



# VALOR RESOURCES

## 80% INCREASE IN JORC RESOURCES MAIDEN MEASURED RESOURCE ESTIMATE

### ASX Release

9 January 2017

**VALOR RESOURCES LIMITED**  
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#### Directors

Mark Sumner  
Brian McMaster  
Paula Cowan (Company  
Secretary)

**ASX Code:**

VAL

Valor Resources Limited (“VAL” or the “Company”, ASX: VAL) is pleased to report a substantial increased JORC (2012) Mineral Resource Estimate including a maiden Measured Resource Estimate (“Resource Estimate”) for the Berenguela Copper-Silver Project (“Berenguela Project”).

The revised Resource Estimate is a result of the highly successful drilling program conducted at Berenguela during 2017. The Company has previously announced that it intends to conduct further drilling during 2018.

#### Resource Estimate Highlights

- **80% overall increase in Total Resources.**
- **37% increase in total contained copper to approximately 772M lbs of Cu.**
- **37% increase in total contained silver to approximately 127M oz of Ag.**
- **45% increase in total contained zinc to approximately 286M lbs of Zn.**
- **Maiden Measured Resource: 7.71Mt at 1.60% CuEq**
  - **Indicated Resources: 28.23Mt at 1.24% CuEq**
  - **Inferred Resources: 9.98Mt at 1.15% CuEq**
  - **TOTAL: 45.92Mt at 1.27% CuEq (cut-off of 0.50% CuEq)**

#### **Management Commentary**

Commenting on the revised Resource Estimate for Berenguela, Valor Chairman, Mark Sumner stated: *“Today we are announcing a further substantial increase in the size of the Berenguela Project, including a massive increase in contained metals, while maintaining an excellent overall copper equivalent grade of 1.27%. These high grades, paired with the shallow nature of the Berenguela orebody, make this asset highly competitive when compared to world class copper mines in Southern Peru, such as Antapaccay (Glencore) which reports M+I Resources of 0.47% Cu.”*

*“We have now added over 357 million pounds of contained copper to the Resource. This represents an 86% increase in total contained copper since Valor acquired the Berenguela Project in May 2017. We believe that the upcoming drilling program will again add to this impressive start.”*

*“We are also very pleased with the increase in total silver resources, as contained silver resources now total over 127 million ounces, this represents an increase of contained silver of nearly 45% since May 2017, making Berenguela a very compelling, stand alone, silver asset.”*

Commenting further on the revised Resource Estimate for Berenguela, Valor Chairman, Mark Sumner stated: *“Berenguela is a much larger deposit since we commenced our initial work program in July of 2017, but we are also very pleased with the addition of the maiden Measured Resource at Berenguela, which now represents more than 16% of total resources. The maiden Measured Resource brings much greater geological certainty to the deposit and gives the Company a strong foundation to proceed with further drilling and more advanced project studies.”*

*“This massive expansion of Berenguela’s copper and silver resources is a serious value creator for Valor and positions Berenguela as one of Peru’s noteworthy projects. We have a number of known mineralised extensions to test, and with only 2.1% of the Berenguela Project area explored, we believe the full scale of the Berenguela Project is yet to be realised.”*

#### **Next Phase of Project Development**

Valor is in the process of completing an updated scoping study utilising the revised Resource Estimate to establish a new set of baseline project economics. Valor is also completing the design of the next phase of drilling which will focus on testing high grade copper and silver extensions of the Northern border of the deposit (beyond platforms 006, 007 and 008), high grade copper extensions in the SE of the deposit (beyond platforms 025 and 031) and high grade copper and silver mineralisation in the central and western zones (beyond platforms 001, 029). The Company will inform the market as the next drill program design is completed and the project progresses.

**-ENDS-**

#### **For further information, please contact:**

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Chairman

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### Updated JORC (2012) Resource Table January 2018

Cut Off Grade	Class	Tonnes	Ag g/t	Cu %	Mn %	Zn %	CuEq
1.05% CuEq	Measured	5,749,988	124.04	1.164	10.253	0.375	1.89
	Indicated	15,676,533	111.93	0.938	7.017	0.376	1.61
	<b>Med + Ind</b>	<b>21,426,521</b>	<b>115.18</b>	<b>0.999</b>	<b>7.886</b>	<b>0.376</b>	<b>1.69</b>
	Inferred	4,396,298	140.40	0.983	3.095	0.241	1.73
	<b>Total</b>	<b>25,822,820</b>	<b>119.48</b>	<b>0.996</b>	<b>7.070</b>	<b>0.353</b>	<b>1.69</b>
	<b>Class</b>	<b>Tonnes</b>	<b>Ag g/t</b>	<b>Cu %</b>	<b>Mn %</b>	<b>Zn %</b>	<b>CuEq</b>
0.75% CuEq	Measured	6,903,420	111.66	1.062	9.314	0.352	1.72
	Indicated	22,354,464	92.38	0.828	5.895	0.329	1.39
	<b>Med + Ind</b>	<b>29,257,883</b>	<b>96.93</b>	<b>0.884</b>	<b>6.702</b>	<b>0.334</b>	<b>1.47</b>
	Inferred	6,720,752	111.88	0.825	2.604	0.219	1.43
	<b>Total</b>	<b>35,978,635</b>	<b>99.72</b>	<b>0.873</b>	<b>5.937</b>	<b>0.313</b>	<b>1.46</b>
	<b>Class</b>	<b>Tonnes</b>	<b>Ag g/t</b>	<b>Cu %</b>	<b>Mn %</b>	<b>Zn %</b>	<b>CuEq</b>
0.50 CuEq	Measured	7,706,610	103.79	0.989	8.676	0.335	1.61
	Indicated	28,226,128	80.45	0.734	5.161	0.296	1.23
	<b>Med + Ind</b>	<b>35,932,737</b>	<b>85.46</b>	<b>0.788</b>	<b>5.915</b>	<b>0.304</b>	<b>1.31</b>
	Inferred	9,972,535	87.90	0.670	2.145	0.203	1.16
	<b>Total</b>	<b>45,905,272</b>	<b>85.99</b>	<b>0.763</b>	<b>5.096</b>	<b>0.282</b>	<b>1.28</b>

