ASX Release
27 July 2020

CEL builds on new gold discovery at Hualilan with a second significant intersection 1km along strike

Highlights

- **Drill hole GNDD-032 recorded a second significant gold intersection in porphyry. Highlights include (refer Table 1 for details):**
  - **116 metres at 1.2 g/t AuEq - 1.1 g/t gold, 4.0 g/t silver, 0.2% zinc; including**
  - **6 metres at 9.9 g/t AuEq - 9.6 g/t gold, 18.7 g/t silver 0.15% zinc; and**
  - **4 metres at 10.7 g/t AuEq - 9.8 g/t gold, 18.5 g/t silver, 1.5% zinc**
- **This hole is located 1 kilometre south along strike from the GNDD-025 discovery hole which intersected 50 metres at 1.4 g/t gold, 3.4 g/t silver (hole ending in mineralisation) in altered porphyry**
- **Significantly upgrades CEL's 1 kilometre intrusion-hosted target with intersections of 116 metres at 1.2 g/t AuEq and 50 metres at 1.5 g/t AuEq (ending in mineralisation) encountered at either end of this undrilled target**
- **The high-grade zones in GNDD-032 indicates that skarn alteration likely continues into the intrusives significantly expanding the scope of the project for higher-grade mineralisation which remains open to the east**
- **Major synergies from an exploration and mine development perspective as the porphyry hosted gold is contiguous to, and underlies, the existing high-grade mineralisation**

Commenting on the results, CEL Managing Director, Mr Kris Knauer, said

"Our flagship Hualilan Gold Project continues to deliver some exciting surprises. Less than three weeks after our discovery of a new style of intrusion-hosted gold mineralisation we have two more holes extending this newly discovered mineralisation over one kilometre of strike.

Importantly GNDD-032 shows that the higher-grade mineralisation can extend into the intrusives so this new style of intrusion-hosted gold mineralisation can not only significantly increase the tonnage but it has the potential to materially expand the extent of the historical high-grade mineralisation as well.

The high-grade mineralisation at Hualilan will remain the Company's focus, however this new style of gold mineralisation is now clearly of a significant scale. The fact that it is, contiguous to, and underlies the existing high-grade mineralisation means there is minimal additional cost to explore both simultaneously."

Challenger Exploration (**ASX: CEL**) ("**CEL**" or the "**Company**") is pleased to announce that it has recorded a second significant intersection of the new style of intrusion-hosted gold mineralisation at the Company's Hualilan Gold Project, located in San Juan Province Argentina.

Drill hole GNDD-032 intersected **116 metres at 1.1 g/t gold, 4.0 g/t silver, 0.2 % zinc *(1.2 g/t AuEq)*** from 49 metres, in dacite porphyry containing weak iron oxide, silica, pyrite and skarn alteration. The intercept includes two main higher grade zones of **6 metres at 9.6 g/t gold, 18.7 g/t silver 0.15% zinc *(9.9 g/t AuEq)*** and **4 metres at 9.8 g/t gold, 18.5 g/t silver, 1.5% zinc *(10.7 g/t AuEq)***. (Table 1) This follows CEL's discovery hole GNDD-025 (*ASX Release 8 July 2020*) which intersected **50m at 1.4 g/t gold, 3.4 g/t silver, 0.17 % zinc *(1.5 g/t AuEq)*** in dacite porphyry one kilometre north along strike.

Intrusion-hosted Gold Discovery and Conceptual Target

CEL's discovery hole GNDD-025 was located 1 kilometre north along strike from GNDD-032 and intersected **50 metres at 1.4 g/t gold, 3.4 g/t silver, 0.15 % lead and 0.17 % zinc (1.5 g/t AuEq**), which remains open at depth. This mineralisation, hosted in dacite porphyry, represented a new type of mineralisation with the historical high-grade mineralisation at Hualilan occurring in faults and limestone.

The Company defined a near surface conceptual intrusion-hosted target covering 1 kilometre of strike and up to 100 metres wide following the GNDD-025 discovery hole (Figure 2). This is defined by the limited historical drilling, mapping of the surface exposure of the altered dacite porphyry, and recent CEL drill holes. The current northern end of this target is defined by CEL drill hole GNDD-025, with the current southern end of the target defined by CEL drill holes GNDD-032 and GNDD-031. This target remains open in both directions.

The results of GNDD-032 and GNDD-031 significantly upgrade this conceptual target and confirm that it covers 1 kilometre of strike including the Gap Zone between Cerro Norte and Cerro Sur. The target is now defined by intercepts of **50 metres at 1.4 g/t gold, 3.4 g/t silver** in the north and **100 metres at 1.1 g/t gold, 4.0 g/t silver** in the south with only one hole drill hole GNDD-051 (assays pending) currently in between. The Company also notes the recent discovery of extensive surface veining and alteration in porphyry dacite in outcrop to the north of drill hole GNDD-032 which will be tested by drilling.

Table 1 - Significant assay results for GNDD-031 and GNDD-032

Hole_id		From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)	AuEq (g/t)	Note
GNDD-031	from	32.0	**28.0**	0.43	5.7	0.15	**0.56**	0.2 g/t AuEq cut
GNDD-032	from	49.0	**116.0**	1.05	4.0	0.20	**1.2**	0.2 g/t AuEq cut
	including	77.0	**3.0**	0.93	33.7	2.10	**2.3**	1.0 g/t AuEq cut
	and	101.0	**10.0**	6.1	18.1	0.11	**6.4**	1.0 g/t AuEq cut
	including	101.0	**6.0**	9.6	18.7	0.15	**9.9**	10.0 g/t AuEq cut
	and	136.0	**4.0**	9.8	18.5	1.5	**10.7**	1.0 g/t AuEq cut

(1) Intercepts calculated using a using a 0.2 g/t AuEq cut-off, 1.0 g/t and 10 g/t AuEq cut-off as indicated
(2) See Page 8 of this ASX Release for information regarding AuEq's reported under the JORC Code

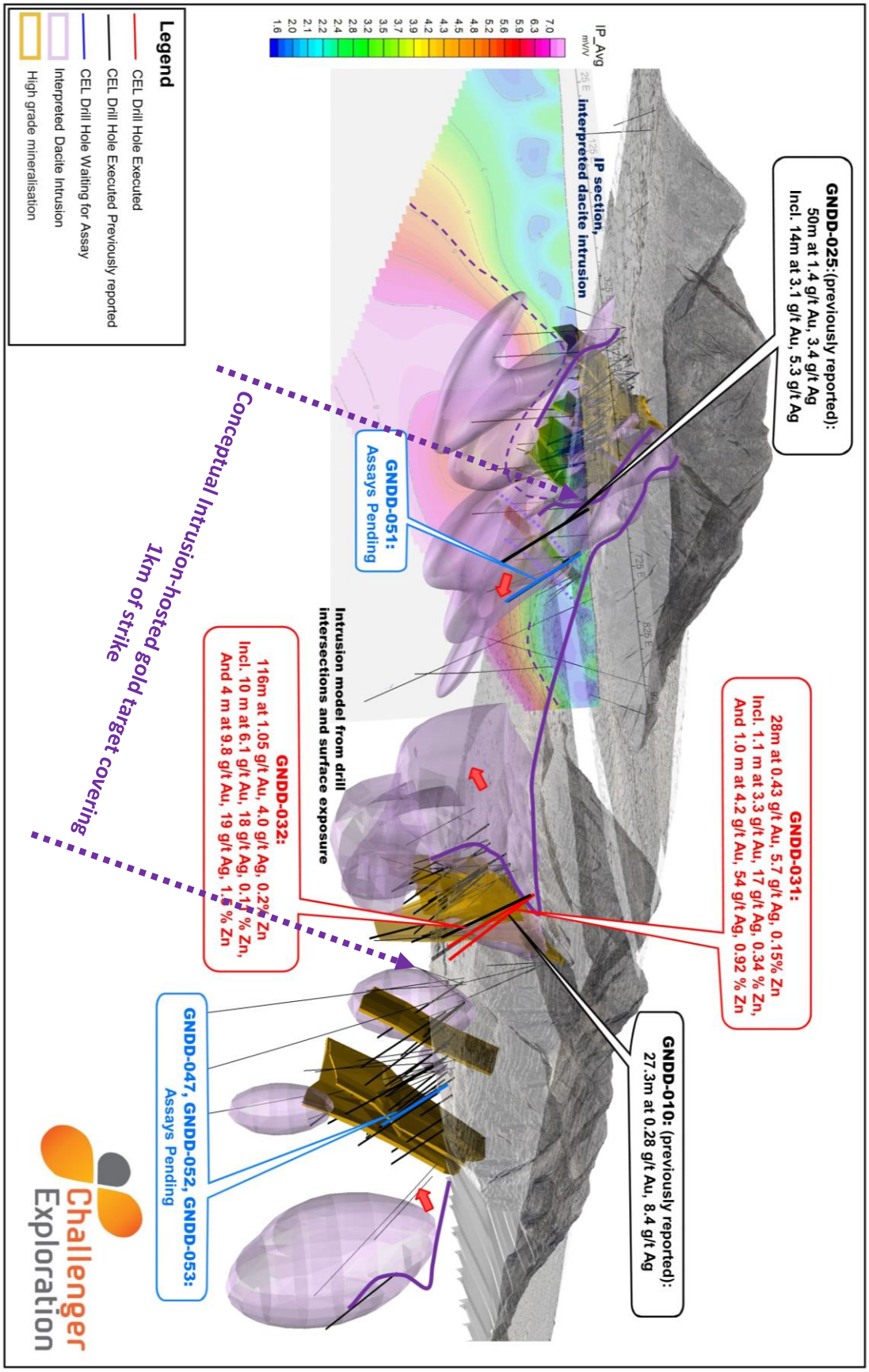

Figure 1 - Showing distribution of dacite intrusives beyond the conceptual Intrusion-hosted gold target in the Gap Zone

The results of GNDD-031 and GNDD-010 (*ASX Release 30 December 2020*) appear to show a distinct increase in the grade towards the thicker parts of the porphyry dacite in the east (Figure 2). Drill hole GNDD-010 located 150 metres west of GNDD-032 intersected 27 metres at 0.28 g/t gold, 8.4 g/t silver in weakly sericite altered dacite above an intersection of 3 metres at 17.7 g/t gold, 143 g/t silver, 2.5% zinc in the main high-grade skarn. Drill hole GNDD-031 located a further 50 metres east of GNDD-010 intersected **28 metres at 0.43 g/t gold, 5.7 g/t silver, 0.15 % zinc (0.6 g/t AuEq)** in porphyry dacite compared to the 116 metres at 1.1 g/t gold, 4.0 g/t silver, 0.2 % zinc in GNDD-032 a further 100 metres to the east.

The Company will complete a number of holes to test the intrusion- hosted gold target during the current quarter as part of its expanded 35,000 metre drilling program following the successful completion of the $20 million (before costs) capital raising this month.

