TECHNICAL REPORT

ON THE

UPDATED MINERAL RESOURCE ESTIMATE ON THE SAN GREGORIO/LAS CAROLINAS ZONES, LA CIGARRA SILVER PROJECT, CHIHUAHUA MEXICO

UTM WGS84, zone 13
Latitude 27°03̀00òNorth & Longitude 105°54̀30òWest (Centre of Deposit)

Prepared for:

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1 SUMMARY

GeoVector Management Inc. (ñGeoVectorò) was contracted by Northair Silver Corp. (ñNorthairò) to complete an updated mineral resource estimate for the San Gregorio/Las Carolinas Zones (ñDepositò) at their La Cigarra Silver Project (ñProjectò or ñPropertyò). The Project is located in the state of Chihuahua, within North Central Mexico approximately 28 km northwest of the city of Hidalgo del Parral (Parral) and 225 km south of the city of Chihuahua, the state capital. Allan Armitage, Ph.D., P.Geo., (ñArmitageò) and Joe Campbell, B.SC., P.Geo., (ñCampbellò) of GeoVector Management Inc. (ñGeoVectorò) are independent Qualified Persons. Armitage and Campbell are responsible for the preparation of this report (Armitage and Campbell are collectively referred to as the ñAuthorsò). The effective date of the resource estimate is January 14th, 2015.

Northair is a publically traded company trading on the TSX Venture Exchange (TSX-V) under the symbol of ñINMò. In Mexico, exploration is conducted by its wholly owned subsidiary, Grupo Northair de Mexico, S.A. de C.V. (ñGrupo Northairò). Prior to November 20th, 2014, Northair was known as International Northair Mine Ltd. (ñInternational Northairò). On November 20th, 2014, International Northair announced the Name change to Northair Silver Corp.

This technical report will be used by Northair in fulfillment of their continuing disclosure requirements under Canadian securities laws, including National Instrument 43-101 ï *Standards of Disclosure for Mineral Projects* (ñNI 43-101ò). The technical report is written in support of the updated resource estimate released by Northair on January 14th, 2015 (the effective date).

The Project consists of eighteen concessions including fractions that total 36,738 hectares (ha). Northair has a 100% ownership in the concessions which underlie the Deposit, subject to a 2.5% royalty. Effective May 21, 2014, Northair entered into an Agreement with Coeur Capital, Inc. to sell a 2.5% Net Smelter Royalty (ñNSRò) on the La Cigarra Project for gross proceeds of US$4,000,000. Under the terms of the Agreement Northair received gross proceeds of US$2,250,000 for an initial 1.25% NSR with a further US$1,750,000 (received subsequent to August 31, 2014) to be paid for an additional 1.25%.

The Project is located in the southern part of the Mexican state of Chihuahua near the city of Hidalgo del Parral. Parral is best accessed by road from Chihuahua some 225 km to the north and the largest city in the state of Chihuahua with a population of about 843,000 people. Chihuahua is the political capital of the state and contains offices for many state and federal agencies overseeing mining operations and permitting. Chihuahua is also the closest city to the La Cigarra Project, serviced by an international airport. The General Roberto Fierro Villalobos International Airport (code: CUU) is located about 3 hoursô drive north from the Project by either free or toll Highways.

Parral is serviced by two small local airports, open only for day flights. The larger airport is the J. Ernesto Lozano airport situated about 23 km ENE of Parral. The paved runway capable of handling small jets is 2,600 m long by 30 m wide. The second and smaller strip is the Frisco airport situated 8 km west of Parral on Highway 24. The paved runway is only 1,350 m long and caters mainly to small propeller airplanes.

From Parral the Project is accessible by taking Highway 24 (Hwy 24) west from the outskirts of Parral toward Guadalupe de Clavo. There are two options to reach the Deposit from Hwy 24; the west and the east access. The west access allows the Deposit to be reached from either the south or the north.

The Project area is located in a semiarid climatic zone with average annual temperatures in the 17 to 18°C range. The warmest months are May through August where daily temperatures average in the 22-25°C and the coldest months are December to February where daily temperatures average 10°C to 12°C. The highest recorded temperature in the Parral area is 50°C while the coldest is -22°C.

The average annual precipitation is ~480 mm (19 inches) with about 70% of this occurring in the rainy season which extends from mid-June until late September. Rainfall is typically limited to heavy thunderstorms during the hot summer months. The driest months are February and March. Snow can occur at the higher elevations during the winter months but seldom lasts for more than a day or two. During the dry season from October to May, days range from mild to hot and nights from chilly to mild. Frosts are common though not persistent in the winter.

Parral was established in the 1600's as a silver mining town and continues to be a source of skilled and unskilled labour, that are mine oriented for exploration and for mining purposes, for the Santa Barbara and San Francisco del Oro mines which are located about 18 km west southwest of Parral. Housing and storage facilities, food, fuel and supplies are readily available in Parral.

No permanent infrastructure exists on the Property although temporary base camps can be set up in a number of areas. Drill crews typically operate out of a temporary camp on site. Surface exploration completed on the Property is conducted out of house rented in Parral. As well core logging is completed in a large secure warehouse located rented near the house in Parral; drill core and samples are stored at the same facility. An additional secure warehouse (fenced) constructed by Northair is located immediately south of the Las Carolinas Zone on the Baca ranch land. Rejects from the reverse circulation drill program are stored at this warehouse.

Besides the two small airports and good road access from Parral, a 115kV electric transmission line extends from Parral to the operating mines of Santa Barbara and San Francisco del Oro, located approximately 17 km south-southeast of La Cigarra. Additional electric capacity is expected in the area by June 2015 according to Comision Federales Electricidades (CFE), the national electric company.

There are no rivers or large bodies of water in the immediate Project area; however water is available from the San Felipe de Jesus and Parral-Valle del Verano aquifers which underlie and are adjacent to the project area. It is anticipated water will be attained by purchasing existing permitted water concessions and/or wells in the area or by applying for new water rights from the government.

The Project is located along the eastern flank of the Sierra Madres Occidental within the low lying hills of the Central Mexican Plateau. The Central Mexican Plateau, also known as the Mexican Altiplano, is a large arid-to-semiarid plateau that occupies much of northern and central Mexico. Averaging 1,825 m (5,988 ft) above sea level, it extends from the United States border in the north to the Trans-Mexican Volcanic Belt in the south, and is bounded by the Sierra Madre Occidental and Sierra Madre Oriental to the west and east, respectively.

The Property area is characterized by gently rolling ranch land with basalt and rhyolite topped mesas with steep, west facing cliffs along the eastern side of the concessions. The study area is situated between these mesas to the east and a north trending, grass and shrub covered, rounded ridge to the west. Small east facing cliffs occur sporadically along the ridge where zones of silicification and felsic intrusives outcrop. Elevations where drilling has taken place range from a high of about 1,960 m above sea level in the San Gregorio Zone to elevations typically in the 1,870 to 1,915 m above sea level range in the Las Carolinas Zone and down to a low of 1,705 m above sea level at the north end of the La Borracha Zone.

Vegetation in the area is best described as desert scrub and grassland and includes small stands of red and white oak with occasional mesquite and engordacabras (shrub). Scattered cacti include maguey, ocotillo and biznaga.

The La Cigarra property is located along the eastern flanks of the Sierra Madre Occidental ("SMO") Volcanic Province within the north-east portion of the Central Mexican Silver Belt ("CMSB"). The SMO mountain range extends for more than 1,500 km in a north-westerly direction through the northern half of Mexico. This mountain range is the erosional remnant of a significant accumulation of intermediate to felsic volcanic rocks, which formed a calc-alkaline magmatic arc that was built during Eocene to early Miocene time, roughly 52 to 25 million years ago, in response to subduction of the Farallón tectonic plate beneath North America. The CMSB is a north-westerly aligned, metallogenic province which stretches approximately 900 km along the SMO Mountains. It is defined by a number of silver mining districts including Guanajuato, Zacatecas, Fresnillo, and Santa Barbara-San Francisco del Oro as well as the mining districts of Parral, Santa Maria del Oro, and Sombrerete-Chalchihuites. Medium to high-level hydrothermal systems variably enriched in Ag, Pb, Zn, Au and to a lesser extent Cu, Sb, As, Hg, and F were intermittently generated during the extended period of volcanism which formed the SMO mountain range.

The vast majority of the Property is underlain by Lower Cretaceous shales and limestones with ñwindowsò of underlying Triassic-Jurassic sandstone exposed in an approximately 4.5 km long, cigar shaped body in the La Cigarra area, a 6.5 km long, similar shaped body 4 km north and 3 km east, and in a broad area covering the extreme northwest corner of the property. Unconformably overlying the Lower Cretaceous stratigraphy and outcropping southwest of La Cigarra as well as the eastern portions of the property are Paleogene andesites which are capped by slightly younger rhyolite pyroclastics and ignimbrites. Neogene aged polymictic conglomerates fill grabens in the northeast corner of the property and over much of the ground occurring south of Las Chinas. A small plateau immediately southeast of Las Chinas is unconformably capped by Neogene aged basalt flows.

Within the La Cigarra area (from La Borracha in the north to Las Chinas in the south) detailed mapping by Chapin (2011 and 2012) indicates the rocks are part of an approximately 4.5 km long, north northwest striking block that has been uplifted, folded into an anticline and tilted to the north. It has exposed basement, Triassic rocks in the south and is displaced by a left lateral normal fault to the north.

There are two predominant types of structures in the region, thrusting and folding that occurred in the late Cretaceous early Tertiary (Laramide), and Miocene basin and range block faulting. Evidence of the Laramide thrusting can be seen on the outskirts of Parral where Cretaceous sediments are chevron folded, and at the northern entrance to the property where spectacular isoclinal and chevron folds are exposed. Miocene basin and range faulting created a horst called the La Cigarra ridge, which forms a window through the Sierra Madre volcanic field. The conduits for mineralization are a combination of older thrust fabric and the younger extensional events.

The alteration suites present on the property are highly affected by the host rock. In general, the quartz dominated rocks such as greywacke, sandstone and calc-arenite are likely to create clay, vein quartz and alter readily to limonite. The carbonate hanging wall is much less permeable and tends to buffer ascending fluids. Consequently, the hanging wall is generally altered to jasperoid, zones of decalcification, and calcite veining above the decalcified zones

The Deposit consists of silver grades with low gold, lead and zinc values contained in drusy quartz veins, stockwork and silicified, brecciated zones parallel to stratigraphy. Approximately 80% of the deposit consists of sulphide minerals. The upper 20% of the deposit has been partially oxidized.

The structural control of the La Cigarra deposit is evident in its high length to thickness ratio where surface sampling and drilling have traced silver mineralization for over 5,900 m in a north-south direction while thicknesses, based on silver values of 20 g/t or greater is more typically in the 20-80 m range and averages about 40 m thick.

In both San Gregorio and Las Carolinas, the stratiform nature of the mineralization is thought to reflect increased permeability in the sediments created by thrust faulting, at the unconformity between the Jurassic and Cretaceous stratigraphy, particularly in the Middle Cretaceous turbidites and alteration related to emplacement of the granodiorite, and later andesite, dacite and rhyolite intrusives.

The San Gregorio/Las Carolinas deposit is a good example of a Mexican intermediate sulpidation Ag-Pb-Zn-(Cu-Au) epithermal deposit, similar to the deposits of the Santa Barbara-San Francisco del Oro as well as the Parral mining districts.

The Santa Barbara-San Francisco del Oro and Parral mining districts are clusters of mines that constitute three districts located within an area of approximately 250 sqare km in the far southern extremity of Chihuahua, Mexico and together form the principal mining area within the state (Borbolla, 1990). Santa Bárbara and San Francisco del Oro are both approximately 18 to 20 km to the south-west of Parral. The three districts are approximately 190 km to the south of the Fresnillo silver mine. The Deposit lies approximately 25 km north-northwest of the Santa Barbara-San Francisco del Oro mining district and 25 km northwest of the Parral mining district.

The ore deposits at Parral, Santa Bárbara and San Francisco del Oro occur predominantly as veins with minor stockworks and massive sulphides, hosted by the Cretaceous Parral Formation shales, and to a lesser extent by the overlying Tertiary andesite and rhyolite.

The Cretaceous Parral Formation, >1000 m thick ï are the oldest rocks outcropping in the district. They are composed of dark grey to black carbonaceous shale and calcareous shales/siltstone, with lesser beds and lenses of argillaceous limestone and limestone. Beds of shales are generally uniform and 15 to 20 cm thick, while the limestone lenses and beds are around 50 cm thick. Locally the shales contain nodules and bands of chert, as well as light brown calcite concretions and abundant calcite veinlets.

The rocks of these three districts have been affected by a period of compression during the Laramide orogeny of the late Cretaceous to Tertiary. This produced a number of folds which deformed the Parral Formation, particularly an asymmetric anticline which is located between the Santa Bárbara and San Francisco del Oro districts. This antiform has dips of 30°W on its south-western limb and 8°N on its north-eastern flank. Its axis trends 332°, and plunges to the north at 12°. In detail this structure is very complex with numerous drag folds and minor faults. This folding has been interpreted to have been the result of NE-SW directed compression. At the close of the Eocene the deformation changed to an extensional regime producing a series of faults.

In the mineral deposits of the Parral, Santa Bárbara and San Francisco del Oro districts, approximately 95% of the mineralized structures are veins with lesser stockwork and replacement bodies, the latter being mainly at Santa Bárbara.

Initial exploration work on the La Cigarra project began in late 2008 when a Grupo Northair field crew began a program of geological mapping, prospecting and soil sampling. In this initial phase of work 49 soil samples and 255 rock chip samples were taken from surface and underground workings in what are now referred to as the La Borracha, San Gregorio and Las Carolinas Zones. Results were very encouraging and six concessions covering the old workings in all three zones were optioned.

In May-June 2010, fifteen reverse circulation holes were drilled, totalling 1,455.4 m. The program was successful in testing the three known mineralized targets on the property and intercepted significant widths of altered and mineralized sediments and intrusive rocks. Results obtained in the three zones included: 138.7 g/t Ag over 13.7 m in Las Carolinas (CRC-10-001); 95.7 g/t Ag over 51.8 m in San Gregorio (CRC-10-006) and 32.7 g/t Ag over 21.3 m in La Borracha (CRC-10-015).

In December 2010, Northair commenced its initial core drill program and by the end of 2012 had completed 24,202 m of core drilling in 139 HQ sized core holes.

Two phases of scoping level metallurgical programs were completed between 2011 and 2012 by G&T Metallurgical Services, Kamloops, BC to investigate the recovery of silver. Most of the intervals studied were from the San Gregorio mineral zone in the La Cigarra Project.

The initial metallurgical assessment phase was conducted between June and August 2011 on four composites of coarse crush (<10 mesh) samples to determine the silver mineralogy and their amenability to silver recovery by conventional flotation and cyanide leaching processes. Only rougher flotation was tested to determine if the silver is amenable to the flotation process.

As a result of the favorable metallurgical assessment in Phase 1, a Phase 2 program was initiated to develop the flow sheet further. Phase 2 was conducted between February and August 2012 on composites of sulphide and oxide ore samples.

The results of the Phase 2 program suggest that a combined flotation-CIL flow sheet could be adopted for processing both the sulphide and oxide ores. The sulphide ores would be processed through the entire circuit while the oxide ores could be campaigned through grinding then a leaching circuit.

The lead concentrate from the locked cycle test was assayed for minor elements as a preliminary assessment of quality and its marketability. The assays show elevated zinc and copper in a lead concentrate but the preliminary marketing study suggests that these and other contaminants would unlikely to incur penalties. More concentrate samples will be assayed in the next program phase to ensure that contaminants, including chloride, selenium and germanium, are within acceptable ranges.

There is a good correlation between lead and silver grades in lead concentrate based on test program data. This will be assessed further in the next program as it could be used as a basis for evaluating concentrate grade against smelter requirements and concentrate value and to aid process design.

In February 2013, Northair announced the results of a maiden NI 43-101 Resource Estimate completed by Arseneau Consulting Services (ñACSò) in conjunction with JDS Energy and Mining Inc. (JDS).

The maiden resource estimate was calculated based on results (18,678 assay records) from 143 of 154 holes totaling 25,657 metres drilled along the La Cigarra mineralized system. The 143 holes included in the initial resource estimate were positioned within a potentially surface minable mineralized area comprised of the San Gregorio and Las Carolinas mineralized zones, which combined for a total strike length of 2.1 kilometres. The resource estimate was constrained by a Whittle™ pit shell at a silver price of $29/oz and reported at an economic cutoff grade of 30 g/t of silver. The optimization parameters were selected based on benchmarking against similar projects and the scoping level metallurgical testing conducted in 2011 and 2012. Highlights of the previous mineral resource estimate released in 2013 are as follows:

- Measured and Indicated mineral resources of 50,494,000 ounces of silver within 20,755,700 tonnes at an average grade of 76 g/t silver;
- Inferred mineral resource of 3,515,900 ounces silver within 1,780,000 tonnes at an average grade of 61 g/t silver;

Significant by-products include 40,100 ounces of gold in the measured and indicated categories as well as appreciable lead and zinc values.

Subsequent to the previous resource estimate, an additional 13 drill holes totalling 3,975 metres were completed in the resource area during 2014. Of this drilling, 7 holes were positioned in the San Gregorio zone and 6 holes in the Las Carolinas zone. The Las Carolinas Zone represents the southerly portion of the La Cigarra deposit spanning a length of approximately 1.3 kilometres and average width of 260 metres. Six holes were completed in the 2014 drilling program with the primary objective of expanding the resource down-dip and to in-fill areas of previous wide-spaced drilling. To date, a total of 78 holes and 12,637 metres have been drilled at Las Carolinas.

Highlights from the 2014 program include hole CC-14-145 reporting 15.15 metres grading 60.4 g/t silver and hole CC-14-146, which intersected 7.5 metres grading 81.0 g/t silver. In addition, hole CC-14-155 returned several mineralized silver intercepts including 23.45 metres grading 138.3 g/t, 6.00 metres grading 50.7 g/t, and 1.00 metre of 169.0 g/t. This hole filled in an embayment in the drilling pattern and extended silver mineralization 90 metres down dip from CC-12-071. Mineralization in this area was traced at least 270 metres down-dip from the surface.

Hole CC-14-156 intercepted 1.65 metres grading 122.1 g/t silver, 2.31% lead and 5.80% zinc. A separate interval reported 14.4 metres of 53.5 g/t silver, including an intercept of 4.60 metres of 137.4 g/t silver and 0.61% zinc. This hole extended the silver mineralization 90 metres down dip from CC-12-101. The silver zone is this area can now be traced at least 400 metres down dip from the surface.

The San Gregorio Zone represents the northerly portion of the La Cigarra resource with a strike length of approximately 1.1 kilometres and average width of 260 metres. Seven holes were completed here in 2014 with the objective of expanding the resource down-dip and to in-fill areas of potential situated adjacent to previous drilling. To date a total of 80 holes and 15,136 metres have been drilled at San Gregorio. Highlights from the 2014 program include holes CC-14-142 which reported 7.40 metres grading 119.8 g/t silver, CC-14-143 which contained 3.75 metres grading 290.6 g/t silver and CC-14-152 which intersected 2.30 metres grading 98.64 g/t silver.

The updated resource estimate was released by Northair on January 14th, 2015. Northair reported that the San Gregorio/Las Carolinas Zones contain measured and indicated mineral resources of 51,470,000 ounces of silver within 18,540,000 tonnes at an average grade of 86.3 g/t silver, and an inferred mineral resource of 11,460,000 ounces silver within 4,450,000 tonnes at an average grade of 80.0 g/t silver. The 2015 update resource estimate is reported in relation to a conceptual pit shell utilizing a $22.00 per ounce silver price and reported at a 35 g/t silver cut-off grade.

Table 1.1 San Gregorio/Las Carolinas Update Mineral Resource Estimate, January 14th, 2015

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,620,000	88.9	0.074	0.14	0.19	10,340,000	9,000	10,920,000	15,510,000
Indicated	14,930,000	85.7	0.068	0.13	0.18	41,130,000	33,000	42,950,000	59,260,000
Meas + Ind	**18,540,000**	**86.3**	**0.069**	**0.13**	**0.18**	**51,470,000**	**41,000**	**53,870,000**	**74,770,000**
Inferred	**4,450,000**	**80.0**	**0.058**	**0.13**	**0.16**	**11,460,000**	**8,000**	**12,680,000**	**15,610,000**

Note: Mineral resources are reported in relation to a conceptual pit shell at a 35 g/t silver cut-off grade and a $22/oz silver price. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add up due to rounding.*

Highlights of the La Cigarra Update Mineral Resource Estimate:

- Measured and Indicated mineral resource of 18,540,000 tonnes at an average grade of 86.3 g/t Ag for a total of 51,470,000 ounces, 0.13% Pb for a total of 53.9 MLbs, 0.18% Zn for a total of 74.8 MLbs and 0.07 g/t Au for a total of 41,000 ounces; represents a 14% increase in silver grade from the 2013 Resource Estimate;

- Inferred mineral resource 4,450,000 tonnes at an average grade of 80.0 g/t Ag for a total of 11,460,000 ounces, 0.13% Pb for a total of 12.7 MLbs, 0.16% Zn for a total of 15.6 MLbs and 0.06 g/t Au for a total of 8,000 ounces; represents a 31% increase in silver grade and 226% increase in silver ounces from the 2013 Resource Estimate;

- The 2015 total mineral resource, including Measured, Indicated and Inferred, represents a 14% increase in grade and an increase of 17% in total ounces from the 2013 resource estimate.

The difference in the original 2013 resource estimate and the updated 2015 update resource estimate is the result of several factors including the following:

- Additional drilling completed in the deposit area extended the Las Carolinas/San Gregorio deposit down dip

- Revision of the high grade and low grade resource models based on additional drilling and revised geological interpretation

- Revised average specific gravity values used for the resource estimate based on addition date from the 2014 drill program

- Revised composite capping protocol

- Revised silver price for pit optimization and resource estimate reporting cut-off grade

La Cigarra Silver Project Update Mineral Resource Estimation Parameters

To complete the update resource, digital files containing topographic information, drill hole collar information, drill hole survey data, assay data, lithological logs of the drill hole intercepts, and density data were evaluated. All geological data was reviewed and verified by the Authors as being accurate to the extent possible and to the extent possible all geologic information was reviewed and confirmed. The Authors feel that the assay sampling and extensive QA/QC sampling of core by Northair provides adequate and good verification of the data and believe the work to have been done within the guidelines of NI 43-101.

The complete La Cigarra drill hole database includes 173 drill holes (15 RC and 158 core) for a total of 30,443 metres and 22,064 assays. This includes 17 drill holes (4,817 m) completed in 2014 in the Las Chinas, Las Venadas, San Gregorio, Las Carolinas and La Borracha zones. Of the 173 drill holes, 156 drill holes (11 RC and 145 core) were used in the preparation of the resource models and resource estimate. The database used to construct the San Gregorio/Las Carolinas resource models utilized 27,617 metres and 20,022 sample assays including the 13 drill holes completed in 2014.

Grade control models (a high grade and a low grade silver model) of the San Gregorio/Las Carolinas deposit were constructed which involved outlining the limits of mineralization on 50 metre spaced cross sections based on histograms of silver, lead and zinc values. Polygons of mineral intersections were made on each cross section and were wire framed together to create a contiguous resource model in GEOVIA GEMS 6.6.0.1 software.

The grade control models were constructed to define silver mineralization, as controlled by interpreted geology and structure. A high grade core silver model was created to capture mineralization generally above a grade of 15 to 20 g/t silver. In addition a low grade envelope, which encompasses the high grade core model, was defined to capture mineralization above a grade of 5 to 10 g/t silver. The modeling exercise incorporated predicted controls of the deposits dominant geology and geologic limits. The resource model extends for approximately 2.4 kilometres on a 320° trend with an average dip of 45° to the northeast. Mineralization defined by drilling extends from surface to depths of up to 380 metres.

For the resource estimate a block model with dimensions of 10 x 10 x 10 metres was utilized as were composite samples of 1.5 metres in length. Grades for silver, lead, zinc and gold were interpolated into resource blocks by the Ordinary Kriging (ñOKò) interpolation method using a minimum of 8 and maximum of 12 composites (maximum of 4 composites per hole) to generate block grades in the Measured and Indicated category and a minimum of 4 and maximum of 12 composites to generate block grades in the Inferred category.

The search ellipse orientation is based on 3D semi-variography analysis of Ag for the 1.5 metre composites within the High Grade Core resource model using GEOVIA GEMS 6.6.0.1 software. The same variograms were used to interpolate grades of all metals into each block for both the High Grade Core and Low Grade Halo resource models. The search ellipse is generally oriented to reflect the observed preferential long axis (geological trend) of the resource models. The dip axis of the search ellipse reflects the observed trend of the mineralization down dip.

Based on a statistical analysis of the composite database from each resource model, it was decided that no capping was required on the composite populations to limit high values. Log histograms of the data identify very few outliers within the database. Analyses of the spatial location of these samples and the sample values proximal to them indicate that the high values were legitimate parts of the population, and that the impact of including these high composite values uncut would be negligible to the overall resource estimate.

The WW/WA density measurements from the 2014 drill program as well as the WW/WA measurements from previous drill programs were used for the current resource. The density database totalled 970 samples (average 2.57) including 406 samples from within the mineralized zones. Average density values are very consistent between domains when comparing oxide and sulphide zones separately and there appears to be little correlation of density value and silver grade.

Due to the relative sparseness of density data, average density values were used for the resource estimation. Values used include: 2.45 for oxide mineralization, 2.55 for sulphide mineralization and 2.57 for waste. The average SG values are based on limited SG testing (406 samples from within the mineralized zones) of representative mineralized core that intersect the resource model.

The confidence classification of the resource (Measured, Indicated and Inferred) is based on an understanding of geological controls of the mineralization, and the drill hole pierce point spacing in the resource area. Three passes were used to interpolate grade into all of the blocks in the wireframe. Mineral resources were classified as Measured if at least two drill holes were found within a 35 x 35 x 20 metre search radius. Blocks were classified as Indicated if two drill holes were found within a 60 x 60 x 30 metre radius and blocks were classified as Inferred if at least one drill hole was found within a 120 x 120 x 60 metre search radius. The Principal azimuth of the search ellipse is oriented at 059º, the Principal dip is oriented at -44° and the Intermediate azimuth is oriented at 325°.

Northair is currently in the process of preparing drilling permits and plans for the next round of resource expansion drilling at La Cigarra. The next round of drilling will focus mainly on shallow targets around the perimeter of the current deposit. Specifically, the southeastern portion of the deposit has good potential to expand the resource down dip and along strike. In addition, good potential exists in the La Borracha area where previous drilling intersected ore grade silver within the same stratigraphic horizon as the Deposit.

Other target areas beyond the perimeter of the current deposit will be mapped and sampled in more detail. These include the large La Colorada area, RAM, Nogalera and La Navidad. Targets along the north-south structural corridor south of the deposit that include Las Venadas, La Soledad and Las Chinas will also be examined and prioritized. Plans are also in place to evaluate targets outside of the principal project area that includes La Bandera, San Antonio, San Cristobal, Parral 1 Fraccion 1, Lobera and the newly acquired Los Cuates areas.

The cost of the proposed 2015 resource expansion drilling program is estimated at $1.85 million Canadian and is to include:

- ~8,000 RC Drilling in 40 holes
- Geophysical surveys (to be determined)
- Metalurgical Testing
- Initiation of Environmental Studies
- Improve geologic databases
- Rock and soil geochemistry
- Property wide evaluation
- Updated resource estimate and a Preliminary Economic Assessment of the project

Northair recently announced that the third phase of metallurgical test work is scheduled to start in February 2015. Northair is in the process of collecting samples for the test work from drill core in the San Gregorio and Las Carolinas zones, which currently comprise the mineral resource. The test work will focus on sulphide and oxide ore types and is a follow-up of a flotation-leach process developed in 2011 and 2012 for the San Gregorio Zone. Upcoming tests will also include the evaluation of zinc recovery options. In addition, the work will incorporate some variability testing and preliminary environmental characterization and will be sufficient to support a PEA level study.

The metallurgical program will be conducted by Base Metallurgical Laboratories Ltd. of Kamloops, BC. Terra Mineralogical Services of Peterborough, ON was selected to conduct further mineralogical assessment of the La Cigarra mineralization. The metallurgical and mineralogical work will be conducted under the supervision of Mr. Hoe Teh, P.Eng, a Qualified Person as defined by NI 43-101.

JDS recommended additional work in their 2013 technical report. Additional items that should be considered so that sufficient information would be available for a preliminary economic analysis would include:

- Infill drilling for geotechnical purposes, to test the oxide zone extents, thickness and grade, and to convert Inferred resources to Indicated;

- Geotechnical analysis on existing drill data; geotechnical data is to be used to help better design the open pit. In addition, as there is no data available on ground water conditions, packer testing was recommended in selected holes to provide data for future design work.

The cost of additional work as proposed by JDS is estimated at $1.57 million.

The Authors have reviewed the proposed program for further work on the Property and, in light of the observations made in this report, supports the concepts as outlined by Northair as well as JDS. Given the prospective nature of the property, it is the Authorsô opinion that the Property merits further exploration and that Northairõs and JDSõs proposed plans for further work are justified.

The Authors recommend that Northair conduct further exploration as proposed, subject to funding and any other matters that may cause the proposed exploration program to be altered in the normal course of its business activities or alterations which may affect the program as a result of exploration activities themselves.

2 INTRODUCTION

GeoVector Management Inc. (ĩGeoVectorò) was contracted by Northair Silver Corp. (ĩNorthairò) to complete an updated mineral resource estimate for the San Gregorio/Las Carolinas Zones (ĩDepositò) at their 36,738 hectare La Cigarra Silver Project (ĩProjectò or ĩPropertyò), and to prepare a technical report on it in compliance with the requirements of NI 43-101. Allan Armitage, Ph.D., P.Geo., (ĩArmitageò) and Joe Campbell, B.SC., P.Geo., (ĩCampbellò) of GeoVector Management Inc. (ĩGeoVectorò) are independent Qualified Persons. Armitage and Campbell are responsible for the preparation of this report (Armitage and Campbell are collectively referred to as the ĩAuthorsò). The effective date of the resource estimate is January 14th, 2015.

Northair is a publically traded company trading on the TSX Venture Exchange (TSX-V) under the symbol of ĩINMò. In Mexico, exploration is conducted by its wholly owned subsidiary, Grupo Northair de Mexico, S.A. de C.V. (ĩGrupo Northairò). Prior to November 20th, 2014, Northair was known as International Northair Mine Ltd. (ĩInternational Northairò). On November 20th, 2014, International Northair announced the Name change to Northair Silver Corp.

This technical report will be used by Northair in fulfillment of their continuing disclosure requirements under Canadian securities laws, including National Instrument 43-101 ï *Standards of Disclosure for Mineral Projects* (ĩNI 43-101ò). The technical report is written in support of the updated resource estimate released by Northair on January 14th, 2015. Northair reported that the San Gregorio/Las Carolinas Zones contain measured and indicated mineral resources of 51,470,000 ounces of silver within 18,540,000 tonnes at an average grade of 86.3 g/t silver, and an inferred mineral resource of 11,460,000 ounces silver within 4,450,000 tonnes at an average grade of 80.0 g/t silver.

This technical report is based upon unpublished reports and property data provided by Nothair, as supplemented by publicly-available government maps and publications. The Property has been the subject of a recent technical report by Reeves and Arseneau (2013) titled ĩSan Gregorio/Las Carolinas Resources Technical Report, La Cigarra Project, Chihuahua Mexicoò and posted on Sedar. The Parts of Sections 4 to 16 in this report have been copied or summarized from property reports and the technical report which are referenced throughout the text. These sections have been updated to include information on the 2014 drill campaign.

Information concerning the geology and exploration results for the Property that is reported here was collected, interpreted, or compiled directly by the Northair geologists during ongoing exploration.

Armitage visited the Property on two occasions. During the first visit, between June 21st and June 27th, 2014 Armitage examined several core holes, drill logs and assay certificates. Assays were examined against drill core mineralized zones. Armitage inspected the offices, core logging facilities/sampling procedures and core security. Armitage participated in two field tours of the property geology conducted by consulting geologists Dave Mehner, Eduardo Durán and Nora Alejandra Sepulveda Castro. As well spot checks of random drill hole locations and road locations, and planned 2014 drill hole locations were examined.

During the second visit, between November 6th and November 9th, Armitage examined several drill core holes, drill logs and assay certificates from the 2014 drill campaign. Armitage participated in a field tour of the property geology conducted by David Ernst, VP Exploration for Northair. Field checks were conducted of the 2014 drill sites.

3 RELIANCE ON OTHER EXPERTS

Information concerning claim status, ownership, and assessment requirements which are presented in Section 4 below have been provided to the authors by Northair, and have not been independently verified by the Authors. However, the Authors have no reason to doubt that the title situation is other than what is presented here.

4 PROPERTY DESCRIPTION AND LOCATION

4.1 Property Location

The La Cigarra Project is located in the state of Chihuahua, within North Central Mexico approximately 28 km northwest of the city of Hidalgo del Parral (Parral) and 225 km south of the city of Chihuahua, the state capital (Figure 4.1). Travel time from Parral to the San Gregorio zone using the public gravel road for access is approximately 75 minutes. Travel time using the new access road is about 55 minutes. The San Gregorio/Las Carolinas Deposit (“Deposit”) is centered at Latitude 27°03′00″ North & Longitude 105°54′30″ West (UTM co-ordinates are approximately 409500 E and 2993000 N within Zone 13 N, WGS 1984).

Figure 4.1 Property Location Map (from Reeves and Arseneau, 2013)

4.2 Property Description and Ownership

The La Cigarra Project consists of 18 concessions including fractions that total 36,738 ha (Figure 4.2; Table 4.1). The holdings are in good standing for fifty years following the allocation of the title number, provided that annual filings and tax payments are made. Northair awaits the title numbers allocation for Cigarra 8 to 10 and Parral 2 holdings.

During the year ended February 28, 2010, Northair entered into an option agreement, through its wholly owned subsidiary Grupo Northair to acquire a 100% interest in the La Cigarra Project. Grupo Northair acquired a 100% ownership in the concessions by making payments over a five year period totalling US$445,000. The original six mineral concessions that comprise the La Cigarra Project were optioned from three local businessmen in March 2009. The concessions covering 306.6449 ha are: Cigarra I, Cigarra II, Cigarra 3, Cigarra 4, Cigarra 6 and Cigarra Dos (Table 4.1).

During the year ended February 29, 2012, Northair expanded the project to include the La Borracha concession at a cost of US$35,000. The 34.3932 ha La Borracha concession was purchased from Mario Alejandro Schafer, a local rancher. There are no royalties payable.

In December 2011 the 5145.6091 ha Cigarra 7 concession was staked by Grupo Northair.

During fiscal 2013, Northair also acquired surface rights to land adjoining and overlying the La Cigarra Project at a cost of US$825,000 (paid). In addition, a US$200,000 amount will be payable should the Northair announce development of a mine on the Project. These rights are capitalized to property and equipment. Concessions staked by Grupo Northair included the 1568.2681 ha Cigarra 8 and Cigarra 8 Fraction 1 concession in March 2012 and the 2850.1821ha Cigarra 9 concession in July 2012.

Effective September 2012, the 22,300.8617ha Parral 1 and Parral 1 Fraction 1 concessions were optioned from Grupo Promotor Minero S.A. de C.V., the Mexican subsidiary of DFX Exploration Ltd., a privately owned British Columbia incorporated company who had previously purchased certain mineral exploration properties in Mexico from Oro Gold Mining Ltd. of Vancouver and its Mexican subsidiaries Oro Gold de Mexico, S.A. de C.V. and Minera Oro Silver de Mexico, S.A. de C.V.

During the year ended February 28, 2013, Northair executed the agreement with DFX Exploration Ltd. (ñDFXò) to acquire up to a 70% interest in a land position in the area of its La Cigarra Project, consisting of the adjacent (Parral 1) and outside (Parral 1 Fraction 1) properties. Under the terms of the agreement Northair paid $175,000 and issued 450,000 shares, valued at $101,500, during the past two years. In addition, Northair has purchased 1,000,000 common shares in DFX at a price of $0.25 per share and has recorded the share purchase as an acquisition cost.

Effective March 24, 2014, Northair entered into an agreement with DFX, amending the original agreement in order to acquire a 100% interest in the adjacent property and a 60% interest in the outside property, subject to a 1% net smelter royalty payable to the original property vendor. To acquire the 100% interest in the adjacent property Northair must pay DFX $450,000 ($200,000 paid prior to August 31, 2014 and $250,000 paid subsequent to August 31, 2014) in cash and issue 5,000,000 common shares (issued with a fair value of $750,000). Subsequent to earning its interest in the adjacent property, Northair will be required to issue an additional 3,000,000 common shares to DFX if it completes 20,000 meters of diamond drilling on the property, commences commercial production on the property or if Northair is acquired by another company. In addition, DFX will be paid an upfront bonus of $0.10 per silver ounce equivalent up to a maximum of 50 million ounces if prior to September 30, 2016, at least 50 million silver equivalent ounces are estimated to exist on the adjacent property in a NI 43-101 technical report prepared by Northair. If silver equivalent ounces are produced from the adjacent property, DFX will be paid $0.10 per silver equivalent ounce from production to a maximum of (i) 135 million ounces, in the event that DFX received the upfront bonus or (ii) 185 million ounces if the upfront bonus was not applicable.

In order for Northair to exercise the option and acquire a 60% interest in the outside property, Northair must incur an aggregate of $500,000 in exploration expenses on the property, after which a joint venture will be formed with all exploration costs paid on a pro rata basis.

Effective May 21, 2014, Northair entered into an Agreement with Coeur Capital, Inc. to sell a 2.5% Net Smelter Royalty (ñNSRò) on the La Cigarra Project for gross proceeds of US$4,000,000. Under the terms of the Agreement Northair received gross proceeds of US$2,250,000 for an initial 1.25% NSR with a further US$1,750,000 (received subsequent to August 31, 2014) to be paid for an additional 1.25%. A finderõs fee of US$80,000 was paid in connection with the closing of the transactions.

4.3 Other property interests

To the knowledge of the authors, there are no additional underlying interests, back-in rights, payments, or other agreements on the Property.

4.4 Surface Use and Rights Agreements

Surface rights covering the La Cigarra Project are of two types: privately owned ranch land and communally held ejido land (Figure 4.3). In the study area pertaining to this report, the boundary separating private ranch land to the east from ejido land to the west runs in a northwest direction through the centre of the project.

4.4.1 Private Land

The most important private land in the project area is a 1,098 ha ranch situated immediately east of the La Estanzuela Ejido with whom it shares a common boundary that trends north-south through the Las Chinas-La Soledad-Las Venadas zones and northwest-southeast through the Las Carolinas and San Gregorio zones. Prior to 2012, Groupo Northair had an access agreement with the previous ranch owner to carry out geological mapping, soil sampling, road building and drilling until Northair subsequently purchased the ranch.

4.4.2 Ejido

La Estanzuela Ejido owns a large land position including all lands immediately west of the Baca ranch as well as the ground covering the La Borracha zone and the approximately 2 km of on strike ground between La Borracha and the western boundary of the property.

In 2009 Northair signed an access agreement with the ejido which permits Grupo Northair unrestricted access to ejido lands for exploration purposes at no cost.

4.5 Environmental Liabilities

Other than some small scale underground vein mining operations carried out by independent, small-time miners over the last 10-40 years on the property, there are no mine workings, tailing ponds, waste deposits or other significant natural or man-made features on the claims and consequently the Property is not subject to any liabilities due to previous mining activities that may impact future development of the Property.

Northair's environmental permits for drilling activities are currently compliant with Secretario de Medios Ambiente y Recursos Naturales (SEMARNAT) policies. SEMARNAT is Mexico's environment ministry. Its head, the Secretary of the Environment, is a member of the federal executive cabinet and is appointed by the President of the Republic. The Secretariat is charged with the mission of protecting, restoring, and conserving the ecosystems, natural resources, assets and environmental services of Mexico with the goal of fostering sustainable development.

Northair is in the process of acquiring permits to conduct exploration and drilling on the Property in 2015.

Figure 4.2 La Cigarra Property Concession Map

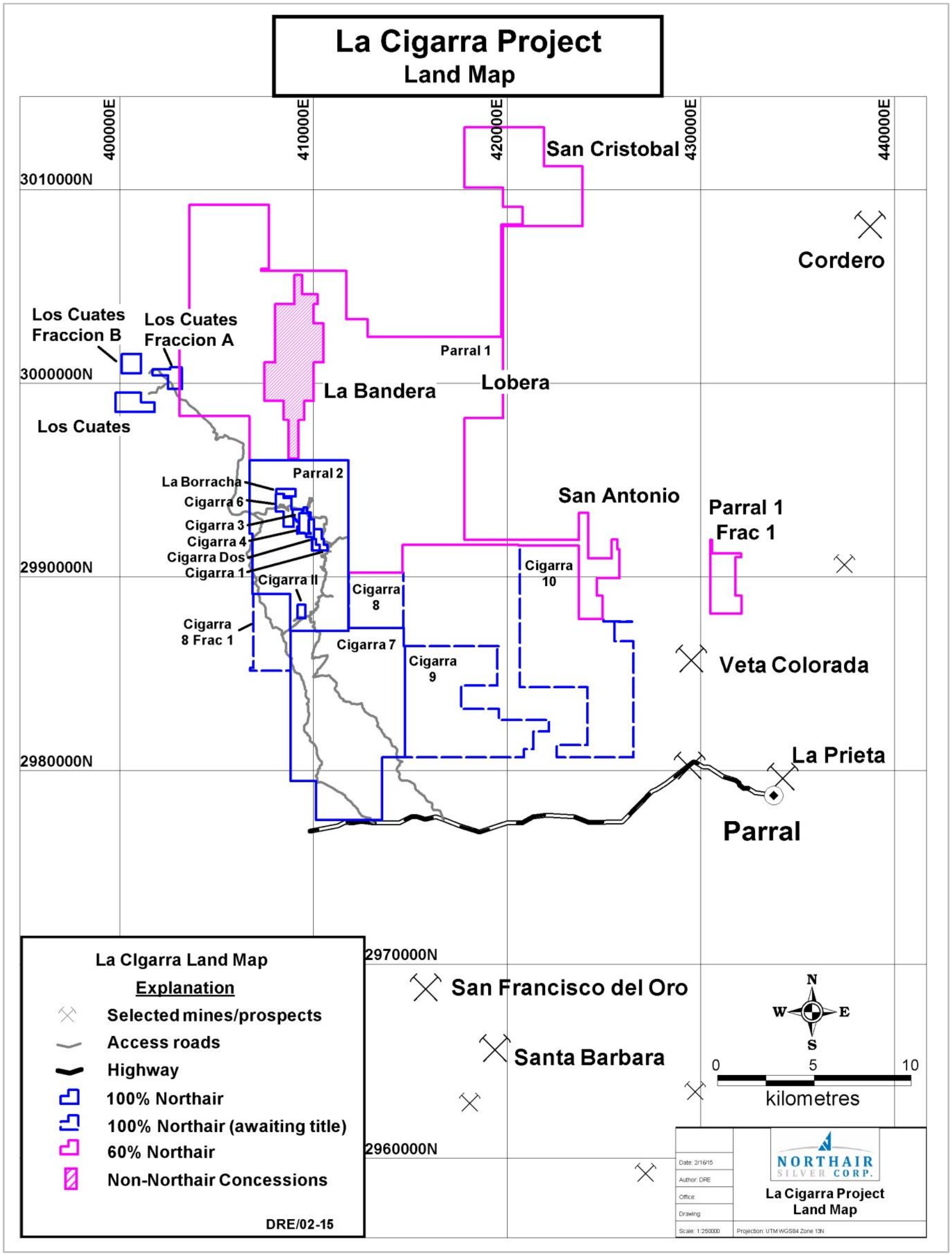
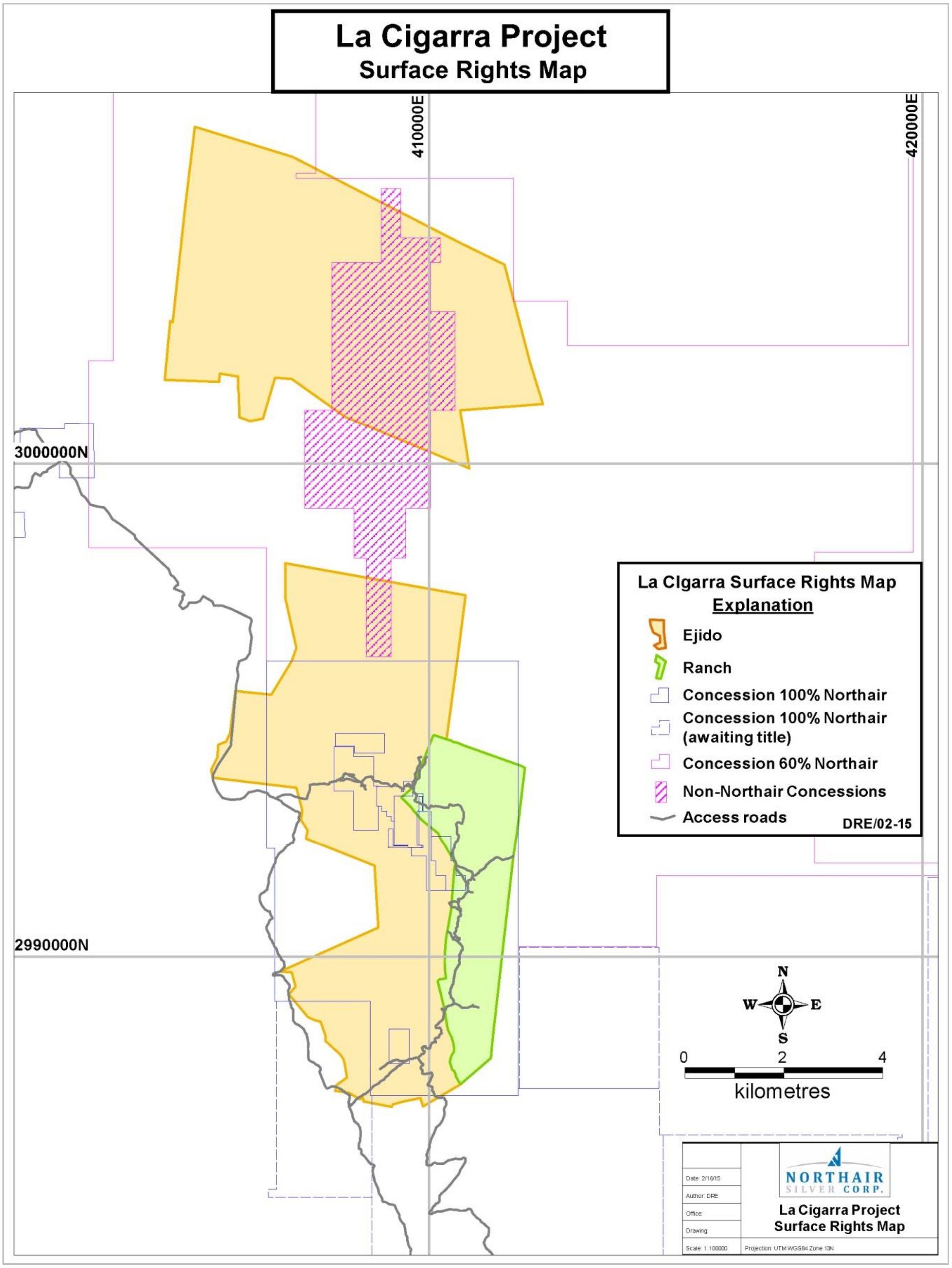


Table 4.1 La Cigarra Property Concessions

Concession Name	Title Number	Record Number	Owner	Area (ha)	Effective Dates	
Cigarra I	227521	16/33718	Grupo Northair de Mexico S.A. de C.V.	44.00	July 6, 2006	July 5, 2056
Cigarra II	230786	16/35375	Grupo Northair de Mexico S.A. de C.V.	28.00	Oct. 12, 2007	Oct. 11. 2057
Cigarra Dos	233964	16/36705	Grupo Northair de Mexico S.A. de C.V.	46.2521	April 30, 2009	April 29, 2059
Cigarra 3	226030	1/1/01532	Grupo Northair de Mexico S.A. de C.V.	27.6691	Nov. 15, 2005	Nov. 14, 2055
Cigarra 4	226029	1/1/01531	Grupo Northair de Mexico S.A. de C.V.	57.2273	Nov. 15, 2005	Nov. 14, 2055
Cigarra 6	216082	16/31035	Grupo Northair de Mexico S.A. de C.V.	103.4964	April 9, 2002	April 8, 2052
Cigarra 7	241784	16/46123	Grupo Northair de Mexico S.A. de C.V.	5,145.6091	Mar. 27, 2013	Mar. 26, 2063
Cigarra 8		16/46175	Grupo Northair de Mexico S.A de C.V.	806.7752		
Cigarra 8 Fracción 1		16/46175	Grupo Northair de Mexico S.A. de C.V.	761.4929		
Cigarra 9		16/46969	Grupo Northair de Mexico S.A. de C.V.	2850.1821		
Cigarra 10		16/47082	Grupo Northair de Mexico S.A. de C.V.	4167.2122		
La Borracha	219276	16/31617	Grupo Northair de Mexico S.A de C.V.	34.3932	Feb. 25, 2003	Feb. 24, 2053
Parral 1	240935	16/36730	Grupo Promotor Minero S.A. de C.V.	18,215.6470	Sep. 18, 2012	Sep. 17, 2062
Parral 2			Grupo Northair de Mexico S.A. de C.V.	3,696.9679		
Parral 1 Fracción 1	240936	16/36730	Grupo Promotor Minero S.A. de C.V.	388.2468	Sep. 18, 2012	Sep. 17, 2062
Los Cuates	237053		Grupo Northair de Mexico S.A. de C.V.	165.00	Oct. 22, 2010	Oct. 21, 2060
Los Cuates Fracción A	237054		Grupo Northair de Mexico S.A. de C.V.	100.00	Oct. 22, 2010	Oct. 21, 2060
Los Cuates Fracción B	237055		Grupo Northair de Mexico S.A. de C.V.	100.00	Oct. 22, 2010	Oct. 21, 2060
			Sub-total	**36,738.1713**		

Figure 4.3 La Cigarra Property Surface Rights Map



5 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 Accessibility

The Project is located in the southern part of the Mexican state of Chihuahua near the city of Hidalgo del Parral. Parral is best accessed by road from Chihuahua some 225 km to the north and the largest city in the state of Chihuahua with a population of about 843,000 people. Chihuahua is the political capital of the state and contains offices for many state and federal agencies overseeing mining operations and permitting. Chihuahua is also the closest city to the La Cigarra Project, serviced by an international airport. The General Roberto Fierro Villalobos International Airport (code: CUU) is located about 3 hoursô drive north from the Project by either free or toll Highways (Reeves and Arseneau, 2013).

