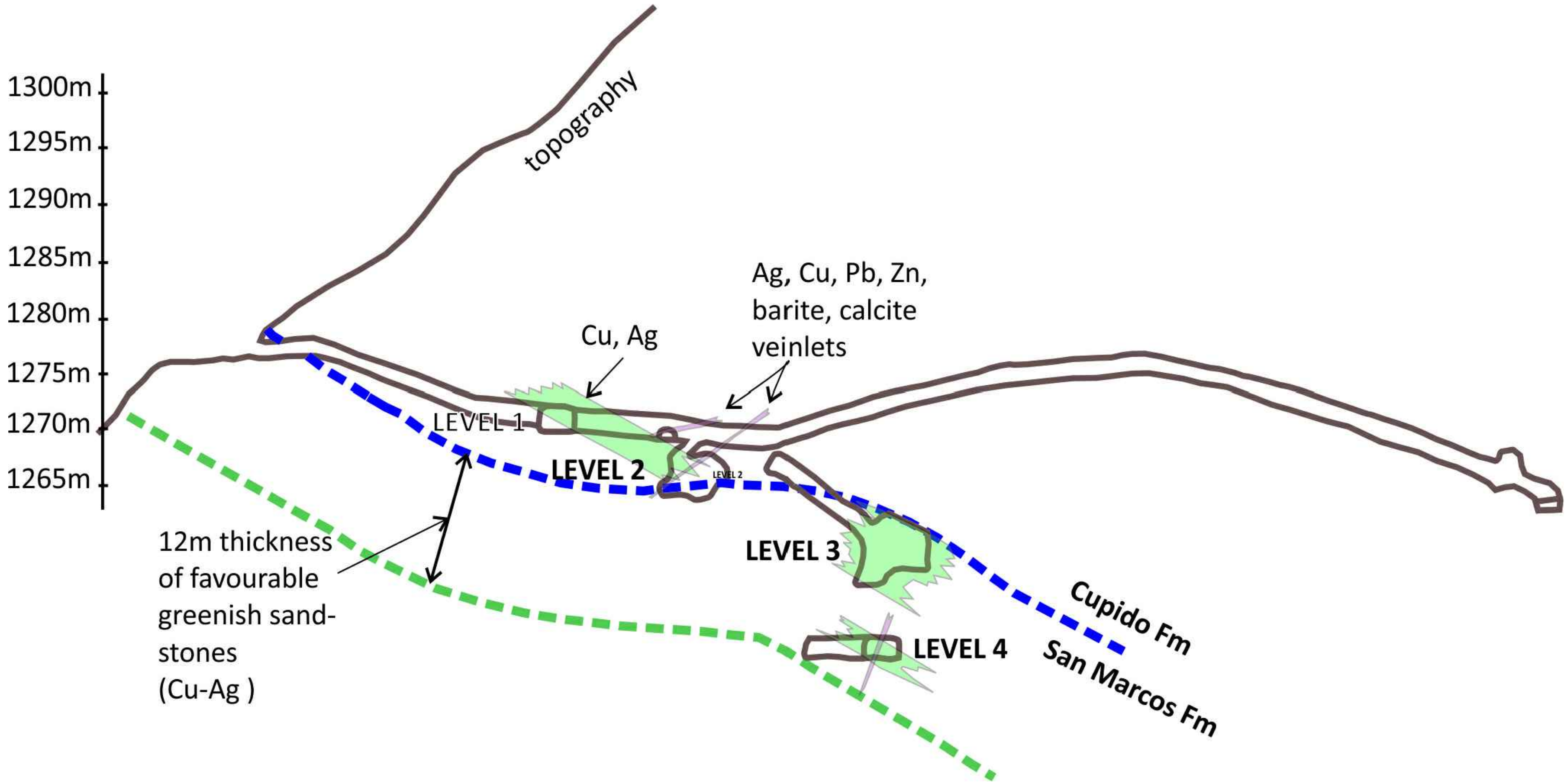
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

SCHEMATIC GEOLOGICAL CROSS SECTION

FIGURE 7-4

DRAWN BY: A.W. CHK'D BY: A.T DATE: 18 02 28	File: Fig 7-4_Geological_Cross_section ...\Prize Mining Corp_1050\1050-1_Mexico TR\Reports\Draft\Figures	NORWEST



