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NI 43-101 TECHNICAL REPORT ON THE
BELL MOUNTAIN PROJECT
PRELIMINARY ECONOMIC ASSESSMENT
CHURCHILL COUNTY, NEVADA, USA



Prepared for

EROS RESOURCES CORP.

and

GLOBEX MINING ENTERPRISES INC.

Report Date: October 31, 2017

Effective Date: October 9, 2017

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APPENDIX

Appendix A: Bell Mountain Project Unpatented Lode Mining Claims

ACRONYMS AND ABBREVIATIONS

AA: Atomic Absorption Spectrometry
ABA: acid-base accounting
ACOE: U.S. Army Corps of Engineers
ADR: adsorption-desorption-recovery
Ag: silver
Au: gold
AuEq: gold equivalent
BAPC: Bureau of Air Pollution Control
BLM: US Department of the Interior Bureau of Land Management
BMEC: Bell Mountain Exploration Corporation
BMRR: Bureau of Mining Regulation and Reclamation
BWPC: Bureau of Water Pollution Control
C.P.G.: Certified Professional Geologist
CEQ: Council of Environmental Quality
cf: cubic foot or cubic feet
CIM: Canadian Institute of Mining, Metallurgy and Petroleum
Cu Yds: cubic yards
CV: coefficient of variation
DON: US Department of Navy
EA: Environmental Assessment
EIS: Environmental Impact Statement
Eros: Eros Resources Corp.
FAAS: fire assay with atomic absorption spectrophotometry finish
G & A: general and administrative
g: grams
GOEA: golden eagle sites
gpm: gallons per minute
GPS: Global Positioning System
gpt: grams per tonne
HRC: Hard Rock Consulting
ICP: Inductively Coupled Plasma Emission Spectrometry
ID: inverse distance
IRR: internal rate of return
km: kilometer
lb: pounds
LG: Lerchs-Grossmann
MDB&M: Mount Diablo Baseline and Meridian
Mt: million short tons
MWMP: meteoric water mobility procedure
NAD83: North American Datum of 1983
NDEP: Nevada Division of Environmental Protection
NDWR: Nevada Division of Water Resources
NEPA: National Environmental Policy Act of 1969
NI 43-101: Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects

NN: nearest neighbor
NOI: Notice of Intent
NPDES: National Pollutant Discharge Elimination System
NPV: net present value
OK: ordinary kriging
opt: troy ounces per short ton
oz: troy ounces
P.E.: Professional Engineer
PEA: Preliminary Economic Assessment
PoO: Plan of Operations
ppm: parts per million
QA/QC: quality assurance/quality control
QP: Qualified Person, as defined in NI 43-101
RC: reverse circulation drilling
SEM: scanning electron microscope
SME-RM: Society for Mining, Metallurgy and Exploration-Registered Member
SRF: standard refining fee
t: metric ton = tonne = 1,000 kg
ton: dry short ton of 2,000 pounds
tonne: metric tonne
tpd: tons per day
US$: United States Dollar Currency
UTM: Universal Transverse Mercator
WGS84: World Geographic System
WHA: Welsh Hagen Associates
WPCP: Water Pollution Control Permit

1.0 SUMMARY

1.1 Introduction

At the request of the issuer, Eros Resources Corp., this NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment ("PEA", or the "Report") has been prepared by Welsh Hagen Associates ("WHA"). This PEA conforms to the standards specified in Canadian Securities Administrators' National Instrument NI 43-101, Companion Policy 43-101CP and Form 43-101F.

Eros Resources Corp. ((herein after referred to as "Eros") is a British Columbia corporation. Bell Mountain Exploration Corp. (BMEC), a Nevada corporation, is a wholly owned and U.S. operating subsidiary of Eros.

The purpose of this Report is to provide Eros and its investors with an independent opinion on the technical and economic aspects and mineral resources at Bell Mountain. This PEA conforms to the standards specified in Canadian Securities Administrators' National Instrument NI 43-101, Companion Policy 43-101CP and Form 43-101F. This report presents the results of the PEA based on all available technical data and information as of October 9, 2017.

The reader is cautioned that the preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. The reported mineral resources are not mineral reserves and do not have demonstrated economic viability.

1.2 Property Location

The Bell Mountain Project is comprised of four gold - silver resource deposits, the Spurr, Varga, Sphinx and East Ridge deposits. The Project, which encompasses approximately ± 3,616 acres (± 1,463 hectares) of mineral rights, is located in Churchill County, Nevada, about 95 miles southeast of Reno, Nevada and 54 miles southeast of Fallon, Nevada. The approximate center of the project area is latitude 39° 10' 55" N, longitude -118° 7' 37" W. The Project area lies in Township 15 North, Range 34 East, portions of Sections 1-3, 9-16 and Township 16 North, Range 34 East, portions of Section 36, Mount Diablo Baseline and Meridian (MDB&M). The Bell Mountain Project location is shown on **Figure 1.1**.

Figure 1.1: Location Map of the Bell Mountain Project

1.3 Property Ownership

According to a Title Review, *Bell Mountain Limited Title Review Churchill County, Nevada, prepared by G.I.S. Land Services,* dated June 12, 2017, Bell Mountain Exploration Corp., a Nevada Corporation, owns the possessory mineral rights on 174 lode claims and possessory surface rights on 6 mill site claims collectively known as the Bell Mountain Property. The property totals ± 3,616 acres (± 1,463 hectares) of located claims.

The 174 lode claims and 6 mill site claims are in 4 groups, from oldest to youngest.

A. 26 lode claims comprising the Bell, Edith, Homestake, and JS group.

B. 119 lode claims comprising the BMG 1-119 group.

C. 29 lode claims comprising the LGB 1-29 group.

D. 6 mill site claims comprising the BMW 1-6 group.

A complete list of claims denoting BLM and County recordation documents and a detailed claim map are provided in **Appendix A.**

Royalty Summary

Based on an unrecorded Acquisition Agreement dated 11/14/1994 N.A. Degerstrom is the Royalty Beneficiary and Bell Mountain Exploration Corp is the successor Royalty Payor of a 2% NSR with a $167,000 buy-out. This royalty encumbers all 26 claims in group A.

Based on an unrecorded Exploration and Option Agreement with Laurion Mineral Exploration USA LLC dated 6/28/2010 Globex Nevada, Inc. is the Royalty Beneficiary and Bell Mountain Exploration Corp is the Royalty Payor of a sliding scale Gross Metals Royalty from 1% - 3% NSR. The royalty encumbers all claims or any part within the Area of Common Interest as detailed in the Exploration and Option Agreement. This royalty encumbers all 174 claims in groups A, B & C.

1.4 Geological Setting and Mineralization

The Bell Mountain property is located within the Fairview Peak caldera, a small Miocene (~19.2 Ma) volcanic center comprised of a thick sequence of rhyolite-dacite flows, flow domes, and pyroclastic rocks. Epithermal low-sulfidation gold-silver mineralization is hosted by calcite and quartz-calcite veins and stockwork associated with pervasive silicification. Veins and hydrothermal alteration are controlled by east-northeast trending near-vertical structures and west-northwest cross structures. The precious metal-bearing minerals are electrum, argentite/acanthite, and native silver. To date, four main bodies of gold-silver mineralization (Varga, Spurr, Sphinx and East Ridge) have been defined by drilling. The larger Spurr and Varga zones are situated along the principal NE structural trend (Varga-Spurr fault), the Sphinx zone is controlled by a WNW cross structure (Sphinx fault). The East Ridge zone is controlled by a NE striking structure. The East Ridge Deposit consists of a single east-northeast trending quartz-calcite vein which dips steeply to the south.

1.5 Exploration History

The property was discovered in 1914 and a short shaft was sunk. In 1916, the Spurr adit was driven below the shaft. The only recorded production from the Spurr adit was a 35-ton carload of hand sorted ore shipped in 1927 that graded 16 g/t Au and 510 g/t Ag. The property was investigated in 1948 with little progress. In the mid 1960's, the Lovestedt adit was driven below the Spurr adit from the west.

In 1978, American Pyramid Resources acquired the property. Between 1978 and 1982 they resampled the old workings and drove the Varga adit eastward under the Varga deposit, but did no drilling. They also drove the Sphinx adit in 1982. Anthony Payne prepared a feasibility study for American Pyramid in 1982, but the project did not go forward.

The property was optioned by Santa Fe Mining in 1984 who drilled 51 reverse circulation holes, largely in the Varga deposit, and carried out heap leach metallurgical testing.

Alhambra Mines optioned the property in 1986, mapped the underground workings and drilled eight underground long-holes in the Spurr deposit. Alhambra also carried out surface sampling and metallurgical testing.

N.A. Degerstrom acquired the property in 1989 and drilled 104 reverse circulation and 5 core holes in the Varga, Spurr and Sphinx deposits. N.A. Degerstrom also conducted metallurgical testing, mine design work and obtained full permitting for mine operations in 1992. Due to falling metal prices, the project was shelved.

Globex Nevada acquired the property in 1994 and optioned it to ECU Gold Mining Inc. in 1995. ECU did surface mapping and sampling, airborne geophysics and drilled 5 core holes in 1996, but did not continue. Platte River Gold optioned the property from Globex in 2004 and drilled seven RC holes. They also returned the property to Globex.

Laurion Mineral Exploration optioned the property from Globex on June 29, 2010. Laurion drilled 41 RC holes in the Varga zone and 15 RC holes in the Spurr zone during the 2010 year and 3 RC holes in the Sphinx zone in 2011.

Late in 2013 Lincoln Resource Group (Lincoln), executed a Purchase Agreement with Laurion. Lincoln drilled 33 drill holes for a total of 8,210 feet consisting of 2,705 feet of core drilling and 5,505 feet of RC drilling. Drilling was mainly focused in the Varga area with somewhat lesser focus divided between the Spurr and Sphinx areas. In late 2014 Lincoln was unable to fulfill their obligations under the Purchase Agreement with Laurion and the title to the claims on the property reverted back to Laurion via quitclaim deed.

In 2015 Boss Power Corp. (Boss) and its wholly owned subsidiary Bell Mountain Exploration Corp. (BMEC) entered into a Purchase Agreement in which Boss and BMEC acquired right title and interest in the property. In July 2015 Boss changed its name to Eros Resources Corp (Eros). In 2017 Eros conveyed to BMEC all of the right, title and interest of Eros in the property. BMEC work at the property is limited to geological mapping; no drilling or sampling has been completed by BMEC.

1.6 Sample Preparation, Analysis and Security

The Qualified Person considers the sample preparation, analyses and security for the drilling programs conducted by Laurion in 2010 and 2011 and Lincoln in 2013 to be in accordance with current industry accepted quality control/quality assurance protocols. Although information on the sampling preparation and security protocols followed by operators prior to the Laurion 2010 drill program are not well documented, the drilling and sampling were conducted by reasonably reputable mining and exploration companies. The QP is prepared to assume that pre-2010 sample preparation, analysis and security were conducted to acceptable industry standards common at the time.

1.7 Drilling, QA/QC and Data Verification

The electronic database consists of data from a total of 297 drill holes completed at the property by nine different operators over a period of 29 years. Available data consists of a total of 62,303 feet of drilling consisting of 267 reverse-circulation (RC) drill holes (56,434.5 ft), 22 core drill holes (5,633.5 ft) and 8 underground longholes (235 ft) for a total of 13,017 available gold assay values and 12,994 silver assay values. Eight of the nine operators that conducted drilling and channel sampling at the project sent their samples to second party certified labs for analyses. One operator, N.A. Degerstrom, performed assays at their own in-house laboratory.

Modern QA/QC protocols consisting of blind submission of rig duplicates, standard reference materials for gold and silver, blanks for gold and silver and second lab assays were initiated at the Bell Mountain project by Laurion during their 2010 drilling program. There is no known record of modern QA/QC protocols prior to 2010 drilling. Lincoln continued the modern QA/QC protocols during their 2013 drilling program with the insertion of rig duplicates, standard reference materials for gold and silver, blanks and limited second lab assays. Modern QA/QC drilling programs represent 37 percent of all drilling at the Project.

Analysis of the rig duplicates for the 2010 and 2013 drilling campaigns demonstrate good reproducibility for gold and silver. Analysis of the blanks and standards indicate little to no bias with rare, sporadic and minor incidents of contamination, primarily in blanks and less frequently in standards samples.

The QP conducted a thorough assay data verification program focused on all drilling and sampling data by reviewing line by line a total of 5,661 gold assay values, comprising 43 percent of the assay database. A total of 2,202 silver assay values were checked comprising 17 percent of the silver assays in the database. Assay values were compared to original assay certificates, electronic spreadsheet documents and hardcopy assay maps provided by Eros.

The QP concludes that the drill hole database is of a quality acceptable for public reporting of resources in accordance with NI 43-101 guidelines. Assays from surface channel sampling have been removed from influence of resource estimation owing to inherent unreliability in such sampling.

1.8 Metallurgy and Recovery Estimates

The reader is cautioned that the term “ore” generally implies that sufficient technical feasibility and economic viability studies have been completed to classify the material as mineral reserve. A Qualified Person has not done sufficient work to classify the mineral resource at the Bell Mountain Project as current mineral reserve and the issuer is not treating the mineral resource as mineral reserve. The term “ore” is used to maintain the integrity of the previous metallurgical investigations quoted in this report.

The deposits of Bell Mountain (Spurr, Varga, Sphinx and East Ridge) generally are quite amenable to processing by heap leaching. The deposits expressed differing Au and Ag recoveries (ranging from the Varga at an estimated 67% Au recovery to over 80% for the Spurr), the ores behaved similarly whether the ores were crushed to 3/4” nominal size or 3/8” nominal size. For this reason, it would be recommended that the ores be passed through primary and secondary crushing to produce an ore with a nominal 3/4” size for stacking onto the heap pad. All of the ores showed very good recovery between 125 days of leaching, but some were slower to release the gold value and over 152 days of leaching was shown to be better. The best way to accomplish prolonged leaching is to use the valley leach method in which multiple lifts of ore are stacked on the heap. This accomplishes two benefits—smaller footprint of leaching, and prolonged leaching as solution percolates through the lower lifts through all of the leaching of upper lifts. The East Ridge deposit did not have metallurgical testing completed at the time of this document; however, it was estimated that it would have similar response as the nearest neighbor, the Sphinx deposit. With similar 80% recovery of the ore over prolonged leaching, the deposit will contribute gold ounces to the bottom line.

1.9 Mineral Resource Estimate

Zachary J. Black, SME-RM, a Resource Geologist with Hard Rock Consulting (“HRC”) is responsible for the mineral resource estimate presented here. Mr. Black is a Qualified Person as defined by NI 43-101, and is independent of Eros Resources Corp (Eros). HRC estimated the mineral resource for the Project based on drill hole data constrained by geologic boundaries with an Ordinary Krige (“OK”) algorithm. Datamine Studio 3® V3.24.73 (“Datamine”) software was used to complete the resource estimate. The metals of interest at Bell Mountain are gold and silver.

The mineral resources reported here are classified as Measured, Indicated and Inferred in accordance with standards defined by Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) “CIM Definition Standards - For Mineral Resources and Mineral Reserves”, prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. Classification of the resources reflects the relative confidence of the grade estimates.

The Bell Mountain Project mineral resources are reported at cutoff grades that are reasonable for similar deposits in the region. They are based on metallurgical recovery tests, anticipated mining and processing methods, operating and general administrative costs, while also considering economic conditions. These are in accordance with the regulatory requirement that a resource exists "in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction."

**Table 1.1: Resource Statement for the Bell Mountain Project, Churchill County, Nevada
Hard Rock Consulting, LLC, October 9, 2017**

Spurr at 0.004 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	362.4	0.024	8,720	0.87	316,121	0.028	10,225
Indicated	494.5	0.019	9,546	0.73	360,301	0.023	11,261
M&I	856.9	0.021	18,266	0.79	676,421	0.025	21,486
Inferred	395.9	0.008	3,131	0.40	158,100	0.010	3,884
Varga at 0.005 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	769.7	0.016	12,316	0.34	258,904	0.017	12,966
Indicated	1,373.3	0.016	21,424	0.31	430,519	0.016	22,505
M&I	2,143.0	0.016	33,740	0.32	689,423	0.017	35,472
Inferred	1,140.7	0.013	14,711	0.31	355,618	0.014	15,604
Sphinx at 0.004 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	15.5	0.032	496	0.95	14,821	0.034	521
Indicated	13.6	0.017	227	0.51	6,884	0.018	239
M&I	29.1	0.025	723	0.74	21,705	0.026	760
Inferred	254.4	0.019	4,892	0.53	134,915	0.020	5,119
East Ridge at 0.004 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	0	0.000	-	0.00	-	0.000	-
Indicated	36.1	0.028	1,016	0.85	30,598	0.030	1,067
M&I	36.1	0.028	1,016	0.85	30,598	0.030	1,067
Inferred	268.4	0.023	6,150	0.77	205,928	0.024	6,496

Notes: Open pit optimization was used to determine potentially mineable tonnage. Measured, Indicated and Inferred mineral classification was determined according to CIM Standards. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The 2017 Measured, Indicated and Inferred resource is constrained within a $1,300 Au and $17.50 Ag Lerchs-Grossman Pit shell. The base case estimate applies a AuEq cutoff grade of 0.005 oz/t for Varga and 0.004 oz/t for all other areas based on the estimated operating costs. Metallurgical recoveries used for the cutoff calculations were 83.7% on gold and 29.6% on silver for Spurr, 68.6% on gold and 12.8% on silver for Varga and 80% on gold and 10% on silver for Sphinx and East Ridge.

1.10 Environmental Studies, Geotechnical Studies and Permitting

The project includes proposed exploration and potential future mining on lode mining claims on lands administered by the U.S. Bureau of Land Management (BLM).

In order to develop, operate, and close a mining operation, Eros will be required to obtain a number of environmental and other permits from the BLM, the State of Nevada, and Churchill County. Environmental baseline studies that have been completed at the Project area to meet federal and state requirements include a biological baseline survey, a cultural inventory, a hydrologic basin survey, geochemical characterization of mineralized and waste rocks, and a Waters of the United States Jurisdictional Determination. No environmental issues have been identified during the baseline studies that would prohibit development of an open pit heap leach mine at the Project.

BMEC controls water right permit #44345 which authorizes an annual duty of 361.946 acre-feet of water, at an instantaneous rate not to exceed 0.5 cubic feet per second (224 gallons per minute). The Nevada Division of Water Resources (NDWR) lists the owner of record as Bell Mountain Exploration Corp., a Nevada corporation.

Permit #44345 is not certificated, so it requires annual extensions of time to prove beneficial use. NDWR requires a clear reason for granting such annual extensions of time, such as demonstration of steady progress towards putting the water to use, or significant hardships causing delay. The 224 gallons per minute water right should be sufficient for supporting up to 5,000 tons per day heap leach and processing operation.

1.11 Mining and Processing Methodology

The mineral resources have gold and silver grades that could support an open pit mining heap leach processing operation. Heap leaching is an economically viable processing method in the current metal price environment. This mining approach is the basis of the analysis and evaluation developed for the PEA.

A geotechnical study titled Pre-feasibility Level Pit Slope Design Report (Golder, 2016), dated April 1, 2016 was prepared by Golder Associates to provide Eros with open pit slope design recommendations for use in mine pit planning. The recommended pit slope angles were used in the resource model pit optimizations and pit designs. The recommended pit slopes are relatively comparable to many active open pit mining operations in the region.

Designed pits were generated for the Spurr, Varga, Sphinx and East Ridge areas. These designs were based on the US$1250/oz Au and US$15/oz silver Lerchs-Grossman pit optimization shell limits. A summary of the potential processed material within the conceptual designed pits is presented in **Table 1.2**.

The PEA includes inferred mineral resources which are considered too geologically speculative to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that preliminary economic assessment will be realized.

Table 1.2: Potential Processed Material within Designed Pits

Resources Inside Designed Pits							
Classification	Tons X 1,000	Au opt	Ag opt	AuEq opt	Au Ounces	Ag Ounces	AuEq Ounces
Measured	1,102.7	0.019	0.52	0.021	21,087	573,256	22,987
Indicated	1,826.3	0.017	0.44	0.019	31,340	798,074	33,805
Measured & Indicated	**2,928.9**	**0.018**	**0.47**	**0.019**	**52,427**	**1,371,330**	**56,793**
Inferred	1,977.7	0.014	0.43	0.015	28,332	844,804	30,271

Notes:

1. The reader is cautioned that the quantities and grade estimates in this table should not be misconstrued with a Mineral Resource Statement.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. There is no certainty that all or any part of the mineral resource will be converted to mineral reserves.
4. Design pits are based on $1250/oz Au and $15/oz silver Lerchs-Grossman pit optimizations.
5. Rounding may cause apparent inconsistencies.

This PEA assumes that mining operations at Bell Mountain will be performed by a contractor. There are several companies in Nevada that perform contract mining. Typically, a contract miner will provide drilling, blasting, loading, hauling and ancillary equipment to support the mining operation.

The contract haulage fleet will need to move approximately 5,000 tons per day of mineralized material and approximately 2,500 tons per day of waste. This will likely be done with trucks in the 30 to 40 tonne range and appropriately sized wheel loaders. Ancillary equipment will include water trucks, dozer(s), grader(s), blast hole drills, a service truck, and a fuel/lube truck.

At the crusher, the Owner will provide a front-end loader to feed the crusher from the coarse material stockpile when trucks are not direct dumping. A D-8 size dozer will also be needed on the heap leach pad to spread and level the surface of the crushed material for leaching.

To simulate a heap leach environment approximately 10% to 15% of the total recovered ounces placed on the leach pad remain in heap leach inventory each year. These inventoried ounces are recovered over a 90-day period following cessation of mining. **Table 1.3** shows a summary of the conceptual mining schedule.

Table 1.3: Conceptual Mining Schedule

All Pits Combined								
Item	Units		Year -1	Year 1	Year 2	Year 3	Year 4	Totals
Total Mineralized Material	Tons	000's	0	1,500.0	1,500.0	1,500.0	406.6	**4,906.6**
Au Equivalent	Grade	AuEq opt		0.020	0.017	0.015	0.024	0.018
Contained oz Au Equivalent	Oz AuEq	000's		29.3	25.6	22.5	9.6	**87.0**
Waste Rock	Tons	000's	0	966.9	564.1	1,236.7	990.8	**3,758.6**
Total Mined	Tons	000's	0	2,466.9	2,064.1	2,736.7	1,397.5	**8,665.2**

Note: rounding may cause apparent inconsistencies.

1.12 Project Economics.

A gold price of $1,300/oz and a silver price of $17.50/oz were chosen for the base case economic evaluation based roughly on the 3-year trailing London Gold Fix prices in combination with the current gold and silver prices at the effective date of this Report. The economic evaluation base case is considered realistic and meets the test of reasonable prospect for eventual economic extraction. The base case economic results for the metal price assumptions are shown on **Table 1.4**:

Table 1.4: Cash Flow Summary

	Pre-tax	After Tax
IRR	41.4%	24.7%
NPV @ 5% Discount Rate (US$m)	$17.64	$9.31
Average Annual Cash Flow (US$m)	$10.22	$7.87
Average Operating Margin	$170.11/oz Au	$131.09/oz Au
Payback Period	~1.7 years	~2.7 years

WHA cautions that the PEA is preliminary in nature and includes inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the PEA will be realized. The current basis of project information is not sufficient to convert the in-situ mineral resources to Mineral Reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability.

1.13 Other Relevant Information

On Friday, September 2, 2016 in Vol. 81, No 171, pages 60736-60743 of the Federal Register, the U.S. Department of Navy announced an Expansion Request that includes the Bravo 17 Naval Bombing Range.

The Bell Mountain Project lies east of the 53,547-acre Bravo 17 Naval Bombing Range. The proposed expansion of Bravo 17 is contained within the total expansion of the Fallon Naval Air Station from 202,859 to 604,789 acres. The proposed withdrawal from BLM multiple use classification would close the area to the Public and withdraw the area from mineral entry. The entire Bell Mountain Property is contained within the proposed Bravo 17 expansion.

The PEA provides a base case assessment of the current status of the Project. As a result of the Expansion Request, the BLM has segregated the proposed area from appropriation for a two-year period while the Navy prepares an Environmental Impact Statement (EIS). The withdrawal will require ratification by the US Congress, who are expected to make a final decision following the completion of the EIS and upon receiving a recommendation from the Secretary of the Interior.

The Navy's proposed withdrawal from mineral entry of the Project area lands would, if ratified, effectively preclude the Project from future development. The withdrawal has not been ratified and there is no certainty that the withdrawal of the subject property from mineral entry will occur. Please refer to Vol. 81, No 171 pages 60736-60743 of the Federal Register the Department of Navy for complete details.

1.14 Interpretation and Conclusions

- The Bell Mountain property is well suited for open pit mining with mineralized material near surface and easy access to infrastructure.
- The Project demonstrates economic viability at a variety of metal prices with a significant upside potential should metal prices regain previous strengths seen in the three-year trailing average.
- At a base case gold price of US$1,300 per ounce and a silver price of US$17.50 per ounce, the Bell Mountain Project has a US$22.36 million pre-tax net cash flow, a US$17.64 million net present value (NPV) at a 5% discount rate, and an internal rate of return (IRR) of 41.4% and a payback period of nominally 1.7 years and a payback period of nominally 1.8 years.
- The Project has a US$12.99 million after-tax net cash flow, a US$9.31 million NPV at a 5% discount rate, and IRR of 24.7% and a payback period of nominally 2.7 years.
- The PEA estimates initial capital expenditures to be $16.82 million.
- Exploration potential within the BMEC controlled claims is positive.

Potential risks and uncertainties that could affect the reliability to future development of the Project include:

- The US Department of Navy's proposed withdrawal from mineral entry of the Project area lands would, if ratified, effectively preclude the Project from future development. It is uncertain whether the proposal will or will not be ratified.
- Metal prices have the highest impact on the economic viability of the Project. A large drop in metal prices would negatively affect the NPV and IRR estimated in this PEA. Conversely, an increase in metal prices would affect the economic viability in a positive manner.
- An increase in projected operating and/or capital costs would have a negative impact on the economic viability of the Project.
- There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

- The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category.
- Uncertainties exist in the metallurgical recovery estimates in the Sphinx and East Ridge deposits. More extensive metallurgical testing is recommended to provide a higher confidence level of expected recoveries in all four deposit areas.

1.15 Recommendations

Exploration Drilling

Infill drilling is recommended at the Spurr, Varga and Sphinx areas within the constraining pit shell where there are gaps in the drilling data. At East Ridge, drilling should focus on infill and step-out targets in the near surface and deeper depth areas to increase drilling density. All totaled the recommended drilling program is projected to cost US$300,000.

Water Well Maintenance and Repair

Evidence of casing corrosion has been identified during pumping tests so this well would be expected to be near the end of its life and in need of maintenance. Replacement of the well pump is also recommended. The estimated cost for water well maintenance and repair is US$54,000.

Geotechnical Work

Geotechnical work recommended includes geotechnical testing and condemnation drilling in the area of the conceptual leach pad and processing areas, and monitoring wells both upgradient and downgradient of the project facilities. The geotechnical testing will be needed for comprehensive facility design. The monitoring wells will be needed to establish baseline groundwater chemistry and water table depth data. Condemnation drilling will be needed to ensure that no presently unknown mineralization exists under potential future infrastructure facilities. The estimated cost for geotechnical work is US$217,500.

Metallurgical Testing

1) Additional metallurgical testing is recommended to confirm the leaching characterization of Sphinx mineralized material crushed to 80% passing 3/4". The only testing completed on this material to date looked at 3/8" nominal material. This testing would be used to verify the leaching characteristics of this material at a coarser size. The suite of tests recommended would cost approximately $5,000 on materials supplied from drill cores or other representative sources.

2) Metallurgical testing is recommended for the East Ridge material. The same sequence of testing as was performed on the other mineralized materials is recommended, including crusher index determination, bulk density, bottle-roll leaching, and column leaching (on both -3/8" and -3/4" nominal sized mineralized samples). This will be used to verify the leaching characteristics

of this material as compared to the other mineralized materials on the property. The suite of tests recommended would cost approximately $20,000 on the materials supplied from drill cores or other representative sources.

3) To complete the next step in the project life (a Feasibility Study with Plan of Operation) a significant amount of metallurgical testing on all of the mineralized materials will need to be completed. Included in this suite of testing is numerous column testing on all of the mineralized material types in each of the pits at the 3/4" nominal size, compacted permeability, gold recovery rates, etc. This exhaustive study will provide a better leaching characterization of all the mineralized materials, and will ultimately provide the information for heap design, project operation plans and give the operators the leaching curves they will need to predict leach/rinse cycles. Given the four major areas isolated at the site (Spurr, Varga, Sphinx and East Ridge) at minimum this exhaustive study will cost an estimated $200,000 to provide all of the information required for the feasibility study of the project to move to operations. If the geology of any of the deposits show significantly different rock-types, this estimated cost would increase with each mineralized material type to be tested in each pit, proportionally.

The estimated cost for metallurgical testing work is US$225,000.

Engineering

Commissioning of a Feasibility Study for the Project is recommended. Initial discussions with and quotes from engineering firms who have recently completed Feasibility Studies on projects of similar size and technical attributes suggests a budget of US$200,000 be planned for the study.

Mine and processing facilities engineering that will be required for any future state and federal mine permitting is recommended. The development of an environmental assessment would be focused on the results of the environmental baseline studies and engineering design. A budget of US$200,000 is recommended for this purpose.

The total estimated cost for engineering is US$400,000

Environmental Baseline Studies and Permitting

Completion of baseline environmental studies and continuation of basic engineering and waste rock characterization is recommended to establish downstream environmental permitting constraints associated with the future possible development of the resources outlined in this technical report. Baseline studies that are currently in an advanced stage and should be completed include biology and botany surveys.

Waste rock and mineralized material characterization kinetic testing is recommended to establish rock chemistry data that will be required for mine permitting. The preparation of a BLM Plan of Operations will be needed to conduct the recommended exploration and geotechnical drilling.

The estimated cost for the environmental and permitting work is $135,000.

Field Office, Support, Sample Management and Supervision

None of the above can proceed without field office support, sample and data management and storage, and proper supervision. A total of US$451,000 is recommended for this purpose.

Estimated Total Cost for Completing Recommendations

Total estimated cost for completion of the recommendations summarized above is US$1,787,500.

2.0 INTRODUCTION

At the request of the issuer, Eros Resources Corp. (Eros), this Preliminary Economic Assessment (PEA) has been prepared by Welsh Hagen Associates (WHA) on the Bell Mountain Project (Bell Mountain, or the Project), Churchill County, Nevada, USA. This PEA conforms to the standards specified in Canadian Securities Administrators' National Instrument NI 43-101, Companion Policy 43-101CP and Form 43-101F.

This Report is based, in part, on the previously filed *Amended and Restated Technical Report for the Bell Mountain Project, Churchill County, Nevada*, prepared by Douglas W. Willis and Jonathan M. Brown, dated May 6, 2015, effective date May 3, 2011 (Telesto 2015), which is publicly available at www.sedar.com. WHA has included all material information documented in the previously filed technical report, to the extent that this information is still current and relevant. The qualified persons that have prepared this Report take responsibility for the entire Report, including any information referenced or summarized from the previous technical report.

A PEA provides a basis to estimate project operating and capital costs and establish a projection of conceptually extractable resources including measured, indicated and inferred categories as permitted under NI 43-101. The reader is reminded that a preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. The reported mineral resources are not mineral reserves and do not have demonstrated economic viability.

Historical documentation including public and non-public reports, analytical reports, work completed by Eros and its wholly owned subsidiary Bell Mountain Exploration Corp. and the authors' experience with exploration and mining projects in the Great Basin were all utilized during the preparation of this Report. The authors have been provided documents, maps, reports and analytical results by Eros. No restrictions of data, information or access were placed on the authors in the preparation of this Report.

2.1 Purpose of Report

The purpose of this Report is to provide Eros and its investors with an independent opinion on the technical and economic aspects and mineral resources at Bell Mountain.

2.2 Corporate Relationships

Eros Resources Corp. is a British Columbia Corporation; Bell Mountain Exploration Corp. is a Nevada Corporation wholly owned by Eros.

2.3 Terms of Reference

Welsh Hagen Associates and all Qualified Persons contributing in the preparation of this PEA are independent of Eros Resources Corp. as defined under NI 43-101 Standards of Disclosure for Mineral Projects. Welsh Hagen Associates was formerly Telesto Nevada Inc., the preparers of the previous Technical Report (Telesto 2015).

This Report summarizes Mineral Resource as defined by Canadian Institute of Mining, Metallurgy and Petroleum (CIM, 2014).

2.3.1 Units of Measure

Unless stated otherwise, all measurements reported here are in imperial units, tons are short tons, grades are ounces per ton and currencies are expressed in US dollars.

Unit Conversion Factors

1 ounce (oz) [troy] = 31.1034768 grams (g)

1 short ton (ton) = 0.90718474 metric tonnes (tonnes)

1 troy ounce per short ton = 34.2857 grams per metric tonne = 34.2857 ppm

1 gram per metric tonne = 0.0292 troy ounces per short ton

1 foot (ft) = 0.3048 meters (m)

1 mile (mi) = 5280 feet = 1.6093 kilometers (km)

1 meter (m) = 39.370 inches (in) = 3.28083 feet (ft)

1 kilometer (km) = 0.621371 miles = 3280 feet

1 acre (ac) = 0.4047 hectares

1 square kilometer (sq km) = 247.1 acres = 100 hectares = 0.3861 square miles

1 square miles (sq mi) = 640 acres = 258.99 hectares = 2.59 square kilometers

Degrees Fahrenheit (^{o}F) – 32 x 5/9 = Degrees Celsius (^{o}C)

1 acre-foot = 325,851 gallons = 1,233,480 liters

2.4 Qualified Persons, Site Visits and Scope of Personal Inspection

Personnel from Welsh Hagen Associates (WHA), an engineering firm located in Reno, Nevada, Hard Rock Consulting, LLC (HRC), located in Lakewood, Colorado, and Stantec Consulting Services Inc., located in Reno, Nevada contributed in the preparation of this PEA. The personnel involved with the Project, by virtue of their education, experience and professional association, are considered Qualified Persons (QPs), as defined in NI 43-101 Standards of Disclosure for Mineral Properties, and are members in good standing of appropriate professional institutions. Listed in **Table 2.1** are details of the Qualified Persons' site visits and the Report sections for which each is responsible.

Table 2.1: Dates of Site Visits and Areas of Responsibility

Qualified Person/ Company	Site Visit Date	Report Section(s)
John Welsh, P.E. Welsh Hagen Associates	March 3, 2017	Sections 1.11, 1.12, 1.14, 1.15, 15, 16, 18, 19, 21, 22, 25 and 26.
Douglas Willis, C.P.G. Welsh Hagen Associates	May 28, 2011 December 7, 2016	Sections 1.1 through 1.7, 1.13, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 23, 24 and 27.
Zachary Black, SME-RM Hard Rock Consulting, LLC	December 7, 2016	Sections 1.9, 14.
Carl Nesbitt, SME-RM Welsh Hagen Associates	Has not visited the site	Sections 1.8, 13 and 17.
Walter Martin, C.P.G. Stantec Consulting Services Inc.	10 times between 2013 and 2017	Sections 1.10, 20.

2.5 Effective Date

The effective date of the Report is October 9, 2017, which represents the most recent scientific and technical information used in the preparation of the Report

- The Project drilling data cutoff date for mineral resource estimation of the Bell Mountain Project was June 30, 2013. There have been no additional drill holes completed at Bell Mountain between the drilling cutoff date and the effective date of this Report.

2.6 Information Sources and References

The QPs contributing in the preparation of this Report reviewed all available and applicable documentation of work carried out on the Project by previous operators and consultants, and by the current operator Eros and its subsidiary BMEC. Each QP reviewed all information applicable to the portions of this Report for which each QP is responsible.

Much of the background information on the Project, such as the history, location, climate, accessibility, etc. has been reported in previous technical reports. This past information has been updated only when it was relevant to do so and/or when it was clear that additional information was required.

3.0 RELIANCE ON OTHER EXPERTS

The authors of the Report are Qualified Persons for those areas identified in the "Certificate of Qualified Person" included at the end of this Report. The authors have utilized information from previously filed technical reports to provide information about the property, but do not rely on such reports. Information was also applied from an independent report pertaining to Property Agreements, Mineral Tenure, and Surface Rights. This report was prepared by acknowledged experts in their field.

3.1 Tenure/Ownership, Property, Surface Rights

The QP responsible for **Section 4** of this Report, Property Description and Location, has been provided a current Limited Title Review entitled *Bell Mountain Limited Title Review Churchill County, Nevada,* dated June 12, 2017, prepared by G.I.S. Land Services of Reno, Nevada.

The Limited Title Review information was provided by G.I.S. Land Services to Eros who forwarded such information to WHA. G.I.S. Land Services is a well-known and respected firm that specializes in mineral claim services.

The QP has not reviewed the mineral tenure, nor independently verified the legal status or ownership of the Project area or underlying property agreements. The QP has fully relied on information provided by Eros obtained in turn by them from their agents.

3.2 Previous Technical Reports

The following technical reports on the Property have been previously filed with Canadian securities regulatory authorities:

- Telesto, 2015, Willis, Douglas W. and Brown, Jonathan M., *Amended and Restated NI 43-101 Technical Report for the Bell Mountain Project, Churchill County, Nevada*, prepared for Boss Power Corp. and Globex Mining Enterprises, dated May 6, 2015, effective date May 3, 2011.
- Durgin, Dana, 2010, *Technical Report, Geology and Mineral Resources, Bell Mountain Project, Churchill County, Nevada* (Durgin 2010), prepared for Laurion Inc. and Globex Mining Enterprises, dated August 7, 2010.

WHA has sourced information from these reports and other reference documents as cited in the text and summarized in **Section 27** of this Report supplemented with current information supplied by Eros Resources Corp., and its wholly owned subsidiary Bell Mountain Exploration Corp.

4.0 PROPERTY DESCRIPTION AND LOCATION

The property description and location was modified from Telesto (2015). New information available subsequent to Telesto (2015) has been appended to the description.

4.1 Introduction

The Bell Mountain Project, which encompasses approximately ± 3,616 acres (± 1,463 hectares) of mineral rights, is located in Churchill County, County, Nevada, about 95 miles southeast of Reno, Nevada. The approximate center of the project area is latitude 39° 10' 55" N, longitude -118° 7' 37" W, WGS84 datum. Elevation of the project ranges from approximately 5,920 to 6,600 feet. The regional location and access route to the Project are depicted in **Figures 4.1** and **4.2,** respectively. A satellite image of the Project deposit areas is shown on **Figure 4.3**.

The Project area lies in Township 15 North, Range 34 East, portions of Sections 1-3, 9-16 and Township 16 North, Range 34 East, portions of Section 36, Mount Diablo Baseline and Meridian (MDB&M) (**Figure 4.4**).

4.2 Ownership

At the request by BMEC, G.I.S. Land Services of Reno, Nevada prepared a Limited Title Review (Review) of the Property located in Churchill County, Nevada. According to the Review, entitled *Bell Mountain Limited Title Review Churchill County, Nevada,* signature dated June 12, 2017*,* Bell Mountain Exploration Corp., a Nevada Corporation, owns the possessory mineral rights on 174 unpatented lode claims and possessory surface rights on 6 unpatented mill site claims for a total of 180 claims collectively known as the Bell Mountain Property (**Figure 4.4**).

4.2.1 Title Summary:

Based on Churchill County and U.S. Department of Interior's Bureau of Land Management (BLM) records, Bell Mountain Exploration Corp. owns the possessory mineral rights on 174 lode claims and possessory surface rights on 6 mill site claims and other assets as listed.

The lode and mill site claims are in 4 groups, from oldest to youngest.

A. 26 lode claims comprising the Bell, Edith, Homestake, and JS group.
B. 119 lode claims comprising the BMG 1-119 group.
C. 29 lode claims comprising the LGB 1-29 group.
D. 6 mill site claims comprising the BMW 1-6 group.

A complete list of claims denoting BLM and County recordation documents and a detailed claim map are provided in **Appendix A.**

The 180 claims comprising the Bell Mountain Property are in *"active"* status according to BLM Serial Register pages for each claim. BLM and State of Nevada filings have been timely filed.

Figure 4.1: Location Map of the Bell Mountain Project

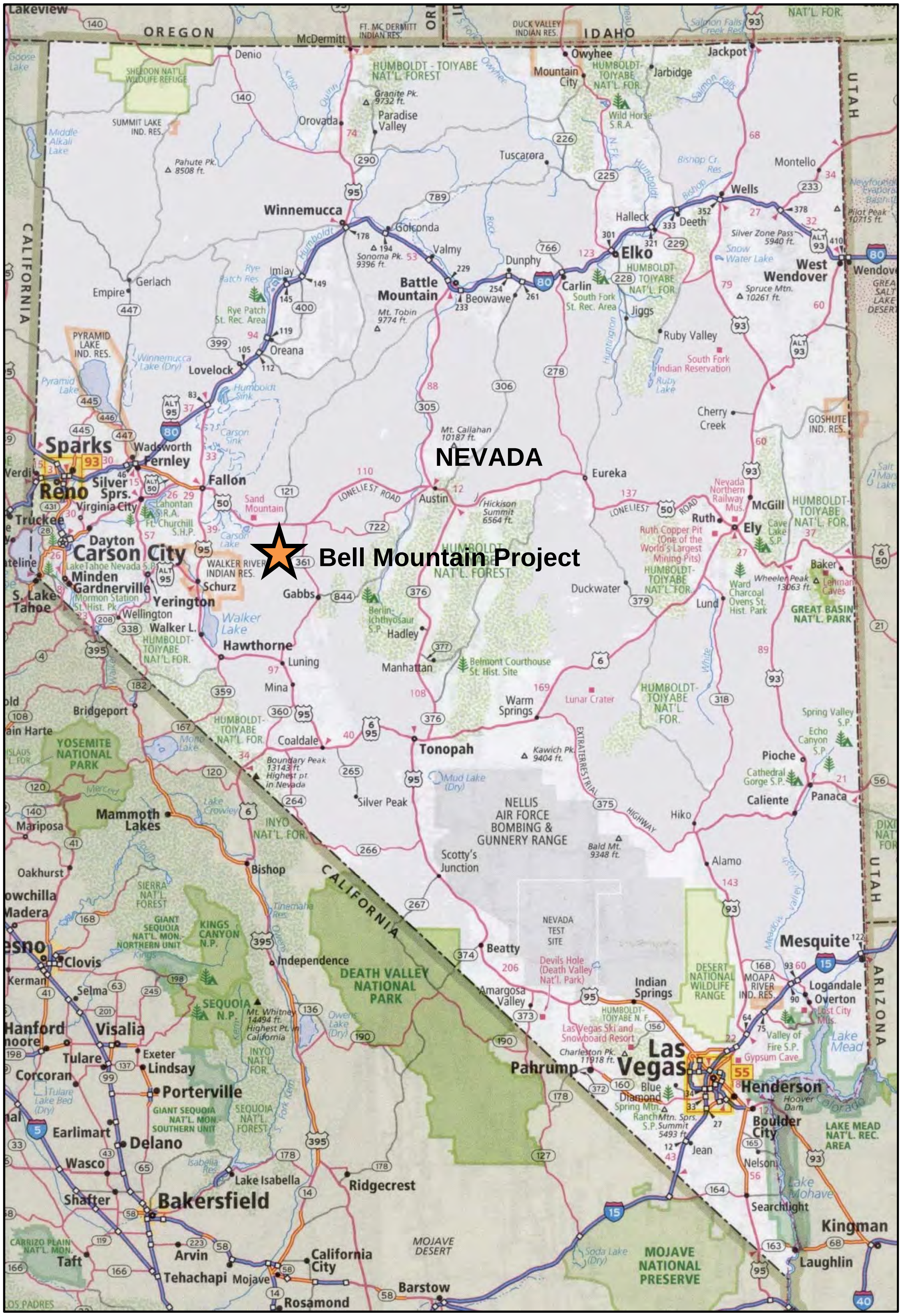


Figure 4.2: Project Vicinity and Access Map

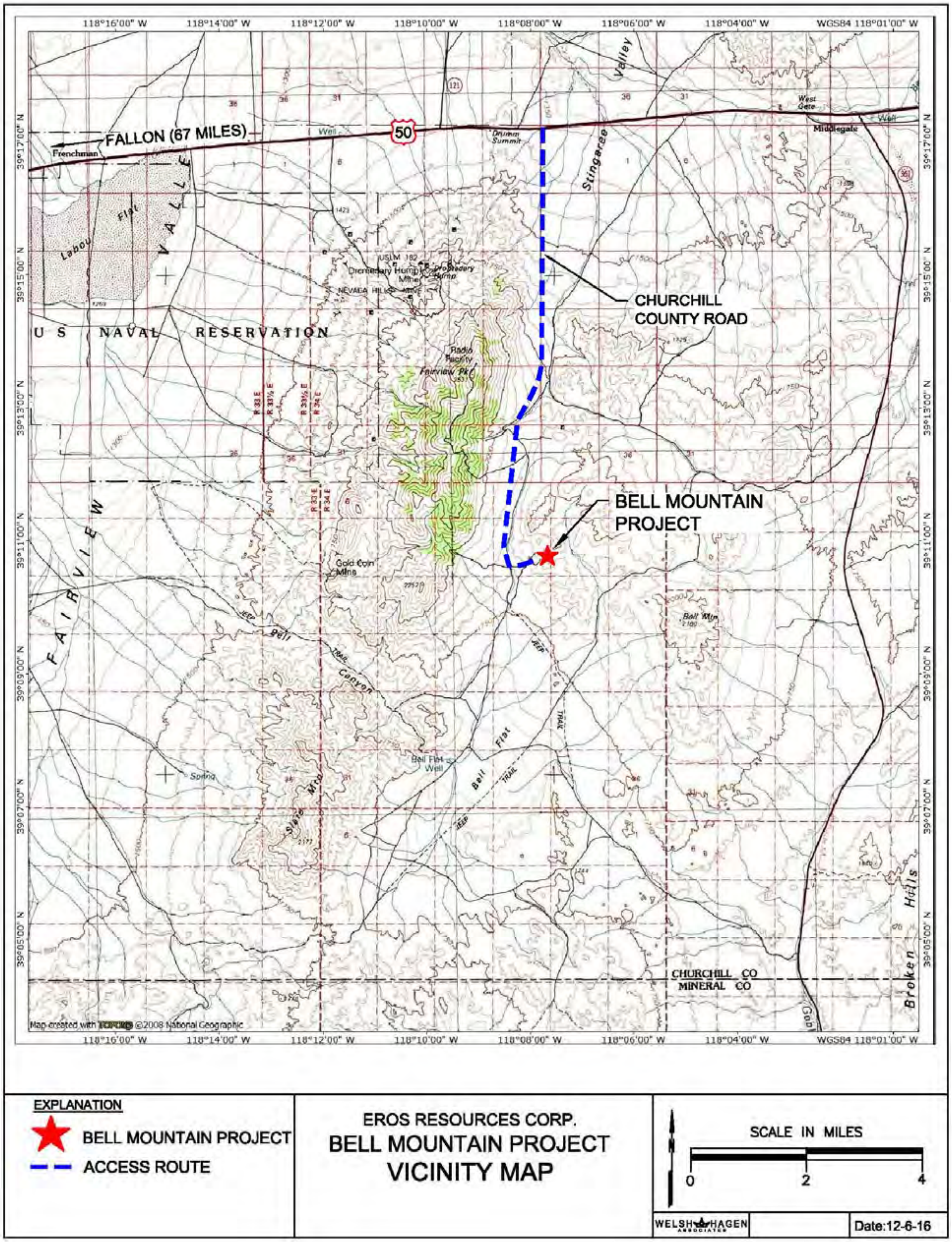
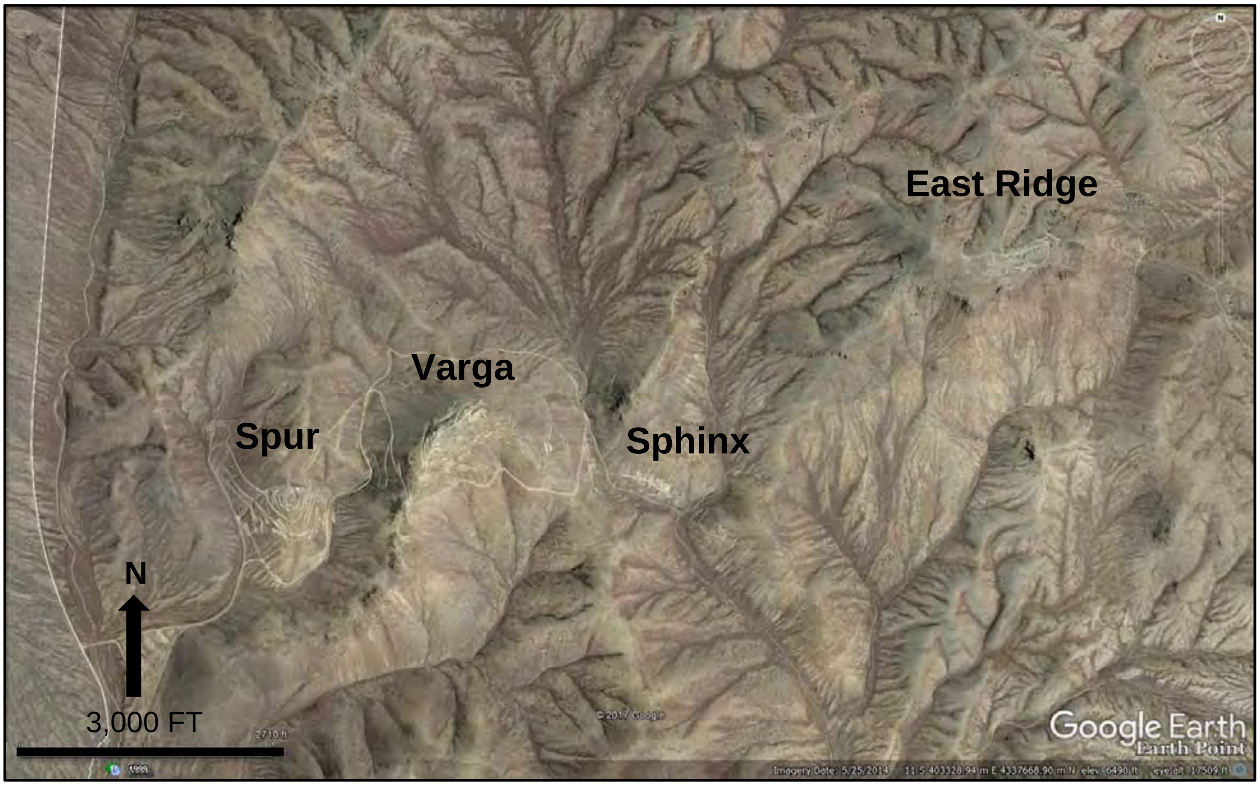


Figure 4.3: Satellite Image of Project Area



4.2.2 Royalty Summary:

N.A. Degerstrom Royalty

Based on an unrecorded Acquisition Agreement dated 11/14/1994 N.A. Degerstrom is the Royalty Beneficiary and Bell Mountain Exploration Corp is the successor Royalty Payor of a 2% NSR with a $167,000 buy-out. This royalty encumbers all 26 claims in group A.

Globex Nevada, Inc. Royalty

Based on an unrecorded Exploration and Option Agreement with Laurion Mineral Exploration USA LLC dated 6/28/2010 Globex Nevada, Inc. is the Royalty Beneficiary and Bell Mountain Exploration Corp is the Royalty Payor of a sliding scale Gross Metals Royalty from 1% - 3% NSR. The royalty encumbers all claims or any part within the Area of Common Interest as detailed in the Exploration and Option Agreement. This royalty encumbers all 174 claims in groups A, B & C.

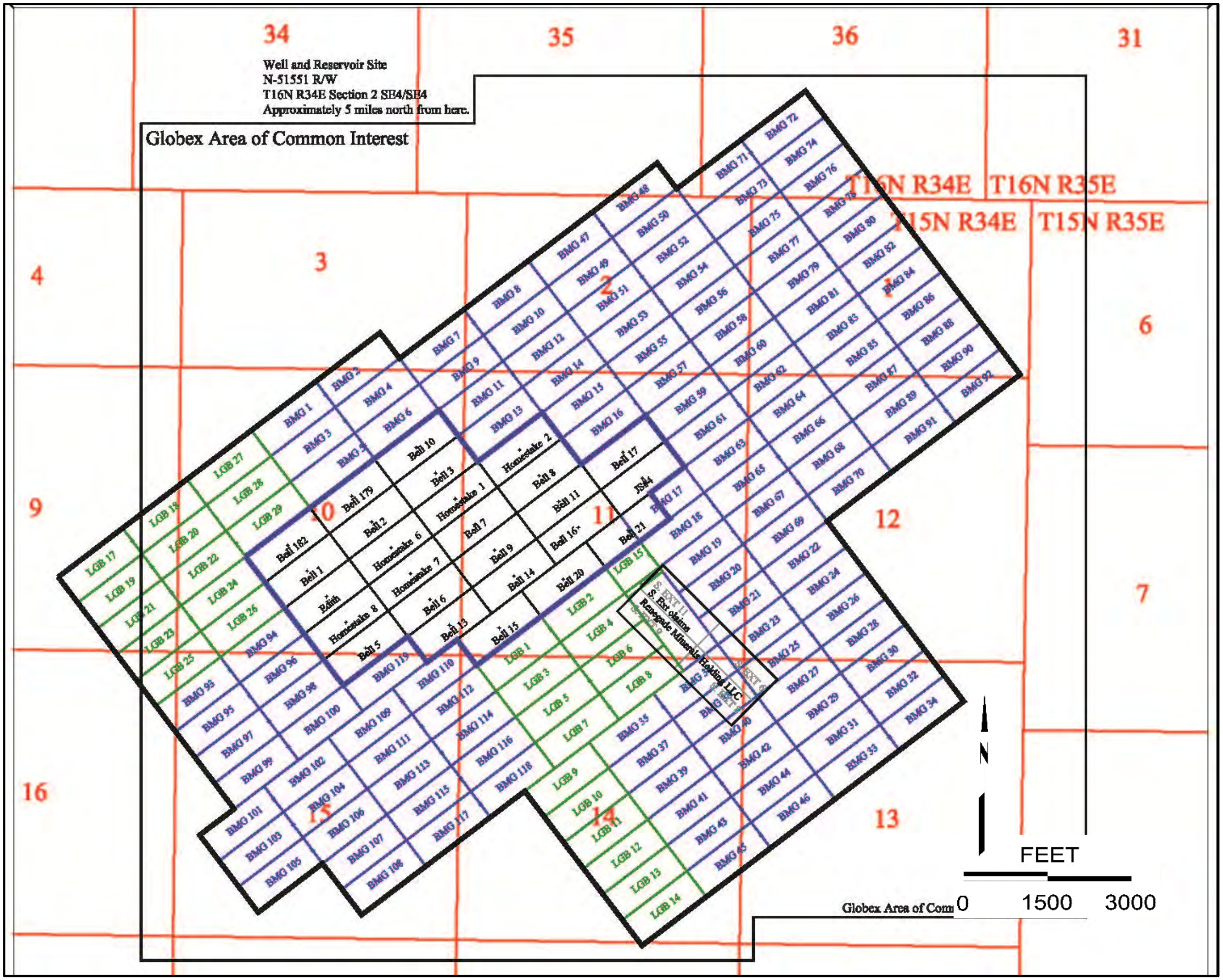
4.2.3 BLM Claim Filing and Maintenance Requirements

The unpatented claims occur on Federal Government land administered by the BLM. The BLM pursuant to 43 C.F.R. Part 3834 requires filing an annual Notice of Intent to Hold Mining Claims on or before August 31 of each year in order to maintain valid claims. The payment is *prospective* and covers the period of September 1 of the current year through August 31 the following year. All listed claims are in *"active"* status according to BLM Serial Register pages for each claim.

4.2.4 State Claim Filing Requirements

Annual Nevada State Filings are required by NRS 517.230, filing and fee payment are due at the end of the assessment year that runs from September 1 at 12 PM through September 1, at 11:59 AM. Recordation with the Churchill County Recorder is due on or before October 31 of each year for these claims. County filings are *retrospective* as they are for the period from September 1 at 12 PM of the previous year through September 1 at 11:59 AM of the current year. All of the listed claims were timely recorded at the County.

Figure 4.4: Bell Mountain Project Mining Claims Map (Source: G.I.S. Land Services)



5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The description of accessibility, climate, local resources, infrastructure and physiography is modified from Telesto (2015).

5.1 Accessibility

The Project is accessed via U.S. Highway 80 by traveling approximately 34 miles east from Reno. Exit Highway 80 at Exit 48 and turn southwest. Travel one mile until reaching the roundabout. Exit the roundabout onto U.S. Highway 50. Continue on Highway 50 to Fallon (67 miles). Forty-five miles past Fallon on Highway 50, a short distance past Drumm Summit, turn right at the sign which says: “Earthquake Faults” and travel south on the gravel road for 8 miles to the Property. **Figure 4.2** shows the local access route to the property.

Road access to and through the deposit areas is good, with a network of unimproved drill roads serving as the direct route to the deposit areas. Four-wheel drive vehicles are recommended for access throughout the property.

5.2 Climate and Physiography

The Bell Mountain Project lies in the Basin and Range province, a major physiographic region of the western United States. The region is typified by north-northeast trending mountain ranges separated by broad, flat, alluvium filled valleys. The Bell Mountain Project is located near Fairview Peak at the north edge of Bell Flat. Elevation of the project ranges from approximately 5,920 to 6,600 feet.

At Fallon, Nevada, the nearest town to the Project area, the average annual precipitation is 4.25 inches, the average maximum annual temperature is 68.8°F, and the average minimum annual temperature is 37.6°F (Western Regional Climate Center data). The average daily high in July, the hottest month of the year, is 95.3°F. The average daily low in December, the coldest month of the year, is 22.1°F. Most precipitation falls in the months of November through April.

5.3 Local Resources and Infrastructure

Fallon, Nevada, is approximately 54 miles (86 kilometers) northwest of the Project. According to the US Census Bureau the estimated population of Fallon was more than 8,400 in July of 2015. The community of Fallon is equipped to provide housing, shopping and schools for mine personnel and their families. In addition, Reno, a city with a 200,000+ population, is 63 miles west of Fallon.

6.0 HISTORY

The description of history of the Bell Mountain property was modified from Durgin (2010). New information arising subsequent to Durgin's 2010 report has been appended.

Early History

The early history of the property is documented in detail by Mr. Payne in his November 1981 report, and summarized further here. The earliest known work at Bell Mountain was in May 1914, when W.W. Stockton located claims and began sinking a 15-meter deep shaft on the outcropping vein of what is now called the Spurr deposit. In 1916, the Tonopah Mining Company leased the property and cut surface trenches in the vein outcrop. Encouraging assays caused them to drive a west-trending exploration adit, now known as the Spurr adit, below the shaft at the 1879m (6163 ft) level. In 1919 the same company sank the West Winze below the Stockton shaft, with stations at the 1865m (6117 ft) and 1831m (6006 ft) levels, and drove the west raise above the 1879m level. They also drove a crosscut and a drift westward from the 1831m level. There was insufficient encouragement to continue operations during a period of low silver prices. The only recorded production from Bell Mountain was a 35-ton car load of hand sorted material that averaged 16 g/t Au and 510 g/t Ag, shipped by Stockton in 1927.

In 1948 Eric Schrader sampled the surface trenches and underground workings. He proposed building a 500 ton per day cyanide plant, but it was never funded.

In the late 1960's Mr. Lovestedt acquired a Government loan and drove the adit named for him under the vein from the west at the 1849m (6065 ft) level. No rich ore shoots were found, but his work provided access for geologic mapping and sampling. Later, Nevada Bell Silver Mines drilled three rotary holes in the hanging wall of the Spurr deposit, but the only significant data available is that ground water was first encountered at about 1740 meters (5707 feet) elevation. The Standard Slag Company drilled several air-track holes apparently near the east end of Varga Hill in 1974. No data is available from that drilling.

American Pyramid Resources

American Pyramid Resources, Inc. completed a lease-option agreement with Schrader in 1978. In 1978 Payne re-mapped the Spur adit and collected 50 channel samples in the crosscuts as a check of Schrader's work, with comparable results. A total of 100 channel samples were collected from the underground workings. They undertook a program of crosscutting in the Lovestedt adit, a total of ten crosscuts at 25 meter (82 ft) intervals. Varga Mining Company, a contractor from Virginia City, Nevada, did the work. The crosscuts were channel sampled at 1 meter intervals and assayed for gold and silver. Late in 1979 American Pyramid decided to drive an adit eastward under the hill to the east of the Spurr workings, now called Varga Hill, at the 1900 meter (6232 ft) level. The Varga adit was driven eastward 180 meters (590 ft), and crosscuts were driven at 20 meter (65.6 ft) intervals. Crosscuts 8 and 9 were not driven due to the presence of highly fractured rock at those points. The other eight crosscuts were channel sampled and assayed for gold and silver. The vein averaged 10 meters (32.8 ft) in width.

In July 1980, Drilling Services completed a reverse circulation hole which intersected the Spurr vein from 1745 to 1728 meters (5724 to 5668 feet) elevation. It demonstrated that the vein was up to 10 meters thick (32.8 ft) and completely oxidized. No ground water was noted at that depth. In 1981, American Pyramid contracted Dan Callaghan to slab out the ribs of the workings of the Spurr adit and drive four crosscuts. These showed that the Tonopah Mining Company in 1916 had not fully cut across the Spurr vein at any point. A permanent survey grid with bronze triangulation points set in concrete was established in 1982. A water well was drilled in Stingaree Valley 7.5 miles (12 km) to the north. H.A. Simons Consulting Engineers completed a detailed feasibility study in the spring of 1982. Permitting was completed for mining and processing the ore, but construction did not begin.

In 1982, American Pyramid cut and sampled four bulldozer trenches across the Sphinx vein. They also drove a 260 foot (80m) decline on the Sphinx Vein, which is about 600 meters (2000 ft) southeast of the top of Varga Hill.

Santa Fe Mining

Santa Fe Mining optioned the property in 1984. They produced a geologic map and did limited surface sampling. Santa Fe drilled 51 reverse circulation holes, 25 in the Varga area and 8 in the Spurr area. Fifteen holes were drilled in the Sphinx target area which outlined a small resource. Three holes tested the Sphinx south target. Eight long-holes were drilled underground at the Spurr. Santa Fe also completed a program of metallurgical testing (Clem, 1984). The property was returned to American Pyramid.

Alhambra Mines

Alhambra Mines acquired the Bell Mountain property from American Pyramid in 1985. They re-opened the Spurr and Lovestedt adits and re-mapped them. Eight long-holes were drilled underground from the Spurr adit workings to test the extent of mineralization into the wall rocks. Alhambra also sampled three trenches above the Sphinx adit and collected 80 surface samples on the top of Varga hill. Seven bottle roll metallurgical tests were done using material from the Spurr vein. Alhambra apparently did no other drilling.

N.A. Degerstrom

N.A. Degerstrom Inc. acquired the Bell Mountain property from Alhambra in 1989. From 1989 to 1991, Degerstrom drilled 104 reverse circulation holes and 5 diamond drill (core) holes to acquire metallurgical samples. Using this drilling data and the data from prior drilling programs as well as underground sampling, they defined three areas for mining – the Spurr, Varga and Sphinx deposits. Displaying the data on cross sections, they calculated what they considered minable reserves in three separate pits. Degerstrom carried out extensive metallurgical testing and designed the three pits and processing facilities. In 1992, they completed a detailed feasibility study and permitted the construction of the mine and heap leaching facility. However, falling metals prices caused them to shelve the project.

Globex Nevada Inc.

Late in 1994 Globex Nevada Inc., a subsidiary of Globex Mining Enterprises Inc., acquired the property from N.A. Degerstrom. Globex did very little additional work on the property other than maintaining the claims and looking for joint venture partners. In September 1995, Globex made an option agreement with ECU Gold Mining, Inc. (ECU) on the Bell Mountain property. In 1996 ECU carried out a program of geologic mapping at 1:10,000 and 1:2,000 scales, surface rock chip and channel sampling (235 samples), and an airborne geophysical program. The geophysical program was carried out by AeroDat using helicopter-borne electro-magnetics and a cesium vapor magnetometer. In addition, ECU drilled 5 core holes, for a total of 2,347 feet or 716 meters, largely testing deeper extensions of known mineralization.

Platte River Gold

Little exploration activity occurred from late 1996 until 2004 when Platte River Gold acquired an option on the property. They drilled seven reverse circulation holes for a total of 4,650 feet. Like the work of ECU, these were largely deeper holes intended to cut the mineralized zones well below the known deposits. The property was returned to Globex early in 2005.

Laurion Mineral Exploration

Laurion became interested in the property early in 2010, carried out a due diligence program during April, May and June, and signed a Definitive Agreement with Globex in June 2010. Laurion drilled 56 RC drill holes totaling 14,305 feet in the Spurr and Varga areas in 2010. In 2011 Laurion focused their drilling in the Sphinx area completing 3 RC drill holes for a total of 515 feet.

Lincoln Resource Group

Late in 2013 Lincoln Resource Group (Lincoln), executed a Purchase Agreement with Laurion in which Lincoln acquired right, title and interest in, to and under the Mineral Properties including 180 unpatented claims at Bell Mountain. As part of the agreement, Lincoln agreed to perform Laurion’s obligations including expenditures and to pay any and all royalties payable in accordance with Laurion’s agreement with Globex.

Lincoln drilled 33 drill holes for a total of 8,210 feet consisting of 2,705 feet of core drilling and 5,505 feet of RC drilling. Drilling was mainly focused in the Varga area with somewhat lesser focus divided between the Spurr and Sphinx areas.

In late 2014 Lincoln was unable to fulfill their obligations under the Purchase Agreement with Laurion and the title to the claims on the property reverted back to Laurion via quitclaim deed.

Boss Power / Eros Resource Corp

In 2015 Boss Power Corp. (Boss), a British Columbia Corporation, and its wholly owned subsidiary Bell Mountain Exploration Corp. (BMEC), a Nevada Corporation, entered into a Purchase Agreement in which Boss and BMEC acquired right title and interest in, to and under the Mineral Properties. As part of the Purchase Agreement, Boss assumed Laurion's obligations under the Globex agreement. In July 2015 Boss changed its name to Eros Resources Corp (Eros).

In 2017 Eros conveyed to BMEC, a wholly owned subsidiary of Eros, all of the right, title and interest of Eros in and under the Globex Agreement including all of the interests and property rights subject to the Globex Agreement. Eros also conveyed to BMEC all of the right, title and interest of Eros in and to the unpatented mining claims, mill sites, and Bureau of Land Management right-of-way located at the well site to the north of the core claims.

