Cerro Caliche

Project Development Report

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All scientific or technical information contained in this report has been reviewed and approved by Stephen Kenwood, P.Geo., a Director of Sonoro Metals Corp., who is a "Qualified Person" as defined in National Instrument 43-101 of the Canadian Securities Administrators.

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Geology & Mineralization

1. Regional Geology

Between 15 million and 56 million (Ma) years ago, in what is known as the Tertiary period, a series of very large volcanic eruptions resulted in the deposition of magma flows and an airborne combination of lava, pumice, ash and volcanic gas in what are known as pyroclastic flows – all originating from both the earth's crust and deeper mantle. The area affected by this geological event is called the Sierra Madre Occidental (SMO) province. It begins at the United States/Mexico border and continues to Central Mexico some 1,200 km away and encompasses the largest known field of ignimbrite on earth. The SMO also hosts one of the world's largest concentrations of precious metal deposits, even though less than 10% has been explored.

Towards the end of the period, roughly 30 Ma, ongoing movement of the earth's underlying crust or plates resulted in its extension and thinning in an area at the northwestern margins of the SMO.

This area or sub-province, which previously was a narrow water-filled embayment called the Arivechi–Cucurpe Seaway, is where the Cerro Caliche Project is located. The thinning of the earth's crust pulled apart or extended the upper layers of the sub-province, creating what is known as extensional faulting, and it resulted in the creation of thin slivers to domino-like progressive downward faulted blocks. As this occurred, these blocks moved apart and downwards to form the detachment fault grabens which are now seen as the valleys or basins which characterize parts of the Basin and Range sub-province. Another result of these extensional forces is the formation of horsts or up-thrusting blocks which comprise the area's plateaus and gentler mountain ranges. Together these alternating sequences of horsts and grabens are part of Basin and Range-type extensional features of the western United States.

The earlier phase of the basin and range extension, between 35 Ma and 26 Ma, resulted in the shared northwest orientation of many epithermal gold deposits in the region. These include Ocampo, Santa Eulalia, Fresnillo and Guanajuato districts together with Cerro Caliche and the nearby Mercedes Mine. This suggests that they are all part of the same metallogenic event that was responsible for western Mexico's immense endowment of precious and base-metal deposits.

Beginning in the late Jurassic Period, roughly 163 Ma to 145 Ma, the previously mentioned Arivechi-Cucurpe Seaway trapped wind-transported or eolian sands from the Colorado plateau to the northeast while absorbing pyroclastic fragments and ash from a series of volcanic eruptions in the region, together with loose rock and soil that was transported down-slope by gravity and flowing water. These sediments, which are now called the Cucurpe Formation, include thinly bedded shales, mudstone, tuffaceous siltstone (in part derived from the pyroclastic flows), sandstone and pebble conglomerate beds.

The Cucurpe formation has a total thickness of up to 1.5 km and shows the onset of an earlier phase of continental extension, graben formation and consequent incursion of marine waters from the Gulf of Mexico into northwestern Mexico. It was followed by a new phase of volcanic activity, which occurred in the region during the late Cretaceous period, between 100 Ma and 66 Ma. By this time, the Arivechi-Cucurpe Seaway had grown into a shallow inland sea.

2. Property Geology

According to maps published by the Mexican Geological Survey, the Cerro Caliche project area is underlain by Jurassic to Cretaceous-aged alternating layers of rock that are derived from volcanic and sedimentary events during these periods. The maps also indicate Tertiary (66 Ma to 2.6 Ma) aged intrusions of diorite and granodiorite. These types of intrusive rock are plate-derived, "intrusive" meaning they have solidified prior to reaching the earth's surface. Diorite and granodiorite normally originate in subduction zones – areas on the earth's surface where two plates converge and the more dense plate subducts into the earth's mantle. As the more dense plate subducts, the added pressure and friction from subduction, together with the weight of the upper plate and the heat of the mantle, results in a partial melt of the subducting plate. The hot melt becomes more buoyant and eventually it rises into the upper plate or crust to either extrude its magma in a volcanic eruption, or, as occurred in the Cerro Caliche area, solidify before reaching the surface in the form of diorite and granodiorite intrusions. Diorite is formed when the denser basalt-containing oceanic crust subducts and the melt combines with the granite-rich continental crust. Granodiorite is formed by the intrusion of silica-rich continental magma, which cools in massive plus 100 km^2-sized formations called batholiths or smaller 'stocks' below the earth's surface.

Sonoro mapping has established that at Cerro Caliche, these types of intrusives have several different physical characteristics or lithologies at outcrop. The same mapping activities have also outlined two apparently distinct sedimentary sequences on the property. More specifically, the southern portion of the project area is underlain by intrusive diorite and granodiorite with medium-sized grains that are uniformly sized or equigranular. In contrast, the central portion of the project area is underlain by clastic or rock fragment-derived layers, comprising siltstones, feldspar-rich arkoses and greywackes – a sedimentary rock formed as a result of sub-marine avalanches or turbidity currents. Less commonly, quartzites are also mapped on the property. Dense to porous rhyolitic sills, which are layers of felsic or high silica magma (also presumed Tertiary age), intrude the clastic strata as well as related volcanic flows that cover the older rock units.

The Cerro Caliche property contains low sulphidation (LS), epithermal gold-silver deposits together with zones containing intrusive-related precious metals and some polymetallic mineralization. Epithermal is Latin for 'nearby heat' – reflecting the shallow crustal environment in which they form. Low sulphidation describes the neutral PH of the brines which transport the gold in the system. The gold and silver found in LS epithermal deposits originates from the same magma chambers as the previously described plate-derived diorite and granodiorite intrusives. At around 600°C, the gold and silver are dissolved into a high-pressure steam made up of mostly water, CO_2 and hydrogen sulfide salts. If the pressure becomes great enough, the magma chamber will rupture allowing the mix to escape. As the gaseous mixture travels through fractures towards the earth's surface, it condenses into a metal-rich brine – continuing to rise until the confining pressure of the surrounding rock drops sufficiently for the solution to boil. It is in this "boiling zone," seen on Figure 1, where the metals cool to below 300°C, as the gold is dropped out of solution into either vein systems or more porous rock.

Boiling zones can be up to 1,000 meters below the water table and terminate nearer the surface when the water table is reached. As it is illustrated in Figure 1, in a LS epithermal system, higher grade gold enrichment often occurs at depth while lower gold grades occur in the system's upper levels.

An example of the potential for grade to increase at depth is found 9 km southeast of Cerro Caliche at the Mercedes Mine, which is extracting gold from an LS epithermal deposit that is an extension of the same mineralization system as Cerro Caliche. Mining at the near surface of the Mercedes deposit stopped in

1930 as the gold grades became too low to justify operations. In the late 1990s, however, drilling by Meridian Minerals and Yamana Gold discovered a new high-grade gold vein only 15 meters below historic workings. The workings were already 200 meters below surface which also illustrates how deep the systems can extend. Subsequent drilling has continued to intercept bonanza high grade zones and grades in the vein over another 200 meters' depth, averaging 8.7 ppm Au and 95 ppm Ag. *Information about nearby properties, such as the Mercedes Mine, is not necessarily indicative of mineralization on the Cerro Caliche property.*

The Cerro Caliche property includes structurally controlled zones of gold-silver mineralization where the gold-bearing veins cut or pass through diorite, granodiorite, siltstone, arenite and rhyolite rocks. Mineralization identified on the property is consistent with other LS epithermal mineralized systems including Mercedes and elsewhere in the Sierra Madre and Altiplano provinces of Mexico. Cerro Caliche's zones of mineralization may form potentially economic deposits that are bulk mineable where many small veins or nests of irregularly grouped veins or stockworks exist, or in planar mineralized structures similar to the Mercedes vein system, that are exploitable by underground methods.

Historical mapping and geochemical sampling of the property shows that Cerro Caliche's epithermal system created widespread altered and mineralized zones where we are focused, covering an area in excess of 9 km^2. The dominant structural controls are NA330 to NA350 (northwest-southeast) with high-angle structural zones that contain variably broken, angular fragments of rock in quartz matrix called breccia, to form quartz veins. Gold concentrations are localized within these discrete structural zones and within broader zones of parallel structures consisting of a series of parallel quartz veins termed sheeted quartz veining.

The Cerro Caliche Project is prospective for three gold deposit types:

1. Stockwork or sheeted veining with vein zones of gold-silver mineralization;
2. High-grade, planar, precious and base metal mineralized structural zones or veins; and/or,
3. Disseminated precious-metal deposits in porous volcanic rocks.

3. Conceptual Low Sulphidation Epithermal Vein System Model

In general, gold-silver Low Sulphidation Epithermal Vein System deposits (LSEVS) form in the uppermost parts of the crust, at less than approximately 1,500 meters below the water table and contain gold and/or silver minerals in structurally controlled veins, breccias and disseminated in larger host rock volumes. LSEVS gold-silver deposits may range in size from tens of thousands to greater than one billion metric tons of mineralization and have gold contents ranging from 0.1 gram to greater than 30 grams per metric ton (g/t) with silver contents of less than one to several thousand grams per metric ton.