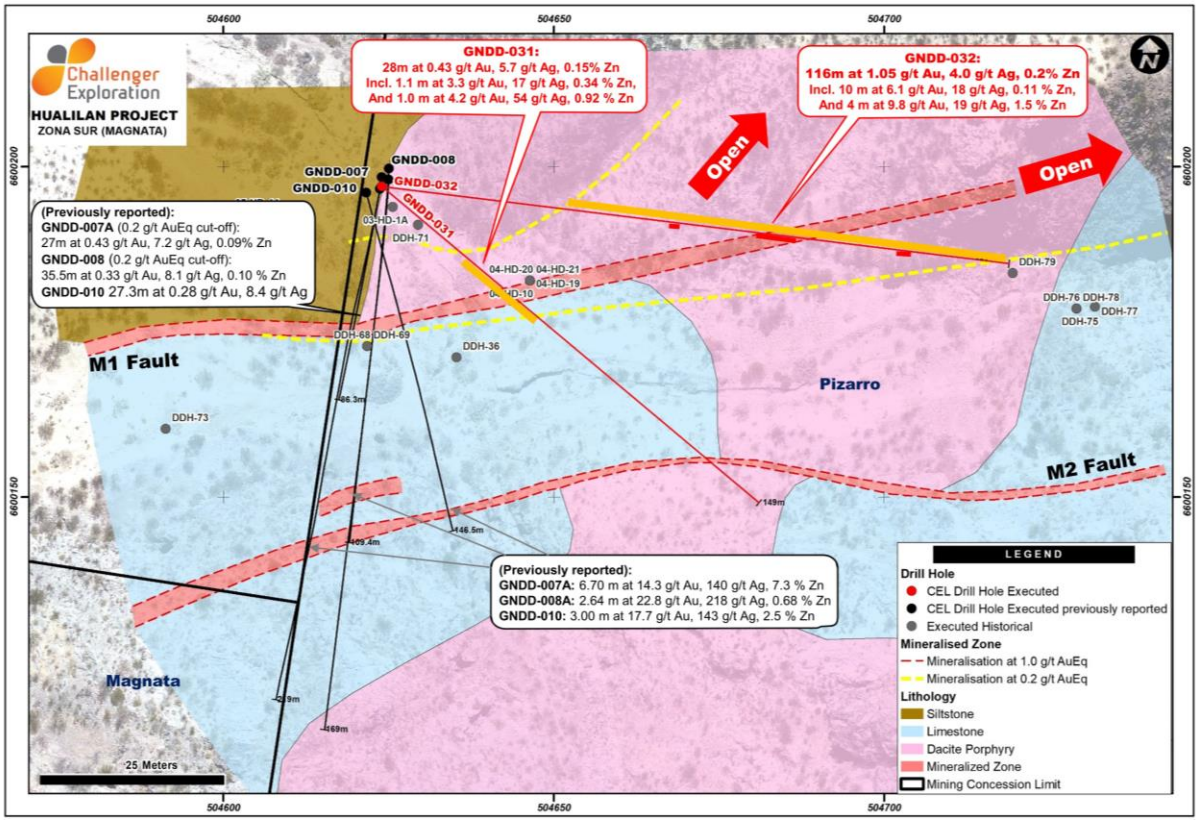

Figure 2 - Plan view showing CEL drilling Magnata Vein

Extension of high-grade skarn alteration into the intrusives

The high-grade east-west striking Magnata Vein is controlled by the M1 and M2 faults which are regional, steeply dipping, strike-slip faults with up to 200 metres of apparent lateral movement. The east-west faults were conduits for mineralising fluids with high-grade veins (Magnata and Sanchez Veins) forming along these faults. Typical results from the Company's historical drilling of the Magnata Vein are shown on Figure 2 and include 6.70 metres at 14.3 g/t Au, 140 g/t Ag, 7.3 % Zn (GNDD-007) 3 metres at 17.7 g/t Au, 143 g/t Ag, 2.5 % Zn (GNDD-010).

The higher-grade zones of mineralisation in the dacite porphyry contain a component of skarn alteration similar to that seen in the high-grade mineralisation in the Magnata Vein and the Manto's (limestone). The location of the higher grade zones in GNDD-032 ; **specifically 6 metres at 9.6 g/t gold, 18.7 g/t silver 0.15% zinc** and **4 metres at 9.8 g/t gold, 18.5 g/t silver, 1.5% zinc**; is believed to coincide with the projected location of the M1 Upper Magnata Fault at this location.

The extension of this high-grade skarn mineralisation into the intrusives significantly expands the scope of the Project to contain additional high-grade gold beyond the historical mineralisation. The historical interpretation was that the porphyry dacite intrusives overprinted the high-grade skarn mineralisation thus sterilising the possibility of high-grade mineralisation, and accordingly the intrusives were generally not assayed in the historical drilling. This now appears not to be the case.

Importantly the majority of the higher-grade mineralisation at the eastern end of the Magnata Vein appears to lie on the deeper M2 fault in with CEL holes GNDD-007, GNDD-008 and GNDD-010 recording lower grade results in the M1 fault. However, GNDD-032 encountered high-grade skarn mineralisation in the projected level of the M1 fault opening up the M1 as a target further east. Due to the location of the drill pad it was not possible to extend GNDD-032 to test the M2 fault however this will be prioritised in the expanded 35,000 metre program.

This announcement was approved by the board.

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Previous announcements referred to in this release include:

8 July 2020 - CEL MAKES NEW GOLD DISCOVERY AT ITS HUALILAN PROJECT WHICH IS EXPECTED TO SUBSTANTIALLY INCREASE SCALE
30 Dec 2019 - CEL RECEIVES FURTHER OUTSTANDING HIGH-GRADE ASSAY RESULTS FROM FIRST DRILLING AT THE HUALILAN GOLD PROJECT

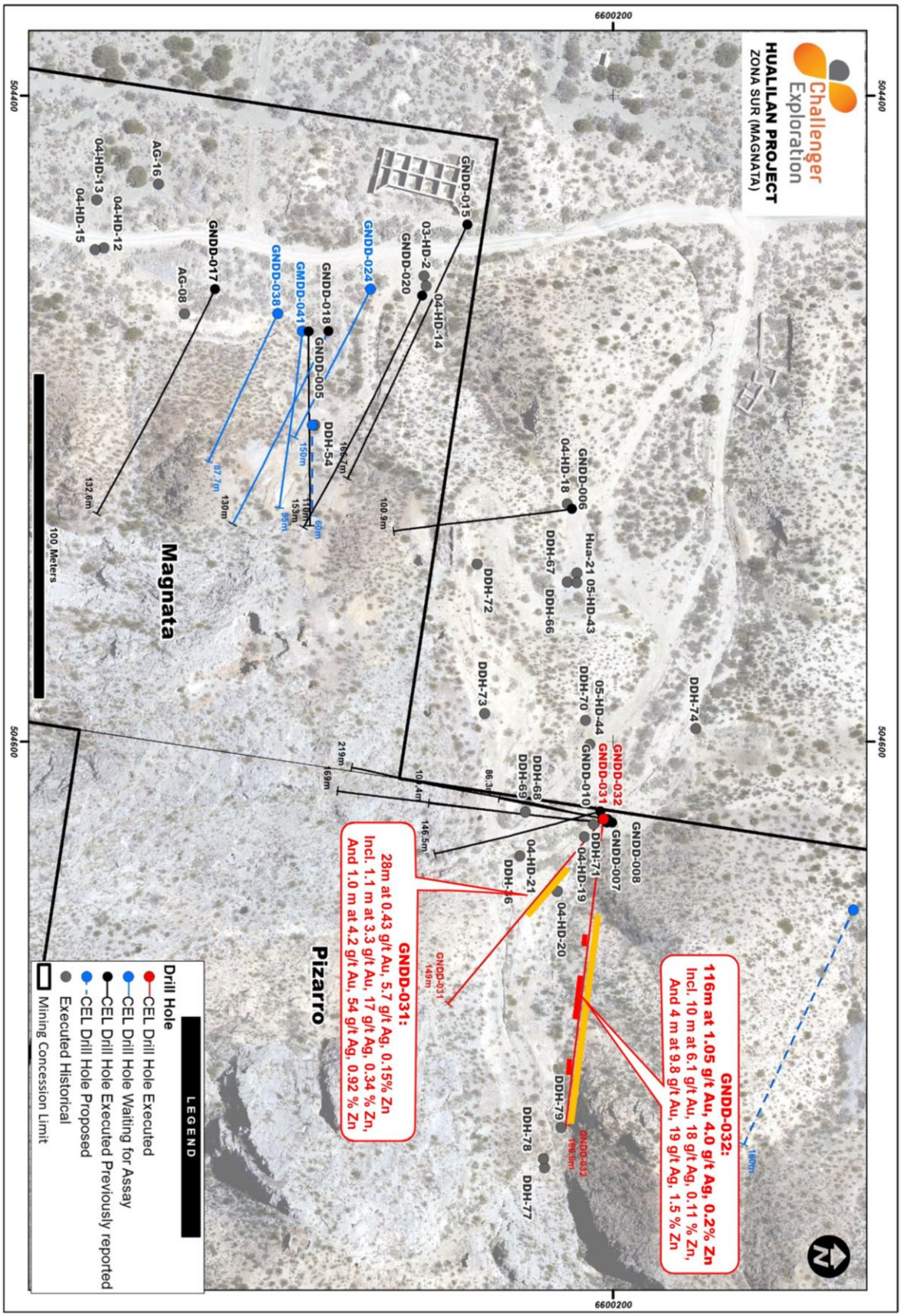

Figure 3 - Plan view showing drilling Magnata Vein

Challenger Exploration Limited
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Issued Capital
648.7m shares
86.6m options
120m perf shares
16m perf rights

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Directors
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Mr Scott Funston, Finance Director
Mr Fletcher Quinn, Chairman

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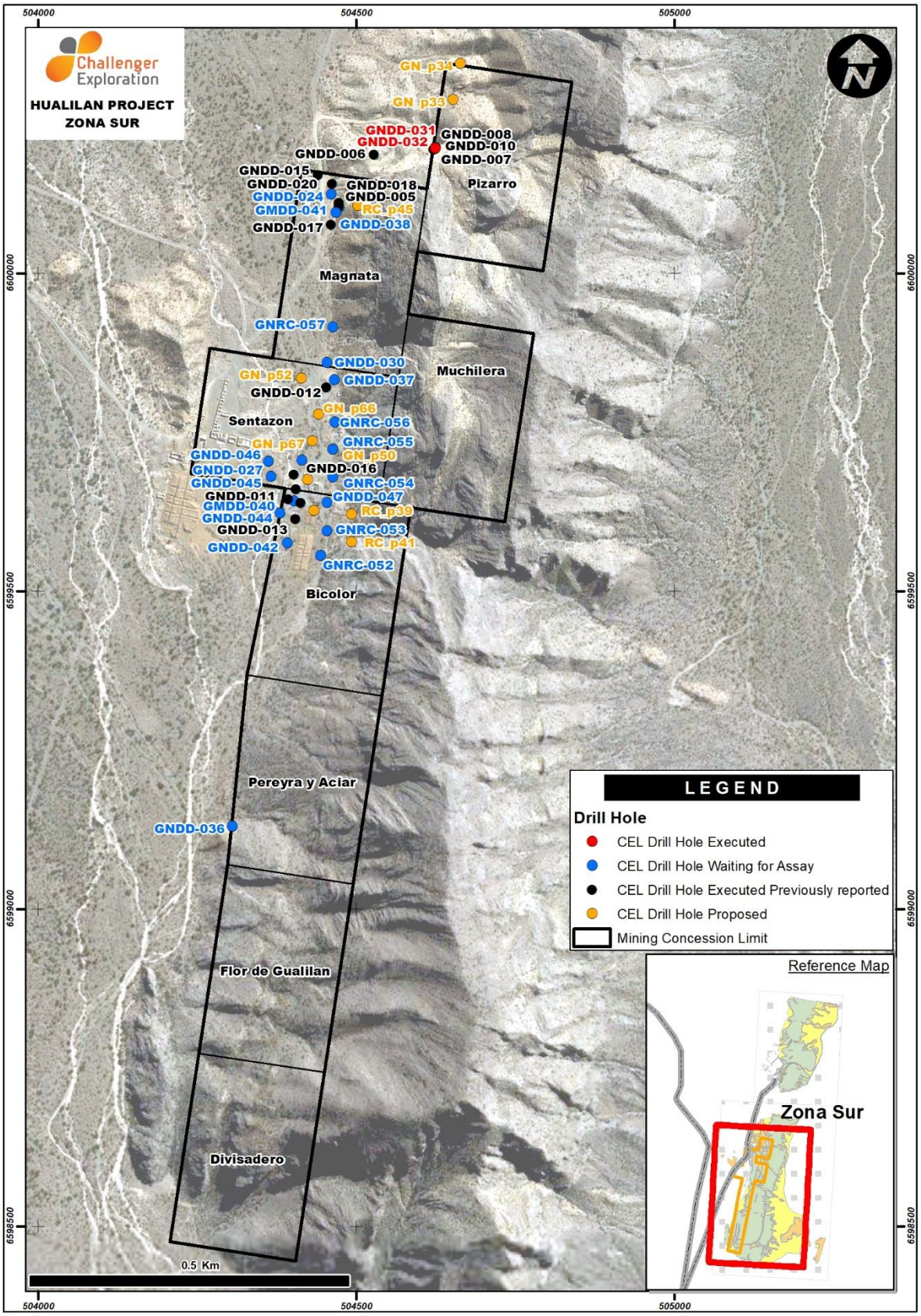