BMEC work at the property includes geological mapping but no drilling, sampling or other data have been completed by BMEC.

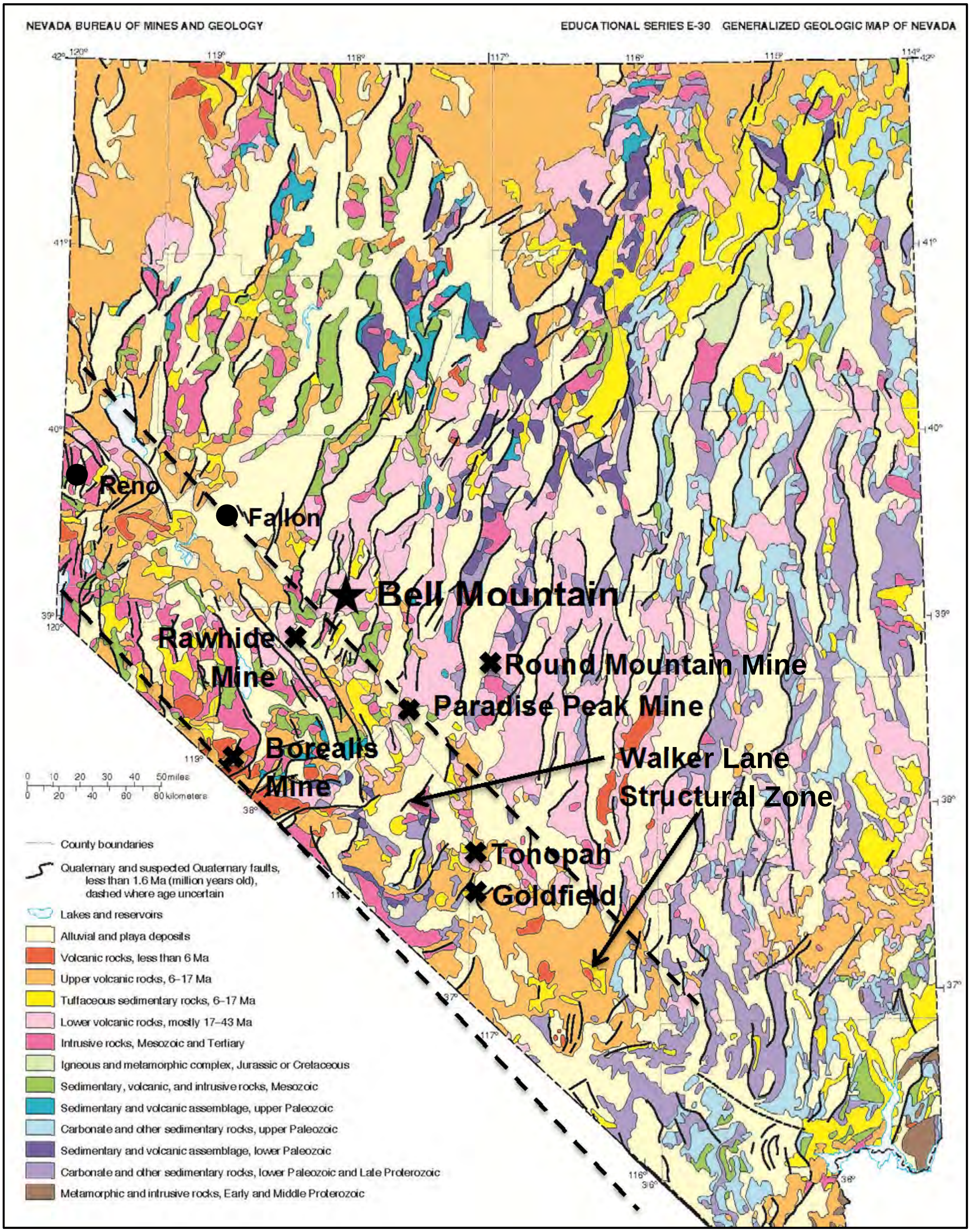
7.0 GEOLOGICAL SETTING AND MINERALIZATION

The following section on geological setting and mineralization is modified from Durgin (2010). New geological information acquired from more recent geological mapping and interpretation by BMEC has been applied.

7.1 Regional Geology

The Bell Mountain project is located in the Basin and Range geological province which covers the area from the Sierra Nevada range west of Reno to the Wasatch Front east of Salt Lake City, Utah, and from southern Idaho into northern Sonora, Mexico. The Basin and Range topography was created by mid to late Tertiary extensional tectonics, producing a series of roughly north-south oriented, fault-bounded mountain ranges separated by basins filled with thick accumulations of younger sediments and volcanic rocks. Topographic relief varies across the Basin and Range, from 1,500 feet to more than 5,000 vertical feet. Structural relief throughout the Basin and Range commonly exceeds topographic relief. It is also near the eastern margin of the 50 mile (80 km) wide Walker Lane structural zone (dashed line on **Figure 7.1**). A dominant structural feature in western and southwestern Nevada, the Walker Lane is younger than most of the Basin and Range extension. It is a major NW-SE trending complex fault system composed of many right-lateral strike-slip faults. It also is related to major precious metal deposits at Goldfield, Tonopah, Rawhide and Paradise Peak, among others.

Figure 7.1: Generalized Geologic Map of Nevada



Modified from Durgin (2010)

7.2 District Geology

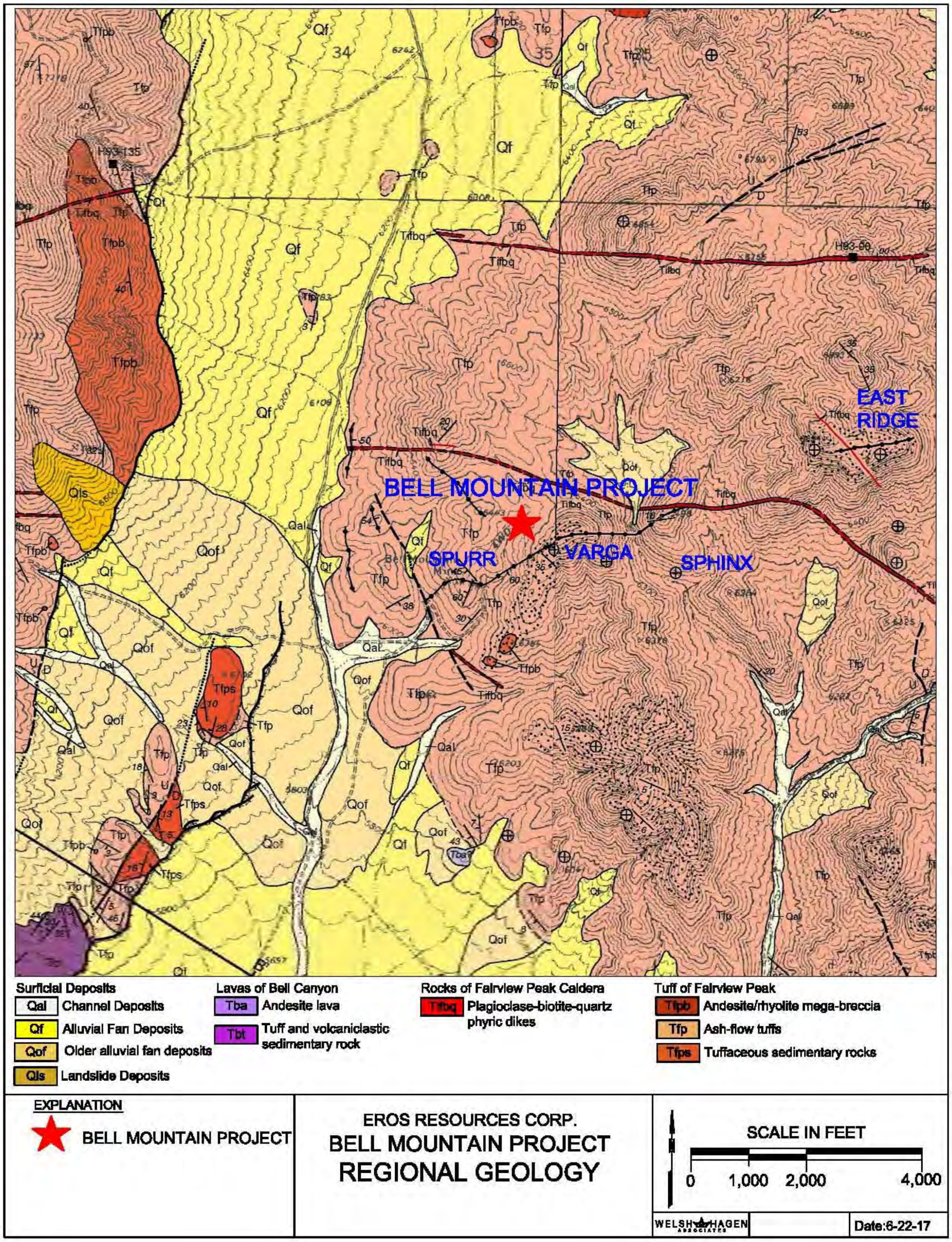
The Bell Mountain property lies within the Fairview mining district on the east side of the Fairview Range. From 1906 to 1965, 52,799 ounces of gold and 5.12 million ounces of silver were produced from small vein deposits in the Fairview district (Wilden and Speed, 1974). In the Fairview Range, the pre-Tertiary basement consists of limited exposures of Jurassic metasedimentary rocks, primarily amphibolite, biotite schist and quartzite, which are cut by a Cretaceous granodiorite intrusion. These rocks are overlain by a complex series of intermediate to rhyolitic lavas, ashflow tuffs, volcaniclastic sediments and small dacitic to rhyolitic intrusive domes and dikes (Henry 1996a and b). **Figure 7.2** presents the regional geology of the Bell Mountain vicinity.

In early Miocene time, approximately 19.2 Ma, the Fairview Peak caldera formed (**Figure 7.3**). The circular caldera measures approximately seven miles (11.2 km) in diameter. It is filled with a monotonous sequence of densely to poorly-welded rhyolitic ashflow tuffs. Several rhyolite domes were emplaced along the ring fracture of the caldera. There are a few post-caldera glassy rhyolite dikes cutting the intra-caldera tuffs. The late dikes tend to follow east-west, east-northeast and northwest structural trends. Most known veins in the district follow these trends. The intra-caldera tuff sequence exhibits pervasive argillic alteration and structurally-controlled to locally pervasive silicification. The Bell Mountain vein system is located within this intra-caldera tuff sequence and is hosted by one of the silicified east-northeast trending structural zones (**Figure 7.4**). Similar gold-silver mineralization has been drilled approximately 3.5 miles (5.6 km) to the east-northeast along strike from Bell Mountain where the structure intersects the caldera margin at the Middlegate property.

Resurgence of the Fairview Peak caldera is suggested by internal fault patterns and by dip changes in the intra-caldera stratigraphy. The tuff in the central portions of the caldera is mostly flat-lying, while dips near the caldera margin often dip steeply outward toward the margin (Henry, 1996).

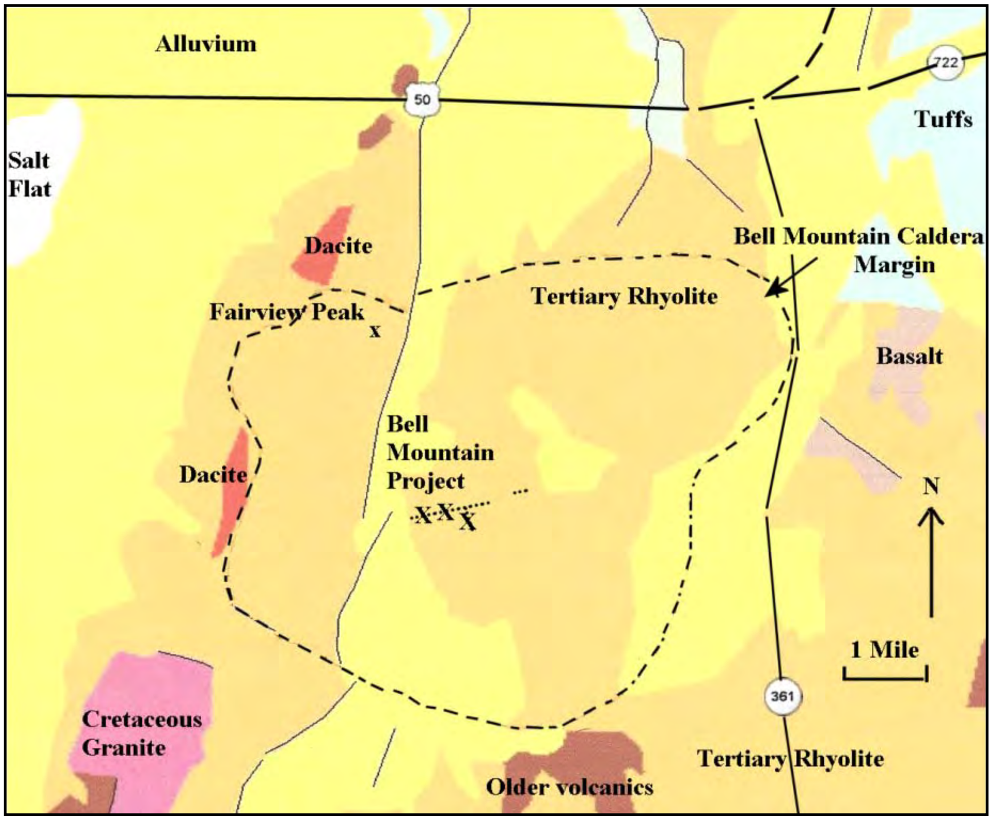
Basin and Range faulting has persisted after the caldera formation. The most prominent of these is the Fairview fault which bounds the eastern side of Fairview Peak and has at least 5900 feet (1800 m) of normal slip. This same fault is the “earthquake fault” for which the access road is named. In 1954, there was dip-slip movement of up to 15 feet (5 m), related to a magnitude 7.1 earthquake, which produced a fault scarp 30 miles (48 km) long.

Figure 7.2: Local Geology of the Bell Mountain Area



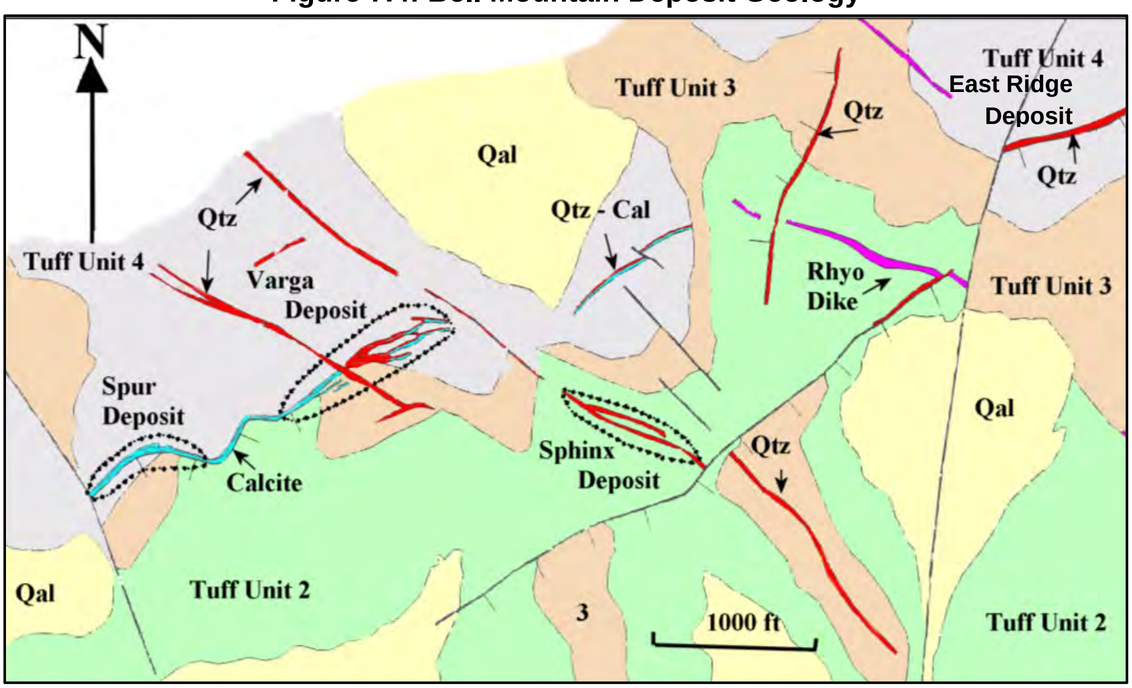
Source: USGS geologic maps – Bell Canyon Quadrangle, Bell Mountain Quadrangle

Figure 7.3: Generalized Geology Map of the Project Vicinity



Simplified from Henry, 1996A and 1996B (From Durgin, 2010)

Figure 7.4: Bell Mountain Deposit Geology

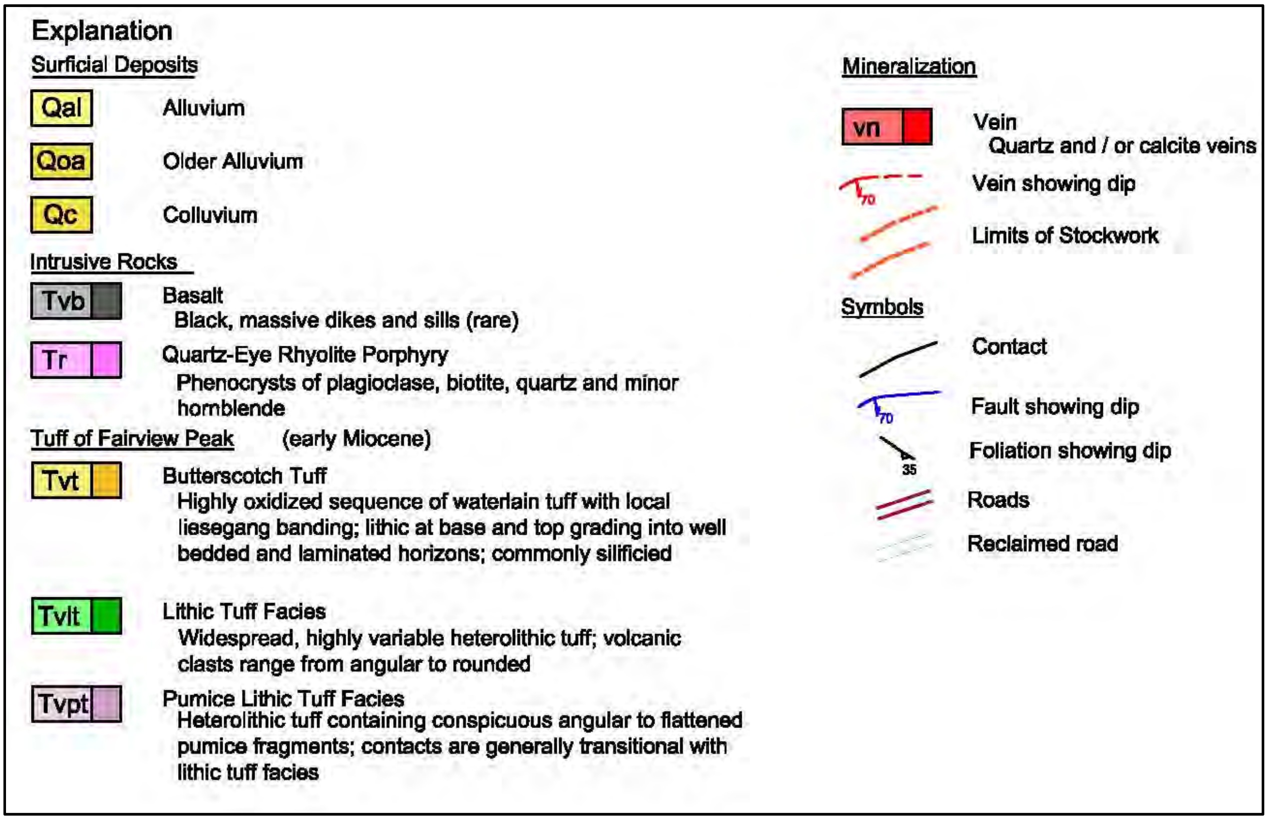


Simplified from (Pinet, 1996)

7.3 Bell Mountain Deposit Geology

The principal rock units at Bell Mountain are stratified rhyolitic ashflow tuffs. The ashflow tuff sequence is relatively monotonous, varying only in the intensity of welding. Geologic mapping by BMEC geologists, show that individual units can be broken out based on lithology, welding features, and alteration. BMEC mapped three surficial deposits, two intrusive units, three extrusive tuff units and features controlling mineralization at the property (**Figure 7.5**).

Figure 7.5: Description of Geologic Map Units



7.4 Mineralization

At the Bell Mountain deposit gold-silver mineralization is strongly structurally controlled. The primary control is an east-northeast trending (~070^{o}) zone of faulting, named the Varga-Spurr fault, which can be traced for more than 6000 feet (1.8 km). The Varga-Spurr fault dips steeply to the south and has experienced normal and dextral displacement. It is offset slightly in a right lateral sense by a set of northwest trending, steeply dipping faults of similar strike length. Both fault sets have quartz-calcite veins and stockworks, gold-silver mineralization and pervasive silicification. Minor disseminated mineralization is present in silicified wallrocks. The intersection of the NE and NW vein sets, particularly in the Varga area, localized a significant volume of mineralization.

The quartz-calcite veining is rarely displayed as large planar veins, rather it is seen as variably intense stockwork zones of braided veins and veinlets which may be up to 40 meters wide. Within the stockwork the dips of individual veins are highly variable, but the overall dip of the body of mineralization as a whole is nearly vertical. A photograph of sheeted veins and stockwork in outcrop at Bell Mountain is presented as **Figure 7.6**.

Figure 7.6: Sheeted Veins and Stockwork at Bell Mountain

Mineralization at the property is separated into four deposit bodies – the Spurr deposit on the western end of the Varga-Spurr fault, the Varga deposit in the central part, the Sphinx deposit approximately 2000 feet (600 meters) southeast of the Varga on a northwest trending structure and the East Ridge deposit on an east-northeast trending structure approximately one mile (0.6 km) northeast of Varga (**Figure 7.4**). All four are composed of complex structurally controlled veins, stockworks and hydrothermal breccias. Between the Varga and the Spurr deposits, the east-northeast structure persists, but appears narrow, and it has had very little drilling. There were several other target areas which had returned attractive precious metal values, but had not been drilled.

Due to the complex nature of the deposits it is difficult to determine grade trends laterally or vertically. Some earlier workers suggested a decrease of grade with depth in the Bell Mountain system, but a review of Degerstrom's 15,600 feet of drilling shows no such pattern. There appears to be some degree of supergene leaching and deeper enrichment of precious metals, particularly of silver as it is more mobile than gold. Sampling of surface rocks and adjacent trenches suggested to prior workers that silver and gold were partially leached from the upper few meters. Cerargyrite (silver chloride) and other supergene minerals were reported from some of the old workings. Overall, it appears that supergene leaching and enrichment, while present to some extent, should not have a significant effect on the viability of the project.

7.4.1 Spurr Deposit

Before 1983, with the exception of driving the Varga adit, most of the work on the property was focused on the Spurr area along a 300-meter segment of the vein complex. This work included six surface trenches, a vertical shaft, two adits with several cross cuts of the vein in each, and multiple phases of underground sampling. Between 1983 and the present a total of 59 RC drill holes, 6 core drill holes, and 8 short underground long-holes have been drilled at the Spurr deposit. The available maps show that the Spurr vein strikes nearly east-west, dips 45 to 55 degrees to the south and is 10 to 15 meters wide (**Figure 7.7** and **7.8**). Recent work suggests that the dip may be steeper than that, as several drill holes did not penetrate the footwall of the vein. There are several small northwest trending crossing faults which offset the vein a few meters.

Calcite is the most abundant vein mineral in the Spurr deposit, with lesser amounts of quartz occurring as 1 to 20 centimeter veins concentrated near the vein walls. The calcite vein is generally strongly banded. The vein material is completely oxidized to depths of current drilling.

The values from the sampling of sixteen crosscuts in the Spurr adit range from nil to 11.2 g./t Au and nil to 385 g/t Ag, averaging 1.6 g/t Au and 50.5 g/t Ag. Sampling results from eight crosscuts in the Lovestedt adit range from nil to 5.5 g/t Au and 10 to 138 g/t Ag, averaging 0.6 g/t Au and 31.8 g/t Ag (Payne, 1982). Surface and underground sampling suggests that the mineralization is largely confined to the vein, although adjacent altered wall rocks carry lower precious metals values which may be minable in an open pit mining scenario.

Figure 7.7: Spurr Deposit Surface Geology

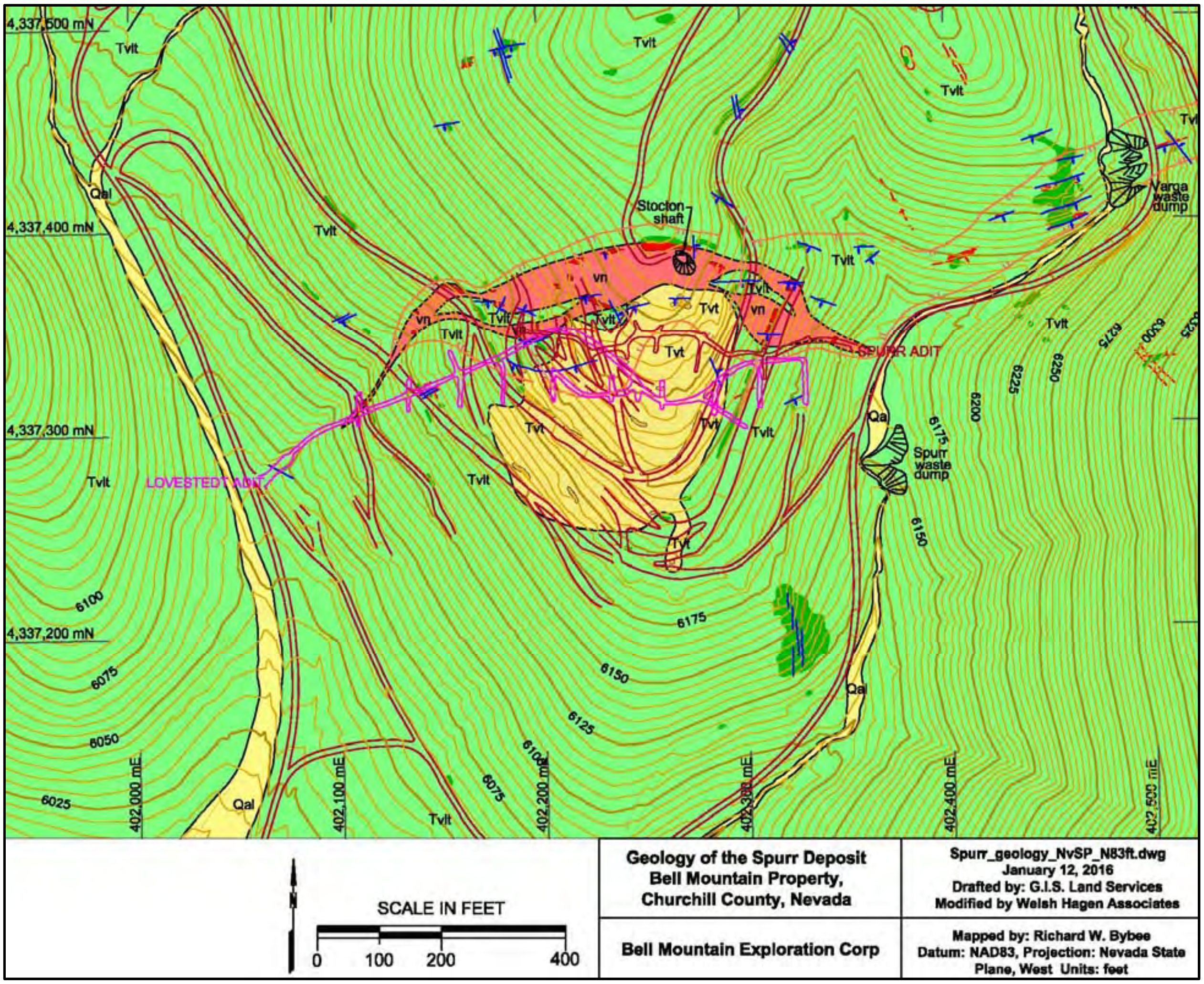
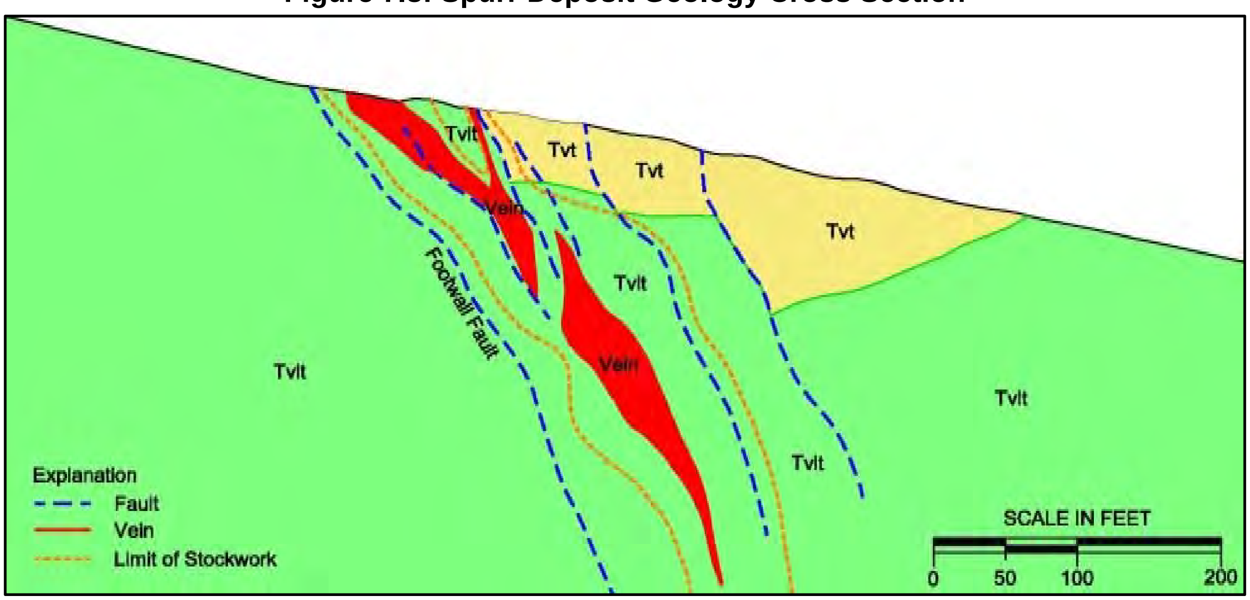


Figure 7.8: Spurr Deposit Geology Cross Section



7.4.2 Varga Deposit

The Varga adit was driven in 1979 and the first drilling was done by Santa Fe Mining in 1984. To date, there are 136 known surface RC drill holes and 10 core drill holes at the Varga deposit, plus several generations of surface trench, outcrop, and underground sampling. The Varga vein can be separated into two parts. The western 120 meters (eastward from the adit portal) is a relatively simple and planar vein structure ranging in width from 5 meters near the portal, to 14 meters (eastward) where it is cut by a N60W trending fault. This vein segment strikes N60E and dips 50 degrees to the south.

The values from the sampling of nine crosscuts in the Varga adit range from nil to 4.1 g/t Au and nil to 143 g/t Ag, with an average grade of 0.4 g/t Au and 27.7 g/t Ag. Trench sampling by Payne in 1980 near the east end of this vein segment produced 6.1 meters (20 ft) grading 2 g/t Au with 10 g/t Ag and 8.2 meters (27 ft) grading 2.1 g/t Au with 24 g/t Ag. An ECU sample of the vein at surface nearby produced a grade of 1.48 g/t Au across 7 meters (23 ft). Another 24-meter (79 ft) surface sample interval by ECU, including both hanging-wall and footwall rocks, averaged 0.82 g/t Au and 5.3 g/t Ag. This suggests that, unlike the Spurr zone, mineralization in the western portion of the Varga zone does extend some distance into the wall rocks. The Varga is about 500 meters (1640 ft) long, with its ends poorly defined.

This western portion of the vein is predominantly calcite with included rock fragments and slightly later quartz veining, brecciated in part, near the hanging wall. A few cross-cutting quartz veins trending N115-130E are present near the east end of this vein segment. Alteration is largely silicification close to the veins and weak argillic alteration away from the veins.

The eastern 70% of the Varga deposit is more complex, with the appearance of a braided vein system controlled by structures trending N70-80E and N120–130E. Near the fault dividing the Varga deposit, the veins are largely a quartz vein stockwork with little calcite (**Figure 7.9**).

Eastward, the vein system is an anastomosing set of 1.5m to 5m wide veins composed of both quartz and calcite. Quartz replacing bladed calcite textures is common. The eastern portion of the Varga deposit is a vein complex that overall has a nearly vertical dip, with a great deal of dip variation in individual veins. A plan map and cross section of the Varga deposit are presented in **Figure 7.10** and **Figure 7.11,** respectively.

Figure 7.9: Quartz Vein Stockwork at the Varga Deposit

Figure 7.10: Varga Deposit Surface Geology

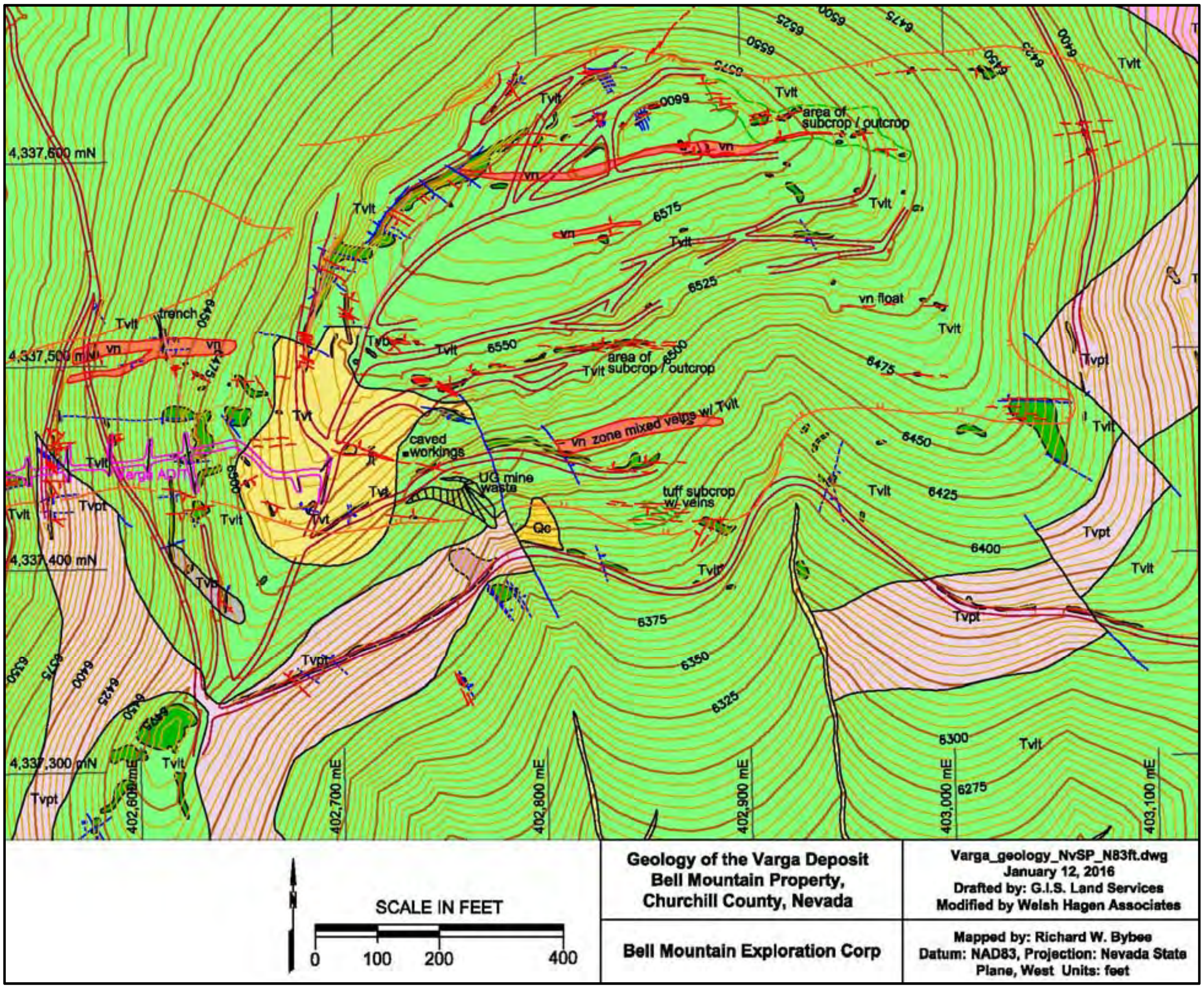
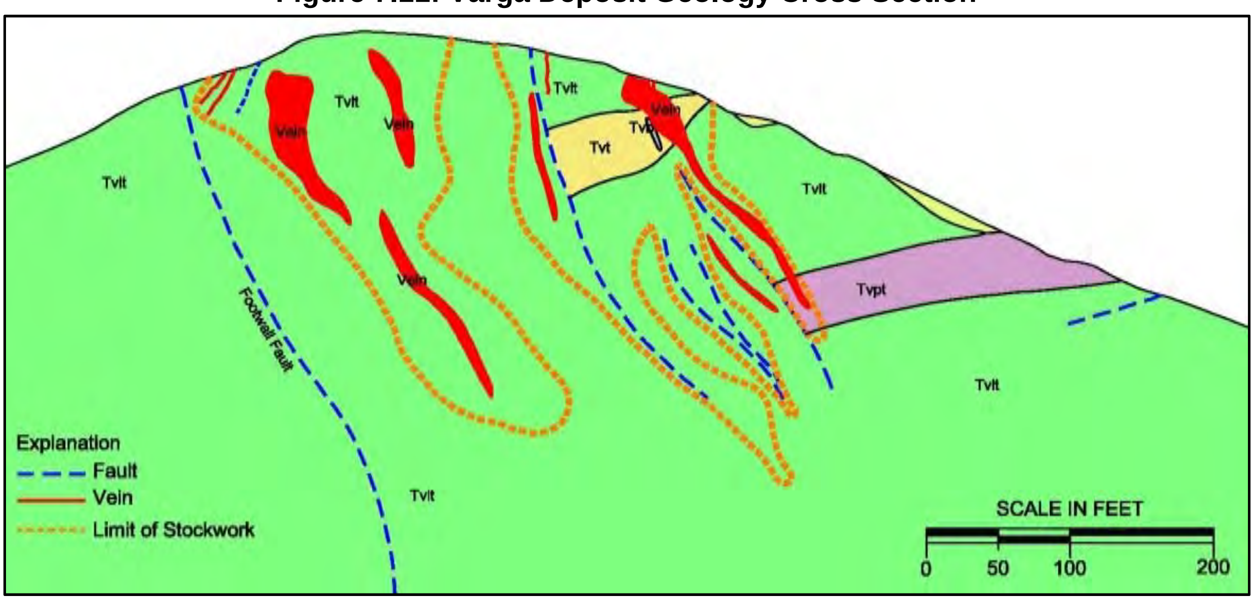


Figure 7.11: Varga Deposit Geology Cross Section



7.4.3 Sphinx Deposit

The Sphinx vein system can be traced for more than 900 meters along strike by prospect pits, vein quartz float and a few trenches. To date, the work has been concentrated on the northwestern 1150-foot (350 meter) portion of the structure. In 1982, American Pyramid Resources drove a 260-foot (80 m) decline (**Figure 7.12**) into the Sphinx deposit from the southeast end and collected channel samples across the vein from four crosscuts. They also cut 4 trenches across the sub-crop of the vein (Payne, 1982). To date, there are 34 known surface RC drill holes and 5 core drill holes at the Sphinx deposit.

The Sphinx deposit contains at least two sub-parallel veins with other smaller splits which trend approximately North 70° West (**Figure 7.13**). Vein and stockwork widths in the crosscuts ranged from 10 to 30 feet (3 to 9 meters) and from nil to 5.1 g/t Au (Payne, 1982). Veins here are quartz with little calcite, are often banded and have a bluish tinge (Pinet, 1996). Minor silicification is present, surrounded by argillic alteration, which is stronger than elsewhere on the property. The veins dip steeply toward the southwest (**Figure 7.14**). The Sphinx deposit may be exposed at a somewhat deeper erosion level in the epithermal system due to the relative lack of calcite and better gold grades.

Figure 7.12: Sphinx Decline Adit

Figure 7.13: Sphinx Deposit Surface Geology

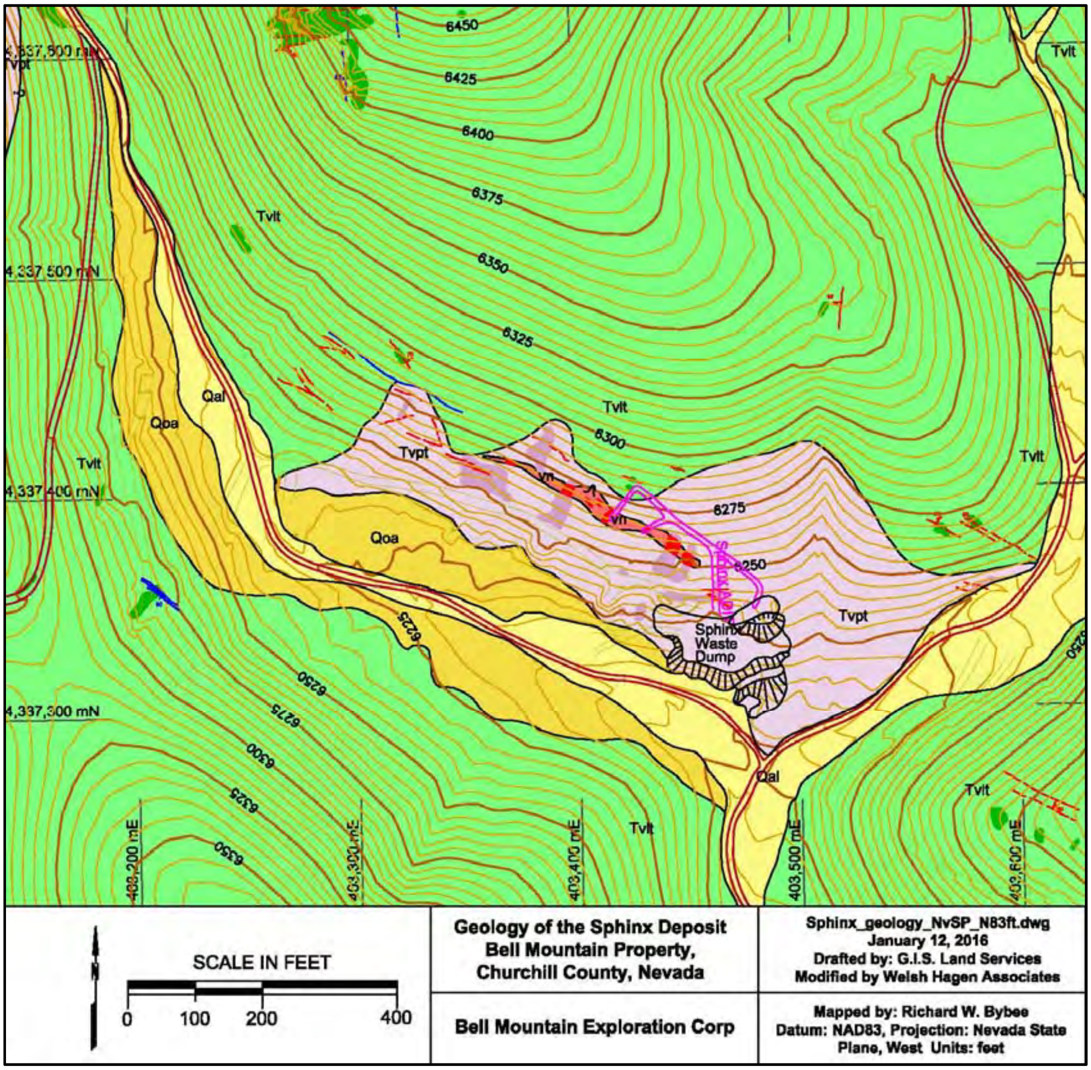
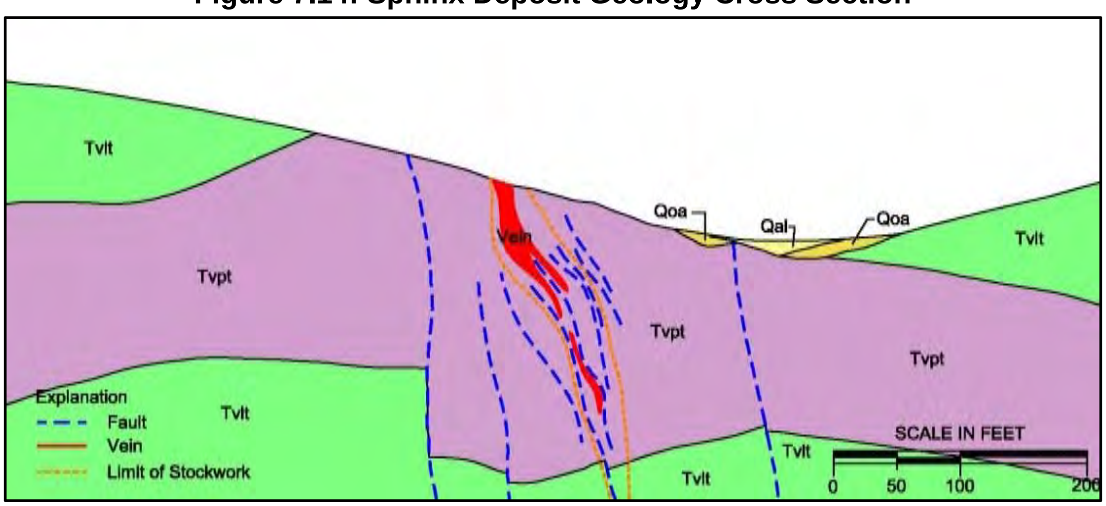


Figure 7.14: Sphinx Deposit Geology Cross Section



7.4.4 East Ridge Deposit

The East Ridge Deposit consists of a single east-northeast trending quartz-calcite vein which dips steeply to the south. Quartz is the predominant vein material with lessor calcite. The width of the vein is 1 to 4 meters. The vein is exposed in outcrops and surface cuts for approximately 250 meters (**Figure 7.15** and **Figure 7.16**).

The vein is cut by sparse northwest northeast trending fractures that locally host quartz-calcite veinlets and may continue out into the hanging wall for several meters. These crosscutting veins and fracture sets have not yet been tested by drilling. The west and east ends of the deposit are not well defined and are interpreted as weakening sheeted veinlets and stockwork zones. Drilling has not yet defined the limit of mineralization to the west and east ends. To date, there are 25 known surface RC drill holes in the East Ridge deposit, BMEC has completed surface geologic mapping of the area but has not done any drilling.

Figure 7.15: East Ridge Deposit Surface Geology

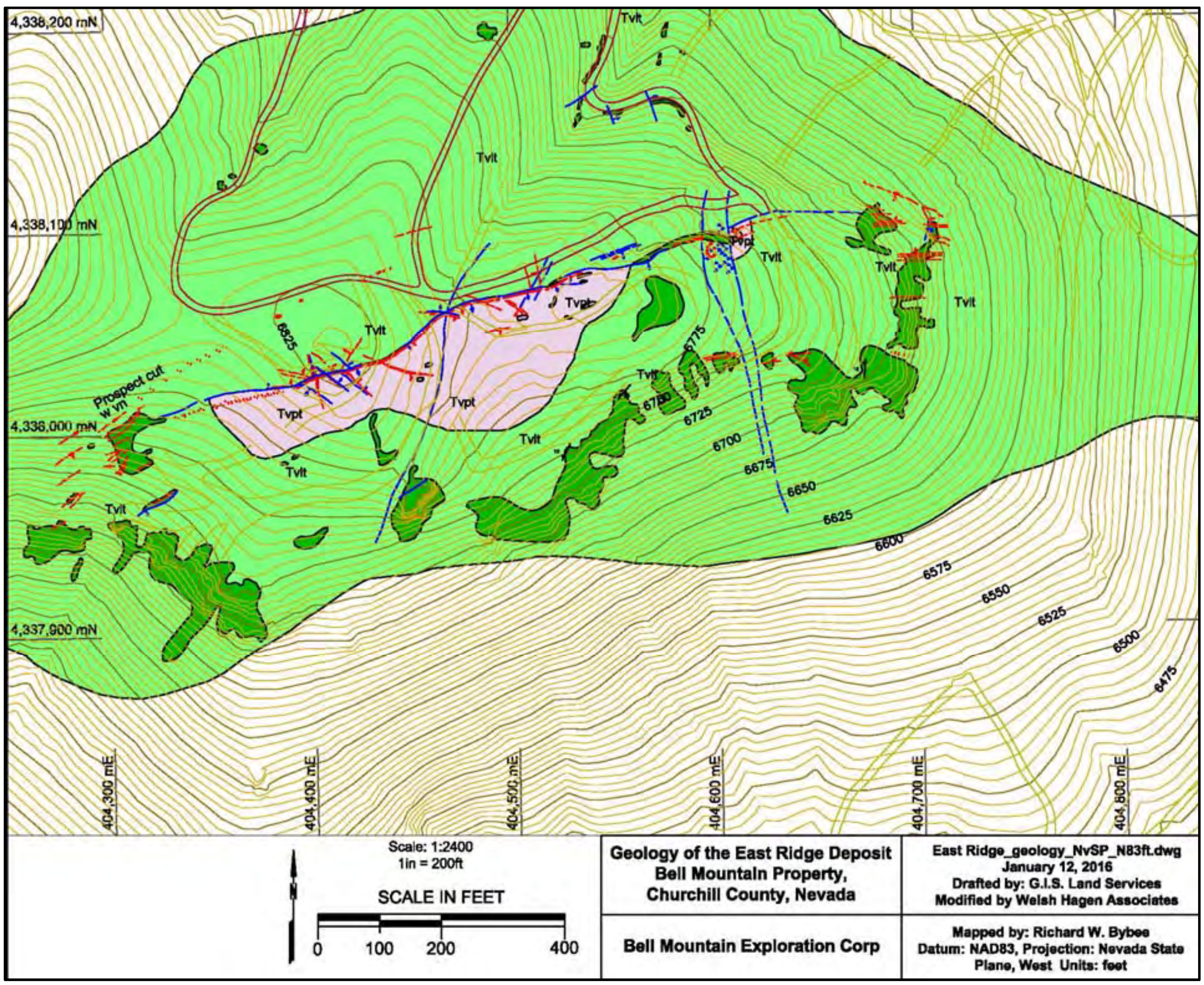
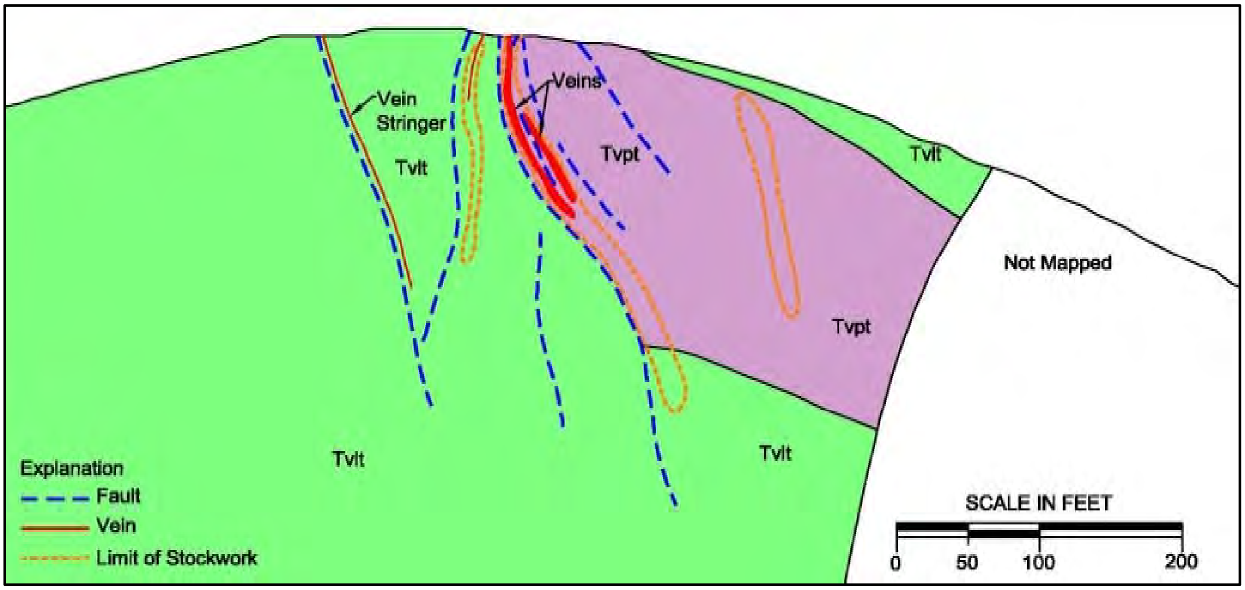


Figure 7.16: East Ridge Deposit Geology Cross Section



7.5 Minerology

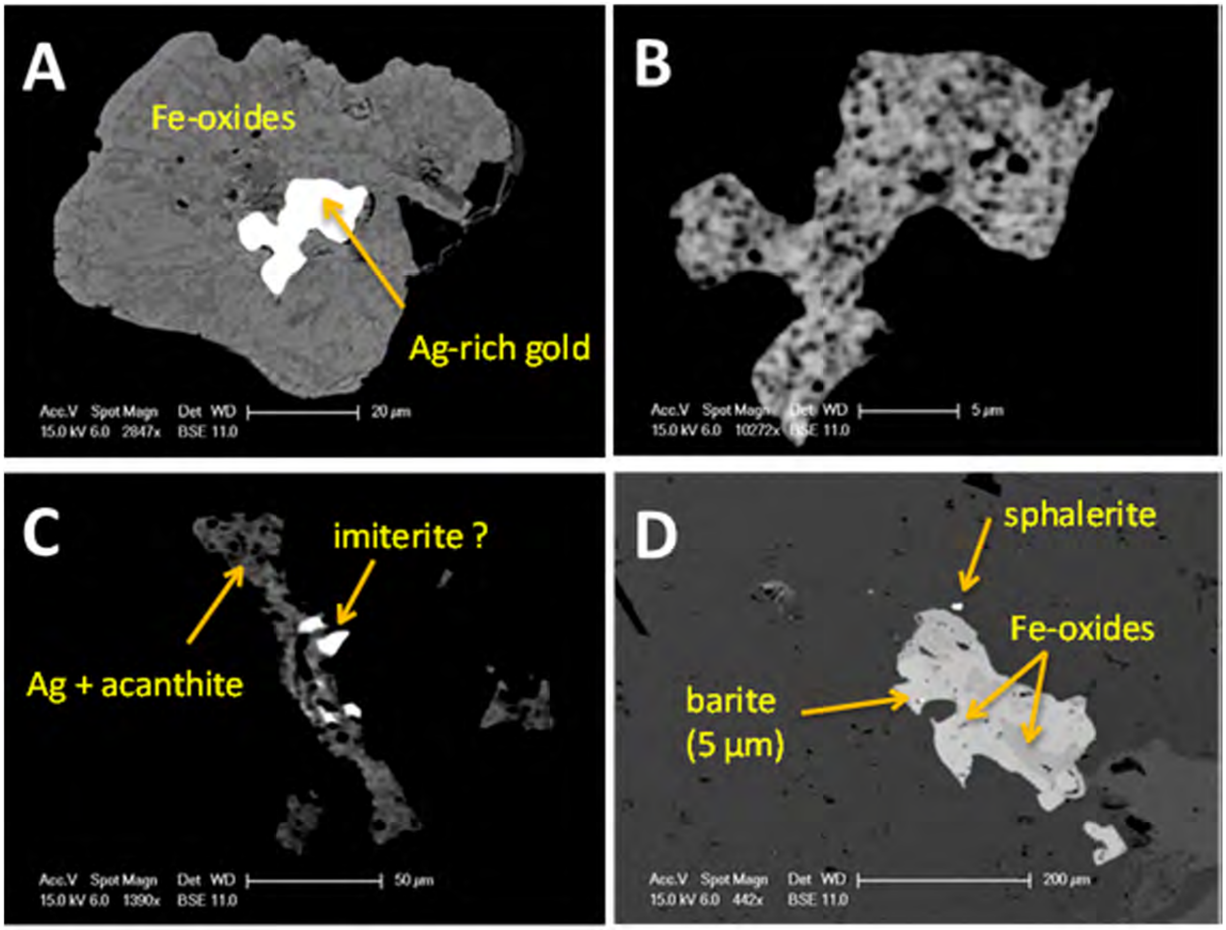
A report titled *Preliminary Report on Ore Mineralogy of Samples from Bell Mountain, Nevada* prepared by Jan Cempirek, Ph.D., Department of EOAS, University of British Columbia, Vancouver, BC, prepared for Eros, describes the mineralogical interpretation of mineralized material at the Project.

Mineralogy of the vein material samples was studied in thin sections using optical microscope and scanning electron microscope (SEM). Careful optical microscope examination of all thin sections confirmed that the vein material of the samples contains very small amounts of ore minerals only.

The SEM study of ore mineralogy of selected samples shows two main assemblages of ore minerals: older Ag-Au-mineralization in altered pyrite and younger Ag-Pb-Ba- mineralization in quartz and carbonates. The observed assemblages seem to suggest an association of the former mineralization type with the tuffite and quartz + K-feldspar assemblage in the veins, and an association of the latter type with calcite-rich assemblages. However, at this point no assumptions should be made until the study is finished in full extent (identification of different stages of formation of gangue minerals, CL-study, further SEM work on mineralogy of both ore and gangue minerals). The textures of the vein material suggest several hydrothermal events (more than the two indicated above) took place during evolution of the system.

Silver and acanthite grains up to 10 µm large sometimes occur close to the altered pyrite. The pseudomorphs after pyrite in quartz locally contain irregular grains (up to 20 µm) of Ag-rich gold (ca. Au55Ag45) in their cores (**Figure 7.17** A, B). Rare assemblage of silver + acanthite (ca. 100x20 µm) with inclusions of unknown Ag-Hg sulfosalt (imiterite?) less than 20 µm in long were found in altered pyrite. Barite grains (typically <5 µm) and very rare sphalerite (<10 µm) rarely occur together with silver and acanthite, in or close to the altered pyrite grains (**Figure 7.17** C, D).

Figure 7.17: Microscopic Images of Mineralized Material at Bell Mountain



Ag-rich gold in the sample 763-B1. A) Ag-rich gold in altered pyrite in quartz; B) microporosity in the grain of Ag-rich gold; C) microporous aggregate of silver and acanthite with inclusions of unknown Ag-Hg sulfosalt (imiterite); D) grain of Fe-oxides after pyrite, with ca. 5 µm barite inclusion, and grain of sphalerite.

8.0 DEPOSIT TYPES

The following section on the Bell Mountain deposit type is modified from Durgin (2010).

The Bell Mountain deposit is characterized as a low-sulfidation epithermal vein system. Hydrothermal alteration in the upper levels of veins such as at Bell Mountain is expressed as broad irregular zones of argillic (kaolinite, illite) alteration with localized to extensive silicification and bleaching of the host rocks. Vein deposits can exhibit highly variable gold and silver contents and metals are vertically zoned. The geometry of both vein and disseminated mineralization can be complex and is a function of pre- and post-mineral faulting, host rock permeability, and intensity of hydrothermal fracturing.

Multiple phases of vein infilling, brecciation, and hydrothermal fracturing are common in many such deposits. Mineralization occurs as electrum in banded colloform/crustiform quartz or quartz-calcite veins, veinlet stockworks, and hydrothermal breccias. In the upper levels of many veins including those at Bell Mountain, coarsely bladed calcite, deposited during fluid boiling, is replaced by chalcedonic to sucrose quartz and usually represents higher grade parts of the deposit. Adularia and sericite are common gangue minerals. Generally, there is no close spatial or genetic relationship to larger intrusive bodies, although felsic dikes are often associated with mineralization. In western Nevada, many epithermal vein districts are associated with subaerial volcanic centers such as the Fairview Peak caldera.

Sulfide minerals are present in sparse amounts, but are largely pyrite, marcasite, and acanthite. Gold and silver occur along sulfide crystal surfaces, as electrum, and locally as grains of native silver and gold. Other associated trace elements include arsenic, antimony, barium, manganese, mercury or selenium. At higher levels of most epithermal veins, base metals (Cu, Pb, Zn) are typically absent or present in sub-economic amounts.

9.0 EXPLORATION

The following section, modified from Durgin (2010), summarizes the significant exploration at the Bell Mountain property. New information subsequent to Durgin 2010 has been appended.

9.1.1 Early Surface Mapping

Mapping has been completed in reconnaissance style and as small area-specific locales in most of the past efforts. Prior to 1979 the Spurr area was the focus of detailed work. Santa Fe mapped the Varga and Spurr areas in 1984, but that map is incomplete. The 1:24,000 scale geologic maps were published by the Nevada Bureau of Mines and Geology in 1996 (Henry, 1996), so the understanding of the larger geologic setting was not fully documented before ECU's work. Geologic mapping of the property was done at 1:10,000 by ECU in 1996 (Pinet). ECU also mapped portions of the property at 1:1000.

9.1.2 Eros Resources Corp Geologic Mapping

Exploration by Eros consists of geologic mapping to further define the geologic controls of mineralization at the property. From July through October of 2015 surface geologic mapping was completed at the property by a BMEC geologist. The four target areas mapped included the Spurr, Varga, Sphinx and East Ridge.

Mapping was done at a scale of 1"=50' on color air photo sheets with a Mylar overlay. The mapping was done as an outcrop map method. The features mapped included veins, veining as stockworks in wall rock, faults and lithologic units. Very few contacts between different rock units were seen in outcrops so most contacts on the geology map are interpreted by changes of lithology in surface float. Because of their white color and resistance, the contacts for the quartz-calcite veins and stockwork zones are better defined on the surface. Because of the abundance of drilling assay data and surface sampling by previous workers, no surface sampling was done during this mapping work.

As the mapping progressed, data on the individual field sheets was compiled onto a composite map sheet. The result of this work was to create a hand-drawn geology map at a scale of 1"=50' for each deposit on a final plate size of 36"x48" (arch E plate). The composite map was then scanned and put into AutoCAD and digitized onto the topographic base map. The final product is a colored geology map on the topographic base with title blocks and explanations suitable for presentation. The geologic mapping of each deposit area at Bell Mountain produced by a BMEC geologist is presented in **Section 7** of this Report.

9.1.3 Surface Sampling

The first available reference to surface sampling is from Payne's January 1981 report in which he mentions sampling of several trenches at the Spurr vein in 1918 by which they "were sufficiently encouraged to drive an exploration adit" (the Spurr adit) – no assay values are mentioned. In the same report, Payne's Figure 10 shows a series of surface trenches along the vein, sampled by Schrader in 1948 from the western exposure of the Spurr vein to a point at the top of the western slope of the Varga hill. Results are tabulated in **Table 9.1**:

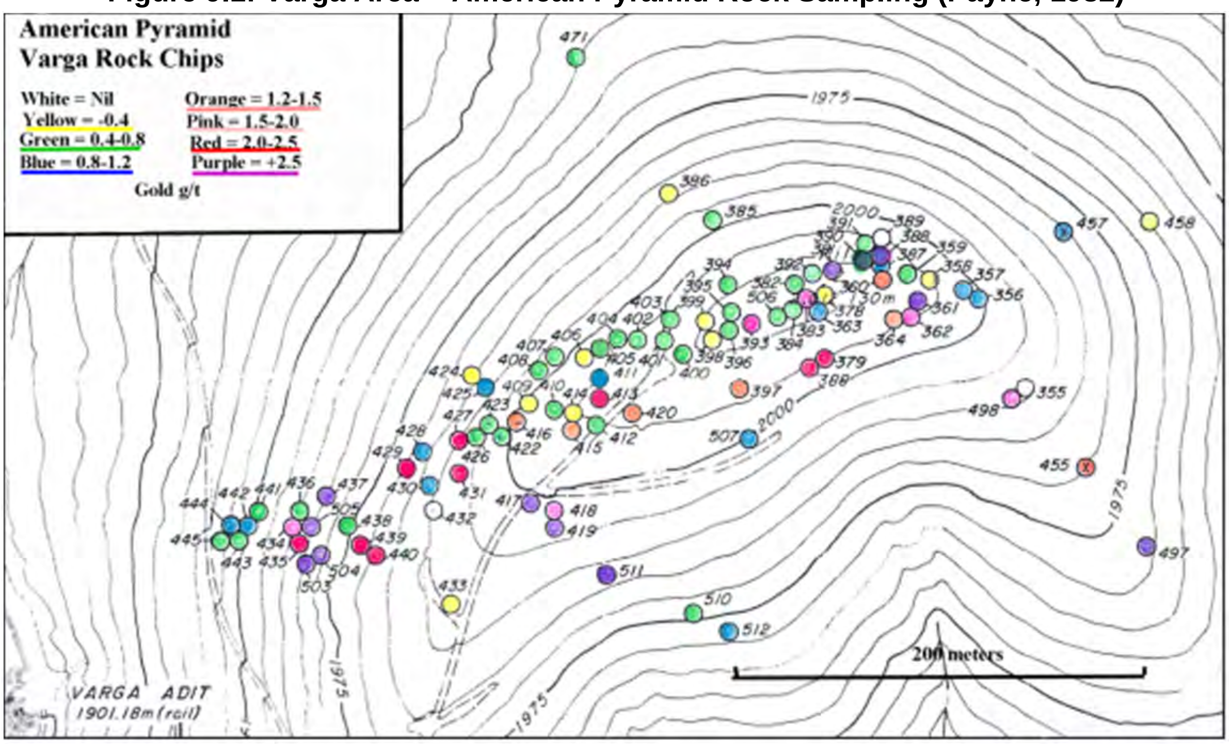
Table 9.1: Schrader's 1948 Trench Sampling (Payne, 1981b)

Trench	Sample Width	Au (g/t)	Ag (g/t)	Area
#1	9.1m	0.7	39	Spurr West End
#2	11.9m	0.8	28	Spurr
#3	16.8m	1.1	25	Spurr
#4	20.4m	1.9	20	Spurr
#5	15.9m	3.8	48	Spurr
#6	17.4m	0.3	7	Spurr
#7	12.2m	0.4	11	Spurr
#8	11.6m	0.2	5	Spurr
#9	12.2m	0.2	16	Spurr East End
#10	No Sample			
#11	6.1m	2.0	10	Varga West End
#12	No Sample			
#13	8.2m	2.1	24	Varga West Slope
#14	9.1m	2.6	24	Varga Slope Top

Note: Table is modified from Table 10.2a in Durgin, 2010

In 1982, American Pyramid collected 168 surface rock chip samples in the Varga and Sphinx area, plus a few scattered other locations (Payne, 1982). Of these, 94 were collected on the Varga hill from outcropping altered and/or veined rocks. Of the 94 Varga hill samples, only 14 carried less than 0.4 g/t Au (**Figure 9.1**). The sampling pattern is a very close approximation to the outline of the outcropping mineralization. Other limited sample results emphasized the Sphinx area to the SE and the Mike area about 500 meters to the ENE along strike as interesting targets also.