Modified from Santa Fe metals company files

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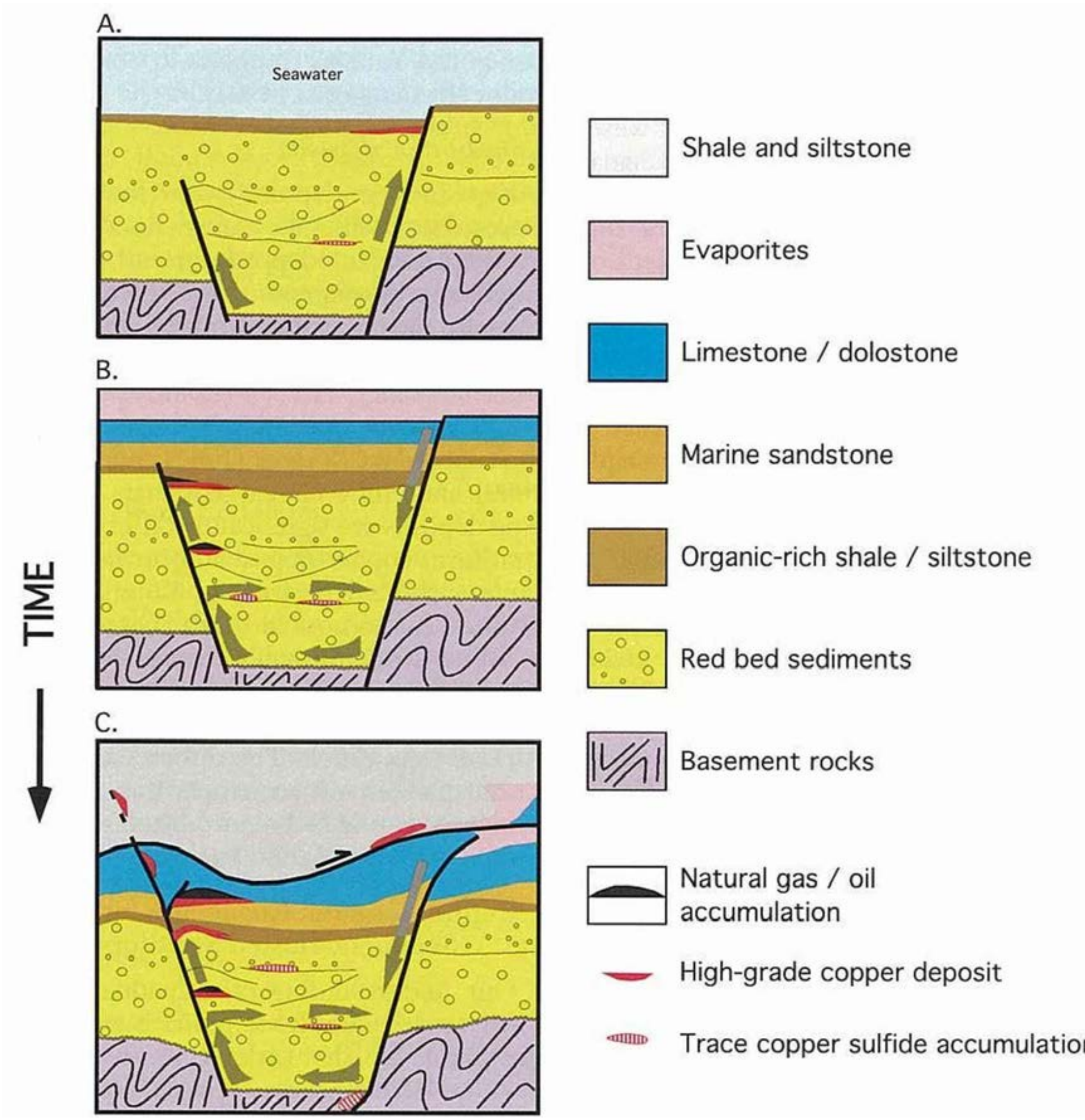
MANTO NEGRO TECHNICAL REPORT

UNDERGROUND SECTION HISTORIC PILAR GRANDE

FIGURE 7-5

DRAWN BY: A.W.	File: Fig 7-5_UnderGround_Sec_His...dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 02 28	TR\Reports\Draft\Figures	



Modified After Hitzman et al. (2005)

