Initial JORC Resource – Santa Teresa Gold Project

Highlights

- **Initial JORC compliant Inferred Mineral Resource estimate of 88.6koz at 7.47g/t gold**
- **Knowledge gained from the completion of the Mineral Resource estimate to be used to assist in planning for Comet's upcoming drilling program at the Santa Teresa Gold Project**

Comet Resources Limited (**Comet or the Company**) (**ASX:CRL**) is pleased to announce the results of the initial JORC compliant Mineral Resource estimate for its Santa Teresa High Grade Gold Project in Baja California, Mexico.

The Mineral Resource estimate (shown in Table 1 below) was calculated based on the application of top cap grades on a lode by lode basis as assessed by the Competent Person, and a gold cut-off grade of 2.5g/t. Please refer to the attached JORC table 1 in Appendix A for further details of the Mineral Resource estimate.

Classification	Tonnes ('000)	Gold grade	Contained gold ('000 ounces)
Inferred	369	7.47g/t	88.6

Table 1: Santa Teresa Gold Project JORC Mineral Resource estimate.

A sensitivity analysis (shown in Table 2 below) was also performed using different top cut grades to show the effect on amount of contained gold. The results based on these different levels of top cuts are shown in table 2 below. Please note the cut-off grade remains 2.5g/t for all levels of top caps shown.

Top cut grades applied	Inferred Mineral Resources ('000, tonnes)	Gold grade	Contained gold ('000 ounces)
20g/t	410	6.52g/t	85.9
50g/t	414	8.94g/t	119.0
Uncapped	414	13.07g/t	174.0

Table 2: Effect of different top caps on the Inferred Mineral Resource estimate. ***(Please note that these are shown only for comparative purposes and do not constitute implied alternative Mineral Resource estimates. The only Inferred Mineral Resource estimate is highlighted in Table 1 showing 88.6 k Oz.)***

Comet Managing Director, Matthew O'Kane, commented ***"The initial JORC compliant Resource is the first step for Comet in moving forward with Santa Teresa. Through this process we have increased our understanding of the mineralisation. It is also interesting to see the sensitivity of the resource to different top cap grades. With the Resource being open at depth and along strike, I am confident that we can extend mineralisation with the upcoming drilling."***

The updated Santa Teresa gold Mineral Resource estimate was completed by independent consultants from Cube Consulting Pty Ltd.

Geology and Geological Interpretation

The Santa Teresa gold deposit is located within the Peninsular Range of Baja California. The Peninsular Ranges batholith (large area of intrusive igneous rock) is the southernmost chain of North American Mesozoic batholiths that extend from Alaska to the southern tip of Baja California.

The deposit is underlain by quartz diorite intrusive rocks cut by a dense swarm of older gabbro and hornblende porphyry, and younger diabase dykes. The older dykes trend northwest-southeast with dips that are steep to moderate. The diabase dykes are the youngest set and are consistent in strike and dip averaging 320° and dipping 55° northeast. The dykes pinch and swell, varying in width from 7 cm to 12 m. The quartz diorite is white, medium-grained, and contains black hornblende and biotite.

Gold mineralisation at Santa Teresa is within parallel, northwest-trending, southwest dipping to near vertical mesothermal lode-gold quartz vein systems. The veins range in width from a few cm to about three metres in width, and up to several hundred metres of known strike length. In general, the quartz veins are narrow, averaging less than 0.3 m in width, occupying parallel fractures with sheared walls. The veins typically strike 300° and dip southwest 80°. The veins maintain the general trend even where interrupted by pre-mineralisation dykes. In detail the veins pinch and swell, bend, or split into many stringers.

A second generation of veining followed a fracturing episode and was accompanied by epidote, hornblende and sparse mineralisation of galena, sphalerite, pyrite, marcasite, pyrrhotite, chalcopyrite, magnetite, specularite, and native gold. Gold occurs in the quartz veins and in contact with sulphides such as galena, magnetite, and pyrite.

Mineralisation of the quartz veins/shear zones is stoped out (over-printed) by a series of post-mineralisation diabase dykes that are interpreted to dip moderately to the north-east. Given the current level of drilling data it was not possible to accurately model post-mineralisation dykes as 3D wireframes for incorporation into the geological model. Due to the uncertainty of the position and extent of the post-mineralisation dykes, an indicator kriging (IK) approach was used to create a localised model of the dykes, which provided a more accurate amount of tonnage reduction to apply locally. The IK model essentially estimates the proportion of diabase dyke per block.

Figure 1 and Figure 2 show plan and long section views of the mineralised veins.

Information about the vein size and orientation comes from surface outcrop, previous small-scale mining and diamond drill holes.

Drilling and Sampling Techniques

Thirty-two HQ sized (63.5 mm diameter) surface diamond drill holes were drilled by Premier Gold Mines Ltd. (Premier) in 2008. The holes were drilled at various dips towards the north-east, perpendicular to the known strike of the veins. Core recovery was very good, with the only significant core losses occurring at the surface. All holes were logged for lithology, alteration and structure, and photographed before sampling.

Sampling was via half-core, longitudinally sawn down-hole. Sample intervals were based on geological contacts, with the sample length varying between 0.7 m and 3.05 m, with a mean of 1.07 m, however the most common sample interval for the mineralised shoots was 1 m. Samples were dried prior to preparation and then crushed to 90% passing 2 mm using a jaw crusher. A rotary splitter was used to obtain 500 gram sub-samples for pulverizing.

Sample Analysis Method

All samples were sent to American Assay Laboratories in Sparks, Nevada, USA. After pulverizing, analysis for gold was by lead collection fire assay fusion with gravimetric finish. It was recognised that there was significant coarse gold at the property, and consequently all samples with visible gold or galena, and ribbon or banded quartz veins were analysed by 500 gram or 1 kg screen metallic fire assay. The samples submitted for screen metallic assaying were screened at 106 microns, and the weight of both coarse and fine fractions were recorded to produce a final weighted average gold assay.

Estimation Methodology

Contained gold was estimated using ordinary kriging (OK) for each of the thirteen lodes using Datamine software. Estimation was calculated based on parent blocks, with sub-blocks assigned to each parent block grade. Hard domain boundaries were used between the lodes i.e., data from each lode was only used for the estimate of that lode.

The average sampled interval length was 1.07 m, and therefore 1 m was chosen as the compositing length. To avoid loss of data from small 'residuals' at the end of a composite (i.e., small intervals that might otherwise be excluded), a compositing routine that divided each mineralised intercept into equal lengths that was as close as possible to 1 m was chosen.

There are some very high to extreme outlier gold grades observed in individual data points in the lodes, so top-capping was performed and top-caps were selected on a lode-by-lode basis, rather than a global cap on the grades for all combined lodes. Top-caps were applied to four lodes, but for some lodes where data exhibited on average high grades, but no extreme outliers, caps were not applied.

Variography was performed in Supervisor software, with the composite data transformed to normal scores and the variogram model back-transformed to original units. Due to the very limited number of composites in each lode, variography was only performed for Lode 5 (Cruda Vein), and applied to all lodes. The experimental variograms (and subsequent nugget/spherical models) were omni-directional in the plane of continuity i.e., consistent with vein geometry, with a different range across dip. The variogram model had a moderate nugget effect (50% of total sill), with a maximum range of 52 m.

A parent block size of 5 mE x 20 mN x 5 mRL was chosen for the Santa Teresa Mineral Resource estimate, which is about half the drill hole spacing. The model was rotated 50° to the west (i.e., about the Z axis) so that the Y axis blocks are parallel to the mineralised lodes. The parent blocks were then sub-blocked down to 0.5 mE x 2.5 mN x 1 mRL for accurate volume representation of the lodes.

The resulting block model volumes per lode were all within 0.6% of the mineralised lode wireframe volumes, with most within 0.2%.

Three search passes were run. The size of the initial anisotropic search ellipsoid was based on the variogram ranges. The searches were oriented in the same directions as the variograms i.e., parallel to the individual vein geometries. The search parameters for each pass are provided in Table 3 below.

Search Pass	Minimum No. of samples	Maximum No. of samples	Search Ellipsoid Radius
1	6	14	50 x 50 x 10
2	6	14	100 x 100 x 20
3	2	14	250 x 250 x 50

Table 3: Variography search parameters employed in Santa Teresa Mineral Resource estimate.

As there are few samples, then the second and third search passes were most often used. Estimates of gold grades were validated against the composited drill hole data by extensive visual checking in cross-section, plan and on screen 3D views, by global (per shoot) comparisons of input data and model, and by semi-local statistical methods (swath plots). All methods showed satisfactory results.

There are no density measurements at the deposit, so a default bulk density of 2.8 t/m^3 was applied.

Cut-off Grade

A lower cut-off grade of 2.5 g/t gold was applied at Santa Teresa. An Internet search for mining/processing costs in 2019 for underground, narrow-vein gold mines in Mexico showed that many of them are producing for less than US$100 per tonne, with a maximum of US$144/tonne.

Comet Resources Limited
ABN 88 060 628 202
Suite 9, 330 Churchill Avenue
Subiaco WA 6008
AU +61 (8) 6489 1600
comet@cometres.com.au
PO Box 866 Subiaco WA 6904
cometres.com.au
ASX:CRL

At a gold price of US$1,900/ounce (as at early October 2020), revenue from 2.5 grams of gold would therefore be ~US$150 per tonne (assuming 100% recovery), so a lower cut-off grade of 2.5 g/t gold was used to calculate the Mineral Resource estimate.

Mining and Metallurgical Parameters

Gold grades and geometry of the mineralised veins are amenable to small-scale underground mining, and there is an extensive mining history in the area. No dilution for mining has been incorporated into the model. The model and reported Inferred Mineral Resources are for the mineralised lodes only, and further mining studies are required to determine the appropriate amount of dilution.

Metallurgical test work on Santa Teresa was completed in March 2016 by ALS Metallurgy, Kamloops, British Columbia. Three samples weighing between 1.1 and 2.1 kg were used for preliminary gravity testing, which was completed by first feeding each of the pulverized samples through a Knelson gravity concentrator. The gravity concentrate was then hand panned to reduce the mass recovery to a more representative value for a concentrator gravity circuit. The results ranged between 26% and 77%, with higher recoveries correlating with higher grades.

Note however that these recoveries are only for an initial gravity circuit, and it would be expected that the recoveries would be close to 100% for additional processing routes e.g., carbon in leach.

