TERAS
RESOURCES INC

Amended Technical Report on the Cahuilla Project Gold and Silver Resources, Imperial County, California

NI 43-101 Technical Report Prepared for:
Teras Resources Inc.

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1.0 Summary

This Amended Technical Report was prepared on the Cahuilla gold project in Imperial County, California at the request of Teras Resources Inc.

The title of the report is "Amended Technical Report on the Cahuilla Project Gold and Silver Resources, Imperial County, California." The original report was released by Mine Development Associates (MDA) on November 27, 2012. Considerable changes to the technical aspects of Cahuilla have transpired since then, which included the drilling of 71 core and RC holes for 48,108 feet over 5 drilling campaigns. Furthermore, a 6-month study of the drill hole data base was conducted to find and correct data entry errors in preparation for resource modeling. This work also included building a new lithologic and mineralization model to help focus and enhance the resource modeling work.

The resource estimate was prepared by independent Qualified Persons and is in compliance with the disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101 (NI 43-101), Companion Policy 43-101CP, and Form 43-101F1, as well as with the Canadian Institute of Mining, Metallurgy and Petroleum's "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" adopted on November 29, 2019. The purpose of this report is to support the disclosure of the Amended Mineral Resource estimate for the Cahuilla project that complies with NI 43-101 reporting standards.

The effective date of the database is September 11, 2020. The effective date of the Mineral Resource estimate and this Technical Report is January 26, 2021.

1.1 Property Description and Ownership

The Cahuilla property is located in northwestern Imperial County, California, about two miles west of the community of Salton Sea Beach and 30 miles south of the city of Indio. The property lies in the eastern foothills of the Santa Rosa Mountains west of the Salton Sea.

The Cahuilla property consists of approximately 1,680 acres that cover portions of Sections 19, 20, 29, and 30, T.9S., R.9E., San Bernardino Base and Meridian. Teras controls 100% interest in the Cahuilla project. Sections 20 and 30 are leased by Teras from the Torres Martinez Desert Cahuilla Indians ("TMDCI"). The remainder of the property lying in Sections 19 and 29 is privately held land leased to or owned by Teras.

There are various royalty obligations for the leased parcels that comprise the Cahuilla property. These are held by TMDCI and 7 private property holders.

1.2 Exploration and Mining History

Five small prospect pits and an early report suggest that mining in the Cahuilla project area may have begun as early as 1912, but no significant production has been recorded from the area. Modern exploration at Cahuilla began in 1987. Homestake Mining Company ("Homestake") in joint venture with Fischer-Watt Company, Newmont Exploration Ltd. ("Newmont"), TDMCI, and Kennecott Exploration Company ("Kennecott") all explored at Cahuilla from 1987 through 1996, drilling 214 holes totaling 112,168 feet of drilling. TMDCI is credited with drilling the discovery hole at Cahuilla in 1992, which intersected 240 feet at an average grade of 0.112 oz Au/ton, from 85 to 325ft, including a 90-foot intercept averaging 0.266oz Au/ton from 160 to 250 feet in depth. Southwest Exploration mined about 4,500 tons of material at an average grade of 0.30 to 0.40 oz Au/ton from High Grade Hill in 1995-1996, which was sold as high-silica smelter flux.

Consolidated Goldfields Corporation ("CGC") acquired the Cahuilla property in 2006, expanded the property, and performed limited geologic mapping and sampling. Teras acquired 65% interest in the property from CGC in early 2010 and in 2012 Teras acquired the last 35%, and therefore, controlled 100% of the property. Before the transfer of ownership, CGC and Teras continued detailed mapping and sampling and in 2011-2012, drilled 54 RC and 16 core holes in the project area. This work along with the earlier historic drilling formed the basis of the first NI 43-101 Technical Report completed in late 2012.

The 2012 drilling campaign continued after preparation of the MDA technical report and used all drill data generated through September 13, 2012, which included all historic and Teras drill holes through CAH-265 A total of 36 RC holes were drilled after the database cutoff and these holes were included in the September 11, 2020 database. Teras also conducted four more drilling campaigns in 2013, 2014, 2015, and 2017 for a total of 34 holes. These holes were comprised of 11 RC and 23 core holes. The new 2021 resource model includes all Teras and historic drill holes through CAH-336. A total of 395 RC holes and 44 core holes comprises the new drill hole database.

1.3 Geology and Mineralization

The Cahuilla project is situated in the Santa Rosa Mountains along the western edge of the Salton Trough. The Santa Rosa Mountains consist primarily of plutonic rocks of the Cretaceous Southern California batholith and their metamorphic host rocks. The Salton Trough is the landward extension of the Gulf of California. It occupies part of the active San Andreas fault system and is characterized by seismic activity, continental rifting, high heat flow, hydrothermal alteration, rapid sedimentation, and active metal deposition.

Within the Cahuilla property, the east to northeast-trending Modoc fault separates Jurassic diorite to the north from sedimentary rocks of the Quaternary Palm Springs Formation and fanglomerates to the south. Pleistocene siliceous sinters form terraces in the project area. Hydrothermal alteration is widespread in the Palm Springs Formation.

Four different styles of precious metal mineralization have been identified at Cahuilla: 1) large through-going banded quartz veins, 2) sheeted and narrower high-grade quartz veins, 3) mineralized hydrothermal breccias and 4) ponding of mineralization at major contacts within the Palm Springs and under buried sinters. Silicification is the most intense and widespread type of hydrothermal alteration, with a strong positive relationship to gold mineralization.

Gold occurs as high-silver electrum and native gold, ranging in size from 8 microns and upwards. Multiple episodes of gold and chalcedony deposition occurred at Cahuilla, with the two having precipitated simultaneously. Assay data and quantile plots indicate that gold and silver do not correlate well. Selenium is a primary indicator of gold, while arsenic, antimony, and mercury the "normal" epithermal gold indicators are present in only relatively small amounts at Cahuilla.

1.4 Metallurgical Testing and Mineral Processing

Metallurgical data from the Cahuilla deposit are limited, and the test work that does exist suggests sensitivity of recovery to mesh size. The finer material gave extractions of 67% and above, whereas extractions from coarser material were in the range 16 to 75%. There is an indication from some results that samples with high sulfide contents do not respond well, but these appear to be few in number and a flotation/regrind stage may be all that is required to resolve this.

Limited metallurgical test work for column test leaching indicates that gold recoveries range from 20% to 61%. It may be that in order for a heap leach to be successful, additional processing techniques such as fine crushing and agglomeration may be required, but it is too early to draw conclusions from the information currently available.

1.5 Mineral Resource Estimate

The new resource reported by Teras in this report increased significantly relative to previous work due to additional infill drilling and the improved interpretation of a new geologic model. Effective as of November 07, 2020, the drilling database used for resource estimation contained a total of 441 drill holes: 395 RC and 44 core holes, for a total of 242,483.4 ft.

The more recent completion of the core drilling and new geologic interpretations allowed for the creation of nine mineral and geologic domains used in the resource model. Domains were created using a combination of Maptek's Vulcan™ and Aranz' Leapfrog Geo™ Software.

The resource is classified as dominantly Indicated with a small amount of Inferred. The lack of new advanced metallurgical test work precludes the classification of Measured.

After the creation of the block model, variables were assigned to each block and an estimation was completed for both Au OPT and Ag OPT separately. Inverse Distance was selected as the estimation methodology due the sporadic and highly discontinuous grade associations seen both visually and in attempts to create a variogram model of the composite data.

The total Indicated gold and silver resources at a 0.008 opt Au cutoff grade is 82,114,000 tons averaging 0.015 opt Au and 0.175 opt Ag yielding 1,261,000 ounces of gold and 14,370,000 ounces of silver. The total Inferred gold and silver resources at a 0.008 opt Au cutoff grade is 3,585,000 tons averaging 0.021 opt Au and 0.191 opt Ag yielding 75,000 ounces of gold and 686,000 ounces of silver.

The following Tables 1.1 to 1.2 reports the total classification of the Indicated and Inferred resources and with categories of Oxide, Mixed and Sulfide resources.

Table 1.1 Total Indicated Gold and Silver Resources

Total Indicated					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	154,134,000	0.01112	0.137	1,715,000	21,118,000
0.007	100,057,000	0.01395	0.163	1,395,000	16,325,000
0.008	82,114,000	0.01536	0.175	1,261,000	14,337,000
0.009	68,022,000	0.01679	0.186	1,142,000	12,673,000
0.01	56,898,000	0.01821	0.198	1,036,000	11,260,000
0.011	47,782,000	0.01969	0.21	941,000	10,031,000
0.012	40,630,000	0.02114	0.221	859,000	8,969,000
0.013	34,472,000	0.02268	0.234	782,000	8,053,000
0.015	25,030,000	0.02599	0.259	650,000	6,494,000
0.02	13,500,000	0.03356	0.305	453,000	4,123,000
0.025	8,523,000	0.04023	0.344	343,000	2,932,000
0.03	5,864,000	0.04608	0.379	270,000	2,220,000
0.05	1,511,000	0.07104	0.489	107,000	738,000

Table 1.2 Total Inferred Gold and Silver Resources

Total Inferred					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	8,707,000	0.01214	0.116	106,000	1,009,000
0.007	4,382,000	0.01845	0.174	81,000	761,000
0.008	3,585,000	0.02088	0.191	75,000	686,000
0.009	3,055,000	0.02304	0.203	70,000	622,000
0.01	2,737,000	0.02461	0.213	67,000	582,000
0.011	2,507,000	0.02591	0.221	65,000	554,000
0.012	2,331,000	0.027	0.228	63,000	531,000
0.013	2,189,000	0.02794	0.237	61,000	518,000
0.015	1,884,000	0.03021	0.254	57,000	478,000
0.02	1,298,000	0.03599	0.279	47,000	362,000
0.025	983,000	0.04046	0.312	40,000	306,000
0.03	822,000	0.04302	0.342	35,000	281,000
0.05	13,000	0.05398	0.243	1,000	3,000

1.6 Conclusions and Recommendations

The Cahuilla deposit is a very young, epithermal precious metal deposit containing gold with minor silver. Based on the 2020 geologic model, the deposit is relatively well understood, and exploration potential for encountering additional precious metal mineralization is considered excellent. In addition to having the potential to expand the resources, the Cahuilla project is now in a position to undergo engineering and economic studies to determine its economic viability.

The geological model completed in 2020 imparts much confidence in the resource and in the understanding of the project. The greatest uncertainty at Cahuilla is the metallurgy. Metallurgical data from the Cahuilla deposit are limited. The test work that does exist indicates there may be a requirement for a fine grind to achieve high recoveries. Heap leaching with good recoveries appears difficult to justify based on the existing results, which range from 20% to 61%. It may be that in order for a heap leach to be successful, additional processing techniques such as fine crushing and agglomeration may be required, but it is too early to make definitive conclusions without further metallurgical testing.

Cahuilla has been and is a project of merit that warrants further exploration and development work, as well as advanced stage economic studies. The author believes that the project has come to a point where specific areas within the resource area be in-filled by core drilling with the main purpose of obtaining metallurgical samples, and RC drilling in areas as step-outs from holes that had open-ended gold intercepts. RC drilling should further focus exploration for locating the limits of the deposit to the east, south and west within the resource area of the deposit. New RC drilling should be conducted outside the resource area in areas that have been identified through geophysics, rock chip sampling or structural projection. Advanced-stage work should include metallurgy, economic studies, and permitting pathways for constructing a mine. Phase I recommendations and a budget are presented in Table 1.3.

Table 1.3 Budget Recommendations

1. Development Drilling and Metallurgy inside the Resource Area	
Permitting costs, road construction	$200,000
Core drilling – 20,000 feet	$1,600,000
Assaying	$120,000
Staffing and supplies	$250,000
Metallurgy testing	$350,000
Hardness testing	$50,000
Total	$2,570,000
2. RC Exploration within the Resource Area	
RC drilling – 40,000 feet	$640,000
Assays	$120,000
Staffing and supplies	$200,000
Total	$960,000
3. RC Exploration outside the Resource Area	
RC drilling	$640,000
Assays	$120,000
Staffing and supplies	$200,000
Total	$960,000
4. Economic Studies	
Complete a PEA analysis and report	$300,000
Grand Total	**$4,790,000**

1.7 Risks and Opportunities

The main risks associated with the project are related to permitting and California mining regulations. This risk could potentially cause long delays in acquiring permits and additional holding costs during these delays. This can be partially mitigated by maintaining an open door with the various federal, state and county government entities responsible for various permits.

The change in California mining regulations in the early 2000's with the introduction of the backfill law severely impacted new projects. With the current higher gold price, the backfill requirement can be met without severely impacting the project economics. There is a risk other regulation could be implemented that further impacts project economics.

A somewhat lesser risk includes potential poor metallurgical recovery of the gold and silver resources from heap leaching. These concerns are being addressed in the next phase of metallurgical study.

The primary opportunity for Cahuilla is the excellent discovery potential for new gold resources as extensions from the currently defined mineralization and the discovery of new resources in peripheral target areas on the property.

2.0 Introduction and Terms of Reference

The title of this technical report is “Amended Technical Report on the Cahuilla Project Gold and Silver Resources, Imperial County, California.” The original base report titled “Technical Report on the Cahuilla Project Gold and Silver Resources, Imperial County, California.” was released by Mine Development Associates (MDA) on November 27, 2012. Considerable changes to the technical aspects of Cahuilla have transpired since then, which include the drilling of 71 core and RC holes for 48,108 feet over 5 drilling campaigns. A compilation of this new work and the modeling of a new gold/silver resource was completed to transform the original MDA report into an Amended Report.

Teras Resources Inc. ("Teras") requested that an amended Technical Report be prepared on its Cahuilla gold project, California. Teras is a Canadian listed company on the TSX Venture Exchange and it controls a 100% interest in the Cahuilla project. Three independent Qualified Persons (QP) have prepared this report:Senior Consulting Geologist, Steven Craig as lead author responsible for Chapters 1 to 11, 13, and 15 to 19; and Kyle Erdman and Robert Flesher, QPs, who prepared and audited Chapter 12 and 14 of this Technical Report. Assistance was also provided by Rangefront Geological, LLC, Thomas Mancuso and Paul Stubbe, all experienced and technically qualified geologists with experience at Cahuilla.

The resource estimate was prepared by Kyle Erdman and audited by Robert Flesher. Both are independent Qualified Persons (QP) in compliance with the disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101 (NI 43-101), Companion Policy 43-101CP, and Form 43-101F1, as well as with the Canadian Institute of Mining, Metallurgy and Petroleum's “Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines” adopted on November 29, 2019. The purpose of this report is to support the disclosure of the Amended Mineral Resource estimate for the Cahuilla project that complies with NI 43-101 reporting standards.

The scope of this study included a review of pertinent technical reports and data provided to the lead author by Teras relative to the general setting, land, geology, project history, exploration activities and results, methodology, quality assurance, interpretations, drilling programs, and metallurgy. He has relied on the data and information provided by Teras for the completion of this report, including the supporting data for the estimation of the Mineral Resources. In compiling the background information for this report, the 2012 MDA Technical report was used as a base and other references as cited in Section 19.0, including a Technical Report on the property prepared by AMEC E&C Services Ltd. ("AMEC") in 2007 (Wakefield, 2007).

Steven D Craig, C.P.G., Senior Geologic Consultant, has supervised preparation of this report and estimation of the Mineral Resources. Mr. Craig is a Qualified Person under NI 43-101. There is no affiliation between Mr. Craig and Teras except that of an independent consultant/client relationship. Mr. Craig has had previous experience with the Cahuilla project, originally managing all aspects of the projects for Kennecott Exploration Company ("Kennecott") in 1995, 1996 and 1997 and Mine Development Associate’s preparation of the first mineral resource estimate report (pre-NI 43-101 Mineral Resource Estimate regulations) in 1997.

Beginning in 2019, Mr. Craig visited the Cahuilla project five separate times providing project tours of the geology, targets and drill core as a consultant for Teras. Beginning in April 2020, Mr. Craig was requested to assist in database verification and detailed core logging with the objective of building a new geologic model for a new resource model estimate. During this period, he reviewed past drill programs and associated drilling, logging, sampling, and quality assurance and quality control ("QA/QC") procedures; reviewed the geology and relevant geologic criteria for modeling; and reviewed collar, survey, assay, and geology data, which were then compiled into the current database with an effective date of September 11th, 2020.

Mr. Craig has relied on data and information derived from work done by Teras and its five predecessor operators of the Cahuilla project. He has reviewed much of the available data and made site visits and has made judgments about the general reliability of the underlying data. Where deemed either inadequate or unreliable, the data were either eliminated from use or procedures were modified to account for lack of confidence in that specific information.

Mr. Craig has made such independent investigations as deemed necessary in the professional judgment of the author to be able to reasonably present the conclusions discussed herein.

The effective date of the database is September 11, 2020. The effective date of the Mineral Resource estimate and this Technical Report is January 26, 2021.

2.1 Frequently Used Acronyms, Abbreviations, Definitions, and Units of Measure

In this report, measurements are generally reported in Imperial units. For any information that was originally reported in metric units, conversions as shown below.

Currency, units of measure, and conversion factors used in this report include:

Linear Measure

1 centimeter = 0.3937 inches

1 meter = 3.2808 feet = 1.0936 yards

1 kilometer = 0.6214 miles

Area Measure

1 hectare = 2.471 = 0.0039 square mile

1 acre = 0.405 hectares

Capacity Measure (liquid)

1 liter = 0.2642 US gallons

Weight

1 ton = 2000 pounds

1 tonne = 1.1023 short tons= 2,205 pounds

1 kilogram = 2.205 pounds

Currency

Unless otherwise indicated, all references to dollars ($) in this report refer to currency of the United States.

Frequently used acronyms and abbreviations

AA	atomic absorption spectrometry
Ag	silver
As	arsenic
Au	gold

BLM	United States Department of the Interior, Bureau of Land Management
CIM	Canadian Institute of Mining, Metallurgical, and Petroleum
Core	diamond core drilling method
CSAMT	controlled source audio frequency magneto telluric geophysical survey
Ft	foot or feet
Hg	mercury
ICP	inductively coupled plasma geochemical analysis
IP	induced polarization geophysical surveying technique
Lb(s)	pound(s)
NSR	net smelter return royalty
oz	troy ounce
gm/t	parts per million
QA/QC	quality assurance and quality control
RC	reverse-circulation drilling method
Sb	antimony
Ton	short ton (2000 pounds)
Tonne	metric ton (1000 kilograms or 2200 pounds)
USGS	United States Geological Survey

3.0 Reliance on Other Experts

The author is not an expert in, but is familiar with legal matters, such as the assessment of the legal validity of mining claims, private lands, mineral rights, and property agreements from past experience. The author did not conduct any investigations of the environmental or social-economic issues associated with the Cahuilla project, and the author is not an expert with respect to these issues.

The author relies on information provided by Teras as to the title of private land, tribal land, and mineral rights comprising the Cahuilla project, the terms of property agreements, and the existence of applicable royalty obligations; this information appears in Section 4.0.

The author also relied on Teras, who in the past contracted Anne Runnalls, Environmental Permitting Group Manager, URS Corporation and Corrine Lytle Bonine, PMP, Vice President, Environmental Planning for the information on Environmental Liabilities in Section 4.4 and Environmental Permitting in Section 4.5.

Section 4.0 in its entirety is based on information provided by Teras or its consultants, and the author offers no professional opinions regarding the provided information. The author has relied on Teras to provide full information concerning the legal status of the company and related companies, as well as current legal title, material terms of all agreements, and material environmental and permitting information that pertain to the Cahuilla property.

4.0 Property Description and Location

The author is experienced in land, legal, environmental, and permitting matters. This Section 4.0 is based entirely on information provided to the author by Teras. The author presents this information to fulfill reporting requirements of NI 43-101 and expresses no opinion regarding the legal or environmental status of the Cahuilla project.

4.1 Location

The Cahuilla property is located in northwestern Imperial County, California, about two miles west of the community of Salton Sea Beach and 30 miles south of the city of Indio (Figure 4.1). The property lies in the eastern foothills of the Santa Rosa Mountains, west of the southern part of the Coachella Valley. The Anza-Borrego Desert State Park is located directly west of the property, across the San Diego-Imperial County border.

The project lies on the Oasis and Seventeen Palms 1:24,000 scale, USGS 7.5 minute-series topographic quadrangle maps. The center of the property is located at approximately 33° 22' North latitude and 116° 04' West longitude.

Figure 4.1 Location of Cahuilla Project and other nearby gold mines

4.2 Land Area

The Cahuilla property consists of approximately 1,680 acres that cover portions of Sections 19 and 29 and all of Sections 20 and 30, T.9S., R.9E., San Bernardino Base and Meridian (Figure 4.2 and Table 4.1). The mineralization is located within the SE¼ of Section 19, the SW¼ of Section 20, the NW¼ of Section 29, and the NE ¼ of Section 30.

4.3 Agreements and Encumbrances

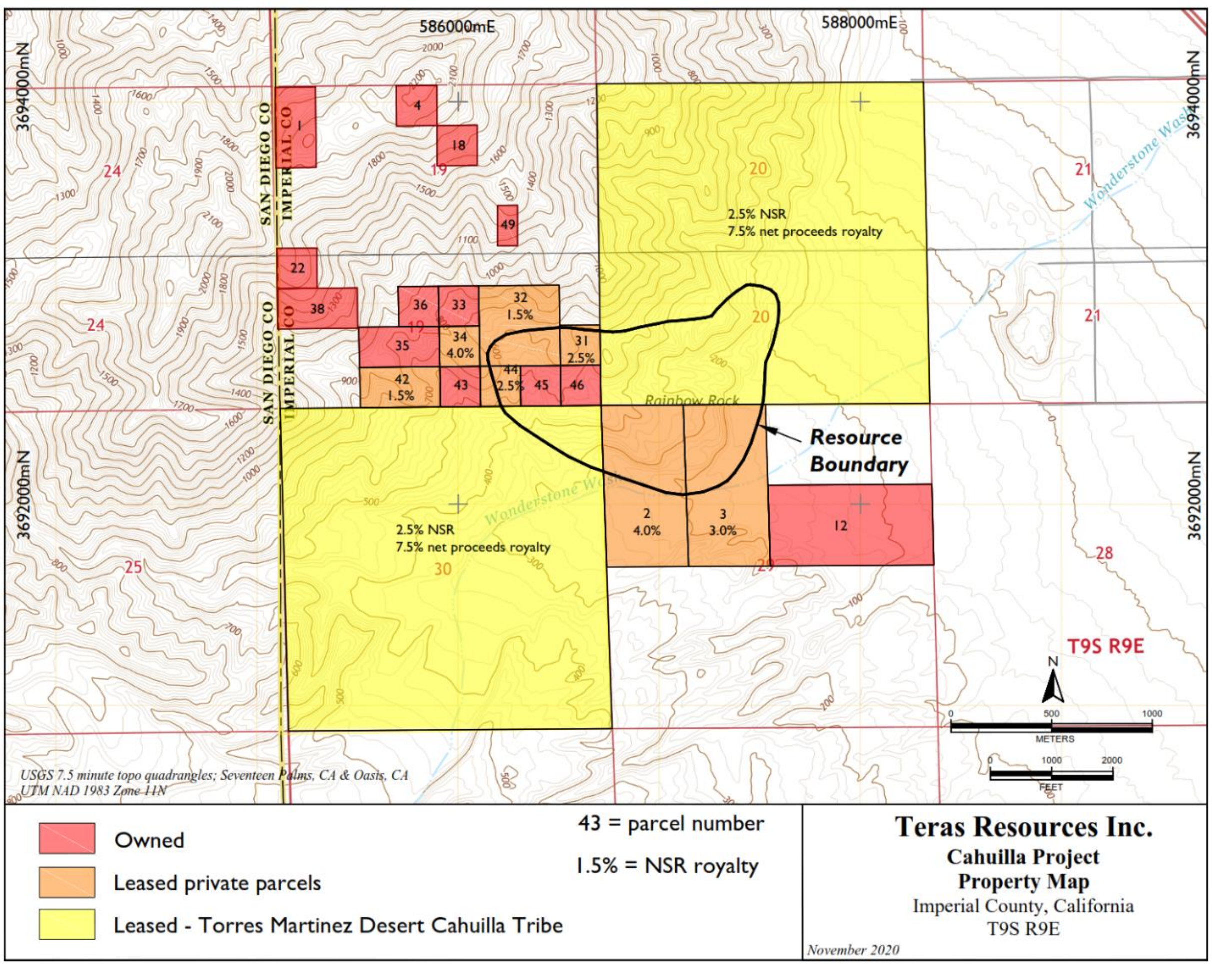
Summary

The Cahuilla property's chain of title began in 2006 with Consolidated Gold Incorporated (CGI) signing a five-year option to lease agreement with the TMDCI with the right to extend it. This original agreement was superseded by an amended and restated exploration and option agreement in 2010. CGI during this period acquired six other leases on private parcels adjoining the TMDCI lands.

In 2010 Teras entered into an earn-in agreement for 65% of the CGI's properties. They completed their earn-in in 2011, then they entered into another agreement with CGI for the remaining 35% of the project, which was completed in 2013 giving Teras full control of the properties.

After Teras took full control, they continued to either acquire or purchase a large number of parcels so that all land that had any mineral potential was under their control. Furthermore in 2015, the TMDCI agreement was extended by Teras for an additional 5 years. The current 2020 extension gives Teras rights on the tribal lands through 2021.

Figure 4.2 Land ownership at Cahuilla and the location of the resource



Teras holds a 100% interest in the property through multiple agreements. That portion of the property lying in Sections 20 and 30 (1280 acres) is leased from the Torres Martinez Desert Cahuilla Indians ("TMDCI").

The remainder of the property lying in Sections 19 and 29 is privately held land leased to Teras through agreements described, or owned by Teras in Section 4.3. The leased properties are identified as Parcels 2, 3, 31, 32, 34, 42, and 46 for 250 acres. Teras owns parcels 12, 33, 35, 36, 43, 44, 45, and 46 for 150 acres. Teras reports that it only controls 50% interest in the mineral rights of parcel 36. Figure 4.2 shows the location of each of those parcels controlled by Teras and identifies leased and owned parcels and Table 4.1 is a listing of all parcels summarizing total acres, lease payments and royalty.

As part of its purchase of parcel 43 in Section 19 on July 13, 2012, Teras acquired an additional five parcels totaling about 65 acres that also lie in Section 19 but are not contiguous with the Cahuilla project's property and are not adjacent to each other. These five parcels are not considered part of the Cahuilla property and are not included in Figure 4.2. In addition, as part of its purchase of parcels 33 and 35 in Section 19 in September 2012, Teras acquired an additional parcel totaling 10 acres in the northern part of Section 19 that is also not considered part of the Cahuilla property and is also not included in Figure 4.2.

The Tribal and private leases include all the surface rights as well as the mineral rights with the exception of private parcel 36.

The property was surveyed by Steve Van, a registered land surveyor, in early to mid-August 2012 in order to establish all corners.

4.3.1 Torres Martinez Desert Cahuilla Indians Lease

Original Lease between TMDCI and CGC-2006

CGC signed a five-year exploration and option to lease agreement on December 1, 2006, with TMDCI. CGC also has the right to convert the exploration lease to a mining lease upon completion of a feasibility report or equivalent. The total payments over the term was $600,000 and a work commitment of $1,500,000. The following table summarizes the schedule of the payments during the original lease phase.

Due Date	Amount	Work Commitment
Upon approval of agreement	$40,000	$100,000
First anniversary	$80,000	$200,000
Second anniversary	$120,000	$300,000
Third anniversary	$160,000	$400,000
Fourth anniversary	$200,000	$500,000
Total	**$600,000**	**$1,500,000**

Amended and Restated Exploration Agreement and Option to Lease Agreement-2010

This agreement was superseded by an Amended and Restated Exploration Agreement and Option to Lease Agreement which was effective August 5, 2010 and approved on August 10, 2010 by the Secretary of the Interior with a five-year term that can be extended. The agreement grants CGC the right to explore and develop the property for minerals. The agreement covers all of Sections 20 and 30, T.9S., R.9E. The agreement also allows CGC access to Sections 20 and 30 through Sections 22 and 28 with certain provisions and grants CGC the right to drill and pump water wells as required for exploration and development.

CGC must pay TMDCI a total of $150,000 through the fourth anniversary of the agreement's effective date and an additional $330,000 plus 480,000 shares in stock options through the fifth phase of exploration; stock options will be issued at the price of CGC stock on the date of origination. All payments will be adjusted annually for inflation or deflation. In addition, CGC shall perform a minimum of $1.5 million in exploration and development operations over five years and 100,000 shares in stock options.

Due Date	Amount	
Upon initiating permitting for the first phase of Exploration and Development Operations	Paid 2010	$10,000
First Anniversary of the Effective Date	Paid 2011	$20,000
Second Anniversary of the Effective Date	Paid 2012	$30,000
Third Anniversary of the Effective Date	Paid 2013	$40,000
Fourth Anniversary of the Effective Date	Paid 2014	$50,000
Bonus Payment for Extending Agreement		$20,000
Bonus Payment for 2nd Extension of Agreement		$70,000
Total Payments		**$200,000**

Assignment and Assumption Agreement September 2014

On September 13, 2014 the Assignment and Assumption Agreement was signed between Consolidated Goldfields Corporation, the holder of the agreement with the TMDCI, and Teras Resources whereby the agreement and all property interests were transferred to Teras.