Figure 9.1: Varga Area – American Pyramid Rock Sampling (Payne, 1982)



Note: From Figure 10.2, Durgin, 2010.

Both Santa Fe Mining and Degerstrom did a limited amount of reconnaissance geochemical sampling of outcrops and float as part of their exploration away from known mineralization. There were 43 Degerstrom samples but the exact number of Santa Fe samples is not certain. The data are present in the files and may prove useful in guiding later work.

In 1996 ECU optioned the property and collected 168 surface channel samples (**Tables 9.2** and **9.3**) to characterize mineralization in the veins and in hanging wall and footwall rocks (Pinet 1996). Of these there were 6 sets of channels (65 samples) in the Spurr area, and 5 sets of channels (103 samples) in the Varga area. ECU also collected and analyzed 82 rock chip samples during their reconnaissance of the property. These sample results confirmed the results of previous workers, although they did not directly duplicate earlier sampling. The channel samples also confirmed low, but potentially open pit minable grades extending into the wallrocks, particularly in the Varga area. Individual sample and trench locations are plotted on maps in Pinet's report and contained in the files in BMEC's possession. The results of the sample assays have not been verified as no original assay certificates are known to exist.

9.2 Underground Sampling

The first reference to underground sampling is from Payne's 1981 report where he mentions Stockton's first 1914 samples in the Stockton shaft. Ten samples taken from the top to the bottom of the shaft carried an average of 3.9 g/t Au and 69 g/t Ag. Since that time there has been repeated sampling of the workings as they were enlarged and by many of the subsequent operators who have controlled the property.

Payne's 1979 and 1981 reports discuss Schrader's 1948 sampling (42 samples, **Table 9.4**) and Payne's 1978 sampling of the Spurr workings. In 1978, he collected 50 channel samples of the vein in the cross cuts and other workings in the Spurr adit as summarized in **Table 9.5**.

Table 9.2: ECU Channel Sampling Spurr Area (Pinet, 1996)

	Sample	Au (g/t)	Ag (g/t)
Channel 1			
	C1-2	4.829	85.0
	C1-4	1.624	9.8
	C1-6	2.604	10.0
	C1-8	1.811	7.1
	C1-10/C1-22	No sample	
	C1-24	0.770	8.0
	C1-26	0.201	1.7
	C1-28	0.337	8.8
	C1-30	0.422	9.3
	C1-32	0.534	18.9
	C1-34	0.194	2.2
	C1-36	0.092	3.4
	C1-38	0.040	1.1
Channel 2			
	C2-2	0.023	1.1
	C2-4	0.014	0.7
	C2-6	0.043	3.8
	C2-8	0.034	2.4
	C2-10	0.024	2.6
	C2-12	0.031	1.5
	C2-14	0.007	1.0
	C2-16	0.011	0.6
	C2-18	0.014	1.4
	C2-20	0.009	0.6
	C2-22	0.010	1.1
	C2-24	No sample	
	C2-26	0.008	0.6
Channel 3			
	C3-2	0.016	1.1
	C3-4	0.012	2.1
	C3-6	0.032	2.5
	C3-8	0.015	2.3
	C3-10	0.029	2.8
	C3-12	0.120	10.0
	C3-14	0.031	8.6
	C3-16	0.016	8.8
	C3-18	0.026	6.2
	C3-20	0.007	8.3
	C3-22	0.010	5.3
	C3-24	0.009	6.6
	C3-26	0.003	6.2
	C3-28	0.024	12.2

	Sample	Au (g/t)	Ag (g/t)
Channel 4			
	C4-2	1.408	31.0
	C4-4	1.422	31.0
	C4-6	0.860	17.8
	C4-8	0.778	9.9
	C4-10	0.265	3.0
	C4-12	No sample	
	C4-12.5	0.136	2.1
Channel 5			
	C5-2	0.799	21.0
	C5-4	0.041	4.9
	C5-6	0.016	4.8
	C5-8	0.008	1.5
	C-10	0.018	1.8
	C5-12	0.013	1.5
	C5-14	0.010	1.7
	C5-16	0.012	2.4
	C5-18	0.017	2.4
	C5-20	0.006	2.1
	C5-22	0.005	2.3
	C5-24	0.010	2.2
	C5-26	0.013	3.5
	C5-28	0.078	4.9
	C5-30	0.014	2.8
Channel 13			
	C13-2	0.108	4.9
	C13-4	0.063	20.6
	C13-6	0.071	18.8
	C13-8	0.043	2.6

Note: Table is modified from Table 10.2b in Durgin, 2010

Table 9.3: ECU Channel Sampling Varga Area (Pinet, 1996)

	Sample	Au (g/t)	Ag (g/t)
Channel 6			
	C6-2	1.014	19.4
	C6-4	0.037	3.2
	C6-6	0.157	8.6
	C6-8	0.401	13.0
	C6-10	1.103	30.0
	C6-12	1.800	24.0
	C6-14	0.875	16.6
	C6-16	0.226	37.0
	C6-18	0.153	12.7
	C6-20	2.760	27.0
	C6-22	0.526	9.8
	C6-24	0.595	7.9
	C6-26	No sample	
	C6-28	0.326	6.2
	C6-30	0.192	6.8
	C6-32	0.920	35.0
	C6-34	3.356	30.0
	C6-36	0.059	7.2
	C6-38	0.090	3.5
	C6-41	0.005	0.7
Channel 7			
	C7-2	0.107	6.5
	C7-4	0.034	2.2
	C7-6	1.233	10.5
	C7-8	0.015	1.2
	C7-10	0.083	2.9
	C7-12	0.295	4.7
	C7-14	0.148	5.8
	C7-16	0.022	1.5
	C7-18	0.102	3.1
	C7-20	0.162	7.0
	C7-22	0.425	16.2
	C7-24	0.123	5.9
	C7-26	0.504	21.0
	C7-28	0.803	20.5
	C7-30	0.464	6.4
	C7-32	0.365	6.5
	C7-34	1.244	10.4
	C7-36	0.453	5.3
	C7-38	0.647	3.8
	C7-40	0.833	7.5
	C7-42	2.199	13.8
	C7-44	0.253	4.9
	C7-46	0.310	2.9
	C7-48	0.132	1.7
	C7-50	0.519	2.4
	C7-52	0.655	3.5
	C7-54	0.076	3.7
	C7-56	2.264	23.3
	C7-58	2.774	25.4
Channel 8			
	C8-2	0.128	1.6
	C8-4	0.336	0.6
	C8-6	0.106	0.6
	C8-8	0.028	0.3

	Sample	Au (g/t)	Ag (g/t)
Channel 9			
	C9-2	0.147	2.5
	C9-4	0.957	10.4
	C9-6	0.701	29.9
	C9-8	0.262	5.0
	C9-10	0.217	2.7
	C9-12	0.034	1.8
	C9-14	0.167	1.6
	C9-16	0.065	2.8
	C9-18	0.013	0.1
	C9-20	0.048	1.1
	C9-22	0.009	1.4
	C9-24	0.103	4.5
	C9-26	0.134	3.8
	C9-28	0.092	1.9
	C9-30	0.338	9.4
	C9-32	0.184	4.5
	C9-34	No sample	
	C9-36	1.617	10.1
	C9-38	0.666	7.2
	C9-40	0.938	12.3
	C9-42	2.250	14.4
	C9-44	1.741	7.2
	C9-46	0.775	2.8
	C9-48	0.223	2.3
	C9-50	0.184	2.8
	C9-52	2.005	3.0
	C9-54	0.773	3.5
	C9-56	0.187	1.9
	C9-58	0.093	4.7
	C9-60	0.337	7.6
	C9-62	0.387	5.8
	C9-64	0.157	2.6
	C9-66	0.258	3.4
	C9-68	0.068	1.7
	C9-70	0.466	4.4
	C9-72	0.092	7.2
	C9-74	0.067	6.6
	C9-76	0.347	6.7
	C9-78	0.039	2.2
Channel 10			
	C10-2	0.031	0.7
	C10-4	0.080	1.5
	C10-6	0.039	0.7
	C10-8	0.102	2.0
	C10-10	0.239	2.5
	C10-12	0.083	0.9
	C10-14	0.999	33.0
	C10-16	0.026	1.0
	C10-18	0.175	7.2
	C10-20	0.072	1.4
	C10-22	0.334	8.0

Note: Table is modified from Table 10.2c in Durgin, 2010

Table 9.4: Spurr Workings Channel Sampling – Schrader, 1948

Area	Samples	Avg. Au (g/t)	Avg. Ag (g/t)
West Raise	10	2.7	27
Stockton Raise	1	2.5	53
West Winze	12	1.9	68
1865 Sublevel	12	3.7	65
Stockton Winze	6	3.4	53

Note: Table is modified from Table 10.3a in Durgin, 2010

Table 9.5: Spurr Channel Sampling – Payne 1978

Area	Samples	Avg. Au (g/t)	Avg. Ag (g/t)
S-14 Crosscut	17 (17m)	3.2	80
S-12 Crosscut	6 (6m)	1.9	99
Stub Raise	1 (1m)	4.25	155
S-10 Crosscut	18 (9m)	2.1	32
S-10N Crosscut	6 (3m)	2.4	94

Note: Table is modified from Table 10.3b in Durgin, 2010

Payne sampled an area (S-14 crosscut) that had previously been channel sampled in 1917 and in 1948 (**Table 9.6**). Payne's point was that three sample campaigns in essentially the same area, with different assayers, over a span of 62 years returned remarkably similar results.

Table 9.6: Assay Comparison, Samples in Spurr S-14 Crosscut

Sampler	Width	Au (g/t)	Ag (g/t)
Carpenter, 1917	16.7m	4.0	80
Schrader, 1948	19.8m	4.8	92
Payne, 1978	17.0m	3.2	83

Note: Table is modified from Table 10.3c in Durgin, 2010

The Lovestedt adit was driven in 1968. In 1982 ten crosscuts were driven across the vein by American Pyramid and sampled. A total of 117 channel samples were collected at one meter intervals and analyzed by Skyline Labs. The results of his sampling within the mineralized zone are shown in **Table 9.7**.

Table 9.7: Lovestedt Adit Sampling, Payne, 1982 (Listed from West to East)

Crosscut	Width	Ave. Au (g/t)	Ave. Ag (g/t)
1	12m	0.31	32
2	11m	0.50	56
3	16m	0.54	27
4	16m	0.35	11
5	10m	0.86	36
6	12m	0.71	32
7	11m	1.65	48
8	12m	0.76	50
9	10m	0	21
10	7m	0.51	7

Note: Table is modified from Table 10.3d in Durgin, 2010

Payne also sampled nine crosscuts in the Spurr adit in 1982. The results of his sampling within the mineralized zone are shown in **Table 9.8**.

Table 9.8: Spurr Adit Sampling, Payne, 1982 (Listed from East to West)

Crosscut	Width	Ave. Au (g/t)	Ave. Ag (g/t)
1	14m	1.0	16
2	18m	1.5	59
3	13m	2.0	40
4	6m	0.6	93
5	11m	1.7	87
6	17m	3.2	83
7	10m	1.1	46
8	8m	1.5	22
9	11m	1.2	34

In 1982, American Pyramid also drove the Sphinx decline along the Sphinx vein and four cuts across the structure were channel sampled, generally at 1 meter intervals. Samples were sent to Skyline Labs. **Table 9.9** lists the results.

Table 9.9: Sphinx Adit Sampling, Payne, 1982 (Listed from West to East)

Crosscut	Width	Au (g/t)	Ag (g/t)
1	7.6m	0.60	26
2	11m	1.26	40
3	11m	2.69	72
4	6m	1.12	44

Note: Table is modified from Table 10.3e in Durgin, 2010

Work carried out by Santa Fe in 1984 included re-sampling of underground workings, in the Spurr and Lovestedt adits. A total of 15 underground channel samples were collected in the Spurr adit and 15 were collected in the Lovestedt adit.

Degerstrom in its 1989, 1990 and 1991 programs apparently did not re-sample the underground workings. ECU in 1996 published underground sampling results on one of their maps, but these results are a repetition of Payne's sampling for American Pyramid.

In May 2010, Quentin Browne (Technical Reviewer of Durgin, 2010) collected three grab samples from the underground workings in the Varga adit to verify precious metal grades and low toxic element levels. The results are shown in **Table 9.10**.

Table 9.10: Verification Samples Varga Adit – Browne 2010

Sample	Au g/t	Ag g/t	Hg ppb	Te ppm	As ppm	Ba ppm	Bi ppm	Cu ppm	Mo ppm	Pb ppm	Sb ppm	Se ppm	Tl ppm	Zn ppm
#01	0.24	27.3	11	4	3	14	<1	33	3	5	<2	17	<0.5	28
#02	0.41	13.8	34	6	15	373	<1	24	4	17	<2	19	<0.5	41
#03	0.10	3.4	<10	4	5	17	<1	16	1	11	<2	17	<0.5	40

Note: Table is modified from Table 10.3f in Durgin, 2010

9.2.1 Reconciliation of Underground and Surface Channel Sample Locations

The following description of reconciliation of the underground channel sample locations was provided by BMEC.

Hard copy and electronic files obtained from Laurion contain AutoCAD drawings of the underground workings. All this earlier work was done by several different operators over several years and many different coordinate systems were used.

An AutoCAD drawing of the underground workings was found in a 30K x 30K grid reference and an Excel spreadsheet listing all the channel sample location points was also found using the same 30K x 30K coordinates. Using AutoCAD, the location data was then posted into the drawing of the workings and checked for correct position against hard copy maps and reports. Some points were moved slightly to make a "best fit" with the workings. Using the channel sample starting point locations as a starting point, lines were drawn to represent the trace of the channel samples. The channel sample trace was entered using the azimuth, dip and total depth data from the spreadsheet.

When the drawing was complete, it was moved into the Nevada State Plan coordinate system used for the current coordinate system. The collars of the underground workings (Lovestadt, Spurr, Varga and Sphinx) were used as reference points and positioned using the detailed orthophoto. Surface trench sample data was positioned using the same procedure.

With the map now in the Nevada State Plan coordinates, the starting points of the underground channel samples and surface trench samples were extracted and copied into the Excel spreadsheet. The trace of the channel sample lines was identified for azimuth. The length of the channel sample lines was determined by the total length of the samples. The elevations for channel samples were determined by the contour elevation of the adit level. The elevation for surface trench samples was determined the by topographic level.

9.3 Geophysics

In 1990 N.A. Degerstrom carried out a limited program of vertical electrical soundings (VES) in the Bell Flat south of the property. These were used as a tool for finding groundwater, rather than mineral exploration. In the summer of 1996, ECU contracted Aerodat Inc to carry out a helicopter-borne electromagnetic and magnetic survey over the Bell Mountain property and its immediate surroundings, an area of about 11.6 square miles (30 square km). They produced a total field magnetic map, 3 sets of HEM offset profiles and 3 sets of resistivity contours (Woolham, 1996).

Magnetics-based geophysics relies on magnetic contrasts between different rock units and destruction of magnetite by alteration. Because the rocks within the Bell Mountain Caldera are all rhyolitic tuffs, their magnetic signature has very little contrast. Only small amounts of primary magnetite were present in the rocks so alteration also produced little contrast. The vein systems in the Spurr-Varga and Sphinx areas displayed no clear magnetic signature (Woolham, 1996), thus the results were not very useful. The magnetics did show the trace of the fault that bounds the east side of Bell Mountain Flat.

10.0 DRILLING

10.1 Introduction

The following sections on drilling are modified from Telesto (2015). Drilling activity at the project that has occurred subsequent to Telesto (2015) has been appended to the description.

10.2 Drilling Summary

The first drill holes were completed in the mid 1960's but no data from that period is available. The first drilling program of consequence, and for which data is available, was done in 1984 by Santa Fe Minerals. For work from 1984 onward, drill logs, assay sheets, coordinates, elevations, depths, azimuths and inclinations are well preserved in files held by Eros. **Table 10.1** summarizes contractors and equipment used during drilling by some of the previous operators at the Project.

A total of 297 drill holes have been completed at the property by 9 different operators over a period of 29 years. Available data consists of a total of 62,303 feet of drilling consisting of 267 reverse-circulation (RC) drill holes (56,434.5 ft), 22 core drill holes (5,633.5 ft) and 8 underground longholes (235 ft). **Table 10.2** summarizes the drilling completed by each company at the Project area and footages drilled.

Figure 10.1 and **Figure 10.2** present collar locations and down-hole traces for all drill holes completed at the Project. Drilling programs that included modern QA/QC protocols are shown as colored collar symbols.

Table 10.1: Drilling Activity at Bell Mountain

Operator	Year	Drilling Company	Equipment	Assay Lab
Santa Fe Mining Co.	1984	Drilling Services (B-1 to 25) Harris Drilling (B-26 to 51) Unknown longhole driller	Unknown Unknown Unknown	Chemex Chemex Chemex
Alhambra Mining	1985	Unknown longhole driller	Unknown	GD Resources
N.A. Degerstrom	1989 1990 1991	Degerstrom In-house (#1-58) In house RC (#59 – 91) "Diamond Drill Contracting" (core 90-1 to 5) In house RC (91-1 to 13)	T-4 truck rig T-4 truck rig MPD-1000 DDI-2200 MPD-1000	In house lab In house lab In house lab In house lab In house lab
ECU	1996	Tonto Drilling (HQ core)	Hydro-38	Barringer Lab
NDT Ventures	2003	Unknown	Unknown	ALS Chemex
Solitario Resources	2004	Diversified Drilling	Unknown	ALS Chemex
Platte River Gold	2004	Lang Drilling	Unknown	ALS Chemex
Laurion Mineral Expl.	2010 2011	Leach Drilling Leach Drilling	Unknown Unknown	ALS Chemex ALS Minerals
Lincoln Resource	2013 2013	Diversified Drilling KB Drilling Co.	Unknown RC Unknown Core	ALS Minerals McClelland

Table 10.2: Summary of Drilling at Bell Mountain

Operator	Date	Area Worked In	Number of Drill Holes	Work Done	Feet drilled
Nevada Bell Silver Mines	1965?	Spurr Deposit	3	rotary holes	No data available
Standard Slag Company	1974	Varga Deposit	?	Several air-track holes	No data available
American Pyramid	1980	One RC hole to 5688 elevation	1	No data available	No data available
American Pyramid	1982	No ground water noted Water well to North	1	No data available	660
Santa Fe Mining Co.	1984	Spurr Area	8	RC holes	2095
		Varga Area	25	RC holes	5040
		Sphinx Area	15	RC holes	3753
		Sphinx South	3	RC holes	535
		Total	**51**		**11,423**
Alhambra Mining	1985	Spurr Area	**8**	UG long-holes	**235**
N.A. Degerstrom	1989-1991	Spurr Area	32	RC holes	4550
			2	core holes (met)	150.5
		Varga Area	59	RC holes	8418
			3	core holes (met)	390
		Varga East	3	RC holes	390
		Sphinx Area	7	RC holes	985
		Sphinx South	1	RC hole	170
		Total	**107**		**15,053.5**
ECU	1996	Spurr Area	0	None	0
		Varga Area	3	core holes	912
		Sphinx Area	1	core hole	715
		Sphinx South	1	core hole	760.5
		Total	**5**		**2,387.5**
NDT Ventures LTD.	2003	East Ridge Area	**13**	RC holes	**1,578**
Solitario Resources Corp.	2004	East Ridge Area	**14**	RC holes	**3,945.5**
Platte River Gold	2004	Spurr Area	3	RC holes	1980
		Varga Area	2	RC holes	1350
		Sphinx Area	2	RC holes	1320
		Total	**7**		**4,650**
Laurion	2010	Spurr Area	15	RC holes	3285
		Varga Area	41	RC holes	11020
	2011	Sphinx Area	3	RC holes	515
		Total	**59**		**14,820**
Lincoln Resource Group	2013	Spurr Area	4	core holes	962.5
		Spurr Area	5	RC holes	1355
		Varga Area	4	core holes	1020
		Varga Area	9	RC holes	2531
		Sphinx Area	4	core holes	723
		Sphinx Area	7	RC holes	1619
		Total	**33**		**8,210.5**
		TOTAL HOLES	**297**	**TOTAL FEET DRILLED**	**62,303**

Figure 10.1: Drill Hole Collar Locations- Spurr, Varga and Sphinx Deposits

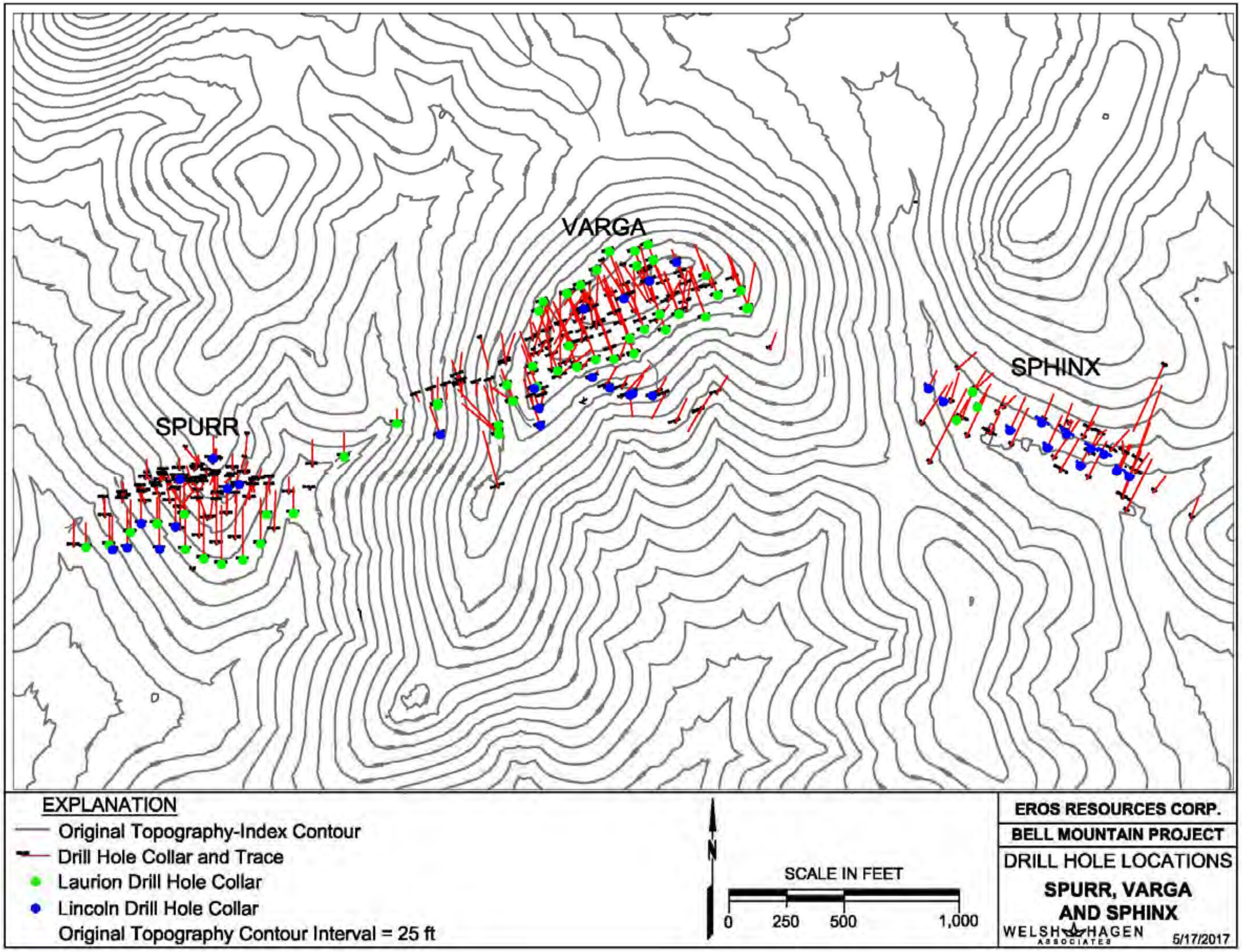
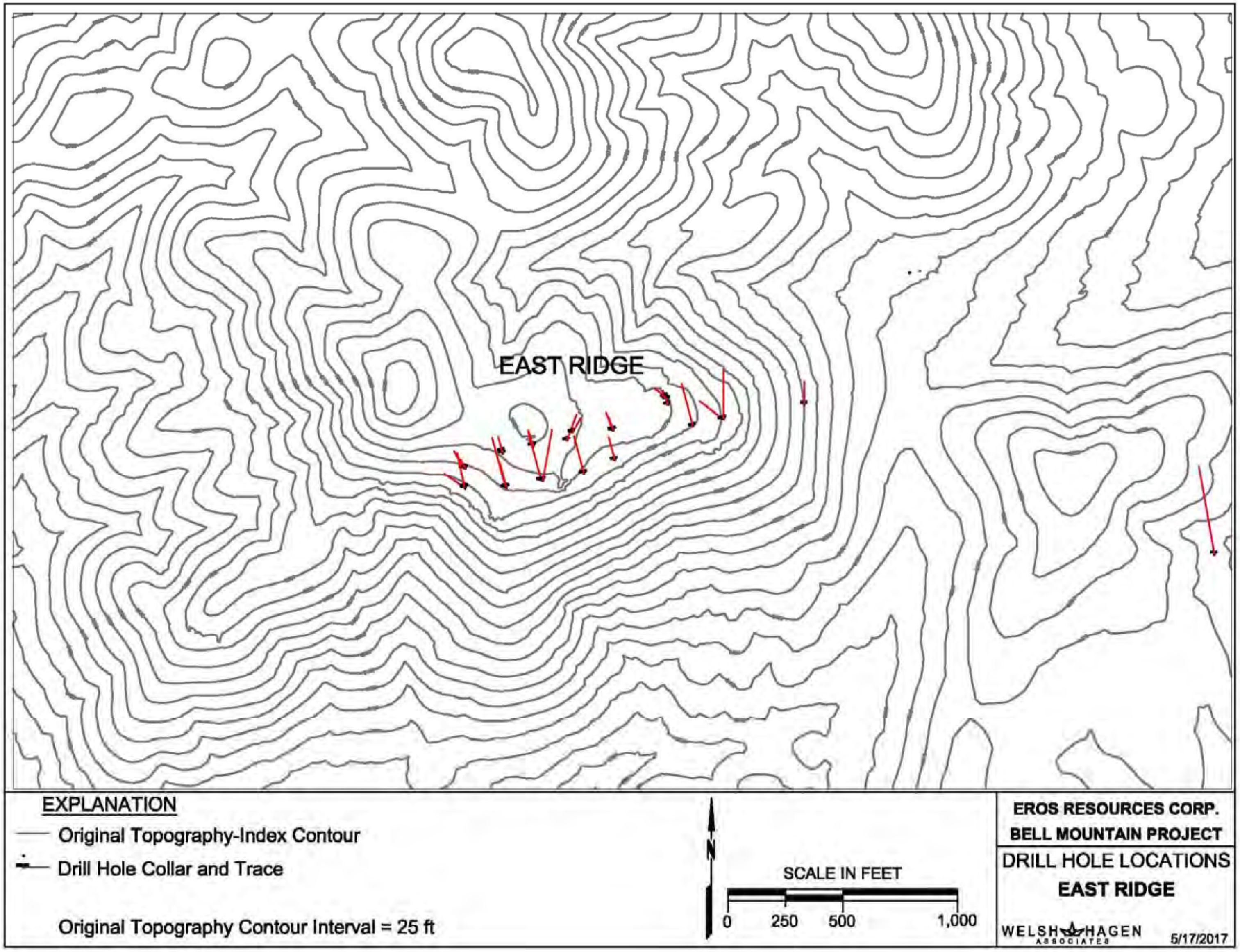


Figure 10.2: Drill Hole Collar Locations - East Ridge Deposit



10.2.1 Reverse Circulation Drilling

From the 62,303 feet (18,990m) of drilling for which data is available 56,434 feet (17,201m) (91%) was reverse circulation (RC) drilling. This work spanned a 29-year period by several drilling companies. Cuttings were logged and sampled by several geologists at various levels of detail, and samples were assayed by different analytical laboratories. No ground water was noted in any of the drilling, except in the very few deepest holes, suggesting thorough oxidation of the rocks. In this environment silver, and to a lesser extent gold, is mobile and oxide-zone silver-bearing (and perhaps gold-bearing) minerals often reside on fractures. During the time of the drilling, in 1984 and 1989-91, RC holes were commonly drilled “dry” using only air when possible. Water with drilling mud was injected in areas of broken ground where sample return was poor using air alone. Potential loss of fine material from fracture surfaces up the stack as dust when drilling dry, or hydraulically forced into fractured rocks while drilling wet, could have reduced silver and gold content in the process of drilling and sampling.

The commercial laboratories used by Santa Fe, Alhambra, ECU, NDT Ventures, Solitario, Platt River Gold, Laurion and Lincoln Resource Group are considered to be reputable labs with facilities in Reno at the time. N.A Degerstrom was a well-established and experienced mining contractor and mine operator. As part of their business plan they did as much work as possible in-house with their own equipment and personnel. Because they were preparing to mine the Bell Mountain deposits for their own account, it was in their own best interest for their in-house lab to produce accurate assays.

10.2.2 Core Drilling

At Bell Mountain, core drilling footage (5,633.5 ft) accounts for 9% of the total footage drilled. Two of the core drilling programs (Degerstrom 540.5 ft (165m), ECU 2,387 ft (728m) used HQ pipe (2.5” or 63.6mm) core. Degerstrom drilled its holes to obtain samples for metallurgical testing. Drill sites were surveyed relative to established survey grid points. Core was washed and re-aligned in the core boxes and photographed (**Figure 10.3**). Photographs of the core remain in the files. Core was then logged in detail for geology and alteration by the geologist. All the core was consumed in testing; only the photographs remain. Samples were assayed in Degerstrom’s in-house lab for gold by fire assay with a gravimetric finish and for silver by atomic absorption (AA).

ECU surveyed its drill sites using the grid established by Degerstrom. They also employed a single-shot camera device to survey down the holes, with readings taken at the bedrock/overburden interface, midway and at the bottom. ECU prepared its core in the conventional manner. It was washed, re-aligned, logged and marked by the geologist for splitting and sampling. It was split using a manual splitter. Samples were taken to Barringer’s lab in Reno for analysis. Samples were analyzed for gold by fire assay with AA finish and for silver by AA.

Lincoln drilled 12 core holes for a total of 2,705 ft (825m), 7 of which were PQ pipe (3.35” of 85.1mm) for metallurgical testing and 5 of which were HQ pipe for geotechnical testing. Drill sites were surveyed by a surveyor using a GPS instrument. Core was washed and re-aligned in the core boxes and photographed (**Figure 10.4**). Core was then logged in detail for geology and alteration by the geologist. Additional details on Lincoln's core sampling protocols are provided in **Section 11** of this report.

Figure 10.3: Core from Degerstrom Hole 90-5 (14.5–24 ft)

Figure 10.4: Core from Lincoln Hole BMG-13-04PQ – Varga Deposit

10.2.3 Long-Hole Drilling

There was one campaign of underground long-hole drilling at the Spurr deposit. In 1985 Alhambra drilled 8 holes for 235 feet (72m) for a total of 0.4 percent of the total drill footage. Logs and assays are available for all holes. The Alhambra holes were assayed by GD Resources by fire/gravimetric method for gold and AA for silver. Documentation regarding sampling methods and preparation are not available for review and are considered unlikely to exist.

10.2.4 Reconciliation of Long-Hole Collar Locations and Alignments

The following description of reconciliation of the long-hole locations was provided by BMEC.

Hard copy and electronic files obtained from Laurion contain AutoCAD drawings of the underground workings. All this earlier work was done by several different operators over several years and many different coordinate systems were used.

An AutoCAD drawing of the underground workings was found in a 30K x 30K grid reference and an Excel spreadsheet listing all the channel and long hole drill collar points was also found using the same 30K x 30K coordinates. Using AutoCAD, the collar data was then posted into the drawing of the workings and checked for correct position against hard copy maps and reports. Some points were moved slightly to make a “best fit” with the workings. Using the collars as a starting point, lines were drawn to represent the trace of the channel samples. The drill hole trace was entered using the azimuth, dip and total depth data from the spreadsheet.

When the drawing was complete, it was moved into the Nevada State Plan coordinate system used for the current coordinate system. The collars of the underground workings (Lovestadt, Spurr, Varga and Sphinx) were used as reference points and positioned using the detailed orthophoto.

With the map now in the Nevada State Plan coordinates, the collar points of drill holes were extracted and copied into the Excel spreadsheet. The elevations for drill holes were determined by the contour elevation of the adit level.

10.3 Sampling Method and Approach

10.3.1 Pre-2010 Drilling Programs

The sampling done prior to Laurion’s involvement in 2010 was completed largely by geologic employees of professional mining/exploration companies. The QP is prepared to assume that professional sampling techniques were used. No reports or data detailing the reverse-circulation sampling methods, analyses, quality control measures or security procedures used in earlier drill campaigns were available to the QP for review and verification during the time of preparing this Report.

10.3.2 Laurion and Lincoln Drilling

Modern QA/QC programs for drilling at the Project commenced during Laurion's drilling campaign in 2010 and continued during the Lincoln campaign in 2013. Of the total 62,303 feet (17,798m) of drilling at Bell Mountain, 23,030 feet (7,019m) were drilled using modern QA/QC protocol of inserting certified standards, duplicates and blanks into the sample stream. The modern QA/QC drilling programs represent 37 percent of all drilling at the Project. **Table 10.3** lists the drill footage completed during the Laurion and Lincoln drill programs.

Table 10.3: Exploration Drilling at the Project with Modern QA/QC Programs.

Company	Year	No. Of Holes	Total Feet	Total Meters	Core Feet	Core Meters	RC Feet	RC Meters
Laurion	2010	56	14,305	4,360	0	0	14,305	4,360
	2011	3	515	157	0	0	515	157
Lincoln	2013	33	8,210	2,502	2,705	825	5,505	1,678
	Totals	**92**	**23,030**	**7,019**	**2,705**	**825**	**20,325**	**6,195**

The collar locations and traces of all drill holes in the vicinity of the resource model areas are shown in **Figure 10.1** and **10.2**; the Laurion drill hole collars are depicted in green; the Lincoln drill hole collars are shown in blue.

Given the focus of Laurion's and Lincoln's drilling programs in three of the four resource areas, the assay data acquired from the two company programs represent a significant portion of the data used to inform the resource estimates contained herein. The distribution of drilling by each company in the four resource areas is presented in **Table 10.4**.

Table 10.4: Distribution of Drilling in the Resource Areas by Company

Bell Mountain Project - Proportions of drilling in resource areas by company								
Source of DH Data	Spurr		Varga		Sphinx		East Ridge	
	Footage	% of total	Footage	% of total	Footage	% of total	Footage	% of total
Santa Fe	2,095	14.3%	5,040	16.4%	3,753	39.0%	0	0.0%
Alhambra	235	1.6%	0	0.0%	0	0.0%	0	0.0%
N.A. Degerstrom	4,701	32.2%	8,808	28.7%	985	10.2%	0	0.0%
ECU	0	0.0%	912	3.0%	715	7.4%	0	0.0%
NDT Ventures	0	0.0%	0	0.0%	0	0.0%	1,578	28.6%
Solitario	0	0.0%	0	0.0%	0	0.0%	3,945	71.4%
Platte River	1,980	13.5%	1,350	4.4%	1,320	13.7%	0	0.0%
Laurion with QA/QC	3,285	22.5%	11,020	35.9%	515	5.3%	0	0.0%
Lincoln with QA/QC	2,317	15.9%	3,551	11.6%	2,342	24.3%	0	0.0%
Total	**14,613**	**100.0%**	**30,681**	**100.0%**	**9,630**	**100.0%**	**5,523**	**100.0%**

11.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

The description of Sample Preparation, Analysis and Security has been modified from Durgin, (2010) and Telesto (2015). New information on sample preparation, analysis and security acquired subsequent to the aforementioned reports has been appended to the description.

11.1 Introduction

Information on sample preparation, analysis and security prior to the Laurion 2010 drilling program is not well documented. However, sample handling for most of the historic drilling was done by reasonably professional mining/exploration companies. The QP assumes that professional sampling, analysis and security techniques were employed.

Since Laurion began drilling at Bell Mountain in 2010, drill sampling methods, sample preparation and analytical procedures, and security of samples and chain of custody have been executed to current industry standards. Lincoln continued the modern QA/QC protocols during their drilling in 2013.

11.2 Sampling Summary – Early Operators

11.2.1 Channel Sampling

The underground sampling was all channel sampling. The standard procedure for this type of sampling was to mark the sample intervals and sample numbers on the rib of the working to be sampled. A canvas tarp was laid on the floor of the working below the area to be sampled. A continuous notch or channel several inches wide and of a consistent depth was cut from the rock for each sample using a hammer and chisel. The broken rock was then collected from the tarp and placed in a stout cloth sample bag which was clearly labeled by writing on the bag and putting a sample tag inside the bag. Payne's channel samples from the Spurr, Varga and Sphinx workings were described as approximately 10 kilograms (22 lb.) in weight.

Surface trenches were generally sampled in a similar way, although these are often cut from the floor of the trench and are physically a bit less easy to collect as they do not simply fall on a tarp with the aid of gravity.

The channel samples collected by ECU (Pinet, 1996) were also done in this manner where possible. Some of them may have been more properly termed "chip-channel" samples. In this case, a series of chips is cut in a band across the outcrop in as continuous a manner as possible, but often to a shallower depth than classic channel samples.

11.2.2 Rock Chip Sampling

American Pyramid, Santa Fe, Degerstrom and ECU collected surface samples which they referred to as rock samples, or chip samples. From their brief descriptions, these were generally samples selected to be representative of something specific at each site, thus they were selectively collected rather than randomly collected. Some were single specimens, but most were composed of several or many chips of rock over a specific area, such as a one meter by one meter square series of chips on an outcrop, to represent an average value for that outcrop. Locations were noted on a map and marked in the field (usually) with a tag. Samples were collected in a cloth sample bag with the number written on the outside and a tag placed in the bag. No rock chip samples are included in the database used for resource estimation contained herein.

11.2.3 Reverse Circulation Drilling Sampling

During most of the early drilling programs at Bell Mountain nearly all the reverse circulation holes were drilled dry using compressed air (no drilling fluids added) to as great a depth as possible, until the water table was reached. The whole area drilled at Bell Mountain is above the water table, except a very few deeper holes. An exception to drilling dry was that in areas of badly broken rock with poor sample return, it became necessary to either stop the hole or continue using drilling fluids, occasionally just water, but usually with mud additives (e.g. bentonite).

When drilling dry, sampling was quite simple. The drill cuttings for each 5-foot interval were allowed to accumulate in the cyclone with some fine dust blowing out the stack. At the end of every 5 feet (1.52m), the sample was dumped from the cyclone through a riffle splitter set up so that two samples were collected about 5 pounds (2.3kg) in weight. The second sample was kept as a reference sample or to be sent to the lab as a duplicate. The cyclone and splitter were blown clean with compressed air between samples.

The more recent drilling programs were drilled using injected water as required by Nevada regulation. During wet drilling, the sample passed from the cyclone to a rotary wet splitter in which the sample material was distributed over a series of slots which divide the sample material into equal size samples and the excess was discharged. It was important to thoroughly rinse the cyclone and splitter with water between samples. Sample bags were marked as in dry sampling. A pair of duplicate samples was commonly collected for each interval

11.2.4 Core Sampling

Degerstrom's core was not split because it was used whole for metallurgical testing. It was sampled at the required intervals and bagged in carefully labeled cloth bags.

ECU's core was carefully marked by the geologist into sampling intervals. The core was carefully re-aligned in the box and a center line was marked on the core. It was split, as well as possible, into equal halves using a mechanical splitter. Half of each core interval was bagged in carefully labeled cloth bags with a sample tag inside. The second half was retained for reference.

11.3 Sample Preparation and Analytical Procedures

Much of the sampling from outcrops, underground workings, and drilling was done during the period 1978 to 1996 by American Pyramid Resources, Santa Fe Mining, Alhambra Mines, N.A. Degerstrom and ECU. The assaying was done by well-known and certified labs. Except for

Lincoln, Laurion, and Degerstrom samples, the details of sample preparation and analytical procedures used are not known, documentation is considered unlikely to exist.

Table 11.1 shows the sample preparation and analytical procedure information which is available for each exploration program.

Table 11.1: Sample Preparation and Assay Procedures by Company

Year	Operator	Lab	Sample Prep	Assay Type
1979 to 1981	American Pyramid	Skyline (not confirmed)	Not Stated	Au - Fire/grav. Ag - AA (Not confirmed)
1984	Santa Fe	Legend Metallurgical	Not Stated	Au - Fire assay Ag - Fire assay
1985	Alhambra	GD Resources	Not Stated	Not stated
1989 to 1991	N.A. Degerstrom	In-house	Procedures in Section 11.3.1	Au - Fire/AA Ag - Aqua regia
1996	ECU	Barringer Labs	Not Stated	Au - Fire/AA Ag - AA
2003	NDT Ventures	ALS Chemex	Not Stated	Au - Fire/Grav. Ag - Fire/Grav.
2004	Solitario Resources	ALS Chemex	Not Stated	Au - Fire/AA Ag - Aqua regia/AA
2004	Platte River Gold	Chemex	Not Stated	Au - Fire/AA Ag - AA
2010	Laurion Mineral Exploration	ALS Minerals	Procedures in Section 11.4	Au - Fire/AA Ag - Aqua Regia AA
2013	Lincoln Resource Group	McClelland Labs. (Core)	Procedures in Section 11.5	Au - Fire/AA Ag - 4 acid/AA
		ALS Minerals (RC)	Procedures in Section 11.5	Au - Fire/AA Ag – 4 acid ICP

The Qualified Person cannot evaluate the sample preparation, analyses and security procedures for the drilling programs in which no information is available, however given the relative prominence of the companies involved, is prepared to accept the assay values produced with some limitations, based on statistical analysis described in **Section 14** of this Report. Although security protocols used were not stated by any of the earlier operators of the property the QP has no reason to doubt that proper chain-of-custody procedures were followed.

11.3.1 N.A. Degerstrom Sample Preparation and Analysis

Information was obtained from Degerstrom about sample preparation and analysis procedures at their in-house lab. A signed letter from the lab manager outlines in detail the procedures as shown in the following subsections. Additionally, a nine-page quality control/quality assurance (QC/QA) policy was attached to the letter.

N.A. Degerstrom's Sample Preparation

Drill samples shipped to the N.A. Degerstrom Lab are dried, sorted and logged in using the number on the bag. Large rock samples, such as core, are crushed to -1" in a large jaw crusher. The crushed core samples and RC samples are then crushed to -1/4" in a small jaw crusher. The sample is then split to obtain 500 – 750 gm. The split reject is then returned to the original bag and stored. The sample is then pulverized to -200 mesh using a plate pulverizer or ring-in-puck pulverizer. The pulverized sample is then put in a numbered envelope which is sent to analysis. All crushers and pulverizers are cleaned after each sample.

N.A. Degerstrom's Fire Assay Analysis (Au)

The N.A. Degerstrom Lab used DFC electrically heated assay furnaces and Cress electrical furnaces for cupelling.

A 1-assay ton (29.167 gm) sample is used for fire assay analysis. The sample is fluxed and inquarted (if required), mixed and fired. A set of samples to be fired (up to 24) contains a standard, a blank and a duplicate. The lead button is then cupelled to a gold/silver bead. In most cases, the bead is dissolved in aqua regia and analyzed by the DCP (direct coupled plasma). If the bead is over 30 ppm, it is redone, parted, and the gold bead is weighed gravimetrically.

A nine-page QA/QC policy provided by Degerstrom was also reviewed. Degerstrom's practices of cleaning equipment between samples and inserting blanks, standards and duplicates all conform to industry norms. Degerstrom also participated in a monthly round-robin analysis program with other labs to ensure that their lab conformed to industry norms.

N.A. Degerstrom's Aqua Regia Analysis (Ag)

A 1-gm sample is dissolved in aqua regia and the sample analyzed by the DCP. A set of samples to be analyzed (up to 20) contains a standard, a blank, and a duplicate.

11.4 Laurion Mineral Exploration Sample Preparation, Analysis and Security

11.4.1 Sample Preparation

Drill hole samples were prepared by ALS Minerals in their lab in Reno, Nevada. ALS is currently accredited with ISO 17025:2005 certification. Records specific to laboratory protocols for samples collected from the Laurion drilling programs are not available. However, the QP assumes the laboratory sample preparation procedures were similar to the laboratory procedures for the Lincoln assay analyses program described below given that both programs assays were completed at the ALS Minerals laboratory within a short 3-year timeframe.

It must be noted that assay certificates for seven of the fifty-nine drill holes completed by Laurion indicate that the assays were done from pulps averaging 0.2 kg in weight. Samples from the first sixteen Laurion drill holes were submitted to American Assay Laboratories Inc.

(AAL) of Sparks, Nevada. AAL is currently accredited with ISO/IEC 17025 certification. The pulps prepared by AAL were then submitted to ALS Minerals for second lab assays. Assay files from Laurion drill holes BMG10-10 through BMG10-16 contain no assay records from the original samples collected at the drill rig, which weigh generally between 3 kg and 6 kg. Comparison of the two labs assay results from the first group of Laurion drill holes BMG10-1 through BMG10-9 show a 0.95 correlation coefficient for gold indicating minimal assay bias between the primary lab (drill rig sample) and the second lab (pulp sample) is evident. Samples subsequent to the first sixteen drill holes collected at the drill rig were all delivered to ALS for analyses.

11.4.1.1 RC Drilling Sampling Procedures

Dana Durgin, C.P.G., author of Durgin 2010, supervised drilling for Laurion during the summer of 2010. He provided a written description of Laurion's sample prep as follows (Telesto 2015):

RC cuttings were delivered directly from the cyclone into a two stage Jones splitter. Depending on sample volume, the rear split channels were sometimes blocked so that enough material would flow to the second stage to produce two full samples. The second stage splitter produced two equal size samples. Occasionally sample volume recovered was sufficiently small that both splits were put into one bag and there was no reference sample retained. The splitter was rinsed with water between samples.

A small amount of flocculant was added to each sample tray and the solids were allowed to settle for one minute. The clear water was poured off each container and the remaining sample was poured into a sample bag.

Sample bags were labeled in advance, including the quality control samples. Blanks and standards as pulps were contained in paper soil sample envelopes. Laurion quickly realized that the paper envelopes got wet, so they were placed in small zip-lock bags and then into the cloth bags.

11.5 Lincoln Resource Group Sample Preparation, Analysis and Security

11.5.1 Core Drilling Sampling Procedures

After each core run, PQ and/or HQ core was carefully removed from the core barrel by the drill crew and put into waxed cardboard core boxes. Core run intervals were clearly marked on wooden dividers within each box. Both the box and lid were clearly marked with the hole number, box number, and core interval. When full, each core box was tied shut with heavy duty string. After each drill shift, the Lincoln project geologist personally transported the core to a locked storage facility in Fallon, Nevada. At the storage facility, the core was photographed by the geologist and logged. The core was later transported by Lincoln personnel directly to McClelland Laboratories Inc. ("McClelland") in Sparks, Nevada. McClelland is an ISO 17025 accredited laboratory. At McClelland, a Lincoln geologist selected 40 hand-sized core specimens of various rock units for density measurements. The geologist also determined intervals for assay. The core was crushed by McClelland to an appropriate size from which splits were sent to ALS Minerals in Reno, NV for gold analyses (fire assay with AA finish). Subsequent assay data were used to determine mineralized zones which were composited from the core for column leach testing by McClelland. All holes provided sufficient material for five 6-inch column leach tests. No intact core survived the metallurgical testing program.

11.5.2 RC Drilling Sampling Procedures

All holes were sampled at 5-ft intervals except in cases where there was a change from hammer bit to tricone bit or where mine workings and voids were encountered. Owing to 15 ft of casing in each hole, the first three samples in each hole were collected dry. All sampling below the casing was done “wet” as per Nevada State law. All sampling and drilling were done under the supervision of Bell Mountain geologists or experienced field technicians trained by Bell Mountain geologists. A sample log sheet was made for each drill hole that included down-hole sample intervals with sample numbers, the certified standards, blanks and duplicates insertion depths, time of rod changes, depth of hole, presence of voids or recovery problems, and other pertinent information. When each hole was completed, information on the field sheet was entered into an Excel worksheet to provide electronic format and backup copy.

Rock cuttings were discharged from the center return tube into a cyclone and then through a rotary wet splitter where the sample was separated into waste discharge and assay sample discharge tubes. The volume of material directed to the assay side of the splitter was controlled by “sample dividers” as to not overflow the 5 gallon buckets catching the sample. The remainder of the sample was discharged as waste. A “Y” splitter was used at the sample discharge side of the wet splitter to capture the primary “assay” sample of and a “duplicate” sample. After decanting the water and drying the samples in a lab oven, sample weights were commonly 7 to 12 lbs. The assay sample was always collected from the same side of the “Y” splitter. A sample was for geologic logging was always collected from the waste discharge side of the wet splitter. Sample bags were labeled with consecutive numbers down the hole for each sample interval. Within each sample interval a “duplicate” sample was given the same number as the primary assay sample with the addition of the letter “d.” Duplicate samples were collected for additional analyses and metallurgical work. Certified standards and blanks were inserted into the sample stream in 50-g plastic sample packets or sample envelopes. All drill samples were transported by Bell Mountain staff to the Fallon field office where they were inspected and prepared for transport to ALS Minerals in Reno, NV. ALS Minerals made weekly trips for sample pickup.

11.5.3 Sample Preparation and Analyses

All RC drill samples were delivered to ALS Minerals Labs Inc. in Reno, NV. The Nevada laboratory is ISO/IEC 17025:2005 accredited for gold assays and a Quality Management System registered facility and runs a variety of internal certified standards, banks, and check assays. No aspect of sample preparation was conducted by an employee, officer, director, or associate of Lincoln.

Initial dry sample weights were about 7 to 12 lbs. All drill samples were logged into the lab system and inventoried to confirm correctness of the sample transmittal sheet. Samples were then dried under high temperature (code DRY-21) and weighed. After weighing, the samples were fine crushed to 70% <2 mm (code CRU-31) and then split with a Riffle Splitter (code SPL-21). The 1000 g split was then pulverized to 85% <70 um (code PUL-31).

Gold was analyzed by a 30-gram 1-assay ton fire assay with AA finish (code Au-AA23). Samples returning over 10 grams per ton gold (over limit) were re-assayed by fire assay with gravimetric finish (code Au-GRA21). Gold assay results are reported in ounces Au per ton.

Silver was analyzed by inductively coupled plasma with atomic emission spectroscopy ("ICP-AES"). Samples were digested by a four acid "near total" digestion method and analyzed by ICP-AES (code ME-ICP61). Silver assay results are reported in ounces Ag per ton.

11.5.4 Quality Control Procedures

Lincoln utilized certified reference material (standards and blanks) and two check assay programs as its primary quality control for the RC drilling at Bell Mountain. Duplicate drill samples were also collected.

Certified reference material was purchased from WCM Minerals of Burnaby, B.C., Canada and Shea Clark Smith/MEG labs of Reno, NV. This material consisted of pulp containing gold and silver value ranges that would be similar to ranges expected at Bell Mountain.

Standards and blanks were entered into the RC drilling sample stream on roughly 100 ft intervals and/or where deemed appropriate by the geologist or geotechnician. Standards were numbered as part of the normal drill hole sample sequence and identified in a drill hole sample record. Standards represent approximately 5% (1 in 20) of all samples submitted for assay. Blanks represent approximately 2% (1 in 50) of all samples. Duplicate samples were collected during drilling and designated by original sample number followed by a "d."

ALS Minerals also ran sample preparation and analytical quality control for every sample batch. These controls included sieve measurements and the inclusion of blanks, certified standards and analytical duplicates. Crushing (code CRU-QC) and pulverizing (code PUL-QC) tests are routinely run to test preparation. For regular fire assay methods, ALS Minerals runs two standards, 3 duplicates, and one blank for a rack size of 84 samples. For regular ICP-AES assay methods, the lab runs two standards, one duplicate, and one blank for a rack of 40 samples.

11.6 Results of Quality Assurance/Quality Control Programs

11.6.1 Pre-2010 QA/QC programs

Documentation compliant with current NI 43-101 guidelines for QA/QC documentation for the pre-2010 drilling was not provided and is considered unlikely to exist.

11.6.2 Laurion 2010-2011 QA/QC programs

Laurion conducted a QA/QC program for their 2010 drilling program consisting of insertion of certified standards, insertion of blanks and second lab analyses. A total of 59 drill holes were completed by Laurion in 2010.

As part of the QA/QC analysis conducted by WHA the following was accomplished:

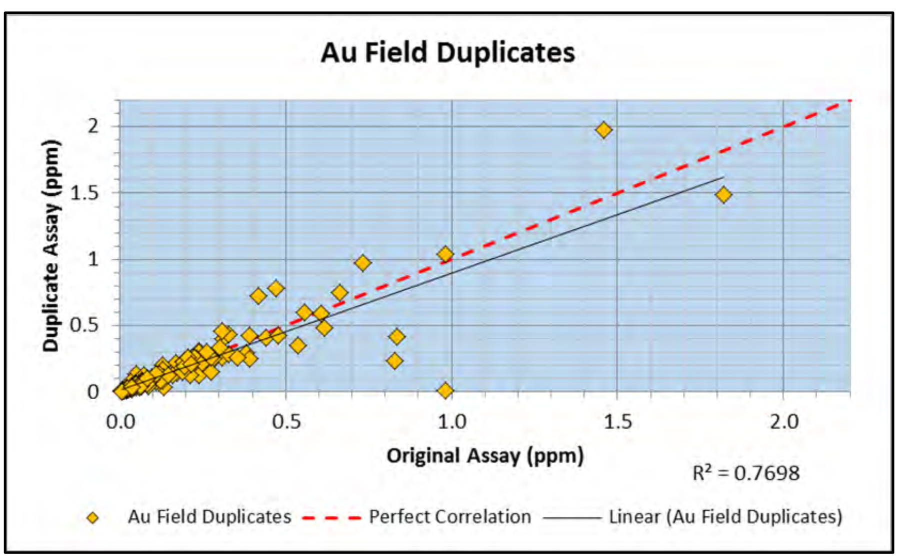
- A total of 138 field duplicates representing separate splits collected at the drill rig were compared to primary sample results for gold and silver.
- Blind insertions of ten commercial standard reference materials representing high-, mid- and low-grade mineralized material were compared to expected gold values determined by round robin laboratory analyses. Four commercial standard reference materials were compared to expected round robin silver values.
- Blind insertions of blank materials submitted for gold and silver were inventoried to determine the performance of the lab in minimizing sample contamination.
- Original assay analyses from five of a total of ten drill holes conducted by American Assay Laboratories, Inc. of Sparks, Nevada were compared to second lab assay certificates prepared by ALS Minerals.

11.6.2.1 Analyses of Field Duplicates

Field Duplicates for Gold

A total of 56 field duplicates representing separate splits taken at the drill rig were submitted for gold. During the time of Laurion's 2010 drilling program field duplicates were collected at the drill rig. However, the duplicates were not submitted to a lab for analysis. As part of the purchase agreement between Laurion and Eros, all field duplicates were delivered to Eros, who submitted the duplicates to ALS Minerals in March 2017. Although seven years' time had passed between the collection of the duplicates at the drill rig and the submission of the samples to a lab, deterioration of the samples in regard to reliability of assay analyses would not be expected to occur. The field duplicates were compared against the original assay values and an acceptable degree of correspondence was demonstrated that may be regarded as characteristic of epithermal precious metal deposits. The results of the comparison for gold are presented graphically in **Figure 11.1**.

Figure 11.1: Field Duplicates Gold Assay Results



Discussion of Field Duplicate Results for Gold:

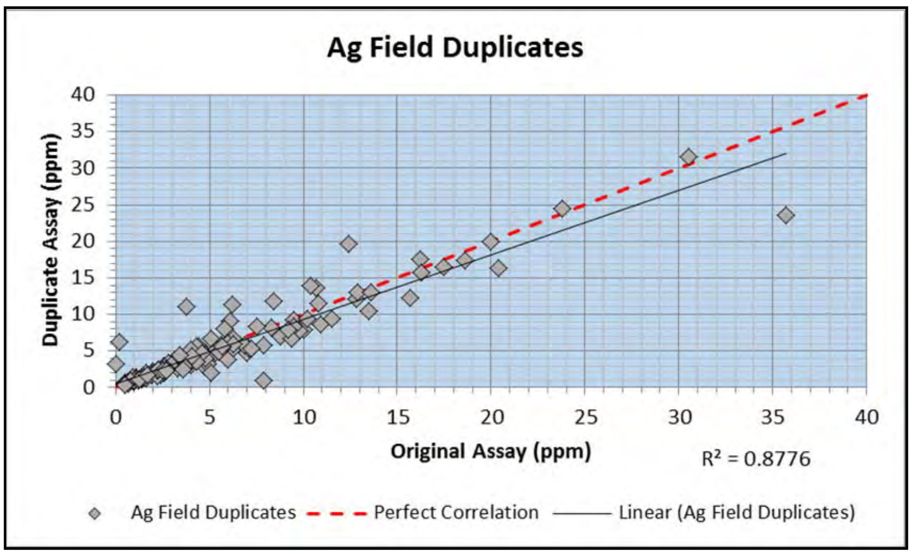
In general, the field duplicates present results consistent with epithermal Au-Ag deposits. The correlation between original and duplicates for gold is fairly good at 77 percent. There appears to be one blatant outlier in which the original assay values is 0.983 ppm and the rig duplicate assay value is 0.012 ppm. The discrepancy could potentially be caused by a transcription error of the sample identification or a bag that was not entirely readable. If this sample were to be removed from the comparison analysis the correlation would be 85 percent.

There does appear to be a slight grade-based bias in the relationship between original and duplicate results. The assay grades for duplicates tend to show slightly lower grades overall relative to the primary samples.

Field Duplicates for Silver

A total of 55 field duplicates representing separate splits taken at the drill rig were submitted for silver. The field duplicates were compared against the original assay values and an acceptable degree of correspondence was demonstrated that may be regarded as characteristic of precious metal deposits. The results of the comparison for silver are presented graphically in **Figure 11.2**.

Figure 11.2: Field Duplicate Silver Assay Results



Discussion of Field Duplicate Results of Silver:

Generally, the field duplicates present results consistent with epithermal Au-Ag deposits. The correlation between original and duplicates for silver is relatively good at 88%. There does appear to be a slight grade-based bias in the relationship between original and duplicate results. The assay grades for duplicates tend to show slightly lower grades overall relative to the primary samples.

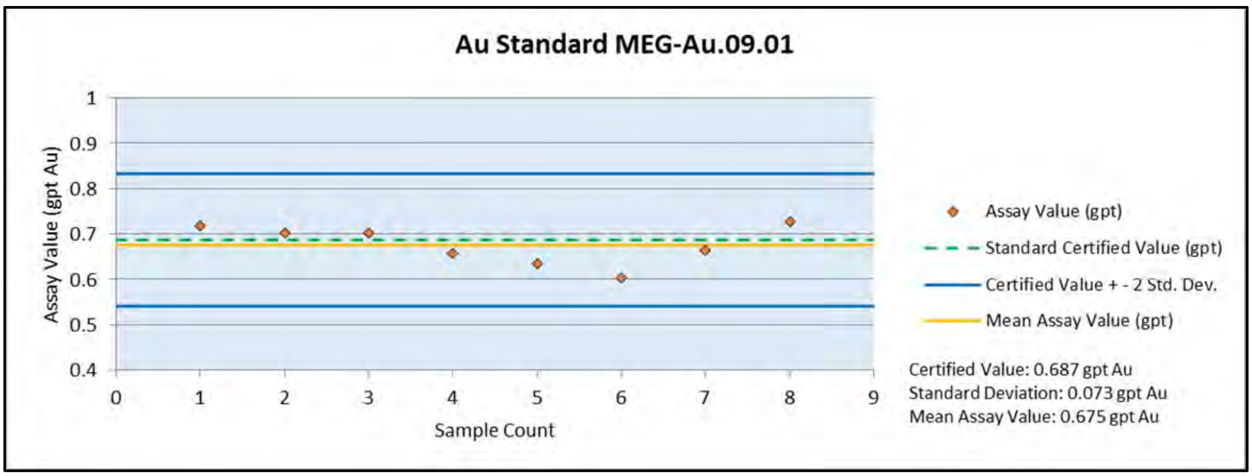
11.6.2.2 Analysis of Standard Reference Materials

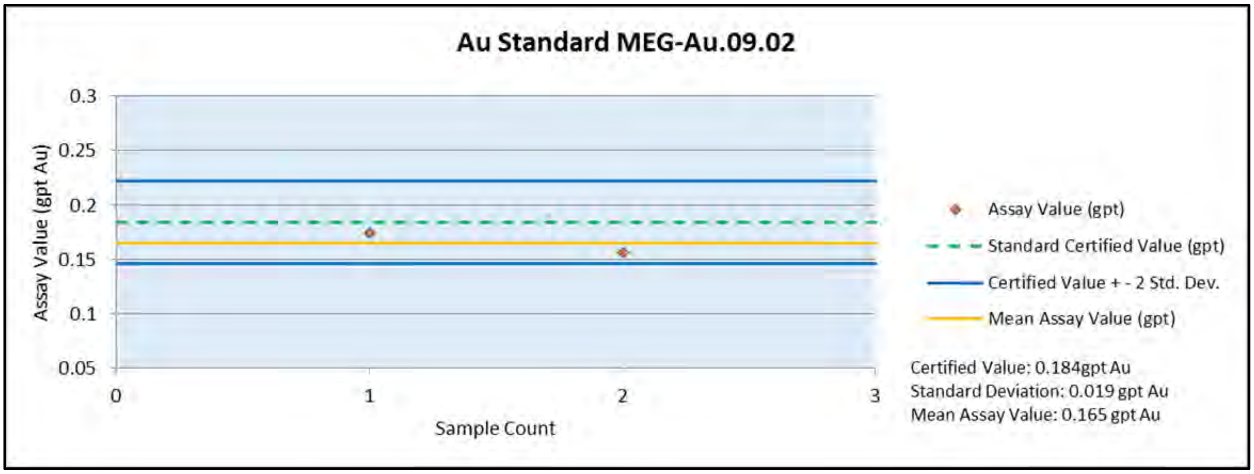
For the 2010-2011 QA/QC programs, Laurion used ten commercially prepared references standards prepared by Shea Clark Smith/MEG Inc., Reno, Nevada. The standards performances are summarized in **Table 11.2**. The standards ranged in grade from 0.184 gpt Au to 4.516 gpt Au. Standard reference material performance charts are presented in **Figure 11.3**.

