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PROPHECY DEVELOPMENT CORP.

PULACAYO SILVER-ZINC-LEAD DEPOSIT MINERAL RESOURCE ESTIMATE TECHNICAL REPORT

Pulacayo Township
Potosí Department
Antonnio Quijarro Province
Bolivia

Effective Date: June 16th, 2015

Prepared By:
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Serving the Mining and Exploration Industry For Over 20 Years

Date and Signature Page

The effective date of the mineral resource estimate presented in this report is June 16th, 2015.

"Original signed and stamped by"

Peter Webster, P.Geo., President Date: July 31st, 2015
Mercator Geological Services Limited

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Michael Cullen M.Sc., P.Geo., Chief Geologist Date: July 31st, 2015
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Summary

This report on estimation of mineral resources for the Pulacayo silver-zinc-lead deposit was prepared by Mercator Geological Services Limited (Mercator) on behalf of Prophecy Development Corp. (Prophecy). It focuses on definition of high grade silver-zinc-lead mineralization that occurs within a drilling-defined portion of the Pulacayo deposit's Tajo Vein System, proximal to historic underground workings. This mineral resource estimate was prepared in accordance with disclosure requirements set out under National Instrument 43-101 (NI 43-101) and with Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Reserves *Definitions and Guidelines (the "CIM Standards")*.

The Pulacayo silver-zinc-lead deposit is located 18 km east of the city of Uyuni, in the Department of Potosi in southwestern Bolivia and forms part of Prophecy's Pulacayo project. The site is 460 km south southeast of the national capital, La Paz, and 130 km southwest of the city of Potosi. The past producing Pulacayo mine was the second largest silver producer in Bolivia, with over 600 million ounces of historic production documented in government records. Prophecy acquired a 100% interest in the Pulacayo-Paca project in early 2015 through purchase of Apogee Minerals Bolivia S.A., ASC Holdings Limited and ASC Bolivia LDC, all of which were wholly-owned subsidiaries of the previous owner, Apogee Silver Ltd. (Apogee), a publicly listed mineral exploration firm with offices located in Toronto, Ontario, Canada.

The extent of mineralization comprising the current mineral resource estimate is defined by the extent of modern era diamond core drilling along the Tajo Vein System (TVS) in the vicinity of historic underground workings. The workings extend over a strike length of approximately 2.7 km and to a vertical depth from surface of 1 km. Modern drilling coverage is present for approximately 1.5 km of the known deposit strike length and extends to a vertical depth of approximately 550 m below surface. Historic underground workings on the TVS extend approximately 450 m below the base of the current resource estimate.

The Pulacayo deposit is interpreted to be a low sulphidation epithermal deposit that hosts both precious and base metal mineralization. Mineralization of economic interest occurs within the Tertiary age Pulacayo volcanic dome complex that consists of older sedimentary rocks of the Silurian Quenhua Formation plus intruding andesitic volcanic rocks of the Rotchild and Megacristal units. Mineralization hosted by volcanic rocks can occur over tens of meters in thickness and typically consists of discrete veins plus stockworks of narrow veins and veinlets that occur within argillic alteration host rock envelopes. At deeper levels, high grade veins that are typically less than a few meters in width occur and are hosted by sedimentary lithologies. Veins are commonly banded in texture and can contain semi-massive to massive sulphides. Primary minerals of economic importance at Pulacayo are tetrahedrite, galena and sphalerite, with additional silver sulfosalts and native silver also contributing to deposit silver grades.

Mineralization is controlled by an east-west oriented normal fault system that links two northeast trending, steeply dipping, regional strike slip faults.

The new mineral resource estimate prepared by Mercator for the Pulacayo deposit is tabulated below and has an effective date of June 16th, 2015. It reflects a silver equivalent (Ag Eq.) reporting cut-off value of 500 g/t Ag and is based on a fully constrained, three dimensional block model developed by Mercator using Geovia-Surpac ® Version 6.6.1 modeling software. The supporting analytical database incorporates validated results of 69,739 m of combined diamond drilling from 226 surface drill holes and 42 underground drill holes, plus 6 surface trenches completed by Apogee Silver Ltd. and ASC Bolivia LDC between 2002 and the end of 2011. Historic underground sampling results were not used in the current mineral resource estimation program.

Pulacayo Mineral Resource Statement – Effective Date: June 16th, 2015

Pulacayo Mineral Resource Statement – Effective June 16th, 2015						
Ag Eq. Cut-Off (g/t)	**Category**	**Tonnes****	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Ag Eq. (g/t)**
400	Indicated	2,080,000	455	2.18	3.19	594
	Inferred	480,000	406	2.08	3.93	572
500*	**Indicated**	**1,270,000**	**530**	**2.51**	**3.63**	**688**
	Inferred	**350,000**	**419**	**2.47**	**4.58**	**620**
600	Indicated	750,000	608	2.91	4.02	785
	Inferred	170,000	394	3.49	6.75	710

Notes:

1. *Mineral resources are estimated in conformance the CIM Standards referenced in NI 43-101.*
2. *Raw silver assays were capped at 1,700 g/t, raw lead assays were capped at 15% and raw zinc assays were capped at 15%.*
3. *Silver equivalent Ag Eg. (g/t) = Ag (g/t)*89.2% + (Pb% *(US$0.94/ lb. Pb /14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*91.9%) + (Zn% *(US$1.00/lb. Zn/14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*82.9%).*
   Metal prices used in the silver equivalent calculation are US$16.50/Troy oz. Ag, US$0.94/lb Pb and US$1.00/lb. Zn. Metal recoveries used in the silver equivalent reflect historic metallurgical results disclosed by Apogee Silver Ltd.
4. *Metal grades were interpolated within wireframed, three dimensional silver domain solids using Geovia-Surpac Ver. 6.6.1 software and inverse distance squared interpolation methods. Block size is 10m(X) by 10m(Z) by 2m(Y). Historic mine void space was removed from the model prior to reporting of resources.*
5. *Block density factors reflect three dimensional modeling of drill core density determinations.*
6. *Mineral resources are considered to have reasonable expectation for economic development using underground mining methods based on the deposit history, resource amount and metal grades, current metal pricing and comparison to broadly comparable deposits elsewhere.*
7. *Rounding of figures may result in apparent differences between tonnes, grade and contained ounces.*
8. *Mineral resources that are not mineral reserves do not have demonstrated economic viability.*
9. **Mineral resource statement cut-off value; resource statement values are presented in bolded form.*
10. ***Tonnes are rounded to nearest 10,000.*

Prophecy's strategy in pursuing exploration and future development of the Pulacayo deposit differs from that of the previous operator, Apogee, which focused on assessment of broad, lower grade zones of mineralization potentially amenable to development using underground bulk mining methods or open pit mining methods. Prophecy's interest is specifically focused on high grade mineralization (>500g/t Ag Eq,) that could potentially be mined using underground methods to support milling rates in the 250 to 500 tonnes per day range. This proposed production rate falls within the range of existing site environmental permits.

It is important to note that Apogee completed a feasibility study for the Pulacayo project in 2013 based on a higher tonnage, lower grade mineral resource model and higher proposed production rates. Conclusions and recommendations presented in that study are not considered to be valid for the higher grade and lower tonnage operating scenario currently of interest to Prophecy. Prophecy is not relying upon results of the 2013 Apogee feasibility study and the current mineral resource supercedes all previous estimates. Production scale-appropriate studies related to mine planning, metallurgical processing and financial analysis have been initiated by Prophecy for the Pulacayo project.

Mercator is of the opinion that further technical and financial assessment of a high grade development scenario for the Pulacayo deposit is warranted and that both resource extension and new resource definition opportunities defined to date on the property should be pursued. Recommendations arising from the current mineral resource estimation program and associated project review carried out by Mercator are as follows:

(1) Mine planning, geological and engineering studies to support future definition of mineral reserves should be completed based on the new mineral resource block model developed by Mercator.

(2) Metallurgical studies focused on high grade sulphide mineralization within the current mineral resource model should be completed. Results of such studies will provide necessary inputs for future definition of mineral reserves. If underground bulk sampling is required to support metallurgical work, a program of closely spaced underground diamond drilling is recommended in any area selected for such sampling. A nominal 500 m drilling allocation for such purposes is recommended.

(3) Historical mine workings are present to a depth of approximately five hundred meters below the base of the current detailed digital workings model prepared by Mercator. These additional workings are defined in hard copy historical mine records and should be digitally compiled and merged with the current digital workings model to support future work on the deposit. Historic assay results for underground sampling of mine workings have also not been digitized to date and it is recommended that this be carried out as time permits, beginning within the current resource area and progressing systematically through deeper mine levels.

(4) A Preliminary Economic Assessment based upon the current high grade Pulacayo resource estimate is recommended. Results would provide guidance regarding subsequent initiation of Pre-Feasibility or Feasibility level studies required to define mineral reserves in accordance with NI43-101 and the CIM Standards.

(5) The Pulacayo deposit remains open along strike in both directions and also down dip. Further core drilling to define resource extensions is warranted and should therefore be focused on extensions of high grade metal trends that are defined by the current block model.

Target opportunities within approximately 150 vertical meters of the San Leon tunnel level surface should have highest priority. A drilling allocation of 2500 m is recommended for initial testing of highest priority resource extension areas.

(6) On-going resource definition work on the nearby Paca silver-zinc-lead deposit held by Prophecy should proceed to completion and drilling assessments of the main tailings/waste rock deposits sampled by Prophecy in 2014 should be completed to support future definition of mineral resources in accordance with NI 43-101 and the CIM Standards.

A $(US)1.76 million budget is proposed to support the recommendations presented above.

1 Introduction and Terms of Reference

This report on estimation of high grade mineral resources for the Pulacayo silver-zinc-lead deposit located in Pulacayo, Bolivia was prepared by Mercator Geological Services Limited (**Mercator)** on behalf of Prophecy Development Corp. **(Prophecy),** a public Canadian corporation listed on the TSX–Venture Exchange under the symbol PCY. It reflects disclosure and resource estimation requirements set out under National Instrument 43-101 (NI 43-101) and Canadian Institute of Mining, Metallurgy and Petroleum Standards for Mineral Resources and Reserves *Definitions and Guidelines (the CIM Standards).* Prophecy acquired a 100% interest in the Pulacayo-Paca project in early 2015 through purchase of Apogee Minerals Bolivia S.A., ASC Holdings Limited and ASC Bolivia LDC, all of which were wholly-owned subsidiaries of the previous owner, Apogee Silver Ltd. (Apogee), a Canadian, publicly listed mineral exploration firm with offices located in Toronto, Ontario, Canada.

The terms of reference for the resource estimation program were established through discussion with Prophecy management during March of 2015. At that time it was determined that the estimate would be based upon validated results for all core drilling completed by Apogee and ASC Bolivia LDC (**ASC**) in the 2002 to 2009 period, additional drill holes completed by Apogee during 2010 and 2011, and results for 6 Apogee surface trenches. It was agreed that analytical results for historic underground sampling programs would not be used in the estimation program due to lack of suitable validation information.

Mercator President, P. Webster, and Mercator Senior Resource Geologist, M. Harrington, carried out a site visit to the Pulacayo deposit during the period August 2nd, 2011 to August 10th, 2011 and completed a review of Apogee drill program components, including protocols for drill core logging, storage, handling, sampling and security. An independent core check sampling program was completed by the authors, drill sites were visited and various trenched and channel sampled bedrock exposures were examined.

Author Cullen carried out a site visit during the period April 26th to April 28th of 2012 and completed similar technical reviews plus a core check sampling program with respect to 2011 oxide zone drilling by Apogee. In both cases, Mercator staff members were accompanied by Mr. C.Collins, then President of Apogee Silver Ltd. (Apogee), and met with Apogee Exploration Manager, Mr. H. Uribe Zeballos, both of whom provided technical and professional insight with respect to the project at that time. Site professional and technical staff provided additional assistance during the visits, under supervision of Senior Geologist, Mr. F. Mayta Quispe.

Authors Cullen and Harrington carried out an additional site visit to Pulacayo during the period June 3rd to June 5th of 2015 and again completed discussions regarding current project geological mapping and exploration program results with Mr. Uribe Zeballos and site geological staff. Mr. Uribe Zeballos has been retained by Prophecy to serve as Chief Geologist for the Pulacayo

Project. The primary focus of the June, 2015 site visit by Mercator staff was assessment of Paca deposit drill core and surface exposures in support of a resource estimation program by Mercator for that deposit that was on-going at the report date.

Hard copy project records were examined while in Bolivia and company digital records for all property drilling and mine workings were delivered to Mercator for purposes of the previous (Apogee) and current (Prophecy) resource estimation programs. This includes complete drill logs, drill plans, assay records and laboratory records for drilling completed by the company, as well as for historic exploration in the property area by other explorers. Based on such information, Mercator assembled and validated a digital drilling database upon which the preceding three-dimensional resource estimate block models for the Pulacayo deposit prepared for Apogee were developed. The validated database used for the last Apogee resource prepared by Mercator in 2012 also forms the basis of the resource model used in the Pulacayo feasibility study (Porter et al., 2013) prepared for Apogee by TWP Sudamerica S.A (TWP) in 2013 and was used by Mercator for the current Prophecy resource with no additions of data. The updated database used for the current resource estimate includes all new 2011 drilling program data.

Both authors of this report are independent Qualified Persons as defined under NI43-101 and have specific experience in the geology and mineralization types detailed in this report.

2 Reliance on Other Experts

2.1 General

This report was prepared by Mercator for Prophecy and the information, conclusions and recommendations contained herein are based upon information available to Mercator at the time of report preparation. This includes data and reports made available by Prophecy as well as project data and reports provided previously by Apogee to support resource estimation programs carried out between 2011 and 2013. Information contained in this report is believed to be reliable, but parts of the report are based upon information not within Mercator's control. Mercator has no reason, however, to question the quality or validity of data used in this report. Comments and conclusions presented herein reflect the authors' best judgment at the time of report preparation and are based upon information available at that time. Various Mercator staff contributed to this report and Senior Resource Geologist, Matthew Harrington, coordinated deposit modelling under direct supervision of the authors.

Mercator relied upon Apogee with respect to provision of legal opinions regarding Bolivian mining law and regulations, mineral titles, surface titles and mineral agreements that pertain to the Pulacayo property. More specifically, Mercator relied upon information pertaining to these topics that was provided by Mr. Gustavo A. Miranda Pinaya, who was then Executive President and in-house legal counsel for Apogee Minerals Bolivia SA. Those legal opinions were re-affirmed by Mr. Gustavo A. Miranda Pinaya in late July of 2015 for preparation of this report.

Mercator also relied upon Prophecy with respect to provision of an opinion on site environmental liabilities and details of current status and nature of site environmental and production permits that exist for the Pulcayo project. Summarized information pertaining to these items that appears in this report was confirmed by Prophecy.

This report expresses opinions regarding exploration and development potential for the Pulacayo project as well as recommendations for further investigations and analysis. These opinions and recommendations are intended to serve as guidance for future development of the property, but should not be construed as a guarantee of success.

2.2 Abbreviations Used in this Report

The following abbreviations and factors have been used in this report and certain others are individually defined where they initially appear in the text. Currency references in this report reflect Canadian funds unless otherwise indicated.

Table 2.1: Listing of Abbreviations and Conversions

Apogee	Apogee Silver Ltd.		
CIM	Canadian Institute of Mining and Metallurgy		
CSA	Canadian Securities Administrators		
DTM	Digital terrain model		
ID^2	Inverse distance squared		
IF	Inferred (resource)		
IN	Indicated (resource)		
Mercator	Mercator Geological Services Limited		
NI 43-101	National Instrument 43-101		
NSR	Net Smelter Return		
OK	Ordinary Kriging		
P&E	P&E Mining Consultants Inc.		
Prophecy	Prophecy Development Corp.		
TWP	TWP Sudamerica S.A.		
mm	millimeter		
cm	centimetre	Silver	Ag
m	meter	Antimony	Sb
km	kilometer	Oxygen	O
ha	hectare	Zinc	Zn
C	Celsius	Sulphur	S
oz	troy ounce (31.04 g)	Lead	Pb
g	gram (0.03215 troy oz)	Iron	Fe
kg	kilogram	Barium	Ba
lb	pound	Manganese	Mn
t	tonne (1000 kg or 2,204.6 lb)	Arsenic	As
T	ton (2000 lb or 907.2 kg)	Potassium	K
Oz/T to g/t	1oz/T = 34.28 g/t	Aluminum	Al
Au	Gold	Sodium	Na
Cu	Copper	Silica	Si

3 Property Description and Location

3.1 General

The Pulacayo-Paca property consists of approximately 15,103 hectares of contiguous mining concessions centered on the historic Pulacayo mine and town site. The property is located in southwest Bolivia, approximately 460 km from the capital city of La Paz, 130 km southwest of the town of Potosi and 18 km east of the city of Uyuni (Figure 3.1). It is accessible by good roads from La Paz which are now paved to the town of Uyuni and beyond to Potosi. The property is centered at approximately 740450mE and 7744695mN WGS84 Zone 19, south datum, and at an elevation of 4305 m ASL (Figure 3.1). The paved highway provides excellent year-round access to the Pulcayo project area and lesser roads and trails join the prominent historic exploration or mining areas such as Paca and Paca-Mayo to the Pulcayo site. Some of the property roads are characterized by steep slopes and switch backs and require substantial driver caution. Four wheel drive vehicles are recommended for travel within the property limits.

The tourist town of Uyuni, on the edge of the large Salar de Uyuni (salt lake), provides limited local services. The town has railway connections with the cities of Oruro, Potosí and Villazon and also to the borders with Argentina and Chile. Uyuni has a newly developed airport with asphalt strip which can now accommodate turbo props and regional jet service. There are also several small hotels, hostels, restaurants, schools, medical and dental facilities and internet cafes. The San Cristóbal Mining Company has constructed a gravel road from San Cristóbal, approximately 100 km southwest of Uyuni, to the border with Chile.

3.2 Summary of Mineral Title

The following excerpt from Pressacco et al. (2010) that outlines the mineral title and governance regime applicable to the Pulacayo holdings was previously presented in Cullen and Webster (2012b) and was extensively updated by Prophecy in 2015 to meet current report requirements.

3.2.1 Overview of Bolivian Mining Law

The granting of mining concessions in Bolivia is governed by the Constitution (Constitución Política del Estado), the new Mining and Metallurgy Law (Ley de Minería y Metalurgia) enacted by Law No. 535 of May 28, 2014, supplemented by certain Supreme Decrees that rules taxation, environmental policies, and administrative matters, etc. Ground and underground resources are from original domain of the Bolivian people and the resources can be granted by the State for exploitation but the Bolivian state is prohibited to transfer them, according to the Article 349.I of the Constitution. Bolivian or foreign companies or individual persons may have mining concessions; with the exception of minors,

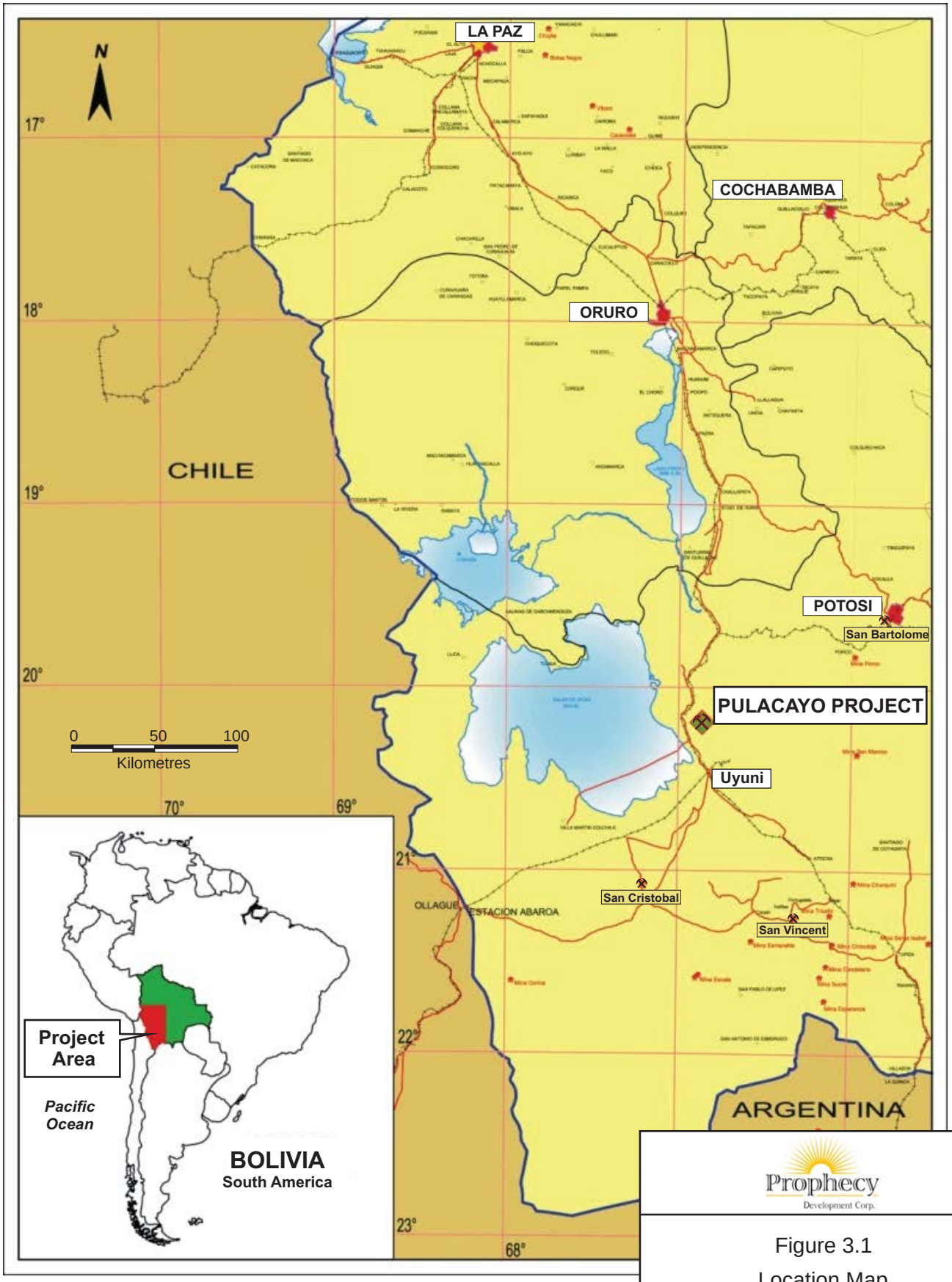

Figure 3.1

Location Map
Pulacayo Project, Bolivia

Taken from Iriondo et al. (2009)

Date: July 2015

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governments agents, armed forces members, policemen and relatives of such persons, etc. where applicable, according to Article 30 of the Mining and Metallurgy Law.

Foreigners, according to the Article 262.I of the Constitution and Article 28 of the Mining and Metallurgy Law are not authorized to own mining concessions or real estate property within a buffer zone of 50 km surrounding the Bolivian international borders.

In May 28th 2014 the Bolivian government enacted a new mining legislation[1] which establishes that any mining activity will be performed under the new legal framework of "mining administrative contracts".

Current existing Special Transitory Authorizations or STA's, formerly known as "mining concessions", must follow a procedure before the Administrative Jurisdictional Mining Administration (AJAM) to be converted into "administrative contracts"[2], this type of "mining administrative contract" does not involve the participation of the Bolivian State through its state owned mining corporation known as COMIBOL. The "government take" is limited to taxes, the annual mining patents[3] and to the "Mining Royalty"[4] that is paid when the minerals are sold. COMIBOL does not hold any interest or participation in this type of contract. The contracts will be executed with the AJAM. The same concept applies to new applications for "mining areas".

If an area with potential is under the name of COMIBOL or under the name of any other state owned mining company, then another type of mining contract must be executed: the Mining Association Contract[5]. This type of contract is similar to a Joint Venture Contract, highlighting that the contract must be executed **under Bolivian laws**, with **arbitration in Bolivia[6]**, and establishing that the **participation of the Bolivian counterpart cannot be lower than 55% of the profits[7]**. This Association Contract has a Board that must have the same number of representatives for each party; but the chairman of the Board will always be elected from the members representing the state owned company[8]. The Bolivian party is a free carried interest party that only contributes with the mining areas and no other commitments are made such as investments.

According to the article 144 of the Mining and Metallurgy Law, to retain the rights to the mining administrative contract, the title holder must comply with two requirements: a) pay the patentes annually, according to the scale detailed on Article 230 of the Mining and Metallurgy Law, and

[1] Mining and Metallurgy Law No. 535 released in May 28th, 2014
[2] Mining and Metallurgy Law, Articles 185 - 206
[3] Mining and Metallurgy Law, Articles 230 - 234
[4] Mining and Metallurgy Law, Articles 223 - 229
[5] Mining and Metallurgy Law, Article 145
[6] Mining and Metallurgy Law, Article 147
[7] Mining and Metallurgy Law, Article 148
[8] Mining and Metallurgy Law, Article 150

b) explore or exploit the area granted. Mining areas granted by the Bolivian State cannot remain without carryng any activity for more than six months.

"Cuadrícula" is the current mining measure unit, which is an inverted pyramid with the inferior vertex pointing the earth's core, with an exterior perimeter equal to 25 hectares.

Some existing mining rights have been applied for and granted according to the system governed by an old Mining Code, which has not been in effect since 1997. However these rights are legal, and must be coverted into administrative contracts too. The measure unit of the mining concessions obtained according to the aforementioned old Mining Code system is the "pertenencia minera", which is an inverted pyramid with the inferior vertex pointing at the earth's core, with an exterior perimeter equal to one hectare.

Mining rights cannot be transferred, sold or mortgaged. Mining Association Agreements are permitted be transferred, sold or mortgaged.

Some of the most important provisions of the New Mining Law relate to Mining Rights, Mining Contracts, and the creation of a new mining supervisory entity called the Jurisdictional Administrative Mining Authority, which is described in detail below.

Mining Rights

- With regards to mining rights, Article 92 of the Mining and Metallurgy Law provides that mining rights grant their holders the exclusive faculty to prospect, explore, exploit, concentrate, smelt, refine, industrialize and commercialize the mineral resources, by means of mining activities, in part or over all of the productive chain. However, on the other hand, Article 93 provides that such rights shall not grant their owners' property or possession rights over such mining areas, and that the holders of mining rights may not grant leases over the mining areas.
- In addition, Article 94 of the Mining and Metallurgy Law provides that the Plurinational State of Bolivia acknowledges and respects the acquired rights of individual or joint title holders, private and mixed companies, as well as other forms of private property rights in relation to their corresponding STAs, subject to the prior transition or adjustment to the regime of administrative mining contracts, provided by the same Mining and Metallurgy Law.
- With regards to property rights, as well as the protection of investments and rights over property, Articles 95 and 102 provide that title holders shall have dominion over their investment, the mining production, movable and immovable properties built on the land, as well as the equipment and machinery installed inside and outside of the perimeter of

the mining area; and that the State shall guarantee conditions of mining competitiveness and foreseeability of legal provisions for the development of the mining industry.

- Lastly, Articles 97 and 99 of the Mining and Metallurgy Law provide that title holders shall have the right to receive profit or surpluses generated by the mining activity, subject to the compliance with applicable tax laws; and that the State guarantees the rule of law over mining investments of title holders who are legally incorporated.

Mining Contracts

- The Mining and Metallurgy Law regulates mining contracts in Title IV, Chapter I, and it provides that the administrative mining contract is the legal instrument "whereby the State grants …, mining rights for undertaking certain mining activities, to productive mining actors within the state, private and cooperative mining industry."
- Pursuant to Articles 134 to 136, mining contracts shall be formalized by means of a public deed legalized before a Notary Public of the jurisdiction where the mining area is located, and shall be signed by the JAMA, as representative of the Executive Branch.
- In order to be valid between the signing parties and enforceable towards third parties, mining contracts are required to be filed before the Mining Registry, and once executed, signatory parties shall not be able to transfer or assign their rights therein.

Creation of the Jurisdictional Administrative Mining Authority

- One of the most important features of the Mining and Metallurgy Law is the creation of a new supervisory entity, called the Jurisdictional Administrative Mining Authority (Autoridad Jurisdiccional Administrativa Minera, in Spanish, hereinafter "JAMA").
- The job of the JAMA is to manage, supervise and control every mining activity carried out in Bolivia, as well as the Mining Registry.
- In addition, one of the main responsibilities of the JAMA is to draft and propose legislation to the Executive Power, in order to regulate the transition of the STA's into Mining Contracts. In accordance with Article 185 of the Mining and Metallurgy Law, the transition of the STAs into mining contracts shall be processed before the JAMA, within six months of the issuance of the corresponding supreme decree and administrative resolution providing the procedure for the transition.
- However, up to the date of this legal report, no new regulation has been issued about the rules and procedures to follow before the JAMA to convert the STA's into Mining Administrative Contracts..
- As a result, the current status of every STA is preserved.

Taxes Applicable

- Mining Royalty (Regalía Minera) equivalent to 1-7% of the gross sales value of the mineral. The tax is paid before the mineral is exported or sold in the local market (in this case only 60% of the tax is paid).
- Profits tax of 25% on net profits [Gross income – (expenses+costs)]; losses can be carried forward for 5 years. An additional 12.5% is paid when metals/minerals reach extraordinary market prices.
- Mineral production is subject to a Value Added Tax of 13%.

The Ministry of Mining and Metallurgy is responsible for mining policy. *Servicio Geologico Minero de Bolivia* (SERGEOMIN) – the Bolivian Geological Survey, a branch of the Ministry, is responsible for management of the mineral titles system. SERGEOTECMIN also provides geological and technical information and maintains a USGS-donated geological library and publications distribution centre. Also, tenement maps are available from SERGEOMIN, which has a GIS based, computerized map system.

Exploration and subsequent development activities require various degrees of environmental permits, which various company representatives have advised are within normal international standards. Permits for drill road construction, drilling and other ground disturbing activities can be readily obtained in 2 – 4 months, or less, upon submission of a simple declaration of intent and plan of activities."

3.2.2 Implications of New Mining and Metallurgy Law for Pulacayo Project

In May of 2014, the Bolivian government enacted Mining Law No. 535 (the "New Mining Law"). The New Mining Law requires mining companies to deal with Bolivian interests before considering international interests and also requires pre-existing contracts such as agreements executed directly with COMIBOL to be re-negotiated, which is not the case of the Pulacayo Joint Venture Agreement.

With regard of the Joint Venture Agreement executed with the Pulacayo Cooperative the following regulations from the Mining and Metallurgy Law apply:

Article 94. II The Bolivian State acknowledges and respects pre-established rights of the mining cooperatives, in any of the current types (this rule applies to the Pulacayo Joint Venture Agreement and its terms). However the same article establishes that these rights (such as the ones generated by the Joint Venture Agreement) must follow a procedure to be converted into administrative mining contracts.

Art. 129 declares that according to the Bolivian Constitution (Article 8th of the Transitory Regulations section) the Bolivian state will respect pre-established rights of the Mining Cooperatives.

Art. 130 gives a definition about "pre-established rights" of the Mining Cooperatives and in its paragraph "b" says that the Lease Agreements executed by the mining cooperatives with COMIBOL, fall under such definition (the Lease Agreement executed by the Pulacayo Cooperative and COMIBOL is the base and the underlying agreement of the Pulacayo Joint Venture Contract). Section "d" of the same article is even more specific and rules that the Joint Venture Agreements executed by the mining cooperatives, maintaining its terms and conditions, are considered as "pre-established" rights.

The same article also establishes that the Joint Venture Contracts must be adapted to the new mining legislation and must be converted to "Administrative Mining Contracts", which will be executed not with COMIBOL but with the JAMA.

Art. 198 says that any pre-established royalty on behalf of COMIBOL will be paid to COMIBOL, despite the fact that the adaptation of the Joint Venture Agreement will be executed with the JAMA.

As a consequence, the current agreement with the Pulacayo Cooperative, executed under the authorization of COMIBOL with respect to the Pulacayo project will not need to be renegotiated according to the Mining and Metallurgy Law.

3.3 Mineral Title Ownership

Details of mineral title ownership of the Pulacayo-Paca properties are complicated by multi-layered option and joint venture agreements, with original ownership established prior to Prophecy's acquisition of Apogee's interest in the Pulacayo-Paca project in January of 2015. Prophecy's current interests and ownership in the project were established under terms of the January 2015 acquisition agreement with Apogee.

Apogee Minerals Ltd. (renamed Apogee Silver Ltd. in March 2011) originally controlled 100% of the Pulacayo deposit through an agreement with Golden Minerals Company (GMC), the successor of Apex Silver Company. Golden Minerals Company's Bolivian subsidiary, ASC Bolivia LDC, holds the mining rights to the concessions through a series of option and lease agreements with the Pulacayo Mining Cooperative and COMIBOL, the mining corporation of Bolivia. On January 21, 2011 Apogee Minerals Ltd. entered into a definitive agreement with GMC to acquire all of the issued and outstanding shares of an indirectly held subsidiary of GMC known as ASC, which holds a 100% interest in the Pulacayo-Paca Project.

Pursuant to the agreement, Apogee Minerals Ltd. subsequently acquired all of the issued and outstanding shares of the subsidiary by issuing a total of 8,000,000 common shares of the company to GMC and paying GMC a cash fee in the amount of $500,000 eighteen. .

Mr. G. A. Miranda Pinaya, Executive President and in-house legal counsel for Apogee Minerals Bolivia SA provided Mercator with the following property ownership report that details Concession, Lease and Joint Venture agreements that pertain to the company's involvement with the Pulacayo and Paca properties. Mr. Miranda Pinaya also confirmed that conditions described in this report remained in place at the effective date of the report. Mercator has relied upon this information for report purposes and has not independently verified related content.

1) Comibol / Pulacayo Ltda. Lease Agreement

- The Bolivian Mining Corporation (COMIBOL) and the Pulacayo Ltda. Mining Cooperative have executed a Lease Agreement (Contrato de Arrendamiento) according to the "Testimonio" No. 235/97 dated 08/01/1997 granted by the Mining and Petroleum Special Notary from La Paz (María Esther Vallejos). The Testimonio was registered before Mining Registry under the No. 253 Book "B" dated 09/05/1997. There is no reference on the "Testimonio" about the registration before the Potosí Real State Office. However, the amendment referred ahead was duly registered which implies that the Lease Agreement was registered.

- The Lease Contract includes the following Special Transitory Authorizations ("STA" and formerly known as "mining concessions"): **Pulacayo Group:** Pulacayo (1,031 hectares), Porvenir (1,099), Huanchaca (460 hectares), Galería General (76 hectares) and Rochschild (3 hectares). **Ubina Group:** Santa Bárbara (149 hectares), La Esperanza (148 hectares), Flora (60 hectares) and Victoria (40 hectares). **Cholita Chaquiri Group:** Cholita (10 hectares) and Tolentino (220 hectares). All the concessions (a total of 3,296 hectares) are owned by the COMIBOL.

- As described on the agreement, contained on the Testimonio 65/2002 dated May 13, 2002, granted by Notary Public No. 003, executed between the Pulacayo Cooperative and COMIBOL the STA (property of COMIBOL) "Real del Monte" and "Temeridad" have been included on the agreement mentioned on previous paragraphs. Both STA are located on the main area of PACA (where most of the drilling was performed).

- The term of the Lease Agreement is 15 years, starting June 1997, there is no "day" mentioned on the Testimonio, only the month and the year are described. The contract is valid until June 2012. The term could be extended.

- The Lease establishes a rent equal to 1% of the net production value. If the payment has a 3

month delay then the contract is terminated.

- The Scope of the Lease Agreement is the Mining, Development, Milling and Marketing of ore from Pulacayo, Ubina and Cholita Chaquiri areas in the Province Quijarro, Potosí District. Exploration is permitted under the Lease Agreement.

- An amendment to the aforementioned contract was executed between COMIBOL and the Pulacayo Ltda. Mining Cooperative according to the "Testimonio" No. 115/2002 dated 07/30/2002 granted by Public Notary from La Paz No. 003 (Nelly Alfaro de Maldonado). The Testimonio was registered before Mining Registry under the No. PT-195 File No. 195 dated 08/02/2002, and finally registered before the Potosí Real State Office under the Partida No. 61-26 File No. 50vta.– 20 Book No. 8-49, dated 08/08/2002.

- The amendment extends the term of the Lease Contract until June 23rd, 2025 under the condition to execute a Joint Venture Agreement with a "strategic partner". If the Joint Venture is not executed or is terminated then the term of the Lease Contract will return to the original term (June 2012).

- An exploration period of five years is allowed. During this period the "strategic partner" must pay U$. 1,000 per month to COMIBOL as rent fee. A minimum investment of U$. 300,000 in exploration costs is promised, a U$. 30,000 bond (Boleta de Garantía Bancaria) must be granted on behalf of COMIBOL to guarantee the investment during the exploration period.

- A third party could be part of the "Pulacayo/Strategic Partner" Joint Venture Agreement, but under permission from COMIBOL's Board, previous written request. COMIBOL's Board may deny permission. The third party must have a renowned name and capacity on the mining industry.

2) Pulacayo Ltda. / ASC Bolivia LDC (Sucursal Bolivia) Joint Venture Agreement

- The Pulacayo Ltda. Mining Cooperative and ASC BOLIVIA LDC (Sucursal Bolivia)(a subsidiary of APEX) have executed a Joint Venture Agreement (Contrato de Riesgo Compartido) according to the "Testimonio" No. 116/2002 dated 07/30/2002 granted by Public Notary from La Paz No. 003 (Nelly Alfaro de Maldonado). The Testimonio was registered before Mining Registry under the No. PT-197 File No. 144 dated 08/02/2002, and finally registered before the Potosí Real State Office under the Partida No. 62-27 File No. 54vta.– 24 Book No. 8-49, dated 08/12/2002.

- COMIBOL's Board through Board's Resolution No. 2594/2002 dated July 25th 2002 has

authorized the execution of the Joint Venture Agreement.

- The Joint Venture Agreement only includes the Pulacayo Group of mining concessions: Pulacayo (1,031 hectares), Porvenir (1,099), Huanchaca (460 hectares), Galería General (76 hectares), Roschild (3 hectares), Temeridad (10 hectares) and Real del Monte (24 hectares).

- The term of the Joint Venture Agreement is 23 years starting July 30th, 2002. The first five years are for the exploration period.

- The Joint Venture Agreement could be terminated at any time if results from exploration are not satisfactory to ASC Bolivia LDC.

- ASC Bolivia LDC is committed to pay to COMIBOL U$. 1,000 during the exploration period.

- During the mining period ASC Bolivia LDC will pay to COMIBOL the equivalent of 2.5% of the Net Smelter Return (NSR) and 1,5% of the Net Smelter Return (NSR) to the Pulacayo Cooperative.

- The First Stage of Exploration implies the investment of U$. 500,000 or at least a minimum of U$. 300,000 during the sixth to eighth month.

- As defined on the clause 21st of the Joint Venture Agreement a third party could be integrated to the Joint Venture under permission of COMIBOL's Board.

3) ASC Bolivia LDC (Sucursal Bolivia) /Apogee Minerals Bolivia S.A. Option Agreement to Be Part of a "Joint Venture Agreement"

- Apogee Minerals Bolivia S.A. and ASC BOLIVIA LDC (Sucursal Bolivia) have executed an Option Agreement to be Part of a "Joint Venture Agreement" (Contrato de Opción para la Incorporación a un Contrato de Riesgo Compartido) according to the "Testimonio" No. 68/2006 dated 03/08/2006 granted by Public Notary from La Paz No. 038 (Daysi Benito Pozzo). The contract establishes the conditions that Apogee Minerals Bolivia S.A. must fulfill to vest 60% participation on the Pulacayo Cooperative / ASC Bolivia LDC Joint Venture Agreement and also to have 60% participation on the Paca Group of mining properties through a Joint Venture Agreement.

- The inclusion of Apogee Minerals Bolivia S.A. to the Pulacayo Cooperative / ASC Bolivia LDC Joint Venture Agreement was authorized by the Board of COMIBOL according to the Board Resolution dated November 8th, 2005.

- The inclusion of Apogee Minerals Bolivia S.A. to the Pulacayo Cooperative / ASC Bolivia LDC Joint Venture Agreement was also approved by the Board of the Cooperative according to the letter dated August 17th, 2005.

- The agreement includes the Pulacayo and the Paca Group of STA. The Paca Group of STA is property or is under the control of ASC Bolivia LDC.

- On October 23rd 2007 an amendment to the Option Agreement to be Part of a "Joint Venture Agreement" was executed, extending the term of the mentioned agreement until July 30th 2009, and in consequence extending the deadline to prepare a Feasibility Study until such date.

- On May 19th 2009, COMIBOL approved Apogee's request to extend the deadline to deliver a Feasibility Study until November 30th 2009. In consequence the deadline mentioned on previous paragraph was extended to November 30th 2009.

- If the Feasibility Study establishes the existence of a critical mass of resources, ASC will have the chance to dilute Apogee Minerals Bolivia S.A.'s participation from 60% to 40% if ASC in a term of 90 days notifies to Apogee Minerals Bolivia S.A. that it will develop Pulacayo to production.

- However, in order to avoid the disclosure of the commitments between Apogee Minerals Bolivia and ASC Bolivia LDC in regard of the incorporation of Apogee Minerals Bolivia S.A. to the Joint Venture Agreement, a simply separate agreement was executed by Apogee Minerals Bolivia S.A. and ASC Bolivia LDC. The mentioned agreement just details the incorporation of Apogee Minerals Bolivia S.A. to the Joint Venture Agreement and specifies the approval given by COMIBOL and the Pulacayo Cooperative. The mentioned agreement is detailed on the "Testimonio" No. 21/2006 dated 01/24/2006 granted by Public Notary from La Paz No. 038 (Daysi Benito Pozzo) and registered before the Mining Registry under No. PT-16 dated 06/22/2006.

- On January 20, 2011, Golden Minerals Company ("Golden") entered into a Purchase and Sale Agreement (the "Purchase Agreement") with Apex Silver Mines. Apex Mining Partners Limited and Apogee Silver Ltd. ("Apogee") pursuant to which Apogee purchased through other Golden subsidiaries, all of Golden's interest in ASC Bolivia LDC, which holds a 100% interest in the Pulacayo Cooperative / ASC Bolivia LDC Joint Venture Agreement through ASC Bolivia LDC Sucursal Bolivia, the Bolivian branch of ASC Bolivia LDC.

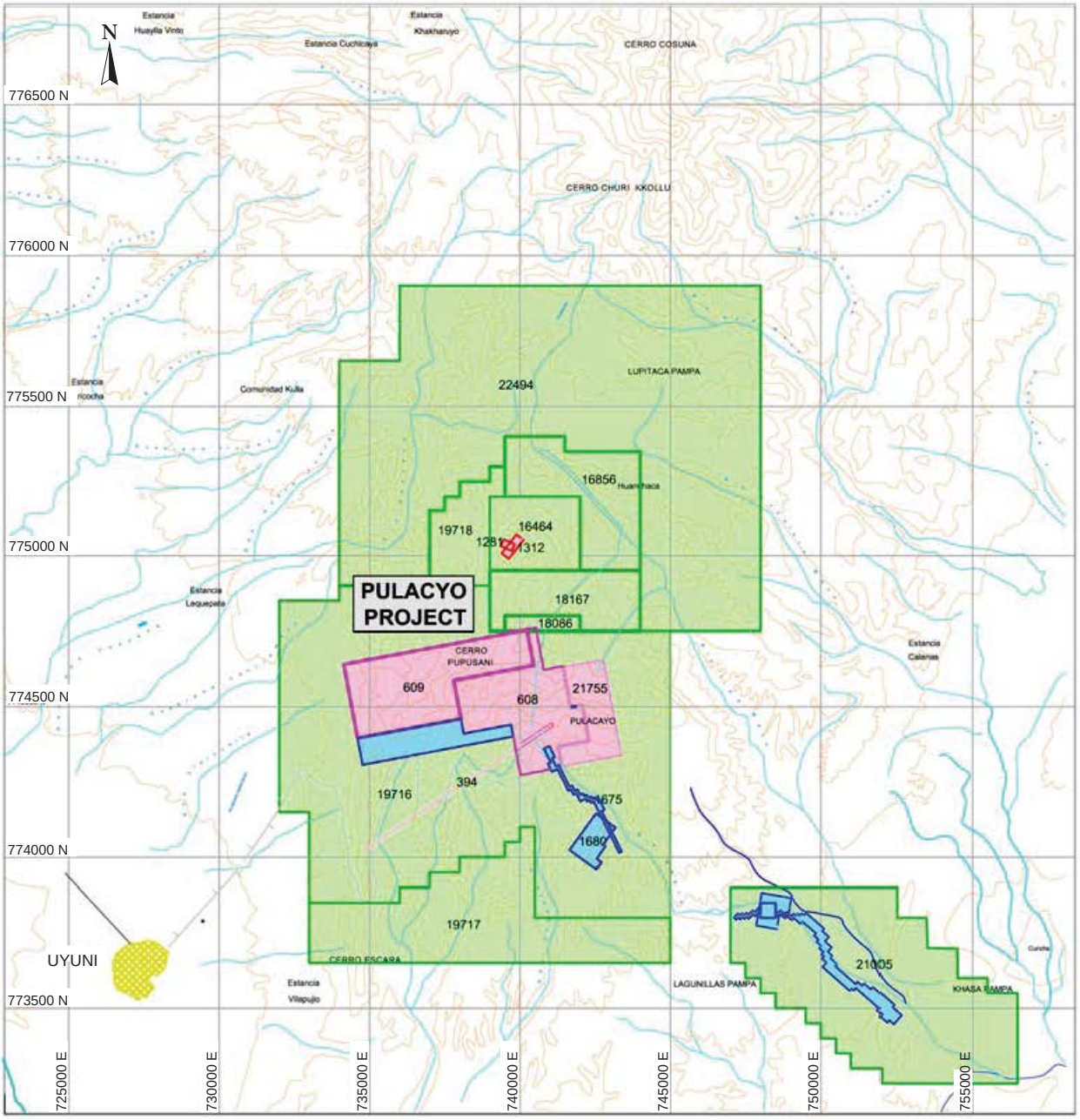
- As consequence of the aforementioned and as described on the "Testimonio" No. 438/2011 dated 07/15/2011 granted by Public Notary from La Paz No. 051 (Katherine Ramirez Calderon) on January 31st 2011, Apogee Minerals Bolivia S.A. and ASC Bolivia LDC Sucursal Bolivia have executed an agreement separating Apogee Minerals Bolivia S.A. from the Pulacayo Cooperative / ASC Bolivia LDC Joint Venture Agreement. On the third clause of the mentioned agreement it has been established that Apogee Minerals Bolivia S.A. will continue with the exploration duties, even a small scale pilot production, until all the environmental permits have been issued on behalf of ASC Bolivia LDC Sucursal Bolivia.

- And also as consequence of the aforementioned, the Pulacayo Cooperative / ASC Bolivia LDC Joint Venture Agreement has returned to its original scheme with the Pulacayo Cooperative and ASC Bolivia LDC Sucursal Bolivia as parties.

Figure 3.2 shows the distribution of Apogee mineral titles on the property and Table 3.1 lists the individual holdings that comprise Prophecy's Pulacayo-Paca portfolio.

Table 3.1: Summary of Apogee's Pulacayo-Paca Exploration Holdings

Pulacayo Group				
STA	**Owner**	**Size (ha)**	**Patentes Payment**	**Registration Number**
Pulacayo	COMIBOL	1031	Payment is not required	512-01015
Porvenir	COMIBOL	1199	Payment is not required	512-01165
Huanchaca	COMIBOL	460	Payment is not required	512-03903
Galería General	COMIBOL	76	Payment is not required	512-01160
Roschild	COMIBOL	3	Payment is not required	512-03908
Temeridad	COMIBOL	10	Payment is not required	512-00992
Real del Monte	COMIBOL	24	Payment is not required	512-00994
Paca Group				
STA	Owner	Size (has)	Patentes Payment	Registration Number
Apuradita	ASC Bolivia LDC	750	2014	512-03652
Apuradita II	ASC Bolivia LDC	1275	2014	512-03773
Tatoe	ASC Bolivia LDC	875	2014	512-04319
Phico Grande	Jaime Rubín de Celis / ASC Bolivia LDC	9400	2014	512-04779
TOTAL SIZE		**15103**		



MODALIDAD POR CUADRICULA (500 m x 500 m)

MSLINK	NROFOR	PADRON	NOMBRE	PROPIETARIO	CULAS SOLIC	CUADRICULAS ASIGNADAS
16464	16464	512-03652	APURADITA	ASC BOLIVIA LDC (SUCURSAL BOLIVIA)	30	30
16856	16856	512-03773	APURADITA-II	ASC BOLIVIA LDC (SUCURSAL BOLIVIA)	51	51
18086	18086	512-04318	SALLY	ASC BOLIVIA LDC (SUCURSAL BOLIVIA)	5	5
18167	18167	512-04319	TATOE	ASC BOLIVIA LDC (SUCURSAL BOLIVIA)	35	35
19716	19716	512-04779	PHICO GRANDE	JAIME ARSENIO RUBIN DE CELIS NAVARRO	376	376
19717	19717	512-04784	KHULLKU	ASC BOLIVIA LDC (SUCURSAL BOLIVIA)	111	111
19718	19718	512-04778	LUPITACA	ASC BOLIVIA LDC (SUCURSAL BOLIVIA)	27	27
21005	21005	512-05015	KHASA PAMPA	ASC BOLIVIA LDC (SUCURSAL BOLIVIA)	167	166
22494	22494	512-05746	EL ENCANTO	SILEX BOLIVIA S.A.	446	446

MODALIDAD POR PERTENENCIA (1 Ha)

MSLINK	NOMCON	TIPCON	NROPERT	UNIPERT	PROPIE	CANTON
394	GALERIA GENERAL	EXPLOTACION	76	HAS	CORPORACION MINERA DE BOLIVIA	UBINA
608	PULACAYO	EXPLOTACION	1031	HAS	CORPORACION MINERA DE BOLIVIA	YURA
609	PORVENIR	EXPLOTACION	1199	HAS	CORPORACION MINERA DE BOLIVIA	YURA
1281	TEMERIDAD	EXPLOTACION	10	HAS	CORPORACION MINERA DE BOLIVIA	THOLA PAMPA
1312	REAL DEL MONTE	EXPLOTACION	24	HAS	CORPORACION MINERA DE BOLIVIA	HUANCHACA
21755	HUANCHACA	EXPLOTACION	470	HAS	CORPORACION MINERA DE BOLIVIA	UBINA
21762	ROSCHILD	EXPLOTACION	3	HAS	CORPORACION MINERA DE BOLIVIA	YURA

0 5 10 Km

ASC Properties
Comibol Properties
Comibol Other Properties
Road
Town

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Figure 3.2

Property Concessions
Pulacayo Project

Taken from Iriondo et al. (2009)

Date: July 2015

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3.4 Environmental Considerations

Prophecy advised Mercator that the following description of the Pulacayo project's environmental considerations was accurate at the effective date of this report. It is understood that all rights and responsibilities established through permits issued to Apogee are now applicable to Prophecy. Mercator had previously summarized this information for purposes of the 2012 mineral resource estimate prepared for Apogee. Updated information is presented below and Mercator has relied upon Prophecy for provision of such for current report purposes. Mercator has not verified any of the content presented below.

The project's current environmental operating requirements are set out in compliance with the Environment Law (Law Nº 1333) and the Environmental Regulation for Mining Activities. A certificate of exemption was obtained for the exploration phase and an audit of the Environmental Base Line (ALBA) was carried out between December, 2007 and July, 2008 by Mining Consulting & Engineering "MINCO S.R.L.", a Bolivian based professional consulting firm with broad exposure to the mining industry. Its audit report summarized the work carried out during the Environmental Assessment by Apogee and includes 1) a compilation of information on the local vegetation, animals, soil, water, air, etc., including collection of more than 500 samples in the area of interest to support the conclusions and recommendations of the report; 2) an evaluation of the social impact of the project; 3) an evaluation of the area contaminated during previous mining activities, including tailings, abandoned facilities, acid waters, scrap, etc; 4) an evaluation of other environmental liabilities.

On May 25, 2011 Apogee was awarded an environmental licence by the Bolivian authorities sanctioning mining operations at its Pulacayo project. The permit (Certificado de Dispensación Categoria 3 Para Exploración y Actividades Mineras Menores/EMAP) allows for the extraction of up to 200 tonnes per day from underground for stockpiling and transporting for off-site processing.

On September 25th of 2013 Apogee was awarded by the Bolivian Ministry of water and Environment the Environment Impact Declaration certificate which shows that the Bolivian environmental authorities approved the Environmental Impact Assessment ("EIA") which permits establishment of mining, milling and tailings facilities on the Pulacayo site of sufficient size to support milling operations of up to 560 tonnes per day. The application to obtain this permit was applied by Apogee on December 17, 2012. The submission was the result of over 30 months of technical studies and consultations, including a comprehensive water management plan, the feasibility study, archeological studies, flora and fauna studies, mine closure planning, social baseline studies, and results from two years of public consultations with local communities. Permits previously granted to Apogee currently remain in effect for Prophecy.

4 Accessibility, Climate, Local Resources, Infrastructure and Physiography

4.1 Introduction

The discussions presented in report sections 4.2 through 4.5 are taken from Cullen and Webster (2012b) and were originally modified after those presented by Pressacco et al. (2010). They are otherwise otherwise directly based on reporting for Apogee by Iriondo et al. (2009).

4.2 Accessibility

Bolivia is a landlocked country located in central South America and includes diverse geographic and climatic conditions that range from snow-capped peaks and high altitude plateaus to vast, low-lying grasslands and rainforests. The country is accessible by international air travel from Miami (American Airlines), Mexico City, Brazil, Chile (LAN), Argentina and Peru (Taca). In addition, local Bolivian airlines fly regular internal flights between major cities, with several flights a week to a newly paved runway at Uyuni city, located 18 km from the Pulacayo property.

The principal highways are generally paved and heavy trucks and buses dominate road traffic outside of the major cities. For the most part, road freight service functions adequately even to small remote villages. The Pulacayo project is accessed from La Paz by means of a paved road, which runs to the area of Huari, passing through Oruro. It can also be accessed by the road between Oruro and Potosí and from Potosí to Uyuni by a good quality paved road. Paving of the road from Potosí to Uyuni began in 2007 and has now been completed to Potosi. Secondary roads can be best described as “tracks” and winding, single lane roads are often precariously carved out of steep slopes.

There is also a reasonably well developed rail system with connections south to Argentina, east to Brazil and west to Chile and the port of Antofagasta. Rail service from Uyuni connects with Oruro, Atocha, Tupiza, and Villazon (on the border with Argentina). Uyuni is also connected by railway to Chile through Estación Abaroa. Disused rail lines exist between Uyuni-Potosí and Oruro-La Paz.

Figure 4.1 presents major highway and rail routes of Bolivia relative to the Pulacayo project’s location.



Map No. 3875 Rev. 3 UNITED NATIONS Department of Peacekeeping Operations Cartographic Section
August 2004

Prophecy Development Corp.

Figure 4.1

Major Routes and Physiographic Regions in Bolivia

Date: July 2015

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4.3 Climate and Physiography

Two Andean mountain chains run through western Bolivia, with many peaks rising to elevations greater than 6,000 m above sea level. The western Cordillera Occidental Real forms Bolivia's western boundary with Peru and Chile, extending southeast from Lake Titicaca and then south across central Bolivia to join with the Cordillera Central along the country's southern border with Argentina. Between these two mountain chains is the Altiplano, a high flat plain system at elevations between 3,500 m and 4,000 m above sea level. East of the Cordillera Central a lower altitude region of rolling hills and fertile basins having a tropical climate occurs between elevations of 300 m and 400 m above sea level. To the north, the Andes adjoin tropical lowlands of Brazil's Amazon Basin (Figure 4.1).

Climate within Bolivia is altitude related. The rainy period lasts from November to March and corresponds with the southern hemisphere's summer season. Of the major cities, only Potosí receives regular snowfalls, with these typically occurring between February and April at the end of the rainy season. La Paz and Oruro occasionally receive light snow. On the Altiplano and in higher altitude areas, sub-zero temperatures are frequent at night throughout the year. Snow capped peaks are present year round at elevations greater than approximately 5,200 m.

The Pulacayo project area is located immediately southwest of the Cosuño Caldera and local topographic relief is gentle to moderate, with elevations ranging between 4,000 m and 4,500 m above sea level. The Paca and Pulacayo volcanic domes are volcanic structures that exist as prominent topographic highs in this area. Pulacayo has a semi-arid climate, with annual rainfall of approximately 100 mm and a mean summer temperature of 12°C between October and March. During winter, minimum temperatures reach the -20 to -25 degree C range and summer maximums in the 18 to 20°C range occur in June and July. Yearly mean temperature is 5.5°C. Vegetation is sparse to non-existent and consists of only local low bushes.

4.4 Local Resources and Infrastructure

Bolivia has a long history as a significant primary producer of silver and tin, with associated secondary production of gold, copper, antimony, bismuth, tungsten, sulphur and iron. The country also contains sizeable reserves of natural gas that have not been fully developed to date due to export issues and limited access to required infrastructure.

The country has an abundance of hydroelectric power and transmission lines which parallel the road system provide service to most major settlements. Remote villages generally have diesel generators which run infrequently during evening hours. Transmission lines from the hydroelectric plants of Landara, Punutuma, and Yura that were reconditioned by a joint venture

between COMIBOL and the Valle Hermoso Electrical Company pass within a few kilometres of Pulacayo.

Telephone service and internet access are available in most areas and cellular telephone service is widespread. However, coverage is not complete and international connectivity is not ensured. Local communication services in the area are good and consist of an ENTEL-based long-distance telephone service, a GSM signal for cell phones and two antennae for reception and transmission of signals from national television stations. Apogee installed a satellite receiver to provide internet access for its operation and this service is shared with the Cooperative Social del Riesgo Compartido (Shared Risk Cooperative). An adequate supply of potable water for the town is supplied by pipeline from a dam and reservoir (Yana Pollera) facility located 28 km from Pulacayo in the Cerro Cosuño.

Coeur d'Alene Mines Corporation (San Bartolome), Pan American Silver Ltd. (San Vicente), Glencore International plc (AR Zinc, Sinchi Wayra) and Apex Silver Mines Ltd - now Golden Minerals Company (San Cristóbal) have been the most significant international companies with producing mines in this region in recent years. Basic exploration services are available in Bolivia and include several small diamond core drilling contractors, the ALS Group, which operates an analytical services sample preparation facility in Oruro, the SGS Group, which has analytical services preparation facilities in La Paz, and several locally owned assay facilities. The Bolivian National School of Engineering operates a technical college in Oruro (Universidad Técnica de Oruro) that includes a mineral processing department and laboratory facilities that provide commercial services to the mining industry. In general, an adequate supply of junior to intermediate level geologists, metallurgists, mining engineers and chemists is currently considered to be present in the country.

Since down-sizing of site operations at Pulacayo by Apogee in 2013-2014, the population of the community has dropped to approximately 300 to 400 permanent residents, many of whom are associated with the Cooperativa Minera Pulacayo Ltda. (Pulacayo Mining Cooperative). The village has a state-run school and medical services are provided by the state's Caja Nacional de Seguros (National Insurance Fund). A hospital and clinic function independently. Numerous dwellings and mining related buildings in Pulacayo are owned by COMIBOL and some of these have been donated to the Pulacayo Mining Cooperative. Under terms of the Shared Risk Contract, COMIBOL makes some mining infrastructure available for use by Prophecy (Figures 4.2 and 4.3).



Figure 4.2: Pulacayo COMIBOL operations facility used by Apogee



Figure 4.3: Pulacayo COMIBOL office facility used by Apogee

4.5 Access For Recommended Work Programs and Future Operations

Prophecy advised Mercator that the agreements and permits currently in place for the Pulacayo project provide authority to carry out the exploration work programs recommended in this report. They also provide access for development of mining, milling and tailings infrastructure, subject to site environmental directives. Mercator has relied upon this information provided by Prophecy and has not completed independent verification.

Based on site visits and discussions with Prophecy staff, Mercator is of the opinion that sufficient undeveloped land is present in the Pulacayo project area to support the work programs recommended in this report and also to support future establishment of underground mining, milling and tailings facilities of the scale envisioned by Prophecy.

5 History

5.1 Introduction

The following description of mining history is taken from Cullen and Webster (2012b) and was originally modified after Pressacco et al. (2010). A more detailed description of exploration history is presented in Spanish by Iriondo et al. (2009). Report section 5.2 is presented without substantive change from Cullen and Webster (2012b).

5.2 Summarized Exploration History

Mining of silver deposits at Pulacayo began in the Spanish Colonial Period (c.1545) but production details do not exist. The first work formally recorded on the property was carried out in 1833 when Mariano Ramírez rediscovered the Pulacayo deposit. In 1857 Aniceto Arce founded the Huanchaca Mining Company of Bolivia with support of French investors and subsequently pursued development and production at Pulacayo. Revenue from the mine funded the first railway line in Bolivia, which in 1888 connected Pulacayo to the port of Antofagasta, Chile. In 1891, reported annual silver production reached 5.7 million ounces and mining operations at Pulacayo at that time were the second largest in Bolivia. Highest production is attributed to the Cerro Rico de Potosi deposit. Pulacayo production was predominantly from the Veta Tajo (Tajo Vein System) which had been defined along a strike length of 2.5 km and to a depth of more than 1000 meters. In 1923, mining operation ceased due to flooding of the main working levels.

In 1927, Mauricio Hochschild bought the property and re-started mine development. The Veta Cuatro vein was the focus of this work and was intersected at a mine elevation of approximately -266 m. It was proven to continue down-dip to the -776 m elevation where it showed a strike length of 750 m. During this time, the 2.8 km long San Leon access tunnel was developed to facilitate ore haulage and the first recorded exploration work in the area was undertaken.

Work continued through intervening years, and in 1952 the Bolivian government nationalized the mines and administration of the Pulacayo deposit and management was assumed by the state mining enterprise COMIBOL. Operations continued under COMIBOL until closure in 1959 due to exhaustion of reserves and rising costs. COMIBOL also imposed cutbacks on exploration at that time.

The total production from the Pulacayo mine is estimated by the National Geological and Mineral Service of Bolivia (SERGEOTECHMIN) to be 678 million ounces of silver, 200,000

tons of zinc and 200,000 tons of lead (SERGEOTECHMIN Bulletin No. 30, 2002, after Mignon 1989).

In 1962, a local cooperative group named Cooperativa Minera Pulacayo (the "Cooperative") was founded and this group leased the Pulacayo mine from COMIBOL. The Cooperative has operated small scale mining in the district since that time and continues to do so at present. Efforts are directed toward exploitation of narrow, very high grade silver mineralization in upper levels of the old mining workings, above the San Leon tunnel level.

Modern exploration of the Pulacayo area began to a limited degree in the 1980's when various mining and exploration companies targeted epithermal silver and gold mineralization within the volcanic-intrusive system of the Pulacayo area. In 2001, ASC initiated an exploration program in the district, signed agreements with the Cooperative and completed regional and detailed geological mapping, topographic surveying and sampling of historical workings. Subsequently, ASC completed 3 drilling campaigns at Pulacayo, totalling 3,130 m of diamond drilling, and concluded that silver-zinc-lead mineralization and hydrothermal alteration in the district are controlled by a strong east-west fracturing system developed in the andesitic rocks hosting the Tajo Vein.

Apogee acquired the property in 2006 under option from ASC and actively pursued exploration and economic assessment of the property. Details of the extensive work programs carried out between 2006 and 2013 are presented below in report section 5.3.

5.3 Work Programs By Apogee During The 2006 to 2013 Period

5.3.1 Introduction

In 2005 Apogee signed a joint venture agreement with ASC and subsequently commenced exploration on the Pulacayo property. Apogee subsequently completed detailed geological mapping and sampling of surface exposures and underground workings, a detailed topographic survey of the area, induced polarization (IP) geophysical surveys, four diamond drilling programs, 3 mineral resource estimates, a trial mining and toll milling program and a feasibility study. Exploration work by Apogee was generally focused on the Pulacayo property but IP, diamond drilling and a mineral resource estimate were also completed on the Paca prospect located 10 km to the north of Pulacayo. Although the Paca deposit is located within the limits of Prophecy's current exploration holdings, it does not form part of the current Pulacayo mineral resource estimate.

5.3.2 Topographic Survey

In 2006 Apogee contracted Geodesia y Topografia of La Paz, Bolivia to complete a topography survey of the Pulacayo-Paca areas using four LEICA Total Stations, models TCR 407, TC 703, TC 605L, and TC 600. The survey covered a total area of 24 km^2 and survey points were collected in WGS84, Zone 19 South Datum and the coordinates were referenced to known government control points including GCP CM-43 obtained from the IGM (Instituto Geografico Militar).

The survey points allowed the construction of a detailed topographic map for the Pulacayo and Paca areas and two metre contour intervals were established. The new topographic map was used as a base to establish road access, geological mapping and surface sampling as well as for locating drill collars. As part of the field work, Eliezer Geodesia y Topografia also surveyed the collars of all completed drill-holes and established 12 surveyed grid lines for an IP surveying. Seven IP survey lines were located in the Pulacayo area and 5 were located in the Paca area. Surveyed stations were established at 50 m intervals along each line.

5.3.3 Geological Mapping and Sampling

Apogee initiated a surface mapping and sampling program at Pulacayo in 2005 and initially utilized preliminary geological maps completed by ASC in 2003. The company completed detailed 1:1,000 scale surface mapping that covered all exploration holdings, including both the Pulacayo and Paca areas. The sampling consisted mostly of rock chip samples taken from outcrops and the objective of the mapping program was to characterize the alteration patterns and locate sulphide mineralization both at surface and also within accessible underground mine workings. A total of 549 samples were collected and summary results of the geological mapping program appear later in this report in Figure 5.1.

During 2006, Apogee also initiated development of a detailed, three dimensional digital model of the historic underground mine workings based on available historic records. The workings solid model was completed by EPCM Consultores S.R.L. (EPCM) and was subsequently modified by Apogee through transformation of the model from the historic mine grid to the current datum plus adjustment to include a +1% incline grade of the San Leon tunnel.

5.3.4 Geophysical Surveys

An induced polarization (IP) geophysical survey was carried for Apogee during November and December 2007. The survey covered grid lines on both the Pulacayo and Paca areas and was completed by Fractal S.R.L (Fractal), an independent geophysical consulting company based in San Cruz, Bolivia. The survey used a dipole-dipole electrode configuration along 400 m spaced lines. A total of 29 line km of IP surveying was completed on the Pulacayo and Paca properties

and data were recovered using a 50 m dipole spacing to n=6. Results are summarized by Iriondo et al. (2009).

Seven geophysical survey lines oriented north-south were completed in the Pulacayo area and these were oriented approximately perpendicular to the east-west strike of the TVS. At Paca a total of five similarly oriented survey lines were completed.

The IP surveys were successful in outlining several areas of anomalously low apparent resistivity that, based on correlation in an area of known bedrock geology, were interpreted to represent weakly altered rocks. On the same basis, high apparent resistivity zones were interpreted to represent areas of siliceous alteration. Combined results of the Pulacayo area survey show that an east-west oriented zone of anomalous apparent resistivity and chargeability responses measuring some 450 m in width extends over the length of the survey grid and marked the TVS. Moderately anomalous values in chargeability located at the edges of the main anomalous zone were interpreted as altered rocks that could be related to a mineralized vein system at depth. Survey results at Paca were interpreted as identifying zones of anomalous disseminated sulphide concentration that locally shows association with silver-lead zinc mineralization of economic interest. Figures 5.2 identifies the areas covered by IP surveying and Figure 5.3 presents representative chargeability and apparent resistivity pseudo section plots from one line surveyed at Pulacayo.

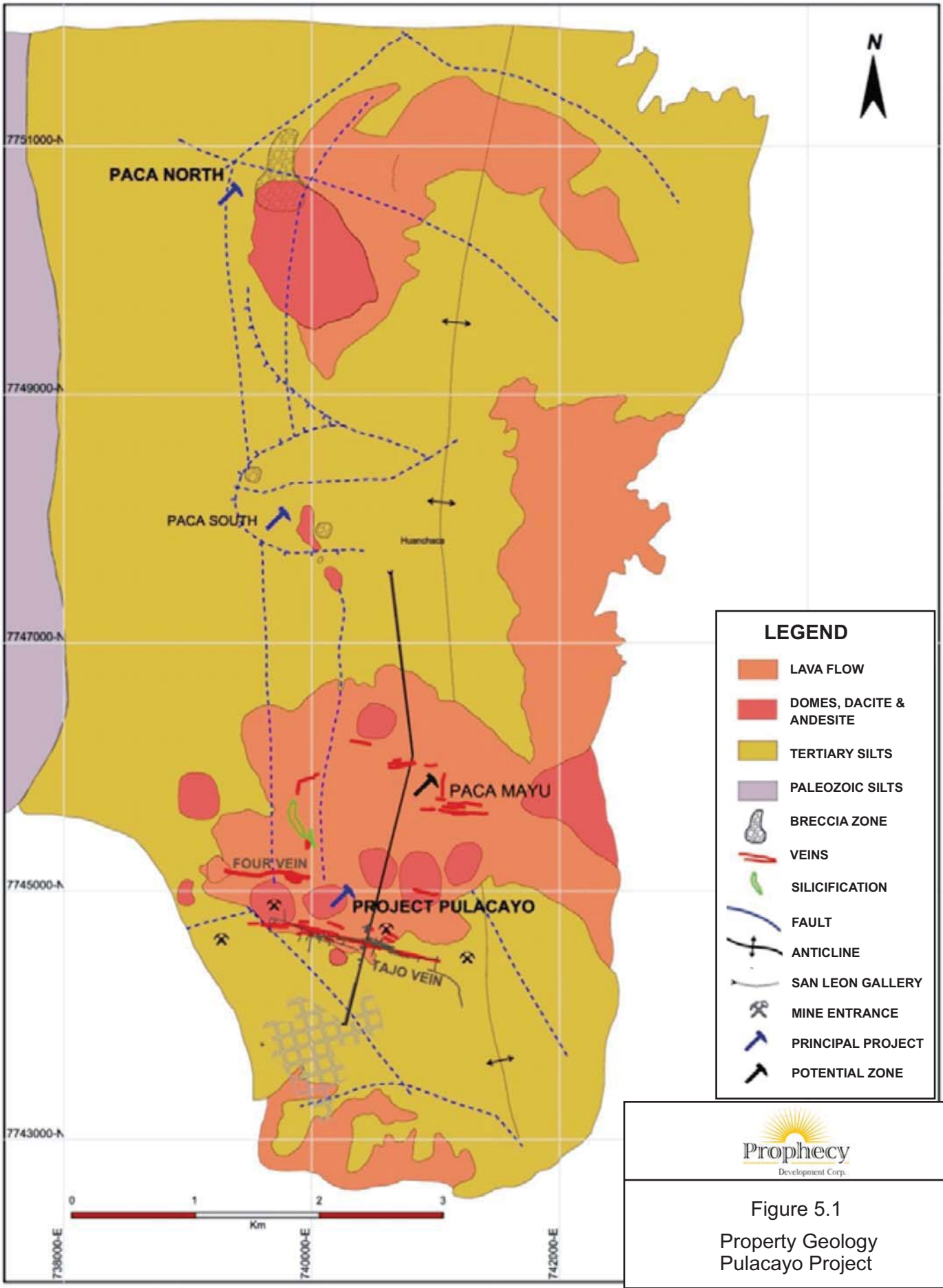

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Figure 5.1

Property Geology
Pulacayo Project

Taken from Iriondo et al. (2009)

Date: July 2015

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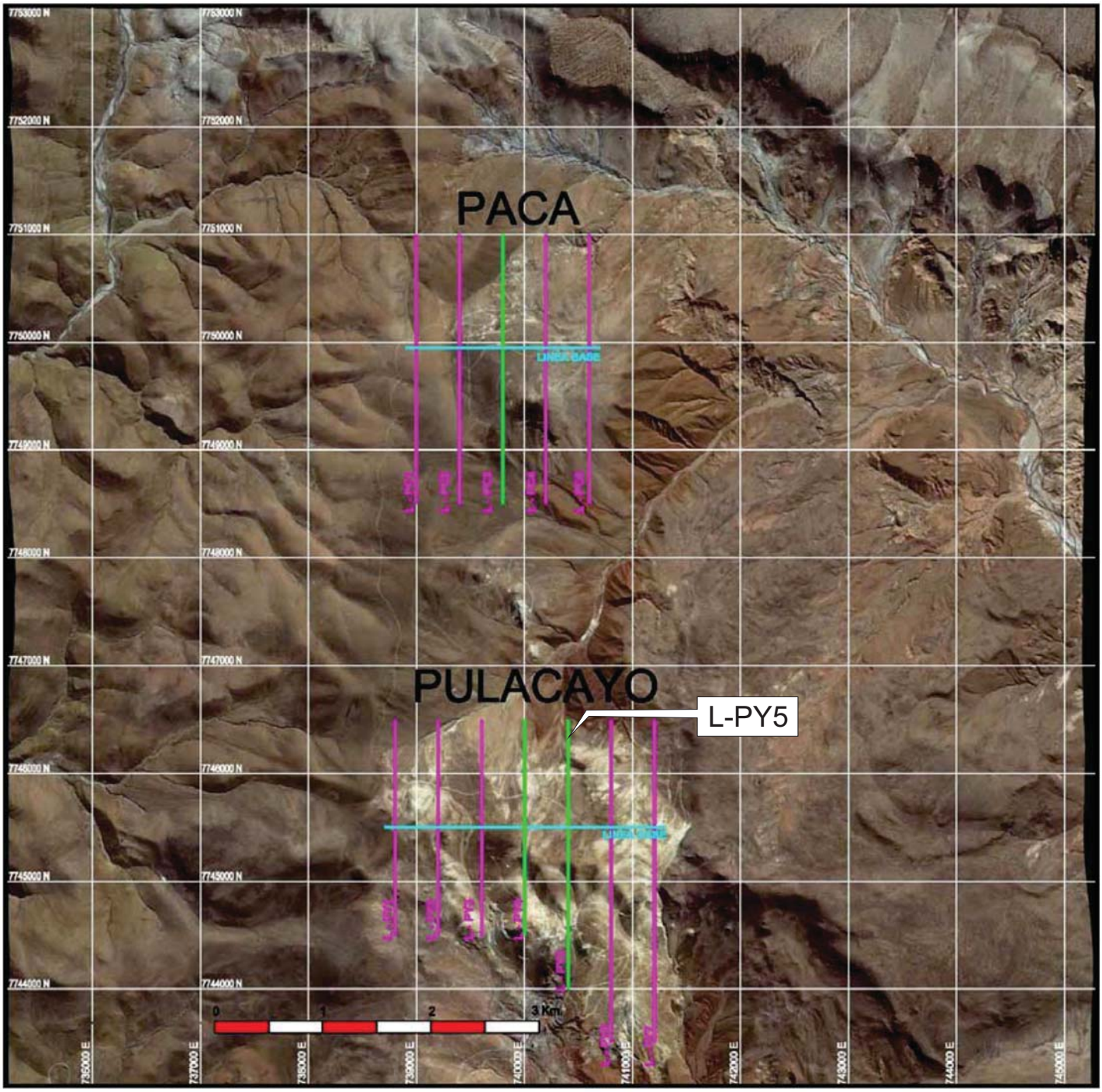

Modified after Apogee file document. (2009)

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Figure 5.2

IP Survey Coverage
Pulacayo Project

Date: July 2015

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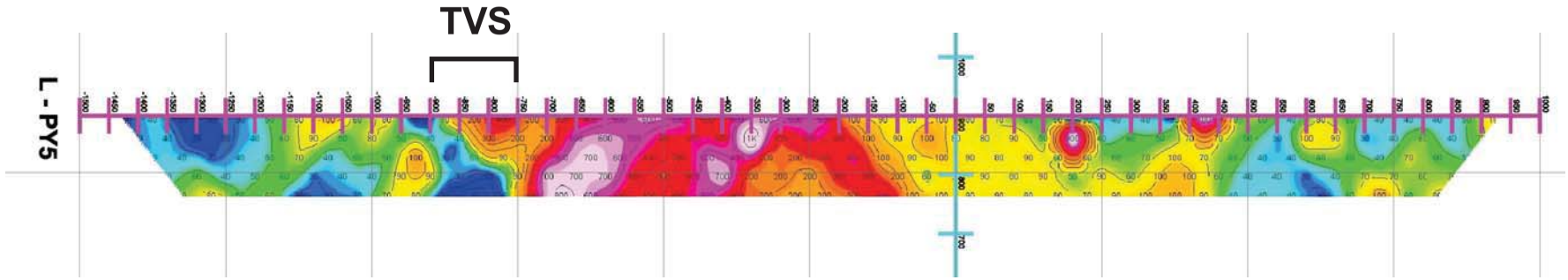
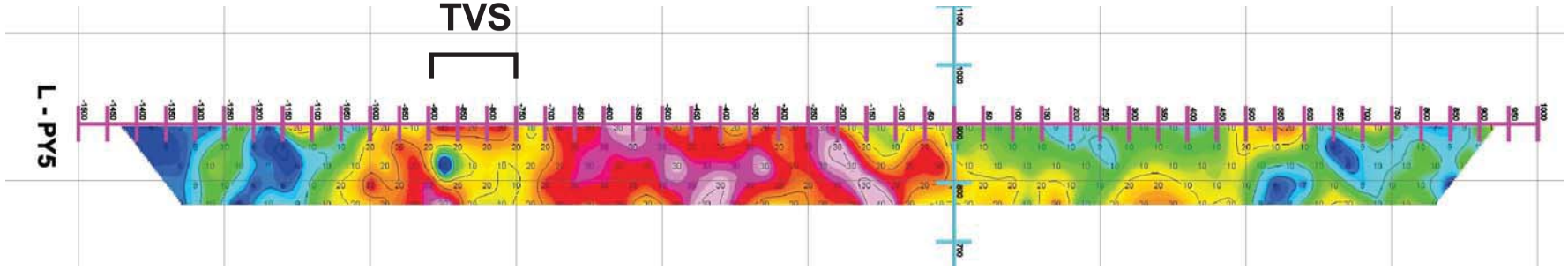
SOUTH NORTH

L-PY5 - Apparent Resistivity



L-PY5 - Chargeability



Modified after Iriondo et al. (2009)

See figure 5.2 for line location

Prophecy Development Corp.