Classification

100% of the material contained in the Santa Teresa Mineral Resource estimate has been classified in the category according to JORC. This is based on:

- Data quality and quantity is considered reasonable for the Premier-era drilling, although some unresolved QAQC issues results in a lack of confidence.
- There are no bulk density measurements for the deposit.
- Uncertainty in the amount of tonnage reduction of the mineralised lodes from the post-mineralisation diabase dykes.
- Alternative interpretations of the mineralised lodes are possible.
- There are generally few samples per lode, resulting in lower confidence kriging metrics (i.e., the kriging variance is high).
- Search passes greater than the variogram range required to inform the majority of blocks (93%).

Comet Resources Limited
ABN 88 060 628 202
Suite 9, 330 Churchill Avenue
Subiaco WA 6008
AU +61 (8) 6489 1600
comet@cometres.com.au
PO Box 866 Subiaco WA 6904
cometres.com.au
ASX:CRL

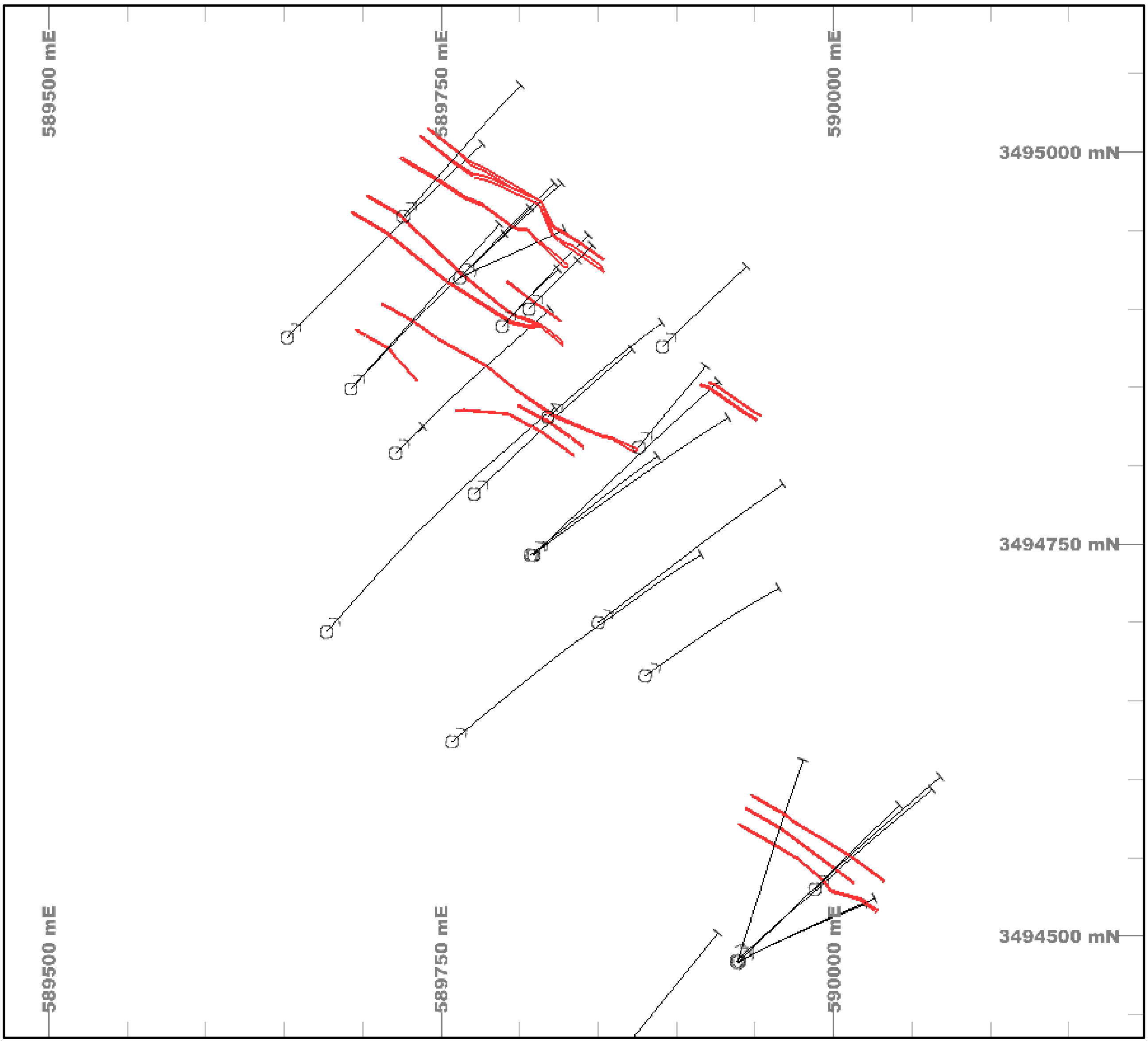


Figure 1 - Plan view of Santa Teresa veins and drill holes at 1,050 mRL (~75 m below topographic surface).

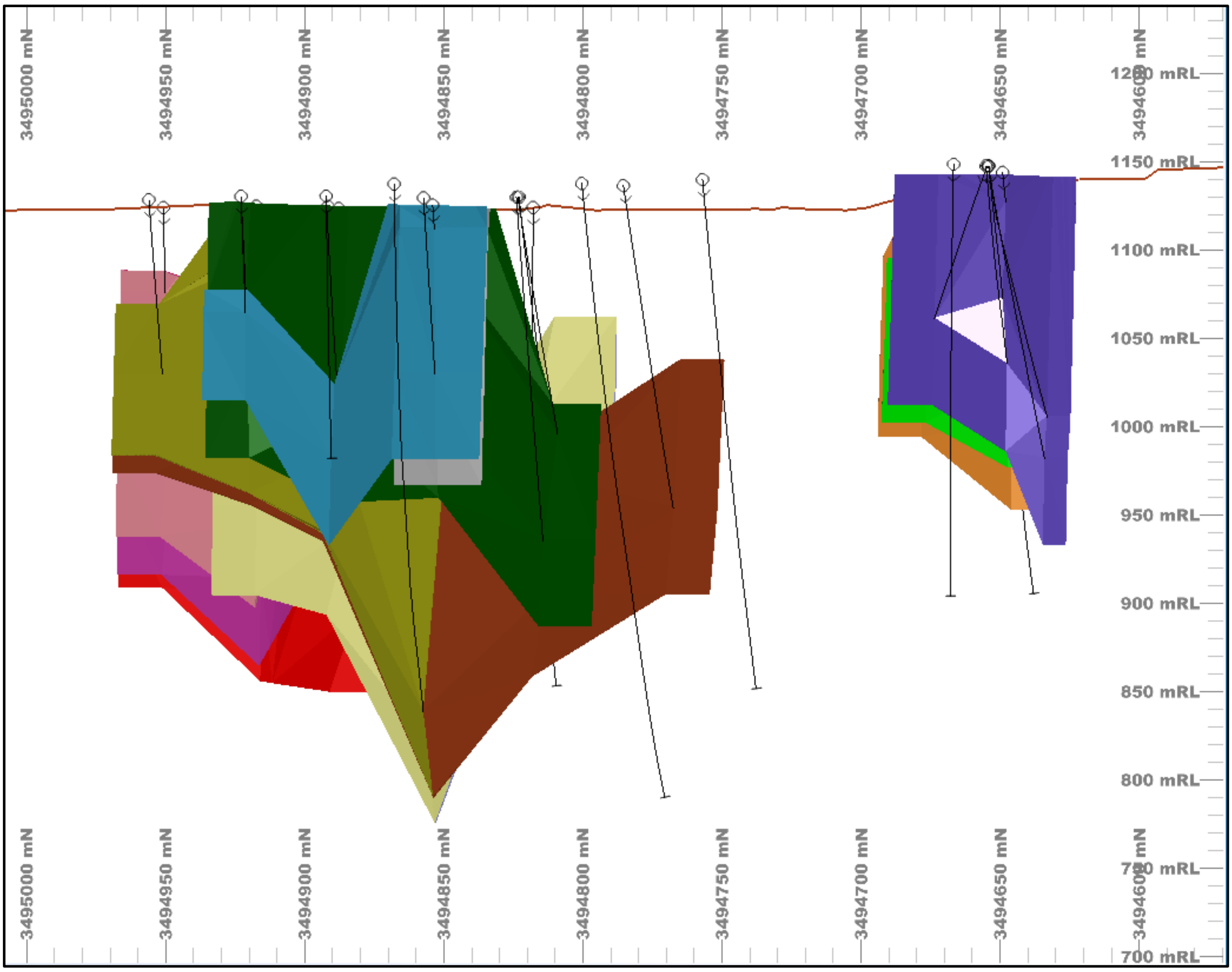


Figure 2 - Long-section view of Santa Teresa mineralised veins.

For further information please contact:
MATTHEW O'KANE

Managing Director

(08) 6489 1600
comet@cometres.com.au
cometres.com.au
Suite 9, 330 Churchill Avenue Subiaco WA 6008
PO Box 866 Subiaco WA 6904

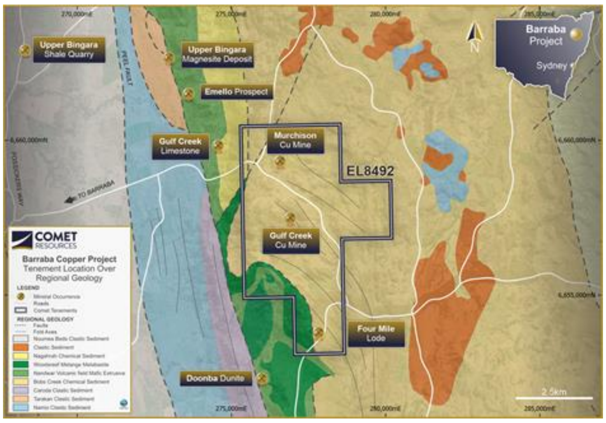
About Comet Resources

Santa Teresa Gold Project (Mexico)

The Santa Teresa Gold Project is comprised of two mineral claims totalling 202 hectares located in the gold rich El Alamo district, approximately 100 km southeast of Ensenada, Baja California, Mexico; and 250 km southeast of San Diego, California, USA. The Project is prospective for high grade gold. In addition to the two claims of the Project, two additional claims totalling a further 378 hectares in the surrounding El Alamo district are being acquired from EARL

Barraba Copper Project (NSW)

The 2,375ha exploration license that covers the project area, EL8492, is located near the town of Barraba, approximately 550km north of Sydney. It sits along the Peel Fault line and encompasses the historic Gulf Creek and Murchison copper mines. The region is known to host volcanogenic massive sulphide (VMS) style mineralisation containing copper, zinc, lead and precious metals. Historical workings at Gulf Creek produced high-grade copper and zinc for a short period around the turn of the 19th century, and this area will form a key part of the initial exploration focus.



