Summary of Exploration at the Minerva Project, Coahuila, Mexico

Report Date: July 27, 2020

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TABLE OF CONTENTS

FIGURES

TABLES

STATEMENT OF QUALIFICATIONS

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I, Craig Gibson, hereby certify that:

1. I am a Certified Professional Geologist #11096 with the American Institute of Professional Geologists of Westminster, Colorado since 2007.

2. I graduated with a BS degree in Geosciences in 1984 from the University of Arizona, and MS. and PhD degrees in Geology in 1986 and 1992 respectively, from the Mackay School of Mines, University of Nevada, Reno.

3. I have accrued more than 30 years of experience in exploration, evaluation, discovery and research of mineral deposits in North and South America. Relevant experience includes investigation, evaluation, and exploration of multiple types of mineral systems throughout Mexico since 1993.

4. I personally conducted an examination of the Minerva Project on June 7th, 2020.

5. I am the author of the technical report titled "Summary of Exploration at the Minerva Project, Coahuila, Mexico" dated July 31, 2020 and am solely responsible for its content.

6. I do not have any present interest or past involvement in the Minerva Project or Property other than remuneration for consulting services, nor shares or interest in Discovery Metals, Inc. (DSV) or in any adjacent properties, nor do I expect to receive any such interest or shares.

DATED this 31st day of June, 2020.

Craig Gibson, Ph.D. CPG.

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Guadalajara, Jal., July 31, 2020

Roman Solis
Discovery Metals Inc.

Summary of Exploration at the Minerva Project, Coahuila, Mexico

Please find enclosed a report summarizing exploration work carried out on Discovery Metal's (Discovery, DSV or Company) Minerva Project (Minerva or Project), located northwest of Monclova in Coahuila State.

A Project data package provided by Discovery was reviewed, and a field visit was made after a delay caused by contingencies from the Covid-19 pandemic. A review of public information compiled from the Servicio Geologico Mexicano (SGM) was also made.

Scope of Report.

This report summarizes the exploration data at the Minerva project as provided in a digital database provided by Discovery. Public information from the SGM was also reviewed. A property visit to the project was made on June 7th, 2020 in the company of Mr. Jesus Hernandez, a Director of DSV, and Mario Arredondo, Administrator. A detailed review of mineral property ownership, surface rights and environmental permits was not made and the author has relied upon information provided by Discovery.

Executive summary and recommendations

Work at the Minerva Project has resulted in the identification of several areas that warrant further exploration through drilling. Potentially economic mineralization has been identified at each of the three map areas, Concordia, Minerva and La Tercia. The main targets are polymetallic replacement mineralization formed at and near contacts between the intrusive rock package and the carbonate rocks, in favorable beds in the carbonate units and also in structures that cut bedding in the sedimentary rocks and also occur in the intrusive package.

Polymetallic mineralization provides a good exploration target considering the nearby La Encantada and La Pasion mines. First pass drilling is relatively straightforward as there is road access to many of the targets and construction of mainly short spur roads and drill pads will be necessary for a first round drill program. The best targets identified are the manto mineralization at the Minerva mine and surrounding areas and potential bulk tonnage mineralization hosted in low angle structures at the La Tercia area.

Recommendations:

A short field program is recommended to review the geology of each of the target areas to confirm the interpretation presented and to upgrade the cross-sections to refine the drill plan.

- Based on the field visit, it appears that the favorable horizons for manto mineralization in the Minerva and Concordia areas could be affected by folding, and this interpretation should be investigated.

- Also, in general drill sites for the first round should be located close to the targets to insure that the objective is tested and to provide information for orienting deeper holes.
- Drilling of the bulk tonnage target at La Tercia would be relatively straightforward.

The geophysical data and target areas on DSV ground should be reviewed

- A more detailed evaluation of the geophysical targets should incorporating more of the known geology for each target and would possibly include new 3D inversions.
- The possibility for ground E-M geophysical surveys in the area of the Minerva mine manto and the La Tercia low angle structure should be evaluated.
- The SGM IP data should be reviewed by a geophysicist and added to the project database to be able to locate on the Company's maps as they are in local coordinates.

Further reconnaissance work is warranted as only five of the 9 concessions that make up the project have been explored over a significant portion of the surface area by mapping and sampling.

- The remaining concessions should be mapped and sampled in at least a reconnaissance manner considering they cover extensions to the contact between the intrusive rocks and carbonate rocks or potential down dip extensions.
- Sampling is relatively sparse and a stream sediment sampling program around the project could be used to explore for hidden polymetallic mineralization based on the minor element signature.
- The SGM stream sediment data should be added to the database.

Access and Infrastructure, Climate, Physiography.

The Minerva Project is located in the Ocampo municipality, a relatively remote region of western Coahuila state about 220 km northwest of Monclova, and lies in the Sierra Madre Oriental physiographic province (Fig. 1). The Project lies on the northern slope of an isolated sierra known as Cerro de Minerva. The topography of the Cerro de Minerva is abrupt and rises to about 1360 meters elevation above the elevation of the surrounding valleys at under 1000m, but the Project is located in a topographically subdued area ranging from about 960 m to 1060 m. The Project is accessed via highway 20 from Musquiz or from Cuatrocienegas. The Project is covered by the H13-D77 1:50,000 Las Eutimias sheet.

The Project area is arid scrub desert but restricted areas of oak trees are present at higher elevations in the ranges. Average maximum and minimum temperatures range from 3 to 20°C in winter and 25 to 36°C in summer and is arid with average annual precipitation of about 40cm, mostly as rain from May to September, but snow may fall at higher elevations in winter months, mainly in January. The region can be affected by significant rainfall from hurricanes that enter from the Gulf coast. The region is sparsely populated and has only rudimentary infrastructure.

Fig. 1. Location of the Minerva Project in Northern Mexico.

Mining rights, surface access and permitting.

The Minerva Project consists of 863 hectares in 9 concessions owned by third parties as well as a large 29,000 hectare application by DSV for the San Guillermo concession (Fig. 2). Table 1 shows the mineral concessions that make up the Project, as well as the concession applications that surround the Project. The large Discovery Metals concession was staked to surround all of the concessions at the Project and extends to the La Kika, Jem and Renata-Santa Rosa projects to the northwest, northeast and south, respectively. The validity of the concessions were not examined as the online database of the Public Mining Registry is no longer accessible under the current government.

The Company also has obtained permission from the surface owners, the Ejido San Guillermo II, parcels 5 and 18, to develop the exploration program (Fig. 2). An environmental permit for trenching and drilling was issued for the areas of the concessions under the applicable environmental regulations (NOM 120). It is not clear the term of the environmental permit.

Table 1. Mining Concessions of the Minerva Project

Concession	Hectares	File	Title	Title Date	Expiration date
La Terca	210	07/15912	228581	12/12/2006	12/11/2056
La Tercia	100	07/15811	225822	10/27/2005	10/28/2055
Maria Fernanda	105	07/15830			
Maria Fernanda	49	07/15773	225506	09/14/2005	09/13/2055
Minerva 1	100	07/15354	218641	12/03/2002	12/02/2052
Nandin 1	33.2157	0715886	228579	12/12/2006	12/11/2056
Rye	100	07/17006	233717	04/08/2009	04/07/2059
Rye	66.0457	07/17007	235084	10/09/2009	10/08/2059
La Reyna	100	07/18853	246600	09/28/2018	09/27/2068
Total	**863.2614**				
Concession applications					
San Guillermo	29,000	07/18950	pending		
Discovery Metals Fracc 1	72,164.4265	07/18678	pending		

Concessions titled prior to 2006 with expiry data modified to 50 years under modification of Mining Law of 1992.
Concession applications are shown on maps of DSV but may not be considered as part of the Project by the Company. The status of these concession applications has not been verified or determined by the author.

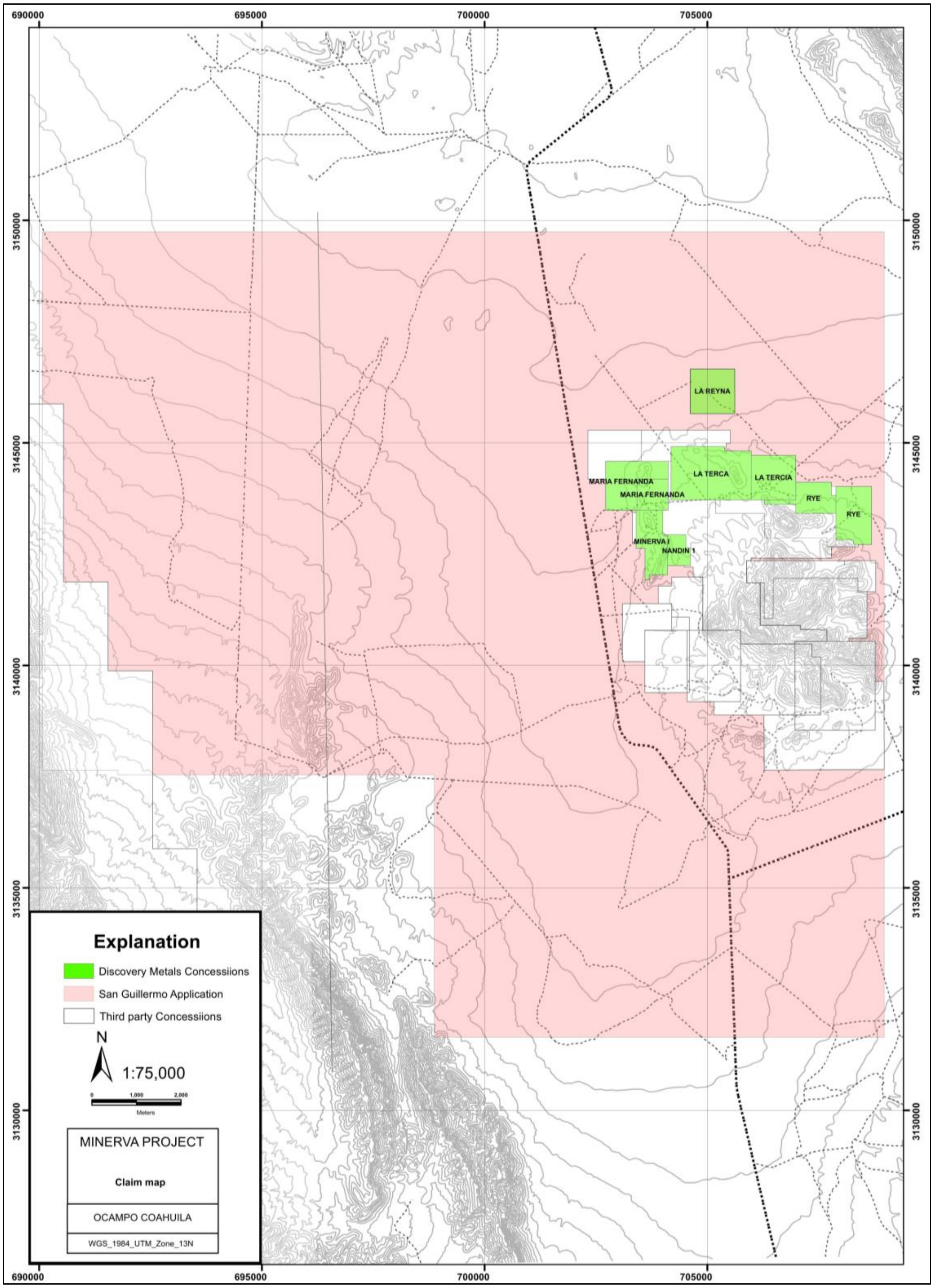

Fig. 2. Map showing concessions that make up the Project on regional topography. Project concessions are shown in green fill, and the San Guillermo concession application in red. Third party concessions are indicated by black outlines.

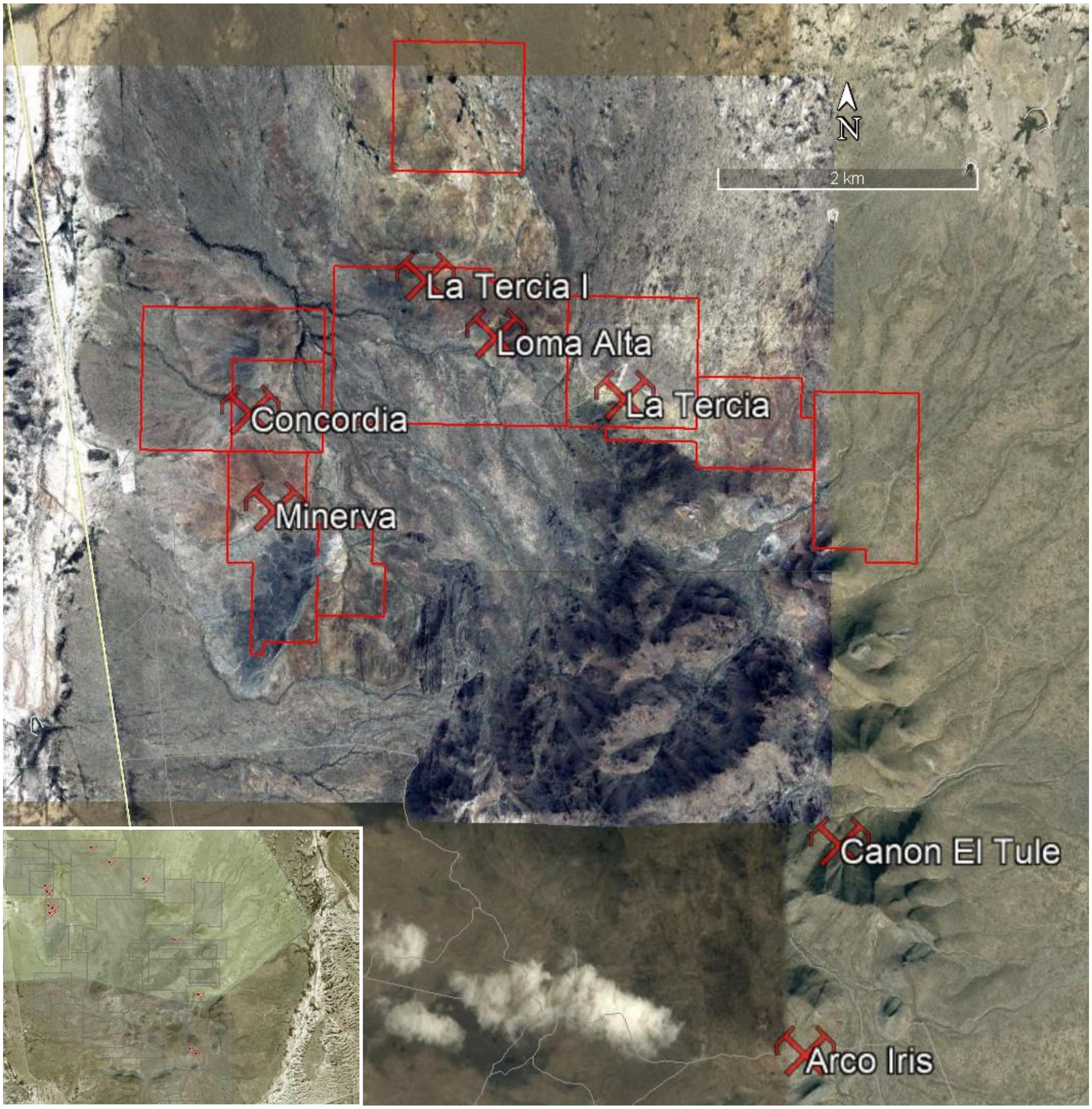

Fig. 3. Google earth image of Cerro Minerva with mosaic higher resolution images inserted, and concessions that make up the Project shown in red outline (the San Guillermo concession is not shown). Historic mines are from the SGM reports. The inset shows part of the San Guillermo Ejido that controls the surface of the project.

History.

Several areas of known mineralization are located in the Cerro de Minerva and exploration for iron deposits has been carried out by the SGM. Historic small mines and prospects are located in the northern portion of the Cerro de Minerva at Concordia, Minerva and La Tercia in the area of the Discovery concessions as well as in the southeastern portion of the Cerro de Minerva at Canon del Tule and Arco Iris. A silver-lead-zinc beneficiation plant and smelter reportedly was located in the western part of the Cerro de Minerva near the Minerva mine. Large trenches are observed on satellite images of the La Tercia area and were constructed within the last decade according to Mr. Hernandez.

A brief description of the area is made in a 1978 SGM report describing the regional geology and mineralization in northwestern Coahuila. A 1980 SGM report describes airborne and ground magnetic surveys and a 1981 SGM report describes IP studies in the area. The SGM published the 1:50,000 Geologic Mining map of the Eutimias sheet in 2005 that included an accompanying report that briefly described the mineral localities in the area.

Discovery carried out exploration for about 7 work periods from late February through October, 2018. The Company has taken 561 samples at the project and included 80 control samples for QA/QC.

Regional Geology.

The Minerva project is located within the northwestern portion of the Mexican fold and thrust belt in the Coahuila tectonic block (Fig. 4). The regional geology is characterized by tight to open anticlines and domes in Cretaceous platform sedimentary rocks forming mountain ranges separated by wide valleys covered by young sediments with local outcrops of upper Cretaceous rocks that are underlain by synclines. The Cretaceous rocks are part of a general transgressive sequence with mostly massive limestone at the base and grading to interbedded limestone and shale to shale at the top. These rocks formed in the Sabinas basin that was part of the trough system that extended from Tamaulipas to the southeast to Chihuahua to the northwest and was adjacent to the Coahuila and Burro-Salado highlands of the Cretaceous arc (Fig. 5, 6). Regional scale faults such as the San Marcos fault controlled the locations of graben boundaries.

Mineralization in the region is associated with proximal skarns at and near the contact between the sedimentary and igneous rocks as well as more distal carbonate replacement mineralization and sedimentary deposits of various types hosted by the Mesozoic rocks (Fig. 6). The Project lies within the carbonate replacement deposit belt of northern Mexico that hosts major polymetallic mineral deposits (Fig. 7). The Hercules iron skarn of Minera del Norte (AHMSA) is located 95 km west-southwest of the Project, and the La Encantada polymetallic mine of First Majestic is located 30 km to the east of the Project and the La Pasion polymetallic mine lies 30 km to the south (Fig. 1). La Encantada and La Pasion mines are in geologic settings similar to the target mineralization at the Project; La Encantada has proven and probable underground and tailings reserves of 5.5 Mt with 127 g/t Ag in oxide material with flotation and cyanide ore types. Production at the La Pasion mine since 2007 was 214,000 tonnes with an average head grade of 416 gpt Ag among several products; average grades of sulfides were of 162 gpt Ag with 6.0% Pb and 19% Zn, average grades of lead carbonate was 609 gpt Ag and 29% Pb, and the average grade of zinc oxide was 30.5% Zn (Drobeck et al., 2017).

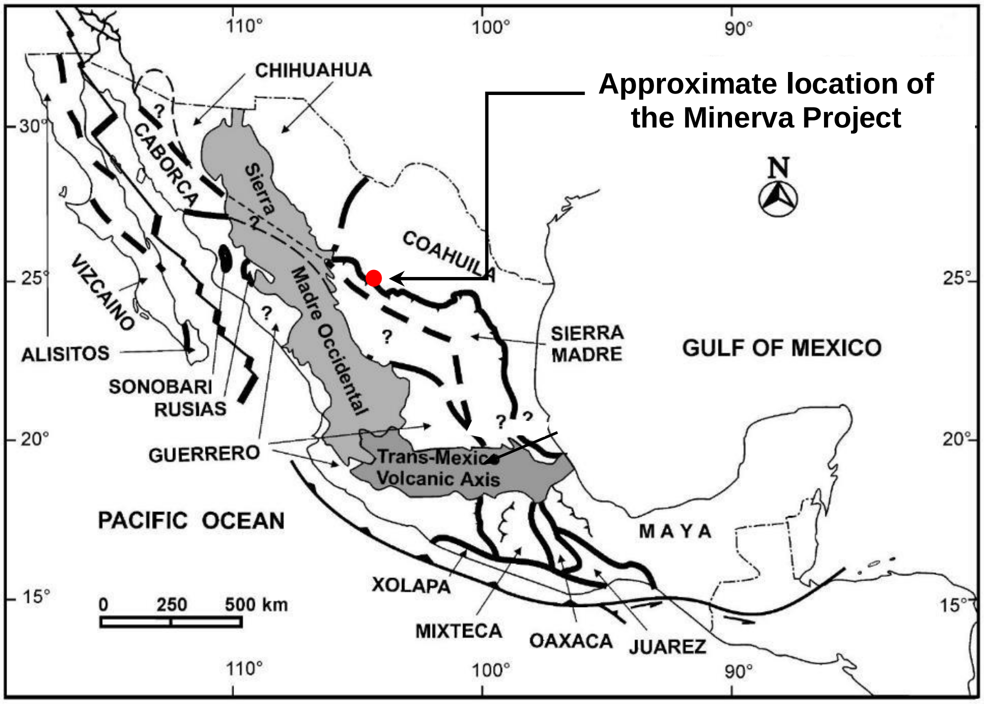

Fig. 4. Map showing the terranes and plate tectonic framework for Mexico as well as the Sierra Madre Occidental and Trans-Mexico volcanic belts and the Sierra Madre Oriental fold and thrust belt. After Campa and Coney (1983).

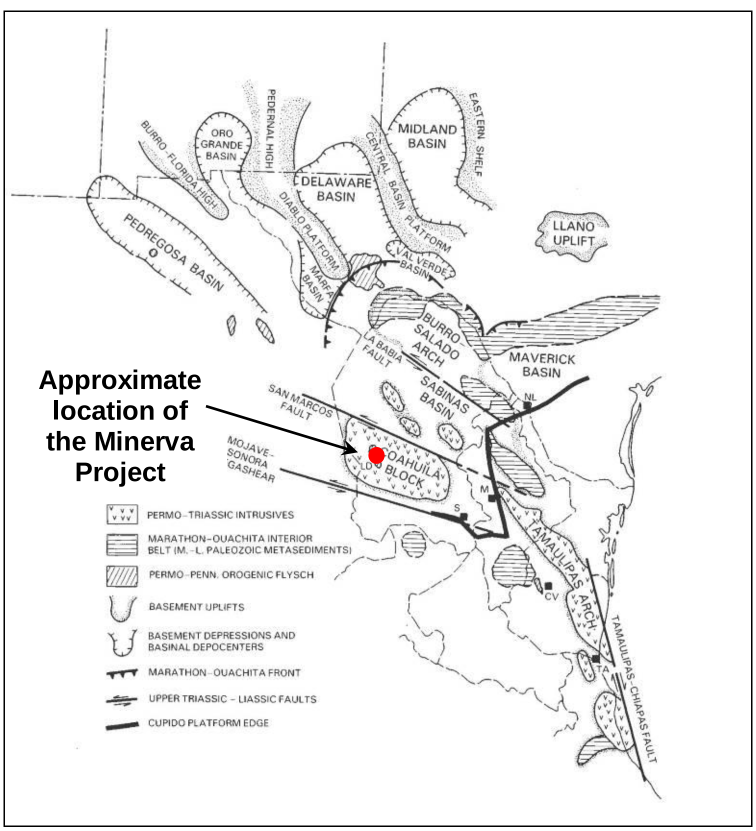

Fig. 5. Physiography the Northeast Mexico during the Mesozoic.

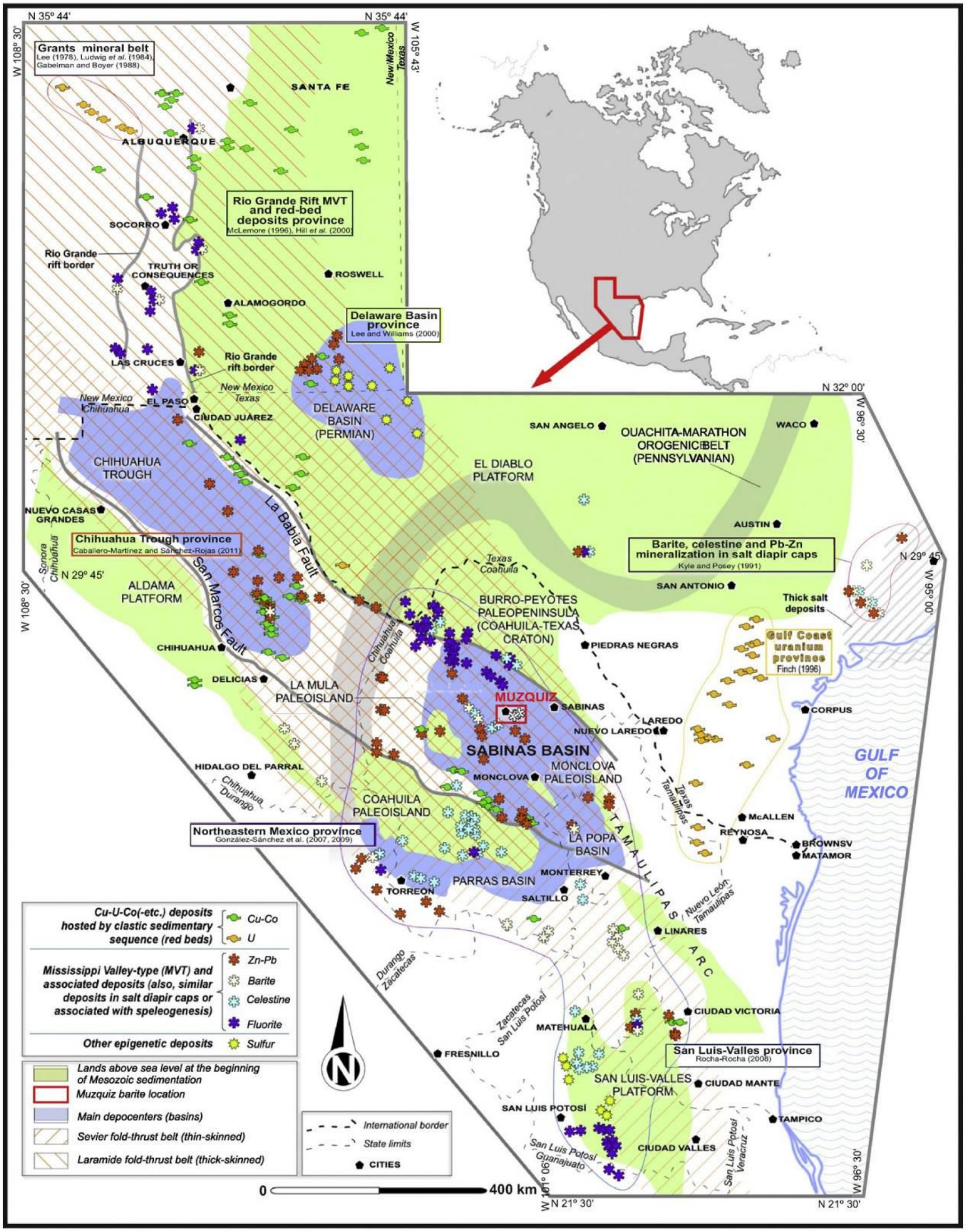

Fig. 6. Map showing the distribution of Mesozoic mineral deposits in Northeastern Mexico associated with sedimentary rocks and their tectonic and physiographic features. From Gonzales-Sanchez et al., 2017.