### Copper Equivalent Calculations & Recoveries Assumptions

The calculation formula used to calculate the reported Copper Equivalent (CuEq %) is as follows:

$$\text{Cu Eq (\%)} = \text{Cu G (\%)} + ((\text{Ag G} / 10000) \times \text{Ag P} \times \text{C} \times \text{ReAg}) / (\text{Cu P} \times \text{ReCu}) + (\text{Zn\%} \times \text{Zn P} \times \text{ReZn}) / (\text{Cu P} \times \text{ReCu})$$

#### Equation Key:

Cu G = Copper grade %

Ag G = Silver grade in g/t

Ag P = Silver price in USD per troy ounce: US\$17.23

C = Conversion of tonnes to ounces, 1 tonne =  $10^6/31.1035=32150.7465$  ounces

ReAg = Expected recovery of silver = 50%

Cu P = Copper price at US\$7,202.00 per tonne

ReCu = Expected recovery of copper = 85%

Zn% = Zinc Grade %;

Zn P = Zinc price = US\$3,377.00 per tonne;

ReZn = Expected recovery of zinc = 80%

See Table 1 for further information on metals grades and drilling intervals.

The metals price assumptions were calculated using spot prices taken from the London Metals Exchange (LME) on Friday, 5th January 2018.

Metallurgical test work has been completed on multiple Berenguela ore samples by independent laboratories and consulting groups. Recovery rates are based on historical work conducted on Berenguela ore samples, as well as guidance from Valor's metallurgical consultants. Valor's metallurgists were consulted regarding the potential for Cu, Ag and Zn recovery based on historical metallurgical work in order to confirm Reasonable Prospects for Eventual Economic Extraction. A Quality Assurance-Quality Control (QAQC) analysis has been conducted to confirm mineralisation, which showed positive intervals. Based on historical metallurgical work and QAQC, it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.

### **Competent Persons Statement**

The technical information in this release is based on compiled and reviewed data by Mr. Marcelo Batelochi. Mr. Batelochi is an independent consultant with MB Geologia Ltda and is a Chartered Member of AusIMM – The Minerals Institute. Mr. Batelochi has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr. Batelochi consents to the inclusion in the report of the matters based on their information in the form and context in which it appears. Mr. Batelochi accepts responsibility for the accuracy of the statements disclosed in this release.

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The Following Table and Sections are provided to ensure compliance with JORC Code (2012 Edition)

TABLE 1 – Section 1: Sampling Techniques and Data

Note: Information from NI 43-101 report performed by James A. McCrea, audited and revised by Marcelo A. Batelochi (MAusimm – CP)

