Independent Technical Report for the La Parrilla Silver Mine, Durango State, Mexico

Report Prepared for

Golden Tag Resources Ltd.

Report Prepared by

SRK Consulting (Canada) Inc.
CAPR002345
August 10, 2023

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Cover: Landscape of La Parrilla Property, SRK 2023

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Executive Summary

Introduction

This technical report (the Report) was prepared by SRK. to provide updated Mineral Resource Estimate for La Parrilla Silver Mine ("La Parrilla") located near the town of San José de la Parrilla, Durango State, Mexico. On December 7, 2022, Golden Tag Resources Ltd. ("Golden Tag") entered into an Asset Purchase Agreement with First Majestic Silver Corp. ("First Majestic" or "FMS") to acquire a 100% interest in the La Parrilla Silver Mine.

Project Setting

The La Parrilla Silver Mine is a complex consisting of five non-operational underground mines, a non-operational open pit mine and a 2,000 tonne per day processing facility located about 76 km southeast of the city of Durango, the capital of Durango State, and 225 km from Zacatecas city. Access to the site is via Federal Highway No. 45, then via a paved road to San José de la Parrilla, and finally an all-weather- gravel road to the mine site. Paved roads within the mine site link key facilities such as the administration building, central laboratory, and mill.

The supporting infrastructure for the operation is located near the plant and includes the main administrative offices, sample preparation and assay laboratory, tailings facilities, maintenance buildings, cafeteria and other employee housing. The maintenance department operates from several repair shops and warehouses located at the plant site and adjacent to the mine.

Mineral Tenure, Surface Rights, and Royalties

The La Parrilla property consists of 41 contiguous mining concessions covering a total of 69,478 hectares (Figure 3-2 and Table 3-1). The property is currently owned by First Majestic.

All concessions are in good standing with the exception of the San Ignacio Dos concession (158205) which is in the process of being renewed and the Hueco concession (file 24/36029) which has been applied for but has not been granted to date. The earliest renewal date of any of the mineral concessions is for the Protectora No. 2 concession, which has a renewal date of November 5, 2031.

In December 2022 Golden Tag and First Majestic signed an Asset Purchase Agreement, whereby Golden Tag will acquire a 100% interest in the La Parrilla Silver Mine Complex in exchange for total consideration of US$33.5M, including US$20M in equity of Golden Tag as well as certain deferred payments totaling US$13.5M comprised of the following:

I. US$2.7M on the earlier of 18 months post-closing, or upon receipt of certain approvals from the Mexican government;
II. US$5.75M when either (a) 5 million ounces of silver equivalent (Ag.Eq) reserves are declared from the La Parrilla claims, or (b) 22 million ounces of Ag.Eq of Measured and Indicated Resources are declared, from the La Parrilla claims;

III. US$5.05M when a new zone is discovered on the La Parrilla claims inclusive of a NI 43-101 - compliant Mineral Resource of 12.5 million ounces of Ag.Eq.

Both II and III are payable in cash or common shares, at the election of Golden Tag, however, II is subject to a maximum of 45,068,581 common shares.

La Parrilla land package is located partly within the Ejido San José de la Parrilla and partly within private property. La Parrilla's 17 parcels of surface rights cover approximately 182 hectares and are considered sufficient to support operations such as the processing plant installations, tailings storage, and other mine operation requirements. FMS has a current lease agreement in place with the Ejido. Golden Tag will acquire all of FMS surface rights as part of the Asset Purchase Agreement.

In November 2022 First Majestic Silver Corp. sold a 2% Net Smelter Return (NSR) over all the claims of La Parrilla to Metalla Royalty & Streaming Ltd.

History and Exploration

La Parrilla mining district has been producing since colonial times. Much of the early mine development and exploration activities were conducted by artisanal miners. Small-scale mining and processing operations were conducted between 1956 and 1999 by Minera Los Rosarios, S.A. de C.V. (Minera Los Rosarios) and the Comision de Fomento Minero. First Majestic Silver Corp. (FMS) acquired the mining rights and a 180 tonne per day processing plant from Minera Los Rosarios in 2004. In 2006, additional mineral rights that surrounded La Parrilla mine were acquired from Grupo México.

Work completed by FMS has included geological mapping, rock chip and soil geochemical sampling, direct current/induced polarization and airborne magnetic geophysical surveys, PhotoSat alteration mapping, core drilling, channel and production sampling, metallurgical test work, Mineral Resource and Mineral Reserve estimation, infrastructure upgrades and expansions, and mine development.

Production prior to 1960 is estimated at about 700,000 tonnes of silver-bearing ore; production between 1960 and 1999 is about 230,500 tonnes of ore. Between January 2005 and December 2019, FMS produced 24.4 million ounces of silver and 10.1 million silver-equivalent ounces of other metals, for a total of 34.3 million silver-equivalent ounces from La Parrilla.

Geology and Mineralization

Two mineral deposit models are proposed for La Parrilla: intrusion-related carbonate replacement deposits and mesothermal fault-veins.

La Parrilla is located at the transition between the Mesa Central and the Sierra Madre Occidental physiographic provinces of Mexico. La Parrilla district contains hydrothermal mineral deposits hosted by Early Cretaceous limestones and shales that have been intruded by an Eocene quartz monzonite-granodiorite stock, Oligocene dikes, rhyolite–rhyodacite dikes and plugs, and Miocene Quaternary- basalt–basaltic andesite dikes. The Eocene-age stocks and dikes have metamorphosed the Cretaceous rocks into marble, hornfels, skarnoid and minor skarn.

Mineralization occurs as vein and replacement deposits, the locations of which are structurally controlled by pre-existing faults, fractures, and bedding planes. Veins can be either open space filling, forming massive sulphide and breccia veins, or fault-related, consisting of matrix-supported breccias or gouge containing disseminated sulphides and oxides. Gradations commonly occur between the two types in any vein system. Stockwork veining can occur at country rock/vein contacts. Replacement deposits occur as oblique or perpendicular splays to veins and faults, and as larger replacement deposits concordant with sedimentary bedding.

La Parrilla deposits contain primary sulphides such as galena, sphalerite, pyrite, pyrrhotite, arsenopyrite, chalcopyrite, covellite, acanthite, native silver, and silver sulphosalts (tetrahedrite freibergite- solid solution). Due to supergene oxidation, the primary sulphides in the upper parts of some deposits have been altered to cerussite, anglesite, hemimorphite, hydrozincite, jarosite, goethite, hematite, cervantite, malachite, chrysocolla, chalcanthite, and native silver.

The major mineralized zones are:

- Rosarios vein: strikes north 70 degrees (°) west on average, dips at 64° to the northeast (290°/64°) and has a known strike length of 2 kilometres (km). The mineralization extends vertically for 900 metres (m), with a variable thickness of 0.2–14 m.
- The C1100 vein strikes north 50° west on average, dips at 75° to the northeast (310°/75°) and has a known strike length of 500 metres. The vein is mineralized for a vertical extent of 430 metres, and its thickness varies from 0.5 to 1.5 m.
- San Marcos vein: strikes north 20° west on average, dips at 60° to the northeast (340°/60°), and has a known strike length of 650 m. The vein is mineralized for a vertical extent of 350 m, and its thickness varies from 0.5 to 17 m.
- Quebradillas N-S Vein: strikes north 45° west on average, dips at 71° to the northeast (315°/71°), and has a known strike length of 125 m. The vein is mineralized for a vertical extent of 465 m, and its thickness varies from 0.25 to 5.0 m.
- The Quebradillas Vein: strikes north 88° east on average, dips at 86° to the south (88°/86°) and has a known strike length of 280 m. The vein is mineralized for a vertical extent of 175 m and ranges in thickness from 1 to 2.5 m.
- Quebradillas Q-38: strikes north 7° west on average, dips at 68° to the northeast (353°/68°) and has a known strike length of 150 m. The zone is mineralized for a vertical extent of 180 m, and has a variable thickness of 0.3 to 8.7 m.
- Quebradillas 460 Replacement vein: strikes north 16° west on average, dips at 63° to the northeast (344°/63°), and has a known strike length of 425 m. The zone is mineralized for a vertical extent of 570 m, and ranges in thickness from 0.1 to 8.5 m.
- Quebradillas 550 Vein: strikes north 80° east on average, dips at 83° to the south (80°/83°) and has a known strike length of 315 m. The vein is mineralized for a vertical extent of 185 m and varies in thickness from 0.5 to 5.5 m.
- Quebradillas Tiro Vein: strikes north 60° west on average, dips at 56° to the northeast (300°/56°) and has a known strike length of 70 m. The vein is mineralized for a vertical extent of 120 m, and its thickness ranges from 0.50 to 4.0 m.

- Quebradillas Viboras Vein: strikes north 80° west on average, dips at 80° to the south (100°/80°) and has a known strike length of 700 m. The vein is mineralized for a vertical extent of 250 m, and its thickness varies from 0.3 to 3.5 m.
- Quebradillas El Recuerdo Vein: strikes north 80° west on average, dips at 70° to the northeast (280°/70°) and has a known strike length of 550 m. The vein is mineralized for a vertical extent of 150 m, and its thickness varies from 1.3 to 9.0 m.
- San Nicolas Vein: strikes north 25° west on average, dips at 70° to the northeast (335°/70°) and has a known strike length of 525 m. The vein is mineralized for a vertical extent of 470 m, and its thickness varies from 0.3 to 1.8 m.
- Vacas Replacement vein: strikes north 17° west on average, dips at 58° to the northeast (343°/58°), and has a known strike length of 200 m. The zone is mineralized for a vertical extent of 400 m, and its thickness varies from 0.2 to 18 m. This vein was mined out in 2016.

Additional exploration potential remains within La Parrilla claims, with exploration targets defined by a combination of geological mapping, geochemistry, geophysics and drilling. Targets include the San Jose de los Muertos, La Ilusion-Argenis, La Esperanza, Cerro-Santiago, and Los Perros prospects.

Drilling

Golden Tag has not undertaken any drilling activities at the La Parrilla Project.

Drilling by prior operators, consisting of 73 drillholes (16,634 m drilled), were not used to support the Mineral Resource estimation. First Majestic explored the La Parrilla property with numerous drill programs from 2005 to 2020, totalling 243,828 metres in 1,047 core drillholes.

FMS categorizes drillholes into “delineation holes” (used to guide and support the mine operation), “infill holes” (to improve quality of known resources) and “exploration holes” (to identify new mineralization). FMS used a contractor to complete most infill and exploration holes whereas delineation holes were completed by the Company’s own rigs and personnel.

The core diameters used for drilling at La Parrilla are 36.4 mm (TT46), 47.6 mm (NQ) or 63.5 mm (HQ). The TT46 diameter is generally only used for delineation holes, whereas the bigger NQ and HQ diameters are used for infill and exploration holes. The small diameter drillholes are not surveyed and are not used in Mineral Resource estimation.

Data collected at La Parrilla includes, but is not limited to, collar surveys, downhole surveys, logging, specific gravity (SG), and geotechnical information. The data collection practices employed by FMS are consistent with industry-standard exploration and operational practices.

Core logging is done digitally in Logchief® using tablets or laptop computers; information is captured digitally and includes lithology, structures, alteration, mineralogy, sample intervals, recovery and RQD. Core recovery typically range between 95%-100%, except in select mineralized intercepts where recovery may be reduced significantly due to brecciation and hydrothermal alteration associated with the veins and fault-veins. The average core recovery in mineralized structures is 91%. All core boxes are photographed after they have been logged and sample intervals have been marked.

Since 2005, drillhole collars have been surveyed by the engineering department at La Parrilla using Sokkia, TOPCON ES-105 total stations. Collected information includes longitude, latitude, and elevation coordinates, azimuth, and dip angle. Collar data are downloaded from the total station and uploaded into a mine server. In 2016, FMS hired the services of J&A Arquitectura and Geomatica S.A. de C.V. to resurvey surface and underground collars used for resource estimation in the WGS84 datum. From 2017 onward, all collars that were not proximal to the main resource areas were surveyed using differential global position units (DGPS) rather than the TOPCON ES-105 total stations.

Several different downhole survey instruments such as Tropari, Reflex, Flexit and DeviTool PeeWee have been used at La Parrilla since 2005. Downhole surveys were collected every 50 metres by the drilling contractor, using a DeviTool PeeWee electronic multishot instrument. In 2017 the frequency of downhole survey stations increased to every 25 metres using Reflex's EZ-Shot tool operated by the drilling contractors.

Drillholes are typically drilled at an angle to intersect veins or mineralized structures that generally dip at near vertical angles. They are sometimes completed at angles less than 90° with respect to the dip and strike of the structure being explored; the thickness of mineralized intercepts is therefore an apparent thickness, greater than the true thickness.
Upon completion of the drilling programs, the diamond drill core is securely stored and catalogued in the core storage facility at the La Parrilla mine site.

Drill core samples are stored in a secure core processing and storage warehouse at La Parrilla prior to their shipment to the sample processing laboratories. Samples are taken to the analytical laboratories by company trucks that are driven by FMS personnel. All samples are securely sealed, and chain of custody documents are issued for all shipments.

Sampling and Analysis

Golden Tag has not completed any sampling on the La Parilla Property.

The average length of core sample intervals has varied over time. From 2005 to 2013, sample intervals were generally <1.5 metres in length. During 2013, the length of sample intervals varied from 0.30 to 5 metres, depending on the core size. Sample intervals in material considered to be non-mineralized typically measured about 5 m metres. Since 2014, sample intervals measure from 0.2 to 1.5 m metres in mineralized material, and 2.5 to 3 m metres in waste. Core is typically halved, with one half of the core subsequently placed in a numbered bag and sent to the primary laboratory for analysis.

Channel sampling is undertaken underground using a diamond power saw, under the supervision of a mine geologist. Samples across the mineralized structure are taken at 25 metre intervals along strike. Channel samples are typically 6 cm wide, 3 cm deep, and have variable lengths as samples are taken respecting vein/wall contacts and any textural or mineralogical variations.

Chip samples have been the primary means of grade control sampling since 2005. Until 2013, samples were taken using a hammer and chisel to cut a channel that was generally <1.5 metres in length. Since

2014, chip samples are taken with every 3 metres advance on a heading, and every 3 m along the backs of every third stope lift. Chip samples are generally at least 2 metres long and often, but not always, include barren or silver-poor shoulder samples. Lithology boundaries are respected.

Specific gravity (or bulk density) measurements were made on site by FMS geologists on core samples using the water displacement and Pycnometer from 2004 until 2016. From 2016 onward all specific gravity determinations were completed at the First Majestic Central Laboratory using the water displacement method. A total of 4,218 specific gravity determinations are included in the resource database, covering the Quebradillas, San Marcos, and Rosario. In the opinion of the Qualified Person (QP), the number and quality of density data are sufficient to support Mineral Resource estimation.

Several analytical laboratories have been used for processing and assaying La Parrilla samples since 2005, including:

- Inspectorate America Corporation (primary laboratory for drill core samples from 2005 to 2012)
- FMS Central Laboratory (formerly known as the La Parrilla mine laboratory; primary laboratory for production samples from 2005 to date; primary laboratory for drill core samples from 2015 to date)
- SGS Durango (secondary and occasionally primary laboratory for drill core samples from 2013 to 2017)
- Bureau Veritas Mineral Laboratory (secondary laboratory, 2017)
- First Majestic Central Laboratory (FMCL) (2018-2020)

The Inspectorate and Bureau Veritas laboratories are independent of FMS and hold ISO 9001:2008 and ISO/IEC 17025:2005 certification. La Parrilla and Central laboratories are not independent of FMS. Central Laboratory gained ISO 9001 accreditation in mid-2015 and ISO 9001:2008 in 2017 and ISO 9001:2015 from June 2018 to June 2021) and accreditation was temporarily suspended from April to December 2021. SGS Durango held ISO 9001 certification from early 2008 until approximately mid-2012, after which time the laboratory gained ISO 9001:2008 accreditation.

From 2005 to 2013, the sample preparation protocol at La Parrilla/Central laboratory included drying, crushing to 10-mesh, and pulverizing to -100 mesh. The Central laboratory protocol from 2014 onwards consisted of drying, crushing to 80% passing 10-mesh, and pulverizing to 80% passing 150-mesh. Sample preparation at Inspectorate from 2005 to 2012 comprised drying, crushing to 80% passing 10-mesh, then pulverizing to greater than 90% passing 150-mesh. SGS Durango dried samples, then crushed to 75% passing 2 millimetres, followed by pulverizing to 85% passing 200-mesh. Bureau Veritas crushed samples to 70% passing 10 mesh, then pulverized to 85% passing 200-mesh.