Springdale Graphite Project (WA)

The 100% owned Springdale graphite project is located approximately 30 kilometres east of Hopetoun in south Western Australia. The project is situated on free hold land with good access to infrastructure, being within 150 kilometres of the port at Esperance via sealed roads.

The tenements lie within the deformed southern margin of the Yilgarn Craton and constitute part of the Albany-Fraser Orogen. Comet owns 100% of the three tenement's (E74/562 and E74/612) that make up the Springdale project, with a total land holding of approximately 198 square kilometres.

Comet Resources Limited
ABN 88 060 628 202

Suite 9, 330 Churchill Avenue
Subiaco WA 6008

AU +61 (8) 6489 1600
comet@cometres.com.au
PO Box 866 Subiaco WA 6904
cometres.com.au
ASX:CRL

Forward-Looking Statement
This announcement includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Comet Resources Limited's planned exploration programs, corporate activities and any, and all, statements that are not historical facts. When used in this document, words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should" and similar expressions are forward-looking statements. Comet Resources Limited believes that its forward-looking statements are reasonable; however, forward looking statements involve risks and uncertainties and no assurance can be given that actual future results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

Competent Person Statement

The information in this report dated 13 October 2020 that relates to exploration results in respect of the Santa Teresa Gold Project is based on information compiled by Mr Kristopher J Raffle, a Competent Person who is registered with the Association of Professional Engineers and Geoscientists of British Columbia (a Recognised Professional Organisation recognised by ASX), and is a principal of APEX Geoscientists Limited. Mr Raffle has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' of the Joint Ore Reserves Committee (JORC). Mr Raffle has consented to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report dated 13 October 2020 that relates to Mineral Resource estimates in respect of the Santa Teresa Gold Project is based on information compiled by Mr Michael Job who is a Fellow of the Australasian Institute of Mining and Metallurgy. At the time that the Mineral Resource estimate was compiled, Mr Job was a full-time employee of Cube Consulting Pty Ltd, an independent mining consultancy. Mr Job has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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' of the JORC. Mr Job consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Table 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. 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 (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Some sample data and results referred to in this report are historic, dating from the late 1980s to the mid-2000s, and include underground bulk sampling, underground rock chip sampling, and surface trench wall chip sampling. The historic data has been judged to be reliable based on a literature review, site visit and replicate trench sampling completed by the author. • Samples from the 2008 Premier drilling campaign were collected from HQ diameter diamond drill core. • Drill core was placed in labelled core boxes with core marker blocks placed at the end of each drilled run (nominally 3.05 m). Core was aligned and measured by tape, comparing to the depths listed on the marker blocks. • Drill core sample intervals were defined by geologists during logging based on visually observed geology and mineralisation. Mineralized core was sampled at a nominal 1 m interval, with a limited number ranging in length from 0.5 m to 4.9 m. A total of 2,297 core samples were collected and sent for laboratory analysis.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. 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).*	• All holes were diamond drilling, completed using standard HQ size tooling (nominal 63.5 mm core diameter). • No core orientation measurements were collected.
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*	• Each drill core run (nominally 3.05 m) was measured and compared to marker blocks placed in the core boxes by the drillers. Expected and measured values were recorded, and recovery percentages were calculated for each run. • Sample recovery was generally very good (>90%), with losses typically occurring near the top of the hole.

Criteria	JORC Code explanation	Commentary
	loss/gain of fine/coarse material.	• No relationship was observed in the data between sample recovery and grade of the samples.
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.*	• Diamond drill holes were logged for recovery, RQD, geology (lithology, description where necessary), alteration (type, intensity, description where necessary), and structure (type, angle to core axis, shear intensity, description where necessary). • Recovery and RQD logs are quantitative based on core length measurements. Geology and alteration logs are qualitative based on visual observations. Structure logs are a mix of quantitative (angle to core axis) and qualitative (shear intensity, description). • Core photos were taken while wet after washing and re-assembly and meterage mark-up was completed. • The entire length of all drill holes was logged for geology. Alteration and structures were logged for all drill holes when observed. Recovery was logged for the entire length of all drill holes with the exception of hole ST-0016, totaling 96% of all drilling. RQD was logged for the entire length of all drill holes with the exception of hole ST-0014, totaling 96% of all drilling.
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.*	• For each drill core sample, the sample intervals were marked out by the logging geologist. A cut line was drawn down the centre of the core to produce two halves with equal proportion of mineralisation. • Core samples were sawn in half using industry standard gasoline powered diamond bladed saws equipped with fresh water cooled blades and core cradles to ensure straight cuts. • One half of each drill core sample was bagged and sent for laboratory analysis, and the other half was retained in the core box. • All core samples were sent to American Assay Laboratories ("AAL"), located in Sparks, Nevada, USA. AAL is an ISO-17025 accredited, independent, full-service geochemical analytical testing laboratory. • Samples were dried prior to preparation and then crushed to 90% passing 2 mm using a jaw crusher. A rotary splitter was used to obtain a 500 gram sample for pulverizing and analysis by lead

Criteria	JORC Code explanation	Commentary
		collection fire assay fusion with gravimetric finish. Samples submitted for screen metallic assay were screened at 106 microns, and the weight of both coarse and fine fractions were recorded. • For each sample, a separate 60 to 100 gram rotary split was made and pulverized with a closed bowl-type grinder, placed in an envelope, and shipped directly back to the Premier geologist in Ensenada. The splits were panned and used for comparison to lab results; gold particle size and counts were recorded. • The sample sizes are considered to be appropriate for the style, thickness and consistency of mineralisation encountered during the 2008 drilling campaign.
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 (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• All core samples were sent to American Assay Laboratories ("AAL"), located in Sparks, Nevada, USA. AAL is an ISO-17025 accredited, independent, full-service geochemical analytical testing laboratory. • Samples of core containing visible gold, visible galena, fault-bound ribboned or banded vein quartz, or sulphidized phyllonite were selected to be analysed by screen metallic fire assay. All other pyritic dyke rock and altered rock were analysed by 30 gram fire assay. • For the 30 gram fire assay, 30 g sample splits were analysed by lead collection fire assay fusion with gravimetric finish. The detection limits for the 30 gram fire assay method were 0.003 oz/t (0.103 g/t) gold. • Samples submitted for screen metallic assay were screened to 150 mesh (106 microns). Separate 30 gram fire assays were conducted on both the +150 and -150 mesh fractions to determine a (weighted average) gold grade for the sample. The detection limit for the screen metallic method was 0.001 oz/t (0.034 g/t) gold. • The assay method is designed to measure total gold in the sample. The laboratory procedures are appropriate for this type of deposit and current level of exploration. • AAL's internal QA/QC procedures included 3 standard, 2 blank and 7 duplicate samples per batch of 72 assays. Premier's external QA/QC procedures comprised inserting standard, blank and (coarse reject) duplicate samples into the sample stream. A total of 141 standards

Criteria	JORC Code explanation	Commentary
		and 260 blanks were inserted. A total of 590 coarse reject duplicate analyses were performed on 453 drill core intervals. • The QA/QC procedures are reasonable for this type of deposit and the current level of exploration. Based on a review of the QA/QC data, the analytical data is considered to be accurate, the analytical sampling is considered to be representative of the drill samples, and the analytical data is considered to be free from contamination.
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, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• The co-author of this report, Mr Kristopher Raffle of APEX Geoscience, conducted a reconnaissance of the Property on February 12th and 13th, 2016 to verify the reported exploration results. Mr Raffle completed a traverse of the historically trenched and drilled zones, and GPS verified the location of several drill hole collars from the 2008 drill program. Two samples were collected from outcrop within Dakota Trench C, which had returned previous high-grade assays. Additionally, the complete drill core library was made available and the author reviewed mineralized intercepts in drill core from a series of holes. The author personally collected half drill core samples as 'replicate' samples from select reported mineralized intercepts. • Based on the results of the traverses, drill core review, and 'replicate' sampling the author has no reason to doubt the reported exploration results. Slight variation in assays is expected due to variable distribution of ore minerals within a core section but the analytical data is considered to be representative of the drill samples and suitable for inclusion in the resource estimate. • Primary laboratory assay datafiles and certificates were provided to APEX in Microsoft Excel and PDF formats, respectively. APEX conducted an independent audit of the Premier drill hole database. The audit included systematic checks of database values for drill collar coordinate, downhole surveys, and sample assays against the original field survey files and laboratory certificates. • Digital copies of the assay datafiles and certificates are securely stored with the drill database in APEX's server, with regular backup.

Criteria	JORC Code explanation	Commentary
		• No twinned holes have been completed to date. • No adjustments were made to the assay data.
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.*	• Drill collars were located using a handheld GPS (accuracy ± ~3 m). Azimuths and dips were determined using a compass and inclinometer. Each collar location is marked with a small cement monument inscribed with the hole number. • The drill holes were surveyed using Reflex EZ-Shot instrument at 50 metre intervals. Most holes were also surveyed at or near the end-of-hole depth. A total of 139 drill hole orientation measurements (excluding the 32 collar surveys) were collected. Holes ST-0022 and ST-0023 were not surveyed down-hole, and are assumed to maintain the orientation provided by the collar survey. • Coordinates are projected in the Universal Transverse Mercator (UTM) system relative to Zone 11 of the North American Datum 1983 (NAD 83). • Topographic control is currently provided by a Digital Elevation Model (DEM) derived from topographic contours in vector format (.SHP) from the 1:50,000 scale Mexican Topographic Map sheet H11B23 (El Zacaton).
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.*	• The average drill hole spacing was around 50 m spaced lines with dips ranging from -42º to -80º. • The drilling data, along with supporting vein orientations observed in both the underground development and the surface trench/outcrop mapping demonstrate sufficient continuity for the JORC Inferred Mineral Resource category.
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*	• Most of the drilling is oriented to the northeast, perpendicular to the mineralized zones. • No orientation sample bias has been observed in the data.

Criteria	JORC Code explanation	Commentary
	sampling bias, this should be assessed and reported if material.	
Sample security	• *The measures taken to ensure sample security.*	• No information regarding sample security has been made available to the author.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The author is not aware of any audits or review of sampling techniques. • APEX conducted an independent audit of the Premier drill hole database. The audit included systematic checks of database values for drill collar coordinate, downhole surveys, and sample assays against the original field survey files and laboratory certificates. The QA/QC section of the database was found to be incomplete.

