ASX Release
30 June 2020

CEL Advancing Towards 75% Interest in Hualilan Gold Project

Highlights

- **CEL earns 25% interest in the Hualilan Gold project, under the Earn-in Agreements for Cerro Sur (including the 26km2 surrounding EL) and Cerro Norte**
- **A minimum of A$1 million spent on the Project, previously issued 3.34m CEL shares in 2019, now issuing a further 5m and 6.67m CEL shares (subject to escrow until 4 July 2021) to the owners of the Cerro Norte and Cerro Sur respectively**
- **CEL is committed to completing the remaining Earn-in Agreement milestones to increase its interest from 25% to 75%**
- **Of the 18 drill holes at the Hualilan Gold Project reported to date, all have intersected mineralisation, materially increasing known strike length to 2km**

Challenger Exploration Limited (**ASX: CEL**) ("**CEL**" or the "**Company**") is pleased to announce that the Company has earned an initial 25% interest in the Hualilan Gold Project, under the Earn-in Agreements for Cerro Sur (including the 26km^2 surrounding the EL) and Cerro Norte. Challenger Exploration is committed to completing the remaining Earn-in Agreement Milestone, which will see the Company's ownership increase from 25% to 75%, following the completion of a Definitive Feasibility Study within 5 years from commencement date, and the issue of a further 50 million ordinary full paid CEL shares to the owners of the Cerro Norte and Cerro Sur Projects**.**

Commenting on the 25% milestone, CEL Managing Director, Mr Kris Knauer, said

> "We are pleased to have earned our initial 25% interest in the Hualilan Gold Project and are focused on moving to a 75% interest under the Earn in Agreement, before consolidating full 100% ownership of our flagship project.
>
> The results from the first 18 holes have confirmed our view that Hualilan is a large high-grade gold system. We have another 31 drill holes in varying stages of assaying and sampling, and we look forward to releasing these results as they come to hand.
>
> As our results show, not only is mineralisation at Hualilan open in all directions, we are continuing to find new zones of mineralisation as we drill. I firmly believe that to date, we have only just scratched the surface at the Hualilan Gold Project."

Drill hole (#)	From (m)	Result (g/t AuEq)	Comments
GNDD-001	32.0	3.0m @ 2.6 g/t AuEq	new zone – supports a likely open pit at Cerro Norte
GNDD-002	31.0	1m @ 1.4 g/t AuEq	new zone – supports a likely open pit at Cerro Norte
and	35.0	1m @ 1.8 g/t AuEq	new zone – supports a likely open pit at Cerro Norte
and	81.5	0.6m @ 16.4 g/t AuEq	intersected old access tunnel
GNDD-003	55.0	6.1m @ 36.2 g/t AuEq	twin hole drilled for JORC purposes
inc	55.0	3.0m @ 55.3 g/t AuEq	‘
GNDD-004	6.0	8.5m @ 2.4 g/t AuEq	new zone – supports a likely open pit at Cerro Norte
and	18.7	3.4m @ 1.3 g/t AuEq	new zone – supports a likely open pit at Cerro Norte
GNDD-005	59.0	5.0m @ 12.7 g/t AuEq	extended mineralisation 25 metres down dip
inc	61.0	3.0m @ 18.8 g/t AuEq	
GNDD-006	78.5	6.5m @ 4.6 g/t AuEq	extended mineralisation 25 metres along strike beyond
inc	78.5	3.8m @ 7.4 g/t AuEq	a historical hole believed to close off the mineralisation
GNDD-007	46.0	1.8m @ 2.5 g/t AuEq	new zone
and	149.0	6.7m @ 19.3 g/t AuEq	extended mineralisation 50 metres down dip
inc	150.6	3.1m @ 36.5 g/t AuEq	
GNDD-008	96.6	7.0m @ 14.7 g/t AuEq	extended the high-grade mineralisation 50 metres up-dip
GNDD-009	109.1	10.3m @ 12.9 g/t AuEq	CEL discovery hole at Sentazon beyond the southern
inc	115.2	4.2m @ 26.7 g/t AuEq	limit if the historical resources
GNDD-010	139.0	3.0m @ 20.5 g/t AuEq	extended mineralisation 60m down dip and along strike
GNDD-011		1.0 m @ 2.5 g/t AuEq	new zone
		4.8m @ 2.7 g/t AuEq	extended mineralisation 40 metres down dip
and	139.8	4.8m @ 2.7 g/t AuEq	extended mineralisation 40 metres down dip
GNDD-012	40.7	1.0m @ 10.3 g/t AuEq	new zone of mineralisation
GNDD-013	116.4	6.9m @ 2.9 g/t AuEq t	extended mineralisation 25 metres along strike
GNDD-014	118.5	7.6m @ 4.4 g/t AuEq	twin hole drilled for JORC purposes
GNDD-015	156.0	1.9 m @ 3.0 g/t AuEq	extended mineralisation 90 metres down dip
GNDD-016	109.5	5.0m @ 6.2 g/t AuEq	extended mineralisation 40 metres along strike
and	116.6	4.5m @ 8.9 g/t AuEq	
GNDD-018	63.2	3.8m @ 11.6 g/t AuEq	extended mineralisation 25 metres along strike
inc	64.4	2.6 m @ 16.7g/t AuEq	
GNDD-020	71.3	8.3m @ 21.1 g/t AuEq	extended mineralisation 45 metres down dip & unlocks
Inc	74.0	5.5m @ 30.3 g/t AuEq	the potential of structurally controlled high-grade shoots

Table 1: Summary Table of Hualilan Results to date

(1) *AuEq grade calculated using (USD prices of) gold 1,450/oz, silver 16/oz, copper 5,610/t, lead 2,110/t and zinc 2,200/t. No metallurgical or recovery factors have been assumed at this early stage of the Project.*

(2) *For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to the Company's ASX Release dated 22 February 2019. These estimates are foreign estimates and not reported in accordance with the JORC Code. A competent person has not done sufficient work to clarify the foreign estimates as a mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as a mineral resource. The company is not in possession of any new information or data relating to the foreign estimates that materially impact on the reliability of the estimates that materially impacts on the reliability of the estimates or CEL's ability to verify the foreign estimates estimate as minimal resources in accordance with Appendix 5A (JORC Code). The company confirms that the supporting information provided in the initial market announcement on February 22, 2019 continues to apply and is not materially changed.*

The Company has earned an initial 25% of the project by spending a minimum of A$1 million, previously issuing 3.334 million ordinary full paid CEL shares in 2019, and a further 5 million ordinary fully paid CEL shares ("**Shares**") to the owners of the Cerro Norte and 6.67 million Shares to the owners of the Cerro Sur Project.

The Company has received a waiver from the requirements of ASX Listing Rule 7.3.2, to enable it to complete the issue of the Earn-In Shares over a five-year period from the commencement date, rather than within the 3 months following the Meeting. These 11.67 million Shares to be issued under the Earn-in Agreement, were approved by shareholders on 29 April 2019 and will be subject to escrow until 4 July 2021.

Of the 18 drill holes at the Hualilan Gold Project reported by Challenger Exploration to date, all have intersected mineralisation, with the majority having materially extended the known mineralisation. This has resulted in the strike length of mineralisation now increasing to 2km, and the Company believes that the results, which are summarised in Table 1 of this announcement, demonstrate the potential for the project to have significant scale beyond the current Foreign Historical Resource estimate of 627,000 Ounces Gold Equivalent [(2)].

The current 7,500 metre drilling program is progressing as planned, with 40 drill holes (for 5,117 metres) completed to date (Table 2). CEL has submitted an additional 12 holes for assay, with the remaining 21 holes being logged and sampled for assay. CEL will replace the diamond core rig with a reverse circulation (RC) rig for the next 40-50 drill holes in the program, and the RC rig will allow CEL to complete the next holes more quickly and at significantly lower rates per metre drilled.

This ASX announcement was approved and authorised by the Board.

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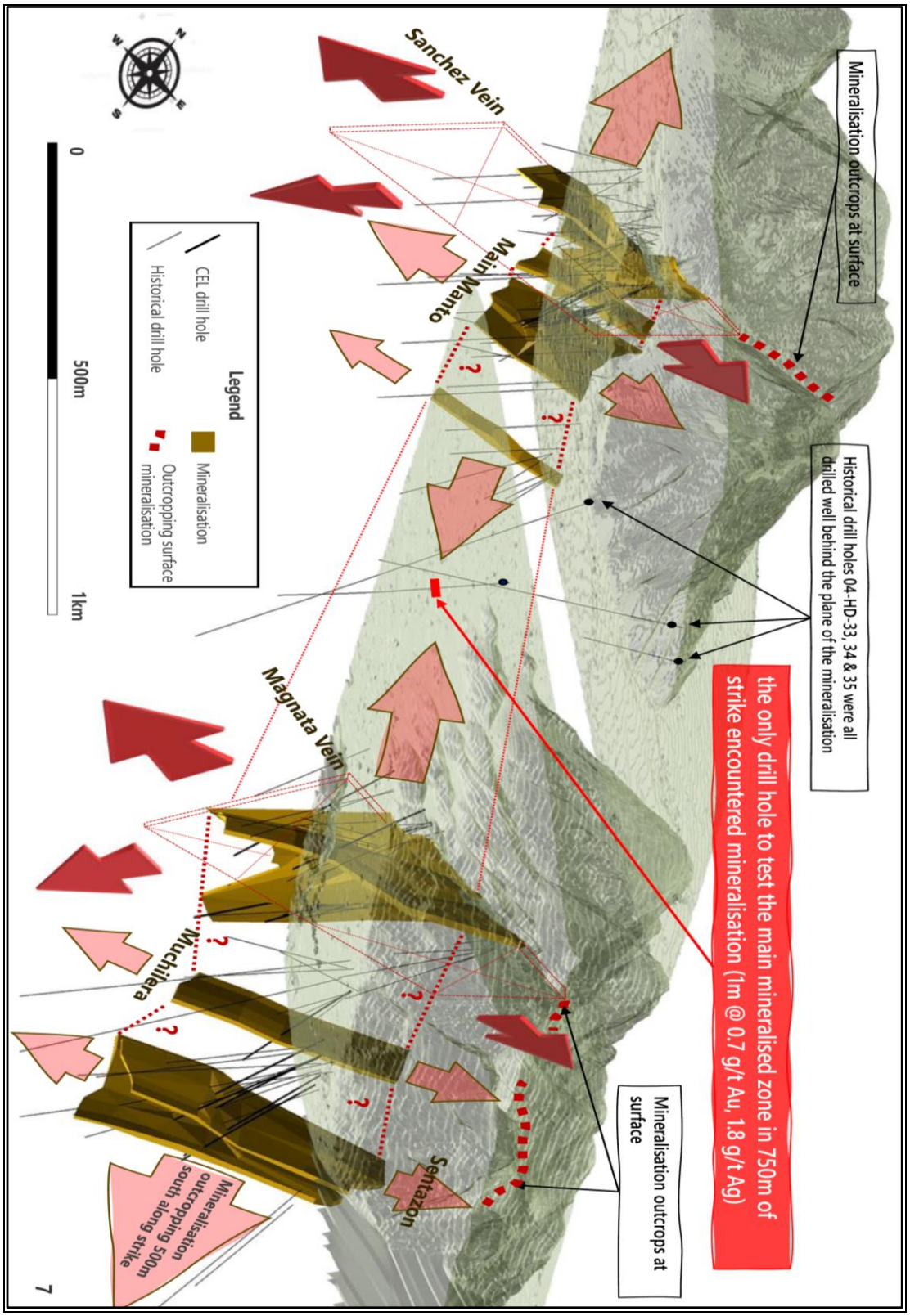