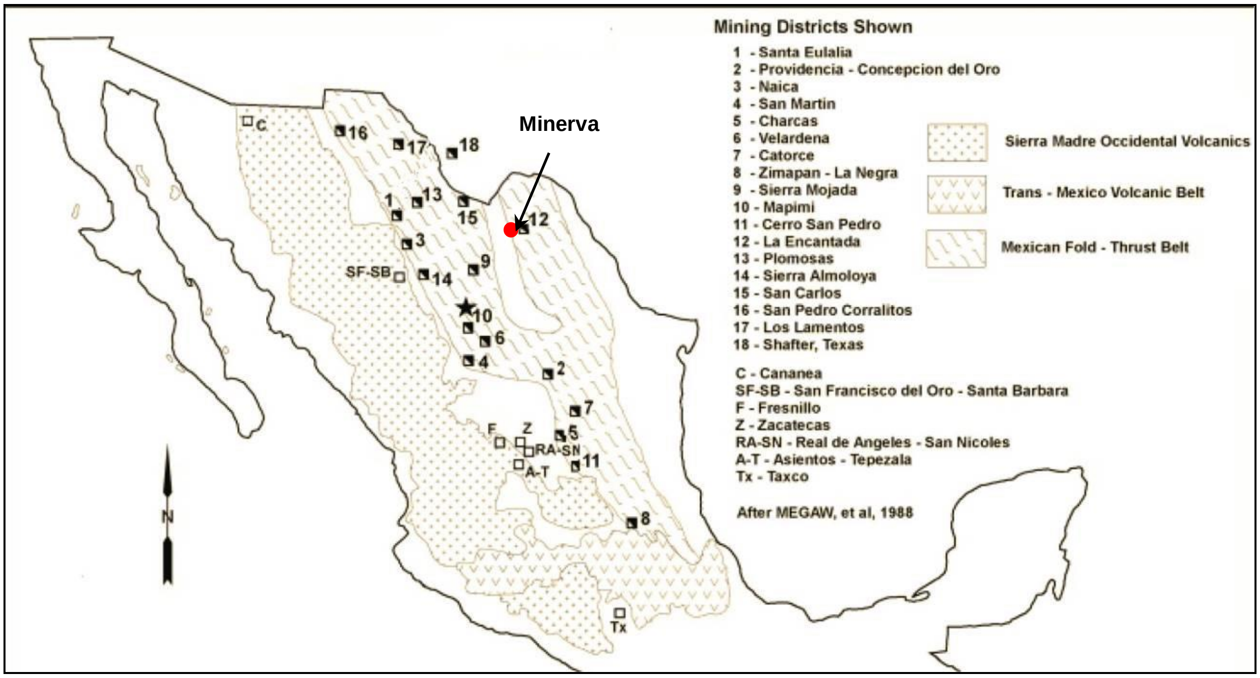

Figure 7. Carbonate Replacement Belt, Mexico.

Local Geology

The geology at the Project is characterized by Laramide granitic intrusions in the core of a ellipsoidal domal feature in Cretaceous sedimentary rocks that dip outwardly and measures about 7.5 km in a northerly direction and 4.5 km easterly (Figs. 3, 8, 9). The SGM 1:50,000 Geologic-Mining map shows that the intrusion consists of several phases ranging from mafic to felsic (Fig. 8). The main mass is classified by the SGM as granite composed of quartz and feldspar with minor pyroxene and has been correlated with a similar rock that has been dated at 52Ma, but no dating has been done locally. More mafic phases are locally present and are dark against the light gray granite. Gabbro composed of plagioclase and pyroxene with minor biotite and opaque minerals locally intrudes the granite. Diorite is also present as intrusions and dikes. Andesite porphyry and rhyolite porphyry intrusions and dikes are locally common. What appears to be a large dike swarm with an apparent shallow easterly dip is visible on the satellite photo along with other apparent structures in the intrusive body (Fig. 10, 11).

The SGM describes 7 small mines and prospects in the Cerro Minerva (Fig. 10), mostly Ag-Pb-Zn deposits but including one Fe skarn at Arco Iris. The SGM maps show large areas of skarn at and near the contacts between the intrusive rocks and the sedimentary rocks and also within the intrusive rocks. These areas shown as skarn where observed in the field are greatly exaggerated and are mainly not well developed skarn, but consist of recrystallized limestone with moderate to weak alteration (silicates and silicification) and local iron oxide masses. Many small mines and prospects are observed and an iron oxide staining in visible on satellite images.

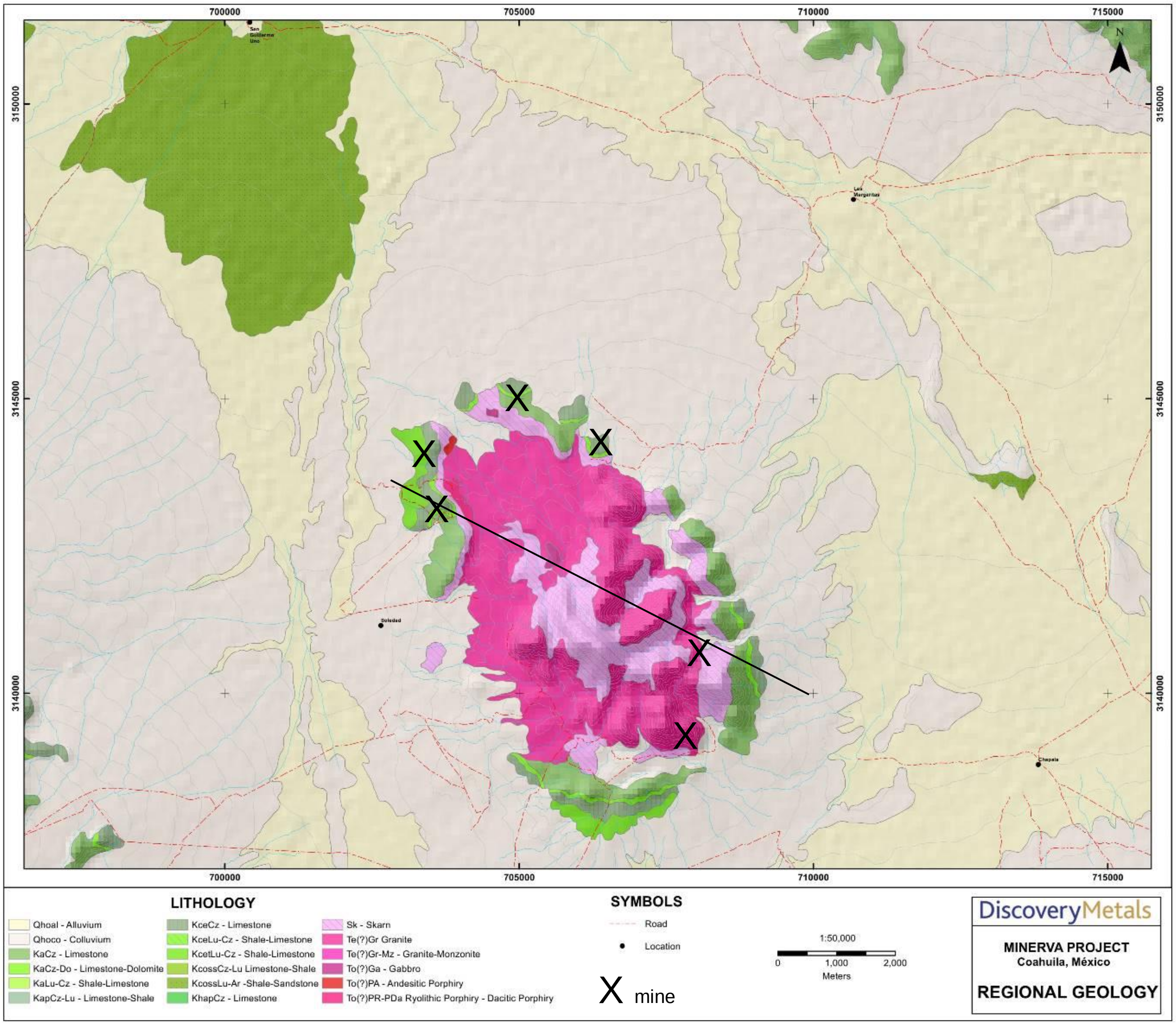

Fig. 8. Geologic map of the Minerva project, after SGM Carta Geologico-Minera, Eutimias 1:50,000 sheet, H13-D77. The line of section for figure 9 is indicated.

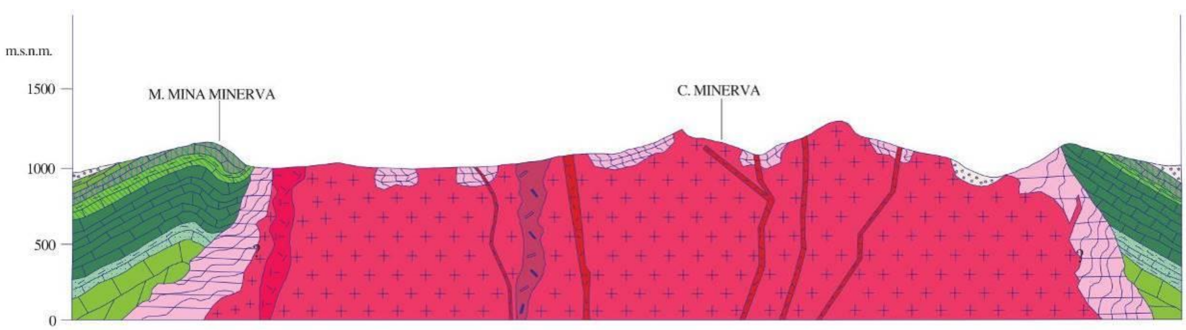

Fig. 9. Geologic section through the Minerva project, after SGM Carta Geologico-Minera, Las Eutimias, H13-D77.

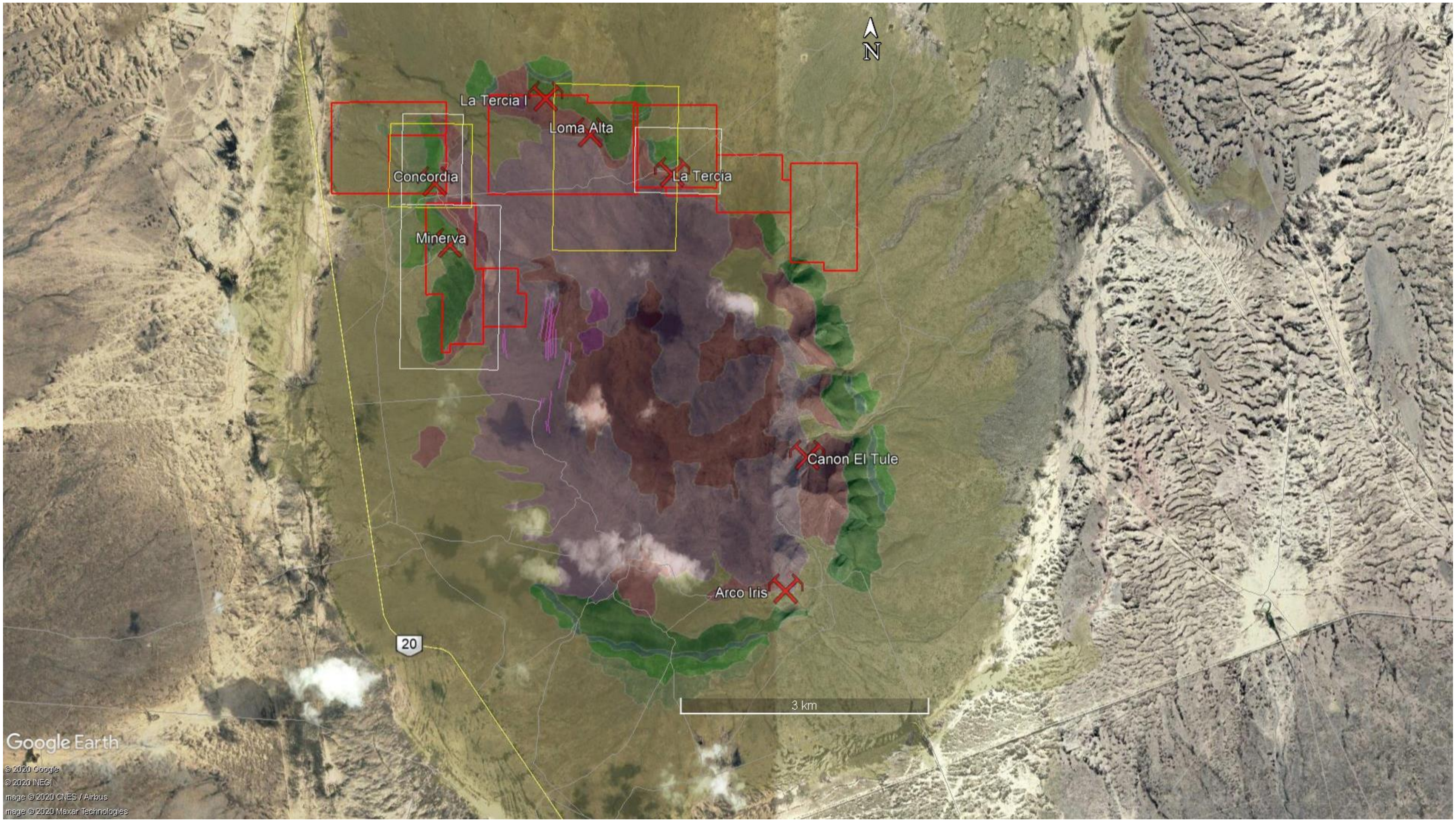

Fig. 10. Google earth image of Cerro Minerva with SGM geology overlain and concessions that make up the Project shown in red outline. Areas of project scale mapping in white outline, and areas with SGM geophysical studies in yellow outline. Purple lines are an apparent dike swarm observed on the satellite image.

Fig. 11. View of apparent east dipping 'layered' feature within intrusion, looking southeast.

Project Geology.

Descriptions in this section are taken from a series of monthly reports provided to the Author with the Project database. Geologic mapping has been carried out in three areas at the Project: Concordia, Minerva and La Tercia (Figs. 10, 12). The Concordia and Minerva areas are located in the western part of the Project on the two Maria Fernanda, the Minerva I and Nandin I concessions. These areas lie on the western contact of the domal structure and mapping is continuous between Concordia on the north and Minerva on the south. The La Tercia area is separate and is on the eastern side of the project, mostly on the La Tercia concession, and covers a portion of the northern contact of the domal structure. This work covers portions of five of the concessions that make up the Project. The other concessions, La Terca, La Reyna and the two Rye concessions, have not been explored in any detail with minimal sampling and no geologic mapping.

Lithology and structure

The country rocks are mapped as the upper part of the lower Cretaceous, consisting of the Santa Elena limestone, to the lower part of the upper Cretaceous sequence, consisting of interbedded limestone and shale of the Del Rio, Buda and Eagle Ford formations. These rocks wrap around the northern portion of the dome and dip away from it and moderate to gentle angles. The lower and upper units of the Cretaceous sequence are not recognized at the Project.

Several intrusive lithologies are present. The main mass is fine to medium grained biotite diorite. More mafic phases are locally observed and may be earlier as they are locally xenoliths. Andesitic and felsic intrusions and dikes are locally common. An apparent dike swarm is visible on the satellite photo to the south of the Project (Fig. 10), and this zone imparts a layered structure to the intrusive with northerly and easterly dips at moderate to low angles (Fig. 11).

This area was not visited and the origin of this structural feature is not known, but a general concentric structure in the area shown as intrusion on the SGM map is visible on satellite images and may represent different intrusive phases (Fig. 3).

Alteration and Mineralization

The intrusive units are generally relatively unaltered except for replacement of ferromagnesian minerals by chlorite and locally dark amphibole and restricted zones of garnet endoskarn. Local skarn and hornfels formed at and near the contact of the sedimentary rocks with the intrusion. This alteration is generally not as abundant as implied in the wide zones shown on the SGM Geology-Mining map, but large areas of variable recrystallization of the limestone and iron oxides on weathered surfaces are present.

The understanding of the mineralization at the Project is in a development stage as exploration has been undertaken for a relatively short time. The advance in mapping and sampling has covered three target areas but several of the concessions have not been adequately explored.

The mineralization at the Minerva project is located at and near the margins of the intrusive stock at and near the contact with the limestone unit as well as within structural zones in the limestone and in the intrusive rocks. The detailed descriptions in this section are based on the monthly Project reports made available to the author.

Mineralization can be separated into three general types based on lithologic and structural controls: skarn/replacements at the contact between sedimentary and intrusive rocks, manto replacement mineralization in certain horizons of the sedimentary rocks with associated chimneys along intersections with structures, and structurally controlled mineralization along shear zones in either rock type. The mineralization is similar among the different types and consists generally of massive iron oxides replacements and breccia filling associated with some veining. There are locally strong overlaps in the styles of mineralization. For example, contact related mineralization is commonly also described as structurally controlled and may have breccia filling as well as replacements.

Contact related skarn/replacement targets. Contact zones between the sedimentary rocks and intrusive package are common throughout the Project. Many of these may have important structural components but are alto commonly associated with skarn and are present along the contact zone from the Concordia area extending southward to the Minerva area.

Manto related replacement targets, The main manto targets identified at the Project are in the Minerva area. The Mina Minerva is the best understood manto as it was exploited by underground workings in the past and also exhibits chimney mineralization along structures. A potential for hidden manto mineralization was identified to the south of the Minerva target, termed SW Minerva, where an apparently favorable lithologic horizon hosts minor but widespread traces of replacement and vein mineralization associated with anomalous indicator geochemistry. The southern part of the Concordia area in the Jabali and Buitre mines may be the northern extension of the Mina Minerva manto.

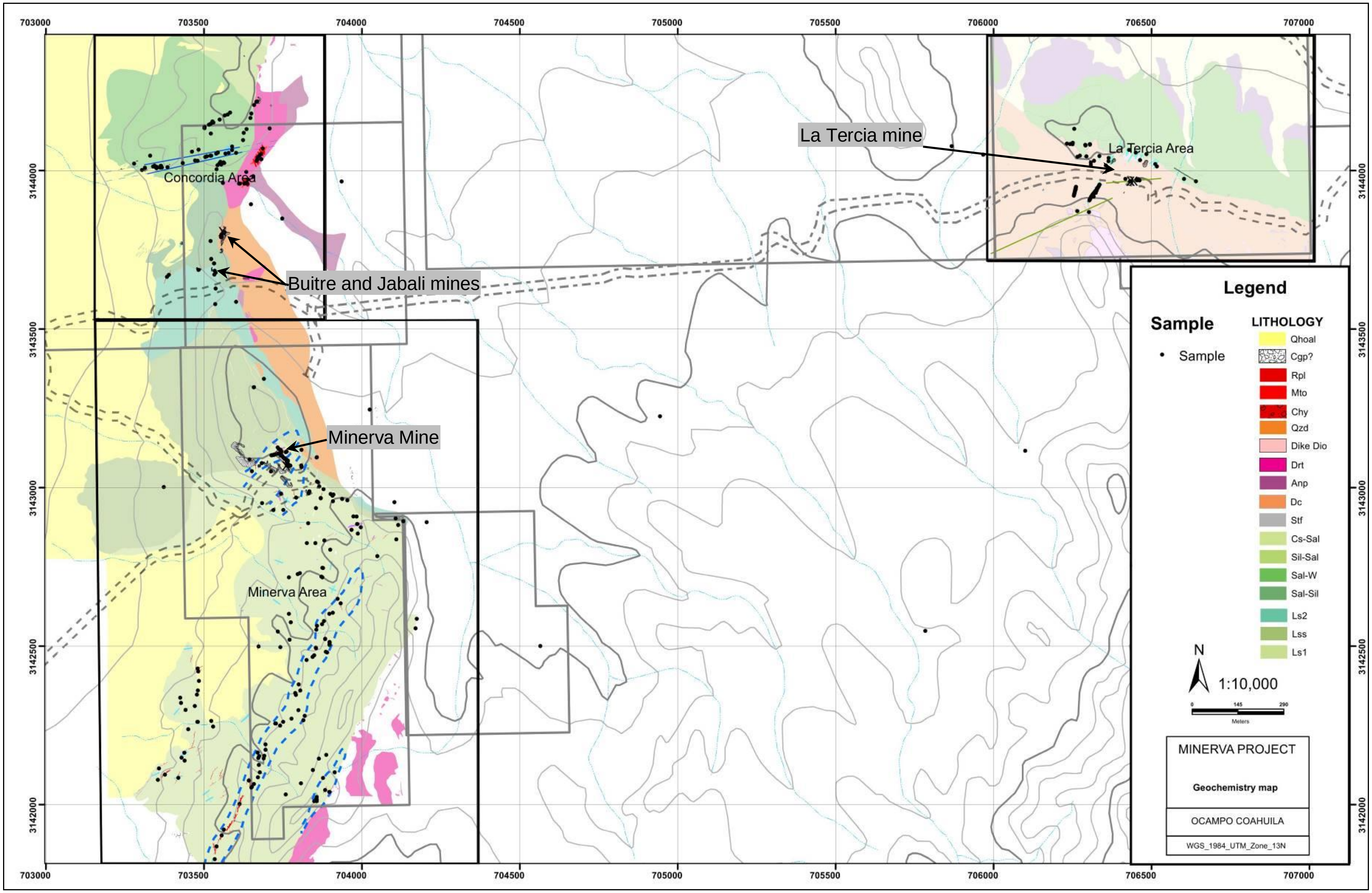

Fig. 12. Areas of detailed exploration work at the Minerva project indicated by the thick black lines, with Project concessions, light gray, and with geology and sample locations. The small mines mentioned in the text are also shown.

Shear zone targets. Several targets along shears and hypothesized tension features have been identified in the Concordia area. The main shear zone is an east-northeast trending structure in the west center portion of the area and hosted by sedimentary rocks. Two possibly subsidiary structures with a more northeasterly trend termed tension gashes are located to the north and south of the main structure. These structures host abundant iron oxides with anomalous geochemistry and have mineralization similar to that in the mantos but in a structural host. These zones could also contain important replacement mineralization in the adjacent carbonate rocks.

Mineralized low angle faults are present in the Tercia area. These are mainly hosted in the intrusive rock package but may also occur at and near the contact with the sedimentary rocks, and commonly have small mines and prospects developed on them.

Exploration areas.

As mentioned previously, the project was divided into three discrete areas, Concordia, Minerva and La Tercia (Fig 12). The Concordia and Minerva areas are basically continuous and extend along the western side of the intrusive body, while the La Tercia is geographically separate and is along the northern contact of the intrusive mass.

Concordia. The Concordia area is located in the northwestern part of the Project and lies on the two Maria Fernanda concessions and extends off of them to the east (Fig. 12). The area is characterized by the contact zone between the intrusive rocks and the sedimentary rock package with the sedimentary rocks dipping largely to the northwest and west although local small scale folding disrupts this (Fig. 13). The sedimentary rocks are composed of various units of sandy and silty limestone, wackestone to calcareous sandstone. The intrusive rocks consist mostly of diorite and quartz diorite with some Andesite porphyry. The sedimentary rocks are moderately to strongly recrystallized near the contact with local hornfels (Fig. 14). Weak recrystallization extends further into the limestone as much as several hundred meters from the contact.

Alteration in the area is mainly recrystallization of the limestone that is strong near the contact with the intrusive rocks and decreases farther from the contact but is still recognized several hundred meters from it in the northern part of the area, but seems more restricted further south but this may be due to lack of exposure and alluvial cover (Fig. 14). Hornfels is locally observed along the contact with some skarn mineralization mapped near the southern limit of the area.

Two types of mineralization were identified in the Concordia area. The most important is associated with an east-northeast trending shear zone and related tension gashes filled by iron oxide minerals with calcite (Figs. 13, 15). Small mine workings are developed along these features and locally strong small scale folding is observed, but large structures are not easy to distinguish. There are also contact related replacements and skarn near the intrusive contact in the southern part of the map area. Small mines and prospect have been developed on both types of mineralization with the largest at the Buitre and Jabali mines developed on mantos (Figs 16, 17). 129 surface samples and 24 underground samples have been taken in this area.

