MITHRIL RESOURCES

ASX ANNOUNCEMENT

7 December 2020

MTH EXPANDS LARGE EPITHERMAL GOLD-SILVER SYSTEM AT COPALQUIN DISTRICT, MEXICO

Highlights

- Deeper drill intercept at the El Refugio target has intersected high-grade and wider interval as predicted by the geologic model (hole CDH-033) one section (40m) away from the previously reported high-grade intercept in hole CDH-020.
  - **9.35m @ 9.57 g/t AuEq.**[1] (7.84 g/t gold and 138.1 g/t silver) from 206.3m **(CDH-033)**, including **4.0m @ 20.03 g/t AuEq.**[1] (16.44 g/t gold and 286.8 g/t silver)
- Shallow drill holes at the El Cometa target towards the El Refugio target (holes CDH-032 and 034)
  - **14.85m @ 1.45 g/t AuEq.**[1] (0.85 g/t gold and 47.9 g/t silver) from 82.10m **(CDH-034)**, including **1.3m @ 8.94 g/t AuEq.**[1] (5.07 g/t gold and 308.9 g/t silver)
  - **9.78m @ 1.02 g/t AuEq.**[1] (0.85 g/t gold and 13.3 g/t silver) from 78.75m **(CDH-032)**
- Shallow drilling perpendicular to the historic drilling at the El Cometa target has intercepted the structure near surface with continuity along strike for almost 300m;
  - **11.7m @ 2.04 g/t AuEq.**[1] (1.16 g/t gold and 70 g/t silver) from 10.9m **(CDH-027)**, including **1.0m @ 10.12 g/t AuEq.**[1] (7.17 g/t gold and 236 g/t silver) and **1.0m @ 3.51 g/t AuEq.**[1] (1.27 g/t gold and 179.0 g/t silver)
  - **2.9m @ 4.63 g/t AuEq.**[1] (1.93 g/t gold and 215.72 g/t silver) from 29.6m **(CDH-029)**
  - **5.28m @ 0.71 g/t AuEq.**[1] (0.39 g/t gold and 25.56 g/t silver) from 35.72m **(CDH-031)**
  - **10.15m @ 0.74 g/t AuEq.**[1] (0.55 g/t gold and 15.47 g/t silver) from 42.0m **(CDH-035)**, including **1.0m @ 4.62 g/t AuEq.**[1] (3.75 g/t gold and 69.6 g/t silver)
- The drill data from the historic holes at the El Cometa target together with Mithril's cross structure holes confirm the existence of a shallow-dipping breccia-vein system that hosts very high-grade veins. Mapping shows this vein system to continue east, 800m to the Los Pinos target and a further 500m to the Los Reyes target.

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide an update on drilling activities at the Cometa Project in the Copalquin Gold Silver District, Mexico.

Drill hole CDH-033 has intercepted high-grade gold and silver deeper in the structure previously intercepted by drill hole CDH-015, CDH-020 and the other holes at Refugio. There is abundant fine-grained pyrite above the zone and more chalcedony is observed in the intercept as well as milled fragments of chalcedony in the breccia which were likely derived from deeper in the system (multiple mineralisation events).

[1] AuEq = gold equivalent grades calculated at 80 g/t Ag = 1 g/t Au, using gold price of USD1,600 per ounce and silver price of USD20 per ounce.

There is a moderate amount of black sulphide (a complex of silver sulphosalts and sulphides) accompanied by pyrite, sphalerite and chalcopyrite. Evidence of stacked boiling zones and the multiple mineralisation events are important indicators that this is a large, long lived epithermal gold-silver system. Our observation that there is more chalcedony as we drill deeper in the system is evidence that there are stacked boiling zones.

Mithril Managing Director and CEO, John Skeet, commented:

> *"The awaited assays for hole CDH-033 at the El Refugio target have further supported the geologic model and have returned an excellent intercept. All indications from the mineralogy of the drill core support deeper drilling to intercept further high-grade vein. There is also support for the existence of stacked boiling zones. El Refugio is shaping up as a very strong and important target in the Copalquin district.*
>
> *It is clear we are now seeing the top of a large system for gold and silver and future drilling is being designed to drill deeper and to test the extent of the structure at the El Refugio target. The several dozen historic mines and workings across the district, extensive rock chip sampling and the successful maiden drill program continue to indicate a large epithermal gold silver system in the district. The model and the drill core are mirroring the geological observations from other notable epithermal gold-silver deposits, namely Pinos Altos, Palmarejo and Tayoltita in Mexico, Cerro Negro in Southern Argentina."*