Figure 5.3

Representative
IP Survey Responses

Date: July 2015

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5.3.5 Diamond Drilling

Combined results of the four diamond drilling programs carried out by Apogee on the Pulacayo property form the basis of the high grade mineral resource estimate described in this report. These programs are historic in nature with respect to Prophecy and are summarized below in recognition of their status. In addition, all diamond drilling programs that contributed data to the current Pulacayo resource estimate are described in detail in Section 14 of this report.

Since originally accessing the property in 2002, until the effective date of this report, ASC and Apogee completed 69,739.15 m of drilling from surface and underground on the Pulacayo property. ASC drilling totaled 5009.2 m between 2002 and 2006 in 24 holes and Apogee drilling accounts for the remaining meterage that was completed in 4 subsequent phases. Phase I was undertaken between January and June of 2006 and included 19 holes totaling approximately 4,718 m. Phase II drilling was initiated in November, 2007 and consisted of 14 holes totaling 3,442.18 m. Phase III drilling was carried out between January and August of 2008 and included 84 drill holes totaling approximately 20,758.91m. Phase IV drilling was carried out between January, 2010 and December 2011 and consisted of 35,810.81 m in 149 holes. The last 45 holes (6254m) of Phase IV were focused on oxide zone definition.

Between June, 2006 and February, 2007, Apogee also completed 13,631.2 m of diamond drilling on the Paca deposit that is located approximately 10 km north of Pulacayo. Results of the program are reported in a mineral resource estimate for the Paca deposit completed in 2007 by Micon and reported by Pressacco and Gowans (2007). This drilling program is not material to the current Pulacayo resource estimate and is mentioned here for information purposes only. Prophecy is currently assessing the Paca deposit and has retained Mercator to prepare a new mineral resource estimate for the deposit that focuses on definition of high grade mineralization. This project by Prophecy is described further in Section 8 of this report.

5.3.6 Historic Mineral Resource Estimates By Micon

Two mineral resource estimates for the Pulacayo property were prepared on behalf of Apogee by Micon, with the first having an effective date of October 28, 2008 and the second having an effective date of October 14th, 2009. Pressacco and Shoemaker (2009) reported on the first estimate and Pressacco et al. (2010) presented results of the second. In 2007 Micon also prepared a resource estimate for the nearby Paca deposit, also held by Apogee at that time,, but, as noted above, that deposit is not included in the current or past Pulacayo estimates. Both Pulacayo estimates by Micon are historic in nature and should not be relied upon. Prophecy does not consider them to be current resources. They were superceded by subsequent estimates prepared by Mercator that have now been superceded by the current mineral resource estimate.

Tabulated results of the 2008 and 2009 Micon resource estimates are presented below in Table 5.1 and Table 5.2. Both were prepared in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: *Definitions and Guidelines* (the CIM Standards) and disclosure requirements of National Instrument 43-101. Technical reports for each have been filed on SEDAR.

Both Micon estimates were based on geostatistical block models developed using Gemcom-Surpac Version 6.1.1 software with metal grade interpolation carried out using Ordinary Kriging (OK) methods checked by Nearest Neighbour (NN) and Inverse Distance Squared (ID^2) methods The deposit was modelled using a wireframed solid developed from drilling cross section interpretations of calculated Net Smelter Return (NSR) values. Resource reporting included all blocks within the respective wireframed solids and metal capping values of 1800 g/ for Ag, 11.5% Zn and 15% Pb were applied.

Table 5.1: Historic Micon 2008 Mineral Resource Estimate - Effective October 28th, 2008

Class	Rounded Tonnes	Ag g/t	Pb %	Zn %
Inferred	9,556,000	75	0.61	1.46
Indicated	7,003,000	53	0.63	1.42

(1) Tonnages have been rounded to the nearest 1,000 tonnes. Average grades may not sum due to rounding.
(2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
(3) The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource.
(4) And it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
(5) Metal prices for the estimate are US$14.38/oz Ag, US$0.86/lb Zn and US$0.92/lb Pb.
(6) Grade capping of Ag at 1800 g/t, Zn at 11.5% and Pb at 15% was applied.

Table 5.2: Historic Micon Mineral Resource Estimate – Effective October 14th, 2009

Class	Rounded Tonnes	Ag g/t	Pb %	Zn %
Inferred	6,026,000	98.26	0.78	1.68
Indicated	4,892,000	79.96	0.79	1.64

(1) Tonnages have been rounded to the nearest 1,000 tonnes. Average grades may not sum due to rounding.
(2) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.
(3) The quantity and grade of reported inferred resources in this estimation are conceptual in nature and there has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource.
(4) And it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
(5) Metal prices for the estimate are US$13.81/oz Ag, US$0.86/lb Zn and US$0.86/lb Pb
(6) Grade capping of Ag at 1800 g/t, Zn at 11.5% and Pb at 15% was applied

5.3.7 Preliminary Economic Assessment By Micon

A Preliminary Economic Assessment (PEA) dated June 25th, 2010 was completed by Micon for Apogee and reported by Pressaco et al. (2010).. However, as disclosed in the revised Mercator resource estimate technical report dated May 9th, 2012 (Cullen and Webster, 2012a the conclusions and analysis presented in the Micon PEA were no longer considered to be current with respect to the Pulacayo project at the effective date of that report. This reflected Apogee's initiation of project feasibility study programs under direction of TWP Sudamerica S.A.a division of The Basil Read Group of South Africa. Since Apogee no longer considered the Micon 2010 PEA to be current, details of that analysis were not presented by Mercator in the two subsequent mineral resource estimates prepared for Apogee. However, disclosure of the Micon PEA had previously been filed on SEDAR by Apogee.

In summary, the Micon PEA base case comprised development of an underground mine connecting to existing workings though a new adit portal, extraction using a sub-level open-stoping method with backfill, milling at 1,800 t/d at a new flotation plant constructed on site, and sale of lead and zinc concentrates containing economically important silver values. Storage of flotation tailings in a new site tailings facility was also included. Favorable economics were returned for this scenario at metal pricing levels of $14.66 per oz for silver, $0.98 per lb for lead and $1.05 per lb for zinc. The internal rate of return (IRR) for the base case was 24% and the net present value was $50.0 million before tax. An alternative scenario, with toll-milling of the underground mine production was also shown to be potentially economic at higher cut-off grades. The Micon PEA is historic in nature and should not be relied upon. Prophecy does not consider its results and conclusions to be currently applicable and is not relying upon them. They have been superseded by results of subsequent work by Apogee, all of which has been superseded by work carried out by others for Prophecy.

5.3.8 2011 and 2012 Mineral Resource Estimates by Mercator

Mercator prepared a mineral resource estimate for the Pulacayo deposit in 2011 for Apogee. This estimate had an effective date of October 19th, 2011 and details are presented below in Table 5.3. The focus of this project was assessment of mineralization that would potentially be amenable to underground bulk mining methods. Mercator completed a revision to the 2011 resource estimate technical report in early 2012 (Cullen and Webster, 2012a) plus a subsequent resource estimate in 2012 (Cullen and Webster, 2012b) that included results of additional new diamond drilling completed by Apogee. Table 5.4 presents results of the 2012 estimate, which had an effective date of September 28th, 2012. This estimate included definition of mineralization that would potentially be amenable to both underground and open pit mining methods. The resource estimates by Mercator are historic in nature and should not be relied upon. Prophecy does not consider them to be current resources.

Table 5.3: Historic Pulacayo Deposit Mineral Resource – Effective October 19th, 2011

Class	Rounded Tonnes	Ag g/t	Pb %	Zn %
Inferred	5,420,000	150.61	0.83	2.07
Indicated	5,960,000	153.14	0.91	2.04

1) *Mineral Resources are reported above a $40USD NSRcut-off*
2) *Metal prices used were $24.78USD/oz Ag, $1.19USD/lb Pb, and $1.09USD/'b Zn*
3) *Tonnages have been rounded to the nearest 10,000*
4) *Contributing 1m composites were capped at 1500g/t Ag, 15% Pb, and 15% Zn*
5) *Specific gravity is based on an interpolated ID[2)] model*
6) *Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues*
7)

Table 5.4: Historic Pulacayo Deposit Mineral Resource – Effective September 28th, 2012

Resource Class	Type	Tonnes	Ag	Pb	Zn	Ag	Pb	Zn
			g/t	%	%	Oz	M lbs.	M. lbs.
Open Pit Resources (Base case 42° Average Pit Wall Slope Angle)								
Open Pit Indicated	Oxide	1,500,000	95.9	0.96	0.13	4,626,000	NA	NA
Open Pit Inferred	Oxide	248,000	71.20	0.55	0.31	569,000	NA	NA
Open Pit Indicated	Sulphide	9,283,000	44.10	0.66	1.32	13,168,000	135.90	269.54
Open Pit Inferred	Sulphide	2,572,000	33.40	0.92	1.36	2,765,000	51.99	76.88
Waste Rock (Waste/Ore 5.3 : 1)		71,679,000						
Underground Resources (All blocks below 4159 m ASL with NSR > $US 58)								
Underground Indicated	Sulphide	6,197,000	213.60	0.86	1.74	42,547,000	117.50	237.72
Underground Inferred	Sulphide	943,000	193.10	0.43	1.61	5,853,000	8.94	43.47
Total Indicated	Oxide + Sulphide	16,980,000	110.50	0.74	1.49	60,341,000	253.40	507.26
Total Inferred	Oxide + Sulphide	3,763,000	75.90	0.79	1.43	9,187,000	60.93	120.35

Notes:
1.0 Tonnages have been rounded to the nearest 1,000 tonnes. Average grades may not sum due to rounding.
2.0 Metal prices used were $25.00 USD/Oz silver, $0.89USD/lb lead, and $1.00 USD/lb zinc. Lead and zinc do not contribute to revenue in the oxide zone.
3.0 Open pit sulphide resources are reported at a $13.20 USD NSRcut-off. Underground sulphide resources are reported at a $58USD NSR cut-off. Open pit oxide resources are reported at a $US 23.10 revenue/tonne cut-off. Recovery of Zn and Pb from oxide zone resources is not anticipated
4.0 Contributing 1.0 meter assay composites were capped at 1500 g/t Ag, 15% Pb, and 15% Zn.
5.0 Specific gravity is based on an interpolated inverse distance squared model.
6.0 Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The Mercator 2011 and 2012 estimates were based on validated results of surface and underground diamond drilling completed by ASC Bolivia and Apogee through various drill programs between 2002 and 2012. Modeling was performed using Gemcom Surpac Ver.6.2.1

(2011 estimate) and Ver. 6.3.1 (2012 estimate) modeling software with silver, lead and zinc grades estimated by inverse distance squared (ID^2) interpolation from 1.0 meter down hole assay composites. For the 2011 estimate the block size used was 5 meters (x) by 3 meters (y) by 3 meters (z) with no sub- blocking. The block size in the 2012 estimate was 5 meters (x) by 3 meters (y) by 3 meters (z) with sub-blocking to 2,5 meters (x) by 1.5 meters (y) and 1.5 meters (z). In both cases, block model results were checked using ordinary Kriging and Nearest Neighbour interpolation methods.

The polymetallic nature of the mineralization was evaluated in both 2011 and 2012 models through application of a NSR value. Underground mining scenario below the oxide surface was constrained by a minimum operating cost of $40NSR/t. The $40NSR/t peripheral constraining solid was created from 50 meter spaced interpreted sections of assay sample NSR values. NSR values were determined from a calculator developed by John Starkey, P. Eng., of Starkey & Associates Inc., Consulting Metallurgical Engineers. The modeling used a 24 month trailing average silver price and a 27 month forward seller contract price for both lead and zinc as of August 31 2011, which correspond to prices of $24.87USD/oz silver, $1.19USD/lb lead, and $1.09USD/lb zinc respectively. Grade interpolation for the 2012 estimate was peripherally constrained by a $40NSR solid and carried out using multiple independent search ellipsoid passes for silver, lead and zinc. Contributing silver values were capped at 1,500 g/t and contributing lead and zinc values were capped at 13.5%. A specific gravity model was interpolated by ID^2 methodology from 1.0 meter down hole specific gravity composites.

A solid model of historic underground mining and stoping was used to remove previously mined blocks and an interpolated 5 meter marginal envelope to historic workings was applied to assign intersecting resource blocks to the inferred category. This reflects uncertainty in local accuracy of the underground solid model at that time. Indicated resources were only assigned outside this envelop.

The 2011 and 2012 Mercator deposit models included new Apogee drilling results not available to Micon and differed from previous Micon models in their use of a specific block grade cutoff value for statement of resources rather than inclusion of all blocks within an interpreted assay-based peripheral constraint as carried out by Micon. This difference is significant, since the Micon method allowed inclusion of sub-cutoff grade blocks in the resource estimate volume.

5.3.9 Mercator Mineral Resource Estimate For 2013 Apogee Feasibility Study

The mineral resource estimate block model prepared by Mercator for Apogee in 2012 , with an effective date of September 28th, 2012, was used in the feasibility study prepared by TWP (Porter et al., 2013) for Apogee in 2013. Mercator staff responsible for that specific aspect of the study

are co-authors of the report. The 2012 Mercator block model was subsequently used by TWP to define mineral reserves used in the feasibility study. This estimate by Mercator is historic in nature and should not be relied upon. Prophecy does not consider it as a current resource and is not relying upon it as such. It was superceded by the current mineral resource estimate.

5.3.10 Trial Mining, Apogee Bulk Sampling and Metallurgical Testing

Apogee carried out a trial mining program during the first half of 2012 that was focused on two hangingwall veins accessed at the 4275 m level of the mine. This program produced approximately 7,000 tonnes of mineralized material that was stockpiled at the Pulacayo site. Both veins targeted for trial mining occur within the limits of the 2012 mineral resource estimate. At that time, Apogee held the necessary environmental permits issued by Bolivian authorities to conduct mining and processing operations of up to 200 tonnes per day, which included the transport of mineralized material to an established concentrator outside the project area.

During the second half of 2012 Apogee processed two bulk samples from the trial mining at separate toll milling operations in the district. The first was carried out at Tatasi and the second was carried out at facilities operated in Potosi by the Federación de Cooperativas Mineras de Potosí (FEDECOMIN) and located approximately 180 road kilometers from the Pulacayo site. In addition, a series of controlled laboratory bench and pilot scale tests in support of the TWP feasibility study (Apogee Press Release dated May 29, 2012) were carried out at Maelgwyn Minerals Services Africa (Pty) Ltd. in South Africa in order to replicate the process flow and optimizing reagent recipes utilized during the FEDECOMIN bulk test (Apogee Press Release dated September 13, 2012).

5.3.11 Apogee Feasibility Study By TWP for Apogee

On May 29th, 2012 Apogee announced that a contract for completion of a feasibility study of an underground mine and concentrator plant at its 100% controlled Pulacayo Project had been awarded to TWP. TWP is a member of the Basil Read Group, a large engineering and construction company with offices in South Africa, Australia, and Peru. Feasibility study programs began in mid-2012 and Apogee also disclosed by the press release on May 29th, 2012 that it was no longer relying on results of the previously completed PEA carried out by Micon.

Results of the TWP feasibility study were disclosed by Apogee through a press releae dated January 17th, 2013 and these confirmed the technical and financial viability of the proposed mining and processing project. The associated technical report (Porter et al., 2013) was subsequently filed with securities regulators on March 1, 2013. The feasibility study focused on an underground mining scenario using, predominantly, mechanized under-hand cut and fill

mining methods, longhole drilling and paste backfill. Limited amounts of conventional shrinkage stoping were also anticipated in some areas and access was planned via a combination of new spiral ramp systems and existing underground infrastructure. Mineral reserves defined by TWP totalled 3.56 million tonnes grading 239 g/t Ag, 1.09% Pb and 1.91% Zn.

TWP recognized that considerable execution risk was present for the project due to very weak geotechnical characteristics of the ore zones and the potential for both known and unknown historic mine workings to occur in areas of mining reserves. TWP concluded that the project is sensitive to silver price and less sensitive to operational and capital costs. Highlights of the feasibility study base case, as itemized by Apogee in the January 17th, 2013 press release, are presented below.

- Pre-tax internal rate of return of 47%
- After tax internal rate of return of 32%
- Total cash operating costs of $8.44/oz AgEq.
- 2.6 million silver equivalent ounces produced/yr average for the first six years
- After-tax net present value of US$ 72.5 million
- Annual pre-tax cash flow at production maturity of $39.3 million
- Annual after-tax cash flow at production maturity of $24.0 million
- Project capital cost of US$ 46 million
- Life of Mine - 12 years

Notes:

1. *All currency figures are expressed in US dollars, unless noted otherwise*
2. *Caution regarding forward looking information is applicable*
3. *Base silver prices for the feasibility economic study are the three-year trailing average of Ag$28/oz at Nov 30, 2012. A lead price projection of $0.89/lb and a zinc price projection of $1.00/lb were used; both projections are based on an independent reviews conducted on behalf of Apogee by Exen Consulting Services of Ontario, Canada and TWP.*
4. *The results, conclusions and recommendations of the 2013 feasibility study prepared for Apogee by TWP are now considered historic in nature and should not be relied upon. The mineral resource estimate prepared by Mercator and used in the 2013 feasibility study is also historic in nature, has been superceded by the current estimate prepared for Prophecy by Mercator, and should not be relied upon. Prophecy is not considering 2013 Apogee feasibility study results to be currently applicable and is not relying upon such results .*

Results and conclusions of the 2013 TWP feasibility study are historic in nature and should not be relied upon. Prophecy does not consider associated resources or reserves to be currently applicable and is not relying upon such historic resources and reserves or other conclusions of the TWP report.

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6 Geological Setting

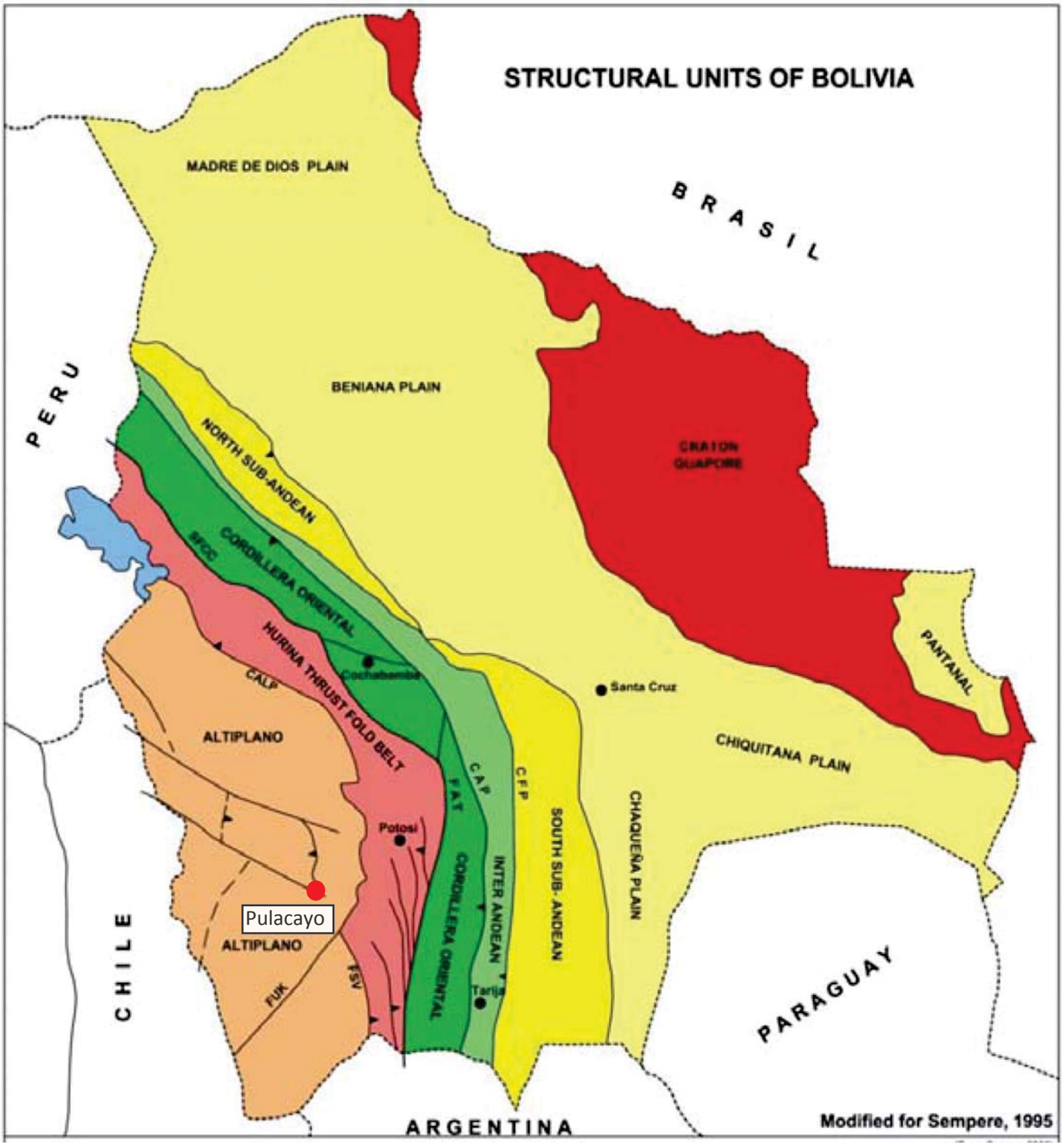
6.1 Regional Geology

The regional geology of Bolivia is well described in various Bolivian government reports and is well summarized in technical reports completed for Apogee by Micon in 2008, 2009, and 2010. The following regional geology description was extracted from the 2010 Micon report (Pressacco et al., 2010) that in turn is based on translated content from an Apogee company report (Iriondo et al. 2009) and US Geological Survey Bulletin 1975. The following text from these references is presented without substantive change from Cullen and Webster (2012b).

"In southwestern Bolivia, the Andes Mountains consist of three contiguous morphotectonic provinces, which are, from west to east, the Cordillera Occidental, the Altiplano, and the Cordillera Oriental. The basement beneath the area, which is as thick as 70 km, is believed to be similar to the rocks exposed immediately to the east, in the Cordillera Oriental, where a polygenic Phanerozoic fold and thrust belt consists largely of Paleozoic and Mesozoic marine shales and sandstones (Figure 6.1).

Deposited mostly on Precambrian basement, the rocks of the Cordillera Oriental were deformed during at least three tectonic-orogenic cycles, the Caledonian (Ordovician), the Hercynian (Devonian to Triassic), and the Andean (Cretaceous to Cenozoic). The Altiplano is a series of high, intermontane basins that formed primarily during the Andean cycle, apparently in response to folding and thrusting. Its formation involved the eastward underthrusting of the Proterozoic and Paleozoic basement of the Cordillera Occidental, concurrent with the westward overthrusting of the Paleozoic miogeosynclinal rocks of the Cordillera Oriental. These thrusts resulted in continental foreland basins that received as much as 15,000 m of sediment and interlayered volcanic rocks during the Cenozoic.

Igneous activity accompanying early Andean deformation was primarily focused further west, in Chile. During the main (Incaico) pulse of Andean deformation, beginning in the Oligocene and continuing at least until the middle Miocene, a number of volcano plutonic complexes were emplaced at several localities on the Altiplano, particularly along its eastern margin with the Cordillera Oriental, and to the south. In Pleistocene time, most of the Altiplano was covered by large glacial lakes. The great salars of Uyuni and Coipasa are Holocene remnants of these lakes. The Cordillera Occidental consists of late Miocene to Recent volcanic rocks, both lava flows and ashflow tuffs, primarily of andesitic to dacitic composition, that have been erupted in response to the subduction of the Nazca plate beneath the continent of South America. This underthrusting continues, and many of the volcanoes that form the crest of the Andes and mark the international border with Chile are presently active".



Modified after Sempere. (1995)

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Figure 6.1

Structural Geology of Bolivia

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6.2 Local Geology

As described earlier, Pulacayo is a low sulphidation epithermal polymetallic deposit hosted by sedimentary and igneous rocks of Silurian and Neocene age (Pressacco et al., 2010). The Silurian sedimentary section underlies the volcanics and include diamictites, sandstones and shales. The Neocene rocks are predominantly volcano-sedimentary in origin and include conglomerates, sandstones, rhyolitic tuffs, dacitic-rhyolitic domes, andesitic porphyries and andesitic flows. The following more detailed description is based on Iriondo et al (2009) as summarized by Pressaco et al. (2010).

The Pulacayo project is located on the western flank of a regional anticline that affects sedimentary and igneous rocks of Silurian, Tertiary and Quaternary ages on the western side of the Cordillera Oriental, near the Cordillera-Altiplano boundary. Figure 6.2 presents an interpretation of local geology and the structures and features discussed below are considered to be particularly important with respect to localization of mineralization in the Pulacayo district.

The Uyuni-Khenayani Fault is a reverse fault which is believed to have controlled localization of volcanic center complexes at Cuzco, Cosuño, Pulacayo and San Cristóbal and related mineralized areas at Pulacayo, Cosuño, El Asiento, Carguaycollu and San Cristóbal. This fault brings Tertiary sediments in contact with Paleozoic formations at surface and is located about 4 km west of Pulacayo (Figure 6.2 and 6.3).

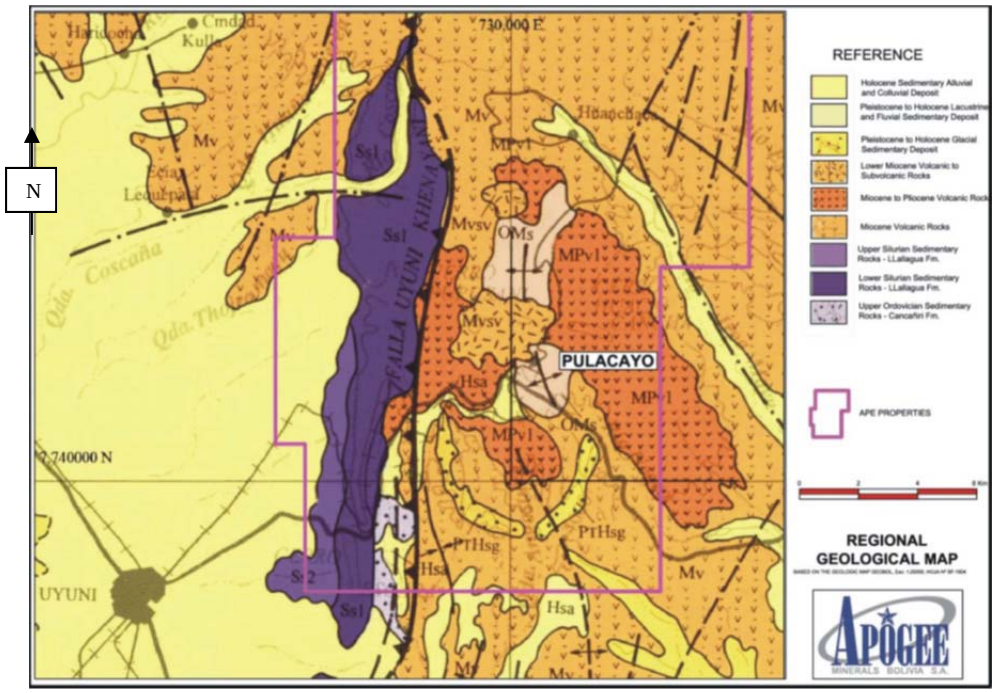
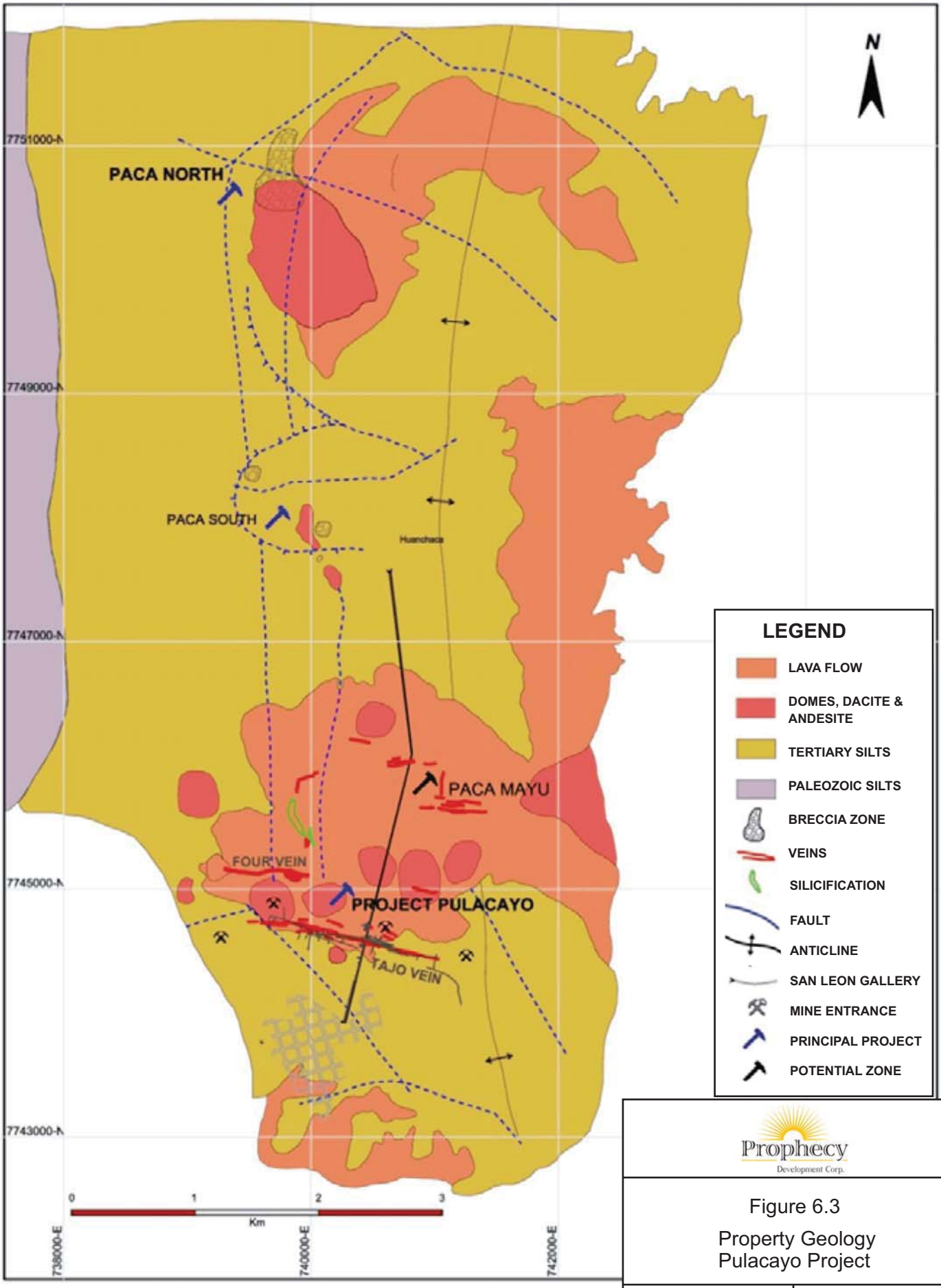


Figure 6.2: Regional geology map (From Iriondo et al., 2009)



Taken from Iriondo et al. (2009)

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Figure 6.3

Property Geology
Pulacayo Project

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The mineralized zones at Pulacayo, Pacamayo and Paca all occur on the west flank of a north-south striking anticline primarily comprised of Silurian sediments overlain by Tertiary lacustrine formations. Local topographic highs define Lower Miocene dacitic-andesitic domes and stocks associated with caldera resurgence that intrude the folded section. A younger Miocene-Pliocene phase of volcanism is also superimposed on the anticlinal trend and is marked by pyroclastic deposits and flows of andesitic and rhyolitic composition. Ignimbrites associated with the Cosuño Caldera are the youngest volcanic deposits in the area. A dacitic to andesitic dome complex at the Pulacayo property intruded the folded sedimentary section and forms the main topographic highs that occur on the property (see previous Figure 6.3) (Iriondo et al., 2009).

6.3 Structure

The Pulacayo, Pacamayo and Paca volcanic dome complexes occur along a north-south corridor defined by two parallel, north-south trending regional faults that are separated by about 2.7 km. The domes occur over an interval measuring approximately 10 of kilometres in length and polymetallic vein and wallrock mineralization at Pulacayo is controlled by east-west trending secondary faults that cut Tertiary sediments and volcanic rocks of the Pulacayo dome (Figure 6.4). The stockwork vein system was emplaced on the southern side of the Pulacayo dome complex and is best exemplified by the Tajo Vein System (TVS). The TVS bifurcates in andesitic rocks to form separate veins that collectively form a dense network or stockwork of veinlets along strike. The bifurcating, polymetallic veins are commonly separated by altered andesitic rock that contains disseminated sulphide mineralization (Iriondo et al., 2009; Pressaco et al., 2010).

.



Figure 6.4: Structural interpretation for TVS at Pulacayo (Iriondo et al.,2009)

The TVS is almost 2,700 m in strike length at surface and is still present at a depth of 1,000 m below surface in the lowest level of the underground mine. In the upper levels of the mine the stockwork vein system locally reaches approximately 120 m of mineralized width. The polymetallic veins exhibit a sigmoidal geometry along strike, which is generally interpreted to be the result of sinistral movement along the 2 north-south oriented bounding faults mentioned earlier (Figure 6.4) (Iriondo et al. (2009).

6.4 Alteration

Wall rock alteration is spatially associated with the main vein system trends at Pulacayo and includes propylitic, sericitic, moderate-advanced argillic, and siliceous assemblages. Host rock composition exerts a strong local influence on both the nature of alteration assemblages and their relative intensity of development. On this basis, spatial distribution of hydrothermal alteration assemblages in the district is a useful indicator of proximity to mineralized structures. Moderate argillic alteration is observed throughout the Pulacayo area and transitions to intense argillic alteration in close proximity to veins and disseminated-stockwork zones. Haloes of silicification are developed around vein contacts and measure up to several cm in width in some cases. Silicification grades into advanced argillic alteration as distance into the wall rock increases from the vein contact and this gradually grades to argillic and propylitic zones with greater distance from the contact (Pressacco et al., 2010).

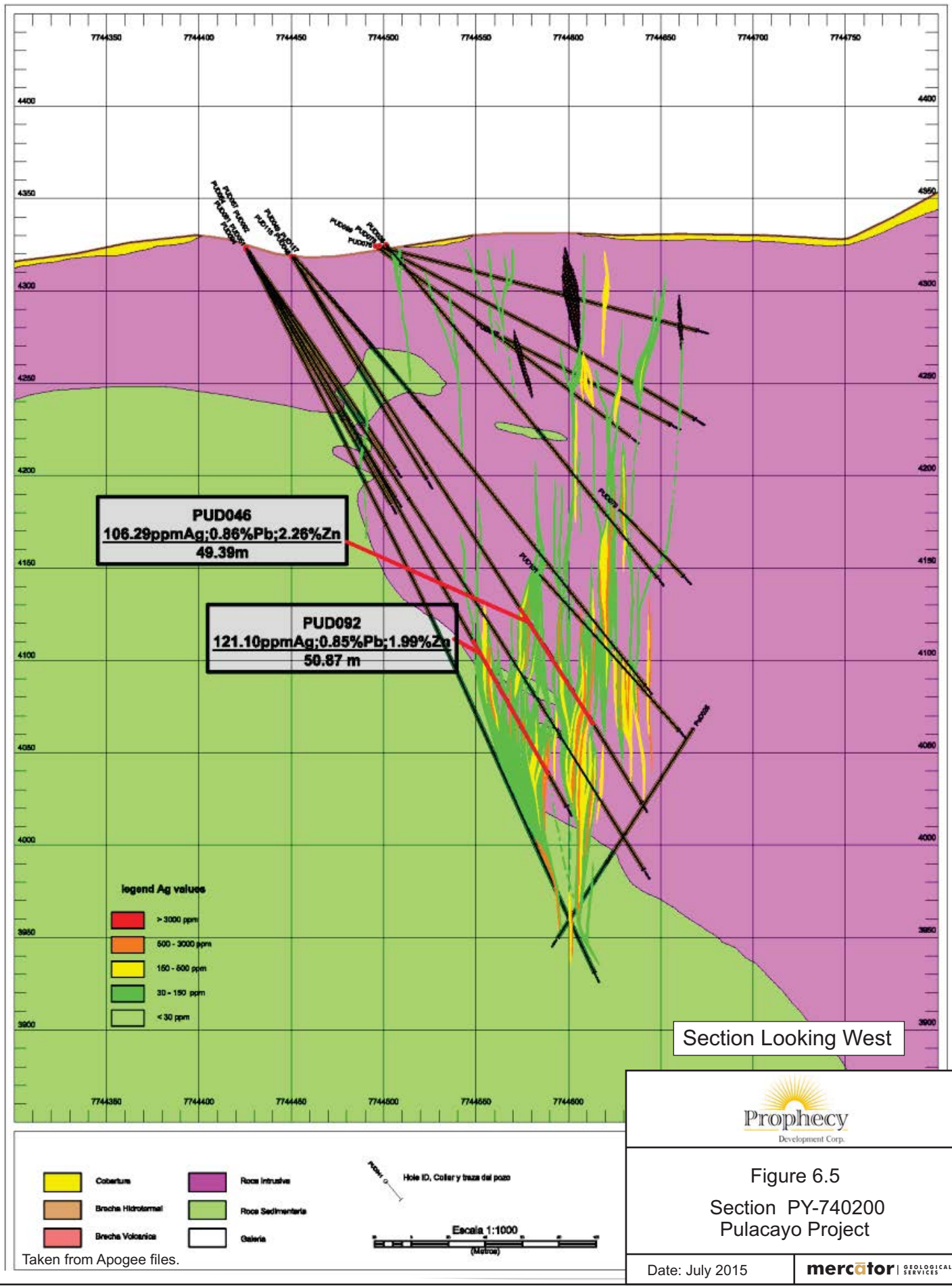
6.5 Mineralization

As described by Pressacco et al. (2010) and subsequently referenced by Cullen and Webster (2011, 2012a, 2012b), the Pulacayo deposit is considered an example of a sub-volcanic epithermal mineralization system showing well developed vertical metal zonation. The main mineralized vein and stockwork system developed on the southern flank of a dacitic intrusive dome and shows a surface strike dimension of 2700 m. At Pulacayo, east-west striking faults are interpreted to have acted as a conduit system for mineralizing fluids, with sulphide precipitation in open spaces to form veins and along fractures or by replacement to form zones of disseminated mineralization. Changes in temperature, pressure and redox state between the wall rock and fluid are thought to have influenced the style and intensity of mineralization. As such, silver lead and zinc mineralization at Pulacayo is typical of a high level epithermal system that in this case is hosted by sedimentary and intrusive rocks of Silurian and Neocene age respectively.

The principal mineralized structure at Pulacayo is the TVS which has historically been the main silver producer of the mine. The TVS is a large structural stockwork vein system that trends east-west and dips 75° to 90° to the south (Figure 6.4). The high grade parts of the TVS were historically mined as single veins over widths of 1 m to 3 m but transitions occur from this setting into zones of complex quartz-sulphide or sulphide vein arrays that include conjugate

veins, veinlets, stockworks and disseminated sulphides that range in width from less than a meter up to 120 m.

Mineralization of economic interest at Pulacayo is predominantly comprised of sphalerite, galena and tetrahedrite in sulphide-rich veins and stringers that are accompanied by locally abundant quartz, barite and pyrite. These veins range from a few cm to 3 m or more in thickness and disseminated sphalerite, galena and tetrahedrite typically occur in wallrock between veins. Disseminated mineralization is preferentially developed around and between veins hosted by andesite. To date, the TVS system has been continuously proven by a combination of mining, drilling and surface exposure along a strike length of about 2700 m and to a vertical depth of 1000 m below surface. Mercator considers the deposit to remain open in both strike and dip components at the effective date of this report. The first 450 vertical meters of the TVS is hosted by andesitic volcanic rocks and the remaining 550 vertical meters is hosted by underlying Silurian sedimentary strata (Figure 6.5) (Pressacco et al. (2010). Veins at Pulacayo commonly contain semi-massive to massive sulphide and show internal features such as compositional banding, crustiform texture and drusy character (Figure 6.6). They also frequently exhibit vuggy texture and have local infillings of quartz and barite (Figure 6.7).



Taken from Apogee files.

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Figure 6.5

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Figure 6.6: Crustiform texture in NQ core (~47.6 mm width)

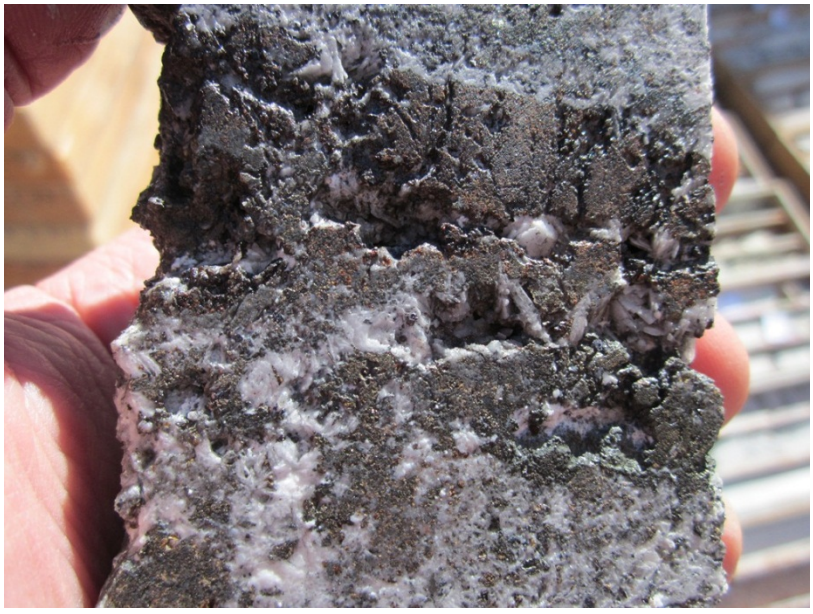

Figure 6.7: Vuggy texture with quartz and barite infilling in NQ core (~47.6 mm width)

7 Deposit Type

The Pulacayo deposit has been classified as an epithermal deposit of low to intermediate sulphidation state. Deposits of this type have been extensively researched and various summary publications that document specifics of the association are available. Examples of these include Lindgren (1922), White and Hedenquist (1994), Corbett and Leach, (1998) and Corbett (2002). The following discussion of this deposit type is presented without change from Cullen and Webster (2012b), who cited source descriptions previously compiled by Pressacco et al. (2010).

"Pressacco et al. (2010) highlighted the following key geological characteristics of Pulacayo that support classification as a low to intermediate sulphidation epithermal deposit and Figure 7.1 provides a schematic summary of the general deposit model:

- The vein and disseminated sulphide mineralization is hosted by Tertiary volcanic rocks of intermediate composition that form part of an outcropping dome complex.

- The mineralized body is composed of narrow veins, veinlets, stockworks and disseminations in argillicly-altered host rock that are controlled by an east-west oriented fault system. Width of the mineralized zone varies from a few m or less to 120 m.

- Sedimentary rocks intruded by the dome complex host high grade veins such as TVS that are typically less than 3 m in width but transition to stockwork and disseminated zones in overlying andesitic volcanic rocks that reach as much as 120 m in width.

- The sulphide mineralization has been proven to continuously occur along strike for 2,700 m and to a depth of approximately 100 m below surface.

- The vein system mineral assemblages are relatively simple and in combination are diagnostic of an epithermal setting. They consist of galena, sphalerite, tetrahedrite, and other silver sulfo-salts that form the main assemblage of economic interest and barite, quartz, pyrite and calcite that are present as gangue phases. Chalcopyrite and jamesonite are present in minor amounts locally.

- Internal texture of veins is typically banded and drusy with segments containing almost massive sulphides. This is typical of epizonal veins that have been subjected to multiple pulses of mineralizing fluid.

- Vertical metal zonation exists within the deposit that includes a mid-elevation zone of highest silver values that transition with depth to progressively increasing total base metal concentrations."

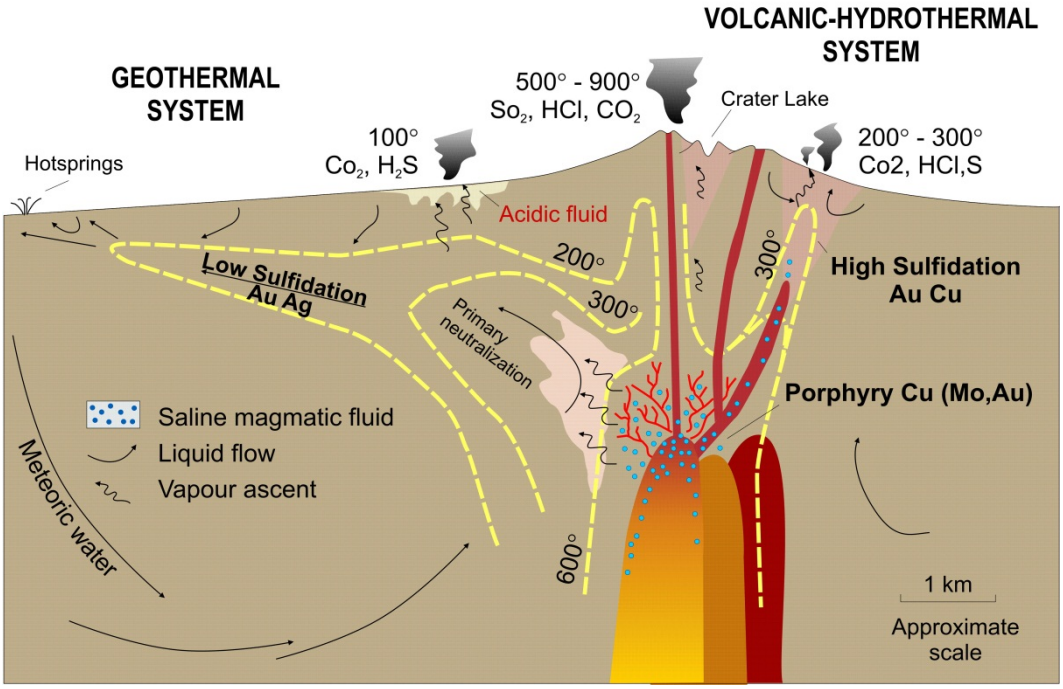

Figure 7.1: Genesis of epithermal mineral deposits (From White and Hedenquist, 1994)

8 Exploration

8.1 Introduction

Prophecy acquired the Pulacayo-Paca project in January of 2015 and since that time has focused on developing a strategy for project evaluation leading to early mine production. The company's approach has been to concentrate on assessment of the main Pulacayo deposit with respect to its potential to provide sufficient high grade mineralization to sustain a future milling rate of approximately 500 tonnes per day. Prophecy has disclosed that the Bolivian government has issued all environmental and production permits necessary to support mining and milling of the Pulacayo deposit at this scale. These were itemized earlier in Section 2 of this report.

Since acquiring the project, Prophecy has commissioned and taken delivery of a new high grade mineral resource estimate for the deposit (this being the current estimate by Mercator), carried out a program of surface sampling of seven tailings and/or waste rock deposits that occur on the property, and initiated evaluation of underground mining opportunities based upon the current mineral resource estimate block model prepared by Mercator. Results of the resource estimation program by Mercator were disclosed by Prophecy on June 18th, 2015 by press release and results of initial sampling of the six tailings/waste rock were publicly accessible on the company's website (www.prophecydev.com) at the report date.

Prophecy initiated a field program consisting of geological mapping and sampling on the Pulacayo property in July of 2015 and at the report date was considering following up that program with grid-based Induced Polarization (IP) surveying and diamond drilling. Specific results of the limited exploration programs carried out by Prophecy since acquisition of the Pulacayo project in January of 2015 are presented below under separate headings.

8.2 High Grade Mineral Resource Estimation Program

This report documents the resource estimation program carried out by Mercator that focuses on definition of high grade mineral resources within the Pulacayo deposit. As noted above, results of this program were disclosed by Prophecy on June 18th, 2015 and the current report documents the associated deposit modelling and resource estimation program. On this basis, no further discussion of the resource estimation program is presented in this report section.

8.3 Sampling of Tailings and Waste Rock Deposits

8.3.1 Introduction

In December of 2014, Prophecy retained senior consulting geologists Mr. Hernán Uribe-Zeballos and Mr. Luis Barrera-Iriondo to carry out a surface sampling program of tailings and waste rock materials present in seven areas of the Pulacayo property (Figure 8.1). The largest deposits occur adjacent to the mill site at Pulacayo village, where most historic production from the TVS was

processed (Figures 8.2 and 8.3,). Smaller deposits occur at the Pero, Pacamayo, Paca, Candelaria-Rotchilds and Florez sites and multiple piles or deposits occur in some areas (Figures 8.4 and 8.5).

8.3.2 Description of 2014 Sampling Program

Prophecy's consultants completed a program of systematic surface sampling at the locations noted above. The dimensions of each tailings/waste rock deposit were recorded and sampling patterns were laid out in the field to provide spatial coverage of respective deposits. Sampling was typically carried out by shallow pits on the deposit surface from which sample material was recovered. Pits generally ranged in depth from 50 cm to approximately 1.0 m. Several deeper excavations were made on the large piles at the main Pulacayo site using an excavator.

A total of 290 field samples were collected during the program and these were augmented by 12 samples for quality control and assurance purposes. Field samples typically ranged in weight between 2.5 kg and 3.0 kg and were sent to ALS Laboratories (ALS) in Lima, Peru for analysis. ALS is an independent, fully accredited, commercial analytical firm that provides service to the mining and exploration industries on a world-wide basis. Location coordinates were developed for all sample sites and descriptions of the material collected at each site were recorded by the consultants.

8.3.3 Results of 2014 Sampling Program

Analytical results for the 2014 program are presented in an internal Prophecy report prepared by the company's consultants. This internal report is referenced herein as Uribe and Iriondo (2015). Average results for silver, lead, zinc gold and indium for each of the sampled areas are presented below in Table 8.1. These show that substantial differences exist between average metal values for the samples sets collected at the various sites.

Results of sampling programs carried out to date by Prophecy on the tailings/waste rock deposits are useful in providing preliminary assessments of surface material metal levels in the deposits. They do not, however, include systematic quantification of metal levels below the surface extents of the various deposits. The current analytical data set is insufficient to support estimation of mineral resources for any of the deposits.

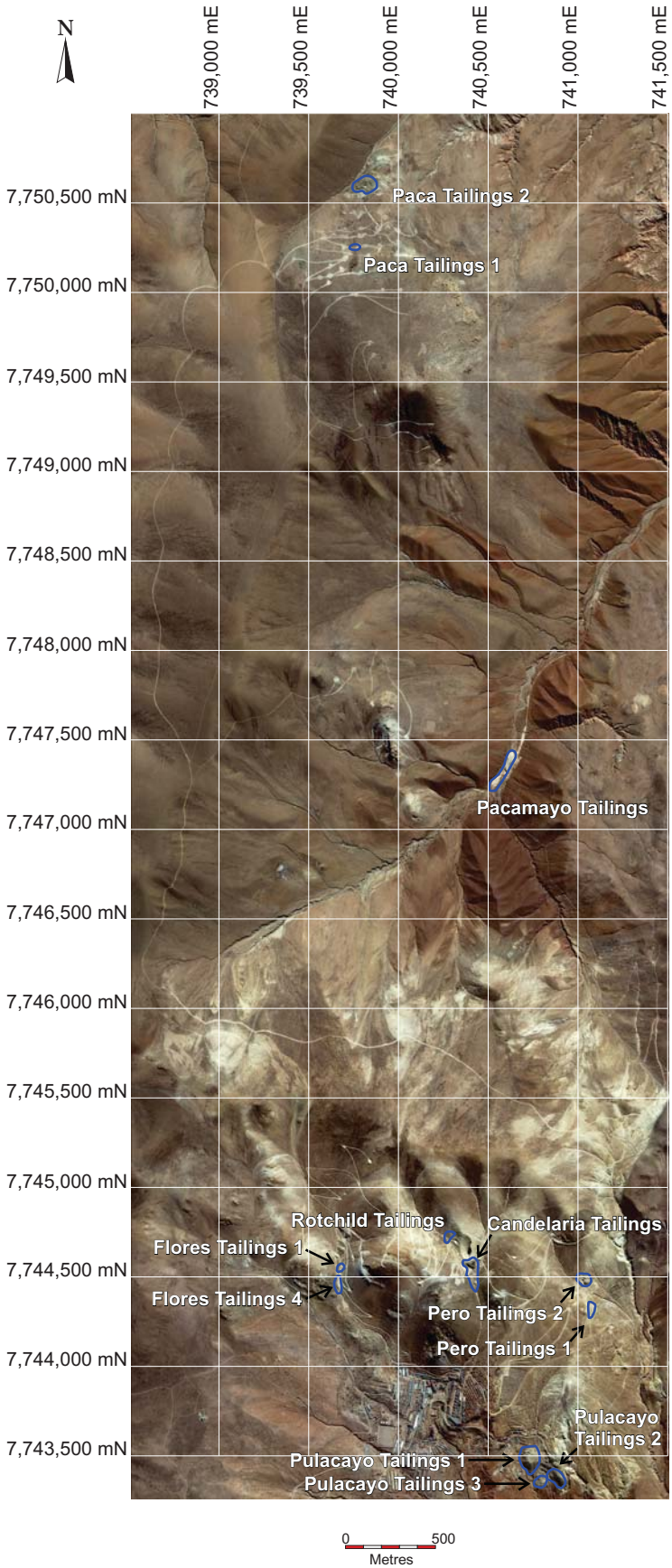

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Figure 8.1

Location of Tailings & Waste Rock
Pulacayo Project

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Figure 8.2**: View of Pulacayo 1 tailings/waste rock deposit**

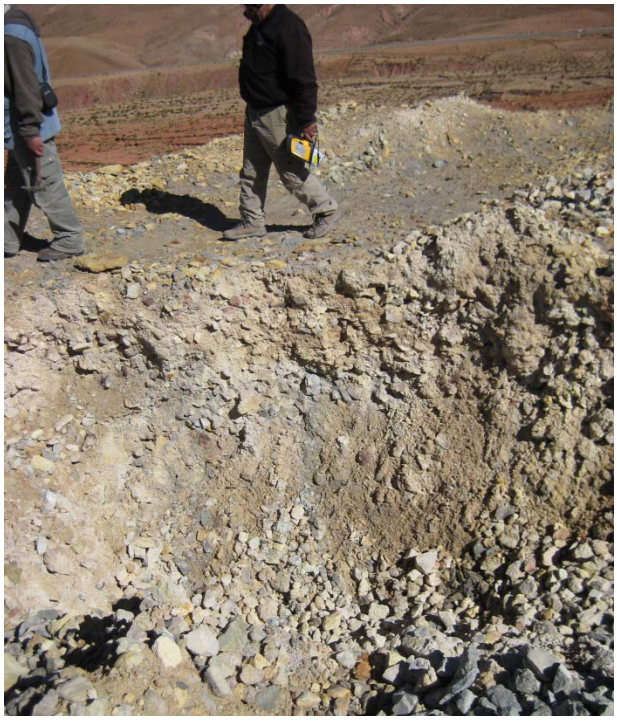


Figure 8.3**:Typical sampling site on Pulacayo 1 tailings/waste rock deposit**



Figure 8.4:View of Pacamayo tailings/waste rock deposit

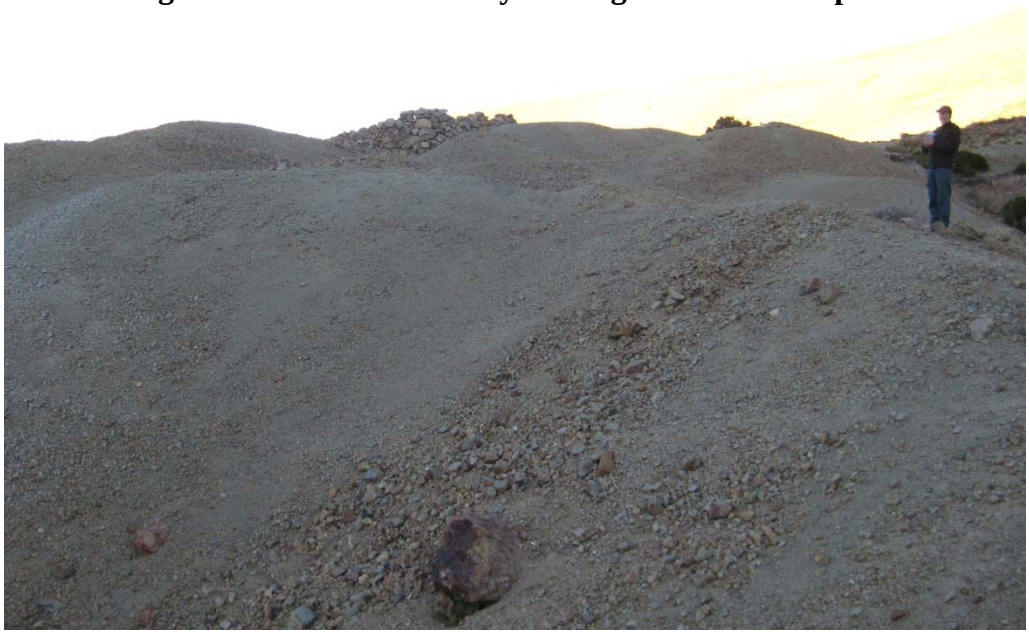


Figure 8.5**:View of Paca 2 tailings/waste rock deposit**

Table 8.1:Average metal levels for 2014 tailings and waste rock sampling program

Sampled Site	Number of Samples	Ag (g/t)	Pb (%)	Zn (%)	Au (g/t)	In (g/t)
Pulacayo 1	91	46.8	0.1	0.2	0.3	3.9
Pulacayo 2	105	110.7	0.2	0.2	1.2	7.2
Pulacayo 3	5	376.3	1.7	1.3	0.9	69.7
Pero 1	25	295.8	1.0	0.3	0.1	3.4
Pero 2	14	297.3	1.4	0.7	0.1	24.0
Flores 1	4	33.8	1.5	3.1	0.1	5.2
Flores 4	5	61.9	1.7	4.8	0.1	7.0
Pacamayo	34	118.8	0.4	0.9	0.1	9.4
Paca 1	4	206.3	1.4	1.0	0.1	0.05
Paca 2	4	275.3	0.4	0.03	0.1	0.03
Rotchild	2	NA	NA	NA	NA	NA
Candelaria	2	NA	NA	NA	NA	NA

9 Drilling

9.1 Introduction

The core drilling data set that supports the current Pulacayo mineral resource estimate is the same as that used to support the September, 2012 estimate prepared for Apogee by Mercator (Cullen and Webster, 2012b). On this basis, the descriptions of drilling programs previously presented in Cullen and Webster (2012b) have been reproduced below with minor local modifications where necessary to address current project ownership by Prophecy rather than Apogee. Prophecy has not completed any drilling programs at the Pulacayo site since acquiring the project in early 2015.

The first modern era drilling program at Pulacayo was initiated in 2002 by ASC and subsequent drilling programs were undertaken by Apogee between 2006 and 2012. Data from all of these programs are used in the current resource estimate. Details of the various drilling programs are presented below in chronological order.

9.2 ASC Bolivia LDC Drilling (2002-2005)

ASC completed 14 diamond holes totalling 3,095 m in length between July, 2002 and November, 2003 (holes PUD001-PUD017). Eleven holes were drilled from surface and another three from drill stations located in the Pulacayo underground workings. Drilling was completed by Leduc Drilling S.R.L. of La Paz, Bolivia, using two Longyear LF-140 and LY-44 drill rigs and HQ (63.5 mm diameter) core was recovered.

A second phase of drilling was initiated in February, 2003. Although 10 holes were planned, only 2 underground drill holes were subsequently completed for a total of 554 m (holes PUD025 and PUD026). Drilling was performed by Drilling Bolivia Ltd. and HQ core was recovered.

ASC continued the drilling program in September, 2003 and completed eight additional holes totalling 1,302 m (holes PUD018 to PUD024 and PUD027). Six holes were completed from surface and two holes were completed from drill stations located in the Pulacayo underground workings. Drilling was contracted to Maldonado Exploraciones S.R.L. of La Paz, Bolivia and they used Longyear model LY-44 and LF-70 drilling rigs recovering HQ size core.

The 2002 though 2005 drilling programs outlined disseminated, veinlet and stockwork style mineralization occurring between previously mined high grade veins, and a tabulation of selected significant drill intercepts appears Appendix 1. A location plan for the ASC drill holes is also included in Appendix 1 along with a tabulation of collar coordination, hole orientation and length data.

9.3 Apogee Drilling (January 2006 – May 2008)

Following the acquisition of the Pulacayo property in 2005 Apogee initiated a Phase I drill program that consisted of 19 holes totalling 4,150 m in length (PUD028 to PUD042). Four of the holes were completed from drill stations located in the Pulacayo underground workings and 15 were completed from surface locations. The Apogee program objective was to confirm mineralization defined by earlier ASC drilling results and the program was successful in demonstrating the presence of significant amounts of disseminated, veinlet, and stockwork sulphide mineralization located between the high grade veins that were exploited by historic, narrow underground mine workings (Pressacco et al., 2010). A tabulation of significant 2006 drilling intercepts appears in Appendix 1 along with drill hole locations and a tabulation of associated collar coordination, hole orientation and length data.

Apogee switched their focus to the Paca deposit, located approximately 10 km north of Pulacayo, in 2006 and completed approximately 13,631.2 m of diamond drilling in three drill programs. Between February 2006 and April 2006, Apogee completed a total of 2,301.5 m in 23 drill holes (PND031 to PND053). A second phase of diamond drilling was carried out from June 2006 to November 2006 and a total of 10,443.70 m were completed in 46 drill holes (PND054 to PND099). Seven additional holes totalling 886 m were drilled in a third phase of drilling completed late in 2006 (PND100 to PND106). The results of this exploration drilling program formed the basis of a 2007 mineral resource estimate on the Paca deposit completed by Micon and are described in detail by Pressacco and Gowans (2007). As noted earlier in this report, the Paca deposit is not included in the current resource estimate and the preceding description has been included for completeness.

In November, 2007 Apogee started Phase II drilling at Pulacayo and completed 14 holes totalling 3,745 m (PUD043 to PUD056). All holes were drilled from surface locations and results showed that the TVS consisted of disseminated, veinlet, and stockwork sulphide mineralized material measuring up to 120 m in width within which high grade mineralized shoots were present that had not been exploited by previous operators of the mine

Phase III drilling was undertaken by Apogee between January and May, 2008 at which time 54 holes totalling 14,096 m were completed (PUD057 to PUD110). Of these, 8 holes were drilled from underground and the balance from surface. A tabulation of significant 2007 and 2008 drilling intercepts, drill hole locations and associated collar coordination, hole orientation and length data appear in Appendix 1.

Phase I drilling was completed by the Leduc Drilling S.R.L of La Paz, Bolivia and subsequent Phase II and III programs were completed by the Fujita Core Drilling Company of Bolivia. The companies used Longyear model LF44, LM-55, LF-90 and LM-90 drilling rigs for the surface and underground programs and core size was generally HQ (65.3 mm diameter). In certain

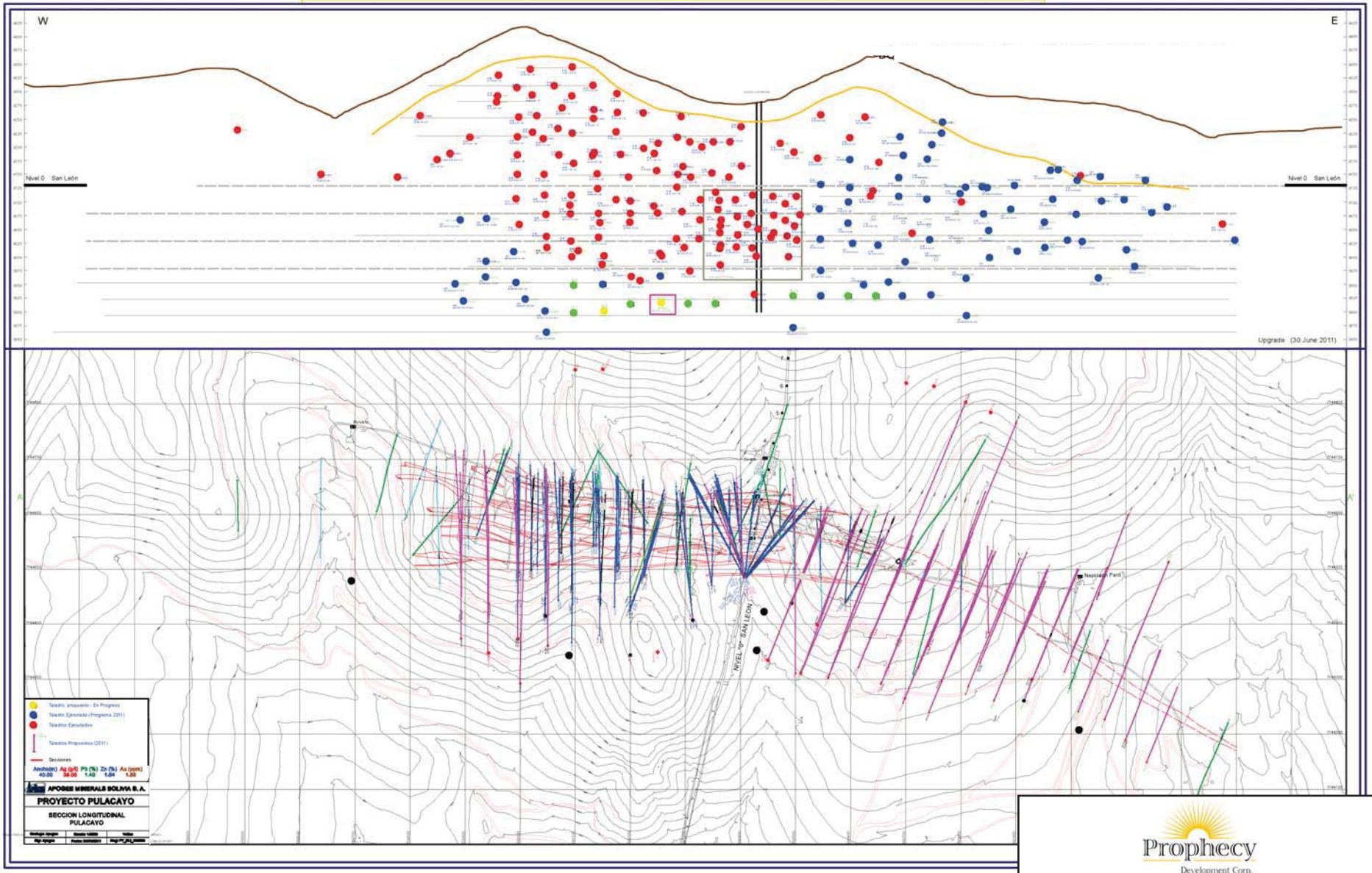
instances, ground conditions around old workings or other issues required reduction in core size to NQ (47.6 mm diameter).

9.4 Apogee Drilling (January 2010 – December 2011)

Phase IV drilling was initiated by Apogee in January of 2010. The surface program continued until the end of 2011 and underground drilling was carried out on a limited basis during that time in support of test mining activities within the current resource outline (PUD-111-PUD266). The current resource estimate includes all Phase IV surface holes up to and including hole PD266, for a total of 42,522 m of Phase IV drilling to the end of 2011. The last 45 holes of the surface drilling program (6,253.83 m) were directed toward evaluation of oxide zone resource potential above the main sulphide zone of the TVS. Drilling program results received since the last resource estimate by Mercator improved the level of confidence within certain sulphide zone mineral resource areas and also allowed estimation and evaluation of oxide zone resources.

A tabulation of significant Phase IV drilling intercepts, inclusive of those associated with the oxide zone, appears in Appendix 1, along with a tabulation of Phase IV drill collars, associated collar coordination, hole orientation and length data. Figure 9.1 presents a typical drilling plan and longitudinal section and additional maps and sections appear in Appendix 3.

The Fujita Core Drilling Company continued to provide drilling services at Pulacayo through the reporting period, using Longyear models LF44, LM-55, LF-90 and LM-90 rigs for surface and underground drilling. The core size has been HQ except where ground conditions around old workings or other issues have required reduction in core size to NQ.



Taken from Apogee document file.

Prophecy Development Corp.

Figure 9.1

Plan and Longsection of Pulacayo Drilling

Date: July 2015

mercator GEOLOGICAL SERVICES

9.5 Apogee Drilling Program Logistics

Planning for drill holes was based on the logging and interpretation of geological cross sections generated by Apogee staff geologists. Drill hole coordinates were established from digital maps and surface drill hole collars were then located on the ground by field geologists using a hand-held GPS. Hole azimuth and inclination were established using a compass and clinometer. Collar coordinates for underground drilling were established by company surveyors and hole azimuth and inclination were set by transit. Down hole deviation was determined for both surface and underground holes at approximately 50 m intervals using either Tropari or Reflex down hole survey tools.

Drill core was initially stored at the drill site in wooden core boxes which hold approximately three metres of core. Boxes were marked with the hole identification, box number and the included depth interval of the hole. Drilling staff marked core depth, generally in 3 m intervals, with a wooden tag indicating downhole depth at that point in metres (Figure 9.2). Once the drill hole was completed, hole collar coordinates were surveyed by staff surveyors and PVC pipe inserted into the hole with a portion left exposed approximately 0.5 m above ground to define hole inclination and azimuth. A concrete monument was typically established around the PVC pipe and a metal plate was attached that records the company name , hole number, grid easting and northing coordinates, elevation, final depth and the start and end drilling dates (Figures 9.3).

Overall core recovery reported by Apogee for its programs exceeds 90% in most cases, regardless of the type of rock being recovered. However, proximity to old mine workings reduces recovery potential due to associated bedrock instability. Mercator staff reviewed core from various positions within the deposit during the three field visits and confirmed that good recovery through mineralized zones is generally obtained. However, some intervals of strong fracturing and reduced core recovery were also inspected.