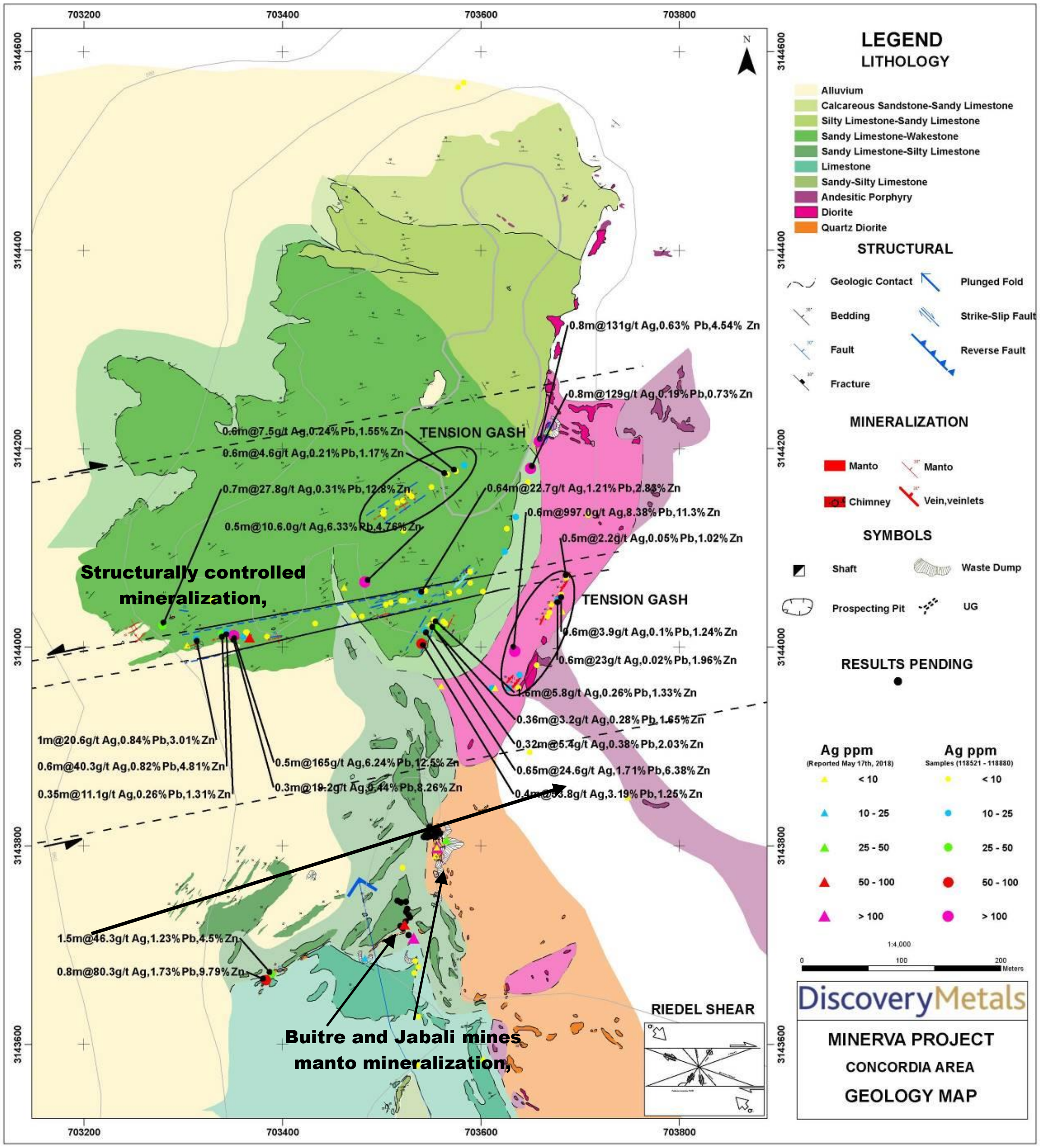

Fig. 13. Geologic and sample map of the Concordia area.

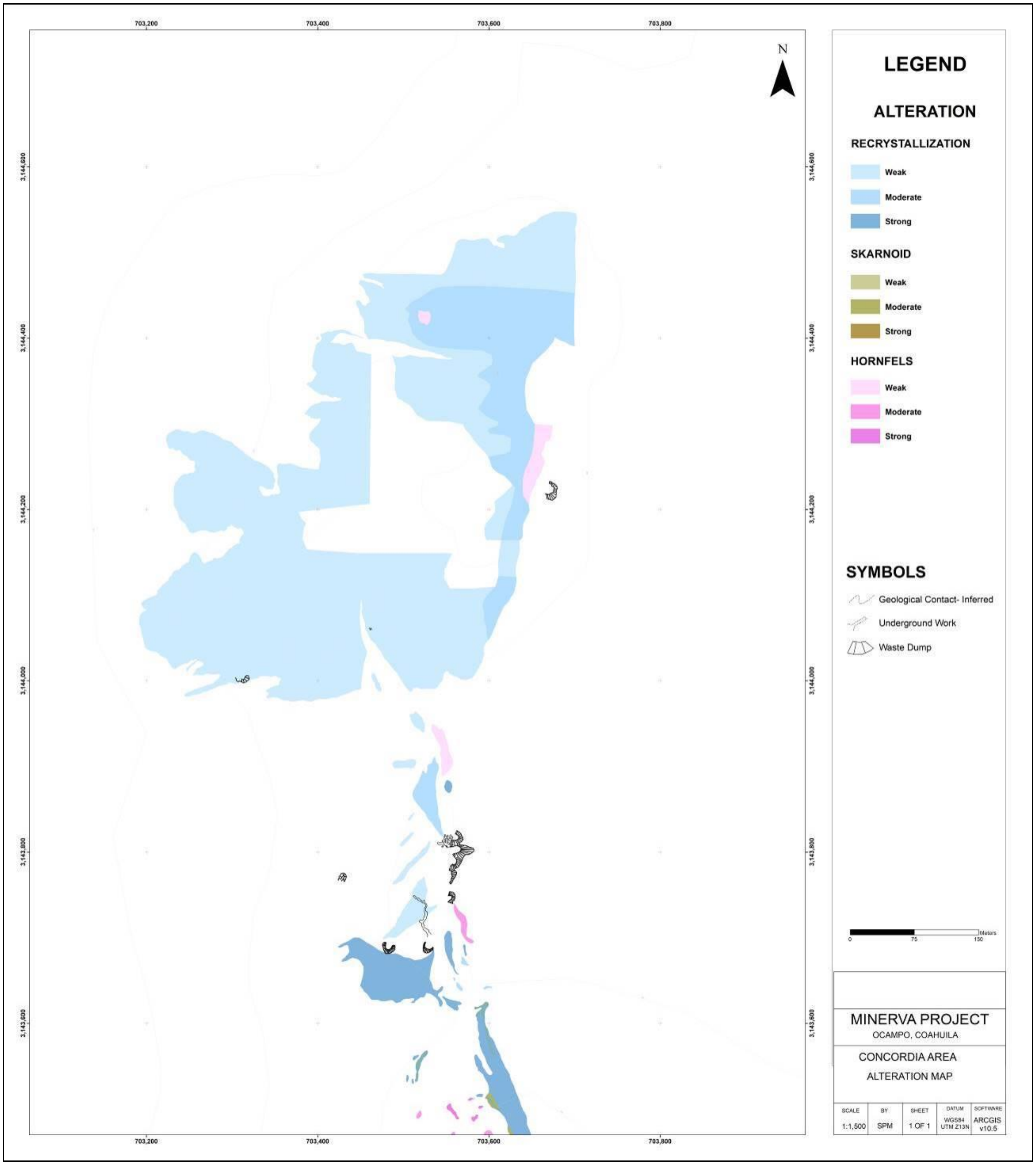

Fig. 14. Alteration map of the Concordia area.

Fig. 15a. Concordia area. Skarn in limestone, left photo and mine dumps of the Buitre mine manto, right photo.

Fig. 15b. Mineralization from the Concordia area. Left photo: iron oxides and calcite in tension gash, sample 118647; Middle photo: folded sedimentary rocks in structural zone; Right photo: oxide mineralization along western part of structural zone, at sample 118561 (Author's 379169).

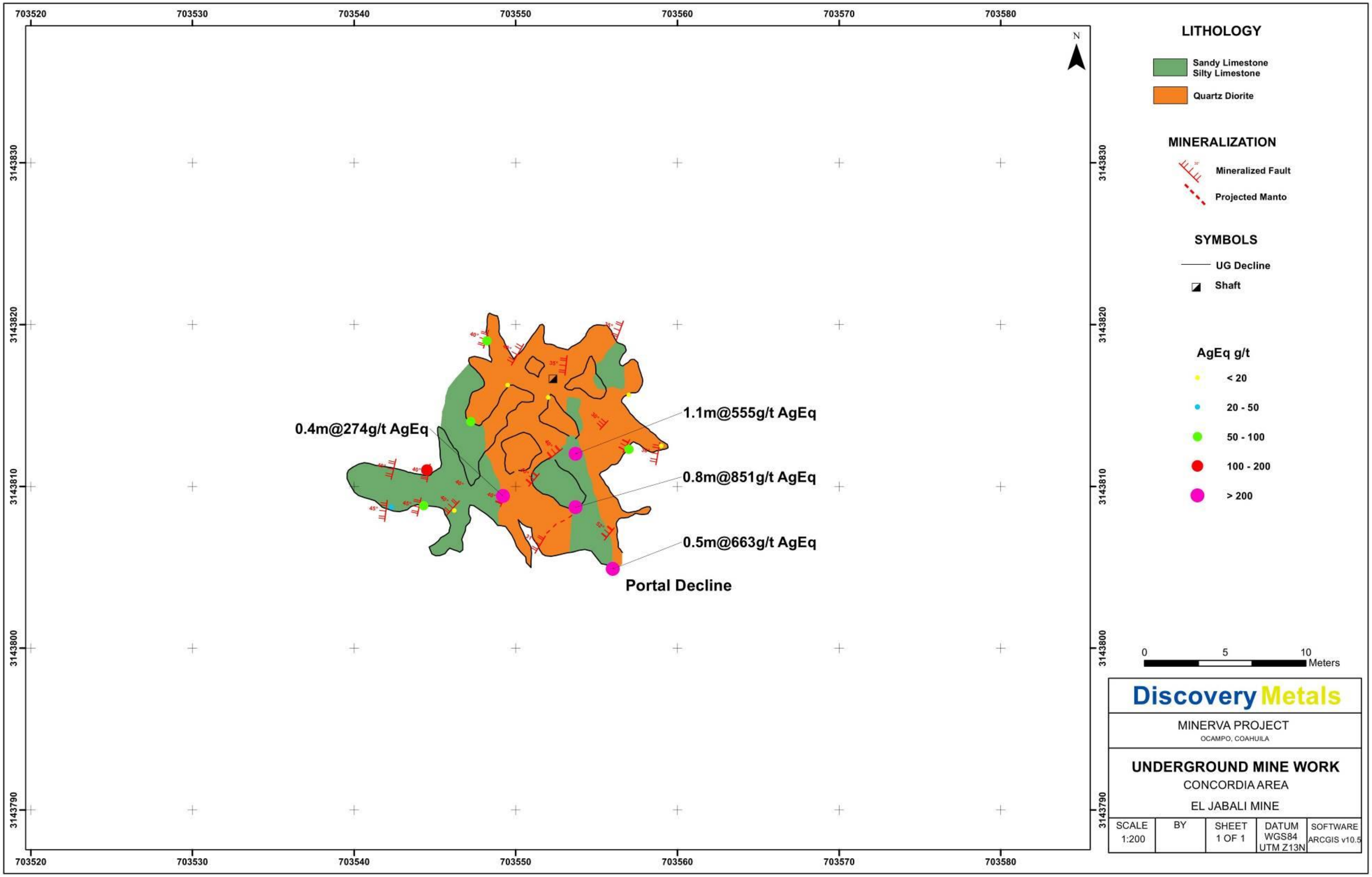

Fig. 16. Geologic and sample map of the Jabali Mine.

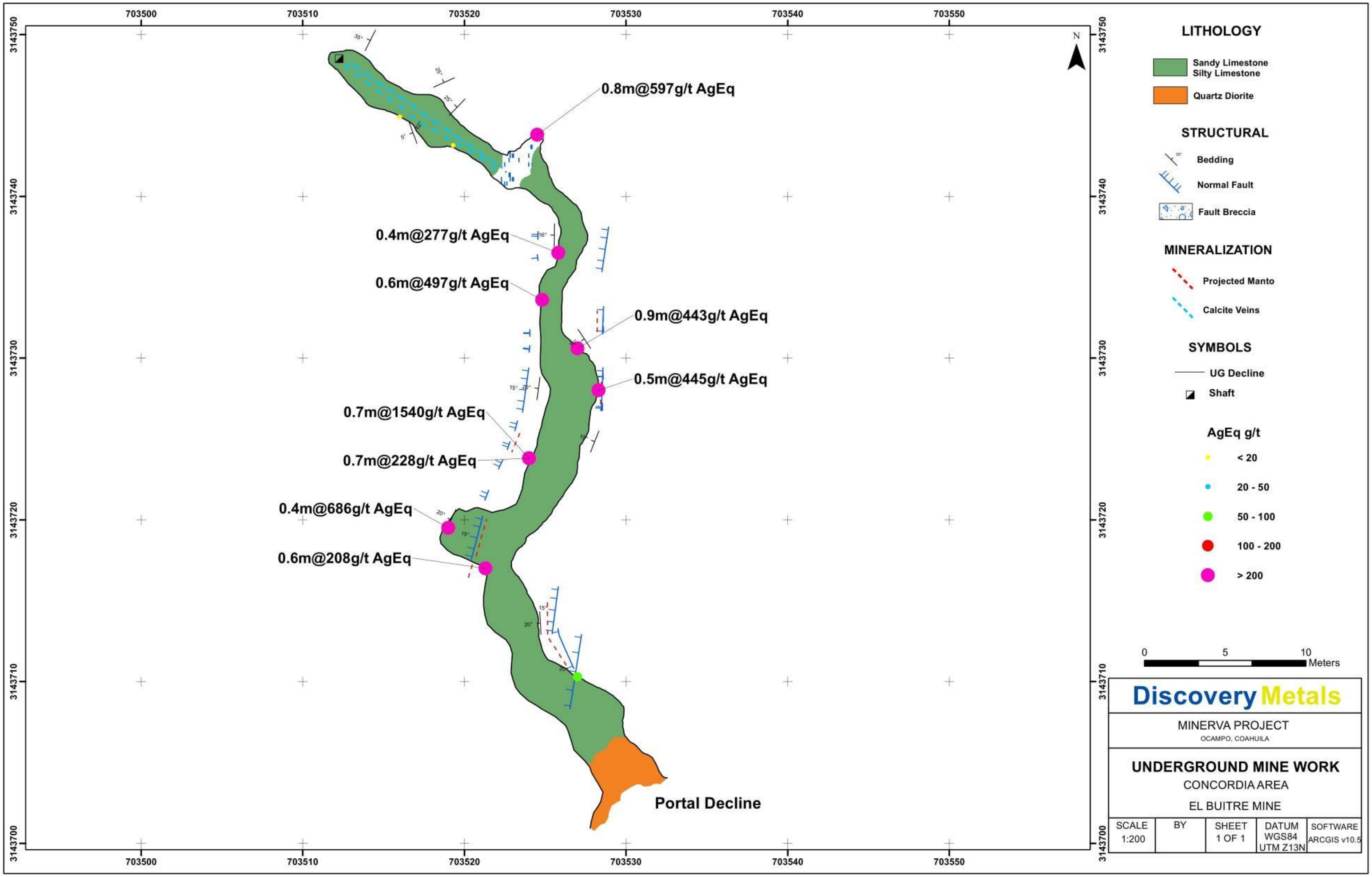

Fig. 17. Geologic and sample map of the Buitre Mine.

Minerva. The Minerva area is located in the southwestern portion of the Project on the Minerva 1 concession and part of the Nandin 1 concession and surrounding ground (Fig. 11). Three sedimentary units have been recognized in the area, a lower limestone with medium to thick bedding that decreases upward, with white chert nodules and concordant bands, outcrops in the southern and southwestern portion of the area, and is overlain by a unit with interbedded limestone and mudstone with thin bedding and local clastic layers, which in turn are overlain by a medium bedded limestone with black chert bands that outcrops along the contact with the intrusions in the northern part of the map area (Fig. 18).

The rocks are altered to hornfels and locally garnet skarn along bedding near the contact with the intrusive units in the northern part of the area (Figs. 19, 20). Stronger skarn is present west of the Minerva mine, the largest working in the project area that exploited manto replacement mineralization. The limestone is strongly recrystallized within about 200 meters of the contact with the intrusive rocks and decreases further from the contact.

At least three areas of mineralization were identified at the Minerva mine, a favorable horizon to the southwest of the Minerva mine, and the contact between the intrusive and sedimentary rocks in the southern portion of the map area (Fig 18). 160 surface samples and 78 underground samples have been taken in this area.

The Minerva mine exploited mantos that strike northeast and dip shallowly to the northwest as 18 to 28° and may follow bedding (Figs. 21, 22). The manto is cut by northwest trending faults that probably were formed during folding, but also locally offset the manto. The manto was exploited with irregular inclined workings and a shaft. Mapping delineated 307 meters of workings along the main manto with several internal shafts and winzes that exploited chimney mineralization, and a lower level working below the main manto that connects with the main shaft to the surface. The vertical distance from the incline portal to the bottom of the shaft is about 60 meters. Mantos are dominantly iron oxides with locally abundant white and light brown calcite. Calcite is locally associated with late galena veins or irregular nodules.

A second area of mineralization was delineated along a sedimentary horizon striking N25E and dipping 25NW along 850 meters with sporadic outcrops of iron oxides and small prospect pits (Figs. 18, 23). The mineralization consists of narrow, 1-2 meter wide stratiform lens shaped structures in strongly recrystallized limestone, with associated with moderate to strong silicification and iron oxide veinlets and stringer networks (goethite>hematite), also with pods of oxide minerals with fine boxworks. Calcite>siderite veins and veinlets are also present, with scarce late chalcedonic microveinlets and local fine drusy quartz.

The third area of mineralization was observed in three small prospect pits in the southern part of the map area near the intrusive contact (Figs. 18, 24). Two workings at the contact have intense goethite/iron oxides in fractures and weak boxwork possibly after pyrite, and the third working is a 4 meter shaft developed on a 20-30 cm wide manto in strongly recrystallized limestone.

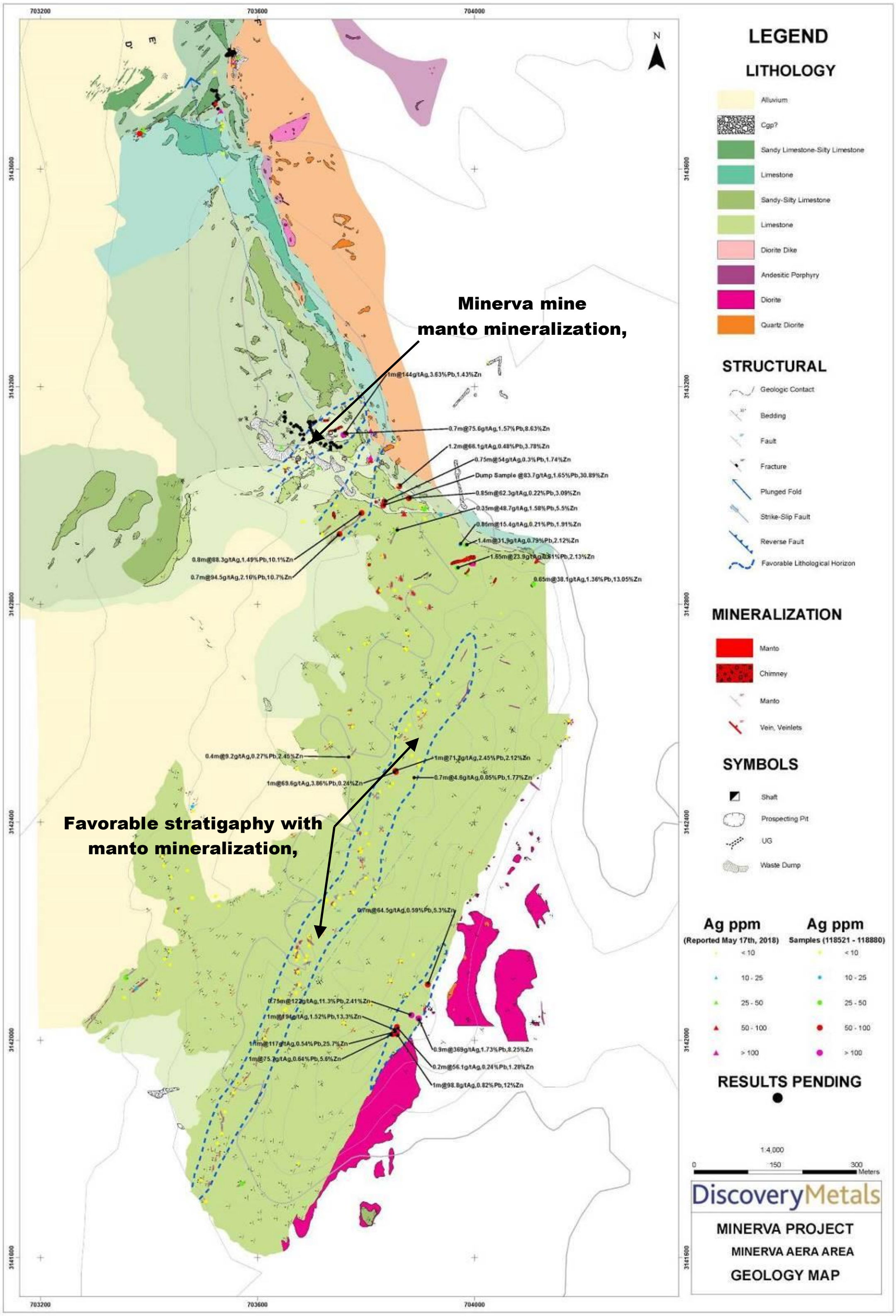

Fig. 18. Geologic and sample map of the Minerva area.

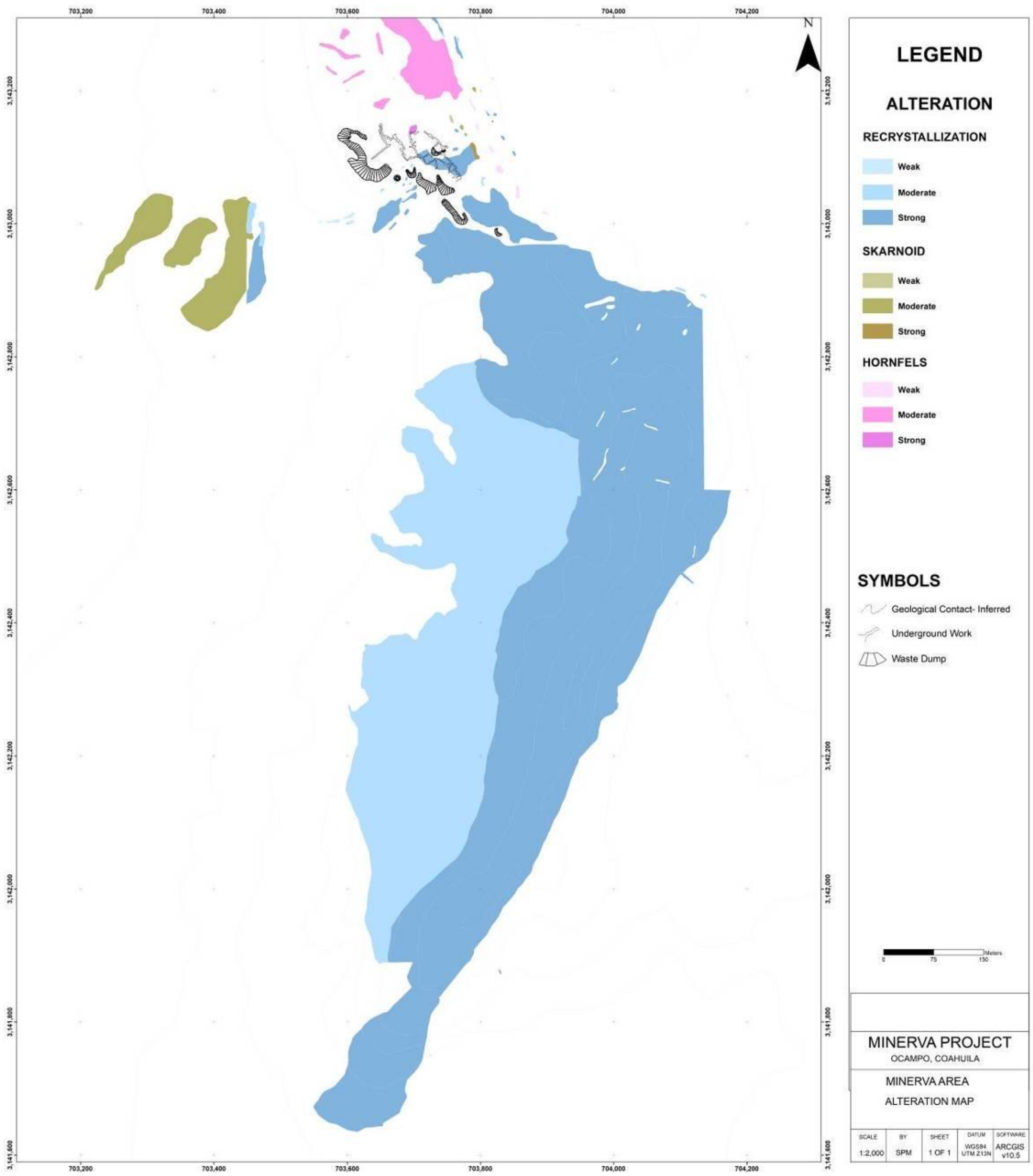

Fig. 19. Alteration map of the Minerva area.