Figure 1 is a typical cross section of a Low Sulphidation Epithermal Vein System (LSEVS) showing the zonation of mineralization within the system, in this case the illustration is shown including indications of the probable vertical position of some of the more extensively drilled Cerro Caliche deposit zones within the system. The boiling zone, or "favorable zone" position shown in Figure 1, is assumed to begin at about 700 meters below the surface and probable extension of 500 meters in the vertical direction.

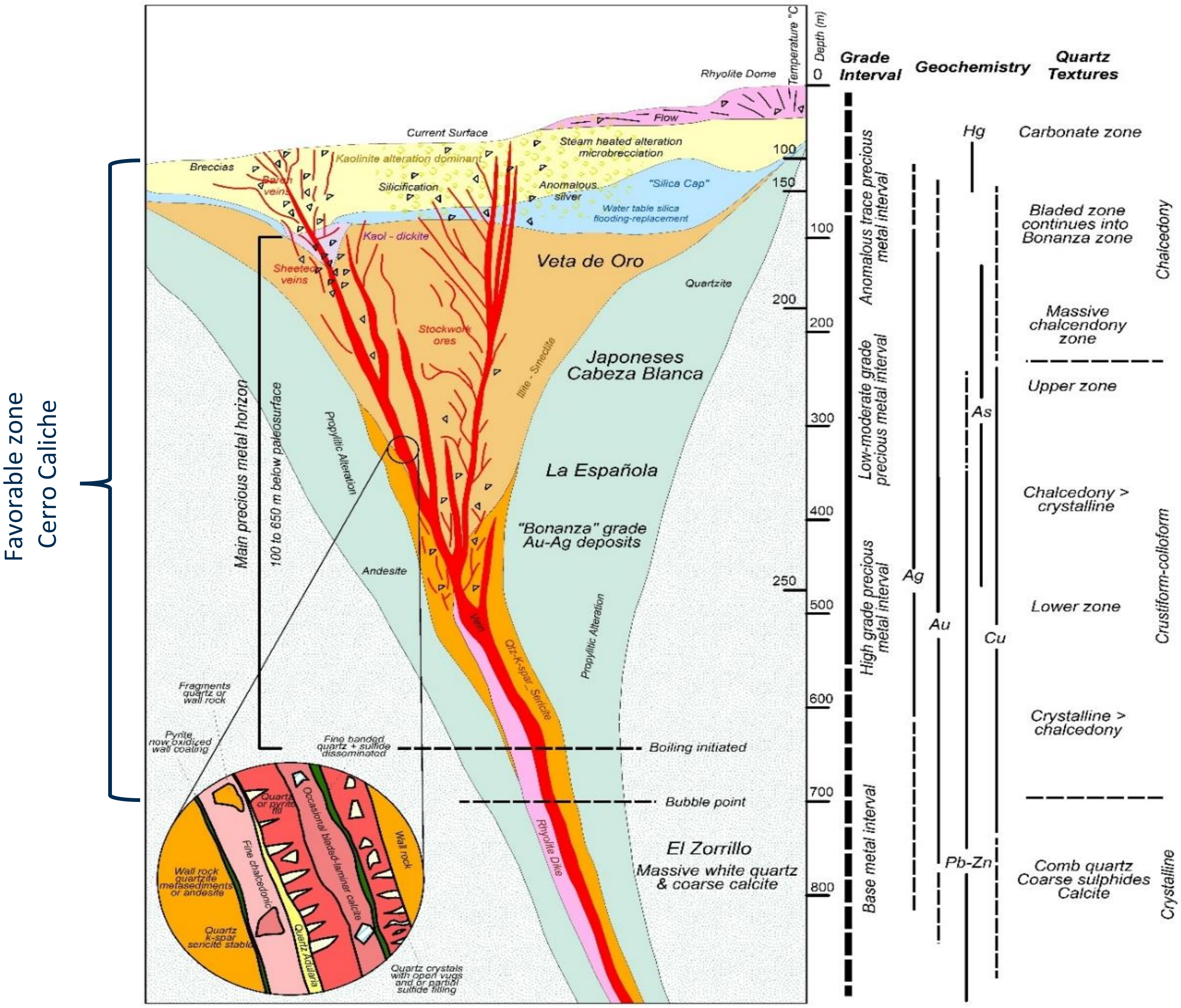

Figure 1

Figure 2 shows a typical longitudinal section of a LSEVS from a vein at the San Dimas Mine in the Tayoltita district, San Dimas, Durango, Mexico with the intent of indicating the extent to which these systems can develop.

It also illustrates the concept of "Favorable Zone" which is present in low sulfidation epithermal systems. This particular section shows a post-mineralization favorable zone that has been subsequently tilted so that it is no longer vertical. When mineralization occurred, the paleo surface was horizontal, the gold enriched fluids travelled vertically, while the water table conditions were near horizontal as well.

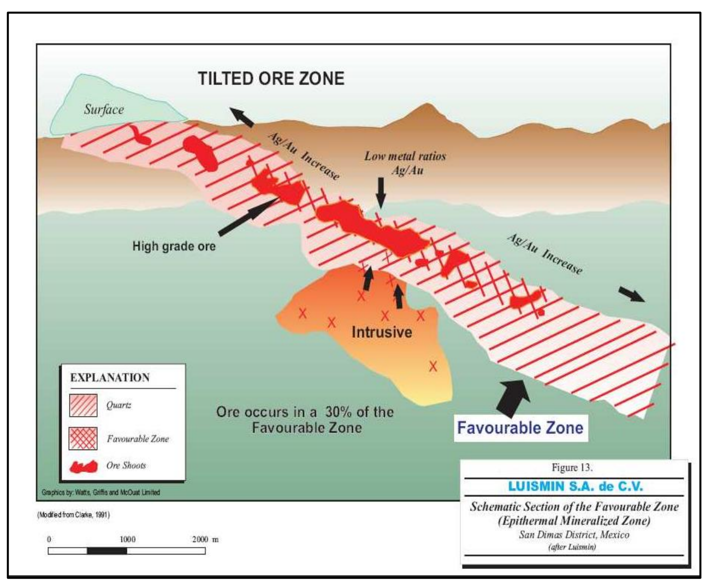

Figure 2

The characteristics of its longitudinal and vertical extension are conditioned, as previously discussed, by fluid boiling caused by a drop in the confining pressures as the high temperature fluids move upward toward the surface. This is the principal way in which Au and Ag metals are deposited in an LSEVS.

Figure 3 gives a glimpse of the property's extensive gold mineralization across an area measuring approximately 4 km by 3 km. What is remarkable is the ubiquitous nature of the gold contained within the hundreds of parallel northwest trending quartz veins. Samples collected in low and high elevation areas carried more than 1 g/t Au at several places, many returned high grades ranging from 4 g/t Au to 25 g/t Au with one standout returning 97 g/t Au. Their positioning at high and low elevation areas, 1,100 to 1,670 meters above sea level ("**masl**"), is shown to illustrate the possible position and possible extension of the structures and its favorable zone in the project.

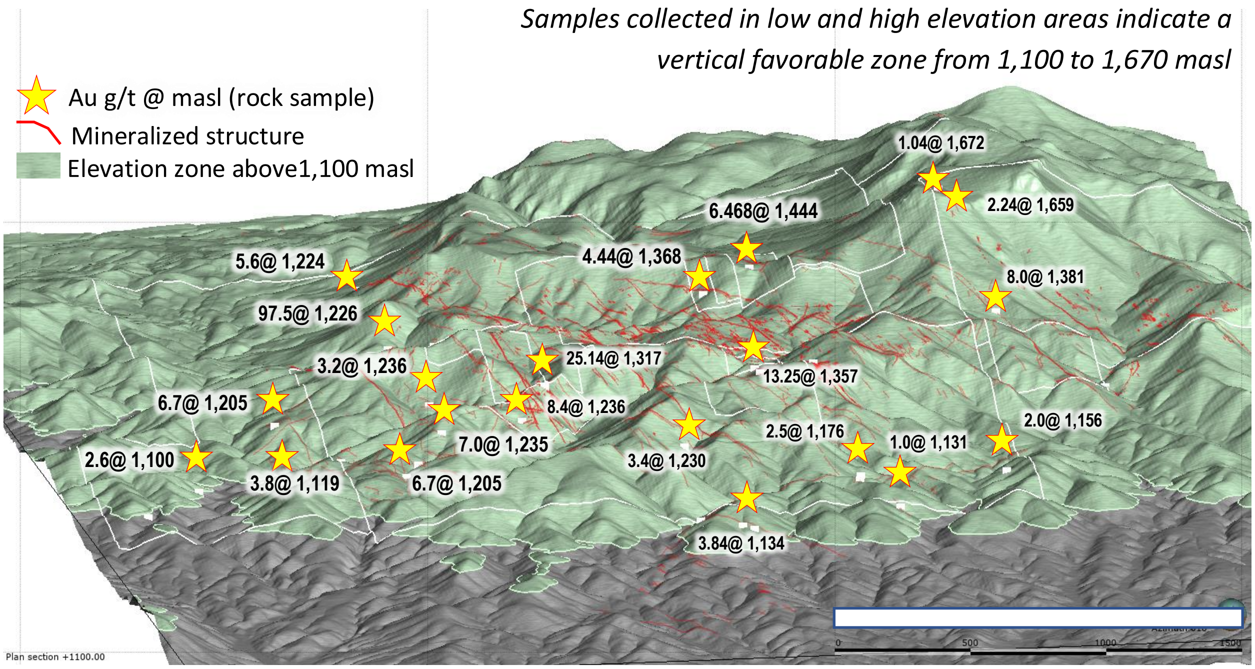

*Figure 3 – **Cerro Caliche - Higher Grade Samples***

The size of the area covered by these veins and their obvious mineralization shows that a major gold-silver hydrothermal system underlies the property. Because almost no drilling has been done to test its potential for deeper high-grade gold zones, it is believed that there remains considerable potential for deeper bonanza-style mineralization at Cerro Caliche.