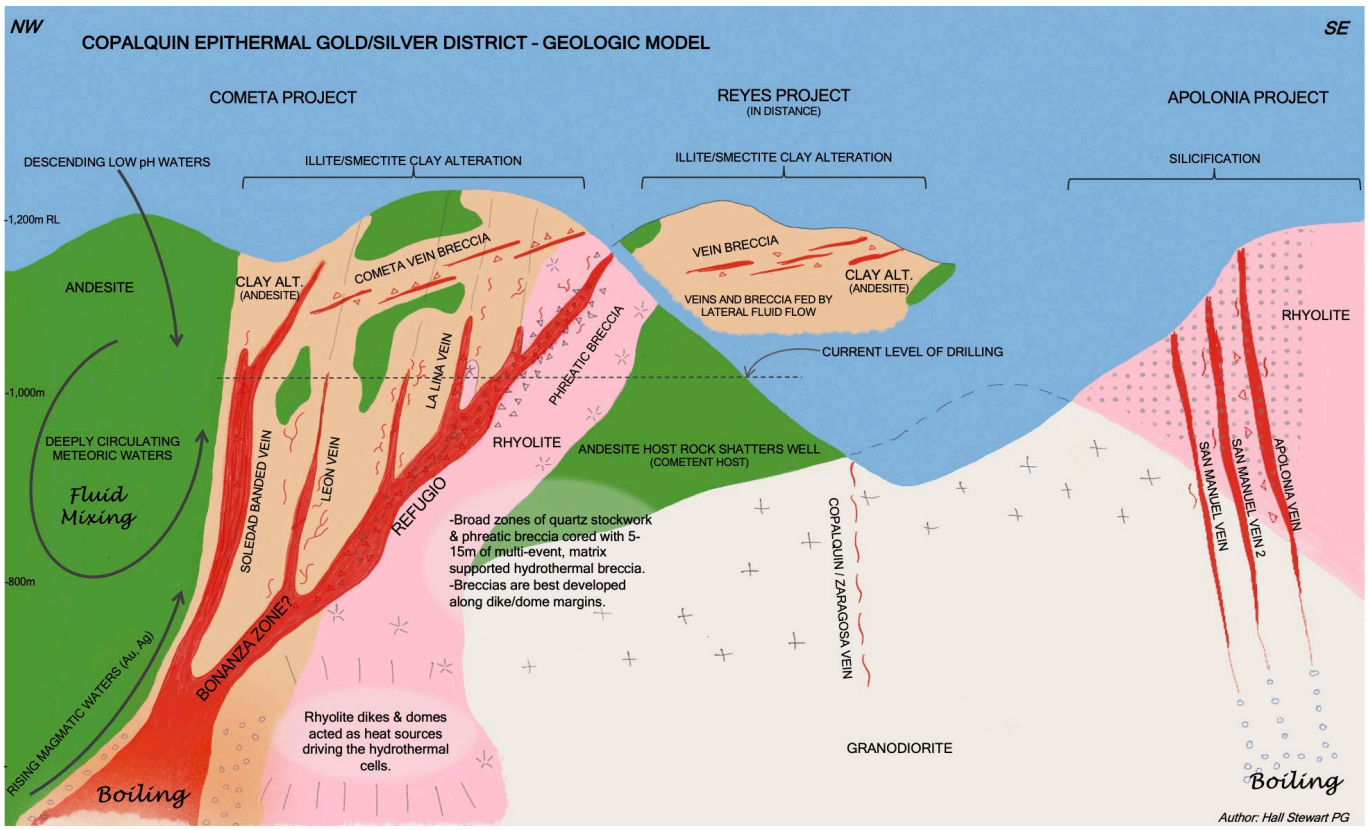

Figure 1 Copalquin District Geologic Model for epithermal gold/silver - geologic model (author: Hall Stewart PG, Chief Geologist)

Drilling Progress – El Refugio Target, Cometa Project

Assays for the final drill hole at the El Refugio target have been received which importantly has confirmed the promise of higher grades and thicker intercepts deeper on the structure.

- Hole CDH-033 intercepted **9.35m @ 9.57 g/t AuEq.1** (7.84 g/t gold and 138.07 g/t silver) from 206.3m, including **4.0m @ 20.03 g/t AuEq.1** (16.44 g/t gold and 286.75 g/t silver)

The mineralogy and textures observed in the core indicate the existence of stacked boiling zones and multiple mineralisation events. El Refugio is very near the upwelling zone of a hydrothermal cell where the breccia zone reaches widths of up to 30 meters true width.