Fig. 20. Skarn in limestone in left photo and contact of limestone on right with diorite.

Fig. 21. Minerva mine. Left photo: manto replacement (1m); Right photo: Pod with galena and calcite in replacement.

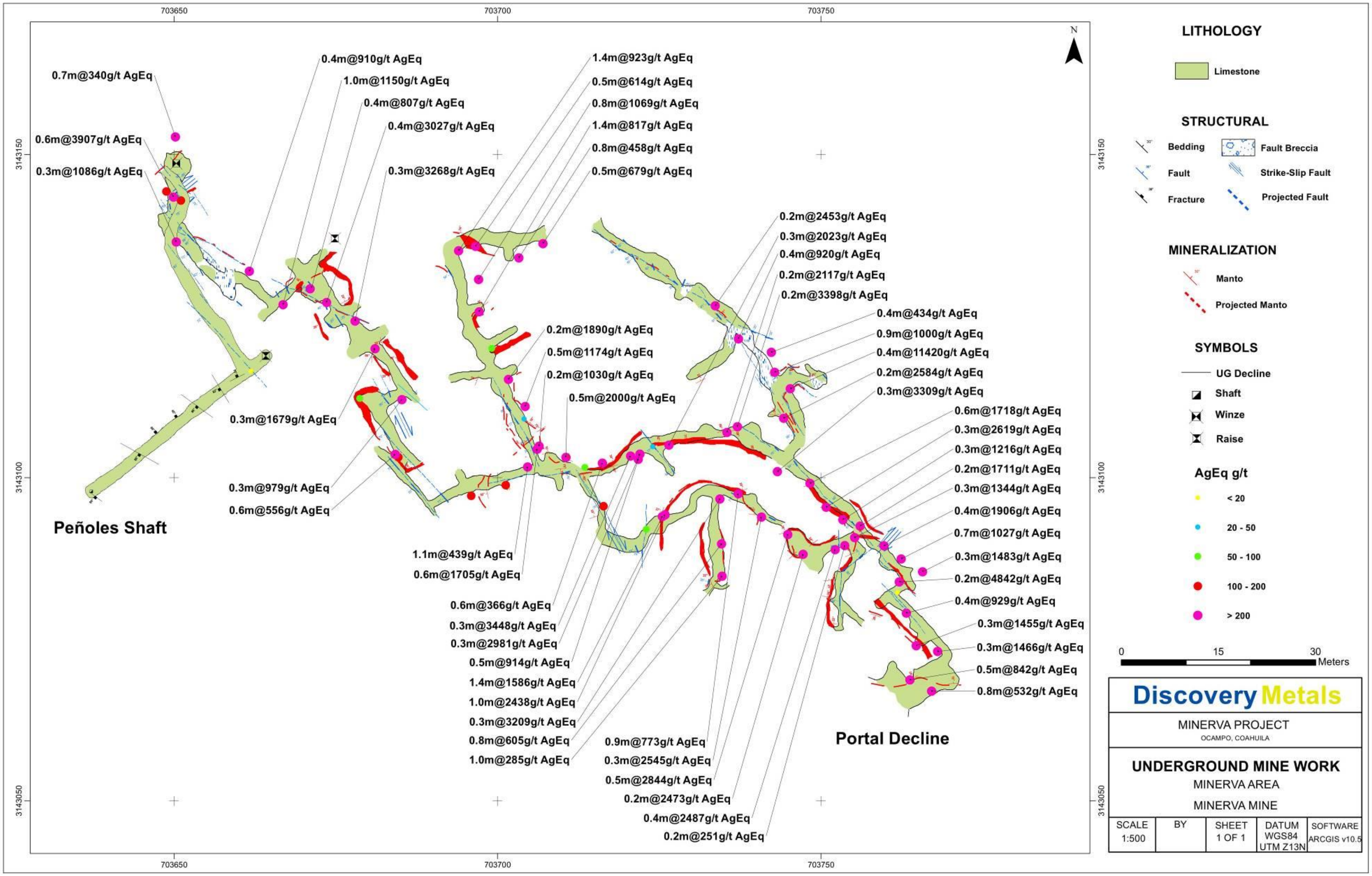

Fig. 22. Geologic and sample map of the Minerva Mine.

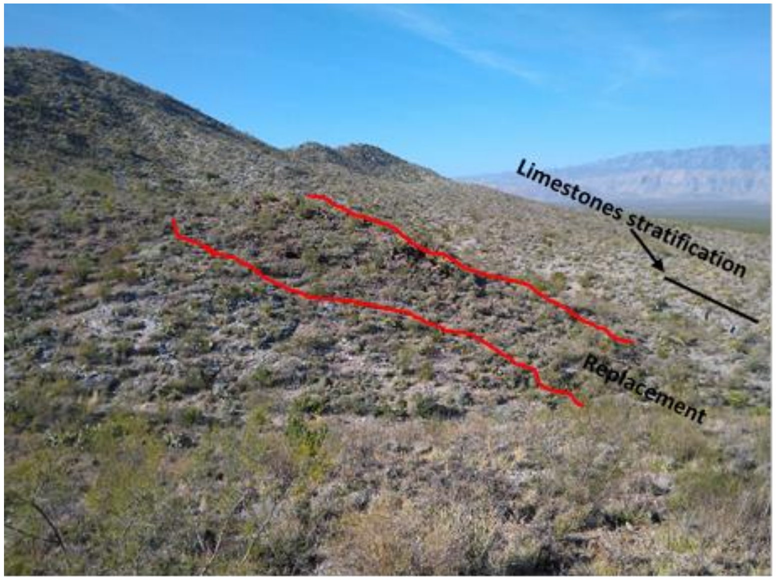

Fig. 23. Manto replacement mineralization in favorable horizon in southwestern Minerva area shown in Fig. 18.

Fig. 24. Mineralization from the southern Minerva area. Left photo: mineralized structure in intrusive at limestone contact. Right photo: 20 cm manto in recrystallized limestone.

La Tercia. The Tercia area is located in the eastern portion of the Project on the La Tercia concession (Fig. 11). Surface mapping was carried out at 1:500 and 108 samples were taken. About half of this area is underlain by intrusive rocks and the contact with sedimentary rocks runs southeasterly through the area (Fig. 25). The sedimentary rocks are dominated by calcarenite with thin lamellar stratification and local beds up to 1 meter thick. The intrusive rocks are composed of several dioritic phases classified as coarse grained, medium grained and fine grained that are variable magnetic and are composed of plagioclase with 30 to 60% biotite that generally increases with grains size. Strongly magnetic microdiorite dikes that cut the other units. Andesite porphyry dike with plagioclase phenocrysts as much as 2mm in largest dimension in a fine grained groundmass also occur cutting the diorite in the southeastern portion of the area.

Alteration is characterized by moderate to strong recrystallization of the limestone with some marble beds that decreases away from the contact with the intrusive rocks and minor endoskarn in the intrusive rocks (Fig. 26). An area of weak argillization was mapped in the diorite in the area of some mine workings. The most important structures are northeast striking shears that dip to the northwest as well as the contact between the intrusive rocks and the sedimentary rocks (Fig. 25). One low angle shear that strikes N80E and dips 30NW, and crops out for about 50 meters along strike and is 1 meter in width and is hosted by the dioritic rocks. A zone of irregular calcite siderite veins with iron oxides and small breccias occurs along a N55-65 E structure that dips moderately to the NW (Fig. 25).

Mineralization is not as abundant in the Tercia area and is associated mainly with structures in the diorite and the contact between the sedimentary and intrusive rocks. The structures mentioned above hosted in the diorite complex have local zones of breccia with an oxide matrix and also calcite-siderite veins with small workings developed along them (Figs. 27, 28). Galena stringers and breccia filling are locally observed. The contact zone has also been explored with numerous small workings on skarn and replacement horizons (Fig. 25). The Vibora or Tercia mine is the only working of sufficient size to warrant mapping, and consists of a 17 meter long incline developed on a low angle fault that strikes northeasterly to nearly east west and dips northerly at 16 to 22° (Fig. 29). 108 surface samples along with 6 underground samples have been taken in the La Tercia area.

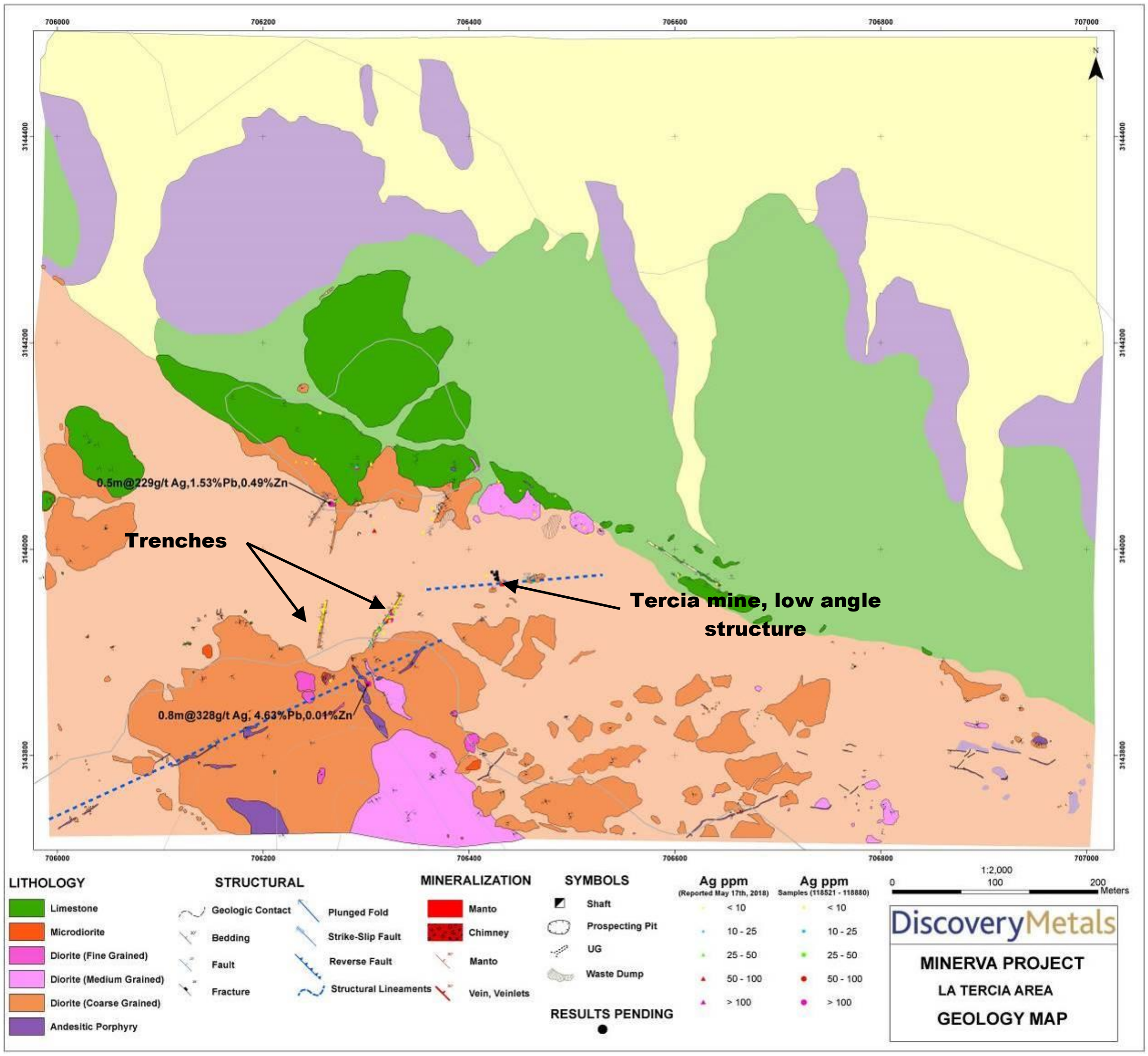

Fig. 25. Geologic and sample map of the La Tercia area.

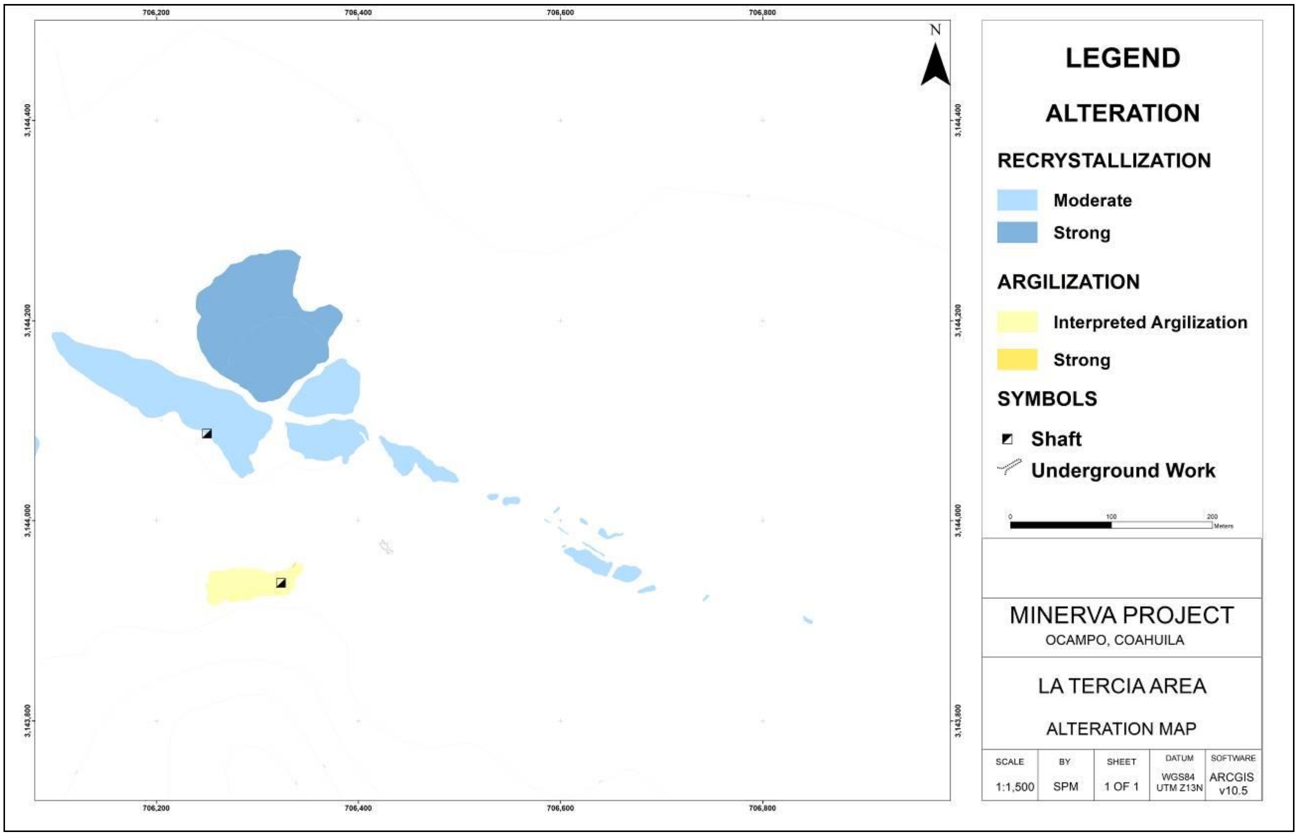

Fig. 26. Alteration map of the La Tercia area.

Fig. 27a. Left: portal of La Tercia or Vibora mine; Right: detail of platy breccia in low angle mineralized horizon in intrusive rocks.

Fig. 27b. Mineralization from the Tercia area. Left photo:. Galena and calcite band from low angle breccia;
Right photo: galena with iron oxide in breccia fill.

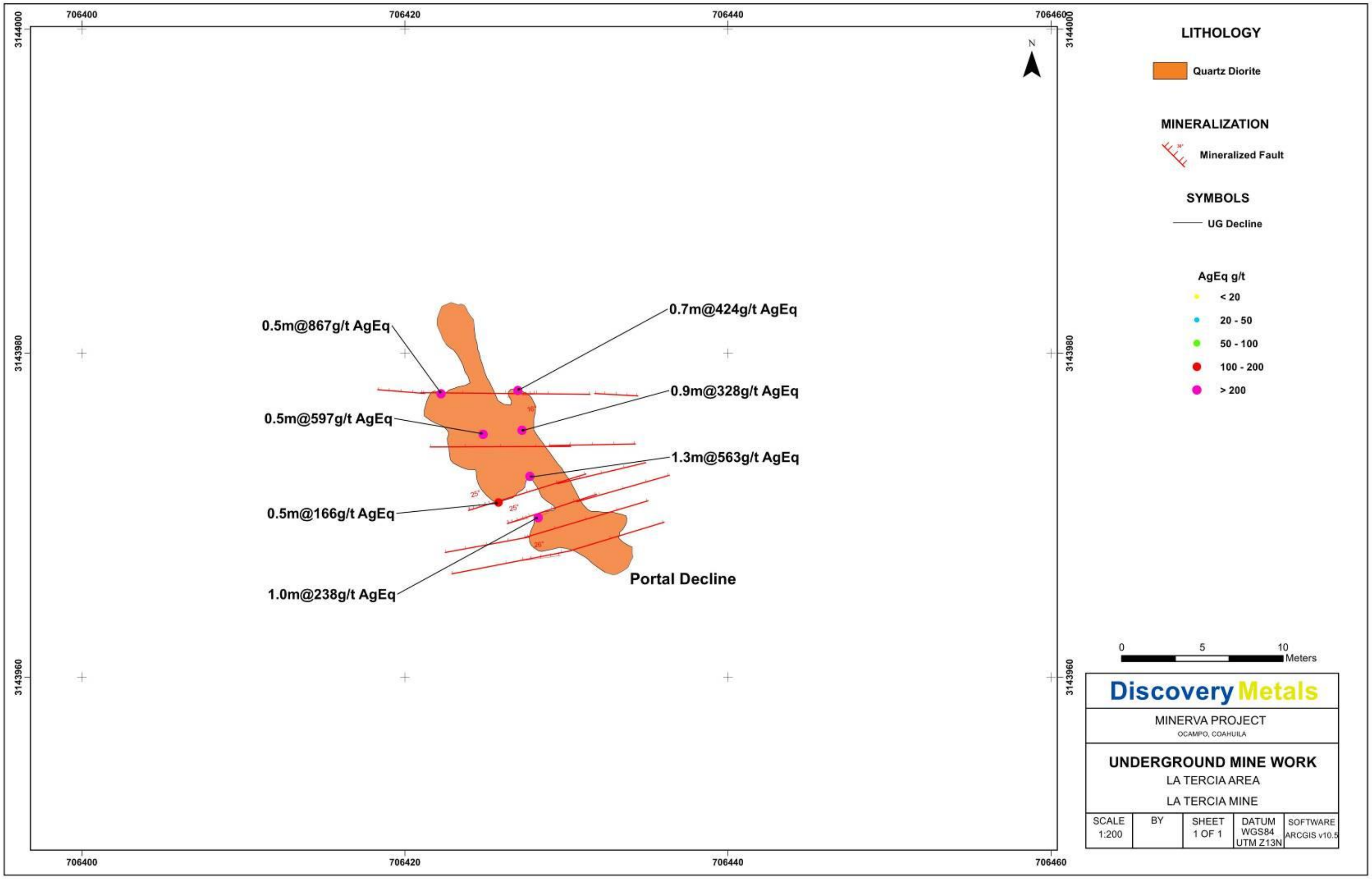

Fig. 29. Geologic and sample map of the La Tercia or Vibora Mine.

Sampling and geochemistry.

The sampling program consists of 561 samples taken at the Project and surrounding areas (Fig. 29) and included an additional 80 control samples submitted with the sample stream for QA/QC. All samples have been submitted to ALS in Zacatecas or Hermosillo and run for gold using a 30 g fire assay with AA finish and a multi-element ICP package. The first sample submittals were run by ICP61a for higher metals values, while the subsequent submittals were run by ICP61m for lower values and including mercury. The first batch had a high detection limit for the indicator elements As, Sb and Bi and did not include Hg.

The results of the sample geochemistry show that the polymetallic mineralization at the Project has elevated values of the indicator elements As, Sb, and Hg associated with Ag, Pb and Zn (Figs. 30 to 35). Variations in Pb to Zn ratios are noted between some of the areas as can be seen in average values for the samples taken from different areas (Table 2) and from the mines (Table 3), but it is unclear if this is due to different stages of mineralization or zoning. Variations in Mo and Hg are also noted. Anomalous indicator elements and Zn are observed in the replacement target zone in the southern part of the Minerva target area providing evidence to warrant future testing by drilling.

Systematic sampling of soils or rocks on grids has not been carried out at the project and is probably not necessary at this point except for possibly the La Tercia area. A stream sediment survey around the Cerro de Minerva could be useful to identify unknown areas of mineralization and test concessions owned by third parties for possible acquisition.

The QA/QC samples are generally within acceptable ranges for this first pass sampling program.

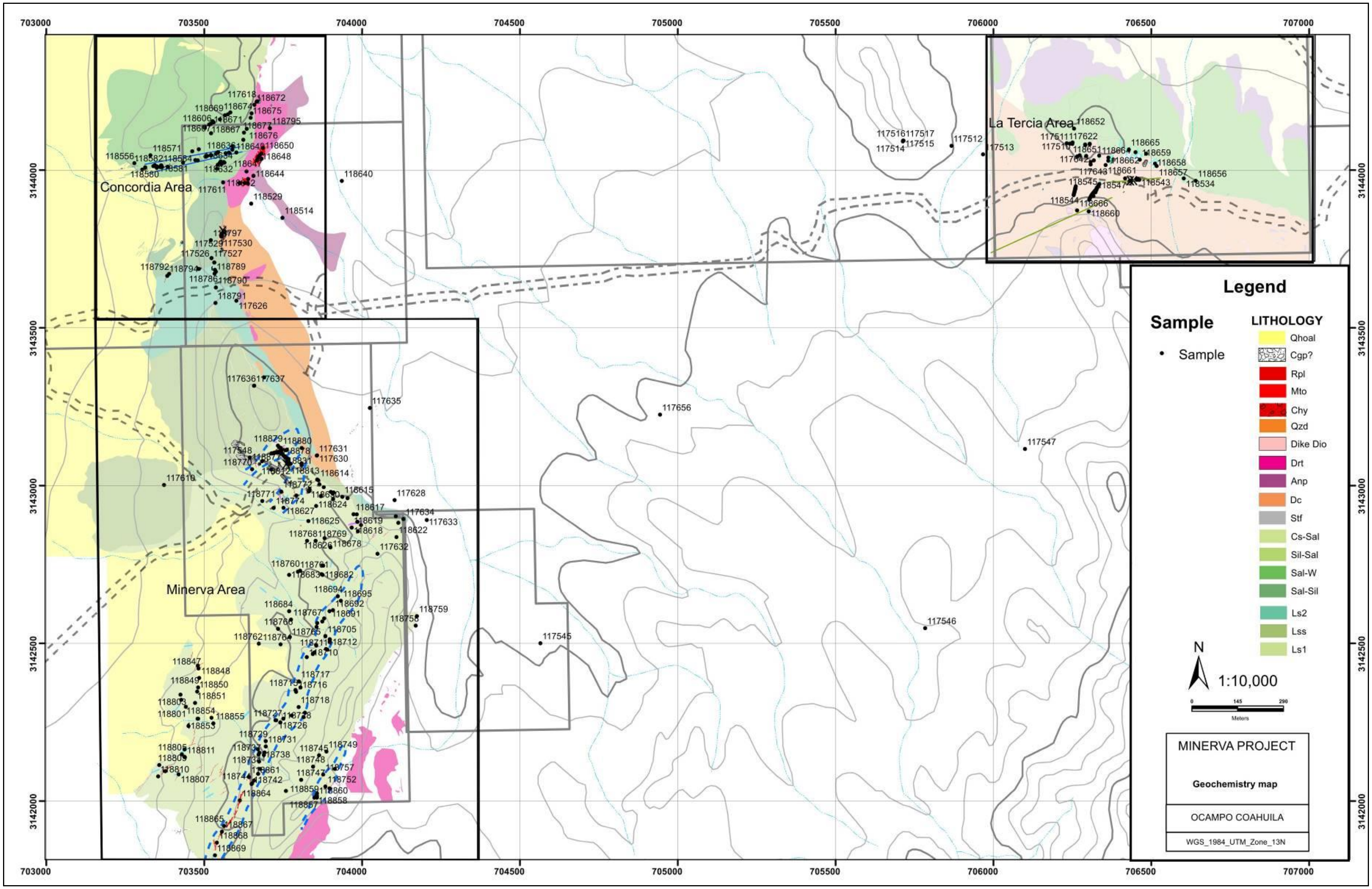

Fig. 29. Samples taken at the Minerva project with named areas of mapping indicated by the thick black lines, along with Project concessions, light gray, and geology.