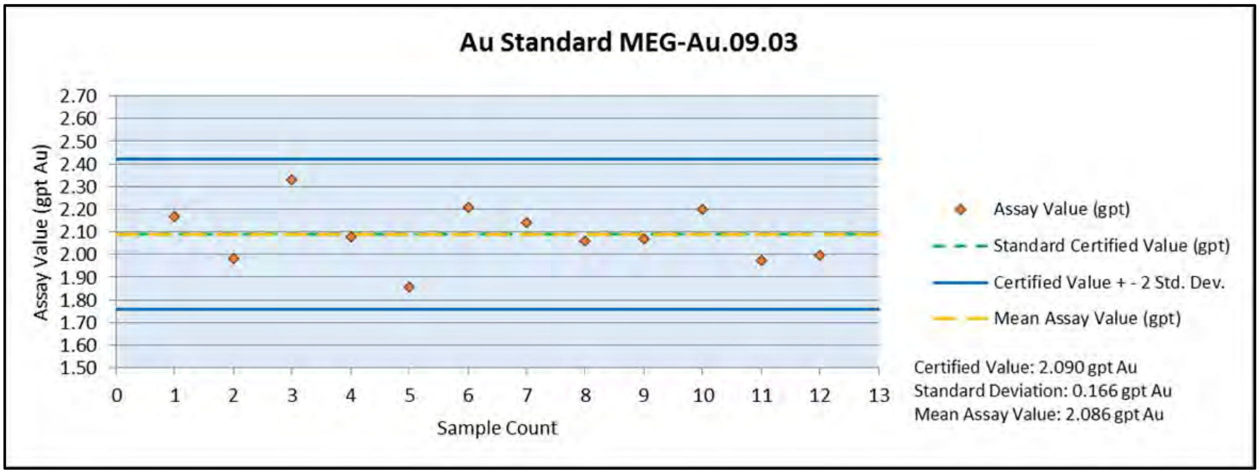
Table 11.2: Summary of Laurion Gold Standard Reference Material Performance

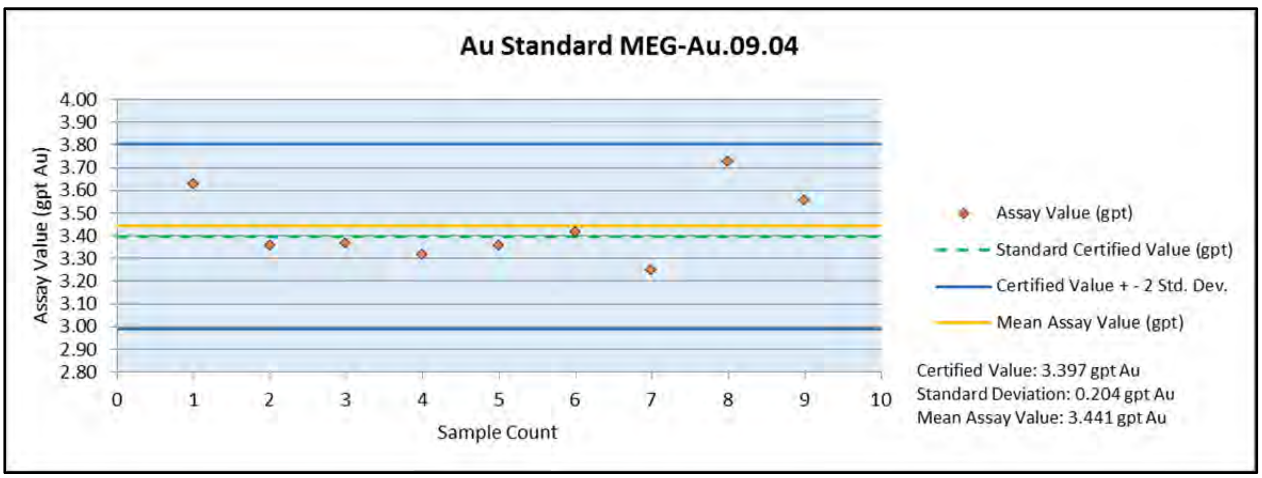
Standard	Lab	Certified Value (gpt)	Std Dev (gpt)	No. of Assays	Mean Assay (gpt)	Percent Difference	Min	Max	Below 2 Std Dev	Above 2 Std Dev	Percent Outside 2 Std Dev
MEG-AU-.09.01	ALS Mins.	0.687	0.073	8	0.675	-1.7	0.604	0.728	0	0	0%
MEG-AU-.09.02	ALS Mins,	0.184	0.019	2	0.165	-10.3	0.156	0.174	0	0	0%
MEG-AU-.09.03	ALS Mins.	2.09	0.166	12	2.086	-0.2	1.855	2.33	0	0	0%
MEG-AU-.09.04	ALS Mins.	3.397	0.204	9	3.441	1.3	3.25	3.73	0	0	0%
S105004X	ALS Mins.	3.752	0.2	20	3.727	-0.7	3.1	3.96	1	0	5%
S105006X	ALS Mins.	4.516	0.099	8	4.509	-0.2	4.4	4.64	0	0	0%
S107004X	ALS Mins.	1.156	0.067	22	1.056	-8.7	0.904	1.206	7	0	32%
S107005X	ALS Mins.	1.343	0.085	23	1.238	-7.8	0.968	1.34	3	0	13%

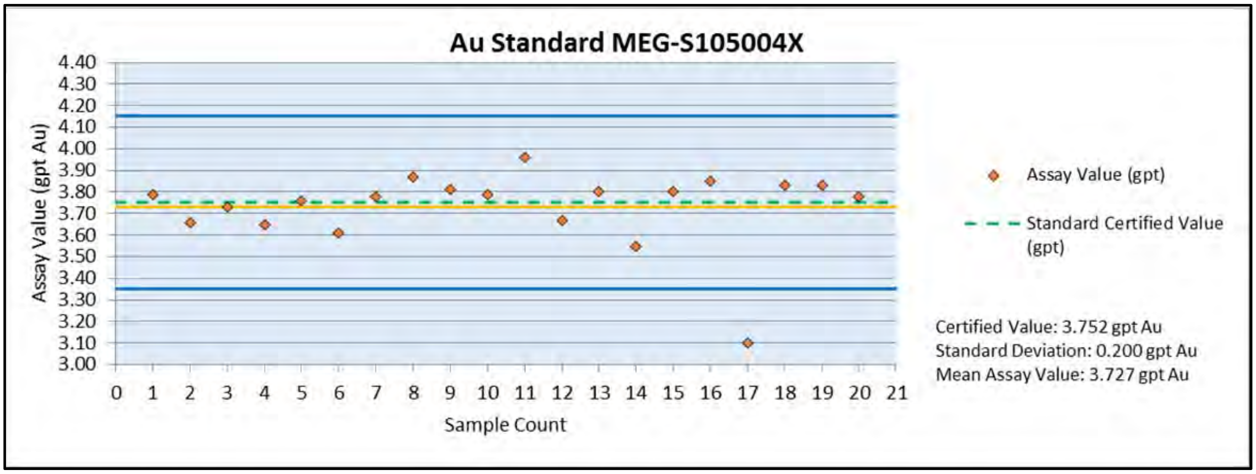
Figure 11.3: Gold Standard Reference Material Results

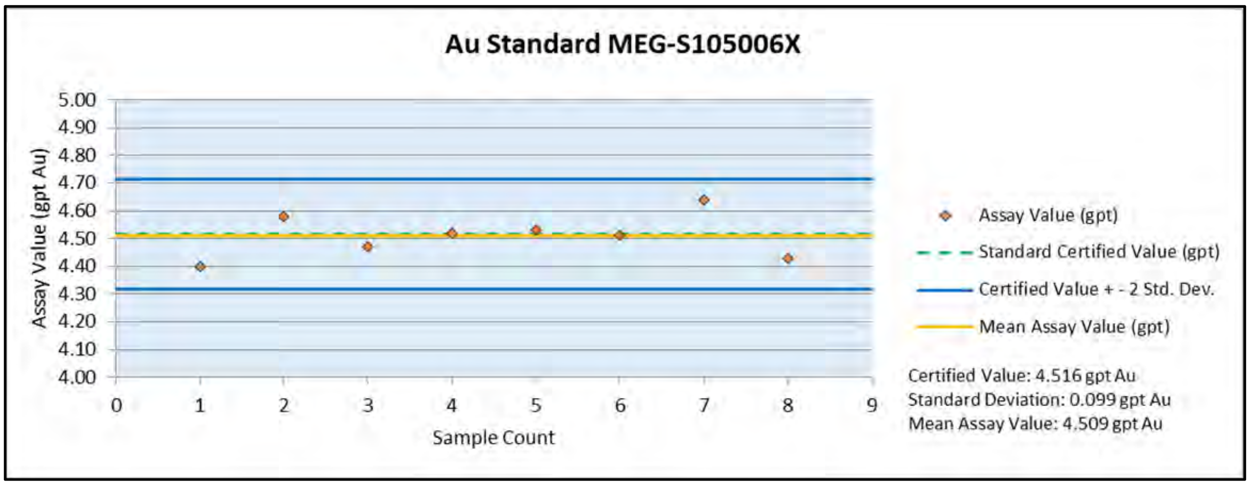


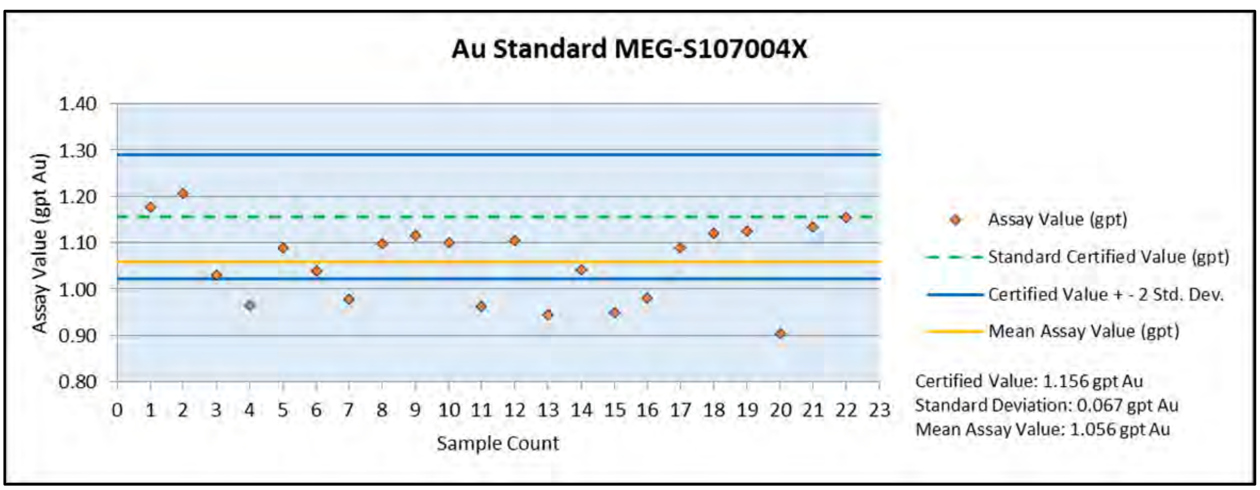

Au Standard MEG-Au.09.02
Assay Value (gpt Au)
0.3
0.25
0.2
0.15
0.1
0.05
0
1
2
3
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 0.184gpt Au
Standard Deviation: 0.019 gpt Au
Mean Assay Value: 0.165 gpt Au

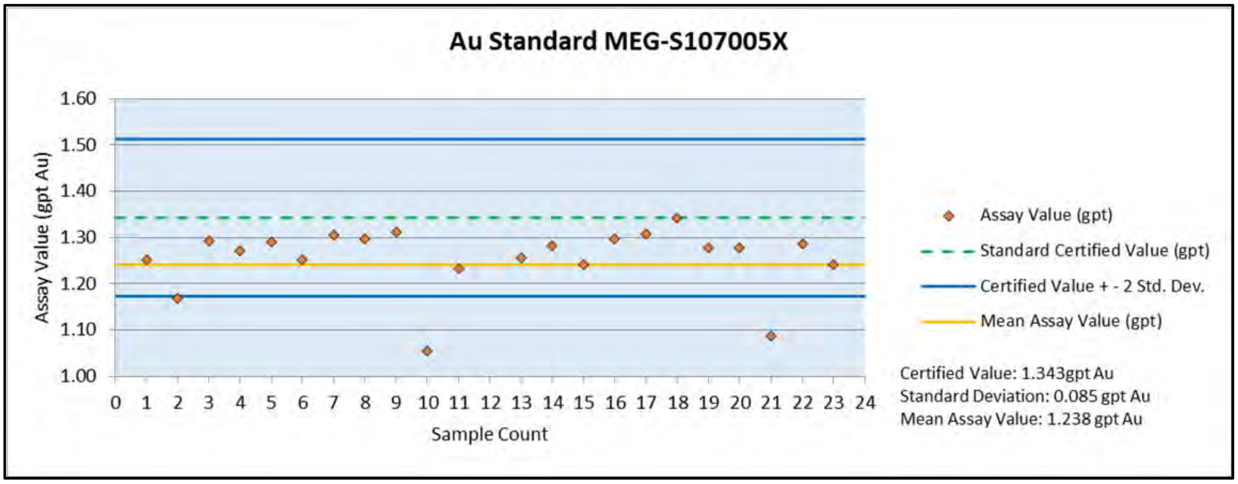

Au Standard MEG-Au.09.03
Assay Value (gpt Au)
2.70
2.60
2.50
2.40
2.30
2.20
2.10
2.00
1.90
1.80
1.70
1.60
1.50
0 1 2 3 4 5 6 7 8 9 10 11 12 13
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 2.090 gpt Au
Standard Deviation: 0.166 gpt Au
Mean Assay Value: 2.086 gpt Au

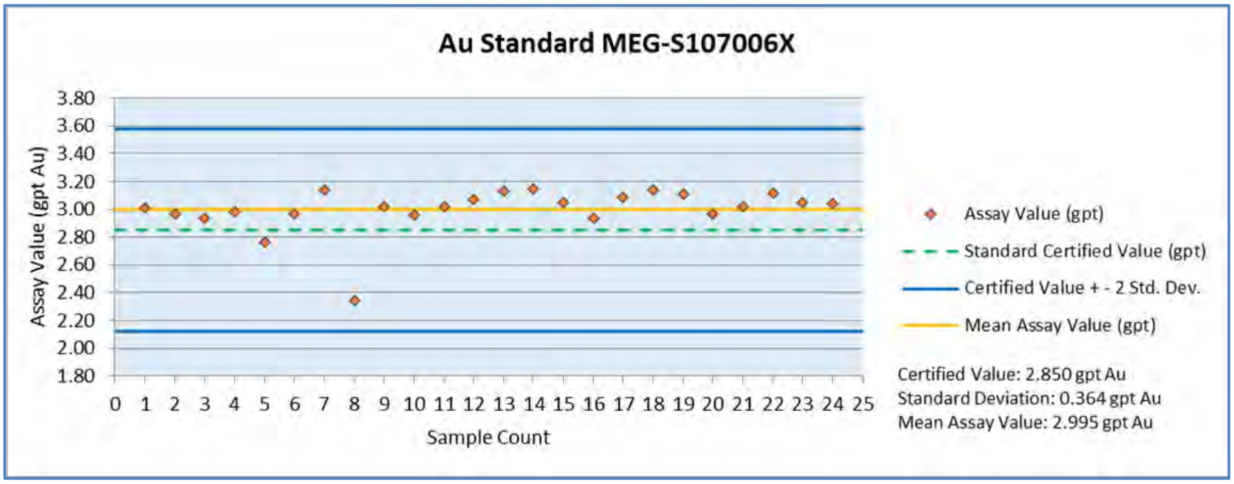

Au Standard MEG-Au.09.04
Assay Value (gpt Au)
4.00
3.90
3.80
3.70
3.60
3.50
3.40
3.30
3.20
3.10
3.00
2.90
2.80
0 1 2 3 4 5 6 7 8 9 10
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 3.397 gpt Au
Standard Deviation: 0.204 gpt Au
Mean Assay Value: 3.441 gpt Au

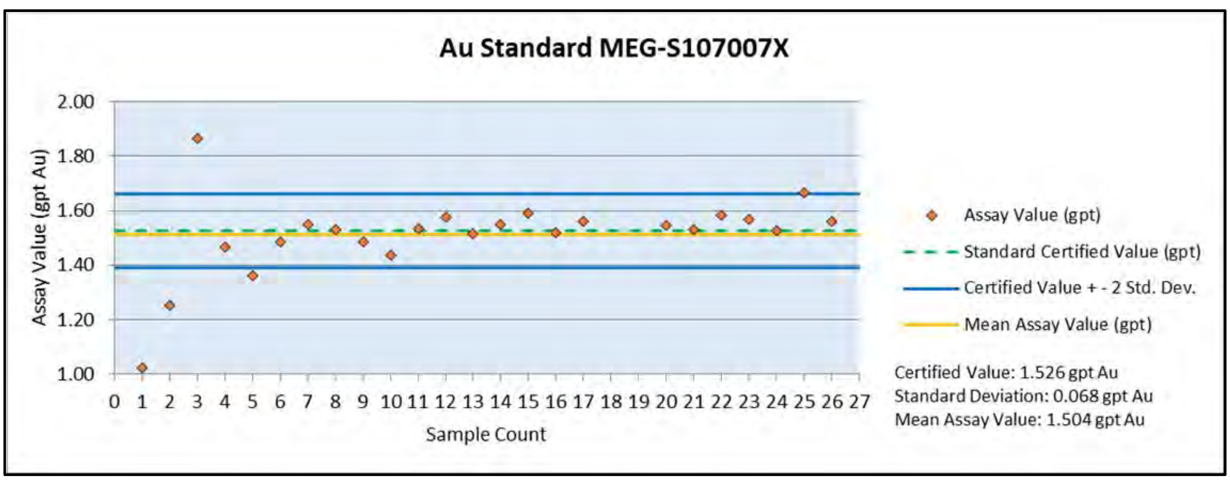

Au Standard MEG-S105004X
Assay Value (gpt Au)
4.40
4.30
4.20
4.10
4.00
3.90
3.80
3.70
3.60
3.50
3.40
3.30
3.20
3.10
3.00
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value: 3.752 gpt Au
Standard Deviation: 0.200 gpt Au
Mean Assay Value: 3.727 gpt Au


Au Standard MEG-S105006X
Assay Value (gpt Au)
5.00
4.90
4.80
4.70
4.60
4.50
4.40
4.30
4.20
4.10
4.00
0 1 2 3 4 5 6 7 8 9
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 4.516 gpt Au
Standard Deviation: 0.099 gpt Au
Mean Assay Value: 4.509 gpt Au


Au Standard MEG-S107004X
Assay Value (gpt Au)
1.40
1.30
1.20
1.10
1.00
0.90
0.80
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 1.156 gpt Au
Standard Deviation: 0.067 gpt Au
Mean Assay Value: 1.056 gpt Au







Discussion of Gold Standards Performance

Overall the performance of check assays on standard reference materials was very good. Out of a total of 154 standards submitted by Laurion, there were a total 2 assays above two standard deviations calculated from round robin analyses and 14 assays below two standard deviations.

However, there was one notable exception in the lab's standards assay performance, MEG-S107004X showed lower than expected assay grades. Standards assays averaged 1.059 gpt Au (0.030 opt) vs. the certified grade of 1.156 gpt Au (0.033 opt).

Overall the mean laboratory analysis results for the gold standards, using a weighted average of all gold standards, shows a very good correlation with the standards certified values. The average gold grades for the standards submitted by Laurion are 2 percent lower in grade than the certified gold grade values. The very good correlation indicates that the labs performing the analyses on gold standards submitted by Laurion used industry standard protocols and indicates an acceptable level of performance in gold standard analyses was accomplished by the lab.

11.6.2.3 Analysis of Blank Standards

WHA reviewed the analyses of a total of 137 gold blank standards and 144 silver standard blanks (commercially prepared pulps) that were inserted into the sample stream by Laurion during the time of drilling. The blank analyses were performed at two different labs: ALS Minerals performed 109 total blank assays, and American Assay Labs performed 28 blank analyses. **Figure 11.4** and **Figure 11.5** graphically depict the laboratory performance in gold assay analyses for each lab. **Figure 11.6** and **Figure 11.7** show the results for silver assays.

Figure 11.4: Analysis of Blank Standard Material for Gold – ALS Minerals

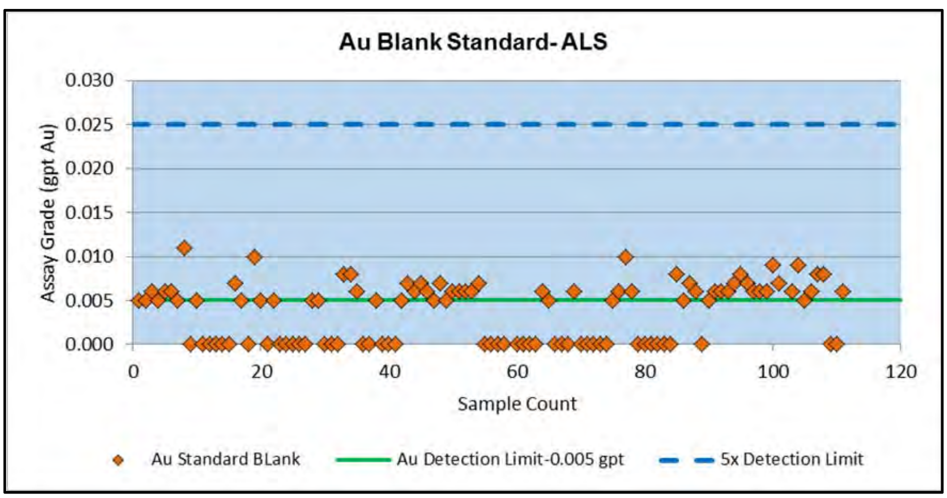


Figure 11.5: Analysis of Blank Standard Material for Gold – American Assay Laboratories

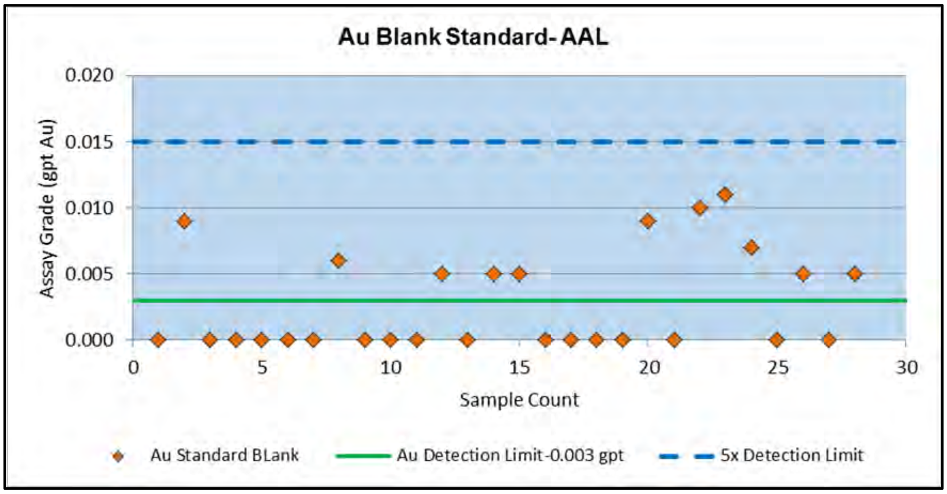


Figure 11.6: Analysis of Blank Standard Material for Silver – ALS Minerals

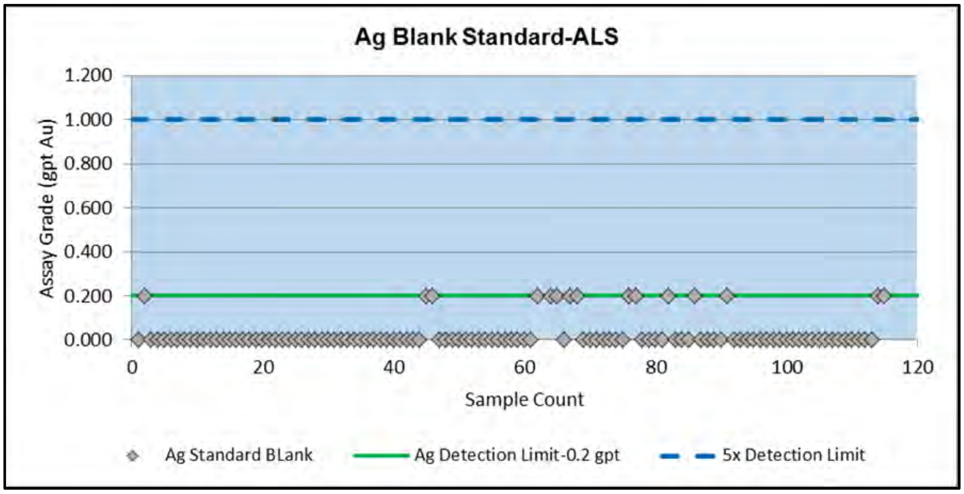
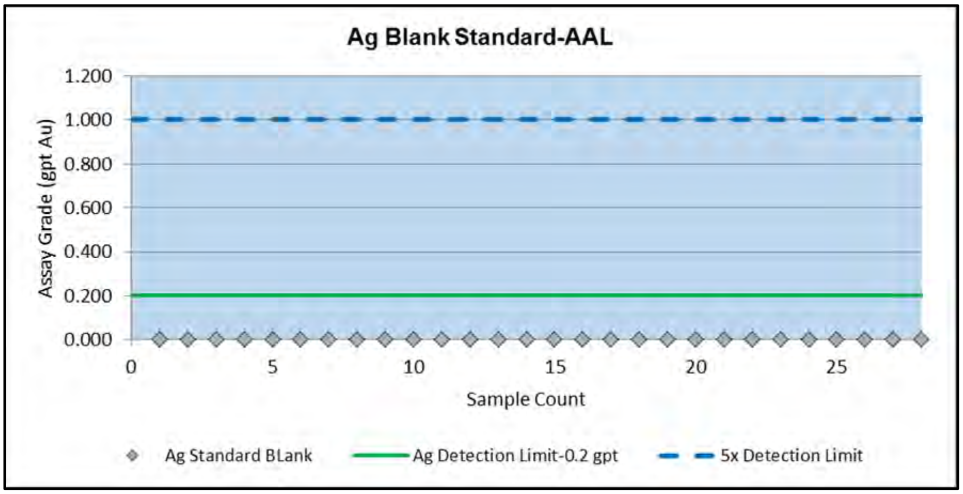


Figure 11.7: Analysis of Blank Standard Material for Silver– American Assay Laboratories



Discussion of Analysis of Blanks

The gold blanks submitted by Laurion to the two assay labs returned acceptable results. Blank results that are greater than 5 times the detection limit are typically considered failures that require further investigation and possible re-assay of associated drill samples. There were no assays above 5 times the detection limit for gold reported by either lab.

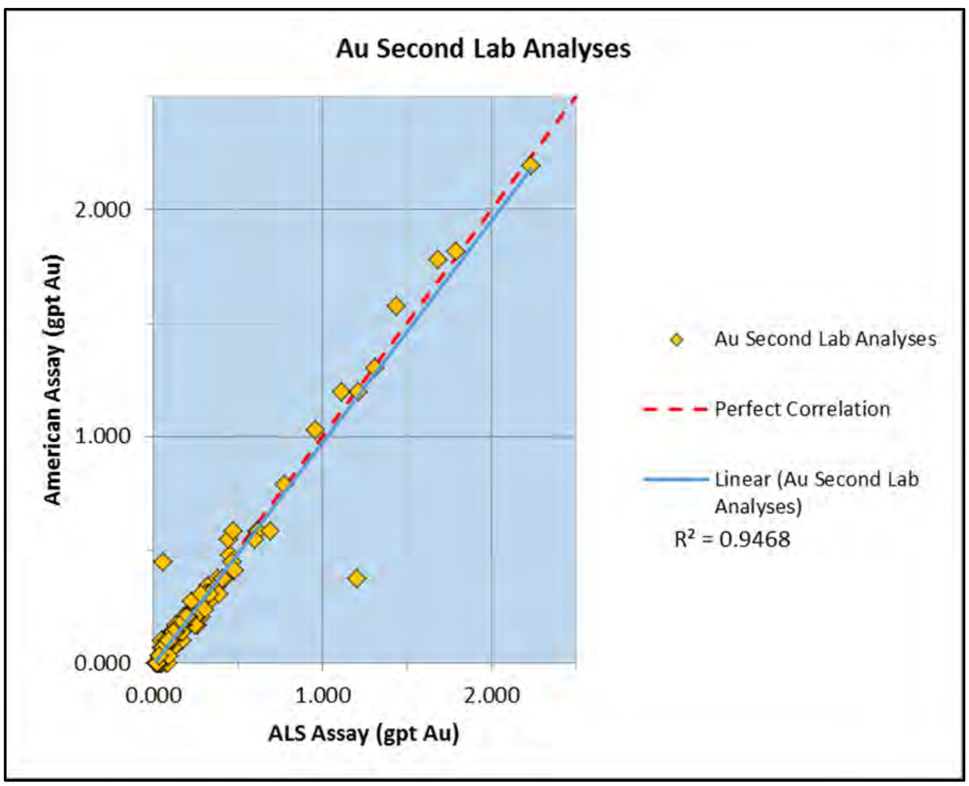
The ALS blank standard assays returned 63 of a total of 109 assays (58%) at or above the detection limit for gold. American Assay analyses comprised 14 of a total of 28 (50%) at or above the detection limit for gold. Both labs combined, a total of 5.1% of the blank standards assays returned values at or above two times the detection limit.

Of the silver analyses, zero samples returned values above the detection limit.

11.6.2.4 Second Lab Comparison Analyses

A total of 487 second lab duplicates representing separate pulps prepared from bulk rejects of the original sample submission were compared to evaluate the lab performance and reproducibility of assay results. Pulps were prepared during primary assay testing at American Assay Labs and delivered to ALS Minerals for second lab assays. The results of the comparison of gold results are presented graphically in **Figure 11.8**.

Figure 11.8: Second Lab Duplicates Comparison



The results of the comparison indicate very good overall reproducibility of gold assay values with a correlation coefficient of 0.95. With the exception of two outliers, no assay bias between the primary lab and the second lab are evident.

11.6.2.5 2010 Laurion Drilling QA/QC Conclusions

The results presented by the certified reference material standards, blind blanks and second lab analyses present reasonable confirmation of the reproducibility of assay results with no indication of bias in the analysis of either gold or silver or significant contamination problems at the laboratory.

Field rig duplicates were collected by Laurion in the 2010 drill campaign but were not delivered to a lab for assay analyses. Field duplicates are the most comprehensive and demanding in demonstrating reproducibility of results, and hence of greatest value. Eros acquired the field rig duplicates at the time of the option agreement with Laurion and subsequently delivered the samples to ALS Minerals for analysis.

The standards, blanks, field rig duplicates and second lab analyses of pulps indicate that the assays reported during the Laurion drill program are reliable and have good reproducibility.

11.6.3 Lincoln 2013 QA/QC Program

Lincoln conducted a QA/QC program for their 2013 drilling program including insertion of certified standards, insertion of blanks, field rig duplicates and second lab analyses.

A summary of the field duplicates, standards and blanks submitted by Lincoln during the 2013 drilling program is as follows:

- A total of 56 field duplicates representing separate splits collected at the drill rig were compared to the primary sample assay results for gold, and a total of 55 field duplicates were compared for silver.
- A total of 76 blind insertions of six commercial standard reference materials representing high-, mid- and low-grade mineralized material were compared to certified assay values for gold and silver.
- The assay values for a total of 63 blind insertions of blank materials were checked for gold and silver.

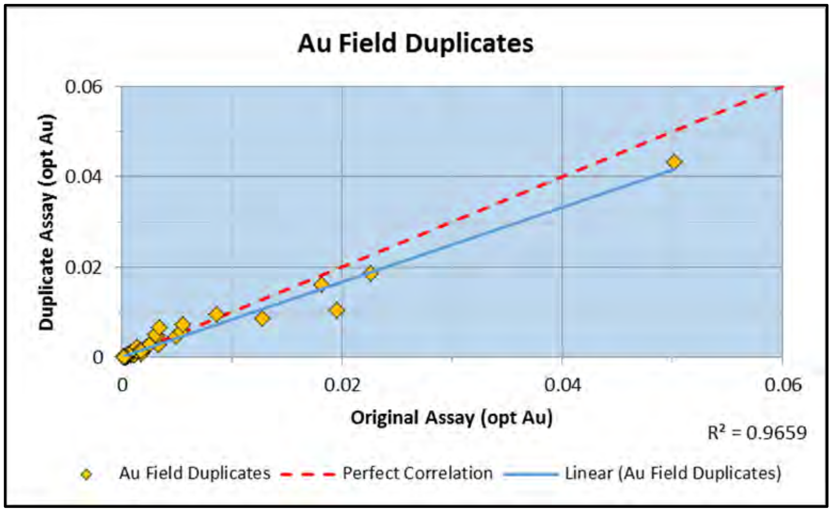
The total submissions for gold duplicates, standards and blanks was 198 or 12% of the samples assayed for gold. The total submissions for silver duplicates, and blanks was 197 or 12% of the total samples assayed for silver.

11.6.4 Analysis of Field Duplicates

Field Duplicates for Gold

A total of 56 field duplicates representing separate splits taken at the drill rig were submitted for gold. The field duplicates were compared against the original assay values and an acceptable degree of correspondence was demonstrated that may be regarded as characteristic of precious metal deposits. The comparison of gold assay results is presented graphically in **Figure 11.9**.

Figure 11.9: Field Duplicate Gold Assay Results



Discussion of Field Duplicate Results of Gold:

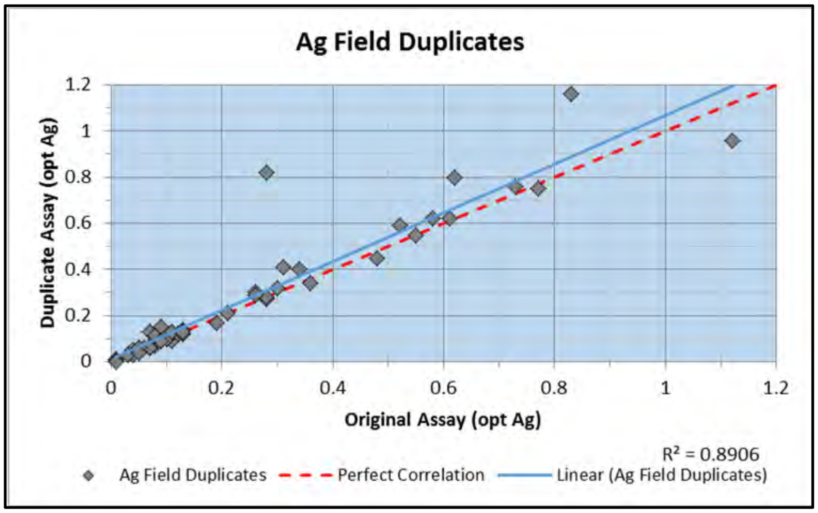
In general, the field duplicates present results consistent with epithermal Au-Ag deposits. The correlation between original and duplicates for gold is excellent at 97%.

There does appear to be a grade-based bias in the relationship between original and duplicate results. The assay grades for duplicates tend to show lower grades relative to the primary sample in the higher-grade samples.

Field Duplicates for Silver

A total of 55 field duplicates representing separate splits taken at the drill rig were submitted for silver. The field duplicates were compared against the original assay values and an acceptable degree of correspondence was demonstrated that may be regarded as characteristic of precious metal deposits. The comparison of silver assay results is presented graphically in **Figure 11.10**.

Figure 11.10: Field Duplicate Silver Assay Results



Discussion of Field Duplicate Results of Silver:

In general, the field duplicates present results consistent with epithermal Au-Ag deposits. The correlation between original and duplicates for silver is relatively good at 89%. There does not appear to be a grade-based bias in the relationship between original and duplicate results.

11.6.4.1 Standard Reference Material Analyses

WHA has reviewed the analyses of a total of 75 gold and silver standard reference material pulps that were inserted into the sample stream by Lincoln during the time of drilling. For the 2013 QA/QC programs, Lincoln used six commercially prepared references standards prepared by WCM Minerals of Burnaby, British Columbia. The accepted values and standard deviations for these standards are:

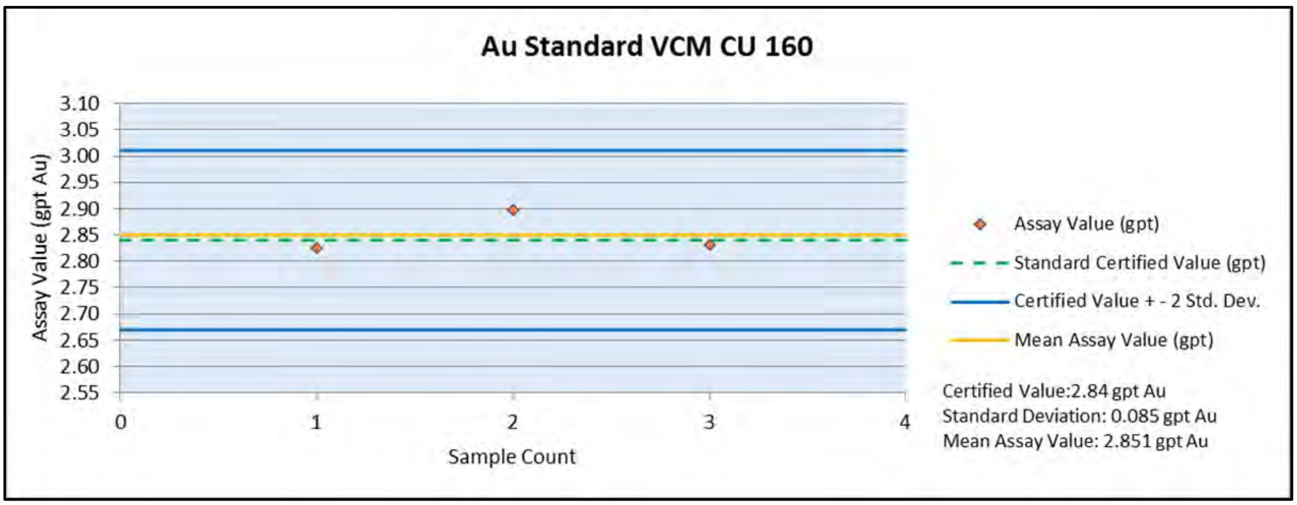
- (Cu 160) – 2.84 gpt gold, std. dev. = 0.085 gpt gold; 48 gpt silver, std. dev. = 1.67 gpt;
- (Cu 177) – 0.79 gpt gold, std. dev. = 0.026 gpt gold; 66 gpt siver, std. dev. = 2.57 gpt;
- (CU 184) – 0.19 gpt gold, std. dev. = 0.015 gpt gold; 13 gpt silver, std. dev. = 0.76 gpt;
- (CU 188) – 0.40 gpt gold, std. dev. = 0.020 gpt gold; 15 gpt silver, std. dev. = 0.79 gpt;
- (CU 190) – 0.68 gpt gold, std. dev. = 0.028 gpt gold; 9 gpt silver, std. dev. = 0.76 gpt;
- (CU 194) – 0.85 gpt gold, std. dev. = 0.039 gpt gold; 7 gpt silver, std. dev. = 0.54 gpt;

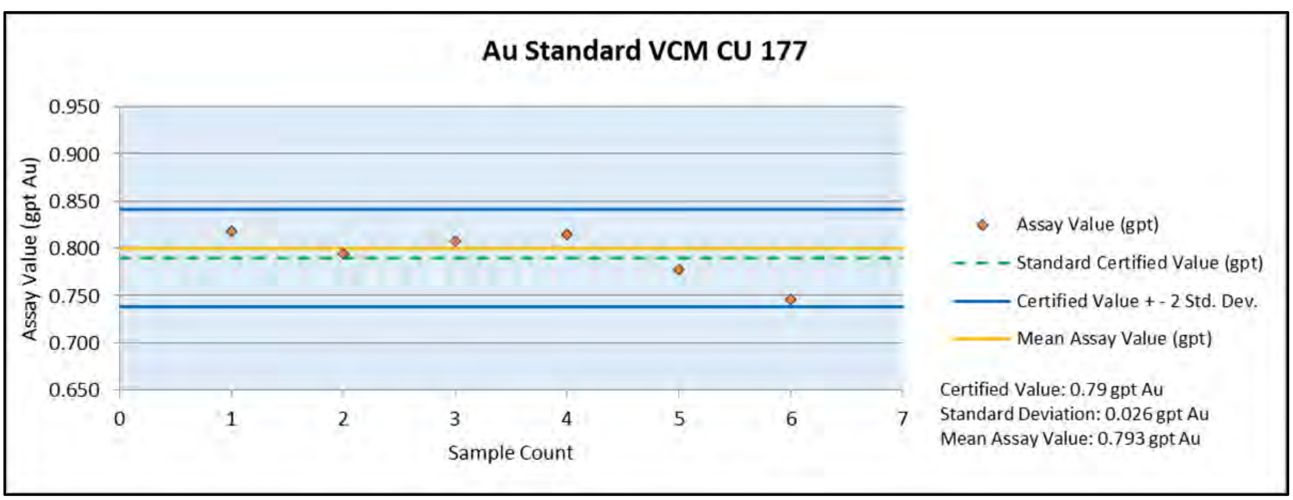
Table 11.3 summarizes the results from Lincoln's gold standards assay program. One outlier sample was removed from the gold standard data set due to the extreme difference with the certified value. The QP assumes that it is likely due to a clerical error. Standard reference material performance charts are presented in **Figure 11.11**. An example of the results for the silver standards is presented as **Figure 11.12**.

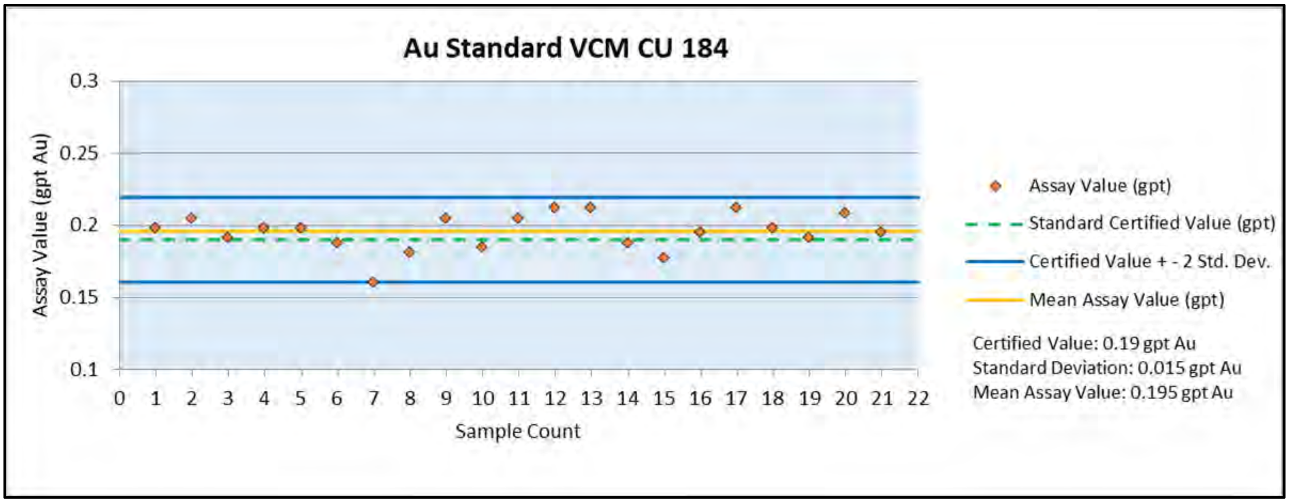
Table 11.3: Summary of Lincoln Gold Standards Performance

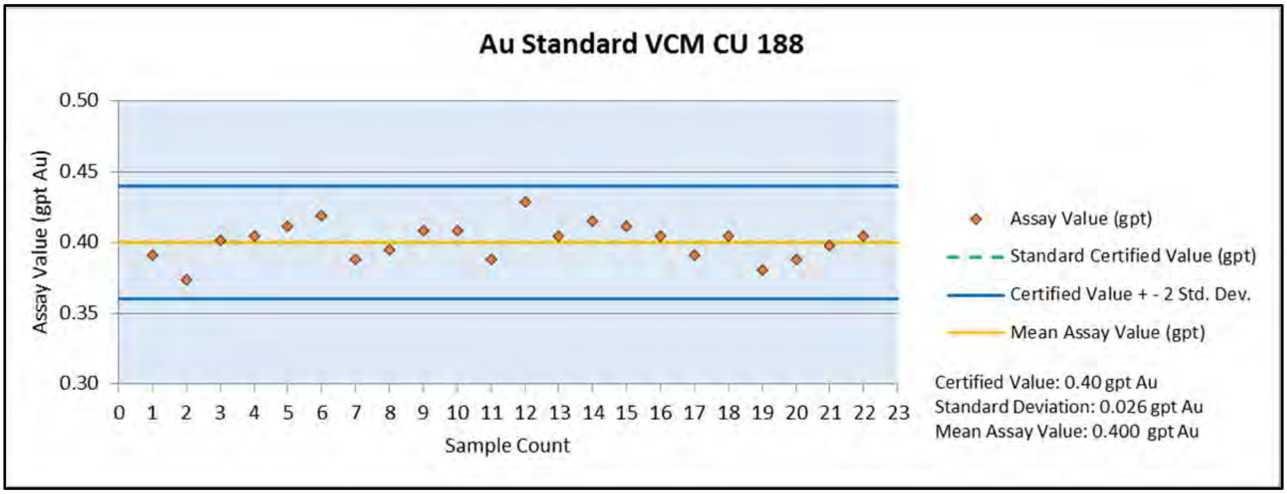
Standard	Lab	Certified Value (gpt)	Std Dev (gpt)	No. of Assays	Mean Assay (gpt)	Percent Difference	Min	Max	Below 2 Std Dev	Above 2 Std Dev	Percent Outside 2 Std Dev
Cu 160	McClelland/ ALS Mins.	2.84	0.0852	3	2.851	0.4	2.825	2.897	0	0	0%
Cu 177	McClelland/ ALS Mins.	0.79	0.0258	6	0.793	0.4	0.747	0.818	0	0	0%
Cu 184	McClelland/ ALS Mins.	0.19	0.0147	21	0.195	2.6	0.161	0.212	0	0	0%
Cu 188	McClelland/ ALS Mins.	0.40	0.0199	22	0.400	0.0	0.373	0.428	0	0	0%
Cu 190	McClelland	0.68	0.0279	2	0.632	-7.1	0.627	0.637	0	0	0%
Cu 194	McClelland/ ALS Mins.	0.85	0.0393	21	0.869	2.2	0.805	0.949	0	1	4.5%

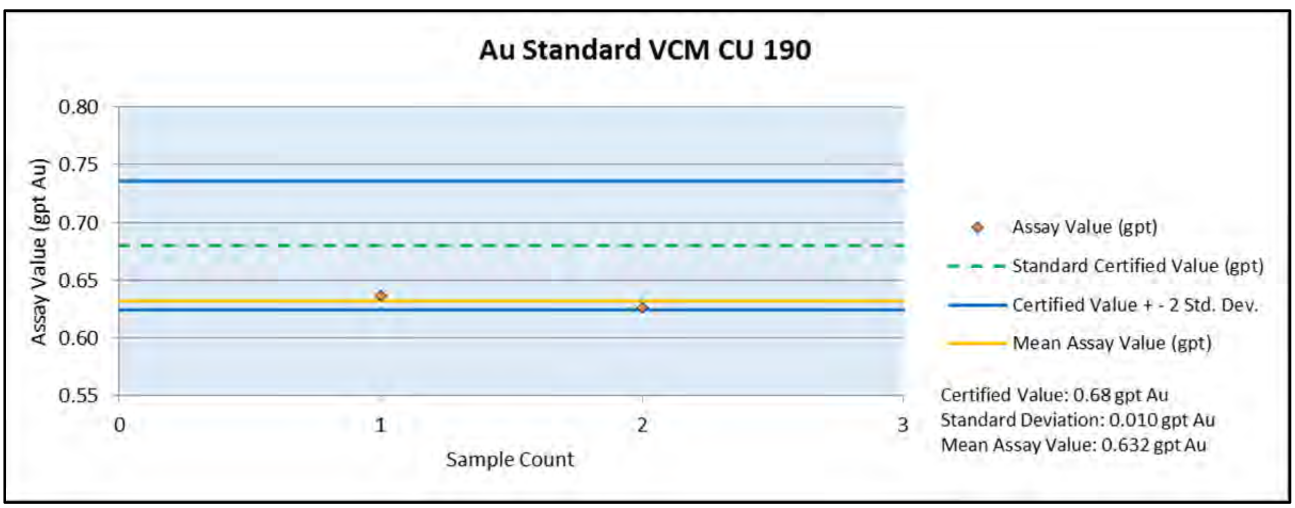
Figure 11.11: Gold Standard Reference Results






Au Standard VCM CU 184
Assay Value (gpt Au)
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 0.19 gpt Au
Standard Deviation: 0.015 gpt Au
Mean Assay Value: 0.195 gpt Au


Au Standard VCM CU 188
Assay Value (gpt Au)
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 0.40 gpt Au
Standard Deviation: 0.026 gpt Au
Mean Assay Value: 0.400 gpt Au


Au Standard VCM CU 190
Assay Value (gpt Au)
Sample Count
Assay Value (gpt)
Standard Certified Value (gpt)
Certified Value + - 2 Std. Dev.
Mean Assay Value (gpt)
Certified Value: 0.68 gpt Au
Standard Deviation: 0.010 gpt Au
Mean Assay Value: 0.632 gpt Au

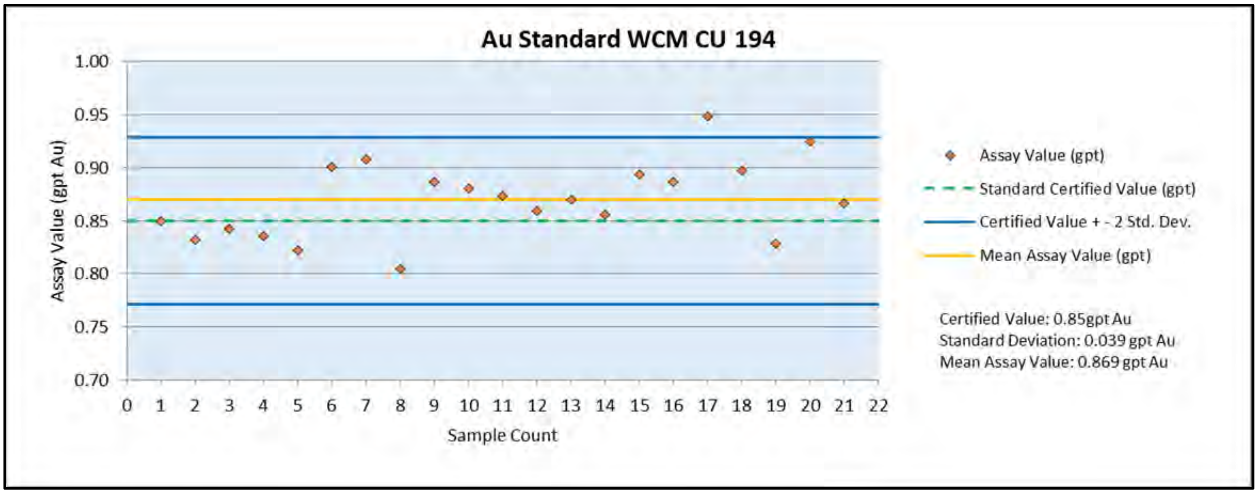
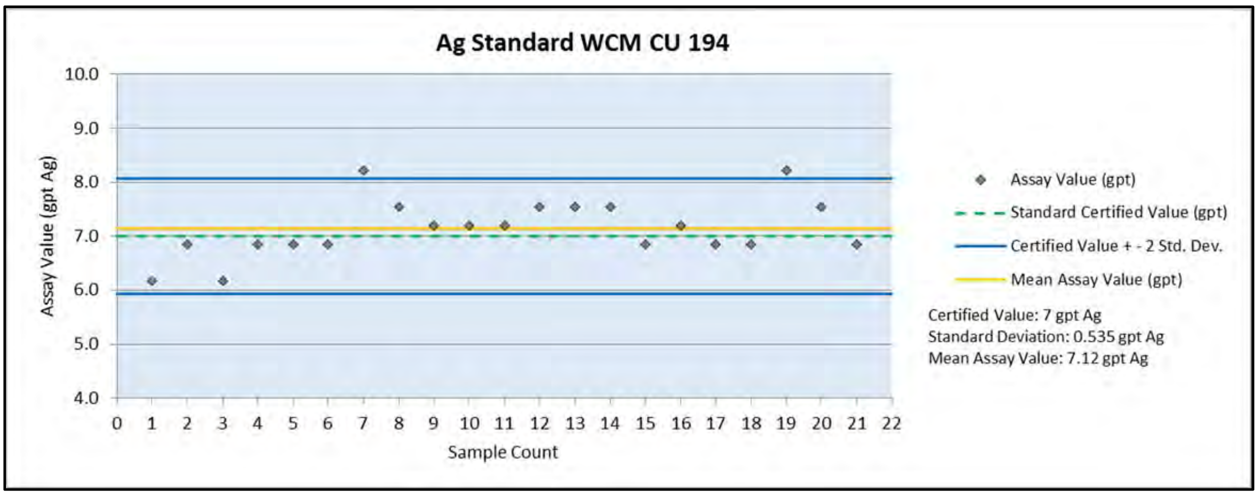


Figure 11.12: Example of Silver Standard Reference Results (7 gpt Ag)



Discussion of Gold Standards Performance

The performance of assays on gold standard reference materials was excellent. Out of a total of 75 gold standards submitted by Lincoln, there were a total of 1 assay above two standard deviations calculated from round robin analyses and 0 assays below two standard deviations.

Overall the average laboratory analysis results for the gold standards, using a weighted average of all gold standards, shows a very good correlation with the standards certified values. On weighted average, the gold grades for the standards submitted by Lincoln are 1.5 percent higher in grade than the certified gold grade values. The very good correlation indicates that the labs performing the analyses on gold standards submitted by Lincoln used industry standard protocols and indicates an acceptable level of performance in gold standard analyses was accomplished by the lab.

Discussion of Silver Standards Performance

The performance of assays on silver standard reference materials was excellent. Out of a total of 75 silver standards submitted by Lincoln, there were a total 2 assay above two standard deviations and 3 assays below two standard deviations.

The average laboratory results for the silver standards, using a weighted average, shows a very good correlation with the standards certified values. The average silver grades for the standards submitted by Lincoln are 2 percent lower in grade than the certified silver grade values. The very good correlation indicates that the laboratories performing the analyses on silver standards submitted by Lincoln used industry standard protocols and confirms the good performance of the laboratories performing the analyses.

11.6.4.2 Analyses of Gold Blank Standards

The QP has reviewed the analyses of a total of 62 gold blank standards (commercially prepared pulps) that were inserted into the sample stream by Lincoln during the time of drilling. **Figures 11.13** and **11.14** show the results of the Lincoln's gold blank standards assay analyses. Assays returning values below the detection limits were assigned values of one-half the detection limit.

Figure 11.13: Gold Blank Standard Results – McClelland Laboratories

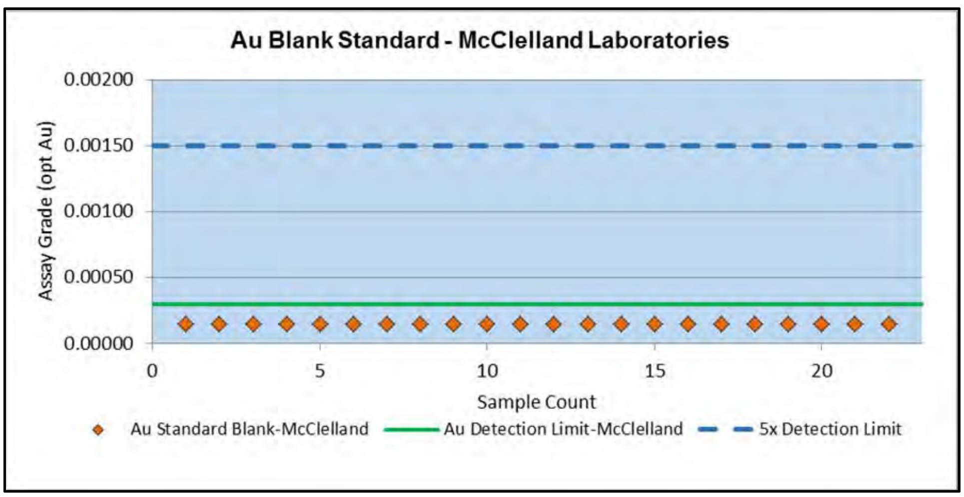
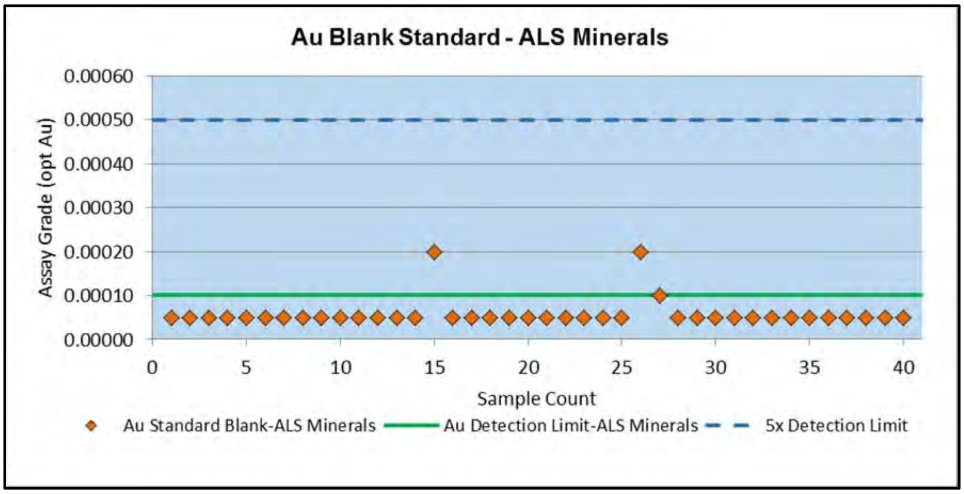


Figure 11.14: Gold Blank Standard Results – ALS Minerals



Discussion of Blank Standard Results for Gold

Blank results that are greater than five times the detection limit are typically considered failures that require further investigation and possible re-assay of associated drill samples. There were no assays above five times the detection limit for gold reported by either lab.

All blank standards assayed by McClelland Laboratories returned results below the detection limit. A total of three samples (7.5%) assayed by ALS Minerals returned assay values at or above the detection limit for gold and 37 (92.5%) returned assay values of less than the detection limit, which is within industry blank standard tolerances.

11.6.4.3 Analyses of Blank Standards for Silver

Figures 11.15 and **11.16** show the results of the Lincoln's silver blank sample assay analyses.

Figure 11.15: Silver Blank Standard Results – McClelland Laboratories

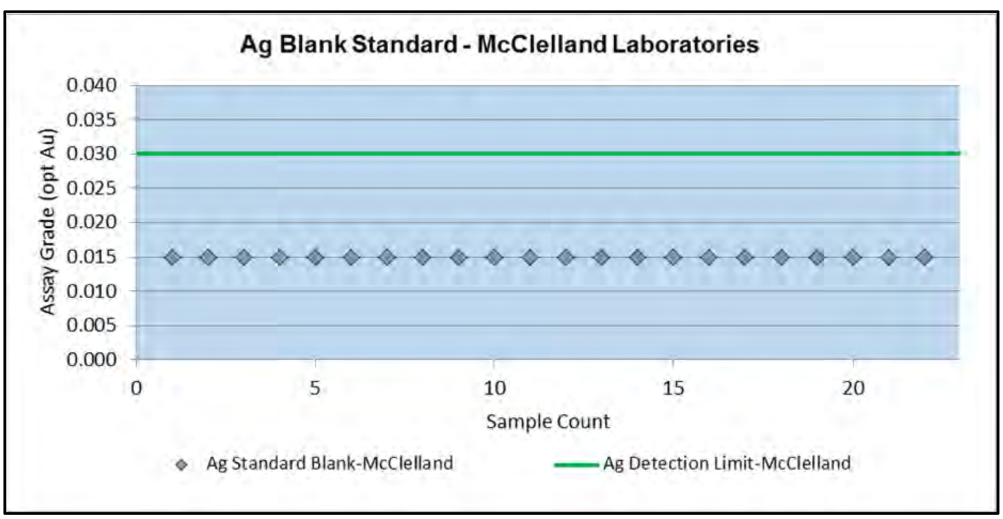
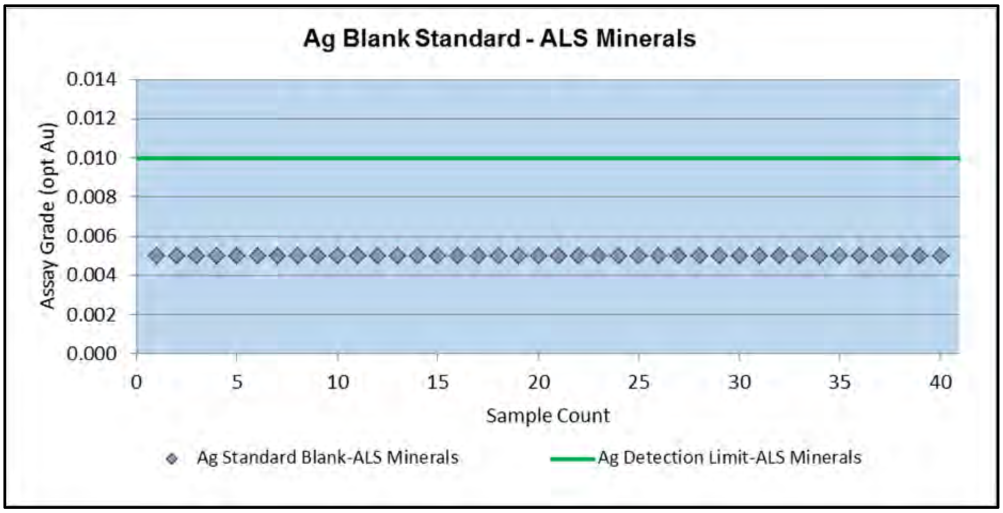


Figure 11.16: Silver Blank Standard Results – ALS Minerals



Discussion of Blank Standard Results for Silver

All blank standard samples submitted for silver assay analysis returned values of less than the labs detection limit indicating no contamination during preparation or assaying occurred.

11.6.5 2013 Lincoln Drilling QA/QC Conclusions

The results presented by the field duplicate program, standard reference material and blank standards present reasonable confirmation of the reproducibility of assay results with no indication of bias in the analysis of either gold or silver or significant contamination problems at the laboratory.

The results show the field duplicate program to have very high correlation (> 96%) between original and field duplicate assays for gold. The correlation between original and field duplicate results for silver are very good at 89%.

The results of gold standard submissions and blank submissions for both gold and silver indicate an acceptable analytical procedure with few and minor indications of contamination.

11.7 Statement of Sample Preparation, Analysis and Security

The Qualified Person considers the sample preparation, analyses and security for the drilling programs conducted by Laurion in 2010 and 2011 and Lincoln in 2013 to be in accordance with currently accepted industry standards. Although information on the sampling preparation and security protocols followed by operators prior to the Laurion 2010 drill program are not well documented, the drilling was conducted by reasonably reputable mining and exploration companies. The QP is prepared to assume that the pre-2010 drill sample preparation and security were conducted to acceptable industry standards common at the time.

With the exception of N.A Degerstrom's in-house analyses, all drill sample analyses were completed by independent assay laboratories. Information provided by N.A. Degerstrom indicates that their sample preparation and analysis protocols were also within industry standards.

Information regarding underground channel sample preparation, analysis and security indicates that the sampling programs protocols were conducted in a reasonably acceptable manner, although, no record of analysis procedures have been located. However, as described in **Section 14** of this Report, statistical and visual comparisons indicate that the analysis results are in reasonable agreement with comparable drilling analysis results.

Although information on the sample preparation and security protocols followed for the long-holes drilling program are not known to exist, statistical and visual comparisons, as described in **Section 14**, indicate that the analysis results are reasonably comparable to proximal RC and core drilling results.

The QP believes the surface trench samples are inherently unreliable and have thus been removed from influence in the resource estimation contained herein.

In the opinion of the QP, sample preparation, analysis and security procedures followed for RC, core and long-hole drilling, and underground crosscut channel sampling are sufficient and can be relied upon in the estimation of Mineral Resources.

12.0 DATA VERIFICATION

The Bell Mountain database was provided to WHA by Eros in electronic form that included drill hole collar coordinates, drill hole alignment, gold and silver assay data, lithology codes and alteration codes. Original assay certificates were provided in the form of certificates of assay and electronic spreadsheets prepared by each responsible assay laboratory.

The electronic database consists of data from 267 reverse-circulation (RC) drill holes, 22 core drill holes, 8 underground longholes, 14 continuous trench samples and 59 underground channel samples for a total of 13,017 available gold assay values and 12,994 silver assay values. The assay data was generated by several companies which have controlled the property at various times in the past. WHA has confirmed that eight of the ten operators that conducted drilling and channel and trench sampling at the project sent their samples to second party certified labs for analyses. One operator, N.A. Degerstrom, performed assays at their own in-house laboratory.

The WHA QP conducted a thorough assay data verification program focused on all drilling and sampling data by reviewing line by line a total of 5,661 gold assay values, comprising 43 percent of the assay database. A total of 2,202 silver assay values were checked comprising 17 percent of the silver assays in the database. Assay values were compared to original assay certificates and electronic documents provide by Eros.

Drill hole, long-hole, cross-cut channel and trench channel sample assays were selected randomly for comparison with assay documentation. The average grade of gold samples verified was 0.006 opt gold. The average grade of silver samples checked was 0.23 opt silver.

Data verification for the project has been accomplished by:

1. Visual inspection of alteration, rock types, and structure in outcrops and underground workings at the property.
2. Inspection of the Lincoln sample warehouse in Fallon, Nevada.
3. Review of available assay certificates that confirm the presence of gold and silver mineralization and the values in the electronic assay database.
4. Statistical evaluation of available certified standard reference material, field duplicates, blanks and second lab analyses submitted by two operators at the project, as described in **Section 11**.
5. Detailed inspection of all cross-sections to compare drill hole collar elevations to recent digital topography.
6. Review of all geologic, geochemical, and underground maps of the property.
7. Review of all available pertinent reports previously prepared pertaining to the property.

12.1 Field Visit

The QP visited the Bell Mountain site on December 7, 2016 to gain an understanding of the geologic controls associated with gold and silver mineralization at the Project. During the visit, mineralized rock and structural contacts were identified and verified. The existence of marked and labeled drill hole collars was also verified by the QP. There was no activity on the Project at the time of the visit, therefore a review of active drill sample handling, drill sample chain-of-custody procedures, and QA/QC methodologies could not be completed.

During the field visit, the Qualified Person also made a visit to the Lincoln warehouse in Fallon, Nevada. The warehouse was in good condition and fully capable of providing a secure storage facility for drill samples. The existence of drill sample duplicates and drilling standards was also verified.

12.2 Pre-2010 Drilling and Sampling Database Verification

American Pyramid

American Pyramid collected samples from 4 trenches in the Sphinx area which were, according to Payne 1982, assayed by Skyline Labs. However, no records of the assay certificates have been found for review. Additionally, American Pyramid sampled a total of 29 continuous channel samples from the ribs of underground workings in the Varga, Spurr and Sphinx areas. No records of assay certificates for the channel samples have been located for review. However, detailed mapping provided in Payne 1982 which includes assay values of the channel samples has been reviewed by the QP. No errors were found in the transcription of assay values into the database.

To determine the validity and reliability of the underground channel sample results, a statistical and visual comparison with comparable drilling assay results was undertaken, as described in **Section 14** of this Report. Results of the comparison indicate that the channel sample analyses are in reasonable agreement with drilling assay results. Therefore, it is the opinion of the QP that the underground channel sample assay results are reliable and suitable for inclusion, with some limiting factors described in **Section 14**, in the mineral resource estimation contained in this Report.

In the opinion of the QP, surface trench samples are inherently unreliable and therefore the assay results from trench sampling have been excluded from influence of the mineral resource estimate contained herein.

Santa Fe Mining, Inc.

The Santa Fe component of the assay database consists of 51 RC drill holes and 15 cross-cut channel samples. All assays from a total of 31 drill holes, comprising 61 percent of the Santa Fe holes, were compared to original assay certificates prepared by Legend Metallurgical Laboratory, Inc. of Reno, Nevada. A total of 14 relatively insignificant errors were identified indicating an error rate of 1.3 percent. The errors have been corrected in the database. Silver assay values were checked from a total 10 drill holes and no errors were identified.

The WHA QP concludes that the error rate for the Santa Fe drilling data is within an acceptable tolerance and the drill hole assay data is suitable for inclusion in the mineral resource estimation contained in this Report.

Santa Fe collected 30 underground channel samples in the Spurr resource area. However, only 15 assay lists of unknown origin were available for review. As with the other underground channel sample programs by other operators at the property, statistical and visual review comparisons with comparable drilling assay results indicate that the channel sample assay results are in acceptable agreement. Therefore, the QP concludes that the underground channel sample assay results are reliable and suitable for inclusion in the mineral resource estimation contained herein.

Alhambra Mining

Alhambra drill holes account for 8 drill holes in the resource database. GD Resources, Inc. of Sparks, Nevada performed the assay analyses for Alhambra. All gold assay intervals of the 8 drill holes in the database were checked against the original assay certificates. Silver assay intervals from 2 drill holes were also checked. No errors were found and thus the data has been verified to be accurate and deemed suitable for mineral resource estimation.

N.A. Degerstrom, Inc.