Figure 4 - Plan view showing drilling Cerro Sur

About Challenger Exploration

Challenger Exploration Limited's(ASX: CEL) aspiration is to become a globally significant gold producer. The Company is developing two complementary gold/copper projects in South America. The strategy for the Hualilan Gold project is for it to provide a high-grade low capex operation in the near term. This underpins CEL with a low risk, high margin source of cashflow while it prepares for a much larger bulk gold operation in Ecuador.

1. **Hualilan Gold Project**, located in San Juan Province Argentina, is a near term development opportunity. It has extensive historical drilling with over 150 drill-holes and a non-JORC historical resource [(2)] of 627,000 Oz @ 13.7 g/t gold which remains open in most directions. The project was locked up in a dispute for the past 15 years and as a consequence had seen no modern exploration until CEL acquired the project in 2019. Results from CEL's first drilling program included [(A)] 6.1m @ 34.6 g/t Au, 21.9 g/t Ag, 2.9% Zn, 6.7m @ 14.3 g/t Au, 140 g/t Ag, 7.3% Zn and 10.3m @ 10.4 g/t Au, 28 g/t Ag, 4.6% Zn. This drilling intersected high-grade gold over almost 2 kilometres of strike and extended the known mineralisation along strike and at depth in multiple locations. CEL's 2020 program will include 7,500 metres of drilling, metallurgical test work of key ore types, and an initial JORC Compliant Resource which will allow an economic review.

2. **El Guayabo Project** covers 35 sqkms in southern Ecuador and was last drilled by Newmont Mining in 1995 and 1997 targeting gold in hydrothermal breccias. Historical drilling has demonstrated potential to host significant gold and associated copper and silver mineralisation. Historical drilling has returned a number of intersections of plus 100m of intrusion related breccia and vein hosted mineralisation. The Project has multiple targets including breccia hosted mineralization, an extensive flat lying late stage vein system and an underlying porphyry system target neither of which has been drill tested. CEL's first results confirm the discovery of large-scale gold system with over 250 metres of bulk gold mineralisation encountered in drill hole ZK-02 which contains a significant high-grade core of 134 metres at 1.0 g/t gold and 4.1 g/t silver including 63 metres at 1.6 g/t gold and 5.1 g/t silver.

Gold Equivalent (AuEq) values - Requirements under the JORC Code

- The assumed commodity prices for the calculation of AuEq is Au-US$1450 Oz, Ag US$16 Oz, and Zn US$2,200 /t
- Metallurgical recoveries for Au, Ag and Zn are assumed to be the same (see ***JORC Table 1 Section 3 Metallurgical assumptions***) *based on metallurgical test work hence no weighting based on recovery is required*
- The formula used: AuEq (g/t) = Au (g/t) + Ag (g/t)x (16/1450) + Zn (%) x 2.12
- *CEL confirms that it is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold*

Foreign Resource Estimate Hualilan Project

La Mancha Resources 2003 foreign resource estimate for the Hualilan Project ^			
Category	Tonnes (kt)	Gold Grade (g/t)	Contained Gold (koz)
Measured	218	14.2	100
Indicated	226	14.6	106
Total of Measured & Indicated	445	14.4	206
Inferred	977	13.4	421
Total of Measured, Indicated & Inferred	**1,421**	**13.7**	**627**

^ Source: La Mancha Resources Toronto Stock Exchange Release dated 14 May 2003 -Independent Report on Gold Resource Estimate. Rounding errors may be present. Troy ounces (oz) tabled here

#1 For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to the Company's ASX Release dated 22 February 2019. These estimates are foreign estimates and not reported in accordance with the JORC Code. A competent person has not done sufficient work to clarify the foreign estimates as a mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as a mineral resource. The company is not in possession of any new information or data relating to the foreign estimates that materially impact on the reliability of the estimates that materially impacts on the reliability of the estimates or CEL's ability to verify the foreign estimates estimate as minimal resources in accordance with Appendix 5A (JORC Code). The company confirms that the supporting information provided in the initial market announcement on February 22, 2019 continues to apply and is not materially changed

Competent Person Statement – Exploration results

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to sampling techniques and data, exploration results and geological interpretation has been compiled Dr Stuart Munroe , BSc (Hons), PhD (Structural Geology), GDip (AppFin&Inv) who is a full-time employee of the Company. Dr Munroe is a Member of the AusIMM. Dr Munroe has over 20 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr Munroe 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. Dr Munroe 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.

Competent Person Statement – Foreign Resource Estimate

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to Mineral Resources has been compiled by Dr Stuart Munroe , BSc (Hons), PhD (Structural Geology), GDip (AppFin&Inv) who is a full-time employee of the Company. Dr Munroe is a Member of the AusIMM. Dr Munroe has over 20 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr Munroe and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration to qualify as Competent Person as defined in the 2012 Edition of the JORC Code for Reporting of, Mineral Resources and Ore Reserves. Dr Munroe 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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data -Hualilan Project

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	- *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* - *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* - *Aspects of the determination of mineralisation that are Material to the Public Report.* - *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	For historic exploration data, there is little information provided by previous explorers to detail sampling techniques. Drill core was cut with a diamond saw longitudinally and one half submitted for assay. Assay was generally done for Au. In some drill campaigns, Ag and Zn were also analysed. There is limited multielement data available. No information is available for RC drill techniques and sampling. For CEL drilling, diamond core (HQ3) was cut longitudinally on site using a diamond saw. Samples lengths are from 0.5m to 2.0m in length (average 1m), taken according to lithology, alteration, and mineralization contacts. For CEL reverse circulation (RC) drilling, 2-4 kg sub-samples from each 1m drilled are collected from a face sample recovery cyclone mounted on the drill machine. Core samples were crushed to approximately 85% passing 2mm. A 500g or a 1 kg sub-sample was taken and pulverized to 85% passing 75µm. A 50g charge was analysed for Au by fire assay with AA determination. Where the fire assay grade is > 10 g/t gold, a 50g charge was analysed for Au by Fire assay with gravimetric determination. A 10g charge was analysed for 48 elements by 4-acid digest and ICP-MS determination. Elements determined were Ag, As, Ba, Be, Bi, Ca, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr. Ag > 100 g/t, Zn, Pb and Cu > 10,000 ppm and S > 10% were re-analysed by the same method using a different calibration. Sample intervals were selected according to geological boundaries. There was no coarse gold observed in any of the core.
Drilling techniques	- *Drill type (eg core, reverse circulation, open-hole hammer,*	Collar details for diamond core drilling (DD) and reverse circulation (RC) historic drilling campaigns is

Criteria	JORC Code explanation	Commentary
	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).	provided below from archival data cross checked with drill logs and available plans and sections where available. Collars shown below are in WGS84, zone 19s which is the standard projection used by CEL for the Project. Collar locations have been check surveyed using differential GPS (DGPS) by CEL to verify if the site coincides with a marked collar or tagged drill site. In most cases the drill collars coincide with historic drill site, some of which (but not all) are tagged. The collar check surveys were reported in POSGAR (2007) projection and converted to WGS84.

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
AG01	DD	2504908.0	6602132.3	1807.6	000	-90	84.5	Jan-84
AG02	DD	2504846.5	6602041.1	1803.4	112	-70	60.0	Jan-84
AG03	DD	2504794.5	6601925.6	1803.1	080	-55	110.0	Jan-84
AG04	DD	2504797.1	6602065.5	1806.6	000	-90	168.0	Jan-84
AG05	DD	2504843.5	6601820.3	1798.1	000	-90	121.8	Jan-84
AG06	DD	2504781.9	6601922.8	1803.8	000	-90	182.2	Jan-84
AG07	DD	2504826.3	6601731.0	1796.9	000	-90	111.5	Jan-84
AG08	DD	2504469.8	6600673.7	1779.7	090	-57	80.2	Jan-84
AG09	DD	2504455.7	6600458.5	1772.6	000	-90	139.7	Jan-84
AG10	DD	2504415.5	6600263.9	1767.7	000	-90	200.8	Jan-84
AG11	DD	2504464.8	6600566.5	1775.9	000	-90	141.0	Jan-84
AG12	DD	2504847.6	6602161.7	1808.8	000	-90	171.4	Jan-84
AG13	DD	2504773.6	6601731.3	1798.7	000	-90	159.5	Jan-84
AG14	DD	2504774.7	6601818.8	1801.2	000	-90	150.2	Jan-84
AG15	DD	2504770.7	6601631.4	1796.7	000	-90	91.3	Jan-84
AG16	DD	2504429.5	6600665.8	1779.8	000	-90	68.8	Jan-84

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
MG01	RC	2504825.5	6602755.4	1800.0	100	-60	51.0	Jan-95
MG01A	RC	2504810.5	6602755.4	1800.0	100	-60	116.0	Jan-95
MG02	RC	2504835.5	6602805.4	1800.0	100	-60	90.0	Jan-95

Criteria	JORC Code explanation	Commentary

MG03	RC	2504853.5	6602880.4	1795.0	100	-60	102.0	Jan-95
MG04	RC	2504843.5	6602975.4	1800.0	100	-60	120.0	Jan-95
MG05	RC	2506130.5	6605055.4	1750.0	85	-60	96.0	Jan-95
MG06	RC	2506005.5	6605115.4	1750.0	100	-60	90.0	Jan-95
MG07	RC	2506100.5	6605015.4	1750.0	100	-60	96.0	Jan-95
MG08	RC	2505300.5	6603070.4	1740.0	95	-70	66.0	Jan-95
MG09	RC	2505285.5	6603015.4	1740.0	0	-90	102.0	Jan-95
MG10	RC	2505025.5	6600225.4	1724.0	100	-60	120.0	Jan-95
MG11	RC	2503380.5	6598560.5	1740.0	100	-60	78.0	Jan-95
MG12	RC	2503270.5	6597820.5	1740.0	100	-60	66.0	Jan-95

