TECHNICAL REPORT ON THE FALAN PROPERTY

Falan Municipality
Tolima Department (Colombia)

-Prepared for-

Baroyeca Gold & Silver Inc. .

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SUMMARY REPORT ON THE FALAN PROPERTY

Table of Contents

Table of Figures

Tables

APPENDIX

1. EXECUTIVE SUMMARY

At the request of Baroyeca Gold & Silver Inc, "hereafter 'BGS', T. Hughes, P. Geo, a professional geologist and President of Antediluvial Consulting Inc. of Vancouver, B.C., was commissioned to review the geology, mineralization, and mineral potential of a portion of Mining Title HFL-151, hereafter, 'Falan', identify its merits, propose an appropriate exploration programme and budget for exploration and development on the property and to prepare this NI 43-101 Technical Report. The information presented within the report is current to August 8th, 2020.

The HFL-151 property, totalling change 25.86 km^2, is located in the Municipality of Falan (Tolima Department, Colombia), approximately 15 km south-west of the town of Mariquita, and 190 km west of the capital, Bogota.

The Mining Title holder is Lost City S.A.S., a subsidiary of Outcrop Gold Inc. subject to a 3.5% NSR owned by Orford Mining Corp.

Geological information in this report is provided by the former Colombian Institute of Geology and Mining (Ingeominas), the Colombian National Mining Agency ("ANM"), MGC reports and related geological data, including past exploration work carried out by MGC, third party technical reports, and two site visits.

From 2013 to 2015, previous owner Condor Precious Metals Inc., conducted a phase I grass roots prospecting, sampling and geological investigation exploration programme on its Santa Ana Project, that included Mining Title HFL-151 and approximately 6 km to the North, Mining Title JGF 08181.

The principal exploration target (for both areas), is a vein-type orogenic (or Distal Ag-Pb-Zn), epizonal, Reduced Intrusion-Related Gold System, modified by a low-sulphidation epithermal system, and defined by early mainly pyritic quartz overprinted and upgraded by silver-gold mineralisation (including sulphosalts), and associated quartz-(adularia)-(sericite) veining. Other metals include elevated levels of lead (galena) and zinc (sphalerite). The host rock is a variably graphitic-chlorite-carbonaceous mineralised siliceous schist of the Palæozoic age Cajamarca Formation. The geological setting is considered to be orogenic, with extensive fold and thrust-related tectonic activity, and considerable modification by Cretaceous-Jurassic and Miocene tectonism characterised by several episodes of strike-slip compressional and extensional deformation, extensional, in part rotational normal and reverse faulting and associated graben development. The gold-silver bearing quartz-sulphide veins of the Property are directly associated with the development of regional and lower order shears and brittle fault systems produced by these regional events. The development and modification of the regional Romeral and Otú-Pericos fault systems, and an understanding of the relative ages and displacements along these systems are keys to successfully exploring the property.

Polymetallic gold-silver bearing veins are comprised mainly of variable amounts of pyrite, sphalerite, galena, silver-bearing sulphosalts, native silver and gold, and associated quartz, adularia and minor carbonate exhibiting banded, breccia and drusy-crustiform textures. The regional host rocks (Cajamarca schist and older Chicamocha gneiss) are relatively carbonate poor so when compared to some other low-sulphidation deposits, there is weak to negligible Mn-carbonate and silicate (commonly manifested as rhodochrosite, and rhodonite, respectively). There is a two stage sulphidation process, an early siliceous, base metals rich phase with subordinate gold and electrum, followed by coarse-grained quartz, adularia, and sulphides (pyrite, sphalerite, galena, chalcopyrite, and silver sulphosalts), plus native silver. Mineralisation is related to at least two main regional tectonic events, with physical modification during mid- to late Mesozoic age faulting.

Prospecting and sampling on title HFL-151 during late 2013 and early 2014 seasons returned high grade gold and silver values in Veta Grande East, on the eastern side of Santa Agueda creek. A series of chip samples taken in three exposures of the vein returned gold values as high as 14.65 g/t Au and 1370 g/t Ag. Additional samples ran up to 14.20 g/t Au with highest silver values of 3,480, 2,300, 1,955 and 1,570 g/t Ag.

Elsewhere on HFL-151, a series of channel samples were taken from the 'La Ye' vein, parallel to and south of Veta Grande. Individual samples returned gold values as high as 2.09 g/t Au and 412 g/t Ag and 3.96 g/t Au and 141 g/t Ag. Channel 2 was the best of the three, returning 0.75 g/t Au and 128.67 g/t Ag over a 1.60m interval.

Secondly, Veta NW was inferred from structural investigations (remote and ground-based) and subsequently found exposed in a tributary creek about 100 metres outside of the western side of the property boundary. Results from sampling of this outcrop include 9 g/t Au and 1030 g/t Ag, 19.9 g/t Au and 311 g/t Ag, 7.10 g/t Au and 525 g/t Ag and 7.49 g/t Au and 178 g/t Ag). The discontinuously exposed vein indicates a minimum 0.6 m thickness. The vein is largely covered by a thick gravel deposit requiring mechanical exposure.

Thirdly, two parallel channel samples were taken on the Tavera vein, with an average assay of 5.20 g/t Au and 66.78 g/t Ag over 1.85m. Individual channel sample locations reflected the irregularly weathered exposed outcrop. Results included 0.4m at 14.8 g/t Au and 217 g/t Ag, 0.4m at 9.67 g/t Au and 80.6 g/t Ag, and 0.4m at 5.11 g/t Au and 151 g/t Ag. Individual samples taken at the Tavera zone returned gold values as high as 14.8, 9.67, 5.11 and 4.9 g/t Au and 217, 151 and 97.1 g/t Ag.

Sampling and prospecting on HFL-151 indicates a strong mineralogical and structural similarity to mineralised quartz veins six km to the north, covering an area previously exploited by the indigenous population (gold and silver in gravels and oxide mineralisation), then mined by the Spanish and English for high grade silver-gold during European colonial times.

Since 2014, there has been no official exploration on HFL-151, with the last recorded property visit by R. Sanabria, Principal of MGC, on the 13th February, 2020. A planned property visit by the author in spring of this year as part of compliance with 43-101 regulations was cancelled due to COVID-19. Travel restrictions remain in effect.

Geological analogues in the Andean Cordillera include the Zaruma District, Ecuador, Shila/Apacheta (the latter is gold rich, manganiferous, but has similar mineralised zoning) and Caylloma, both in Peru, and El Peñón (Quebrada Colorada) in Chile: also, the north-western

Argentina orogenic Au-Ag deposits. In these regions, gold was the first event with a high level epithermal expression and/or a second extensional epithermal event. Many of these low-sulphidation deposits and mines are spatially and genetically related to Tertiary or younger intrusive events with, commonly, a volcanic component at surface often seen as calderas or thick piles of effusive volcanic material and related volcaniclastic detritus.

No relative potential is inferred between the grades and tonnage of these deposits and the mineralisation and gold-silver results on the HFL-151 property.

Conversion factors utilized in this report include:
- 1 troy ounce/ton = 34.285714 grams/tonne
- 1 gram/tonne = 0.029167 troy ounces/ton
- 1 troy ounce = 31.103477 grams
- 1 gram = 0.032151 troy ounces

1.1 Interpretations and Conclusions

Gold and silver mineralisation is hosted by several quartz-chlorite veins in an orogenic setting, with character and distribution largely controlled by the development of second and third order structures related to regional Phanerozoic orogenic events. Field investigations and results from sampling of several mineralised veins on the property indicate a broad structurally defined corridor hosting gold and silver.

The Cajamarca Complex-hosted mineralisation is permissive for significant gold and silver mineralisation.

1.2 Recommendations

Exploration is recommended, with the following proposed work, and a budget of CAD$ 250,000.

- Stream sediment sampling of first and second order tributary creeks (quebradas). This is the most effective method to discovering additional veins and mineralisation, particularly in central and southern areas of the property, which are partially covered by Quaternary/Recent alluvial sediments.

- Follow-up prospecting therein.

- Detail geological mapping of veins and country rock of all known veins. Field investigations indicate such work will aid in defining future drilling. Exposures are typically within the creeks and property scale mapping is inadvisable due to limited surface exposures. Mechanical trenching will be recommended in good exposures to expose mineralized zones for better sampling and characterization.

2. INTRODUCTION & TERMS OF REFERENCE

2.1 Issuer

This form 43-101F Technical Report titled "Technical Report on the Falan Property" has been prepared by T. Hughes, (Antediluvial Consulting Inc.), independent Qualified Person, at the request of Baroyeca Gold & Silver Inc., Hereafter, 'BGS', a company registered in British Columbia, Canada with its address at 1008 – 409 Granville Street, Vancouver, BC. The report is intended to be filed in compliance with exchange requirements about a material property acquisition for the company.

2.2 Terms of Reference

At the request of BGSC, the author was retained for the purposes of preparing a NI-43-101 compliant report on the Falan property, Falan and Armero-Guayabal municipalities, Tolima Department, Colombia. The report's scope covers a compilation of previous work carried out on the property, with associated results, and includes information from other parties. Also, the project setting, historical exploration and geology are presented, with interpretations, conclusions and recommendations for future work on the Title. The principal author worked on the property in 2013 and inspected later work in 2015 as part of a site visit, and most recently, from the 13th-15th June, 2018. Due to travel restrictions related to COVID-19, the principal author was unable to carry out a more recent visit from the 13th-15th June, 2018 to verify or otherwise, work to date, but co-author Sanabria conducted a site visit during Nov 18-20, 2020 to verify the status of historic mineral occurrences from previous operators Condor Precious Metals Inc.

This Technical Report has been prepared according to the specifications outlined in Form 43-101F1 for the Standards of Disclosure for Minerals Deposits, National Instrument 43-101. T. Hughes, author of the report, is An Independent Qualified Person, and is a member in good standing of an appropriate professional institution. This report conforms to the guidelines of Canadian National Instrument 43-101 ("NI 43-101"), and to Form 43-101F, and is intended to be used for SEDAR filing.

Technical information in this report is current to 21st December, 2020

2.3 Sources of Information

Information has been personally obtained, with additional material provided by R. Sanabria, Principal of MGC. And various government, industry, and research ('third party') sources. The author has relied on the legal counsel for MGC to provide the status of any and all related legal agreements and title, and the furnishing of Colombian legal information in general as it pertains to shareholder information, licensing, permitting, exploitation, taxation, liability, environmental concerns and all relevant legal documents.

Geological information was obtained from the Colombian Geological Survey (former 'Ingeominas), the National Mining Agency (Agencia Nacional de Mineria) files, and third-party reports, both local and regional. The author has not verified the contents of these reports and presumes such information to be correct. Personal files on local and regional geology were used by the author, with, in all cases, caution taken in interpreting and correlating data to support observations and conclusions.

This report also relies on archival information provided by the former Colombian Institute of Geology and Mining (INGEOMINAS). Information includes previous geological reports, recorded mineral occurrences in the property area, government produced maps and documents, and information provided by the website www.ingeominas.gov.co. The author has not verified the content of the previously mentioned documents, and assumes the information contained is correct and true. It is the author's opinion that the content of government produced reports is accurate. The regional geological context is derived from published reports by government, research, academic and industry geologists, and wherever possible, with attribution. There is no reason to believe that all or part of this information is incorrect, and discussion is included where discrepancies are found. The author has had access to third party reports on the property and there is no reason to believe the data is incorrect, but caution has been taken during its interpretation and is included only when supported by other external sources.

Antediluvial Consulting has conducted this technical assessment in accordance with the methodology and format outlined in National Instrument 43-101, companion policy NI 43-101CP and Form 43-101F1. The information, conclusions and recommendations contained herein are based largely on a review of digital and hard copy data and information previously completed during site investigations.

2.4 Scope of Personal Inspection

A property visit, accompanied by R. Sanabria, Principal of MGC, took place from 13th-15th June, 2018. R. Sanabria's most recent visit to the property was on Nov 18-20, 2020, re-visiting historic mineral showings reported by previous operator Condor Precious Metals Inc., mainly in the NW corner of the property and informed that no work has been conducted on the property since. Due to COVID-19 and travel restrictions, the principal author has been unable to re-visit the property to verify such, and caution is advised.

2.5 Units

The Metric System is the primary system of measure and length used in this Report and is generally expressed in kilometres, metres and centimetres; volume is expressed as cubic metres, mass expressed as metric tonnes, area as hectares, and silver gold grades are reported as either ounce per ton ("oz/ton") or grams per metric tonne ("g/t"). Historic gold values are presented as originally reported and converted to g/t if required. A conversion factor of 34.28 is used to convert ounces per short ton ("oz/ton") to g/t. Currency is reported as Canadian dollars unless otherwise noted. Universal Transverse Mercator (UTM) coordinates are provided in the datum of NAD 83, Zone 18N and Sheet number 300 IV-C and 321 II-A from Instituto Geográfico Agustín Codazzi (IGAC).

Table 1. List of Abbreviations

Description	Abbreviation
Atomic absorption spectrophotometer	AAS
Grams gold (silver) per metric tonne	Au (Ag) g/t
Canadian National Instrument 43-101	NI 43-101
Centimetre(s)	cm
Republic of Colombia	Colombia
Colombian Peso	COP
Certified Standard Reference Materials	CSRM
Degree(s)	°
Degrees Celsius	°C
United States' Dollar(s)	US$
Canadian Dollar(s)	CAD$
Environmental Impact Study (Estudio de Impacto Ambiental)	EIA
Environmental Management Plan (Plan de Manejo Ambiental)	PMA
Gram(s)	g
Grams per metric tonne	g/t
Greater than	>
Hectare(s)	ha
Inductively coupled plasma atomic emission spectrometer	ICP-AES
Instituto Colombiano de Geología y Minería	INGEOMINAS
Instituto Geográfico Agustín Codazzi	IGAC
International Organization for Standardization	ISO
Kilogram(s)	kg
Kilometre(s)	km
Square kilometre (s)	km^2
Less than	<
Metre(s)	m
Million tonnes	Mt
Million Troy ounces	Moz
Million years ago	Ma
Million years time span	My
Millimetre(s)	mm
Mine Plan	PTO
Mining Energy Planning Unit (Unidad de Planeacion Minero Energetica)	UPME
Ministry of Mines and Energy (Ministerio de Minas y Energia)	MME
National Mining Registry (Registro Minero Nacional)	RMN
Ounces (Troy)	oz
Parts per billion	ppb
Parts per million	ppm
Plus or minus	±
Quality Assurance/Quality Control	QA-QC
Short ton (2000 pounds)	st
Sistema de Información Minero Colombiano	SIMCO
Specific Gravity	SG
Système International d'Unités (International System of Units)	SI
Tonne (metric)	t
Tonnes (metric) per day	tpd
Troy ounce per short ton	oz/t

3. RELIANCE ON OTHER EXPERTS

Information on title ownership and title location was provided by R. Sanabria, Principal of Malabar Gold Corp., ('MGC'), and also the Agencia Nacional de Mineria (Colombian Mining Agency) and the Catastro Minero Colombiano online portal. The author has not reviewed the Mining Title, nor independently verified the ownership or underlying property agreements. The author has not independently verified ownership or mineral title beyond information that has been provided by the Issuer. The Property description presented in this Report is not intended to represent a legal or any other opinion as to title or current ownership.

4. PROPERTY DESCRIPTION AND LOCATION

4.1 P,D & L

The 25.86 km^2 Falan property is located in the Tolima Department, Colombia, within the municipalities of Falan and Guayabal-Armero, approximately 15 km south-west of the town of Mariquita, and 190 km west of Bogota, Colombia's capital city. The latitude and longitude of the HFL-151 Property is approximately 3º10'40"N and 76º 15' 44"W (Datum UTM WGS 84 Zone 18N). The Property is located in Sheet number 300 IV-C and 321 II-A, (Instituto Geográfico Agustín Codazzi, or 'IGAC').

Figure 1 Property Location

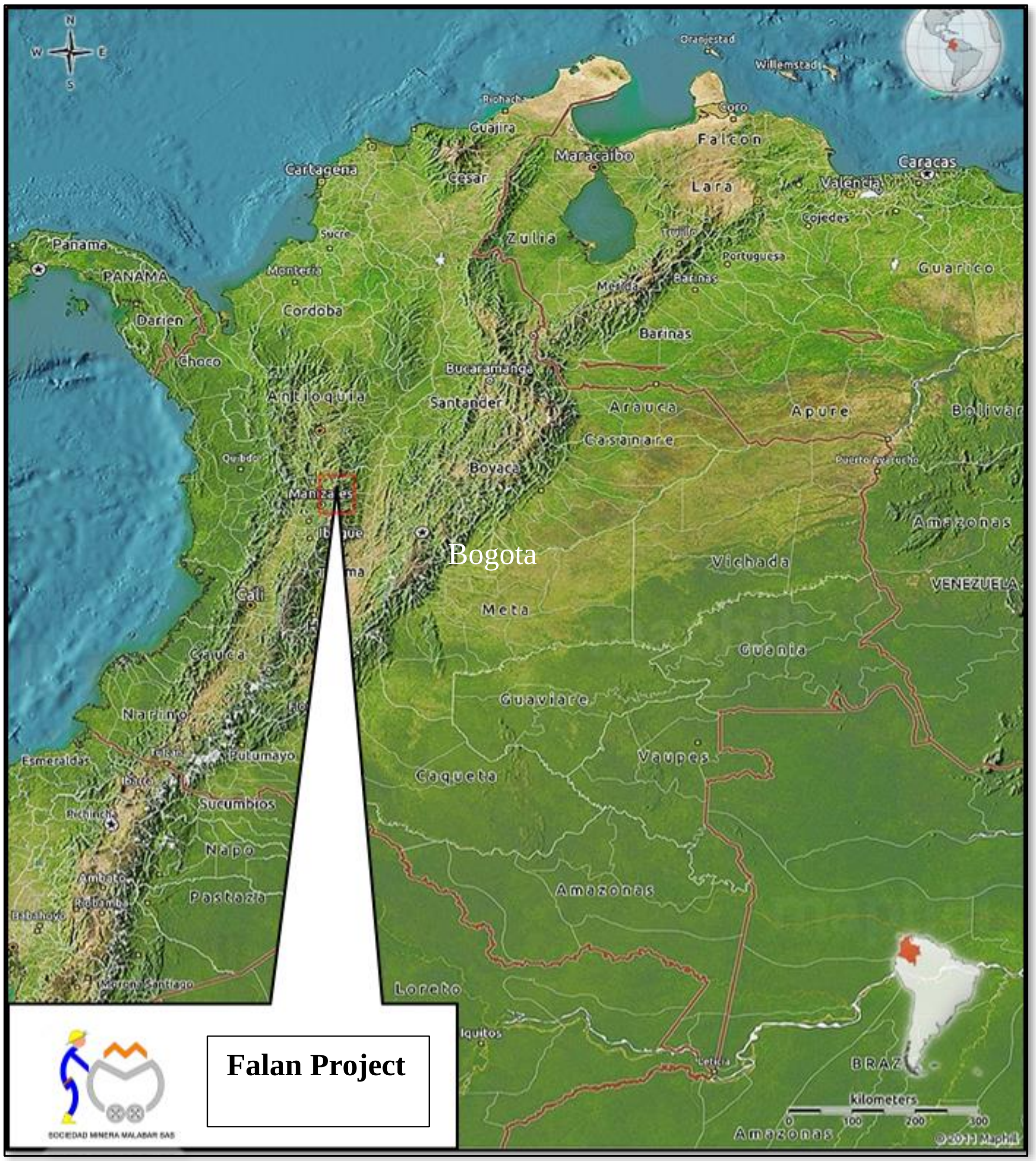


Figure 2 Property Location Map with municipalities

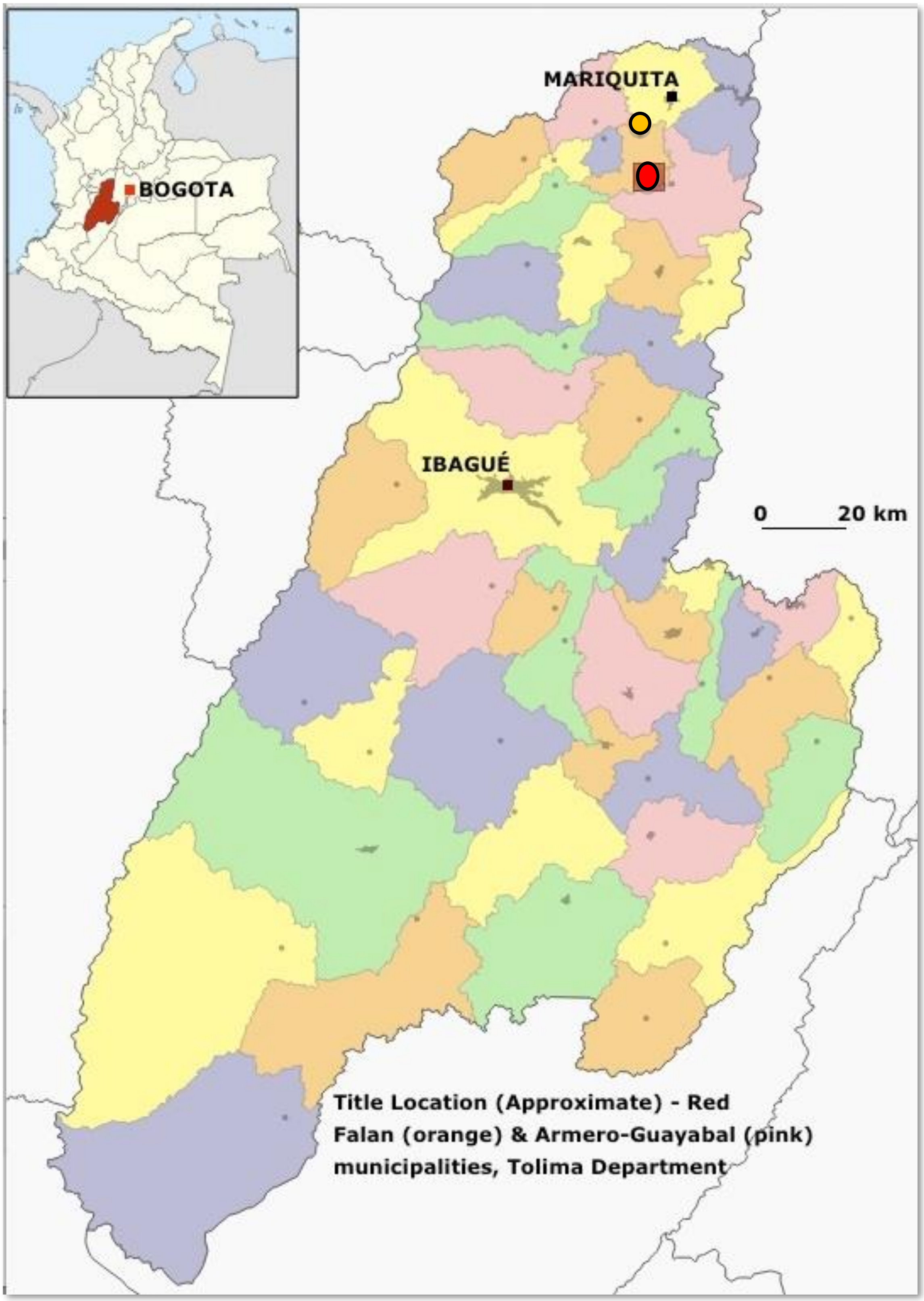


Figure 3 Property Location wrt municipalities

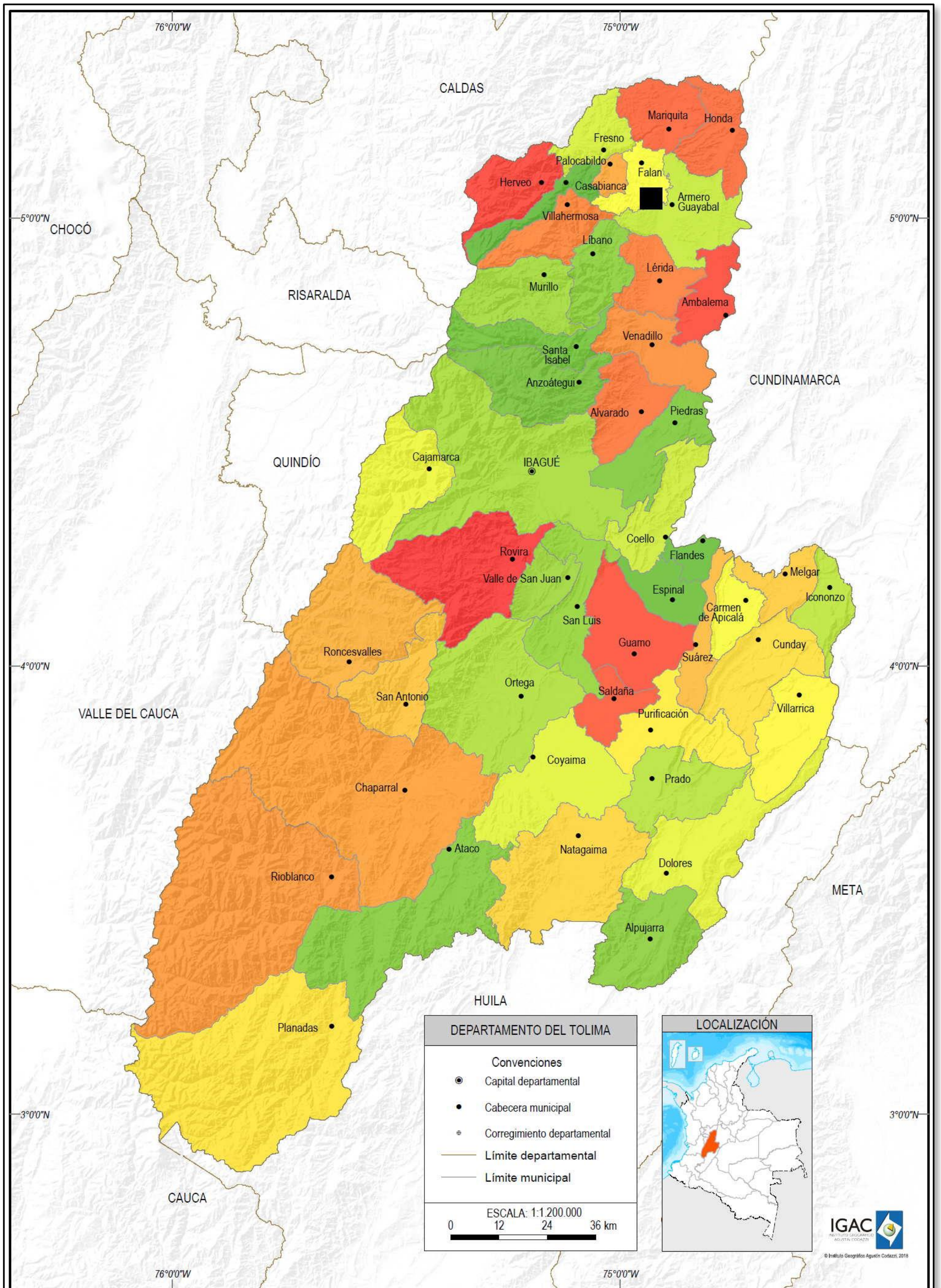
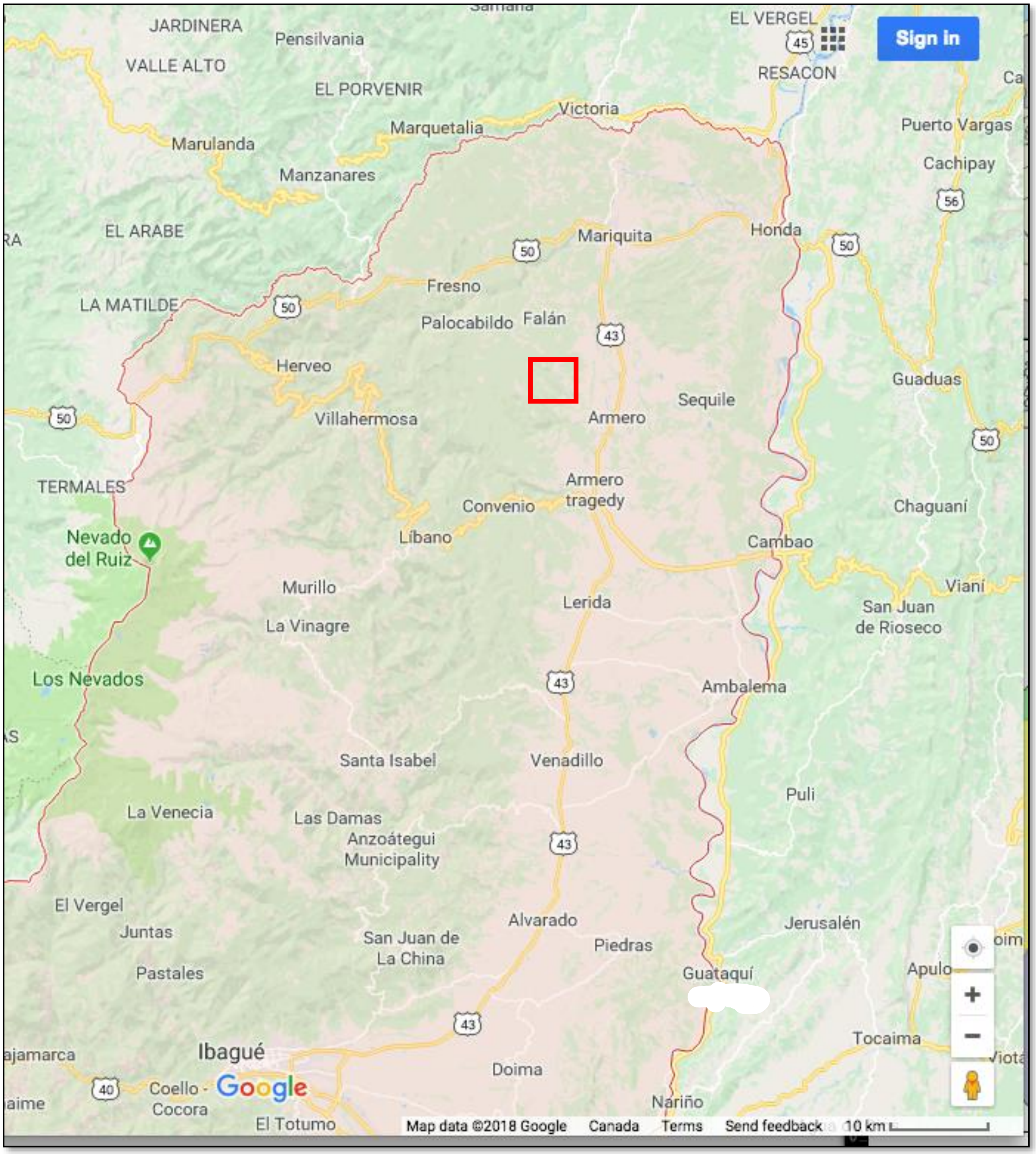


Figure 4 Property location, northern Tolima Province



Red Outline covers property area

4.1 HFL-151 Title

The Mining Titleholder of HFL-151 is Lost City S.A.S., a wholly owned subsidiary of Outcrop Gold Corp ('OCG'), under an integration agreement between MGC and OCG.

The mining rights of title HFL-151 are 100% owned by Minera La Fortuna S.A.S, ('MLF'), a 100% subsidiary of MGC, subject to a 3.5% NSR.

The mining title covers an area of 2,859 Ha, though as per an agreement with OCG and MGC, the Property will be reduced to 2,585.9533 ha, the Falan Property, with the remainder retained by Lost City S.A.S.

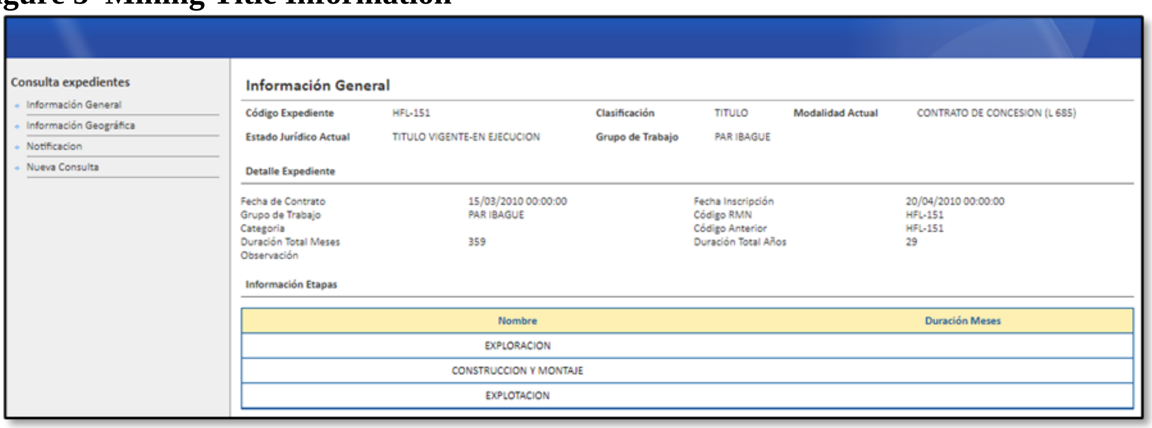
The corners of the polygon delineating the mining rights are listed in Table 2 and title information in Figures 3 and 4.

Table 2. Claim Data

In MAGNA SIRGAS Coordinate System (Region VII), Instituto Geográfico Agustín Codazzi (IGAC).

Vertex	N	E
PA-1	1050381.10	901550.50
1-2	1047500.00	906401.00
2-3	1047500.00	901239.20
3-4	1050381.10	900697.60
4-5	1052117.60	900371.10
5-6	1052123.00	905014.30
6-7	1054092.00	906401.00
7-8	1050381.10	901550.50

Figure 5 Mining Title Information



Consulta expedientes
- Información General
- Información Geográfica
- Notificacion
- Nueva Consulta

Información General

Código Expediente	HFL-151	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR IBAGUE		

Detalle Expediente

Fecha de Contrato	15/03/2010 00:00:00	Fecha Inscripción	20/04/2010 00:00:00
Grupo de Trabajo	PAR IBAGUE	Código RMN	HFL-151
Categoria		Código Anterior	HFL-151
Duración Total Meses	359	Duración Total Años	29
Observación			

Información Etapas

Nombre	Duración Meses
EXPLORACION	
CONSTRUCCION Y MONTAJE	
EXPLOTACION	

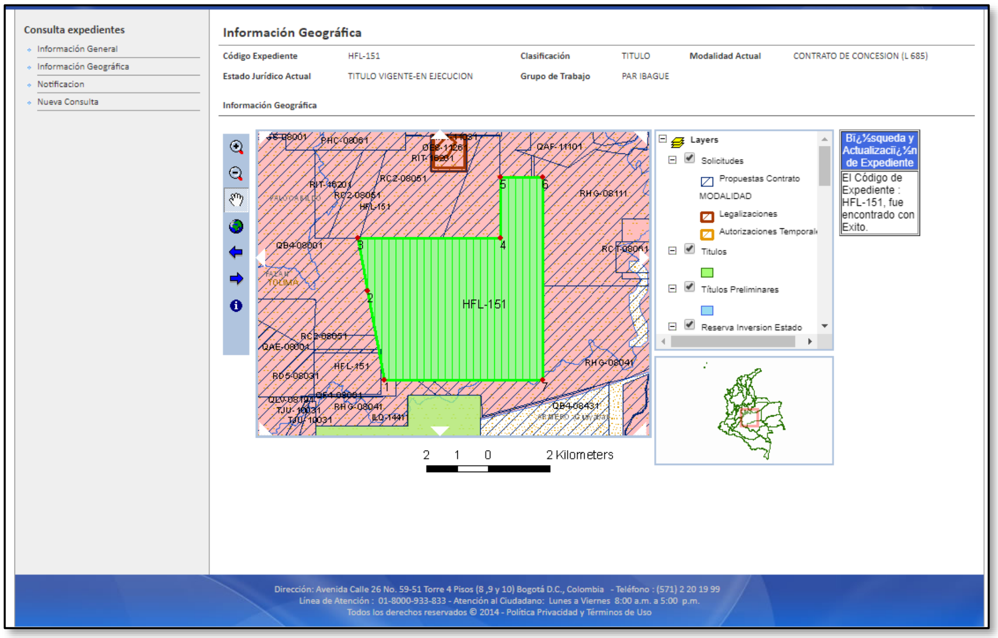


Figure 6 Mining Title information II
Source: www.cmc.gov.co

Table 3. Post-integration, the boundaries of the Falan Property shall be:

FALAN PROPERTY		
Point	**Easting**	**Northing**
1	900371.145	1052117.641
2	905011.999	1052123.001
3	906400.989	1052123.001
4	906400.989	1047500.001
5	901239.169	1047500.001
6	900697.58	1050381.111
	2,585.9453Ha	

Furnished by R. Sanabria, Principal of MGC, dated 8th August, 2020

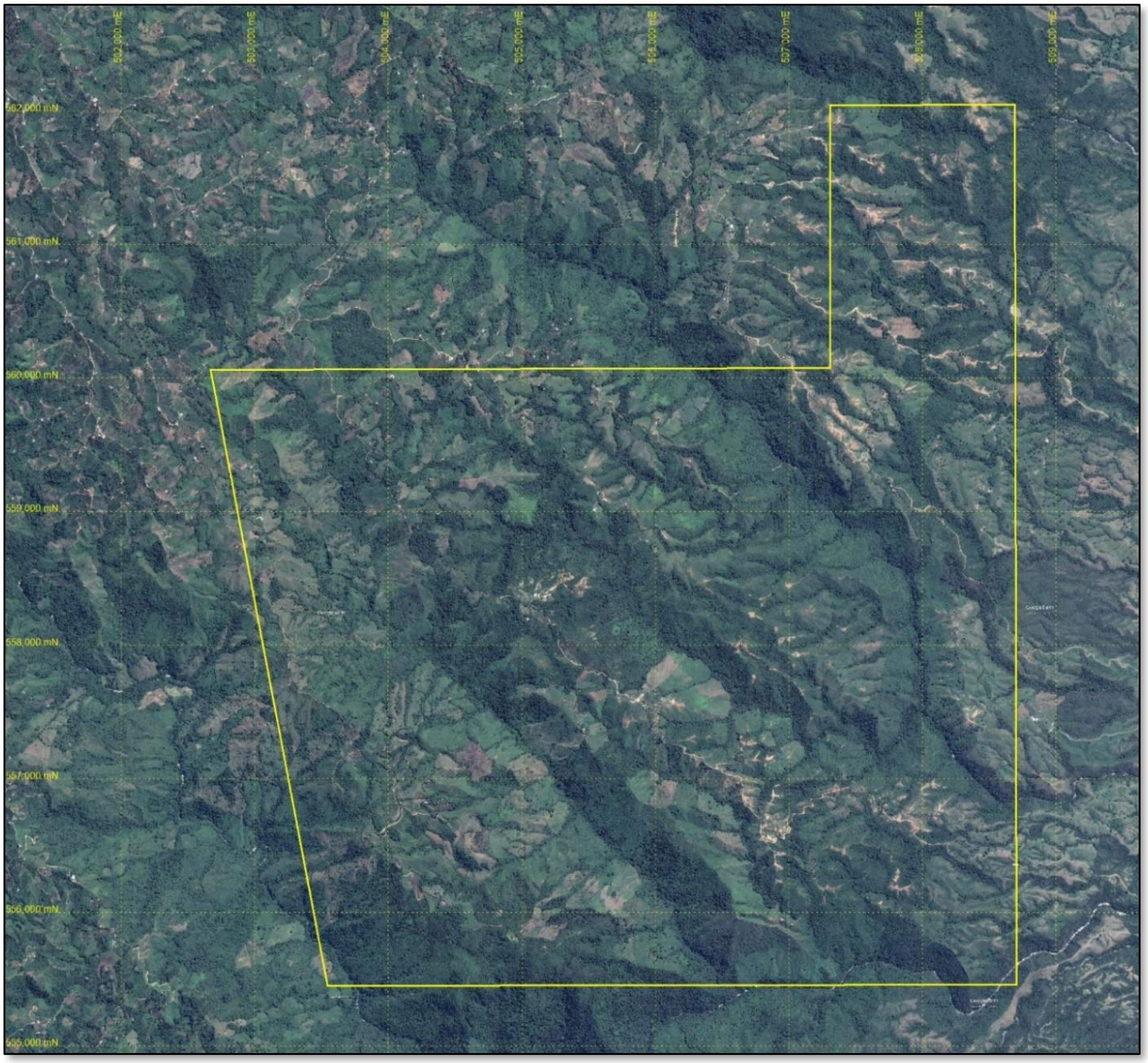


Figure 7 HFL-151 title outline map (UTM Coordinates).

