# SILVER WOLF EXPLORATION LTD.

## TECHNICAL REPORT FOR ANA MARIA PROJECT

## Durango State, Mexico

---

## NI 43-101 TECHNICAL REPORT

**Prepared for:**

Silver Wolf Exploration Ltd.
Suite 900, 570 Granville St.
Vancouver, B.C. V6C 3P1
Tel: 1 (604) 682-3701

**Author & Qualified Person:**

Garth Kirkham, P.Geo.
Kirkham Geosystems Ltd.
Vancouver, B.C.

**Effective Date:** February 3, 2021
**Release Date:** February 3, 2021

# TABLE OF CONTENTS

## LIST OF FIGURES



## LIST OF TABLES

# 1 SUMMARY

## 1.1 INTRODUCTION

Silver Wolf Exploration Ltd. (Silver Wolf or the Company) is a mineral exploration and resource development company based in Vancouver, B.C., Canada. It is a public company trading on the TSX Venture Exchange (TSX-V: GRK). The Company has entered into an agreement with Avino Gold and Silver Mines Ltd. (Avino) to acquire 100% ownership in the Ana Maria Property and El Laberinto Property which is an exploration and resource development project located in north-central México. Note that the subject of this Technical Report are the Ana Maria Properties and the acquisition also includes the El Laberinto Property. El Laberinto is not material to the Company and as such is not the subject of a Technical Report.

In 2020, Silver Wolf commissioned Garth Kirkham, P.Geo., Principal, Kirkham Geosystems Ltd., to prepare an NI43-101 Technical Report for the Ana Maria properties which are early stage, exploration properties. Ana Maria is a carbonate replacement (CRD) prospect.

## 1.2 ANA MARIA PROPERTY

The Ana Maria property is located 21 kilometres (km) northwest of the City of Gómez Palacio and the adjacent City of Torreón, and 1 km north of the town of Dinimita, in the municipality of Gómez Palacio, Durango, Mexico. The concessions are located in the Minitas mining district in the Guadalupe Victoria mining region. The property consists of 9 mining concessions encompassing 2,549.0 hectares (ha).

These projects are located in the North West-South East striking fold-thrust belt of the Sierra Madre Oriental within a west trending prong known as the Sierras Transversales or the Monterrey-Torreón transverse system. It divides the Mesa Central, an elevated plateau to the South, from the eastern Mexican Basin and Range to the North.

The region hosts a number of carbonate replacement deposits (CRD´s) within Cretaceous limestones and dolomites. Mineralization is associated with large stocks, dykes or sills of granitoids ranging from diorites to quartz monzonites and rhyolites and inferred to be lower crustal in origin. Mineralization is present as skarns or massive sulphides and occurred during Mid-

Tertiary volcanism when the aforementioned intrusions were emplaced (Megaw et al., 1988). The deposits typically produce silver, lead, zinc and copper although some districts, such as Ojuela (~10 kilometres from Ana Maria Norte), are enriched in gold relative to typical CRD´s.

## 1.3 CONCLUSIONS AND RECOMMENDATIONS

Table 1.1 are potential risks and opportunities that may affect, hinder or otherwise impact exploration and development going forward.

**Table 1.1: Project Risks and Opportunities**

| Project Element | Economic Risk Level | Comment | Risk | Opportunity |
|---|---|---|---|---|
| Geology | Moderate | The geology of the area is well known and documented. The region is a prolific mineral rich juristiction. | Further work may not result in economic discoveries and therefore result in condemnation of targets. | May result in an increased understanding and alterative theories that may result in discovery and advancement. |
| Exploration | Moderate | Exploration using established methods and indusry standard techniques are the best tools for mineral occuraence idetification and discovery. | There is no guarantee that exploration and discovery will result in an economically viable operation. | An intelligent, systematic program could result in discovry and andvancement. |
| Ejido / CSR | Moderate | Level of detail related to Ejido and local community relationships, negotiations and agreements. | Uncertainty could arise should issues be encountered or are not known. | Increased certainty of project success and social license. |
| Company Conflict/Synergies | Low | Creating partnership with neighbouring consession holders. Also partnering with sister organizations. | May limit exploration programs and access. | Create synergies with operating mines in close proximity. |
| COVID-19 | Moderate | Travel and safety is a concern in so far as visiting site is problematic. Work performed would need to be done by local / Mexican personnel and comapanies as much as possible. | Inability to travel and perform work programs to advance the properties. | Opportunity to employ in-country resources and personnel. |
| Metal Prices | Low | Commodity price volility | Lower metal price will change size and grade of the potential targets. Target and program priorities and options are reduced. | Higher metal price will create opportunities for increased scope and scale. |

## 1.4 RECOMMENDATIONS AND BUDGET

The following two phased work program is recommended for the Ana Maria Project. They may be performed in series or in parallel, depending on resources and circumstances.

It is recommended that Silver Wolf complete geological mapping, surface geochemical sampling, Terraspec sampling and geophysical surveys in addition to performing a Lidar survey. In addition, initial baseline environmental data acquisition and reporting should be initiated and is recommended along with continued ongoing implementation of an Ejido/community consultation plan.
The view is that this work would support core drilling in the future.
The author recommends:

- Surface mapping
- Lidar survey
- Airborne- and ground-geophysical surveys
- Geochemical sampling
- Surface sampling, mapping, and prospecting

Table 1.2 presents an ongoing exploration and development program for the Ana Maria property. The Phase 1 program recommends initial reconnaissance and data integration work along with performing a LIDAR and Terraspec survey. This phase will include data analysis and modelling to determine prospectively to test the validity of the CRD deposit model hypothesis. The Phase 2 program is contingent upon the results and relative success of the Phase 1 program which would then employ geochemical sampling and geophysical surveying techniques to assist in target identification and support the selection of drill targets to further advance the project.

Approximate expense items are listed with a description, where appropriate, and a total cost. The length of this program is approximately 24 months from inception through to completion of a status report. All costs are in $US.

**Table 1.2: Proposed Phase One Program Budget**

| Item | # | Total |
|---|---|---|
| **Preliminary Studies** | | |
| Data Collection | | 2,000 |
| Modelling | | 3,000 |
| **Geological Mapping and Data Acquisition** | | |
| Geological Mapping and Data Acquisition | | 8,000 |
| TerraSpec Sampling | | 5,000 |
| **Data Integration and Modelling** | | 10,000 |
| **Lidar** | | 110,000 |
| **Reporting** | | 20,000 |
| **Project Management** | | 5,000 |
| **Mobilization** | | 4,000 |
| **Travel plus Expenses (approximate)** | | 5,000 |
| **Contingency** | 15% | 25,800 |
| **Total** | | 197,800 |

**Table 1.3: Proposed Phase Two Program Budget**

| Item | # | Total |
|---|---|---|
| **Preliminary Studies** | | |
| Data Collection | | 3,000 |
| Modelling | | 4,500 |
| **Geological Mapping and Data Acquisition** | | |
| Geological Mapping and Data Acquisition | | 20,000 |
| TerraSpec Sampling | | 2,000 |
| **Geochemical Sampling** | | 22,000 |
| **Assaying** | | 4,500 |
| **Data Integration and Modelling** | | 5,000 |
| **Geophysical Surveys** | | 290,000 |
| **Reporting** | | 30,000 |
| **Project Management** | | 15,000 |
| **Mobilization** | | 8,000 |
| **Travel plus Expenses (approximate)** | | 12,000 |
| **Baseline Environmental Study** | | 60,000 |
| **Ejido Consultation** | | 40,000 |
| **Contingency** | 15% | 77,400 |
| **Total** | | 593,400 |

# 2 INTRODUCTION

Silver Wolf Exploration Ltd. (Silver Wolf or the Company) is a mineral exploration and resource development company based in Vancouver, B.C., Canada. It is a public company trading on the TSX Venture Exchange (TSX-V: GRK). The Company has entered into an agreement with Avino Gold and Silver Mines Ltd. (Avino) to acquire 100% ownership in the Ana Maria Property and El Laberinto Property which is an exploration and resource development project located in north-central México.

In 2020, Silver Wolf commissioned Garth Kirkham, P.Geo., Principal, Kirkham Geosystems Ltd., to prepare an NI43-101 Technical Report to support the acquisition by way of a “Non-Arms Length Fundamental Acquisition” of the Ana Maria and El Laberinto properties which are early stage, exploration properties. Ana Maria is a carbonate replacement (CRD). Avino is the current owner until such time that the transaction is approved.

The Technical Report was prepared in conformity with generally accepted CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* (November 29, 2019). It is based on information known to the author as of February 1, 2021.

The Technical Report was prepared in accordance with the guidelines of the Canadian Securities Administrators’ National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101) and Form 43-101F1. Kirkham is an independent qualified person (QP) within the meaning of NI 43-101.

This Report is based on information collected by the QP and information provided by Silver Wolf and prior owner, Avino. Other information was obtained from the public domain. The Author has no reason to doubt the reliability of the information provided. This Report is based on the following sources of information:

- Discussions with Silver Wolf and Avino's on-site personnel.
- Review of exploration data collected by Avino.
- Additional information from public domain sources.

The information, conclusions, opinions, and estimates contained herein are based on:

- Information available to the Author at the time the Report was prepared;
- Assumptions, conditions, and qualifications as outlined in this Report; and
- Data, reports, and other information supplied by Silver Wolf and Avino along with other third-party sources.

Kirkham visited the property on January 20-22, 2021. Kirkham was given full access to all relevant data. The site visits included an inspection of the property, showings and outcrops including the iron-manganese outcrops at La Lucha showing and the calcium carbonate showings at La Recompensa and La Soldado and tours of major centers and surrounding villages most likely to be affected by any exploration activities and potential mining operation.

Unless stated otherwise stated, all units used in this report are metric and all currency are expressed in 2020 United States dollars (US).

Abbreviations and acronyms used in this report are shown in Table 2.1.

**Table 2.1: Abbreviations and Acronyms**

| Description | Abbreviation or Acronym |
|---:|---|
| percent | % |
| three dimensional | 3D |
| silver | Ag |
| gold | Au |
| gold-equivalent | AuEq |
| recoverable gold-equivalent | AuEqR |
| degrees centigrade | $^{o}$C |
| Canadian | CAD |
| carbonate replacement deposit | CRD |
| centimetre | cm |

| Description | Abbreviation or Acronym |
|---|---|
| controlled source audio magnetic telluric | CSAMT |
| copper | Cu |
| diamond drill | DD |
| digital elevation model | DEM |
| east | E |
| exploratory data analysis | EDA |
| electromagnetic | EM |
| gram | g |
| general and administrative | G&A |
| grams per litre | g/L |
| grams per tonne | g/t |
| Global Positioning System | GPS |
| hectare | ha |
| High sulfidation | HS |
| drill core size (inside diameter 63.5 mm) | HQ (HTW) |
| inductively coupled plasma | ICP |
| Intermediate sulfidation | IS |
| induced polarization | IP |
| kilowatt | kW |
| kilogram | kg |
| thousand pounds | klbs |
| kilometre | km |
| thousand ounces | koz |
| litre | L |
| length x width x height | L x W x H |
| pound | lb |
| metre | m |
| million years | Ma |
| meters above sea level | masl |
| million pounds | Mlbs |
| Low sulfidation | LS |
| million ounces | Moz, M ounces |
| million tonnes | Mt, Mtonnes |
| north | N |
| not applicable | na |
| sodium chloride | NaCl |
| National Instrument 43-101 | NI 43-101 |
| drill core size (inside diameter 47.6 mm) | NQ (NTW) |
| net smelter return | NSR |
| ounce | oz |
| ounces per tonne | oz/t |
| lead | Pb |
| Professional Geoscientist | P.Geo |

| Description | Abbreviation or Acronym |
|---|---|
| potassium argon ratio | K/Ar |
| parts per million | ppm |
| quality assurance/quality control | QA/QC |
| qualified person | QP |
| reverse circulation | RC |
| rock quality designation | RQD |
| south | S |
| specific gravity | SG |
| square kilometre | sq. km |
| tonne | t |
| tonnes per cubic metre | $t/m^3$ |
| Universal Transverse Mercator | UTM |
| west | W |
| zinc | Zn |

# 3 RELIANCE ON OTHER EXPERTS

With respect to legal issues associated with the Ana Maria Properties, Kirkham has relied exclusively on information provided by Silver Wolf. As such, portions of Section 4 that deal with the types and numbers of mineral tenures and licenses; the nature and extent of Silver Wolf's title and interest in the Ana Maria properties; and, the terms of any royalties, back-in rights, payments or other agreements and encumbrances to which the property is subject are only descriptive in nature and are provided exclusive of a legal opinion. The author of this report is not qualified to provide extensive commentary on legal, socio-economic or political issues associated with the properties, which are outside the expertise of the author. For the portions of this report (Sections 4.2, 4.3, 4.4 and 4.5) that deal with the types and numbers of mineral tenures and licenses; the nature and extent of title and interest in the properties and the terms of any royalties, back-in rights, payments or other agreements, Ejido rights and encumbrances to which the properties are subject, the author has relied upon the title opinion dated February 11 and May 19, 2020 by Juan Manuel González Olguín of the Mexican law firm Bufete Gonazalez.