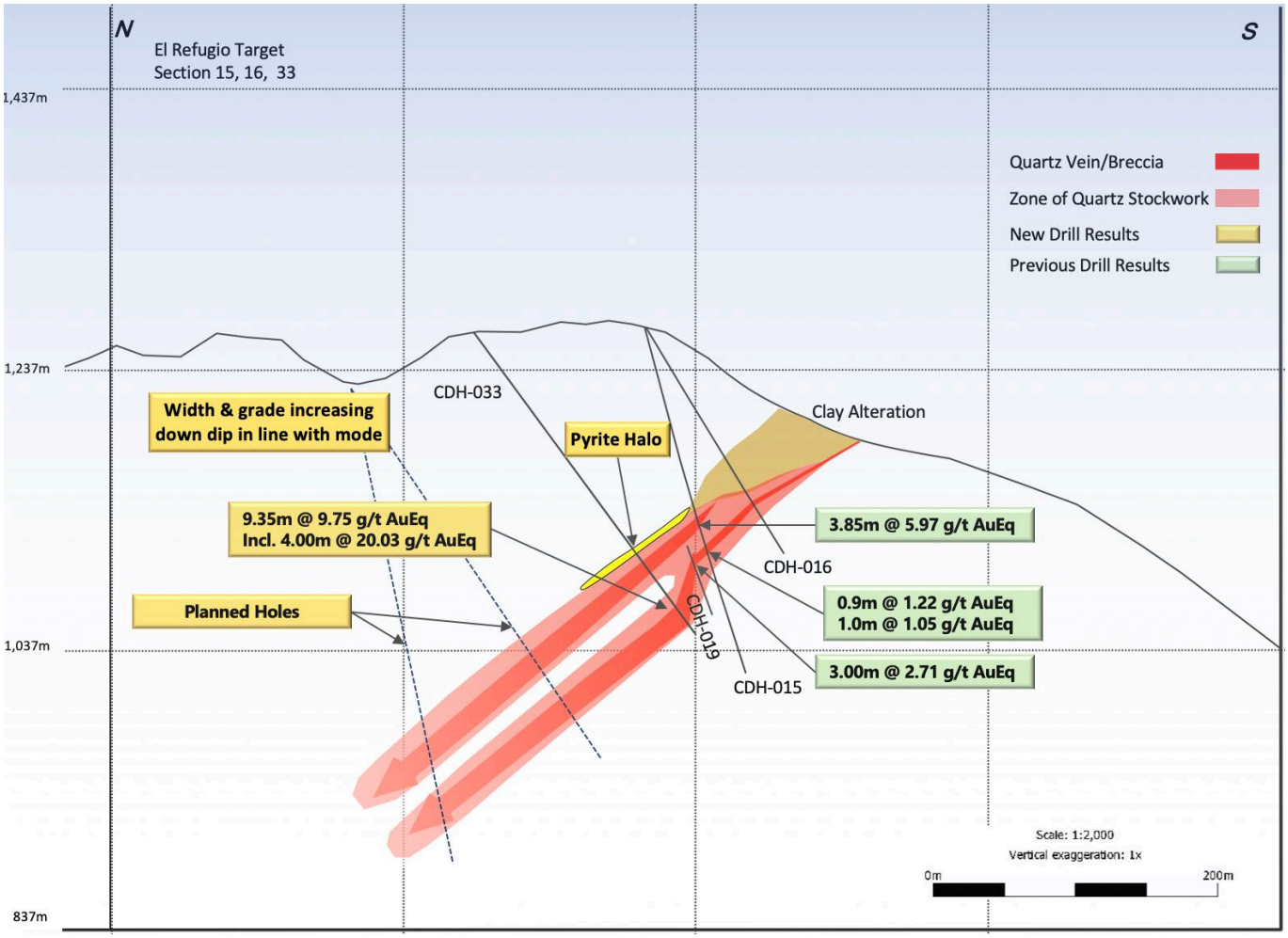

Figure 2 El Refugio target cross section for drill holes CDH-015, 16 & 33. Hole CDH-033 has intercepted very high-grade gold and silver over a greater thickness deeper on the structure as anticipated from the geologic model.

Two further holes continued to successfully intercept the El Cometa structure 110m east of El Refugio with broad, shallow brecciated and mineralised zones as it merges with the El Refugio structure, including the following intercepts:

- Hole CDH-034 intercepted **14.85m @ 1.45 g/t AuEq.1** (0.85 g/t gold and 47.90 g/t silver) from 82.10m including **1.3m @ 8.94 g/t AuEq.1** (5.07 g/t gold and 308.85 g/t silver)
- Hole CDH-032 intercepted **9.78m @ 1.02 g/t AuEq.1** (0.85 g/t gold and 13.34 g/t silver) from 78.75m

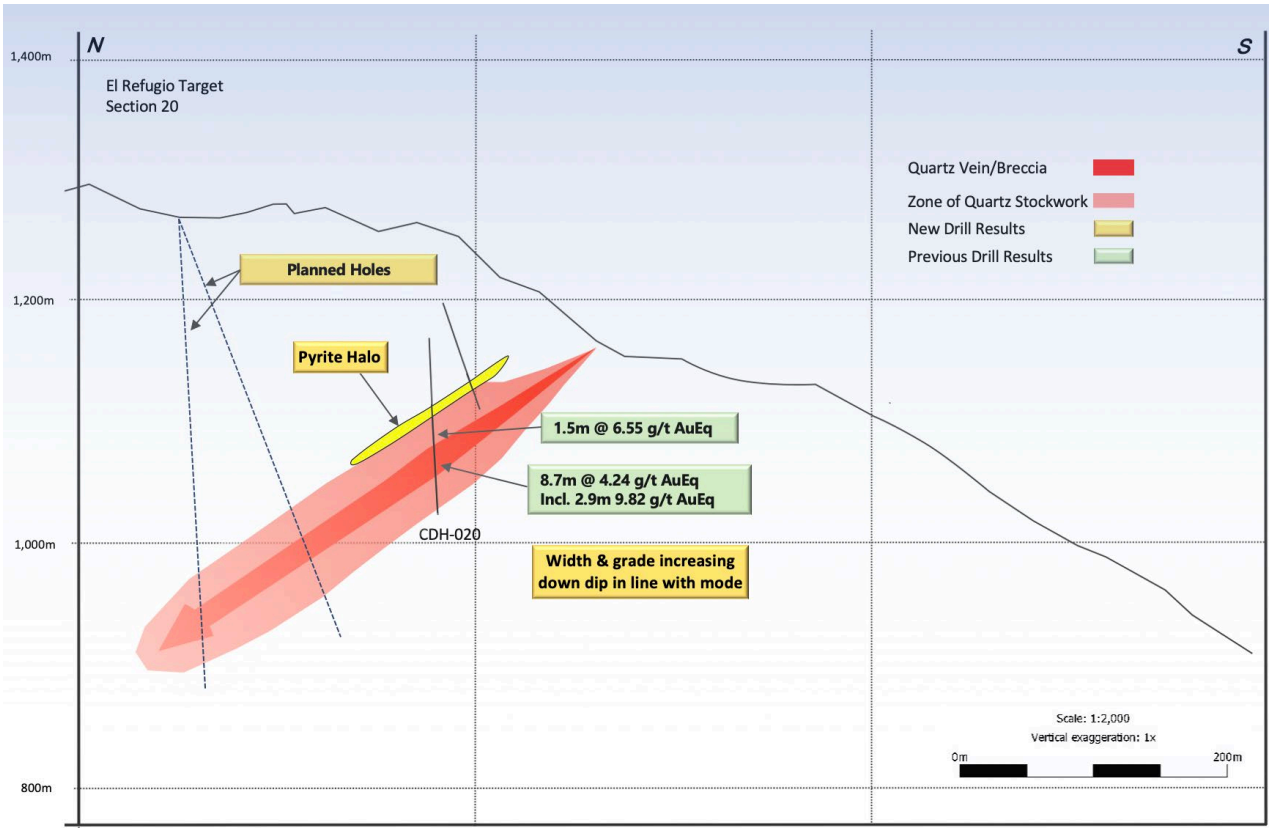

Figure 3 El Refugio target cross section for drill hole CDH-020.