Baroyeca Gold & Silver Inc., further to its news release of April 22, 2020, entered into a formal mineral property option agreement with Malabar Gold Corp., a private British Columbia company, whereby Malabar has granted Baroyeca option to acquire a 100-per-cent interest in the Falan property, located in Colombia, South America. Following its April 22, 2020, news release, the company undertook a due diligence review of the property, secured a legal opinion regarding title to the property from Colombian legal counsel and commissioned a National Instrument 43-101 technical report from the company's geological consultant for each property.

The particulars of and the consideration to be paid with respect to the reviewable transaction are as follows.

The Falan property consists of 2,585.94 hectares, located in the municipality of Falan, in Tolima department, Colombia, and is subject to a 3.5-per-cent NSR payable to an underlying vendor of the property to Malabar.
Pursuant to the terms of the option agreement, to earn a 100-per-cent interest in the Falan property, Baroyeca must make cash payments of $1.05-million and issue five million Baroyeca common shares to Malabar over the term of the option, as shown in the attached table.

	Cash payments	Share issuances
Year 1	$500,000	2,500,000
Year 2	$250,000	1,250,000
Year 3	$300,000	1,250,000
Total	$1,050,000	5,000,000

During the term of the option, Baroyeca will have full access to enter and operate the property.
The option agreements described above each have certain conditions that are required to be satisfied prior to closing, including:
Completion of a private placement financing in the order of $5-million by Baroyeca;
Acceptance for filing of the transactions from the TSX Venture Exchange.
Shareholder approval of possible change of control

As stated above, for these reviewable transactions being undertaken by the company, the exchange policies require shareholder approval, by the vote of a majority of the disinterested shareholders, to the possible change of control that could result from the issuance of the shares provided for pursuant to these mineral property option transactions. Accordingly, directors, officers and insiders of the vendor, as interested parties, would not be entitled to vote at the shareholder meeting.

4.2 Legal Framework

Exploration and mining in Colombia is governed primarily by The Constitution of Colombia, articles 330, 332, 360 and 361 concerning subsoil resources, and Mining Law 685 of 2001. The latter was modified by Mining Law 1382 of February 9th, 2010, which was annulled on the 11th May, 2011. A two year deadline to pass a new law lapsed, resulting in expiration of the Law, and reversion to Mining Law 685 in 2013. Law 1450 of 2011, a new National Development Plan, included changes to another annulled Law, 1382, specifically article 108, dealing with extensions to exploration periods.

With no new Law passed, instead were issued several decrees and resolutions to regulate mining. These include:

Decree No. 3,573 of 2011, through which the National Environmental Licensing Authority (ANLA) was created and other provisions are issued Decree No. 933 of 2013, by means of which provisions on formalising traditional mining are issued and mining glossary definitions are amended.

Decree 935 (9th May, 2013), regulating free areas, proposed evaluation, estimation of economical investment and rejection of proposals.

Decree 943 (14th May, 2013), regulating extensions for stages and concession contracts.

Decree 1300 (21st June, 2013), defining how to support the execution of exploration using an estimate for economical investment.

Decree No. 480 of 2014, by means of which the conditions and requirements for the conclusion and implementation of formalisation of mining subcontracts are regulated

Decree No. 2,041 of 2014, whereby Law No. 99 of 1993 regulates environmental licence

Resolution 428 (23rd June, 2013), adopting the terms of reference, mining environmental guidelines and a minimum exploration programme as elements to evaluate the technical and economic contents of the proposal.

Resolution 551 (9th August, 2013), regulating the financial capacity to explore, develop and extract minerals.

Other laws, decrees and resolutions that regulate issues parts of the mining industry, include the following:

Law No. 99 of 1993 on environmental licences on mining activities
Law No. 141 of 1994, which regulates the royalties' national system, as amended by Legislative Act No. 5 of 2011
Law No. 1,658 of 2013, regarding the use of mercury in mining activities
Decree No. 2,811 of 1974 (the Code of Natural Resources)
Law No. 1,753 of 2015 (the National Development Plan), by which mining is prohibited in moorland and wetland ecosystems.

In a 2014 judgement, the Constitutional Court declared that the regional authorities (municipalities) must be consulted before the granting of a concession agreement. Also, by means of judgments C-273 and T-445 of 2016, the Colombian Constitutional Court declared article 37 of the Mining Code (Law 685 of 2001) unenforceable, thus granting to the regional authorities (municipalities) the power to determine whether or not mining activities are allowed in their territory.

The are several mining authorities in Colombia:

- Ministry of Mines and Energy (Ministerio de Minas y Energia, or 'MME'), is the highest mining authority in the country. The Mining Law is administered by this Ministry. By Decree 4134 of 2011, Ingeominas, the former mining Authority, was liquidated and divided into two entities: the *Agencia Nacional de Minería* (National Mining Agency), (Decree No. 4134 of 2011), which grants mining concessions and conducts follow-up and control duties on granted mining titles, and the *Servicio Geológico Colombiano* (Colombian Geological Survey), which is in charge of performing studies to identify the availability of natural resources in the Colombian subsoil. As this Decree has to be fully enacted, the legal status of Mining Law 685 of 2001 remains unclear.

- Agencia Nacional Minera (ANM), formerly part of INGEOMINAS (Instituto Colombiano de Geología y Minería, or 'Colombian Institute of Geology and Mining'). The MME had delegated the administration of mineral resources to the Agencia Nacional Minera from part of INGEOMINAS and several other mining departments. INGEOMINAS had two departments, the Geological Survey (Servicio Geológico), and the Mines Department (Servicio Minero) which was responsible for all mining contracts except where responsibility for the administration was transferred to the Departmental Mining Delegations. The transition from Ingeominas to the Agencia Nacional Minera (National Mining Agency, 'ANM'), and Servicio Geologico Nacional (National Geological Services) in order to separate mining functions from the geology department remains a work in progress.

- Departmental Mining Delegations ('Gobernaciones Delegadas'). These administer mining contracts in the Departments with the most mining activity (namely Antioquia, Caldas, Bolívar, Boyacá, Norte Santander and César). Title HFL-151 is located in Tolima, with mining contracts administered by Cortolima.

- The Mining Energy Planning Unit (Unidad de Planeación Minero Energética, or 'UPME'), provides technical advice to the MME regarding planning for the development of the mining and energy sector, and maintains the System of Colombian Mining Information (Sistema de Información Minero Colombiano, or 'SIMCO').

- Servicio Geológico Colombiano, a technical government entity in charge of scientific investigation of non-renewable natural resources.

All mineral resources belong to the state and can be explored and exploited by means of concession contracts granted by it. Under Mining Law 685 of 2001, there is a single type of concession contract covering exploration, construction and mining which is valid for 30 years and can be extended for another 20 or 30 years, depending on whether the contract was signed and registered before or after the amendment of the Mining Law 1382 of February 9, 2010. Concession contract areas are defined on a map with reference to a starting point ('punto arcifinio') with distances and bearings, or map co-ordinates.

The concession is divided into 3 phases:
1. Exploration, with a 3 year term, up to 5 years in a 2 year extension
2. Construction and installation, with a 2 year term which may be extended for an additional year

3. Exploitation, comprising the remainder of the 30 year term. The concession may be extended for an additional 20 years. Under the 2001 Mining Code, the extension is deemed approved whenever the mining authority fails to issue a response before the termination of the phase.

The application process for a concession contract is as follows:

1. Purchase of a PIN (one per concession application). Each PIN costs one minimum salary plus VAT.

2. Submittal of Application. The application form costs COP500,000 (about US$280). Attached to this should be all legal, economic and technical documents including the economic and financial competence of the applicant and the exploration proposal for the requested area. Applications can be made online to the ANM website, www.anm.gov.co. Paper copies must also be filed, with the addition of legal, economic and technical documents including demonstration of the economic capacity of the applicant, and an exploration proposal for the area requested.

3. Under modifications to the Mining Law of 2010, the surface tax has to be paid within three days of the notification of the technical study of free areas.

4. A technical study by the ANM to determine whether there is any overlap with other contracts or applications. The applicant is notified of the free areas. The full area may not be granted if there is overlap with existing mining rights.

5. A legal and financial study is carried out by the ANM.

6. Once the surface tax is paid, the contract is prepared and signed. A surface tax ('canon superficial') is due annually upon contract registration with the Mining Registry during the exploration and construction phases of the concession. It is calculated per hectare as multiples of the minimum daily wage (MDW), which is adjusted annually. For mining concession contracts executed and registered before the enactment of the National Development Plan Law 1753, 2015 (Plan Nacional de Desarrollo (PND)), the tax is equivalent to the MDW per hectare per year for areas up to 2,000 ha, two times the MDW per hectare per year for areas of 2,000 to 5,000 ha, and three times the MDW per hectare per year for areas of 5,000 to 10,000 ha. For mining concession contracts executed and registered after the enactment of the National Development Plan, the tax is paid as shown in Table ~~Table~~ 4, below.

In 2020, the minimum monthly wage is 3769.67 pesos (USD$232.86 (www.salariominimocolombia.net/en), and is adjusted annually. Pursuant to the 2010

Amendment, surface taxes are dependent upon the extension and time elapsed in the concession as follows:

Table 4 Surface Tax Payment for Concessions Signed After PND

Number of Hectares	0 to 5 Years	5 Years to 8 Years	More Than 8 Years to 11 Years
	MDW/ha	MDW/ha	MDW/ha
0 to 150	0.5	0.75	1
151 to 5,000	0.75	1.25	2
5,001 to 10,000	1	1.75	2

7. The contract is recorded in the National Mining Registry (Registro Minero Nacional, 'RMN'). The full areas of the applications may not be granted in their entirety if there is overlap with existing mining rights.

Surface rights are not considered a part of the mining titles or rights and are not governed by mining laws even though the mining regime provides for expropriation of real property and the imposition of easements and rights-of-way. Surface rights must be acquired directly from the owners of such rights, but it is possible to request that judicial authorities facilitate expropriation and/or grant easements or rights-of-way necessary for a mining operation.

Table 5 Phases of Concession Contracts

Phase	Valid	Surface Tax	Plan of Work Required?	Environmental Requirements	Environmental Mining Insurance Policy?	Royalty	Reports and Other Filings
Exploration	3 + (4 x 2) years	Yes	Yes	Environmental Management Plan and renewable resources permits if needed (i.e. Superficial Water Concession)	Yes. 5% of planned investment as per Plan de Trabajo y Obras ("PTO")	No	Basic Mining Formats (FBM)
Construction	3 + 1 years	Yes	Yes	Requires environmental license (issued upon approval of Environmental Impact Assessment)	Yes. 5% of planned investment as per Plan de Trabajo y Obras ("PTO")	No, unless anticipated exploitation happens	Basic Mining Formats (FBM). Royalty Declaration (in case of anticipated exploitation
Exploitation	30 years subtracting the years under exploration and construction + 30 years	No (Exception made on areas kept by the concessionaire to undertake exploration activities during a 2-year period	Yes	Requires Environmental License (issued upon approval of Environmental Impact Assessment	Yes. 4 % of the result of multiplying the estimated annual production of the mineral of the concesssion by the price at the mine gate. Price as determined by the government annually.	Yes. Based on regulations at the time of commenceme nt.	Basic Mining Formats (FBM) Royalty Declaration

An annual Environmental Mining Insurance Policy is required, equivalent to 10% of the estimated production in the PTO.

In order to initiate the construction phase, a company must file a PTO (mine plan), within the final three 3 months of the exploration phase. The PTO is a technical document that describes, among others things, the area of operation, the characteristics of reserves to be exploited, the location of facilities and mining works, the mining plan of exploitation, the scale and duration of the expected production, the physical and chemical characteristics of minerals that are going to be exploited and the closure plan of exploitation and abandonment of the assemblies and the infrastructure. During the construction phase, the concessionaire may make changes and additions that are necessary prior to filing with the environmental and mining authorities. Further, during this phase, the concessionaire is authorized to initiate anticipated exploitation and make use of provisional equipment and civil works.

No annual surface tax.

Pay a royalty based on regulations at time of granting of the Contract. Royalties payable to the state are 4% of gross value *"at the mine gate"* for gold and silver (Law141 of 1994, modified by Law 756 of 2002). For the purposes of royalties, the gold and silver price is set by the government and is typically 80% of the average of the London gold price for the previous month.

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4.3 Environmental Liabilities

The Mining Law 685 of 2001 requires an Environmental Mining Insurance Policy for each concession contract, to ensure compliance with mining and environmental obligations as follows: typically 5% of the budget for the annual investments during the exploration and the construction phases, and 10% of the result of multiplying the estimate of annual production (volume) and the price of the mineral at the mine head.

An Environmental Impact Study (EIA) has to be presented at the end of the Exploration Phase if the concession is to proceed to the Construction Phase. The EIA must be approved, and an Environmental License issued before the Exploitation Phase can begin, subject to an Environmental Management Plan (Plan de Manejo Ambiental or PMA).

Mining activities are subject to environmental regulations promulgated by government agencies. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or missions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. The Constitution, the National Code of Renewable Natural Resources and Protection of the Environment (Decree – Law 2811 of 1974) as well as Law 99 of 1993, form the basis of environmental regulations in Colombia.

Under the environmental legal regime, the use of water (superficial or underground), air, disturbance of flora and fauna, as well as the generation of solid and liquid discharges and waste dumps are subject to officially approved licenses, permissions and concessions. Environmental legislation in Colombia is evolving and the general trend has been towards stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and increasing liability for companies and their officers, directors and employees.

Exploration activities require an Environmental Management Plan (PMA) and Surficial Water Concession. This includes authorization for the use of water and discharge of domestic residual water.

The Falan Project has potential environmental liabilities due to past and informal artisanal mining activities, including:

- Surface disturbance and degradation including deforestation.
- Waste rock and tailings from previous colonial mining operations.
- Contamination of soil and water from past mining operations.

Under Colombian mining and environmental laws, Minera La Fortuna is responsible for any environmental remediation and any other environmental liabilities based on actions or omissions occurring from and after the entry into force and effect of the relevant concession contract, exploration license or mining request, as applicable, even if such actions or omissions occurred at a time when a third party was the owner of the relevant mining title, the title holder is not responsible for any such remediation or liabilities based on actions or omissions occurring before the entry into force and effect of the relevant concession contract, exploration license or mining request, as applicable, from historical mining by previous owners and operators, or based on the actions or omissions of third parties who carry out activities outside of the mining title, such as illegal miners. The Constitution, the National Code of Renewable Natural Resources and Protection of the Environment (Decree – Law 2811 of 1974) as well as Law 99 of 1993, form the basis of environmental regulations in Colombia.

Law 1382 of 2010, which modified the Mining Law, prohibits exploration and mining in national parks, regional parks, forest reserves, the "páramo" (moorland) and wetlands. The páramo ecosystem is defined as an ecosystem above 3,200 m altitude consisting of glaciated uplands with lakes and peat bogs. The Property is located below the paramo ecosystem and is not affected by this law. There are no known national parks or other protected areas within the Santa Ana Property boundaries.

The principal environmental authority in Colombia is the Ministry of Environment and Sustainable Development. It has national jurisdiction, in charge of formulating environmental and renewable natural resources policies and defining regulations focused on reclamation, conservation, management and use of natural resources and surveillance of all activities that may have an environmental impact. Recently, all activities associated with environmental permitting and control have been delegated to the National Environmental Licensing Authority (Autoridad Nacional de Licencias Ambientales or "ANLA"). At a regional level, the Ministry of Environment and Sustainable Development and ANLA functions are executed by Regional Autonomous Corporations ('CAR'

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Together they constitute the principal environmental authorities. The Ministry of Environment and Sustainable Development is entitled to take control over Regional Autonomous Corporations at its discretion, on a case by case basis, when circumstances require it to do so. Both authorities have the following functions: (i) prevent and/or suspend any activity it deems contrary to environmental standards; (ii) reserve and define areas excluded from mining activities (i.e. forest reserves and the páramo ecosystem); and (iii) approve environmental instruments, such as environmental management plans (Planes de Manejo Ambiental or "PMA's"), mining and environmental guides (Guías Minero Ambientales or "GMA's") and Environmental Impact Assessments (Estudios de Impacto Ambiental or "EIA's"), environmental licences and permits. PMA's, GMA's and EIA's are the principal environmental instruments that allow the Government to oversee activities that have the potential to impact the environment. These documents must be adopted by the concession owner and define detailed measures and activities to be implemented for the mitigation, compensation and prevention of adverse environmental effects of a project. They also include follow-up, monitoring, contingency, and abandonment activities. The execution of activities under the exploration, construction and exploitation phases require the approval of one of these instruments. Prospecting activities are not subject to environmental permitting, without prejudice of any permit or concession necessary for the use of natural renewable resources.

Mining operations (in their exploration, construction and exploitation phases) that started activities before Law 99, 1993 was in force, are subject to the application of a PMA previously approved by a Regional Autonomous Corporation. After Law 99, 1993 came into force, construction and exploitation operations required the approval of an environmental license and only exploration phase activities remained subject to the application of a PMA previously approved by a Regional Autonomous Corporation. After Law 685, 2001 came into force, GMAs replaced PMAs for exploration phase activities. Neither a PMA nor a GMA constitute permission to use natural resources and therefore authorization of the corresponding environmental authority is required (e.g. water concessions, dumping permits). Environmental licenses, however, include all necessary permits for the use of natural resources. The initiation of the construction and exploitation phase requires granting of the environmental license. Under the current mining regime, an environmental license for a gold project is granted by Regional Autonomous Corporations whenever total tonnage of extracted ore material and waste material is less than 2,000,000 tons per year.

An environmental license request may require public hearings at which the company presents the project and allows the community to understand its scope, as well as to express their opinion on the feasibility of the project. Public hearings have to be expressly requested by third parties. The request also requires filing of an EIA which will contain elements, information, data and recommendations as may be required to describe and characterize the physical, social and economic environment of the place or region of the works of exploitation; the impact of such works with its corresponding evaluation; plans for prevention, mitigation, correction and compensation of those impacts; specific measures to be applied to the abandonment and closure of the mining works and its management plan; and the necessary investment and monitoring required with respect to these activities. Once an environmental license has been granted, the company may initiate construction and exploitation activities.

The 2001 Mining Code, as well as the 2010 Amendment and the National Development Plan define the existence of areas that may be excluded from mining activities, such as regional parks and "páramo" ecosystems. For an area to be excluded from mining, the geographic boundary must have been determined by the relevant environmental authority and based on technical, social and environmental studies, which support the incompatibility of mining activities, or in the specific case of "páramo" ecosystems, which support the existence of said ecosystems. Currently neither the Ministry of Environment and Sustainable Development and CDMB are known to be working on defining a regional park where the Santa Barbara property is located.

The use of surface or underground water requires prior approval from the Regional Autonomous Corporations (CAR). For the HFL-151 project, the CAR is the Corporación Autonómica del Tolima (Cortolima). Water discharge requires permitting from the same authority. Both water concessions and discharge permits require payment of fees to the Regional Autonomous Corporation.

4.4 Surface rights

The Property does not have any surface rights in the project area. In Colombia there is no requirement to have surface ownership to access the subsoil. The Mining Law provides the access to land and the possibility of expropriation of the surface rights, as mining activity is considered to be in the public interest. Access to exploration target areas is requested from the local landowners prior to completing any exploration activities.

Surface rights are not considered a part of the mining titles or rights and are not governed by mining laws even though the mining regime provides for expropriation of property and the imposition of easements and rights of way. Surface rights must be acquired directly from the owners of such rights but it is possible to request that judicial authorities facilitate expropriation and/or grant easements or rights of way necessary for a mining operation.

Land acquisition in Colombia is subject to the compliance of certain formalities according to the Colombian Civil Code, such as the execution of a public deed and further registry before the Public Acts Registry Office. Forms of acquisition include, amongst others, acquisition agreements, hereditary rights, foreclosures, or by way of prescriptive rights (statute of limitations on possession). Registry before the aforementioned office is required to consolidate property upon the holder.

Mining is considered a public utility and an activity of public interest, therefore the owner of a mining concession is also entitled to request from judicial authorities:
(i) the imposition of easements or rights of way necessary for the operation, and
(ii) request expropriation of lands needed for the project, when it is not possible to have an agreement with the land owner. In either case, Condor has the obligation of paying the affected third party all amounts determined as compensation by administrative and/or judicial authorities for this purpose.

Easement rights may be requested from the moment of the execution of the concession agreement. Actual expropriation will require prior approval of the Civil Works Program (PTO) by the mining authority in order to be enforced. The most common forms of acquisition are ‘acquisitions agreements’ with registered owner(s), assignment agreements covering owners´ hereditary rights from next of kin, and agreements pertaining to material possession rights when there is informality in land property. To date, Malabar Gold Corp. or its subsidiary, Sociedad Minera Malabar SAS, has not filed for an imposition of an easement or right of way.

4.5 HFL-151 Property Agreement

The following was provided by R. Sanabria, Principal of MGC:

Minera La Fortuna SAS, a 100% subsidiary of Malabar Gold Corp signed a sale and purchase agreement dated the 20th August, 2015 to acquire 100% of the Mining Title HFL-151 (Contrato de Concesión) from Lost City S.A.S., then a 100% subsidiary company of Condor Precious Metals Inc., subject to a 3.5% NSR. The HFL-151 Mining Title is held in Colombian subsidiary company Lost City SAS. As consideration for the acquisition, Malabar Gold Corp. agreed to pay the vendors the following:

a) Cash USD$50,000 plus an additional amount to fully pay all required surface taxes and mining insurances for the remaining mining concessions of Condor Precious Metals Inc. in Colombia at the time of the transaction estimated to be approximately COP$83,750,000 (The Tax/Insurance Amount). All payments had been fulfilled by MGC.

On the 9th August, 2016, Condor Precious Metals Inc. sold Lost City S.A.S. and its 100% interest in the mining rights of Mining Concession JGF-08181 with the provision of the existence of a Mining Concession Purchase Agreement executed by and between Condor Precious Metals Inc., Lost City S.A.S. and Malabar Gold Corp, by means of which Lost City S.A.S. would sell 100% of the legal and beneficial interest in mining concession HFL-151 to MGC. (the "Malabar Agreement") and assign mining concession HFL-151 from Lost City S.A.S. to Minera la Fortuna S.A.S., or any of its affiliates under the "Malabar Agreement" before the National Mining Agency (Agencia Nacional de Mineria);

On the 13th October, 2016, by means of an MOU between Lost City S.A.S. and Minera La Fortuna SAS (a wholly owned Colombian subsidiary company of Malabar Gold Corp.) it was agreed to integrate HFL-151 mining title with neighbouring Mining Title JGF-08181 also held in Lost City SAS with the purpose of resetting the exploration times to year one, filling a PUEX (Exploratory Single Program) plan and then to proceed separating both properties under the following terms:

a) To divide mining title HFL-151 in two areas: Area A and Area B as shown in the tables and figures following.
b) That Lost City SAS would keep Area A to be part of an integration process with mining title JGF-08181.
c). To transfer Area B (the Falan Property) to Minera La Fortuna or any of its affiliates after the integration process involving both mining concessions held in Lost City (HFL-151 and JGF-08181) was approved.

There is a cash consideration of COP$94,200,000 to be paid to Minera La Fortuna SAS for the integration process, (50% of the amount paid due on signing of the MOU for the integration process) and 50% upon completion.

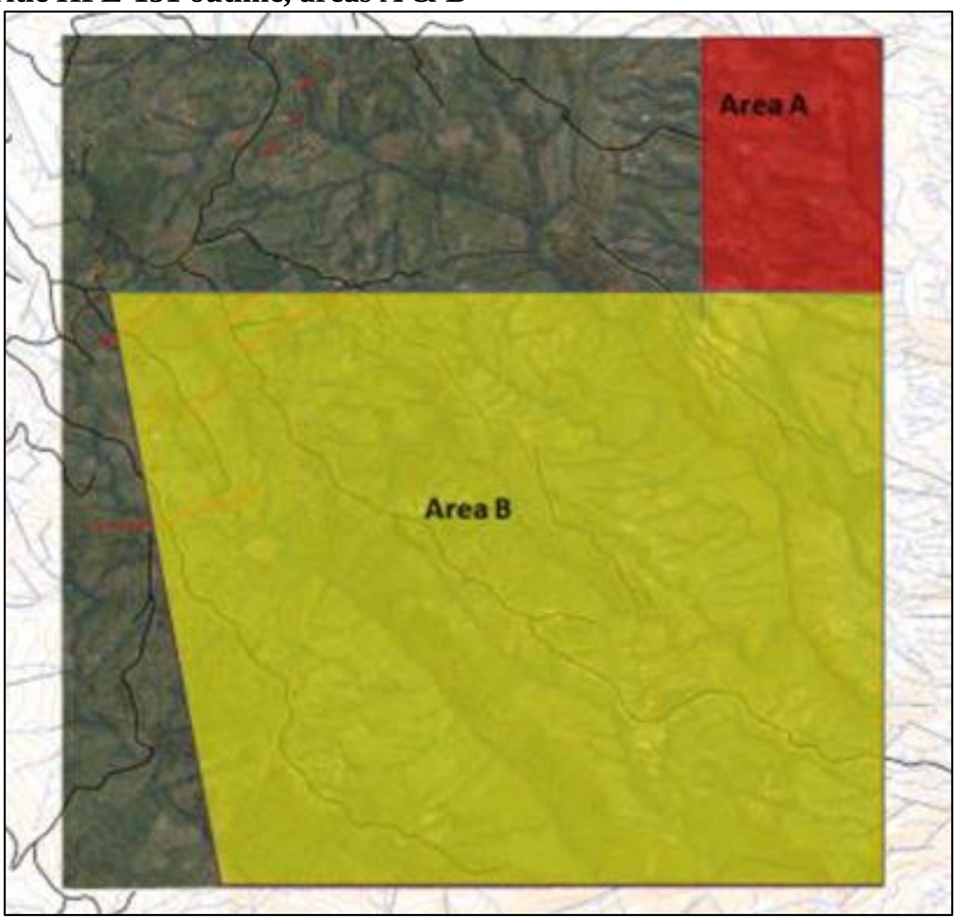
AREA A will be located within the following coordinates:

Point	East	North
1	905014,3440	1054092,0300
2	906400,9890	1054092,0300
3	906400,9890	1052123,0010
4	905011,9990	1052123,0010

AREA B will be located within the following coordinates:

Point	East	North
1	900371,1450	1052117,6410
2	905011,9990	1052123,0010
3	906400,9890	1052123,0010
4	906400,9890	1047500,0010
5	901239,1690	1047500,0010
6	900697,5800	1050381,1110

Figure 8 Title HFL-151 outline, areas A & B



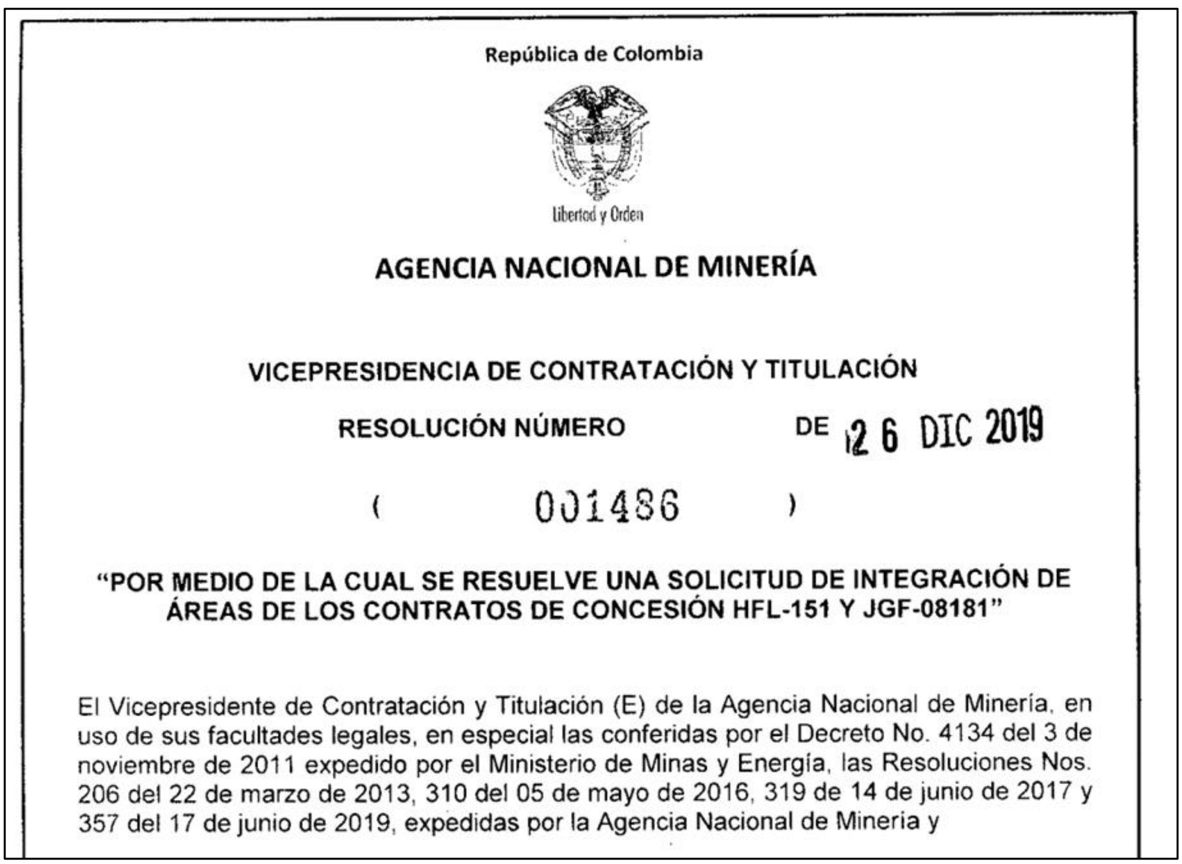
Lost City S.A.S. agreed to be responsible for all filings and compliance with the Colombian Mining Agency requirements and obligations on behalf of Malabar Gold Corp. for mining title HFL-151 during the integration process. Once the integration is completed and duly registered before the Colombian National Mining Registry, Lost City S.A.S. will immediately proceed to transfer the Area B (the Falan Property) of mining title HFL-151 to Minera La Fortuna SAS or any other entity Malabar instructs to do so together with payment of the reminder cash consideration of COP$47,100,000.

On July 30, 2018 Orford Mining Corporation (TSX-V: ORM) announced that it acquired Condor Precious Metals Inc., transferring the totality of the royalty rights on the HFL-151 property to Orford Mining Corp.

The integration process between both titles JGF-08181 and HFL-151 was approved by Resolution #001486 of December 26th, 2019, and duly completed and registered in the National Mining Registry (RMN) on September 24th, 2020, for a total combined area of 3,528.0651 hectares.

Lost City SAS has entered into a binding agreement with Minera La Fortuna SAS to complete the process of segregating Area B (Falan Property) from the integrated area to Minera La Fortuna SAS, setting the date of filing documents of title transfer before the ANM on or before January 18th, 2021. Below, the Resolution approving title integration between Minin Concessions HFL-151 and JGF-08181 dated December 26th, 2019.

Figure 9. Resolution



República de Colombia

Libertad y Orden

AGENCIA NACIONAL DE MINERÍA

VICEPRESIDENCIA DE CONTRATACIÓN Y TITULACIÓN

RESOLUCIÓN NÚMERO **DE** 26 DIC 2019

(001486)

"POR MEDIO DE LA CUAL SE RESUELVE UNA SOLICITUD DE INTEGRACIÓN DE ÁREAS DE LOS CONTRATOS DE CONCESIÓN HFL-151 Y JGF-08181"

El Vicepresidente de Contratación y Titulación (E) de la Agencia Nacional de Minería, en uso de sus facultades legales, en especial las conferidas por el Decreto No. 4134 del 3 de noviembre de 2011 expedido por el Ministerio de Minas y Energía, las Resoluciones Nos. 206 del 22 de marzo de 2013, 310 del 05 de mayo de 2016, 319 de 14 de junio de 2017 y 357 del 17 de junio de 2019, expedidas por la Agencia Nacional de Mineria y

Figure 10 Reporte de Anotaciones 25-9-2020, RMN.

AGENCIA NACIONAL DE MINERÍA

REPORTE DE ANOTACIONES

Fecha 25-09-2020
Hora 21:51:58
Página 2 de 5
Total Anotaciones 9

GRUPO DE CATASTRO Y REGISTRO MINERO

Código Expediente: ILC-15481 | Código RMN: ILC-15481 | Estado Jurídico: TITULO VIGENTE

Modalidad	Titulares	Grupo de Trabajo	Departamento	Municipio	Mineral
CONTRATO DE CONCESION (L 685)	EXPLORACIONES CHOCO COLOMBIA S.A.S.	GOBERNACION DE ANTIOQUIA	ANTIOQUIA	URRAO	MINERALES DE PLOMO Y SUS CONCENTRADOS MINERALES DE METALES PRECIOSOS Y SUS CONCENTRADOS MINERALES DE MOLIBDENO Y SUS CONCENTRADOS MINERALES DE ZINC Y SUS CONCENTRADOS MINERALES DE COBRE Y SUS CONCENTRADOS

ANOTACIONES

Fecha Anotación	Fecha Ejecutoria	Tipo de Anotación	Observación
24-09-2020	14-09-2012	CESION TOTAL DE DERECHOS	CESION TOTAL DE DERECHOS de ANGLOGOLD ASHANTI COLOMBIA S.A. a favor de EXPLORACIONES CHOCÓ COLOMBIA S.A.S., identificada con Nit. 9001937396

Código Expediente: HFL-151 | Código RMN: HFL-151 | Estado Jurídico: TITULO VIGENTE

Modalidad	Titulares	Grupo de Trabajo	Departamento	Municipio	Mineral
CONTRATO DE CONCESION (L 685)	LOST CITY S.A.S.	PAR CENTRO	TOLIMA TOLIMA	ARMERO (Guayabal) FALAN	MINERALES DE ORO Y SUS CONCENTRADOS

ANOTACIONES

Fecha Anotación	Fecha Ejecutoria	Tipo de Anotación	Observación
24-09-2020	15-09-2020	INCORPORACION/INTEGRACION DE OTROS TITULOS	Inscripcion en el Registro Minero Nacional del Contrato de Concesion Integrado No. HFL-151 celebrado entre la Agencia Nacional de Mineria y la sociedad LOST CITY S.A.S., identificada con NIT No. 900.510.770-6, el cual se integro con el Titulo Minero No. JGF-08181. El area total del Contrato Integrado es de 3528,0651 Hectareas distribuidas en dos (2) zonas. El presente Contrato tendra vigencia hasta el 19/04/2040.

The above information was provided to the author by R. Sanabria, Principal of MGC, and acknowledged on the 16th December, 2020.