Parral is serviced by two small local airports, open only for day flights. The larger airport is the J. Ernesto Lozano airport situated about 23 km ENE of Parral at UTM co-ordinates 458670 E and 2982995 N within Zone 13N, WGS 1984. The paved runway capable of handling small jets is 2,600 m long by 30 m wide. The second and smaller strip is the Frisco airport situated 8 km west of Parral on Highway 24 at approximately 422000 E and 2978000 N, Zone 13N, WGS 1984 (Figure 5.1). The paved runway is only 1,350 m long and caters mainly to small propeller airplanes.

From Parral the Project is accessible by taking Highway 24 (Hwy 24) west from the outskirts of Parral toward Guadalupe de Clavo (Figure 5.1). There are two options to reach the Deposit from Hwy 24; the west and the east access. The west access allows the Deposit to be reached from either the south or the north.

5.1.1 West access

After 18.5 km west on Hwy 24 turn north to a public gravel road to:

- South access

  Head north on the gravel road for 12.5 km before entering private land through a locked gate and heading northeast then east for about 10.5 km on a dirt road before arriving in the San Gregorio zone.

- North access

  Head north on the same public gravel road for about 21.0 km from the highway before heading east on a dirt road for 4.4 km.

5.1.2 East access

After 14.5 km west on Hwy 24 turn north to access the San Gregorio/Las Carolinas zones from the south by utilizing a new 25.5 km gravel and dirt road that cross private, gated land.

The newly constructed East Access option is the preferred access route as it is shorter and there are no arroyo crossings.

5.2 Climate

The project area is located in a semiarid climatic zone with average annual temperatures in the 17 to 18°C range. The warmest months are May through August where daily temperatures average in the 22-25°C and the coldest months are December to February where daily temperatures average 10°C to 12°C. The highest recorded temperature in the Parral area is 50°C while the coldest is -22°C.

The average annual precipitation is ~480 mm (19 inches) with about 70% of this occurring in the rainy season which extends from mid-June until late September. Rainfall is typically limited to heavy thunderstorms during the hot summer months. The driest months are February and March. Snow can occur at the higher elevations during the winter months but seldom lasts for more than a day or two. During the dry season from October to May, days range from mild to hot and nights from chilly to mild. Frosts are common though not persistent in the winter.

5.3 Local Resources

Parral is the closest city to the project with a population of about 105,000 as of April, 2014. It was established in the 1600ĝs as a silver mining town and continues to be a source of skilled and unskilled labour, that are mine oriented for exploration and for mining purposes, for the Santa Barbara and San Francisco del Oro mines which are located about 18 km west southwest of Parral. Housing and storage facilities, food, fuel and supplies are readily available in Parral.

5.4 Infrastructure

No permanent infrastructure exists on the Property although temporary base camps can be set up in a number of areas. Drill crews typically operate out of a temporary camp on site. Surface exploration completed on the Property is conducted out of house rented in Parral. As well core logging is completed in a large secure warehouse located rented near the house in Parral; drill core and samples are stored at the same facility. An additional secure warehouse (fenced) constructed by Northair is located immediately south of the Las Carolinas Zone on the Baca ranch land. Rejects from the reverse circulation drill program are stored at this warehouse.

Besides the two small airports and good road access from Parral, an 115kV electric transmission line extends from Parral to the operating mines of Santa Barbara and San Francisco del Oro, located approximately 17 km south-southeast of the La Cigarra (Reeves and Arseneau, 2013). Additional electric capacity is expected in the area by June 2015 according to Comision Federales Electricidades (CFE), the national electric company.

There are no rivers or large bodies of water in the immediate Project area; however water is available from the San Felipe de Jesus and Parral-Valle del Verano aquifers which underlie and are adjacent to the project area. It is anticipated water will be attained by purchasing existing permitted water concessions and/or wells in the area or by applying for new water rights from the government.

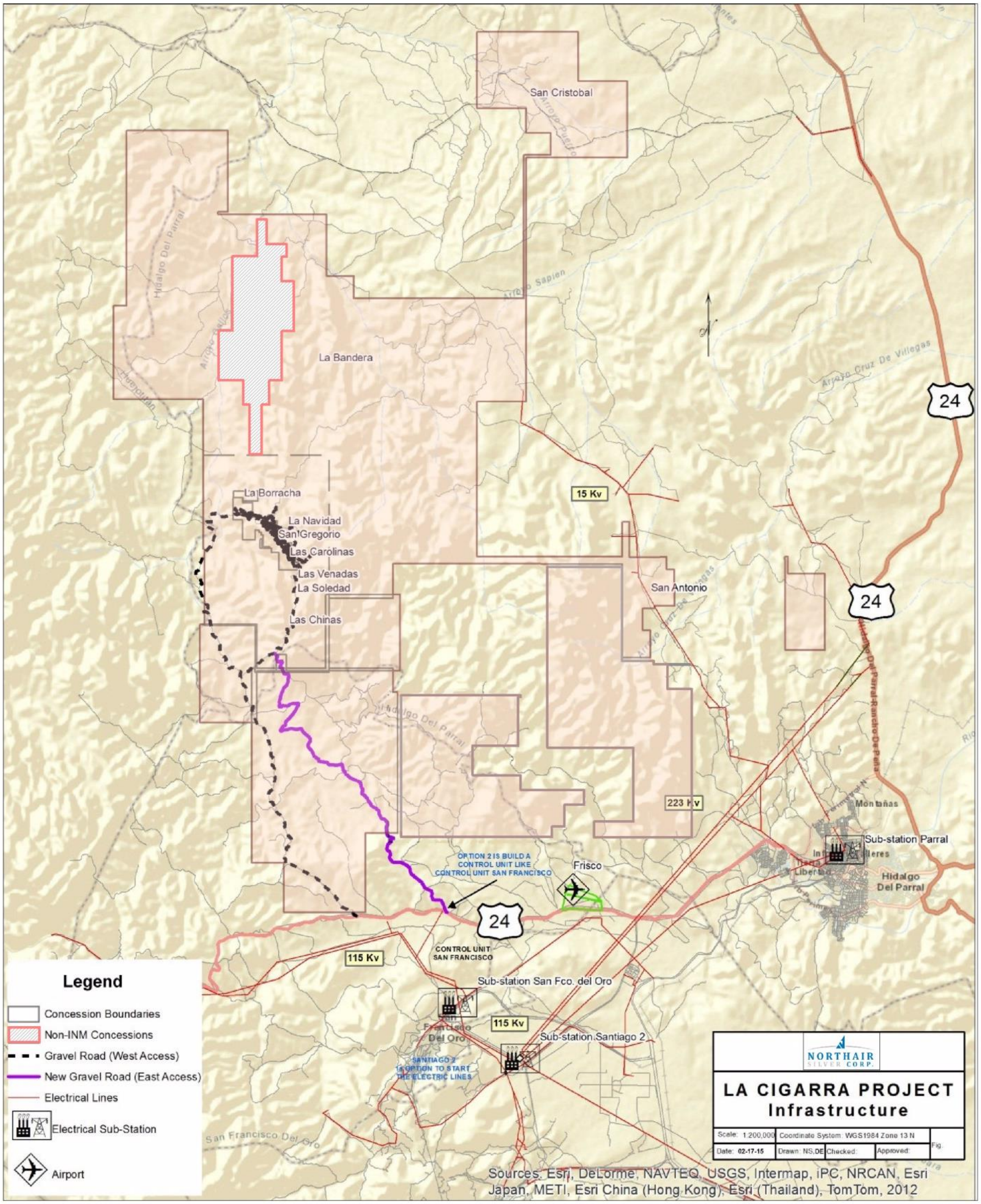
5.5 Physiography

The La Cigarra Project is located along the eastern flank of the Sierra Madres Occidental within the low lying hills of the Central Mexican Plateau. The Central Mexican Plateau, also known as the Mexican Altiplano, is a large arid-to-semiarid plateau that occupies much of northern and central Mexico. Averaging 1,825 m (5,988 ft) above sea level, it extends from the United States border in the north to the Trans-Mexican Volcanic Belt in the south, and is bounded by the Sierra Madre Occidental and Sierra Madre Oriental to the west and east, respectively.

The Property area is characterized by gently rolling ranch land with basalt and rhyolite topped mesas with steep, west facing cliffs along the eastern side of the concessions. The study area is situated between these mesas to the east and a north trending, grass and shrub covered, rounded ridge to the west. Small east facing cliffs occur sporadically along the ridge where zones of silicification and felsic intrusives outcrop. Elevations where drilling has taken place range from a high of about 1,960 m above sea level in the San Gregorio Zone to elevations typically in the 1,870 to 1,915 m above sea level range in the Las Carolinas Zone and down to a low of 1,705 m above sea level at the north end of the La Borracha Zone.

Vegetation in the area is best described as desert scrub and grassland and includes small stands of red and white oak with occasional mesquite and engordacabras (shrub). Scattered cacti include maguey, ocotillo and biznaga.

Figure 5.1 La Cigarra Project and Nearby Infrastructure



6 HISTORY

The earliest mining activity in the area dates back to the pre-Spanish conquest days when local natives mined oxidized material for decorative purposes in what is now the Santa Barbara Mining District (Reeves and Arseneau, 2013). The first recorded history of exploration dates back to 1536 when gold was discovered in the area. But it was not until 1563 when Spanish explorer Rodrigo del Rio discovered the Veta Mina del Agua deposit that mining really began. That led to the founding of the town of Santa Barbara in 1567 and the start of mining in 1575.

Between 1567 and 1616 numerous shallow, oxidized fissure veins were mined in the Santa Barbara District before the easily procurable ores ran out and wars with the local natives forced closure of the mines still operating.

In the early 1600's exploration activity shifted northeast to what is now the city of Parral where numerous small silver deposits were discovered before the important veins that became known as the La Negrita Mine (later renamed La Prieta) were discovered in 1629 and put in production in 1631. Exploration and discovery of small veins continued throughout the area for the next few decades before the rich veins that became known as the San Francisco del Oro District were discovered in 1658. Material from these veins was extracted from the San Pedro Mine which commenced production in 1659 and followed by the Clarines mine which started up in 1673.

Until about 1745, mines in the Santa Barbara-San Francisco del Oro-Parral Districts extracted silver and gold from oxidized zones that extended to depths of 30 to 300 m below surface. By this time many of the significant mines reached the sulphide zone and were abandoned until technological advances in water pumping and ore treatment allowed mining operations to progress to greater depths.

In the late 1800's larger, organized companies with significant capital started to take over the mines in the Parral. San Francisco del Oro and Santa Barbara Districts introduced new exploration and exploitation techniques that allowed mining to change from relatively small to large operations. In the Parral District these advances led to the discovery of a bonanza stockwork in 1901 that contained ores which were extracted over the next 25 years at the Palmilla Mine. In 1925 ASARCO purchased the La Prieta Mine and worked it until declining lead grades and silver prices forced its closure in 1975. Since then numerous small scale mines have operated in the district intermittently.

At San Francisco del Oro, an English company called Marine Mines of Mexico acquired a number of the mines in the district and worked them between 1880 and 1908. In 1913, San Francisco Mines Company of Mexico, another English company, took over the mines and by 1920 introduced selective flotation to increase production and recovery from sulphide ores. Today the mine is owned by Minera Frisco S.A.B. de C.V. who process about 4000 tons per day from underground mining operations and a further 10,000 tons per day from three open pits and treatment of old tailings.

In the Santa Barbara District the introduction of cyanide leaching and selective floatation in 1925-26 resulted in a substantial increase in sulphide reserves. The mine is owned by Grupo Mexico S.A.B. de C.V.

6.1 Exploration History

This section summarizes exploration work completed on the Property prior to completion of the technical report by Reeves and Arseneau (2013). Subsequent exploration completed on the property in 2013 and 2014 is described in sections 9 and 10 below.

Despite its proximity to the Santa Barbara and San Francisco del Oro Districts and evidence of good potential for vein and bulk tonnage silver deposits, past work on the Property appeared limited to numerous small, hand excavated pits and trenches (approximately 190 have been documented to date) with a number of larger workings established along veins occurring at the east dipping contact between Cretaceous turbidites and underlying Jurassic and Triassic rocks (Reeves and Arseneau, 2013). Most workings in the La Borracha and San Gregorio Zones are open drifts and cuts accessed by cross-cuts at or above the valley floor. In the Las Carolinas Zone, workings are generally underground drifts accessed by cross-cuts from the valley floor. A couple of steep shafts believed to be in the order of 10-30 m deep with undetermined amounts of drifting are located in the southernmost part of the Las Carolinas Zone and further south in the Las Venadas and La Soledad areas.

Total production from all workings appears to be considerably less than 60,000 tonnes and was carried out by independent, small-time miners over the last 10-40 years who high-graded silver and gold bearing oxidized material from the various veins before trucking the material elsewhere for processing.

Following a program of data compilation, property mapping and prospecting in early 2009, the six concessions that cover the La Borracha, San Gregorio and Las Carolinas Zones were optioned from three private individuals.

The La Cigarra Project was first visited in late 2008 by a prospecting crew working for Grupo Northair de Mexico under the supervision of Jim Robinson (Reeves and Arseneau, 2013). This program included taking 49 soil samples and 255 rock chip samples along a 3 kilometre trend of mineralization that returned values ranging from 1.2 g/t Ag and 1,940 g/t Ag and averaged 118 g/t Ag. Northair defined three potentially significant zones of silver mineralization from its initial sampling.

The first soil sampling in 2008 (49 samples) were collected from two contour lines coincident with and paralleling the trend of old workings and quartz veined outcrops through the San Gregorio and Las Carolinas zones. In May 2011 systematic grid sampling began over the La Borracha-San Gregorio-Las Carolinas zones with 1,377 samples collected at 50 m intervals from lines spaced 50 m apart. This work successfully outlined a 3.6 km long by typically 150 m but up to 300 m wide, open-ended, multi-element soil anomaly including Ag that can be traced from La Borracha in the northwest to Las Carolinas in the southeast.

In 2012, the grid soil sampling was extended south to cover the 3 km long area encompassing the Las Venadas-La Soledad-Las Chinas zones. Although most of the 148 samples were collected at 50 m intervals from lines spaced 100 m apart the work successfully extended the Ag soil anomaly a further 650 m south through the Las Venadas Zone before it showed a discontinuous series of anomalous values for a further 2 km through the La Soledad and Las Chinas zones.

As part of the reconnaissance, target identification work away from the La Cigarra zone, 417 soil samples were collected at 50 m intervals from two lines spaced 1200 m apart starting 2,200m south of Las Chinas. No anomalous values were obtained. Similar style sampling was also carried out over six widely spaced lines starting 5,100 m northeast of San Gregorio over what is now referred to as the La Bandera Area. A number of multi-element anomalies including Ag were obtained at the western end of two lines from the 255 samples collected over lines spaced 1200 m apart. Systematic follow-up exploration is warranted in this area where initial prospecting indicates similar stratigraphy to the La Cigarra system.

Since October 2008 when Northair crews first visited the property, 1,222 chip, channel and grab rock samples have been taken over the entire property. In the La Cigarra area, 296 of the samples have returned Ag values of 30g/t or greater with individual values ranging to 1,940 g/t Ag in La Borracha; 991 g/t Ag in San Gregorio and 707 g/t Ag in Las Carolinas. Collectively the rock samples have defined a strong, 4.25 km long, open-ended, multi-element anomaly with significant silver values that extends from La Borracha in the northwest to Las Venadas in the southeast.

In La Borracha strongly anomalous silver values occur over widths of 70-80 m on surface. At San Gregorio the anomalous silver values occur over an area up to 200 m wide. In Las Carolinas and Las Venadas, the same zone has returned strongly anomalous values in Ag over widths to 80 m. In addition, in the Las Venadas Zone, a second area with anomalous Ag values to 34ppm occurs 300 m west of the main trend and based on alignment with scattered anomalous Ag values to the northwest, may reflect a parallel mineralized structure that occurs on the west limb of the La Cigarra anticline.

Rock sampling further south has yielded anomalous silver values in the La Soledad area where restricted sampling has yielded silver values to 86 ppm Ag over an area 700 m north-south by at least 10-15 m wide that parallels the road. Further south, scattered rock sampling has yielded anomalous values to 199 ppm Ag over an area 750 m long by 500 m wide in the Las Chinas area. Additional, systematic sampling is required in both the La Soledad and Las Chinas areas to better define the targets for drill testing.

In late December 2012, fifty-four samples were collected over a very wide area in what is now called the La Navidad Zone. Although sampling is widespread and irregular, anomalous values to 63.7 ppm Ag were obtained along a 330 m long, northwest trending interval underlain by altered stratigraphy with drusy quartz veining that is identical to that encountered in the San Gregorio Zone situated 500-600 m to the southwest. The similarity in geology, alteration and style of mineralization make the parallel, La Navidad structure a high priority target for future exploration work.

Property geological mapping at 1:2500 scale was carried out by consulting geologist Tom Chapin from Reno Nevada. The work was conducted in three separate phases. The initial mapping which focused on the San Gregorio-La Borracha Zones was carried out in May-June 2011. A second phase which focused on the southern portion of San Gregorio and the Las Carolinas zones was carried out in November-December 2011. The third phase of mapping which focused on the area south of Las Carolinas including Las Venadas, La Soledad and Las Chinas and to a small degree at the La Navidad Zone east of San Gregorio was conducted in November-December 2012.

In November-December 2012, DFX were contracted to carry out detailed geological mapping and rock sampling over the La Bandera area approximately 5.1 km northeast of the San Gregorio Zone. Initial results are encouraging with the identification of north-south striking, Jurassic stratigraphy, similar to that exposed at La Cigarra, which is parallel to and concordant with an open-ended Ag soil anomaly.

In conjunction with the field work, three separate petrographic studies on 55 pieces of drill core and hand samples were carried out between mid-2011 and early 2012. These include a thin and polished section study of 13 pieces of drill core, a thin and polished section study of 34 rock samples and a thin and polished section study of 8 pieces of drill core.

A detailed ground magnetic survey was carried out by SJ Geophysics Ltd. of Vancouver, British Columbia in May 2011. Approximately 50 line km of surveying was conducted with readings taken every 12.5 m on lines spaced 50 m apart extending from 17+00N in La Borracha down to 8+00S in Las Carolinas. Total magnetic intensity, reduced to the poles, shows a strong magnetic high underlies much of the San Gregorio and northern half of the Las Carolinas zones and likely reflects an underlying hornblende diorite body that was intersected at depth in a couple of San Gregorio drill holes. A very pronounced and sharp margin to the magnetic high that parallels the grid at about San Gregorio grid line 4+25N suggests a fault contact. The southern contact by contrast is quite gradual with magnetic values diminishing between Las Carolinas grid lines 1+50S and 3+50S.

In May-June 2010, fifteen reverse circulation holes were drilled, totalling 1,455.4m. The program was successful in testing the three known mineralized targets on the property and intercepted significant widths of altered and mineralized sediments and intrusive rocks. Results obtained in the three zones included: 138.7 g/t Ag over 13.7 m in Las Carolinas (CRC-10-001); 95.7 g/t Ag over 51.8 m in San Gregorio (CRC-10-006) and 32.7 g/t Ag over 21.3 m in La Borracha (CRC-10-015).

In December 2010, Northair commenced its initial core drill program and by the end of 2012 had completed 24,202 meters of core drilling in 139 HQ sized core holes (Appendix 1). Significant results of this drilling are presented in Appendix 2.

6.2 2013 Resource Estimate

In February 2013, Northair announced the results of a maiden NI 43-101 Resource Estimate completed by Arseneau Consulting Services (ñACSò) in conjunction with JDS Energy and Mining Inc. (JDS) (see Northair news release dated February 26, 2013 and posted on SEDAR).

The maiden resource estimate was calculated based on results (18,678 assay records) from 143 of 154 holes totaling 25,657 metres drilled along the La Cigarra mineralized system. The 143 holes included in the initial resource estimate were positioned within a potentially surface minable mineralized area comprised of the San Gregorio and Las Carolinas mineralized zones, which combined for a total strike length of 2.1 kilometres. The resource estimate was constrained by a Whittle™ pit shell at a silver price of $29/oz and reported at an economic cutoff grade of 30 g/t of silver (Table 6.1). The optimization parameters were selected based on benchmarking against similar projects and the scoping level metallurgical testing conducted in 2011 and 2012. Highlights of the previous mineral resource estimate released in 2013 are as follows:

- Measured and Indicated mineral resources of 50,494,000 ounces of silver within 20,755,700 tonnes at an average grade of 76 g/t silver;
- Inferred mineral resource of 3,515,900 ounces silver within 1,780,000 tonnes at an average grade of 61 g/t silver;
- Significant by-products include 40,100 ounces of gold in the measured and indicated categories as well as appreciable lead and zinc values.

The mineral resources of the La Cigarra Project are sensitive to cut-off grade. To illustrate this, the block model quantities and grade estimates within the conceptual pit are presented in Table 6.2 at different cut-off grades.

For the resource estimate a block model with dimensions of 10 x 10 x 10 metres was utilized as were composite samples of 2.0 metres in length. Grades for silver, gold, lead and zinc were interpolated into resource blocks by the Ordinary Kriging (ñOKò) interpolation method. Grades were capped to 500 g/t silver in the high grade portion of the mineralization and 1500 g/t in the lower grade portions of the mineralization.

Bulk density was estimated in the model using dry density measurements (617 dry measurements). The dry density was determined by weighing a piece of core in air and then weighing the core wrapped in plastic immersed in water. Dry density measurements averaged 2.26 for oxide mineralization, 2.42 for sulphide mineralization. Density was estimated into blocks by inverse distance square (ñID2ò) interpolation method.

Mineral resources were classified as Measured if at least three (3) drill holes were found within a 75 x 50 x 25 metre search radius. Blocks were classified as Indicated if two (2) drill holes were found within a 75 x 50 x 25 metre radius and block were classified as Inferred if at least three (3) drill holes were found within a 100 x 75 x 30 metre search radius.
The initial Measured, Indicated and Inferred mineral resource estimate by JDS and ACS was disclosed in compliance with NI 43-101 and was estimated in conformity with generally accepted CIM ñEstimation of

Mineral Resource and Mineral Reserves Best practicesò guidelines, including the critical requirement that all mineral resources ñhave reasonable prospects for economic extractionò.

The ñreasonable prospects for economic extractionò requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, GeoVector considers that major portions of La Cigarra mineralization are amenable for open pit extraction.

In order to determine the quantities of material offering ñreasonable prospects for economic extractionò by an open pit, ACS, with the assistance of JDS used WhittleÊ pit optimization software and reasonable mining assumptions to evaluate the proportions of the block model (Measured, Indicated and Inferred blocks) that could be ñreasonably expectedò to be mined from an open pit. There are no mineral reserves on the La Cigarra Project. The results of the pit optimization are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cut-off grade.

The optimization parameters, found in Table 6.3 below, were selected based on experience and benchmarking against similar projects. Two phases of scoping level metallurgical testing were conducted in 2011 and 2012 (see section 13 below). These results are summarized in Table 6.3.

Table 6.1 Mineral Resource Statement, San Gregorio/Las Carolinas Zones, La Cigarra Project, February 26, 2013 (Reeves and Arseneau, 2013)

Category	Tonnes*	In-Situ Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lb)	Zn (lb)
Measured	6,235,000	65	0.06	0.1	0.16	13,090,800	12,100	13,161,500	21,706,600
Indicated	14,520,700	80	0.06	0.1	0.14	37,402,800	28,100	32,924,700	45,983,100
Meas + Ind	**20,755,700**	**76**	**0.06**	**0.1**	**0.15**	**50,494,000**	**40,100**	**46,086,200**	**67,689,700**
Inferred	1,780,150	61	0.05	0.1	0.12	3,515,900	3,000	3,959,300	4,865,700

** Mineral resources are reported in relation to a conceptual pit shell at a 30 g/t silver cut-off. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.*

Table 6.2 Mineral Resource within Resource Shell at Various Cut-off Grades, San Gregorio/Las Carolinas Zones, La Cigarra Project, February 26, 2013 (Reeves and Arseneau, 2013)

CLASS	Cut-off	Tonnes* (000)	Ag (g/t)	Ag (oz)	Au (g/t)	Pb (%)	Zn (%)
Measured	>100 Ag g/t	803	137	3,548,500	0.08	0.14	0.17
	> 50 Ag g/t	3,571	85	9,741,200	0.07	0.11	0.18
	> 40 Ag g/t	4,753	75	11,434,300	0.06	0.11	0.17
	>30 Ag g/t	6,235	65	13,090,800	0.06	0.10	0.16
	>20 Ag g/t	8,220	56	14,676,900	0.06	0.08	0.14
	> 10 Ag g/t	11,689	43	16,301,200	0.05	0.07	0.12
Indicated	>100 Ag g/t	3,578	156	17,968,000	0.08	0.15	0.19
	> 50 Ag g/t	9,235	104	30,834,800	0.07	0.12	0.17
	> 40 Ag g/t	11,273	93	33,763,100	0.06	0.11	0.16
	>30 Ag g/t	14,521	80	37,402,800	0.06	0.10	0.14
	>20 Ag g/t	19,539	66	41,381,600	0.06	0.09	0.13
	> 10 Ag g/t	27,714	51	41,381,600	0.05	0.07	0.11
Inferred	>100 Ag g/t	160	139	717,400	0.06	0.15	0.18
	> 50 Ag g/t	936	82	2,467,000	0.06	0.12	0.15
	> 40 Ag g/t	1,252	73	2,920,200	0.06	0.11	0.14
	>30 Ag g/t	1,780	61	3,515,900	0.05	0.10	0.12
	>20 Ag g/t	2,497	51	4,091,200	0.05	0.09	0.11
	> 10 Ag g/t	3,386	41	4,689,300	0.05	0.08	0.09

** The reader is cautioned that the figures presented in this table for cut-off values below 30g/t silver should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade.*

Table 6.3 Assumptions Considered for Conceptual Resource Shell Optimization (Reeves and Arseneau, 2013)

Parameter	Value	Unit
Silver Price	29.20	US$ per ounce
Lead Price	1.00	US$ per pound
Zinc Price	0.95	US$ per pound
Mining Cost	2.00	US$ per tonne mined
Processing (Sulphide Material)	15.00	US$ per tonne of sulphide feed
Processing (Oxide Material)	12.00	US$ per tonne of oxide feed
General and Administrative	1.00	US$ per tonne of feed
Overall Pit Slope	45	degrees

Parameter	Value	Unit
Silver Flotation Recovery	84	Percent
Lead Flotation Recovery	75	Percent
Zinc Flotation Recovery	60	Percent
Silver Leach Recovery	90	Percent
Lead Payable	95	Percent
Silver Payable in Lead Conc.	95	Percent
Zinc Payable	85	Percent
Silver Payable in Zinc Conc.	70	Percent
Silver Dore Payable	100	Percent

7 GEOLOGICAL SETTING AND MINERALIZATION

The following description of the regional and Property geology has been extracted from the recent technical report on the Property by Reeves and Arseneau (2013). Much of the understanding of the Property geology comes from recent detailed mapping by Tom Chapin in 2011 and 2012 (Chapin, 2012; 2013).

7.1 Regional Geological Setting

The La Cigarra property is located along the eastern flanks of the Sierra Madre Occidental ("SMO") Volcanic Province (Figure 7.1) within the north-east portion of the Central Mexican Silver Belt ("CMSB"). The SMO mountain range extends for more than 1,500 km in a north-westerly direction through the northern half of Mexico. This mountain range is the erosional remnant of a significant accumulation of intermediate to felsic volcanic rocks, which formed a calc-alkaline magmatic arc that was built during Eocene to early Miocene time, roughly 52 to 25 million years ago, in response to subduction of the Farallón tectonic plate beneath North America, (Ferrari et al., 2007). The CMSB is a north-westerly aligned, metallogenic province which stretches approximately 900 km along the SMO Mountains. It is defined by a number of silver mining districts including Guanajuato, Zacatecas, Fresnillo, and Santa Barbara-San Francisco del Oro as well as the mining districts of Parral, Santa Maria del Oro, and Sombrerete-Chalchihuites (Figure 7.2). Medium to high-level hydrothermal systems variably enriched in Ag, Pb, Zn, Au and to a lesser extent Cu, Sb, As, Hg, and F were intermittently generated during the extended period of volcanism which formed the SMO mountain range.

The oldest rocks in the region are Triassic continental sandstone beds that transgressed from the northeast to cover the Grenvillian metamorphic basement and are similar to exposures on the North American continent. During the late Triassic to early Jurassic the Guerrero island arc formed on the west margin of proto Mexico. Arc sediments were deposited into the back ark basin as a shallow sea began to form over most of Durango and Chihuahua. During the late Jurassic the back arc basin began to rift and arc sediments were no longer deposited over the area. During the late Jurassic, continental flysch deposits were replaced by arkosic calc-arenite and calcareous mudstone deposits of the Las Casitas Formation (Fm).

In the Cretaceous, reefs and carbonate platform deposits formed along the Coahuila-Aldama peninsula that lies to the east of Chihuahua. In the Chihuahua area, most of the early Cretaceous sequence is missing. By the mid Cretaceous, the Mezcalera Formation (deep water and distal slope sediments derived from the peninsula) was deposited largely as in situ mudstone, lime mudstone and turbidites. At the end of the Cretaceous, Laramide compression thrusted and folded the carbonate sequence eastward over the La Casitas Formation. The upper Jurassic and Cretaceous rocks were most affected by thrusting and the older rocks have much less deformation.

The earliest igneous history of the area is related to the island arc and rift events that produced calc-alkaline andesite that is found as sills and dikes in the Jurassic and older rocks. Basaltic andesite sills and andesite epiclastic deposits are found throughout the project area including rocks as young as the Cretaceous Mezcalera Fm. The Laramide Orogeny produced the copper porphyry suites that underlie much of the Sierra Madre but exposures are not present in the field area. Late Eocene to early Oligocene porphyries are known in most of the mining districts in Chihuahua and Durango and are probably related to the onset of calc-alkaline volcanism (lower andesite complex) of the Sierra Madre Occidental. Subsequently, the igneous activity changed to predominantly alkaline rocks that form the huge ignimbrite flows that mantle the region.

During and after this latter phase, rifting and normal faulting related to the opening of the Sea of Cortez has formed a series of horsts and graben across the region. In the field area, the La Cigarra ridge is probably a horst block that forms a window through the volcanic cover.

7.2 Property Geology

The property as mapped by Servicio Geologico Mexicano (SGM) on map sheets G13-47 (San Antonio del Potrero) and G13-A57 (Santa Barbara) is underlain by a series of northwest-southeast trending horsts and grabens where the La Cigarra zone is an up-lifted block exposing some of the oldest rocks in the area. The vast majority of the property is underlain by Lower Cretaceous shales and limestones with ñwindowsò of underlying Lower Cretaceous sandstone exposed in an approximately 4.5 km long, cigar shaped body in the La Cigarra area, a 6.5 km long, similar shaped body 4 km north and 3 km east and in a broad area covering the extreme northwest corner of the property (Figure 7.3; **Error! Reference source not found.**).

Unconformably overlying the Lower Cretaceous stratigraphy and outcropping southwest of La Cigarra and in the eastern portions of the property are Paleogene andesites which are capped by slightly younger rhyolite pyroclastics and ignimbrites. Neogene aged polymictic conglomerates fill grabens in the northeast corner of the property and over much of the ground occurring south of Las Chinas. A small plateau immediately southeast of Las Chinas is unconformably capped by Neogene aged basalt flows.

Within the La Cigarra area (from La Borracha in the north to Las Chinas in the south) detailed mapping by Tom Chapin in 2011 and 2012 (Chapin, 2012; 2013) indicates the rocks are part of an approximately 4.5 km long, north northwest striking block that has been uplifted, folded into an anticline and tilted to the north (Figure 7.5; Figure 7.6; **Error! Reference source not found.**). It has exposed basement, Triassic rocks in the south and is cut-off by a left lateral normal fault to the north.

Figure 7.1 Tectonic Stratigraphy of Mexico (from Reeves and Arseneau, 2013)

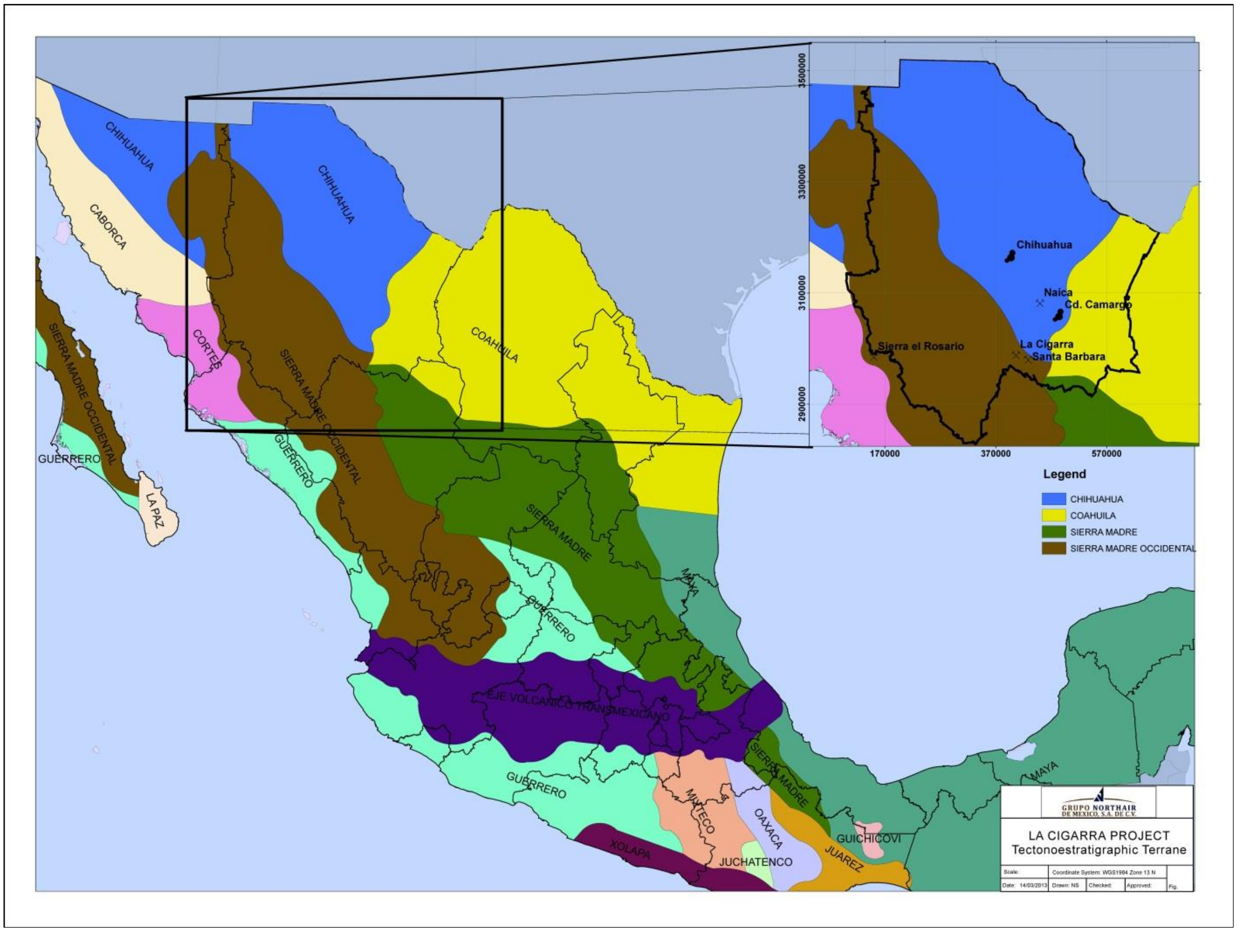


Figure 7.2 Mexican Silver Belt (from Reeves and Arseneau, 2013)

Figure 7.3 La Cigarra Regional Geology

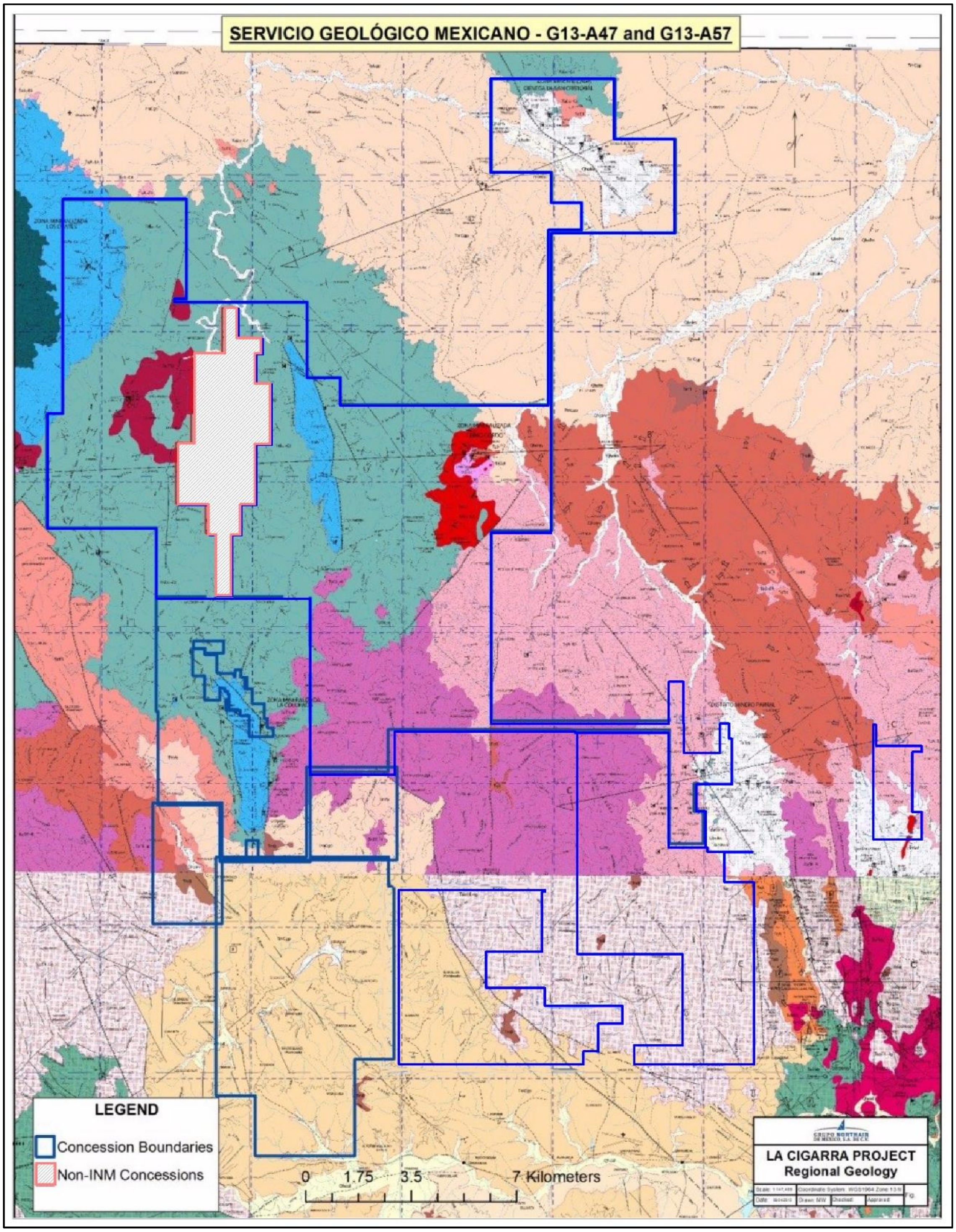


Figure 7.4 La Cigarra Regional Geology – Legend for (from Reeves and Arseneau, 2013)

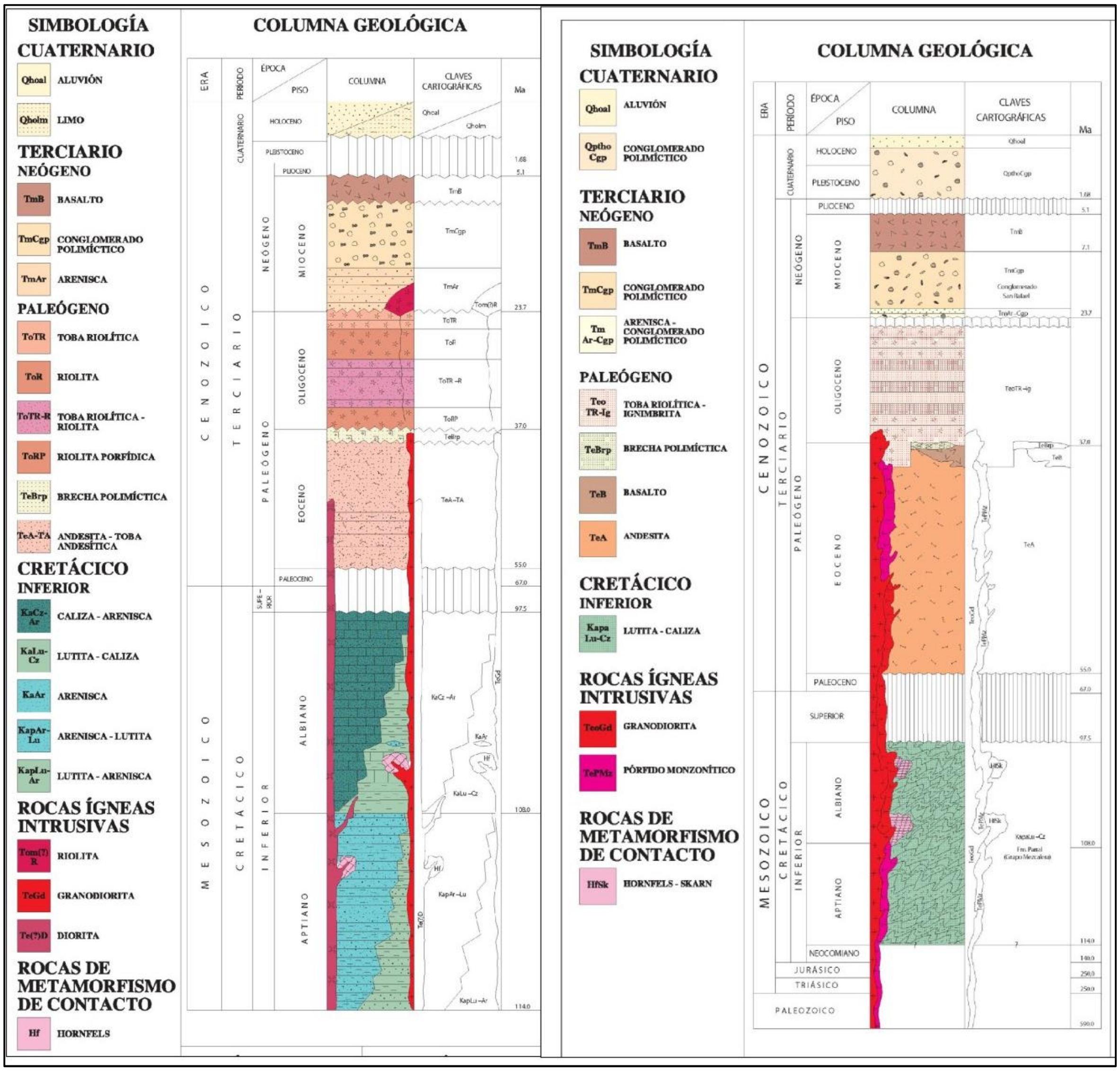


Figure 7.5 La Cigarra Geology – Northern Half (from Reeves and Arseneau, 2013)

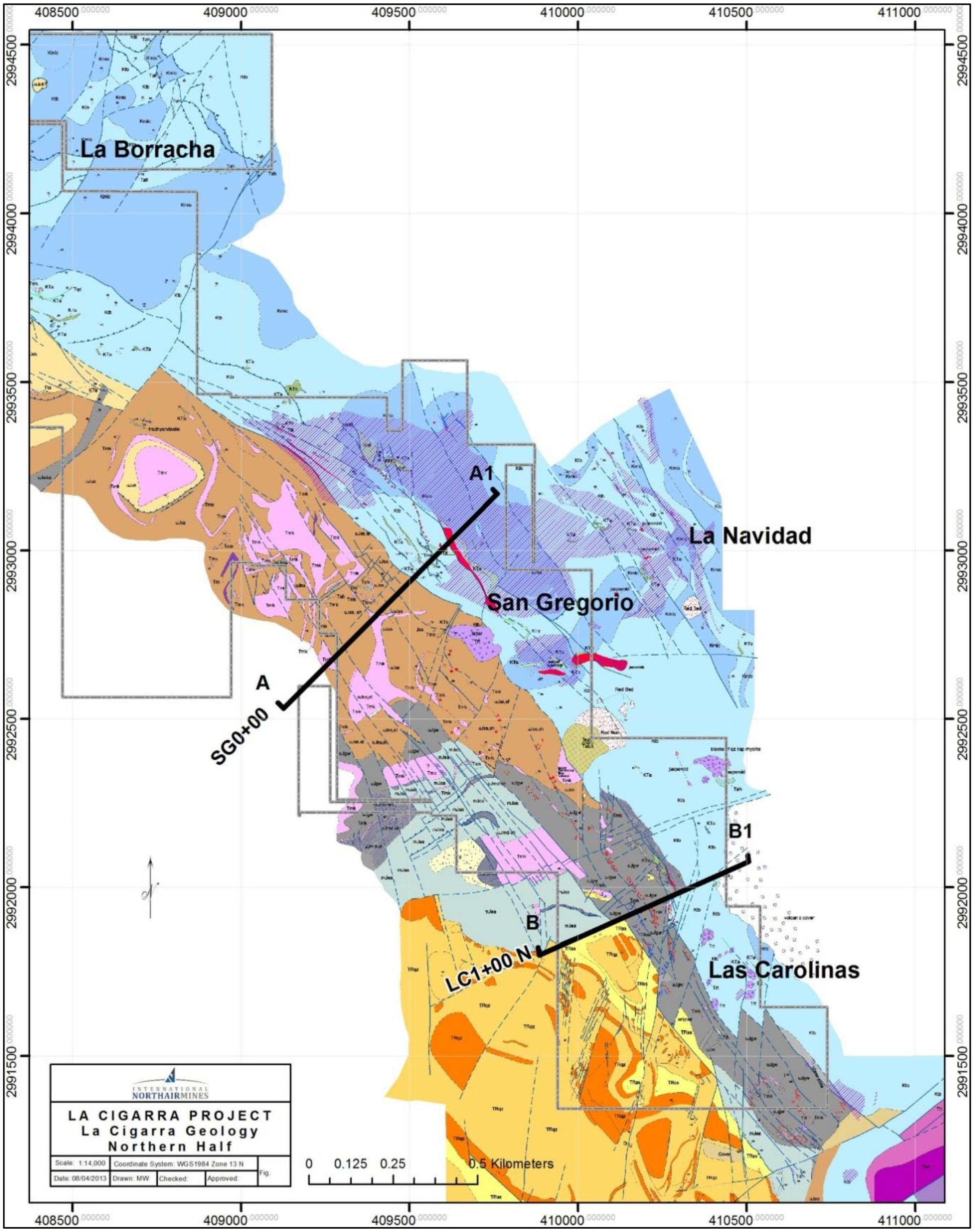


Figure 7.6 La Cigarra Geology – Southern Half (from Reeves and Arseneau, 2013)