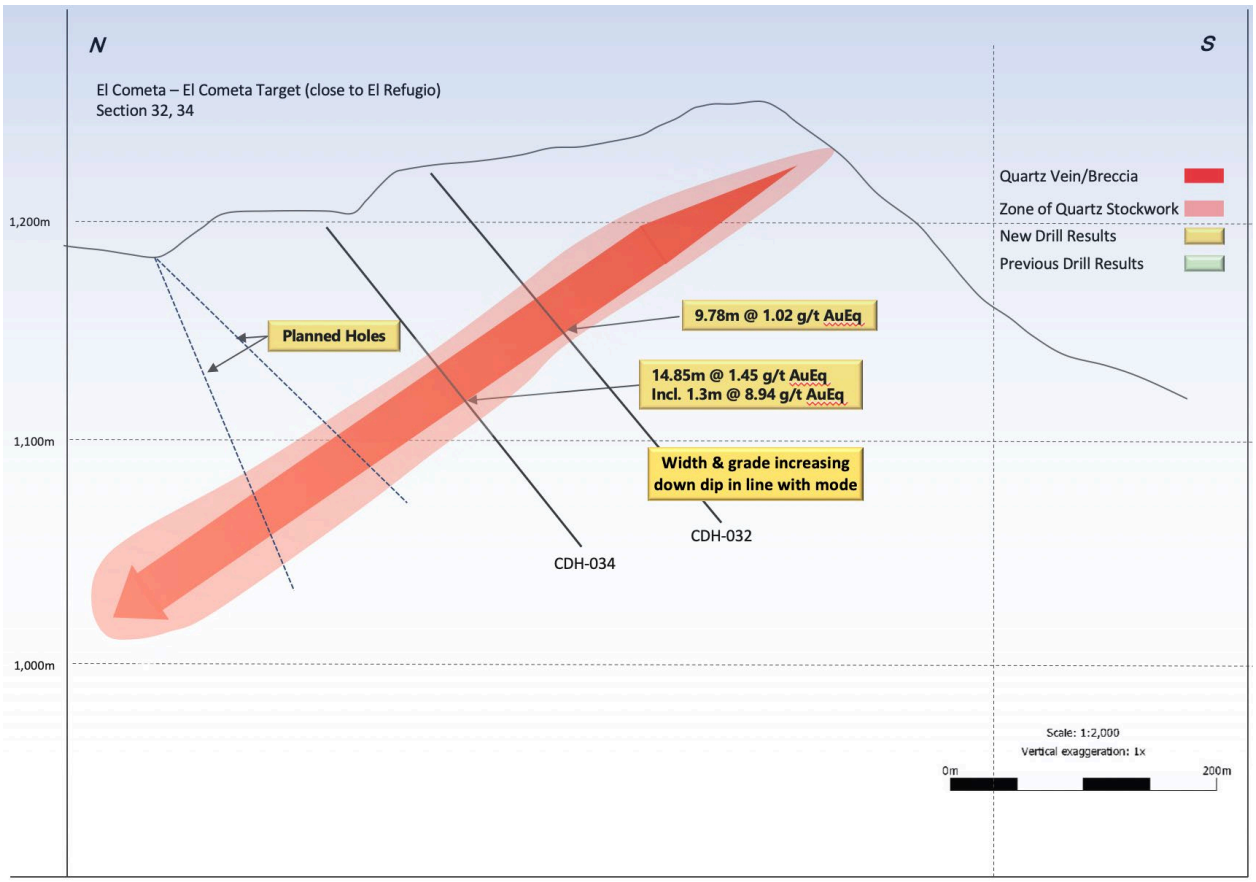

Figure 4 El Cometa-El Refugio target cross section for drill holes CDH-032 & 34.

At the El Cometa target a fence of shallow holes were drilled across the structure and perpendicular to the historic drill holes by UC Resources in 2004. Importantly, the drilling has shown the structure to be continuous along strike and to host veins with erratic high-grade gold and silver. It is a complex vein system that requires further work to understand.

Holes drilled by UC Resources in 2004 to confirm the drilling completed by Bell Coast Capital Corp. in 1998 included the following intercepts. It is important to note that all the holes drilled by UC Resources and Bell Coast were drilled parallel to the El Cometa structure, intercepting high-grade veins. Mithril concludes that UC's work is reliable (43-101 compliant), but that the high-grade values are discontinuous and erratically distributed within the El Cometa structure. This may be due to supergene enrichment of gold in the near surface environment.

UC Resources reported drill hole UC-03, **17.77m @ 45.2 g/t gold and 117.7 g/t silver** from **30.42m including 5.52m @ 144.26 g/t gold and 328.63 g/t silver** [2].