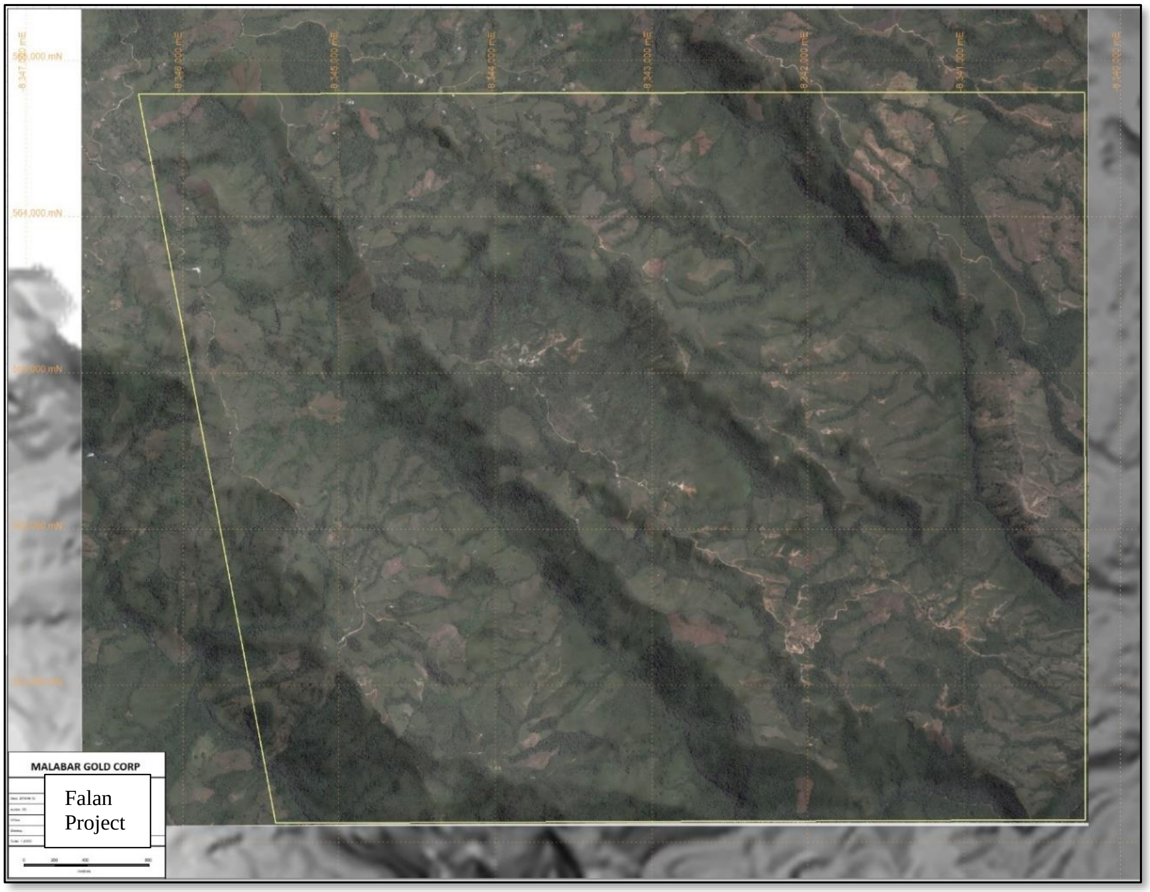


Figure 11 Falan Project Title area
From MGC files

4.7 Surface Rights HFL-151

As of time of writing, MGC had not secured any surface rights over the property.

4.8 Royalties

3.5% NSR to Orford Mining Corp.

5. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The project area, approximately 15 km south-west of the town of Mariquita, 495 m a.s.l., lies within the Cordillera Central. The HFL-151 property is located in the Municipalities of Falan and Guayabal-Armero, (Tolima Department, Colombia), some 190 km west of the capital, Bogota. The project area is characterised by moderately to steeply incised relief, cut by a number of tributary creeks (quebradas). The property elevation ranges from 700 to 1,100 m a.s.l.

Access to the project area is afforded by a paved road from Mariquita to the east, westwards to the town of Falan, 990 m. a.s.l., and thence by a network of rural (unpaved) roads south to the property. Southernmost areas are more readily accessed by rural roads leading west then north, off Route 43, the Ibagué Highway.

The property area has a sub-tropical rainforest climate under the Köppen climate classification, though with slightly lower temperatures at higher elevations. Average annual high temperatures are close to 30^{o} C, with lows of 16^{o} C. Average monthly precipitation exceeds 60 mm. (Taken from Ibagué data, elevation 1,285 m. a.s.l.). Surface exploration, including drilling can be carried out year-round except for brief periods of heavy precipitation during the rainy seasons, April-May and October-November.

Over 90% of the rainforest has been destroyed by slash and burn, replaced by, in the lowlands near Mariquita and southwards, dairy and cattle farmland, or at higher elevations, mixed crop agriculture, consisting primarily of corn, banana, coffee, yucca and plantain, with more recent introductions of guanabana and yellow pitaya.

Mariquita is a regional government centre of approximately 35,000 people, with a small municipal and a military airport. Other centres are Honda, population 26,000 on the Magdalena River, to the north-east, and to the South, the regional capital, Ibagué, a city of nearly 500,000 people, and the seventh largest in Colombia. Personnel and industrial equipment can be sourced from Ibagué, though most mine construction equipment would be obtained from Bogota or Medellin.

6. HISTORY

There are no known records of any recent systematic mining in the project area. There is negligible artisanal extraction along some creeks, and in recent years, the government has cracked down on such work. The author did not encounter any work during past visits to the project area.

Historically, the region is famous for precious metals mining by the early indigenous people, who extracted native gold from unconsolidated Recent-Quaternary sediments, alluvial sediments and underground mining. Following the Spanish Conquest, more formal mining commenced, with extraction of gold and more importantly, silver, specifically around the town of Falan to the North. During Spanish control, silver grades were reported to be some of the highest in Latin America. Spanish mining was superseded by British, commonly employing Cornish migrants who worked their way through Central and Southern America. The British engineer Robert Stevenson, son of George, worked briefly in the Falan area, with well-preserved old mine workings within and around the town, and others, several km to the south. His reports, with accompanying old plans and sections, reveal relatively extensive underground work by the indigenous people and the Spanish, in and south of Falan.

The author could not source any official records of systematic exploration on the property prior to the involvement by Condor Precious Metals..

On a more regional basis, the following is a précis of part of a compilation of abstracts from the Spanish Archives during the Colonial Period between the XV and XVIII Centuries:

The town of San Sebastian the Mariquita was founded in the year 1551 by Captain Francisco Núñez Pedroso, as the capital city of the Fálan and Palocabildo Provinces. Fernando Silvero claimed to be the first discoverer of gold and silver mines in Mariquita and Fálan, circa 1585, these comprising four veins in the San Juan Bautista hill. In the same year, Captain Diego de Ospina, Matias de Saucedo and Pedro Henriquez mined rich veins in the area. The average smelter return for silver ore during those days was "4 marcos per quintal" (equal to approximately >17kg/ton Ag), according to official reports of Hacienda Santa Fe (year 1585),with reported widths exceeding 1 1/2 varas (4 1/2 feet). Subsequent exploration discovered more veins in the Santa Ana (today Falan) and Frias regions, adding 14 new mines to the district, all of them producing over one marco of silver per quintal (approximately 4.3kg Ag per ton).

D. Antonio González, President of the New Kingdom, described in a summary of the gold and silver mines discovered in the Mariquita and Fálan areas as follows: "these mines exploit three main veins striking North-South and a fourth striking Northeast, with strike lengths over 8 km (1 1/2 castillian leguas)".

In a document dated 1640 by Gonzalo de Murillo Velarde and Antonio Gonzalez describing the heyday of the Santa Ana and Lajas mines (between the years 1585 and 1620), nine mines employed

210 indigenous people, 189 black men and 40 black women in the tunnels, and 81 indigenous people, 76 black men and 3 black women in the amalgamation process.

In 1795, the King of Spain suspended all mining operations in the area due to the financial and material losses from mineral processing, this in part relating to conflicts with the Amerindian workforce, the increase of labour costs, and the lack of production from the Spanish themselves.

In 1824, a lease was granted to Herring Graham and Powles from London, UK, but the made little or no profit during the 50 years they were mining the area. The Santa Ana and La Manta leases expired in 1874, and the mine was bought back by the Colombian Government at a very low price whist discrediting the British mining company. British work ethic and overall behaviour compounded the company's woes. During this period, the mine workings reached depths of 100m (50 brazas) below the Morales creek level (just South of Falan). A second mining area called El Cristo, (No. 35 in below figure), operated by the British is located several km to the south. This area is poorly documented, off property, and not visited by the author.

The last gold-silver rush started in the area in the 1930's, with focus on existing or past producing mines. As a result, 4 mining districts (re)-started: Ibagué, Anzoategui, Santa Isabel and Líbano.

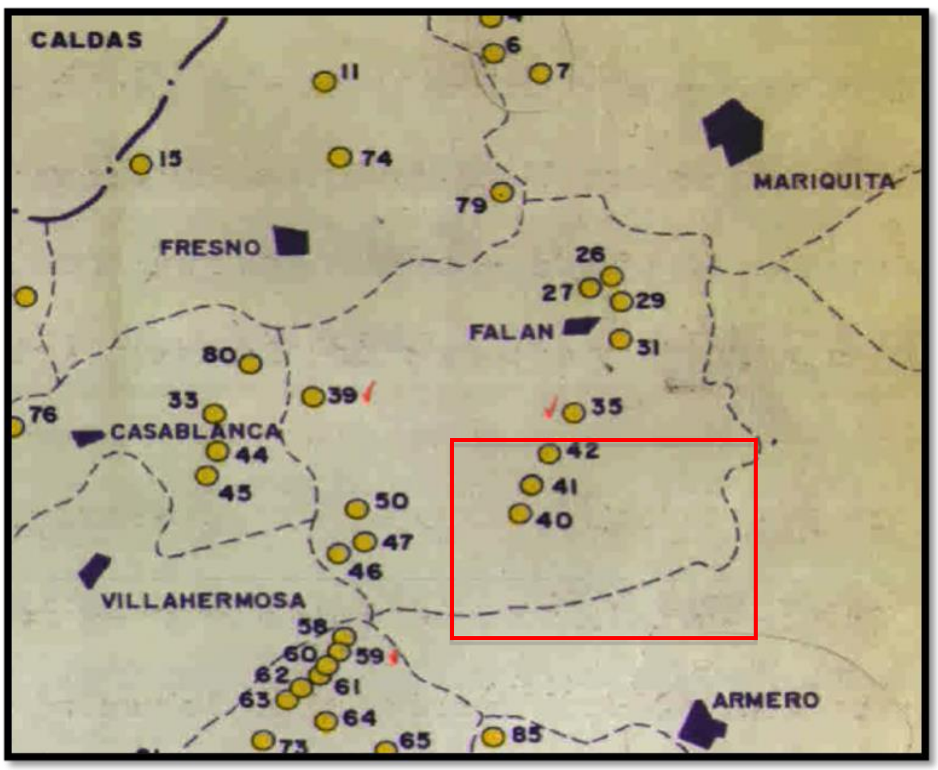


Figure 12 Historic Location Map of historic mines within the Mariquita-Falan-Frias and Libano areas.

Source: INGEOMINAS Map Library (Planoteca de INGEOMINAS) Red outline covers the mining title.

Locations 40, 41 and 42 would lie within the HFL-151 property, but have yet to be accurately defined. The author could not obtain any historical resource information on the preceding locations, (due in large part to the closure of Ingeominas and the loss of some online resources). Old mines in the Falan area include: 26. La Platilla Mine; 27. La Obdulia Mine; 29. El Dorado Mine; 31. Pueblo Viejo Mine. 35. Jimenez/ Mine

The most recent exploration conducted by Condor Precious Metals and MGC is described in Chapter 10, Exploration – Title HFL-151.

6.1 Relevance & Reliability of Historical Estimates & Recent Estimates Available to the Issuer.

The author is unaware of any historical mineral resources or estimates on Title HFL-151.

6.2 Property Production

Aside from the historical locations mentioned previously, there is no known production on the property.

7. GEOLOGICAL SETTING

7.1 REGIONAL GEOLOGY

The property lies within the Central Cordillera of Colombia, part of the Andes Mountains, which form a continuous, over 7,000 km long chain along the western margin of South America.

In Colombia, the Andes forms three north-south trending ranges (the Western, Central, and Eastern Cordillera). From west to east, the Western Cordillera (Occidental) and Central Cordillera are separated by the Cauca-Patia Depression, the Central and Eastern Cordillera (Oriental) are separated by the Magdelena Depression, (the 'depressions' are expressed as two intermontane fluvial valleys), with the Precambrian Guiana Shield under and East of the Cordillera Oriental. Western and central Colombia forms part of the North Andean Block, extending from Venezuela to the north, through Colombia, into Ecuador. This block is one of three major lithospheric plates in the region, the others being the Pacific, or Nazca Plate, and the Caribbean Plate.

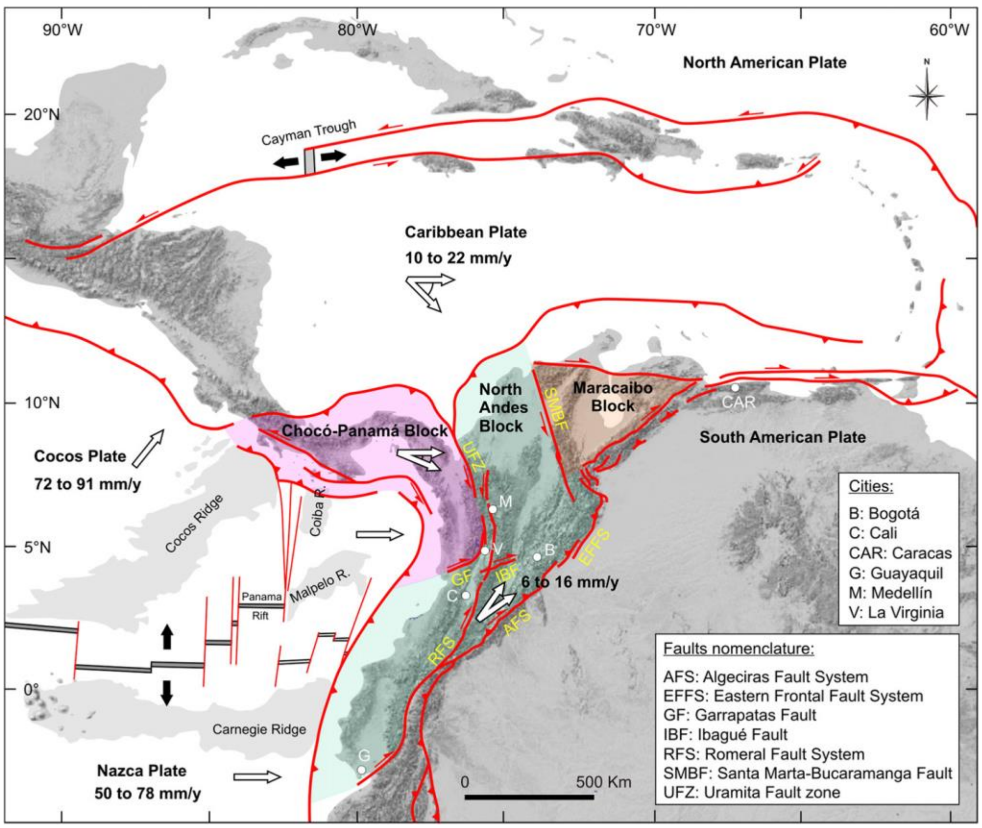


Figure 13 Geodynamics of NW South America

Velocities and senses of motion for the different plates and blocks with respect to South America (Pennington, 1981; Kellogg et al., 1983; Freymueller et al., 1993; Trenkamp et al., 2002); tectonic data modified after Gutscher et al. (1999), Taboada et al. (2000), Cortes and Angelier (2005) DEM from USGS, (2005). From F. Suter et al (2008).

The northern part of the Colombian Andes displays a complex structural pattern, resulting from the interaction of three major converging tectonic plates (Fig. 13). With respect to the South American Plate, the Caribbean Plate moves east to south-east, whereas the Nazca Plate moves eastwards. Based on shallow to deep seismicity and seismic tomographic images, various 3-D models of the lithospheric structure in the Northern Andes have been produced (Pennington, 1981; Van der Hilst and Mann, 1994; Gutscher et al., 1999; Taboada et al., 2000; Cortes and Angelier, 2005). Although the geometry of subducted slabs is still controversial in north-western Colombia, these authors generally agree that both the Caribbean and Nazca slabs are subducting under the South American Plate, the former with a low angle in an ESE to SE direction, and the latter with a high angle in an ESE direction. Somewhere North of 5°N, these two subducting plates overlap.

In the convergence zone between these three major plates, three distinct blocks, the Chocó-Panamá, North Andes, and Maracaibo blocks are moving and being deformed in order to accommodate the resulting stress, (Fig. 13). The Chocó-Panamá Block ('CPB') is a volcanic island arc with its associated oceanic crust. It collides into north-west South America in an east to ESE direction, and is limited by the transpressive, sinistral Uramita fault zone to the east and the dextral Istmina fault zone to the south. The latter lies slightly west of, and parallel to the Garrapatas fault, which displays neo-tectonic activity. The onset of the collision is not precisely dated, but it ranges from the Early Miocene to Early Pliocene (Restrepo and Toussaint, 1988; Trenkamp et al., 2002). The CPB does not subduct below South America, therefore, it is considered as a rigid indenter producing a horizontal shortening exceeding 150 km. This collision is considered to be responsible for the latest and major phase of uplift in the Colombian Andes which corresponds to the Andean tectonic phase in part forming and modifying the three cordilleras (Taboada et al., 2000; Cortes et al., 2005).

The North Andes Block corresponds to the highly deformed portion of territory between three major tectonic plates and the CPB (Fig. 13). South of 4°N, it is limited westwards by the trench where the Nazca plate subducts beneath the South American Plate, whereas to the north, it is bounded in the west by the southern and eastern limits of the CPB. Its eastern limit corresponds to the Santa Marta-Bucaramanga Fault ('SMBF') and the Eastern Frontal Fault System ('EFFS'), which borders the eastern foothills of the Eastern Cordillera. South of 3.5°N, the eastern boundary of the North Andean Block changes strike from SSW to south-west along the Algeciras transpressive dextral fault system ('AFS'). The latter is located slightly west of the EFFS and continues south-west down to the Gulf of Guayaquil in Ecuador. To the south, this block has a triangular shape and is squeezed between the Nazca and South American plates. This implies transpressive dextral kinematics of the EFFS and AFS, however, recent studies suggest that since the onset of the Andean tectonic phase, the part of the North Andes Block north of 4–5°N is undergoing shortening in a direction perpendicular to the main fault trends rather than through dextral transpression. Thus, although the main faults displayed transpressive dextral kinematics before Mio-Pliocene times, the latter was converted into thrusting following the onset of the convergence of North and South Americas and the subsequent indentation of the Chocó-Panamá Block (Cortes et al., 2005).

Cediel et al. (2003) compiled and identified more than 30 distinct litho-tectonic and morphostructural units and their bounding suture and fault systems. The Northern Andean Block is simplified into five tectonic realms that share internal genetic histories, viz., from West to East, the Western Tectonic Realm, Central Continental Subplate Realm, wherein is situated the San Lucas Serrania terrain ''Sl", Maracaibo Subplate Realm, Guajira-Falcon Composite Terrane (northern Colombia), and Guiana Shield Realm. The Guiana Precambrian Shield forms the basement beneath most of eastern and central Colombia and is characterised by high-grade metamorphic granulites. The Maracaibo Subplate Realm is the northwesternmost portion of the Guiana Shield. The Western Tectonic Realm contains lithotectonic units with fragments of the Pacific oceanic plateaux, aseismic ridges, intraoceanic island arcs and/or ophiolite. It correlates approximately with the physiographic Western Cordillera.

The Central Continental Subplate (CCSP) occupies a wedge between the Guiana Shield to the East, the oceanic Western Tectonic Realm to the West and the Maracaibo Subplate Realm to the North (Cediel et al., 2003). It is a compositionally heterogeneous lithotectonic realm with allochthonous and parautochthonous Precambrian and Palaeozoic components, and forms parts of the Central Cordillera, (San Lucas and Ibague blocks and the Cajamarca-Valdivia Terrain ('CA-VA'), the Magdelena Depression, and the Eastern Cordillera. The oldest portion of the CCSP is the Chicamocha terrane, a Precambrian allochthon welded to the Guiana Shield. Palæozoic to Recent events affecting the CCSP include the Pre-Andean, Ordo-Silurian, and Mesozoic-Cenozoic Orogenies, with the latter noted for regional scale transpression, collision and magmatism during the North Andean Orogeny. The Project area is located within the CCSP, North of Ibagué, within the CA-VA. See figure 14, below.

The Cajamarca-Valdivia terrane comprises the Valdivia, Cajamarca and Ayura-Montebello groups, and is composed of greenschist to lower amphibolite metamorphic grade pelitic and graphite-bearing schists, amphibolites, intrusive rocks, and rocks of ophiolitic origin. Geochemical analyses indicate these rocks are of intraoceanic-arc and continental-margin affinity (Restrepo-Pace, 1992). They form a parautochthonous accretionary prism of Ordovician-Silurian age, sutured to the Chicamocha terrane in the north and directly to the Guiana Shield in the south, along the Palestina and Cosanga fault systems. (Cediel et al., 2003).

The Triassic-Jurassic San Lucas and Ibague´ blocks form a discontinuous belt along this Chicamocha–Cajamarca-Valdivia suture. They are dominated by composite metaluminous, calc-alkaline, dioritic through granodioritic batholiths and associated volcanic rocks, generated on a modified continental basement composed of the Chicamocha and Cajamarca-Valdivia terranes.

Figure 14 Tectonic Realms, from Cediel et al., 2003

The property (Red Dot), lies within the Cajamarca-Valdivia ('CA-VA') terrane, part of the 'CCSP', the Central Continental Sub-Plate Realm, comprising the CA-VA, EC, CR, sl and Ib tectonic realms.

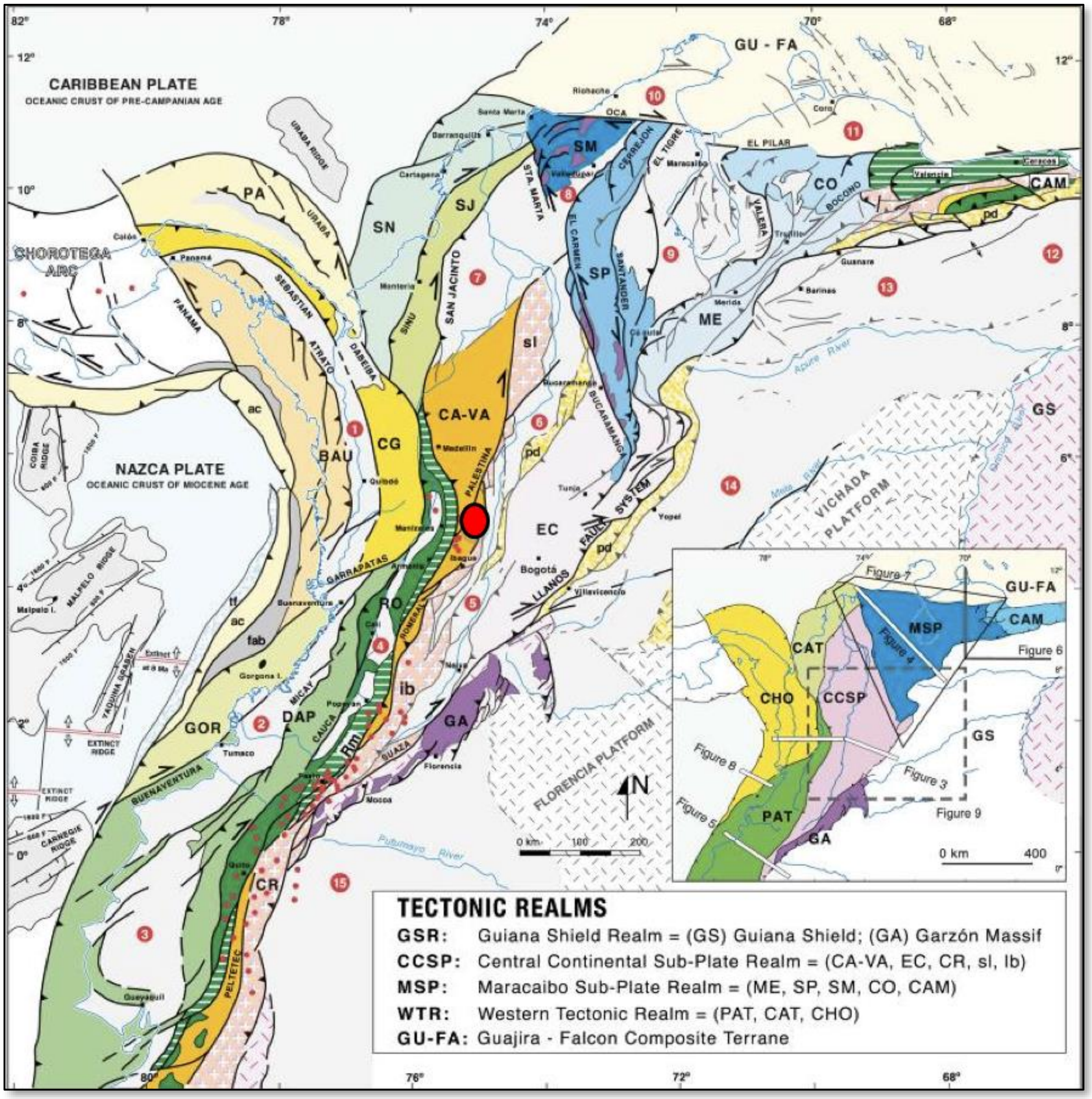
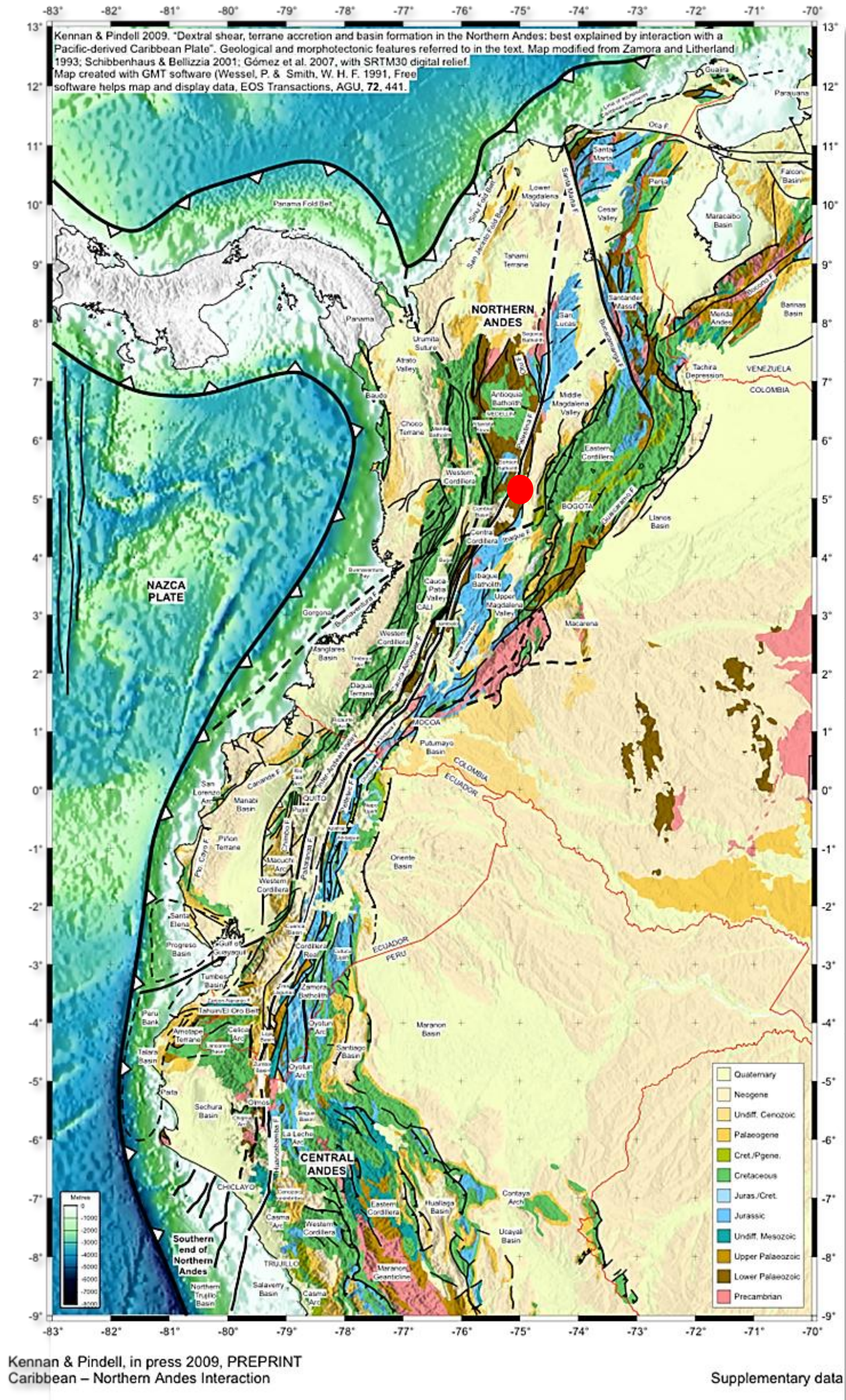


Figure 6. Lithotectonic and morphostructural map of north-western South America. GS = Guiana Shield; GA = Garzon massif; SP = Santander massif–Serrania de Perija ; ME = Sierra de Merida; SM = Sierra Nevada de Santa Marta; EC =Eastern Cordillera; CO = Carora basin; CR = Cordillera Real; CA-VA = Cajamarca-Valdivia terrane; sl = San Lucas block; ib =Ibague block; RO = Romeral terrane; DAP = Dagua-Pinon terrane; GOR = Gorgona terrane; CG = Canas Gordas terrane; BAU = Baudo terrane; PA = Panama terrane; SJ = San Jacinto terrane; SN = Sinu terrane; GU-FA = Guajira-Falcon terrane; CAM = Caribbean Mountain terrane; Rm = Romeral melange; fab = fore arc basin; ac = accretionary prism; tf = trench fill; pd = piedmonte; 1 = Atrato (Choco) basin; 2 = Tumaco basin; 3 = Manabı basin; 4 = Cauca-Patia basin; 5 = Upper Magdalena basin; 6 = Middle Magdalena basin; 7 = Lower Magdalena basin; 8 = Cesar-Rancherıa basin; 9 = Maracaibo basin; 10 = Guajira basin; 11 = Falcon basin; 12 = Guarico basin; 13 = Barinas basin; 14 = Llanos basin; 15 = Putumayo- Napo basin; Additional Symbols: PALESTINA = fault/suture system; red dot = Pliocene-Pleistocene volcano; Bogota´ = town or city. From Cediel et al. (2003).

Figure 15 Northern Andean Geology and Property Location, from Kennan & Pindell, 2009



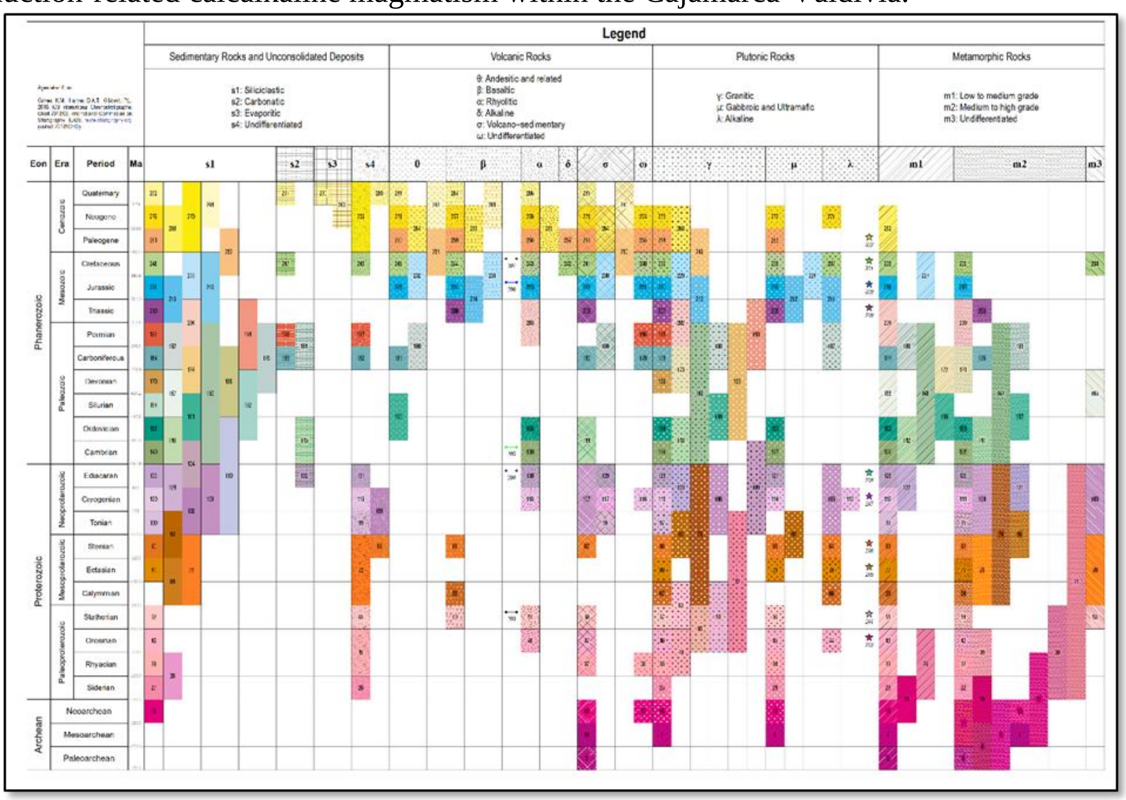
Red dot is approximate location of the property

"The central part of the Central Cordillera comprises igneous and metamorphic rocks affected by a NE-trending system (Palestina Fault), an ENE system (Ibagué Fault), a NW system (Arma Fault) and an arcuate fault system that bounds the cordillera to the west, the Romeral Fault system (Fig.

11). This last system is a suture zone along which oceanic crust collided obliquely with a continental margin, 65–49 Ma ago." (Barrero et al. 1969).

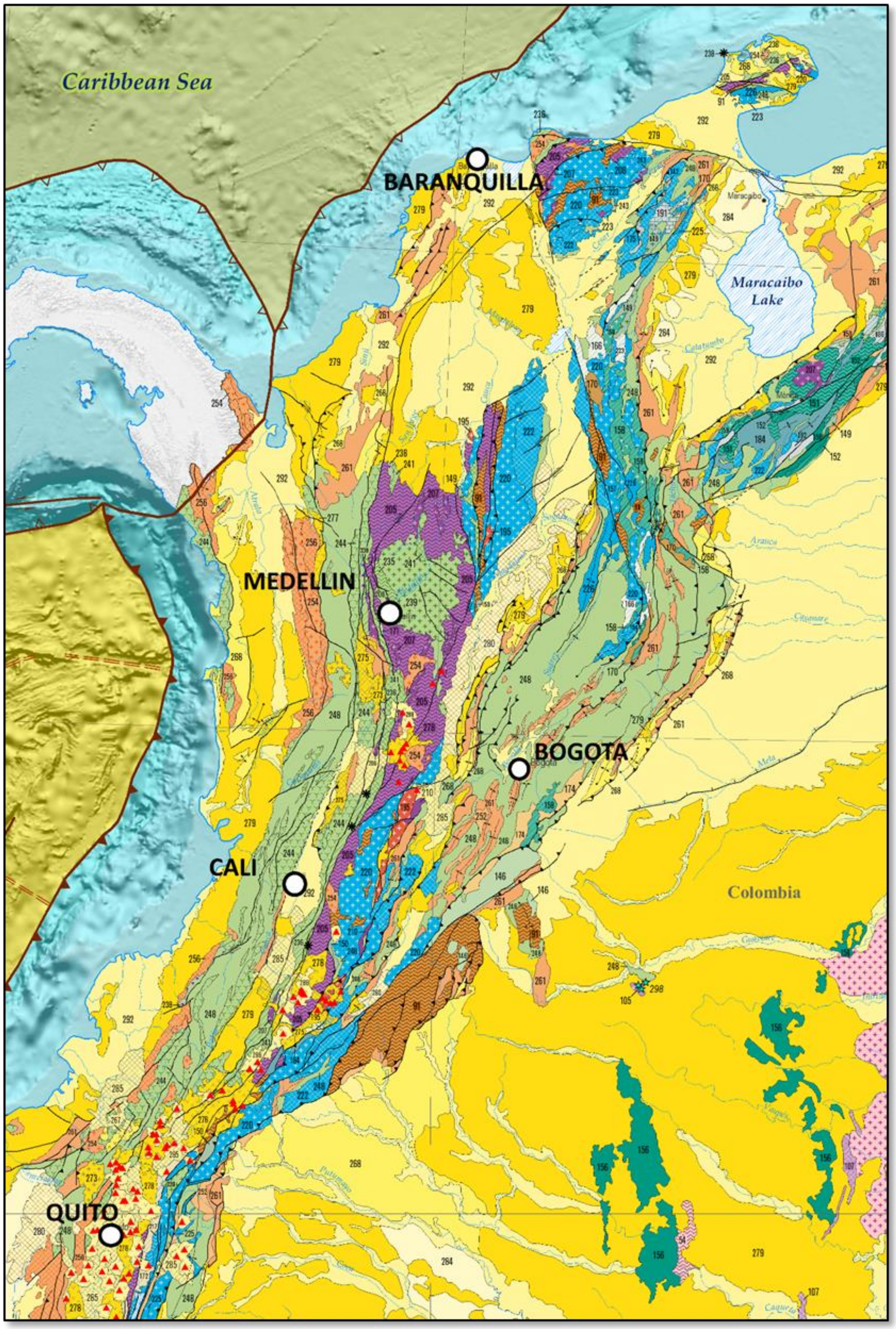
"The Palestina Fault system is a N30°E trending right-lateral zone that cuts through the Central Cordillera (Fig. 10) and is assumed to have developed as a result of the oblique collision of the oceanic crust during the Late Cretaceous (Feininger 1970). Strike-slip deformation along this system, (1) generated the San Lucas Serrania, a transpressive duplex located at the northern end, (2) caused an over-step where dragging and right-lateral displacement of basement faults occurred on the central part, and (3) created oblique right-lateral and normal faults that are active and control the Quaternary magmatism at the southern end of the system (Figs. 11,12). In addition, an analysis of the magmatic rocks in this region during the present study showed that it has migrated from north to south since the Eocene. Similarly, reactivation of NW-trending faults during this time has affected the horsetail structure of the Palestina Fault system and therefore migration of magmatism and reactivation of NW-trending faults is closely related. Hence the emplacement of the volcanic bodies in this part of the Central Cordillera contrasts with that observed at the Colombia–Ecuador border." (Acosta et al, 2007).

Other Mesozoic-Cenozoic activity included Pliocene to Recent Andean-type volcanism, subduction-related calcalkaline magmatism within the Cajamarca-Valdivia.