First Amendment to the Amended and Restated Exploration Agreement and Option to Lease - 2014

On September 13, 2014 the First Amendment to the Amended and Restated Exploration Agreement and Option to Lease was formally signed. It required Teras to pay TMDCI a total of $620,000. Annual payment details are summarized in the following table:

Due Date of Extension Schedule	Amount	
Fifth Anniversary of the Effective Date	Paid 2015	$70,000
Sixth Anniversary of the Effective Date	Paid 2016	$80,000
Seventh Anniversary of the Effective Date	Paid 2017	$90,000
Eighth Anniversary of the Effective Date	Paid 2018	$100,000
Ninth Anniversary of the Effective Date	Paid 2019	$110,000
Total Payments		**$620,000**

Minimum Work Obligations

This first Amendment also required an annual work commitment, which was modified in 2014 and restated all work commitments over the life of the agreement over 10 years.

Option Year	Amount
Year 1	$100,000
Year 2	$200,000
Year 3	$300,000
Year4	$400,000
Year 5	$500,000
Five-year total	**$1,500,000**
Year 6	$300,000
Year 7	$300,000
Year 8	$300,000
Year 9	$300,000
Year 10	$300,000
Five-year extension Total	**$1,500,000**
Ten-year Total	**$3,000,000**

Exploration Phases Approval Terms

Teras has conducted three exploration programs that were approved by a permit. When the permit is issued, then Teras is obligated to make a payment and issue stock options. These payments are considered a "bonus" to the tribe. The following table summarizes these obligations for each exploration phase.

Due Date	Bonus Amount	Stock Options
First phase--paid	$30,000	40,000
Second phase--paid	$40,000	60,000
Third phase--paid	$70,000	100,000
Fourth phase	$100,000	120,000
Fifth phase	$150,000	160,000
Total payments and options	**$390,000**	**480,000**

Second Amendment to the Amended and Restated Exploration Agreement and Option to Lease-2020

On September 17, 2020 TMDCI signed a Second Amendment to the Amended and Restated Exploration Agreement and Option to Lease for a one-year extension. The bonus payment for extending the agreement was $70,000 and annual payment for maintaining the lease was $130,000.

Mining Lease Terms following Exploration

Upon completion of a feasibility report, Teras has the right to convert to lease the property under a mining agreement for 20 years with extension as long as there is commercial production. Teras must pay an advance royalty of $200,000 upon execution of the lease and $250,000 each year thereafter, must spend $500,000 in exploration, development, or mining work each year, and must pay a 2.5% net smelter returns royalty ("NSR") and a 7.5% net proceeds production royalty. The royalties apply to all minerals mined from Sections 20 and 30.

4.3.2 Mealy Lease (Parcels 32, 42)

The Mealy lease agreement was entered into by Edwin and Mary Mealy and La Cuesta on July 1, 2003, and covers parcels 001-210-32 and 001-210-42, located in Section 19, T.9S., R.9E. (Figure 4.2, parcels 32 and 42 in Section 19). The lease includes mineral, surface, and water rights for the parcels. The two parcels total approximately 60 acres in area. The terms of the Mealy lease include rental payments of $2,500 upon signing the agreement, $5,000 after six months, $5,000 after 18 months, $7,500 after 24 months, and $10,000 every 12 months thereafter. All payments are current. If production is realized from the property, CGC will pay a 1.5% NSR royalty or $10,000 per calendar quarter, whichever is greater. The agreement is for 10 years, and CGC has the right to purchase the property via renegotiating the $500,000 purchase price. The lease remains in good standing through continued lease payments or production from the property.

4.3.3 El Sharkawy Lease (Parcel 44)

Teras signed a 25-year exploration and mining lease with option to purchase agreement on July 6, 2012, for Parcel No. 001-210-44, located in SE/4SW/4SE/4 Section 19, T.9S., R.9E from the registered owner Mohamed El Sharkawy (Figure 4.2, parcel 44 in Section 19). The lease will automatically be extended annually as long as Teras is using the property for exploration or mining. This parcel totals approximately 10 acres in area. The lease includes both mineral and surface rights. Lease payments will be paid by Teras as follows: an initial $5,000 upon execution of the agreement, $3,000 per year on the first through the tenth anniversary of the agreement and $5,000 per year on the tenth anniversary and thereafter. If at the end of the initial term of the agreement the owner is not receiving royalties, the annual payments will increase to $10,000 per year for the extended term. This parcel is subject to a 2.5% NSR royalty.

4.3.4 Samani Lease (Parcel 2)

CGC signed a 20-year mineral lease and option to purchase agreement on August 8, 2007, for 100% interest in Real Property Tax Parcel No. 001-230-002-000, located in W/2, NW/4 Section 29, T.9S., R.9E. from the registered owner, Regina Dupre Samani (Figure 4.2, parcel 2 in Section 29); the lease will continue as long as royalty or lease payments are being made up to a maximum of 50 years. The lease includes mining and water rights and access. The parcel is approximately 80 acres in area. Lease payments will be paid by CGC as follows: an initial $40,000 upon execution of the agreement, $50,000 on the first anniversary of the agreement, $65,000 on the second through the fifth anniversary, $75,000 on the sixth through the tenth anniversary, and $85,000 on the eleventh through the twentieth anniversary. Lease payments do not apply towards the purchase price or royalty payments or buyout.

The parcel is subject to a 4.0% NSR royalty. CGC has the option to purchase the entire NSR royalty for $1,500,000 through the fifth anniversary of the agreement, $2,500,000 from the sixth through the tenth anniversary, and $3,500,000 after the eleventh anniversary. CGG may purchase the property for $1,500,000 through the fifth anniversary of the agreement, $2,000,000 from the sixth through the tenth anniversary, and $2,500,000 after the eleventh anniversary.

4.3.5 Eshelman Lease (Parcel 3)

CGC signed a 40-year mineral lease and option to purchase agreement (herein referred to as the Eshelman lease) on September 12, 2007, for 100% interest in Real Property Tax Parcel No. 001-230- 003-000, located in E/2, NW/4 Section 29, T.9S., R.9E. with the six registered owners (Figure 4.2, parcel 3 in Section 29). The lease includes mining and water rights and access. The parcel is approximately 80 acres in area. Lease payments will be paid by CGC as follows: an initial $27,500 upon execution of the agreement, $25,000 on the first through fifth anniversary of the agreement, $30,000 on the sixth through the tenth anniversary, $40,000 on the eleventh through the fifteenth anniversary, and $50,000 on the sixteenth through the fortieth anniversary. Lease payments do not apply towards the royalty payments. The parcel is subject to a 3.0% NSR royalty. CGC has the option to purchase the entire 3% NSR for $1,000,000 at any time.

CGG may purchase the property for $750,000 through the fifth anniversary of the agreement, $1,000,000 from the sixth through the tenth anniversary, $1,250,000 for the eleventh through the fifteenth anniversary, and $1,500,000 from the sixteenth through the fortieth anniversary.

4.3.6 Cheng Lease (Parcel 34)

CGC signed a 20-year mineral lease and option to purchase agreement on May 14, 2008, for 100% interest in Real Property Tax Parcel No. 001-210-034-000, located in NW/4, SW/4, SE/4 Section 19, T.9S., R.9E. from the registered owner Yung Chang Cheng (Figure 4.2, parcel 34 in Section 19). The lease will continue as long as royalty or lease payments are being made up to a maximum of 50 years. The parcel is approximately 10 acres in area. The lease includes mining and water rights and access. Lease payments will be paid by CGC as follows: an initial $2,000 upon execution of the agreement, $3,000 on the first through fifth anniversary of the agreement, $4,000 on the sixth through the tenth anniversary, $5,000 on the eleventh through the fifteenth anniversary, and $10,000 per year thereafter. The parcel is subject to a 4.0% NSR royalty. CGG has the right of first refusal to purchase the property and royalty.

4.3.7 Schnabel Agreement (Parcel 31)

CGC signed a 20-year mineral lease and option to purchase on November 12, 2009, for 100% interest in Real Property Tax Parcel No. 001-210-031-000, located in NE/4, SE/4, SE/4 Section 19, T.9S., R.9 with Robert Schnabel (Figure 4.2, parcel 31 in Section 19). The lease will automatically renew for as long as precious metals are produced from the property. The lease includes mining and water rights and access. The parcel is approximately 10 acres in area. Lease payments will be paid by CGC as follows: an initial $10,000 upon execution of the agreement, $5,000 on the first through fifth anniversary of the agreement, $7,500 on the sixth through the tenth anniversary, and $10,000 on the eleventh anniversary and each anniversary thereafter. Lease payments will apply to the purchase price but shall not be deductible against future production royalties. The parcel is subject to a 2.5% NSR royalty. CGG may purchase the property and the entire 2.5% royalty for $600,000 at any time while the agreement is in effect.

4.3.8 Agreements with Consolidated Goldfields Corp.

In February 2010, Teras entered into an earn-in agreement with CGC through which Teras received the exclusive option to earn a 65% undivided interest in the Cahuilla project (Teras news releases, February 11, 2010; February 19, 2010). Teras issued 4,000,000 common shares to CGC and paid them $1 million to be used exclusively for exploration, development, and maintenance on the property. CGC was the operator. To exercise the option and earn the 65% interest, Teras had to issue an additional 10,300,000 common shares to CGC and pay an additional $800,000 work commitment over the next two years. Teras completed its obligations and earned its 65% interest in the project in March 2011 (Teras news release, September 14, 2011). This agreement included an area of interest that consists of Sections 16-21 and 28-33 of T.9S., R.9E., and Sections 24, 25, and 36 of T.9S., R.8E.

In September 2011, Teras and CGC entered into another exploration and earn-in agreement whereby Teras could earn the remaining 35% interest in the Cahuilla project (Teras news releases, September 14, 2011; September 29, 2011). Under the terms of this agreement, Teras has a 24-month option to earn the 35% balance of the project. Teras can exercise the option at any time within the 24-month period by issuing 10 million common shares of the company to CGC and depositing $1 million as a work commitment on the

Cahuilla project within that period. Teras is now the operator for exploration and development of the property. This agreement includes an area of interest that consists of Sections 16-21 and 28-33 of T.9S., R.9E., and Sections 24, 25, and 36 of T.9S., R.8E.

4.3.9 Teras Purchased Private Parcels

Teras and CGC acquired through purchase 7 private parcels in the project area and another 6 parcels outside and to the north of the project area. These parcels ranged in size from 5 to 80 acres. These purchases were made when CGC acquired the Cahuilla project and during and after Teras was acquiring the overall project. The following gives a limited description of each of these parcels.

4.3.9.1 Teras Parcel 12

Teras closed on this 80-acre parcel on May 17, 2012 with Linda Gunderson. The AP# is 001-230-012-000.

4.3.9.2 Teras Parcel 33

Teras closed on this 20-acre parcel on June 7, 2012 with Virginia Longobardo. The AP# is 014-033-04-00.

4.3.9.3 Teras Parcel 35

Teras closed on this 20-acre parcel on September 26, 2012 with Family Nursery Co. The AP# is 001-210-035.

4.3.9.4 Teras Parcel 36

Teras closed on this 10-acre parcel on November 19, 2010 with Salton Sea III, a corporation. The AP# is 001-210-036-000.

4.3.9.5 Teras Parcel 43

Teras closed on this 10-acre parcel on July 13, 2012 with Diane Pozos. The AP# is 001-210-043-000.

4.3.9.6 Teras Parcel 45

Teras closed on this 10-acre parcel on May 25, 2010 with Fred Becker. The AP# is 001-210-045-000.

4.3.9.7 Teras Parcel 46

On September 14, 2012, Teras purchased the 10 acre parcel AP# 001-210-046-000, that was the subject of an older lease agreement with the Johnson Family. Teras reports that there is no longer a royalty on this parcel.

4.3.9.8 Teras Parcels 1, 4, 18, 22, 38, 49

Teras acquired 6 other small parcels in Section 19 that were carried along with two other purchases. These parcels are not part of the project area as they lie high up on the mountain and are not mineralized. Parcel 4 was purchased from Family Nursery and Parcels 1, 18, 22, 38, and 49 were purchased from Diane Pozas on July 13, 2012.

Table 4.1 Land leases and Owned Parcels

Teras Leased					
Owner	**Section**	**Parcel**	**Acres**	**Payments**	**Royalty**
TMDCI	20		640	$250,000	2.5% NSR + 7.5% NPPR
TMDCI	30		640		
Schnable	19	31	10	$10,000	2.5% NSR
Mealey	19	32	40	$10,000	1% NSR
Chang	19	34	10	$10,000	4% NSR
Mealey	19	42	20	$10,000	1% NSR
El Sharkawy	19	44	10	$3,000	2.5 % NSR
Samani	29	2	80	$85,000	4% NSR
Eshelman	29	3	80	$50,000	3% NSR
			1530		
Teras Owned					
Past Owner	**Section**	**Parcel**	**Acres**		
Family Nursery	19	33	10		
Family Nursery	19	35	20		
Schwimmer	19	36	10		50% of minerals
Pozos	19	43	10		
Becker	19	45	10		
Johnson	19	46	10		
Gunderson	29	12	80		
			120		
Teras Owned - Out of Project Area					
Past Owner	**Section**	**Parcel**	**Acres**		
Pozos	19	1	20		
Family Nursery	19	4	10		
Pozos	19	18	10		
Pozos	19	22	10		
Pozos	19	38	20		
Pozos	19	49	5		
			75		

4.4 Environmental Liabilities

The following information has been provided by Anne Runnalls, Environmental Permitting Group Manager, URS Corp and Corrine Lytle Bonine, PMP, Vice President, Environmental Planning.

The project is located in northwest Imperial County, California, about two miles west of the community of Salton Sea Beach, California. The Salton Sea is located about the same distance from the project site. The project location is centered around a prominent geological feature, known as "Rainbow Rock," and Wonderstone Wash. The project site is situated on Trust lands of the Torres-Martinez Desert Cahuilla Indian Reservation, as well as adjacent private lands. This location is in an area of open space lands that are mostly undeveloped, with limited development in the surrounding area. The site has been previously disturbed by past exploratory drilling programs, and land use is generally undeveloped lands as the site is within Torres-Martinez Trust lands and is not accessible to the public without permission from the Tribe.

The portion of the project that occupies private lands is subject to the California Environmental Quality Act ("CEQA"), and the portion that occupies Trust lands is subject to the United States National Environmental Protection Act ("NEPA"). Environmental studies were conducted so that exploration activities would comply with these regulations and could obtain the appropriate permits. Required permits are discussed in Section 4.5. The environmental reports prepared for the exploration activities permits are Conditional Use Permit Application, Cahuilla Gold Project dated November 2010, and Environmental Assessment, Cahuilla Gold Mining Project, dated June 2011. Evaluation of the environmental documents by the lead agencies for CEQA and NEPA resulted in issuance of a Mitigated Negative Declaration ("MND") and Finding of No Significance ("FONSP), respectively. These determinations confirm that no significant environmental impacts from the exploration activities were anticipated. The two main areas of environmental concern are biological resources and cultural resources and are summarized below.

4.4.1 Biological Resources

URS biologists reviewed previous biological studies conducted on the site and in the vicinity. URS biologists also reviewed California Natural Diversity Database ("CNDDB”) records for special status species reported in the project vicinity and generated field maps from the most current aerial photos and the project description. The biological survey area was defined as the roads proposed for upgrade, plus an approximate 15ft buffer from these roads. Vegetation mapping was conducted for the entire project site. The plant survey conducted in the spring of 2010 identified over 100 plant species on the property. Of these, only Newberry's bush mallow (Horfordia newberryi, California Native Plant Society (“CNPS") List 4.3) is included as a special status species (Wood, 2010), but is not federally listed. Previous biological surveys (Pratt, 1995, and Ogden, 1996) did not detect any special status plants. Pratt (1995), in consultation with the United States Fish and Wildlife Service ("USFWS"), determined that the only threatened, endangered, or candidate plant species with potential to occur on-site was Orcutt's woody aster, which was not detected during the 2010 survey.

No special status wildlife species were detected during the URS survey of the study area. However, tracks and scat created by Peninsular bighorn sheep ("PBS;" Ovis canadensis cremnobates) were observed in three separate locations within the project area during the Phase 2 survey. Previous biological surveys (Pratt, 1995, Ogden, 1996, and URS, 2009) did not detect any special status wildlife on the site. Pratt (1995), in consultation with the USFWS, determined that the threatened, endangered, or candidate species with potential to occur on-site were Peninsular bighorn sheep and flat-tailed homed lizard (Phrynosoma mcallii), a state species of concern.

Peninsular bighorn sheep were federally listed as endangered in 1998 (USFWS, 1998). Based on current shapefile data from the USFWS, the project area exists outside of USFWS final designated critical habitat (USFWS, 2006) for PBS. Evidence of bighorn sheep (tracks and scat) was detected in both the Phase 1 and Phase 2 areas of the project during the Spring 2010 surveys. Although the project area occurs outside of USFWS-designated critical habitat, PBS still occasionally enter the project area.

Flat-tailed homed lizard had been previously proposed for federal listing as threatened in 2010 (USFWS, 2010), but this proposed listing was subsequently denied in May 2011. The lizard is an inhabitant of dunes and deep sandy soils (Stebbins, 1985). Examination of aerial photography and a survey of the study area have shown that the lizard's habitat is absent from the study area (Pratt, 1995). This was initially confirmed during the URS site visit on October 23, 2009. Recent exploration activities had no adverse effect on the species, because suitable habitat was not detected in the study area and no flat-tailed homed lizards were observed during the field surveys in 2009 and 2010.

For complete results of the URS biological survey efforts in 2009 and 2010, refer to the Biological Technical Report for the Cahuilla Gold Project Located West of Salton City, California, dated November 17, 2010.

Conclusion: No listed special status plant species were detected in the project area, though there are sensitive vegetation communities within two miles of the site. Evidence of one special status wildlife species was detected; PBS may occasionally use the site. Biological mitigation measures required in the environmental permits obtained in 2011 include:

- Road clearing should take place outside of the bird breeding season (February 15 to August 31) when feasible. If the breeding season cannot be avoided, then a qualified biologist shall check the area for nests prior to the action.
- The USFWS recommends that the distribution of bighorn sheep in the mountains adjacent to the project site be investigated by a qualified biologist prior to committing to a start date for the exploration activities.
- Construction activities that occur within the bighorn sheep lambing period (January 1 to June 30) should be minimized, if practical. Restricting activities in the northern third of the Phase 2 area (north of Phase 1) during March and April is recommended to minimize potential effects on PBS during the lambing season. For construction activities that occur during lambing season, a qualified biologist will conduct daily binocular scans of the project area and surrounding hills to search for bighorn sheep during construction activities. At any time bighorn sheep are seen within 1,000 feet of any construction activity, the qualified biologist shall monitor their activity until the animals leave the area. If the bighorn sheep approach within 500 feet of any construction activity, then construction shall cease until the animals have moved farther than 500 feet away from construction activities.

Two previous biological surveys were conducted on the project site in the mid-1990s for a previously proposed gold exploration project. Summaries of these surveys are provided below.

<u>Pratt Biological Assessment (1995):</u>

The Biological Assessment prepared by William L. Pratt presented the results of field visits from the week of April 24 to 28, 1995. The report summarizes the results of a biological baseline assessment from the "Area of Potential Affect" ("APE"). For the purposes of that project, the APE was defined as the entire area to be potentially impacted by the road construction and drill pad construction for the approximately 200 exploratory boreholes that the former project operator proposed to drill in 1995. Within the APE, a detailed field study of the flora and fauna was completed, focusing on potentially occurring sensitive species and specific vegetation habitat types. The report contains lists of potentially occurring flora and wildlife based on literature reviews. The report also includes the details of correspondence with Gail C. Kobetich of the USFWS. In a letter dated May 4, 1995, Ms. Kobetich identified three species that are listed or were proposed species with potential to occur on-site and of concern to the USFWS: Peninsular bighorn sheep (Distinct Population segment of Ovis canadensis nelsoni; Federally Endangered), flat-tailed homed lizard (Phrynosoma mcalli; proposed for listing), and Orcutt's woody aster (Xylorhiza orcuttii; not listed, CNPS List IB.2). Note that the listing status provided for these species above is current and does not represent the listing status in 1995. Based on the results of the field surveys and literature search, Pratt concludes that the only sensitive species that could occur on the site, through occasional use from the nearby Santa Rosa Mountains, was Peninsular bighorn sheep, but none was observed in 1995.

Ogden Vegetation Descriptive Analysis (1996):

The purpose of this report was to quantify the vegetation resources in the impact areas for proposed activities in 1995-1996 by conducting baseline vegetation surveys. Baseline vegetation information could be used for any future activities on-site. Following a reclamation plan approved by Imperial County, vegetation was randomly sampled for cover, density, and species richness. The project operator was issued a Conditional Use Permit and Reclamation Plan for the expanded drilling program by the Imperial County Board of Supervisors in November 1995. The project operator also submitted and received approval for a FONSI, Environmental Assessment, and a Plan of Operations, by the Bureau of Indian Affairs ("BIA") in October 1995. Under mitigating conditions attached to the County-approved Reclamation Plan, the project operator was required to 1) conduct a baseline vegetative survey; 2) produce a revegetation plan; 3) design and initiate revegetation test plots; and, 4) develop a long-term revegetation monitoring program. No revegetation was completed; the Torres Martinez Tribe and all private land owners formally agreed that no reclamation should occur on roads/drill pads in order for exploration to continue in the future.

4.4.2 Cultural Resources

URS archaeologists conducted a BLM Class III - Phase 1 Archaeological Assessment of the Cahuilla Goldmine project area (approximately 225 acres total; 116 on Torres Martinez Indian Reservation and 109 on private land) between August 31, 2010 and September 9, 2010. A total of six cultural resources were identified within the project area; two are updates to previously recorded archaeological resources (CA-IMP-6300 and CA-IMP-6630). All six of the cultural resources within the project area are archaeological resources (two prehistoric, three historic, and one isolate). One of the sites (CA-SBR- 6300) is a prehistoric archaeological quarry site that covers nearly half of the project and is located on private land and Torres Martinez Indian Reservation land.

URS studied paleontological literature of this area, requested a paleontological record search from the Anza-Borrego Desert Museum, and visited the project site in an effort to learn of any paleontological resources within the immediate area of the project. A Paleontological Resources Letter Report was prepared for the project site. Van Buskirk and McKibben (1993) report that silica in cooling hydrothermal fluids at the surface at some time in the past produced fossilized reeds and filamentous algae. The Anza-Borrego Desert Museum does not have any fossil specimens from the sinter deposit (G. T. Jefferson, personal communication, September 30, 2010). Sedimentary deposits below the sinter deposit may be fossiliferous (G. T. Jefferson, personal communication, September 30, 2010). Other sedimentary rocks that were subjected to the hydrothermal fluids have had all former textures destroyed (Van Buskirk and McKibben, 1993). Given the highly unusual nature of these plant fossils and their poorly understood age, they are classified as a significant paleontological resource. Project activities are not located near these resources; therefore, no impact was anticipated, and no mitigation measures were required.

Conclusion: URS archaeologists revisited and updated site CA-IMP-6300 and are in concurrence with the previous recommendations for this site as well as the California State Historic Preservation Office in that this site is to be considered "assumed" eligible for listing on the National Register of Historic Places. However, areas within the site boundary have been identified as non-contributing, which the reviewing approved agencies have concurred with. As a result, those portions of CA-IMP-6300 which lack context, integrity, and do not contain data which will contribute to the existing prehistoric literature are recommended as non-contributing elements of this site. With implementation of the mitigation measure outlined in the

Final Archaeological Assessment Report (June 2011), there will be no adverse impacts to eligible/significant resources as a result of this project.

For complete results of the URS survey efforts in 2009 and 2010, refer to the Cahuilla Gold Mining Project Archeological Assessment: Imperial County California, dated October 2010. Cultural mitigation measures required in the environmental permits obtained in 2011 include:

- Avoidance of eligible contributing components of site CA-IMP-6300 during bore-hole drilling and off-road travel. Contributing components include all features within the project area with an additional 100ft buffer surrounding each feature. No work shall occur within a 100ft buffer surrounding each contributing feature.
- Access routes to the bore-hole locations shall be surveyed, cleared of contributing components, and flagged, prior to off-road vehicular travel. This cleared route shall be used for both ingress and egress of off-road vehicles.
- Work related to bore-hole staking, access route flagging activities within site CA-IMP-6300 and previously recorded CA-IMP-6630 shall be monitored by an archaeologist.
- Work related to bore-hole drilling, and any other ground disturbing activity within site CA-IMP- 6300 and previously recorded CA-IMP-6630 shall be monitored by a qualified archaeologist until deemed no longer necessary.
- Additionally, as requested by the Tribe all bore-hole drilling throughout the project area shall be monitored by a Native American Monitor.

4.4.3 Environmental Permitting

The Cahuilla project has undergone several permitting cycles since exploration was begun on the property. The project occupies both private and Trust land, so two permits were required and these are active for 5-year periods.

For the private lands, a Conditional Use Permit ("CUP) is required from the Imperial County Planning and Development Services Department for project activities, including road repair and exploratory drilling. The private parcels upon which the project is proposed to occur are zoned S-2. The S-2 Zone is considered to be the Open Space Preservation Zone and is primarily dominated by native desert habitat and stark topographic features. Surface mining is an allowed use upon issuance of a CUP (County's Land Use Ordinance). The County categorizes CUPs into three categories: minor, intermediate, and major. The CUP issued for the project is classified as intermediate. As a condition of the CUP, the operator had prepared a dust control plan and submitted it to the Imperial County Air Pollution Control District.

For the Tribal lands, a Revocable Permit is obtained from the BIA with support from the Torres-Martinez Desert Cahuilla Indians. This permit uses information developed from the NEPA required Environmental Assessment and associated proposed exploration program.

The two permits were discretionary actions by the lead agencies; therefore, they were subject to state and federal environmental regulations. Evaluation of the environmental documents by the lead agencies for CEQA and NEPA resulted in issuance of a MND and FONSI, respectively.

As of the date of this Technical Report, both permits were expiring at the end of 2020, but Chambers Group has been contracted to get a one-year extension of the current permits. They will also begin work to renew them for another 5 years term. Their effort will focus on the established path for the Environmental Assessment review and the new Teras Exploration plan, currently being developed.

5.0 Accessibility, Climate, Local Resources, Infrastructure & Physiography

5.1 Access to Property

From Indio, the Cahuilla property can be reached by traveling south on California State Highway 86 for a distance of about 30 miles, exiting at the town of Salton Sea Beach, and traveling west on Brawley Avenue and dirt roads to the project site (Figure 4.1 and Figure 4.2). Access is possible year-round.

5.2 Climate

The Cahuilla project is located in the Santa Rosa Mountains, immediately west of the Salton Sea (Figure 5.1). The region is a desert, and the climate is hot and dry. Average monthly high temperatures range from 102 to 107° F in the summer and 71 to 80° F in the winter. Yearly rainfall averages approximately three inches, with more than half of this falling from January through March. June, July, and August are typically hot and dry months (Weather Channel website, 2007, as cited by Wakefield, 2007).

Exploration at Cahuilla can be conducted year-round.

Figure 5.1 View of the Salton Sea from the Cahuilla Property

5.3 Physiography

The Cahuilla property lies on the eastern flank of the Santa Rosa Mountains, close to the valley floor of the Salton Trough. Elevation at the property ranges from 95 feet below mean sea level to 1,400 feet above mean sea level, and the topographic relief can be characterized as gentle to moderate. Gently sloping alluvial fans are found on the eastern side of the property, and steep rocky foothills on the west.

Vegetation is classified as Sonoran Desert Scrub. The property is covered by sparse Palo Verde, creosote, cheeseweed, burro brush, pencil cholla, desert holly, sweetbush, beavertail cactus, bladder pod, brittlebush, buckhorn cholla, ocotillo, smoke tree, desert lavender, and red barrel cactus. Fauna in the area include desert iguana, chuckwalla, rare Peninsular bighorn sheep, and various lizards and birds.

5.4 Local Resources and Infrastructure

Indio has a population of 76,036 and Salton Sea Beach has a population of 422 (2010 Census data). Indio and Palm Springs are the closest supply centers to the property, located 27 miles and 44 miles from the Cahuilla project, respectively.

Teras reports that the TMDCI lease provides access to water sufficient for exploration and development. The nearest power source is a major power line located 6,000 feet due east of the project or 2,500 feet due east of Section 20 that passes over the main access road.

Teras controls sufficient surface rights for mining operations.

6.0 History

The following information is taken from Kern and Johnson (1989), Awald (1993a), Schaff and Mancuso (1996), Hardy and Ristorcelli (1996), and Wakefield (2007), with information from other references as cited.

6.1 Exploration and Mining History

The earliest gold mining in the region was initiated around 1896 in the Montezuma and Rice mining districts, about 30 miles southwest of the Cahuilla property. The nearest gold deposits in the vicinity of Cahuilla are about 15 miles to the northeast in the Orocopia Mountains on the east side of the Salton Sea. Production figures are not known for these mines, which include the Charity, Dos Palmas, Fish, Free Coinage, and Messenger mines.

Mining activities are believed to have originated in the Cahuilla project area as early as 1912. There are five small prospect pits on the Cahuilla property in Sections 19 and 20, several of which are located directly on the Modoc fault zone. No significant production was reported from these small workings.

In 1987, Fischer-Watt Gold Company ("Fischer-Watt") examined the Cahuilla area motivated by a property abstract dating from 1912 discussing the gold potential of the "Modoc" prospect (Kern and Johnson, 1989). This report described a 50-foot-deep shaft with a 17-foot crosscut (now called the Modoc shaft) that was said to average $6.20 in gold (0.31 oz Au/ton); the high gold values reported in the shaft have not been replicated. Fischer-Watt leased private land adjacent to the Torres Martinez Indian Reservation in Section 19 and in early 1988 completed a letter of intent to joint venture the project with Homestake Mining Company ("Homestake").