4. Evolving Tools to Assist in the Location and Evaluation of Exploration Targets

Grade/Thickness – "Isopach" and 3D Longitudinal Conceptual Models

As it is widely used in the mining industry, the data that defines shape, location, quality and quantity of mineralization in Cerro Caliche comes from core drilling and RC drilling and geologic interpretation. This data and geologic interpretation, together with the application of basic best practice geostatistical techniques, allowed the construction of planar "grade*thickness" isopach views as well as 3D "grade*thickness" longitudinal models of mineralization derived from actual drilling in the property. In both approaches, the particular characteristics of the LSEVS were considered to account for the structurally controlled nature of the system as well as for the "boiling or favorable zone" concept, in order to establish geologic limits and/or to realistically control the limits of the potential mineralized zones, particularly in the planar isopach views.

Since the Cerro Caliche mineralization is mainly gold with a relatively small silver content, for the construction of the models, the concept of "gold equivalent" was introduced to estimate the ***grade*** value. This concept accounts for the proportional value of silver relative to gold in the mineralization. The factor used was 70Ag/1Au to estimate the "gold equivalent" value of any given sample in the database. The following table presents drill data used for calculating AuEqR.

Trend (Zone)	Holes	Width (m)	Average Trend Width (m)	Strike Length of Trend (m)	Au Average (ppm)	Ag Average (ppm)	AuEqR Average (ppm)*
Veta de Oro	5	22.75	26.73	3200	0.47	11.52	0.38
Abejas	22	30.83					
El Rincón	8	26.62					
Chinos NW	15	26.58	20.53	3000	0.34	3.02	0.25
Chinos Altos	8	14.48					
El Boludito	2	27.42	27.58	4000	0.4	4.01	0.3
Japoneses	55	42.22					
Cuervos	28	27.32					
Gloria	4	13.34					
Buena Suerte	4	27.82	21.97	2800	0.34	5.09	0.29
El Quince	1	25.92					
San Quintin	1	12.18					
Cabeza Blanca - Gpe	25	18.28	22.31	3000	1.25	4.19	0.91
El Colorado	7	26.34					
La Española	4	15.24	16.92	3000	0.57	8.9	0.44
Magdalena	2	18.6					
Abel	2	6.09	6.09	2500	0.35	11.32	0.3

Table 1: Cerro Caliche - Mineralized Trends

*AuEqR = (Au g/t × 0.72) + (Ag g/t × 0.01133 × 0.30)

4.1 Grade/Thickness – "Isopach" Conceptual Model

In this approach, the task was to construct isopach curves, to illustrate the grade*thickness parameter in planar view, where "grade" is derived from the gold and silver values of the samples of all the exploration drill holes in the existing database. It is important to indicate that the isopach curves *represent exclusively mineralization zones*, they do not represent any type of quantification of mineralization, since their values are the product of meters multiplied by grades, with no implication whatsoever of tonnage nor metal content. The objective of this technique is that of developing a tool to assist in the identification of future exploration targets. In this exercise, one "gold equivalent" grade domain (0.15) was used for a proper graphical planar representation.

Isopach Model Construction

For each exploration hole in the database, each existing sample was converted into gold equivalent grade by multiplying its gold grade times its silver grade divided by 70. Once this was done, the mineralization intervals with the chosen *gold equivalent* limit value of 0.15 were filtered. This information was then used for the determination of the mineralized intervals of each hole. Once these steps were completed, then the grade*thickness parameter was obtained. The formulas used to calculate average gold equivalent of each hole in the data base were:

Hole Width Sum = width sample 1 + width sample 2 + Average "gold equivalent" grade
= [(gold equivalent*width of each sample)/(Sum of sample widths)]

Gold equivalent * thickness = (gold equivalent Sum*width) of each sample

The obtained (grade*thickness) value was assigned to the geographical location of the collar, or location at surface of the corresponding exploration hole, to generate the isopach curves using Leapfrog. Since the mineralization is structurally controlled, the Leapfrog isopachs were limited by the geologic natural structural controls that influence the extent of mineralization.

The final result from this exercise is an isopach type plot of two different numbers. The main one is the (g*t) meters sum of 0.15 (g*t) or greater, for each drill hole, plotted at the drill hole collar, Figure 4. The second data set consists of contoured drill hole intercept meters greater than 0.15 (g*t), also plotted at the drill collar, Figure 5.

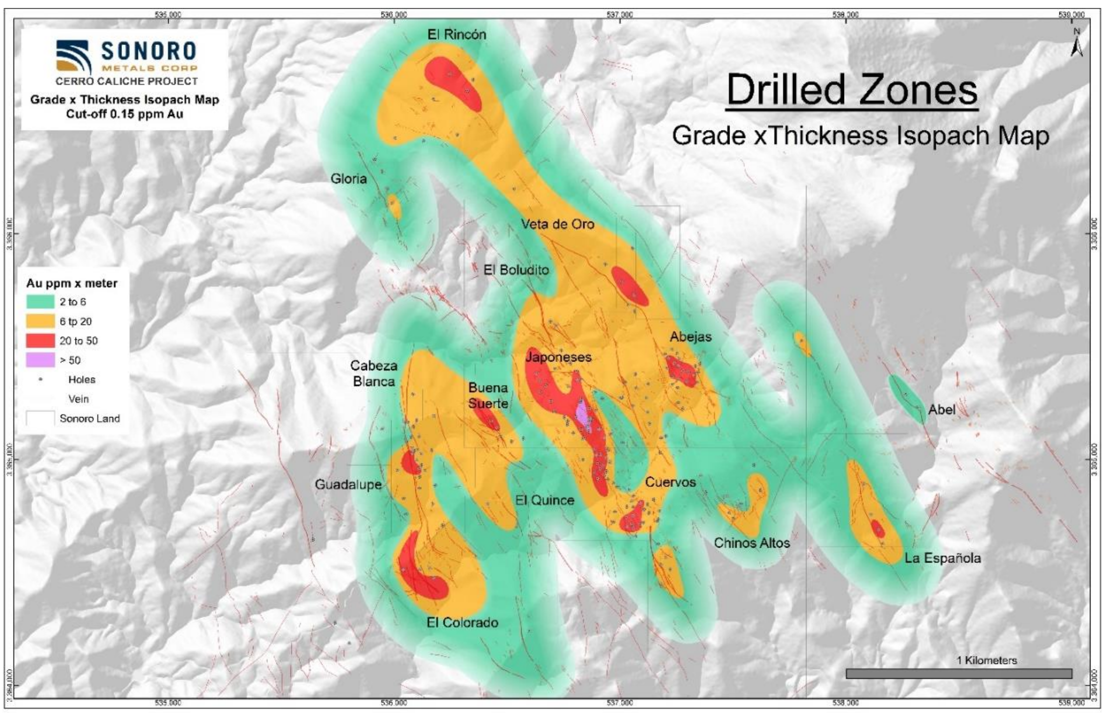

Figure 4

Figures 4 and 5 shows the Leapfrog resulting isopachs which are limited by geological interpretation of the structurally controlled nature of the mineralization. Note that even though the plots imply that the contours are closed off at the northwest and southeast ends of the linear vein zone trends, they are not. These trends remain open to extension. Drilling planned for this year is expected to extend these zones significantly to both the northwest and southeast.

