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FIRST MINING FINANCE CORP.
SILVER ONE RESOURCES LTD.

NI 43-101 TECHNICAL REPORT
FOR THE
LA FRAZADA SILVER PROPERTY
EL ZOPILOTE MINING DISTRICT
NAYARIT, MEXICO

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Report By

William J. Lewis, B.Sc., P.Geo.

900 – 390 BAY STREET, TORONTO ONTARIO, CANADA M5H 2Y2
Telephone +1 416 362 5135 Fax +1 416 362 5763

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1.0 SUMMARY

1.1 INTRODUCTION

First Mining Finance Corp. (First Mining) has retained Micon International Limited (Micon) to provide an independent summary and review of the La Frazada property located in the state of Nayarit, Mexico, on behalf of Silver One Resources Inc. (Silver One). Micon has also been retained to compile this Technical Report to disclose the results of its review of the previous work conducted on the property, such that the report complies with the Canadian National Instrument (NI) 43-101 Standards of Disclosure for Mineral Projects, Form NI 43-101F1 requirements.

In this report, the term La Frazada Project refers to the area within the exploitation or mining concessions controlled by First Mining and now by Silver One, while the term La Frazada property (the property) refers to the entire land package (mineral exploitation and exploration concessions).

The information in this report was derived from published material, as well as data, professional opinions and unpublished material submitted by the professional staff of First Mining or their consultants, supplemented by Micon's independent observations and analysis. Much of these data came from a Micon report prepared and provided originally for Silvermex Resources Limited (November, 2008 and amended January, 2009) and subsequently by First Mining, as well as information researched by Micon.

Micon does not have nor has it previously had any material interest in Silvermex, First Mining, Silver One or related entities. The relationship with Silvermex, First Mining and Silver One was and is solely a professional association between the client and the independent consultant. Micon's reports are prepared in return for fees based upon agreed commercial rates and the payment of these fees are in no way contingent on the results of the reports.

This report includes technical information which requires subsequent calculations or estimates to derive sub-totals, totals and weighted averages. Such calculations or estimations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, Micon does not consider them to be material.

This report is intended to be used by First Mining and Silver One subject to the terms and conditions of its agreement with Micon. That agreement permits First Mining and Silver One to file this report as a Technical Report with the CSA pursuant to provincial securities legislation or with the SEC in the United States. Except for the purposes legislated under provincial securities laws, any other use of this report, by any third party, is at that party's sole risk.

The conclusions and recommendations in this report reflect the authors' best independent judgment in light of the information available to them at the time of writing. The authors and Micon reserve the right, but will not be obliged, to revise this report and conclusions if

additional information becomes known to them subsequent to the date of this report. Use of this report acknowledges acceptance of the foregoing conditions.

The requirements of electronic document filing on SEDAR necessitate the submission of this report as an unlocked, editable pdf (portable document format) file. Micon accepts no responsibility for any changes made to the file after it leaves its control.

1.2 PROPERTY DESCRIPTION AND LOCATION

The La Frazada project is located in the Mexican state of Nayarit. Specifically, the project is located within the central portion of the Mexican state of Nayarit, approximately 55 km northwest of Tepic, the capital of the state of Nayarit and 300 km to the northwest of the city of Guadalajara, the second largest city in Central Mexico. The project is situated in the El Zopilote mining district within the Region de Ruiz mining area.

The La Frazada project is centred at UTM coordinates 507,092E and 2,428,933N with datum NAD-27 Mexico used. The elevations on the property vary from 100 to 614 m above sea level.

Silver One advises that it holds 100% of the La Frazada project through its Mexican subsidiary Terra Plata via one exploitation concession which totals 299 ha. The concession is subject to a bi-annual fee and the filing of reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the total bi-annual fee (i.e., twice per year) payable to the Mexican government for the mineral concession is approximately US $1,432.88.

1.2.1 Ownership History

On August 20, 2008, Silvermex, through its Mexican subsidiary Minera Terra Plata, S.A. de C.V. (Terra Plata), it purchased 100% of the rights to the La Frazada project and property from Timmins Goldcorp Mexico S.A. de C.V. (Timmins). Timmins originally staked the property which comprises the core of the old El Zopilote mining district.

The La Frazada property was acquired for a total of US $20,000.

In September, 2010, Silvermex and Genco Resources Ltd. (Genco) agreed to merge their respective businesses in an all-share transaction. As part of the merger the new company would be known as Silvermex Resources Inc.

On April 3, 2012, First Majestic Silver Corp. (First Majestic) announced a friendly acquisition of Silvermex for Can$175 million. On July 3, 2012, First Majestic completed its friendly acquisition of all the issued and outstanding shares of Silvermex pursuant to a court-approved plan of arrangement. As a result, First Majestic became the owner of Silvermex and all of Silvermex's subsidiaries, including Minera Terra Plata S.A. de C.V. (Terra Plata).

On July 1, 2014, First Majestic spun-out Terra Plata (which was a wholly-owned subsidiary at that time), to Sundance Minerals Ltd., (Sundance) a private exploration company focused on precious metal and base metal projects in Mexico and the United States, which subsequently changed its name to KCP Minerals Inc. (KCP Minerals).

On March 30, 2015, First Mining (named Albion Petroleum Ltd. at the time) completed the acquisition of all the issued and outstanding shares of KCP Minerals through a reverse takeover arrangement (RTO), constituting its "qualifying transaction" under the applicable policies of the TSXV. As a result of the RTO, KCP Minerals became a wholly-owned subsidiary of First Mining, and all of the assets and subsidiaries of KCP Minerals, such as Terra Plata, became indirectly owned by First Mining.

On August 22, 2016, Silver One Resources Inc. (named BRS Ventures Ltd, at the time) , KCP Minerals and Terra Plata entered into a share purchase agreement (Purchase Agreement) whereby Silver One agreed to purchase all of the issued and outstanding shares of Terra Plata from KCP in exchange for 2 million shares (subject to adjustments in the event of a stock split or stock consolidation by Silver One) in the capital of Silver One and a 2.5% net smelter returns (NSR) royalty granted by Silver One in favour of KCP (the Transaction). Silver One can buy back 1.5% of the NSR by paying US$1 million to KCP.

On September 1, 2016, BRS Ventures Ltd. changed its name to Silver One Resources Inc. and as a result, KCP Minerals or its nominee will receive 6 million shares of Silver One, on a post-split basis, pursuant to the terms of the Purchase Agreement. The Transaction is subject to the approval of the TSXV and is set to be completed by the end of September, 2016.

1.3 ACCESSIBILITY, CLIMATE, PHYSIOGRAPHY, LOCAL RESOURCES AND INFRASTRUCTURE

The La Frazada project is accessible from Tepic, the state capital of Nayarit, via both paved and good quality dirt roads. Access is primarily via the Mexican State Highway 15 up to the junction with the road to the town of Ruiz, 5 km, and from this junction with the secondary road it is approximately 27 km to the community of Real de Zopilote and thence 2 km to the La Frazada portal.

The major population centres for the region are Tepic, located to the southeast, Mazatlan, located approximately 200 km northwest and Puerto Vallarta approximately 150 km south. With populations of over 50,000 inhabitants, these cities are the supply centres for the region. The closest accommodations are located in the town of Ruiz but a camp could be situated on site as there is an adequate water source and electric generator for lighting.

Water from a number of sources tends to be plentiful in the area with the main sources being the westerly flowing Zopilote river and the San Pedro river. The Zopilote river flows all-year.

Exploration work can generally be conducted year-round. The climate at the project site ranges from semi-arid to arid. The average ambient temperature is 30° C, with the minimum and

maximum temperatures of 12º C and 42º C respectively. The average annual rainfall for the area ranges from 1,524 millimetres (mm) to 2,540 mm. The wet season or desert "monsoon" season occurs almost exclusively between late June and mid-October with heavy rainfall hampering exploration at times.

La Frazada itself is situated within the western portion of the Sierra Nayar, which is the westernmost of the mountain ranges that rise between the coast and the edge of the altiplano, approximately 200 km to the east. The Sierra Nayar mountain range strikes in a northwest-south easterly direction approximately paralleling the Mexican coastline with the Pacific Ocean in the area. The topography in the area is rugged with 40° slopes common and in the past this region has been considered to be remote due to its inaccessibility.

The region surrounding the La Frazada property is covered by jungle type vegetation which together with the rugged topography creates extremely difficult conditions to traverse the property.

1.4 HISTORY

Old mine workings located on the La Frazada property date back to the Spanish colonial period and legend asserts that the port of San Blas was established to serve this mining district. However, the records from the Spanish colonial period are sparse (mention of the workings in old reports and letters) and the first records which survive in some detail are from the period surrounding the turn of the twentieth century. Most of the old workings and ruins observed by the author during the site visit appear to date from the period from 1890 to present.

Other than copies of the annual reports for the Compañia Minera El Zopilote y Anexas Limitade contained in the March, 1996 report provided by Silvermex, the earliest references to the Zapilote mining district which the author has been able to find is contained in a 1905 volume on the mines of Mexico by Southworth.

It appears that all mining activities were curtailed in this mining district due to the Mexican Revolution of 1910 and that they did not start again until the 1980s.

Minera Manantial S.A. de C.V. was formed in 1986 and acquired from the Valenzuela family, the La Frazada del Zopilote, El Manantial, La Javalina and Tenamache concessions. At the same time, Minera Nival S.A. de C.V. (Minera Nival) which owned plant and mining equipment located adjacent to these concessions, was also acquired by Minera Manantial. Minera Nival operated the Manantial mine to produce silver sulphosalt ore that was processed by cyanidation. In 1989, the mill was converted to flotation and the La Frazada vein was developed. The La Frazada vein had been mined by a German company prior to the Mexican revolution for silver and lead ore.

Silvermex described Minera Nival in its press release of October 14, 2008, as follows:

"In 1985 Compania Minera Nival completed construction of a 280 tpd mill and development of an extensive series of underground workings including a 1,300 meter tunnel that allowed access to the La Jabalina [Javalina] vein at 6 different levels. These workings were used to access a 900 meter long, 350 meter high ore shoot that appears to be only partially mined. Prior to the mine's abandonment, it appears Nival had been preparing for a more extensive mining program as 5 meter wide ramps had been completed which would have allowed for significantly higher production from La Jabalina. Previous owners have reported that the exploration results from the La Jabalina tunnel include a one meter channel sample of vein material that assayed 19.3 oz/t silver and 0.19 oz/t gold. The mine closed in 1997 due to low metal prices. The mill was later relocated."

1.5 GEOLOGICAL SETTING AND MINERALIZATION

The La Frazada property lies along the contact between the Upper and Lower Volcanic series on the western edge of the Sierra Madre Occidental geological province. Specifically, the regional and property geology consists of volcanic rocks of Tertiary age which include andesites of the Lower unit and lava flows, ignimbrites, tuffs and breccias of rhyolite and dacite composition of the Upper unit. All the rock sequences are affected by stocks of granodiorite, diorite and andesite porphyry. The contact between the Upper and Lower Volcanic series has been and continues to be highly prospective for precious metal mineralization, as a majority of the other known gold and silver mines and prospects in the belt occur close to, if not just below the contact interval.

The La Frazada project consists of two parallel quart-veins and breccias which outcrop intermittently along a 3 km strike length within the property boundaries. Silver, zinc and lead mineralization appears associated with the quartz veins and a breccia at the footwall and hangingwall of the La Frazada and La Jabalina veins. Within the property there are a series of underground workings which are presently accessible over a strike length of 3,000 m. The La Jabalina adit near the western boundary of the concession has a strike of 1,800 m and allows access to at least three mineralized shoots that appear to belong to the La Jabalina vein system which has been displaced by northwest faulting. On the eastern portion of the property there exist two horizontal developments (390 and 470 levels) along the La Frazada vein. In the drifts at these levels well exposed silver, lead and zinc mineralization is hosted in the La Frazada vein. To the west of the La Frazada workings are a series of underground stopes that correspond to the historical exploitation of a portion of the La Jabalina vein. The eastern extreme of the La Jabalina vein between surface and the 360 level is accessed through a shaft known as the Tiro Real shaft. Silvermex has been able to access the 330 and 360 levels where the La Jabalina eastern vein is exposed along strike for 250 m and a series of structures north-northwest-south-southeast contain important of mineral occurrences which appear to have not been explored yet.

The widest trend of alteration that can be distinguished along the outcrops of the vein systems is related to north-northwest faulting. A few preliminary samples from the host rock within the altered zones returned low silver values that are associated with a stockwork and veinlet

zones. This appears to be part of an extension structural process along the main vein system and these areas are prospective.

1.6 EXPLORATION PROGRAMS SINCE 2008

Silvermex conducted the latest exploration programs in 2008, where it conducted a surface and underground sampling program to both confirm the results of the previous operator's work. Since 2008, there have been no exploration programs conducted on the La Frazada property.

First Mining has not conducted any exploration programs on the La Frazada property. As Silver One has just acquired the La Frazada Project it is in the process of outlining its exploration programs on the property.

1.7 MINERAL RESOURCE AND RESERVE ESTIMATES

1.7.1 Historical 2008 Mineral Resource Estimate

The most recent 2008 preliminary mineral resource estimate was conducted by Silvermex and contained in the November, 2008 and amended January, 2009, Micon Technical Reports.

The underground workings were surveyed where they were accessible. Geological mapping and channel sampling which was conducted on regular intervals were plotted on the topographic maps and were interpreted in plan and on transverse and longitudinal sections for each of the mineralized zones identified. The primary constraint used to interpret the mineral zones were the assay results obtained from the channel sampling along the veins, breccia and host rock conducted both during and after the geology mapping.

The database contains the assay results from a total of 729 samples; 233 belonging to the La Jabalina West vein; 384 to the La Frazada vein and 112 samples corresponding to the La Jabalina East-Tiro Real vein. All the samples were surveyed and tied into a survey point on surface for which the UTM coordinates were known. The assays results for each of the 729 samples included silver, gold, lead, zinc and copper with the length of the samples varying from 1 m to 2 m but averaging 1.5 m.

Plan interpretations were conducted for each of the mineralized shoots delineated based on the channel assay results and the geological mapping, and these were then projected to depth using sectional interpretations. The first sectional projections were across the veins, followed by longitudinal projections. From the sectional interpretations, a solid of the mineralization was formed encompassing a strike length, thickness and vertical projection. The plan and sectional interpretations were either drawn by hand and then digitized into AutoCad or interpreted directly in AutoCad.

The width of the mineral zone corresponds to the average calculated from the manual delimitation of the mineralization in the plan views which were based on the mineralized widths found in the sampling lines which included from 1 to 6 channel samples. The width

for each block was based on the average width of the mineralized intersections in the block and the mineral content for each block was the result of weighted averages of measured widths and assay results.

After the geology and the assay results were plotted using AutoCad and interpreted manually for both, 60 g/t silver was deemed to be the cut-off at which the mineralized material in the blocks would be considered as a mineral resource. In some cases, internal values below this cut-off either along the strike of the mineralized shoots or within the intermediate sampling lines were left within the estimate because the elimination of these could significantly reduce the construction of several of the mineralized shoots. Since the addition of these lower grade areas does not impact the overall grade of the blocks and, therefore, the viability of the resource estimate, it was deemed that these areas should be considered as internal dilution within the mineralized shoots.

The grades not were capped for the preliminary mineral resource estimate since only 3 out of the total 729 samples returned very high silver values and they do not affect the resource estimate in a significant way.

The La Frazada preliminary resource estimation includes measured, indicated and inferred categories which are based on their distance from the underground workings. All of the estimated resources blocks are either definitively within the limits of the mineralized veins and breccias or situated in contact along them. Mineralization found outside of the general trace of the structural controls was not included in the resource estimate.

Table 1.1 summarizes the historical mineral resource estimate for the La Frazada project. The figures in Table have been rounded to reflect that they are an estimate. However, the reader should be cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability

The stated resources are not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues, unless stated in this report, to the best knowledge of the author. There are no known mining, metallurgical, infrastructure or other factors that materially affect this resource. The estimate is based on data available as of October 6, 2008.

Table 1.1
Historical 2008 Mineral Resources on the La Frazada Property
(60 g/t Silver Cut-Off)
(Based on data available as of October 6, 2008)

Resource Classification	Tonnes (x 1,000)	Grade									
		Silver (g/t)	Gold (g/t)	Lead (%))	Zinc (%)	Cu (%)	Silver (x 000 oz)	Gold (oz)	Lead (x 000 lb)	Zinc (x 000 lb)	Cu (x 000 lb)
Measured	304	259.8	0.197	0.876	2.36	0.095	2,537	1,900	5,866	15,782	635
Indicated	279	240.5	0.141	0.862	2.52	0.089	2,156	1,300	5,297	15,498	546
Total Measured + Indicated	**583**	**250.5**	**0.170**	**0.869**	**2.44**	**0.092**	**4,693**	**3,200**	**11,163**	**31,280**	**1,181**
Inferred	534	224.9	0.178	0.923	2.62	0.089	3,859	3,100	10,860	30,769	1,046

Table taken from the November, 2008 Micon Technical report as amended in January, 2009.

However, while Silvermex's 2008 mineral resource estimate, as reviewed and audited by Micon, was compliant with the CIM standards and definitions required by NI 43-101 at the time the current market conditions render it out of date and it stands currently as a historical estimate. Micon as not reviewed the Silvermex estimate for this report and has not done sufficient work to classify the historical resource estimates as a current estimate and First Mining is not treating the historical estimate as a current estimate.

There are no known resource estimates for any of the other portions of the La Frazada property.

1.7.2 Mineral Reserve Estimate

There are no mineral reserve estimates on the La Frazada property.

1.8 CONCLUSIONS AND RECOMMENDATIONS

1.8.1 Conclusions

First Mining acquired the La Frazada property in March, 2015 when it acquired Terra Plata from First Majestic. Silver One has agreed to purchase Terra Platta and the La Frazada Project from First Mining as Of August, 2016. Neither First Mining nor Silver One has conducted any exploration or drilling programs on the property to date.

At La Frazada, Silver One has acquired a project with known silver mineralization and associated lead and zinc mineralization, along with some gold and copper, occurring in the two main mineral veins (La Jabalina and La Frazada) which are poorly exposed on surface along a 3 km section comprised of intermittent outcrops. However, the two veins are better exposed within the existing underground workings that are distributed along the veins.

Regionally the district has been a very important mining centre with intermittent mining occurring since the Spanish period. The latest period for which some records survive are the late 19th Century to early 20th Century and during the 1980s and 1990s. However, this mining district has not been subjected to modern exploration techniques. Although Minera Nival conducted some EX core drilling 1880s and 1990s the records are poor and cannot be used to identify the extent of the mineralization below the workings in the La Frazada area.

The La Frazada project should be considered as a mid-stage exploration project due to the amount of historical work on surface and underground and the ability to access these workings in order to define the extent of the mineralization on the property. Micon believes that an exploration program based on geological mapping and channel sampling of the historical workings, and a focussed diamond drilling program to identify the true extent of the mineralization within the veins on the La Frazada property, is both warranted and justified. Micon considers that the scope of work and budget proposed by Silver One for the next stage of exploration are appropriate.

1.8.2 Recommendations

Silver One's exploration program will consist of diamond drilling to confirm and expand the indicated resource within the historical estimation and explore the veins at depth in order to increase the inferred resource. Silver One has budgeted a three month 3,000 m drill program. The exploration activities will include geological mapping and channel sampling on surface and in the existing underground workings to identify any additional potential along the mineral trends. The exploration program will also seek to confirm the silver values in some areas nearest to the mineral trend where the assays from chips samples returned significant silver values in the host rock. A program of systematic channel sampling will be implemented in order to further identify the mineral potential in the host rock.

Silver One is planning to spend an estimated US $1,020,561 during its first phase of exploration and a further US $1,900,561 in a second phase which will depend on the results of the first phase. In both cases, the budget includes payments to cover the mining taxes, surface rights and access.

Micon has reviewed Silver One's proposal for further exploration on its La Frazada property and recommends that Silver One conducts the exploration program as proposed subject to funding and any other matters which may cause the proposed exploration program to be altered in the normal course of its business activities or alterations which may affect the program as a result of exploration activities themselves.

Through its acquisition of the La Frazada project, Silver One has acquired a property with the potential to yield significant silver mineralization. Micon agrees with the general direction of Silver One's initial and proposed exploration programs for the project and makes the following additional recommendations for the property:

1) Micon recommends that Silver One completes a compilation of the La Frazada data.

2) Micon recommends that if it is possible to do so in a safe manner Silver One cleans out the accesses to the underground workings. Once the access is re-established to the underground workings a program of further sampling, mapping and surveying these workings can begin. The addition of the further underground data to the database will allow Silver One to gain a better understanding of the mineralization at depth. The underground surveys will allow for the exclusion of the previously mined material from future resource estimates since no records of the tonnages and grades extracted from the workings have survived. Accessing the underground workings may also allow for drilling to be conducted from these workings.

3) Micon recommends that Silver One conduct a drilling program to further identify the extent of the mineralization at the La Frazada property. The drilling program should consist of core drilling in order to identify both the extent of the vein system and to establish the relationships between the veins encountered in the drilling program and those exposed on surface and in the underground workings.

4) Micon recommends that Silver One sets up a QA/QC program for the La Frazada property:

5) Micon recommends that Silver One reviews the historical mineral resource data base and such that the previous work can be reclassified as current or undertake additional work to upgrade and extend the historical mineral resource estimate.

The La Frazada project should be regarded as a mid-stage project and given the prospective nature of the property it is Micon's opinion that the project is worthy of further exploration work.

Micon has reviewed the proposed exploration programs and the results from the exploration program conducted by Silvermex and, in light of the observations made in this report, support the concepts outlined by Silver One for further exploration. It is Micon's opinion that the property merits further exploration and that Silver One's proposed exploration plans are properly conceived and justified.

2.0 INTRODUCTION

2.1 TERMS OF REFERENCE

At the request of Mr. Chris Osterman, CEO and Director of First Mining Finance Corp. (First Mining), Micon International Limited (Micon) has been retained to provide an independent summary and review of the La Frazada property located in the state of Nayarit, Mexico, on behalf of Silver One Resources Inc. (Silver One). Micon has also been retained to compile this Technical Report to disclose the results of its review of the previous work conducted on the property, such that the report complies with the Canadian National Instrument (NI) 43-101 Standards of Disclosure for Mineral Projects, Form NI 43-101F1 requirements.

Micon does not have, nor has it previously had, any material interest in First Mining and Silver One or related entities such as Minera Terra Plata, S.A. de C.V. (Terra Plata). The relationship with First Mining and Silver One is solely a professional association between the client and the independent consultant. This report is prepared in return for fees based upon agreed commercial rates and the payment of these fees is in no way contingent on the results of this report. This is the second Technical Report prepared by Micon for the La Frazada property. The first was prepared for Silvermex Resources Ltd. (Silvermex) and was originally dated November 24, 2009 and was amended in January, 2009.

This report includes technical information that requires subsequent calculations or estimates to derive sub-totals, totals and weighted averages. Such calculations or estimations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, Micon does not consider them to be material.

The conclusions and recommendations in this report reflect the authors' best independent judgment in light of the information available to them at the time of writing. The authors, and Micon reserves the right, but will not be obliged, to revise this report and conclusions if additional information becomes known to them subsequent to the date of this report. Use of this report acknowledges acceptance of the foregoing conditions.

This report is intended to be used by First Mining and Silver One subject to the terms and conditions of its agreements with Micon. Those agreements permit First Mining and Silver One to file this report as a Technical Report with the Canadian Securities Administrators pursuant to provincial securities legislation. Except for the purposes legislated under provincial securities laws, any other use of this report, by any third party, is at that party's sole risk.

This National Instrument 43-101 Technical Report were prepared for First Mining and Silver One by Micon. The quality of information, conclusions, and estimates contained herein is consistent with the level of effort involved in Micon's services, based on: i) information available at the time of preparation, ii) data supplied by outside sources and iii) the assumptions, conditions, and qualifications set forth in this report.

The requirements of electronic document filing on SEDAR necessitate the submission of this report as an unlocked, editable pdf (portable document format) file. Micon accepts no responsibility for any changes made to the file after it leaves their control.

2.2 DESCRIPTION OF CORPORATIONS

2.2.1 Legal Description of Silver One Resources Inc.

Silver One Resources Inc. (Silver One) was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia) on June 8, 2007 under the initial name BRS Ventures Ltd.. Following its initial public offering on February 29, 2008, the company qualified as a capital pool company as defined by the CPC Policy of the TSXV, and its common shares were listed for trading under the trading symbol BRV-P.V. After not completing a "qualifying transaction" as defined under CPC Policy within 24 months of its listing date, the company's common shares were moved to the NEX board of the TSXV under the trading symbol BRV.H. On August 5, 2016, the company completed a "qualifying transaction" by entering into an option agreement with Anstag Mining Ltd. (the "Optionor"), under which the company would acquire a 100% interest in the Margurete Gold property by paying $10,000 and issuing 200,000 shares to the Optionor, both of which were done as of August 5, 2016, and by spending $1 million in exploration expenditures on the property within the next five years. On September 1, 2016, BRS Ventures Ltd. changed its name to "Silver One Resources Inc." and completed a 3:1 forward stock split. The common shares of Silver One are listed on the TSXV under the symbol SVE.

2.2.2 Legal Description of First Mining Finance Corp.

First Mining Finance Corp. (First Mining) is a public company that was incorporated in Alberta, Canada on April 4, 2005 under the initial name Albion Petroleum Ltd., and that was continued into British Columbia, Canada on March 30, 2015 when Albion Petroleum Ltd. completed its "qualifying transaction" under the applicable polies of the TSX Venture Exchange (the "TSXV") and Canadian securities laws and was subsequently renamed to First Mining Finance Corp. The common shares of First Mining are listed on the TSXV under the symbol FF, and in the United States on the OTCQX under the symbol FFMGF. As a mineral property holding company, First Mining's principal business activity is to acquire high quality mineral assets with a focus on gold in the Americas.

2.2.3 Legal description of Minera Terra Plata S.A. de C.V.

Minera Terra Plata S.A. de C.V. (Terra Plata) is a Mexican company which was incorporated in Sonora, Mexico by means of public instrument number 3,317, granted on August 23, 2005 before Mr. Jesus Jose Francisco Arturo Lizarraga Murguia, Alternate Public Notary number 35 of Hermosillo, Sonora, registered before the Public Registry of Commerce of Sonora under the commercial folio 34102-7 on April 1, 2005, and registered before the Public Registry of Mines on October 31, 2002, under registration number 280 page 140, Volume XXXVIII of the

Book of Mining Companies. All of the shares of Terra Plata are held by KCP Minerals Inc. (KCP Minerals), a private company and wholly-owned subsidiary of First Mining.

2.3 QUALIFIED PERSONS, SITE VISITS, AREAS OF RESPONSIBILITY

The primary author of this report and Qualified Person is:

- William J. Lewis, B.Sc., P.Geo. a senior geologist with Micon based out of Toronto, Canada.

Micon's latest site visit to the La Frazada property was conducted on September 1, 2016 with the assistance of Raul Diaz from First Mining. Micon's previous site visit occurred on September 9, 2008. All of Micon's site visits were conducted by Mr. Lewis. Discussions related to the site visit are contained in Section 12 "Data Verification" of this report.

Mr. Lewis is responsible for all section of this Technical Report.

2.4 UNITS AND ABBREVIATIONS

All currency amounts are stated in US dollars (US$). Quantities are generally stated in metric units, the standard Canadian, Mexican and international practice, including metric tons (tonnes, t) and kilograms (kg) for weight, kilometres (km) or metres (m) for distance, hectares (ha) for area, grams (g) and grams per metric tonne (g/t) for gold and silver grades (g/t Au, g/t Ag). Wherever applicable, Imperial units have been converted to Système International d'Unités (SI) units for reporting consistency. Precious metal grades may be expressed in parts per million (ppm) or parts per billion (ppb) and their quantities may also be reported in troy ounces (ounces, oz), a common practice in the mining industry. A list of abbreviations is provided in Table 2.1. Appendix 1 contains a glossary of mining and other related terms.

2.5 INFORMATION SOURCES

The material in this report was derived from published material, as well as data, professional opinions and unpublished material submitted by the professional staff of First Mining or their consultants. Much of these data came from reports prepared and provided by First Mining, as well as information contained in the previous 2008 Technical Report dated November, 2008 and amended in January, 2009. The sources for the information contained in this report are listed in Section 28.

Table 2.1
List of the Abbreviations

Description	Abbreviation
Above sea level	asl
Assay ton	AT
Canadian Institute of Mining, Metallurgy and Petroleum	CIM
Canadian National Instrument 43-101	NI 43-101
Centimetre(s)	cm
cubic feet per minute	cfm
Day	d
Degree(s)	º
Degrees Celsius	ºC
Digital elevation model	DEM
Dirección General de Minas	DGM
Dollar(s), Canadian and US	$, Cdn $ and US $
First Mining Finance Corp.	First Mining
Gold Ore Resources Ltd.	Gold Ore
Gram(s)	g
Grams per tonne	g/t
Greater than	>
Hectare(s)	ha
Insituto Nacional de Estadistica, Geografia e Informatica	INEGI
InterGeografica de Mexico, S.A. de C.V.	InterGeografica
Internal rate of return	IRR
Kilogram(s)	kg
Kilometre(s)	km
Less than	<
Litre(s)	L
Metre(s)	m
Mexican peso	peso
Micon International Limited	Micon
Million ounces	Moz
Million pounds	Mlbs
Million tonnes	Mt
Million years	Ma
Million tonnes per year	Mt/y
Milligram(s)	mg
Millimetre(s)	mm
Minera Terra Plata, S.A. de C.V.	Terra Plata
Net present value	NPV
Net smelter return	NSR
North American Datum	NAD
Not available/applicable	n.a.
Ounces	oz
Ounces per year	oz/y
Parts per billion	ppb
Parts per million	ppm
Percent(age)	%
Quality Assurance/Quality Control	QA/QC
Rock Quality Designation	RQD
Second	s
SGS Mineral Services	SGS
Silver One Resources Inc.	Silver One
Silvermex Resources Limited	Silvermex
Silvermex Resources Inc.	Silvermex
Silver Standard Resources Inc.	Silver Standard
Specific Gravity	SG

Description	Abbreviation
System for Electronic Document Analysis and Retrieval	SEDAR
Système International d'Unités	SI
Tonne (metric)	t
Tonnes (metric) per day	t/d
TSL Laboratories Inc.	TSL
Universal Transverse Mercator	UTM
Year	y

3.0 RELIANCE ON OTHER EXPERTS

3.1 GENERAL INFORMATION

Micon has reviewed and analyzed data provided by First Mining, its consultants and the previous operator of the property, and has drawn its own conclusions therefrom, augmented by its direct field examination. Micon has not carried out any independent exploration work, drilled any holes or carried out an extensive program of sampling and assaying on the property. However, during its previous September 9, 2008, site visit, Micon collected one sample from the vein underground and collected 11 samples from the rejects of the samples collected by Silvermex during its exploration program.