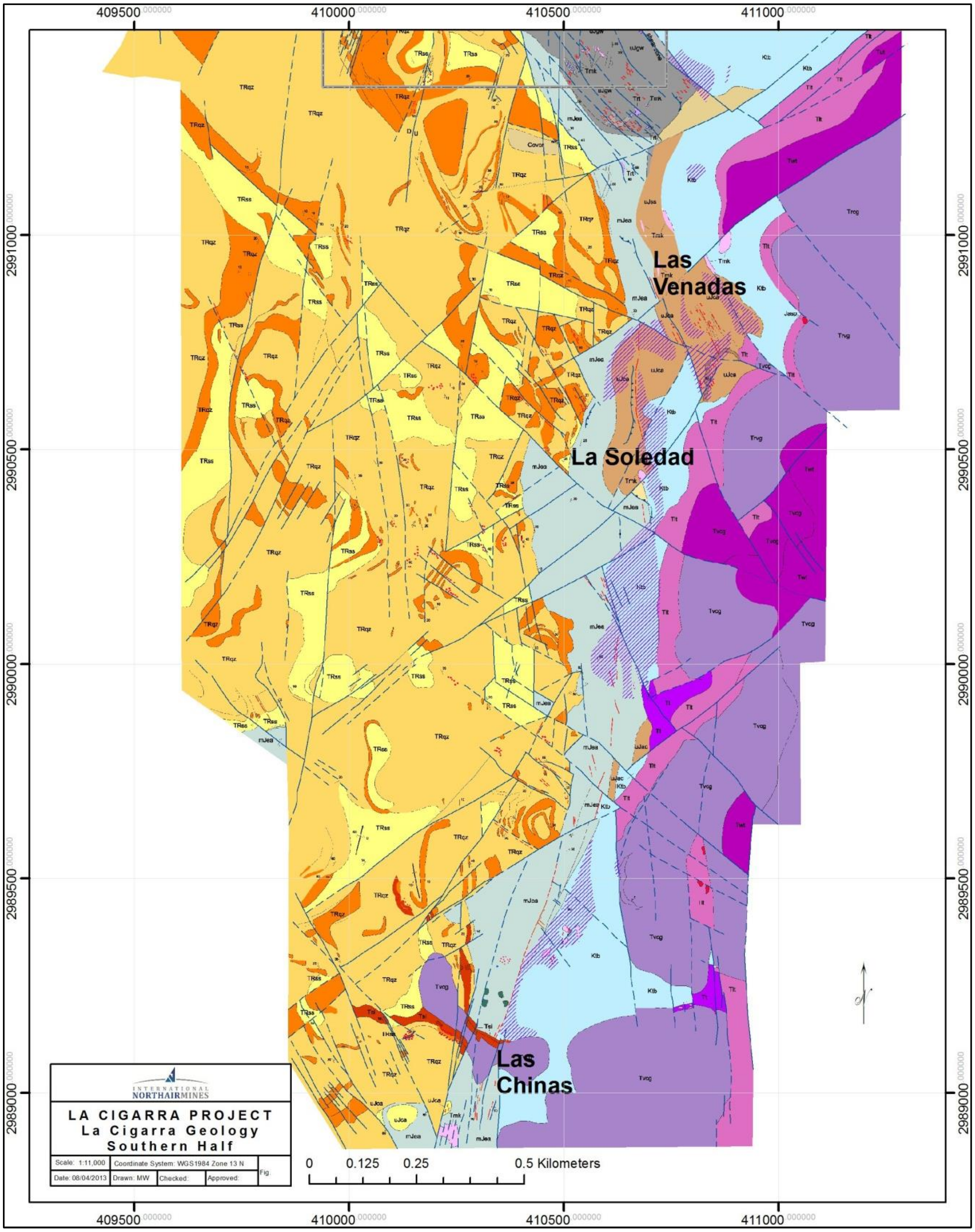
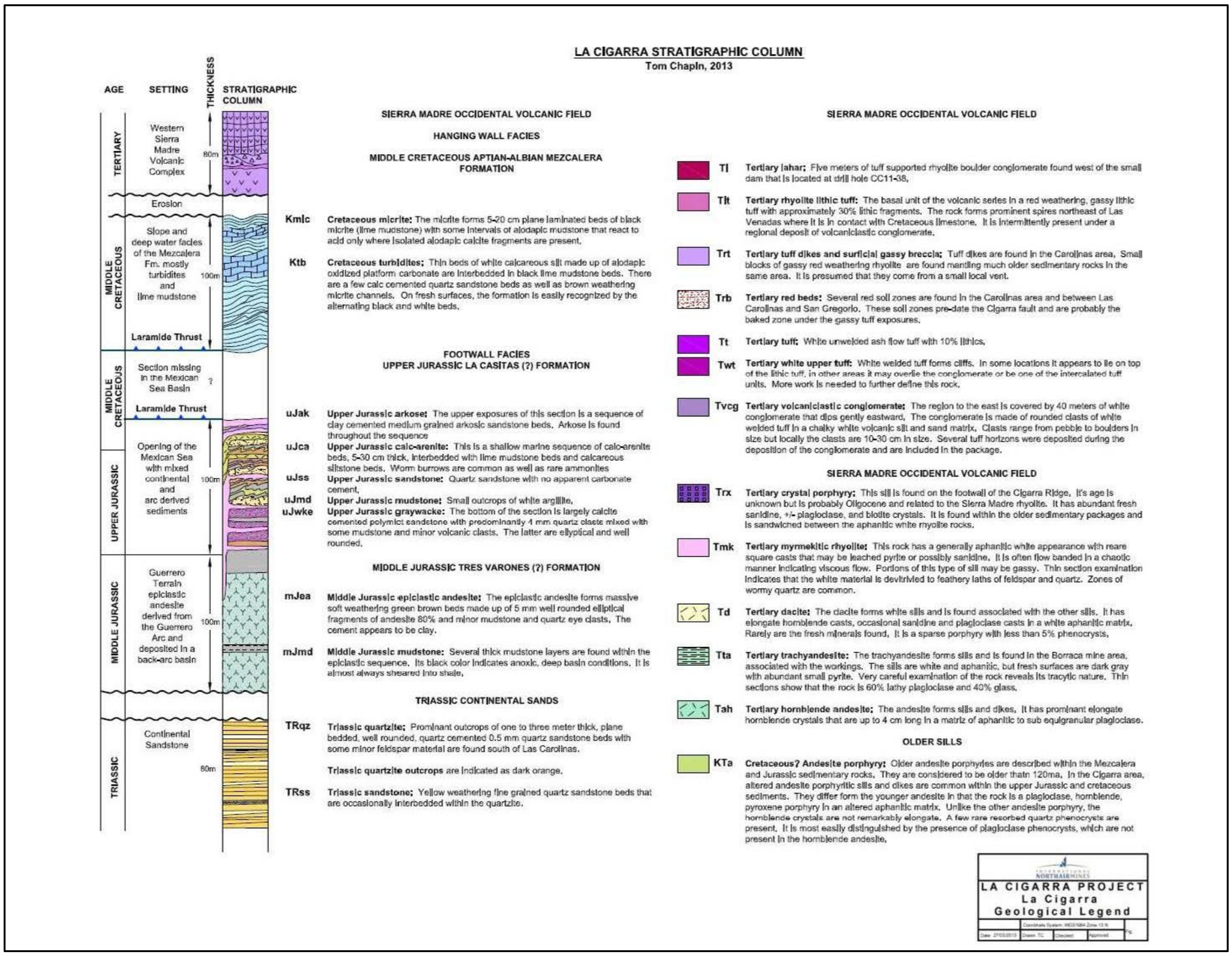


Figure 7.7 La Cigarra Geology – Geological Legend for Figure 7.5 and Figure 7.6 (from Reeves and Arseneau, 2013)



7.2.1 Stratigraphy

The Triassic rocks, which outcrop over the southwest quarter of the La Cigarra area, are composed of continental derived, quartz rich sands which now exist as relatively thickly bedded, resistant, quartzite and quartz-rich sandstone with minor, poorly sorted, inter-bedded greywacke beds. These are unconformably overlain by Middle Jurassic rocks of the Tres Varones Formation (Fm) composed predominantly of back-arc basin, volcanic derived, quartz-poor sediments. They outcrop immediately north and east of the Triassic stratigraphy in the northwest corner of the Las Carolinas Zone and along the road in the Las Venadas, La Soledad and Las Chinas Zones to the south. Rock types include black mudstone (deep basin) that is almost always sheared into shale and lithic wackes.

Conformably overlying these sedimentary rocks are Upper Jurassic, quartz-bearing sandstones of the assumed La Casitas Formation. Rock types include calc-arenites, siltstones, wackes and arkosic sandstone. The wackes outcrop along the eastern margin of the Triassic stratigraphy throughout the entire Las Carolinas Zone and have been intersected in drill holes throughout the San Gregorio Zone where they occur at depth due to the northerly plunge. The sandstones, calc-arenites and siltstones outcrop throughout the western half of the San Gregorio Zone and the western portion of La Borracha. The arkosic sandstone beds, which have only been noted high up in the Upper Jurassic stratigraphy, outcrop in La Borracha and immediately south of the fault separating La Borracha from San Gregorio.

Throughout the eastern half of La Borracha, San Gregorio, Las Carolinas and to a small extent in Las Venadas, La Soledad and Las Chinas, thinly bedded to laminated, calcareous, mudstones (turbidites) of the Middle Jurassic, Mezcalera Formation that in turn are overlain by thin to moderately bedded Middle Cretaceous limestones (micrites) sit on top of the Jurassic stratigraphy. It is believed the Middle Cretaceous rocks have been thrust overtop the Jurassic and Triassic rocks in the La Cigarra project area but further works needs to be done to confirm that idea.

In the map area, Tertiary (Paleogene) aged rhyolite ignimbrites, tuffs and re-worked equivalents including polymictic breccias unconformably overly the Cretaceous turbidites to the east from the southern half of the Las Carolinas Zone extending southward through Las Venadas, La Soledad and Las Chinas.

7.2.2 Intrusive Rocks

Surface mapping and core drilling has identified three broad types of intrusive rocks including:

7.2.2.1 Middle Cretaceous Porphyritic Rocks

The most prevalent and likely oldest intrusive within the area being drilled is a Middle Cretaceous aged, fine to medium grained, porphyritic granodiorite to dacite which occurs as sills throughout the Middle Cretaceous stratigraphy. Variations in texture and appearance are in part due to alteration and likely reflect multiple-phases of a similar intrusive that has been lumped into one rock type by different mappers. Thin section work indicates the feldspar phenocrysts are k-spar and mafics are hornblende though they are frequently altered and have been leached out. Within the silver zone, contacts to the sills are typically brecciated and/or sheared. At depth in a number of core holes within San Gregorio and La Borracha, medium grained, hornblende +/- pyroxene diorite (possibly gabbro) intrudes Middle Cretaceous turbidites. The fresh-looking intrusive contains traces of finely disseminated chalcopyrite.

7.2.2.2 Tertiary Felsic Rocks

Throughout the Jurassic and Cretaceous stratigraphy a variety of Tertiary aged, cream to light green to pale pink coloured, fine grained to aphanitic felsic sills and dykes have been mapped. Some contain quartz eyes, some exhibit flow-banding characteristics and others contain thin (1-2mm) drusy quartz veins. For mapping purposes the rocks have been sub-divided into three general types:

- Tertiary dacite: forms white sills; have elongate hornblende clasts; less than 5% phenocrysts.
- Tertairy myrmekitic rhyolite: aphanitic white appearance; exhibits chaotic flow-banding; zones of ñwormyòquartz are common.
- Tertiary crystal porphyry: abundant sanidine +/- plagioclase and biotite crystals. On cross-sections the above felsic intrusives were ñlumpedòtogether as Tertiary rhyolite.

7.2.2.3 Tertiary Andestic Rocks

A set of Tertiary hornblende andesite and trachyandesite dykes and sills have been mapped within the Cretaceous and Jurassic sediments. The andesite contains hornblende crystals to 4 cm long in an aphanitic to fine grained groundmass. The trachyandesite occurs as white, fine grained to aphanitic, feldspathic rich sills with aligned feldspars and up to 40% glass.

7.2.3 Structural Geology

There are two predominant types of structures in the region, Laramide thrusting and folding that occurred in the late Cretaceous early Tertiary, and Miocene basin and range block faulting. Evidence of the Laramide thrusting can be seen on the outskirts of Parral where Cretaceous sediments are chevron folded, and at the northern entrance to the property where spectacular isoclinal and chevron folds are exposed. Miocene basin and range faulting created a horst called the La Cigarra ridge, which forms a window through the Sierra Madre volcanic field. The conduits for mineralization are a combination of older thrust fabric and the younger extensional events.

7.2.3.1 Laramide thrusts (70-80 Ma)

The thrust faults are very important producers of porosity in the district and evidence from several areas indicate that both the sills and thick zones of mineralization are controlled by low angle faults. Drill holes CC11-09 (San Gregorio section 0+00N) and CC11-13 (Las Carolinas section 1+50N) are examples where thick thrust zones are intruded by bedding parallel sills surrounded by halos of mineralization. Though thrust faults are found throughout the map area, they are much less common in the Triassic and lower Jurassic rocks (Figure 7-7). The upper Jurassic rocks on the other hand are much more affected, particularly the part of the section called the Las Casitas. The Cretaceous Mezcalera formation is also cut by numerous thrusts and folds. Regionally, lower Cretaceous rocks are missing. It is logical to presume that it has been cut out by the Laramide thrust and that the Las Casitas calc-arenite Fm. forms the footwall of this structure and the Mezcalera Fm is the hanging wall.

There is some evidence that the Triassic rocks may also be allochthonous. In several locations Jurassic epiclastic andesite is found apparently underneath the Triassic. The Triassic quartzite is not a simple open fold following the axis of the La Cigarra ridge. Detailed mapping within the unit shows that there are several small scale folds within the overall geometry. In the south portion of Las Carolinas an asymmetric anticline-syncline pair verge to the east. The steep limb is almost vertical; the other limbs dip gently to the west indicating transport to the east.

The significant benefit of thrust faulting is that the penetrative deformation it causes provides excellent porosity for younger mineralizing fluids.

7.2.3.2 Extensional faults

The Cigarra fault system extends from well south of Las Chinas to north of the La Borracha workings. Individual strands of the system have different strikes forming an arc from NW in the La Borracha area to NNE south of La Soledad. The fault system lies on the east flank of the La Cigarra ridge and separates older footwall facies from the younger hanging wall which is exclusively Cretaceous north of Las Carolinas. South of the El Cajon wash, the fault is found in older rocks, generally the Las Casitas Fm or the Jurassic epiclastic rocks. In the Las Chinas area, the fault strikes NNE and the mineralized portions of the fault lie within the epiclastic rocks. The age of this fault is not known, but north south trending block faults are common to Chihuahua and are part of the western continental extension event. On the other hand, the La Cigarra fault is mineralized which might suggest an Oligocene date similar to other deposits in the region.

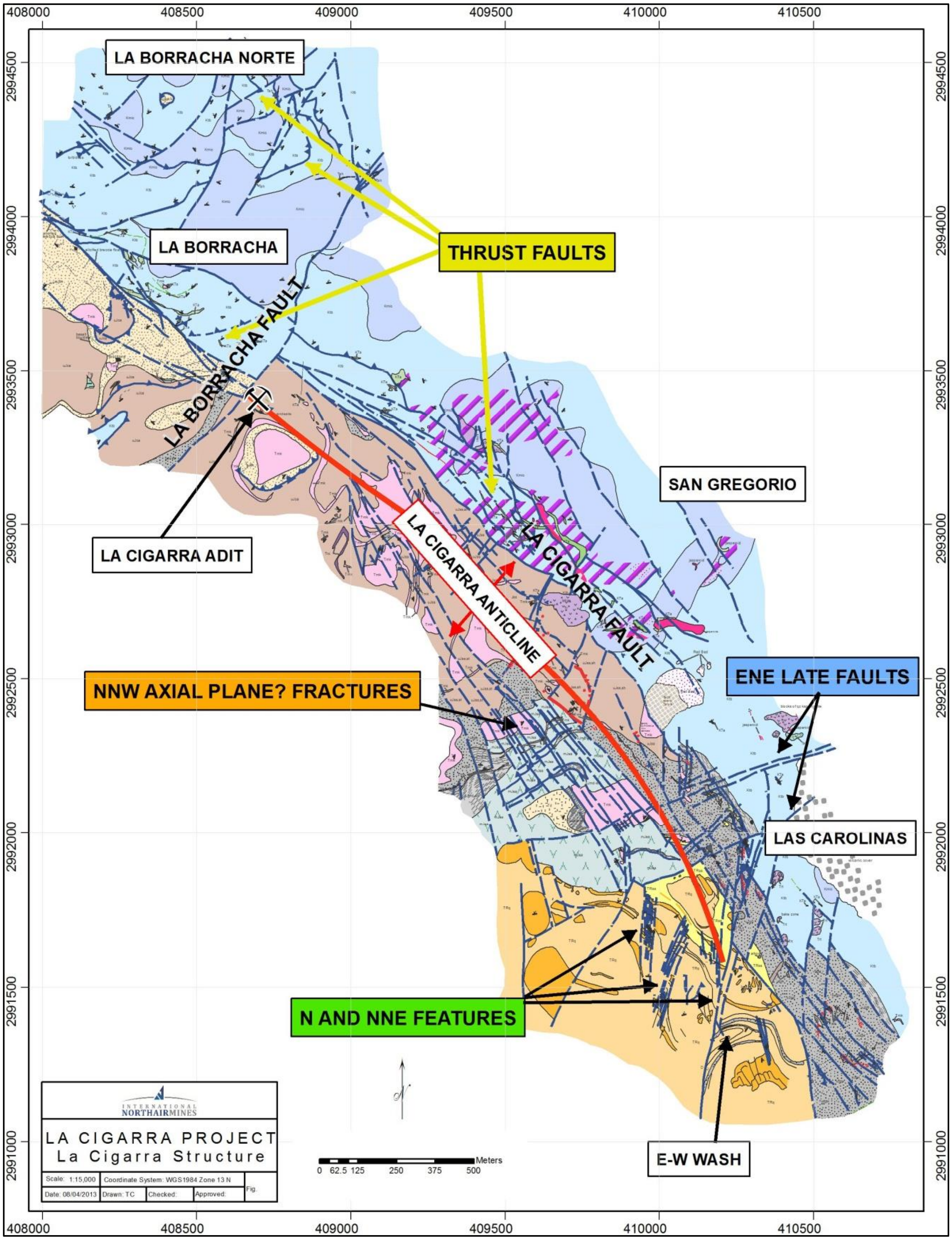
In the north, some sills are found to be folded along the axis of the La Cigarra ridge which suggests that they predate some of the folding. On the east side, the sills dip east and on the west side they dip west and some fold noses are present on the crest. The easiest explanation is that the sills are drag folded after emplacement by movement on the La Cigarra fault. One sill in the footwall contains barite casts related to the hydrothermal event. It forms a scarp along the Cigarra fault and indicates post mineral movement along the main San Gregorio part of the fault.

Several N50E striking faults must also have been present during mineralization since the miners exploited pockets with that orientation both along the main fault and in the low angle fault in the San Gregorio footwall. In the latter area, a small N50E dike is present. One instance of a 60 cm wide sulfide bearing quartz vein with a N55E strike was noted on the crest of the La Cigarra ridge. This implies that the stress regime was almost equal in the NNW and NNE directions and that the cause could have been doming related to the many sills in the area prior to Miocene faulting.
Small NNW trending faults are found throughout the foot wall. Since they are associated with argillic alteration and arsenic anomalies, they probably formed concurrent with mineralization. Some could be axial plane faults that parallel the La Cigarra anticline. In the Las Carolinas area little NNW structures displace a myrmekitic sill exposing alteration underneath. In the southern block, south of El Cajon, quartz veining with limonite favors the NW direction.

7.2.3.3 Other Faults

Several large scale faults with an ENE strike are expressed in our ground magnetic survey. In the Las Carolinas area, there is a structure that divides the quartzite from the epiclastic andesite.

Figure 7.8 La Cigarra Structure (from Reeves and Arseneau, 2013)



7.2.4 Alteration

The alteration suites identified on the property are highly influenced by the host rock. In general, the quartz dominated rocks such as greywacke, sandstone and calc-arenite are likely to create clay, vein quartz and alter readily to limonite.

The carbonate hanging wall is much less permeable and tends to buffer ascending fluids. Consequently, the hanging wall is generally altered to jasperoid, zones of decalcification, and calcite veining above the decalcified zones shown as purple in Figure 7.9 and Figure 7.10.

7.2.4.1 Foot Wall Alteration Suite

- Clay Species

To date most of the clay referred to on the alteration map has been identified where sufficiently obvious with a hand lens. Most is believed to be illite. In the foot wall, the calc-arenite and epiclastic andesite alter readily to clay probably due to the presence of fine clay and silt size particles in the original rock. The sandier species can be more porous and are associated with coarser clays such as sericite and fine white mica.

Dickite is the clay most strongly associated with silver and is found in many of the drill holes. It can be identified by its titanium white color, glossy to pearly luster and it can be resolved by hand lens into small flakes. It is a common hydrothermal mineral associated with many silver districts in volcanogenic settings. Some pyrophyllite is also present, usually in the middle of the hydrothermal imprint. Its luster and color is similar to dickite but it has a higher degree of crystallinity and platy or needle like forms may be seen. Sericite is common to the La Cigarra ridge area, particularly associated with quartz. Sometimes the sericite is white mica or identified as phillite, particularly in the San Gregorio mine area. Le Couteur has identified sericite and adularia in thin section. The suite of illite through pyrophillite in association with adularia and either dolomite or bladed calcite is typical of epithermal deposits such as the famous Comstock mines.

- Quartz Veins

Good examples of the main quartz veining is mostly absent on the surface since it is mined out. Some dumps had coarse crystalline to drusy quartz veins that show secondary brecciation. This rock probably had pyrite and manganese associated with it. Since it is still on the dumps, it is not the principal ore carrier. Several veins of dense pyrite bearing quartz were found on the top of La Cigarra ridge, extending from Las Carolinas to San Gregorio. Weak disseminated wormy quartz and silicified breccia is associated with the central fracture zone. The area is weakly anomalous where it has been sampled. In the area south of Las Carolinas, quartz veins in the quartzite are vuggy and do not form distinct banding. However, where they are associated with gossans with mimetite and limonite in the open spaces, they generally carry silver, lead and arsenic.

Stockwork quartz veining is quite common. Stockwork veining is abundant on the east flank of the Cigarra ridge and has been encountered in the lower parts of angle holes that penetrate the fault into the footwall and in the transition zone from the Mezcalera Fm to the Casitas Fm. The stockworks form irregularly shaped veins and masses that do not appear controlled by a systematic stress regime. The vugs in this material are filled by silver bearing galena and sphalerite.

Sterile straight sided quartz veins with systematic orientation commonly form networks within the Triassic quartzite. These may have formed due to regional stress. Quartz goethite veins found in the axes of small folds within the quartzite, on the other hand, carry silver.

Barren quartz is ubiquitous associated with the myrmekitic rhyolite and is found as quartz breccia blocks that obscure the presence of the mineralizing system. Most of the quartz has irregular boundaries indicating that it is not a cross cutting feature but shared the same temperature as the host rhyolite.

- Barite and or Bladed Calcite

Barite is commonly found in most workings and dumps along the La Cigarra Fault. It is found both in quartz veins and in black calcite veins. Some bladed casts associated with myrmekitic rhyolite are found on the east side of the La Cigarra crest. The presence of alpha veining in the same rock suggests that the mineral timing is associated with the intrusion as it is unlikely that it could crystallize in the solid rock. It is not known whether the casts are barite, calcite or some other bladed mineral. However, barite seems the most likely since the entire footwall is anomalous in barite with values commonly well above 1,000 ppm with highs over 7,000 ppm. Distal areas, such as the La Borracha Norte, on the other hand, had values well under 500 ppm of barite. One concern with the barite association is that it is ubiquitous. There is the possibility that the original source of barite came from basin brines similar to the brines that form domes and traps in the oil fields on the northeast side of Mexico. Thrusting and folding in the Saltillo (Coahuila, MX) area is made possible due to the presence of gypsum layers within the lower carbonate strata and probably similar material lubricates the thrust faulting in the Parral region.

7.2.4.2 Hanging Wall Alteration

The hanging wall rocks are all carbonate. As such, argillic alteration is much weaker and quartz veining is much less common. The most important alteration suite has decalcification and jasperoid. The exceptions are small sills of andesite that are argillically altered and have halos of limonite and hematite.

- Jasperoid

Jasperoid is hereby defined as the passive replacement of a carbonate rock by the process of the removal of calcium carbonate and the introduction of silica leaving the original rock textures essentially unaltered. Jasperoids commonly are darker weathering than the surrounding carbonates, often contain open fractures and may form blobby masses due to their resistance to weathering. Many jasperoids are found in the San Gregorio area.

Zones of decalcification and silicification are common in the drilling in the San Gregorio and the upper portions of the Las Carolinas project. The black and white turbidites that are encountered in the drilling change character from reactive non mineralized turbidites to non-reactive turbidites in the mineralized zones. Therefore, decalcified sediments overlie hidden zones of breccia where silver bearing fluids were deposited on low angle structures. It is common for jasperoids to overlie zones of mineralization in Carlin type deposits and the jasperoids on this property behave similarly.

- Decalcification

Decalcification is more properly called decarbonitization since it is the process where CO2 gas is released from carbonate during hydrothermal alteration. On the alteration map it is designated Dc. Generally, hanging wall mineralization zones are decalcified, but only partly silicified.

- Clay

In the hanging wall, clays are almost always associated with intermediate igneous rocks and the mineralized zones. As previously discussed, the most common clay in the mineralized zones is dickite.

- Limonite and Hematite

Disseminated pyrite is not common in the limestone section. As a consequence, iron oxides are only found associated with andesite intrusions and hydrothermally altered faults. The jasperoid areas, for example, commonly have limonite and red iron oxide.

- Black calcite veins

Several black calcite veins are found east of the Las Carolinas historic workings mine as well as east of Las Chinas, in the hanging wall carbonates. The black color may be due to the remobilization of carbon away from a hydrothermal system. However, the veins could be manganese bearing. Generally the veins do not have silver values but they are often associated with quartz veins that carry ore. The Las Chinas workings cross-cut four black calcite veins located at the contact between carbonate and clastic rocks.

Figure 7.9 La Cigarra Alteration - Northern Half (from Reeves and Arseneau, 2013)

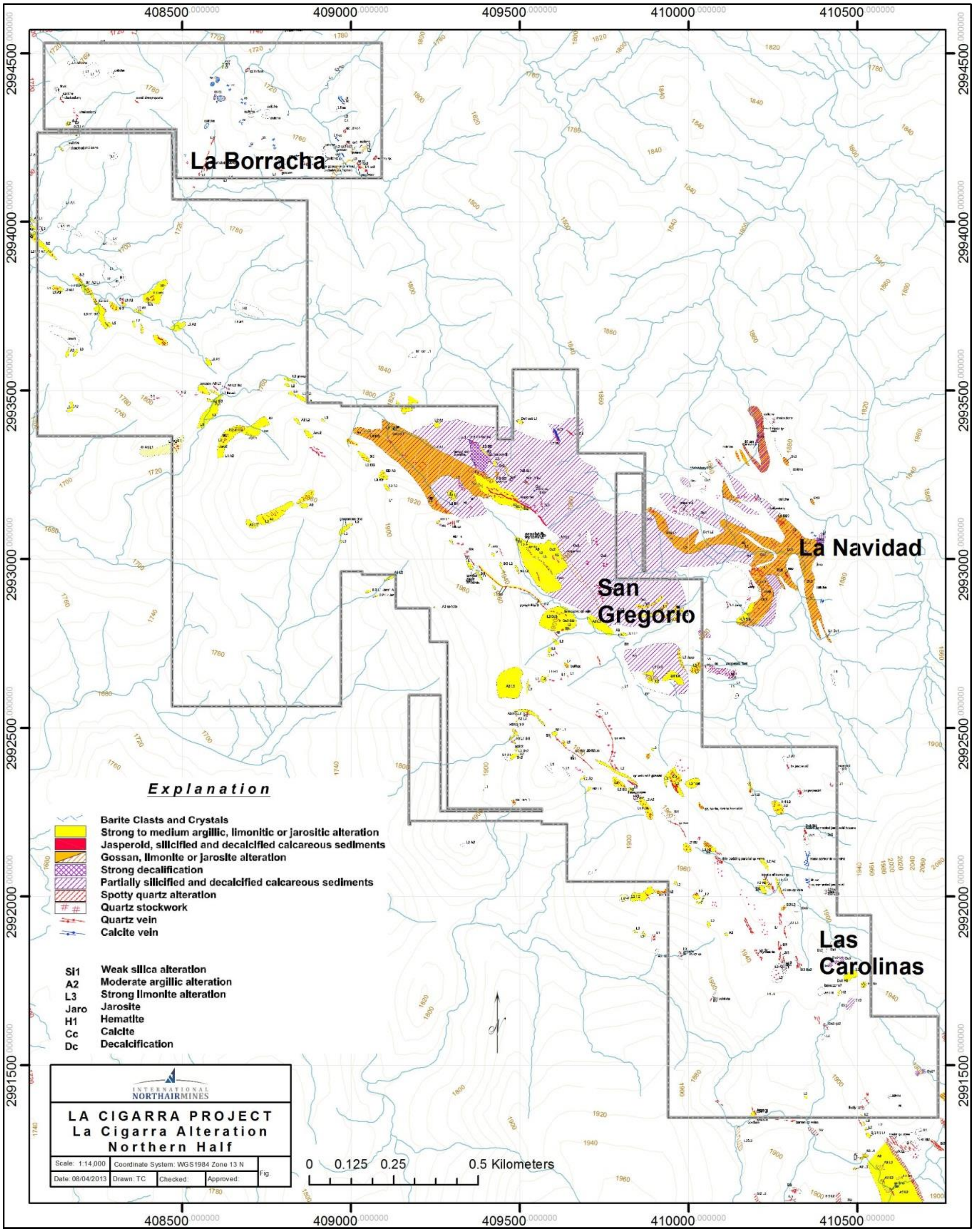
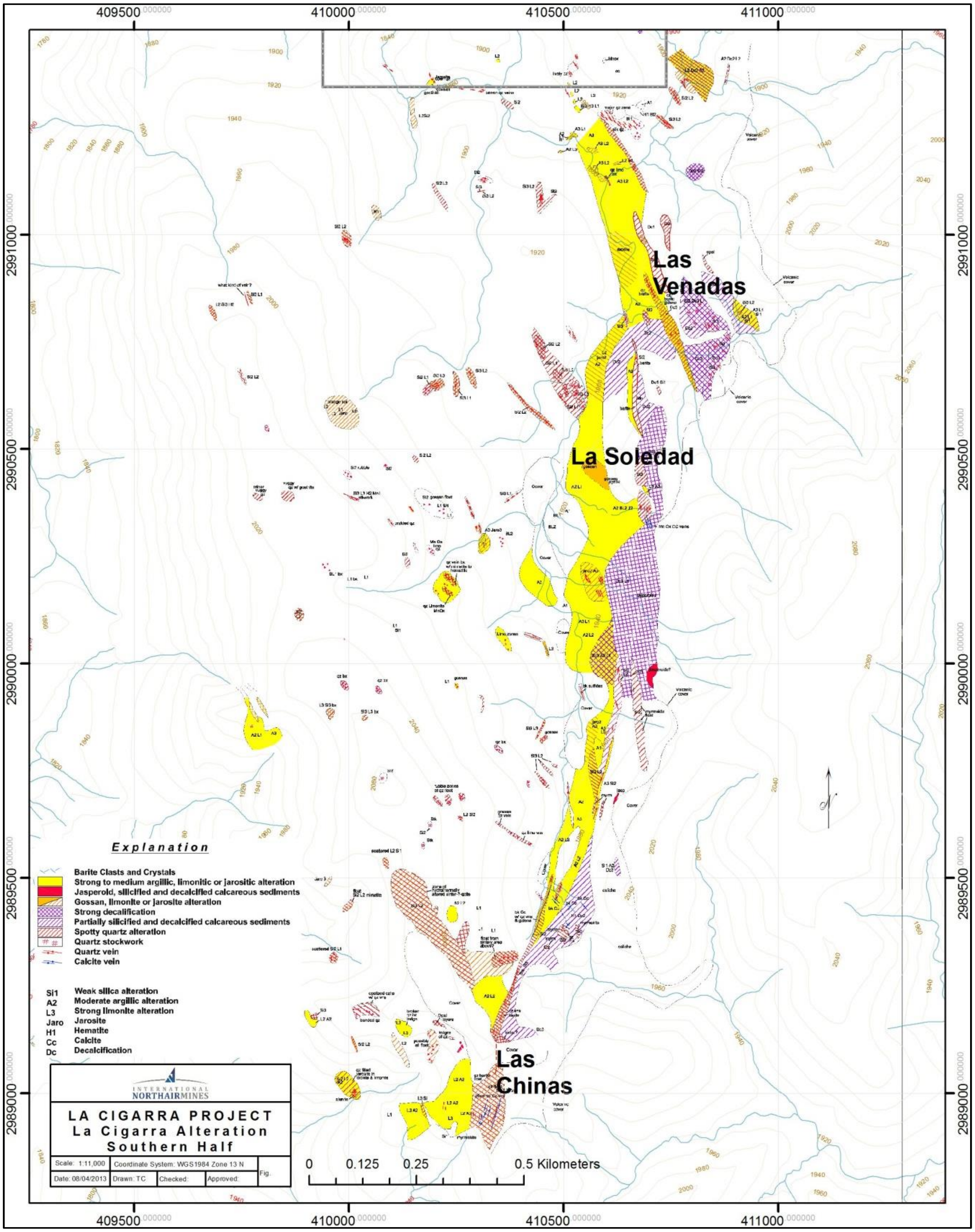


Figure 7.10 La Cigarra Alteration – Southern Half (from Reeves and Arseneau, 2013)



7.3 Mineralization

The Deposit consists of silver grades with low gold, lead and zinc values contained in drusy quartz veins, stockwork and silicified, brecciated zones parallel to stratigraphy. Approximately 80% of the deposit consists of sulphide minerals. The upper 20% of the deposit has been partially oxidized.

7.3.1 Structural Control

The structural control of the La Cigarra deposit is evident in its high length to thickness ratio where surface sampling and drilling have traced silver mineralization for over 5,900 m in a north-south direction while thicknesses, based on silver values of 20 g/t or greater is more typically in the 20-80 m range and averages about 40 m thick.

7.3.1.1 Compressional Deformation

These faults and structures related to the Laramide thrusting are responsible for forming the La Cigarra anticline and the associated axial planar fractures and faults noted along its crest and western flank (Figure 7.8). In the San Gregorio Zone, the north northwest striking axial planar fractures are often associated with strong argillic alteration (Figure 7.9; Figure 7.10) related to anomalous Ag, Au, As, and Sb values in soil and rock samples. In Las Carolinas the same style of alteration with corresponding anomalous Ag, Au, As and Sb values in soil and rock occurs in faults developed along the west flank of the La Cigarra anticline (Figure 7.8). None of these targets has been thoroughly prospected, trenched or drill tested.

7.3.1.2 Extensional Deformation

These faults, which are part of the horst and graben forming event at the close of the Eocene, include the La Cigarra Fault that follows the eastern flank of the La Cigarra anticline (Figure 7.8) and is related to the silver deposit and resources discussed in this report. Itôs believed the La Cigarra Fault system acted as conduits for the fluids that produced the sulphide-bearing quartz veins carrying silver, gold, lead and zinc values. Itôs also quite likely this is the same fault system that is responsible for the San Francisco del Oro and Santa Barbara mines, 23 km to the south south east at La Cigarra is believed to have acted as conduits.

7.3.2 Lithologic Control

Silver mineralization outlined at La Cigarra occurs in bedding parallel zones that have been intersected in San Gregorio between 1,975 m (section 1+50N) and 1,650 m (section 0+00) above sea level. Silver-lead-zinc-gold values typically occur in 1-4, higher-grade intervals ranging between 5 and 46m in width that occur within a broader mineralized envelope that ranges up to 120 m in true width. Mineralized zones typically dip northeast at 50° to 55° although some variability does occur.

Drilling has traced the zones at least 400 m down dip (Figure 7.11) and 290 m vertically from surface (section SG 1+00S). The mineralization remains open to depth and along strike on all sections.

In the San Gregorio Zone mineralization occurs in thinly bedded, de-calcified Cretaceous mudstones (turbidites) and to a small extent in immediately underlying Jurassic greywackes and occasionally in strongly altered, Cretaceous, granodiorite or Tertiary andesite, dacite and rhyolite intrusives. Grades are best developed in highly brecciated, bedding parallel zones (thrust faults?); in brecciated contact envelopes surrounding the granodiorite; and at the contact between the underlying Jurassic stratigraphy with the overlying Cretaceous rocks.

In the Las Carolinas Zone mineralization occurs predominantly in Jurassic greywackes with minor siltstone and sandstone beds and to a lesser extent in overlying de-calcified Cretaceous mudstones (Figure 7.12).

Occasionally significant silver values occur in Tertiary rhyolite sills and dykes but unlike San Gregorio, they do not occur in granodiorite even though they are present in the stratigraphy. Silver values also occur on sporadically in calcareous mudstones (with Ca values to 8%) although in minor quantities.

In both San Gregorio and Las Carolinas, the stratiform nature of the mineralization is thought to reflect increased permeability in the sediments created by alteration from the placement of dykes and sills.

Thrust faulting at the unconformity between the Jurassic and Cretaceous stratigraphy, particularly in the Middle Cretaceous turbidites is also evident.

Figure 7.11 San Gregorio Cross-Section 0+00N (See Figure 7.5 for Location) (from Reeves and Arseneau, 2013)

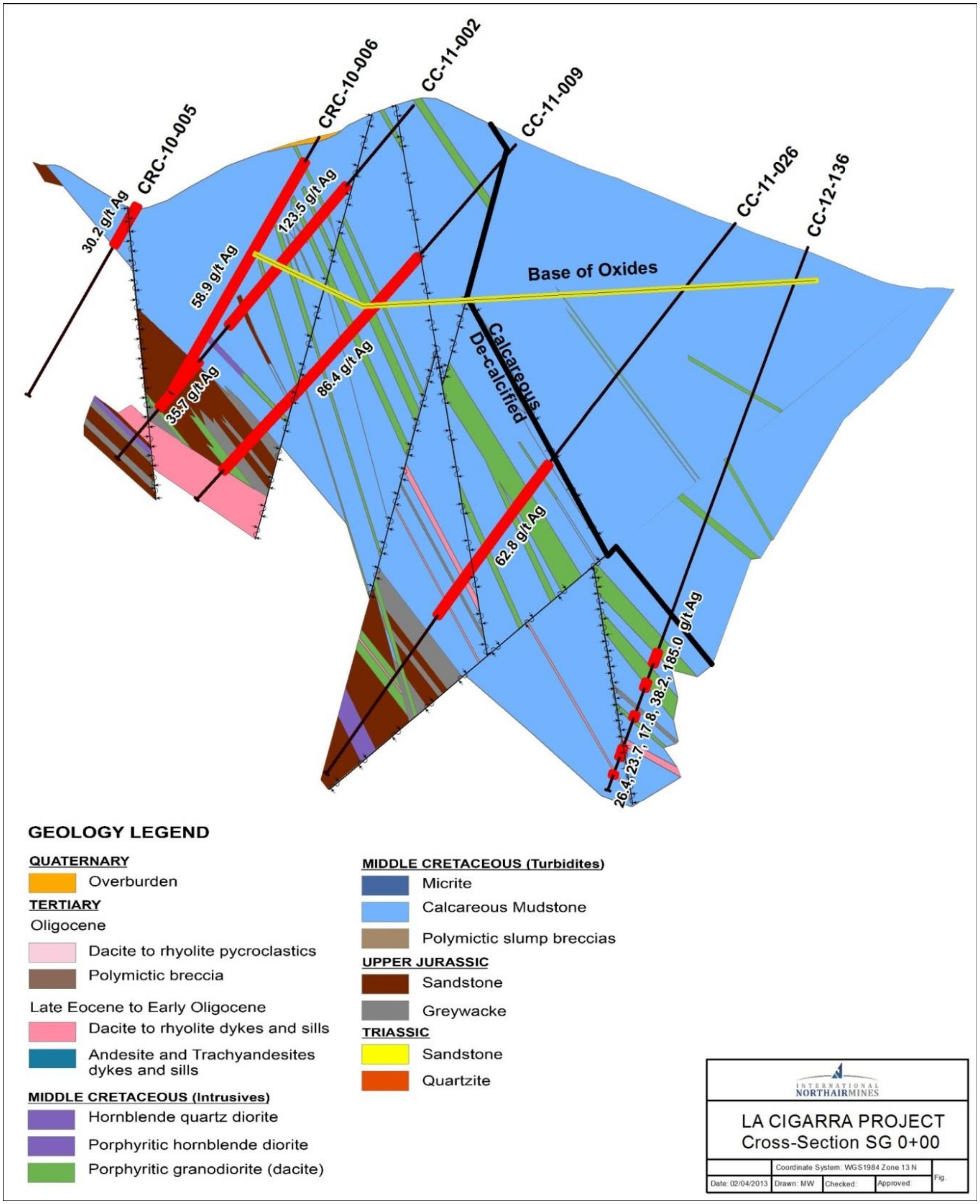
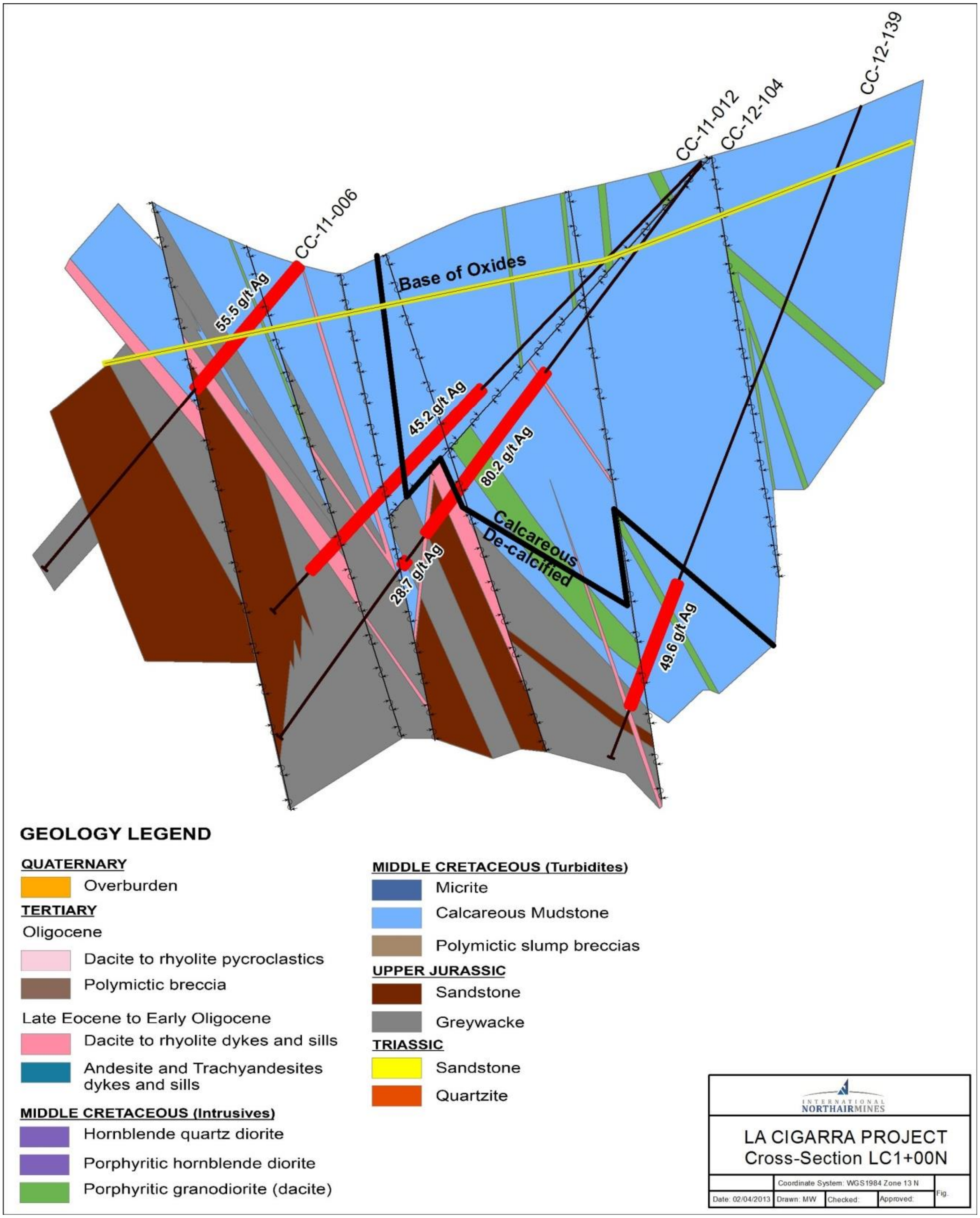


Figure 7.12 Las Carolinas Cross-Section LC 1+00N (See Figure 7.5 for Location) (from Reeves and Arseneau, 2013)



7.3.3 Mineralogy

7.3.3.1 Silicates

Thin section work by LeCouteur (2011 and 2012) and Herrera-Urbina (2011) identified adularia in samples submitted for examination. This along with the presence of illite clay suggests that La Cigarra is part of the quartz-adularia-calcite-illite, low sulphidation class of epithermal deposits.

7.3.3.2 Sulphides

Throughout the La Cigarra deposit, total sulphides are sparse and generally average less than 1% although on occasion, areas with up to 5% have been noted. The most common sulphide mineral is pyrite. It occurs as disseminated grains in sediments and within quartz veins. Other primary sulphides appear confined to quartz veins or silicified, brecciated zones. These include sphalerite (generally yellow/bronze coloured), galena, chalcopyrite, arsenopyrite and wulfenite. The most common silver-bearing sulphides are tetrahedrite followed by acanthite/argentite. Others identified include freibergite, stromeyerite and rosierite. The mode of occurrence for acanthite as noted in thin/polished section study suggest it has developed as a secondary mineral in the oxidation zone and may represent Ag enrichment, possibly from destruction of lower-grade Ag in tetrahedrite.

7.3.3.3 Oxides

Oxide minerals identified include goethite, limonite, jarosite, magnetite and hematite.

7.3.4 Age of Mineralization

Silver mineralization is controlled by the late Eocene faults suggesting it is younger than 37 Ma. It has also been found in thin quartz veins within rhyolite sills/dykes which also support a date younger than 37 Ma. However, it has not been noted in any of the younger, rhyolitic pyroclastic rocks suggesting it is likely in the 34 Ma to 30 Ma range.