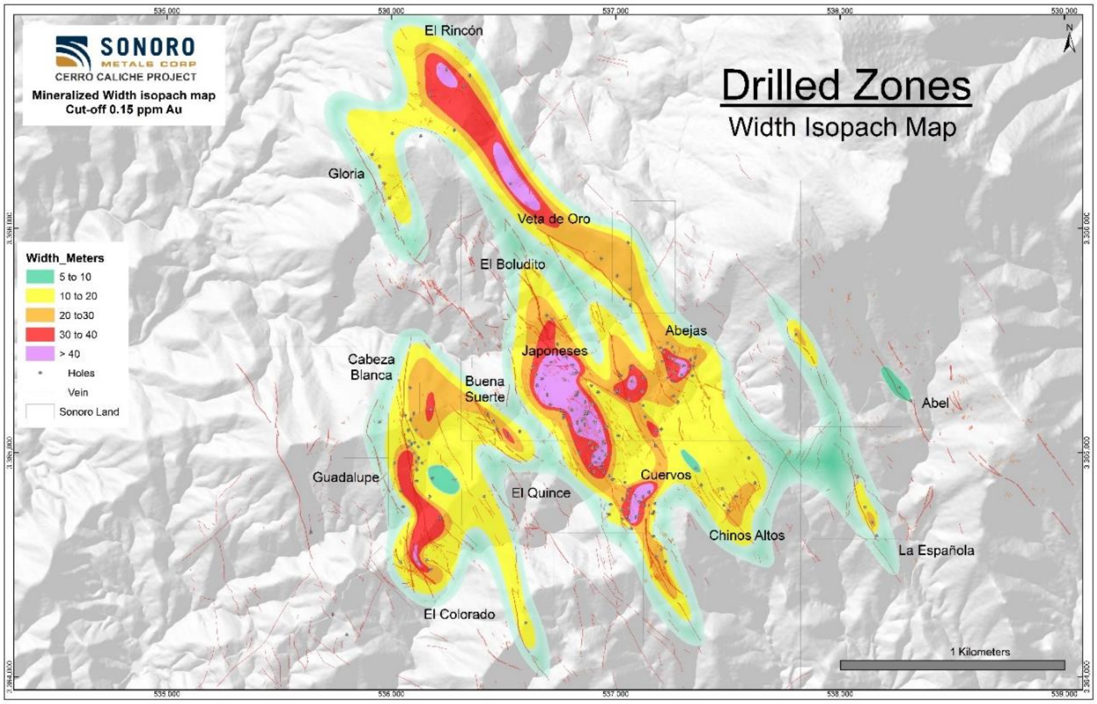

Figure 5

Also critical to note is that the holes drilled to date have been relatively shallow 45 degree angled drill holes with average lengths of 108 meters. Consequently, they cannot generate large plot numbers as they do not test the deeper potential outlined in section two and illustrated in Figure 2. Planned future core drilling will test the property's steeply plunging vein systems for higher grades at depth.

4.2 Grade x Thickness (g-t) – 3D Longitudinal Model

The grade*thickness-3D longitudinal modeling approach is widely used for guidance in exploration in the mining industry. As explained in the previous section, the "grade*thickness" value is derived from the gold and silver values of the samples of all the exploration drill holes in the existing database. It is important to indicate that the 3D longitudinal sections *represent mineralized zones only*, they *do not represent any type of quantification* of mineralization, since their values are the product of meters multiplied by grades, *with no implication whatsoever of tonnage nor metal content.* The images generated are simply longitudinal 3D sections showing the product from multiplying the thickness of the mineralized zone (intercepted by the exploration holes), times its average grade equivalent value.

These diagrams are useful when the mineralized zone can be considered "structurally controlled", semi tabular, such as a vein or reef, whether it be vertical or semi-vertical, tabular or semi-tabular, as long as the mineralized zone can be represented in such form. If this is the case, then it is possible to estimate or model the mineralized zone using the Leapfrog software to create useful 3D-g*t plots.

3D-g*t Model Construction

Since the Cerro Caliche mineralization is mainly gold with a relatively small amount of silver, an "equivalent grade" value was derived from the gold and silver values of the samples of each exploration drill hole in the existing database, to account for the proportional value of silver. In the construction of the 3D-grade*thickness longitudinal sections, each existing sample from each exploration hole in the existing database was converted into gold equivalent grade by multiplying its gold grade times its silver grade divided by 70. In the construction of the grade*thickness 3D longitudinal sections two concepts were considered:

a) "equivalent grade" ranges; and
b) length of mineralization detected by each exploration hole.

Ranges of "equivalent grade" (ge)

Three **"ge"** domains were defined to be used for the graphical representation in the sections. These were:

- 0.7
- 1.0
- 2.0

Construction of the Model

For each exploration hole in the database, the mineralization intervals for each **"ge"** range were identified then an average **"ge"** value was calculated for each one of those mineralization intervals. The formula used to calculate the average "grade*thickness" value of each hole in the data base was:

Average **"grade*equivalent"** = [(Sum (**ge***width) of each sample)/(Sum of samples width)].

The result from this calculation was used as the g*t value for the mineralized interval of each hole and that data was fed to Leapfrog to construct the 3D-g*t models of all the currently drilled zones in the area of the project.

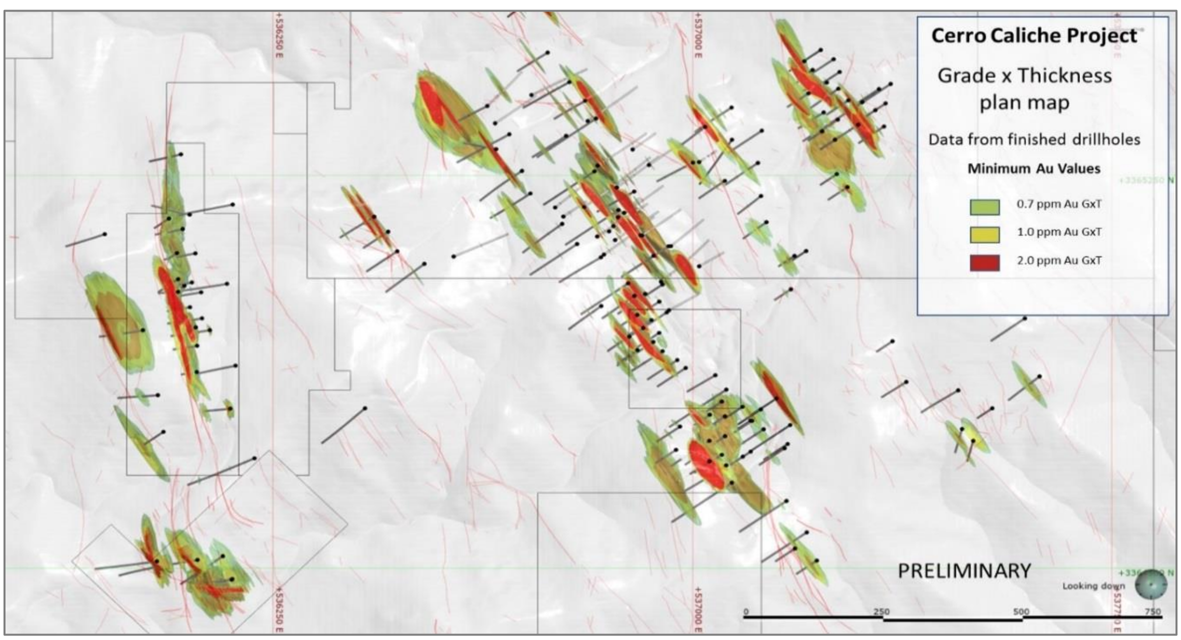

Figure 6

Figures 6 and 7 provide a general view of the maps or diagrams generated with this technique. Figure 6 is a plan view of the various 3D-g*t zones/trends, modeled with the different colors representing the three "g*t" chosen ranges intervals. Figure 7 is a longitudinal 3D section of the Japoneses zone showing the mineralized 3D zones.

Figures 6 and 7 also show the positions of the exploration holes and proposed holes.

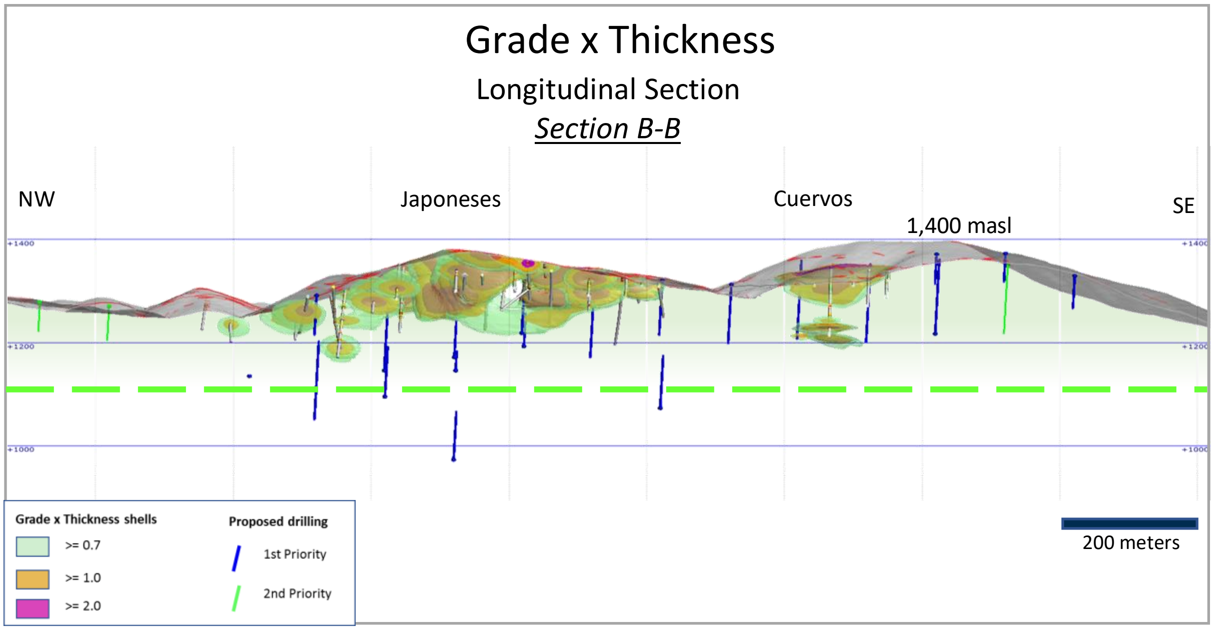

Figure 7

5. Exploration Plan 2020 & 2021

5.1 Exploration targets

Sonoro plans to complete approximately 50,000 meters of drilling, core and RC in 2020 and 2021. The existing work, combined with the development of a working mineralization model, has identified excellent targets to extend the mineralization in structural zones, along trend and near surface, as well as for deeper (up 250 meters deeper), potentially high grade gold veins zones, with the goal of expanding the current Cerro Caliche mineralization zones. The mineralization models will continue to be updated and refined as results are generated and in return they will greatly assist future exploration.