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
Hua01	RC	2504845.3	6602041.2	1809.7	117	-50	60.0	1999
Hua02	RC	2504889.5	6602081.1	1809.7	125	-55	45.0	1999
Hua03	RC	2505003.3	6602158.6	1810.7	000	-90	100.0	1999
Hua04	RC	2504873.3	6602169.1	1809.7	000	-90	100.0	1999
Hua05	RC	2505003.2	6602152.6	1810.7	180	-60	100.0	1999
Hua06	RC	2505003.3	6602161.6	1810.7	360	-60	100.0	1999
Hua07	RC	2504967.7	6602153.2	1810.2	000	-90	100.0	1999
Hua08	RC	2504973.2	6602153.7	1810.2	000	-90	13.0	1999
Hua09	RC	2504940.7	6602150.3	1809.7	180	-60	100.0	1999
Hua10	RC	2504941.8	6602156.8	1809.7	360	-60	100.0	1999
Hua11	RC	2504913.3	6602167.4	1809.7	360	-60	88.0	1999
Hua12	RC	2504912.8	6602165.9	1809.7	000	-90	100.0	1999
Hua13	RC	2504912.3	6602156.9	1809.7	180	-60	90.0	1999
Hua14	RC	2504854.3	6602168.2	1809.7	360	-60	100.0	1999
Hua15	RC	2504854.8	6602166.2	1809.7	117	-60	100.0	1999
Hua16	RC	2504834.2	6601877.8	1800.7	000	-90	100.0	1999
Hua17	RC	2504865.9	6602449.8	1814.1	90	-50	42.0	1999
Hua20	RC	2504004.1	6600846.4	1792.7	000	-90	106.0	1999

Criteria	JORC Code explanation	Commentary

Hua21	RC	2504552.9	6600795.0	1793.9	000	-90	54.0	1999

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
DDH20	DD	2504977.3	6602133.3	1804.8	116	-54	49.1	1999-00
DDH21	DD	2504978.3	6602118.3	1804.8	000	-90	88.6	1999-00
DDH22	DD	2504762.9	6601587.1	1769.8	116	-65	66.0	1999-00
DDH23	DD	2504920.4	6601994.3	1767.9	000	-90	58.8	1999-00
DDH24	DD	2504821.0	6601938.8	1802.0	116	-80	100.3	1999-00
DDH25	DD	2504862.6	6601964.5	1803.7	116	-74	49.2	1999-00
DDH26	DD	2504920.4	6601975.3	1795.0	312	-60	80.3	1999-00
DDH27	DD	2504752.7	6601565.1	1806.6	116	-60	43.2	1999-00
DDH28	DD	2505003.6	6602174.3	1806.6	116	-50	41.7	1999-00
DDH29	DD	2504964.1	6602136.6	1810.0	350	-52	113.5	1999-00
DDH30	DD	2505004.1	6602156.3	1809.3	059	-85	62.1	1999-00
DDH31	DD	2504897.6	6602112.7	1808.1	116	-75	41.4	1999-00
DDH32	DD	2504939.4	6602139.2	1809.1	350	-51	100.7	1999-00
DDH33	DD	2504939.4	6602139.2	1809.1	350	-65	62.9	1999-00
DDH34	DD	2504826.5	6601920.2	1801.3	116	-70	69.4	1999-00
DDH35	DD	2505003.9	6602156.7	1808.8	310	-85	174.6	1999-00
DDH36	DD	2504637.5	6600777.3	1799.9	330	-50	45.5	1999-00
DDH37	DD	2504826.5	6601920.2	1809.4	000	-90	121.0	1999-00
DDH38	DD	2504820.8	6601912.2	1801.1	116	-75	67.7	1999-00
DDH39	DD	2504820.8	6601912.2	1801.1	116	-81	90.7	1999-00
DDH40	DD	2504832.3	6601928.1	1801.7	116	-70	85.7	1999-00
DDH41	DD	2504837.8	6601937.5	1801.6	116	-70	64.2	1999-00
DDH42	DD	2504829.2	6601952.5	1801.8	116	-60	65.1	1999-00
DDH43	DD	2504829.2	6601952.5	1801.8	116	-70	70.8	1999-00
DDH44	DD	2504811.3	6601895.1	1802.0	116	-60	102.2	1999-00
DDH45	DD	2504811.3	6601895.1	1802.0	116	-83	95.3	1999-00
DDH46	DD	2504884.4	6601976.3	1805.9	116	-45	71.6	1999-00

Criteria	JORC Code explanation	Commentary							
		DDH47	DD	2504884.4	6601976.3	1805.9	116	-65	71.0	1999-00
		DDH48	DD	2504866.9	6601962.7	1803.1	116	-47	30.7	1999-00
		DDH49	DD	2504866.9	6601962.7	1803.1	116	-72	41.9	1999-00
		DDH50	DD	2504821.4	6601913.9	1801.1	116	-77	87.5	1999-00
		DDH51	DD	2504821.4	6601913.9	1801.1	116	-80	87.5	1999-00
		DDH52	DD	2504825.5	6601901.1	1800.9	116	-83	74.0	1999-00
		DDH53	DD	2504504.1	6600714.0	1788.7	090	-62	85.7	1999-00
		DDH54	DD	2504504.1	6600714.0	1788.7	090	-45	69.1	1999-00
		DDH55	DD	2504997.9	6602163.5	1808.6	360	-53	63.1	1999-00
		DDH56	DD	2504943.1	6602171.3	1810.5	360	-75	50.6	1999-00
		DDH57	DD	2504943.1	6602171.3	1810.5	000	-90	66.2	1999-00
		DDH58	DD	2504970.3	6602153.3	1809.1	360	-71	62.0	1999-00
		DDH59	DD	2504970.3	6602153.3	1809.1	000	-90	66.3	1999-00
		DDH60	DD	2504997.9	6602162.5	1809.0	360	-67	59.9	1999-00
		DDH61	DD	2504997.9	6602162.5	1809.0	000	-90	58.1	1999-00
		DDH62	DD	2504751.4	6601602.6	1789.2	170	-45	68.4	1999-00
		DDH63	DD	2504751.4	6601602.6	1789.2	170	-70	131.5	1999-00
		DDH64	DD	2504776.3	6601596.9	1789.1	170	-45	66.7	1999-00
		DDH65	DD	2504552.7	6600792.0	1793.8	194	-45	124.8	1999-00
		DDH66	DD	2504552.7	6600792.0	1793.8	194	-57	117.0	1999-00
		DDH67	DD	2504552.7	6600792.0	1793.8	194	-66	126.1	1999-00
		DDH68	DD	2504623.9	6600779.0	1800.7	000	-90	79.5	1999-00
		DDH69	DD	2504623.9	6600779.0	1800.7	194	-60	101.5	1999-00
		DDH70	DD	2504595.5	6600797.7	1798.1	190	-81	128.0	1999-00
		DDH71	DD	2504631.6	6600797.4	1799.0	194	-63	136.3	1999-00
		DDH72	DD	2504547.2	6600764.1	1799.6	194	-45	75.6	1999-00
		DDH73	DD	2504593.4	6600766.5	1807.5	190	-57	70.8	1999-00
		DDH74	DD	2504598.2	6600831.8	1795.3	190	-62	190.9	1999-00
		DDH75	DD	2504731.2	6600784.7	1821.4	194	-45	40.2	1999-00
		DDH76	DD	2504731.2	6600784.7	1821.4	180	-60	138.7	1999-00
		DDH77	DD	2504734.1	6600785.0	1821.6	000	-90	85.6	1999-00
		DDH78	DD	2504731.2	6600784.7	1821.4	180	-75	132.9	1999-00

Criteria	JORC Code explanation	Commentary

DDH79	DD	2504721.6	6600790.1	1820.4	060	-70	38.6	1999-00

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)
03HD01A	DD	2504627.8	6600800.1	1798.4	180	-60	130.2
03HD02	DD	2504457.9	6600747.8	1782.9	180	-60	130.5
03HD03	DD	2504480.1	6600448.6	1774.0	360	-45	100.2
04HD04	DD	2504436.6	6600439.3	1773.4	360	-60	104.6
04HD05	DD	2504420.9	6600256.8	1769.5	110	-68	122.6
04HD06	DD	2504428.6	6600236.6	1768.1	110	-68	136.0
04HD07	DD	2504415.7	6600277.7	1769.0	100	-63	108.2
04HD08	DD	2504826.5	6601920.2	1801.3	116	-70	70.0
04HD09	DD	2504832.3	6601928.1	1801.7	116	-70	75.9
04HD10	DD	2504648.5	6600788.9	1801.5	205	-60	120.0
04HD11	DD	2504462.0	6600428.3	1773.6	075	-62	95.1
04HD12	DD	2504449.3	6600648.9	1779.6	360	-60	77.4
04HD13	DD	2504434.5	6600646.6	1779.7	360	-60	74.0
04HD14	DD	2504461.1	6600748.4	1783.1	180	-70	130.6
04HD15	DD	2504449.9	6600646.2	1779.6	360	-64	160.0
04HD16C	DD	2504457.1	6600311.7	1770.3	195	-65	225.5
04HD17	DD	2504417.5	6600256.6	1769.5	110	-72	213.2
04HD18	DD	2504528.5	6600792.0	1791.9	170	-50	140.7
04HD19	DD	2504648.5	6600788.9	1801.5	205	-77	120.0
04HD20	DD	2504648.5	6600788.9	1801.5	205	-80	120.0
04HD21	DD	2504648.5	6600788.9	1801.5	205	-60	120.0
04HD23	DD	2504441.0	6600456.0	1772.5	075	-82	499.7
04HD24	DD	2504389.0	6600252.0	1766.5	090	-81	188.2
04HD25	DD	2504456.0	6600294.0	1768.5	155	-84	500.8
04HD26	DD	2504424.0	6600409.0	1771.5	180	-69	464.9
04HD27	DD	2504461.0	6600428.0	1773.0	100	-45	60.0
04HD28	DD	2504461.0	6600428.0	1773.0	100	-60	63.7

Criteria	JORC Code explanation	Commentary

04HD29	DD	2504438.0	6600087.0	1764.5	108	-45	265.0
04HD30	DD	2504421.0	6600044.0	1764.0	108	-45	128.2
04HD31	DD	2504687.0	6601326.0	1794.0	045	-60	242.9
04HD32	DD	2504828.0	6601916.0	1801.3	116	-70	68.4
05HD33	DD	2505410.0	6601983.0	1765.0	000	-60	81.4
05HD34	DD	2505451.0	6602079.0	1763.0	273	-60	269.0
05HD35	DD	2504905.0	6601689.0	1794.0	140	-65	350.0
05HD36	DD	2504880.0	6601860.0	1802.0	295	-70	130.0
05HD37	DD	2504866.0	6601888.0	1797.0	295	-70	130.0
05HD38	DD	2504838.0	6601937.0	1796.0	115	-70	70.0
05HD39	DD	2504964.0	6602128.0	1814.0	030	-70	217.5
05HD40	DD	2504964.0	6602128.0	1814.0	030	-50	150.0
05HD41	DD	2504931.0	6602125.0	1812.0	022	-60	142.5
05HD42	DD	2504552.7	6600791.5	1797.0	194	-57	120.0
05HD43	DD	2504552.7	6600791.5	1797.0	194	-45	95.5
05HD44	DD	2504603.0	6600799.0	1798.0	190	-61.5	130.5
05HD45	DD	2504362.0	6600710.0	1767.0	088	-60	121.5
05HD46	DD	2504405.0	6600282.0	1766.0	090	-75	130.7
05HD47	DD	2504212.0	6599177.0	1729.0	065	-45	181.5
05HD48	DD	2504160.0	6599164.0	1728.0	065	-60	100.7

CEL drilling of HQ3 core (triple tube) was done using a LM90 truck mounted drill machine that is operated by Foraco Argentina S.A. (Mendoza) and a trailer mounted Hydrocore drill machine operated by Energold Drilling (Mendoza). The core has not been oriented.

CEL drilling of reverse circulation (RC) drill holes is being done using a track-mounted LM650 universal drill rig set up for reverse circulation drilling. Drilling is being done using a 5.25 inch hammer bit.