Figure 9.2: Typical Apogee drill collar after completion of hole



Figure 9.3: View of Apogee drill collar description plate

10 Sample Preparation, Analysis and Security

10.1 Introduction

Sample preparation, analysis and security discussions applicable to the core drilling data set that supports the current Pulacayo mineral resource estimate are the same as those described in support of the September, 2012 estimate prepared for Apogee by Mercator (Cullen and Webster, 2012b) and for the subsequent feasibility study completed by TWP. On this basis, the descriptions presented in Cullen and Webster (2012b) have been reproduced below with minor local modification where necessary to address current project context and ownership by Prophecy rather than Apogee.

10.2 Sample Preparation for 2006-2012 Apogee Programs

The following description of sample preparation and core handling protocols applies to all drilling programs at Pulacayo in which Apogee participated. Program details were discussed with Apogee staff during the April, 2012 site visit by Mercator and were found to be unchanged from the time of Mercator's earlier July, 2011 site visit. Pressacco et al. (2010) previously outlined the same general conditions as being applicable for work programs carried out by Apogee prior to the effective date of that report.

Apogee staff were responsible for transport of core boxes by pick-up truck from drill sites to the company's locked and secure core storage and logging facility located in the town of Pulacayo (Figure 10.1). The core was initially examined by core technicians and all measurements were confirmed. Core was aligned and repositioned in the core box where possible and individual depth marks were recorded at one metre intervals on the core box walls. Core technicians photographed all core, measured core recovery between core meterage blocks, completed magnetic susceptibility readings and specific gravity measurements, and recorded information on hard copy data record sheets. This information was entered into digital spreadsheets and then incorporated in the project digital database.

Drill geologists initially completed a written quick log of drill hole lithologies along with a graphical strip log illustrating lithologies. They subsequently completed a detailed written description of lithologies, alteration styles and intensities, structural features, mineralization features such as occurrences and orientations of quartz veins, and the style, amount and distribution of sulphide minerals. Drill holes were drawn on paper cross sections when logging was completed and lithologies were graphically correlated from drill hole to drill hole.

Mineralized intervals were marked for sampling by the logging geologist using colored grease pencils and intervals plus associated sample numbers were recorded on a hardcopy sample record sheet. All paper copy information for each hole, including quick logs, detailed logs,

graphical logs, sample record sheets and assay certificates were secured together in a drill hole file folder to provide a complete archival record for each drill hole. Subsequent to logging and processing, down hole lithocoded intervals, sample intervals and drill hole collar and survey information were entered into digital spreadsheets and then incorporated in the project digital database.

Sample intervals are marked by the logging geologist and core technicians then cut corresponding core in half using a diamond saw. Friable core was cut in half with a knife. Each half core sample was assigned a unique sample tag and number and placed in a correspondingly numbered 6 mil plastic sample bag. A duplicate tag showing the same number was secured to the core box at the indicated sample interval. As noted earlier, all sample intervals and corresponding numbers were recorded on a hardcopy sample data sheet and subsequently entered into a digital spreadsheet for later incorporation in the project database. The secured 6 mil



Figure 10.1: Apogee core logging facility

plastic sample bags were grouped in batches of 6-10 samples and secured in a larger plastic mesh bag in preparation for shipment to the ALS Chemex (ALS) preparation laboratory located in Oruro, Bolivia. All bagged samples remained in a locked storage facility until shipment to the laboratory. Samples were transported from the core storage area to the ALS facility by either Apogee personnel or a reputable commercial carrier. Sample shipment forms were used to list all samples in each shipment and laboratory personnel cross-checked samples received against this list and reported any irregularities by fax or email to Apogee. Apogee advised Mercator that it

has not encountered any substantial issues with respect to sample processing, delivery or security during the Pulacayo programs.

10.3 Sample Preparation for 2002-2003 ASC Programs

Site procedures pertinent to ASC were not documented in support information reviewed by Mercator. However, Apogee site staff familiar with the earlier program indicated that procedures were generally similar to those employed by Apogee with respect to core logging, sampling, transport of samples and security. All ASC drill core samples were processed at the Oruro, Bolivia laboratory of ALS Chemex, with those from the first phase of drilling being analysed at ALS Chemex (formally Bondar-Clegg) facilities in Vancouver, BC, Canada. In both instances, standard core preparation methods were used prior to elemental analysis.

10.4 Drill Core Analysis for 2006-2012 Apogee Programs

Apogee staff logged and sampled drill core and carried out immersion method bulk density gravity determinations but did not carry out any form of direct sample preparation or analytical work on project samples. Project analytical work was completed by ALS at its analytical facility in Lima, Peru after completion of sample preparation procedures at the ALS facility located in Oruro, Bolivia. ALS is an internationally accredited laboratory with National Association of Testing Authorities (NATA) certification and also complies with standards of ISO 9001:2000 and ISO 17025:1999. The laboratory utilizes industry standard analytical methodology and utilizes rigorous internal Quality Assurance and Quality Control (QAQC) procedures for self-testing.

All samples were weighed upon receipt at the ALS lab and prepared using ALS preparation procedure PREP-31B that consists of crushing the entire sample to >70% -2 mm, then splitting off 1 kg and pulverizing it to better than 85% passing 75 micron. The coarse reject materials from this processing were returned to Apogee for storage on site at Pulacayo. Similar processing was used by ASC.

Silver, lead and zinc concentrations for Apogee programs were analyzed by ALS using an Aqua Regia digestion and Atomic Absorption Spectroscopy (AAS) following ALS method codes AA46 and AA62. Samples returning assay values greater than 300 g/t Ag were further analyzed using quantitative method Ag-GRAV22, which uses a Fire Assay pre-concentration and Gravimetric Finish on a 50g sample aliquot. Gold values were determined using the Au-AA26 analytical method provided by ALS that employs a Fire Assay pre-concentration followed by Atomic Absorption finish on a 50 g sample aliquot. A 35 element multi-element analysis was

also completed on samples using method code ME-ICP41 which uses Aqua Regia digestion and ICP-AES analysis.

10.5 Drill Core Analysis for 2002-2003 ASC Programs

Samples from the ASC drilling programs carried out in 2002 and 2003 were also prepared and analyzed by ALS. However, after preparation at the facility in Oruro, Bolivia under the same protocols as noted above for Apogee, analytical work was carried out at the company`s laboratory in Vancouver, BC, Canada. This facility is fully accredited as described earlier and analytical protocols were the same as those described above for Apogee.

10.6 Quality Assurance and Control for 2006-2012 Apogee Programs

Apogee developed an internal QAQC program that included blind insertion of reference standards, blanks and duplicates in each analytical shipment. A blank was inserted at the beginning of each sample batch, standards were inserted at random intervals throughout each batch of 50 samples and duplicates were analyzed at the end of each batch. All data gathered for QAQC purposes was captured, sorted and retained in the QAQC database. Apogee purchased two commercial reference standards from Western Canadian Minerals Ltd. (PB-128 and PB-138), one from CDN Resource Laboratories (CDN-SE-1), created an in-house standard and also purchased commercial prepared blank materials. Coarse field blanks were prepared by Apogee from locally sourced un-mineralized quartzite outcropping near Pulacayo.

Three quality control samples that include a field or commercial blank, a commercial standard and a duplicate sample were inserted with a minimum frequency of 1 in every 50 samples. Review by Mercator showed that in practise, an analytical standard typically occurs within every 20 samples submitted for analysis. Analysis of duplicate samples of ¼ core was accommodated through their blind inclusion in the sample stream and analysis of duplicate prepared pulp splits was also requested for each batch.

Apogee`s protocol included a check sampling program based on analysis of sample splits at a second accredited laboratory. Check samples submitted to the check laboratory were processed using the same preparation and analytical techniques as used by ALS in Lima. The ALS laboratory in La Serena, Chile provided initial second laboratory analytical services for the Apogee programs, results of which are discussed in report Section 13. After January 2010, starting with drill hole PUD 140 samples, all check analyses were done at SGS in Lima, Peru.

In addition to chemical analysis, bulk density measurements (specific gravity) were systematically collected by Apogee staff using standard water emersion methods and unsealed core samples. Micon (Pressacco and Shoemaker, 2009) reviewed ASC and early Apogee density determination methods and recommended that these be modified to include more representative

sampling methods in non-mineralized areas and be carried out continuously through mineralized zones. Procedures were subsequently modified and measurements thereafter were collected for continuous 10 m sampled intervals where no observed sulphide mineralization was present and for all sampled intervals within recognized mineralized zones. Micon also noted that samples were not being wax sealed and advised that sealing would be advisable for some samples due to higher porosity and low permeability seen in some samples. Characteristics of lithology and alteration were also recorded as part of the density program and all information was assembled in digital spreadsheets. Results of the density measurement programs appear in report Section 13.

10.7 Quality Assurance and Control for ASC 2002-2003 Programs

QAQC procedures pertinent to the ASC programs were not documented in support information reviewed by Mercator for this report. However, the first drilling program carried out by Apogee in 2006 consisted of 19 holes totaling approximately 4,150 meters drilled to confirm earlier ASC analytical data. Full QAQC protocols instituted by Apogee were applied to this program and, as further detailed in report Section 13.0, results of the re-drill program correlate well with those of ASC. Such correlation suggests that acceptable standards were being met by ASC.

10.8 Mercator Comment on Sample Preparation, Analysis and Security

Mercator is of the opinion that ASC and Apogee sample preparation, analysis and security methodologies were sufficient for a project of this size and that suitable precautions were taken to identify irregularities in sample analytical results.

11 Data Verification

11.1 Introduction

The data verification discussion applicable to the current Pulacayo mineral resource estimate refers to the same project data sets used to support the September, 2012 mineral resource estimate prepared for Apogee by Mercator (Cullen and Webster, 2012b). On this basis, the descriptions presented in Cullen and Webster (2012b) have been reproduced below with minor modifications where necessary to address current project ownership by Prophecy rather than Apogee.

11.2 Review and Validation of Project Data Sets

Core sample records, lithologic logs, laboratory reports and associated drill hole information for all drill programs completed by Apogee and ASC were digitally compiled by Apogee staff and made available to Mercator for resource estimation purposes. Information pertaining to the exploration history in the property area was also provided by Apogee and was reviewed to assess consistency and validity of Apogee results.

Digital drill hole records supplied by Apogee were checked against original hard copy source documents during both project site visits by Mercator to assess consistency and accuracy of such records. Parameters reviewed in detail include collar coordinates, down hole survey values, hole depths, and lithocodes. This was followed by review and validation of approximately 10% of the compiled core sample dataset against original source documents. Review of logging and sample records showed consistently good agreement between original records and digital database values.

Micon noted in the Pressaco et al. (2010) Pulacayo Preliminary Economic Assessment (PEA) that minor inconsistencies were in some instances present between digital project datasets and original source documents reviewed at the field site. More specifically, disagreement was noted in drill hole coordinates between original and digital datasets for such parameters as hole survey data, core recovery information on paper logs, incomplete digital representation of specific gravity analysis in the project database, and paper logs not having original sample documents appended. Apogee staff followed up on associated recommendations laid out by Micon and subsequently prepared a summary file at the field site for each drill hole that contained updated drill collar coordinates, complete down hole survey results, graphical and tabulated quick logs, geological logs, updated cross sections, original sample records, summary assay results, specific gravity analyses and core recoveries. Examples of these summary drill hole files were reviewed by Mercator during both 2011 and 2012 site visits.

After completion of all manual record checking procedures, the drilling and sampling database records were further assessed through digital error identification methods available through the Gemcom-Surpac Version 6.2.1® software. This provided a check on items such as sample record duplications, end of hole errors, survey and collar file inconsistencies and some potential lithocode file errors. The digital review and import of the manually checked datasets through Surpac provided the validated Microsoft Access® database that Mercator considered acceptable with respect to support of the resource estimation program described in this report.

11.3 Site Visits by Mercator

11.3.1 August 3rd to August 10th, 2011

Author and qualified person Peter Webster and Mercator Senior Resource Geologist, Matthew Harrington, carried out a site visit to the Pulacayo deposit during the period August 3rd through 10th, 2011. At that time they completed a review of all Apogee drill program components, including discussion of protocols for lithologic logging plus storage, handling, sampling and security of drill core. A core check sampling program consisting of 9 quarter core samples, 2 duplicate split samples, 2 quality control samples, and 4 reject material samples was also carried out. A drill collar coordinate check program was also completed during the visit, with collar coordinates for 7 Apogee drill holes collected using a hand-held GPS device for comparison against database records. Apogee President, Mr. C. Collins, P. Geo, and Exploration Manager Mr. H. Uribe provided technical assistance and professional insight during the site visit.

During the core inspection and review process, several previously sampled core intervals representative of the Ag, Pb and Zn grade ranges of the Pulacayo deposit were selected from drill holes PUD111, PUD134, PUD140, PUD144, PUD175, PUD188, and PUD203 for use in the Mercator check sampling program. After mark-up and photographing of sampled core intervals by Mercator, Apogee staff carried out quarter core sampling of the designated core samples under Mercator supervision. Resulting bagged, labelled and sealed core samples were securely stored at the Apogee facility until being transported by commercial courier to SGS del Peru S.A.C for analysis.

Observations regarding the character of the landscape, vegetation, site elevations, surface drainage, road/drill pad features, drill sites, mine accesses, exploration conditions, and core logging and handling facilities were noted during the site visit. Based on observations made during the site visit and discussions with Apogee staff and consultants, Mercator determined that, to the extent reviewed during the visit, evidence of work programs carried out to date on the property is consistent with descriptions reported by the company and that procedures employed by Apogee staff are consistent with current industry standards and of good quality.

11.3.2 April 26th to April 28th, 2012

Author Cullen visited the Pulacayo site during the period April 26th to April 28th, 2012 the purpose being to carry out additional review of on-going drilling and resource estimation program work pertaining to oxide zone mineralization not included in the previous resource estimate. Reviews of site drill program components, including discussion of protocols for lithologic logging plus storage, handling, sampling and security of drill core were carried out at that time, with specific focus on the 45 drill holes completed late in 2011 that targeted oxide zone mineralization of the TVS.

Trenched areas, TVS surface exposures and drilling locations associated with assessment of the oxide zone were visited and a general overview of the site and facilities was obtained (Figures 11.1 and 11.2). A core check sampling program consisting of 24 quarter core samples, 1 quality control reference material sample, and 1 blank sample was also carried out, along with field location checking of drill collar coordinates for 14 oxide zone drill holes. Collar locations were checked using a hand-held GPS device for comparison against database records and acceptable results were returned from both programs. Details of these are presented below in report Sections 11.3.5 and 11.4

An active test mining area developed by Apogee on a subsidiary hanging-wall vein (ramale) interval of the TVS near the San Leon tunnel was also visited during the April, 2012 trip. Stoping of the vein was being carried out at that time over a horizontal width of approximately 1.5 m to 2.0 m and stoped material was being stockpiled on surface for use in future metallurgical testing programs (Figure 11.3).

Apogee President, Mr. C. Collins, P. Geo. accompanied the author Cullen throughout the visit and then Exploration Manager, Mr. H. Uribe, discussed the project during meetings held on April 24th at Apogee's La Paz office. Discussions on site were held with Apogee mine staff and mine manager, Mr. Wouter Erasmus, led an underground tour of the test mining area and adjacent historic workings (Figure 11.4). Apogee site geological staff under direction of Mr. F. Mayta, Senior Geologist, plus core facility technicians facilitated review and sampling of the oxide zone drill core that was a primary focus of the site visit (Figure 11.4).

11.3.3 June 3rd to June 6th, 2015

Author Cullen and Mercator's Senior Resource Geologist, Mr. Matthew Harrington, visited the Pulacayo site during the June 3rd to June 6th period of 2015. Meetings were also held with Mr. Bekzod Kasimov, now Prophecy's Vice President of Operations, plus other consultants, in Prophecy's La Paz office on June 3rd prior to departure for Pulacayo. Mr. Kazimov accompanied Mercator staff to the Pulacayo site and participated in site activities and discussions. The primary purpose of the 2015 site visit was primarily to carry out studies related to resource



Figure 11.1: Oxide zone exposure – April, 2012



Figure 11.2: View of Pulacayo town site – April, 2012



Figure 11.3: Bulk sample stockpile area – April, 2012



Figure 11.4: Core facility staff assisting with check sampling – April, 2012

estimation work by Mercator with respect to the nearby Paca silver-zinc-lead deposit, also held by Prophecy. A second priority was to review results of work carried out to date by Prophecy staff and consultants with respect to various tailings/waste rock deposits on the property. The latter are currently considered by Prophecy to be possible sources of future mill feed. On that basis, they constitute potential targets for future mineral resource estimation programs.

While the Pulacayo deposit was not the central technical focus during the 2015 site visit, and the visit was not required to support the current resource estimation program, discussion with respect to the deposit, the current geological and block models and various other aspects of deposit geology were held during the visit with Prophecy's senior consulting geologist responsible for the project, Mr. H. Uribe. As in the past, Mr. Uribe and staff under his direction provided excellent professional and technical support during the June visit.

Mercator did not carry out any check sampling programs pertinent to the current mineral resource estimation program during the 2015 site visit. However, surface expressions of the TVS were traversed in the Pero area and mineralized material produced during the most recent underground trial mining program by Apogee in 2013 was viewed in the low and high grade stockpile areas at the Pulacayo site.

11.4 Quality Assurance and Quality Control

11.4.1 Introduction

Quality Assurance and Quality Control (QAQC) programs and protocols applicable to the core drilling data set that supports the current Pulacayo mineral resource estimate are the same as those described in support of the September, 2012 estimate prepared for Apogee by Mercator (Cullen and Webster, 2012b) and in the subsequent feasibility study completed by TWP in 2013. On this basis, the descriptions presented in Cullen and Webster (2012b) have been reproduced below with minor local modification where necessary to address current project context and ownership by Prophecy rather than Apogee.

11.4.2 Drilling Programs Applicable to 2011 and 2012 Resource Estimates

The Apogee drilling programs covered in the October 2011 mineral resource estimate by Mercator occurred between 2006 and July of 2011, with the last drill hole included in that resource being PUD214. QAQC results for the Apogee programs that contributed to the first Pulacayo resource estimate by Mercator were presented in Cullen and Webster (2012a). QAQC results that pertain to subsequent oxide zone drilling carried out between July 2011 and December 2011 by Apogee are also described below and were originally reported in the technical report associated with the last Pulacayo mineral resource estimate (Cullen and Webster, 2012b) prepared by Mercator for Apogee.

11.4.3 Apogee Programs 2006 – 2012

Drill core sampling carried out by Apogee during the 2006 through 2012 programs on the Pulacayo property was subject to a QAQC program administered by the company. This included submissions of blank samples, duplicate split samples of quarter core and half core, certified analytical standards, Apogee field standards and analysis of check samples at a third party commercial laboratory. Additionally, internal laboratory reporting of quality control and assurance sampling was monitored by Apogee on an on-going basis during the course of the project. Details of the various components are discussed below under separate headings.

QAQC discussions for certified and in-house standards, blanks and duplicate splits pertaining to Apogee programs completed prior to January, 2010 were previously disclosed in the Micon PEA (Pressacco et al. 2010) for Pulacayo. After review of these results, Mercator concurs with the opinion expressed by Micon that drill core sample data associated with the earlier Apogee QAQC programs is of quality acceptable for resource estimation use. The Micon report should be consulted if access to more detailed information pertaining to drilling programs carried out by Apogee prior to January, 2010 is required. QAQC discussions presented below in this report pertain only to drilling carried out by Apogee since January, 2010.

11.4.4 Certified Reference Material Programs

January 2010 to July 2011

As noted above, the following description of certified reference material program results is taken from Cullen and Webster (2012b) with minor local modification of text to match the current reporting context.

Apogee used three certified reference standards since the Phase IV drilling program commenced in January of 2010. These are CDN-SE-1, obtained from CDN Resource Laboratories (CDN) of Burnaby, BC and PB128 and PB138, obtained from WCM Minerals Ltd. (WCM) of Burnaby, BC. CDN-SE-1 was used since the start of the Phase IV drill program, beginning with drill hole PUD141, and remained in use until cessation of drilling covered by this report in 2012. PB128 was used in pre-January 2010 programs, beginning with drill hole PUD061, and was replaced by PB138 at drill hole PUD207. Descriptions for all three certified standards appear in Appendix 1 and Table 11.1 presents their certified mean values.

In total, results for 178 certified reference samples submitted for analysis were reviewed for this project period. This includes all certified reference samples used during the Apogee Phase IV drilling program during the period plus those pertaining to Phase III drill holes PUD134 through PUD138 for which assay results had not be received at the time of the Micon PEA in 2010. Reference samples were systematically inserted into the laboratory sample shipment sequence by Apogee staff that ensured that at least one standard was submitted for every 50 samples. Records of reference standard insertion were maintained as part of the core sampling and logging protocols.

Table 11.1: Certified Reference Materials Data for January 2010 to October 2011 Period

	Certified Mean Value ± 2 Standard Deviations			
Reference Material	**Ag g/t**	**Pb %**	**Zn %**	**Number**
CDN-SE-1	712 ± 57	1.92 ± 0.09	2.65 ± 0.20	82
PB128	181 ± 16.41	4.43 ± 0.342	2.25 ± 0.18	91
PB138	199 ± 8.958	2.04 ± 0.149	2.08 ± 0.124	5

The CDN-SE-1 standard was used exclusively during the Phase IV drill program initiated in January 2010 and continued in until cessation of drilling programs in 2012. In total, 82 samples of the material were analyzed during the drilling period covered in this report section, with samples submitted in association with drill holes PUD141 through PUD214. Returned silver values fall within a +15g/t and -55g/t range of the 95% confidence interval certified mean range and the average value of 698.75g/t falls within the mean ±2 standard deviations control limits. One sample value falls below the control limits (Figure 11.5). A total of 12 lead values fall below the ±2 standard deviations control limits for that metal, with returned values within a

+0.025% and -0.135% range of the certified mean. However, the average lead value of 1.87% falls within the control limits (Figure 11.6). Returned zinc values are more closely distributed around the certified value than those of silver and lead, with the average returned value of 2.65% being the same as the certified value. All values fall within +0.32% and -0.13% of the certified mean, with one result above the control limits (Figure 11.7).

The PB128 standard was used throughout the Phase III drill program, beginning in January, 2008 and continued through most of the Phase IV drill program. Use began with drill hole PUD061 and finished with drill hole PUD208. Results for a total of 91 samples collected since January, 2010 were reviewed for this report, with these corresponding to drill holes PUD134 to PUD208, exclusive of hole PUD207. All samples returned results for lead and zinc and 89 of the 91 samples returned results for silver. Silver values fall within a range of +13g/t and -8g/t of the certified mean value and the average value of 181.57g/t very closely approximates the 181.0 8g/t certified mean value (Figure 11.8). Lead values fall within +0.15% and -0.27% of the certified mean range and average 4.36%, all of which fall within mean ± 2 standard deviations control limits (Figure 11.9). One zinc n value falls above the control limits but others fall within +0.20% and -0.09% of the certified mean range. The average returned value of 2.29% falls within the mean ± 2 standard deviations control limits (Figure 11.10).

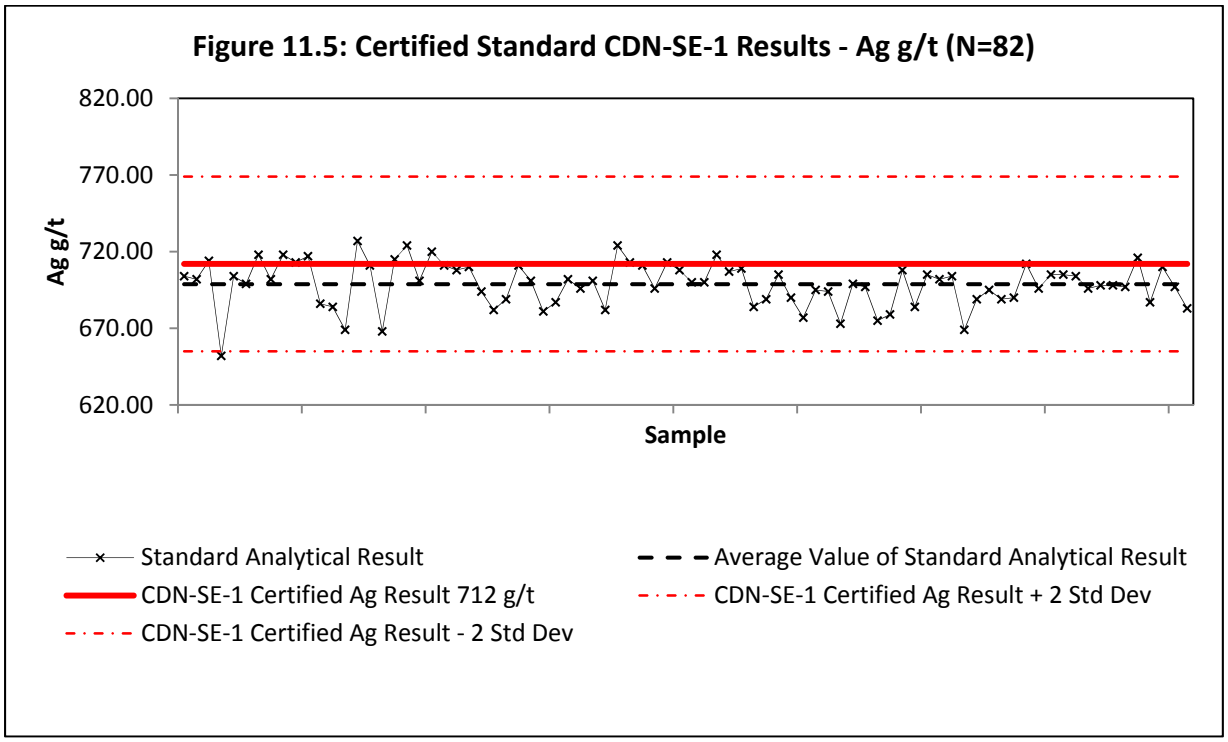


Figure 11.6: Certified Standard CDN-SE-1 Results - Pb % (N=82)

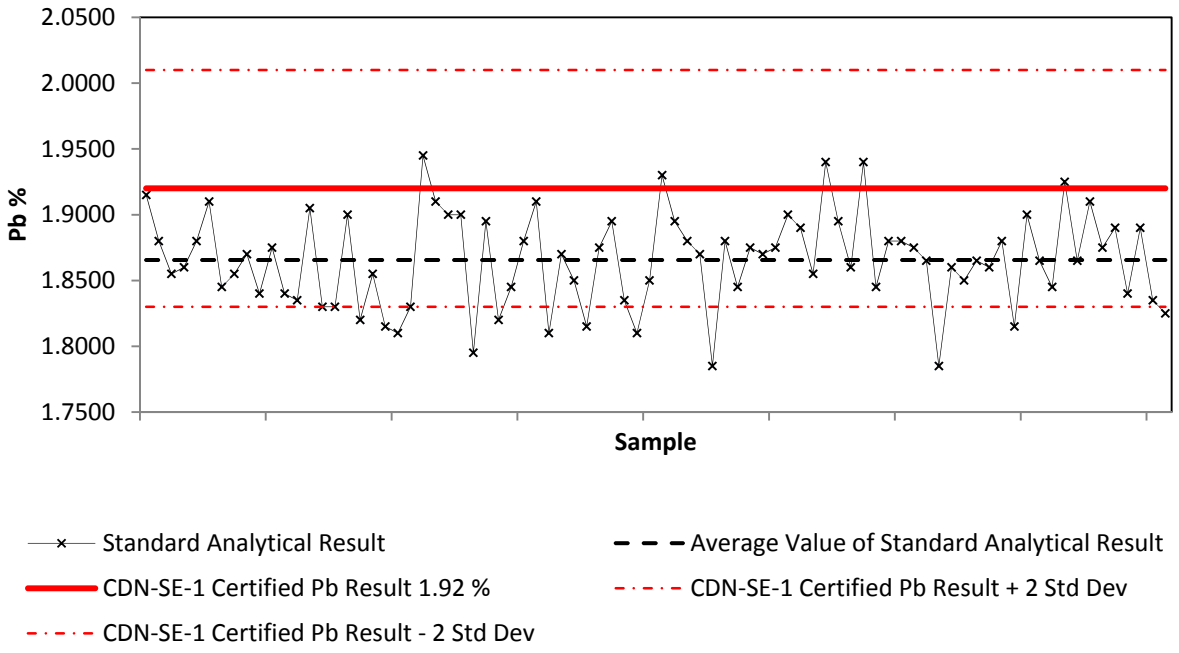


Figure 11.7: Certified Standard CDN-SE-1 Results - Zn % (N=82)

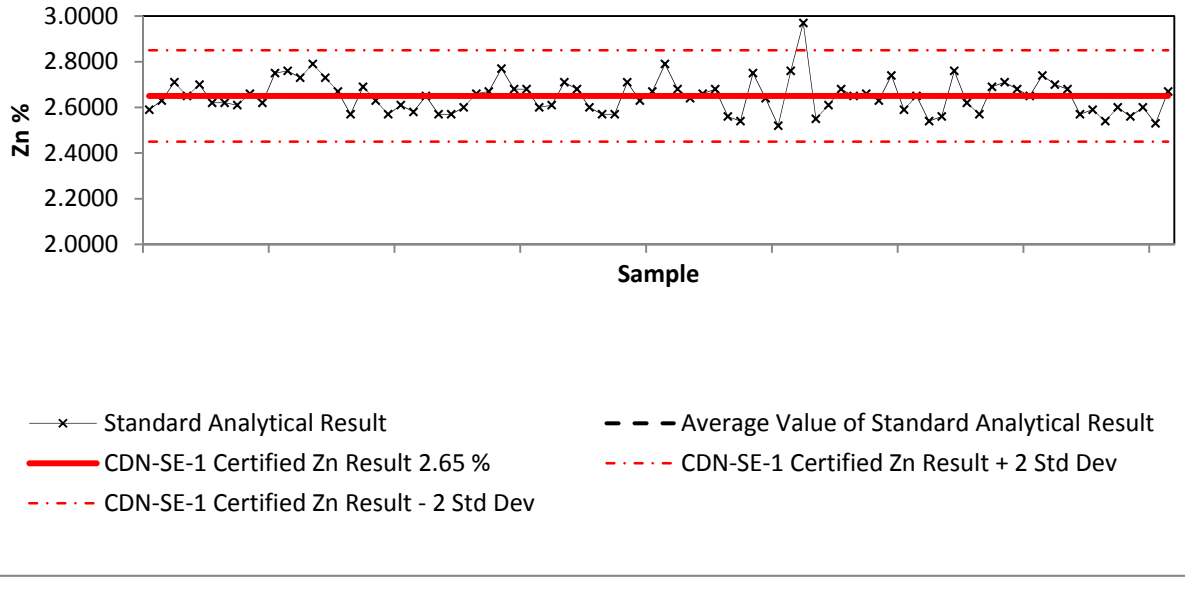


Figure 11.8: Certified Standard PB128 Results - Ag g/t (N=89)

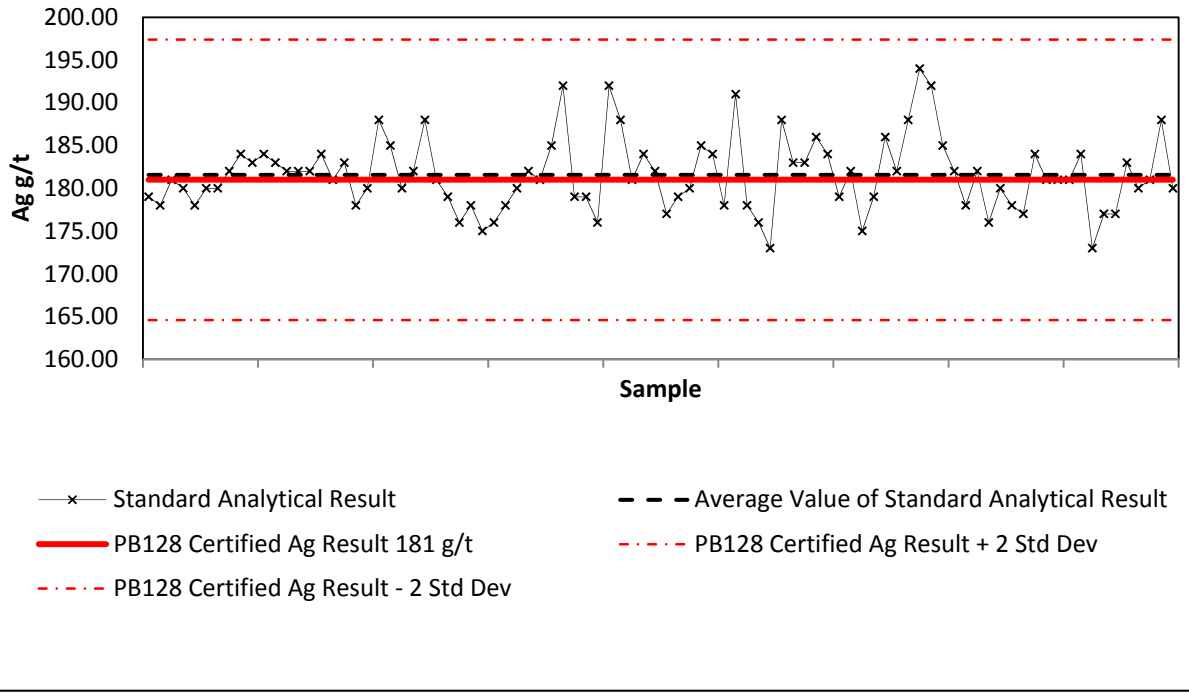
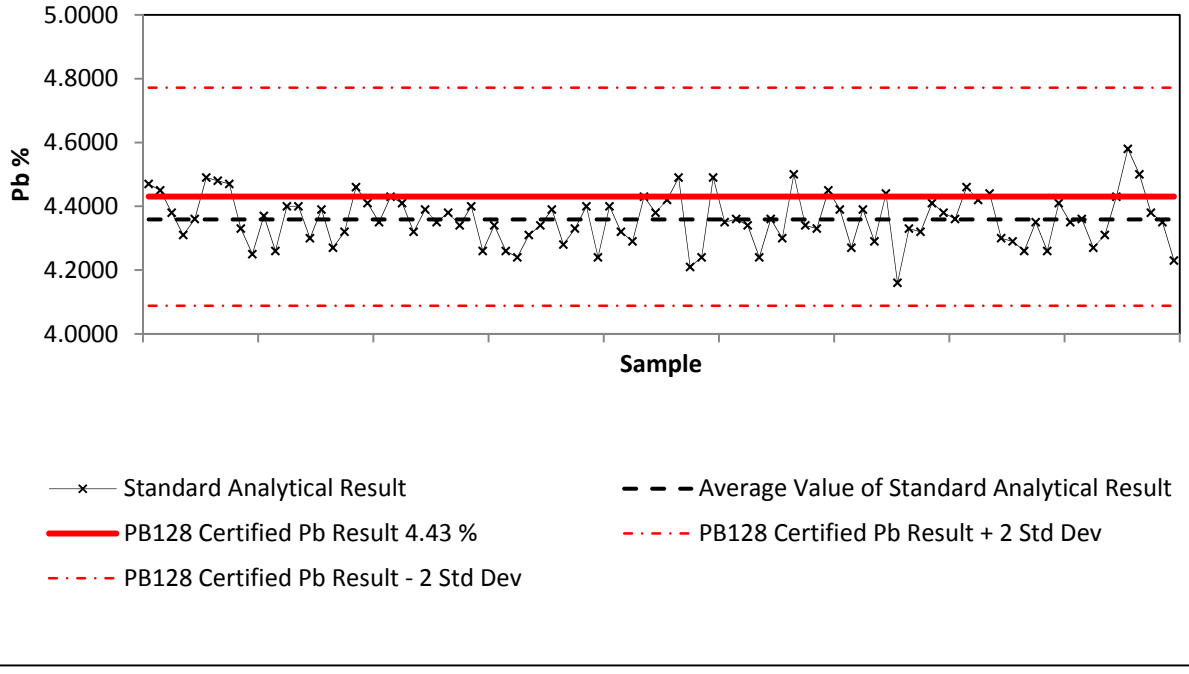
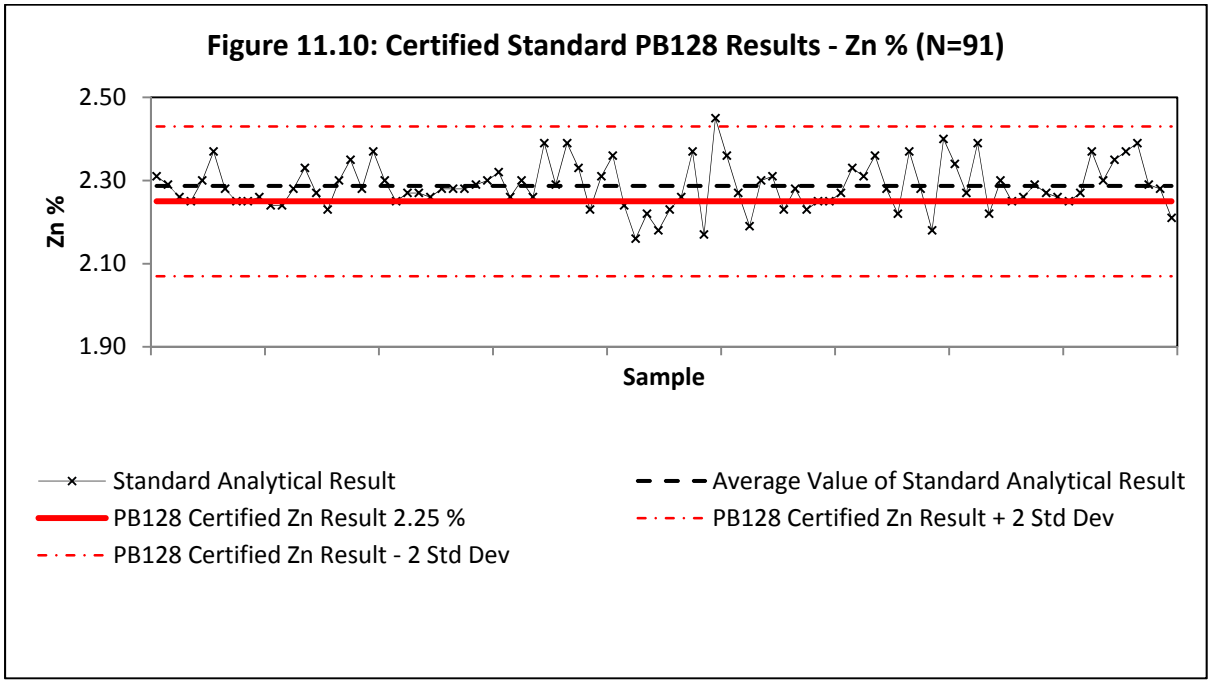


Figure 11.9: Certified Standard PB128 Results - Pb % (N=91)





The PB138 certified reference material was introduced during the Phase IV drill program to replace PB128 and a total of 5 samples of the material were analyzed in association with drill holes PUD207, PUD210, PUD211A, and PUD214. Silver values returned fell within -9g/t of the certified mean value range and average 194.20g/t, all of which fall within mean ± 2 standard deviations control limits (Figure 11.11). The average lead value of 1.91% falls within mean ± 2 standard deviations control limits, with all but one value falling within -0.25% of the certified mean range. One value occurs below the lower control limit (Figure 11.12). Zinc results fall within +0.11% and -0.20% of the certified mean value with 2 falling below mean ± 2 standard deviations control limits. The mean value of 2.00% falls within control limits (Figure 11.13).

Based on results presented above, it is apparent that a low bias exists in silver and lead results for CDN-SE-1. This is most pronounced in the lead data set where 15% of samples returned values below mean ± 2 standard deviations control limits. In contrast, zinc results for CDN-SE-1 closely track the certified mean value. A low bias may also be present for silver, lead and zinc in the PB138 data set, but the limited number of samples (5) prevents further comment. PB128 results for all three metals typically fall within mean ± 2 standard deviation project control limits.

July 2011 to January 2012 Programs

The oxide zone diamond drilling program was carried out between September, 2011 and December 2011 and some oxide zone re-sampling of earlier holes was carried out in January of 2012. Certified reference material insertion protocols for this period were the same as those described above for the earlier Apogee program. The CDN SE-1 and PB138 reference materials

Figure 11.11: Certified Standard PB138 Results - Ag g/t (N=5)

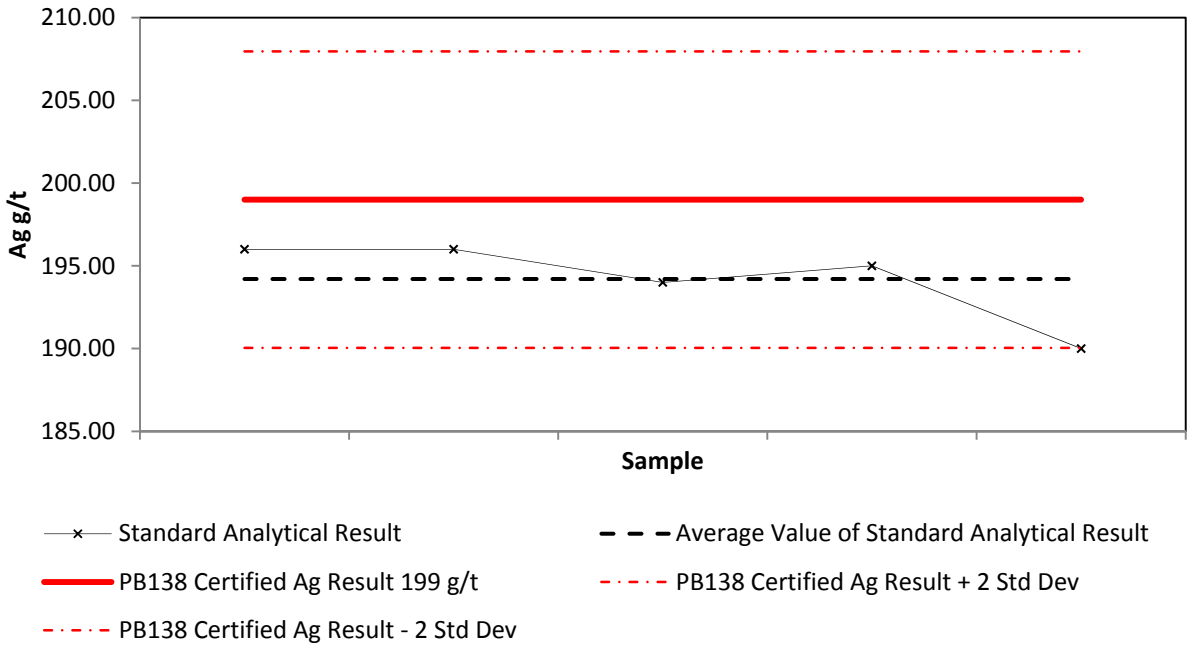
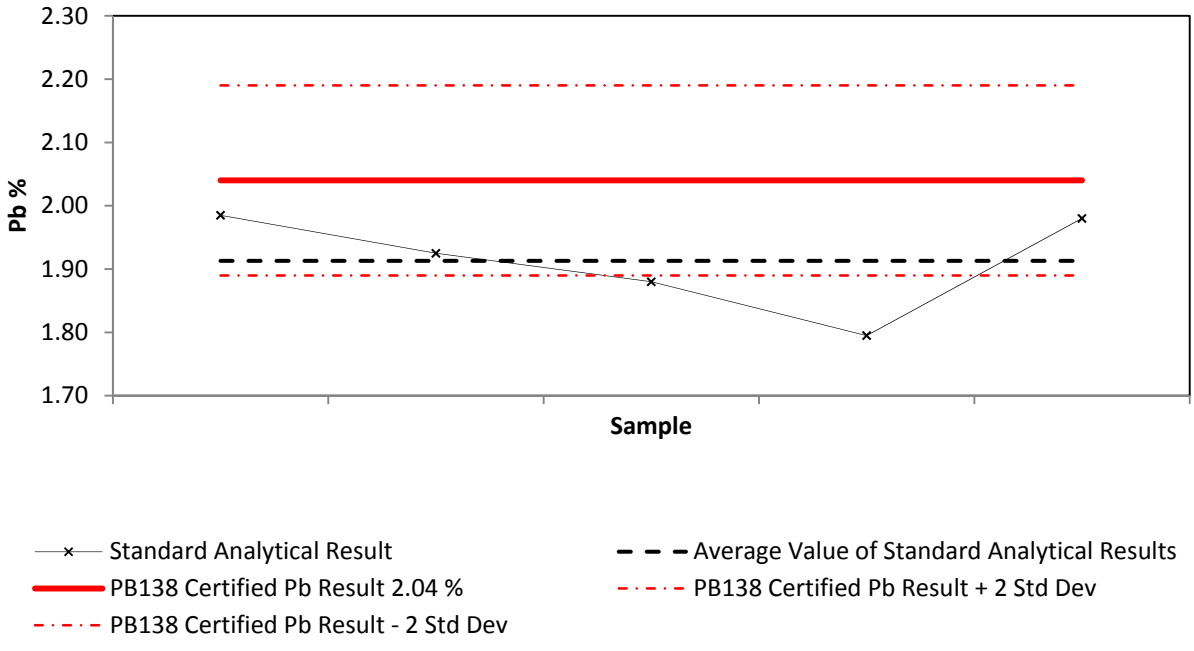
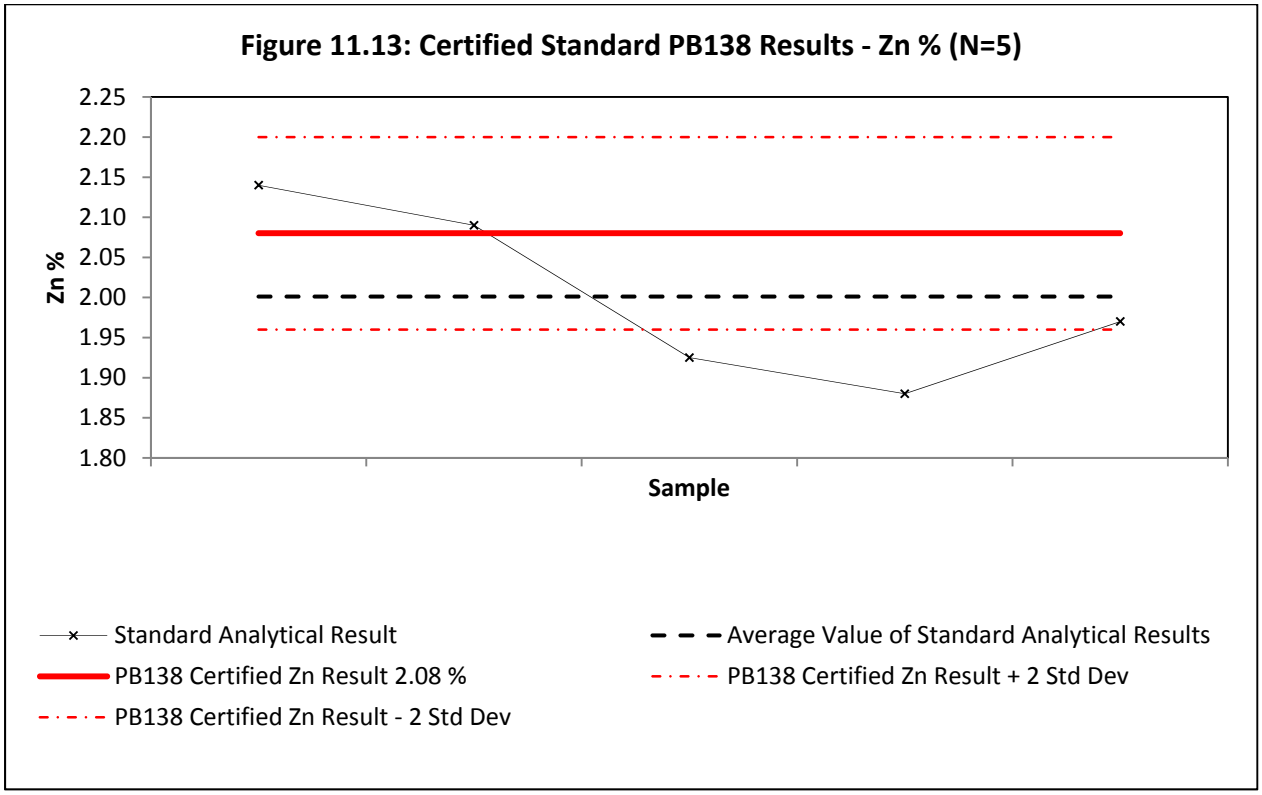


Figure 11.12: Certified Standard PB138 Results - Pb % (N=5)





were used during this period and results for both typically fall within the mean ± 2 standard deviations control limits for the project. Slight low bias within the control limits is notable for Pb in CDN-SE-1 and PB138 results show similar slight low bias within control limits for all three metals. Results for the two reference materials are interpreted as indicating an acceptable degree of accuracy in the associated data set. Figures 11.14 to 11.19 present certified reference material Ag, Pb and Zn results for this program.

Figure 11.14: Certified Standard CDN-SE-1 Results - Ag g/t (N=25)

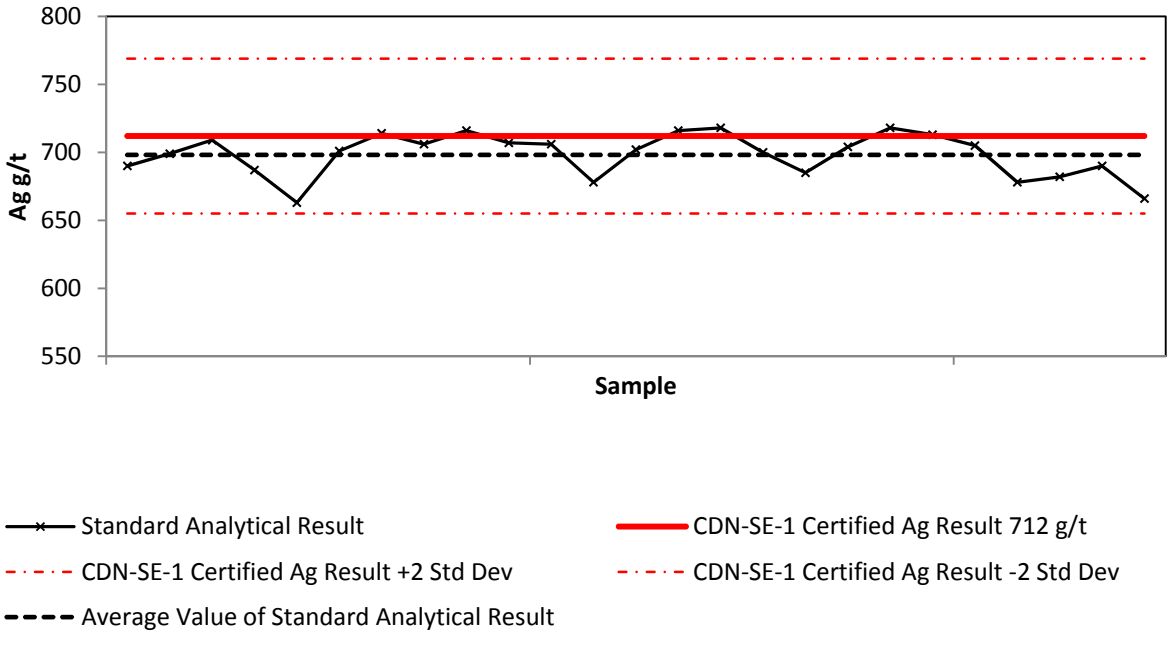


Figure 11.15: Certified Standard CDN-SE-1 Results - Pb % (N=25)

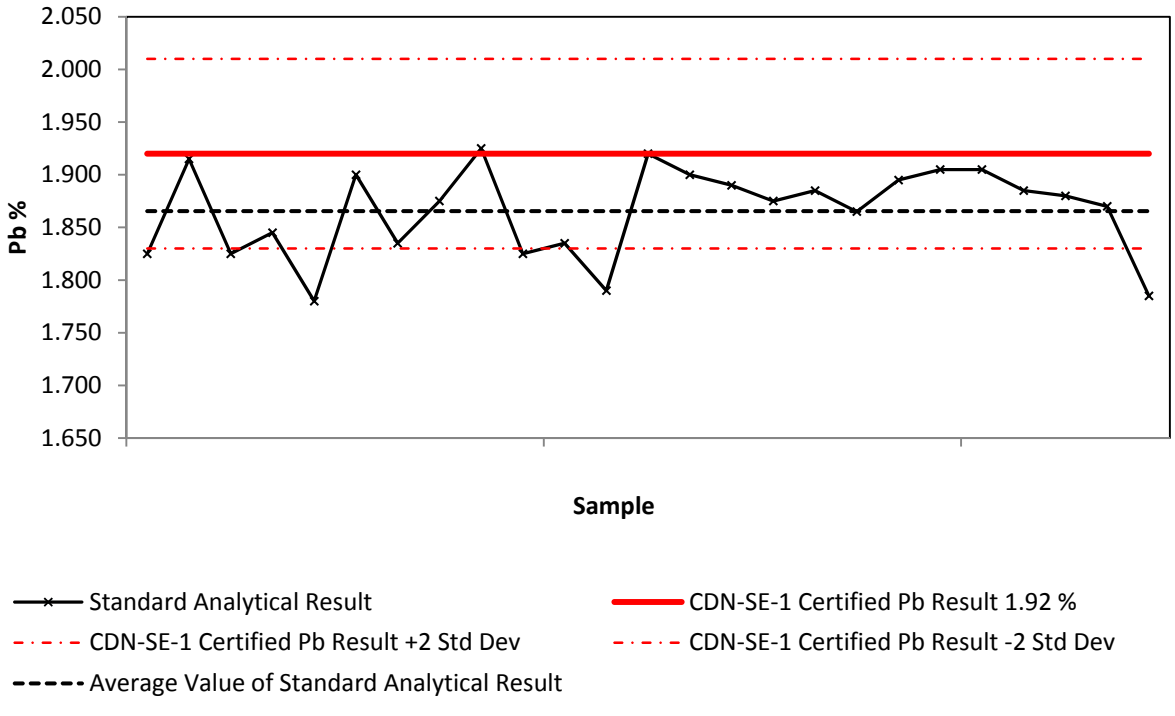


Figure 11.16: Certified Standard CDN-SE-1 Results - Zn % (N=25)

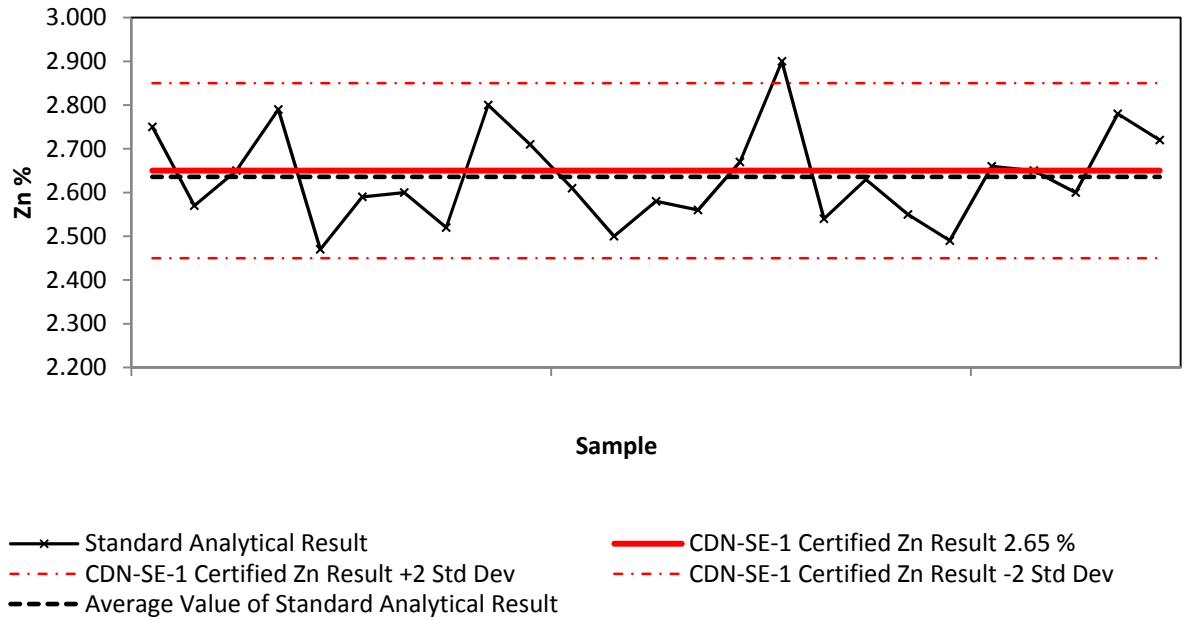


Figure 11.17: Certified Standard PB138 Results - Ag g/t (N=54)

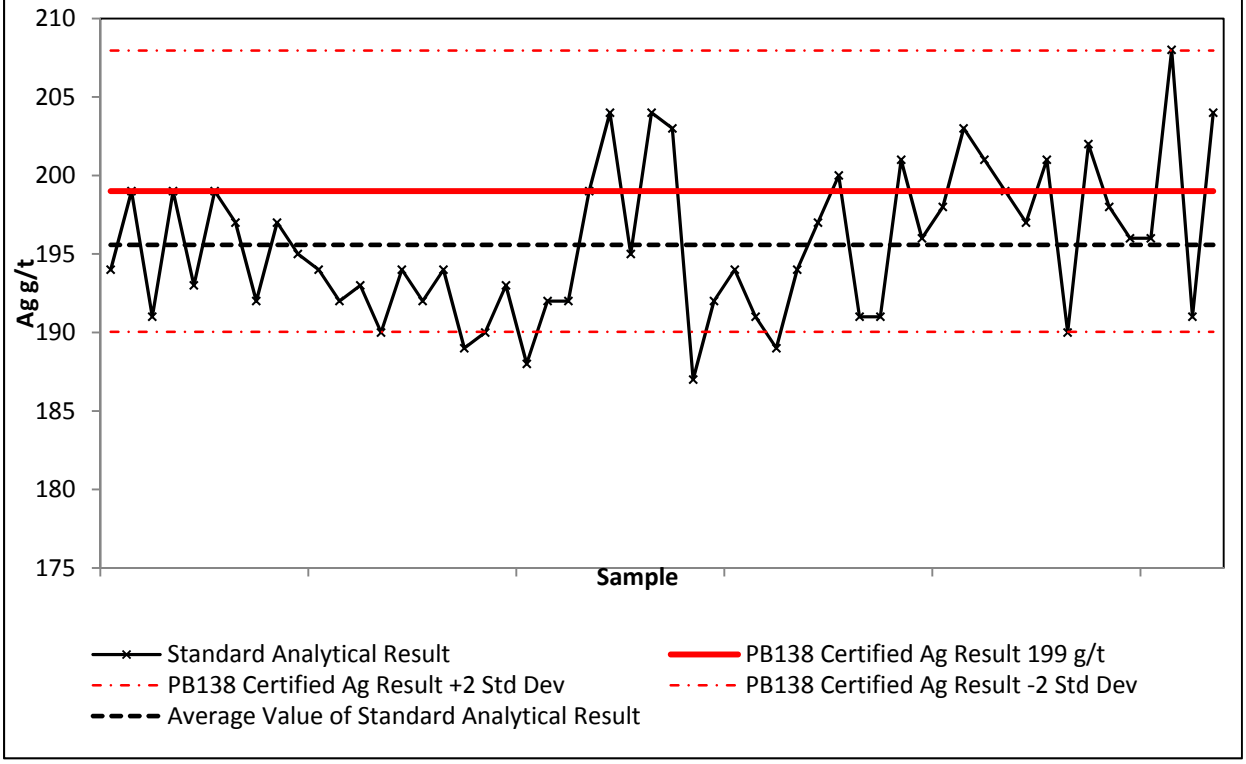


Figure 11.18: Certified Standard PB138 Results - Pb % (N=54)

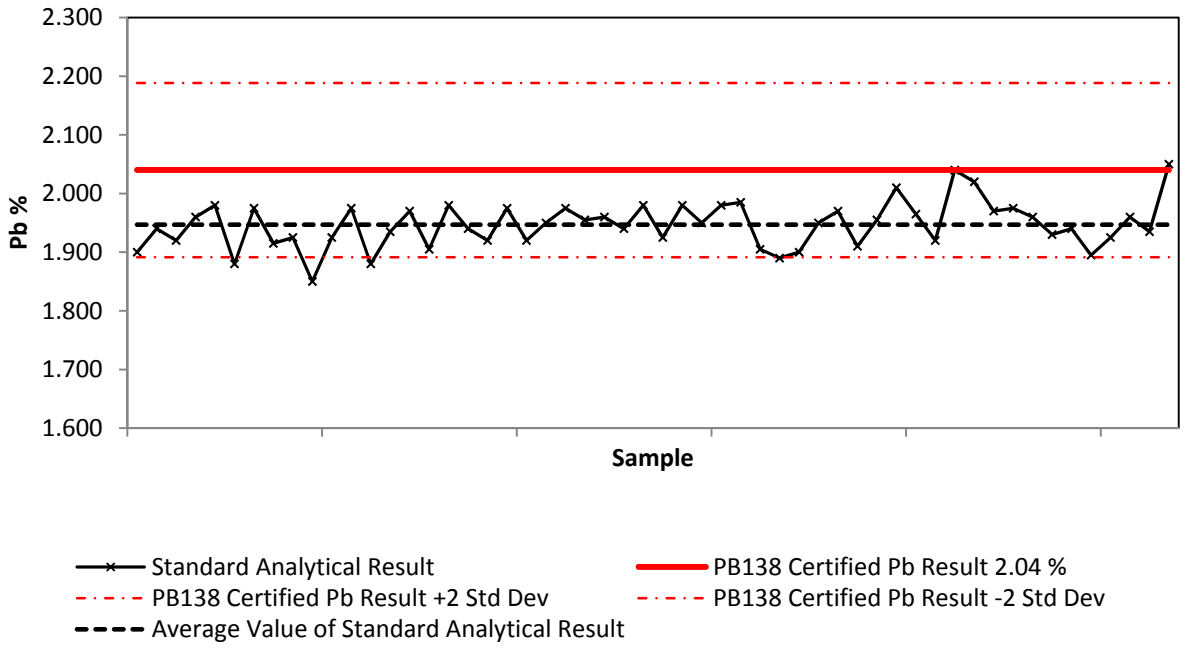
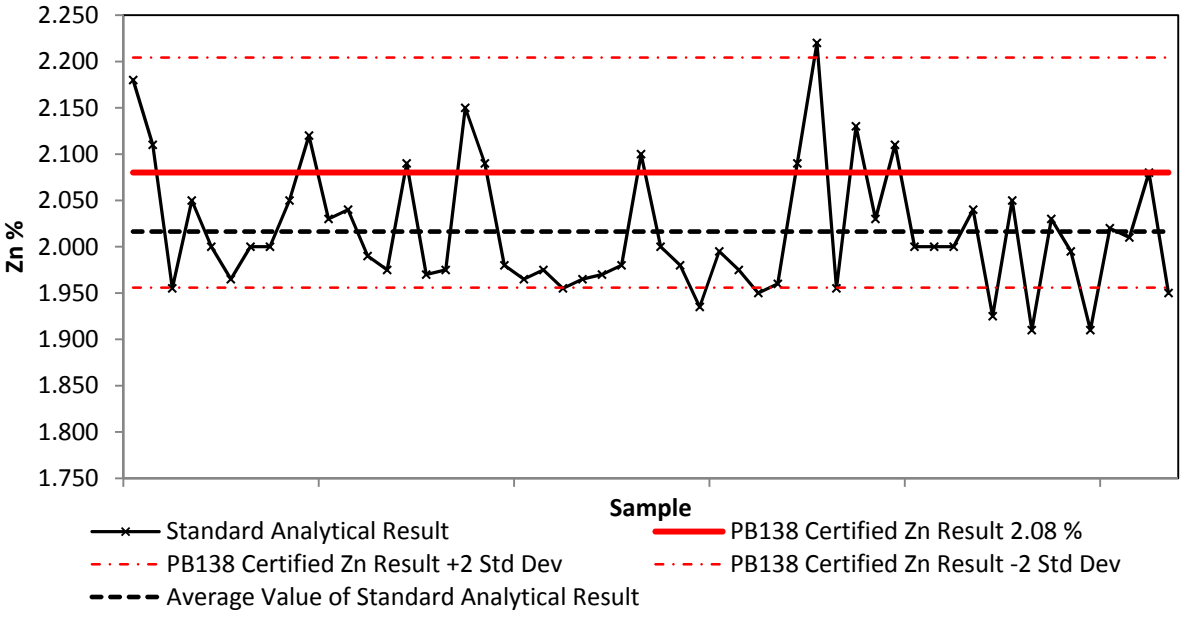


Figure 11.19: Certified Standard PB138 Results - Zn % (N=54)



Mercator Comment on Certified Reference Material Programs

Mercator is of the opinion that ASC and Apogee certified reference material programs were sufficient and appropriate for a project of this size. Notwithstanding the low bias trends noted above, Mercator considers combined data of all certified reference material programs by Apogee to be sufficiently consistent to support use of associated datasets for current resource estimation purposes. However, it is recommended that low bias trends for the associated reference materials be investigated further.

11.4.5 Blank Sample Programs

January 2010 to July 2011 Programs

Both field and commercial blank materials were systematically inserted into the laboratory sample stream by Apogee staff during this reporting period and these total 174 samples. The insertion rate was at least 1 blank per 50 samples submitted. Blank samples used by Apogee consisted of blank reference material BL107 obtained from WCM, standard reference material CDN-BL-7 obtained from CDN and a field “coarse blank” that was prepared from a source of barren quartzite outcropping near the Pulacayo deposit. Details for the two commercial blanks appear in Appendix 1. Results from all three blank materials are reviewed together and pertain to drill holes PUD134 through PUD214.

Average blank values of 0.879g/t Ag, 0.0014% Pb, and 0.0053% Zn are below expected values for both the field and commercial blanks. Returned blank silver results are consistently near expected values, with 4 results greater than 2g/t and a maximum value of 4g/t (Figure 11.20). Lead blank results are more variable, with 8 results greater than 0.003% and a maximum value of 0.007% (Figure 11.21). A total of 6 blank samples returned a zinc value greater than 0.010%, with three results returning values of 0.018%, 0.021%, and 0.021% (Figure 11.22). The majority of the blank sample anomalies are associated with field blanks prepared by Apogee and may reflect natural heterogeneity of such material.

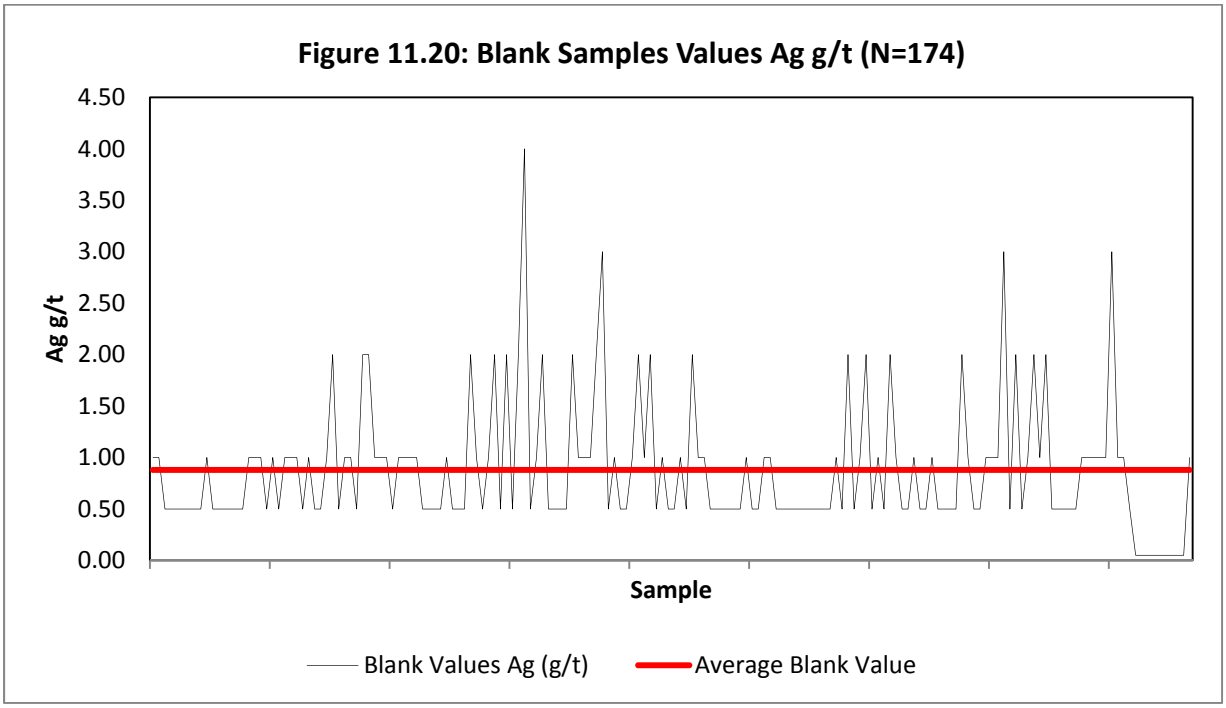


Figure 11.20: Blank Samples Values Ag g/t (N=174)
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Ag g/t
Sample
Blank Values Ag (g/t)
Average Blank Value

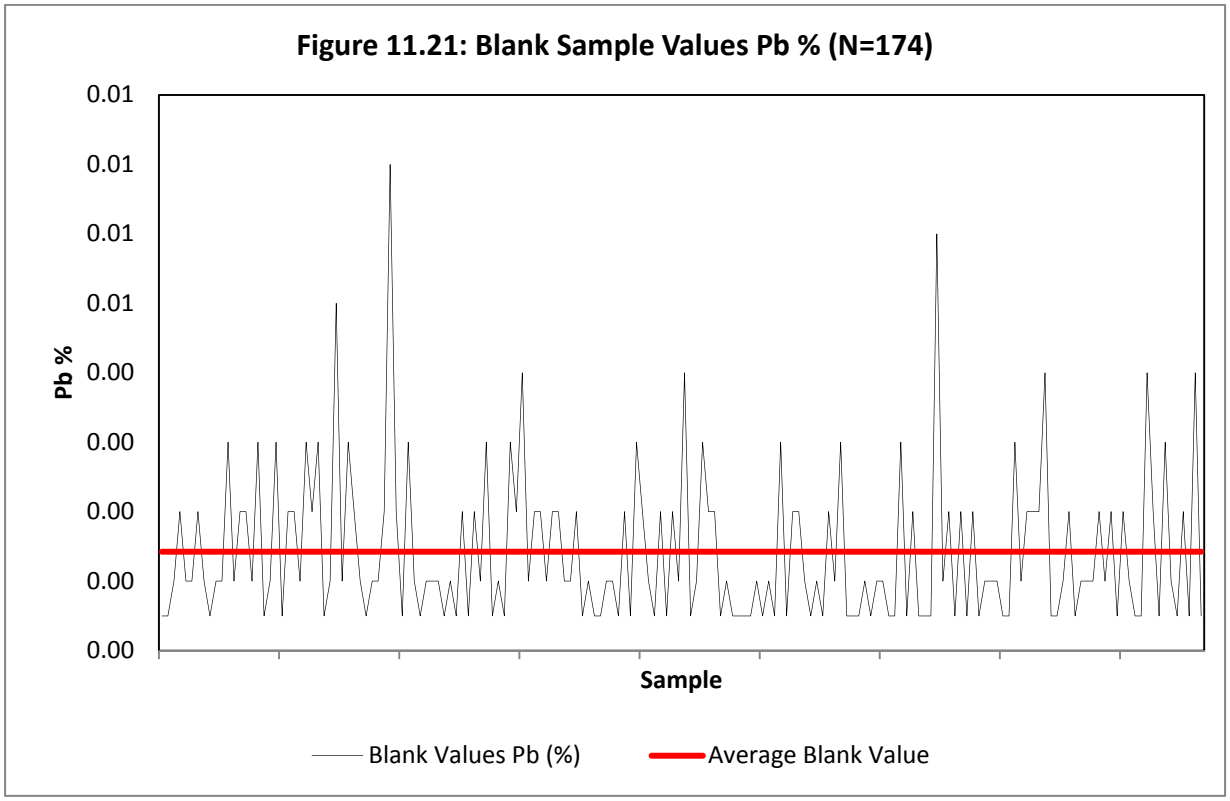
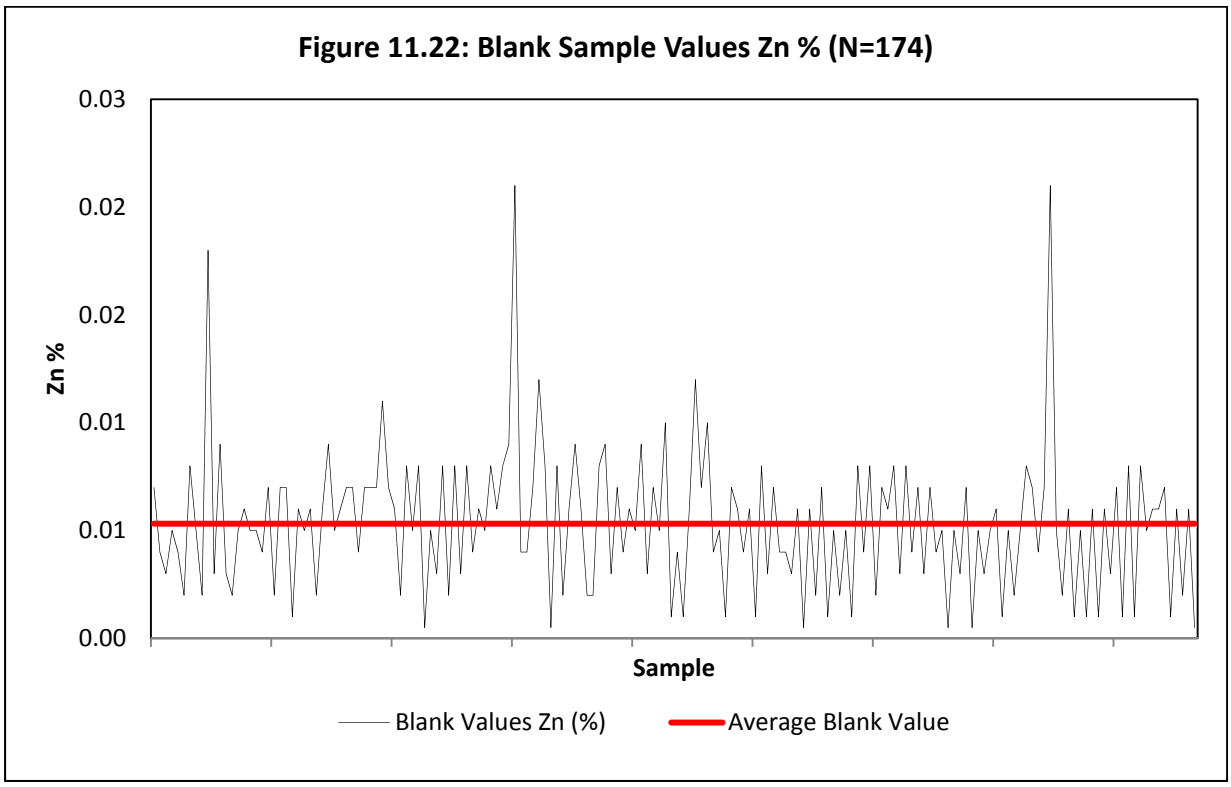


Figure 11.21: Blank Sample Values Pb % (N=174)
0.01
0.01
0.01
0.01
0.00
0.00
0.00
0.00
0.00
Pb %
Sample
Blank Values Pb (%)
Average Blank Value



July 2011 to January 2012 Programs

The oxide zone diamond drilling program was carried out between September 2011 and December 2011 and some oxide zone re-sampling of earlier holes was carried out in January of 2012. The blank sample insertion protocol for this period was the same as described above for the earlier Apogee program and Figures 11.23, 11.24 and 11.25 present silver, lead and zinc results, respectively. These results are interpreted as indicating that no problematic level of sample material cross-contamination exists within the associated dataset. However, increasing incidence of spiking Ag between 2 and 4 g/t is present in the dataset and should be reviewed for cause.