Figure 1 - 3D Mineralisation Model at Hualilan Project

Hole_ID	Zone	East_UTM	North_UTM	Elevation (masl)	TD (m)	Drilling Status	Logged	Sampled
GNDD011	Sentazon	504393.0	6599645.0	1794.9	**169.2**	completed	yes	yes
GNDD012	Muchilera	504453.0	6599821.0	1798.7	**120.0**	completed	yes	yes
GNDD013	Sentazon	504404.0	6599614.0	1793.2	**141.0**	completed	yes	yes
GNDD014	Sentazon	504405.0	6599661.0	1794.5	**140.0**	completed	yes	yes
GNDD015	Magnata	504440.0	6600155.0	1809.3	**166.7**	completed	yes	yes
GNDD016	Sentazon	504402.0	6599684.0	1795.1	**172.0**	completed	yes	yes
GNDD017	Magnata	504460.0	6600077.0	1806.1	**132.6**	completed	yes	yes
GNDD018	Magnata	504473.0	6600112.0	1806.4	**130.0**	completed	yes	yes
GNDD019	Dona Justa	504936.0	6601533.0	1834.0	**80.0**	completed	yes	yes
GNDD020	Magnata	504462.0	6600141.0	1809.2	**153.0**	completed	yes	yes
GNDD021	Dona Justa	504937.0	6601565.0	1838.0	**120.0**	completed	yes	yes
GNDD022	Cerro Norte	504836.0	6601329.0	1830.0	**100.0**	completed	yes	yes
GNDD023	Cerro Norte	504815.0	6601333.0	1830.0	**100.0**	completed	yes	yes
GNDD024	Magnata	504460.0	6600125.0	1808.1	**100.0**	completed	yes	yes
GNDD025	Cerro Norte	504786.0	6601137.0	1825.0	**141.0**	completed	yes	yes
GNDD026	Ortega	504815.0	6601440.0	1834.0	**100.0**	completed	yes	yes
CNDD027	Sentazon	504414.0	6599706.0	1795.0	**140.0**	completed	in progress	
GNDD028	Cerro Norte	504827.0	6601319.0	1829.0	**100.0**	completed		
GNDD029	Cerro Norte	504791.5	6601313.5	1829.1	**120.2**	completed		
GNDD030	Muchilera	504453.9	6599860.0	1793.5	**148.0**	completed		
GNDD031	Magnata	504624.0	6600197.0	1821.9	**149.0**	completed	yes	yes
GNDD032	Magnata	504624.0	6600197.0	1821.9	**166.6**	completed		
GNDD033	Ortega	504834.0	6601384.0	1830.6	**62.0**	completed		
GNDD034	Norte	504866.0	6601523.0	1837.0	**60.0**	completed		
GNDD035	Ortega	504781.2	6601230.0	1828.5	**119.5**	completed		
GNDD036	Pereyra	504304.7	6599129.8	1777.4	**131.0**	completed		
GNDD037	Muchilera	504465.1	6599832.7	1796.3	**83.5**	completed		
GNDD038	Magnata	504467.5	6600096.4	1806.3	**87.7**	completed		
GMDD039	Ortega	504815.8	6601315.3	1829.1	**80.0**	completed	yes	yes
GMDD040	Sentazon	504402.1	6599641.5	1794.8	**135.5**	completed	yes	yes
GMDD041	Magnata	504471.0	6600104.0	1806.4	**95.0**	completed	yes	yes
GNDD042	Sentazon	504391.0	6599576.0	1791.0	**140.0**	completed		
GMDD043	Ortega	504815.8	6601318.0	1829.1	**80.0**	completed	yes	yes
GNDD044	Sentazon	504380.0	6599623.0	1792.6	**185.0**	completed		
GNDD045	Sentazon	504366.0	6599680.0	1795.1	**242.0**	completed		
GNDD046	Sentazon	504361.7	6599704.4	1795.0	**191.0**	completed		
GNDD047	Sentazon	504453.6	6599639.4	1792.1	**101.0**	completed		
GNDD048	Ortega	504786.1	6601271.9	1828.3	**95.0**	completed		
GNDD049	Ortega	504808.7	6601415.8	1834.2	**90.0**	completed		
GNDD050	Pardo	504822.0	6601512.0	1835.6	**80.0**	completed		
GNDD051	Puntilla	504767.0	6601034.0	1822.4	**120.0**	completed		

Table 2: Status of Hualilan Stage 2 drilling program

About Challenger Exploration

Challenger Exploration Limited's (ASX: CEL) aspiration is to become a globally significant gold producer. The Company is developing two complimentary gold/copper projects in South America. The strategy for the Hualilan Gold project is for it to provide a high-grade low capex operation in the near term. This underpins CEL with a low risk, high margin source of cashflow while it prepares for a much larger bulk gold operation in Ecuador.

1. **Hualilan Gold Project**, located in San Juan Province Argentina, is a near term development opportunity. It has extensive historical drilling with over 150 drill-holes and a non-JORC historical resource [(2)] of 627,000 Oz @ 13.7 g/t gold which remains open in most directions. The project was locked up in a dispute for the past 15 years and as a consequence had seen no modern exploration until CEL acquired the project in 2019. Results from CEL's first drilling program included [(A)] 6.1m @ 34.6 g/t Au, 21.9 g/t Ag, 2.9% Zn, 6.7m @ 14.3 g/t Au, 140 g/t Ag, 7.3% Zn and 10.3m @ 10.4 g/t Au, 28 g/t Ag, 4.6% Zn. This drilling intersected high-grade gold over almost 2 kilometres of strike and extended the known mineralisation along strike and at depth in multiple locations. CEL's 2020 program will include 7,500 metres of drilling, metallurgical test work of key ore types, and an initial JORC Compliant Resource which will allow an economic review.

2. **El Guayabo Project** covers 35 sqkms in southern Ecuador and was last drilled by Newmont Mining in 1995 and 1997 targeting gold in hydrothermal breccias. Historical drilling has demonstrated potential to host significant gold and associated copper and silver mineralisation. Historical drilling has returned a number of intersections of plus 100m of intrusion related breccia and vein hosted mineralisation. The Project has multiple targets including breccia hosted mineralization, an extensive flat lying late stage vein system and an underlying porphyry system target neither of which has been drill tested. CEL's first results confirm the discovery of large-scale gold system with over 250 metres of bulk gold mineralisation encountered in drill hole ZK-02 which contains a significant high-grade core of 134 metres at 1.0 g/t gold and 4.1 g/t silver including 63 metres at 1.6 g/t gold and 5.1 g/t silver

[A] refer ASX Announcement 30 December 2019 'CEL Received Further Outstanding High-Grade Assay Results from First Drilling at the Hualian Gold Project'

Foreign Resource Estimate Hualilan Project

La Mancha Resources 2003 foreign resource estimate for the Hualilan Project ^			
Category	**Tonnes (kt)**	**Gold Grade (g/t)**	**Contained Gold (koz)**
Measured	218	14.2	100
Indicated	226	14.6	106
Total of Measured & Indicated	445	14.4	206
Inferred	977	13.4	421
Measured, Indicated & Inferred	**1,421**	**13.7**	**627**

^ Source: La Mancha Resources Toronto Stock Exchange Release dated 14 May 2003 -Independent Report on Gold Resource Estimate. Rounding errors may be present. Troy ounces (oz) tabled here

[1] For details of the foreign non-JORC compliant resource and to ensure compliance with LR 5.12 please refer to the Company's ASX Release dated 22 February 2019. These estimates are foreign estimates and not reported in accordance with the JORC Code. A competent person has not done sufficient work to clarify the foreign estimates as a mineral resource in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimate will be able to be reported as a mineral resource. The company is not in possession of any new information or data relating to the foreign estimates that materially impact on the reliability of the estimates that materially impacts on the reliability of the estimates or CEL's ability to verify the foreign estimates estimate as minimal resources in accordance with Appendix 5A (JORC Code). The company confirms that the supporting information provided in the initial market announcement on February 22, 2019 continues to apply and is not materially changed.