8 DEPOSIT TYPE

The San Gregorio/Las Carolinas deposit is a good example of a Mexican intermediate sulpidation Ag-Pb-Zn-(Cu-Au) epithermal deposit. As mentioned above, the Deposit lies within the north-east portion of the CMSB which is a north-westerly aligned, metallogenic province that stretches approximately 900 km along the SMO Mountains. It is defined by a number of silver mining districts including Guanajuato, Zacatecas, Fresnillo, and Santa Barbara-San Francisco del Oro as well as the mining districts of Parral, Santa Maria del Oro, and Sombrerete-Chalchihuites. An intermediate sulphidation epithermal deposit is an end-member of low-sulfidation epithermal deposits (Hedenquist et al., 2000).

The Mexican intermediate sulphidation vein deposits are characterized by economically significant concentrations of Ag, Zn, Pb, Au, and occasionally Cu, with these metals occurring in base metal sulphides, accessory amounts of acanthite-argentite, freiburgite, pyrargyrite, tetrahedrite-tennantite, trace amounts of electrum and a variety of Ag-Pb-As-Sb-Cu sulphosalts (Boychuk et al. 2012). Where the hypogene Mineralization has been weathered, the sulphides and sulphosalts are replaced by iron oxides, which are accompanied by minor amounts of various Zn, Cu and Pb carbonates, hydroxides, and sulphates along with acanthite, silver halides and trace amounts of native silver and gold. Gangue minerals in the veins include, in order of decreasing abundance, quartz, chalcedony, calcite, pyrite, adularia, barite, fluorite, Ca-Mg-Mn-Fe carbonates (e.g. rhodochrosite, siderite), amethyst, sericite, and chlorite. Characteristic vein textures include multiple stages of brecciation, colloform banding and crustiform crystallization. Hydrothermal alteration of wall-rocks is generally restricted to vein halos a few metres in width, where silicification occurs immediately next to the veins and grades outwards into an assemblage of sericite-illite-kaolinite, then into illite-smectite-montmorillonite and finally into a low-temperature alteration assemblage dominated by smectite-chlorite. Larger veins have kilometres of strike-length, are several metres wide and have vertical extents in the hundreds of metres, with a few cases of veins extending more than one kilometre below surface. Vertical metal zonation is a common feature of larger veins, with three principal Mineralization zones, from shallowest to deepest, being defined by the following metal suites: Ag-(Au)-As-Sb-Hg, Ag-Pb-Zn-(Cu-Au), and Pb-Zn-(Ag). Age dating and lead isotope studies indicate that the Ag-Pb-Zn-(Au-Cu) vein deposits of the CMSB are mainly Tertiary in age (36 to 28 Ma), and are genetically related to rhyolitic magmatism, which in the mineral districts, is manifested as relatively small porphyry stocks, dyke systems and/or flow-dome complexes.

The Santa Barbara-San Francisco del Oro and Parral mining districts are clusters of mines that constitute three districts located within an area of approximately 250 sqare km in the far southern extremity of Chihuahua, Mexico and together form the principal mining area within the state (Borbolla, 1990). Santa Bárbara and San Francisco del Oro are both approximately 18 to 20 km to the south-west of Parral. The three districts are approximately 190 km to the south of the Fresnillo silver mine. The Deposit lies approximately 25 km north-northwest of the Santa Barbara-San Francisco del Oro mining district and 25 km northwest of the Parral mining district.

The ore deposits at Parral, Santa Bárbara and San Francisco del Oro occur predominantly as veins with minor stockworks and massive sulphides, hosted by the Cretaceous Parral Formation shales, and to a lesser extent by the overlying Tertiary andesite and rhyolite (Grant & Ruiz, 1988; Borbolla, 1990).

The Cretaceous Parral Formation, >1000 m thick - are the oldest rocks outcropping in the district. They are composed of dark grey to black carbonaceous shale and calcareous shales/siltstone, with lesser beds and lenses of argillaceous limestone and limestone. Beds of shales are generally uniform and 15 to 20 cm thick, while the limestone lenses and beds are around 50 cm thick. Locally the shales contain nodules and bands of chert, as well as light brown calcite concretions and abundant calcite veinlets (Borbolla, 1990).

In the San Francisco del Oro and Santa Bárbara districts, in contrast to the sequence around Parral, the Parral Formation is more compact, hard and dense, grey to black in colour, rich in carbonaceous material and the strata are thinner (1 to 4 cm), being predominantly calcareous shales with sporadic horizons of limestone which may be 10 cm thick. The shales and calcareous shales weather to red and orange colours, and in addition to clays, contain recrystallised calcite that fills small fractures. They are also usually well folded and fractured, with small scale drag folds. Within the region the unit generally dips at 25 to 30SW (Escudero, et al., 1990; Grant & Ruiz, 1988).

The Tertiary Escobedo Group, totalling around 665 m in thickness, is composed predominantly of a volcanic series and associated dykes, which cut up through the Parral formation, and sills. The Escobedo Group includes:

- a lower unit of brown conglomerate with subangular fragments of calcareous shale which are well cemented, but poorly sorted which is overlain by a series of sandy tuffs and greenish-grey intermediate agglomerates
- a middle unit composed of intermediate rocks, basaltic andesites with rare sill like horizons up to 2 m thick. Some possibly intrusive porphyritic andesites have also been recognised (Borbolla, 1990); and,
- an upper unit which is more acid than the two underlying units. It is composed of andesitic tuffs and basaltic andesites at the base; rhyolitic agglomerates, vitrophyres and glass in its middle sections; and an upper suite of rhyolites, dacites and some glass (Borbolla, 1990).

The oldest members of the Escobedo Group are believed to be of late Eocene age, while the upper sections are as young as Oligocene, with an age date of 34.92±0.75 Ma (Borbolla, 1990).

Various intrusives are recorded from Santa Bárbara to Parral, varying in composition from granite, to quartz-monzonite, to diorite and monzonite. The Parral intrusive, near the La Prieta mine is an irregular body with dimensions of around 7 x 4 km, almost completely surrounded by the Parral Formation shales. Petrographically it is a quartz-monzonite with biotite and hornblende. Dykes of diorite and quartz-monzonite are also found within the district, being more numerous in the vicinity of larger intrusives, sometimes reaching thicknesses of 30 m and lengths of 4 km (Borbolla, 1990).

The rocks of these three districts have been affected by a period of compression during the Laramide orogeny of the late Cretaceous to Tertiary. This produced a number of folds which deformed the Parral Formation, particularly an asymmetric anticline which is located between the Santa Bárbara and San Francisco del Oro districts. This antiform has dips of 30°W on its south-western limb and 8°N on its north-eastern flank. Its axis trends 332°, and plunges to the north at 12°. In detail this structure is very complex with numerous drag folds and minor faults. This folding has been interpreted to have been the result of NE-SW directed compression (Escudero, et al., 1990; Borbolla, 1990; Silva & Gonzalez, 1990).

At the close of the Eocene the deformation changed to an extensional regime producing a series of faults. The faulting and fracturing in the districts can be sub-divided into:

1). Pre-mineralization faults and fractures - these were formed in two stages, the first being two sets of fractures and shears, accompanying the folding, and having a parallel trend along the anticlinal axis. The second fracturing stage is the result of tensional deformation (Silva & Gonzalez, 1990). These faults are occupied by the sulphide veins bearing gold and silver and by siliceous alkaline dykes;

2). Post-mineralization faults - which comprise a number of different varieties, including: a) faults that are similar to the pre-mineral structures, but are a little later than the vein development and do not carry sulphides; b) post-vein faults that are almost perpendicular to the veins and are filled with calcite, fluorite & barite; c) a similar set, also perpendicular to the main sulphide veins, but occupied by basic dykes; d) faults at various orientations that are filled with clay gouge (Escudero, et al., 1990; Silva & Gonzalez, 1990).

In the mineral deposits of the Parral, Santa Bárbara and San Francisco del Oro districts, approximately 95% of the mineralized structures are veins with lesser stockwork and replacement bodies, the latter being mainly at Santa Bárbara.

Parral District

At Parral there are two types of veins, namely, fissure veins and fissure-filling veins. The fissure veins are characterized by hydrothermal mineralization occupying pre-existing shears that are interpreted to have been created by post-orogenic relaxation. They generally dip at 55 to 75° to either the E or W, have a north-south strike and may persist over lengths of 2 to 8 km. Thicknesses vary from 2 to 20 m. Mineralization is basically sulphides of Pb and Zn with silver in a well brecciated and silicified matrix. They are also characterized by deep oxidation, commonly to more than 200 m below the surface, with a variable transition to the underlying un-oxidised sulphides. Rich ore shoots which alternate with barren zones is also characteristic of these veins. The longitudinal extent of the rich shoots is variable, but may be from 400 to 1000 m, commonly persisting to depth (Borbolla, 1990).

The fissure-filling veins are associated with a secondary fracture system having NW and NE striking members, possibly related to the emplacement of the Parral intrusive. These veins are well defined, but of lesser length, and do not persist with depth. Their thickness rarely exceeds 2 m, and they are differentiated from the fissure veins by their strike direction, and shallow oxidation which is usually less than 15 to 50 m (Borbolla, 1990). There is a zonal distribution of commodities in the veins surrounding the intrusive. Close to the contact the veins are rich in silica and pyrite with Au, but are low in Pb-Zn. At a greater distance Pb & Zn are more abundant, while Au values disappear. Finally good Au and Ag values are associated with sulphides of Pb and Zn, as well as barite, calcite and silica (Borbolla, 1990).

Stockworks of veins are developed at the intersection of two or more veins, or where two veins are in close proximity (Borbolla, 1990).

Mineralization is possibly of late Oligocene to early Miocene age, being younger than the Escobedo Volcanic Series which host some ore but older than the overlying Oligocene acid flows (Borbolla, 1990).

The mineral assemblages encountered comprise: 1). Sulphide minerals - argentite, pyrargyrite, argentiferous galena, galena and sphalerite; 2). Oxide minerals - embolite, bromyrite, pearceite argentite, argentojarosite, cerussite, anglesite and smithsonite; 3). Gangue minerals - fluorite, barite, quartz, calcite, manganite, pyrolusite, hematite, goethite and smithsonite (Borbolla, 1990).

San Francisco del Oro

The Mineralization at San Francisco del Oro is principally composed of veins, and only rarely as replacement bodies (Escudero, et al., 1990).

The veins of the district are divided into three zones, namely the 1). oxidised, 2). enriched and 3). primary zones. The oxidised interval varies from a depth of 50 to 170m, depending on the surface relief. The minerals found in this interval include gold, silver, anglesite, cerussite, zinc-sulphate, azurite, malachite, limonite, native copper, smithsonite and others. The principal minerals within the supergene enriched zone are bornite, covellite, chalcocite, chalcopyrite, sphalerite, marmatite, galena, anglesite and pyrite. In the underlying primary sulphide zone the ore is composed of sphalerite, galena, chalcopyrite, pyrite, arsenopyrite, gold, silver, quartz, fluorite, calcite, barite and high temperature silicates such as garnet and pyroxene. Silver is closely associated with galena, with no discrete silver phase having been identified (Escudero, et al., 1990).

The predominant strike of the veins is north-south, with dip variations to the north-west and north-east, from vertical to around 45°. Veins generally range from 0.1 to 1.5 m in the Frisco mine, to around 3 m at the Granadeña mine thicknesses, while in the Clarines mine they may reach 6 m in width. In general the veins are of uniform thickness, although locally two or more may branch off the main structure. The host rocks of the veins within the district are the grey to black carbonaceous shales, or lighter coloured calcareous facies. All become silicified in the lower levels. These beds are well formed, ranging from thin laminations up to thicknesses of 6.5 m with dips from the horizontal to 20°NW. Locally they are tightly folded with steeper dips (Escudero, et al., 1990).

In the Granadeña mine Pb-Zn-Ag veins are localised along small displacement faults that cut obliquely across the hinge zone of the broad asymmetric anticline. Single veins may be more or less continuous over lengths of up to 800 m. Veins average 1.5 m in thickness, but vary from several cm's to 3 m. Pb-Zn-Ag Mineralization is found over a vertical interval of more than 500 m. The ore was emplaced in several distinct stages that display cross-cutting relationships. The first stage ores contain massive sphalerite, galena and very minor chalcopyrite, while the second stage is composed of abundant calc-silicates and chalcopyrite with minor sphalerite and galena. Silver was deposited during both stages, although the bulk is associated with the early galena. Stages 3 and 4 contain quartz, calcite and fluorite and are not important ore phases (Grant & Ruiz, 1988).

Replacement bodies are found at the Frisco mine where they occur as disseminations associated with veining, or in small irregular pockets in the most calcareous shales (Escudero, et al., 1990). In the Granadeña mine two large "massive sulphide" bodies are found, one of which has dimensions of 200 x 70 x 200 m, containing 10 to 50% sulphides. The gangue is composed of axinite, andradite, epidote and chlorite. Relict bedding is observable in these bodies, defined by silicate and sulphide layering. While veins account for 95% of the ore in the district as a whole, in the Granadeña mine, 20 to 30% is in replacement bodies (Grant & Ruiz, 1988). Sulphides in the replacement ores include sphalerite, arsenopyrite, galena, pyrite, marmatite, chalcopyrite and a little bornite. Pyrite is not as conspicuous as in the veins, but is intimately intergrown with arsenopyrite. Chalcopyrite is generally more visible than pyrite. Silver values are low, except where galena levels are locally high (Escudero, et al., 1990).

Wall rock alteration in the San Francisco del Oro district is characterized by silicification, which is more intense at depth than on the surface. In addition, actinolite, epidote and garnet are commonly developed in well silicified calcareous shales in some levels, locally forming banded creamy-grey chert like rock. At the Granadeña mine vein related alteration differs with both the stage of veining and with the host rock composition. Early sulphide rich veins have alteration envelopes composed of epidote, axinite, chlorite, minor andradite and quartz. Late calc-silicate veins have selvages of fine grained manganoan hedenbergite, andradite, axinite, monticellite and quartz.

Variations with the Parral Formation also influence the alteration assemblage. Where calcareous siltstones are cut by veins, calc-silicates are formed, while there are fewer calc-silicates where veins cut carbonaceous shales. Alteration does not generally extend far into the wall rock, commonly only forming 1 to 2 m selvages around stage 1 veins, with an inner zone of epidote, chlorite and axinite and an outer zone of fine grained quartz and recrystallised calcite. Wider envelopes are found around stage 2 veins, sometimes extending up to 25 m from the vein. Alteration within 2 to 3 m is pervasive and intense, with the rock texture and bedding being obliterated within 1 m of the vein. The innermost part of this zone consists of alternating 0.5 to 2 cm bands of ilvaite, manganoan hedenbergite, andradite and sulphides. These bands may be parallel to the vein, or occur as irregular, sinuous and lobate forms. Outwards from this inner zone the wall rock is pervasively recrystallised to an assemblage of axinite, hedenbergite, andradite and quartz, with or without monticellite and calcite.

The alteration enclosing the "massive sulphide" replacement orebodies is similar to that enveloping the stage 1 veins. From an inner sphalerite, galena and minor chalcopyrite zone these bodies grade outwards to envelopes rich in axinite, andradite, chlorite, epidote and quartz. The most distal zones of the replacement orebodies are characterized by pervasive silicification of the wall rocks and small sulphide filled veinlets (Grant & Ruiz, 1988).

Santa Bárbara

The ore veins of the Santa Bárbara district occupy fractures which cut both the shales of the Cretaceous Parral Formation and the overlying andesites of the Escobedo Group, and dip at 50 to 90°. The main veins outcrop and are persistent in both strike and depth. They may be up to 4 km long, vary in thickness from 0.5 to 25 m and continue to depths of 600 m below the surface (Silva & Gonzalez, 1990).

There are three Mineralization stages and assemblages in the district, namely: 1). the earliest, which is characterized by galena and sphalerite; 2). the second which is rich in chalcopyrite and sphalerite in a quartz gangue, with some fluorite; and 3). the third stage which comprises fluorite, barite and calcite (Silva & Gonzalez, 1990).

The veins vary in character and orientation with lithology, due to the physical properties of the different rock types and their chemical response to mineralizing and alteration processes. These veins are inclined and increase in length with depth, while declining in thickness. Two different vein styles have been classified, namely: 1) Simple veins - which are persistent in both trend and depth, with no branching or splintering; and 2) Complex veins - the most common and economically significant, which exhibit splinters, wedges of enclosed shale, and brecciation, apparently caused by movement on the host fractures. These movements also result in variations in the dip and trend of the veins. The splinters and wedges are commonly found in the hanging wall of the main veins which become wider and contain better ore grade. In several cases the fracture system, including the associated splinters and enclosed horses, reaches 25 m in thickness. In some instances these thickenings correspond to a change in strike of the veins (Silva & Gonzalez, 1990).

Quartz is the dominant gangue mineral, commonly accompanied by alteration silicates, such as garnet, epidote and chlorite. Calcite, fluorite, barite, pyrite and arsenopyrite are also present. Other lesser gangue minerals include diopside, hedenbergite, enstatite and orthoclase. The ore minerals comprise sphalerite, marmatite, galena and chalcopyrite, with traces of native gold. Argentite occurs as minute 2 to 18 µm inclusions in sphalerite, and from 1 to 32 microns in galena. Native silver is found near the surface (Silva & Gonzalez, 1990).

The mineralogy of the veins varies with depth, with four zones being recognised, as follows: 1). Leached zone, near the surface; 2). Oxide zone; 3). Zone of secondary enrichment; and the 4). Primary sulphide zone. The latter is the most important economically. In the primary sulphide zone the predominant ore sulphide is brown sphalerite and associated black marmatite. Galena is of secondary importance and occurs with sphalerite, chalcopyrite, silver bearing phases and with tetrahedrite and tennantite. Chalcopyrite is of tertiary importance, occurring either as massive sulphides or as intergrowths with sphalerite. The proportion of massive chalcopyrite increases with depth. Pyrite is found in the vein structures, as metasomatic replacement of the vein walls, and as isolated crystals in rhyolitic dykes. Arsenopyrite, although not rare, occurs in association with pyrite and chalcopyrite. Magnetite and pyrrhotite are found to the south-west of the district (Silva & Gonzalez, 1990).

The paragenetic sequence comprises early silver-lead-zinc mineralization, occurring as sphalerite, galena and silver forming massive sulphides, accompanied by quartz. This was followed by a second stage comprising copper-silver-gold in a gangue of quartz with pyroxene and garnet. Gold appears to be associated with all of the minerals, although it most commonly accompanies chalcopyrite. The last phase is represented by the calcite-fluorite-barite association (Silva & Gonzalez, 1990).

All of the veins in the district exhibit primary variations and zoning of the sulphide mineralogy. Sphalerite persists in the upper and intermediate levels, but increases with depth, corresponding to a decrease in the galena content. Chalcopyrite also increases with depth. Although the deepest veining is to the north-east, the sulphide zonation, including the pyrite and arsenopyrite, indicate a source from the north or north-west (Silva & Gonzalez, 1990).

9 EXPLORATION

Exploration work completed on the Property prior to 2013 is described in the technical report on the Property by Reeves and Arseneau (2013). The following is a description of surface exploration work completed on the Property in 2013-2014.

Northairõs has continued to conduct geologic mapping, soil, rock and stream sediment sampling on a number of target locations within the enlarged La Cigarra concession package and this work has demonstrated that further resource exploration potential exists along the 6 km long La Cigarra mineral system. This potential is in part supported by soil sampling along the trend including the La Borracha Zone to the north where 9 drill holes have intercepted silver mineralization, and the Las Venadas Zone to the south.

9.1 Las Venadas Zone

The Las Venadas Zone, located 500 metres south of Las Carolinas has returned strong silver values from surface sampling over an area of approximately 230 metres by 90 metres, including a rock chip sample returning 2.5 metres of 233.0 g/t silver. In March 2013, Northair reported additional results from the mapping and sampling program, which identified two other zones located within this southern extension known as La Soledad and Las Chinas (see Northair news release dated March 26th, 2013 and posted on SEDAR).

Las Venadas, located 500 metres south of Las Carolinas, hosts multiple historic mine workings including a 20 metre deep shaft and two shallow prospect pits. Initial rock chip sampling here returned important silver values over an area measuring 230 metres by 90 metres. Nineteen of thirty three samples exceeded 20 g/t silver including a high of 233 g/t silver. The remaining fourteen samples returned values ranging from 1.1 g/t to 17.5 g/t silver. Follow up sampling confirms the presence of a north by northwest trending silver bearing structural zone measuring 700 meters long by 200 meters wide.

9.2 Las Chinas Zone

The Las Chinas Zone is located approximately 1,000 meters south of La Soledad and is comprised of a number of historic mine workings that exploited silver bearing quartz-calacite veins. Northair has thus far mapped and sampled 600 metres of this structure. Sampling yielded relatively low silver values with the exception of three rock chips that returned values up to 458 g/t over 0.90 metres. This area is defined by a significant lead-zinc soil anomaly and anomalous gold.

9.3 La Navidad Zone

In June 2013, the Company reported that exploration at La Cigarra identified a potentially significant mineralized zone known as La Navidad (see Northair news release dated June 26th, 2013 and posted on SEDAR). This new zone represents a mineral trend situated approximately 600 metres to the east and parallel to the main La Cigarra resource area. Geology related to La Navidad appears identical to that hosting silver mineralization at San Gregorio, with easterly dipping altered sedimentary rocks intruded by intrusive dikes and sills and cut by faulting. Rock sampling in the area has defined an anomalous silver bearing zone approximately 470 metres in length and over 200 metres in width paralleling San Gregorio. Twenty four rock samples reported values ranging from 0.1 g/t to 63.7 g/t silver; with eleven samples returning greater than 5 g/t silver.

Systematic soil sampling on a 50 metre by 50 metre grid has defined a strong silver-in-soil anomaly measuring 700 metres in length and 50 to 250 metres wide that is largely coincident with anomalous rock chip samples. The central core of the soil anomaly, as defined by a 5 ppm silver contour, is comprised of

25 soil samples with a low of 5 ppm silver and a high of 21.7 ppm silver. Scattered but anomalous gold values up to 727 ppb occur within the anomaly.

9.4 San Gregorio and Las Carolinas Zones

In December 2013, Northair reported the results of a trenching program completed at La Cigarra within the San Gregorio and Las Carolinas zones and announced the discovery of a previously unknown adit within the San Gregorio Zone (see Northair news release dated December 3rd, 2013 and posted on SEDAR). Sampling highlights of the trenching include:

- Trench SG 4+00N returned intervals of 34.5 metres of 49.1 g/t silver including 7.1 metres @ 153.5 g/t silver, and 36.7 metres of 15.9 g/t silver;
- Trench SG 3+50N returned three intervals of 12 metres of 72.0 g/t silver, 5.4 metres of 22.8 g/t silver and 4.5 metres of 24.2 g/t silver;
- Trench SG 2+00N returned 63.1 metres of 49.6 g/t silver including 13.55 metres of 75.5g/t silver and 5.7 metres of 38.1 g/t silver;
- Trench SG 1+50S returned 6 metres of 125.8 g/t silver and 14.4 metres of 29.3 g/t silver.

Geological mapping was conducted in conjunction with the trenching program and identified a previously unrecognized intrusive rhyolite that hosts silver mineralization in its outer margin and could be one of the heat sources that produced the mineralized La Cigarra system.

During the mapping program, Northair geologists found a previously unknown underground adit north of trench SG 4+00N. Sampling of this adit returned intervals of 7.5 metres of 155.4 g/t silver and 16.2 metres of 46.8 g/t silver.

9.5 Ram Zone

Between February and June 2014, the Company reported the results of its exploration program completed in the Ram Zone at its La Cigarra silver project. Soil sampling completed within the Ram area defined a 1,000 m long north-south striking zone of potential with silver soil anomaly widths varying from 50 to 250 m (see Northair news releases dated April 28th, 2014 and June 17th, 2014 and posted on SEDAR).

The Ram Zone area hosts previously unrecognized mine workings developed along quartz veining and stockwork in west dipping rocks with similarities to the east dipping main La Cigarra trend. Sampling of quartz veining and stockwork exposed in an underground adit, contained within and parallel to the north-south striking Ram Zone, returned an average silver grade of 554.8 g/t along 33.50 metres; with grades varying from 87.8 g/t silver to 2,850 g/t silver. True width of the structure is estimated at a minimum of 1.2 metres.

To better determine the width of mineralization, an 84 m long trench (ñTrench #1ò) was excavated perpendicular to and above the sampled adit and within the Ram Zone anomaly (Figure 9.1). Results from Trench #1 identified quartz veining and stockwork that returned 35.45 metres of 67.3 g/t silver (including 16.20 m of 99.6 g/t silver and 4.85 m of 141.4 g/t silver).

To follow up the prior sampling and trenching results at the Ram Zone, crews excavated two additional trenches (ñTrench #2ò and ñTrench #3ò) approximately 40 metres- and 140 metres-long, respectively, south of Trench #1. Sample results of the two trenches are as follows:

- Trench #2 - 43.03 m @ 32.2 g/t silver including two intervals of 13.80 m @ 23.8 g/t silver and 13.73 metres of 71.3 g/t silver.

- Trench #3 - 13.60 metres @ 13.6 g/t silver including 2.60 metres of 32.8 g/t silver and 29.70 metres grading 14.2 g/t silver including 13.69 metres of 21.4 g/t silver.

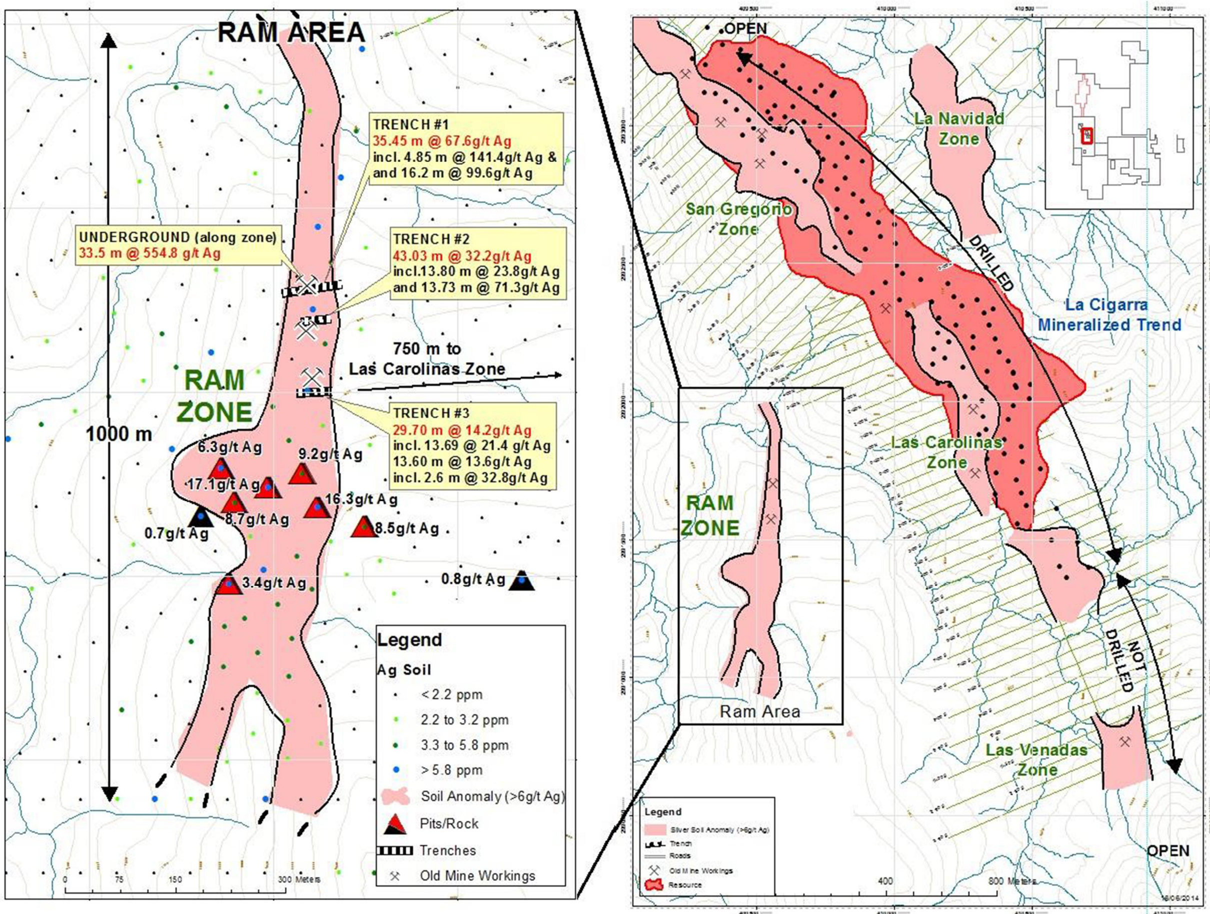
As a further test of the Ram Zone, the Company excavated nine 6 metre-long sample pits approximately 150 metres south of Trench #3. These pits were positioned to expose bedrock over a 200 meter-wide zone where previous soil sampling yielded highly anomalous silver values. Sampling of the nine test pits returned silver values varying from 0.7 g/t to 16.7 g/t with the average of all nine pits being 7.84 g/t.

The Ram Zone is a long, continuous mineralized system, which remains open along strike to the north and south and down dip to the west.

9.6 La Colorada Zone

In October, 2014, Northair reported the discovery of a potentially significant silver and gold occurrence known as La Colorada. La Colorada is in part defined by a northwest-southeast trending silver and gold soil anomaly measuring 1,400 meters long and 300 to 400 metres wide. Sampling of this area included a 50 by 50 meter soil grid and 143 rock chip samples of which 16 returned greater than 10 g/t silver. This work returned a high silver value of 231 g/t. In addition, 38 rock samples returned greater than 0.10 g/t gold, with 4 samples reporting over 1.0 g/t gold. The highest rock chip sample returned 21.3 g/t gold. The anomalous silver and gold mineralization is found in quartz-calcite veined middle Jurassic sedimentary rocks and Tertiary dacite porphyry intrusives. The La Colorada Zone may represent a newly defined parallel mineral trend situated approximately 300 meters west of the Ram Zone target and 1,200 meters west of the La Cigarra deposit.

Figure 9.1 Ram Zone 2014 Trench Results



10 DRILLING

Drilling completed on the Property prior to 2013 is described in the technical report on the Property by Reeves and Arseneau (2013). Prior to the 2014 drill program, 156 holes totalling 25,626.9 m (including two holes that were re-drilled) have been drilled by Grupo Northair. See Appendix 1 for a complete listing of drillholes and Appendix 2 for a complete listing of drill hole results.

The following is a description of the drilling completed on the Property during the 2014 drill program.

10.1 2014 Drill Program

The 2014 drill program was completed between June and November, 2014. The results of this program were announced in December, 2014 (see Northair news releases dated December 15th, 2014 and posted on SEDAR).

The Program consisted of 17 core holes totaling 4,817 metres. Drilling was distributed over several property wide targets with the most work directed at in-filling and expanding the known San Gregorio and Las Carolinas resource area.

10.1.1 Las Carolinas Zone Drill Results

The Las Carolinas Zone represents the southerly portion of the La Cigarra deposit spanning a length of approximately 1.3 kilometres and average width of 260 metres. Six holes were completed in the 2014 drilling program with the primary objective of expanding the resource down-dip and to in-fill areas of previous wide-spaced drilling. To date, a total of 78 holes and 12,637 metres have been drilled at Las Carolinas

Highlights from the 2014 program include hole CC-14-145 reporting 15.15 metres grading 60.4 g/t silver and hole CC-14-146, which intersected 7.5 metres grading 81.0 g/t silver (Table 10.1). In addition, hole CC-14-155 returned several mineralized silver intercepts including 23.45 metres grading 138.3 g/t, 6.00 metres grading 50.7 g/t, and 1.00 metre of 169.0 g/t. This hole filled in an embayment in the drilling pattern and extended silver mineralization 90 metres down dip from CC-12-071. Mineralization in this area was traced at least 270 metres down-dip from the surface.

Hole CC-14-156 intercepted 1.65 metres grading 122.1 g/t silver, 2.31% lead and 5.80% zinc. A separate interval reported 14.4 metres of 53.5 g/t silver, including an intercept of 4.60 metres of 137.4 g/t silver and 0.61% zinc. This hole extended the silver mineralization 90 metres down dip from CC-12-101. The silver zone is this area can now be traced at least 400 metres down dip from the surface.

10.1.2 San Gregorio Zone Drill Results

The San Gregorio Zone represents the northerly portion of the La Cigarra resource with a strike length of approximately 1.1 kilometres and average width of 260 metres. Seven holes were completed here in 2014 with the objective of expanding the resource down-dip and to in-fill areas of potential situated adjacent to previous drilling (Figure 4.1). To date a total of 80 holes and 15,136 metres have been drilled at San Gregorio. Highlights from the 2014 program include holes CC-14-142 which reported 7.40 metres grading 119.8 g/t silver, CC-14-143 which contained 3.75 metres grading 290.6 g/t silver and CC-14-152 which intersected 2.30 metres grading 98.64 g/t silver (Table 10.1).

10.1.3 Las Venadas, Las Chinas and La Borracha Zone Drill Results

In addition to the drilling in the Las Carolinas and San Gregorio zones, Northair also completed 4 wild cat drill holes; 1 in La Borracha to the northwest and three 3 in the south (2 holes in the Las Venadas Zone and 1 in the La Chinas Zone) (Figure 4.1). No significant results were returned, however these are large exploration areas that will require further review and assessment (Table 10.1).

10.2 Drilling Contractors

BD Drilling Mexico, S.A. de C.V. of Guadalajara, Jalisco was contracted for drilling. BD drilling drill rigs are capable of drilling NQ size core to a depth of greater than 600 m or HQ core to a depth of ~ 200 to 300 m depending on rock conditions. All holes drilled on the Property in 2014 recovered standard 63.5 mm HQ core. Several of the deeper holes (>200 to 300 m) were reduced to 47.6 mm NQ core.

10.3 Drill Hole Spotting, Drill Hole Naming

All drill holes were initially spotted using a simple hand held GPS system. On a regular basis during the ongoing drilling program, drill hole collars are surveyed by Ingeniero Jesus Manuel Elias N. of Parral, Chihuahua, using a Trimble 4800 Double frequency RTK, GPS system capable of determining co-ordinates and elevations to within 1.5 cm. All drill hole locations were planned and recorded in UTM WGS84, zone 13 coordinate space.

Drill holes were named in sequence starting with CC (Cigarra Core) then the year drilled, followed by sequential drill hole number. For example, CC-14-155 was the one hundred and fifty fifth diamond hole drilled on the Property, and was drilled in 2014. Holes requiring a restart were assigned letters after the drill hole number to indicate the number of restarts, with A being one restart, B being two and so on. Hole restarts are a function of either a. exceeded desired maximum deviation tolerances (measured from down hole orientation surveys) or b. abandoning due to set-up or rock conditions encountered.

10.4 Down Hole Orientation Surveys

For the 2014 drill program, an EZ-Shot (FlEXIT) orientation tool was used for down hole surveying in single shot mode. The EZ-Shot has a typical error of ± 0.5 degrees for azimuth readings and ± 0.2 degrees for dip readings. Holes were surveyed on average every 40 m but varied from 9 up to 75 m in some holes. DDH CC-14-140 was not surveyed due to instrument failure. Because the EZ-Shot azimuth accuracy is affected by any nearby steel or magnetic rock, six meters of steel drill rods were pulled back for each reading to allow the tool to hang into the open bore hole.

10.5 Drill Core Storage

All drill core is stored in a warehouse rented by the company in Parral. During the course of drilling, core, which is put in plastic boxes capable of holding about 2.0m, is normally delivered by company personnel from the drill site to the warehouse every afternoon.

Figure 10.1 2014 Drill Hole Location Map

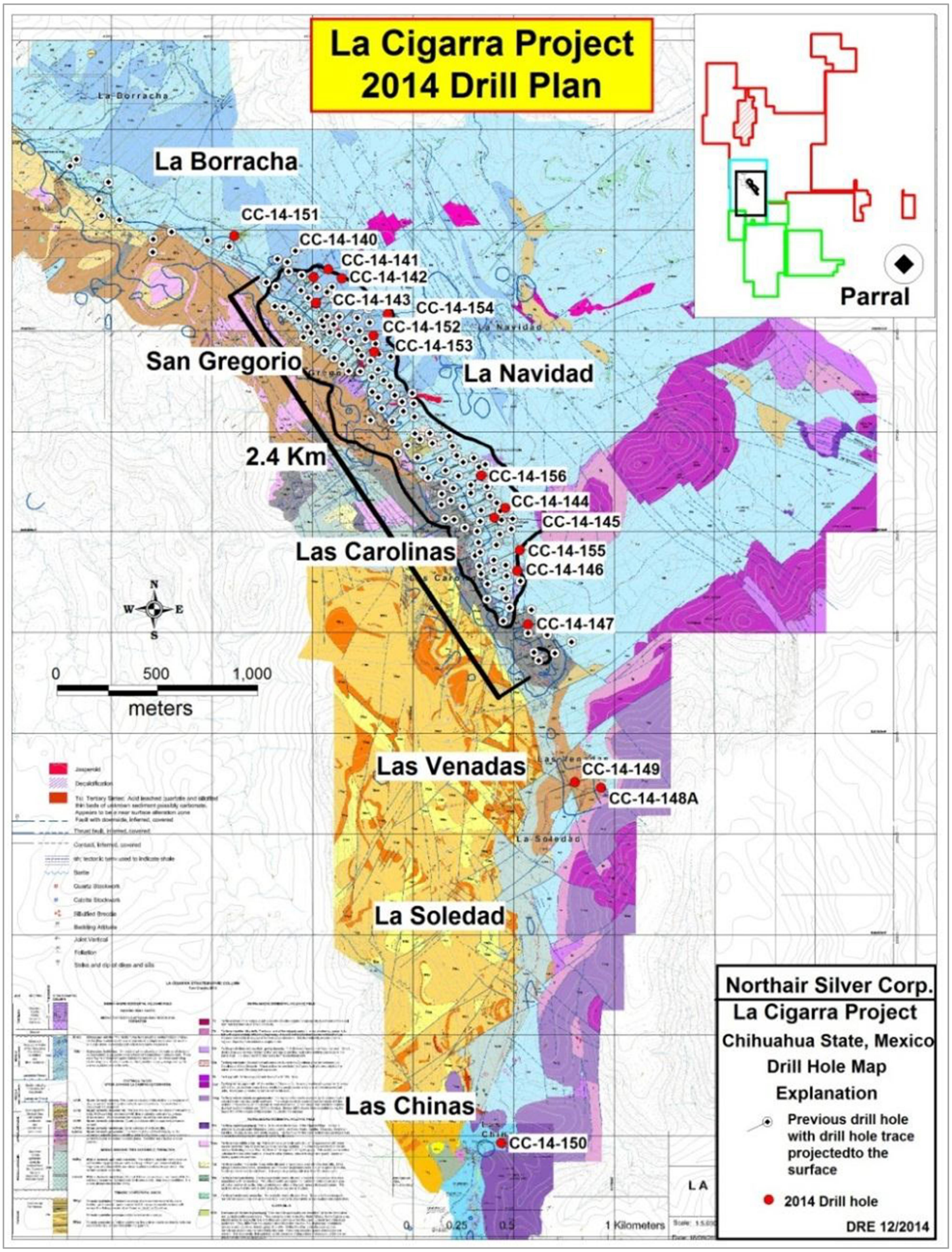


Table 10.1 2014 Drill Results

Hole #	ZONE	Intervals (metres)		length	Ag (g/t)
		from	to		
CC-14-140	San Gregorio	159	226.2	67.20	24.6
Includes		162	171	**9.00**	**67.3**
		208.5	221.2	12.70	34.8
CC-14-141	San Gregorio	194.8	210.2	15.40	29.1
		244.5	250.6	6.10	21.8
CC-14-142	San Gregorio	208.6	226.3	**17.70**	**66.7**
Includes		209.8	217.2	**7.40**	**119.8**
CC-14-143	San Gregorio	147.45	185.75	38.30	22.1
Includes		156.5	171.1	14.60	33.8
		264.25	268	**3.75**	**290.6**
CC-14-144	Las Carolinas	142.8	146.25	3.45	33.7
		161	169.5	8.50	17.3
		178.5	187.35	8.85	17.2
		204	220.7	16.70	32
Includes		216	220.7	**4.70**	**79.1**
		248.1	262	13.90	16.8
CC-14-145	Las Carolinas	145.3	197.3	52.00	36.5
Includes		145.3	160.5	**15.20**	**42.6**
		178.1	193.25	**15.15**	**60.4**
		221.9	232.4	10.50	18.5
CC-14-146	Las Carolinas	124.85	154.5	29.65	28.4
Includes		138.5	154.5	16.00	45.6
Includes		147	154.5	**7.50**	**81.0**
		180.9	188.7	7.80	19.6
CC-14-147	Las Carolinas	77.2	98	20.80	16.1
CC-14-148A	Las Venadas	No significant intervals			
CC-14-149	Las Venadas	76.6	81.2	4.60	16.2
		126.6	137.1	10.50	25.5
CC-14-150	Las Chinas	No significant intervals			
CC-14-151	La Borracha	58.5	62.7	4.20	14.3
		120	124	4.00	15.1
CC-14-152	San Gregorio	138	147.1	9.10	46.75
includes		175.9	183.8	7.90	39.75
		175.9	178.2	**2.30**	**98.64**
		248	257.1	**9.10**	**58.83**

Hole #	ZONE	Intervals (metres)		length	Ag (g/t)
		from	to		
CC-14-153	San Gregorio	144.5	150	5.50	28.3
		176.7	186	9.30	16.47
		237.8	244.7	6.90	43.87
CC-14-154	San Gregorio	442.6	443.4	0.80	27
CC-14-155	Las Carolinas	141.85	165.3	**23.45**	**138.3**
		172.4	186.7	14.30	25.5
		225	231	**6.00**	**50.7**
		244	245	**1.00**	**169**
		269	271.5	2.50	33
CC-14-156	Las Carolinas	146.6	153.7	7.10	20.8
		178.55	180.55	2.00	25.3
		187.4	191.65	4.25	18.4
		199.6	201.25	**1.65**	**122.1**
		222.4	236.8	**14.40**	**53.5**
includes		222.4	227	**4.60**	**137.4**
		274	278.05	**4.05**	**49.4**

10.6 Geological and Geotechnical Logging

Individual logging sheets specifically designed for capturing lithology, alteration and structure data are used by Northair geologists. Geotechnical information and sample information are recorded digitally. Geotechnical information included core recovery (%) per run (3m), rock quality designation (RQD; core chunks that are greater than 100 mm in length) per run, and a measure of natural breaks per run (principle angle and #).

All drill cores have been logged by geologists onsite at the Northair warehouse in Parral.

10.7 Geophysical Logging

There has been no collection of geophysical data on drill core from the property to date. It has been recommended by the Authorŝ that geophysical data including magnetic and electromagnetic data (per metre) be collected on all new core.

10.8 Drill Core Photography

Core photos are taken after the geological logging, geotechnical logging and sample mark-up are completed. Sets of three to four core boxes are placed on a stand in order from top to bottom and photographed together. The core is wet before being photographed as this generally allows subtle geological features or colours to be more easily discerned.

10.9 Drill Core Storage and Drill Hole Closure

Cement blocks with hole numbers, depth, azimuth and inclination inscribed are put on top each hole to preserve the hole for possible future re-entry.

10.10 Drill Core Sampling

Drill core is sampled at intervals ranging from 0.10 to 3.0 m, averaging 1.25 m. The half split core sample material is sent for assay is regarded to accurately represent the entire core and should be free of bias because of the relatively competent nature of the core recovered.

Locally, the core can be broken and blocky, but recovery was generally good averaging approximately 90% overall recovery. Core recovery was recorded for all drill holes in 3 m intervals. Intervals where core loss was greater than 50% over 3 m runs were rare forming approximately 3% of total assay database (1% of mineralized material with >5 g/t Ag).

10.11 Drill core sampling for bulk density

For the majority of drill holes, bulk density samples were taken at variable intervals (typically 20-40m) but on average every 20 m. A total of 246 samples were collected. Density measurements were done on whole core prior to sampling. Density values were determined using 4 methods:

Caliper method ï A piece of drill core was taken and a perfect perpendicular cut across the drill core was made on both ends. With calipers the length and diameter of core was accurately measured to calculate volume. With a scale the weight was determined and the density was calculated with the formula Density = mass / volume.

Weight in Air/Weight in Water method ï Whole core samples were weighed in air and then weighed in water. Density was calculated using the following formula.

Density = (Wt. in Air) / (Wt. in Air ï Wt. in Water)

Plastic Wrap followed by Weight in Air/Weight in Water method ï Whole core samples were first wrapped in saran wrap and then weighed in air and weighed in water. Density was calculated using the formula above.

Wax Immersion ï Periodically samples used in the caliper method were sent to ALS Chemex for bulk density measurement. ALS Chemex used the method OA-GRA08a on all of the samples to measure their SG.

11 SAMPLE PREPARATION, ANALYSES AND SECURITY

Sample preparation, analyses and security for the 2014 drill program by Northair is described below. Sample preparation, analyses and security for the work prior to the 2014 program is describe in the technical report on the Property by Reeves and Arseneau (2013).

11.1 Sample Preparation

All rock samples were analyzed by ALS Global. Sample processing is carried out at their facility in Chihuahua, Mexico where all rock and core samples are dried followed by crushing the entire sample to better than 70% passing through a 2 mm (Tyler 9 mesh, US Std. No.10) screen. A split of up to 250 g is taken and pulverized to better than 85 % passing a 75 micron (Tyler 200 mesh, US Std. No. 200) screen. This method is appropriate for rock chip or drill samples. The pulps were then air-freighted to the ALS Global laboratory in Vancouver, Canada for analysis. Northair is independent of ALS Global.

11.2 Drill Core Geochemistry and Assay Analysis

Drill core samples were analyzed by ALS Global for 33 elements plus gold. Samples are analysed for the 33 elements, including Ag, Pb and Zn, by total (4) acid digestion (HFï HNO_3ï $HClO_4$-HCl) and ICP finish (ALS Global code ME-MS61; trace level method). A prepared sample (0.25 g) is digested with perchloric, nitric, hydrofluoric and hydrochloric acids. The residue is topped up with dilute hydrochloric acid and the resulting solution is analyzed by inductively coupled plasma-atomic emission spectrometry (ICP-AES). Results are corrected for spectral inter-element interferences.

All samples returning > 100 ppm Ag or >10,000 ppm Pb or Zn were re-assayed by total (4) acid digestion (HFï HNO_3ï $HClO_4$-HCl) and ICP finish (ALS Global code ME-OG62; for ore grade elements). A prepared sample is digested with nitric, perchloric, hydrofluoric, and hydrochloric acids, and then evaporated to incipient dryness. Hydrochloric acid and de-ionized water is added for further digestion, and the sample is heated for an additional allotted time. The sample is cooled to room temperature and transferred to a volumetric flask (100 mL). The resulting solution is diluted to volume with de-ionized water, homogenized and the solution is analyzed by ICP-AES or by atomic absorption spectrometry (AAS).

All samples returning > 1,500 ppm Ag are re-assayed by fire assay fusion with a gravimetric finish (ALS Global code Ag-GRA21). A prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents in order to produce a lead button. The lead button containing the precious metals is cupelled to remove the lead. The remaining gold and silver bead is parted in dilute nitric acid, annealed and weighed as gold. Silver, if requested, is then determined by the difference in weights.

Gold values were determined using the fire assay fusion with an AAS finish. A prepared sample is fused with a mixture of lead oxide, sodium carbonate, borax, silica and other reagents as required, inquarted with 6 mg of gold-free silver and then cupelled to yield a precious metal bead.

The bead is digested in 0.5 mL dilute nitric acid in the microwave oven, 0.5 mL concentrated hydrochloric acid is then added and the bead is further digested in the microwave at a lower power setting. The digested solution is cooled, diluted to a total volume of 4 mL with de-mineralized water, and analyzed by atomic absorption spectroscopy against matrix-matched standards.