Criteria	JORC Code explanation	Commentary																																										
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where ‘industry standard’ work has been done this would be relatively simple (eg ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>In the Berenguela Deposit are 318 drill holes, 33,795.9 meters drilled, collected 30,525 assays and 1,462 density determination.</li> </ul> <table border="1"> <thead> <tr> <th>Phase</th> <th>Type</th> <th>Nb DH</th> <th>Meters Drilled</th> <th>Nb Assays</th> <th>Nb Density</th> </tr> </thead> <tbody> <tr> <td>2004</td> <td>RC</td> <td>55</td> <td>5,063.00</td> <td>4,917</td> <td>0</td> </tr> <tr> <td>2005</td> <td>RC</td> <td>166</td> <td>13,846.00</td> <td>13,714</td> <td>0</td> </tr> <tr> <td>2010</td> <td>DD</td> <td>17</td> <td>5,546.20</td> <td>1,907</td> <td>0</td> </tr> <tr> <td>2015</td> <td>DD</td> <td>11</td> <td>1,875.70</td> <td>1,522</td> <td>1,462</td> </tr> <tr> <td>2017</td> <td>RC</td> <td>69</td> <td>8,465.00</td> <td>8,465</td> <td>0</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>318</b></td> <td><b>34,795.90</b></td> <td><b>30,525</b></td> <td><b>1,462</b></td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>The deposit was drilled off on a regular grid pattern.</li> <li>The drill program expanded the areas of known mineralization to the east and subsequently the resource of the deposit.</li> <li>The objective of the drill program was to delineate the deposit for resource estimate.</li> <li>Silver Standard Resources (SSR), during the 2004 and 2005 RC drill programs, sampled the drill holes on one-metre intervals and 2015 DD Drill programme of twin drill holes. 2017 RC Drilling drilling campaign performed by Valor Resource also sampled using one metre intervals.</li> <li>RC and DD drill samples were collected at the drill site by the drill crews.</li> <li>The RC and DD drill holes were sampled from collar to total depth. Sampling intervals were dependent on the drilling equipment selected, the density of samples required and not based on geological controls or other features of the zone of interest.</li> <li>2004 consisted mainly of drilling with the drilling completed 55 drill holes, 5,063.00 meters, 4,917 samples and 664 control samples (QAQC);</li> <li>2005 entailed mainly reverse circulation (RC) drilling with some surface mapping and limited surface sampling. Completed 166 drill holes, 13,846.00 meters, 13,714 samples and 2,059 control samples (QAQC);</li> <li>2010 consisted of diamond drilling (DD) focused on near mining exploration to add mineral resources on targets identified based on mapping and mineralization models. Completed 17 drill holes, 5,546.20 meters, 1,907 samples and 222 control samples (QAQC);</li> <li>2015 Completed 11 drill holes, 1,875.70 meters, 1,522 samples, 1,432 density determinations and 111 control samples (QAQC);</li> <li>performed reverse circulation (RC), completed 69 drill holes, 8,465.00 meters, 8,465 samples and 443 control samples (QAQC);</li> <li>The drill holes were laid out on a 35x50-metre pattern to cover the known areas of mineralization and test the limits of mineralization.</li> <li>As is normal with RC drilling there were occasional samples that were not recovered, however, sample</li> </ul>	Phase	Type	Nb DH	Meters Drilled	Nb Assays	Nb Density	2004	RC	55	5,063.00	4,917	0	2005	RC	166	13,846.00	13,714	0	2010	DD	17	5,546.20	1,907	0	2015	DD	11	1,875.70	1,522	1,462	2017	RC	69	8,465.00	8,465	0	<b>Total</b>		<b>318</b>	<b>34,795.90</b>	<b>30,525</b>	<b>1,462</b>
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		recoveries were of 98.6 percent for the whole drill program.
<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Two drill programs were run almost back to back, one in the late fall of 2004 and the second ran from March 1st after the rains decreased and ended in early May 2005.</li> <li>• AK Drilling International of Lima was the contractor who performed the drilling for both programs.</li> <li>• During the first program fifty seven (57) RC holes were drilled and during the second program one hundred and sixty five (165) RC holes were drilled totalling 222 holes.</li> <li>• AK Drilling used a 4x4 buggy mounted RC drill accompanied by a 4x4 support and water truck. The contractor typically had 3 personnel on the drill rig on each 12 hour shift, a driller and two helpers. None of their personnel helped with the sampling however they would assist SSR samplers at times.</li> <li>• 2010 and 2015 drill programmes using diamond drilling;</li> <li>• 2017 Drill program started in July and was performed by AK Drilling International of Lima was the contractor and AK Drilling used a 4x4 buggy mounted RC drill accompanied by a 4x4 support and water truck. The contractor typically had 3 personnel on the drill rig on each 12 hour shift, a driller and two helpers. None of their personnel helped with the sampling however they would assist SSR samplers at times</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Drilling conditions ranged from difficult to good. Drilling through dry highly manganese replaced limestone was good however clay altered carbonates when wet posed difficult drilling conditions. Where the rock was dry typically in the upper 20-50 meters drilling conditions were good and drilling was done without water. When the rock was wet at depth and clay zones were encountered drilling conditions were difficult. When these conditions were encountered the drillers had to inject water along with additives.</li> <li>• During the first part of the first drilling program the drillers had numerous lost intervals. They learned how to drill the property by the end of the first program increasing recoveries and improving penetration rates. They learned that by using additives along with water and a face sampling hammer clay zones could be drilled while still recovering sample. A typical reason why there were zones with no recovery was that clay would clog the hammer and or tubes and the drillers would continue to drill. This usually occurred on night shift when the driller didn't want to take the time to check either the drill rods, tubes leading to the cyclone or the hammer. During the second program when it appeared that there might be clogging they immediately switched to water injection.</li> <li>• In the RC drilling campaign 2017 the number of lost intervals was very small.</li> </ul>
<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or</i></li> </ul>	<ul style="list-style-type: none"> <li>• Lithology, alteration, veining, mineralisation and weathering were logged from the RC chips and stored in Dashed. Chips from selected holes were also placed in chip trays and stored in a designated building at site for reference</li> </ul>

	<p>quantitative in nature. Core (or costean, channel, etc) photography.</p> <ul style="list-style-type: none"> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	
<p><b>Sub-sampling techniques and sample preparation</b></p>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>The RC Drill crews collected the samples and the samples were split 3 times, using a Jones Splitter, down to 1/8th size.</li> <li>The sample size ranges from approximately 2 to 10 kilograms. Approximately every 40th sample had a second, field duplicate sample collected.</li> <li>The samples were tagged with the hole number and depth and then sent to the warehouse for further preparation were personnel prepared the samples for shipment to the assay lab.</li> </ul>