Homestake leased parts of Sections 19, 21, and 29 and drilled 24 reverse circulation ("RC") holes in these sections in 1989; at least two earlier reports indicated Homestake had drilled 23 holes, and there are drill logs for 23 holes, but there are drilling data in the database with no log for an additional hole called HR-1A. Homestake also conducted geologic mapping, geochemical sampling, geophysical surveying, and metallurgical studies in 1988 and 1989, both on the land they leased in Sections 19 and 29 as well as on adjacent TDMCI land. Homestake collected 186 rock-chip samples as well as 28 bulk-leach stream-sediment samples over the entire joint-venture area. The stream-sediment samples were collected from 29 dry streams. At least 12 lbs were collected at each sample site. Gold was analyzed by cyanide bulk-leach method. Anomalous gold values were only found downstream from known rock-chip gold anomalies (Kern and Johnson, 1989).

Homestake also collected 746 channel samples, taken across 20-foot widths in a semi-continuous manner. The mean grade for all samples was 0.013 oz Au/ton and 0.10 oz Ag/ton (Kern and Johnson, 1989). The maximum value was 1.406 oz Au/ton and 3.91 oz Ag/ton, which came from the top of High Grade Hill, where several samples consistently assayed greater than 1.0 oz Au/ton (Kern and Johnson, 1989). The surface geochemistry indicated that mineralization is strongly associated with silicification in three separate geologic environments: steeply dipping fault zones and fractures, permeable stratigraphic units, and siliceous sinter beds. Homestake's work also identified banded vein mineralization at High Grade Hill, where an 80-foot-thick zone averaged 0.31 oz Au/ton. A number of samples were analyzed for multi-element geochemistry, including gold, silver, mercury, copper, arsenic, lead, and zinc. Correlation analysis of these data by Homestake revealed that gold, silver, and copper are strongly correlated and that the typical hot-springs pathfinder elements, arsenic, antimony, and mercury, are present in unusually low concentrations (Hillemeyer *et al.*, 1991).

In addition to mapping and geochemical sampling, Homestake also conducted 3.25 miles each of induced polarization (IP) resistivity, ground magnetometer, and electromagnetic ("EM 16") geophysical surveys

(Kern and Johnson, 1989). Mining Geophysical Surveys Inc. of Tucson, Arizona, was the survey contractor (Wieduwilt, 1989). Five lines were located, nearly normal to the Modoc fault. The IP survey of line 3, which covered the broadest surface exposure of sheeted chalcedonic veining, indicated a strong resistivity anomaly but minimal IP effect, supporting surface indications that the known mineralization is low in sulfides (less than 1%) (Kern and Johnson, 1989; Fritz, 1989). The IP survey identified previously unknown faults not seen in surface mapping that appear to be semi-parallel to the Modoc structural trend (Kern and Johnson, 1989). The EM16 survey was only marginally successful in locating near-surface structures. Ground magnetic surveys showed no significant anomalies (Kern and Johnson, 1989).

At the same time as Homestake and Fischer-Watt were active in the area, Newmont Exploration Ltd. ("Newmont") leased 80 acres of private ground in Section 29 in 1988 and conducted a 21-hole exploration program - 20 RC holes and one core hole; there are 19 RC holes and one core hole in the database. There is a log but no data in the database for NRR -22. Results from both drilling programs were encouraging but indicated that the most favorable targets were situated on the adjacent TDMCI lands in Section 20. Newmont dropped their leased ground in 1992.

In 1990, TDMCI obtained Federal funding through the U.S. Bureau of Indian Affairs to undertake a gold mineral assessment. They conducted geologic mapping and geochemical sampling on their land, including Sections 20, 28, 30, and 32 in 1991. In 1992 and 1993, they drilled 56 RC holes totaling 26,055 feet in Sections 20 and 30 (Cornelius, 1993; Awald, 1993a; 2012 database). TMDCI drilled an important hole (TM-28) which intersected 240 feet at an average grade of 0.112 oz Au/ton, from 85 to 325 feet, including a 90 feet intercept averaging 0.266 oz Au/ton from 160 to 250 feet in depth (Cornelius, 1992a). Their drilling indicated that the grade of silver generally ranged from 5 to 15 times greater than that of gold, with the gold grade only rarely exceeding that of silver (Cornelius, 1992a, 1993).

In 1993, Kennecott acquired 390 acres of private lands from Fischer-Watt. In 1994, TMDCI offered the Cahuilla gold deposit to the mineral industry for lease, and in 1995, Kennecott was successful in obtaining exploration and mineral rights to the greater Cahuilla property. Kennecott carried out mapping, sampling, geophysical surveying, and drilling on the property. They mapped over four square miles in Sections 7, 8, 19, 20, 29, and 30 in detail at 1:1,200 scale, focused on surface structural features that could guide exploration drilling. During the mapping, Kennecott collected between 60 and 80 rock-chip samples. In 1995, Kennecott contracted with High-Sense Geophysics to conduct a detailed helicopter magnetic survey (Hopkins, 1995). A total of 164 line-kilometers was flown for this survey. Zonge Engineering conducted 17 lines of CSAMT resistivity surveying in 1994 and a second CSAMT survey of 11 lines in 1995 (Mauldin and Van Read, 1995). The purpose of the CSAMT surveys was to map resistivity variations in the subsurface and thereby attempt to identify faults, conductive clay-rich zones, and resistive silica-rich zones within or near the faults that could be associated with an epithermal gold deposit. Results of these surveys aided drill targeting. From 1995 to 1996, Kennecott drilled 114 drill holes. Of these, 110 reverse circulation ("RC") holes totaling 61,650 feet were drilled throughout the property to confirm grades reported by previous operators and to increase the "resource" identified by TMDCI. Four core holes totaling 1,342 feet were drilled primarily to offset significant RC intercepts.

In 1995, Kennecott submitted 12 samples from drill holes TMC-2, TMC-3, and TMC-4 to Zonge Engineering for magnetic susceptibility, remanent magnetization, and density study (Zonge, 1995). In 1996, Kennecott submitted 16 core samples for bulk density determination by McClelland Laboratories in Sparks, Nevada (see Section 14.4 for details).

In late 1995, Southwest Exploration initiated mining on High Grade Hill (Figure 6.2), finishing in 1996. Approximately 4,500 tons of material were mined at an average grade of 0.30 to 0.40 oz Au/ton. The material was direct shipped via rail to a copper smelter in Arizona. The ore was sold as high-silica smelter flux, and the company realized significant profits from associated gold credits. Kennecott received quarterly NSR royalty payments during the operation.

Figure 6.1 View of High-Grade Hill

In late 1996, Kennecott was acquired by Rio Tinto PLC, and in 1997, the new company decided to relinquish all gold properties in the United States. Kennecott attempted to sell rights to the Cahuilla project to Canyon Resources in 1997. Canyon Resources conducted preliminary mapping, sampling, and metallurgical investigations but discontinued their pursuit of the Cahuilla property later in 1997.

Western Goldfields Inc. ("Western Goldfields") executed an exclusive letter of intent with TMDCI in January of 2004 to enter into a formal exploration and mining agreement. The agreement was in effect until April 2006. Western Goldfields conducted limited geochemical sampling, collecting 12 rock-chip samples in sections 19 and 20. Six of these samples were collected at High Grade Hill. Most samples were continuous chip samples of quartz vein material or silicified sedimentary rocks. The samples were prepared and assayed for gold, silver, and other elements by ALS Minerals (formerly called ALS Chemex; “ALS”) in Reno, Nevada. Gold values up to 1.04 oz/ton and silver values up to 3.73 oz/ton were reported from continuous 3 to 5 feet chip samples from the High Grade Hill area. Most samples were anomalous in gold and silver with 10 of the 12 samples reporting values greater than 0.01 oz Au/ton and 0.30 oz Ag/ton. Elements commonly associated with hot spring gold deposits (As, Sb, Hg) were reported only in very low levels. Base-metal values were also very low.

Western Goldfields was taken over by new management in early 2006 and decided to release all exploration properties to focus their efforts on the Mesquite mine. The letter of intent for Cahuilla was then acquired by Dome Copper Corp., a wholly owned subsidiary of CGC, in April 2006. A formal Exploration/Mining agreement with TMDCI was executed in December 2006 giving CGC the sole, exclusive, and irrevocable option to explore and develop the Cahuilla project.

During 2007, CGC expanded the land position of the Cahuilla property and performed detailed geologic mapping, geochemical sampling, and drill-hole planning. CGC collected 12 rock-chip samples in Sections 19, 20, and 29. The samples were prepared and assayed for gold, silver, and other elements by Inspectorate America Corp. ("Inspectorate") in Sparks, Nevada. A dump sample of the Modoc vein on High Grade Hill assayed 5.65 oz Au/ton and 11.21 oz Ag/ton. A 25-foot channel sample of brecciated, banded, and crustiform-textured, quartz vein material collected across the Modoc vein assayed 0.85 oz Au/ton and 8.88 oz Ag/ton. Assays for elements typically associated with hot-spring gold deposits were very low. CGC also permitted the Phase 1 drill program in Section 20.

Teras acquired an interest in the Cahuilla property from CGC in early 2010. CGC and Teras continued detailed mapping and sampling that focused on the search for high-grade veins and detailed high priority areas that were mapped by Kennecott in the mid-1990's. This work is described in Section 10. They also carried out drilling on the property as described in Section 10. In 2014, Teras earned 100% of Cahuilla from CGC and became the exclusive owner of exploration, development and mining rights for the project.

6.2 Historic Mineral Resource Estimates

The resource estimates presented in this section were prepared prior to NI 43-101 reporting standards. A qualified person has not done sufficient work to classify these historic estimates as current resources, and Teras is not treating any of the historic resources described in this subsection as current mineral resources. All of these reported resources estimates were superseded by the MDA (2012) estimate described in Section 6.3 of this report and then this was superseded in 2021 by this report in Section 14.0.

The U.S. Bureau of Indian Affairs Division of Energy and Mineral Resources completed a preliminary resource evaluation using "three-dimensional computer modeling techniques" for TMDCI in 1993, based on the 56 holes drilled by TMDCI in 1992 and 1993 (Awald, 1993a, 1993b). The database for the estimate also included the 24 Homestake holes and 20 Newmont holes drilled on private land. Based on kriging and with 100 foot by 100 foot by 20 foot blocks, Awald (1993a, 1993b) estimated "geologic resources" of:

- 573,540 tons with an average grade of 0.17 oz Au/ton at a cutoff of 0.100 oz Au/ton;
- 1,031,283 tons with an average grade of 0.12 oz Au/ton at a cutoff of0.075 oz Au/ton; and
- 2,960,463 tons with an average grade of 0.08 oz Au/ton at a cutoff of 0.045 oz Au/ton.

Cornelius (1993) estimated that the total gold "mineral resources" outlined by TMDCI's two phases of drilling were "5,629,576 tons grading 0.045 ounces of gold per ton for a total gold resource of 255,858 ounces of gold." The gold resources were estimated using the polygonal method and were based on gold intercepts in 27 holes (Cornelius, 1993). The tonnage factor used was 12.5ft/ton.

In 1996, Kennecott engaged MDA to perform an independent "mineral resource" estimate (Hardy and Ristorcelli, 1996). Estimations based upon a 0.010 Au ounce/ton cutoff grade indicated that the Cahuilla deposit contained approximately 750,000 ounces of "Indicated gold resources" and 106,000 ounces of "Inferred gold resources" (Table 6.1). This resource estimate was prepared prior to NI 43-101 reporting standards, and Teras is not treating this historic estimate as a current resource.

Table 6.1 1996 Historic Mineral Resource Estimate
(Hardy and Ristorcelli, 1996)

Cutoff	Classification	Tons	Grade	Ounces
oz Au/ton	Classification	Tons	oz Au/ton	Au
0.010	Indicated	39,120,820	0.019	750,154
0.010	Inferred	6,141,779	0.017	105,935

Da Silva (1999) prepared a resource estimate of the Cahuilla deposit for the U.S. Bureau of Indian Affairs in October 1999 that also pre-dated NI 43-101 reporting standards (Table 6.2). The assay database was composited to 20ft down-hole composites to reflect 50 foot by 50 foot by 20-foot-high block sizes in the model. Interpolation was based on inverse distance to the fifth power.

Table 6.2 1999 Historic Mineral Resource Estimate
(da Silva, 1999)

Cutoff	Average Grade oz Au/ton	Tons	Ounces Au
0.000	0.009	135,979,306	1,286,820
0.006	0.013	83,189,897	1,075,937
0.040	0.069	1,735,671	120,156
0.070	0.123	440,672	54,192
0.100	0.158	239,526	37,942

6.3 The 2012 MDA Technical Report

In 2012 Mine Development Associates ("MDA") prepared a Technical Report on the Cahuilla gold project in Imperial County, California at the request of Teras Resources Inc. ("Teras"). The purpose of that report was to provide the first Mineral Resource estimate for the Cahuilla project that complied with NI 43-101 reporting standards. That report and the resource estimates was prepared in compliance with the disclosure and reporting requirements set forth in the Canadian Securities Administrators' National Instrument 43-101 ("NI 43-101"), Companion Policy 43-101CP, and Form 43-101F1, as well as with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards - For Mineral Resources and Reserves, Definitions and Guidelines" ("CIM Standards") adopted by the CIM Council on November 27, 2010.

The effective date of that resource model and report was November 27, 2012. The effective date of the database was September 13, 2012 and the Mineral Resource estimate was September 28, 2012.

The resource defined by Teras had improved relative to previous work due to extensive infill drilling and the development of a geologic model. Those two factors allowed the resource to be classified as dominantly Indicated with a small amount of Inferred. The significant lack of core drilling and dominance of wet RC drilling precludes the classification of Measured. The reported estimate was done using inverse distance cubed estimation and is presented in Table 6.3.

Table 6.3 2012 Mineral Resource Estimate

All Indicated

Cutoff oz Au/ton	Tons	oz Au/ton	oz Ag/ton	oz Au	oz Ag
0.005	108,733,000	0.012	0.14	1,250,000	15,331,000
0.008	**70,148,000**	**0.015**	**0.17**	**1,017,000**	**11,855,000**
0.009	58,689,000	0.016	0.18	921,000	10,564,000
0.010	49,184,000	0.017	0.19	836,000	9,394,000
0.015	20,939,000	0.024	0.25	507,000	5,172,000
0.020	10,080,000	0.033	0.31	328,000	3,084,000
0.050	1,118,000	0.074	0.49	83,000	547,000

All Inferred

Cutoff oz Au/ton	Tons	oz Au/ton	oz Ag/ton	oz Au	oz Ag
0.005	21,685,000	0.008	0.08	180,000	1,691,000
0.008	**9,733,000**	**0.011**	**0.10**	**110,000**	**954,000**
0.010	4,975,000	0.014	0.10	71,000	512,000
0.015	1,562,000	0.021	0.09	32,000	137,000
0.020	606,000	0.026	0.08	16,000	48,000
0.025	230,000	0.035	0.08	8,000	18,000
0.050	15,000	0.067	0.13	1,000	2,000

All of these historic estimates are superseded by the current resource estimate reported in Section 14.0.

6.4 Teras Activities Post 2012 Technical Report

Following the September 13, 2012 cutoff date of the drill hole database, Teras continued on with their drilling program until October 29, 2012.

In the ensuing years, Teras conducted four other drill campaigns (Chapter 10), conducted mapping and sampling of three highly prospective target areas adjacent to the main resource area (Chapter 9) and conducted a remodeling of all past geophysical work completed by past operators which provided insight into other target areas (Chapter 9).

7.0 Geologic Setting and Mineralization

The following information was taken from Kem and Johnson (1989), Awald (1993a), Schaff and Mancuso (1996), and previous reports by MDA (Hardy and Ristorcelli, 1996) and AMEC (Wakefield, 2007). Additional information was developed by Steven Craig and Toby Mancuso as part of their overall project evaluation in 2020.

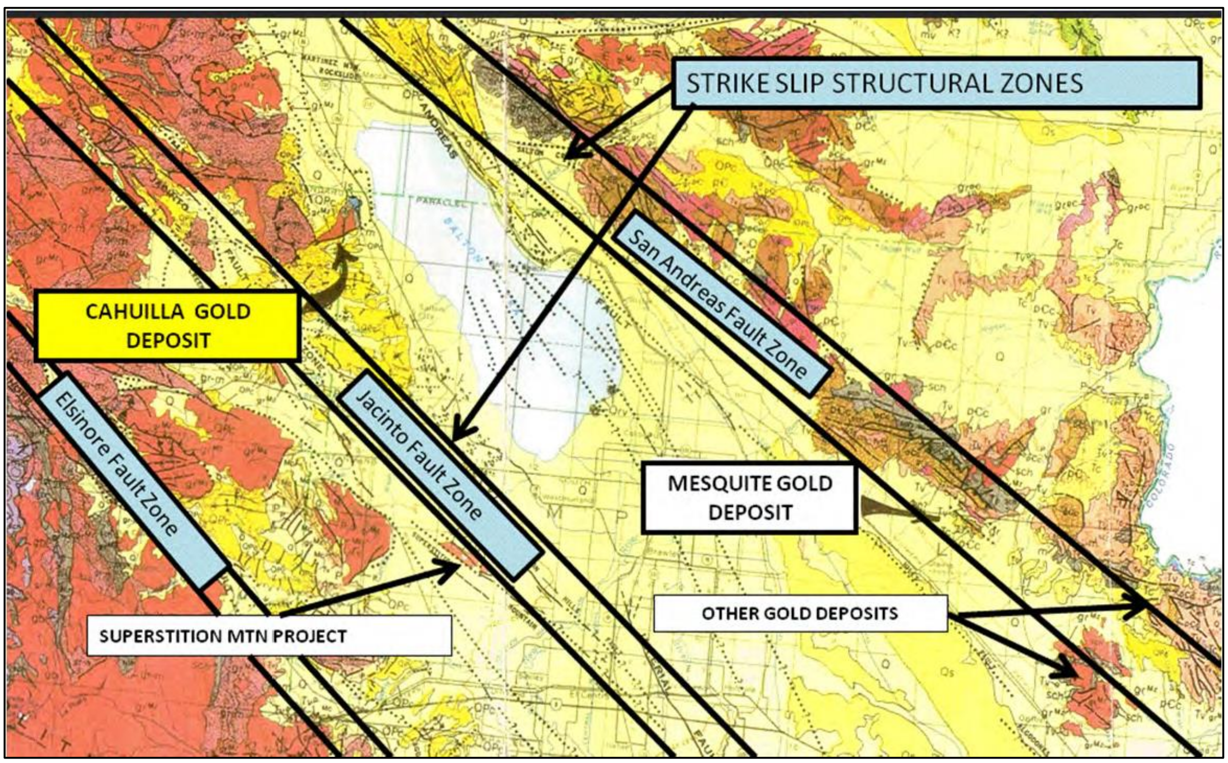
7.1 Geologic Setting

7.1.1 Regional Geology

The Cahuilla property is situated along the western edge of the Salton Trough in the Santa Rosa Mountains (Figure 7.1). The Salton Trough is the landward extension of the Gulf of California and is characterized by pronounced seismic activity, continental rifting, volcanism, high heat flow, hydrothermal alteration, rapid sedimentation, and active metal deposition. The Salton Trough occupies a portion of the San Andreas fault system, where crustal mobility involving right-lateral strike-slip movement of up to 200 miles has occurred over the last 8 to 10 million years and is still active today. The growing rift of the Salton Trough has undergone extensive elastic sedimentation since the late Miocene.

The Santa Rosa Mountains are part of the Peninsular Ranges Province of California and consist primarily of Cretaceous plutonic rocks of the Southern California batholith and their metamorphic host rocks.

Figure 7.1 Regional Geology in the Vicinity of the Cahuilla Project



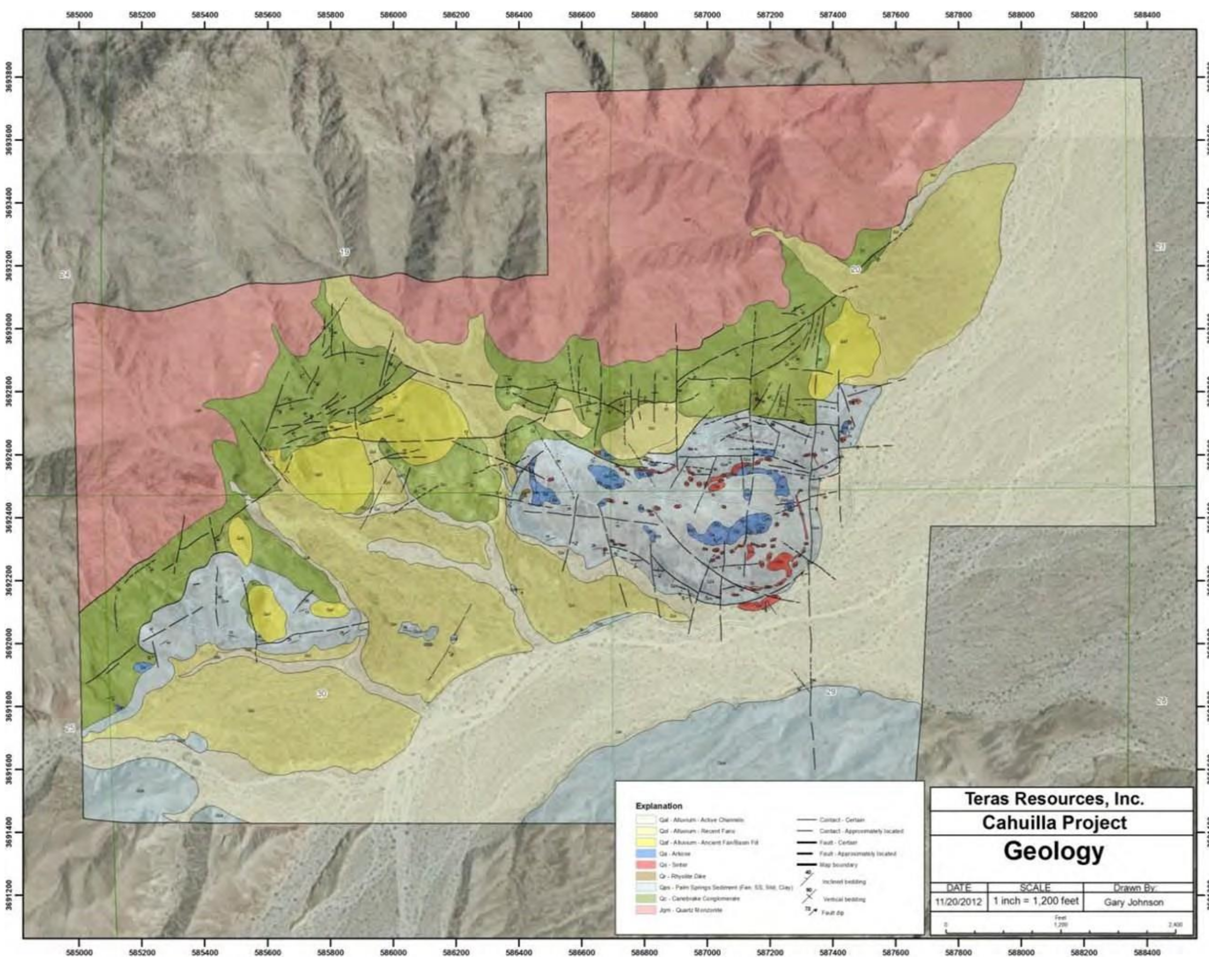
7.1.2 Property Geology

The two dominate geologic features on the Cahuilla property are the Modoc fault zone and the Palm Springs Formation, which consist of complex upper sedimentary rocks and a lower fanglomerate unit. The Modoc fault zone is a major, through-going, east- to northeast-trending structural zone on the Cahuilla property.

The fault zone dips south to southeast from 55° to 75° and can be traced for more than three miles along strike. The Modoc fault zone separates diorite to the north from sedimentary rocks of the Palm Springs Formation to the south. Several periods of offset resulted in well over 1,000 feet of displacement.

Jurassic diorite crops out to the north and northwest of the Modoc fault, forming the fault's footwall in the project area (Figure 7.2). The diorite is typically unaltered, although occasional zones of hydrothermally altered diorite do occur where the rocks are in contact with the Modoc fault. The intrusive rocks are enriched in biotite and contain little to no hornblende. The diorite intruded marine sedimentary rocks, consisting of organic-rich limestone, in the project area. Subsequent regional low-grade metamorphism created foliation in the diorite and metamorphosed the limestone to marble.

Figure 7.2 Geology of the Cahuilla Project Area



The Quaternary Palm Springs Formation unconformably overlies the Jurassic diorite and is in fault contact with the diorite along the Modoc fault system. It comprises the hanging-wall block of the Modoc fault in the project area. The Palm Springs Formation is a thick succession of non-marine, poorly cemented, fine- to coarse-grained, brown to red, clastic sedimentary rocks, siliceous sinter, and fanglomerate. The fanglomerate clasts are monolithologic derived from the Jurassic diorite.

The thickness of the Palm Springs Formation varies from a few feet to over 700ft in the project area, with a maximum thickness of over 7,000 feet in the adjacent Salton Trough. The rocks dip gently (10°) to the south and southeast except close to the Modoc fault, where they dip slightly to the north (10°). Pleistocene siliceous sinters form terraces deposited by hot springs. The sinters range from five to 20 feet in thickness and consist primarily of chalcedonic quartz. Sinters are mapped on geologic cross-sections defined from drill data, and these seem to have more of a direct relationship with the gold than a negative relationship. Hydrothermal alteration is widespread and pervasive in the formation.

Figure 7.3 Typical example of Palm Springs Formation with silicified sediments above and fanglomerate below. Exposure found in lower Central Canyon.

The Modoc fault zone has experienced both right-lateral and left-lateral oblique movement resulting from strike-slip activity along the San Jacinto fault to the west and the San Andreas fault system to the east. The fault trace is complex and consists of a series of discontinuous, gently curving, en echelon shears, parallel shears, and cymoid loops (horsetail structures). Surface mapping and historic cross-section interpretations indicate sub-parallel faults occur in both the footwall and hanging wall. The Modoc fault zone is commonly offset by younger, north-south, near-vertical faults. These faults and fractures host sheeted vein mineralization.

Detailed surface geologic mapping reveals numerous east-west near-vertical structures that also host significant precious metal mineralization and may have acted as important pathways for epithermal fluids.

Quaternary alluvium exists in small amounts in the canyon floors and overlies the pediment below the hills.

Oxide, transition or mixed, and unoxidized zones have been defined from geologic logging, and surfaces were made from these logged data. Because of some inconsistencies in geologic logging over the course of the years, drill holes from 2010 and 2012 were used for initial interpretation of the oxide/unoxidized surfaces. The surfaces were modified with information from all older holes, but Homestake, Newmont, and

Torrez-Martinez holes often lacked oxidation-state data. The "reduced" samples defined the unoxidized zone; the "weak," "mixed," and "moderate to intense" descriptions defined the mixed zone; and intervals logged as strongly "oxidized" defined the oxide zone.

7.2 Mineralization Types and Domains

As part of the resource modeling effort, Teras set out to review all the drill holes since the 2012 resource model. This included logging the core holes which had never been logged in detail. The core holes offered a spectacular look at the subsurface geology, which was not available in RC chips. Basically, Teras was able to rewrite the geology of the deposit with identification of multiple styles of veins, identification of hydrothermal breccias and several new lithologic domains that could be modeled. None of these new interpreted geologic features were known or used in the 2012 resource model work.

All gold mineralization is assigned to two types of genetic occurrences. The dominant occurrence is banded quartz veins and the second is hydrothermal breccias. A third occurrence may be associated with pervasive silicification that overprints the rocks hosting the quartz veins and hydrothermal breccias. Additional study needs to focus on this type of possible low-grade gold mineralization to realize its importance. The banded quartz veins consist of large 1 to 5 feet wide, east-west through-going veins that could have fed the north-south, 1- to 6-inch-wide sheeted veins. The hydrothermal breccias originated at approximately 700 feet below the surface where boiling took place. Most mineralized veins also lie above this elevation.

Silicification is the most intense and widespread type of hydrothermal alteration in the deposit area. In the hydrothermally altered areas, virtually all of the rocks in the Palm Springs Formation have been partially to entirely replaced by silica. Silicic alteration also takes the form of chalcedonic sheeted veins and multi-stage breccias. Occasional fine-grained adularia and calcite are associated with the veining. Weak to intense argillization is localized along smaller structures and in, and below, the fanglomerate adjacent to the Modoc fault. It is characterized by abundant kaolinite and alunite and may represent supergene alteration resulting from paleo-hot-springs activity. Weak to moderate propylitization occurs sporadically within the quartz monzonite stock.

Fine-grained pyrite occurs as disseminations and along fractures. Although pyrite is always present with gold, the grade of gold is independent of the abundance of pyrite (Cornelius, 1993).

Gold occurs as high-silver electrum and as native gold. The gold observed ranges in size from 8 to 1,800 microns, averaging about 70 microns (Hillemeyer et al., 1991). Anhedral grains of gold are typically hosted by chalcedony. Polished section analysis indicated that multiple episodes of gold and chalcedony deposition occurred at Cahuilla, with the two having precipitated simultaneously. Silver is globally coincident with gold but forms in slightly different geometries. The typical hot-springs pathfinder elements arsenic, antimony, and mercury are present in unusually low concentrations (Hillemeyer et al., 1991).