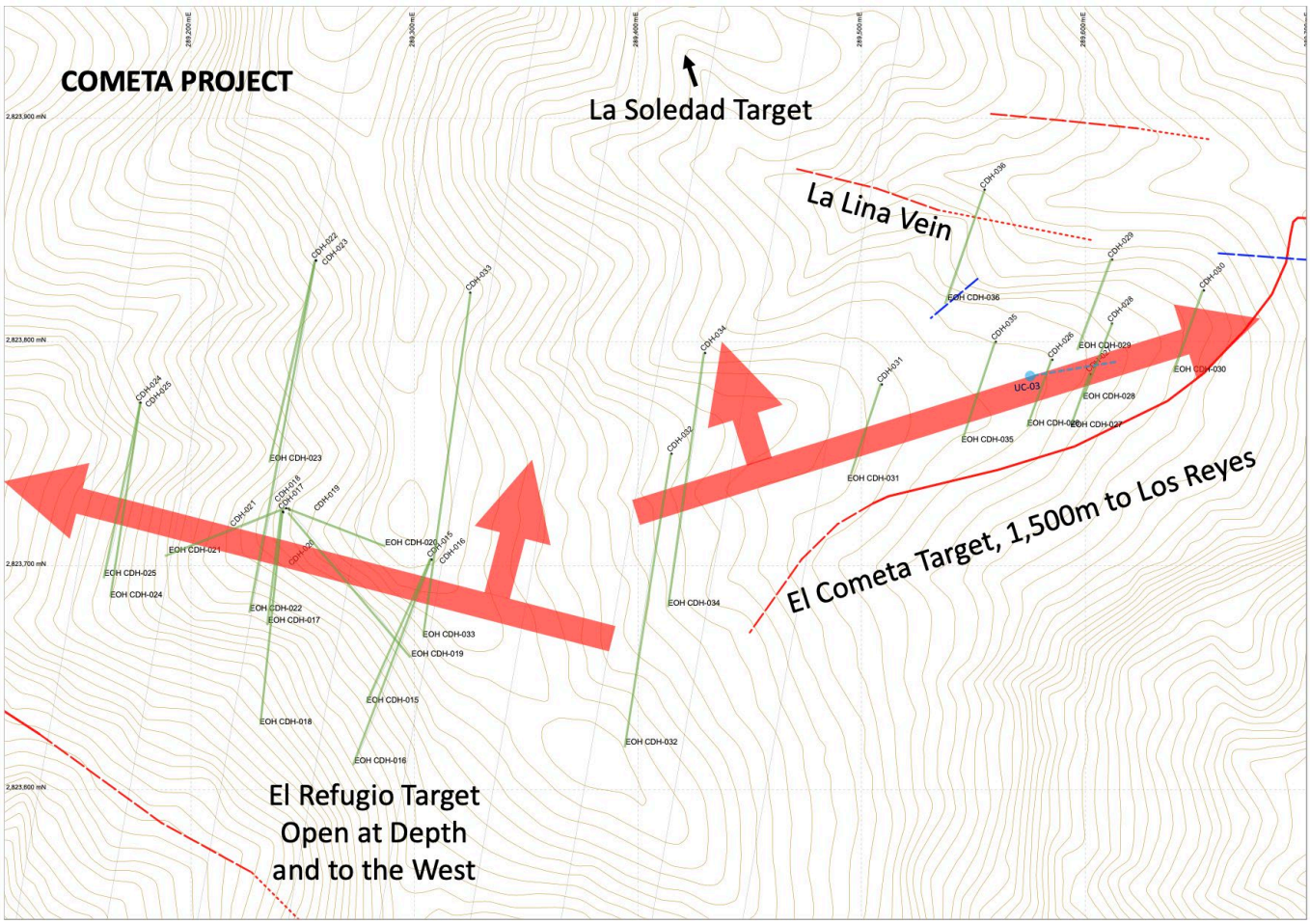

Figure 5 Drill traces at the El Refugio & El Cometa targets, Cometa Project. All drill holes intercepted the El Refugio and El Cometa structures. The location of drill hole UC-03 drilled by UC Resources & reported under Canadian NI43-101 in January 2005 is shown.

[2] The UC Resources news releases were reported to the Canadian market under the NI43-101 guidelines and signed off by a qualified person. The drill results cannot be verified by Mithril and they cannot be used for JORC compliant resource and reserve estimations. The releases are available on the Mithril Resources website under Historic Drilling Reports.

Commentary

The El Cometa vein dips about 40 degrees to the north and extends from the Cometa Project, east towards Los Pinos and Los Reyes for a horizontal distance of 1,500m. At El Cometa, where it has been drill tested, the vein location is predictable however the mineralisation within the vein is complex. The variability within the vein can be extreme. Clearly the veins and the high grades exist, but the continuity cannot yet be demonstrated with any confidence. At this point in the exploration program, we can confidently model the vein at El Cometa and only comment that this complex vein structure is reported to include extreme high-grade domains for gold and silver.

December 2020 – The maiden drill program has been completed at the Copalquin Mining District

The final drill holes of the maiden drill program have been completed in the San Manuel target at the Apolonia project.