- Analytical methods used by La Parrilla Laboratory. First Majestic Central Laboratory included fire assays for gold and silver, and multi-acid digest followed by atomic absorption (AA) or two-acid digestion with an ICP finish (ICP34BM) for lead, zinc, and copper, and from 2013, arsenic.
- Inspectorate analysed for silver and gold by fire assay with an AA finish. Multi-element analyses used an aqua-regia digestion, and 30-element ICP package. Over-limit silver results were re-assayed using fire assay with a gravimetric finish; lead, zinc, or copper over-limit values were checked using aqua-regia digestion with an AA finish.

- SGS Durango uses a three-acid digestion with atomic absorption spectroscopy (AAS) finish and aqua-regia digest with 34-element ICP-atomic emission spectroscopy (AES) package for silver. Over-limit three-acid digestion silver assays are also re-analysed by fire assay with a gravimetric finish. Gold is analysed by fire assay. Over-limit results for manganese, lead, and zinc are re-analysed by a sodium peroxide fusion and ICP-AES package.
- All samples at Bureau Veritas are analysed by four-acid digestion with AAS finish, and aqua--regia with ICP finish for silver. Over-limit silver results are analysed by fire assay with a gravimetric finish.

From 2007 to 2012, FMS implemented a quality control program to evaluate silver assay results from La Parrilla Laboratory for chip and core samples by submitting one core sample for every 20 original samples to Inspectorate in Reno, Nevada for duplicate check assaying. Check assays of channel samples were performed by SGS Durango. From 2013 to 2014, quality control samples included duplicates, in-house standard reference materials (SRMs) and blanks, with an overall quality control insertion rate of about 5%. The quality control procedure was updated in 2015 to include quarter core- field duplicates, coarse and pulp duplicates, certified reference materials (CRMs) and blanks, with an overall quality control insertion rate of about 16%.

The quality of the analytical data collected from 2017 to 2020 for silver, gold, lead and zinc from San Marcos, Rosarios, and Quebradillas resource areas is sufficiently reliable to support Mineral Resource estimation. Sample preparation, analysis, and security are generally performed in accordance with industry best practice standards. The QP considers that caution should be used for pre-2013 results. Review of the QA/QC data indicates that caution should be exercised when using the pre-2013 results due to the limited QA/QC information.

Data Verification

Independent data verification was performed by Pincock, Allen & Holt in 2007 and 2011 in support of technical reports on the Project, including verification for assay checks of production concentrates at La Parrilla laboratory, concentrate assays reported by the MET-MEX Peñoles smelter in 2007 and check assaying assessments in 2011. Pincock, Allen & Holt concluded that results from check assaying were reasonable with appropriate preparation procedures, and that the sample results appeared to be reasonably representative of the deposit mineralization and usable with acceptable confidence in the resource estimation.

SRK performed an independent review of the analytical data in 2017. Control samples (blanks and standards) on time series plots and paired data (duplicates and check assays) were analyzed using bias charts, quantile-quantile and relative precision plots to highlight their performance. Although a number of failures were identified, the analytical results delivered by the Central Laboratory and by SGS Durango were considered by SRK to be sufficiently reliable for the purpose of Mineral Resource estimation. SRK noted that FMS was improving methodologies for sampling and assaying procedures to increase confidence in analytical quality control data.

FMS staff have undertaken verification of drillhole and channel data collected between 2017 and 2020, including verification for transcription errors; verification of collar and channel sample locations;

downhole survey deviations; verification of downhole lithology and sample intervals; verification of specific gravity data; and conducting site visits. FMS also evaluated field, coarse reject, and pulp duplicates from core samples from 2017 to 2020 drilling campaigns to assess laboratory precision at the Central Laboratory and SGS Durango until 2018. Standard reference material (SRM) and certified reference material (CRM) were used to assess laboratory accuracy for silver, gold, lead, and zinc at the Central Laboratory until 2020 and at SGS Durango until 2017. Pulp and coarse blanks were used to assess contamination during sample preparation and analysis for silver, gold, lead and zinc at the Central Laboratory until 2020 and at SGS Durango until 2017.

The performance of control samples analyzed by the First Majestic Central Laboratory and SGS Durango is considered acceptable despite some identified difficulties. Blanks generally returned values below ten times the detection limit, and standards performed reasonably, with assay results largely within three times the standard deviation of the certified or expected value. A number of failures were identified; however, improvements were being made by FMS to increase the confidence in more recently acquired analytical quality control data.

In the opinion of the QP, a reasonable level of verification has been completed, particularly for data collected since 2013, and no material issues would have been left unidentified from the verification programs undertaken. Drill data are typically verified prior to Mineral Resource estimation through software program checks, comparison to original hard copy data, and peer review. The quality of the drill data is sufficiently reliable to support Mineral Resource estimation. Earlier data collection programs carried out before 2013 had limited quality control samples; therefore, care should be taken when using these data.

Mineral Processing and Metallurgical Testing

The metallurgical processing plant at La Parrilla treats two types of material: oxide and sulphide ores. Oxide ore is processed by cyanide leaching to produce doré bars while sulphide ore is processed by differential flotation to produce a silver-rich lead concentrate and a zinc concentrate.

Typical mineralogy includes:

- Silver: varies from being hosted in simple molecular structures such as native silver and Ag2S (argentite, or silver sulphide) to complex sulphosalts such as freibergite; ((Ag,Cu,Fe)12(Sb,As)4S13), or even embedded in the crystal lattice of tetrahedrite (Cu12Sb4S13);
- Lead: occurs in Pb-bearing species associated with Pb-As oxides (mimetite), Pb-Zn-As oxides, Pb-Mn oxides, Pb-Zn-Mn oxides, Pb-Sb-Zn oxides, Pb-Fe-Sb oxides, Pb-Al-As oxides and galena (PbS) as the main Pb sulphide species;
- Zinc: occurs as Zn sulphide (sphalerite), as silicates (willemite and hemimorphite), and as iron--zinc oxides (franklinite); and
- Gangue: includes pyrite, pyrrhotite and arsenopyrite (iron and iron-arsenic species), as well as non-sulphide gangue such as quartz, feldspar, calcite, Ca-Fe oxides and Ca-Mg aluminum silicates.

La Parrilla plant has a nominal ore throughput capacity of 1,000 tonnes per day per circuit for a combined total of 2,000 tonnes per day.

During the 2015 - 2019 period La Parrilla processed a total of 949,338 tonnes of fresh oxide ore grading 117 g/t Ag and 0.110 g/t Au, and produces 88,620 kilograms of doré bars averaging 83.40% Ag grade equivalent to 66.4% Ag recovery, and 0.10% gold grade equivalent to 82.3% Au recovery.

During the same 2015 - 2019 period, sulphide ore totaled 1,523,673 tonnes averaging 1.48% Pb, 138 g/t Ag, 0.03 g/t Au, and 1.94% zinc. The production from the sulphide circuit is as follows:

- a total of 38,015 tonnes of commercial quality lead concentrate grading 43.3% Pb equivalent to 72.8% Pb recovery, 3.9 kg/t Ag equivalent to 69.7% Ag recovery, 1.08 g/t Au equivalent to 80% Au recovery, and 4.4% Zn.
- 41,671 tonnes of commercial quality zinc concentrate grading 0.41 kg/t Ag equivalent to 8.2% Ag recovery, and 40.7% Zn equivalent to 57.6% Zn recovery.

During the time La Parrilla was in operation the in-house chemical and metallurgical laboratory was responsible for the testing of all the samples collected from the operation, including daily composites as well as samples from mining faces being scheduled used for short-and long -term planning.

Testing of the oxide samples included investigation with the purpose of optimizing cyanidation conditions, residence time and cyanide and lime consumption. The sulphide samples were subject to batch and locked-cycle tests aiming to optimize the differential flotation of lead and zinc while maximizing precious metals recovery into the concentrates.

Mineral Resource Estimates

Mineral Resource estimates have been completed for 22 veins of the Rosarios, San Marcos and Quebradillas zones. The informing Mineral Resource database and the original Mineral Resource model generated by FMS were audited by SRK. As a result of this audit, SRK re-estimated and reclassified the La Parrilla Mineral Resource during March and April 2023.

The validated data effectively used in the Mineral Resource estimation includes 2,025 core samples (1,271 metres), from 392 different boreholes piercing the mineralized structures of La Parrilla Project, and 9,676 chip samples (5,148 metres), taken from 3,190 underground channels within these structures.

The solid models representing 22 veins were built by FMS using implicit modelling guided by the borehole geological logging, core and channel samples grades, and, where available, underground mappings. These models were audited by SRK and deemed adequate for constraining the grade interpolation.

Core and channel samples were composited at different lengths per vein based on the relative thickness variation of each vein. The impact of grade outliers was examined on composite data for each element using log probability plots and cumulative statistics. The three-dimensional location of the potential outlier values was also considered. SRK evaluated the capping thresholds chosen by FMS through various statistical checks and found these to be reasonable.

Most specific gravity values were derived from wax-coated-water displacement method samples. After discarding excessively low and excessively high specific gravity values, 365 measurements remain within the mineralisation domains. These values were regrouped by mines and oxidation zones and the average values were applied the entire volume of their corresponding domains.

Spatial continuity analysis was performed by FMS to inform the extend of the sample searches during grade estimation. SRK generated experimental variograms using only the channel sample composites to support the definition of the ranges of influence for channel composite grades in the Mineral Resource estimation.

Separate block models were defined for each vein. Each model is rotated according to the strike and dip of their corresponding vein. The criteria used in the definition of the block model parameters included the drillhole spacing, geological understanding of the deposit, geometry of the modelled veins, and current underground mining techniques.

Estimation of silver, gold, lead and zinc grades was performed using inverse weighted distance interpolation to a power of two in three passes informed by capped composites. The first pass included core and channel sample data and it is restricted within a 50 m × 30 m × 20 m search ellipsoid. All subsequent passes use only core composites. The search ellipsoid dimensions of the second pass are loosely related to the variogram model ranges obtained for the silver grades. The third pass is a filling pass intended to populate with estimated grade the entire volume of the modelled veins. Due to their distinct geological identity, all veins were estimated independently, using a hard boundary.

The resource block model was validated by means of visual inspection of the interpolation results, checking the model against nearest neighbour interpolation, and verifying that the global quantities and average grade for each metal from each method were reasonably comparable.

Weathering profiles were provided by FMS as solids modelled based on data collected from underground mining activities and used to code the block model to differentiate oxide from sulphide material. These solids were audited by SRK and the block model coding corrected as necessary.

No Measured Mineral Resources were classified. Indicated Mineral Resources were classified according to the following criteria:

- Blocks estimated with samples from at least three boreholes at a 30 m separation,
- Blocks estimated using core and channel samples within 40 m distance from underground workings where the mineralization has been exposed and sampled.
- Borehole data used in the estimation must be supported by satisfactory QAQC results.

The Inferred Resource category was assigned to blocks estimated with composites from at least two boreholes with approximately 75 m separation, and to blocks estimated by extrapolation up to 50 m, or more. All other blocks remained as unclassified and, therefore, not reported.

The requirement of "Reasonable Prospects of Eventual Economic Extraction" (RPEEE) was applied to the estimates not only through the choice of appropriate cut-off grades for oxidize and sulphide material, but also through the removal of unrecoverable pillars and the selective reporting of estimated blocks within continuous mineable shapes. The pillar removal and conceptual mineable shapes processes were applied directly only to the seven largest veins collectively representing 80% of the Mineral Resources. For the other 15 veins, the RPEEE was applied via the regression formula derived from the impact of unrecoverable pillars and factors derived conceptual mine shapes on the seven biggest veins.

Mineral Resource Statement

Indicated and Inferred Mineral Resources for the La Parrilla Mine are summarized in Table i.

The Qualified Person (QP) for the Mineral Resource estimates is Dr. Machuca Mory, an appropriate independent QP as this term is defined in Canadian Securities Administrators' National Instrument 43-101 (NI 43-101). The Mineral Resources have an effective date dated May 31, 2023.

The Mineral Resources may be impacted by additional infill and exploration drilling that may identify additional mineralization or cause changes to the current domain shapes and geological assumptions. The Mineral Resources may also be affected by subsequent assessments of mining, processing, environment, permitting, taxation, socio-economic, and other factors.

Table i: Mineral Resource Statement*, La Parrilla Mine, Durango, Mexico. SRK Consulting (Canada) Inc., May 31, 2023.

Category and Mineral Type	Mine	Quantity (ktonnes)	Grade					Contained Metal				
			Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	Ag-Eq (g/t)	Silver (koz)	Gold (koz)	Lead (ktonnes)	Zinc (ktonnes)	Ag-Eq (koz)
Indicated Mineral Resource												
Oxides												
	Rosarios	17	303	0.05	0.00	0.00	308	168	0.0	0.0	0.0	171
	San Marcos	76	223	0.18	0.00	0.00	240	545	0.4	0.0	0.0	585
	Quebradillas											
Subtotal Indicated Oxides		**93**	**238**	**0.16**	**0.00**	**0.00**	**253**	**713**	**0.5**	**0.0**	**0.0**	**756**
Sulphides												
	Rosarios	273	153	0.08	1.56	1.27	236	1,342	0.7	4.3	3.5	2,071
	San Marcos	32	269	0.14	1.19	1.08	341	276	0.1	0.4	0.3	351
	Quebradillas	217	165	0.05	2.27	2.17	289	1,151	0.3	4.9	4.7	2,016
Subtotal Indicated Sulphides		**522**	**165**	**0.07**	**1.83**	**1.63**	**264**	**2,770**	**1.2**	**9.6**	**8.5**	**4,437**
Total Indicated Resources		**615**	**176**	**0.08**	**1.55**	**1.39**	**263**	**3,483**	**1.7**	**9.6**	**8.5**	**5,193**
Inferred Mineral Resource												
Oxides												
	Rosarios	226	210	0.10	0.00	0.00	219	1,525	0.7	0.0	0.0	1,590
	San Marcos	211	289	0.10	0.00	0.00	298	1,965	0.7	0.0	0.0	2,027
	Quebradillas	8	146	0.18	0.00	0.00	162	35	0.0	0.0	0.0	39
Subtotal Inferred Oxides		**445**	**246**	**0.10**	**0.00**	**0.00**	**256**	**3,525**	**1.5**	**0.0**	**0.0**	**3,657**
Sulphides												
	Rosarios	302	139	0.22	1.40	1.27	229	1,347	2.2	4.2	3.8	2,223
	San Marcos	42	152	0.19	0.83	0.79	211	206	0.3	0.3	0.3	287
	Quebradillas	468	176	0.07	1.67	1.81	276	2,654	1.1	7.8	8.5	4,162
Subtotal Inferred Sulphides		**812**	**161**	**0.13**	**1.53**	**1.56**	**255**	**4,207**	**3.5**	**12.4**	**12.7**	**6,672**
Total Inferred Resources		**1,257**	**191**	**0.12**	**0.99**	**1.01**	**256**	**7,731**	**5.0**	**12.4**	**12.7**	**10,328**

*

(1) Block model estimates audited by David F. Machuca-Mory, PhD, PEng, Principal Consultant (Geostatistics), and Ilkay Cevik, PGeo, Associate Consultant (Geology), SRK Consulting Canada Inc.

(2) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

(3) Mineral Resources have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves.

(4) All figures rounded to reflect the relative accuracy of the estimates.

(5) Reasonable prospects of eventual economic extraction were considered by applying appropriate cut-off grades, removing unrecoverable portions of the estimates, and reporting within potentially mineable shapes.

(6) Metal prices considered were US$22.50 /oz Ag, US$1,800 /oz Au, US$0.94 /lb Pb and US$1.35 /lb zinc.

(7) Cut-off grade considered for oxide and sulphide block model estimates were, respectively US$140 g/t Ag-Eq and US$125g/t Ag-Eq. They are based on 2017 costs adjusted by the inflation rate and include sustaining costs.

(8) Metallurgical recovery used for oxides based on weighted 2015-2017 actuals was 70.1% for silver and 82.8% for gold

(9) Metallurgical recovery used for sulphides based on weighted 2015-2017 actuals was 79.6% for silver, 80.1% for gold, 74.7% for lead and 58.8% for zinc.