7.3 Mineralized Domains and Implications to Modeling

The most important geologic features controlling mineralization are the south-dipping Modoc fault and the sub-horizontal Palm Springs Formation, consisting of sedimentary rocks and fanglomerates. Mineralization related to the Modoc fault is interpreted to be south-dipping within and parallel to it; mineralization in the hanging wall of the Modoc fault is parallel to the sedimentary rocks bedding and sub-horizontal.

Figures 7.4 and 7.5 are N-S cross-sections of the deposit showing the geology, mineralized domains and zones of oxidation intensity. The mineralized domains that have been correlated to specific features include the following:

1. Modoc Fault Zone
2. Contact with the upper sedimentary rocks with the fanglomerate
3. Sub-horizontal buried sinter horizons
4. Sheeted veins trending north/south

Once these domains were established, a completely new remodeling effort of the Cahuilla drill hole database was employed with the focus on discrete areas demonstrating these new geologic features, rather than modeling one domain or "blanket" of mineralization that was done for the 2012 resource model.

Figure 7.4 Section 1925000E showing geology, domains and oxidation distribution

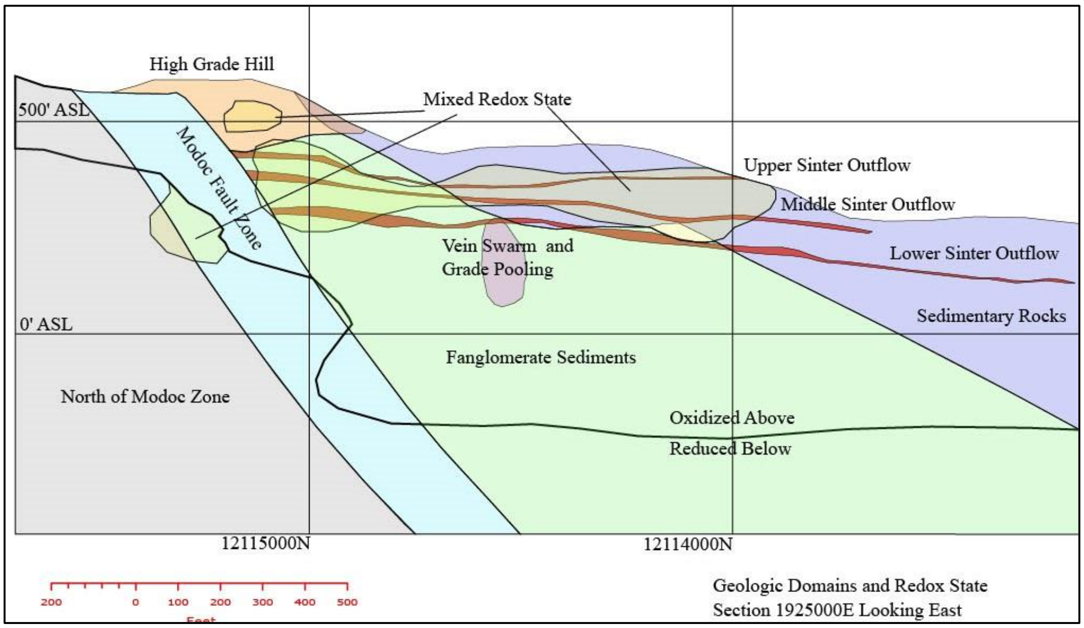
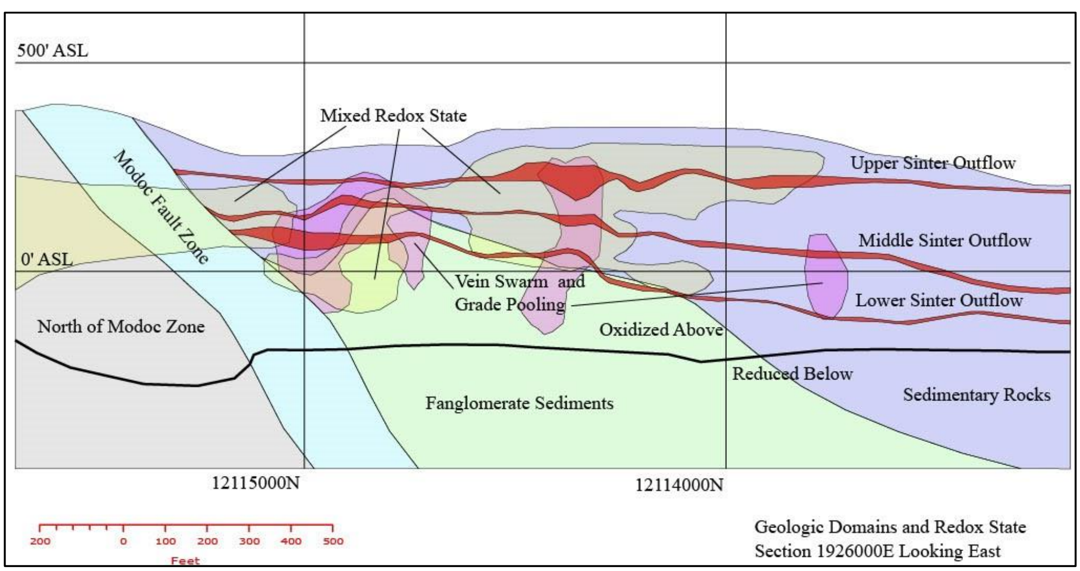


Figure 7.5 Section 1926000E showing geology, domains and oxidation distribution



8.0 Deposit Types

The following information is from a compilation of several reports and taken from Kern and Johnson (1989), Hillemeyer et al. (1991), and the AMEC report (Wakefield, 2007). It is further refined from the core studies completed in 2020 by the authors.

Cahuilla represents a Plio-Pleistocene epithermal gold-bearing hot springs system controlled by the Modoc fault and other sympathetic structures. Two distinct styles of precious metal mineralization have been identified: flat, tabular, extensive bodies disseminated within sedimentary and fanglomerate rocks of the Palm Springs Formation in the hanging wall of the Modoc fault, and structurally controlled by throughgoing feeder quartz veins (1 to 15 feet wide), perpendicular sheeted quartz veins (1 to 6 inches wide), near horizontal stacked sinter sheets and hydrothermal breccias and stockworks localized along various fault zones. Gold and silver mineralization is commonly associated with quartz veining and silicification.

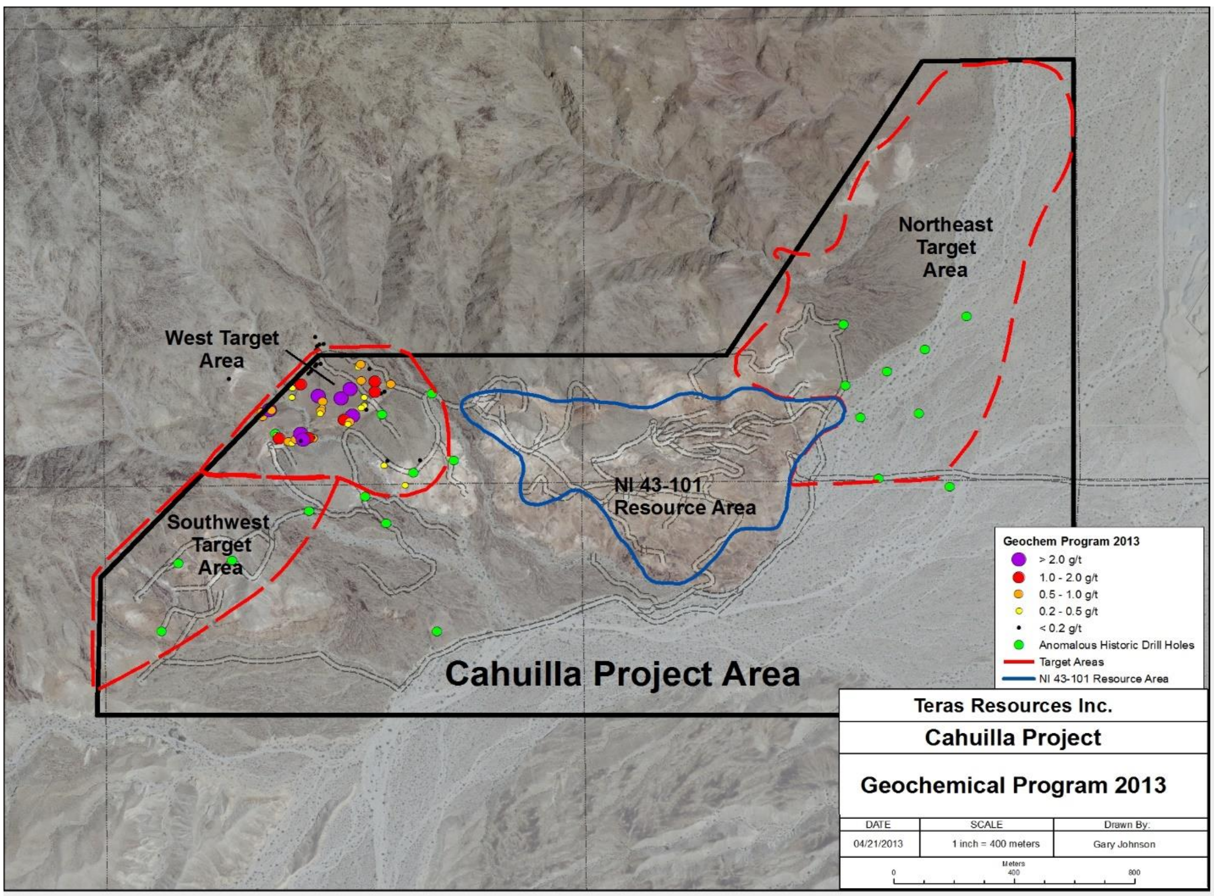
9.0 Exploration

Since Teras acquired an interest in the property in early 2010, they have continued detailed mapping and rock chip sampling that focused on the search for high-grade veins and identifying high priority exploration areas that were mapped by Kennecott in the mid-1990's. They have also carried out drilling on the property as described in Section 10.6.

9.1 Sampling Programs

In 2013 Teras designated three highly prospective areas for sampling and mapping. These were the Northeast, West and Southwest target areas. Figure 9.1 shows the location of these areas and the results of the first sampling done in the West target area and its proximity to the resource area. A total of 65 surface geochemical samples were collected within a trans-tensional dilatant zone where the Modoc Fault turns from an east-west to southwest-trending strike. Samples were collected within this complex structural zone in strongly silicified sediments, volcanic breccia and massive chalcedony-carbonate veins that can measure more than 25 meters thick.

Figure 9.1 Sampling areas defined in 2012 adjacent to the main resource area.

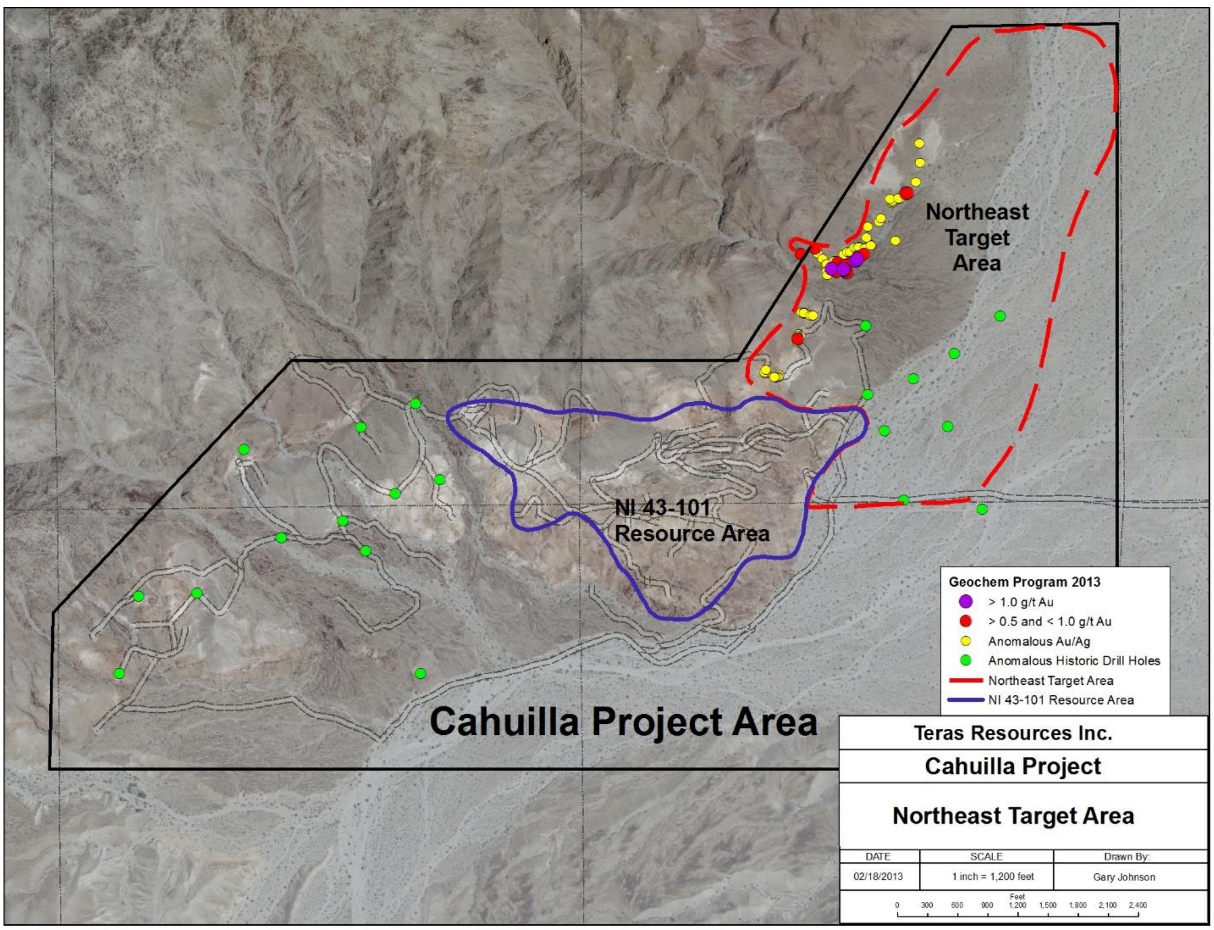


Of the 65 surface geochemical samples collected in the West Target Area, 13 assayed greater than 1.0 g/t gold with a high of 4.4 g/t. Many of the historic exploration holes (green) drilled in the west target were strongly anomalous in precious metal mineralization, however these reverse circulation angle holes were drilled to relatively shallow depths and tested only a very small portion of this highly complex and prospective structural target. The geochemical sample program is planned to continue in the far southwestern project area, as shown in Figure 9.1, in the near future (Teras A and B, 2013)

A second geochemical sampling program (Teras B, 2013) collected 130 samples from the Northeast Target Area considerable distances from known precious metal mineralization resulting in the substantial expansion of the favorable epithermal system. Consequently, the Company has significantly increased the exploration potential of Cahuilla in the northeast portion of the project area.

Figure 9.2 illustrates the anomalous sample locations in the northeast project area and their proximity to the defined NI 43-101 precious metal resource. Surface geochemical samples were collected along the far northeast exposure of the Modoc Fault which eventually extends under shallow pediment cover more than one-kilometer northeast of the known resource boundary. Samples were collected in strongly silicified sediments, intrusive and volcanic breccia outcrops before becoming covered by the shallow surface gravels.

Figure 9.2 Northeast Target Area sampling results

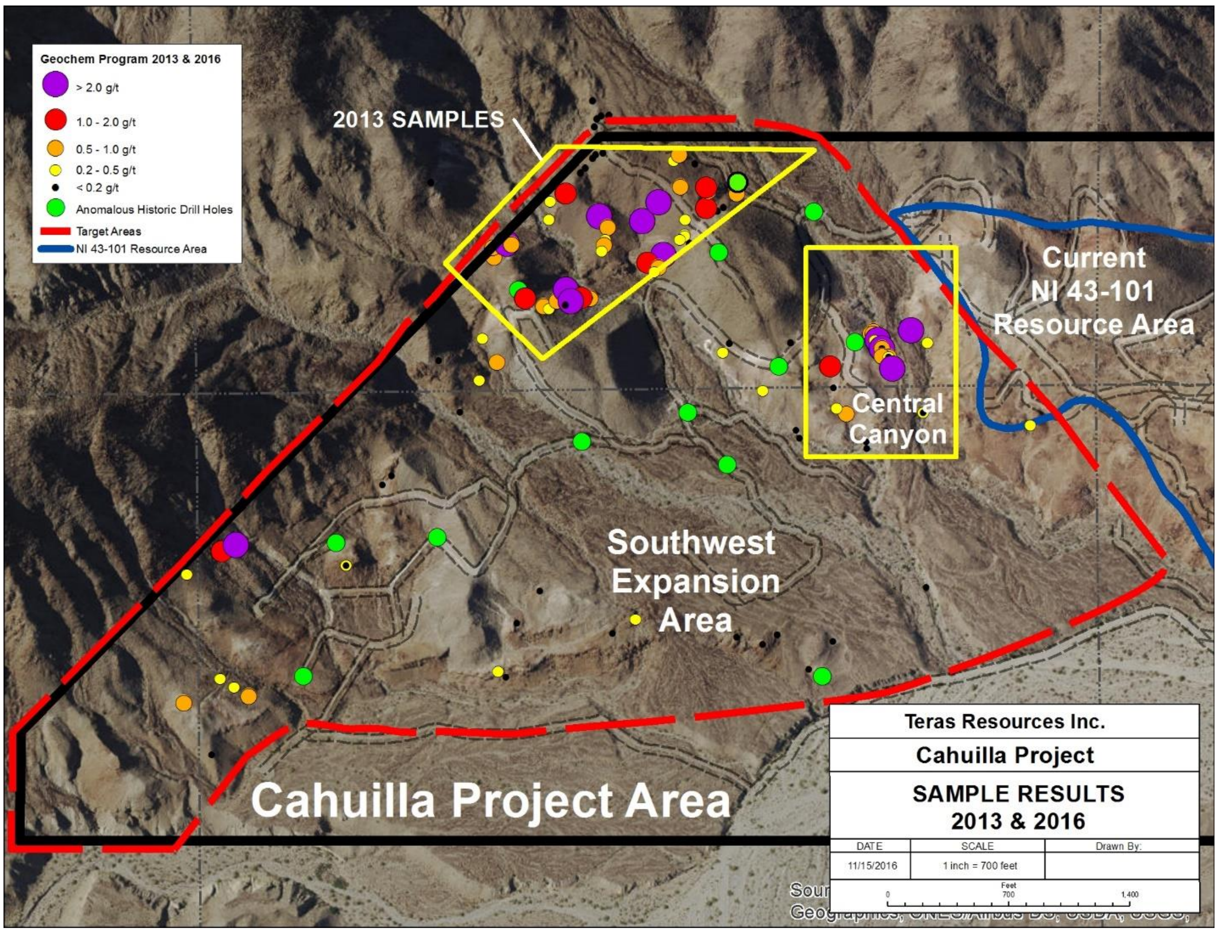


All 130 surface geochemical samples collected (yellow) were anomalous in precious metal mineralization, while the sample locations indicated in purple assayed greater than 1.0 g/t gold and those shown in red ran between 0.5 and 1.0 g/t gold. Surface gold and silver values as high as 1.85 g/t and 37.1 g/t respectively were encountered. Historic exploration holes (green) drilled in the northeast pediment that host anomalous precious metal mineralization are also illustrated. Values of up to 3.40 g/t gold and 95.0 g/t silver were detected in these historic drill holes within strongly silicified rocks beneath the shallow gravel cover.

In 2016, the ongoing mapping and sampling program focused on the Company's extensive southwest target area, which returned very positive assay results. This new area is relatively untested by past drilling (Teras C, 2016).

Results from the mapping and sampling program show that significant gold and silver surface anomalies occur throughout the entire southwest target area. Sample results from the entire western and southwestern expansion area including the new samples are illustrated on the following Figure 9.3:

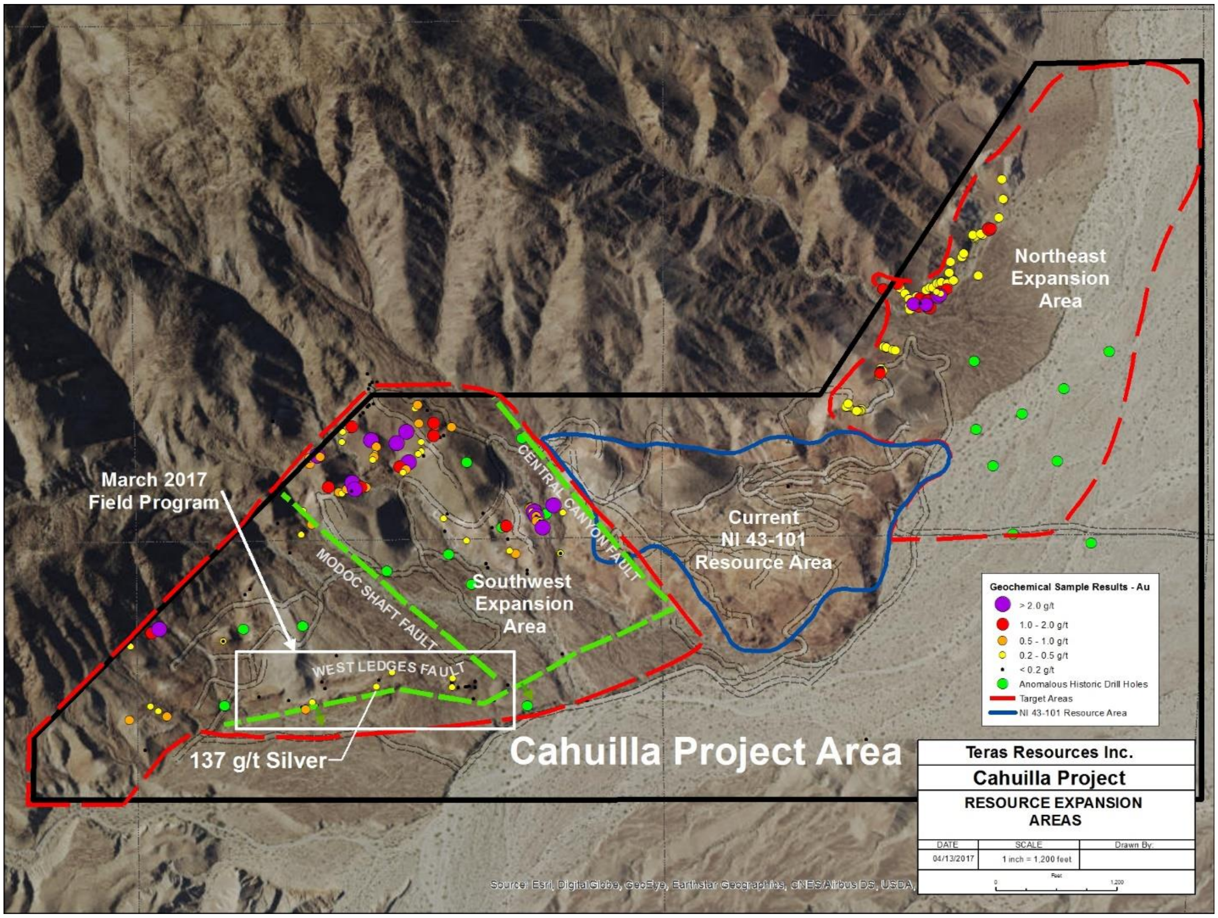
Figure 9.3 Southwest Target Area



Samples collected in the southwest expansion area detected values of up to 2.4 g/t gold and 36.8 g/t silver clearly demonstrating that the precious metal-rich hydrothermal system extends to the boundaries of Teras' recent field exploration program and very likely beyond under gravel cover. Samples collected along the Modoc Fault in the far western project area are strongly anomalous in gold and silver as seen on the above map thus requiring additional drill testing.

In 2017 the detailed follow-up mapping and sampling program focused along the West Ledges Fault in the southwestern target area in early 2017 (Teras (D) 2017). These results support a significant exploration drill program throughout this large area as a result of the gold and silver surface anomalies. A total of eighteen geochemical samples were collected and the following Figure 9.4 shows the area were the field program was conducted along with gold assay results:

Figure 9.4 Southwest Area-West Ledges Target



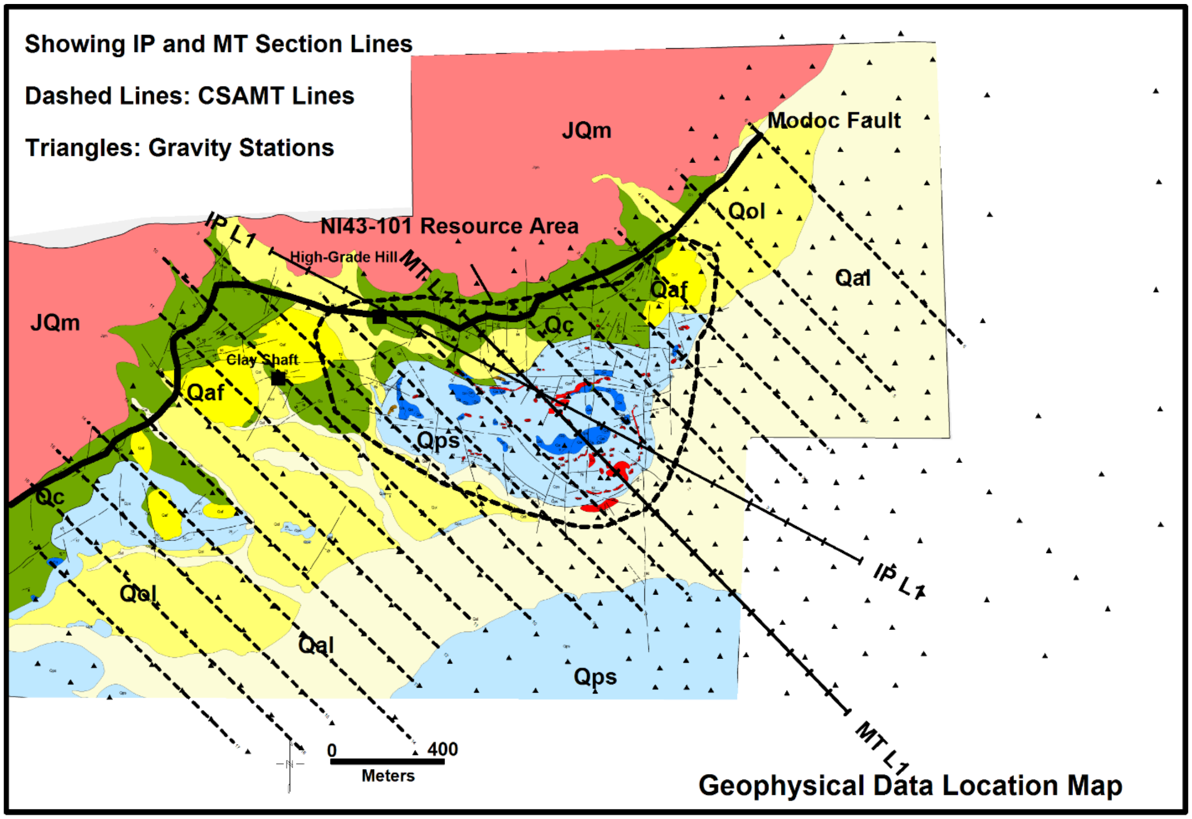
Gold assays varied from 0.017 to 0.514 g/t while silver values ranged from 0.19 to 137.0 g/t. The high-grade silver assay of 137 g/t (4.0 oz/t), as shown on the above map, also contains 0.404 g/t gold and is the highest surface silver value collected from the entire Cahuilla project area to date. The Teras technical team has evaluated the precious metal assays and associated pathfinder elements in detail and interpreted this area to represent a higher level of the epithermal system. Therefore, the detailed structural mapping and geochemical assay data indicate that the primary drill target in the West Ledges area is perhaps a deeper, high-grade fault or vein similar to the Midas or Sleeper veins in Nevada.

9.2 Geophysical Exploration Programs

In 2013 Zonge International completed a new analysis of all historical geophysical surveys in that were conducted by Kennecott Exploration in 1995 for the Cahuilla gold/silver project. The results indicate that subsurface precious metal mineralization and different styles of hydrothermal alteration can be identified via geophysical techniques, thus, offering new exploration targets

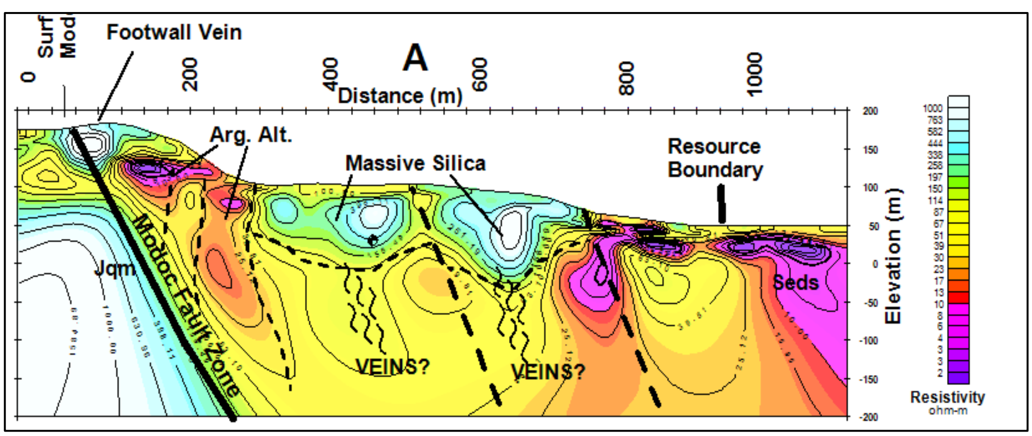
Zonge, utilizing new data analysis techniques not available in the 1990's, completed an "inversion" of historic MT (CSAMT) geophysical results (Zonge 2013a and c) to obtain a more precise representation of the location of gold/silver mineralization and its subsurface association with silicification. Figure 9.5 that follows shows the surface location of the CSAMT line within the known gold/silver resource and location of drill holes.