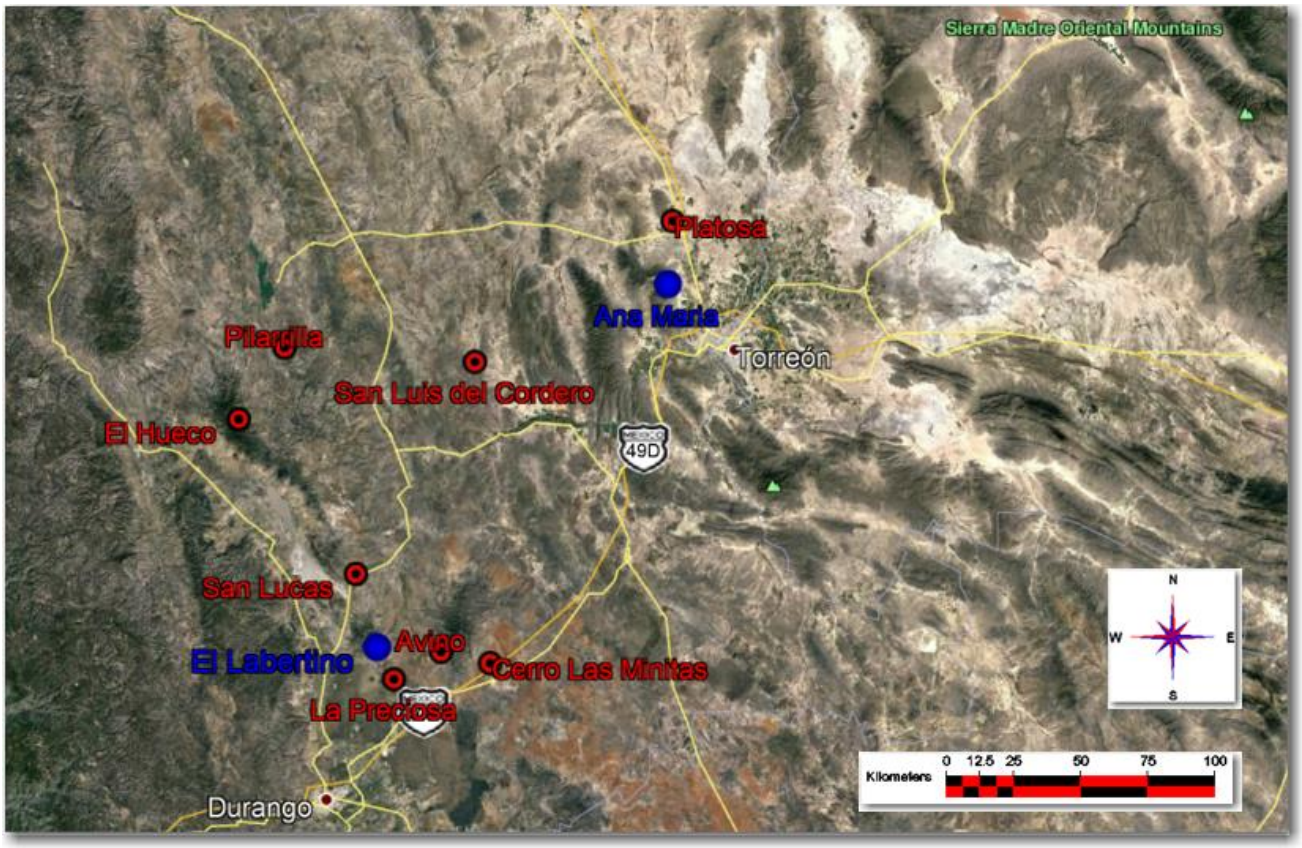
Silver Wolf reported to the author that, to the best of its knowledge, there are no known litigations that could potentially affect the Ana Maria Properties.

# 4 PROPERTY DESCRIPTION AND LOCATION

## 4.1 LOCATION

The Ana Maria properties are located in the state of Durango in north-central México (see Figure 4-1). The Ana Maria being in close proximity to Torreon. Ana Maria is approximately 23 km south-west of the Platosa Mine.

**Figure 4-1: Location Map of Properties**




Source: Kirkham 2020 after Google Earth

### 4.1.1 Ana Maria

The Ana Maria Property is located near the town of Gomez Palacio in the Northeast corner of the Durango State in Central Mexico (Figure 4-2).

**Figure 4-2: Ana Maria Location Map**


Source: https://www.avino.com/operations/exploration/ana-maria/ (2020)

The concessions cover approximately 2,545 hectares within the prolific Mexican carbonate replacement belt 20 km south of Excellon Resources Inc.'s La Platosa mine, a significant silver producer in Mexico, and 12 km southeast of the historic La Ojuela zinc-lead-silver mine.

The Ana Maria concessions comprise three separate concession packages with the northern, central and southern concession packages being located approximately 21 km northwest, 16 km northwest and 10 km west of the city of Gómez Palacio and the adjacent city of Torreón, respectively. The northern package is adjacent and 1 km north of the town of Dinamita while the central package is 1 km west of the town of La Mina and the southern package is 10 km north west of the town of Juan Jose Roja in the municipality of Gómez Palacio, Durango, México.

The Project is comprised of three concession blocks (see Figure 4-3). The northern most concession block referred to throughout this Technical Report as Ana Maria, Ana Maria Norte or La Lucha is located at;

Ana Maria 2, 3, 6 Reducción Fraccion 1
UTM WGS84 633,850E, 2,846,630N
1,250 masl

The second concession block located 10.3 km to the south is also referred to as Ana Maria Central or La Recompensa is located at;

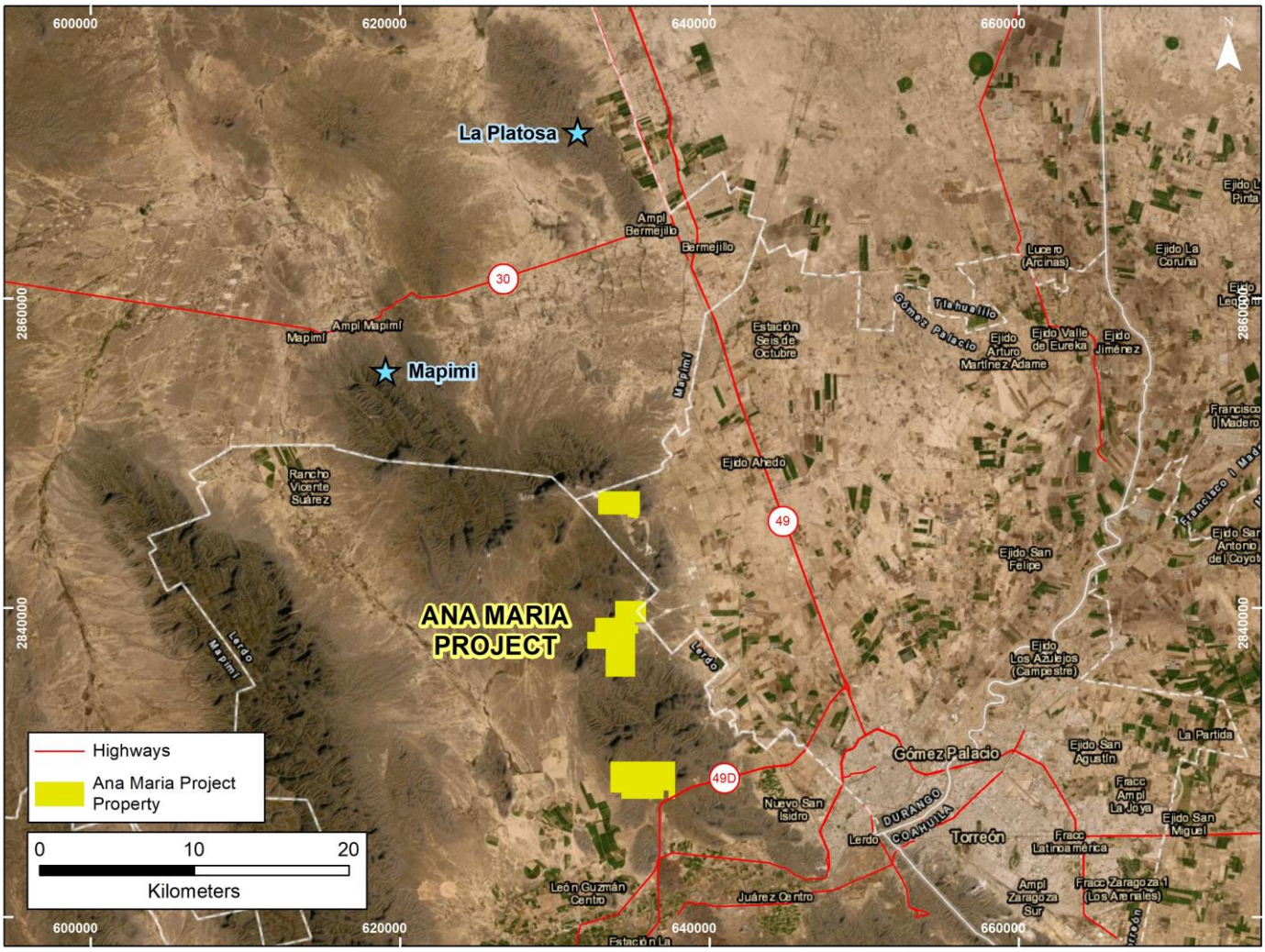
Ana Maria Reducción, Ana Maria 4, 5, 5 Fraccion, Fracción 2
UTM WGS84 634,720E, 2,839,000
1,310 masl

And the third concession block is located a further 8.9 km to the south-east is also referred to as Ana Maria Sud or El Soldado is located at;

Ana Maria Reducción Fraccion
UTM WGS84 635,750E, 2,828,900
1,260 masl

Figure 4-3 shows the individual concession blocks for the Ana Maria.

**Figure 4-3: Ana Maria Location Map**




Source: Kirkham 2020 after Google Earth

## 4.2 TRANSACTION DETAILS

In July 2020, Silver Wolf announced its agreement with Avino Silver & Gold Mines Ltd. (Avino). Avino granted Silver Wolf the right to acquire 100% interest in the properties issuing 300,000 share purchase warrants (at a price of $0.20 per share for 36 months) and by making payments in cash or equivalent common shares totalling US$600,000 over a four-year period. Initial consideration was a US$50,000 in shares within 30 days of the approval date and escalating payments every year for the term of the Option Agreement.

Pursuant to the terms of the Option Agreement, Silver Wolf was granted the exclusive right to acquire 100% interest in the Ana Maria properties in Mexico. To exercise the Option Agreement, Silver Wolf will:

1. Issue to Avino share purchase warrants to acquire 300,000 common shares of the Company at an exercise price of $0.20 per share for a period of 36 months from the TSX Venture Exchange's final acceptance of the Option Agreement (the Approval Date).

2. Pay or issue to Avino a total of $600,000 in cash or common shares of the Company (at the election of Avino within five days of any request by the Company), as follows:

    a. $50,000 in Silver Wolf shares within 30 days of the Approval Date.
    b. A further $50,000 on or before the first anniversary of the Approval Date.
    c. A further $100,000 on or before the second anniversary of the Approval Date.
    d. A further $200,000 on or before the third anniversary of the Approval Date.
    e. A further $200,000 on or before the fourth anniversary of the Approval Date, and

3. Incur a total of $750,000 in exploration expenditures on the properties, as follows:

    a. $50,000 on or before the first anniversary of the Approval Date.
    b. A further $100,000 on or before the second anniversary of the Approval Date,
    c. A further $600,000 on or before the fourth anniversary of the Approval Date.

All share issuances will be based on the average volume-weighted trading price of the Company's shares on the TSX Venture Exchange for the ten trading days immediately preceding the date of issuance of the shares, and the shares will be subject to resale restrictions under applicable securities legislation for four months and a day from their date of issue. Under the Option Agreement, the parties intend that the first two year's payments ($200,000 in cash or shares) and the first $150,000 in exploration work will be firm commitments by the Company.