Currently, Sonoro's main exploration targets are the multiple structurally controlled zones of gold-silver mineralization present within the property, where the gold-bearing veins cut or pass through diorite, granodiorite, siltstone, arenite and rhyolite rocks. Figures 8 and 9 show isometric views of the property and the pervasive presence of structurally controlled mineralized quartz veins.

<u>Drilled Zones</u>

g x t 3D

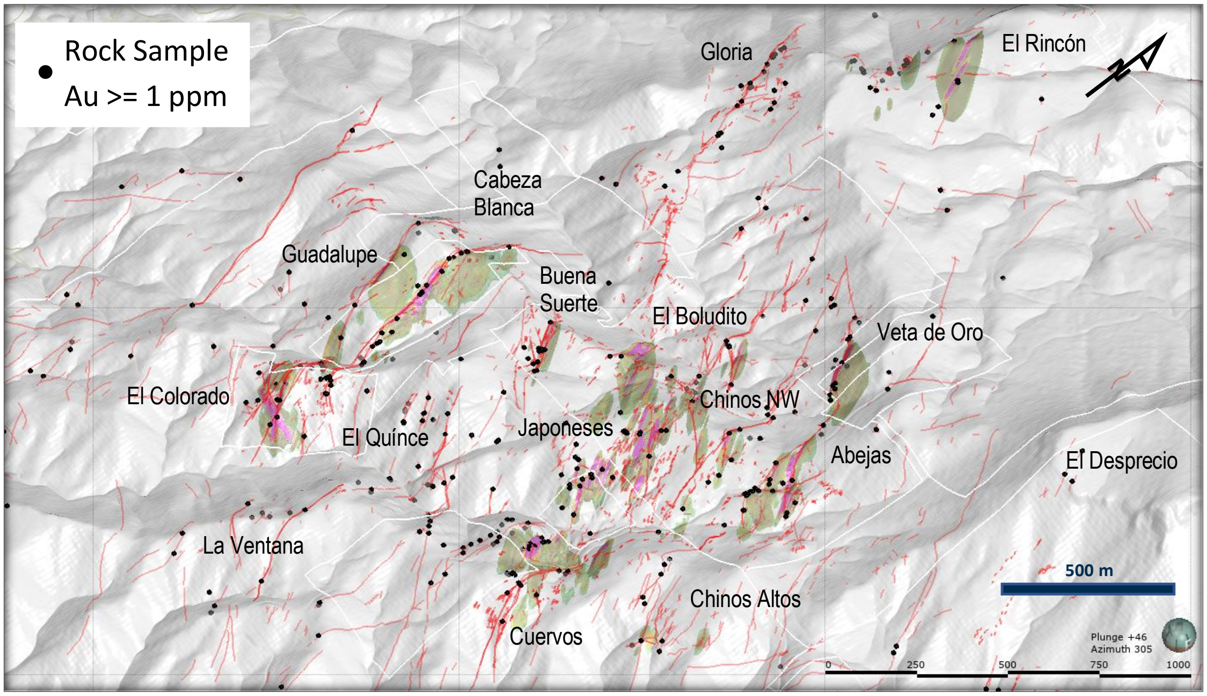

Figure 8

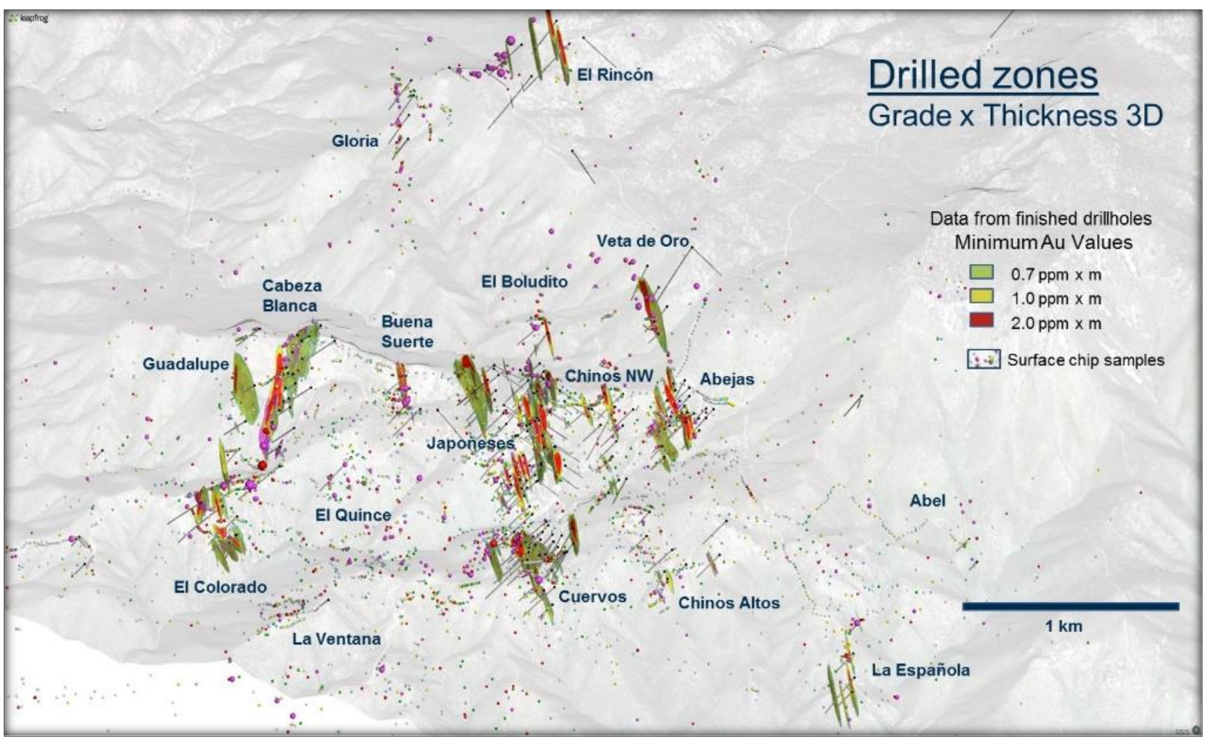

Figure 9 Looking N

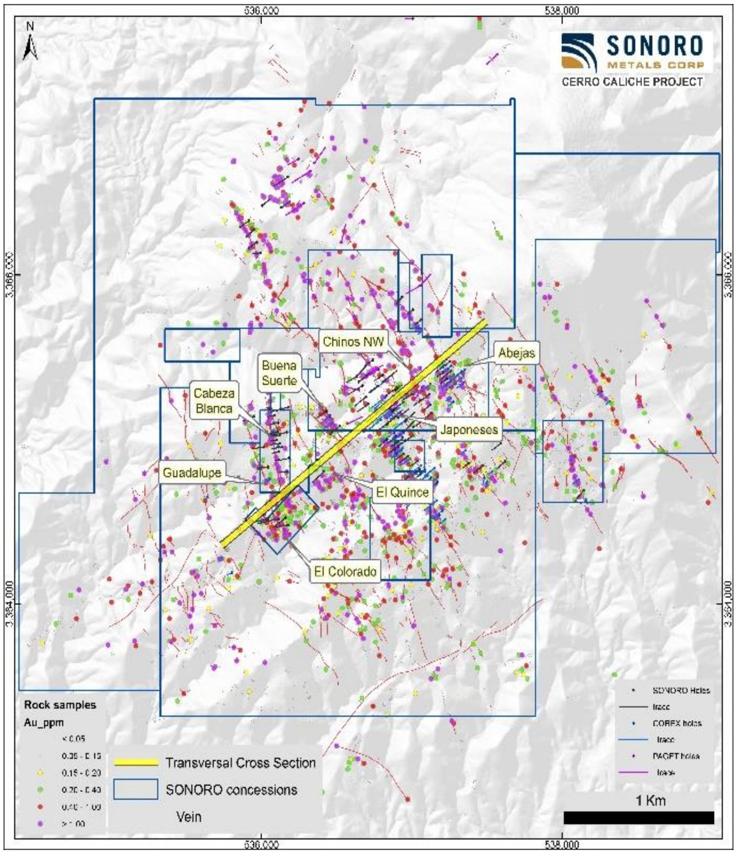

Figure 10 is a plan view of the trace of a transversal section cutting the structures contained inside Sonoro's property. The section is shown in Figure 11. The transversal section shows the pervasive character of mineralization. It is important to note that the areas not showing mineralization are a result of the absence of exploration holes, not because of an absence of mineral-ization.

The structures or trends where exploration or prospecting activities have been conducted in the past are shown in Figure 12, and the identification of these structures or trends is shown as well. The structures where exploration drilling is planned to occur in 2020 are shown in Figure 13 with the trace of the exploration holes shown as well.