Micon noted in its previous 2008 Technical Report that during its surface and underground site visit the geology matched the descriptions noted by previous operators and Silvermex. Micon's a program of check sampling was not intended to duplicate the volume of data collected by Silvermex or its predecessors; however, it is adequate to independently confirm the presence of the relevant mineralization at the site. There has been historical underground drilling noted in reports from previous operators but no evidence of the drill holes were discovered during the underground visit in 2008.

Micon conducted a second site visit on September 1, 2016 along with personnel from First Mining. During this site visit a number of the same sites were visited as in the 2008 visit. However, Micon did not conduct further underground excursions or collect any further samples during the 2016 site visit as the tenure of the mineralization had been confirmed during the 2008 site visit.

Micon briefly reviewed the results of previous historical resource estimates on the La Frazada project by previous operators. These historical resource estimates do not conform to the presently accepted Canadian Institute of Mining and Metallurgy (CIM) industry standards and definitions for resource estimates, as referred to in Canadian National Instrument 43-101 (NI 43-101). Thus, the historical resource estimates should not be relied upon and are discussed in this report only to allow the reader to gain knowledge of the previous work conducted on the property. Further work is required to locate and evaluate the true extent and nature of the mineralization on the La Frazada property.

While exercising all reasonable diligence in checking, confirming and testing it, Micon has relied upon First Mining's presentation of the project data for the La Frazada property, including data from the previous operator, in formulating its opinion. For the previous Technical Report (2008) Micon relied on Silvermex's presentation of the project data for the La Frazada property, including data from the previous operator, in formulating its opinion.

Micon previously completed an audit of Silvermex's 2008 mineral resource estimate on the La Frazada Project, Mr. Lewis reviewed the underground sampling locations, assay sheets, parameters, and the geological mapping and interpretation on September 9, 2008 during the site visit to the La Frazada property. Micon conducted its initial audit of the mineral resource

estimate between September 27th and 30th, 2008 during a series of meetings held over 3 days in Hermosillo, Mexico. The final audit was conducted during the early part of October, 2008, from information supplied to Micon. However, the 2008 mineral resource estimate should be considered as a historical estimate, as Micon has not done sufficient work to classify the 2008 estimate as a current estimate. Neither First Mining nor Silver One is treating the 2008 mineral resource estimate as a current estimate or relying on it.

3.2 MINERAL TENURE AND SURFACE RIGHTS

The English translations of the various agreements under which Terra Plata and, therefore First Mining or Silver One, hold title to the mineral lands for the La Frazada Project have not been reviewed by Micon. Micon offers no legal opinion as to the validity of the mineral title claimed. A description of the property, and ownership thereof, is provided for general information purposes only.

The local Ejido controls the surface rights and if the project proved to be economic, negotiations with the Ejido would need to be conducted in order to acquire the surface rights.

3.3 ENVIRONMENTAL LIABILITIES AND SOCIAL AND COMMUNITY IMPACTS

Comments on the state of environmental conditions, liability and remediation have been made where required by NI 43-101. Micon offers no opinion on the state of the environment on the property. The statements are provided for information purposes only.

3.4 TAXATION AND ROYALTIES

Micon is not aware of any royalties that would be payable to third parties should economic mineralization be extracted on the La Frazada property, beyond any stated elsewhere in this report. Mexico does levy taxes on mineral extraction by mines but this is part of the Mexican tax system and third party royalties would be additional to the taxes due the government.

3.5 OTHER INFORMATION

The descriptions of geology, mineralization and exploration are taken from historical reports provided by First Mining or previously by Silvermex or from Technical Reports prepared by or for First Mining and Silvermex by their contracted consultants and have been reviewed and edited, where applicable. The conclusions of this report rely on data available in published and unpublished reports, as well as data provided by First Mining. Based upon its review Micon has no reason to doubt the validity of such data. The information concerning the regional geology provided to Micon by First Mining is derived largely from several published reports discussing the geology of the project area and was also previously contained in the Micon Technical Reports. Micon has reviewed this material again for this report and based upon its review Micon has no reason to doubt its validity.

Micon is pleased to acknowledge the helpful cooperation of First Mining's and consulting field staff, all of whom made any and all data requested available and responded openly and helpfully to all questions, queries and requests for material.

Some of the figures and tables for this report were reproduced or derived from historical reports written on the property by various individuals and/or supplied to Micon by First Mining. Most of the photographs were taken by the author of this report during the site visits. In the cases where photographs, figures or tables were supplied by other individuals or sourced from other publications, they are referenced below the inserted item.

The review of the La Frazada project was based on published material researched by Micon, as well as data, professional opinions and unpublished material submitted by the professional staff of First Mining or its consultants. Much of these data came from a report previously prepared by Micon for Silvermex as well as other information researched by Micon.

Sources of the information used by Micon can be found in Section 28 of this report.

4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 GENERAL INFORMATION

The La Frazada project is located in the Mexican state of Nayarit. Specifically, the project is located within the central portion of the Mexican state of Nayarit, approximately 55 km northwest of Tepic, the capital of the state of Nayarit and 300 km to the northwest of the city of Guadalajara, the second largest city in Central Mexico. The project is situated in the El Zopilote mining district within the Region de Ruiz mining area.

The La Frazada project is centred at UTM coordinates 507,092E and 2,428,933N with datum NAD-27 Mexico used. The elevations on the property vary from 100 to 614 m above sea level. The location of the La Frazada project is shown in Figure 4.1.

Figure 4.1
La Frazada Project Location Map

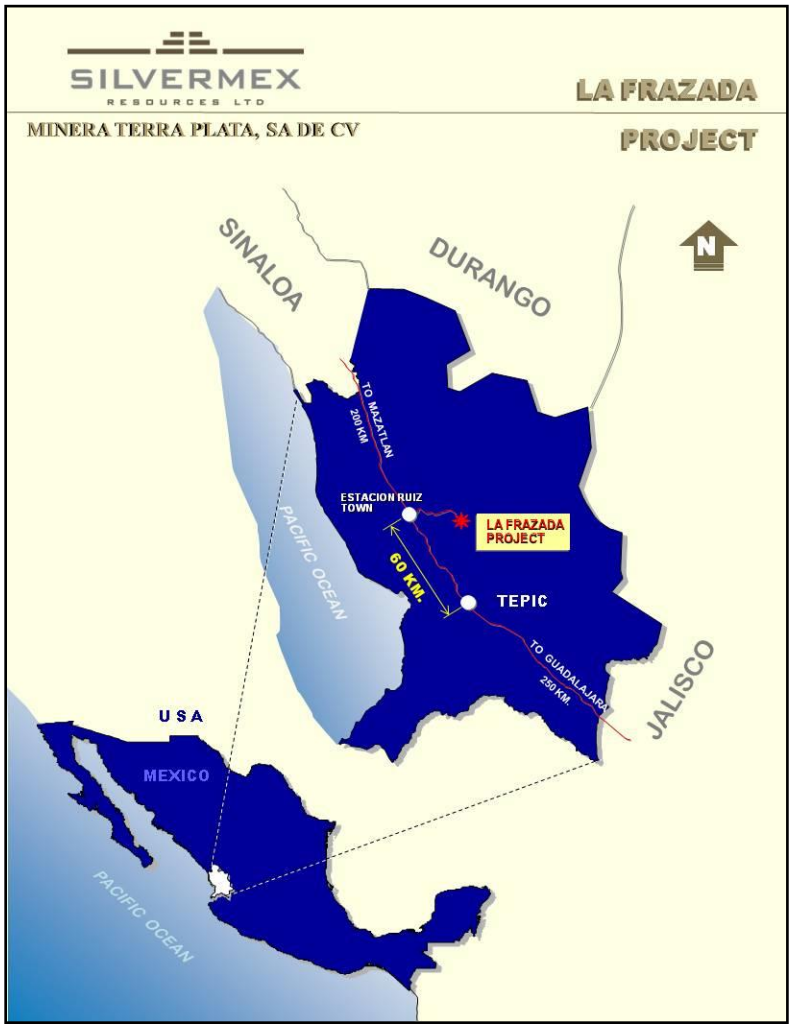


Figure from 2008 Micon report originally provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V.

4.2 PROPERTY DESCRIPTION AND OWNERSHIP

Silver One advises that it holds the 100% of the La Frazada project through its Mexican subsidiary Terra Plata via one exploitation concession which totals 299 ha. The concession is subject to a bi-annual fee and the filing of reports in May of each year covering the work accomplished on the property between January and December of the preceding year. At present, the total bi-annual fee (i.e., twice per year) payable to the Mexican government for the mineral concession is approximately US $1,432.88.

Table 4.1 summarizes the mining concessions owned of controlled by Tera Plata, along with the annual payments to the government for the concessions. Figure 4.2 is a map showing the location of the mineral concessions that comprise the Peñasco Quemado property.

Table 4.1
Summary of the Mineral Concession Information for the La Frazada Project

Licence Name	Title Number	Type of Concession	Area (ha)	Date Granted	Expiry Date	Bi-Annual Fee (MX$)	Bi-Annual Fee ($US)
La Frazada	231947	Mining Concession	299.1038	Nov 7, 2007	May 22, 2058	24,359.01	1,432.88
Total			**299.1038**			**24,359.01**	**1,432.88**

Note: All of the claims are owned by Minera Terra Plata, S.A. de C.V. (Terra Plata).
The exchange rate used is $1 United States Dollar = 17 Mexican pesos.

4.2.1 Ownership History

On August 20, 2008, Silvermex, through its Mexican subsidiary Minera Terra Plata, S.A. de C.V. (Terra Plata), it purchased 100% of the rights to the La Frazada project and property from Timmins Goldcorp Mexico S.A. de C.V. (Timmins). Timmins originally staked the property which comprises the core of the old El Zopilote mining district.

The La Frazada property was acquired for a total of US $20,000.

In September, 2010, Silvermex and Genco Resources Ltd. (Genco) agreed to merge their respective businesses in an all-share transaction. As part of the merger the new company would be known as Silvermex Resources Inc.

On April 3, 2012, First Majestic Silver Corp. (First Majestic) announced a friendly acquisition of Silvermex for Can$175 million. On July 3, 2012, First Majestic completed its friendly acquisition of all of the issued and outstanding shares of Silvermex pursuant to a court-approved plan of arrangement. As a result, First Majestic became the owner of Silvermex and all of Silvermex's subsidiaries, including Minera Terra Plata S.A. de C.V. (Terra Plata).

Figure 4.2
La Frazada Project Mineral Concession Map

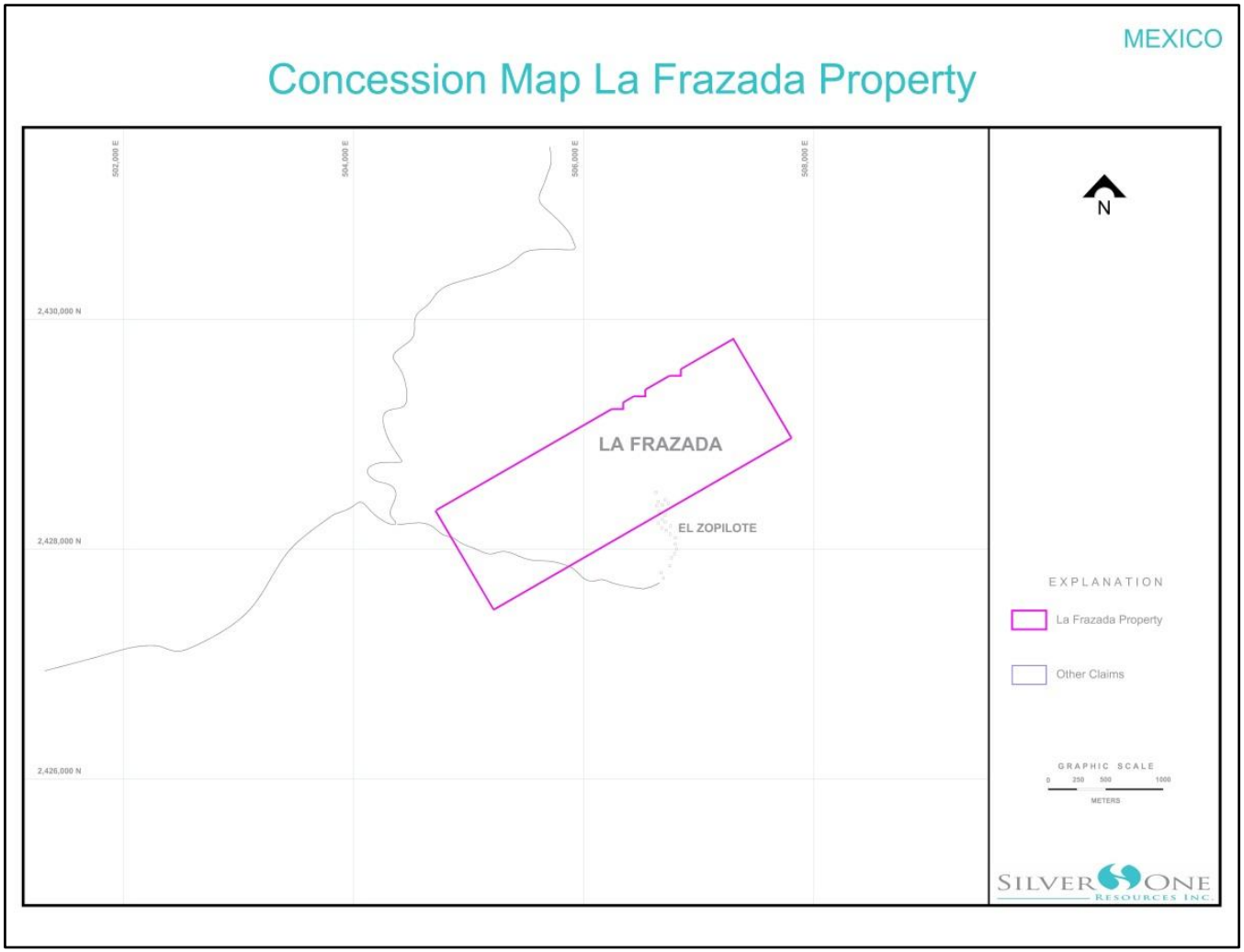


Figure provided by Silver One.

On July 1, 2014, First Majestic spun-out Terra Plata (which was a wholly-owned subsidiary at that time), to Sundance Minerals Ltd., (Sundance) a private exploration company focused on precious metal and base metal projects in Mexico and the United States, which subsequently changed its name to KCP Minerals Inc. (KCP Minerals).

On March 30, 2015, First Mining (named Albion Petroleum Ltd. at the time) completed the acquisition of all of the issued and outstanding shares of KCP Minerals through a reverse takeover arrangement (RTO), constituting its "qualifying transaction" under the applicable policies of the TSXV. As a result of the RTO, KCP Minerals became a wholly-owned subsidiary of First Mining, and all of the assets and subsidiaries of KCP Minerals, such as Terra Plata, became indirectly owned by First Mining.

On August 22, 2016, Silver One Resources Inc. (named BRS Ventures Ltd, at the time) , KCP Minerals and Terra Plata entered into a share purchase agreement (Purchase Agreement) whereby Silver One agreed to purchase all of the issued and outstanding shares of Terra Plata from KCP in exchange for 2 million shares (subject to adjustments in the event of a stock split or stock consolidation by Silver One) in the capital of Silver One and a 2.5% net smelter returns (NSR) royalty granted by Silver One in favour of KCP (the Transaction). Silver One can buy back 1.5% of the NSR by paying US$1 million to KCP.

On September 1, 2016, BRS Ventures Ltd. changed its name to Silver One Resources Inc. and as a result, KCP Minerals or its nominee will receive 6 million shares of Silver One, on a post-split basis, pursuant to the terms of the Purchase Agreement. The Transaction is subject to the approval of the TSXV and is set to be completed by the end of September, 2016.

4.3 OBLIGATIONS, ENCUMBRANCES, ENVIRONMENTAL LIABILITIES AND PERMITTING

4.3.1 Mexican Mining Law

When the Mexican mining law was amended in 2006, all mineral concessions granted by the Dirección General de Minas (DGM) became simple mining concessions and there was no longer a distinction between mineral exploration or exploitation concessions. A second change to the mining law resulted in all mining concessions being granted for a period of 50 years, providing the concessions remained in good standing. As part of the second change all former exploration concessions which were previously granted for a period of six years became eligible for the 50-year term.

For any concession to remain valid, the bi-annual fees must be paid and a report has to be filed during the month of May of each year which covers the work conducted during the preceding year. Concessions are extendable, providing the application is made within the five-year period prior to the expiry of the concession and the bi-annual fee and work requirements are in good standing. The annual fee, payable to the Mexican government for First Mining to hold the group of contiguous mining concessions that comprise the La Frazada property. The fee is paid on a bi-annual basis and is subject to increasing fees on the mineral concessions as they mature.

All mineral concessions must have their boundaries orientated astronomically north-south and east-west and the lengths of the sides must be one hundred metres or multiples thereof, except where these conditions cannot be satisfied because they border on other mineral concessions. The locations of the concessions are determined on the basis of a fixed point on the land, called the starting point, which is either linked to the perimeter of the concession or located thereupon. Prior to being granted a concession, the Company must present a topographic survey to the DGM within 60 days of staking. Once this is completed, the DGM will usually grant the concession. The exception to the concession boundaries being oriented astronomically north-south and east-west is for some historical concessions.

4.3.2 Obligations, Encumbrances and Royalties

4.3.2.1 Obligations

Micon is not aware of any obligations that Silver One has that may be associated with the La Frazada property beyond what is stated in this Technical Report.

4.3.2.2 Encumbrances

Micon is not aware of any encumbrances on the La Frazada property beyond what is stated in this Technical Report.

When Terra Plata acquired the project from Timmins is was free from all liens, encumbrances, charges and attachments

4.3.2.3 Royalties

Micon is not aware of any royalties that would be payable to third parties should economic mineralization be extracted on the La Frazada property, beyond any stated elsewhere in this report. Mexico does levy taxes on mineral extraction by mines but this is part of the Mexican tax system and third party royalties would be additional to the taxes due the government.

4.3.3 Private Concessions and Surface Rights

The local Ejido controls the surface rights and if the project proved to be economic, negotiations with the Ejido would need to be conducted in order to acquire the surface rights.

The project lies in the community of Real del Zopilote, where the highest elected authority is the Judge. Previously, Silvermex concluded a verbal agreement with the Judge who then allowed the exploration program to be conducted on the La Frazada property. The verbal agreement committed Silvermex to conducting or assisting with the maintenance of existing roads, cattle guards, and other projects which the community can request it assist with. However, the assistance is based on the ability of Silvermex to perform the work at the time of the request and as long as prior written authorization is available from its general management. In general, the relationship with the people of the community was good during

the period that Silvermex was conducting the exploration program on the property and it still remains good.

Silver One will have to reach an agreement and negotiate the conditions with the Judge once it decides to conduct an exploration program on the La Frazada property.

4.3.4 Water Rights

Water from a number of sources tends to be plentiful in the area with the main sources being the westerly flowing Zopilote river and the San Pedro river. The Zopilote river flows all-year.

Micon has not investigated the issues regarding Silver One's ability to acquire water use rights for the project in the long term, should a commercial mining operation be developed. Even though water is plentiful in the area Silver One will need to either acquire water rights and permits for water extraction to conduct its exploration programs or purchase water from a local source for any drilling programs.

4.3.5 Environmental Permitting

In order to begin an exploration program on an exploitation concession upon which no substantial mining has been conducted, Silvermex was originally required to file a "Notice of Initiation of Exploration Activities" with the local authorities to inform them of the scope and environmental impact of the exploration work. Also other permits may be needed as well. Silver One will need have these permits in place or apply for them again if they have expired.

Micon is unaware of any outstanding environmental liabilities attached to the La Frazada Project and is unable to comment on any remediation that may have been undertaken by previous companies.

4.4 MICON COMMENTS

Micon is not aware of any significant factors or risks besides those discussed in this report that may affect access, title or right or ability to perform work on the property by Silver One or any other party that may be engaged to undertake work on the property by Silver One. It is Micon's understanding that further permitting and environmental studies could be required if sufficient mineralization was discovered and further economic studies were conducted that demonstrated that the mineralization was sufficient to host a mining operation.

The La Frazada property is large enough to be able to locate and accommodate the infrastructure necessary to host any future mining operations, should sufficient economic mineralization be identified on the property.

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESSIBILITY

The La Frazada project is accessible from Tepic, the state capital of Nayarit, via both paved and good quality dirt roads. Access is primarily via the Mexican State Highway 15 up to the junction with the road to the town of Ruiz, 5 km, and from this junction with the secondary road it is approximately 27 km to the community of Real de Zopilote and thence 2 km to the La Frazada portal. Figures 5.1 and 5.2 for different views of portions of the secondary road to Real de Zopilote.

Figure 5.1
First View of a Portion of the Secondary Road to Real De Zopilote

2008, Micon site visit.

Figure 5.2
Second View of a Portion of the Secondary Road to Real De Zopilote

2016, Micon site visit.

5.2 LOCAL RESOURCES AND INFRASTRUCTURE

The major population centres for the region are Tepic, located to the southeast, Mazatlan, located approximately 200 km northwest and Puerto Vallarta approximately 150 km south. With populations of over 50,000 inhabitants, these cities are the supply centres for the region. The closest accommodations are located in the town of Ruiz but a camp could be situated on site as there is an adequate water source and electric generator for lighting.

The local Ejido controls the surface rights and if the project proved to be economic, negotiations with the Ejido would need to be conducted in order to acquire the surface rights. Silvermex has obtained access rights to carry out its exploration program. Although creeks and water wells exist on the property, Micon has not investigated the issues regarding Silver One's ability to acquire water use rights for the project in the long term, should a commercial mining operation be developed.

Water from a number of sources tends to be plentiful in the area with the main sources being the westerly flowing Zopilote river and the San Pedro river. The Zopilote river flows all-year.

5.3 CLIMATE AND PHYSIOGRAPHY

Exploration work can be conducted year-round with possible exceptions of periods during the monsoon season where heavy rainfall can hamper exploration. The climate at the project site ranges from semi-arid to arid. The average ambient temperature is 30° C, with the minimum and maximum temperatures of 12º C and 42º C respectively. The average annual rainfall for the area ranges from 1,524 millimetres (mm) to 2,540 mm. The wet season or desert "monsoon" season occurs almost exclusively between late June and mid-October with heavy rainfall hampering exploration at times.

La Frazada itself is situated within the western portion of the Sierra Nayar, which is the westernmost of the mountain ranges that rise between the coast and the edge of the altiplano, approximately 200 km to the east. The Sierra Nayar mountain range strikes in a northwest-south easterly direction approximately paralleling the Mexican coastline with the Pacific Ocean in the area. The topography in the area is rugged with 40° slopes common and in the past this region has been considered to be remote due to its inaccessibility. Figure 5.2 is a view of the topography surrounding the La Frazada property. Figure 5.3 is a view of the topography at the La Frazada mine portal.

The region surrounding the La Frazada property is covered by jungle type vegetation which together with the rugged topography creates extremely difficult conditions to traverse the property.

Figure 7.3 is a view of the community of Real de Zopilote and the surrounding topography.

Figure 5.3
The Community of Real de Zopilote and the Surrounding Topography

2016, Micon site visit.

5.4 MICON COMMENTS

Micon believes that, to the extent relevant to the La Frazada Project, Silver One should be able to obtain the surface access, environmental sign-off, power, water, and exploration personnel to conduct an exploration program on the property.

6.0 HISTORY

6.1 GENERAL PROPERTY AND EXPLORATION HISTORY

6.1.1 Historical Exploration and Mining

Old mine workings located on the La Frazada property date back to the Spanish colonial period and legend asserts that the port of San Blas was established to serve this mining district. However, the records from the Spanish colonial period are virtually non-existent (mention of the workings in old reports and letters) and the first records which survive in some detail are from the period surrounding the turn of the twentieth century.

There is a small mention of the orientation and geology surrounding the silver veins at Zopilote in a paper presented by José G. Aguilera at the November, 1901, American Institute of Mining Engineers (AIME) meeting in Mexico and contained in the 1902 Transaction Volume XXXII.

There is a photograph of the El Zopilote mining works in the Tepic Territory in the 1904 volume on Mexico from the International Bureau of the American Republics. A photograph of the page from this volume is shown as Figure 6.1. There was no mention of the mining at El Zopilote otherwise in this volume.

Figure 6.1
Photograph of the El Zopilote Mining Works of 1904

Taken from 1904 Mexico volume by the International Bureau of the American Republics.

Other than copies of the annual reports for the Compañia Minera El Zopilote y Anexas Limitade contained in the March, 1996 report provided by Silvermex, one of the earliest references to the Zopilote mining district which the author has been able to find is contained

in a 1905 volume on the mines of Mexico by Southworth. In the 1905 volume, the Zopilote mines are described as follows:

> *"The Company working these mines is capitalized at $6,000,000.00 Mexican. The ore assays 1 kilo 700 grams to the ton, and the production is about 5,000 tons per year. The property consists of 60 pertenencias, and wood and water abounds in the district. Four hundred men are employed."*

A further mention of the historical workings in the district is contained in a letter by Henry Hale dated to 1911 which is contained in a later 1996 report. Hale mentions that the Tenamache mine (located 3 miles from the famous Zopilote mine) had been worked by the Spaniards until the 1810 War of Independence after which it was successfully worked by Mexican owners until the mining was abandoned due to the constant rebellions by the Cora and Huichol natives in the region.

In 1923, the silver mines at Zopilote were noted to have been closed for many years in a United States Department of Commerce commercial and industrial survey discussing the Mexican west coast and Lower California.

In a further letter from Francisco Jacobo Valenzuela dated July, 1974 it is mentioned that the Zopilote mine was originally worked by the Cora natives prior to being taken away from them by the Spaniards and that it was the source of a bitter struggle between them for about 3 centuries. The letter also mentioned that the old timers in this area remembered their ancestors mentioning that the Spaniards took out ore which ran 20% to 50% silver from the high grade oxides they were smelting. In addition it was mentioned that a group of engineers and a geologist came from Germany armed with old Spanish maps to complete the Javalina tunnel in order to access the old Spanish workings. However, the driving of the tunnel was discontinued due to the Mexican Revolution of 1910.

The 1974 Valenzuela letter mentions that in 1963 a group of truck drivers carried away all of the smelter slag which was located in a dump near the smelter stack and sold it for the silver content while the old rock tailings around the shaft have been reworked over and over.

Most of the old workings and ruins observed by the author during the 2008 and 2016 site visits appear to date from the period from 1890 to present.

Figure 6.2 shows a view of the old smelter stack located in the community of Real de Zopilote. Figure 6.3 is a view of the Real Tiro shaft located on the property that is surrounded by fencing put in place by Silvermex for safety reasons. The shaft is located at the 370 Level of the Jabalina mine as evidenced by a sign located on a tree next to the open shaft collar.

It appears that all mining activities were curtailed in this mining district due to the Mexican Revolution of 1910 and that they did not start again until the 1980s.

Figure 6.2
View of the Old Smelter Stack located in the Community of Real de Zopilote

2008, Micon site visit.

Figure 6.3
Real Tiro Shaft surrounded by Safety Fencing

2016, Micon site visit, tree in the foreground of the fenced off area has a sign noting it is the 390 Level of the Jabalina mine.

6.1.2 Exploration in the 1980s and 1990s

Minera Manantial S.A. de C.V. was formed in 1986 and acquired from the Valenzuela family, the La Frazada del Zopilote, El Manantial, La Javalina and Tenamache concessions. At the same time, Minera Nival S.A. de C.V. (Mineral Nival) which owned plant and mining

equipment located adjacent to these concessions, was also acquired by Minera Manantial. Minera Nival operated the Manantial mine to produce silver sulphosalt ore that was processed by cyanidation. In 1989, the mill was converted to flotation and the La Frazada vein was developed. The La Frazada vein had been mined by a German company prior to the Mexican revolution for silver and lead ore.

Silvermex described Minera Nival in its press release of October 14, 2008, as follows:

> *"In 1985 Compania Minera Nival completed construction of a 280 tpd mill and development of an extensive series of underground workings including a 1,300 meter tunnel that allowed access to the La Jabalina [Javalina] vein at 6 different levels. These workings were used to access a 900 meter long, 350 meter high ore shoot that appears to be only partially mined. Prior to the mine's abandonment, it appears Nival had been preparing for a more extensive mining program as 5 meter wide ramps had been completed which would have allowed for significantly higher production from La Jabalina. Previous owners have reported that the exploration results from the La Jabalina tunnel include a one meter channel sample of vein material that assayed 19.3 oz/t silver and 0.19 oz/t gold. The mine closed in 1997 due to low metal prices. The mill was later relocated."*

At the end of 1990, Zinc Corporation of America (ZCA) purchased an interest of 25% in Minera Nival and expansion of the La Frazada mine and mill took place in 1991. Zinc concentrates were trucked to Ruiz and then shipped by rail to ZCA at Bartlesville, Oklahoma. Lead-silver product was sold to Minera Peñoles in Torreon.

In November, 1991, Minera Nival, proposed a core drilling program, initially of 565 m in three holes in order to outline reserves below of the main level (La Frazada 390 level) and due to the results considered a further drilling to complete approximately 1,000 m using EX core.

This program comprised a total of 1,037.84 m of core drilling distributed in 10 holes which averaged 100 m depth. The longest hole was 147.82 m and the shortest 33.55 m, all in angle varying between -16° and -56°.

No core remains from this program on site and the records from this drilling are sketchy and in poor order. In addition, in the existing records there is no evidence that down hole surveys were conducted on the drill holes which is problematic since the actual location and traces of these drill holes are suspect due to the small core diameter used. The small core diameter mentioned in the reports (EX) is very susceptible to large deviations in the drill hole traces especially in holes with a length of more than 50 m. The drill hole deviation is related to the pressure placed on the drill bit in order to force it to cut the rock, the rotation of the bit which can cause the bit to wander as it encounters variations in the density and hardness of the rock and the weight of the drill rods which will tend to cause the drill hole to steepen in longer steeper drill holes.

The size of the core used in Minera Nival's drilling program is also problematic since EX core is generally very small with the core just larger in diameter than an average human finger. The size of the core means that the sample can yield very erratic results since the sample size is very small for the area which it represents. In the author's experience, it is not uncommon to see a variation of up to 25% and averages of 10 to 15% in the grade of the mineralization encountered in the drill holes when EX results are compared to larger diameter core from the same location.

Therefore, neither First Mining nor Silver One should not rely on the information contained in the remaining records from Minera Nival's drilling program in the evaluation of the mineralization on the La Frazada property.

6.1.3 Silvermex Exploration 2008

In April, 2008, Silvermex began its first explorations program on the La Frazada project. The program consisted of geological mapping and sampling to check and confirm the presence of the silver and base metal mineralization along the existing underground workings. The underground workings had been previously cleaned up and the mud, broken materials and guano (bat excrement) removed from the workings. However, Silvermex had to conduct extensive guano removal in some of the drifts prior to conducting the exploration program in them. This was a slow and hazardous process and Silvermex used all safety precautions it could so that its personnel worked in a safe environment during the guano removal process.