Figure 9.5 Location of IP and MT lines, CSAMT lines and gravity stations



The following CSAMT cross section shows an example of the reprocessed data that Zonge produced. This cross section shows all the types of alteration features that are found at Cahuilla.

Figure 9.6 CSAMT Line 1, 2D Smooth Model Inversion Resistivity Section

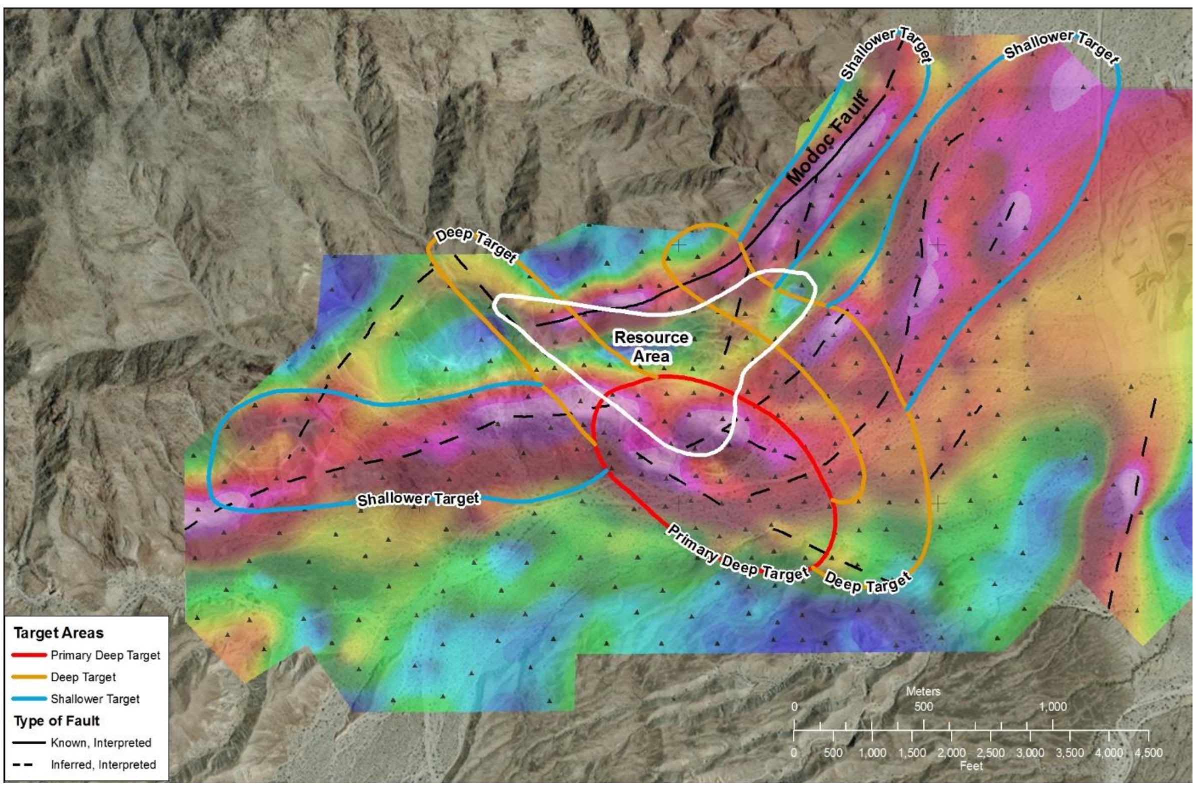


The results represent an excellent tool to better design new similar geophysical (MT) surveys that will be conducted throughout the entire Cahuilla project area, which will also be accompanied by induced polarization and gravity surveys. The geophysical surveys will primarily focus on identifying deeper high-grade feeder structures as deep as 1000 meters that may represent the source of surface high-grade veins and widespread disseminated precious metal mineralization. Geophysics will also be used to search for additional shallow disseminated gold/silver mineralization and high-grade vein targets located outside of the current mineral resource and for new targets that occur beneath shallow pediment cover located in the southern, eastern and northeastern portions of the project.

Also, in 2013 Zonge completed a gravity survey (Zonge 2013b) over the project area to identify structure. The surveys recognized multiple apparent new structural targets including possible deep high-grade feeder zones and shallower anomalies beneath gravel cover throughout the project area.

Figure 9.7 shows multiple gravity anomalies possibly representing structural breaks or faults indicated in orange/red/purple colors. The map also shows the location of the resource and many potential new targets throughout the project area that were interpreted from the gravity survey results.

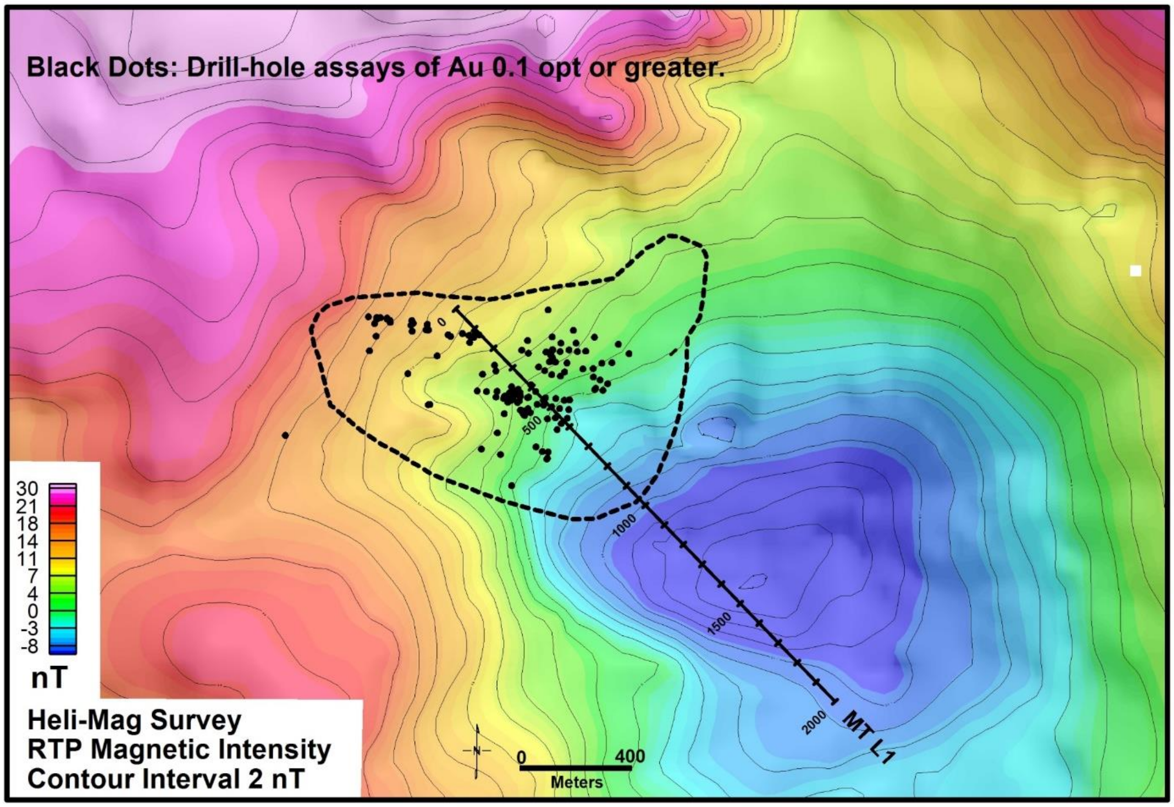
Figure 9.7 First horizontal derivative of gravity showing structure and permissive targets



The anomalies shown to the southwest, northeast and east may represent shallow disseminated and high-grade vein targets that could substantially increase current near-surface precious metal resources. The large structural breaks interpreted to the south and around the circumference of the main resource area may signify deeper potential high-grade feeder zones which are the primary objective of the geophysical surveys.

As part of the full data review conducted by Zonge, they reprocessed the air borne magnetic survey that Kennecott conducted in 1995 (High-Sense 1995). The following Figure 9.8 shows their results. The large blue magnetic low suggests an area of strong magnetite destructive hydrothermal alteration. This area suggests that a significant drill target has been identified.

Figure 9.8 Magnetic profile of the Cahuilla project area



10.0 Drilling

The following information is from a combination of early drill hole database construction and audit work that led to the 2012 MDA Report. The original source document for that work was from AMEC's 2007 report (Wakefield, 2007), with additional information as cited and with updated information from Teras for the MDA 2012 resource report. The effective date of the database at that time was September 13, 2012; the database incorporated assay results from drilling through the end of July 2012. Table 10.1 shows the source of the drilling data and assay information.

This Amended Technical Report includes all RC and core holes drilled after July 2012 and includes all new drill information. The effective date for this resource database is September 11, 2020. Table 10.1 shows

10.1 Summary

The Cahuilla drill hole database is split into historic drilling, CGI-Teras drilling for the 2012 MDA model, and Teras drilling that was completed for this Technical Report. This section discusses each of those drilling phases.

For the historic drilling, the Cahuilla database contains a total of 112,168ft of drilling in 214 drill holes from four drill campaigns by Newmont, Homestake, TMDCI, and Kennecott. Of this, 209 holes totaling 110,375ft (98%) were drilled using RC methods, and five holes totaling 1,793ft (2%) were drilled using core drilling methods. Approximately 98% of sample intervals from these drill campaigns are 5ft in length. RC sample intervals of 10, 15, and 20ft do occur in the database for some Newmont and Homestake drill holes. Core sample intervals ranged from less than 1ft to 10ft. No cuttings, core, coarse rejects, or pulps remain available to Teras or MDA from these drilling campaigns.

At the effective date of the MDA database, September 13, 2012, CGC-Teras had drilled 16 core holes in 2011 and 138 RC holes in 2012. The last hole inserted into the 2012 database was CAH-265. All these holes were added to the drill hole database and the 2012 MDA resource model was based on this information. All drilling, including historic drill holes, was used in the 2012 MDA estimate.

The 2012 drilling campaign continued after the database cutoff on September 13, 2012 and was completed with hole CAH-302 on October 29, 2012. A total of 36 RC holes were drilled after the data base cutoff and these holes were included in the September 9, 2020 database. Teras also conducted four more drilling campaigns in 2013, 2014, 2015, and 2017 for a total of 34 holes. These holes were comprised of 11 RC holes and 23 core holes. The new 2021 resource model has used a database that has all drill holes through CAH-336. The cutoff date for this database is September 11, 2020. A total of 395 RC holes and 44 core holes comprises the new drill hole database.

A summary of the drilling campaigns carried out on the Cahuilla property is shown in Table 10.1. Figure 10.1 shows the spatial distribution of the drill holes from the various drill campaigns.

10.2 Drilling by Newmont

Newmont conducted their drilling program in two phases, the first was in 1989 and the second was in 1992. They drilled a series of shallow to medium depth (200 to 450 feet deep), vertical and northward- and southward-oriented, inclined holes in the northwestern comer of Section 29 on what is now the Samani Leased Lands (Section 4.3.1). Newmont intersected several thin zones of moderate-grade mineralization (30 to 50 feet grading 0.020 to 0.024 oz Au/ton), several thick zones of moderate-grade mineralization (85 to 140 feet grading 0.020 to 0.024 oz Au/ton), and one zone of high-grade mineralization (45 feet grading 0.166 oz Au/ton).

There appear to have been 20 RC holes and one core hole, but only 19 RC holes are in the database. There is a geologic log for hole NRR-22, but there is no information for this hole in the database. Based on copies of geologic logs from several of the Newmont holes, Drilling Services Company ("Drilling Services") appears to have been the drill contractor. The geologic log for the single core hole indicates it was drilled with NX core. MDA found no further details on Newmont's drilling.

10.3 Drilling by Homestake

Homestake drilled the Cahuilla property in about 1989 where they drilled a series of north- to northeast-oriented, inclined (mostly -60°) holes in the southeastern corner of Section 19 and the northwestern corner of Section 29 (east of Newmont's drilling). Homestake intersected several thin zones of moderate-grade mineralization (25 to 55 feet grading 0.022 to 0.071 oz Au/ton), and one thick zone of moderate-grade mineralization (115 feet grading 0.042 oz Au/ton). Most of these intercepts are in Section 19, with the holes drilled in Section 29 reporting intercepts of 10 to 40 feet grading 0.010 to 0.022 oz Au/ton.

According to drill logs for holes MR-9 and MR-19 through MR-23 (now named "HR" instead of "MR"), Drilling Services was the drill contractor, using a TH-100 rig.

10.4 Drilling by Torres Martinez Desert Cahuilla Indians

TMDCI drilled a total of 56 RC holes during two phases of drilling. From April 28, 1992 to July 16, 1992, they drilled 31 holes, and from February 24, 1993 to April 2, 1993, they drilled an additional 25 holes (Cornelius, 1993). Fourteen of the holes were drilled at -60°; one was drilled at -75°; and 41 of the holes were vertical.

Drilling Services of Chandler, Arizona was the drilling contractor for the first phase of drilling (Cornelius, 1992a). Drilling Services used an Ingersoll-Rand, Model TH-100A rig. Virtually all the drilling used 5¼ inch-diameter hammer or tricone bits; rarely 5 1/8 inch-diameter bits were used. Most of the drilling was dry (Cornelius, 1992a), although whether a specific 5-foot sample was dry or wet was noted in the drill logs.

Lang Exploratory Drilling ("Lang") of Salt Lake City, Utah, was the drilling contractor for the second phase of drilling (Cornelius, 1993). Lang used a D40K Drillteck, and most of the drilling was done with 5 ¼ inch-diameter hammer bits. Sampling was on 5-foot intervals, with both wet and dry drilling.

TMDCI intersected many thin to thick zones of moderate- to high-grade mineralization in what has become the main resource area in Section 20, with the best intercept reporting 240 feet with an average grade of 0.112 oz Au/ton (Wakefield, 2007).

10.5 Drilling by Kennecott

The Kennecott drilling program began on January 7, 1995 with CAH-001 and continued to May 1, 1996 with the last hole CAH-110.

Kennecott drilled a series of variably oriented, inclined and vertical drill holes in Sections 19, 20, 29, and 30. They drilled a total of 110 RC and four core holes. Kennecott intersected many thin to thick zones of moderate- to high-grade mineralization in the main resource area in Section 20 as well as a lesser number of narrow zones of moderate- to low-grade mineralization outside the main resource area in Sections 19, 29, and 30.

Kennecott's RC drilling had just enough water added to control dust, thereby keeping the samples dry, except for drill holes in the pediment, which did encounter the water table. Perched water was encountered in several drill holes, although this was a rare occurrence (Toby Mancuso, personal communication to

AMEC reported by Wakefield, 2007). Eklund Drilling ("Eklund") of Elko, Nevada was the drilling contractor for Kennecott RC holes (Wakefield, 2007).

Drill logs indicate that core holes were drilled with HQ and HX core, reducing to NX/NQ, if necessary. MDA has not determined what drill contractor drilled Kennecott's core holes, although Teras believes that it may have been Boart Longyear.

10.6 Drilling by Consolidated Goldfields and Teras

CGC drilled 16 HQ core holes at Cahuilla in 2011, mostly testing the Modoc fault in the vicinity of High Grade Hill. Sierra Madre Exploration was the drill contractor, using a track-mounted core rig.

In 2012, with Teras operating the joint venture, drilling continued to fill in gaps in the main resource area. Harris Drilling ("Harris") was the drill contractor. Initially they used a buggy-mounted RC rig, and then brought in a second track-mounted Schramm RC rig.

As of MDA's site visit in April 2012, Teras was still using Harris as their drill contractor, and two RC rigs were operating. One was a Foremost Prospector buggy rig, and the other was a track rig. The latter was just taken off the job as it was continually broken down. A T450 Schramm track rig was to be brought in by National Drilling ("National"). Each rig had a driller and two helpers. The two helpers also did the sampling. All drilling is done wet due to environmental regulations, but little water is encountered during drilling. At the time of MDA's July 2012 site visit, Harris and National were still the contractors, but only the National drill rig was operating. National started drilling at hole CAH- 0200.

10.7 Teras Drilling Post-MDA Model 2012

Teras was conducting a large drilling program in 2012 in order to provide more information for the MDA resource model. The cutoff date for the drill hole data base was on September 13, 2012, meaning that the last hole included in the model work was CAH-265. Drilling continued to October 29, 2012 with the last hole drilled being CAH-302. National Drilling operated during this period.

10.8 Teras Drilling 2013

In 2013 Teras completed 15 holes that included RC and core drilling methods. Four of these holes were a combination of RC drilling as pre-collars for deep core holes. This program was remarkable in that these four holes (CAH-303, 304, 305, 311) were drilled to 1655 to 1908 feet depths. The other 11 holes were RC and drilled to 600- to 700-foot depths.

National Drilling Company mobilized two drill rigs to Cahuilla, each specific to different requirements. They utilized a Schramm T450GT for reverse circulation drilling and an Atlas Capco CS14 core rig. The RC rig drilled 4 steel cased pre-collars for the core drilling program and 11 regular RC holes.

10.9 Teras Drilling 2014

The 2014 drilling program was entirely core (CAH-318 to 324), all drilled at angles, and to depths of 418 to 600 feet. This program was designed to test geology and mineralization near other strongly-mineralized, previously-drilled, RC holes in the center of the Sinter Terrace.

National Drilling Company again conducted the drilling program with an Atlas-Capco CS14 core drill rig.

10.10 Teras Drilling 2015

Teras completed core holes CAH-325 to 331 at various locations on the Sinter Terrace. The program was designed to step out to the fringes of the main mineralized area. West Core Drilling Company from Elko Nevada conducted the core drilling.

10.11 Teras Drilling 2017

The 2017 drill program completed core holes CAH-332 to 336. However, the drill contractor was only able to complete the first hole in the program and the remainder were lost and never reached depth objectives. The drill holes were testing extensions of the western Modoc fault system, Central Canyon veins and a twin of the CAH-324 sheeted vein system.

The drill contractor was Titan Drilling Company from Elko Nevada.

Table 10.1 Drill Holes in the Cahuilla Database

Company	Year	RC Holes	RC Footage	Core Holes	Core Footage	Total Holes	Total Footage
Newmont	1988	*19	10,355	1	451	20	10,806
Homestake	1989	24	12,315	0	0	24	12,315
TMDCI	1992-1993	56	26,055	0	0	56	26,055
Kennecott	1995-1996	110	61,650	4	1,342	114	62,992
Teras-CGC	2011-2012	138	77,985	16	2,774	154	80,759
2012 NI 43-101	***subtotal***	***347***	***188,360***	***21***	***4,567***	***368***	***192,927***
Teras	2012 to end	37	24,085	0	0	37	24,085
Teras	2013	11	7,070	**4	7,022	15	14,092
Teras	2014	0	0	7	3,796	7	3,796
Teras	2015	0	0	7	4,224	7	4,224
Teras	2017	0	0	5	1,911	5	1,911
	subtotal	***48***	***31,155***	***23***	***16,953***	***71***	***48,108***
2020 DHDB		**395**	**219,515**	**44**	**21,520**	**439**	**241,035**

*There is a geologic log but no data in the database for an additional Newmont RC hole

**Core holes had RC collars drilled, cased, and finished with core

10.12 Drill-Hole Collar Surveys

Wakefield (2007) reported that Kennecott had surveyed all drill-hole collar locations during their drill campaigns and also surveyed locatable drill collars for holes drilled by Newmont, Homestake, and TMDCI, using drill-hole location maps as guides. A small percentage of the Newmont and Homestake drill collars could not be located, in which case Kennecott surveyed the most likely hole location. Wakefield (2007) noted that the accuracy of these collar locations was likely about 20 feet.

Drill-hole collars of holes drilled by Teras-CGC are surveyed by registered surveyor Steve Van, PLS, of Van Surveying. The drill-hole collars were surveyed in California State Plane and transformed to WGS84 UTM feet by MDA and/or Dr. Johnson, independent sub-contractor to Teras.

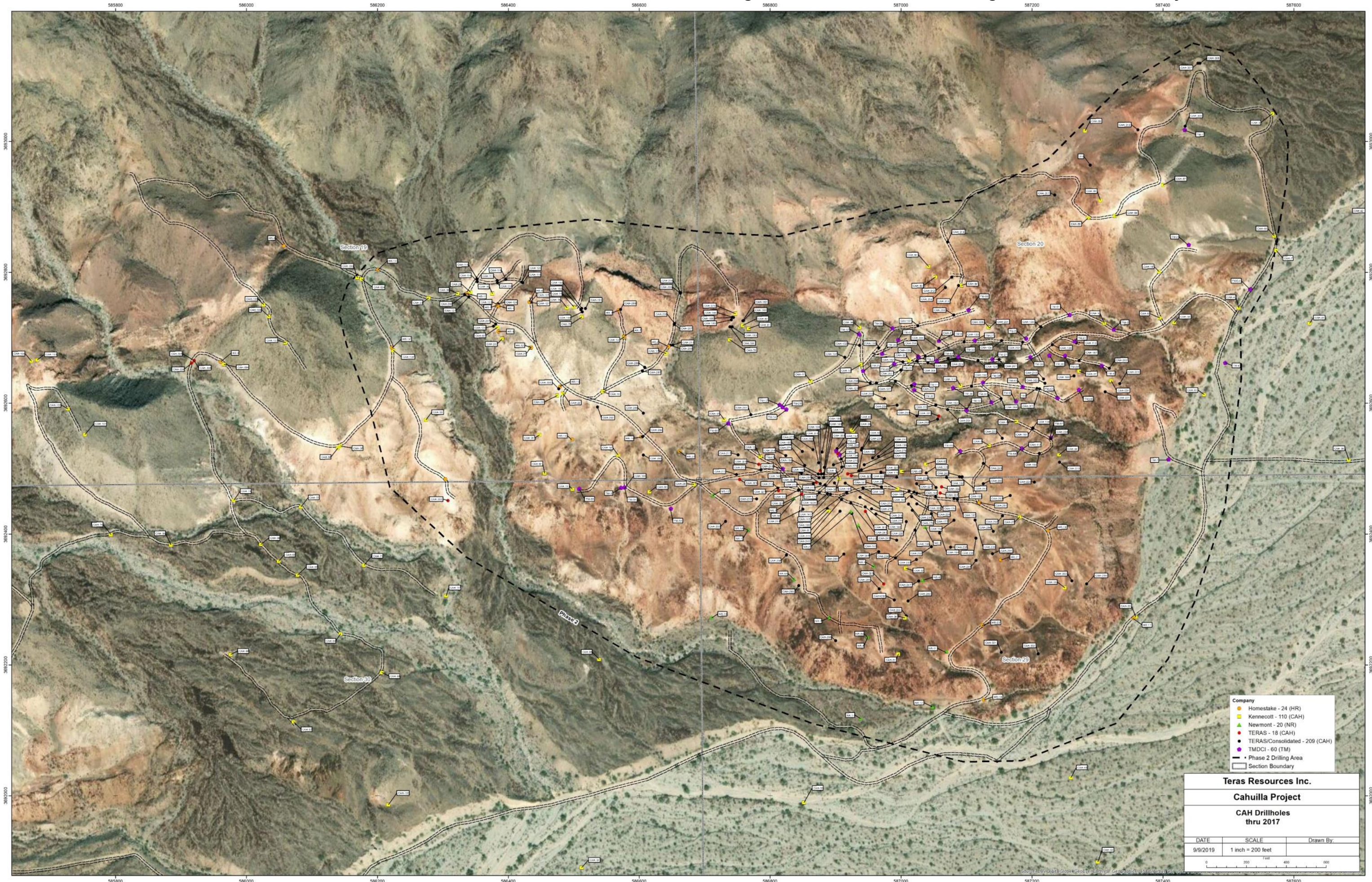
Teras reports that all the subsequent holes drilled after the 2012 drilling program were surveyed by a registered surveyor except the 2017 program, which was done by a hand-held Garmin GPS unit.

10.13 Down-Hole Surveys

In the 2011-12 drilling campaign, Teras reports that all core holes drilled by CGC were down-hole surveyed by the drillers for Sierra Madre Exploration using a Reflex EZ-Shot tool. The only Teras-CGC holes drilled by National that were surveyed were the three angle holes. The National driller foreman conducted the survey using a Reflex EZ-Shot tool. In addition, three RC holes were down-hole surveyed. However, the survey data are highly suspect, and many surveys had to be removed from the database because they were often improbable to impossible values. For the three RC holes, all azimuth data were excluded from the database because the survey tool was inside the pipe when the survey was taken. Therefore, there is little to no empirical information showing how much the drill holes deviated. One could assume that the vertical holes would not have deviated much, and those constitute the majority of the drill holes. The short angle holes will not materially deviate, but the deep (greater than 400ft) angle holes may deviate. The materiality of the lack of down-hole surveying is not deemed critical, though future drilling should instill the practice of surveying down hole.

There was no downhole surveying of any of the RC or core holes drilled after the 2012 MDA technical report.

Figure 10.1 Cahuilla Drill Holes and general resource boundary



11.0 Sample Preparation, Analysis, and Security

For any of the historic drilling done before the MDA 2012 Technical Report, descriptions of that work are presented in that document. For work done post-MDA 2012 Technical Report, which includes the remaining holes drilled in the 2012 - 2013 drilling program and the following 4 drilling programs, this section describes the procedures used by Teras for this Technical Report.

11.1 Sampling Procedures

11.1.1 Core

Core is removed from the core barrel by the drillers on site who clean mud from the core with water before carefully placing the core in boxes and measuring and marking each run with core blocks. Boxes are kept on site under the direct supervision of drill company personnel until they are picked up by members of the Teras Resources technical staff, usually at the beginning and end of each shift, and transported by Teras personnel to a core logging facility located in Salton City, California.

At the logging facility, the core in each box is carefully sprayed with a water mist before being photographed to document its original condition as it arrives from the drill site. The core is then measured for recovery between each core block and RQD measurements are made and recorded on an Excel spreadsheet.

A geologic log of the core is completed at the logging facility. The log includes lithology, fractures, alteration, and veins. These data are transferred to the same Excel workbook in which the RQD measurements are recorded. The geologic log will be used to determine sample breaks. The core is measured and marked for sampling using nominal 3-foot sample intervals unless the intervals need adjustment due to poor recovery, voids, excess caving, or vein, lithologic, or alteration contacts necessitate interval adjustment.

The core is cut in half using a heavy-duty Husqvarna diamond blade masonry saw operated by Teras's trained technician. Teras geologic staff then places one half of the sawn core in sample bags numbered to correspond with the appropriate sample interval. The other half is retained in the core box to be used for further detailed geologic logging and future reference.

Reference standards are placed in the sample stream every 100 feet and a blank sample is inserted every 300 feet for quality control purposes. Duplicate samples are pulled from pulps in the laboratory at specified intervals. Coarse blank samples are provided by Legend, Inc. of Sparks, Nevada. Reference standards and blanks are provided by Shea Clark Smith/MEG, Inc. of Reno, Nevada. QA/QC compliance was verified by the Teras on site personnel.

When enough samples are obtained, they are packed into shipping sacks and secured with wire ties, palletized and loaded onto a freight truck and sent to Inspectorate in Reno, Nevada for processing and assay analysis.

11.1.2 RC Sampling

Reverse Circulation sampling requires that two samples are collected for each 5-foot drill interval. One is sent for assaying; the other is retained at the core warehouse in Salton City. All the drill samples are always collected at the drill site at the end of each shift and transported to the warehouse in Salton City for security. A small amount of each 5-foot sample interval is added to a chip tray for future logging.

After confirming all samples are present, reference standards are placed in the sample stream every 100 feet and a blank sample is inserted every 300 feet for quality control purposes. Duplicate samples are pulled from pulps in the laboratory at specified intervals. Coarse blank samples are provided by Legend, Inc. of Sparks, Nevada. Reference standards and pulp blanks are provided by Shea Clark Smith/MEG, Inc. of Reno, Nevada. QA/QC compliance was verified by on site Teras personnel.

When enough samples are obtained, they are packed into shipping sacks and secured with wire ties, palletized and loaded onto a freight truck and sent to Inspectorate in Reno, Nevada for processing and assay analysis.

11.2 Sample Preparation and Analysis

Samples from core holes are prepared by Inspectorate, an independent sample preparation laboratory in Reno, Nevada. Inspectorate processes the sawed core by drying it at 90°C, then crushing in a three-stage crush (including corrugated and flat plate jaw, then roll crusher) with reduction to 75% passing 35 mesh; split with a riffle splitter; and 300g were pulverized to 90% passing 200 mesh.

Original samples and field duplicates from RC holes are prepared by Inspectorate. Samples are: dried at 110°C; crushed with a jaw crusher to >80% minus 10 mesh; split; and pulverized to >90% minus 150 mesh.