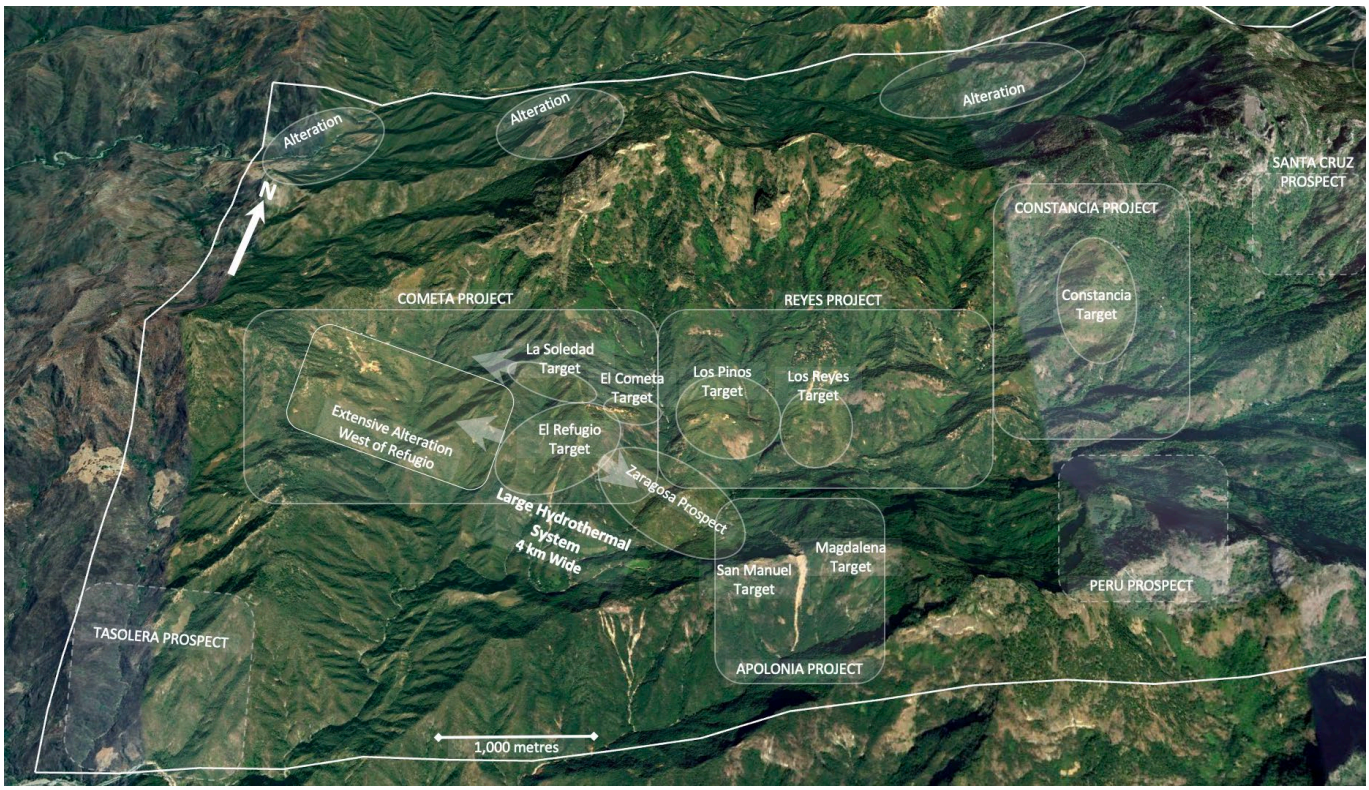

Figure 6 Projects and Prospects within the 7,005Ha concession are covering the Copalquin District. Large epithermal system extending for 4 km indicated by drilling to date at the El Refugio targe, the extensive surface alteration and rhyolitic dikes/domes.

-ENDS-

Released with the authority of the Board.

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ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin mining district is located in Durango State, Mexico and covers an entire mining district of 70km2 containing several dozen historic gold and silver mines and workings, ten of which had notable production. The district is within the Sierra Madre Gold Silver Trend which extends north-south along the western side of Mexico and hosts many world class gold and silver deposits.

Multiple mineralisation events, young intrusives thought to be system-driving heat sources, widespread alteration together with extensive surface vein exposures and dozens of historic mine workings, identify the Copalquin mining district as a major epithermal centre for Gold and Silver.

Mithril operated one man-portable diamond drill rig (HQ size diamond core) in the Copalquin District since late July 2020. Over 7,000m have been drilled in this maiden drill program to test several targets at four projects in the district. To date, the maiden drill program has been highly successful, demonstrating the large epithermal system potential within the district.

Competent Persons Statement

The information in this report that relates to sampling techniques and data, exploration results and geological interpretation has been compiled by Mr Hall Stewart who is Mithril's Chief Geologist. Mr Stewart is a certified professional geologist of the American Institute of Professional Geologists. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Stewart has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Stewart consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Hole_ID	From interval (m)	To interval (m)	Length interval (m)	Au interval (g/t)	Ag interval (g/t)	AuEq[1] (g/t)	Comment
CDH-026	13.5	22.5	9	0.27	19.4	0.51	El Cometa
	and						
CDH-026	29.5	34.9	5.4	0.23	17.4	0.45	El Cometa
CDH-027	10.9	22.6	11.7	1.16	70.0	2.04	El Cometa
	including						
CDH-027	15	16	1	7.17	236	10.12	El Cometa
CDH-028	25	28	3	0.18	15.3	0.37	El Cometa
CDH-029	29.6	32.5	2.9	1.93	215.7	4.63	El Cometa
CDH-030	10	13.7	3.7	0.17	19.4	0.41	El Cometa
CDH-031	35.72	41	5.28	0.39	25.6	0.71	El Cometa
	and						
CDH-031	56	58.4	2.4	0.55	8.4	0.66	El Cometa
CDH-032	78.75	88.53	9.78	0.85	13.3	1.02	El Cometa
CDH-033	206.3	215.65	9.35	7.84	138.1	9.57	El Refugio deeper
	Including						
CDH-033	207	211	4	16.44	286.8	20.03	El Refugio deeper
CDH-034	78.8	96.25	17.45	0.75	41.6	1.27	El Cometa
	including						
CDH-034	82.85	84.15	1.3	5.07	308.8	8.94	El Cometa
CDH-035	42	52.15	10.15	0.55	15.5	0.74	El Cometa
	including						
CDH-035	42	43	1	3.75	69.6	4.62	El Cometa

Table 1 Significant intersections for drill holes CDH-026 to CDH-035 at the El Refugio target, Cometa Project, Copalquin District.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Samples for the 2020 Copalquin, Mexico drill program consist of ½ HQ core cut lengthwise with a diamond saw. Intervals are nominally 1 m, but may vary between 1.5 m to 0.5 m based on geologic criteria. • The same side of the core is always sent to sample (left side of saw).
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Drilling is done with an MP500 man-portable core rig capable of drilling HQ size core to depths of 400 m. To data all core has been HQ size although we are prepared to reduce to NQ if needed.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Drill recovery is measured based on measured length of core divided by length of drill run. • Recovery in holes CDH-001 through CDH-025 and holes CDH-032 through CDH-035 was always above 90% in the mineralized zones. • Holes CDH-026 through CDH-031 had problems with