Collar details for DD drill holes and RC drill holes completed by CEL are shown below in WGS84, zone 19s projection. Collar locations for drill holes to GNDD010 are surveyed using DGPS. Collar location for holes from GNDD011 are surveyed with a handheld GPS to be followed up with DGPS in the near future.

Criteria	JORC Code explanation	Commentary

Hole_id	East (m)	North (m)	Elevation (m)	Dip (°)	Azimuth (°)	Depth (m)
GNDD001	504803.987	6601337.067	1829.289	-57	115	109.0
GNDD002	504793.101	6601312.095	1829.393	-60	115	25.6
GNDD002A	504795.405	6601311.104	1829.286	-60	115	84.5
GNDD003	504824.427	6601313.623	1827.768	-70	115	90.2
GNDD004	504994.416	6601546.302	1835.345	-60	115	100.0
GNDD005	504473.042	6600105.922	1806.448	-55	090	110.0
GNDD006	504527.975	6600187.234	1817.856	-55	170	100.9
GNDD007	504623.738	6600196.677	1823.447	-68	190	86.3
GNDD007A	504624.021	6600198.394	1823.379	-68	190	219.0
GNDD008	504625.047	6600198.059	1823.457	-60	184	109.4
GNDD008A	504625.080	6600199.718	1823.264	-60	184	169.0
GNDD009	504412.848	6599638.914	1794.22	-55	115	147.0
GNDD010	504621.652	6600196.048	1823.452	-68	165	146.5
GNDD011	504393	6599645	1795	-64	115	169.2
GNDD012	504453	6599821	1799	-55	115	120.0
GNDD013	504404	6599614	1793	-58	112	141.0
GNDD014	504405	6599661	1795	-59	114	140.0
GNDD015	504440	6600155	1809	-62	115	166.7
GNDD016	504402	6599684	1795	-60	115	172.0
GNDD017	504460	6600077	1806	-55	115	132.6
GNDD018	504473	6600112	1806	-60	115	130.0
GNDD019	504936	6601533	1834	-70	115	80.0

Criteria	JORC Code explanation	Commentary						
		GNDD020	504462	6600141	1809	-58	115	153.0
		GNDD021	504937	6601565	1838	-60	115	120.0
		GNDD022	504836	6601329	1830	-60	113	100.0
		GNDD023	504815	6601333	1830	-55	117	100.0
		GNDD024	504460	6600125	1808	-70	115	150.0
		GNDD025	504786	6601137	1825	-60	115	141.0
		GNDD026	504815	6601440	1834	-55	115	100.0
		GNDD028	504827	6601319	1829	-57	115	100.0
		GNDD029	504792	6601314	1829	-71	115	120.2
		GNDD030	504792	6601314	1829	-60	115	148.0
		GNDD031	504454	6599860	1794	-60	130	149.0
		GNDD032	504624	6600197	1822	-55	097	166.6
		GNDD033	504624	6600197	1822	-55	115	62.0
		GNDD034	504834	6601384	1830	-60	115	60.0
		GNDD035	504866	6601523	1837	-78	115	119.5
		GNDD036	504781	6601230	1829	-55	115	131.0
		GNDD037	504305	6599130	1777	-55	115	83.5
		GNDD038	504465	6599833	1796	-55	115	87.7
		GMDD039	504468	6600096	1806	-70	115	80.0
		GMDD040	504816	6601315	1829	-55	115	135.5
		GMDD041	504402	6599642	1795	-55	095	95.0
		GNDD042	504471	6600104	1806	-60	115	140.0
		GMDD043	504391	6599576	1791	-67	115	80.0
		GNDD044	504816	6601318	1829	-65	115	185.0

Criteria	JORC Code explanation	Commentary						
		GNDD045	504380	6599623	1793	-57	115	242.0
		GNDD046	504362	6599704	1795	-60	115	191.0
		GNDD047	504454	6599640	1792	-60	115	101.0
		GNDD048	504786	6601272	1828	-74	115	95.0
		GNDD049	504809	6601416	1834	-60	115	90.0
		GNDD050	504822	6601512	1836	-60	115	80.0
		GNDD051	504767	6601034	1822	-60	115	120.0
		GNRC052	504444	6599556	1790	-60	115	90
		GNRC053	504454	6599595	1791	-60	115	96
		GNRC054	504463	6599679	1793	-60	115	90
		GNRC055	504463	6599724	1796	-60	115	102
		GNRC056	504466	6599766	1796	-60	115	102
		GNRC057	504463	6599916	1801	-60	115	96
		GNRC058	504718	6600487	1822	-60	115	102
		GNRD059	504782	6600722	1811	-60	115	84
		GNRD061	504965	6601520	1838	-60	115	30
		GNRD062	504943	6601530	1835	-60	115	30
		GNRC063	504917	6601503	1836	-60	115	36
		GNRC064	504893	6601470	1835	-60	115	36
		GNRC065	504862	6601479	1833	-60	115	60
		GNRC066	504892	6601505	1837	-60	115	48
		GNRC067	504909	6601546	1834	-60	115	50
		GNRC068	504987	6601555	1835	-60	030	114
		GNRC069	504933	6601579	1836	-60	115	120

Criteria	JORC Code explanation	Commentary
Drill sample recovery	- *Method of recording and assessing core and chip sample recoveries and results assessed.* - *Measures taken to maximise sample recovery and ensure representative nature of the samples.* - *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Drill core is placed into wooden boxes by the drillers and depth marks are indicated on wooden blocks at the end of each run. These depths are reconciled by CEL geologists when measuring core recovery. Triple tube drilling has been being done by CEL to maximise core recovery. RC sub-samples are collected from a rotary splitter mounted to the face sample recovery cyclone. A 2-4 kg sub-samples is collected for each metre of RC drilling. Duplicate samples are taken at the rate of I every 25-30 samples using a riffle splitter to split out a 2-4 kg sub-sample. The whole sample recovered is weighed to measure sample recovery and consistency in sampling. A possible relationship has been observed between historic sample recovery and Au Ag or Zn grade whereby low recoveries have resulted in underreporting of grade. Insufficient information is not yet available to more accurately quantify this. Core recovery is influenced by the intensity of natural fracturing in the rock. A positive correlation between recovery and RQD has been observed. The fracturing is generally post mineral and not directly associated with the mineralisation.
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.*	Detailed logs are available for most of the historical drilling. Some logs have not been recovered. No core photographs from the historic drilling have been found. No drill core has survived due to poor storage and neglect. No RC sample chips have been found. For CEL drilling, all the core is logged for recovery RQD weathering lithology alteration mineralization and structure to a level that is suitable for geological modelling resource estimation and metallurgical test work. RC drill chips are logged for geology, alteration and mineralisation. Where possible logging is quantitative. Geological logging is done in MS Excel in a format that can readily be transferred to a database which holds all drilling logging sample and assay data.
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*	Competent drill core is cut longitudinally using a diamond saw for sampling of ½ the core. Soft core is split using a wide blade chisel. The geologist logging the core indicates on the drill core where the saw cut is to be made to ensure half-core sample representivity. Sample intervals are selected based on lithology alteration and mineralization boundaries. Sample lengths average 1.16m. No second-half core samples have been submitted. The second half of the core samples has been retained in the core trays for future reference.

Criteria	JORC Code explanation	Commentary
	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.*	RC sub-samples are collected at the drill site. A duplicate RC sample is collected for every 25-30m drilled. CEL samples have been submitted to the MSA laboratory in San Juan and the ALS laboratory in Mendoza for sample preparation. The sample preparation technique is considered appropriate for the style of mineralization present in the Project. Sample sizes are appropriate for the mineralisation style and grain size of the deposit.
Quality of assay data and laboratory tests	- *The nature quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* - *For geophysical tools spectrometers handheld XRF instruments etc the parameters used in determining the analysis including instrument make and model reading times calibrations factors applied and their derivation etc.* - *Nature of quality control procedures adopted (eg standards blanks duplicates external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	The MSA laboratory used for sample preparation in San Juan has been inspected by Stuart Munroe (Exploration Manager) and Sergio Rotondo (COO) prior to any samples being submitted. The laboratory procedures are consistent with international best practice and are suitable for samples from the Project. The ALS laboratory in Mendoza has not yet been inspected by CEL representatives. Internal laboratory standards were used for each job to ensure correct calibration of elements. CEL submit blank samples (cobble and gravel material from a quarry nearby to Las Flores San Yuan) to both the MSA laboratory and the ALS laboratory which were strategically placed in the sample sequence immediately after samples that were suspected of containing high grade Au Ag Zn or Cu to test the lab preparation contamination procedures. 21 blanks have been received from MSA laboratory and 18 blanks have been received from ALS laboratory. The values received from the blank samples suggest no significant contamination of the samples during sample preparation. For GNDD001 – GNDD010 three different Certified Standard Reference pulp samples (CRM) with known values for Au Ag Pb Cu and Zn have been submitted with samples of drill core to test the precision and accuracy of the analytic procedures and determination of the MSA laboratory in Canada. 22 reference samples were analysed in the samples submitted in 2019. For CRM 1 one sample returned an Au value > 2 standard deviations (SD) above the certified value. For CRM 2 one sample returned an Au value < 2SD below the certified value. For CRM 3 one sample returned a Cu value > 2SD above the certified value. All other analyses are within 2SD of the expected value. The standards demonstrate suitable precision and accuracy of the analytic process. No systematic bias is observed. For drill holes from GNDD011 onwards three different Certified Standard Reference pulp samples (CRM) with known values for Au Ag Fe S Pb Cu and Zn have been submitted with samples of drill core to test the

Criteria	JORC Code explanation	Commentary
		precision and accuracy of the analytic procedures and determination of the ALS Laboratory in Canada. In the results received to date 30 CRM standards have been received from ALS Laboratory. In all cased the values returned have been within +/- 2SD of the mean value. The standards demonstrate suitable precision and accuracy of the analytic process. No systematic bias is observed.
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.*	Repeat sampling of 186 coarse reject samples from 2019 drilling has been done to verify sampling. Original samples were from the 2019 DD drilling which were analysed by MSA (San Juan preparation and Vancouver analysis). Repeat samples were analysed by ALS (Mendoza preparation and Vancouver analysis). The repeat analysis technique was identical to the original. The repeat analyses correlate very closely with the original analyses providing a high confidence in the sample preparation and analysis from MSA and ALS. A summary of the results for the 186 sample pairs for key elements is provided below:

	Mean		Median		Std Deviation		
Element	**MSA**	**ALS**	**MSA**	**ALS**	**MSA**	**ALS**	**Correlation coefficient**
Au (FA and GFA ppm)	4.24	4.27	0.50	0.49	11.15	11.00	0.9972
Ag (ICP and ICF ppm)	30.1	31.1	5.8	6.2	72.4	73.9	0.9903
Zn ppm (ICP ppm and ICF %)	12312	12636	2574	2715	32648	33744	0.9997
Cu ppm (ICP ppm and ICF %)	464	474	74	80	1028	1050	0.9994
Pb ppm (ICP ppm and ICF %)	1944	1983	403	427	6626	6704	0.9997
S (ICP and ICF %)	2.05	1.95	0.05	0.06	5.53	5.10	0.9987
Cd (ICP ppm)	68.5	68.8	12.4	12.8	162.4	159.3	0.9988
As (ICP ppm))	76.0	79.5	45.8	47.6	88.1	90.6	0.9983

Criteria	JORC Code explanation	Commentary
		Fe (ICP %) 4.96 4.91 2.12 2.19 6.87 6.72 0.9994 REE (ICP ppm) 55.1 56.2 28.7 31.6 98.2 97.6 0.9954 Cd values >1000 are set at 1000. REE is the sum off Ce, La, Sc, Y. CE > 500 is set at 500. Below detection is set at zero CEL have sought to twin some of the historic drill holes to check the results of previous exploration. An analysis of the twin holes has yet to be completed. Final analyses are received by digital file in PDF and CSV format. The original files are backed-up and the data copied into a drill hole database for geological modelling. Assay results summarised in the context of this report have been rounded appropriately to 2 significant figures. No assay data have been otherwise adjusted.
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.*	Following completion of drilling collars are surveyed using a differential GPS (DGPS) relative into the Argentinian SGM survey. The locations have been surveyed in POSGAR 2007 zone 2 and converted to WGS84 UTM zone 19s. The drill machine is set-up on the drill pad using hand-held equipment according to the proposed hole design. Drill holes are surveyed at 30-40m intervals down hole using a Reflex tool. All current and previous drill collar sites Minas corner pegs and strategic surface points have been surveyed using DGPS to provide topographic control for the Project.
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.*	No regular drill hole spacing has been applied across the Project, although a nominal 40m x 40m drill spacing is being applied to infill and extension drilling where appropriate. The current drilling is designed to check previous exploration, extend mineralisation along strike, and provide some information to establish controls on mineralization and exploration potential. No Mineral Resource Estimate to JORC 2012 reporting standards has been made at this time.