Assays and analyses are performed by Inspectorate, which is ISO 17025 accredited. Gold is analyzed by one-assay-ton fire assay with an AA finish. Silver is analyzed by aqua regia digestion and an AA finish. The detection range for gold is 0.005 to 10 ppm and for silver is 0.1 to 200 ppm. Samples with greater than 10 ppm Au or greater than 100 ppm Ag are re-assayed by fire assay with a gravimetric finish. In addition, all drill samples are analyzed with 30-element aqua regia ICP trace-level procedures.

11.3 Sample Security

Drill samples are picked up at the site and transported to Teras's warehouse in Salton City for sample storage and sample handling. Teras bought the warehouse in 2012. The warehouse is a 40 foot by 60-foot metal building with its own electricity and water on a concrete pad with locking steel doors. The building is on a one-acre parcel owned by Teras that is surrounded by a security fence with a locked exterior gate.

11.4 Quality Assurance/Quality Control

For Teras's program, one pulp standard is inserted for every 20 samples, and one coarse blank sample is inserted for every 60 samples. These samples are placed into rice bags before being sent to the assay lab. It is not a blind QA/QC program in that the laboratory has full knowledge of which samples are the standards and blanks (see Section 12.0 for evaluation). Inspectorate also maintained a strong internal QA/QC program with their own assay standards, blanks and duplicates. These two programs give Teras confidence that the assay results received from the lab are accurate.

11.5 Summary Statement

The Teras RC and core drill sampling, were conducted using the best sampling methods after MDA first reviewed the procedures in 2011. MDA made numerous recommendations, of which most, were adopted. The concerns inserted into the project when seeing the sampling was reviewed in detail with MDA; however, that concern is significantly placated by the duplicate sample results described in Section 12.3.2. That analysis suggests that the style of mineralization and gold and silver heterogeneity are such that the sampling procedures used did not have a material impact on the sample quality. Regardless of the reproducible results obtained in the duplicate sample study, any down-hole contamination or sample integrity loss cannot be identified.

12.0 Data Verification

12.1 Database Audit

All data verification information that was reported in the 2012 MDA Technical Report is not included in this section unless an error was found and then corrected. The information in this section applies to drill holes CAH 265 to CAH 336, which were added to the drill hole data base and used for the resource model.

12.1.1 Drill-Collar Audit

All the drill holes since the 2012 drilling program were surveyed by independent surveyor Steven Van, except for the 2017 program, where a hand-held GPS unit was used. Any drill hole with duplicate collar coordinates and within 10 feet of each other were checked for accuracy; for example, more than one drill hole located on the same drill pad. Overall, the GPS measurements indicated that the drill-hole locations in the database are reasonable.

12.1.2 Down-Hole Survey Audit

There were no down-hole surveys conducted in any of the drill programs since the 2012 MDA report.

12.1.3 Geological Data Audit

During drill core logging it was found that the subsurface geology changed significantly. For instance, it was determined that volcanic rocks, which were previously logged in RC chips, were probably hydrothermal breccias. As a result, all volcanic rocks were removed from the geologic data base and all holes were checked by Leapfrog software projections. It was also found that some of the buried sinter horizons were labeled as volcanic rocks, and these labeling codes were converted to represent the true extent of the buried sinters. With the identification of two framework geologic units, the upper sedimentary rocks and lower fanglomerate, a systematic check was done to project the lithologic contact across the RC holes in the database by using Leapfrog.

It is noted that during the 2012 MDA work, no auditing was done on the geologic drill data, but a review of these data was made while working with the cross sections. MDA concluded that any audit would not make much difference to the geologic data because of the vast differences in geologic interpretations by the various historic operators. The work done for this amended resource model has brought the geology and its coding up to a much higher level of confidence.

12.1.4 Assay Database Audit

An extensive review of the drill hole database was conducted to ensure accuracy for the resource model. This review included all drill holes, both for the 2012 MDA resource model database and the updated resource database which included all holes added after the 2012 MDA work. A large number of flaws were identified and corrected and are listed below.

- Drill hole labels were modified for consistency, listed in a logical order and more systematic organizational method to be consistent with the company that originally drilled the hole.
- Corrected gold and silver assay over limits, which are 10 g/t Au and 100 g/t Ag and added the correct over limit values.
- Corrected any discrepancies in northing, easting and elevation collar data. The northing and easting data appeared reasonable and elevation discrepancies were corrected.
- Fixed bad sample drill intervals to the correct footages; for example, in drill hole TM-09, the sample interval in the old database indicated “From 465’ to 450’ when it is actually 460’ to 465’.”

- The sample assay results for “missing” and “not assayed” samples were standardized into consistent codes indicating why the assay value is missing.
- Drill holes with duplicate collar coordinates and within 10 feet of each other were checked for accuracy; for example, more than one drill hole located on the same drill pad.
- Some gold and silver conversions from ppb to oz/ton and ppm to oz/ton were not calculated properly and corrected.
- Model numeric codes for geologic technical data were simplified and utilized in the new NI 43-101 resource model to improve the technical database.

12.1.5 Historic Assays Audit

Teras accepted the historic assays from the prior operators of Cahuilla Project these during the 2012 MDA work. The backup data for holes drilled prior to Teras’s work were made available to, and audited by, MDA as scanned copies of paper files in PDF file format. The backup data for assays ranged from scans of original assay certificates to scanned printouts from an early digital assay database. MDA considered the scans of original assay certificates to be primary sources, whereas the printouts from an earlier database are at best secondary sources. Nevertheless, MDA checked parts of the current database against the old printouts, in cases where scans of original assay certificates are not available. MDA checked subsets the assay table against the historic sources by visually comparing them on-screen. The historic parts of the assay table that MDA checked are considered acceptable.

12.1.6 Recent Drill Holes

Assays were received from Inspectorate Labs as both a PDF Certificate and as an Excel spreadsheet. Upon examination of the results, the person would remove the standards, blanks and duplicate assays before inserting into the drill hole database through cut and paste. These documents were either inconsistently archived on the geologist’s computer, and/or sent to the CEO of Teras, and/or printed out and stored in the Salton City warehouse. No auditing of this work was done until work began on this Amended Technical Report in 2020.

12.2 RC and Core Sample Weights

Based on a drill-hole diameter of 5.5 inches and a density of 2.5g/cm3, the theoretical weight of a five-footlong RC drill sample is 129 pounds. Teras shipped samples to Inspectorate, who weighed the samples. The samples had not been dried so there was likely some, though presumably little, moisture in the samples. The average weight of all the RC samples with reported weights is 6.2 pounds within a range of 0.2 to 22 pounds.

12.3 Quality Control and Quality Assurance

The quality control and quality assurance program implemented by Teras involves the use of standards, blanks, and check analyses of pulp duplicates. Teras used Inspectorate assay lab in Reno Nevada, which also used their own internal checking system of standards, blanks, and pulp duplicates to maintain internal accuracy.

Teras on average inserted a standard about every 90 to 110 feet of drill sample. Blanks were inserted on average every 125 to 175 feet of drill sample. Duplicate pulp samples were reanalyzed every 150 to 200 feet.

For both the standards and blanks, Teras had maintained records for holes CAH-265 to CAH-332 for all standards and blanks. However, for the duplicate samples, Teras had lost the records for duplicate assays in holes CAH-275 to CAH-302. There is no doubt that Teras had a satisfactory and consistent QA/QC program and duplicates were probably assayed throughout their drilling programs, but no explanation has been provided as to why these results are missing. An attempt to obtain the missing duplicate results from Inspectorate failed as the data was unable to be found at their lab.

12.3.1 Standards:

Gold standards were obtained from Shea Clark Smith of MEG Inc. in Reno, Nevada. A total of 2 different gold standards were used for holes CAH-0266 to CAH-0336; MEG-Au.11.19 reported at 0.12ppm Au and MEG-Au11.13 reported at 1.8ppm Au. Samples came pulverized in 50-gram packets and were inserted into the sample stream along with random intervals throughout the hole sequence. Analytical and reported statistics for the standards are as follows:

MEG-AU.11.19

Lab:
N = 51
Average Au ppm = 0.12
Std Dev = 0.013
Average +3 std dev = 0.159 Au ppm
Average -3 std dev = 0.081
95% confidence = 0.093-0.146 Au ppm

Analytical:
N = 237
Average Au ppm = 0.117
Std Dev = 0.016
Average +3 std dev = 0.165
Average -3 std dev = 0.069

MEG-AU.11.13

Lab:
N = 50
Average Au ppm = 1.806
Std Dev = 0.081
Average +3 std dev = 2.049 Au ppm
Average -3 std dev = 1.563 Au ppm
95% confidence = 1.644-1.969 Au ppm

Analytical:
N = 246
Average Au ppm = 1.916
Std Dev = 0.178
Average +3 std dev = 2.45 Au ppm
Average -3 std dev = 1.38 Au ppm

Using the +/-3 std dev limits, the hole sequence saw a total of 4 over-limits and 1 under-limit of standard MEG-AU.11.19 or 1.69% over and 0.42% under. This is considered to be an acceptable number and within tolerance. For standard MEG-AU11.13 the holes saw 33 over-limit assays and 2 under-limit assays, or 13.41% over limits and 0.81% under limits. This is an abnormally high number of over-limit assays on the standard. It is unknown whether this is due to the higher grade of the standard or sequence in which the samples were run with respect to their preceding sample in the hole. It is recommended to inquire with the lab as to whether the samples were run sequentially following high-grade intercepts or randomly and if any washing of the preparatory or assay equipment was done between samples.

The following Figures 12.1 and 12.2 graphically display the assay results of the two standards used in the drilling program.

Figure 12.1 Gold Standards Analysis

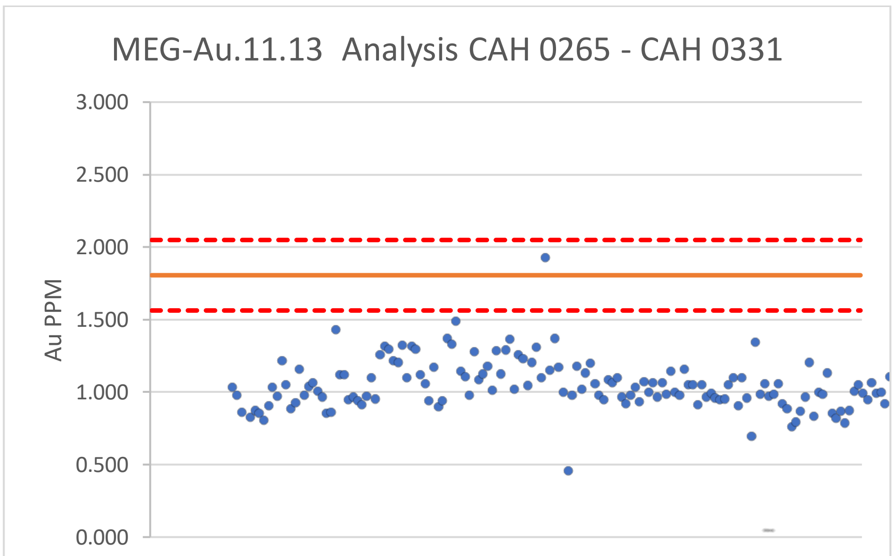
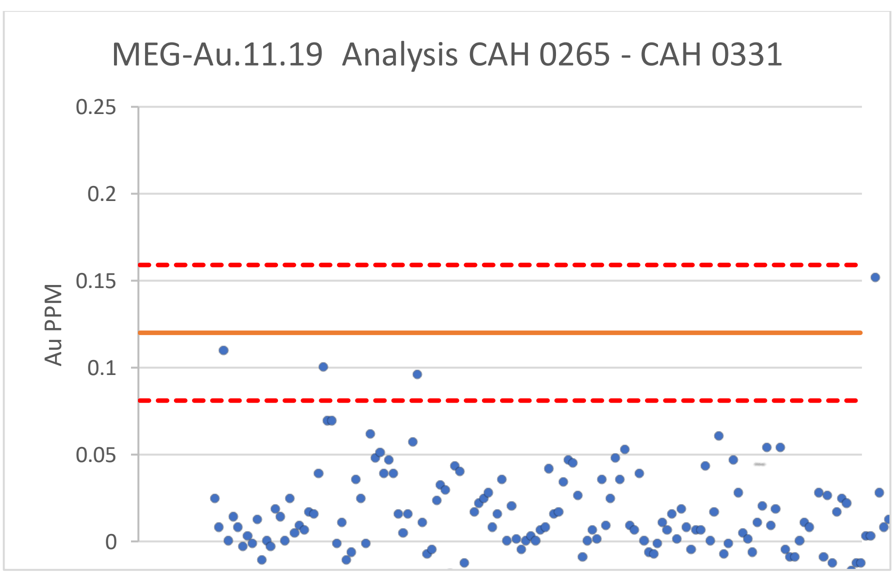


Figure 12.2 Gold Standards Analysis



12.3.2 Duplicate Pulp Check Assays:

Teras had lost the duplicate assay records for holes CAH-275 to CAH-302. There is no doubt that Teras had a satisfactory and consistent QA/QC program and duplicates were probably assayed throughout their drilling programs, but no explanation has been provided as to why these are missing. An attempt to obtain the duplicate results from Inspectorate failed as the data was unable to be found at their lab.

Following industry standard procedure, assorted assay intervals for holes CAH-0265 to 0331 were duplicated and sent for independent assay. Unfortunately, an unknown event or lab error resulted in the loss of duplicate data for holes CAH-275-CAH-302. The remaining 37 holes' (CAH-265 to CAH-274 and CAH-303 to CAH-332) duplicate results and statistics are as listed below.

General Statistics:

Total assay count over hole intervals: 6,969

Total duplicated assay count over hole intervals: 172

Total assays duplicated: 2.5%

The 2.5% of samples duplicated, along with the insertion of blank and standard material over the whole suite provides an industry standard level of QAQC for the data set.

Detailed Statistics by Metal:

Au

N = 172
Average Au PPM Originals: 0.2685 PPM Au
Average Au PPM Duplicates: 0.2624 PPM Au
Std Dev (Dup-Original) PPM = 0.1285PPM Au
Std Dev (Dup-Original) % = 39.3%
Duplicate N<10% from Original = 28
Duplicate N>10% from Original = 39
% Passing +/- 10% from Original = 61.05% (38.95% Fail)

Ag

N = 172
Average Ag PPM Originals: 4.32 PPM Ag
Average Ag PPM Duplicates: 4.24 PPM Ag
Std Dev (Dup-Original) PPM = 1.64PPM Ag
Std Dev (Dup-Original) % = 494.9%
Duplicate N<10% from Original = 54
Duplicate N>10% from Original = 51
% Passing +/- 10% from Original = 38.95% (61.05% Fail)

Overall, the duplicate runs saw a decrease in average grade compared to their complementary original assay value well within an average difference range of acceptability. The metals individually on a percent difference basis tells a different story. Due to the elevated number of discrepancies, it is suggested that the duplicate sampling method, as well as the lab's methodology be reviewed. Other potential reasons for the high level of fails could be attributed to the nugget level of the ore distribution.

The following Figures 12.3 and 12.4 show the difference in PPM between original assays and duplicate assays for both Au and Ag. Samples were assigned arbitrary ID numbers running sequentially from lower hole numbers to higher.

Figure 12.3 Duplicate samples comparison for Gold

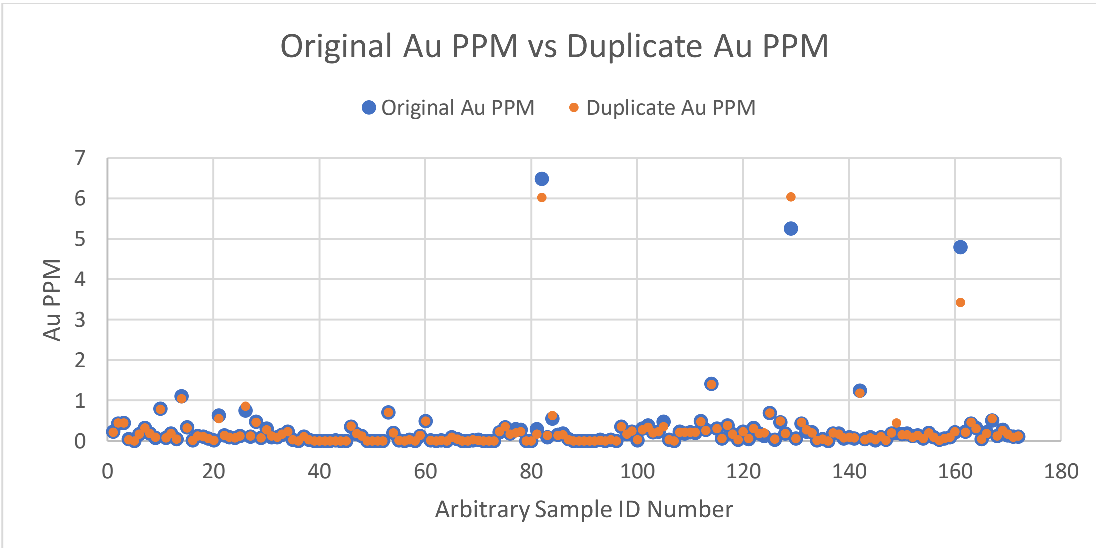
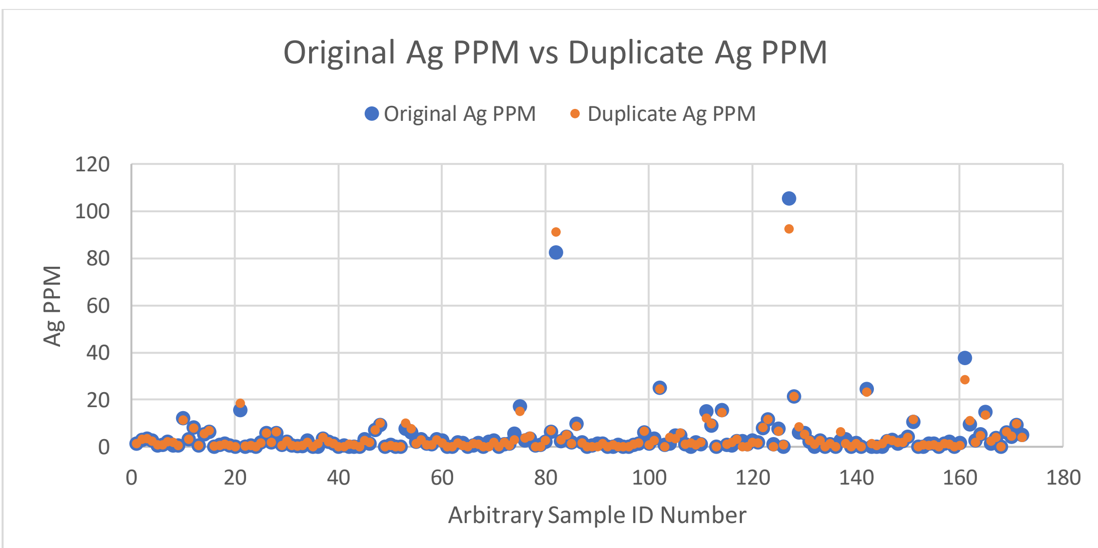


Figure 12.4 Duplicate samples comparison for Silver



The following Figures 12.5 and 12.6 show actual PPM difference between original assay and duplicate assay plotted as a function of mean grade between the matching original sample and its duplicate. High-grade outliers were omitted from both Au and Ag (seen on overview charts as samples 82, 129, 161 in Au an 82, 127, 161 in Ag). Differences between original assay values to duplicates for the high-grade Au and Ag suites were (-7%) and (-8.7%) respectively.

Figure 12.5 Duplicate Statistics for Gold in PPM

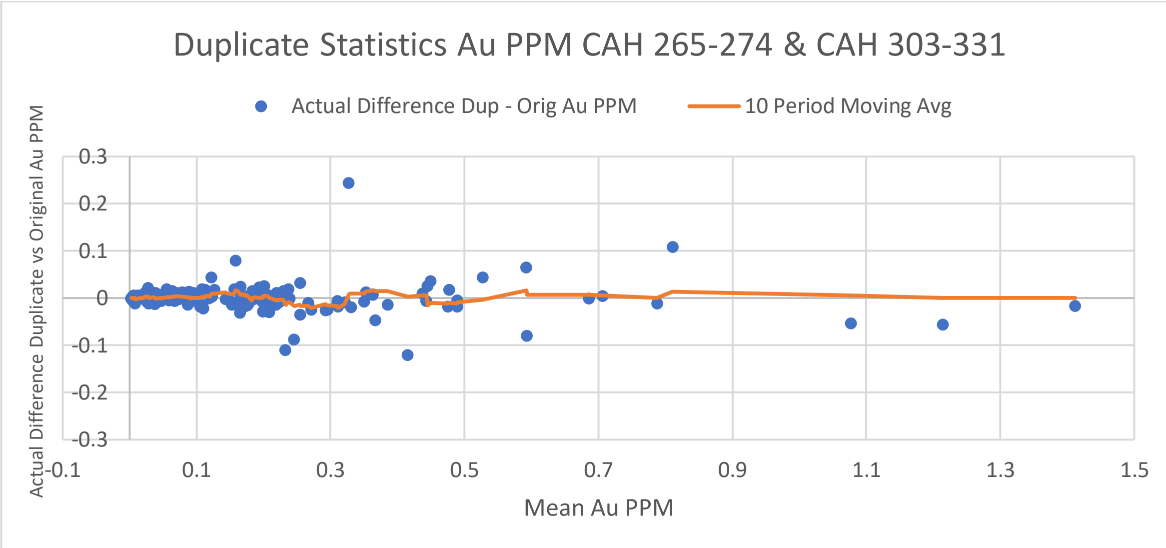
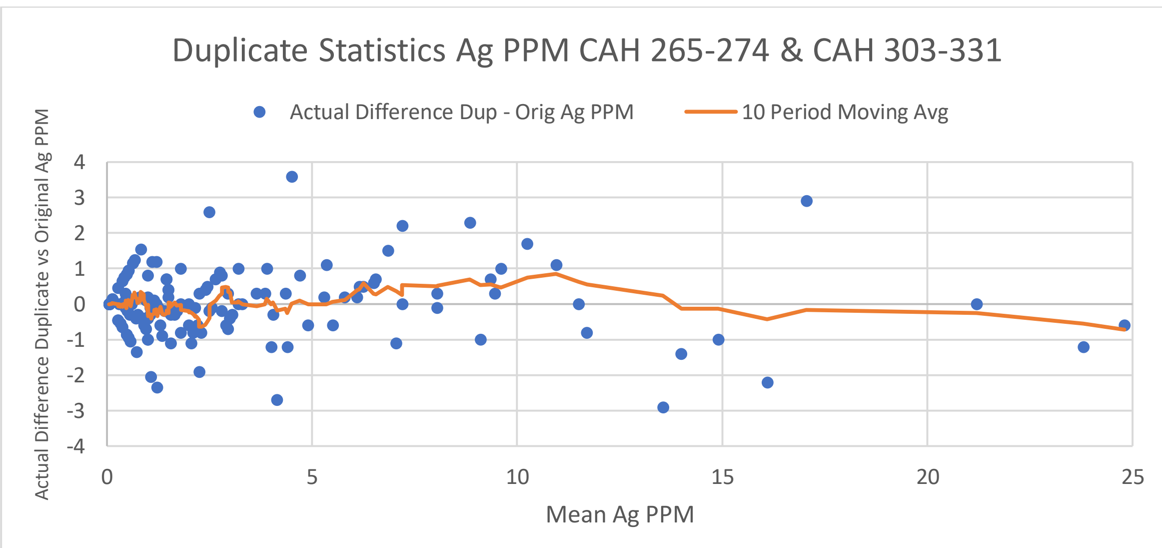


Figure 12.6 Duplicate Statistics for Silver in PPM



12.3.3 Blanks

Blanks were received from MEG labs as pre-pulverized samples in paper envelopes inserted into the sample stream. Blank material is assumed to be characterized by assay values below detection limit (<0.005 ppm Au). For the samples used between holes CAH-0265 and CAH-0331, analytical statistics of blanks is as follows:

N = 167
Au ppm Average = 0.0055
Standard Deviation = 0.0026
Minimum Au ppm Value = <0.005
Maximum Au ppm Value = 0.033

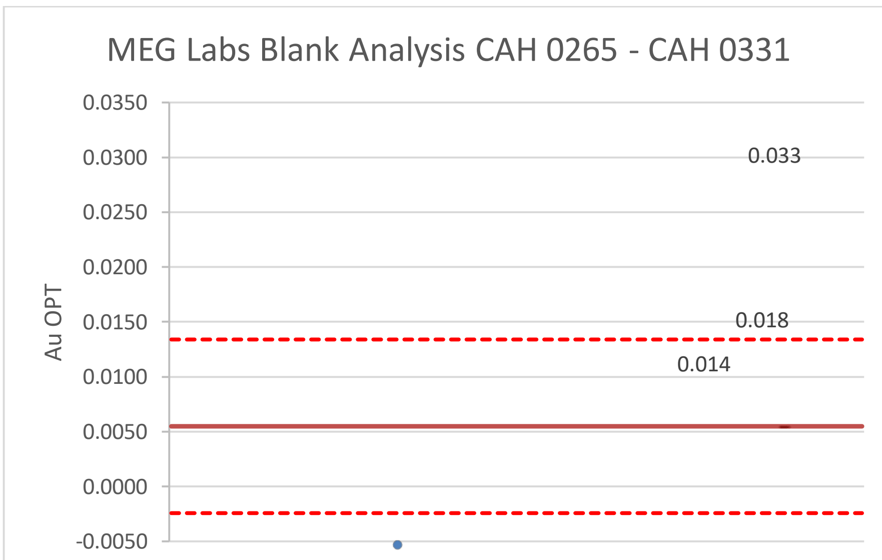
Industry standard passing threshold values are typically set at +/- 3 standard deviation from lab reported values. As there were no lab reported values given for standard deviation or average for blank material, analytical values were used from the 167 blanks inserted for holes CAH-0265 to CAH-0331. Values are as follows:

+3 Std Deviation = 0.0134 Au ppm

-3 Std Deviation = -0.0024 Au ppm

This resulted in a total of 4 samples lying outside the +/-3 Std Dev bounds, or 2.4%. This is considered acceptable.

Figure 12.7 Analysis of Blank Samples



12.4 Summary Statement on Quality Control and Quality Assurance

The Author recommends the following with regard to QA/QC:

- External analytical standards and coarse blanks showed both good analytical and sample preparation consistencies and are acceptable.
- External standards with gold concentrations below 0.15 ppm are of little practical use to future drill programs and it is recommended that these lower-grade standards be discontinued as they are below the resource cutoff grades.
- Increase the percentage of drill samples to be cross-checked by external laboratories and run analyses for both gold and silver.
- In conclusion, these results indicate assay values for gold and silver are satisfactory for resource evaluation, with indications where future protocol could be improved.

13.0 Mineral Processing and Metallurgical Testing

13.1 Summary

Metallurgical test work has been conducted by seven different companies beginning in about 1988. During the early years of the project, these companies included Homestake, Newmont, TMDCI, Kennecott, and Canyon Resources. After 1997, no metallurgical work was done through 2009 until Consolidated Goldfield performed gravity extraction of gold and then again in 2013 when Teras conducted cyanide soluble extractions of drill assay pulps.

The following Sections summarizes each company's work on Cahuilla-sourced mineralized materials.

13.2 Homestake

Homestake sent three surface samples to McClelland Laboratories, Inc. ("McClelland") for bottle-roll testing in December 1988 (Kern and Johnson, 1989; Macy, 1989; da Silva, 1999). These were low-grade samples of banded chalcedonic veining in brecciated and partly silicified monzonite conglomerate. The samples were crushed to 80% passing -1/4 inch. Head assays varied between 0.020 and 0.055 oz Au/ton. After 96 hours, gold extractions were 0.0%, 15.8%, and 20.0%, and silver extractions ranged from 6.1 % to 14.3%. The location of these samples is unknown.

Homestake also sent five surface samples for bottle-roll cyanide-leach testing to Dawson Metallurgical Laboratories, Inc. ("Dawson") in September 1989 (Kern and Johnson, 1989; Allen, 1989; da Silva, 1999). Five reject samples with calculated head assays varying from 0.127 to 1.097 oz Au/ton were ball-mill ground to about 60 to 87% minus 200 mesh. After 48 hours, gold extractions ranged from 82.7% to 95.1%. Residues of 0.010 to 0.022 oz Au/ton were obtained on the four lower-grade samples, and a residue of 0.088 oz Au/ton was obtained on the high-grade Au sample. The location of these samples is unknown.

13.3 Newmont

Newmont, through Newmont Metallurgical Services, conducted metallurgical testing in 1990 on eight composites from samples from holes 2, 3, 6A, and 8A drilled by Newmont (Acar, 1990). Samples were 5-foot intervals. The drilling took place on the private Samani 80-acre parcel. Chemical and mineralogical analyses of the composites indicated that three were mill-grade with gold grades varying from 0.494 oz Au/ton to 0.073 oz Au/ton and five were leach-grade composites with gold grades varying from 0.042 oz Au/ton to 0.015 oz Au/ton. The composites were stage crushed to minus 10 mesh, mixed thoroughly, and 500-gram test charges were prepared for test work. Standard cyanidation bottle-roll tests yielded gold extractions varying from a low of 7.5% from hole #3 (contained the highest amount of pyrite) to 60% from hole #6A; the variation was attributed to the presence of sulfides and/or organic carbon (but no evidence of this has been found).