Competent Person Statement – Exploration results

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to sampling techniques and data, exploration results and geological interpretation has been compiled Dr Stuart Munroe , BSc (Hons), PhD (Structural Geology), GDip (AppFin&Inv) who is a full-time employee of the Company. Dr Munroe is a Member of the AusIMM. Dr Munroe has over 20 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr Munroe has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results. Dr Munroe consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Competent Person Statement – Foreign Resource Estimate

The information in this release provided under ASX Listing Rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The information that relates to Mineral Resources has been compiled by Dr Stuart Munroe , BSc (Hons), PhD (Structural Geology), GDip (AppFin&Inv) who is a full-time employee of the Company. Dr Munroe is a Member of the AusIMM. Dr Munroe has over 20 years' experience in the mining and metals industry and qualifies as a Competent Person as defined in the JORC Code (2012).

Dr Munroe and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration to qualify as Competent Person as defined in the 2012 Edition of the JORC Code for Reporting of, Mineral Resources and Ore Reserves. Dr Munroe consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data -Hualilan Project

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	- *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.* - *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* - *Aspects of the determination of mineralisation that are Material to the Public Report.* - *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.*	There is little information provided by previous explorers to detail sampling techniques. Drill core was cut with a diamond saw longitudinally and one half submitted for assay. Assay was generally done for Au. In some drill campaigns, Ag and Zn were also analysed. There is limited multielement data available. No information is available for RC drill sampling. For CEL drilling, diamond core (HQ3) was cut longitudinally on site using a diamond saw. Samples lengths are from 0.5m to 2.0m in length (average 1m), taken according to lithology, alteration, and mineralization contacts. Core samples were crushed to approximately 85% passing 2mm. A 500g or a 1 kg sub-sample was taken and pulverized to 85% passing 75µm. A 50g charge was analysed for Au by fire assay with AA determination. Where the fire assay gold grade returned was > 10 g/t a 50g charge was analysed for Au by Fire assay with gravimetric determination. A 10g charge was analysed for 48 elements by 4-acid digest and ICP-MS determination. Elements determined were Ag, As, Ba, Be, Bi, Ca, Ce, Co, Cr, Cs, Cu, Fe, Ga, Ge, Hf, In, K, La, Li, Mg, Mn, Mo, Na, Nb, Ni, P, Pb, Rb, Re, S, Sb Sc, Se, Sn, Sr, Ta, Te, Th, Ti, Tl, U, V, W, Y, Zn and Zr. Ag > 100 g/t, Zn, Pb and Cu > 10,000 ppm and S > 10% were re-analysed by the same method using a different calibration. Sample intervals were selected according to geological boundaries. There was no coarse gold observed in any of the core.
Drilling techniques	- *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).*	Collar details for historic drilling campaigns is provided below from archival data cross checked with drill logs and available plans and sections where available. Collars are in WGS84, zone 19s projection. DD is diamond drilling and RC is reverse circulation drilling. Collar locations have been surveyed in the field by CEL to verify if the site coincides with a marked collar or tagged drill site. In most cases the drill collars coincide with historic drill site, some of which are tagged.

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
AG01	DD	2504908.0	6602132.3	1807.6	000	-90	84.5	Jan-84
AG02	DD	2504846.5	6602041.1	1803.4	112	-70	60.0	Jan-84
AG03	DD	2504794.5	6601925.6	1803.1	080	-55	110.0	Jan-84
AG04	DD	2504797.1	6602065.5	1806.6	000	-90	168.0	Jan-84

Criteria	JORC Code explanation	Commentary

AG05	DD	2504843.5	6601820.3	1798.1	000	-90	121.8	Jan-84
AG06	DD	2504781.9	6601922.8	1803.8	000	-90	182.2	Jan-84
AG07	DD	2504826.3	6601731.0	1796.9	000	-90	111.5	Jan-84
AG08	DD	2504469.8	6600673.7	1779.7	090	-57	80.2	Jan-84
AG09	DD	2504455.7	6600458.5	1772.6	000	-90	139.7	Jan-84
AG10	DD	2504415.5	6600263.9	1767.7	000	-90	200.8	Jan-84
AG11	DD	2504464.8	6600566.5	1775.9	000	-90	141.0	Jan-84
AG12	DD	2504847.6	6602161.7	1808.8	000	-90	171.4	Jan-84
AG13	DD	2504773.6	6601731.3	1798.7	000	-90	159.5	Jan-84
AG14	DD	2504774.7	6601818.8	1801.2	000	-90	150.2	Jan-84
AG15	DD	2504770.7	6601631.4	1796.7	000	-90	91.3	Jan-84
AG16	DD	2504429.5	6600665.8	1779.8	000	-90	68.8	Jan-84

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
MG01	RC	2504825.5	6602755.4	1800.0	100	-60	51.0	Jan-95
MG01A	RC	2504810.5	6602755.4	1800.0	100	-60	116.0	Jan-95
MG02	RC	2504835.5	6602805.4	1800.0	100	-60	90.0	Jan-95
MG03	RC	2504853.5	6602880.4	1795.0	100	-60	102.0	Jan-95
MG04	RC	2504843.5	6602975.4	1800.0	100	-60	120.0	Jan-95
MG05	RC	2506130.5	6605055.4	1750.0	85	-60	96.0	Jan-95
MG06	RC	2506005.5	6605115.4	1750.0	100	-60	90.0	Jan-95
MG07	RC	2506100.5	6605015.4	1750.0	100	-60	96.0	Jan-95
MG08	RC	2505300.5	6603070.4	1740.0	95	-70	66.0	Jan-95
MG09	RC	2505285.5	6603015.4	1740.0	0	-90	102.0	Jan-95
MG10	RC	2505025.5	6600225.4	1724.0	100	-60	120.0	Jan-95
MG11	RC	2503380.5	6598560.5	1740.0	100	-60	78.0	Jan-95
MG12	RC	2503270.5	6597820.5	1740.0	100	-60	66.0	Jan-95

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
Hua01	RC	2504845.3	6602041.2	1809.7	117	-50	60.0	1999
Hua02	RC	2504889.5	6602081.1	1809.7	125	-55	45.0	1999
Hua03	RC	2505003.3	6602158.6	1810.7	000	-90	100.0	1999
Hua04	RC	2504873.3	6602169.1	1809.7	000	-90	100.0	1999
Hua05	RC	2505003.2	6602152.6	1810.7	180	-60	100.0	1999
Hua06	RC	2505003.3	6602161.6	1810.7	360	-60	100.0	1999

Criteria	JORC Code explanation	Commentary

Hua07	RC	2504967.7	6602153.2	1810.2	000	-90	100.0	1999
Hua08	RC	2504973.2	6602153.7	1810.2	000	-90	13.0	1999
Hua09	RC	2504940.7	6602150.3	1809.7	180	-60	100.0	1999
Hua10	RC	2504941.8	6602156.8	1809.7	360	-60	100.0	1999
Hua11	RC	2504913.3	6602167.4	1809.7	360	-60	88.0	1999
Hua12	RC	2504912.8	6602165.9	1809.7	000	-90	100.0	1999
Hua13	RC	2504912.3	6602156.9	1809.7	180	-60	90.0	1999
Hua14	RC	2504854.3	6602168.2	1809.7	360	-60	100.0	1999
Hua15	RC	2504854.8	6602166.2	1809.7	117	-60	100.0	1999
Hua16	RC	2504834.2	6601877.8	1800.7	000	-90	100.0	1999
Hua17	RC	2504865.9	6602449.8	1814.1	90	-50	42.0	1999
Hua20	RC	2504004.1	6600846.4	1792.7	000	-90	106.0	1999
Hua21	RC	2504552.9	6600795.0	1793.9	000	-90	54.0	1999

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)	Date
DDH20	DDH	2504977.3	6602133.3	1804.8	116	-54	49.1	1999-00
DDH21	DDH	2504978.3	6602118.3	1804.8	000	-90	88.6	1999-00
DDH22	DDH	2504762.9	6601587.1	1769.8	116	-65	66.0	1999-00
DDH23	DDH	2504920.4	6601994.3	1767.9	000	-90	58.8	1999-00
DDH24	DDH	2504821.0	6601938.8	1802.0	116	-80	100.3	1999-00
DDH25	DDH	2504862.6	6601964.5	1803.7	116	-74	49.2	1999-00
DDH26	DDH	2504920.4	6601975.3	1795.0	312	-60	80.3	1999-00
DDH27	DDH	2504752.7	6601565.1	1806.6	116	-60	43.2	1999-00
DDH28	DDH	2505003.6	6602174.3	1806.6	116	-50	41.7	1999-00
DDH29	DDH	2504964.1	6602136.6	1810.0	350	-52	113.5	1999-00
DDH30	DDH	2505004.1	6602156.3	1809.3	059	-85	62.1	1999-00
DDH31	DDH	2504897.6	6602112.7	1808.1	116	-75	41.4	1999-00
DDH32	DDH	2504939.4	6602139.2	1809.1	350	-51	100.7	1999-00
DDH33	DDH	2504939.4	6602139.2	1809.1	350	-65	62.9	1999-00
DDH34	DDH	2504826.5	6601920.2	1801.3	116	-70	69.4	1999-00
DDH35	DDH	2505003.9	6602156.7	1808.8	310	-85	174.6	1999-00
DDH36	DDH	2504637.5	6600777.3	1799.9	330	-50	45.5	1999-00
DDH37	DDH	2504826.5	6601920.2	1809.4	000	-90	121.0	1999-00
DDH38	DDH	2504820.8	6601912.2	1801.1	116	-75	67.7	1999-00
DDH39	DDH	2504820.8	6601912.2	1801.1	116	-81	90.7	1999-00
DDH40	DDH	2504832.3	6601928.1	1801.7	116	-70	85.7	1999-00
DDH41	DDH	2504837.8	6601937.5	1801.6	116	-70	64.2	1999-00