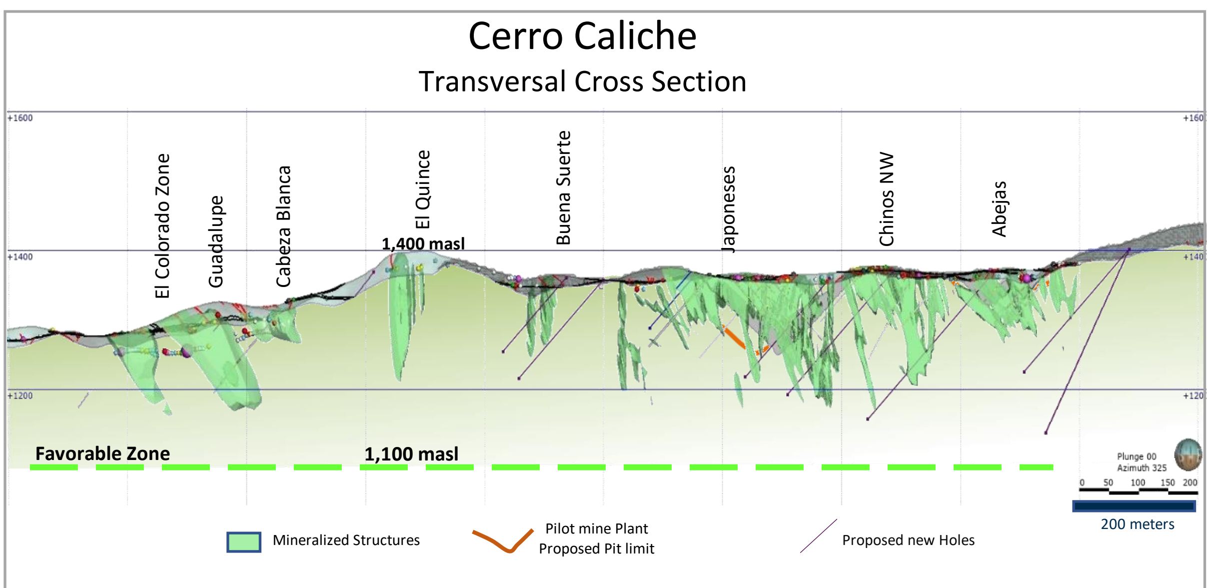

Figure 11 Looking NW

The structures or trends where exploration or prospecting activities have been conducted in the past are shown in Figure 12, and the identification of these structures or trends is shown as well. The structures where exploration drilling is planned to occur in 2020 are shown in Figure 13 with the trace of the exploration holes shown as well.

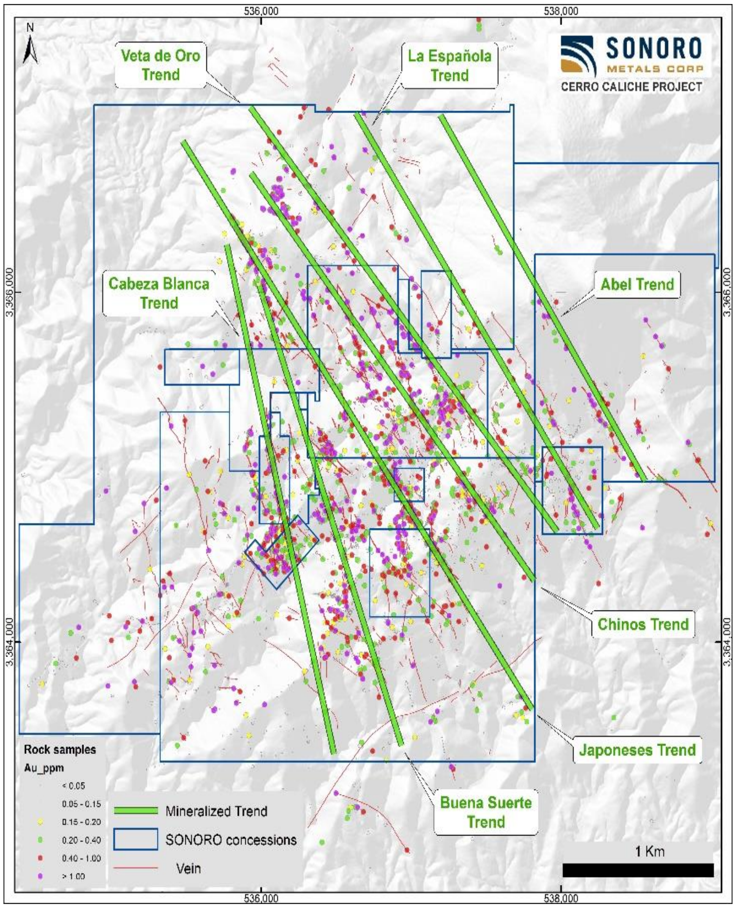

Figure 12

The following five images, Figures 14, 15, 16, 17 and 18, are longitudinal sections showing the position of exploration holes, differentiated in two categories: 1) holes existing to this date; and 2) holes considered in the 2020 exploration plan. Existing holes are in in gray, planned holes are separated in two priorities: blue for first priority and green for second priority.

Images 14 through 18 are longitudinal 3D sections of the structures or trends where exploration is scheduled for the 2020-21 exploration plan. Each section shows a colored image that represents the product from multiplying the thickness of mineralization, times its average “g” value, differentiating in color the three ranges defined earlier in this report.

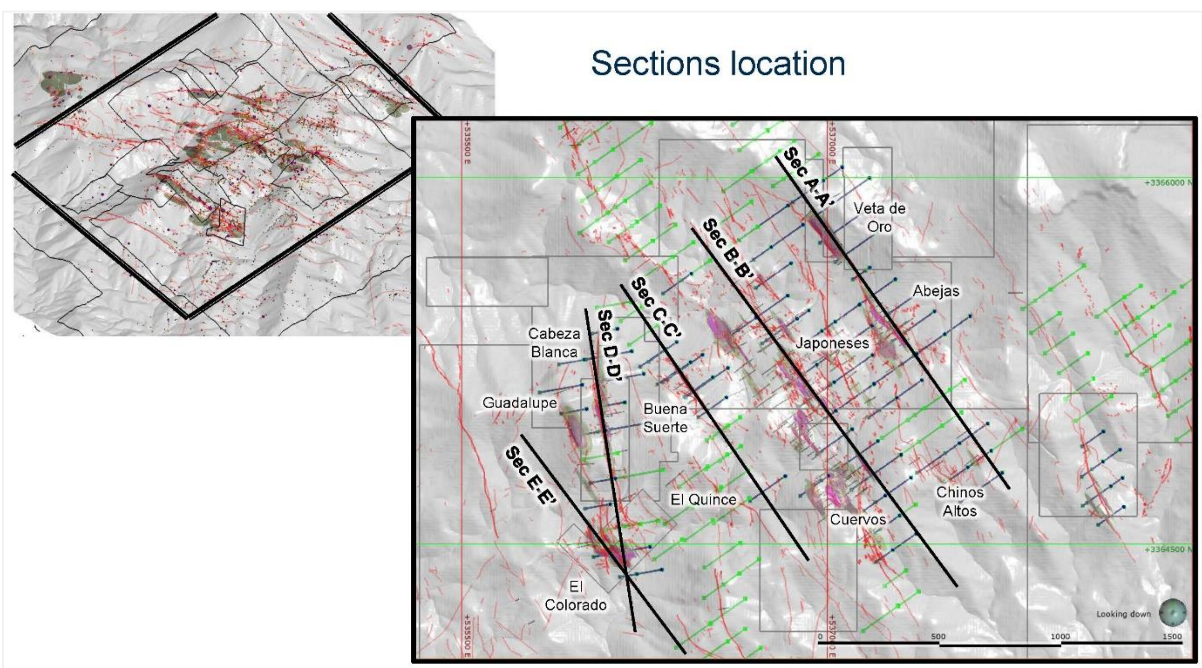

Figure 13

The sections also illustrate the locally inferred position of the "Favorable Zone" that defines the limits of gold and silver deposition in this kind of system as previously discussed in the body of this report. The boiling zone, or "Favorable Zone," in Cerro Caliche begins at about 1,100 masl extending vertically up to 1,400 masl. The lengths of the trends are not completely shown in the images, due to issues of image size. But in the planar views, it can be seen that they extend to the boundaries of the property.