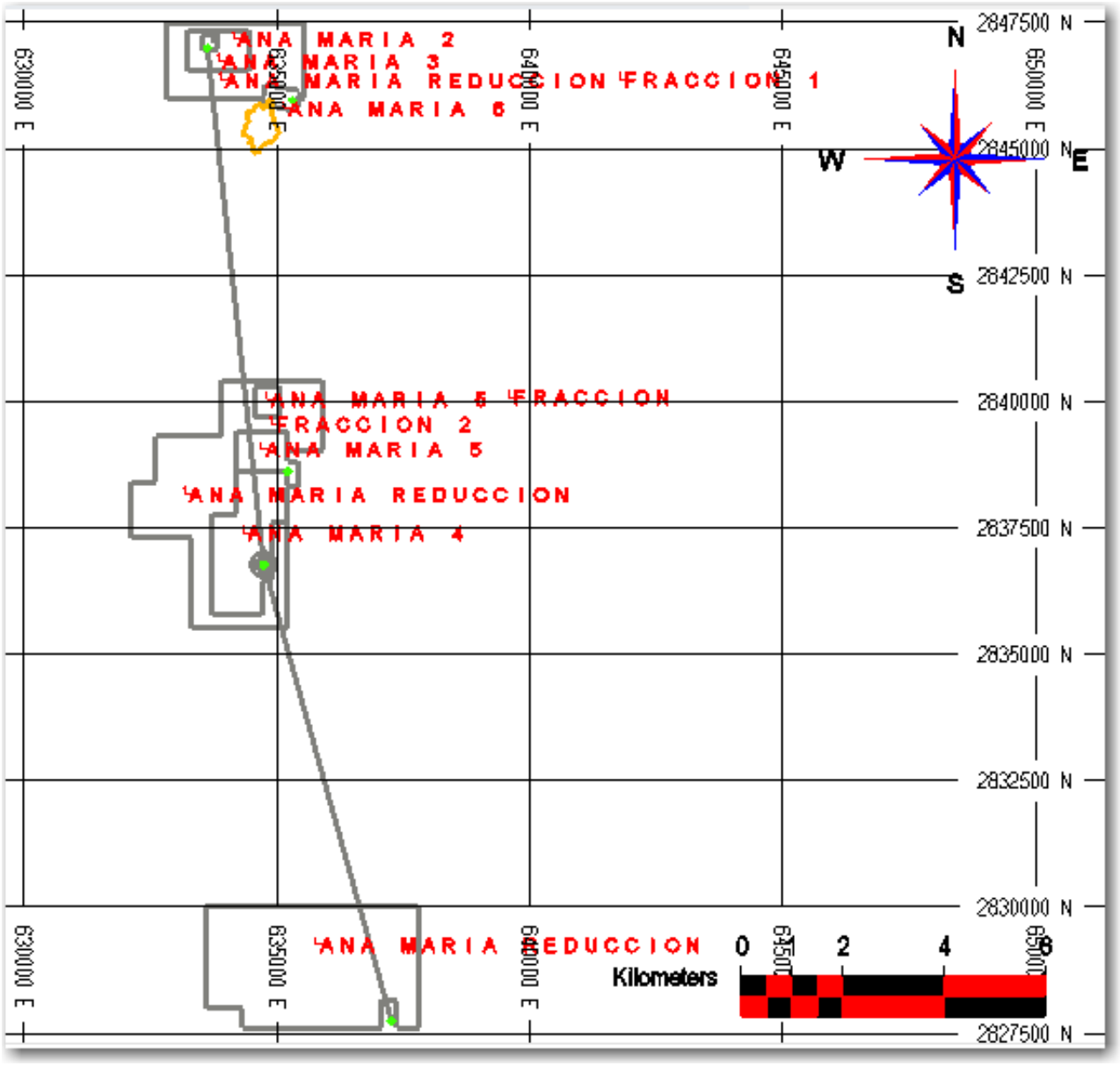
Any exploration expenditures in excess of any period stated earlier will be applied towards the next succeeding period's minimum requirements.

## 4.3 MINERAL TENURE

### 4.3.1 Ana Maria Tenure

The Ana Maria concessions (Figure 4-4) are located in the Minitas mining district in the Guadalupe Victoria mining region. The Ana Marie deposit consists of nine individual concessions with a total area of 2,549.0 ha. The concessions are summarized in Table 4.1.

**Figure 4-4: Ana Maria Concession Block Location Map**




Source: Silver Wolf 2020

**Table 4.1: Ana Maria Concession Summary**

| Concession Name | Title # | Municipality | Type | Area (ha) | Grant Date to Expiry |
|---|---|---|---|---|---|
| Ana Maria Reducción | 215702 | Gomez Palacio | Exploration | 733.4 | 05 Mar 2002—02 Aug 2052 |
| Ana Maria | 211271 | Gomez Palacio | Exploration | 8.3 | 28 Apr 2000—27 Apr 2050 |

| | | | | | |
|---|---|---|---|---|---|
| Ana Maria | 211741 | Gomez Palacio | Exploration | 87.7 | 30 Jun 2000—29 Jun 2050 |
| Ana Maria | 212385 | Gomez Palacio | Exploration | 315.1 | 04 Oct 2000—03 Oct 2050 |
| Ana Maria | 213291 | Gomez Palacio | Exploration | 28.0 | 20 Apr 2001—19 Apr 2051 |
| Ana Maria | 213811 | Gomez Palacio | Exploration | 90.0 | 03 Jul 2001—02 Jul 2051 |
| Ana Maria | 213812 | Gomez Palacio | Exploration | 28.7 | 03 July 2001—02 Jul 2051 |
| Ana Maria | 215703 | Gomez Palacio | Exploration | 293.9 | 05 Mar 2002—02 Aug 2052 |
| Ana Maria | 215704 | Gomez Palacio | Exploration | 963.9 | 05 Mar 2002—02 Aug 2052 |
| | | | **Total** | **2,549.0** | |

Source: Silver Wolf 2020

## 4.4 PERMITTING

Mining and exploration rights in Mexico are controlled by the Federal Government. Prior to 2006, exploration and mining rights were assigned to private Mexican individuals and companies incorporated under Mexican laws—including those companies fully financed by foreign investment—by granting “exploration” and “exploitation” concessions; each type of concession had different validation periods and tax and assessment obligations.

In December 2005, the mining laws were reformed and simplified. All new concessions are known as “mining concessions”, and they are valid for a 50-years and renewable for an additional 50 years. And, at the time, all previously issued “exploration” and “exploitation” concessions were automatically converted to “mining concessions” without changing the effective date of the title.

The mining concessions are administered by the Dirección General de Minas (DGM), a sub-secretariat of the Subsecretaría de Minería under the cabinet-level Secretaria de Economia. To maintain concessions in good legal standing, concession holders are obligated to pay semi-annual tax payments and file annual documentation of exploration or development work on the concession (i.e., a minimum investment as provided in applicable Mexican mining legislation). Concession holders are also obligated to file production reports for statistical purposes. The semi-annual tax and the minimum required investment both increase each year in accordance with rates published by the Mexican Government: the older the mining concession, the higher the annual tax and investment amount. When the concessions are in their 7th year (or greater) of issuance, the required investment reaches the maximum applicable amount, and when the concessions are in their 11th year (or greater) of issuance, the amount of annual taxes payable reaches the maximum applicable rate.

The current semi-annual taxes are $433,924 MXP (Mexican Pesos) or $21,696 USD and are paid up until June 30, 2021.

### 4.5 ENVIRONMENTAL AND SOCIO ECONOMIC

Surface access to the Ana Maria Properties is controlled by the local Ejidos (area of communal or Ejidos land). For the Ana Maria concessions the surface access to the concessions is controlled by the La Mina and Leon Guzman Ejidos (area of communal or Ejidos land) of La Mina and Leon Guzman. Agreements with individual Ejido landowners are negotiated as required to access the deeded lands.

As of this report the Ejido leaders have been contacted and the appropriate arrangements are being negotiated to allow for a surface rights access agreement to be finalized. Finalizing agreements with the respective Ejido may not occur which would pose a risk to exploration and development of the properties however, there are currently extensive mining operations in and near Ana Maria so it is reasonable to assume that agreements can be completed.

The author is not aware of any other significant factors or risks that may affect access, title, or the right or ability to perform the proposed work program on the property.

Avino employed a policy for the implementation of an effective community engagement program is fundamental to the successful environmental permitting of their mining projects. Silver Wolf is planning to adopt these programs going forward. As part of a comprehensive community engagement program, should be initiated as soon as possible. Consultation and the development of a working relationship with local communities typically involves the development of a series of agreements that lay the groundwork for conversations. These include memorandums of understanding, protocol agreements and community consultation/participation agreements.

Potential positive effects of the proposed project development include:

- long-term, meaningful employment in mining operations and related positions (e.g., environmental monitors, service industry sector)
- economic development and contract opportunities for local communities (existing and new businesses), and community infrastructure improvements.

For potential adverse effects of the proposed project are related to the development of infrastructure and facilities necessary to support exploration and mining activities. In the short term, the effect of exploration activities is minimal such as surface surveys and drilling.

There are no known environmental liabilities to which the property is subject.

Performing work in certain regions of Mexico may pose significant to moderate safety risks however, the areas in the vicinity of Torreon pose relatively low risk to safety. However, COVID-

19 remains a health crisis worldwide which may pose a risk to performing work in a timely and efficient manner.

Taxes are paid and current. And there no other known back-in rights, payments, royalties, agreements or encumbrances.

.

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

## 5.1 ACCESSIBILITY

### 5.1.1 Ana Maria

Ana Maria Norte (La Lucha) can be reached from the Torreón via Interstate Highway 40/49D to the Dinamita intersection north at the Brittingham junction. Proceeding west to the town of Dinamita, the property lies approximately 1 km north of the town (Figure 4-2).

The property is approximately a 40-minute drive from the airport via Mexico Highway 40/49D, which is a major north-south trucking route through Mexico to the United States. Rail and power transmission lines run parallel to the highway, and the entire Project area is easily accessible year-round. The portion of the Ana Maria is comprised of the Ana Maria 2, 3, 6 Reducción Fraccion 1 concessions.

Ana Maria Central (La Recompensa) can be reached from the Torreón travelling north 9 km via Interstate Highway 40/49D to the Highway DGO 162 intersection at El Vergel. Proceeding west on DG 162 for 7 km through Puenta de la Torrena heading east on Gomez Palacio-La Torrena for 2.5 km. Proceed north at the T-intersection onto an un-named road for 8 km to La Mina. The property lies approximately 2 km west of the town). This portion of the Ana Maria property comprises the Ana Maria Reducción, Ana Maria 4, 5, 5 Fraccion, Fracción 2 concessions.

Ana Maria Sud (El Solado) can be reached from the Gomez Palacio via Interstate Highway 49 heading south and then west for 20.7 km to the Lerdo turn-off. Take un-named road running parallel to the highway for 4 km to cross under the highway. Travel for 6.5 km to where the property is located.

This portion of the Ana Maria property comprises the Ana Maria Reducción Fracción concession.

## 5.2 CLIMATE

### 5.2.1 Ana Maria

The region has a warm and dry climate, and vegetation comprises mesquite trees, desert scrub, and cactus. The mean annual temperature in the area is 22° C, and the monthly means ranges from 14 °C in January to 28°C in July. The average annual rainfall at Torreón is 270 mm. Mine activities can take place year-round.

## 5.3 LOCAL RESOURCES AND INFRASTRUCTURE

### 5.3.1 Ana Maria

Torreón is the major supply centre in the region. Industrias Peñoles, the second-largest mining company in Mexico and the world's largest producer of refined silver, owns a lead smelter and zinc and silver refineries in Torreón.

Dinamita is a moderately small town with a population of approximately 800 with sufficient infrastructure and resources to support modest operations. The town of La Mina is located 10 km to the south has a population of approximately 400.

All materials, supplies, and labour required to support the exploration and mining activities are available in Torreón and the surrounding region. Telephone service, Internet access, and necessities are available in Torreón.

## 5.4 PHYSIOGRAPHY

### 5.4.1 Ana Maria

The El Laberinto property is located at the southeastern edge of the Sierra Bermejillo, a mountain range extending to the northwest. The project is located east of the rugged Sierra Bermejillo, on flat and sloping terrain. Elevations on the plains range from approximately 1,200 masl, increasing to 1,500 masl in the mountains for local vertical relief of approximately 300 m.