11.3 Drill Core Bulk Density Analysis

Periodically samples used in the caliper method were sent to ALS Chemex for bulk density measurement. ALS Chemex used the method OA-GRA08a on all of the samples to measure their SG. The core section (up to 6 kg) is covered in a paraffin wax coat and weighed. The sample is then weighed while it is suspended in water. The specific gravity is calculated from the following equation.

$$\text{OAGRA08a: Specific Gravity} = \frac{A}{B - C - [(B-A)/Dwax]}$$

where: A = weight of sample in air
B = weight of waxed sample in air
C = weight of waxed sample suspended in water
D = density of wax

11.4 Sample Security

All rock and core samples are secured in plastic sample bags with sure-lock straps then put into rice sacks for shipping, also secured with sure-lock straps. Until shipping, all samples are stored in the company's locked warehouse in Parral.

Samples submitted to ALS Global are picked up at the company warehouse and shipped directly via courier to the sample processing facility in Chihuahua. Pulps from there are sent by ALS Global to their facility in Vancouver, British Columbia where they were analyzed.

11.5 QA/QC of 2014 Core Samples

Sample QA/QC procedures for drilling conducted in 2014 included the insertion of a blank, standard or duplicate into the assay sample batch at approximately every 10th sample. The number of QA/QC samples inserted totaled 352 and included 59 blank samples, 178 duplicate samples and 115 standard samples (Table 11.1). The QA/QC insertion rate was 10%.

Standard Reference Material ("SRM") included samples prepared and packaged by CDN Labs of Surrey, BC and certified by Smee & Associates Consulting Ltd. of Vancouver, BC (Table 11.2).

Table 11.1 2014 QA/QC Insertion Rates

QA/QC Samples	Number of Samples
Standard LCO-3	41
Standard LCS-1	35
Standard LCS-2	39
Blanks	59
Duplicates	177
Total QA/QC samples	351
Total Assay Samples	3,527
Insertion Rate	10%

Table 11.2 Standard Reference Material Recommended Values

Standard	Variable	Expected Value	2 Standard Deviations	3 Standard Deviations
LCO-3	FA Au	0.114 g/t	0.014 g/t	0.021 g/t
	4 acid Ag	66.4 ppm	3.7 ppm	5.6 ppm
LCS-1	FA Au	0.052 g/t	0.006 g/t	0.009 g/t
	4 acid Ag	62.4 ppm	4.6 ppm	6.9 ppm
LCS-1	FA Au	0.046 g/t	0.004 g/t	0.006 g/t
	4 acid Ag	59.1 ppm	2.0 ppm	3.0 ppm

11.5.1 QA/QC Results

During the 2014 drill program, blank samples totaled 59 (Figure 11.1). Blank assays of Ag were found to be acceptable. A blank failure is defined as any assay value greater than two times the elements detection limit or 1.0 /t Ag.

Figure 11.2 to Figure 11.4 show the results of the certified reference material for Ag used in the 2014 drilling. With a few exceptions, the analysis of the reference samples returned Ag values within the acceptable limits and no significant accuracy issues were noted. It should be noted that all 3 standards were of similar grade. As noted in the assay database, there are a significant number of high grade samples (> 100 g/t Ag). Future drill programs should include at least one higher grade Ag standard (> 100 g/t).

Duplicate samples totaled 177. With few exceptions, the results indicate an acceptable level of repeatability with field duplicates for Ag (Figure 11.5). It should be noted that the majority of the samples were much less than 100 g/t Ag. Future programs should test a number of samples with values > 100 g/t Ag to test the repeatability of higher grade sample material.

The results of the 2014 QA/QC program on the Project indicate there are no significant issues with the drill core assay data. The data verification programs undertaken on the data collected from the Project support the geological interpretations, and the analytical and database quality, and therefore data can support mineral resource estimation.

Figure 11.1 Results of the 2014 Blank Reference Samples for Ag

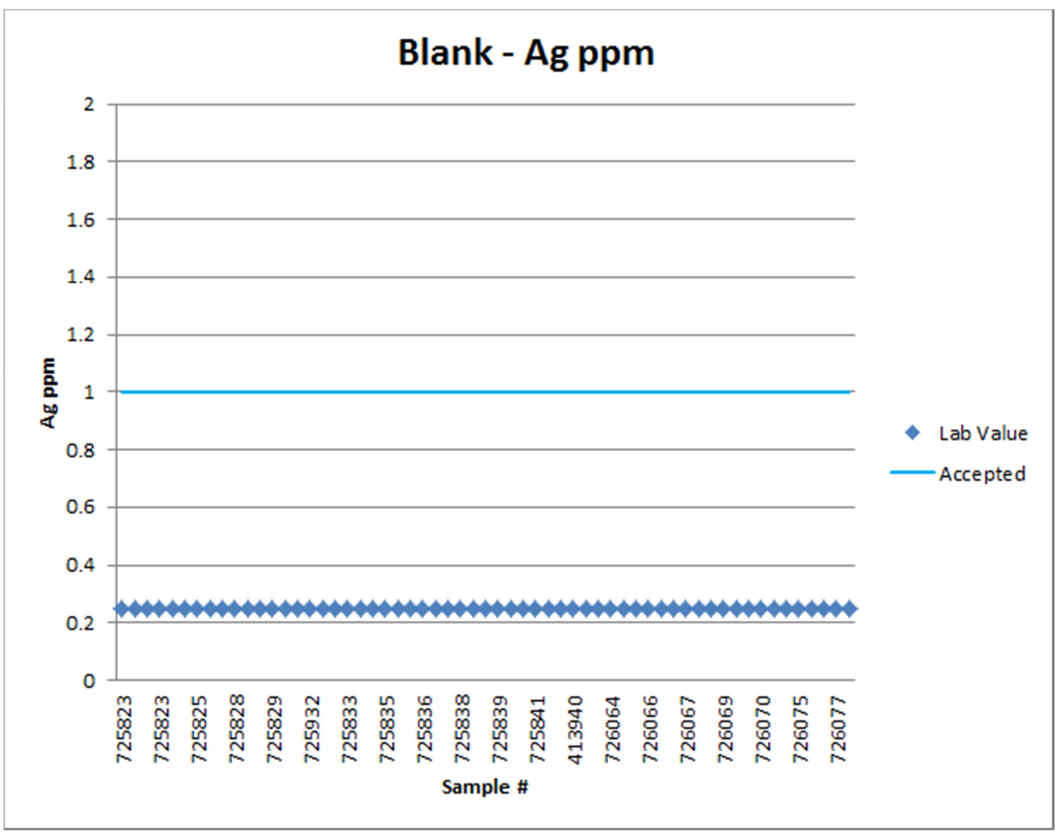


Figure 11.2 Results of the LCO-3 Reference Sample for Ag from the 2014 Drill Program

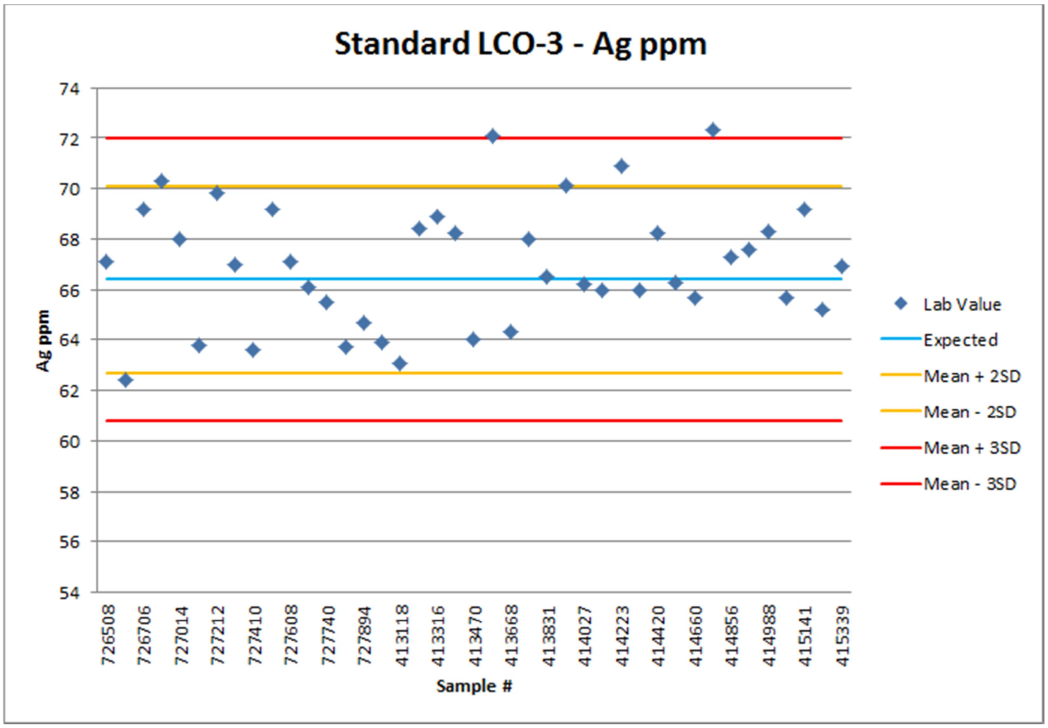


Figure 11.3 Results of the LCS-1 Reference Sample for Ag from the 2014 Drill Program

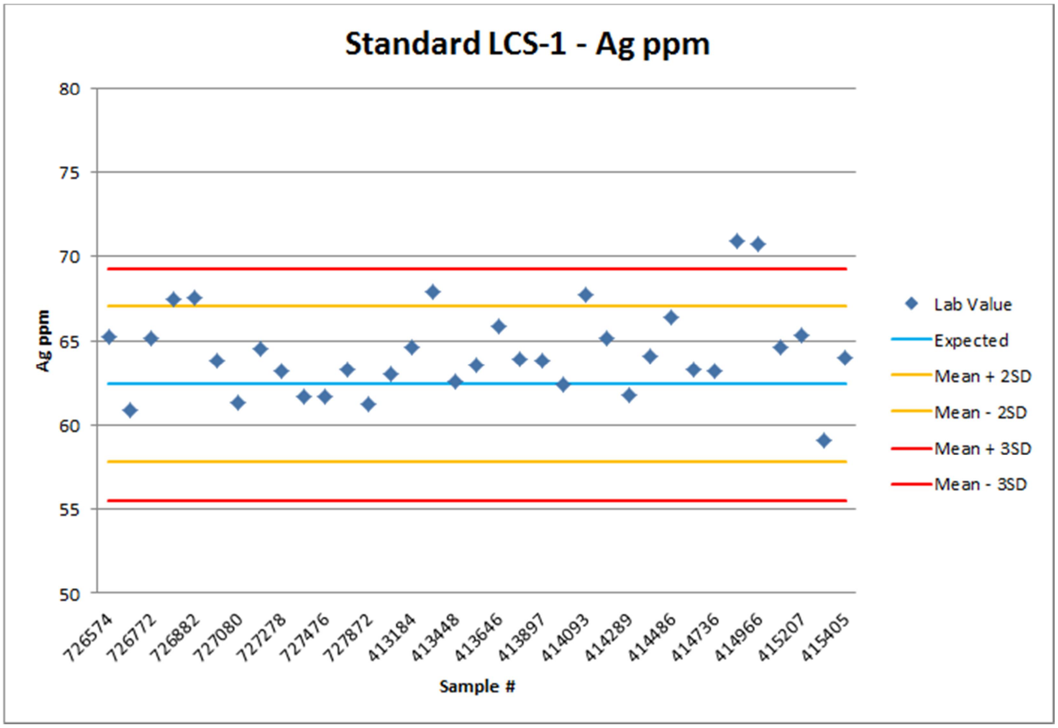


Figure 11.4 Results of the LCS-2 Reference Sample for Ag from the 2014 Drill Program

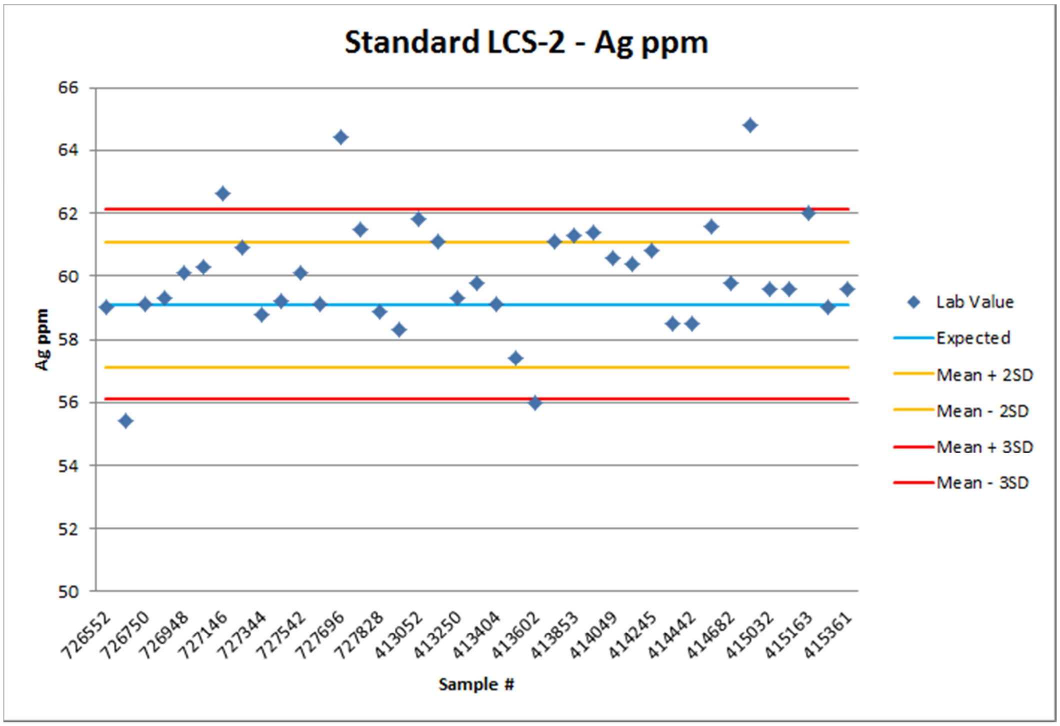
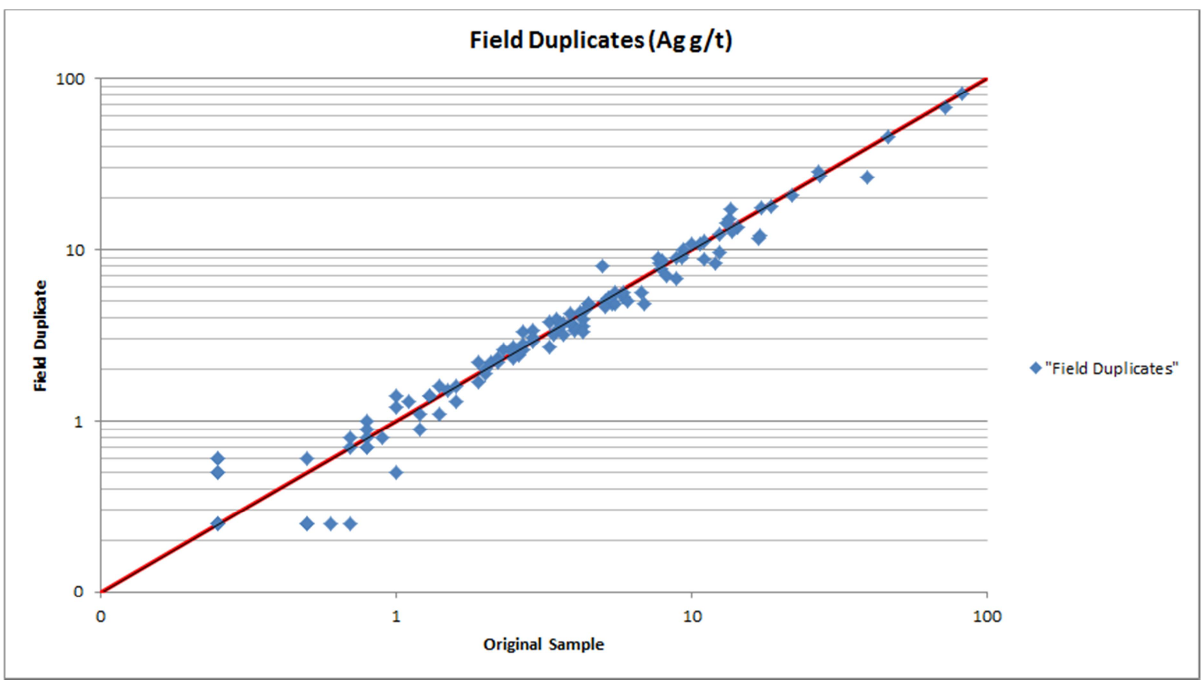


Figure 11.5 Results of the Field Duplicates for Ag from the 2014 Drill Program



12 DATA VERIFICATION

All geological data has been reviewed and verified by the Authors as being accurate to the extent possible and to the extent possible all geologic information was reviewed and confirmed. The Authors did not conduct check sampling of the core. Armitage visually inspected the core and a number of the significant silver intercepts from the 2012 and the 2014 drill programs.

The Authors feel that the assay sampling and extensive QA/QC sampling of core by Northair provide adequate and good verification of the data and the Authors believe the work to have been done within the guidelines of NI 43-101.

13 MINERAL PROCESSING AND METALLURGICAL TESTING

The following description of the mineral processing and metallurgical testing has been extracted from the recent technical report on the Property by Reeves and Arseneau (2013). No new metallurgical test work has been completed on the property. However, additional mineral processing and metallurgical testing is being planned by Northair and this work is set to begin during the first quarter of 2015.

Two phases of scoping level metallurgical testing was completed by G&T Metallurgical Services (“G&T”), Kamloops, BC to investigate the recovery of silver. Most of the intervals studied were from the San Gregorio mineral zone in the La Cigarra Project. Hoe Teh, P. Eng. was commissioned by Northair to manage the metallurgical test work and to summarize the results of the test programs.

The first phase of study, completed in August 2011, was a preliminary metallurgical assessment of four composite samples made from a number of drill holes. The samples were identified as sulphide, low-grade (LG) oxide, high-grade (HG) oxide, and mixed sulphide-oxide. From chemical analysis, the LG oxide samples contained significant levels of sulphide and could be considered as sulphide, while the HG oxide could be considered as a mixed sulphide-oxide. Consequently, the samples could be broadly labelled as sulphides and mixed sulphide-oxides. The two sulphide composites assayed 89 g/t silver and 81 g/t silver, while the mixed sulphide-oxide composite assayed 148 g/t silver and 157 g/t silver. The composites were tested by mineralogical analysis, whole ore leaching with cyanide, flotation and flotation concentrate leaching using the carbon-in-leach process.

Following the positive metallurgical assessment of silver recovery in the first phase of testing, a second phase of test work was conducted on more samples from the San Gregorio Zone. The samples were composited into a sulphide and an oxide composite. The samples for the sulphide composite were selected from 13 core drill holes, while the samples for the oxide composite were selected from four core drill holes. More sulphide than oxide samples were used to reflect their relative abundance in the deposit. The composites were further tested by mineralogical analysis, flotation and cyanide leaching of whole ore and flotation concentrate to better understand the mineralization, define the process parameters and develop a potential flow sheet for the project. Preliminary ore hardness measurements in terms of Bond ball and rod mill indices were completed for the sulphide composite and just the ball mill index for the oxide composite. These measurements were conducted as an initial assessment of milling requirements.

13.1 Phase 1 Metallurgical Testing Program

The initial metallurgical assessment phase was conducted between June and August, 2011 on 4 composites of coarse crush (<10 mesh) samples to determine the silver mineralogy and their amenability to silver recovery by conventional flotation and cyanide leaching processes. Only rougher flotation was tested to determine if the silver is amenable to the flotation process.

The makeup of the four composites tested is shown in Table 13.1, while their head assays are listed in Table 13.2. Sample numbers in Table 13.1 correspond to assay sample numbers from the drill program.

Table 13.1 Makeup of Phase 1 Metallurgical Test Composites

Sample IDs of Composites			
Sulphide	**LG Oxide**	**HG Oxide**	**Mix Sulphide-Oxide**
270244	14297	270184	270204
270245	14298	270186	270670
270249	14299	270187	270676
270695	14311	270631	270677
271024	270629	270632	270955
271030		270633	270956
271031		270634	270957
271033		270635	270960
		270636	270961

Table 13.2 Head Assays of Phase 1 Metallurgical Test Composites

Composite	% Cu	% Pb	% Zn	% Fe	% As	g/t Au	g/t Ag	% S	% C
Sulphide	0.02	0.37	0.40	2.1	0.02	0.10	89	2.78	0.37
LG oxide	0.04	0.28	0.38	2.2	0.04	0.11	81	2.81	0.28
HG Oxide	0.01	0.17	0.07	2.2	0.04	0.13	139	0.23	0.03
Mix Sulphide-Oxide	0.02	0.33	0.10	2.1	0.03	0.27	157	1.22	0.33

The mineralogical analysis showed that regardless of ore type designation, approximately 80% of the silver in the samples occurs as acanthite/argentite. Other silver bearing sulphide minerals were tetrahedrite and rosieresite, both of which may potentially be more challenging to recover.

About 30% to 60% of the silver in the sulphide, LG oxide and mix sulphide-oxide were liberated while the silver in HG oxide was locked with gangue.

Rougher flotation was effective in recovering the silver in the sulphide and LG oxide samples due to their higher sulphide contents. The silver bearing sulphide minerals were easily floated at a P80 grind size of about 100 microns, natural pH and using the standard PAX (xanthate) reagent. As shown in Table 13.3, silver recovery was about 95% for the 2 sulphide samples and about 80% for the 2 mix sulphide-oxide samples. The results showed that flotation is a potential process and further work would be required to develop a complete flotation flow sheet while achieving a high grade concentrate.

Whole ore cyanide leaching was conducted at a P80 of 100 microns, pH 11 and initial 2 g/L sodium cyanide for 48 hours. As expected, silver was more effectively extracted from the oxide, mix sulphide-oxide samples than from the sulphides. The leach results are shown in Table 13.4. It appears that the lower extraction from sulphide samples is due to the higher occurrences of silver as tetrahedrite which is known to be more refractory to cyanidation. The results indicated that whole ore leaching is better suited for oxides and not necessarily a universal process for the entire deposit.

As shown in Table 13.5, cyanidation of sulphide and LG oxide rougher concentrate gave similar low extractions as for the whole ore, again indicating that the silver bearing sulphide (tetrahedrite) in these ore samples are less leachable than the silver minerals in HG oxide and mix sulphide-oxide samples. The results also show that, for the HG oxide and mix sulphide-oxide samples, whole ore cyanidation is better than a combined flotation-concentrate cyanidation process.

The program indicated that flotation would be effective on sulphide ores while whole ore cyanidation would be favored on oxide or mix-sulphide ores.

Table 13.3 Rougher Flotation Performance

Composite	Feed Grade	Rougher Concentrate Grade	Recovery	
	g/t Ag	g/t Ag	% Mass	% Ag
Sulphide	92	342	25	96
LG Oxide	86	376	20	94
HG Oxide	140	981	10	79
Mix Sulphide-Oxide	159	604	22	80

Table 13.4 Whole Ore Cyanidation Test Results

Composite	Feed Grade			Extraction
	g/t Ag	% S	% Tetrahedrite	% Ag
Sulphide	89	2.90	15.0	49.6
LG Oxide	79	3.06	46.5	66.0
HG Oxide	123	0.24	--	81.7
Mix Sulphide-Oxide	163	1.19	1.2	85.6

Table 13.5 Combined Rougher Flotation-Concentrate Leaching Results

Composite	Feed	Flot Rec	Con Leach Rec	Overall Recovery
	g/t Ag	% Ag	% Ag	% Ag
Sulphide	92	94.1	28.1	26.4
LG Oxide	86	93.9	62.8	59.0
HG Oxide	140	78.7	97.4	76.7
Mix Sulphide-Oxide	159	76.9	91.6	70.4

13.2 Phase 2 Metallurgical Testing Program

As a result of the favorable metallurgical assessment in Phase 1, a Phase 2 program was initiated to develop the flow sheet further. Phase 2 was conducted between February and August 2012 on composites of sulphide and oxide ore samples. Lower grade ranges were selected for these tests.
Twenty drums containing 9 sulphide samples and 8 drums containing 3 oxide samples were received at G&T Metallurgical Services for the test program. The 9 sulphide samples were then composited to form a sulphide master composite and the 3 oxide samples were composited to make an oxide master sample for the test work. The sulphide samples were selected from 13 core drill holes while the oxide samples

were selected from 4 core drill holes. The number of drill holes selected for the ore types reflected the relative abundance of the ore types. Similarly, the program focussed more on the sulphides than the oxides. The objectives of the program for each composite was to characterize the mineralogy, determine the ore hardness in terms of Bond ball and rod mill indexes, confirm the flotation and leaching flow sheets identified in Phase 1, and to evaluate closed-circuit performance using locked cycle flotation tests.

Silver was primarily observed in tetrahedrite and freibergite. Significant occurrences as acanthite/argentite were also observed. Over 40% of the silver was liberated at a P80 grind size of 100 microns. Most of the silver sulphide minerals were interlocked as binaries or ternaries with suphides in the sulphide composite, indicating that the silver could be recovered by flotation. However, the silver sulphides in the oxide composite were largely interlocked with non-sulphide gangue, indicating that flotation would not be effective for recovering the silver.

Other significant sulphides in the sulphide composite were pyrite, galena and sphalerite ï the latter 2 minerals were 60% to 70% liberated at the 100 micron grind. These minerals were expected to respond well to flotation.

The hardness tests showed that the composites would be classified as moderately hard, as shown by the indexes in Table 13.6.

The head assays of the 2 master composites are listed in Table 13.7.

Table 13.6 Hardness of Master Sulphide and Oxide Composites

	Bond Ball Mill Test		Bond Rod Mill Test	
Composite	**Index**	**P80**	**Index**	**P80**
	kWh/t	**Microns**	**kWh/t**	**microns**
Master Sulphide	16.7	79	18.6	949
Master Oxide	14.4	76	--	--

Note: Oxide composite was too fine for rod mill test

Table 13.7 Head Assays of Master Sulphide and Oxide Composites

	Cu, %	Pb, %	PbOx, %	Zn, %	ZnOx, %	Fe, %	Ag, g/t	Au, g/t	As, %	S, %	C, %	TOC, %
Sulphide composite	0.0195	0.16	0.010	0.225	0.004	1.92	70	0.07	0.035	2.22	0.53	0.31
Oxide composite	0.016	0.10	<0.001	0.02	0.002	1.64	54.5	0.10	0.035	0.62	0.12	0.10

13.2.1 Sulphide Flotation

As expected from the mineralogy and Phase 1 work, the master sulphide composite responded to flotation much better with substantially higher recovery than from the oxide composite. Organic carbon was detected in the samples and was found to interfere with flotation and diluted the concentrate grade. A pre-flotation stage was added to the flow sheet to reject the majority of the carbon with starch addition prior to sulphide flotation. Several flow sheet variations including lead flotation, bulk flotation, lead-bulk flotation and lead-zinc flotation were investigated to determine the optimum flow sheet for the La Cigarra ores.

The flow sheet development work indicated that the pre-flotation of organic carbon was critical for effective lead flotation to produce a high silver recovery and a high grade lead concentrate. A subsequent zinc flotation on lead cleaner tailings indicated the potential for producing a relatively high grade zinc concentrate.

Lead flotation was effective with the use of PAX and 3418A as collectors and the additions of zinc sulphate and sodium cyanide to depress sphalerite and pyrite. Zinc sulphate addition alone was not effective as a depressant. Adding the cyanide in the mill was more effective than adding it to lead flotation feed. As shown in Table 13.8 for open circuit tests, silver recovery increased at a finer grind while generating a smaller high grade concentrate mass. In each case, the lead rougher concentrate was reground to 11 microns prior to cleaning. Tests showed no effect on metallurgical performance for regrind sizes between 7 microns and 18 microns.

Table 13.8 Effect of Grind Size on Lead Flotation Performance

Primary Grind P80	**Con Mass % of ore**	**Concentrate Assay - percent or g/t**						
		Pb	**Zn**	**Fe**	**S**	**Au**	**Ag**	**C**
100 microns	0.2	52.3	2.24	4.6	18.5	0.45	23900	0.45
75 microns	0.2	48.2	1.80	5.0	17.1	1.09	22600	0.34
Primary Grind P80	Con Mass % of ore	**Recovery – percent**						
		Pb	Zn	Fe	S	Au	Ag	C
100 microns	0.2	76.1	1.7	0.4	1.4	1.9	65.0	0.2
75 microns	0.2	69.8	1.9	0.4	1.5	4.5	72.7	0.8

A preliminary marketing study indicated that the high silver grade lead concentrate would be saleable to most lead smelters, and preferred by western smelters.

In the finer grind test, a subsequent zinc flotation of lead cleaner tailings recovered 55% of the zinc and 6% of the silver in a concentrate grading 57% zinc and 1,764 g/t silver.

A locked cycle flotation test was run to assess the performance of a continuous circuit. As shown in Table 13.9, the test confirmed that the good performance obtained routinely in open circuit tests at a P80 of 99 microns would be achieved in a continuous operation. Future locked cycle tests will compare the performance at the finer grind of 70 microns used in the best open circuit test shown in Table 13.8.

13.2.2 Oxide Flotation

Flotation tests on the oxide master composite and its blend with sulphide master composite were tested to evaluate process options for silver recovery. Process options include direct flotation on the oxide using PAX with and without sodium hydrosulphide (NaHS) addition, and using sulphide flotation reagent scheme with NaHS addition. Given that sulphides are more dominant in the deposit, an arbitrary blend of 85:15 sulphide to oxide was also tested under sulphide reagent scheme and NaHS addition.

Relatively poor metallurgical performance was achieved in all tests. As shown in Table 13.10 sulphidization of oxide aided silver recovery but the recovery and concentrate grade were still low.

Table 13.9 Locked Cycle Lead Flotation Performance

	Mass %	Assay, percent or g/t						
		Pb	Zn	Fe	S	Au	Ag	C
Flotation feed	100.00	0.14	0.21	2.4	2.38	0.04	62	0.47
Pre-flot concentrate	1.27	0.24	0.13	3.3	3.31	0.14	163	4.98
Pb concentrate	0.16	55.00	3.31	3.7	18.30	1.34	25964	0.60
Pb 1st cleaner tails	4.03	0.32	0.46	4.0	3.76	0.11	221	1.19
Pb rougher tails	94.54	0.04	0.20	2.4	2.28	0.03	11	0.38
	Mass %	Recovery, percent						
		Pb	Zn	Fe	S	Au	Ag	C
Flotation feed	100.00	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Pre-flot concentrate	1.27	2.2	0.8	1.7	1.8	4.6	3.3	13.4
Pb concentrate	0.16	62.0	2.5	0.2	1.2	5.5	66.5	0.2
Pb 1st cleaner tails	4.03	9.1	8.6	6.5	6.4	11.5	14.2	10.2
Pb rougher tails	94.54	26.7	88.1	91.5	90.6	78.4	15.9	76.2

Table 13.10 Rougher Flotation of Master Oxide Composite Performance

	Mass %	Concentrate Assay - percent or g/t						
		Pb	Zn	Fe	S	Au	Ag	C
Rougher flot without NaHS	1.0	0.22	0.05	3.4	2.04	0.30	758	0.34
	10.1	0.14	0.03	2.8	1.30	0.14	166	0.27
Rougher flot with NaHS	1.7	0.46	0.13	6.4	4.72	0.80	2200	0.64
	9.9	0.19	0.05	3.6	1.90	0.28	446	0.37
Cleaner flot with NaHS	0.8	0.67	0.22	11.9	12.30	1.56	3080	1.24
	Mass %	Recovery – percent						
		Pb	Zn	Fe	S	Au	Ag	C
Rougher flot without NaHS	1.0	2.6	4.0	1.7	3.2	9.5	24.4	2.6
	10.1	16.7	27.6	14.1	20.3	43.3	53.8	20.6
Rougher flot with NaHS	1.7	9.4	6.8	5.5	11.8	29.8	65.3	10.0
	9.9	22.8	15.4	18.0	28.1	60.5	77.7	33.5
Cleaner flot with NaHS	0.8	5.8	13.7	4.7	15.0	18.2	43.8	7.7

The results in Table 13.11 show that the metallurgical performance of the oxide-sulphide blend was poor even with sulphidization. An analysis of the data indicated that floating the oxide and sulphide separately then blending the concentrates would give better overall recovery than from floating a blend, if flotation of oxide is considered.

Table 13.11 Cleaner Flotation of 85:15 Sulphide-Oxide Blend Performance

	Mass %	Concentrate Assay - percent or g/t						
		Pb	Zn	Fe	S	Au	Ag	C
Without NaHS	0.3	24.3	1.72	4.0	10.1	2.54	10500	1.30
With NaHS	0.3	26.5	0.91	3.6	8.7	1.29	9618	0.99
	Mass %	Recovery - percent						
		Pb	Zn	Fe	S	Au	Ag	C
Without NaHS	0.3	46.4	2.2	0.4	1.2	9.2	55.8	1.0
With NaHS	0.3	57.8	1.4	0.4	1.1	5.7	50.5	0.8

13.2.3 Whole Ore Cyanidation

One bottle roll cyanidation test was conducted on the sulphide master composite while 3 tests were conducted on the oxide master composite. All leaches were run for 48 hours using an initial sodium cyanide concentration of 2g/L.

The silver extraction from the sulphide composite, ground to 99 micron, was slow and only about 50% while consuming 1.2 kg/t sodium cyanide and 1.2kg/t lime at pH 11. This indicates that the flotation process is the better option for sulphide ore.

The silver extraction from the oxide composite was fast, achieving about 90% at 60 and 94 micron grind sizes. The extraction was virtually completed in 24 hours. Coarsening the grind size to 170 microns decreased the extraction by about 7%. Sodium cyanide consumption was between 0.5 and 0.8kg/t while lime consumption ranged from 1.3 to 1.7 kg/t at pH 11. The results show that the oxide is more amenable to direct cyanide leaching than to flotation.

13.2.4 Cyanidation of Flotation Products

Two carbon-in-leach (CIL) tests were conducted on reground lead rougher concentrate and one CIL test on reground lead cleaner tailings. CIL, rather than direct cyanidation, was conducted due to the presence of organic carbon. All leaches ran for 96 hours.

For the lead rougher concentrate, the effects on extraction of regrind size (11 vs. 17 microns), sodium cyanide concentration (2 and 5g/L), carbon concentration (22 and 50g/L), and lead nitrate additions (0 and 250mg/L) were investigated. Silver extractions remained low at 50% to 60%.

A single CIL test on lead cleaner tailings achieved about 85% silver extraction at 11 micron regrind size, 5g/L sodium cyanide concentration, 50g/L carbon and with 250mg/L lead nitrate addition. The extraction equates to about 9% of the silver in the ore. Based on this test and a flotation recovery of 73% achieved at fine grind, the overall silver recovery from ore in a combined flotation-CIL process is then projected to be 82%.

The results of the Phase 2 program suggest that a combined flotation-CIL flow sheet could be adopted for processing both the sulphide and oxide ores. The sulphide ores would be processed through the entire circuit while the oxide ores could be campaigned through grinding followed by the leaching circuit.

13.2.5 Concentrate Quality

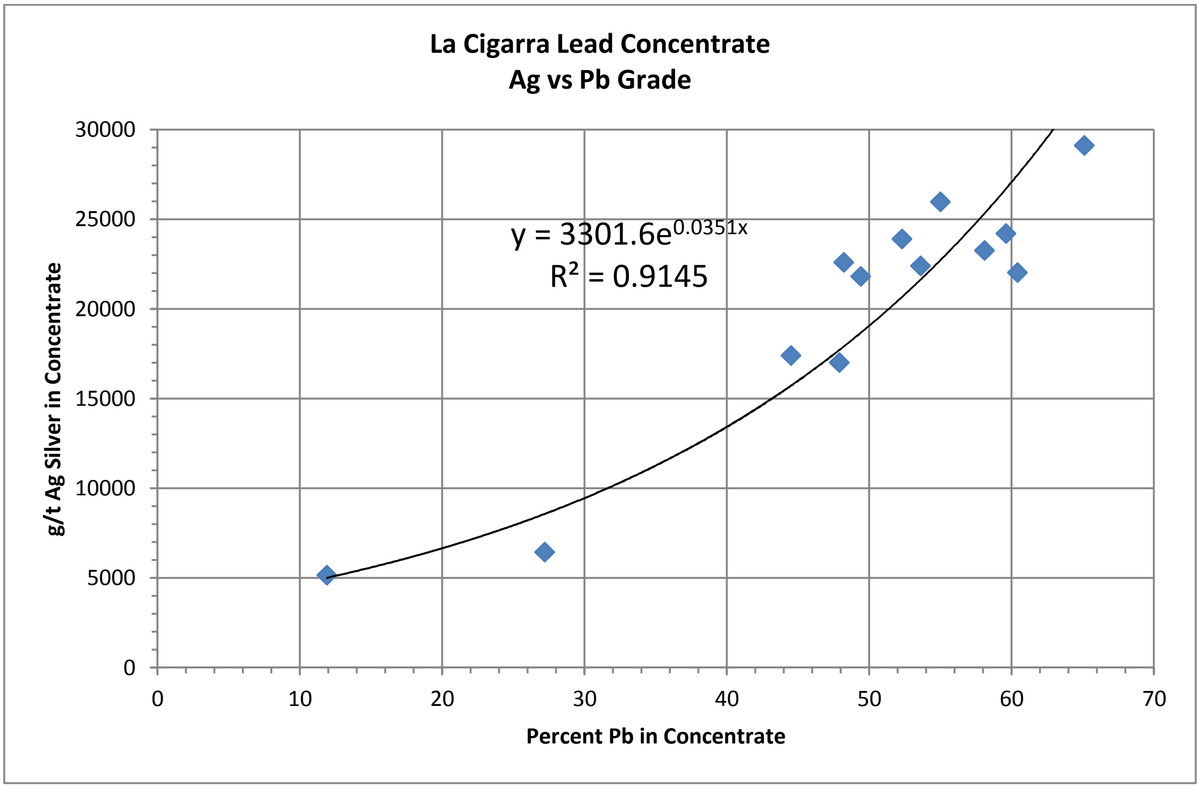
The lead concentrate from the locked cycle test was assayed for minor elements as a preliminary assessment of quality and its marketability. The assays listed in Table 13.12 show somewhat high levels of zinc and copper in a lead concentrate but the preliminary marketing study suggests that these and other contaminants would unlikely to incur penalties. More concentrate samples will be assayed in the next program phase to ensure that contaminants, including chloride, selenium and germanium, are within acceptable ranges.

As shown in Figure 13.1, there is a good correlation between lead and silver grades in lead concentrate based on test program data. This will be assessed further in the next program as it could be used as a basis for evaluating concentrate grade against smelter requirements and concentrate value and to aid process design.

Table 13.12 Lead Concentrate Quality

Element	Symbol	Units	Assay
Aluminum	Al	%	0.38
Antimony	Sb	%	0.43
Arsenic	As	%	0.24
Bismuth	Bi	g/t	92
Cadmium	Cd	g/t	844
Carbon	C	%	1.57
Cobalt	Co	g/t	4
Copper	Cu	%	7.80
Fluorine	F	g/t	97
Gold	Au	g/t	1.87
Iron	Fe	%	5.10
Lead	Pb	%	50.6
Magnesium	Mg	%	0.055
Manganese	Mn	%	0.020
Mercury	Hg	g/t	158
Nickel	Ni	g/t	39
Silicon	Si	%	1.88
Sulphur	S	%	18.7
Silver	Ag	%	2.39
Zinc	Zn	%	3.47

Figure 13.1 Correlation of Lead and Silver Grades in Concentrate



14 MINERAL RESOURCE ESTIMATES

This resource estimate is an update to a 43-101 resource estimate completed for International Northair (now Northair Silver) in 2013 (Reeves and Arseneau, 2013), the results of which were reported on February 26, 2013. The estimate was prepared by JDS Energy and Mining Inc. (JDS). The resource estimate was constrained by a Whittle^{TM} pit shell at an economic cut-off grade of 30 g/t of silver. Highlights of the mineral resource estimate were as follows:

- Measured and Indicated mineral resources of 50,494,000 ounces of silver within 20,755,700 tonnes at an average grade of 76 g/t silver;
- Inferred mineral resource of 3,515,900 ounces silver within 1,780,000 tonnes at an average grade of 61 g/t silver;
- Significant by-products include 40,100 ounces of gold in the measured and indicated categories as well as appreciable lead and zinc values.

GeoVector Management Inc. (GeoVector) has been contracted by Northair Silver to provide an updated resource for the combined San Gregorio and Las Carolinas zones on the La Cigarra project. To complete the updated resource estimate GeoVector assessed the raw database, the available written reports, and the resource modeling data that was available from the 2013 resource report. Based on this review, GeoVector formulated updated geological models that reflect the deposit type and the data that is available to generate the updated resource estimate. As the work progressed and more up to date and/or corrected data became available, including additional drilling within the resource model area, it was incorporated into GeoVector's studies.

The mineral resource was estimated by Armitage and Campbell, of GeoVector who are independent Qualified Persons as defined by NI 43-101. The reporting of the updated resource estimate complies with all disclosure requirements for mineral resources set out in the National Instrument (NI) 43-101 Standards of Disclosure for Mineral Projects (2011).

The ordinary kriging estimation method was used to estimate silver, gold, lead and zinc grades, restricted to mineralized domains, into a single block model. Measured, Indicated and Inferred Mineral Resources are reported in summary tables in Section 14.10 below, consistent with CIM Definition Standards - For Mineral Resources and Mineral Reserves (2014). There are no mineral reserves estimated for the La Cigarra project.

14.1 Drill File Preparation

Preparation of the drill database prior to the 2014 drill program is described in the 2013 Technical Report titled "San Gregorio/Las Carolinas Resources Technical Report, La Cigarra Project, Chihuahua Mexico", dated April 10th, 2013 by Reeves and Arseneau, which is filed on SEDAR. The 2014 drill database was added to the database that was used for the previous resource estimation.

To complete the update resource, digital files containing topographic information, drill hole collar information, drill hole survey data, assay data, lithological logs of the drill hole intercepts, and density data were evaluated. These files were used to construct updated resource models.

The complete drill hole database included 173 drill holes (15 RC and 158 core) for a total of 30,443 m (Appendix I) and 22,064 assays. This includes 17 drill holes (4,817m) completed in 2014 in the La Soledad, Las Venadas, San Gregoria, Las Carolinas and La Borracha zones. Of the 173 drill holes, 156 drill holes (11 RC and 145 core) were used in the preparation of the resource models and resource estimate (Figure 14.1). Of the remaining drill holes, 12 holes were completed in the La Borracha zone, 2 holes were completed in the Las Venedas zone and 1 hole was completed in the Las Chinas zone; resource estimates were not completed in these areas.

The database used to construct the resource models totaled of 27,617 m and 20,022 assays (Table 14.1). Since the previous resource, an additional 13 drill holes totalling 3,975 m were completed in the deposit area including 7 holes in the San Gregorio zone and 6 holes in the Las Carolinas zone (Figure 14.2). A total of 2,775 assays were collected from these 2014 drill holes.

The 2014 data was added to the database used for the previous resource estimate. The entire database was checked for typographical errors in assay values and verification of supporting information on source of assay values was completed. Sample overlaps and gapping in intervals were also checked. Verifications were carried out on drill hole locations, down hole surveys, and lithologic information. Generally the 2014 database was in good shape and was acceptable to GeoVector as a basis for resource reporting.

A summary of the 2014 and complete drill hole database used for the current resource estimate is presented in Table 14.1. A statistical analysis of the assay database is presented in Table 14.2.

Table 14.1 Summary of the San Gregorio/Las Carolinas Zone Drill Hole Data Used in the Resource Modeling

2014 Resource Drill Database	
Total Number of drill holes	13
Total meters of drilling	3,975m
Total number of assay samples	2,775
Average Sample length	1.23m
Total number of density samples (WW/WA)	207
Complete Resource Drill Database	
Total Number of drill holes	156
Total meters of drilling	27,617m
Total number of assay samples	20,022
Average sample length	1.26
Total number of density samples (WW/WA)	970

Table 14.2 Statistical Analysis of the San Gregorio/Las Carolinas Zone Drill hole Assay Sample Database

San Gregorio/Las Carolinas Zone Drill Sample Data	Ag (g/t)	Au (g/t	Pb (%)	Zn (%)	Density
Number of samples	20,022	20,022	20,022	20,022	970
Minimum value	0.00	0.00	0.00	0.00	1.70
Maximum value	4,260	4.78	16.7	26.7	3.85
Mean	17.6	0.03	0.04	0.07	2.57
Median	2.70	0.02	0.005	0.02	2.59
Variance	7,698	0.01	720	1,315	0.02
Standard Deviation	87.7	0.07	0.27	0.36	0.16
Coefficient of variation	5.00	2.64	6.08	4.93	0.06
99 Percentile	268.5	0.59	0.87	0.19	2.88

Figure 14.1 Isometric View Looking Southwest Showing the Drill Hole Distribution in the Las Carolinas/San Gregorio Deposit Area, with Topography

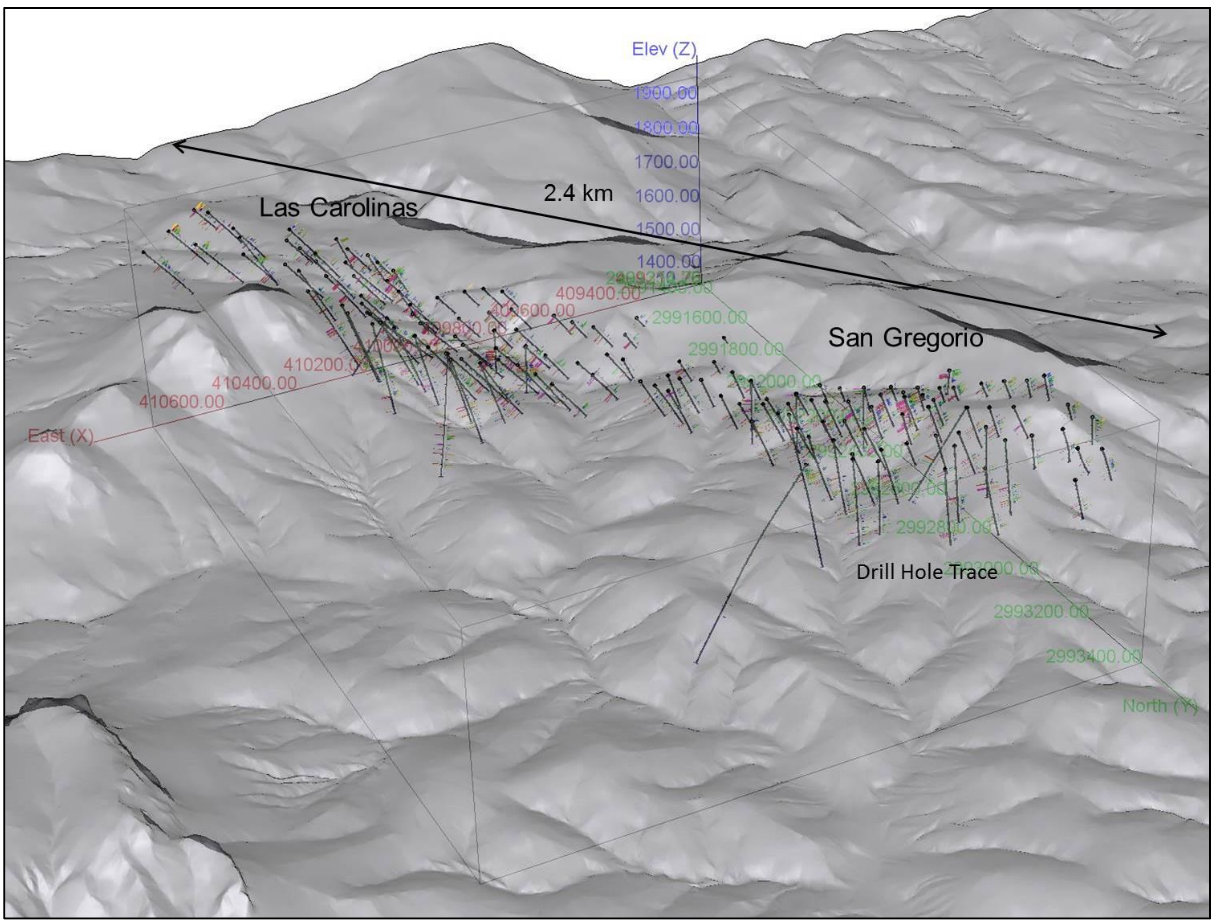
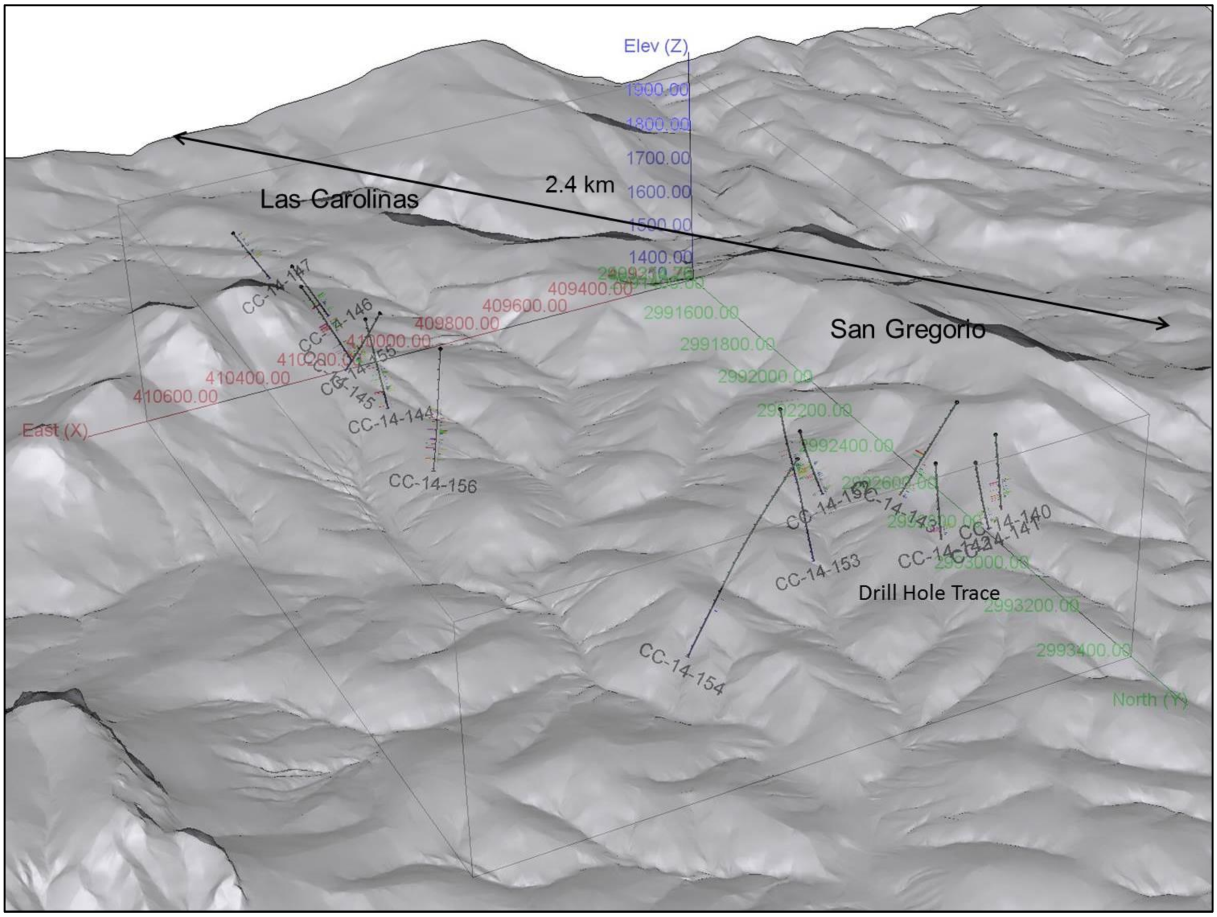


Figure 14.2 Isometric View Looking Southwest Showing the 2014 Drill Hole Distribution in the Las Carolinas/San Gregorio Deposit Area, with Topography



14.2 Resource Modelling and Wireframing

Grade control models (a high grade and a low grade silver model) (Figure 14.3 to Figure 14.8) of the San Gregorio/Las Carolinas deposit were constructed which involved outlining the limits of mineralization on 50 metre spaced cross sections based on histograms of silver, lead and zinc values. Polygons of mineral intersections were made on each cross section and were wire framed together to create a contiguous resource model in GEOVIA GEMS 6.6.0.1 software.