(10) Metal payable used was 99.6% for silver and 95% for gold in doré produced from oxides.

(11) Metal payable used was 95% for silver, gold and lead and 85% for zinc in concentrates produced from sulphides

(12) Silver equivalent grade is estimated as: Ag-Eq = Ag Grade + [(Au Grade x Au Recovery x Au Payable x Au Price / 31.1035) + (Pb Grade x Pb Recovery x Pb Payable x Pb Price x 2204.62) + (Zn Grade x Zn Recovery x Zn Payable x Zn Price x 2204.62)] / (Ag Recovery x Ag Payable x Ag Price / 31.1035)

(13) Tonnage is expressed in thousands of tonnes, metal content is expressed in thousands of ounces or thousands of tonnes

(14) Totals may not add up due to rounding

Interpretation and Conclusions

The current understanding of mineralization and alteration styles at the La Parrilla Mine, as well as the structural and lithological controls on mineralization, is sufficient to support Mineral Resource estimation.

The exploration programs completed to date are appropriate for La Parrilla’s mineralization style. Sampling methods (core and channel sampling), and data collection are acceptable given the deposit dimensions, mineralization true widths, and the style of the deposits. The programs are reflective of industry-standard practice and can be used in support of Mineral Resource and Mineral Reserve estimation.

The quality of the analytical data collected for silver, gold, lead, and zinc from Rosarios, San Marcos, and Quebradillas zones is sufficiently reliable to support Mineral Resource estimation. It is also the QP’s opinion that sample preparation, analysis, and security are generally performed in accordance with exploration best practices and industry standards.

The Mineral Resource estimation process at La Parrilla is aligned with standard industry practices. The QP has applied particular care in the incorporation of the Reasonable Prospects of Eventual Economic Extraction (RPEEE) to the Mineral Resources. As such, the QP removed pillars judged unrecoverable from the Mineral Resources and applied potentially mineable shapes to delimit continuous mineralized volumes to be reported in the Mineral Resource Statement. Pillars considered to be unrecoverable under the RPEEE criteria amount to 235 thousand tonnes at 242 g/t average silver equivalent grade in Rosarios, 103 thousand tonnes at 332 g/t average silver equivalent grade in San Marcos, and 91 thousand tonnes at 310 g/t average silver equivalent grade in Quebradillas.

Golden Tag is not aware of any significant risks and uncertainties that could potentially affect the reliability or confidence of La Parrilla Project other than those discussed herein.

Recommendations

Two phases of recommendations are proposed. Phase 1 recommendations relate to exploration activities aimed to extend and improve the confidence on the current Mineral Resource domains and to delineate additional Mineral Resources. Phase 2 recommendations relate to Mineral Resource model optimizations in anticipation of the resumption of the mining activities at La Parrilla.

Phase 1

The total cost for the Phase 1 work is approximately US$2.1 million. Phase 1 will include allocations for testing the extension along strike, at depth and to the surface of the main La Parrilla veins and to incorporate these extensions into the Mineral Resources. Phase 1 consists of 7,000 metres of drilling aimed to add additional Inferred Resources

Phase 2

The Phase 2 work program is designed to undertake additional exploration drilling and to provide further support to the eventual resumption of mining activities at La Parrilla. A second stage of drilling will be contingent of the results of the first stage with 7,000 metres of infill drilling and further exploration drilling at an estimated cost of US$2.1 million. The remainder of Phase 2 work is not dependent on the results of the Phase 1 work program and can be conducted concurrently. The Phase 2 work program focuses on various aspects for enhancing the Mineral Resource estimation process to facilitate the future conversion to Mineral Reserve prior the potential resumption of the mining. Phase 2 also proposes improvements to the mineral processing facilities, considered necessary to re-start the operation. The estimated total cost for the Phase 2 work program is US$5.24 million.

Recommended activities to optimize Mineral Resource modeling and the subsequent conversion to Mineral Reserves include the following:

- Exhaustive review and validation of the borehole data, particularly the boreholes discarded from the current Mineral Resource estimation,
- Underground resampling of stope and crown pillars,
- Replacing the in-situ laboratory to assist with the day-to-day assaying requirements of the mine,
- Re-interpretation and re-modeling of vein solids using new and validated data,
- Upgrading of the Mineral Resource procedures to improve the characterisation of the multivariate mineralisation considering economic and deleterious elements,
- Re-interpretation of the oxidation boundary based in new terrain observations, and the reassessment of the mineralogy and multivariate grade distribution in the various veins,
- Modeling of low-grade halos around the vein domains for a better characterisation of the external dilution within mineable shapes,
- Assessment of the recoverability of pillars in all veins,
- Geotechnical studies to assess the ground support requirements for the recovery of pillars,
- Dewatering of the lower levels.

Proposed enhancements to the mineral processing facilities include the following:

- General maintenance work is required in the crushing plant;
- Basic automation of the grinding-classification loop should be considered, as it will greatly benefit the metallurgical performance and overall energy cost. In addition, new grinding media is required in the grinding circuit;
- Cleaning stage cells in both the lead and zinc floatation circuits are required. An upgrade of the rougher cells to forced air technology should improve overall metallurgical recovery.

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1 Introduction and Terms of Reference

The La Parrilla Silver Mine is a complex consisting of 5 non-operational underground polymetallic silver mines, an open pit and a 2,000 tonne per day processing facility situated in Durango State, Mexico. It is located 76 km southeast of the city of Durango near the town of San José de La Parrilla. The project is 100% owned by FMS. Golden Tag Resources Ltd (Golden Tag) and FMS signed an Asset Purchase Agreement in December 2022 whereby Golden Tag will acquire 100% of the La Parrilla Silver Mine complex by fulfilling conditions set in the agreement.

In November 2022, Golden Tag commissioned SRK Consulting (Canada) Inc. (SRK) to visit the property and to assist in preparing a geological and Mineral Resource model for the Rosarios, San Marcos, and Quebradillas deposits at the La Parrilla Silver Mine. The services were rendered over a period of six months between December 2022 and May 2023, leading to the preparation and update of the Mineral Resource Statement reported herein for the La Parrilla Silver Mine.

This technical report was compiled jointly by Golden Tag and SRK. It documents the Mineral Resource Statement for the La Parrilla Silver Mine, wherein SRK audited and revised the Mineral Resources based on 3D geostatistical block modelling techniques for the three of the main areas Rosarios, San Marcos, and Quebradillas.

This technical report was prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 (NI 43-101) and Form 43-101F1. The Mineral Resource Statement reported herein was prepared in conformity with generally accepted CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines*.

1.1 Scope of Work

Golden Tag Resources Ltd. commissioned SRK to provide Mineral Resource modelling support of the polymetallic mineralization delineated by drilling at the La Parrilla Silver Mine, the preparation of Mineral Resource estimate, and the preparation of contributions to a technical report in compliance with NI 43-101 and Form 43-101F1 guidelines. This work scope involves the assessment of the following aspects of this project:

- Topography, landscape, access
- Regional and local geology
- Exploration history
- Audit of exploration work carried out on the project
- Geological modelling
- Metallurgy and processing facilities
- Mineral Resource estimation and validation
- Preparation of a Mineral Resource Statement Recommendations for additional work

1.2 Work Program

The Mineral Resource Statement reported herein is a collaborative effort between Golden Tag and SRK personnel. The exploration database was compiled and maintained by First Majestic Silver Corporation (FMS), the previous operator of La Parrilla Mine, and was audited by SRK. The initial Leapfrog© geological models for the Rosarios, San Marcos, and Quebradillas deposits were constructed by FMS mainly from diamond drilling information; these models were audited and updated by SRK to create the final geological model.

In the opinion of SRK, the geological model is a reasonable representation of the distribution of the targeted mineralization at the current level of sampling. Data conditioning, geostatistical analysis and Mineral Resource modelling were completed by SRK as the various explorations databases became available during last half of 2022. The Mineral Resource Statement reported herein was presented to Golden Tag in May 2023.

The Mineral Resource Statement reported herein was prepared in conformity with the generally accepted CIM Exploration Best Practices Guidelines and CIM Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines. This technical report was prepared following the guidelines of the NI 43-101 and Form 43-101F1.

The technical report was assembled in Toronto, by SRK and Golden Tag during the period December 2022 to May 2023.

1.3 Basis of Technical Report

This report is based on information collected by SRK during a site visit performed on January 24, 25, and 26, 2023 and additional information was provided by FMS throughout the course of SRK's investigations. SRK has no reason to doubt the reliability of the information provided by FMS. Other information was obtained from the public domain. This technical report is based on the following sources of information:

- Discussions with FMS personnel
- Inspection of the La Parrilla Silver Mine area, including underground infrastructure and active mining areas, processing plant, surface facilities, on-site assay lab and drill core
- Review of exploration data collected by FMS
- Review of mine plans and sections maintained on site
- Additional information from public domain sources
- Information extracted from the previous La Parrilla technical report assembled by Pincock, Allen & Holt (2011)

All costs and prices are expressed in United States dollars (US$) unless noted otherwise.

1.4 Qualifications of Golden Tag Resources Ltd.

The sections describing the recent exploration, drilling and production history (from 2017 to 2022) and the exploration potential of La Parrilla property were summarized by Bruce Robbins, PGeo (OGQ#294), an independent consultant currently acting as Exploration Manager of Golden Tag.

1.5 Qualifications of SRK and SRK Team

The SRK Group comprises more than 1,600 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK to provide its clients with conflict-free and objective recommendations. SRK has a proven track record in undertaking independent assessments of Mineral Resources and Mineral Reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work with many major international mining companies, the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

The Mineral Resource evaluation work and compilation of the related sections of this technical report that are based on 3D block modelling techniques were completed by Dr. David Machuca, PEng (PEO#100508889) and Mr. Ilkay Cevik, MSc, PGeo (PGO #3766). Data Verification was supported by Mr. Sandeep Prakash, PGeo (PGO#2070). By virtue of their education, membership to a recognized professional association, and relevant work experience, Mr. Machuca is an independent Qualified Person (QP) as this term is defined by National Instrument 43-101.

The reasonable prospects for eventual economic extraction (RPEEE) and related sections of this technical report were completed by Mr. Justin So under the supervision of Mr. Benny Zhang, PEng (PEO# 100115459). By virtue of his education, membership to a recognized professional association and relevant work experience, Mr. Zhang is an independent Qualified Person as this term is defined by National Instrument 43-101.

Additional contributions were provided by Mr. Daniel Sepulveda, BSc (SME#4206787RM), an Associate Metallurgist. Mr. Sepulveda undertook the necessary reviews and compiled Section 12 of this Technical Report. By virtue of his education, membership to a recognized professional association, and relevant work experience, Mr. Sepulveda is an independent Qualified Persons as this term is defined by National Instrument 43-101. Mr. Glen Cole, PGeo (PGO#1416) senior reviewed all deliverables from this mandate prior to delivery to Golden Tag.

1.6 Site Visit

In accordance with National Instrument 43-101 guidelines, Dr. Machuca and Mr. Sepulveda visited the La Parrilla Silver Project on January 24, 25 and 26, 2023.

During the site visit they held discussions with FMS representatives, including, Mr. David Rowe, Director of Mineral Resources, Mr. Jesus Quintana, Director of Exploration, Mr. Mizrain Sumoza, Resource Geologist, Ms. Maria E. Vazquez, Geological Database Manager, Mr. César Vecerra. Reserves Engineer, and Mr. Daniel Manqueros, La Parrilla Plant Superintendent.

During the site visit, Dr. Machuca focused on reviewing the geological data and validations required to generate industry standard three-dimensional geostatistically-based Mineral Resource models. Particular attention was given to the treatment and validation of historical drilling data and investigating the geological and structural controls. Mr. Sepulveda focussed on reviewing the processing facilities.

SRK was given full access to relevant data and conducted interviews and tours with FMS personnel to obtain the required information.

2 Reliance on Other Experts

This report has been prepared by SRK for Golden Tag. The information, conclusions, opinions, and estimates contained herein are based on:

- Information available to SRK at the time of preparation of this report
- Assumptions, conditions, and qualifications as set forth in this report

The Mexican government department, the Secretariat of Economy (Secretaría de Economía) is responsible for mining land in Mexico and offer and internet-based viewing platform. SRK has not performed an independent verification of the land title and tenure information as summarized in Section 3 of this report. SRK did not verify the legality of any underlying agreement(s) between third parties but has relied on a legal opinion provided by First Majestic's legal representative, Todd and Associates to Golden Tag dated June 14, 2023. The reliance applies solely to the legal status of the rights disclosed in Sections 3.1 and 3.2.

SRK has relied on FMS and Golden Tag for guidance on applicable taxes, royalties, and other government levies or interests, applicable to revenue or income from La Parrilla.

3 Property Description and Location

The La Parrilla property is located in the municipality of Nombre de Dios, in the southeastern part of the state of Durango, Mexico (Figure 3-1). It is approximately 76 kilometres southeast of the state capital and is in close proximity to the border of the state of Zacatecas to the east.

The La Parrilla property covers nearly 69,478 hectares (ha) in an area measuring approximately 32 kilometres by 27 kilometres. Several historic silver-gold-lead-zinc underground mines are located on the property including the Rosarios, Quebradillas and San Marcos deposits.

The centre of the property is located at approximately 23.74° latitude north and 104.11° longitude west.

Figure 3-1: Location of La Parrilla Silver Mine (SRK 2023)

3.1 Mineral Tenure

The La Parrilla property consists of 41 contiguous mining concessions covering a total of 69,478 hectares (Figure 3-2 and Table 3-1). The property is owned by First Majestic Silver Corporation.

All concessions are in good standing with the exception of the San Ignacio Dos concession (158205) which is in the process of being renewed and the Hueco concession (file 24/36029) which has been applied for but has not been granted to date. The earliest renewal date of any of the mineral concessions is for the *Protectora No. 2* concession, which has a renewal date of November 5, 2031.

In Mexico, mining concessions are granted by the Secretariat of Economy (Secretería de Economía). Concessions that predate the amendment to the mining laws enacted on May 9, 2023, grant exploitation rights valid for 50 years. An annual minimum investment must be met, and an annual mining rights fee must be paid to keep the mining concessions effective. Valid mining concessions can be renewed for an additional 50-year term (two extensions of 25 years) as long as the mine is active.

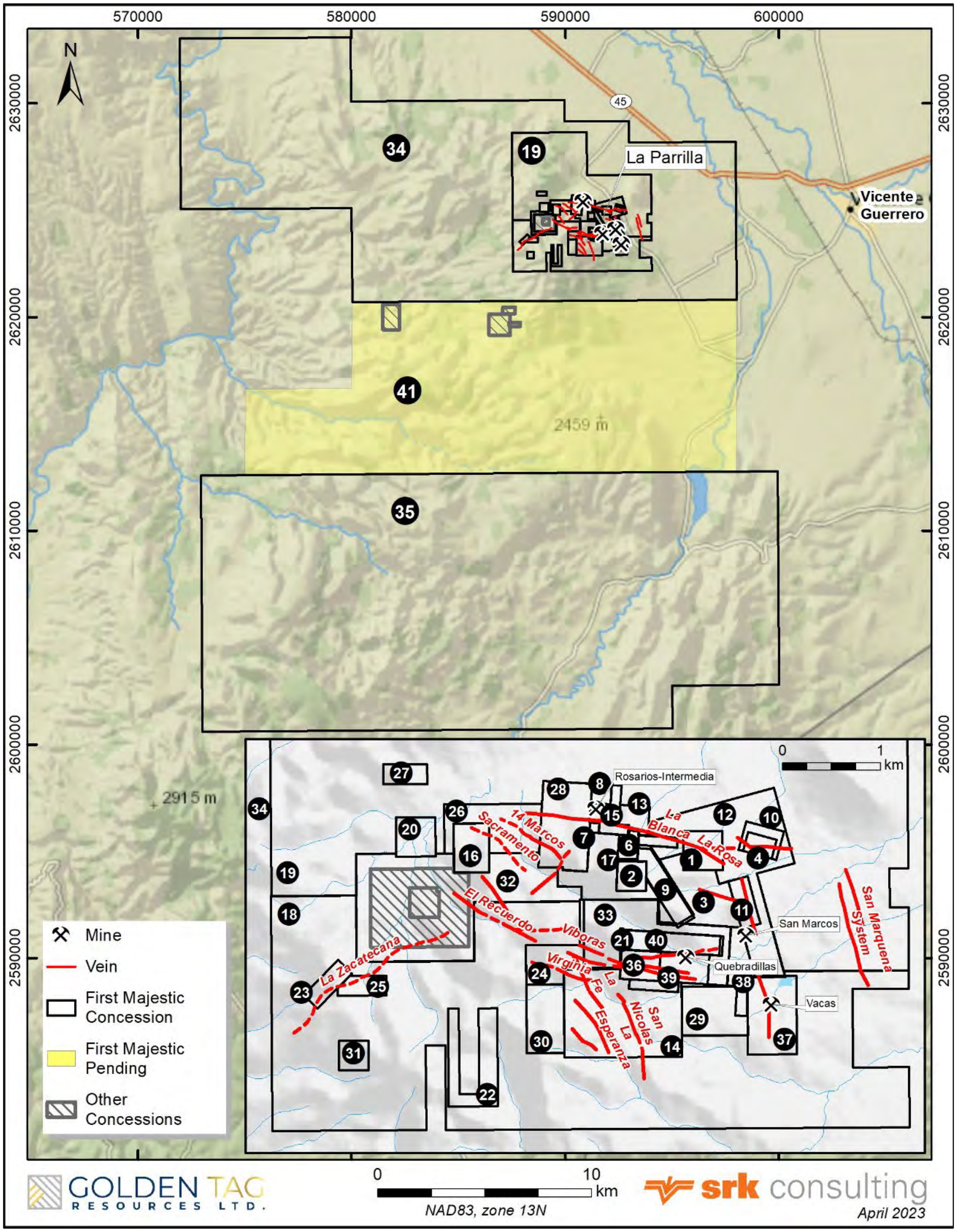


Figure 3-2: FMS Land Tenure (SRK 2023)

Inset map showing land tenure within the vicinity of the La Parrilla Mine with the mineralized zones shown in red.