Source: Legend Geological Map of South America, CGMW, ed. 2019. Map overleaf

Figure 16 North Andes Geology



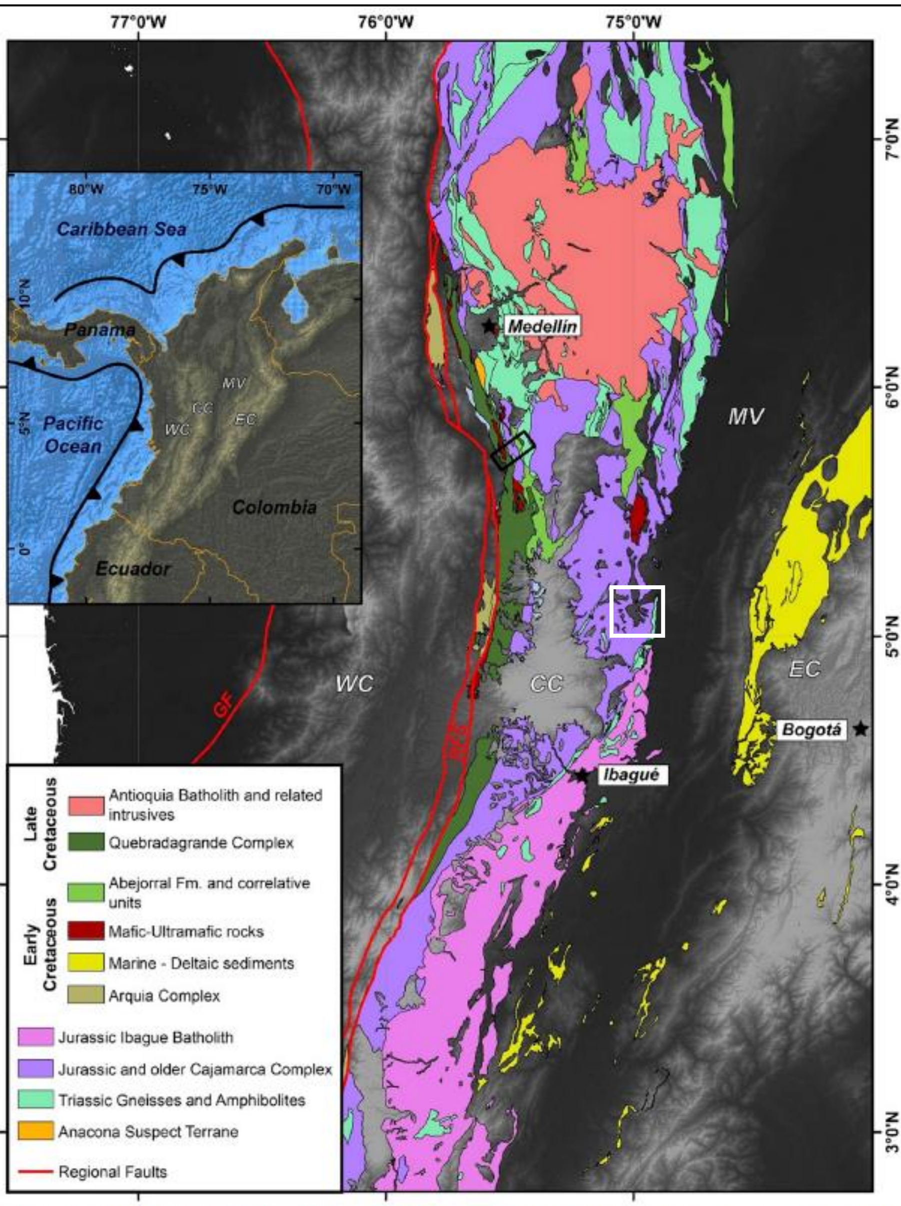


Fig. 1. Regional map showing the main lithostratigraphic domains exposed along the Central Cordillera of Colombia, the southern Magdalena Valley, and western foothills of the Eastern Cordillera. Modified from Gómez-Tapias et al. (2017). GF = Garrapatas Fault, RFS = Romeral Fault System, WC= Western Cordillera, CC= Central Cordillera, EC = Eastern Cordillera, MV = Magdalena Valley. Black rectangle delimitates the study area (Fig. 2).

Figure 17 Regional geology of the Central Cordillera, showing the main lithostratigraphic domains.

From Léon et al, 2019. The Property lies within the white rectangle.

In large part, the Western Cordillera is Jurassic-Late Cretaceous to Miocene in age and consists of oceanic rocks (submarine volcanic rocks and related sills of tholeiitic basaltic composition, overlain by deep-water pelagic and turbiditic sediments). The Central Cordillera is Palæozoic to Miocene in age and consists of continental and oceanic rocks. It contains widespread low-grade metamorphic rocks comprised of shelf sedimentary sequences in the east and volcanic sequences in the west. The Eastern Cordillera is Palæozoic in age and consists of continental rocks such as Jurassic red beds and Cretaceous carbonates and clastic deposits with little metamorphism.

The Cajamarca-Valdivia ('CA-VA') terrane is composed of an association of greenschist through lower-amphibolite metamorphic grade, pelitic and graphite-bearing schists, amphibolites, intrusive rocks and rocks of ophiolitic origin. Geochemical analyses from various external sources, indicate these rocks are of intraoceanic-arc and continental-margin affinity. The CA-VA terrane has been intruded by synkinematic granitoids that are characterised as garnet-bearing, two-mica intrusions displaying peraluminous (S-type) lithogeochemistry, dominated by composite metaluminous, calc-alkaline dioritic through granodioritic batholiths. Associated volcanic rocks were generated on a modified continental basement composed of the Chicamocha and Cajamarca-Valdivia terranes (Cediel et al., 2003).

Figure 18 Generalised transect across Colombia, from Cediel et al., (2003).

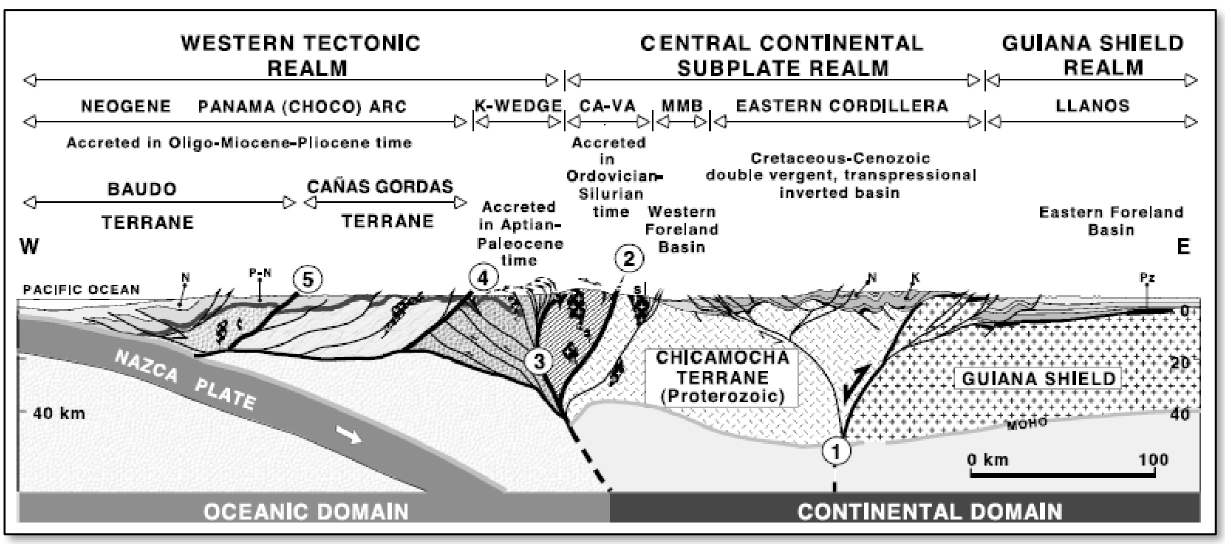


Figure 3. West-east transect across the Colombian Andes. Modified after Restrepo-Pace (in Cediel and Cáceres, 2000). Principal sutures: 1 = Grenville (Orinoco) Santa Marta–Bucaramanga–Suaza faults; 2 = Ordovician-Silurian Palestina fault system; 3 = Aptian Romeral-Peltetec fault system; 4 = Oligocene-Miocene Garrapatas-Dabeiba fault system; 5 = late Miocene Atrato fault system. Abbreviations: K-wedge = Cretaceous wedge; CA-VA = Cajamarca-Valdivia terrane; MMB = Middle Magdalena Basin; sl = San Lucas block; (Meta-)Sedimentary rocks: Pz = Paleozoic; K = Cretaceous; P = Paleogene; N = Neogene.

The property area is located in the 'CA-VA', terrane, which was accreted during early Palæozoic times onto the Proterozoic Chicamocha Terrane (or Chibcha Terrane – see Toussaint and Restrepo, 1988). The block is shown as 'sl' just east of '2', east of the Palestina Fault System.

The above observations and conclusions are derived from work by, amongst others, Restrepo and Toussaint. Previous regional work, dating back to the 90's, complimented by later geochronological work, resulted in broadly similar observations and conclusions, as reported by Restrepo et al., 2011. They re-defined the Central Cordillera into several terranes, with the Tahamí terrane broadly co-incident with the CA-VA terrane, bounded to the west by the Romeral Fault system and to the east, by the Otú-Pericos fault. A Permo-Triassic age for metamorphism of the area, with associated modification of early Palæozoic rocks. Figs 19 and 20, ff., show the areal extent and boundaries.

Cediel et al's work appears to have been largely subordinated by various publications authored or co-authored by J.J. Restrepo., with the CA-VA terrane re-configured as the Tahamí Terrane, which Restrepo and others indicate is composed of 'autochthonous Palæozoic basement rocks and volcano-sedimentary sequences of the deformed and metamorphosed Cajamarca Complex.' Also, meta-intrusive rocks. The property is (still) located within the Tahamí terrane near its eastern margin with the Chicamocha gneisses.. Included in the Tahamí are allochthonous slices of crustal and oceanic material accreted to its western margin. La Colosa porphyry deposit (see e.g. Naranjo et al, 2018), is located in the Tahamí also, some 75 km to the south-west.

The Cajamarca Complex which is underlain by Devonian gneiss, has undergone greenschist to amphibolite facies metamorphism, which in the northern part, north and west of Medellin, is Triassic in age, but in the South, around Ibagué, Late Jurassic. Based on geochronological work on supracrustal and intrusive rocks, Naranjo et al., 2018 report that the differing ages indicate a decrease in age towards the Quebradagrande Complex to the West, with these two complexes having a similar origin but different metamorphic and exhumation history.

In Restrepo at al's thesis, the western boundary of the Tahamí is the Romeral fault, the eastern, the Otú-Pericos fault, with the Palestina fault a later structure. Red = Romeral Fault, Yellow = Otú-Pericos Fault, Green = Tahamí terrane. The Palestina Fault transects the Tahamí terrane, exiting it farther North. See Fig. 19, overleaf. An evolution of their studies 'culminated' with the Restrepo and Toussaint, 2020 update on Colombian geological terranes, published online SGC Special publication wherein is fig. 18, ff. As it pertains to the regional geology in northern and central Bolivar State, the extent of the Chibcha terrane is increased east and north, and the Tahami terrain extended east northeastwards.

The eastern part of the Colombian Central Cordillera (see Maya-Sánchez, 2001; Maya-Sánchez & Vasquez-Arroyave 2001) and most of the Ecuadorian Cordillera Real (see Litherland *et al.* 1994), comprise para-autochthonous terranes with affinity to the basement of the Magdalena Basin. They include Neoproterozoic, Grenvillian gneisses and schists, unmetamorphosed to low-grade metamorphic Palaeozoic sedimentary rocks (Restrepo 1992; Restrepo *et al.* 1997) with a thin Cretaceous cover section comparable to the Colombian Cordillera Oriental and to the foreland East of the Andes. The sequence is intruded by plutons ranging in age from ca. 235 Ma to 160 Ma, latest Triassic to Middle Jurassic. In Colombia, these include the Segovia, San Lucas, Sonsón and Ibagué batholiths (e.g. González 2001; Villagómez *et al.* 2008) and the Abitagua and Zamora plutons of Ecuador (e.g. Litherland *et al.* 1994)

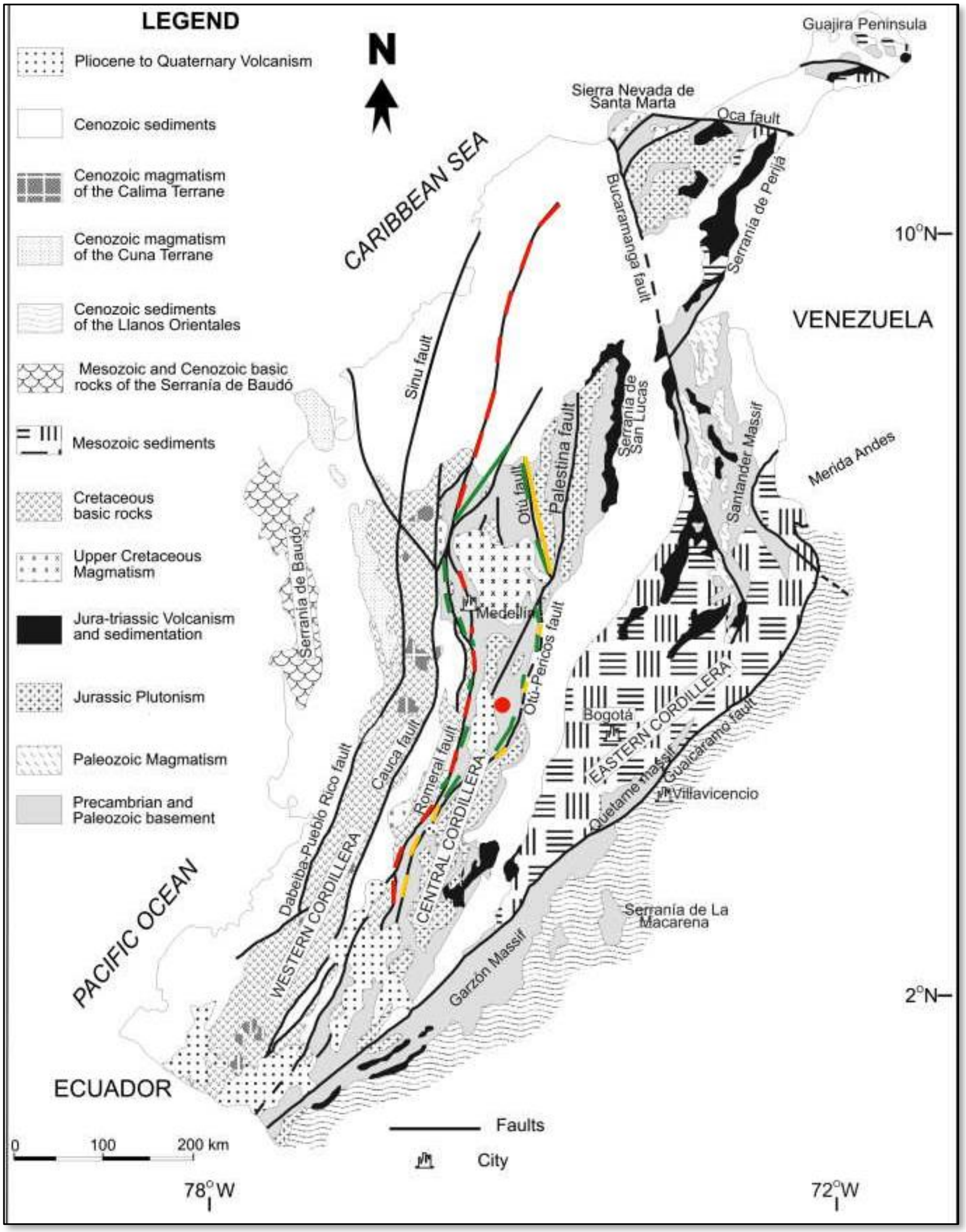
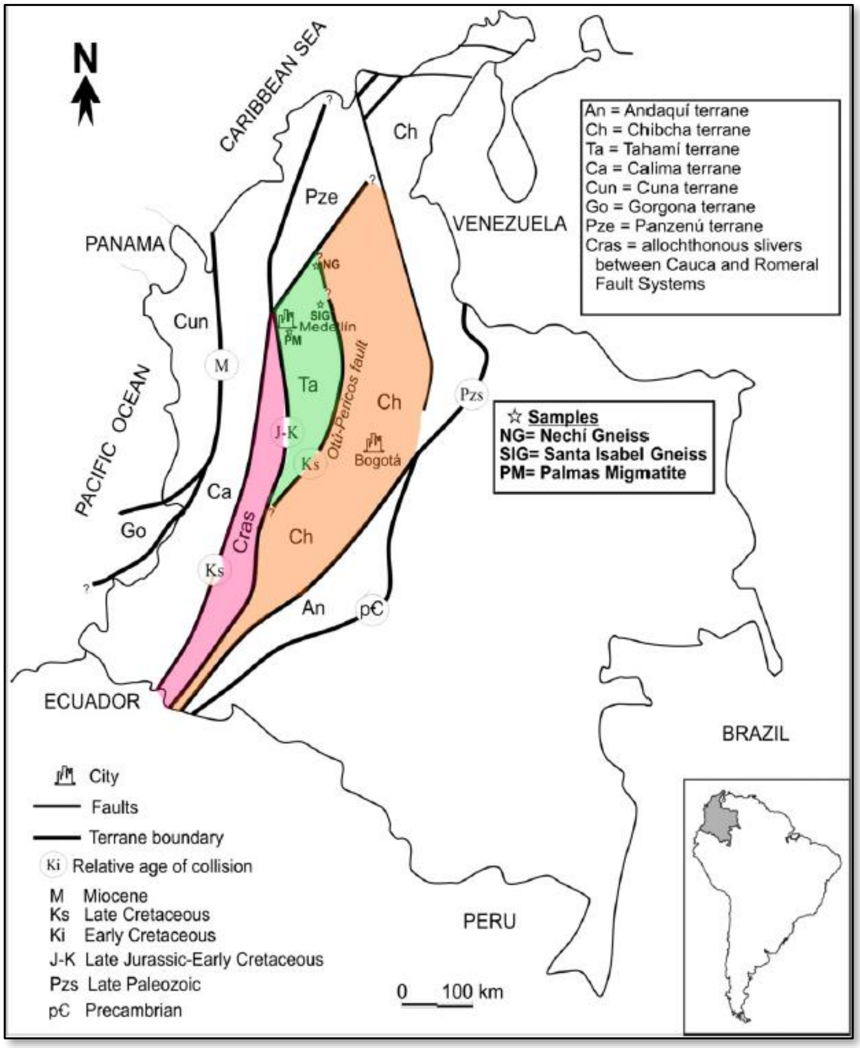


Figure 19 Tahamí terrane
From Restrepo et al., 2011. The Tahamí, green outline, property area, red dot.

Figure 20 Colombian terranes, from Restrepo, 2008, 2011.
(Colombian terranes, from Restrepo, 2008, 2011.)



The Tahamí terrane, 'Ta', (green), with the west adjacent 'Cras terrane', (pink), representing allochthonous, mainly crustal material between two major fault systems, the Cauca and the Romeral (see ff). The north-south trending 'Cras' accreted onto the Tahamí. In fig. 19, prec., it is depicted as a horizontal striped green strip. 'omitted' from the Tahamí, so forming the 'CRAS' terrane, a sequence of allochthonous slivers; otherwise the two regions are broadly similar. To the East is the Chibcha terrane, Grenvillian age metamorphic rocks broadly corresponding with the Chicamocha Terrane, and separated from the Tahamí by the Otú-Pericos fault.

Most recent work by Restrepo and Toussaint (2020), proposed modifications to Colombian geological terranes, recognising recently defined smaller terranes such as the Anacona, Ebélico (ex Quebradagrande), and Pozo (ex Arquía), and new terranes including Yalcón, Bocaná, Aburrá, Kogi, and Tairona. They also proposed a division of the CA-VA/Cajamarca Complex into two new lithochemical units, the Antioquia Complex, which 'covers rocks that formed mostly during Permian and Triassic metamorphism', and the Coello Complex, 'which covers metamorphic rocks that formed during the Jurassic metamorphism. The Coello Complex would cover La Colosa. Note that age dating of Cajamarca Complex units East of Ibagué, returned the oldest deposition dates, which are Triassic, and perhaps more closely 'aligned' with the Antioquia Complex. This built on work published in 2009 (Restrepo et al, 2009), where he divided the Tahamí Terrane into crustal blocks that were metamorphosed at different times, and amalgamated during the late Palaeozoic after continental collision forming Pangea.

Figure 21 Extent of the Chibcha terrane - Cuadros et al., 2014

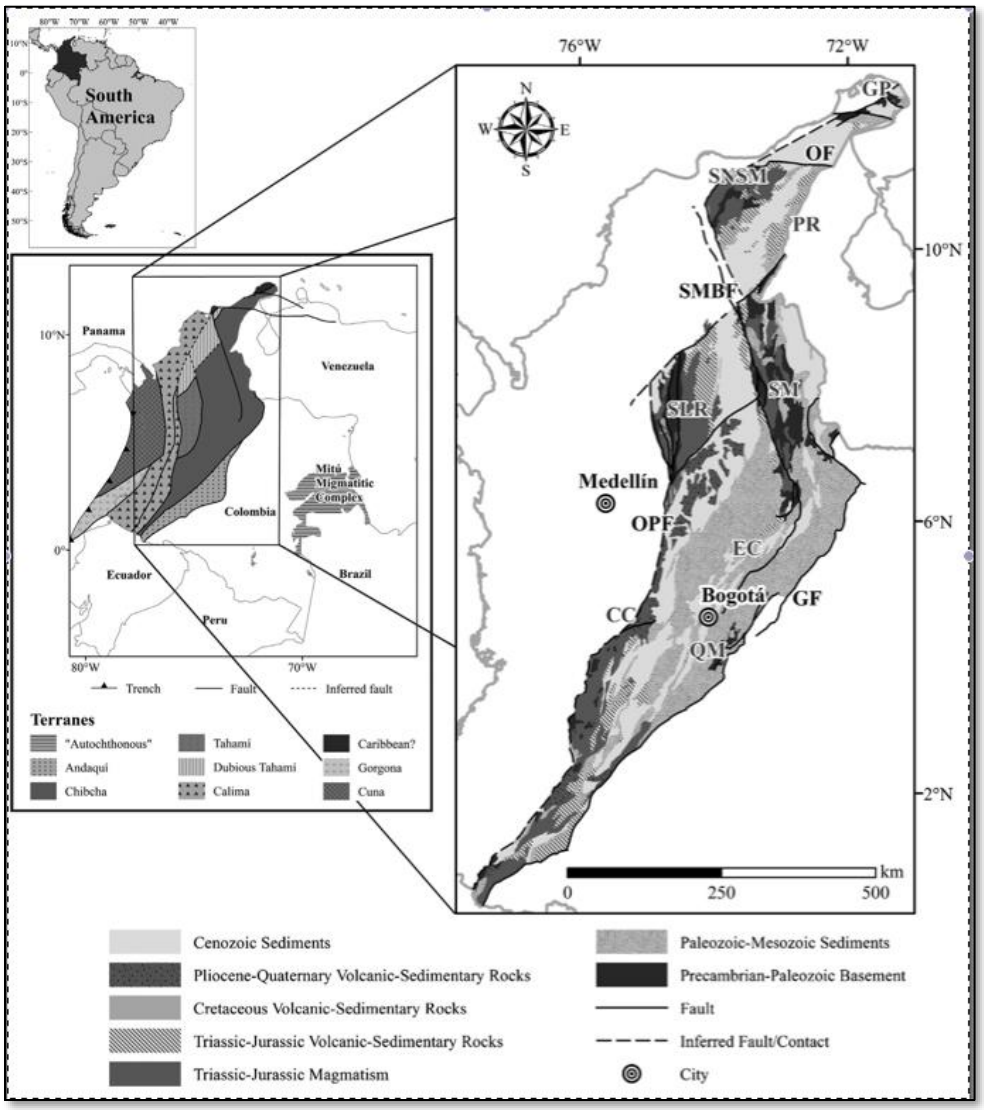


Fig. 1. Geological sketch of the Chibcha Terrane (right). The frame on the left displays the tectonic configuration of suspect terranes in Colombia. Note that country borders and coastlines are not meant to be actual terrane boundaries but rather are drawn in such a fortuitous manner for simplicity. The "Dubious Tahami" blocks can be related to the Panzenú Terrane of Ordóñez-Carmona and Pimentel (2002a). The "Caribbean" blocks in northern Colombia are drawn separately given their distinct geological history related to Cretaceous Caribbean arcs (e.g., Cardona et al., 2010b; Weber et al., 2009). The limits of the Gorgona Terrane are those drawn by Cediel et al. (2003) and Serrano et al. (2011). Modified from Toussaint and Restrepo (1996), Ordóñez-Carmona et al. (2006) and INGEOMINAS (2007). Abbreviations: **GP**: Guajira Peninsula. **SNSM**: Sierra Nevada de Santa Marta. **PR**: Perijá Range. **SM**: Santander Massif. **SLR**: San Lucas Range. **EC**: Eastern Cordillera. **CC**: Central Cordillera. **QM**: Quetame Massif. **OF**: Oca Fault. **SMBF**: Santa Marta-Bucaramanga Fault. **OPF**: Otú-Pericos Fault. **GF**: Guaicáramo Fault.

Figure 22 Geological terranes

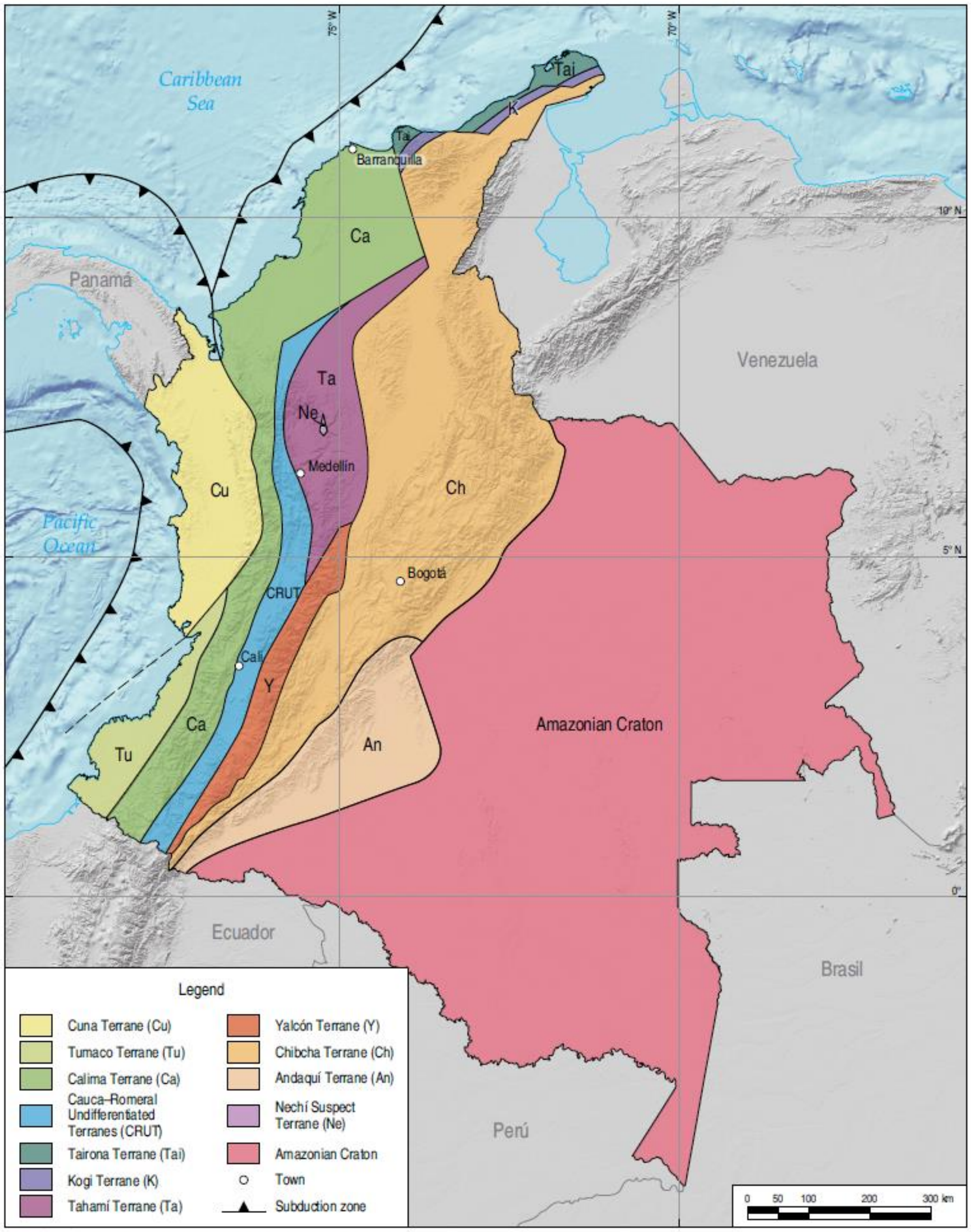


Figure 1. Schematic map of the proposed geologic terranes in Colombia: (An) Andaquí Terrane; (Ch) Chibcha Terrane; (Y) Yalcón Terrane; (Ta) Tahamí Terrane; (K) Kogi Terrane; (Ca) Calima Terrane; (Tu) Tumaco Terrane; (Tai) Tairona Terrane; (Cu) Cuna Terrane; (Ne) Nechí Suspect Terrane; (CRUT) Cauca–Romeral Undifferentiated Terranes: strips formed by smaller continental and oceanic terranes, such as the Pozo (Arquía), Ebéjico (Quebradagrande), and Amagá–Sinifaná terranes, among others.

From Restrepo & Toussaint, 2020

A region noted for gold and silver mineralisation, the Chibcha Terrane is interpreted to represent one of the allochthonous blocks accreted onto the Amazonian Craton. The eastern margin with the Craton is represented by the Guaicáramo system. Accretion of the terrane onto the Craton is suggested as occurring during the Late Palæozoic. These blocks form a discontinuous belt along the Chicamocha–Cajamarca- Valdivia suture, are dominated by composite metaluminous, calc-alkaline, dioritic through granodioritic batholiths and associated volcanic rocks, generated on a modified continental basement composed of the Chicamocha and Cajamarca-Valdivia terranes (Cediel et al, 2003).

Meso-Cenozoic activity is represented by, amongst others, intrusion of the Antioquia batholith during interaction between the Farrallón and Caribbean plates with the north-west part of the South American Plate. This occurred from around 97 to 58 Ma in an arc-like setting. The tectonic setting was initially syn-collisional, then in Eocene times, post-collisional. See, e.g. Duque-Trujillo et al., 2019.

Faulting in the Northern Andes is abundant and complex. Large-scale strike-slip faulting is a major element in the tectonic evolution of the region. The fault pattern in the project area and its surroundings is dominated several major regional lineaments. The Romeral Fault System ('RFS'), which runs through the Northern Andes from Guayaquil, Ecuador to the Caribbean is a SSW-NNE trending fault system representing a major suture and subduction zone accreted onto the CA-VA/Tahamí terrane. This Late Jurassic to Early Cretaceous accretion was oblique, dextral, from the south-west to WSW. Separating the Central and Western Cordilleras, it contains several allochthonous terranes, e.g. Quebradagrande and Arquía which would represent an oceanic arc, a mid-oceanic ridge or an ensialic marginal basin (Mora-Bohórquez et al., 2017).

North-South trending (parallel) lineaments are associated with this (oblique) collision and subduction. Some sections of the RFS remain active today. This melange is loosely termed the Romeral fault zone, Romeral Fault System, or Romeral terrane, ('RFS'), and includes dismembered ophiolites and glaucophane schists. It is bounded to the West by the Cauca fault, where later oceanic and island arc terranes accreted onto the Western Cordillera during the Paleogene and Neogene periods. The eastern margin is less well defined, due to the continuation of parallel structures East to the Otú-Pericos Fault (see below). These later collisional events re-activated the Cauca and Romeral faults, with sinistral and reverse movements. See, e.g. Cediel et al., 2003.

The RFS is a regional Cretaceous anisotropy extending from Guayaquil, Ecuador up to the Caribbean Sea, whereas "non-RFS" faults, are present in the Central Cordillera north of 4.5°N, at the indentation front of the CPB (Chócó-Panamó Block). At a more local, province scale, the RFS is represented by series of parallel to sub-parallel fault segments. Predominantly dextral, between latitudes 4°N and 5°N, its kinematics change from dextral in the South to sinistral in the North (Ego et al., 1995, 1996; Taboada et al., 2000).

A second major lineament is the Otú-Pericos fault, another regional anisotropy with similar strike length to the RFS. Arguably, it defines the boundary between the eastern margin of the CA-VA/Tahamí terrane, and the Proterozoic Chicamocha terrane in its southern and central locations, though its trace in the project area is commonly hidden by Recent cover, in this case sediments in the Magdalena Valley. Several authors define this boundary as the Palestina Fault, which is probably correct in the North of the Andes Block (see Fig. 5), where relationships between the CA-VA/Tahamí and basement are more clearly exposed. In the project area, the Palestina Fault (see ff., cuts the terrane, with similar lithologies on both sides, and so post-dates the Otú-Pericos fault. This latter fault has been the subject of much study farther North, as it and lower order fault sets are responsible for the segmentation and distribution of gold-bearing vein deposits, notably in the Segovia Remédios Mining District. (See, e.g. Galindez, 2013).

The third major lineament is the aforementioned Palestina Fault, located immediately West of the project area, which also has dextral strike-slip movement, evidence of extensive shearing, and mergence to the South with the RFS. It may represent a growth fault off the RFS. The gold and silver-bearing quartz-sulphide veins of the project area are geographically associated with the Palestina Fault System. A north-east to near North-trending, post-Cretaceous fault, and likely related to the collision and accretion of Chócó-Panamó Block, it displaces the Otú-Pericos fault by some 25 km. It traverses the Tahamí terrane, is very much an active feature, and is believed to control the ascent of magma in the Nevado del Ruiz and neighbouring volcanoes with its intersection with the lower order Villa Maria fault, the probable conduit for ascending magma. (González-Garcia et al., 2015).

These estimates suggest a dextral shear rate of *c.* 7–10 km/Ma between forearc terranes and the interior of South American during the earlier latest Cretaceous to Eocene brittle phase. Fault patterns in Colombia suggest that much of this brittle shear passed east of the Antioquia Terrane. The Cauca–Almaguer Fault between Cali and Medellín is dominated by a subduction accretion structural style reflecting east-directed underthrusting of Western Cordillera rocks beneath the Central Cordillera. In contrast, anastomosing patterns of brittle, high-angle faults characterize the Silvia–Pijao and San Jeromino Fault Zones in southern Colombia. North of Armenia (*c.* 4.5°N), this brittle faulting and associated pull-apart basins (the largest is near Manizales) and restraining bend pop-ups swing to the northeast and follow the Palestina and Otú-Pericos faults and other north-south-trending fault strands between Antioquia and the Serranía San Lucas. (Kennan and Pindell, 2003).

Superimposed on these regional features are the effects of the collision of the Chocó-Panamá Block and Nazca Plate during Miocene and later times. Major lineaments, including the RFS were affected, with dislocation by typically ENE trending dextral strike-slip faults.

Following the convergence of South America and North America, which began during the Eocene, the East to ESE directed underplating of the Caribbean Plate below South America led to the collision and indentation of the CPB into the Western Cordillera (Fig. 13). The precise age of this collision is not well defined; it ranges between the Miocene and the Pliocene.

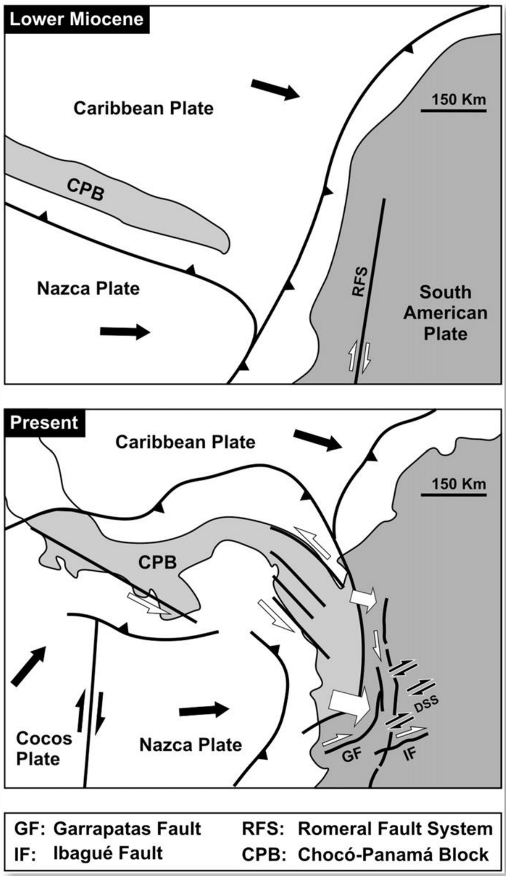


Figure 23 Kinematic Reconstruction

Simplified kinematic reconstruction of the north-western corner of South America from Lower Miocene to present times illustrating the collision of the Chocó-Panamá Block. Following the onset of the collision, the Chocó-Panamá Block bends up instead of subducting. This produces a left-lateral shear zone in eastern Panamá and a right-lateral distributed shear strain (DSS) in the rigid polymetamorphic Central Cordillera of Colombia at the indentation front of the CPB. The pairs of double black half arrows are oriented according to the distributed shear direction. From F. Suter et al (2008).

Suter et al's work demonstrated fairly consistent and often active, right-stepping, en-échelon, dextral strike-slip movements affecting the RFS and localities East, with the RFS perhaps re-oriented, its strike changing from NNE to North, this North of the Ibagué strike slip shear, one of several parallel structures formed during this collisional event (and continuing, with much lower intensity, today). Locally, they form right stepping "en-échelon" systems, crosscutting the Western and Central Cordilleras and appearing to transect all pre-existing structures.