PRIZE MINING CORPORATION

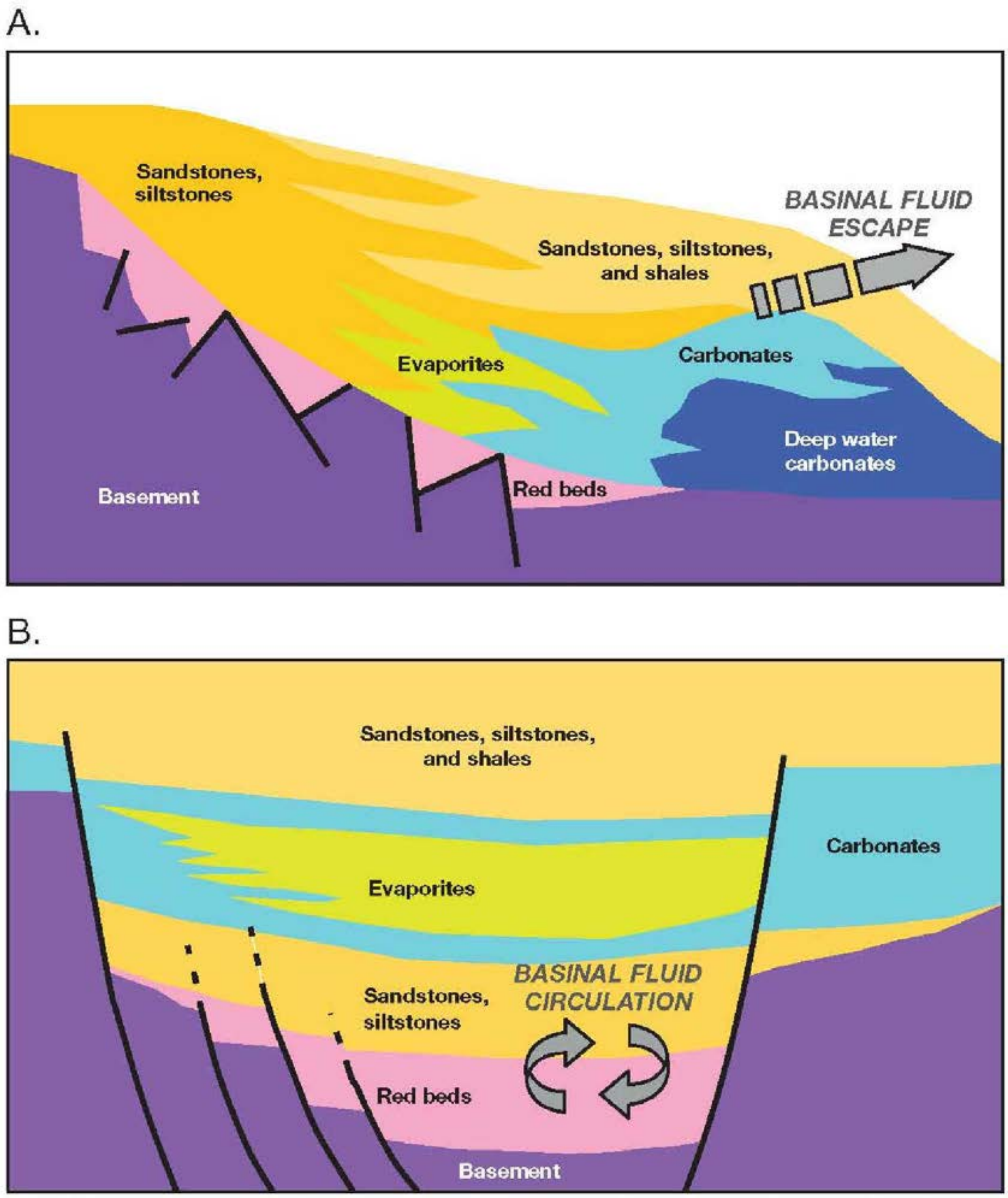
MANTO NEGRO TECHNICAL REPORT

SHC FLUID FLOW AND MINERALIZATION MODEL

FIGURE 8-1

DRAWN BY: J.R.	File: Fig 8-1_SHC fluid flow and miner..dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 05	TR\Reports\Draft\Figures	

A.