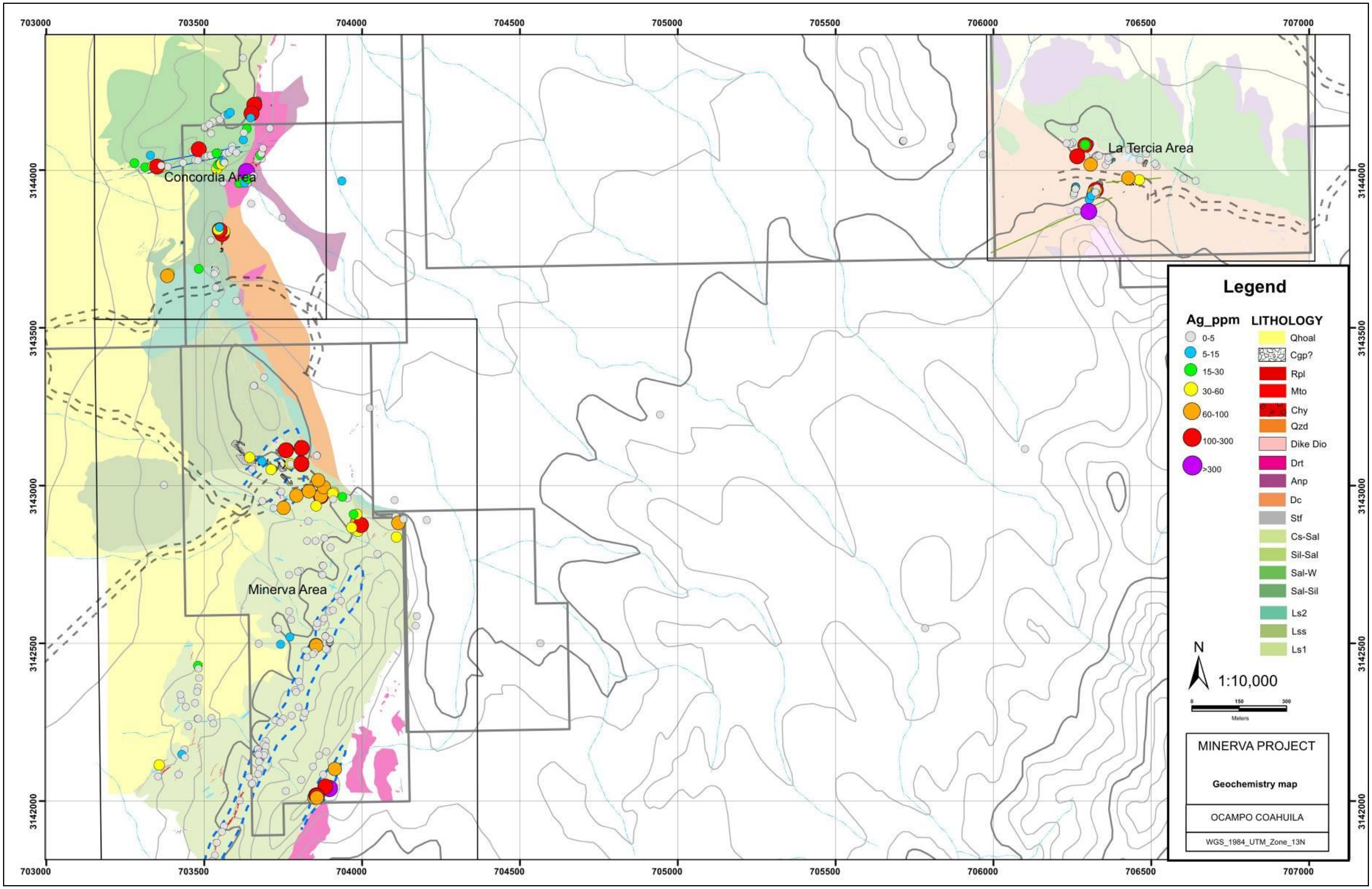

Fig. 30. Silver assays from the Minerva Project.

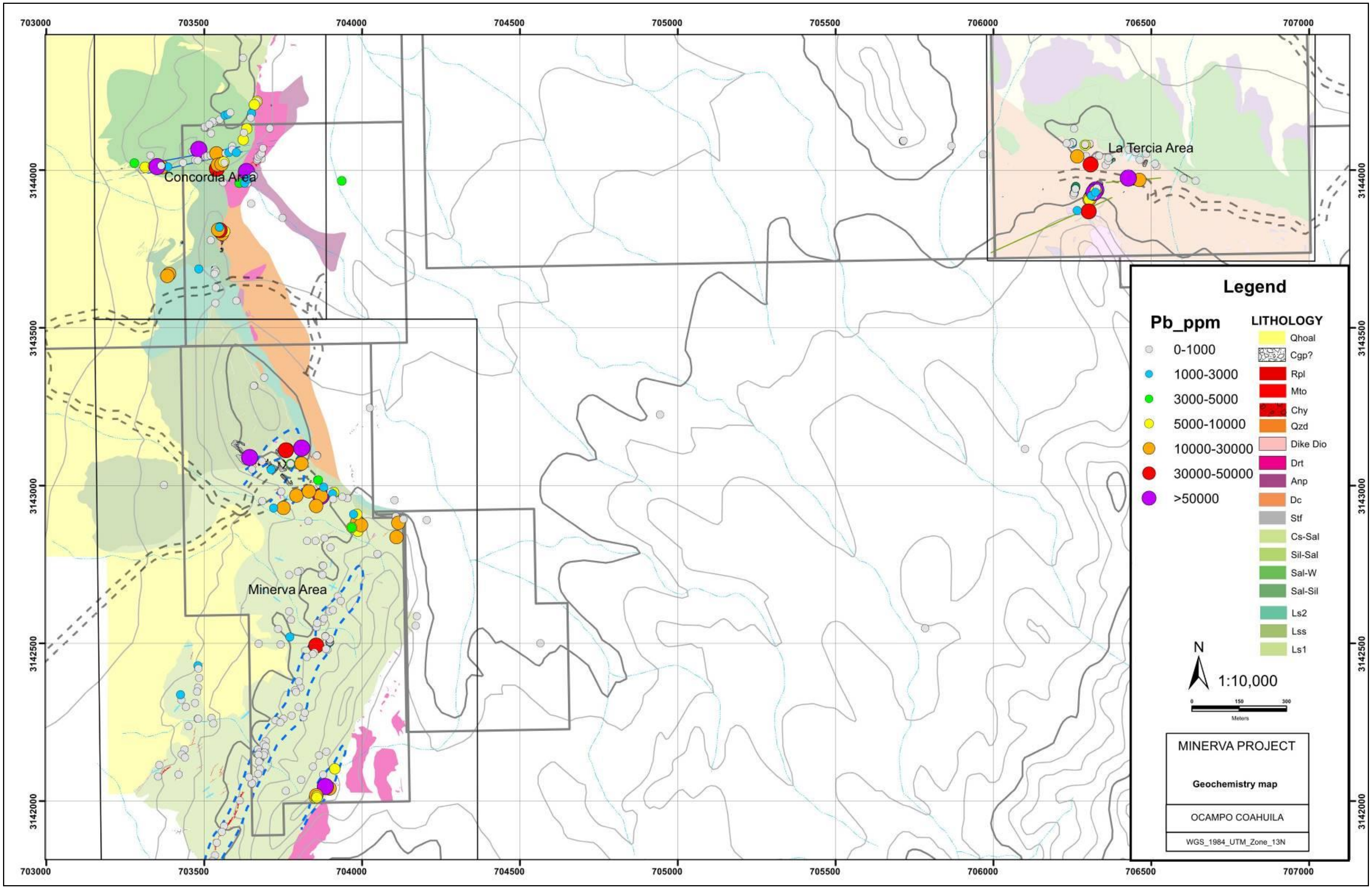

Fig. 31. Lead assays from the Minerva Project.

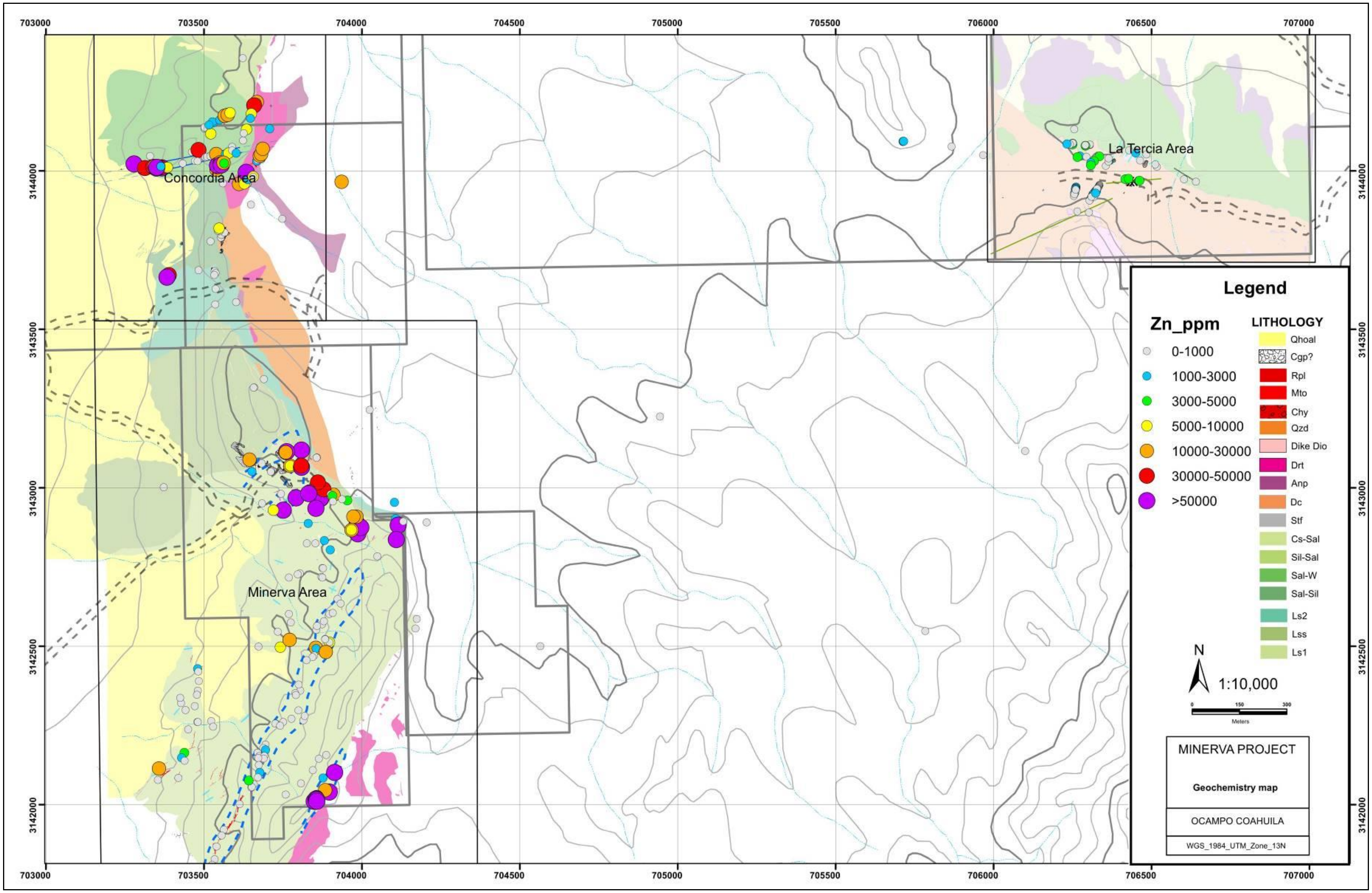

Fig. 32. Zinc assays from the Minerva Project.

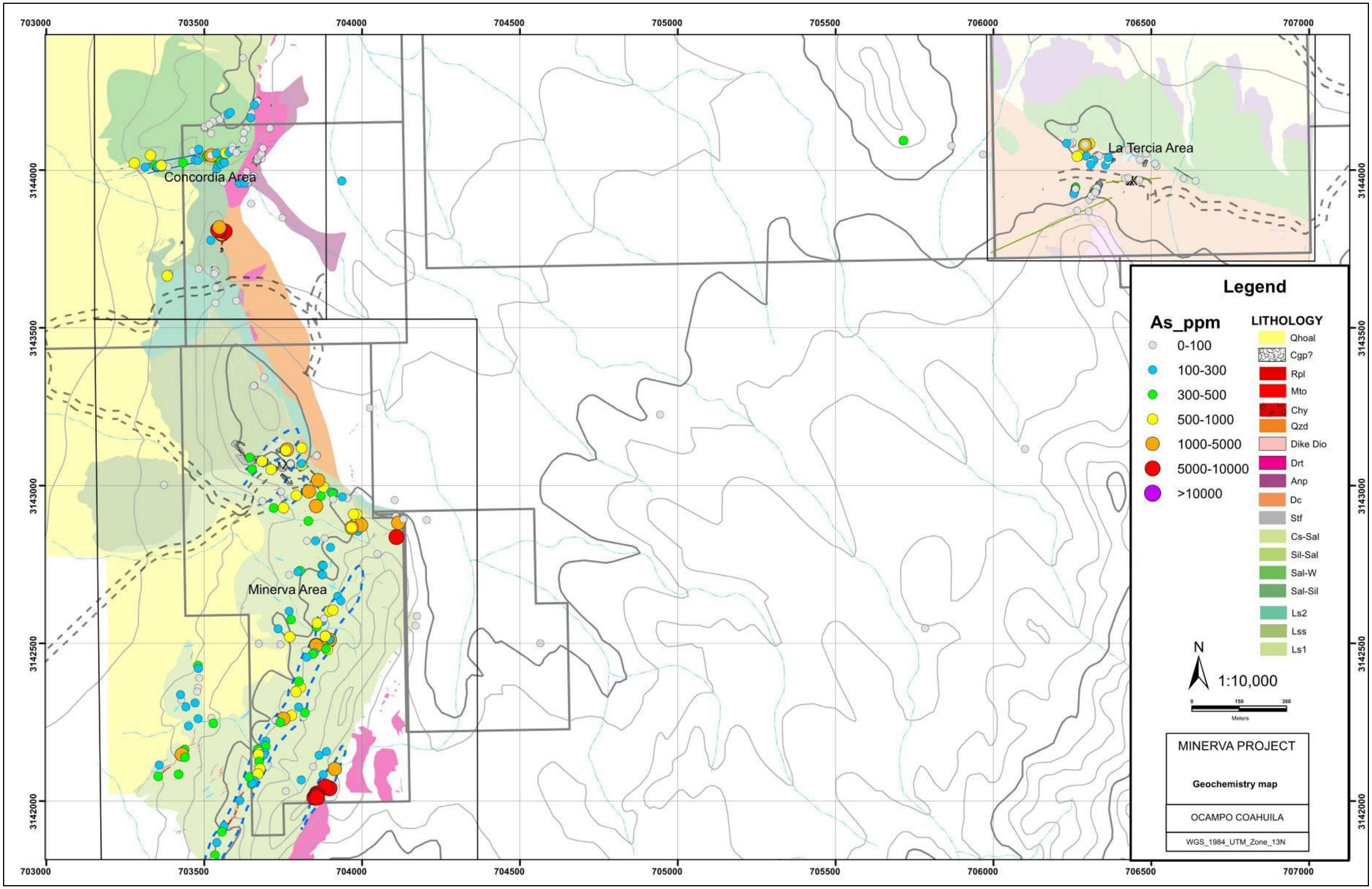

Fig. 33. Arsenic assays from the Minerva Project.

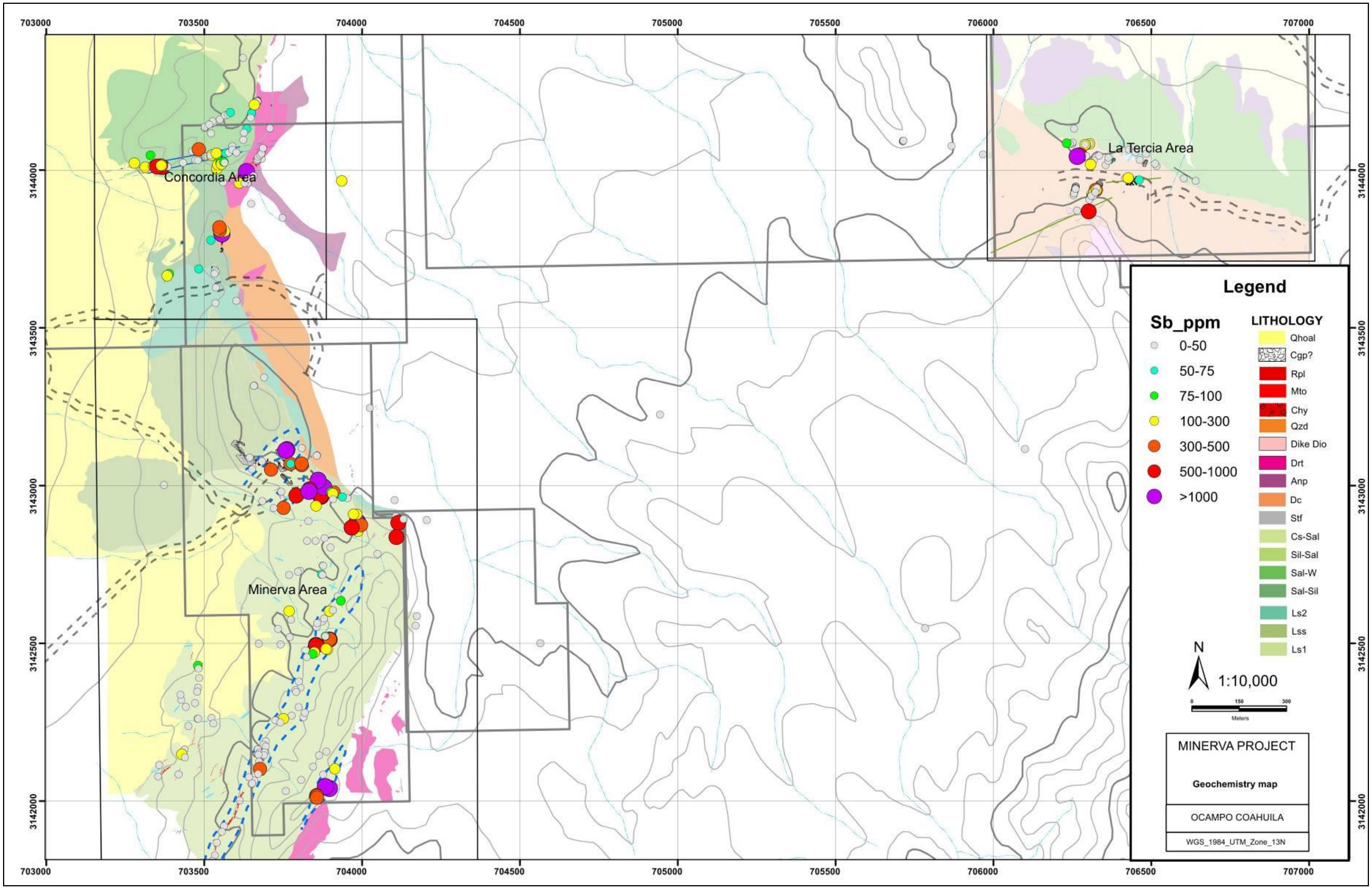

Fig. 34. Antimony assays from the Minerva Project.

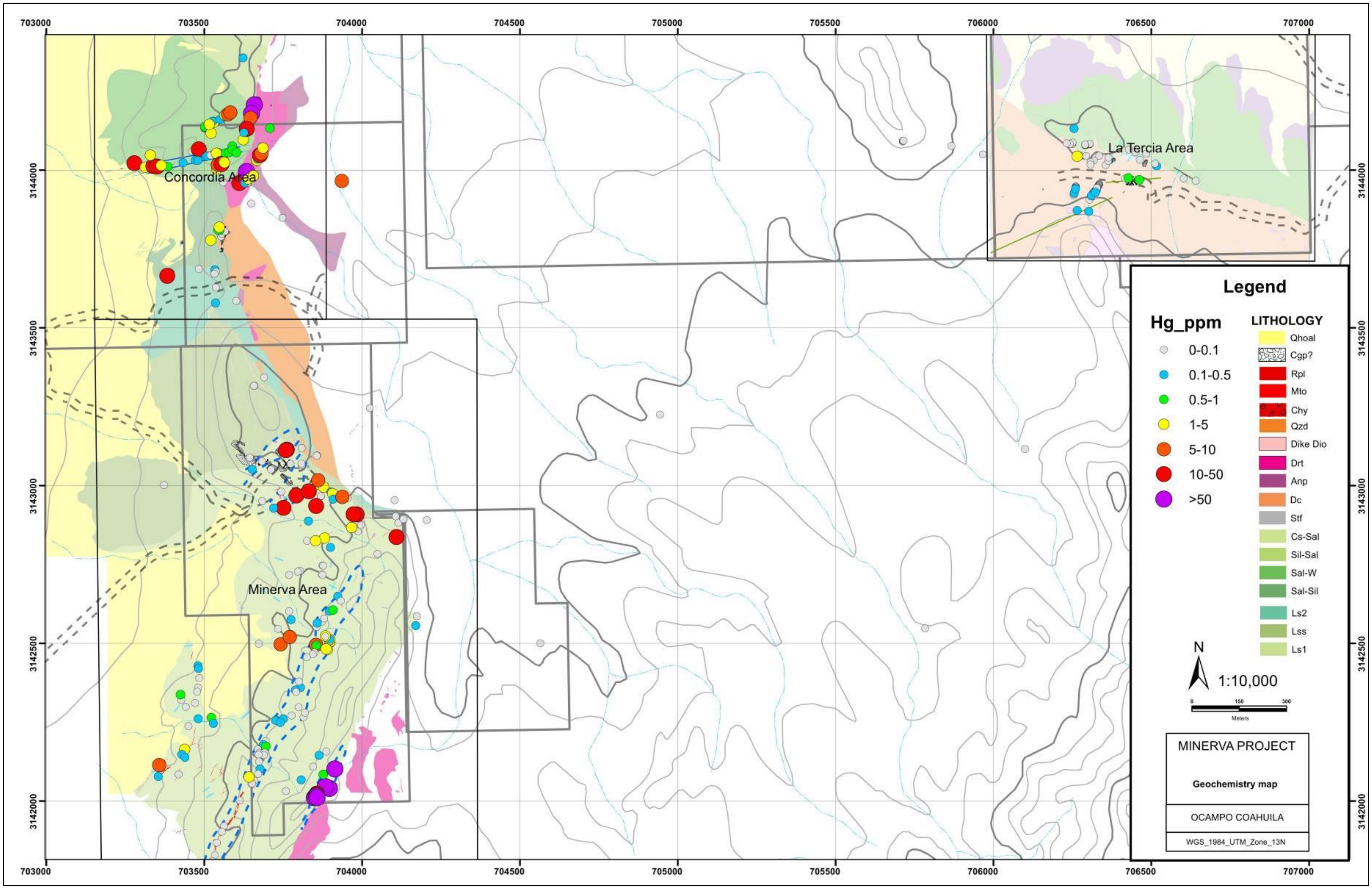

Fig. 35. Mercury assays from the Minerva Project.

Table 2. Average geochemistry for surface samples at the Minerva project.

Area	Number	Width_m	Ag_g/t	Cu_ppm	Pb_ppm	Zn_ppm	As ppm	Sb ppm	Hg ppm	Mo ppm	S %
Concordia	116	0.72	21	57	4619	14159	651	122	6.44	27	0.07
Concordia S	13	1.11	9	36	3115	9613	77	44	3.69	24	0.07
Mina Minerva	20	0.88	63	223	41935	57676	629	445		173	0.29
Minerva SW	140	0.79	17	35	3106	13479	1048	178	7.57	6	0.14
La Tercia	108	1.38	16	34	5013	861	101	61	0.25	22	0.07

Weighted averages using the reported sample weights were used for all data. Some areas had no or only partial data for Hg so the average is for those samples only, and for samples with low detection limits for As and Sb the average utilized the detection limit.

Table 3. Average geochemistry for sampled mines at the Minerva project.

Area	Mine	Number	Width (m)	Ag_g/t	Cu_%	Pb_%	Zn_%	As ppm	Sb ppm	Hg ppm	Mo ppm	S %
Concordia	El Buitre	12	0.64	143	0.06	2.81	2.35	94	581	2.3	37.3	1.3
Concordia	El Jabali	12	0.68	104	0.02	2.62	0.11	2081	401	1.2	70.2	0.3
Minerva	Minerva	78	0.52	297	0.07	4.86	6.95	821	1602	7.7	301.7	0.1
Tercia	La Tercia	6	0.73	112	0.01	6.69	1.30	40	241	1.4	14.1	0.4

Weighted averages using the recorded sample width were used for all data.

Mineralization model.

The mineralization of interest at the Minerva project is generally located at or near the contacts of carbonate sedimentary rocks with the intrusive rock package. Much of the mineralization is hosted in replacement skarns or mantos, but in some cases structures that cut both sedimentary and intrusive rocks also host mineralization. There may be iron-rich skarn mineralization in the district but this does not appear to occur on the Project.

Figure 36a shows a schematic model for mineralization for polymetallic mineralization. Mineralization occurs as mantos hosted by recrystallized and locally silicified or silicated limestone and as breccia fillings in sedimentary and intrusive rocks. It is possible that the mineralization may improve at depth in the Minerva and Concordia areas in lower Cretaceous units that are the main host rocks for mineralization in many districts in northwest Mexico. Upper Jurassic units are also favorable for mineralization, but it is unclear whether these are present in this region as it may have been emergent during the Jurassic. Fig. 36b shows the relationship of this type of mineralization in a possible porphyry system.