Concessions numbers correspond with Table 3-1.

Table 3-1: La Parrilla Mining Concessions Owned by FMS (2023)

No.	Mining Concession	Title	Expiration Date	Surface Hectares	Status
1	La Encarnacion	150935	16-01-2069	16.00	Valid
2	San Ignacio Dos	158205	13-02-2023	8.93	Extension in process
3	Protectora No. 2	169302	05-11-2031	32.36	Valid
4	Extension Rosa	169303	05-11-2031	6.00	Valid
5	Rosa y Anexas	169304	05-11-2031	4.00	Valid
6	Rosario	169305	05-11-2031	5.37	Valid
7	El Salvador	169306	05-11-2031	1.00	Valid
8	Ampl. de los Rosario	169307	05-11-2031	4.00	Valid
9	Los Michosos	169308	05-11-2031	15.97	Valid
10	San José	169309	05-11-2031	6.00	Valid
11	San Marcos	169310	05-11-2031	10.00	Valid
12	La Protectora	169311	05-11-2031	83.88	Valid
13	Ampl. del Rosario No.2	169312	05-11-2031	7.50	Valid
14	San Nicolas	169313	05-11-2031	95.50	Valid
15	Los Rosario	171082	08-08-2032	11.00	Valid
16	La Ilusión	185136	13-12-2039	18.04	Valid
17	Parrilla XIV	198568	29-11-2043	33.16	Valid
18	Parrilla Sur	198569	29-11-2043	874.69	Valid
19	Parrilla Norte	198570	29-11-2043	1,742.39	Valid
20	Parrilla II	203302	27-06-2046	16.00	Valid
21	Parrilla V	203987	25-11-2046	0.41	Valid
22	Parrilla III	204357	30-01-2047	32.53	Valid
23	Parrilla VI	204358	30-01-2047	10.00	Valid
24	Parrilla VII	204520	27-02-2047	20.84	Valid
25	Parrilla 18	210061	30-08-2049	9.22	Valid
26	Parrilla IV	211943	27-07-2050	38.14	Valid
27	Parrilla15	212351	28-09-2050	8.94	Valid
28	Parrilla 16	214003	12-07-2051	44.42	Valid
29	Parrilla 19	214557	01-10-2051	30.01	Valid
30	Parrilla 21	216554	16-05-2052	26.90	Valid
31	Parrilla 20	216723	27-05-2052	9.00	Valid
32	La Zacatecana	217646	05-08-2052	88.01	Valid
33	Parrilla 22	219888	06-05-2053	53.99	Valid
34	La Providencia	229493	02-05-2057	18,465.71	Valid
35	Michis	230602	24-09-2057	31,350.00	Valid
36	La Asuncion de Quebradilla	237121	28-10-2060	12.00	Valid
37	Las Vacas	237122	28-10-2060	40.00	Valid
38	El Socorro	237123	28-10-2060	15.37	Valid
39	El Tecolote	237124	28-10-2060	20.00	Valid
40	Altamira	241251	21-11-2062	20.00	Valid
41	Hueco	File 25/36029	N/A	16,190.66	Registry in process
Total				**69,477.91**	

3.2 Underlying Agreements

In December 2022 Golden Tag and First Majestic signed an Asset Purchase Agreement, whereby Golden Tag will acquire a 100% interest in the La Parrilla Silver Mine Complex in exchange for total consideration of US$33.5M, including US$20M in equity of Golden Tag as well as certain deferred payments totaling US$13.5M comprised of the following:

I. US$2.7M on the earlier of 18 months post-closing, or upon receipt of certain approvals from the Mexican government;
II. US$5.75M when either (a) 5 million ounces of silver equivalent (Ag.Eq) reserves are declared from the La Parrilla claims, or (b) 22 million ounces of Ag.Eq of Measured and Indicated Resources are declared, from the La Parrilla claims;
III. US$5.05M when a new zone is discovered on the La Parrilla claims inclusive of a NI 43-101 - compliant Mineral Resource of 12.5 million ounces of Ag.Eq.

Both II and III are payable in cash or common shares, at the election of Golden Tag, however, II is subject to a maximum of 45,068,581 common shares.

3.2.1 Royalty to Metalla Royalty & Streaming Ltd.

In November 2022 First Majestic Silver Corp. sold a 2% Net Smelter Return (NSR) over all the claims of La Parrilla to Metalla Royalty & Streaming Ltd.

3.3 Surface Rights

Surface rights in Mexico are commonly owned either by communities (Ejidos) or by private owners. La Parrilla mining district land is mainly owned by private owners, and to a lesser extent, by Ejidos. In both cases, the mining concessions include access easement rights, although in many cases it is necessary to negotiate access to the land with individual owners or communities. Federal or state laws allow permission to access federal or state lands without other requirements, as mining concessions in Mexico are federal grants. The Mexican Mining Law includes provisions to facilitate purchasing land required for mining activities, installations, and development.

The surface rights overlying the La Parrilla property are controlled in part by the Ejido San José de la Parrilla and in part by private surface rights holders. The Comisión de Fomento Minero (CFM) executed a lease agreement on the surface rights from Ejido San José de la Parrilla to permit the use of surface rights for development of projects that are of general economic interest, including mining operations. In 1990, the Gamiz Family acquired the surface rights and mill from CFM and reconfirmed the lease agreement with the Ejido. Subsequently, FMS acquired the surface rights and the mill from the Gamiz Family. FMS updated the lease agreement with the Ejido and negotiated a lease to extend the surface rights to a total of 100 hectares where the second tailings dam has been built. The updated lease agreement includes a yearly payment to the Ejido San José de La Parrilla. FMS also has a lease agreement for 100 hectares with a private land owner where the Quebradillas and San Marcos mines are located. FMS also owns a surface parcel of 30 hectares where the Vacas mine is located, which was acquired from Grupo México. During 2010, First Majestic Silver acquired an additional 15 hectares of surface rights in the Quebradillas area. Golden Tag will acquire all of FMS surface rights as part of the Asset Purchase Agreement.

La Parrilla holds 17 parcels of surface rights covering approximately 182 hectares; these are considered sufficient to support operations including the processing plant installations, tailings storage, and other mine operations requirements (Figure 3-3 and Table 3-2).

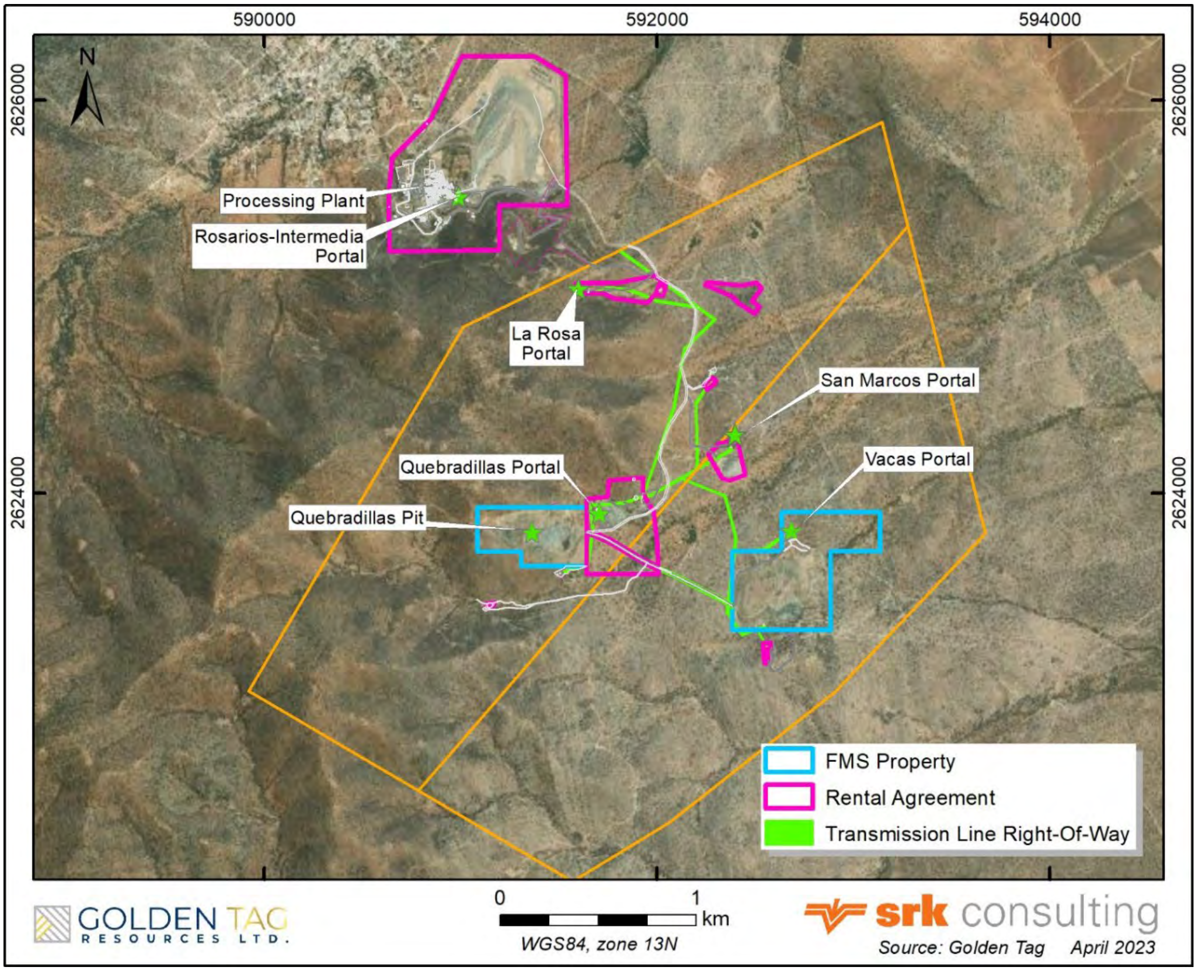


Figure 3-3: Surface land tenure and agreements (FMS 2023)

Table 3-2: La Parrilla Surface Rights (FMS 2023)

Acquired from	Area	Surface Hectares	Validity/Expiry	Type
Los Flores	Quebradillas open pit	15.00	Permanent	First Majestic Plata Property
Los Flores	Graceros	15.50	Permanent	
Los Flores	Vacas	30.00	Permanent	
Subtotal FMS Property		**60.50**		
Los Flores	Quebradillas portal	14.71	2027	Annual Rental Agreements
Los Flores	San Marcos portal	2.56	2027	
Los Flores	La Rosa old mine	3.40	2027	
Los Flores	San José old mine	1.93	2027	
Los Flores	South Quebradillas Pit	0.32	2027	
Los Flores	Vacas Compressor Path	0.35	2027	
Los Flores	San Nicolas Portal	7.07	2027	
Los Flores	San Nicolas Path & Road	0.34	2027	
Los Flores	Vacas- El Cristo right-of-way	3.28	2023	
Los Flores	Ventilation raise	0.05	Permanent	
Los Flores	Site of 4 ventilation raises	0.69	2037	
Los Flores	Power line right-of-way	2.56	2027	
Ejido La Parrilla	Quebradillas	5.97	2028	
Ejido La Parrilla	Rosarios	78.48	2031	
Subtotal Rental Agreements		**121.71**		
Total Surface Land Holdings		**182.21**		

3.4 Permits and Authorization

FMS has all necessary permits for current mining and processing operations, including an operating license, a mine water use permit, and an Environmental Impact Authorization (EIA) for the mines, processing plant, and tailings management facilities.

3.5 Environmental and Social Considerations/Liabilities

The Restoration and Closure Plan (FMS 2021) for the La Parrilla Silver Mine is based on the commitments established in the Asset Retirement Obligations (ARO). The plan identifies the principles, standards, and international guidelines to be used in the restoration and closure of the various mining areas forming the La Parrilla site and includes an estimate of the investment needed for closure activities to return the land to a predetermined state once the activities associated with the mining operation have ceased.

As of December 2021, FMS estimated that the decommissioning liability for La Parrilla is US$5.5 M, based on the following closure considerations:

- Earthwork and recontouring
- Stabilization and revegetation
- Detoxification, water treatment, disposal of wastes
- Structure, equipment and facility removal
- Monitoring
- Miscellaneous activities

To the extent known, there are no social issues that could materially impact the Company's ability to conduct exploration activities in the district. The economic impact of La Parrilla mine on the surrounding towns and villages is positive. FMS maintains an active program of support and communications with the nearby communities and relies on its relationship with the local communities, labour unions, and the government regulators, which are presently businesslike and amicable.

3.6 Mining Rights in Mexico

Mining rights in Mexico are granted with the concessions. Changes to the Mexican mining legislation incorporated in 2005 now grant the concession holder the right to conduct exploration, operate a mining operation, and/or operate a processing plant on each concession.

4 Accessibility, Climate, Local Resources, Infrastructure, and Physiography

4.1 Accessibility

The La Parrilla Silver Mine (La Parrilla) is located approximately 76 kilometres southeast of the state capital of Durango along Federal Highway No. 45, which is a major four lane paved highway that connects Durango to the city of Zacatecas. At the 75-kilometre marker, a four-kilometre paved road leads to the village of San José de la Parrilla. The La Parrilla mine and processing plant are accessed by a one-kilometre gravel road that begins near San José de la Parrilla. Driving time from the city of Durango to La Parrilla takes approximately one hour.

La Parrilla is located approximately 255 kilometres or 2.5 hours from the city of Zacatecas via Federal Highway No. 45. The city of Fresnillo is located approximately 165 kilometres southeast of La Parrilla along the same highway.

La Parrilla is also accessible from various nearby towns and villages located ten to twenty kilometres away, such as Nombre de Dios, Vicente Guerrero, and Suchil.

The cities of Durango and Zacatecas both have international airports. These airports provide regional flights to most major Mexican cities, and direct commercial flights to several major American cities such as Houston.

4.2 Climate

The climate at La Parrilla is semi-arid with annual average temperatures that vary from 12 degrees Celsius (°C) to 25°C, with an annual average of approximately 19°C. It is warmest during summer months with average temperatures of 22°C to 24°C. The winter average temperatures are 12°C to 15°C. The annual average rainfall is about 441 millimetres with most of the rain occurring during the summer months and only occasional rains during the winter.

Exploration and mining operations are conducted on a year-round basis; only occasional heavy rainstorms partially interrupt the La Parrilla operations for a few hours.

4.3 Local Resources and Infrastructure

Local roads and major highways connect the La Parrilla mine to various population centres within the region. As of a 2015 census, the city of Durango had a population of 650,000, and the towns of Vicente Guerrero, Nombre de Dios, and Suchil had populations of 21,000, 20,000, and 6,000, respectively.