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
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<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of</li> </ul>	<table border="1"> <thead> <tr> <th rowspan="2">Phase</th> <th rowspan="2">Blanks</th> <th rowspan="2">Duplicates</th> <th colspan="7">Standards</th> <th rowspan="2">Total</th> </tr> <tr> <th>Yellow (Amarillo)</th> <th>Blue (Azul)</th> <th>Red (Rojo)</th> <th>Green (Verde)</th> <th>CDN- ME-4</th> <th>CDN- HZ-2</th> <th>CDN- ME-12</th> </tr> </thead> <tbody> <tr> <td>2004</td> <td>240</td> <td>137</td> <td>101</td> <td>94</td> <td>92</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>287</td> </tr> <tr> <td>2005</td> <td>768</td> <td>522</td> <td>327</td> <td>0</td> <td>328</td> <td>114</td> <td>0</td> <td>0</td> <td>0</td> <td>769</td> </tr> <tr> <td>2010</td> <td>96</td> <td>90</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>36</td> <td>0</td> <td>0</td> <td>36</td> </tr> <tr> <td>2015</td> <td>37</td> <td>30</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>17</td> <td>16</td> <td>11</td> <td>44</td> </tr> <tr> <td>2017</td> <td>96</td> <td>193</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>55</td> <td>49</td> <td>50</td> <td>154</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,237</b></td> <td><b>972</b></td> <td><b>428</b></td> <td><b>94</b></td> <td><b>420</b></td> <td><b>114</b></td> <td><b>108</b></td> <td><b>65</b></td> <td><b>61</b></td> <td><b>1,290</b></td> </tr> </tbody> </table>	Phase	Blanks	Duplicates	Standards							Total	Yellow (Amarillo)	Blue (Azul)	Red (Rojo)	Green (Verde)	CDN- ME-4	CDN- HZ-2	CDN- ME-12	2004	240	137	101	94	92	0	0	0	0	287	2005	768	522	327	0	328	114	0	0	0	769	2010	96	90	0	0	0	0	36	0	0	36	2015	37	30	0	0	0	0	17	16	11	44	2017	96	193	0	0	0	0	55	49	50	154	<b>Total</b>	<b>1,237</b>	<b>972</b>	<b>428</b>	<b>94</b>	<b>420</b>	<b>114</b>	<b>108</b>	<b>65</b>	<b>61</b>	<b>1,290</b>	<ul style="list-style-type: none"> <li>The samples were prepared and tagged for shipment to the assay lab and blanks and standards were inserted into the sample stream at a rate of approximately one sample in 40 for blanks and two in 40 for standards. Three different standards were utilized in the program. Periodically SSR Peru staff would deliver the samples to the ALS Chemex Labs depot in Arequipa and the samples were shipped to Lima, Peru for preparation.</li> <li>The assay pulps were shipped to ALS Chemex Labs in North Vancouver for analysis.</li> <li>The Samples were prepared using a standard sample preparation (PREP-31) to produce a 250-gram pulp.</li> <li>The analyses performed were four acid “near total” digestions with a 27 element ICP analysis (ME-ICP61).</li> <li>Samples over the maximum for silver, copper or manganese were analyzed using Atomic Absorption (AA62b)</li> </ul>
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	<i>bias) and precision have been established.</i>	<p>and very high silver samples were analysed using a fire assay procedure with a gravimetric finish (Ag- GRA21)</p> <ul style="list-style-type: none"> <li>• Employed a comprehensive Quality Control/Quality Assurance (QA/QC) program during the drill program on Berenguela. The program included: standards, blanks, field duplicates and outside lab check assays as described above with the sampling procedures. Following the drill program, the author compiled the QA/QC data for the 2004 and 2005 drill programs and completed a summary of the QA/QC program results. The QA/QC summary contains recommendations for the improvement of QA/QC results, which included checking for Standard Reference Material (SRM) failures and contaminated blanks and follow up with corrective action. Other recommendations were to improve sample handling so as to reduce labelling errors.</li> <li>• In 2017 RC campaign, samples were prepared and tagged and delivered to SGS Laboratory in Arequipa, where samples were prepared and sent to SGS laboratory in Lima for tests.</li> </ul>
<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Data verification included surface samples to confirm the mineralization at Berenguela.</li> <li>• James A. McCrea, in 2005, collected four randomly located surface grab samples (BER-01 to BER-04) from the property. Each sample location was surveyed with a GPS. Samples were taken over an area of approximately 1 square meter. Approximately 2 kilograms of material was taken from each sample site. The four samples were taken to represent different areas of the Berenguela Deposit.</li> <li>• The author carried out a visual comparison (quick logging and grade checks) between 5 twin diamond drill holes completed in 2015 by Sliver Standard, which showed an excellent correlation between 2004/2005 RC Drilling (used for Mineral Resources Report) and 2015 diamond drilling (new information has been included in this Mineral Resource Evaluation).</li> <li>• M. Batelochi collected 100 samples of high grade for checking the precision of high grade values of Copper and Silver.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Topographic survey was done of the property which included locating all roads, drill holes, claim boundaries, and topographic features in sufficient detail.</li> <li>• A local surveyor did the work using a Total Station Laser instrument. Data during the day was loaded into the instrument and downloaded later directly into a computer for plotting.</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve</i></li> </ul>	<ul style="list-style-type: none"> <li>• The RC have been drilled up to a maximum 180 vertical metres below surface on an irregular 35 m x 50 m drill pattern.</li> <li>• The data spacing and distribution is sufficient to demonstrate spatial and grade continuity of the mineralised domains to support the definition of Inferred and Indicated Mineral resources under the 2012 JORC code.</li> <li>• Drill hole samples have been composited to a nominal half bench composite (2.5 meters height) interval for the resource calculation.</li> </ul>