Mercator Comment on Blank Sample Programs

Mercator is of the opinion that ASC and Apogee blank sample programs were sufficient and appropriate for a project of this size. Results are deemed acceptable and no significant or systematic cross-contamination effects are interpreted to be present.

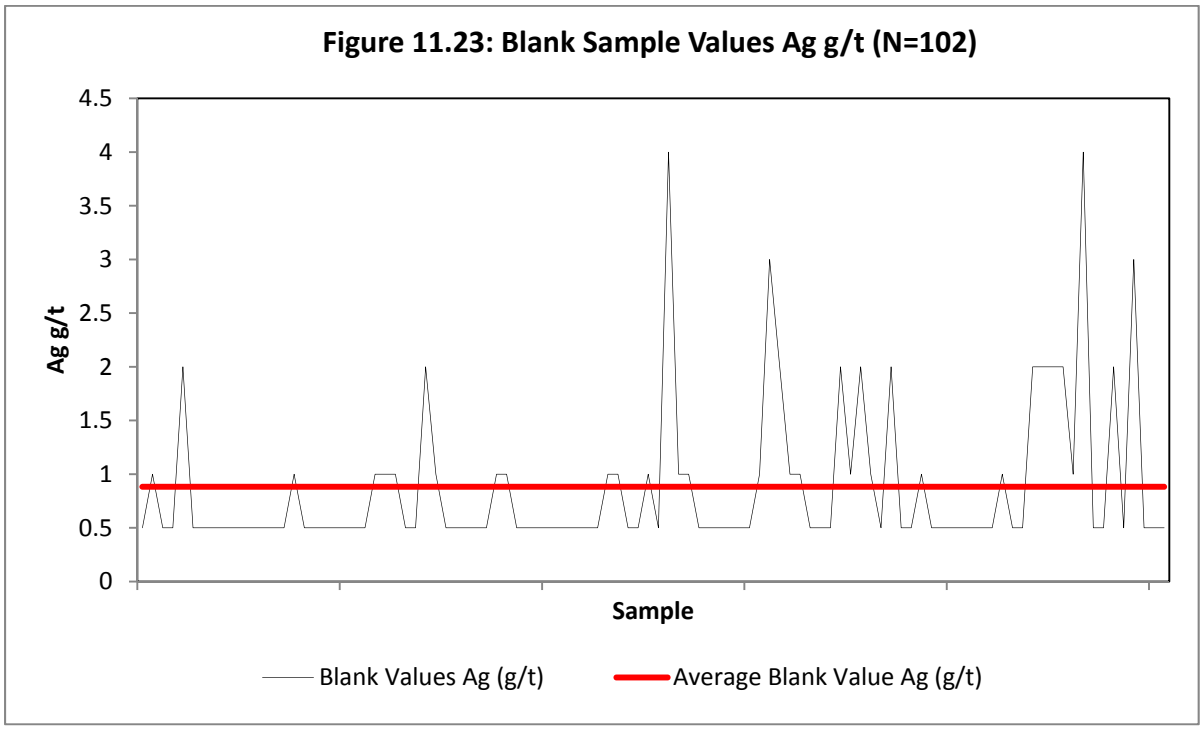


Figure 11.23: Blank Sample Values Ag g/t (N=102)
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
Ag g/t
Sample
Blank Values Ag (g/t)
Average Blank Value Ag (g/t)

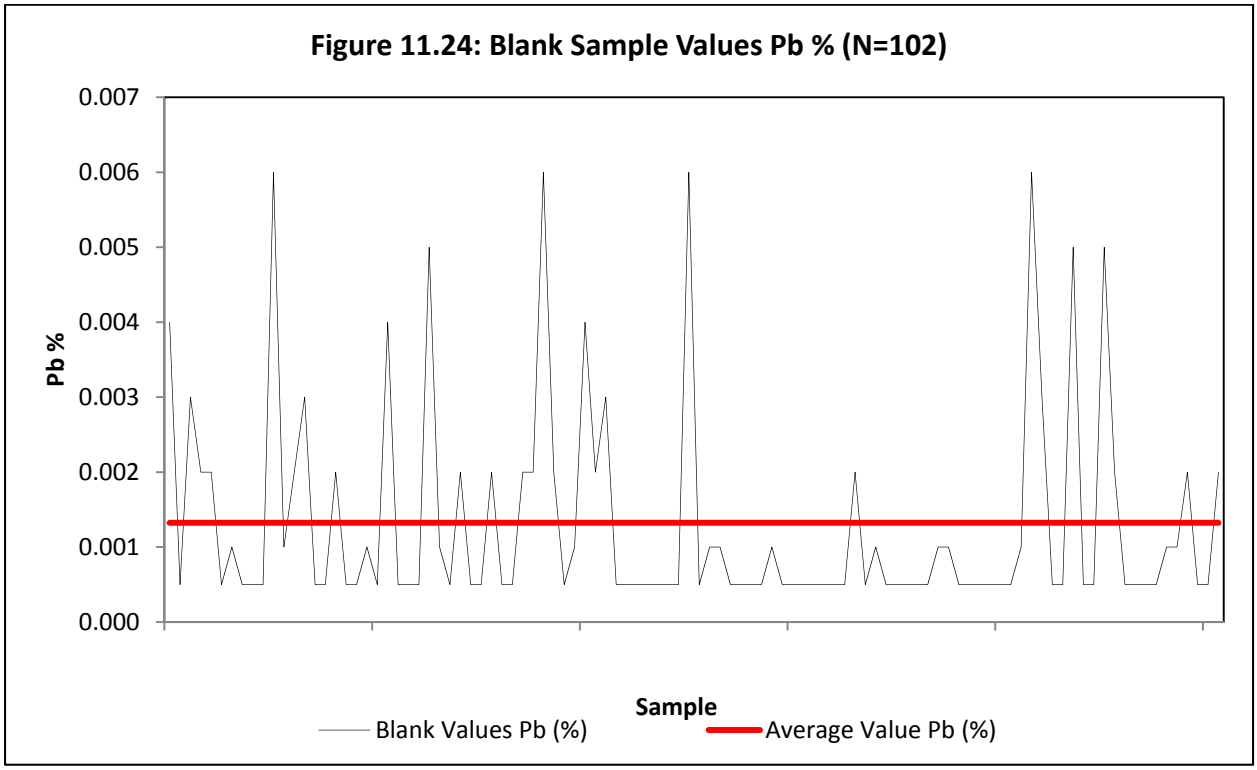
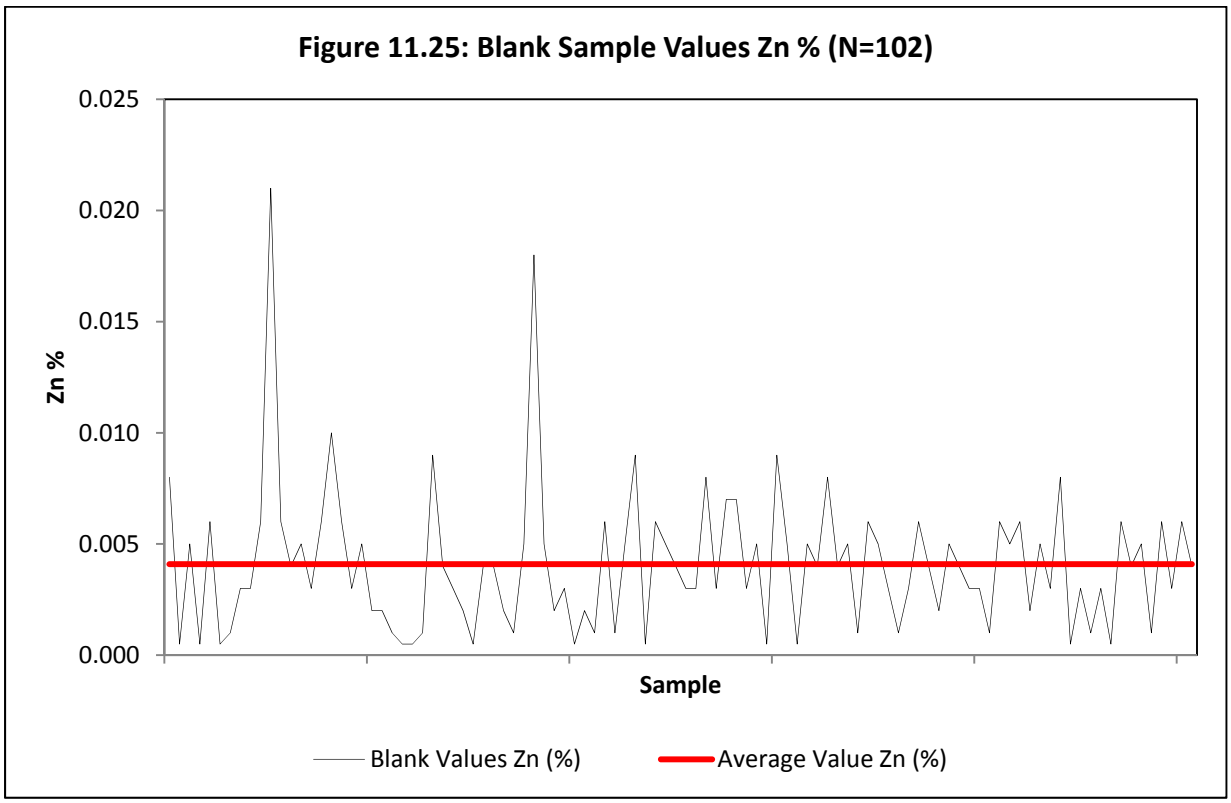


Figure 11.24: Blank Sample Values Pb % (N=102)
0.007
0.006
0.005
0.004
0.003
0.002
0.001
0.000
Pb %
Sample
Blank Values Pb (%)
Average Value Pb (%)



11.4.6 Quarter and Half Core Duplicate Split Check Sample Programs

January 2010 to July 2011 Program

In addition to scheduled analysis of duplicate splits of core sample pulps by the laboratories, Apogee carried out a program of quarter core and half core sampling to check on sample variability and lab consistency during this report period. A total of 149 duplicate samples were processed by ALS in Lima, Peru, during the period, including 107 quarter core samples associated with drill holes PUD134 through PUD211A and 42 half core samples associated with drill holes PUD176 through PUD214. Silver results are presented in Figure 11.26 for half core duplicates and in Figure 11.27 for quarter core duplicates and have correlation coefficients of 0.84 and 0.83 respectively. Although the duplicate samples in both cases returned higher values in general than the original results, duplicates of high grade original samples show greater variability. Lead and zinc results of duplicate samples show a higher degree of correlation with the original result. Lead half core duplicate samples (Figure 11.28) and quarter core duplicate samples (Figure 11.29) have correlation coefficients of 0.97 and 0.94 respectively and zinc half core duplicate samples (Figure 11.30) and quarter core duplicate samples (Figure 11.28) have correlation coefficients of 0.96 and 0.95 respectively. Distributions group near the 1:1 correlation line at lower values and diverge at higher levels.

Figure: 11.26: 1/2 Core Duplicate Samples - Ag g/t (N=42)

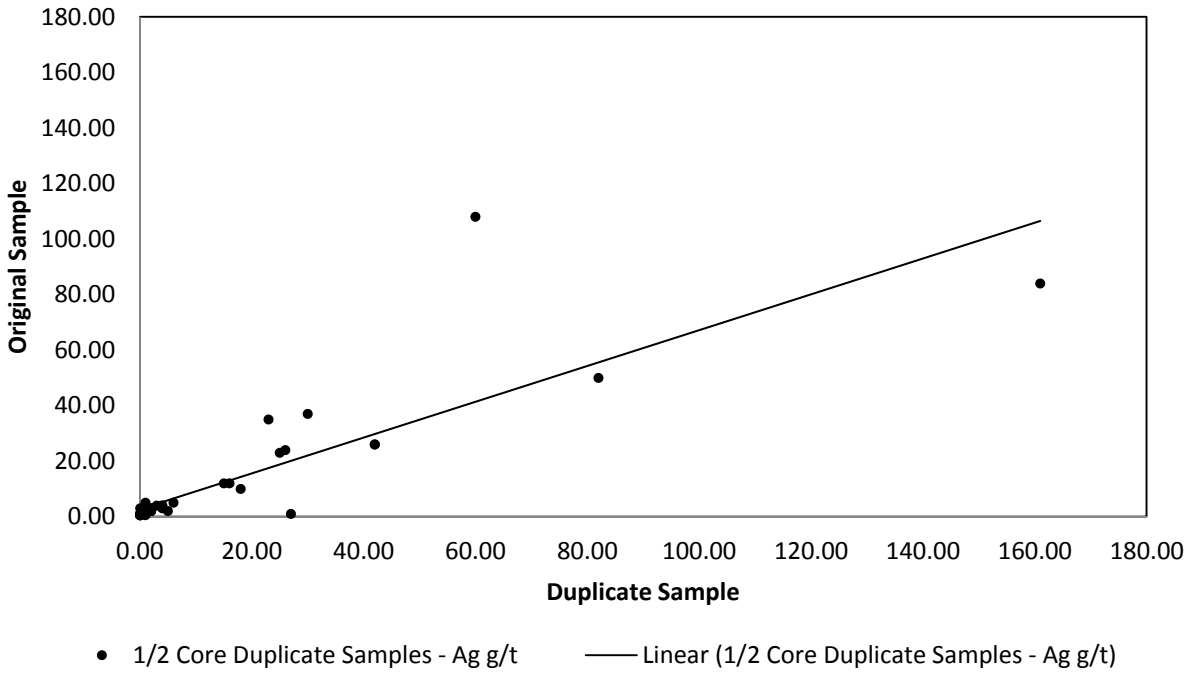


Figure 11.27: 1/4 Core Duplicate Samples - Ag g/t (N=107)

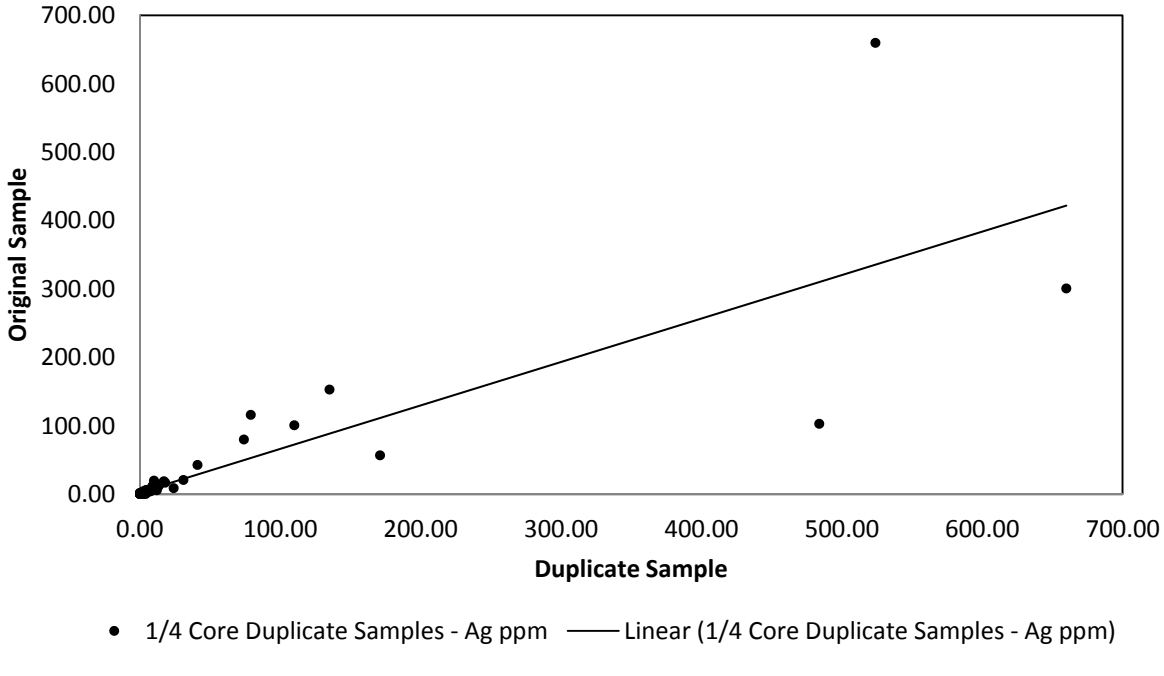


Figure 11.28: 1/2 Core Duplicate Samples - Pb % (=N42)

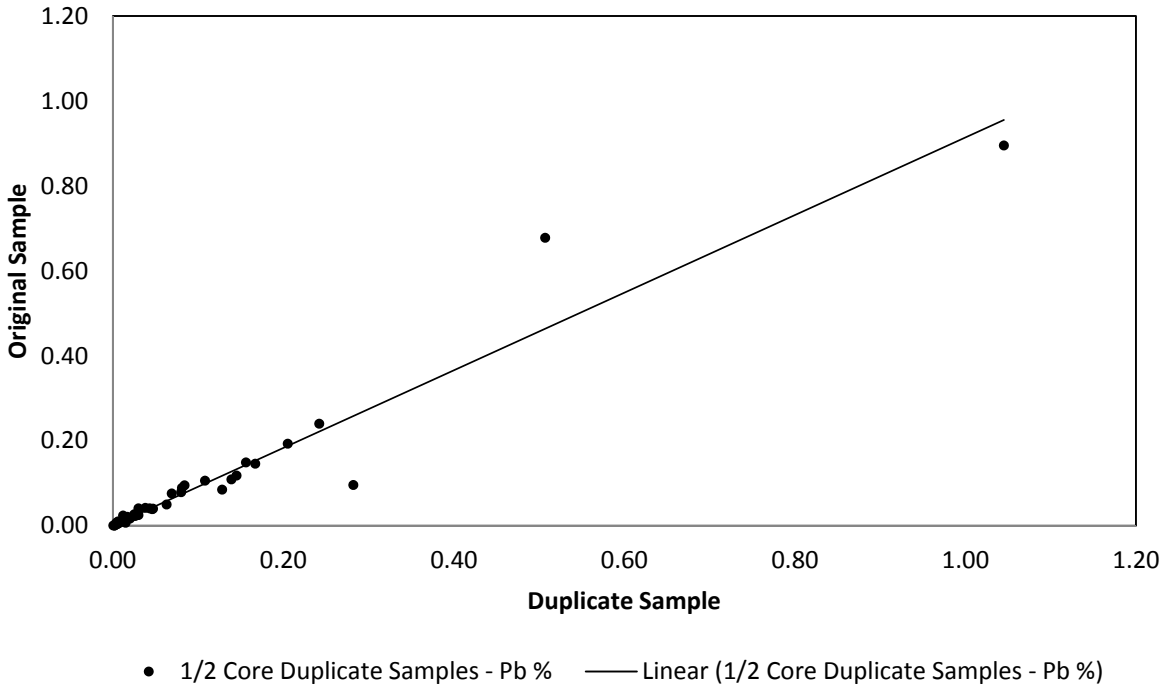


Figure 11.29: 1/4 Core Duplicate Samples - Pb % (N=107)

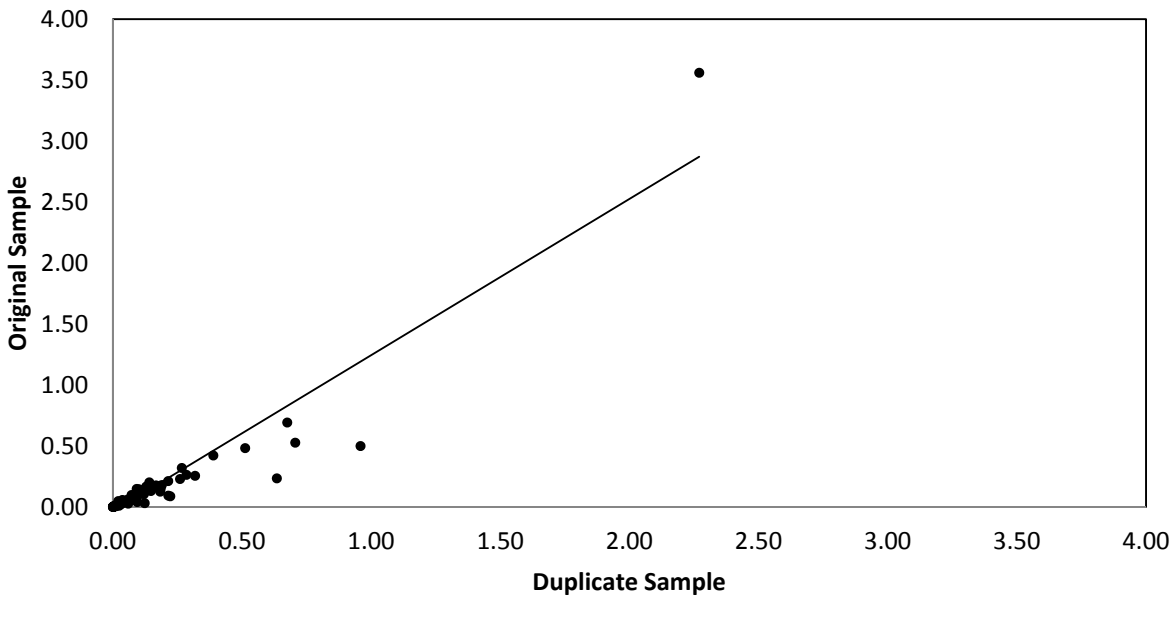


Figure 11.30: 1/2 Core Duplicate Samples - Zn % (N=42)

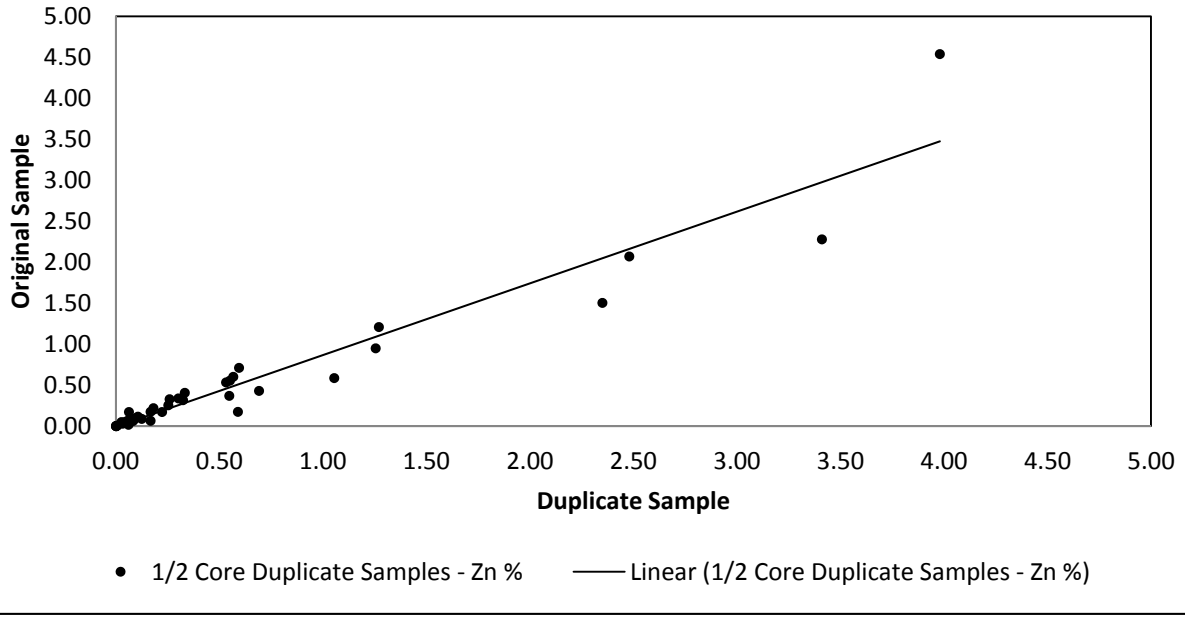
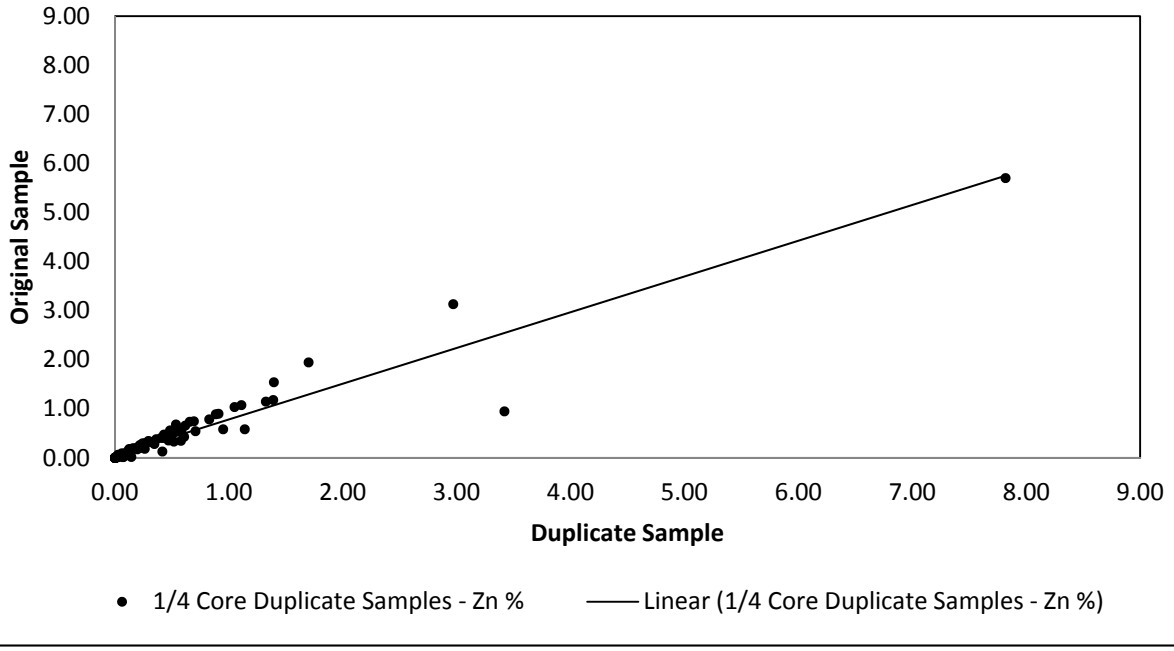


Figure 11.31: 1/4 Core Duplicate Samples - Zn % (N=107)



Mercator Comment on Blank Sample Programs

Mercator is of the opinion that Apogee quarter and half core duplicate split check sample programs were sufficient and appropriate for a project of this size. Results are interpreted as indicating variable, but acceptable, degrees of sample heterogeneity at the scale of the drill core samples.

11.4.7 Pulp Split and Reject Duplicate Split Check Sample Programs

January 2010 to July 2011 Program

Apogee incorporated collection of third party check samples through all drill programs, including the Phase IV exploration program initiated in January 2010, with prepared pulp splits and rejects selected from various holes for this purpose. In total, results from 442 data pairs were reviewed for this period and are presented in Figures 11.32, 11.33, and 11.34 for Ag, Pb and Zn respectively. A high degree of correlation exists between sample pairs for all three metals and all show 0.999 correlation coefficients, with strong grouping along the 1:1 correlation trend. Analytical results included in the check sample program were determined at the ALS facility in La Serena, Chile and original project results were from the ALS facility in Lima, Peru. Since January of 2010, and starting at PUD 140, all second laboratory cross check analysis were carried out at SGS in Lima Peru.

July 2011 to January 2012 Program

The oxide zone diamond drilling program carried out between September 2011 and December 2011 and the oxide zone core re-sampling program carried out in January of 2012 included analysis of 524 check samples under the same protocols described above for the immediately preceding Apogee program. Figures 11.35, 11.36 and 11.37 present silver, lead and zinc results, respectively. As in the earlier program, a high degree of correlation exists between sample pairs for all three metals, these being 0.99 in each case, and distribution group closely along the 1:1 correlation trend.

Mercator Comment on Pulp Split and Reject Duplicate Split Check Sample Programs

Mercator is of the opinion that the Apogee pulp split and reject duplicate split check sample programs were sufficient and appropriate for a project of this size. Results are deemed acceptable and show that no systematic or problematic trends of inter-lab bias exist within the group of sample pairs analysed.

Figure 11.32: Pulp Splits and Reject Duplicate Samples - Ag g/t (N=442)

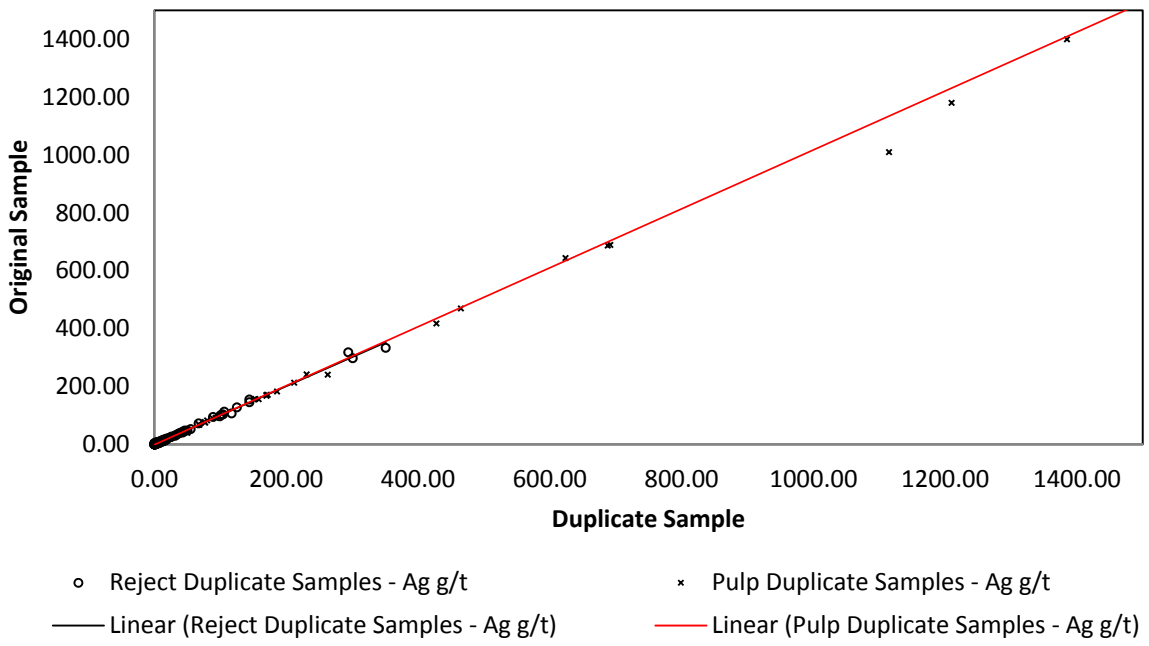
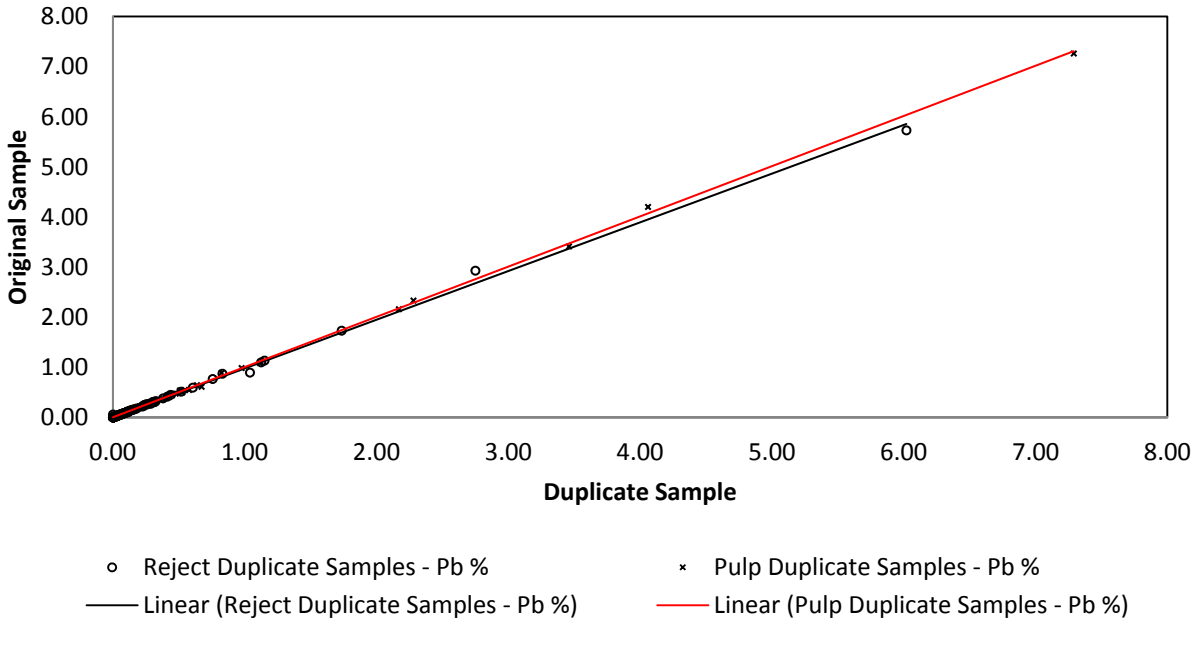


Figure 11.33: Pulp Splits and Reject Duplicate Samples - Pb % (N=442)



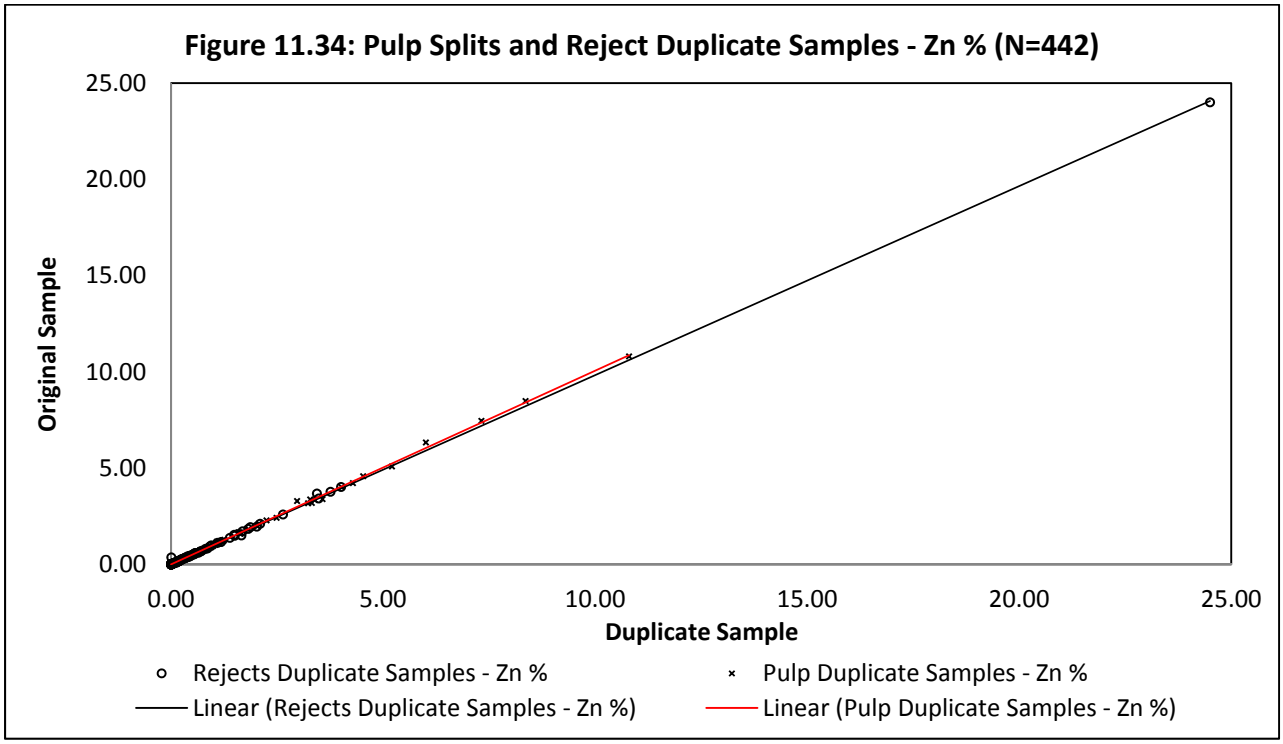


Figure 11.34: Pulp Splits and Reject Duplicate Samples - Zn % (N=442)
25.00
20.00
15.00
10.00
5.00
0.00
Original Sample
0.00
5.00
10.00
15.00
20.00
25.00
Duplicate Sample
Rejects Duplicate Samples - Zn %
Pulp Duplicate Samples - Zn %
Linear (Rejects Duplicate Samples - Zn %)
Linear (Pulp Duplicate Samples - Zn %)

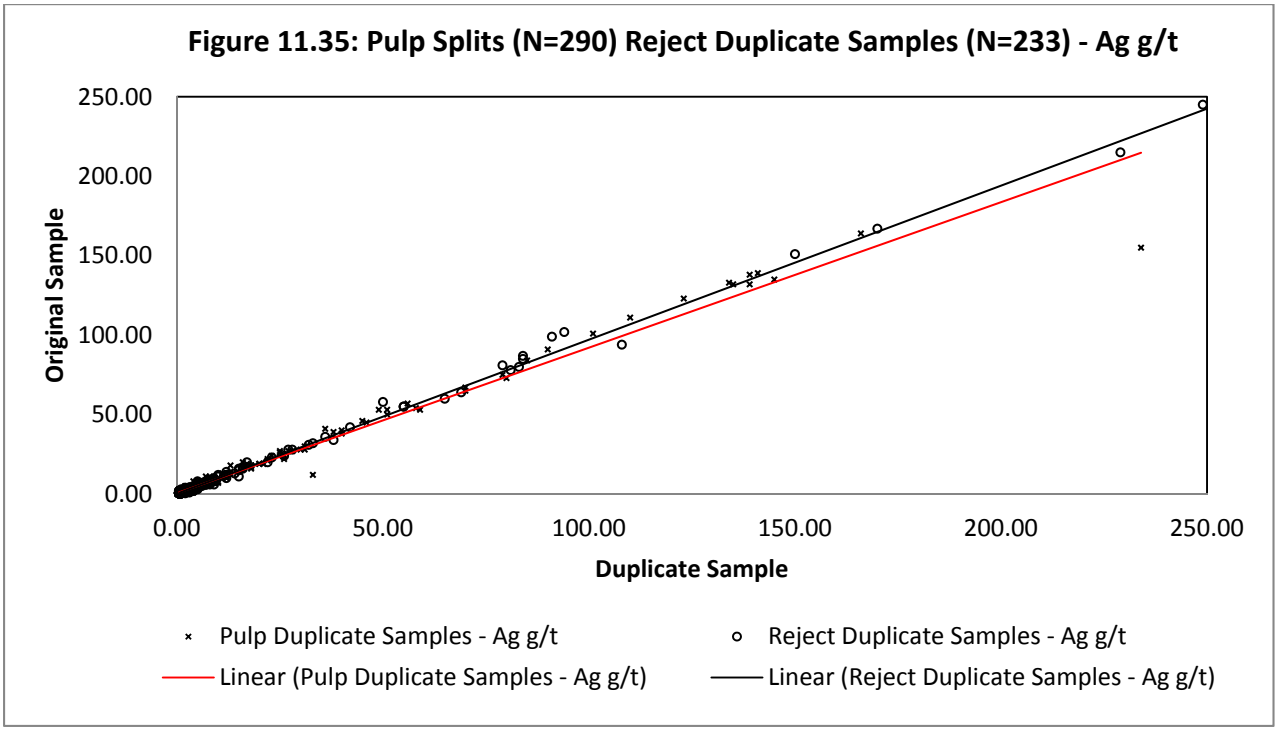


Figure 11.35: Pulp Splits (N=290) Reject Duplicate Samples (N=233) - Ag g/t
250.00
200.00
150.00
100.00
50.00
0.00
Original Sample
0.00
50.00
100.00
150.00
200.00
250.00
Duplicate Sample
Pulp Duplicate Samples - Ag g/t
Reject Duplicate Samples - Ag g/t
Linear (Pulp Duplicate Samples - Ag g/t)
Linear (Reject Duplicate Samples - Ag g/t)

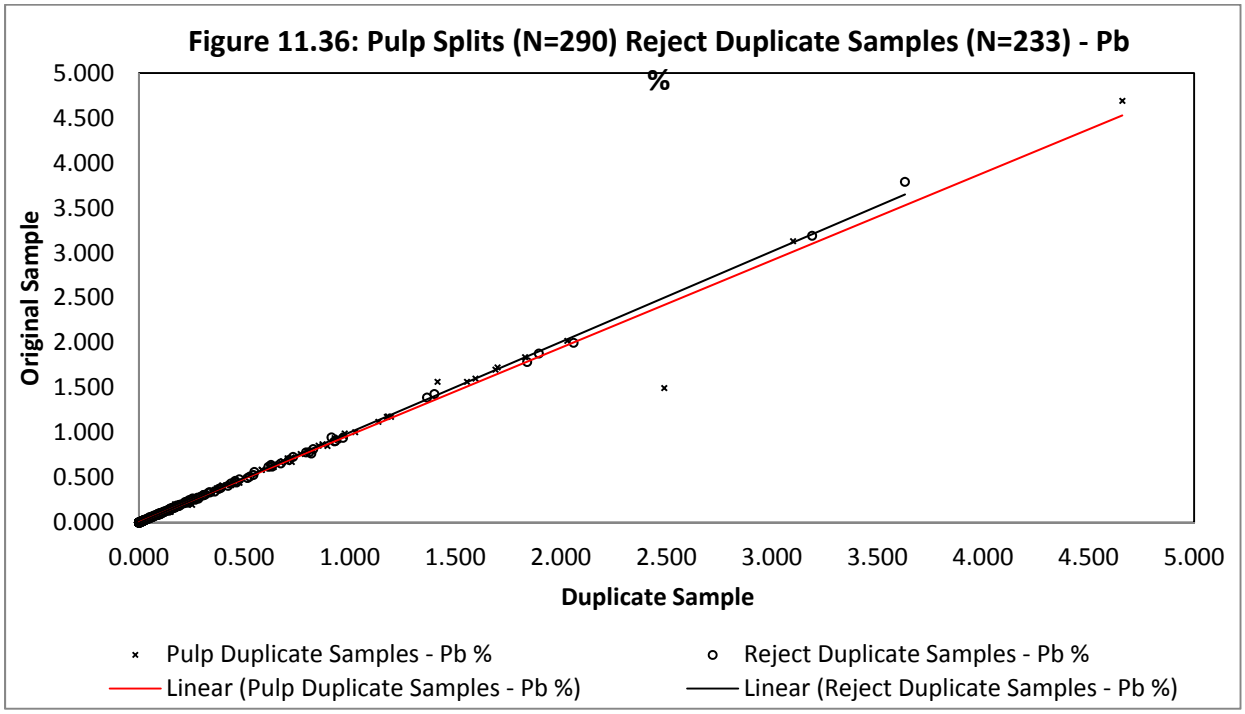


Figure 11.36: Pulp Splits (N=290) Reject Duplicate Samples (N=233) - Pb
%
Original Sample
Duplicate Sample
5.000
4.500
4.000
3.500
3.000
2.500
2.000
1.500
1.000
0.500
0.000
0.000 0.500 1.000 1.500 2.000 2.500 3.000 3.500 4.000 4.500 5.000
Pulp Duplicate Samples - Pb %
Reject Duplicate Samples - Pb %
Linear (Pulp Duplicate Samples - Pb %)
Linear (Reject Duplicate Samples - Pb %)

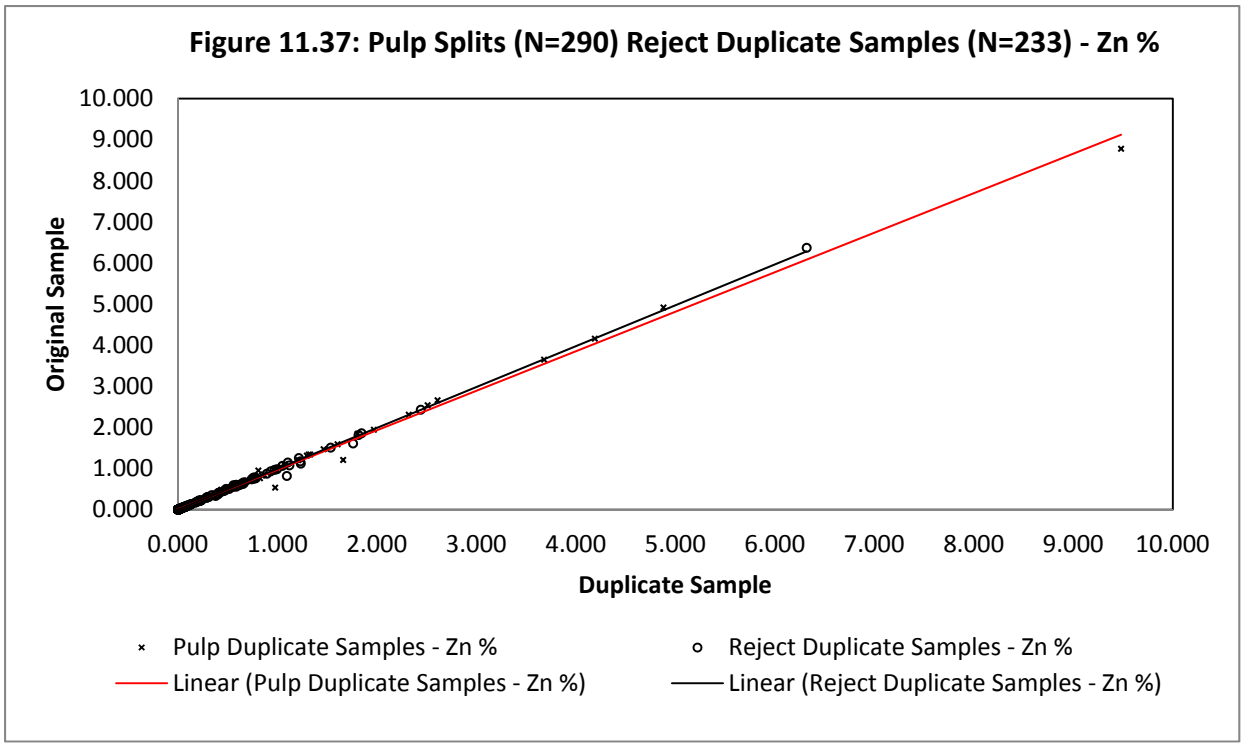


Figure 11.37: Pulp Splits (N=290) Reject Duplicate Samples (N=233) - Zn %
Original Sample
Duplicate Sample
10.000
9.000
8.000
7.000
6.000
5.000
4.000
3.000
2.000
1.000
0.000
0.000 1.000 2.000 3.000 4.000 5.000 6.000 7.000 8.000 9.000 10.000
Pulp Duplicate Samples - Zn %
Reject Duplicate Samples - Zn %
Linear (Pulp Duplicate Samples - Zn %)
Linear (Reject Duplicate Samples - Zn %)

11.4.8 Mercator Program

August 2011 Site Visit Program

During the August, 2011 site visit by Mercator, quarter core samples were obtained from Apogee drill core for purposes of independent check sample analysis. In total, 9 quarter core samples were collected to provide sample coverage across the silver, lead and zinc grade ranges represented in the deposit. Sample record details pertaining to the program appear in Appendix 1. The quarter core samples were collected from drill holes PUD111, PUD134, PUD140, PUD144, PUD175, PUD188, and PUD203 and were submitted for analysis to SGS del Peru S.A.C. A sample of certified reference material CDN-SE-1, a commercial blank sample, and 4 reject samples were added to the batch of core samples submitted by Mercator for quality control and quality assurance purposes.

Sample intervals of archived drill core were selected and marked by Mercator and then photographed prior to being placed in labelled plastic bags for shipment to the laboratory. Core intervals taken for check sample purposes were clearly identified by explanatory tags secured in the core boxes for archival reference purposes. All core sampling work was carried out at the Apogee core logging facility on the Pulacayo property by Mercator. Apogee field staff carried out sample cutting and bagging activities under Mercator supervision.

After standard crushing and pulverization, silver, lead, zinc and copper levels were determined using SGS code ASS11B elemental analysis, which incorporates Aqua Regia digestion followed by AAS determination, and a Fire Assay – FAG313 finish for samples with silver values greater than 300 g/t. Specific gravity measurements for all prepared sample pulps were also completed using pycnometer instrumentation (PHY03V Code).

Mercator core check sample results are compared to original Apogee results in Figure 11.38, Figure 11.39 and Figure 11.40 for silver, lead, and zinc respectively. A correlation coefficient of 0.78 applies to the silver data set but removal of one sample having an original value of 529g/t and a check result of 21g/t moves the correlation coefficient to 0.98. Lead results show good agreement between data sets, with a correlation coefficient of 0.96, while zinc data show higher variability between samples that is reflected in a correlation coefficient of 0.83.

Results of the Mercator check sample program are interpreted as showing that reasonable correlation exists between the original and check sample data sets in all but one instance of an anomalous silver result. The value in question may suggest strong spatial heterogeneity of silver distribution within the sample interval but could also be a result of sample contamination or analytical error. Despite the lower correlation coefficient for zinc results, all original samples that returned a grade of greater than 2.00% also returned a check value greater than 2.00% and

Figure 11.38: Mercator 1/4 Core Check Samples - Ag g/t (N=9)

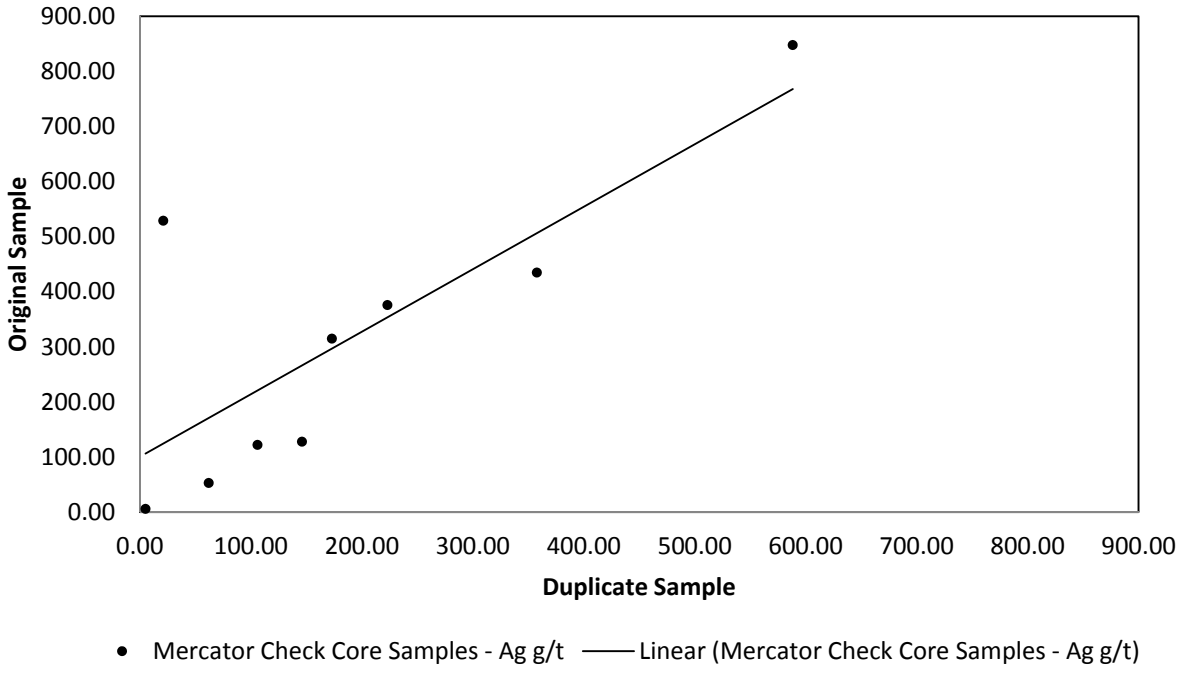
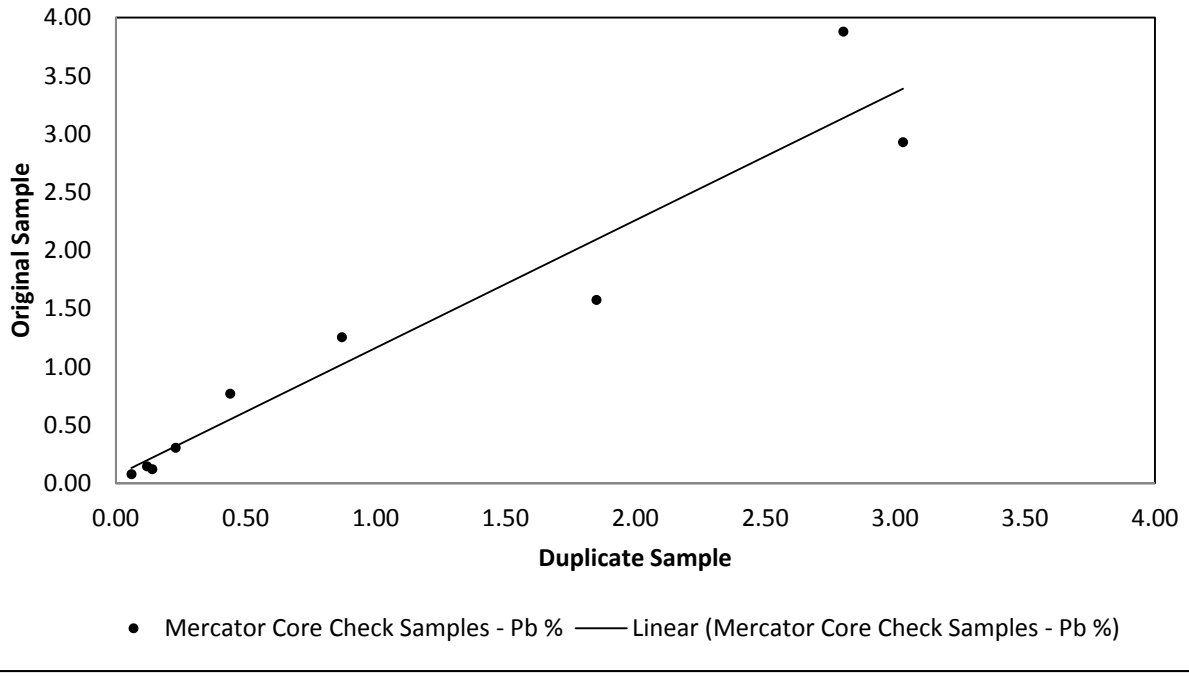
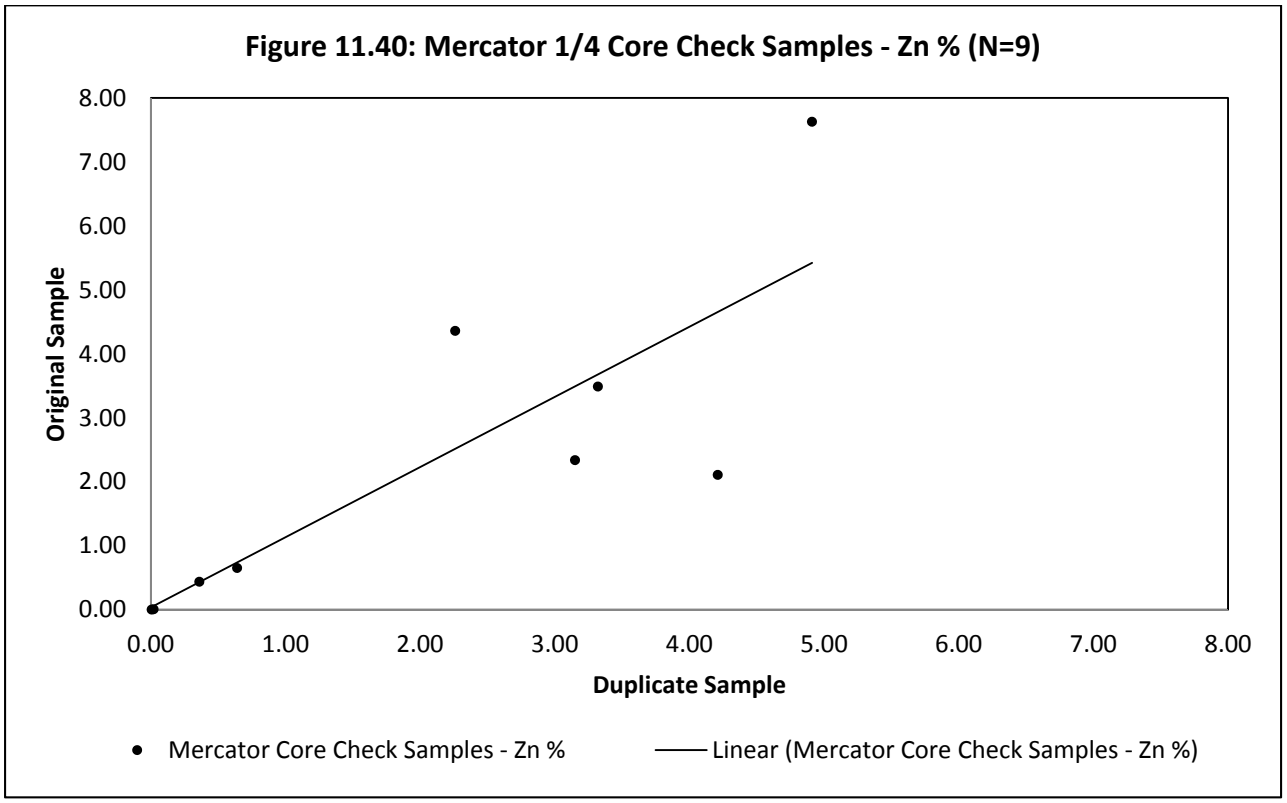


Figure 11.39: Mercator 1/4 Core Check Samples - Pb % (N=9)





samples below that threshold provide a correlation coefficient of 0.99. These results confirm the anomalous character of mineralization within the sections sampled, particularly at grades below 2.00%, and indicate that lower correlation at higher grades may be related to heterogeneity of sulphide mineral distribution at the core sample scale rather than analytical error or sample contamination.

Figure 11.41, Figure 11.42, and Figure 11.43 show good correlation between original sample values and the check sample values for coarse reject materials submitted by Mercator and support correlation coefficients of 0.99 for all three metals. Blank sample results for the Mercator sample suite returned values below detection limits for all three metals and results for certified reference material CDN-SE-1 all fall within the mean ± 2 standard deviations control limits for the material. CDN-SE-1 returned grades of 714.83 g/t Ag, 1.83% Pb, and 2.67% Zn.

Figure 11.41: Mercator Reject Check Samples - Ag g/t (N=4)

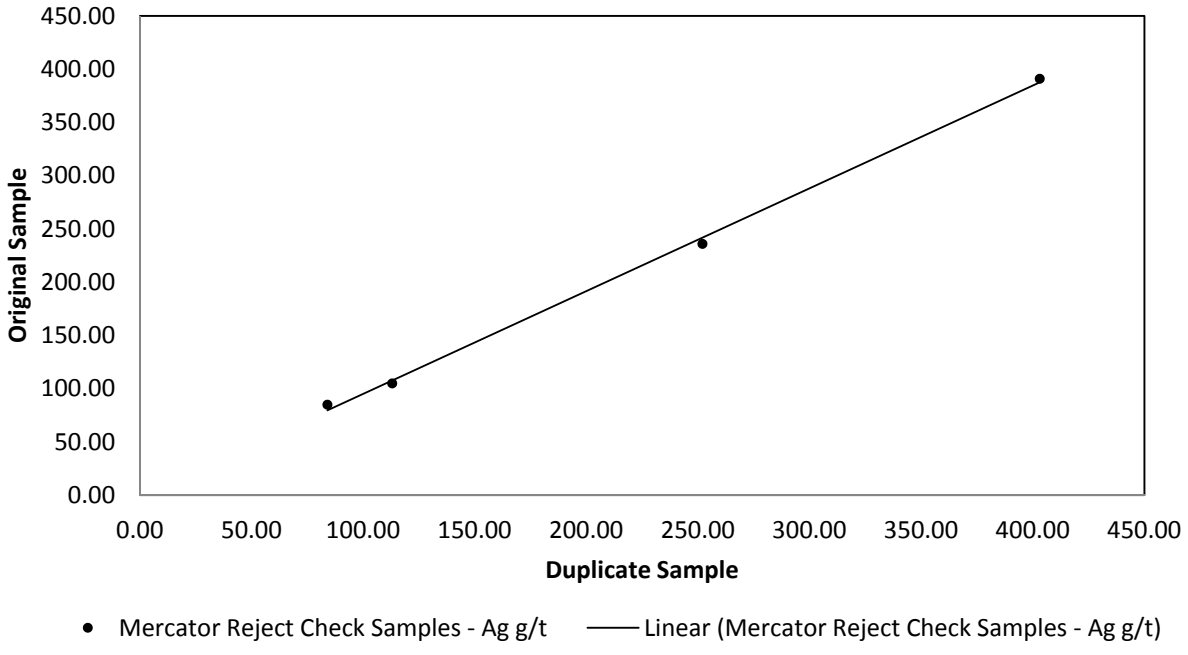
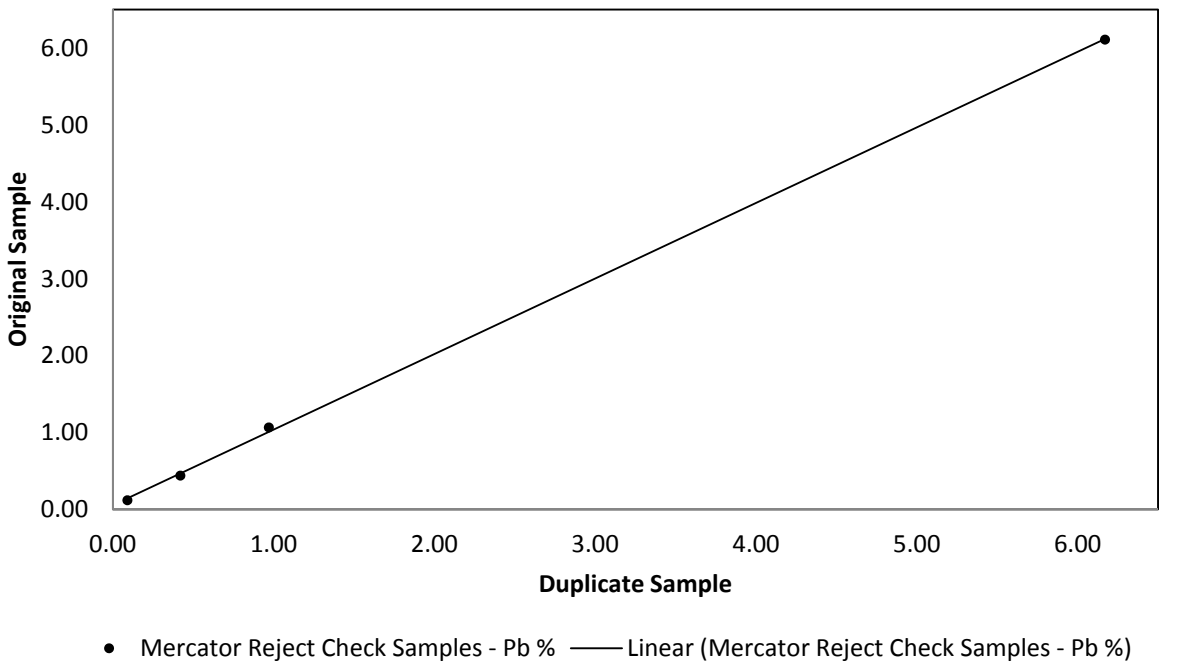
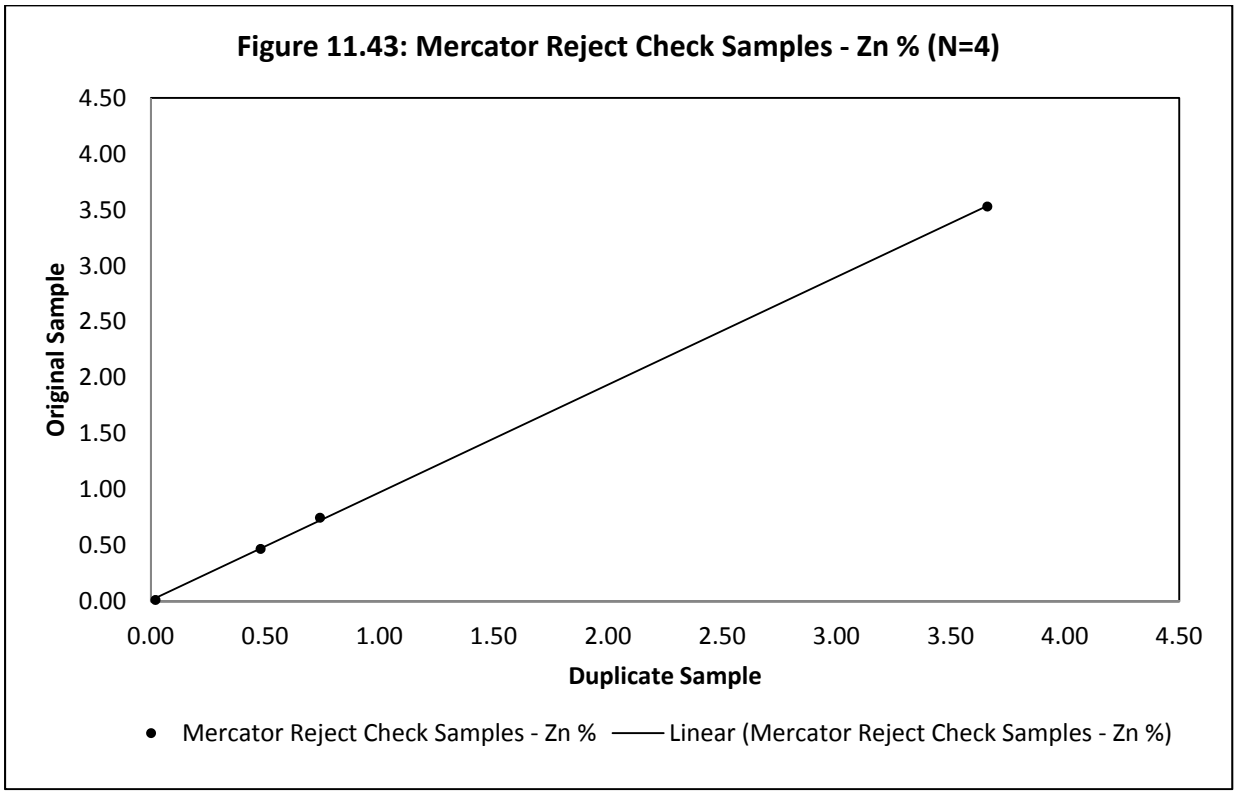


Figure 11.42: Mercator Reject Check Samples - Pb % (N=4)





April 2012 Site Visit Program

During the April, 2012 site visit by Mercator, quarter core samples were obtained from Apogee oxide zone drill core for purposes of independent check sample analysis. In total, 23 quarter core samples were collected to provide sample coverage across the silver, lead and zinc grade ranges represented in the oxide zone. Sample record details pertaining to the program appear in Appendix 1. The quarter core samples were collected from drill holes PUD266, PUD230, PUD220, PUD251 and PUD256 and were submitted for analysis to SGS del Peru S.A.C.. A sample of certified reference material CDN-SE-1 and a commercial blank sample were added to the batch of core samples submitted by Mercator for quality control and quality assurance purposes.

Sample intervals of archived drill core were selected and marked by Mercator and then photographed prior to being placed in labelled plastic bags for shipment to the laboratory. Core intervals taken for check sample purposes were clearly identified by explanatory tags secured in the core boxes for archival reference purposes (Figure 11.44). All core sampling work was carried out at the Apogee core logging facility on the Pulacayo property by Mercator and Apogee field staff carried out sample cutting and bagging activities under Mercator supervision. After standard crushing and pulverization, silver, lead, zinc and copper levels were determined using

the same preparation and analytical methods that were used in the previous Mercator program described above.



Figure 11.44: Photo of Mercator April 2012 core sample interval

Mercator core check sample results are compared to original Apogee results in Figure 11.45, Figure 11.46 and Figure 11.47 for silver, lead and zinc, respectively. Results are interpreted as showing that acceptable correlation exists between the original oxide zone analyses and the check sample data set. Results confirm the anomalous character of mineralization within the sections sampled but also show that lower correlation between sample pairs exists at higher grade levels. This may be related to heterogeneity of oxide and sulphide mineral assemblage distribution at the core sample scale rather than analytical error or sample contamination. Visual core inspection during the April, 2012 site visit showed that higher zinc and lead grades within the oxide zone often correspond with irregular zones in which remnants of sulphide zone mineralogy are preserved.