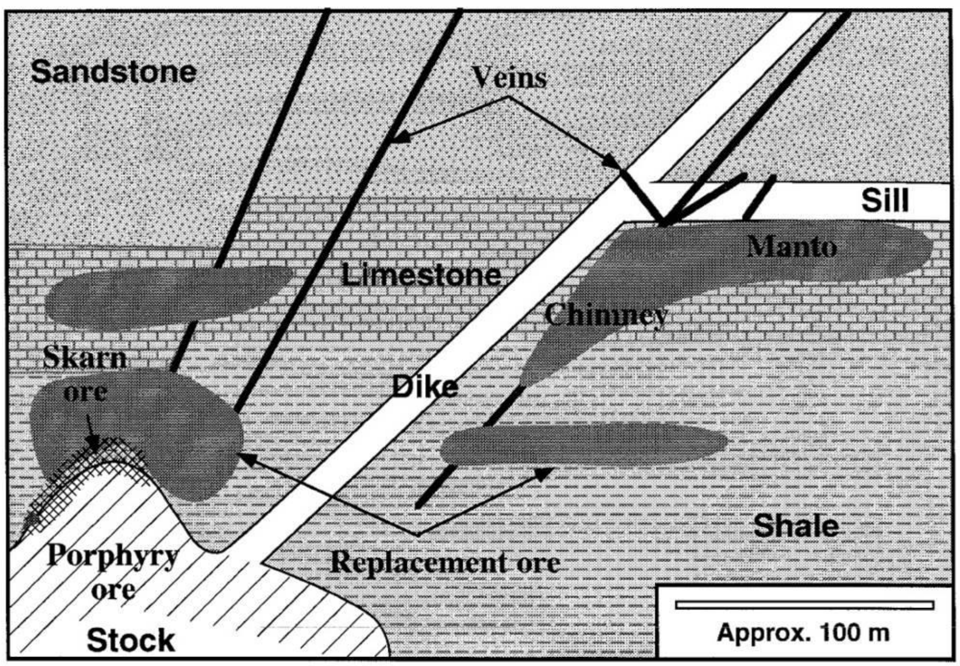

Figure 36a. Schematic model for mineralization related to carbonate replacement deposits. Mineralization can range from proximal skarn to distal replacements in sedimentary rocks, and can be hosted at contacts, in receptive layers and or along structures and structural intersections. From Plumlee et al, 1995.

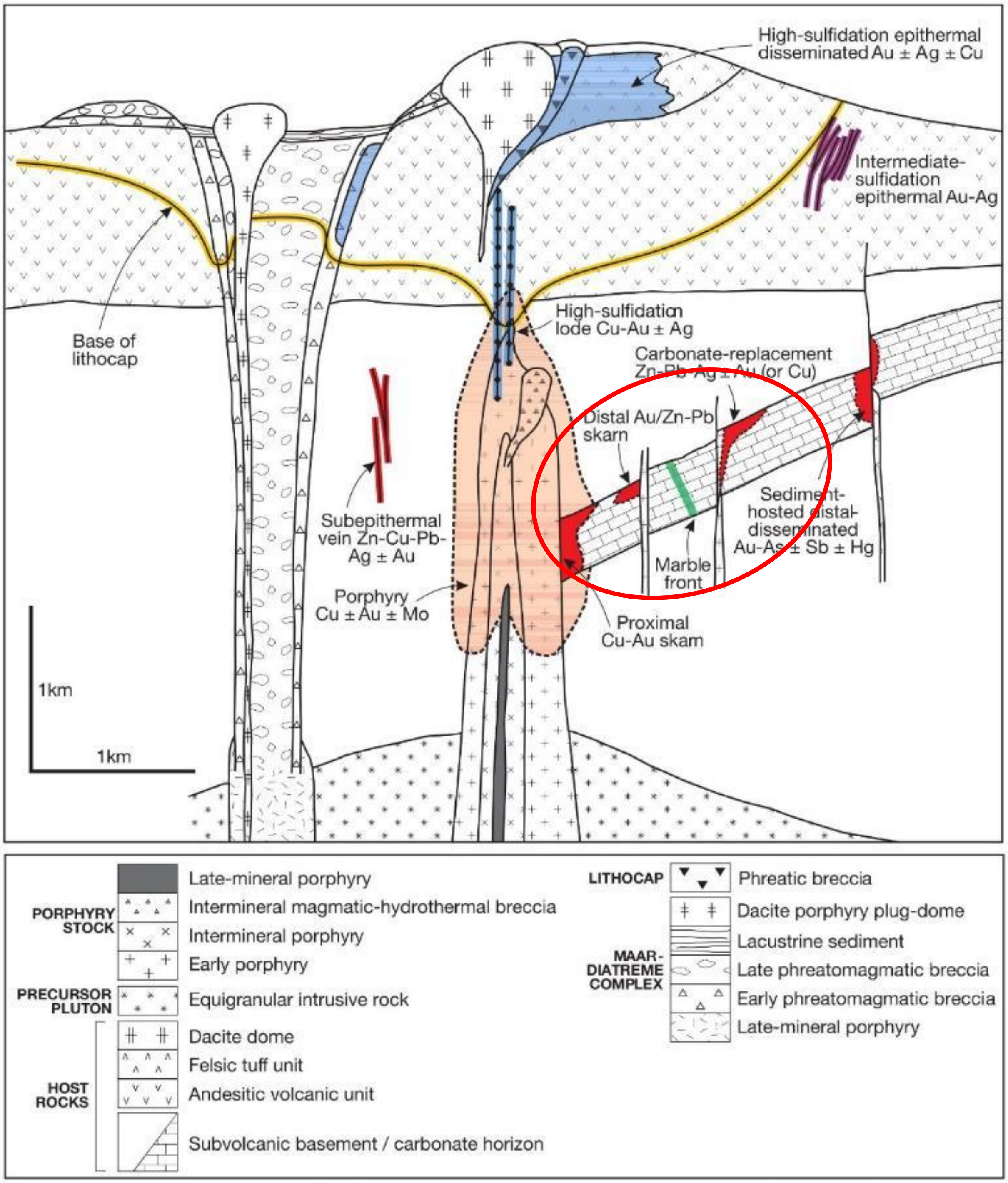

Figure 36b. Schematic mineralization model for porphyry systems. The Minerva project ranges from proximal skarn to distal replacements in carbonate rocks as shown in the red oval. After Sillitoe (2010).

Geophysics.

SGM reports and information. A review of the information of the Servicio Geologico Mexicano (SGM) shows that geophysical investigations were carried out in the Cerro Minerva area as part of the government exploration program for iron in the 1970's and 1980's, including low altitude airborne magnetics, as well as ground magnetics and IP (Fig. 37). To the knowledge of the author this information has not been incorporated in the project database by the Company. The IP surveys covered portions of the target areas at the Concordia and La Tercia areas and should be evaluated for additional information.

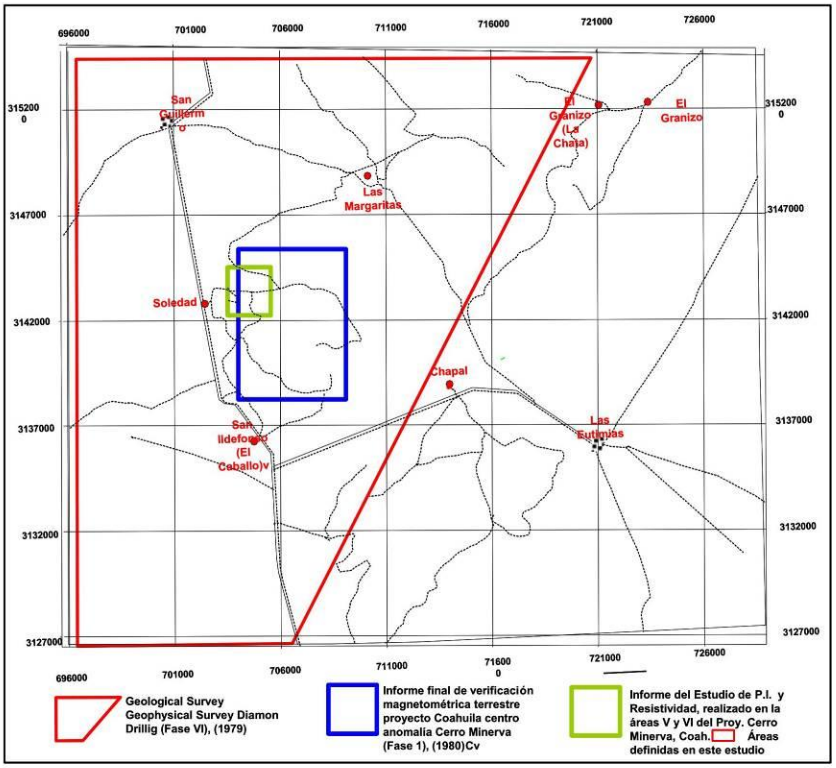

Fig. 37. Geophysics programs carried out by the Mexican government that cover the Minerva Project. The blue rectangle surrounds Cerro de Minerva.

The IP lines at the La Concordia area (Area V in the report) were oriented NS and roughly parallel to the contact between the intrusive and sedimentary rocks and don't seem to be too useful, although some anomalies were identified, apparently underneath the surface mineralization although the exact location of the area is not known. The lines in the La Tercia area were more perpendicular to the contact and seem to show a north dipping contact between the limestone (resistive) and the intrusive rocks, along with a possible second structure to the north, and should be investigated further.

Airborne Geophysics. Discovery contracted Geotech to conduct an airborne VTEM survey over the Project. Fig. 38 shows the flight lines for the survey, and Fig. 39 shows interpreted targets. Five targets, labelled MB_01 to MB_05 were identified based on various inversions. MB_01 in the Concordia area and MB-02 in the Minerva area correspond in part with the targets identified during the exploration program, and MB_03 lies to the east of the mapped area but partly on ground controlled by the Company The location of MB_02 is intriguing as it could represent mineralization at depth on the favorable horizon identified in the Minerva mine and could also indicate that the mineralization from the Minerva mine extends further north to the Concordia area and also extends to the south and may be connected with the replacement horizon at Minerva SW, providing a large scale exploration target. MB-03 to MB-05 are within the intrusive body as mapped on the surface and in the case of MB_03 appears to partly reflect the structural trend defined by a dipping feature (dike swarm?) observed in the satellite images. These three targets lie mostly off of the ground controlled by the company. The mineralization in the Tercia area is not within these target areas, but does show as an anomaly in the data (Fig. 39).

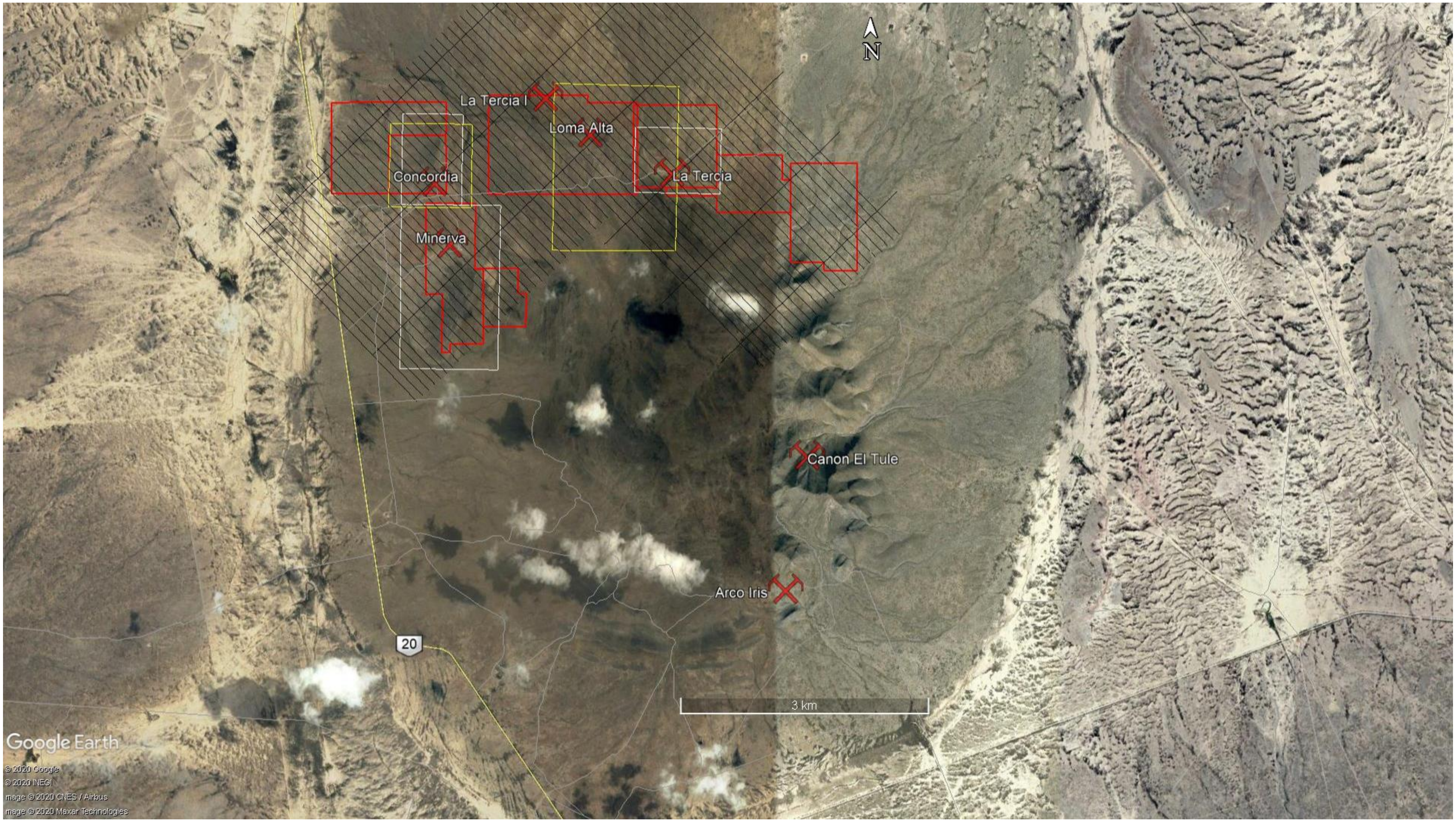

Fig. 38. Google earth image of Cerro Minerva with flight lines of the airborne geophysical survey. The concessions that make up the Project are shown in red outline, areas of project scale mapping in white outline, and approximate areas with SGM ground geophysical studies in yellow outline.

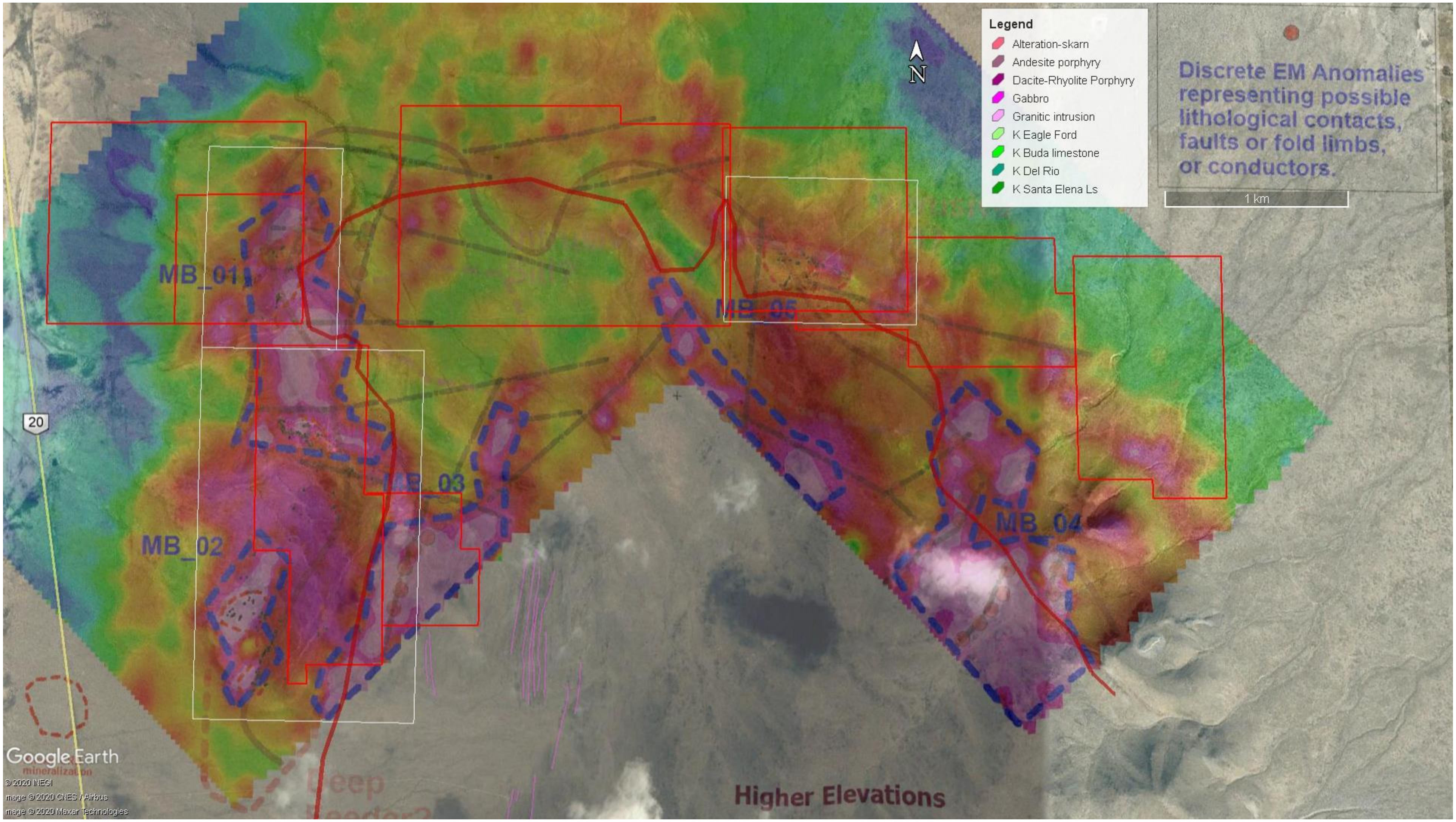

Fig. 39. Google earth image of the Project area with airborne geophysical interpretation. The concessions that make up the Project are shown in red outline, areas of project scale mapping in white outline. The reddish-brown line is the surface contact of the sedimentary and the intrusive package.

Drilling.

There has been no drilling completed at the project.

The Company has proposed a series of drill holes to test the mineralization identified at each area of the project. Table 4 lists the drill planned holes and Fig. 40 shows their location and surface projection of drill traces. Please note that the drill hole designations should be modified from those used by the company, replacing the year designation and number with a letter in order to avoid possible confusion in the future as the current designations are the same as commonly used for completed drill holes.

The planned drill holes were designed to test the main mineralized targets defined in the exploration program. Holes 4 to 6 are designed to test mineralization at the Concordia area, 1 to 3 at the Minerva area, and holes 7 to 10 at the la Tercia area.

At Concordia, all holes are designed to test the easterly trending shear zone, with hole 6 also testing the tension gash to the south.

For the Minerva area, holes 1 and 2 are planned to test the mineralization mapped at the Minerva mine, and hole 3 to test the replacement horizon at Minerva SW.

For the La Tecia area, hole 7 is planned to test the area of veining, and holes 8 to 10 are planned to test two of the low angle structures identified.

The sections used for drill planning should be upgraded and drawn at a more detailed scale in some cases. Several proposed changes to the drill program are presented in the recommendations at the end of this report.

Table 4. Proposed drill holes at the Minerva Project

AREA/HOLE	NORTH	EAST	ELEV	AZIM	DIP	DEPTH (m)	SECTION	OBJECTIVE
Concordia								
MP-18-004	3,144,100	703,327	981	170°	-50°	180	CON-003	Test shear trend at depth and possible remplacements, Ag 165g/t, Pb 6.2%, Zn 12.5%
MP-18-005	3,144,096	703,349	980	170°	-60°	180	CON-004	Test shear trend at depth and possible remplacements, Ag 59g/t, Pb 2%, Zn 24.5%
MP-18-006	3,144,097	703,547	987	170°	-60°	180	CON-011	Test shear trend and possible remplacements and tension gash, Ag 41.5g/t, Pb 1.02%, Zn 5.4%
Minerva								
MP-18-001	3,143,174	703,707	1,005	140°	-70°	180	MIN-003	Test continuity of manto and chimney mineralization, Ag 75.6 g/t, Pb 1.57%,Zn 8.6%
MP-18-002	3,143,058	703,642	998	140°	-50°	210	MIN-008	Test continuity of manto and chimney mineralization, Ag 94.5 g/t, Pb 2.16%,Zn 10.7%
MP-18-003	3,142,269	703,700	1,000	140°	-50°	130	MIN-027	Test continuity of manto and chimney mineralization, Ag 369, Pb 1.73%, Zn 8.25%.
La Tercia								
MP-18-007	3,143,994	706,250	1,000	180°	-55°	100	TER-003	Test continuity of stockwork
MP-18-008	3,143,980	706,323	1,000	180°	-50°	100	TER-006	Test minerallized fault breccia and stockwork, Ag 197 g/t, Pb 12.7%, Zn 17.7%
MP-18-009	3,143,980	706,323	1,000	0	90	130	TER-006	Test minerallized fault breccia, Ag 197 g/t, Pb 12.7%, Zn 17.7%
MP-18-101	3,144,090	706,425	1,000	180°	-60°	120	TER-010	Test minerallized fault breccia, Ag 55.3g/t, Pb 3.8%, Zn 17.7%.
					Total	1510		

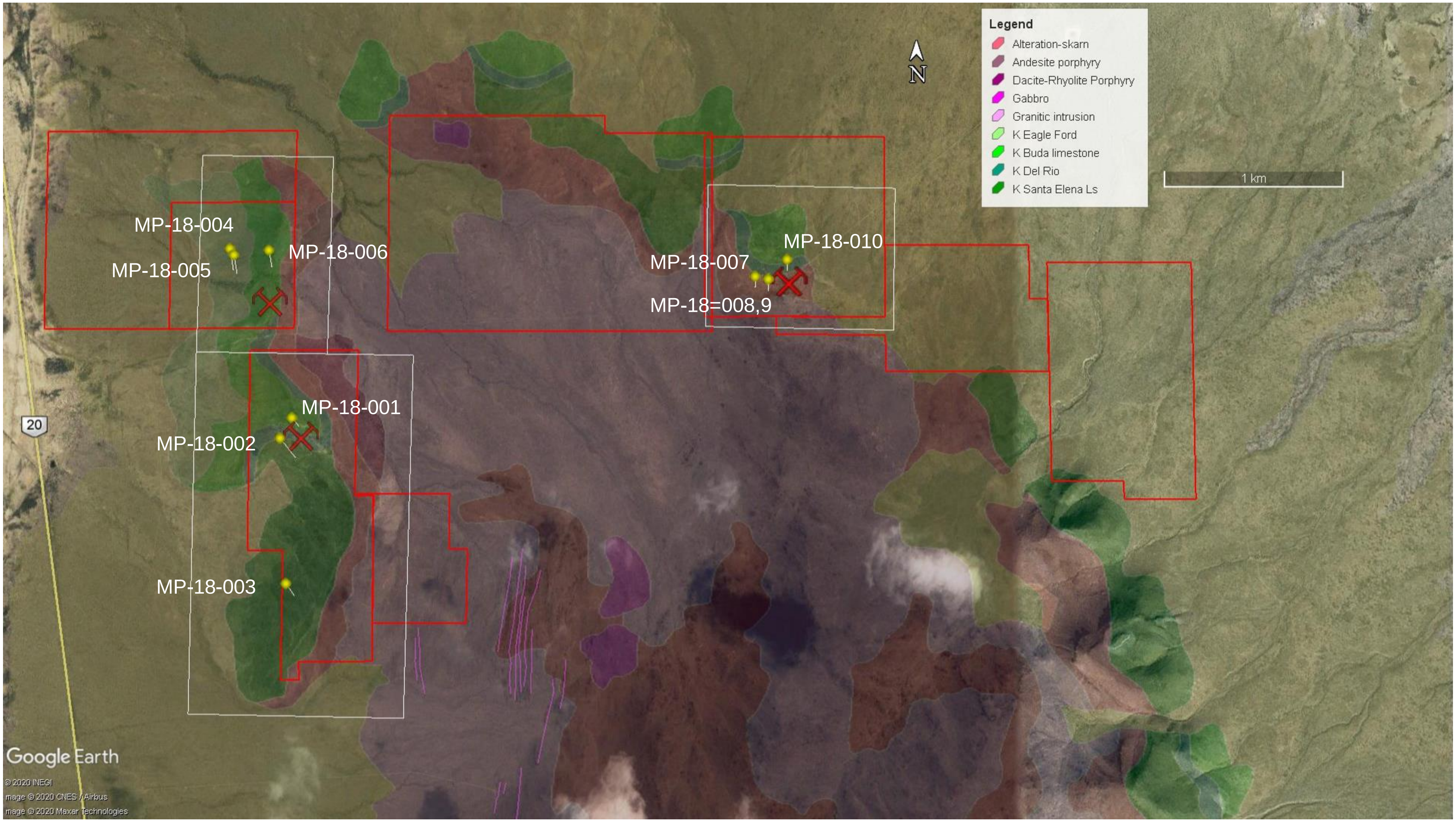

Fig. 40. Google Earth image with geology showing locations of drill holes proposed by the Company, Minerva project. Concession boundaries in red, areas mapped in white outline.