Agriculture is the main industry in the immediate area of the mine; farmers cultivate crops, such as maize and alfalfa, that are used by the regional animal husbandry industry. Industrial-scale cattle and poultry operations are also present in the area. Large ranches and farms surround the mine on the eastern side of the Sierra Bermejillo where large expanses of arable ground are irrigated with mine-generated water. On the western side of the Sierra Bermejillo, the land is used for ranching and is mostly arid with no organized cultivation.

## 5.5 POWER AND WATER RESOURCES

### 5.5.1 Ana Maria

Potable water is readily available in nearby towns, and water for drilling and other exploration activities can be obtained on the property.

Highway 49 is a major north-south trucking route through Mexico to the United States. Rail and power transmission lines run parallel to the highway.

# 6 HISTORY

## 6.1 INTRODUCTION

### 6.1.1 Ana Maria, La Recompensa, El Soldado Concessions

***The historic exploration activities as listed below were performed by previous operators. The QP has not validated nor verified the information nor any underlying data however the information is considered reasonable and reliable.***

Minimal documentation exists regarding the history and production at Ana Maria; however, historical reporting states that Ana Maria Norte which is also referred to La Lucha in the Mexican government source publications, was exploited for Iron (Fe) and Manganese (Mn). Production terminated in 1943 and it was estimated to have produced 12,000 tons of material and reserves of approximately 25,000 tons.

The Ana Maria or Ana Maria Norte property also encompasses the past producing La Zori gold-iron mine and is located within a volcanic caldera. Mineralization at La Zori occurs within hematite - manganese breccias and veins near the contact of Cretaceous limestone-marble with a 10 km circular body of Tertiary coarse-grained granodiorite.

The historical estimates of production and reserves as stated above are for historical reference only and do not use the categories set out in NI 43-101. The estimates are deemed relevant from the perspective that mineralization is present on the property which may indicate the existence of other related mineral assemblages. The QP has not validated nor verified these historical estimates nor any underlying data as the information and data is not available. The QP has not done sufficient work to classify the estimates and the issuer is not treating the historical estimate as current. The source of the information is the Mexican Government website and USGS website and the original date of the sources are unknown. However, the information is relevant from the perspective that there is mineralization on the property which is also clear from the perspective of visual inspection of the properties and the presence of surface and underground workings. The issuer is not treating the historical resources as current mineral resources or mineral reserves.

Avino performed minimal work on these three concessions which consisted of geological staff visiting the site several times to perform reconnaissance.

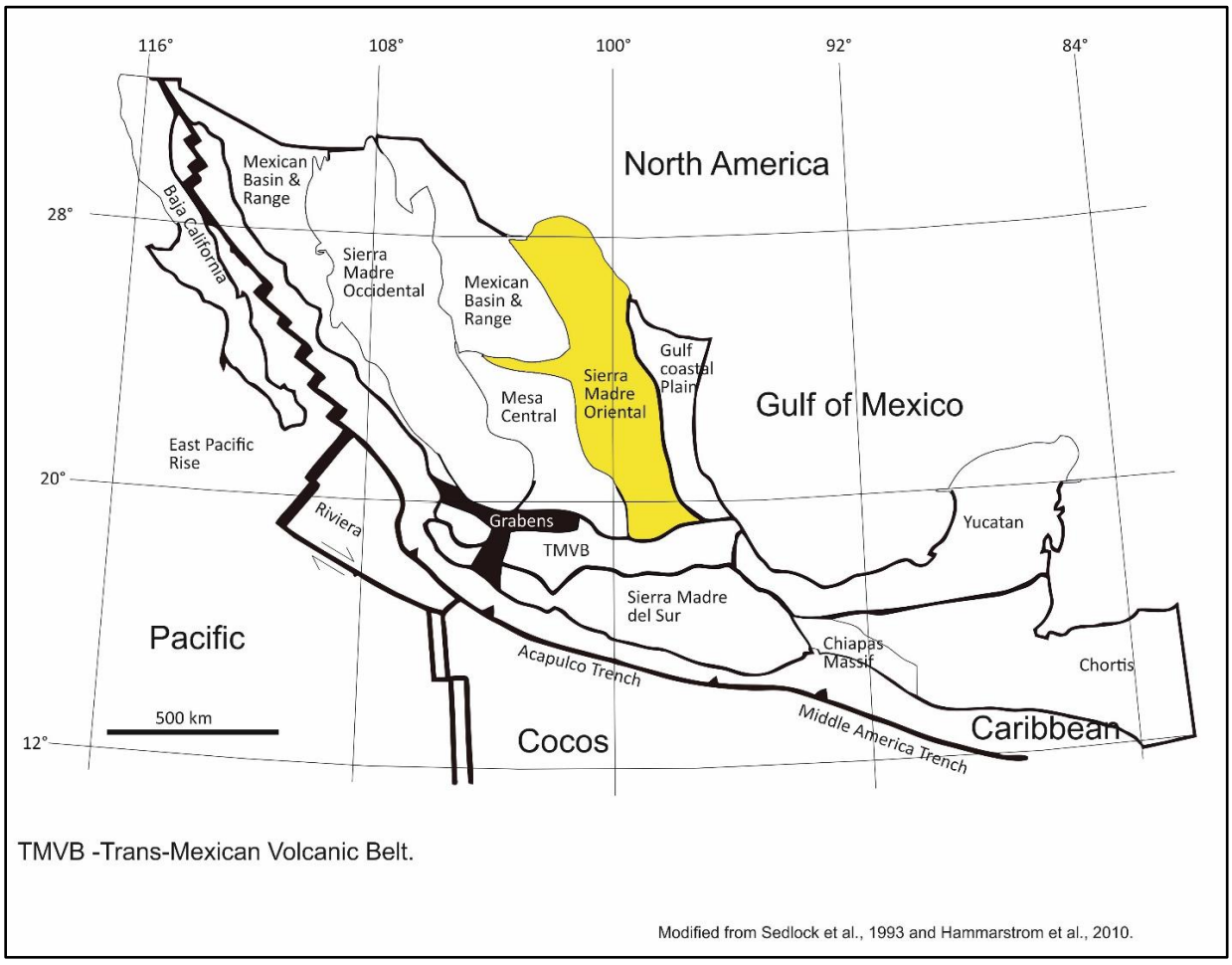
# 7 GEOLOGICAL SETTING AND MINERALIZATION

## 7.1 REGIONAL GEOLOGY

### 7.1.1 Ana Maria, La Recompensa, El Soldado

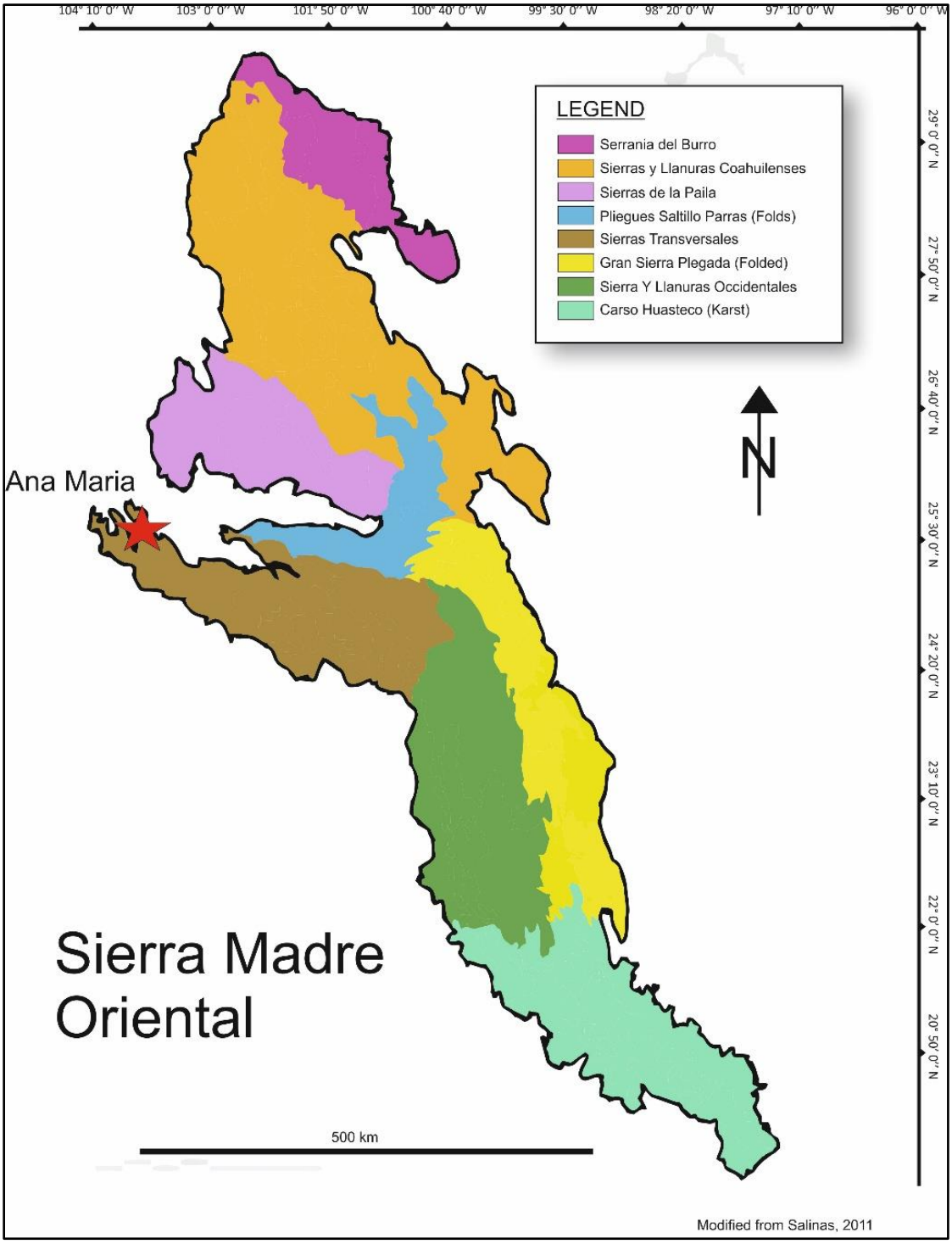
The Ana Maria, La Recompensa, and El Soldado properties are located in the northwest-southeast striking fold-thrust belt of the Sierra Madre Oriental (Figures 7-1 and 7-2) within a west-trending prong known as the Sierras Transversales or the Monterrey-Torreón transverse system. It divides the Mesa Central, an elevated plateau to the south, from the eastern Mexican Basin and Range to the north (Sedlock et al., 1993).