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 Santa Teresa Property comprises two mineral claims covering a combined area of 202 hectares within the Ensenada municipality of Baja California Norte, Mexico. • The two mineral claims, Santa Teresa (223182) and Victoria (210705), are registered to Grupo Alamo, S.A. DE C.V. (Grupo Alamo), and Eduardo Boullosa Rocha respectively. • The Santa Teresa claim was granted to Grupo Alamo in 2004 for a term of 50 years. In 2006, Sutter Gold Mining Inc. ("Sutter") entered into an option agreement with Grupo Alamo to acquire 100% interest in the Santa Teresa claim. Subsequently in 2007, Sutter announced the forming of a joint venture agreement with Premier, whereby Premier could earn a 50% interest in the Santa Teresa Property by completing USD$1.5 million in exploration and property acquisitions within 2 years, and making property payments to the original vendor of USD$225,000 over a 4 year period. Premier had the right to acquire an additional 15% by making a USD$500,000 to Sutter and completing an additional USD$4 million in exploration. • In 2008, Premier acquired the Victoria claim from Compania Minera Qausaro S.A. de C.V. for a cash payment of USD$200,000, 150,000 shares of Premier and a 2% NSR royalty. • At this time, the claims are believed to be active and in good standing. The author is not aware of any environmental liabilities or other significant risk factors that may affect access, title, right or ability to perform work on the Property.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Santa Teresa Project occurs with the historic El Alamo gold district. Placer gold deposits of the El Alamo district were discovered in 1888. High grade ore-shoots were subsequently discovered on the Aurora-Princessa vein within a year. Lode mining continued until 1907, after which leases were worked until 1912 when mining ceased as a result of the Mexican Revolution. Of the historic mines at El

Criteria	JORC Code explanation	Commentary
		Alamo, only the Cruda, Borracha, La Americana and Victoria veins and related underground workings occur within the present-day Santa Teresa and Victoria claims. • Modern exploration commenced in the area in the late 1980s. Grupo Recursos acquired the Santa Teresa claims during the early 1990s and commenced exploration activities including: rehabilitation of the La Americana workings, underground bulk and chip sampling, geological mapping, and VLF-EM and magnetometer surveys. In 1994 Dakota Mining Corporation excavated 5 trenches on the Property ranging in length from 120 to 220 m over a 430 m strike length of historic pits and shafts, and collected 205 composite trench wall chip samples.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The principal deposit type of interest on the Santa Teresa Property is mesothermal lode-gold • The Property is located within the Central Zone of the Peninsular Ranges Batholith of Baja California. The Central Zone comprises back-arc and slope basin sedimentary rocks that have been intruded by Cretaceous granitoids. Intrusion was accompanied by regional metamorphism, deformation, and pervasive foliation development, which records southwest-northeast convergence. Emplacement of a mafic and felsic dyke swarm along the foliation is constrained between 120 and 100 Ma. • The Property is underlain by quartz diorite intrusive cut by older gabbro and hornblende porphyry, and younger diabase dykes. The dykes in part define the trace of the Alamo fault zone, which is host to economically significant, northwest-trending, southwest dipping to near vertical mesothermal lode-gold quartz vein systems. The quartz veins range in width from a few centimetres to 3 metres (m) and commonly occur in sets of 2 or 3 parallel veins that may pinch, swell, bend or split into stringers. The principal surface veins of the Santa Teresa Project from northeast to southwest are the: Princessa, Aurora, Cruda, Borracha, North and South Spider, Quinota, Camion,

Criteria	JORC Code explanation	Commentary
		La Americana, Alamo and Polvorin veins.
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:* ○ *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.*	(see table below)

Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Vein Intersected
ST_0028	162	164	2	1.2	Americana A
ST_0029	181	182.1	1.1	1.8	Americana A
ST_0026	131	132	1	1.4	Americana B
ST_0006	173.8	176.3	2.5	38.3	Americana C
ST_0026	142	143	1	9	Americana C
ST_0027	50	51	1	7.2	Americana C
ST_0001	112	113	1	2.4	Quinota A
ST_0003	14	15	1	1	Quinota A
ST_0009	149.4	150.4	1	1.1	Quinota A
ST_0012	76	77	1	2.7	Quinota A
ST_0001	127.4	128.6	1.2	24.6	Quinota B
ST_0003	19	21	2	32.4	Quinota B
ST_0001	133.5	136.5	3	1.9	Quinota C
ST_0003	29	30.2	1.2	4	Quinota C
ST_0005	206.7	207.7	1	5.9	Quinota C
ST_0010	142.1	143	0.9	2.3	Quinota C
ST_0011	83	84	1	1.6	Quinota C
ST_0012	112.5	113.5	1	1.2	Quinota C
ST_0017	161	162.2	1.2	3.2	Quinota C
ST_0007	56.5	57.5	1	3.1	S Spider A
ST_0012	141.5	142.5	1	3.3	S Spider A
ST_0013	25	26.4	1.4	6.5	S Spider A
ST_0014	128	129	1	1	S Spider A
ST_0001	183	187.4	4.4	2.4	S Spider B

Criteria	JORC Code explanation	Commentary					
		ST_0005	239	240	1	958.4	S Spider B
		ST_0007	63.5	64.5	1	1	S Spider B
		ST_0012	149.5	150.5	1	4.4	S Spider B
		ST_0013	42	43	1	2.1	S Spider B
		ST_0018	219	220	1	2.3	S Spider B
		ST_0030	41	42	1	1.8	S Spider B
		ST_0001	217	218	1	11.5	N Spider
		ST_0002	366	368	2	1.3	N Spider
		ST_0007	88.8	90	1.2	15.7	N Spider
		ST_0008	55	56	1	33.9	N Spider
		ST_0010	214	217	3	19.9	N Spider
		ST_0012	201.5	202.5	1	29.1	N Spider
		ST_0012	203	204	1	3.6	N Spider
		ST_0021	133.1	135.2	2.1	1.7	N Spider
		ST_0021	140	141	1	5.7	N Spider
		ST_0024	205.3	206.3	1	4.5	N Spider
		ST_0024	212.3	213.4	1.1	5.5	N Spider
		ST_0012	213.1	214.1	1	1	Borracha Final
		ST_0013	83.1	84.1	1	125.9	Borracha Final
		ST_0014	183	185	2	2.1	Borracha Final
		ST_0022	59.4	62.5	3.1	14.4	Borracha Final
		ST_0030	81.2	82.2	1	2.6	Borracha Final
		ST_0031	101.7	102.8	1.1	1.6	Borracha Final
		ST_0008	128.5	129.5	1	2.7	Aurora Final
		ST_0010	269	270	1	1.1	Aurora Final
		ST_0012	258.5	259.5	1	2.7	Aurora Final

Criteria	JORC Code explanation	Commentary

ST_0032	131	133	2	1	Aurora Final
ST_0007	163	164	1	17.1	Cruda Final
ST_0008	121.1	125	3.9	39.4	Cruda Final
ST_0012	249	250	1	2	Cruda Final
ST_0013	109.5	113.7	4.2	4.8	Cruda Final
Including	112.7	113.7	1	16.1	Cruda Final
ST_0014	209	211	2	1.1	Cruda Final
ST_0030	101.4	104.5	3.1	16.7	Cruda Final
ST_0032	127.2	128.2	1	3.1	Cruda Final
ST_0032	152.7	154	1.4	21.1	Princessa

Hole ID	Easting*	Northing*	Elevation (m)	Azimuth	Dip	Length
ST_0001	589771	3494782	1130	45	-60	291.69
ST_0002	589677	3494694	1137	45	-61	397.76
ST_0003	589818	3494831	1126	50	-65	217.9
ST_0004	589891	3494876	1120	45	-60	150.88
ST_0005	589807	3494743	1130	53	-70	295.66
ST_0006	589938	3494484	1148	49	-56	294.13
ST_0007	589789	3494889	1125	45	-75	200.25
ST_0008	589789	3494889	1125	45	-60	160.32
ST_0009	589721	3494808	1131	45	-80	150.88
ST_0010	589721	3494808	1131	45	-60	275.84
ST_0011	589692	3494849	1130	43.5	-42	189
ST_0012	589692	3494849	1130	44	-60	281.94
ST_0013	589762	3494920	1125	45	-55	151.18
ST_0014	589652	3494882	1128	41	-50	274.88

Criteria	JORC Code explanation	Commentary

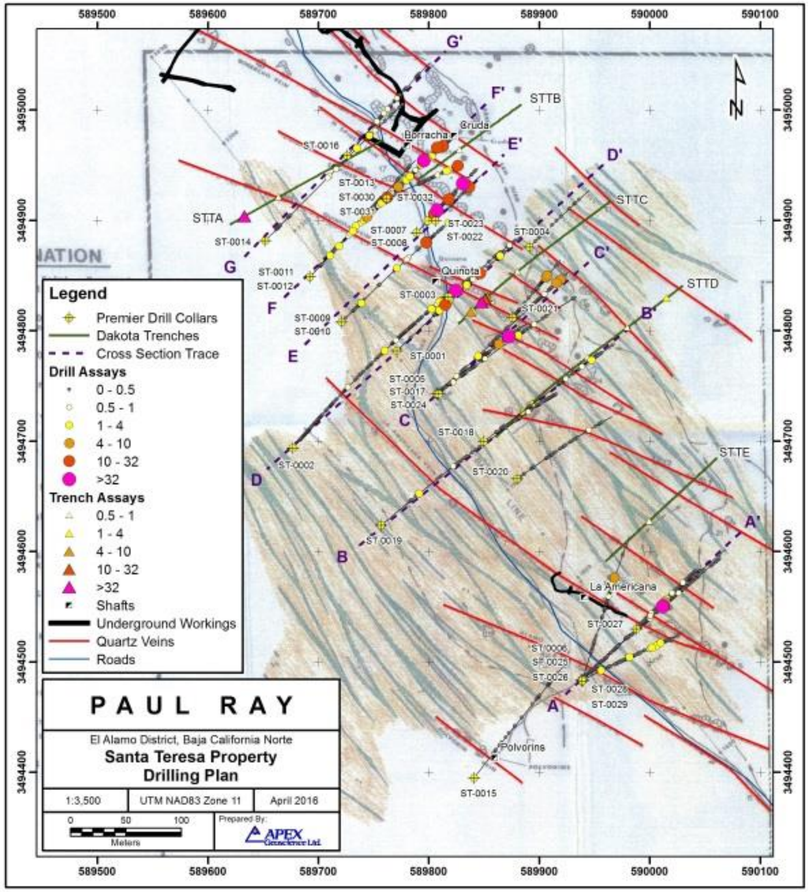
ST_0015	589841	3494395	1149	39	-60	280.72
ST_0016	589726	3494959	1124	42	-50	175.26
ST_0017	589808	3494743	1130	55	-56	275.84
ST_0018	589850	3494700	1136	45	-56	266.7
ST_0019	589757	3494624	1138	45	-60	400.81
ST_0020	589880	3494666	1140	45	-70	306.2
ST_0021	589876	3494812	1124	45	-69	192.7
ST_0022	589806	3494900	1124	45	-45	62.48
ST_0023	589806	3494900	1124	45	-45	81.5
ST_0024	589809	3494743	1130	45	-45	228
ST_0025	589940	3494484	1148	45	-45	207.8
ST_0026	589939	3494484	1148	17	-45	199.8
ST_0027	589988	3494530	1144	45	-45	152.5
ST_0028	589939	3494483	1148	59	-69	198.6
ST_0029	589939	3494483	1148	59	-65	221.45
ST_0030	589762	3494920	1125	45	-45	131.9
ST_0031	589762	3494920	1125	45	-64	151.2
ST_0032	589762	3494920	1125	64	-59	160.3