Modified After Hitzman et al. (2010)

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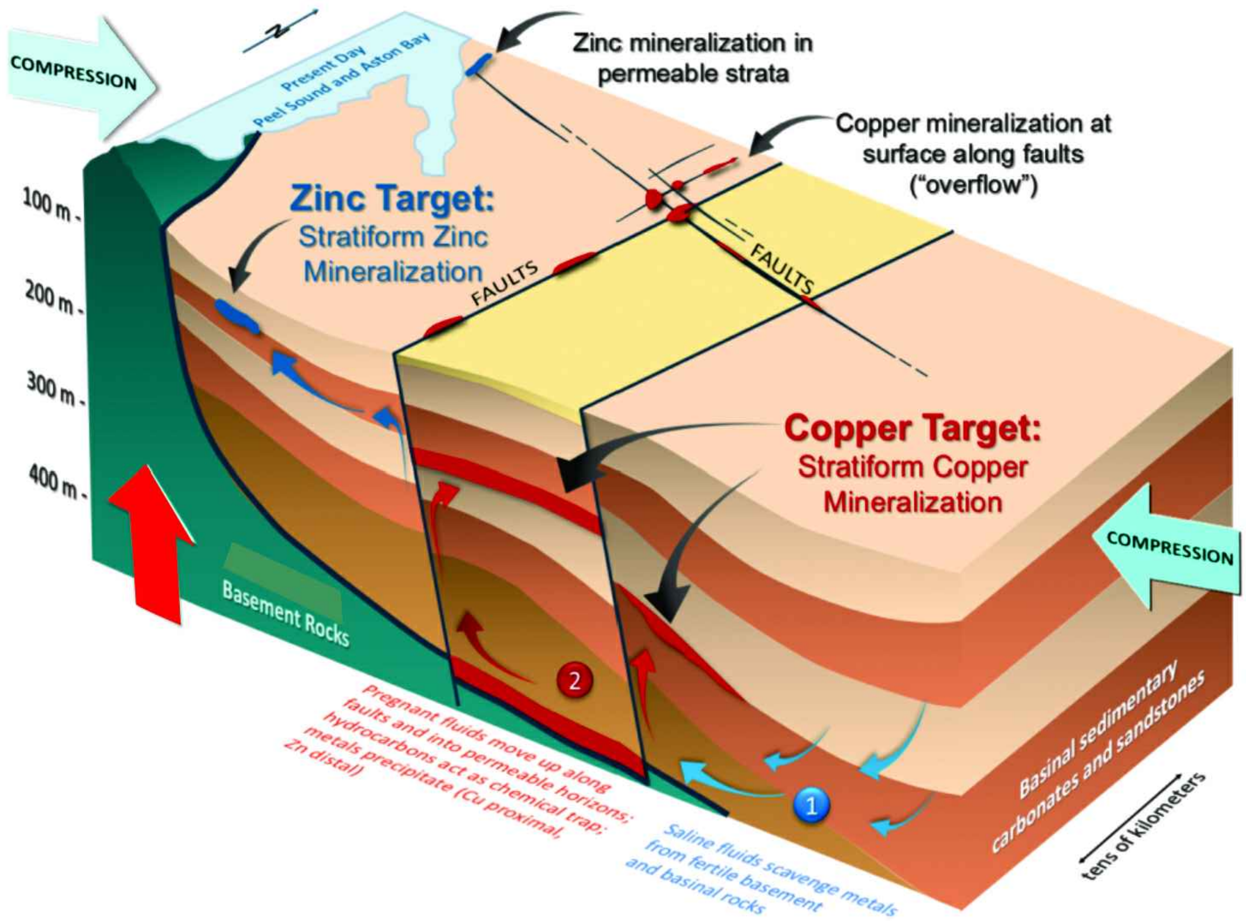
MANTO NEGRO TECHNICAL REPORT

SHC FLUID MODEL
CONTINENTAL MARGIN

FIGURE 8-2

DRAWN BY: J.R.	File: Fig 8-2_SHC_Flu..Model_Conti...dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 05	TR\Reports\Draft\Figures	



Modified from Aston Bay Holdings website (astonbayholdings.com)