Silvermex's exploration program focused primarily on the known mineralized vein systems worked in the past by the Spanish and Germans, during the 19th century and in the 1980's and 1990's. The objectives of the exploration program were to define the distribution of the mineralized-shoots exploited along the vein systems and to conduct a preliminary resource estimate to support a diamond drill program to confirm the resource at depth during the next exploration phase.

The underground workings were surveyed where they were accessible. Geological mapping and channel sampling which was conducted on regular intervals were plotted on the topographic maps and were interpreted on plan and on transverse and longitudinal sections for each of the mineralized zones identified. The primary constraints used to interpret the mineral zones were the assay results obtained from the channel sampling along the veins, breccia and host rock conducted both during and after the geology mapping.

A total of 729 channel samples were taken during the exploration program of which 233 belonged to the La Jabalina West vein, 384 to the La Frazada vein and 112 to the La Jabalina East-Tiro Real vein. All the samples were surveyed and tied into a survey point on surface for which the UTM coordinates were known.

The assays results for each of the 729 samples included silver, gold, lead, zinc and copper with the length of the samples varying from 1 m to 2 m but averaging 1.5 m. The true width for the individual channel is recorded in the tables which appear later in this section.

The continuity of the La Jabalina vein can be interpreted on surface for a strike length greater that 2,000 m within the property, with the azimuth varying from 85° to 90° and the dip of the vein from 58° to 65° south. The host rock is a pyroclastic rock (lithic tuff) of rhyolitic composition in the hangingwall and dark coloured dacite-andesite flows in the footwall. The La Jabalina vein is exposed on surface at the western margin of the property and strikes in an easterly direction into the property. The vein is comprised of a quartz-carbonate cemented breccia which includes clasts of sulphides (galena and sphalerite), quartz and rock fragments. The vein is well exposed underground in the La Jabalina adit, the portal of which is located at the western margin of the property.

In this adit the La Jabalina vein is exposed along a 90 m stretch beginning 48 m from the entrance of the adit and continuing up to a cross-cut located 140 m from the entrance. At this point a westerly incline has been excavated to reach an upper level and the surface. Mapping and sampling were conducted on both levels.

The host rock consists of an andesite in the hangingwall with a volcano-sedimentary sequence including andesite and a package of clastic rocks and mudstone in the footwall. Both units are in clear contact along the La Frazada fault structure and are affected by the mineralization process. The volcano-sedimentary unit in the footwall hosts low grade values of silver, lead and zinc mineralization extending from up to 60 to 80 m from the contact. Once the deposition controls of the mineralization, basic structural controls and permeability of the volcano-sedimentary sequence are better understood the low grade mineralization could be a significant addition to future exploration programs.

Geological mapping and sampling were conducted along approximately 3,000 m of drifts and cross-cuts to access the La Jabalina and La Frazada veins in at least three different locations.

Along with the geological mapping, channel sampling was conducted within trenches and in the exposed rockcuts along the existing roads. In total 178 channel samples were acquired during this portion of the sampling program with the sample distribution covering 3,000 m of the exposed La Frazada mineral structure.

The channel sampling results confirmed that the surface mineralization is up to 22.1 m wide within the La Frazada vein in the southern exposures, very close to the old mine. It also confirmed the presence of low grade silver, lead and zinc values in the volcano-sediments immediately next to the vein. In this case, the mineralization forms oxide bands of up to 100 m wide parallel to the trace of the La Frazada vein and includes tabular breccias containing high silver grades which parallel the main mineral structure. Tables 6.1 through 6.3 contain a summary of the channel sampling results for the La Jabalina, the La Jabalina West-Tiro Real and La Frazada veins. The trench locations for the La Jabalina vein are presented in Figure 6.4.

The results of Silvermex's underground channel sampling program are shown in Figures 6.2 to 6.8 for the La Jabalina, the La Jabalina West-Tiro Real and La Frazada veins.

Table 6.1
Summary of the Surface Channel Sampling Results for the La Jabalina Vein

Sample/ Channel Number	Width (m)	Gold (ppb)	Silver (ppm)	Lead (ppm)	Zinc (ppm)	Copper (ppm)	Observations
JS-1	1.50	<2	<0.1	301	399	31	Altered andesite outcropping along the access road to El Zopilote town and in the neighborhood of the outcrops of the La Jabalina vein, the rock shows strong argillization, quartz and jarosite stockwork and veinlets. The silver values are indicating the proximity to the La Jabalina vein.
JS-2	1.50	<2	<0.1	839	714	59	
JS-3	1.50	5	<0.1	223	793	94	
JS-4	1.50	<2	<0.1	49	501	25	
JS-5	1.50	4	47.5	967	396	48	
JS-6	1.50	<2	<0.1	29	410	23	
JS-7	1.50	<2	<0.1	9	449	10	
JS-8	1.50	4	<0.1	39	496	14	
JS-9	1.50	<2	<0.1	26	206	8	
JS-10	1.50	3	<0.1	33	412	23	
JS-11	1.50	<2	<0.1	1,550	712	39	
JS-12	1.50	7	16.8	4,621	2,419	103	
JS-13	1.50	52	2,495.0	102,412	22,258	2,856	Exposures of the La Jabalina vein, formed by fragments of massive sulphides, quartz and barite, 4.5 m width, and quartz veinlets at the footwall.
JS-14	1.50	16	129.0	6,336	11,615	217	
JS-15	1.50	109	793.8	26,140	24,413	904	
JS-16	1.50	4	34.0	3,480	652	252	
JS-17	1.50	9	46.2	3,015	692	197	
JS-18	1.50	70	14.3	2,364	609	97	Very altered and fractured andesite, strongly argillized, presence of chlorite, epidote and dissemination of sulphides and oxides (boxworks of pyrite, galena?).
JS-19	1.50	6	5.2	3,768	776	66	
JS-20	1.50	<2	79.8	2,283	865	106	
JS-21	1.50	<2	<0.1	3,800	1,819	116	
JS-22	1.50	<2	2.9	698	903	35	
JS-23	1.50	<2	<0.1	1,182	869	48	
JS-24	1.50	<2	9.0	2,900	770	112	
JAB-1	1.00	4	1.0	<2	66	71	Andesite, weakly altered, oxides.
JAB-2	Terrero	<2	260.7	1,723	3,340	745	Dumps at the entrance of La Jabalina adit.
JAB-3	1.50	6	2.0	111	329	20	Sampling along the Tenamache creek, silicified andesite, very fractured, but practically fresh rock.
JAB-4	1.50	4	1.0	39	199	9	
JAB-5	1.50	7	1.6	47	107	4	
JAB-6	1.50	8	1.5	75	86	5	
JAB-7	1.50	17	3.6	158	104	17	
JAB-8	1.50	6	1.2	42	70	5	
JAB-9	1.50	10	1.4	41	69	5	
JAB-10	1.50	8	2.6	109	201	8	
JAB-11	1.50	10	1.3	31	71	3	
5817	1.70	2	11.5	43	271	22	Channel sampling at side of the access road to La Jabalina, silicified andesite with dissemination of pyrite, weak oxidation.
5818	2.80	9	1.5	202	405	29	
5819	2.00	<2	<0.5	33	158	20	
5820	1.70	15	<0.5	64	117	7	
5821	1.50	<2	<0.5	56	177	7	
5822	2.00	2	<0.5	19	143	11	
5823	1.60	15	1.9	92	155	11	
5824	1.80	8	<0.5	40	151	9	

5825	1.80	8	<0.5	56	89	8	Channel sampling at side of the access road to La Jabalina, silicified andesite with dissemination of pyrite, weak oxidation.
5826	1.80	4	<0.5	39	93	6	
5827	1.20	25	2.0	59	54	9	
5828	1.90	26	<0.5	36	120	6	
5829	1.50	13	4.0	203	131	9	
5830	1.60	10	42.6	169	100	17	La Jabalina vein?
5831	2.60	12	4.8	217	434	14	Andesite.
5832	1.40	2	<0.5	26	139	15	
5833	1.30	12	<0.5	66	325	31	Porphyry Diorite.
5834	1.90	72	<0.5	100	247	21	
5835	2.00	5	<0.5	11	56	4	Channel sampling at side of the access road to La Jabalina, silicified andesite with dissemination of pyrite, weak oxidation.
5836	2.20	33	3.7	23	144	23	
5837	2.10	23	2.2	18	54	4	
5838	2.10	<2	<0.5	63	63	8	
5839	1.90	6	<0.5	14	52	5	
5840	1.30	29	10.7	6	50	5	
5841	1.60	20	2.5	9	45	5	
5842	1.60	<2	1.5	11	101	7	Andesite, weakly altered, oxides outcropping at the access road to El Zopilote.
5843	1.50	<2	<0.5	9	92	7	
5844	1.50	3	<0.5	51	132	13	Outcrop of the La Jabalina vein?
5845	1.50	4	<0.5	49	78	11	
5846	1.50	<2	<0.5	58	77	6	
5847	1.50	10	<0.5	26	25	5	
5848	1.50	3	<0.5	25	27	8	
5849	2.00	2	<0.5	54	51	7	
5850	1.50	3	<0.5	80	122	15	
5851	2.00		<0.5	33	65	12	Andesite weakly altered, outcropping at side of the access road to El Zopilote.
5852	1.50		<0.5	41	32	8	
5853	2.00		<0.5	31	26	4	
5854	1.80		<0.5	32	16	2	
5855	1.80		<0.5	76	120	7	

Table provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Table 6.2
Summary of the Surface Channel Sampling Results for the La Jabalina West-Tiro Real Vein

Sample/ Channel Number	Width (m)	Gold (ppb)	Silver (ppm)	Lead (ppm)	Zinc (ppm)	Copper (ppm)	Observations
TR-1	1.50	25	138.6	0.186	0.282	0.021	Channel sampling on the La Jabalina west vein and split at the hangingwall, exposed along of the 360 level of the Tiro Real mine and shaft, above this level exist a series of stopes which shows the mineral zone was extracted in an average of 2 to 3 m width.
TR-2	1.80	29	386.1	0.598	0.517	0.050	
TR-3	2.00	342	207.7	0.217	0.261	0.031	
TR-4	1.60	8	491.6	0.272	0.279	0.048	
TR-5	1.70	3	9.9	0.109	0.501	0.011	
TR-6	1.50	<2	72.7	0.175	0.545	0.019	
TR-7	1.50	31	144.5	0.771	1.448	0.061	
TR-8	1.50	<2	128.8	2.326	2.073	0.135	
TR-9	1.70	18	685.1	0.436	0.141	0.053	

TR-10	1.50	9	353.8	0.419	0.095	0.034	Sampling across a fault system of NW strike exposed in the wall of the 390 level of the Tiro Real mine, in average 10 m width.
TR-11	1.80	197	97.2	0.481	0.314	0.051	
TR-12	1.50	82	164.3	1.070	0.180	0.068	
TR-13	2.00	42	119.8	0.358	0.219	0.024	End of the drift at the 330 level in direction to the SW. Mineral vein exposed at the walls.
TR-14	1.50	2	256.3	0.130	0.238	0.018	
TR-15	1.50	<2	99.5	0.160	0.449	0.018	
TR-16	1.50	3	246.7	0.877	0.941	0.026	
TR-18	2.00	32	472.0	6.567	7.452	0.569	La Jabalina vein along of the 330 level.
TR-19	1.60	96	1,429.4	0.369	0.637	0.200	
TR-20	1.50	214	1,274.9	0.530	0.437	0.929	
TR-21	1.50	73	855.9	0.566	0.594	0.088	
TR-22	1.50	746	437.7	0.381	0.226	0.051	
TR-23	1.80	517	387.7	4.550	0.712	0.182	
TR-24	1.50	178	387.4	0.904	0.805	0.148	
TR-25	1.50	10	389.6	0.571	0.558	0.082	
TR-26	2.00	32	23.7	0.048	0.078	0.010	
TR-27	2.00	572	35.6	0.081	0.119	0.014	
TR-28	1.50	500	228.7	0.263	0.130	0.037	
TR-29	1.50	64	193.6	0.251	0.170	0.026	
TR-30	1.65	18	6.2	0.042	0.065	0.003	Hangingwall.
TR-31	1.65	72	268.0	0.463	0.425	0.059	Hangingwall close the vein.
TR-32	3.30	76	1,190.2	0.693	0.930	0.227	La Jabalina vein in the 330 level.
TR-33	1.70	11	491.7	0.343	0.371	0.092	
TR-34	1.80	221	815.6	1.117	1.394	0.244	
TR-35A	-	22	638.2	0.798	1.418	0.074	Dumps.
5301	1.50	6	658.2	0.274	0.595	0.134	La Jabalina vein exposed in the head of the 330 level.
5302	1.50	6	1,479.0	0.325	0.606	0.150	
5303	1.50	8	2,757.0	0.248	0.615	0.258	
5304	1.50	34	174.9	0.322	0.534	0.102	
5305	1.50	51	108.4	0.291	0.260	0.032	
5306	1.50	36	217.4	0.277	0.299	0.035	
5307	1.50	16	345.8	0.237	0.187	0.071	
5308	1.50	40	1,153.2	0.179	0.179	0.240	
5309	1.50	23	59.4	0.189	0.098	0.037	
5310	1.50	2	50.4	0.431	0.117	0.037	Fault system NW strike.
5311	1.50	<2	9.9	0.066	0.059	0.005	
5312	1.50	58	856.2	2.518	0.171	0.173	La Jabalina vein along 330 level.
5313	1.50	40	1,423.4	0.416	0.151	0.031	Fault system NW strike.
5314	1.00	<2	1,050.9	0.566	0.103	0.072	
5315	1.00	6	22.9	0.270	0.064	0.013	
5316	1.80	7	327.8	1.202	1.284	0.059	La Jabalina vein 360 level.
5317	1.50	5	13.8	0.073	0.104	0.009	
5318	1.50	22	17.8	0.064	0.249	0.006	
5319	1.50	51	147.6	0.260	0.186	0.031	
5320	1.20	23	371.8	0.172	0.215	0.041	
5321	2.00	5	153.2	0.354	0.317	0.053	

5322	1.80		316.0	0.463	0.283	0.057	Footwall of Jabalina vein 360 level.
5323	1.70		289.1	0.317	0.579	0.035	La Jabalina vein in the 360 level.
5324	1.80		427.2	0.452	0.938	0.142	
5325	1.80		1,125.0	0.558	0.320	0.047	Hangingwall of the La Jabalina vein.
5326	1.50	174	560.5	0.401	0.252	0.092	La Jabalina vein in the 360 level.
5327	1.50	171	277.6	0.166	0.327	0.028	
5328	3.00	121	69.3	0.349	0.699	0.036	Sampling along the 360 level.
5329	1.50	52	347.2	0.322	0.933	0.039	La Jabalina vein in the 360 level.
5330	0.90	281	38.5	0.221	0.695	0.015	Sampling along the side of the 360 level.
5331	2.15	24	13.8	0.112	0.331	0.016	
5332	2.15	17	13.0	0.052	0.151	0.007	
5333	1.50	10	3.0	0.036	0.125	0.003	
5334	2.40	39	4.0	0.026	0.059	0.003	
5335	1.50	102	191.9	0.067	0.126	0.010	Sampling along the 360 level.
5336	1.80	982	606.3	0.065	0.791	0.064	
5337	1.60	6	241.6	0.057	0.498	0.023	
5338	1.40	58	424.4	0.401	0.624	0.381	La Jabalina vein exposed in the 330 level.
5339	1.80	32	148.0	0.100	0.266	0.028	Sample along the vein at the side.
5340	1.40	24	418.5	0.873	1.701	0.164	La Jabalina vein exposed in the 330 level.
5341	1.50	10	967.5	0.144	0.698	0.123	
5342	1.80	4	274.3	1.438	1.314	0.074	Sample along the vein at the side.
5343	1.50	8	25.8	0.038	0.069	0.008	La Jabalina vein exposed in the 330 level.
5344	1.50	4	45.5	0.035	0.066	0.004	
5345	1.50	45	108.2	0.114	0.732	0.019	Footwall of the La Jabalina vein.
5346	1.70	27	33.9	0.045	0.063	0.007	
5347	1.50	12	203.7	0.067	0.147	0.016	La Jabalina vein along the 360 level.
5348	1.50	14	13.0	0.016	0.033	0.002	
5349	2.10	5	23.8	0.050	0.075	0.005	
5350	1.30	8	19.9	0.021	0.042	0.003	Sample along the vein at the side.
5351	1.50	32	452.2	0.161	0.440	0.037	La Jabalina vein along the 360 level.
5352	1.50	63	163.9	0.094	0.347	0.017	
5353	1.40	21	13.0	0.045	0.110	0.011	Sample along the vein at the side of the 330 level.
5354	1.70	2	2.0	0.004	0.015	0.002	
5355	2.30	<2	3.0	0.004	0.016	0.006	
5356	1.80	2	397.9	0.637	0.751	0.148	La Jabalina vein exposed in the 330 level.
5357	1.50	7	340.7	0.223	1.104	0.187	Footwall of the La Jabalina vein.
5358	1.80	13	1,157.8	0.648	0.884	0.106	La Jabalina vein exposed in the 330 level.
5359	2.00		213.7	0.306	0.546	0.048	Footwall of La Jabalina vein 330 level.
5360	1.50		423.1	0.176	3.942	0.152	La Jabalina vein end 360 level northeast.

5361	3.00		255.8	0.185	0.364	0.021	
5362	2.00		24.5	0.059	0.144	0.014	
5363	1.50		237.9	0.230	1.080	0.019	
5364	1.70		857.0	0.601	1.509	0.060	
5365	3.00		49.5	0.089	0.191	0.014	
5366	1.50		119.6	0.388	1.357	0.026	
5367	2.00		69.4	0.148	0.930	0.015	
5368	1.50		438.9	0.309	0.798	0.052	
5369	1.50		45.8	0.190	0.674	0.020	
5370	2.00		1,318.7	0.373	0.728	0.207	
5371	1.50		1,214.8	0.483	0.356	0.128	
5372	2.00		239.0	0.057	0.035	0.020	
5373	1.20		450.5	0.202	0.376	0.053	
5374	2.00		3.0	0.027	0.028	0.004	Surface sampling trenches on the projection of the NW system.
5375	2.00		0.9	0.005	0.010	0.002	
5376	3.00		12.9	0.017	0.016	0.006	

Table provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Table 6.3
Summary of the Surface Channel Sampling Results for the La Frazada Vein

Sample/ Channel Number	Width (m)	Gold (ppb)	Silver (g/t)	Lead %	Zinc (%)	Copper (%)	Observations
FZ-01	2.00	94	208.7	1.798	5.295	0.714	Dumps, belonging to remnants of mineralized material seem to be the lower grade.
FZ-02	2.00	26	456.9	1.870	3.223	0.313	
FZ-03	2.00	75	655.7	0.815	0.215	0.032	
FZ-04	2.00	463	482.9	0.306	1.002	0.075	La Frazada vein-breccia.
FZ-05	1.50	18	8.5	0.025	0.092	0.012	Andesite at the footwall.
FZ-06	1.50	18	20.1	0.043	0.062	0.010	
FZ-07	1.50	33	7.5	0.058	0.181	0.011	
FZ-08		66	228.0	0.346	0.569	0.026	Dumps.
FZ-09	1.50	<2	11.4	0.310	0.625	0.070	La Frazada vein-breccia.
FZ-10	1.50	18	253	1.507	7.359	0.768	La Frazada vein-breccia.
FZ-11	1.50	86	227.0	1.553	4.067	0.322	La Frazada vein-breccia.
FZ-12	1.50	12	4.4	0.021	0.081	0.006	La Frazada vein-breccia.
FZ-13	1.50	2	3.0	0.014	0.044	0.006	
FZ-14	1.50	35	19.5	0.155	0.347	0.031	
FZ-15	1.50	152	102.0	1.468	8.198	0.104	La Frazada vein-breccia.
FZ-16	1.50	3	4.3	0.065	0.377	0.010	
FZ-17	1.50	4	3.8	0.054	0.294	0.015	
FZ-18	1.50	7	7.6	0.152	0.557	0.017	
FZ-19	1.50	42	56.0	0.156	0.870	0.018	La Frazada vein-breccia.
FZ-20	1.50	56	42.2	0.484	0.915	0.026	La Frazada vein-breccia.
FZ-21	1.50	53	74.0	1.354	6.021	0.160	La Frazada vein-breccia.
FZ-22	1.50	11	7.5	0.162	1.380	0.018	
FZ-23	1.50	8	7.5	0.029	1.108	0.007	
FZ-24	1.50	2	1.5	0.015	0.174	0.003	

FZ-25	1.50	2	1.3	0.024	0.055	0.005	
FZ-26	1.50	73	27.2	0.286	1.464	0.053	La Frazada vein-breccia.
FZ-27	1.50	53	82.0	1.538	5.751	0.121	La Frazada vein-breccia.
FZ-28	1.50	5	2.6	0.082	0.693	0.007	
FZ-29	1.50	17	1.5	0.008	0.084	0.005	
FZ-30	1.50	11	6.0	0.095	0.655	0.018	
FZ-31	1.50	12	7.2	0.083	1.389	0.014	
FZ-32	1.50	9	2.8	0.031	0.107	0.008	
FZ-33	1.50	<2	4.0	0.120	1.265	0.028	
FZ-34	1.50	14	21.8	1.100	1.828	0.040	
FZ-35	1.50	<2	2.5	0.066	0.196	0.010	
FZ-36	1.50	<2	0.7	0.028	0.191	0.005	
FZ-37	1.50	<2	3.6	0.020	0.078	0.012	
FZ-38	1.50	<2	3.0	0.024	0.233	0.017	
FZ-39	1.50	<2	1.3	0.011	0.043	0.004	
FZ-40	1.50	2	2.8	0.032	0.151	0.005	
FZ-41	1.50	3	1.5	0.006	0.081	0.004	
FZ-42	1.50	<2	2.9	0.008	0.064	0.003	
FZ-43	1.50	<2	2.5	0.008	0.113	0.003	
FZ-44	1.50	<2	1.5	0.015	0.114	0.003	
FZ-45	1.50	2	3.0	0.012	0.068	0.003	
FZ-46	1.50	<2	2.4	0.003	0.103	0.002	
FZ-47	1.50	<2	5.2	0.027	0.109	0.010	
FZ-48	1.50	<2	0.5	0.010	0.073	0.002	
FZ-49	1.50	<2	0.4	0.001	0.080	0.002	
FZ-50	1.50	6	3.1	0.011	0.244	0.004	
FZ-51	1.50	19	74.0	1.725	4.317	0.100	
FZ-52	1.50	<2	1.0	0.023	0.141	0.005	
FZ-53	1.50	<2	1.5	0.023	0.319	0.010	
FZ-54	1.50	<2	3.1	0.078	0.518	0.008	
FZ-55	1.50	8	6.3	0.080	0.274	0.007	
FZ-56	1.50	15	159.0	1.767	5.438	0.081	
FZ-57	1.50	2	20.2	0.216	1.259	0.022	
FZ-58	1.50	6	52.0	0.742	3.802	0.059	
FZ-59	1.50	18	11.1	0.393	1.002	0.013	
FZ-60	1.50	31	18.0	0.161	0.559	0.054	
FZ-61	1.50	15	8.3	0.056	0.768	0.016	
FZ-62	1.50	9	3.5	0.027	0.493	0.007	
FZ-63	1.50	11	2.9	0.019	0.246	0.007	
FZ-64	1.50	12	8.6	0.043	0.196	0.008	
FZ-65	1.50	9	13.7	0.132	0.285	0.011	
FZ-66	1.50	4	1.8	0.016	0.066	0.004	
FZ-67	1.50	8	4.5	0.044	0.195	0.008	
FZ-68	1.50	8	4.4	0.024	0.127	0.008	
FZ-69	1.50	9	1.0	0.007	0.018	0.001	
FZ-70	1.50	11	61.0	0.099	0.344	0.026	
FZ-71	1.50	9	11.4	0.060	0.574	0.020	
FZ-72	1.50	101	93.0	0.261	2.126	0.048	

FZ-73	1.50	98	60.0	0.619	2.660	0.059	
FZ-74	1.50	102	245.2	1.219	4.041	0.089	
FZ-75	1.50	50	283.6	1.681	3.648	0.089	
FZ-76	1.50	7	7.4	0.072	0.486	0.048	
FZ-77	1.50	<2	5.5	0.040	0.176	0.009	
FZ-78	1.50	<2	2.3	0.006	0.026	0.004	
FZ-79	1.50	6	3.3	0.035	0.114	0.006	
FZ-80	1.50	38	2.0	0.030	0.115	0.004	
FZ-81	1.50	12	2.1	0.032	0.470	0.005	
N390-1	2.30	53	1.0	0.068	0.091	0.005	Channel sampling along and across the last 60 m of the northeastern extreme of the La Frazada adit, where is exposed the mineral vein, 0.10 to 0.15 m width, with galena and sphalerite which are diluted in a sample of 1.50 m. The channel sampling included the host rock in the hangingwall and footwall of the vein.
N390-2	2.15	28	6.0	1.754	0.281	0.026	
N390-3	1.40	13	1.0	0.035	0.056	0.003	
N390-4	2.00	6	1.0	0.011	0.033	0.006	
N390-5	2.20	7	1.0	0.036	0.250	0.003	
N390-6	2.20	5	1.0	0.026	0.427	0.008	
N390-7	1.45	<2	<0.5	0.035	0.179	0.002	
N390-8	1.40	13	2.0	0.046	0.272	0.004	
N390-9	1.50	14	4.0	0.018	0.068	0.024	
N390-10	1.50	10	1.0	0.034	0.257	0.004	
N390-11	1.50	7	1.0	0.030	0.266	0.006	
N390-12	1.50	21	2.0	0.003	0.015	0.001	
N390-13	1.25	4	2.5	0.003	0.018	0.001	
N390-14	1.25	13	1.4	0.003	0.008	0.000	
N390-15	1.50	68	22.1	0.101	0.369	0.088	
N390-16	1.45	42	6.6	0.065	0.275	0.038	
N390-17	1.50	3	2.9	0.037	0.332	0.029	
N390-18	1.50	11	6.5	0.019	0.072	0.047	
N390-19	1.25	9	5.2	0.063	0.582	0.036	
N390-20	1.80	2	0.7	0.004	0.015	0.004	
N390-21	1.80	3	1.6	0.009	0.045	0.011	
N390-22	1.90	23	4.6	0.058	0.288	0.029	
N390-23	1.40	142	26.2	0.287	1.242	0.199	
N390-24	1.50	4	1.4	0.018	0.109	0.002	
N390-25	1.40	11	3.9	0.026	0.118	0.004	
N390-26	2.00	8	4.1	0.054	0.131	0.024	
N390-27	1.80	8	6.7	0.117	0.822	0.033	
N390-28	1.65	16	12.6	0.249	0.878	0.100	
N390-29	1.50	7	4.7	0.021	0.110	0.007	
N390-30	1.50	<2	2.9	0.012	0.024	0.003	
N390-31	1.50	7	4.3	0.007	0.082	0.006	
N390-32	1.50	13	7.5	0.121	0.407	0.054	
N390-33	1.80	10	23.3	0.235	0.364	0.009	
N390-34	1.80	6	6.4	0.026	0.111	0.013	
N390-35	2.30	6	3.3	0.037	0.196	0.008	
N390-36	1.30	3	12.9	0.118	0.422	0.016	
N390-37	1.50	40	30.1	0.312	2.480	0.038	La Frazada vein-breccia.
N390-38	2.00	16	63.0	1.026	3.145	0.081	
N390-39	1.80	338	201.0	1.313	4.353	0.151	Andesite at the footwall.