**Figure 7-1: Tectonic Structure and Geological Provinces of Mexico**




Source: modified from Sedlock et al., 1993 and Hammerstrom et al., 2010

**Figure 7-2: Sierra Madre Oriental Province**

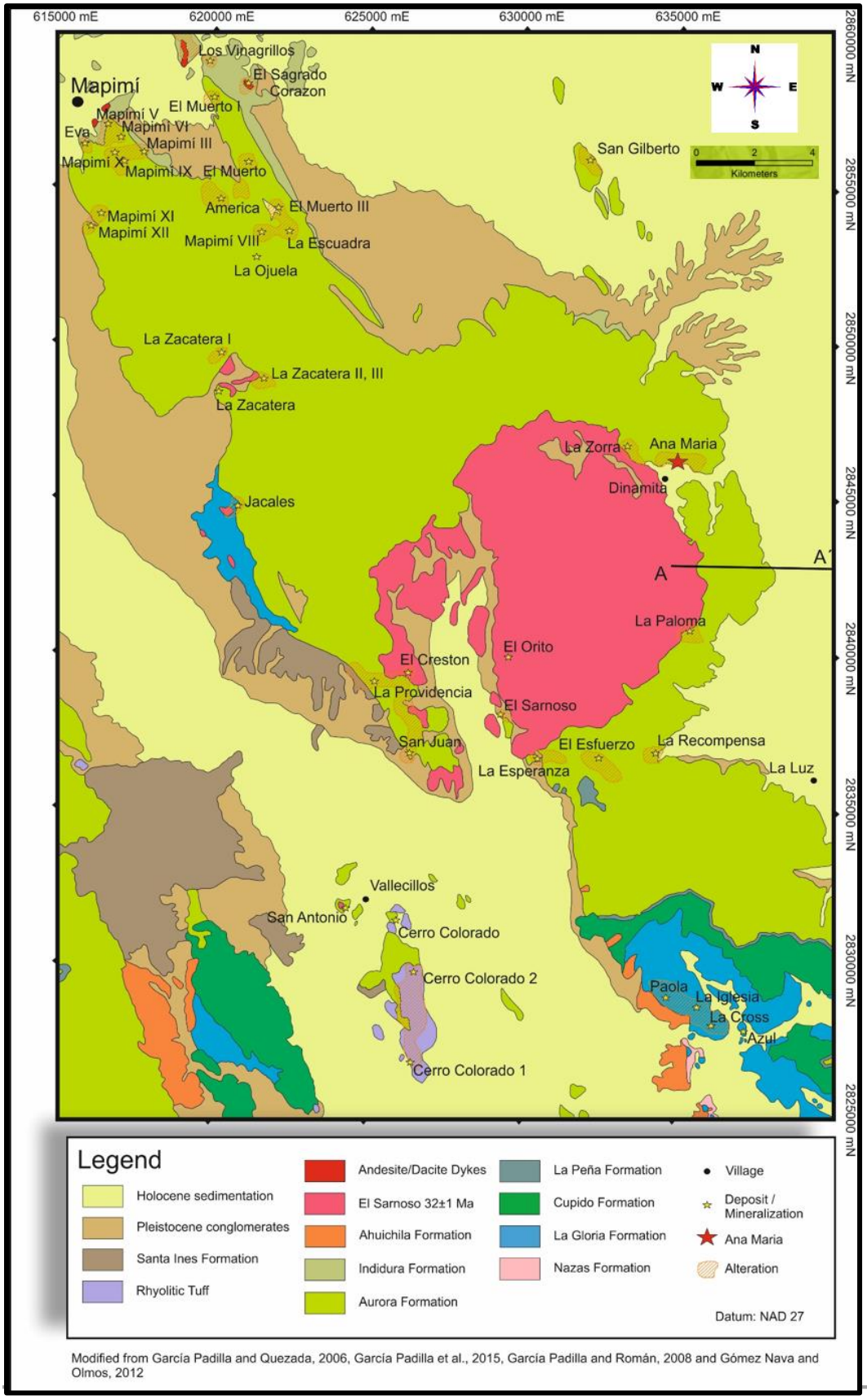



Source: modified from Salinas, 2011

The region hosts a number of carbonate replacement deposits (CRDs) within Cretaceous limestones and dolomites. Mineralization is associated with large stocks, dykes, or sills of granitoids ranging from diorites to quartz monzonites and rhyolites and is understood to be lower crustal in origin. Mineralization is present as skarns or massive sulphides and occurred during Mid-Tertiary volcanism when the aforementioned intrusions were emplaced (Megaw et al., 1988 and references therein). The deposits typically produce silver (Ag), lead (Pb), zinc (Zn) and copper (Cu), but some districts, such as Ojuela (approximately 10 km from Ana Maria and La Zorra), are enriched in Au relative to typical CRDs.

Ana Maria and La Zorra lie between the Mapimi anticline to the northwest and the Marabunta anticline to the southeast (Figures 7-3 and 7-4). The former comprises a series of northwest-southeast striking folds and the latter strikes north-south.

**Figure 7-3: Regional Geology for Ana Maria**

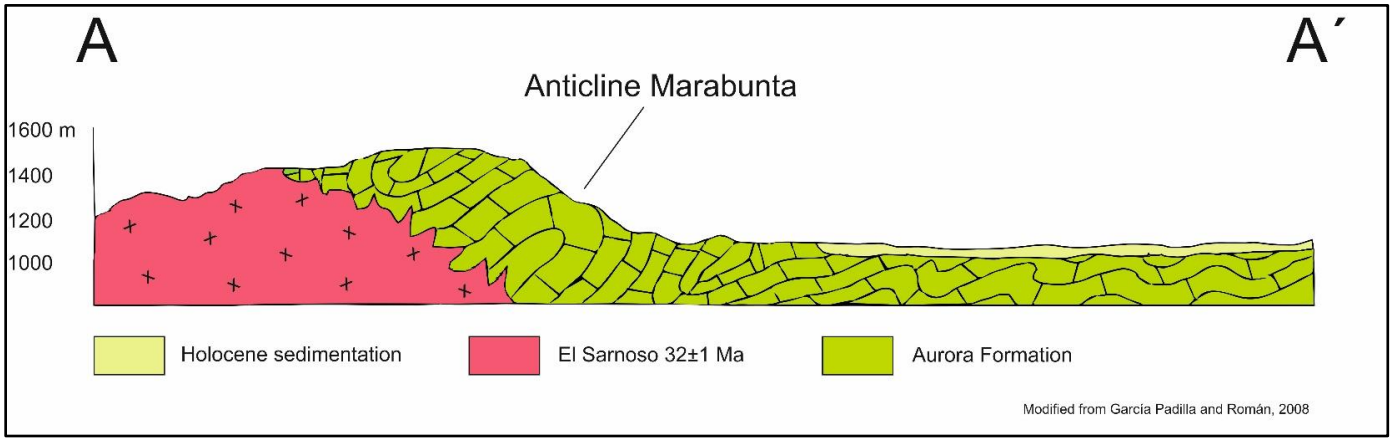



Modified from García Padilla and Quezada, 2006, García Padilla et al., 2015, García Padilla and Román, 2008 and Gómez Nava and Olmos, 2012

Source: modified from Garcia Padilla and Quezada, 2006, Garcia Padilla et al., 2015, Garcia Padilla and Roman, 2008 and Gomez Nava and Olmos, 2012

The following cross section is demarcated in the geological map in Figure 7-3.

**Figure 7-4: Cross Section for A-A' for Figure 7-5**



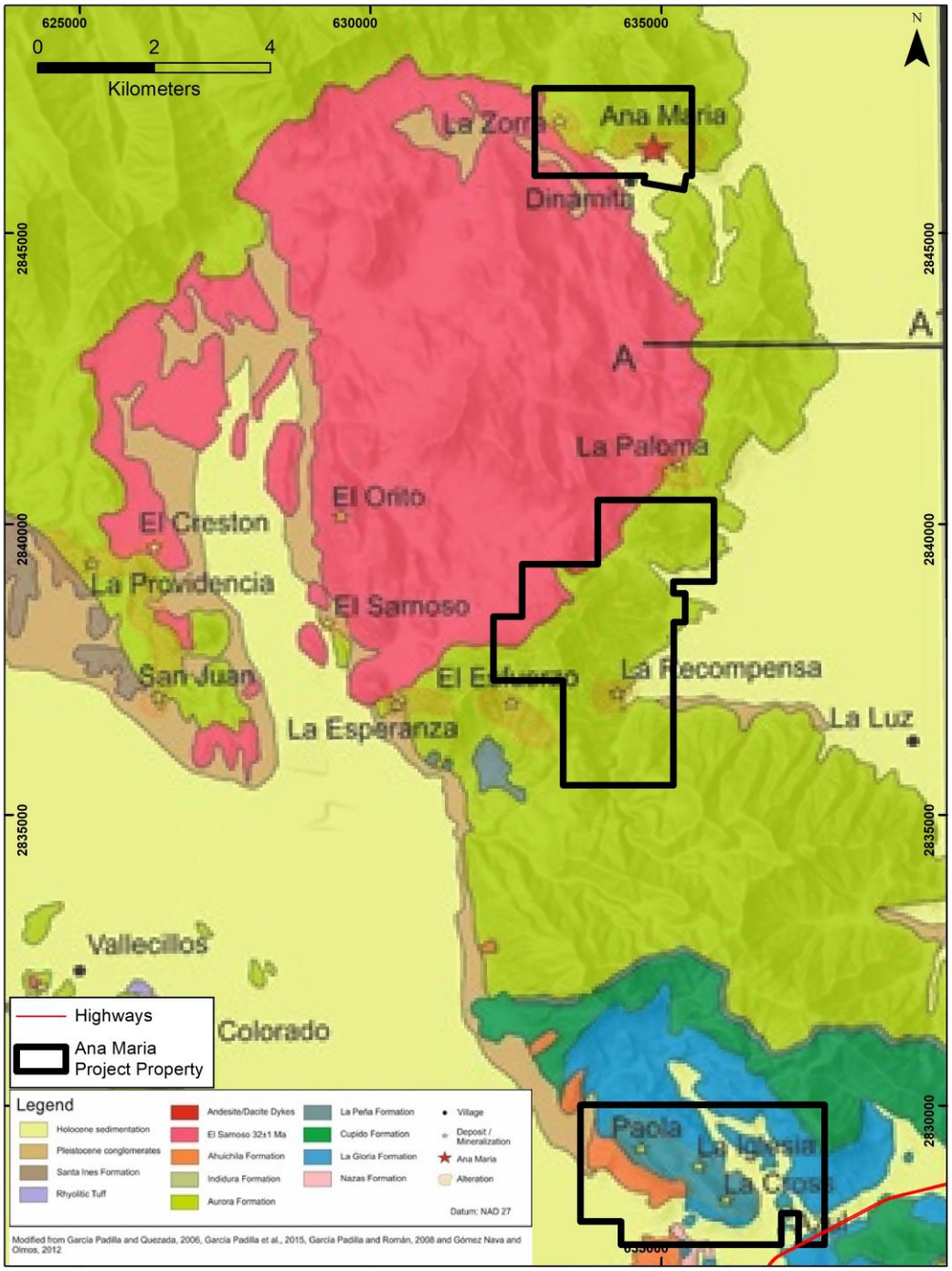

Source: modified from Garcia and Roman, 2008

## 7.2 PROPERTY GEOLOGY

### 7.2.1 Ana Maria, La Recompensa, El Soldado

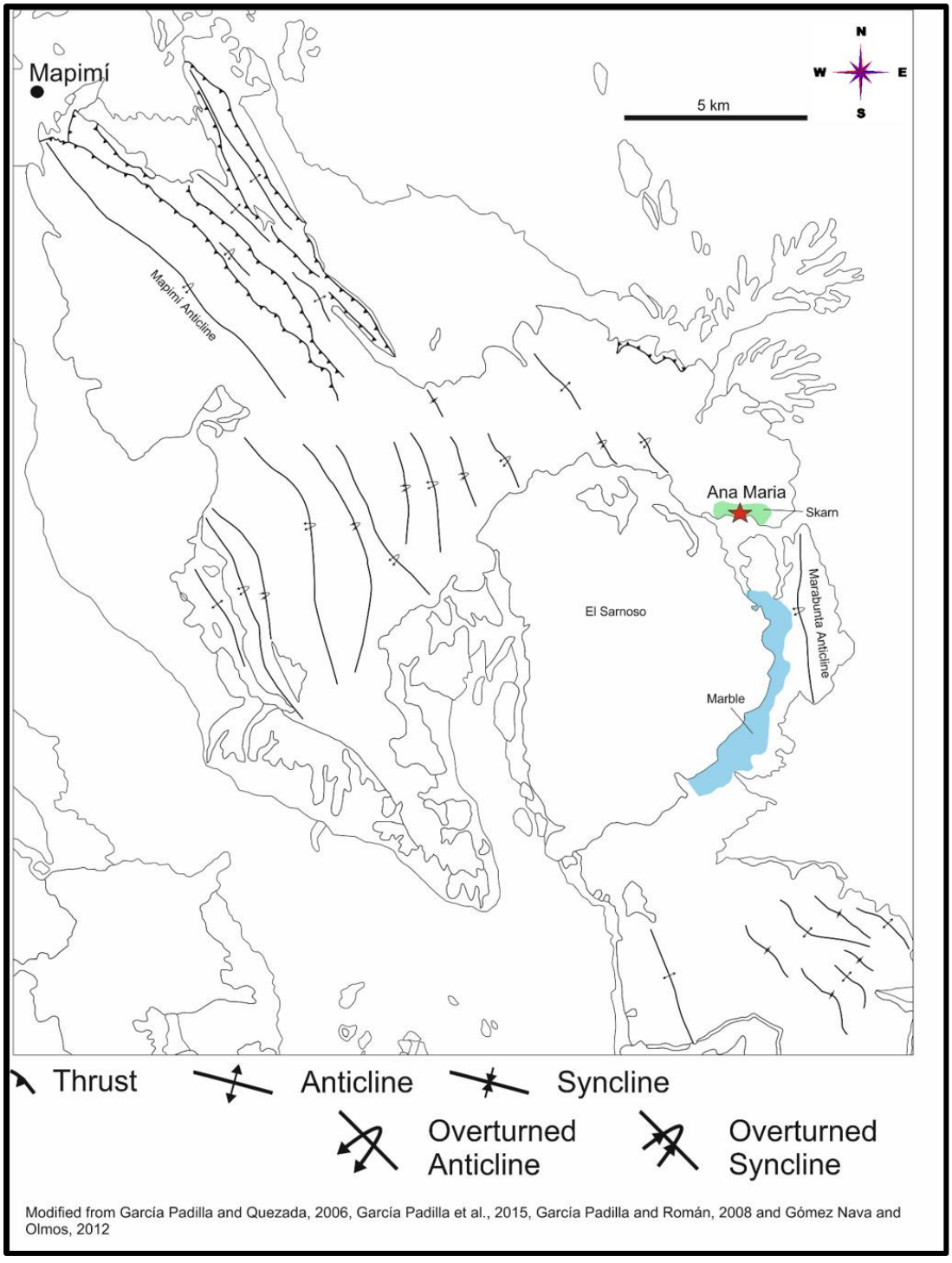
Ana Maria and La Zorra lie between the Mapimi anticline to the northwest and the Marabunta anticline to the southeast (Figures 7-5). The former comprises a series of northwest-southeast striking folds and the latter strikes north-south. Local folding is present around the property but has not been well defined by geological mapping. Deformation is commonly intense with thrust faults and overturned bedding (Figure 7-6). La Recompensa sits 6 km to the southwest of the Marabunta anticline.