	<p>estimation procedure(s) and classifications applied.</p> <ul style="list-style-type: none"> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>The 2017 RC campaign have been drilled up to a maximum 200 vertical metres below surface. The spacing and distribution is sufficient to demonstrate spatial and grade continuity of the mineralised domains to support the definition of Measured Mineral resources under the 2012 JORC code.</li> </ul>																																																																																																																																																																																																																
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<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>The majority of drilling is orientated with a 350 – 20 degree azimuth and 45-50 dip northeast, but there are significant vertical orientated drill holes.</li> <li>Generally intercepts the mineralisation at a reasonable high angle of intersection.</li> <li>The 2017 RC drilling campaign had a minimum dip of 45 degrees</li> </ul> <table border="1"> <thead> <tr> <th>Campaign</th> <th>From Azimuth</th> <th>To Azimuth</th> <th>From Dip</th> <th>To Dip</th> <th>Nb DrillHoles</th> <th>Meters Drilled</th> </tr> </thead> <tbody> <tr><td rowspan="14">2005</td><td>0</td><td>0</td><td>-80</td><td>-90</td><td>96</td><td>7,895.6</td></tr> <tr><td>0</td><td>14</td><td>-45</td><td>-60</td><td>47</td><td>5,215.6</td></tr> <tr><td>6</td><td>10</td><td>-43</td><td>-44</td><td>8</td><td>795.0</td></tr> <tr><td>30</td><td>45</td><td>-45</td><td>-50</td><td>4</td><td>1,009.1</td></tr> <tr><td>90</td><td>90</td><td>-90</td><td>-90</td><td>1</td><td>600.0</td></tr> <tr><td>123</td><td>123</td><td>-45</td><td>-45</td><td>1</td><td>81.0</td></tr> <tr><td>173</td><td>200</td><td>-45</td><td>-55</td><td>75</td><td>7,855.5</td></tr> <tr><td>186</td><td>186</td><td>-44</td><td>-44</td><td>1</td><td>84.0</td></tr> <tr><td>210</td><td>220</td><td>-50</td><td>-50</td><td>2</td><td>648.4</td></tr> <tr><td>208</td><td>208</td><td>-43</td><td>-43</td><td>1</td><td>118.0</td></tr> <tr><td>331</td><td>331</td><td>-45</td><td>-45</td><td>1</td><td>43.0</td></tr> <tr><td>348</td><td>348</td><td>-55</td><td>-55</td><td>1</td><td>110.0</td></tr> <tr><td rowspan="6">2015</td><td>0</td><td>0</td><td>-90</td><td>-90</td><td>6</td><td>612.0</td></tr> <tr><td>69.7</td><td>69.7</td><td>-45</td><td>-45</td><td>1</td><td>320.0</td></tr> <tr><td>133.7</td><td>133.7</td><td>-45</td><td>-45</td><td>1</td><td>261.7</td></tr> <tr><td>179</td><td>179</td><td>-45</td><td>-45</td><td>1</td><td>255.0</td></tr> <tr><td>198.3</td><td>198.3</td><td>-45</td><td>-45</td><td>1</td><td>225.8</td></tr> <tr><td>241.8</td><td>241.8</td><td>-44</td><td>-44</td><td>1</td><td>201.2</td></tr> <tr><td rowspan="13">2017</td><td>0</td><td>0</td><td>-90</td><td>-90</td><td>3</td><td>420.0</td></tr> <tr><td>0</td><td>15</td><td>-46</td><td>-75</td><td>18</td><td>2,292.0</td></tr> <tr><td>15</td><td>15</td><td>-44</td><td>-45</td><td>4</td><td>643.0</td></tr> <tr><td>50</td><td>50</td><td>-45</td><td>-65</td><td>9</td><td>990.0</td></tr> <tr><td>50</td><td>50</td><td>-44</td><td>-45</td><td>3</td><td>360.0</td></tr> <tr><td>150</td><td>150</td><td>-65</td><td>-65</td><td>1</td><td>140.0</td></tr> <tr><td>150</td><td>150</td><td>-43</td><td>-45</td><td>3</td><td>350.0</td></tr> <tr><td>195</td><td>195</td><td>-75</td><td>-75</td><td>1</td><td>80.0</td></tr> <tr><td>195</td><td>195</td><td>-45</td><td>-74</td><td>13</td><td>1,630.0</td></tr> <tr><td>195</td><td>195</td><td>-43</td><td>-43</td><td>1</td><td>150.0</td></tr> <tr><td>215</td><td>215</td><td>-50</td><td>-70</td><td>2</td><td>220.0</td></tr> <tr><td>230</td><td>230</td><td>-44</td><td>-45</td><td>2</td><td>200.0</td></tr> <tr><td>290</td><td>290</td><td>-61</td><td>-61</td><td>1</td><td>120.0</td></tr> <tr><td>330</td><td>330</td><td>-45</td><td>-66</td><td>6</td><td>635.0</td></tr> <tr><td>330</td><td>330</td><td>-45</td><td>-45</td><td>2</td><td>235.0</td></tr> </tbody> </table>	Campaign	From Azimuth	To Azimuth	From Dip	To Dip	Nb DrillHoles	Meters Drilled	2005	0	0	-80	-90	96	7,895.6	0	14	-45	-60	47	5,215.6	6	10	-43	-44	8	795.0	30	45	-45	-50	4	1,009.1	90	90	-90	-90	1	600.0	123	123	-45	-45	1	81.0	173	200	-45	-55	75	7,855.5	186	186	-44	-44	1	84.0	210	220	-50	-50	2	648.4	208	208	-43	-43	1	118.0	331	331	-45	-45	1	43.0	348	348	-55	-55	1	110.0	2015	0	0	-90	-90	6	612.0	69.7	69.7	-45	-45	1	320.0	133.7	133.7	-45	-45	1	261.7	179	179	-45	-45	1	255.0	198.3	198.3	-45	-45	1	225.8	241.8	241.8	-44	-44	1	201.2	2017	0	0	-90	-90	3	420.0	0	15	-46	-75	18	2,292.0	15	15	-44	-45	4	643.0	50	50	-45	-65	9	990.0	50	50	-44	-45	3	360.0	150	150	-65	-65	1	140.0	150	150	-43	-45	3	350.0	195	195	-75	-75	1	80.0	195	195	-45	-74	13	1,630.0	195	195	-43	-43	1	150.0	215	215	-50	-70	2	220.0	230	230	-44	-45	2	200.0	290	290	-61	-61	1	120.0	330	330	-45	-66	6	635.0	330	330	-45	-45	2	235.0
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<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<p>All samples were stored and preserved in the warehouse in Chorrillos, metropolitan Lima region– Peru, in a dry and ventilated place.</p> <p>In 2017 drilling campaign samples were first stored and preserved at site prior to being sent to Laboratory. After the tests, samples have been stored at Chorrillos warehouse in Lima.</p>																																																																																																																																																																																																																
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>Geology audits and site visit were completed in 2005 by James A. McCrea, P.Geo, independent consultants to review sampling procedures and QAQC practices. This visit concluded the sampling to be at an industry standard, and of sufficient quality to carry out a Mineral Resource Estimation.</li> <li>In 2017, this author visited the project and revised the NI-43101 Mineral Resources carried out by James A. McCrea, endorsing his conclusion and recommended an immediate revision of Mineral Resources, updating with the 2011/2015 diamond drilling information and also the geological knowledge, which improved considerably since 2005.</li> </ul>																																																																																																																																																																																																																