N390-40	1.80	33	12.6	0.129	0.826	0.044	
N390-41	1.50	45	252.7	0.259	1.540	0.055	La Frazada vein-breccia.
N390-42	1.30	620	252	1.281	3.798	0.148	
N390-43	1.50	19	21.7	0.139	1.164	0.060	
N390-44	1.50	4	3.2	0.032	0.194	0.012	Andesite at the footwall.
N390-45	1.50	10	1.1	0.001	0.096	0.010	
N390-46	1.50	11	1.6	0.001	0.082	0.012	
N390-35A	1.60	33	29.2	0.557	2.111	0.131	
N390-47	1.50	726	<0.5	0.075	0.375	0.031	
N390-48	2.10	41	<0.5	0.101	0.072	0.002	Andesite at the footwall.
N390-49	1.90	166	2.5	0.162	0.408	0.027	
N390-50	1.50	11	24.4	0.205	0.633	0.028	
N390-51	1.50	18	17.4	0.103	0.631	0.020	
N390-52	1.50	23	17.5	0.281	0.760	0.031	
N390-53	1.50	155	35.6	0.157	0.601	0.087	
N390-54	2.00	16	3.7	0.021	0.089	0.013	
N390-55	1.50	195	229.4	2.891	6.284	0.203	La Frazada vein-breccia.
N390-56	1.50	450	257.2	1.944	4.781	0.146	
N390-57	1.50	266	40.6	0.360	0.930	0.041	
N390-58	1.50	283	301.8	3.810	8.722	0.279	La Frazada vein-breccia.
N390-59	1.50	199	17.8	0.245	0.866	0.037	Hangingwall.
N390-60	1.50	252	1135.9	4.483	6.058	0.230	La Frazada vein-breccia.
N390-61	1.00	159	108.8	1.056	3.474	0.107	
N390-62	1.00	301	77.7	1.064	3.317	0.107	
N390-63	1.00	2647	494.2	1.788	3.530	0.113	
N390-64	1.00	9	<0.5	0.047	0.125	0.003	Footwall.
N390-65	1.50	200	245.6	2.126	4.232	0.218	La Frazada vein-breccia.
N390-66	1.50	67	47.5	0.494	1.767	0.052	
N390-67	1.50	429	79.6	1.491	2.174	0.177	
N390-68	1.20	250	517.6	0.611	2.599	0.058	La Frazada vein-breccia.
N390-69	1.20	211	664.6	0.903	3.108	0.111	
N390-70	1.20	59	45.9	0.377	1.028	0.038	
N390-71	1.20	17	14.1	0.174	0.690	0.047	
N390-72	1.20	311	91.5	2.914	9.330	0.270	
N390-73	1.00	49	60.2	0.341	1.294	0.042	La Frazada vein-breccia.
N390-74	1.50	8	31.6	0.613	1.474	0.033	
N390-75	1.50	795	72.0	3.821	4.708	0.214	
N390-76	1.50	332	12.3	0.249	0.493	0.017	Footwall, no valid sampling.
N390-77	1.50	59	153.4	0.582	2.946	0.034	La Frazada vein-breccia.
N390-78	1.50	10	10.1	0.141	0.630	0.029	
N390-79	1.50	1600	57.3	2.048	2.566	0.107	
N390-80	1.50	82	179.4	0.614	4.002	0.067	La Frazada vein-breccia.
N390-81	1.50	739	473.8	0.670	0.954	0.074	
N390-82	1.50	194	63.0	0.438	0.455	0.032	
N390-83	2.00	18	2.5	0.020	0.061	0.011	Footwall, no valid sampling.
N390-84	1.50	19	13.9	0.545	1.296	0.027	Footwall, no valid sampling.
N390-85	1.30	327	65.0	1.374	2.117	0.334	La Frazada vein-breccia.
N390-86	1.20	153	16.9	0.301	0.377	0.042	

N390-87	1.50	32	3.1	0.020	0.177	0.015	La Frazada vein-breccia without mineral values.
N390-88	1.50	37	16.0	0.113	0.300	0.034	
N390-89	1.50	41	17.1	0.222	1.014	0.037	La Frazada vein-breccia.
N390-90	1.50	12	4.7	0.017	0.129	0.013	Hangingwall.
N390-91	1.50	11	2.7	0.004	0.035	0.003	
N390-92	1.50	29	19.2	0.095	1.141	0.027	La Frazada vein-breccia.
N390-93	1.50	57	7.8	0.140	0.422	0.010	Hangingwall.
N390-94	1.50	23	2.9	0.027	0.112	0.006	
N390-95	1.70	55	24.8	0.167	1.895	0.030	La Frazada vein-breccia.
N390-96	2.00	59	8.4	0.058	0.939	0.020	
N390-97	1.50	16	11.3	0.504	1.372	0.046	
5001	1.50	10	2.0	0.032	0.021	0.002	
5002	1.50	13	1.0	0.007	0.019	0.003	
5003	1.50	9	2.0	0.041	0.191	0.005	
5004	1.50	12	4.0	0.230	0.157	0.004	
5005	1.50	11	1.0	0.012	0.023	0.003	
5006	1.50	13	1.0	0.008	0.016	0.002	
5007	1.50	10	1.0	0.008	0.011	0.002	
5008	1.50	11	1.0	0.008	0.012	0.002	
5009	2.00	8	1.0	0.015	0.056	0.004	
5010	1.70	152	21.8	0.346	0.807	0.023	
5011	1.80	134	13.9	0.636	1.215	0.060	La Frazada vein-breccia.
5012	1.40	98	7.0	0.257	0.640	0.023	
5013	1.50	142	8.9	0.213	0.574	0.040	
5014	1.50	797	15.9	1.052	1.714	0.107	La Frazada vein-breccia.
5015	1.30	14	1.0	0.017	0.032	0.004	
5016	1.20	10	1.0	0.008	0.069	0.001	
5017	1.40	94	13.9	0.176	0.585	0.024	
5018	1.50	46	5.0	0.831	0.476	0.009	
5019	2.00	290	7.0	0.274	0.629	0.056	
5020	1.70	29	4.9	0.036	0.098	0.007	
5021	1.40	29	6.0	0.173	0.649	0.010	
5022	1.50	349	35.8	2.419	4.087	0.266	La Frazada vein-breccia.
5023	1.40	840	15.8	1.304	2.780	0.153	
5024	1.80	22	9.9	0.048	0.312	0.015	
5025	1.10	980	65.6	5.050	25.131	0.352	La Frazada vein-breccia.
5026	2.00	404	35.6	2.001	2.245	0.047	
5027	1.10	15	7.9	0.073	0.373	0.012	
5028	1.10	31	35.9	0.497	0.973	0.030	La Frazada vein-breccia.
5029	1.70	35	11.0	0.307	0.738	0.013	
5030	1.60	107	289.0	1.687	3.215	0.381	La Frazada vein-breccia.
5031	1.50	12	36.1	0.342	2.114	0.024	
5032	1.30	13	3.9	0.023	0.063	0.004	
5033	2.00	15	33.0	0.246	1.098	0.021	La Frazada vein-breccia.
5034	1.70	158	135.0	1.125	3.926	0.095	
5035	1.00	99	181.9	0.185	0.957	0.033	
5036	1.20	13	6.7	0.035	0.847	0.025	La Frazada vein-breccia.
5037	1.30	211	167.8	0.910	4.645	0.237	

5038	0.90	104	93.0	0.507	2.322	0.100	
5039	1.70	23	29.3	0.094	3.037	0.039	La Frazada vein-breccia.
5040	1.70	60	85.0	0.342	2.472	0.037	
5041	1.60	15	6.5	0.017	0.203	0.007	
5042	1.50	57	5.2	0.025	0.073	0.007	
5043	1.50	15	12.5	0.099	0.327	0.012	
5044	1.50	16	10.6	0.196	1.371	0.022	
5045	1.80	12	5.2	0.015	0.132	0.021	
5046	1.30	153	2.5	0.028	0.184	0.005	
5047	1.30	16	4.3	0.011	0.230	0.015	
5048	1.50	8	2.4	0.069	0.156	0.006	
5049	1.60	12	4.1	0.021	0.442	0.013	
5050	1.60	65	3.5	0.047	0.130	0.008	
5051	1.30	5	2.0	0.027	0.334	0.005	
5052	1.30	12	4.4	0.057	0.264	0.005	
5053	1.20	7	1.0	0.010	0.119	0.004	
5054	1.10	65	35.8	0.066	0.338	0.013	La Frazada vein-breccia.
5055	1.60	13	2.4	0.023	0.163	0.006	
5056	1.10	25	10.3	0.108	0.548	0.014	
5057	1.90	55	55.0	1.114	4.926	0.126	La Frazada vein-breccia.
5058	1.50	77	33.9	0.505	1.605	0.039	La Frazada vein-breccia.
5059	1.70	11	6.2	0.064	0.379	0.019	
5060	0.70	108	29.9	0.105	0.489	0.007	
5061	1.50	10	11.8	0.100	0.529	0.010	
5062	1.50	23	16.8	0.299	1.512	0.024	
5063	1.50	11	9.8	0.055	0.146	0.009	
5064	1.50	16	9.0	0.195	0.362	0.026	
5065	1.10	12	1.0	0.019	0.095	0.005	
5066	0.70	19	18.9	0.273	0.703	0.019	
5067	1.50	181	405.2	11.944	10.125	0.506	La Frazada vein-breccia.
5068	1.50	33	46.6	1.148	3.031	0.049	
5069	1.40	87	102.7	2.322	6.707	0.290	La Frazada vein-breccia.
5070	1.50	14	11.9	0.107	0.813	0.030	
5071	1.50	163	218.9	12.541	11.997	0.067	La Frazada vein-breccia.
5072	1.70	36	53.6	0.882	3.473	0.029	
5073	1.60	13	6.9	0.039	0.253	0.008	
5074	1.80	29	12.8	0.268	1.126	0.020	
5075	1.80	11	6.9	0.137	1.188	0.021	
5076	1.50	12	1.9	0.023	0.184	0.012	La Frazada vein-breccia.
5077	1.50	34	18.2	0.433	3.461	0.051	
5078	1.70	78	67.3	1.425	9.474	0.134	
5079	1.60	17	3.6	0.062	0.162	0.011	
5080	1.50	19	16.7	0.058	0.244	0.028	
5081	1.40	137	101.2	2.598	11.159	0.095	La Frazada vein-breccia.
5082	1.80	22	5.3	0.188	0.514	0.013	
5083	1.30	15	1.3	0.087	0.398	0.010	
5084	1.20	56	33.1	0.410	3.012	0.046	La Frazada vein-breccia.
5085	2.00	19	21.6	0.611	3.699	0.033	

5086	0.10	25	0.9	0.003	0.031	0.001	
5087	0.08	156	64.0	1.936	2.530	0.252	
5088	1.20	40	10.7	0.330	0.746	0.015	
5089	1.10	132	99.0	1.341	7.762	0.080	La Frazada vein-breccia.
5090	1.50	159	170.0	2.075	4.199	0.110	
5091	1.30	10	3.8	0.034	0.574	0.010	
5092	1.90	90	146.0	1.891	21.148	0.255	La Frazada vein-breccia.
5093	1.60	37	53.0	1.122	11.399	0.052	
5094	1.90	26	14.0	0.176	0.959	0.041	La Frazada vein-breccia.
5095	1.90	42	31.0	0.529	4.399	0.037	
5096	1.50	98	39.9	0.577	2.491	0.053	La Frazada vein-breccia.
5097	1.50	596	51.6	0.705	10.378	0.097	
5098	1.40	57	24.7	0.239	6.593	0.030	
5099	1.50	180	347.1	0.968	5.882	0.108	La Frazada vein-breccia.
5100	1.30	105	89.4	1.411	16.274	0.129	
5101	1.30	24	3.0	0.015	1.209	0.007	
5102	1.60	3	2.0	0.024	0.127	0.004	
5103	1.00	60	57.1	0.149	0.546	0.022	La Frazada vein-breccia.
5104	2.00	71	207.0	0.151	1.121	0.028	
5105	1.50	110	70.3	1.587	10.274	0.152	
5106	1.50	17	2.0	0.028	0.405	0.005	
5107	1.50	33	16.8	0.372	0.725	0.015	
5108	1.40	105	143.6	1.585	8.258	0.188	La Frazada vein-breccia.
5109	1.30	85	70.7	1.528	8.107	0.105	
5110	1.70	16	5.0	0.076	0.413	0.008	
5111	1.80	126	163.2	1.931	5.127	0.093	La Frazada vein-breccia.
5112	0.70	193	282.6	12.082	35.262	0.353	
5113	2.00	18	5.0	0.143	0.857	0.011	
5114	1.00	8	1.0	0.045	0.122	0.005	
5115	1.20	10	<0.5	0.012	0.268	0.004	
5116	1.50	75	81.7	0.153	0.386	0.031	La Frazada vein-breccia.
5117	2.00	31	8.9	0.071	0.198	0.009	
5118	1.10	86	326.5	5.030	16.148	0.287	La Frazada vein-breccia.
5119	2.00	12	3.7	0.036	0.182	0.006	
5120	1.90	27	174.1	3.673	4.819	0.318	La Frazada vein-breccia.
5121	1.50	34	55.2	2.959	3.253	0.191	
5122	1.50	68	117.8	0.392	3.171	0.040	
5123	1.50	24	84.9	0.313	0.630	0.016	
5124	1.70	8	13.7	0.098	0.286	0.008	
5125	1.40	22	6.7	0.058	0.299	0.006	
5126	0.80	10	5.3	0.043	0.187	0.005	
5127	2.00	25	6.3	0.078	0.982	0.007	La Frazada vein-breccia.
5128	1.70	55	40.6	5.600	2.896	0.060	
5129	1.20	19	7.9	0.318	0.155	0.006	
5130	1.10	36	13.9	0.442	1.629	0.012	La Frazada vein-breccia.
5131	1.20	63	14.7	2.065	2.044	0.013	
5132	1.30	22	3.9	0.060	0.407	0.007	
5133	1.10	24	4.9	0.018	0.060	0.006	

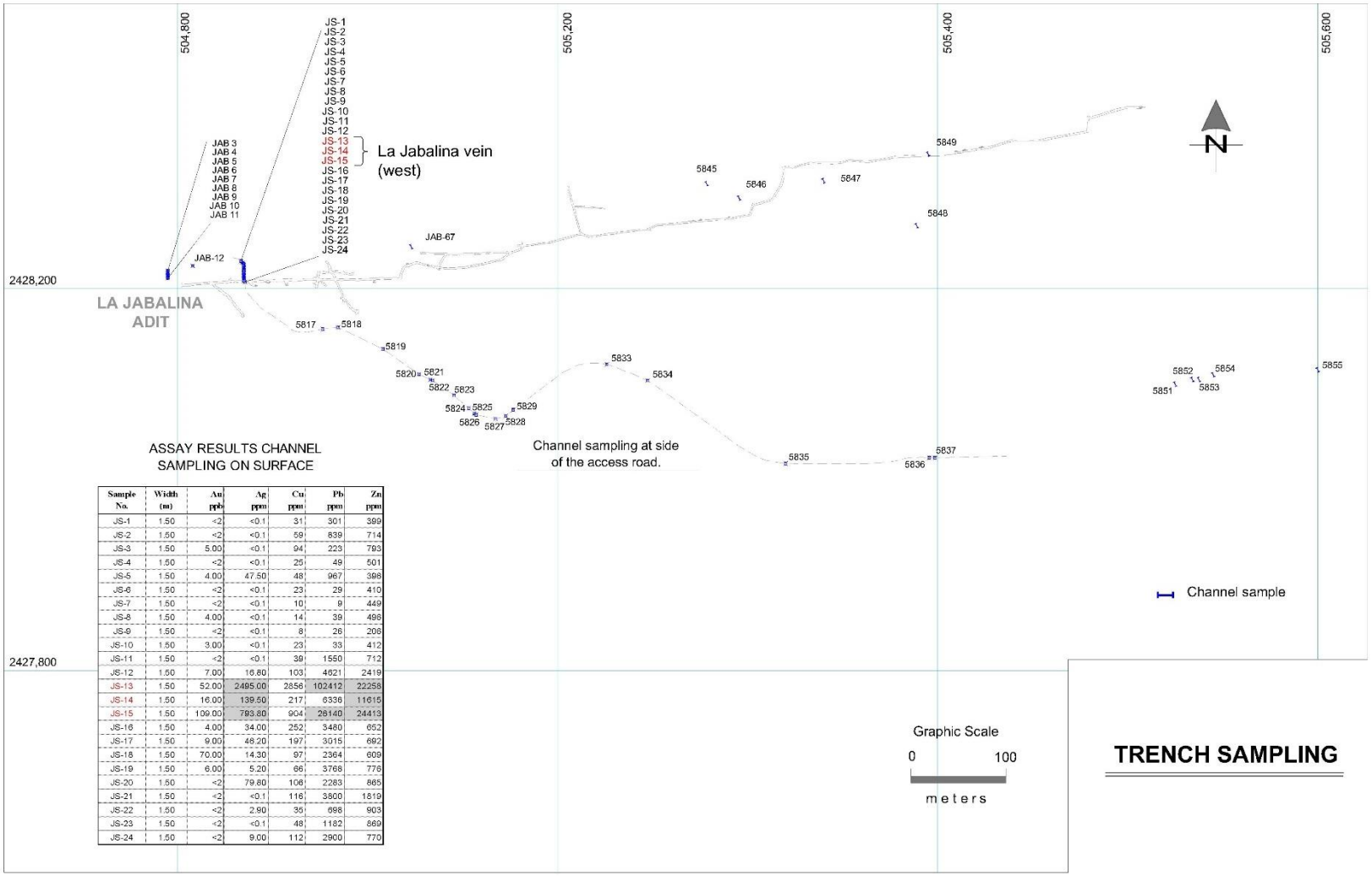
5134	1.50	14	2.0	0.015	0.026	0.003	
5135	1.30	68	108.2	0.618	0.469	0.016	La Frazada vein-breccia.
5136	1.80	<2	2.0	0.007	0.084	0.009	
5137	1.00	9	4.0	0.007	0.225	0.003	
5138	1.60	18	6.9	0.035	0.133	0.005	
5139	1.70	27	12.0	0.051	0.336	0.009	
5140	1.20	140	79.6	0.509	0.997	0.019	La Frazada vein-breccia.
5141	1.30	41	5.0	0.163	0.476	0.011	
5142	2.00	20	6.0	0.130	0.416	0.008	
5143	1.00	352	131.2	2.034	3.496	0.019	La Frazada vein-breccia.
5144	1.10	36	5.0	0.056	0.518	0.013	
5145	1.50	4	1.0	0.009	0.039	0.005	
5146	1.50	<2	1.0	0.006	0.053	0.002	
5147	1.50	<2	1.0	0.008	0.116	0.005	
5148	1.50	63	31.4	0.270	1.553	0.216	La Frazada vein-breccia.
5149	1.20	871	687.8	1.427	5.123	0.491	
5150	1.60	963	200.0	0.964	3.467	0.073	
5151	1.10	193	44.1	0.132	0.477	0.014	
5152	2.00	103	47.4	0.934	2.413	0.090	
5153	1.70	35	14.6	0.316	1.469	0.113	
5154	1.80	59	27.7	0.504	1.833	0.038	
5155	1.30	8	9.4	0.572	0.402	0.141	Mineral vein exposed at the cross-cut of access to La Frazada adit.
5156	1.40	8	18.4	0.584	0.893	0.147	
5157	1.30	1930	349.1	1.526	3.092	0.103	
5158	1.50	44	118.6	3.806	5.758	0.130	Mineral fracture in the access cross-cut.
5159	0.60	13	10.9	0.104	0.441	0.007	
5160	1.20	506	39.7	2.703	10.044	0.154	Sampling along and across the SW extension of the La Frazada adit, developed along a narrow vein, in general 0.30 to 0.90 m width, but diluted at a minimum width of 1 m.
5161	1.00	10	14.8	0.333	0.539	0.087	
5162	2.00	7	1.0	0.015	0.070	0.009	
5163	1.10	8	<0.5	0.010	0.134	0.003	
5164	1.30	105	123.1	0.988	1.803	0.421	
5165	2.00	4	3.5	0.071	0.103	0.042	
5166	1.40	6	4.0	0.091	0.269	0.039	
5167	1.70	10	4.0	0.006	0.011	0.004	
5168	1.50	10	2.0	0.046	0.056	0.007	
5169	1.70	267	82.5	0.278	0.464	0.025	
5170	1.80	82	40.7	0.594	1.137	0.109	
5171	2.00	14	5.0	0.046	0.133	0.011	
5172	2.00	17	20.8	0.096	0.380	0.025	
5173	1.10	N/a	23.2	1.426	1.325	0.207	
5174	0.70	N/a	28.7	0.073	0.419	0.015	
5175	1.00	N/a	4.2	0.023	0.192	0.007	
5176	1.50	N/a	11.9	0.033	0.169	0.013	
5177	1.20	N/a	10.2	0.198	0.349	0.008	
5178	1.50	N/a	5.1	0.056	0.064	0.006	
5179	1.10	N/a	4.9	0.037	0.312	0.012	
5180	1.30	N/a	1.1	0.024	0.129	0.013	
5181	1.20	N/a	9.7	0.040	0.095	0.011	

5182	1.30	N/a	<0.5	0.018	0.235	0.035	
5183	1.30	N/a	5.0	0.022	0.074	0.010	Veins exposed along the cross-cut to the main adit of La Frazada 390 level, in general narrow, but resulted in interest to follow up sample 5184.
5184	3.00	N/a	776.0	0.629	1.518	0.053	
5185	2.00	N/a	65.1	0.034	0.053	0.040	
5186	1.50	N/a	26.5	0.020	0.212	0.039	
5187	1.50	N/a	2.9	0.013	0.234	0.017	
5801	1.50	144	161.6	2.304	6.768	0.128	Dumps within the La Frazada adit.
5802	1.50	32	86.8	0.270	1.891	0.034	
5803	1.50	37	8.9	0.081	1.082	0.007	
5804	1.50	82	298.7	1.340	0.558	0.091	
5805	1.50	58	358.1	0.884	0.156	0.050	
5806	1.50	117	170.1	7.151	15.612	0.177	
5807	1.50	40	40.5	0.937	5.789	0.064	
5808	1.50	84	375.9	13.051	10.102	0.103	
5809	1.50	143	130.0	0.899	8.893	0.114	
5810	1.50	26	36.4	0.384	1.134	0.026	
5811	1.50	52	92.7	0.872	3.731	0.033	
5812	1.50	67	36.6	0.253	1.043	0.055	
5813	1.50	99	28.7	0.247	0.875	0.033	
5814	1.50	47	50.8	0.182	0.609	0.046	
5815	1.50	194	46.5	0.586	2.266	0.114	
5816	1.50	16	14.7	0.131	0.506	0.057	

All the samples without a description were taken in the stopes, shafts and parallel tunnels found in the La Frazada adit.
Table provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Silvermex did not conduct any diamond drilling during its 2008 exploration program.

Figure 6.4
Silvermex Exploration Program Trench Locations for the La Jabalina Vein



ASSAY RESULTS CHANNEL SAMPLING ON SURFACE

Sample No.	Width (m)	Au ppb	Ag ppm	Cu ppm	Pb ppm	Zn ppm
JS-1	1.50	<2	<0.1	31	301	399
JS-2	1.50	<2	<0.1	59	839	714
JS-3	1.50	5.00	<0.1	94	223	793
JS-4	1.50	<2	<0.1	25	49	501
JS-5	1.50	4.00	47.50	48	967	398
JS-6	1.50	<2	<0.1	23	29	410
JS-7	1.50	<2	<0.1	10	9	449
JS-8	1.50	4.00	<0.1	14	39	496
JS-9	1.50	<2	<0.1	8	26	206
JS-10	1.50	3.00	<0.1	23	33	412
JS-11	1.50	<2	<0.1	39	1550	712
JS-12	1.50	7.00	16.80	103	4621	2419
JS-13	1.50	52.00	2495.00	2856	102412	22258
JS-14	1.50	16.00	139.50	217	6336	11615
JS-15	1.50	109.00	793.80	904	28140	24413
JS-16	1.50	4.00	34.00	252	3480	652
JS-17	1.50	9.00	46.20	197	3015	692
JS-18	1.50	70.00	14.30	97	2364	609
JS-19	1.50	6.00	5.20	66	3768	776
JS-20	1.50	<2	79.80	108	2283	865
JS-21	1.50	<2	<0.1	116	3800	1819
JS-22	1.50	<2	2.90	35	698	903
JS-23	1.50	<2	<0.1	48	1182	869
JS-24	1.50	<2	9.00	112	2900	770

Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Figure 6.5
Channel Sampling Program La Jabalina Vein West Map 1

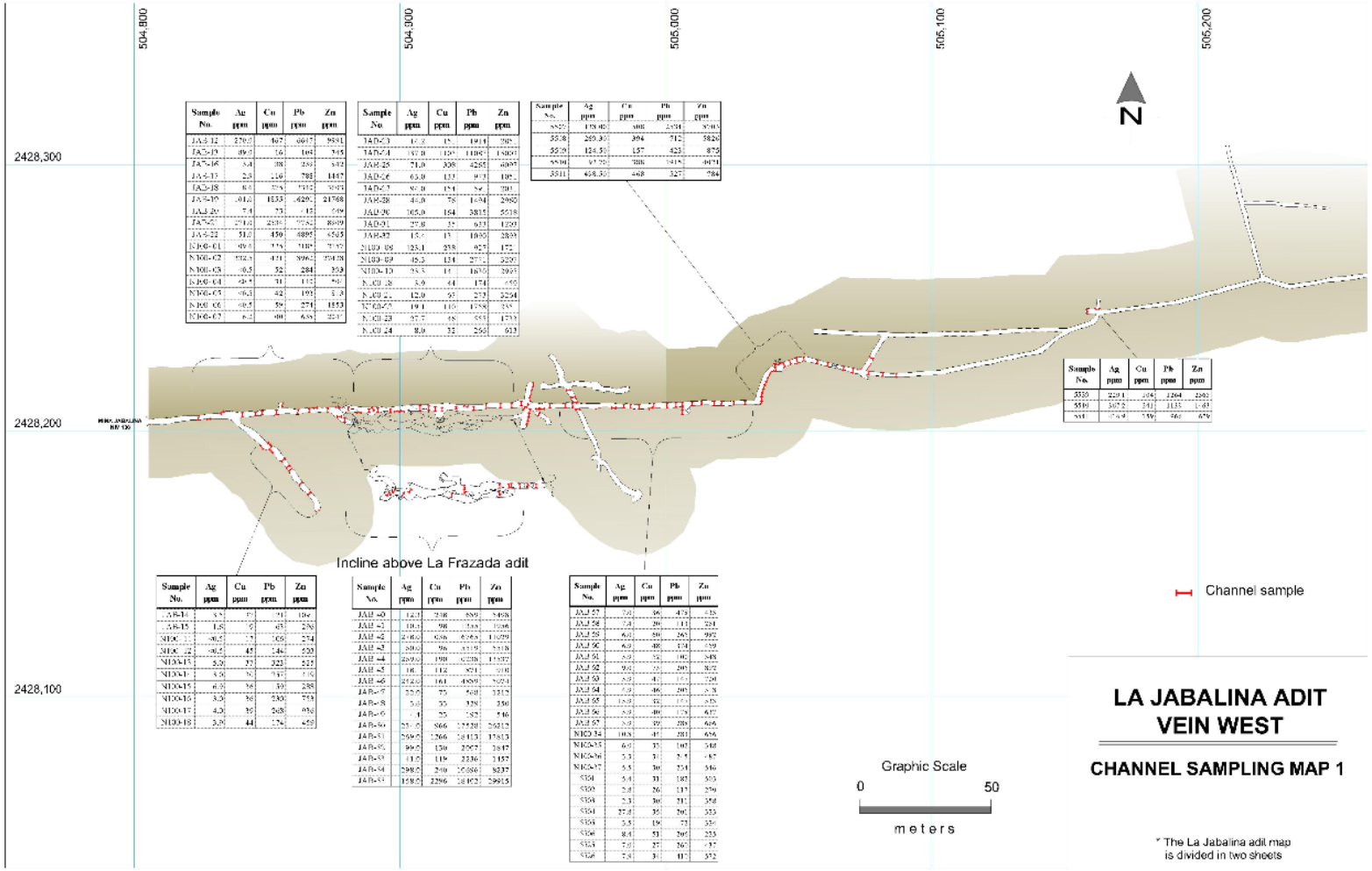


Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Figure 6.6
Channel Sampling Program La Jabalina Vein West Map 2

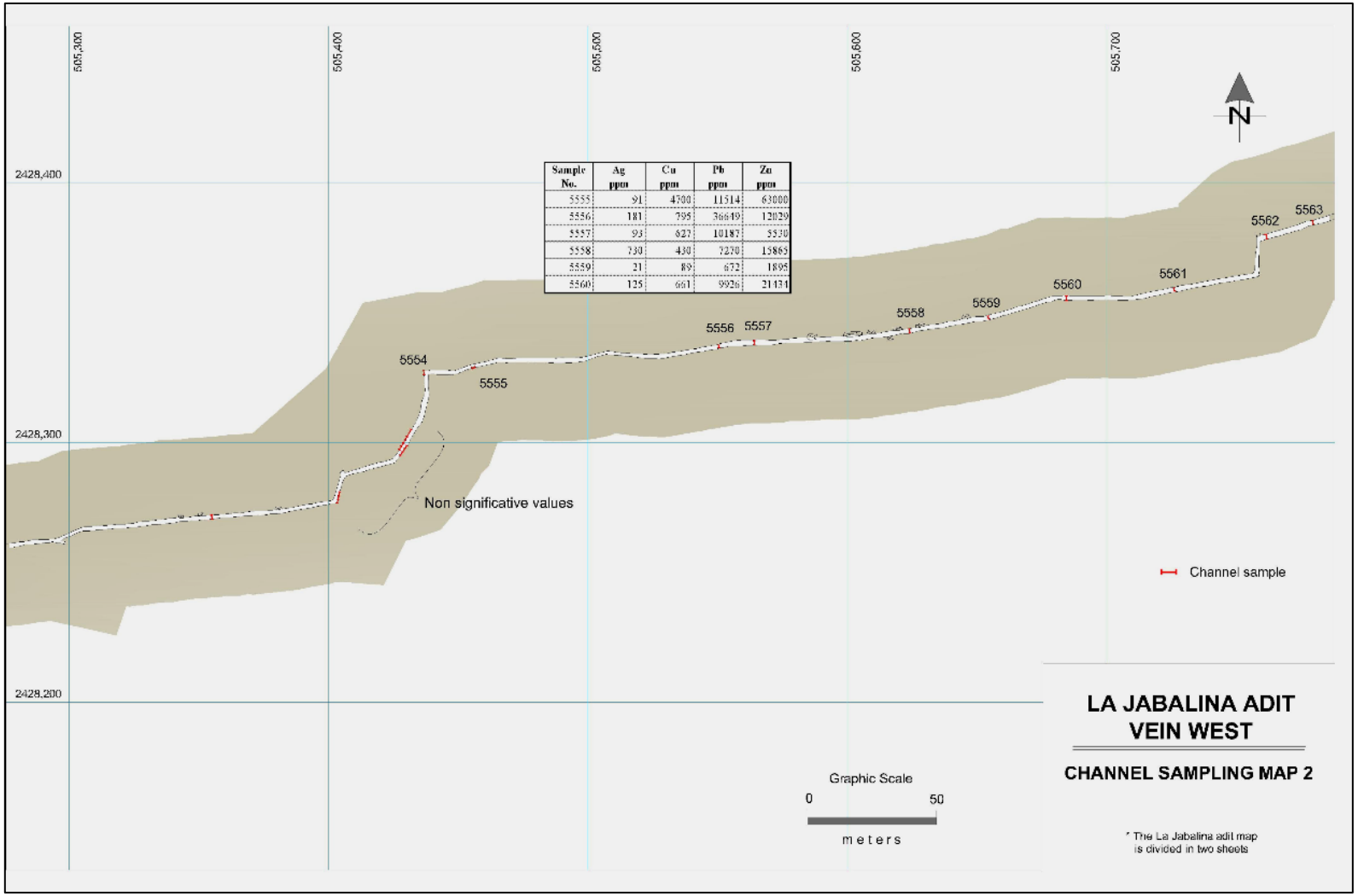
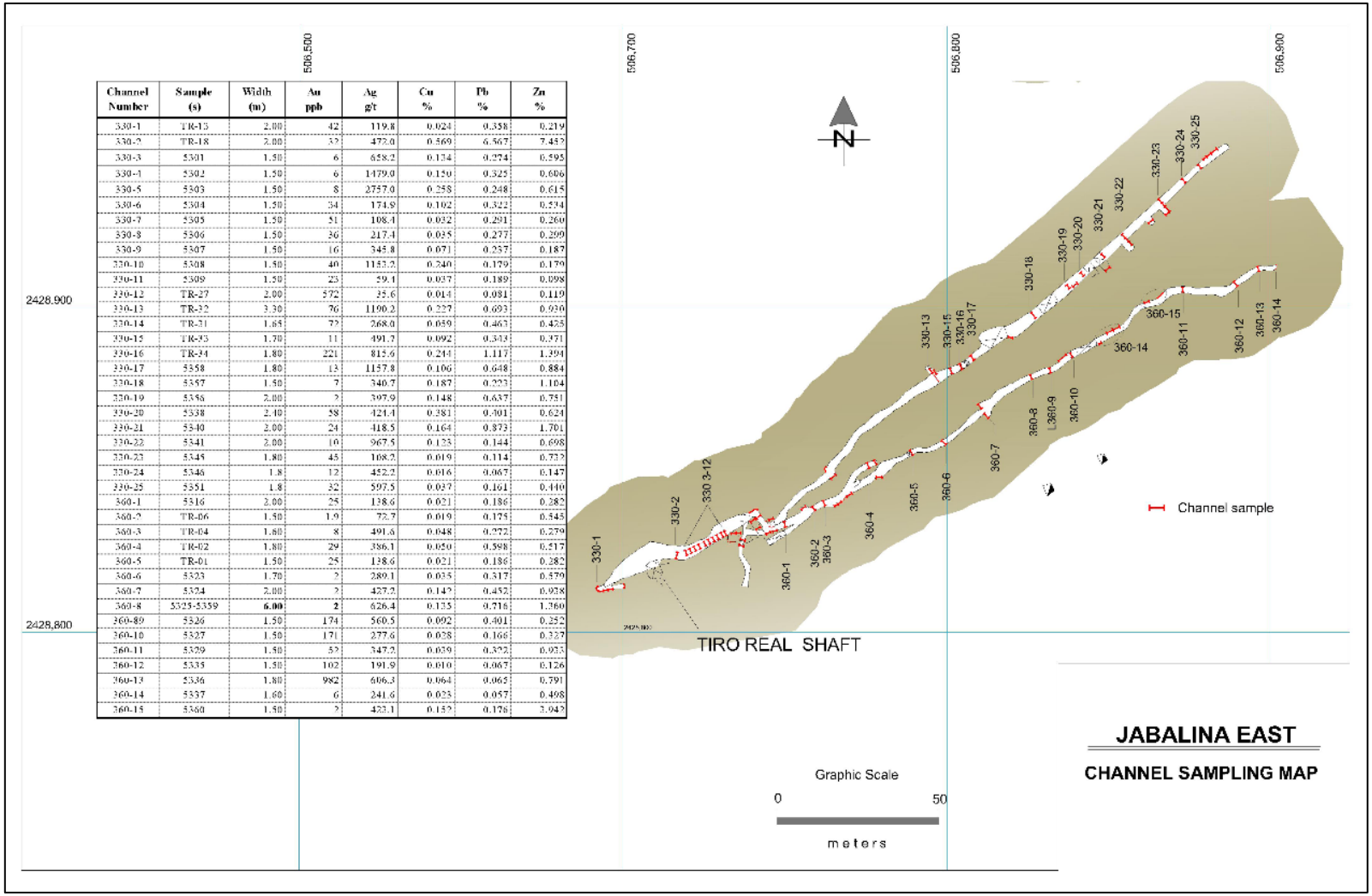


Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. from the 2008 Technical Report.