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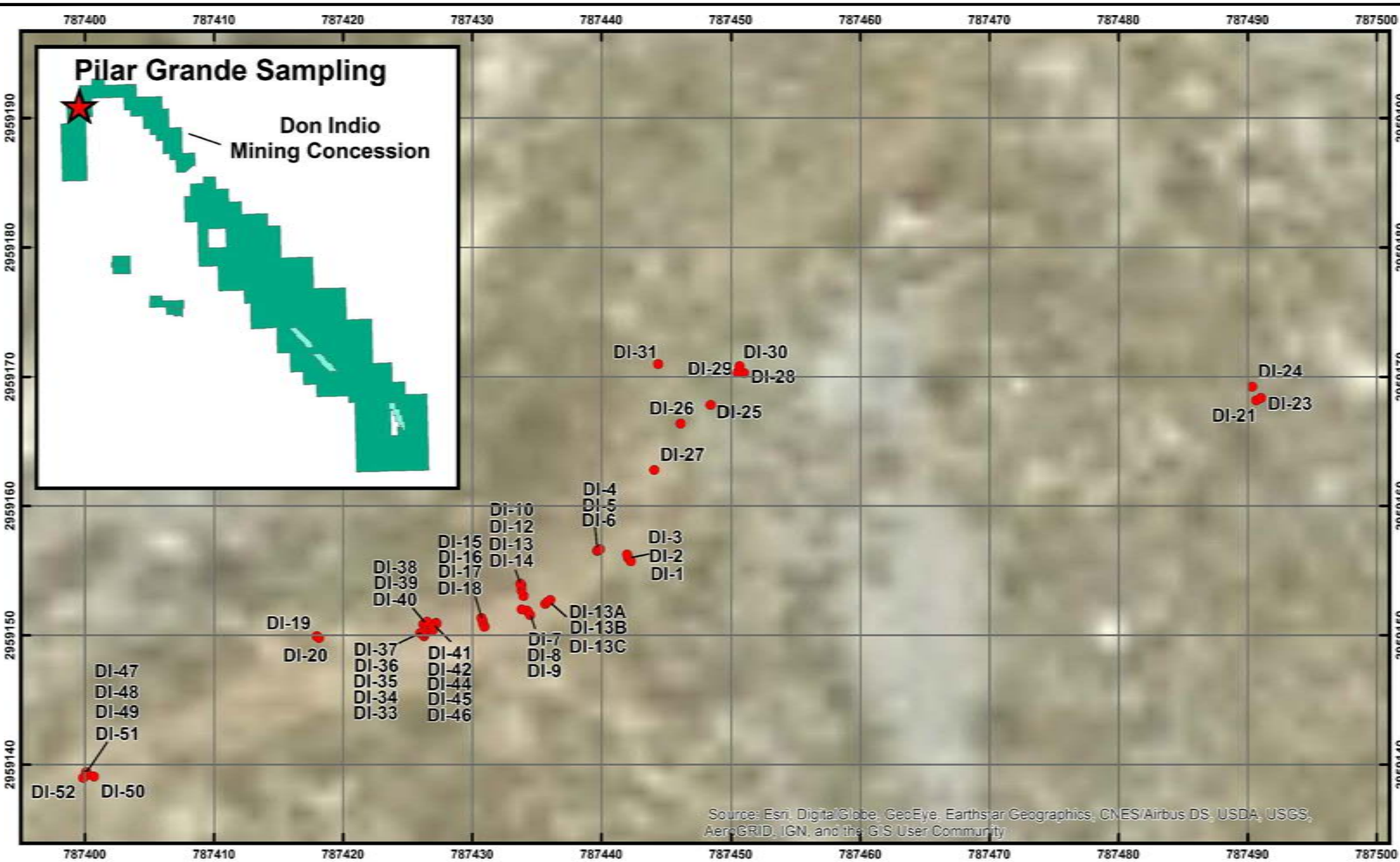
MANTO NEGRO TECHNICAL REPORT

EXPLORATION MODEL BLOCK DIAGRAM

FIGURE 8-3

DRAWN BY: A.W.	File: Fig 8-3_Exploration_Block_Model.dwg	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 02 28	TR\Reports\Draft\Figures	



Legend

- Sample Location (2017)