Criteria	JORC Code explanation	Commentary
	- *Whether sample compositing has been applied.*	Samples have not been composited.
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.*	As far as is currently understood the orientation of sampling achieves unbiased sampling of structures and geology controlling the mineralisation. Drilling has been designed to provide an unbiased sample of the geology and mineralisation targeted.
Sample security	- *The measures taken to ensure sample security.*	Samples were under constant supervision by site security, senior personnel and courier contractors prior to delivery to the preparation laboratory in San Juan or Mendoza.
Audits or reviews	- *The results of any audits or reviews of sampling techniques and data.*	There has not yet been any independent reviews of the sampling techniques and data.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- *Type reference name/number location and ownership including agreements or material issues with third parties such as joint ventures partnerships overriding royalties native title interests historical sites wilderness or national park and environmental settings.* - *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The current Hualilan project comprises 15 Minas (equivalent of mining leases) and 2 Demasias (mining lease extensions). This covers approximately 4 km of strike and includes all of the currently defined mineralization. There are no royalties on the project. CEL is earning a 75% interest in the Project by funding exploration to a Definitive Feasibility Study (DFS). ***Granted mining leases (Minas Otorgadas) at the Hualilan Project***

Name	Number	Current Owner	Status	Grant Date	Area (ha)
Cerro Sur					
Divisadero	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Flor de Hualilan	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Pereyra y Aciar	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Bicolor	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Sentazon	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Muchilera	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6

Criteria	JORC Code explanation	Commentary

Magnata	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Pizarro	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Cerro Norte					
La Toro	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
La Puntilla	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Pique de Ortega	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Descrubidora	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Pardo	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Sanchez	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Andacollo	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6

Mining Lease extensions (Demasias) at the Hualilan Project

Name	Number	Current Owner	Status	Grant date	Area (ha)
Cerro Sur					
North of "Pizarro" Mine	195-152-C-1981	Golden Mining S.R.L.	Granted	05/12/2014	1.9
Cerro Norte					

Criteria	JORC Code explanation	Commentary

South of "La Toro" Mine	195-152-C-1981	CIA GPL S.R.L.	Granted	05/12/2014	1.9

Additional to the Minas and Demasias an application for an Exploration Licence covering 26 km2 surrounding the 15 Minas has been accepted by the San Juan Department of Mines and is currently being processed.

Exploration licence application surrounding the Minas and Demasias at the Hualilan Project

Name	Number	Status	Grant Date	Expiry Date	Area (ha)
Josefina	30.591.654	Pending	-	5 year application	2570

There are no know impediments to obtaining the exploration license or operating the Project.

Exploration done by other parties	- *Acknowledgment and appraisal of exploration by other parties.*	Intermittent sampling dating back over 500 years has produced a great deal of information and data including sampling geologic maps reports trenching data underground workings drill hole results geophysical surveys resource estimates plus property examinations and detailed studies by several geologists. Prior to the current exploration no work has been completed since 2006. There is 6 km of underground workings that pass through mineralised zones. Records of the underground geology and sampling are currently being compiled and digitised as are sample data geological mapping trench data adit exposures and drill hole results. Geophysical surveys exist but have largely yet to be check located and digitised. Drilling on the Hualilan Project (Cerro Sur and Cerro Norte combined) extends to over 150 drill holes. The key historical exploration drilling and sampling results are listed below. - 1984 – Lixivia SA channel sampling & 16 RC holes (AG1-AG16) totaling 2040m - 1995 - Plata Mining Limited (TSE: PMT) 33 RC holes (Hua- 1 to 33) + 1500 samples - 1998 – Chilean consulting firm EPROM (on behalf of Plata Mining) systematic underground mapping and channel sampling

Criteria	JORC Code explanation	Commentary
		- 1999 – Compania Mineral El Colorado SA ("CMEC") 59 core holes (DDH-20 to 79) plus 1700m RC program - 2003 – 2005 – La Mancha (TSE Listed) undertook 7447m of DDH core drilling (HD-01 to HD-48) - Detailed resource estimation studies were undertaken by EPROM Ltda. (EPROM) in 1996 and CMEC (1999 revised 2000) both of which were written to professional standards and La Mancha 2003 and 2006. - The collection of all exploration data by the various operators was of a high standard and had appropriate sampling techniques intervals and custody procedures were used.
Geology	- *Deposit type geological setting and style of mineralisation.*	Mineralisation occurs in all rock types but it preferentially replaces limestone shale and sandstone and occurs in fault zones. The mineralisation has previously been classified as a Zn-Cu distal skarn (or manto-style skarn) with vein-hosted Au-Ag mineralisation. It has been divided into three phases – prograde skarn retrograde skarn and a late quartz–galena event the evolution of the hydrothermal system and mineral paragenesis is the subject of more detailed geometallurgical work. Gold occurs in native form in tellurides (hessite) and as inclusions with pyrite and chalcopyrite. The mineralisation also commonly contains chalcopyrite sphalerite and galena. Mineralisation is either parallel to bedding in bedding-parallel faults or in east-west striking steeply dipping siliceous quartz-dominated veins that cross the bedding at a high angle. The veins have thicknesses of 1–4 m and contain abundant sulphides. The intersection between the bedding-parallel mineralisation and east-striking cross veins seems to be important in localising the mineralisation.
Drill hole Information	- *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* - *easting and northing of the drill hole collar* - *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* - *dip and azimuth of the hole*	The following significant intersections have been reported by previous explorers. A cut-off grade of 1 g/t Au equivalent (calculated using a price of US$1,300/oz for Au, $15/oz for Ag and $2,500/t. for Zn) has been used with up to 2m of internal diltion or a cut-off grade of 0.2 g/t Au equivalent and up to 4m of internal diltion has been allowed. No metallurcial or recovery factors have been used. Drill collar location is provided in the previous section.

Hole_id	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)
AG16	38.6	1.2	0.1	28.6	1.7

Criteria	JORC Code explanation	Commentary					
	- *down hole length and interception depth* - *hole length.* - *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report the Competent Person should clearly explain why this is the case.*	MG10	108.0	3.0	1.3	No assay	No assay
		DDH36	24.7	9.3	1.6	46.3	1.2
		DDH53	17.3	1.4	1.0	1.7	0.00
		DDH53	24.0	8.9	3.7	239.5	0.03
		DDH53	35.7	3.9	3.9	87.8	0.06
		DDH53	41.0	3.0	2.6	7.6	0.20
		DDH54	20.0	1.1	1.2	0.7	0.00
		DDH54	31.1	8.3	3.9	32.1	0.80
		DDH65	62.0	8.2	11.0	60.6	1.2
		DDH65	82.0	1.0	1.8	33.4	0.30
		DDH66	83.1	7.2	23.7	42.9	2.4
		DDH66	87.9	2.4	69.9	114.4	2.2
		DDH66	104.9	2.8	1.8	29.0	0.10
		DDH67	98.7	1.3	0.2	7.8	1.3
		DDH68	4.0	17.9	2.2	6.3	0.20
		DDH68	73.7	0.5	0.8	9.0	1.2
		DDH69	4.0	16.1	2.3	1.6	0.10
		DDH69	76.9	0.3	0.1	7.0	28.0
		DDH69	79.7	0.8	1.3	120.0	4.5
		DDH70	84.0	7.0	5.2	13.5	0.70
		DDH71	11.0	2.0	0.5	218.0	0.06
		DDH71	39.9	1.0	1.3	6.0	0.03
		DDH71	45.5	1.1	0.4	22.8	0.60
		DDH71	104.0	10.0	33.5	126.7	7.9
		DDH72	26.0	11.7	3.8	14.1	1.3
		DDH72	52.7	6.3	1.5	30.4	0.04
		DDH73	62.5	3.5	0.5	15.6	0.60
		DDH74	119.9	0.5	7.3	98.5	2.6
		DDH76	61.3	0.7	4.0	11.1	0.50
		DDH76	74.4	4.0	0.8	8.8	0.30
		DDH76	84.8	1.2	1.4	10.9	2.0

Criteria	JORC Code explanation	Commentary					
		DDH78	109.1	0.7	1.1	13.4	1.9
		03HD01A	90.1	1.7	2.1	37.4	2.4
		03HD03	55.0	2.4	2.5	25.6	2.3
		04HD05	80.3	2.0	0.9	42.7	0.02
		04HD05	97.5	1.8	1.9	35.0	0.04
		04HD05	102.0	1.0	1.3	42.1	0.01
		04HD05	106.0	1.0	0.7	28.0	0.05
		04HD05	108.0	5.6	2.8	19.9	1.2
		04HD06	65.4	1.2	46.6	846.0	0.50
		04HD06	75.0	1.0	1.0	2.9	0.01
		04HD06	104.5	7.6	1.8	5.0	1.2
		04HD06	115.1	0.9	16.4	23.1	7.7
		04HD07	98.3	2.2	1.4	32.5	0.90
		04HD10	44.3	0.2	3.9	81.5	5.6
		04HD10	55.5	0.5	1.3	11.5	0.46
		04HD10	78.6	1.7	4.8	93.7	2.4
		04HD11	28.0	1.0	0.1	9.3	1.4
		04HD12	49.3	0.7	1.5	16.1	0.10
		04HD13	61.5	1.0	0.8	7.9	0.20
		04HD15	103.7	0.3	1.7	32.9	0.80
		04HD16C	107.5	6.8	8.6	117.1	9.1
		04HD16C	111.8	2.5	7.6	75.6	11.5
		04HD16C	144.9	1.9	9.1	31.2	5.5
		04HD16C	171.1	0.4	0.5	9.4	1.7
		04HD17	134.9	0.7	2.5	14.3	4.1
		04HD17	139.1	0.5	10.5	9.4	0.20
		04HD17	199.6	0.2	0.8	3.5	5.9
		04HD17	202.1	1.9	4.5	1.5	0.70
		04HD20	43.2	1.8	0.9	83.9	0.20
		04HD21	70.1	0.2	4.8	60.6	6.4
		04HD21	141.1	0.6	12.9	105.0	4.8

Criteria	JORC Code explanation	Commentary

04HD24	72.0	2.0	2.5	3.2	0.04
04HD24	83.0	2.0	3.1	25.3	0.04
04HD24	94.0	4.2	0.7	21.2	0.10
04HD25	92.0	1.7	2.4	51.5	6.3
04HD26	21.7	2.3	1.5	32.5	3.0
04HD28	42.8	0.4	1.9	4.5	0.10
04HD29	37.0	1.0	0.1	112.0	0.01
05HD42	90.5	1.0	1.9	6.1	0.03
05HD42	115.0	3.0	29.0	103.1	0.20
05HD43	69.0	1.0	1.8	2.3	0.01
05HD43	81.0	3.0	2.8	51.5	0.50
05HD43	90.7	2.3	1.4	29.6	0.30
05HD44	87.5	1.1	3.8	3.4	0.01
05HD44	91.2	1.4	0.0	3.6	2.8

For GNDD001 – GNDD010 the following significant assay results have been received reported to a cut-off of 1 g/t Au (equivalent) unless otherwise indicated. Drill collar location is provided in the previous section.