Criteria	JORC Code explanation	Commentary
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	core recovery in highly fractured, clay rich breccia zones. • There is no adverse relationship between recovery and grade identified to date.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Core logging is both qualitative or quantitative in nature. Photos are taken of each box of core before samples are cut. Core is wetted to improve visibility of features in the photos. • All core has been logged and photographed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core is sawn and half core is taken for sample. • Samples are prepared using ALS Minerals Prep-31 crushing, splitting and pulverizing. This is appropriate for the type of deposit being explored. • Visual review to assure that the cut core is ½ of the core is performed to assure representativity of samples. • field duplicate/second-half sampling is undertaken for 3% of all samples to determine representativity of the sample media submitted. • Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks,*	• Samples are assayed for gold using ALS Minerals Au-AA23 method a 30 g fire assay with an AA finish. This is considered a total assay technique. Samples are assayed for silver using ALS Minerals ME-ICP61 method. Overlimits are assayed by AgOG63 and AgGRAV21. These are considered a total assay technique. • Standards, blanks and duplicates are inserted appropriately into the sample stream. External laboratory checks will be conducted as sufficient samples are collected. Levels of accuracy (ie lack of bias) and precision have not yet been established.

Criteria	JORC Code explanation	Commentary
	duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The verification of significant intersections by either independent or alternative company personnel has not been conducted. • The use of twinned holes. No twin holes have been drilled. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols are maintained in the company's core facility. • Assay data have not been adjusted other than applying length weighted averages to reported intercepts.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drill collar coordinates are currently located by hand held GPS. Precise survey of hole locations is planned. Downhole surveys of hole deviation are recorded for all holes. • UTM/UPS WGS 84 zone 13 N • High quality topographic control from Photosat covers the entire drill project area.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Data spacing is appropriate for the reporting of Exploration Results. • No Resource Estimation is included in this News Release. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Cut lines are marked on the core by the geologists to assure that the orientation of sampling achieves unbiased sampling of possible structures. This is reasonably well observed in the core and is appropriate to the deposit type. • The relationship between the drilling orientation and the orientation of key mineralised structures is not considered to have introduced a sampling bias.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Samples are stored in a secure core storage facility until they are shipped off site by small aircraft and delivered directly to ALS Minerals.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews of sampling techniques and data have been performed.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Concessions at Copalquin •
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration by Bell Coast Capital Corp. and UC Resources was done in the late 1990's and in 2005 – 2007. Work done by these companies is historic and non-JORC compliant. Mithril uses these historic data only as a general guide and will not incorporate work done by these companies in resource modelling. • Work done by the Mexican government and by IMMSA and will be used for modelling of historic mine workings which are now inaccessible (void model)

No.	Concession	Concession Title number	Area (Ha)	Location
1	LA SOLEDAD	52033	6	Tamazula, Durango, Mexico
2	EL COMETA	164869	36	Tamazula, Durango, Mexico
3	SAN MANUEL	165451	36	Tamazula, Durango, Mexico
4	COPALQUIN	178014	20	Tamazula, Durango, Mexico
5	EL SOL	236130	6,000	Tamazula, Durango and Badiraguato, Sinaloa, Mexico
6	EL CORRAL	236131	907.3243	Tamazula, Durango and Badiraguato, Sinaloa, Mexico

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Copalquin is a low sulfidation epithermal gold-silver deposit hosted in andesite. This deposit type is common in the Sierra Madre Occidental of Mexico and is characterized by quartz veins and stockworks surrounded by haloes of argillic (illite/smectite) alteration. Veins have formed as both low-angle semi-continuous lenses parallel to the contact between granodiorite and andesite and as tabular veins in high-angle normal faults. Vein and breccia thickness has been observed up to 30 meters wide with average widths on the order of 2 to 3 meters. The overall strike length of the semi-continuous mineralized zone from Refugio to Cometa to Los Pinos to Los Reyes is 2 kilometres. Additional strike length at La Constancia and San Manuel provide additional exploration potential.
Drill hole Information	•	

Hole_ID	WGS84_E	WGS84_N	El_M	Azimuth	Incl	Depth	Comments	Company	Date Start	Date_End
CDH-001	289591	2824210	1113	220	-65	210.50	Soledad	MTH	26/7/20	30/7/20
CDH-002	289591	2824210	1113	165	-60	204.00	Soledad	MTH	30/7/20	1/8/20
CDH-003	289591	2824210	1113	155	-70	153.00	Soledad	MTH	2/8/20	4/8/20
CDH-004	289591	2824210	1113	245	-55	202.50	Soledad	MTH	4/8/20	7/8/20
CDH-005	289665	2824195	1083	205	-60	10.50	Soledad	MTH	7/8/20	7/8/20
CDH-006	289665	2824195	1083	200	-59	87.00	Soledad	MTH	8/8/20	9/8/20
CDH-007	289665	2824195	1083	240	-68	12.00	Soledad	MTH	10/8/20	10/8/20
CDH-008	289645	2824196	1088	150	-62	165.00	Soledad	MTH	11/8/20	13/8/20
CDH-009	289645	2824196	1088	197	-70	21.00	Soledad	MTH	14/8/20	14/8/20
CDH-010	289649	2824206	1083	198	-64	180.00	Soledad	MTH	15/8/20	17/8/20
CDH-011	289649	2824206	1083	173	-62	138.00	Soledad	MTH	17/8/20	20/8/20
CDH-012	289678	2824313	1095	200	-45	228.00	Soledad	MTH	20/8/20	23/8/20
CDH-013	289678	2824313	1095	180	-45	240.30	Soledad	MTH	23/8/20	26/8/20
CDH-014	289678	2824313	1095	220	-45	279.00	Soledad	MTH	23/8/20	30/8/20
CDH-015	289311	2823706	1271	200	-75	256.50	Refugio	MTH	1/9/20	4/9/20
CDH-016	289311	2823706	1271	200	-60	190.50	Refugio	MTH	5/9/20	7/9/20
CDH-017	289234	2823727	1236	190	-75	171.00	Refugio	MTH	8/9/20	11/9/20
CDH-018	289234	2823727	1236	190	-53	159.00	Refugio	MTH	11/9/20	14/9/20
CDH-019	289234	2823727	1236	140	-65	201.00	Refugio	MTH	14/9/20	17/9/20
CDH-020	289234	2823727	1236	115	-78	216.00	Refugio	MTH	17/9/20	19/9/20
CDH-021	289234	2823727	1236	250	-75	222.00	Refugio	MTH	20/9/20	22/9/20
CDH-022	289255	2823835	1251	190	-54	261.00	Refugio	MTH	23/9/20	27/9/20
CDH-023	289255	2823835	1251	190	-70	267.00	Refugio	MTH	27/9/20	30/9/20
CDH-024	289170	2823774	1185	190	-55	150.00	Refugio	MTH	1/10/20	2/10/20
CDH-025	289170	2823774	1185	190	-70	213.00	Refugio	MTH	3/10/20	5/10/20
CDH-026	289585	2823795	1183	200	-50	51.00	Cometa	MTH	7/10/20	8/10/20