Figure 6.7
Channel Sampling Program La Jabalina Vein East-Tiro Real



Channel Number	Sample (s)	Width (m)	Au ppb	Ag g/t	Cu %	Pb %	Zn %
330-1	TR-13	2.00	42	119.8	0.024	0.358	0.219
330-2	TR-18	2.00	33	472.0	0.569	6.567	7.457
330-3	5301	1.50	6	658.2	0.134	0.274	0.595
330-4	5302	1.50	6	1479.0	0.150	0.525	0.606
330-5	5303	1.50	8	2757.0	0.258	0.248	0.615
330-6	5304	1.50	34	174.9	0.102	0.322	0.534
330-7	5305	1.50	51	108.4	0.032	0.291	0.260
330-8	5306	1.50	36	217.4	0.035	0.277	0.299
330-9	5307	1.50	16	345.8	0.071	0.237	0.187
330-10	5308	1.50	40	1153.2	0.240	0.179	0.179
330-11	5309	1.50	23	59.1	0.037	0.189	0.098
330-12	TR-27	2.00	572	35.6	0.014	0.081	0.119
330-13	TR-32	3.30	76	1190.2	0.227	0.693	0.930
330-14	TR-31	1.65	72	268.0	0.059	0.463	0.425
330-15	TR-33	1.70	11	491.2	0.092	0.343	0.371
330-16	TR-34	1.80	221	815.6	0.241	1.117	1.394
330-17	5358	1.80	13	1157.8	0.106	0.648	0.884
330-18	5357	1.50	7	340.7	0.187	0.223	1.104
330-19	5356	2.00	2	397.9	0.148	0.637	0.751
330-20	5338	2.40	58	121.4	0.381	0.301	0.624
330-21	5340	2.00	24	418.5	0.164	0.873	1.701
330-22	5341	2.00	10	967.5	0.123	0.144	0.698
330-23	5345	1.80	45	108.2	0.019	0.114	0.733
330-24	5346	1.8	12	452.2	0.016	0.067	0.147
330-25	5351	1.8	32	597.5	0.037	0.161	0.440
360-1	5316	2.00	25	138.6	0.021	0.186	0.282
360-2	TR-06	1.50	1.9	72.7	0.019	0.175	0.545
360-3	TR-04	1.80	8	491.6	0.048	0.272	0.279
360-4	TR-02	1.80	29	386.1	0.050	0.598	0.517
360-5	TR-01	1.50	25	138.6	0.021	0.186	0.282
360-6	5323	1.70	2	289.1	0.035	0.317	0.579
360-7	5324	2.00	2	427.2	0.147	0.452	0.938
360-8	5325-5359	**6.00**	**2**	626.4	0.135	0.716	1.360
360-89	5326	1.50	174	560.5	0.092	0.401	0.252
360-10	5327	1.50	171	277.6	0.028	0.166	0.327
360-11	5329	1.50	53	347.2	0.039	0.392	0.933
360-12	5335	1.50	102	191.9	0.010	0.067	0.126
360-13	5336	1.80	982	606.3	0.064	0.065	0.791
360-14	5337	1.60	6	241.6	0.023	0.057	0.498
360-15	5360	1.50	2	423.1	0.152	0.176	3.042

Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. from the 2008 Technical Report.

Figure 6.8
Channel Sampling Program La Frazada Vein 390 Level

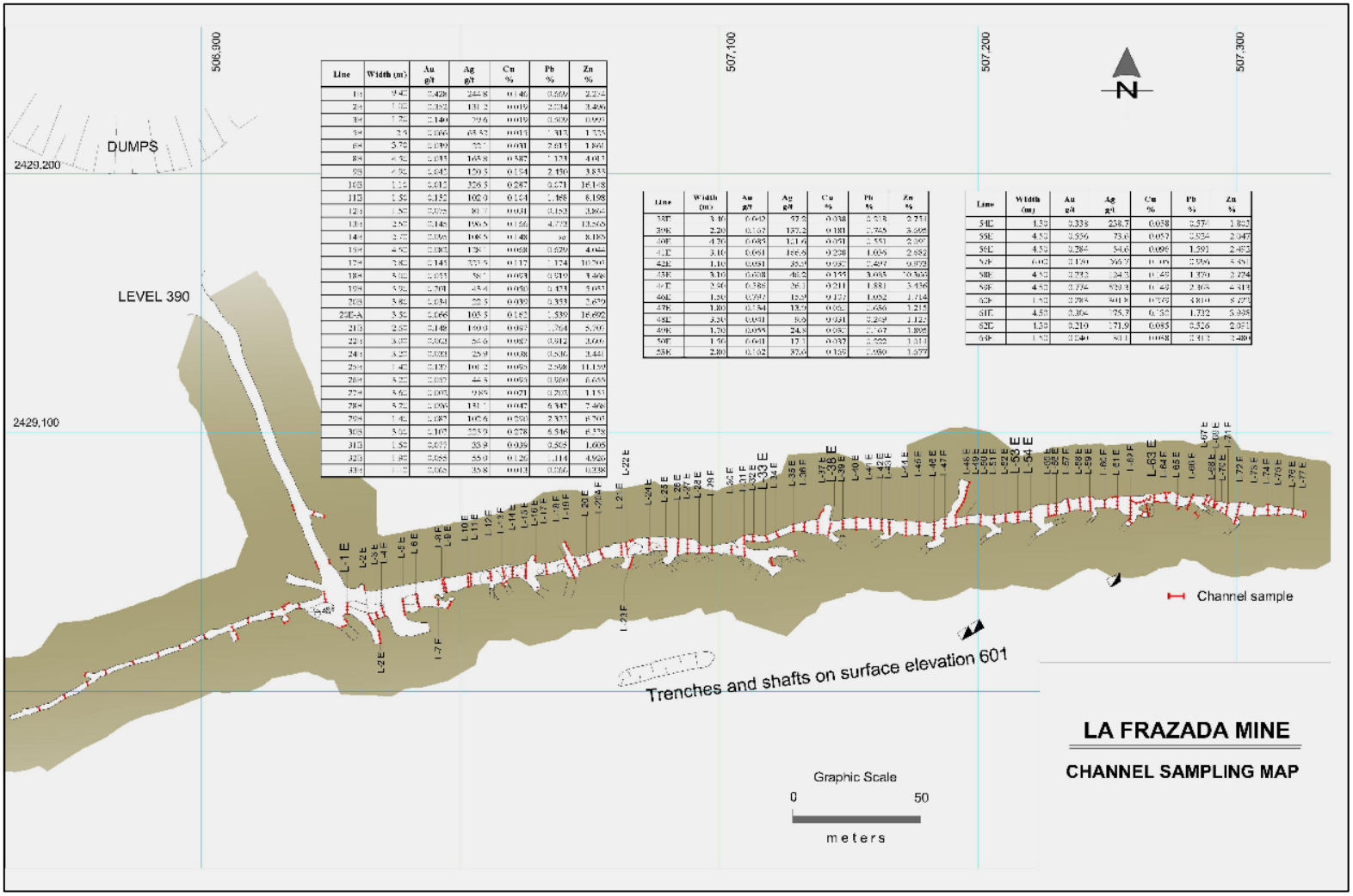


Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. from the 2008 Technical Report.

6.1.4 Sampling Method and Approach for the 2008 Silvermex Program

Silvermex conducted an initial exploration program on the property in 2008 and instituted sampling procedures for the surface and underground sampling program as a result. Micon has examined the sampling procedures that were utilized for the collection of the samples during its site visit and during discussions with Silvermex in 2008. Micon is satisfied that the sampling procedures were accurately carried out and constitute best practices.

A total of 729 channel samples were taken along approximately 3,048 m of underground workings. Prior to sampling geological mapping was conducted in order to identify the mineralized zones along the drifts which were presumably developed along the strike of the zones. After the mapping was concluded a program of systematic sampling was conducted in order to identify the values of the mineralization across and along the strike of the structures. The samples taken varied from 1 m to 2 m length but the average length was 1.5 m.

For each mineral zone, systematic channel samples were taken as follows:

In the La Jabalina adit and the internal incline three mineralized shoots were identified which were 90, 50 and 25 m length. The channel samples were taken across the mineralized structures at 4 m intervals along the strike of the shoots. A total of 233 channel samples averaging 1.50 m in length and 0.15 m wide were taken using a chisel and hammer.

For the La Jabalina west vein mapping and systematic channel sampling were conducted on both levels demonstrating the presence of the mineralized structure which varied in width from 0.50 m to 2.50 m over a strike length of 90 m.

Mapping and systematic channel sampling were extended along the entire adit which includes the cross-cuts that intersect mineral structures belonging principally to the La Jabalina vein displaced by northwest-southeast and north-south faulting. At a distance of 230 m from the adit, a cross-cut striking N30°E intersected 6.0 m of mineralized structure grading 0.397 g/t gold and 226.6 g/t silver, appearing to correspond to the La Jabalina vein which has been displaced laterally. The 6 m interval includes a 2.20 m wide sample grading 1.22 g/t gold and 498 g/t silver.

Further mapping and channel sampling along the drift at a distance of 370 m from the adit revealed another mineralized zone averaging 0.170 g/t gold and 350 g/t silver over a 3.50 m width. The width mentioned is along the cross-cut but the true was reduced to 2.50 m once the strike of the vein was considered.

Along the remainder of the La Jabalina drift there exist some isolated mineral occurrences which in some cases consist of massive sulphides that are associated with very narrow veins and veinlets. The host rock changes at depth to andesite tuffs or flows which are generally very fractured giving them the aspect of a large breccia with sulphide veinlets. For the purposes of the resource estimation and mapping, this portion of the La Jabalina vein has been re-named the La Jabalina West vein by Silvermex.

Along the La Jabalina-Tiro Real adit, 112 channel samples averaging 1.50 m in length were taken to evaluate the mineralization along both the drifts and the incline. In some cases, where there were access problems, samples of only 1.0 m in length were taken. The geological mapping conducted in this area indicates that the mineralized structure is continuous but that it had been partially mined previously.

The eastern extreme of the La Jabalina vein is exposed at the La Jabalina East mine, located immediately north of the Real de Zopilote, 2,000 m to the east of the La Jabalina adit and 260 m above it. The original name for this setting of underground workings was the El Zopilote mine. The workings consist of a shaft known as the Tiro Real shaft, reported to be 160 m in depth, and several horizontal drifts (adits) and cross-cuts. The horizontal drifts and cross-cuts are now accessible after having been cleaned up by Silvermex. It is now possible to access at least two levels, the 360 level and through this, the 330 level via an incline. The level numbers are relative to their height above sea level. Above the 360 level the stopes are large and extended across the width of the mineralized system which indicates that the production from this part of the old mine was significant. The Tiro Real shaft is inaccessible at depth because it is filled with waste and mineralized dump material.

Geology mapping and systematic channel sampling were conducted along 240 m of the 360 level and 193 m of the 330 level. On both levels, where the La Jabalina east vein is exposed it exhibits a strike of between N56° to 62°E with a dip from 75° to 80° to the northwest. The width of the vein along the drifts is in the order of 1 m to 1.5 m, but a breccia zone was found to be located both in the hangingwall and the footwall. In the breccia zone sulphides form a stockwork zone which when joined with the La Jabalina vein reaches up to 6 m wide and contains significant values. The silver grades along of the 360 level returned the highest values such as 2.7 kg/t silver over a width of 1.5 m with an aggregate value based on the presence of 1% to 2% lead, zinc and copper combined. It appears that the best silver values on the property are located in this portion of the La Jabalina vein.

In the La Frazada adit, a total of 354 channel samples were taken. The geological mapping previously identified that the mineralization is continuous along strike in the easterly direction. Therefore, the systematic channel sampling was conducted to identify the distribution of the mineralization and its grade. The average length of the sampling was of 1.50 m.

The channel sampling procedures respect the mineralization and geology with the length of the sample dependent on the extent of the mineralization and geological boundaries between separate units. In general, smaller samples are taken in the zones of mineralization than in un-mineralized areas.

Channel sampling can at times be a somewhat selective sampling method since it is occasionally difficult to take a representative sample due to the hardness of the material being sampled. However, the practice of channel sampling is common around the world for underground deposits and the practice of systematically sampling the faces, backs or walls of the development drifts tends to generate a very large set of samples which is in most cases

statistically representative of the material being sampled. Chip sampling is a routine sampling method used in mines in order to identify ore and waste development rounds.

Micon reviewed Silvermex's channel sampling procedures for both the underground and surface sampling during its 2008 site visit and in discussions with Silvermex's geological personnel. Micon believes that the chip sampling procedures used by Silvermex are conducted in a manner such that they are representative of the mineralization identified at the La Frazada property, and they meet the current industry best practices guidelines for this type of sampling. Therefore, Micon believes that they can be used for the preliminary resource estimations conducted on the La Frazada property.

Due to the large number of samples and composites which were relevant to Silvermex's resource estimate it is not possible to tabulate all of these. However, a selection of the relevant sampling results, from a number of veins, was summarized in Tables 6.1, 6.2 and 6.3 during the discussion related to the exploration results.

6.1.5 Sample Preparation, Analyses and Security for the 2008 Silvermex Program

6.1.5.1 Sample Collection and Transportation

The exploration program of geological mapping and sampling was conducted by a team of three geologists under the close supervision of the Silvermex/Terra Plata staff geologist in charge of the program at the site. The geologists were responsible for the integrity of the samples from the time they were taken until they were delivered to the preparation facilities in Hermosillo, Sonora.

Systematic Channel Sampling

A total of 729 channel samples were collected from the La Jabalina (east and west) and La Frazada veins exposed in three separate underground workings. All samples were collected along channels with the samples from 1 to 2 m (averaging 1.5 m) in length and 0.15 m wide. Prior to conducting the sampling the surface of the walls or back of the tunnel was cleaned using a heavy duty rock chisel and a crack hammer (3-4 lbs). The surface was cleaned to eliminate the cover of oxides and carbonates recently formed due to water flow through the fractures in the rock which carries minerals in solution that are precipitated on the rock surface as a result of their contact with oxygen in the underground drifts. The distribution of the channel sampling was based on the geological mapping and the locations of the sample lines were marked with paint at regularly spaced intervals of 5 m along the drifts. Each sample line is well marked in the drift with the sample number for each sample along the line marked on the back and on the walls of the drift. The channel samples were taken using the same crack hammer and rock chisel as were used for the cleaning. The objective of the sampling was to obtain regular fragments which were collected on a canvas pad. The sampling was conducted by three helpers under the close supervision of a Silvermex geologist. Stairs, scaffolding and other safety equipment were used when taking the samples in order to maximize efficiency and safety when sampling and to have confidence in the results.

After each individual sample was taken, the contents of the canvas pad were discharged into a plastic bucket to be transported to surface and prepared for shipment to the preparation facilities. The estimated weight for each sample was in the order of 8 to 10 kg. Preparation of the sample consisted of manual crushing to obtain a fragment size of -1/4 inch after which the sample was homogenized and passed through a 1 inch wide riffle splitter once to obtain two samples of 4 to 5 kg. The original sample was sent to the laboratory while the second remained in the La Frazada camp as witness sample. The geologist or one of the helpers, under the supervision of the geologist, had previously marked the name of the adit and the number of each sample on the plastic sample bags and the sample tag was inserted into the bag containing the original sample. Both bags were closed and sealed with plastic tie wraps and the transported to the La Frazada camp to await shipment to the laboratory preparation facilities in Hermosillo.

All samples were prepared using this methodology at the individual adit sites by the Silvermex/Terra Plata staff geologists and their assistants and at the end of the day the samples were loaded onto the geologists vehicles and transported to the camp facilities in the town of Real de Zopilote.

Periodically a truck was dispatched to the city of Tepic in order to ship the samples to the Sonora Sampling Preparation (SSP) facilities in the city of Hermosillo, by courier. For shipment, 6 to 10 samples were packed sequentially in a large bag previously marked with the name, address of destination and the number of samples inside each bag and then the bags were delivered to the courier's office. The maximum time to deliver the samples to their destination in Hermosillo, was three days.

General Procedures

No blank and standard reference material samples were inserted into the sample sequence during the exploration program.

During the exploration program the insertion of the duplicate samples was omitted. However, an analysis of the database was conducted and then SSP was instructed to prepare duplicate pulps of a series of 29 samples, corresponding to the duplicate insertion rate of 1 for every 25 samples. Due to problems at the preparation laboratory 4 duplicate samples were lost in transit between Mexico and Canada.

In this case, the original sample was subject to a further split when the sample was dry and crushed to a finess of minus 10 mesh. The duplicate samples were given the same number as the original sample but with the letter B affixed to it. The samples were then sent as a different job order from SSP and with a later shipment date than the original samples. For the purpose of assaying Silvermex believes that the laboratory did not know it was receiving duplicate samples.

Silvermex has selected ALS-Chemex as its secondary assay laboratory which will conduct the check assays on a number of samples in order to conduct a comparison with the IPL assay

results. ALS-Chemex is an assay laboratory that charges based upon the work conducted on each sample and is independent of Silvermex. ALS-Chemex is either certified to ISO 9001:2008 or accredited to ISO 17025:2005 in all of its locations.

Sonora Sampling Preparation Facilities (SSP)

International Plasma Laboratories (IPL) based in Richmond, B. C., Canada, conducts its sample preparation through the Sonora Sampling preparation facilities in Hermosillo. While SSP still does not have its own ISO certification, it operates under the IPL ISO certification and full time supervision of the SSP facilities is reportedly conducted by IPL personal. IPL is an assay laboratory that charges based upon the work conducted on each sample and is independent of Silvermex.

IPL is officially registered and certified with the BC Ministry of Environment, Land and Parks and the Canadian Association for Environmental Analytical Laboratories. IPL also takes part in regular CEAL performance evaluation programs. Since October, 1997, it has participated in the Proficiency Testing Program for Mineral Analysis Laboratories (PTP-MAL) which is offered by CANMET. KPMG Quality Registrar Inc. (KPMG.QRI) approved IPL's quality system (ISO 9002:1994) in November, 1997. Intertek Testing Services NA Ltd. approved IPL's quality system (ISO 9001:2000) in November, 2003.

Once the samples arrive at the SSP facility in Hermosillo, they undergo the following process:

Stage 1: Sample Reception

When the samples are received, the client is also asked to deliver a requisition sheet, which must detail the type of analysis, preparation code, address to which the results and receipt are to be delivered, as well as any special instruction.

Once the client agrees to the above, a control number is provided to the client along with a stamped and signed copy of what was requested and delivered.

In cases where samples are received without an accompanying requisition they are not processed until the requisition is received.

Stage 2: Arrangement, Weighing and Drying of Samples

At this stage the samples are arranged. If during this process it is observed that the bags in which the samples are stored are in poor condition, the samples are immediately deposited in new bags, labelled, and the original bag the client used is deposited in the bag as additional proof. This is done in order to avoid contamination of the sample.

Every sample is weighed and the information is described on forms which the preparation laboratory calls oven forms. The samples are set on stainless steel sheets, which are free

of contamination, and they are arranged in order on special heat resistant cars, which are numbered to avoid confusion.

Samples in the oven are subjected to a temperature of 60º C (for both soil and rock) for 4 hours to dry the sample. In some cases, if the samples are very wet they may be left in the oven for longer periods.

Once the samples are removed from the ovens, they are allowed to cool for a half hour after which they proceed to the packaging area where they are arranged according to the client's order specifications. From this point the samples proceed to stage 3.

Prior to starting work on the samples all equipment is adjusted and calibrated in order to obtain the maximum levels of efficiency and accuracy during the sample preparation.

Stage 3: Crushing

Once it is verified that the samples are completely dry and arranged chronologically, they proceed to the crushing area where they are crushed using a Rhino jaw crusher.

During the crushing process the sample is crushed completely to a size of 75% passing a 10 mesh screen.

After the crushing has been completed the sample is then passed through a Jones Riffle Splitter where it is split to obtain a 250 g portion which is deposited in an envelope that has been previously marked with the sample identifier.

The jaw crushers are cleaned between samples by passing gravel through them.

Stage 4: Pulverization

Once the sample arrives in the pulverization area it is deposited in a Labtech stainless steel ring pulverization unit. The pulverization ring unit is used to process the sample so that it meets a fineness of 95% passing 150 mesh.

Once the pulverization process is complete the sample is placed in a clean container from which 100 g of the sample are obtained and deposited in a new envelope that was previously marked with the client's sample designation. The remaining portion of the pulverized sample is deposited in a separate envelope which has also been marked with the client's sample designation. This second envelope is retained as a reference.

The pulverizers are cleaned between samples with gravel.

Stage 5: Sample Storage

Once the sample preparation process ends, the samples are deposited in clean sacks which are marked with the name of the client / company, a control number and the details of the samples deposited in the sack.

Once the sacks are ready, they are stored in Sonora Sampling's warehouse, pending delivery to the assay laboratory.

Stage 6: Shipping

The assay samples are packed in cardboard carton boxes, which also contain a copy of the requisition from the client. The boxes are sealed, and labelled with the specific laboratory to which DHL or United Parcel Services (UPS) is delivering the samples.

Once the samples are shipped, a list of the boxes in the shipment, specifying the samples sent in each box, date of the shipment, and tracking number given by DHL or UPS (or waybill number), is sent by e-mail and/or fax to the client. This procedure enables the client to have all of the information necessary to track the pulp samples.

Stage 7: Delivery of Assay Results

The delivery of the assay results is done electronically to each client or by the method requested by the client.

The IPL assaying procedure used to analyze the La Frazada project channel samples was P1720 ICP(MuAc)30. This assay procedure consists of a multi-acid digestion using 4 acids and Inductively Coupled Plasma-Atomic Emissions Spectrometry Analysis (ICP-AES). This digestion method is suitable for high sulphide/oxide/silicate content mineral samples and is especially good for elements such as silver, lead, zinc, copper, barium, tungsten, titanium, calcium, magnesium, potassium, sodium, etc.

In this procedure, 0.5 g is digested with nitric, perchloric, hydrofluoric and hydrochloric acids, and then evaporated to incipient dryness. Hydrochloric acid and demineralized water are added for further digestion, and the sample is heated for an additional allotted time, cooled and transferred to a 100-millilitre (mL) volumetric flask. The resulting solution is diluted to volume with demineralized water, homogenized and the solution is analyzed by ICP-AES.

The check assays were conducted by ALS-Chemex using four-acid digestion, and ICP-AES.

6.1.6 Results of the QA/QC Program

6.1.6.1 Check Assaying

Originally Silvermex requested that IPL deliver to the ALS-Chemex laboratory in Vancouver 36 samples pulps for check assaying. However, IPL's response to Silvermex's requirement was delayed for several weeks and it finally delivered 13 of the requested pulps since the remaining samples had been either misplaced, lost or were forgotten when the order was sent out.

The check samples were from the three underground workings and were comprised of mineralized material from the veins as well as samples which were derived from the low grade breccias in the hangingwall and footwall of the vein system and barren zones along the same vein system.

Table 6.4 show the correlation between the mean grade for the IPL assays and ALS-Chemex assays for silver, lead, zinc and copper for the 13 check samples. Table 6.5 summarizes the assays for the individual check samples (including the missing check samples) that IPL was requested to send to ALS-Chemex.

Table 6.4
Check Assay Results for the 2008 La Frazada Exploration Program

Description	Silver	Lead	Zinc	Copper
Number of Samples	13	13	13	13
IPL Analytical Mean Grade	58.9 g/t	0.573 ppm	0.918 ppm	.0290 ppm
ALS Analytical Mean Grade	55.5 g/t	0.543 ppm	0.878 ppm	.0320 ppm
Difference Between Means	3.39 g/t	0.030 ppm	0.041 ppm	-0.003 ppm
Mean Differences %	5.76	5.27	4.43	-10.75
Correlation Factor	0.9989	0.9995	0.9992	0.997

Table provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Table 6.5
Individual Check Assay Results for the 2008 La Frazada Exploration Program

Cons	Sample Location	Sample Number	IPL ASSAYS				ALS-CHEMEX ASSAYS			
			Silver (g/t)	Lead (%)	Zinc (%)	Copper (%)	Silver (g/t)	Lead (%)	Zinc (%)	Copper (%)
1	La Jabalina	JS-17	46.2	0.302	0.069	0.020				
2	La Jabalina	JAB-27	94.0	0.059	0.203	0.015				
3	La Jabalina	JAB-33	6.2	0.026	0.067	0.004				
4	La Jabalina	JAB-48	3.6	0.033	0.025	0.003				
5	La Jabalina	JAB-50	234.0	1.753	2.621	0.097				
6	La Jabalina	JAB-67	3.9	0.029	0.067	0.004				
7	La Jabalina	N100-28	10.0	0.063	0.208	0.009				
8	La Jabalina	TR-23	374.1	4.550	0.712	0.182	345.0	4.300	0.660	0.208
9	La Jabalina	5520	11.9	0.034	0.052	0.003	13.0	0.060	0.060	0.006
10	La Jabalina	5554	5.8	0.091	0.248	0.011				
11	La Jabalina	5830	42.6	0.017	0.010	0.002	43.0	0.020	0.020	0.002
12	La Jabalina	5832	0.5	0.003	0.014	0.002	2.0	0.010	0.010	0.001
13	La Frazada	FZ-19	56.0	0.156	0.870	0.018				
14	La Frazada	FZ-27	82.0	1.538	5.751	0.121				
15	La Frazada	FZ-45	3.0	0.012	0.068	0.003				
16	La Frazada	FZ-75	283.6	1.681	3.648	0.089				
17	La Frazada	N390-35A	29.2	0.557	2.111	0.131				
18	La Frazada	N390-91	2.7	0.004	0.035	0.003				

19	La Frazada	5054	35.8	0.066	0.338	0.013				
20	La Frazada	5057	55.0	1.114	4.926	0.126				
21	La Frazada	5059	6.2	0.064	0.379	0.019				
22	La Frazada	5060	29.9	0.105	0.489	0.007	24.0	0.120	0.470	0.008
23	La Frazada	5062	16.8	0.299	1.512	0.024	13.0	0.260	1.400	0.026
24	La Frazada	5089	99.0	1.341	7.762	0.080	83.0	1.190	7.230	0.077
25	La Frazada	5110	5.0	0.076	0.413	0.008	9.0	0.090	0.390	0.009
26	La Frazada	5129	7.9	0.318	0.155	0.006	10.0	0.300	0.150	0.006
27	La Frazada	5151	44.1	0.132	0.477	0.014	46.0	0.130	0.450	0.014
28	La Frazada	5173	23.2	1.426	1.325	0.207				
29	La Frazada	5805	358.1	0.884	0.156	0.050				
30	Tiro Real	TR-34	815.6	1.117	1.394	0.244				
31	Tiro Real	5305	108.4	0.291	0.260	0.032	100.0	0.240	0.220	0.033
32	Tiro Real	5315	22.9	0.270	0.064	0.013	24.0	0.240	0.070	0.014
33	Jab West	5524	3.0	0.019	0.020	0.002	10.0	0.100	0.280	0.010
34	Tiro Real	5362	24.5	0.059	0.144	0.014				
35	Tiro Real	5374	3.0	0.027	0.028	0.004				
36	Tiro Real	5376	12.9	0.017	0.016	0.006				

Table provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008, Technical Report.

The correlation for check assay results between IPL and ALS-Chemex appears to be very good but the reader should be cautioned that the number of check samples is small compared to the number of samples taken during the program and a larger number of samples is needed for a more meaningful analysis.

6.1.6.2 Duplicates

A total of 29 samples were selected to be included as duplicate samples in order to check IPL's assaying techniques. As previously mentioned these samples were selected after the exploration field work was completed. The samples were selected based on the results generated by the original assaying, with the number of samples based on obtaining a duplicate for every 25 samples taken during the exploration program. However, 4 of the duplicate samples were lost in transit and a total of 25 sample duplicates were assayed for silver, lead, zinc and copper.

Table 6.6 summarizes the results and the comparison between the duplicate assays for silver, lead, zinc and copper. Table 6.7 provides the results of the individual assays for the duplicate sample pairs for silver.

Table 6.6
Summary of the Duplicate Assay Results for the 2008 Exploration Program

Descriptions	Silver Assays		Lead Assays		Zinc Assays		Copper Assays	
	Orig. (g/t)	Dupl. (g/t)	Orig. (%)	Dupl. (%)	Orig. (%)	Dupl. (%)	Orig. (%)	Dupl. (%)
Average Grade	155.6	128.9	0.578	0.568	1.921	1.777	0.089	0.087
Maximum	956.2	1,004.6	2.322	2.408	8.258	7.317	0.381	0.329
Minimum	2.0	0.500	0.045	0.001	0.056	0.014	0.007	0.002
Abs Diff Between Grades		26.8		0.010		0.144		0.002
Difference %		17.2		1.7		7.5		2.0
Correlation Factor		0.9420		0.9838		0.9937		0.9860

Table provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V.