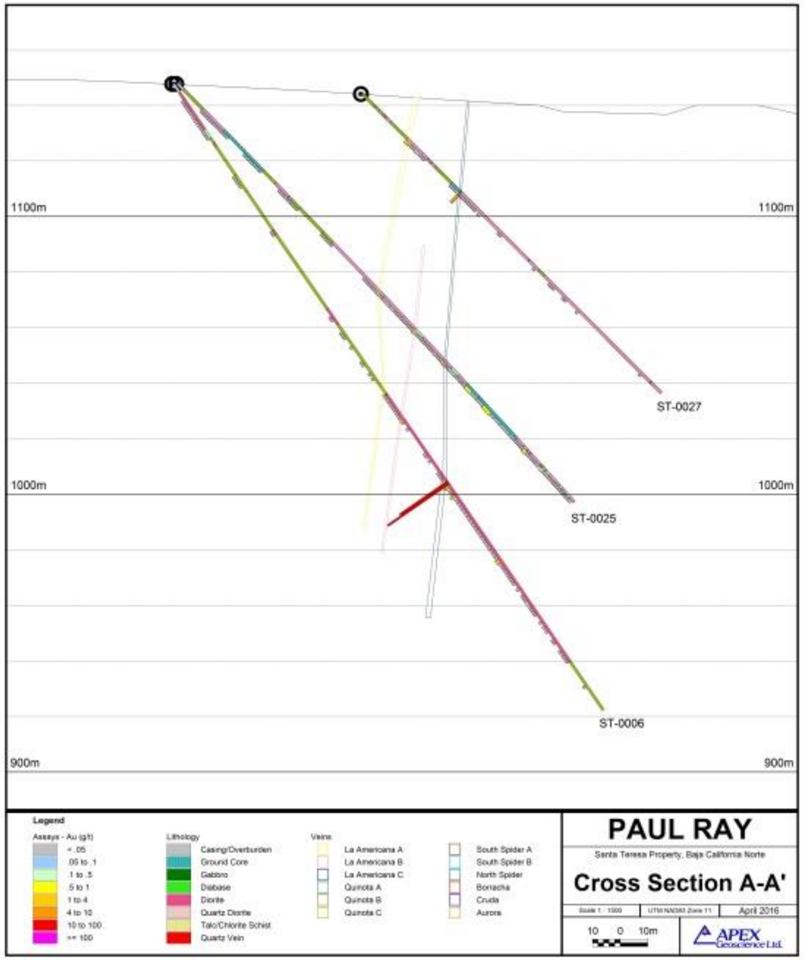
*Easting/Northing in UTM NAD83 Z11

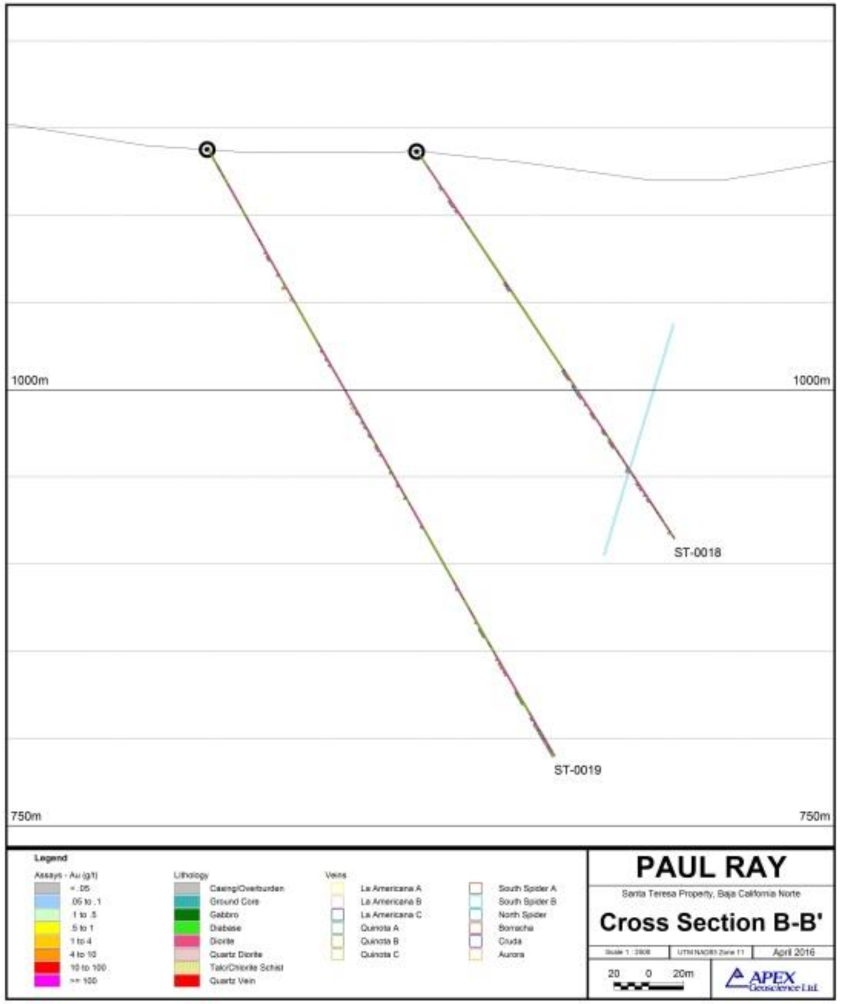
Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate 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*	• Intercepts are calculated as length-weighted average grades. • No high-grade cut off has been applied to the assay results. • Intercepts are reported if the interval composite grade is at least 1 g/t Au over a minimum width of 0.9 m. • No metal equivalent reporting is used or applied.

Criteria	JORC Code explanation	Commentary
	should be clearly stated.	
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 (e.g. 'down hole length, true width not known').*	• Most of the drilling is oriented to the northeast, perpendicular to the mineralized zones. • The interpreted La Americana A, B and C veins strike approximately 120° and dip 85° southwest. The estimated true widths of the intercepts range from 0.6 m to 1.6 m. • The interpreted Quinota vein set strikes approximately 120° and dip between 75° and 80° SW. The estimated true widths of the intercepts range from 0.4 m to 1.9 m. • South Spider A and B are interpreted to be two closely spaced parallel veins, striking approximately 125° and dipping between 65° and 75° southwest. The estimated true widths of the intercepts range from 0.7 m to 3.1 m. • North Spider strikes approximately 120° and displays a dip of 75° to 85°. The estimated true widths of the intercepts range from 0.6 m to 2.1 m. • The Borracha, Cruda and Aurora veins form a sub-parallel set. The interpreted veins strike approximately 125° with dips ranging from 70° to 80°. The estimated true widths ranging from 0.6 m to 4.2 m.