Hole_id	Interval (m)	From	Au (g/t)	Ag (g/t)	Zn (%)	Au eq (g/t)	
GNDD001	3.00	32.00	2.3	5.8	0.50	2.6	
GNDD002A	1.00	31.00	1.0	2.4	0.89	1.4	
GNDD002A	1.00	35.00	1.4	2.8	0.75	1.8	
GNDD002A	0.60	81.50	2.8	27	28.1	16.4	
GNDD003	6.10	55.00	34.6	22	2.9	36.2	(1)
GNDD004	8.47	6.03	2.0	7.8	0.68	2.4	

Criteria	JORC Code explanation	Commentary						
		GNDD004	3.43	18.67	1.2	3.2	0.26	1.3	
		GNDD005	3.00	29.00	0.7	14	2.5	2.0	
		GNDD005	1.00	43.00	0.4	10	1.4	1.1	
		GNDD005	5.00	59.00	10.9	101	1.5	12.7	
		inc	*3.00*	*61.00*	*16.5*	*135*	*1.6*	*18.8*	(1)
		GNDD005	3.00	77.00	1.7	39	0.43	2.3	
		GNDD005	1.00	83.00	1.2	156	0.72	3.2	
		GNDD006	6.50	78.50	4.2	21	0.29	4.6	
		inc	*3.80*	*78.50*	*6.8*	*34*	*0.41*	*7.4*	
		GNDD006	1.45	90.00	2.1	41	0.92	3.0	
		GNDD007A	27.00	25.00	0.43	7.2	0.09	0.55	(2)
		GNDD007A	1.80	46.00	2.4	3.1	0.12	2.5	
		GNDD007A	0.70	60.30	0.8	25	0.21	1.1	
		GNDD007A	6.70	149.00	14.3	140	7.3	19.3	
		inc	*3.06*	*150.60*	*27.5*	*260*	*12.9*	*36.5*	(1)
		GNDD007A	0.60	176.40	1.9	6.7	0.99	2.4	
		GNDD008	35.50	16.50	0.33	8.1	0.10	0.46	(2)
		GNDD008	1.15	47.85	1.2	16	0.56	1.7	

Criteria	JORC Code explanation	Commentary

GNDD008	1.00	90.00	49.1	557	1.2	55.8	(1)
GNDD008	2.70	94.00	7.7	173	0.89	10.1	(1)
GNDD008	1.00	99.70	0.9	43	0.52	1.6	
GNDD008A	2.64	96.60	22.8	218	0.68	25.5	(1)
GNDD008A	10.00	105.00	0.6	28.2	0.71	1.2	
GNDD009	3.00	100.00	0.85	50	0.02	1.4	
GNDD009	10.32	109.10	10.4	28	4.6	12.9	
inc	4.22	115.20	21.9	58	8.7	26.7	(1)
GNDD010	27.30	27.0	0.28	8.4	0.08	0.44	(2)
GNDD010	2.00	30.00	0.91	37	0.14	1.4	
GNDD010	1.00	34.00	0.92	7.6	0.09	1.0	
GNDD010	1.30	55.00	1.1	30	0.80	1.8	
GNDD010	3.00	139.00	17.7	143	2.5	20.5	(1)

(1) cut-off of 10 g/t Au equivalent
(2) cut-off to 0.2 Au equivalent

Hole_id	interval (m)	From (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	AuEq (g/t)
GNDD011	1.00	81.00	1.9	43	0.01	0.06	0.13	2.4

Criteria	JORC Code explanation	Commentary								
		GNDD011	4.80	139.80	1.4	5.7	0.02	0.02	2.6	2.7	
		GNDD011	0.70	147.20	9.4	13	0.07	0.00	6.6	12.6	(1)
		GNDD011	0.50	151.40	1.2	5.5	0.00	0.00	0.25	1.4	
		GNDD012	1.00	40.70	6.3	290	0.18	1.2	0.12	9.6	
		GNDD013	6.93	116.40	1.3	12	0.05	0.18	2.7	2.7	
		inc	0.83	122.50	4.0	61	0.21	1.2	10.1	9.4	
		GNDD014	7.55	118.50	2.4	15	0.05	0.16	3.6	4.3	
		GNDD015	1.00	54.00	0.69	8.6	0.03	0.24	0.39	1.0	
		GNDD015	1.90	156.00	1.0	31	0.02	0.79	2.8	2.7	
		GNDD016	1.00	64.00	0.80	27	0.02	0.06	0	1.1	
		GNDD016	5.00	109.50	1.8	27	0.16	0.01	8.3	6.0	
		GNDD016	4.45	116.55	6.0	83	0.13	0.02	3.9	8.8	
		GNDD018	0.85	37.75	1.1	3.6	0.01	0.05	0.1	1.1	
		GNDD018	3.75	63.20	7.1	78	0.28	3.6	3.6	9.6	
		inc	2.55	64.40	10.3	114	0.41	5.2	4.9	13.9	(1)
		GNDD020	8.25	71.25	17.7	257	0.60	0.68	0.30	20.7	
		inc	5.50	74.00	26.0	355	0.05	0.21	0.42	30.1	(1)
		GNDD020	0.65	83.30	0.03	2.7	0.00	0.02	10.7	5.1	

Criteria	JORC Code explanation	Commentary								
		GNDD025	50.00	53.00	1.4	3.4	0.01	0.15	0.17	1.5	(2)
		inc	14.00	61.00	3.1	5.3	0.01	0.11	0.19	3.2	
		inc	11.00	79.00	1.3	4.1	0.00	0.25	0.16	1.4	
		inc	1.00	93.00	1.1	2.5	0.00	0.37	0.09	1.1	
		GNDD031	28.0	32.0	0.43	5.7	0.01	0.04	0.15	0.56	(2)
		inc	1.1	48.0	3.3	17.1	0.02	0.33	0.34	3.7	
		inc	1.0	53.0	4.2	54.2	0.12	0.22	0.92	5.3	
		GNDD032	20.0	9.0	0.16	6.7	0.00	0.02	0.09	0.28	(2)
		GNDD032	116.0	49.0	1.05	4.0	0.01	0.07	0.20	1.2	(2)
		inc	3.0	77.0	0.93	33.7	0.09	0.02	2.11	2.3	
		and	10.0	101.0	6.1	18.1	0.04	0.47	0.11	6.4	
		inc	6.0	101.0	9.6	18.7	0.05	0.61	0.15	9.9	(1)
		and	4.0	136.0	9.8	18.5	0.06	0.27	1.50	10.7	

(1) cut off of 10 g/t Au equivalent
(2) cut off 0.2 g/t Au equivalent

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*	Weighted average significant intercepts are reported to a gold grade equivalent. For GNDD001 – GNDD010 results are reported to cut-off grade of a 1.0 g/t Au equivalent allowing for up to 2m of internal waste between samples above the cut-off grade. The following metals and metal prices have been used to report gold grade equivalent: Au US$ 1450 / oz Ag US$16 /oz and Zn US$ 2200 /t. For GNDD010 onwards results are reported to a cut-off grade of 1.0 g/t Au equivalent and 10 g/t Au

Criteria	JORC Code explanation	Commentary
	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.*	equivalent, allowing for up to 2m of internal waste between samples above the cut-off grade and to a cut-off grade of 0.2 g/t Au equivalent allowing for up to 4m if internal waste between samples above the cut-off grade. The following metals and metal prices have been used to report gold grade equivalent: Au US$ 1450 / oz Ag US$16 / Zn US$ 2200 /t. No top cuts have been applied to the reported grades
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').*	The mineralisation is moderately or steeply dipping and strikes strike NNE and ENE. There is insufficient information in most cases to confidently establish the true width of the mineralized intersections at this stage of the exploration program. Apparent widths may be thicker in the case where bedding-parallel mineralisation may intersect ENE-striking cross faults and veins. Cross section diagrams have been provided with release of significant intersections to allow estimation of true widths from individual drill intercepts.
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.*	Representative maps and sections are provided in the body of report.
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 available data have been reported.
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*	Geological context and observations about the controls on mineralisation where these have been made are provided in the body of the report.

Criteria	JORC Code explanation	Commentary
	density groundwater geotechnical and rock characteristics; potential deleterious or contaminating substances.	229 specific gravity measurements have been taken from the drill core recovered during the drilling program. These data are expected to be used to estimate bulk densities in future resource estimates. Eight Induced Polarisation (IP) lines have been completed in the northern area. Each line is approximately 1 kilometre in length lines are spaced 100m apart with a 50m dipole. The initial results indicate possible extension of the mineralisation with depth. Data will be interpreted including detailed re-processing and drill testing.
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.*	• CEL Plans to undertake the following over the next 12 months • Additional data precision validation and drilling as required; • Detailed interpretation of known mineralized zones; • Geophysical tests for undercover areas. • Structural interpretation and alteration mapping using high resolution satellite data and geophysics to better target extensions of known mineralisation. • Field mapping program targeting extensions of known mineralisation. • Investigate further drilling requirements to upgrade both the unclassified mineralisation and mineralisation in the existing historical resources to meet JORC 2012 requirements; • Initial drill program comprising verification (twin holes) and targeting extensions of the historically defined mineralisation; • Metallurgical test work.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	- *Measures taken to ensure that data has not been corrupted by for example transcription or keying errors between its initial collection and its use for Mineral Resource estimation purposes.* - *Data validation procedures used.*	Geological logging completed by previous explorers was done on paper copies and transcribed into the drill hole database. The data was checked for errors. Checks can be made against the original logs and core photographs. Assay data is received in digital format. Backup copies are kept and the data is copied into the drill hole database. The drill hole data is backed up and is updated periodically by a Company GIS and data team.
Site visits	- *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* - *If no site visits have been undertaken indicate why this is the case.*	Site visits have been undertaken from 3 to 16 October 2019 15 to 30 November 2019 and 1-19 February 2020. The performance of the drilling program collection of data and sampling procedures were initiated during these visits.
Geological interpretation	- *Confidence in (or conversely the uncertainty of) the geological interpretation of the mineral deposit.* - *Nature of the data used and of any assumptions made.* - *The effect if any of alternative interpretations on Mineral Resource estimation.* - *The use of geology in guiding and controlling Mineral Resource estimation.* - *The factors affecting continuity both of grade and geology.*	The interpretation is considered appropriate given the stage of the project and the nature of activities that have been conducted. The interpretation captures the essential geometry of the mineralised structure and lithologies with drill data supporting the findings from the initial underground sampling activities. The most recent resource calculation (2006 and 2003 – La Mancha) used all core drilling at the time and detailed underground channel sampling collected by EPROM CMEC and La Mancha. Overlying assumptions included a reduction of the calculated grade in each resource block by a factor of 10% to account for possible errors in the analyses and samples. An arbitrary reduction factor was applied to the 2006 resource whereby the net reported tonnage was reduced by 25% for indicated resource blocks 50% for inferred resource blocks and 75% of potential mineral resource blocks. The reason for the application of these tonnage reduction factors was not outlined in the resource report. It is noted that at the time of this report La Mancha was in a legal dispute concerning the project with its joint venture partner and given the acquisition of a 200000 Oz per annum producing portfolio the project was likely no longer a core asset for La Mancha at that time. Additionally under the original