Collar coordinates for 14 drill holes completed during the 2011 oxide zone drilling program were checked by Mercator during the April, 2012 site visit. A Garmin Map 60 handheld GPS unit was used to collect collar coordinate check values and these were then compared to validated resource database collar file values. Excellent correlation exists between the two data sets with respect to UTM easting and Northing values, with the total range in Easting variation being -2.1m to +2.9 m and the total range for Northing being -4.5 m to +1.8 m. Values in the site visit elevation data set range between +7.9 m and +14.5 m above corresponding database collar

Figure 11.45: Mercator 1/4 Core Check Samples (2012) - Ag g/t (N=24)

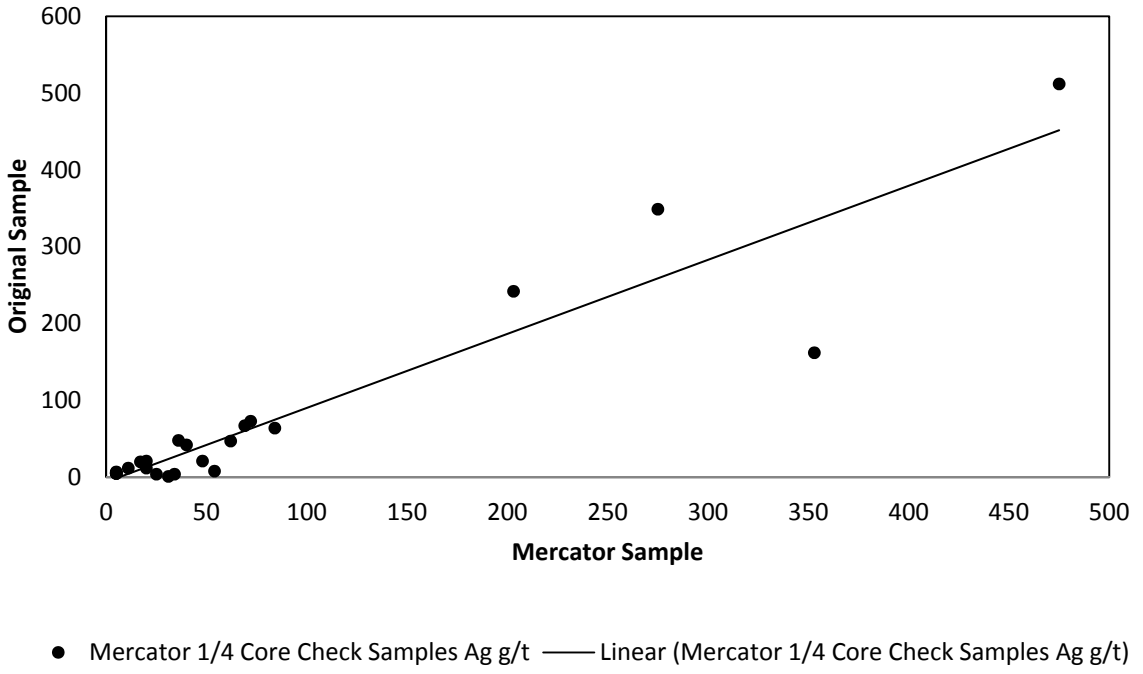
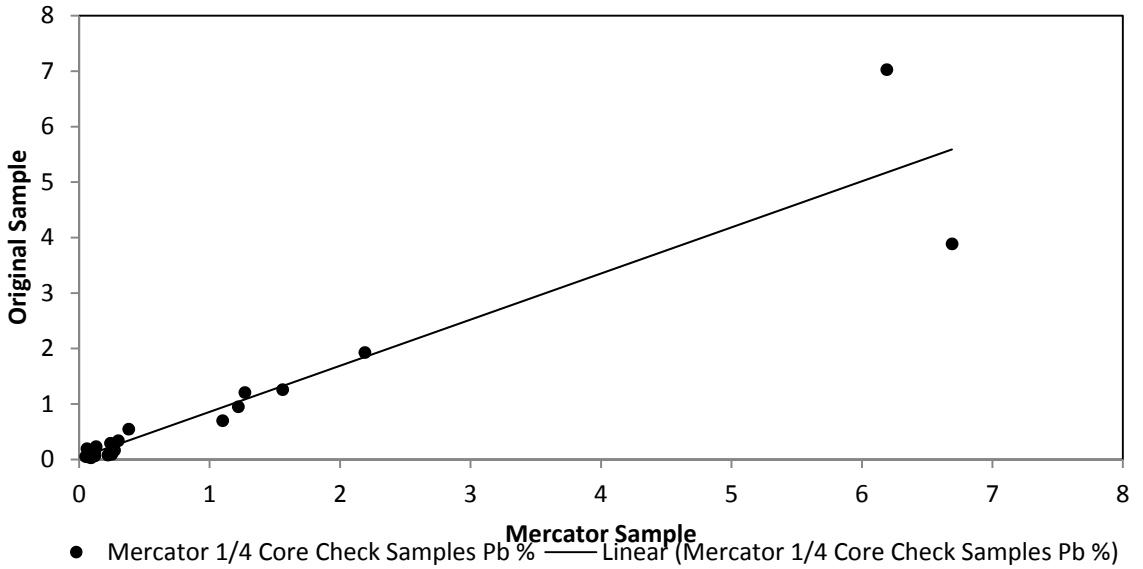
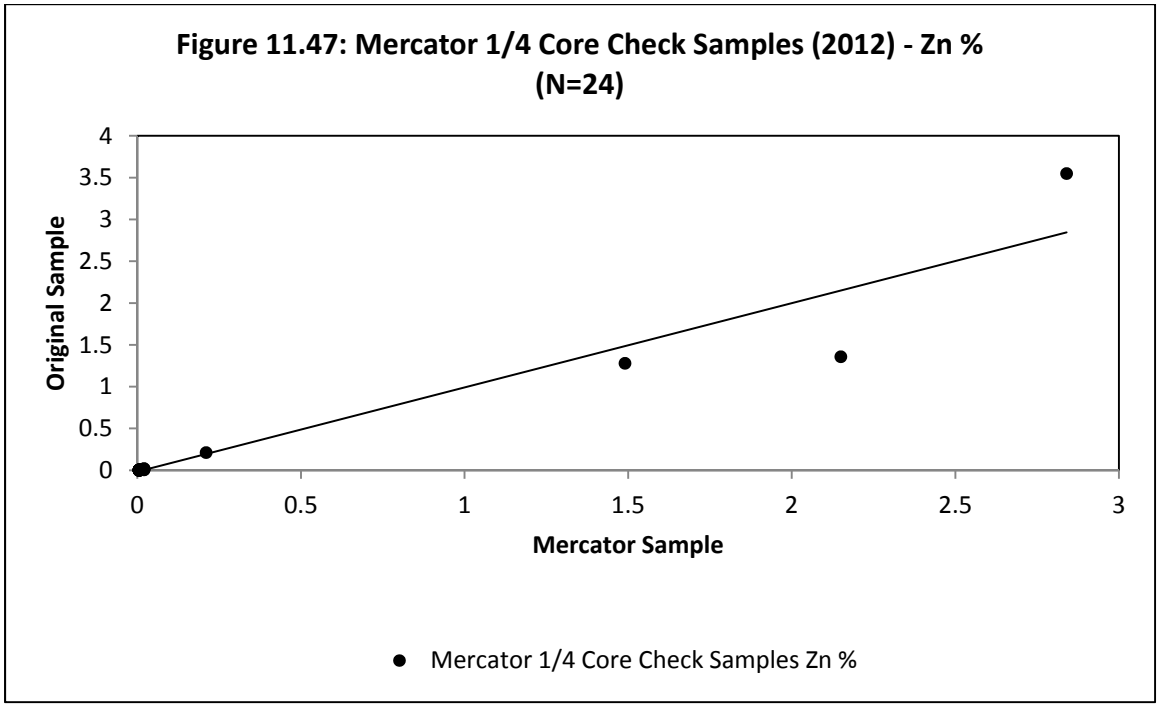


Figure 11.46: Mercator 1/4 Core Check Samples (2012) - Pb % (N=24)





values. This variation is systematic and project database values acquired using differential GPS equipment are considered to be more accurate than hand held GPS values obtained during the site visit. Tabulated results of the drill collar checking program are presented in Table 11.2 and Mercator is of the opinion these results adequately confirm database collar locations.

Table 11.2: Collar Coordinate Check Program Results

Drill Hole ID	GPS East (m)	GPS North (m)	GPS Elev. (m)	Database East (m)	Database North (m)	Database Elev. (m)	East Change (m)	North Change (m)	Elev. Change (m)
11PUD232	740001.5	7744735.7	4416.9	740000.6	7744734.7	4402.4	1.0	1.0	14.5
11PUD231	739999.0	7744589.3	4414.7	739999.7	7744587.5	4403.3	-0.7	1.8	11.4
11PUD239	740047.9	7744595.6	4409.7	740048.6	7744596.8	4394.0	-0.8	-1.2	15.7
PUD224	740098.6	7744858.2	4383.5	740100.0	7744862.1	4376.0	-1.4	-3.9	7.5
11PUD241	740197.2	7744580.3	4344.5	740199.3	7744583.1	4333.0	-2.1	-2.8	11.5
PUD217	740248.2	7744349.9	4345.3	740250.0	7744350.0	4335.4	-1.8	-0.1	9.9
PUD045	740094.7	7744434.1	4313.5	740094.3	7744435.7	4305.6	0.4	-1.6	7.9
11PUD226	740190.7	7744472.6	4331.8	740189.3	7744472.2	4318.9	1.5	0.4	12.9
11PUD249	740647.5	7744387.0	4294.3	740644.6	7744388.6	4282.8	2.9	-1.6	11.5
11PUD247	740701.4	7744397.1	4294.8	740699.6	7744396.9	4283.1	1.8	0.2	11.7
11PUD250	740794.4	7744452.0	4298.4	740794.8	7744452.8	4285.6	-0.4	-0.7	12.8
11PUD257	740901.8	7744320.2	4260.9	740900.6	7744321.7	4248.1	1.2	-1.5	12.8
11PUD260	740951.2	7744301.3	4250.1	740951.8	7744302.0	4239.0	-0.6	-0.7	11.1
11PUD261	740949.8	7744257.9	4245.5	740949.1	7744262.4	4234.5	0.8	-4.5	11.0

12 Mineral Processing and Metallurgical Testing

No new mineral processing or metallurgical testing program results have been disclosed by Prophecy since acquisition of the property in January of 2015. However, the company plans to carry out detailed studies on material currently stockpiled at the site that was generated during Apogee's 2012 trail mining program. Prophecy has also collected tailings/waste rock material from the main Pulacayo deposits and plans to carry out metallurgical testing on this material as well. Details of planned future programs for both bedrock mineralization and tailings/waste rock material were not available to Mercator at the report date.

As noted earlier in this report, resulst of the 2013 feasibility study by TWP are not considered to be valid for the potential high grade production model being assessed by Prophecy. Prophecy is not relying on metallurgical or other results of the historic TWP study.

13 Mineral Resource Estimate

13.1 General

The definition of mineral resource and associated mineral resource categories used in this report are those recognized under National Instrument 43-101 and set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves *Definitions and Guidelines* (the CIM Standards). Assumptions, metal threshold parameters and deposit modeling methodologies associated with the current Pulacayo resource estimate are discussed below in report Sections 13.2 and 13.3. .

13.2 Geological Interpretation Used In Resource Estimation

The Pulacayo deposit is a low sulphidation epithermal deposit comprised primarily of vein and stockwork hosted silver and base metal mineralization. TVS Mineralization that is the basis of the current mineral resource estimate is located on the southern side of the Pulacayo volcanic dome complex, strikes east-west and has near vertical dip in most areas.

TVS mineralization is hosted by both volcanic and sedimentary host rocks, with stockworks of narrow veins and veinlets plus disseminations that aggregate up to 120 m in width being typical of mineralized volcanic sections. Deeper sections hosted by sedimentary rocks are characterized by narrower high grade veins that measure a few meters or less in width. These transition upward into stockwork systems and disseminated zones within the overlying volcanic section.

Mineralization occurs along a 2700 m strike length of the TVS and has been defined to a depth of approximately 1,000 m below surface. The latter dimension reflects the depth of historic mining. Approximately 450 m of mineralized section occur within the volcanic host section and 550 m occur within the underlying sedimentary sequence. The portion of the TVS defined by Apogee drilling and considered in the current mineral resource estimate has a strike length of approximately 1500 m and extends to an average depth of approximately 450 m below surface. Most of the mineral resource area is hosted by andesitic volcanic lithologies.

Minerals of economic significance in the TVS include galena, sphalerite, tetrahedrite and other silver sulfosalts and occur in association with minor occurrences of chalcopyrite and jamesonite. Vein sulphides are commonly accompanied by barite, quartz, pyrite, and calcite and local occurrence of Au has also been described. Veins generally show banded texture and contain semi-massive to massive sulphides. Several moderately west plunging zones of high silver concentration are present in the deposit, along with several smaller and less distinct east plunging high grade trends.

13.3 Overview of Estimation Procedure

The current Pulacayo deposit mineral resource estimate is based on a three dimensional block model developed using Geovia Surpac ® Version 6.6.1 modeling software. It is supported by validated results of 69,739 meters of diamond drilling from 226 surface drill holes and 42 underground drill holes completed by Apogee and ASC through various drill programs between 2002 and the end of 2011. A total of 28,807 drill core samples have been assayed from these programs with 1,731 samples occurring within the limits of the current resource model.

The previous resource estimates prepared by Mercator for this deposit assessed the combined value of silver, lead and zinc mineralization using a NSR cut-off value for reporting purposes. Defined resources were considered to have a reasonable expectation of economic viability using open-pit methods in the near surface and bulk mining underground methods at depth. For the current resource estimate, focus was shifted to definition of high grade (>500g/t) silver equivalent mineral resources potentially amenable to selective underground mining. Associated lead and zinc mineralization was assessed in conjunction with high grade silver mineralization and a silver equivalency was developed to evaluate combined metal value.. Silver equivalency is calculated as:

***Ag Eg. (g/t) = Ag (g/t)*89.2% + (Pb%*(US$0.94/ lb. Pb /14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*91.9%) + (Zn%*(US$1.00/lb. Zn/14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*82.9%*).**

Factors contributing to development of this equivalency are presented in report section 13.5.

Prior to deposit modeling, a complete set of vertical cross sections through the deposit were produced from the project drilling database. These were used to develop north-south geological section interpretations at a nominal section spacing of 50 m. Raw analytical results posted on the interpreted sections were used to define TVS geometry and grade distribution trends. High grade correlations using a minimum grade threshold of 200 g/t silver were created and wireframed into 8 domain solid models that range from a few meters to tens of meters in thickness. These show variable continuity along the 1500 meter strike length of the modelled deposit that trends at azimuth 280°, and shows a 600 meter sub-vertical total dip extent. This reflects the orientation and geometry of the principal mineralized TVS structure plus associated secondary structures. Digital terrain models were created for both the oxide-sulphide zone boundary and the topographic surface, with individual high grade silver models being mostly contained within either oxide or sulphide zone material as defined by the oxide-sulphide zone digital terrain model. Partial percentage volume assignment was used to estimate block volume for the grade constraint solids.

Inverse distance squared (ID^2) grade interpolation was used to estimate silver, lead and zinc grades for 2mY x 10mX x 10mZ blocks and was constrained within the interpreted silver grade domain wireframes using multiple independent search ellipsoid passes and independent 1 meter down hole assay composites. Search ellipsoid orientations for the interpolation passes conformed to the general trend of azimuth 280° with a 20° major axis plunge and sub-vertical dip, but were modified to accommodate local variations in the distribution of mineralization. Contributing 1 meter assay composites were capped at 1700 g/t silver, 15 % lead, and 15 % zinc. A 125 meter ellipsoid major axis, 75 meter ellipsoid semi-major axis and 25 meter ellipsoid minor axis were applied for all interpolation passes and a 1Y x 2X x 2Z block discretization was used. Contributing 1.0 meter down-hole composites were constrained to a minimum of 3 and a maximum of 9 with no more than 3 from a single drill hole. A specific gravity model was interpolated from 1.0 meter down hole specific gravity composites using the same interpolation parameters used for metal grade assignment. Whereas the previous resource estimate included 21,367 specific gravity values within its "Peripheral" domain, the more restrictive high grade silver domains used in the current estimate include 1,560 specific gravity values from the 29,344 total specific gravity data set.

The Pulacayo deposit has an extensive history of mining activity represented by shafts, winzes, level development, and stoping. A digital model of stopes and other underground workings was originally created by EPCM Consultores S.R.L (EPCM) for Apogee. However, compatibility issues were encountered between the original EPCM mine workings digital model and the GEOVIA-Surpac^R mining modeling software suite. This incompatibility was addressed in previous mineral resource estimates prepared by Mercator for Apogee through use of an interpolated workings solid model created from gridded perimeter level plan slices of the earlier EPCM model. For the current resource estimate, Mercator created a new digital solid model of all stopes and other underground workings that intersect the resource area. This new model was used to estimate block model volume (void space) occupied by the workings and stopes. The mine workings re-modelling process initially entailed re-digitizing and wireframing 137 stope solid models, 35 level solid models and 6 shaft solid models. An additional 26 stope solid models were created and merged with the primary model after further review of historic plan and longitudinal sections. Partial percentage volume assignment was used to estimate block volume for the revised and combined digital model of underground workings. Results of this method showed acceptable correlation with drill hole database entries.

Indicated resources are defined as all interpolated blocks having at least 7 contributing assay composites with a maximum average distance of 70 meters from the block centroid, and having the nearest contributing composite at 60 meters or less from the centroid. Inferred resources are defined as all other interpolated blocks within the high grade silver domain constraints. Resource block model results were validated through comparison with separate deposit models based on grade interpolation using Ordinary Kriging (OK) and Nearest Neighbour (NN) methodologies.

Statistical results of the ID^2 interpolation were determined to most appropriately represent contributing core sample assay populations and associated sectional deposit interpretations.

13.4 Data Validation

The September 2012 resource estimate was supported by a Mercator validated drill hole database that was originally received from Apogee in 2012 in digital spreadsheet format. No new additional drilling, trenching or core sampling has been carried out and therefore the 2012 drill hole database was retained from the previous resource estimate. The database includes results from 268 surface and underground drill holes completed by Apogee and ASC between 2002 and 2011, totaling 69,739 meters of diamond drilling, and 6 trenches completed by Apogee in 2011, totalling 606.34 meters. A total of 28,180 core samples and 627 trench samples are included in the database with 1,731 samples occurring within the limits of the current resource model. The drill hole database was transferred from Gemcom Surpac ® Version 6.3 software to Gemcom Surpac ® Version 6.6.1 software.

Validation checks on overlapping intervals, inconsistent drill hole identifiers, improper lithological assignment, unreasonable assay value assignment, and missing interval data were performed on the original 2012 database. Checking of database analytical entries was also carried out against laboratory records supplied by Apogee. . Validation checks and checking of analytical entries found no substantive errors.

13.5 Silver Equivalency Calculation

A silver equivalency was considered more appropriate than an NSR value at this stage of Prophecy's operation to evaluate the combined value of silver, lead and zinc mineralization. Silver equivalency was calculated as:

*Ag Eg. (g/t) = Ag (g/t)*89.2% + (Pb%*(US$0.94/ lb. Pb /14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*91.9%) + (Zn%*(US$1.00/lb. Zn/14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*82.9%*).

Metal prices used in the silver equivalent calculation are US$16.50/Troy oz. Ag, US$0.94/lb Pb and US$1.00/lb Zn. These reflect market pricing conditions present during June of 2015. Silver pricing is lower than the three year trailing average price of $US 22.62/oz for silver and lead pricing is the same as the three year trailing average of $US 0.94/lb for lead. The zinc price used is slightly higher than the three year trailing average value of $US 0.92/lb for zinc. Metal recoveries of 89.2% Ag. 91.9% Pb. 82.9% Zn. used in the silver equivalent equation reflect

historic metallurgical results for high grade test sampling disclosed previously by Apogee Silver Ltd. in the 2013 feasibility study by TWP.

13.6 Data Domains and Solid Modelling

13.6.1 Topographic Surface

Apogee carried out a detailed topographic survey in 2008 that generated a high quality topographic map for an area that measures approximately 2,600 m east-west and 1,600 meters north-south over the Pulacayo deposit. The survey used total station survey methods and a series of reflecting prisms to generate a 2 meter elevation data set and to pick up additional important features such as roads and shafts. The topographic map is represented as a Gemcom Surpac digital terrain model (DTM) and is applied as the topographic constraint for resource modelling (Figure 13.1).

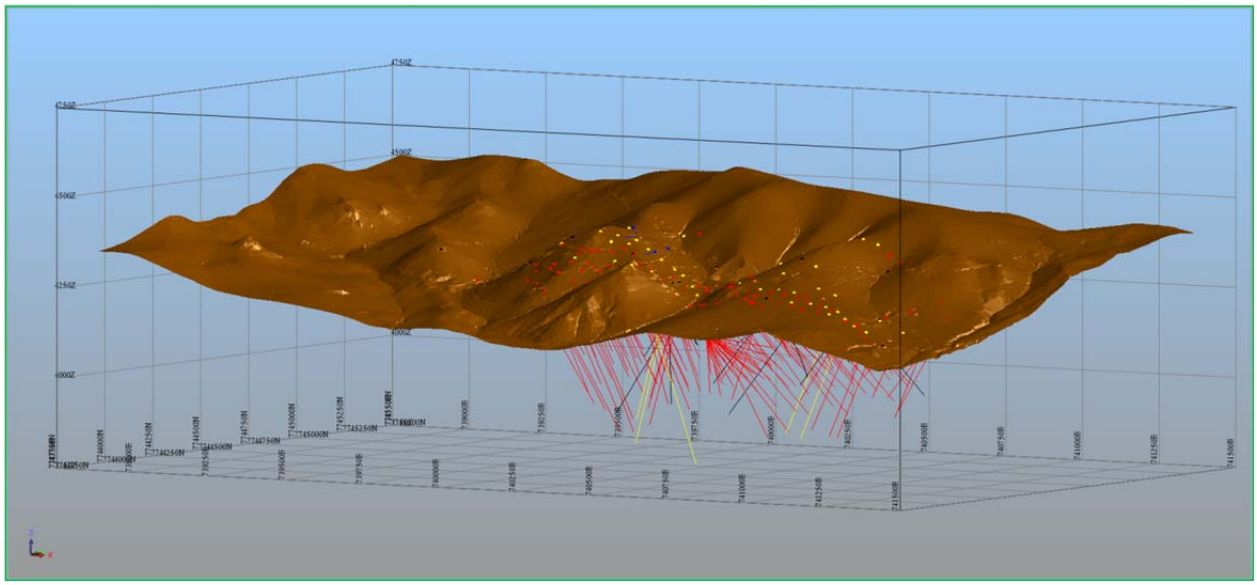


Figure 13.1: Isometric view of the Surpac topographic surface DTM – view to NW

13.6.2 Oxide Surface

The Pulacayo deposit is capped by a layer of oxide material where the original volcanic host rocks plus sulphide mineralization have been altered by deep weathering effects. Economic mineralization of the TVS is observed to continue through the oxide-sulphide transition and was the focus of 45 drill holes from the 2011 Apogee drill program.

Sectional interpretations from drill hole data on nominal 50 meter spaced sections were used to develop an oxide-sulphide surface DTM model in Surpac and subsequently used to code oxide blocks within the block model (Figure 13.2). The oxide zone ranges from less than 5 m to 50 m

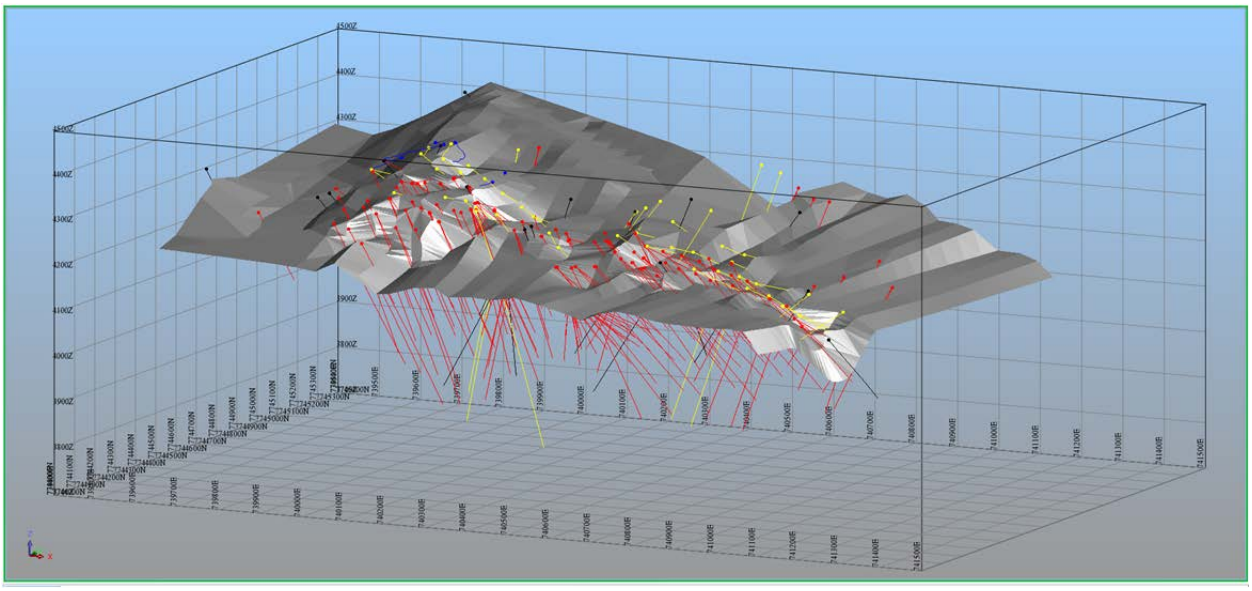


Figure 13.2: Isometric view of the oxide-sulphide transition surface DTM – view to NW

or more in thickness across the Pulacayo deposit area, but averages 20 m thick above the mineralized zone evaluated in the current resource.

Sectional interpretation showed that although silver and lead grade continues across the oxide-sulphide boundary, the metals show depletion in the oxide zone. Zinc assay core results are low to anomalous within the oxide zone and are interpreted to be almost completely depleted. In the 2012 Apogee resource estimate the oxide-sulphide surface DTM model was used as a hard boundary in grade interpolation, with assay composites unable to contribute to the interpolation of blocks on opposite sides of the surface. For the current resource estimate, individual high grade silver domains mostly occur in either the oxide or sulphide domain and therefore using the oxide-sulphide DTM model as a hard surface was not necessary. A negligible amount of high grade mineralization occurs within the oxide zone.

13.6.3 Domain Modeling

The spatial distribution of volcanic host rocks and sulphide-silver mineralization contributes directly to variability in grade distribution within the Pulacayo deposit, as defined by Apogee drilling. Stringer and disseminated style mineralization with locally massive to semi-massive zones are typical of the TVS within the intruding andesitic volcanics. Despite observed deposit scale zonation of all three metals throughout the history of mining, with higher grade silver occurring at middle elevations and increasing base metal values with depth, the TVS can locally be defined by all metals, with silver being the best indicator for economic purposes..

The 2012 resource estimate by Mercator used individual metal domain methodology for silver, lead, and zinc to register correlation of veining and associated mineralization. For the current resource estimate, focus was narrowed to defining high grade silver mineralization. Associated lead and zinc mineralization was modelled within the high grade silver domains and independent solid models for lead and zinc were not created. This approach reflects the preferred, high grade silver underground mining scenario currently being proposed by Prophecy. As a consequence, the peripheral constraining wireframe used in the previous resource estimate was not applied for the current resource estimate. Cursory inspection showed that contained mineralization did not meet current minimum silver equivalent grade threshold requirements.

Assay results for silver, lead and zinc were displayed on drill hole traces at nominal 50 m section spacing and sectional interpretations at a 200 g/t Ag cut-off over three down hole meters were used to develop high grade silver three dimensional wireframe solid models. The solid model domains were limited up-dip by the topographic surface, or half the distance to a constraining drill hole, and by either a down-dip extension of 25 m from the last intercept, half the distance to a constraining drill hole, or to a depth that is continuous with the depth of the domain defined on adjacent sections. Along strike, the solid models were projected 25 m from the last defined section that showed continuity and definition based on the current drill hole database, or half the distance to a constraining drill hole. A total of 8 silver domain solid models defining zones of veining and higher grade mineralization were created. The primary high grade silver domain ranges from a few meters to tens of meters in thickness, extends a maximum of 600 m down dip, with an average down dip length of 370 m, and extends 1200 meters in strike length along an azimuth of 280° (Figure 13.3). The primary high grade silver domain commonly shows sequencing of a single narrow vein system at depth in the sedimentary rocks that transitions to a wide stockwork style zone of veins, veinlets and disseminations in the overlying volcanic hosted section. Mineralization becomes more discontinuous and irregular higher up in the volcanic section (Figure 13.4). The other 7 silver domains are approximately 3 m to 5 m in thickness, 30 m to 150 m in dip extent, and occur over strike lengths between 50 m and 450 m along the 280° trend (Figure 13.3). The secondary high grade silver domains appear to represent secondary mineralized vein trends and structures of the TVS.

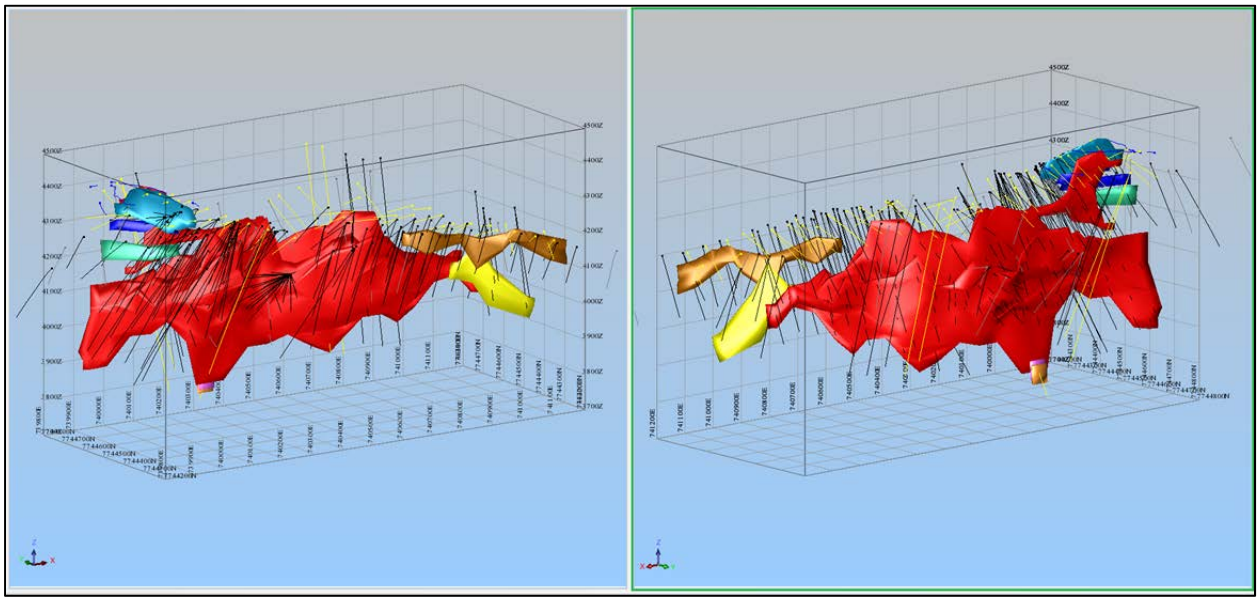


Figure 13.3: Isometric views to NE (left) and SW (right) of the silver domain solid models

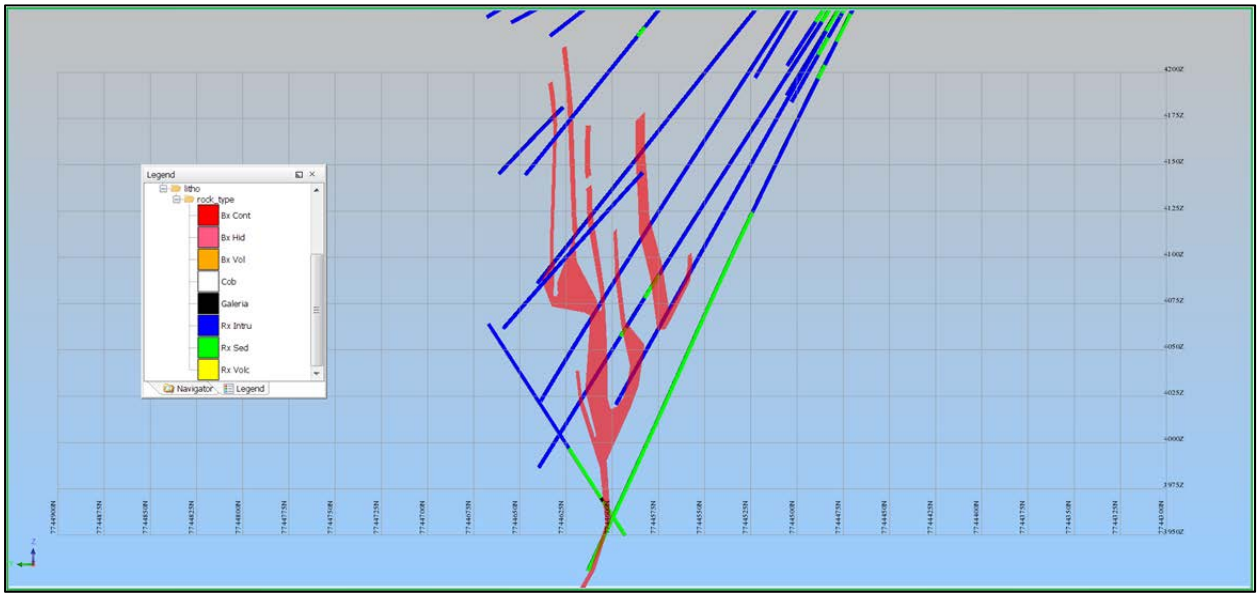


Figure 13.4: Section (740200X) viewed to west of the primary silver solid domain model.

Note: Sections coded in blue denote volcanic host rock and those in green denote sedimentary host rock.

13.7 Underground Workings Model

The Pulacayo deposit has an extensive history of mining activity represented by shafts, winzes, level development, and stoping. Digital modeling of stopes and underground development was originally created by EPCM Consultores S.R.L (EPCM) and was subsequently upgraded and validated by Mercator by digitally adding historic underground mining and stoping from archived mine engineering plans. Compatibility issues arose between the original workings model and the GEOVIA-Surpac® suite modelling software used by Mercator. To deal with this issue in the previous resource estimate prepared for Apogee, Mercator used an interpolated model from gridded perimeter level plan slices of the EPCM workings model to estimate block void volume. For the current block model, the parent block size was increased to 2mY x 10mX x 10mZ to better reflect a potential, underground stope unit. Previously applied sub-blocking methodology was also replaced by partial percentage volume assignment. As such, use of the interpolated block approach to estimate mine workings volume was no longer feasible. Mercator therefore created a new digital model of stopes and other underground workings in the resource area so the associated volume could be estimated using partial percentage block assignments.

To create the new mine workings model, original digital files of stopes and underground workings within the resource area were converted to perimeter string files or fully re-digitized and then wireframed into three dimensional solid models. From the original underground workings model developed by EPCM, a total of 137 stope solids models, 35 level solid models, and 6 shaft solids models were assembled. An additional 26 new stope solid models were created from review of historic plan and longitudinal sections. The resulting individual solid models were merged into a single solid model through the SOLID TOOLS > UNION SOLIDS module in Surpac and the intersecting volume of the revised underground workings solid model with the silver domain solid models was converted to a separate solid model through the SOLID TOOLS > INTERSECT SOLIDS module (Figure 13.5 and 13.6). Partial percentage volume assignment was used to estimate block volume for the revised underground workings solid model and the underground workings - silver domain intersection solid model. Volumes for the underground workings solid model and underground workings - silver domain intersection solid model were reported through the SOLID TOOLS > REPORT VOLUME OF SOLIDS module and compared with the respective block model volume reports. Results showed that the block model was reporting approximately 1 % less volume than the solid models and therefore a 1 % correction factor was applied to the block partial percentage volume adjustment attribute for the underground workings and underground workings - silver domain intersection solid models. The volume assigned to stopes and underground development was removed from resource block model reports. The revised solid model of stopes and other underground workings was also reviewed using cross sections and was determined to show acceptable visual correlation with the drill hole database.

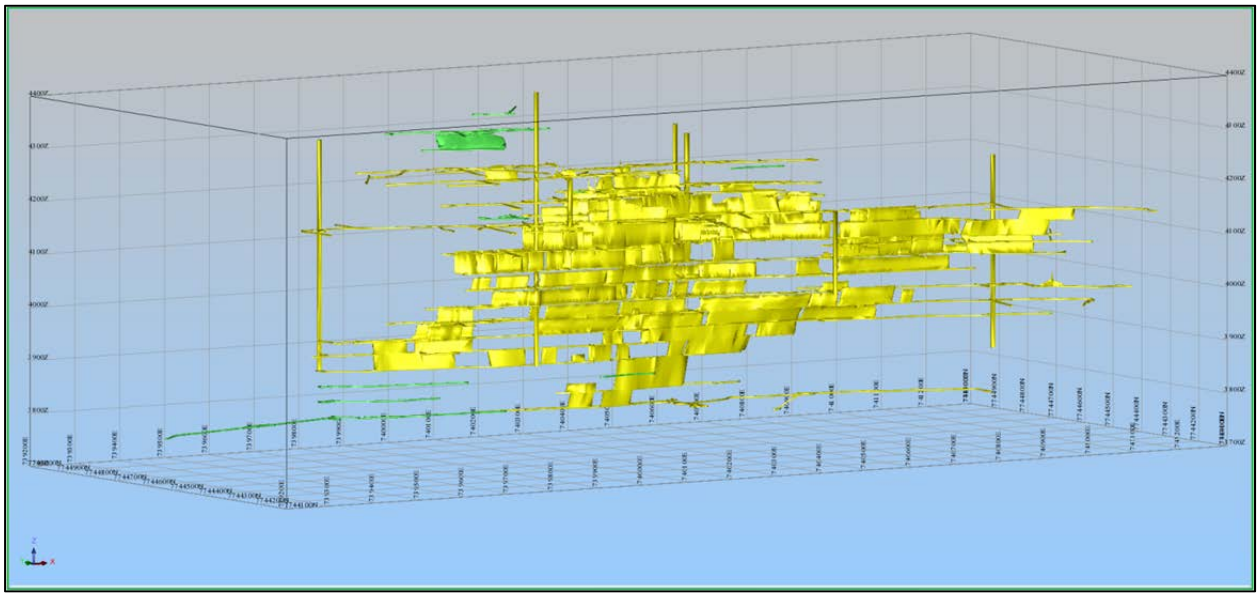


Figure 13.5: Isometric view to NE of the stopes and underground workings solid model

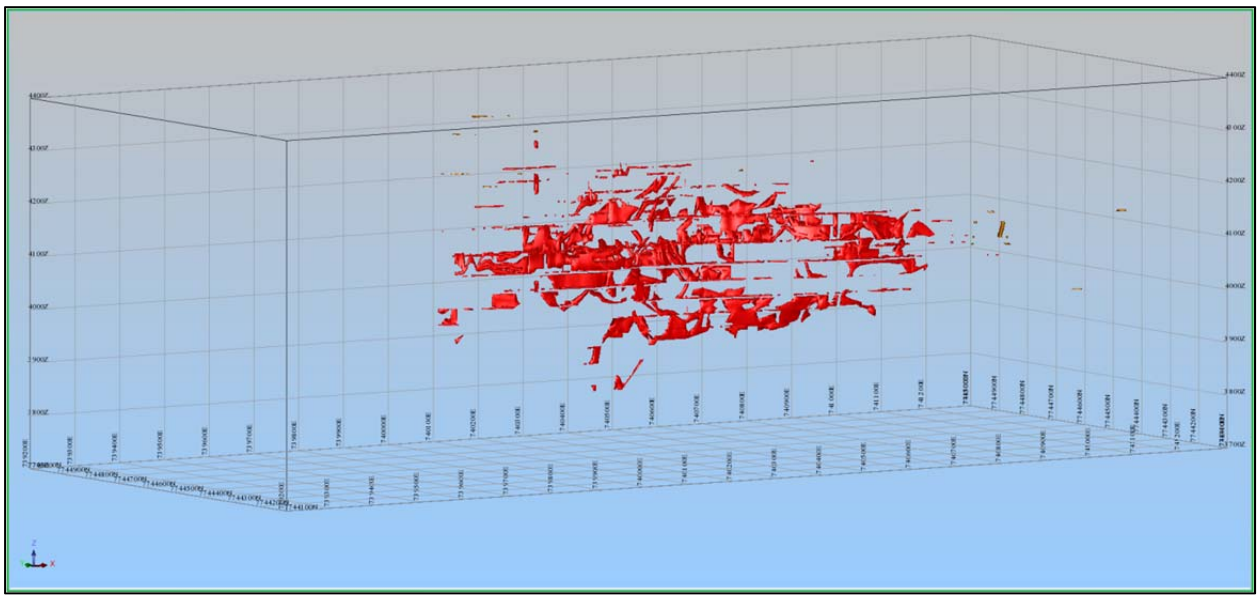


Figure 13.6: Isometric view to NE of intersection solid between workings and silver solids

13.8 Drill Core Assays and High Grade Capping

The drill core assay data set used in the current resource estimate contains 28,807 core sample records exclusive of quality control and quality assurance samples. In addition, 627 trench samples completed in 2011 are included in the resource database. Trench samples were converted into horizontal drill holes and included in the core assay database. A total of 1731 assay samples occur within the silver domain solids. Descriptive statistics were calculated for each metal from the raw assay datasets constrained within the silver domain and results are presented in Table 13.1. Distribution histograms, cumulative frequency plots and probability plots for the 1.0 m composites are included in Appendix 2

A grade cap for each metal was applied to the raw assay dataset to limit influence of high grade anomalous results having limited demonstrated continuity. Assays were capped at levels of 1700 g/t for silver and 15 % for both lead and zinc. These values correspond with the 98.5, 99.4, and 99.3 percentiles for each metal respectively. A subjective check on applicability of capping factors was carried out on the basis of logged geology and mineralization styles and it was concluded that the presence of intervals of mineralization at the selected capping grades were geologically reasonable, with local potential for both strike and dip continuity at such levels. Descriptive statistics were also calculated for the capped assay dataset and are presented in Table 13.1. As expected, mean capped assay grades for each metal decrease relative to the mean raw assay grades. The coefficient of variation for capped datasets is also lower, indicating that they are more statistically acceptable for resource estimation purposes. Distribution histograms, cumulative frequency plots and probability plots for capped assays for all metals are included in Appendix 2.

Table 13.1: Silver, Lead and Zinc Raw and Capped Assay Statistics

	Raw Assay Values			Capped Assay Values		
Parameter	**Ag g/t**	**Pb %**	**Zn %**	**Ag g/t**	**Pb %**	**Zn %**
Mean Grade	299.76	1.44	2.18	266.65	1.41	2.15
Maximum Grade	10000.00	28.70	28.50	1700.00	15.00	15.00
Minimum Grade	0.50	0.00	0.00	0.50	0.00	0.00
Variance	384948.45	6.50	8.56	137640.58	5.52	7.43
Standard Deviation	620.44	2.55	2.93	371.00	2.35	2.73
Coefficient of Variation	2.07	1.77	1.34	1.39	1.66	1.27
Number of Samples	1731	1731	1731	1731	1731	1731

13.9 Drill Core Assay Composites and Statistics

Sample lengths range between 0.3 m and 3.0 m for the silver domain assay sample subpopulation, with over 80% of samples measuring 1.0 m in length. Frequency histograms and cumulative frequency distribution plots for the sample lengths are included in Appendix 2. Based on these results, down hole capped assay composites at a base 1.0 m support length were developed for silver, lead and zinc for drill hole intervals intersecting silver domain solid models.

The composites were created at the base 1.0 m support length but allowed to "best fit" domain intervals to accommodate spatial variations in the grade domain and interpolation constraints. This method produced composites of variable length within any specific drill hole zone but ensured that composite lengths were as close as possible to the nominated composite length. At least 30% of a downhole assay sample interval was required to be included in a composite. Intervals that were not sampled and logged as stopes or workings were not diluted to zero grade and therefore the missing values have no effect on grade. No lithological constraints were imposed on down hole assay compositing. Descriptive statistics were calculated for each metal from the composite datasets and results are presented in Table 13.2.

Table 13.2: Silver, Lead and Zinc Statistics for Assay Composites

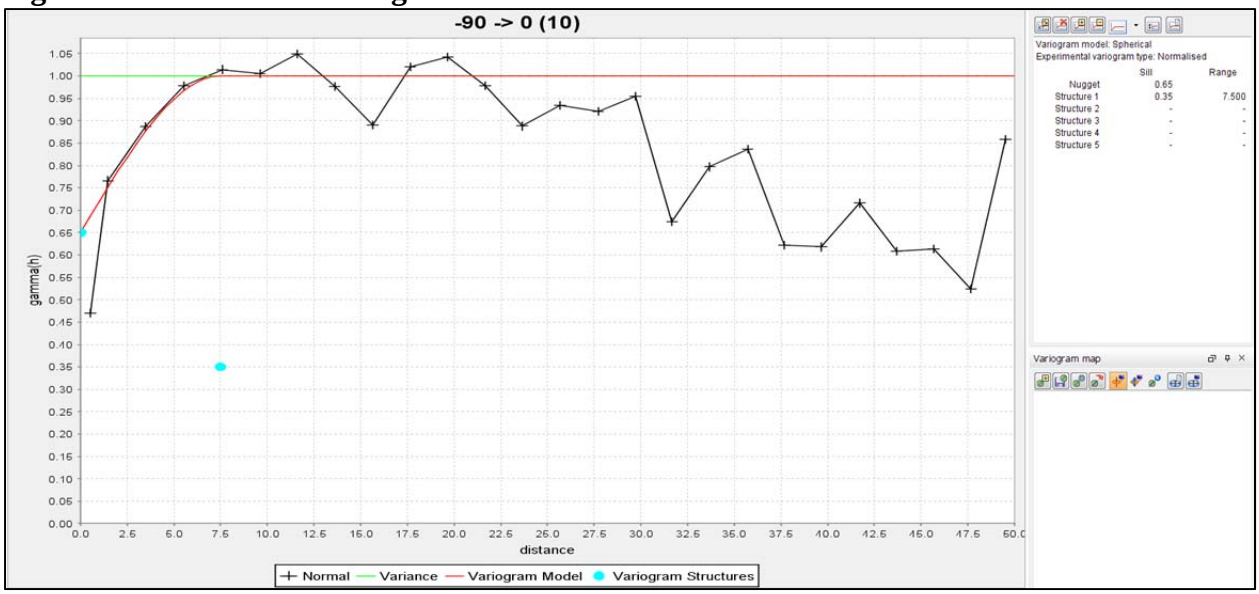
Parameter	Ag g/t	Pb %	Zn %
Mean Grade	283.20	1.43	2.19
Maximum Grade	1700.00	15.00	15.00
Minimum Grade	0.50	0.00	0.00
Variance	133561.63	5.14	7.19
Standard Deviation	365.46	2.27	2.68
Coefficient of Variation	1.29	1.58	1.22
Number of Samples	1798	1798	1798

13.10 Variography

Manually derived models of geology and grade distribution provided definition of the primary east-west sub-vertical trend associated with the TVS. Mineralization is characterized by narrow vein style occurrences in tuffaceous sandstone host rocks at depth that bifurcate into stockwork vein arrays and disseminated mineralization in overlying andesitic volcanics. To assess spatial aspects of grade distribution within this recognized orientation corridor, experimental variograms based on the capped down hole composite dataset were assessed for silver, lead and zinc. Variography assessment was heavily weighted towards results from silver variograms as silver is the primary metal of interest and controlled geological interpretations and data domaining.

Experimental down hole variograms were developed to assess the global nugget value and potential ranges for the third axis (minor axis) of continuity. The silver downhole variogram (Figure 13.7) was fitted with a spherical model showing a nugget value of 0.65 with a range of 7.5 meters.

Figure 13.7: Downhole variogram for silver



Experimental directional variograms were developed for both the silver domain composite dataset and a 1.0 down hole composite dataset based on the global resource assay database. The silver domain composite dataset has a small sample population for variogram analysis that produces fewer sample pairs at various lags and "noisier" experimental variograms. The global down hole composite dataset provided a viable sample population. Variogram analyses were first assessed against the global down hole composite dataset and subsequently reviewed against the silver domain composite dataset. Data were assessed within a vertical, east-west oriented plane defined in the modelling software by a 90° plunge towards 10° azimuth.

Experimental variogram results from the silver global down hole composite dataset were fitted with spherical model attributes that define a primary axis (major axis) of continuity of 125 m along an azimuth of 280° and a plunge of 30°, a secondary axis (semi-major) of continuity of 75 m along an azimuth of 100° and a plunge of 30°, and a third axis (minor axis) of continuity of 7.5 m along an azimuth of 10° and a plunge of 0° (Figure 13.8). Similar spherical models were then fitted for experimental variograms from the silver domain composite dataset, defining a primary axis (major axis) of continuity of 112.5 m along an azimuth of 280° and a plunge of 20° and a secondary axis (semi-major) of continuity of 75 m along an azimuth of 100° and a plunge of 20° (Figure 13.9).

The anisotropic variogram results for silver combined with sectional interpretations of geology and grade distributions contributed to development of interpolation ellipsoids that can generally be defined as plunging 20° along a strike of 280° and dipping 90°, with a 125 m major axis, 75 m semi-major axis, and a 25 m minor axis. Interpolation ellipsoid orientation was slightly modified along dip and strike to better fit local trends and geometries of the deposit. A total of 15 interpolation domains were utilized and these are summarized in Table 13.3. The primary silver domain was divided into 8 interpolation sub-domains with each functioning as an independent interpolation domain.

Table 13.3: Interpolation domain parameters

Interpolation Domain	Azimuth	Dip	Plunge
Primary Ag Domain 1	97.5	-90	20
Primary Ag Domain 2	97.5	-80	20
Primary Ag Domain 3	105	-90	20
Primary Ag Domain 4	97.5	-90	20
Primary Ag Domain 5	110	75	20
Primary Ag Domain 6	100	75	20
Primary Ag Domain 7	95	75	20
Primary Ag Domain 8	107.5	70	20
Secondary Ag East 1	112	-67	0
Secondary Ag East 2	115	-77	0
Secondary Ag East 3	120	-55	0
Secondary Ag Sat 1	275	-86	0
Secondary Ag Sat 2	275	-86	0
Secondary Ag West 1	293	-75	0
Secondary Ag West 2	285	-65	29

Figure 13.8: Anisotropic variograms for global down hole composite silver values

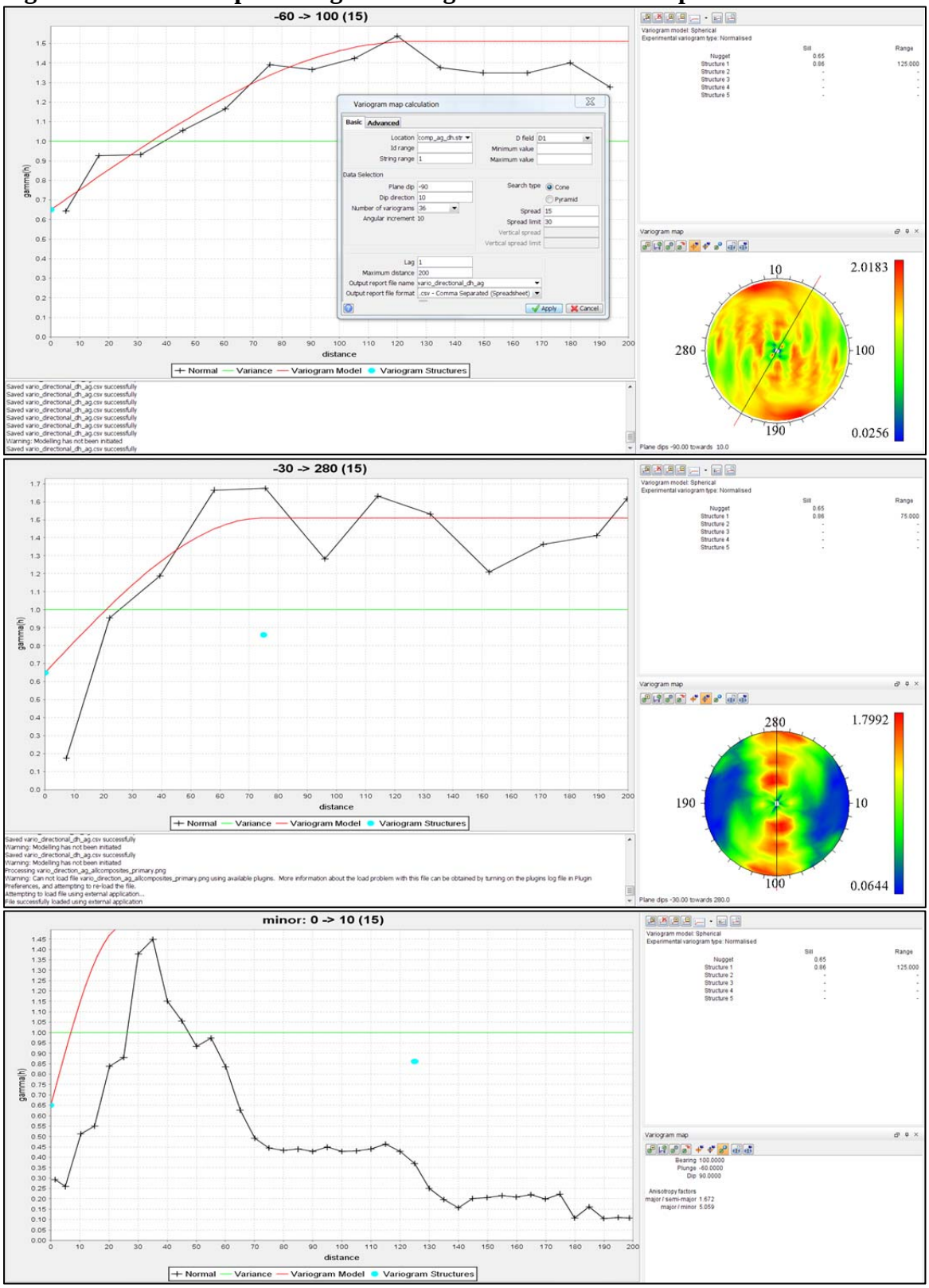
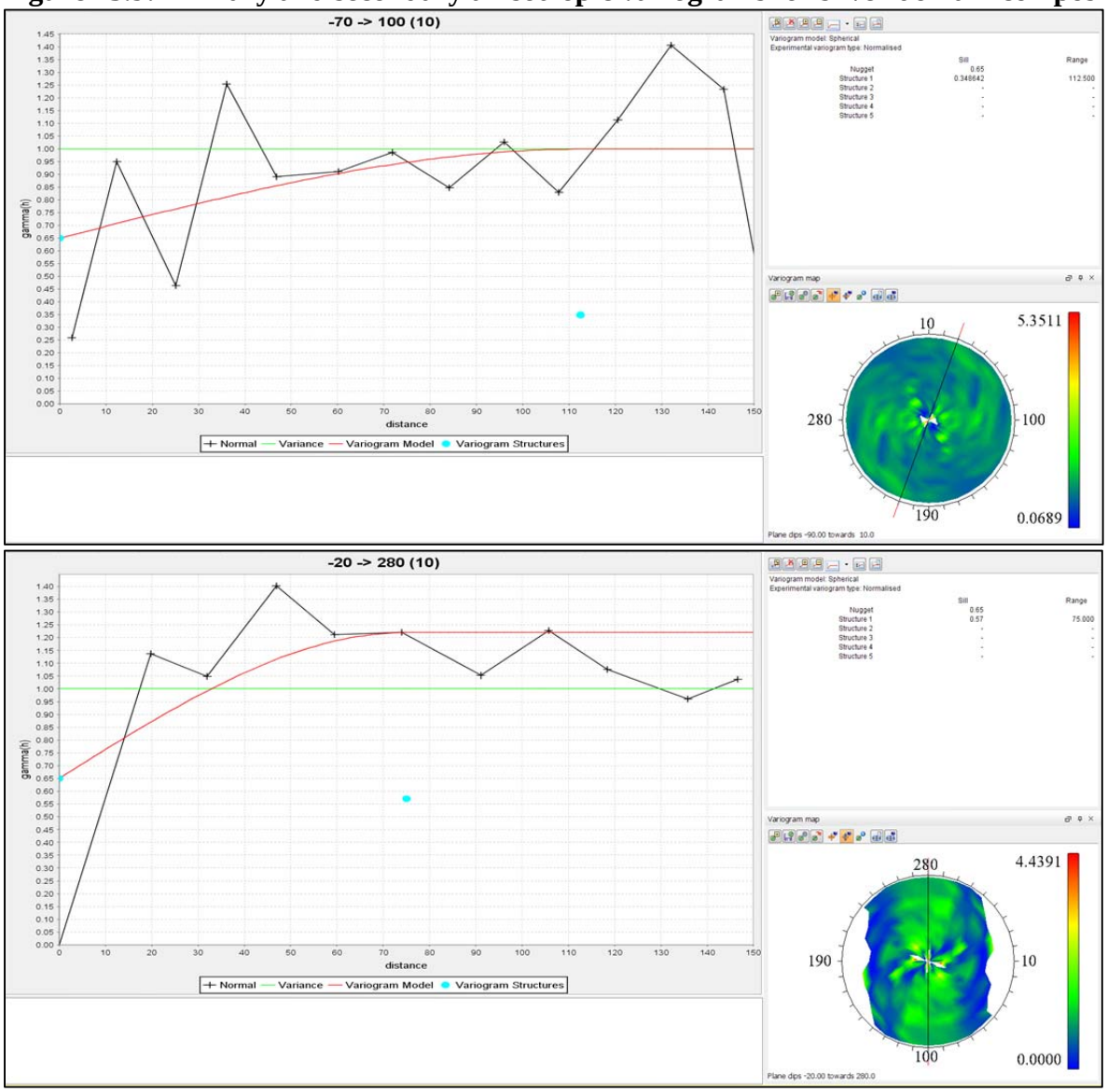


Figure 13.9: Primary and secondary anisotropic variograms for silver domain composites



13.11 Setup of Three Dimensional Block Model

The Pulacayo block model was developed using WGS84 (Zone 19, South Datum) grid coordination and a sea level elevation datum. The block model is oriented along azimuth 100° with no dip rotation applied and model extents are further defined in Table 13.4. Standard block size for the model is 10 m x 2 m x 10 m (X, Y, Z), with no sub-blocking applied. As discussed above in Section 13.3.3, the nominal topographic surface as defined by a digital terrain model functions as the upper deposit constraint.

Table 13.4: Summary of Pulacayo Deposit Block Model Parameters

Type	Y (Northing m)	X (Easting m)	Z (Elevation m)
Minimum Coordinates	7744400	739350	3770
Maximum Coordinates	7745150	741350	4500
User Block Size	2	10	10
Min. Block Size	2	10	10
Rotation	10	0	0

**UTM WGS 84 – Zone 19 South and sea level datum*

13.12 Resource Estimation

Inverse distance squared (ID^2) grade interpolation was used to assign block grades within the Pulacayo block model. As reviewed earlier, interpolation ellipsoid orientation and range values used in the estimation reflect a combination of trends determined from the variography and sectional interpretations of geology and grade distribution for the deposit. The trends and ranges of the major, semi-major, and minor axes of grade interpolation ellipsoids used to estimate silver, lead and zinc grades were described previously in report section 13.3.7.

All three metals were evaluated during the same interpolation passes using the capped assay composite dataset. An interpolation pass was run for each interpolation sub-domain, constraining the blocks considered for interpolation but functioning as a soft boundary for considering included composites. As previously discussed, the 8 individual domain solids were required to be sub-divided into 15 interpolation pass sub-domains to accommodate minor orientation adjustments to the azimuth and dip of ellipsoids. The minimum number of contributing assay composites used to estimate a valid block grade for all domains was set at 3 and the maximum number of contributing composites was set at 9, with no more than 3 contributing assay composites allowed from a single drill hole. Block discretization was set a 1Y x 2X x 2Z. Block volume identified as occurring within the underground workings solid model was removed from the resource estimate after grade interpolation was completed. Interpolated silver, lead, and zinc block grades were used to calculate silver equivalency block values by means of the silver equivalency calculator discussed in Section 13.3.3.

13.13 Bulk Density

Density determinations were performed systematically by Apogee staff using the Archimedes method on selected core samples. Results were compiled with corresponding lithologies in a digital spreadsheet and a total of 29,344 analyses were available for use in the current resource estimate. Mercator imported these results into the Surpac resource database and normalized data by developing 1 meter down hole composites over the drill hole intervals that corresponded to the peripheral domain used in the previous resource prepared for Apogee. Descriptive statistics for the 21,331 specific gravity composites within the model constraint are presented in Table

13.5 (sulphide zone) and Table 13.6 (oxide zone). Corresponding distribution histograms and cumulative frequency plots for the volumetrically dominant sulphide zone are presented in Figure 13.12.

Table 13.5:Density Statistics for 1 m Composites in Peripheral Domain Sulphide Zone

Parameter	Specific Gravity
Mean	2.35 g/cm^3
Maximum	6.20 g/cm^3
Minimum	1.02 g/cm^3
Variance	0.10
Standard Deviation	0.32
Coefficient of Variation	0.13
Number of Composites	18,200

Table 13.6: Density Statistics for 1 m Composites in Peripheral Domain Oxide Zone

Parameter	Specific Gravity
Mean	2.16 g/cm^3
Maximum	5.54 g/cm^3
Minimum	1.00 g/cm^3
Variance	0.07
Standard Deviation	0.27
Coefficient of Variation	0.13
Number of Composites	3131

Mercator considers variation in model bulk densities to be primarily dependent on variation of contained sulphide levels in core samples. Sulphide content is also closely related to overall metal grades. Assignment of the average specific gravities of 2.35 g/cm^3 and 2.16 g/cm^3 for the sulphide and oxide zone, respectively, across the entire deposit was not considered appropriate, due to recognized density inhomogeneities. Density values were therefore interpolated into block model space using ID^2 methodology.

The density values constrained within the silver domain boundaries were composited and descriptive statistics for the 1,560 specific gravity contained composites are presented in Table 13.6. Extremely low density values in the database were flagged and plotted on the drill hole traces along with geology and drill hole assay grades to assess their validity. Values less than 1.50 g/cm^3 were found to most commonly occur in samples from drill hole PUD005. Core from this hole is characterised by competent lithologies that would be expected to have density values more closely approximating the dataset mean. This issue was further assessed by comparing PUD005 density values for core intervals for similar metal grades in similar rocks in adjacent drill holes. These intervals showed values close to or greater than the mean dataset value and it was concluded that results for PUD005 were erroneous where no logged physical core attribute

could explain the low value present. These suspect results were excluded from the density interpolation process for the resource block model. Descriptive statistics for the remaining 1,532 specific gravity composites are presented in Table 13.7. Density value ID^2 interpolation was performed using the silver domain density composites with flagged erroneous results removed.

Table 13.7: **Density Statistics for 1.0 m Composites in the Silver Domain**

Parameter	All Composites	Erroneous Results Removed
Mean	2.61 g/cm3	2.61 g/cm3
Maximum	5.42 g/cm3	5.42 g/cm3
Minimum	1.02 g/cm3	1.18 g/cm3
Variance	0.21	0.2
Standard Deviation	0.46	0.44
Coefficient of Variation	0.18	0.17
Number of Composites	1,560	1,532

13.14 Resource Category Definitions

Definitions of mineral resource and associated mineral resource categories used in this report are those recognized under National Instrument 43-101 (NI 43-101) and set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards On Mineral Resources and Reserves *Definitions and Guidelines* (the CIM Standards).

13.15 Resource Category Parameters Used in Current Estimate

Mineral resources defined in the current estimate have been assigned to Inferred and Indicated resource categories that reflect increasing levels of confidence with respect to spatial configuration of resources and corresponding grade assignment within the deposit. Several factors were considered in defining resource category assignments, including drill hole spacing, geological interpretations and number and range of informing composites. Additional specific definition parameters for each resource category applied in the current estimate are set out below and Figures 13.10 through 13.12 illustrate spatial distribution of these categories.

Measured Resource: There are no interpolated resource blocks with the certainty of definition suitable for classification in this category present in the current estimate.

Indicated Resources: All interpolated blocks with at least 7 contributing assay composites with a maximum average distance of 70 m to a block centroid and the nearest contributing composite at 60 m or less from a block centroid are categorized as Indicated mineral resources.

Inferred Resources: All interpolated blocks occurring within the silver domain solid that that do not meet Indicated resource category requirements.

Figure 13.10: Isometric view to NW of all mineral resource categories (Red denotes Indicated resources and blue denotes Inferred resources)

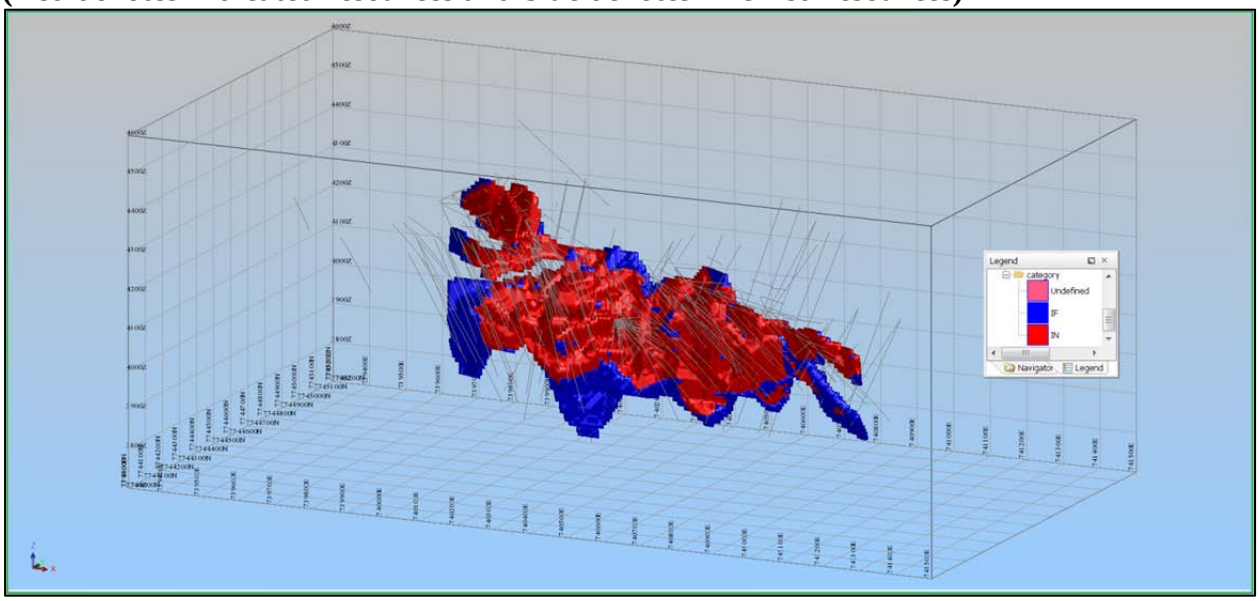


Figure 13.11: Isometric view to NW of the Indicated mineral resource

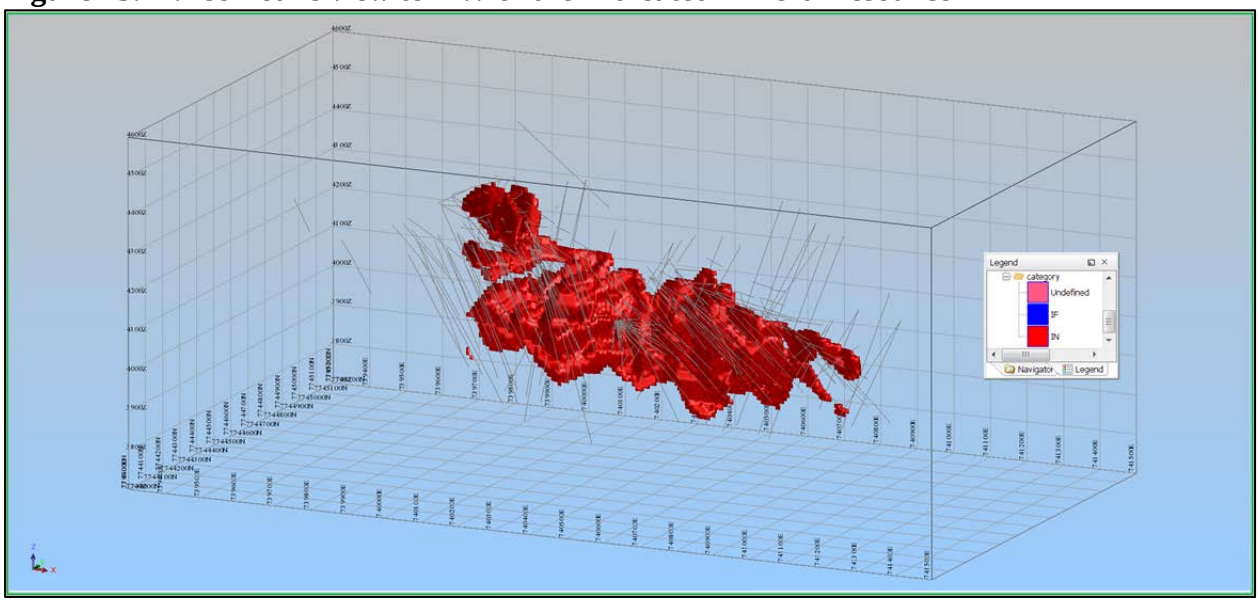
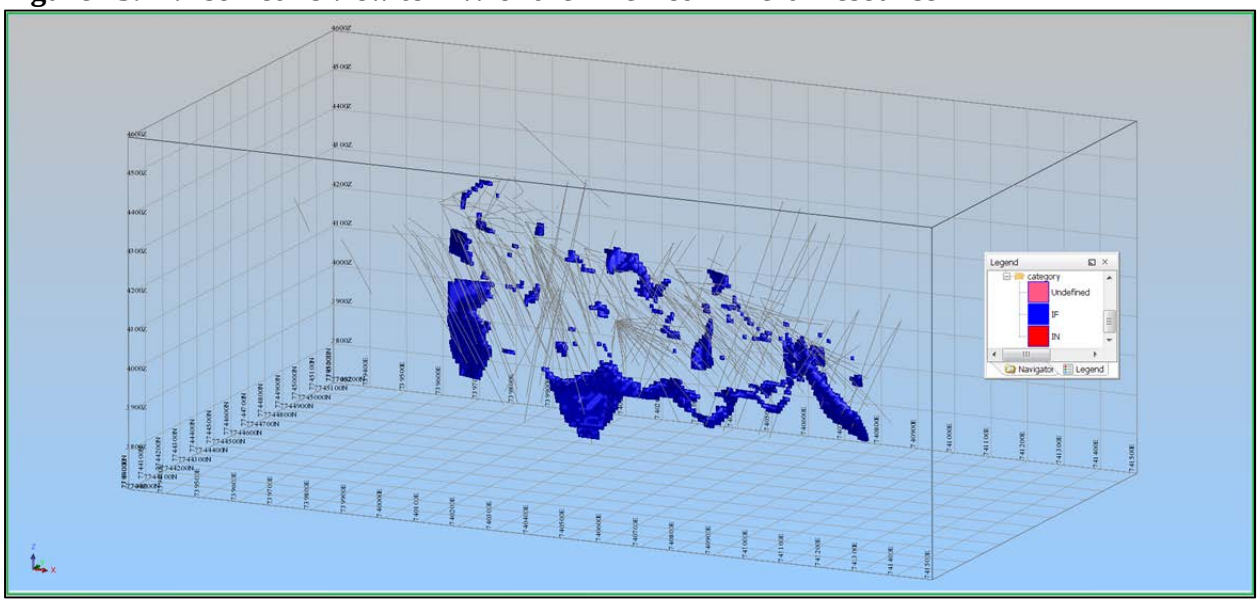


Figure 13.12: Isometric view to NW of the Inferred mineral resource



13.16 Statement of Mineral Resource Estimate

Block grade, block density and block volume parameters for the Pulacayo deposit were estimated using methods described in preceding sections of this report. Subsequent application of resource category parameters resulted in the mineral resource estimate statement presented below in Table 13.8. Results are in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: *Definitions and Guidelines* (the CIM Standards) as well as disclosure requirements of National Instrument 43-101.

Resources having a reasonable expectation of economic development by means of conventional underground extraction methods were estimated at a silver equivalent cut-off value of 500 g/t. The relationship between deposit silver equivalent grade and tonnage at various cut-off values is presented in Figure 13.13.

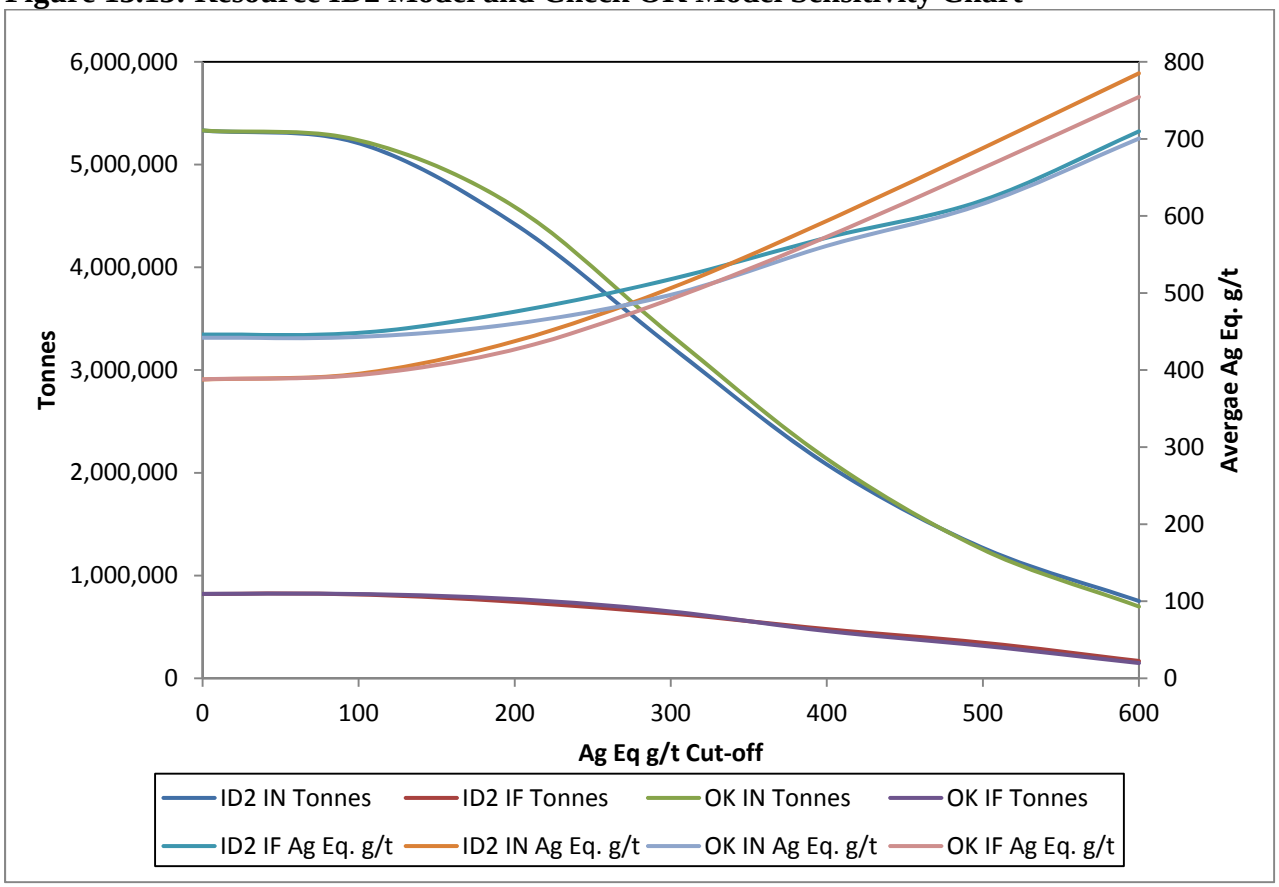
Table 13.8: Pulacayo Deposit Mineral Resource – Effective June 16th, 2015

Ag Eq. Cut-Off (g/t)	Category	Tonnes**	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq. (g/t)
400	Indicated	2,080,000	455	2.18	3.19	594
	Inferred	480,000	406	2.08	3.93	572
500*	**Indicated**	**1,270,000**	**530**	**2.51**	**3.63**	**688**
	Inferred	**350,000**	**419**	**2.47**	**4.58**	**620**
600	Indicated	750,000	608	2.91	4.02	785
	Inferred	170,000	394	3.49	6.75	710

Notes:

1. *Mineral resources are estimated in conformance the CIM Standards referenced in NI 43-101.*
2. *Raw silver assays were capped at 1,700 g/t, raw lead assays were capped at 15% and raw zinc assays were capped at 15%.*
3. *Silver equivalent Ag Eg. (g/t) = Ag (g/t)*89.2% + (Pb% *(US$0.94/ lb. Pb /14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*91.9%) + (Zn% *(US$1.00/lb. Zn/14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*82.9%).*
   Metal prices used in the silver equivalent calculation are US$16.50/Troy oz. Ag, US$0.94/lb Pb and US$1.00/lb Zn. Metal recoveries 89.2% Ag. 91.9% Pb. 82.9% Zn. used in the silver equivalent equation reflect historic metallurgical results disclosed previously by Apogee Silver Ltd.
4. *Metal grades were interpolated within wireframed, three dimensional silver domain solids using Geovia-Surpac Ver. 6.6.1 software and inverse distance squared interpolation methods. Block size is 10m(X) by 10m(Z) by 2m(Y). Historic mine void space was removed from the model prior to reporting of resources.*
5. *Block density factors reflect three dimensional modeling of drill core density determinations.*
6. *Mineral resources are considered to have reasonable expectation for economic development using underground mining methods based on the deposit history, resource amount and metal grades, current metal pricing and comparison to broadly comparable deposits elsewhere.*
7. *Rounding of figures may result in apparent differences between tonnes, grade and contained ounces.*
8. *Mineral resources that are not mineral reserves do not have demonstrated economic viability.*
9. **Mineral resource statement cut-off value; resource statement values are presented in bolded form*
10. ***Tonnes are rounded to nearest 10,000*

Figure 13.13: Resource ID2 Model and Check OK Model Sensitivity Chart



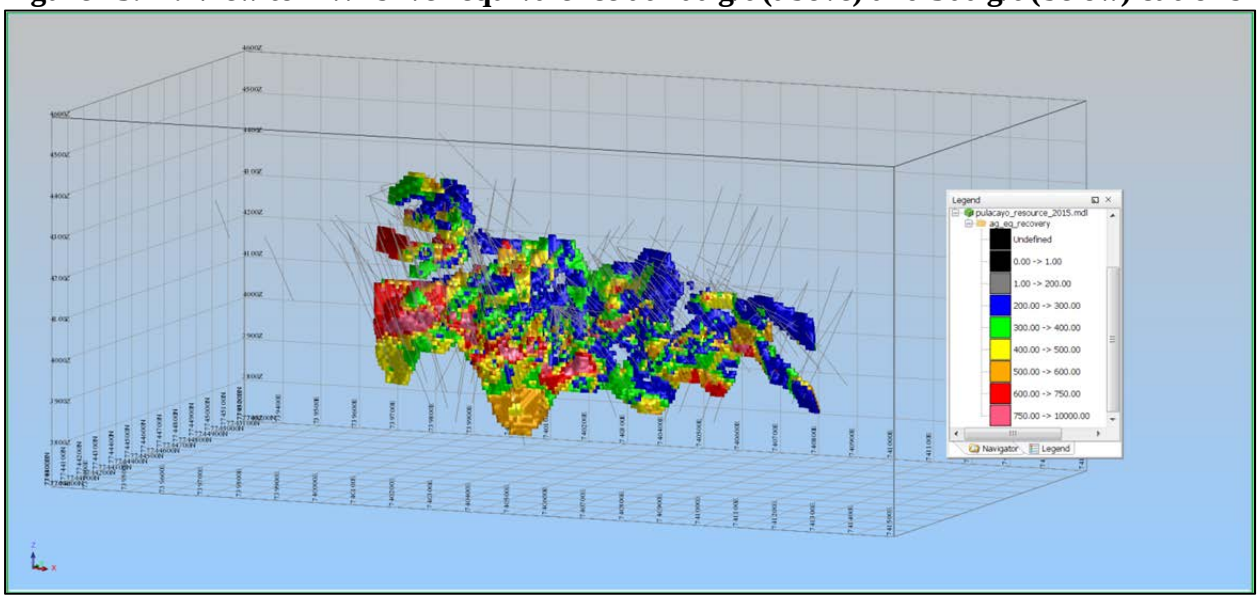
Explanatory Note

ID2 = inverse distance squared interpolation method; OK = ordinary kriging interpolation; IF = inferred resource; IN = indicated resource; Ag Eq.= silver equivalent

13.17 Model Validation

Results of block modeling were reviewed in three dimensions and compared on a section by section basis with corresponding manually interpreted sections prepared prior to model development. This showed block model grade patterns within the sulphide zone to generally conform to a near-vertical east-west striking deposit system with a moderate westerly grade plunge (Figure 13.14 and Figure 13.15). This is consistent with the recognized east-west normal fault controlled systems of the Pulacayo dome complex, locally represented as stockwork, narrow vein and associated disseminations in the overlying volcanic rocks and high grade vein style mineralization of intruded sedimentary rocks. Overall, results of the visual inspection of both individual metals and silver equivalency show an acceptable degree of consistency between the block model and the independently derived interpretations of the deposit.