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.*




1100m
1100m
ST-0027
ST-0025
1000m
1000m
ST-0006
900m
900m
Legend
Assays - Au (g/t)
< .05
.05 to .1
.1 to .5
.5 to 1
1 to 4
4 to 10
10 to 100
>= 100
Lithology
Casing/Overburden
Ground Core
Gabbro
Diabase
Diorite
Quartz Diorite
Talc/Chlorite Schist
Quartz Vein
Veins
La Americana A
La Americana B
La Americana C
Quinota A
Quinota B
Quinota C
South Spider A
South Spider B
North Spider
Borracha
Cruda
Aurora
PAUL RAY
Santa Teresa Property, Baja California Norte
Cross Section A-A'
April 2016
10 0 10m
APEX Geoscience Ltd.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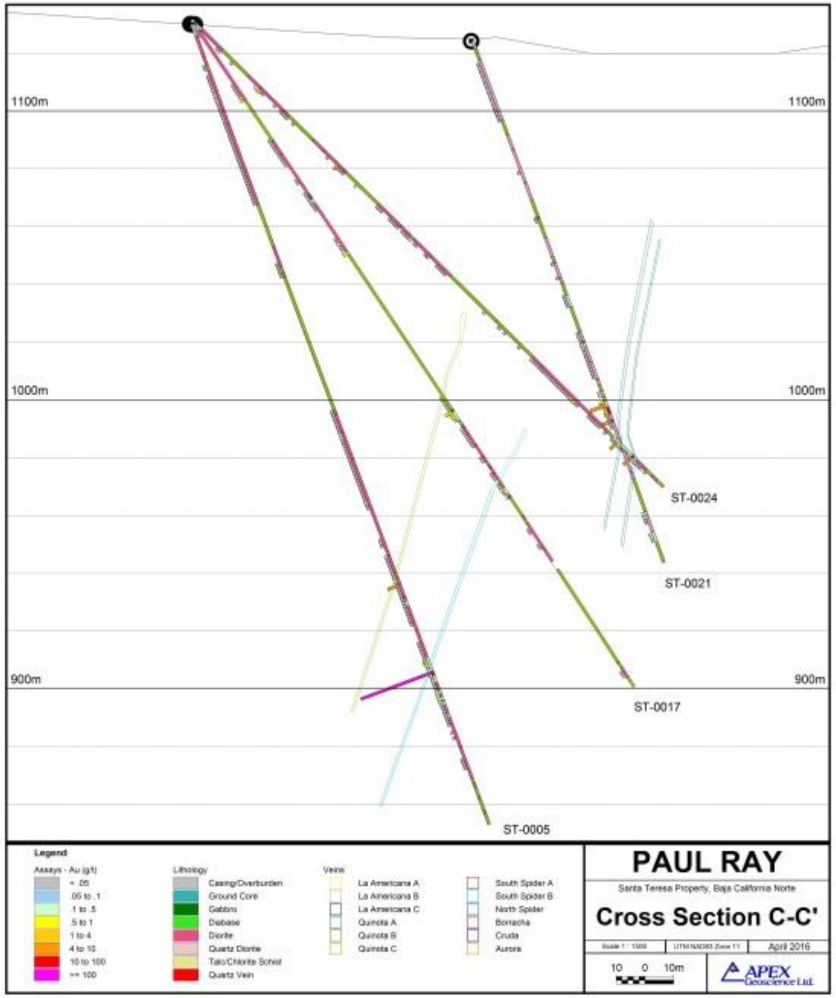
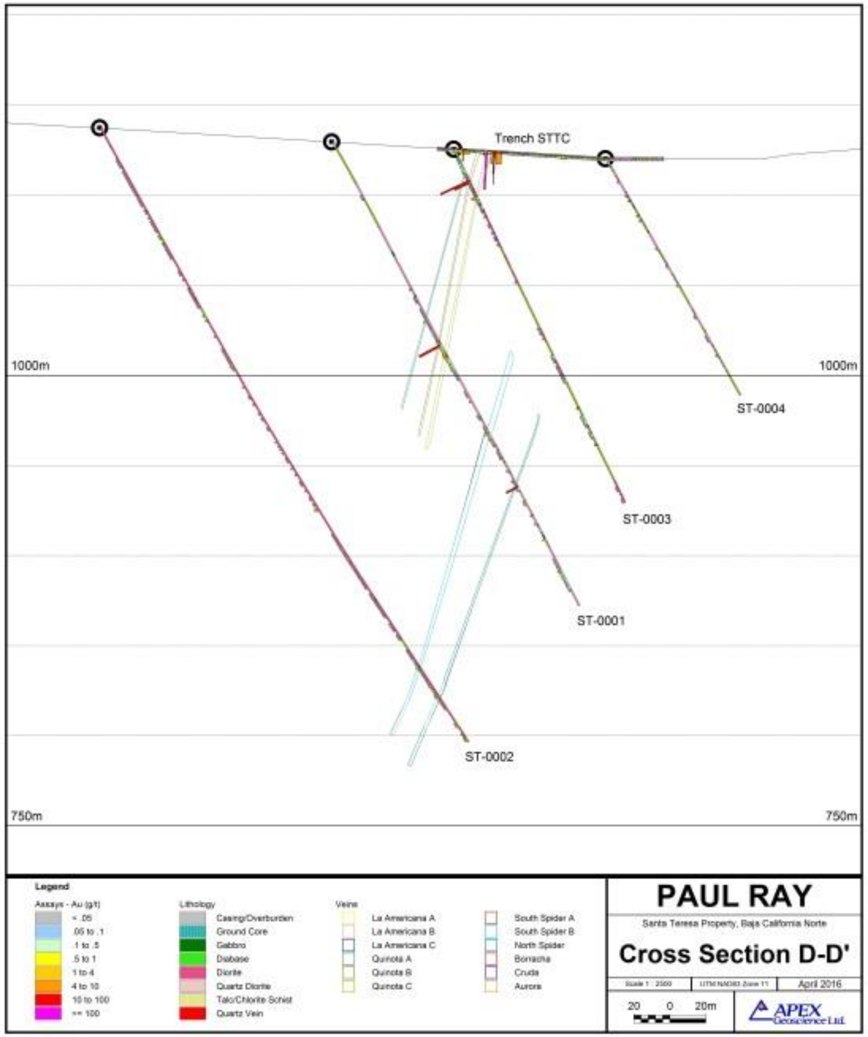
1000m
ST-0018
ST-0019
750m
750m
Legend
Assays - Au (g/t)
< .05
.05 to .1
.1 to .5
.5 to 1
1 to 4
4 to 10
10 to 100
>= 100
Lithology
Casing/Overburden
Ground Core
Gabbro
Diabase
Diorite
Quartz Diorite
Talc/Chlorite Schist
Quartz Vein
Veins
La Americana A
La Americana B
La Americana C
Quinota A
Quinota B
Quinota C
South Spider A
South Spider B
North Spider
Borracha
Cruda
Aurora
PAUL RAY
Santa Teresa Property, Baja California Norte
Cross Section B-B'
April 2016
20 0 20m
APEX Geoscience Ltd.

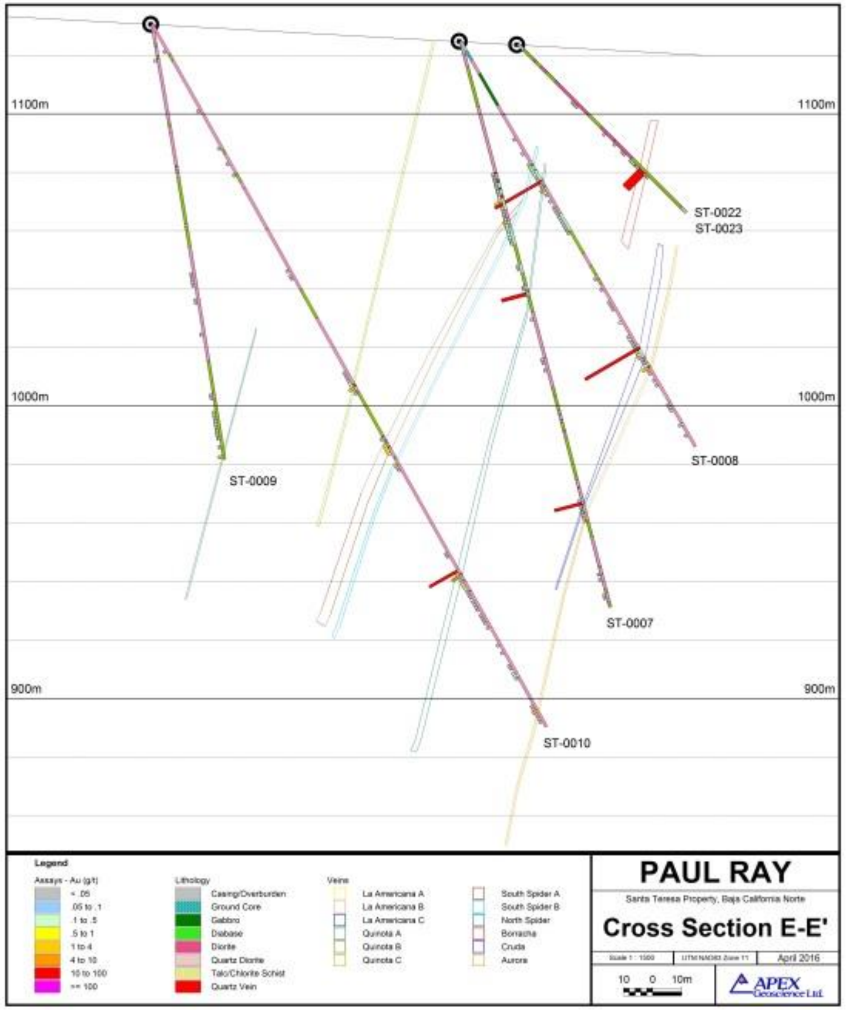


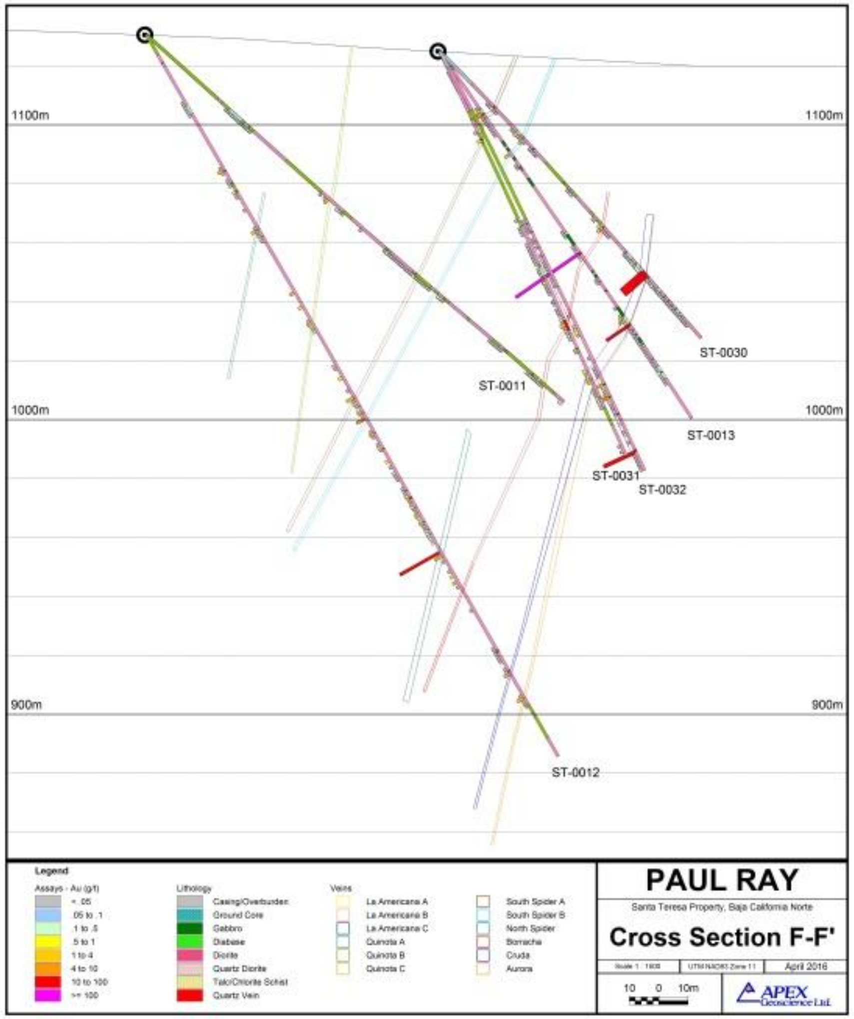
Comet Resources Limited
ABN 88 060 628 202