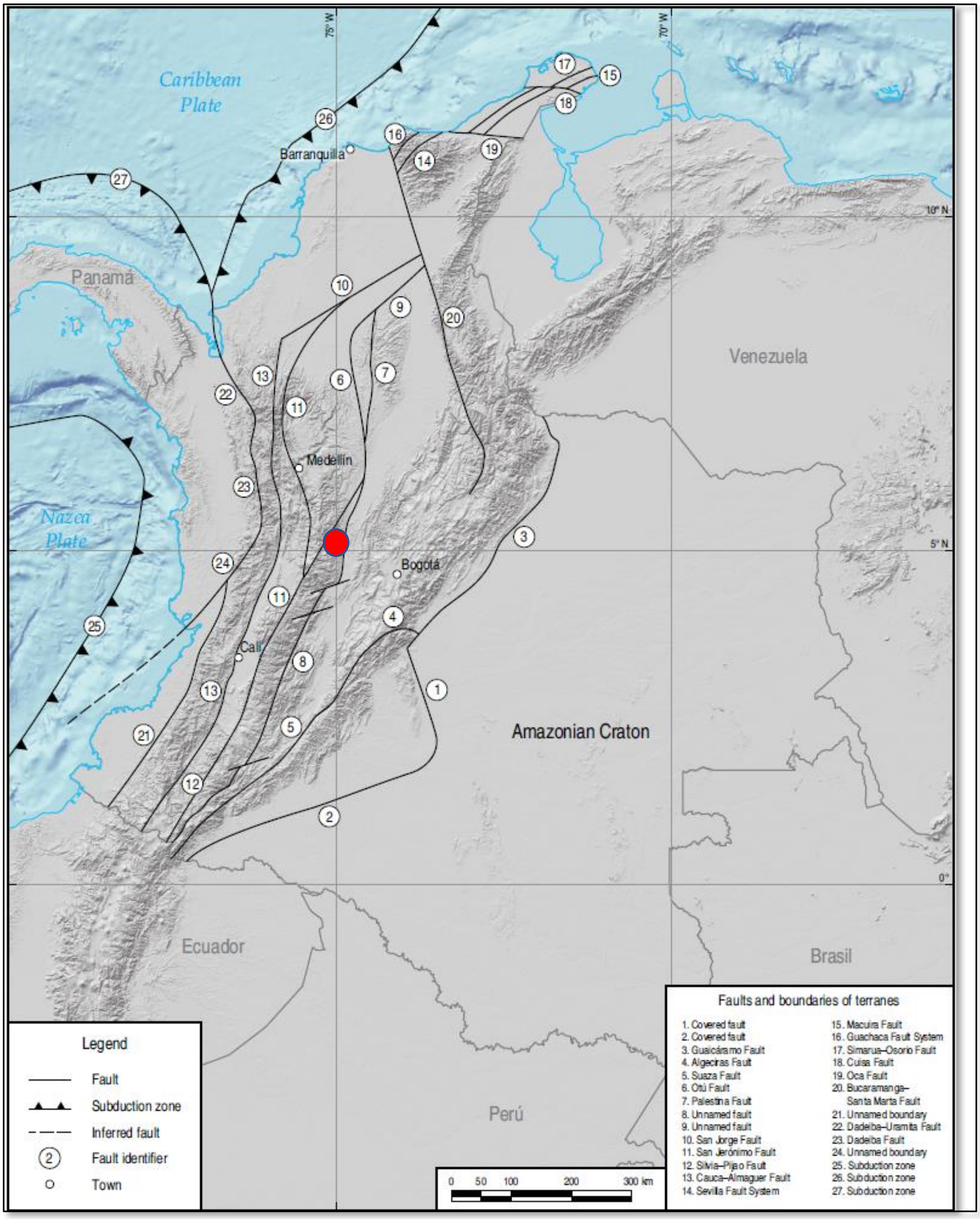
The Ibagué fault is the most documented among the "non-Romeral" faults. Morphotectonically, the Ibagué fault is characterised by a series of "en-échelon" synthetic Riedel shears in the so-called Ibagué Fan. This dextral wrench fault has a strong inverse component and dips northwards with a high angle at the surface and a lower angle at depth. It cuts across the eastern flank of the Central Cordillera, where it shows a 29 km long dextral displacement. As a result of this overall motion, the authors concluded the structures could produce or at least provide conditions for the development of negative flower structures.

The earlier North-South dominant fault/fracture system associated with the RFS and Otú-Pericos faults and its related strain ellipse and Riedel shears, were overprinted by shears and fractures relating to the CPB-Nazca collision. "Paleostress calculations gave a WNW–ESE trending, maximum horizontal stress, and 69% of compressive tensors. The orientation of σ1 is consistent with the orientation of the right-lateral distributed shear strain and the compressive state characterizing the Romeral Fault System in the area: it bisects the synthetic and antithetic Riedels and is (sub)-perpendicular to the active Romeral Fault System." As a result, the RFS became segmented. This shear system was active at least until the Middle Pleistocene and is still active today. Some of the older RFS fault system was in all likelihood re-activated, as Suter et al., suggest, as normal faults.

The RFS was divided into two distinct families; the faults located south of the Ibagué Fault and west of the Quebradanueva Fault (in pink) have a S-SSW – N-NNE strike, whereas the faults located North of the Ibagué Fault (in black) have a north-south strike. The second group of dominant lineaments is a series of ENE to E-ENE striking “Ibagué type” lineaments (in red). Some of these lineaments correspond to faults described in the literature (e.g., the Garrapatas and Ibagué Faults), whereas others are only derived from a digital elevation map, (‘DEM’), and are only inferred, not observed. These represent the most dominant lineament set after the RFS, and are associated with partitioning of the Colombian Andes.

“The present configuration of the North Andes is the result in large part, of several collisional and accretionary episodes dating back to Cretaceous times. “The Colombian Andes are characterized by a dominant NE structural trend, which is offset by ENE-trending right-lateral (dextral) and NW-trending left-lateral (sinistral) structures. NE-trending faults are either dip-slip or oblique thrusts, generated as a result of a transpressive regime active since at least Paleogene times. NW-trending faults are considered to be reactivated pre-Cretaceous extensional structures. Right-lateral (dextral) shear on ENE-trending faults has resulted from oblique convergence between the Nazca Plate and the Northern Andes. Major changes in the geometry of the oblique-plate convergence between the Nazca and South American plates have generated the northward ‘escape’ of the Northern Andes and stress–strain partitioning within the mountain belt. These strike-slip structures have exerted important controls on sedimentation, source-rock distribution, fluid flow and ore mineralisation during Cenozoic times.” See Acosta et al., 2007.

Figure 24 Main Faults in Colombia.



From Restrepo and Toussaint, 2020. The property location shown as red dot.

Major plutons range in age from ca. 235 Ma to 160 Ma, Late Triassic to Middle Jurassic, and include the Segovia, San Lucas, Sonsón and Ibagué batholiths (e.g. González 2001; Villagómez *et al.* 2008) and the Abitagua and Zamora plutons of Ecuador (e.g. Litherland *et al.* 1994). Previously, basement gneisses were intruded by Permian continental arc intrusions leading to deposition of Triassic sedimentary rocks deposited into rift basins and subsequently partially metamorphosed during the late stages of rifting of the western Pangea. This magmatism occurred along the entire length of the Central Cordillera, continuing into the Jurassic and Cretaceous, from ca. 184 Ma to around 145 Ma., with the formation and westward migration of the Early Cretaceous Quebradagrande Arc, its subsequent closure around 117-107 Ma, and accretion onto South America. (Villagómez et al., 2011),

Intrusive activity in the Central Cordillera is dominated by Jurassic plutonic rocks, most relevantly, the Ibagué batholith whose northernmost exposure is six km south of the property. Fig. 22 overleaf, shows the extent of the Jurassic plutonic events within the Central Cordillera, from Ecuador to the Caribbean (from Blanco-Quintero et al., 2014.)

Grenville age rocks are intruded by Lower Jurassic granodiorite batholith and overlain by low metamorphic grade altered Ordo-Silurian sediments, and unmetamorphosed Devonian to Cenozoic age sediments including Early to Middle Jurassic intermediate volcaniclastic rocks.

Meso-Cenozoic activity is represented by, amongst others, intrusion of the Antioquia batholith during the interaction between the Farrallón and Caribbean plates with the north-west part of the South American Plate. This occurred from around 97 to 58 Ma in an arc-like setting. The tectonic setting was initially syn-collisional, then in Eocene times, post-collisional. See, e.g. Duque-Trujillo et al., 2019.

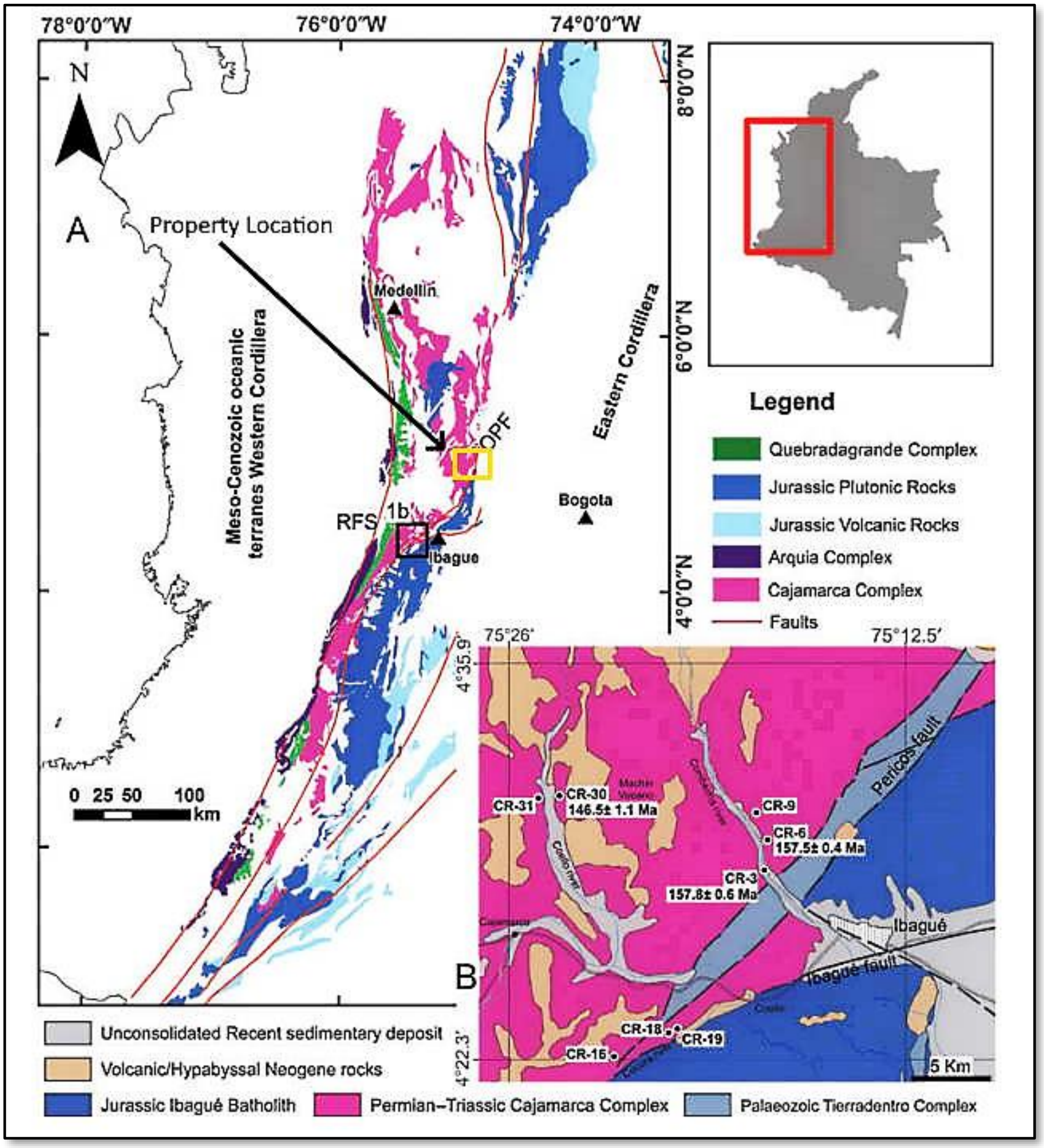


Figure 25 Simplified geology of the Central Cordillera.
Property area covered by yellow rectangle
From Blanco-Quintero et al., 2014 (A) Simplified geological map of Colombia showing the main units of the Central Cordillera. The inset shows the study area. RFS, Romeral fault system; OPF, Otú-Pericos Fault. (B) Geological map of the study area (modified after Núñez Tello 2001) showing the main geological units, with location of sample sites. Approximate location of the property shown as a yellow rectangle. Inset geology image contains several geochronological sample sites, with results.

Figure 26 Colombian Triassic-Jurassic magmatism

Red circle covers the property location area. From Leal-Mejía et al., 2013

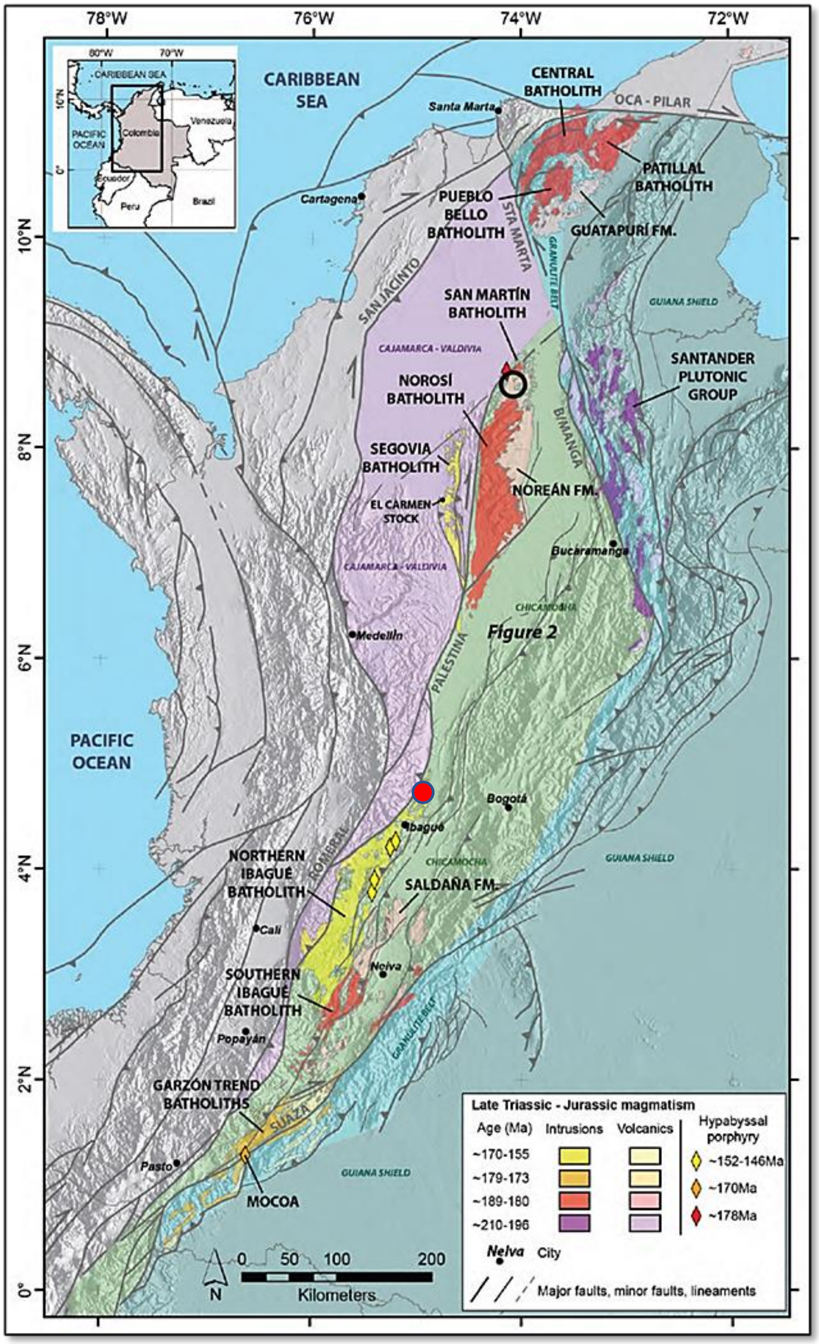
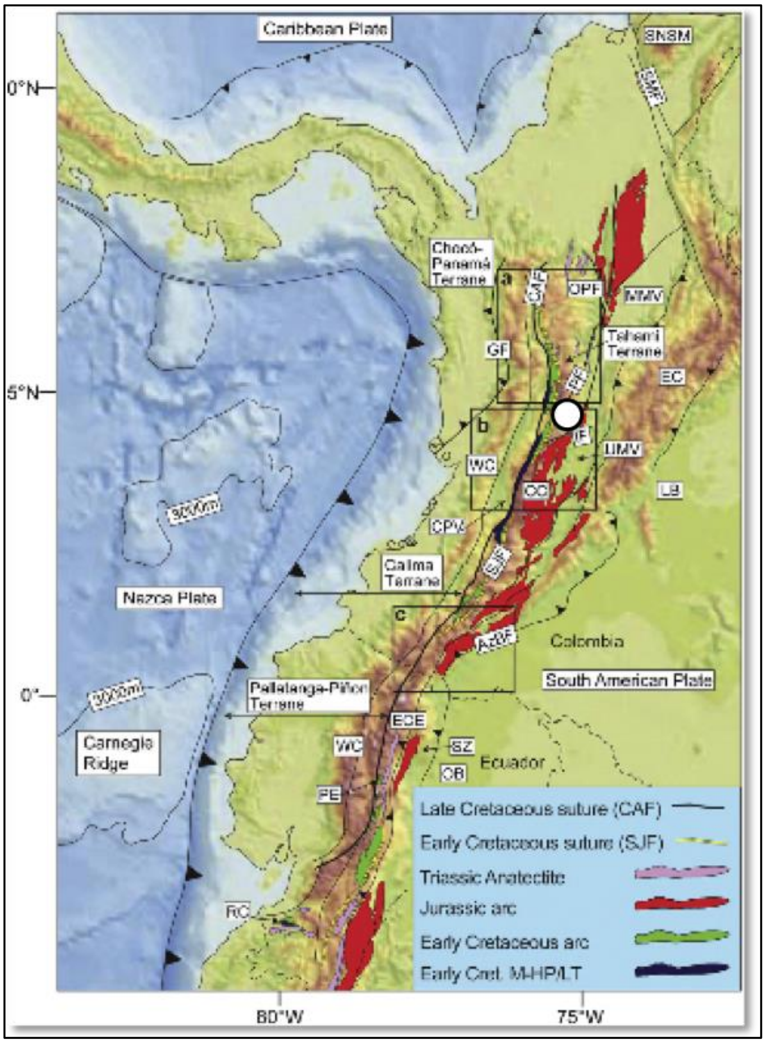


Figure 27 Jurassic arc extent, Colombia



The Late Jurassic metamorphism is related to the collision of oceanic supracrustal sequences in a fore-arc/volcanic arc environment at the active western margin of Gondwanaland, rather than as was pre-supposed, the result of metamorphism related to the intrusion of the Jurassic Ibagué batholith. See Blanco-Quintero et al, 2014.

This shows the main cordilleras, faults and the subducting Carnegie Ridge (background model from Gómez et al., 2007). Cretaceous sutures are shown as thick black and yellow lines, and the three sample regions (a, b and c) are highlighted (Fig. 2). Major rock sequences of the Central Cordillera (Colombia) and Eastern Cordillera (Ecuador) are shown. AzBF: Amazon Border Fault, CAF: Cauca–Almaguer Fault, CC: Central Cordillera, CPV: Cauca–Patía Valley, EC: Eastern Cordillera, ECE: Eastern Cordillera Ecuador, GF: Garrapatas Fault, IF: Ibagué Fault; LB: Llanos Basin, MMV: Middle Magdalena Valley Basin, OB: Oriente Basin, OPF: Otú–Pericos Fault, PE: Peltetec Unit, PF: Palestina Fault, RC: Raspas Complex, SJF: San-Jeronimo Fault, SMF: Santa Marta–Bucaramanga Fault, SNSM: Sierra Nevada de Santa Marta, SZ: Sub-Andean Zone (Ecuador), UMV: Upper Magdalena Valley Basin, WC: Western Cordillera. (Villagómez and Spikings, 2013).

On a semi-regional scale, Fig. 28, from Acosta et al., 2007 a digital elevation map and juxtaposed, lineaments with a red rectangle showing property location.

Figure 28 Regional Lineaments with DEM

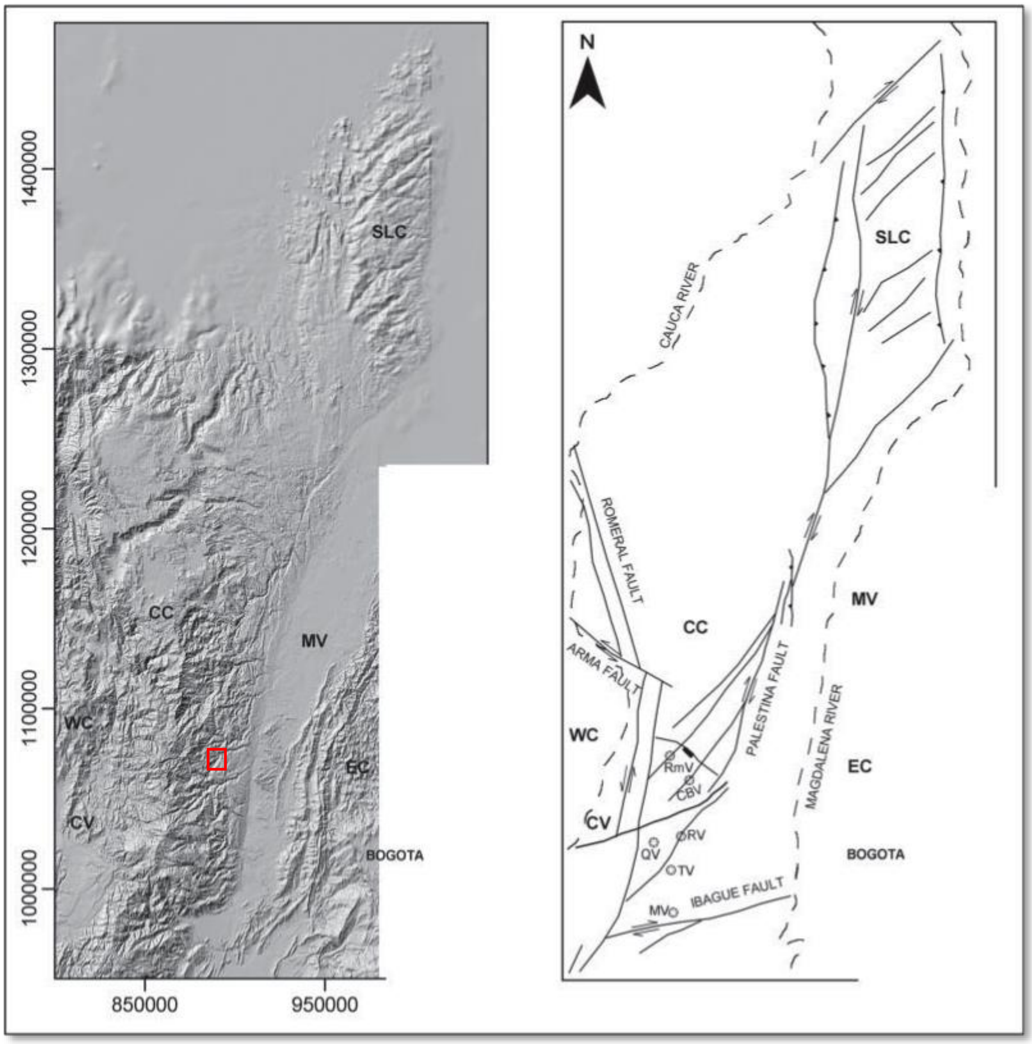
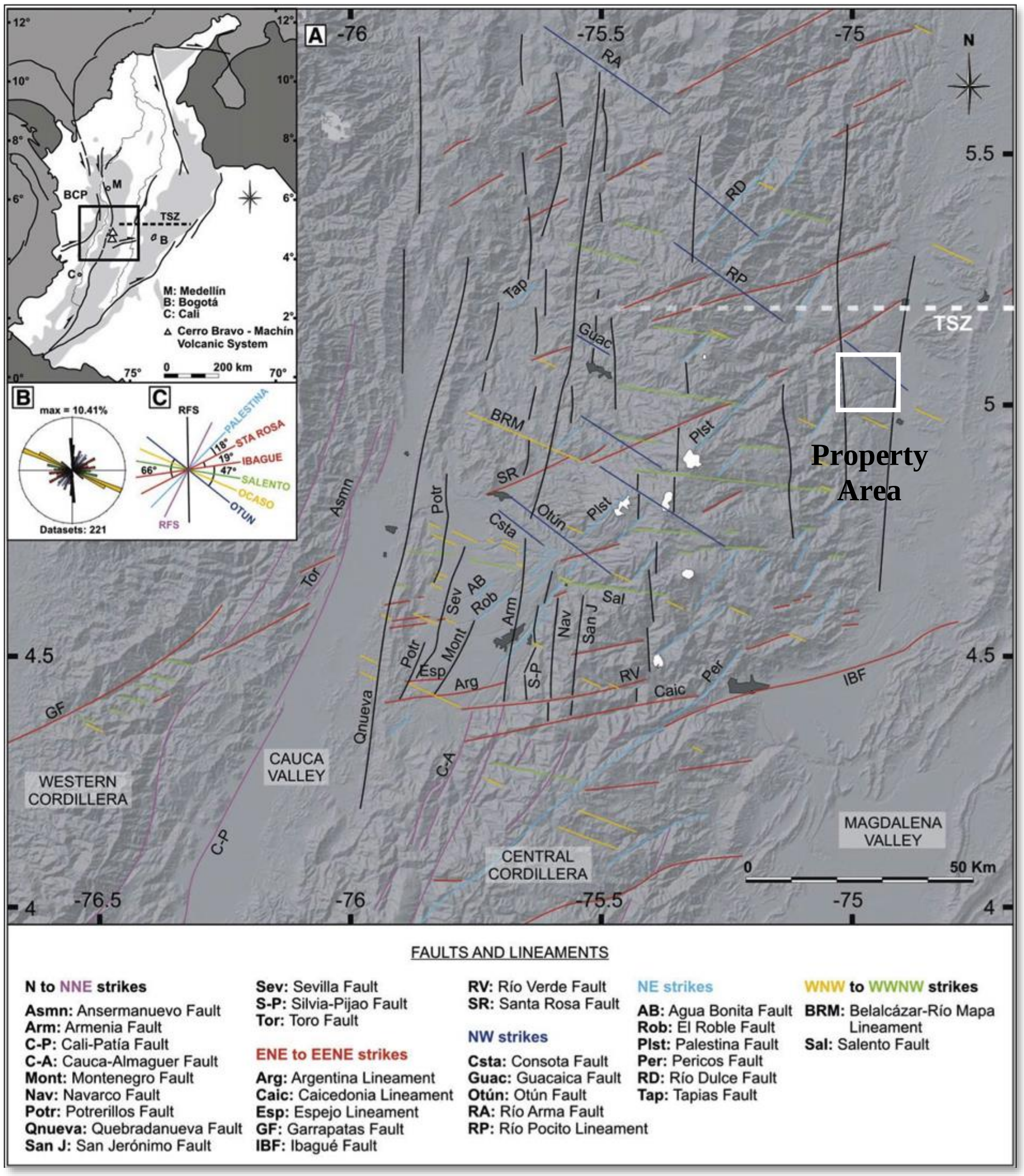


Fig. 5. DEM and map of main faults and volcanos of the Central Cordillera (CC) and Middle Magdalena Valley (MV). SLC, San Lucas Serranía; RmV Romerales Volcano; CBV, Cerro Bravo Volcano; RV, Ruiz Volcano; QV, Quindio Volcano; TV, Tolima Volcano; MV, Machin Volcano; WC, Western Cordillera; CV, Cauca Valley; EC. Eastern Cordillera.

The red rectangle covers approximately the Falan Title area. Note the well-developed ENE trending dextral strike-slip faults and antithetic, sinistral WNW trending lineaments – the latter are normal faults, observed as right-stepping escarpments on and around the property, superimposed on an overall north-south lithological trend and structural fabric within the Cajamarca Complex.

Overleaf, **fig. 29**, property scale major lineaments below shows the RFS-related faults in mauve, later "Ibagué-type" lineaments, in red, and older, Palestina lineaments in blue. This highlights the re-orientation of the RFS and development of key (mineralised) lineaments in the region

Figure 29 Regional Lineaments II



The Principal lineaments are grouped into families according to their strike. Those corresponding to published faults are named as well as the lineaments mentioned in the text. B: Quantity-dependent rose-diagram illustrating the strikes of each family. Their average strike is simplified in C. TSZ = Transform Shear Zone. After Taboada et al. (2000), from F. Suter et al (2008).

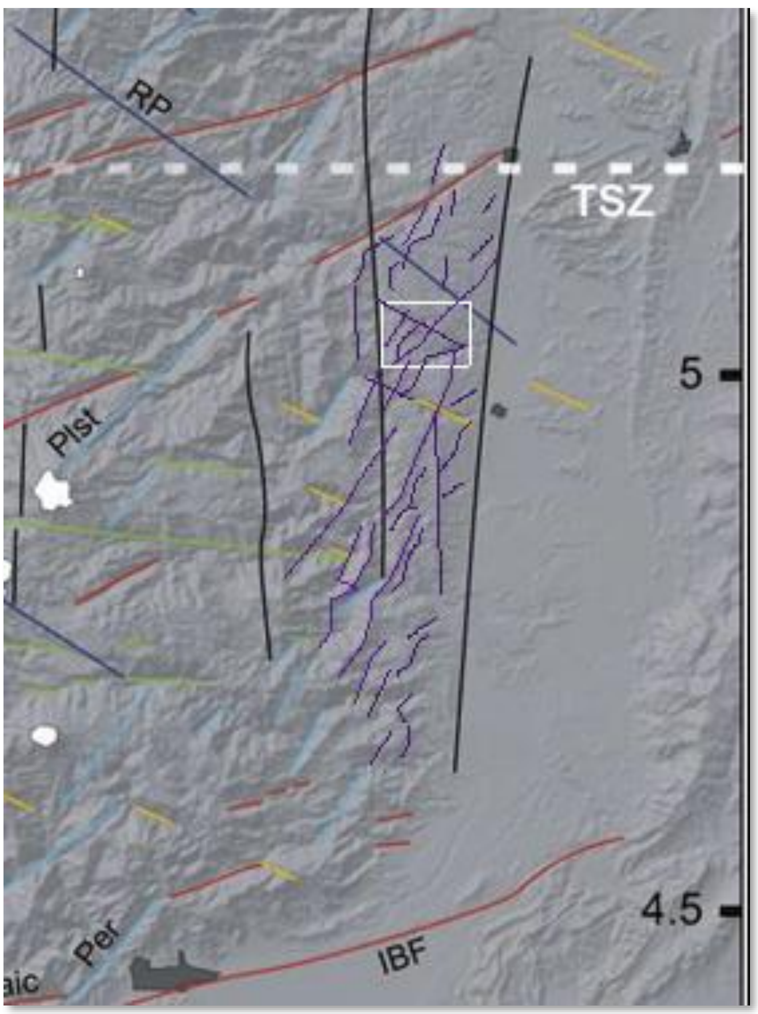
“1) The Palestina fault crosses the Central Cordillera in a NE direction from the north-eastern end of the Quindío-Risaralda Fan. It passes through the Nevado del Ruiz volcano and bends towards the North in a NNE direction. It is made of several parallel and/or aligned segments. North of the

Ibagué fault, numerous faults and lineaments with a similar strike are present (e.g., the Río Dulce, Río Roble, Agua Bonita, Tapias and Pericos faults).

“2) The Salento fault is dextral with a normal component. There are numerous lineaments with the same orientation in the Central Cordillera North of the Ibagué fault.

“3) The Otún trend is made up of numerous lineaments in the Central Cordillera North of the Ibagué fault. Some of these lineaments are observed faults (dark blue ones in Fig. 5). Their sense of shear is possibly dextral. Finally, numerous WNW to W-WNW relatively short lineaments could be observed on the DEM (in yellow, Fig. 5 – [Fig. 10 below]). They are not described in the published literature and are called “Ocaso” type.”

Figure 30 Modified Interp. of Fig. 29



Showing major lineaments transecting property area (white) shown in purple.

These north-easterly trending lineaments would be associated with the Pericos fault ‘set’ shown previously, one contemporaneous with the Palestina (‘Plst’ or PFS). They display modification by the more northerly trending RFS (black), with dextral displacement or alignment into the RFS overall geometry.

This overall trend controls major vein distribution and orientation on the HFL-151 property (see below, ‘Property Geology’).

A dextral shear system with sigma one ESE-WSW would provide fracture and Riedel orientations as presented by these same authors, shown below, fig. 31 There is no consideration of any modification of the pre-existing regional strain geometry produced by the RFS, or any variations in intensity for either régimes. Suter et al, 2008, suggest waning intensity northwards to explain the diminution of ‘non-RFS’ (latest collision features), and the apparent preservation of more northerly oriented fault planes, coupled with a strain migration. Title HF-151 would lie in the southern-central region, dominated by non-RFS fractures). The author has not ground investigated this hypothesis.

Figure 31 Rose diagrams for regional faults

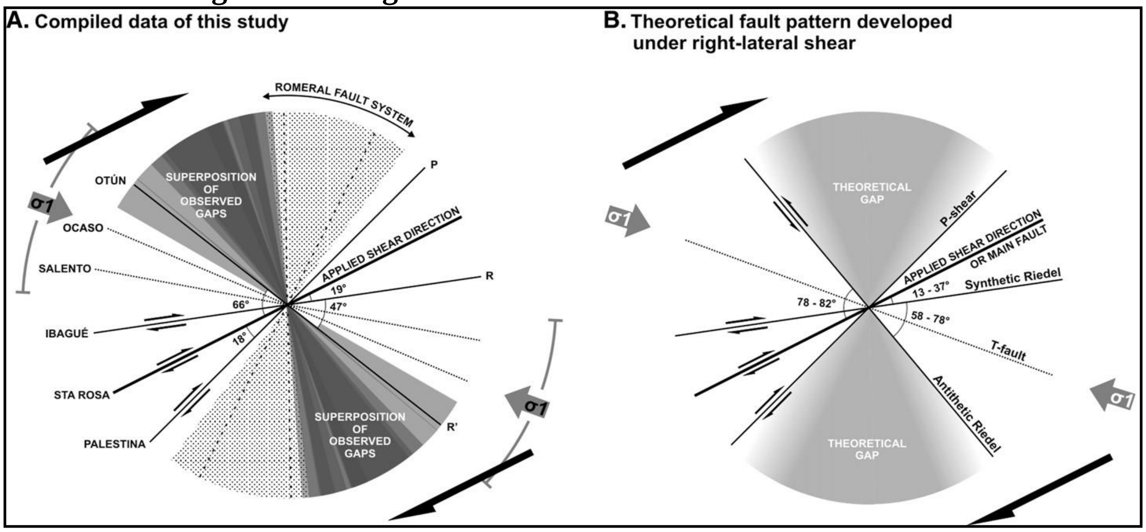
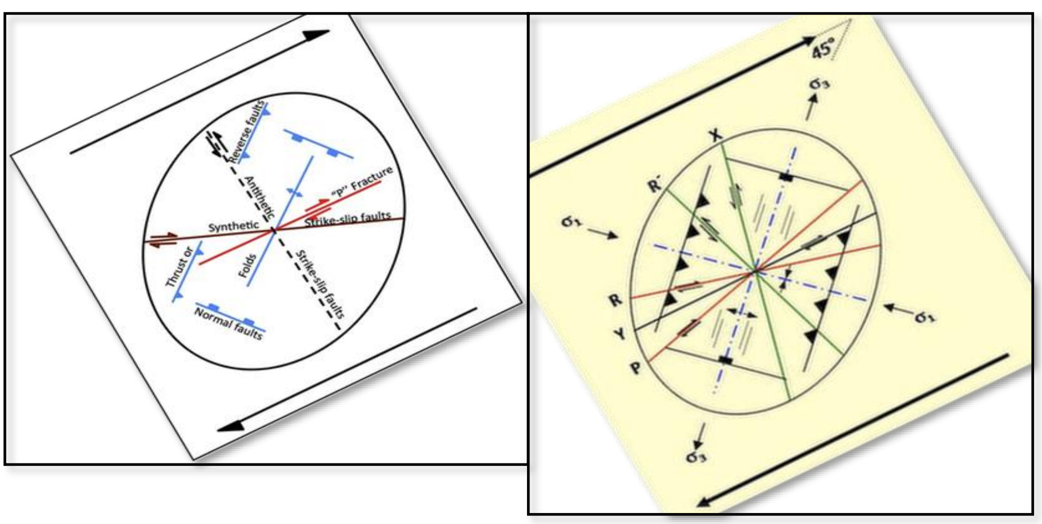


Fig. 11. Summary of rose-diagrams obtained for the fault systems and comparison with the theoretical fault pattern developed under right-lateral shear. A) The gaps of the rose-diagrams obtained for the fractures, lineaments and faults, at each scale and in each lithology, have been stacked with some degree of transparency in order to evidence their main angular range. The grey arrows show the direction of the maximum horizontal stress (σ1) obtained by the inversion methods. B) Classical angular organisation of Riedel shears in a right-lateral shear system (after Tchalenko (1970), Harding (1974), Hancock (1985), An and Sammis (1996), Schreurs and Colletta (2002), Schreurs (2003)). If one adds the observed gaps with the Romeral Fault interval, the resulting angular range corresponds to the theoretical gap existing within a set of Riedel shear fractures in an ENE trending right-lateral shear zone. From F. Suter et al (2008).

Below, fig. 32 - Schematics of dextral strike slip, illustrating principal stress orientations, Riedel fractures/lineaments, strike of thrust planes and reverse faulting as they would pertain to the aforementioned observations. Such orientations are those ‘applied’ by Suter et al. (2008) to demonstrate the nature of faulting in the Ibagué region, *and by inference*, to the North, the Project area.