0 3.5 7 14 21 28 Meters

N

GRID: WGS 84 UTM ZONE 13

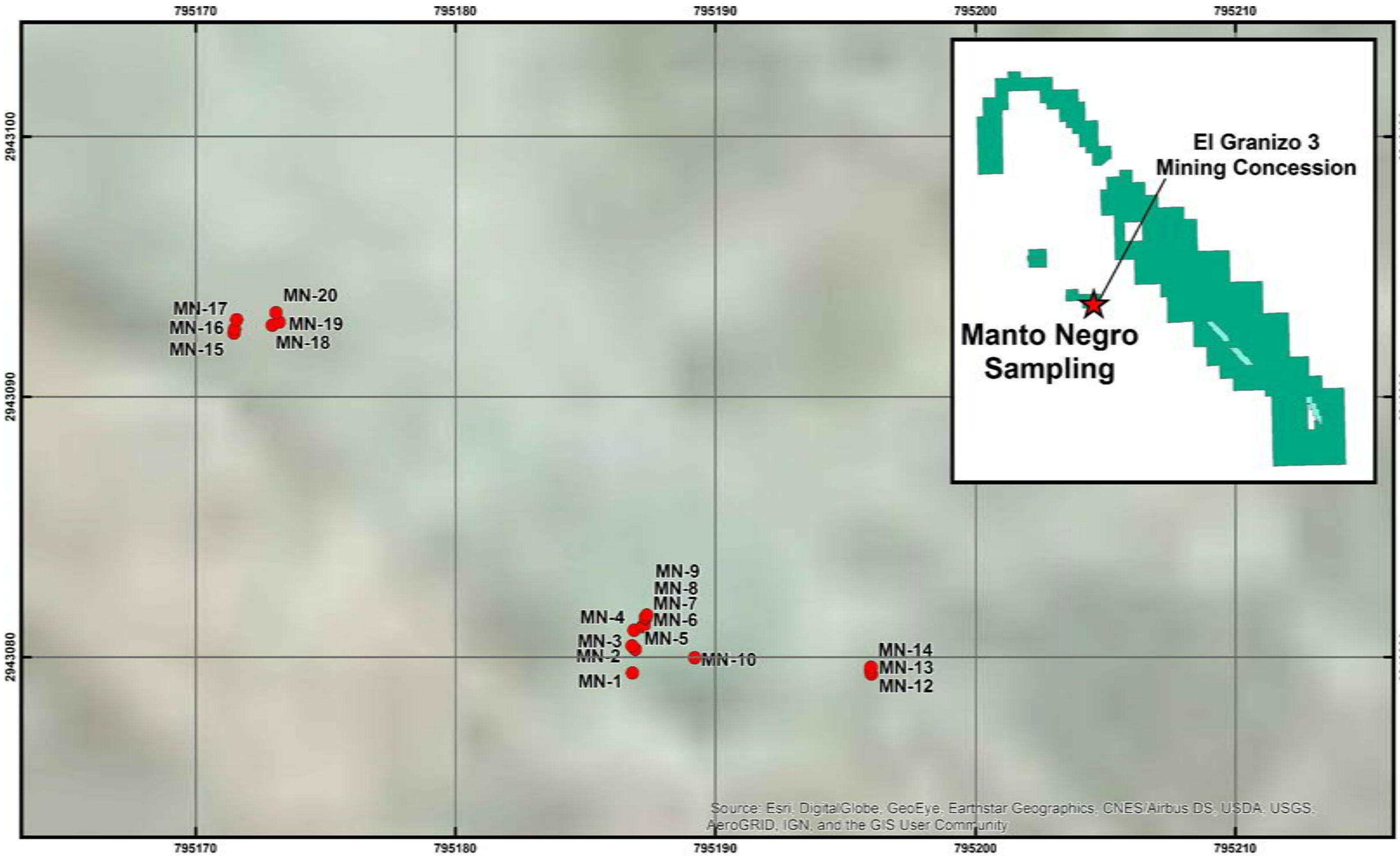
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

PRIZE 2017 SAMPLING
PILAR GRANDE MAP

FIGURE 9-1

DRAWN BY: A.W. CHK'D BY: A.T DATE: 18 02 28	File: Fig9-1Prize2017SamplingPilarGrande ...\Prize Mining Corp_1050\1050-1_Mexico TR\Reports\Draft\Figures	NORWEST



Legend

Sample Location (2017)