Sample Preparation, Analyses and Security.

The author does not have information with respect to the sample security and chain of command at the Minerva project but believes that industry standards were being followed based on experience at the Monclova project.

Samples were prepared and analyzed by ALS Global, with preparation at the Zacatecas or Hermosillo Labs, and analyses completed at the Vancouver lab. The analytical procedures used were gold by fire assay of a 15 gram aliquot with an AA finish, a multi-element ICP package with a four acid digestion and a standard preparation routine. At the beginning of the program the ICP package used was the ME-ICP61a used for samples expected to have intermediate level metals values. Unfortunately this package has a high detection limit for some of the associated elements that can be useful such as Sb and Bi, and does not include mercury, which can be important in this type of system. Later samples were run with the ME-ICP61m package, with a lower detection limit for indicator elements of interest as well as mercury analyses using MS on a separate agua regia digestion. Samples with more than 100 g/t Ag and 1 % Pb or Zn were rerun using a digestion for higher concentrations. Samples with more than 20% Pb or 30% Zn were run by volumetric analyses, and samples with more than 1500 g/t Ag were run by fire assay with a gravimetric finish.

Data Verification.

A field visit to the project was made on June 7, 2020, and 6 verification samples were taken (Table 5, Figs. 41 to 45). Table 5 shows the sample data for the author's samples, and Table 6 shows the assays for them. Some of the samples were taken at the site of DSV samples and are compared to the assays of the samples taken by the author in Table 7. In general the samples taken by the author confirm the results reported by DSV. Sample 370165 taken on manto mineralization at the Minerva mine (Fig. 42) yielded high Ag, Pb, and zinc values. Sample 379169 (Fig. 44) from the western part of the easterly trending shear at Concordia in an area with abundant small mine workings yielded interesting silver and base metal values. Sampling of the mineralization hosted within a low angle fault zone exposed in a trench at La Tercia yielded 37 g/t Ag and almost 3% Pb (sample 370170, Fig. 45).

A QA/QC program was undertaken during the exploration program and control samples consisting of pulp standards and coarse and fine blanks were inserted into the samples sent to the lab at a rate of about 1 control sample for each 10 field samples and duplicates. Duplicate samples were described as pulp and reject duplicates of the preceding field sample but the protocol for insertion of these was not described and they may have been inserted by the lab contractor during sample preparation under instructions of the Company. The assay values reported for the control samples are generally within the accepted ranges and no problem with the assays was detected.

Table 5. Data for samples taken by the author.

SAMPLE	LOCATION	EASTING (m)	NORTHING (m)	ELEVATION (m)	TYPE	WIDTH (m)	DESCRIPTION
379165	Mina Minerva	In mine			Chip	0.3	Sample in Minerva mine, at DSV sample 118822, 0.3 m chip across manto at a northeast striking cross fault with slickensides, iron oxides with galena and yellow oxide mineral, silicified carbonate included in sample
379166	Minerva	703,919	3,142,803	1,010	Chip	3	3 meter chip on altered horizon in limestone, local silicification with hematite, masses of goethite with drusy cavities, bedding N10W, 34SW, variable thickness, 20cm to 1 meter
379167	Concordia	703,552	3,144,060	995	Chip	selected	selected float of strong limonite-hem in silicified material, in strongly folded finely bedded carbonate with incipient skarn/hornfels in some beds
379168	Concordia	703,667	3,144,214	994	Chip	2.55	2.5 m chip across mineralized zone in old working at contact of sedimentary rocks with intrusive, similar iron oxide material to previous sample, variable silicification
379169	Concordia	703,394	3,144,014	983	Chip	1.5	1.5m chip at sample 118561, similar limonite and iron oxide rich siliceous alteration in 'fresh' dark limestone, local calcite matrix breccia, cut by banded calcite hem vein
379170	La Tercia	706,321	3,143,931	998	Chip	1.5	1.5m chip across low angle structure in intrusive rock exposed in trench, N80E, 30-40NW, galena associated with coarse calcite vein with some quartz, galena on fractures, at previous sample (illegible tag), part of wider structure in trench

Coordinates in UTM WGS84 taken with a Garmin etrex 30x.

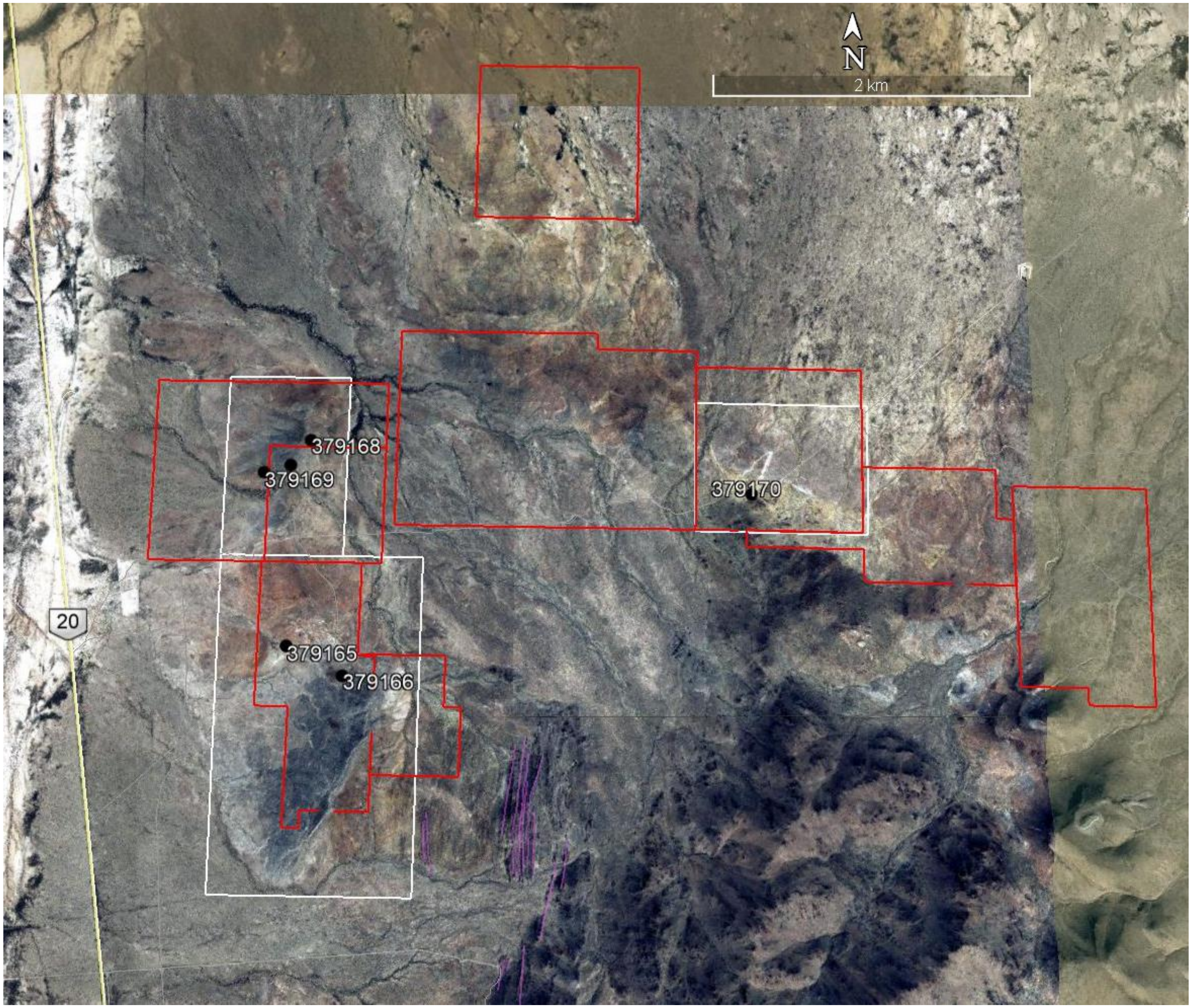

Fig. 41. Mosaic satellite image showing locations of samples taken by the author at the Minerva project. Concession boundaries in red, areas mapped in white outline. Images from Zoom Earth and Google Earth

Table 6. Assay results for samples taken by the author.

SAMPLE	LOCATION	Recvd Wt. (kg)	Au (ppb)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)	Sb (ppm)	Hg (ppm)	Mo (ppm)	Bi (ppm)	Te (ppm)
379165	Mina Minerva	0.92	8.3	1,461	850.8	>40,000	32,200	>10,000	824.5	6.27	>2000	0.4	<0.2
379166	Minerva	0.84	<0.5	0.2	2.9	21	545	233.1	4.1	0.25	2.5	<0.1	<0.2
379167	Concordia	1.89	2.5	0.5	3.5	13	209	334.3	37	0.3	15.5	<0.1	<0.2
379168	Concordia	1.05	1.8	8.5	40	2,776	7,250	59.3	42.9	7.94	13	<0.1	<0.2
379169	Concordia	1.01	<0.5	27.6	139.3	10,100	20,900	198	182	5.59	16	<0.1	<0.2
379170	La Tercia	1.15	<0.5	37.4	42.7	29,400	773	35.7	99.4	0.18	23.3	0.1	<0.2

Table 7. Comparison of results for samples taken by the author to original samples of DSV.

SAMPLE	LOCATION	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	As (ppm)	Sb (ppm)	Hg (ppm)	Mo (ppm)	Bi (ppm)	Mn ppm	Fe %
379165	Mina Minerva	0.0083	1,461	850.8	>40,000	32,200	>10,000	824.5	6.27	>2000	0.4	136	0.38
118822		0.01	791	1360	102000	114000	7860	6300	13.35	2010	4	140	0.67
379168	Concordia	0.018	8.5	40	2,776	7,250	59.3	42.9	7.94	13	<0.1	1383	6.1
117616		0.0025	17	60	7460	21100	50	70	-	20	10	1990	7.94
379169	Concordia	<0.0005	27.6	139.3	10,100	20,900	198	182	5.59	16	<0.1	2234	9.56
118561		0.0025	40.3	190	8,250	48,100	88	195	12.15	6	2	2170	9.25
379170	La Tercia	<0.0005	37.4	42.7	29,400	773	35.7	99.4	0.18	23.3	0.1	912	4.76
118523		0.0025	89.5	72	71200	1260	39	240	0.19	1	3	579	4.25

Samples 379168 and 379170 are believed to have been taken at the sample sites show but tags were not present or were illegible.

Fig. 42. Sample 379165 taken by the author at the Minerva project. Mineralized manto in the Minerva mine with galena and sphalerite, at a cross fault (in shadow).

Fig. 43. Sample 379166 taken by the author at the Minerva project. Iron oxide mineralization in altered limestone bed southeast of the Minerva mine.

Fig. 44. Sample 379168 taken by the author at the Minerva project. Iron oxide rich mineralization in small pit at the contact between intrusive rocks and limestone. Similar mineralization is observed in the surrounding area in limestone, see sample 379169 in Fig. 15b.

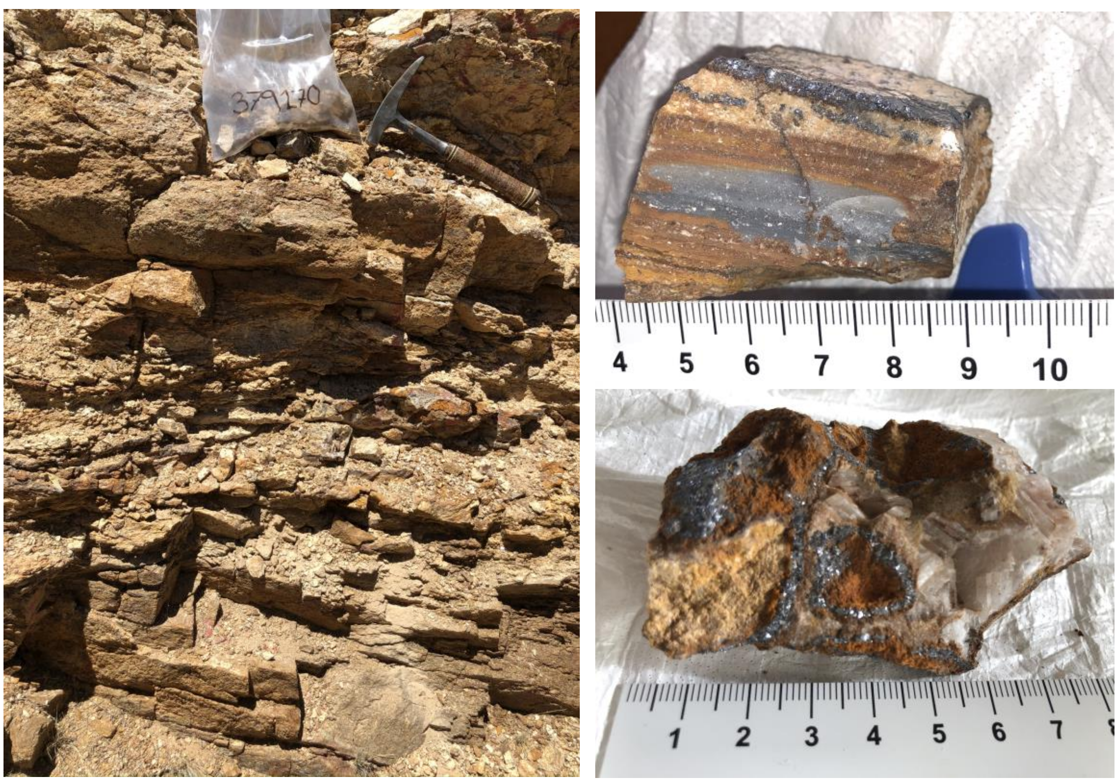

Fig. 45. Sample 379170 taken in La Tercia trench by the author at the Minerva project. Galena-rich bands in low angle structure cutting intrusive rocks, with two hand samples showing detail of galena-rich bands in silicified banded rock and surrounding iron oxide fragments in breccia.

Conclusions and Recommendations.

Work at the Minerva Project has resulted in the identification of several areas that warrant further exploration. Potentially economic mineralization has been identified at each of the three map areas, Concordia, Minerva and La Tercia, A good understanding of the styles and geometry of the mineralization was obtained during the exploration program, and each map area has multiple mineralized zones and at least one target that is nearly drill ready. The main targets are polymetallic replacement mineralization formed at and near contacts between the intrusive rock package and the carbonate rocks, in favorable beds in the carbonate units and also in structures that cut bedding in the sedimentary rocks and also occur in the intrusive package.

Polymetallic mineralization provides a good exploration target considering the nearby La Encantada and La Pasion mines. First pass drilling is relatively straightforward as there is road access to many of the targets and construction of mainly short spur roads and drill pads will be necessary for a first round drill program.

The best targets identified are the manto mineralization at the Minerva mine and surrounding areas and potential bulk tonnage mineralization hosted in low angle structures at the La Tercia area. Sampling at the Minerva mine yielded 297 g/t Ag and more than 10% combined Pb and Zn for 78 samples averaging ½ meter in width, and at La Tercia the Tercia mine yielded 112 g/t Ag and 8% combined Pb and Zn for 6 samples averaging 0.73 meters in width, and a trench yielded 63.6 g/t Ag and 2.4% Pb over 19.7 meters (true with about 8-10 meters) and provides a possible bulk tonnage target. Secondary targets include replacement mineralization in the shear zone at Concordia where numerous small prospects were developed in the past, and the mineralization along the contact between the intrusive rocks and carbonate rocks in the Concordia and Minerva areas.

In general the lower Cretaceous and upper Jurassic stratigraphy is more favorable for mineralization in other areas in Northeast Mexico and at least some of these units should occur at depth based on the regional geology, although the Jurassic sequence may not occur in all areas due to the control of Mesozoic basins on the distribution of the sedimentary rocks. The data from the Mina La Pasion can be used to aid in interpreting this possibility.

<u>Recommendations:</u>

A short field program is recommended to review the geology of each of the target areas to confirm the interpretation presented and to upgrade the cross-sections to refine the drill plan. Based on the field visit, it appears that the favorable horizons for manto mineralization in the Minerva and Concordia areas could be affected by folding, and this interpretation should be investigated. Also, in general drill sites for the first round should be located close to the targets to insure that the objective is tested and to provide information for orienting deeper holes. Some recommendations for possible changes to the drill program for a first round program that tests more of the targets are included in Table 8 and Figs. 46 to 54. If drilling is successful at the Minerva and La Tercia targets additional drilling, possibly as much as 5,000-10,000 meters, would be warranted. Drilling of a bulk tonnage target at La Tercia would be relatively straightforward.

Table 8. Modified drill program proposed by the author holes at the Minerva Project

AREA/HOLE	NORTH	EAST	ELEV	AZIM	DIP	DEPTH (m)	SECTION	OBJECTIVE
Concordia								
MP-Con-A	3,144,058	703,334	981	170°	-50°	180	CON-03	Test shear trend
MP-Con-B	3,144,223	703,640	996	170°	-60°	100	Con 09 ext	Test manto mineralization
MP-Con-C	3,143,820	703,512	980	90°	-45°	100	Con-12, new	Test mineralized contact
Minerva								
MP-Min-A	3,143,174	703,685	1,005	140°	-70°	180	MIN-08	Test continuity of manto mineralization
MP-Min-B	3,142,078	703,850	1,040	140°	-70°	100	MIN-27	Test replacement horizon
MP-Min-C	3,142,163	703,700	1,000	140°	-50°	130	MIN-27	Test mineralized contact
La Tercia								
MP-Ter-A	3,143,971	706,322	996	180°	-50°	100	TER-06	Test low angle structure
MP-Ter-B	3,143,971	706,322	996	0°	-90°	130	TER-06	Test down dip continuity of low angle structure
MP-Ter-C	3,144,082	706,324	1,000	180°	-70	150	TER-06	Test contact zone and low angle structures
					Total	1170		

Drill hole ID's nomenclature has been changed from those in the Project database to remove date and numbers to avoid possible confusion in the future and to include the map area.

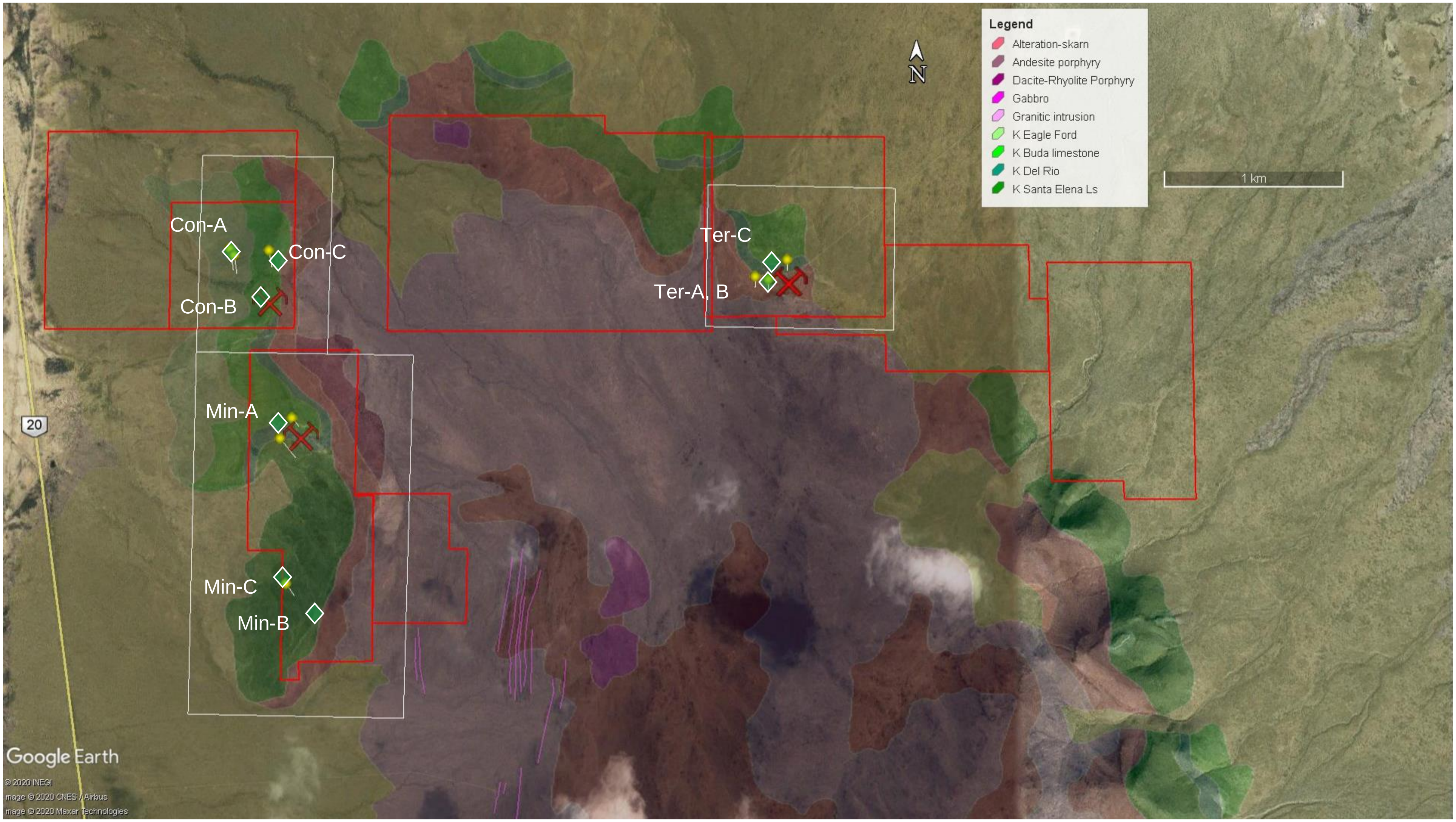

Fig. 46. Google Earth image with geology showing locations of drill holes proposed by DSV in yellow dots, and those by the author, green diamonds. Concession boundaries in red, map areas in white outline.

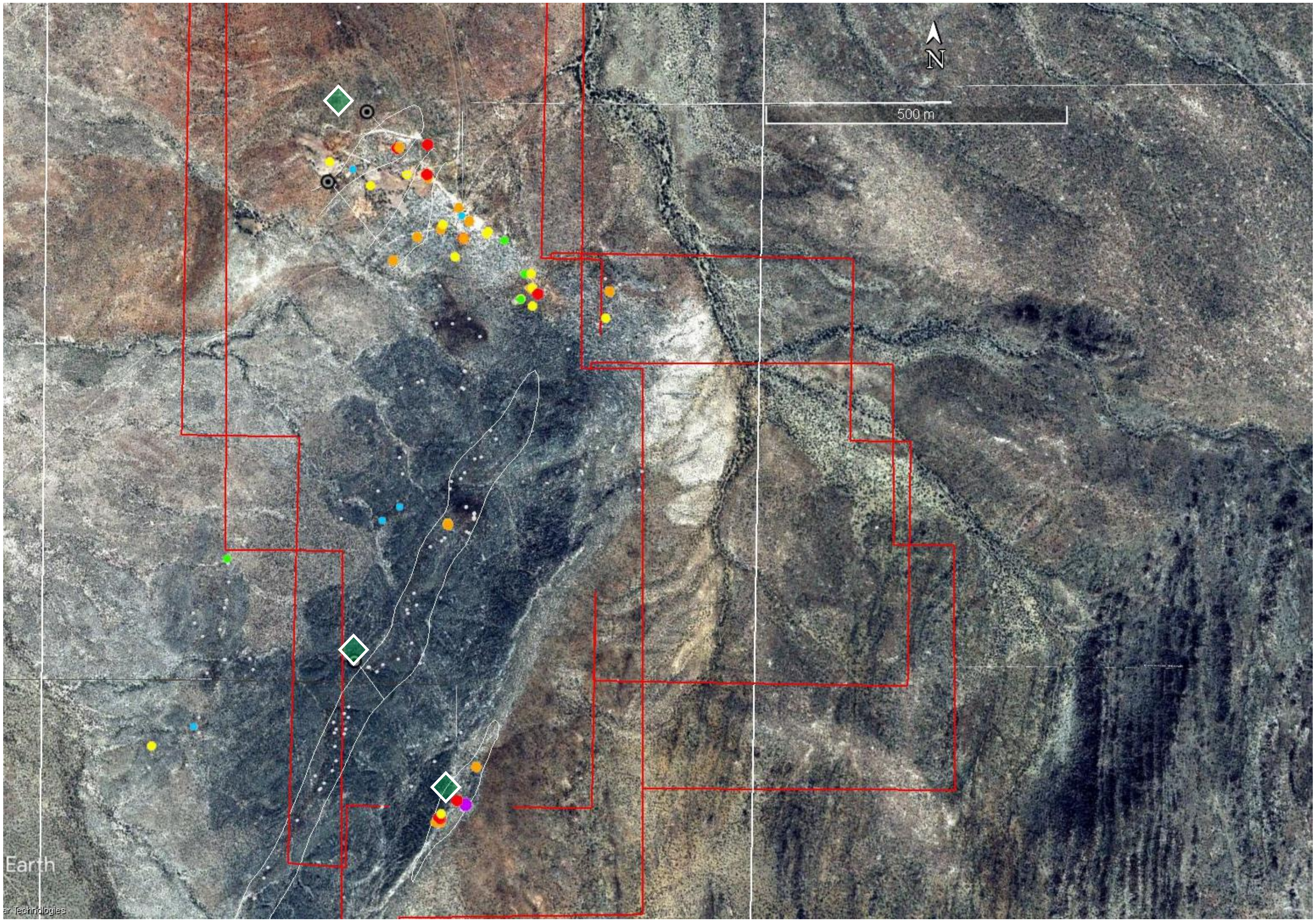

Fig. 47. Satellite image of the Minerva area showing locations of planned DSV drill holes, Ag assays and the favorable bed for replacement mineralization. Concession boundaries in red, areas mapped in white outline.