Criteria	JORC Code explanation	Commentary							
		DDH42	DDH	2504829.2	6601952.5	1801.8	116	-60	65.1	1999-00
		DDH43	DDH	2504829.2	6601952.5	1801.8	116	-70	70.8	1999-00
		DDH44	DDH	2504811.3	6601895.1	1802.0	116	-60	102.2	1999-00
		DDH45	DDH	2504811.3	6601895.1	1802.0	116	-83	95.3	1999-00
		DDH46	DDH	2504884.4	6601976.3	1805.9	116	-45	71.6	1999-00
		DDH47	DDH	2504884.4	6601976.3	1805.9	116	-65	71.0	1999-00
		DDH48	DDH	2504866.9	6601962.7	1803.1	116	-47	30.7	1999-00
		DDH49	DDH	2504866.9	6601962.7	1803.1	116	-72	41.9	1999-00
		DDH50	DDH	2504821.4	6601913.9	1801.1	116	-77	87.5	1999-00
		DDH51	DDH	2504821.4	6601913.9	1801.1	116	-80	87.5	1999-00
		DDH52	DDH	2504825.5	6601901.1	1800.9	116	-83	74.0	1999-00
		DDH53	DDH	2504504.1	6600714.0	1788.7	090	-62	85.7	1999-00
		DDH54	DDH	2504504.1	6600714.0	1788.7	090	-45	69.1	1999-00
		DDH55	DDH	2504997.9	6602163.5	1808.6	360	-53	63.1	1999-00
		DDH56	DDH	2504943.1	6602171.3	1810.5	360	-75	50.6	1999-00
		DDH57	DDH	2504943.1	6602171.3	1810.5	000	-90	66.2	1999-00
		DDH58	DDH	2504970.3	6602153.3	1809.1	360	-71	62.0	1999-00
		DDH59	DDH	2504970.3	6602153.3	1809.1	000	-90	66.3	1999-00
		DDH60	DDH	2504997.9	6602162.5	1809.0	360	-67	59.9	1999-00
		DDH61	DDH	2504997.9	6602162.5	1809.0	000	-90	58.1	1999-00
		DDH62	DDH	2504751.4	6601602.6	1789.2	170	-45	68.4	1999-00
		DDH63	DDH	2504751.4	6601602.6	1789.2	170	-70	131.5	1999-00
		DDH64	DDH	2504776.3	6601596.9	1789.1	170	-45	66.7	1999-00
		DDH65	DDH	2504552.7	6600792.0	1793.8	194	-45	124.8	1999-00
		DDH66	DDH	2504552.7	6600792.0	1793.8	194	-57	117.0	1999-00
		DDH67	DDH	2504552.7	6600792.0	1793.8	194	-66	126.1	1999-00
		DDH68	DDH	2504623.9	6600779.0	1800.7	000	-90	79.5	1999-00
		DDH69	DDH	2504623.9	6600779.0	1800.7	194	-60	101.5	1999-00
		DDH70	DDH	2504595.5	6600797.7	1798.1	190	-81	128.0	1999-00
		DDH71	DDH	2504631.6	6600797.4	1799.0	194	-63	136.3	1999-00
		DDH72	DDH	2504547.2	6600764.1	1799.6	194	-45	75.6	1999-00
		DDH73	DDH	2504593.4	6600766.5	1807.5	190	-57	70.8	1999-00
		DDH74	DDH	2504598.2	6600831.8	1795.3	190	-62	190.9	1999-00
		DDH75	DDH	2504731.2	6600784.7	1821.4	194	-45	40.2	1999-00
		DDH76	DDH	2504731.2	6600784.7	1821.4	180	-60	138.7	1999-00
		DDH77	DDH	2504734.1	6600785.0	1821.6	000	-90	85.6	1999-00
		DDH78	DDH	2504731.2	6600784.7	1821.4	180	-75	132.9	1999-00
		DDH79	DDH	2504721.6	6600790.1	1820.4	060	-70	38.6	1999-00

Criteria	JORC Code explanation	Commentary

Hole_id	Type	East (m)	North (m)	Elevation (m ASL)	Azimuth (°)	Dip (°)	Depth (m)
03HD01A	DDH	2504627.8	6600800.1	1798.4	180	-60	130.2
03HD02	DDH	2504457.9	6600747.8	1782.9	180	-60	130.5
03HD03	DDH	2504480.1	6600448.6	1774.0	360	-45	100.2
04HD04	DDH	2504436.6	6600439.3	1773.4	360	-60	104.6
04HD05	DDH	2504420.9	6600256.8	1769.5	110	-68	122.6
04HD06	DDH	2504428.6	6600236.6	1768.1	110	-68	136.0
04HD07	DDH	2504415.7	6600277.7	1769.0	100	-63	108.2
04HD08	DDH	2504826.5	6601920.2	1801.3	116	-70	70.0
04HD09	DDH	2504832.3	6601928.1	1801.7	116	-70	75.9
04HD10	DDH	2504648.5	6600788.9	1801.5	205	-60	120.0
04HD11	DDH	2504462.0	6600428.3	1773.6	075	-62	95.1
04HD12	DDH	2504449.3	6600648.9	1779.6	360	-60	77.4
04HD13	DDH	2504434.5	6600646.6	1779.7	360	-60	74.0
04HD14	DDH	2504461.1	6600748.4	1783.1	180	-70	130.6
04HD15	DDH	2504449.9	6600646.2	1779.6	360	-64	160.0
04HD16C	DDH	2504457.1	6600311.7	1770.3	195	-65	225.5
04HD17	DDH	2504417.5	6600256.6	1769.5	110	-72	213.2
04HD18	DDH	2504528.5	6600792.0	1791.9	170	-50	140.7
04HD19	DDH	2504648.5	6600788.9	1801.5	205	-77	120.0
04HD20	DDH	2504648.5	6600788.9	1801.5	205	-80	120.0
04HD21	DDH	2504648.5	6600788.9	1801.5	205	-60	120.0
04HD23	DDH	2504441.0	6600456.0	1772.5	075	-82	499.7
04HD24	DDH	2504389.0	6600252.0	1766.5	090	-81	188.2
04HD25	DDH	2504456.0	6600294.0	1768.5	155	-84	500.8
04HD26	DDH	2504424.0	6600409.0	1771.5	180	-69	464.9
04HD27	DDH	2504461.0	6600428.0	1773.0	100	-45	60.0
04HD28	DDH	2504461.0	6600428.0	1773.0	100	-60	63.7
04HD29	DDH	2504438.0	6600087.0	1764.5	108	-45	265.0
04HD30	DDH	2504421.0	6600044.0	1764.0	108	-45	128.2
04HD31	DDH	2504687.0	6601326.0	1794.0	045	-60	242.9
04HD32	DDH	2504828.0	6601916.0	1801.3	116	-70	68.4
05HD33	DDH	2505410.0	6601983.0	1765.0	000	-60	81.4
05HD34	DDH	2505451.0	6602079.0	1763.0	273	-60	269.0
05HD35	DDH	2504905.0	6601689.0	1794.0	140	-65	350.0
05HD36	DDH	2504880.0	6601860.0	1802.0	295	-70	130.0

Criteria	JORC Code explanation	Commentary

05HD37	DDH	2504866.0	6601888.0	1797.0	295	-70	130.0
05HD38	DDH	2504838.0	6601937.0	1796.0	115	-70	70.0
05HD39	DDH	2504964.0	6602128.0	1814.0	030	-70	217.5
05HD40	DDH	2504964.0	6602128.0	1814.0	030	-50	150.0
05HD41	DDH	2504931.0	6602125.0	1812.0	022	-60	142.5
05HD42	DDH	2504552.7	6600791.5	1797.0	194	-57	120.0
05HD43	DDH	2504552.7	6600791.5	1797.0	194	-45	95.5
05HD44	DDH	2504603.0	6600799.0	1798.0	190	-61.5	130.5
05HD45	DDH	2504362.0	6600710.0	1767.0	088	-60	121.5
05HD46	DDH	2504405.0	6600282.0	1766.0	090	-75	130.7
05HD47	DDH	2504212.0	6599177.0	1729.0	065	-45	181.5
05HD48	DDH	2504160.0	6599164.0	1728.0	065	-60	100.7

CEL drilling of HQ3 core (triple tube) was done using a LM90 truck mounted drill machine that is operated by Foraco Argentina S.A. (Mendoza) and a trailer mounted Hydrocore drill machine operated by Energold Drilling (Mendoza). The core has not been oriented.