Standard cyanidation and carbon-in-leach ("CIL") tests were run on ground samples of three mill-grade composites to determine the effect of finer feed sizes and the addition of activated carbon. Samples were ground to 100% minus 65 mesh size. Residue assays indicated a very slight improvement in gold extraction when activated carbon was present and an improvement in extraction for the ground samples (Acar, 1990). However, except for the high-grade interval, extractions were still low, indicating a pre-oxidation step prior to CIL is probably required (Acar, 1990).

13.4 TMDCI

In 1992, TMDCI submitted 40 samples to Skyline Labs, Inc. for sodium cyanide leaching tests (amenability tests). The samples were from pulps from holes TM-28 and TM-30, which offered a wide range of assay values from different depths. For this testing, a 40-gram sample with sodium cyanide is heated to 85°C, agitated, centrifuged, and the amount of gold leached is determined by atomic absorption spectrometry in ounces per ton. For the 30 samples from TM-28, the average gold extraction for the minus 10 mesh fraction was 30.2%, with a range of 17.60% to 50.00%; the gold extraction for the minus 200 mesh fraction averaged 81.45% with a range of 41.70% to 100.00% (Cornelius, 1992b). For the 10 samples from TM-30, extraction from the minus 10 mesh fraction averaged 44.88%, with a range of 16.40% to 75.00%, while extraction from the minus 200 mesh fraction averaged 98.64%, with a range of 66.66% to 133.33% (Cornelius, 1992b). Cornelius (1992b) concluded that gold mineralization at Cahuilla is amenable to cyanide recovery, largely dependent on the reduction in size of the sample, but he noted that additional leaching tests may be warranted following TMDCI's second phase of drilling.

13.5 Kennecott

McClelland conducted direct agitated cyanidation tests on Cahuilla drill cuttings for Kennecott in August 1996 (Langhans, 1996). A total of 111 drill-cuttings intervals from eight drill holes were composited into eight samples (one for each drill hole) and were subjected to bottle-roll testing (Langhans, 1996; da Silva, 1999). Two feed sizes were evaluated: as-received, (nominal 10 mesh) and 200 mesh particles. Most of the composites were not amenable to direct-agitated cyanidation treatment at the as-received feed size (Langhans, 1996); gold extractions ranged from 31.0% to 57.1 % in 96 hours of leaching. Three of the samples were marginally amenable with gold extractions of 52.2%, 51.9%, and 57 .1 %. For six of the eight composites, staged grinding to 80% minus 200 mesh before leaching produced extractions that ranged from 84.2% to 96.8% with 72 hours of leaching, but for the remaining two samples, extractions were 54.2% and 56.8% in 72 hours; low gold extractions appeared to be related to the relatively high sulfide content of both composites (Langhans, 1996). For the ground feed, extraction was substantially complete in 6 to 12 hours of leaching, but extraction rates were fairly slow for the as-received feeds (Langhans, 1996). Cyanide consumption was low for all composites at both feed sizes except for two of the composites (Langhans, 1996); cyanide consumption increased with decreasing feed size for all composites. Lime requirements were low to moderate for all composites at both feed sizes (Langhans, 1996).

13.6 Canyon Resources

In 1997, Canyon Resources submitted 87 bags of RC chips from Kennecott drill holes CAH-56, 75, 79, and 110 to Kappes, Cassiday & Associates ("KCA") of Reno, Nevada for metallurgical testing (KCA, 1997); Canyon Resources was investigating the acquisition of Cahuilla but ultimately declined to do so because of other commitments. KCA prepared four composite samples from holes CAH-110, CAH-79, CAH-75, and CAH-56 by blending portions of the drill cutting samples from each hole. Samples were stage crushed to minus 1/4in. Metallurgical test work included head assays, bottle-roll testing, agglomeration testing, and column-leach testing.

Head assays for the composites ranged between 0.023 and 0.034 oz Au/ton and 0.16 to 1.08 oz Ag/ton (da Silva, 1999). Three-day, 500g, cyanide bottle-roll tests on pulverized, minus 150 mesh splits did not indicate any problem with leaching and returned between 88 and 92% gold extraction (KCA, 1997). Ninety-day column-leach tests on nominal ¼in. material returned between 48 and 61 % extraction for gold, averaging 56% for the four samples, and 24 to 61 % extraction for silver, averaging 37% for the four samples. Screen fire analysis suggests that gold and silver grades are evenly distributed between fine (-65 mesh) and coarse (-1/4 inch to +4 mesh) size fractions.

13.7 Consolidated Gold Fields

No metallurgical work was conducted from 1997 to 2009, but McClelland was requested to assess if there was sufficient coarse gold to justify a gravity circuit for high-grade vein material. McClelland had metallic assays done on channel samples collected from the exposed High-Grade Hill vein in October 2009-May 2010. Two samples were assayed by metallic screen fire assay, performed by Inspectorate. Minimal coarse gold was found in those two samples, which would suggest gold could not be recovered in a gravity circuit, and therefore a final written report was not prepared. The gold is very fine, and a gravity circuit is not appropriate (Teras, written communication, August 20, 2012).

Cyanide gold shaker tests were conducted using hot cyanide leach solutions by Skyline. While hot cyanide solutions in no way replicate what would be expected from real-world or ambient-temperature leaching, some sense of variability spatially can be obtained. Ninety percent of the analyses have extractions of about 60%, and 50% of the samples have extractions of better than 85%. The average extraction rates at Cahuilla are 65%, 80%, and 88%, for unoxidized, mixed, and oxide material, respectively.

13.8 Teras

In 2013 Teras had 47 cyanide shake tests conducted by McClelland Laboratories in Reno, Nevada (Teras A 2013), on drill samples taken from their recently completed drill program. A total of 47 samples were selected from many different locations throughout the project site at various depths to obtain a general sense of precious metal recoveries that can be obtained by leaching with cyanide. The process first obtained a split of the original reverse circulation drill sample pulps that were used for determining the initial fire assays. The minus 150 mesh sample splits were placed in centrifuge tubes containing cyanide solution and agitated on a shaker table for two hours. The solution was then analyzed by atomic absorption for gold and silver, which was then compared with the original fire assays to determine. The following table summarizes the samples into oxide, mixed and reduced to determine average recovery levels for each. As expected for a fine grind, the best gold recovery results are from oxidized material at 93.4%, then mixed at 82.7% and reduced at 91%. Silver follows an expected pattern with oxide recovery of 89.5%, mixed at 76.9% and reduced at 53.5%. Results from the cyanide shake tests follow:

Type	# of Sample	Gold Ave	Silver Ave	Range Au gm	Range Ag gm
Oxide	25	93.4%	89.5%	0.43-17.38	2.3-127.2
Mixed	18	82.7%	76.9%	0.54-14.69	0.5-78.2
Reduced	4	91.0%*	53.5%*	0.66-4.77	0.7-11.6

Notes: *one reduced sample removed as it was low grade and reported up to 140% recovery

The results suggest good potential for processing mineralized material by finer grind and various cyanidation processing methods.

13.9 Discussion

Metallurgical data from the Cahuilla deposit are limited, and the test work that does exist suggests sensitivity of recovery to mesh size. The finer material gave extractions of 67% and above, whereas extractions from coarser material were in the range 16 to 75%. There is an indication from the Kennecott results that samples with high sulfide contents do not respond well, but these appear to be few in number and a flotation/regrind stage may be all that is required to resolve this.

Limited metallurgical test work in heap leaching indicates that gold recoveries range from 20% to 61 %. It may be that in order for a heap leach to be successful, additional processing techniques such as fine crushing and agglomeration may be required, but it is too early to draw definitive conclusions from the information currently available.

Going forward, there appears to be two types of ore for extracting gold. The first is a typical heap leach for lower grades and the second would be milling for higher grades. It would be anticipated that a thorough metallurgical analysis would be conducted to determine heap leach recovery rates and adequate process methods so that a strong economic return be realized. Metallurgical test work would include attention to oxidation level, sample size, agglomeration, and fluid chemistry (pH). Also, with proper scheduling in an open pit mining operation, areas that are higher grade could be identified and transported to a mill which would have strong, near total recovery of gold. This again would have to be tested in the lab for best approach to recover the most gold.

14.0 Mineral Resource Estimate

Previous attempts at a resource estimate and classification have been made on this property. Readers are encouraged to reference the "Technical Report on the Cahuilla Project Gold and Silver Resources, Imperial County, California" by MDA (2012) with an effective date of 11/27/2012 hereby referred to as (MDA, 2012). This report documents a new amended mineral resource estimate under 43-101 guidelines with an effective database date of 11/07/2020 and resource estimate of 11/20/2020.

14.1 Database

Effective as of November 07, 2020, the drilling database used for resource estimation contained a total of 441 drill holes: 395 RC and 44 core, for a total of 242,483.4 ft. Note the discrepancy between drilling statistics in chapter 10 of this report (Table 10.1) and model database. This is due to the fact that 2 holes, one from Newmont and another from TMDCI contain no assay values but were included with null values under the resource estimate. Table 14.1 shows statistics on raw drilling data used for the resource estimate.

Table 14.1 Drill Database Statistics

	Total N	Valid N	Mean	Std. Dev.	CV	Minimum	Maximum
Au OPT	49663	48461	0.00814	0.028	3.398	0.00001	3.04267
Ag OPT	49663	46402	0.131	0.551	4.194	0.003	30.333

14.2 Mineral Domains

Additional drilling and interpretation have allowed for the creation of nine mineral and geologic domains used in the resource model. Domains were created using a combination of Maptek's Vulcan™ and Aranz' Leapfrog Geo™ Software. Details on each of the domains is listed below:

- Modoc Fault Zone (modoc) – A geologic boundary offset from the mapped and extrapolated Modoc fault plane.
- North Zone (north) – All material north of the Modoc Fault Zone boundary. Taken to consist primarily of granitic intrusive rocks.
- High Grade Hill Zone (hgh) – A prominent topographically feature adjacent to the Modoc fault, contains high density of drilling.
- Feeder Zone (feed) – A grade shell and not a hard geologic boundary, created to contain grade extrapolation from the high-density drilling zone at the center of the deposit. It is modeled to represent the general trend of a small, discontinuous feeder vein zone recognized in re-logging of core holes towards the center of the deposit. Shells were created in section and wireframed around drilling data. Due to the erratic, discontinuous nature of high-grade zones and lack of angled core hole data, this boundary acts to constrain high-grade estimation from continuing into adjacent rocks.
- Sedimentary Units Zone (seds) – A geologic boundary created from data of re-logged holes to better delineate the boundary between these rocks and lower rocks of the fanglomerate unit.
- Fanglomerate Zone (fang) – The default lithologic zone of rocks on the south side of the Modoc fault. Consists of a poly-lithic conglomerate unit dipping away from Modoc fault.
- Sinter Units Zones (sint_low, sint_mid, sint_up) – 3 separate zones made to model sinter outflows originating along the Modoc fault; an upper, middle and lower were created from explicitly modeling

grade continuities along the general dip trend of the Fanglomerate unit. Additional interpretations and re-logging allowed for the creation of these zones.

- Sulfide/Oxide/Mixed: Redox boundaries were created by implicitly modeling logged data values.

All zones not modeled off geologic constraints used gold assays for grade mapping. Even though globally gold and silver assays correlate poorly overall, zones of elevated gold grade generally show some level of elevated silver grade. This, combined with investigation of the grade shells created for previous reports, (MDA, 2012) did not dictate the creation of separate zones for silver grade.

14.3 Density

No additional density work has been completed since the MDA 2012 report. Density work completed prior to the effective date of this report is as follows:

- Three sets of density measurements were performed at Cahuilla by Zonge Engineering in 1995, by McClelland Laboratories in 1996, and by Teras in 2012.
- In 1995, Kennecott submitted 12 samples from drill holes TMC-2, TMC-3, and TMC-4 to Zonge Engineering for magnetic susceptibility, remnant magnetization, and density study (Zonge, 1995). Wet bulk densities were determined by the buoyancy method after the samples were saturated with tap water under a vacuum. Subsequently the samples were dried by oven baking at 250°F for a minimum of 12 hours. Dry bulk densities were determined by dry weight divided by the buoyancy-determined volume of each sample. Porosities were calculated from water-saturated weights, dry weights, and the buoyancy determined volumes.
- In 1996, Kennecott submitted 16 core samples for bulk density determination to McClelland Laboratories in Sparks, Nevada. Density was measured using the volume-displacement method and checked by the weight-differential method on oven-dried, coated pieces of core. Samples consisted of quartz monzonite, Palm Springs Formation, fanglomerate, and alluvium from core holes drilled by Kennecott (TMC-001 to TMC-004). Most samples were strongly silicified.
- In 2012, Teras measured specific gravity of 90 samples taken from 16 drill holes. Teras used the volume-displacement method. While the samples were not dried first, it is doubtful than any material amount of moisture was present. No factoring was done by MDA, but it is possible that based on these immersion methods, the density may be overstated because of the occasional presence of vugs open to the surface of the sample. (MDA, 2012)

To increase confidence in the densities used for this model, only the rock types that had sample data to accompany them from the MDA, 2012 report were used. These were then distributed across the modeled domains to represent the lithology as close as possible. Densities and their associated domains are listed in Table 14.2.

Table 14.2 Applied Densities (Unit, Sample and Data taken from MDA, 2012)

Rock Unit	Samples (N)	Measured Density (g/cm^3)	Measured Tonnage Factor	Applied Tonnage Factor	Applied Domain(s)
HW QM/Diorite	9	2.5	12.81	12.8	North
HW Sedimentary Rock	70	2.46	13.05	13	Fang, Feed, HGH, Seds, Sinters
Modoc Fault Zone	36	2.53	12.67	12.7	Modoc

14.4 Estimation Database and Compositing

14.4.1 Composite Design

Using the modeled mineral and geologic domains, sample composites were constructed for all holes. Composites were created using a 5-foot run length maintaining a null value of “-99” for all segments not sampled or missing. Composites were further broken on the boundaries of the domains and had their domain classification logged. Table 14.3 shows the un-capped, non-declustered composite database statistics. The original drilling database includes holes with collars above the topography used in the modeled domains. Samples above ground level were still honored and given a separate domain classification of “sky.” They are included in the comparative statistics, capping and used in the final model. See section 14.5.2 for how above-topography samples were handled in the final estimation.

Table 14.3 Composite Statistics

Au OPT	Global	fang	feed	hgh	modoc	north	seds	sky	sint_low	sint_mid	sint_up
Count (N)	48794	13915	7583	313	6752	4001	13461	385	981	714	689
Length (Mean)	4.84	4.91	4.84	4.88	4.89	4.95	4.88	3.24	4.16	3.86	4.29
Mean	0.00806	0.00339	0.01468	0.01641	0.00931	0.00179	0.00636	0.00609	0.03838	0.02286	0.02531
Std.Dv	0.02	0.01	0.04	0.02	0.02	0.00	0.01	0.02	0.08	0.04	0.04
CV	2.92	2.08	2.87	130.36	1.86	2.67	1.18	4.04	1.96	1.55	1.47
Min Value	0.00001	0.00007	0.00007	0.00007	0.00007	0.00001	0.00007	0.00007	0.00007	0.00007	0.00007
Max Value	1.97059	0.28000	1.97059	0.15285	0.56934	0.16177	0.20000	0.42000	0.82748	0.56513	0.55630

Ag OPT	Global	fang	feed	hgh	modoc	north	seds	sky	sint_low	sint_mid	sint_up
Count (N)	46638	13372	7366	313	6752	4001	12206	380	926	670	652
Length (Mean)	4.84	4.91	4.84	4.88	4.89	4.95	4.88	3.24	4.16	3.86	4.29
Mean	0.130	0.097	0.243	0.076	0.162	0.033	0.090	0.050	0.382	0.229	0.180
Std.Dv	0.49	0.40	0.88	0.14	0.33	0.08	0.29	0.19	1.08	0.45	0.31
CV	3.74	4.10	3.61	1.87	2.06	2.44	3.19	3.82	2.82	1.98	1.70
Min Value	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.003
Max Value	27.304	15.027	27.304	0.992	7.959	2.381	13.951	2.027	15.103	7.300	3.555

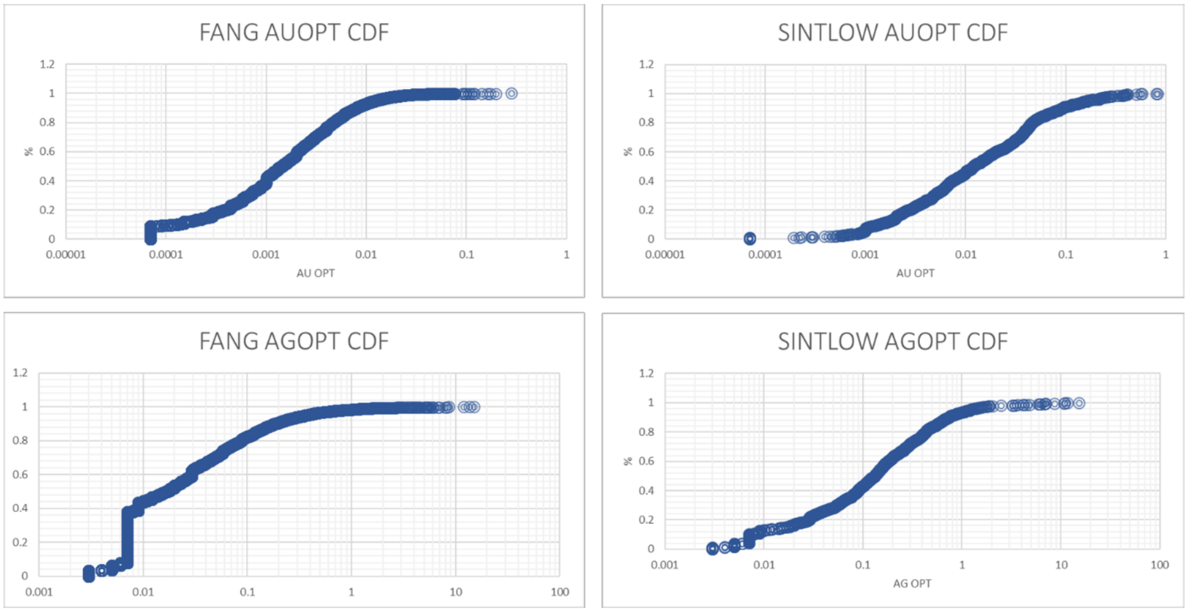
14.4.2 Composite Capping

To establish capping values, CDF log plots were created for both global grade values as well as for each modeled domain. Capping grades were chosen based on visual separation distances between plotted samples. Table 14.4 shows capping values used in the resource estimation.

Table 14.4 Composite Capping Statistics

Zone	Global	fang	feed	hgh	modoc	north	seds	sky	sint_low	sint_mid	sint_up
Au OPT	0.35000	0.08500	0.3000	0.0375	0.1750	0.0225	0.05750	0.0145	0.2750	0.1000	0.0875
Ag OPT	7.750	3.250	3.250	0.250	2.250	0.400	2.750	0.140	2.000	1.250	0.625

Figure 14.1 CDF Log Plots used for Capping



14.4.3 Composite Declustering

Due to the inconsistent nature of sample spacing it was decided to decluster the composites. Previous attempts were made at creating variogram models for the composites but did not produce a clear result. Cell declustering was chosen as the declustering method for the composite sample database. Samples were broken into their domain codes, loaded into Maptek's Vulcan software and run through the cell declustering function. Multiple passes were made at each domain's sample set, and graphs compiled. Declustering was set to select the minimum declustered mean grade. Domains showing a clear graphical minimum had their declustering parameters selected off the charts. Domains not showing a clear minimum declustered grade had declustering parameters calculated to produce a new declustered mean to be approximately 95% of straight composite mean grade. Table 14.5 presents the declustering parameters used. Table 14.6 shows the declustered vs straight composite grades. Declustered grades were used in the final estimation.

Note that the "north" domain was not declustered. When plotting cell declustered values, it was found that no combination of cell size or offset produced a reduced composite mean. Therefore, straight composite values were used for final estimation in the "north" domain.

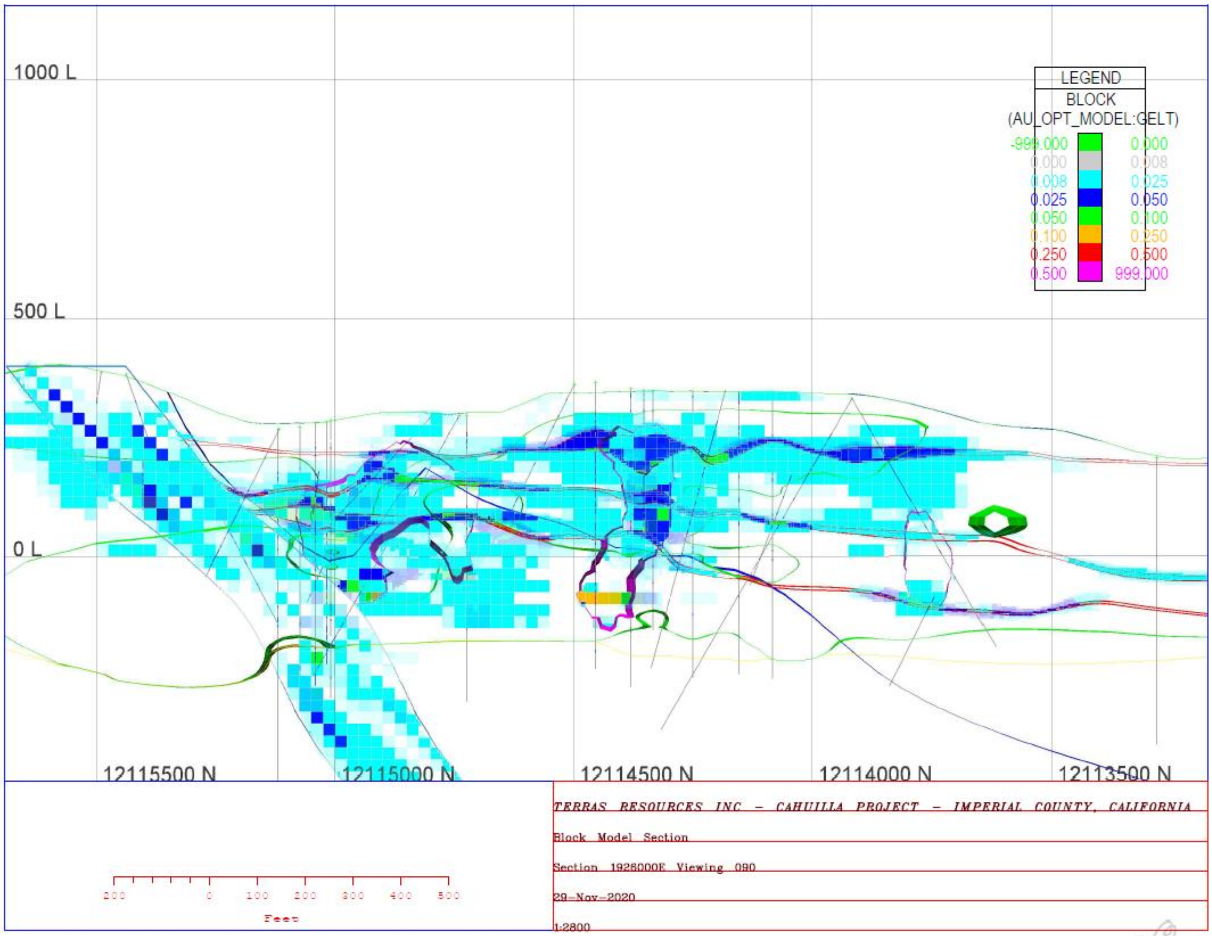
14.5 Resource Model

Both block model and resource estimation were created using Maptek's Vulcan.

14.5.1 Block Model

A block model was created to encompass all drilling and geologic data used in the mineral resource estimate. Blocks were not rotated and had bearing axis facing due east. Parent blocks were set to be a maximum of 25 ft in all directions. Parent blocks were broken on mineral domain boundaries to a maximum size of 25 ft and a minimum of 5 ft in all directions. Blocks contained in each of the mineral domains were coded with a "zone" variable. In order to establish a hierarchy of authority for overlapping domain sections down axis, priorities were assigned to each of the mineral domains (Table 14.7). Figures 14.2 and 14.3 display examples of the block model in two easterly facing cross sections.

Figure 14.2 Block Model Section 1926000E



14.5.2 Mineral Resource Estimation

After the creation of the block model, variables were assigned to each block and an estimation was completed for both Au OPT and Ag OPT separately. Inverse Distance was selected as the estimation methodology due the sporadic and highly discontinuous grade associations seen both visually and in attempts to create a variogram model of the composite data. Table 14.8 shows a list of modeling parameters used.

Soft boundaries were utilized on all zones. This was done for two reasons: 1. For all zones utilizing soft boundary estimations on zone “sky” to incorporate samples that were coded in composites as above topography but lie directly above domains below surface. 2. To incorporate and distribute samples in directly adjacent domains where domain was created based on grade shell or low density of data geologically. As no domain was explicitly created based on both grade and geology, these soft boundaries aim to generate a higher level of confidence that fringe regions were estimated properly.

Gold and Silver were estimated separately, but with the same parameters shown under Table 14.16. No additional domains or estimations were made on either commodity.

Figure 14.3 Block Model Section 1925000E

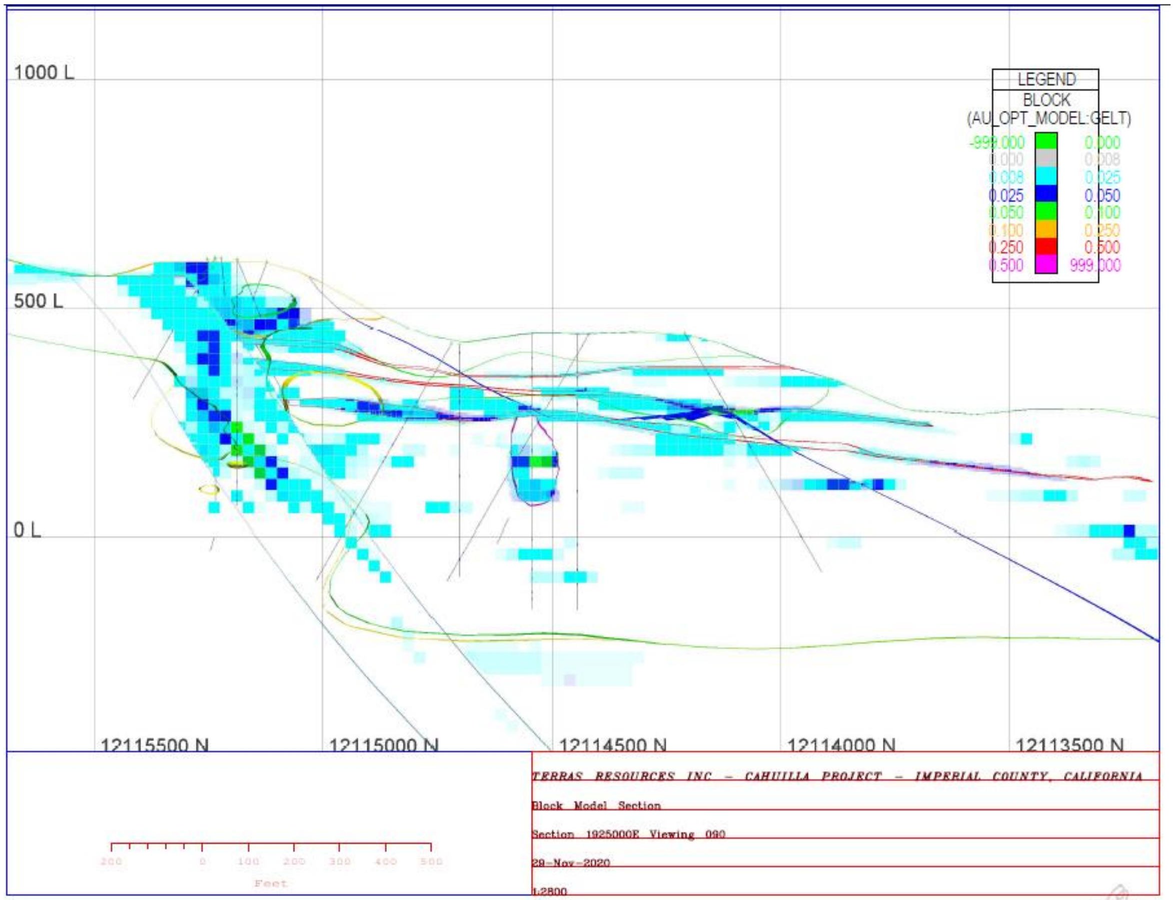


Table 14.5 Cell Declustering Parameters

Domain	Min Cell (Ft)	Max Cell (Ft)	Y Ani	Z Ani	Cell Sizes (N)	Offsets (N)	Min/Max	Sample Count	Declustered Cell Size	Min Weight	Max Weight
FEED	10	300	1	1	290	10	Min	7583	161.522	0.142	20.162
HGH	10	150	1	1	290	10	Min	313	87.024	0.315	6.064
FANG	10	250	1	1	240	10	Min	13915	246.987	0.121	44.696
MODOC	5	45	1	1	100	10	Min	6752	43.788	0.257	6.958
NORTH	Samples/estimation using samples with BOUND code = "north" will not use declustering values as declustered min lies at 0' cell size										
SINT_LOW	5	7	1	1	10	10	Min	981	7	0.413	1.367
SINT_MID	5	30	1	1	25	10	Min	714	27.917	0.344	2.105
SINT_UP	5	75	1	1	100	10	Min	689	74.293	0.159	2.732
SKY	5	66	1	1	100	10	Min	385	66	0.118	2.019
SEDS	5	85	1	1	100	10	Min	13461	85	0.205	14.508

Table 14.6 Declustered vs Straight Composite Mean Grades

Au OPT	TOTAL	FANG	FEED	HGH	MODOC	NORTH	SEDS	SKY	SINT_LOW	SINT_MID	SINT_UP
Mean Grade (Non-Declustered)	0.00806	0.00339	0.01468	0.01641	0.00931	0.00179	0.00636	0.00609	0.03838	0.02286	0.02531
Mean Grade (Declustered)	0.00731	0.00319	0.01285	0.01572	0.00879	0.00179	0.00603	0.00578	0.03577	0.02165	0.02411
Mean Declustering Weights	0.99999	1.00000	1.00001	1.00001	0.99999	N/A	0.99998	0.99991	0.99998	1.00004	1.00001

Ag OPT	TOTAL	FANG	FEED	HGH	MODOC	NORTH	SEDS	SKU	SINT_LOW	SINT_MID	SINT_UP
Mean Grade (Non-Declustered)	0.130	0.097	0.243	0.076	0.162	0.033	0.090	0.050	0.382	0.229	0.180
Mean Grade (Declustered)	0.111	0.070	0.237	0.080	0.152	0.033	0.088	0.040	0.376	0.221	0.146
Mean Declustering Weights	0.99330	0.98680	0.99380	1.00001	0.99999	N/A	0.99464	0.99758	0.99841	1.00208	0.99152

Table 14.7 Mineral and Geologic Domain Modeling Priorities

Zone	sky	distal	modoc	north	hgh	sint_up	sint_mid	sint_low	feed	seds	fang
Priority	28	26	24	22	20	18	16	14	12	10	8

14.6 Resource Classification

The following resource classifications are set in increasing order of geologic and quantitative confidence. Here, the definitions set forth in the "CIM Definition Standards – For Mineral Resources and Mineral Reserves" (May, 2014) hold to the resource provided in this report. Definitions are stated below in Italics:

Mineral Resource

Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories. An Inferred Mineral Resource has a lower level of confidence than that applied to an Indicated Mineral Resource. An Indicated Mineral Resource has a higher level of confidence than an Inferred Mineral Resource but has a lower level of confidence than a Measured Mineral Resource.