		<ul style="list-style-type: none"><li>• SOMINBESA staff which are fulltime dedicated to receive the remain chemical analysis of 12 drill holes and consolidate 2017 drilling campaign database including QAQC and update of grade shell domains. This staff in also in charge of validating historical data, searching and organizing on Silver Standard dataroom all relevant information of the project.</li><li>• After the 2017 drilling campaign was finalized and the historical data was consolidated, it was recommended that the Company complete an updated Mineral Resources Estimate, and reporting of Measured Mineral Resources for the future feasibility studies of the deposit..</li><li>• SOMINBESA collected 100 samples to carry out duplicate studies to confirm copper and silver values due to the poor precision for logging of copper and silver grades reported in 2005 by the previous operator.</li></ul>
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TABLE 1 – Section 2 Reporting of Exploration Results

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

Note: Information from NI-43101 report performed by James A. McCrea, audited and revised by Marcelo A. Batelochi (MAusimm – CP)

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>The Berenguela Property encompasses approximately 141.33 hectares situated in the eastern part of the Western Cordillera of south-central Peru and consists of two mineral concessions. The Berenguela concessions are located within the Department of Puno and lie within Peruvian National Topographic System (NTS) map area Lagunillas, No. 32-U. The centre of the Berenguela concessions is at 15° 40' South Latitude and 70° 34' West Longitude</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>In March of 2004, SSR entered into an option agreement with SOMINBESA (KCA) to purchase 100% of the silver resources contained in the Berenguela Project. SSR completed the exploration drill program in July of 2005 after completing 222 reverse circulation drill holes.</li> <li>In 2017 SSR agrees to a sale of the Berenguela deposit to Valor Resources, under terms disclosed to the market in February 2017.</li> </ul>
<b>Geology</b>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Based on the distribution and form of the potentially economic bodies of Mn-Cu-Ag-Zn mineralization within the structurally deformed limestone formation there is little doubt that Berenguela represents a type of epigenetic, replacement-type ore deposit (Clark et al., 1990). Silver- and copper-mineralized veins of quartz and/or carbonate appear to be a very minor component of the deposit. What is debateable at Berenguela is whether or not, or to what extent supergene processes played a role in the formation of the deposit.</li> <li>More specifically, is the extensive development of manganese oxides the result of the surface oxidation of hypogene manganiferous carbonates (manganocalcite and/or rhodochrosite) which had replaced calcite and dolomite adjacent to fractures in the precursor limestone and where silver, copper and zinc were deposited as sulphides synchronous with or subsequent to the Mn-carbonate replacement</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>event. Or are the Mn- and Fe-oxides the direct metasomatic products of a hydrothermal system marked by strongly oxidized fluids enriched in Ag, Cu.</p> <ul style="list-style-type: none"> <li>Considering that the replacement-type ore bodies at Uchucchacua have vertical extents of up to 300 meters, one could presume that good exploration potential still exists at Berenguela for the discovery of hypogene Ag-Cu-Mn mineralization at depths of 150 meters or greater. A possible indication of additional and extensive metasomatic alteration at depth is represented by the thick gypsum zone that has been intersected by several of the deeper holes in the deposit. (Strathern, 1969) While this gypsum may be of sedimentary origin, it could also be explained as forming a well-developed zone of sulphate alteration (perhaps originally occurring as anhydrite) that is related to a high level intrusion which exsolved a large volume of sulphur-rich fluids and/or vapour</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>Drill hole information has not been included due to the large quantity of information. The SOMIBESA team is organizing this information that are available in digital basis in the project data room</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such</i></li> </ul>	<ul style="list-style-type: none"> <li>Drill hole information has not been included due to the large quantity of information. The SOMINBESA team is organizing this information that are available in digital basis in the project data room</li> <li>Report of updated resources in 2017 was done using CuEq using as</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <ul style="list-style-type: none"> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<p>base of calculus prices from LME, and considering Cu, Ag and Zn. Mn grades were not considered for eCu calculations.</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>Since few drill holes completed at Berenguela are longer than 150 m, there are few accounts of hypogene, sulphide-rich mineralization. However, this is not to say that such mineralization does not exist in altered limestones at greater depths.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Diagrams, maps and sections have not been included due to the large quantity of information. This information is available in digital basis in the project data room.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i></li> </ul>	<ul style="list-style-type: none"> <li>Weekly and Monthly reports are not included due to the large quantity of information. This information is available in digital basis in the project data room.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li><i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></li> </ul>	<ul style="list-style-type: none"> <li>Other substantive exploration data information has not been included due to the large quantity of information. This information is available in digital basis in the project data room.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Berenguela deposit remain open at depth and there are other orebodies near the deposit.</li> <li>Is strongly recommended the update of the Mineral Resources, including the consolidated historical dataset and 11 drill holes of 2017 RC Drilling on the lab;</li> </ul>