Collar details for drill holes completed by CEL are shown below in WGS84, zone 19s projection. Collar locations for drill holes after GNDD010 are surveyed with a handheld GPS:

Hole_id	East (m)	North (m)	Elevation (m)	Dip (°)	Azimuth (°)	Depth (m)
GNDD001	504803.987	6601337.067	1829.289	-57	115	109.0
GNDD002	504793.101	6601312.095	1829.393	-60	115	25.6
GNDD002A	504795.405	6601311.104	1829.286	-60	115	84.5
GNDD003	504824.427	6601313.623	1827.768	-70	115	90.2
GNDD004	504994.416	6601546.302	1835.345	-60	115	100.0
GNDD005	504473.042	6600105.922	1806.448	-55	090	110.0
GNDD006	504527.975	6600187.234	1817.856	-55	170	100.9
GNDD007	504623.738	6600196.677	1823.447	-68	190	86.3
GNDD007A	504624.021	6600198.394	1823.379	-68	190	219.0
GNDD008	504625.047	6600198.059	1823.457	-60	184	109.4
GNDD008A	504625.080	6600199.718	1823.264	-60	184	169.0

Criteria	JORC Code explanation	Commentary						
		GNDD009	504412.848	6599638.914	1794.22	-55	115	147.0
		GNDD010	504621.652	6600196.048	1823.452	-68	165	146.5
		GNDD011	504393	6599645	1795	-64	115	169.2
		GNDD012	504453	6599821	1799	-55	115	120.0
		GNDD013	504404	6599614	1793	-58	112	141.0
		GNDD014	504405	6599661	1795	-59	114	140.0
		GNDD015	504440	6600155	1809	-62	115	166.7
		GNDD016	504402	6599684	1795	-60	115	172.0
		GNDD017	504460	6600077	1806	-55	115	132.6
		GNDD018	504473	6600112	1806	-60	115	130.0
		GNDD019	504936	6601533	1834	-70	115	80.0
		GNDD020	504462	6600141	1809	-58	115	153.0
		GNDD021	504937	6601565	1838	-60	115	120.0
		GNDD022	504836	6601329	1830	-60	113	100.0
		GNDD023	504815	6601333	1830	-55	117	100.0
		GNDD024	504460	6600125	1808	-70	115	150.0
		GNDD025	504786	6601137	1825	-60	115	141.0
		GNDD026	504815	6601440	1834	-55	115	100.0
		GNDD028	504827	6601319	1829	-57	115	100.0
		GNDD029	504792	6601314	1829	-71	115	120.2
		GNDD030	504792	6601314	1829	-60	115	148.0
		GNDD031	504454	6599860	1794	-60	130	149.0
		GNDD032	504624	6600197	1822	-55	097	166.6
		GNDD033	504624	6600197	1822	-55	115	62.0
		GNDD034	504834	6601384	1830	-60	115	60.0
		GNDD035	504866	6601523	1837	-78	115	119.5
		GNDD036	504781	6601230	1829	-55	115	131.0
		GNDD037	504305	6599130	1777	-55	115	83.5
		GNDD038	504465	6599833	1796	-55	115	87.7

Criteria	JORC Code explanation	Commentary						
		GMDD039	504468	6600096	1806	-70	115	80.0
		GMDD040	504816	6601315	1829	-55	115	135.5
		GMDD041	504402	6599642	1795	-55	095	95.0
		GNDD042	504471	6600104	1806	-60	115	140.0
		GMDD043	504391	6599576	1791	-67	115	80.0
		GNDD044	504816	6601318	1829	-65	115	185.0
		GNDD045	504380	6599623	1793	-57	115	242.0
		GNDD046	504361.7	6599704.4	1795.0	-60	115	**191.0**
		GNDD047	504453.6	6599639.4	1792.1	-60	115	**101.0**
		GNDD048	504786.1	6601271.9	1828.3	-74	115	**95.0**
		GNDD049	504808.7	6601415.8	1834.2	-60	115	**90.0**
		GNDD050	504822.0	6601512.0	1835.6	-60	115	**80.0**
		GNDD051	504767.0	6601034.0	1822.4	-60	115	**120.0**
Drill sample recovery	- *Method of recording and assessing core and chip sample recoveries and results assessed.* - *Measures taken to maximise sample recovery and ensure representative nature of the samples.* - *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.*	Drill core is placed into wooden boxes by the drillers and depth marks are indicated on wooden blocks at the end of each run. These depths are reconciled by CEL geologists when measuring core recovery. Triple tube drilling has been being done to maximise core recovery. A possible relationship has been observed between sample recovery and Au Ag or Zn grade whereby low core recoveries have resulted in underreporting of grade. Insufficient information is not yet available to more accurately quantify this. Core recovery is influenced by the intensity of natural fracturing in the rock. A positive correlation between recovery and RQD has been observed. The fracturing is generally post mineral and not directly associated with the mineralisation.						
Logging	- *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.* - *Whether logging is qualitative or quantitative in nature. Core (or costean channel etc) photography.* - *The total length and percentage of the relevant intersections logged.*	Detailed logs are available for most of the historical drilling. Some logs have not been recovered. No core photographs from the historic drilling have been found. No drill core has survived due to poor storage and neglect. No RC sample chips have been found. For CEL drilling, all the core is logged for recovery RQD weathering lithology alteration mineralization and structure to a level that is suitable for geological modelling resource estimation and metallurgical test work. Where possible logging is quantitative. Geological logging is done in MS Excel in a format that can readily be transferred to a database which holds all drilling logging sample and assay data.						

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	- *If core whether cut or sawn and whether quarter half or all core taken.* - *If non-core whether riffled tube sampled rotary split etc and whether sampled wet or dry.* - *For all sample types the nature quality and appropriateness of the sample preparation technique.* - *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* - *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.* - *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Competent drill core is cut longitudinally using a diamond saw for sampling of ½ the core. Soft core is split using a wide blade chisel. The geologist logging the core indicates on the drill core where the saw cut is to be made to ensure half-core sample representivity. Sample intervals are selected based on lithology alteration and mineralization boundaries. Sample lengths average 1.16m. No second-half core samples have been submitted. The second half of the core samples has been retained in the core trays for future reference. The sample preparation technique is considered appropriate for the style of mineralization present in the Project. Sample sizes are appropriate for the mineralisation style and grain size of the deposit.
Quality of assay data and laboratory tests	- *The nature quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* - *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.* - *Nature of quality control procedures adopted (eg standards blanks duplicates external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	The MSA laboratory used for sample preparation in San Juan has been inspected by Stuart Munroe (Exploration Manager) and Sergio Rotondo (Country Manager) prior to any samples being submitted. The laboratory procedures are consistent with international best practice and are suitable for samples from the Project. The ALS laboratory in Mendoza has not yet been inspected by CEL representatives. Internal laboratory standards were used for each job to ensure correct calibration of elements. CEL submit blank samples (cobble and gravel material from a quarry nearby to Las Flores San Yauan) to both the MSA laboratory and the ALS laboratory which were strategically placed in the sample sequence immediately after samples that were suspected of containing high grade Au Ag Zn or Cu to test the lab preparation contamination procedures. 21 blanks have been received from MSA laboratory and 18 blanks have been received from ALS laboratory. The values received from the blank samples suggest no significant contamination of the samples during sample preparation. For GNDD001 – GNDD010 three different Certified Standard Reference pulp samples (CRM) with known values for Au Ag Pb Cu and Zn have been submitted with samples of drill core to test the precision and accuracy of the analytic procedures and determination of the MSA laboratory in Canada. 22 reference samples were analysed in the samples submitted in 2019. For CRM 1 one sample returned an Au value > 2 standard deviations (SD) above the certified value. For CRM 2 one sample returned an Au value < 2SD below the certified value. For CRM 3 one sample returned a Cu value > 2SD above the certified value. All other analyses are within 2SD of the expected value. The standards demonstrate suitable precision and accuracy of the analytic process. No systematic bias is observed. For drill holes from GNDD011 onwards three different Certified Standard Reference pulp samples (CRM) with known values for Au Ag Fe S Pb Cu and Zn have been submitted with samples of drill core to test the

Criteria	JORC Code explanation	Commentary
		precision and accuracy of the analytic procedures and determination of the ALS Laboratory in Canada. In the results received to date 30 CRM standards have been received from ALS Laboratory. In all cased the values returned have been within +/- 2SD of the mean value. The standards demonstrate suitable precision and accuracy of the analytic process. No systematic bias is observed.
Verification of sampling and assaying	- *The verification of significant intersections by either independent or alternative company personnel.* - *The use of twinned holes.* - *Documentation of primary data entry procedures data verification data storage (physical and electronic) protocols.* - *Discuss any adjustment to assay data.*	Significant intersections have not yet been independently verified by an alternative laboratory. Final analyses are received by digital file in PDF and CSV format. The original files are backed-up and the data copied into a drill hole database for geological modelling. Assay results summarised in the context of this report have been rounded appropriately. No assay data have been adjusted.
Location of data points	- *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.* - *Specification of the grid system used.* - *Quality and adequacy of topographic control.*	Following completion of drilling collars are surveyed using a differential GPS (DGPS) relative into the Argentinian SGM survey. The locations have been surveyed in POSGAR 2007 zone 2 and converted to WGS84 UTM zone 19s. The drill machine is set-up on the drill pad using hand-held equipment according to the proposed hole design. Drill holes are surveyed at 30-40m intervals down hole using a Reflex tool. All current and previous drill collar sites Minas corner pegs and strategic surface points have been surveyed using DGPS to provide topographic control for the Project.
Data spacing and distribution	- *Data spacing for reporting of Exploration Results.* - *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 estimation procedure(s) and classifications applied.* - *Whether sample compositing has been applied.*	No regular drill hole spacing has been applied at this stage of the exploration. The current drilling is designed to check previous exploration and provide some information to establish controls on mineralization and exploration potential. No Mineral Resource Estimate to JORC 2012 reporting standards has been made at this time. Samples have not been composited.
Orientation of data in relation to geological structure	- *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known considering the deposit type.* - *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.*	As far as is currently understood the orientation of sampling achieves unbiased sampling of structures and geology controlling the mineralisation. Drilling has been designed to provide an unbiased sample of the geology and mineralisation targeted.