The grade control models were constructed to define silver mineralization, as controlled by interpreted geology and structure. A high grade core silver model was created to capture mineralization generally above a grade of 15 to 20 g/t silver. In addition a low grade envelope, which encompasses the high grade core model, was defined to capture mineralization above a grade of 5 to 10 g/t silver. The modeling exercise incorporated predicted controls of the deposits dominant geology and geologic limits. The resource model extends for approximately 2.4 km on a 320° trend with an average dip of 45° to the northeast. Mineralization defined by drilling extends from surface to depths of up to 380 m.

Figure 14.3 Isometric View Looking Southwest Showing the Drill Hole Distribution and the Las Carolinas/San Gregorio High Grade and Low Grade Silver models, with Topography

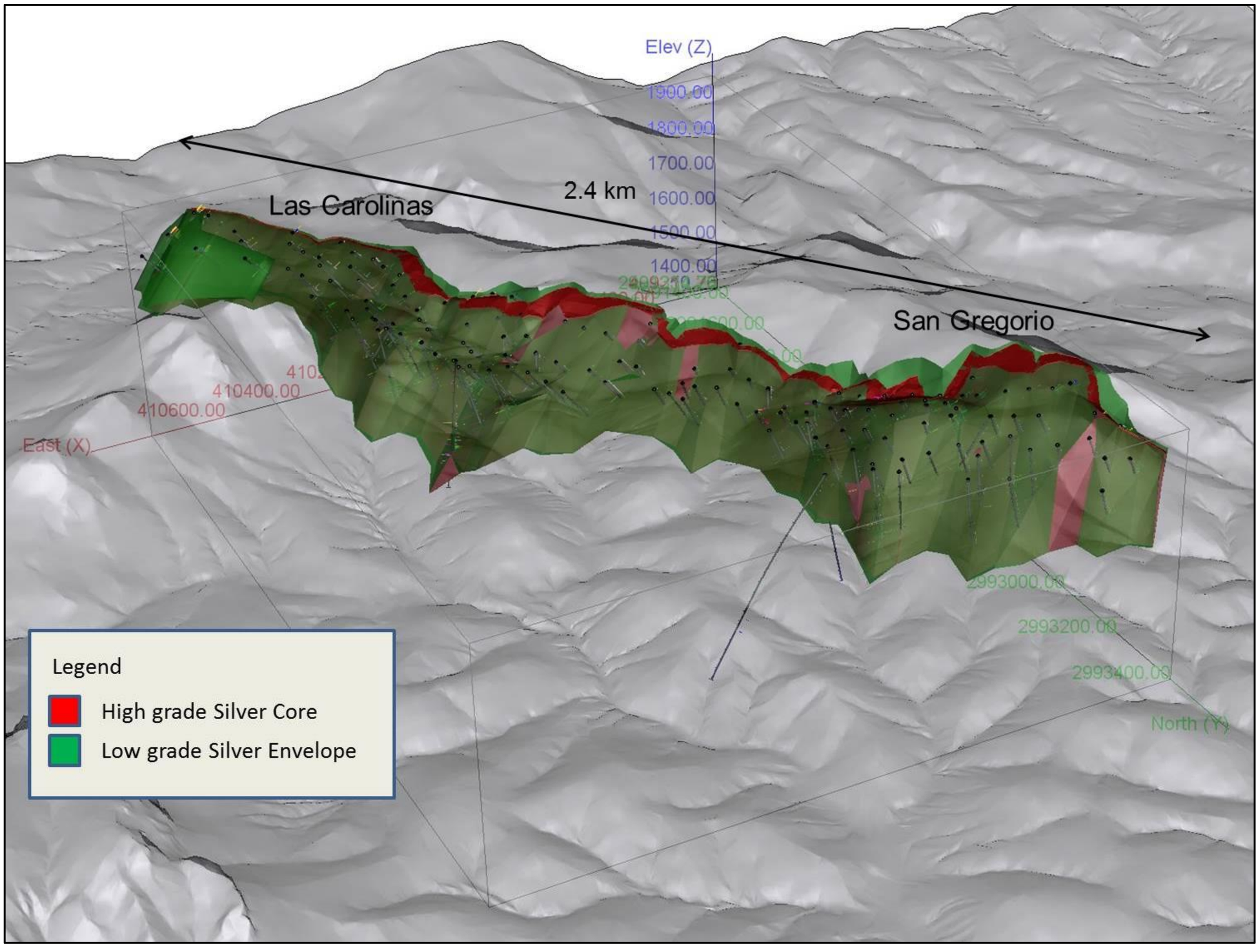


Figure 14.4 Plan View Showing the Drill Hole Distribution and the Las Carolinas/San Gregorio High Grade and Low Grade Silver models, with Topography; Sections Presented in Figure 14.5 to Figure 14.8 are Identified

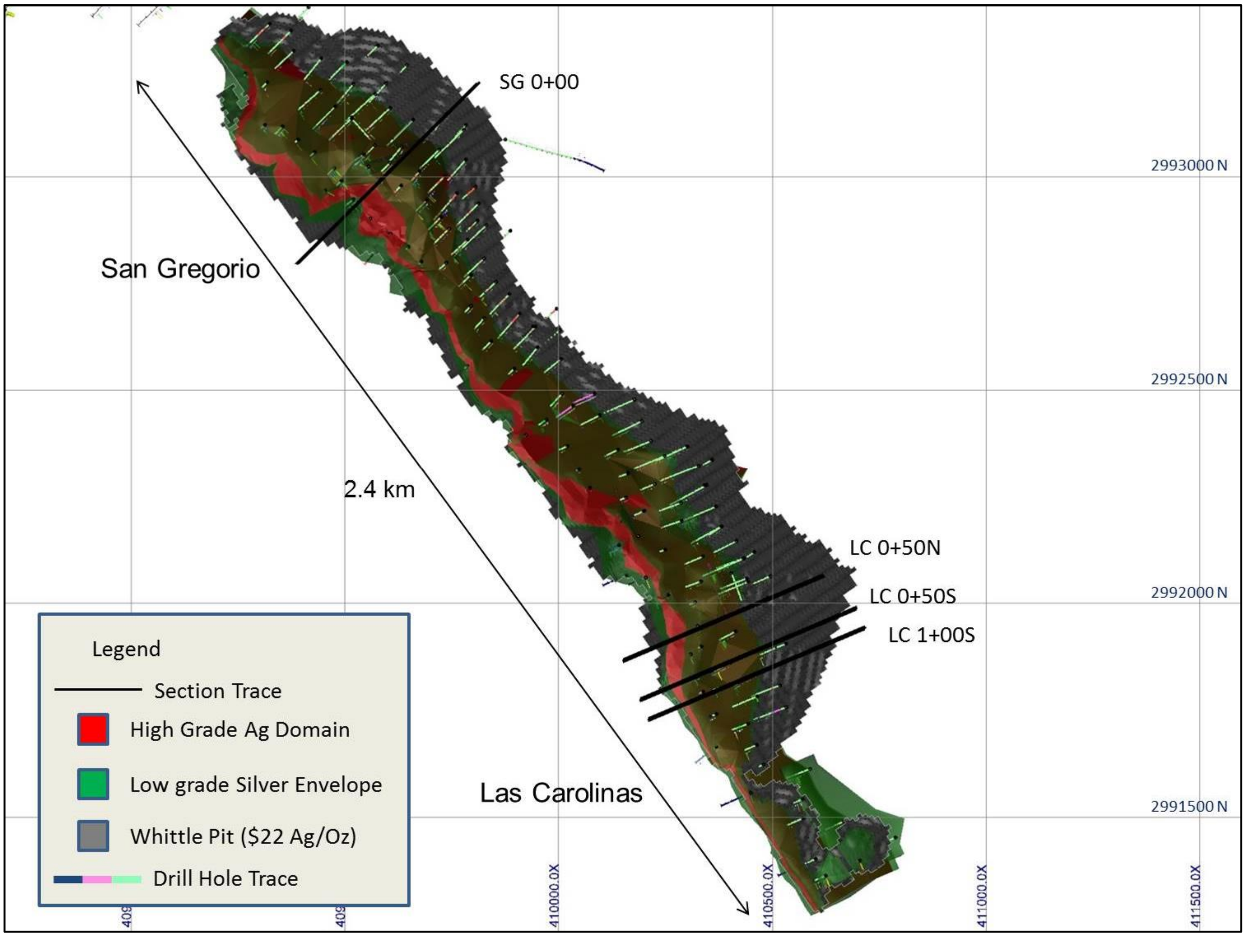


Figure 14.5 Section LC 0+50N (LC – Las Carolinas)

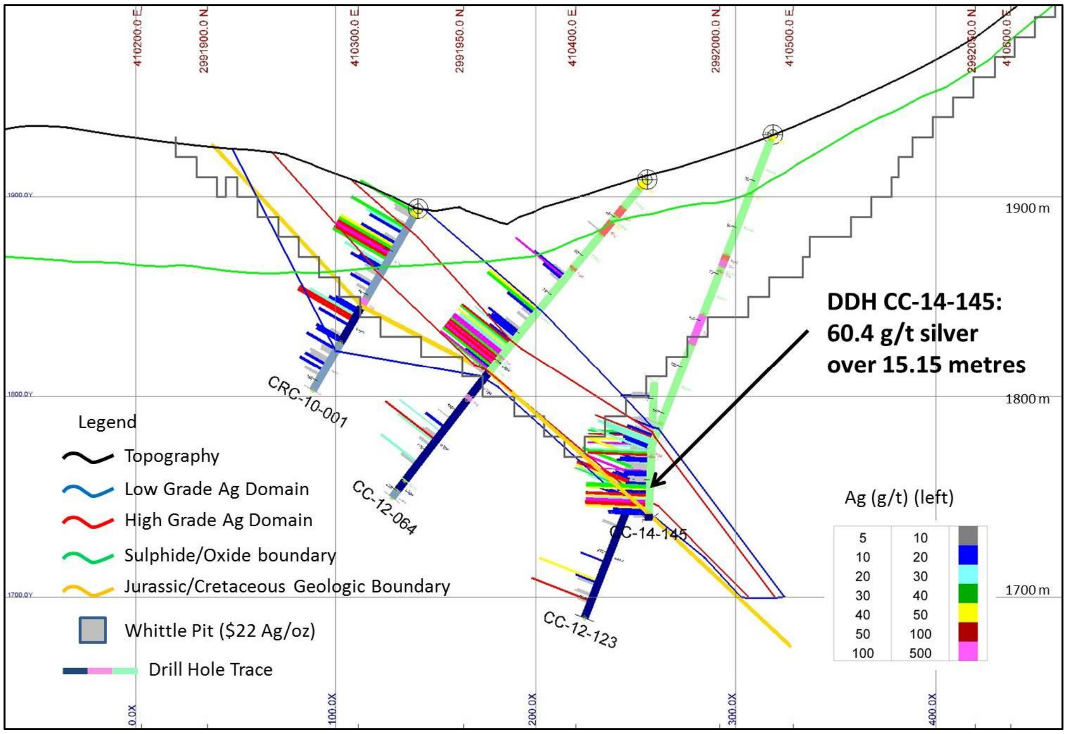


Figure 14.6 Section LC 0+50S

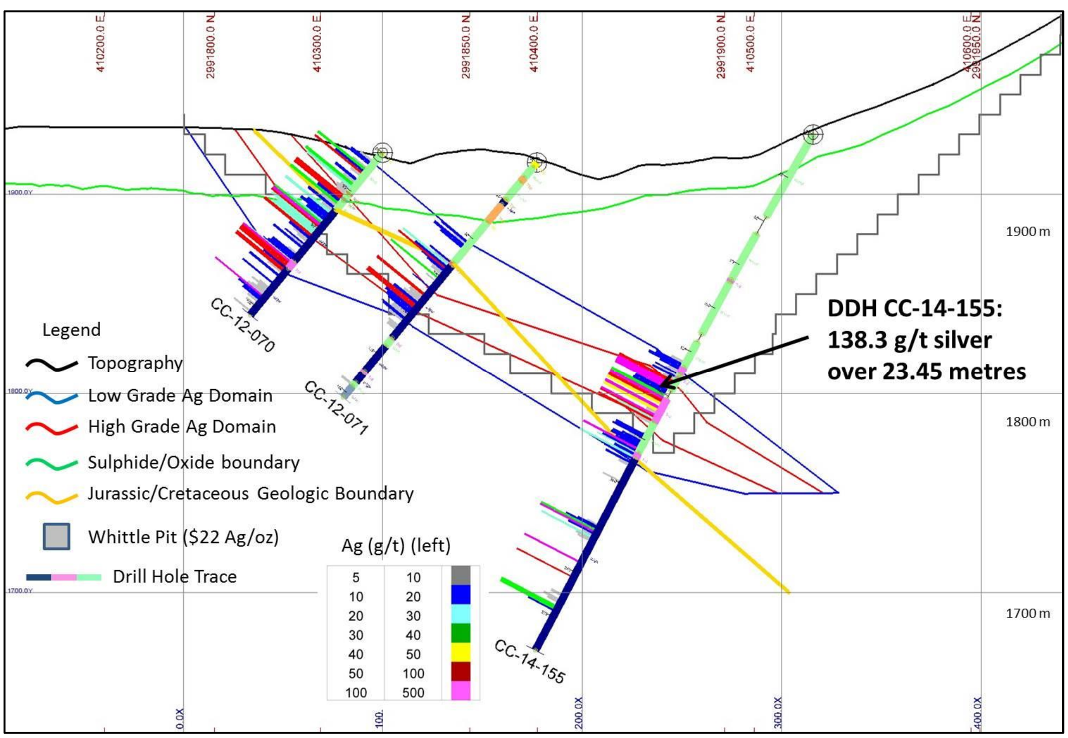


Figure 14.7 Section LC 1+00S

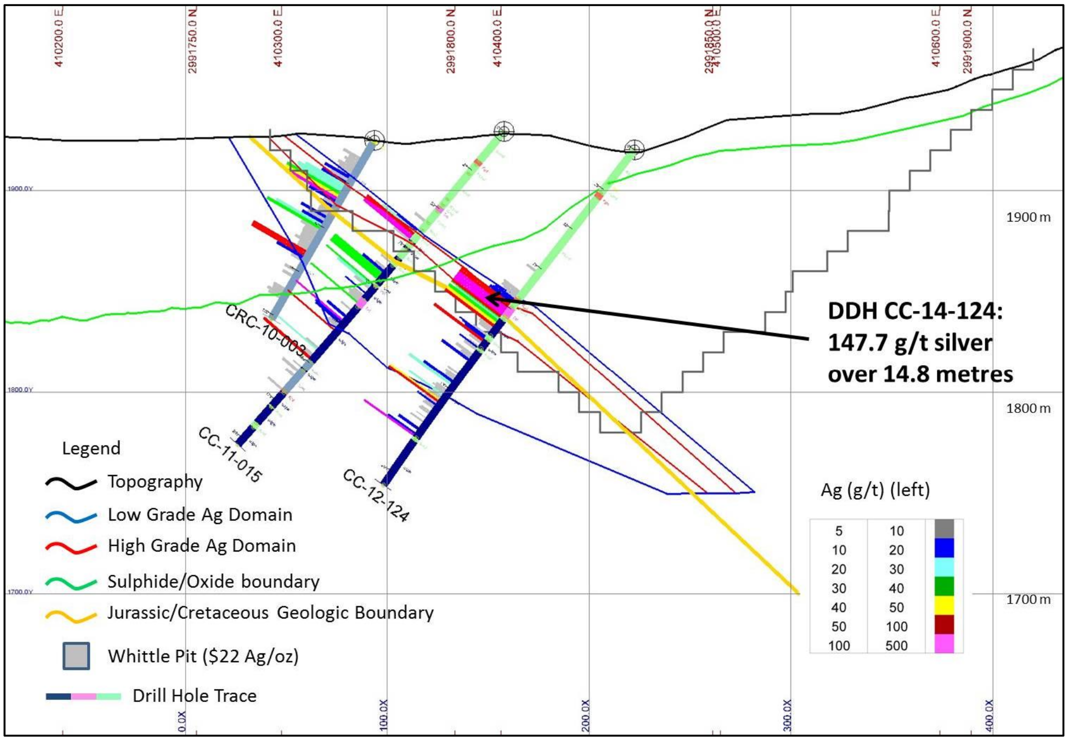
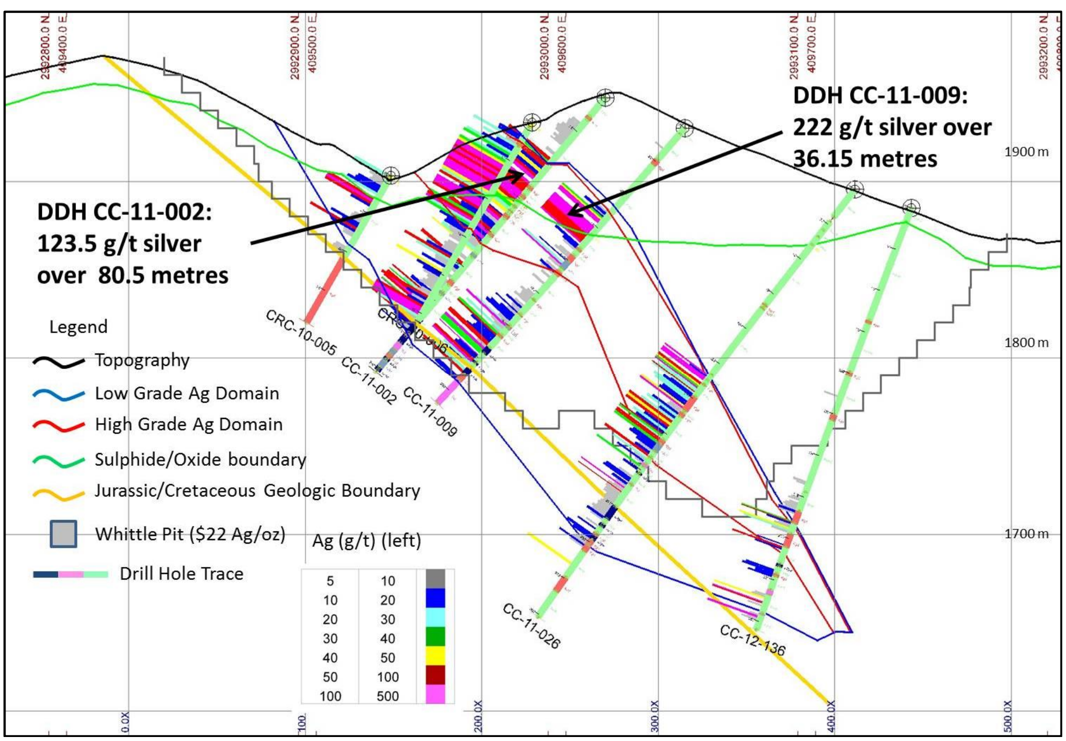


Figure 14.8 Section SG 0+00 (SG – San Gregorio)



14.3 Composites

The assay sample database available for the revised resource modelling totalled 20,022 samples representing 25,173 metres of core. Average width of the sample intervals was 1.26 meters, within a range of 0.1 meters to 3.5 meters. Of the total assay population ~96 % of the samples are 1.55 m or less with ~46% of the samples between 1.45 and 1.55 m. To minimize the dilution and over smoothing due to compositing, a composite length of 1.5 metres was chosen as an appropriate composite length for the resource estimation. Figure 14.9 shows the relationship between assay length and silver grade. As can be seen higher grade assays are typically shorter in length. For this reason, it was decided to composite the assay data prior to carrying out the capping analysis.

Composites were generated starting from the collar of each hole and totalled 18,441 one and a half metre composites (Table 14.3). Average grades of the composite samples for silver, lead, zinc and gold were only marginally lower than the assay sample population indicating that there is minimal smoothing of the data due to compositing.

For the revised resource, composites were domained into mineralization and waste based on whether they intersected the individual resource models. A total of 6,208 composite sample points occur within the resource models (Table 14.4). These values were used to interpolate grade into their respective resource blocks.

Further analysis of the data indicates the elements of interest within the Deposit are generally not well correlated (Table 14.5). The best correlation is between Pb and Zn within the high grade core.

The geostatistical analysis of the resource data was completed using GEOVIA GEMS 6.6.0.1 software.

Figure 14.9 Assay Sample Length versus Average Assay Value

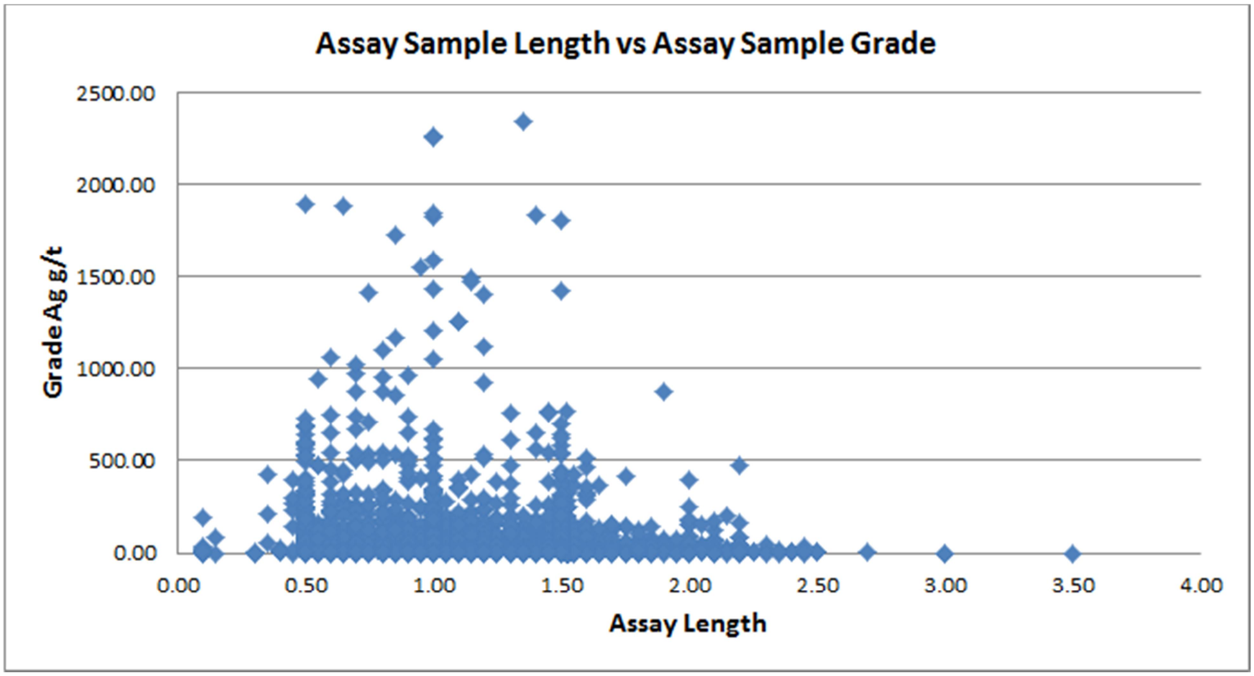


Table 14.3 Summary of the Drill Hole Composite Data from the Resource Drill Database

Variable	Ag (g/t)	PB (%)	ZN (%)	Au (g/t)
Number of samples	18,441	18,441	18,441	18,441
Minimum value	0.00	0.00	0.00	0.00
Maximum value	2,153	10.6	12.9	4.57
Mean	14.1	0.03	0.06	0.02
Median	2.01	0.00	0.01	0.01
Variance	3,692	300	400	0.00
Standard Deviation	60.8	0.17	0.20	0.06
Coefficient of variation	4.32	5.12	3.55	2.52
99 Percentile	210	0.44	0.59	0.19

Table 14.4 Summary of the Drill Hole Composite Data from Within the High Grade an Low Grade Silver Resource Domains

High Grade Domain

Variable	Ag (g/t)	PB (%)	ZN (%)	Au (g/t)
Number of samples	2,359	2,359	2,359	2,359
Minimum value	0.63	0.00	0.00	0.00
Maximum value	2,119	10.6	12.9	2.87
Mean	65.8	0.11	0.17	0.06
Median	28.4	0.05	0.07	0.04
Variance	16,072	933	1,929	0.08
Standard Deviation	126	0.31	0.44	0.09
Coefficient of variation	1.92	2.85	2.65	1.46
99 Percentile	599	0.88	1.52	0.31

Low Grade Domain

Variable	Ag (g/t)	PB (%)	ZN (%)	Au (g/t)
Number of samples	3,849	3,849	3,849	3,849
Minimum value	0.00	0.00	0.00	0.00
Maximum value	2,153	9.10	12.9	4.57
Mean	19.1	0.06	0.08	0.04
Median	8.76	0.01	0.04	0.03
Variance	5,268	700	384	0.19
Standard Deviation	72.6	0.27	0.20	0.04
Coefficient of variation	3.79	4.27	2.35	1.19
99 Percentile	201	0.62	0.73	0.18

Table 14.5 Resource Data Correlation Coefficient Analysis

High Grade Core				
VARIABLE	AG_G/T	PB_%	ZN_%	AU_G/T
AG_G/T	1.00	0.39	0.32	0.33
PB_%	0.39	1.00	0.81	0.12
ZN_%	0.32	0.81	1.00	0.096
AU_G/T	0.33	0.12	0.06	1.00
Low Grade Halo				
VARIABLE	AG_G/T	PB_%	ZN_%	AU_G/T
AG_G/T	1.00	0.37	0.31	0.13
PB_%	0.37	1.00	0.37	0.06
ZN_%	0.31	0.37	1.00	0.09
AU_G/T	0.13	0.06	0.09	1.00

14.4 Grade Capping

Based on a statistical analysis of the composite database from each resource model (Table 14.4), it was decided that no capping was required on the composite populations to limit high values. Log histograms of the data identify very few outliers within the database. Analyses of the spatial location of these samples and the sample values proximal to them indicate that the high values were legitimate parts of the population, and that the impact of including these high composite values uncut would be negligible to the overall resource estimate.

14.5 Density

Prior to the 2014 drill program, two types of bulk density measurements were estimated at La Cigarra, wet and dry (Reeves and Arseneau, 2013). The wet density was determined by weighing a piece of core in air and then weighing the core in water. The dry density was determined by weighing a piece of core in air and then weighing the core wrapped in plastic immersed in water.

There were 747 wet density measurements and 617 dry measurements. Wrapping core in plastic for bulk density estimation is less than ideal and will generally under estimate the bulk density (Reeves and Arseneau, 2013). Core in water with no wax to seal the void space will generally overestimate the bulk density value. The true bulk density is somewhere between the dry and wet measurements.

The 2013 resource model used the dry measurements because the dry measurements were likely to be conservative (Reeves and Arseneau, 2013). To evaluate the potential effect on the resource tonnage of utilizing only the dry data, a comparison of the dry and wet measurements was undertaken. Significant outliers were removed from the data set prior to tabulating the data, leaving 599 dry measurements and 725 wet measurements to be used in the analysis. The dry bulk density measurements were lower on average than the wet measurements for both oxide (2.26 vs 2.44 for wet) and fresh rock (2.42 vs 2.57 for wet). As would be expected, the oxide rock has a lower density than the fresh rock. On average, the dry density measurements are 7% less than the wet measurements and the dry measurements are about 6% less for the fresh than the corresponding wet measurements.

It was assumed (Reeves and Arseneau, 2013) that the true bulk density probably lies somewhere between the dry and wet measurements. If it is further assumed that half the difference between dry and wet measurements provides the best estimate of bulk density then the oxide bulk density could be increased on average by 3.5% and the density of the fresh rock could be increased by 3%. This was recognized as a potential upside to the mineral resource and contained metal and it was recommended that it should be investigated by taking additional bulk density measurements during the next drilling campaign and coating the samples with wax prior to weighing them in water to better estimate the bulk density value.

Bulk density in 2013 was estimated in the model using only the dry density measurements. Density was estimated by inverse distance square (ñID2ò) using a minimum of 2 and maximum of 12 composites (maximum of 3 samples per hole). The search ellipse was oriented at 43°, 0°, 0° (Az., Dip, Az) and measured 100 x 150 x 20 in the x, y, z direction.

For the 2014 drill program, a total of 246 samples were collected (Table 14.6). Density measurements were done on whole core prior to sampling and values were determined using 4 methods including: caliper method, weight in air/weight in water method (WW/WA), plastic wrap followed by WW/WA method and wax immersion method (see section 10.11 above). Samples sent to ALS Globex for wax immersion (73 samples) were considered as the most precise and these values were used as checks on the other methods.

As can be seen in Table 14.6, density determined using the WW/WA method on average agree well with the wax immersion method. As discussed previously, wrapping core in plastic for bulk density estimation is less than ideal and will generally under estimate the bulk density. This is the case for the 2014 samples as well. Samples determined using the caliper method is slightly lower on average than the wax immersion method. It was noted that some samples had pieces of core chipped off which would result in an under estimation of the mass for the measured volume (over estimation of the true volume) and thus an underestimation of the density.

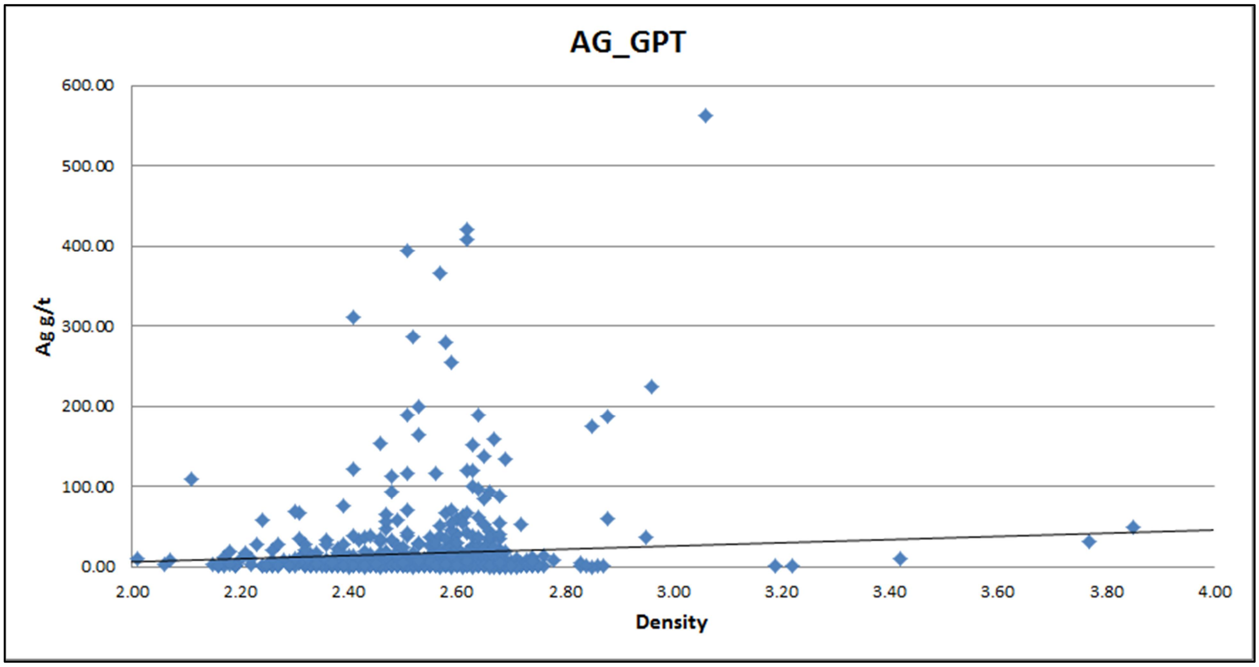
As a result, the WW/WA density measurements from the 2014 drill program as well as the WW/WA measurements from previous drill programs were used for the current resource. The density database totalled 970 samples (average 2.57) including 406 samples from within the mineralized zones. Average density values are very consistent between domains when comparing oxide and sulphide zones separately and there appears to be little correlation of density value and silver grade (Figure 14.10).

Due to the relative sparseness of density data, average density values were used for the resource estimation. Values used include: 2.45 for oxide mineralization, 2.55 for sulphide mineralization and 2.57 for waste. The average SG values are based on limited SG testing (406 samples from within the mineralized zones) of representative mineralized core that intersect the resource model.

Table 14.6 Comparison of Density Measurements

Method	WW/WA	Plastic Wrap	Caliper	Wax Immersion
No. of Samples	246	246	246	73
Average Density	2.62	2.54	2.59	2.62

Figure 14.10 Grade versus Density for the WW/WA Samples



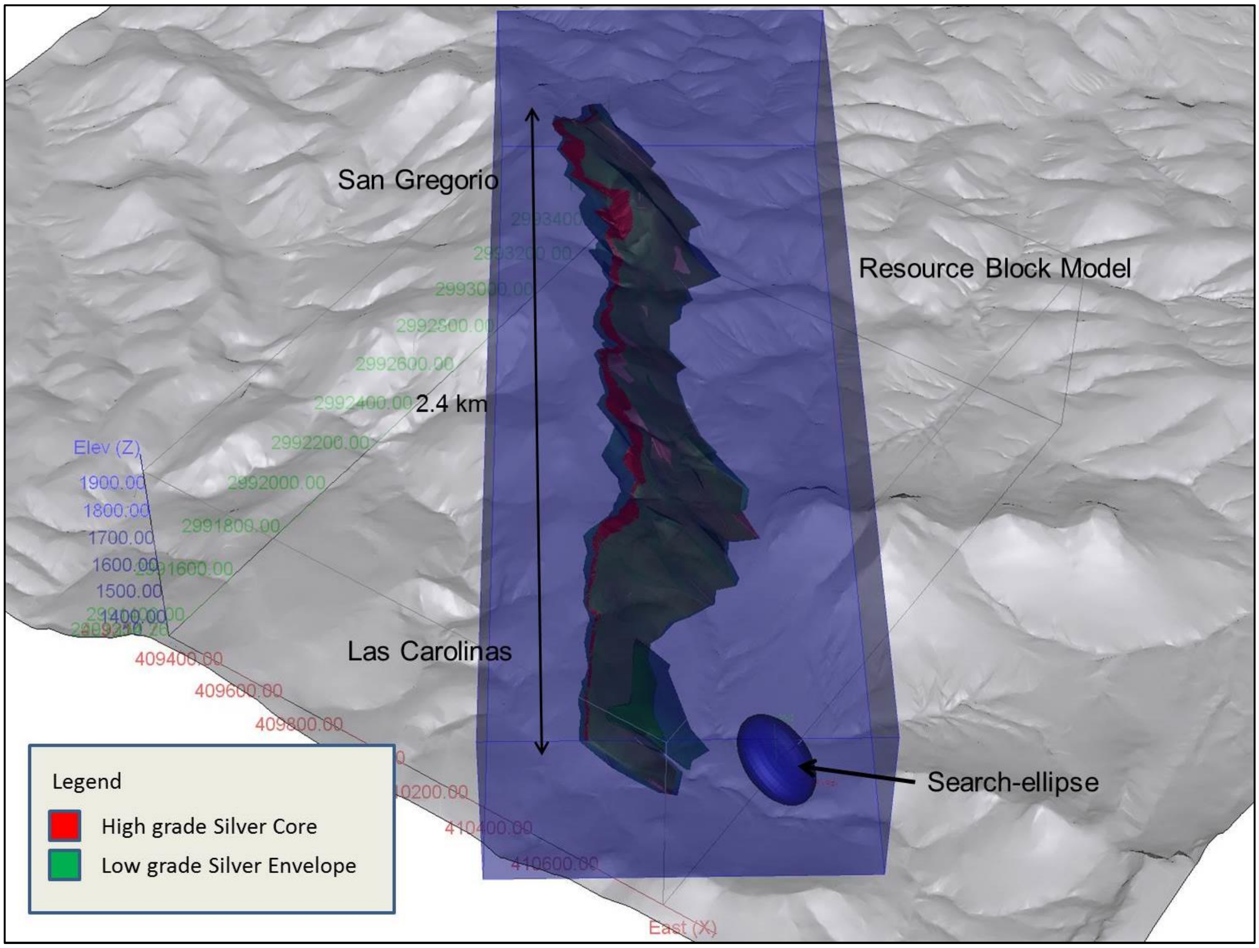
14.6 Block Model Parameters

A single block model was created for the Deposit within WGS84, Zone 13 space (Table 14.7) (Figure 14.11**Error! Reference source not found.**). Block model size was designed to reflect the spatial distribution of the raw data ï i.e. the drill hole spacing within each mineralized zone and to allow enough area for pit optimization. The block size of 10 x 10 x 10 was selected based on borehole spacing, composite assay length, and the geometry of the modelled zone. At this scale of the deposit this provides a reasonable block size for discerning grade distribution, while still being large enough not to mislead when looking at higher cut-off grade distribution within the model. The model was intersected with a waste model (rock) and surface topography to exclude blocks, or portions of blocks, that extend into waste rock or above the bedrock surface.

Table 14.7 Deposit Block Model Geometry

Model Name	High Grade Core			Low Grade Halo		
	X (North)	Y (East)	Z (Level)	X (North)	Y (East)	Z (Level)
Origin (WGS84, Zone 13)	410500	2991000	2100	410500	2991000	2100
Extent	95	278	50	95	278	50
Block Size	10	10	10	10	10	10
Rotation	35°			35°		

Figure 14.11 Isometric View Looking Northwest Showing the Resource Block Model, search ellipse, Las Carolinas/San Gregorio High Grade and Low Grade Silver models, and Topography



14.7 Grade Interpolation

The confidence classification of the resource (Measured, Indicated and Inferred) is based on an understanding of geological controls of the mineralization, and the drill hole pierce point spacing in the resource area. Three passes were used to interpolate grade into all of the blocks in the wireframe. Mineral resources were classified as Measured if at least two drill holes were found within a 35 x 35 x 20 metre search radius (Table 14.8). Blocks were classified as Indicated if two drill holes were found within a 60 x 60 x 30 metre radius and blocks were classified as Inferred if at least one drill hole was found within a 120 x 120 x 60 metre search radius. The Principal azimuth of the search ellipse is oriented at 059º, the Principal dip is oriented at -44° and the Intermediate azimuth is oriented at 325° (Figure 14.11).

The search ellipse orientation is based on 3D semi-variography analysis of Ag for the 1.5 metre composites within the High Grade Core resource model using Geovia GEMS 6.6.0.1 software. The same variograms were used to interpolate grades of all metals into each block for both the High Grade Core and Low Grade Halo resource models. The search ellipse is generally oriented to reflect the observed preferential long axis (geological trend) of the resource models. The dip axis of the search ellipse reflects the observed trend of the mineralization down dip.

Grades for silver, lead, zinc and gold were interpolated into resource blocks by the Ordinary Kriging ("OK") interpolation method using a minimum of 8 and maximum of 12 composites (maximum of 4 composites per hole) to generate block grades in the Measured and Indicated category and a minimum of 4 and maximum of 12 composites to generate block grades in the Inferred category (Table 14.8).

Table 14.8 Grade Interpolation Parameters

Parameter	High Grade Core			Low Grade Halo		
	Measured	Indicated	Inferred	Measured	Indicated	Inferred
Search Type	Ellipsoid			Ellipsoid		
Principle Azimuth	59°			59°		
Principle Dip	-44°			-44°		
Intermediate Azimuth	325°			325°		
Anisotropy X	35	60	120	35	60	120
Anisotropy Y	35	60	120	35	60	120
Anisotropy Z	20	30	60	20	30	60
Min. Samples	8	8	4	8	8	4
Max. Samples	12	12	12	12	12	12
Min. Drill Holes	2	2	1	2	2	1

14.8 Resource Classification Parameters

The updated Measured, Indicated and Inferred mineral resource estimate presented in this technical report were prepared and disclosed in compliance with NI 43-101 and was estimated in conformity with generally accepted CIM (2014) Definition Standards on Mineral Resources guidelines, including the critical requirement that all mineral resources "have reasonable prospects for eventual economic extraction".

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction.

The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of

Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An Inferred Mineral Resource is based on limited information and sampling gathered through appropriate sampling techniques from locations such as outcrops, trenches, pits, workings and drill holes. Inferred Mineral Resources must not be included in the economic analysis, production schedules, or estimated mine life in publicly disclosed Pre-Feasibility or Feasibility Studies, or in the Life of Mine plans and cash flow models of developed mines. Inferred Mineral Resources can only be used in economic studies as provided under NI 43-101.

There may be circumstances, where appropriate sampling, testing, and other measurements are sufficient to demonstrate data integrity, geological and grade/quality continuity of a Measured or Indicated Mineral Resource, however, quality assurance and quality control, or other information may not meet all industry norms for the disclosure of an Indicated or Measured Mineral Resource. Under these circumstances, it may be reasonable for the Qualified Person to report an Inferred Mineral Resource if the Qualified Person has taken steps to verify the information meets the requirements of an Inferred Mineral Resource.

Indicated Mineral Resource

An óIndicated Mineral Resourceô is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit.

Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade or quality of the mineralization can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability of the deposit. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

14.9 Mineral Resource Statement

The updated Measured, Indicated and Inferred mineral resource estimate was prepared by GeoVector and is disclosed in compliance with NI 43-101 and was estimated in conformity with generally accepted CIM ñEstimation of Mineral Resource and Mineral Reserves Best practicesò guidelines, including the critical requirement that all mineral resources ñhave reasonable prospects for economic extractionò.

The ñreasonable prospects for economic extractionò requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, GeoVector considers that major portions of La Cigarra mineralization are amenable for open pit extraction.

In order to determine the quantities of material offering ñreasonable prospects for economic extractionò by an open pit, GeoVector used WhittleÊ pit optimization software and reasonable mining assumptions to evaluate the proportions of the block model (Measured, Indicated and Inferred blocks) that could be ñreasonably expectedò to be mined from an open pit.

The optimization parameters, found in Table 14.9, were selected based on benchmarking against similar projects. Two phases of scoping level metallurgical testing were conducted in 2011 and 2012. These results are summarized in the table below and are discussed in detail in the 2013 Resource Estimate report.

The reader is cautioned that the results from the pit optimization are used solely for the purpose of testing the ñreasonable prospects for economic extractionò by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the La Cigarra Project. The results are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cut-off grade.

The mineral resources contained within the Whittle pit shell (Figure 14.12 to Figure 14.14) is reported at a cut-off grade of 35 g/t Ag and is presented in **Error! Reference source not found.**.

Highlights of the La Cigarra Mineral Resource Estimate are as follows:

- Measured and Indicated mineral resource of 18,540,000 tonnes at an average grade of 86.3 g/t Ag for a total of 51,470,000 ounces, 0.13% Pb for a total of 53.9 MLbs, 0.18% Zn for a total of 74.8 MLbs and 0.07 g/t Au for a total of 41,000 ounces.

- Inferred mineral resource 4,450,000 tonnes at an average grade of 80.0 g/t Ag for a total of 11,460,000 ounces, 0.13% Pb for a total of 12.7 MLbs, 0.16% Zn for a total of 15.6 MLbs and 0.06 g/t Au for a total of 8,000 ounces.

Table 14.9 Whittle™ Pit Optimization Parameters

Parameter	Value	Unit
Silver Price	$ 22.00	US$ per ounce
Gold Price	$1,250.00	US$ per ounce
Lead Price	$ 0.95	US$ per pound
Zinc Price	$ 0.95	US$ per pound
Mining Cost	$ 2.00	US$ per tonne mined
Processing (Sulphide material)	$ 15.00	US$ per tonne of sulphide feed
Processing (Oxide Material)	$ 12.00	US$ per tonne of oxide feed
General and Administrative	$ 1.00	US$ per tonne of feed
Overall Pit Slope	45	Degrees
Silver Recovery	84	Percent
Lead Recovery	62	Percent
Zinc Recovery	55	Percent
Gold Recovery	17	Percent
Dilution	10	Percent

Table 14.10 San Gregorio/Las Carolinas 2015 Mineral Resource Estimate, January 14th, 2015

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,620,000	88.9	0.074	0.14	0.19	10,340,000	9,000	10,920,000	15,510,000
Indicated	14,930,000	85.7	0.068	0.13	0.18	41,130,000	33,000	42,950,000	59,260,000
Meas + Ind	**18,540,000**	**86.3**	**0.069**	**0.13**	**0.18**	**51,470,000**	**41,000**	**53,870,000**	**74,770,000**
Inferred	**4,450,000**	**80.0**	**0.058**	**0.13**	**0.16**	**11,460,000**	**8,000**	**12,680,000**	**15,610,000**

Note: Mineral resources are reported in relation to a conceptual pit shell at a 35 g/t silver cut-off grade and a $22/oz silver price. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add up due to rounding.*

Figure 14.12 Isometric View looking southwest of the San Gregorio/Las Carolinas Resource Blocks (>35 g/t Ag), Whittle pit ($22 Ag/Oz), topography.