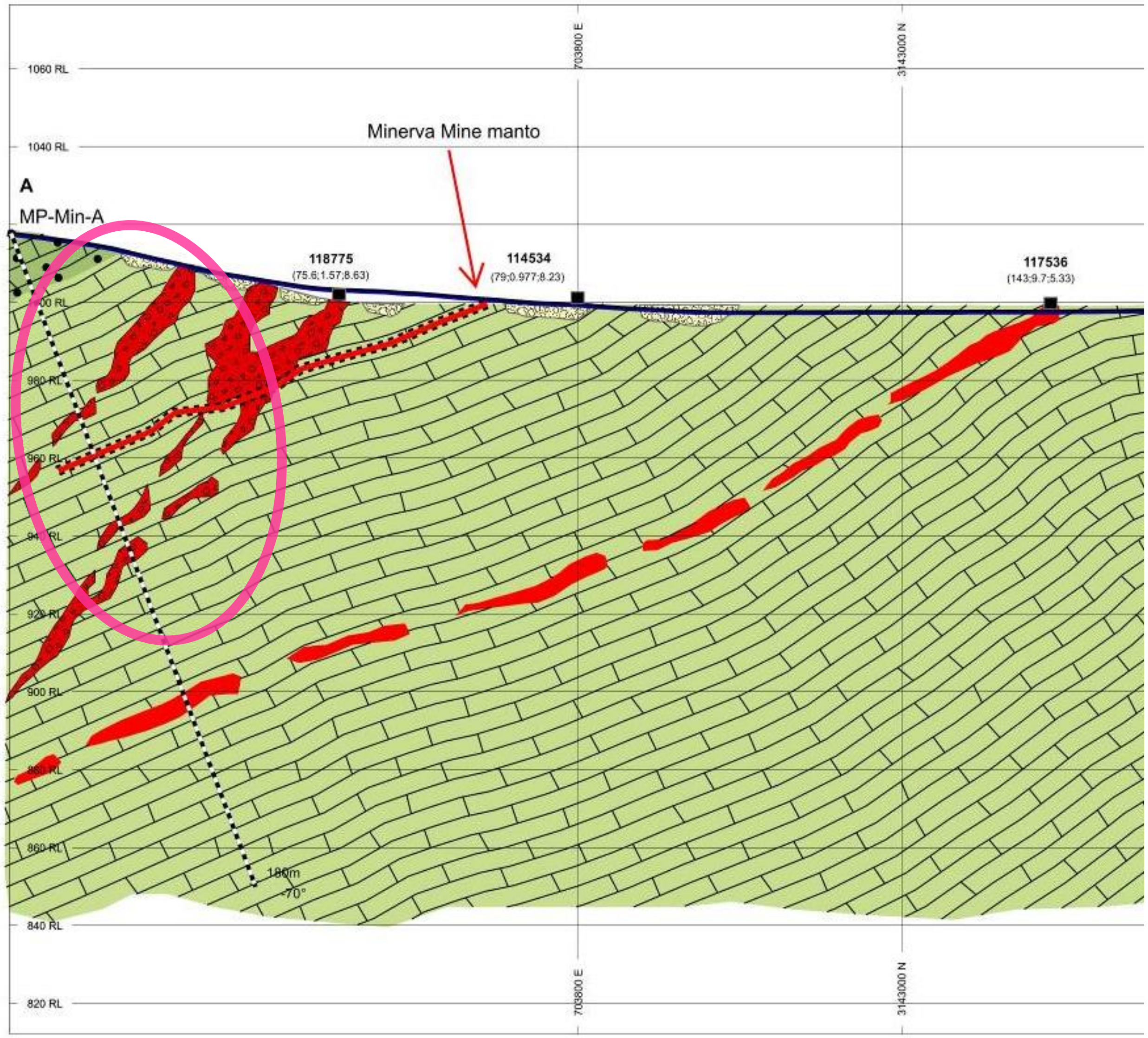

Fig. 48. Section 3 for the Minerva area showing hole MP-Min-A to test the manto sampled in the Minerva mine.
This section along with others should be upgraded and drawn in more detail, focusing on the drill target and surrounding geology.

Fig. 49. Section 27 for the Minerva area showing holes MP-Min-B and C to test the contact zone and the replacement horizon. The folding shown on this section should be confirmed with a short field program to better locate and orient drill holes.

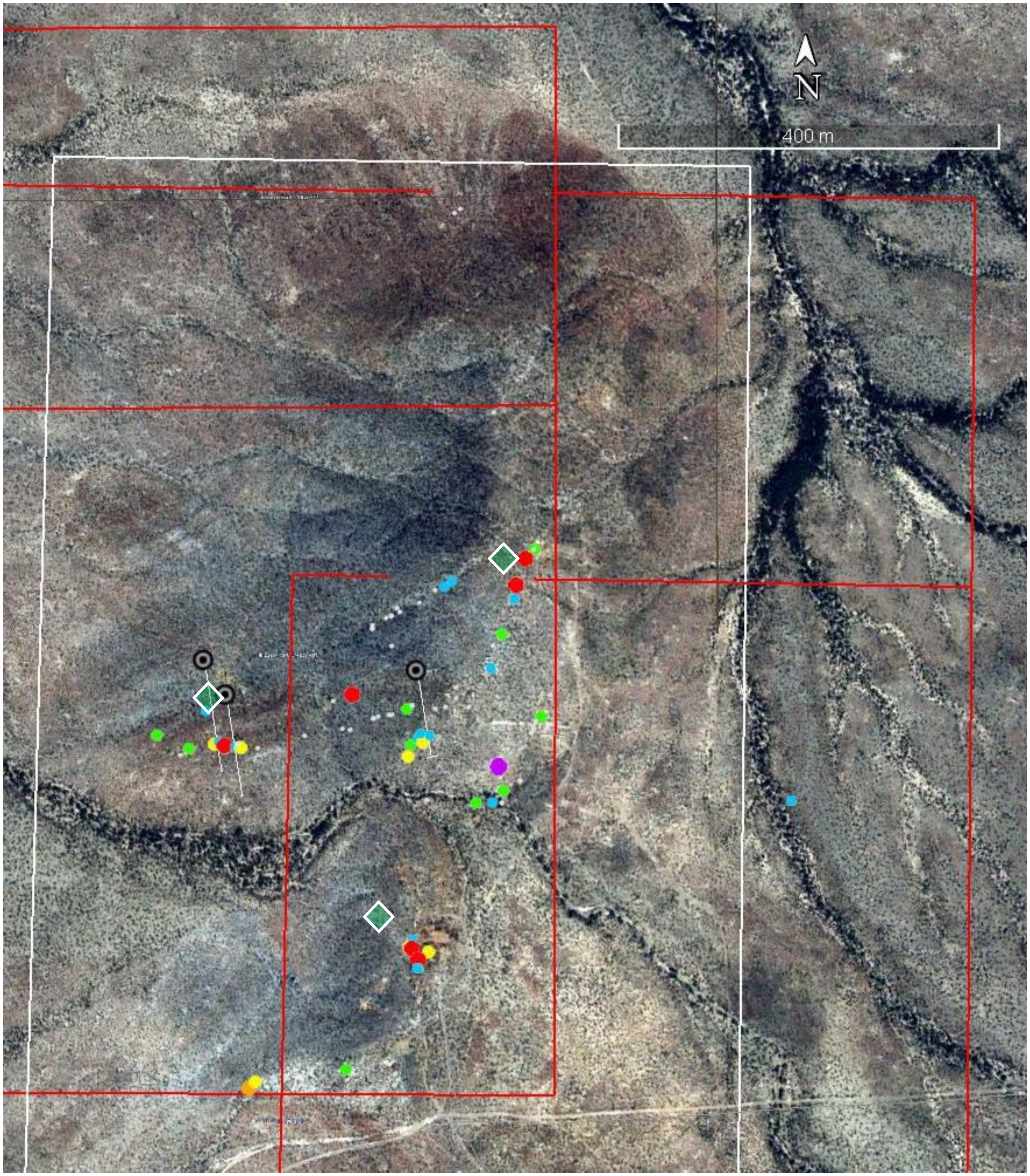

Fig. 50. Satellite image of the Concordia area with locations of planned DSV drill holes and Ag assays from surface sampling. Concession boundaries in red, map area in white outline.

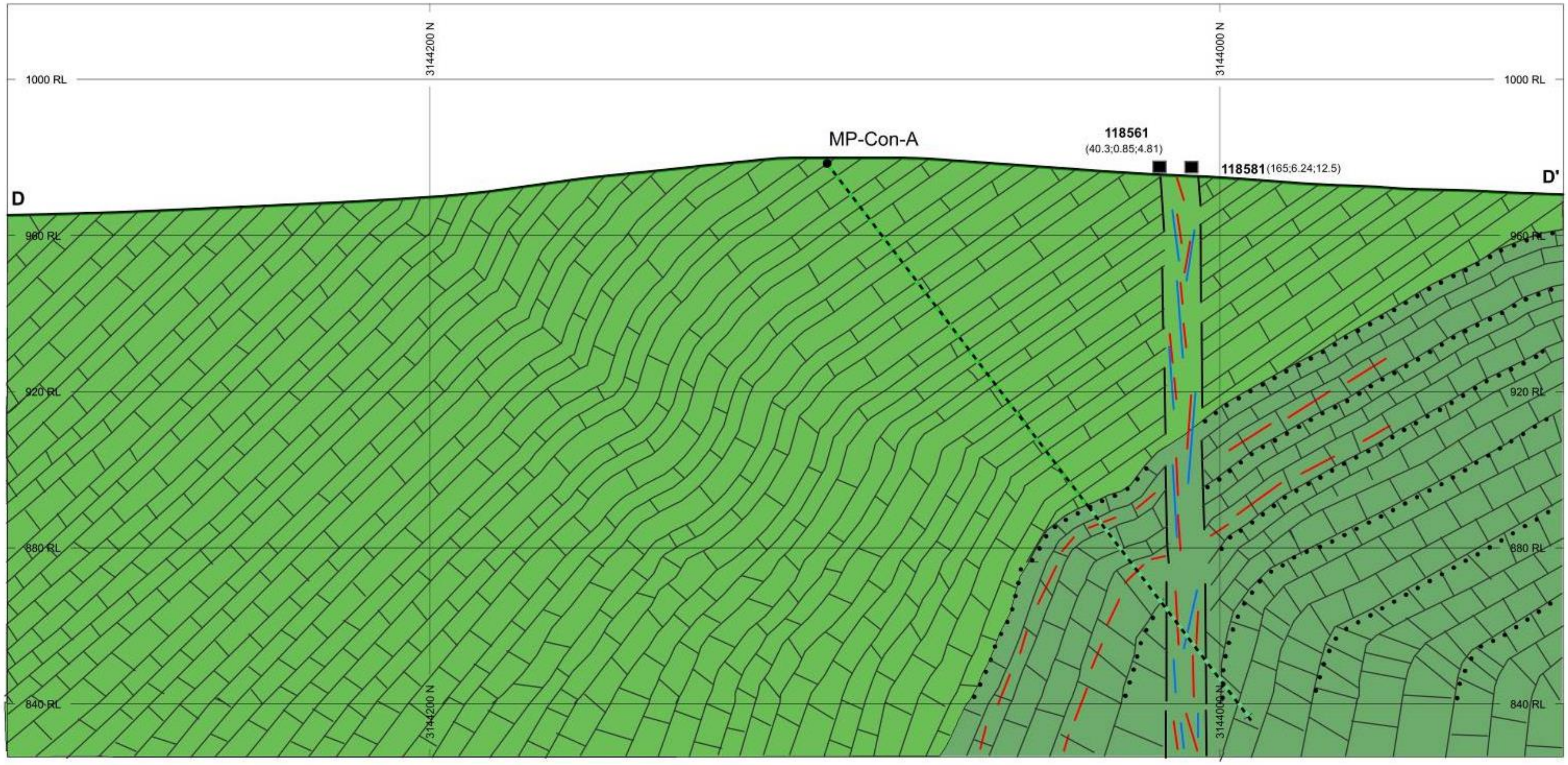

Fig. 51. Section 3 for the Concordia area showing hole MP-Con-A to test the western portion of the shear zone mineralization. More detailed mapping in this area could aid in location and orientation of the drill hole.

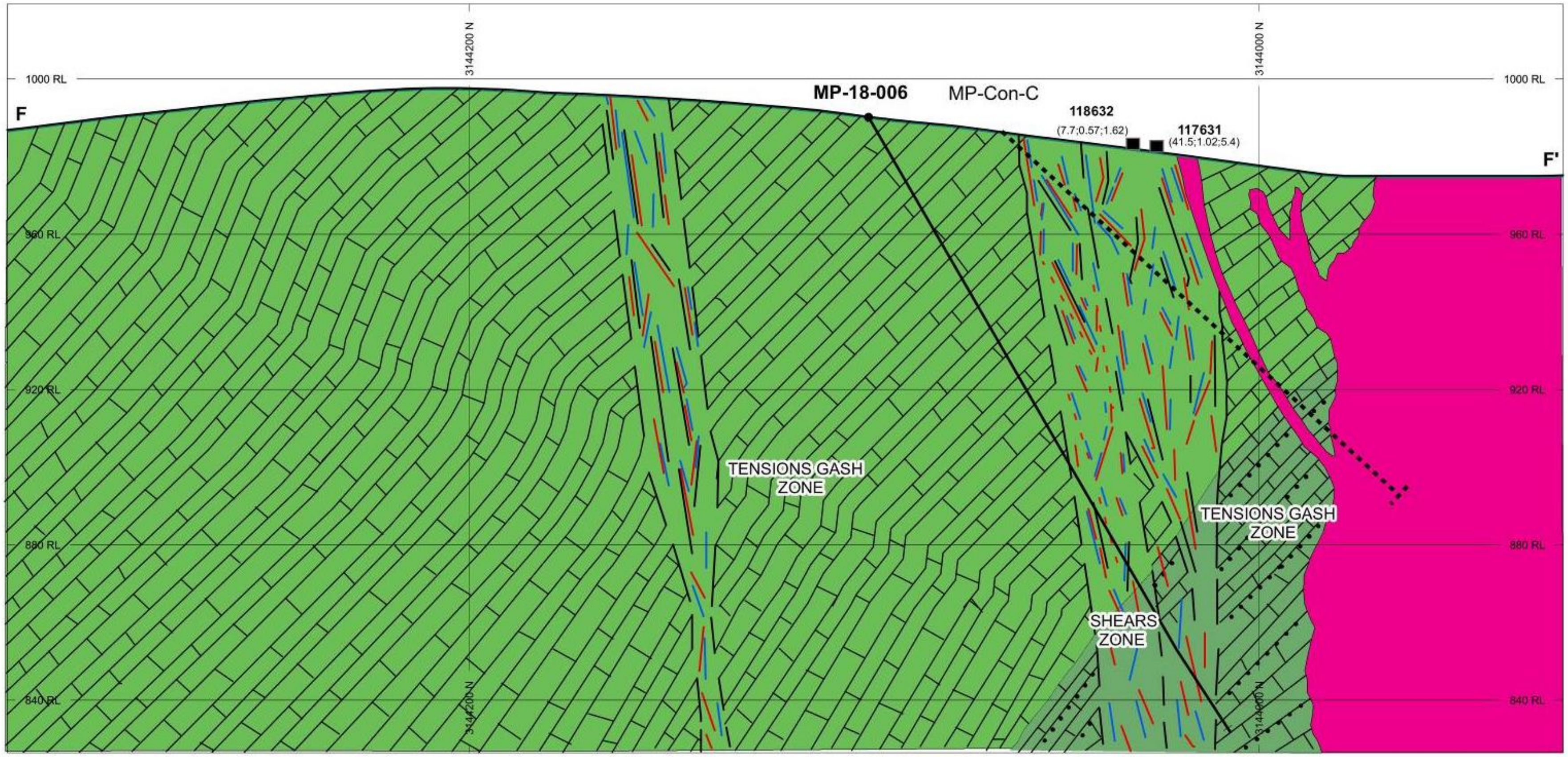

Fig. 52. Section 12 for the Concordia area showing hole MP-Con-C to test the contact zone and the shear.

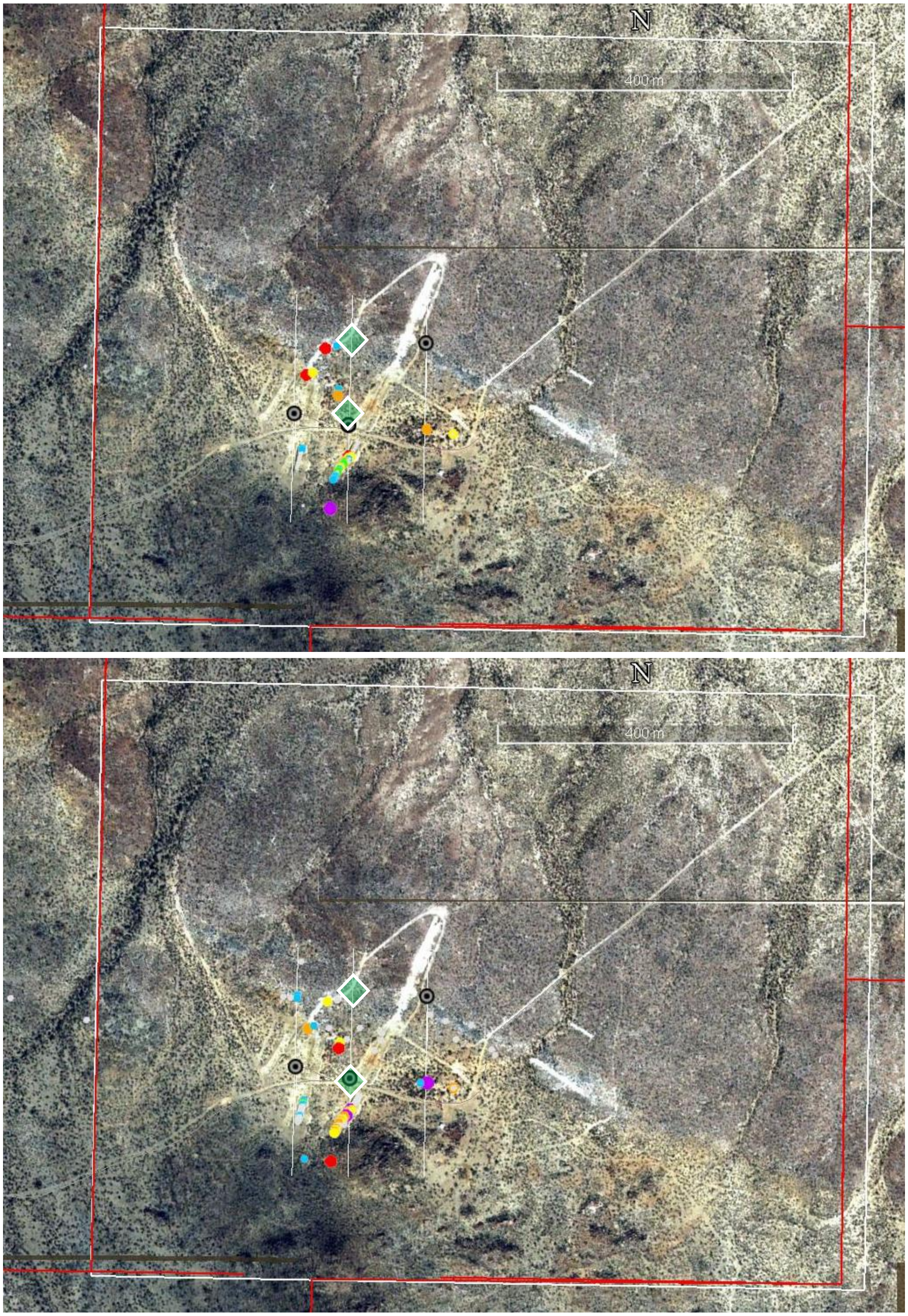

Fig. 53. Satellite image of the La Tercia area showing trenches and planned DSV drill holes, with Ag assays in upper image and Pb assays in lower image. Changes to drill hole planned by the Author shown with green filled diamond shapes. More systematic sampling could be used to better define the mineralization. Concession boundaries in red, map area in white outline.

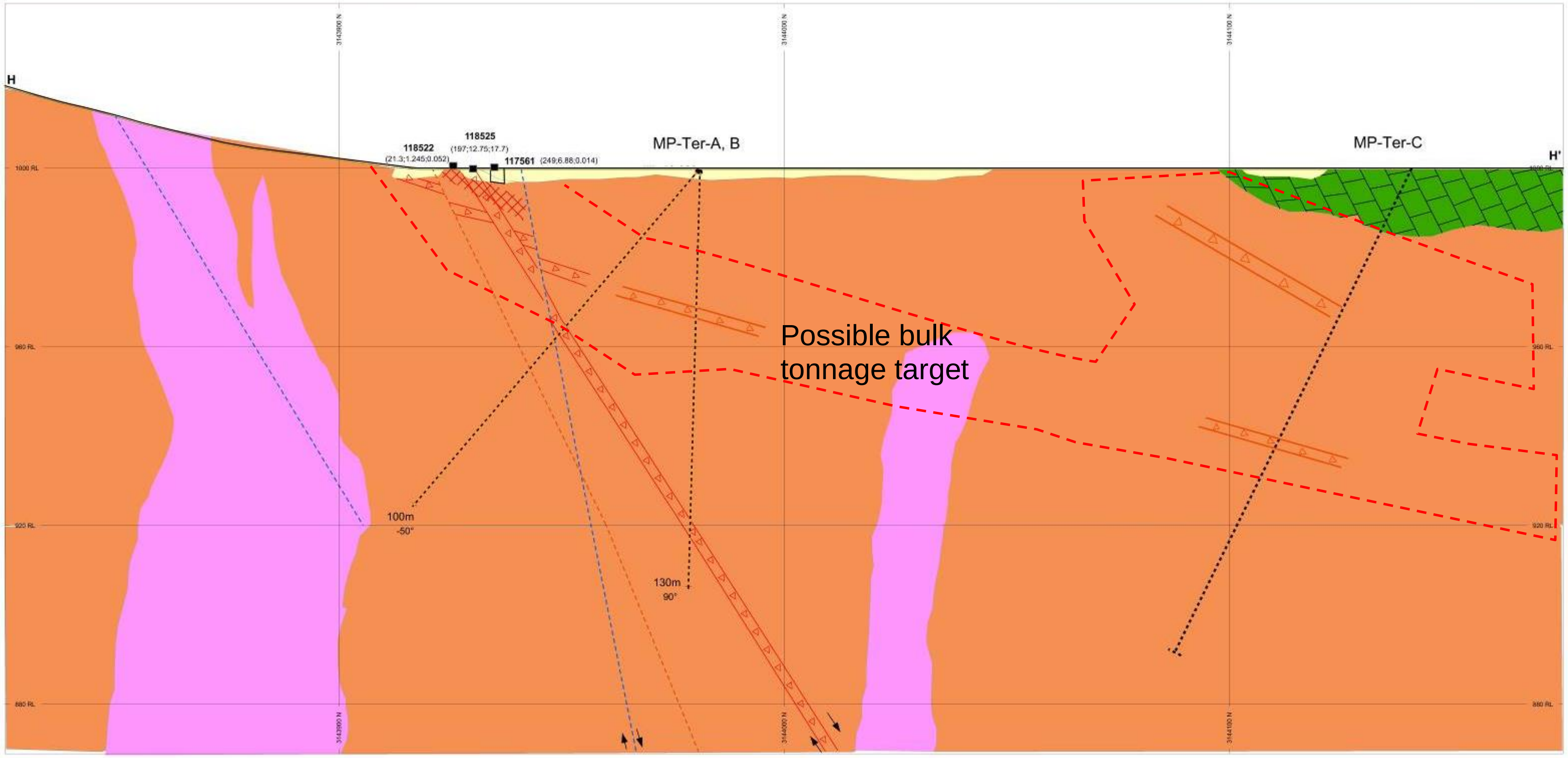

Fig. 54. Section 6 for the Tercia area showing hole MP-Ter-A to C test the low angle shear zone mineralization and contact zone.

A more detailed evaluation of the airborne geophysical data and the targets identified on the DSV ground might be useful, incorporating more of the known geology for each target, perhaps with new inversions and data collected on the magnetic susceptibility and electrical properties of the rocks present. Also, the possibility for conducting ground E-M geophysics in the area of the Minerva mine manto and the La Tercia low angle structure should be evaluated. In this regard,, the SGM IP data should be added to the database to be able to locate on the Company's maps as they are in local coordinates. The usefulness of this is data is uncertain, but review by a geophysicist should help with this.

Only five of the 9 concessions that make up the project have been explored over a significant portion of the surface area by mapping and sampling. The remaining concessions should be mapped and sampled in at least a reconnaissance manner considering they cover extensions to the contact between the intrusive rocks and carbonate rocks or potential down dip extensions. A few samples were taken on the La Reyna concession and surrounding the map areas but no mapping was evidently completed.

Sampling is relatively sparse at the project and little reconnaissance has been done outside of the three mapped areas. A stream sediment sampling program around the project could be used to explore for hidden polymetallic mineralization based on the minor element signature. The existing stream sediment data from the SGM should be added to the database first, as this may be sufficient for this purpose. The other small mines in the region identified by the SGM should also be visited if this has not already been done.

Respectfully submitted,

Craig Gibson
Technical Director

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