Criteria	JORC Code explanation	Commentary
Sample security	- *The measures taken to ensure sample security.*	Samples were under constant supervision by site security and senior personnel prior to delivery to the preparation laboratory in San Juan.
Audits or reviews	- *The results of any audits or reviews of sampling techniques and data.*	There has not yet been any independent reviews of the sampling techniques and data.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	- *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.* - *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.*	The current Hualilan project comprises 15 Minas (equivalent of mining leases) and 2 Demasias (mining lease extensions). This covers approximately 4 km of strike and includes all of the currently defined mineralization. There are no royalties on the project. CEL is earning a 75% interest in the Project by funding exploration to a Definitive Feasibility Study (DFS). *Granted mining leases (Minas Otorgadas) at the Hualilan Project*

Name	Number	Current Owner	Status	Grant Date	Area (ha)
Cerro Sur					
Divisadero	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Flor de Hualilan	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Pereyra y Aciar	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Bicolor	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Sentazon	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Muchilera	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Magnata	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Pizarro	5448-M-1960	Golden Mining S.R.L.	Granted	30/04/2015	6
Cerro Norte					
La Toro	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
La Puntilla	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6

Pique de Ortega	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Descrubidora	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Pardo	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Sanchez	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6
Andacollo	5448-M-1960	CIA GPL S.R.L.	Granted	30/04/2015	6

Mining Lease extensions (Demasias) at the Hualilan Project

Name	Number	Current Owner	Status	Grant date	Area (ha)
Cerro Sur					
North of "Pizarro" Mine	195-152-C-1981	Golden Mining S.R.L.	Granted	05/12/2014	1.9
Cerro Norte					
South of "La Toro" Mine	195-152-C-1981	CIA GPL S.R.L.	Granted	05/12/2014	1.9

Additional to the Minas and Demasias an application for an Exploration Licence covering 26 km2 surrounding the 15 Minas has been accepted by the San Juan Department of Mines and is currently being processed.

Exploration licence application surrounding the Minas and Demasias at the Hualilan Project

Name	Number	Status	Grant Date	Expiry Date	Area (ha)
Josefina	30.591.654	Pending	-	5 year application	2570

There are no know impediments to obtaining the exploration license or operating the Project.

Exploration done by other parties - *Acknowledgment and appraisal of exploration by other parties.*

Intermittent sampling dating back over 500 years has produced a great deal of information and data including sampling geologic maps reports trenching data underground workings drill hole results geophysical surveys resource estimates plus property examinations and detailed studies by several geologists. Prior to the current exploration no work has been completed since 2006.

There is 6 km of underground workings that pass through mineralised zones. Records of the underground

Criteria	JORC Code explanation	Commentary
		geology and sampling are currently being compiled and digitised as are sample data geological mapping trench data adit exposures and drill hole results. Geophysical surveys exist but have largely yet to be check located and digitised. Drilling on the Hualilan Project (Cerro Sur and Cerro Norte combined) extends to over 150 drill holes. The key historical exploration drilling and sampling results are listed below. - 1984 – Lixivia SA channel sampling & 16 RC holes (AG1-AG16) totalling 2040m - 1995 - Plata Mining Limited (TSE: PMT) 33 RC holes (Hua- 1 to 33) + 1500 samples - 1998 – Chilean consulting firm EPROM (on behalf of Plata Mining) systematic underground mapping and channel sampling - 1999 – Compania Mineral El Colorado SA ("CMEC") 59 core holes (DDH-20 to 79) plus 1700m RC program - 2003 – 2005 – La Mancha (TSE Listed) undertook 7447m of DDH core drilling (HD-01 to HD-48) - Detailed resource estimation studies were undertaken by EPROM Ltda. (EPROM) in 1996 and CMEC (1999 revised 2000) both of which were written to professional standards and La Mancha 2003 and 2006. - The collection of all exploration data by the various operators was of a high standard and had appropriate sampling techniques intervals and custody procedures were used.
Geology	- *Deposit type geological setting and style of mineralisation.*	Mineralisation occurs in all rock types but it preferentially replaces limestone shale and sandstone and occurs in fault zones. The mineralisation has previously been classified as a Zn-Cu distal skarn (or manto-style skarn) with vein-hosted Au-Ag mineralisation. It has been divided into three phases – prograde skarn retrograde skarn and a late quartz–galena event the evolution of the hydrothermal system and mineral paragenesis is the subject of more detailed geometallurgical work. Gold occurs in native form in tellurides (hessite) and as inclusions with pyrite and chalcopyrite. The mineralisation also commonly contains chalcopyrite sphalerite and galena. Mineralisation is either parallel to bedding in bedding-parallel faults or in east-west striking steeply dipping siliceous quartz-dominated veins that cross the bedding at a high angle. The veins have thicknesses of 1–4 m and contain abundant sulphides. The intersection between the bedding-parallel mineralisation and east-striking cross veins seems to be important in localising the mineralisation.
Drill hole Information	- *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:*	The following significant intersections have been reported by previous explorers. A cut-off grade of 1 g/t Au equivalent (calculated using a price of US$1,300/oz for Au, $15/oz for Ag and $2,500/t. for Zn) has been used. No metallurcial or recovery factors have been used. Drill collar location is provided in the previous section.

Criteria	JORC Code explanation	Commentary

- *easting and northing of the drill hole collar*
- *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
- *dip and azimuth of the hole*
- *down hole length and interception depth*
- *hole length.*
- *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.*

Hole_id	From (m)	Interval (m)	Au (g/t)	Ag (g/t)	Zn (%)
AG16	38.6	1.2	0.1	28.6	1.7
MG10	108.0	3.0	1.3	No assay	No assay
DDH36	24.7	9.3	1.6	46.3	1.2
DDH53	17.3	1.4	1.0	1.7	0.00
DDH53	24.0	8.9	3.7	239.5	0.03
DDH53	35.7	3.9	3.9	87.8	0.06
DDH53	41.0	3.0	2.6	7.6	0.20
DDH54	20.0	1.1	1.2	0.7	0.00
DDH54	31.1	8.3	3.9	32.1	0.80
DDH65	62.0	8.2	11.0	60.6	1.2
DDH65	82.0	1.0	1.8	33.4	0.30
DDH66	83.1	7.2	23.7	42.9	2.4
DDH66	87.9	2.4	69.9	114.4	2.2
DDH66	104.9	2.8	1.8	29.0	0.10
DDH67	98.7	1.3	0.2	7.8	1.3
DDH68	4.0	17.9	2.2	6.3	0.20
DDH68	73.7	0.5	0.8	9.0	1.2
DDH69	4.0	16.1	2.3	1.6	0.10
DDH69	76.9	0.3	0.1	7.0	28.0
DDH69	79.7	0.8	1.3	120.0	4.5
DDH70	84.0	7.0	5.2	13.5	0.70
DDH71	11.0	2.0	0.5	218.0	0.06
DDH71	39.9	1.0	1.3	6.0	0.03
DDH71	45.5	1.1	0.4	22.8	0.60
DDH71	104.0	10.0	33.5	126.7	7.9
DDH72	26.0	11.7	3.8	14.1	1.3
DDH72	52.7	6.3	1.5	30.4	0.04
DDH73	62.5	3.5	0.5	15.6	0.60
DDH74	119.9	0.5	7.3	98.5	2.6
DDH76	61.3	0.7	4.0	11.1	0.50
DDH76	74.4	4.0	0.8	8.8	0.30
DDH76	84.8	1.2	1.4	10.9	2.0
DDH78	109.1	0.7	1.1	13.4	1.9
03HD01A	90.1	1.7	2.1	37.4	2.4
03HD03	55.0	2.4	2.5	25.6	2.3
04HD05	80.3	2.0	0.9	42.7	0.02

Criteria	JORC Code explanation	Commentary					
		04HD05	97.5	1.8	1.9	35.0	0.04
		04HD05	102.0	1.0	1.3	42.1	0.01
		04HD05	106.0	1.0	0.7	28.0	0.05
		04HD05	108.0	5.6	2.8	19.9	1.2
		04HD06	65.4	1.2	46.6	846.0	0.50
		04HD06	75.0	1.0	1.0	2.9	0.01
		04HD06	104.5	7.6	1.8	5.0	1.2
		04HD06	115.1	0.9	16.4	23.1	7.7
		04HD07	98.3	2.2	1.4	32.5	0.90
		04HD10	44.3	0.2	3.9	81.5	5.6
		04HD10	55.5	0.5	1.3	11.5	0.46
		04HD10	78.6	1.7	4.8	93.7	2.4
		04HD11	28.0	1.0	0.1	9.3	1.4
		04HD12	49.3	0.7	1.5	16.1	0.10
		04HD13	61.5	1.0	0.8	7.9	0.20
		04HD15	103.7	0.3	1.7	32.9	0.80
		04HD16C	107.5	6.8	8.6	117.1	9.1
		04HD16C	111.8	2.5	7.6	75.6	11.5
		04HD16C	144.9	1.9	9.1	31.2	5.5
		04HD16C	171.1	0.4	0.5	9.4	1.7
		04HD17	134.9	0.7	2.5	14.3	4.1
		04HD17	139.1	0.5	10.5	9.4	0.20
		04HD17	199.6	0.2	0.8	3.5	5.9
		04HD17	202.1	1.9	4.5	1.5	0.70
		04HD20	43.2	1.8	0.9	83.9	0.20
		04HD21	70.1	0.2	4.8	60.6	6.4
		04HD21	141.1	0.6	12.9	105.0	4.8
		04HD24	72.0	2.0	2.5	3.2	0.04
		04HD24	83.0	2.0	3.1	25.3	0.04
		04HD24	94.0	4.2	0.7	21.2	0.10
		04HD25	92.0	1.7	2.4	51.5	6.3
		04HD26	21.7	2.3	1.5	32.5	3.0
		04HD28	42.8	0.4	1.9	4.5	0.10
		04HD29	37.0	1.0	0.1	112.0	0.01
		05HD42	90.5	1.0	1.9	6.1	0.03
		05HD42	115.0	3.0	29.0	103.1	0.20
		05HD43	69.0	1.0	1.8	2.3	0.01

05HD43	81.0	3.0	2.8	51.5	0.50
05HD43	90.7	2.3	1.4	29.6	0.30
05HD44	87.5	1.1	3.8	3.4	0.01
05HD44	91.2	1.4	0.0	3.6	2.8

For GNDD001 – GNDD010 the following significant assay results have been received reported to a cut-off of 1 g/t Au (equivalent) unless otherwise indicated. Drill collar location is provided in the previous section.