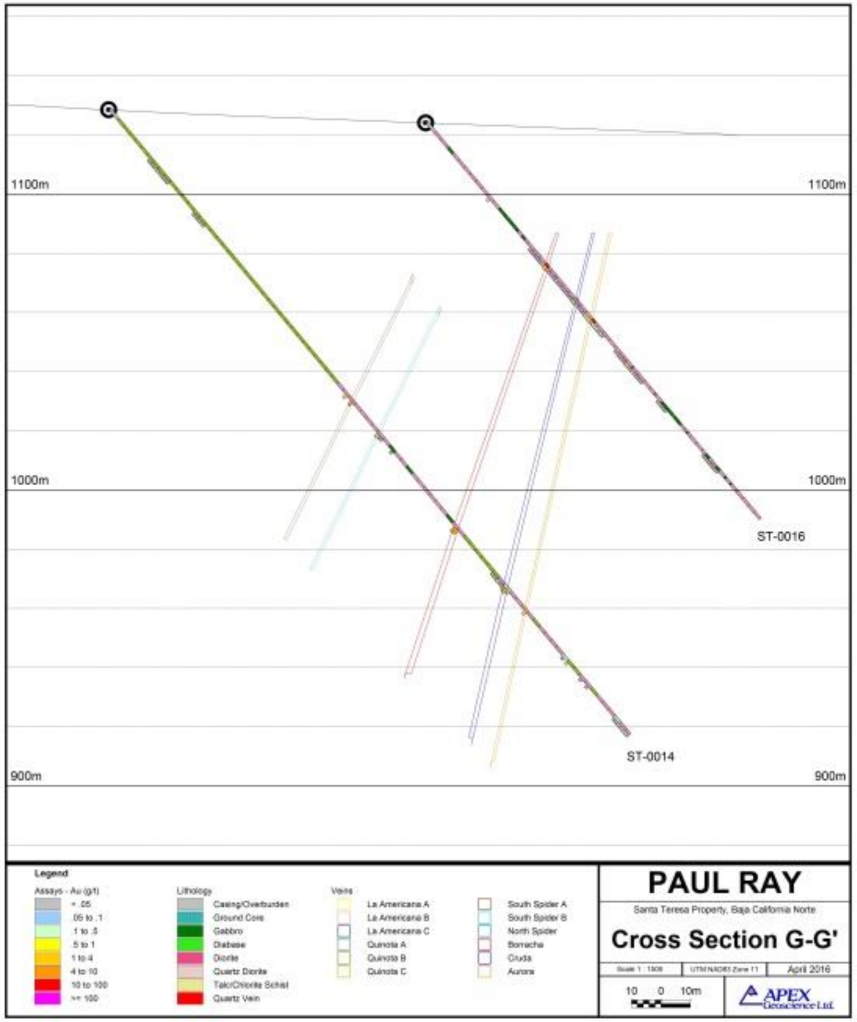
Suite 9, 330 Churchill Avenue
Subiaco WA 6008

AU +61 (8) 6489 1600
comet@cometres.com.au
PO Box 866 Subiaco WA 6904
cometres.com.au
ASX:CRL


Trench STTC
1000m
1000m
ST-0004
ST-0003
ST-0001
ST-0002
750m
750m
Legend
Assays - Au (g/t)
< .05
.05 to .1
.1 to .5
.5 to 1
1 to 4
4 to 10
10 to 100
>= 100
Lithology
Casing/Overburden
Ground Core
Gabbro
Diabase
Diorite
Quartz Diorite
Talc/Chlorite Schist
Quartz Vein
Veins
La Americana A
La Americana B
La Americana C
Quinota A
Quinota B
Quinota C
South Spider A
South Spider B
North Spider
Borracha
Cruda
Aurora
PAUL RAY
Santa Teresa Property, Baja California Norte
Cross Section D-D'
April 2016
20 0 20m
APEX Geoscience Ltd.


1100m
1100m
1000m
1000m
900m
900m
ST-0022
ST-0023
ST-0009
ST-0008
ST-0007
ST-0010
Legend
Assays - Au (g/t)
< .05
.05 to .1
.1 to .5
.5 to 1
1 to 4
4 to 10
10 to 100
>= 100
Lithology
Casing/Overburden
Ground Core
Gabbro
Diabase
Diorite
Quartz Diorite
Talc/Chlorite Schist
Quartz Vein
Veins
La Americana A
La Americana B
La Americana C
Quinota A
Quinota B
Quinota C
South Spider A
South Spider B
North Spider
Borracha
Cruda
Aurora
PAUL RAY
Santa Teresa Property, Baja California Norte
Cross Section E-E'
April 2016
10 0 10m
APEX Geoscience Ltd.


1100m
1100m
1000m
1000m
900m
900m
ST-0030
ST-0011
ST-0013
ST-0031
ST-0032
ST-0012
Legend
PAUL RAY
Santa Teresa Property, Baja California Norte
Cross Section F-F'
April 2016
APEX


1100m
1100m
1000m
1000m
900m
900m
ST-0016
ST-0014
Legend
Assays - Au (g/t)
< .05
.05 to .1
.1 to .5
.5 to 1
1 to 4
4 to 10
10 to 100
>= 100
Lithology
Casing/Overburden
Ground Core
Gabbro
Diabase
Diorite
Quartz Diorite
Talc/Chlorite Schist
Quartz Vein
Veins
La Americana A
La Americana B
La Americana C
Quinota A
Quinota B
Quinota C
South Spider A
South Spider B
North Spider
Borracha
Cruda
Aurora
PAUL RAY
Santa Teresa Property, Baja California Norte
Cross Section G-G'
April 2016
10 0 10m
APEX Geoscience Ltd.

Criteria	JORC Code explanation	Commentary
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 practiced to avoid misleading reporting of Exploration Results.*	• All material drill intercepts are reported herein
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.*	• During 1992 Grupo Recursos completed rehabilitation of the La Americana workings, and sampling of the La Americana vein. An initial series of 27 rock chip, and 16 to 32 kg bulk samples were collected from the sill and back of the drift over a 35 m distance along the vein. The samples comprised 12 chip samples collected across the back, 8 bulk samples from the back, and 7 bulk samples from the sill of the drift. Sample widths ranged from 0.10 to 0.70 m in width (averaging 0.50 m) and returned assay results from below detection (0.07 g/t Au) to 41.42 g/t Au (averaging 7.78 g/t Au). Based on the initial sample results, a further 12 rock chip samples were collected from a select 11 m long higher grade part of the vein from the sill of the drift. Assay results for the second group of samples range from 329.14 g/t Au to 44.54 g/t Au (averaging 160.80 g/t Au) (Croff, 1992c). The results obtained from the second round of sampling are significantly higher grade (approximately 20x) and are difficult to reconcile with the initial phase of sampling. A complete list of sample results is provided in Table 2 below. Significantly, it was noted that a cave occurred in the southeast drift 43 m from the shaft at the intersection of a northeast (030º) trending fault structure (Edwards, 1991).

Grupo Recursos – 1992 La Americana Chip Sample Assay Results

Sample	Au (g/t)	Sample Width (m)	Sample Type
1	11.59	0.70	back chip sample
2	0.96	0.30	back chip sample
3	20.23	0.20	back chip sample
4	0.21	0.38	back chip sample
5	1.89	0.65	back chip sample
6	<0.07	0.350	back chip sample

Criteria	JORC Code explanation	Commentary

7	<0.07	0.250	back chip sample
8	5.42	0.70	back chip sample
9	14.71	0.70	back chip sample
10	30.45	0.10	back chip sample
11	1.20	0.70	back chip sample
12	<0.07	0.70	sill bulk sample
13	7.44	0.40	back bulk sample
14	17.35	0.70	back bulk sample
15	0.62	0.70	back bulk sample
16	0.10	0.60	back bulk sample
17	0.62	0.70	sill bulk sample
18	1.34	0.70	back bulk sample
19	4.32	0.70	back bulk sample
20	1.65	0.70	back bulk sample
21	2.74	0.65	back bulk sample
22	14.57	0.38	back chip sample
23	41.42	0.47	sill bulk sample
24	18.55	0.25	sill bulk sample
25	10.87	0.50	sill bulk sample
26	1.58	0.30	sill bulk sample
27	<0.07	0.15	sill bulk sample
STP1	274.29	0.58 average	sill chip sample
STP2	329.14		sill chip sample
STP3	260.57		sill chip sample
STP4	216.00		sill chip sample
STP5	123.43		sill chip sample

Criteria	JORC Code explanation	Commentary

STP6	102.86		sill chip sample
STP7	102.86		sill chip sample
STP8	195.43		sill chip sample
STP9	133.71		sill chip sample
STP10	44.57		sill chip sample
STP11	68.57		sill chip sample
STP12	78.86		sill chip sample

- In 1994, Dakota Mining Corporation (Dakota) began evaluating the Santa Teresa claim of Grupo Recursos. A total of five (5) trenches ranging in length from 120 to 220 m (totaling 800 m) were excavated over a 430 m strike length of historic pits and shafts along the Camion, Quinota, North and South Spider, Borracha, and Cruda veins (Figure 4). Dakota personnel collected a total of 205 composite trench wall chip samples collected at 3 m sample width, followed by separate sampling of exposed quartz veins, and mapping of trench geology by Dakota and Grupo Recursos personnel.

- A zone of several closely spaced narrow veins ranging in width from 1 to 10 cm within Trench C returned the length weighted average grade of 5.57 g/t Au over 10 m. The interval includes a single 1 m sample (DA023) that returned 240.82 g/t Au that was capped at 20 g/t Au for averaging. The sampled zone comprised 10 samples ranging in width from 0.3 to 3.0 m (averaging 1 m). In addition to sample DA023, two adjacent samples (DA027 and DA028) collected over a combined 0.8 m width returned assays of 10.84 g/t and 16.94 g/t Au, respectively (Table 3).

Criteria	JORC Code explanation	Commentary
		At the west end of Trench A, a 10 to 30 cm wide quartz vein contained visible gold and returned assays of 50.06 g/t Au. The zone remains untested to the southwest beyond the trench. Within Trench D, an unnamed vein west of the Quinota and Camion veins returned 1.83 g/t Au over 3 m, from a zone containing 3 quartz veins of 2 to 6 cm width. Select grab samples from each of the veins returned 8.23 g/t, 32.57 g/t, and 9.94 g/t Au (Croff, 1994).

Dakota Mining Corp. – 1994 Significant Trench Chip Sample Assay Results

Trench	Sample	From (m)	To (m)	Length (m)	Au (g/t)
A	DA033	13.5	14.3	0.8	50.06
A	DA034	48.0	51.0	3.0	0.62
B	DA032	45.0	45.3	0.3	0.72
C	DA015	9.0	12.0	3.0	0.55
C	DA016	12.0	14.0	2.0	0.69
C	DA017	14.0	14.3	0.3	0.82
C	DA018	14.3	15.0	0.7	5.04
C	DA019	15.0	18.0	3.0	1.10
C	DA021	26.0	26.3	0.3	1.30
C	DA022	26.3	27.0	0.7	1.03
C	DA023	27.0	28.0	1.0	240.82
C	DA025	30.0	31.0	1.0	5.42
C	DA026	31.0	31.5	0.5	1.20
C	DA027	31.5	32.0	0.5	10.84
C	DA028	32.0	32.3	0.3	16.94
C	DA029	32.3	33.0	0.7	2.02

Criteria	JORC Code explanation	Commentary
		(table continued below)

C	DA030	33.0	36.0	3.0	5.42
C	DA031	69.0	72.0	3.0	0.58
D	DA002	31.0	32.0	1.0	1.71
D	DA003	32.0	33.0	1.0	3.09
D	DA004	33.0	34.0	1.0	0.69
D	DA005	42..0	45.0	3.0	1.75
D	DA007	108.0	111.0	3.0	0.58
D	DA008	153.0	156.0	3.0	0.51
D	DA012	198.0	201.0	3.0	1.17
E	DA001	51.0	54.0	3.0	0.58

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (e.g. 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.*	• Future exploration is planned and may involve oriented diamond core drilling, rock, chip and channel sampling, structural geological mapping, ground magnetometer surveys, and acquisition of high-resolution satellite ortho-imagery and elevation data.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, 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.*	• Basic database validation was performed in Datamine on the data to check for overlapping intervals, records beyond end of hole depth, missing collar data etc. No major concerns were identified. • Validation of the screen fire assays was performed by checking about 20% of the data in the database assay tables supplied with the original laboratory certificates – the assay and weight values were the same.