Mining is an important part of the local economy with a long history in the region and surrounding states. Experienced personnel and many services are available locally. Mining suppliers, contractors, consultants, and other specialized service providers are available in the cities of Durango, Fresnillo and Zacatecas. Educational institutions with mining related programs are well established in Durango, Fresnillo and Zacatecas.

Facilities and services such as hotels, restaurants, banks, postal services, telephone, and cellular networks are available in Durango and Vicente Guerrero.

Electric power is provided to the La Parrilla mine by the national power grid; potable water is available from local water wells. Main consumables such as diesel fuel, explosives, cement, and spare parts are easily transported to site by road year-round.

The La Parrilla infrastructure, such as the mine, mine portals, access roads, tailings deposits, and waste deposits, are all located away from farming and populated areas.

4.4 Physiography

La Parrilla is located within the physiographic sub-province of Sierras y Llanuras de Durango, which straddles the Sierra Madre Occidental and the Mesa Central in northwestern Mexico. Elevations range from 1,600 metres above sea-level (masl) in the Mesa Central and up to 3,000 masl in the mountain peaks of the Sierra Madre Occidental.

Topography in the La Parrilla area is dominated by isolated mountains and a chain of northwest-trending mountain ridges, all surrounded by the plateaus of the Mesa Central (Figure 4-1). The main La Parrilla mine portal is located at an elevation of 2,100 masl.

Vegetation in the area consists of desert bush and shrubs and includes small mesquites, cacti, and grasses. At higher elevation, vegetation consists of pine, cedar and oak trees. Farming is mostly developed in the areas neighbouring the population centres in the Mesa Central flatlands.

Due to the nature of the physiography and vegetation, geological features and mineralized outcrops can often be observed at surface in the La Parrilla area.

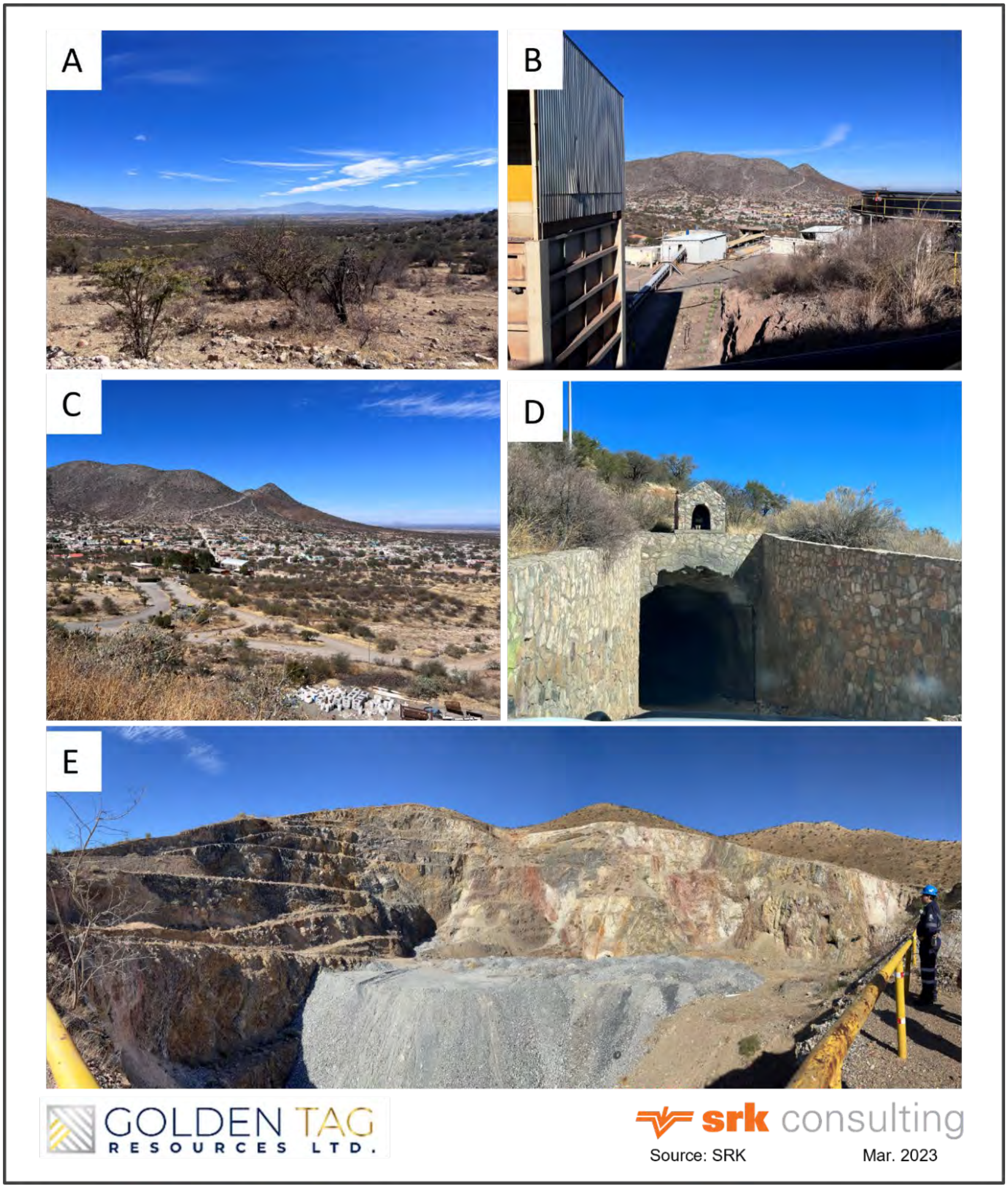


Figure 4-1: Typical Landscape and Infrastructure at the La Parrilla Mine (SRK 2023)

A: Typical landscape of the La Parrilla Project

B. View of mill and town of San José de la Parrilla

C. View of the town of San José de la Parrilla

D. View of the San Marcos Mine Portal

E. View of the Quebradillas Open Pit

5 History

5.1 Historical Exploration Activity and Ownership

Mining activity in the La Parrilla mining district began in the 16th century during the early days of the Spanish colonial times. Numerous discoveries were made during this period including the mines at Fresnillo, San Martin, Sombrerete, La Colorada and Cerro del Mercado.

The first underground silver-gold-lead mines and processing facility at La Parrilla were constructed in 1956 by unknown small operators. In 1960, the mining claims were acquired by Minera Los Rosarios, S.A. de C.V. (MLR), who operated several small underground mines until 1999, when these were put on a care-and-maintenance program due to low silver prices.

In 1961, the now disbanded Comision de Fomento Minero (CFM) (a federal entity that was responsible for promoting and supporting the mining industry in Mexico) constructed a 180 tonne per day (tpd) flotation plant at La Parrilla, which operated as a custom toll mill processing ore from nearby areas such as Chalchihuites, Sombrerete and Zacatecas. This plant was purchased in 1990 by MLR from CFM.

In 2004, First Majestic acquired the mining rights and the plant from Minera Los Rosarios, and in 2006, successfully negotiated the acquisition of the mineral rights held by Grupo México that surrounded the original La Parrilla mine.

The type, amount, quantity, and general results of exploration and development work conducted by previous owners and operators, prior to FMS, is unknown due to the artisanal nature of mining practices implemented by small private operators at the time.

Golden Tag entered into a definitive agreement to purchase the La Parrilla Project on December 7, 2022. Table 5-1 summarizes the ownership of the La Parrilla Project.

Table 5-1: Summary of Ownership of the La Parrilla Property

Year	Ownership
1500's to 1956	Private Ownership Spaniard Colony to Mexican Revolution
1956 to 1960	Unknown Small Operators
1960 to 2004	Minera Los Rosarios, S.A. de C.V. (MLR)
2004 to Present	First Majestic Silver Corporation

5.1.1 Geological Mapping and Geochemistry 2013-2017

Prospecting and mapping activities were conducted by FMS geologists around the La Parrilla mine area from 2013 to 2017 (Table 5-2). Detailed mapping and sampling was conducted to the southwest of the Quebradillas open pit in order to define drilling targets along the Esperanza, 19 de Marzo, La Virgen, La Fe and El Recuerdo veins (Figure 5-1). Mapping was carried out at 1:2,500 scale using a hand-held GPS and compass, and at 1:1,000 and 1:500 scales using a 30-metre measuring tape and compass. Selective samples were collected on structures and alteration zones with hammer and chisel; sample locations were determined using a hand-held GPS.

Table 5-2: Summary of Exploration completed by First Majestic Silver in 2017

Area	Company	Year	Scale	Description
Quebradillas SW	FMS	2017	1:2,000	Geologic Mapping
Quebradillas SW	FMS	2017	1:1,500	Chip sampling on outcropping veins
Quebradillas SW	FMS	2017	1:500	Chip sampling on outcropping veins
Rosarios-Quebradillas	FMS	2017	1:1,000	Systematic Geochemistry on N-S grid
Los Perros / San Marqueña - Cerro de Santiago	FMS	2017	1:2,000	Geologic mapping of 50 ha and chip sampling on outcropping veins

A geochemical survey was conducted between the Rosarios and Quebradillas deposits in 2017. The survey consisted of 512 rock chip samples collected on a north-south oriented systematic grid, with average spacing of 100 metres. The survey was carried out in order to detect potential silver anomalies within the granodiorite stock and at the contacts between the stock and the sedimentary units. Potential drill targets were to be selected based on geochemical results; and a second phase of geochemical sampling was planned on a more detailed grid (Figure 5-2).

Mapping and sampling activities were also performed intermittently on other prospects such as Los Perros/San Marqueña and Cerro de Santiago where epithermal vein-breccia structures and a sinter deposit occur (Figure 5-3). Other prospects include Las Brillosas, San Jose de los Muertos and La Zacatecana. The mapping and sampling activities were conducted intermittently between the second half of 2016 and the first half of 2017.

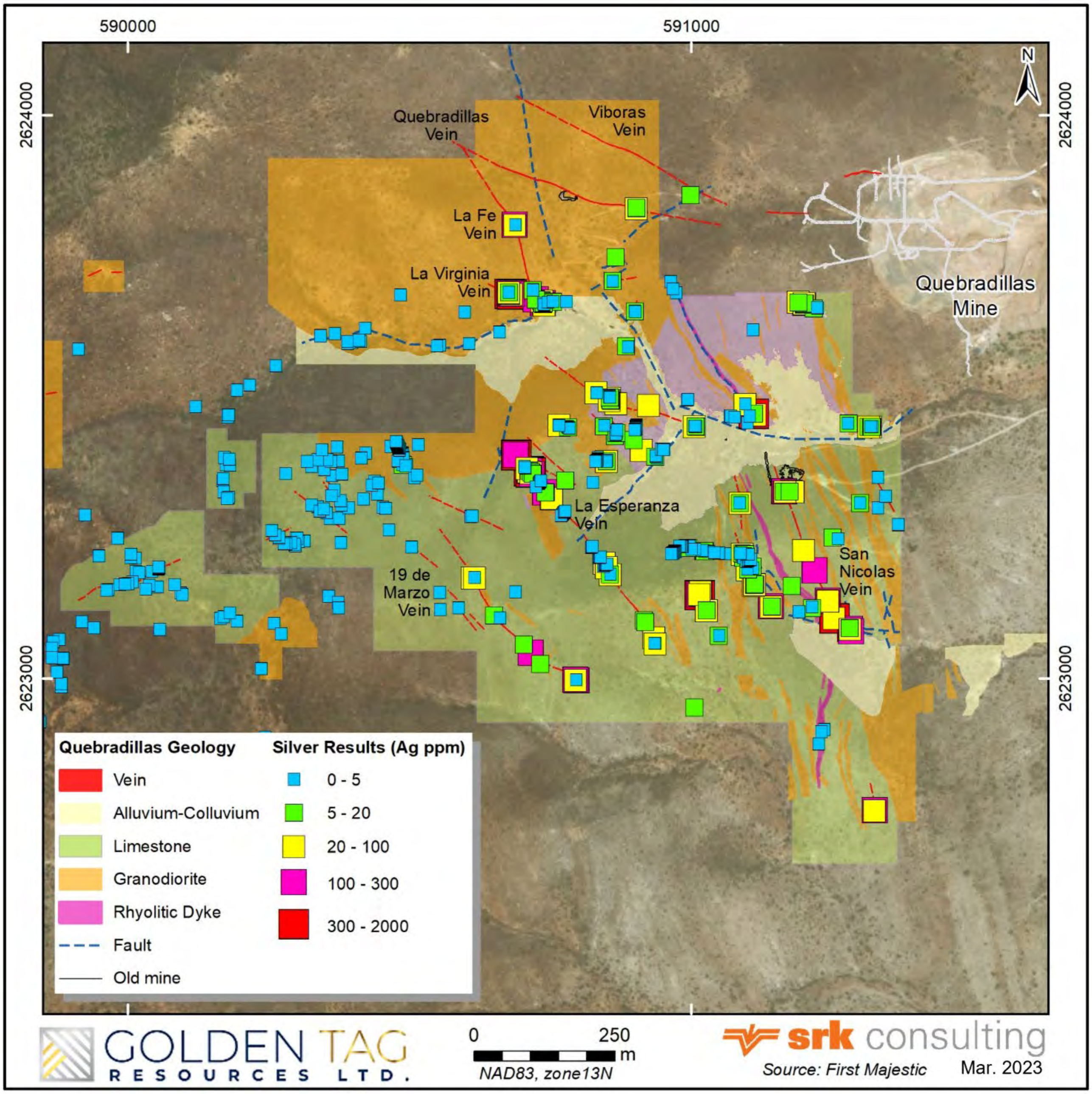


Figure 5-1: Detailed Geological Mapping and Rock Chip Sampling of the Quebradillas SW Area (FMS 2017)

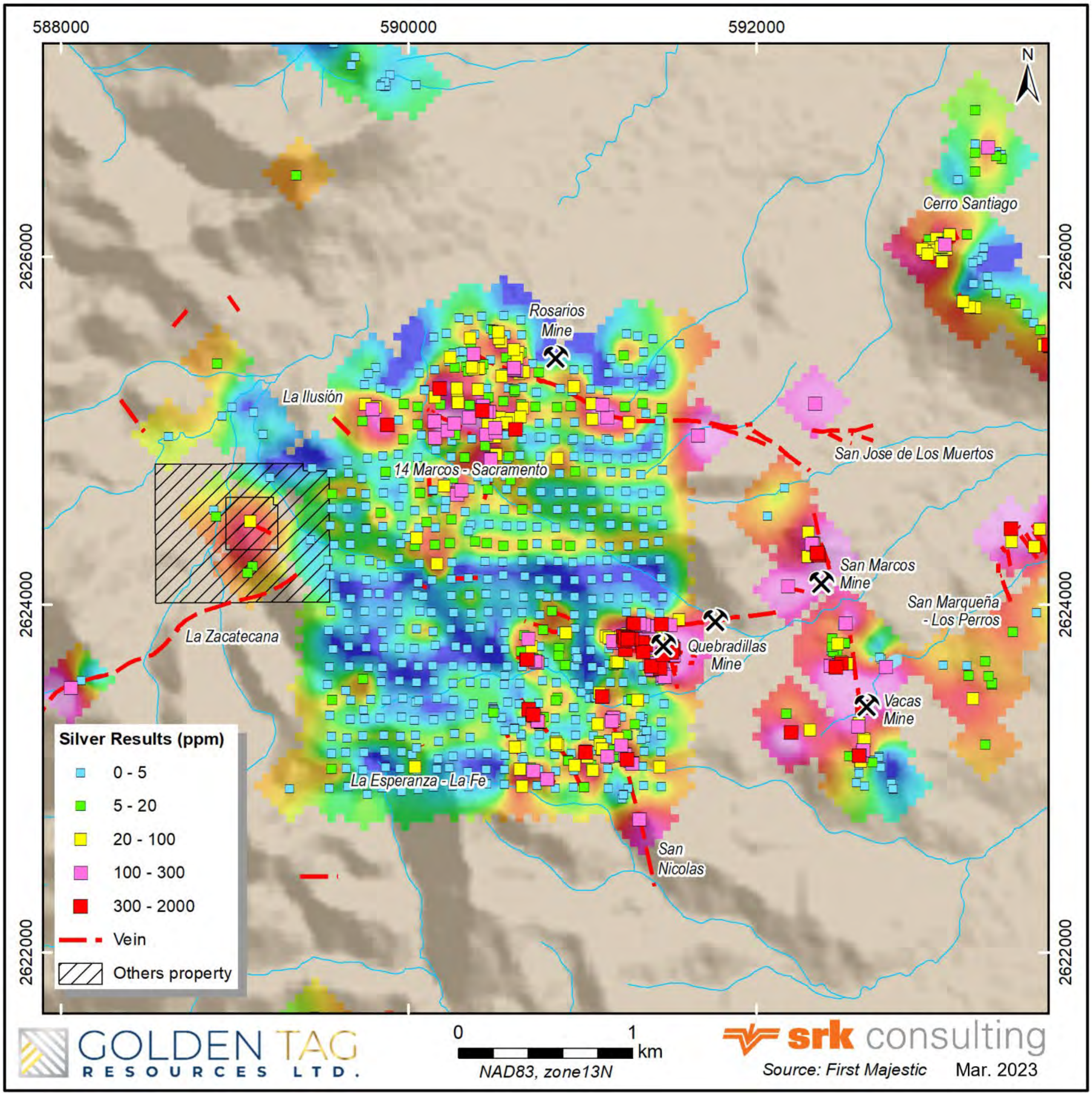


Figure 5-2: Geochemical Rock Chip Survey Conducted Between the Rosarios and Quebradillas Deposits. (FMS 2017)