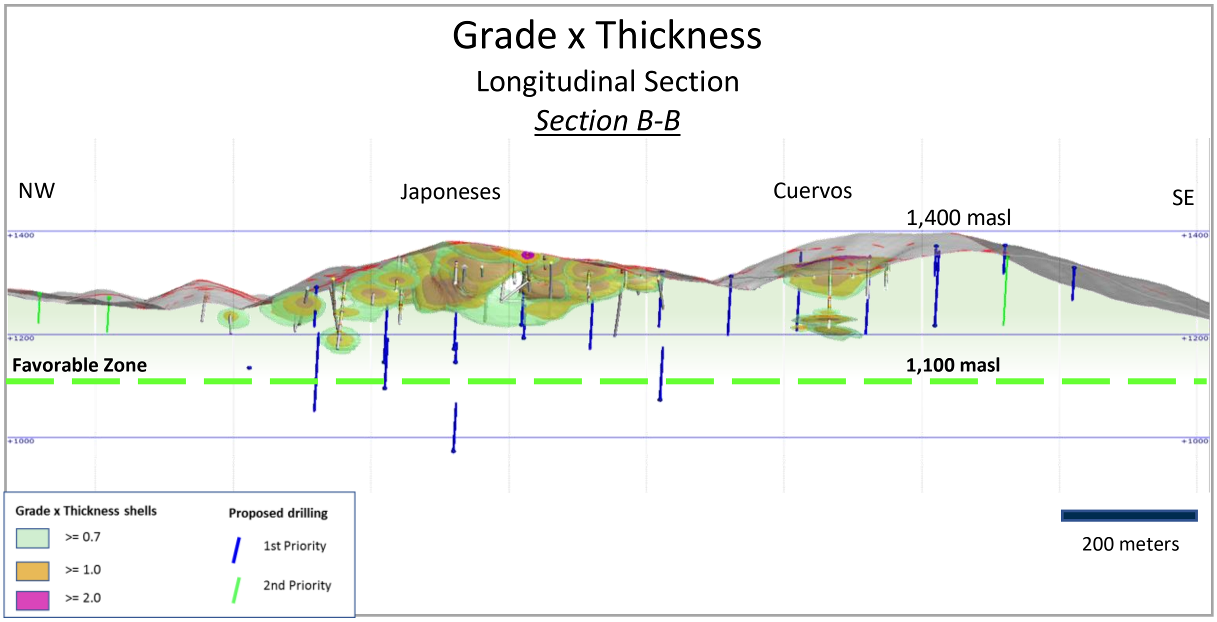

Figure 14

As an example, Figure 14 shows the Japoneses zone/trend, along Section B-B', located in the area shown in Figure 13. The image also shows the gold equivalent*thickness color code, and the limit of the favorable zone interpreted from existing surface sampling and geologic mapping. Existing and planned drill holes are shown as well.