Hole_id	Interval (m)	From	Au (g/t)	Ag (g/t)	Zn (%)	Au eq (g/t)	
GNDD001	3.00	32.00	2.3	5.8	0.50	2.6	
GNDD002A	1.00	31.00	1.0	2.4	0.89	1.4	
GNDD002A	1.00	35.00	1.4	2.8	0.75	1.8	
GNDD002A	0.60	81.50	2.8	27	28.1	16.4	
GNDD003	6.10	55.00	34.6	22	2.9	36.2	(1)
GNDD004	8.47	6.03	2.0	7.8	0.68	2.4	
GNDD004	3.43	18.67	1.2	3.2	0.26	1.3	
GNDD005	3.00	29.00	0.7	14	2.5	2.0	
GNDD005	1.00	43.00	0.4	10	1.4	1.1	
GNDD005	5.00	59.00	10.9	101	1.5	12.7	
inc	*3.00*	*61.00*	*16.5*	*135*	*1.6*	*18.8*	(1)
GNDD005	3.00	77.00	1.7	39	0.43	2.3	
GNDD005	1.00	83.00	1.2	156	0.72	3.2	
GNDD006	6.50	78.50	4.2	21	0.29	4.6	
inc	*3.80*	*78.50*	*6.8*	*34*	*0.41*	*7.4*	
GNDD006	1.45	90.00	2.1	41	0.92	3.0	
GNDD007A	1.80	46.00	2.4	3.1	0.12	2.5	
GNDD007A	0.70	60.30	0.8	25	0.21	1.1	
GNDD007A	6.70	149.00	14.3	140	7.3	19.3	
inc	*3.06*	*150.60*	*27.5*	*260*	*12.9*	*36.5*	(1)
GNDD007A	0.60	176.40	1.9	6.7	0.99	2.4	
GNDD008	1.15	47.85	1.2	16	0.56	1.7	

Criteria	JORC Code explanation	Commentary

GNDD008	1.00	90.00	49.1	557	1.2	55.8	(1)
GNDD008	2.70	94.00	7.7	173	0.89	10.1	(1)
GNDD008	1.00	99.70	0.9	43	0.52	1.6	
GNDD008A	2.64	96.60	22.8	218	0.68	25.5	(1)
GNDD008A	10.00	105.00	0.6	28.2	0.71	1.2	
GNDD009	3.00	100.00	0.85	50	0.02	1.4	
GNDD009	10.32	109.10	10.4	28	4.6	12.9	
inc	4.22	115.20	21.9	58	8.7	26.7	(1)
GNDD010	2.00	30.00	0.91	37	0.14	1.4	
GNDD010	1.00	34.00	0.92	7.6	0.09	1.0	
GNDD010	1.30	55.00	1.1	30	0.80	1.8	
GNDD010	3.00	139.00	17.7	143	2.5	20.5	(1)

(1) cut-off of 10 g/t Au equivalent

Hole_id	interval (m)	From (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	AuEq (g/t)	
GNDD011	1.00	81.00	1.9	43	0.01	0.06	0.13	2.5	
GNDD011	4.80	139.80	1.4	5.7	0.02	0.02	2.6	2.7	
GNDD011	0.70	147.20	9.4	13	0.07	0.00	6.6	12.7	(1)
GNDD011	0.50	151.40	1.2	5.5	0.00	0.00	0.25	1.4	
GNDD012	1.00	40.70	6.3	290	0.18	1.2	0.12	10.3	
GNDD013	6.93	116.40	1.3	12	0.05	0.18	2.7	2.9	
inc	0.83	122.50	4.0	61	0.21	1.2	10.1	10.2	
GNDD014	7.55	118.50	2.4	15	0.05	0.16	3.6	4.4	
GNDD015	1.00	54.00	0.69	8.6	0.03	0.24	0.39	1.1	
GNDD015	1.90	156.00	1.0	31	0.02	0.79	2.8	3.0	
GNDD016	1.00	64.00	0.80	27	0.02	0.06	0	1.2	
GNDD016	5.00	109.50	1.8	27	0.16	0.01	8.3	6.2	
GNDD016	4.45	116.55	6.0	83	0.13	0.02	3.9	8.9	
GNDD018	0.85	37.75	1.1	3.6	0.01	0.05	0.1	1.2	

Criteria	JORC Code explanation	Commentary

GNDD018	3.75	63.20	7.1	78	0.28	3.6	3.6	11.6	
inc	2.55	64.40	10.3	114	0.41	5.2	4.9	16.7	(1)
GNDD020	8.25	71.25	17.7	257	0.60	0.68	0.30	21.1	
inc	5.50	74.00	26.0	355	0.05	0.21	0.42	30.3	(1)
GNDD020	0.65	83.30	0.03	2.7	0.00	0.02	10.7	5.1	

(1) cut off of 10 g/t Au equivalent

Data aggregation methods	- *In reporting Exploration Results weighting averaging techniques maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* - *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* - *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Weighted average significant intercepts are reported to a gold grade equivalent. For GNDD001 – GNDD010 results are reported to cut-off grade of a 1.0 g/t Au equivalent allowing for up to 2m of internal waste between samples above the cut-off grade. The following metals and metal prices have been used to report gold grade equivalent: Au US$ 1450 / oz Ag US$16 /oz and Zn US$ 2200 /t. For GNDD010 onwards results are reported to a cut-off grade of 1.0 g/t Au equivalent allowing for up to 2m of internal waste between samples above the cut-off grade. The following metals and metal prices have been used to report gold grade equivalent: Au US$ 1450 / oz Ag US$16 /oz Cu US$ 5610/t Pb US$ 2110/t Zn US$ 2200 /t. No metallurgical or recovery factors have been applied to the metal equivalent grades as there has been insufficient work done at this stage of the exploration to establish these factors. No top cuts have been applied to the reported grades
Relationship between mineralisation widths and intercept lengths	- *These relationships are particularly important in the reporting of Exploration Results.* - *If the geometry of the mineralisation with respect to the drill hole angle is known its nature should be reported.* - *If it is not known and only the down hole lengths are reported there should be a clear statement to this effect (eg 'down hole length true width not known').*	The mineralisation is moderately or steeply dipping and strikes strike NNE and ENE. There is insufficient information in most cases to confidently establish the true width of the mineralized intersections at this stage of the exploration program. Apparent widths may be thicker in the case where bedding-parallel mineralisation may intersect ENE-striking cross faults and veins.
Diagrams	- *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.*	Representative maps and sections are provided in the body of report.
Balanced reporting	- *Where comprehensive reporting of all Exploration Results is not practicable representative reporting of both low and high grades and/or widths should be*	All available data have been reported.

Criteria	JORC Code explanation	Commentary
	practiced to avoid misleading reporting of Exploration Results.	
Other substantive exploration data	- *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.*	Geological context and observations about the controls on mineralisation where these have been made are provided in the body of the report. 229 specific gravity measurements have been taken from the drill core recovered during the drilling program. These data are expected to be used to estimate bulk densities in future resource estimates. Eight Induced Polarisation (IP) lines have been completed in the northern area. Each line is approximately 1 kilometre in length lines are spaced 100m apart with a 50m dipole. The initial results indicate possible extension of the mineralisation with depth. Data will be interpreted including detailed re-processing and drill testing.

Further work	- *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*
	- *Diagrams clearly highlighting the areas of possible extensions including the main geological interpretations and future drilling areas provided this information is not commercially sensitive.*
		• CEL Plans to undertake the following over the next 12 months
		  • Additional data precision validation and drilling as required;
		  • Detailed interpretation of known mineralized zones;
		  • Geophysical tests for undercover areas.
		  • Structural interpretation and alteration mapping using high resolution satellite data and geophysics to better target extensions of known mineralisation.
		  • Field mapping program targeting extensions of known mineralisation.
		  • Investigate further drilling requirements to upgrade both the unclassified mineralisation and mineralisation in the existing historical resources to meet JORC 2012 requirements;
		  • Initial drill program comprising verification (twin holes) and targeting extensions of the historically defined mineralisation;
		  • Metallurgical test work.

Section 3 Estimation and Reporting of Mineral Resources

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

Criteria	JORC Code explanation	Commentary
Database integrity	- *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.* - *Data validation procedures used.*	Geological logging completed by previous explorers was done on paper copies and transcribed into the drill hole database. The data was checked for errors. Checks can be made against the original logs and core photographs. Assay data is received in digital format. Backup copies are kept and the data is copied into the drill hole database. The drill hole data is backed up and is updated periodically by a Company GIS and data team.
Site visits	- *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* - *If no site visits have been undertaken indicate why this is the case.*	Site visits have been undertaken from 3 to 16 October 2019 15 to 30 November 2019 and 1-19 February 2020. The performance of the drilling program collection of data and sampling procedures were initiated during these visits.
Geological interpretation	- *Confidence in (or conversely the uncertainty of) the geological interpretation of the mineral deposit.* - *Nature of the data used and of any assumptions made.* - *The effect if any of alternative interpretations on Mineral Resource estimation.* - *The use of geology in guiding and controlling Mineral Resource estimation.* - *The factors affecting continuity both of grade and geology.*	The interpretation is considered appropriate given the stage of the project and the nature of activities that have been conducted. The interpretation captures the essential geometry of the mineralised structure and lithologies with drill data supporting the findings from the initial underground sampling activities. The most recent resource calculation (2006 and 2003 – La Mancha) used all core drilling at the time and detailed underground channel sampling collected by EPROM CMEC and La Mancha. Overlying assumptions included a reduction of the calculated grade in each resource block by a factor of 10% to account for possible errors in the analyses and samples. An arbitrary reduction factor was applied to the 2006 resource whereby the net reported tonnage was reduced by 25% for indicated resource blocks 50% for inferred resource blocks and 75% of potential mineral resource blocks. The reason for the application of these tonnage reduction factors was not outlined in the resource report. It is noted that at the time of this report La Mancha was in a legal dispute concerning the project with its joint venture partner and given the acquisition of a 200000 Oz per annum producing portfolio the project was likely no longer a core asset for La Mancha at that time. Additionally under the original acquisition agreement La Mancha had to issue additional acquisition shares based on resource targets. The effect of removing the assumptions relating to application of the arbitrary tonnage reduction factors applied increases the overall resource tonnage by in excess of 50%. Removing these correction factors would bring the overall tonnage and grade close the earlier (2003 1999 and 1996)