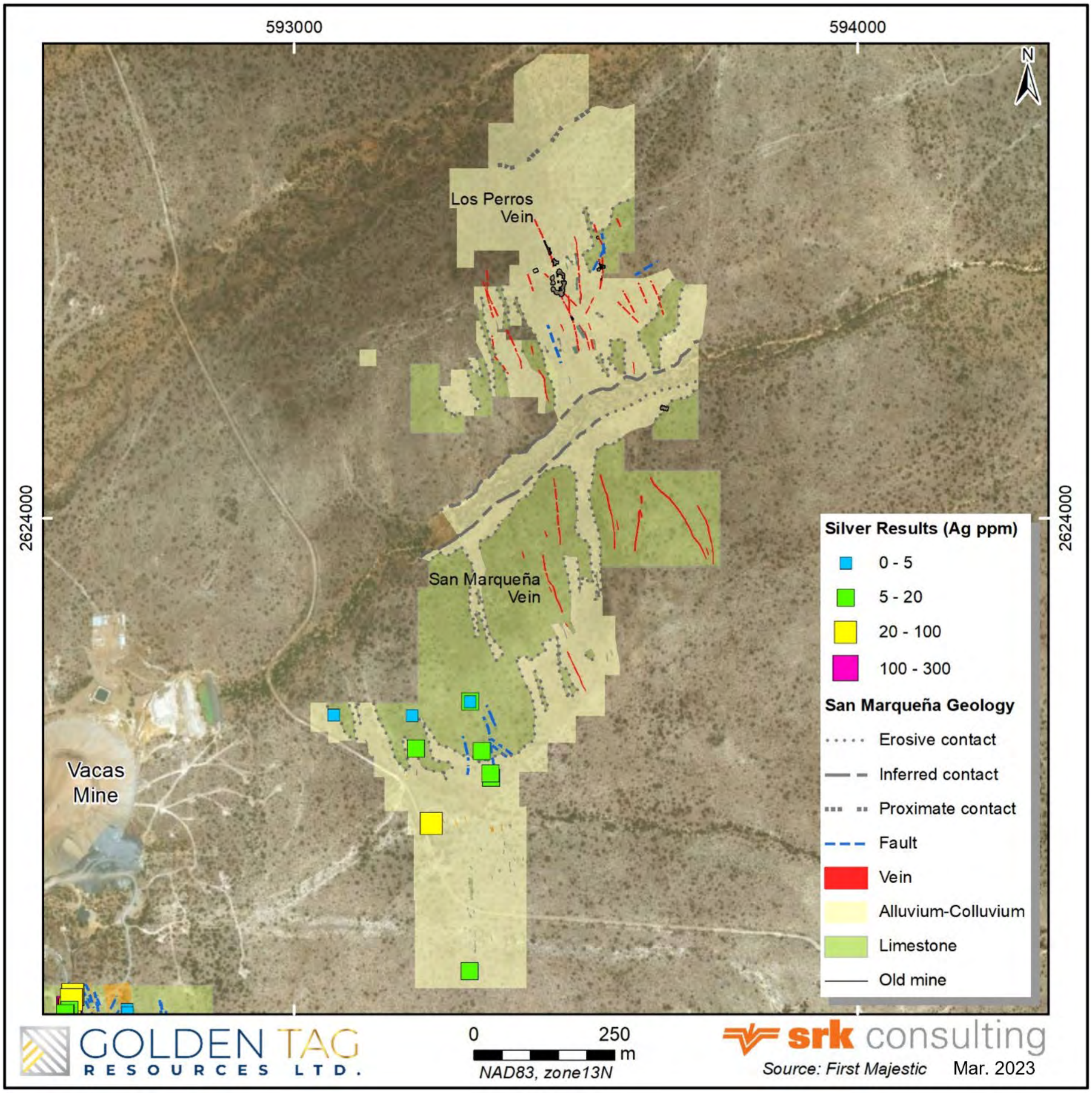


Figure 5-3: Detailed Geological Map of the San Marqueña-Los Perros area (FMS 2017)

5.1.2 Geological Mapping and Geochemistry 2018-2022

From 2018 to 2021 FMS continued to map and sample the property. Mapping was completed at various scales and is outlined in Table 5-3 and rock chip samples taken on the property are shown in Figure 5-4.

Table 5-3: Summary of Exploration Activity Completed on La Parrilla Property (2018-2021)

Area	Company	Year	Scale	Description
Los Perros - San Marqueña	FMS	2018	1:2,000	Chip sampling on outcropping veins
Rosarios-Quebradillas	FMS	2018	1:1,000	Chip sampling on outcropping veins
La Parrilla NW	FMS	2018	1:2,000	Geologic mapping and rock chip sampling of 1000 ha
El Cristo	FMS	2019	1:2,000	Geologic mapping and rock chip sampling of 2400 ha
La Michilia	FMS	2019	1:1,000	Systematic Geochemistry of 532 ha and 120 ha
Los Perros - San Marqueña	FMS	2019	1:2,000	Chip sampling on outcropping veins
Rosarios-Quebradillas	FMS	2019	1:1,000	Chip sampling on outcropping veins
El Cristo	FMS	2020	1:2,000	Geologic mapping and rock chip sampling of 2400 ha (con't from 2019)
La Parrilla NW	FMS	2020	1:2,000	Geologic mapping and rock chip sampling of 1000 ha (con't from 2018)
Los Domos	FMS	2020	1:2,000	Geologic mapping and rock chip sampling of 1008 ha
Cerro Las Cruces	FMS	2020	1:2,000	Geologic mapping and rock chip sampling of 600 ha
Los Domos	FMS	2021	1:2,000	Geologic mapping and rock chip sampling of 1008 ha (con't from 2020)

In 2018 exploration efforts were focused on the Los Perros/San- Marqueña, Rosarios/Quebradillas and La Parrilla NW prospects and a total of 159, 45, and 154 rock chip samples were taken at each prospect, respectively. In addition to the sampling of the La Parrilla NW prospect a 1000-hectare (ha) mapping program was initiated.

In 2019 a sampling and mapping reconnaissance program across 2400 ha was conducted at the El Cristo prospect and 1335 samples were taken. At the La Michilia prospect two chip sampling programs were conducted systematically, the first consisted of 13 lines spaced 300 metres apart with samples taken every 300 metres along each line, over a total area of 532 ha. The second location comprised 8 lines with 200 metres spacing and samples collected every 200 metres over an area of 120 ha. A total of 124 samples were collected from these two programs. FMS continued to map and sample the Los Perros/San-Marqueña and Rosarios/Quebradillas mineralized trends and collected 261 and 75 samples at each prospect, respectively.

In 2020 the exploration activities of FMS focussed on the El Cristo, La Parrilla NW, Los Domos, Cerro La Cruces and La Michilia prospects. Exploration activities included taking 141 rock chip samples in the El Cristo, 464 rock chip samples in La Parrilla NW, eight rock chip samples from the Los Domos, and 51 rock chip samples in the Cerro Las Cruces areas.

In 2021 a total of ten rock chip samples were taken from the Los Domos area. All rock chip samples taken from 2018 to 2021 were collected in the same manner described in section 5.1.1 of this report.

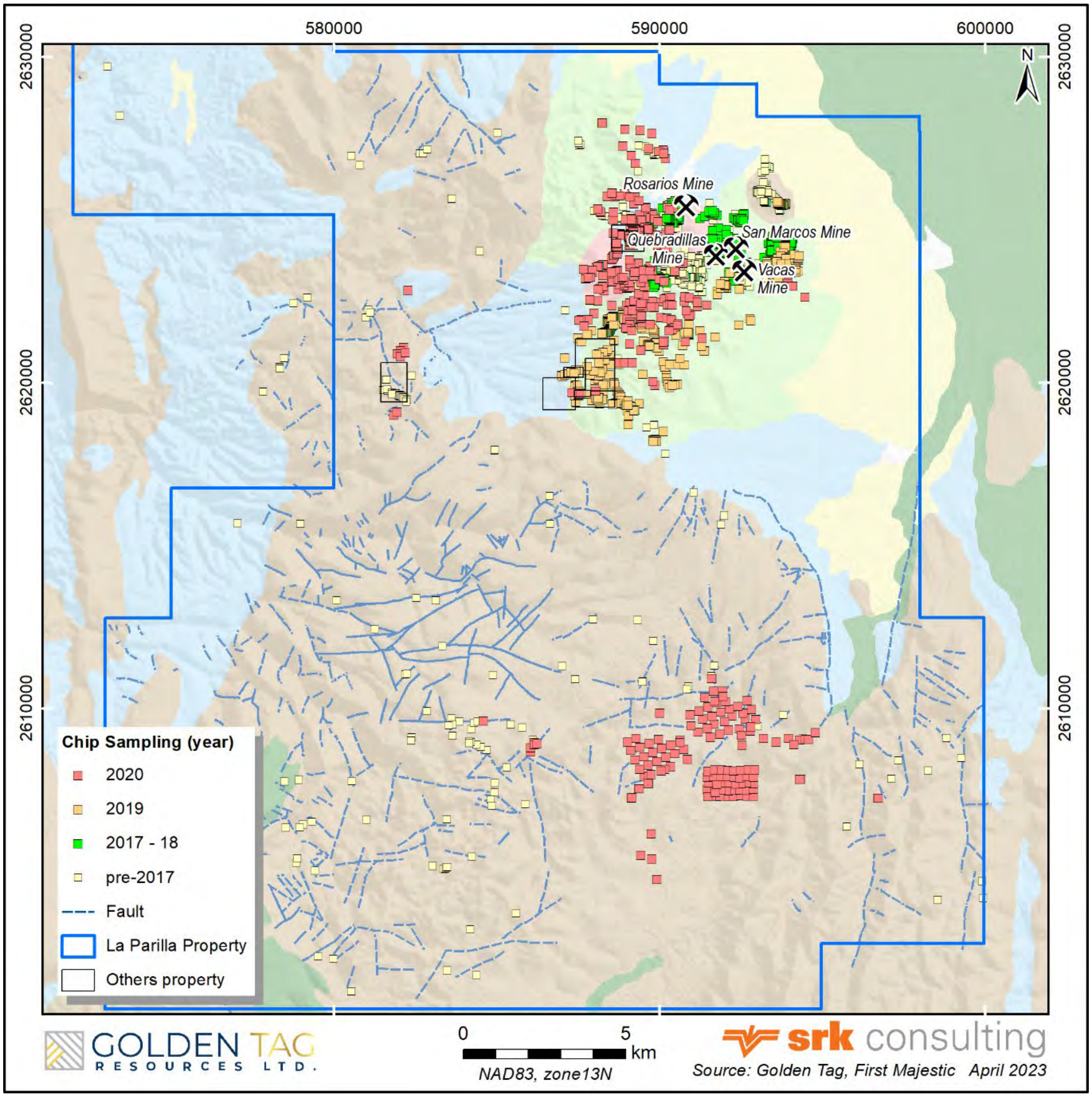


Figure 5-4: Rock Chip Sample Stations on La Parrilla Property

From 2019 to 2020 in addition the rock chip sampling and mapping activities described above, FMS performed a total of five soil sampling programs. Soil samples were taken by a field crew comprising a junior geologist and two technicians. The start of a grid line was established by handheld GPS and samples were taken at points along lines using compass and measuring tape. Each sample point was verified by GPS and the position recorded. The technicians dig with a spade and shovel to the sample horizon (either the A or B horizon) where a one-kilogram sample would be extracted. Each sample recorded the following characteristics: type of material, horizon, depth of sample, colour, date, and person collecting sample. A note was made of the type of topography where the sample was taken (e.g., flat, hillside). A summary of these programs is shown in Table 5-4 and the various grids are shown in Figure 5-5.

Table 5-4: Summary of Soil Sampling Programs on La Parrilla Property from 2019-2020

Area	Company	Year	Soil Horizon	No of Samples	Description
El Tiro	FMS	2019	A	570	100 metre grid over 420 ha
Graceros	FMS	2019	A	342	50 metre grid soil sampling over 63.25 ha (detailed sub grid at the Veta Maya target 0.125 ha)
Los Domos	FMS	2020	B	896	100 metre grid over 1000 ha
La Parrilla West	FMS	2020	B	945	100 metre grid over 884 ha
Cerro Las Cruces	FMS	2020	B	156	100 metre grid over 144 ha

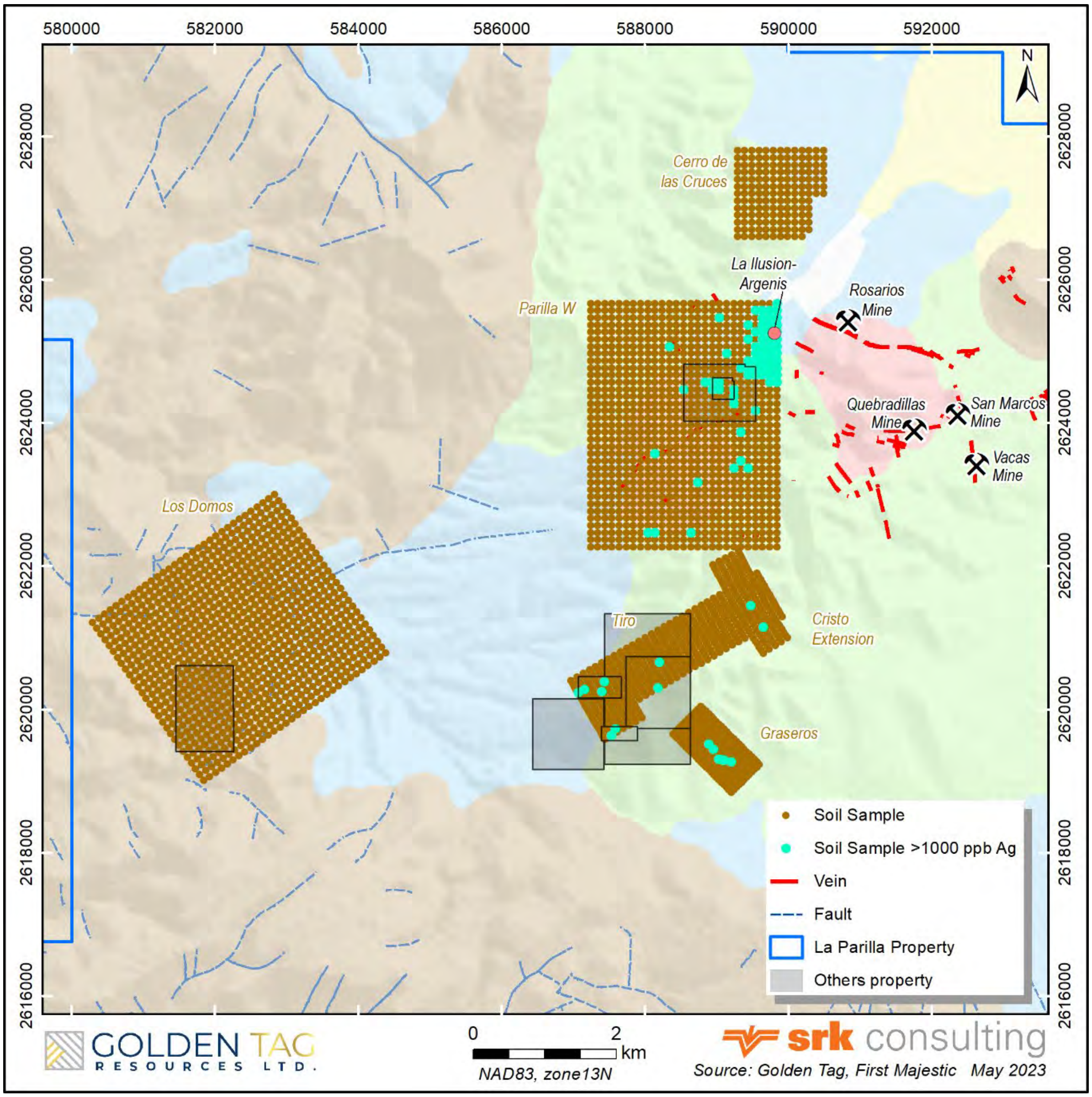


Figure 5-5: Soil Sample Surveys on the La Parrilla Property from 2019-2020

5.1.3 Geophysical Surveys

Titan 24 Survey – 2012

A direct current/induced polarization (DC/IP; TITAN 24) geophysical survey was carried out by Quantec Geoscience Ltd. (Quantec) in 2012. Lines were oriented at 043-223°, with a total of 15 lines surveying the La Parrilla mine area and five lines surveying an area 20 kilometres west of the mine for a cumulative 70.9 line-kilometres. Data was acquired at 100 metre dipole length and 200 metre line spacing.