N.A. Degerstrom (Degerstrom) drill holes account for 107 drill holes in the assay database. The samples from Degerstrom were analyzed at Degerstrom's internal lab in Spokane, Washington. Because the sample analyses were conducted by an internal lab WHA has taken further measures to verify the assay data. The WHA QP has reviewed a letter provided by Degerstrom detailing the labs analytical methods and procedures for the Degerstrom's Bell Mountain drilling program. The lab provided a copy of the Quality Control / Quality Assurance Policy for the lab (nine pages) as well as a signed and stamped letter from James A. Bradbury, P.E. Mr. Bradbury has been the lab manager for many years. The letter outlines sample handling and custody protocol, preparation procedures and analysis methods. In addition, the letter states that Degerstrom was a member of the Society of Mineral Analysts of Nevada and the lab, "participated in a round-robin check analysis program with numerous other laboratories dealing in gold/silver samples." Telesto acquired data from several of the round-robin analyses and performed a statistical analysis of the data, which is outlined in Section 16.2 of Telesto (2015). Mr. Bradbury concluded his letter by stating that he "reviewed and approved the analysis of the Bell Mountain samples that were prepared and analyzed by the N.A. Degerstrom Lab."

Of the 107 total drill holes completed by Degerstrom 102 were RC and 5 were core holes. WHA compared the original assay reports line by line with the database gold assay values for a total of 42 drill holes accounting for 39 percent of the Degerstrom component of the database. Only one error was identified indicating an error rate of 0.08 percent. A total of 11 drill holes were checked for silver and no errors were identified. Because of the low error rate, the WHA QP concludes that the Degerstrom drilling data is reliable and is acceptable for inclusion in the resource estimate contained in this Report.

ECU

ECU completed a total of 5 core drill hole at the project. All samples were analyzed by Barringer Laboratories, Inc. of Reno, Nevada. WHA compared all 5 ECU drill holes in the assay database against original assay certificates and identified 1 error out of 453 gold assay intervals checked, accounting to an error rate of 0.22 percent. One drill hole was checked for silver assay values and no errors were identified. The QP concludes that the ECU core drilling assay data is reliable and suitable for the mineral resource estimation contained herein.

ECU also collected 10 trench channel samples in the Spurr and Varga areas. No original assay certificates have been located for the trench samples. It is the opinion of the QPs that surface trench sampling is inherently unreliable as surficial weathering processes tend to skew the sample assay results. Therefore, the ECU assay information from the surface trench samples has been excluded from the mineral resource estimation database contained in this Report.

NDT Ventures LTD.

NDT Ventures completed 13 RC drill holes at the project comprising a total of 256 gold assay values. All assays were performed by ALS Chemex in Reno, Nevada. WHA checked all 13 drill holes by comparing the original assay certificates with the assay values in the database, no significant errors were identified. Three drill holes were checked for silver assay values and no errors were identified. Therefore, the QP concludes the assay data is reliable and suitable for resource estimation contained in this Report.

Solitario Resources Corporation

Solitario completed a total of 14 RC drill holes at the project comprising a total of 1,106 gold assay values in the database. WHA compared a total of 453 gold assay values from 5 drill holes with the original assay certificates, prepared by ALS Chemex of Sparks, Nevada. One significant error was identified indicating an error rate of 0.22 percent. Silver assay values from a total of 2 drill holes were checked and no errors were found. The Solitario drilling assay component of the assay database is deemed reliable and suitable for inclusion in resource estimation contained herein.

Platte River Gold

A total of 7 RC drill holes were completed by Platte River at the project, all analyses were conducted by ALS Chemex. The Platte River component of the database consists of a total of 465 gold assay values, all of which were compared to the original assay certificates. A total of 15 significant errors were identified indicating an error rate of 3.2 percent. All identified errors were corrected in the database. All silver assay values were checked and no significant errors were identified. The QP concludes that the Platte River assay data is reliable and suitable for inclusion in resource estimation contained in this Report.

12.3 Data Verification of the 2010-2011 Laurion Drilling Program

12.3.1 Electronic Database Verification

The Laurion drilling sample component of the assay database accounts for a total of 59 RC drill holes comprising 4,517m/14,820ft, nine of which were assayed by American Assay Laboratories of Sparks Nevada, and 50 of which were assayed by ALS Minerals of Reno, Nevada. Gold assay values from a total of 22 drill holes were compared line by line with the original assay certificates. Of the total of 2,923 gold assays in the database, WHA cross-checked against the original assay certificates a total of 1,064 assay values, accounting to 36 percent of the Laurion gold assays. No errors were identified. Silver assay values were checked from seven drill holes and no significant errors were found.

Data verification of the 2010 drilling campaign has been accomplished by:

1. Review of the original assay certificates for 22 of the 59 total drill holes that confirm the presence of gold and silver mineralization and the values in the Laurion component of the electronic assay database.
2. Statistical evaluation of certified standard reference material, field duplicates, blanks and second lab analyses submitted by Lincoln as described in **Section 11** of this Report.

12.4 Data Verification of the 2013 Lincoln Drilling Program

12.4.1 Electronic Database Verification

A total of 12 core holes, comprising 825m/2,705.5ft and 21 RC, comprising 1,678m/5,505ft were completed by Lincoln in 2013. All core holes were assayed by McClelland Laboratories, Inc., of Sparks, Nevada, and all RC holes were assayed by ALS Minerals, of Reno, Nevada. Gold assay values from a total of 12 drill holes were compared line by line with the original assay certificates. A total of 581 gold assay values of a total of 1,648 available gold assays were checked, comprising 36 percent of the Lincoln drill hole component of the database. Two significant errors were found accounting to a 0.3 percent error rate; the errors have been corrected in the database. Silver assay values were checked from a total of seven drill holes and no significant errors were identified.

Data verification of the 2013 drilling campaign has been accomplished by:

1. Review of the original assay certificates for 12 of the 33 total drill holes that confirm the presence of gold and silver mineralization and the values in the Lincoln component of the electronic assay database.
2. Statistical evaluation of certified standard reference material, field duplicates, blanks and second lab analyses submitted by Lincoln as described in **Section 11** of this Report.

12.5 Drill Hole Survey Verification

The QP conducted a detailed review of drill hole cross-sections to verify the digital topography relative to drill hole collar elevations. The results of the review indicate that the drill hole collar locations are in agreement with the digital topographic surface.

Only one operator at the property conducted down-hole surveys. ECU ran down-hole surveys during their 1996 drilling program on a total of 5 core holes. The paucity of down-hole surveys should not be a significant factor for any of the vertical or angled drill holes because of the relatively shallow depth of the holes. However, the lack of down-hole surveys for the angled holes may slightly limit the confidence level for accuratacy of down-hole assay data locations.

12.6 Statement of Data Adequacy

Based upon following, the QP verifies that the database is suitable for informing the mineral resource estimate contained herein:

- field verification of mineralization and drill hole collars;
- review of drill hole cross-sections to verify the digital topography relative to drill hole collar elevations
- review and verification of 43 percent of the assay database for gold and 17 percent for silver;
- error rates for gold and silver assay data checked in the database were very low indicating the database is reliable and within industry standard tolerances;
- the results of gold standard submissions and blank submissions for both gold and silver during the 2010 Laurion drilling program and the 2013 Lincoln drilling program are indicative of acceptable analytical procedure with few and minor indications of contamination;
- the concentration of modern QA/QC protocols during the Laurion and Lincoln drilling programs within three of the four zones identified for resource estimation;
- the significant proportion of historical and pre-NI 43-101 drilling undertaken by reasonably reputable companies.
- original assay certificates from second party labs account for 64 percent of drill hole assay data in the database; 36 percent of drill hole assay data associated with accompanying assay reports from an in-house lab;
- statistical and visual comparisons of assay value results generated by each operator for each sample type within the drill hole database, as described in **Section 14** of this Report.

The QP has independently checked the data for internal consistency and it is the opinion of the QP that the data has been generated using best practices and industry standards as required by NI 43-101, has been accurately transcribed from the original source, and is suitable for use in the preparation of the mineral resource estimate contained herein.

13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

Bell Mountain Exploration Corporation submitted a total of 447 boxes of drill core from the Bell Mountain project to McClelland Laboratories, Inc. (MLI) of Reno, Nevada. The samples were representative of the Varga, Sphinx and Spurr deposits. These samples were used by MLI for metallurgical recovery tests, characterization studies and other analyses. The procedures of sample preparation, and testing is outlined in this section. No metallurgical testing data was available for the East Ridge deposit. However, similarities with other deposits on the site were used to estimate the recovery that could be achieved for this smaller deposit.

The term “ore” has been used in previous metallurgical investigations and reports that are referenced in this Report section. The term “ore” generally implies that sufficient technical feasibility and economic viability studies have been completed to classify the material as mineral reserve. A Qualified Person has not done sufficient work to classify the mineral resource at the Bell Mountain Project as current mineral reserve and the issuer is not treating the mineral resource as mineral reserve. The term “ore” is used to maintain the integrity of the previous metallurgical investigations quoted in this Report.

The reader is reminded that the preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the preliminary economic assessment will be realized. The current basis of project information is not sufficient to convert the mineral resources to Mineral Reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability.

13.1 Description of Sampling and Test Work Done

From May through June 2013 and in July 2015, McClelland Laboratories received a total of 447 boxes of PQ and HQ drill core from the Bell Mountain. The core was separated into 548 intervals, each of which was crushed to -1” nominal size. This material was then blended and split to obtain 1-kg samples used for assay. These 1-kg samples were further crushed, pulverized and split for fire assay and for acid digestion tests to determine gold and silver content in the samples. Samples with more than 0.003 ounces per ton Au were subjected to standard cyanide soluble gold and silver testing.

Seventy-four (74) rock or drill core samples were hand selected to use in bulk density tests. After testing, the samples were returned to their original boxes. The average density of the ore was reported as ranging between 140 and 160 lb/ft^3 (specific gravities of 2.2-2.6). Twenty (20) representative rock samples were selected for comminution testing. The comminution testing was performed by FL Smidth in Midvale, UT in late 2015. The Crusher Work Index (a measure of the relative “hardness” of the ore) was determined to be 13.8 kWh/ton, which is classified as a “soft-medium” ore hardness, which would indicate the ore is amenable to crushing. The sample density reported by FL Smidth was 2.6, which would have been a representative sample of the denser material on the site. It is presumed the less dense ores would have same or lower crusher work indices.

Three metallurgical samples were generated from interval assay results. These samples were representative of the Spurr, the Varga and the Sphinx deposits. The Spurr and Vargas composites were stage crushed to 80% passing 3/4”. This material was blended by cone and quartering to obtain three 7-lb splits of each ore type. These were submitted for head analysis. Other samples from each ore blend were used for screen analysis, column leach tests and bottle rolling tests. Approximately 230-lbs of the material was further crushed to 80% -3/8” and then blended for bottle rolling experiments, head analyses and column leach tests.

The samples for the Sphinx deposit were not as large as the other two samples. All of it was crushed to 80% passing -3/8” which was blended and split to provide head samples, screen analyses, and column and bottle roll leach testing.

The head samples for Spurr deposit showed an average grade of 0.041 opt Au, and 1.33 opt Ag. The head samples of the Varga had an average grade of 0.038 opt Au and 0.95 opt Ag. The Sphinx Deposit samples had an average assay result of 0.029 opt Au and 1.09 opt Ag.

The bottle roll experiments used 2.2-lbs of the composite ore samples crushed to 80% -10 Mesh at 40% solids. These tests were run for 96-hours with timed samples removed at various time intervals of 2-, 8-, 24-, 48- and 72-hours to determine kinetic rate of leaching for the gold and silver from each ore type. The final 96-hour samples were used to determine the “ultimate recovery” for long leaching times for each ore type. From the results, MLI reported that the silver and gold recovery rates were “slow”, but all were amenable to cyanidation treatments based on the Au and Ag recoveries reported. From the 96-hour tests, the Spurr deposit had 67.4% of the Au and 29.7% of the Ag recovered, while the Varga had 57.9% Au and 15.4% Ag recoveries. The Sphinx had the best overall gold recovery at 70.4%, but the lowest silver recovery of only 12.4%. Cyanide consumptions were low (<0.14 lbsNaCN/ton ore) for all three composites; lime consumptions were also low (2.6-3.3 lbs/ton).

Column leach tests are intended to show the leaching profile for the ores in a heap leach process. Column tests were conducted on both the -3/8” and the -3/4” samples of Varga and Spurr, and the -3/8” Sphinx samples. The standard solution (2 # NaCN/ton solution) was applied in a standard rate (0.005 gpm/ft^2) to determine the heap leach characteristics of each ore. Gold and silver assays of the solution, and the final ore were used to determine the recovery rate, and ultimate recovery of gold and silver from each column test. The leach testing proceeded for at least 152 days to simulate gold and silver recoveries from a heap under leach for an extended period of time. The Spurr deposit recoveries were reported as 83.7% for the -3/4” ore and 85.7% for the -3/8” material after the full 152 days of leaching. Silver recoveries were reported as 29.6% and 33.3% for the two sizes of Spurr ore leached. Over the same 152-day period, the Varga ore behaved similarly, with reported gold recoveries of 68.6% for the -3/4” ore, and 76.5% for the -3/8” ore (Ag recoveries of 12.8% and 14.4%, respectively). The Sphinx material showed higher recoveries in shorter periods with the Au recovery of 85.2% in just 125 days, and 11.3% Ag recovery over that period. All of the ores were reported as “amenable” to simulated heap leach cyanidation treatment; the Varga and Sphinx ores were also classified as “slow leaching” given the observed recoveries in 152 days of column leaching.

Hydraulic conductivity testing was performed on samples of the different ores. In these tests, a load is applied to a column of ore and the hydraulic conductivity (flow of solution through the compacted material) is measured. These tests are used to simulate the compression of the lower ore zone of a tall heap leach system, and to determine a “max height” that could still be amenable to heap leaching. The results of several tests showed that the hydraulic conductivity was the same for a 40’ heap lift as it was for over 220’ heap.

13.2 Discussion of Metallurgical Test Results

The tests undertaken were designed to provide an early indication of gold and silver recoveries in a heap leach process, as well as the associated reagent consumptions and energy requirements for crushing. The results showed that all of the deposits (Spurr, Varga, Sphinx and presumably East Ridge) could be treated effectively using heap leach cyanidation. The Sphinx ore had the lowest grade of gold, but the leaching kinetics of that ore was better than the other two, given the “fast recovery” and higher percent recovery of the gold contained. One of the most interesting things about the column leach tests on the Spurr and Varga was that even after 152-days, the recovery curves (cumulative Au recovery vs days) were still rising even after 152-days. In a standard heap leach operation, the operators typically will run cycles of “leach, rinse” for each lift of the ore. The fact that gold will continue to come from the ore after a long leach cycle would indicate that “valley leaching” would be the best way to process these ores. In valley leaching, a lift of ore is placed on the pad and subjected to cyanidation by drip-emitters. After a period of time, a water rinse may be applied, but as the “leach-rinse” cycle is progressing across the lift, a second lift of ore is placed on top of the first. After it is placed, the upper lift is subjected to cyanide solution, but the outflow of that lift will flow into the lower lift to further liberate and leach gold. In other words, the lower lift is leached and rinsed, then subjected to further leaching as higher stacks of ore are placed above it. These lower lifts will therefore see much longer leach cycles, and therefore produce higher recoveries of gold over the long leach cycles. To illustrate, if 70% of the gold is recovered after 152-days of leaching, it stands to reason that more would be recovered as solution passes through it again as the lift above it is leached for its 152-day cycle. The lower lift will be under leach for 304-days in total, not just the single 152-day cycle.

Based on the results of the hydraulic conductivity tests, the Bell Mountain ores could be stacked quite high (over 200-ft) and still have good percolation of leach solutions through them. This confirms that higher leach recoveries will be achieved through valley leach type stacking of the ores in multiple lifts on the heap pad.

The metallurgical testing results suggested that -3/4” rock had nearly the same recoveries as the -3/8” material for the ores (Spurr and Varga) that had sufficient material for both size tests. In fact, MLI reported that based on similar final tails assays of the columns, that there was no significant difference between the recoveries of the two sizes. While their conclusion was that the ore recoveries would be significantly better for finer crushing, this was based on the much smaller bottle-roll experimental results. If the ores were only subjected to 152-day leach cycles once (as in a single lift) the ores would have slightly better recoveries if crushed to -3/8” nominal size. However, given the long, slow Au solubilization of these ores, it is defendable that a similar recovery would be achieved for the -3/4” rock over extended leaching periods (as in multiple lifts). The final estimated ore recoveries were shown to be 83.7% for Au recovery from the Spurr deposit, 68.6% for the Varga for the -3/4” rock size, and 85.2% for the -3/8” rock size of the Sphinx.

With very long leach times (over 150 days) on the ores, leach recoveries from each of the ores are expected to approach the maximum of the Au contained. This is estimated based on observed leaching recoveries from the Spurr deposit and the slow rise in recoveries that was shown in the leaching test results which culminated after only 152-days. Bottle-roll experimental results also suggest that a high recovery for the Sphinx and Varga can be expected if they are leached for prolonged periods. A limited amount of sample from the Sphinx deposit limited the amount of metallurgical testing that could be completed on that deposit. It was tested only at 3/8” nominal size, but it is suggested that tests be conducted on coarser nominal sized ore (3/4”) to determine the ultimate recovery of this ore, compared with the other ores on the site. Assuming the -3/4” behaves the same as the other deposits, it can be assumed that the Sphinx rock will also produce at recoveries near 83% of the gold contained. However, metallurgical testing of the 3/4” rock for the Sphinx ore is recommended to confirm this assumption.

No leaching testing was reported for the East Ridge ores. However, the proximity of the deposit would indicate that it has similar properties to the nearest neighbor (the Sphinx deposit) it is reasonable to assume is has similar specific gravities, crusher work index and leaching recoveries at size. For this report, it was assumed that the East Ridge deposit would leach in the pad at -3/4” nominal size with an 80% recovery. However, this assumption must be verified by further metallurgical testing as was conducted on the other three deposits (that is, bottle roll, crusher index, column leaching, etc.) Only then can the actual recovery and leaching behavior be confirmed.

14.0 MINERAL RESOURCE ESTIMATE

Zachary J. Black, SME-RM, a Resource Geologist with Hard Rock Consulting ("HRC") is responsible for the mineral resource estimate presented here. Mr. Black is a Qualified Person as defined by NI 43-101, and is independent of Eros Resources Corp (Eros). HRC estimated the mineral resource for the Project based on drill hole data constrained by geologic boundaries with an Ordinary Krige ("OK") algorithm. Datamine Studio 3® V3.24.73 ("Datamine") software was used to complete the resource estimate. The metals of interest at Bell Mountain are gold and silver.

The mineral resources reported here are classified as Measured, Indicated and Inferred in accordance with standards defined by Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") "CIM Definition Standards - For Mineral Resources and Mineral Reserves", prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council on May 10, 2014. Classification of the resources reflects the relative confidence of the grade estimates.

The Bell Mountain Project mineral resources are reported at cutoff grades that are reasonable for similar deposits in the region. They are based on metallurgical recovery tests, anticipated mining and processing methods, operating and general administrative costs, while also considering economic conditions. These are in accordance with the regulatory requirement that a resource exists "in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction."

14.1 Bell Mountain Database

The sample database for the Bell Mountain project was received by HRC in January of 2017 as separate csv files for collar/sample location, survey, assay, and lithology. An amended database was received on April 3, 2017. The database consists of 267 RC drill holes totaling 56,434 ft., 22 diamond core drill holes totaling 5,633.5 ft., 8 underground long hole drill holes totaling 235 ft., 59 underground channel samples totaling 1,966.97 ft., and 14 surface trenches totaling 1,459.35 ft.

14.1.1 Mechanical Audit

The sample database was loaded into Leapfrog® version 4.0.1 and checked for missing values, duplicate records, interval overlap errors, from-to data exceeding maximum collar depth, and special (i.e. non-numeric or less than zero) values. The mechanical audit found 29 samples without lithology data (**Table 14.1**).

Table 14.1: Drill Holes and Samples missing Lithology Information

B-01	BM-PR-ST-01	LVCC-09
B-02	BM-PR-ST-03	LVCC-10
B-50	BM-PR-WV-01	LVCC-11
B-51	LR013	SPCC-16
BM-90-064	LR014	SPCC-19
BM-90-085	LVCC-02	SPCC-23.1
BM-90-086	LVCC-02.1	SPLH-03
BM-90-087	LVCC-04	SPLH-06
BM-96-02	LVCC-05	SPLH-08
BMG13-33	LVCC-08.1	

14.1.2 Missing Value Handling

Missing intervals, missing values, and values recorded as -9999 in the database for silver, and gold were replaced with zero values. Values in the database recorded as zero were kept as zero. **Table 14.2** summarizes the missing value handling for silver, and gold.

Table 14.2: Gold and Silver Missing Value Handling Summary

Gold	Occurrences	Action	Replace With
Valid Assays	10,156		
Missing Intervals	95	Replace	0
Missing Values	70	Replace	0
Non-Numeric Values	0		
Non-Positive Values	2,935		
-9999	104	Replace	0
0	2,831	Keep	
Silver	**Occurrences**	**Action**	**Replace With**
Valid Assays	11,820		
Missing Intervals	95		
Missing Values	70		
Non-Numeric Values	0		
Non-Positive Values	1,281		
-9999	98	Replace	0
0	1,183	Keep	

14.1.3 Estimation Data

Each of the sample types was statistically and visually compared. Based on this review HRC used the samples in the following manner to estimate the mineral resources:

- Removed surface trench samples from estimate because they represented a different statistical population, due to the differences in the sample collection process.
- Reduced the area of influence in the estimation process for the underground channel and long hole samples as they typically represent only the vein mineralization.

14.2 Bell Mountain Geologic Model

The Bell Mountain project is subdivided into 4 individual areas known as Spurr, Varga, Sphinx and East Ridge (**Figure 14.1**). The mineralization is controlled by steeply dipping veins, and stockwork zones trending northeast/southwest. The Sphinx deposit is an exception with veins and stockwork trending northwest/southeast. Veins, stockwork, and country rock were modeled from cross-section interpretations provided by Eros. The cross-sections are based on the lithologic drill hole logs. A set of cross sections at a scale of 1”=50’ were created for each area with the drillhole logs and analytical data presented. The rock codes and the surface geology were used as a guide to draw the vein, stockwork, faults and lithology on each section. Each section was compared to the adjacent sections to maintain the continuity of the interpretation along the strike of the modeled areas. The polylines from the sections were imported into Datamine and tied together to create 3D volumes of the veins and stockwork. **Figures 14.2** through **14.5** display the estimation domains for the 4 deposit areas.

Figure 14.1: Plan view of Bell Mountain Project, showing surface drill hole collars (black) and deposits labeled.

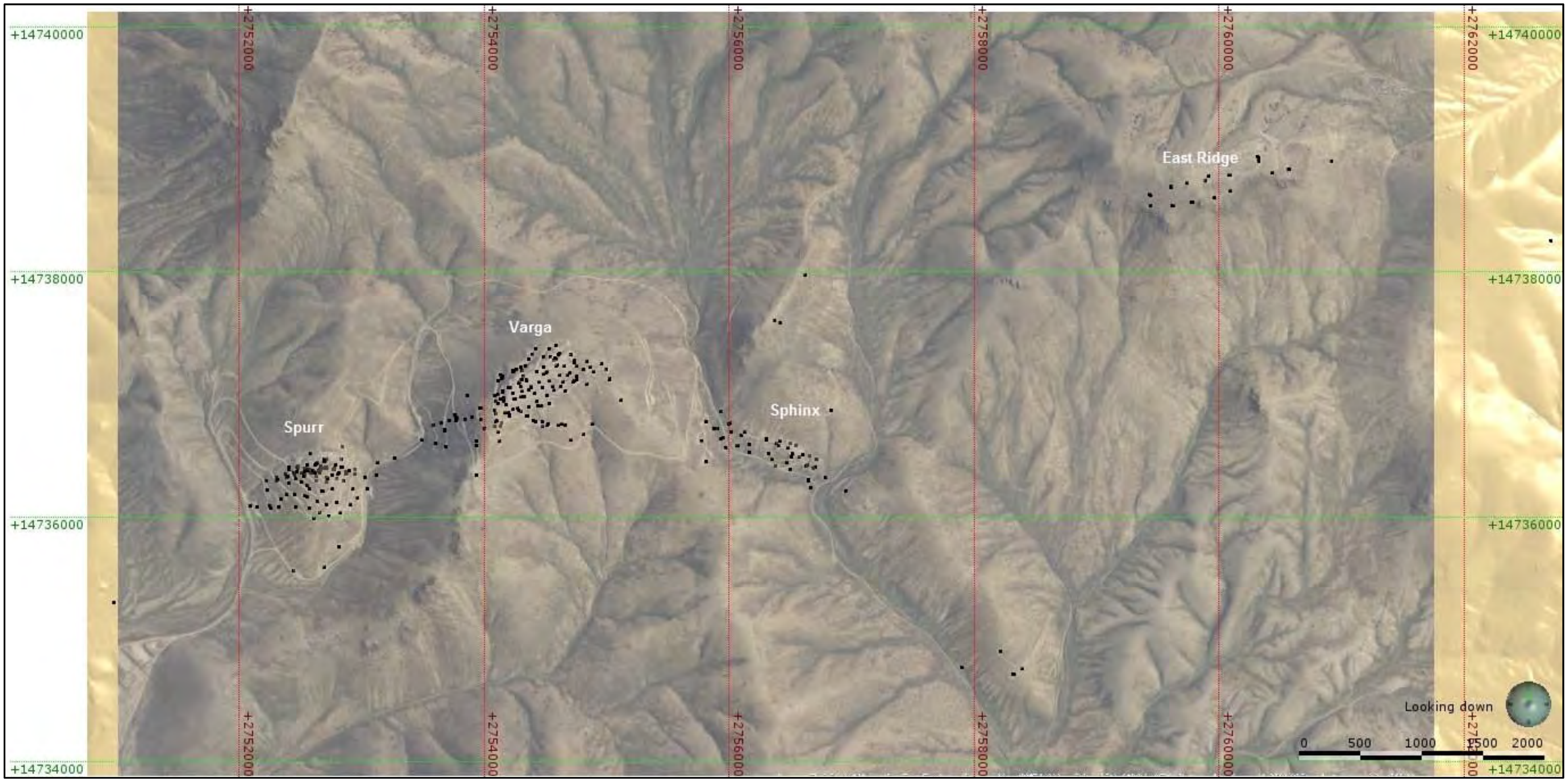


Figure 14.2: Spurr Geologic Model; Contour interval = 20ft

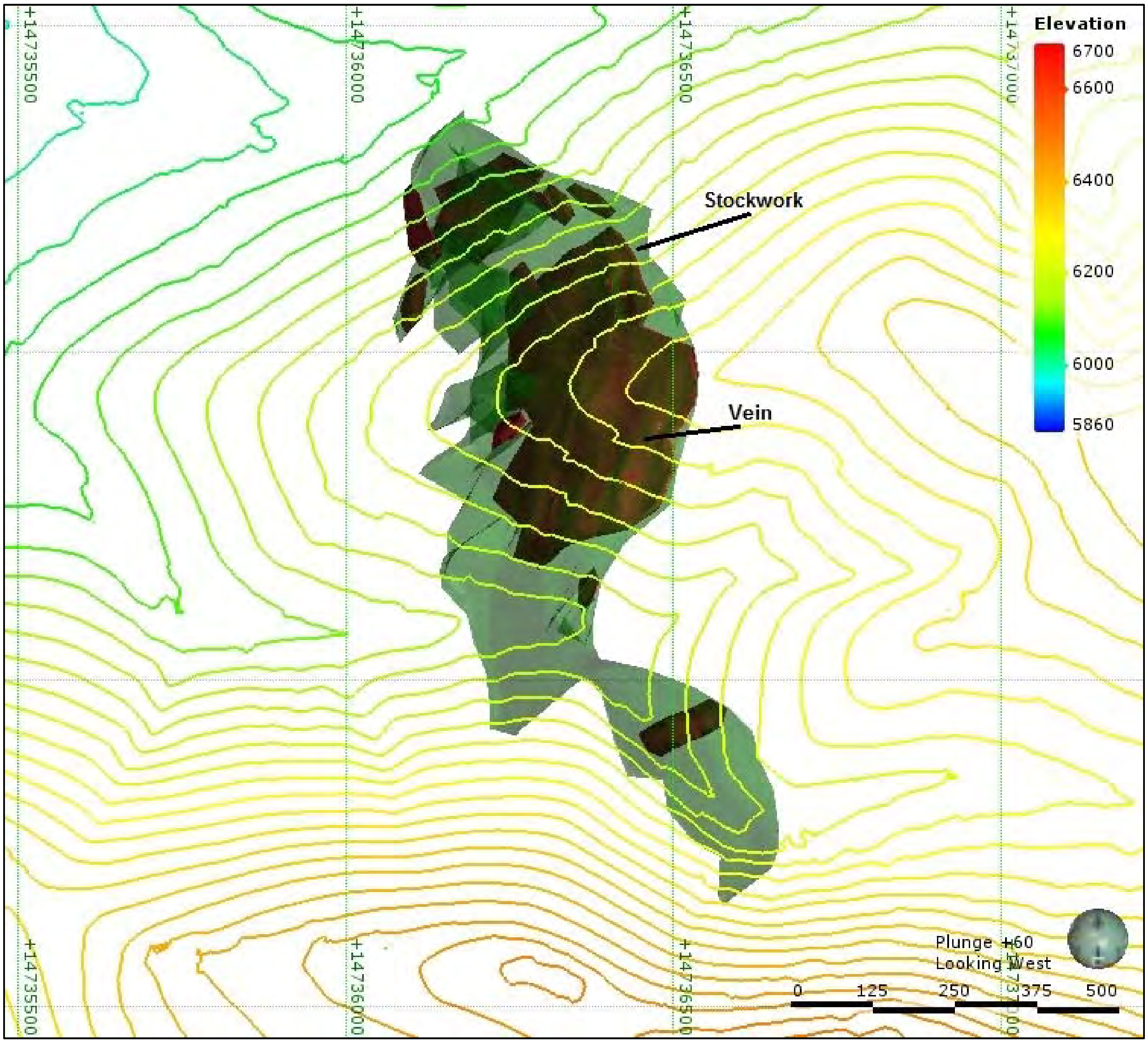


Figure 14.3: Varga Geologic Model; Contour interval = 20ft

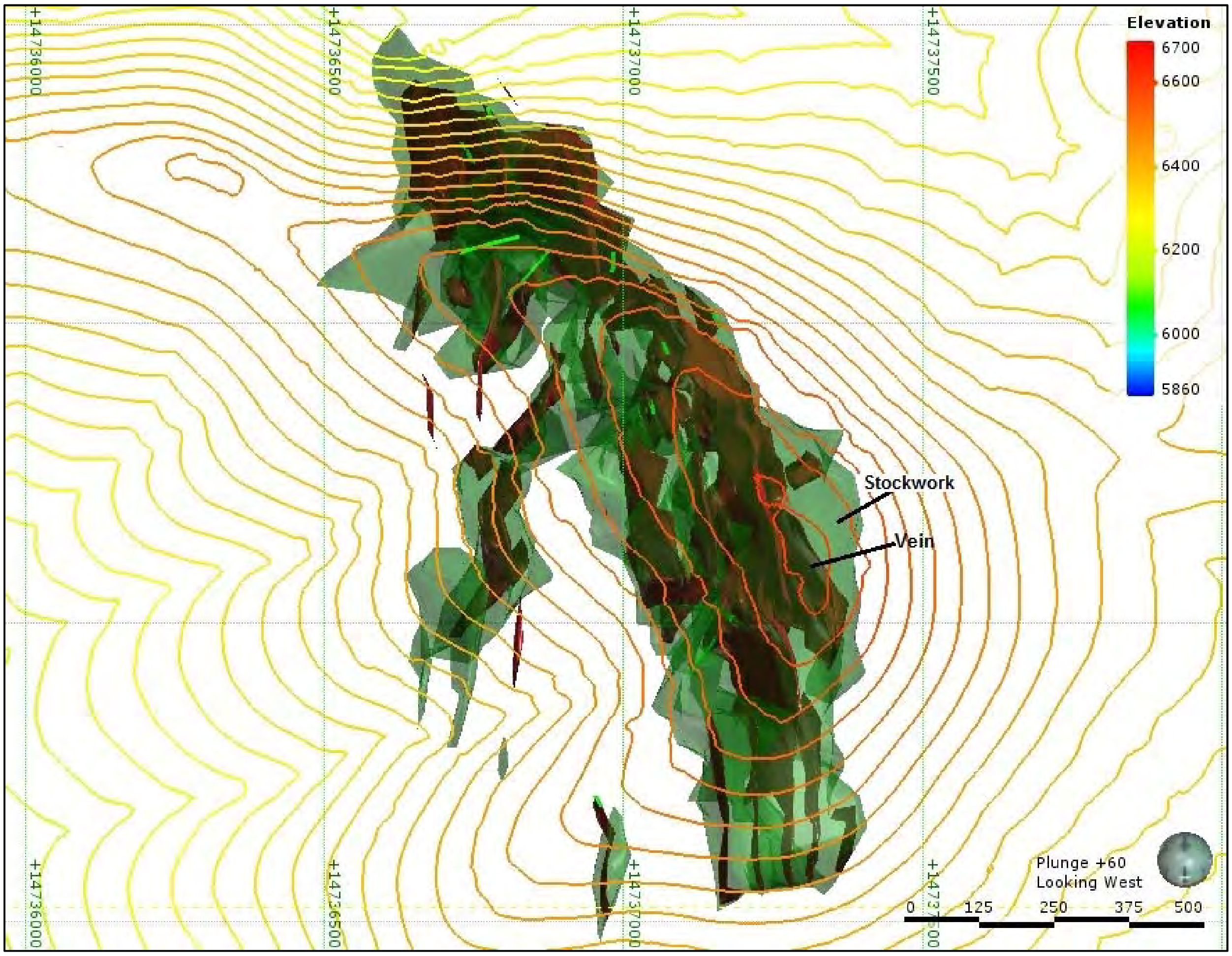


Figure 14.4: Sphinx Geologic Model; Contour interval = 20ft

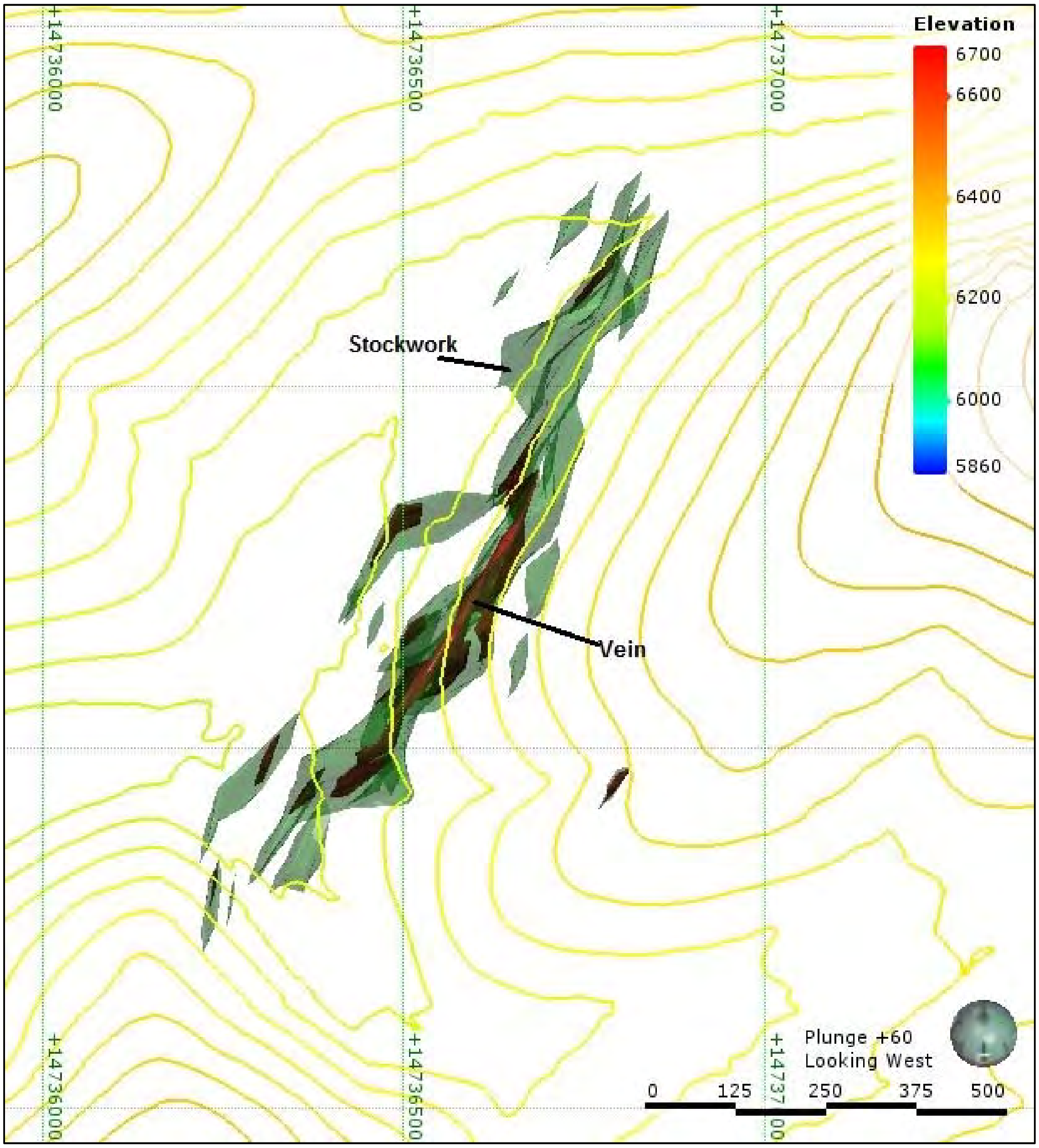
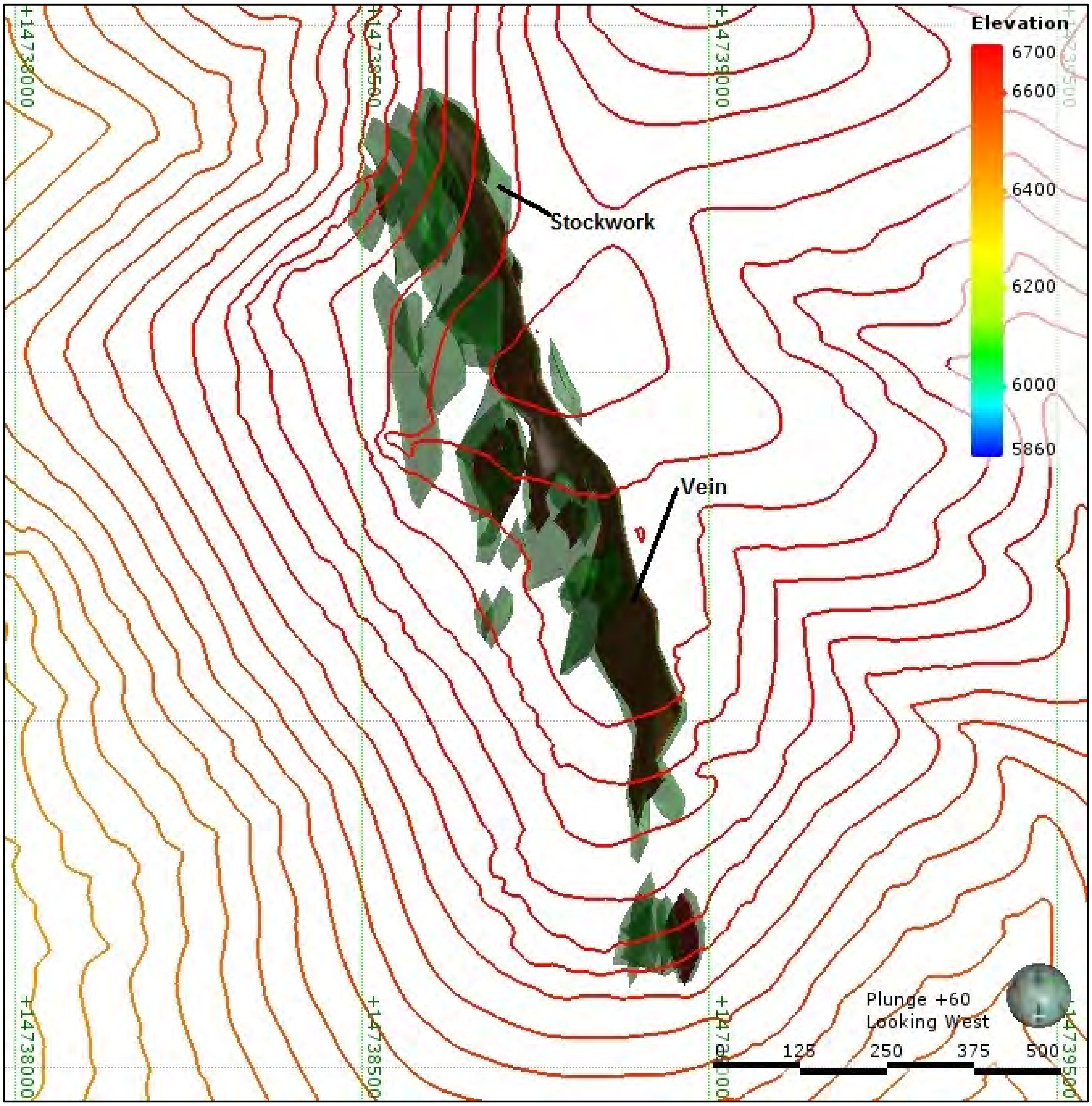


Figure 14.5: East Ridge Geologic Model; Contour interval = 20ft.



14.2.1 Domains

Each of the modeled areas was assigned domain codes in the block model based on the area and rock type. **Table 14.3** summarizes the domain codes for the Project. Samples within the domain solids were coded in the same manner. Samples and blocks outside the modeled solids were coded as country rock.

Table 14.3: Summary of Bell Mountain Domains

Domain	Deposit	Description
100	East Ridge	Country Rock
130		Stockwork
131		Vein
200	Sphinx	Country Rock
230		Stockwork
231		Vein
300	Varga	Country Rock
330		Stockwork
331		Vein
400	Spurr	Country Rock
430		Stockwork
431		Vein

14.3 Sample Statistics

Statistics are calculated for each of the domains listed in **Table 14.3** for gold and silver, as shown in **Tables 14.4** and **14.5**, respectively.

Table 14.4: Descriptive Statistics for Gold by Domain

Gold Sample Statistics (opt)						
Domain	Count	Minimum	Maximum	Mean	Std. Dev.	CV
131	30	0.001	0.145	0.059	0.042	0.711
130	287	0.000	0.229	0.020	0.030	1.477
100	1,080	0.000	0.076	0.003	0.004	1.713
231	60	0.001	0.189	0.049	0.041	0.846
230	380	0.000	0.128	0.011	0.016	1.504
200	1,711	0.000	0.060	0.001	0.004	2.400
331	951	0.000	0.240	0.023	0.028	1.190
330	3,448	0.000	0.385	0.010	0.019	1.911
300	1,945	0.000	0.277	0.003	0.008	2.835
431	453	0.000	0.672	0.048	0.063	1.322
430	981	0.000	0.254	0.014	0.028	1.946
400	1,565	0.000	0.089	0.002	0.004	2.505

Table 14.5: Descriptive Statistics for Silver by Domain

Silver Sample Statistics (opt)						
Domain	**Count**	**Minimum**	**Maximum**	**Mean**	**Std. Dev.**	**CV**
131	30	0.23	6.15	1.76	1.34	0.76
130	287	0.00	6.13	0.65	0.80	1.23
100	1,080	0.00	1.52	0.12	0.19	1.54
231	60	0.06	5.78	1.27	1.09	0.85
230	380	0.00	4.20	0.49	0.51	1.04
200	1,711	0.00	1.23	0.12	0.17	1.35
331	951	0.00	4.17	0.53	0.46	0.87
330	3,448	0.00	2.81	0.26	0.28	1.09
300	1,945	0.00	2.32	0.10	0.13	1.31
431	453	0.00	10.40	1.41	1.48	1.05
430	981	0.00	11.26	0.58	0.88	1.53
400	1,565	0.00	5.20	0.11	0.23	1.96

HRC statistically compared the channel samples to each of the drilling methods implemented at the Project. All of the 59 channel samples reside within the vein or stockwork domains and display similar statistical characteristics in the drilling. Combining the channel samples with the drill hole samples resulted in a 12.5% increase in the mean and a minimal increase in the coefficient of variation. This increase in the mean is warranted as the channel samples are taken from within underground workings and represent the best approximation of the in-situ grade surrounding the mine workings.

14.4 Capping

The coefficient of variation (CV) was examined for Au and Ag. The CVs prior to capping ranged from 0.71 to 2.505 suggesting that the data will be influenced by the presence of outliers. Capping is done to lessen the influence of these outliers. The procedure is performed on high grade values that are considered outliers and that cannot be correlated to another geologic domain. In the case of Bell Mountain, the gold and silver populations were examined using decile analysis, histograms, mean and variance plots, and probability plots. The use of these methods allows for a more objective approach to capping threshold selection. Histograms and probability plots are reviewed to examine the nature of the upper tail of the distribution. A possible capping threshold is chosen from the probability plot at the location where the plot becomes erratic and discontinuous as higher grades depart from the main distribution. The range of the CV's after capping was 0.71 to 1.984.

Figure 14.6 presents an example of a gold log probability plot for the stockwork domain in the Sphinx area. The red vertical line represents the mean, the dashed blue lines represent the 25th, 50th and 75th percentiles, and the cyan line represents the capping limit.

Figure 14.6: Log Probability Plot for Silver samples within the Modeled Stockwork of the Sphinx Deposit

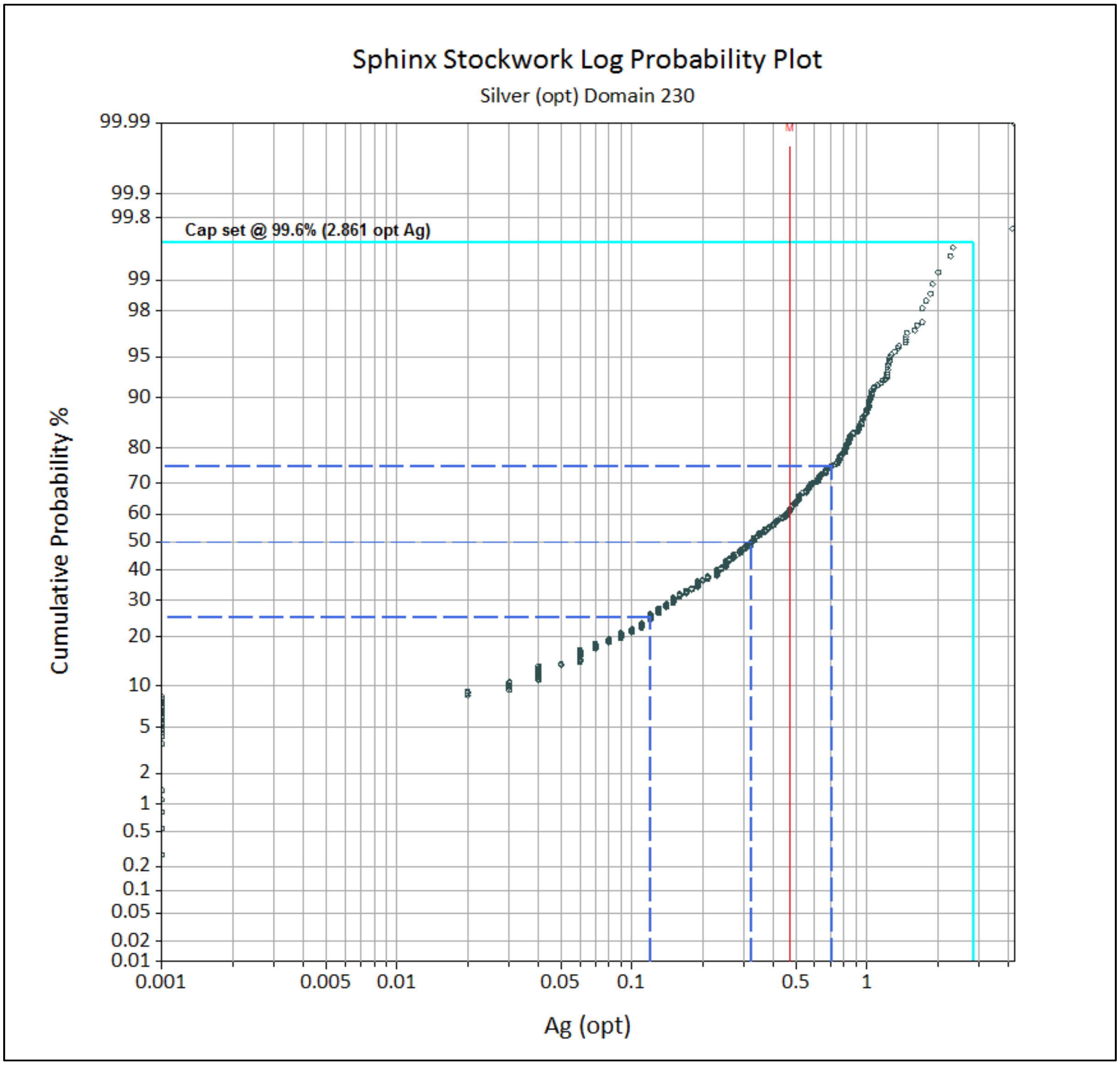


Table 14.6 summarizes the gold and silver capping limits applied to the Bell Mountain project by domain.

Table 14.6: Summary of Capping Limits for Gold and Silver by Domain

Domain	Au (opt)	Ag (opt)
100	0.020	0.80
130	0.220	5.89
131	0.144	6.07
200	0.020	0.70
230	0.109	2.86
231	0.138	5.62
300	0.027	0.70
330	0.182	2.02
331	0.212	3.00
400	0.020	0.75
430	0.221	6.00
431	0.439	8.00

14.5 Compositing

The individual drill hole samples were composited by domain into 10 foot intervals. Some length adjustment was allowed in order to ensure that all samples were included in a composite. Composite statistics by domain for gold and silver are presented in **Tables 14.7** and **14.8**, respectively.

Table 14.7: Descriptive Statistics for Capped Gold Composites

Capped Gold Composite Statistics (opt)						
Domain	Count	Minimum	Maximum	Mean	Std. Dev.	CV
131	9	0.013	0.091	0.042	0.023	0.551
130	96	0.000	0.091	0.017	0.016	0.938
100	451	0.000	0.013	0.002	0.002	1.169
231	33	0.001	0.120	0.046	0.032	0.704
230	202	0.000	0.091	0.011	0.013	1.253
200	922	0.000	0.020	0.001	0.002	1.721
331	472	0.000	0.196	0.022	0.024	1.061
330	1,766	0.000	0.153	0.010	0.014	1.494
300	1,069	0.000	0.027	0.002	0.003	1.307
431	203	0.000	0.291	0.044	0.043	0.995
430	472	0.000	0.221	0.012	0.021	1.711
400	860	0.000	0.017	0.001	0.002	1.383

Table 14.8: Descriptive Statistics for Capped Silver Composites

Capped Silver Composite Statistics (opt)						
Domain	**Count**	**Minimum**	**Maximum**	**Mean**	**Std. Dev.**	**CV**
131	9	0.32	2.70	1.40	0.79	0.56
130	96	0.00	2.59	0.57	0.54	0.94
100	451	0.00	0.80	0.09	0.13	1.40
231	33	0.06	4.81	1.20	1.01	0.84
230	202	0.00	2.04	0.46	0.41	0.89
200	922	0.00	0.70	0.11	0.14	1.25
331	472	0.01	2.57	0.51	0.37	0.72
330	1,766	0.00	1.91	0.25	0.25	0.97
300	1,069	0.00	0.70	0.09	0.11	1.19
431	203	0.00	5.33	1.34	1.08	0.81
430	472	0.00	4.45	0.52	0.60	1.14
400	860	0.00	0.75	0.11	0.13	1.24

14.6 Variography

The vein and stockwork domains in each deposit were grouped in order to have enough composite samples to determine grade continuity. Variograms for each deposit were modeled for silver and gold to determine the shape and range of the search ellipse used for estimation. **Tables 14.9** through **14.12** summarize the variogram parameters, and **Figure 14.7** and **14.8** present an example of the modeled gold and silver variograms.

Table 14.9: Gold and Silver Variogram Parameters for the Spurr Deposit

Spurr Deposit					
Gold Variogram			**Silver Variogram**		
Nugget (C_0)	*C_1*	*C_2*	*Nugget (C_0)*	*C_1*	*C_2*
0.06	0.69	0.26	0.17	0.43	0.40
Axis	*Rotation*		*Axis*	*Rotation*	
Z	165		Z	170	
X	40		X	50	
Z	175		Z	170	
Axis	*$Range_1$*	*$Range_2$*	*Axis*	*$Range_1$*	*$Range_2$*
X	120.0	337.0	X	70.0	230.0
Y	81.0	262.0	Y	120.0	136.0
Z	47.0	50.0	Z	38.0	93.0

Table 14.10: Gold and Silver Variogram Parameters for the Varga Deposit

Varga Deposit					
Gold Variogram			Silver Variogram		
Nugget (C_0)	*C_1*	*C_2*	*Nugget (C_0)*	*C_1*	*C_2*
0.28	0.37	0.35	0.18	0.54	0.28
Axis	*Rotation*		*Axis*	*Rotation*	
Z	165		Z	160	
X	15		X	20	
Z	175		Z	180	
Axis	*$Range_1$*	*$Range_2$*	*Axis*	*$Range_1$*	*$Range_2$*
X	58.0	382.0	X	167.0	823.0
Y	76.0	92.0	Y	88.0	116.0
Z	61.0	122.0	Z	57.0	169.0

Table 14.11: Gold and Silver Variogram Parameters for the Sphinx Deposit

Sphinx Deposit					
Gold Variogram			Silver Variogram		
Nugget (C_0)	*C_1*	*C_2*	*Nugget (C_0)*	*C_1*	*C_2*
0.26	0.62	0.12	0.21	0.43	0.36
Axis	***Rotation***		***Axis***	***Rotation***	
Z	30		Z	30	
X	100		X	50	
Z	-5		Z	-5	
Axis	***$Range_1$***	***$Range_2$***	***Axis***	***$Range_1$***	***$Range_2$***
X	206.0	385.0	X	93.0	779.0
Y	20.0	40.0	Y	37.0	86.0
Z	20.0	40.0	Z	37.0	86.0

Table 14.12: Gold an Silver Variogram Parameters for the East Ridge Deposit

East Ridge Deposit					
Gold Variogram			Silver Variogram		
Nugget (C_0)	*C_1*	*C_2*	*Nugget (C_0)*	*C_1*	*C_2*
0.47	0.29	0.24	0.31	0.20	0.49
Axis	***Rotation***		***Axis***	***Rotation***	
Z	-20		Z	-10	
X	40		X	45	
Z	0		Z	-10	
Axis	***$Range_1$***	***$Range_2$***	***Axis***	***$Range_1$***	***$Range_2$***
X	333.0	500.0	X	208.0	402.0
Y	54.0	55.0	Y	61.0	62.0
Z	54.0	55.0	Z	61.0	62.0

Figure 14.7: Varga Gold Variogram Model

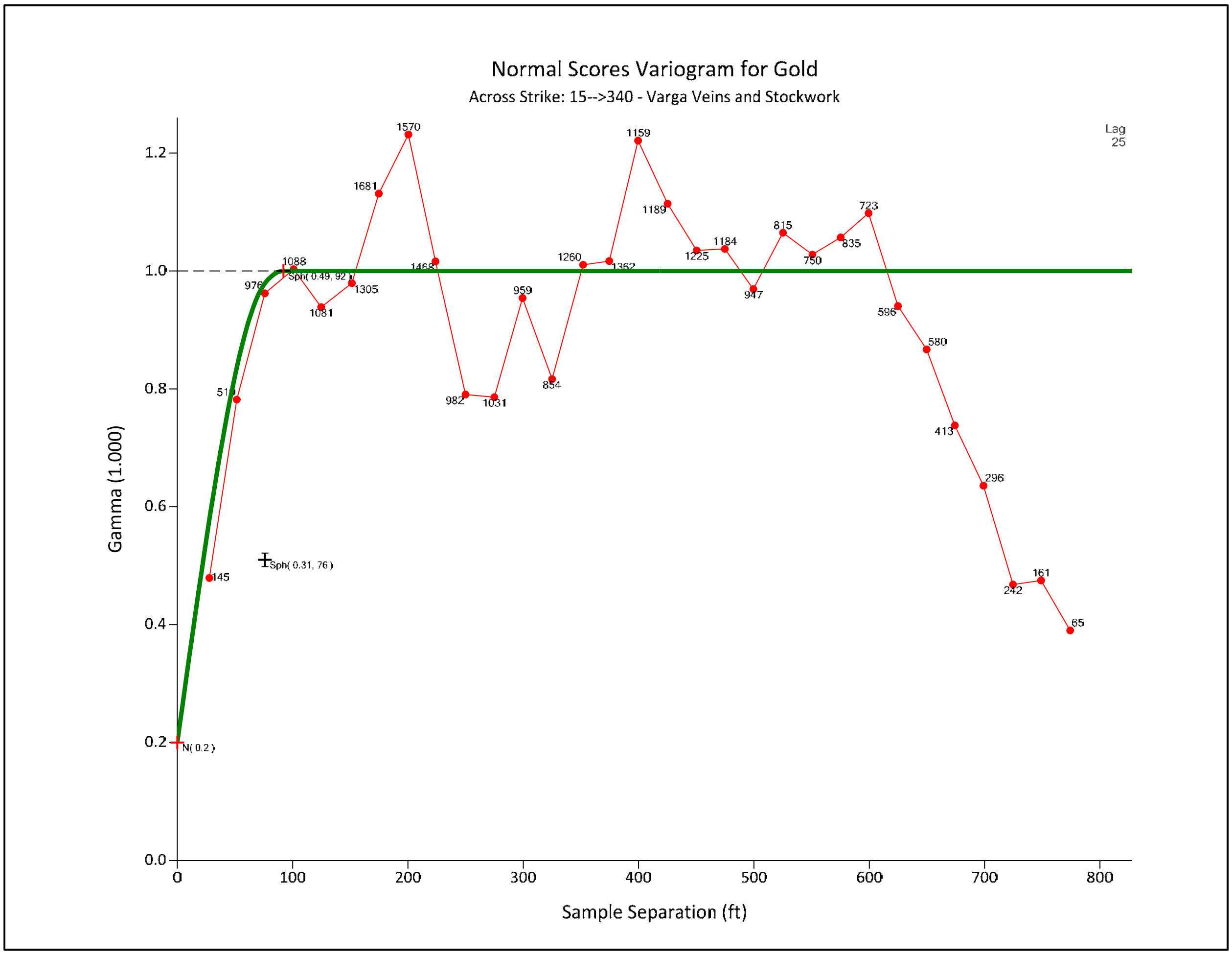
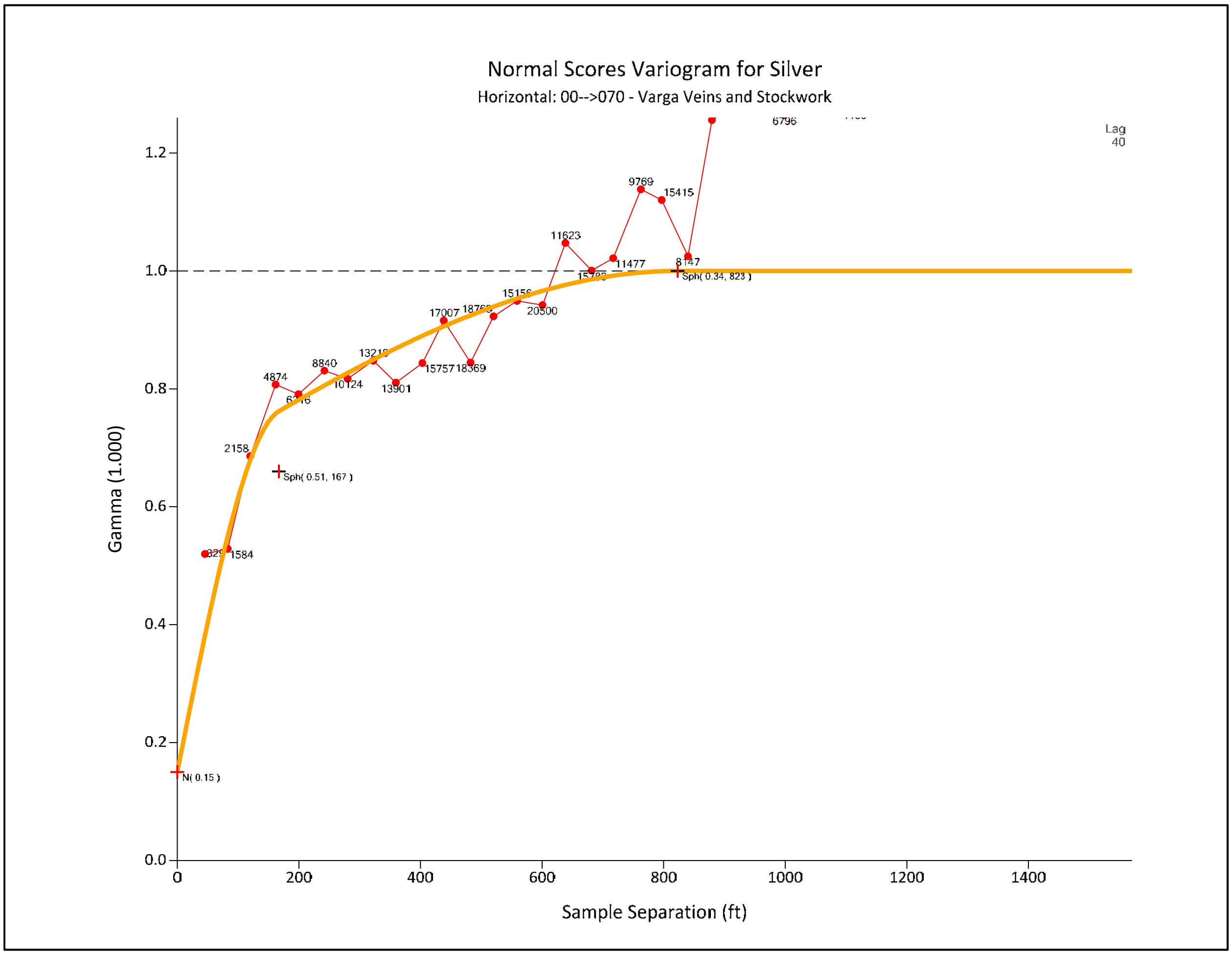


Figure 14.8: Varga Silver Variogram Model



14.7 Mineral Resource Estimation

14.7.1 Block Model Definitions

Block models were created for the Varga/Spurr, Sphinx and East Ridge areas. The Varga and Spurr areas were combined into a single model. The models were rotated to match the strike of each area. A parent block size of 25ft x 5ft x 10ft was selected. The blocks were coded by domains, and sub-blocked to maintain the volume of the domain solids. A tonnage factor of 0.08148 ton/ft^3 was applied to all blocks. **Tables 14.13** through **14.15** summarize the block model parameters for the block models.

Table 14.13: Varga & Spurr Block Model Definition

Varga & Spurr					
Axis	**Origin**	**Block Size**	**Number of Blocks**	**Max Extent**	**Sub-Blocking**
X	2751487	25	192	2756287	Yes
Y	14735692	5	240	14736892	Yes
Z	5800	10	100	6800	Yes
Rotation	None				

Table 14.14: Sphinx Block Model Definition

Sphinx					
Axis	**Origin**	**Block Size**	**Number of Blocks**	**Max Extent**	**Sub-Blocking**
X	2755400	25	90	2757650	Yes
Y	14736600	5	180	14737500	Yes
Z	6000	10	50	6500	Yes
Rotation	30 degrees around Z axis				

Table 14.15: East Ridge Block Model Definition

East Ridge					
Axis	**Origin**	**Block Size**	**Number of Blocks**	**Max Extent**	**Sub-Blocking**
X	2759214.6	25	80	2761214.6	Yes
Y	14737763.1	5	296	14739243.1	Yes
Z	6250	10	65	6900	Yes
Rotation	345 degrees around Z axis				

14.7.2 Estimation Parameters

Estimation of gold and silver grades in the four areas was completed in three steps:

1. A restricted single estimation pass using underground samples;
2. Two estimation passes for the stockwork and vein domains using only drill hole samples; and,
3. A single estimation pass for the country rock domain using only drill hole samples.

The restricted estimation for underground samples was used to reduce the influence of the clustered data within a higher-grade zone on the overall estimate. The search ellipse was rotated using the variogram models, and a range of 80ft x 10ft x 10ft was applied to the underground samples in all areas. A minimum of 1 and a maximum of 10 composites were required to estimate a block in this step.

The second step estimated the stockwork and vein domains in two estimation passes based on the modeled variograms. The search ellipses were rotated in the direction of maximum continuity as defined by the variogram models. The ranges were established based the range of the second structure of the modeled variogram. The first pass was set to ½ the variogram range and the second pass to the full variogram range. In the Varga area the search distances for silver were reduced to ¼ of the variogram range for the first pass and to ½ the variogram range for the second pass based on the experience of the practitioner. **Tables 14.16** through **14.23** summarize the gold and silver estimation parameters for each deposit.