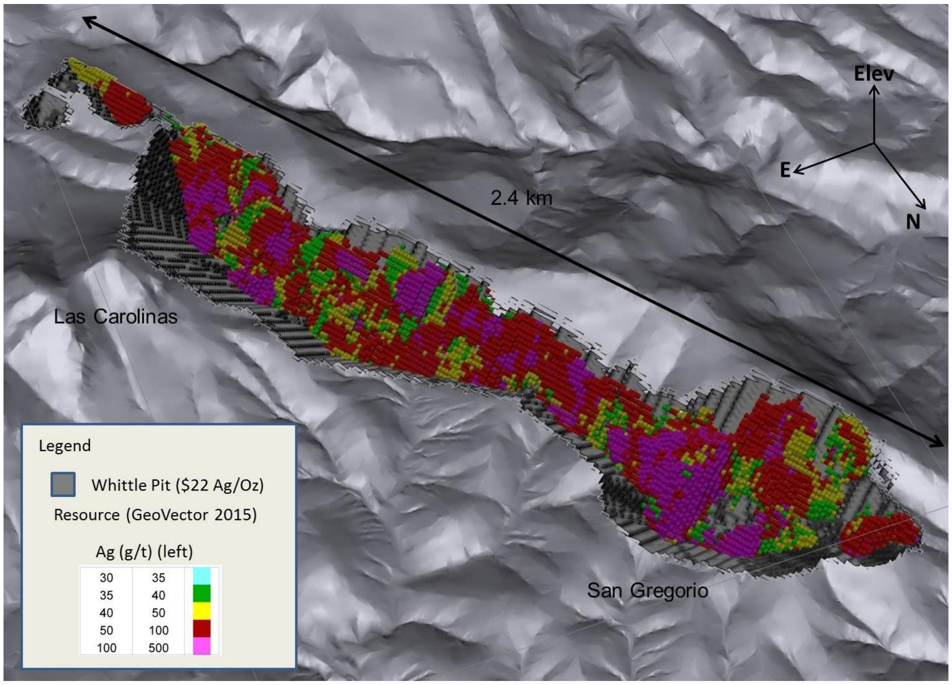


Figure 14.13 Isometric View Looking Southwest of the San Gregorio/Las Carolinas Measured and Indicated Resource Blocks (>35 g/t Ag), Whittle pit ($22 Ag/Oz), topography.

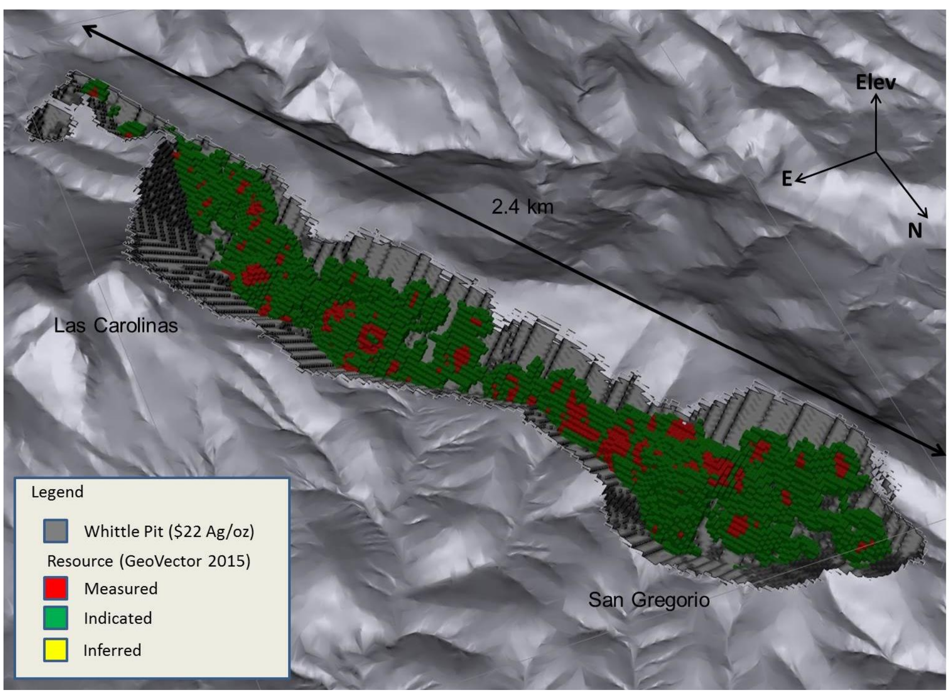
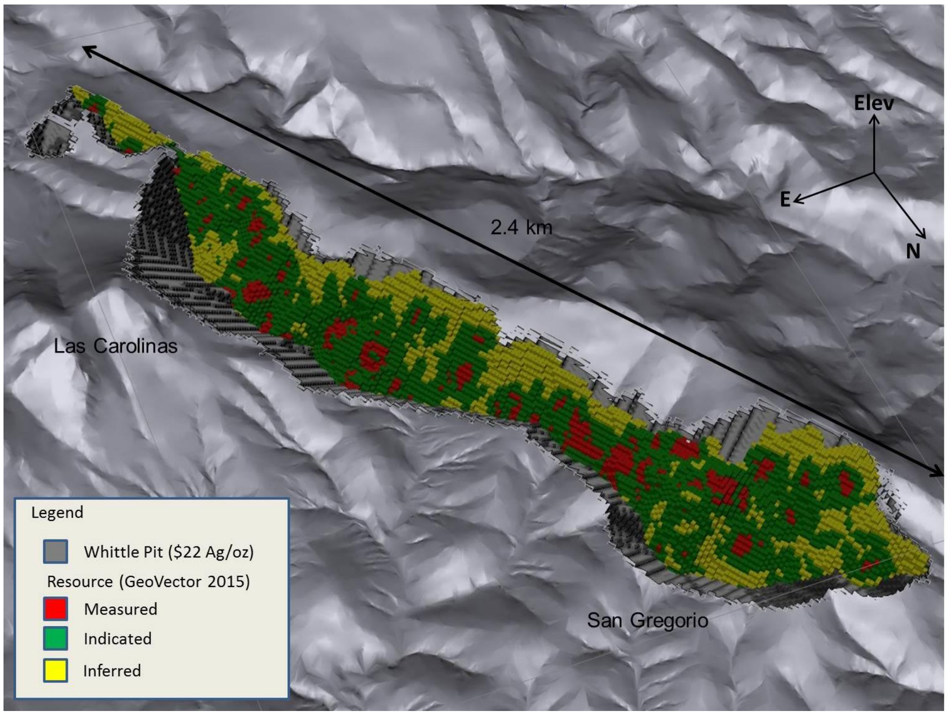


Figure 14.14 Isometric View Looking Southwest of the San Gregorio/Las Carolinas Measured, Indicated and Inferred Resource Blocks (>35 g/t Ag), Whittle pit ($22 Ag/Oz), topography.



14.10 Model Validation and Sensitivity Analysis

The total volume of the blocks in each resource model, at a 0 cut-off grade value compared to the volume of each wireframe model was essentially identical. The size of the search ellipse and the number of samples used to interpolate grade achieved the desired effect of filling the resource models and very few blocks had zero grade interpolated into them. Visual checks of block grades of silver, lead, zinc and gold against the composite data on vertical section, plan section and in 3D showed good correlation between block grades and drill intersections.

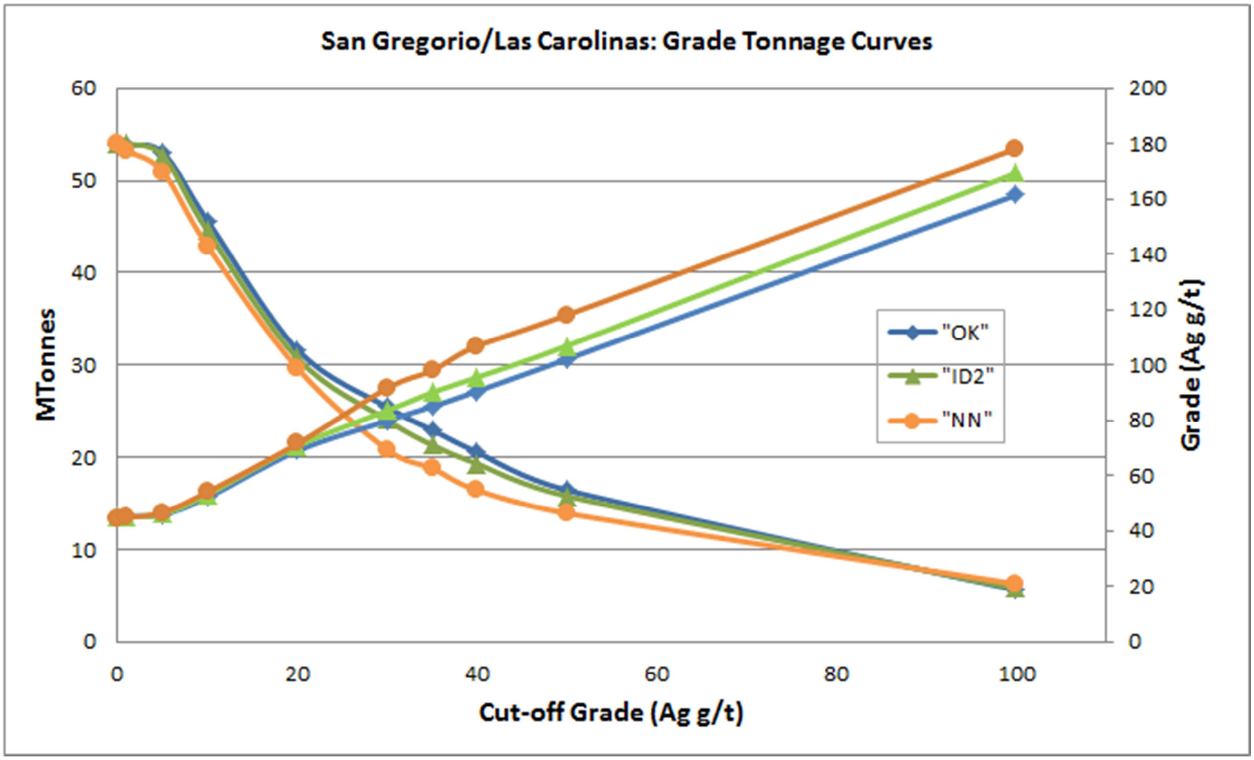
For comparison purposes, additional grade models were generated using the inverse distance squared weighted (ID2) and nearest neighbour (NN) interpolation methods. The nearest neighbour model was created using data composited to lengths equal to the short block axis (10 metres). The results of these models are compared to the Ordinary Kriging (OK) models at various cut-off grades in a series of grade/tonnage graphs shown in Figure 14.15. In general the OK and ID2 models show similar results and both are more conservative and smoother than the NN model. For models well-constrained by wireframes and well-sampled, ID2 should yield a very similar results to other interpolation methods such as OK.

A comparison of the average silver, lead, zinc and gold composite grades with the mean block grades of the resource models at a 0 cut-off was completed and is presented in Table 14.11. The composite and block data compare favorably and do not indicate the presence of global grade bias.

Table 14.11 Comparison of Average Composite Grades with Block Model Grades

Zone	Variable	AG (g/t)	PB (%)	ZN (%)	AU (g/t)
High Grade Core	Composites	65.8	0.11	0.17	0.06
	Blocks	61.3	0.10	0.16	0.06
Low Grade Halo	Composites	19.1	0.06	0.08	0.04
	Blocks	17.1	0.06	0.08	0.04

Figure 14.15 Comparison of Ordinary Kriging ("OK"), Inverse Distance ("ID2") & Nearest Neighbour ("NN") Models



14.10.1 Sensitivity to Cut-off Grade

The La Cigarra mineral resource is sensitive to cut-off grade. To illustrate this, the block model quantities and grade estimates within the conceptual pit are presented in Table 14.12 at different cut-off grades utilizing a $22/oz silver price.

14.10.2 Sensitivity to Metal Price

A +/- 30% price sensitivity analysis was prepared using a downside scenario silver price of $17/oz reflective of todayꞌs spot price as well as an upside scenario at $29/oz silver price, with the latter also serving as a comparison to the 2013 Resource Estimate (Table 14.13;Table 14.14).

Table 14.12 San Gregorio/Las Carolinas 2015 Mineral Resource at Various Cut-off Grades

Resource Category*	Cut-off grade	Tonnes	Ag (g/t)	Ag (oz)	Au (g/t)	Pb (%)	Zn (%)
Measured	> 50 Ag g/t	2,670,000	105.7	9,060,000	0.082	0.15	0.20
	> 40 Ag g/t	3,250,000	94.7	9,900,000	0.077	0.14	0.20
	> 35 Ag g/t	**3,620,000**	**88.9**	**10,340,000**	**0.074**	**0.14**	**0.19**
	> 30 Ag g/t	3,980,000	83.8	10,720,000	0.072	0.13	0.19
	> 20 Ag g/t	5,020,000	71.6	11,550,000	0.067	0.12	0.17
	> 10 Ag g/t	6,950,000	55.6	12,430,000	0.062	0.09	0.14
Indicated	> 50 Ag g/t	10,700,000	102.9	35,410,000	0.075	0.14	0.20
	> 40 Ag g/t	13,390,000	91.2	39,280,000	0.071	0.13	0.19
	> 35 Ag g/t	**14,930,000**	**85.7**	**41,130,000**	**0.068**	**0.13**	**0.18**
	> 30 Ag g/t	16,490,000	80.7	42,770,000	0.066	0.13	0.17
	> 20 Ag g/t	19,820,000	71.3	45,430,000	0.063	0.12	0.16
	> 10 Ag g/t	28,240,000	54.1	49,180,000	0.059	0.09	0.13
Inferred	> 50 Ag g/t	3,080,000	97.1	9,600,000	0.063	0.15	0.19
	> 40 Ag g/t	3,950,000	85.4	10,850,000	0.060	0.14	0.17
	> 35 Ag g/t	**4,450,000**	**80.0**	**11,460,000**	**0.058**	**0.13**	**0.16**
	> 30 Ag g/t	5,010,000	74.8	12,040,000	0.057	0.13	0.15
	> 20 Ag g/t	6,830,000	61.2	13,440,000	0.056	0.13	0.13
	> 10 Ag g/t	10,450,000	44.7	15,030,000	0.052	0.10	0.11

*Note: * Values is this table are reported in relation to a conceptual pit shell at a $22/oz silver price and for cut-off grades below and above 35 g/t silver should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.*

Table 14.13 San Gregorio/Las Carolinas Mineral Resource Estimate Calculated at a $17/oz Silver Price and Reported at a 35 g/t Silver Cut-off Grade

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,050,000	93.7	0.075	0.14	0.19	9,180,000	7,000	9,250,000	12,540,000
Indicated	11,990,000	92.2	0.072	0.13	0.18	35,540,000	28,000	35,160,000	46,750,000
Meas + Ind	**15,030,000**	**92.5**	**0.072**	**0.13**	**0.18**	**44,720,000**	**35,000**	**44,410,000**	**59,290,000**
Inferred	**3,680,000**	**80.2**	**0.062**	**0.12**	**0.14**	**9,480,000**	**7,000**	**9,900,000**	**11,320,000**

Note: Values is this table are reported in relation to a conceptual pit shell at a 35 g/t silver cut-off grade and $17/oz silver. Figures presented in this table should not be misconstrued with the Company's Mineral Resource Statement set out on the first page hereof and is presented as a conservative/down side case only. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.*

Table 14.14 San Gregorio/Las Carolinas Mineral Resource Estimate Calculated at a $29/oz Silver Price and Reported at a 35 g/t Silver Cut-off Grade

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,940,000	85.8	0.072	0.14	0.19	10,870,000	9,000	11,740,000	16,730,000
Indicated	16,270,000	83.6	0.067	0.13	0.18	43,720,000	35,000	46,200,000	65,060,000
Meas + Ind	**20,200,000**	**84.0**	**0.068**	**0.13**	**0.18**	**54,590,000**	**44,000**	**57,950,000**	**81,790,000**
Inferred	**5,950,000**	**75.7**	**0.052**	**0.12**	**0.16**	**14,480,000**	**10,000**	**16,050,000**	**21,440,000**

Note: Values in this table are reported in relation to a conceptual pit shell at a 35 g/t silver cut-off and $29/oz silver and are provided as an upside scenario and for comparison purposes to the 2013 Resource Estimate.. Figures presented in this table should not be misconstrued as a current Mineral Resource Statement set out on the first page hereof and is presented as an upside case only as these parameters may not be considered reasonable mining assumptions in the context of the current market. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.*

14.11 Comparison to Previous Mineral Resource Estimate

A comparison of the updated San Gregorio/Las Carolinas mineral resource estimate and the initial resource estimate is presented in Table 14.15.

- The 2015 Measured and Indicated mineral resources of 51,470,000 ounces of silver within 18,540,000 tonnes at an average grade of 86.3 g/t silver, represents a 14% increase in grade from the 2013 Resource Estimate;

- The 2015 Inferred mineral resource of 11,460,000 ounces silver within 4,450,000 tonnes at an average grade of 80.0 g/t silver, represents a 31% increase in grade and 226% increase in ounces from the 2013 Resource Estimate;

- The 2015 total mineral resource, including Measured, Indicated and Inferred, represents a 14% increase in grade and an increase of 17% in total ounces from the 2013 resource estimate.

The above sensitivity analysis illustrates the robust nature of the Deposit particularly at todayŝ spot price of $17/oz demonstrating a 22% increase in the average M&I grade to that reported in the 2013 resource estimate with no loss in total ounces. Additionally there is an overall increase of approximately 37% in total contained silver ounces at the upside scenario of $29/oz. The 2015 figures presented in the context of this sensitivity analysis should not and are not intended to be interpreted as a current resource.

Table 14.15 Comparison of the 2013 and 2015 Resource Estimates

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
2013 Resource ($29.2 silver, 30 g/t silver cut-off grade)									
Measured	6,235,000	65	0.06	0.1	0.16	13,090,800	12,100	13,161,500	21,706,600
Indicated	14,520,700	80	0.06	0.1	0.14	37,402,800	28,100	32,924,700	45,983,100
Meas + Ind	**20,755,700**	**76**	**0.06**	**0.1**	**0.15**	**50,494,000**	**40,100**	**46,086,200**	**67,689,700**
Inferred	**1,780,150**	**61**	**0.05**	**0.1**	**0.12**	**3,515,900**	**3,000**	**3,959,300**	**4,865,700**
2015 Resource ($22 silver, 35 g/t silver cut-off grade)									
Measured	3,620,000	88.9	0.074	0.14	0.19	10,340,000	9,000	10,920,000	15,510,000
Indicated	14,930,000	85.7	0.068	0.13	0.18	41,130,000	33,000	42,950,000	59,260,000
Meas + Ind	**18,540,000**	**86.3**	**0.069**	**0.13**	**0.18**	**51,470,000**	**41,000**	**53,870,000**	**74,770,000**
Inferred	**4,450,000**	**80.0**	**0.058**	**0.13**	**0.16**	**11,460,000**	**8,000**	**12,680,000**	**15,610,000**
Difference									
Meas + Ind	-11%	14%	15%	30%	20%	2%	2%	17%	10%
Inferred	150%	31%	16%	30%	33%	226%	167%	220%	221%

Note: Values in this table are reported in relation to a conceptual pit shell. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.*

14.12 Disclosure

All relevant data and information regarding the Property is included in other sections of this Technical Report. There is no other relevant data or information available that is necessary to make the technical report understandable and not misleading.

15 Mineral Reserve Estimates

This section does not apply to the Technical Report.

16 Mining Methods

This section does not apply to the Technical Report.

17 Recovery Methods

This section does not apply to the Technical Report.

18 Project Infrastructure

This section does not apply to the Technical Report.

19 Market Studies and Contracts

This section does not apply to the Technical Report.

20 Environmental Studies, Permitting and Social or Community Impact

This section does not apply to the Technical Report.

21 Capital and Operating Costs

This section does not apply to the Technical Report.

22 Economic Analysis

This section does not apply to the Technical Report.

23 ADJACENT PROPERTIES

There is no information on properties adjacent to the Property necessary to make the technical report understandable and not misleading.

24 OTHER RELEVANT DATA AND INFORMATION

There is no other relevant data or information available that is necessary to make the technical report understandable and not misleading. To the Authors knowledge, there are no significant risks and uncertainties that could reasonably be expected to affect the reliability or confidence in the exploration information or mineral resource estimate.

25 INTERPRETATION AND CONCLUSIONS

GeoVector was contracted by Northair to complete an updated mineral resource estimate for the San Gregorio/Las Carolinas Zones at their La Cigarra Silver Project, and to prepare a technical report on it in compliance with the requirements of NI 43-101. Allan Armitage, Ph.D., P.Geo., and Joe Campbell, B.SC., P.Geo., are independent Qualified Persons and are responsible for the preparation of this report. The effective date of the update resource estimate and report is January 14th, 2015.

Northair's first resource estimate for the Project was included in a technical report entitled "San Gregorio/Las Carolinas Resources Technical Report, La Cigarra Project, Chihuahua, Mexico" dated effective February 20, 2013 (Reeves and Arseneau, 2013). Northair reported that the San Gregorio/Las Carolinas Zones contained measured and indicated mineral resources of 50,494,000 ounces of silver within 20,755,700 tonnes at an average grade of 76.0 g/t silver, and an inferred mineral resource of 3,515,900 ounces silver within 1,780,000 tonnes at an average grade of 61.0 g/t silver. The 2013 resource estimate was reported in relation to a conceptual pit shell utilizing a $29.20 per ounce silver price and reported at a 30 g/t silver cut-off grade.

Subsequent to the previous resource estimate, an additional 13 drill holes totalling 3,975 metres were completed in 2014 in the Deposit area. Of this drilling, 7 holes were positioned in the San Gregorio zone and 6 holes in the Las Carolinas zone. The Las Carolinas Zone represents the southerly portion of the La Cigarra deposit spanning a length of approximately 1.3 kilometres and average width of 260 metres. Six holes were completed in the 2014 drilling program with the primary objective of expanding the resource down-dip and to in-fill areas of previous wide-spaced drilling. To date, a total of 78 holes and 12,637 metres have been drilled at Las Carolinas.

Highlights from the 2014 program include hole CC-14-145 reporting 15.15 metres grading 60.4 g/t silver and hole CC-14-146, which intersected 7.5 metres grading 81.0 g/t silver. In addition, hole CC-14-155 returned several mineralized silver intercepts including 23.45 metres grading 138.3 g/t, 6.00 metres grading 50.7 g/t, and 1.00 metre of 169.0 g/t. This hole filled in an embayment in the drilling pattern and extended silver mineralization 90 metres down dip from CC-12-071. Mineralization in this area was traced at least 270 metres down-dip from the surface.

Hole CC-14-156 intercepted 1.65 metres grading 122.1 g/t silver, 2.31% lead and 5.80% zinc. A separate interval reported 14.4 metres of 53.5 g/t silver, including an intercept of 4.60 metres of 137.4 g/t silver and 0.61% zinc. This hole extended the silver mineralization 90 metres down dip from CC-12-101. The silver zone is this area can now be traced at least 400 metres down dip from the surface.

The San Gregorio Zone represents the northerly portion of the La Cigarra resource with a strike length of approximately 1.1 kilometres and average width of 260 metres. Seven holes were completed here in 2014 with the objective of expanding the resource down-dip and to in-fill areas of potential situated adjacent to previous drilling. To date a total of 80 holes and 15,136 metres have been drilled at San Gregorio. Highlights from the 2014 program include holes CC-14-142 which reported 7.40 metres grading 119.8 g/t silver, CC-14-143 which contained 3.75 metres grading 290.6 g/t silver and CC-14-152 which intersected 2.30 metres grading 98.64 g/t silver.

The updated resource estimate was released by Northair on January 14th, 2015. Northair reported that the San Gregorio/Las Carolinas Zones contain measured and indicated mineral resources of 51,470,000 ounces of silver within 18,540,000 tonnes at an average grade of 86.3 g/t silver, and an inferred mineral resource of 11,460,000 ounces silver within 4,450,000 tonnes at an average grade of 80.0 g/t silver. The 2014 update resource estimate is reported in relation to a conceptual pit shell utilizing a $22.00 per ounce silver price and reported at a 35 g/t silver cut-off grade.

Highlights of the La Cigarra Update Mineral Resource Estimate:

- Measured and Indicated mineral resource of 18,540,000 tonnes at an average grade of 86.3 g/t Ag for a total of 51,470,000 ounces, 0.13% Pb for a total of 53.9 MLbs, 0.18% Zn for a total of 74.8 MLbs and 0.07 g/t Au for a total of 41,000 ounces; represents a 14% increase in silver grade from the 2013 Resource Estimate;

- Inferred mineral resource 4,450,000 tonnes at an average grade of 80.0 g/t Ag for a total of 11,460,000 ounces, 0.13% Pb for a total of 12.7 MLbs, 0.16% Zn for a total of 15.6 MLbs and 0.06 g/t Au for a total of 8,000 ounces; represents a 31% increase in silver grade and 226% increase in silver ounces from the 2013 Resource Estimate;

- The 2015 total mineral resource, including Measured, Indicated and Inferred, represents a 14% increase in grade and an increase of 17% in total ounces from the 2013 resource estimate.

The difference in the original 2013 resource estimate and the updated 2015 update resource estimate is the result of several factors including the following:

- Additional drilling completed in the deposit area extended the Las Carolinas/San Gregorio deposit down dip

- Revision of the high grade and low grade resource models based on additional drilling and revised geological interpretation

- Revised average specific gravity values used for the resource estimate based on addition date from the 2014 drill program

- Revised composite capping protocol

- Revised silver price for pit optimization and resource estimate reporting cut-off grade

La Cigarra Silver Project Update Mineral Resource Estimation Parameters

To complete the update resource, digital files containing topographic information, drill hole collar information, drill hole survey data, assay data, lithological logs of the drill hole intercepts, and density data were evaluated. All geological data was reviewed and verified by the Authors as being accurate to the extent possible and to the extent possible all geologic information was reviewed and confirmed. The Authors feel that the assay sampling and extensive QA/QC sampling of core by Northair provides adequate and good verification of the data and believe the work to have been done within the guidelines of NI 43-101.

The complete La Cigarra drill hole database includes 173 drill holes (15 RC and 158 core) for a total of 30,443 metres and 22,064 assays. This includes 17 drill holes (4,817 m) completed in 2014 in the Las Chinas, Las Venadas, San Gregorio, Las Carolinas and La Borracha zones. Of the 173 drill holes, 156 drill holes (11 RC and 145 core) were used in the preparation of the resource models and resource estimate. The database used to construct the San Gregorio/Las Carolinas resource models utilized 27,617 metres and 20,022 sample assays including the 13 drill holes completed in 2014.

Grade control models (a high grade and a low grade silver model) of the San Gregorio/Las Carolinas deposit were constructed which involved outlining the limits of mineralization on 50 metre spaced cross sections based on histograms of silver, lead and zinc values. Polygons of mineral intersections were made on each cross section and were wire framed together to create a contiguous resource model in GEOVIA GEMS 6.6.0.1 software.

The grade control models were constructed to define silver mineralization, as controlled by interpreted geology and structure. A high grade core silver model was created to capture mineralization generally above a grade of 15 to 20 g/t silver. In addition a low grade envelope, which encompasses the high grade core model, was defined to capture mineralization above a grade of 5 to 10 g/t silver. The modeling exercise incorporated predicted controls of the deposits dominant geology and geologic limits. The resource model extends for approximately 2.4 kilometres on a 320° trend with an average dip of 45° to the northeast. Mineralization defined by drilling extends from surface to depths of up to 380 metres.

For the resource estimate a block model with dimensions of 10 x 10 x 10 metres was utilized as were composite samples of 1.5 metres in length. Grades for silver, lead, zinc and gold were interpolated into resource blocks by the Ordinary Kriging (“**OK**”) interpolation method using a minimum of 8 and maximum of 12 composites (maximum of 4 composites per hole) to generate block grades in the Measured and Indicated category and a minimum of 4 and maximum of 12 composites to generate block grades in the Inferred category.

The search ellipse orientation is based on 3D semi-variography analysis of Ag for the 1.5 metre composites within the High Grade Core resource model using GEOVIA GEMS 6.6.0.1 software. The same variograms were used to interpolate grades of all metals into each block for both the High Grade Core and Low Grade Halo resource models. The search ellipse is generally oriented to reflect the observed preferential long axis (geological trend) of the resource models. The dip axis of the search ellipse reflects the observed trend of the mineralization down dip.

Based on a statistical analysis of the composite database from each resource model, it was decided that no capping was required on the composite populations to limit high values. Log histograms of the data identify very few outliers within the database. Analyses of the spatial location of these samples and the sample values proximal to them indicate that the high values were legitimate parts of the population, and that the impact of including these high composite values uncut would be negligible to the overall resource estimate.

The WW/WA density measurements from the 2014 drill program as well as the WW/WA measurements from previous drill programs were used for the current resource. The density database totalled 970 samples (average 2.57) including 406 samples from within the mineralized zones. Average density values are very consistent between domains when comparing oxide and sulphide zones separately and there appears to be little correlation of density value and silver grade.

Due to the relative sparseness of density data, average density values were used for the resource estimation. Values used include: 2.45 for oxide mineralization, 2.55 for sulphide mineralization and 2.57 for waste. The average SG values are based on limited SG testing (406 samples from within the mineralized zones) of representative mineralized core that intersect the resource model.

The confidence classification of the resource (Measured, Indicated and Inferred) is based on an understanding of geological controls of the mineralization, and the drill hole pierce point spacing in the resource area. Three passes were used to interpolate grade into all of the blocks in the wireframe. Mineral resources were classified as Measured if at least two drill holes were found within a 35 x 35 x 20 metre search radius. Blocks were classified as Indicated if two drill holes were found within a 60 x 60 x 30 metre radius and blocks were classified as Inferred if at least one drill hole was found within a 120 x 120 x 60 metre search radius. The Principal azimuth of the search ellipse is oriented at 059º, the Principal dip is oriented at -44° and the Intermediate azimuth is oriented at 325°.

The updated Measured, Indicated and Inferred mineral resource estimate presented in this technical report were prepared and disclosed in compliance with NI 43-101 and was estimated in conformity with generally accepted CIM (2014) Definition Standards on Mineral Resources guidelines, including the critical requirement that all mineral resources ñhave reasonable prospects for eventual economic extractionò.

The ñreasonable prospects for economic extractionò requirement generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade taking into account extraction scenarios and processing recoveries. In order to meet this requirement, the Authors consider that major portions of La Cigarra mineralization are amenable for open pit extraction.

In order to determine the quantities of material offering ñreasonable prospects for economic extractionò by an open pit, GeoVector used WhittleÊ pit optimization software and reasonable mining assumptions to evaluate the proportions of the block model (Measured, Indicated and Inferred blocks) that could be ñreasonably expectedò to be mined from an open pit.

The optimization parameters, found in table Table 14.9 were selected based on benchmarking against similar projects. Two phases of scoping level metallurgical testing were conducted in 2011 and 2012.

The reader is cautioned that the results from the pit optimization are used solely for the purpose of testing the ñreasonable prospects for economic extractionò by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the La Cigarra Project. The results are used as a guide to assist in the preparation of a mineral resource statement and to select an appropriate resource reporting cut-off grade.

26 RECOMMENDATIONS

Northair is currently in the process of preparing drilling permits and plans for the next round of resource expansion drilling at La Cigarra (See Northair news release dated January 14th and posted on SEDAR). The next round of drilling will focus mainly on shallow targets around the perimeter of the current deposit (Figure 26.1). Specifically, the southeastern portion of the deposit has good potential to expand the resource down dip and along strike. Throughout the length of the deposit, there is also potential to expand the resource along north-south structures that intersect the mineralized contact zone. These structural intersections generally host higher grades. To the northwest of the resource, in the La Borracha area, good potential exists to add resources by infill and step out drilling. Previous drilling in this area mainly tested the lower stratigraphic sequence where mineralization outcrops and was partially mined (historic). There is potential that this mineral horizon was displaced by post-mineral faulting, down-dropping mineralization to the north where it remains untested. Conducting step out drilling in La Borracha will determine if the mineral horizon is down-dropped, how deep it is and its degree of mineralization. To the south of La Borracha, in the northern portion of the La Colorada zone, mineralized structures have been identified as well as adjacent favorable sedimentary rocks. Geologic mapping and sampling in this area has identified quality targets with future drilling a strong possibility.

Other target areas beyond the perimeter of the current deposit will be mapped and sampled in more detail. These include the large La Colorada area, RAM, Nogalera and La Navidad. Targets along the north-south structural corridor south of the deposit that include Las Venadas, La Soledad and Las Chinas will also be examined and prioritized. Plans are also in place to evaluate targets outside of the principal project area that includes La Bandera, San Antonio, San Cristobal, Parral 1 Fraccion 1, Lobera and the newly acquired Los Cuates areas.

The cost of the proposed 2015 resource expansion drilling program is estimated at $1.85 million Canadian (Table 26.1) and is to include:

- ~8,000 RC Drilling in 40 holes
- Geophysical surveys (to be determined)
- Metalurgical Testing
- Initiation of Environmental Studies
- Improved geologic databases
- Rock and soil geochemistry
- Property wide evaluation
- Updated resource estimate and a Preliminary Economic Assessment of the project

Northair recently announced that the third phase of metallurgical test work is scheduled to start in February 2015 (see Northair news release dated January 26th and posted on SEDAR). Northair is in the process of collecting samples for the test work from drill core in the San Gregorio and Las Carolinas zones, which currently comprise the mineral resource. The test work will focus on sulphide and oxide ore types and is a follow-up of a flotation-leach process developed in 2011 and 2012 for the San Gregorio Zone. Upcoming tests will also include the evaluation of zinc recovery options. In addition, the work will incorporate some variability testing and preliminary environmental characterization and will be sufficient to support a PEA level study.

The metallurgical program will be conducted by Base Metallurgical Laboratories Ltd. of Kamloops, BC. Terra Mineralogical Services of Peterborough, ON was selected to conduct further mineralogical assessment of the La Cigarra mineralization. The metallurgical and mineralogical work will be conducted under the supervision of Mr. Hoe Teh, P.Eng, a Qualified Person as defined by NI 43-101.

JDS recommended additional work in their 2013 technical report. Additional items that should be considered so that sufficient information would be available for a preliminary economic analysis would include:

- Infill drilling for geotechnical purposes, to test the oxide zone extents, thickness and grade, and to convert Inferred resources to Indicated;
- Geotechnical analysis on existing drill data; geotechnical data is to be used to help better design the open pit. In addition, as there is no data available on ground water conditions, packer testing was recommended in selected holes to provide data for future design work.

The cost of additional work as proposed by JDS is estimated at $1.57 million (Table 26.2).

The Authors have reviewed the proposed program for further work on the Property and, in light of the observations made in this report, supports the concepts as outlined by Northair as well as JDS. Given the prospective nature of the property, it is the Authorsô opinion that the Property merits further exploration and that Northairõs and JDSõs proposed plans for further work are justified.

The Authors recommend that Northair conduct further exploration as proposed, subject to funding and any other matters that may cause the proposed exploration program to be altered in the normal course of its business activities or alterations which may affect the program as a result of exploration activities themselves.

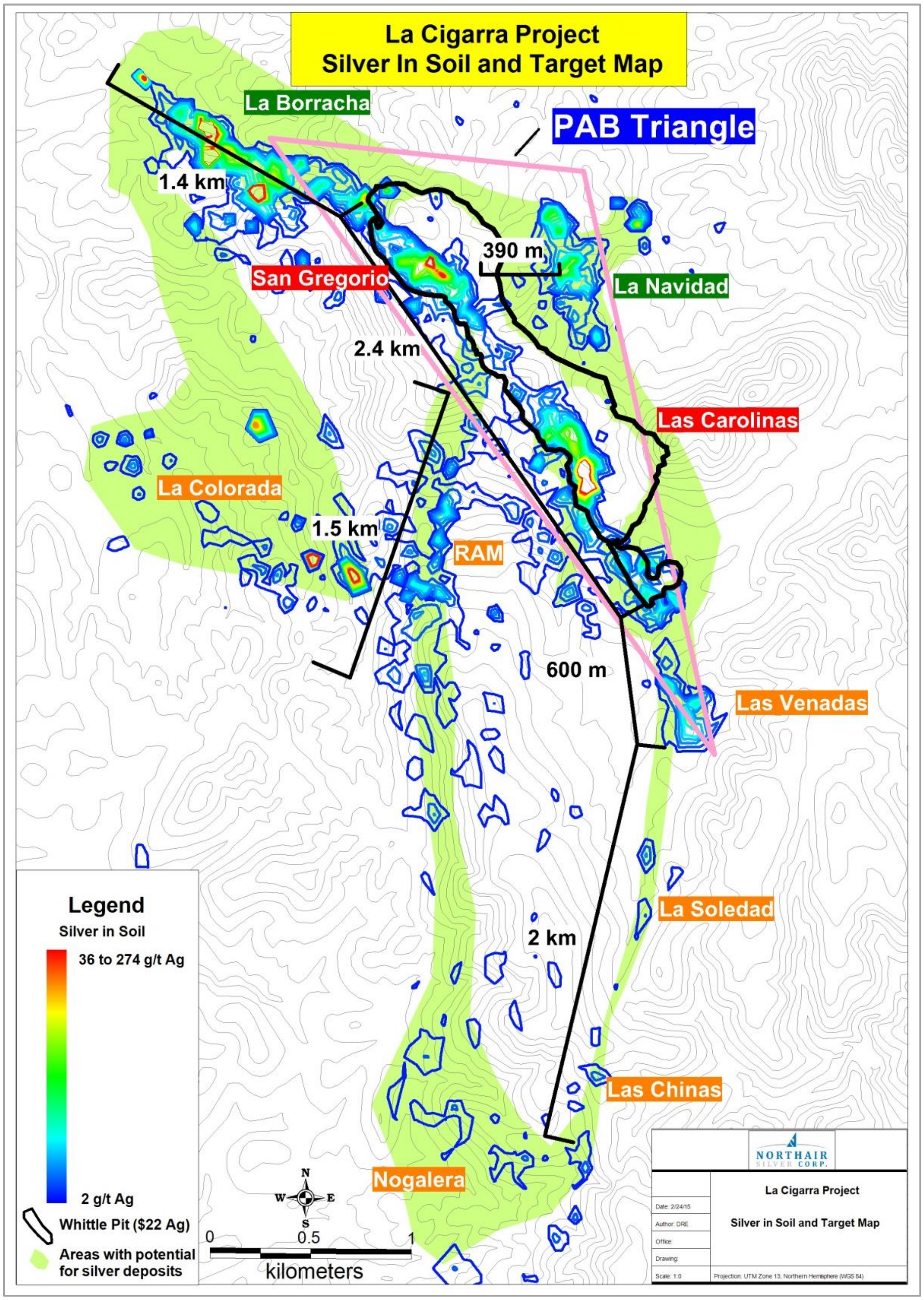
Table 26.1 Recommended 2015 Work Program by Northair

Item	Cost in Cdn$
Drilling/Assays	$1,000,000
Soil/Rock Geochem	$100,000
Geophysics	$275,000
Phase 3 Met Testing and Environmental Characterization	$100,000
Permitting/Environmental	$50,000
Updated Resource Estimate	$75,000
PEA	$250,000
Total:	**$1,850,000**

Table 26.2 Additional Recommended Work

Item	Cost in US$
Infill Drilling of 5,000 meters (HQ3 for infill; geotechnical)	1,250,000
Geotechnical analysis (equipment rentals; collection; analysis)	300,000
Hydrological packer testing (8 @ ~$2500 each)	20,000
Total	**$1,570,000**

Figure 26.1 Map Showing Silver in Soil Anomalies, Outline of the 2015 Resource Pit, and Area of Proposed Resource Expansion Drilling (pink outline) at La Cigarra



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28 DATE AND SIGNATURE PAGE

This report titled ñUPDATED MINERAL RESOURCE ESTIMATE ON THE SAN GREGORIO/LAS CAROLINAS ZONES, LA CIGARRA SILVER PROJECT, CHIHUAHUA MEXICOò dated February 27th, 2015 (the ñTechnical Reportò) for Northair Silver Corp was prepared and signed by the following authors:

The effective date of the updated resource is January 14th, 2015.
The report is dated February 27th, 2015.

Signed by:

Allan Armitage, Ph. D., P. Geo.,	GeoVector Management Inc.
Joe Campbell, B.Sc.(H), P. Geo.,	GeoVector Management Inc.

29 CERTIFICATES OF AUTHORS

QP CERTIFICATE – ALLAN ARMITAGE

To Accompany the Report titled "Updated Mineral Resource Estimate on the San Gregorio/Las Carolinas Zones, La Cigarra Silver Project, Chihuahua Mexico" dated February 27th, 2015 (the "Technical Report")

I, Allan E. Armitage, Ph. D., P. Geol. of 62 River Front Way, Fredericton, New Brunswick, hereby certify that:

1. I am a consulting geologist with GeoVector Management Inc., 10 Green Street Suite 312 Ottawa, Ontario, Canada K2J 3Z6.
2. I am a graduate of Acadia University having obtained the degree of Bachelor of Science - Honours in Geology in 1989, a graduate of Laurentian University having obtained the degree of Masters of Science in Geology in 1992 and a graduate of the University of Western Ontario having obtained a Doctor of Philosophy in Geology in 1998.
3. I have been employed as a geologist for every field season (May - October) from 1987 to 1996. I have been continuously employed as a geologist since March of 1997.
4. I have been involved in mineral exploration and resource modeling for gold, silver, copper, lead, zinc, nickel, and uranium in Canada, Mexico, Honduras, Bolivia, Chile, and the Philippines at the grass roots to advanced exploration stage since 1991, including resource estimation since 2006.
5. I am a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and use the title of Professional Geologist (P.Geol.) (License No. 64456; 1999), and I am a member of the Association of Professional Engineers and Geoscientists of British Columbia and use the designation (P.Geo.) (Licence No. 38144; 2012).
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation of my professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person".
7. I am responsible for all sections of the Technical Report.
8. I have had no prior involvement with the property that is the subject of the Technical Report.
9. I am independent of Northair Silver Corp. as defined by Section 1.5 of NI 43-101.
10. I visited the La Cigarra property on two occasions; between June 21st and June 27th, 2014 and between November 6th and November 9th, 2014.
11. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.
12. I have read NI 43-101 and Form 43-101F1 (the "Form"), and the Technical Report has been prepared in compliance with NI43-101 and the Form.

Signed and dated this 27th day of February, 2015 at Fredericton, New Brunswick.

PROFESSIONAL
PROVINCE OF
Dr. A. E. ARMITAGE
38144
BRITISH COLUMBIA
GEOSCIENTIST

Allan Armitage, Ph. D., P. Geo. GeoVector Management Inc.

QP CERTIFICATE – JOSEPH CAMPBELL

To Accompany the Report titled "Updated Mineral Resource Estimate on the San Gregorio/Las Carolinas Zones, La Cigarra Silver Project, Chihuahua Mexico" dated February 27th, 2015 (the "Technical Report")

I, Joseph W. Campbell, B. Sc.(H), P. Geo. of 10 Barrhaven Crescent, Nepean, Ontario, hereby certify that:

1. I am currently a consulting geologist with GeoVector Management Inc., 10 Green Street Suite 312 Ottawa, Ontario, Canada K2J 3Z6

2. I am a graduate of Acadia University having obtained the degree of Bachelor of Science – Honours in Geology in 1980.

3. I have been continuously employed as a geologist since April of 1980.

4. Since 1980 I have performed resource and reserve estimating, carried out economic studies to the Pre-feasibility level, and managed development and operations in open pit and underground environments in several commodities including extensive experience in gold and silver (epithermal and mesothermal), copper and copper/gold porphyries, zinc, nickel (sulphide and laterite) and uranium deposits..

5. I am a member of the Association of Professional Geoscientists of Ontario (APGO license number 0135) and use the title of Professional Geologist (P.Geo.).

6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation of my professional association and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.

7. I am responsible for all parts of sections 12-14 and 25-26 of the Technical Report.

8. I have no prior involvement with the property that is the subject of the Technical Report.

9. I am independent of Northair Silver Corp. as defined by Section 1.5 of NI 43-101.

10. As of the date of this certificate, to the best of my knowledge, information and belief, the 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 NI 43-101 and Form 43-101F1 (the "Form"), and the Technical Report has been prepared in compliance with NI 43-101 and the Form.

12. Signed and dated this 27th day of February, 2015 at Nepean, Ontario.

Joseph W. Campbell, B.Sc.(H)., P. Geo. GeoVector Management Inc.