Depth of investigation was mainly controlled by the array geometry (TITAN 24), but may also have been limited by the received signal, which is dependent on transmitted current and ground resistivity (Quantec 2012). The TITAN 24 Distributed Acquisition System employs a combination of multiplicity of sensors, 24-bit digital sampling, and advanced signal processing (Quantec 2012). The geophysical interpretation was completed by Quantec on two-dimensional (2D) inversion models of TITAN 24 data, and sections and plan maps for different elevations were prepared.

The DC resistivity method is used to resolve the structure and lithology of the subsurface by measuring the electric potential of DC. Resistivity can be an indicator of metallic mineralization but is more often controlled by rock porosity and is therefore an indirect indicator of alteration and mineral grain fabric. A northwest-trending high resistivity zone (above 1600-ohm metres), that is interpreted to correspond to the quartz monzonite stock, is observed in resistivity plots at 300 m depth. Chargeability is a near-direct indicator of the presence of sulphide mineralization, graphite and some types of clays, which makes it a useful tool for base metals exploration. Reinterpretation and modelling in 3D of the chargeability and resistivity data carried out by Ellis Geophysical Consulting Inc. (EGC) found that no consistent correlation existed between chargeability highs or lows and mineralization (Figure 5-6). Further work is required.

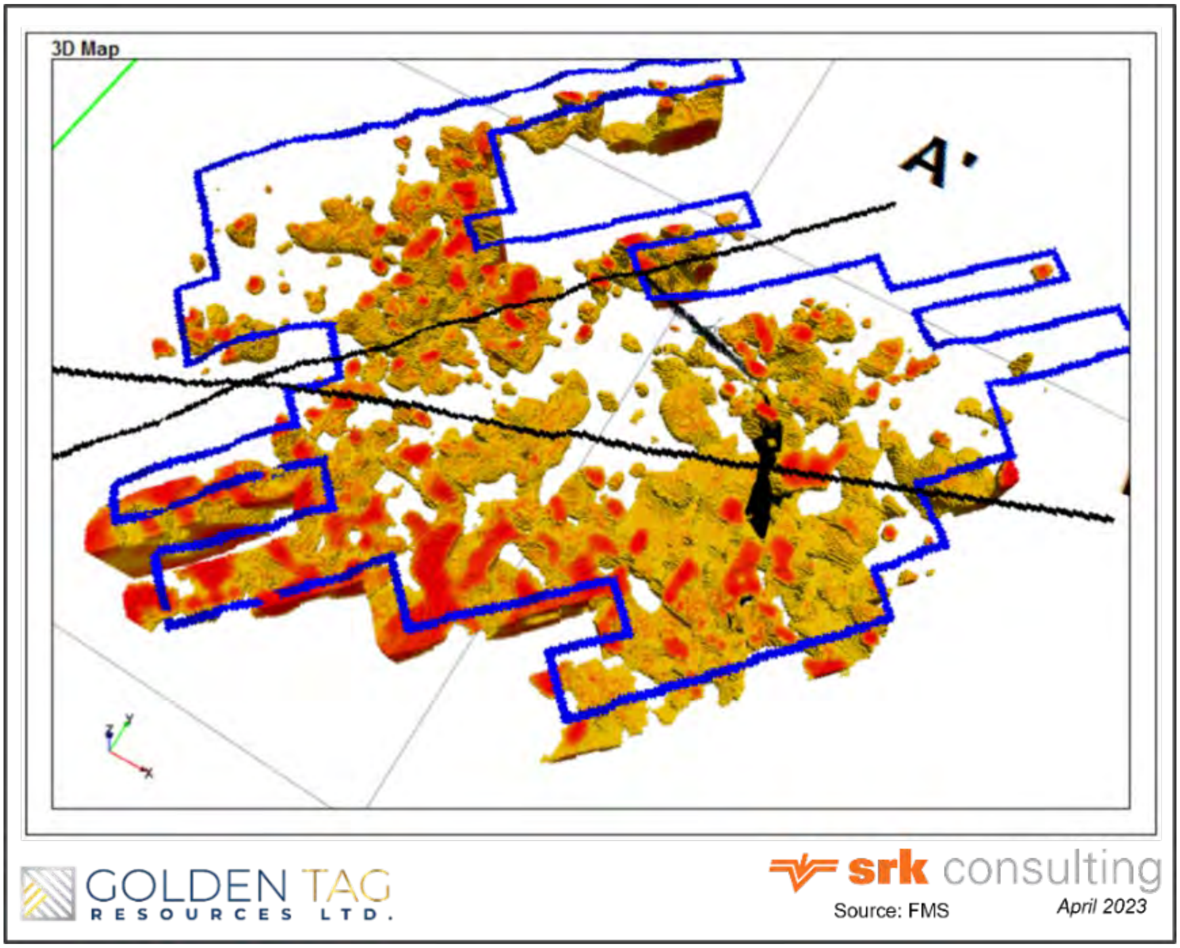


Figure 5-6: 3D Model for Chargeability Titan-24 Data (EGC, 2016)

Airborne Magnetic Survey - 2016

In 2016, FMS retained MPX Geophysics Ltd. and Ellis Geophysical Consulting Inc. to complete the data acquisition, quality control, and interpretation services for an aeromagnetic survey covering 31,500 hectares over the La Parrilla mining concessions; a total of 2,317 line-kilometres of north-trending lines were flown at 75-metre spacing.

The objective of the magnetic survey was to identify magnetic anomalies caused by magnetic minerals (pyrrhotite-magnetite) associated with skarn veins and replacements, structures within the intrusion, and better define the contact between the carbonate and intrusive rocks. The magnetic data was processed and analyzed. A map of the reduced to pole aeromagnetic survey is shown in Figure 5-7 the analytic signal map of the reduced to pole magnetics is shown in Figure 5-8, lineaments are enhanced with these processes.

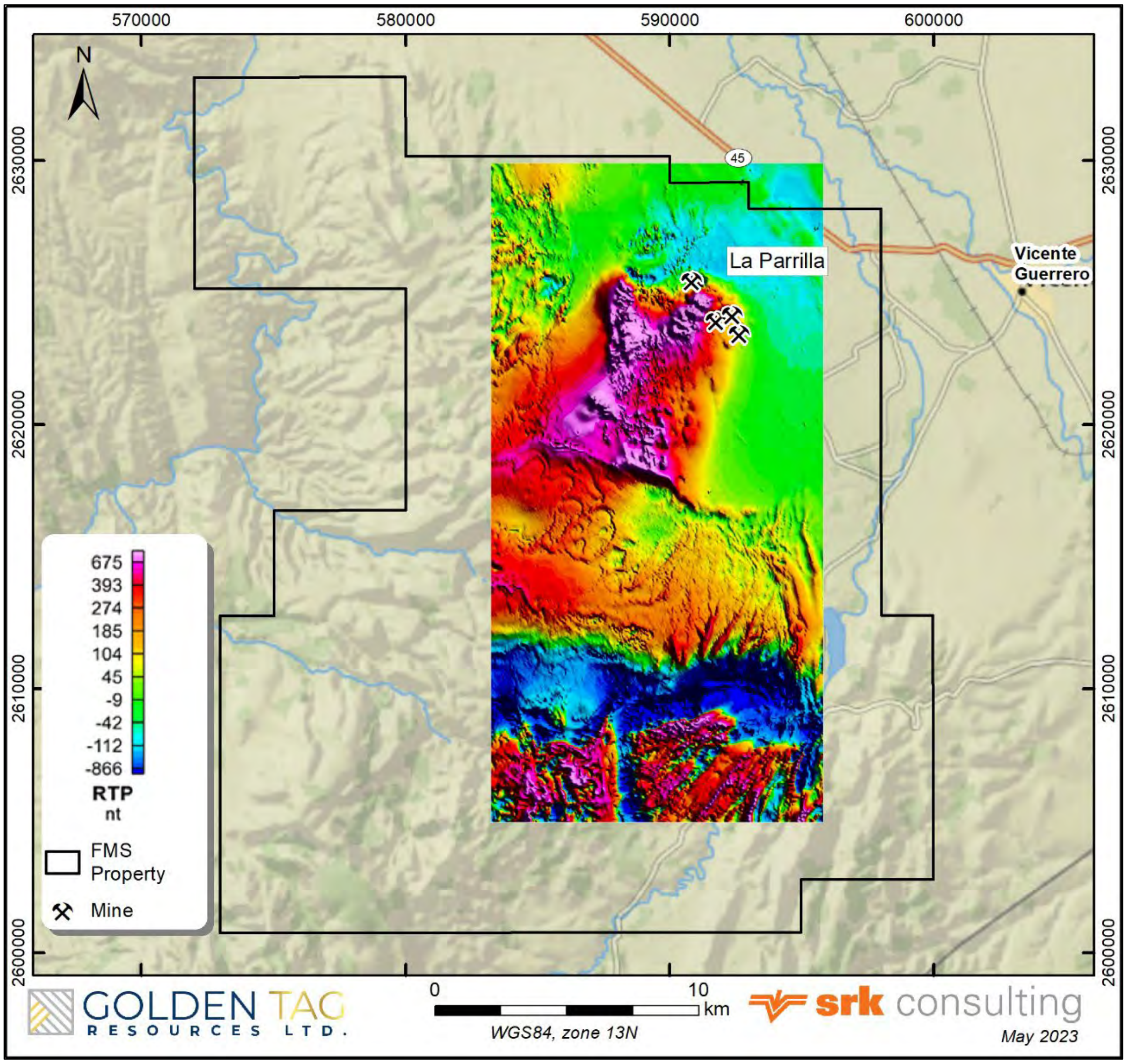


Figure 5-7: La Parrilla – Total Field and Reduced to Pole Magnetic Map (EGC, 2016)

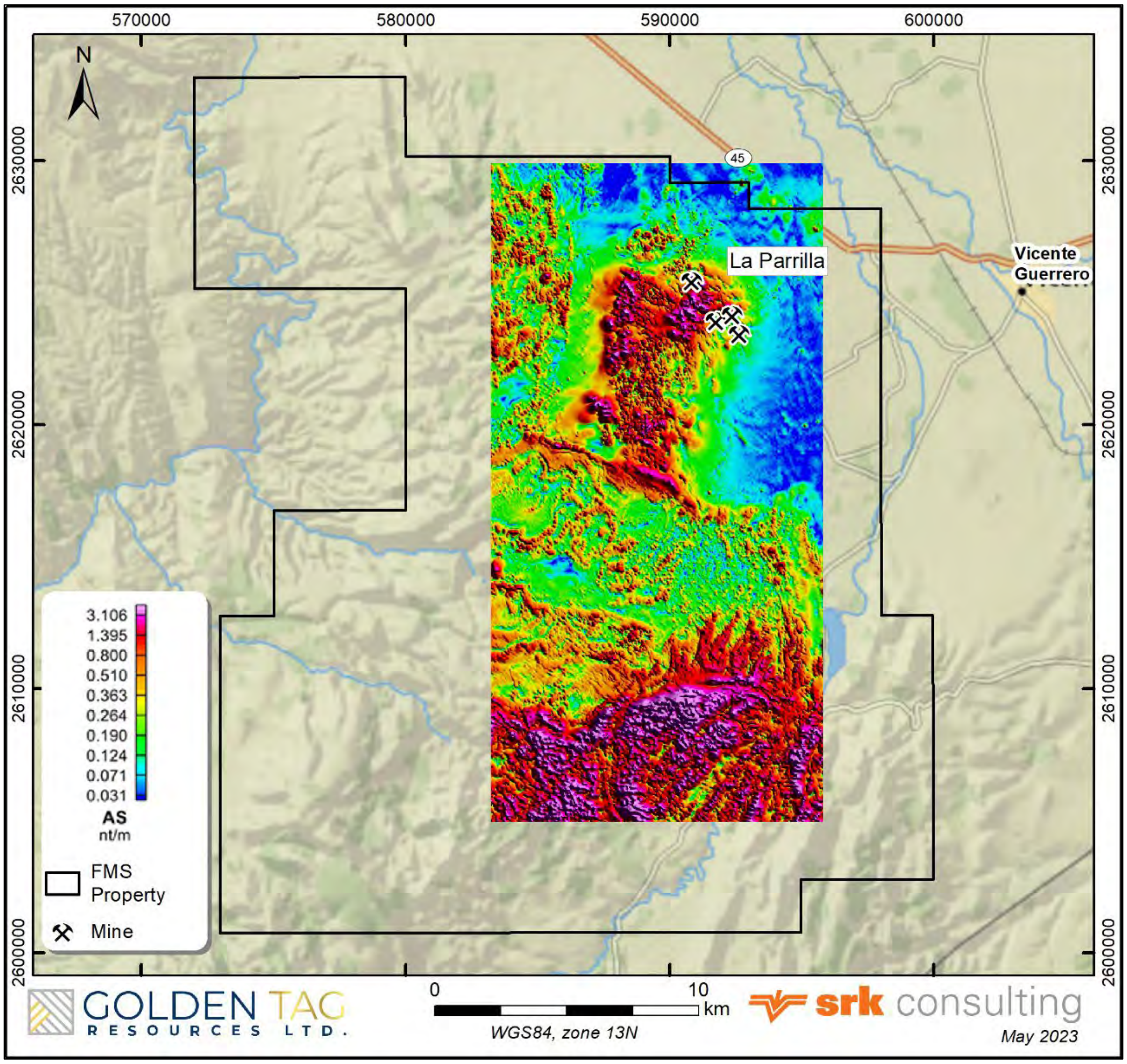
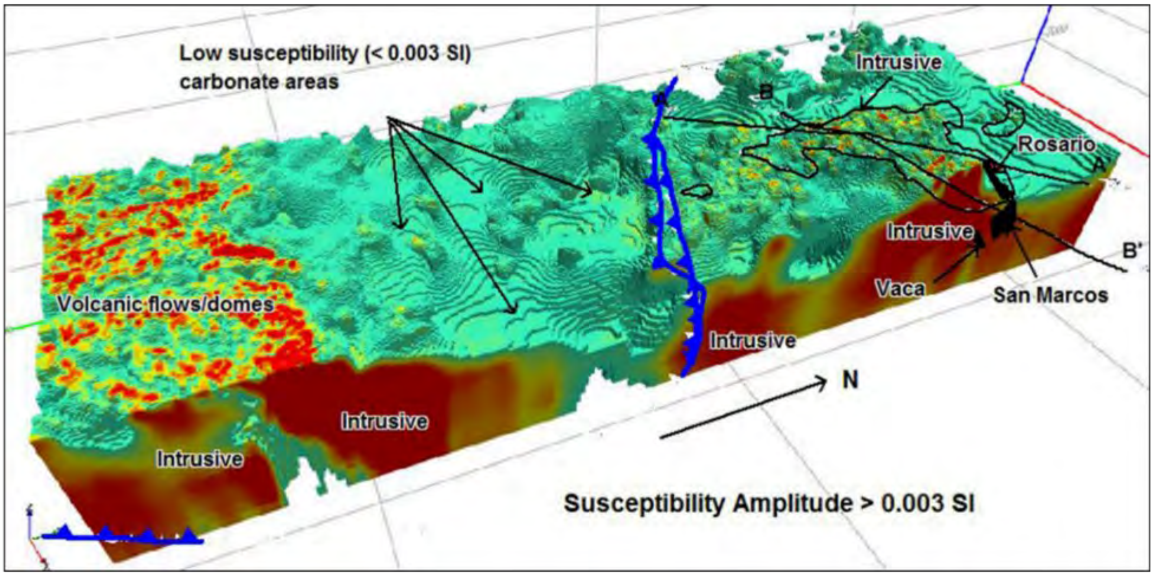


Figure 5-8: La Parrilla – Analytic Signal and Vertical Derivative Magnetic Map (EGC, 2016)

A 3D inversion model of magnetic data was completed and displays the resultant interpretation in Figure 5-9. The inversion model provided an idea of the geometry and depth of magnetic sources using the physical properties and lithology geometries allowed to constrain the inversion model where those properties were known.