Figure 32 Regional stress orientations



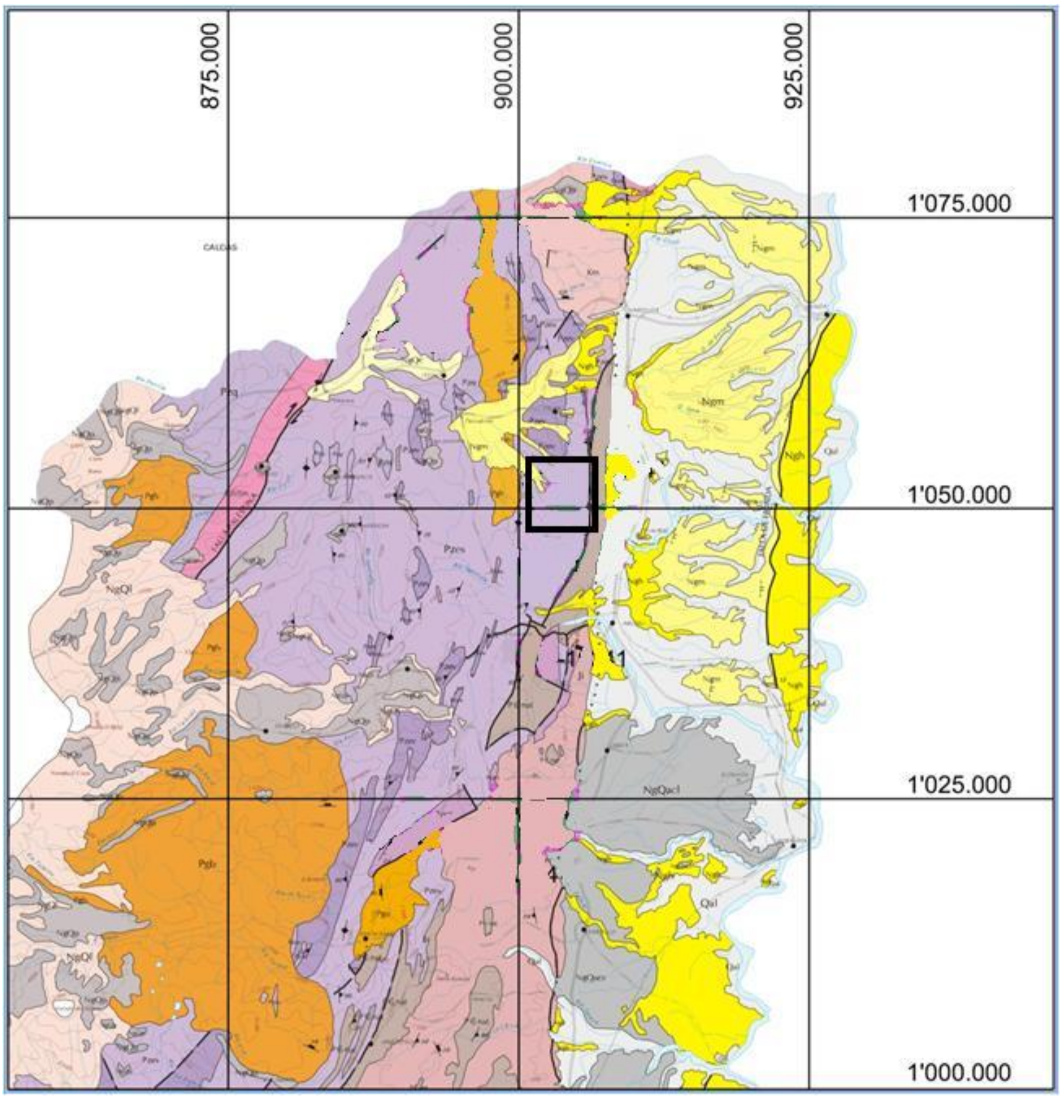
7.2 PROPERTY GEOLOGY

The Title area is located in the Cajamarca Complex, which consists of highly deformed gneisses and schists, meta-intrusions and basement gneisses, overlain by Cenozoic supra-crustal rocks and deposits, and intruded by plutons and stocks of various ages including the Cretaceous – Eocene age El Hatillo and Mariquita stocks. A narrow, north-south trending sequence of Grenvillian gneiss and schist (grey), the Chicamocha gneisses, forms the eastern boundary of the property.

The Complex (mauve) is bounded to the north-west by the Palestina fault and to the East by the Otú-Pericos fault. The East adjacent and younger, North-South trending Mulatos fault, is part of the Magdalena Rift..

Figure 33 Falan Property Location & Regional Geological Setting

Source: Barrero and Vesga, Atlas Geológico de Colombia (Plancha 207), Ingeominas, 2010.



*Approximate Location

LEYENDA GEOLÓGICA

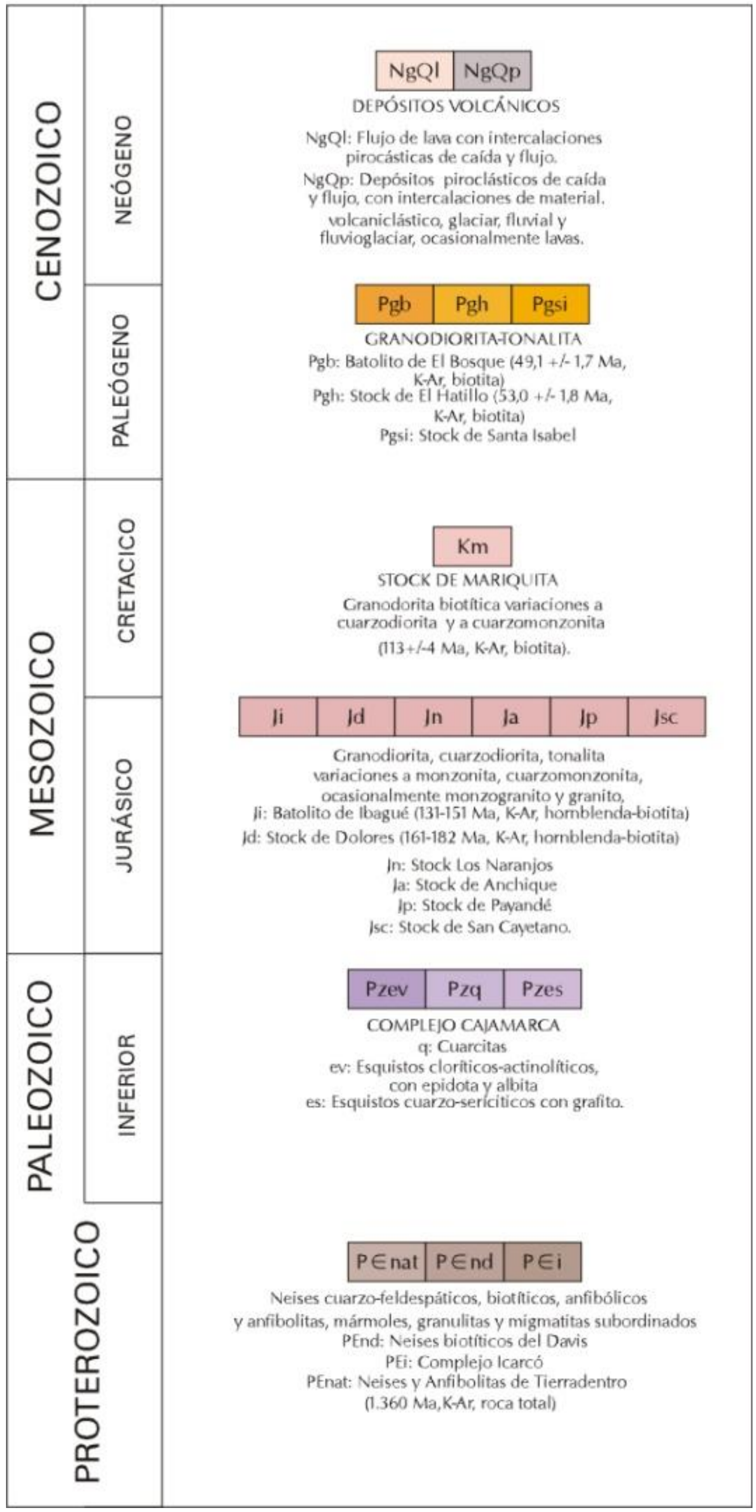
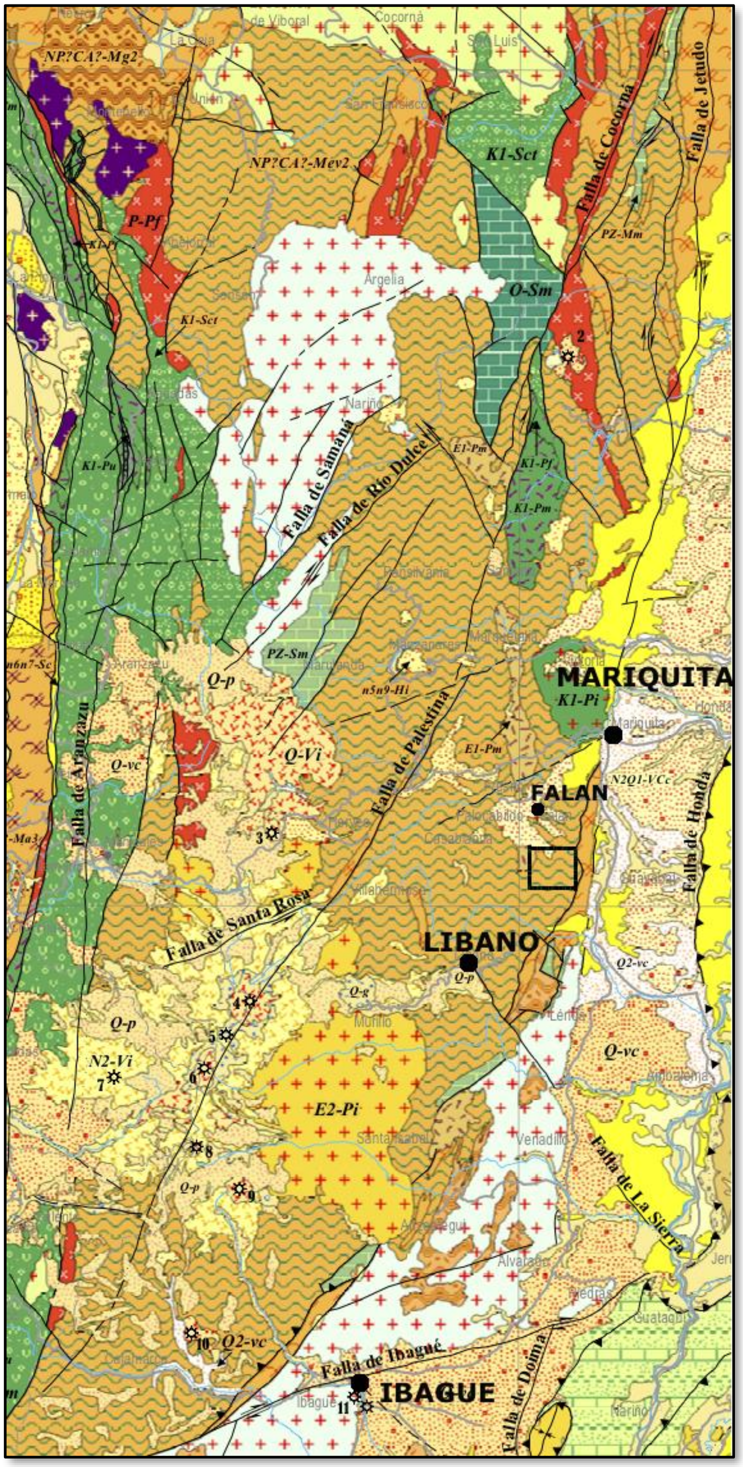
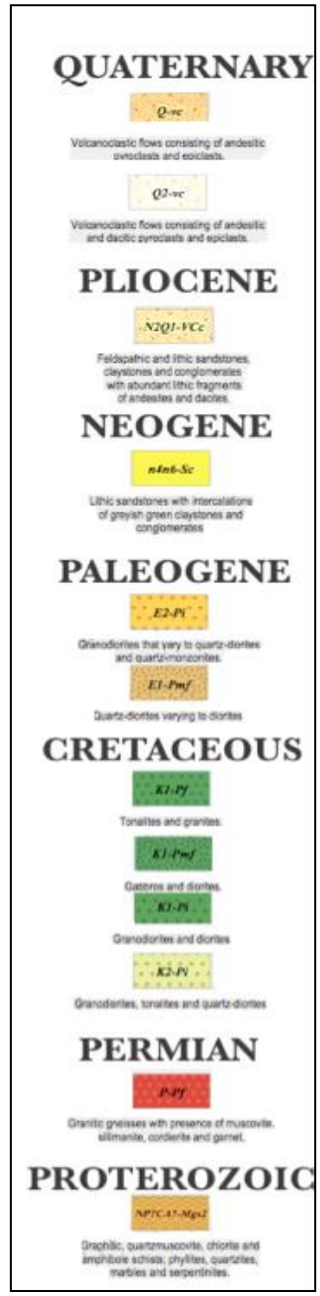


Figure 34 Geology of the Project Area (outlined in black).

From Regional Geology, 100 km scale. (*Source: Ministry of Mines & Energy, Colombia, 2007*.) Title block lies within the black rectangle.





There are no records of any systematic geological work on the property, be it of a research, gubernatorial or industrial/commercial nature. The following information was obtained from various sources with additional material based on observations by the author during his visits to the property.

Chicamocha Gneisses

The oldest rocks recognized in the project area are the Chicamocha Gneisses, though none is known to crop out on the property. Government geology maps indicate the eastern boundary, and east to the regional North-South trending Mulatos fault, is underlain by these Gneisses that are preserved as a north-south trending ‘band’. The rocks comprise deformed migmatites, quartz feldspar gneisses, granulites and marbles (Gomez-Tapias et al, 2007), and represent probable Grenvillian age basement.

Cajamarca Formation (Pzec)

The accreted Cajamarca Formation comprises various metamorphic rocks forming the core of the Central Cordillera. This formation is widely exposed in most of the eastern part of the Central Cordillera. It groups a broad number of different lithologies, all of them affected by low to medium grade regional metamorphism (greenschist to amphibolitic facies).

The vast majority of the property is underlain by the Cajamarca Formation (Schists), that comprises various metamorphic rocks forming the core of the Central Cordillera. This Formation is also exposed in most of the eastern part of the Central Cordillera. It groups a broad number of different rocks, all of them affected by low to medium grade regional metamorphism (greenschist to amphibolitic facies). The Formation underlies the vast majority of the area West of the Mulatos Fault, see fig. 34, above. The most common and widespread rock type within the Cajamarca Formation is a quartz-chloritic schist (quartz-chlorite-albite-epidote, quartz-albite-actinolite, quartz-(feldspar)-sericite, graphitic quartzite and biotitic quartzite). There are also minor occurrences of marbles, amphibolitic schist and amphibolites within the Cajamarca formation. Feininger et al., (1972) suggests that the more quartzitic units occupy the upper members of the stratigraphic sequence.

The original sediments were quartz-rich and locally organic-rich clastic formations, lava flows volcaniclastic rocks and tuff deposits laid down in a marine environment. These were deposited on ?-Grenvillian age crust and later deformed and metamorphosed during Permo-Triassic times, though some researchers consider the first deformational event was the Silo-Devonian ‘Quetame’, cordilleran-type Orogeny. To date, no fossil record has been found to determine a precise age for the Cajamarca Formation. There are some regional radiometric dating studies (K-Ar) suggesting ages ranging from Palæozoic to even the Paleogene due to later modification, e.g. Restrepo and Toussaint (1988), Toussaint (1993) and Toussaint and Restrepo (1994). An allochthonous origin for the Cajamarca formation is also possible (Sarjeant & Hughes, 2013), complicating dating of all deformation events.

Cediel et al. (2003), proposed that the Cajamarca Schist is derived from inter-oceanic arc sediments that were accreted onto the South American Shield during the Quetame Orogeny. However, these graphitic, quartz sericite and amphibole schists may have been deposited upon the Grenvillian basement and extensively deformed during the Quetame Orogeny. The original sediments are thought to be organic-rich sediments, quartz-rich ‘sandstone’ formations, lava flows and tuffaceous deposits formed in a marine volcano-sedimentary environment.

El Hatillo Stock (Pgh)

Barrero and Vesga (1976) described elongated intrusions cropping out in the eastern side of the Central Cordillera, East of the town of Fresno and near the municipality of Santa Isabel. The unit crops out along the Mariquita-Fresno road, and is described as equigranular coarse grained biotitic quartz-diorite, varying locally to diorite and hornblendic gabbro. It has been dated at 53 ± 1.8 Ma, corresponding to Palaeocene – Eocene. The spatial relationship between the Santa Isabel and El Hatillo stocks and vein (gold) mineralisation is well known, with some areas currently being developed and in production as small mining operations (Sarjeant & Hughes, 2013). The stock is exposed in the far west and northwest of the property, and contains minor sub-vertical and sub-horizontal quartz-rich veining (see Fig. 34, prev.)

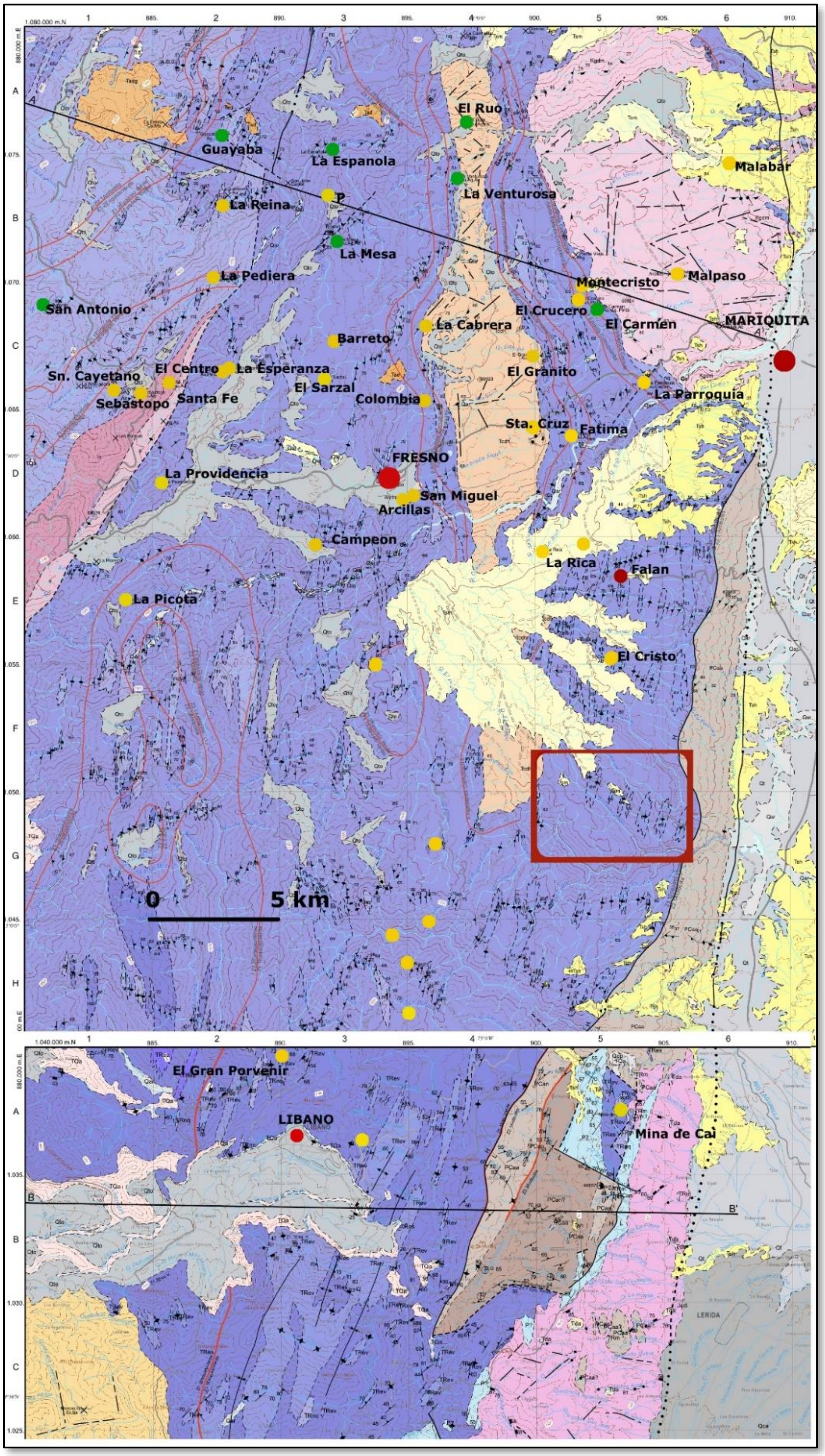
Mesa Formation (Ngm)

Porta (1965) described this sedimentary unit shown below, Fig. 35 in brown, partially overlying the purple Hatillo Stock, and proposed three subunits or members within it: Las Palmas, Bernal and Lumbí, with a total thickness of 431m. According to Porta's description, the lower Las Palmas member is comprised of gravel and sand bars, with dacitic and andesitic clasts (65%), metamorphic, plutonic and chert clasts (35%) and minor tuffaceous sandstone and kaolinitic (clay) units. The Bernal member contains volcanic clasts (70%) and pumice rich gravel boulders. The Lumbí (upper) member consists of tuffaceous sandstones and minor kaolinitic (clay) units. (Sarjeant & Hughes, 2013).

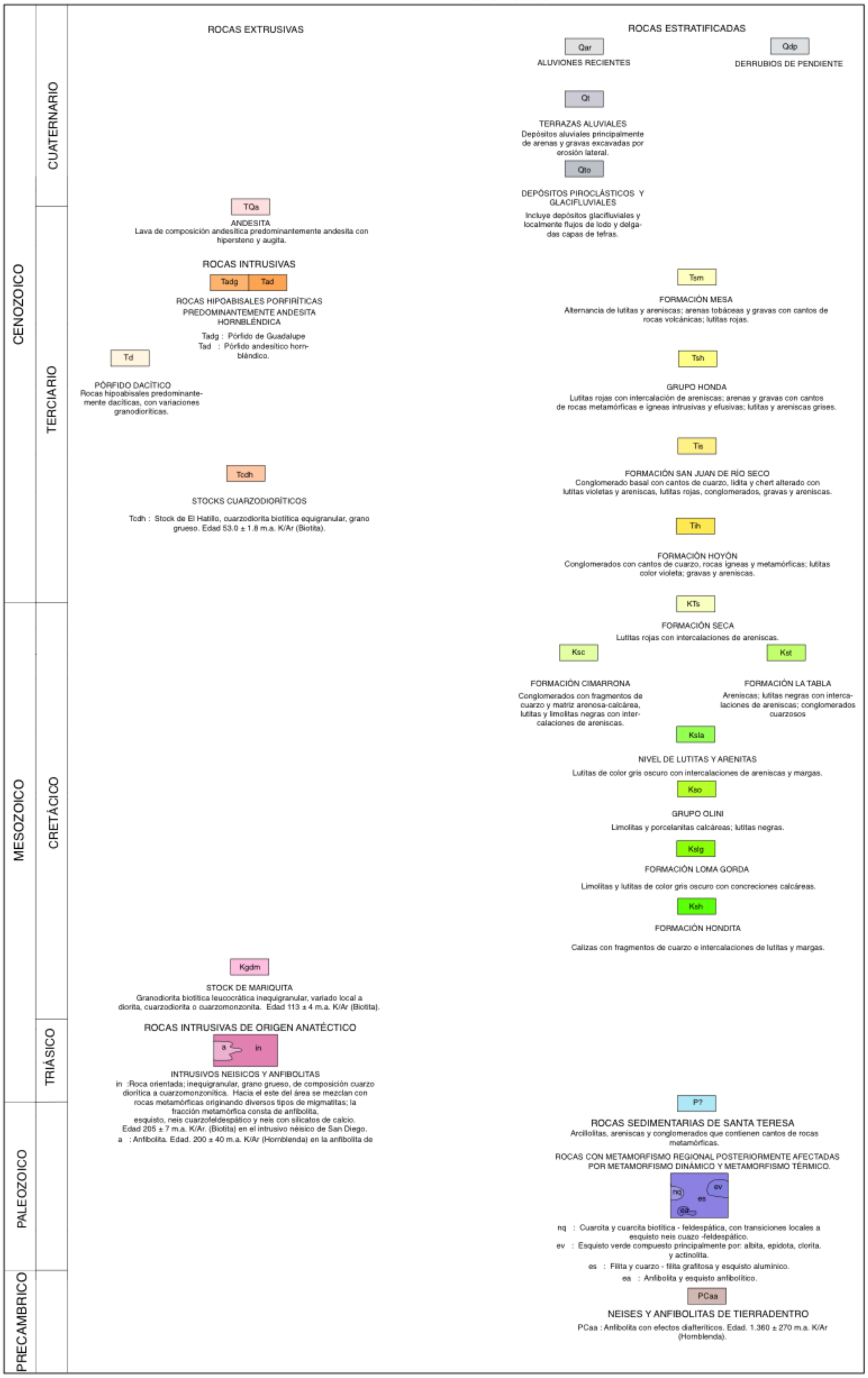
Easternmost areas of the property are underlain by Neogene, volcaniclastic sediments, and other locations are covered with a less than 1 metre to tens of metres thick veneer of Quaternary age clastic material.

Fig. 35, below, is from 2007 Ingeominas maps, Plancha 207, Honda (North map), and Plancha 226, Libano (South Map). Gold dots represent recorded gold mining, be it artisanal or formal, with a recorded history of production, and green dots are silver-(gold) mining locales. The author has not verified respective histories, nor researched the geology of the specific locales, though he has examined La Mina EL Gran Porvenir north-west of Libano, and the extensive workings on and around the town of Falan in the North. The rectangle covers the approximate location of the property.

Figure 35 Falan Project Geology. Source: Atlas Geológico de Colombia, Ingeominas, 2007



LEYENDA GEOLÓGICA



Structural Geology

Regionally, Bolivar rifting (Triassic-Jurassic), the Andean Orogeny (Mesozoic-Cenozoic), and Miocene and younger faulting and tilting, have produced a complex thrust-fold belt (imbricated thrust-faults, concentric and tight folding with North to north-east trending fold axes), and penetrative fabrics at various scales. Younger deformation events are characterised by extensional and partially rotational block faulting with both dextral and sinistral displacements.

There are no detailed maps of the Cajamarca schists but field observations on the Falan project indicate an extensive sequence of generally north to north-east trending, tight to isoclinally folded, greenschist, locally amphibolite-grade metamorphosed, poorly differentiated siliciclastic and minor carbonaceous sediments. High order fold hinges are sub-vertical to vertical dipping, and in some cases, overturned. Wavelength and amplitudes are unknown due to poor outcrop percentage, with exposures generally confined to quebradas, road cuts and exposures in seasonal creeks, wherein one may observe second and third order upright fold axial planes with moderate to steep northerly plunges.

The Palestina fault is an important structural feature affecting the eastern side of the Central Cordillera. This fault has a strike length exceeding 300km, and transects the north-eastern part of the Tolima department. The present volcanic activity in the Ruiz-Tolima volcanic complex is related to this structure, (and is located just north-west of the north-west corner of Title JGF-08181).

Figure 36 below - HFL-151 property area showing simplified structural setting. The interpretation is derived from examination of the regional faulting.

The eastern adjacent Mulatos fault zone, is described by Feininger et al., (1972) as having strike-slip displacements of over 15km. This fault is responsible for the deposition of the vast majority of alluvial fan material in the North of the Tolima department (Vergara, 1989), having evolved from reverse to normal movement after deposition of the Mesa formation at the end of the Neogene Period and into the beginning of the Quaternary Period. The Mulatos fault zone merges with the Otú-Pericos fault ('OPF'), and extends northwards into the Antioquia department. Arguably, the Mulatos is a re-activated phenomenon, associated with the Chibcha basement, re-activated during Cretaceous-Jurassic continental collision, and the Miocene, and in part, co-incident with the OPF.

At a project scale, the most important structures are a northeast-striking fault-set which hosts the most important Ag-(Au)-polymetallic mineralized veins, interpreted to represent 2nd and 3rd order splays of RFS with the transecting Palestina Fault System and later Ibagué fault sets displacing the stratigraphy. They dip 45° to 80° northwest and have an important dextral component. Refer to figs. 28-32, prev.

The three principal regional lineament systems recognized in the project area correspond to a first order RFS set, with an overall dextral sense of shear and displacement, formed during (sigma one, West to East to WSW to ENE verging) regional scale folding, manifest as cordilleran-type fold-thrust belt deformation dating back to Cretaceous-Jurassic times. Associated with this would be second order north-east, oblique-slip normal faults and associated high angle reverse faults, some with a reverse sense of shear, formed in response to a regional stress field with north-northeast oriented tension axis and west-northwest oriented compression axis. Some of these earlier fault sets are mineralised.

Regional and local scale, collisional, orogenic folding would have main axial traces trending north-east to North.

Superimposed on this geometry is the regional strike-slip deformation which took place during Cretaceous-Jurassic times. Sigma one would appear to be very similar to that discussed above, resulting in re-activation and re-orientation of some of the lineaments. Faults and veining, mineralised or otherwise, were re-oriented which is observed as a more easterly trend on Title HFL-151. These are manifest as the north-east to north-east to ENE trending dextral strike-slip faults and the antithetic WNW trending sinistral faults across the property and the regional as a whole (see previous notes in **Regional Geology**).

Third order structures relating to the Cenozoic Nazca Plate indentation are manifest as a major set of extensional, possibly re-activated, chiefly northwest striking faults, (between 280° and 330°), dipping at high angles preferentially northeast, exhibiting normal displacement and a rotational component towards the northwest. Contemporaneous, synthetic north-east trending faults are present within a structural corridor between two major second order northwest-striking lineaments including those between the Margarita and Morales creek/faults to the North and between the Tavera Ridge and Socorro creek/faults in title HFL-151. These are good examples of re-activated Cretaceous faulting. Movement along northeast-striking faults produced an extensional re-activation of pre-existing structures, and down-dropping of blocks to the North. The overall deformation results in brittle strain partitioning and dismemberment of the Palæozoic-Cretaceous stratigraphy. The district is crosscut by post-mineral, northwest- and east-west-striking, oblique-slip, normal faults that offset the stratigraphy, mineralisation and veining by several to hundreds of metres.

Structural setting and controls on mineralisation

Surface observations on the Falan property, on surface and underground in and around the town of Falan, and from inspections of local area geology indicate the Cajamarca Formation has been folded by at least two regional deformational episodes, with a third event a fold-thrust episode modified by two regional brittle events.

The formation is characterised by close to tight to near-isoclinal upright to vertical, folding within thrusted, steeply to near vertically dipping sediments, though detail mapping has yet to precisely define and characterise the regional thrust episode. Fold-thrust examples on the property are represented by progressive simple shear, producing a thrusted sheet package and associated north-east facing folds, with fold axis perpendicular to the overall thrust direction (easterly) and the stretching lineation. The sequence exhibits shallow North-plunges within lower-middle order folding, and parallel, semi-brittle to brittle, steeply east-dipping fracture systems commonly dividing anticline-syncline-anticline folding.

The East–West active dextral strike-slip fault zone at the Garrapatas, Ibagué and Río Verde faults have a right-stepping “en-échelon” arrangement.

Gold-silver mineralisation is located within these North to north-east trending fault sets, this can be farther north (pers.obs.). Title HFL-151 mineralisation appears to be modified more by the late, Mesozoic, Cretaceous to Miocene age, brittle faulting, with mineralised veins usually hosted by north-east trending, sub-vertically to steeply east-dipping normal and reverse faults. The ‘disparity’ is probably related to the decrease in intensity of the strain partitioning northwards, and in a regional context, the regional oblique indentation of the Nazca plate causing rotational block faulting. The northern mineralisation may retain the postulated early phase of orogenic-related mineralisation, the south, rotation and remobilisation of mineralisation. It should be emphasised that both areas have a significant epithermal overprint.

Overall, veins in the district are hosted by sub-parallel, oblique-slip normal faults and extension fractures. The overall sense of movement along the faults was determined by the geometry of splays and the orientation of slickenlines, so caution is advised. Most faults that host mineralisation or ore, strike between 020° and 040° and dip moderately to steeply West in title JGF-08181 and between 030° and 060° and dip moderately to steeply north-west in title HFL-151. These fault orientations host some of the richest veins of the district, including Mina Vieja, Pollera-Sewer-El Dorado-La Platilla, La Porfia-La Manta in title JGF-08181 and La Ye, Veta Grande E and W, NW Vein and Tavera-Guadua vein in title HFL-151.

The lineament pattern shown in fig. 36, ff, for the area covering the Falan project, is based on satellite and photographic interpretation and limited prospecting and geological investigations. Postulated mineralised veins discovered during the prospecting are shown in red. Precise trends and strike extent are inferred due to the exploratory nature of past work. Much of Title HFL-151 remains unexplored.

Mineralisation

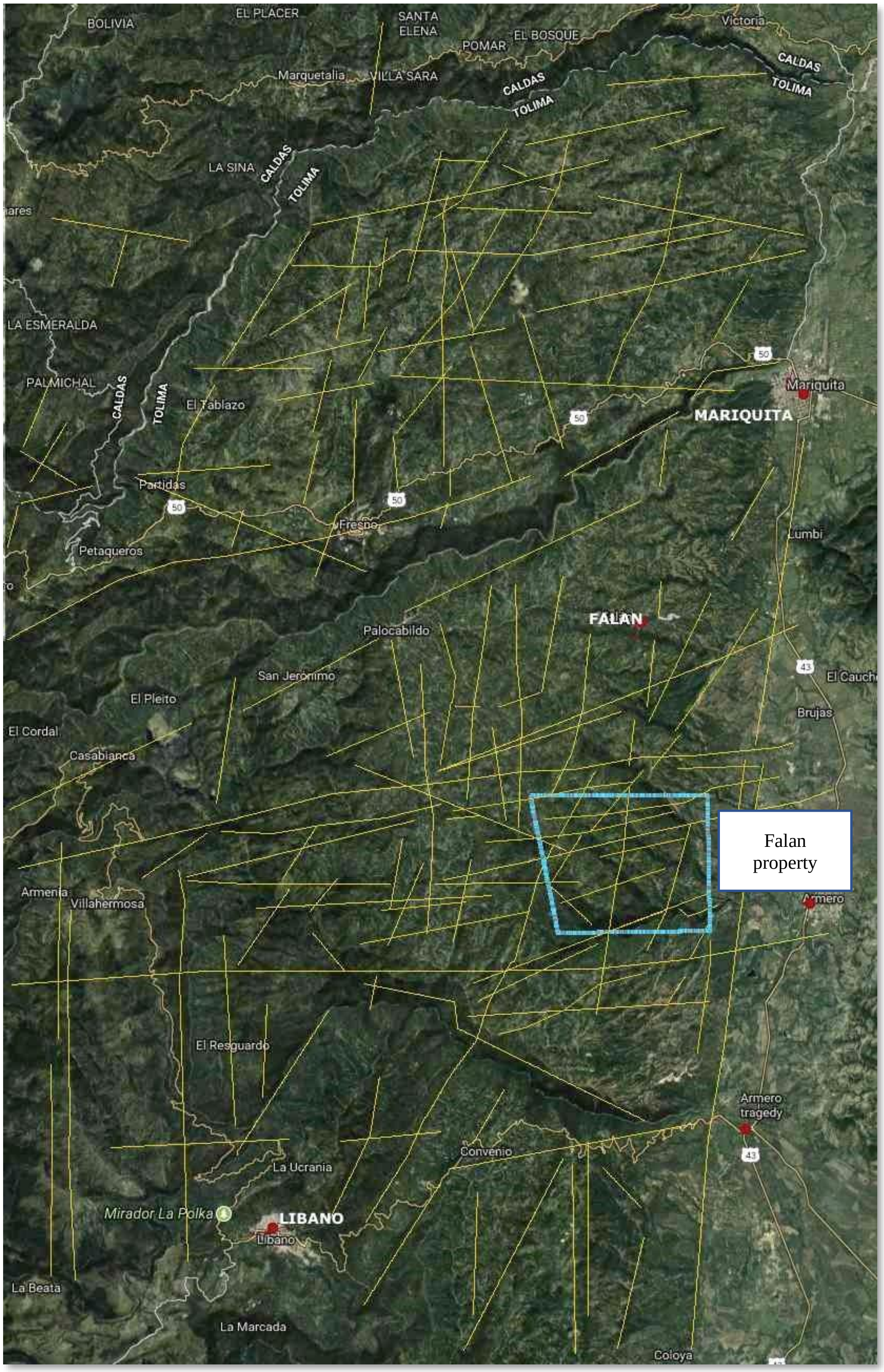
Mineralisation was previously considered by some researchers to be associated with the emplacement of the Ibagué Batholith and hosted along northeast trending pre- and syn- secondary faults related to the Bolivar rifting, and depending on the competency of the host rock, it can be hosted in an anastomosing system of sub-veins. However, gold and silver mineralisation are also hosted in Miocene-Recent age deposits.

Barrero and Vesga (1976) described elongate intrusions cropping out in the eastern side of the Central Cordillera, East of the town of Fresno and in the Santa Isabel municipality. The El Hatillo stock crops out along the Mariquita-Fresno road, and is described as an equigranular, coarse grained, biotitic quartz-diorite, or locally, diorite and hornblendic gabbro. It has been dated at 53 ± 1.8 Ma, corresponding to the Paleocene – Eocene. The spatial relationship between the Santa Isabel and El Hatillo stocks and vein (gold) mineralisation is well known, with some areas currently being developed and in production as small mining operations. The eastern margin of the stock is exposed just West of the western boundary of the Falan Property, where it has intruded thrust and folded Cajamarca sediments.

Within well-defined shear and fold geometries, strike-slip controlled mineralised veining is parallel to remobilised lower-middle order faulting, often spatially if not genetically associated with steeply dipping fold axial planes. Vein textures include crustiform banding, breccias, and cockade textures, suggesting that vein opening and filling was episodic, with several episodes of fault movement related to brecciation and mineralization. In some northeast-striking veins with breccia on the vein margins and high-angle slickenlines, a late fault reactivation is interpreted to have produced a normal-sinistral displacement.

On various areas of the Falan project, there are Paleogene to Quaternary sediments draped over the terrane. A relatively thick sequence of Pliocene to Quaternary sediments blankets the eastern areas of the title. Porta (1965) described a Pliocene sedimentary unit (Mesa Formation) and proposed three subunits or members within it: 1) Las Palmas, 2) Bernal and 3) Lumbí, with a total thickness of 431m. According to Porta's description, the lower Las Palmas member is comprised of gravel and sand bars, with dacitic and andesitic clasts (65%), metamorphic, plutonic and chert clasts (35%) and minor tuffaceous sandstone and kaolinitic (clay) units. The Bernal member contains volcanic clasts (70%) and pumice rich gravel boulders. The Lumbí (upper) member consists of tuffaceous sandstones and minor kaolinitic (clay) units. There are poorly documented historical reports of gold extraction from some of these sediments by indigenous people prior to the arrival of the Spanish.

Figure 36 Falan project lineament interpretation



Stratigraphic control on mineralization

Veins in the district are hosted by folded, metamorphosed Palæozoic schists (basement). Veins within are generally narrow, and locally anastomosing, with anomalous silver grades (<5 oz/t Ag) or small zones of high-grade ore (>15 oz/t Ag). It has been observed that for some veins (e.g., NW Vein, Veta Grande W, and elsewhere, e.g. around Falan), significant mineralisation (taken as >50 oz/t Ag) was present near E-W trending aplite-diorite stocks. Because the region was affected by fault-block tectonics after the ore mineralization event, the topographic level of erosion is variable across the district and vertical zoning of the vein system is inferred from field observations. Due to poor internal markers with the schists and discontinuous Mesozoic cover, any stratigraphic controls that may be present are unknown.