Table 6.7
Duplicate Assay Results for the Individual Samples from the 2008 Exploration Program

Sample Location	Sample Number	Original Sample				Sample Number	Duplicate Sample			
		Silver (ppm)	Lead (ppm)	Zinc (ppm)	Copper (ppm)		Silver (ppm)	Lead (ppm)	Zinc (ppm)	Copper (ppm)
La Frazada	5060	29.9	0.105	0.489	0.007	5060-B	20.6	0.136	0.519	0.007
La Frazada	5062	16.8	0.299	1.512	0.024	5062-B	4.5	0.312	1.557	0.025
La Frazada	5069	102.7	2.322	6.707	0.290	5069-B	102.3	2.408	6.681	0.264
La Frazada	5072	53.6	0.882	3.473	0.029	5072-B	43.8	0.878	3.403	0.030
La Frazada	5108	143.6	1.585	8.258	0.188	5108-B	130.4	1.638	7.317	0.210
La Frazada	5109	70.7	1.528	8.107	0.105	5109-B	70.7	1.562	7.156	0.119
La Frazada	5116	81.7	0.153	0.386	0.031	5116-B	80.0	0.147	0.399	0.033
La Frazada	5139	12.0	0.051	0.336	0.009	5139-B	7.3	0.057	0.376	0.009
La Frazada	5140	79.6	0.509	0.997	0.019	5140-B	66.1	0.517	0.999	0.018
La Frazada	5148	31.4	0.270	1.553	0.216	5148-B	22.8	0.300	1.664	0.221
La Frazada	5152	47.4	0.934	2.413	0.090	5152-B	44.1	0.995	2.429	0.090
La Frazada	5153	14.6	0.316	1.469	0.113	5153-B	10.9	0.355	1.503	0.111
La Frazada	5154	27.7	0.504	1.833	0.038	5154-B	22.1	0.546	1.832	0.038
La Frazada	5157	349.1	1.526	3.092	0.103	5157-B	299.0	1.549	2.923	0.112
La Frazada	5168	2.0	0.046	0.056	0.007	5168-B	0.5	0.046	0.099	0.006
La Frazada	5170	40.7	0.594	1.137	0.109	5170-B	66.2	0.697	1.084	0.120
Jabalina	5319	147.6	0.260	0.186	0.031	5319-B	154.8	0.241	0.163	0.033
Jabalina	5323	289.1	0.317	0.579	0.035	5323-B	0.5	0.001	0.014	0.002
Jabalina	5328	69.3	0.349	0.699	0.036	5328-B	62.0	0.405	0.770	0.036
Jabalina	5329	347.2	0.322	0.933	0.039	5329-B	143.7	0.096	0.311	0.029
Jabalina	5338	424.4	0.401	0.624	0.381	5338-B	347.2	0.402	0.654	0.329
Jabalina	5340	418.5	0.873	1.701	0.164	5340-B	388.0	0.544	1.176	0.153
Jabalina	5341	956.2	0.144	0.698	0.123	5341-B	1,004.6	0.178	0.638	0.150
Jabalina	5345	101.4	0.114	0.732	0.019	5345-B	105.6	0.142	0.690	0.018
Jabalina	5346	33.9	0.045	0.063	0.007	5346-B	23.9	0.046	0.073	0.006

Table provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V.

The correlation for duplicate assay results for IPL appears to be acceptable but the reader should be cautioned that the number of samples is small compared to the number of samples taken during the program and a larger sample size is needed for a more meaningful analysis.

In March, 2009, Silvermex announced that they had initiated preliminary economic assessment studies on the La Frazada Project but this work was not completed and little information is available as to what was completed.

6.2 HISTORICAL RESOURCE AND RESERVE ESTIMATES

6.2.1 Historical Resource Estimates

A letter report by Manning W. Cox, dated November 1, 1977 describes the El Manantial and Ampliacion de Tenamache concessions and provides figures for measured and indicated "reserves" as follows:

> *"The silver deposits are low-sulfide quartz veins in firm andesite. The property has substantial pre 1910 surface workings and an adit 140 meters lower that cuts two main veins: Guadelupe – trending northeast and dipping northward, and Tajos – trending east-west and dipping northward. Our samples in these veins indicate five ore shoots totalling 191 meters in length, 1.7 meters in width and averaging 472 grams silver per metric ton. Surface samples, plus a 60 meter winze and a 60 meter raise in ore prove continuity. Measured and Indicated reserves total 85,200 metric tons. Equivalent is a total of 94,000 short tons at 16.7 ounces silver."*

In 1991, an estimate of mineable reserves for the La Frazada mine was reported by Larry A. Straw of ZCA, as follows:

> *"The current estimate of Proven Minable Reserves remaining above the main level of the Frazadas Mine is approximately 10,000 metric tons. This represents about 3-4 months of production.*
>
> *The previously reported proven minable reserves located above the level as of the middle of August were 6,000 tons (memo of 8/27/91).*
>
> *During the month of August 2,378 tons were processed by the mill. Subtracting the production of the last half of August (1,200 tons) from the reserve total leaves 4,800 tons of reserves.*
>
> *During late August 1,500 tons of ore estimated at 8% Zn were exposed in the footwall of old "Saturnino" workings in the western portion of the Main Shoot. The 20m x 25m area which was clearly visible contained strong mineralization with widths varying between 0.75 and 1.00m. It is highly likely that an additional 1,000 tons of this type of ore remains in the footwall of this portion of the Saturnino workings.*
>
> *This 2,500 tons of ore combined with an additional 2,500 tons of old muck which was also revealed in the old workings bring the total of proven minable reserves located above the level to 10,000 tons [note: 9,800 struck out].*
>
> *If monthly production levels of 2,500 to 3,500 tons of ore are attained then this reserve figure represents 3-4 months of production. This does not take into account any ore which may be mined with the "jumbo" below the main level."*

One should note that the Key assumptions and parameters upon which the historical resource estimates were not stated in either source and were not commonly reported in reports and company documents at the time these resources or reserves were stated. It is believed that a polygonal estimate was used to achieve the estimate since this method is used commonly in Mexican mines and is still used in a number of mines that do not report outside the Mexican stock exchange. In addition, the usage of the terms Measured, Indicated and Proven Mineable Reserves all predate the current usage as defined by CIM and other current acceptable foreign codes and therefore should not be taken to comply with the current definitions for these terms.

It would be nearly impossible to duplicate or upgrade or verify the historical estimates as further mining has been conducted since the estimates were conducted, the exact locations noted in the historical reports are not readily identifiable and the parameters and methodology used to conduct them were not implicit. Further work such as systematic channel sampling, drilling and surveying of the drifts would need to be conducted inorder to conduct an updated mineral resource estimate

Micon has not done sufficient work to classify the historical resource estimates as a current estimate and neither First Mining nor Silver One is not treating the historical estimate as a current estimate.

6.2.2 2008 Silvermex Mineral Resource Estimate

The most recent 2008 preliminary mineral resource estimate was conducted by Silvermex and contained in the November, 2008 and amended January, 2009, Micon Technical Reports. The section related to the 2008 mineral resource has been summarized below in this section.

The underground workings were surveyed where they were accessible. Geological mapping and channel sampling which was conducted on regular intervals were plotted on the topographic maps and were interpreted in plan and on transverse and longitudinal sections for each of the mineralized zones identified. The primary constraint used to interpret the mineral zones were the assay results obtained from the channel sampling along the veins, breccia and host rock conducted both during and after the geology mapping.

All the assay results from the channel sampling were entered into an Excel spreadsheet in order to construct a database for the La Frazada project. A spreadsheet is available for each of the mines. The database contains the assay results from a total of 729 samples; 233 belonging to the La Jabalina West vein; 384 to the La Frazada vein and 112 samples corresponding to the La Jabalina East-Tiro Real vein. All the samples were surveyed and tied into a survey point on surface for which the UTM coordinates were known.

The assays results for each of the 729 samples included silver, gold, lead, zinc and copper with the length of the samples varying from 1 m to 2 m but averaging 1.5 m.

Plan interpretations were conducted for each of the mineralized shoots delineated based on the channel assay results and the geological mapping, and these were then projected to depth using sectional interpretations. The first sectional projections were across the veins, followed by longitudinal projections. From the sectional interpretations a solid of the mineralization was formed encompassing a strike length, thickness and vertical projection. The plan and sectional interpretations were either drawn by hand and then digitized into AutoCad or interpreted directly in AutoCad.

The width of the mineral zone corresponds to the average calculated from the manual delimitation of the mineralization in the plan views which were based on the mineralized widths found in the sampling lines which included from 1 to 6 channel samples. The width

for each block was based on the average width of the mineralized intersections in the block and the mineral content for each block was the result of weighted averages of measured widths and assay results.

An estimation worksheet was designed in Excel to use the data contained in the database and then estimate the tonnage and average grade for each block. The estimation worksheet requires the following parameters:

- **Length:** The longitudinal or strike length of the mineralized shoot which was interpreted based on the assay results and the geological mapping. Nominally this was measured directly on the maps containing the interpretation which had been plotted in AutoCad.

- **Height:** The distance in the up-dip or down-dip direction for which the mineralization could be considered to be continuous.

- **Area:** The product of the two previous parameters. This is generally a vertical area that for the objective of the resource estimation is presented on the longitudinal sections. The area can also be measured directly from the drawing of the longitudinal section constructed in AutoCad.

- **Width:** The average width of the sampling lines within the interpreted area of the mineralized shoot, in plan.

- **Volume:** Estimated from the measured or calculated area, with the tonnage estimated as the product of the volume multiplied by the specific gravity which in the case of the La Frazada project was generally 2.90.

An example of the estimation worksheet is shown in Figure 6.9.

The estimation worksheet was originally designed to be used under operational conditions at a mine site because it includes concepts like availability, category of the resource or reserve, metal content, corrections or penalties because of errors during the sampling, dilution and the price of the metals, in order to estimate the value of each block and include it in a mine plan. For the purposes of Silvermex's preliminary resource estimate only the columns and lines which needed to be considered for the estimate were used at this stage.

Figure 6.9
Example of the Estimation Worksheet for the La Frazada Project

RESOURCE ESTIMATION				MINERA TERRA PLATA, S.A. DE C.V.
LA JABALINA VEIN	TYPE	CUERPO:	CATEGORY	LA FRAZADA PROJECT
BLOCK NO:	SULFUROS	LA JABALINA WEST	MEASURED RESOURCE	LA JABALINA ADIT
Jab1.100-50meas	ACCESSIBILITY	LEVEL	CALCULO: MAS	Tonnage and Grade Estimation
	?	100 - 50	FECHA: 13-Nov-08	

Height: (m)	50.00
Longitude: (m)	88.89
Area (m^2)	4,445
Avg width (m)	2.00
Volume (m3):	8,889
S.G:	2.90
METRIC TONS	25,778
Notes:	

GRADE ESTIMATION	Sample No.	Width (m)	True Width (m)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
Sampling along stope n-100 + 10m	JAB-40	1.50	2.00	0.048	12.3	0.025	0.069	0.550
	JAB-41	1.50	2.00	0.028	10.5	0.010	0.136	0.196
	JAB-42	1.50	2.00	0.757	309.9	0.104	1.677	1.103
	JAB-43	1.50	2.00	0.068	60.0	0.010	0.552	0.552
	JAB-44	1.50	2.00	0.551	297.3	0.019	1.024	1.354
	JAB-45	1.50	2.00	0.048	18.1	0.011	0.087	0.091
	JAB-46	1.50	2.00	0.053	265.5	0.016	0.489	0.507
	JAB-47	1.50	2.00	0.016	22.0	0.007	0.057	0.121
	JAB-48	1.50	2.00	0.002	3.6	0.003	0.033	0.025
	JAB-49	1.50	2.00	0.002	4.4	0.002	0.019	0.055
	JAB-50	1.50	2.00	2.099	1471.3	0.097	1.753	2.621
	JAB-51	1.50	2.00	0.617	453.9	0.127	1.841	1.781
	JAB-52	1.50	2.00	0.050	99.0	0.013	0.201	0.185
	JAB-53	1.50	2.00	0.018	41.0	0.012	0.224	0.146
	JAB-54	1.50	2.00	0.143	369.1	0.024	1.070	0.824
	JAB-55	1.50	2.00	0.336	158.0	0.230	1.840	2.992
Sum		**24.00**	**32.00**					
Avg		**1.50**						
Anchor Observed but non accesible (2)			**2.00**	**0.302**	**224.7**	**0.044**	**0.692**	**0.819**

Elements	Au	Ag	Pb	Zn	Cu	As
Sampling						
Heads						
Prices						
Factor						
Dilution						

Contenidos en Mina
Oz Au
Oz Ag
Ton. Pb
Ton. Zn
Ton. Cu

OBSERVATIONS:

Ag, Cu, Pb and Zn determinations were done using 4 acid digestion and ICP finish, the silver values above of 100 ppm Ag, were re-assayed by gravimetric method and they are used for the resource estimation.

The gold determinations by Fire Assay precontration and AA finish (30 g sub-sample)

(2) Interpreted width in base the geology observed, sometimes the site is not accesible.

Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

After the geology and the assay results were plotted using AutoCad and interpreted manually for both, 60 g/t silver was deemed to be the cut-off at which the mineralized material in the blocks would be considered as a mineral resource. In some cases, internal values below this cut-off either along the strike of the mineralized shoots or within the intermediate sampling lines were left within the estimate because the elimination of these could significantly reduce the construction of several of the mineralized shoots. Since the addition of these lower grade areas does not impact the overall grade of the blocks and, therefore, the viability of the resource estimate, it was deemed that these areas should be considered as internal dilution within the mineralized shoots. The 60 g/t silver cut-off was deemed appropriate when the resource was estimated since this cut-off grade was used in other Mexican operations and represented a cut-off of 1.93 troy ounces of silver which at a silver price of USD 15/oz represented an approximate value of USD $28.95/ton

The grades not were capped for the preliminary mineral resource estimate since only 3 out of the total 729 samples returned very high silver values and they do not affect the resource estimate in a significant way. Not capping the grade will need to be reviewed as exploration programs continue and the number of samples within the database increases.

The La Frazada preliminary resource estimation includes measured, indicated and inferred categories which are based on their distance from the underground workings. All of the estimated resources blocks are either definitively within the limits of the mineralized veins and breccias or situated in contact along them. Mineralization found outside of the general trace of the structural controls was not included in the resource estimate.

The preliminary mineral resource estimate was conducted based on the geological mapping and systematic channel sampling along the existing old drift. The following criteria were used to classify the preliminary mineral resources according to the CIM definitions in place during 2008:

1. **Measured Mineral Resource:** Those blocks constructed based on the channel sampling and geological mapping along the existing underground drifts where the mineral structure is exposed and agrees with the mapping, and the channel sampling that was conducted perpendicular to the general strike of the mineralized structure. The measured blocks are located either between two underground levels in the up and down dip direction (these vary between 10 and 30 m) or in general, the resource blocks are projected in the down dip direction to a maximum of 50 m below the drifts. The base underground levels from which blocks for the resource estimation were projected were as follows:

    - The La Jabalina west vein mineral resource projection is based from the 100 Level.

    - The La Jabalina east-Tiro Real vein was accessed on two drifts; the 360 and 390 Levels, and the mineral resource is projected from these levels.

- The La Frazada vein reference level for the resource estimate in this area is the tunnel known as the La Frazada Chica which corresponds to the 390 Level. Other old underground works are located above the 390 Level, but due to the difficulties in accessing these areas the only resources estimated above the 390 Level are located between the 390 and 425 Levels.

In all cases regarding the drift or adit levels mentioned above the level number corresponds to the approximate elevation above sea level.

2. **Indicated Mineral Resource:** The blocks are constructed using the same sampling basis as the measured blocks, but the block is projected 50 m down dip from the lower limit of the measured blocks. The indicated blocks follow the general plunge of the mineralized shoot interpreted from the geological mapping and based on the existing underground stopes, shafts and all other types of workings where mineralized material was extracted in the past to feed a process plant in Real de Zopilote.

3. **Inferred Mineral Resource:** Those blocks interpreted and projected down dip 100 m from the lower limit of the indicated blocks. The criteria for the projection and the database are the as those which were used for the previous estimated measured and indicated blocks,

Figures 6.10, 6.11 and 6.12 visually depict the longitudinal projection of the blocks related to the preliminary mineral resource estimate for the La Jabalina west vein, the La Jabalina east-Tiro Real vein and the La Frazada vein, respectively. Figure 6.13 is a longitudinal projection showing all of the areas in relation to each other.

Table 6.8 summarizes the historical 2008 mineral resource estimate for the La Frazada project. The figures in Table have been rounded to reflect that they are an estimate. However, the reader should be cautioned that mineral resources that are not mineral reserves do not have demonstrated economic viability.

The stated resources are not materially affected by any known environmental, permitting, legal, title, taxation, socio-economic, marketing, political or other relevant issues, unless stated in this report, to the best knowledge of the author. There are no known mining, metallurgical, infrastructure or other factors that materially affect this resource. The estimate is based on data available as of October 6, 2008.

The 2008 resource estimate by Silvermex and audited by Micon was compliant with the CIM standards and definitions required by NI 43-101 in 2008.

Further resource estimations should consist of increased data collection (sampling), possible capping of the silver grades, variography and continued reclassification of the mineral resource.

However, while Silvermex's 2008 mineral resource estimate, as reviewed and audited by Micon, was compliant with the CIM standards and definitions required by NI 43-101 at the time it was conducted, it should currently be considered to be a historical estimate. Micon as not reviewed the Silvermex estimate for this report and has not done sufficient work to classify the historical 2008 resource estimates as a current estimate according to the current CIM definitions and neither First Mining nor Silver One is not treating the historical estimate as a current estimate.

There are no known resource estimates for any of the other portions of the La Frazada property. There are no mineral reserves on the La Frazada property.

Table 6.8
Historical 2008 Mineral Resources on the La Frazada Property
(60 g/t Silver Cut-Off)
(Based on data available as of October 6, 2008)

Resource Classification	Tonnes (x 1,000)	Grade									
		Silver (g/t)	Gold (g/t)	Lead (%))	Zinc (%)	Cu (%)	Silver (x 000 oz)	Gold (oz)	Lead (x 000 lb)	Zinc (x 000 lb)	Cu (x 000 lb)
Measured	304	259.8	0.197	0.876	2.36	0.095	2,537	1,900	5,866	15,782	635
Indicated	279	240.5	0.141	0.862	2.52	0.089	2,156	1,300	5,297	15,498	546
Total Measured + Indicated	**583**	**250.5**	**0.170**	**0.869**	**2.44**	**0.092**	**4,693**	**3,200**	**11,163**	**31,280**	**1,181**
Inferred	534	224.9	0.178	0.923	2.62	0.089	3,859	3,100	10,860	30,769	1,046

Table taken from the November, 2008 Micon Technical report as amended in January, 2009.

Figure 6.10
Longitudinal Projection of the La Jabalina West Vein Mineral Resource Blocks

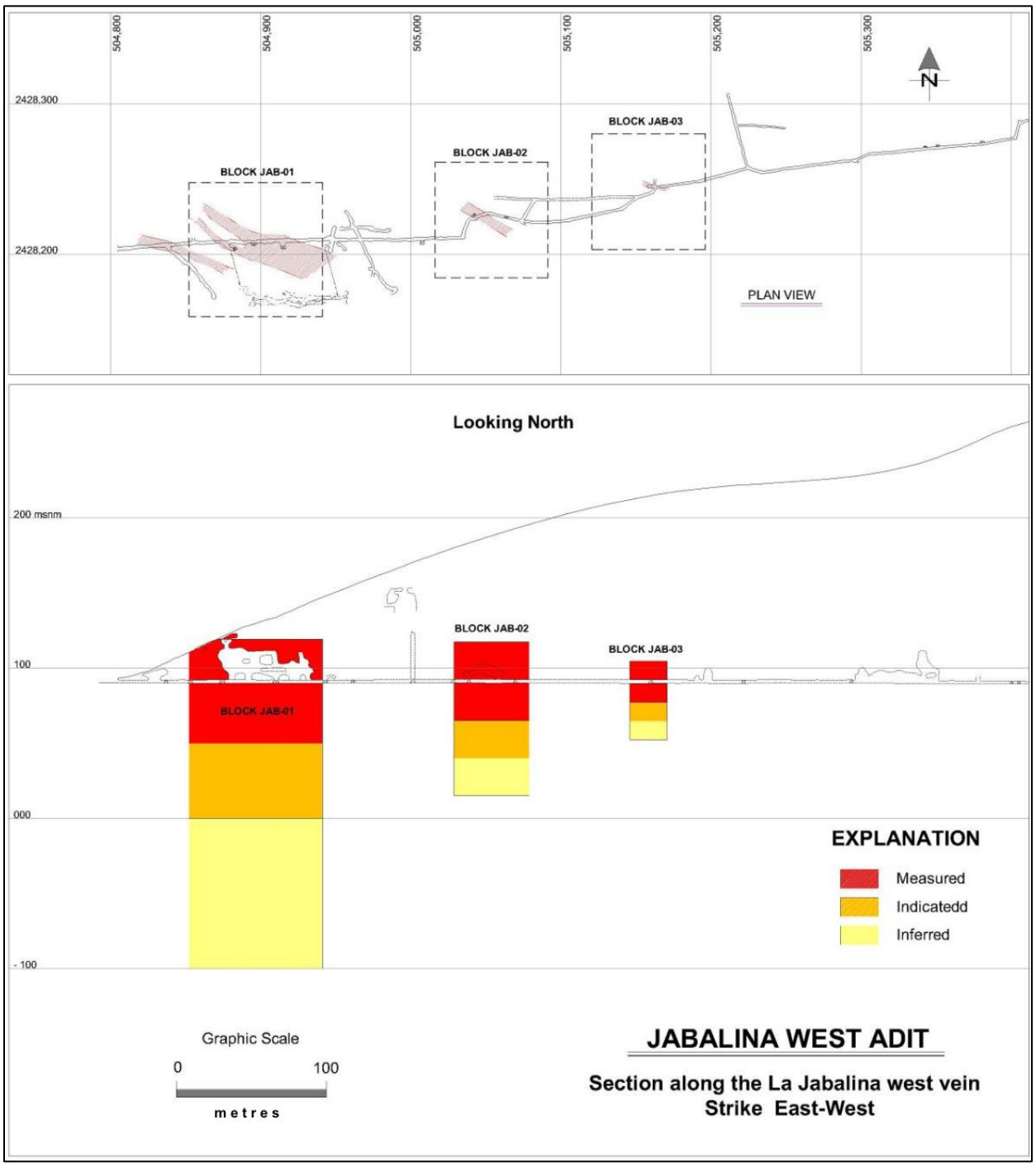


Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report

Figure 6.11
Longitudinal Projection of the La Jabalina East-Tiro Real Mineral Resource Blocks

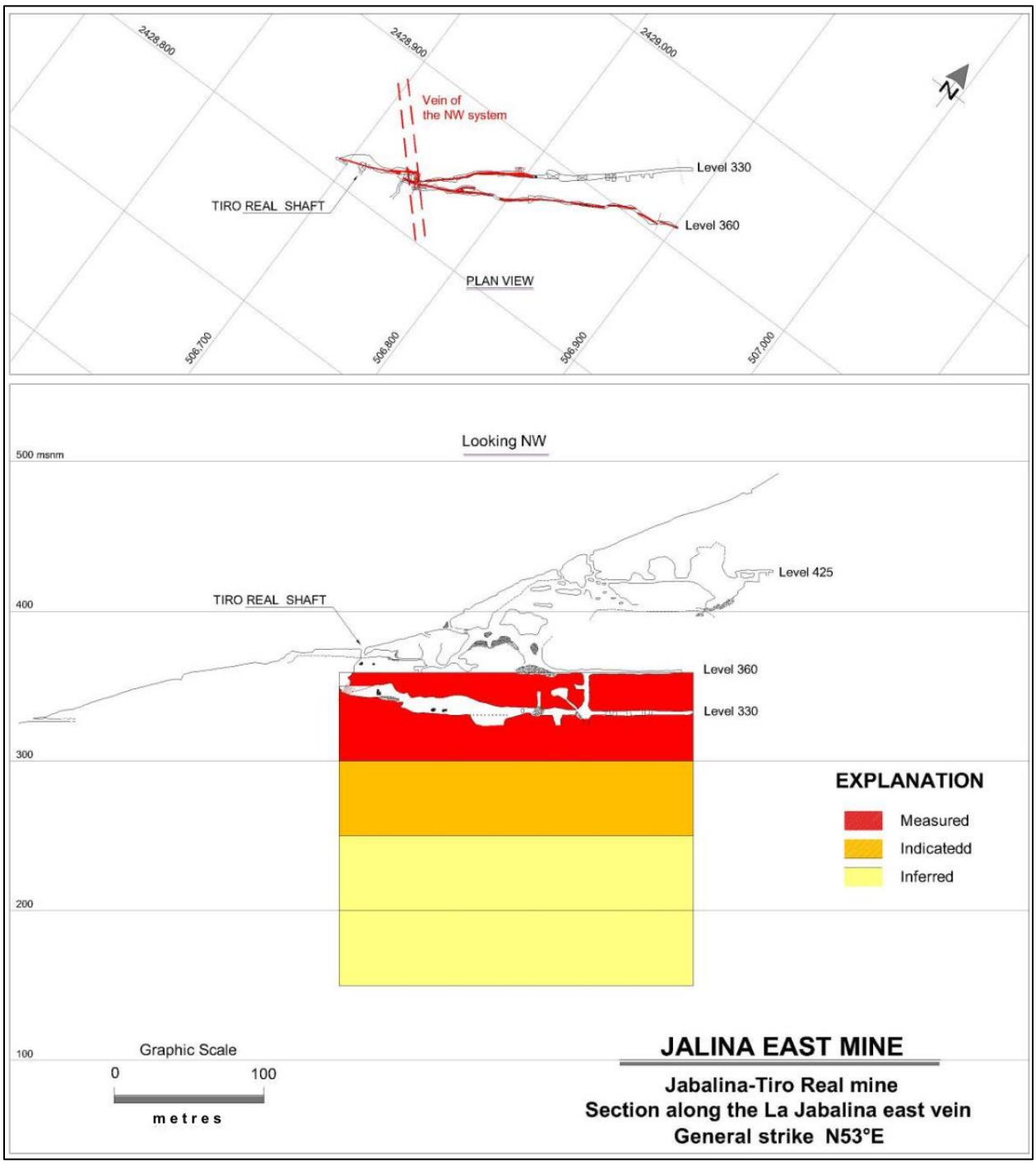


Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Figure 6.12
Longitudinal Projection of the La Frazada Vein Mineral Resource Blocks

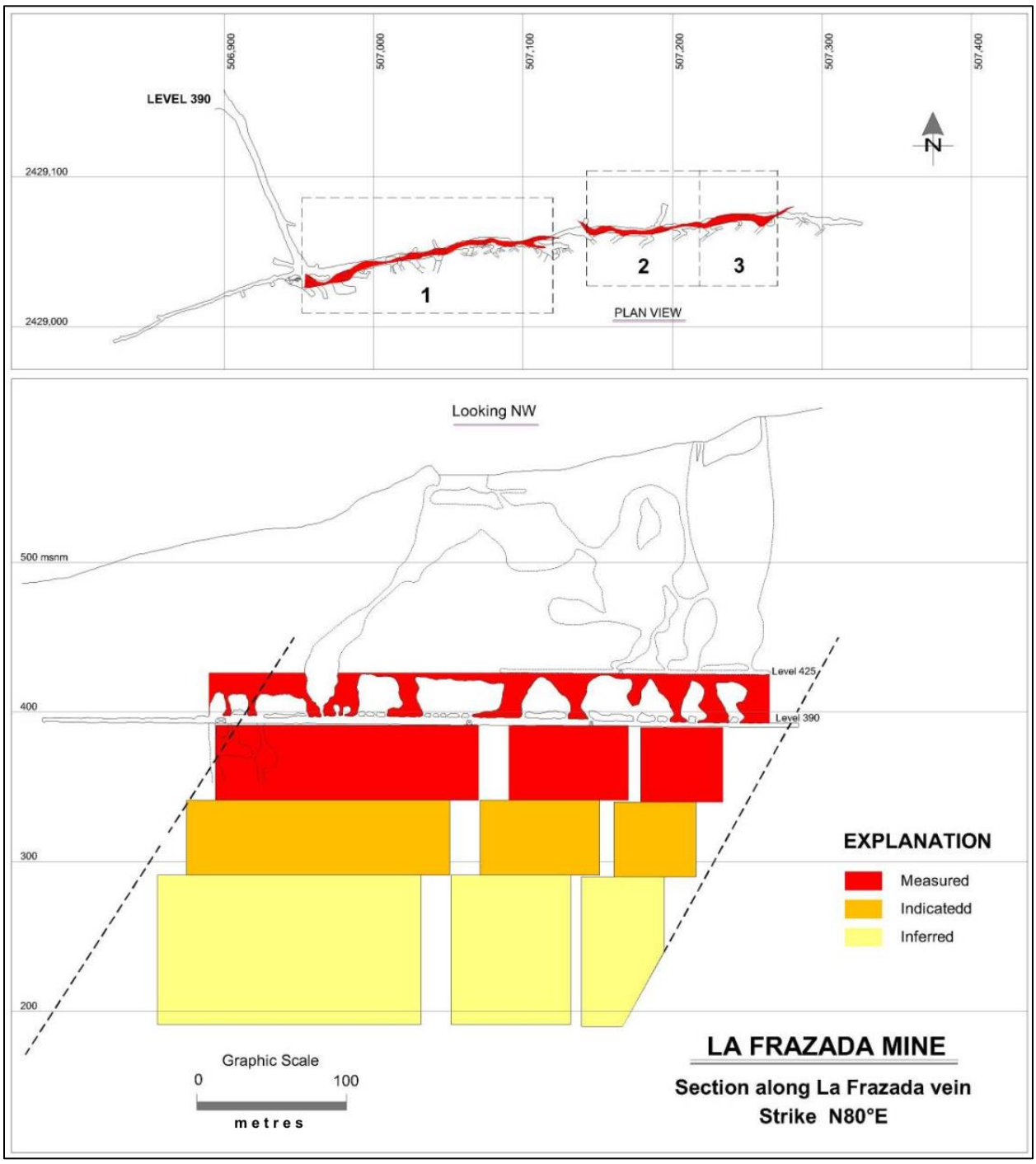


Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

Figure 6.13
Longitudinal Projection Showing all of the Resource Blocks in Relation to Each Other

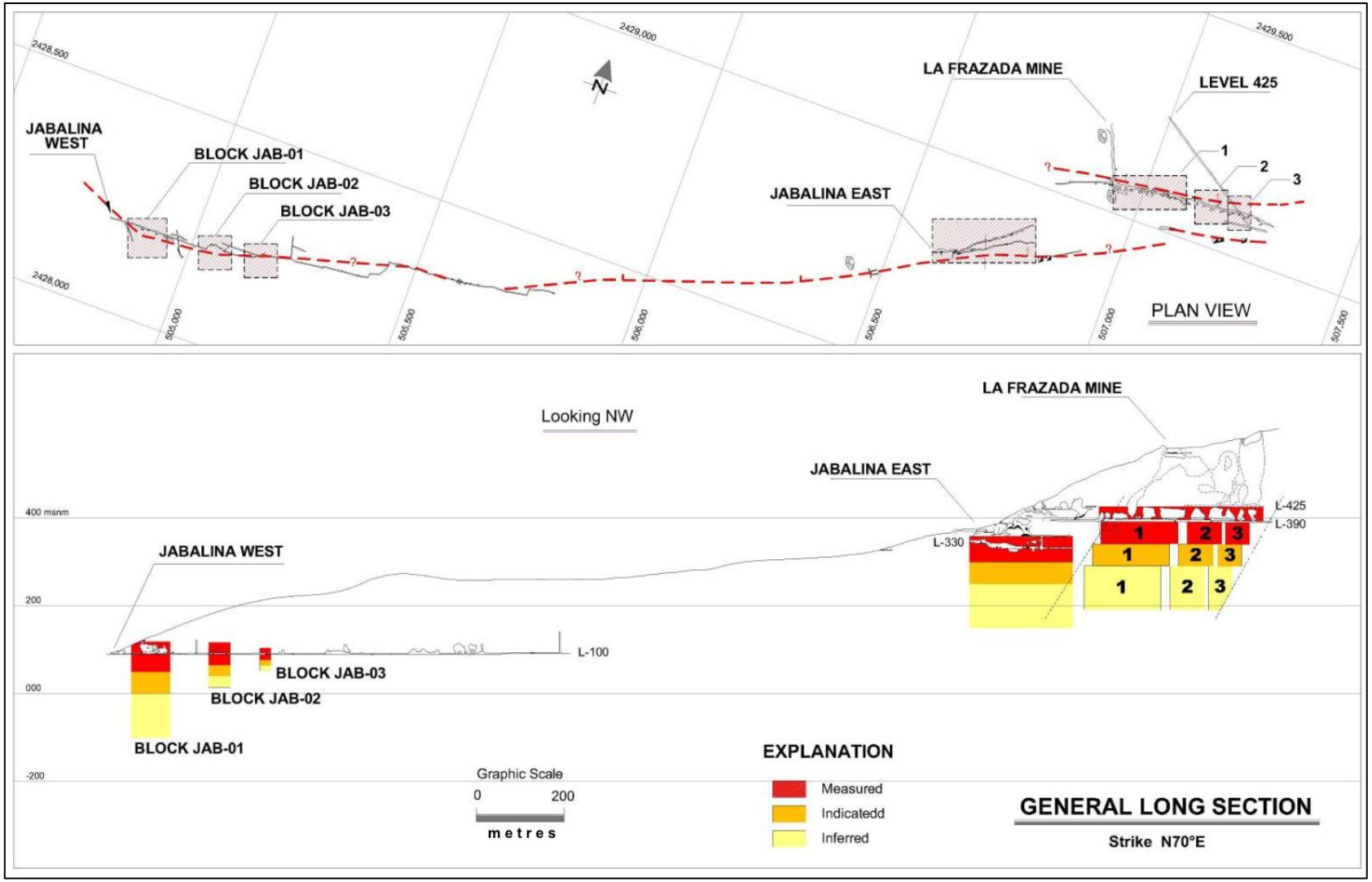


Figure provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V. for the 2008 Technical Report.