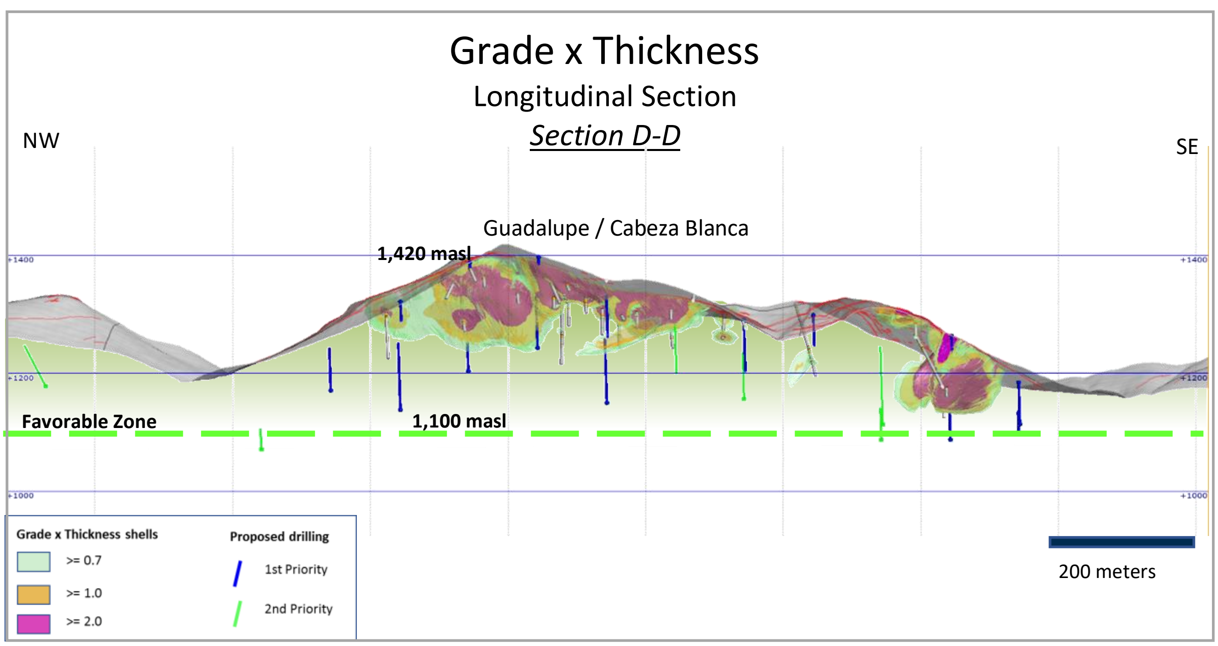

Figure 15

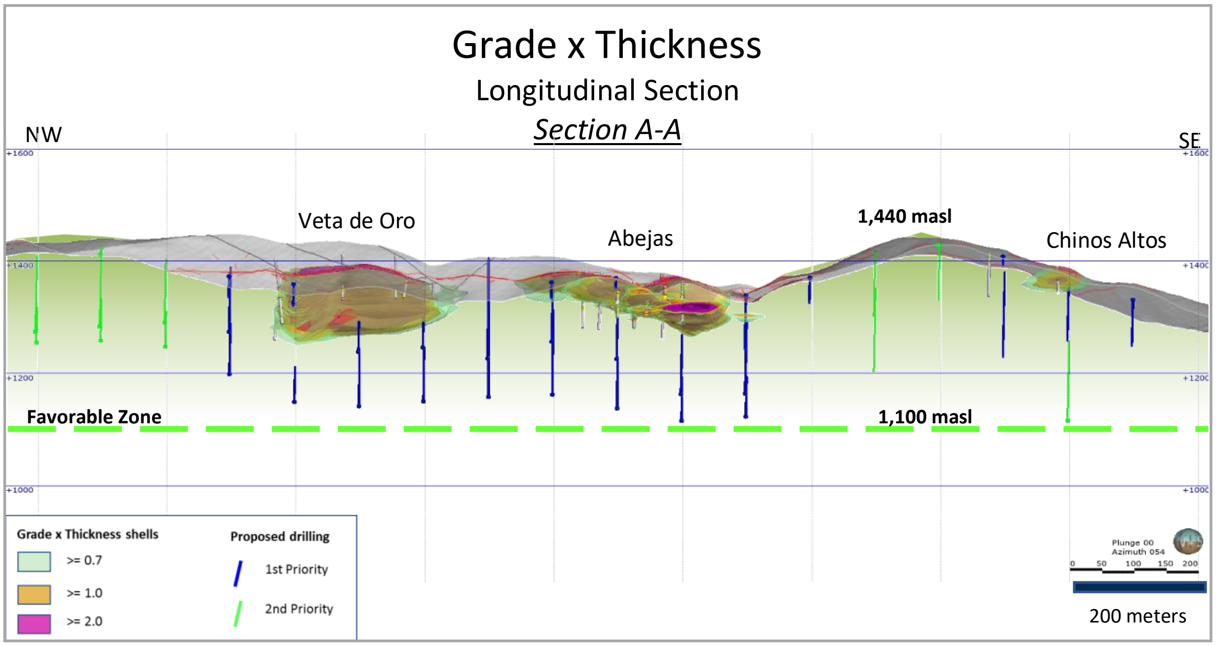

Figure 16

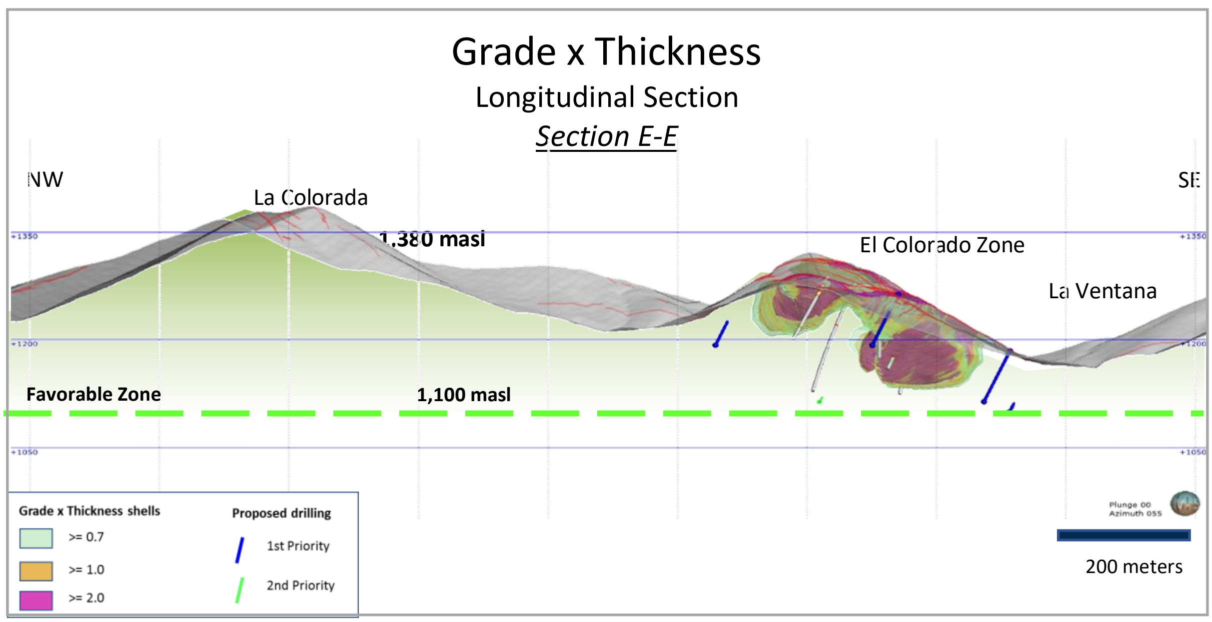

Figure 17

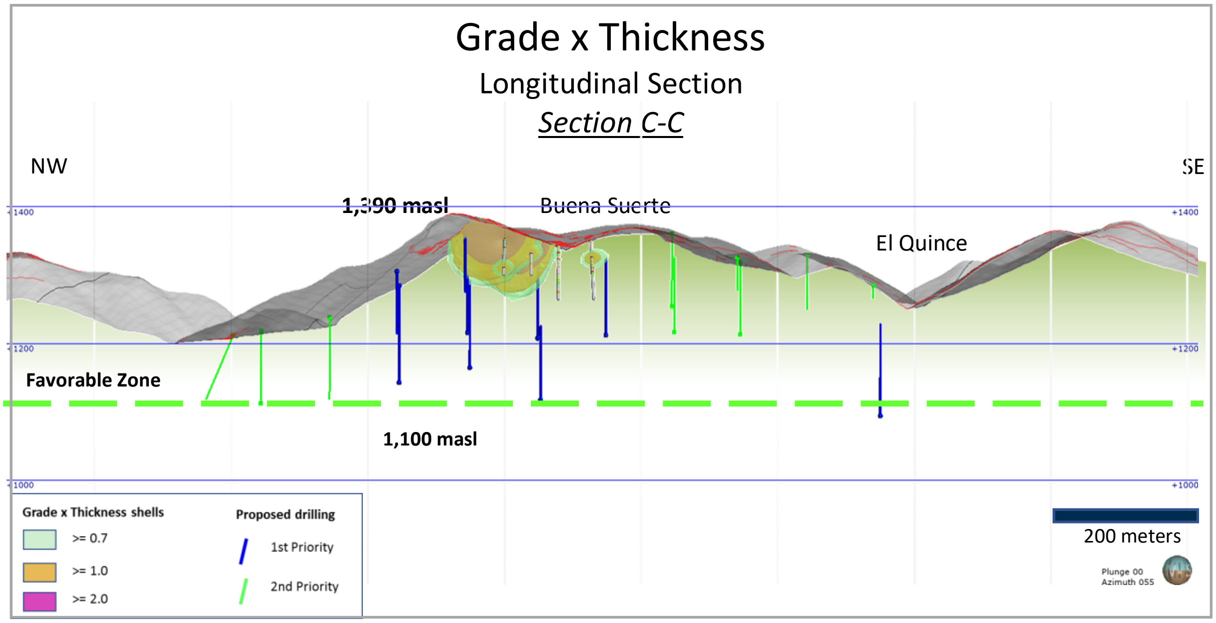

Figure 18

5.2 Mineralization Potential Targeted in the 2020 Exploration Plan

Conceptual assumptions in the estimation of the Cerro Caliche mineralization potential

- Mineralization potential projections for Cerro Caliche were constructed based on the assumption that existing structural zones derived from actual ground mapping, sampling and geologic interpretation would continue to conform to the conceptual characteristics of the Low Sulphidation Epithermal System model.

Conceptual assumptions of a Low Sulphidation Epithermal Mineralization model

- According to existing mineral industry models, characteristics of a Low Sulphidation Epithermal Mineralization model can be summarized as follows:
  a) mineralization zones can extend several hundreds of meters along strike;
  b) have a technically identified "favorable zone" in vertical direction; and
  c) metals relative occurrence vary in relation to depth.

Considerations in the estimation of the Cerro Caliche target potential, to be tested in the year 2020 Exploration Plan

- Mineralization potential projections for each structure/zone in Cerro Caliche were constructed assuming continuation of the measured QA/QC gold equivalent grade*thickness parameters derived from all exploration drill holes in the existing database for each structure/zone evaluated.

- As explained in the body of this report, the gold equivalent grade*thickness parameters determined for each of the seven main northwest striking trends, comprised of up to three structures/zones, was calculated with the information from the assaying results of all the existing database of each structure/zone.

- The potential development length of each zone was defined with existing drilling and/or existing geologic mapping and surface sampling that indicate the continuation of each zone beyond the limits of current drilling. In a majority of the cases, the structure/zone studied reaches the limits of the property.

- The vertical extension of the favorable zone was estimated with samples from existing holes in combination with existing surface samples and geologic interpretation.

Geological Potential targeted in the 2020 exploration plan

Zones/Trends	***Vein/Structure***
VETA DE ORO	Veta de Oro, Abejas, and El rincón
CHINOS	Chinos NW and Chinos Altos
JAPONESES	El Boludito, Japoneses, and Cuervos-Gloria
BUENA SUERTE	Buena Suerte, El Quince, and San Quintín
CABEZA BLANCA	Cabeza Blanca, Guadalupe, and El Colorado
LA ESPAÑOLA	La Española and Magdalena
ABEL	Abel

The maiden resource done in 2019 at Cerro Caliche is comprised of an inferred resource of 201,000 AuEq ounces at a grade of 0.55 AuEq (0.495 g/t Au and 4.3 g/t Ag), (Strickland, D. et al, 2019)*. The resource was derived mainly from mineralization outlined along approximately 750 meters of strike extent for the Los Japoneses-Cuervos trend, for about 500 meters of strike extent for the Guadalupe-Cabeza Blanca trend, and for about 250 meters of strike length for the Abejas trend. Other portions of these trends and other trends on the property have been drill tested but the drill spacing is insufficient to outline resources at this time. The seven identified mineralized trends on the property have each been outlined for several kilometers of strike length by geologic mapping, rock chip sampling, and widely spaced drill holes.

In the opinion of the Author, based on a review of project data, experience from elsewhere in this district of northwest Mexico and elsewhere, the tonnage and grade of mineralized zones within these trends is likely to be replicated along strike and to depth with additional drilling. The Author estimates that, exclusive of the inferred resources, an exploration target from these trends between 75,000,000 to 100,000,000 tonnes with grades potentially between 0.3 g/t to 0.5 g/t AuEqR.

The potential tonnages and grades set forth in the analysis of geological potential are conceptual in nature, as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Potential estimates are separate from the inferred mineral resources stated above.

*Strickland, D., Sim, R.C. 2019. NI 43-101 Technical Report on the Cerro Caliche Property, July 26, 2019.

Conclusion

All the above presented information shows we are focused on a large gold-silver mineralized area which is the result of a very strong hydrothermal outflow into highly fractured or porous rocks. The nearby Mercedes mine complex area is interpreted to be part of the same hydrothermal event as the Cerro Caliche hydrothermal event as both are associated with development of extensional structural regional events in Tertiary age around 30 Ma to 35 Ma. Regionally, low temperature gold-silver fluids moved upward from a broad underlying area of emplaced calc-alkaline magma stock, through steep extensional (open) structures that tapped and channeled the fluids that deposited precious metals in quartz vein deposition sites in the Sierra Madre's epithermal mineralized districts. The "boiling phase" changes kinetics within 1,000 meters of the paleosurface (the surface as it existed during the Tertiary) and defines the zones of deposition for the precious and base metals within the veins.

Sonoro Metals' exploration conducted in the project area has defined a near surface resource posted to SEDAR which is a maiden resource which both initiates the Company's program to quantify large areas of mineralized material that could support a conceptual small scale Heap Leach Pilot Operation. Continuation of drilling is projected to extend the mineralization in structural zones along trend and near surface. This completed work, combined with the completion of a working mineralization model, has developed excellent targets for deeper (up 250 meters deeper) high grade gold veins.

The goal of future exploration at Cerro Caliche is to increase the size of the numerous precious metal mineralized zones by focusing on three different mineralization formats:

1. Extension of known zones of gold mineralization along trend of the vein zones outlined with drilling to the northwest and to the southeast together with the new high grade gold targets below the 75-meter depth of previous drilling;
2. Targeting of porous geologic units including volcanic basal units of rhyolite flows; and,
3. Newer untested but surface defined gold mineralized zones where 16 zones remain to be tested.

   Future phases of drilling totaling approximately 50,000 meters planned for 2020-21 are designed to test the exploration target of between 75,000,000 to 100,000,000 tonnes with grades potentially between 0.3 g/t to 0.5 g/t AuEqR, assuming AuEqR = (Au g/t × 0.72) + (Ag g/t × 0.01133 × 0.30). ***The potential tonnages and grades set forth in the analysis of geological potential are conceptual in nature, as there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource. Potential estimates are separate from the inferred mineral resources stated above.***

Drilling will target both infill in zones that were previously drilled as well as a large number of holes to test undrilled portions of the various mineralized trends along strike and at depth.

Good exploration potential exists below the favorable zone limit as defined in this report, as all of the drill-tested trends on the property remain open to depth. Also, exploration potential for additional gold and silver targets on the property that have been discovered by prospecting, mapping and rock chip sampling have yet to be drill-tested.