Criteria	JORC Code explanation	Commentary
		tonnage and grade estimates albeit in different categories (lower confidence) which are considered more appropriate. The mineralisation is defined to the skarn and vein bodies detailed cross section and plan maps were prepared for these bodies with their shapes used in controlling the resource estimate. The structure of the area is complex and a detailed structural interpretation is recommended as this may provide a better understanding of the continuity of mineralisation and possible extensions to it. The deposit contains bonanza gold values and while very limited twinning has indicated acceptable repeatability a rigorous study of grade continuity needs to be undertaken as part of future resource calculations.
Dimensions	- *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.*	For the historic resource no reliable information has been provided to the owner however through further ongoing investigation is being conducted by the owner to address this information gap.
Estimation and modelling techniques	- *The nature and appropriateness of the estimation 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.* - *The availability of check estimates previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* - *The assumptions made regarding recovery of by-products.* - *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* - *In the case of block model interpolation the block size in relation to the average sample spacing and the search employed.* - *Any assumptions behind modelling of selective mining units.* - *Any assumptions about correlation between variables.* - *Description of how the geological interpretation was used to control the resource estimates.* - *Discussion of basis for using or not using grade cutting or capping.* - *The process of validation the checking process used the comparison of model data to drill hole data and use of reconciliation data if available*	The historic resource estimation techniques are considered appropriate. The 2003 and 2006 resources used a longitudinal section polygonal method was used for estimating resources with individual blocs representing weighted averages of sampled underground and/or areas of diamond drill pierce points with zones of influence halfway to adjacent holes. The area of the block was calculated in AutoCad directly from the longitudinal sections. Check assaying by PG Consulting returned values in the check assay sample which were 3.4% and 13% greater for Au and Ag than the original assays. A number pf previous resource estimates were available to check the 2006 resource estimate when the arbitrary tonnage reduction factors are removed brings the overall tonnage and grade close the earlier (2003 1999 and 1996) tonnage and grade estimates albeit indifferent categories which are considered more appropriate. It was assumed only gold silver and zinc would be recovered and that no other by products would be recovered. This is viewed as conservative given metallurgical data pointing to the production of a saleable zinc concentrate. Based on the preliminary metallurgy estimation of deleterious elements or other non-grade variables of economic significance was not required. The minimum mining width of 0.8m was assumed for veins less than 0.6m and for wider widths a dilution of 0.2m was used to calculate the grade.

Criteria	JORC Code explanation	Commentary
		No assumptions were made regarding correlation between variables. The mineralisation is defined within skarn and associated vein deposits. Detailed cross section and plan maps were prepared for these domains with their shapes used in controlling the resource estimate. Long sections of the veins and skarn were taken and sampling was plotted and the blocks outlined considering this. Grade cutting was not used in the calculation of the resource and no discussion was given as to why it was not employed. It is recommended that a study be undertaken to determine if an appropriate top cut need be applied No data is available on the process of validation.
Moisture	- *Whether the tonnages are estimated on a dry basis or with natural moisture and the method of determination of the moisture content.*	No data is available.
Cut-off parameters	- *The basis of the adopted cut-off grade(s) or quality parameters applied.*	The Mineral Resource Estimate is above a cut-off grade of 3.89 g/t Au. This is based on the assumed mining cost at the time of the estimate.
Mining factors or assumptions	- *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.*	The Mineral Resource Estimate considered the assumptions outlined below which are considered appropriate; - Metal prices: Au US$550 Oz Ag US$10 Oz - Metallurgical Recovery; Au – 80% Ag – 70% Zn - nil - Operating cost: US$55t based on underground cut and fill mining and flotation and cyanidation combined The minimum mining width of 0.8m was assumed for veins less than 0.6m and for wider widths a dilution of 0.2m was used to calculate the grade.
Metallurgical factors or assumptions	- *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.*	Historical metallurgical test-work is currently under review however the assumptions used (80% Au recovery 70% Ag and no zinc recovery) seem conservative. The most recent test work was conducted in 2000 and was a preliminary assessment only. This work was conducted at Lakefield Labs (cyanidation) and CIMM Labs (flotation) in Chile. While this work is preliminary it indicates recoveries for differential flotation in conjunction with a Knelson concentrator at 80% each for gold and silver and 50% for zinc regardless of the type of material (sulphide or oxidized).
Environmental factors or assumptions	- *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*	It is considered that there are no significant environmental factors which would prevent the eventual extraction of gold from the project. Environmental surveys and assessments will form a part of future pre-feasibility.

Criteria	JORC Code explanation	Commentary
	processing operation. While at this stage the determination of potential environmental impacts particularly for a greenfields 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.	
Bulk density	- *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.* - *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.* - *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	Densities of 2.7 t/m3 were used for mineralised veins and 2.6 t/m3 for wall rock. No data of how densities were determined is available. The bulk densities used in the evaluation process are viewed as appropriate at this stage of the Project. CEL is collecting specific gravity measurements from drill core recovered in 2019 and 2020 drilling programs, which it is expected will be able to be used to estimate the block and bulk densities in future resource estimates.
Classification	- *The basis for the classification of the Mineral Resources into varying confidence categories.* - *Whether appropriate account has been taken of all relevant factors (ie 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).* - *Whether the result appropriately reflects the Competent Person's view of the deposit.*	The Mineral Resource Estimate has both Indicated and Inferred Mineral Resource classifications under the National Instrument 43-101 code and is considered foreign. These classifications are considered appropriate given the confidence that can be gained from the existing data and results from drilling. The reliability of input data for the 2003 and 2006 resources is acceptable as is the confidence in continuity of geology and metal values quality quantity and distribution of the data. Appropriate account has been taken of all relevant factors with the exception of studies into the appropriateness of the application of a top cut. The reported 2006 NI43-101 (non-JORC Code compliant Measured and Indicated) estimate for the Hualilan Project is measured resource of 164294 tonnes averaging 12.6 grams per tonne gold and 52.1 g/t silver and 2.5% zinc plus an indicated resource of 51022 tonnes averaging 12.4 grams per tonne gold and 36.2 g/t silver and 2.6% zinc plus an inferred resource of 213952 tonnes grading 11.7 grams per tonne gold and 46.6 g/t silver and 2.3% zinc. (Source La Mancha resources Toronto Stock Exchange Release April 7 2007 - Interim Financials) – See Table 1. The 2006 estimate did not include the east-west mineralised Magnata Vein despite the known mineralisation in the Magnata Vein being drilled on a 25 x 50-metre spacing. The 2003 NI43-101 (non-JORC Code compliant) estimate attributed approximately half of its measured and indicated

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		tonnage to the Magnata Vein. The 2006 estimate also included arbitrary tonnage reduction factors of 25% for indicated category 50% for inferred category and 75% for potential category. The 2006 estimate also included a significant tonnage of Potential Category Resources which have not been reported. The reported 2003 NI43-101 (non-JORC Code compliant) estimate for the Hualilan project is a measured resource of 299578 tonnes averaging 14.2 grams per tonne gold plus an indicated resource of 145001 tonnes averaging 14.6 grams per tonne gold plus an inferred resource of 976539 tonnes grading 13.4 grams per tonne gold representing some 647809 ounces gold. (Source La Mancha resources Toronto Stock Exchange Release May 14 2003 - Independent Report on Gold Resource Estimate) – See Table 1. The 2003 Mineral Resource classification and results appropriately reflect the Competent Person's view of the deposit and the current level of risk associated with the project to date. **Historic 2003 NI43-101 (non-JORC Code compliant):** CATEGORY / TONNES / Au (g/t) / Ag (g/t) / Zn% Measured / 299578 / 14.2 Indicated / 145001 / 14.6 Inferred / 976539 / 13.4 **Historic 2006 NI43-101 (non-JORC Code compliant)** CATEGORY / TONNES / Au (g/t) / Ag (g/t) / Zn% Measured / 164294 / 12.5 / 52.1 / 2.5 Indicated / 51022 / 12.4 / 36.2 / 2.6 Inferred / 213952 / 11.7 / 46.6 / 2.3
Audits or reviews	- *The results of any audits or reviews of Mineral Resource estimates.*	The historic resource estimate has not been audited. The earlier (1996 and 2000) Mineral Resource Estimates were audited and re-stated in a 2003 resource report. This independent report was done to NI-43-101 standard and the results of this

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		report were released to the TSX. This report concluded that "Detailed resource calculations made by three different groups are seen to be realistic.
Discussion of relative accuracy/ confidence	- *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.* - *The statement should specify whether it relates to global or 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.* - *These statements of relative accuracy and confidence of the estimate should be compared with production data where available.*	There is sufficient confidence in the data quality drilling methods and analytical results that they can be relied upon. The available geology and assay data correlate well. The approach or procedure are deemed appropriate given the confidence limits. The main two factors which could affect relative accuracy is grade continuity and top cut. Grade continuity is variable in nature in this style of deposit and has not been demonstrated to date and closer spaced drilling is required to improve the understanding of the grade continuity in both strike and dip directions. It is noted that the results from the twinning of three holes by La Mancha are encouraging in terms of grade repeatability. The deposit contains very high grades and there is a potential need for the use of a top cut. It is noted that an arbitrary grade reduction factor of 10% has already been applied to the resource as reported. No production data is available for comparison