6.3 2008 MICON AUDIT OF THE MINERAL RESOURCE ESTIMATE FOR THE LA FRAZADA PROJECT

Micon reviewed the results of the geological mapping and channel sampling program during the site visit to the La Frazada underground workings. This review was conducted to ensure that geology and the primary mineralized zones in the drifts were correctly and accurately described and identified in the records of the exploration program. Micon found no differences between the description and location of mineralized zones as stated by Silvermex's records and the La Frazada workings.

In addition to the review of the geological mapping and channel sampling the main database was reviewed for errors of data entry. A review of both the sectional interpretation and the Excel spreadsheets for the preliminary mineral resource estimate was conducted for mineralized blocks to verify that:

- Appropriate methodology and parameters had been used to estimate the resources within each block.
- The estimations of the tonnages and grades had been made correctly.
- Blocks had been correctly categorized as measured, indicated or inferred mineral resources.
- The summary tables had correctly listed total tonnages, grades and contained metal within resource categories.

Micon's independent audit of Silvermex's resource estimate in 2008 confirmed that the resource estimate complied with the CIM standards and definitions for estimating resources and reserves as required by NI 43-101 "Standards of Disclosure for Mineral Projects" that were in force at the time of the estimate.

6.3.1 Conceptual Mineralization

When compiling the 2008 resource estimate for the La Frazada property, Silvermex did not try to estimate the extent of the conceptual mineralization which may occur on the La Frazada property. Further exploration programs may attempt to determine a range for the size of conceptual mineral deposit on the La Frazada property as the mineralized veins are open along strike in both directions and at depth. However, along strike the mineralization will be limited by the property boundaries.

The reader should be aware that Micon has not done sufficient work to upgrade and classify the historical 2008 mineral resources as a current mineral resource according to the 2014 CIM definitions. In addition, neither First Mining nor Silver One is treating the 2008 historical estimate as a current estimate.

6.4 HISTORICAL PRODUCTION

Although historical production has taken place on the La Frazada and La Jabalina veins on the property, at this time no records are available as to the actual production from these veins or from any other mines in this mining district except for those mentioned previously in this section of the report.

However, Micon did note that during the 2016 site visit that some illegal mining is taking place within the old workings in the mining district. Access is gained to the through various old workings scattered throughout the property and on other properties. Figure 6.14 show sacks of hand sorted mineralization mined by the illegal miners at the side of the main road.

Figure 6.14
Sacks of Hand Sorted Mineralization Extracted by the Illegal Miners

7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL GEOLOGY

The La Frazada property is located in the western edge of the Sierra Nayar which is part of the larger Sierra Madre Occidental physiographic system. The Sierra Nayar is the westernmost of the mountain ranges that rise between the coast and the edge of the altiplano, approximately 200 km to the east. Regionally the area is dominated by volcanic rocks of the Tertiary and Quaternary ages which varies from the Paleocene to Pleistocene which are irregularly distributed within the region. The sequence of volcanic rocks indicates that this area is a transition zone between the final events that formed the Sierra Madre Occidental and the initial events of the Neovolcanic Axis. The base of the primary rock sequence is composed of a, series of extrusive volcanic rocks formed by tuffs and rhyolitic breccias with some windows of andesites and dacites, and underneath the primary sequence is a package of tuffs, breccias and ignimbrites of Miocene age. The Servicio Geologico Mexicano believes that these sequences belong to the upper portion of the Sierra Madre. Overlying the primary sequence is a series of basalts, rhyolites, dacites and andesites dated to the Pliocene and Pleistocene ages that are covered by alluvial deposits which include gravels, sands and clays of Recent age.

Structurally the most important features are the faults which are grouped into two main systems with the first and more important being the structures oriented northwest-southeast. The second fault and fracture system is oriented northeast-southwest.

7.2 PROPERTY GEOLOGY

The geology of the mining district is composed of basement rocks comprised of early Tertiary age andesitic rocks which are overlain by extrusive rocks (possibly Oligocene) composed of acid components. The overlying rocks are composed of tuffs, breccias and ignimbrites that are altered by stock-shaped intrusive rocks and dikes of granodiorite, diorite and andesite porphyry. The most recently formed rocks are comprised of a series of tuffs, rhyolites, breccias and ignimbrites which were formed during the Miocene and directly related to the volcanic events that originated the Sierra Madre.

All the exploration work conducted by Silvermex on the La Frazada property was focused on the two main mineral veins (La Jabalina and La Frazada) which are poorly exposed on surface along a 3 km section comprised of intermittent outcrops. However, the two veins are better exposed within the existing underground workings that are distributed along the veins.

See Figure 7.1 for a geology map of the area around the La Frazada property.

Figure 7.1
La Frazada Geology Map

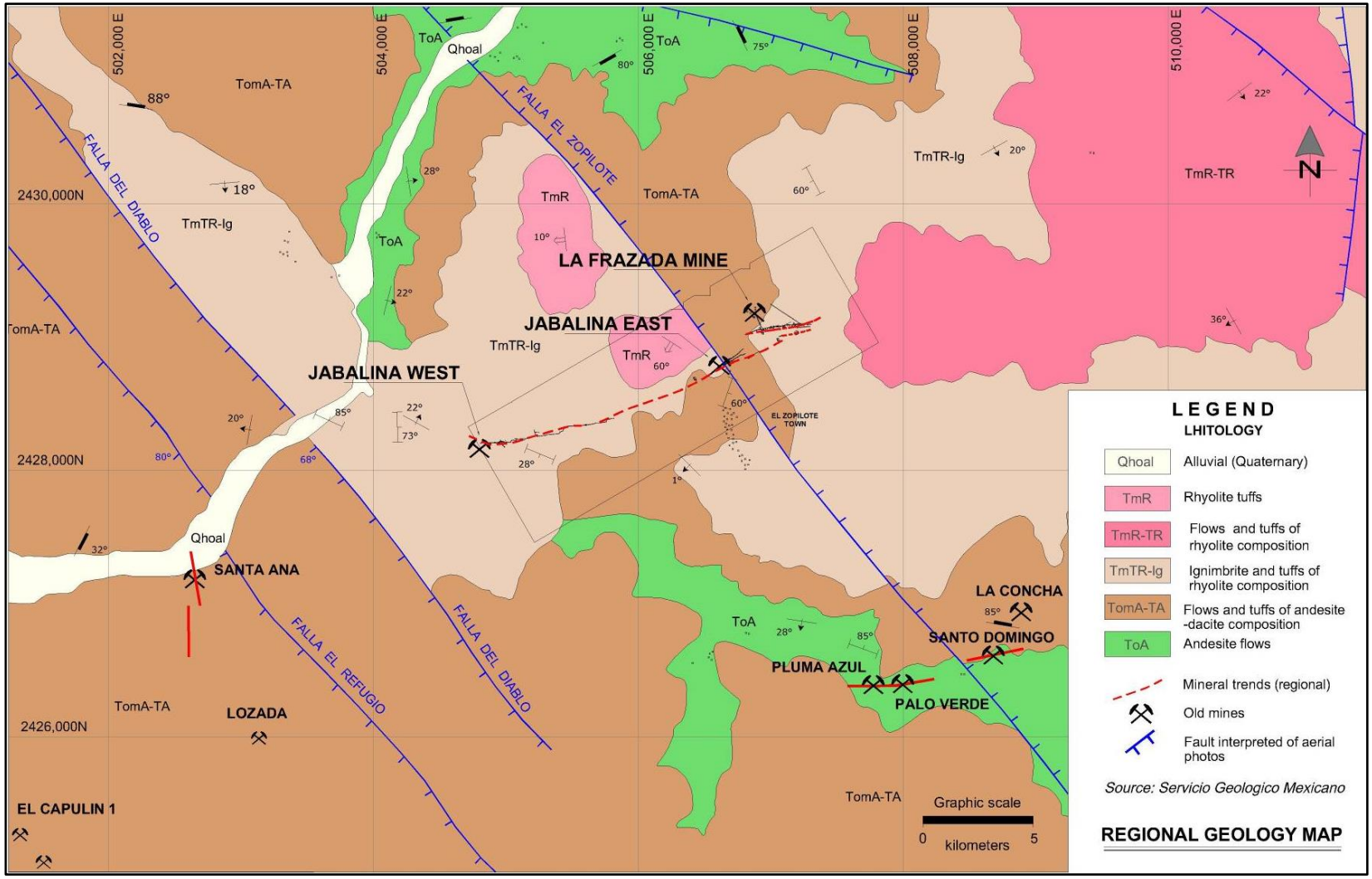


Figure taken from the Micon 2008 Technical Report provided by Silvermex Resources Limited/Minera Terra Plata, S.A. de C.V.

A more detailed description of each mineral zone found on the property is as follows:

7.2.1 La Jabalina West Vein.

The primary mineralized structure is the La Jabalina vein which is exposed on surface intermittently along a 2,000 m strike length within the property. The mineralized structure has an azimuth which varies from 85° to 90° and dips 58° to 65° to the south. The host rock is a pyroclastic rock (lithic tuff) of rhyolitic composition in the hangingwall and dacite-andesite tuffs and dark coloured flows in the footwall. The La Jabalina vein is exposed clearly on the surface at the western margin of the property on the side of the main road to Real De Zopilote (Figure 7.2). The vein is composed of a breccia cemented by quartz-carbonate which includes clasts of sulphides (galena and sphalerite), quartz and rock fragments. Figure 7.3 is a close-up view of some of the mineralization located in the La Jabalina vein exposed in the roadcut. In the subsurface it is clearly exposed in specific portions of the La Jabalina underground workings with the entrance to these workings located at the western border of the property.

Figure 7.2
La Jabalina Vein Exposed in a Road Cut on the Western Margin of the Property (Centre of Picture)

2008, Micon site visit.

The La Jabalina drift is the longest of the underground workings existing within the property. The workings consist of more than 1,800 m of drifts, cross-cuts, shafts and stopes, developed on a general azimuth of 80° but with cross-cuts in the northern direction at N21°-24°E, N320°-340°W and S30°-35°E. The cross-cuts appear to have been excavated to either intersect the mineralized trend of the La Jabalina vein which appears to be displaced by northwest-southeast faulting or possibly to intersect more than one vein along the same trend. The Jabalina adit is located at the 100 m level (100 m above sea level) which also appears to correspond to the lowest level of existing underground workings on the property as well as the lowest surface mineral exposure within the property on the side of the main road to Real de Zopilote.

Figure 7.3
Close-up of Mineralization within the La Jabalina Vein Exposed in the Roadcut

2016, Micon site visit.

The La Jabalina portal is located below the main road to Real de Zopilote nearly level with a creek known Tenamache creek. When the geologists of Silvermex arrived at the property, the La Jabalina adit was found entirely filled of guano (bat excrement) and they had to clear this out prior to accessing the workings. Almost 1,000 m of mud and guano were removed from the workings prior to starting the mapping and sampling program.

Using the entrance of the adit as a reference point the mineral occurrences along the 1,800 m underground drift are described as follows:

The La Jabalina vein is exposed for the first time 48 m from the adit and is continuous in direction to the east up to a cross-cut located 140 m from the adit. The cross-cut is also the location at which an incline begins in a western direction and heads towards the surface.

Mapping and systematic channel sampling were conducted on both levels demonstrating the presence of the mineralized structure which varied in width from 0.50 m to 2.50 m over a strike length of 90 m.

Mapping and systematic channel sampling were conducted along the entire drift. This included the cross-cuts which intersected the mineralized structures belonging primarily to the La Jabalina vein that were displaced by northwest-southeast and north-south faulting. At a distance of 230 m from the adit a cross-cut striking north 30°east intersected 6.0 m of a mineralized structure grading 0.397 g/t gold and 226.6 g/t silver, which seems to correspond to the La Jabalina vein that is laterally displaced. The 6 m includes a 2.20 m wide sample grading 1.22 g/t gold and 498 g/t silver.

Another mineralized zone was discovered 370 m from the adit which averaged 0.170 g/t gold and 350 g/t silver over a width of 3.50 m. The 3.50 m width was measured along the cross-cut but the true width was reduced to 2.50 m when the strike of the vein was accounted for.

Along of the remaining portion of the La Jabalina drift there exist some isolated mineral occurrences which in some cases have massive sulphides associated with very narrow veins and veinlets. The host rock changes at depth to andesite tuffs or flows which are generally very fractured, giving them a large brecciated appearance that contains sulphide veinlets. For the purpose of the resource estimate and geological mapping this portion of the La Jabalina vein has been renamed the La Jabalina West vein by Silvermex.

7.2.2 La Jabalina East Vein

The eastern extent of the La Jabalina vein is exposed in the La Jabalina East mine which is located immediately north of the community of Real de Zopilote. This area is 2,000 m to the east of the lower La Jabalina adit (100 level) and 260 m above it in elevation. The original name for this series of underground workings was the El Zopilote mine with the workings in this area consisting of a shaft known as the Tiro Real shaft (reported to be 160 m in depth) and several horizontal drifts and cross-cuts. It is possible to access at least two levels, the 360 level and through this, the 330 level via an incline. Above of the 360 level the stopes are large and extended across the width of the mineralized system which indicates that the production from this portion of the mine was significant. The Tiro Real shaft is inaccessible at depth because it is filled with waste and mineralized material from the dumps.

Geological mapping and systematic channel sampling were completed along 240 m of the 360 level and 193 m of the 330 level. The La Jabalina east vein is exposed in both drifts and the strike of the vein is from north 56° east to north 62° east E with a dip between 75° and 80° to the northwest. The width of the vein along the drifts is in order of 1 m to 1.5 m but it is surrounded by a breccia zone, both within the hangingwall and the footwall in which sulphides form a stockwork zone. The hangingwall and footwall breccia when joined with the La Jabalina vein reach up to 6 m wide. Sampling along the 360 level returned grades as high as 2.7 kg/t silver over a width of 1.5 m with an aggregate value which was based on the presence

of 1% to 2% lead, zinc and copper combined. The best silver values on the property are located in this portion of the La Jabalina vein.

Geology mapping of the underground workings where the Tiro Real shaft, the adjacent drifts and the production stopes converge, exposed a brecciated zone formed by the intersection of the La Jabalina vein system and a northwest trending shear zone. Mapping and sampling of the breccia identified a 15 m wide mineralized structure with an average grade of 539.8 g/t silver, 0.15% copper; 0.64% lead and 0.45% zinc. Additional mapping and sampling will be conducted in order to determine if this structure and the mineralization are continuous.

7.2.3 La Frazada Vein

The La Frazada vein occurs in the easternmost portion of the property and outcrops at an elevation of 600 m above sea level. The vein has an azimuth of 78°, dips to the northwest 70° to 85° with the width ranging from 1 m to 4 m. The vein is basically exposed in old shallow shafts and trenches existing on the hill top, where the terrain rises steeply and at the eastern extent of the property. The workings along the vein's outcrop indicate that it has been prospected and mined close surface for a distance of 200 m or more.

In the underground workings the La Frazada vein is well exposed on two levels, with the lowest level situated at an elevation of 390 m above sea level and a higher level located at an elevation of 425 m above sea level. Both levels are accessed by cross-cuts oriented to the southeast and intersect the mineralized structure at a distance from the entrance. Locally the lower level or the 390 level is known as the La Frazada Chica and the upper 425 level is known as the La Frazada Grande. It is possible that between the 425 level and the top of the hill at the 600 m elevation there are other underground workings developed either through or along the La Frazada vein where the vein was exploited in the past; however, this area remains to be explored. The La Frazada vein was found to be exposed along the 390 level and is continuous along the eastern portion from the intersection of the cross-cut with the mineralized structure. The eastern extent of the vein is exposed along a strike length of 380 m to 400 m and averages 3 m in width. The mineralization forms three shoots which have been exploited to some extent in the past. The vein can be a massive sulphide filled fissure, a sulphide cemented breccia or an expanded quartz, carbonate and sulphide cemented breccia with clasts of either sulphides or rock and in some cases both. The mineralization consists of silver, lead, zinc and minor copper values. The host volcanic rocks are in the hangingwall a lithic tuff of acidic composition (rhyolite-latite), and in the footwall a massive fine grained, dark red volcanic rock that was mapped as a dacite, and which is probably a tuff or an ignimbrite, with dikes of andesitic composition emplaced along the fault system of the vein in direction of the footwall.

Along the 390 level, it has been observed that the vein is structurally affected by the northwest-southeast fault system which has caused small lateral displacements. Although the drift has been developed for a distance greater than 540 m, the vein is only exposed in 400 m of it. At the eastern end of the drift the vein narrow down to 0.20 m in width but it is comprised essentially of massive sulphides. In the western portion of the drift, it is possible that the vein has been displaced laterally or vertically, but further structural mapping is needed in order to

define if the mineral zone can be found again. If it is found additional underground development can be planned to follow it.

In general, the vein is well exposed along the drift with the width varying from 1 m to 9.40 m with silver, lead and zinc values. The highest silver values were in order of 529 g/t and for the zinc it was above 16%. The silver/zinc/lead ratio varies along the mineralized structure exposed in the drift with three blocks differentiated along the La Frazada vein as follows:

- Block 1 was estimated based on the sampling along a 176 m strike length which graded 0.121 g/t gold, 111.9 g/t silver, 1.552% lead, 5.215% zinc and 0.116% copper.

- Block 2 has a strike length of 80 m and graded 0.207 g/t gold, 60.2 g/t silver, 0.918% lead, 2.913% zinc and 0.105% copper.

- Block 3 was the shortest with a strike length of 55 m with an average width of 2.90 m that grades 0.338 g/t gold, 204 g/t silver, 1.313% lead, 3.079% zinc and 0.108% copper.

7.3 MINERALIZATION

The La Frazada property lies within the Sierra Madre Occidental metallogenic province which extends along western Mexico from the state of Sonora, south to the state of Jalisco. The silver/gold mineralization at the La Frazada property occurs as structurally-controlled fissure fillings and is disseminated in sheared and brecciated zones (epithermal breccias) in the volcanic rocks.

Structurally the most important features are the faults which are grouped into two main systems with the first and more important being the structures oriented northwest-southeast. The second fault and fracture system is oriented northeast-southwest.

All the exploration work conducted by Silvermex on the La Frazada property was focused on the two main mineral veins (La Jabalina and La Frazada) which are poorly exposed on surface along a 3 km section comprised of intermittent outcrops. However, the two veins are better exposed within the existing underground workings that are distributed along the veins.

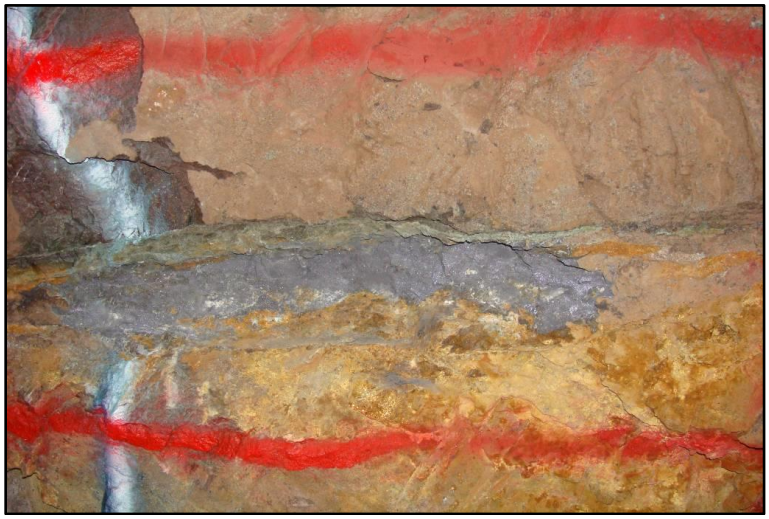
The northernmost vein developed in the district is the La Frazada which has been a historical producer of silver and as a source of lead to use in the smelting process. Some zinc has also been recovered from this vein. The main mineralized shoot on the 400 level varies between 1 m and 4 m in thickness and probably averages about 3 m with overall grades of approximately 6% zinc, 1% to 2% lead and 100 g/t silver. A second mineralized shoot was encountered approximately 60 m east of the main shoot along the structure. This second mineralized shoot averaged 5% to 6% zinc, 1.5% to 2% lead and 100 g/t silver over an average width of 2.5 m.

The main mineralized shoot continued for 30 m above the 400 level before it began to narrow to approximately 1.5 m. The second shoot continued above the 400 level for approximately 50 m before encountering the older stopes of the Sifon workings; however, it was found to rake

to the east and continued to be well mineralized with silver values of 300 g/t and higher common in the upper portion of the shoot. The projection of the two mineralized shoots in long section indicates that the shoots should converge approximately 10 m to 15 m below the 400 level and result in a mineralized shoot nearly 400 m in strike length.

Figure 7.4 is a view of massive galena mineralization which occurs in a portion of the La Frazada vein underground.

Figure 7.4
Galena Mineralization in the Back of the La Frazada Underground Workings



2008, Micon site visit.

The Jabalina-Zopilote vein system is subparallel to and approximately 250 m south of the La Frazada vein. The two vein systems are believed to converge approximately 600 m east of the current face of the La Frazadas 400 level east drift. The Jabalina-Zopilote vein was the principal system mined by a German company that operated the mines and smelter in the three decades before the 1910 revolution. The mine and smelter were located in the community of Real de Zopilote prior to the revolution.

The workings at the Zopilote project are nearly inaccessible, but the areas which are accessible and the surviving records appear to indicate that the widths of the vein were good. Production from this mine was significant and it was supposed to be the source of a high percentage of the silver produced by the German company.

The records appear to indicate that only silver was produced from the Zopilote vein but a 1991 report indicates that the dumps at Zopilote also contained zinc and lead and while the report does not indicate what part of the Zopilote vein the lead and zinc came from and it is presumed that the bonanza silver graded down into a base metal rich mineralization similar to that at the La Frazada vein.

The Jabalina portal is located approximately 2.5 km west of the Zopilote workings with the eastern workings stopping about 600 m short and considerably below the Zopilote workings. In the 1980s and early 1990s a company called Minera Nival operated the property and cleared and sampled the Jabalina vein. Sampling on the eastern end of the cleared drift identified an approximately 0.9 m wide vein with 6 g/t gold and 600 g/t silver and prior to the suspension of work the exploration indicated that gold mineralization was present in the lower levels of the Jabalina vein. The records of the German company do not indicate gold production but, as the 1991 report indicates, this is not surprising as the company could have kept the gold and not reported it.

The sporadic historical records and the extensive surface workings indicate that the mineralized vein systems on the La Frazada property are extensive. As is the case with other similar mining districts it appears that the bonanza silver grades in the deposit grade down into a mineralized base metal rich deposit as mining continues at depth and below the water table. Also, as is the case with similar Mexican mining districts little mining has occurred below the water table so the potential for further discoveries at depth is good.

8.0 DEPOSIT TYPES

At the La Frazada project, First Mining At the La Frazada project, First Mining is targeting mineralization which occurs as structurally-controlled fissure fillings and is disseminated in sheared and brecciated zones (epithermal breccias) in the polyclastic volcanic rocks. The mineralization is closely related to the veins; however, the source that generated the hydrothermal solutions which mineralized the volcanic breccia or shears has not been identified.

Of the main lode gold and silver deposit environments in Mexico, the structurally controlled depositional environment is one of the four main depositional types. These deposits are commonly associated with low-angle shears and faults related to thrusting and or detachment faulting. Mineralization related to these environments occurs in breccias, quartz veins and quartz vein stockworks along the hangingwall or footwall of the faults. The host rocks include Precambrian gneisses and granites, Paleozoic and Mesozoic clastic sediments and volcanics, Mesozoic granites and Tertiary volcanics. The geochemistry is variable with gold usually being associated with higher concentrations of silver, lead, zinc, copper, barium and, often, high manganese.

Locally the deposit is classified as a vein type mineral deposit which comprises veins of lead and zinc sulphides with associated silver with the veins resulting from mineralization filling the fissures along the faults which affect the extrusive rocks of andesitic composition.

The mineralized brecciated zones or veins are the most important exploration target on the property. These veins can be a massive sulphide filled, a sulphide cemented breccia, or an expanded quartz, carbonate and sulphide cemented breccia containing clasts of sulphide, rock or both. All possible variations of the previously mentioned veins can be identified on the property as a result of multiphase mineralization events with brecciation and re-cementation taking place several times. The best mineralization is reported to occur in quartz cemented expanded breccia which appears to become the dominant type of mineralized rock lower in the vein system.

The La Frazada vein is almost always developed alongside a narrow, 1 to 3 metre andesite dyke. In some areas the dyke looks to be post ore while in other areas it is well mineralized. The Jabalina-Zopilote vein system is subparallel to and approximately 250 m south of the Frazada vein. A possible convergence of the two veins is projected to occur approximately 600 m east of the current head of the La Frazadas 400 east drift.

9.0 EXPLORATION

Silver One is in the process of acquiring the La Frazada Project from first mining and upon completion of the acquisition will review the existing data and begin its first exploration program on the property.

Since acquiring the La Frazada Project, First Mining has not conducted any exploration programs on the property.

Prior to First Mining acquiring the property, Silvermex's focus, through its Mexican subsidiary Terra Plata, was concentrated on conducting further exploration and evaluation of the known silver mineralization at La Frazada in addition to prospecting and exploring the remaining portions of the property for other areas of mineralization. Silvermex's exploration programs are discussed in Section 6.

10.0 DRILLING

Silver One is in the process of acquiring the La Frazada Project from First Mining and upon completion of the acquisition will review the existing data and outline its first drill program on the property.

Since acquiring the La Frazada Project, First Mining has not conducted any drilling programs on the property.

Prior to First Mining acquiring the property, Silvermex's focus, through its Mexican subsidiary Terra Plata, was concentrated on further exploration and evaluation of the known silver mineralization at the La Frazada Project in addition to prospecting and exploring the remaining portions of the property for other areas of mineralization. However, Silvermex did not conduct any drilling programs on the property.

11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

Silver One is in the process of acquiring the La Frazada Project from First Mining and upon completion of the acquisition will outline its sample preparation, analysis and security procedures prior to beginning its first exploration or drilling program on the property.

Since acquiring the La Frazada Project, First Mining has not conducted any exploration or drilling programs on the property. As a result of not conducting any work at the project, First Mining has yet to outline its sample preparation, analysis and security procedures at this time.

Prior to First Mining acquiring the property, Silvermex's focus, through its Mexican subsidiary Terra Plata, was concentrated on conducting further exploration and evaluation of the known silver mineralization at La Frazada.

Details of Silvermex's Sample preparation, analysis and security programs are discussed in Section 6 of this Technical Report

12.0 DATA VERIFICATION

12.1 MICON 2016 SITE VISIT

Micon's latest site visit to the La Frazada Project was conducted on September 1, 2016 by William J. Lewis, B.Sc., P.Geo., a senior geologist with Micon, based in Toronto Canada. Mr. Lewis was accompanied to the La Frazada property by Raul Diaz a geologist with First Mining.

Micon did not take any samples during the 2016 site visit as it had taken samples during its 2008 site visit which confirmed the mineralization at that time.

The main portal to the La Frazada underground workings was visited but the portal had a locked gate on it and the underground workings were not revisited (Figure12.1). The La Jabalina vein which is exposed in an outcrop along the main road was revisited as well as the Real Tiro shaft which is now surrounded by a fence in order to prevent anyone from falling into it. The fence was installed by Silvermex after the last site visit in 2008.

Other than the installation of fencing around the open shaft collars and locked gates on the portals discussions with First Mining revealed that no further work of any extent has been conducted on the property since Micon`s last visit in 2008.

There is evidence, as discussed elsewhere in this report, that some illegal mining is being conducted in to old workings but there is little that can be done to prevent this as there are most likely other entrances to the historical workings from which the miners gain access.

Figure 12.1
Gate across the Main Portal to the La Frazada Underground Workings

Photograph taken during 2016 Micon site visit.

Figure 12.2 shows the ruins of the former mine buildings off the main square now surrounded by more modern buildings.

Figure 12.2
Ruins of Old Mine Buildings off of Main Square

Photograph taken during 2016 Micon site visit.

12.2 PREVIOUS 2008 SITE VISIT

Micon's previous site visit to the La Frazada Project was conducted on September 9, 2008.

During the 2008 site visit the main La Frazada underground workings were inspected as well as a number of surface features. One sample was taken underground on the vein during the site visit and a further 11 samples were obtained from the reject samples stored at the preparation laboratory in Hermosillo on September 29, 2008. These samples were secured and brought back to Toronto by the author. Although some drilling was conducted on the 390 Level of the La Frazada underground workings neither the hole locations or drilling sites were identified. During the original site visit Micon noted that the geology matches the previous operator's and Silvermex's descriptions.

Micon arranged for all 12 of the samples to be assayed for gold, silver copper, lead and zinc by TSL Laboratories Inc. (TSL) of Saskatoon, Saskatchewan. TSL is an independent laboratory which assays samples based upon a fee per sample. TSL is accredited laboratory (No. 538) which conforms with requirements of CAN-P-1579, CAN-P-4E (ISO/IEC 17025:2005).