Hydrothermal alteration

In general, hydrothermal alteration within the Cajamarca schists is weak and somewhat confined to areas with a high density of veining. Narrow sporadic zones of sericite alteration (between 0.2 and 3 m wide) and weak silicification haloes around the veins are noted within the schist host rocks. The most common minerals present in the alteration zones, based on visual inspection, are quartz, pyrite, adularia, and illite, which constitute the following main alteration types: quartz-adularia (+ pyrite ± illite), quartz-illite (+ pyrite), and propylitic (chlorite + calcite ± illite). Quartz-adularia alteration is restricted to the vein margins. Quartz is present as a replacement of the groundmass and also as irregular veinlets, whereas adularia is almost completely restricted to the veins/veinlets. Pyrite is disseminated within quartz in the veinlets and also grows over the host rock as euhedral crystals

Mineralogy and paragenesis

A paragenetic sequence has been identified from field observation of samples within a major mining corridor that comprises (from North to South) the Santa Ana, El Cristo, Jimenez, El Socorro, Tavera, Patiburri, Lagunilla, El Gran Porvenir, Oasis, Santa Isabel and Las Animas mines and other vein occurrences. Several main stages of mineral precipitation have been recognized: early stage (*S1*), second stage (*S2*) and quartz stage (*S3*). Veins display complex textures characteristic of episodic, open-space precipitation, such as crustiform banding, symmetric banding, vugs, breccias, and cockade and comb textures.

In general, the more complexly banded veins have the higher gold-silver grades. Breccias consist of angular host rock or vein clasts up to 10 cm in diameter cemented by vein material that may exhibit cockade texture. Symmetrical crustiform banding is the most typical texture, with the early stages of deposition arranged near the wall rocks and the younger stages in the centre of the veins. Principal gangue minerals are quartz, with variable amounts of adularia, sericite (illite), and trace carbonates. Ore minerals include sphalerite, galena, chalcopyrite, and tetrahedrite (freibergite), with sub-ordinate silver-bearing sulphosalts (argentite, pyrargyrite) native silver, native gold (electrum).

Figure 37 Falan project mineralisation I

Vein displaying complex textures characteristic of episodic, open-space precipitation, such as crustiform banding, symmetric banding, breccias, and variable amounts of sulphides.

Figure 38 Falan project mineralisation II
Coarse grained ruby silver (pyrargyrite) enclosed in pyrite and silver sulphosalts in quartz gangue. Veta Grande East.

In general, Ag ore minerals form thin sulphide-free bands, accompanied by minor amounts of pyrite. The quartz stage (*S3)* is an exception, with some coarse-grained sphalerite and galena. In general, the order in which the sulphide and sulphosalt minerals precipitated appears to be the same throughout the veins of the district, with early sphalerite and probably some pyrite, followed by galena. Chalcopyrite and Ag sulphosalts are among the last ore minerals to precipitate. Chalcopyrite displays 'disease texture' and replaces sphalerite, and locally has been found altered to covellite (Guadua vein outcrop). Also locally, pyrite encloses galena and sphalerite (Photo 3), indicating that it also precipitated after base metal sulphides. Latest sulphides are typically coarser grained.

Figure 39 Falan Project Mineralisation III

Pyrite enclosing coarse grained dark brown sphalerite in a gangue of quartz.

Early stage (S1): The early stage consists of sugary and gray quartz, chalcedony, and disseminated pyrite (Photo 7). Pyrite is coarse grained in white quartz but is finely disseminated in gray quartz. The early stage forms a discontinuous band up to 15 cm wide in contact with the wall rocks in many vein outcrops at a district scale.

Figure 40 Falan Project Mineralisation IIII
Sugary grey quartz (S1) and fine to coarse grained banded sulphides.

Second stage (S2): The earliest sub stage (*S2a*) consists of abundant quartz, with variable amounts of adularia arranged in cyclic bands 2 to 50 cm thick. Sulphides are uncommon in the earliest sub-stage and they are usually found disseminated within fine-grained quartz but are totally absent within coarse-grained 'comb quartz'.

Figure 41 Falan Project Mineralisation V
Coarse drusy to comb quartz (S2a) with minor patches containing sulphides (pyrite).

The second sub stage (*S2b*) is sulphide rich and consists of bands of ore minerals from 1 to 20 cm thick. Earlier bands are coarser with higher contents of sphalerite and galena, whereas later bands are rich in fine-grained chalcopyrite and tetrahedrite. Early sphalerite is replaced by chalcopyrite and tetrahedrite. Sulphide bands contain, and are enveloped by, abundant quartz.

Figure 42 Falan Project Mineralisation VI
Coarse sulphides (pyrite, sphalerite, galena) in quartz matrix (S2b)

Quartz stage (S3): The quartz stage is composed of medium-grained disseminated sulphides within a mainly quartz matrix. The sulphides are principally pyrite, sphalerite, galena, and minor tetrahedrite that precipitated prior to (new) quartz, as euhedral to subhedral grains forming clusters or irregular veinlets, which are then enveloped by quartz. Quartz is massive or rarely banded, fine to medium grained, milky or gray due to fine disseminated sulphides.

Figure 43 Falan Project-Mineralisation VII
Photo 10. medium-grained sulphides disseminated within quartz (S3). The sulphides are principally pyrite, sphalerite, galena, and minor tetrahedrite and silver sulphosalts.

8. DEPOSIT TYPES

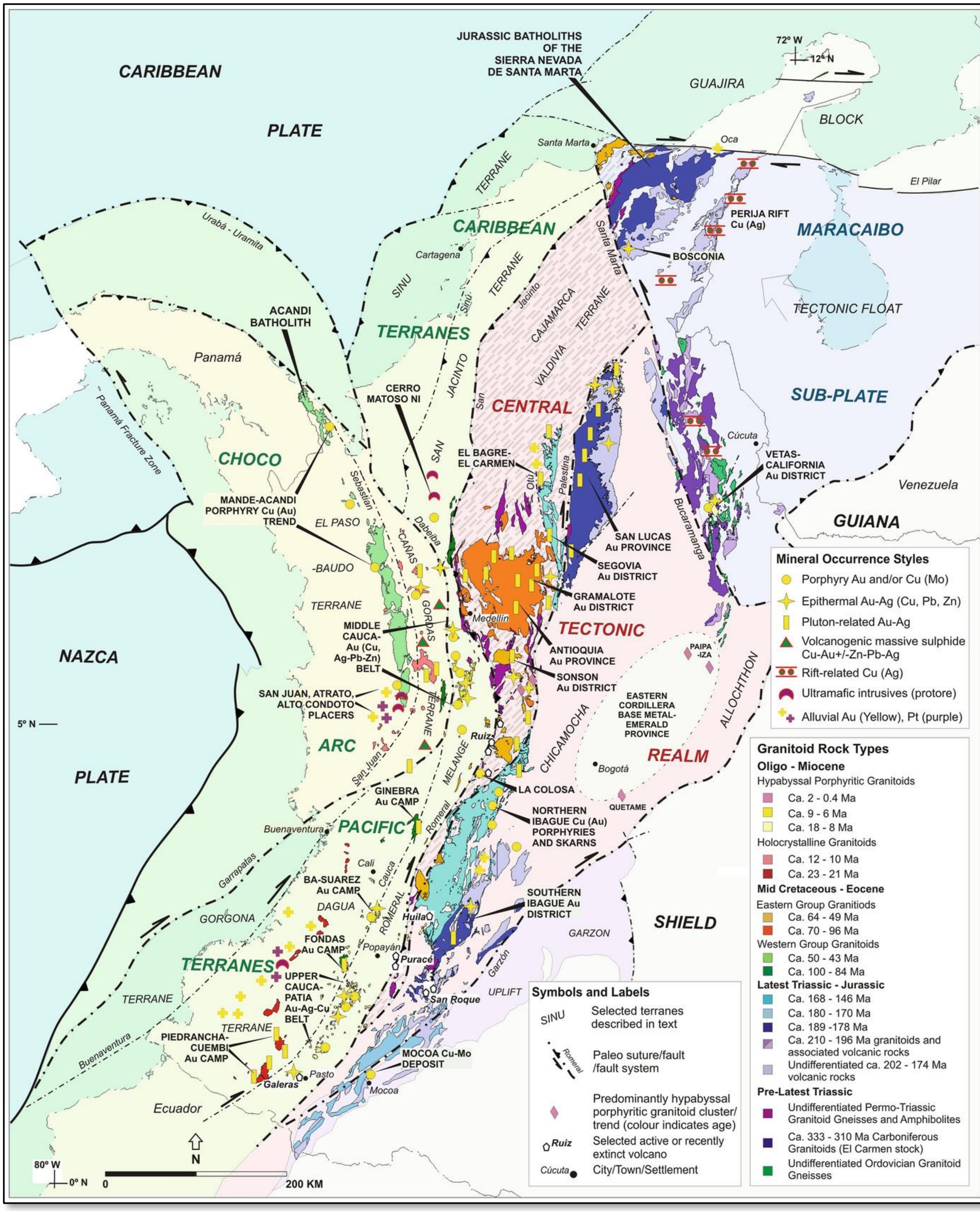
Gold and silver mineralisation in the district are considered to represent remobilised, two-stage orogenic-epithermal deposits. Examples of silver-rich orogenic mineralisation include the Tieluping Silver-Lead deposit, Henan Province, China (Chen et al, 2004) and the Lachlan Orogen, Cobar-type deposits, near Broken Hill, New South Wales, Australia – e.g. Hera and CSA Au-Ag-Cu-Zn deposits. A summary of this area is provided by a government pdf, available at: (http://www.ausimm.com.au/content/docs/branch/2016/mineral_deposits_of_the_cobar_basin_presentation.pdf).

Distal, intrusion-related Ag-Pb-Zn deposits may be associated with proximal, orogenic gold deposits, e.g. the Snip Gold Mine, northern BC, where outlying precious-base metal veining is associated with the Red Bluff Porphyry (pers. obs.). Several of the orogenic hydrothermal gold deposits of the Pataz Province, eastern Andean Cordillera, Peru, are silver rich with quite low Au:Ag ratios, close to or slightly more than 1:1. (See e.g. Haeberlin et al., 2004). Mineralised fractures and veins are spatially related to Carboniferous pluton emplacement. Other mining camps include the Ag-Pb-Sb-Au district, Pershing County, Nevada,

An intrusion-related source for the metals cannot be ruled out, but such has yet to be discovered, unless one concludes the Ibagué pluton to be a candidate. Typically, orogenic gold deposits with a high base metal, silver and occasionally tin content have been emplaced at relatively shallow depths and in the case of South America, are associated with Andean-type intrusions. See Groves et al., 2000.

Overprinting this is a low-sulphidation epithermal system defined by quartz-(adularia)-(sericite) veining with silver-gold (including sulphosalt) mineralisation, elevated levels of sphalerite, tungsten and galena, hosted in chloritic, locally graphitic schist of the Cajamarca Formation. Mineralisation took place likely during the Cretaceous-Jurassic, formed at shallow levels (5 km or less), from acidic low CO_2 fluids. There are numerous examples of such mineralisation within an orogenic/Cordilleran setting, e.g. Jerusalen high grade gold-silver mine, eastern Cordillera, Ecuador (pers. obs.), Apacheta, Cordillera Occidental, Arequipa Province, southern Peru, (André-Mayer et al., 2001), and the Caylloma Mine Arequipa Province, also, (Echavarria et al., 2006, Chapman & Acosta, 2012), albeit with both hosted in Miocene volcanic rocks; the Ecuadorean Portovelo-Zaruma-Ayapamba area, El Oro Province, which displays remarkable similarities with the Colombian stratigraphy and tectonics, with the addition of more extensive Tertiary-Miocene volcanic activity, (e.g. Bain, D., 2006). Dynasty Gold is active in this mining camp. Other Latin American examples include La Carolina mine, Sierras Pampeanas, (pers. obs), and the north-eastern Argentina gold orogenic district, including the Farallón Negro-Alto de la Blenda low sulphidation Au-Ag-Mn deposits (see e.g. Ford, A., et al., 2015. The Modi Taung mine, Myanmar displays very similar structural setting on a regional and local scale, with extraction of high grade gold and silver. (Mitchell, 2007).

Figure 44 Phanerozoic metallogeny in northern Andes



From: Robert P. Shaw, Hildebrando Leal-Mejía, Joan Carles Melgarejo i DraperGeology and Tectonics of Northwestern South America pp 411-549 Phanerozoic Metallogeny in the Colombian Andes: A Tectono-magmatic Analysis in Space and Time.

9. EXPLORATION - TITLE HFL-151

Exploration and Prospecting Results

All exploration from 2014 was carried out by Condor Precious Metals Inc. In 2014, a series of Ag-(Au)-polymetallic veins were discovered by Condor geologists prospecting in the north-west corner of the property (see figures 45 and 46). Located between the Socorro creek in the east and the Tavera ridge in the west, vein exposures noted in creeks are predominantly ENE-WSW oriented, with sub-vertical dips, and hosted in dark grey weakly chloritic and/or chlorite-graphite schist within more quartz rich sediments. There are local northerly deviations, probably related to partial control along property and regional scale lineaments and to a lesser extent country rock fabrics.

Highest grades were obtained from sampling of the Veta Grande East, on the eastern side of Santa Agueda creek. A series of chip samples were taken in three exposures of the vein and individual samples returned gold values as high as **14.65 g/t Au** and **1370 g/t Ag**, **14.20 g/t Au,** and highest silver values of **3,480, 2,300, 1,955** and **1,570 g/t Ag**.

Figure 45 Vein systems (red) and postulated structural lineaments (white), on title HFL-151. Trends of the systems are postulated. Roads are shown in crimson.

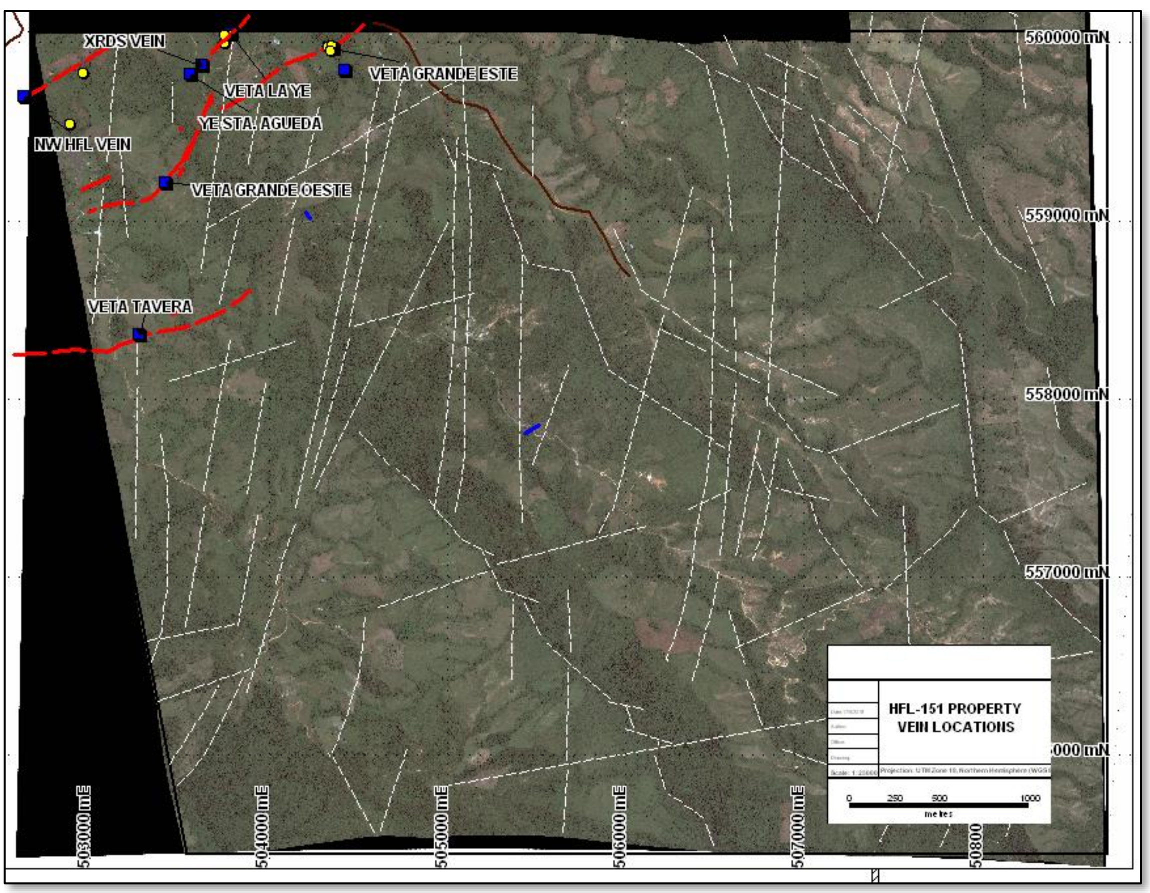
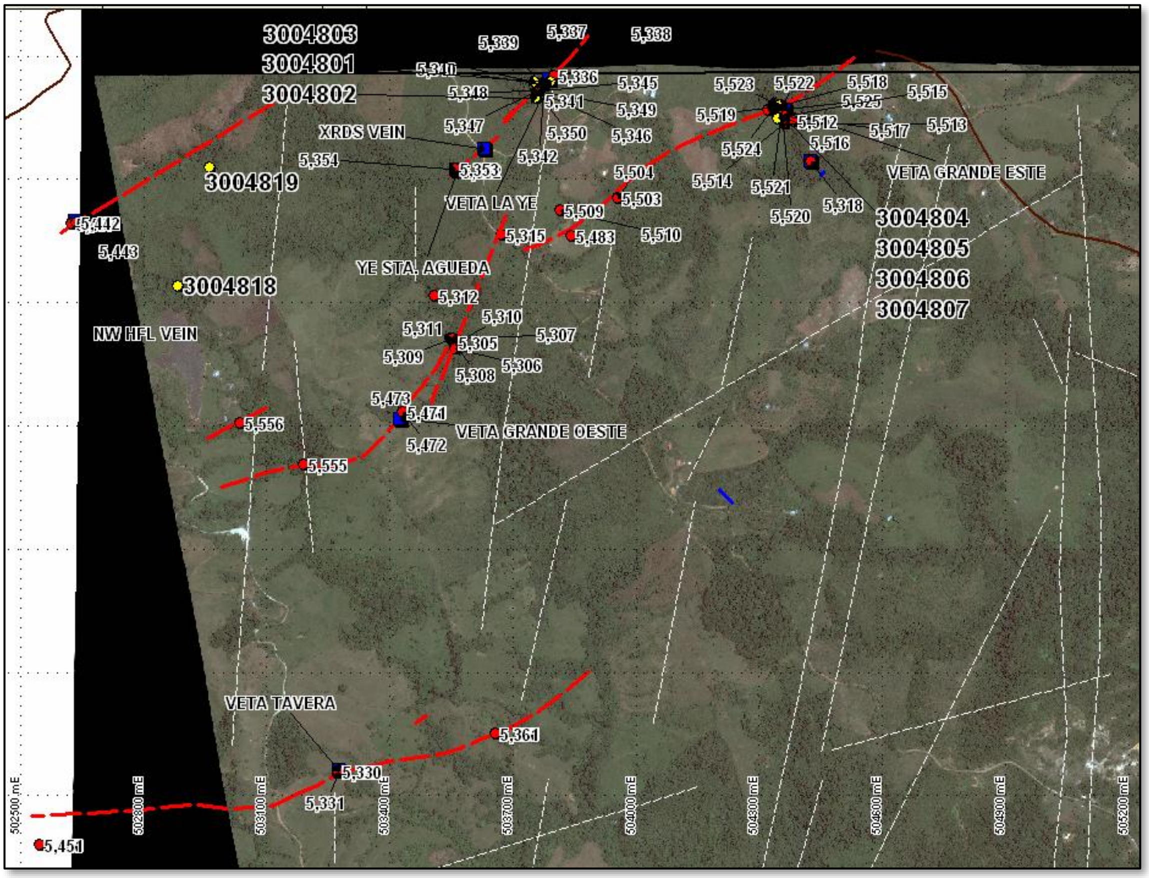


Figure 46 Sample Locations, 2014 & 2018, detail image.



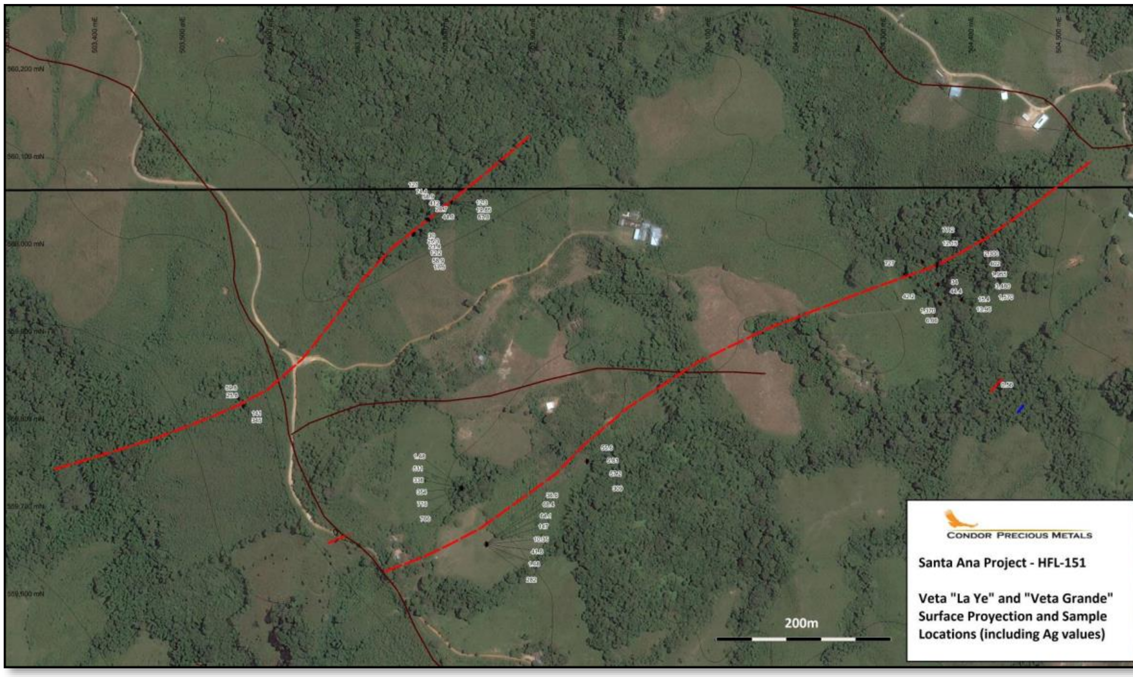
There is a parallel vein set (Veta La Ye) with well-developed textures and mineralisation, located about 200m North, and exposed along the San Antonio creek. Preliminary channel sampling returned encouraging Au and Ag values. Two main exposures of the vein, the northeasternmost (Quebrada San Antonio), perhaps the best exposed, were channel sampled in three different locations along strike, and the second, located in a cornfield adjacent to Santa Agueda creek, was also sampled. Between the two, a third vein is exposed at a road crossing, hence its name, 'La Ye' (meaning 'crossing' in Colombian Spanish). Here, the vein appears folded, and cut by small scale, imbricated, North facing faults. The relationships between these faults and the mineralisation have yet to be fully determined, but they clearly postdate the mineralising event. Similar phenomena occur at El Dorado and La Platilla in title JGF-08181 several km to the north (pers. obs).

Cumulatively, the three occurrences provide some indications of the various geometries within deformed veins and the host schists. Vein exposures display variable widths of between 0.5m and >2m, an average strike/dip of 040°/60°, and traceable for 420m. To the north-east, it is cut by a fault that parallels the upper part of the Socorro creek, immediately outside of the North boundary of the property. Host textures include quartz-chlorite-sulphide layering, brecciation, crack-seal and drusy textures. Two phase silica is readily apparent. Sulphide mineralisation is in the order of 5% with zones of massive sulphides. The main sulphide is pyrite, both fine grained and coarse (euhedral), with lesser to trace amounts of galena, sphalerite, minor chalcopyrite, silver sulphosalts and possible native silver. Several series of channel samples were taken from 'La Ye' vein and individual samples returned gold values as high as 2.09 g/t Au and 412 g/t Ag and 3.96 g/t Au and 141 g/t Ag. Channel 2 results were highest, returning 0.75 g/t Au and 128.67 g/t Ag over a 1.60m interval.

Table 6. 'La Ye' sample results.

		Au	Ag	Pb	Zn	W
		ppm	ppm	ppm	ppm	ppm
Zone	Sample	0,001	0,01	0,2	2	0,05
Ye-Socorro	5334	0,062	12,3	164	141	88,6
Ye-Socorro	5335	0,138	19,85	123,5	683	260
Ye-Socorro	5336	0,565	87,8	287	1900	66,5
Ye-Socorro	5337	**2,09**	**412**	488	8010	290
Ye-Socorro	5338	0,164	58,9	95,4	139	1,98
Ye-Socorro	5339	0,551	74,1	338	971	141,5
Ye-Socorro	5340	0,758	**121**	555	1100	155
Ye-Socorro	5341	0,111	28,7	184,5	376	3,1
Ye-Socorro	5342	0,506	44,6	453	971	69,4
Ye-Socorro	5345	0,335	30	162,5	78	51,3
Ye-Socorro	5346	0,278	25,3	114	157	114
Ye-Socorro	5347	0,013	23,4	992	359	290
Ye-Socorro	5348	0,215	12,2	70,8	23	22,8
Ye-Socorro	5349	0,405	58,9	553	241	87,1
Ye-Socorro	5350	0,036	17,5	632	324	17,25
Ye-Facing Sta. Agueda	5351	**3,96**	**141**	935	218	5,75
Ye-Facing Sta. Agueda	5352	0,032	**345**	428	151	3,94
Ye-Facing Sta. Agueda	5353	0,136	25,8	636	83	1,2
Ye-Facing Sta. Agueda	5354	1,74	59,8	328	199	0,34

Figure 47 Postulated trend of Veta La Ye (northernmost) and Veta Grande Est (southernmost), in red and sample locations & Au values



Silver values are shown at the sample locations. Small quartz vein occurrences along these trends have aided n definition of the strike.

Figure 48 La Ye vein

Exposure of the 'Ye' vein down from the road at the Guayabal and Colegio Americano crossing, Quebrada San Antonio. Well-developed layering and drusy quartz vein dipping 130/70. Dip/dip direction.

Table 7. Veta Grande East Vein sample results.

Zone	Sample	Au	Ag	Pb	Zn	W
		ppm	ppm	ppm	ppm	ppm
Veta Grande E	5476	**1.83**	**282**	1000	81	0.06
Veta Grande E	5477	0.05	1.68	15.9	4	5.83
Veta Grande E	5478	0.22	41.8	343	67	0.25
Veta Grande E	5479	0.04	10.35	11.7	8	0.69
Veta Grande E	5480	0.46	**147**	132.5	68	0.28
Veta Grande E	5481	0.5	64.1	195.5	399	0.27
Veta Grande E	5482	0.73	68.4	73.2	966	1.4
Veta Grande E	5483	0.34	36.6	23.6	8	2.26
Veta Grande E	5501	0.35	55.6	187.5	10	0.64
Veta Grande E	5502	0.16	5.81	10.3	9	0.16
Veta Grande E	5503	0.6	57.2	150	26	0.07
Veta Grande E	5504	**2.16**	**309**	575	34	8.98
Veta Grande E	5505	**1.87**	**766**	3470	13200	0.27
Veta Grande E	5506	**1.37**	**716**	8470	3650	0.35
Veta Grande E	5507	**3.11**	**354**	1840	70	0.19
Veta Grande E	5508	**2.98**	**338**	2660	311	0.2
Veta Grande E	5509	**1.51**	**511**	5000	1550	0.25
Veta Grande E	5510	0.19	1.48	13.4	6	0.13
Veta Grande E	5511	0.1	13.95	36.5	268	0.14
Veta Grande E	5512	0.09	15.4	55.2	239	0.2
Veta Grande E	5513	**14.65**	**1370**	2890	156	530
Veta Grande E	5514	0.15	6.66	18	6	6.13
Veta Grande E	5515	0.47	42.2	22.2	8	7.15
Veta Grande E	5516	0.67	34	194.5	183	83.5
Veta Grande E	5517	0.64	44.4	90.6	1460	2.82
Veta Grande E	5518	**2.36**	**2300**	1730	2260	52
Veta Grande E	5519	1.6	**402**	779	2060	105
Veta Grande E	5520	**2.76**	**1955**	2300	2420	81.3

Veta Grande E	5521	**1.87**	**3480**	3930	3730	96
Veta Grande E	5522	**2.58**	**1570**	1570	1680	68.6
Veta Grande E	5523	0.59	77.2	73.3	33	480
Veta Grande E	5524	**14.2**	**12.15**	15.2	11	83.8
Veta Grande E	5525	**5.71**	**727**	1610	4410	540

Veta Grande West crops out in a tributary West of the Santa Agueda creek, about mid-slope. The vein is exposed for about 15m, has an average 0.5m to 1m thickness, is shallow dipping (45º), and quite weathered. Except for one sample returning 12.75 g/t Au and 74.30 g/t Ag, results were lower compared to other sampled locations. Fragments found downstream have good fresh textures and elevated sulphide content. There is another poor exposure along strike towards the West in a creek parallel to Santa Agueda, where float material has well-formed textures and mineralisation, and results returned ore grades.

Table 8. Veta Grande West sample results.

Zone	Sample	Au	Ag	Pb	Zn	W
		ppm	ppm	ppm	ppm	ppm
Veta Grande W	5465	0.14	0.71	14.4	4	0.18
Veta Grande W	5466	0.39	10.75	23.5	5	0.27
Veta Grande W	5467	0.2	5.73	10.9	3	0.15
Veta Grande W	5468	0.05	0.45	15.3	4	0.15
Veta Grande W	5469	0.11	0.65	13.9	5	0.1
Veta Grande W	5470	0.05	1.84	2.7	22	0.1
Veta Grande W	5471	0.1	0.55	16	6	0.14
Veta Grande W	5472	1.26	19.35	32.6	133	0.05
Veta Grande W	5473	1.82	79.1	126	24	0.17
Veta Grande W	5551	**3.08**	**134**	2130	1180	17.65
Veta Grande W	5552	**4.15**	13.75	104.5	689	0.34
Veta Grande W	5553	**12.75**	74.3	783	3120	0.16
Veta Grande W	5554	2.17	51.7	557	2310	0.84
Veta Grande W	5555	**3.44**	**144**	3450	1230	191.5
Veta Grande W	5556	**5.81**	90.2	2330	1420	2.69

Veta NW is exposed in a tributary creek about 100m outside of the western side of the property boundary. Results from this outcrop are bonanza grade (up to 9 g/t Au and 1030 g/t Ag, 19.9 g/t Au and 311 g/t Ag, 7.10 g/t Au and 525 g/t Ag and 7.49 g/t Au and 178 g/t Ag) and the vein shows fragments at least 0.6m thick. The vein within the property boundaries is covered by a thick gravel deposit that prevented additional sampling.

Table 9. Veta NW sample results

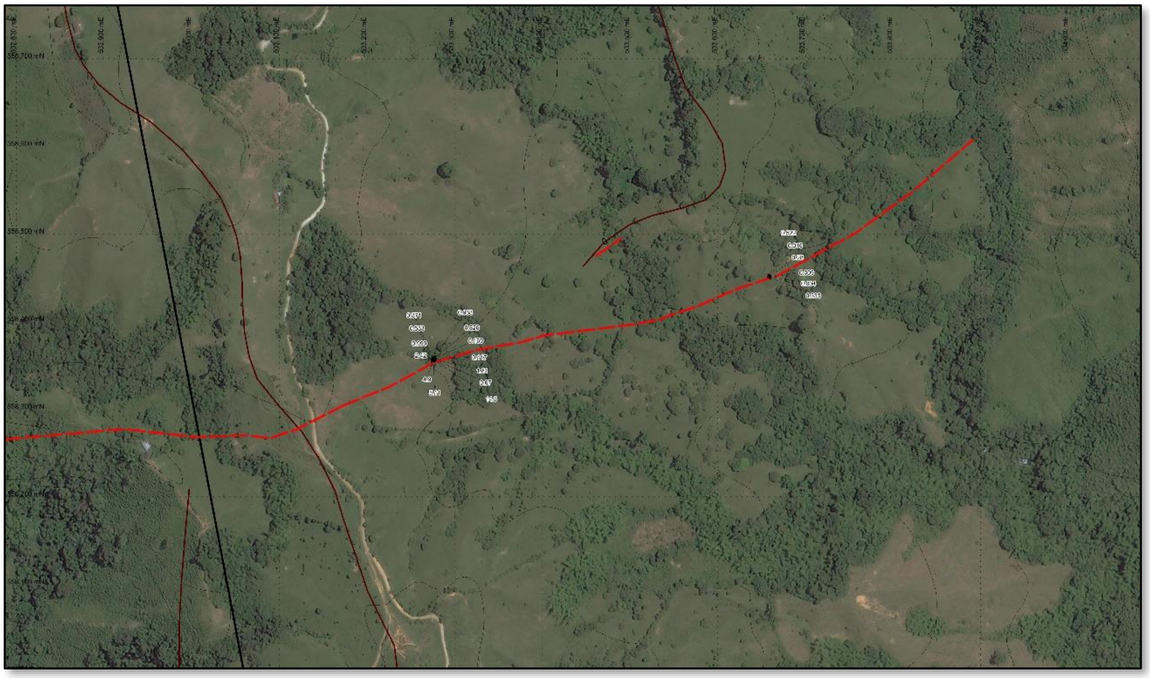
Zone	Sample	Au	Ag	Pb	Zn	W
		ppm	ppm	ppm	ppm	ppm
Veta NW	5437	0.51	81.7	580	195	20.1
Veta NW	5438	**9**	**1030**	3950	998	1530
Veta NW	5439	2.6	64.5	1785	247	4.01
Veta NW	5440	**7.1**	**525**	5060	2370	900
Veta NW	5441	**3.9**	**183**	2870	1940	410
Veta NW	5442	**7.49**	**178**	1965	1500	620
Veta NW	5443	**19.9**	**311**	3690	3240	1090

Two parallel channel samples were taken of the Tavera vein, over an averaged 1.85 m interval, with 5.20 g/t Au and 66.78 g/t Ag returned. The best intersections were 0.4m at 14.8 g/t Au and 217 g/t Ag, 0.4m at 9.67 g/t Au and 80.6 g/t Ag, and 0.4m at 5.11 g/t Au and 151 g/t Ag. Individual samples taken at the Tavera zone returned gold values as high as 14.8, 9.67, 5.11 and 4.9 g/t Au, and 217, 151 and 97.1 g/t Ag.

Table 10. Tavera - Guadua Vein sample results

Zone	Sample	Au	Ag	Pb	Zn	W
		ppm	ppm	ppm	ppm	ppm
Tavera	5319	0,968	12,85	316	204	125,5
Tavera	5320	0,826	9,96	447	91	32,7
Tavera	5321	0,169	11,4	37	40	36,5
Tavera	5322	0,117	7,03	170	90	2,71
Tavera	5323	1,81	15,65	878	128	16,45
Tavera	5324	**9,67**	80,6	3880	285	82,7
Tavera	5325	**14,8**	**217**	5490	323	480
Tavera	5326	**5,11**	**151**	3240	191	610
Tavera	5327	**4,9**	**97,1**	1820	126	260
Tavera	5328	0,371	16,9	71,1	69	24,8
Tavera	5329	0,553	15,25	67,7	47	47,1
Tavera	5330	0,999	10,2	101,5	29	31,2
Tavera	5331	2,42	42,8	1335	77	98,1

Figure 49~~49~~ Tavera vein gold values



Postulated trace of the vein shown in bright red.

A traverse following Santa Agueda creek downstream resulted in the discovery of a 30-40cm wide mineralised vein, dipping 010/70 near the contact between El Hatillo quartz-diorite stock (with dominant 120/10 and 245/80 oriented fractures), and the Cajamarca Schists (dip 260/80). It shows good layered textures, drusy quartz and has 5-10% sulphide content. The vein does not appear to be along strike with the previous showings (Tavera and Guadua veins.) Textures and sulphide content are encouraging. Only a small area was sampled and additional work is recommended at the locality and along strike, to expose more of the vein.

Table 11. Santa Agueda vein sample locations

Zone	Sample	Au	Ag	Pb	Zn	W
		ppm	ppm	ppm	ppm	ppm
Sta. Agueda	5301	0,103	40,5	272	317	780
Sta. Agueda	5302	0,112	36,8	233	430	490
Sta. Agueda	5303	0,012	0,51	6,5	39	10,45
Sta. Agueda	5304	0,155	18,5	123	279	380
Sta. Agueda	5305	0,008	0,79	13,3	265	10,9

Immediately south of the vein, a near 10m wide zone of extensive alteration is found at the contact of the El Hatillo quartz-diorite (North) and the Cajamarca Schist (Photo 12). The zone is folded, with an East-West axial planar orientation, and a shallow (10º E) to horizontal plunge. The alteration is pervasive and very intense, mainly albitization/sericitisation and intense silicification overprint. Patchy, fine grained pyrite clusters are common. Textures include very pronounced banding (relict schistosity) and crackle breccias (brittle fracturing), with rotated clasts. The southern contact with the schist (dipping 040º strike, 30º dip) reveals folding with horizontal to shallow 10º E plunge. Several samples at different locations in the outcrop were taken to test the possibility of precious metal mineralization associated with this contact zone.

2018 SAMPLING

As part of a property visit, in April, 2018, the principal author examined several showings and grab samples were taken of mineralised vein material. Areas included Le Ye, Veta Grande, Santa Agueda and several quartz vein occurrences.

The results, presented below, indicate anomalous gold and encouraging silver values from grab samples and are considered by this author to be representative of the results from MGC sampling.