PROFESSIONAL GEOSCIENTIST
JOSEPH W. CAMPBELL
PRACTISING MEMBER
0135
ONTARIO

Appendix 1

Listing of Drill Holes Completed on the La Cigarra Property

HOLE-ID	UTM WGS84, zone 13		LOCATIONZ	LENGTH	AZIMUTH	DIP	COMMENT
	LOCATIONX	LOCATIONY					
CC-10-001	409570.50	2993073.20	1932.50	216.00	225.0	-50.0	Used in the Resource Estimate
CC-11-002	409605.80	2993033.10	1947.30	202.50	225.0	-50.0	Used in the Resource Estimate
CC-11-003	409631.90	2992979.10	1932.50	193.00	225.0	-50.0	Used in the Resource Estimate
CC-11-004	409691.70	2992945.40	1915.50	268.00	225.0	-50.0	Used in the Resource Estimate
CC-11-005	410334.00	2991899.40	1903.50	167.00	247.0	-50.0	Used in the Resource Estimate
CC-11-006	410319.00	2992003.10	1882.90	131.00	247.0	-50.0	Used in the Resource Estimate
CC-11-007	409725.20	2992905.90	1905.40	219.50	225.0	-50.0	Used in the Resource Estimate
CC-11-008	409491.70	2992990.90	1915.60	83.50	225.0	-50.0	Used in the Resource Estimate
CC-11-009	409632.60	2993069.80	1930.00	210.00	220.0	-49.0	Used in the Resource Estimate
CC-11-010	409674.70	2993012.90	1931.60	213.50	220.0	-48.0	Used in the Resource Estimate
CC-11-011	409733.10	2993000.40	1907.30	232.50	225.0	-48.0	Used in the Resource Estimate
CC-11-012	410443.30	2992050.90	1917.40	205.50	247.0	-46.0	Used in the Resource Estimate
CC-11-013	410432.00	2992104.60	1914.20	220.50	247.0	-46.0	Used in the Resource Estimate
CC-11-014	410413.60	2991934.60	1900.60	184.00	242.0	-50.0	Used in the Resource Estimate
CC-11-015	410400.80	2991810.90	1929.30	204.00	251.0	-50.0	Used in the Resource Estimate
CC-11-016	410380.30	2992179.90	1900.90	195.30	241.0	-50.0	Used in the Resource Estimate
CC-11-017	410381.20	2992180.20	1900.90	229.00	236.0	-71.0	Used in the Resource Estimate
CC-11-018	410345.80	2992276.40	1891.90	221.00	242.0	-49.0	Used in the Resource Estimate
CC-11-019	410345.80	2992276.40	1891.90	226.50	243.0	-71.0	Used in the Resource Estimate
CC-11-020	410300.90	2992368.30	1899.70	228.00	242.0	-58.0	Used in the Resource Estimate
CC-11-021	410301.50	2992368.60	1899.60	197.50	247.0	-70.0	Used in the Resource Estimate
CC-11-022	409853.30	2992753.40	1859.60	165.00	227.0	-50.0	Used in the Resource Estimate
CC-11-023	409787.30	2992852.60	1891.30	198.00	227.0	-51.0	Used in the Resource Estimate
CC-11-024	409762.50	2992961.30	1894.40	262.50	221.0	-47.0	Used in the Resource Estimate
CC-11-025	409783.10	2993040.10	1895.40	293.50	221.0	-63.0	Used in the Resource Estimate
CC-11-026	409715.80	2993123.00	1895.40	301.50	223.0	-52.0	Used in the Resource Estimate
CC-11-027	408294.20	2993817.80	1705.20	175.00	223.0	-48.0	Not used, La Borracha Zone
CC-11-028	408326.20	2993851.50	1712.10	219.00	223.0	-50.0	Not used, La Borracha Zone
CC-11-029	408483.80	2993740.20	1727.30	249.00	225.0	-48.0	Not used, La Borracha Zone
CC-11-030	408797.50	2993489.90	1784.90	327.00	223.0	-50.0	Not used, La Borracha Zone
CC-11-031	409516.50	2993138.30	1948.00	246.00	225.0	-50.0	Used in the Resource Estimate

HOLE-ID	UTM WGS84, zone 13		LOCATIONZ	LENGTH	AZIMUTH	DIP	COMMENT
	LOCATIONX	LOCATIONY					
CC-11-032	409442.70	2993202.70	1960.70	201.00	228.0	-48.0	Used in the Resource Estimate
CC-11-033	409744.20	2992878.40	1901.00	186.00	226.0	-50.0	Used in the Resource Estimate
CC-11-034	409831.10	2992886.50	1896.50	239.00	227.0	-50.0	Used in the Resource Estimate
CC-11-035	409380.90	2993294.80	1936.40	204.00	227.0	-50.0	Used in the Resource Estimate
CC-11-036	409825.40	2992808.80	1879.20	228.00	227.0	-50.0	Used in the Resource Estimate
CC-11-037	409794.20	2992697.20	1873.50	117.00	224.0	-50.0	Used in the Resource Estimate
CC-11-038	409795.30	2992697.80	1873.40	163.00	225.0	-88.0	Used in the Resource Estimate
CC-11-039	409606.20	2992865.70	1886.60	147.00	220.0	-50.0	Used in the Resource Estimate
CC-11-040	409607.00	2992866.70	1886.50	155.50	221.0	-89.0	Used in the Resource Estimate
CC-11-041	409559.90	2992902.10	1893.80	132.00	224.0	-49.0	Used in the Resource Estimate
CC-11-042	409736.80	2992797.90	1874.60	129.00	228.0	-50.0	Used in the Resource Estimate
CC-11-043	409737.70	2992798.80	1874.60	148.00	297.0	-89.0	Used in the Resource Estimate
CC-11-044	409908.90	2992679.90	1899.80	171.00	221.0	-49.0	Used in the Resource Estimate
CC-11-045	409950.60	2992600.60	1883.50	200.00	219.0	-51.0	Used in the Resource Estimate
CC-11-046	409445.10	2993277.00	1930.10	202.70	219.0	-51.0	Used in the Resource Estimate
CC-11-047	409374.20	2993341.80	1912.10	222.00	225.0	-45.0	Used in the Resource Estimate
CC-11-048	409324.40	2993358.20	1904.00	222.00	227.0	-45.0	Used in the Resource Estimate
CC-12-049	409795.10	2992770.10	1864.40	183.00	227.0	-48.0	Used in the Resource Estimate
CC-12-050	409825.90	2992669.10	1890.70	159.00	222.0	-50.0	Used in the Resource Estimate
CC-12-051	409940.00	2992649.10	1897.90	52.00	224.0	-50.0	Not used, hole was re-drilled
CC-12-051B	409946.00	2992649.10	1897.90	213.00	224.0	-50.0	Used in the Resource Estimate
CC-12-052	410003.10	2992640.80	1892.60	241.50	230.0	-49.0	Used in the Resource Estimate
CC-12-053	410005.50	2992573.40	1870.60	198.00	231.0	-51.0	Used in the Resource Estimate
CC-12-054	410215.90	2992381.30	1877.30	180.00	247.0	-52.0	Used in the Resource Estimate
CC-12-055	410033.40	2992464.00	1893.20	158.00	235.0	-48.0	Used in the Resource Estimate
CC-12-056	410096.00	2992441.60	1878.30	150.00	243.0	-47.0	Used in the Resource Estimate
CC-12-057	410248.00	2992346.20	1882.50	188.00	247.0	-49.0	Used in the Resource Estimate
CC-12-058	410224.70	2992279.60	1874.00	158.00	247.0	-48.0	Used in the Resource Estimate
CC-12-059	410286.20	2992235.10	1878.30	177.00	250.0	-49.0	Used in the Resource Estimate
CC-12-060	410287.20	2992193.40	1880.90	159.00	251.0	-49.0	Used in the Resource Estimate
CC-12-061	410337.90	2992110.10	1889.40	160.00	247.0	-48.0	Used in the Resource Estimate
CC-12-062	410415.70	2992145.90	1915.00	225.00	243.0	-66.0	Used in the Resource Estimate
CC-12-063	410433.30	2992105.80	1914.50	228.00	250.0	-64.0	Used in the Resource Estimate
CC-12-064	410432.10	2991987.50	1908.80	204.00	248.0	-50.0	Used in the Resource Estimate
CC-12-065	410666.80	2991490.40	1903.90	210.00	245.0	-49.0	Used in the Resource Estimate
CC-12-066	410479.40	2991623.40	1926.10	120.00	245.0	-50.0	Used in the Resource Estimate

HOLE-ID	UTM WGS84, zone 13		LOCATIONZ	LENGTH	AZIMUTH	DIP	COMMENT
	LOCATIONX	LOCATIONY					
CC-12-067	410704.40	2991399.00	1909.70	171.00	248.0	-50.0	Used in the Resource Estimate
CC-12-068	410443.00	2991718.60	1923.80	114.00	249.0	-53.0	Used in the Resource Estimate
CC-12-069	410332.90	2992051.70	1885.70	102.00	250.0	-49.0	Used in the Resource Estimate
CC-12-070	410328.90	2991832.00	1920.90	105.00	248.0	-51.0	Used in the Resource Estimate
CC-12-071	410400.70	2991861.00	1916.00	153.00	243.0	-50.0	Used in the Resource Estimate
CC-12-072	410248.70	2992125.80	1885.00	99.00	248.0	-50.0	Used in the Resource Estimate
CC-12-073	410199.40	2992216.20	1883.20	90.00	246.0	-51.0	Used in the Resource Estimate
CC-12-074	410162.30	2992304.00	1871.90	111.00	251.0	-50.0	Used in the Resource Estimate
CC-12-075	409995.40	2992690.70	1901.60	250.50	226.0	-50.0	Used in the Resource Estimate
CC-12-076	409884.60	2992725.50	1875.50	198.00	224.0	-51.0	Used in the Resource Estimate
CC-12-077	409887.10	2992873.30	1885.80	266.00	225.0	-51.0	Used in the Resource Estimate
CC-12-078	409813.00	2992937.50	1880.10	253.50	225.0	-49.0	Used in the Resource Estimate
CC-12-079	409679.10	2992801.10	1881.20	105.00	226.0	-51.0	Used in the Resource Estimate
CC-12-080	409721.60	2993063.80	1916.50	272.00	226.0	-48.0	Used in the Resource Estimate
CC-12-081	409648.40	2992835.40	1881.40	72.00	224.0	-51.0	Used in the Resource Estimate
CC-12-082	409659.80	2993133.70	1899.40	102.90	225.0	-50.0	Not used, hole was re-drilled
CC-12-082A	409659.80	2993133.70	1899.40	136.20	225.0	-50.0	Used in the Resource Estimate
CC-12-083	409777.70	2993109.50	1895.20	302.00	226.0	-51.0	Used in the Resource Estimate
CC-12-084	409429.70	2993057.90	1942.20	81.00	228.0	-48.0	Used in the Resource Estimate
CC-12-085	409570.80	2993193.80	1930.60	245.00	227.0	-51.0	Used in the Resource Estimate
CC-12-086	409474.70	2993020.00	1925.50	81.00	225.0	-49.0	Used in the Resource Estimate
CC-12-087A	409391.40	2993086.90	1951.50	90.00	230.0	-51.0	Used in the Resource Estimate
CC-12-088	409477.80	2993164.50	1950.50	177.00	225.0	-50.0	Used in the Resource Estimate
CC-12-089	408707.40	2993455.70	1770.50	81.00	224.0	-51.0	Not used, La Borracha Zone
CC-12-090	409354.10	2993117.80	1957.80	94.50	224.0	-51.0	Used in the Resource Estimate
CC-12-091	408976.40	2993449.00	1795.30	159.00	222.0	-51.0	Not used, La Borracha Zone
CC-12-092	409318.90	2993221.00	1940.00	94.90	225.0	-49.0	Used in the Resource Estimate
CC-12-093	409084.40	2993419.50	1806.10	141.00	226.0	-48.0	Not used, La Borracha Zone
CC-12-094	409896.50	2992550.90	1880.00	117.00	227.0	-50.0	Used in the Resource Estimate
CC-12-095	410008.00	2992492.20	1887.80	114.00	223.0	-50.0	Used in the Resource Estimate
CC-12-096	410020.70	2992369.50	1915.00	102.00	245.0	-50.0	Used in the Resource Estimate
CC-12-097	410083.60	2992492.40	1869.60	129.00	246.0	-51.0	Used in the Resource Estimate
CC-12-098	410194.70	2992427.90	1870.80	186.00	244.0	-52.0	Used in the Resource Estimate
CC-12-099	410162.00	2992306.00	1875.00	120.50	90.0	-88.0	Used in the Resource Estimate
CC-12-100	410177.50	2992478.10	1864.80	171.00	246.0	-50.0	Used in the Resource Estimate
CC-12-101	410200.20	2992216.60	1882.90	114.50	185.0	-88.0	Used in the Resource Estimate

HOLE-ID	UTM WGS84, zone 13		LOCATIONZ	LENGTH	AZIMUTH	DIP	COMMENT
	LOCATIONX	LOCATIONY					
CC-12-102	410327.40	2992322.80	1895.50	223.50	248.0	-51.0	Used in the Resource Estimate
CC-12-103	410464.10	2991782.70	1935.40	181.00	247.0	-52.0	Used in the Resource Estimate
CC-12-104	410440.10	2992058.70	1916.50	235.50	249.0	-53.0	Used in the Resource Estimate
CC-12-105	410369.40	2991741.30	1926.60	108.00	249.0	-51.0	Used in the Resource Estimate
CC-12-106	410463.50	2991669.20	1921.30	120.00	247.0	-51.0	Used in the Resource Estimate
CC-12-107	410448.70	2991557.00	1919.10	120.00	246.0	-51.0	Used in the Resource Estimate
CC-12-108	410601.10	2991402.40	1937.30	154.50	246.0	-51.0	Used in the Resource Estimate
CC-12-109	410256.60	2992019.90	1893.40	87.00	245.0	-49.0	Used in the Resource Estimate
CC-12-110	410158.90	2992066.70	1912.40	96.00	246.0	-51.0	Used in the Resource Estimate
CC-12-111	410204.10	2992060.70	1913.20	69.00	248.0	-51.0	Used in the Resource Estimate
CC-12-112	410186.40	2992157.40	1899.00	89.00	248.0	-51.0	Used in the Resource Estimate
CC-12-113	410143.30	2992190.40	1911.30	96.00	250.0	-51.0	Used in the Resource Estimate
CC-12-114	410571.10	2991497.60	1926.90	151.50	246.0	-51.0	Used in the Resource Estimate
CC-12-115	410073.40	2992270.50	1913.20	96.00	243.0	-51.0	Used in the Resource Estimate
CC-12-116	410048.10	2992314.50	1910.10	81.00	243.0	-51.0	Used in the Resource Estimate
CC-12-117	410138.80	2992360.80	1871.10	123.00	244.0	-51.0	Used in the Resource Estimate
CC-12-118	410157.90	2992247.90	1889.20	120.00	248.0	-50.0	Used in the Resource Estimate
CC-12-119	410624.60	2991363.00	1933.20	100.50	247.0	-50.0	Used in the Resource Estimate
CC-12-120	410787.80	2991452.40	1897.20	214.50	247.0	-51.0	Used in the Resource Estimate
CC-12-121	410588.20	2991612.90	1911.80	153.00	249.0	-50.0	Used in the Resource Estimate
CC-12-122	410532.60	2991757.40	1934.40	168.00	249.0	-50.0	Used in the Resource Estimate
CC-12-123	410489.30	2992013.60	1931.30	259.50	245.0	-69.0	Used in the Resource Estimate
CC-12-124	410460.30	2991836.10	1920.20	208.00	241.0	-52.0	Used in the Resource Estimate
CC-12-125	410367.90	2992226.40	1890.80	246.00	247.0	-54.0	Used in the Resource Estimate
CC-12-126	409923.80	2992395.40	1924.59	57.00	232.0	-46.0	Used in the Resource Estimate
CC-12-127	409971.20	2992431.40	1912.30	75.00	235.0	-50.0	Used in the Resource Estimate
CC-12-128	410141.10	2992136.70	1931.70	79.50	247.0	-50.0	Used in the Resource Estimate
CC-12-129	409842.30	2992615.20	1894.50	69.00	225.0	-50.0	Used in the Resource Estimate
CC-12-130	409786.80	2992557.10	1913.50	30.00	231.0	-50.0	Used in the Resource Estimate
CC-12-131	409606.10	2993161.20	1917.10	187.00	227.0	-56.0	Used in the Resource Estimate
CC-12-132	409269.30	2993242.10	1906.60	84.00	223.0	-74.0	Used in the Resource Estimate
CC-12-133	409415.00	2993396.50	1874.80	231.00	224.0	-51.0	Used in the Resource Estimate
CC-12-134	410358.90	2992336.80	1908.40	280.50	242.0	-70.0	Used in the Resource Estimate
CC-12-135	409519.60	2993217.40	1941.10	231.00	219.0	-71.0	Used in the Resource Estimate
CC-12-136	409737.30	2993146.70	1884.90	255.00	217.0	-69.0	Used in the Resource Estimate
CC-12-137	409783.10	2993121.20	1891.20	280.50	222.0	-71.0	Used in the Resource Estimate

HOLE-ID	UTM WGS84, zone 13		LOCATIONZ	LENGTH	AZIMUTH	DIP	COMMENT
	LOCATIONX	LOCATIONY					
CC-12-138	409596.30	2993218.60	1918.60	264.00	221.0	-69.0	Used in the Resource Estimate
CC-12-139	410495.30	2992064.00	1935.70	231.00	246.0	-69.0	Used in the Resource Estimate
CC-14-140	409504.70	2993268.30	1931.60	264.00	225.0	-68.0	Used in the Resource Estimate
CC-14-141	409577.30	2993307.00	1904.10	280.00	225.0	-62.0	Used in the Resource Estimate
CC-14-142	409645.50	2993261.60	1897.90	255.00	222.0	-70.0	Used in the Resource Estimate
CC-14-143	409516.00	2993135.50	1946.20	285.00	138.0	-64.0	Used in the Resource Estimate
CC-14-144	410457.90	2992120.70	1924.40	270.00	235.0	-77.0	Used in the Resource Estimate
CC-14-145	410404.00	2992071.10	1902.30	249.00	159.0	-56.0	Used in the Resource Estimate
CC-14-146	410517.60	2991808.50	1936.00	198.00	250.0	-60.0	Used in the Resource Estimate
CC-14-147	410570.40	2991541.50	1921.00	185.50	250.0	-59.0	Used in the Resource Estimate
CC-14-148A	410934.80	2990728.90	1925.40	234.00	247.0	-46.0	Not used, La Soledad Zone
CC-14-149	410804.80	2990757.80	1918.50	192.00	249.0	-44.0	Not used, La Soledad Zone
CC-14-150	410440.40	2988966.60	1995.20	211.50	272.0	-45.0	Not used, Las Chinas Zone
CC-14-151	409111.10	2993470.80	1819.60	204.00	225.0	-61.0	Not used, La Borracha Zone
CC-14-152	409806.00	2992976.00	1877.00	267.00	225.0	-60.0	Used in the Resource Estimate
CC-14-153	409810.00	2992897.00	1893.00	589.80	225.0	-67.0	Used in the Resource Estimate
CC-14-154	409875.00	2993087.00	1886.00	531.00	105.0	-60.0	Used in the Resource Estimate
CC-14-155	410532.00	2991906.00	1930.00	294.00	247.0	-60.0	Used in the Resource Estimate
CC-14-156	410341.00	2992277.00	1890.00	306.70	67.0	-80.0	Used in the Resource Estimate
CRC-10-001	410324.70	2991947.50	1894.20	105.16	247.0	-60.0	Used in the Resource Estimate
CRC-10-002	410308.70	2991881.20	1915.30	86.87	245.0	-60.0	Used in the Resource Estimate
CRC-10-003	410338.40	2991793.70	1924.90	102.11	245.0	-60.0	Used in the Resource Estimate
CRC-10-004	410368.10	2991664.70	1919.60	121.92	232.0	-60.0	Used in the Resource Estimate
CRC-10-005	409519.70	2992947.20	1903.20	96.01	230.0	-60.0	Used in the Resource Estimate
CRC-10-006	409585.40	2992994.70	1933.30	129.54	228.0	-60.0	Used in the Resource Estimate
CRC-10-007	409555.20	2993024.40	1932.80	16.76	239.0	-60.0	Used in the Resource Estimate
CRC-10-008	409555.30	2993024.40	1932.80	16.76	239.0	-70.0	Used in the Resource Estimate
CRC-10-009	409313.10	2993121.20	1960.20	100.58	230.0	-60.0	Used in the Resource Estimate
CRC-10-010	409544.80	2993051.60	1931.00	100.58	239.0	-60.0	Used in the Resource Estimate
CRC-10-011	409453.60	2992968.20	1937.10	100.58	210.0	-60.0	Used in the Resource Estimate
CRC-10-012	408704.30	2993390.20	1777.30	100.58	200.0	-60.0	Not used, La Borracha Zone
CRC-10-013	408451.40	2993574.30	1756.70	150.88	233.0	-60.0	Not used, La Borracha Zone
CRC-10-014	408538.50	2993552.40	1757.50	100.58	210.0	-60.0	Not used, La Borracha Zone
CRC-10-015	408435.50	2993653.10	1729.00	126.49	206.0	-60.0	Not used, La Borracha Zone
		Total:		**30443.40**			

Appendix 2

Listing of Significant Drill Results from Holes Completed on the La Cigarra Property

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-10-001	San Gregorio	42.55	53.50	10.95		30.8
		83.40	152.65	69.25		27.3
Includes		134.65	152.65	**18.00**		**54.6**
and		148.95	152.65	**3.70**		**117.3**
CC-11-002	San Gregorio	46.00	126.45	**80.45**		**123.5**
					cut to 500 g/t	**91.2**
Includes		46.00	106.15	**60.15**		**117.2**
					cut to 500 g/t	**105.2**
and		121.60	126.45	**4.85**		**559.7**
					cut to 500 g/t	**174.3**
		146.80	173.65	26.85		35.7
Includes		149.35	159.75	**10.40**		**55.5**
CC-11-003	San Gregorio	38.40	148.30	**109.90**		**51.3**
Includes		38.40	90.25	**51.85**		**81.7**
Includes		40.40	74.00	**33.60**		**100.6**
		115.20	144.80	29.60		36.2
CC-11-004	San Gregorio	17.60	24.95	**7.35**		**148.6**
					cut to 500 g/t	**136.8**
		46.90	100.60	53.70		87.1
Includes		57.60	80.25	**22.65**		**175.5**
		140.50	166.65	26.15		23.3
		195.05	200.15	5.10		27.2
CC-11-005	Las Carolinas	1.35	62.15	**60.80**		**114.8**
					cut to 500 g/t	79.1
Includes		14.10	36.20	**22.10**		**261.7**
					cut to 500 g/t	**163.4**
Includes		17.20	31.80	**14.60**		**382.3**
					cut to 500 g/t	**233.5**
		91.10	94.85	3.75		27.4
CC-11-006	Las Carolinas	0.00	53.30	**53.30**		**55.5**
Includes		21.35	36.55	**15.20**		**134.6**
CC-11-007	San Gregorio	20.90	26.70	5.80		23.0
		67.50	145.30	**77.80**		**61.4**

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
					cut to 500 g/t	47.4
Includes		72.00	81.50	**9.50**		**317.3**
					cut to 500 g/t	**202.5**
and		109.20	117.00	**7.80**		**84.7**
CC-11-008	San Gregorio	0.00	47.80	47.80		35.4
Includes		27.05	46.25	**19.20**		**65.5**
		51.25	73.85	22.60		3.2
Includes		63.20	73.85	10.65		2.6
CC-11-009	San Gregorio	65.40	192.95	**127.55**		**86.4**
					cut to 500 g/t	**65.3**
Includes		68.55	104.70	**36.15**		**222.1**
					cut to 500 g/t	**151.6**
Includes		68.55	89.05	**20.50**		**328.0**
					cut to 500 g/t	**220.1**
and		100.35	104.70	**4.35**		**278.6**
					cut to 500 g/t	**201.5**
and		140.75	192.95	**52.20**		**52.4**
					cut to 500 g/t	49.7
Includes		164.35	179.80	**15.45**		**125.4**
					cut to 500 g/t	**116.4**
CC-11-010	San Gregorio	37.50	133.00	**95.50**		**77.4**
					cut to 500 g/t	**57.4**
Includes		108.70	124.30	**15.60**		**157.6**
					cut to 500 g/t	**148.3**
		158.60	199.40	40.80		37.4
Includes		180.50	192.00	**11.50**		**83.4**
CC-11-011	San Gregorio	80.00	216.70	**136.70**		**80.4**
					cut to 500 g/t	47.5
Includes		82.65	92.00	**9.35**		**628.7**
					cut to 500 g/t	**180.7**
and		103.50	124.15	**20.65**		**158.3**
					cut to 500 g/t	**143.6**
and		158.10	162.95	**4.85**		**60.6**
CC-11-012	Las Carolinas	104.40	187.10	82.70		45.2
					cut to 500 g/t	39.4
Includes		104.40	113.60	**9.20**		**95.3**
and		138.70	157.20	**18.50**		**77.5**
and		181.85	187.10	**5.25**		**177.9**
					cut to 500 g/t	**86.5**
CC-11-013	Las Carolinas	106.70	123.30	**16.50**		**242.1**
					cut to 500 g/t	**161.6**
		143.45	167.10	**23.65**		**82.5**

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
					cut to 500 g/t	**79.9**
Includes		156.45	167.10	**10.65**		**163.7**
					cut to 500 g/t	**158.0**
		201.75	208.40	6.65		22.6
CC-11-014	Las Carolinas	68.50	97.30	28.80		30.2
		109.50	114.15	**4.65**		**61.5**
CC-11-015	Las Carolinas	65.80	70.90	**5.10**		**98.7**
		92.30	96.70	4.40		38.0
		122.70	125.55	**2.85**		**50.3**
CC-11-016	Las Carolinas	105.00	176.00	71.00		28.2
Includes		128.20	144.15	15.95		**50.6**
CC-11-017	Las Carolinas	140.25	144.50	4.25		44.5
		154.75	165.00	**10.25**		**55.1**
		223.55	229.00	**5.45**		**57.2**
CC-11-018	Las Carolinas	85.35	197.00	111.75		24.7
Includes		85.35	89.00	**3.65**		**81.4**
and		104.15	110.00	**5.85**		**52.0**
and		143.00	165.95	22.95		47.0
and		182.90	190.10	7.20		43.2
CC-11-019	Las Carolinas	151.85	203.50	51.65		25.0
Includes		168.15	183.65	15.50		43.2
CC-11-020	Las Carolinas	151.00	201.90	50.90		34.7
Includes		151.00	168.50	17.50		46.3
and		180.20	198.20	18.00		41.6
CC-11-021	Las Carolinas	151.85	190.50	38.65		31.8
CC-11-022	San Gregorio	81.50	102.80	**21.30**		**61.3**
					cut to 500 g/t	**60.8**
Includes		82.25	90.95	**8.70**		**114.9**
					cut to 500 g/t	**113.7**
CC-11-023	San Gregorio	84.80	136.25	**51.45**		**85.7**
					cut to 500 g/t	**67.0**
Includes		84.80	98.50	**13.70**		**239.7**
					cut to 500 g/t	**169.2**
CC-11-024	San Gregorio	120.90	203.85	82.95		37.4
					cut to 500 g/t	36.6
Includes		120.90	127.00	**6.10**		**121.3**
and		143.80	157.95	**14.15**		**53.8**
and		172.30	203.85	31.55		44.7

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
					cut to 500 g/t	42.4
CC-11-025	San Gregorio	146.50	157.00	10.50		32.5
		195.30	206.85	**11.55**		**80.2**
					cut to 500 g/t	**66.8**
		278.70	288.70	10.00		22.4
CC-11-026	San Gregorio	133.85	216.70	**82.85**		**62.8**
					cut to 500 g/t	49.9
Includes		133.85	192.25	**58.40**		**82.6**
					cut to 500 g/t	**64.4**
Includes		133.85	146.70	**12.85**		**190.3**
					cut to 500 g/t	**160.6**
CC-11-027	La Borracha	39.25	57.10	17.85		20.4
Includes		39.25	47.65	8.40		28.0
CC-11-028	La Borracha	66.10	81.10	15.00		30.9
CC-11-029	La Borracha	64.40	76.80	**12.40**		**50.2**
Includes		64.40	71.70	**7.30**		**78.1**
CC-11-030	La Borracha	7.50	45.80	38.30		23.5
Includes		37.90	45.80	7.90		42.3
		83.25	110.40	27.15		25.0
Includes		89.20	97.00	7.80		46.4
CC-11-031	San Gregorio	104.50	158.80	54.30		36.9
Includes		115.50	145.85	**30.35**		**52.7**
Includes		120.30	135.00	**14.70**		**76.6**
CC-11-032	San Gregorio	104.45	153.70	49.25		32.6
Includes		104.45	133.50	29.05		46.2
Includes		104.45	116.00	**11.55**		**76.5**
CC-11-033	San Gregorio	73.50	99.00	25.50		40.4
					cut to 500 g/t	36.5
Includes		81.00	91.50	**10.50**		**79.1**
					cut to 500 g/t	**69.8**
		112.00	132.75	20.75		38.5
CC-11-034	San Gregorio	137.10	178.10	41.00		30.8
Includes		154.25	178.10	23.85		43.6
CC-11-035	San Gregorio	97.00	131.55	34.55		20.9
Includes		106.65	117.00	10.35		41.6
		160.85	166.25	5.40		25.3
CC-11-036	San Gregorio	81.60	132.60	**51.00**		**52.2**

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
					cut to 500 g/t	34.6
CC-11-037	San Gregorio	27.25	39.95	**12.70**		**86.5**
		94.50	102.70	**8.20**		**242.9**
					cut to 500 g/t	**121.2**
CC-11-038	San Gregorio	44.80	78.55	**33.75**		**101.1**
					cut to 500 g/t	**70.1**
		131.50	136.90	5.40		17.5
CC-11-039	San Gregorio	14.00	26.90	12.90		18.0
		50.70	63.00	12.30		11.0
CC-11-040	San Gregorio	0.00	76.65	76.65		29.9
Includes		0.00	60.10	60.10		35.1
Includes		0.00	13.80	**13.80**		**55.8**
		102.50	105.00	2.50		26.8
CC-11-041	San Gregorio	0.00	24.80	**24.80**		**59.5**
Includes		0.00	15.70	**15.70**		**62.6**
		47.35	57.10	9.75		14.7
CC-11-042	San Gregorio	38.40	64.85	26.45		39.3
Includes		42.10	50.35	**8.25**		**65.3**
CC-11-043	San Gregorio	35.70	43.45	7.75		42.2
		71.90	98.80	**26.90**		**56.0**
					cut to 500 g/t	46.9
Includes		71.90	89.95	**18.05**		**74.0**
					cut to 500 g/t	**60.4**
CC-11-044	San Gregorio	121.00	134.00	13.00		16.3
		167.00	168.00	1.00		**306.7**
CC-11-045	San Gregorio	87.50	103.95	**16.45**		**127.4**
					cut to 500 g/t	**123.5**
Includes		91.40	99.00	**7.60**		**230.0**
					cut to 500 g/t	**221.6**
		176.45	178.20	1.75		29.9
CC-11-046	San Gregorio	102.00	155.90	53.90		15.4
Includes		102.00	118.60	16.60		23.8
		174.60	184.55	9.95		17.8
CC-11-047	San Gregorio	109.35	115.80	**6.45**		**107.0**
					cut to 500 g/t	**83.6**
		150.00	154.60	4.60		17.6
		168.30	175.50	7.20		21.5

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-11-048	San Gregorio	118.25	127.00	8.75		15.0
		151.90	160.60	8.70		19.1
CC-12-049	San Gregorio	34.20	39.00	**4.80**		**143.7**
					cut to 500 g/t	**141.0**
		60.70	88.90	28.20		37.7
Includes		60.70	69.75	**9.05**		**74.3**
CC-12-050	San Gregorio	51.45	66.00	**14.55**		**72.6**
Includes		56.50	66.00	**9.50**		**91.8**
CC-12-51b	San Gregorio	115.50	174.40	58.90		44.0
					cut to 500g/t	31.1
Includes		115.50	138.60	23.10		38.5
					cut to 500g/t	37.0
and		157.30	174.40	**17.10**		**94.4**
					cut to 500g/t	**51.9**
CC-12-052	San Gregorio	132.70	158.10	25.40		18.5
Includes		152.50	158.10	5.60		35.0
CC-12-053	San Gregorio	82.00	108.85	26.85		44.6
					cut to 500g/t	42.7
Includes		82.00	95.75	**13.75**		**68.1**
					cut to 500g/t	**64.4**
CC-12-054	Las Carolinas	95.60	136.55	40.95		42.1
Includes		123.15	136.55	**13.40**		**77.3**
CC-12-055	Las Carolinas	72.00	87.50	15.50		26.2
		104.85	113.70	8.85		18.7
CC-12-056	Las Carolinas	73.00	95.95	**22.95**		**84.9**
					cut to 500 g/t	**71.6**
Includes		78.40	90.75	**12.35**		**146.0**
					cut to 500 g/t	**121.2**
CC-12-057	Las Carolinas	93.90	99.65	5.75		40.9
		121.60	140.00	18.40		47.7
CC-12-058	Las Carolinas	55.10	105.25	**50.15**		**69.4**
					cut to 500g/t	**62.4**
Includes		55.10	90.10	**35.00**		**91.8**
					cut to 500g/t	**83.2**
CC-12-059	Las Carolinas	83.20	153.50	70.30		34.9
Includes		83.20	111.00	**27.80**		**63.1**
and		132.75	136.00	**3.25**		**55.6**
and		144.50	153.50	9.00		21.5

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-12-060	Las Carolinas	75.75	145.40	69.65		22.5
Includes		75.75	92.75	17.00		29.7
		120.50	132.60	12.10		45.7
CC-12-061	Las Carolinas	72.00	129.90	57.90		38.1
Includes		72.00	97.30	**25.30**		**63.9**
and		124.50	131.25	5.40		49.7
CC-12-062	Las Carolinas	148.20	182.00	33.80		23.1
and		219.90	221.65	**1.75**		**122.4**
CC-12-063	Las Carolinas	114.10	118.00	3.90		22.1
and		142.50	205.55	**63.05**		**50.3**
					cut to 500g/t	45.0
Includes		161.90	179.15	**17.25**		**155.2**
					cut to 500g/t	**135.9**
CC-12-064	Las Carolinas	84.00	124.80	**40.80**		**52.7**
Includes		106.00	124.80	**18.80**		**98.3**
CC-12-065	Las Carolinas	16.50	36.00	19.50		17.9
and		102.00	106.65	4.65		28.9
and		166.00	180.00	14.00		33.5
CC-12-066	Las Carolinas	53.90	82.40	28.50		18.3
CC-12-067	Las Carolinas	4.00	19.50	15.50		20.6
		87.00	90.00	3.00		21.1
		120.00	123.00	3.00		34.3
CC-12-068	Las Carolinas	68.00	73.50	**5.50**		**67.9**
CC-12-069	Las Carolinas	62.30	88.30	**26.00**		**59.9**
Includes		62.30	75.60	**13.30**		**106.1**
CC-12-070	Las Carolinas	11.40	81.35	69.95		28.7
Includes		28.50	55.50	27.00		39.4
Includes		69.00	78.00	**9.00**		**54.6**
CC-12-071	Las Carolinas	67.50	70.80	3.30		35.1
		86.40	99.50	13.10		33.0
CC-12-072	Las Carolinas	19.50	72.00	52.50		42.3
Includes		51.00	72.00	**21.00**		**68.4**
CC-12-073	Las Carolinas	39.00	90.00	51.00		27.5
Includes		55.35	72.00	16.65		40.7

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-12-074	Las Carolinas	39.00	102.70	**63.70**		**76.2**
					cut to 500g/t	**71.0**
Includes		39.00	57.75	**18.75**		**78.2**
Includes		66.10	79.50	**13.40**		**174.3**
Includes		95.10	102.70	**7.60**		**110.9**
					cut to 500g/t	**67.6**
CC-12-075	San Gregorio	177.00	185.10	**8.10**		**63.5**
CC-12-076	San Gregorio	105.50	116.80	**11.30**		**87.7**
		164.65	166.55	**1.90**		**60.1**
CC-12-077	San Gregorio	171.60	187.60	16.00		26.0
		247.40	250.30	2.90		22.2
CC-12-078	San Gregorio	113.50	157.00	43.50		37.2
					cut to 500 g/t	36.1
Includes		150.25	157.00	**6.75**		**147.9**
					cut to 500 g/t	**141.2**
Includes		219.15	222.15	**3.00**		**91.0**
CC-12-079	San Gregorio	12.00	24.30	**12.30**		**55.4**
		77.25	82.50	5.25		19.9
CC-12-080	San Gregorio	94.50	146.75	**52.25**		**167.0**
					cut to 500 g/t	**113.8**
Includes		109.50	144.25	**34.75**		**241.2**
					cut to 500 g/t	**161.3**
CC-12-081	San Gregorio	11.90	22.50	10.60		30.3
CC-12-082A	San Gregorio	115.50	134.10	18.60		22.0
CC-12-083	San Gregorio	151.50	207.50	**56.00**		**105.7**
					cut to 500 g/t	**71.0**
Includes		161.60	182.50	**20.90**		**241.0**
					cut to 500 g/t	**211.4**
		282.40	288.60	6.20		**84.3**
CC-12-084	San Gregorio	9.00	48.90	**39.90**		**52.1**
					cut to 500 g/t	41.7
		60.10	74.60	**14.50**		**288.2**
					cut to 500 g/t	**104.9**
CC-12-085	San Gregorio	144.00	201.00	57.00		34.2
					cut to 500 g/t	33.8
Includes		144.00	170.10	**26.10**		**57.5**
					cut to 500 g/t	**56.7**
		219.00	221.70	2.70		29.2

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-12-086	San Gregorio	30.00	68.90	**38.90**		**88.2**
					cut to 500 g/t	**78.2**
Includes		37.00	54.90	**17.90**		**170.4**
					cut to 500 g/t	**148.6**
CC-12-087A	San Gregorio	16.00	25.00	9.00		29.1
		64.90	66.20	**1.30**		**106.0**
CC-12-088	San Gregorio	101.00	104.70	**3.70**		**140.9**
		116.00	131.50	**15.50**		**73.8**
					cut to 500 g/t	**66.3**
		147.70	166.00	**18.30**		**55.2**
					cut to 500 g/t	**54.6**
CC-12-089	La Borracha	3.00	16.50	13.50		30.2
		27.25	37.00	**9.75**		**54.3**
		42.60	51.60	9.00		33.0
CC-12-090	San Gregorio	0.00	3.00	3.00		44.2
		41.00	44.50	3.50		34.0
		60.90	72.45	**11.55**		**127.4**
					cut to 500 g/t	**66.3**
Includes		66.90	72.45	**5.55**		**249.5**
CC-12-091	La Borracha	21.00	28.50	7.50		48.0
		48.00	57.00	9.00		48.7
		88.00	94.00	6.00		25.6
CC-12-092	San Gregorio	27.00	35.10	8.10		29.6
		43.80	46.60	2.80		27.7
		54.00	65.60	11.60		24.8
		87.00	96.00	9.00		46.8
CC-12-093	La Borracha	0.00	4.50	**4.50**		**166.2**
		58.50	69.70	11.20		17.1
CC-12-094	San Gregorio	31.75	59.30	**27.55**		**69.3**
					cut to 500 g/t	**68.9**
		72.00	80.55	**8.55**		**65.8**
		106.10	117.00	10.90		46.2
CC-12-095	San Gregorio	64.50	77.60	13.10		35.1
CC-12-096	Las Carolinas	35.10	54.80	19.70		29.7
		74.10	75.70	1.60		47.2
CC-12-097	Las Carolinas	86.90	106.20	19.30		**52.4**

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-12-098	Las Carolinas	124.25	134.90	10.65		44.0
CC-12-099	Las Carolinas	46.60	106.10	59.50		28.1
Includes		57.90	66.75	8.85		40.7
		93.10	101.00	**7.90**		**58.1**
CC-12-100	Las Carolinas	135.40	147.70	12.30		**60.6**
CC-12-101	Las Carolinas	48.80	78.80	**30.00**		**57.1**
Includes		53.40	70.40	**17.00**		**87.5**
and		91.10	111.50	**20.40**		**50.7**
					cut to 500 g/t	34.3
CC-12-102	Las Carolinas	154.50	199.50	**45.00**		**90.5**
					cut to 500 g/t	**88.0**
Includes		179.50	197.00			**181.2**
					cut to 500 g/t	**174.9**
CC-12-103	Las Carolinas	102.20	115.50	**13.30**		**95.5**
CC-12-104	Las Carolinas	85.80	152.60	**66.80**		**80.2**
					cut to 500 g/t	38.8
Includes		85.80	96.20	**10.40**		**336.1**
					cut to 500 g/t	**73.1**
		109.10	152.60	43.40		41.6
					cut to 500 g/t	40.9
		163.50	165.80	2.30		28.7
CC-12-105	Las Carolinas	28.50	53.50	25.00		48.1
Includes		33.00	42.00	**9.00**		**90.6**
		80.75	84.00	3.25		45.9
CC-12-106	Las Carolinas	51.00	60.00	9.00		**55.2**
		88.50	91.30	**2.80**		**58.1**
CC-12-107	Las Carolinas	7.40	17.30	**9.90**		**55.2**
		32.40	34.80	2.40		17.8
CC-12-108	Las Carolinas	48.00	79.50	31.50		25.6
Includes		56.00	64.85	**8.85**		**55.2**
CC-12-109	Las Carolinas	10.50	18.30	7.80		32.5
CC-12-110	Las Carolinas	18.50	28.50	10.00		31.2
CC-12-111	Las Carolinas	no significant intervals				

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-12-112	Las Carolinas	6.00	65.40	59.40		26.2
Includes		6.00	19.50	**13.50**		**53.5**
		41.40	58.65	17.25		31.1
CC-12-113	Las Carolinas	0.00	43.80	**43.80**		44.6
Includes		0.00	24.00	**24.00**		**63.5**
CC-12-114	Las Carolinas	64.00	75.00	**11.00**		**95.5**
					cut to 500 g/t	**84.3**
CC-12-115	Las Carolinas	3.00	38.00	35.00		35.1
Includes		3.00	12.00	**9.00**		**65.9**
		81.10	85.70	4.60		25.5
CC-12-116	Las Carolinas	4.50	46.50	42.00		48.0
Includes		13.50	33.00	**19.50**		**81.2**
CC-12-117	Las Carolinas	57.00	85.50	**28.50**		**52.7**
					cut to 500 g/t	**51.7**
		69.00	83.00	**14.00**		**85.4**
CC-12-118	Las Carolinas	24.00	66.50	42.50		36.5
Includes		24.00	33.80	**9.80**		**52.4**
and		52.00	66.50	**14.50**		**51.8**
		77.60	86.60	9.00		15.0
		97.50	101.50	4.00		42.2
		109.90	111.00	**1.10**		**72.6**
CC-12-119	Las Carolinas	3.00	11.00	**8.00**		**87.5**
		42.80	47.20	4.40		45.6
		54.00	63.00	9.00		39.7
		73.00	75.00	2.00		41.6
CC-12-120	Las Carolinas	68.00	78.00	10.00		32.0
		127.50	130.20	2.70		15.2
		140.60	161.00	20.40		37.5
CC-12-121	Las Carolinas	47.80	60.00	12.20		20.0
		100.20	118.80	18.60		45.5
CC-12-122	Las Carolinas	130.20	156.60	26.40		46.4
CC-12-123	Las Carolinas	162.80	192.80	30.00		28.1
Includes		183.00	192.80	9.80		46.0
CC-12-124	Las Carolinas	89.00	97.70	8.70		9.3
		97.70	112.50	**14.80**		**147.7**
					cut to 500 g/t	**147.3**
		154.00	159.00	5.00		26.0

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
		177.50	179.60	2.10		**87.3**
CC-12-125	Las Carolinas	99.00	158.20	**59.20**		**54.4**
					cut to 500 g/t	31.5
Includes		103.50	119.40	**15.90**		**164.0**
					cut to 500 g/t	**79.0**
		175.50	190.85	15.35		29.4
		200.80	203.00	2.20		23.3
		221.00	224.40	3.40		30.2
CC-12-126	Las Carolinas	1.50	7.30	5.80		3.3
		7.30	14.20	6.90		25.5
		22.00	24.00	2.00		39.7
CC-12-127	Las Carolinas	35.00	48.10	**13.10**		**162.5**
		59.00	75.00	16.00		25.7
CC-12-128	Las Carolinas	13.00	24.00	11.00		15.8
		37.60	43.30	**5.70**		**70.1**
CC-12-129	San Gregorio	39.8	64.5	24.70		39.4
Includes		47.3	55.5	8.20		**87.6**
CC-12-130	San Gregorio	No significant intervals				
CC-12-131	San Gregorio	168.20	182.10	**13.90**		**83.7**
CC-12-132	San Gregorio	36.40	44.00	7.60		15.5
CC-12-133	San Gregorio	129.00	132.00	**3.00**		**61.8**
		139.80	142.70	**2.90**		**195.9**
		177.00	198.20	**21.20**		**61.5**
				21.20	*cut to 500 g/t*	**57.1**
CC-12-134	Las Carolinas	177.60	178.60	**1.00**		**229.1**
		183.00	184.70	1.70		20.3
		193.50	224.15	30.65		23.4
CC-12-135	San Gregorio	139.50	146.00	**6.50**		**765.0**
					cut to 500 g/t	**265.8**
		175.70	188.80	**13.10**		32.2
		197.00	205.00	**8.00**		**178.00**
CC-12-136	San Gregorio	190.00	196.00	6.00		26.4
		204.00	207.40	3.40		23.7
		219.20	221.50	2.30		17.8
		236.00	239.80	3.80		48.3
		247.00	248.25	**1.25**		**185.0**

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-12-137	San Gregorio	169.60	172.40	**2.80**		**241.0**
					cut to 500 g/t	**146.8**
		236.80	238.50	**1.70**		**117.1**
		183.3	186.1	2.80		23.5
		201.4	203.5	2.10		19.3
		224	226.3	2.30		29.3
		236.8	238.5	**1.70**		**117.1**
CC-12-138	San Gregorio	170.00	194.20	**24.20**		**150.9**
					cut to 500 g/t	**114.9**
		170	180.5	**10.50**		**317.9**
				10.50	*cut to 500 g/t*	**234.9**
		250.7	255	4.30		31.7
CC-12-139	Las Carolinas	169.10	213.00	43.90		49.6
					cut to 500 g/t	30.7
Includes		169.10	179.10	**10.00**		**173.1**
				10.00	*cut to 500 g/t*	**90.0**
CC-14-140	San Gregorio	159	226.2	67.20		24.6
Includes		162	171	**9.00**		**67.3**
		208.5	221.2	12.70		34.8
CC-14-141	San Gregorio	194.8	210.2	15.40		29.1
		244.5	250.6	6.10		21.8
CC-14-142	San Gregorio	208.6	226.3	**17.70**		**66.7**
Includes		209.8	217.2	**7.40**		**119.8**
CC-14-143	San Gregorio	147.45	185.75	38.30		22.1
Includes		156.5	171.1	14.60		33.8
		264.25	268	**3.75**		**290.6**
CC-14-144	Las Carolinas	142.8	146.25	3.45		33.7
		161	169.5	8.50		17.3
		178.5	187.35	8.85		17.2
		204	220.7	16.70		32
Includes		216	220.7	**4.70**		**79.1**
		248.1	262	13.90		16.8
CC-14-145	Las Carolinas	145.3	197.3	52.00		36.5
Includes		145.3	160.5	**15.20**		**42.6**
		178.1	193.25	**15.15**		**60.4**
		221.9	232.4	10.50		18.5
CC-14-146	Las Carolinas	124.85	154.5	29.65		28.4
Includes		138.5	154.5	16.00		45.6
Includes		147	154.5	**7.50**		**81.0**
		180.9	188.7	7.80		19.6

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CC-14-147	Las Carolinas	77.2	98	20.80		16.1
CC-14-148A	Las Venadas	No significant intervals				
CC-14-149	Las Venadas	76.6	81.2	4.60		16.2
		126.6	137.1	10.50		25.5
CC-14-150	Las Chinas	No significant intervals				
CC-14-151	La Borracha	58.5	62.7	4.20		14.3
		120	124	4.00		15.1
CC-14-152	San Gregorio	138	147.1	9.10		46.75
includes		175.9	183.8	7.90		39.75
		175.9	178.2	**2.30**		**98.64**
		248	257.1	**9.10**		**58.83**
CC-14-153	San Gregorio	144.5	150	5.50		28.3
		176.7	186	9.30		16.47
		237.8	244.7	6.90		43.87
CC-14-154	San Gregorio	442.6	443.4	0.80		27
CC-14-155	Las Carolinas	141.85	165.3	**23.45**		**138.3**
		172.4	186.7	14.30		25.5
		225	231	**6.00**		**50.7**
		244	245	**1.00**		**169**
		269	271.5	2.50		33
CC-14-156	Las Carolinas	146.6	153.7	7.10		20.8
		178.55	180.55	2.00		25.3
		187.4	191.65	4.25		18.4
		199.6	201.25	**1.65**		**122.1**
		222.4	236.8	**14.40**		**53.5**
includes		222.4	227	**4.60**		**137.4**
		274	278.05	**4.05**		**49.4**
CRC-10-001	Las Carolinas	1.52	36.58	**35.06**		**61.7**
					cut to 500 g/t	**50.2**
		19.81	33.53	**13.72**		**138.7**
Includes					*cut to 500 g/t*	**109.1**
		60.96	68.58	7.62		38.5
CRC-10-002	Las Carolinas	0.00	48.77	48.77		46.8
Includes		6.10	25.91	**19.81**		**82.1**

Hole #	ZONE	Intervals (metres)		length	Silver Capped	Ag (g/t)
		from	to			
CRC-10-003	Las Carolinas	25.91	51.82	25.91		26.3
Includes		25.91	35.05	**9.14**		**50.9**
		64.01	67.06	**3.05**		**62.7**
CRC-10-004	Las Carolinas	12.19	18.29	**6.10**		**56.5**
		53.34	62.48	9.14		22.3
CRC-10-005	San Gregorio	0.00	19.81	19.81		30.2
Includes		15.24	19.81	**4.57**		**82.6**
CRC-10-006	San Gregorio	12.19	128.02	**115.83**		**58.9**
Includes		18.29	70.10	**51.81**		**95.7**
Includes		28.96	57.91	**28.95**		**142.1**
and		120.40	128.02	**7.62**		**142.7**
CRC-10-007	San Gregorio	4.57	15.24	**10.67**		**60.2**
CRC-10-008	San Gregorio	4.57	15.24	10.67		38.1
CRC-10-009	San Gregorio	24.38	51.82	27.44		42.9
Includes		30.48	42.67	**12.19**		**74.1**
CRC-10-010	San Gregorio	16.76	100.58	83.82		23.8
Includes		50.29	54.86	**4.57**		**108.7**
CRC-10-011	San Gregorio	0.00	32.00	**32.00**		**71.9**
Includes		10.67	28.96	**18.29**		**112.9**
CRC-10-012	La Borracha	4.57	19.81	15.24		39.2
Includes		7.62	15.24	**7.62**		**56.0**
CRC-10-013	La Borracha	9.14	25.91	16.77		38.9
Includes		18.29	25.91	**7.62**		**68.2**
CRC-10-014	La Borracha	18.29	30.48	12.19		23.2
CRC-10-015	La Borracha	0.00	21.34	21.34		32.7
		60.96	64.01	3.05		27.5