TABLE 1 – Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

Note: Information from NI-43101 report performed by James A. McCrea, audited and revised by Marcelo A. Batelochi (MAusimm – CP)

Criteria	JORC Code explanation	Commentary
<b>Database integrity</b>	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<ul style="list-style-type: none"> <li>32% of samples in the historical database have been checked against the original raw data with respect to drill collar locations and down-hole surveys, and final drill hole depths. A 100% verification will be complete in January 2018.</li> <li>All data with respect to sample intervals has been (overlaps and duplicate records) have been verified.</li> <li>No issues were identified with the data.</li> </ul>
<b>Site visits</b>	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>Mr Marcelo A. Batelochi is a member of The Australian Institute of Mining and Metallurgy and is a Competent Person who has visited this site.</li> <li>In the opinion of the competent person, the drilling, sampling and mining practices used on site are of a high industry standard.</li> </ul>
<b>Geological interpretation</b>	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<ul style="list-style-type: none"> <li>The mineralized zone on the property is bowl shaped and elongated in an east west direction. North south sections for the entire property were created to domain the mineralization. The sectional interpretations were base for a intrinsic model performed by SOMINBESA, that decides at this moment perform 4 independent grade shells for Copper, Silver, Manganese, Zinc reference grades.</li> <li>The reference grades to perform the grade shell wireframes are: <ul style="list-style-type: none"> <li>Cu % -&gt; 0.20;</li> <li>Ag (g/t) -&gt; 25;</li> <li>Zn % -&gt; 0.50</li> <li>Mn% -&gt; 2,0</li> </ul> </li> </ul>
<b>Dimensions</b>	<ul style="list-style-type: none"> <li>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</li> </ul>	<ul style="list-style-type: none"> <li>The Berenguela Ag-Cu-Mn-Zn deposit trends in a WNW direction for more than 1,400 meters along a whale-back ridge that separates two valleys, the broader one being to the south.</li> <li>The eastern and western limits of the deposit roughly correspond to where steep slopes truncate the ridge and descend to the pampa valleys some 200 metres below the ridge-crest.</li> <li>Moderately to isoclinally folded limestones and dolomites of the Cretaceous-age Ayavacas Formation are the dominant lithologies exposed along the ridge and host the deposit mineralization.</li> </ul>
<b>Estimation and</b>	<ul style="list-style-type: none"> <li>The nature and appropriateness of the estimation</li> </ul>	<ul style="list-style-type: none"> <li>database including 2004/2005 RC Drilling, 2015 DD Drilling and 2017 RC Drilling</li> </ul>

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<b>modelling techniques</b>	<p><i>technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></p> <ul style="list-style-type: none"> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></li> <li><i>Any assumptions behind modelling of selective mining units.</i></li> <li><i>Any assumptions about correlation between variables.</i></li> <li><i>Description of how the geological interpretation was used to control the resource estimates.</i></li> <li><i>Discussion of basis for using or not using grade cutting or capping.</i></li> <li><i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></li> </ul>	<p>campaign (BER-280 – there are more 12 drill holes in the lab to be updated);</p> <ul style="list-style-type: none"> <li>grade shell wireframes, using reference grades as follow: <ul style="list-style-type: none"> <li>- CU Wireframe - Cu % -&gt; 0.20;</li> <li>-AG Wireframe - Ag (g/t) -&gt; 25;</li> <li>-ZN Wireframe - Zn % -&gt; 0.50</li> <li>-MN Wireframe - Mn% -&gt; 2,0</li> </ul> </li> <li>EDA (Exploratory data Analysis) for Variables and Domains;</li> <li>Sample composites based on the half bench (2.5 meters height) of samples due to the multiples azimuth and dip of the drill holes, the half bench composite is an appropriated technique;</li> <li>top grade capping definition – treatment of outliers;</li> <li>-Variography in 3 direction - N15E; N80W and vertical, based on main directions defined by the geology;</li> <li>Block model definition: <table border="1" data-bbox="1361 651 1895 786"> <thead> <tr> <th>Parent Block</th> <th>x</th> <th>y</th> <th>z</th> </tr> </thead> <tbody> <tr> <td>Origin</td> <td>331400</td> <td>8268200</td> <td>4000</td> </tr> <tr> <td>BlockSize</td> <td>5</td> <td>5</td> <td>5</td> </tr> <tr> <td>Nb Cells</td> <td>318</td> <td>160</td> <td>60</td> </tr> <tr> <td>Rotation</td> <td>0°</td> <td></td> <td></td> </tr> </tbody> </table> </li> <li>The solid models were used to code the rock type model and control the interpolation. The block model was coded for air (above topography), background and for the mineralized zone by coding blocks using a 50% threshold. Blocks with more then 50% of the block inside the solid were given the code of the solid. During the interpolation of the model, the background zone was not interpolated and the ore zone was not allowed to use data points from the background zone</li> <li>Grade Estimation - Ordinary Kriging Parameters based on Variography. Each variable was estimated hard boundary – Variable applied capping inside respective wireframe (Percent Model)</li> <li>-grade estimates validation – visual inspection and Nearest Neighbourhood comparison;</li> <li>-Classification into Indicated and Inferred due to the necessity to finalize the ongoing database validation (mainly historical data), update of wireframes and 11 drill hole data (in lab when mineral resources estimates started());</li> <li>-Density Estimates, applying simple mean inside the Manganese wireframe;</li> <li>Post processing, diluting the grades to a block basis (5 x 5 x 5 m) to calculate the equivalent Copper Grade with valuation of Silver and Zinc.</li> </ul>	Parent Block	x	y	z	Origin	331400	8268200	4000	BlockSize	5	5	5	Nb Cells	318	160	60	Rotation	0°		
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<b>Moisture</b>	<ul style="list-style-type: none"> <li><i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the</i></li> </ul>	<ul style="list-style-type: none"> <li>All tonnages were calculated using dry density basis.</li> </ul>																				