Figure 13.14: View to NW- silver equivalence at 200 g/t (above) and 300 g/t (below) cut-offs



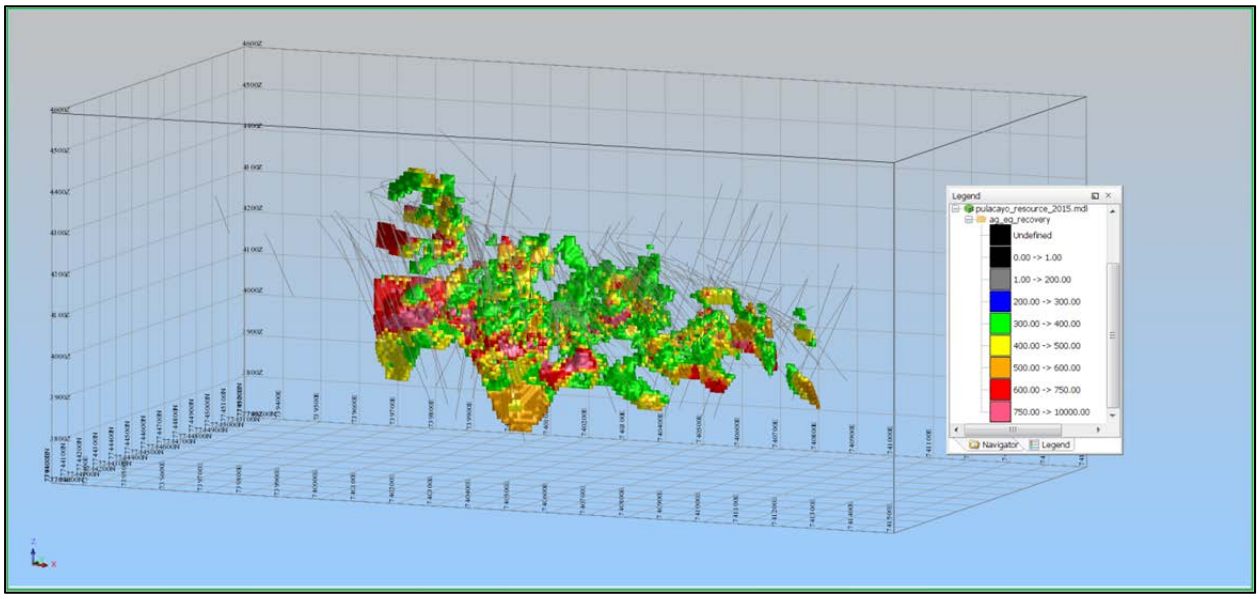


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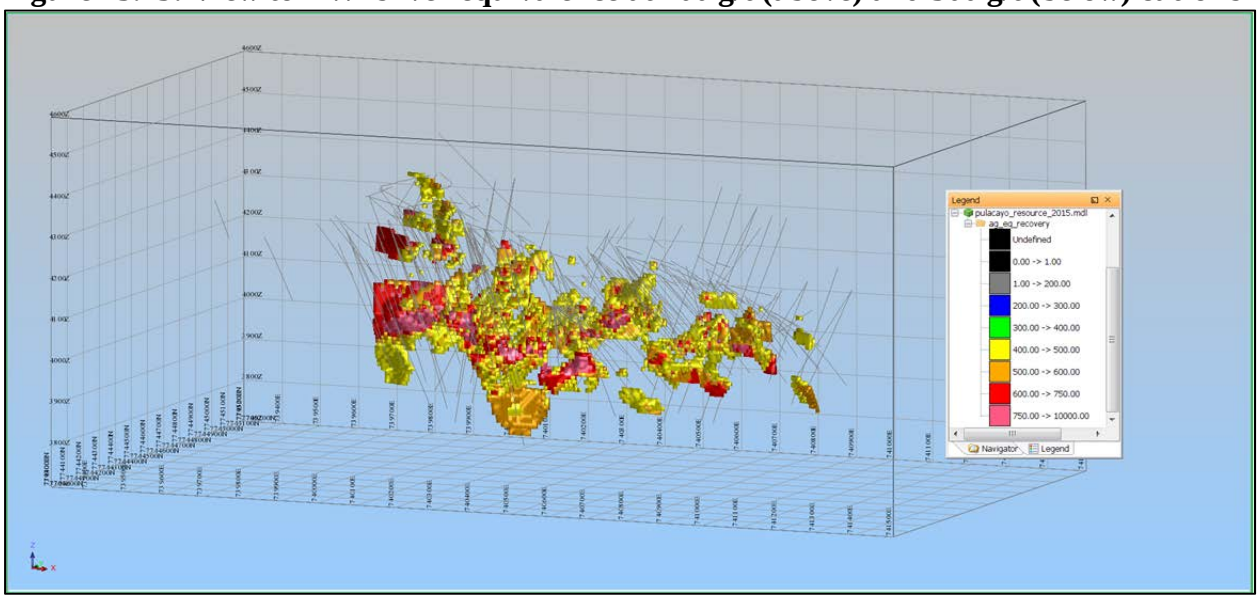
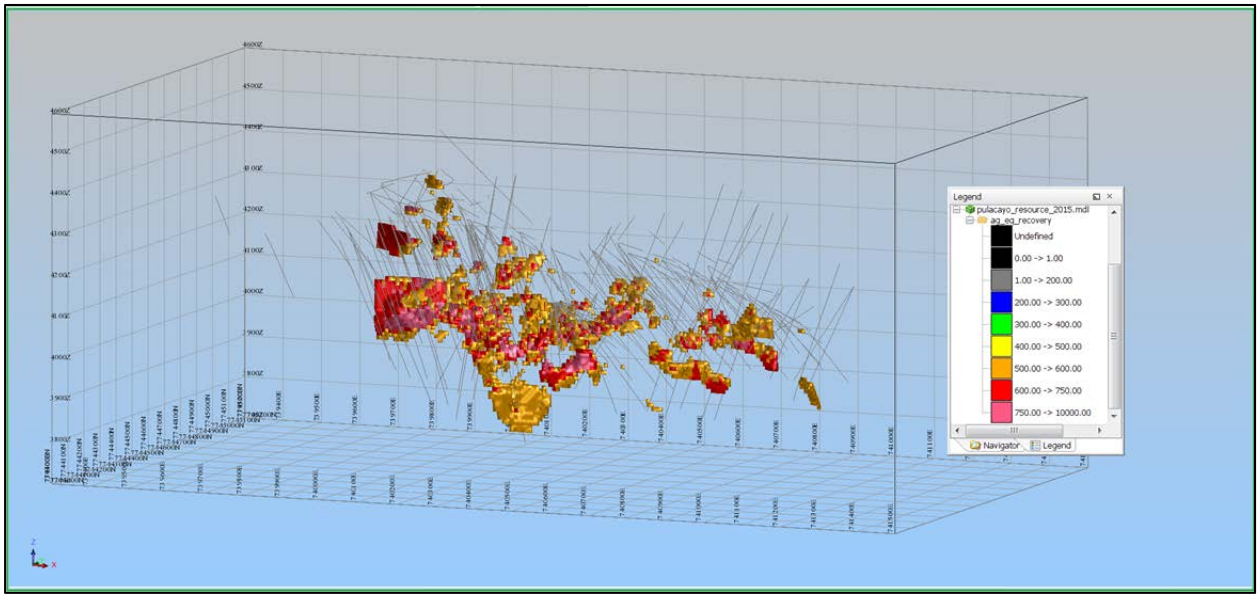
Figure 13.15: View to NW- silver equivalence at 400 g/t (above) and 500 g/t (below) cut-offs





Descriptive statistics were calculated for the drill hole composite values used in block model grade interpolations and these were compared to values calculated for the individual blocks in the block model (Table 13.9). The mean drill hole composite grades were found to compare acceptably with corresponding grades of the block model, thereby providing a general check on the model with respect to the underlying assay composite population.

Table 13.9: Comparison of Drill Hole Composite Grades and Block Model Grades

	Domain Composites			Domain Blocks		
Parameter	Ag g/t	Pb %	Zn %	Ag g/t	Pb %	Zn %
Mean Grade	283.20	1.43	2.19	284.50	1.44	2.17
Minimum Grade	0.50	0.00	0.00	0.00	0.00	0.00
Maximum Grade	1700.00	15.00	15.00	1630.64	12.33	13.14
Variance	133561.63	5.14	7.19	27,167	1.99	3.63
Standard Deviation	365.46	2.27	2.68	164.82	1.41	1.91
Coefficient of Variation	1.29	1.58	1.22	0.58	0.98	0.87
Count	1798	1798	1798	31670	31670	31670

The ID^2 resource model for the Pulacayo deposit was checked using Ordinary Kriging (OK) interpolation methodology (see previous Figure 13.13). Search ellipse and other parameters were the same as those used in the ID^2 model where applicable. Results of the OK modeling showed that average grades and tonnage closely match those of the preferred ID^2 model. Results of the two methods are considered sufficiently consistent to provide an acceptable check on the ID^2 methodology. Nugget and sill values were determined from the variogram analysis presented earlier and appear in Table 13.10.

Table 13.10: Additional Resource Parameters for Ordinary Kriging Check Model

Item	Ag	Pb	Zn
Nugget (C0)	0.65	0.65	0.65
Sill (C1)	0.86	0.86	0.86

A further check on the resource block model was carried out through construction of silver grade, resource tonnage and assay composite swath plots for continuous X axis and Z axis coordinated sections. Figure 13.16 presents the X swath plot results (100m swaths) showing the distribution of tonnes and average silver grade along strike of the deposit. Figure 13.17 presents Z swath plot results (100m swaths) showing the distribution of tonnes and average silver grade along dip of the deposit. Results show similar grade distribution trends between the average block grade and assay composite grade.

Figure 13.16: X Axis swath plot for combined resources

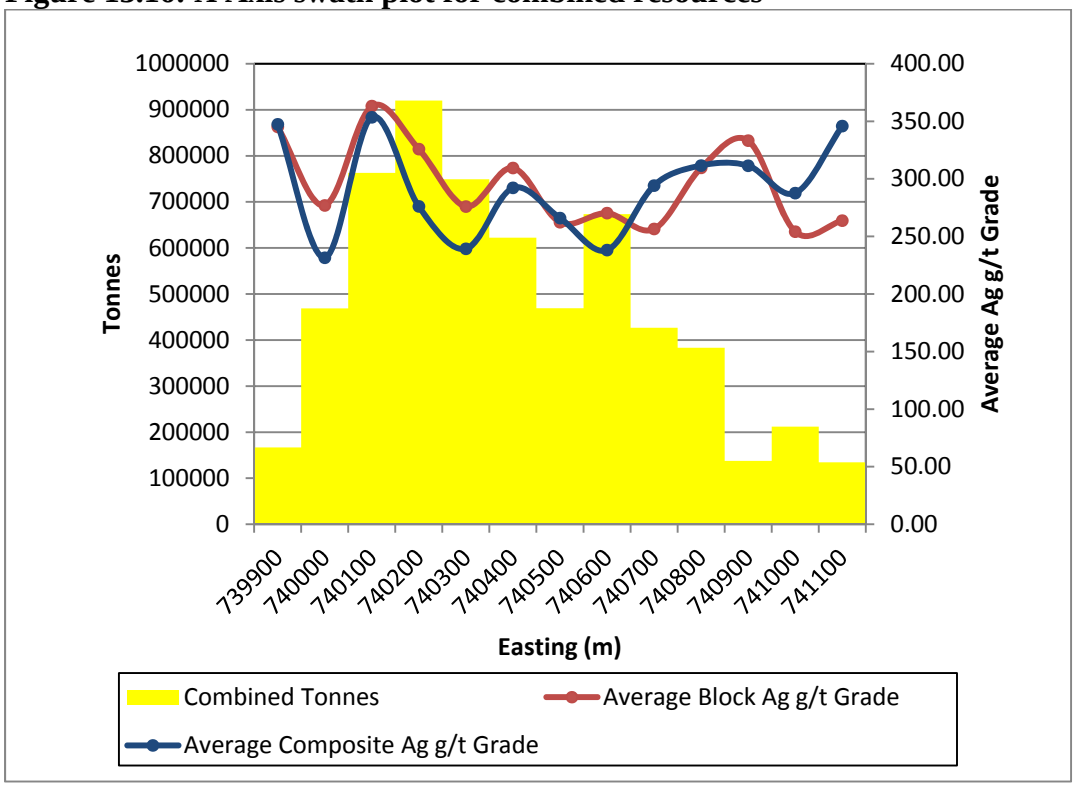
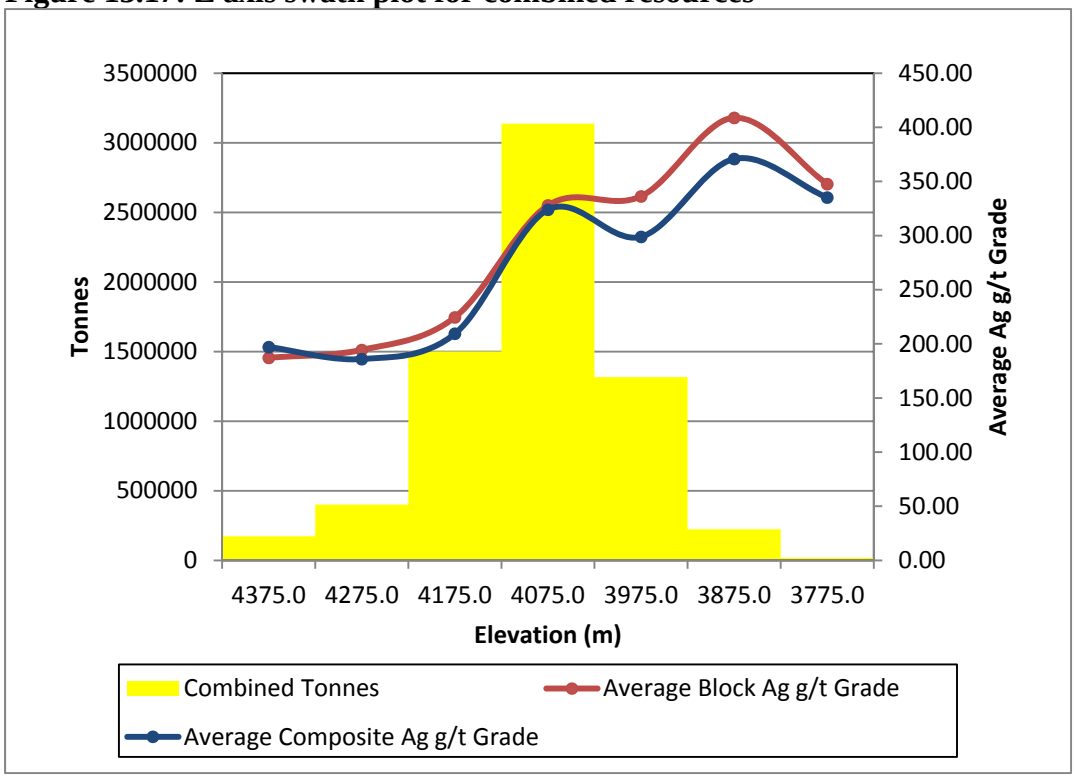


Figure 13.17: Z axis swath plot for combined resources



13.18 Comment on Previous Resource Estimates

Mercator reviewed each of the previous resource estimates and has concluded that these provide valuable assessments of the Pulacayo deposit as defined by drilling results available at the time of reporting and respective modelling premises applied. The current resource is based on geological and mineralization attributes of the silver distribution model solids rather than solids based on combined NSR domain modeling of contributing metals, as in the 2011 Apogee resource estimate, or individual interpolation solids as applied in the 2012 Apogee resource estimate. The previously applied methodologies provided an evolving assessment of grade distribution of the TVS and associated secondary structures and usefully assessed metal distribution at moderate to low cutoff values. In contrast, the current resource methodology is specifically aimed at optimizing access to high grade silver mineralization and minimizing potential dilution of metals with adjacent lower grade tonnes. For these reasons, results of the current resource estimate differ substantially from earlier estimates by having significantly higher metal grades, thinner mineralized zone solids and significantly lower resource tonnage. Additionally, the $US16.50/oz silver price used in the silver equivalence calculator for the current estimate is substantially lower than silver pricing used in the 2013 TWP feasibility study and in the 2011 and 2012 Apogee resource estimates. All models are considered valid assessments of the Pulacayo deposit at their respective effective dates, but each reflects different economic and modelling assumptions and modelling approaches. Notably, the current resource estimate also does not include lower grade mineral resources that could have potential for economic development using open pit mining methods.

14 Mineral Reserve Estimates

No mineral reserves have been defined for the Pulacayo project to date for Prophecy. Reserves defined in the 2013 TWP feasibility study for Apogee are historic in nature and should not be relied upon. Prophecy is not currently relying upon results of that study.

15 Mining Methods

Detailed mining methods studies have not been completed to date for Prophecy. For resource estimation purposes, Mercator has assumed that conventional underground mining methods such as shrinkage stoping, long hole open stoping with fill or cut and fill would be considered for any future mining of the deposit.

16 Recovery Methods

Detailed recovery studies have not been completed to date for Prophecy.

17 Project Infrastructure

Project infrastructure assessments are being undertaken by Prophecy to support evaluation of potential future development models for the Pulacayo deposit. These were on-going at the effective date of this report and results have not been disclosed.

18 Market Studies and Contracts

Prophecy has not disclosed results of any market studies or studies related to possible sale of future concentrates from future mining and milling operations at the Pulacayo site.

19 Environmental Studies, Permitting and Social or Community Impact

The Pulacayo site received environmental permits necessary for underground mine production, on-site milling and disposal of tailings during the period of Apogee ownership. These reflect substantial studies carried out on behalf of Apogee by various consulting firms. As noted earlier in Section 3.4, Prophecy advised Mercator that all permits and authorizations necessary to support underground mining and milling at up to 560 tonnes per day at the Pulacayo site were in good standing at the effective date of this report, and that these were applicable to Prophecy interests. Mercator has relied upon Prophecy with respect to these issues and has not independently investigated or reviewed associated documentation.

20 Capital and Operating Costs

Prophecy has not disclosed results of any capital or operating cost studies related to possible future mining and milling operations at the Pulacayo site. Costs presented in the 2013 TWP feasibility study for Apogee are considered to be historic in nature and should not be relied upon. Prophecy is not currently relying upon results of that study.

21 Economic Analysis

Prophecy has not disclosed results of any economic analyses it or another party has carried out with respect to possible future mining and milling operations at the Pulacayo site. Analysis and modelling presented in the 2013 TWP feasibility study for Apogee are considered to be historic in nature and should not be relied upon. Prophecy is not currently relying upon results of that study.

22 Adjacent Properties

There are no immediately adjacent properties as defined under NI43-101 that are pertinent to the Pulacayo mineral resource estimate described in this report. However, three currently producing silver mines are located within 150 km of the Pulacayo site and all exploit silver-base metal mineralization associated with volcanic complexes of similar age to that present at Pulacayo. The producing mines include San Cristobal, owned by Sumitomo Corp. and located approximately 100 km southwest of Pulacayo, San Vincente, owned by Pan American Silver Corp. and located approximately 150 km southeast of Pulacayo and San Bartolome, owned by Coeur d'Alene Mines Corp. and located at Potosi, approximately 150 km northeast of Pulacayo.These mines are primarily silver producers that also produce significant amounts of lead and zinc in concentrates. All exploit deposits associated with epithermal volcanic systems similar to Pulacayo.

Minera San Cristobal S.A. reported San Cristobal proven and probable reserves in 2010 to be 285,303,000 tonnes grading 53.0 g/t silver, 1.41% zinc and 0.48% lead. Approximately 40,000 tonnes of ore is produced for processing each day using open pit mining methods (Minera San Cristobal website: www.sancristobal.com – July 24, 2015).

Pan America Silver Ltd. reported San Vincente proven and probable reserves at December 31st, 2014 to be 2.6 million tonnes grading 451g/t silver, 2.86% zinc and 0.42% lead Approximately 750 tonnes of ore is processed each day (Pan American Silver: www.panamericansilver .com – July 24, 2015).

Coeur d'Alene Mines Corp. reported San Bartolomé proven and probable reserves at December 31st, 2014 to be 14.5 million tons (13,2 million tonnes) grading 2.73 oz/ton (98.8 g/tonne). Approximately 6000 tons of ore is processed each day (www.coeur.com – July 24, 2015).

Prophecy has identified the above operations based upon their location and broad similarities to Pulacayo with respect to their geological setting and mineralization styles. It is not proposing that the Pulacayo project is directly comparable in development or exploration potential to any of these operating mines or their associated exploration holdings.

23 Other Relevant Data and Information

There is no additional information or explanation considered necessary for this report.

24 Interpretation and Conclusions

Mercator was retained by Prophecy in March of 2015 to complete a new mineral resource estimate for the Pulacayo silver-zinc-lead deposit that is focused specifically on high grade silver mineralization. It was determined through discussions with Prophecy management that mineralization meeting or exceeding a silver equivalent cutoff value of 500 g/t would form the basis of the resource estimation project. This reflects Prophecy's intention to assess the deposit's potential to support a future high grade underground mining operation and proposed milling rate of 500 tonnes per day or less.

The Pulacayo deposit is interpreted as a low sulphidation epithermal deposit that hosts both precious and base metal mineralization within Silurian sediments of the Quenhua Formation and intruding Miocene andesitic volcanic rocks of the Rotchild and Megacrystal units. Mineralization comprising the deposit occurs primarily within a discrete corridor designated the Tajo Vein System or TVS. The TVS has been historically defined along a strike length of approximately 2.7 km and to a vertical depth from surface of about 1 km. However, the mineral resource estimate presented in this report covers only about 1.5 km of known TVS strike length and only about 660 m of depth extent below surface.

The new mineral resource estimate prepared for the Pulacayo deposit by Mercator is tabulated below in Table 24.1and has an effective date of June 16th, 2015. It supersedes all previous resource estimates for the deposit and, as noted above, reflects focus on definition of high grade silver mineralization considered by Prophecy to have reasonable expectation for economic development using underground mining methods based on the deposit history, resource amount and metal grades, current metal pricing and comparison to broadly comparable deposits elsewhere.

Table 24.1: Pulacayo deposit mineral resource statement – Effective June 16th, 2015

Ag Eq. Cut-Off (g/t)	Category	Tonnes**	Ag (g/t)	Pb (%)	Zn (%)	Ag Eq. (g/t)
400	Indicated	2,080,000	455	2.18	3.19	594
	Inferred	480,000	406	2.08	3.93	572
500*	**Indicated**	**1,270,000**	**530**	**2.51**	**3.63**	**688**
	Inferred	**350,000**	**419**	**2.47**	**4.58**	**620**
600	Indicated	750,000	608	2.91	4.02	785
	Inferred	170,000	394	3.49	6.75	710

Notes:

1. *Mineral resources are estimated in conformance the CIM Standards referenced in NI 43-101.*
2. *Raw silver assays were capped at 1,700 g/t, raw lead assays were capped at 15% and raw zinc assays were capped at 15%.*
3. *Silver equivalent Ag Eg. (g/t) = Ag (g/t)*89.2% + (Pb% *(US$0.94/ lb. Pb /14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*91.9%) + (Zn% *(US$1.00/lb. Zn/14.583 Troy oz./lb./US$16.50 per Troy oz. Ag)*10,000*82.9%).*
   Metal prices used in the silver equivalent calculation are US$16.50/Troy oz. Ag, US$0.94/lb Pb and US$1.00/lb. Zn. Metal recoveries used in the silver equivalent reflect historic metallurgical results disclosed by Apogee Silver Ltd.

4. *Metal grades were interpolated within wireframed, three dimensional silver domain solids using Geovia-Surpac Ver. 6.6.1 software and inverse distance squared interpolation methods. Block size is 10m(X) by 10m(Z) by 2m(Y). Historic mine void space was removed from the model prior to reporting of resources.*
5. *Block density factors reflect three dimensional modeling of drill core density determinations.*
6. *Mineral resources are considered to have reasonable expectation for economic development using underground mining methods based on the deposit history, resource amount and metal grades, current metal pricing and comparison to broadly comparable deposits elsewhere.*
7. *Rounding of figures may result in apparent differences between tonnes, grade and contained ounces.*
8. *Mineral resources that are not mineral reserves do not have demonstrated economic viability.*
9. **Mineral resource statement cut-off value; resource statement values are presented in bolded form.*
10. ***Tonnes are rounded to nearest 10,000.*

The Pulacayo deposit remains open at both the east and west strike limits of the current Mercator resource model and also down dip within the TVS trend. Historic mining occurred to a depth of at least 600 meters below the current resource's depth limit. Mercator has concluded that good opportunities exist to extend mineral resources both along strike and to depth within the deposit and that completion of such work is warranted. This would require design and execution of step out diamond drilling programs to test both strike and dip directions. Drill holes should be targeted to test plunge extensions of the west-plunging high grade mineralization trends that characterize the new Mercator resource block model. These plunging grade trends are also clearly recognized in historic Pulacayo technical records.

Prophecy intends to move assessment of the Pulacayo project forward in a systematic and timely manner and Mercator understands that this potentially includes use of the new resource block model as a basis for definition of future mining reserves. With this in mind, Mercator has concluded that Prophecy should carry out sectional, closely spaced, underground core drilling assessments of several representative areas having potential for reserve definition. Completion of such programs will allow direct comparison between block model results and corresponding drilling definition of associated mineralized structures. Similar comparison of block model results to historic underground sampling results is also warranted and this will require addition of historic underground sampling data in areas of specific interest for block model comparisons.

The current digital mine model developed by Mercator is complete only to the bottom of the current Mercator resource model. Extensive historic workings are present below the Mercator resource model's deepest level and Mercator is of the opinion that these deep workings should be digitized and amalgamated with the current workings model. Ideally, all historic underground sampling results should be also be digitized and incorporated into the mine model. While this historic data would typically not be used in a new NI 43-101 resource estimate, analysis of grade trends for all metals of interest would be invaluable to designing future drilling programs that target plunging, high grade metal trends within the TVS. Expansion of the mine workings digital model will also be necessary to support any extension of resources in the dip direction, since workings void space must be removed when resources are reported.

In addition to preparation of the new minerals resource estimate, Mercator reviewed results of a tailings/waste rock sampling carried out by Prophecy on the Pulacayo property late in 2014. The purpose of this program was to determine whether the various deposits tested had potential for definition of mineral resources that would add to the project's total resource inventory. On the basis of this review, Mercator has determined that good potential exists at several of the tailings/waste rock sites for future definition of mineral resources of economic interest. The largest deposits are of greatest interest and occur immediately surrounding the site of the large, historic Pulacayo milling facility that operated until cessation of mining in 1959. Sampling of these deposits by Prophecy has been restricted to surface sites and the current database of analytical information is insufficient to support resource estimation programs. Mercator has concluded that the level of spatial and analytical data necessary to support preparation of mineral resource estimates in accordance with NI43-101 and the CIM Standards can only be attained through completion of sufficiently systematic and comprehensive drilling and sampling programs. It has also concluded that such drilling and sampling programs are warranted at this time and that subsequent definition of associated mineral resources could materially affect any financial analysis carried out by Prophecy with respect to a possible future mining project at Pulacayo.

Prophecy has disclosed that a modest program of surface mapping, grid geophysics and limited core drilling was initiated in July of 2015, focused on the Pulacayo and Paca areas. The purpose of this work is to identify areas that have potential for definition of new mineralized zones and, possibly, future mineral resources. Mercator reviewed details of the planned program at the time of the June, 2015 site visit and has concluded that it is sound in both design and intent.

Finally, Mercator recognizes that a component of risk exists for all mining projects in Bolivia due to potential for on-going changes in government regulatory frameworks. With respect to the new Mining and Metallurgy Law, Mercator understands from Prophecy that the primary Pulacayo contract is a special case, being a Lease Agreement executed between COMIBOL and the Pulacayo Cooperative, and that the terms and conditions of this type of contract will be maintained ,as defined in the Mining and Metallurgy Law. The percentages for COMIBOL and the Pulacayo Cooperative (a 4% NSR in total) are defined and established on an amendment to the Lease Agreement, and this amendment is part of the primary contract. Furthermore, the current Joint Venture Agreement was executed between ACS Bolivia LDC and the Pulacayo Cooperative. COMIBOL, as administrator of the mine, is only entitled to receive a percentage of the NSR (2.5% NSR) and COMIBOL is not a party to the Joint Venture Agreement. As explained in Section 3, the rights of the Mining Cooperatives will be respected and maintained without changes under the Mining and Metallurgy Law. The Lease Agreement is a pre-established right of the Pulacayo Cooperative.

Other risk factors that can impact the Pulacayo project include, but are not limited to, those associated with fluctuating metal markets, inability to carry out future mining operations as planned due to unforeseen mining conditions, uncertainty of mineral resource and future mineral reserve estimates and capital and operating cost estimates, and inability to obtain necessary project financing.

25 Recommendations and Proposed Budget

25.1 Introduction

Mercator has prepared Pulacayo project recommendations with respect to advancement of financial and technical assessments of the Pulacayo deposit and further exploration of new resource definition opportunities that are present on the property. As stated previously, the historic feasibility study by TWP for Apogee is based on an earlier mineral resource estimate that has been superseded by the current estimate. The TWP study is no longer considered valid for the project and Prophecy is not currently relying upon results of that study.

Recommendations presented below address expansion of existing high grade TVS mineral resources, completion of mine planning studies leading to delineation and reporting of mineral reserves for the project, and completion of metallurgical studies on high grade sulphide mineralization that defines the current mineral resource estimate. Results of such programs, in combination with those of project financial analysis, can be used as the basis of a new Preliminary Economic Assessment (PEA) study. Results of such work would inform Prophecy with respect to the requirement for Pre-feasibility or Feasibility level studies that are necessary to define mineral reserves in accordance with NI43-101 and the CIM Standards.

25.2 Recommendations

Mercator is of the opinion that further technical and financial assessment of a high grade development scenario for the Pulacayo deposit is warranted and that both resource extension and new resource definition opportunities defined to date on the property should be pursued. Recommendations arising from the current mineral resource estimation program and associated project review carried out by Mercator are as follows:

(1) Mine planning, geological and engineering studies to support future definition of mineral reserves should be completed, based on the new resource block model developed by Mercator.

(2) Metallurgical studies focused on high grade sulphide mineralization within the current mineral resource model should be completed. Results of such studies will provide necessary inputs for future definition of mineral reserves. If underground bulk sampling is required to support metallurgical work, a program of closely spaced underground diamond drilling is recommended in any area selected for such sampling. A nominal 500 m drilling allocation for such purpose is recommended.

(3) Historical mine workings are present to a substantial depth below the base of the current detailed digital workings model prepared by Mercator. These additional workings are defined in

hard copy historical mine records and should be digitally compiled and merged with the current digital workings model to support future work on the deposit. Historic assay results for underground sampling of mine workings have also not been digitized to date and it is recommended that this be carried out as time permits, beginning within the current resource area and progressing systematically through deeper mine levels.

(4) A Preliminary Economic Assessment based upon the current high grade Pulacayo resource estimate is recommended. Results would provide guidance regarding subsequent initiation of Pre-Feasibility or Feasibility level studies required to define mineral reserves in accordance with NI43-101 and the CIM Standards.

(5) The Pulacayo deposit remains open along strike in both directions and also down dip. Further core drilling to define resource extensions is warranted and should therefore be focused on extensions of high grade metal trends that are defined by the current block model. Target opportunities within approximately 200 vertical meters of surface should have highest priority. A drilling allocation of 2500 m is recommended for initial testing of highest priority resource extension areas.

(6) On-going resource definition work on the nearby Paca silver-zinc-lead deposit held by Prophecy should proceed to completion and drilling assessments of the main tailings/waste rock deposits sampled by Prophecy in 2014 should be completed to support future definition of mineral resources in accordance with NI 43-101 and the CIM Standards.

25.3 Proposed Budget

The $(US)1.76 million budget presented in Table 17.1 below is proposed to support the recommendations presented above.

Table `17.1: Proposed Budget

No.	Program Component	Estimated Cost ($US)
1	Mine planning, geological and engineering studies to support future definition of mineral reserves	200,000
2	Metallurgical studies to support future definition of mineral reserves – including core drilling and sample collection activities	200,000
3	Expansion of digital mine model and addition of historic assay data	50,000
4	Completion of a Preliminary Economic Assessment based on the current high grade Pulacayo resource estimate to determine future Pre-feasibility or Feasibility study requirements	200,000
5	Resource extension surface diamond drilling programs, analyses, support and reporting – 2,500 m	450,000
6	Completion of the Paca deposit NI 43-101 resource estimate and technical report plus drilling assessment of tailings/waste rock areas and completion of a NI 43-101 compliant mineral resource estimate and technical report for tailings/waste rock deposits (2000 m of shallow drilling, analyses and support is included for deposit assessment)	500,000
	Subtotal	1,600,000
	Contingency	160,000
	Total	**1,760,000**

26 Statements of Qualifications

CERTIFICATE of AUTHOR

I, Peter C. Webster, *P. Geo.* do hereby certify that:

I currently reside in Dartmouth, Nova Scotia and I am currently employed as President and Senior Manager with Mercator Geological Services Limited.

2. I graduated with a Bachelor of Science Degree in Geology from Dalhousie University in 1981. In addition, I obtained a Certificate in Environmental Management (C.E.M.) from the Technical University of Nova Scotia in 1996.

3. I am a registered member in good standing of the Association of Professional Geoscientists of Nova Scotia, registration number 047. I am a member in good standing of the Association of Professional Engineers and Geoscientists of Newfoundland and Labrador, member number 03337.

4. I have worked as a geologist in Canada and internationally for over 27 years since my graduation from university in 1981. I have a wide variety of commodity experience including, gold, VMS, base metals, nickel, and industrial minerals. I have completed numerous NI43-101 compliant Technical Reports and Resource Estimates.

5. I have relevant work experience and authored reports on similar epithermal gold deposits. I have worked in Mexico and evaluated similar style gold and silver mineralization and alteration.

6. I am a co-author of previous resource estimate technical reports covering the Pulacayo property by Mercator on behalf of Apogee Silver Inc., these having effective dates of October 19th, 2011 and September 28th, 2012, respectively. The first two were prepared by Mercator and the third was prepared by TWP.

7. 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

8. I am one of the qualified persons responsible for preparation of the technical report titled "Prophecy Development Corp., Pulacayo Silver-Zinc-Lead Deposit, Mineral Resource Estimate, Potosí District, Antonnio Quijarro Province, Bolivia, Effective Date: July 16th, 2015". I am responsible for report Sections 3 through 8, and 14 through 23 and have reviewed all report sections.

9. I visited the Pulacayo property between August 2, 2011 to August 10, 2011 at which time I visited the Pulacayo property and completed a review of Apogee

drill program components, including protocols for drill core logging, storage, handling, sampling and security, viewed mineralization and alteration, and carried out a drill core check sampling program, all of which are relevant to this report.

10. 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 those sections of the technical report not misleading.

11. I am independent of Prophecy Development Corp. applying all of the tests in Section 1.5 of National Instrument 43-101.

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

Dated this 31st Day of July, 2015

"Original signed and stamped by"

_____

Peter C. Webster, P. Geo.
President
Mercator Geological Services Limited

CERTIFICATE of AUTHOR

I, Michael P. Cullen, *P. Geo.* do hereby certify that:

I currently reside in Halifax, Nova Scotia, Canada and am employed as a Senior Geologist by Mercator Geological Services Limited.

1. I received a Master of Science (Geology) degree from Dalhousie University in 1984 and received a Bachelor of Science degree (Honours, Geology) in 1980 from Mount Allison University.

2. I am a registered member in good standing of the following professional associations: (1) Association of Professional Geoscientists of Nova Scotia, registration number 064, (2) Professional Engineers and Geologists of Newfoundland and Labrador, registration number 05058 and (3) Association of Professional Engineers and Geoscientists of New Brunswick, registration number L4333.

3. I have worked as a geologist in Canada and internationally since graduation from university.

4. I have relevant professional experience that includes exploration for similar style deposits and have co-authored numerous NI43-101 compliant Technical Reports and Resource Estimates. I have specific previous experience with respect to epithermal precious metal deposits in Canada, Mexico, Colombia and the United States.

5. I am a co-author of three previous resource estimate technical reports prepared for the Pulacayo property on behalf of Apogee Silver Inc., these having effective dates of October 19th, 2011, September 28th, 2012 and January 17th, 2013, respectively. The first two were prepared by Mercator and the third was prepared by TWP.

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 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.

7. I am one of the qualified persons responsible for preparation of the technical report tiitled "Prophecy Development Corp., Pulacayo Silver-Zinc-Lead Deposit Mineral Resource Estimate, Potosí District, Antonnio Quijarro Province, Bolivia, Effective Date: July 16th, 2015". I am responsible for report sections 1 and 2, 9 through 13 and 24 through 27, and have reviewed all report sections.

8. I visited the Pulacayo Property on April 26th through 28th, 2012 and completed a review of Apogee drill program components, including protocols for drill core logging, storage, handling, sampling and security, viewed mineralization and alteration, carried out discussions with Apogee staff and completed a drill core check sampling program for purposes of evaluation of oxide zone mineralization at Pulacayo. All of these activities were relevant to this report. I also visited the property during the June 3rd to June 6th period of 2015 at which time similar activities were completed with respect to the Paca deposit that occurs on the Pulacayo property held by Prophecy, and discussions were held regarding the current Pulacayo resource estimate and model.

9. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

10. I am independent of Prophecy Development Corp. applying all of the tests in section 1.5 of National Instrument 43-101.

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

Dated this 31st Day of July, 2015

"Original signed and stamped by"

_____

Michael P. Cullen, M. Sc., P. Geo.
Chief Geologist
Mercator Geological Services Limited

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Golden Minerals plc http://www.goldenminerals.com/

Pan American Silver http://www.panamericansilver.com/

Appendix 1

Drilling Related Documents

Note: Hole location coordinates, hole depths, and sample intervals contained in Appendix 1 are defined in meters

Table A1-1: Drill Hole Location, Depth, Orientation and Company Data

Hole Id	Northing	Easting	Elevation	Depth	Company	Type	Azimuth	Dip
PUD001	7744090.981	741230.297	4171.23	202.00	ASC	SURFACE	18	-45
PUD002	7744387.401	741034.673	4215.97	157.38	ASC	SURFACE	200	-45
PUD003	7744311.028	740713.817	4265.05	276.60	ASC	SURFACE	15	-45
PUD004	7744799.712	740486.038	4137.07	316.00	ASC	UNDERGROUND	198	-45
PUD005	7744671.332	740441.625	4137.07	189.00	ASC	UNDERGROUND	205	-45
PUD007	7744676.036	740142.091	4137.07	121.00	ASC	UNDERGROUND	180	-40
PUD009	7745141.010	739834.377	4437.02	341.00	ASC	SURFACE	45	-45
PUD010	7744735.275	740844.684	4316.97	406.87	ASC	SURFACE	210	-45
PUD011	7744605.828	740645.056	4351.79	200.00	ASC	SURFACE	198	-58
PUD013	7744720.858	739981.228	4398.14	148.20	ASC	SURFACE	200	-58
PUD014	7744528.040	739806.718	4311.01	215.65	ASC	SURFACE	40	-50
PUD015	7744562.395	739921.885	4385.03	238.00	ASC	SURFACE	20	-45
PUD016	7744605.681	739739.746	4284.45	202.00	ASC	SURFACE	18	-45
PUD017	7744569.952	739488.270	4332.20	140.00	ASC	SURFACE	360	-48
PUD018	7744682.915	740471.798	4297.32	171.90	ASC	SURFACE	180	-45
PUD019	7744671.344	740441.621	4136.86	118.55	ASC	UNDERGROUND	170	-12
PUD020	7744467.455	740309.142	4279.96	216.80	ASC	SURFACE	0	-55
PUD021	7744692.908	740309.627	4310.38	184.90	ASC	SURFACE	190	-60
PUD022	7744541.231	740132.984	4348.48	167.70	ASC	SURFACE	0	-45
PUD023	7744503.674	740307.627	4281.24	86.90	ASC	SURFACE	0	-58
PUD024	7744506.423	740284.208	4289.87	234.60	ASC	SURFACE	0	-56
PUD025	7744676.036	740142.091	4138.89	120.30	ASC	UNDERGROUND	190	40
PUD026	7744716.659	740142.091	4138.89	260.00	ASC	UNDERGROUND	146	-52
PUD027	7744716.659	740142.091	4138.89	293.85	ASC	UNDERGROUND	204	-53
PUD028	7744504.352	740285.678	4289.87	230.00	APE	SURFACE	0	-65
PUD029	7744542.179	740133.676	4348.54	180.00	APE	SURFACE	0	-45
PUD030	7744591.646	739791.223	4309.97	233.00	APE	SURFACE	20	-35
PUD031	7744559.806	740286.286	4293.18	181.00	APE	SURFACE	0	-55
PUD032	7744399.828	740547.015	4282.47	232.00	APE	SURFACE	0	-30
PUD033	7744522.180	739637.810	4255.70	250.00	APE	SURFACE	0	-40
PUD034	7744469.584	740094.563	4317.71	280.00	APE	SURFACE	0	-40
PUD035	7744480.806	740496.930	4286.09	230.00	APE	SURFACE	0	-40
PUD036	7744501.261	740180.561	4324.92	232.00	APE	SURFACE	0	-50
PUD037	7744492.740	740402.569	4258.88	180.00	APE	SURFACE	0	-40
PUD038	7744537.207	740349.953	4272.29	170.00	APE	SURFACE	0	-50
PUD039	7744477.591	739994.211	4347.39	270.00	APE	SURFACE	0	-40
PUD040	7744475.179	739854.176	4312.46	260.00	APE	SURFACE	0	-35
PUD041	7744538.004	739906.458	4364.86	220.00	APE	SURFACE	0	-50
PUD042	7744513.639	740044.474	4354.82	230.00	APE	SURFACE	0	-50
PUD043	7744379.761	740144.402	4298.97	408.00	APE	SURFACE	0	-51
PUD044	7744489.010	740225.532	4313.24	264.00	APE	SURFACE	12	-56
PUD045	7744435.697	740094.261	4305.65	315.00	APE	SURFACE	0	-53

PUD046	7744450.298	740199.890	4318.47	351.00	APE	SURFACE	0	-56
PUD047	7744489.010	740225.532	4313.24	187.00	APE	SURFACE	0	-27
PUD048	7744499.003	740020.461	4353.76	213.00	APE	SURFACE	0	-43
PUD049	7744450.298	740199.890	4318.47	309.00	APE	SURFACE	19	-58
PUD050	7744499.823	740020.005	4353.98	177.00	APE	SURFACE	0	-21
PUD051	7744425.502	740199.821	4322.98	399.18	APE	SURFACE	0	-57
PUD052	7744530.030	740074.973	4352.86	180.00	APE	SURFACE	0	-39
PUD053	7744554.444	740093.778	4360.97	144.00	APE	SURFACE	0	-40
PUD054	7744425.502	740199.821	4322.98	435.00	APE	SURFACE	0	-63
PUD055	7744470.203	740094.370	4317.71	219.00	APE	SURFACE	0	-32
PUD056	7744507.670	740283.936	4289.87	144.00	APE	SURFACE	5	-22
PUD057	7744425.502	740199.821	4322.98	411.00	APE	SURFACE	17	-60
PUD058	7744439.169	740590.324	4298.82	189.00	APE	SURFACE	0	-35
PUD059	7744439.169	740590.324	4298.82	192.00	APE	SURFACE	29	-49
PUD060	7744439.169	740590.324	4298.82	243.00	APE	SURFACE	29	-61
PUD060A	7744439.169	740590.324	4298.82	216.00	APE	SURFACE	29	-61
PUD061	7744425.502	740199.821	4322.98	366.00	APE	SURFACE	17	-54
PUD062	7744499.919	740544.852	4306.59	141.00	APE	SURFACE	0	-39
PUD063	7744378.687	740799.571	4270.38	251.00	APE	SURFACE	0	-58
PUD064	7744415.457	740046.111	4310.58	342.00	APE	SURFACE	0	-48
PUD065	7744415.457	740046.111	4310.58	396.00	APE	SURFACE	0	-53
PUD066	7744495.444	739997.546	4356.18	210.00	APE	SURFACE	0	-36
PUD067	7744494.850	739997.628	4356.22	294.00	APE	SURFACE	0	-55
PUD068	7744448.384	740045.964	4323.91	303.00	APE	SURFACE	0	-40
PUD069	7744436.122	740094.375	4305.80	348.00	APE	SURFACE	0	-50
PUD070	7744501.805	740021.037	4355.09	190.60	APE	SURFACE	0	-5
PUD071	7744451.757	740145.371	4311.79	310.00	APE	SURFACE	0	-49
PUD072	7744556.497	740094.845	4362.10	120.00	APE	SURFACE	0	-9
PUD073	7744543.411	740133.688	4349.12	144.90	APE	SURFACE	0	-20
PUD074	7744380.333	740144.457	4299.01	411.00	APE	SURFACE	0	-48
PUD075	7744563.756	739922.250	4384.96	174.00	APE	SURFACE	20	-26
PUD076	7744495.651	740175.206	4324.12	180.00	APE	SURFACE	0	-13
PUD077	7744367.041	740093.805	4279.14	438.00	APE	SURFACE	0	-47
PUD078	7744495.651	740175.206	4324.12	210.00	APE	SURFACE	0	-37
PUD079	7744490.423	740225.487	4313.16	240.00	APE	SURFACE	0	-44
PUD080	7744407.244	740313.615	4289.74	366.00	APE	SURFACE	354	-50
PUD081	7744448.384	740045.964	4323.91	313.00	APE	SURFACE	0	-49
PUD082	7744471.668	740348.428	4268.30	234.00	APE	SURFACE	0	-42
PUD083	7744487.053	740405.956	4136.58	214.00	APE	UNDERGROUND	333	-10
PUD084	7744407.244	740313.615	4289.74	327.00	APE	SURFACE	354	-45
PUD085	7744471.684	740347.803	4268.49	205.36	APE	SURFACE	352	-33
PUD086	7744503.392	740400.909	4260.33	167.00	APE	SURFACE	0	-14
PUD087	7744487.060	740405.962	4136.07	222.00	APE	UNDERGROUND	333	-22

PUD088	7744407.244	740313.615	4289.74	390.00	APE	SURFACE	354	-53
PUD089	7744527.226	740381.086	4267.25	165.65	APE	SURFACE	0	-45
PUD090	7744526.775	740381.196	4267.36	204.00	APE	SURFACE	0	-57
PUD091	7744497.950	739995.115	4357.15	217.00	APE	SURFACE	0	-15
PUD092	7744425.621	740199.600	4322.65	348.00	APE	SURFACE	0	-59
PUD093	7744505.837	740031.243	4354.05	210.00	APE	SURFACE	0	-35
PUD094	7744425.509	740199.446	4322.66	400.00	APE	SURFACE	17	-57
PUD095	7744531.528	740072.155	4353.51	172.40	APE	SURFACE	355	-20
PUD096	7744417.473	740045.303	4310.55	375.00	APE	SURFACE	0	-50
PUD097	7744486.924	740406.051	4135.73	231.00	APE	UNDERGROUND	333	-31
PUD098	7744542.815	740138.164	4348.20	228.00	APE	SURFACE	0	-54
PUD099	7744497.610	740178.002	4324.31	195.00	APE	SURFACE	0	-28
PUD100	7744444.723	740069.382	4313.18	231.50	APE	SURFACE	0	-21
PUD101	7744432.171	740171.790	4313.27	339.00	APE	SURFACE	0	-48
PUD102	7744486.783	740406.121	4135.54	270.00	APE	UNDERGROUND	333	-38
PUD103	7744486.859	740225.189	4313.17	224.00	APE	SURFACE	12	-43
PUD104	7744444.035	740069.433	4312.94	273.00	APE	SURFACE	0	-35
PUD105	7744489.044	740406.195	4136.23	195.00	APE	UNDERGROUND	345	-12
PUD106	7744452.854	740145.382	4311.77	288.00	APE	SURFACE	0	-46
PUD107	7744488.969	740406.219	4135.46	201.00	APE	UNDERGROUND	345	-24
PUD108	7744441.849	739995.872	4328.74	291.00	APE	SURFACE	0	-37
PUD109	7744436.298	740095.429	4305.58	324.00	APE	SURFACE	0	-45
PUD110	7744489.837	740406.713	4136.27	171.00	APE	UNDERGROUND	353	-12
PUD111	7744437.226	739996.034	4328.68	345.00	APE	SURFACE	0	-48
PUD112	7744489.753	740406.744	4135.00	228.00	APE	UNDERGROUND	353	-42
PUD113	7744436.298	740095.429	4305.58	360.00	APE	SURFACE	0	-56
PUD114	7744488.906	740406.269	4135.21	222.00	APE	UNDERGROUND	345	-40
PUD115	7744451.439	740199.909	4318.45	300.00	APE	SURFACE	0	-48
PUD116	7744488.937	740406.270	4134.60	240.00	APE	UNDERGROUND	345	-47
PUD117	7744451.439	740199.909	4318.45	279.00	APE	SURFACE	19	-47
PUD118	7744488.946	740406.266	4134.90	216.00	APE	UNDERGROUND	345	-32
PUD119	7744494.251	740408.623	4136.35	147.00	APE	UNDERGROUND	6	-10
PUD120	7744437.145	739996.024	4328.60	369.00	APE	SURFACE	0	-52
PUD121	7744488.651	740408.623	4135.45	171.00	APE	UNDERGROUND	6	-26
PUD122	7744484.972	740407.793	4135.45	204.00	APE	UNDERGROUND	6	-42
PUD123	7744488.444	740409.339	4135.45	192.00	APE	UNDERGROUND	24	-25
PUD124	7744487.530	740408.932	4135.45	186.00	APE	UNDERGROUND	24	-35
PUD125	7744487.530	740408.932	4135.45	180.00	APE	UNDERGROUND	24	-40
PUD126	7744488.368	740410.745	4136.38	186.00	APE	UNDERGROUND	41	-11
PUD127	7744488.368	740410.745	4135.45	198.00	APE	UNDERGROUND	41	-23
PUD128	7744487.614	740410.089	4135.45	180.00	APE	UNDERGROUND	41	-32
PUD129	7744486.135	740411.892	4135.45	201.00	APE	UNDERGROUND	41	-38
PUD130	7744487.614	740410.089	4135.45	171.00	APE	UNDERGROUND	35	-30

PUD131	7744487.204	740409.802	4135.45	183.00	APE	UNDERGROUND	35	-37
PUD132	7744486.467	740409.286	4135.45	219.00	APE	UNDERGROUND	35	-46
PUD133	7744488.433	740410.663	4135.80	180.00	APE	UNDERGROUND	37	-18
PUD134	7744489.753	740406.744	4135.00	180.00	APE	UNDERGROUND	353	-25
PUD135	7744489.753	740406.744	4135.45	204.00	APE	UNDERGROUND	353	-35
PUD136	7744491.972	740406.793	4136.45	180.00	APE	UNDERGROUND	338	-8
PUD137	7744491.972	740406.793	4135.49	171.00	APE	UNDERGROUND	338	-20
PUD138	7744489.972	740406.793	4135.45	180.00	APE	UNDERGROUND	338	-30
PUD139	7744484.912	740407.793	4135.45	210.00	APE	UNDERGROUND	338	-40
PUD140	7744399.000	740539.000	4285.00	269.30	APE	SURFACE	20	-41
PUD141	7744399.000	740539.000	4285.00	281.60	APE	SURFACE	20	-49
PUD142	7744360.000	740580.000	4270.00	387.60	APE	SURFACE	20	-47
PUD143	7744353.000	740788.000	4267.00	261.00	APE	SURFACE	22	-45
PUD144	7744360.583	740740.831	4275.00	299.00	APE	SURFACE	22	-45
PUD145	7744297.000	740765.500	4258.00	332.20	APE	SURFACE	22	-41
PUD146	7744439.180	740492.970	4272.00	244.00	APE	SURFACE	22	-45
PUD147	7744438.610	740492.750	4272.00	276.68	APE	SURFACE	22	-52
PUD148	7744356.205	740627.987	4274.00	249.30	APE	SURFACE	22	-40
PUD149	7744322.503	740668.511	4270.00	255.00	APE	SURFACE	22	-36
PUD150	7744322.418	740668.476	4270.00	321.30	APE	SURFACE	22	-46
PUD151	7744321.208	740613.998	4264.00	295.25	APE	SURFACE	22	-43
PUD152	7744320.000	740722.500	4265.00	302.15	APE	SURFACE	22	-44
PUD153	7744291.556	740655.224	4264.00	433.00	APE	SURFACE	22	-45
PUD154	7744257.000	740695.000	4259.00	384.31	APE	SURFACE	22	-40
PUD155	7744321.946	740668.286	4270.00	322.20	APE	SURFACE	22	-41
PUD156	7744321.208	740613.998	4264.00	300.00	APE	SURFACE	22	-38
PUD157	7744334.500	740450.000	4230.00	351.00	APE	SURFACE	22	-38
PUD158	7744310.670	740509.860	4240.00	381.00	APE	SURFACE	20	-38
PUD159	7744306.580	740560.390	4245.00	358.00	APE	SURFACE	20	-41
PUD160	7744310.670	740509.860	4240.00	333.00	APE	SURFACE	20	-34
PUD161	7744293.916	740656.198	4264.00	366.00	APE	SURFACE	22	-43
PUD162	7744240.000	740742.000	4250.00	411.00	APE	SURFACE	22	-38
PUD163	7744329.629	740834.850	4257.00	262.00	APE	SURFACE	22	-47
PUD164	7744329.629	740834.850	4257.00	271.00	APE	SURFACE	22	-36
PUD165	7744300.000	740930.000	4243.00	263.00	APE	SURFACE	22	-35
PUD166	7744286.278	740813.112	4252.00	359.00	APE	SURFACE	22	-44
PUD167	7744190.000	741099.000	4192.00	228.00	APE	SURFACE	22	-40
PUD168	7744316.000	740883.500	4250.00	261.00	APE	SURFACE	22	-48
PUD169	7744190.000	741099.000	4192.00	198.80	APE	SURFACE	22	-28
PUD170	7744316.000	740883.500	4250.00	250.00	APE	SURFACE	22	-38
PUD171	7744149.000	741137.000	4184.00	203.30	APE	SURFACE	22	-43
PUD172	7744227.000	741061.000	4210.00	186.50	APE	SURFACE	22	-48
PUD173	7744261.500	740860.500	4246.00	351.00	APE	SURFACE	22	-43

PUD174	7744241.000	741013.000	4220.00	202.80	APE	SURFACE	22	-47
PUD175	7744241.000	741013.000	4220.00	173.00	APE	SURFACE	22	-35
PUD176	7744261.000	740914.500	4238.00	365.00	APE	SURFACE	22	-45
PUD177	7744503.000	741065.000	4230.00	240.00	APE	SURFACE	202	-47
PUD178	7744503.000	741065.000	4230.00	267.00	APE	SURFACE	202	-60
PUD179	7744513.000	741177.000	4214.00	290.00	APE	SURFACE	202	-45
PUD180	7744302.955	740558.892	4245.00	451.00	APE	SURFACE	20	-45
PUD181	7744513.000	741177.000	4214.00	298.00	APE	SURFACE	202	-56
PUD182	7744266.000	740698.730	4259.00	462.00	APE	SURFACE	22	-45
PUD183	7744310.670	740509.860	4240.00	438.70	APE	SURFACE	20	-44
PUD184	7744423.000	741033.000	4220.00	190.00	APE	SURFACE	202	-51
PUD185	7744300.000	740930.000	4243.00	288.00	APE	SURFACE	22	-45
PUD186	7744297.000	740765.500	4258.00	351.00	APE	SURFACE	22	-43
PUD187	7744438.000	739943.000	4320.00	350.00	APE	SURFACE	0	-50
PUD188	7744399.000	740539.000	4285.00	271.00	APE	SURFACE	20	-34
PUD189	7744599.000	741104.000	4253.00	354.70	APE	SURFACE	202	-62
PUD190	7744335.000	740450.000	4230.00	416.00	APE	SURFACE	22	-43
PUD191	7744387.000	740641.000	4283.00	234.80	APE	SURFACE	22	-41
PUD192	7744802.68	740808.52	4358.00	496.00	APE	SURFACE	202	-51
PUD193	7744374.000	739996.000	4305.00	430.00	APE	SURFACE	0	-47
PUD194	7744418.000	739943.000	4309.00	432.17	APE	SURFACE	0	-51
PUD195	7744387.000	740640.60	4283.36	197.40	APE	SURFACE	22	-27
PUD196	7744361.45	740050.000	4281.00	516.00	APE	SURFACE	0	-49
PUD197	7744374.590	740689.390	4277.20	216.70	APE	SURFACE	22	-25
PUD198	7744374.000	739996.000	4305.00	510.00	APE	SURFACE	0	-52
PUD199	7744424.000	739893.000	4300.00	355.00	APE	SURFACE	0	-44
PUD200	7744374.590	740689.390	4277.20	240.30	APE	SURFACE	22	-40
PUD201	7744361.450	740050.000	4281.48	543.50	APE	SURFACE	0	-53
PUD202	7744361.000	740741.000	4275.00	294.00	APE	SURFACE	22	-36
PUD203	7744424.000	739893.000	4300.00	467.00	APE	SURFACE	0	-49
PUD204	7744360.580	740740.830	4275.00	326.00	APE	SURFACE	22	-22
PUD205	7744292.740	740000.000	4253.64	561.00	APE	SURFACE	0	-45
PUD206	7744765.540	740900.460	4340.60	536.00	APE	SURFACE	202	-61
PUD207	7744374.000	739893.000	4276.00	499.80	APE	SURFACE	0	-46
PUD208	7744384.874	740850.000	4263.13	231.00	APE	SURFACE	0	-47
PUD209	7744310.670	740500.000	4236.00	525.70	APE	SURFACE	0	-47
PUD210	7744348.000	739941.800	4272.31	526.00	APE	SURFACE	0	-45
PUD211A	7744784.387	740853.796	4339.50	532.00	APE	SURFACE	202	-60
PUD212A	7744863.040	740149.600	4384.00	531.00	APE	SURFACE	180	-60
PUD213	7744350.000	740250.000	4335.40	507.22	APE	SURFACE	0	-55
PUD214	7744337.782	740451.124	4230.00	489.00	APE	SURFACE	22	-47
PUDU001	7744670.952	740153.522	4138.89	160.00	APE	UNDERGROUND	180	-45
PUDU002	7744712.952	740153.522	4138.89	230.00	APE	UNDERGROUND	180	-55

PUDU003	7744676.134	740438.057	4135.89	180.00	APE	UNDERGROUND	180	-45
PUDU004	7744677.545	740438.694	4135.89	200.00	APE	UNDERGROUND	180	-65

Table A1-2: Selected Mineralized Intercepts From Drilling Programs

Hole ID	From (m)	To (m)	Width (m)	Structure	Ag g/t	Pb %	Zn %
PUD001	156.00	164.00	8.00	VETA TAJO	40.36	1.04	0.32
PUD001	171.00	175.00	4.00	VETA TAJO	47.68	0.89	0.02
PUD002	65.00	82.00	17.00	VETA TAJO	106.53	0.18	0.00
PUD004	196.00	208.00	12.00	VETA TAJO	10.50	0.39	2.59
PUD004	248.00	252.35	4.35	RAMAL	13.70	0.46	1.52
PUD004	267.00	271.00	4.00	RAMAL	9.50	0.42	1.31
PUD004	275.00	285.70	10.70	RAMAL	82.81	0.14	0.66
PUD005	79.00	122.50	43.50	VETA TAJO	231.11	1.22	2.22
PUD007	34.00	36.00	2.00	RAMAL	46.10	1.43	6.28
PUD007	58.00	102.00	44.00	VETA TAJO	413.12	1.81	3.50
PUD010	333.00	337.20	4.20	RAMAL	7.27	0.30	1.57
PUD010	364.00	375.35	11.35	VETA TAJO	181.27	0.16	0.23
PUD011	108.00	125.00	17.00	VETA TAJO	135.24	0.12	0.04
PUD011	140.00	144.00	4.00	RAMAL	12.55	0.24	1.47
PUD013	36.55	68.85	32.30	RAMAL	38.74	1.03	3.78
PUD013	103.00	148.20	45.20	VETA TAJO	35.86	0.71	1.60
PUD014	141.00	145.00	4.00	VETA TAJO	16.87	0.87	3.17
PUD014	155.00	161.00	6.00	RAMAL	3.87	0.21	2.08
PUD015	70.85	81.20	10.35	RAMAL	14.70	1.70	1.05
PUD015	146.00	174.00	28.00	VETA TAJO	19.77	0.52	1.70
PUD018	102.00	109.60	7.60	RAMAL	89.57	0.84	2.13
PUD018	115.00	146.25	31.25	VETA TAJO	12.85	0.79	0.85
PUD019	24.25	27.85	3.60	RAMAL	15.04	0.28	1.63
PUD019	50.00	52.10	2.10	RAMAL	131.00	0.34	1.81
PUD019	57.00	79.00	22.00	RAMAL	26.64	0.35	1.82
PUD019	83.50	110.00	26.50	VETA TAJO	39.58	0.59	2.10
PUD020	76.00	84.00	8.00	RAMAL	13.43	0.48	1.27
PUD020	130.60	135.00	4.40	RAMAL	24.41	0.26	1.62
PUD020	141.80	143.60	1.80	RAMAL	65.35	1.67	3.36
PUD020	162.00	167.80	5.80	VETA TAJO	21.96	0.55	1.30
PUD020	208.40	215.10	6.70	RAMAL	25.27	0.63	1.88
PUD021	131.55	154.20	22.65	RAMAL	10.60	0.41	2.82
PUD021	160.80	178.40	17.60	VETA TAJO	55.39	0.25	3.13
PUD022	26.40	33.00	6.60	RAMAL	30.61	1.11	2.17
PUD022	49.00	63.30	14.30	RAMAL	25.22	0.72	2.16
PUD022	128.55	150.00	21.45	VETA TAJO	51.29	0.99	1.71
PUD024	37.30	47.00	9.70	RAMAL	14.09	0.42	1.20
PUD024	97.00	121.00	24.00	RAMAL	83.12	1.99	1.95
PUD024	126.25	131.00	4.75	RAMAL	14.72	0.39	0.99
PUD024	136.80	141.00	4.20	RAMAL	11.00	0.41	1.39
PUD024	149.00	151.00	2.00	RAMAL	412.00	0.11	0.26
PUD024	171.00	174.85	3.85	RAMAL	25.09	0.48	1.79

PUD024	182.00	216.30	34.30	VETA TAJO	69.16	0.44	1.60
PUD025	37.60	47.00	9.40	RAMAL	13.57	0.53	1.50
PUD025	74.80	93.30	18.50	VETA TAJO	42.92	0.98	3.40
PUD026	180.75	186.50	5.75	RAMAL	6.75	0.26	1.20
PUD026	200.90	205.00	4.10	RAMAL	12.65	0.11	2.33
PUD026	216.80	220.00	3.20	VETA TAJO	510.28	0.75	0.13
PUD027	139.00	163.00	24.00	VETA TAJO	5.35	0.29	1.72
PUD027	238.00	241.03	3.03	RAMAL	6.71	0.20	3.25
PUD027	261.00	285.00	24.00	RAMAL	3.08	0.28	1.01
PUD028	38.00	42.00	4.00	RAMAL	8.42	0.28	1.11
PUD028	49.00	54.00	5.00	RAMAL	10.52	0.50	1.38
PUD028	126.00	131.00	5.00	RAMAL	48.89	1.13	2.62
PUD028	149.00	162.00	13.00	VETA TAJO	153.31	1.74	1.53
PUD028	173.00	194.00	21.00	RAMAL	16.95	0.45	1.55
PUD028	199.00	226.00	27.00	RAMAL	53.25	0.38	1.42
PUD029	25.00	31.00	6.00	RAMAL	30.95	0.94	2.60
PUD029	53.00	65.00	12.00	RAMAL	18.28	0.69	2.07
PUD029	110.00	124.00	14.00	VETA TAJO	26.30	1.00	1.90
PUD030	94.00	98.00	4.00	VETA TAJO	28.80	1.07	4.87
PUD030	116.00	120.00	4.00	RAMAL	66.54	1.55	4.22
PUD031	44.00	46.00	2.00	RAMAL	84.00	1.90	1.19
PUD031	64.00	68.00	4.00	RAMAL	40.69	0.94	1.36
PUD031	75.00	115.00	40.00	VETA TAJO	39.05	1.40	1.54
PUD031	121.00	144.00	23.00	RAMAL	27.09	0.52	2.53
PUD031	169.00	172.00	3.00	RAMAL	15.33	0.54	2.54
PUD032	96.00	100.00	4.00	RAMAL	11.00	0.65	1.42
PUD032	104.00	107.00	3.00	RAMAL	54.33	0.81	1.29
PUD032	190.00	229.00	39.00	VETA TAJO	36.36	0.50	3.03
PUD033	173.00	176.00	3.00	VETA TAJO	5.33	0.53	1.05
PUD034	58.00	59.00	1.00	RAMAL	11.00	1.40	2.56
PUD034	74.00	79.00	5.00	RAMAL	35.60	1.01	2.60
PUD034	104.00	106.00	2.00	RAMAL	3.50	0.24	1.15
PUD034	111.00	113.00	2.00	RAMAL	0.50	0.11	0.67
PUD034	163.00	165.00	2.00	RAMAL	27.00	1.00	2.53
PUD034	170.00	173.00	3.00	RAMAL	3.67	0.23	0.88
PUD034	177.00	197.00	20.00	RAMAL	3.30	0.16	0.58
PUD034	200.00	210.00	10.00	RAMAL	9.20	0.45	1.57
PUD034	223.00	241.00	18.00	VETA TAJO	45.22	1.33	2.13
PUD034	252.00	255.00	3.00	RAMAL	18.33	0.38	0.84
PUD035	24.00	29.00	5.00	RAMAL	73.00	0.17	0.00
PUD035	79.00	84.00	5.00	RAMAL	19.00	0.32	0.54
PUD035	121.00	140.00	19.00	RAMAL	35.95	0.78	1.16
PUD035	142.00	160.00	18.00	VETA TAJO	56.83	0.50	1.20

PUD035	174.00	177.00	3.00	RAMAL	16.33	0.29	1.06
PUD035	191.00	197.00	6.00	RAMAL	16.67	0.33	1.08
PUD035	200.00	202.00	2.00	RAMAL	48.50	0.97	1.23
PUD035	206.00	208.00	2.00	RAMAL	10.50	0.25	1.07
PUD036	0.00	15.00	15.00	RAMAL	36.73	0.72	0.02
PUD036	38.00	44.00	6.00	RAMAL	14.83	0.56	0.50
PUD036	52.00	71.00	19.00	RAMAL	12.53	0.40	0.98
PUD036	85.00	88.00	3.00	RAMAL	2.33	0.18	1.02
PUD036	108.00	111.00	3.00	RAMAL	1.67	0.17	0.68
PUD036	148.00	222.00	74.00	VETA TAJO	38.77	0.61	1.85
PUD036	227.00	229.00	2.00	RAMAL	51.50	0.08	1.47
PUD037	2.00	4.00	2.00	RAMAL	143.00	0.22	0.02
PUD037	28.00	40.00	12.00	RAMAL	8.50	0.17	0.59
PUD037	48.00	50.00	2.00	RAMAL	20.00	0.54	1.24
PUD037	53.00	84.00	31.00	RAMAL	22.90	0.65	0.91
PUD037	131.00	162.00	31.00	VETA TAJO	44.61	0.68	2.02
PUD037	167.00	174.00	7.00	RAMAL	139.43	0.85	0.62
PUD037	179.00	180.00	1.00	RAMAL	22.00	0.83	1.21
PUD038	0.00	7.00	7.00	RAMAL	80.57	0.34	0.03
PUD038	19.00	44.00	25.00	RAMAL	26.52	0.51	0.78
PUD038	47.00	131.00	84.00	VETA TAJO	43.64	0.60	1.10
PUD038	136.00	149.00	13.00	RAMAL	18.15	0.43	1.29
PUD038	154.00	165.00	11.00	RAMAL	4.82	0.16	0.59
PUD039	89.00	91.00	2.00	RAMAL	1.50	0.12	0.75
PUD039	119.00	124.00	5.00	RAMAL	15.40	0.52	3.55
PUD039	137.00	138.00	1.00	RAMAL	12.00	0.34	2.16
PUD039	149.00	161.00	12.00	RAMAL	12.33	0.30	0.99
PUD039	172.00	176.00	4.00	RAMAL	8.00	0.39	1.73
PUD039	181.00	186.00	5.00	RAMAL	2.20	0.17	0.59
PUD039	193.00	215.00	22.00	VETA TAJO	19.32	0.42	1.52
PUD039	255.00	258.00	3.00	RAMAL	28.33	0.72	1.98
PUD040	38.00	39.00	1.00	RAMAL	5.00	0.59	1.08
PUD040	54.00	69.00	15.00	RAMAL	0.67	0.00	1.00
PUD040	224.00	231.00	7.00	RAMAL	2.43	0.19	0.70
PUD040	237.00	241.00	4.00	VETA TAJO	7.25	1.10	3.49
PUD041	31.00	36.00	5.00	RAMAL	17.60	1.05	0.03
PUD041	60.00	66.00	6.00	RAMAL	4.17	0.30	1.72
PUD041	73.00	83.00	10.00	RAMAL	3.20	0.16	1.52
PUD041	86.00	91.00	5.00	RAMAL	6.60	0.24	1.50
PUD041	94.00	114.00	20.00	RAMAL	15.10	0.76	2.43
PUD041	120.00	122.00	2.00	RAMAL	7.50	0.24	0.89
PUD041	137.00	140.00	3.00	RAMAL	2.33	0.13	0.68
PUD041	146.00	153.00	7.00	RAMAL	131.29	2.63	3.35