Gold was first analyzed by fire assay with an atomic adsorption finish using a 30 g sample. If the gold exceeded the limits of the first assay analysis, a second assay was conducted by fire assay with a gravimetric finish using a 1 assay ton (AT) (29.16 G) sample. The analysis for silver, copper, lead and zinc was conducted using a multiacid (HNO3-HF-HCIO4-HCL) digestion with atomic adsorption finish. The details of the analytical procedures used for the 2008 Micon check are summarized in Table 12.1.

The results of Micon's check sampling for the La Frazada project are summarized in Table 12.2. Table 12.3 summarizes Silvermex's sampling results for the samples upon which Micon conducted the check sampling.

Table 12.1
Details of the Analytical Procedures used on the Micon Samples by TSL Laboratories

Element Name	Units	Extraction Technique	Lower Detection Limit	Upper Detection Limit
Gold	ppb	Fire Assay/AA	5	1,000
Gold	g/t	Fire Assay/Gravimetric	0.10	6,500
Silver	g/t	HNO_3-HF-$HCIO_4$-HCL/AA	1	350
Copper	%	HNO_3-HF-$HCIO_4$-HCL/AA	0.01%	25%
Lead	%	HNO_3-HF-$HCIO_4$-HCL/AA	0.01%	14%
Zinc	%	HNO_3-HF-$HCIO_4$-HCL/AA	0.01%	19%
Samples for Gold Fire Assay/AA (ppb) are weighed at 30 g.				
Samples for Gold Fire Assay/Gravimetric (g/t) are weighed at a AT (29.16 g).				
Samples for Silver (g/t), Base metals (%) are weighed at 0.5 g.				

Table 12.2
Results for the Micon Check Samples from the La Frazada Project

Micon Sample Number	Gold (g/t)	Gold (g/t)	Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)	Comments
62123	0.31		28.7	<0.01	0.10	0.47	Silvermex Sample #5060
62124	0.03		103.0	0.28	2.59	7.05	Silvermex Sample #5069
62125	0.03		131.5	0.20	1.17	6.95	Silvermex Sample #5108
62126	<0.03		4.4	0.01	<0.01	0.03	Silvermex Sample #5140
62127	<0.03		2.8	<0.01	<0.01	0.02	Silvermex Sample #5148
62128	1.68	1.58	292.5	0.14	1.43	2.84	Silvermex Sample #5157
62129	<0.03	<0.03	4.3	<0.01	0.04	0.07	Silvermex Sample #5168
62130	<0.03		411.9	0.36	0.64	0.82	Silvermex Sample #5338
62131	<0.03		465.8	0.21	1.47	1.70	Silvermex Sample #5340
62132	<0.03		962.5	0.16	0.27	0.70	Silvermex Sample #5341
62133	<0.03	<0.03	35.6	<0.01	0.06	0.08	Silvermex Sample #5346
62134	<0.03	<0.03	341.6	0.11	49.12	14.26	Sample taken from underground drift during the site visit.
Note: Conversion for the units = 1 ppm = 1g/t = 1,000 ppb = 0.0001% and 10,000 ppm = 1%							

Table 12.3
Results for the Silvermex Samples from the La Frazada Project

Silvermex Sample Number	Gold (ppb)	Gold (g/t)	Silver (g/t)	Silver (ppm)	Copper (ppm)	Lead (ppm)	Zinc (ppm)	Copper (%)	Lead (%)	Zinc (%)
5060	108		----	29.9	73	1,052	4,889	<0.01	0.105	0.489
5069	87		102.7	102.6	2,904	23,224	67,074	0.290	2.322	6.707
5108	105		143.6	130.1	1,882	15,849	82,580	0.188	1.585	8.258
5140	140			79.6	2,160	2,700	15,533	0.216	0.270	1.553
5148	63			31.4	293	1,403	1,361	0.029	0.140	0.136
5157	1903	1.93	349.1	340.1	1,033	15,256	30,916	0.103	1.526	3.092
5168	10			2	67	459	561	<0.01	0.046	0.056

5338	58		424.4	400.6	3,809	4,010	6,241	0.381	0.401	0.624
5340	24		418.5	392.9	1,643	8,730	17,010	0.164	0.873	1.701
5341	10		956.2	567.5	1,234	1,436	6,981	0.123	0.144	0.698
5346	27			33.9	65	449	634	<0.01	0.045	
Note: Conversion for the units = 1 ppm = 1g/t = 1,000 ppb = 0.0001% and 10,000 ppm = 1%										

Micon was satisfied that its 2008 check sampling of the mineralization underground and a number of rejects from the Silvermex sampling program confirmed the presence of silver mineralization with a similar tenor to that reported by Silvermex at the time.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Silver One is in the process of acquiring the La Frazada Project from First Mining and has yet to decide when it will conduct further metallurgical testwork on the mineralization at the property.

First Mining has performed no metallurgical testwork on the mineralization at the La Frazada Project.

The prior owner, Silvermex did not conduct any metallurgical testwork on the La Frazada property.

14.0 MINERAL RESOURCE ESTIMATES

The most recent 2008 mineral resource estimate was conducted by Silvermex and contained in the November, 2008 and amended January, 2009, Micon Technical Reports. However, while Silvermex's 2008 mineral resource estimate, as reviewed and audited by Micon, was compliant with the CIM standards and definitions required by NI 43-101 in 2008, it stands currently as a historical estimate. Micon as not reviewed the 2008 Silvermex estimate for this report and has not done sufficient work to classify the historical resource estimates as a current estimate and neither First Mining nor Silver One is not treating the historical estimate as a current estimate. Details regarding the 2008 resource estimate are contained in Section 6 of this report

There are no known resource estimates for any of the other portions of the La Frazada property.

TECHNICAL REPORT SECTIONS NOT REQUIRED

The following sections which form part of the NI 43-101 reporting requirements for advanced projects or properties are not relevant to the current Technical Report:

15.0 MINERAL RESERVE ESTIMATES

16.0 MINING METHODS

17.0 RECOVERY METHODS

18.0 PROJECT INFRASTRUCTURE

19.0 MARKET STUDIES AND CONTRACTS

20.0 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

21.0 CAPITAL AND OPERATING COSTS

22.0 ECONOMIC ANALYSIS

23.0 ADJACENT PROPERTIES

The La Frazada property exists within lower western flank of the Sierra Madre Occidental Metallogenic Province and is known to host a number of separate zones of anomalous silver mineralization. The property comprises the core of the old mining district of El Zopilote. Workings on the district date to Spanish times and legend asserts that the port of San Blas was established to serve this district. The district was extensively developed by a German company prior to the Mexican Revolution of 1910. Remains of their smelter are still present at the town of Real de Zopilote, which was reportedly to have been the richest town in Nayarit during the 1880's and 90's.

The compilation of reports currently in First Mining's and Silver One's possession indicates that the El Zopilote mine was the largest mine in the district with the main shaft reported to be 160 m deep. This shaft corresponds to the shaft presently known to the inhabitants as the Tiro Real shaft.

While mining has occurred for silver with lead and zinc by-products in the mining district since the colonial Spanish period very few records remain regarding the mining production from this district.

The Zopilote mining district is primarily known for its silver deposits; however, a number of small gold placers are located in the streams and rivers within the surrounding country side.

Micon considers that based on the occurrence of other metallic mineral deposits in the district and the historical mining which has been undertaken within the property boundaries, the ground is very prospective for silver, lead and zinc mineralization.

However, at this point there are no adjacent properties which have an impact on the La Frazada property in the El Zopilote mining district.

24.0 OTHER RELEVANT DATA AND INFORMATION

All relevant data and information regarding the La Frazada Project are included in other sections of this Technical Report.

Micon is not aware of any other data that would make a material difference to the quality of this Technical Report or make it more understandable, or without which the report would be incomplete or misleading.

25.0 INTERPRETATION AND CONCLUSIONS

First Mining acquired the La Frazada property in March, 2015 when it acquired Terra Plata from First Majestic. First Mining has not conducted exploration or drilling programs on the property since acquiring it. Silver One is in the process of acquiring the La Frazada Project from First Mining with the purchase of Terra Plata.

With the La Frazada Project, Silver One will acquire a property with known silver mineralization and associated lead and zinc mineralization, along with some gold and copper, occurring in the two main mineral veins (La Jabalina and La Frazada) which are poorly exposed on surface along a 3 km section comprised of intermittent outcrops. However, the two veins are better exposed within the existing underground workings that are distributed along the veins.

Regionally the district has been a very important mining centre with intermittent mining occurring since the Spanish period. The latest period for which some records survive are the late 19th Century to early 20th Century and during the 1980s and 1990s. However, this mining district has not been subjected to modern exploration techniques. Although Minera Nival conducted some EX core drilling 1880s and 1990s the records are poor and cannot be used to identify the extent of the mineralization below the workings in the La Frazada area.

The most recent 2008 preliminary mineral resource estimate was conducted by Silvermex and contained in the November, 2008 and amended January, 2009, Micon Technical Reports. However, while Silvermex's 2008 mineral resource estimate, as reviewed and audited by Micon, was compliant with the CIM standards and definitions required by NI 43-101 at the time, the current market conditions render it out of date and it stands currently as a historical estimate. Micon as not revisited the 2008 Silvermex estimate for this report and has not done sufficient work to classify the historical resource estimates as a current estimate and neither First Mining nor Silver One is treating the historical estimate as a current estimate. Table 25.1 summarizes the 2008 historical mineral resource estimate.

There are no known resource estimates for any of the other portions of the La Frazada property.

The La Frazada project should be considered as a mid-stage exploration project due to the amount of historical work on surface and underground and the ability to access these workings in order to define the extent of the mineralization on the property. Micon believes that an exploration program based on geological mapping and channel sampling of the historical workings, and a focussed diamond drilling program to identify the true extent of the mineralization within the veins on the La Frazada property, is both warranted and justified. Micon considers that the scope of work and budget proposed by First Mining for the next stage of exploration are appropriate.

Table 25.1
2008 Historical Mineral Resources on the La Frazada Property
(60 g/t Silver Cut-Off)
(Based on data available as of October 6, 2008)

Resource Classification	Tonnes (x 1,000)	Grade					Metal				
		Silver (g/t)	Gold (g/t)	Lead (%))	Zinc (%)	Cu (%)	Silver (x 000 oz)	Gold (oz)	Lead (x 000 lb)	Zinc (x 000 lb)	Cu (x 000 lb)
Measured	304	259.8	0.197	0.876	2.36	0.095	2,537	1,900	5,866	15,782	635
Indicated	279	240.5	0.141	0.862	2.52	0.089	2,156	1,300	5,297	15,498	546
Total Measured + Indicated	**583**	**250.5**	**0.170**	**0.869**	**2.44**	**0.092**	**4,693**	**3,200**	**11,163**	**31,280**	**1,181**
Inferred	534	224.9	0.178	0.923	2.62	0.089	3,859	3,100	10,860	30,769	1,046

Table taken from the November, 2008 Micon Technical report as amended in January, 2009.
Note that mineral resources that are not mineral reserves have not demonstrated economics.

26.0 RECOMMENDATIONS

Silver One's exploration program will consist of diamond drilling to confirm and expand the indicated resource within the historical estimation and explore the veins at depth in order to increase the inferred resource. Silver One has budgeted a three month 3,000 m drill program. The exploration activities will include geological mapping and channel sampling on surface and in the existing underground workings to identify any additional potential along the mineral trends. The exploration program will also seek to confirm the silver values in some areas nearest to the mineral trend where the assays from chips samples returned significant silver values in the host rock. A program of systematic channel sampling will be implemented in order to further identify the mineral potential in the host rock.

Silver One is planning to spend an estimated US $1,020,561 during its first phase of exploration and a further US $1,900,561 in a second phase which will depend on the results of the first phase. In both cases, the budget includes payments to cover the mining taxes, surface rights and access.

Tables 26.1 and 26.2 summarize Silver One's estimated budgets for Phases 1 and 2 of the exploration program on the La Frazada property.

Table 26.1
Estimated Budget for Phase 1 of the Exploration on the La Frazada Project

Category	Unit	Unit Cost (US $)	No. of Units	Total Cost (US $)
Geology and Exploration				
Project Management	Monthly	3,000	6	18,000
Geologists	Monthly	8,000	6	48,000
Field Hands	Monthly	4,800	6	28,800
Camp and Accommodation	Monthly	5,000	6	30,000
Kitchener and Helper	Monthly	1,200	6	7,200
Exploration Expenses and Supplies	Lump	10,000	1	10,000
Reconditioning Underground Sites for Drilling	Metres	900	50	45,000
Core Drilling	Metres	180	3,000	540,000
Assaying (Drilling)	Samples	35	2,500	87,500
Access Roads and Drill Sites	Hours-Dozer	90	400	36,000
Gasoline	Monthly	1,400	6	8,400
Vehicles Maintenance	Lump	400	3	1,200
Tires	Lump	1,200	4	4,800
Metallurgical Testwork	Lump	50,000	1	50,000
Drafting, Reporting, Reproduction, Maps.	Monthly	1,000	6	6,000
Office Materials (paper for plot maps, inks, etc)	Lump	500	6	3,000
Telecommunications	Monthly	500	6	3,000
Travel Expenses	Lump	1,000	6	6,000
Other Equipment Acquisition	Lump	1,000	3	3,000
Scoping Study				0
Social Security and Administration	Estimated	46,795	1	46,795

Total Geology and Exploration				**982,695**
Property Acquisition & Maintenance Costs				
Mining Taxes	Bi-annual	1,433	1	2,866
Surface Rights and Rights of Way	Lump	25,000	1	25,000
Environmental Permitting	Report	10,000	1	10,000
Total Property Acquisition & Maintenance Costs				**37,866**
Total Project Expenditures				**1,020,561**

Table 26.2
Estimated Budget for Phase 2 of the Exploration on the La Frazada Project

Category	Unit	Unit Cost (US $)	No. of Units	Total Cost (US $)
Geology and Exploration				
Project Management	Monthly	3,000	6	18,000
Geologists	Monthly	8,000	6	48,000
Field Hands	Monthly	4,800	6	28,800
Camp and Accommodation	Monthly	5,000	6	30,000
Kitchener and Helper	Monthly	1,200	6	7,200
Exploration Expenses and Supplies	Lump	10,000	1	10,000
Reconditioning Underground Sites for Drilling	Metres	900	50	45,000
Drifts and Ramps for Preparation	Metres	700	1000	700,000
Core Drilling	Metres	180	3,000	540,000
Assaying (Drilling)	Samples	35	2,500	87,500
Access Roads and Drill Sites	Hours-Dozer	90	400	36,000
Gasoline	Monthly	1,400	6	8,400
Vehicles Maintenance	Lump	400	3	1,200
Tires	Lump	1,200	4	4,800
Metallurgical Testwork	Lump	50,000	1	50,000
Drafting, Reporting, Reproduction, Maps.	Monthly	1,000	6	6,000
Office Materials (paper for plot maps, inks, etc)	Lump	500	6	3,000
Telecommunications	Monthly	500	6	3,000
Travel Expenses	Lump	1,000	6	6,000
Other Equipment Acquisition	Lump	1,000	3	3,000
Scoping Study	Lump	100,000	1	100,000
Social Security and Administration	Estimated	86,795	1	86,795
Total Geology and Exploration				**1,822,695**
Property Acquisition & Maintenance Costs				
Mining Taxes	Bi-annual	1,433	1	2,866
Surface Rights and Rights of Way	Lump	25,000	1	25,000
Environmental Permitting	Report	50,000	1	50,000
Total Property Acquisition & Maintenance Costs				**77,866**
Total Project Expenditures				**1,897,845**

Micon has reviewed Silver One's proposal to conduct further exploration on its La Frazada property and recommends that Silver One conducts the exploration program as proposed

subject to funding and any other matters which may cause the proposed exploration program to be altered in the normal course of its business activities or alterations which may affect the program as a result of exploration activities themselves.

Through its acquisition of the La Frazada project, Silver One has acquired a property with the potential to yield significant silver mineralization. Micon agrees with the general direction of Silver One's initial and proposed exploration programs for the project and makes the following additional recommendations for the property:

1) Micon recommends that Silver One completes a compilation of the La Frazada data.

2) Micon recommends that if it is possible to do so in a safe manner Silver One cleans out the accesses to the underground workings. Once the access is re-established to the underground workings a program of further sampling, mapping and surveying these workings can begin. The addition of the further underground data to the database will allow Silver One to gain a better understanding of the mineralization at depth. The underground surveys will allow for the exclusion of the previously mined material from future resource estimates since no records of the tonnages and grades extracted from the workings have survived. Accessing the underground workings may also allow for drilling to be conducted from these workings.

3) Micon recommends that Silver One conduct a drilling program to further identify the extent of the mineralization at the La Frazada property. The drilling program should consist of core drilling in order to identify both the extent of the vein system and to establish the relationships between the veins encountered in the drilling program and those exposed on surface and in the underground workings.

4) Micon recommends that Silver One sets up an appropriate QA/QC program for the La Frazada property:

5) Micon recommends that Silver One reviews the historical mineral resource data base and such that the previous work can be reclassified as current or undertake additional work to upgrade and extend the historical mineral resource estimate.

The La Frazada project should be regarded as a mid-stage project and given the prospective nature of the property it is Micon's opinion that the project is worthy of further exploration work.

Micon has reviewed the proposed exploration programs and the results from the previous exploration programs conducted by Silvermex and, in light of the observations made in this report, support the concepts outlined by Silver One for further exploration. It is Micon's opinion that the property merits further exploration and that Silver One's proposed exploration plans are properly conceived and justified.

27.0 DATE AND SIGNATURE PAGE

MICON INTERNATIONAL LIMITED

"William J. Lewis" {signed and sealed as of the amended date}

William J. Lewis, B.Sc., P.Geo.
Senior Geologist

Report Date: September 20, 2016.
Effective Date: September 20, 2016.
Amended Date: January 6, 2017.

28.0 REFERENCES

28.1 TECHNICAL REPORTS, PAPERS AND OTHER PUBLICATIONS

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29.0 CERTIFICATES

29.1 CERTIFICATE OF WILLIAM J. LEWIS, B.SC., P.GEO.

As the author of this report for First Mining Finance Corp. and Silver One Resources Inc entitled "NI 43-101 Technical Report for the La Frazada Silver Property, El Zopilote Mining District, Nayarit, Mexico" dated September 20, 2016 with an effective date of September 20, 2016 and Amended as of January 6, 2017, I, William J. Lewis do hereby certify that:

I am employed by, and carried out this assignment for, Micon International Limited, Suite 900, 390 Bay Street, Toronto, Ontario M5H 2Y2, tel. (416) 362-5135, fax (416) 362-5763, e-mail wlewis@micon-international.com.

This certificate applies to the Technical Report titled "NI 43-101 Technical Report for the La Frazada Silver Property, El Zopilote Mining District, Nayarit, Mexico"" dated September 20, 2016 with an effective date of September 20, 2016 and amended as off January 6, 2017.

I hold the following academic qualifications:

B.Sc. (Geology)	University of British Columbia	1985

I am a registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists of Manitoba (membership # 20480); as well, I am a member in good standing of several other technical associations and societies, including:

- Association of Professional Engineers and Geoscientists of British Columbia (Membership # 20333)
- Association of Professional Engineers, Geologists and Geophysicists of the Northwest Territories (Membership # 1450)
- Professional Association of Geoscientists of Ontario (Membership # 1522)
- The Canadian Institute of Mining, Metallurgy and Petroleum (Member # 94758)

I have worked as a geologist in the minerals industry for 31 years.

I am familiar with NI 43-101 and, by reason of education, experience and professional registration, I fulfill the requirements of a Qualified Person as defined in NI 43-101. My work experience includes 4 years as an exploration geologist looking for gold and base metal deposits, more than 11 years as a mine geologist in underground mines and five years as a surficial geologist and more than 11 years as a consulting geologist on precious and base metals, specializing in mineral resource and reserve estimates, and industrial minerals.

I have read NI 43-101 and this Technical Report has been prepared in compliance with the instrument.

I visited the La Frazada Project on September 1, 2016 and have visited the property previously in 2008.

I have written a previous Technical Report for the mineral property that is the subject of this Technical Report.

I am independent of First Mining Finance Corp. and Silver One resources Inc. per the definition described in NI 43-101 and the Companion Policy 43-101 CP.

I am responsible for all Sections within this Technical Report.

As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make this technical report not misleading.

Report Dated the 20th day of September, 2016 with an effective date of September 20, 2016 and further Amended as of January 6, 2017.

"William J. Lewis" {signed and sealed as of the amended date}

William J. Lewis, B.Sc., P.Geo.
Senior Geologist, Micon International Limited.

APPENDIX 1

GLOSSARY OF MINING AND OTHER RELATED TERMS

The following is a glossary of general mining terms that may be used in this Technical Report.

A

Ag	Symbol for the element silver.
Assay	A chemical test performed on a sample of ores or minerals to determine the amount of valuable metals contained.
Au	Symbol for the element gold.

B

Base metal	Any non-precious metal (e.g. copper, lead, zinc, nickel, etc.).
Bulk mining	Any large-scale, mechanized method of mining involving many thousands of tonnes of ore being brought to surface per day.
Bulk sample	A large sample of mineralized rock, frequently hundreds of tonnes, selected in such a manner as to be representative of the potential orebody being sampled. The sample is usually used to determine metallurgical characteristics.
Bullion	Precious metal formed into bars or ingots.
By-product	A secondary metal or mineral product recovered in the milling process.

C

Channel sample	A sample composed of pieces of vein or mineral deposit that have been cut out of a small trench or channel, usually about 10 cm wide and 2 cm deep.
Chip sample	A method of sampling a rock exposure whereby a regular series of small chips of rock is broken off along a line across the face.
CIM Standards	The CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council from time to time. The most recent update adopted by the CIM Council is effective as of November 27, 2010.
CIM	The Canadian Institute of Mining, Metallurgy and Petroleum.
Concentrate	A fine, powdery product of the milling process containing a high percentage of valuable metal.
Contact	A geological term used to describe the line or plane along which two different rock formations meet.
Core	The long cylindrical piece of rock, about an inch in diameter, brought to surface by diamond drilling.

Core sample	One or several pieces of whole or split parts of core selected as a sample for analysis or assay.
Cross-cut	A horizontal opening driven from a shaft and (or near) right angles to the strike of a vein or other orebody. The term is also used to signify that a drill hole is crossing the mineralization at or near right angles to it.
Cu	Symbol for the element copper.
Cut-off grade	The lowest grade of mineralized rock that qualifies as ore grade in a given deposit, and is also used as the lowest grade below which the mineralized rock currently cannot be profitably exploited. Cut-off grades vary between deposits depending upon the amenability of ore to gold extraction and upon costs of production.

D

Dacite	The extrusive (volcanic) equivalent of quartz diorite.
Deposit	An informal term for an accumulation of mineralization or other valuable earth material of any origin.
Development drilling	Drilling to establish accurate estimates of mineral resources or reserves usually in an operating mine or advanced project.
Dilution	Rock that is, by necessity, removed along with the ore in the mining process, subsequently lowering the grade of the ore.
Diorite	An intrusive igneous rock composed chiefly of sodic plagioclase, hornblende, biotite or pyroxene.
Dip	The angle at which a vein, structure or rock bed is inclined from the horizontal as measured at right angles to the strike.
Doré	A semi refined alloy containing sufficient precious metal to make recovery profitable. Crude precious metal bars, ingots or comparable masses produced at a mine which are then sold or shipped to a refinery for further processing.

E

Epithermal	Hydrothermal mineral deposit formed within one kilometre of the earth's surface, in the temperature range of 50 to 200°C.
Epithermal deposit	A mineral deposit consisting of veins and replacement bodies, usually in volcanic or sedimentary rocks, containing precious metals or, more rarely, base metals.

Exploration	Prospecting, sampling, mapping, diamond drilling and other work involved in searching for ore.

F

Face	The end of a drift, cross-cut or stope in which work is taking place.
Fault	A break in the Earth's crust caused by tectonic forces which have moved the rock on one side with respect to the other.
First Mining	First Mining Finance Corp, including, unless the context otherwise requires, the Company's subsidiaries.
Flotation	A milling process in which valuable mineral particles are induced to become attached to bubbles and float as others sink.
Fold	Any bending or wrinkling of rock strata.
Footwall	The rock on the underside of a vein or mineralized structure or deposit.
Fracture	A break in the rock, the opening of which allows mineral-bearing solutions to enter. A "cross-fracture" is a minor break extending at more-or-less right angles to the direction of the principal fractures.

G

g/t	Abbreviation for gram(s) per metric tonne.
g/t	Abbreviation for gram(s) per tonne.
Grade	Term used to indicate the concentration of an economically desirable mineral or element in its host rock as a function of its relative mass. With gold, this term may be expressed as grams per tonne (g/t) or ounces per tonne (opt).
Gram	One gram is equal to 0.0321507 troy ounces.

H

Hanging wall	The rock on the upper side of a vein or mineral deposit.
Heap Leaching	A process used for the recovery of copper, uranium, and precious metals from weathered low-grade ore. The crushed material is laid on a slightly sloping, impervious pad and uniformly leached by the percolation of the leach liquor trickling through the beds by gravity to ponds. The metals are recovered by conventional methods from the solution.
High grade	Rich mineralization or ore. As a verb, it refers to selective mining of the best ore in a deposit.
Host rock	The rock surrounding an ore deposit.

Hydrothermal — Processes associated with heated or superheated water, especially mineralization or alteration.

I

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.

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."

Intrusive — A body of igneous rock formed by the consolidation of magma intruded into other

K

km — Abbreviation for kilometre(s). One kilometre is equal to 0.62 miles.

L

Leaching — The separation, selective removal or dissolving-out of soluble constituents from a rock or ore body by the natural actions of percolating solutions.

Level — The horizontal openings on a working horizon in a mine; it is customary to work mines from a shaft, establishing levels at regular intervals, generally about 50 m or more apart.

Limestone — A bedded, sedimentary deposit consisting chiefly of calcium carbonate.

M

m	Abbreviation for metre(s). One metre is equal to 3.28 feet.
Marble	A metamorphic rock derived from the recrystallization of limestone under intense heat and pressure.
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. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
Metallurgy	The science and art of separating metals and metallic minerals from their ores by mechanical and chemical processes.
Metamorphic	Affected by physical, chemical, and structural processes imposed by depth in the earth's crust.
Mill	A plant in which ore is treated and metals are recovered or prepared for smelting; also a revolving drum used for the grinding of ores in preparation for treatment.
Mine	An excavation beneath the surface of the ground from which mineral matter of value is extracted.
Mineral	A naturally occurring homogeneous substance having definite physical properties and chemical composition and, if formed under favourable conditions, a definite crystal form.
Mineral Claim	That portion of public mineral lands which a party has staked or marked out in accordance with federal or state mining laws to acquire the right to explore for and exploit the minerals under the surface.
Mineralization	The process or processes by which mineral or minerals are introduced into a rock, resulting in a valuable or potentially valuable deposit.
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. 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. The term mineral resource used in this report is a Canadian mining term as defined in accordance with NI 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the CIM), Standards on Mineral Resource and Mineral Reserves Definitions and guidelines adopted by the CIM Council on December 11, 2005, updated as of November 27, 2010 and more recently updated as of May 10, 2014(the CIM Standards).

N

Net Smelter Return

A payment made by a producer of metals based on the value of the gross metal production from the property, less deduction of certain limited costs including smelting, refining, transportation and insurance costs.

NI 43-101

National Instrument 43-101 is a national instrument for the Standards of Disclosure for Mineral Projects within Canada. The Instrument is a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada. This includes foreign-owned mining entities who trade on stock exchanges overseen by the Canadian Securities Administrators (CSA), even if they only trade on Over the Counter (OTC) derivatives or other instrumented securities. The NI 43-101 rules and guidelines were updated as of June 30, 2011.

O

Open Pit/Cut — A form of mining operation designed to extract minerals that lie near the surface. Waste or overburden is first removed, and the mineral is broken and loaded for processing. The mining of metalliferous ores by surface-mining methods is commonly designated as open-pit mining as distinguished from strip mining of coal and the quarrying of other non-metallic materials, such as limestone and building stone.

Outcrop — An exposure of rock or mineral deposit that can be seen on surface that is, not covered by soil or water.

Oxidation — A chemical reaction caused by exposure to oxygen that result in a change in the chemical composition of a mineral.

Ounce	A measure of weight in gold and other precious metals, correctly troy ounces, which weigh 31.2 grams as distinct from an imperial ounce which weigh 28.4 grams.
oz	Abbreviation for ounce.

P

Plant	A building or group of buildings in which a process or function is carried out; at a mine site it will include warehouses, hoisting equipment, compressors, maintenance shops, offices and the mill or concentrator.
Pyrite	A common, pale-bronze or brass-yellow, mineral composed of iron and sulphur. Pyrite has a brilliant metallic luster and has been mistaken for gold. Pyrite is the most wide-spread and abundant of the sulphide minerals and occurs in all kinds of rocks.

Q

Qualified Person	Conforms to that definition under NI 43-101 for an individual: (a) to be an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, related to mineral exploration or mining; (b) has at least five years' experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) to have experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that (i) requires attainment of a position of responsibility in their profession that requires the exercise of independent judgement; and (ii) requires (A.) a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or (B.) a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining.

R

Reclamation	The restoration of a site after mining or exploration activity is completed.

S

Shoot	A concentration of mineral values; that part of a vein or zone carrying values of ore grade.

Silver One	Silvermex One Resources Inc., including, unless the context otherwise requires, the Company's subsidiaries.
Silvermex	Silvermex Resources Ltd. (later Inc.), including, unless the context otherwise requires, the Company's subsidiaries.
Skarn	Name for the metamorphic rocks surrounding an igneous intrusive where it comes in contact with a limestone or dolostone formation.
Stockpile	Broken ore heaped on surface, pending treatment or shipment.
Strike	The direction, or bearing from true north, of a vein or rock formation measure on a horizontal surface.
Stringer	A narrow vein or irregular filament of a mineral or minerals traversing a rock mass.
Sulphides	A group of minerals which contains sulphur and other metallic elements such as copper and zinc. Gold and silver are usually associated with sulphide enrichment in mineral deposits.

T

Tonne	A metric ton of 1,000 kilograms (2,205 pounds).

V

Vein	A fissure, fault or crack in a rock filled by minerals that have travelled upwards from some deep source.

W

Wall rocks	Rock units on either side of an orebody. The hanging wall and footwall rocks of a mineral deposit or orebody.
Waste	Unmineralized, or sometimes mineralized, rock that is not minable at a profit.
Working(s)	May be a shaft, quarry, level, open-cut, open pit, or stope etc. Usually noted in the plural.

Z

Zone	An area of distinct mineralization.
ZTEM geophysical survey	Z-Tipper Axis Electromagnetic) system is Geotech Inc.'s exclusive system which leverages the earth's natural (or

passive) fields from global thunderstorm activity as a source of transmitted energy. The ZTEM™ system leverages the earth's natural (or passive) fields from global thunderstorm activity as a source of transmitted energy. According to Geothech ZTEM™ is ideal for mapping deeply buried, porphyry hosted and structurally controlled targets.