Criteria	JORC Code explanation	Commentary
		acquisition agreement La Mancha had to issue additional acquisition shares based on resource targets. The effect of removing the assumptions relating to application of the arbitrary tonnage reduction factors applied increases the overall resource tonnage by in excess of 50%. Removing these correction factors would bring the overall tonnage and grade close the earlier (2003 1999 and 1996) tonnage and grade estimates albeit in different categories (lower confidence) which are considered more appropriate. The mineralisation is defined to the skarn and vein bodies detailed cross section and plan maps were prepared for these bodies with their shapes used in controlling the resource estimate. The structure of the area is complex and a detailed structural interpretation is recommended as this may provide a better understanding of the continuity of mineralisation and possible extensions to it. The deposit contains bonanza gold values and while very limited twinning has indicated acceptable repeatability a rigorous study of grade continuity needs to be undertaken as part of future resource calculations.
Dimensions	- *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise) plan width and depth below surface to the upper and lower limits of the Mineral Resource.*	For the historic resource no reliable information has been provided to the owner however through further ongoing investigation is being conducted by the owner to address this information gap.
Estimation and modelling techniques	- *The nature and appropriateness of the estimation technique(s) applied and key assumptions including treatment of extreme grade values domaining interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* - *The availability of check estimates previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* - *The assumptions made regarding recovery of by-products.* - *Estimation of deleterious elements or other non-grade variables of*	The historic resource estimation techniques are considered appropriate. The 2003 and 2006 resources used a longitudinal section polygonal method was used for estimating resources with individual blocs representing weighted averages of sampled underground and/or areas of diamond drill pierce points with zones of influence halfway to adjacent holes. The area of the block was calculated in AutoCad directly from the longitudinal sections. Check assaying by PG Consulting returned values in the check assay sample which were 3.4% and 13% greater for Au and Ag than the original assays. A number pf previous resource estimates were available to check the 2006 resource estimate when the arbitrary tonnage reduction factors are

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	economic significance (eg sulphur for acid mine drainage characterisation). - *In the case of block model interpolation the block size in relation to the average sample spacing and the search employed.* - *Any assumptions behind modelling of selective mining units.* - *Any assumptions about correlation between variables.* - *Description of how the geological interpretation was used to control the resource estimates.* - *Discussion of basis for using or not using grade cutting or capping.* - *The process of validation the checking process used the comparison of model data to drill hole data and use of reconciliation data if available*	removed brings the overall tonnage and grade close the earlier (2003 1999 and 1996) tonnage and grade estimates albeit indifferent categories which are considered more appropriate. It was assumed only gold silver and zinc would be recovered and that no other by products would be recovered. This is viewed as conservative given metallurgical data pointing to the production of a salable zinc concentrate. Based on the preliminary metallurgy estimation of deleterious elements or other non-grade variables of economic significance was not required. The minimum mining width of 0.8m was assumed for veins less than 0.6m and for wider widths a dilution of 0.2m was used to calculate the grade. No assumptions were made regarding correlation between variables. The mineralisation is defined within skarn and associated vein deposits. Detailed cross section and plan maps were prepared for these domains with their shapes used in controlling the resource estimate. Long sections of the veins and skarn were taken and sampling was plotted and the blocks outlined considering this. Grade cutting was not used in the calculation of the resource and no discussion was given as to why it was not employed. It is recommended that a study be undertaken to determine if an appropriate top cut need be applied No data is available on the process of validation.
Moisture	- *Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.*	No data is available.
Cut-off parameters	- *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource Estimate is above a cut-off grade of 3.89 g/t Au. This is based on the assumed mining cost at the time of the estimate.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	- *Assumptions made regarding possible mining methods minimum mining dimensions and internal (or if applicable external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case this should be reported with an explanation of the basis of the mining assumptions made.*	The Mineral Resource Estimate considered the assumptions outlined below which are considered appropriate; - Metal prices: Au US$550 Oz Ag US$10 Oz - Metallurgical Recovery; Au – 80% Ag – 70% Zn - nil - Operating cost: US$55t based on underground cut and fill mining and flotation and cyanidation combined The minimum mining width of 0.8m was assumed for veins less than 0.6m and for wider widths a dilution of 0.2m was used to calculate the grade.
Metallurgical factors or assumptions	- *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Historical metallurgical test-work is currently under review however the assumptions used (80% recovery for Au, Ag and Zn based on initial test results seem conservative. - The most recent test work was conducted in 1999 by Lakefield Research (cyanidation) and CIMM Labs (flotation) in Chile on 4 samples which all contain primary sulphide minerals and so can be considered primary, partial oxide or fracture oxide samples. - The test work was conducted using a 150 micron grind which would appear to coarse based on petrography conducted by CEL which shows that the gold particles average 30-40 microns. - Rougher flotation tests were performed with a 20 minute and 30 minute floatation time. Generally, the longer residence time improved recovery. - Knelson concentrate tests with floatation of tailings were also completed. Applying a joint process Knelson concentrator and floatation of the tailings of the concentrator it is found that the global recovery is approximately 80% for gold and silver. - While the testwork was focused predominantly on gold recovery some rougher flotation testwork was undertaken targeting Zn recovery producing up to 85% recoveries. In sulphide samples this produced a Zn concentrate containing 42% Zn with grades of in excess of 50% Zn in comcentrate expected with additional floatation stages. - The report concluded that it was possible to produce a commercial Au-Ag concentrate and a Zn concentrate.

Criteria	JORC Code explanation	Commentary
		- Extraction of gold and silver by cyanidation was tested on 3/8 and ¾ inch (9.525mm and 19.05mm) crush sizes that are designed to test a heap leach processing scenario. Bottle roll of these crush size resulted in 41-39% gold recovery and 31-32% silver recovery with high cyanide consumption. No tests have been done on material at a finer grind size.
Environmental factors or assumptions	- *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts particularly for a greenfields project may not always be well advanced the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	It is considered that there are no significant environmental factors which would prevent the eventual extraction of gold from the project. Environmental surveys and assessments will form a part of future pre-feasibility.
Bulk density	- *Whether assumed or determined. If assumed the basis for the assumptions. If determined the method used whether wet or dry the frequency of the measurements the nature size and representativeness of the samples.* - *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs porosity etc) moisture and differences between rock and alteration zones within the deposit.* - *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Densities of 2.7 t/m3 were used for mineralised veins and 2.6 t/m3 for wall rock. No data of how densities were determined is available. The bulk densities used in the evaluation process are viewed as appropriate at this stage of the Project. CEL is collecting specific gravity measurements from drill core recovered in 2019 and 2020 drilling programs, which it is expected will be able to be used to estimate the block and bulk densities in future resource estimates. For RC drilling, the weights of material recovered from the drill hole is able to be used as a measure of the bulk density.
Classification	- *The basis for the classification of the Mineral Resources into varying confidence categories.* - *Whether appropriate account has been taken of all relevant factors (ie*	The Mineral Resource Estimate has both Indicated and Inferred Mineral Resource classifications under the National Instrument 43-101 code and is considered foreign. These classifications are

Criteria	JORC Code explanation	Commentary
	relative confidence in tonnage/grade estimations reliability of input data confidence in continuity of geology and metal values quality quantity and distribution of the data). - *Whether the result appropriately reflects the Competent Person's view of the deposit.*	considered appropriate given the confidence that can be gained from the existing data and results from drilling. The reliability of input data for the 2003 and 2006 resources is acceptable as is the confidence in continuity of geology and metal values quality quantity and distribution of the data. Appropriate account has been taken of all relevant factors with the exception of studies into the appropriateness of the application of a top cut. The reported 2006 NI43-101 (non-JORC Code compliant Measured and Indicated) estimate for the Hualilan Project is measured resource of 164294 tonnes averaging 12.6 grams per tonne gold and 52.1 g/t silver and 2.5% zinc plus an indicated resource of 51022 tonnes averaging 12.4 grams per tonne gold and 36.2 g/t silver and 2.6% zinc plus an inferred resource of 213952 tonnes grading 11.7 grams per tonne gold and 46.6 g/t silver and 2.3% zinc. (Source La Mancha resources Toronto Stock Exchange Release April 7 2007 - Interim Financials) – See Table 1. The 2006 estimate did not include the east-west mineralised Magnata Vein despite the known mineralisation in the Magnata Vein being drilled on a 25 x 50-metre spacing. The 2003 NI43-101 (non-JORC Code compliant) estimate attributed approximately half of its measured and indicated tonnage to the Magnata Vein. The 2006 estimate also included arbitrary tonnage reduction factors of 25% for indicated category 50% for inferred category and 75% for potential category. The 2006 estimate also included a significant tonnage of Potential Category Resources which have not been reported. The reported 2003 NI43-101 (non-JORC Code compliant) estimate for the Hualilan project is a measured resource of 299578 tonnes averaging 14.2 grams per tonne gold plus an indicated resource of 145001 tonnes averaging 14.6 grams per tonne gold plus an inferred resource of 976539 tonnes grading 13.4 grams per tonne gold representing some 647809 ounces gold. (Source La Mancha resources Toronto Stock Exchange Release May 14 2003 - Independent Report on Gold Resource Estimate) – See Table 1.

Criteria	JORC Code explanation	Commentary
		The 2003 Mineral Resource classification and results appropriately reflect the Competent Person's view of the deposit and the current level of risk associated with the project to date. **Historic 2003 NI43-101 (non-JORC Code compliant):** CATEGORY / TONNES / Au (g/t) / Ag (g/t) / Zn% Measured / 299578 / 14.2 Indicated / 145001 / 14.6 Inferred / 976539 / 13.4 **Historic 2006 NI43-101 (non-JORC Code compliant)** CATEGORY / TONNES / Au (g/t) / Ag (g/t) / Zn% Measured / 164294 / 12.5 / 52.1 / 2.5 Indicated / 51022 / 12.4 / 36.2 / 2.6 Inferred / 213952 / 11.7 / 46.6 / 2.3
Audits or reviews	- *The results of any audits or reviews of Mineral Resource estimates.*	The historic resource estimate has not been audited. The earlier (1996 and 2000) Mineral Resource Estimates were audited and re-stated in a 2003 resource report. This independent report was done to NI-43-101 standard and the results of this report were released to the TSX. This report concluded that "Detailed resource calculations made by three different groups are seen to be realistic.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	- *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits or if such an approach is not deemed appropriate a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* - *The statement should specify whether it relates to global or local estimates and if local state the relevant tonnages which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* - *These statements of relative accuracy and confidence of the estimate should be compared with production data where available.*	There is sufficient confidence in the data quality drilling methods and analytical results that they can be relied upon. The available geology and assay data correlate well. The approach or procedure are deemed appropriate given the confidence limits. The main two factors which could affect relative accuracy is grade continuity and top cut. Grade continuity is variable in nature in this style of deposit and has not been demonstrated to date and closer spaced drilling is required to improve the understanding of the grade continuity in both strike and dip directions. It is noted that the results from the twinning of three holes by La Mancha are encouraging in terms of grade repeatability. The deposit contains very high grades and there is a potential need for the use of a top cut. It is noted that an arbitrary grade reduction factor of 10% has already been applied to the resource as reported. No production data is available for comparison