Criteria	JORC Code explanation	Commentary
		• APEX geoscience, who completed the previous 2016 mineral resource estimate conducted an independent audit of the Premier drill hole database. The audit included systematic checks of database values for drill collar coordinate, downhole survey, and drill core, analytical standard, duplicate, and blank sample assays against the original field survey files and laboratory certificates. The QA/QC section of the database was found to be incomplete.
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.*	• The Competent Person for Sections 1 and 2 of this report, Mr Kristopher Raffle of APEX Geoscience visited site on February 12th and 13th, 2016. The Competent Person for Section 3 of this report, Michael Job of Cube Consulting has not visited site due to the COVID-19 pandemic in 2020. It is unclear when a site visit could be scheduled, so Mr Job has relied upon reports and work (including the site visit) carried out by Mr Raffle.
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 geological interpretation used for this mineral resource estimate relies on that produced by APEX Geoscience in 2016. • 3D wireframes for each quartz vein lode were constructed by creating a series of polygons (strings) snapped to quartz vein and/or shear zone drill intersects, representing the vein lode in cross section. The polygons were constructed above the topographic surface from the upper drill intersect and down from the lower intersect in each section, maintaining a uniform width determined by the closest intersect. In drill sections with only one hole, the width remained uniform throughout, and the dip was estimated using the veins surface traces and surrounding drill sections. • The strings were linked to form 3D geological solid wireframes, which were subsequently clipped to the topographic surface (DTM) and a variable down dip distance on each section determined by the drill established vertical continuity. Individual lode interpretations were based on lateral quartz vein and grade continuity within (down dip) and between each drill section (along strike); and with reference to the trace of veins on surface as evidenced by numerous historic shallow surface

Criteria	JORC Code explanation	Commentary
		pits and). • Mineralisation of the quartz veins/shear zones is stoped out (over-printed) by a series of post-mineralisation diabase dykes that are interpreted to dip moderately to the north-east. Given the current level of drilling data it was not possible to accurately model post-mineralisation dykes as 3D wireframes for incorporation into the geological model. Due to the uncertainty of the position and extent of the post-mineralisation dykes, an Indicator Kriging (IK) approach was used to create a localised model of the dykes, which provided a more accurate amount of tonnage reduction to apply locally. The IK model essentially estimates the proportion of diabase dyke per block. • The lode interpretation and the resultant block model were cut to the topographic surface.
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.*	• The main lodes of the Santa Teresa deposit has a strike length of 340 m with a down dip extent of 360 m from surface. Mineralisation extends to surface. • The southern La Americana lodes have a strike length of 120 m, and a down dip extent of 220 m.
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 (e.g. sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to*	• Gold was estimated using ordinary kriging (OK) for each of the thirteen lodes in Datamine software. Estimation was calculated on parent blocks, with sub blocks assigned the parent block grade. Hard domain boundaries were used between the lodes i.e., data from each lode only used for the estimate of that lode. • The average sampled interval length was 1.07 m, and therefore 1 m was chosen as the compositing length. To avoid loss of data from small 'residuals' at the end of a composite (i.e. < 0.5m intervals that might otherwise be excluded), a compositing routine that divided each mineralised intercept into equal lengths that was as close as possible to 1 m was chosen. • There are some very high extreme Au grades in the lodes, so top-caps

Criteria	JORC Code explanation	Commentary
	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.*	were selected on a lode-by-lode basis, rather than a global cap on the grades for all combined lodes. Top-caps were applied to four lodes, but for some lodes that have on average high grades, but no extreme outliers, caps were not used. • Variography was performed in Supervisor software, with the composite data transformed to normal scores and the variogram model back-transformed to original units. Due to the very limited number of composites in each lode, variography was only performed for Lode 5 (Cruda), and applied to all lodes. The experimental variograms (and subsequent nugget/spherical models) were omni-directional in the plane of continuity i.e., consistent with vein geometry, with a different range across dip. The variogram model had a moderate nugget effect (50% of total sill), with a maximum range of 52 m. • A parent block size of 5 mE x 20 mN x 5 mRL was chosen for the Santa Teresa resource estimate, which is about half the drill hole spacing. The model was rotated 50° to the west (i.e., about the Z axis) so that the Y axis blocks are parallel to the mineralised lodes. The parent blocks were then sub blocked down to 0.5 mE x 2.5 mN x 1 mRL for accurate volume representation of the lodes. • The resulting block model volumes per lode were all within 0.6% of the mineralised lode wireframe volumes, with most within 0.2%. • Three search passes were run. The size of the initial anisotropic search ellipsoid was based on the variogram ranges. The searches were oriented in the same directions as the variograms i.e. parallel to the individual vein geometries. The search parameters for each pass are provided in the table below.

Criteria	JORC Code explanation	Commentary
		<table><tr><th>Run No.</th><th>Minimum No. of samples</th><th>Maximum No. of samples</th><th>Search Ellipsoid Radius (m)</th><th>% Blocks estimated</th></tr><tr><td>1</td><td>6</td><td>14</td><td>50 x 50 x 10</td><td>7</td></tr><tr><td>2</td><td>6</td><td>14</td><td>100 x 100 x 20</td><td>42</td></tr><tr><td>3</td><td>2</td><td>14</td><td>250 x 250 x 50</td><td>51</td></tr></table> • As there are very few samples, then the second and third search passes are most often used. • Estimates of Au grades were validated against the composited drill hole data by extensive visual checking in cross-section, plan and on screen in 3D, by global (per shoot) comparisons of input data and model, and by semi-local statistical methods (swath plots). All methods showed satisfactory results. • There are no known secondary products of interest. • Gold was the only variable estimated.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A lower cut-off grade of 2.5 g/t Au has been used. • An internet search for mining/processing costs in 2019 for underground, narrow-vein gold mines in Mexico showed that many of them are producing for less than US$100 per tonne, with a maximum of US$144/tonne. • At a gold price of US $1,900/ounce (as at early October 2020), revenue from 2.5 grams Au would be ~US$150 (assuming 100% recovery), so a lower cut-off grade of 2.5 g/t Au was used for the

Criteria	JORC Code explanation	Commentary
		resource declaration.
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.*	• Grades and geometry are amenable to small-scale underground mining. • There is an extensive mining history in the area. • No dilution for mining has been incorporated into the model. The model and reported resources are for the mineralised lodes only, and mining studies are required to determine the appropriate amount of dilution.
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.*	• Metallurgical test work on Santa Teresa was completed in March 2016 at ALS Metallurgy, Kamloops, British Columbia. Three samples weighing between 1.1 and 2.1 kg were used for preliminary Gravity testing, which was completed by first feeding each of the pulverized samples through a Knelson gravity concentrator. The gravity concentrate was then hand panned to reduce the mass recovery to a more representative value for a concentrator gravity circuit. The Knelson Tailing and Pan Tailing were also assayed for gold. • Screened metallic gold head assays had been completed on each of the samples at an external laboratory (Bureau Veritas Commodities Ltd.) prior to being delivered to ALS Metallurgy. The results of the Gravity testing are summarized below.

Sample	Received Weight (kg)	Provided Gold Assay (g/tonne)	Gold Recovery (%)	Calculated Gold Feed Grade (g/tonne)
16KRP001	1.1	3.15	25.6	3.14
16KRP003	1.7	37.5	67.6	41.5
16KRP004	2.1	293	77.2	267

Criteria	JORC Code explanation	Commentary
		• Note however that these recoveries are only for a gravity circuit, and it would be expected that the recoveries would be close to 100% for other additional processing routes e.g. carbon in leach.
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 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.*	• The previous mining operations in the area included the development of waste dumps and haul roads on the neighbouring mining lease but they will not be affected by the mining of Santa Teresa. • The area is not known to be environmentally sensitive and the Competent Person is not aware of any environmental liabilities to which the project may be subject, or any other significant risk factors that may cause access, title, right or ability to perform work on the project.
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.*	• It does not appear that any bulk density determinations have been taken at the project. It is recommended that this be done, and as the remaining half core from the Premier 2008 drilling program has been kept in a secure facility in Ensenada, then this should be undertaken as a priority. • Previous MREs used an assigned bulk density of 2.79 t/m3, so a rounded density of 2.8 t/m3 has been used for the 2020 MRE. Given the mineralized lode composition of quartz veining with shearing and sulphide alteration, this is a reasonable default bulk density.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *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).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• The 2016 Santa Teresa Mineral Resource has been classified as Inferred Resources according to the JORC definition. • The Inferred classification is based on: • Data quality and quantity is considered reasonable for the Premier Gold-era drilling, although some poor QAQC data results in a lack of confidence • There are no bulk density measurements for the deposit • Uncertainty in the amount of tonnage reduction of the mineralised lodes from the post-mineralisation diabase dykes

Criteria	JORC Code explanation	Commentary
		• Alternative interpretations of the mineralised lodes are possible • There are generally very few samples per lode, resulting in lower confidence kriging metrics (i.e., the kriging variance is very high). • Search passes greater than the variogram range required to inform the vast majority of blocks (93%).
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits of the mineral resource have conducted, although the independent consultants used for the resource estimate (Cube Consulting) conduct internal peer review.
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.*	• This is addressed in the relevant paragraph on Classification above, and the relative accuracy and confidence is appropriate. The Competent Person for the resource estimation was unable to visit site to conduct data verification and geological review; and the classification applied of Inferred is therefore suitable. • The Mineral Resource relates to global tonnage and grade estimates. • The majority of the gold production from the El Alamo district has been from outside the Santa Teresa property. Only small-scale historical mining has taken place at Santa Teresa, for which no accurate production figures are available.