Figure 50 Summary of 2018 Sampling

Sample No.	Easting	Northing	Elevation (m asl)	Description	Sample Type	Au (ppb)	Ag (ppm)	Ag (g/t)
3004802	503757	559998	989	La Ye vein Massive	Grabs	**129**	**20**	
3004801	503793	560036	1005	La Ye Vein Banded and vein sulphides	Grabs	1650	>500	609
3004803	503755	560036	1022	La Ye Vein Thread sulphides	Grabs	552	45.8	
3004804 3004805	504334	559976	987	Veta Grande NW Qz is initially white relatively massive, cut and replaced by grey x 2 with new sulphides. Sph & Gn noted plus py	Grabs	1029 5817	59.3 >500	1218
3004806	504353	559981	988	Veta Grande Three phase sulphidisation. White bull qz to pale grey, patchy locally vein type quartz. Cut by granular, recrystallising grey quartz with sulphides.	Grabs	2376	242.9	
3004807	504347	559948	989	Veta Grande East Qz vein, small scale, late parallel black chl-qz and very rare red ruby silver	Grabs	3186	382.8	
3004818	502884	559540	1081	Qz vein, weak sulphides	Grabs	91	48	
3004819	502963	559829	1114	No. 5 Bull qz Vein	Grabs	11	0.5	

10. DRILLING

There are no known records of drilling on the property

11. SAMPLE PREPARATION, ANALYSES & SECURITY

2014-2017 sampling, sample preparation, analysis and related QA/QC security was carried out by Condor Precious Metals Inc.

All 2018 samples were taken under the direct supervision of the principal author either ***as systematic chip sampling*** or grab sampling.

2018 samples were tagged, placed in sample bags and securely tied before shipment to SGS Laboratories of Medellin, transported and delivered by an external engineer nominated by the author. Laboratory sample preparation and analysis is listed as relevant codes with summary notes, in the results in the Appendix. For additional information on SGS QA/QC, go to: www.co.sgs.com.

12. DATA VERIFICATION

Samples taken during the property visit by T. Hughes are essentially of an exploratory nature, and provide preliminary findings on the prospectivity of the property. T. Hughes personally collected and examined the samples, both mineralized and non-mineralized, confirming the geology and mineralisation. The IQP has verified the datasets and agrees with the sample locations and assay results from the 2014 sampling.

T. Hughes considers SGS to be professionally managed and operated under the highest quality standards. SGS Minerals is ISO 17025 accredited in North America and Santiago, Chile.

The IQP emphasizes the limitations of the QA/QC procedures used in the 2014 programme by not inserting standard reference materials or blank samples in the sample stream sent for analysis, but for the purposes of a geochemical survey and the preliminary stage of the identified targets, the QA/QC procedures are acceptable. The IQP recommends that blanks, standard reference materials and duplicate samples are submitted for assay in future sampling campaigns.

Sampling verified the veining is host to anomalous gold previously reported by SSM. Follow-up verification of the results with more systematic surface sampling would form part of a recommended Phase II programme.

It is the author's opinion that the geological data collected by MGC is adequate for the purpose of this report.

13. MINERAL PROCESSING & METALLURGICAL TESTING

None known.

14. MINERAL RESOURCE ESTIMATES

There are no known resource estimates on the property.

15. MARKET STUDIES & CONTRACTS

None carried out.

16. ENVIRONMENTAL STUDIES, PERMITTING, & SOCIAL/ COMMUNITY IMPACT

No environmental studies have been undertaken, nor community studies completed.

Over ten years, MGC has engaged in community relations participating in social events, contributions and is in regular contact with local community leaders.

Further engagement with the small local communities and landowners is planned as the project evolves and grows.

17. ADJACENT PROPERTIES

The author is aware of inactive and active mining titles adjacent to the property, these including Outcrop Gold Corporation to the North, and AngloGold Ashanti to the south-west. At time of writing, detailed information on titleholders could not be accessed due to changes to the Mining Titles website.

Several mining centres form a gold-silver district, these located about 20km south-west in Frías and Líbano areas, including the most significant mines, El Gran Porvenir, El Oasis, El Papayo, Frías and El Cristo (figure 51 below). They all share similarities with the reported style of mineralization in the Santa Ana Project, with respect to timing of the mineralization and host rock. It also appears to follow a marked NE-SW trend that arguably, is associated with these mines.

Figure 51 Historic Location Map of historic mines within the Mariquita-Falan-Frias and Libano areas.

Source: INGEOMINAS Map Library (Planoteca de INGEOMINAS) As noted previously, access to this map is compromised by changes to the Government geological website, including its archived geological material.

18. OTHER RELEVANT INFORMATION

The author is unaware of any significant factors that could affect work on the project.

19. INTERPRETATIONS & CONCLUSIONS

The Cajamarca Complex-hosted mineralisation is permissive for significant economic grade gold and silver. This 'orogenic-style' mineralisation remains relatively poorly documented in Colombia, but has received more attention to the South, notably in Peru, Bolivia, and Argentina. Haeberlin et al. (2002), describes Palæozoic age brittle-ductile precious metal mineralisation within the Pataz province, Central Peruvian Andes, with considerable mining of gold-bearing quartz veins within and granites and sedimentary gneisses. Similarly, economic, exploited gold-antimony-tungsten mineralisation in the north-west of Argentina, and Au-Ag-Mn in the Sierras Pampeanas of the eastern Andes of Argentina.

Significant silver and gold results were returned from prospecting of the HFL-151 Title. Mineralisation is strongly structurally controlled, with probably early, Late Palæozoic to Mesozoic age sulphides and metals partially mobilised and upgraded by Miocene age tectonism. This latter event has block faulted with normal and reverse dislocation, pre-existing regional scale structures. A 'preferred' ENE to north-east oriented fault set with normal and reverse faulting hosts nearly all the known mineralised occurrences, which are within planar, steeply to moderately dipping quartz-rich veins. Conjugate WNW to north-west trending sets have not been ruled out as prospective, as by their very nature, are permissive for similar mineralisation. Intersections of these two major, in part re-activated faults would be priority targets as would fold hinge mineralisation within the schists. Drilling North of the property, on Title JGF-08181, intersected not only steeply to vertical dipping mineralised quartz veining, but sub-ordinate, shallow dipping mineralised veins formed from internal dislocation of the vein and host, and influx of additional metal-bearing sulphides (in this case, high grade epithermal related gold and silver).

The effects of e.g. El Hatillo stock are unknown, and no larger intrusive body is known to occur either under or in the Title area. The majority of low-sulphidation mineralisation globally, is related spatially and genetically to such intrusions, with many within a volcanic, often caldera setting.

Precise quartz vein geometry remains uncertain. It is imperative that systematic mapping be carried out to determine relative ages and settings of mineralised and unmineralised veins. Recent to Tertiary cover sediments and volcaniclastic rocks overlie some areas of the property, and the majority of bedrock and vein exposures are within the many creeks within and transecting the property. Any road cuts should be mapped as they do provide valuable information.

20. RECOMMENDATIONS

For future exploration, the following is recommended:

- Property scale exploration should employ stream sediment geochemical sampling, with assaying for the following associated elements: Au, Ag, Zn, Pb, As, Sb, Bi and W. Copper appears to be negligible based on known occurrences and deposits in the region. Copper-poor epithermal systems do not necessarily rule out higher grade porphyry mineralisation at depth. It is emphasized that Recent sedimentary cover is extensive in southern and eastern areas and the programme and interpretation of results should consider its effects.

- An integral part of future exploration should be structural mapping, defining overall geometry of the Cajamarca, as the Formation appears to have few stratigraphic markers. Mapping along all the roads will provide very useful data in a timely (and cheap) fashion. Over three-quarters of the property has received only cursory inspection.

Such work would aid in the targeting of fold – thrust and hinge-related mineralisation. ***Structural mapping to determine relative ages of faults and their respective orientations is a priority.***

- The very significant alluvial gold and silver in the Falan region indicates the related Eocene-Miocene volcanism hosted considerable precious metals, with an unknown amount ‘lost’ through erosion. Combined with variations in topography through folding and faulting, future targets should focus on a) buried deposits below the remaining Eocene cover, b) down-faulted blocks of Cajamarca.

- A rock saw should be used on all significant showings, and this includes previously examined exposures. The style of mineralisation renders fresh samples difficult to obtain (easily weathered and eroded for more epithermal style mineralisation), and for quartz-rich material, reducing the loss of fine sulphidic chips.

- Age-date mineralisation to determine if orogenic gold was dominant over Cretaceous-Jurassic and Miocene related volcanism and mineralisation. Targeting should adopt a strategy that is focused on understanding the structural history of the region.

- Contingent on results and the completion of structural mapping, drilling, additional sampling and perhaps stripping of the known veins is certainly recommended, which would advance these to possible drill targets.

PHASE I ESTIMATED BUDGET 2021
Six month time frame

Estimated Budget (2021-2022)				**Cost**
Colombian administration				15,000.00
Environmental, permitting and land remediation				25,000.00
Mechanical Trenching				20,000.00
Project Geologist				40,000.00
Junior Geologist				15,000.00
Assistants	(four)			15,000.00
Logistical Support/Travel		Incl. Air travel, accommodation		20,000.00
Materials	Field Equipment			7,000.00
Truck rental (2), Fuel				15,000.00
Geochemical Analyses		1000 samples at $50 per sample		50,000.00
Office, storage rental				15,000.00
Report				8,000.00

CAD$250,000.00

Table 12. Recommended budget, 2021-2022

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22. DATE AND SIGNATURE PAGE

This report titled "Technical Report on the Falan Property, (Colombia), was prepared and signed by

Toby N.J. Hughes, Hons. B.Sc., P. Geo.
Vancouver,
British Columbia.
3rd. February, 2021

Raul Sanabria Orellana, M.Sc., EurGeol., P.Geo.
Vancouver,
British Columbia.
21st December, 2020

CERTIFICATE OF QUALIFIED PERSONS

I, Toby N.J. Hughes, P. Geo., of Marinaside Crescent, Vancouver, BC, Canada, do hereby certify that:

I have a B.Sc. Hons. Degree, Geology, from The University, Dundee, Scotland (1980).

I am registered with the Association of Professional Geoscientists of Ontario (APGO), and have practiced my profession continuously for 40 years since graduation.

The author holds no interest in Baroyeca Gold & Silver, Malabar Gold Corp. or in SMM.

I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with professional associations (as defined in NI 43-101), and past relevant work experience, I fulfil the requirements to be a "qualified person" for the purposes of NI 43-101.

I am responsible for this report, titled "Technical Report on the Falan Property", and have visited the property in June 2014, and April 2018, as Consulting Geologist and Independent Qualified Person.

As of the date of the certificate, to the best of my knowledge, information and belief, the report contains all scientific information to be disclosed to make the Technical Report not misleading.

I am independent of the issuer and vendors applying all the tests in section 1.5 of NI 43-101 as it pertains to Title HFL-151.

I have read National Instrument 43-101 and Form 43-101F, and this Technical Report has been prepared in compliance with said instrument and form.

I, Toby Hughes, do hereby consent to the public filing of the technical report entitled Technical Report on the Falan Property and dated 21st December, 2020, (the "Technical Report") by the Issuer, with the TSX Venture Exchange its applicable policies and forms in connection with the application for approval of the acquisition of an option to purchase the Falan Property, located in the Municipality of Falan, Tolima Department, Colombia as more particularly described in the Issuer's news release dated November 2, 2020, which option is granted pursuant to a Mineral Property Option Agreement entered into by Malabar Gold Corp., as Optionor, and the Issuer, as Optionee, dated October 21, 2020, and I acknowledge that the Technical Report will become part of the Issuer's public record.

I make this Report effective as of the 21st day of December, 2020

Toby Hughes, P. Geo.

I, Raul Sanabria Orellana, European Geologist with license#766 and Professional Geoscientist (P.Geo) with license #154013 and business address in 33-3368 Morrey Court, Burnaby, British Columbia, V3N 4Z5 do hereby certify the following:

- I am a geologist retained by Golden Hammer Exploration Ltd., and not independent Qualified Person as defined by section 1.5 of National Instrument 43-101 for the Falan Project.

- I hold a Licenciado in Geology Degree, specialty Mineral Deposits (M. Sc.) by the Universidad Complutense de Madrid (Spain) in 2001, and thesis on Fe-(Cu-REE) IOCG-Skarns in SW Spain.

- I am a member in good standing with the European Federation of Geologists and the Association of Professional Engineers and Geoscientists of British Columbia. I am a full member of the ICOG (Official Spanish Association of Geologists).

- I have been practicing my profession continuously since graduation in 2001 as a mine and exploration geologist, with projects in Spain and Western Africa (Senegal). Since January 2007, I have been engaged in mineral exploration projects in Canada (Yukon Territory and British Columbia) as Senior Project Geologist, Senior Project Manager, Exploration Manager and Vice-President, Exploration, and since 2010 in a variety of projects within Canada (Yukon, British Columbia and Ontario) and Latin America (Mexico, Guatemala, Nicaragua, Colombia, Argentina, Uruguay, Chile) and West Africa.

- I am principal of Malabar Gold Corp., and director of its subsidiary companies, Minera La Fortuna SAS and Sociedad Minera Malabar SAS.

- As a vendor, I will become an insider of Baroyeca Gold and Silver Inc. after the Falan option agreement transaction is completed.

- I assisted in the preparation of sub-section 2.4 “Scope of Personal Inspection” as well as I personally conducted and supervised the 2013, 2014 exploration (mapping, sampling) programs undertaken on the property by previous operator Condor Precious Metals.

As of the date of the certificate, to the best of my knowledge, information and belief, I am not aware of any material fact or material change with respect to the subject matter of this evaluation report that is not reflected in this report, or the omission to disclose, which would make this report misleading.

I consent to and authorize the use of the attached report and my name in the Company’s documents, Statement of Material Facts.

Raul Sanabria Orellana, M.Sc., EurGeol., P.Geo.
Dated in Vancouver, BC, this 21st day of December, 2020

2013 SAMPLE LOCATION LIST

Table 13. List of sample locations for rock chips and channel samples (Au, Ag values) taken by R. Sanabria.

Sample	Easting	Northing	Zone	Description	width (cm)	Au	Ag
5301	503557	559403	Sta. Agueda	Grey bands (ginguro) 10cm wide 010/70	10	0.1	40.5
5302	503557	559403	Sta. Agueda	Hanging Wall 20cm wide	20	0.11	36.8
5303	503557	559403	Sta. Agueda	Centre vein, 20cm 010/70	20	0.01	0.51
5304	503557	559403	Sta. Agueda	Whole vein 30cm (ginguro, qtz, 2% py)	30	0.16	18.5
5305	503557	559403	Sta. Agueda	Footwall 15cm	15	0.01	0.79
5306	503561	559387	Sta. Agueda	Silica Bx, fine grained py patches, well banded, fallen from upper outcrop.		0	0.22
5307	503549	559411	Sta. Agueda	Upper outcrop. Rusty bx/silica/bx vein? 5m wide in outcrop 350/70		0	0.17
5308	503551	559411	Sta. Agueda	Below upper outcrop, more silica		0	0.21
5309	503553	559411	Sta. Agueda	Vertical channel silica/oxides 50cm		0	0.28
5310	503569	559405	Sta. Agueda	Silica Bx, fine grained py patches, well banded		0	0.28
5311	503569	559405	Sta. Agueda	Southern corner of outcrop		0	0.27
5312	503510	559515	Sta. Agueda	Rusty oxidized outcrop 140/70 vein?		0	0.53
5313	503673	559665	Sta. Agueda road	Banded vein on the road 140/70 . Channel. North end		0	0.02
5314	503673	559665	Sta. Agueda road	centre		0	0.04
5315	503673	559665	Sta. Agueda road	South end		0	0.01
5318	504428	559843	Socorro	Very oxidized sericite (90%) altered schist (py) Channel sample 1m wide, 130/80	100	0.03	0.56
5319	503276	558357	Tavera	Vein 330/60 2m wide. Channel sample. Far right 15cm (oxides+qtz)	15	0.97	12.85
5320	503276	558357	Tavera	Vein 330/60 2m wide. Channel sample. right 20cm (Fresh qtz, py)	20	0.83	9.96

5321	503276	558357	Tavera	30cm oxides	30	0.17	11.4
5322	503276	558357	Tavera	35cm oxides	35	0.12	7.03
5323	503276	558357	Tavera	30cm oxides	30	1.81	15.65
5324	503276	558357	Tavera	30cm fresh qtz + oxides	30	**9.67**	**80.6**
5325	503276	558357	Tavera	40cm oxides + qtz	40	**14.8**	**217**
5326	503276	558357	Tavera	40cm oxides + qtz	40	**5.11**	**151**
5327	503276	558357	Tavera	40cm oxides + qtz	40	**4.9**	**97.1**
5328	503276	558357	Tavera	repeat 5321 below	30	0.37	16.9
5329	503276	558357	Tavera	repeat 5322 below	35	0.55	15.25
5330	503276	558357	Tavera	repeat 5320 below	20	1	10.2
5331	503276	558357	Tavera	repeat 5331 below	30	**2.42**	**42.8**
5334	503802	560051	Ye-Socorro	Channel 1, Hanging Wall 20cm wide, qtz oxides	20	0.06	12.3
5335	503802	560051	Ye-Socorro	Channel 1, Middle 20cm, qtz, banded sulphides	20	0.14	19.85
5336	503802	560051	Ye-Socorro	Channel 1, Footwall 20cm (py, sph), end not exposed	20	0.57	87.8
5337	503776	560030	Ye-Socorro	Channel 2, Footwall, >30cm, laminated (py) similar to Sta. Agueda outcrop	30	**2.09**	**412**
5338	503776	560030	Ye-Socorro	Channel 2, 20cm, Qtz, Py	20	0.16	58.9
5339	503776	560030	Ye-Socorro	Channel 2, 30cm, Qtz, py, sph, galena	30	0.55	74.1
5340	503776	560030	Ye-Socorro	Channel 2, 20cm, banded sericitic similar to Sta. Agueda	20	**0.76**	**121**
5341	503776	560030	Ye-Socorro	Channel 2, 20cm, qtz, Py>10%	20	0.11	28.7
5342	503776	560030	Ye-Socorro	Channel 2, 40cm, qtz (py) Top Hanging wall	40	0.51	44.6
5345	503759	560015	Ye-Socorro	Channel 3, 2m wide vein, Hanging wall end, 15cm, qtz, py	15	0.34	30
5346	503759	560015	Ye-Socorro	Channel 3, 40cm, qtz (py)	40	0.28	25.3
5347	503759	560015	Ye-Socorro	Channel 3, 40cm, qtz (py)	40	0.01	23.4
5348	503759	560015	Ye-Socorro	Channel 3, 35cm (qtz (py)	35	0.22	12.2
5349	503759	560015	Ye-Socorro	Channel 3, 50cm (qtz, py)	50	0.41	58.9

5350	503759	560015	Ye-Socorro	Channel 3, 25cm, footwall not exposed	25	0.04	17.5
5351	503565	559819	Ye-Facing Sta. Agueda	35cm, qtz (py, sph, galena)	35	**3.96**	**141**
5352	503565	559819	Ye-Facing Sta. Agueda	50cm qtz (coarse py)	50	**0.03**	**345**
5353	503561	559825	Ye-Facing Sta. Agueda	40cm qtz, py	40	0.14	25.8
5354	503561	559825	Ye-Facing Sta. Agueda	40cm qtz, py	40	1.74	59.8
5355	504042	556898	Cuchilla Tavera	Kaolinite (vein?)		0.01	0.47
5356	503658	558451	Tavera-Guaduas	Vein, pyrite, galena, qtz		**0.52**	**183**
5357	503658	558451	Tavera-Guaduas	Banded quartz vein, py, cpy		0.02	49.3
5358	503658	558451	Tavera-Guaduas	Banded quartz vein, py, cpy		0.28	34.8
5359	503658	558451	Tavera-Guaduas	Qtz, py>10%		**0.01**	**131**
5360	503658	558451	Tavera-Guaduas	Qtz, py, galena		0	53.9
5361	503658	558451	Tavera-Guaduas	High grade, sulphides >15% (py, cpy, galena)		0.33	93.1
5391	504452	556720	Socorro	Sample in tunnel 130/80?		0.07	5.15
5392			Tavera	Oxides Sta. Agueda-Tavera		0.03	0.46
5393			Quebradona	Oxides Quebradona		0.01	0.19
5394	505473	557828	Road Guayabal	Flat vein arqueta		0.01	0.14
5420				Quartz vein down the trail between Murillo Creek and cemetery, 230/60?		0.01	0.09
5421			Sta. Agueda	Porphyry dike		0.01	0.23
5437	502627	559691	NW HFL	float near source (qtz, py, galena)		0.51	**81.7**
5438	502639	559693	NW HFL	vein >30cm float near source	30	**9**	**1030**
5439	502639	559693	NW HFL	Qtz, py, coarse sph/galena		**2.6**	**64.5**
5440	502639	559693	NW HFL	qtz py		**7.1**	**525**
5441	502639	559693	NW HFL	Vein >30cm py, galena	30	**3.9**	**183**
5442	502639	559693	NW HFL	coarse py, sph		**7.49**	**178**
5443	502639	559693	NW HFL	coarse py, sph		**19.9**	**311**
5444	502663	557123	Sabandija	Qtz, vein		0.02	0.88
5445	502661	557111	Sabandija	Vein, drusy qtz, py		0.03	1.31
5448	502547	558179	Tavera W	qtz, py, galena		**4**	25.5
5449	502547	558179	Tavera W	qtz, coarse py		0.81	6.38
5450	502547	558179	Tavera W	qtz, pyrite & ochrous (epithermal textures)		1	8.01

5451	502547	558179	Tavera W	Qtz, py, coarse sph/galena		**1**	17.45
5452	502711	5583520	Tavera W	qtz, coarse py, grass outcrop		0.07	0.64
5453	502711	5583520	Tavera W	qtz, coarse py, tree outcrop		0.33	3.14
5454	506847	565689	CP tunnel			**1.9**	44.1
5455	504013	557960	Santa Agueda	Vein, shallow angle, odd, banded, 40cm thick		0	0.11
5465	503431	559232	Veta Grande W	40cm stockwork hangingwall	40	0.14	0.71
5466	503431	559232	Veta Grande W	40cm banded qtz, vein	40	0.39	10.75
5467	503431	559232	Veta Grande W	20cm banded qtz, py	20	0.2	5.73
5468	503431	559232	Veta Grande W	creek outcrop 50cm wide	50	0.05	0.45
5469	503431	559232	Veta Grande W	1m channel	100	0.11	0.65
5470	503431	559232	Veta Grande W	45cm	45	0.05	1.84
5471	503431	559232	Veta Grande W	45cm (footwall stockwork)	45	0.1	0.55
5472	503431	559232	Veta Grande W	high grade		**1.26**	19.35
5473	503431	559232	Veta Grande W	high grade		**1.82**	79.1
5476	503842	559660	Veta Grande E	blue qtz, py galena		**1.83**	**282**
5477	503842	559660	Veta Grande E	rusty qtz, oxides, coarse qtz xtals		0.05	1.68
5478	503842	559660	Veta Grande E	banded qtz, py, oxides		0.22	41.8
5479	503842	559660	Veta Grande E	banded qtz, py, oxides		0.04	10.35
5480	503842	559660	Veta Grande E	coarse qtz xtals and py		0.46	**147**
5481	503842	559660	Veta Grande E	banded qtz, coarse py, more massive		0.5	64.1
5482	503842	559660	Veta Grande E	coarse qtz xtals and sph, py		0.73	68.4
5483	503842	559660	Veta Grande E	coarse qtz xtals and sph, py		0.34	36.6
5501	503957	559755	Veta Grande E	Vein float, sub-outcrop. Bx-qtz, oxides >40cm	>40cm	0.35	55.6
5502	503957	559755	Veta Grande E	Vein float, sub-outcrop. Bx-qtz, oxides >40cm	>40cm	0.16	5.81
5503	503957	559755	Veta Grande E	Grey qtz, sulphides, banded		0.6	57.2
5504	503957	559755	Veta Grande E	banded qtz, coarse py, more massive	>35cm	**2.16**	**309**
5505	503817	559724	Veta Grande E	coarse sph, galena, py, qtz xtls	>35cm	**1.87**	**766**
5506	503817	559724	Veta Grande E	grey qtz, sulphides, sph	>35cm	**1.37**	**716**
5507	503817	559724	Veta Grande E	white qtz, abundant very coarse py	>35cm	**3.11**	**354**

5508	503817	559724	Veta Grande E	grey qtz, very coarse and abundant sulphides	>35cm	**2.98**	**338**
5509	503817	559724	Veta Grande E	Grey banded qtz, sulphides py, (sph, galena)	>35cm	**1.51**	**511**
5510	503817	559724	Veta Grande E	banded sugary qtz, good textures, no visible sulphides	>35cm	0.19	1.48
5511	504384	559940	Veta Grande E	qtz, >35cm wide, py, sulphosalts?, banded	>35cm	0.1	13.95
5512	504384	559940	Veta Grande E	qtz, >35cm wide, py, sulphosalts?, banded	>35cm	0.09	15.4
5513	504362	559936	Veta Grande E	qtz, py, sph, ruby silver		**14.65**	**1370**
5514	504362	559936	Veta Grande E	>40cm, qtz, py	>40cm	0.15	6.66
5515	504345	559950	Veta Grande E	Qtz, very coarse py (>20%)	>40cm	0.47	42.2
5516	504357	559957	Veta Grande E	banded qtz, sulphides py >35cm	>35cm	0.67	34
5517	504357	559957	Veta Grande E	banded qtz, py >35cm	>35cm	0.64	44.4
5518	504356	559979	Veta Grande E	qtz, py, sph, ruby silver	>35cm	**2.36**	**2300**
5519	504356	559979	Veta Grande E	qtz, py, sph, ruby silver	>35cm	**1.6**	402
5520	504356	559979	Veta Grande E	qtz, py, sph, ruby silver	>35cm	**2.76**	**1955**
5521	504356	559979	Veta Grande E	qtz, py, sph, ruby silver	>35cm	**1.87**	**3480**
5522	504356	559979	Veta Grande E	qtz, py, sph, ruby silver	>35cm	**2.58**	**1570**
5523	504340	559982	Veta Grande E	finely banded qtz, py rich	>35cm	0.59	77.2
5524	504340	559982	Veta Grande E	finely banded qtz, py poor	>35cm	**14.2**	12.15
5525	504322	559968	Veta Grande E	qtz, py, >40cm	>40cm	5.71	**727**
5551	503190	559105	Veta Grande W	qtz, coarse py, coarse sph patches	>40cm	**3.08**	**134**
5552	503190	559105	Veta Grande W	banded qtz, fine grained py		**4.15**	13.75
5553	503190	559105	Veta Grande W	qtz and coarse grained py		**12.75**	74.3
5554	503190	559105	Veta Grande W	white sugary qtz, black septa, py, sph, galena		**2.17**	51.7
5555	503190	559105	Veta Grande W	qtz, coarse py, sph, galena		**3.44**	**144**
5556	503037	559206	Veta Grande W	banded qtz, abundant py, coarse sph		**5.81**	90.2

Certificate of Assay for 2018 Sampling

SGS

INFORME DE ENSAYO
GQ1800253

Página 1 de 2

A solicitud de:	MINERA LA FORTUNA SAS Carrera 70, 119A-29		
Por cuenta de:	MINERA LA FORTUNA SAS Carrera 70, 119A-29		
Producto:	Muestras de Exploración	**Cantidad Muestras:**	9
Tipo de Análisis:	PREPARACION Y ANALISIS QUIMICO	**Fecha de Recepción:**	01/05/2018
Localidad de preparación:	MEDELLIN	**Fecha de Ensayo:**	Del 01/05/2018 Al 05/05/2018
Condición de la Muestra:	En bolsas de plástico selladas Granulometría de 1 a 2 pulg y Húmedas.		
Referencia Cliente:	SANTA ANA HFL-151		
Notas:			

Esquema	Método
PRP93	MIN-LG-P-001 /Marzo 2014 Rev.02 / Preparación de Muestras Geológicas (Secado <1Kg, Triturado a Malla N° 10 >90%, Dividido a 250g, Pulverizado a Malla N° 140 >95%)
FAA515	SGS-MIN-LG-ME-002 / Agosto 2012 Rev.00 / Determinación de Oro en Muestras Geológicas - 50g por Ensayos al Fuego con Cuantificación AAS
AAS12C	MIN-LG-ME-006 / Enero 2013 Rev. 01 / Análisis de muestras geológicas por digestión con agua regia/cuantificación por AAS.
AAS11B	SGS-MN-ME-133 / Julio 2009 Rev. 01 / Muestras Menas - Digestión ácida: Nitrico y Clorhídrico - Absorción Atómica.
PMI_CH	MIN-LG-I-003 / Marzo 2014 Rev.01 / Pesado y Codificado de Muestras Geológicas (Peso de Muestra Recibido)

Elemento	Au	Ag	Ag	Weight
Esquema	FAA515	AAS12C	AAS11B	PMI_CH
Unidad	ppb	ppm	g/TM	g
Limite de Detección	5	0.3	10	
3004801	1650	>500.0	609	355.0
3004802	129	20.0	--	1440
3004803	552	45.8	--	2270
3004804	1029	59.3	--	1530
3004805	5817	>500.0	1218	2050
3004806	2376	242.9	--	2530
3004807	3186	382.8	--	2135
3004818	91	48.0	--	3685
3004819	11	0.5	--	1925
*DUP 3004805	5894	>500.0	1280	--

ALMACENAJE DE CONTRAMUESTRAS:
Las contramuestras finas y gruesas serán almacenadas sin costo los primeros noventa (90) días después de la presentación del Informe de Ensayo.
Después de los tiempos antes establecidos el costo de almacenaje será: US$ 0.20/Contramuestra Fina y US$ 0.50/Contramuestra Gruesa por treinta (30) días.
Nota: Cada contramuestra gruesa será almacenada en bolsa de plástico y las mismas serán devueltas dentro de un saco de polipropileno.
Cada contramuestra fina será almacenada en bolsa de papel y las mismas serán devueltas dentro de una caja de cartón.

SGS Colombia S.A.S. Carrera 52 N° 14 Sur 26 Av. Guayabal - Medellin, Colombia
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INFORME DE ENSAYO
GQ1800253

Página 2 de 2

Emitido en Medellin - Colombia , 05/05/2018

Juan Camilo Vélez
Supervisor Lider de Laboratorio

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "**MoU**") is entered into this 13th day of October, 2016 by and between the following parties (each individually as a "**Party**" and, collectively, as the "**Parties**"):

A. LOST CITY SAS, a company duly incorporated under the laws of Colombia and having its registered office at Carrera 70, 119A-29, Bogota, Colombia, registration NIT: 900510770-6, Bogota, Colombia (**"Lost City"**); and

B. MINERA LA FORTUNA SAS, a company duly incorporated under the laws of Colombia and having its registered office at Carrera 70 no 119A-29, Bogota, Colombia (**"La Fortuna"**).

1. This **MOU** reflects discussions held between CB Gold Inc. ("**CB**"), parent Company of **Lost City**, and Malabar Gold Corp. ("**Malabar**"), parent Company of **La Fortuna.** in connection with mining concession contract HFL-151 (the "**Mining Title**").

2. **Lost City** is the titleholder of Mining Concession Contracts JGF-08181, and the current titleholder of Mining Concession Contract HFL-151, both located in Falán, Tolima, Colombia, as registered with the National Mining Cadaster.

3. On August 20, 2015 a Mining Concession Purchase Agreement was executed by and between Condor Precious Metals Inc., **Lost City** and **Malabar,** by means of which **Lost City** sold 100% of the legal and beneficial interest in mining concession HFL-151 to **Malabar.** The process to assign the Mining Title from **Lost City** to **La Fortuna** is before the **National Mining Agency** ("**ANM**") pending approval.

4. Pursuant to the above and this **MoU, Lost City** agrees to divide of the total area of the Mining Concession Contract HFL-151, thus, and as shown in the map on the Attachment below:

   "**Area A**" will be located within the following coordinates:

Point	East	North
1	905014,3440	1054092,0300
2	906400,9890	1054092,0300
3	906400,9890	1052123,0010
4	905011,9990	1052123,0010

"**Area B**" will be located within the following coordinates:

Point	East	North
1	900371,1450	1052117,6410
2	905011,9990	1052123,0010
3	906400,9890	1052123,0010
4	906400,9890	1047500,0010
5	901239,1690	1047500,0010
6	900697,5800	1050381,1110

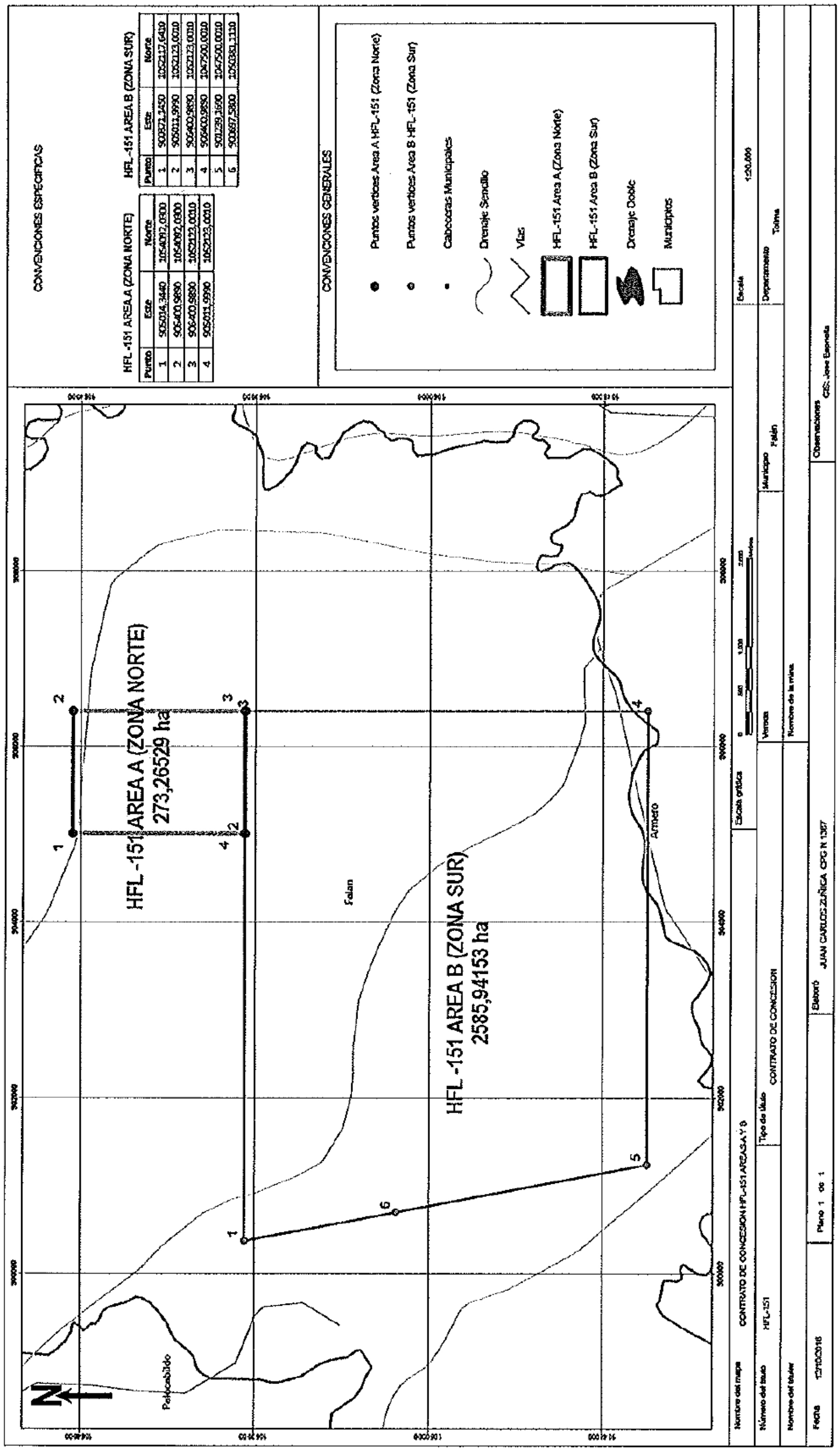
5. **Lost City** intends to transfer the mining rights of **Area B** of the Mining Concession Contract HFL-151, to **La Fortuna,** applying for this cession from the **National Mining Agency** ("**ANM**"), and registration with the National Mining Cadaster.

6. **Lost City** shall remain the titleholder of **Area A** of the Mining Concession Contract HFL-151, and **Lost City** shall apply for mining integration between **Area A** of the Mining Concession Contract HFL-151, and Mining Concession Contract JGF-08181.

7. The consideration for the retention of the mining rights of **Area A** in the name of **Lost City,** and the transfer of the mining rights of **Area B** to **La Fortuna**, of Mining Concession Contract HFL-151, shall be COP $94.200.000,00, which shall be paid as follows:
   a) 50% of the total consideration upon the signing of this **MOU.**
   b) The remaining 50% once the integration of **Area A** and mining concession contract JGF-08181 has been approved by the **ANM.**

8. Current mining legislation shall be observed during the process of the division of Mining Concession Contract HFL-151 into **Area A** and **Area B,** and the reassignment of the mining rights of **Area B** to **La Fortuna**. The **Parties** agree that they will make best efforts to ensure the transition of the transfer of the mining rights of HFL-151, and the integration of **Area A** into JGF-08181 proceeds without obstruction.

9. The **Parties** undertake to provide the necessary information and support in achieving the approvals from and compliance with the mining, environmental and other authorities, as will be required for the initiation of procedures for the concurrent transfer and integration of the mining titles referred to in this **MoU.**


CONVENCIONES ESPECIFICAS
HFL-151 AREA A (ZONA NORTE)
Punto Este Norte
1 905014,3440 1054092,0300
2 906400,9890 1054092,0300
3 906400,9890 1052122,0010
4 905011,9990 1052123,0010
HFL-151 AREA B (ZONA SUR)
Punto Este Norte
1 900871,1450 1052117,6410
2 905011,9990 1052123,0010
3 906400,9890 1052123,0010
4 906400,9890 1047500,0010
5 901239,1690 1047500,0010
6 900697,5800 1050381,1110
CONVENCIONES GENERALES
Puntos vertices Area A HFL-151 (Zona Norte)
Puntos vertices Area B HFL-151 (Zona Sur)
Cabeceras Municipales
Drenaje Sencillo
Vias
HFL-151 Area A (Zona Norte)
HFL-151 Area B (Zona Sur)
Drenaje Doble
Municipios
HFL-151 AREA A (ZONA NORTE)
273,26529 ha
HFL-151 AREA B (ZONA SUR)
2585,94153 ha
Falan
Armero
Palocabildo
Nombre del mapa CONTRATO DE CONCESION HFL-151 AREAS A Y B
Número del titulo HFL-151
Tipo de titulo CONTRATO DE CONCESION
Escala gráfica
Escala 1:20.000
Departamento Tolima
Municipio Falan
Fecha 12/10/2016
Plano 1 de 1
Elaboró JUAN CARLOS ZUÑIGA CPG N 1367
Observaciones