**Figure 7-5: Regional Geology**




**Source: modified from Garcia Padilla and Quezada, 2006, Garcia Padilla et al., 2015, Garcia Padilla and Roman, 2008 and Gomez Nava and Olmos, 2012**

**Figure 7-6: Structural Characteristics for Ana Maria**




Source: modified from Garcia Padilla and Quezada, 2006, Garcia Padilla et al., 2015, Garcia Padilla and Roman, 2008 and Gomez Nava and Olmos, 2012

South of Ana Maria and north of La Recompensa, in the western limb of the Marabunta anticline, contact metamorphism between the El Sarnoso stock and limestones has created a marble body which hosts an actively quarry operation. At Ana Maria and La Zorra, skarn alteration is present near the contact with the granitoid, along with mineralization, and it is hosted in limestones of the Aurora Formation.

Paola, Jabalí and La Cross, collectively known as El Soldado, are all located farther south along the western limb of the Iglesia anticline in the Jurassic sediments of the La Gloria Formation. They are associated mostly with oxidation and lesser skarn alteration.

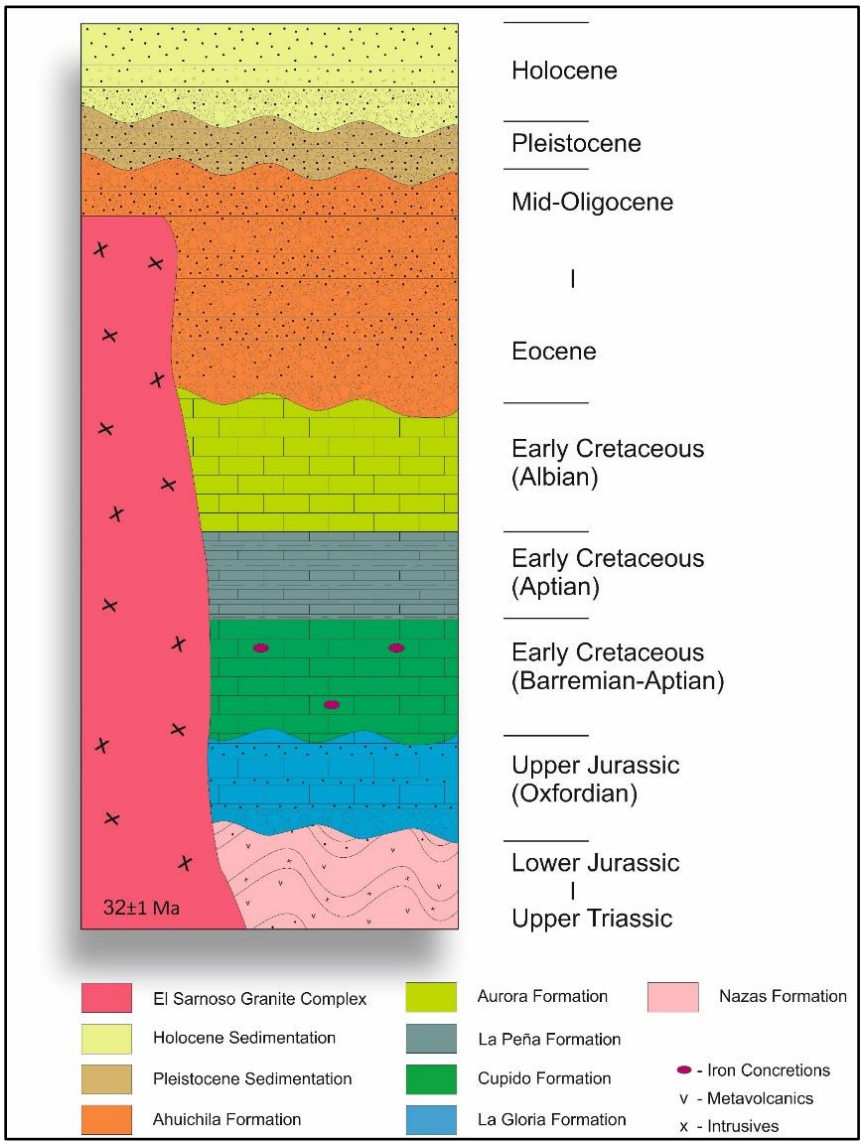
## 7.3 STRUCTURAL GEOLOGY

### 7.3.1 Ana Maria, La Recompensa, El Soldado

Regionally, the pre-Mesozoic rocks are hidden and poorly understood, but exposures farther north show strongly deformed rocks related to previous orogenic events (Anderson and Schmidt, 1983). Xenoliths suggest that part of the Sierra Madre Oriental is underlain by Proterozoic continental crust, while the oldest exposures are of metamorphosed sedimentary, volcanic, and igneous rocks interpreted to be part of a subduction complex. Axial planes strike northeast-southwest, and foliation generally dips to the southeast (Sedlock et al., 1993).

The Mesozoic units described in Figure 7-7 were deposited during the breakup of Pangea and the creation of the Gulf of Mexico. From the Triassic until the Early Jurassic, the Atlantic side of present-day Mexico was a passive margin and subduction was ongoing on the Pacific side (Gómez Nava and Olmos, 2012). The oldest rocks exposed locally were deposited during this timeframe and subsequently deformed: the weakly metamorphosed Nazas Formation (shown in Figure 7-7) was thought to have originated as a volcanic arc built on continental crust. Foliations and axial planes in the Nazas Formation strike northwest-southeast (Anderson et al., 1990). The tectonic event that deformed the Nazas Formation likely occurred in the Mid-Jurassic or earlier (Eguiluz de Antuñano et al., 2000), and it is not as well understood or studied as is Laramide shortening.

**Figure 7-7: Stratigraphic Column**



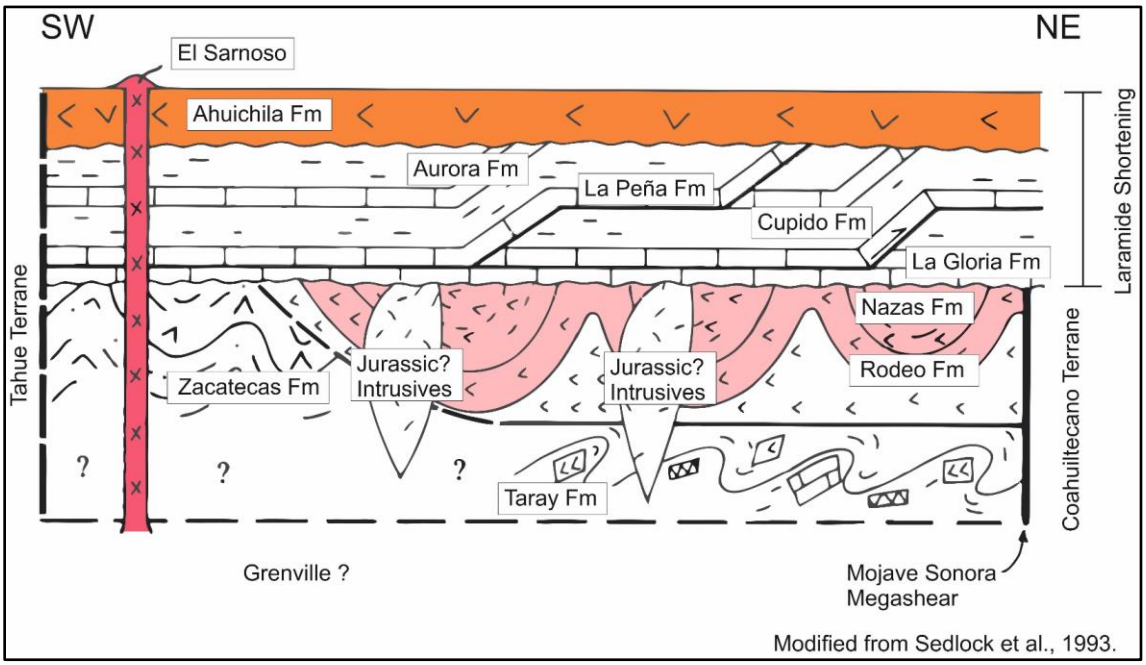

Source: Castro 2013

A major transgression followed in the Upper Jurassic with clastic sedimentation, later led by carbonate platforms, shales, and farther east, evaporites from Early- to Mid-Cretaceous when Laramide compression initiated (Gómez Nava and Olmos, 2012). The unconformity between the Nazas Formation and the overlying sedimentary rocks is an important one as Laramide deformation was thin-skinned with the Nazas unconformity, as well as other contacts with evaporites and shales, serving as décollements (Eguiluz de Antuñano et al., 2000; Smith, 1970). This isolated the deformation to post-Lower-Jurassic units, and, as a result, the deformation seen in the Nazas Formation does not seem to have been overprinted by Laramide tectonics (Anderson et al., 1990).

From the Late Cretaceous until the Neogene, Laramide northeast-southwest to east-northeast to west-southwest compression resulted in variable intensities of deformation based on proximity to the margins of the Sierra Madre fold and thrust belt. Ana Maria is situated near the centre and shows complex folding and faulting relative to the margins where folding is less intense and faulting is simpler (Megaw et al., 1988; Sedlock et al., 1993).

Laramide shortening switched to an east-northeast to west-southwest extension at about 30 Ma coincident with the intrusion of the El Sarnoso granitoid (Figure 7-8). The intrusives are postulated to be a result of the magmatic arc migrating westward around 32 to 25 Ma (Gómez Nava and Olmos, 2012). The emplacement of these granitoids is likely along deep-seated basement structures related to the breakup of Pangea. Basin and Range tectonics, associated with high-angle normal faults, began at approximately 24 Ma and continues to the present. This resulted in intense erosion of the Cretaceous units and clastic deposition during the Cenozoic (Gómez Nava and Olmos, 2012; Sedlock et al., 1993 and references therein).

**Figure 7-8: Cross Section of Stratigraphic Terranes**




Source: modified from Sedlock et al, 1993

## 7.4 STRATIGRAPHIC SEQUENCE AND MAGMATIC HISTORY

### 7.4.1 Ana Maria, La Recompensa, El Soldado

The Paleozoic basement is hidden, and the oldest rocks regionally exposed are the metavolcanics of the Nazas Formation (Upper Triassic to Lower Jurassic) found approximately 20 km south and intercalated with sandstones and dacites. La Gloria Formation (Upper Jurassic) unconformably overlies the Nazas Formation with a base of polymictic conglomerates grading upward into intercalated calcareous sandstones, limestones, and dolomitic limestones. The formation is capped by siltstones and shales.

La Gloria Formation is generally overlain by La Casita and Taraises Formations which are not observed regionally, suggesting a significant unconformity. The La Casita and Taraises Formations, elsewhere, show a conformable upper contact with the base of the Cupido Formation, present in the area, and comprise granular to massive limestones with common stylolites and iron concretions. The unit is Early Cretaceous (Barremian-Aptian). Above the Cupido Formation, thinly bedded, laminated, muddy limestones are common with intercalations of foliated shales that together represent the La Peña Formation (Aptian). Conformably overlying La Peña is the Aurora Formation constituting a sequence of massive and granular limestones showing zones of dolomitization with fossils suggesting it is of Albian Age. A stratigraphic column is shown in Figure 7-7 for the area around Ana Maria. Although not present around Ana Maria and not displayed in the stratigraphic column, northwest near the village of Mapimí, the Aurora Formation is overlain

by the Indidura limestones and siltstones (Late Cretaceous). The contact between the two is often faulted.