Table 14.16: Spurr Gold Estimation Parameters

Spurr Gold Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	Z	X	Z	Max/Drill hole*	
Rotation	165	40	175	2	
Axis	X	Y	Z	Minimum	Maximum
Channel Sample Range(ft.)	80.00	10.00	10.00	1	10
430 & 431 Domains Pass 1 Range(ft.)	168.50	131.00	25.00	3	10
430 & 431 Domains Pass 2 Range(ft.)	337.00	262.00	50.00	2	10
400 Domain Pass 1 Range(ft.)	168.50	131.00	25.00	3	10
* Does not apply to Channel Sample Estimate					

Table 14.17: Spurr Silver Estimation Parameters

Spurr Silver Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	Z	X	Z	Max/Drill hole*	
Rotation	170	50	170	2	
Axis	X	Y	Z	Minimum	Maximum
Channel Sample Range(ft.)	80.00	10.00	10.00	1	10
430 & 431 Domains Pass 1 Range(ft.)	115	68	46.5	3	10
430 & 431 Domains Pass 2 Range(ft.)	230.00	136.00	93.00	2	10
400 Domain Pass 1 Range(ft.)	115.00	68.00	46.50	3	10
* Does not apply to Channel Sample Estimate					

Table 14.18: Varga Gold Estimation Parameters

Varga Gold Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	Z	*X*	*Z*	*Max/Drill hole**	
Rotation	165	15	175	*2*	
Axis	X	*Y*	*Z*	*Minimum*	*Maximum*
Channel Sample Range(ft.)	80.00	10.00	10.00	1	10
330 & 331 Domains Pass 1 Range(ft.)	191.00	46.00	61.00	3	10
330 & 331 Domains Pass 2 Range(ft.)	382.00	92.00	122.00	2	10
300 Domain Pass 1 Range(ft.)	191.00	46.00	61.00	3	10
* Does not apply to Channel Sample Estimate					

Table 14.19: Varga Silver Estimation Parameters

Varga Silver Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	Z	X	Z	Max/Drill hole*	
Rotation	160	20	180	2	
Axis	X	Y	Z	Minimum	Maximum
Channel Sample Range(ft.)	80.00	10.00	10.00	1	10
330 & 331 Domains Pass 1 Range(ft.)	205.8	29	42.3	3	10
330 & 331 Domains Pass 2 Range(ft.)	411.50	58.00	84.50	2	10
300 Domain Pass 1 Range(ft.)	205.75	29.00	42.25	3	10
* Does not apply to Channel Sample Estimate					

Table 14.20: Sphinx Gold Estimation Parameters

Sphinx Gold Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	Z	X	Z	Max/Drill hole*	
Rotation	30	100	-5	2	
Axis	X	Y	Z	Minimum	Maximum
Channel Sample Range(ft.)	80.00	10.00	10.00	1	10
230 & 231 Domains Pass 1 Range(ft.)	192.50	20.00	20.00	3	10
230 & 231 Domains Pass 2 Range(ft.)	385.00	40.00	40.00	2	10
200 Domain Pass 1 Range(ft.)	192.5	20	20	3	10
* Does not apply to Channel Sample Estimate					

Table 14.21: Sphinx Silver Estimation Parameters

Sphinx Silver Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	*Z*	*X*	*Z*	*Max/Drill hole**	
Rotation	30	50	-5	*2*	
Axis	*X*	*Y*	*Z*	*Minimum*	*Maximum*
Channel Sample Range(ft.)	80.00	10.00	10.00	1	10
230 & 231 Domains Pass 1 Range(ft.)	194.8	21.5	21.5	3	10
230 & 231 Domains Pass 2 Range(ft.)	389.50	43.00	43.00	2	10
200 Domain Pass 1 Range(ft.)	194.8	21.5	21.5	3	10
* Does not apply to Channel Sample Estimate					

Table 14.22: East Ridge Gold Estimation Parameters

East Ridge Gold Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	Z	X	Z	Max/Drill hole	
Rotation	20	-45	0	2	
Axis	X	Y	Z	Minimum	Maximum
130 & 131 Domains Pass 1 Range(ft.)	250.00	27.50	27.50	3	10
130 & 131 Domains Pass 2 Range(ft.)	500.00	55.00	55.00	2	10
100 Domain Pass 1 Range(ft.)	250.00	27.50	27.50	3	10

Table 14.23: East Ridge Silver Estimation Parameters

East Ridge Silver Estimation Parameters					
Search Ellipse				Number of Composites	
Axis	Z	X	Z	Max/Drill hole	
Rotation	-10	45	-10	2	
Axis	X	Y	Z	Minimum	Maximum
130 & 131 Domains Pass 1 Range(ft.)	201	31	31	3	10
130 & 131 Domains Pass 2 Range(ft.)	402.00	62.00	62.00	2	10
100 Domain Pass 1 Range(ft.)	201	31	31	3	10

14.7.3 Estimate Validation

Overall, HRC utilized several methods to validate the results of the estimation method. The combined evidence from these validation methods verifies the OK estimation model results.

14.7.4 Comparison with Inverse Distance and Nearest Neighbor Models

Inverse Distance (ID) and Nearest Neighbor (NN) models were run to serve as comparison with the estimated results from the OK method. Descriptive statistics for the OK method along with those for the ID, NN, and drill hole composites for the domains for gold and silver are shown in **Tables 14.24** through **14.31**.

Table 14.24: Spurr Gold Statistical Comparison by Domain

Spurr Gold Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
431	Composite	203	0.000	0.291	0.044	0.043	0.995
	NN	737,592	0.000	0.291	0.032	0.039	1.218
	ID	739,007	0.000	0.213	0.033	0.029	0.888
	OK	739,007	0.000	0.194	0.032	0.029	0.891
430	Composite	472	0.000	0.221	0.012	0.021	1.711
	NN	2,140,102	0.000	0.221	0.008	0.013	1.639
	ID	2,140,102	0.000	0.125	0.008	0.009	1.076
	OK	2,140,102	0.000	0.119	0.008	0.009	1.040
400	Composite	860	0.000	0.017	0.001	0.002	1.383
	NN	700,213	0.000	0.017	0.002	0.002	0.895
	ID	700,213	0.000	0.012	0.002	0.001	0.582
	OK	700,213	0.000	0.013	0.002	0.001	0.559

Table 14.25: Spurr Silver Statistical Comparison by Domain

Spurr Silver Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
431	Composite	203	0.00	5.33	1.34	1.08	0.81
	NN	735,539	0.00	5.33	1.10	0.94	0.86
	ID	735,539	0.02	4.75	1.12	0.64	0.57
	OK	735,539	0.02	4.13	1.12	0.60	0.53
430	Composite	472	0.00	4.45	0.52	0.60	1.14
	NN	2,130,732	0.00	4.45	0.44	0.47	1.08
	ID	2,130,732	0.00	3.67	0.44	0.34	0.76
	OK	2,130,732	0.01	3.32	0.43	0.32	0.73
400	Composite	860	0.00	0.75	0.11	0.13	1.24
	NN	514,670	0.00	0.75	0.17	0.17	0.99
	ID	514,670	0.00	0.70	0.17	0.13	0.78
	OK	514,670	0.00	0.67	0.17	0.13	0.75

Table 14.26: Varga Gold Statistical Comparison by Domain

Varga Gold Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
331	Composite	472	0.000	0.196	0.022	0.024	1.061
	NN	3,032,143	0.000	0.196	0.018	0.019	1.047
	ID	3,032,143	0.000	0.164	0.018	0.014	0.741
	OK	3,032,143	0.002	0.116	0.018	0.012	0.653
330	Composite	1,766	0.000	0.153	0.010	0.014	1.494
	NN	5,261,448	0.000	0.153	0.008	0.012	1.545
	ID	5,261,448	0.000	0.117	0.008	0.008	1.067
	OK	5,261,448	0.000	0.097	0.008	0.007	0.956
300	Composite	1,069	0.000	0.027	0.002	0.003	1.307
	NN	935,488	0.000	0.027	0.004	0.004	1.211
	ID	935,488	0.000	0.027	0.003	0.003	0.946
	OK	935,488	0.000	0.024	0.003	0.003	0.925

Table 14.27: Varga Silver Statistical Comparison by Domain

Varga Silver Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
331	Composite	472	0.01	2.57	0.51	0.37	0.72
	NN	2,975,868	0.01	2.57	0.53	0.42	0.79
	ID	2,976,510	0.01	2.03	0.52	0.29	0.55
	OK	2,976,510	0.04	1.84	0.52	0.27	0.52
330	Composite	1,766	0.00	1.91	0.25	0.25	0.97
	NN	5,021,739	0.00	1.91	0.28	0.27	0.97
	ID	5,021,739	0.00	1.81	0.27	0.20	0.73
	OK	5,021,739	0.00	1.81	0.27	0.19	0.71
300	Composite	1,069	0.00	0.70	0.09	0.11	1.19
	NN	570,240	0.00	0.70	0.12	0.14	1.13
	ID	570,240	0.00	0.67	0.11	0.10	0.89
	OK	570,240	0.00	0.64	0.12	0.10	0.88

Table 14.28: Sphinx Gold Statistical Comparison by Domain

Sphinx Gold Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
231	Composite	33	0.001	0.120	0.046	0.032	0.704
231	NN	219,850	0.001	0.120	0.049	0.027	0.551
231	ID	219,850	0.001	0.117	0.049	0.021	0.426
231	OK	219,850	0.002	0.117	0.049	0.020	0.403
230	Composite	202	0.000	0.091	0.011	0.013	1.253
230	NN	1,198,602	0.000	0.091	0.012	0.016	1.334
230	ID	1,198,602	0.000	0.082	0.012	0.009	0.813
230	OK	1,198,602	0.000	0.063	0.012	0.008	0.690
200	Composite	922	0.000	0.020	0.001	0.002	1.721
200	NN	158,403	0.000	0.020	0.002	0.002	1.437
200	ID	158,403	0.000	0.019	0.002	0.002	0.972
200	OK	158,403	0.000	0.015	0.002	0.001	0.868

Table 14.29: Sphinx Silver Statistical Comparison by Domain

Sphinx Silver Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
231	Composite	33	0.06	4.81	1.20	1.01	0.84
	NN	229,078	0.09	4.81	1.19	0.96	0.81
	ID	229,078	0.12	4.61	1.19	0.78	0.65
	OK	229,078	0.29	4.06	1.21	0.75	0.62
230	Composite	202	0.00	2.04	0.46	0.41	0.89
	NN	1,229,260	0.00	2.04	0.49	0.44	0.89
	ID	1,229,260	0.00	1.89	0.49	0.28	0.56
	OK	1,229,260	0.00	1.89	0.49	0.24	0.50
200	Composite	922	0.00	0.70	0.11	0.14	1.25
	NN	188,965	0.00	0.70	0.19	0.18	0.95
	ID	188,965	0.00	0.69	0.18	0.12	0.68
	OK	188,965	0.00	0.68	0.19	0.11	0.62

Table 14.30: East Ridge Gold Statistical Comparison by Domain

East Ridge Gold Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
131	Composite	9	0.013	0.091	0.042	0.023	0.551
	NN	202,354	0.013	0.091	0.052	0.028	0.538
	ID	202,354	0.013	0.091	0.054	0.023	0.435
	OK	202,354	0.016	0.084	0.055	0.020	0.363
130	Composite	96	0.000	0.091	0.017	0.016	0.938
	NN	1,564,741	0.000	0.091	0.020	0.017	0.824
	ID	1,564,741	0.001	0.086	0.020	0.012	0.589
	OK	1,564,741	0.002	0.068	0.020	0.011	0.551
100	Composite	451	0.000	0.013	0.002	0.002	1.169
	NN	257,326	0.000	0.013	0.003	0.003	1.011
	ID	257,326	0.000	0.010	0.003	0.002	0.663
	OK	257,326	0.000	0.010	0.003	0.002	0.598

Table 14.31: East Ridge Silver Statistical Comparison by Domain

East Ridge Silver Statistical Comparison by Domain							
Domain	Estimate	Count	Minimum (opt)	Maximum (opt)	Mean (opt)	Std. Dev. (opt)	CV
131	Composite	9	0.32	2.70	1.40	0.79	0.56
	NN	195,844	0.95	2.70	1.83	0.61	0.33
	ID	195,844	0.95	2.70	1.82	0.48	0.26
	OK	195,844	1.01	2.47	1.80	0.36	0.20
130	Composite	96	0.00	2.59	0.57	0.54	0.94
	NN	1,574,828	0.00	2.59	0.80	0.55	0.69
	ID	1,574,828	0.01	2.22	0.77	0.36	0.47
	OK	1,574,828	0.04	2.01	0.78	0.34	0.44
100	Composite	451	0.00	0.80	0.09	0.13	1.40
	NN	239,262	0.00	0.80	0.15	0.16	1.13
	ID	239,262	0.00	0.71	0.14	0.13	0.90
	OK	239,262	0.00	0.60	0.14	0.12	0.85

The overall reduction of the maximum, mean, and standard deviation within the OK and ID models represent an appropriate amount of smoothing to account for the point to block volume variance relationship. This is confirmed in **Figures 14.9** through **14.16**, which compare the Cumulative Frequency Plots of each of the models and drill hole composites.

Figure 14.9: Spurr Comparative Log Probability Plot for Gold Estimates in All Domains

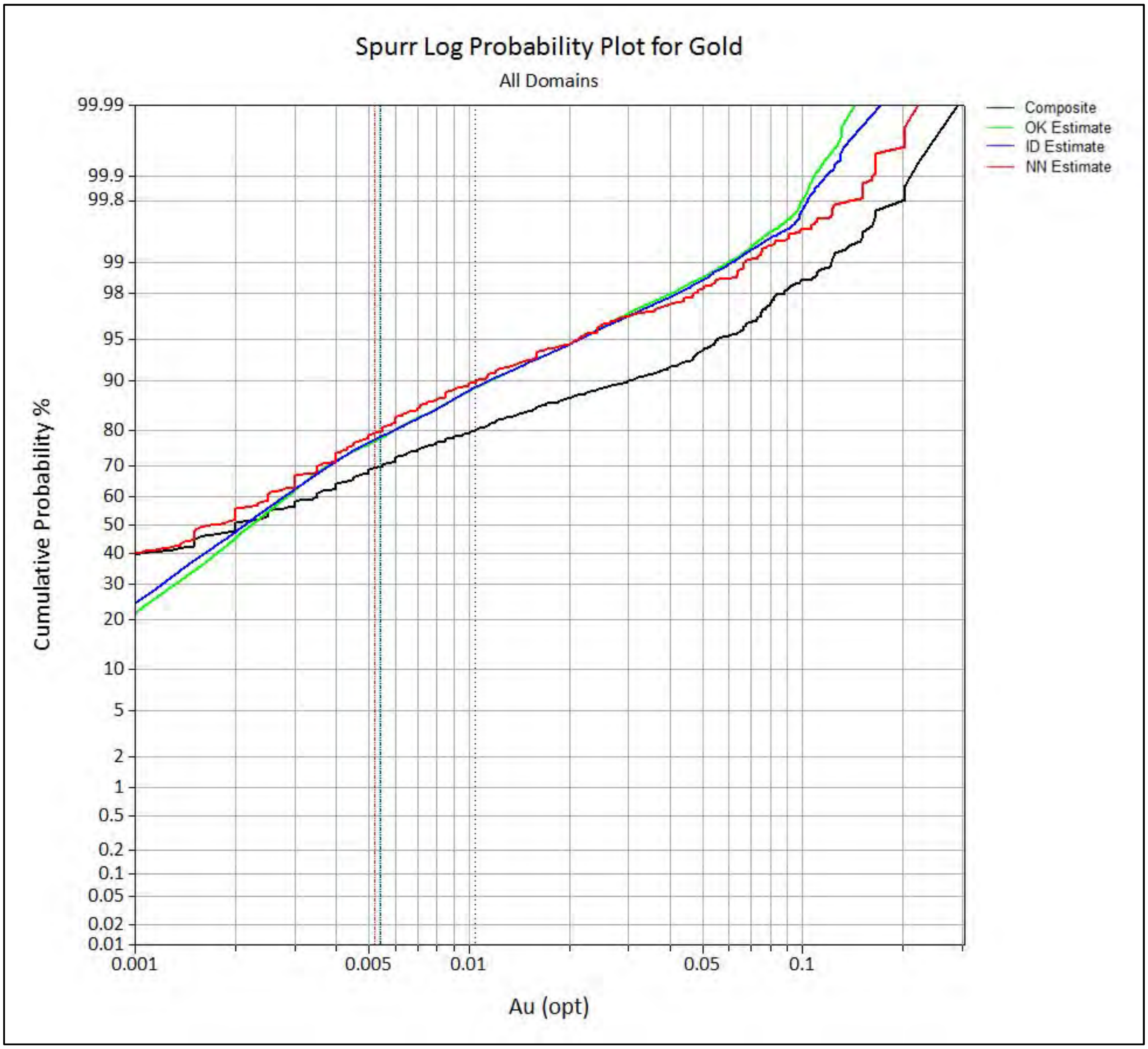


Figure 14.10: Spurr Comparative Log Probability Plot for Silver Estimates in All Domains

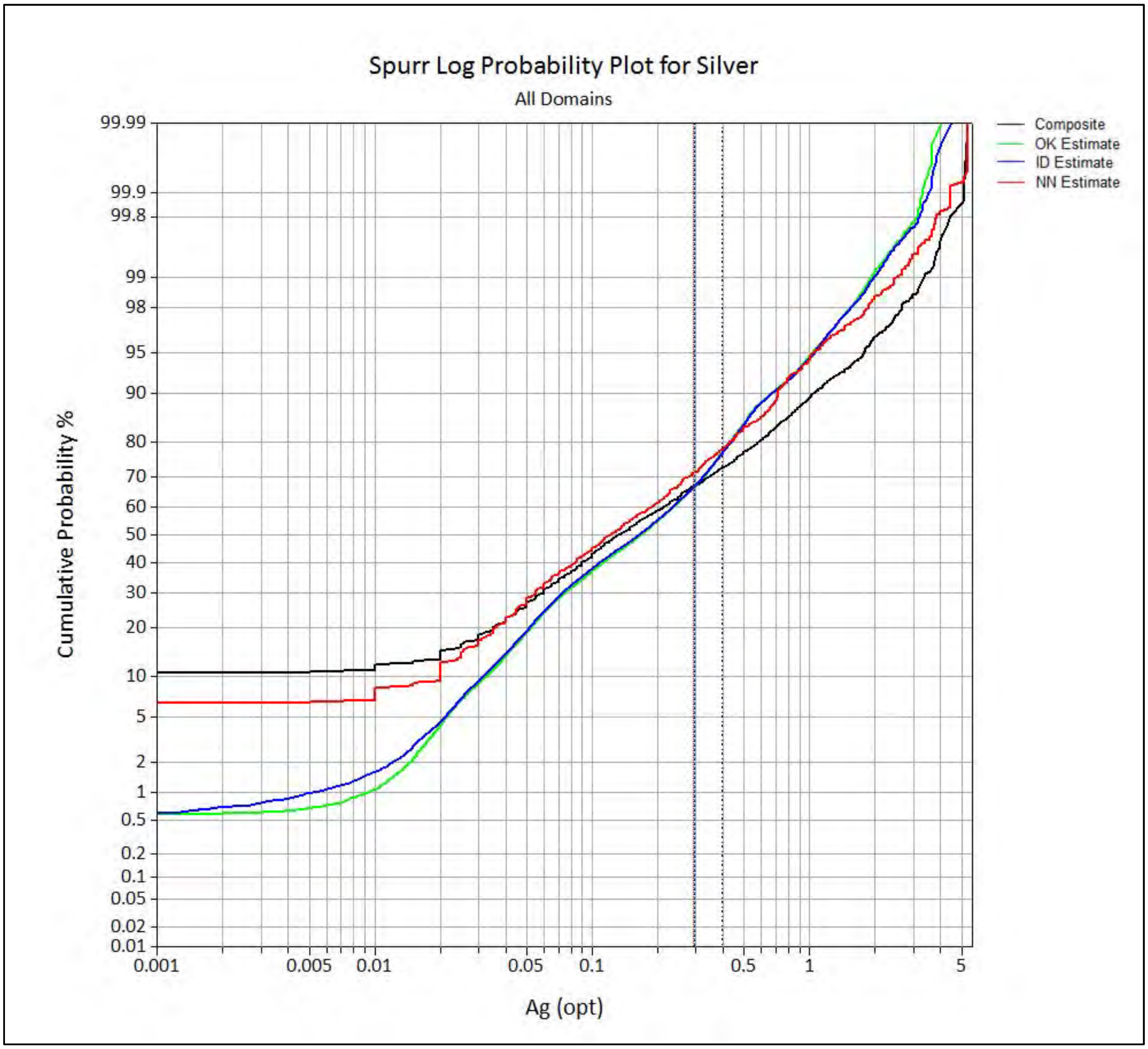


Figure 14.11: Varga Comparative Log Probability Plot for Gold Estimates in All Domains

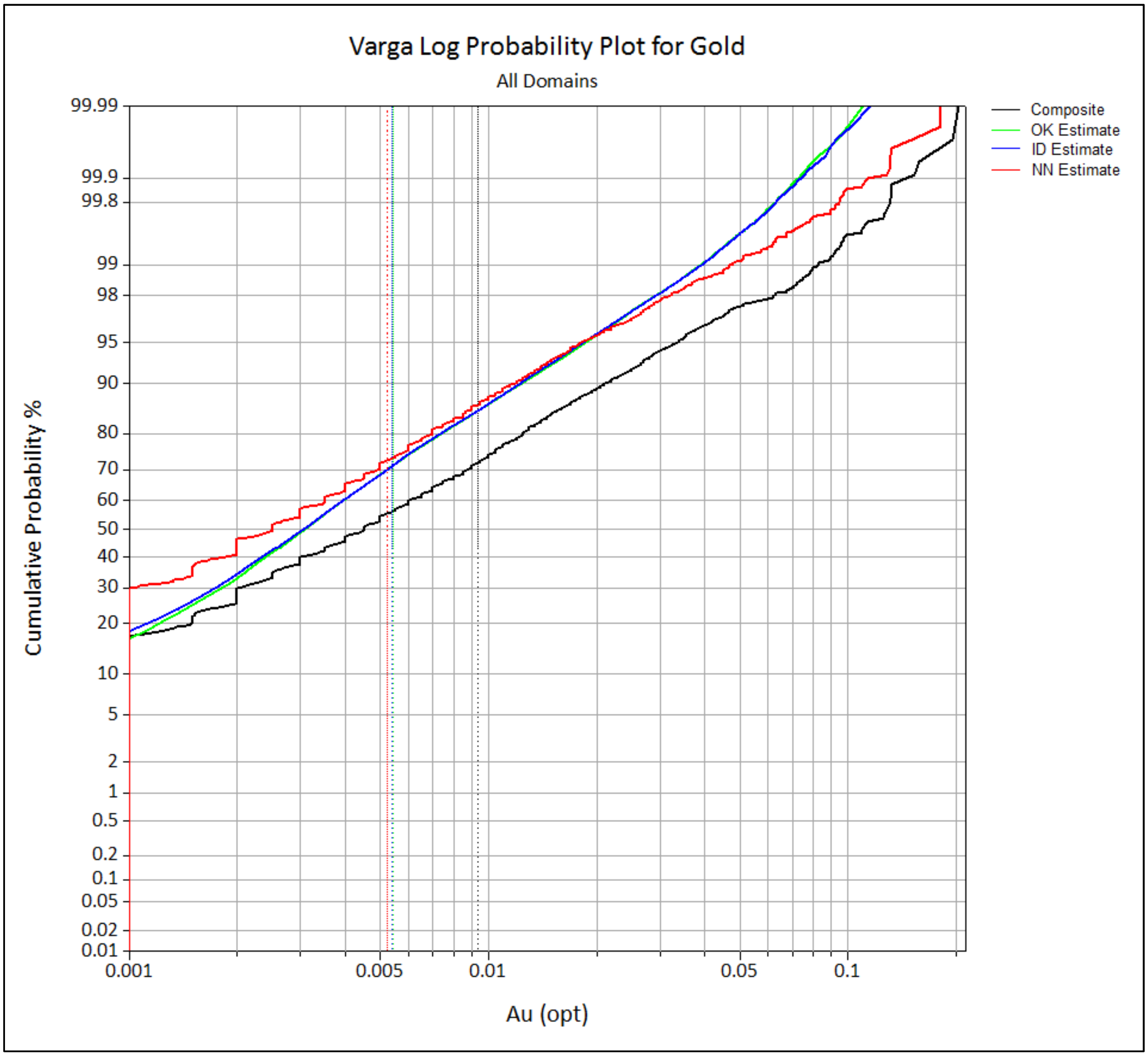


Figure 14.12: Varga Comparative Log Probability Plot for Silver Estimates in All Domains

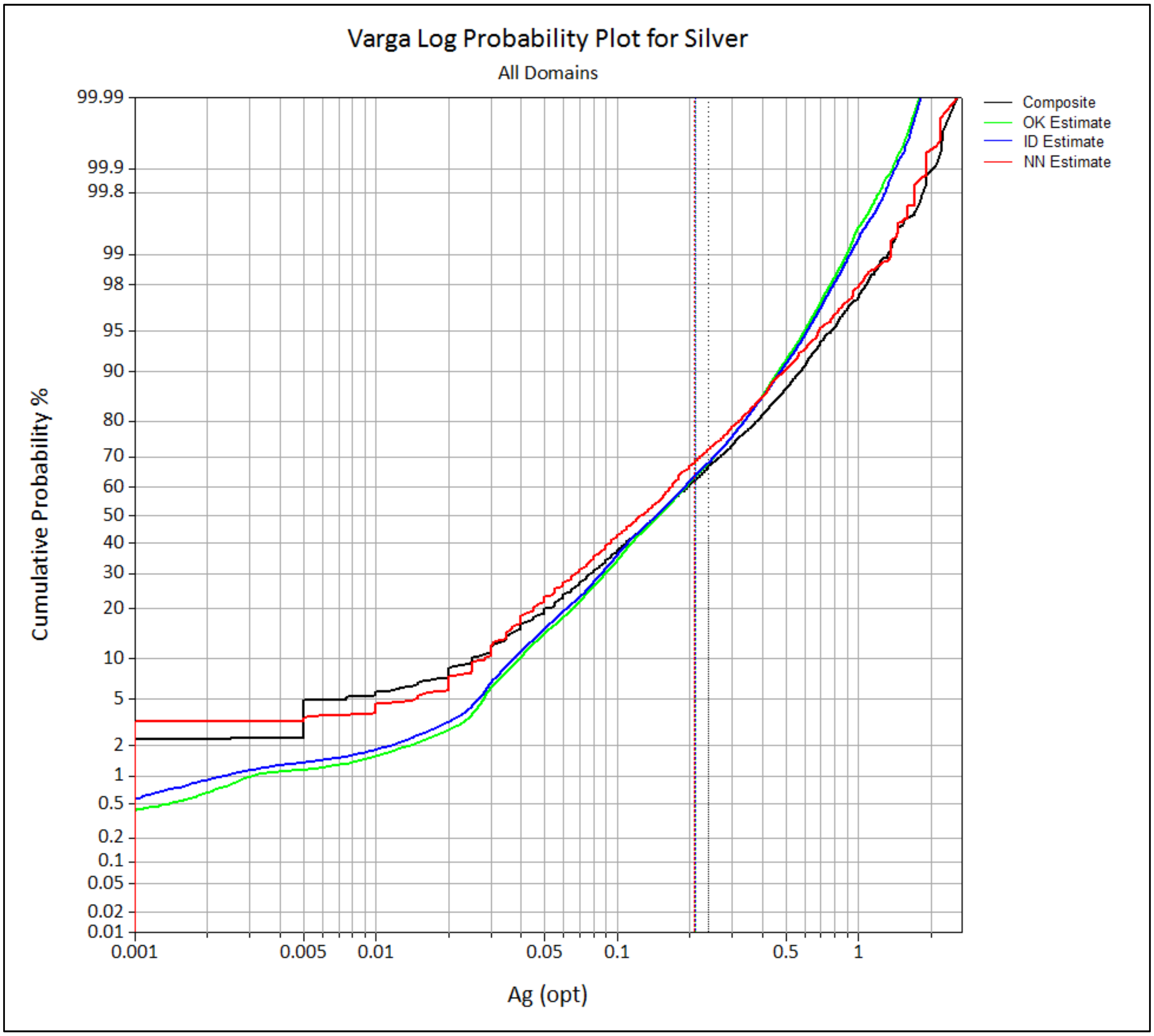


Figure 14.13: Sphinx Comparative Log Probability Plot for Gold Estimates in All Domains

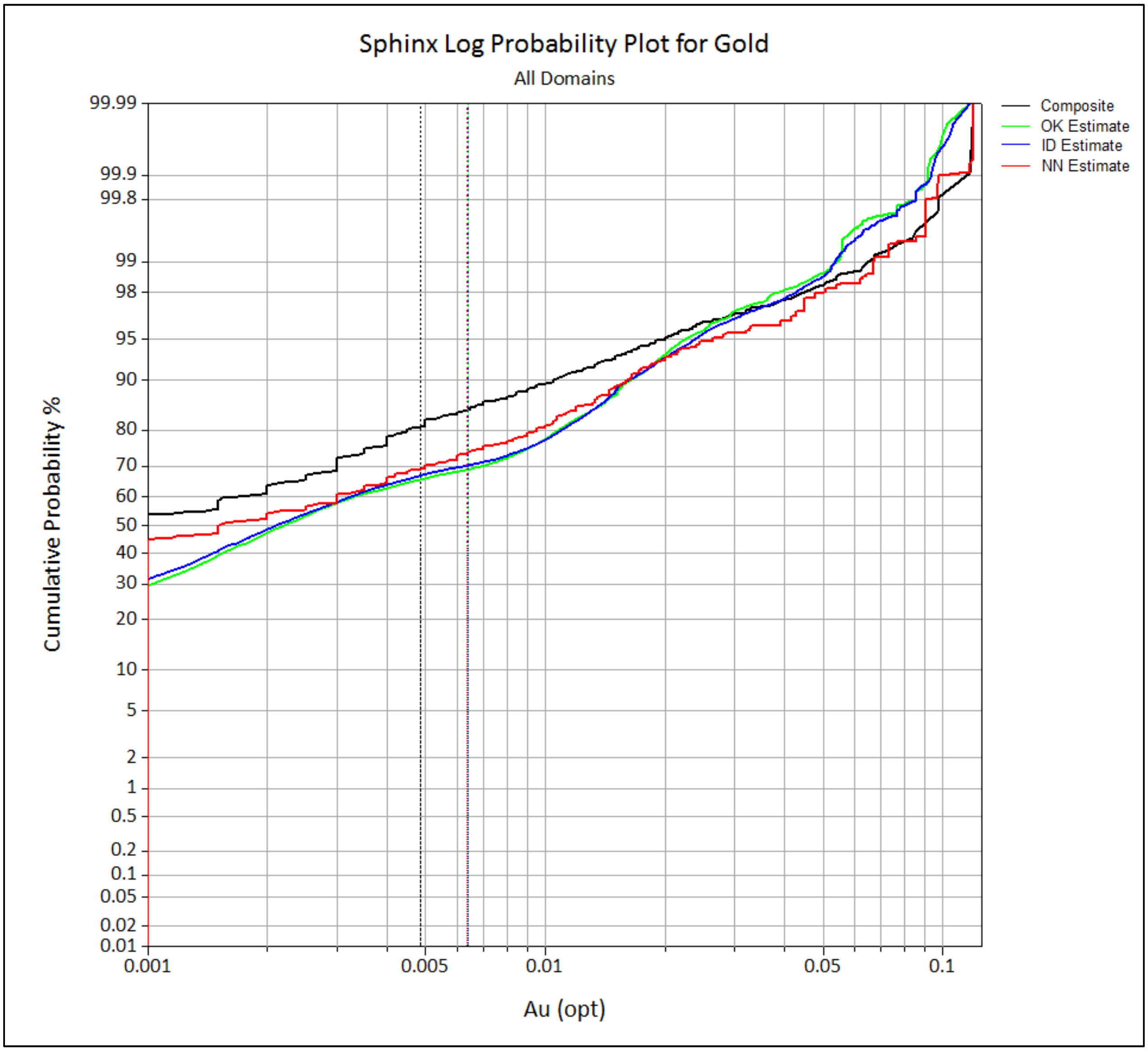


Figure 14.14: Sphinx Comparative Log Probability Plot for Silver Estimates in All Domains

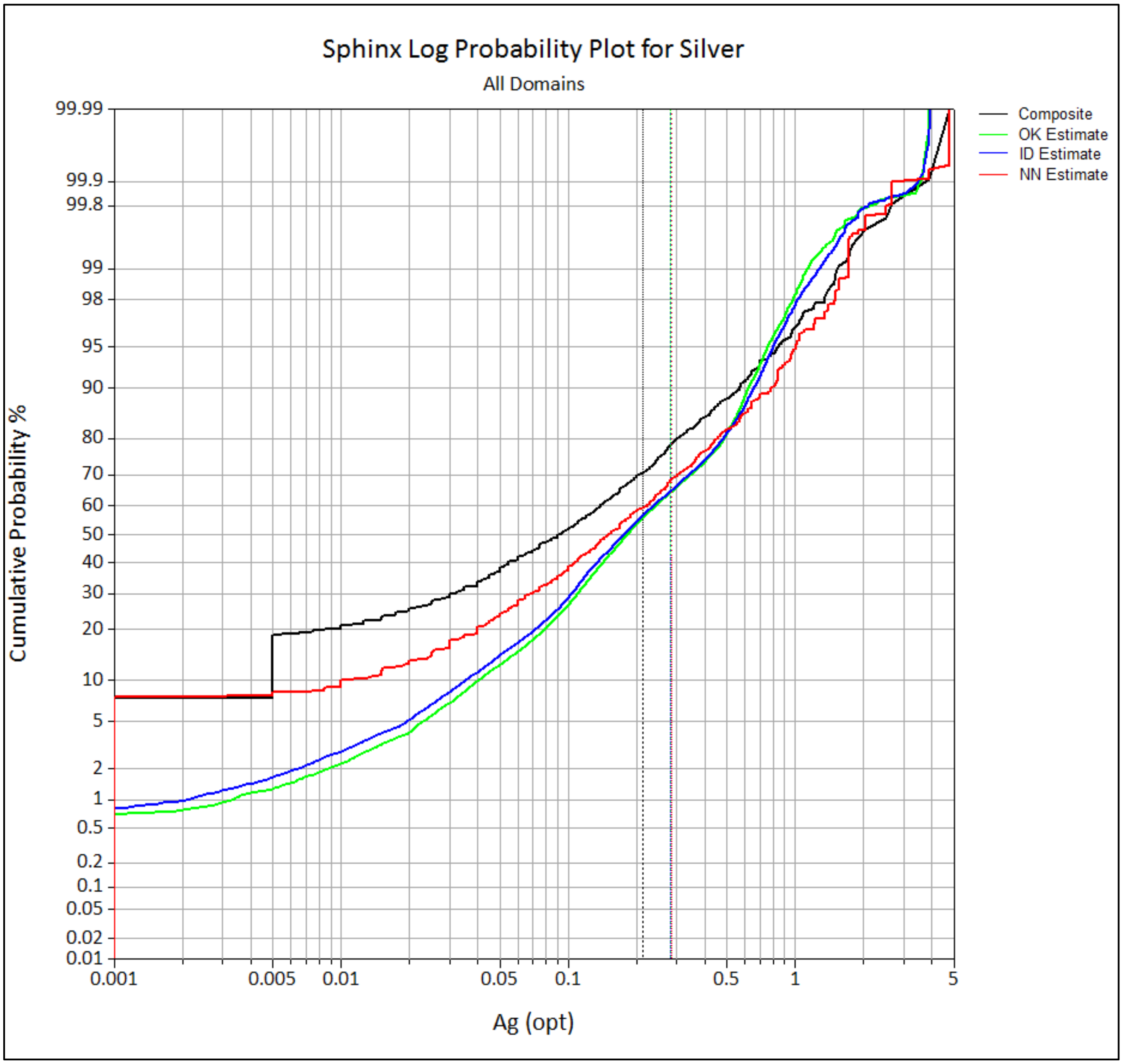


Figure 14.15: East Ridge Comparative Log Probability Plot for Gold Estimates in All Domains

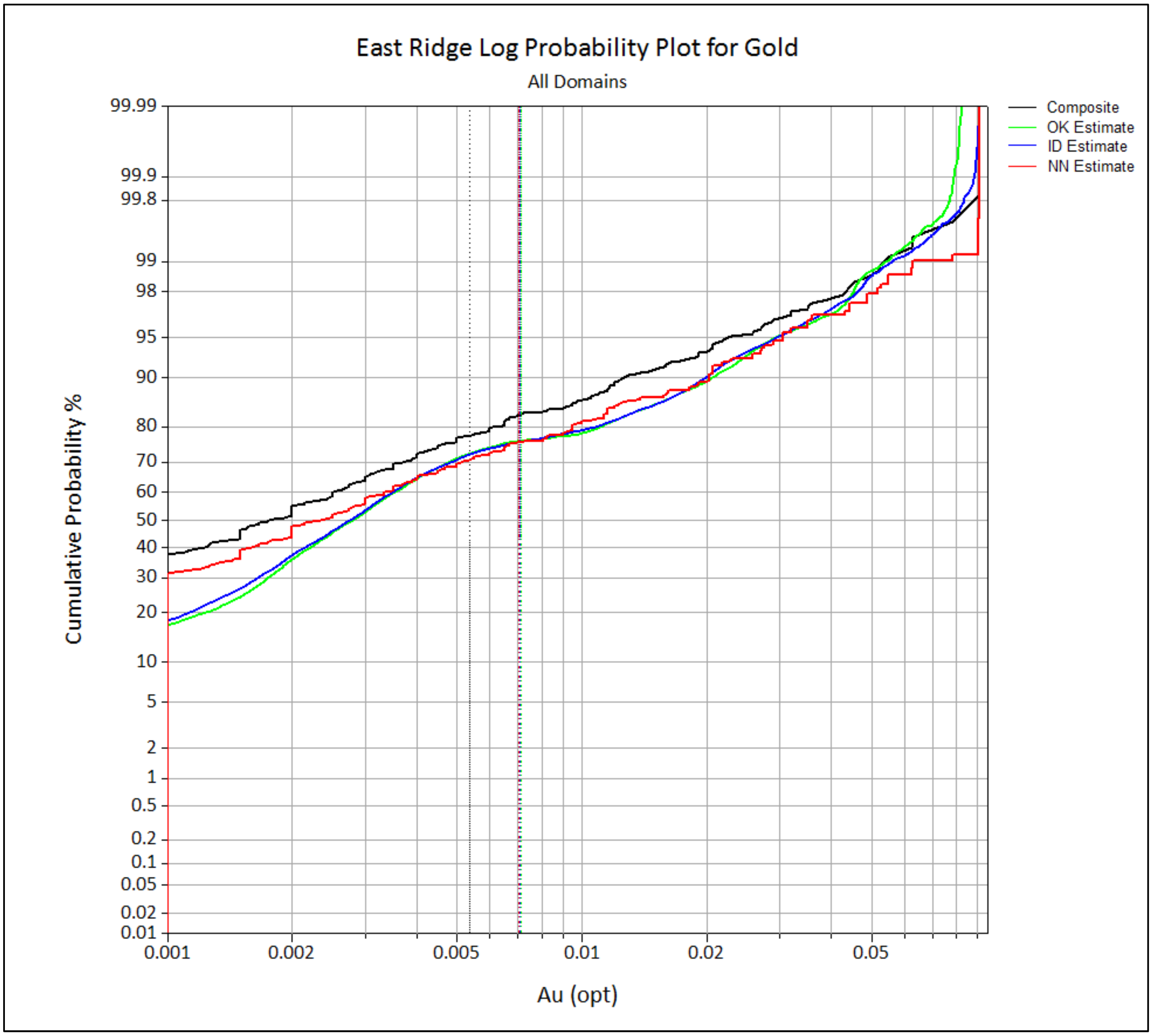
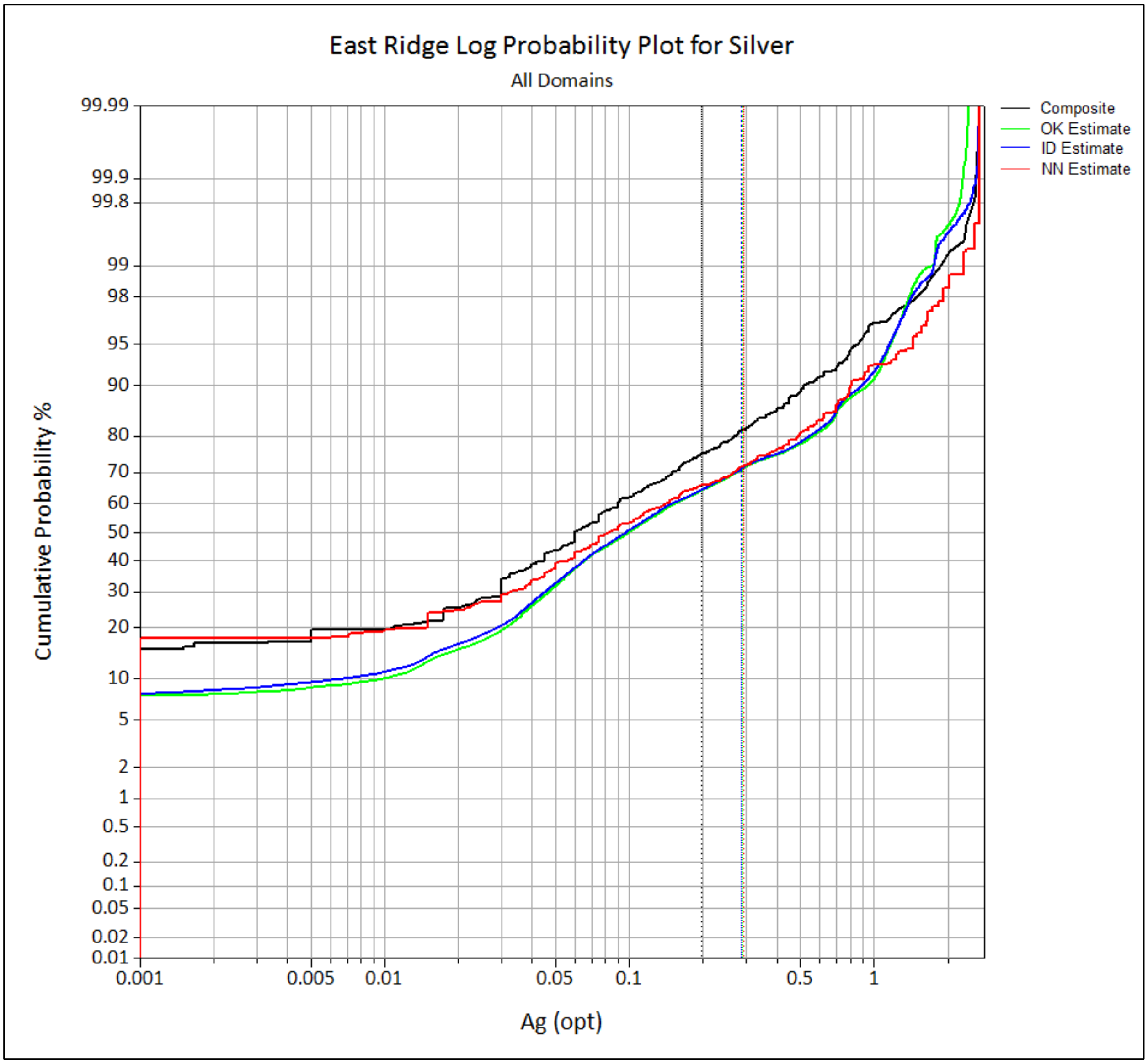


Figure 14.16: East Ridge Comparative Log Probability Plot for Silver Estimates in All Domains



14.7.4.1 <u>Swath Plots</u>

A swath plot is a graphical display of the grade distribution derived from a series of bands, or swaths, generated in several directions through a deposit. Swath plots were generated to compare average estimated gold grade from the OK method to the two validation model methods (ID and NN). The results from the OK model, plus those for the validation ID model method are compared using the swath plot to the distribution derived from the NN model.

Three swath plots were generated for each domain: along strike; perpendicular to strike and elevation from bottom to top. **Figures 14.17** and **14.18** present examples of a swath plots for the silver and gold estimates.

Figure 14.17: Varga Gold Easting Swath Plot in All Domains

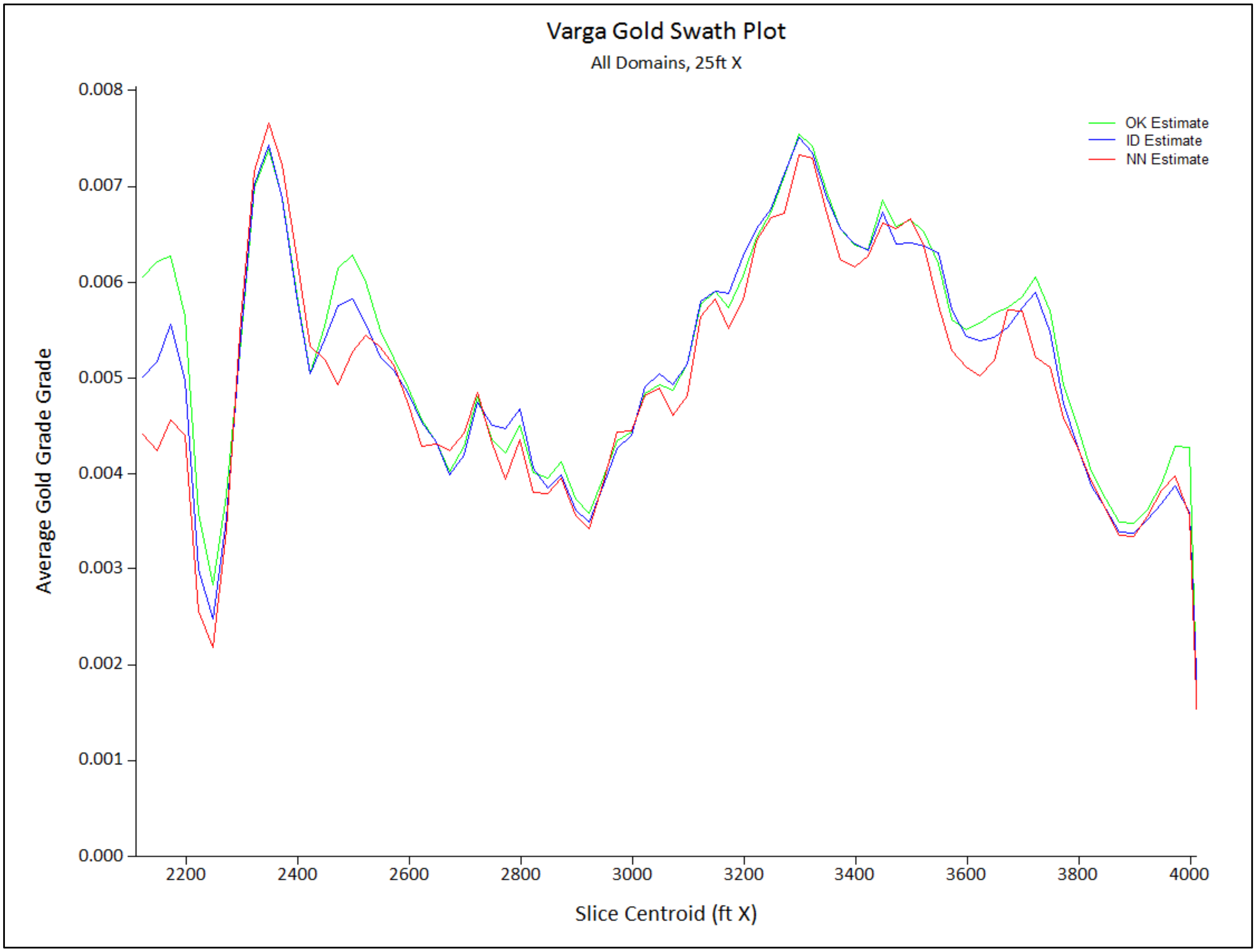
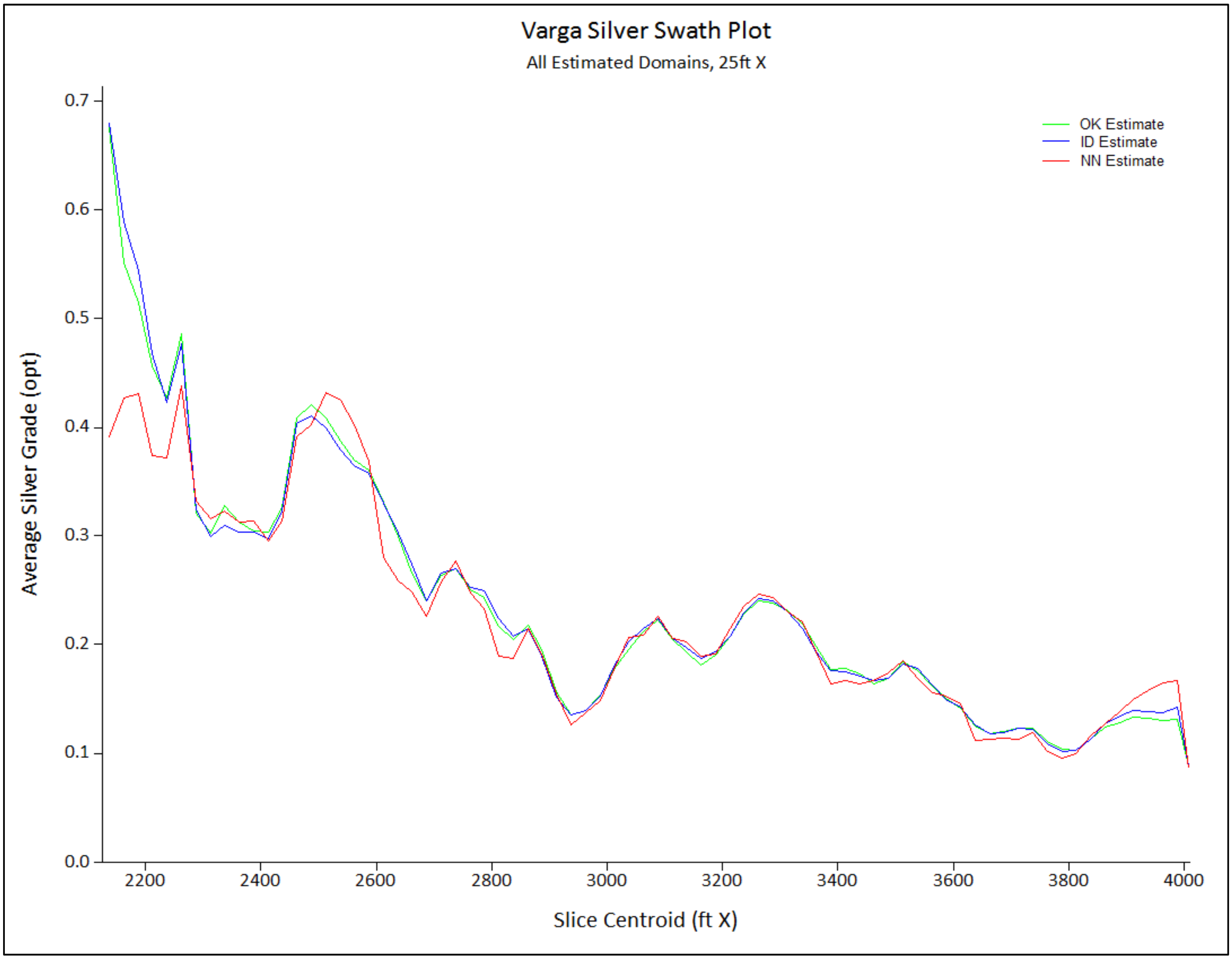


Figure 14.18: Varga Silver Easting Swath Plot in All Domains



14.7.4.2 Sectional Inspection

Cross, and bench sections of the OK estimate were examined to compare against composites, and check grade continuity along strike and down dip. Bench plans, cross-sections, and long sections comparing modeled grades to the 10-foot composites were evaluated. Sections displaying estimated gold and silver grades are shown in **Figure 14.19** and **Figure 14.20**, respectively. The figures show good agreement between modeled grades and the composite grades. In addition, the modeled blocks display continuity of grades along strike and down dip.

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Figure 14.19: Varga Gold Section

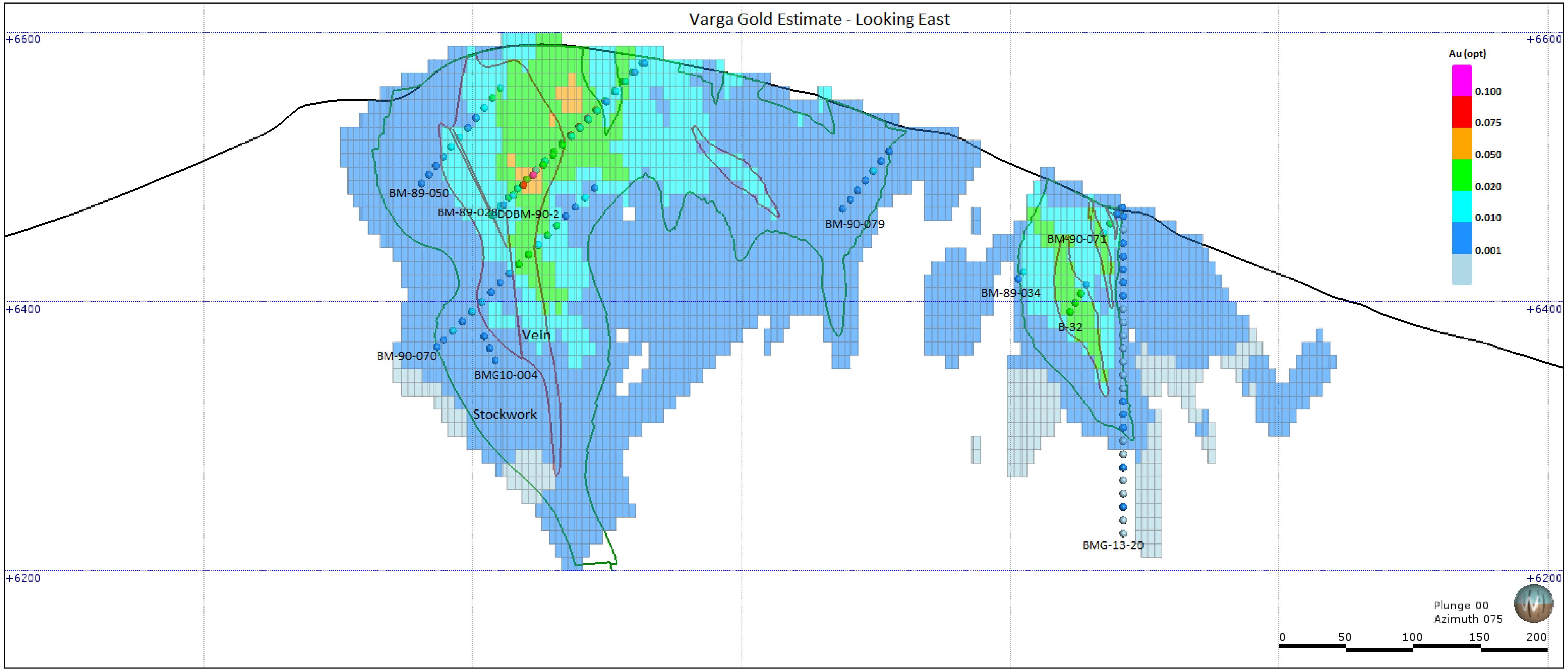
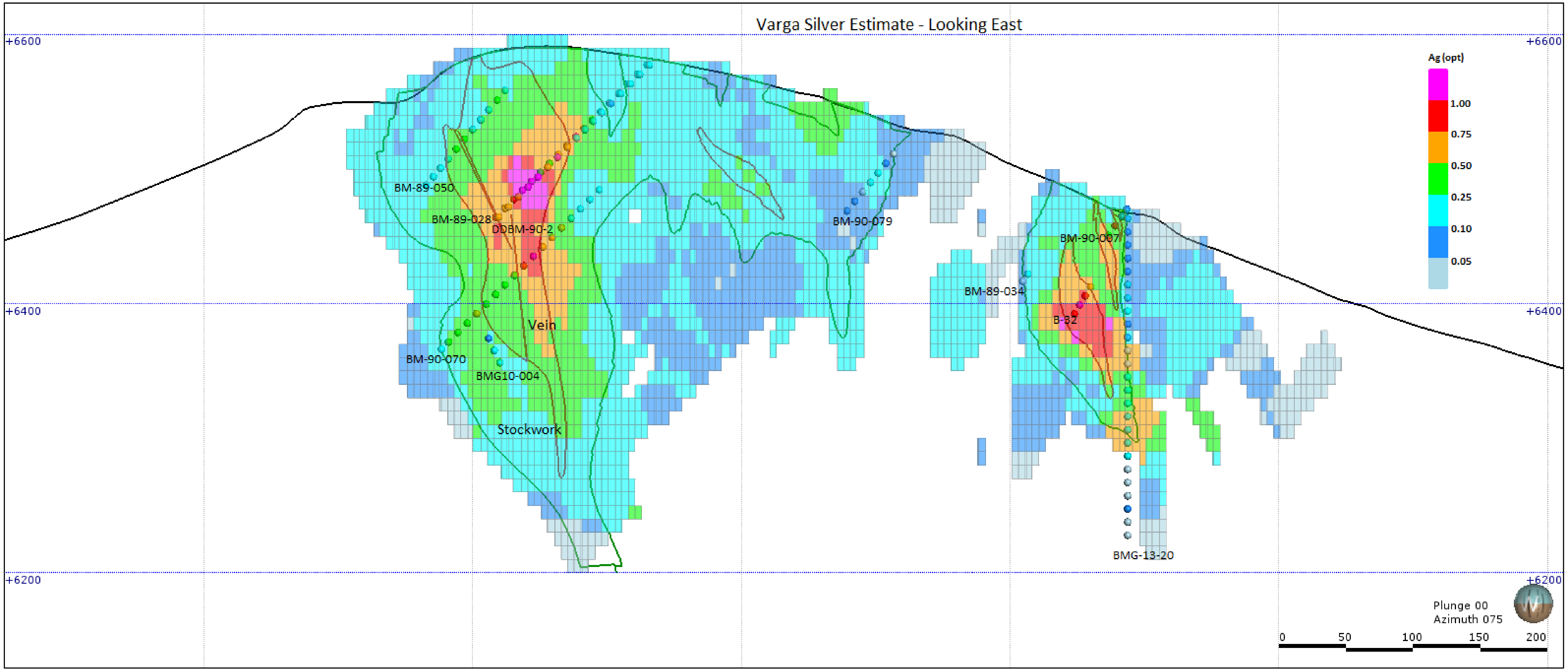


Figure 14.20: Varga Silver Section



14.7.5 Mineral Resource Classification

Mineral resources were assigned measured, indicated, and inferred classifications based on confidence of the estimate, domain of geologic model, and proximity to drill holes. The East Ridge deposit was not assigned any measured blocks due to large drill hole spacing. Indicated resources are those blocks within the stockwork or vein domains, estimated in the first pass, and within 0.4 units of the transformed distance (approximately 100 ft.). Inferred blocks are all other estimated blocks. The Sphinx, Varga, and Spurr deposits were assigned measured resources if blocks were within the stockwork and vein domains, estimated in the first pass, and within 0.2 units of the transformed distance (approximately 40ft.). Indicated resources are those blocks within the stockwork or vein domains, estimated in the first pass, and within 0.4 units of the transformed distance (approximately 100 ft.). The remaining estimated blocks are classified as inferred.

14.8 Mineral Resource Tabulation

In order to meet the test of ‘reasonable prospects for eventual economic extraction’, HRC constructed a Lerchs-Grossmann pit shell at a $1,300 gold and $17.50 silver price to further constrain the estimated resource. The input parameters for the pit shells and gold equivalent calculations are given in **Table 14.32**.

14.8.1 Gold Equivalent Calculations

Gold equivalents (AuEq) values were calculated from the silver and gold inverse distance estimates for each deposit. A gold price of $1,300/ounce and a silver price of $17.50/ounce were used. Mining and milling cost for the project were determined by John Welsh, P.E., Qualified Person, Senior Principal at Welsh Hagen Associates in April 2016. Gold and silver recoveries were calculated from core composite leach tests from the Sphinx, Varga, and Spurr deposits updated on March 17, 2016. The East Ridge deposit does not have current silver and gold recovery data, but is thought to be similar to the Sphinx deposit. The following calculations were used to determine the gold equivalent.

$$AuEq\ Factor = (AuRec/AgRec) \times (\$Au/\$Ag)$$

$$AuEq = Au + (Ag/AuEq\ Factor)$$

14.8.2 Economic Parameters Used for Pit Shell

The economic parameters used for this analysis are based upon estimated operating costs provided to HRC by Welsh Hagen Associates scaled to reflect designed production rates, expected process operating costs and estimated gold and silver recoveries from metallurgical tests completed to date. **Table 14.32** summarizes the cost and recovery parameters used in the analysis. HRC notes that mineral resources are not mineral reserves with demonstrated economic viability.

Table 14.32: Bell Mountain Economic Model Parameters

Varga		
Item	**Cost/Rate**	**Units**
Mining Cost	$2.49	US$ per Total ton
Processing Cost	$4.15	US$ per Ore ton
G&A	$0.80	US$ per Ore ton
Process Recovery (Au)	68.6%	
Process Recovery (Ag)	12.8%	
Mining Dilution	0%	
Spurr		
Item	**Cost/Rate**	**Units**
Mining Cost	$2.49	US$ per Total ton
Processing Cost	$4.15	US$ per Ore ton
G&A	$0.80	US$ per Ore ton
Process Recovery (Au)	83.7%	
Process Recovery (Ag)	29.6%	
Mining Dilution	0%	

East Ridge and Sphinx		
Item	**Cost/Rate**	**Units**
Mining Cost	$2.49	US$ per Total ton
Processing Cost	$4.15	US$ per Ore ton
G&A	$0.80	US$ per Ore ton
Process Recovery (Au)	80%	
Process Recovery (Ag)	10%	
Mining Dilution	0%	

14.8.3 Pit Shell Results

The following tables summarize the pit shell results at varying gold prices for Measured, Indicated and Inferred material at the base case cutoff grade. Results for the base case $1,300/AuEq oz. shells are highlighted. The values presented in the tables below are not to be misconstrued as a mineral resource as they are intended for the sole purpose of demonstrating the sensitivity of the resource estimate with respect to pit size.

Table 14.33: Spurr Pit Shell Results

Spurr at 0.004 AuEq cutoff								
Gold Price US $/oz	Classification	Tons	Gold		Silver		Gold Equivalent	
		(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
1000	Measured and Indicated	733.0	0.023	17,220	0.84	613,086	0.027	20,139
1100	Measured and Indicated	777.4	0.023	17,621	0.82	636,804	0.027	20,653
1200	Measured and Indicated	809.3	0.022	17,882	0.81	653,136	0.026	20,991
1300	Measured and Indicated	856.9	0.021	18,266	0.79	676,421	0.025	21,486
1400	Measured and Indicated	902.1	0.021	18,602	0.77	697,629	0.024	21,923
1500	Measured and Indicated	944.9	0.020	18,917	0.76	717,455	0.024	22,332
1600	Measured and Indicated	979.2	0.020	19,162	0.75	733,115	0.023	22,652
1000	Inferred	247.4	0.009	2,306	0.42	102,820	0.011	2,796
1100	Inferred	305.4	0.009	2,650	0.41	126,346	0.011	3,251
1200	Inferred	342.1	0.008	2,843	0.41	139,232	0.010	3,506
1300	Inferred	395.9	0.008	3,131	0.40	158,100	0.010	3,884
1400	Inferred	438.5	0.008	3,346	0.39	172,133	0.009	4,165
1500	Inferred	485.8	0.007	3,572	0.39	188,317	0.009	4,469
1600	Inferred	535.3	0.007	3,798	0.38	205,561	0.009	4,776

Table 14.34: Varga Pit Shell Results

Varga at 0.005 AuEq cutoff								
Gold Price US $/oz	Classification	Tons	Gold		Silver		Gold Equivalent	
		(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
1000	Measured and Indicated	1,673.6	0.017	29,221	0.33	547,459	0.018	30,596
1100	Measured and Indicated	1,822.4	0.017	30,768	0.33	595,621	0.018	32,264
1200	Measured and Indicated	2,018.0	0.016	32,628	0.32	652,695	0.017	34,267
1300	Measured and Indicated	2,143.0	0.016	33,740	0.32	689,423	0.017	35,472
1400	Measured and Indicated	2,251.1	0.015	34,636	0.32	720,540	0.016	36,446
1500	Measured and Indicated	2,360.4	0.015	35,495	0.32	750,344	0.016	37,379
1600	Measured and Indicated	2,449.1	0.015	36,136	0.32	775,692	0.016	38,085
1000	Inferred	791.7	0.014	11,379	0.30	240,269	0.015	11,983
1100	Inferred	915.4	0.014	12,681	0.31	283,381	0.015	13,393
1200	Inferred	1,046.9	0.013	13,895	0.31	326,675	0.014	14,715
1300	Inferred	1,140.7	0.013	14,711	0.31	355,618	0.014	15,604
1400	Inferred	1,243.3	0.013	15,600	0.31	390,461	0.013	16,580
1500	Inferred	1,351.8	0.012	16,481	0.31	420,345	0.013	17,537
1600	Inferred	1,444.1	0.012	17,223	0.31	446,682	0.013	18,345

Table 14.35: Sphinx Pit Shell Results

Sphinx at 0.004 AuEq cutoff								
Gold Price	Classification	Tons	Gold		Silver		Gold Equivalent	
US $/oz		(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
1000	Measured and Indicated	23.8	0.027	646	0.80	19,003	0.029	678
1100	Measured and Indicated	24.7	0.027	659	0.79	19,469	0.028	692
1200	Measured and Indicated	26.2	0.026	682	0.77	20,161	0.027	716
1300	Measured and Indicated	29.1	0.025	723	0.74	21,705	0.026	760
1400	Measured and Indicated	30.8	0.024	746	0.74	22,698	0.025	784
1500	Measured and Indicated	37.3	0.022	816	0.71	26,306	0.023	860
1600	Measured and Indicated	38.0	0.022	823	0.71	26,774	0.023	868
1000	Inferred	196.2	0.020	3,978	0.51	99,142	0.021	4,145
1100	Inferred	213.3	0.020	4,242	0.51	109,237	0.021	4,426
1200	Inferred	233.0	0.020	4,579	0.52	122,127	0.021	4,784
1300	Inferred	254.4	0.019	4,892	0.53	134,915	0.020	5,119
1400	Inferred	274.1	0.019	5,153	0.53	145,331	0.020	5,398
1500	Inferred	336.8	0.018	5,958	0.53	179,814	0.019	6,261
1600	Inferred	345.3	0.018	6,068	0.53	184,500	0.018	6,379

Table 14.36: East Ridge Pit Shell Results

East Ridge at 0.004 AuEq cutoff								
Gold Price	Classification	Tons	Gold		Silver		Gold Equivalent	
US $/oz		(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
1000	Measured and Indicated	29.3	0.031	908	0.93	27,395	0.033	955
1100	Measured and Indicated	30.1	0.031	924	0.93	27,915	0.032	971
1200	Measured and Indicated	32.2	0.030	966	0.92	29,483	0.032	1,016
1300	Measured and Indicated	36.1	0.028	1,016	0.85	30,598	0.030	1,067
1400	Measured and Indicated	39.2	0.027	1,067	0.82	32,200	0.029	1,121
1500	Measured and Indicated	40.3	0.027	1,082	0.81	32,686	0.028	1,137
1600	Measured and Indicated	41.0	0.027	1,094	0.81	33,065	0.028	1,150
1000	Inferred	218.5	0.025	5,456	0.84	183,773	0.026	5,765
1100	Inferred	227.7	0.025	5,631	0.83	189,493	0.026	5,950
1200	Inferred	240.3	0.024	5,876	0.83	198,289	0.026	6,210
1300	Inferred	268.4	0.023	6,150	0.77	205,928	0.024	6,496
1400	Inferred	298.0	0.022	6,684	0.75	223,897	0.024	7,061
1500	Inferred	310.1	0.022	6,805	0.74	228,048	0.023	7,188
1600	Inferred	324.9	0.022	7,048	0.73	237,243	0.023	7,447

14.8.4 In Pit (Reported) Mineral Resources

Table 14.37: Resource Statement for the Bell Mountain Project, Churchill County, Nevada Hard Rock Consulting, LLC, October 9, 2017

Spurr at 0.004 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	362.4	0.024	8,720	0.87	316,121	0.028	10,225
Indicated	494.5	0.019	9,546	0.73	360,301	0.023	11,261
M&I	856.9	0.021	18,266	0.79	676,421	0.025	21,486
Inferred	395.9	0.008	3,131	0.40	158,100	0.010	3,884
Varga at 0.005 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	769.7	0.016	12,316	0.34	258,904	0.017	12,966
Indicated	1,373.3	0.016	21,424	0.31	430,519	0.016	22,505
M&I	2,143.0	0.016	33,740	0.32	689,423	0.017	35,472
Inferred	1,140.7	0.013	14,711	0.31	355,618	0.014	15,604
Sphinx at 0.004 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	15.5	0.032	496	0.95	14,821	0.034	521
Indicated	13.6	0.017	227	0.51	6,884	0.018	239
M&I	29.1	0.025	723	0.74	21,705	0.026	760
Inferred	254.4	0.019	4,892	0.53	134,915	0.020	5,119
East Ridge at 0.004 AuEq cutoff							
Classification	Tons	Gold		Silver		Gold Equivalent	
	(x1000)	(opt)	(oz)	(opt)	(oz)	(opt)	(oz)
Measured	0	0.000	-	0.00	-	0.000	-
Indicated	36.1	0.028	1,016	0.85	30,598	0.030	1,067
M&I	36.1	0.028	1,016	0.85	30,598	0.030	1,067
Inferred	268.4	0.023	6,150	0.77	205,928	0.024	6,496

Notes: Open pit optimization was used to determine potentially mineable tonnage. Measured, Indicated and Inferred mineral classification was determined according to CIM Standards. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The 2017 Measured, Indicated and Inferred resource is constrained within a $1,300 Au and $17.50 Ag Lerchs-Grossman Pit shell. The base case estimate applies a AuEq cutoff grade of 0.005 oz/t for Varga and 0.004 oz/t for all other areas based on the estimated operating costs. Metallurgical recoveries used for the cutoff calculations were 83.7% on gold and 29.6% on silver for Spurr, 68.6% on gold and 12.8% on silver for Varga and 80% on gold and 10% on silver for Sphinx and East Ridge.