PUD041	157.00	158.00	1.00	RAMAL	4.00	0.21	2.07
PUD041	186.00	204.00	18.00	VETA TAJO	28.17	0.44	1.50
PUD042	38.00	61.00	23.00	RAMAL	39.30	1.44	2.03
PUD042	75.00	78.00	3.00	RAMAL	11.33	1.34	1.75
PUD042	114.00	119.00	5.00	RAMAL	25.60	0.47	1.46
PUD042	165.00	200.00	35.00	VETA TAJO	58.83	1.17	1.83
PUD042	215.00	217.00	2.00	RAMAL	3.00	0.17	0.81
PUD042	221.00	230.00	9.00	RAMAL	24.67	0.65	2.82
PUD043	371.00	402.00	31.00	VETA TAJO	146.90	0.31	0.96
PUD044	31.00	34.00	3.00	RAMAL	27.67	1.28	0.07
PUD044	47.00	49.00	2.00	RAMAL	97.00	1.30	0.02
PUD044	62.00	135.00	73.00	RAMAL	14.59	0.43	1.09
PUD044	138.00	228.00	90.00	VETA TAJO	35.49	0.71	1.32
PUD044	232.00	241.00	9.00	RAMAL	9.11	0.19	0.68
PUD045	254.00	315.00	61.00	VETA TAJO	262.51	0.79	2.93
PUD046	152.00	160.00	8.00	RAMAL	3.50	0.16	0.88
PUD046	180.00	208.00	28.00	RAMAL	5.57	0.22	0.83
PUD046	225.00	309.00	84.00	VETA TAJO	106.29	0.86	2.26
PUD047	24.00	42.00	18.00	RAMAL	23.06	1.20	0.06
PUD047	81.00	157.00	76.00	VETA TAJO	46.76	0.55	1.02
PUD048	5.00	12.00	7.00	RAMAL	3.14	0.54	0.01
PUD048	90.00	94.00	4.00	RAMAL	8.00	1.24	2.20
PUD048	129.00	139.00	10.00	RAMAL	58.60	1.24	3.44
PUD048	165.00	168.00	3.00	RAMAL	2.67	0.35	1.29
PUD048	181.00	201.00	20.00	VETA TAJO	89.20	0.75	2.67
PUD049	225.00	309.00	84.00	VETA TAJO	78.80	0.78	2.10
PUD050	3.00	12.00	9.00	RAMAL	3.00	0.57	0.01
PUD050	67.00	94.00	27.00	RAMAL	41.15	1.26	1.23
PUD050	138.00	148.00	10.00	RAMAL	29.10	0.96	1.39
PUD050	160.00	177.00	17.00	VETA TAJO	10.06	0.28	1.47
PUD051	37.00	43.00	6.00	RAMAL	1.17	0.01	0.70
PUD051	96.00	114.00	18.00	RAMAL	3.94	0.17	0.85
PUD051	261.00	357.00	96.00	VETA TAJO	142.82	0.79	2.29
PUD051	362.00	368.00	6.00	RAMAL	5.17	0.19	0.88
PUD051	372.00	381.00	9.00	RAMAL	6.78	0.26	1.15
PUD052	24.00	30.00	6.00	RAMAL	25.33	0.94	0.29
PUD052	45.00	67.00	22.00	RAMAL	6.18	0.21	0.74
PUD052	82.00	92.00	10.00	RAMAL	60.90	1.53	2.56
PUD052	117.00	151.00	34.00	VETA TAJO	30.79	0.61	1.45
PUD053	1.00	9.00	8.00	RAMAL	57.00	1.00	0.04
PUD053	24.00	28.00	4.00	RAMAL	2.75	0.60	0.01
PUD053	40.00	48.00	8.00	RAMAL	10.50	0.36	0.82
PUD053	66.00	71.00	5.00	RAMAL	66.00	1.40	2.37

PUD053	95.00	124.00	29.00	VETA TAJO	51.14	1.24	2.68
PUD054	108.00	115.00	7.00	RAMAL	2.71	0.79	0.51
PUD054	134.00	140.00	6.00	RAMAL	9.67	0.17	1.26
PUD054	384.00	390.00	6.00	RAMAL	94.50	0.05	0.63
PUD054	403.00	408.00	5.00	VETA TAJO	424.40	0.07	1.51
PUD054	421.00	433.00	12.00	RAMAL	4.17	0.09	1.38
PUD055	114.00	121.00	7.00	RAMAL	10.86	0.26	1.29
PUD055	171.00	192.00	21.00	VETA TAJO	72.29	1.17	2.63
PUD056	0.00	3.00	3.00	RAMAL	29.67	1.56	0.03
PUD056	19.00	27.00	8.00	RAMAL	32.13	1.19	0.34
PUD056	32.00	40.00	8.00	RAMAL	8.00	0.86	0.06
PUD056	89.00	139.00	50.00	VETA TAJO	39.18	1.21	1.70
PUD057	117.00	131.00	14.00	RAMAL	14.86	0.53	2.07
PUD057	176.00	180.00	4.00	RAMAL	2.75	0.09	1.21
PUD057	267.00	287.00	20.00	RAMAL	6.15	0.17	0.99
PUD057	298.00	302.00	4.00	RAMAL	13.75	0.20	0.56
PUD057	356.00	397.00	41.00	VETA TAJO	139.15	0.19	0.60
PUD058	66.00	72.00	6.00	RAMAL	6.33	0.12	0.54
PUD058	88.00	94.00	6.00	RAMAL	25.17	0.32	0.42
PUD058	129.00	172.00	43.00	VETA TAJO	35.28	0.27	0.71
PUD059	50.00	87.00	37.00	RAMAL	11.14	0.26	0.58
PUD059	132.00	146.00	14.00	RAMAL	19.50	0.11	0.45
PUD059	153.00	192.00	39.00	VETA TAJO	63.33	0.37	1.00
PUD060	66.00	80.00	14.00	RAMAL	22.57	0.18	0.62
PUD060	91.00	239.00	148.00	VETA TAJO	51.72	0.43	0.82
PUD060A	65.00	75.00	10.00	RAMAL	6.40	0.12	0.66
PUD060A	94.00	216.00	122.00	VETA TAJO	88.25	0.45	1.02
PUD061	109.00	111.00	2.00	RAMAL	7.64	0.49	1.22
PUD061	116.00	119.00	3.00	RAMAL	37.33	2.06	2.62
PUD061	232.00	235.00	3.00	RAMAL	5.67	0.19	0.87
PUD061	245.00	248.00	3.00	RAMAL	5.33	0.12	0.63
PUD061	254.00	339.00	85.00	VETA TAJO	72.98	0.86	2.04
PUD062	48.00	57.00	9.00	RAMAL	6.00	0.20	0.72
PUD062	62.00	67.00	5.00	RAMAL	26.20	0.24	0.44
PUD062	72.00	87.00	15.00	VETA TAJO	16.00	0.62	0.82
PUD062	100.00	102.00	2.00	RAMAL	86.00	0.16	0.03
PUD063	7.00	15.00	8.00	RAMAL	40.38	0.28	0.00
PUD063	48.00	79.00	31.00	RAMAL	63.84	0.13	
PUD063	104.00	111.00	7.00	RAMAL	7.14	0.39	1.24
PUD063	121.00	127.00	6.00	RAMAL	19.33	0.53	0.75
PUD063	161.00	178.00	17.00	RAMAL	4.59	0.19	0.57
PUD063	190.00	223.00	33.00	VETA TAJO	146.61	0.73	1.54
PUD063	230.00	250.00	20.00	RAMAL	265.35	0.19	0.83

PUD064	134.00	144.00	10.00	RAMAL	1.10	0.08	0.85
PUD064	152.00	167.00	15.00	RAMAL	5.67	0.19	1.05
PUD064	249.00	271.00	22.00	RAMAL	4.18	0.18	0.86
PUD064	296.00	335.00	39.00	VETA TAJO	203.54	1.21	2.86
PUD065	143.00	169.00	26.00	RAMAL	14.73	0.66	0.72
PUD065	290.00	297.00	7.00	RAMAL	6.00	0.28	1.06
PUD065	330.00	342.00	12.00	RAMAL	5.08	0.21	1.04
PUD065	351.00	379.00	28.00	VETA TAJO	164.14	0.41	1.65
PUD066	85.00	88.00	3.00	RAMAL	7.33	0.21	2.47
PUD066	106.00	110.00	4.00	RAMAL	40.00	2.68	2.79
PUD066	145.00	204.00	59.00	VETA TAJO	10.00	0.32	1.19
PUD067	87.00	93.00	6.00	RAMAL	1.50	0.10	0.84
PUD067	127.00	148.00	21.00	RAMAL	31.62	1.31	1.83
PUD067	229.00	287.00	58.00	VETA TAJO	43.83	0.58	2.13
PUD068	52.00	56.00	4.00	RAMAL	2.00	0.09	0.90
PUD068	120.00	136.00	16.00	RAMAL	6.63	0.19	0.78
PUD068	176.00	180.00	4.00	RAMAL	5.00	0.19	0.73
PUD068	196.00	212.00	16.00	RAMAL	3.50	0.16	0.65
PUD068	234.50	298.00	63.50	VETA TAJO	14.32	0.23	1.22
PUD069	105.00	132.00	27.00	RAMAL	9.22	0.28	1.42
PUD069	243.00	328.00	85.00	VETA TAJO	167.11	0.74	2.56
PUD070	1.00	10.00	9.00	RAMAL	2.89	0.78	0.02
PUD070	76.80	92.00	15.20	RAMAL	38.40	1.14	0.17
PUD070	149.00	186.00	37.00	VETA TAJO	23.80	0.49	1.56
PUD071	125.00	147.00	22.00	RAMAL	2.36	0.12	0.79
PUD071	176.00	196.00	20.00	RAMAL	3.90	0.16	0.68
PUD071	213.00	293.00	80.00	VETA TAJO	43.60	0.48	1.36
PUD072	0.00	9.00	9.00	RAMAL	75.44	1.21	0.12
PUD072	21.00	24.00	3.00	RAMAL	36.00	1.62	0.02
PUD072	71.00	107.00	36.00	VETA TAJO	51.65	1.13	0.15
PUD073	18.00	32.00	14.00	RAMAL	20.64	0.57	0.15
PUD073	87.00	116.29	29.29	VETA TAJO	19.97	0.56	0.60
PUD074	150.00	171.00	21.00	RAMAL	4.00	0.17	1.01
PUD074	298.00	400.00	102.00	VETA TAJO	68.10	0.81	1.52
PUD075	7.00	10.00	3.00	RAMAL	12.33	1.05	0.02
PUD075	57.00	67.00	10.00	RAMAL	84.20	1.89	0.33
PUD075	74.50	76.60	2.10	RAMAL	132.24	4.74	0.13
PUD075	123.00	147.00	24.00	VETA TAJO	16.13	0.42	1.45
PUD076	11.00	17.00	6.00	RAMAL	21.20	0.77	0.03
PUD076	47.00	56.00	9.00	RAMAL	16.33	0.44	0.32
PUD076	73.00	76.00	3.00	RAMAL	48.33	0.71	0.02
PUD076	114.20	161.00	46.80	VETA TAJO	21.86	0.55	1.35
PUD077	173.00	176.00	3.00	RAMAL	14.67	1.26	2.31

PUD077	394.00	395.00	1.00	VETA TAJO	5.00	0.16	0.56
PUD078	44.00	58.00	14.00	RAMAL	4.23	0.23	0.91
PUD078	70.00	78.80	8.80	RAMAL	19.86	0.53	0.21
PUD078	123.00	145.00	22.00	RAMAL	12.32	0.33	1.05
PUD078	153.00	193.00	40.00	VETA TAJO	17.82	0.41	1.51
PUD079	27.00	31.00	4.00	RAMAL	116.75	2.60	0.09
PUD079	52.00	57.50	5.50	RAMAL	34.36	0.46	0.16
PUD079	138.00	231.00	93.00	VETA TAJO	46.99	0.70	1.26
PUD080	225.00	235.00	10.00	RAMAL	17.28	0.36	0.85
PUD080	281.00	284.00	3.00	RAMAL	12.00	0.44	0.96
PUD080	293.80	299.00	5.20	RAMAL	2.46	0.14	0.72
PUD080	312.60	361.00	48.40	VETA TAJO	65.02	0.45	1.70
PUD081	113.00	145.00	32.00	RAMAL	11.06	0.35	1.32
PUD081	158.00	168.00	10.00	RAMAL	1.10	0.04	0.49
PUD081	225.00	245.00	20.00	RAMAL	8.05	0.24	1.08
PUD081	255.00	304.00	49.00	VETA TAJO	110.65	0.52	2.01
PUD082	83.00	99.00	16.00	RAMAL	19.30	0.62	1.18
PUD082	133.00	222.00	89.00	VETA TAJO	9.45	0.18	0.66
PUD083	36.00	113.00	77.00	RAMAL	31.98	0.53	0.80
PUD083	119.00	129.00	10.00	RAMAL	8.30	0.31	0.82
PUD083	135.00	206.00	71.00	VETA TAJO	52.46	0.38	1.80
PUD084	131.00	138.00	7.00	RAMAL	3.71	0.15	1.04
PUD084	202.00	314.00	112.00	VETA TAJO	68.09	0.46	1.36
PUD085	65.00	197.00	132.00	VETA TAJO	23.95	0.46	1.32
PUD086	27.00	34.76	7.76	RAMAL	39.94	0.37	0.28
PUD086	83.00	122.00	39.00	VETA TAJO	69.61	0.64	0.50
PUD087	36.00	58.00	22.00	RAMAL	10.73	0.26	1.08
PUD087	117.44	220.00	102.56	VETA TAJO	39.22	0.53	1.49
PUD088	134.00	141.00	7.00	RAMAL	3.57	0.15	0.71
PUD088	225.00	245.00	20.00	RAMAL	22.15	0.46	1.19
PUD088	311.00	364.00	53.00	VETA TAJO	169.16	0.89	1.92
PUD089	21.00	30.00	9.00	RAMAL	105.64	0.50	0.25
PUD089	36.00	128.00	92.00	VETA TAJO	21.45	0.43	0.82
PUD089	136.00	147.00	11.00	RAMAL	6.73	0.19	1.06
PUD089	156.00	165.65	9.65	RAMAL	4.73	0.14	0.52
PUD090	12.00	38.00	26.00	RAMAL	34.41	0.46	0.43
PUD090	42.00	63.00	21.00	RAMAL	8.43	0.39	0.73
PUD090	76.00	193.00	117.00	VETA TAJO	33.53	0.38	0.81
PUD091	91.40	102.62	11.22	RAMAL	76.60	2.10	0.02
PUD091	166.00	195.52	29.52	VETA TAJO	8.62	0.26	0.73
PUD091	207.20	211.00	3.80	RAMAL	79.11	1.52	5.60
PUD092	212.00	222.00	10.00	RAMAL	5.40	0.26	0.76
PUD092	239.00	330.00	91.00	VETA TAJO	121.10	0.85	1.99

PUD093	53.00	67.00	14.00	RAMAL	18.81	0.51	1.54
PUD093	75.00	84.00	9.00	RAMAL	19.78	1.53	1.46
PUD093	105.00	131.00	26.00	RAMAL	5.62	0.19	0.81
PUD093	160.00	194.00	34.00	VETA TAJO	57.44	1.17	2.15
PUD094	117.00	127.00	10.00	RAMAL	10.00	0.33	1.76
PUD094	263.00	294.00	31.00	RAMAL	14.97	0.37	0.92
PUD094	362.38	391.00	28.62	VETA TAJO	84.21	0.46	0.73
PUD095	31.00	36.00	5.00	RAMAL	91.44	2.30	0.13
PUD095	50.00	66.00	16.00	RAMAL	4.94	0.27	0.50
PUD095	100.00	159.00	59.00	VETA TAJO	24.71	0.55	1.11
PUD096	270.00	281.80	11.80	RAMAL	15.58	0.53	2.50
PUD096	306.00	314.00	8.00	RAMAL	17.85	0.37	2.26
PUD096	330.00	369.00	39.00	VETA TAJO	46.25	0.19	1.00
PUD097	29.00	42.00	13.00	RAMAL	15.00	0.42	0.78
PUD097	171.00	224.00	53.00	VETA TAJO	144.42	0.94	1.54
PUD098	21.00	66.00	45.00	RAMAL	14.00	0.39	1.27
PUD098	119.00	168.00	49.00	RAMAL	23.56	0.54	1.76
PUD098	178.00	215.00	37.00	VETA TAJO	48.82	1.06	2.90
PUD099	9.00	16.00	7.00	RAMAL	35.86	0.98	0.05
PUD099	47.00	54.00	7.00	RAMAL	8.43	0.34	1.30
PUD099	115.00	170.00	55.00	VETA TAJO	17.88	0.42	1.31
PUD100	194.00	213.00	19.00	VETA TAJO	81.15	1.33	1.74
PUD101	232.00	319.00	87.00	VETA TAJO	128.09	0.84	1.73
PUD102	128.00	149.00	21.00	RAMAL	3.71	0.23	0.75
PUD102	256.00	264.00	8.00	VETA TAJO	17.63	0.23	0.87
PUD103	32.00	36.00	4.00	RAMAL	28.55	1.80	0.03
PUD103	51.00	69.00	18.00	RAMAL	16.08	0.31	0.59
PUD103	137.00	217.00	80.00	VETA TAJO	31.04	0.65	1.17
PUD104	113.50	116.00	2.50	RAMAL	49.60	1.21	3.02
PUD104	127.00	135.20	8.20	RAMAL	139.02	2.06	1.98
PUD104	189.00	268.07	79.07	VETA TAJO	10.57	0.33	1.15
PUD105	27.00	57.00	30.00	RAMAL	11.17	0.37	1.12
PUD105	76.00	188.00	112.00	VETA TAJO	21.79	0.39	1.32
PUD106	118.00	143.00	25.00	RAMAL	4.96	0.19	0.74
PUD106	203.00	280.00	77.00	VETA TAJO	36.51	0.49	1.20
PUD107	25.53	47.00	21.47	RAMAL	11.86	0.39	1.08
PUD107	80.00	90.00	10.00	RAMAL	2.50	0.12	0.50
PUD107	103.00	130.00	27.00	RAMAL	4.96	0.14	0.35
PUD107	137.15	187.00	49.85	VETA TAJO	158.35	0.71	1.99
PUD108	153.58	161.00	7.42	RAMAL	46.79	1.68	3.37
PUD108	176.00	180.00	4.00	RAMAL	12.25	0.51	1.61
PUD108	222.61	223.27	0.66	RAMAL	155.00	6.28	9.65
PUD108	238.00	262.00	24.00	VETA TAJO	18.33	0.33	1.39

PUD109	100.00	108.00	8.00	RAMAL	6.63	0.21	1.37
PUD109	116.00	133.00	17.00	RAMAL	32.76	1.32	1.77
PUD109	143.00	154.00	11.00	RAMAL	1.27	0.06	0.49
PUD109	163.00	177.00	14.00	RAMAL	3.07	0.06	0.41
PUD109	203.00	214.00	11.00	RAMAL	2.00	0.10	0.38
PUD109	243.00	310.00	67.00	VETA TAJO	413.38	1.21	2.00
PUD110	24.00	168.00	144.00	VETA TAJO	48.16	0.35	1.03
PUD111	76.26	83.00	6.74	RAMAL	15.46	0.75	3.31
PUD111	97.00	108.00	11.00	RAMAL	3.09	0.12	0.71
PUD111	165.00	178.00	13.00	RAMAL	5.85	0.25	1.61
PUD111	230.00	244.62	14.62	RAMAL	5.32	0.21	1.16
PUD111	254.00	264.00	10.00	RAMAL	4.00	0.12	0.58
PUD111	286.46	330.00	43.54	VETA TAJO	89.45	0.45	2.83
PUD112	31.00	41.00	10.00	RAMAL	9.10	0.41	0.76
PUD112	72.00	80.00	8.00	RAMAL	4.00	0.09	0.64
PUD112	154.00	204.00	50.00	VETA TAJO	64.20	0.35	0.74
PUD113	108.00	137.00	29.00	RAMAL	13.55	0.60	1.24
PUD113	275.00	289.00	14.00	RAMAL	10.57	0.19	1.44
PUD113	315.00	358.00	43.00	VETA TAJO	35.96	0.27	0.68
PUD114	25.00	43.00	18.00	RAMAL	6.72	0.24	0.72
PUD114	154.00	206.00	52.00	VETA TAJO	63.62	0.27	0.60
PUD115	94.00	179.00	85.00	RAMAL	3.45	0.16	0.71
PUD115	188.00	291.00	103.00	VETA TAJO	41.71	0.53	1.13
PUD116	160.00	186.00	26.00	RAMAL	9.27	0.29	0.76
PUD116	194.00	218.00	24.00	VETA TAJO	27.53	0.08	0.56
PUD116	236.00	239.00	3.00	RAMAL	21.33	0.38	1.10
PUD117	159.00	279.00	120.00	VETA TAJO	21.55	0.39	1.15
PUD118	118.00	132.00	14.00	RAMAL	2.50	0.09	0.40
PUD118	145.00	148.00	3.00	RAMAL	5.33	0.10	0.86
PUD118	158.00	190.60	32.60	VETA TAJO	445.36	0.82	1.32
PUD119	19.00	142.00	123.00	VETA TAJO	41.31	0.42	1.02
PUD120	79.00	88.00	9.00	RAMAL	11.33	0.52	3.59
PUD120	92.00	111.00	19.00	RAMAL	4.47	0.20	0.71
PUD120	178.00	189.00	11.00	RAMAL	2.36	0.13	0.81
PUD120	252.00	260.00	8.00	RAMAL	10.88	0.52	1.72
PUD120	319.00	324.00	5.00	RAMAL	21.20	0.56	1.95
PUD120	333.00	369.00	36.00	VETA TAJO	41.40	0.75	1.71
PUD121	106.00	160.00	54.00	VETA TAJO	29.43	0.31	1.02
PUD122	153.00	197.00	44.00	VETA TAJO	125.97	0.42	0.97
PUD123	114.00	192.00	78.00	VETA TAJO	70.06	0.37	1.35
PUD124	140.00	180.00	40.00	VETA TAJO	32.69	0.19	0.76
PUD125	26.00	46.00	20.00	RAMAL	7.50	0.25	0.68
PUD125	135.00	180.00	45.00	VETA TAJO	27.63	0.14	0.67

PUD126	20.00	170.00	150.00	VETA TAJO	16.46	0.26	0.80
PUD127	24.00	198.00	174.00	VETA TAJO	53.44	0.38	1.04
PUD128	20.00	49.00	29.00	RAMAL	6.16	0.24	0.74
PUD128	76.00	80.00	4.00	RAMAL	8.18	0.11	0.68
PUD128	92.00	99.00	7.00	RAMAL	4.34	0.17	0.95
PUD128	107.00	120.00	13.00	RAMAL	4.19	0.17	0.62
PUD128	142.00	176.00	34.00	VETA TAJO	30.12	0.15	0.72
PUD129	21.00	53.00	32.00	RAMAL	5.26	0.18	0.69
PUD129	156.00	184.00	28.00	VETA TAJO	17.65	0.08	0.29
PUD130	25.00	45.00	20.00	RAMAL	6.76	0.23	0.69
PUD130	64.00	97.00	33.00	RAMAL	5.74	0.11	0.57
PUD130	104.00	170.00	66.00	VETA TAJO	79.62	0.29	0.77
PUD131	27.00	43.00	16.00	RAMAL	10.23	0.40	0.73
PUD131	150.00	174.00	24.00	VETA TAJO	27.54	0.17	0.58
PUD132	30.00	52.00	22.00	RAMAL	4.99	0.14	0.54
PUD132	180.00	207.00	27.00	VETA TAJO	57.27	0.21	0.45
PUD133	21.00	57.00	36.00	RAMAL	5.79	0.19	0.67
PUD133	64.00	179.00	115.00	VETA TAJO	29.80	0.33	1.05
PUD134	21.00	44.00	23.00	RAMAL	12.39	0.40	0.97
PUD134	115.00	155.00	40.00	VETA TAJO	332.01	0.86	1.33
PUD135	22.00	40.00	18.00	RAMAL	7.50	0.32	0.79
PUD135	156.00	176.00	20.00	VETA TAJO	325.32	0.62	0.66
PUD135	183.00	187.00	4.00	RAMAL	8.50	0.22	0.64
PUD136	29.00	160.00	131.00	VETA TAJO	23.36	0.36	1.00
PUD137	25.00	59.00	34.00	RAMAL	7.03	0.18	0.84
PUD137	104.00	168.00	64.00	VETA TAJO	78.53	0.59	1.81
PUD138	25.00	41.00	16.00	RAMAL	25.22	0.89	1.26
PUD138	130.00	172.00	42.00	VETA TAJO	181.66	0.75	1.78
PUD139	32.00	35.00	3.00	RAMAL	11.33	0.44	0.98
PUD139	154.00	198.00	44.00	VETA TAJO	50.90	0.24	0.63
PUD140	120.00	122.00	2.00	RAMAL	34.50	0.63	0.25
PUD140	134.00	253.80	119.80	VETA TAJO	57.87	0.42	1.18
PUD140	265.00	267.00	2.00	RAMAL	19.00	0.74	1.67
PUD141	227.60	255.00	27.40	VETA TAJO	21.61	0.18	0.89
PUD141	265.00	268.00	3.00	RAMAL	4.33	0.27	1.17
PUD142	76.00	78.00	2.00	RAMAL	5.50	0.68	0.86
PUD142	252.00	276.00	24.00	VETA TAJO	65.82	0.26	0.41
PUD142	297.00	324.00	27.00	RAMAL	5.59	0.20	0.65
PUD142	329.00	338.00	9.00	RAMAL	5.22	0.32	0.69
PUD142	361.00	372.00	11.00	RAMAL	3.46	0.12	0.67
PUD143	44.00	48.00	4.00	RAMAL	37.50	0.09	0.00
PUD143	63.00	81.00	18.00	RAMAL	87.28	0.14	0.00
PUD143	112.00	116.00	4.00	RAMAL	122.25	0.19	0.42

PUD143	173.26	223.00	49.74	VETA TAJO	112.28	0.04	0.32
PUD144	89.00	103.00	14.00	RAMAL	112.07	0.13	0.00
PUD144	129.00	132.70	3.70	RAMAL	8.22	0.66	1.01
PUD144	183.00	250.00	67.00	VETA TAJO	71.00	0.26	0.64
PUD144	281.00	291.00	10.00	RAMAL	6.20	0.30	1.03
PUD145	140.40	163.88	23.48	RAMAL	103.33	0.44	0.01
PUD145	240.00	323.00	83.00	VETA TAJO	53.01	0.15	0.57
PUD146	145.00	240.00	95.00	VETA TAJO	60.20	0.46	1.17
PUD147	114.00	259.00	145.00	VETA TAJO	85.63	0.66	1.24
PUD148	182.00	220.00	38.00	VETA TAJO	17.17	0.17	0.59
PUD149	216.00	228.90	12.90	VETA TAJO	16.89	0.02	0.02
PUD150	278.80	306.00	27.20	VETA TAJO	405.03	0.28	0.61
PUD151	272.00	295.25	23.25	VETA TAJO	14.69	0.15	0.55
PUD152	231.00	291.85	60.85	VETA TAJO	75.39	0.18	0.60
PUD153	378.00	398.00	20.00	VETA TAJO	75.39	0.28	0.90
PUD154	336.00	384.31	48.31	VETA TAJO	39.94	0.13	0.53
PUD155	234.00	321.00	87.00	VETA TAJO	16.43	0.17	0.43
PUD156	241.00	278.00	37.00	VETA TAJO	74.65	0.34	0.82
PUD157	322.15	331.00	8.85	VETA TAJO	14.39	0.13	0.53
PUD158	314.00	331.00	17.00	RAMAL	24.50	0.12	0.71
PUD158	336.00	346.00	10.00	VETA TAJO	127.13	0.34	0.37
PUD158	352.00	381.00	29.00	RAMAL	35.72	0.27	1.03
PUD159	312.00	314.00	2.00	VETA TAJO	49.00	0.53	2.40
PUD159	320.00	354.00	34.00	VETA TAJO	354.82	0.41	0.54
PUD160	312.00	325.00	13.00	VETA TAJO	27.39	0.23	1.11
PUD161	307.00	309.00	2.00	RAMAL	32.50	0.58	0.96
PUD161	312.00	315.00	3.00	RAMAL	42.67	0.67	1.67
PUD161	325.00	340.00	15.00	VETA TAJO	59.55	0.12	0.18
PUD161	346.00	353.00	7.00	RAMAL	23.57	0.45	0.73
PUD162	393.16	396.00	2.84	VETA TAJO	144.11	0.01	0.07
PUD163	78.77	95.00	16.23	RAMAL	112.91	1.54	0.00
PUD163	122.00	128.00	6.00	RAMAL	25.50	0.25	0.70
PUD163	222.00	240.00	18.00	VETA TAJO	117.49	0.10	0.67
PUD165	148.00	151.20	3.20	VETA TAJO	47.88	0.63	2.82
PUD166	140.00	145.00	5.00	RAMAL	22.40	0.51	0.44
PUD166	338.00	350.00	12.00	VETA TAJO	3.92	0.11	0.57
PUD167	168.00	177.00	9.00	VETA TAJO	11.67	0.23	0.81
PUD168	98.00	100.00	2.00	RAMAL	46.50	0.67	2.46
PUD168	117.00	132.00	15.00	RAMAL	32.93	0.43	1.09
PUD168	251.00	261.00	10.00	VETA TAJO	3.60	0.18	0.62
PUD169	108.00	120.00	12.00	VETA TAJO	301.75	0.17	0.02
PUD170	100.00	106.00	6.00	RAMAL	143.17	1.44	1.63
PUD170	237.00	239.00	2.00	VETA TAJO	3163.00	0.07	0.93

PUD171	136.00	138.80	2.80	VETA TAJO	70.34	0.39	0.01
PUD172	115.00	121.00	6.00	RAMAL	2.50	0.15	0.59
PUD172	134.00	145.00	11.00	VETA TAJO	23.46	0.34	0.11
PUD173	206.00	210.00	4.00	RAMAL	1.75	0.03	0.49
PUD173	216.00	223.00	7.00	RAMAL	3.57	0.12	0.41
PUD173	232.00	236.40	4.40	RAMAL	584.47	0.87	3.88
PUD173	295.00	308.00	13.00	RAMAL	6.23	0.27	0.66
PUD173	313.00	315.00	2.00	RAMAL	0.00	0.02	1.03
PUD173	338.00	339.40	1.40	VETA TAJO	1.00	0.11	0.75
PUD174	164.42	165.00	0.58	VETA TAJO	114.00	0.57	0.03
PUD175	67.00	70.00	3.00	RAMAL	35.00	0.04	0.00
PUD175	76.00	86.00	10.00	RAMAL	35.60	0.07	0.01
PUD175	114.00	115.00	1.00	RAMAL	20.00	0.11	0.01
PUD175	118.10	120.00	1.90	RAMAL	28.74	0.10	0.03
PUD175	121.00	131.00	10.00	VETA TAJO	47.60	0.06	0.01
PUD176	170.00	177.00	7.00	RAMAL	240.57	0.74	0.05
PUD176	182.00	183.80	1.80	RAMAL	120.00	0.22	1.40
PUD176	210.00	244.00	34.00	RAMAL	61.56	0.25	0.72
PUD176	259.00	262.47	3.47	RAMAL	95.73	1.30	6.43
PUD176	294.00	299.10	5.10	VETA TAJO	109.47	0.02	0.34
PUD176	320.00	326.00	6.00	VETA TAJO	1.25	0.07	0.62
PUD177	208.00	212.10	4.10	VETA TAJO	11.54	0.33	0.57
PUD178	195.00	200.00	5.00	RAMAL	32.00	0.30	0.74
PUD178	234.00	236.64	2.64	VETA TAJO	180.02	0.08	0.52
PUD178	253.00	258.00	5.00	RAMAL	1.70	0.08	0.46
PUD179	260.00	262.00	2.00	RAMAL	25.00	0.63	0.94
PUD179	265.00	270.00	5.00	RAMAL	17.80	0.22	0.62
PUD179	283.00	287.00	4.00	VETA TAJO	25.25	0.28	0.91
PUD180	390.00	408.00	18.00	RAMAL	2.50	0.09	0.34
PUD180	410.50	411.40	0.90	VETA TAJO	176.00	0.23	3.60
PUD180	425.40	429.00	3.60	RAMAL	39.61	0.02	0.09
PUD180	432.00	446.00	14.00	RAMAL	52.29	0.16	0.90
PUD181	268.00	284.00	16.00	VETA TAJO	88.81	0.55	0.85
PUD181	288.00	294.37	6.37	RAMAL	25.81	0.03	0.38
PUD182	405.00	414.00	9.00	RAMAL	16.89	0.01	0.21
PUD182	420.00	421.00	1.00	TAJO VEIN			
PUD182	432.00	449.00	17.00	RAMAL	54.94	0.04	0.94
PUD183	386.00	391.80	5.80	RAMAL	5.69	0.13	0.61
PUD183	393.00	399.00	6.00	RAMAL	92.83	0.04	0.61
PUD183	411.00	418.46	7.46	VETA TAJO	119.86	0.04	0.28
PUD184	83.00	99.00	16.00	VETA TAJO	22.94	0.10	0.00
PUD185	87.00	93.00	6.00	RAMAL	112.00	0.24	0.00
PUD185	99.00	129.00	30.00	VETA TAJO	57.60	1.07	0.90

PUD186	288.85	296.00	7.15	RAMAL	60.72	0.05	0.13
PUD186	300.00	336.00	36.00	VETA TAJO	59.13	0.19	0.86
PUD187	194.52	195.52	1.00	RAMAL	645.00	1.90	2.90
PUD187	315.00	319.00	4.00	RAMAL	8.50	0.05	1.07
PUD187	324.00	328.33	4.33	VETA TAJO	6.69	0.01	0.97
PUD187	331.35	333.00	1.65	VETA TAJO	6.52	0.13	0.53
PUD188	174.00	194.00	20.00	RAMAL	31.00	0.67	0.77
PUD188	196.10	211.86	15.76	VETA TAJO	66.13	0.53	1.70
PUD188	215.00	252.00	37.00	RAMAL	25.59	0.58	1.19
PUD188	259.00	260.00	1.00	RAMAL	19.00	0.73	4.00
PUD189	325.00	327.00	2.00	VETA TAJO	24.00	0.01	0.06
PUD189	329.30	330.40	1.10	VETA TAJO	161.00	0.11	2.68
PUD189	333.48	336.00	2.52	VETA TAJO	99.86	0.21	6.39
PUD190	351.00	372.00	21.00	VETA TAJO	109.29	0.13	0.38
PUD190	397.00	398.00	1.00	RAMAL	108.00	0.36	0.39
PUD191	133.00	145.00	12.00	RAMAL	67.50	0.60	0.86
PUD191	158.00	159.72	1.72	RAMAL	49.60	0.48	0.21
PUD191	160.60	221.00	60.40	VETA TAJO	48.90	0.46	1.30
PUD192	467.00	470.00	3.00	VETA TAJO	470.00	0.11	3.45
PUD192	475.75	476.50	0.75	RAMAL	148.00	0.20	1.05
PUD193	402.00	408.00	6.00	VETA TAJO	58.67	0.30	6.00
PUD194	407.00	409.00	2.00	VETA TAJO	28.50	0.01	0.17
PUD194	418.00	424.00	6.00	VETA TAJO	7.50	0.80	0.55
PUD195	139.30	160.00	20.70	VETA TAJO	82.44	0.50	0.10
PUD195	185.00	186.00	1.00	RAMAL	220.00	2.54	6.91
PUD196	475.00	476.00	1.00	RAMAL	17.00	0.11	3.00
PUD196	483.79	484.58	0.79	VETA TAJO	48.00	0.20	0.32
PUD196	488.00	490.00	2.00	VETA TAJO	146.00	1.75	1.09
PUD197	72.00	78.00	6.00	OXIDE	15.50	0.02	0.00
PUD197	173.00	187.00	14.00	VETA TAJO	7.50	0.29	0.96
PUD198	410.00	416.00	6.00	RAMAL	5.83	0.23	1.05
PUD198	425.00	433.00	8.00	RAMAL	5.81	0.22	1.01
PUD198	445.00	446.00	1.00	VETA TAJO	50.00	0.05	0.09
PUD198	474.00	481.00	7.00	RAMAL	13.43	0.09	1.12
PUD198	498.00	509.00	11.00	RAMAL	3.73	0.14	0.68
PUD199	330.00	340.00	10.00	VETA TAJO	119.30	1.61	2.41
PUD199	349.00	355.00	6.00	RAMAL	17.30	0.37	1.36
PUD200	151.00	158.00	7.00	RAMAL	77.29	0.61	0.29
PUD200	173.00	184.00	11.00	VETA TAJO	14.18	0.19	0.73
PUD200	187.00	190.00	3.00	RAMAL	17.67	0.41	2.29
PUD201	517.00	525.00	8.00	VETA TAJO	58.00	0.02	0.47
PUD201	539.00	543.50	4.50	RAMAL	3.78	0.03	1.17
PUD202	61.00	69.00	8.00	OXIDE	27.25	0.04	0.00

PUD202	79.00	93.00	14.00	OXIDE	55.71	0.23	0.00
PUD202	163.00	177.00	14.00	RAMAL	4.25	0.21	0.69
PUD202	246.00	249.00	3.00	VETA TAJO	13.33	0.43	1.56
PUD202	291.00	293.00	2.00	RAMAL	3.00	0.33	1.14
PUD203	419.00	444.00	25.00	RAMAL	61.88	0.13	0.73
PUD203	448.82	449.64	0.82	VETA TAJO	507.00	0.85	0.15
PUD203	451.85	454.00	2.15	VETA TAJO	286.16	1.36	3.03
PUD204	51.00	52.00	1.00	OXIDES	31.00	0.01	0.00
PUD204	79.00	84.00	5.00	OXIDES	20.80	0.37	0.00
PUD205	356.00	357.00	1.00	RAMAL	8.00	0.10	1.10
PUD205	452.00	453.00	1.00	VETA TAJO	6.00	0.50	1.60
PUD205	458.00	462.00	4.00	RAMAL	1.75	0.04	0.70
PUD206	217.00	220.00	3.00	RAMAL	38.30	0.70	1.70
PUD206	444.00	446.00	2.00	RAMAL	42.50	0.10	2.10
PUD206	508.00	512.00	4.00	VETA TAJO	90.75	0.04	0.20
PUD207	445.00	449.00	4.00	RAMAL	5.50	0.24	1.12
PUD207	468.00	469.20	1.20	RAMAL	91.00	0.05	0.03
PUD207	474.30	479.00	4.70	RAMAL	42.86	0.02	0.29
PUD207	485.00	498.00	13.00	VETA TAJO	111.15	0.04	0.64
PUD208	188.00	189.00	1.00	VETA TAJO	291.00	0.37	0.06
PUD209	482.00	483.00	1.00	RAMAL	17.00	0.02	2.30
PUD209	494.05	498.00	3.95	VETA TAJO	91.30	0.30	4.60
PUD209	506.00	508.00	2.00	RAMAL	1.50	0.20	0.80
PUD210	413.00	424.00	11.00	RAMAL	9.40	0.40	1.90
PUD210	429.00	436.00	7.00	VETA TAJO	33.60	0.40	1.50
PUD210	440.00	463.00	23.00	VETA TAJO	2.80	0.20	0.70
PUD210	512.00	514.00	2.00	RAMAL	9.00	0.02	2.60
PUD211A	441.00	445.00	4.00	RAMAL	135.25	0.60	2.50
PUD211A	463.00	464.00	1.00	RAMAL	45.00	1.40	4.70
PUD211A	471.00	472.00	1.00	RAMAL	13.00	0.70	1.40
PUD211A	474.00	475.00	1.00	RAMAL	1.00	0.04	1.30
PUD211A	478.00	479.00	1.00	RAMAL	1.00	0.03	1.00
PUD211A	509.32	510.13	0.81	VETA TAJO	60.00	0.01	0.10
PUD212A	440.00	441.00	1.00	RAMAL	8.00	0.53	1.92
PUD212A	451.00	455.00	4.00	RAMAL	3.75	0.25	0.92
PUD212A	462.00	474.00	12.00	RAMAL	6.50	0.38	1.65
PUD212A	496.00	505.87	9.87	VETA TAJO	16.40	0.12	0.62
PUD213	416.00	420.47	4.47	RAMAL	2.43	0.14	0.60
PUD213	431.00	432.00	1.00	RAMAL	1.00	0.00	1.15
PUD214	404.00	405.65	1.65	VETA TAJO	47.50	0.01	0.03
PUD214	406.85	424.30	17.45	VETA TAJO	155.22	0.08	0.32
PUD214	426.73	432.00	5.27	VETA TAJO	298.65	0.16	0.17
PUD215	467.00	468.00	1.00	VETA TAJO	148.00	0.07	0.89

PUDU001	66.00	69.00	3.00	RAMAL	10.33	0.21	1.71
PUDU001	72.00	79.00	7.00	RAMAL	623.71	4.95	4.59
PUDU001	81.00	111.00	30.00	VETA TAJO	244.70	1.70	2.46
PUDU002	149.00	156.00	7.00	RAMAL	16.29	0.66	2.68
PUDU002	162.00	164.00	2.00	RAMAL	6.50	0.29	1.22
PUDU002	167.00	186.00	19.00	VETA TAJO	321.26	0.44	0.73
PUDU003	84.00	142.00	58.00	VETA TAJO	86.71	0.31	0.99
PUDU003	150.00	157.00	7.00	RAMAL	6.43	0.39	0.93
PUDU004	99.00	103.00	4.00	RAMAL	23.75	0.90	3.72
PUDU004	121.00	123.00	2.00	RAMAL	10.00	0.43	1.61
PUDU004	125.00	157.00	32.00	VETA TAJO	47.69	0.79	2.40
PUDU004	166.00	176.00	10.00	RAMAL	355.20	1.63	3.69

CDN Resource Laboratories Ltd.

10945-B River Road, Delta, B.C., Canada, V4C 2R8, 604-540-2233, Fax: 604-540-2237 (www.cdnlabs.com)

ORE REFERENCE STANDARD: CDN-SE-1

Recommended values and the "Between Lab" Two Standard Deviations

Gold	***0.480***	***± 0.034 g/t***
Silver	***712***	***± 57 g/t***
Copper	***0.097***	***± 0.005 %***
Lead	***1.92***	***± 0.09 %***
Zinc	***2.65***	***± 0.20 %***

PREPARED BY: CDN Resource Laboratories Ltd.
CERTIFIED BY: Duncan Sanderson, B.Sc., Licensed Assayer of British Columbia
INDEPENDENT GEOCHEMIST: Dr. Barry Smee., Ph.D., P. Geo.
DATE OF CERTIFICATION: May 15, 2007

METHOD OF PREPARATION:

Reject ore material was dried, crushed, pulverized and then passed through a 200 mesh screen. The +200 material was discarded. The -200 material was mixed for 6 days in a double-cone blender. Splits were taken and sent to twelve laboratories for round robin assaying.

ORIGIN OF REFERENCE MATERIAL:

The ore was supplied by Silver Eagle Mines Inc. from their Miguel Auza property. The material is from a relatively coarse-grained, epithermal Pb-Zn-Ag vein with accessory pyrite, calcite, quartz, sericite and clays. Principal ore minerals are galena, sphalerite, argentite, native silver (electrum?) and minor silver sulphosalts.The latter may comprise one or more of iodargyrite, proustite-pyrargyrite, pearceite-polybasite, nuammanite, aguilarite and eucarite. Arsenic, lesser antimony and copper and minor selenium are all present. The sample was taken from the transition zone between the near-surface oxidized zone and the unweathered (protore) zone of primary sulphides. As such, some cerussite ($PbCO_3$) and smithsonite ($ZnCO_3$) are probably present.

Approximate chemical composition is as follows:

	Percent			Percent
SiO_2	51.6		Na_2O	0.1
Al_2O_3	8.3		MgO	0.6
Fe_2O_3	17.0		K_2O	3.1
CaO	2.8		TiO_2	0.4
MnO	0.3		LOI	12.2
S	12.7		C	1.1

Statistical Procedures:

The final limits were calculated after first determining if all data was compatible within a spread normally expected for similar analytical methods done by reputable laboratories. Data from any one laboratory was removed from further calculations when the mean of all analyses from that laboratory failed a t test of the global means of the other laboratories. The means and standard deviations were calculated using all remaining data. Any analysis that fell outside of the mean ±2 standard deviations was removed from the ensuing data base. The mean and standard deviations were again calculated using the remaining data. Outliers were defined as samples beyond the mean ± 2 Standard Deviations from all data. These outliers were removed from the data and a new mean and standard deviation was determined. This method is different from that used by Government agencies in that the actual "between-laboratory" standard deviation is used in the calculations. This produces upper and lower limits that reflect actual individual analyses rather than a grouped set of analyses. The limits can therefore be used to monitor accuracy from individual analyses, unlike the Confidence Limits published on other standards.

STANDARD REFERENCE MATERIAL CDN-SE-1

Participating Laboratories:
(not in same order as listed in table of results)

Acme Analytical Laboratories Ltd., Vancouver
Assayers Canada Ltd., Vancouver
ALS Chemex Laboratories, North Vancouver
Alaska Assay Lab., USA
Alex Stewart Assayers (Argentina) Ltd.
Eco Tech Laboratory, Kamloops, B.C.
Genalysis Laboratory Services, Australia
GTK Laboratory, Finland
OMAC Laboratory Ltd., Ireland
Skyline Laboratory, Arizona, USA
Teck Cominco - Global Discovery Laboratory, Vancouver
TSL Laboratories Ltd., Saskatoon

Legal Notice:

This certificate and the reference material described in it have been prepared with due care and attention. However CDN Resource Laboratories Ltd. or Barry Smee accept no liability for any decisions or actions taken following the use of the reference material. Our liability is limited solely to the cost of the reference material.

Certified by Duncan Sanderson

Duncan Sanderson, Certified Assayer of B.C.

Geochemist B W Smee

Dr. Barry Smee, Ph.D., P. Geo.

CDN Resource Laboratories Ltd.

#2, 20148 - 102nd Avenue, Langley, B.C., Canada, V1M 4B4, Ph: 604-882-8422 Fax: 604-882-8466

COMMERCIAL INVOICE

Shipper: CDN Resource Laboratories Ltd. Invoice # N/A

Business Number: 10085 6947 RM0001 Date: November 18, 2010

Consignee: Apogee Minerals Bolivia S.A.
Calle Cordero nº 150
Edificio El Escorial piso 10, of. 1001
La Paz - Bolivia
Attn: Pamela Claure Siles
Phone: +591 2 2111611
Cell: +591 706 23487

Country of export: Canada
Country of origin of goods: Canada
Country of destination: Bolivia

Quantity	Description	UnitValue	Total
4	Samples CDN-BL-7 (2.5 kg jars)	$ 103.00	$ 412.00
	Shipping		$ 396
		Total USD	$ 808.00

International Waybill No. UPS H694 394 823 4

No. of pieces: 1 box Weight: 25 lbs

Description of goods: Geological samples (powdered rock) for analysis.
Contains no dangerous material.

I declare all the information contained in this invoice to be true and correct

Gary Kwan, CDN Resource Laboratories Ltd.

CDN Resource Laboratories Ltd.

#2, 20148 - 102nd Avenue, Langley, B.C., Canada, V1M 4B4, Ph: 604-882-8422 Fax: 604-882-8466
(www.cdnlabs.com)

STANDARD REFERENCE MATERIAL: CDN-BL-7

Recommended values:

Gold concentration:	***< 0.01 g/t***
Platinum concentration:	***< 0.01 g/t***
Palladium concentration:	***< 0.01 g/t***

PREPARED BY: CDN Resource Laboratories Ltd.
CERTIFIED BY: Duncan Sanderson, B.Sc., Licensed Assayer of British Columbia
INDEPENDENT GEOCHEMIST: Dr. Barry Smee., Ph. D., P. Geo.
DATE OF CERTIFICATION: June 22, 2010

ORIGIN OF REFERENCE MATERIAL:

Standard CDN-BL-7 was prepared using a blank granitic material.

METHOD OF PREPARATION:

The granitic material was dried, crushed, pulverized and then passed through a 270 mesh screen. The +270 material was discarded. The -270 (<53 micron) material was mixed for 5 days in a double-cone blender. Splits were taken and sent to 6 commercial laboratories for round robin assaying. Round robin results are displayed on the next page.

APPROXIMATE CHEMICAL COMPOSITION (whole rock analysis):

	Percent			Percent
SiO2	73.2		Na2O	2.9
Al2O3	10.7		MgO	1.6
Fe2O3	4.0		K2O	1.3
CaO	2.6		TiO2	0.4
MnO	0.1		LOI	1.5
C	0.1		S	0.1

Statistical Procedures: There was no statistical analysis performed on the data.

Participating Laboratories: (not in same order as table of assays)

Acme Analytical Laboratories Ltd., Vancouver
Assayers Canada Ltd., Vancouver
ALS Chemex Laboratories, North Vancouver
Eco Tech Laboratory Ltd., Kamloops, B.C., Canada
International Plasma Labs, Richmond, B.C., Canada
TSL Laboratories, Saskatoon

Assay Procedure: assays were fire assay, AA or ICP finish on 30g samples.
Assay results on the following page

	Lab 1	Lab 2	Lab 3	Lab 4	Lab 5	Lab 6
Sample	Au ppb	Au ppb	Au ppb	Au ppb	Au ppb	Au ppb
CDN-BL-7-1	6	<1	<5	<5	8	<5
CDN-BL-7-2	3	1	<5	<5	<5	<5
CDN-BL-7-3	<2	5	<5	<5	<5	<5
CDN-BL-7-4	<2	2	<5	<5	8	<5
CDN-BL-7-5	5	2	<5	<5	5	<5
CDN-BL-7-6	<2	1	<5	<5	<5	<5
CDN-BL-7-7	<2	2	<5	<5	11	<5
CDN-BL-7-8	3	1	<5	<5	5	<5
CDN-BL-7-9	<2	1	<5	<5	8	<5
CDN-BL-7-10	<2	2	<5	<5	<5	<5
	Pt ppb	Pt ppb	Pt ppb	Pt ppb	Pt ppb	Pt ppb
CDN-BL-7-1	<3	5	<5	<5	<5	<10
CDN-BL-7-2	<3	<5	<5	<5	<5	<10
CDN-BL-7-3	<3	<5	<5	<5	<5	<10
CDN-BL-7-4	<3	<5	<5	<5	<5	<10
CDN-BL-7-5	<3	<5	<5	<5	<5	<10
CDN-BL-7-6	<3	<5	<5	<5	<5	<10
CDN-BL-7-7	<3	<5	<5	<5	<5	<10
CDN-BL-7-8	<3	<5	<5	<5	<5	<10
CDN-BL-7-9	<3	<5	<5	<5	<5	<10
CDN-BL-7-10	4	<5	<5	<5	<5	<10
	Pd ppb	Pd ppb	Pd ppb	Pd ppb	Pd ppb	Pd ppb
CDN-BL-7-1	<2	1	<5	<5	10	<5
CDN-BL-7-2	<2	2	<5	<5	<5	<5
CDN-BL-7-3	<2	2	<5	<5	14	<5
CDN-BL-7-4	<2	1	<5	<5	7	<5
CDN-BL-7-5	<2	1	<5	<5	<5	<5
CDN-BL-7-6	<2	1	<5	<5	8	<5
CDN-BL-7-7	<2	2	<5	<5	<5	<5
CDN-BL-7-8	<2	1	<5	<5	6	<5
CDN-BL-7-9	<2	1	<5	<5	9	<5
CDN-BL-7-10	<2	1	<5	<5	8	<5

Legal Notice:

This certificate and the reference material described in it have been prepared with due care and attention. However CDN Resource Laboratories Ltd. nor Barry Smee accept any liability for any decisions or actions taken following the use of the reference material. Our liability is limited solely to the cost of the reference material.

Certified by

Duncan Sanderson, Certified Assayer of B.C.

Geochemist

Dr. Barry Smee, Ph.D., P. Geo.

CERTIFICATE OF ANALYSIS
WCM MINERALS

PB 138

Copper, Lead, Zinc, Silver Reference Material

LAB	LAB1	LAB1	LAB1	LAB1	LAB2	LAB2	LAB2	LAB2	LAB3	LAB3	LAB3	LAB3	LAB4	LAB4	LAB4	LAB4	LAB5	LAB5	LAB5	LAB5
No.	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t
1	0.283	2.00	2.02	201	0.281	1.96	2.12	202.0	0.277	1.98	2.17	208.4	0.27	2.08	2.05	199.6	0.27	2.02	2.02	195.2
2	0.285	1.95	2.06	195	0.262	2.17	2.04	197.0	0.273	1.98	2.17	203.6	0.27	2.09	2.04	199.5	0.28	2.02	2.03	189.3
3	0.286	1.94	2.06	196	0.267	2.16	2.10	195.0	0.277	2.02	2.21	206.3	0.27	2.11	2.06	198.3	0.27	2.02	2.02	193.3
4	0.286	1.94	2.10	194	0.266	2.16	2.09	200.0	0.276	2.00	2.21	201.0	0.27	2.07	2.03	200.7	0.27	2.02	2.03	200.4
5	0.285	1.94	2.01	195	0.266	2.18	2.13	199.0	0.271	1.99	2.17	202.5	0.27	2.08	2.03	198.8	0.28	2.02	2.02	190.1
6			2.06										0.27	2.08	2.03	200.5				
Ave.	0.285	1.954	2.052	196.2	0.268	2.126	2.096	198.6	0.275	1.994	2.186	204.4	0.270	2.085	2.040	199.6	0.274	2.020	2.024	193.7
Std Dev	0.001	0.026	0.033	2.775	0.007	0.093	0.035	2.702	0.003	0.017	0.022	2.975	0.000	0.014	0.013	0.933	0.005	0.000	0.005	4.461
Ave. T	0.274	2.038	2.077	198.5																
Std Dev	0.0070	0.0743	0.0621	4.4789																
Report	**Cu %**	**Pb %**	**Zn %**	**Ag g/t**																
	0.27	**2.04**	**2.08**	**199**																

Country of Origin - Canada

Legal Notice:
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Lloyd Twaites Glen Armanini
Registered Assayers, Province of British Columbia

WCM Sales Ltd., 7729 Patterson Avenue, Burnaby, BC, Canada, V5J 3P4
Phone: 604-437-0280 Fax: 604-437-0288
E-mail: WCMminerals@telus.net Web-site: www.WCMminerals.ca

CERTIFICATE OF ANALYSIS

WCM MINERALS

A Division of WCM Sales Ltd.

BL 107

Blank Reference Material

N0.	LAB 1	LAB 1	LAB 1	LAB 1	LAB 1	LAB 1	LAB 1	LAB 1	LAB 2	LAB 2	LAB 2	LAB 2	LAB 2	LAB 2	LAB 2	LAB 2
	Au ppb	Ag ppm	Cu ppm	Mo ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm	Au ppb	Ag ppm	Cu ppm	Mo ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm
1	<5	<0.2	19	1	3	26	1	2	<2	<0.3	20	1	<3	25	1	2
2	<5	<0.2	19	1	3	25	1	2	<2	<0.3	19	1	<3	25	1	2
3	<5	<0.2	19	1	3	26	1	2	<2	<0.3	19	1	3	26	1	2
4	<5	<0.2	19	1	3	27	1	2	<2	<0.3	19	1	<3	26	1	2
5	<5	<0.2	18	1	4	25	1	2	<2	<0.3	19	1	<3	25	1	2
6	<5	<0.2	19	1	2	26	1	2								
7	<5	<0.2	18	1	2	26	1	2								
8	<5	<0.2	19	1	2	27	1	2								
Rpt.	Au ppb	Ag ppm	Cu ppm	Mo ppm	Pb ppm	Zn ppm	Ni ppm	Co ppm								
Av.	<5	<0.3	19	1	3	26	1	2								

Legal Notice:
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Lloyd Twaites Glen Armanini
Registered Assayers, Province of British Columbia

WCM Sales Ltd., 7729 Patterson Avenue, Burnaby, BC, Canada, V5J 3P4
Phone: 604-437-0280 Fax: 604-437-0288
E-mail: WCMminerals@telus.net Web-site: www.WCMminerals.ca

WCM MINERALS
7729 Patterson Avenue
Burnaby, BC V5J 3P4

Certificate of Analysis
Data Sheets Enclosed

CERTIFICATE OF ANALYSIS
WCM MINERALS

PB 128

Copper, Lead, Zinc, Silver Reference Material

LAB1	LAB1	LAB1	LAB1	LAB1	LAB2	LAB2	LAB2	LAB2	LAB3	LAB3	LAB3	LAB3	LAB4	LAB4	LAB4	LAB4	LAB5	LAB5	LAB5	LAB5
No.	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t
1	1.58	4.36	2.22	185	1.533	4.41	2.42	182	1.63	4.57	2.16	172.4	1.51	4.41	2.24	193.5	1.530	4.196	2.248	173.4
2	1.59	4.17	2.23	183	1.561	4.46	2.41	183	1.65	4.52	2.15	169.1	1.52	4.40	2.25	193.1	1.538	4.288	2.254	173.2
3	1.56	4.38	2.22	185	1.583	4.37	2.41	182	1.60	4.59	2.13	170.7	1.52	4.42	2.26	192.3	1.540	4.277	2.245	174.0
4	1.56	4.40	2.21	187	1.563	4.42	2.44	181	1.60	4.55	2.14	170.2	1.52	4.42	2.24	193.1	1.533	4.236	2.243	173.7
5									1.658	4.86	2.15	184.6	1.52	4.41	2.25	193.1	1.553	4.245	2.267	173.2
6									1.663	4.84	2.14	185.2								
Ave.	1.573	4.328	2.220	185.0	1.560	4.415	2.420	182.0	1.634	4.655	2.145	175.4	1.518	4.412	2.248	193.0	1.539	4.248	2.251	173.5
Std Dev	0.015	0.106	0.008	1.633	0.021	0.037	0.014	0.816	0.028	0.153	0.010	7.463	0.004	0.008	0.008	0.438	0.009	0.036	0.010	0.346
Ave. T	1.567	4.425	2.247	181.4																
Std Dev	0.046	0.171	0.090	8.205																
Report	**Cu %**	**Pb %**	**Zn %**	**Ag g/t**																
	1.57	**4.43**	**2.25**	**181**																

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E-mail: WCMminerals@telus.net Web-site: www.WCMminerals.ca

CERTIFICATE OF ANALYSIS
WCM MINERALS
PB 124

Copper, Lead, Zinc, Silver Reference Material

LAB1	LAB1	LAB1	LAB1	LAB1	LAB2	LAB2	LAB2	LAB2	LAB3	LAB3	LAB3	LAB3	LAB4	LAB4	LAB4	LAB4	LAB5	LAB5	LAB5	LAB5
No.	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t	Cu %	Pb %	Zn %	Ag g/t
1	0.53	2.19	0.82	1950	0.491	2.11	0.78	1879	0.491	2.36	0.79	2072.3	0.51	2.25	0.82	2052	0.505	2.222	0.817	1962.0
2	0.52	2.14	0.81	1980	0.486	2.11	0.79	1913	0.492	2.33	0.80	1983.9	0.51	2.23	0.81	2041	0.503	2.242	0.815	1940.7
3	0.53	2.18	0.82	1955	0.480	2.04	0.76	1845	0.493	2.31	0.79	1987.1	0.50	2.23	0.81	2062	0.506	2.252	0.817	1966.0
4	0.52	2.18	0.82	1950	0.487	2.10	0.80	1922	0.496	2.32	0.78	1977.4	0.50	2.22	0.81	2041	0.5	2.219	0.816	1951.3
5									0.500	2.29	0.83	2066	0.50	2.23	0.81	2057	0.505	2.239	0.820	1959.8
6									0.503	2.27	0.82	2079								
Ave.	0.525	2.173	0.818	1959	0.486	2.090	0.783	1890	0.496	2.313	0.802	2028	0.504	2.232	0.812	2051	0.504	2.235	0.817	1956
Std Dev	0.006	0.022	0.005	14.36	0.005	0.034	0.017	35.11	0.005	0.031	0.019	49.37	0.005	0.011	0.004	9.450	0.002	0.014	0.002	10.10
Ave. T	0.502	2.219	0.806	1983																
Std Dev	0.013	0.079	0.0169	63.538																
Report	**Cu %**	**Pb %**	**Zn %**	**Ag g/t**																
	0.50	**2.22**	**0.81**	**1983**																

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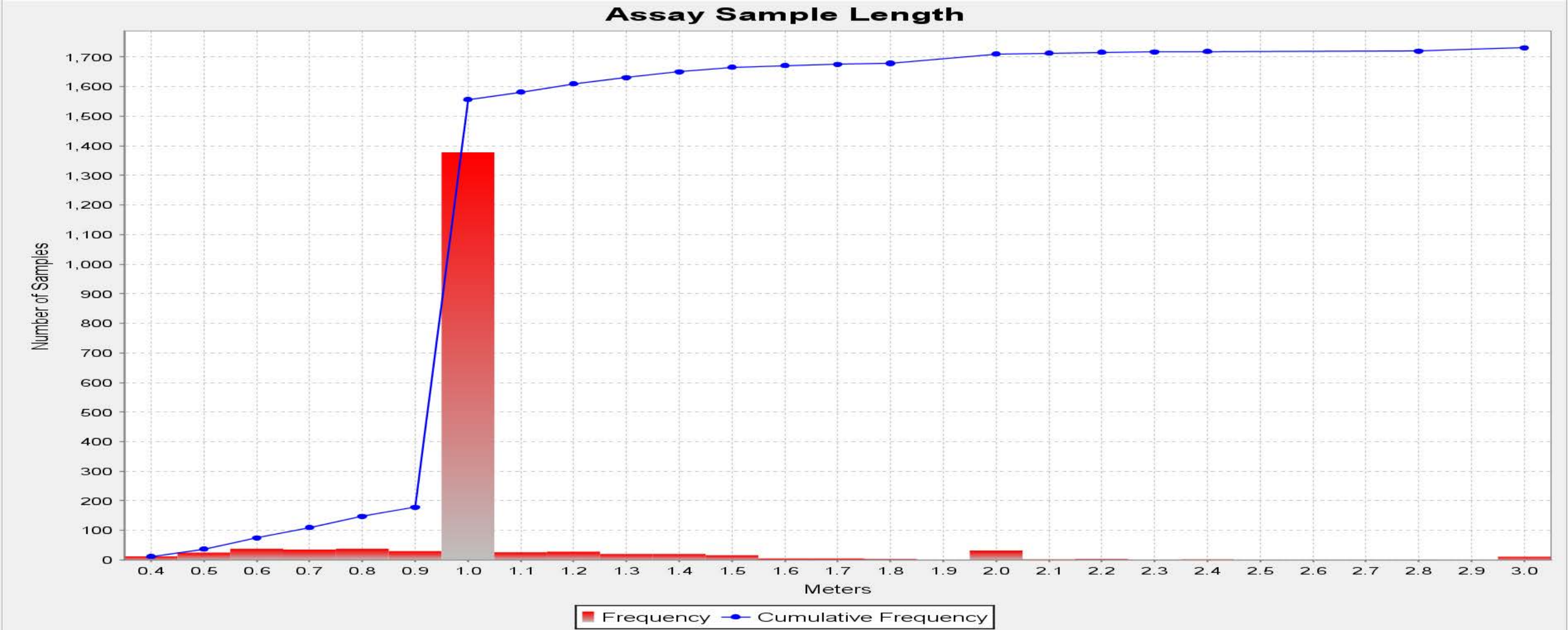
Appendix 2

Resource Estimate Support Documents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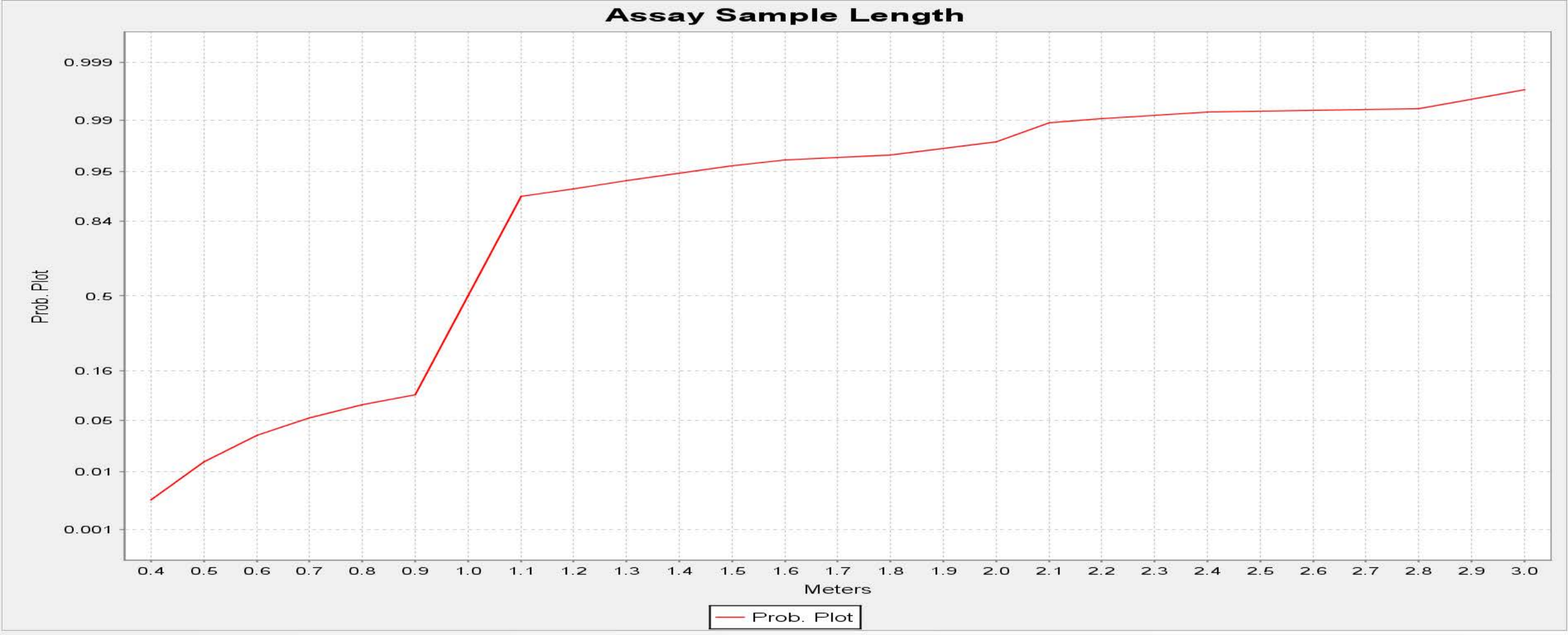
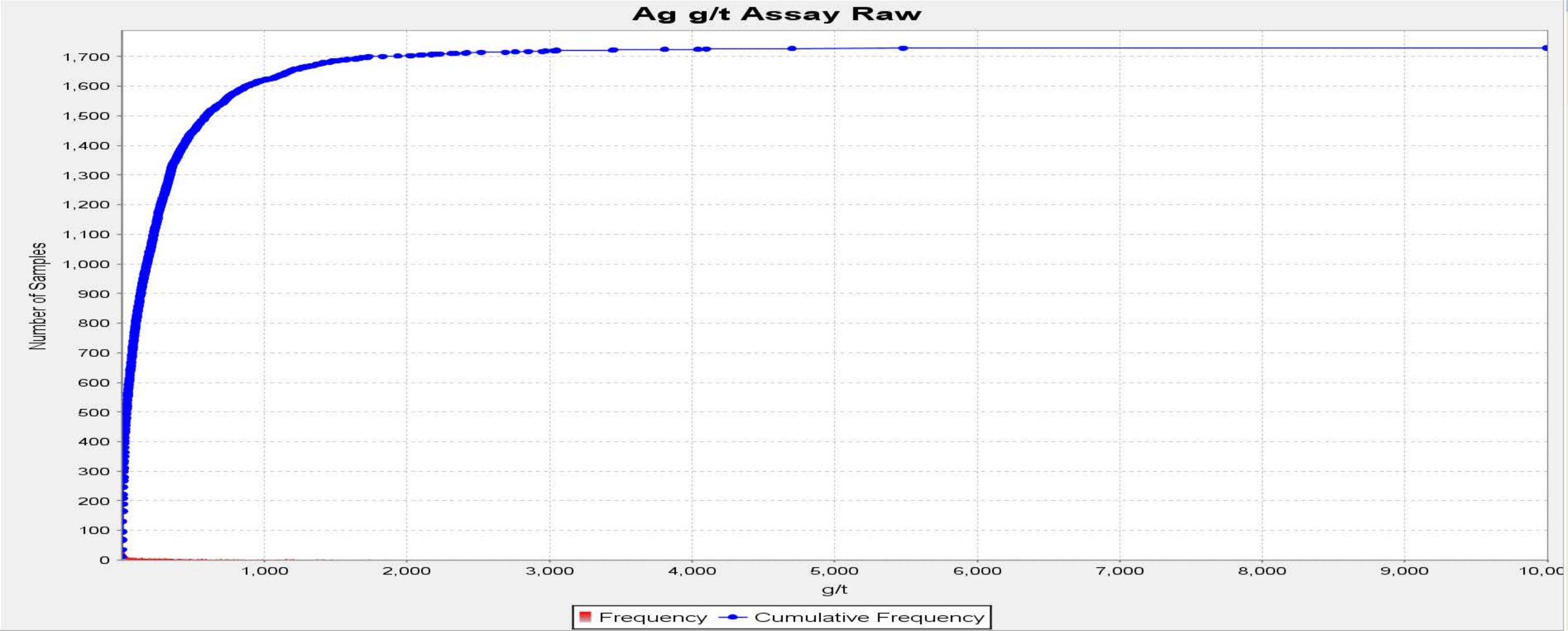
Number of Samples
1,700
1,600
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
0.4
0.5
0.6
0.7
0.8
0.9
1.0
1.1
1.2
1.3
1.4
1.5
1.6
1.7
1.8
1.9
2.0
2.1
2.2
2.3
2.4
2.5
2.6
2.7
2.8
2.9
3.0
Meters
Frequency
Cumulative Frequency


Assay Sample Length
Prob. Plot
0.999
0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
0.4 0.5 0.6 0.7 0.8 0.9 1.0 1.1 1.2 1.3 1.4 1.5 1.6 1.7 1.8 1.9 2.0 2.1 2.2 2.3 2.4 2.5 2.6 2.7 2.8 2.9 3.0
Meters
Prob. Plot


Ag g/t Assay Raw
Number of Samples
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1,500
1,400
1,300
1,200
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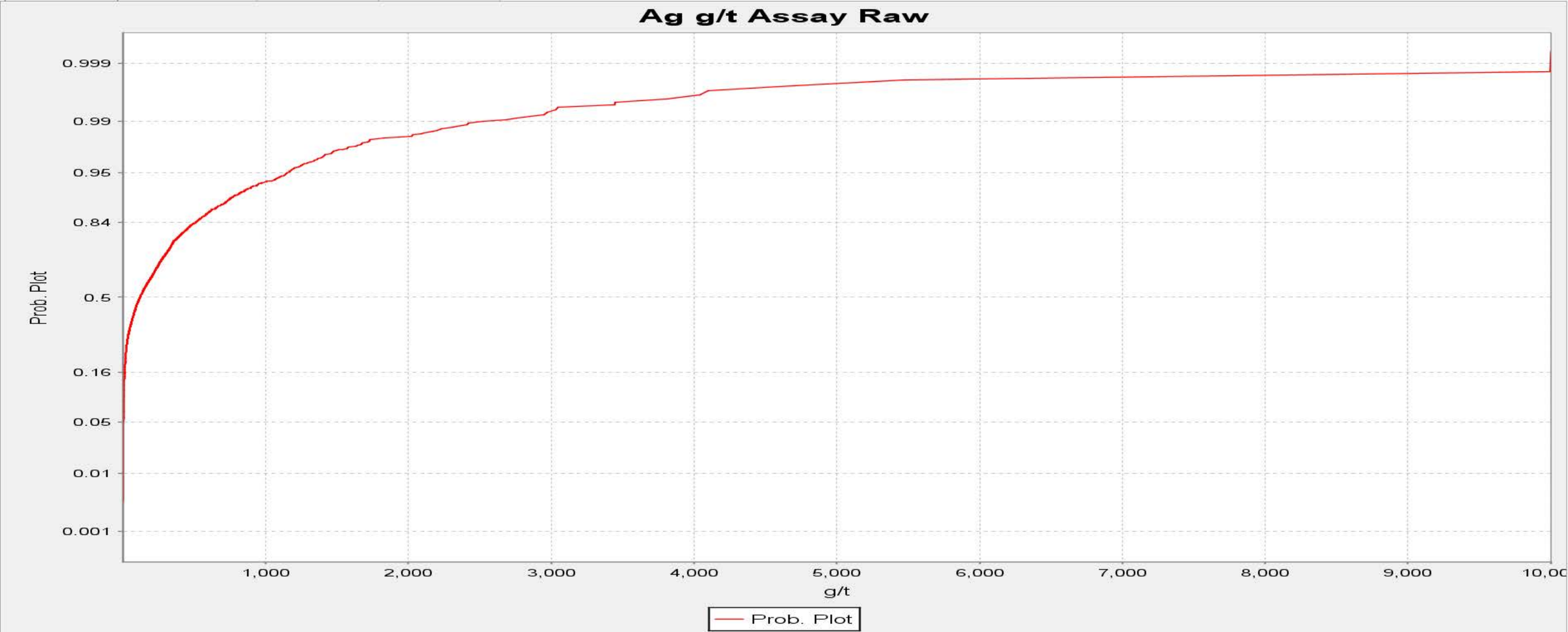
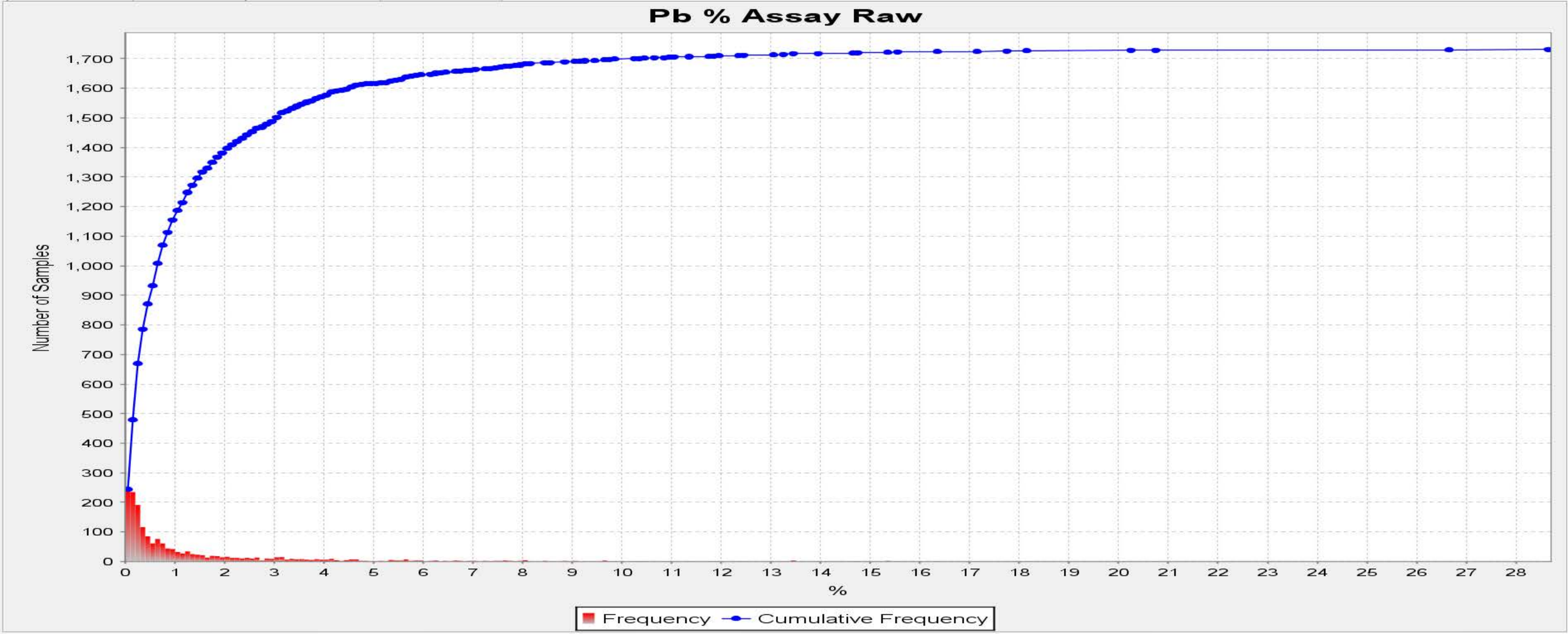
1,000
900
800
700
600
500
400
300
200
100
0
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,000
9,000
10,00
g/t
Frequency
Cumulative Frequency