The Mesozoic rocks are unconformably overlain by the Ahuichila Formation. This sequence of polymictic conglomerates (with clasts of limestone, sandstone, and chert) is of Tertiary age (Eocene-Oligocene). SW of Ana Maria, near the village of Vallecillos, the Ahuichila Formation is overlain by rhyolitic tuffs not seen around Ana Maria. Tertiary units are unconformably capped by Pleistocene conglomerates with clasts of limestone, sandstone, and siltstone that underly Holocene colluvium and alluvium.

The El Sarnoso granite complex is approximately 32±1 Ma (Early Oligocene) based on K-Ar dating and cuts the Mesozoic and Tertiary rocks as a series of stocks and dykes. (García Padilla and Román, 2008; García Padilla and Quezada, 2006; Gómez Nava and Olmos, 2012).

## 7.5 MINERALIZATION

### 7.5.1 Ana Maria

The mineralization occurs within skarn at the contact between the El Sarnoso stock and limestone of the Aurora formation. Primary minerals comprise psilomelane, pyrolusite, hematite and goethite. The hematite occurs as large red masses and is the principal source of iron from historic mining. Spectrographic analysis of the hematite reveals that As and Sb, very common among iron and Mn minerals at Ojuela, are lacking at Ana Maria. Magnetite is less common but has been exploited (Hoffman, 1968). Traces of galena, sphalerite and chalcopyrite occur sporadically. Gangue minerals are dominantly calcite and quartz (Gómez Nava, 2012).

Gold is associated with oxidized pods of pyrite along the boundary with the El Sarnoso stock (Peter Megaw, verbal comm.). Northwest, at the Mapimí deposits, gold is found in association with hematite, goethite, and Mn oxides but primarily in the upper oxidized portions of the deposit. Either the pyrite and/or the arsenopyrite is thought to be gold-bearing (Hoffman, 1968).

Ana Maria mineralization occurs as irregular lenses approximately 1.0 m long and 0.5 m wide that plunge 45° toward an azimuth of 205° (Gómez Nava, 2012).

#### *7.5.1.1 La Zorra*

Like Ana Maria, La Zorra lies at the contact between the Aurora formation and the El Sarnoso stock. Mineralization is situated in a breccia that has been strongly recrystallized with black calcite and aragonite with subangular crystals up to 50 cm in diameter. The breccia is associated with a fault striking north-northwest to south-southeast and dipping approximately 40° to the northeast that continues for at least 70 m. The depth of the structure is unknown. The dominant mineral is hematite, which acts as a cement between recrystallized clasts within the breccia. Mineralogical investigations have also identified arsenopyrite in the matrix of the breccia. Gangue minerals are calcite, aragonite, and quartz. Weak silicification and intense oxidation is also present. Iron grades up to 60% and gold grades up to 0.43 g/t have been demonstrated by analyses (García Padilla and Armenta Román, 2007).

#### *7.5.1.2 La Recompensa*

Veinlets of quartz, hematite, limonite, and Mn staining follow an irregular and brecciated structure striking north-northeast to south-southwest and dipping approximately 40° to the southeast. Ore minerals comprise pyrolusite, limonite, jarosite, galena, and sphalerite with gangue of quartz and calcite. Oxidation is common with hematite and limonite. Similar to Ana Maria and La Zorra, mineralization is hosted in the carbonates of the Aurora formation. Analyses show Mn percentages up to 7% (Gómez Nava, 2012).

#### *7.5.1.3 Paola*

Mineralization is present in pods plunging approximately 40° to the northeast. Mineralogy comprises hematite, goethite, jarosite, pyrolusite, sphalerite and galena. Gangue minerals include

quartz and fluorite, and oxidation (hematite and limonite) is common. The host rocks are calcareous sandstones of the La Gloria formation (Gómez Nava, 2012).

#### *7.5.1.4 Jabalí*

Mineralization is situated within an irregular breccia body striking north-northwest to south-southeast and dipping approximately 35° to the southwest. The breccia is strongly fractured with jarosite, goethite, limonite, pyrolusite, sphalerite, galena, and malachite. Gangue is mostly calcite and quartz, and oxidation (hematite and limonite) is common. Like Paola, Jabalí is hosted within the La Gloria formation. Grab samples have returned lead values up to 4% and zinc up to 11% (Gómez Nava, 2012).

#### *7.5.1.5 La Cross*

La Cross consists of a series of small breccias, 1 to 3 m long and 0.3 to 0.5 m wide. Jarosite, goethite, pyrolusite, limonite, galena and sphalerite are the principal minerals. Gangue minerals are mostly calcite and quartz. Recrystallized calcite is observed along with oxidation (hematite and limonite). Host rocks are calcareous sandstones of the La Gloria formation. Channel sampling returned zinc values up to 3% and lead up to 2% (Gómez Nava, 2012).

#### *7.5.1.6 La Cross 2*

This mined-out mineralized structure is 16 m long, irregular in shape, with widths up to 8.0 m and a depth of 2.0 m. The structure strikes northwest to southeast and dips approximately 30° to the southwest. Jarosite, goethite, pyrolusite, limonite, sphalerite and galena comprise the primary minerals with gangue mostly of calcite and quartz. Oxidation is common (hematite and limonite). The structure is hosted by limestones of the La Gloria formation. Channel sampling returned assay values of up to 1.4% zinc (Gómez Nava, 2012).

# 8 DEPOSIT TYPES

## 8.1 ANA MARIA

Ana Maria, La Recompensa, and El Soldado have not been drilled or extensively mapped. Geochemical data is also limited, and the deposits are not well-documented in geological literature. The nearby Ojuela district (Mapimí), however, is well-studied and broadly acknowledged as a series of high-temperature carbonate-replacement deposits (CRDs). A CRD typically presents two styles of mineralization: massive sulphides or skarns. The massive sulphides may transition into skarns with proximity to intrusions where marble recrystallization is also common. Podiform skarn bodies are considered to be the deepest expression of CRDs (Megaw and Titley, 1988).

These ore bodies typically present as mantos (flat-lying, bedded deposits, often strata-bound) or as chimneys. The mantos commonly occur at shallower depths and connect to chimneys (meandering, branching and irregular bodies) with depth (Prescott, 1926). Chimneys may pinch out downward or terminate at intrusive contacts (Megaw and Titley, 1988).

CRDs are epigenetic, intrusion-related, high-temperature, sulphide-dominant, lead-zinc-silver-copper-gold-rich deposits that commonly occur in clusters associated with major regional geologic features. The Mexican CRD Belt is considered to be one of the world's best developed CRD clusters.

CRDs are not limited to the margins of intrusive bodies but may occur kilometres away from the intrusions interpreted to be the source of the hydrothermal fluids responsible for mineralization. Stratigraphy and structure are important controls and constitute the pathways by which mineralizing fluids reach a suitable host-rock for deposition. At Ojuela, lithology, folds, faults, fractures, and intrusive contacts determined sites of mineralization, wherein the massive sulphide style is the most common; as Ojuela is distal to the El Sarnoso stock, this fits with the CRD model (Megaw and Titley, 1988).

Galena, sphalerite, pyrite, pyrrhotite, arsenopyrite, chalcopyrite and marcasite are typical minerals found in the massive sulphides and the silver is thought to be present in the galena. The arsenopyrite and chalcopyrite are commonly found deep or nearer to intrusive bodies. Cinnabar, stibnite, acanthite, realgar and silver sulfosalts are found distally. Typical gangue mineralogy consists of carbonates, quartz, fluorite, barite, and anhydrite. Skarns show the same sulphides listed earlier but may include bornite, molybdenite, covellite, scheelite, powellite and cassiterite. In addition, magnetite and hematite may be locally present. When the host rock is carbonate in origin, gangue minerals in skarns are generally garnet, pyroxene, wollastonite, actinolite, epidote, chlorite, and quartz. Manganese oxide mineralization and dolomitization are common forms of alteration especially around stock contact skarns (Megaw and Titley, 1988). The Ojuela district appears to be particularly rich in manganese oxides (Hoffman, 1968).

Ana Maria and La Zorra align well with the CRD model. Along with being situated in a CRD district—the host rocks are carbonates—it occurs adjacent to an intrusive stock and shows skarn

and manganese oxide alteration with hematite and magnetite. Like Ojuela, gold mineralization is present alongside hematite and manganese oxides, and the sulphides present are those expected of a CRD.

The El Soldado projects (Paola, Jabilí and La Cross) and La Recompensa show less skarn alteration but are situated farther from the El Sarnoso stock. They display the same hydrothermal oxides and structural controls observed at Ojuela as well as ore mineralogy consistent with CRDs.

# 9 EXPLORATION

There are no current exploration activities for the properties.

# 10 DRILLING

There is no current drilling for the properties.

# 11 SAMPLING PREPARATION, ANALYSES AND SECURITY

There is no current sampling for the properties.

# 12 DATA VERIFICATION

There is no current exploration or development data in the creation of this Technical Report.

The Qualified Person visited the properties on January 20-22, 2021. The site visits included an inspection of the property, showings and outcrops including the iron-manganese outcrops at La Lucha showing and the calcium carbonate showings at La Recompensa and La Soldado and tours of major centers and surrounding villages most likely to be affected by any exploration activities and potential mining operation. No samples were taken as there was not any previous sample data to be validated and verified.The geological information used in the creation of this Technical Report was from publicly available sources and information provided by Silver Wolf and Avino which is supported by publicly available reports and is therefore deemed to be reliable by the Qualified Person.

# 13 MINERAL PROCESSING AND METALLURGICAL TESTING

There is no current metallurgical data or studies for the properties.

# 14 MINERAL RESOURCE ESTIMATES

There are no current mineral resource estimates for the properties.

# 23 ADJACENT PROPERTIES

There are no immediately adjacent properties.

# 24 OTHER RELEVANT DATA AND INFORMATION

There are no other relevant data or information.

# 25 INTERPRETATION AND CONCLUSIONS

## 25.1 ANA MARIA

The Ana Maria property is located 21 kilometres (km) northwest of the City of Gómez Palacio and the adjacent City of Torreón, and 1 km north of the town of Dinimita, in the municipality of Gómez Palacio, Durango, Mexico. The concessions are located in the Minitas mining district in the Guadalupe Victoria mining region. The property consists of 9 mining concessions encompassing 2,549.0 hectares (ha).

The region hosts a number of carbonate replacement deposits (CRD´s) within Cretaceous limestones and dolomites. Mineralization is associated with large stocks, dykes or sills of granitoids ranging from diorites to quartz monzonites and rhyolites and inferred to be lower crustal in origin. Mineralization is present as skarns or massive sulphides and occurred during Mid-Tertiary volcanism when the aforementioned intrusions were emplaced (Megaw et al., 1988 and references therein). The deposits typically produce silver, lead, zinc and copper although some districts, such as Ojuela (~10 kilometres from Ana Maria and La Zorra), are enriched in gold relative to typical CRD´s.

The Ana Maria concessions are an early-stage exploration project that have some historic activity. The properties are prospective and warrant a systematic exploration program which includes geological mapping, sampling and geophysical techniques.

## 25.2 RISKS AND OPPORTUNITIES

Table 25.1 lists the potential risks and opportunities that may affect, hinder or otherwise impact exploration and development going forward.

## Table 25.1: Project Risks and Opportunities

| Project Element | Economic Risk Level | Comment | Risk | Opportunity |
|---|---|---|---|---|
| Geology | Moderate | The geology of the area is well known and documented. The region is a prolific mineral rich juristiction. | Further work may not result in economic discoveries and therefore result in condemnation of targets. | May result in an increased understanding and alterative theories that may result in discovery and advancement. |
| Exploration | Moderate | Exploration using established methods and indusry standard techniques are the best tools for mineral occuraence idetification and discovery. | There is no guarantee that exploration and discovery will result in an economically viable operation. | An intelligent, systematic program could result in discovry and andvancement. |
| Ejido / CSR | Moderate | Level of detail related to Ejido and local community relationships, negotiations and agreements. | Uncertainty could arise should issues be encountered or are not known. | Increased certainty of project success and social license. |
| Company Conflict/Synergies | Low | Creating partnership with neighbouring consession holders. Also partnering with sister organizations. | May limit exploration programs and access. | Create synergies with operating mines in close proximity. |
| COVID-19 | Moderate | Travel and safety is a concern in so far as visiting site is problematic. Work performed would need to be done by local / Mexican personnel and comapanies as much as possible. | Inability to travel and perform work programs to advance the properties. | Opportunity to employ in-country resources and personnel. |
| Metal Prices | Low | Commodity price volility | Lower metal price will change size and grade of the potential targets. Target and program priorities and options are reduced. | Higher metal price will create opportunities for increased scope and scale. |

# 26 RECOMMENDATIONS

The following two phased work program is recommended for the Ana Maria Project. They may be performed in series or in parallel, depending on resources and circumstances.