15.0 MINERAL RESERVE ESTIMATES

No mineral reserves are reported herein.

16.0 MINING METHODS

The PEA is based on the Mineral Resource model which includes inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of this PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into a Mineral Reserve.

The basis for the PEA is to demonstrate the economic viability of the Bell Mountain Project. The PEA results are only intended as an initial, first-pass review of the potential project economics based on preliminary information.

This PEA uses the term “mineralized material” to distinguish material that is potentially economic from waste materials.

16.1 Hydrogeology and Hydrology

In February 2017 Stantec Consulting Services Inc. prepared a Technical Memorandum titled Conceptual Hydrogeologic Model of Stingaree Valley (Stantec, 2017a) to evaluate surface hydrology and groundwater hydrogeology conditions in the hydrographic subbasin in the vicinity of the Project. The results of the study indicate the conceptual mine pits would not encounter groundwater; no pit lake formation is anticipated. Surface hydrology results indicate surface water within the subbasin is limited to intermittent flows following precipitation events and some seasonal snowmelt.

16.2 Geotechnical Study

A geotechnical study titled Pre-feasibility Level Pit Slope Design Report (Golder, 2016), dated April 1, 2016 was prepared by Golder Associates to provide Eros with open pit slope design recommendations for use in mine pit planning. The recommendations for pit slope angles were used for the resource model pit optimizations and pit designs. The pit slope recommendations are relatively comparable to many active open pit mining operations in the region.

16.3 Mine Plan

The mining operation is assumed to be a conventional open pit mine, with drill and blast rock breakage and truck and loader materials handling.

The mineral resource model described in **Section 14** was the basis for developing four separate mined envelopes (pits) using the Lerchs-Grossman pit optimization software package. The mine production schedule was based on an average of 5,000 tons / day delivered to the crusher and then placed on the heap leach pad as crushed mineralized material. The pits will be mined sequentially beginning at the Spurr pit near the crusher and progressing easterly to the Varga, Sphinx and East Ridge pits. The production schedule was constrained to produce a constant feed of mineralized material to the crusher and conveyor (or truck) loading onto the heap leach pad. Some stockpiling of higher grade material may be required to balance the crusher feed rate.

16.4 Pit Shape Determinations

Designed pits were generated for the Spurr, Varga, Sphinx and East Ridge areas. These designs were based on the $1250/oz gold and $15/oz silver Lerchs-Grossman pit optimization shell limits. Pit design parameters are shown on **Table 16.1**. Conceptual design pits are shown on **Figure 16.1**.

Table 16.1: Pit Design Parameters

Azimuth	Pit	Bench Ht. (ft)	Recommended Inter-Ramp Pit Slope Angle (°)	Bench Width (ft)	Batter angle (°)
120-280	Spur	40	45	23.00	67.0
280-0	Spur	40	43	23.00	63.6
0-60	Spur	40	45	23.00	67.0
60-120	Spur	40	44	23.00	65.3
90-270	Varga	40	45	23.00	67.0
270-340	Varga	40	41	23.00	60.1
340-40	Varga	40	44	23.00	65.3
40-90	Varga	40	45	23.00	67.0
120-300	Sphinx	40	45	23.00	67.0
300-60	Sphinx	40	43	23.00	63.6
60-120	Sphinx	40	42	23.00	61.8
45-150	East Ridge	40	43	23.00	63.6
150-285	East Ridge	40	42	23.00	61.8
285-45	East Ridge	40	45	23.00	67.0

Pit haulage ramps are designed to optimize fleet schedules and minimize waste mining. Haulage ramp design parameters are shown on **Table 16.2. Figures 16.2** through **16.5** show the profile of the design pit for each of the four deposit areas.

Table 16.2: Ramp Design Parameters

Parameter	Value
Ramp Width - Two Way Traffic	70 ft
Ramp Grade - Two Way Traffic	12 percent
Ramp Width - Single Lane Traffic	30 ft
Ramp Grade - Single Lane Traffic	12 to 14 percent

Figure 16.1: Conceptual Final Design Pits

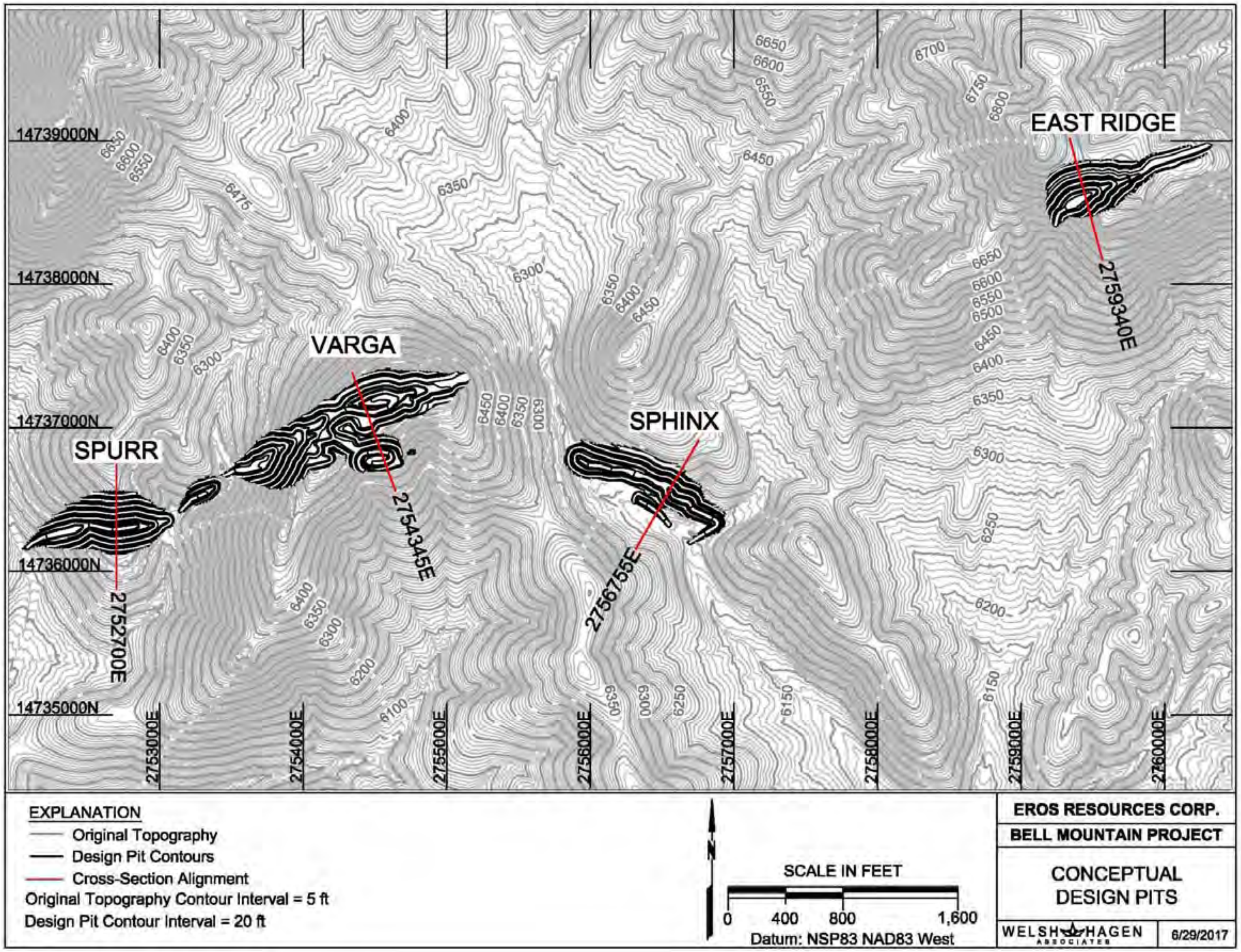


Figure 16.2: Spurr Grade Model showing Final Design Pit

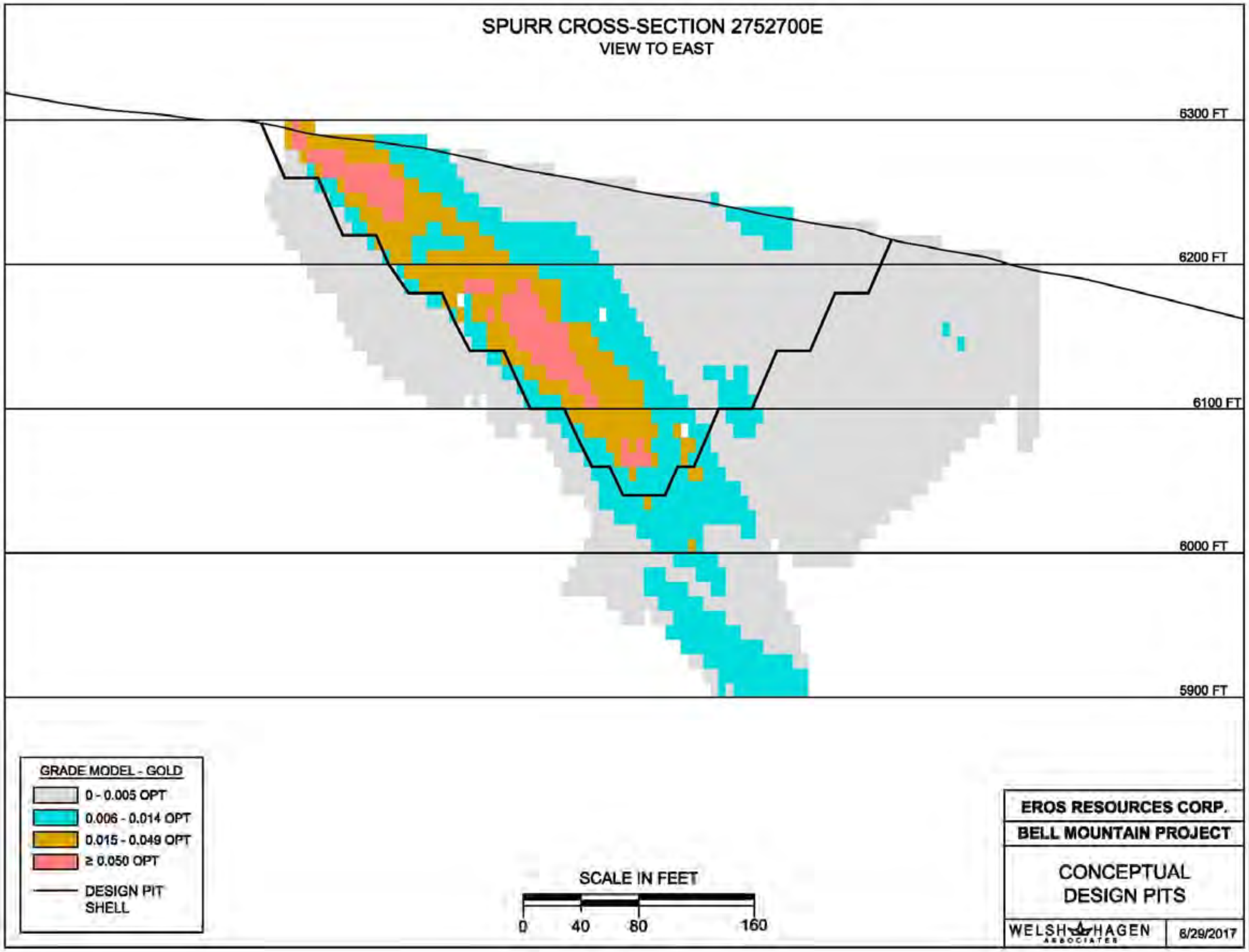


Figure 16.3: Varga Grade Model showing Final Design Pit

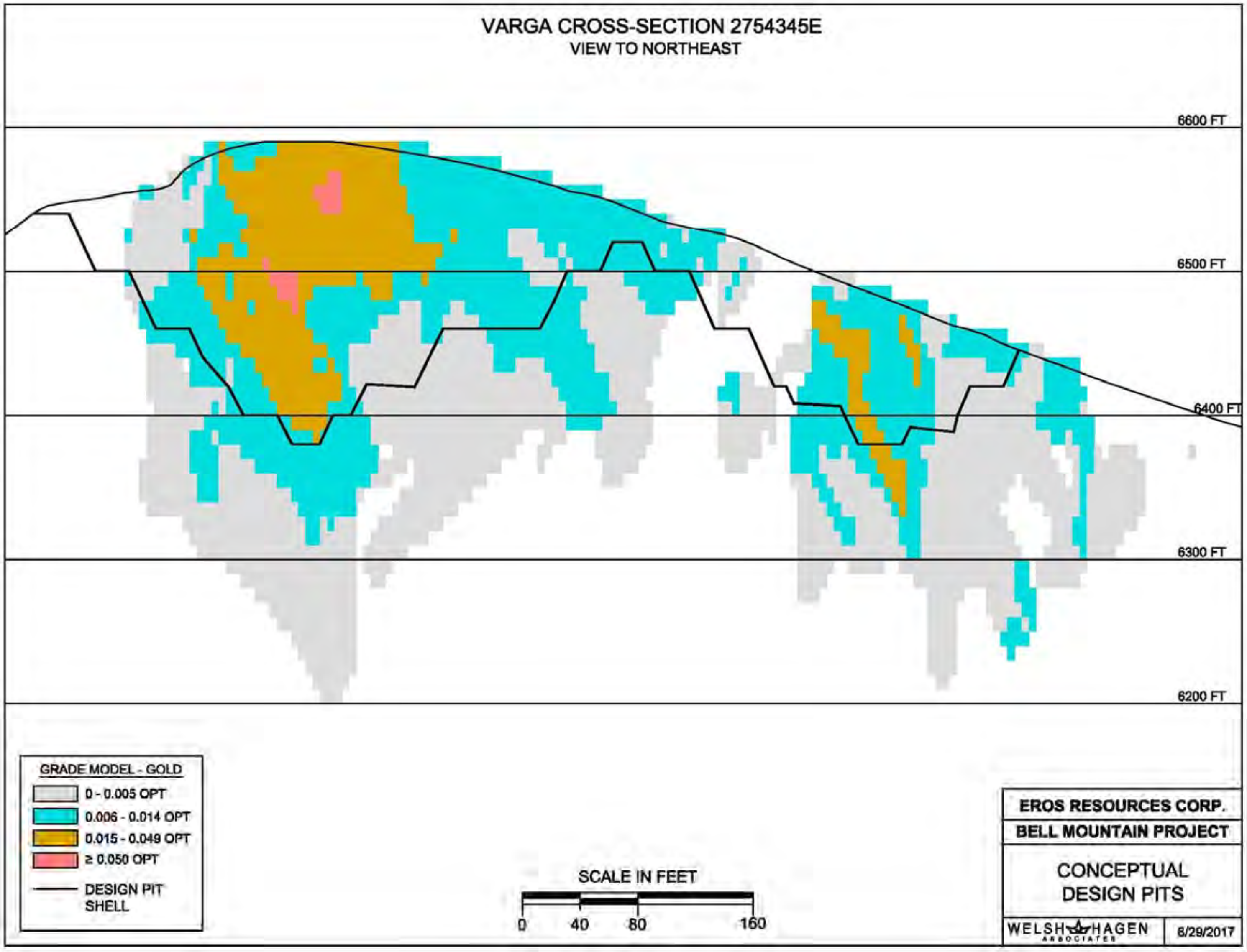


Figure 16.4: Sphinx Grade Model showing Final Design Pit

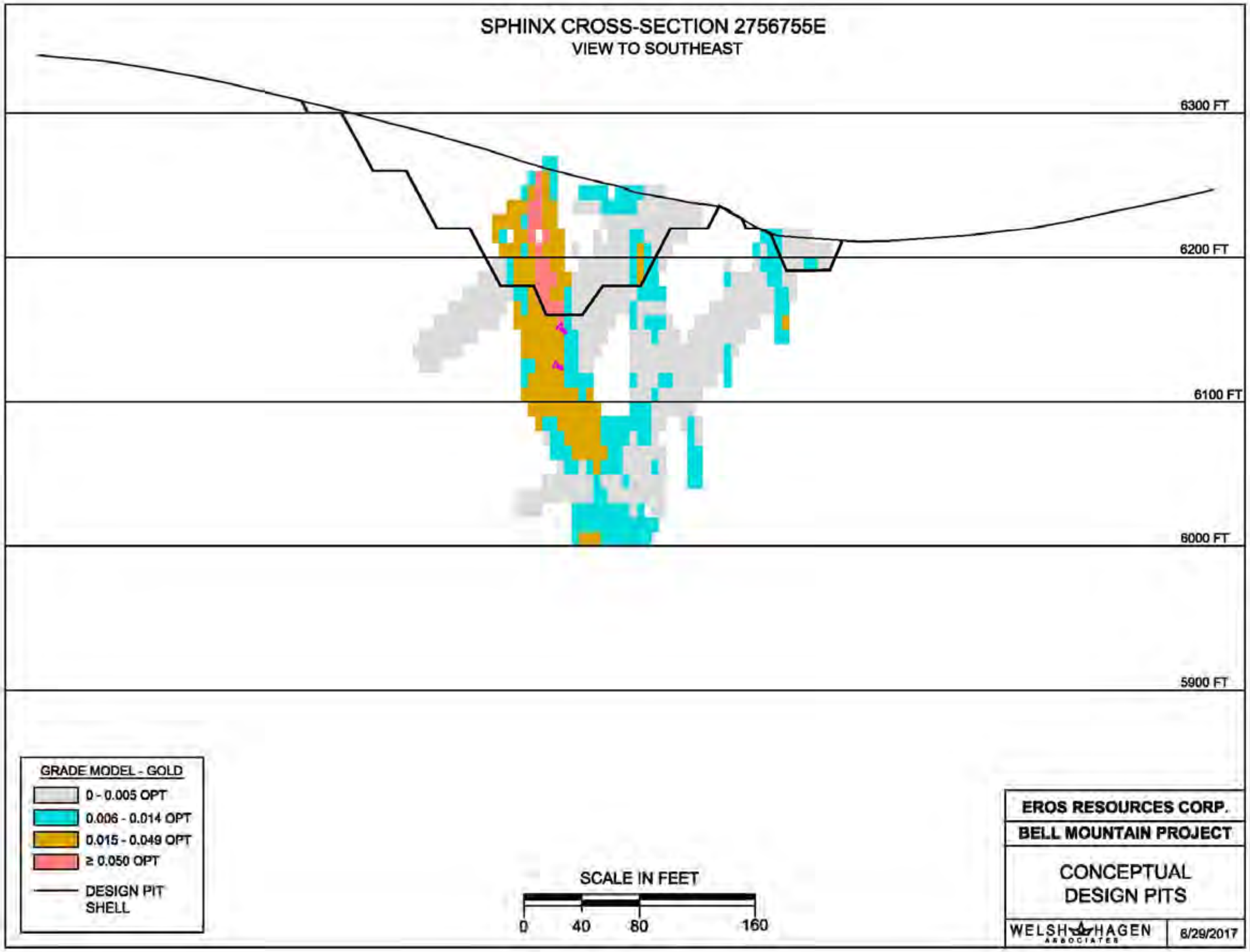
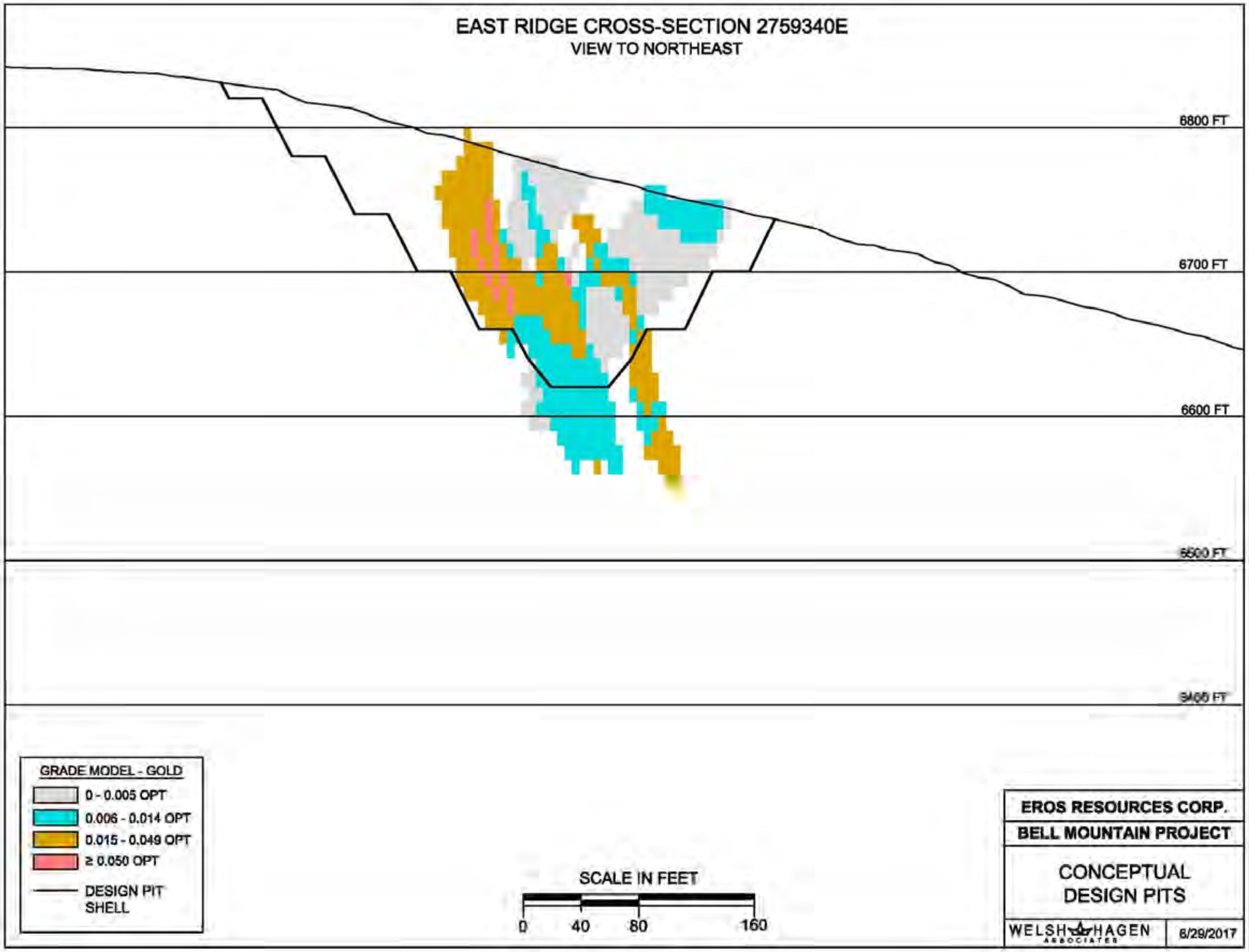


Figure 16.5: East Ridge Grade Model showing Final Design Pit



16.5 Mining Equipment

This PEA assumes that mining operations at Bell Mountain will be performed by a contractor. There are several companies in Nevada that perform contract mining. Typically, a contract miner will provide drilling, blasting, loading, hauling and ancillary equipment to support the mining operation. Capital to purchase the mining equipment is not included in the capital cost estimates in **Section 21**; however, these costs are reflected in higher operating costs as the mining is performed. The relatively short mine life makes contract mining an economic and lower risk choice.

The contract haulage fleet will need to move approximately 5,000 tons per day of mineralized material and approximately 2,500 tons per day of waste. This will likely be done with trucks in the 30 to 40 tons range and appropriately sized wheel loaders. Ancillary equipment will include water trucks, dozer(s), grader(s), blast hole drills, a service truck, and a fuel/lube truck.

At the crusher, the Owner will provide a front-end loader to feed the crusher from the coarse mineralized material stockpile when trucks are not direct dumping. A D-8 size dozer will also be needed on the heap leach pad to spread and level the surface of the crushed mineralized material for leaching.

16.6 Mining above Underground Workings

Limited, historic underground drifting and bulk sampling has occurred in the mineralized areas considered in this PEA. This mining was generally performed manually by excavating drifts (tunnels) underneath the ore zones and selectively extracting the mineralized rock from underneath – creating open man-made caves (stopes). Sometimes, mine timbers were used to brace the sides of the drifts and stopes, but after several decades the timbers may no longer provide effective support. The unsupported openings often have no surface expression and may cave in if mining equipment gets too close.

Experience at numerous open pit mines in Nevada has shown that mining over historic underground mines can be performed safely without significantly disrupting the mining schedule; however, the presence of underground workings requires additional safety precautions to avoid ground collapse under men or equipment. Typically, a blast hole drill is used to advance probe holes to a depth of 60 feet below a mining level to determine the presence of a mining cavity. When a cavity is located, additional probe holes are drilled to determine the extent of the cavity. Then a blasting plan is developed to fill the void with blasted rock prior to mining over the area. Mining is usually performed with a track excavator loading the haul trucks. If additional voids are exposed during mining, additional probing, drilling and blasting will be performed until the previous cavities are mined out and normal mining sequences can be resumed.

16.7 Mining Schedule

A mining schedule was generated based on resources within the conceptual designed pit phases using the following parameters and guidelines:

- Contract mining operations, 5 days per week, one shift per day;
- Crushing operations 5 days per week, two shifts per day; one weekend maintenance shift
- Average total annual mineralized material production of approximately 1.5 million tons.

Hydraulic excavators and rubber-tired front-end loaders were chosen as primary loading units. The loading units were matched to the contractor specified 40-ton haul trucks. This equipment is a good match for the size of the conceptual pits. Initial pit development may be performed using same equipment fleet as specified for production mining.

In general, backfilling of the eastern Spurr pit and the Spurr Satellite pit is considered economically and environmentally appropriate. Since the Spurr Pit would conceptually be mined first, it would probably be partially backfilled with waste from the Varga pit. As mining progresses, a minor quantity of fill material may be required on a bench by bench basis to provide temporary ramps in areas with difficult access. Access ramps to the upper levels of the pits would mainly be internal to the pits and would be mined out as the pit progresses downward.

Mineral resources within the pits volumes were evaluated and scheduled using an Excel spreadsheet. The average cutoff grade for the mine life of the conceptual mining project is 0.004 Au opt for the Spurr, Sphinx and East Ridge deposits, and 0.005 Au opt for the Varga. **Table 16.3** shows the classification of the currently identified mineral resources within the combined four designed pits. A detailed conceptual mine schedule is summarized by year in **Table 16.4**.

Table 16.3: Potential Processed Material within Designed Pits

Resources Inside Designed Pits							
Classification	Tons X 1,000	Au opt	Ag opt	AuEq opt	Au Ounces	Ag Ounces	AuEq Ounces
Measured	1,102.7	0.019	0.52	0.021	21,087	573,256	22,987
Indicated	1,826.3	0.017	0.44	0.019	31,340	798,074	33,805
Measured & Indicated	2,928.9	0.018	0.47	0.019	52,427	1,371,330	56,793
Inferred	1,977.7	0.014	0.43	0.015	28,332	844,804	30,271

Notes:

1. The reader is cautioned that the quantities and grade estimates in this table should not be misconstrued with a Mineral Resource Statement.
2. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
3. There is no certainty that all or any part of the mineral resource will be converted to mineral reserves.
4. Design pits are based on $1,250/oz Au and $15/oz silver Lerchs-Grossman pit optimizations.
5. Rounding may cause apparent inconsistencies.

Table 16.4: Conceptual Production Schedule

Item	Units		Year -1	Year 1	Year 2	Year 3	Year 4	Totals
Spurr Pit								
Mineralized Material	Tons	000's	0	1,187.0	0	0	0	**1,187.0**
Mineralized Material	Grade	AuEq opt		0.021				0.021
Mineralized Material	Oz Au Eq.	000's	0	24.4	0	0	0	**24.4**
Waste Rock	Tons	000's	0	886.9	0	0	0	886.9
Strip Ratio	Tons Waste / Tons Mineralized Material			0.75				0.75
Varga Pit								
Mineralized Material	Tons	000's	0	313.0	1,500.0	1,301.0	0	**3,114.0**
Mineralized Material	Grade	AuEq opt		0.016	0.017	0.014		0.016
Mineralized Material	Oz Au Eq.	000's	0	4.9	25.6	18.5	0	**49.0**
Waste Rock	Tons	000's	0	80.0	564.1	610.3	0	1,254.5
Strip Ratio	Tons Waste / Tons Mineralized Material			0.26	0.38	0.47		0.40
Sphinx Pit								
Mineralized Material	Tons	000's	0	0	0	199.0	116.6	**315.5**
Mineralized Material	Grade	AuEq opt				0.020	0.019	0.020
Mineralized Material	Oz Au Eq.	000's	0	0	0	4.0	2.2	**6.2**
Waste Rock	Tons	000's	0	0	0	626.4	107.6	734.0
Strip Ratio	Tons Waste / Tons Mineralized Material					3.15	0.92	2.33
East Ridge Pit								
Mineralized Material	Tons	000's	0	0	0	0	290.0	**290.0**
Mineralized Material	Grade	AuEq opt					0.026	0.026
Mineralized Material	Oz Au Eq.	000's	0	0	0	0	7.5	**7.5**
Waste Rock	Tons	000's	0	0	0	0	883.2	883.2
Strip Ratio	Tons Waste / Tons Mineralized Material						3.05	3.05
All Pits Combined								
Total Mineralized Material	Tons	000's	0	1,500.0	1,500.0	1,500.0	406.6	**4,906.6**
opt Au Equivalent	Grade	AuEq opt		0.020	0.017	0.015	0.024	0.018
Contained oz Au Equivalent	Oz AuEq	000's		29.3	25.6	22.5	9.6	**87.0**
Waste Rock	Tons	000's	0	966.9	564.1	1,236.7	990.8	**3,758.6**
Total Mined	Tons	000's	0	2,466.9	2,064.1	2,736.7	1,397.5	**8,665.2**

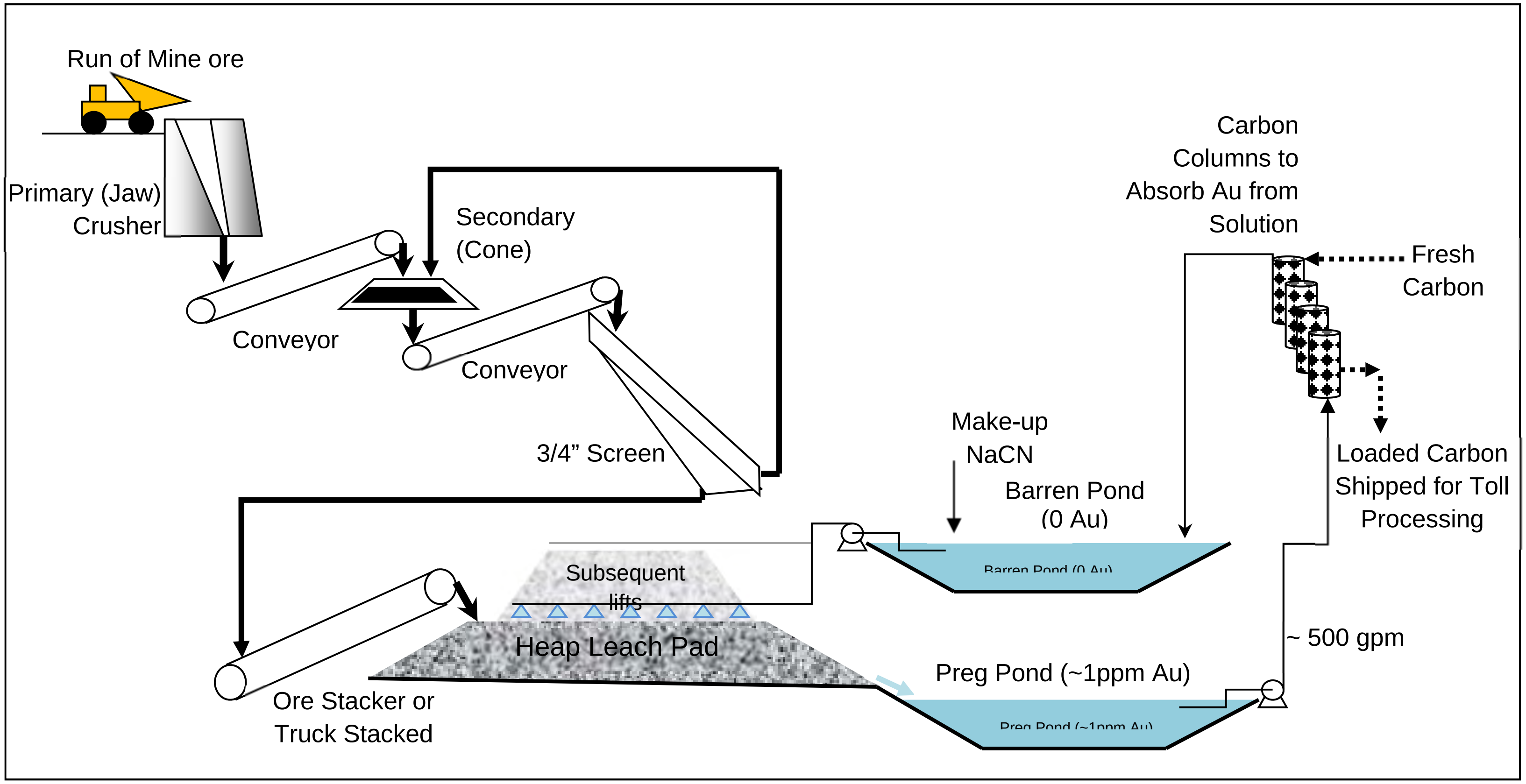
Note: rounding may cause apparent inconsistencies.

17.0 RECOVERY METHODS

Based on proximity to surface, average grade and the results from preliminary metallurgical test work the recovery methods anticipated to be most appropriate for the Bell Mountain deposits (Spurr, Varga, Sphinx and East Ridge) would be valley leach, in which multiple lifts of mineralized material are placed on a permanent pad. While the mineralized material has a relatively large silver content (25:1 Ag:Au ratio in some materials), a Merrill-Crowe recovery system might be considered. However, given the much higher Au recoveries (~80%) and the very low Ag recoveries (<15%) carbon adsorption of the precious metals from the leach solution would be suggested for this operation. Heap leaching with carbon adsorption is suggested as the best processing option for all of the mineralized material at Bell Mountain. **Figure 17.1** shows a schematic of the process operation suggested for processing the Sphinx, Spurr and Varga deposits.

Blasted rock is fed to a jaw crusher which will reduce the maximum particle size to 4 inches. Following primary crushing, the mineralized material will be fed to a standard cone crusher for secondary crushing. A 3/4" screen is used to recycle larger material back to the cone crusher to ensure that 80% passes a 3/4" crush size. The crushed mineralized material is placed on the pad with trucks in a 20 ft lift. A dozer will be used to rip the travelled surface prior to applying leach solution to the area. Pregnant leach solution (PLS) is recovered from a collection system at the bottom of the pad and collected in a "Preg Pond". The PLS is then pumped through a series of activated carbon columns which adsorb the gold- and silver-cyanide complexes from the PLS. Once the carbon is loaded with Au and Ag, the carbon is collected, drained and shipped to a toll refiner who will extract the metals. Fresh carbon is placed in the final carbon adsorption column, and the carbon is advanced from one tank to the next until loaded. The solution from the carbon columns will be "barren" of precious metal content, and will be sent to a barren pond. Make-up NaCN is added to the barren pond to maintain a constant cyanide concentration, and the barren solution will be recycled back onto the heap.

Figure 17.1: Schematic of the Process Overview for Bell Mountain



18.0 PROJECT INFRASTRUCTURE

The Bell Mountain project is located with good access to roads, pro-mining communities and is topographically suitable for building heap leach pads and support facilities.

18.1 Access

The Bell Mountain property is located approximately 40 miles east of Fallon, Nevada on US Highway 50 and then south approximately 7 miles on an existing gravel road to the mine property. An existing project access road will be upgraded for a distance of one (1) mile to provide all-weather access to the mine site.

18.2 Power

Power will be supplied by four diesel-powered electric generators: one 500 kW generator will be provided to run the crushing circuit, one 150 kW generator will be provided to run the plant and process pumps, and two smaller portable generators will be provided for the offices and the production well, respectively. In the event the process plant generator isn't operational, the 500 kW generator will be used as a back-up power supply to the solution pumps.

18.3 Water Supply

An internal report prepared for BMEC by Global Hydrologic Services Inc. (Global Hydrologic, 2017) of Reno, Nevada titled *Information Regarding the Well and Water Right for Bell Mountain Exploration Corp.,* dated February 1, 2017*,* describes the water supply that would be used for processing and dust suppression at the project. According to the report, water right permit #44345 is controlled by the Bell Mountain Exploration Corp. project. Permit #44345 has an annual duty of 361.966 acre-feet of water, at an instantaneous rate not to exceed 0.5 cubic feet per second. The well location for this permit is SE NE Section 02, T. 16 N., R. 34 E. A photo of the well captured during pump testing is presented as **Figure 18.1**.

Permit #44345 is not certificated, so it requires annual extensions of time to prove beneficial use. NDWR requires a clear reason for granting such annual extensions of time, such as demonstration of steady progress towards putting the water to use, or significant hardships causing delay.

Right of Way for Water Facility

According to an Assignment and Assumption and Deed (Doc #460295) recorded in Churchill County in April 2017, a Right of Way for a water facility (NVN 51551) covering an area of 200 feet wide, 300 feet long, containing 1.38 acres, more or less, has been granted by the BLM to Globex Nevada, Inc. in the area of the water well controlled by BMEC. BMEC has filed for the transfer of the right of way and the execution of the right of way transfer is currently in progress. The right of way shall expire on December 31, 2026 unless it is relinquished prior thereto. A right of way for a pipeline from the well site to the Bell Mountain Project site was issued by the

BLM but has since expired. A new right of way or easement will be needed for a pipeline to convey water from the well to the Project site.

Figure 18.1: Photo of Water Well during Pump Testing

Well Design and Present Condition

Construction of the well was completed on November 20, 1981 (approximately 36 years ago). The Well Drillers Report states that the well has a total depth of 650 feet, and that the casing is 8 5/8-inch diameter mild steel. The well was constructed with alternating screen and perforated casing from 377.9 to 648.5 feet (both mild steel). If the screen and casing have any differences in their composition, this design could result in galvanic corrosion caused by having dissimilar metals in contact with each other. In any case, wells constructed of mild steel casing generally don’t last more than 30 years, so this well would be expected to be near the end of its life.

Historical reports indicate that the existing column pipe in the well is equipped with two check valves from 35 years ago. At least the upper check valve was still functioning as evidenced by the water in the column pipe being at the surface when the well was retested on 02-27-2013. This also demonstrates that (at that time) there were no significant holes in the column pipe above the upper check valve. Rehabilitation of the well is estimated to cost $54,000.

Production Capacity of the Well

On February 27, 2013, Global Hydrologic documented the testing of the pump and motor at the Bell Mountain Well in Churchill County, Nevada. As soon as pumping started, the pumping rate was between 210 and 220 gallons per minute.

Before and during the test, water levels in the pumping well were measured with a Solinst water-level probe brought by Global Hydrologic. Immediately prior to pumping, the depth to water was 363.90 feet below the top of casing. Near the end of pumping, but while still pumping, the depth to water was 375.30 feet below the top of casing.

18.4 Personnel

The Bell Mountain property is located in an area with that has historically supported multiple open pit mining operations providing access to skilled personnel. Within 100 miles the largest communities are:

- Fallon, NV – a 47-mile drive west - population estimate of 8,400 people;
- Gabbs, NV. - a 30-mile drive southeast - population estimate of 600 people;
- Hawthorne, NV. – an 85-mile drive southwest - population estimate of 3,000 people.

18.5 Heap Leach Pad

The valley fill heap leach facility will consist of a synthetically lined pad for stacking mineralized material and lined ponds for solution containment. A 1.9 million square foot leach pad will be constructed on unpatented claims immediately north of the Varga open pit. The leach pad will be a valley-fill pad which will utilize the side slopes of the valley to contain the mineralized material. The total capacity of the heap leach pad site is more than 5.5 million tons of mineralized material (**Figure 18.1**).

Table 16.1: Heap Leach Pad Design Details

Parameter	Unit	Comment
Leach tons per year	~1,500,000 tons	
Mine life	~4 years	
Leach life	4 years	
Bench height	20 ft	
Total liner area	1,893,150 ft^2	
Lift toe to crest	25.6 ft	This measurement is a horizontal setback
Number of lifts	4	

18.6 Waste Rock Storage

Waste rock will be stored in one disposal facility. Waste rock mined from the Spurr and Varga pits will be used to construct the site haul roads. Following completion of the infrastructure construction, waste rock will be hauled to the single waste rock repository on-site. The waste rock facility will be in a valley in-between the haul road access to the Spurr Pit and the haul road access to the Varga pit. These facilities will be constructed with an overall slope angle of 2.5:1 with internal benches at 40^{o}. The conceptual layout of the waste rock disposal sites is shown in **Figure 18.1**.

18.7 Process Ponds

Downgradient of the heap leach pad, two process ponds will be constructed. The first being the “Preg Pond” which will store pregnant leach solution (PLS) prior to adsorption by the plant facility. The second pond is the barren pond which will store the CN laden solution following processing at the plant and prior to redistribution on the heap leach pad.

18.8 Site Haul Roads

Haul roads throughout the project area have been sized to a width of 45 feet to accommodate two-way haul truck traffic by 40-ton articulated haul trucks and an appropriate safety berm placed on the outside edge of the haul road. During construction and startup, the contract miner will construct initial roads with dozers to provide limited two-way traffic for haul trucks and then will be widened with waste rock as it becomes available during mining.

18.9 Site Access Roads

Access roads will be developed throughout the site for light duty vehicle use. The roads will have a 30-foot-wide travel way that will include a safety berm. These roads are meant for light duty vehicles to access various facilities, including: The water tank, powder magazine, office and laboratory areas, and plant areas. Access roads will be constructed in native cut and fill, supplemented by waste rock as necessary.

18.10 Diversion Channels

Stormwater will be permanently diverted around the heap leach facility with a diversion channel sized to carry a 100-year storm event. Runoff will be intercepted with trapezoidal channels designed to convey the stormwater beyond the facility to a safe discharge point. Channels and points of discharge will be protected from erosion using engineered linings and riprap outfalls.

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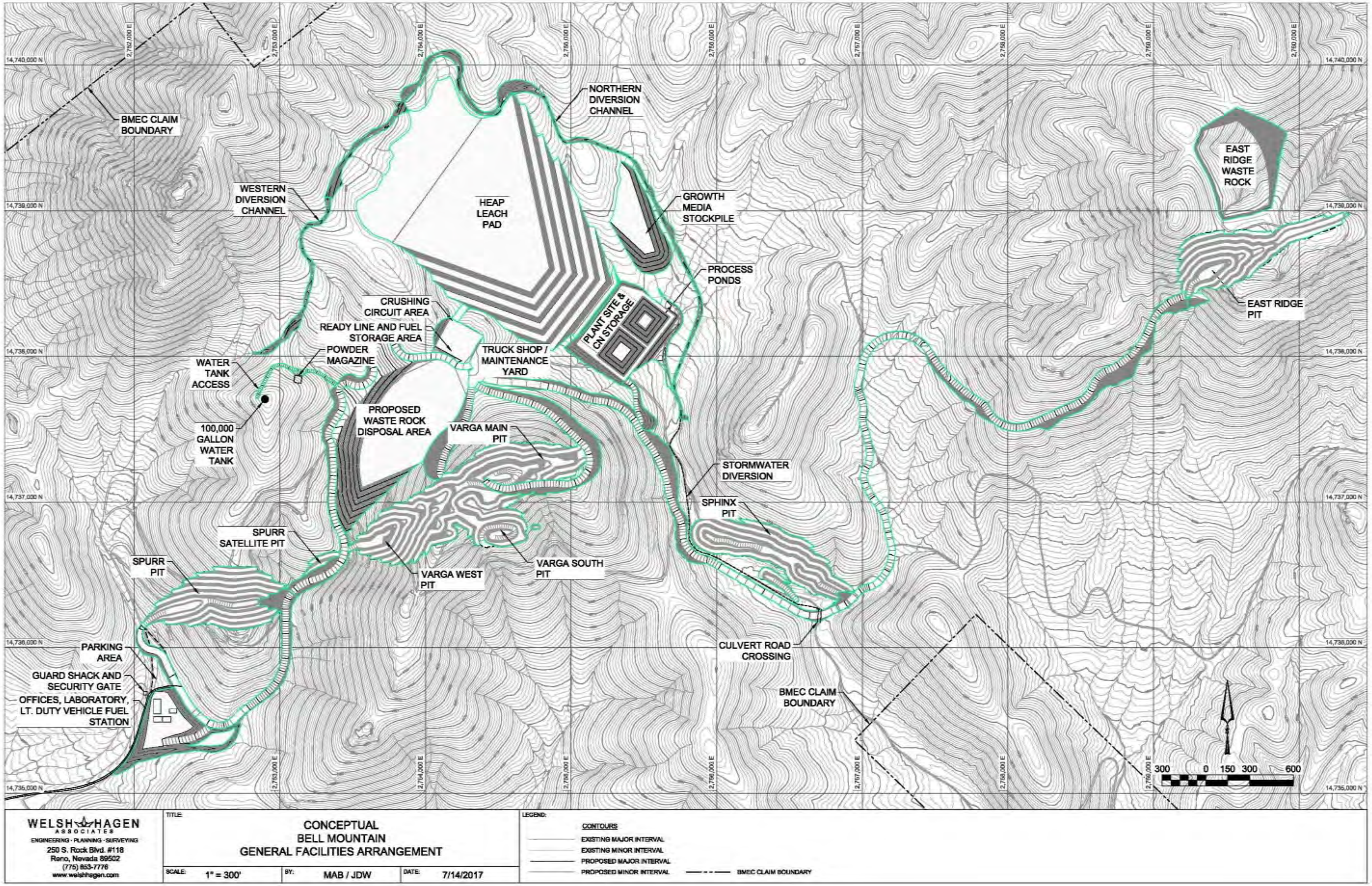
Figure 18.1: Conceptual General Facilities Layout



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19.0 MARKET STUDIES AND CONTRACTS

19.1 Markets

Gold is sold through commercial banks and metal dealers. Sales prices are obtained based on World spot or London fixes and are easily transacted.

This report assumes that gold and silver bearing carbon will be produced on site at Bell Mountain and then shipped to a carbon stripping facility in Kimberly, Idaho, where doré is produced. The doré is then transported to Johnson Matthey's refining facility in Salt Lake City, Utah, where it is refined into saleable gold and silver bullion. Carbon stripping and refining charges have been considered in the economic analysis set out in **Section 22**.

Carbon stripping contracts are negotiated on a short-term basis but would probably have a cost of refining of approximately $1,100 per dry ton of loaded carbon.

Once the mine has established an operating history with the refiner, payment of typically 90% of the estimated shipment value would be forwarded to the Eros' account at the commercial bank that manages the gold sales for the Company. Eros' Chief Financial Officer would manage the account as a source of immediate funds or gold and silver can be kept in inventory.

19.2 Contracts

No contracts are finalized or in place at this time.

The following activities were assumed to be performed by contractors:

- Initial construction of access roads, crusher site, carbon plant site and solution ponds, heap leach pad earthwork and lining system.
- Erection of Crushing Plant and Carbon Plant Equipment
- Installation of Generators, Motor Control Center and wiring
- Installation of fresh water and process water piping systems
- Open pit mining

Following construction, contracts will be negotiated for carbon transportation, carbon stripping and precious metal recovery, and precious metal refining. These activities will occur off site.

20.0 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

The text in in this Section was prepared by Walter M. Martin, C.P.G., a Qualified Person as defined in NI 43-101 Standards for Disclosure of Mineral Projects. Mr. Martin reviewed the project site in the field multiple times during 2013 through 2017 while conducting some of the described baseline studies, including hydrologic basin studies, weather station installation and maintenance, and static testing.

20.1 Factors Related to the Project

The Bell Mountain Project (Project) owned by Eros Resources Corp's wholly owned subsidiary Bell Mountain Exploration Corporation (BMEC) is in the early to middle exploration stage of development. Previous exploration work on the Project conducted by Globex, Laurion and Lincoln Resource Group disturbed 3.44 acres; that disturbance had not been reclaimed when Eros acquired the Project. The disturbances consisted of drill roads and pads constructed under Notices of Intent (NOI) permits from the Stillwater Field Office of the Bureau of Land Management (BLM). The NOI permits allow site–specific exploration disturbance in amounts less than five acres. A refundable bond must be posted with the BLM to ensure the successful reclamation of NOI disturbances, as required under 43 Code of Federal Regulations 3809.503.

The Project is situated in the rain shadow off the east side of Fairview Peak, and so is more arid than the west side, receiving six to eight inches of annual precipitation. The groundwater table has not been encountered in drilling at the mineral deposits to the limits of drilling, approximately 600 feet below ground surface. The only well associated with the Project is approximately seven miles north of the mineral deposits in the southern flats of the Stingaree Valley.

20.2 Environmental Study Results

Environmental baseline studies conducted at the Project include biological studies, cultural surveys, Waters of the United States jurisdictional determination, hydrologic baseline, including meteorological data, and geochemical characterization of waste rock and mineralized rock regarding acid generating potential. Outstanding environmental baseline studies needed for compliance with National Environmental Policy Act (NEPA) regulations are air quality studies. Summary Findings of the completed portions of baseline studies are the following.

Biological Baseline

The report on the biological baseline surveys is under review by the BLM. The field surveys were conducted in 2013 and 2014 and included general wildlife, bats, burrowing owls, pygmy rabbits, and migratory birds. No burrowing owls nor pygmy rabbits were observed. Eleven bat species were identified, along with seven species of migratory birds, 18 indigenous avian species, 19 mammalian species, eight invertebrate and four reptilian species. Surveys for sensitive plants and noxious weeds found two populations of a sensitive vetch and eleven species of buckwheat, plus one species of knapweed, a Nevada noxious weed. No sage grouse habitat was noted on the project. Potential habitat for both pale and dark kangaroo mouse was noted, although neither species was observed.

An additional report on completed raptor surveys, including golden eagle sites (GOEA), remains to be compiled. Preliminary findings of GOEA sites within a ten-mile radius of the Project indicate that 65 total GOEA nests were identified, of which 34 were unoccupied or inactive. The GOEA results have been provided to Nevada Department of Wildlife as a cooperative effort to monitor these raptors.

Waters of the United States Jurisdictional Determination

The U.S. Army Corps of Engineers (ACOE) determined in 2014 that there are no jurisdictional waters (surface waters) that would be impacted by the Bell Mountain project, which is situated in a closed hydrographic basin. The determination is subject to review every five years but that finding is not anticipated to change.

Cultural Survey

The field studies for the cultural survey have been completed and the initial cultural report has been approved by the BLM and the Nevada State Historic Preservation Office. Final clearance of the project respective to cultural baseline is subject to review every ten years.

Hydrologic Basin Study

A conceptual site model is being prepared based on hydrologic data gleaned from public records and Eros file reports. The preliminary findings are that adequate water is present from the existing well on the project to supply the proposed operation with water at the required estimate of 200 gallons per minute yield for life-of-mine. A draft report is anticipated to be submitted to the regulatory agencies shortly. The BLM requires 30 days to review and comment on these studies.

A meteorological station has been installed on the Project to provide the climate data required to characterize conditions at the site. These data have been collected from 2013 to 2017; gaps in the data occurred during closure by the previous operator and during equipment malfunctions. The meteorological data is collected in the field, compiled, and reported at quarterly to semi-annual intervals.

Geochemical Characterization of Mineralized and Waste Rocks

Initial static testing has been completed on mineralized and waste rocks for the Project. Static testing consists of acid-base accounting (ABA) and meteoric water mobility procedural (MWMP) tests to characterize the chemical weathering responses of waste rocks and mineralized rocks at a given project. These tests, as well as subsequent kinetic tests, are required in order to obtain a mining water pollution control permit (WPCP). The WPCP must be obtained in Nevada prior to any mine being authorized to operate. The studies are used to provide engineering and design guidance to ensure that waters of the State are protected from damage. Stantec and BMEC studied cross-sections of the geologic model of the four mineralized zones at Bell Mountain Project and selected representative composite samples from drill hole intervals for static testing. The BMRR subsequently reviewed the data in detail, and approved the initial testing program. The physical samples were selected and delivered to a Nevada-certified laboratory.

These initial ABA analyses indicated that the waste rock is not acid generating. Results from MWMP analyses indicated that minor mobilization could occur for elements prone to activity in neutral to slightly alkaline oxidizing conditions. Kinetic tests have not been conducted yet on waste rocks, but will be performed in the near future to analyze elemental mobility in greater detail. Management plans for design of waste rock storage facilities can be developed following kinetic testing.

Kinetic and static testing have been performed on spent mineralized material that had been subjected to metallurgical tests. These samples represent spent ores that would remain on heap leach pads after closure of the mine. The kinetic tests on the spent leached ores demonstrated that the materials are not acid generating, similar to results of static tests on waste rocks. Those elements prone to mobilization during neutral to slightly alkaline oxidizing conditions were found to be mobile in kinetic tests performed on leached ores.

20.3 Environmental Issues

No environmental issues have been identified during the baseline studies that would prohibit development of an open–pit heap leach mine at the Project.

20.4 Required Permits and Status

No additional work requiring surface disturbance can be permitted on the Project at this time. The BLM placed a two-year moratorium on creation of new surface disturbance as of September 1, 2016, to assess the potential regional impacts of proposed expansion of a nearby U.S. Navy training facility. All baseline environmental studies required to permit a mine will be completed by that time; final analysis of environmental impacts of a potential mine under the NEPA regulations would be completed upon release of the moratorium. The BLM has indicated that if a mine were to be permitted on the Project, it could be accomplished through an Environmental Assessment (EA) after the mining Plan of Operations (PoO) had been filed. The EA is a less intensive level of analysis than an Environmental Impact Statement; preparation and approval typically requires eight to 12 months, depending on the size of the program and the environmental issues to be evaluated. A reclamation bond must also be posted after approval of the PoO. Numerous Federal, State, and local permits must be obtained also; these permits can be obtained in one to six months upon application, depending on permit type.

Table 20.1: Summary of Major Permits and Authorizations Required

Agency	Permit / Authorization	Permit / Authorization Status
Nevada Division of Environmental Protection		
Bureau of Mining Regulation and Reclamation	Water Pollution Control Permit Reclamation Permit (Mining and Exploration)	Not submitted or received
Bureau of Air Pollution Control	Class 1 Operating Permit	Not submitted or received
Nevada Division of Water Resources		
State Engineer	Permit to Appropriate Water Interbasin Transfer	Received
Nevada Department of Wildlife		
	Industrial Artificial Pond Permit	Not submitted or received
Federal Authorizations		
Bureau of Land Management – Stillwater Field Office	Plan of Operations Decision Record/Finding of No Significant Impact	Not submitted or received
Bureau of Alcohol, Tobacco, Firearms, and Explosives	Authorization to store and use explosives	Would be held by contractor
Environmental Protection Agency	Hazardous Waste ID No. (large quantity generator)	Not submitted or received

20.4.1 Post-Performance or Reclamation Bonds

Eros, through its wholly owned subsidiary BMEC, has posted a reclamation bond with the BLM in the amount of US$ 20,565.00. This bond secures the liabilities caused by un-reclaimed exploration work that occurred during the previous operators' work under NOI-level exploration drilling. Eros is liable for the reclamation of those disturbances. The bond would be available for refund to Eros upon successful completion of reclamation.

20.5 Social and Community

Gabbs and Fallon, Nevada are the nearest communities to the Bell Mountain project. The citizens of both communities and Churchill County in general, previously have been cooperative and supportive of minerals exploration and mine development projects. No community opposition to the project has been identified to date, nor is anticipated. A labor pool of trained miners and exploration support staff is available regionally.

21.0 CAPITAL AND OPERATING COSTS

Capital and operating costs have been estimated for the Bell Mountain Project. These costs were developed to support a projected cash flow for the operation, which assesses the Project's economic viability. Capital cost estimates are based on the PEA scenario developed and address the engineering, procurement, construction and start-up of the mine and processing facilities, as well as ongoing sustaining capital costs. Operating cost estimates include the cost of mining, processing, waste management, reclamation, and related general and administrative (G&A) services.

The capital and operating cost estimates were developed for a conventional open pit mine, heap leach process facility using activated carbon adsorption recovery, and supporting infrastructure.

Cost accuracy is estimated to be + 30% to – 20%. All costs are estimated in United States dollars (US$) as of Q1 2017, without escalation for inflation and, unless otherwise stated, are referred to as "$".

21.1 Capital Costs

The construction capital cost consists of costs associated with project construction which is assumed to begin in year -1, prior to production. Sunk costs associated with exploration, Feasibility Studies, permitting and finance are not included in the evaluation. Initial capital costs include direct costs, indirect costs, Owner's costs and contingency. Since this mine will have a very short duration, capital costs have been reduced to reflect construction of temporary facilities and used equipment whenever practical.

Direct capital cost includes the initial road construction, heap leach pad construction, carbon recovery plant, infrastructure buildings, crushing plant, site roads, and Owner's mobile equipment. The carbon plant consists of a set of carbon columns within a temporary steel or fabric building on a concrete foundation with suitable tankage and pumping facilities to transfer carbon and recycle solutions to the leach pad. The crushing system includes purchase and erection of a new (or reconditioned) jaw crusher and cone crusher along with screens and supporting transfer conveyors. Owner's mobile equipment includes a front-end loader to feed the crushing plant, 35-ton trucks to transport mineralized material to the heap leach pad, a D-8 dozer, a motor grader, a water truck, and support equipment at the carbon plant. Used equipment prices were assumed for this equipment. Miscellaneous capital equipment includes generators, fencing, makeup water pipeline and storage tank, and fuel storage.

Indirect costs included Engineering, Procurement and Construction Management (EPCM). Owner's cost includes an allowance for property maintenance and development of a management team and workforce during construction. Owner's costs also include posting a $2,500,000 Reclamation Bond and purchase of one of the production royalties prior to starting operations.

Capital costs were developed based on scaling costs from similar facilities for production rates and from design assumptions including a contractor operated mining fleet. The estimated life of mine capital cost for the base case is summarized in **Table 21.1**.

Table 21.1: Estimated Life of Mine Capital Costs

			Cost in US$
Mining			
	Haul Roads		$97,380
Process			
	Mobilization and Site Preparation		$273,708
	Earthworks		$661,388
	Heap Leach Pad		$3,912,475
	Solution Collection / Distribution System		$191,194
	Process Ponds		$611,450
	Crushing Circuit		$3,706,642
	Carbon Plant		$779,698
	Buildings (Shop, warehouse, lab, offices)		$460,000
	Concrete		$150,000
	Miscellaneous Facility Elements		$1,110,400
	Mine Site Mobile Fleet		$1,950,000
Indirect			
	EPCM		$ 250,000
	Owner Costs		$2,667,000
	Contingency	10%	$ 1,682,133
		Total	**$ 18,503,468**

21.2 Operating Costs

Operating cost assumptions were based on similar scale surface mining operations using heap leach processing in northern Nevada, and process cost estimates for key consumables based on the available metallurgical test data, power consumption data and prevailing costs for key materials in similar Nevada mining operations. Reclamation cost is consistent with the projected scale of the mining operation. More definitive estimates will require detail design of the facilities. Operating cost assumptions per ton of material processed are summarized as follows:

Table 21.2: Estimated Operating Costs

Category	US$ per Ton Processed
Mining Cost[1]	$ 2.30
Processing Cost	$ 4.15
G&A Cost	$ 0.80
Reclamation Cost	$ 0.25
Total	$ 7.50

[1]Note: Mining cost used in economic analysis is $0.20/ton lower than the cost used to determine cutoff grades in the resource modeling due to new data becoming available after the models were completed. The effect of this change is that the reported resource numbers are slightly lower than they would be with a lower mining cost assumption.

22.0 ECONOMIC ANALYSIS

WHA cautions that the PEA is preliminary in nature in that it includes inferred mineral resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. The current basis of project information is not sufficient to convert the in-situ mineral resources to Mineral Reserves, and mineral resources that are not mineral reserves do not have demonstrated economic viability.

22.1 Economic Performance

A gold price of $1,300/oz and a silver price of $17.50/oz were chosen for the base case economic evaluation based roughly on the 3-year trailing London Gold Fix prices in combination with the current gold and silver prices at the effective date of this Report. The economic evaluation base case is considered realistic and meets the test of reasonable prospect for eventual economic extraction.

Mining physicals in the production schedule were used with unit operating cost assumptions from **Section 21** to calculate annual operating costs. Capital costs were input on an annual basis using a conceptual schedule for construction in year -1, followed by sustaining capital over the four-year mine life plus two more years of leaching. To simulate a heap leach environment approximately 10% to 15% of the total recovered ounces placed on the leach pad remain in heap leach inventory each year. These inventoried ounces are recovered over a 90-day period following cessation of mining. Cash flow assumptions are listed in **Table 22.1**.

Table 22.1: Cash Flow Assumptions

Cash Flow Assumptions				
Metal Prices				
	Gold	US$/oz	$	1,300
	Silver	US$/oz	$	17.50
Capital				
	Initial	US$ (M)	$	16.82
	Sustaining	US$ (M)	$	0
Crushing Rate		Tons/day		5,000
Recovery (@3/4" minus crush)				
	Gold			
		Spurr		83.70%
		Varga		68.60%
		Sphinx		80%
		East Ridge		80%
	Silver			
		Spurr		29.60%
		Varga		12.80%
		Sphinx		10%
		East Ridge		10%

At a gold price of US$1,300 per ounce and a silver price of US$17.50 per ounce, the Bell Mountain Project has a US$22.36 million pre-tax net cash flow, a US$17.64 million net present value (NPV) at a 5% discount rate, and an internal rate of return (IRR) of 41.4%. A pre-tax payback period has been calculated at approximately 1.7 years.

The Bell Mountain Project has a US$12.99 million after-tax net cash flow, a US$9.31 million NPV at a 5% discount rate, and IRR of 24.7%. Taxes included in the cash flow are Nevada Net Proceeds of Minerals Tax and Federal Income Taxes. Net Proceeds Taxes are a property tax and apply at a maximum rate of 5% after deducting operating costs and depreciation. Federal taxes are not project specific and are usually applied at a Corporate level where the tax rate may vary depending on corporate overheads, loss carry forwards, exploration expenditures, etc. For this analysis, an Alternative Minimum Tax rate of 20% of net proceeds was applied for U.S. Federal Taxes. In the case of a "taking" by a U.S. Government Agency, the U.S. Department of Navy (See Section 24), an After-Tax value should not apply because the acquiring agency will not incur either Nevada Net Proceeds Tax liability or Federal Tax liability. An after-tax payback period has been calculated at approximately 2.7 years.

The conceptual cash flow for the Project is shown on **Table 22.2**.

Table 22.2: Cash Flow

		Year		0	1	2	3	4
	Unit	Total						
Production								
Produced Au	oz	60,056		0	17,043	17,049	13,283	12,682
Produced Ag	oz	408,498		0	228,903	52,697	71,803	55,096
Au Sales	US$m	$78.07		$ -	$22.16	$22.16	$17.27	$16.49
Ag Sales	US$m	$7.15		$ -	$4.01	$0.92	$1.26	$0.96
Royalty	US$m	$2.56		$ -	$0.78	$0.69	$0.56	$0.52
Cash Costs								
Pit Waste Mining	US$m	$8.73		$ -	$2.24	$1.30	$2.85	$2.33
Pit Mineralized Material Mining	US$m	$11.33		$ -	$3.48	$3.45	$3.45	$0.95
Processing	US$m	$20.36		$ -	$6.23	$6.23	$6.23	$1.69
G&A	US$m	$3.93		$ -	$1.20	$1.20	$1.20	$0.33
Environmental & Reclamation	US$m	$1.23		$ -	$0.38	$0.38	$0.38	$0.10
Total Cash Cost	US$m	$45.57		$ -	$13.52	$12.55	$14.11	$5.40
Cash Cost per Au Ounce	$/oz	$758.86		$ -	$793.36	$735.96	$1,062.12	$425.64
Capital Expenditure								
Initial	US$m	$16.82		$16.82	$ -	$ -	$ -	$ -
Sustaining Capital	US$m	$ -		$ -	$ -	$ -	$ -	$ -
Contingency	US$m	$1.68		$1.68	$ -	$ -	$ -	$ -
Working Capital	US$m	$ -		$ -	$ -	$ -	$ -	$ -
Salvage	US$m	$(3.77)		$ -	$ -	$ -	$ -	$(3.77)
Working Capital Recovery	US$m	$ -		$ -	$ -	$ -	$ -	$ -
Total Capital Cost	US$m	$14.73		$18.50	$ -	$ -	$ -	$(3.77)
Profit & Loss Summary								
Sales Revenue	US$m	$82.67		$ -	$25.38	$22.39	$17.97	$16.93
Operating Costs	US$m	$45.57		$ -	$13.52	$12.55	$14.11	$5.40
Nevada State Taxes	US$m	$(1.20)		$ -	$(0.54)	$(0.44)	$(0.14)	$(0.08)
Federal Taxes	US$m	$(8.17)		$ -	$(2.37)	$(1.97)	$(0.77)	$(3.06)
Net Cash Flow Before Tax	US$m	$22.36		$(18.50)	$11.86	$9.85	$3.86	$15.30
Cumulative Cash Flow	US$m			$(18.50)	$(6.65)	$3.20	$7.06	$22.36
Net Cash Flow After Tax	US$m	$12.99		$(18.50)	$8.94	$7.44	$2.95	$12.16
Cumulative Cash Flow	US$m			$(18.50)	$(9.56)	$(2.12)	$0.83	$12.99
Before Tax		Discount Rate				After Tax	Discount Rate	
NPV	US$m	5%		$17.64	NPV	US$m	5%	$9.31
IRR	US$m			41.4%	IRR	US$m		24.7%

22.2 Sensitivities

Graphical presentations of the pre-tax sensitivity are shown in **Figure 22.1** which show the change in IRR for proportional changes of operating cost, capital cost and gold price assumptions around the base case (100%), and in **Figure 22.2** which show the change in NPV @ 5% for proportional changes in operating cost, capital cost and gold price assumptions around the base case (100%). The sensitivity analysis indicates that the project economic performance is most sensitive to gold price over the range of 75% to 125% in gold price.