Criteria	JORC Code explanation	Commentary

CDH-027	289605	2823790	1179	200	-60	51.00	Cometa	MTH	8/10/20	9/10/20
CDH-028	289612	2823815	1170	200	-45	51.00	Cometa	MTH	9/10/20	9/10/20
CDH-029	289611	2823835	1152	200	-45	60.00	Cometa	MTH	9/10/20	11/10/20
CDH-030	289653	2823823	1153	200	-45	55.50	Cometa	MTH	11/10/20	12/10/20
CDH-031	289510	2823781	1197	200	-45	66.00	Cometa	MTH	12/10/20	13/10/20
CDH-032	289414	2823752	1223	190	-50	207.00	Refugio	MTH	13/10/20	16/10/20
CDH-033	289325	2823822	1269	190	-55	270.00	Refugio	MTH	17/10/20	21/10/20
CDH-034	289429	2823795	1197	190	-50	183.00	Refugio	MTH	22/10/20	24/10/20
CDH-035	289560	2823800	1185	200	-45	69.00	Cometa	MTH	25/10/20	25/10/20

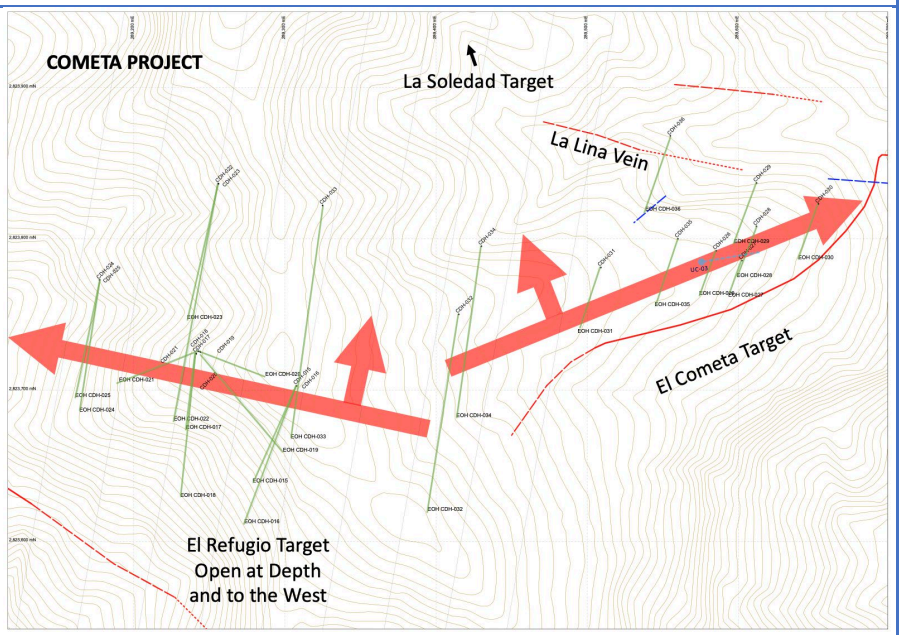
Data aggregation methods

- *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*
- *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*
- *The assumptions used for any reporting of metal equivalent values should be clearly stated.*

- Intercepts are reported for all intercepts greater than or equal to 1 g/t AuEQ_80 using a 80:1 Silver to gold price ratio. No upper cutoff is applied to reporting intercepts.
- Length weighted averaging is used to report intercepts. The example of CDH-002 is shown. The line of zero assays is a standard which was removed from reporting.

Au raw	Ag raw	Length (m)	Au *length	Ag *length					
7.51	678	0.5	3.755	339					
11.85	425	0.55	6.5175	233.75					
0	0	0	0	0					
0.306	16	1	0.306	16					
0.364	31.7	1	0.364	31.7					
3.15	241	0.5	1.575	120.5					
10.7	709	0.5	5.35	354.5					
15.6	773	0.5	7.8	386.5					
					From	To	Length	Au gpt	Ag gpt
		4.55	25.6675	1481.95	91.95	96.5	4.55	5.64	325.70

- Metal equivalent grades are reported using a 80:1 silver to gold price ratio. This ratio is based on the gold and silver prices reported on kitco.com as of 28 September, 2020 (actual ratio at that date 80.36:1)

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Downhole intercepts are reported. True widths are not known. Once data from additional holes are received true widths will be calculated and reported.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration results are reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No additional exploration data are substantive at this time.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Four new holes are reported in this news release. First pass drilling is complete on the Soledad and Refugio targets.