It is recommended that Silver Wolf complete geological mapping, surface geochemical sampling, TerraSpec sampling and geophysical surveys in addition to performing a Lidar survey. In addition, initial baseline environmental data acquisition and reporting should be initiated and is recommended along with continued ongoing implementation of an Ejido/community consultation plan. The view is that this work would support core drilling in the future.

The author recommends:

- Surface mapping
- Lidar survey
- Airborne- and ground-geophysical surveys
- Geochemical sampling
- Surface sampling, mapping, and prospecting

Table 26.1 and 26.2 presents an ongoing exploration and development program for the Ana Maria property. The Phase 1 program recommends initial reconnaissance and data integration work along with performing a LIDAR and Terraspec survey. This phase will include data analysis and modelling to determine prospectively to test the validity of the CRD deposit model hypothesis. The Phase 2 program is contingent upon the results and relative success of the Phase 1 program which would then employ geochemical sampling and geophysical surveying techniques to assist in target identification and support the selection of drill targets to further advance the project.

Approximate expense items are listed with a description, where appropriate, and a total cost. The length of this program is approximately 24 months from inception through to completion of a status report. All costs are in $US.

**Table 26.1: Proposed Phase One Program Budget**

| Item | # | Total |
|---|---|---|
| **Preliminary Studies** | | |
| Data Collection | | 2,000 |
| Modelling | | 3,000 |
| **Geological Mapping and Data Acquisition** | | |
| Geological Mapping and Data Acquisition | | 8,000 |
| TerraSpec Sampling | | 5,000 |
| **Data Integration and Modelling** | | 10,000 |
| **Lidar** | | 110,000 |
| **Reporting** | | 20,000 |
| **Project Management** | | 5,000 |
| **Mobilization** | | 4,000 |
| **Travel plus Expenses (approximate)** | | 5,000 |
| **Contingency** | 15% | 25,800 |
| **Total** | | 197,800 |

**Table 26.2: Proposed Phase Two Program Budget**

| Item | # | Total |
|---|---|---|
| **Preliminary Studies** | | |
| Data Collection | | 3,000 |
| Modelling | | 4,500 |
| **Geological Mapping and Data Acquisition** | | |
| Geological Mapping and Data Acquisition | | 20,000 |
| TerraSpec Sampling | | 2,000 |
| **Geochemical Sampling** | | 22,000 |
| **Assaying** | | 4,500 |
| **Data Integration and Modelling** | | 5,000 |
| **Geophysical Surveys** | | 290,000 |
| **Reporting** | | 30,000 |
| **Project Management** | | 15,000 |
| **Mobilization** | | 8,000 |
| **Travel plus Expenses (approximate)** | | 12,000 |
| **Baseline Environmental Study** | | 60,000 |
| **Ejido Consultation** | | 40,000 |
| **Contingency** | 15% | 77,400 |
| **Total** | | 593,400 |

# 27 REFERENCES

Anderson, T.H., McKee, J.W., and Jones, N.W., 1990. Jurassic mélange in north-central Mexico: Geological Society of America Abstracts with Programs, v.22, p.3.

Anderson, T.H., and Schmidt, A.V., 1983. The evolution of Middle America and the Gulf of Mexico-Caribbean sea region during Mesozoic time: Geological Society of American Bulletin, v.94, p. 941-966.

Armenta Román, R., Guereca Meza, R., 2000. Donato Guerra G13-D62: Carta geológico/minera. Geological map. First edition, Servicio Geológico Mexicano.

Armenta Román, R., Guereca Meza, R., 2001. Informe de la carta geologico-minera Donato Guerra G13-D62, Escala 1:50,000, Consejo de recursos minerales gerencia de geología y geoquimica, oficina regional Durango, pp. 65.

Avino website https://www.avino.com/

Baldridge, W.S., 2004. Geology of the American Southwest : a journey through two billion years of plate-tectonic history (Reprint. ed.). Cambridge University Press, pp. 158.

Buchanan, L.J., 1981. Precious metal deposits associated with volcanic environments in the Southwest. In: Dickson, W.R., and Payne, W.D., eds., Relations of tectonics to ore deposits in the Southern Cordillera. Arizona Geological Society Digest, v.14, pp. 237-262.

Bufete Gonzalez Olguin, 2020. Letter to Manning Elliot LLP. Legal opinion regarding title dated February 11, 2020.

Bufete Gonzalez Olguin, 2020. Letter to Cantor Fitzgerald & Co. Legal opinion regarding title dated May 9, 2020.

Castro, L., 2013. Activities in the El Laberinto Concession, 2012-2013, Panuco de Coronado, Durango, México, internal report to Endeavour Silver, pp. 33.

Eguiluz de Antuñano, S., García, M.A., and Marrett, R., 2000. Tectónica de la Sierra Madre Oriental, México: Boletin de la Sociedad Geologica Mexicana, v.LIII, p.1-26.

García Padilla, J.L. and Quezada, L. M., 2006. Mapimí G13-D14: Carta geológico/minera. Geological map. First edition, Servicio Geológico Mexicano.

García Padilla, J.L., Ramos Anleu, D. A., and Olmos J.E., 2015. Bermejillo G13-D15: Carta geológico/minera. Geological map. First edition, Servicio Geológico Mexicano.

García Padilla, J.L. and Román, R. A., 2007. Texto explicativo carta Vicente Suárez G13-D24: Estado de Durango. Servicio Geológico Mexicano, www.sgm.gob.mx.

García Padilla, J.L. and Román, R. A., 2008. Vicente Suárez G13-D24: Carta geológico/minera. Geological map. First edition, Servicio Geológico Mexicano.

Gómez Nava, J.A., 2012. Texto explicativo carta geológica minera y geoquímica Torreón G13-D25 Escala 1:50 000: Estados de Coahuila y Durango. Servicio Geológico Mexicano, www.sgm.gob.mx.

Gómez Nava, J.A. and Olmos, J. E., 2012. Torreón G13-D25: Carta geológico/minera. Geological map. First edition, Servicio Geológico Mexicano.

Hammarstrom, J.M., Robinson, G.R., Jr., Ludington, Steve, Gray, Floyd, Drenth, B.J., Cendejas-Cruz, Francisco, Espinosa, Enrique, Pérez-Segura, Efrén, Valencia-Moreno, Martín, Rodríguez-Castañeda, José Luis, Vásquez-Mendoza, Rigoberto, and Zürcher, Lukas, 2010, Global mineral resource assessment—porphyry copper assessment of Mexico: U.S. Geological Survey Scientific Investigations Report 2010-5090-A, 176 p.

Hecla Mining Company, 2016. Annual Report.

Hedenquist, J.W., Arribas, A., and Gonzalez-Urien, E., 2000. Exploration for epithermal gold deposits. In: SEG Reviews, v.13, Chapter 7, pp. 245-277.

Hedenquist, J.W., and Lowenstern, J., 1994. The role of magmas in the formation of hydrothermal ore deposits. Nature, v.370, pp. 519-527.

Henry, C.D., 1989. Late Cenozoic Basin and Range structure in western Mexico adjacent to the Gulf of California, Geological Society of America Bulletin, v. 101, pp. 1147-1156.

Henry, C. D., Price, J. G., and James, E. W., 1991. Mid-Cenozoic stress evolution and magmatism in the southern Cordillera, Texas, and Mexico: Transition from continental arc to intraplate extension, Journal of Geophysical Research, v. 96, pp. 13545—13560.

Hoffman, J.H., 1968. The mineralogy of the Mapimí mining district, Durango, Mexico. Doctorate thesis, University of Arizona.

M3, 2014. La Preciosa Silver-Gold Project NI43-101 Technical Report Feasibility Study, effective date August 29, 2014.

Megaw, P.K., Ruiz, J., and Titley, S.R., 1988. High-temperature, carbonate-hosted Ag-Pb-Zn (Cu) deposits of northern Mexico. Economic Geology, v.83, p. 1856-1885.

Prescott, B., 1926. The underlying principals of the limestone replacement deposits of the Mexican province. Engineering and Mining Journal, v.122, p.246-253, p.289-296.

Salinas, M., Rumo a la Sierra Madre Oriental A. C., Regionalización fisiográfica de la Sierra Madre Oriental, 23 Jan 2011, https://sierramadreoriental.wordpress.com/category/sin-categoria/page/9/.

Sedlock, R.L., Ortega-Gutierrez, F., and Speed, R.C., 1993. Tectonostratigraphic terranes and tectonic evolution of Mexico. Special paper 278, Geological Society of America.

Servais, M., Rojo-Yaiz, R., and Colorado-Liévano, D., 1982. Estudio de las rocas basicas y ultrabasicas de Sinaloa y Guanajuato: Postulacién de un paleogulfo de Baja California y de una digitacién Tethysiana en Mexico central: Geomimet, v. 115, pp. 53—71.

Servais, M., Cuevas-Pérez, E., and Monod, 0., 1986. Une section de Sinaloa a San Luis Potosi: nouvelle approche de l'évolution du Mexique nord occidental: Bulletin de la Société Geologique de France, Serie 8, v. 2, pp. 1033—1047.

Smith, C.I., 1970. Lower Cretaceous sedimentation and tectonics of the Coahuila and West Texas platforms: Geological Society West Texas Guidebook, 1970, p.33-37.

SRK 2018. Technical Report for the Platosa Silver-Lead-Zinc Mine, Mexico, effective date September 7, 2018.

TetraTech, 2013. Amended Mineral Resource Estimate Update for the Avino Property, Durango, Mexico, amended date December 19, 2018.

Wang, L., Qin, K.Z., Song, G.X., and Li, G.M., 2019. A review of intermediate sulfidation epithermal deposits and subclassification. Ore Geology Reviews, v. 107, pp. 434-456.

White, N. and Hedenquist, J., 1995. Epithermal gold deposits. Styles, characteristics, and exploration. Society of Economic Geologists, Newsletter. 23. 1, pp. 9-13

# 28 DATE AND SIGNATURE PAGES

## CERTIFICATE OF QUALIFIED PERSON
## Garth Kirkham, Kirkham Geosystems Ltd.

I, Garth David Kirkham, P.Geo., do hereby certify that:

1) I am a consulting geoscientist with an office at 6331 Palace Place, Burnaby, British Columbia.
2) This certificate applies to the entitled "Technical Report for the Ana Maria Project, Durango State, Mexico" with effective date of February 3, 2021 ("Technical Report") prepared for Silver Wolf Exploration Ltd., Vancouver, B.C.
3) I am a graduate of the University of Alberta in 1983 with a BSc. I have continuously practiced my profession since 1988. I have 33 years exploring for and estimating resources for a variety of commodities specifically Au, Ag, Zn, Pb, Cu, Mo, Pd, Pt, Rd in addition to coal, potash and phosphate. I have been working as a consultant in mineral exploration, resource evaluation and mine development as Principal of Kirkham Geosystems Ltd. since 1997 and have provided resource estimation and development services at the exploration, resource, PEA, PFS and FS stages of projects. I have authored numerous NI 43-101 reports and technical studies with similarities to the subject of this NI43-101 Technical Report such as the Sierra Morada Project, Esperanza Project and Cerro Las Minitas, Mexico the Selwyn SEDEX/CRD Project and Mactung Project in the Yukon along with exploration, development and project management for the Craigmont Mine and Avino Mine.
4) I am a member in good standing of the Association of Professional Engineers and Geoscientists of BC (EGBC).
5) I have visited the property on January 20-22, 2021 for two days and approximately 4 hours per concession.
6) In the independent report titled entitled "Technical Report for the Ana Maria Project, Durango State, Mexico" with effective date of February 3, 2021. I am responsible all Sections.
7) I have not had prior involvement with the property.
8) I am independent of Silver Wolf Exploration Ltd., Avino Gold and Silver Mines Ltd. and "the Property" as defined in Section 1.5 of National Instrument 43-101.
9) I have read the definition of "qualified person" set out in National Instrument 43-101 and certify that by reason of education, experience, independence and affiliation with a professional association, I meet the requirements of an Independent Qualified Person as defined in National Instrument 43-101.
10) I am not aware of any material fact or material change with respect to the subject matter of the technical report that is not reflected in the Technical Report and that, at the effective date of the Technical Report, to the best of my knowledge, information and belief, this technical report

contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

11) I have read National Instrument 43-101, Standards for Disclosure of Mineral Projects, and Form 43-101F1. This technical report has been prepared in compliance with that instrument and form.

Dated this 3rd of February 2021 in Burnaby, British Columbia.

*"Garth Kirkham" {signed and sealed}*
Garth Kirkham, P.Geo.