The pre-tax sensitivity of projected economic performance has been evaluated over a range of gold price assumptions between US$975.00 – US$ 1,625.00 per ounce (silver price constant – US$17.50 per ounce) and the results are listed in **Table 22.3**. Pre-tax sensitivity to operating cost and capital cost were investigated over a range of 75% - 125% of the base case assumptions, and are listed in **Tables 22.4**, **22.5,** respectively.

Figure 22.1: IRR Pre-tax Sensitivities

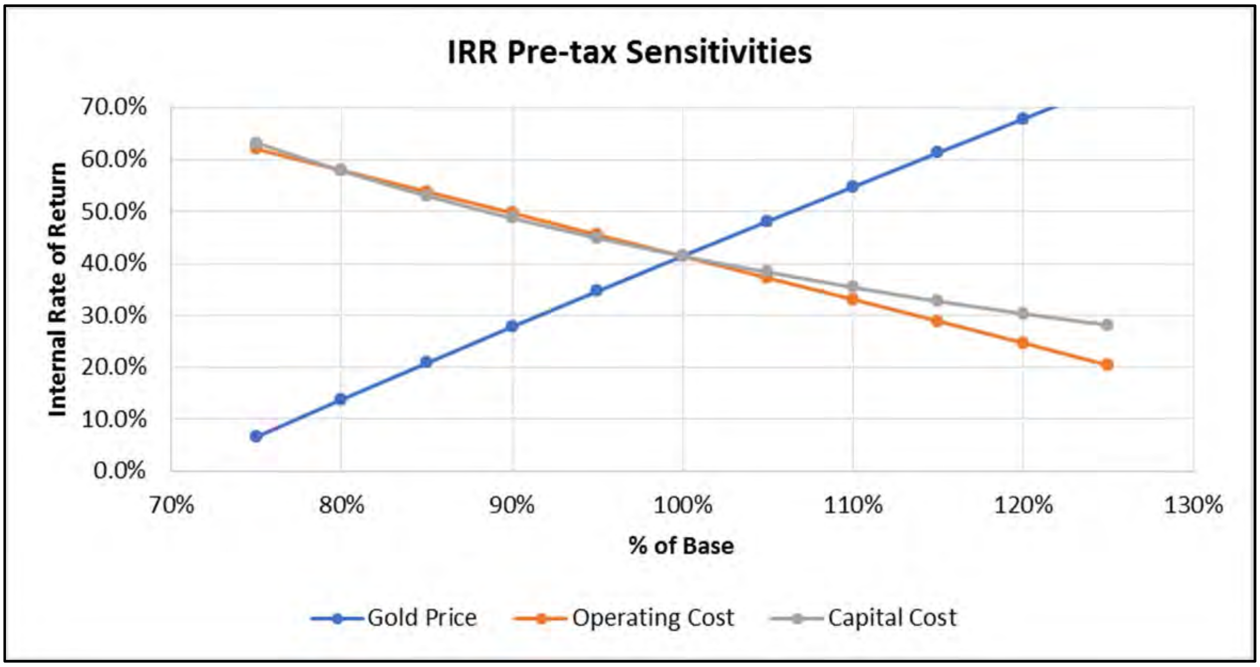


Figure 22.2: NPV Pre-tax Sensitivities

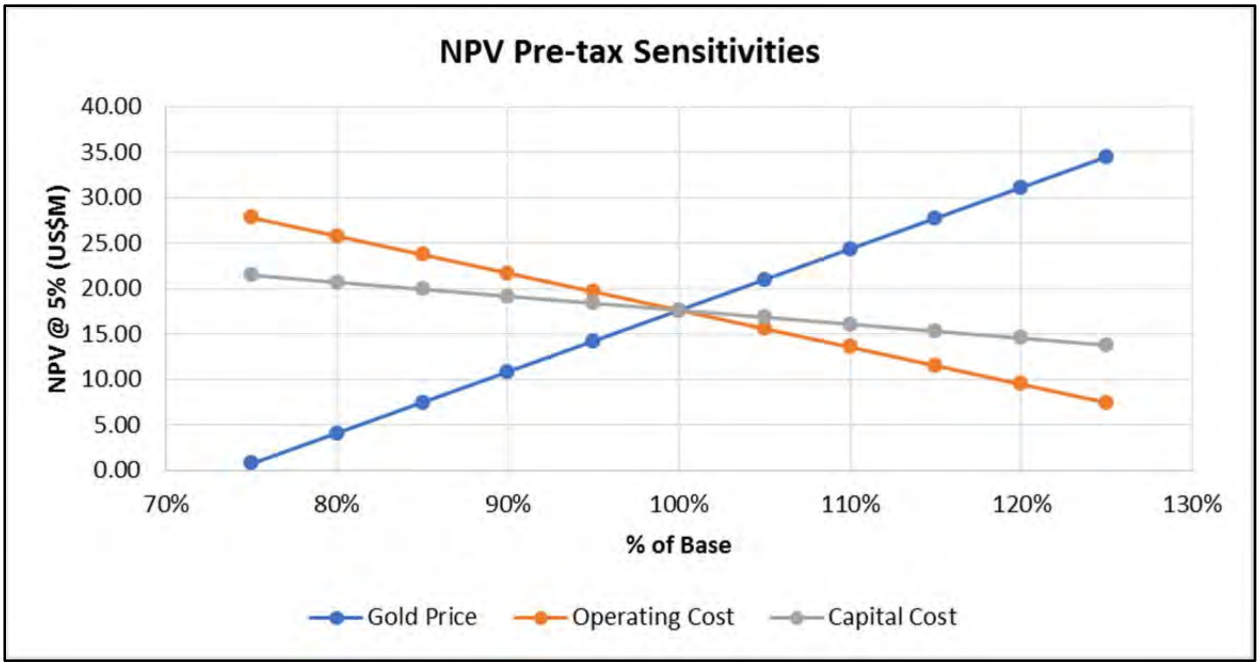


Table 22.3: Pre-tax Sensitivity to Gold Price

Gold Price	Factor	NPV (US$M) - Variable Discount Rate				IRR (%)
US$ / oz		10%	7.50%	5%	0%	
$ 1,625.00	125%	28.97	31.63	34.54	41.30	74.3%
$ 1,560.00	120%	25.93	28.42	31.16	37.51	67.8%
$ 1,495.00	115%	22.89	25.22	27.78	33.72	61.3%
$ 1,430.00	110%	19.85	22.02	24.40	29.94	54.7%
$ 1,365.00	105%	16.81	18.81	21.02	26.15	48.1%
$ 1,300.00	100%	13.76	15.61	17.64	22.36	41.4%
$ 1,235.00	95%	10.72	12.41	14.26	18.58	34.6%
$ 1,170.00	90%	7.68	9.21	10.88	14.79	27.8%
$ 1,105.00	85%	4.64	6.00	7.50	11.00	20.8%
$ 1,040.00	80%	1.60	2.80	4.12	7.22	13.8%
$ 975.00	75%	(1.44)	(0.40)	0.75	3.43	6.6%

Table 22.4: Pre-tax Sensitivity to Operating Cost

Sensitivity Value	NPV (US$M) - Variable Discount Rate				IRR (%)
	10%	7.5%	5%	0%	
125%	4.55	5.93	7.45	11.00	20.4%
120%	6.40	7.87	9.49	13.27	24.7%
115%	8.24	9.80	11.53	15.55	28.9%
110%	10.08	11.74	13.57	17.82	33.1%
105%	11.92	13.68	15.60	20.09	37.2%
100%	13.76	15.61	17.64	22.36	41.4%
95%	15.61	17.55	19.68	24.63	45.5%
90%	17.45	19.48	21.72	26.91	49.7%
85%	19.29	21.42	23.76	29.18	53.8%
80%	21.13	23.36	25.80	31.45	57.9%
75%	22.98	25.29	27.84	33.72	62.0%

Table 22.5: Pre-tax Sensitivity to Capital Cost

Sensitivity Value	NPV (US$M) - Variable Discount Rate				IRR (%)
	10%	7.5%	5%	0%	
125%	9.78	11.69	13.79	18.68	28.1%
120%	10.58	12.48	14.56	19.42	30.3%
115%	11.38	13.26	15.33	20.15	32.7%
110%	12.17	14.04	16.10	20.89	35.4%
105%	12.97	14.83	16.87	21.63	38.3%
100%	13.76	15.61	17.64	22.36	41.4%
95%	14.56	16.40	18.41	23.10	44.9%
90%	15.36	17.18	19.18	23.84	48.7%
85%	16.15	17.96	19.95	24.57	53.0%
80%	16.95	18.75	20.72	25.31	57.8%
75%	17.75	19.53	21.49	26.04	63.2%

Graphical presentations of the after-tax sensitivity are shown in **Figure 22.3** which show the change in IRR for proportional changes of gold price, operating cost, and capital cost assumptions around the base case (100%), and in **Figure 22.4** which show the change in NPV @ 5% for proportional changes in gold price, operating cost, and capital cost assumptions around the base case (100%). The sensitivity analysis indicates that the project economic performance is most sensitive to gold price over the range of 75% to 125% in gold price.

The after-tax sensitivity of projected economic performance has been evaluated over a range of gold price assumptions between US$975.00 – US$ 1,625.00 per ounce (silver price constant – US$17.50 per ounce) and the results are listed in **Table 22.6**. After tax sensitivity to operating cost and capital cost were investigated over a range of 75% - 125% of the base case assumptions, and are listed in **Tables 22.7**, **22.8,** respectively.

Figure 22.3: IRR After Tax Sensitivities

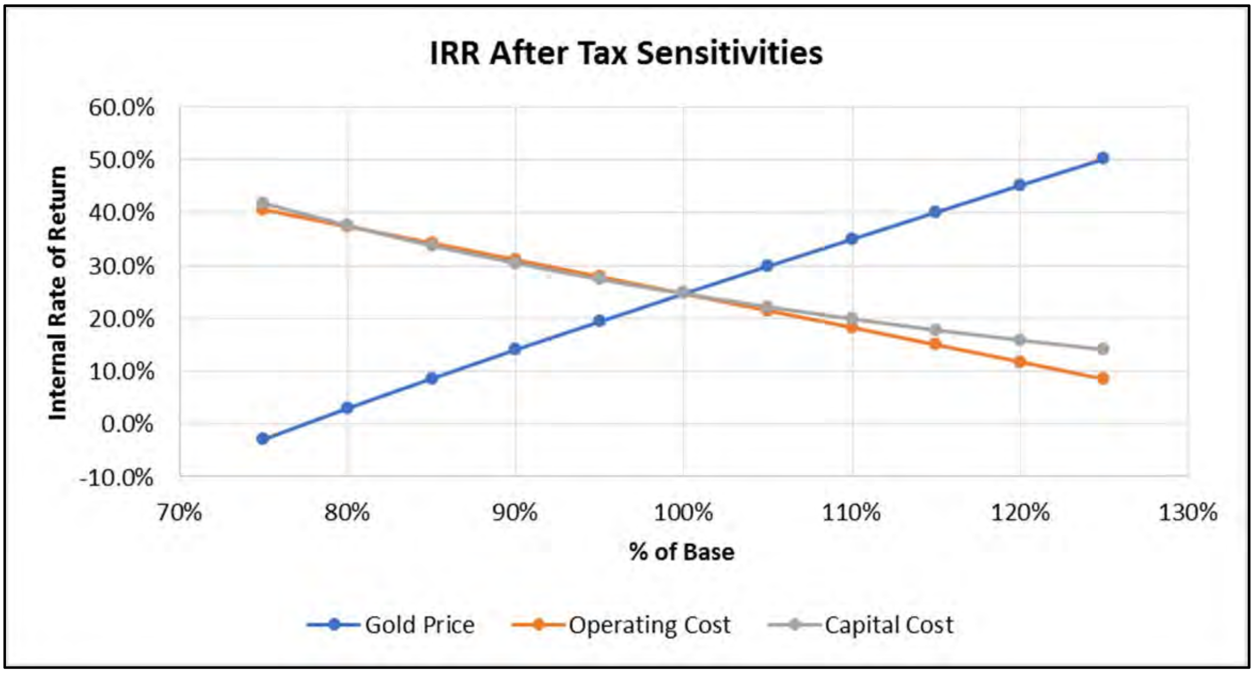


Figure 22.4: NPV After Tax Sensitivities

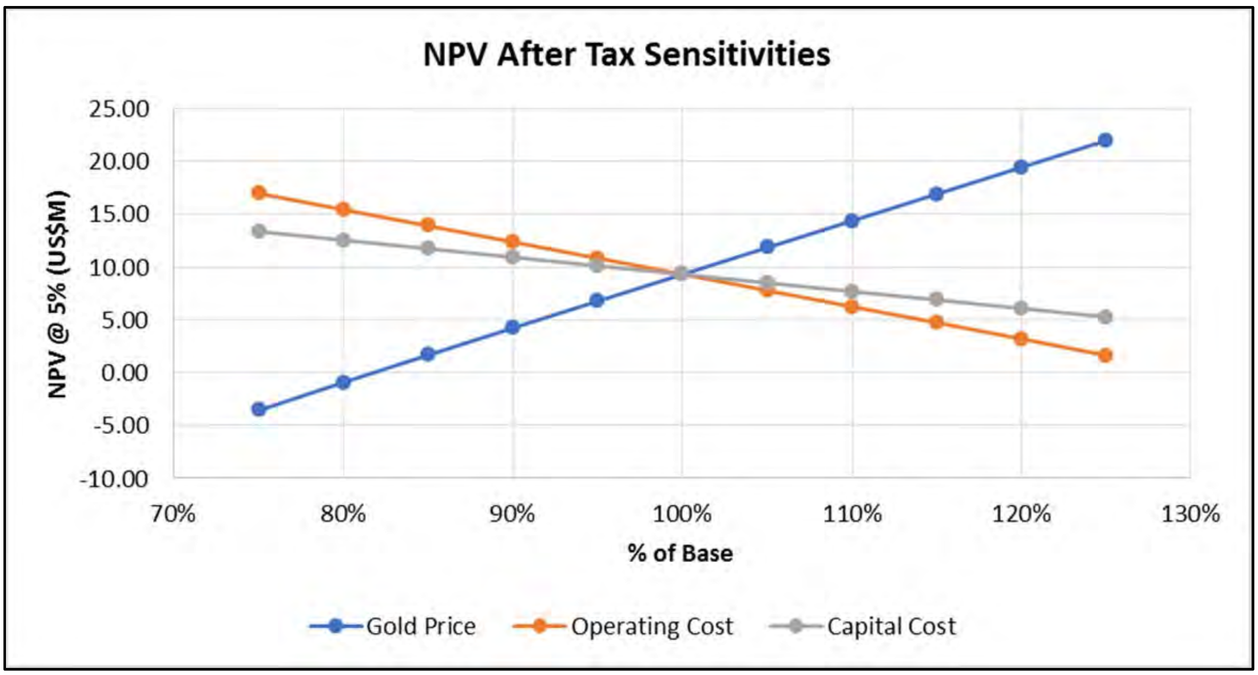


Table 22.6: After tax Sensitivity to Gold Price

Gold Price	Factor	NPV (US$M) - Variable Discount Rate				IRR (%)
US$ / oz		10%	7.50%	5%	0%	
$ 1,625.00	125%	17.70	19.74	21.99	27.19	50.2%
$ 1,560.00	120%	15.42	17.34	19.45	24.35	45.2%
$ 1,495.00	115%	13.14	14.94	16.92	21.51	40.1%
$ 1,430.00	110%	10.86	12.54	14.38	18.67	35.0%
$ 1,365.00	105%	8.58	10.13	11.85	15.83	29.9%
$ 1,300.00	100%	6.30	7.73	9.31	12.99	24.7%
$ 1,235.00	95%	4.01	5.33	6.78	10.15	19.4%
$ 1,170.00	90%	1.73	2.93	4.24	7.31	14.1%
$ 1,105.00	85%	(0.57)	0.50	1.68	4.43	8.6%
$ 1,040.00	80%	(2.90)	(1.96)	(0.91)	1.52	3.0%
$ 975.00	75%	(5.29)	(4.47)	(3.57)	(1.46)	-2.9%

Table 22.7: After tax Sensitivity to Operating Cost

Sensitivity Value	NPV (US$M) - Variable Discount Rate				IRR (%)
	10%	7.5%	5%	0%	
125%	(0.64)	0.44	1.64	4.43	8.5%
120%	0.77	1.92	3.20	6.17	11.8%
115%	2.15	3.38	4.73	7.87	15.0%
110%	3.53	4.83	6.25	9.58	18.3%
105%	4.91	6.28	7.78	11.28	21.5%
100%	6.30	7.33	9.31	12.99	24.7%
95%	7.68	9.18	10.84	14.69	27.9%
90%	9.06	10.64	12.37	16.40	31.1%
85%	10.44	12.09	13.90	18.10	34.3%
80%	11.82	13.54	15.43	19.80	37.4%
75%	13.20	14.99	16.96	21.51	40.6%

Table 22.8: After tax Sensitivity to Capital Cost

Sensitivity Value	NPV (US$M) - Variable Discount Rate				IRR (%)
	10%	7.5%	5%	0%	
125%	2.15	3.64	5.27	9.07	14.1%
120%	2.98	4.46	6.08	9.85	15.9%
115%	3.81	5.27	6.89	10.64	17.8%
110%	4.64	6.09	7.69	11.42	19.9%
105%	5.47	6.91	8.50	12.20	22.2%
100%	6.30	7.33	9.31	12.99	24.7%
95%	7.12	8.55	10.12	13.77	27.4%
90%	7.95	9.37	10.93	14.55	30.5%
85%	8.78	10.19	11.74	15.34	33.8%
80%	9.61	11.01	12.55	16.12	37.6%
75%	10.44	11.83	13.36	16.91	41.8%

23.0 ADJACENT PROPERTIES

There are no significant mineral properties immediately contiguous with the Bell Mountain property.

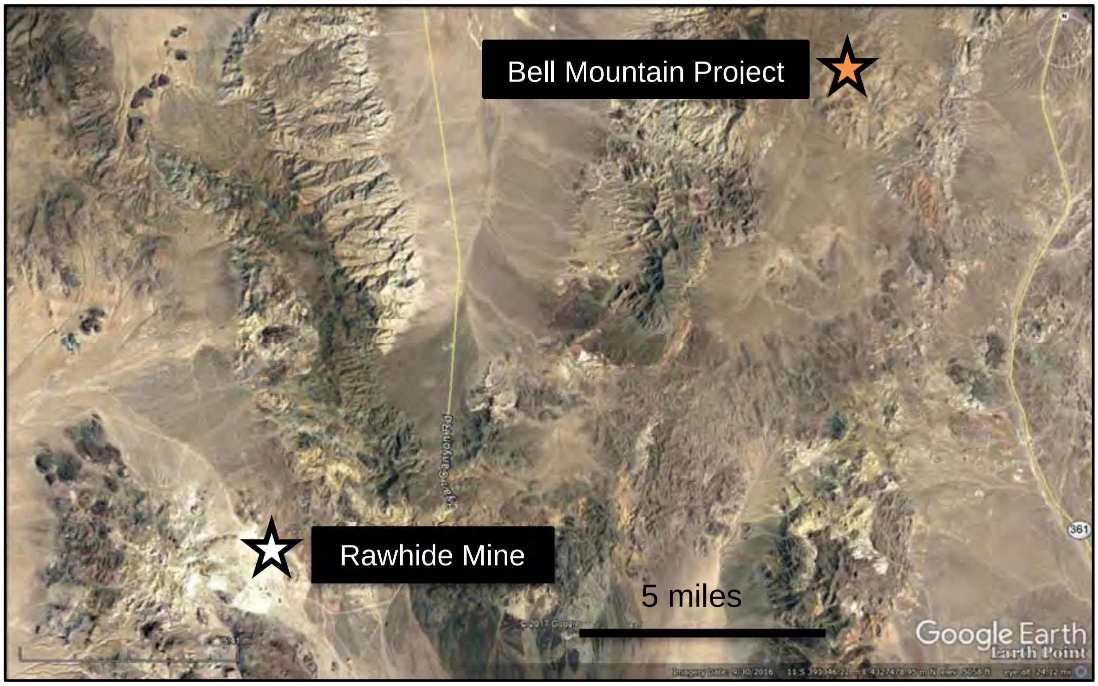
23.1 Regional Properties

The Qualified Person has not independently verified the information contained in the following referenced reports and the information in the reports is not necessarily indicative of the mineralization at the Bell Mountain property.

There is one significant past-producing gold-silver mine in the geographic vicinity of the Bell Mountain property, namely the Rawhide Mine (Denton-Rawhide) (**Figure 23.1**). The Rawhide deposit is somewhat like the Bell Mountain Project in host rocks (rhyolite and tuffs), alteration style (low sulfidation veins and veinlets), and structural controls on gold-silver mineralization.

The Rawhide deposit is located approximately 32 kilometers (20 miles) southwest of the Bell Mountain property. It is described by Gray (1996) and Black and others (1991). Host rocks to precious metal mineralization are mostly andesites and intercalated volcanic sediments and breccias. Bulk mineable zones of gold and silver occur in sheeted to stockwork quartz-adularia veins, mostly in fractured andesite adjacent to altered rhyolite intrusions. Gold zones are characterized by the hydrothermal assemblage of quartz-adularia-illite-pyrite (now oxidized). Oxidation occurs to depths of up to 215 meters (700 feet). Gold occurs primarily in electrum. Silver occurs in electrum, embolite, and cerargyrite in oxide ores (Black and others, 1991).

Figure 23.1: Satellite Image of Bell Mountain Region



24.0 OTHER RELEVANT DATA AND INFORMATION

Proposed Expansion of Fallon Naval Air Station

On Friday, September 2, 2016 in Vol. 81, No 171 pages 60736-60743 of the Federal Register the Department of Navy (DON) announced an Expansion Request.

Currently the Bell Mountain Project lies east of the 53,547-acre Bravo 17 Naval Bombing Range. The proposed withdrawal from BLM multiple use classification would close the area to the Public and withdraw the area from mineral entry. The proposed expansion of Bravo 17 is contained within the total expansion of the Fallon Naval Air Station from 202,859 to 604,789 acres. The entire Bell Mountain Property is contained within the proposed Bravo 17 expansion. The legal description of the Bell Mountain Project is T15N R34E, portions of Sections 1-3, 9-16 and T16N R34E portions of Section 36.

The following was published by the Department of Navy (DON) in the Federal Register:

Expansion request. In accordance with the Engle Act, (43 U.S.C. 155–158), the DON has filed an application requesting withdrawal and reservation of additional Federal lands for military training exercises involving the NAS Fallon at Fallon, Churchill County, Nevada (the ''expansion area''). The DON requests that the land be withdrawn from all forms of appropriation under the public land laws, including the mining laws, the mineral leasing laws, and the geothermal leasing laws, subject to valid existing rights, and reserved for use of the DON for testing and training involving air-to-ground weapons delivery, tactical maneuvering, use of electromagnetic spectrum, land warfare maneuver, and air support, as well as other defense-related purposes consistent with these purposes. Pursuant to the Act, the FRTC Dixie Valley Training Area (DVTA) is currently withdrawn from all forms of appropriation under the public land laws, including the mining and geothermal leasing laws, but not the mineral leasing laws. The DON application also seeks to withdraw the DVTA acres from the mineral leasing laws, subject to valid existing rights. The expansion area consists of the lands and interests in lands described below and adjacent to the exterior boundaries of the NAS FRTC, located in Churchill, Lyon, Mineral, Nye, and Pershing Counties, Nevada.

The areas B–16, B–17, B–20, and the Dixie Valley Training Area aggregate 678,671 acres. Portions of these lands are unsurveyed and the acres obtained from protraction diagram information or calculated using Geographic Information System.

T. 15 N., R. 34 E., partly unsurveyed,
Secs. 1 thru 3;
Sec. 4, lots 1 thru 3, E1⁄2SW1⁄4, and SE1⁄4; Sec. 9, E1⁄2, E1⁄2NW1⁄4, and E1⁄2SW1⁄4;
Secs. 10 thru 15;
Sec. 16, E1⁄2, E1⁄2NW1⁄4, and E1⁄2SW1⁄4; Sec. 21, E1⁄2, E1⁄2NW1⁄4, E1⁄2SW1⁄4, and SW1⁄4SW1⁄4;
Secs. 22 thru 28 and 32 thru 36.
T. 16 N., R. 34 E., partly unsurveyed,
Sec. 15, lots 1 and 2, N1⁄2, SE1⁄4, and E1⁄2SW1⁄4;
Sec. 16, lots 1 thru 8 and 13, NE1⁄4NE1⁄4, and SW1⁄4SE1⁄4; Sec. 21, lot 1, E1⁄2NE1⁄4, SW1⁄4NE1⁄4, and SE1⁄4;

Secs. 22 thru 23 and 25 thru 27;
Sec. 28, E1⁄2;
Sec. 33, E1⁄2;
Secs. 34 thru 36.

24.1 Status of Proposed Expansion of Fallon Naval Station

According to a BLM news release dated September 1, 2016, *the U.S. Navy has applied to the Bureau of Land Management (BLM) to continue to use the site of the Fallon Range Training Complex and to expand it to include more than 600,000 acres of additional public land. As a result of the Navy's withdrawal application, the BLM has segregated the proposed expansion area from appropriation under the public land laws. The two- year segregation is obligatory while the Navy prepares an Environmental Impact Statement (EIS) on its expansion and extension proposals for the Fallon site about 65 miles east of Reno.*

The Navy published a Federal Register notice on August 26 stating that it would conduct the EIS on both renewing the existing public land withdrawal, which covers 202,859 acres, and the withdrawal and reservation for military use of another 604,789 acres of public land to expand the existing range. The Navy's authorization to use its existing acreage expires in 2021. Based on the environmental analysis, the Secretary of the Interior will make a recommendation to Congress on the proposed withdrawals. However, Congress, not the Secretary, will make the final decision on both the requested extension and proposed expansion.

The PEA provides a base case assessment of the current status of the Project given the Bureau of Land Management (BLM) September 1, 2016 notice that the US Navy had applied to expand the Fallon Range Training Facility and withdraw 604,789 acres of public land, an area that includes the entire Bell Mountain Property. As a result, the BLM has segregated the proposed area from appropriation for a two-year period while the Navy prepares an Environmental Impact Statement (EIS). The withdrawal will require ratification by the US Congress, who are expected to make a final decision following the completion of the EIS and upon receiving a recommendation from the Secretary of the Interior.

The Navy's proposed withdrawal from mineral entry of the Project area lands would, if ratified, effectively preclude the Project from future development. The withdrawal has not been ratified and there is no certainty that the withdrawal of the subject property from mineral entry will occur. Please refer to Vol. 81, No 171 pages 60736-60743 of the Federal Register the Department of Navy for complete details.

25.0 INTERPRETATION AND CONCLUSIONS

The PEA open pit mine plan has been developed for the Bell Mountain Project deposit using the Resource Estimate contained in this Report. The PEA mine plan shows the economic viability of the Project and WHA recommends that Eros proceed with a pre-feasibility study (PFS).

The QPs conclude that the Bell Mountain property is suited for proceeding to a PFS based on:

- The Bell Mountain property is well suited for open pit mining with mineralized material near surface and easy access to infrastructure.
- The Project demonstrates economic viability at a variety of metal prices with a significant upside potential should metal prices regain previous strengths seen in the three-year trailing average.
- At a base case gold price of US$1,300 per ounce and a silver price of US$17.50 per ounce, the Bell Mountain Project has a US$22.36 million pre-tax net cash flow, a US$17.64 million net present value (NPV) at a 5% discount rate, and an internal rate of return (IRR) of 41.4% and a payback period of nominally 1.7 years.
- The Project has a US$12.99 million after-tax net cash flow, a US$9.31 million NPV at a 5% discount rate, and IRR of 24.7% and a payback period of nominally 2.7 years.
- The PEA estimates initial capital expenditures to be $16.82 million.
- Exploration potential within the BMEC controlled claims is positive.

Potential risks and uncertainties that could affect the reliability to future development of the Project include:

- The US Department of Navy's proposed withdrawal from mineral entry of the Project area lands would, if ratified, effectively preclude the Project from future development. It is uncertain whether the proposal will or will not be ratified.
- Metal prices have the highest impact on the economic viability of the Project. A large drop in metal prices would negatively affect the NPV and IRR estimated in this PEA. An increase in metal prices would affect the economic viability in a positive manner.
- An increase in projected operating and/or capital costs would have a negative impact on the economic viability of the Project.
- There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
- The quantity and grade of reported Inferred Mineral Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated Mineral Resource category.
- Uncertainties exist in the metallurgical recovery estimates in the Sphinx and East Ridge deposits. More extensive metallurgical testing is recommended to provide a higher confidence level of expected recoveries in all four deposit areas.

26.0 RECOMMENDATIONS

Continued exploration and pre-development work on the Bell Mountain Project is recommended as follows:

26.1 Exploration Drilling

26.1.1 Spurr

Infill drilling is recommended at the Spurr area in the near surface depths. Approximately 8 RC drill holes totaling 1,020 feet is recommended to further define the mineralization near the surface within the constraining pit shell where there are gaps in the drilling data.

26.1.2 Varga

Similar to the Spurr area, infill drilling is recommended at the Varga area in the near surface depths within the constraining pit shell. Approximately 28 RC drill holes totaling 3,550 feet is recommended to fill in gaps in the drilling data.

26.1.3 Sphinx

Drilling density at Sphinx is relatively lower compared with the Spurr and Varga areas. Infill drilling is recommended to fill in gaps in the drilling data in the near surface depths and to potentially bring some inferred resources into the measured or indicated resource categories. Approximately 8 shallow drill holes totaling 1,160 feet is recommended.

26.1.4 East Ridge

Of the known deposits at Bell Mountain, the East Ridge area has the lowest drilling density. To increase the density, approximately 25 RC drill holes totaling 3,405 feet are recommended. Drilling should focus on infill and step-out targets in the near surface area to increase drilling density and potentially convert some of the inferred resources into the measured or indicated resource categories. All totaled, the recommended drilling program is projected to cost US$300,000, not including field office support or supervision.

26.2 Water Well Maintenance and Repair

According to Global Hydrologic Services Inc. (2017), the well was constructed with alternating screen and perforated casing. If the screen and casing have any differences in their composition, this design could result in galvanic corrosion caused by having dissimilar metals in contact with each other. Evidence of casing corrosion, either as enlargement of casing slots, or new holes in the casing has been identified during pumping tests. Additionally, wells constructed of mild steel casing generally don't last more than 30 years, so this well would be expected to be near the end of its life. Replacement of the well pump is also recommended. The estimated cost for water well maintenance and repair is US$54,000.

26.3 Geotechnical Work

Geotechnical work recommended includes split tube auger soil permeability testing and condemnation drilling in the area of the leach pad and processing areas, and monitoring wells both upgradient and downgradient of the project facilities. The permeability testing will be needed for comprehensive facility design. The monitoring wells will be needed to establish baseline groundwater chemistry and water table depth data. Condemnation drilling will be needed to ensure that no presently unknown mineralization exists under potential future infrastructure facilities. The estimated cost for geotechnical work is US$217,500.

26.4 Metallurgical Testing

1) Additional metallurgical testing is recommended to confirm the leaching characterization of Sphinx mineralized material crushed to 80% passing 3/4". The only testing completed on this material to date looked at 3/8" nominal material. This testing would be used to verify the leaching characteristics of this material at a coarser size. The suite of tests recommended would cost approximately $5,000 on mineralized materials supplied from drill cores or other representative sources.

2) Metallurgical testing is recommended for the East Ridge mineralized material. The same sequence of testing as was performed on the other mineralized materials is recommended, including crusher index determination, bulk density, bottle-roll leaching, and column leaching (on both -3/8" and -3/4" nominal sized samples). This will be used to verify the leaching characteristics of this material as compared to the other mineralized materials on the property. The suite of tests recommended would cost approximately $20,000 on the materials supplied from drill cores or other representative sources.

3) To complete the next step in the project life (a Feasibility Study with Plan of Operation) a significant amount of metallurgical testing on all the mineralized materials will need to be completed. Included in this suite of testing is numerous column testing on all of the mineralization types in each of the pits at the 3/4" nominal size, compacted permeability, gold recovery rates, etc. This exhaustive study will provide a better leaching characterization of all the mineralized materials, and will ultimately provide the information for heap design, project operation plans and give the operators the leaching curves they will need to predict leach/rinse cycles. Given the four major areas isolated at the site (Spurr, Varga, Sphinx and East Ridge) at minimum this exhaustive study will cost an estimated $200,000 to provide all of the information required for the feasibility study of the project to move to operations. If the geology of any of the resource areas show significantly different rock-types, this estimated cost would increase with each mineralized material type to be tested in each pit, proportionally.

The estimated cost for metallurgical testing work is US$225,000.

26.5 Engineering

Commissioning of a Feasibility Study on the Project is recommended to establish the feasibility for development of the Project. Initial discussions with and quotes from engineering firms who have recently completed Feasibility Studies on projects of similar size and technical attributes suggests a budget of US$200,000 be planned for the study.

Mine and processing facilities engineering that will be required for any future state and federal mine permitting is recommended. The development of an environmental assessment would be focused on the results of the environmental baseline studies and engineering design. A budget of US$200,000 is recommended for this purpose.

The estimated cost for engineering is US$400,000

26.6 Environmental Baseline Studies and Permitting

Completion of baseline environmental studies and continuation of basic engineering and waste rock characterization is recommended to establish downstream environmental permitting constraints associated with the future possible development of the resources outlined in this technical report. Baseline studies that are currently in an advanced stage and should be completed include biology and botany surveys.

Waste and mineralized material characterization kinetic testing is recommended to establish rock chemistry data that will be needed for future permitting. The preparation of a BLM Plan of Operations and Reclamation Plan will be needed to conduct the recommended exploration and geotechnical drilling.

The estimated cost for the environmental and permitting work is $135,000.

26.7 Field Office, Support, Sample Management and Supervision

None of the above can proceed without field office support, sample and data management and storage, and proper supervision. A total of US$451,000 is recommended for this purpose.

Table 26.1 provides an approximate cost summary of recommended exploration and pre-development work at the Bell Mountain Project.

Table 26.1: Estimated Costs of Recommended Work

CATEGORY			ESTIMATED COST (US$)
INFILL DRILLING	RC Holes	Footage	
Spurr Deposit	8	1,020	
Varga Deposit	28	3,550	
Sphinx Deposit	8	1,160	
East Ridge Deposit	25	3,405	
Total	69	9,135	230,000
Assaying			70,000
Surveying			5,000
Sub-Total			**$305,000**
WATER WELL MAINTENANCE			
Generator + Fuel			16,000
Replace Pump & repair casing			28,000
Hydrologist			10,000
Sub-Total			**$54,000**
GEOTECHNICAL WORK			
Split Tube Auger/Permeability Tests			90,000
Condemnation Drilling			84,000
Monitor Well Drilling			43,500
Sub-Total			**$217,500**
METALLURGICAL TESTING			
Sub-Total			**$225,000**
ENGINEERING			
Prefeasibility Report			200,000
Mine and Facilities Engineering			200,000
Sub-Total			**$400,000**
ENVIRONMENTAL BASELINE / PERMITTING			
Biology Report (field work completed)			5,000
Botany Report (field work completed)			5,000
Kinetic Tests			65,000
Preparation of POO - Infill Drilling			10,000
Reclamation Bond - Infill Drilling			20,000
Preparation of POO - Geotechnical Work			10,000
Reclamation Bond - Geotechnical Work			20,000
Sub-Total			**$135,000**
MANAGEMENT, PERSONNEL and SUPPORT			
Management			125,000
Geologists & Support Personnel			250,000
Data Management			30,000
Core Shed - Rent + Utilities + Insurance			12,000
Carson Office Allocation			34,000
Sub-Total			**$451,000**
TOTAL ESTIMATED COSTS			**$1,787,500**

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CERTIFICATE OF QUALIFIED PERSON

John D. Welsh, P.E.
Civil Engineer
Welsh Hagen Associates
250 S. Rock Blvd., Suite 118
Reno, NV 89502
Telephone: 775.853.7666
Fax: 775.853.9191
Email: jwelsh@welshhagen.com

I, John D. Welsh, do hereby certify that:

1. I am an independent consultant working as President of Welsh Hagen Associates, an engineering firm located in Reno, Nevada, USA.
2. This certificate is part of the report entitled "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA", dated October 31, 2017.
3. I graduated from University of Missouri Rolla with a Bachelor of Science Degree in Civil Engineering in 1970 and a Master of Science in Civil (Geotechnical) Engineering in 1978 from Colorado State University.
4. I have practiced my profession as a civil engineer in mining continuously since graduation for a total of 42 years. I have worked in open pit and underground mines designing and constructing crushing, milling, and heap leach facilities and mine infrastructure. My experience also includes equipment selection, capital and operating cost estimates and involvement in feasibility studies at all levels.
5. I am a Registered Professional Engineer in the states of Nevada (License No. 6296) and California (License No. 35861).
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that I do fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
7. I last visited the property on March 3, 2017 for the duration of one day.
8. I am responsible for the following sections of the report entitled "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA", dated October 31, 2017: Sections 1.11, 1.12, 1.14, 1.15, 15, 16, 18, 19, 21, 22, 25 and 26.
9. The effective date of the Technical Report is October 9, 2017.
10. I am independent of the issuer, applying all of the tests in section 1.5 of NI 43-101.
11. I have had no prior involvement with the property that is the subject of this Technical Report.
12. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with the instrument.
13. 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 the Technical Report not misleading.
14. I consent to the public filing of this Technical Report, only in its entirety, in connection with a prospectus or any similar offering document, for presentation to any stock exchange or other regulatory authority, and for publication, including electronic publication accessible by the public. This consent extends as well to all other forms of written disclosure.

Dated this 31st day of October 2017

"Original document signed and sealed by
John D. Welsh"

John D. Welsh, PE

CERTIFICATE OF QUALIFIED PERSON

Douglas W. Willis
Senior Geologist
Welsh Hagen Associates
250 S. Rock Blvd., Suite 118
Reno, NV 89502
Telephone: 775.853.7666
Fax: 775.853.9191
Email: dwillis@welshhagen.com

I, Douglas W. Willis, C.P.G., hereby certify that:

1. I am a senior geologist working for Welsh Hagen Associates, an engineering firm located in Reno, Nevada, USA.
2. This certificate is part of the report "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA", dated October 31, 2017.
3. I graduated from California State University, Chico with a Bachelor of Science degree in Geology in 1987.
4. I have practiced my profession as a geologist for 16 years primarily focusing on gold exploration and mine development in Nevada, USA. I have managed numerous drill programs, overseen drill sampling programs and conducted geological investigations for numerous precious metals projects in the western United States.
5. I am a Certified Professional Geologist (#11371) in good standing with the American Institute of Professional Geologists (AIPG).
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of education, certification as a professional geologist and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
7. I last visited the property on December 7, 2016 for the duration of 1 day.
8. I am responsible for the following sections of the report entitled "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA", dated October 31, 2017 (the Technical Report): Sections 1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.13, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 23, 24, and 27.
9. The effective date of the Technical Report is October 9, 2017.
10. I am independent of the issuer, applying all of the tests in section 1.5 of NI 43-101.
11. I have had no prior involvement with the property that is the subject of this Technical Report.
12. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with the instrument.
13. 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 the Technical Report not misleading.
14. I consent to the public filing of this Technical Report, only in its entirety, in connection with a prospectus or any similar offering document, for presentation to any stock exchange or other regulatory authority, and for publication, including electronic publication accessible by the public. This consent extends as well to all other forms of written disclosure.

Dated this 31st day of October 2017

"Original document signed and sealed by
Douglas W. Willis"
Douglas W. Willis, CPG

CERTIFICATE OF QUALIFIED PERSON

I, Zachary J. Black, SME-RM, do hereby certify that:

1. I am currently employed as a Resource Geologist by:

   Hard Rock Consulting, LLC
   7114 W. Jefferson Ave., Ste. 308
   Lakewood, Colorado 80235 U.S.A.

2. I am a graduate of the University of Nevada, Reno with a Bachelor of Science in Geological Engineering, and have practiced my profession continuously since 2005.

3. I am a registered member of the Society of Mining and Metallurgy and Exploration (No. 4156858RM)

4. I have worked as a Geological Engineer/Resource Geologist for a total of twelve years since my graduation from university; as an employee of a major mining company, a major engineering company, and as a consulting engineer with extensive experience in structurally controlled precious and base metal deposits.

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

6. I personally inspected the Project on Wednesday, December 7, 2016.

7. I am responsible for the preparation of the report titled "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA" dated October 31, 2017, with an effective date of October 9, 2017, with specific responsibility for Sections 1.9 and 14 of this report.

8. I have had no prior involvement with the property that is the subject of this Technical Report.

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

10. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.

11. I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

Dated this 31st day of October 2017

"Original document signed and sealed by
Zachary J. Black"
Zachary J. Black, SME-RM

CERTIFICATE OF QUALIFIED PERSON

Carl Nesbitt
Principal Metallurgist
Welsh Hagen Associates
250 S. Rock Blvd., Suite 118
Reno, NV 89502
Telephone: 775.853.7666
Fax: 775.853.9191
Email: cnesbitt@welshhagen.com

I, Carl C. Nesbitt, do hereby certify that:

1. I am an independent consultant working with Welsh Hagen Associates, an engineering firm located in Reno, Nevada, USA.
2. This certificate is part of the report entitled "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA", dated October 31, 2017.
3. I graduated from the University of Nevada, Reno with a Bachelor of Science degree in chemical engineering in 1980. I also graduated from the University of Nevada, Reno with a Master of Science degree in metallurgical engineering in 1985 and a doctorate in metallurgical engineering in 1990. In addition, I graduated in 1989 from the University of Michigan with a Bachelor of Science degree in chemical engineering.
4. I have practiced my profession as a metallurgical engineer continuously since graduation in 1980 for a total of 35 years. I was a metallurgical engineer for the Nevada Moly Operation in Tonopah, Nevada from 1980-1983; however, for most of my career (from 1990 to the present) I have taught metallurgical engineering, managed research and consulted while at Michigan Technological University and the University of Nevada, Reno. More recently I have been the Principal Metallurgist for Welsh Hagen since January 2013.
5. I am a Registered Member (#2353800RM) in good standing with the Society of Mining, Metallurgy and Exploration (SME).
6. I have read the definition of "Qualified Person" set out in National Instrument 43-101 ("NI 43-101") and certify that I do fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
7. I have not visited the property.
8. I am responsible for the following sections of the report entitled, "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA", dated October 31, 2017 (the "Technical Report"): Sections 1.8, 13 and 17.
9. The effective date of the Technical Report is October 9, 2017.
10. I am independent of the issuer, applying all of the tests in section 1.5 of NI 43-101.
11. I have had no prior involvement with the property that is the subject of this Technical Report.
12. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with the instrument.
13. 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 the Technical Report not misleading.
14. I consent to the public filing of this Technical Report, only in its entirety, in connection with a prospectus or any similar offering document, for presentation to any stock exchange or other regulatory authority, and for publication, including electronic publication accessible by the public. This consent extends as well to all other forms of written disclosure.

Dated this 31st day of October 2017

"Original document signed and sealed by
Carl C. Nesbitt"
Carl C. Nesbitt, SME-RM

CERTIFICATE OF QUALIFIED PERSON

Stantec Consulting Services Inc.
6995 Sierra Center Parkway
Reno, NV 89511
Tel: (775) 850-0777
Fax: (775) 850-0787

I, Walter M. Martin, M.Sc., C.P.G., do hereby certify that:

1. I am employed by Stantec Consulting Services Inc. of 6995 Sierra Center Parkway, Reno, Nevada, as a Project Geologist.
2. I have prepared this certificate for the Technical Report entitled "NI 43-101 Technical Report on the Bell Mountain Project Preliminary Economic Assessment, Churchill County, Nevada, USA" prepared by Welsh Hagen Associates for Eros Resources Corporation (Issuer) and Globex Enterprises Inc. with an Effective Date of October 9, 2017 (the "Technical Report").
3. I am a Certified Professional Geologist certified by the American Institute of Professional Geologists, CPG #11358. I have both B.Sc. and M.Sc. degrees in Geology and have practiced professionally for more than 30 years in positions of increasing professional responsibilities. I have worked on low sulfidation epithermal gold deposits, as well as permitting exploration and mining activities in Nevada and other western States for much of that time.
4. I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
5. I have visited the Bell Mountain property more than 10 times between 2013 and 2017.
6. I am responsible for preparing Section 1.10 Environmental Studies, Geotechnical Studies and Permitting, and Section 20 Environmental Studies, Permitting and Social or Community Impact (Item 20), of the Technical Report.
7. I am independent of the Issuer, applying all of the tests in Section 1.5 of the Instrument.
8. I have had prior involvement with the property that is the subject of the Technical Report. I advised and assisted a previous Operator during 2013, as well as the current Issuer regarding ongoing permitting requirements, environmental baseline study requirements, and reclamation liabilities related to exploration of the project.
9. I have read NI 43-101 and Form 43-101-F1 and the sections of the Technical Report I am responsible for have been prepared in compliance with that instrument and form.
10. As of the aforementioned effective date of the Technical Report, to the best of my knowledge, information and belief, the sections of the Technical Report that I am responsible for contain all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 31st day of October 2017

"Original document signed and sealed by

Walter M. Martin"

Walter M. Martin, M.Sc., C.P.G.

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Appendix A

Bell Mountain Project
Unpatented Lode and Mill Site Claims

Churchill County (180 unpatented Lode and Mill Site claims)
Source: Bell Mountain Limited Title Review Churchill County, Nevada, dated June 12, 2017, prepared by G.I.S. Land Services, Reno, Nevada. Appendix A - updated September 26, 2017.

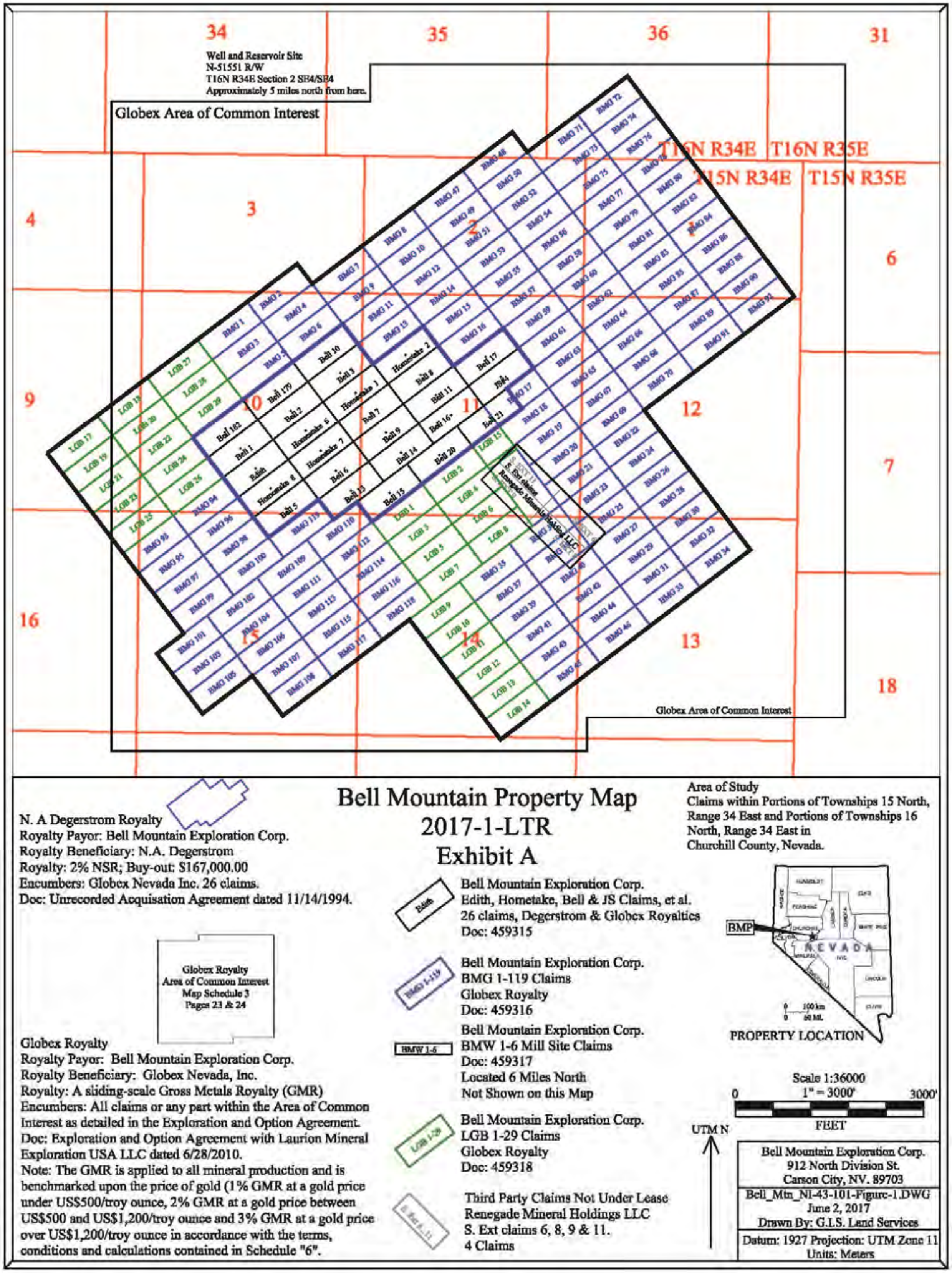
Count	BLM NMC NUMBER	CLAIM NAME	LOCATION DATE	Churchill Co Doc #	2017 BLM Rec.#	2017 County Rec#
1	1025588	BMG 1	04/07/10	415065	3903276	462280
2	1025589	BMG 2	04/07/10	415066	3903276	462280
3	1025590	BMG 3	04/07/10	415067	3903276	462280
4	1025591	BMG 4	04/07/10	415068	3903276	462280
5	1025592	BMG 5	04/07/10	415069	3903276	462280
6	1025593	BMG 6	04/07/10	415070	3903276	462280
7	1025594	BMG 7	04/07/10	415071	3903276	462280
8	1025595	BMG 8	04/07/10	415072	3903276	462280
9	1025596	BMG 9	04/07/10	415073	3903276	462280
10	1025597	BMG 10	04/07/10	415074	3903276	462280
11	1025598	BMG 11	04/07/10	415075	3903276	462280
12	1025599	BMG 12	04/07/10	415076	3903276	462280
13	1025600	BMG 13	04/07/10	415077	3903276	462280
14	1025601	BMG 14	04/07/10	415078	3903276	462280
15	1025602	BMG 15	04/07/10	415079	3903276	462280
16	1025603	BMG 16	04/07/10	415080	3903276	462280
17	1025604	BMG 17	04/07/10	415081	3903276	462280
18	1025605	BMG 18	04/07/10	415082	3903276	462280
19	1025606	BMG 19	04/07/10	415083	3903276	462280
20	1025607	BMG 20	04/07/10	415084	3903276	462280
21	1025608	BMG 21	04/07/10	415085	3903276	462280
22	1025609	BMG 22	04/07/10	415086	3903276	462280
23	1025610	BMG 23	04/07/10	415087	3903276	462280
24	1025611	BMG 24	04/07/10	415088	3903276	462280
25	1025612	BMG 25	04/07/10	415089	3903276	462280
26	1025613	BMG 26	04/07/10	415090	3903276	462280
27	1025614	BMG 27	04/07/10	415091	3903276	462280
28	1025615	BMG 28	04/07/10	415092	3903276	462280
29	1025616	BMG 29	04/07/10	415093	3903276	462280
30	1025617	BMG 30	04/07/10	415094	3903276	462280
31	1025618	BMG 31	04/07/10	415095	3903276	462280
32	1025619	BMG 32	04/07/10	415096	3903276	462280
33	1025620	BMG 33	04/07/10	415097	3903276	462280
34	1025621	BMG 34	04/07/10	415098	3903276	462280
35	1025622	BMG 35	04/07/10	415099	3903276	462280
36	1025623	BMG 36	04/07/10	415100	3903276	462280
37	1025624	BMG 37	04/07/10	415101	3903276	462280
38	1025625	BMG 38	04/07/10	415102	3903276	462280
39	1025626	BMG 39	04/07/10	415103	3903276	462280

Count	BLM NMC NUMBER	CLAIM NAME	LOCATION DATE	Churchill Co Doc #	2017 BLM Rec.#	2017 County Rec#
40	1025627	BMG 40	04/07/10	415104	3903276	462280
41	1025628	BMG 41	04/07/10	415105	3903276	462280
42	1025629	BMG 42	04/07/10	415106	3903276	462280
43	1025630	BMG 43	04/07/10	415107	3903276	462280
44	1025631	BMG 44	04/07/10	415108	3903276	462280
45	1025632	BMG 45	04/07/10	415109	3903276	462280
46	1025633	BMG 46	04/07/10	415110	3903276	462280
47	1025634	BMG 47	04/08/10	415111	3903276	462280
48	1025635	BMG 48	04/08/10	415112	3903276	462280
49	1025636	BMG 49	04/08/10	415113	3903276	462280
50	1025637	BMG 50	04/08/10	415114	3903276	462280
51	1025638	BMG 51	04/08/10	415115	3903276	462280
52	1025639	BMG 52	04/08/10	415116	3903276	462280
53	1025640	BMG 53	04/08/10	415117	3903276	462280
54	1025641	BMG 54	04/08/10	415118	3903276	462280
55	1025642	BMG 55	04/08/10	415119	3903276	462280
56	1025643	BMG 56	04/08/10	415120	3903276	462280
57	1025644	BMG 57	04/08/10	415121	3903276	462280
58	1025645	BMG 58	04/08/10	415122	3903276	462280
59	1025646	BMG 59	04/08/10	415123	3903276	462280
60	1025647	BMG 60	04/08/10	415124	3903276	462280
61	1025648	BMG 61	04/08/10	415125	3903276	462280
62	1025649	BMG 62	04/08/10	415126	3903276	462280
63	1025650	BMG 63	04/08/10	415127	3903276	462280
64	1025651	BMG 64	04/08/10	415128	3903276	462280
65	1025652	BMG 65	04/08/10	415129	3903276	462280
66	1025653	BMG 66	04/08/10	415130	3903276	462280
67	1025654	BMG 67	04/08/10	415131	3903276	462280
68	1025655	BMG 68	04/08/10	415132	3903276	462280
69	1025656	BMG 69	04/08/10	415133	3903276	462280
70	1025657	BMG 70	04/08/10	415134	3903276	462280
71	1025658	BMG 71	04/08/10	415135	3903276	462280
72	1025659	BMG 72	04/08/10	415136	3903276	462280
73	1025660	BMG 73	04/08/10	415137	3903276	462280
74	1025661	BMG 74	04/08/10	415138	3903276	462280
75	1025662	BMG 75	04/08/10	415139	3903276	462280
76	1025663	BMG 76	04/08/10	415140	3903276	462280
77	1025664	BMG 77	04/08/10	415141	3903276	462280
78	1025665	BMG 78	04/08/10	415142	3903276	462280
79	1025666	BMG 79	04/08/10	415143	3903276	462280
80	1025667	BMG 80	04/08/10	415144	3903276	462280
81	1025668	BMG 81	04/08/10	415145	3903276	462280
82	1025669	BMG 82	04/08/10	415146	3903276	462280

Count	BLM NMC NUMBER	CLAIM NAME	LOCATION DATE	Churchill Co Doc #	2017 BLM Rec.#	2017 County Rec#
83	1025670	BMG 83	04/08/10	415147	3903276	462280
84	1025671	BMG 84	04/08/10	415148	3903276	462280
85	1025672	BMG 85	04/08/10	415149	3903276	462280
87	1025674	BMG 87	04/08/10	415151	3903276	462280
88	1025675	BMG 88	04/08/10	415152	3903276	462280
89	1025676	BMG 89	04/08/10	415153	3903276	462280
90	1025677	BMG 90	04/08/10	415154	3903276	462280
91	1025678	BMG 91	04/08/10	415155	3903276	462280
92	1025679	BMG 92	04/08/10	415156	3903276	462280
93	1025680	BMG 93	04/08/10	415157	3903276	462280
94	1025681	BMG 94	04/08/10	415158	3903276	462280
95	1025682	BMG 95	04/08/10	415159	3903276	462280
96	1025683	BMG 96	04/08/10	415160	3903276	462280
97	1025684	BMG 97	04/08/10	415161	3903276	462280
98	1025685	BMG 98	04/08/10	415162	3903276	462280
99	1025686	BMG 99	04/08/10	415163	3903276	462280
100	1025687	BMG 100	04/08/10	415164	3903276	462280
101	1025688	BMG 101	04/07/10	415165	3903276	462280
102	1025689	BMG 102	04/07/10	415166	3903276	462280
103	1025690	BMG 103	04/07/10	415167	3903276	462280
104	1025691	BMG 104	04/07/10	415168	3903276	462280
105	1025692	BMG 105	04/07/10	415169	3903276	462280
106	1025693	BMG 106	04/07/10	415170	3903276	462280
107	1025694	BMG 107	04/07/10	415171	3903276	462280
108	1025695	BMG 108	04/07/10	415172	3903276	462280
109	1025696	BMG 109	04/08/10	415173	3903276	462280
110	1025697	BMG 110	04/08/10	415174	3903276	462280
111	1025698	BMG 111	04/08/10	415175	3903276	462280
112	1025699	BMG 112	04/08/10	415176	3903276	462280
113	1025700	BMG 113	04/08/10	415177	3903276	462280
114	1025701	BMG114	04/08/10	415178	3903276	462280
115	1025702	BMG 115	04/08/10	415179	3903276	462280
116	1025703	BMG 116	04/08/10	415180	3903276	462280
117	1025704	BMG 117	04/08/10	415181	3903276	462280
118	1025705	BMG 118	04/08/10	415182	3903276	462280
119	1025706	BMG 119	04/08/10	415183	3903276	462280
120	1090926	BMW-1	05/16/13	434555	3903276	462280
121	1090927	BMW-2	05/16/13	434556	3903276	462280
122	1090928	BMW-3	05/16/13	434557	3903276	462280
123	1090929	BMW-4	05/16/13	434558	3903276	462280
124	1090930	BMW-5	05/16/13	434559	3903276	462280
125	1090931	BMW-6	05/16/13	434560	3903276	462280

Count	BLM NMC NUMBER	CLAIM NAME	LOCATION DATE	Churchill Co Doc #	2017 BLM Rec.#	2017 County Rec#
126	1083333	LGB 1	09/27/12	431324	3903276	462280
127	1083334	LGB 2	09/27/12	431325	3903276	462280
128	1083335	LGB 3	09/27/12	431326	3903276	462280
129	1083336	LGB 4	09/27/12	431327	3903276	462280
130	1083337	LGB 5	09/27/12	431328	3903276	462280
		AMENDED		431795	3903276	462280
131	1083338	LGB 6	09/27/12	431329	3903276	462280
132	1083339	LGB 7	09/27/12	431330	3903276	462280
133	1083340	LGB 8	09/27/12	431331	3903276	462280
134	1083341	LGB 9	09/27/12	431332	3903276	462280
135	1083342	LGB 10	09/27/12	431333	3903276	462280
136	1083343	LGB 11	09/27/12	431334	3903276	462280
137	1083344	LGB 12	09/27/12	431335	3903276	462280
138	1083345	LGB 13	09/27/12	431336	3903276	462280
		AMENDED		431796	3903276	462280
139	1083346	LGB 14	09/27/12	431337	3903276	462280
140	1083347	LGB 15	09/28/12	431338	3903276	462280
		AMENDED		431797	3903276	462280
141	1083348	LGB 16	09/28/12	431339	3903276	462280
		AMENDED		431798	3903276	462280
142	1083349	LGB 17	09/27/12	431340	3903276	462280
		AMENDED		431799	3903276	462280
143	1083350	LGB 18	09/27/12	431341	3903276	462280
144	1083351	LGB 19	09/27/12	431342	3903276	462280
		AMENDED		431800	3903276	462280
145	1083352	LGB 20	09/27/12	431343	3903276	462280
146	1083353	LGB 21	09/27/12	431344	3903276	462280
147	1083354	LGB 22	09/27/12	431345	3903276	462280
148	1083355	LGB 23	09/27/12	431346	3903276	462280
149	1083356	LGB 24	09/27/12	431347	3903276	462280
		AMENDED		431801	3903276	462280
150	1083357	LGB 25	09/27/12	431348	3903276	462280
151	1083358	LGB 26	09/27/12	431349	3903276	462280
152	1083359	LGB 27	09/27/12	431350	3903276	462280
		AMENDED		431802	3903276	462280
153	1083360	LGB 28	09/27/12	431351	3903276	462280
154	1083361	LGB 29	09/27/12	431352	3903276	462280
155	139486	Edith	02/02/80	170659	3903276	462280
156	139487	Homestake No. 1	02/02/80	170660	3903276	462280
157	138488	Homestake No. 2	02/02/80	170661	3903276	462280

Count	BLM NMC NUMBER	CLAIM NAME	LOCATION DATE	Churchill Co Doc #	2017 BLM Rec.#	2017 County Rec#
158	139489	Homestake No. 6	02/02/80	170662	3903276	462280
159	139490	Homestake No. 7	02/02/80	170663	3903276	462280
160	139491	Homestake No. 8	02/02/80	170664	3903276	462280
161	44931	Bell No. 1	10/07/78	160556	3903276	462280
162	44932	Bell No. 2	10/07/78	160557	3903276	462280
163	44933	Bell No. 3	10/07/78	160558	3903276	462280
164	44935	Bell No. 5	10/07/78	160560	3903276	462280
165	44936	Bell No. 6	10/07/78	160561	3903276	462280
166	44937	Bell No. 7	10/07/78	160562	3903276	462280
167	44938	Bell No. 8	10/07/78	160563	3903276	462280
168	44939	Bell No. 9	10/07/78	160564	3903276	462280
169	44940	Bell No. 10	10/07/78	160565	3903276	462280
170	139460	Bell No. 11	12/22/79	170632	3903276	462280
171	139462	Bell No. 13	12/22/79	170634	3903276	462280
172	139463	Bell No. 14	12/22/79	170635	3903276	462280
173	139464	Bell No. 15	12/22/79	170636	3903276	462280
174	144261	Bell No. 16	03/15/80	171482	3903276	462280
175	144262	Bell No. 17	03/15/80	171483	3903276	462280
176	186865	Bell No. 20	02/20/81	179440	3903276	462280
177	186866	Bell No. 21	02/20/81	179441	3903276	462280
178	310915	Bell No. 179	06/01/84	206665	3903276	462280
179	310918	Bell No. 182	06/01/84	206668	3903276	462280
180	804403	JS#4	04/12/99	321843	3903276	462280


Well and Reservoir Site
N-51551 R/W
T16N R34E Section 2 SE4/SE4
Approximately 5 miles north from here.
Globex Area of Common Interest
T16N R34E
T16N R35E
T15N R34E
T15N R35E
Globex Area of Common Interest
Bell Mountain Property Map
2017-1-LTR
Exhibit A
N. A Degerstrom Royalty
Royalty Payor: Bell Mountain Exploration Corp.
Royalty Beneficiary: N.A. Degerstrom
Royalty: 2% NSR; Buy-out: $167,000.00
Encumbers: Globex Nevada Inc. 26 claims.
Doc: Unrecorded Acquisation Agreement dated 11/14/1994.
Globex Royalty
Area of Common Interest
Map Schedule 3
Pages 23 & 24
Globex Royalty
Royalty Payor: Bell Mountain Exploration Corp.
Royalty Beneficiary: Globex Nevada, Inc.
Royalty: A sliding-scale Gross Metals Royalty (GMR)
Encumbers: All claims or any part within the Area of Common Interest as detailed in the Exploration and Option Agreement.
Doc: Exploration and Option Agreement with Laurion Mineral Exploration USA LLC dated 6/28/2010.
Note: The GMR is applied to all mineral production and is benchmarked upon the price of gold (1% GMR at a gold price under US$500/troy ounce, 2% GMR at a gold price between US$500 and US$1,200/troy ounce and 3% GMR at a gold price over US$1,200/troy ounce in accordance with the terms, conditions and calculations contained in Schedule "6".
Bell Mountain Exploration Corp.
Edith, Hometake, Bell & JS Claims, et al.
26 claims, Degerstrom & Globex Royalties
Doc: 459315
Bell Mountain Exploration Corp.
BMG 1-119 Claims
Globex Royalty
Doc: 459316
Bell Mountain Exploration Corp.
BMW 1-6 Mill Site Claims
Doc: 459317
Located 6 Miles North
Not Shown on this Map
Bell Mountain Exploration Corp.
LGB 1-29 Claims
Globex Royalty
Doc: 459318
Third Party Claims Not Under Lease
Renegade Mineral Holdings LLC
S. Ext claims 6, 8, 9 & 11.
4 Claims
Area of Study
Claims within Portions of Townships 15 North, Range 34 East and Portions of Townships 16 North, Range 34 East in Churchill County, Nevada.
BMP
NEVADA
PROPERTY LOCATION
Scale 1:36000
1" = 3000'
0
3000'
FEET
UTM N
Bell Mountain Exploration Corp.
912 North Division St.
Carson City, NV. 89703
Bell_Mtn_NI-43-101-Figure-1.DWG
June 2, 2017
Drawn By: G.I.S. Land Services
Datum: 1927 Projection: UTM Zone 11
Units: Meters

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