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for *eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.*

Material of economic interest refers to diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals.

The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of Modifying Factors. The phrase 'reasonable prospects for eventual economic extraction' implies a judgment by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. The Qualified Person should consider and clearly state the basis for determining that the material has reasonable prospects for eventual economic extraction. Assumptions should include estimates of cutoff grade and geological continuity at the selected cut-off, metallurgical recovery, smelter payments, commodity price or product value, mining and processing method and mining, processing and general and administrative costs. The Qualified Person should state if the assessment is based on any direct evidence and testing.

Interpretation of the word 'eventual' in this context may vary depending on the commodity or mineral involved. For example, for some coal, iron, potash deposits and other bulk minerals or commodities, it may be reasonable to envisage 'eventual economic extraction' as covering time periods in excess of 50 years. However, for many gold deposits, application of the concept would normally be restricted to perhaps 10 to 15 years, and frequently to much shorter periods of time.

Inferred Mineral Resource

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

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

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

Indicated Mineral Resource

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

Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

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

Measured Mineral Resource

A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation."

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

This report does not recognize any portion of the reported resource as a Measured resource. Resource numbers are reported at cutoff values reasonable for extraction of ores of this type deposit and geology. They are further broken down into groups reflecting redox conditions of the ore. Tonnage reported in short tons (2,000lbs) and metal grades reported in troy oz/short ton (OPT).

Mineral resource was classified based on the following criteria:

Indicated:

Any estimated block using 3 or more drill holes, 6 or more samples and nearest sample distance of less than or equal to 300' or any estimated block using 3 or more drill holes, 3 or more samples and nearest sample distance of less than 150'.

Inferred:

Any estimated bock, not under Indicated classification and using 2 or more drill holes, 2 or more samples and nearest sample distance of less than or equal to 100'. All remaining non-classified blocks contained within the modeled domains excluding "fang", "north" and "seds" are also classified as inferred.

The total Indicated gold and silver resources at a 0.008 opt Au cutoff grade is 82,114,000 tons averaging 0.015 opt Au and 0.175 opt Ag yielding 1,261,000 ounces of gold and 14,337,000 ounces of silver. The total Inferred gold and silver resources at a 0.008 opt Au cutoff grade is 3,585,000 tons averaging 0.021 opt Au and 0.191 opt Ag yielding 75,000 ounces of gold and 686,000 ounces of silver.

The following Tables 14.8 to 14.15 reports the total classification of the Indicated and Inferred resources and with categories of Oxide, Mixed and Sulfide resources.

Table 14.8 Total Indicated Gold and Silver Resources

Total Indicated					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	154,134,000	0.01112	0.137	1,715,000	21,118,000
0.007	100,057,000	0.01395	0.163	1,395,000	16,325,000
0.008	82,114,000	0.01536	0.175	1,261,000	14,337,000
0.009	68,022,000	0.01679	0.186	1,142,000	12,673,000
0.01	56,898,000	0.01821	0.198	1,036,000	11,260,000
0.011	47,782,000	0.01969	0.21	941,000	10,031,000
0.012	40,630,000	0.02114	0.221	859,000	8,969,000
0.013	34,472,000	0.02268	0.234	782,000	8,053,000
0.015	25,030,000	0.02599	0.259	650,000	6,494,000
0.02	13,500,000	0.03356	0.305	453,000	4,123,000
0.025	8,523,000	0.04023	0.344	343,000	2,932,000
0.03	5,864,000	0.04608	0.379	270,000	2,220,000
0.05	1,511,000	0.07104	0.489	107,000	738,000

Table 14.9 Total Inferred Gold and Silver Resources

Total Inferred					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	8,707,000	0.01214	0.116	106,000	1,009,000
0.007	4,382,000	0.01845	0.174	81,000	761,000
0.008	3,585,000	0.02088	0.191	75,000	686,000
0.009	3,055,000	0.02304	0.203	70,000	622,000
0.01	2,737,000	0.02461	0.213	67,000	582,000
0.011	2,507,000	0.02591	0.221	65,000	554,000
0.012	2,331,000	0.027	0.228	63,000	531,000
0.013	2,189,000	0.02794	0.237	61,000	518,000
0.015	1,884,000	0.03021	0.254	57,000	478,000
0.02	1,298,000	0.03599	0.279	47,000	362,000
0.025	983,000	0.04046	0.312	40,000	306,000
0.03	822,000	0.04302	0.342	35,000	281,000
0.05	13,000	0.05398	0.243	1,000	3,000

Table 14.10 Total Indicated Oxide Gold and Silver Resources

Oxide Indicated					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	69,279,000	0.01175	0.139	814,000	9,663,000
0.007	45,822,000	0.01474	0.17	675,000	7,792,000
0.008	37,849,000	0.01627	0.184	616,000	6,971,000
0.009	31,806,000	0.01776	0.197	565,000	6,279,000
0.01	26,832,000	0.01929	0.211	518,000	5,651,000
0.011	22,621,000	0.02093	0.225	473,000	5,093,000
0.012	19,498,000	0.02244	0.237	438,000	4,612,000
0.013	16,803,000	0.02404	0.25	404,000	4,205,000
0.015	12,643,000	0.02737	0.276	346,000	3,488,000
0.02	7,123,000	0.03528	0.327	251,000	2,330,000
0.025	4,642,000	0.04226	0.367	196,000	1,706,000
0.03	3,281,000	0.04845	0.405	159,000	1,329,000
0.05	1,011,000	0.07259	0.472	73,000	477,000

Table 14.11 Total Inferred Oxide Gold and Silver Resources

Oxide Inferred					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	2,602,000	0.01179	0.132	31,000	344,000
0.007	1,439,000	0.01659	0.191	24,000	275,000
0.008	1,149,000	0.01888	0.209	22,000	240,000
0.009	975,000	0.02073	0.21	20,000	205,000
0.01	868,000	0.02212	0.209	19,000	181,000
0.011	802,000	0.02307	0.209	19,000	167,000
0.012	723,000	0.02434	0.215	18,000	156,000
0.013	685,000	0.02501	0.222	17,000	152,000
0.015	597,000	0.02662	0.227	16,000	136,000
0.02	387,000	0.03156	0.187	12,000	73,000
0.025	265,000	0.03581	0.178	9,000	47,000
0.03	172,000	0.04028	0.18	7,000	31,000
0.05	11,000	0.05417	0.241	1,000	3,000

Table 14.12 Total Indicated Mixed Gold and Silver Resources

Mixed Indicated					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	74,093,000	0.01072	0.121	794,000	8,963,000
0.007	48,205,000	0.01331	0.144	642,000	6,946,000
0.008	39,445,000	0.01461	0.154	576,000	6,093,000
0.009	32,339,000	0.01595	0.166	516,000	5,355,000
0.01	26,900,000	0.01726	0.177	464,000	4,756,000
0.011	22,495,000	0.01859	0.187	418,000	4,209,000
0.012	18,819,000	0.01998	0.197	376,000	3,707,000
0.013	15,685,000	0.02148	0.209	337,000	3,275,000
0.015	10,826,000	0.02487	0.235	269,000	2,548,000
0.02	5,556,000	0.0323	0.278	179,000	1,546,000
0.025	3,578,000	0.03793	0.305	136,000	1,092,000
0.03	2,395,000	0.04315	0.332	103,000	796,000
0.05	471,000	0.06791	0.501	32,000	236,000

Table 14.13 Total Inferred Mixed Gold and Silver Resources

Mixed Inferred					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	5,426,000	0.01269	0.111	69,000	602,000
0.007	2,625,000	0.02012	0.167	53,000	439,000
0.008	2,162,000	0.02283	0.186	49,000	402,000
0.009	1,838,000	0.02537	0.205	47,000	376,000
0.01	1,657,000	0.0271	0.219	45,000	362,000
0.011	1,511,000	0.02872	0.234	43,000	353,000
0.012	1,436,000	0.02961	0.243	43,000	349,000
0.013	1,337,000	0.03089	0.255	41,000	341,000
0.015	1,184,000	0.03308	0.277	39,000	328,000
0.02	908,000	0.03784	0.318	34,000	289,000
0.025	715,000	0.04215	0.362	30,000	259,000
0.03	647,000	0.04373	0.385	28,000	249,000
0.05	<1,000	<1,000	<1,000	<1,000	<1,000

Table 14.14 Total Indicated Sulphide Gold and Silver Resources

Sulphide Indicated					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	10,762,000	0.00987	0.232	106,000	2,492,000
0.007	6,030,000	0.01298	0.263	78,000	1,587,000
0.008	4,821,000	0.01437	0.264	69,000	1,273,000
0.009	3,877,000	0.01579	0.268	61,000	1,038,000
0.01	3,166,000	0.01721	0.269	54,000	853,000
0.011	2,666,000	0.01848	0.274	49,000	729,000
0.012	2,314,000	0.01954	0.281	45,000	649,000
0.013	1,984,000	0.02071	0.289	41,000	573,000
0.015	1,562,000	0.02252	0.293	35,000	458,000
0.02	821,000	0.02711	0.3	22,000	246,000
0.025	303,000	0.03636	0.444	11,000	134,000
0.03	187,000	0.04193	0.508	8,000	95,000
0.05	29,000	0.06778	0.878	2,000	25,000

Table 14.15 Total Inferred Sulphide Gold and Silver Resources

Sulphide Inferred					
Cutoff Grade (Au OPT)	Tons	Au OPT	Ag OPT	Au Oz	Ag Oz
0.005	679,000	0.00909	0.094	6,000	64,000
0.007	318,000	0.01303	0.146	4,000	46,000
0.008	274,000	0.01391	0.158	4,000	43,000
0.009	241,000	0.01466	0.166	4,000	40,000
0.01	212,000	0.01537	0.18	3,000	38,000
0.011	194,000	0.01581	0.17	3,000	33,000
0.012	172,000	0.01634	0.157	3,000	27,000
0.013	168,000	0.01643	0.145	3,000	24,000
0.015	103,000	0.01814	0.141	2,000	15,000
0.02	3,000	0.0467	0.222	<1,000	1,000
0.025	3,000	0.0467	0.222	<1,000	1,000
0.03	3,000	0.04723	0.225	<1,000	1,000
0.05	2,000	0.05279	0.25	<1,000	<1,000

14.7 Model Validation

Both a visual check of the model as well as running a comparison between estimated grades and nearest neighbor grades was completed. Visual check involved looking at individual composite values compared to adjacent block grades. Table 14.16 shows the comparison values between estimated and nearest neighbor grades. The differences between models were determined to be within a reasonable range.

Table 14.16 Model Validation

Au	TOTAL	FANG	FEED	HGH	MODOC	NORTH	SEDS	SINT_LOW	SINT_MID	SINT_UP
NN MEAN	0.01606	0.01448	0.0196	0.02179	0.01688	0.01464	0.01219	0.02904	0.0224	0.02514
ESTIMATION MEAN	0.01559	0.01348	0.0188	0.02073	0.01634	0.01176	0.01209	0.03357	0.02282	0.02524

Ag	TOTAL	FANG	FEED	HGH	MODOC	NORTH	SEDS	SINT_LOW	SINT_MID	SINT_UP
NN MEAN	0.186	0.19	0.284	0.084	0.224	0.141	0.131	0.251	0.202	0.13
ESTIMATION MEAN	0.175	0.167	0.268	0.079	0.216	0.123	0.124	0.259	0.192	0.132

14.8 Discussion of Resources

The extensive in-fill drilling done by Teras since the MDA 2012 resource model has increased the size of the resource as compared to the historic resource estimates and has also verified the resource. The development of an upgraded and better geologic model will also guide future drilling and exploration and be part of a more advanced technical program as the project proceeds.

All the resources in and around Teras's new drilling are classified as Indicated and Inferred. In spite of the increased and closely spaced drilling and development of a new geological model, several factors have affcted the lack of Measured resources:

- There are effectively no down-hole surveys, and those that do exist are of questionable reliability;
- Even though most of the drilling is RC, the addition of 23 core holes allowed significant progress to be made in the geologic model, which will ultimately improve the resources with continued core drilling;
- Metallurgical information is both minimal and historic. However, some of that test work suggests there may be some complications that are not yet understood, but some other test work suggests that good recoveries could be had with heap leaching;
- Not enough new and wide spaced density measurements were done since the MDA 2012 report. Additional density measurements should be conducted to provide better and more reliable information for various parts of the deposit; and
- The lack of properly oriented core holes found that the continuity of the high grades had not been fully demonstrated, so estimating the location and amount of high-grade material appropriately is difficult.

15.0 Adjacent Properties

There are no adjacent or near proximity mining properties near Cahuilla. However, please refer to Chapter 16 about mining and exploration activity in Southern California that will have an impact on future development of the project.

16.0 Other Relevant Data and Information

This revised Technical Report is a full accounting of all new information obtained since the 2012 MDA Technical Report was released. Every chapter was carefully reviewed, data was researched and revisions and additions were made to each chapter. The revised report includes significant updates to the Land, Geology, Metallurgy, Validation, Resource Estimation and Proposed Program. Basically, the authors are not aware of any additional information relevant to the mineral resource estimate or overall project technical data described in this report.

It has to be clearly stated here that current mining and exploration activity in Southern California will have a positive impact on future development of the Cahuilla project.

The State of California has historically been considered to be a difficult jurisdiction to both explore, develop, and operate a gold mine. Recent developments are changing that perception with the Castle Mountain Mine being built and put into production, two other mines (Mesquite and Soledad Mountain) continue to operate and two exploration projects (Mohave and Imperial) are being advanced. Teras believes that its proposed plans and eventual operation of its Cahuilla gold project can be completed after all engineering and governmental requirements are met.

The nearest operating mine is Equinox Gold's Mesquite Mine in Imperial County. It has been operating since about 1986. Equinox has also started gold production in 2020 at the Castle Mine in eastern San Bernardino County. The mine had been previously operated and closed with release of all bonds. A third nearby operating gold mine is the Soledad Mountain Mine in Mohave County.

Two nearby advanced stage gold projects are also found in southern California. The first is the Imperial gold project controlled by Kore Gold and located about 10 miles east of the Mesquite Mine. The second is the Mohave gold project controlled by K-2 Gold and located in Inyo County near Lone Pine. It is advancing its early-stage exploration of a very large gold system.

All these ongoing projects enforce the fact that California is supporting and advancing gold projects whereby Teras will have the ability to build and operate a gold mine at its Cahuilla gold project.

17.0 Interpretation and Conclusions

The Cahuilla deposit is a very young epithermal precious metal deposit containing gold with minor silver. The known mineralization is moderately to well defined and the sub-horizontal mineralization beneath the sinter terrace is open-ended in all directions to the margins of the terrace and bound by the Modoc fault to the north. Potential is considered particularly good for finding additional mineralization both on the sinter terrace and along the Modoc fault. In addition to the remaining potential to expand the resources, Cahuilla will be in a position to undergo engineering and economic studies to determine its economic viability once the proposed program described in Chapter 18 is completed.

The geological model completed in 2012 provided confidence in the resource at that time, but the recent work that was conducted on the core holes drilled after the model was completed provided significant revisions to the geological model and in the understanding of the project. This new work found that most, if not all, of the mineralization is contained in quartz veins of various widths and orientations. This work defined several domains of mineralization that added significantly to improving confidence in the overall resource model. These domains were areas of higher and thicker grades of mineralization located in several geologic features including contacts between the sediments and fanglomerate, the base of the several buried sinter horizons, and Riedel shears normal to the east-west structural feeder zones. This work has also formed the basis for a clear and effective development and exploration drilling program on the sinter terrace and Modoc fault.

Overall, there is high confidence in the current estimated global metal content at Cahuilla. The main difference since the 2012 technical report is that a significant number of core holes were drilled, which provided a complete upgrade in our understanding of the geology and mineralization found at depth. Furthermore, a better understanding of the structural controls and lithology types was achieved. Also, in comparing the assays and lithology logged in the older RC holes to the newer core holes, there is good correlation in extrapolating the information between these holes.

The 2012 MDA report stated that the greatest uncertainty at Cahuilla is metallurgy because a comprehensive metallurgical study had not been conducted. The test work that was done by the early operators includes cyanide soluble tests on assay pulps, some grindability milling tests, and some column tests using coarse drill reject samples and limited core. The approach to the test work basically was to test all the oxidation types (oxide, mixed, sulfide) without consideration to what the results really showed. It may be that in order for a heap leach to be successful, additional processing techniques such as fine crushing and agglomeration may be required. The proposed metallurgical test work program described in Chapter 18 defines the process and program to finally provide the metallurgical recoveries and proper operating parameters of the deposit.

18.0 Recommendations

Cahuilla is a project of merit that warrants further exploration and development work, as well as advanced stage economic studies. The author believes that the project has come to a point where specific areas within the resource area be in-filled by core drilling with the main purpose of obtaining metallurgical samples, and by RC drilling areas as step-outs from holes that had open-ended gold intercepts. RC drilling should further focus exploration for locating the limits of the deposit to the east, south and west within the resource area of the deposit. New RC drilling should be conducted outside the resource area in areas that have been identified through geophysics, rock chip sampling or structural projection. Advanced-stage work should include metallurgy, economic studies, and permitting pathways for constructing a mine.

The 2012 Technical Report recommended that a number of geological and geophysical studies be conducted to better understand the geology and location of mineralization. These studies have been completed and targets have been defined both inside and outside the resource area foot print. Some of the following proposals are based on these completed studies. (See Chapter 9 for an overview of these studies.)

The anticipated time requirement to complete all Phases is estimated to be 18 to 24 months.

Phase I proposals are presented below, and a summary of the budget is presented in Table 18.1.

18.1 Phase 1 Development Drilling and Metallurgy Inside the Resource Area

Permitting and building of new access roads and drill sites will be required for the Phase 1and 2 drilling. All-in costs are estimated at $200,000.

Initiation of a diamond drilling program is recommended to a) obtain core in high-grade areas to better define the stratigraphy and controls of mineralization, b) obtain samples for metallurgy, and c) conduct geotechnical investigations (density, rock mechanics). It is recommended that 20,000 feet (40 holes) of drilling at an all-in contracting cost of $80/foot for a total of $1,600,000 be conducted. Gold and silver assaying are $120,000 and staffing and supplies adds another $250,000.

Three types of metallurgical test work should be done to better define extractions at Cahuilla. These include cyanide shaker tests, cyanide bottle roll tests, and column tests. Drill core will be used for these cyanide tests, but additional samples could be used from the RC samples. Before the program is initiated, Teras will consult with a metallurgist in one of the test laboratories in Reno Nevada.

Cyanide shaker tests: Three cross sections should be chosen, and cyanide shaker tests should be completed on most of the drill holes on those sections. If successful in defining metallurgical zones, a total of 15 sections should be chosen in those areas that appear to be most economic. A total of about 5,000 samples could be needed to properly define metallurgical zones. The total cost of this could be $50,000. These tests should all be done using the same procedures.

Cyanide bottle roll tests: Based on metallurgical zonation defined by the cyanide shaker tests, 100 cyanide bottle roll tests should be selected for test work. This should be done from the core drilling samples. The total cost of this program is about $150,000.

Column test work: Twelve column tests should be run on the three samples of varying oxidation state (oxide, transition, unoxidized), two units (Palm Springs Formation, hanging wall quartz monzonite), and on two crush sizes. The total cost of this program is about $150,000.

Hardness, density, and crushing testing: A series of tests will be done on selected pieces of core to determine hardness characteristics, density of specific ore types and force of crushing tests. The estimated cost is $50,000.

18.2 Phase 2 RC Exploration Drilling Inside the Resource Footprint

Permits, new access roads and drill sites for planned drilling are accounted for in the Phase 1 program.

The recommendation is to conduct RC drilling where the mineralization is open-ended to find the limits of the deposit. Forty RC drill holes @ $32/ft for 20,000 feet totaling $640,000. Assaying is $120,000. Staffing and supplies adds another $200,000, which will be partially allocated to the Phase 1 core drilling program running concurrently.

18.3 Phase 3 RC Exploration Drilling Outside the Resource Area

Multiple targets have been identified outside the resource area using past drill results, rock chip sampling, and geophysical techniques. For instance, significant drill-hole intercepts have been encountered 3,000 feet west-southwest in the hanging wall of the Modoc fault. Rock chip sampling identified the West Ledges in the Southwest area to be a superior target. Strong geophysical anomalies have also been identified south and southeast of the resource area.

Forty RC drill holes @ $32/ft for 20,000 feet totaling $640,000 is recommended. Assaying is $120,000. Staffing and supplies adds another $200,000.

18.4 Phase 4 Complete a Preliminary Economic Assessment (PEA)

A Preliminary Economic Assessment ("PEA") should be advanced with the results of the completed work programs outlined above. The PEA would guide detailed planning and initiation of a Pre-Feasibility study to develop additional details of a proposed mining operation. The cost of the engineering and economic analysis for the PEA and producing a report is estimated to be around $300,000.

Table 18.1 Budget Recommendations

1. Development Drilling and Metallurgy inside the Resource Area	
Permitting costs, road construction	$200,000
Core drilling – 20,000 feet	$1,600,000
Assaying	$120,000
Staffing and supplies	$250,000
Metallurgy testing	$350,000
Hardness testing	$50,000
Total	$2,570,000
2. RC Exploration within the Resource Area	
RC drilling – 40,000 feet	$640,000
Assays	$120,000
Staffing and supplies	$200,000
Total	$960,000
3. RC Exploration outside the Resource Area	
RC drilling	$640,000
Assays	$120,000
Staffing and supplies	$200,000
Total	$960,000
4. Economic Studies	
Complete a PEA analysis and report	$300,000
Grand Total	**$4,790,000**

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CERTIFICATES OF QUALIFIED PERSON (Also in Lieu of Date & Signature Page)

CERTIFICATE OF QUALIFIED PERSON

STEVEN D. CRAIG, C.P.G.

I, Steven Craig, C. P. G., do hereby certify that:

1. I graduated with a Bachelor of Arts degree in Geology from Western State College, Colorado in 1974 and a Master of Science degree in Economic Geology from Colorado State University in Fort Collins Colorado in 1980.

2. I have worked continuously as a geologist for 46 years since graduation from undergraduate university. My specialties include all types of epithermal gold systems, porphyry copper-molybdenum-gold systems, volcanogenic massive sulfides and others. I have also gained experience in land/legal issues, metallurgical studies, environmental requirements, exploration and mine permitting, and mine development and operation.

3. I am a Certified Professional Geologist (#10997) with the American Institute of Professional Geologists.

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

5. I have read National Instrument 43-101 and Form 43-l0lFl, and the Technical Report has been prepared in compliance with that instrument and form.

6. I am independent of Teras Resources Inc. and all their subsidiaries as defined in Section 1.5 of NI 43-101 and in Section 1.5 of the Companion Policy to NI 43-101.

7. I am currently serving as Senior Consulting Geologist for Teras Resources Inc. with an address of #206, 6025-12th St. SE, Calgary, Alberta, Canada T2H 2K1. I also have other mining company clients.

8. I have had prior involvement with the property and project, having supervised the exploration and drilling program in 1995 to 1997 for Kennecott Exploration Co. More recently I visited the Cahuilla project on March 28-29, July 11-12, September 5-8, October 19-21,2018 and February 21-22, 2019.

9. I am the principal author of the report entitled ″Amended Technical Report on the Cahuilla Project Gold and Silver Resources, Imperial County, California" prepared for Teras Resources Inc. and dated March 10, 2021. I take full responsibility for all sections of the Technical Report except Chapter 12, and 14.

10. To the best of my knowledge, information, and belief, this technical report contains all the scientific and technical information that is required to be disclosed to ensure this technical report is not misleading.

11. A copy of this report is submitted as a computer readable file in Adobe Acrobat© PDF© format. The requirements of electronic filing necessitate submitting the report as an unlocked, editable file.

Dated this 10th day of March, 2021

"Steven D Craig"
Signature of Qualified Person
Steven D Craig

CERTIFICATE OF QUALIFIED PERSON

Kyle D. Erdmann

I, Kyle D. Erdmann, do hereby certify that:

1. I graduated with a Bachelor of Science degree in Geology from the University of Wisconsin-Madison (2014).

2. I have worked as a geologist continuously for 6 years in a multitude of roles including underground ore control, mapping, sampling protocols, QAQC, geologic modeling, resource modeling and management. I have also worked in engineering on mine planning, reconciliation and survey. I have been involved with the writing and compilation of various sections of NI 43-101 compliant pre-feasibility and feasibility study level documents and assorted environmental and metallurgical studies.

3. I am a registered professional member of AIPG.

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

5. I have read National Instrument 43-101 and Form 43-l0lFl, and the Technical Report has been prepared in compliance with that instrument and form.

6. I am independent of Teras Resources Inc. and all their subsidiaries as defined in Section 1.5 of NI 43-101 and in Section 1.5 of the Companion Policy to NI 43-101.

7. I am currently working as a consulting geologist for Rangefront Geological.

8. I have no prior experience with the Cahuilla project nor have made any visit to the actual site due to travel restrictions associated with the covid pandemic.

9. I am responsible for the creation of Section 12 and 14 of this report and all data associated with the resource model.

10. To the best of my knowledge, information, and belief, this technical report contains all the scientific and technical information that is required to be disclosed to ensure this technical report is not misleading.

Dated this 10^{th} day of March, 2021

"Kyle D. Erdmann"
Signature of Qualified Person
Kyle Erdmann

CERTIFICATE OF QUALIFIED PERSON

J. Robert Flesher, C.P.G.

I, Robert Flesher, C. P. G., do hereby certify that:

1. I graduated with a Bachelor of Science degree in Earth Science, Geology Option from Montana State University (MSU), Bozeman, MT in 1983 with minors in Soil Science and Hydrology.

2. I have worked continuously as a geologist for 36 years since graduation from MSU. My experience includes all aspects of surface and underground hard rock mining, exploration, database compilation, permitting, bonding, and environmental compliance activities, mine reclamation, analytical lab, 3-D geologic software, database creation, resource estimations and mine planning for both open pit and underground mines, feasibility studies, 43-101 documents, valuation studies, EA and EIS documents, environmental sampling and remediation.

3. I am a Certified Professional Geologist (#11911) with the American Institute of Professional Geologists.

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

5. I have read National Instrument 43-101 and Form 43-l0lFl, and the Technical Report has been prepared in compliance with that instrument and form.

6. I am independent of Teras Resources Inc. and all their subsidiaries as defined in Section 1.5 of NI 43-101 and in Section 1.5 of the Companion Policy to NI 43-101.

7. I am currently serving as a Consulting Geologist for Teras Resources Inc. with an address of 25 Mission Mountain Road, Clancy, MT 59634. I am also a full-time employee with the State of Montana.

8. I have no prior experience with the Cahuilla project. I have not visited the site and due to Covid-19 travel restrictions established by the State of Montana for state employees, I am not able to travel out of state at this time. I will rely on the statements and reports from other qualified people involved in this report that all information provided is true.

9. I am a contributing author of the report entitled "Amended Technical Report on the Cahuilla Project Gold and Silver Resources, Imperial County, California" prepared for Teras Resources Inc. and dated March 10, 2021. I take responsibility for Chapters 12 and 14 of the Technical Report.

10. To the best of my knowledge, information, and belief, this technical report contains all the scientific and technical information that is required to be disclosed to ensure this technical report is not misleading.

Dated this 10th day of March, 2021

"J Robert Flesher"
Signature of Qualified Person
J Robert Flesher