0 1.75 3.5 7 10.5 14 Meters

N

GRID: WGS 84 UTM ZONE 13

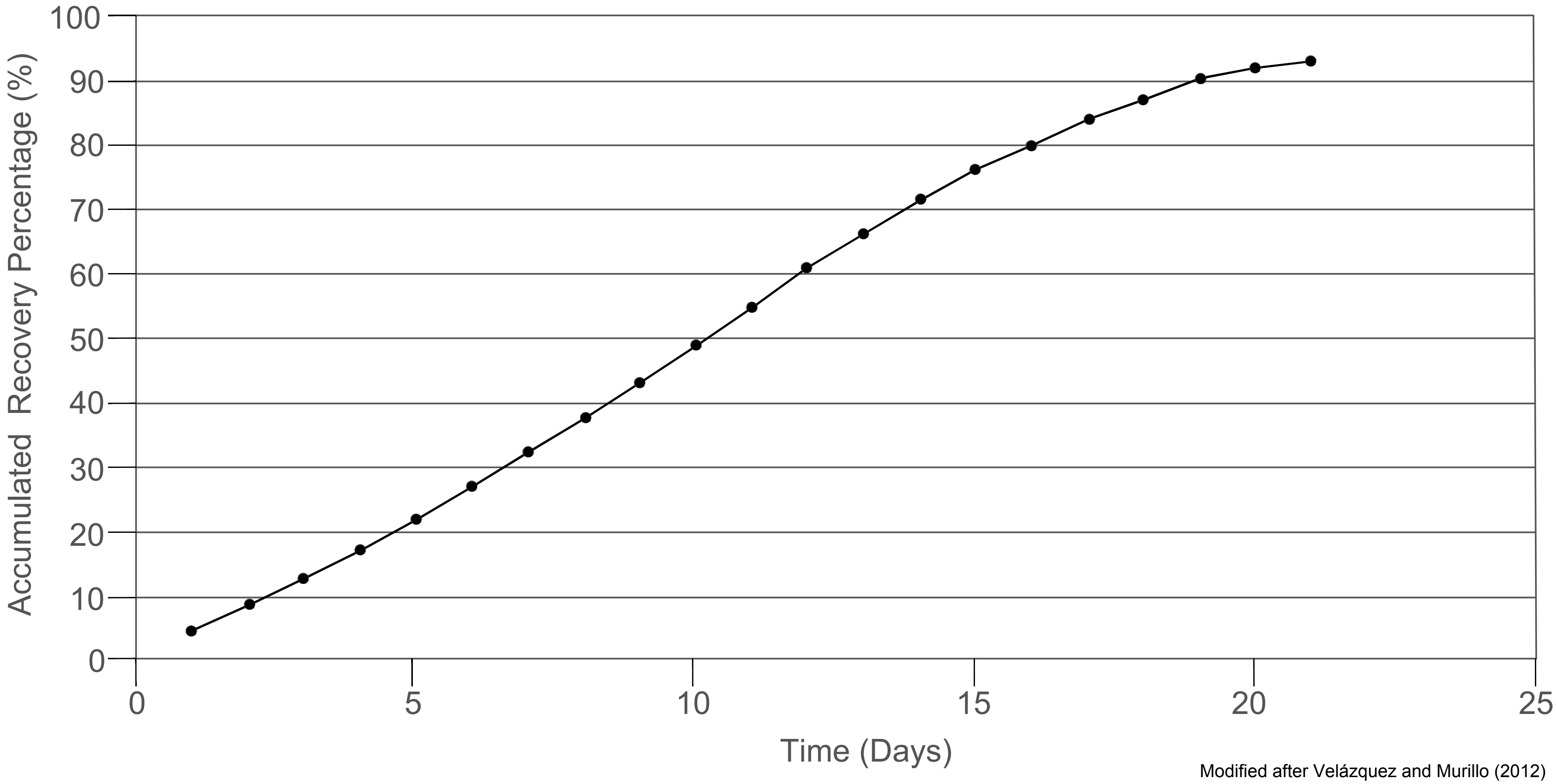
PRIZE MINING CORPORATION

MANTO NEGRO TECHNICAL REPORT

PRIZE 2017 SAMPLING
MANTO NEGRO MAP

FIGURE 9-2

DRAWN BY: A.W.	File: Fig 9-2_Prize Sampling MantoNegro..	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 02 28	TR\Reports\Draft\Figures	



Modified after Velázquez and Murillo (2012)

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MANTO NEGRO TECHNICAL REPORT

ACCUMULATED RECOVERY FOR COPPER

FIGURE 13-1

DRAWN BY: J.R.	File: Fig 13-1_Accumulated Recovery Cu	NORWEST
CHK'D BY: A.T	...\Prize Mining Corp_1050\1050-1_Mexico	
DATE: 18 03 03	TR\Reports\Draft\Figures	