Ag g/t Assay Raw
Prob. Plot
0.999
0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,000
9,000
10,00
g/t
Prob. Plot


Pb % Assay Raw
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1,400
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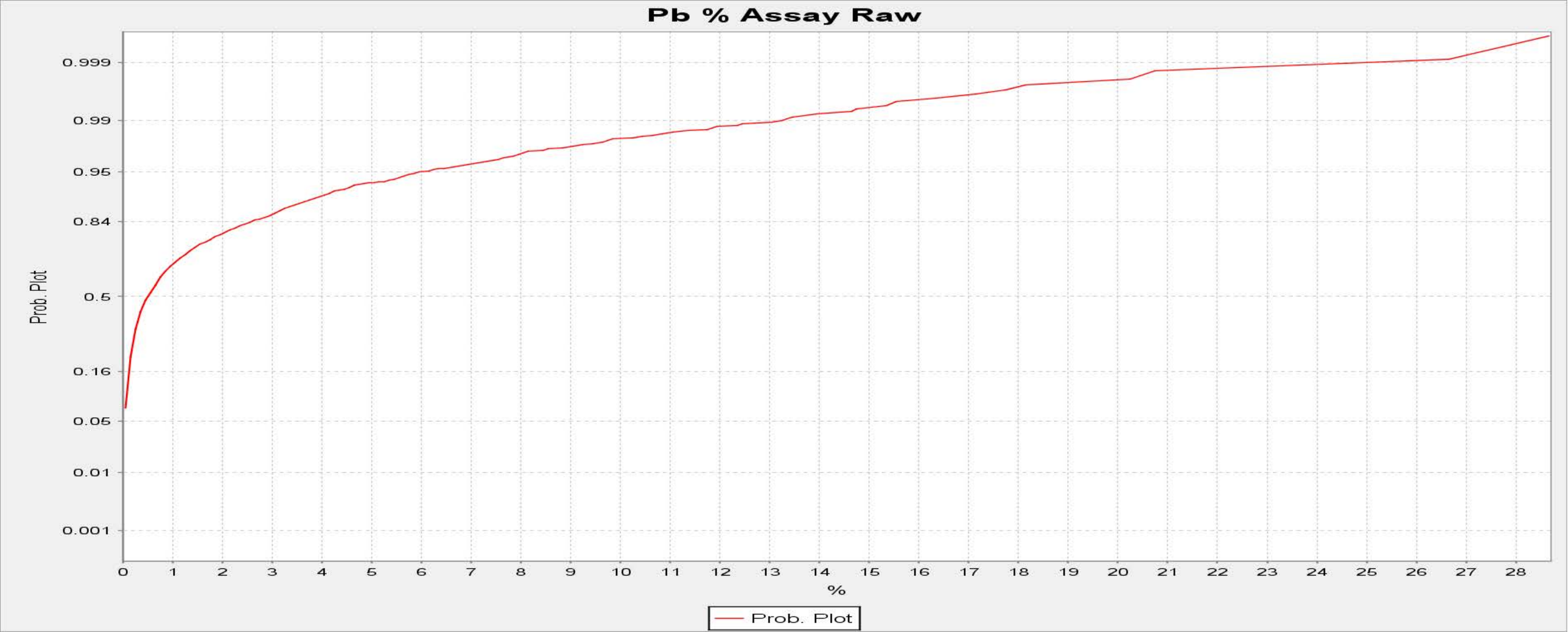
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28
%
Frequency
Cumulative Frequency


Pb % Assay Raw
Prob. Plot
0.999
0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
0
1
2
3
4
5
6
7
8
9
10
11
12
13
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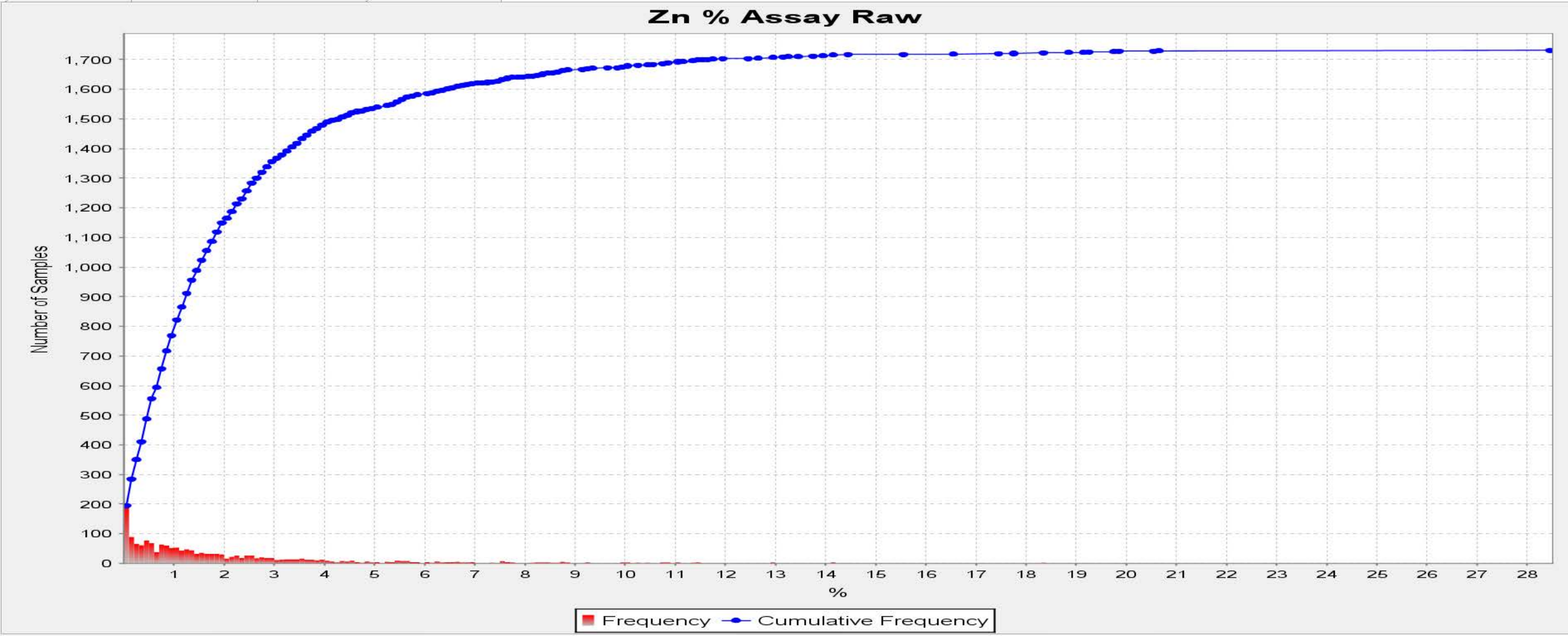
21
22
23
24
25
26
27
28
%
Prob. Plot


Zn % Assay Raw
Number of Samples
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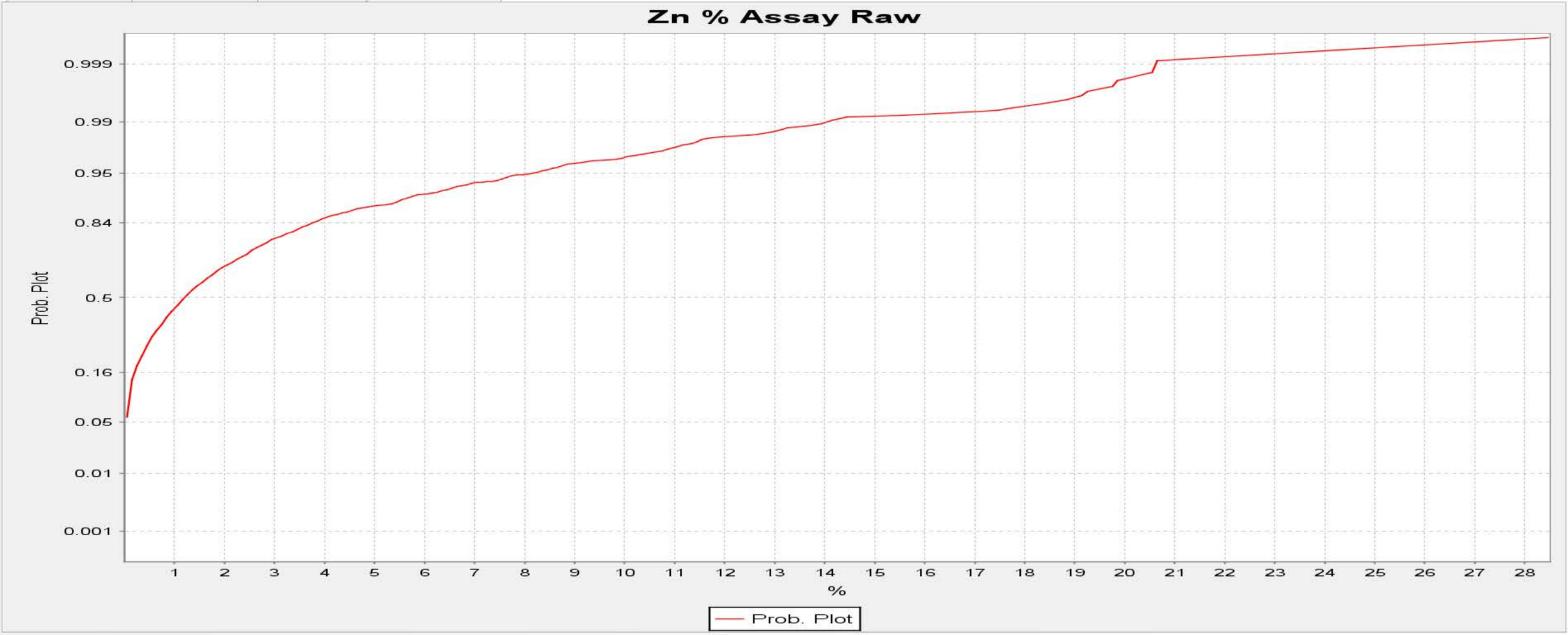
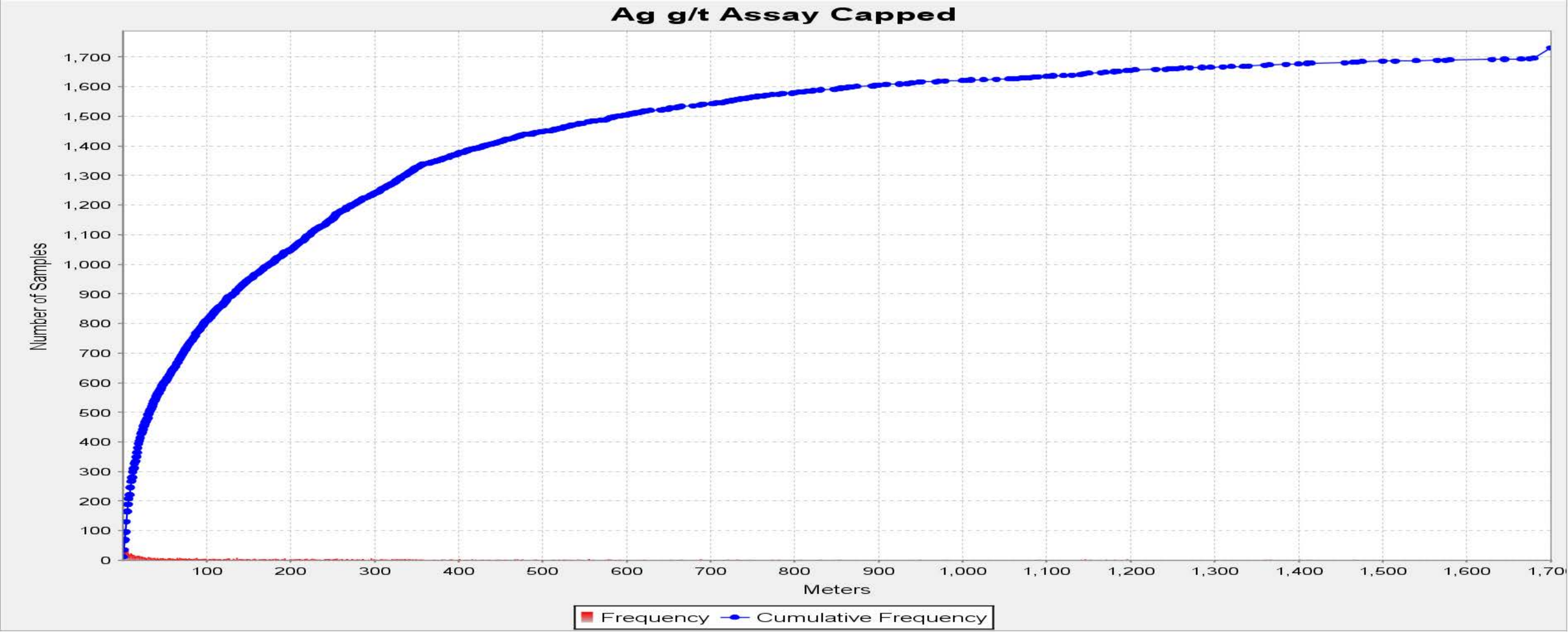
1,600
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
%
Frequency
Cumulative Frequency


Zn % Assay Raw
Prob. Plot
0.999
0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
%
Prob. Plot


Ag g/t Assay Capped
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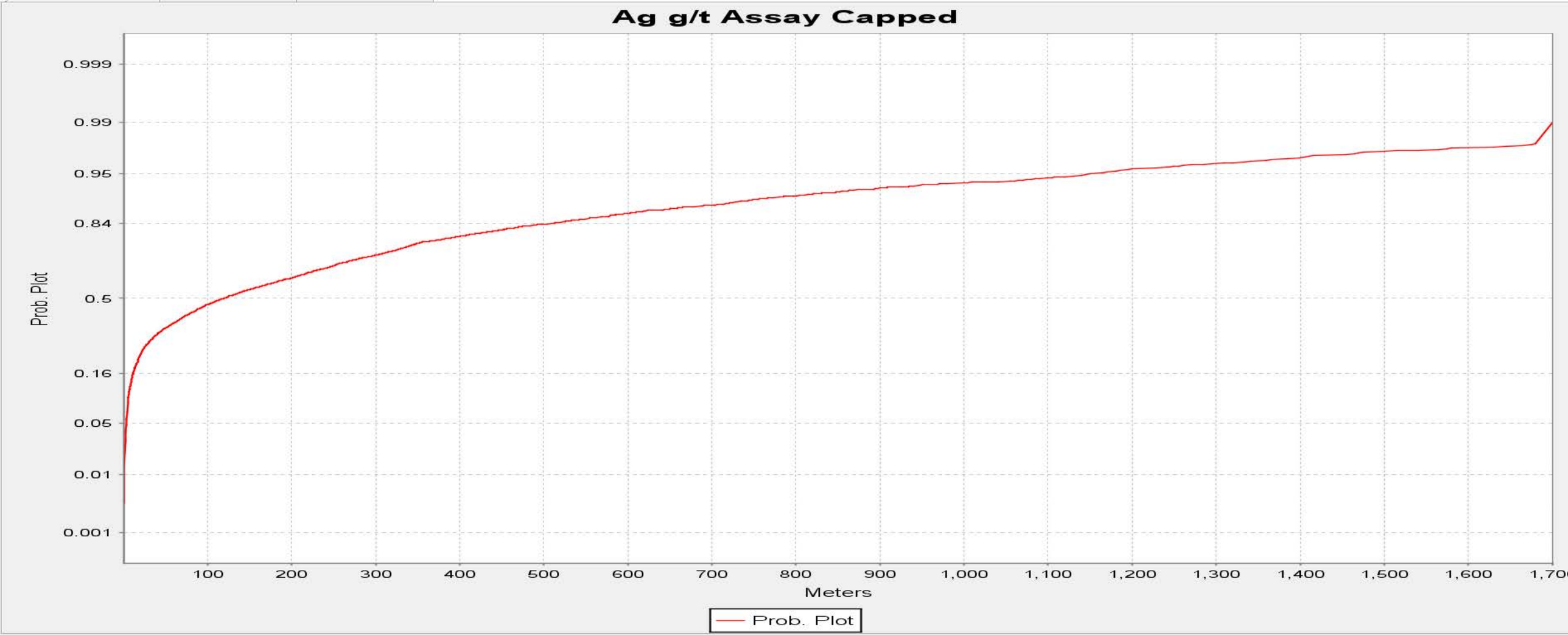
1,600
1,500
1,400
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
100
200
300
400
500
600
700
800
900
1,000
1,100
1,200
1,300
1,400
1,500
1,600
Meters
Frequency
Cumulative Frequency


Ag g/t Assay Capped
Prob. Plot
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0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
100
200
300
400
500
600
700
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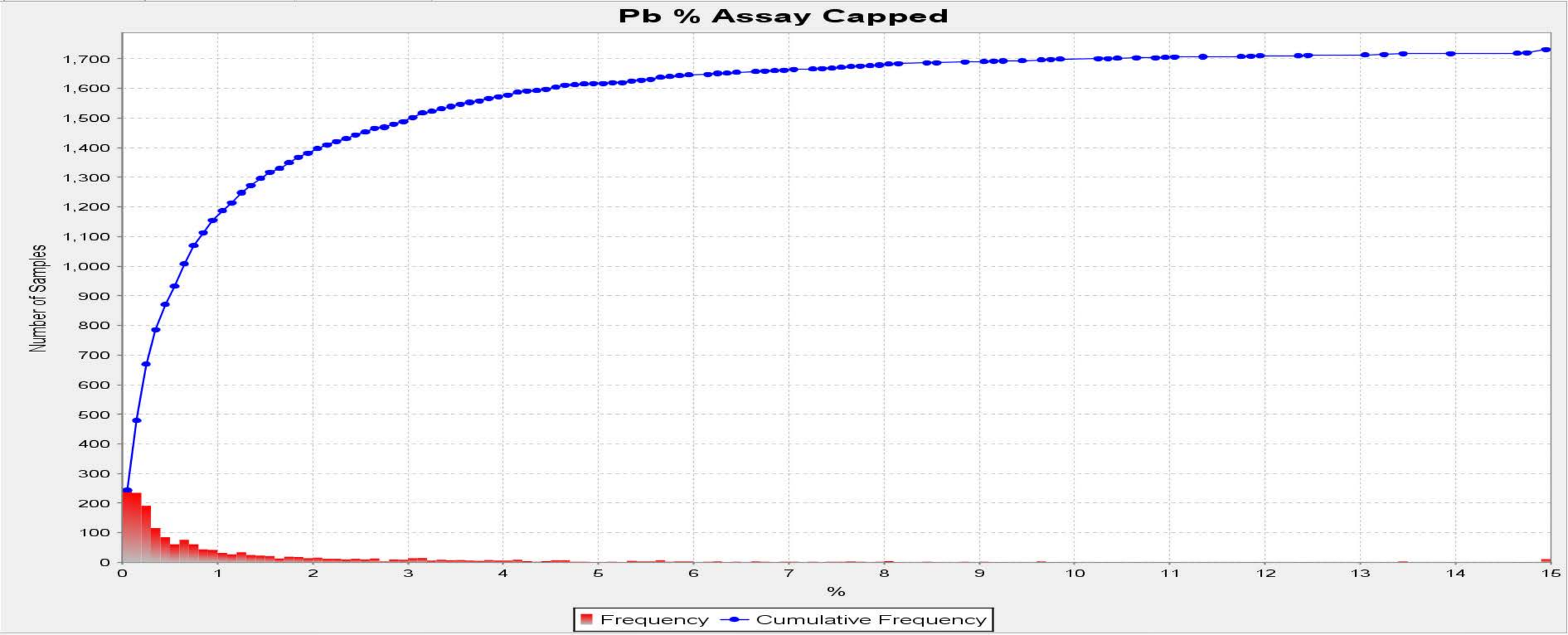
900
1,000
1,100
1,200
1,300
1,400
1,500
1,600
Meters
Prob. Plot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Number of Samples
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1,200
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1,000
900
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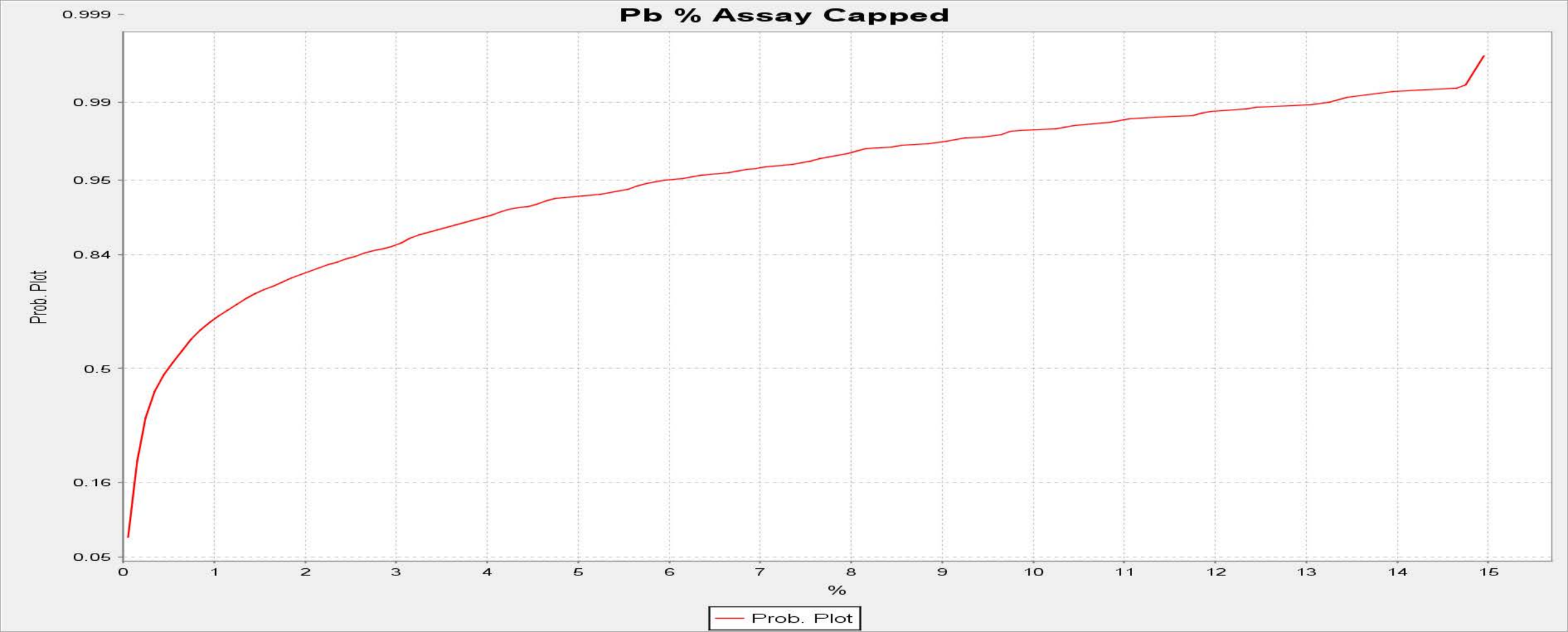
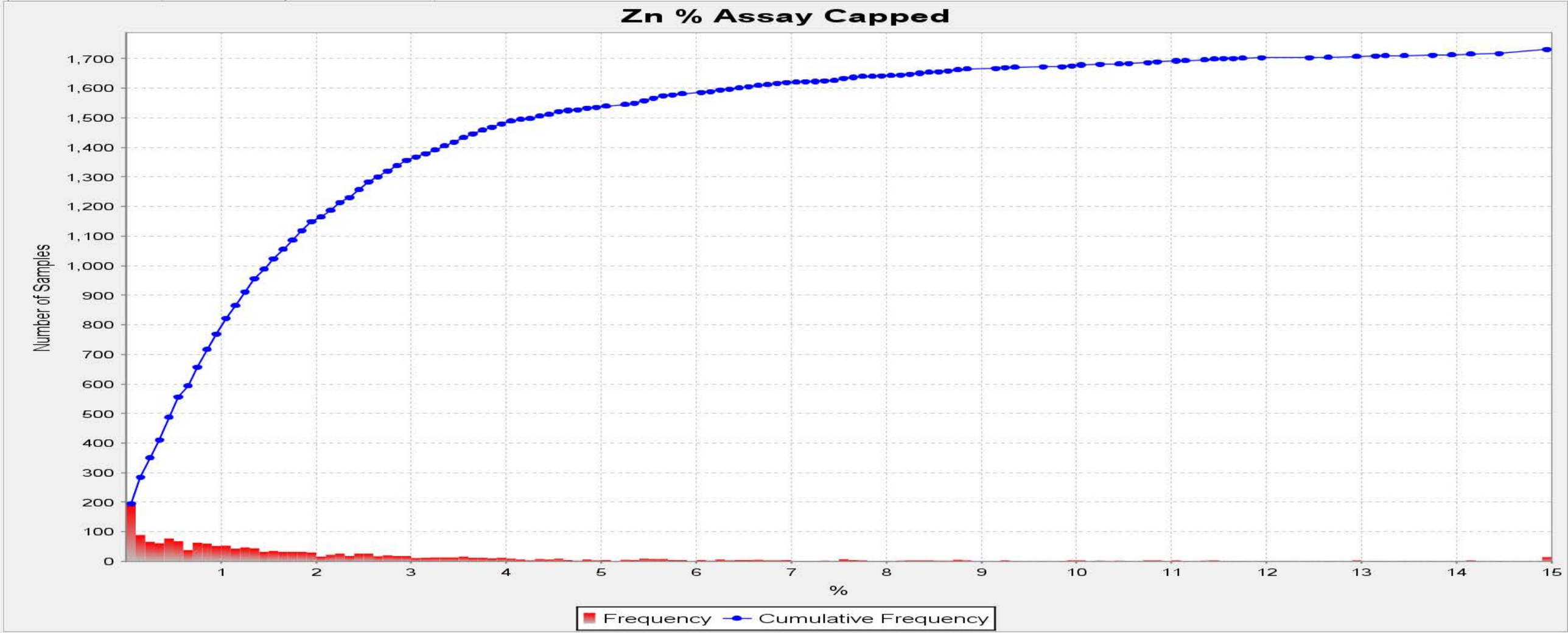
300
200
100
0
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
%
Frequency
Cumulative Frequency


Pb % Assay Capped
0.999
0.99
0.95
0.84
0.5
0.16
0.05
Prob. Plot
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
%
Prob. Plot


Zn % Assay Capped
Number of Samples
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500
400
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5
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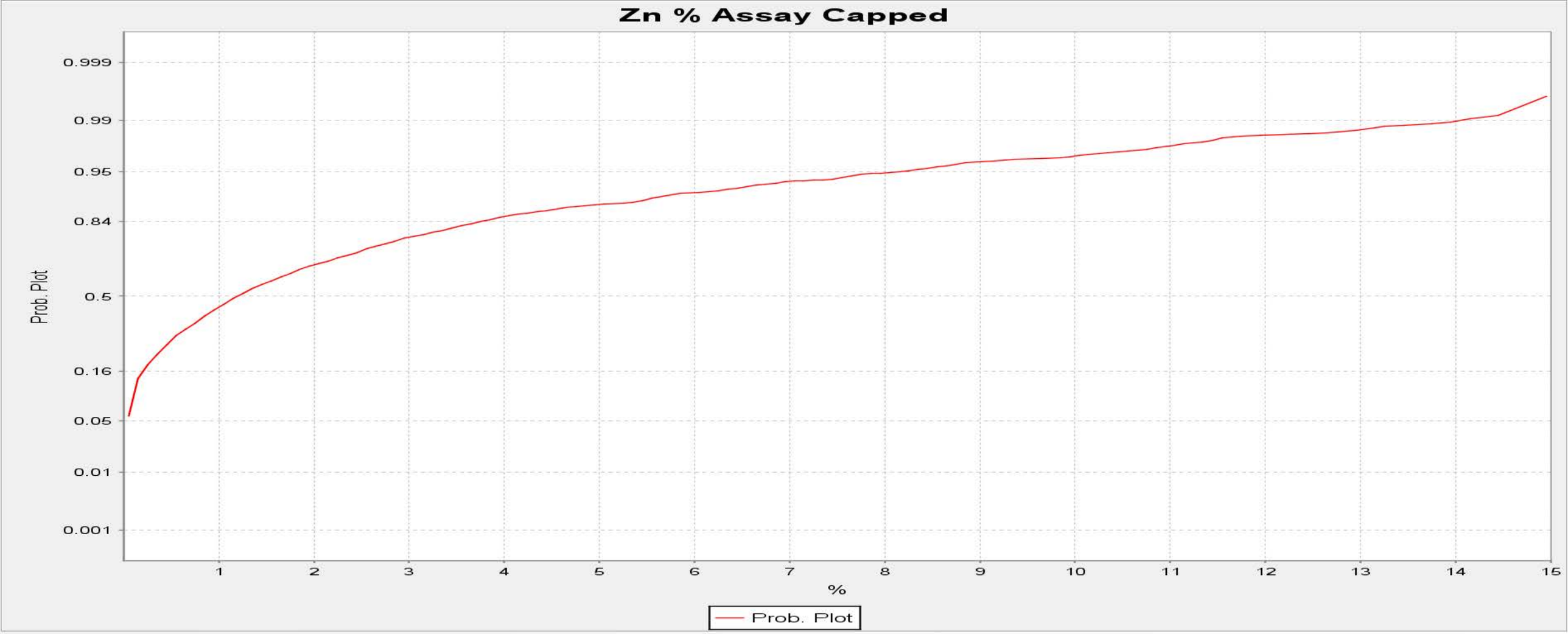
11
12
13
14
15
%
Frequency
Cumulative Frequency


Zn % Assay Capped
Prob. Plot
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0.99
0.95
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0.5
0.16
0.05
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2
3
4
5
6
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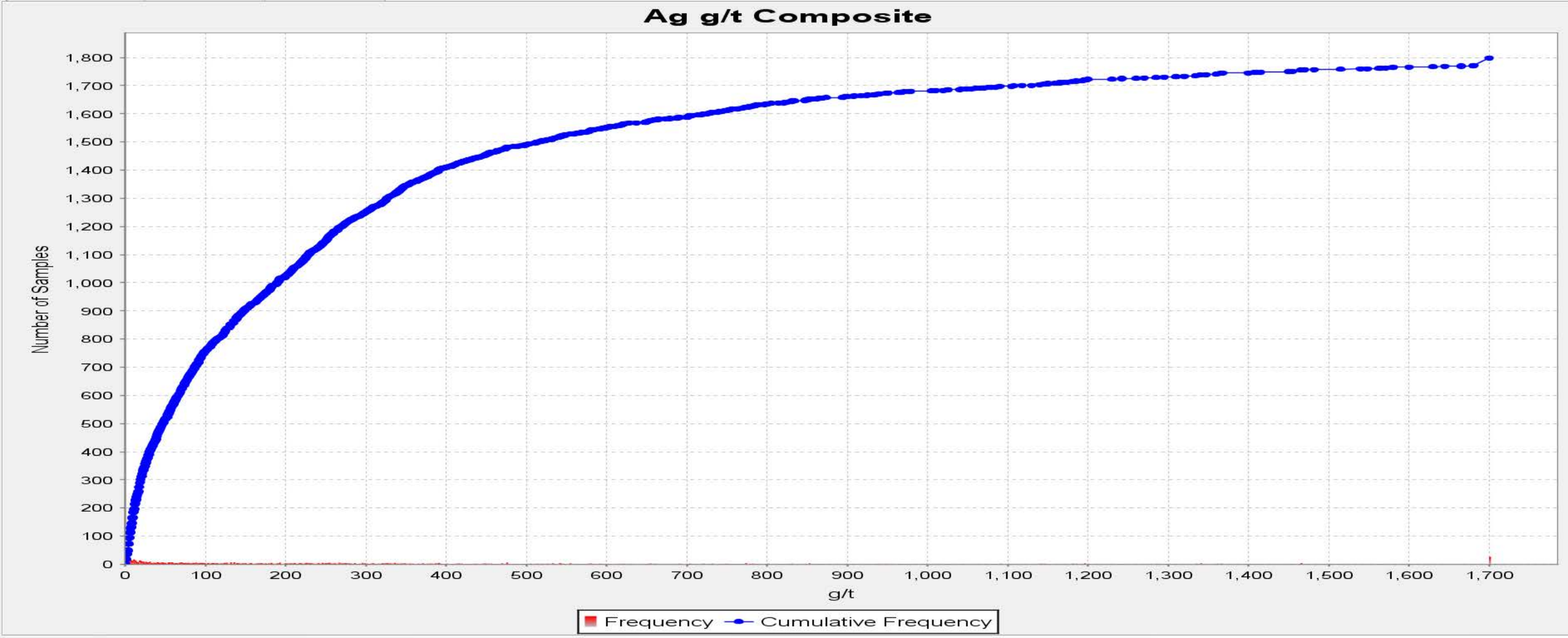
9
10
11
12
13
14
15
%
Prob. Plot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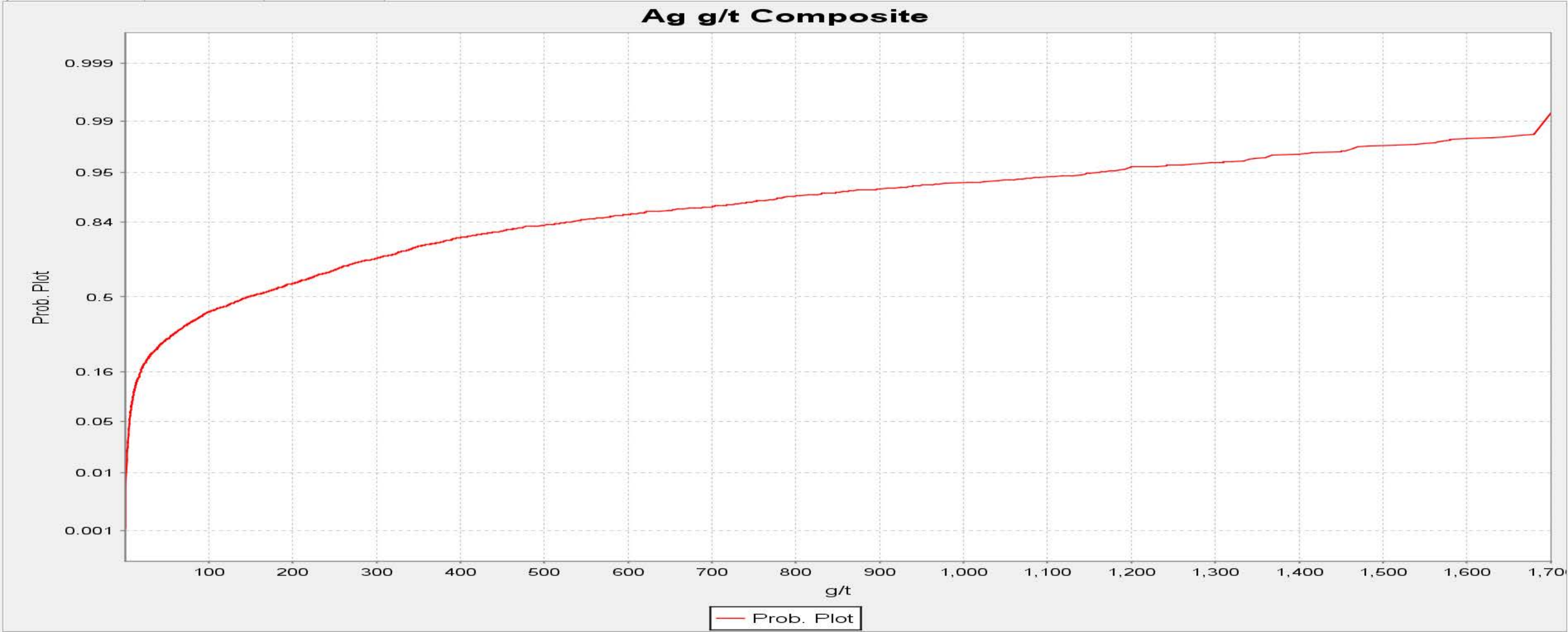
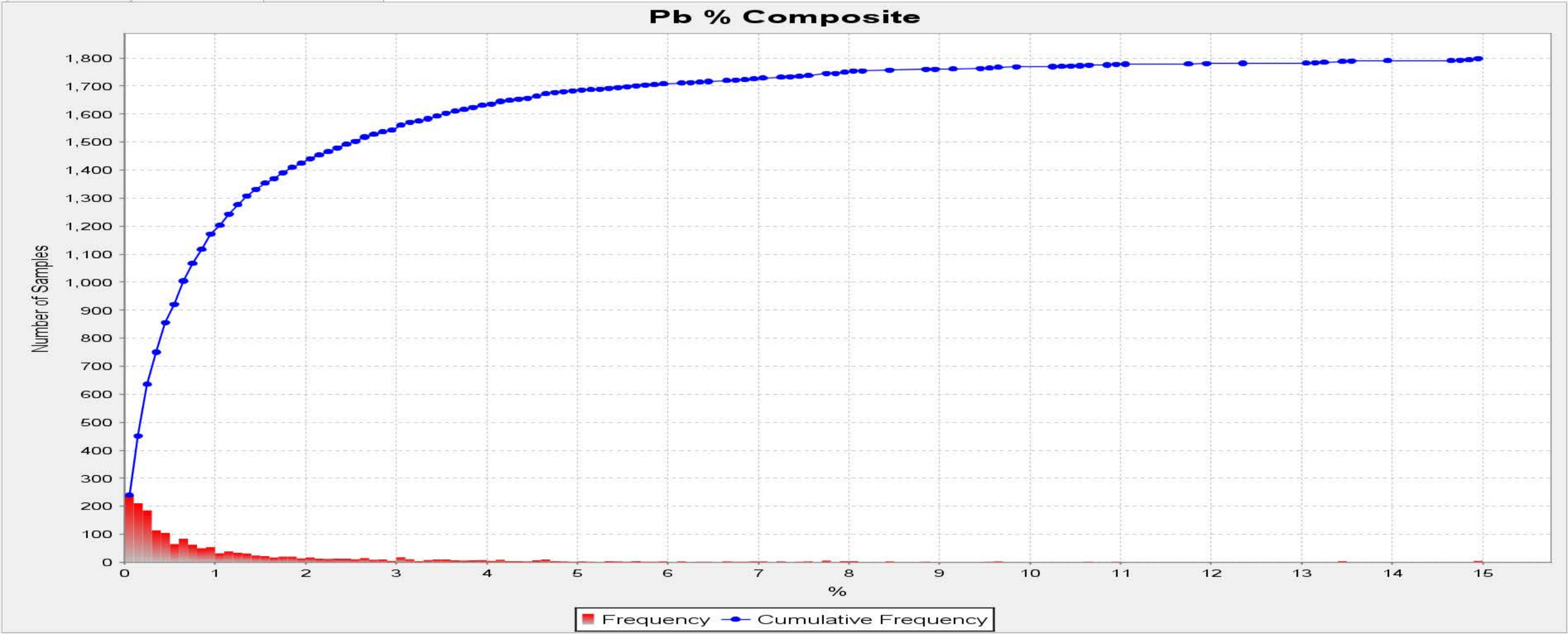
1,000
900
800
700
600
500
400
300
200
100
0
0
100
200
300
400
500
600
700
800
900
1,000
1,100
1,200
1,300
1,400
1,500
1,600
1,700
g/t
Frequency
Cumulative Frequency


Ag g/t Composite
0.999
0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
Prob. Plot
100
200
300
400
500
600
700
800
900
1,000
1,100
1,200
1,300
1,400
1,500
1,600
g/t
Prob. Plot


Pb % Composite
Number of Samples
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1,300
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1,000
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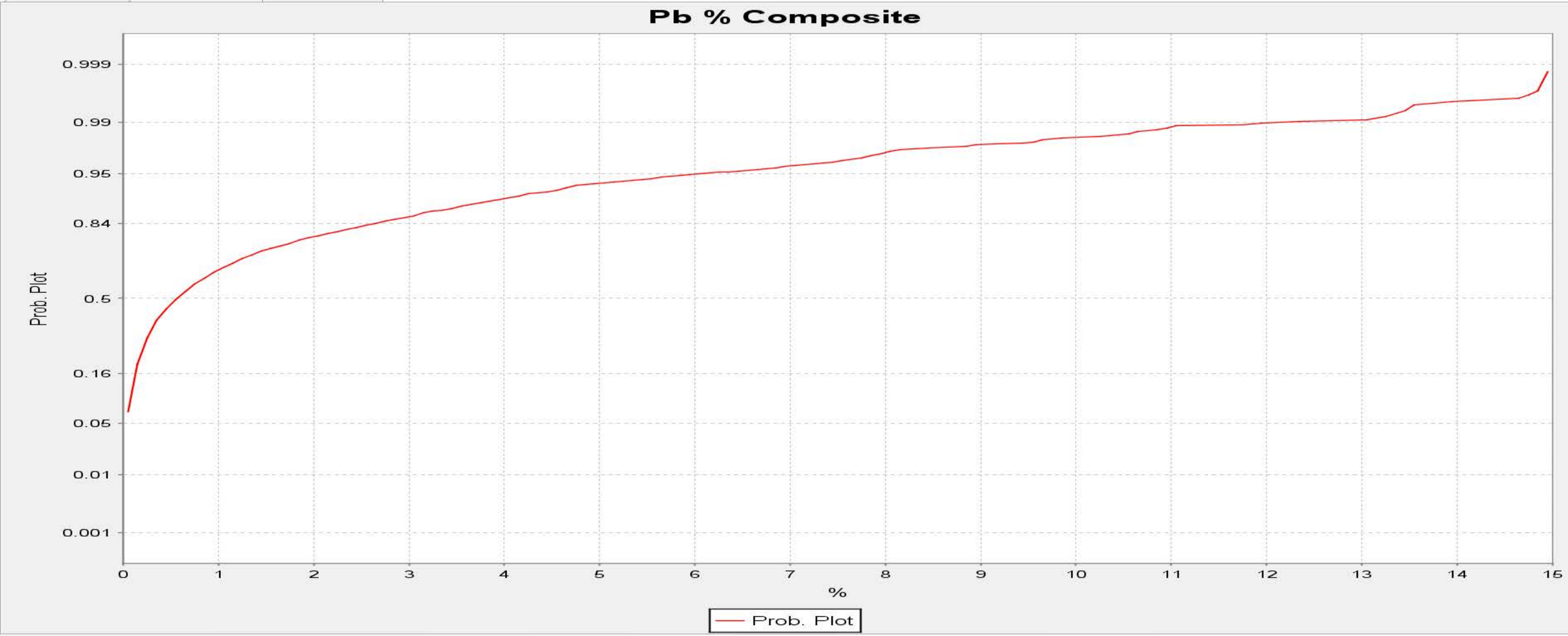
700
600
500
400
300
200
100
0
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
%
Frequency
Cumulative Frequency


Pb % Composite
Prob. Plot
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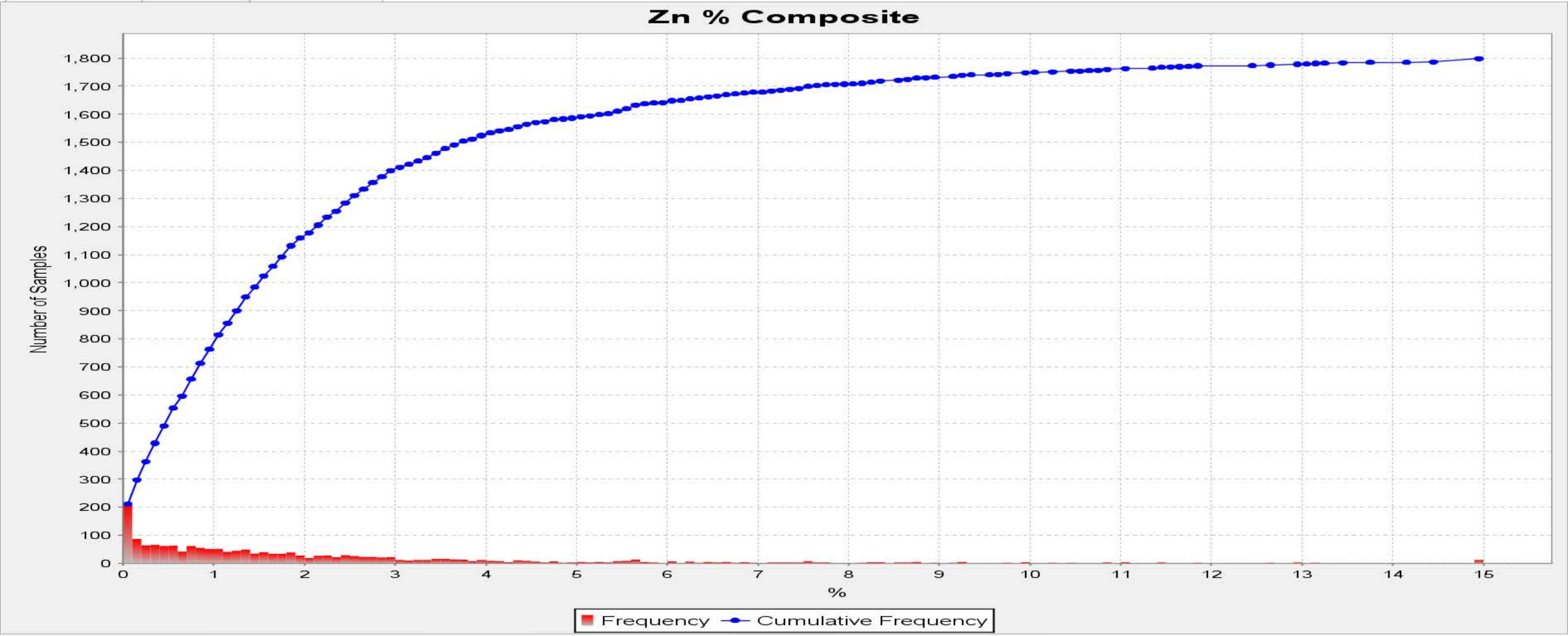
0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
%
Prob. Plot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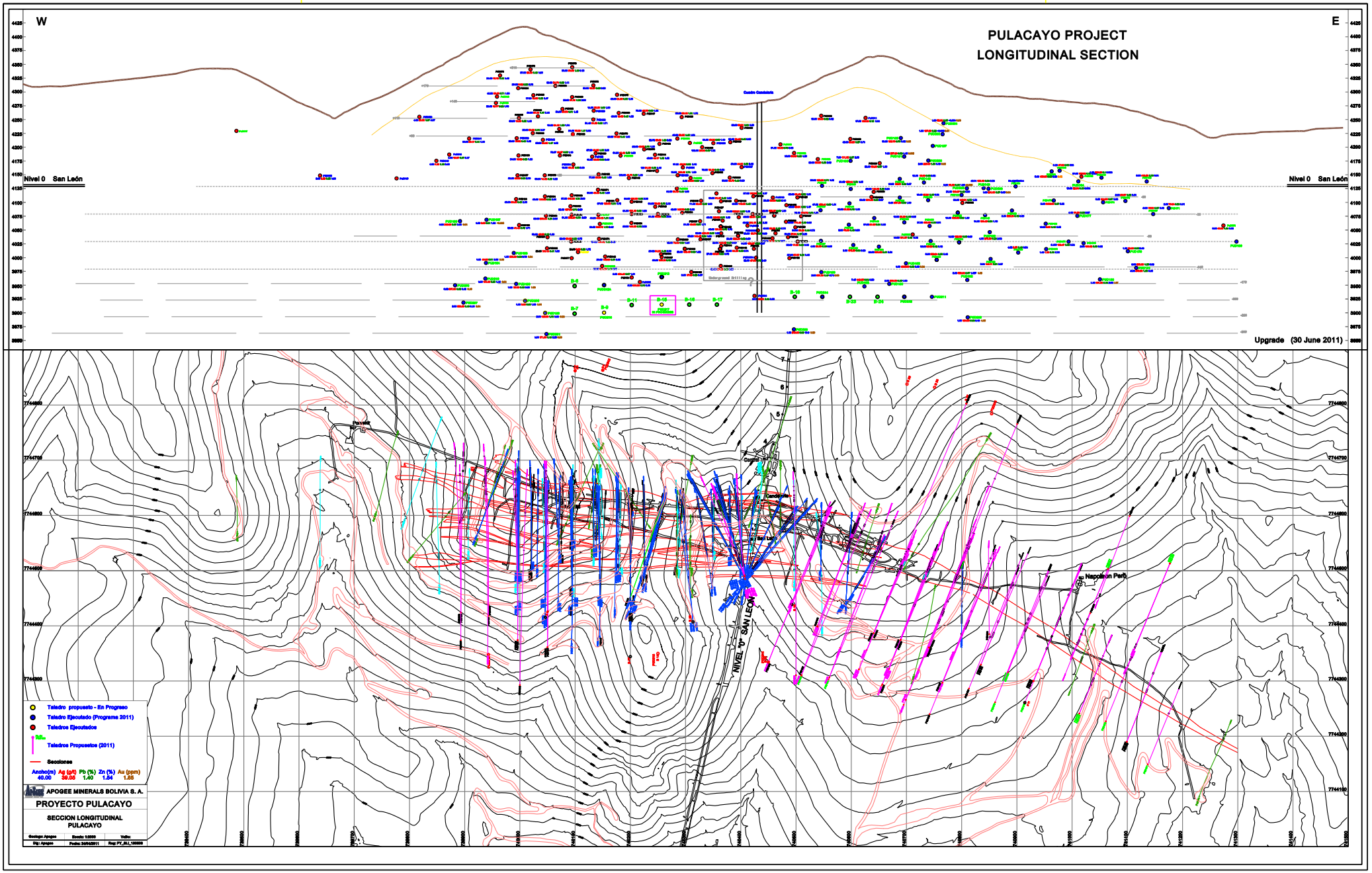
1,300
1,200
1,100
1,000
900
800
700
600
500
400
300
200
100
0
0
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
%
Frequency
Cumulative Frequency

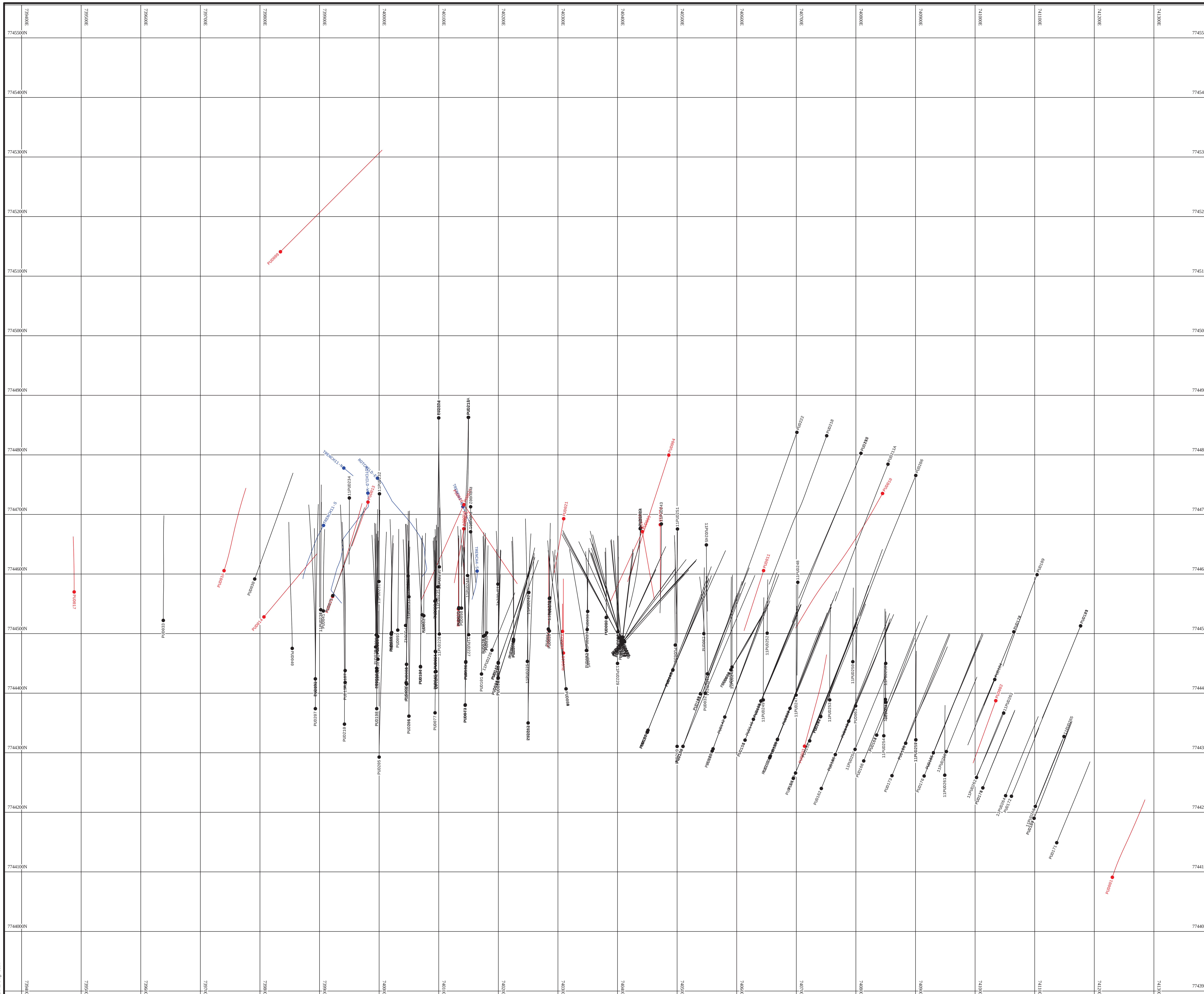

Zn % Composite
Prob. Plot
0.999
0.99
0.95
0.84
0.5
0.16
0.05
0.01
0.001
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
%
Prob. Plot

Appendix 3

Plans and Sections



W
E
PULACAYO PROJECT
LONGITUDINAL SECTION
Nivel 0 San León
Nivel 0 San León
Upgrade (30 June 2011)
NIVEL "0" SAN LEON
Napoleon Perú
Taladro propuesto - En Progreso
Taladro Ejecutado (Programa 2011)
Taladros Ejecutados
Taladros Propuestos (2011)
Secciones
Ancho(m) Ag (g/t) Pb (%) Zn (%) Au (ppm)
40.00 39.05 1.40 1.54 1.85
APOGEE MINERALS BOLIVIA S. A.
PROYECTO PULACAYO
SECCION LONGITUDINAL
PULACAYO



N

UTM Grid (m)
WGS 84
Zone 19

Red Traces - ASC Bolivia LDC Diamond Drill Hole
Black Traces - Apogee Silver Ltd. Diamond Drill Hole
Blue Traces - Apogee Silver Ltd. Trench

0 60 120 180 240 300

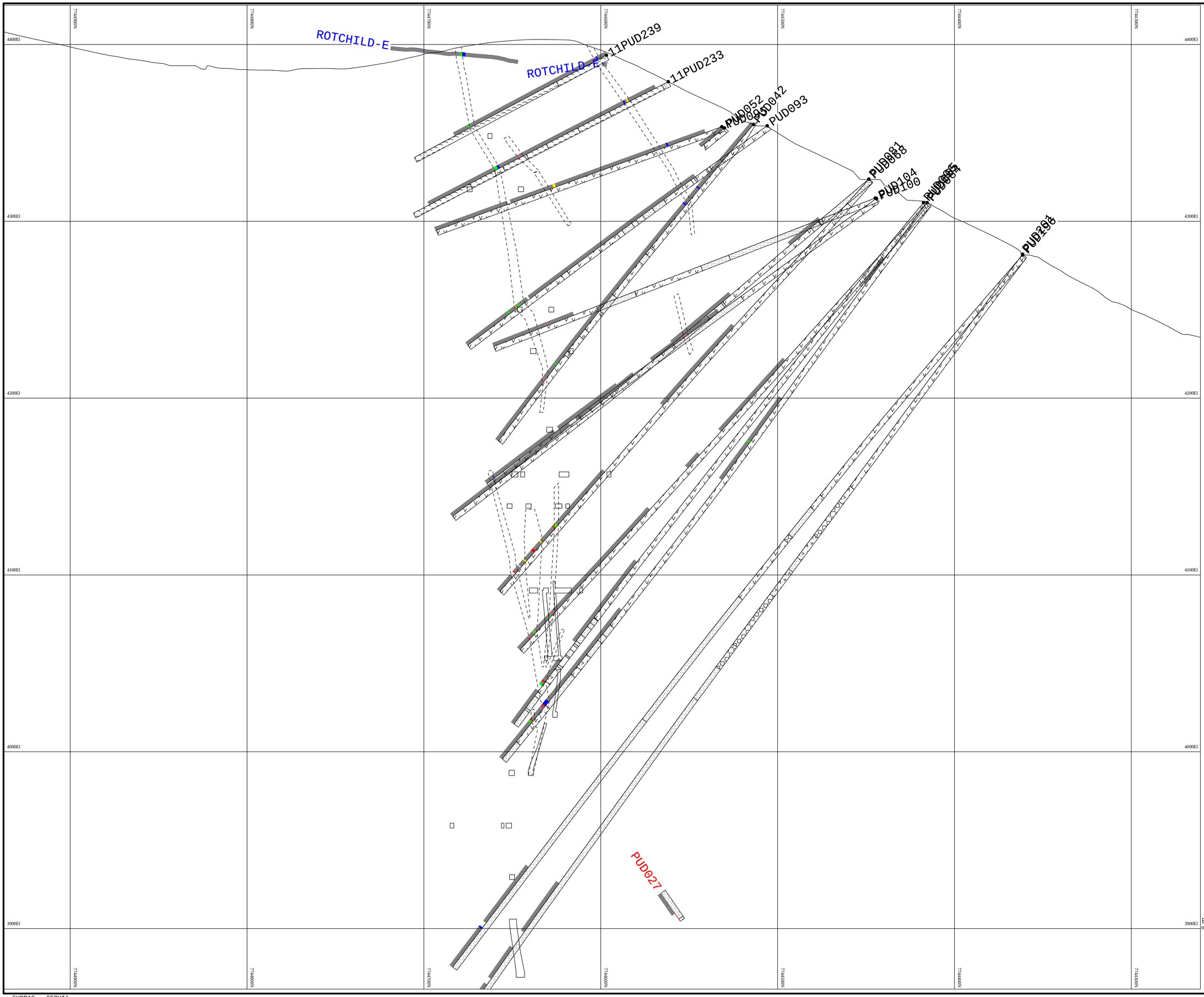
Prophecy Development Corp.

Drill Plan

Scale: 1: 3000	Plan No.	Date: 29-Jul-15

drillplan

SURPAC - GEOVIA



Workings and Stopes

High Grade Ag Domain

Rock Type

- Bx Cont
- Bx Hid
- Bx Vol
- Cob
- Galeria
- Rx Intru
- Rx Sed
- Rx Volv

Ag g/t Grade

- 750 - 10000
- 600 - 750
- 500 - 600
- 400 - 500
- 300 - 400
- 200 - 300
- 0 - 200

0 20 40 60 80 100

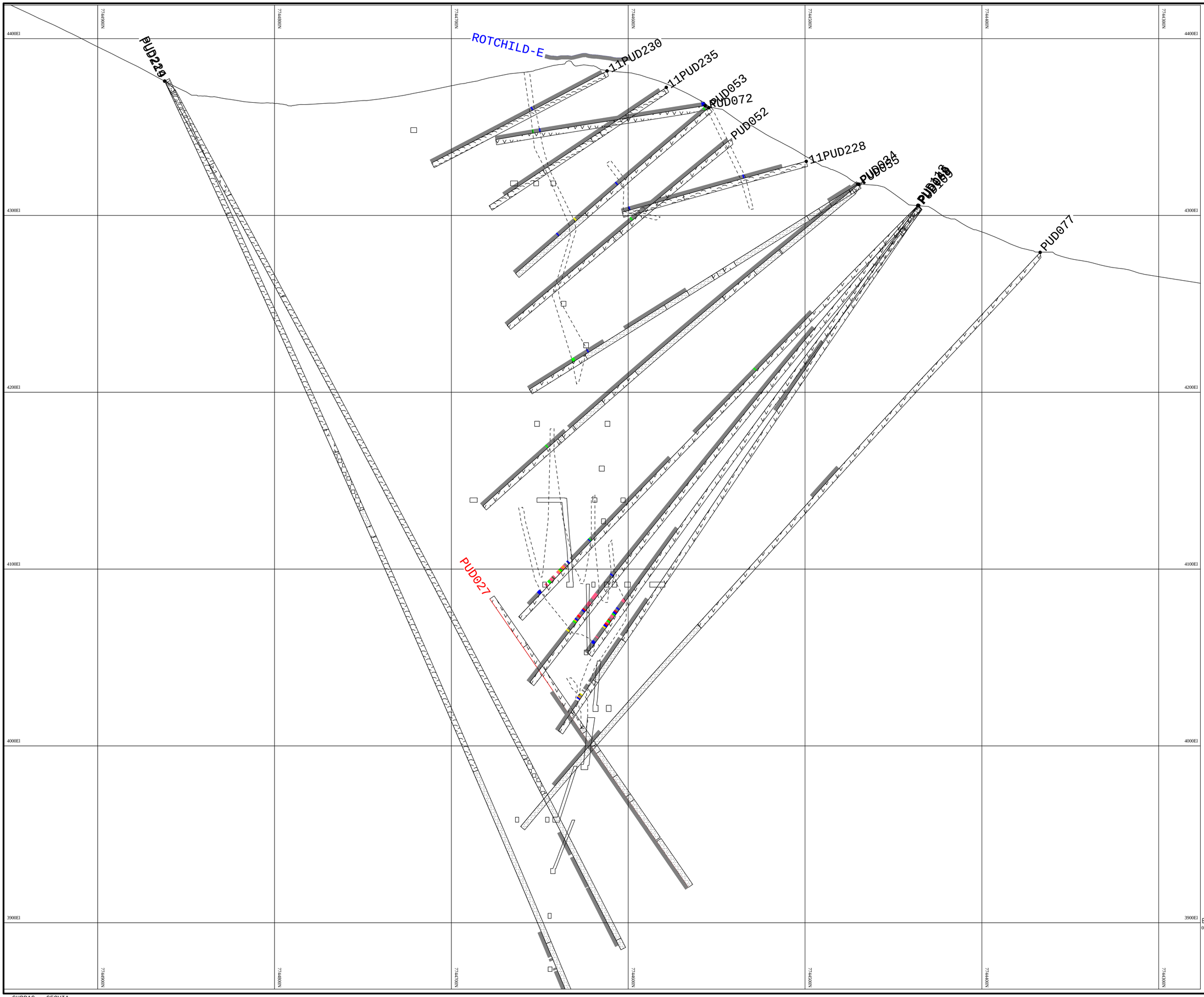
Prophecy Development Corp.

Cross Section
740050E 25m E/W Influence
Loooking East

Scale: 1: 1000	Plan No.	Date: 29-Jul-15

section740050

SURPAC - GEOVIA



Workings and Stopes

High Grade Ag Domain

Rock Type

- Bx Cont
- Bx Hid
- Bx Vol
- Cob
- Galeria
- Rx Intru
- Rx Sed
- Rx Volv

Ag g/t Grade

- 750 - 10000
- 600 - 750
- 500 - 600
- 400 - 500
- 300 - 400
- 200 - 300
- 0 - 200

0 20 40 60 80 100

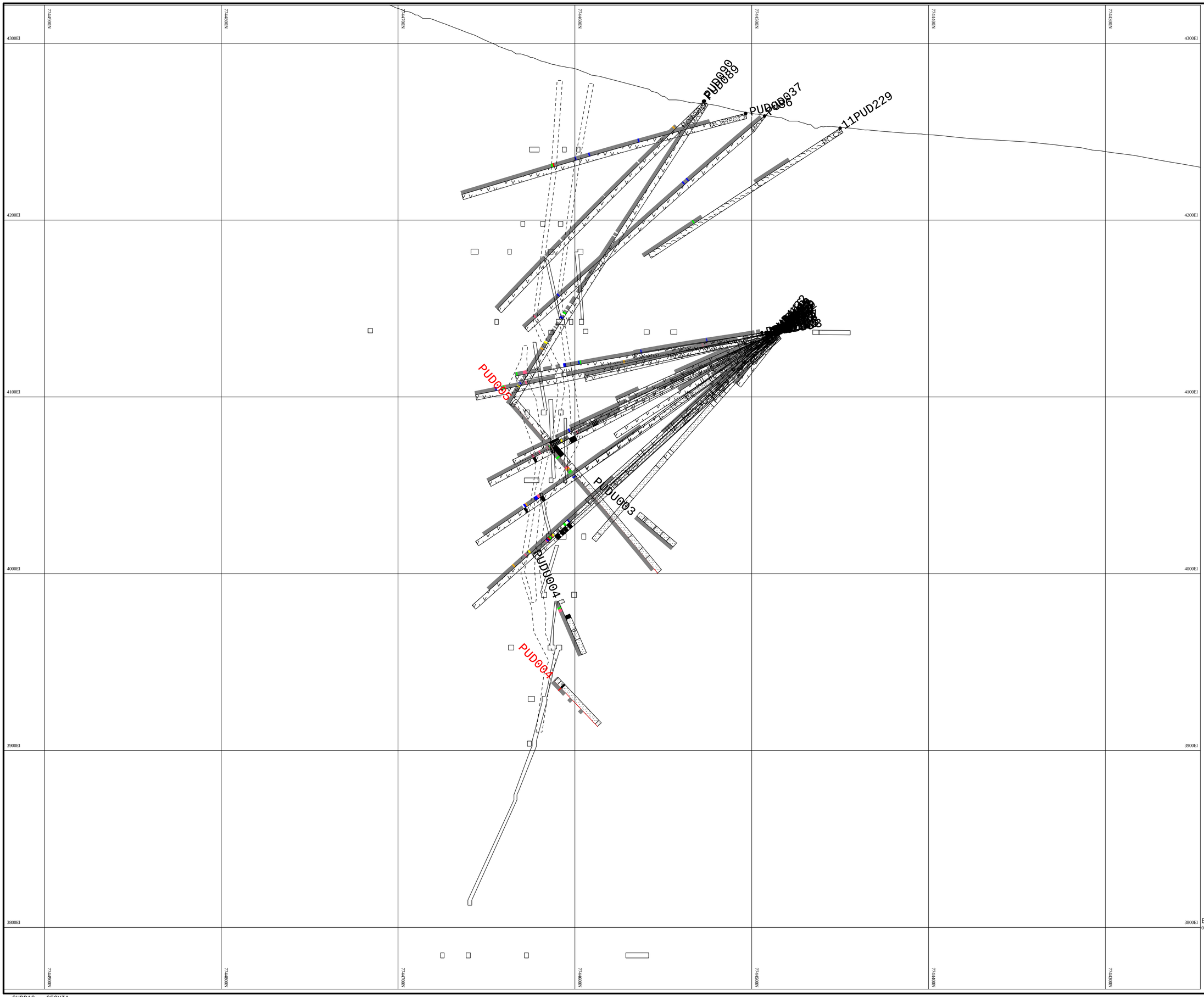
Prophecy Development Corp.

Cross Section
740100E 25m E/W Influence
Looking East

Scale: 1: 1000	Plan No.	Date: 29-Jul-15

section740100

SURPAC - GEOVIA



Workings and Stopes

High Grade Ag Domain

Rock Type

Bx Cont

Bx Hid

Bx Vol

Cob

Galeria

Rx Intru

Rx Sed

Rx Volv

Ag g/t Grade

750 - 10000

600 - 750

500 - 600

400 - 500

300 - 400

200 - 300

0 - 200

0 20 40 60 80 100

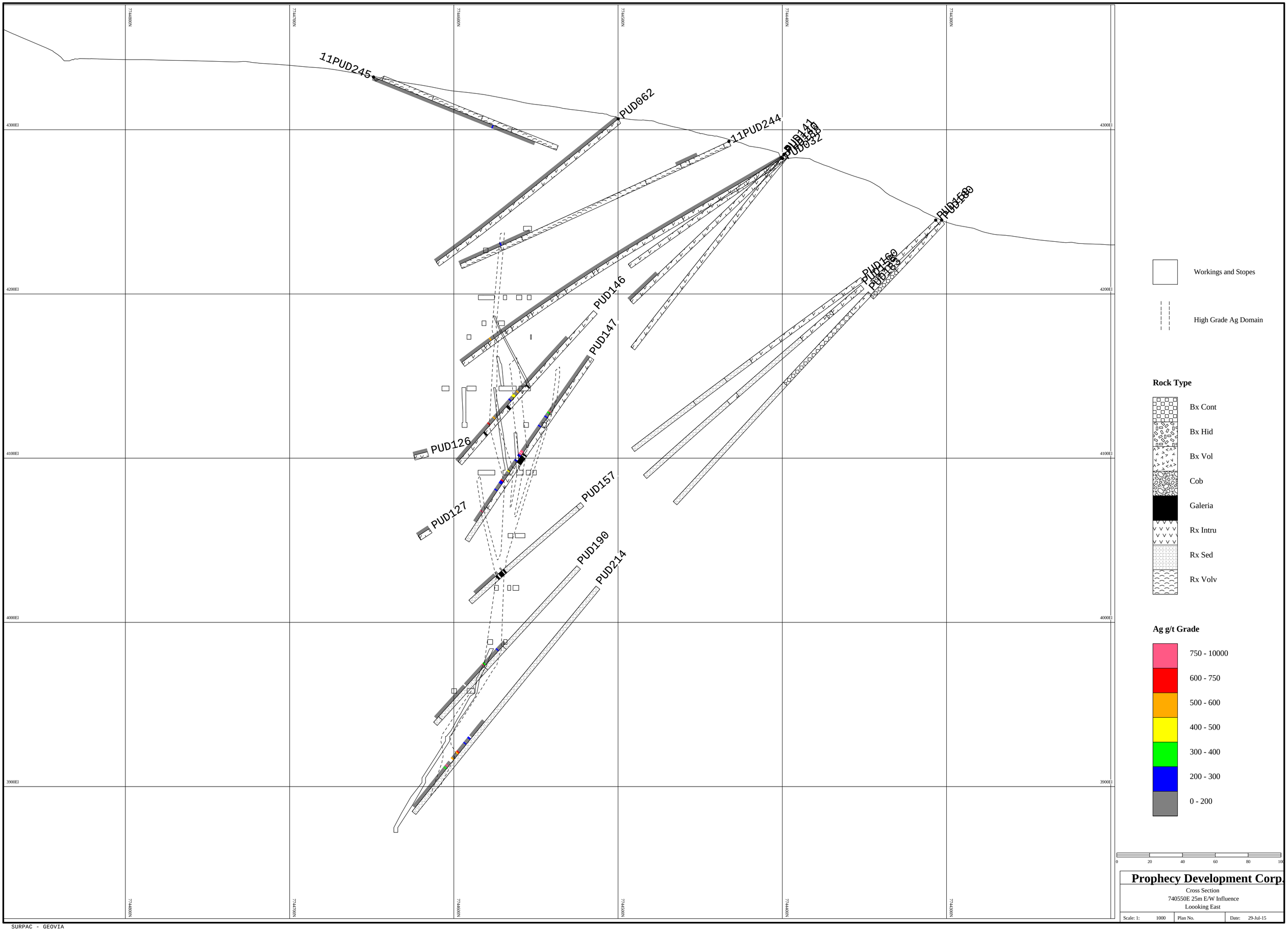
Prophecy Development Corp.

Cross Section
740400E 25m E/W Influence
Loooking East

Scale: 1: 1000	Plan No.	Date: 29-Jul-15

section740400

SURPAC - GEOVIA



Prophecy Development Corp.

Cross Section
740550E 25m E/W Influence
Loooking East

Scale: 1: 1000	Plan No.	Date: 29-Jul-15

section740550

SURPAC - GEOVIA