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	<i>moisture content.</i>	
<b>Cut-off parameters</b>	<ul style="list-style-type: none"> <li><i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>A reference grade of 0.50 eCu% (equivalent Copper Grade) was used to report mineral resources. It is considered for calculus diluted Cu, Ag, Zn grades in a block support (Grades were estimated inside the solids on Percent Model).</li> <li></li> </ul>
<b>Mining factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i></li> </ul>	
<b>Metallurgical factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>Kappes, Cassidy &amp; Associates, after purchasing Berenguela collected bulk samples and carried out metallurgical testing at their Reno facilities</li> </ul>
<b>Environmental factors or assumptions</b>	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfield project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></li> </ul>	<ul style="list-style-type: none"> <li>An environmental permit was obtained from the Ministerio de Minas, in Lima in order to drill and was amended in order to sink shafts. A blasting permit was also obtained in order to sink the shafts</li> </ul>



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<b>Bulk density</b>	<ul style="list-style-type: none"> <li>• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</li> <li>• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit.</li> <li>• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</li> </ul>	<ul style="list-style-type: none"> <li>• An extensive database of density measurements were recorded at 2015 drilling campaign, collecting 1462 samples, used on this mineral resources estimates.</li> <li>• On going a complete validation of the raw data set of density determination</li> </ul>
<b>Classification</b>	<ul style="list-style-type: none"> <li>• The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>• Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>• Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<ul style="list-style-type: none"> <li>• The Mineral Resource classification was carried out by mathematical script based on the spatial distribution of the data, number of samples to estimate a block, range of the semivariogram and Slope of Regression of Copper, Silver and Zinc ordinary kriging outputs. Blocks estimated with more than one variable, considered minimum values among them.</li> <li>• Measured Mineral not classified due to the on going process of database validation. After validated the current information, the drill grid has enough distribution to convert an order of magnitude of 20% of indicated to measured mineral resources.</li> <li>• Indicated Mineral resources were those tons coming from block estimated on second neighbourhood, at least 4 Samples and Maximum of 16, using octant search and minimum of 2 Drill Holes and slope of Regression <math>\geq 0.35</math>;</li> <li>• Inferred Mineral resources were those with tons coming from blocks which did not meet the requirements for block classification as measured and indicated.</li> <li>• There are some "spotted dogs" in this mathematical classification that suggested to make manual adjustment on next mineral resource estimates.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	
<b>Discussion of relative accuracy/confidence</b>	<ul style="list-style-type: none"> <li>• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</li> <li>• The statement should specify whether it relates to global or</li> </ul>	<ul style="list-style-type: none"> <li>• The stated resources are not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues, unless stated in this report, to the best knowledge of the author.</li> <li>• There are no known mining, metallurgical, infrastructure, or other factors that materially affect this resource.</li> <li>• The Berenguela Property contains a large potentially exploitable resource of silver and copper. The objective of the exploration program was to delineate and possibly expand the resource at Berenguela. The property is now ready for advancement towards production.</li> <li>• In 2017, this author visited the project in February and in August, revising the NI-43101 Mineral Resources carried out by James A. McCrea, and checked all procedures applied in the</li> </ul>

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	<p><i>local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></p> <ul style="list-style-type: none"><li>• <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></li></ul>	<p>Company's 2017 RC Drilling campaign.</p> <ul style="list-style-type: none"><li>• The methods and techniques utilised to complete the mineral resource estimates for Berenguela were done in compliance with JORC – 2012.</li><li>• The recommendation has been performed by SOMINBESA staff which are fulltime dedicated to receive the remain chemical analysis of 12 drill holes and consolidate 2017 drilling campaign database including QAQC and update of grade shell domains. This staff in also in charge of validating historical data, searching and organizing on Silver Standard dataroom all relevant information of the project.</li><li>• After completion of the 2017 drilling campaign and technical review of the consolidated historical data, it was strongly recommended that the Company complete an update of the Mineral Resources Estimates, reporting Measured Mineral Resources for the future feasibility studies of the deposit.</li></ul>