GOLDEN TAG RESOURCES LTD.

srk consulting

Source: FMS

April 2023

Figure 5-9: 3D Susceptibility Inversion Model for Amplitude at La Parrilla from Airborne Magnetic Survey (EGC, 2016)

Blue line represents a possible regional fault, black outline represents the intrusion mapped at surface.

5.1.4 PhotoSat Alteration Mapping – 2019

In 2019 FMS engaged PhotoSat Information Ltd. in an alteration mineral imaging study using the Advanced Spaceborne Thermal Emission and Radiometer Instrument, which is part of NASA's Earth Observing System. PhotoSat applies geophysical data processing combined with geologic interpretation to generate alteration maps, which can be used for target generation (PhotoSat, 2019). Alteration maps for hydroxyl (total intensity), alunite, kaolinite, calcite, sericite, hydrous ferric iron, ferric iron oxide, propylitic and silica were produced in addition to geology enhanced color images and vegetation intensity. Figure 5-10 shows the hydroxyl (total intensity) map generated in this study.

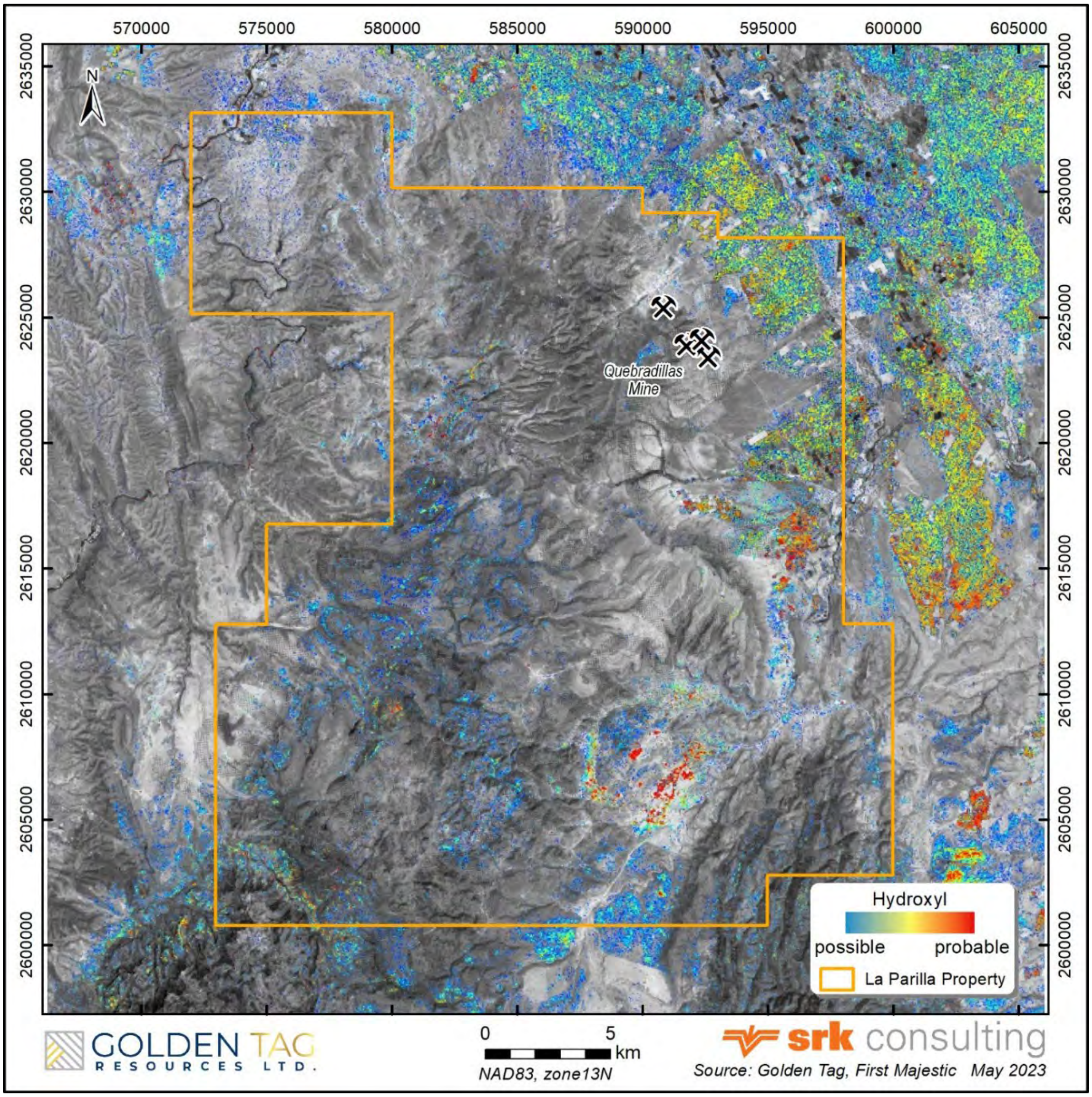


Figure 5-10: Hydroxyl (Total Intensity) Alteration Map from the 2019 PhotoSat Alteration Mapping Program (Modified after PhotoSat Information LTd., 2019)

5.2 Historical Mineral Resource and Mineral Reserve Estimates

Table 5-5 tabulates the references to the previous Mineral Resource and Mineral Reserve estimates on the La Parrilla property. The QP has not done sufficient work to classify the historical estimate as current Mineral Resources or Mineral Reserves. The listed Mineral Resource and Mineral Reserve estimates are not being treated as current by the Issuer and have been superseded by the current estimates discussed herein.

Table 5-5: La Parrilla – Previous Mineral Resource and Mineral Reserve Estimates (FMS 2023)

Title	Effective Date	Author
Geological Evaluation of the La Parrilla Property, State of Durango, Mexico	March 27, 2006	J.N. Helsen, Ph.D., P. Geo.
Technical Report for the La Parrilla Silver Mine, Durango State, Mexico	July 2, 2007	Richard Addison, P.E. and Leonel Lopez, C.P.G. of Pincock, Allen & Holt
Technical Report for the La Parrilla Silver Mine, Durango State, Mexico	March 18, 2008	Richard Addison, P.E. and Leonel Lopez, C.P.G. of Pincock, Allen & Holt
Technical Report for the La Parrilla Silver Mine, Durango State, Mexico	February 16, 2009	Richard Addison, P.E. and Leonel Lopez, C.P.G. of Pincock, Allen & Holt
Technical Report for the La Parrilla Silver Mine, Durango State, Mexico	September 8, 2011	Richard Addison, P.E. and Leonel Lopez, C.P.G. of Pincock, Allen & Holt
San Jose de La Parrilla, Durango, Mexico, NI 43-101 Technical Report on Mineral Resource and Mine and Mineral Reserve Update	December 31, 2016	Various Authors of FMS and SRK Consulting (Canada) Ltd.

On November 30, 2017, First Majestic Silver Corp. released the most recent Mineral Resource and Reserve Estimates for the La Parrilla Mine, prepared in collaboration with SRK. The historic Mineral Resource estimate from 2016 is outlined in Table 5-6. The 2016 historic Mineral Reserve estimate issued by First Majestic Silver is outlined in Table 5-7.

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Table 5-6: Historical Mineral Resource Statement, San Jose De La Parrilla, Durango, Mexico, NI 43-101 Technical Report on the Mineral Resource and Mineral Reserve Update Effective date: December 31, 2016

Category	Quantity (ktonnes)	Mineral Resource				Ag-Eq (g/t)	Metal				Ag-Eq (koz)
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)		Ag (koz)	Au (koz)	Pb (ktonnes)	Zn (ktonnes)	
Total Measured and Indicated (All Mineral Types)	1,823	199	0.08	0.93	0.78	259	11,650	4.6	17.0	14.2	15,160
Total Inferred (All Material Types)	3,586	193	0.05	1.38	1.27	281	22,250	5.7	49.7	45.7	32,360

(1) Block model estimates prepared under the supervision of Sebastien Bernier, PGeo, Principal Consultant (Geology), SRK Consulting (Canada) Inc.

(2) Updated polygonal estimates prepared under the supervision of Jesus M. Velador Beltran, MMSA, QP Geology for First Majestic Silver Corp.

(3) Mineral Resources have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101

(4) Metal prices considered were $19.00 /oz Ag, $1,300 /oz Au, $1.00 /lb Pb and $1.20 /lb zinc.

(5) Cut-off grade considered for oxide block model estimates from underground operation was 130 g/t Ag-Eq, based on actual costs excluding sustaining costs.

(6) Cut-off grade considered for sulphides block model estimates was 135 g/t Ag-Eq, based on actual costs excluding sustaining costs.

(7) Cut-off grade considered for oxide polygonal estimates from underground operation was 160 g/t Ag-Eq and 95 g/t Ag-Eq for open pit operations, both are based on actual and budgeted operating and sustaining costs.

(8) Cut-off grade considered for sulphides polygonal estimates was 155 g/t Ag-Eq and is based on actual and budgeted operating and sustaining costs.

(9) Metallurgical recovery used for oxides based on 2016 actuals was 65.9% for silver and 80.8% for gold.

(10) Metallurgical recovery used for sulphides based on 2016 actuals was 86.6% for silver, 80% for gold, 82.5% for lead, and 64.2% for zinc.

(11) Metal payable used was 99.6% for silver and 95% for gold in doré produced from oxides.

(12) Metal payable used was 95% for silver, gold, and lead and 85% for zinc in concentrates produced from sulphides.

(13) Silver equivalent grade is estimated as: Ag-Eq = Ag Grade + [(Au Grade x Au Recovery x Au Payable x Au Price / 31.1035) + (Pb Grade x Pb Recovery x Pb Payable x Pb Price x 2204.62) + (Zn Grade x Zn Recovery x Zn Payable x Zn Price x 2204.62)] / (Ag Recovery x Ag Payable x Ag Price / 31.1035).

(14) Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces or thousands of tonnes.

(15) Totals may not add up due to rounding.

Table 5-7: Historical Mineral Reserve Statement, San Jose De La Parrilla, Durango, Mexico, NI 43-101 Technical Report on the Mineral Resource and Mineral Reserve Update, December 31, 2016

Category	Quantity (ktonnes)	Mineral Reserve				Ag-Eq (g/t)	Metal				Ag-Eq (koz)
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)		Ag (koz)	Au (koz)	Pb (ktonnes)	Zn (ktonnes)	
Total Proven and Probable (All Mineral Types)	1,477	179	0.05	0.93	0.8	239	8,480	2.55	13.8	11.8	11,390

(1) Block model estimates prepared under the supervision of Stephen Taylor, PEng, Principal Consultant (Mining), SRK Consulting (Canada) Inc.

(2) Update polygonal estimates prepared under the supervision of Ramón Mendoza Reyes, PEng, QP Mining for First Majestic Silver Corp.

(3) Mineral reserves have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101

(4) Metal prices considered for mineral reserves estimates were $18.00 /oz Ag, $1250 /oz Au, $1.00 /lb Pb, and $1.15 /lb Zn

(5) Metallurgical recovery used for oxides based on 2016 actuals was 65.9% for silver and 80.8% for gold.

(6) Metallurgical recovery used for sulphides based on 2016 actuals was 86.6% for silver, 80% for gold, 82.5% for lead, and 64.2% for zinc.

(7) Metal payable used was 99.6% for silver and 95% for gold in doré produced from oxides.

(8) Metal payable used was 95% for silver, gold, and lead and 85% for zinc in concentrates produced from sulphides.

(9) Silver equivalent grade is estimated as: Ag-Eq = Ag Grade + [(Au Grade x Au Recovery x Au Payable x Au Price / 31.1035) + (Pb Grade x Pb Recovery x Pb Payable x Pb Price x 2204.62) + (Zn Grade x Zn Recovery x Zn Payable x Zn Price x 2204.62)] / (Ag Recovery x Ag Payable x Ag Price / 31.1035).

(10) The modifying factors used are consistent for each estimation method, but different for each ore type.

(11) Modifying factors for oxide ore include a minimum mining width of 1.3 m, 22% of average mining dilution, and 95% of mining recovery.

(12) Modifying factors for sulphide ore include a minimum mining width of 1.2 m, 15% of average mining dilution, and 95% of mining recovery.

(13) Cut-off NRS values considered for oxide block model estimates from underground operation was US$63.51 with sustaining costs and $US56.46 without sustaining costs, based on 2016 actual costs.

(14) Cut-off NSR values considered for sulphides block model estimates from underground operations was US$59.78 with sustaining costs and US$52.73 without sustaining costs, based on 2016 actual costs.

(15) Cut-off grade considered for oxide polygonal estimates from underground operation was 160 g/t Ag-Eq and 100 g/t Ag-Eq for open pit operations, both are based on actual and budgeted operating and sustaining costs.

(16) Cut-off grade considered for sulphides polygonal estimates was 160 g/t Ag-Eq and is based on actual and budgeted operating and sustaining costs.

(17) The mineral reserves information provided above for deposits based on block models represent an independent estimate prepared as of December 31, 2016. The information provided was reviewed and validated by Mr. Stephen Taylor, PEng of

SRK Consulting (Canada) Inc, who has the appropriate relevant qualifications, and experience in mining and reserve estimation practices.

(18) The Mineral Reserves information provided above for deposits based on polygonal estimation techniques is based on internal estimates prepared as of Dec 31, 2016. The information provided was reviewed and validated by the Company's internal Qualified Person, Mr. Ramón Mendoza Reyes, PEng, who has the appropriate relevant qualifications, and experience in mining and reserve estimation practices.

(19) Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces or thousands of tonnes.

(20) Totals may not add up due to rounding.

5.3 Production

Historical production records and surveying data of the original La Parrilla mines suggest that prior to 1960, approximately 700,000 tonnes of silver ore were extracted from these mines at an estimated grade of 395 grams per tonne (g/t) silver, 2.95% lead and 2.3% zinc. Between 1960 and 1999, MLR produced an additional 230,500 tonnes of ore at an average grade of 235 g/t silver, 1.9% lead and 1.7% zinc.

Total production prior to FMS operations is therefore estimated at 930,500 tonnes containing 10.6 million ounces of silver, 55.2 million pounds of lead and 44.1 million pounds of zinc.

Between January 2005 and December 2019, FMS produced 24.4 million ounces of silver and 10.1 million silver-equivalent ounces of other metals, for a total of 34.3 million silver-equivalent ounces from La Parrilla (Golden Tag, 2023)

The average production throughput at La Parrilla for the period 2010 to 2019 was 532,800 tonnes per year, equivalent to a daily throughput of 1,460 tpd. with production coming from a combination of sulphide and oxide ore. The average annual metal production for the same period was 2.05 million ounces of silver, 10.4 million pounds of lead, and 6.6 million pounds of zinc, resulting in an average of 2.96 million silver-equivalent ounces per year (Golden Tag , 2023)

Mine production figures between 2005 and 2019 are presented in Figure 5-11, and silver production is shown in Figure 5-12. A summary of the production from 2010 to 2019 is shown in Table 5-8. A summary of the production resulting from oxide versus sulphide material from 2013 to 2019 Figure 5-13. The reader is referred to the 2016 NI 43-101 Technical Report for pre-production, consolidation, and expansion details of the La Parrilla mine.

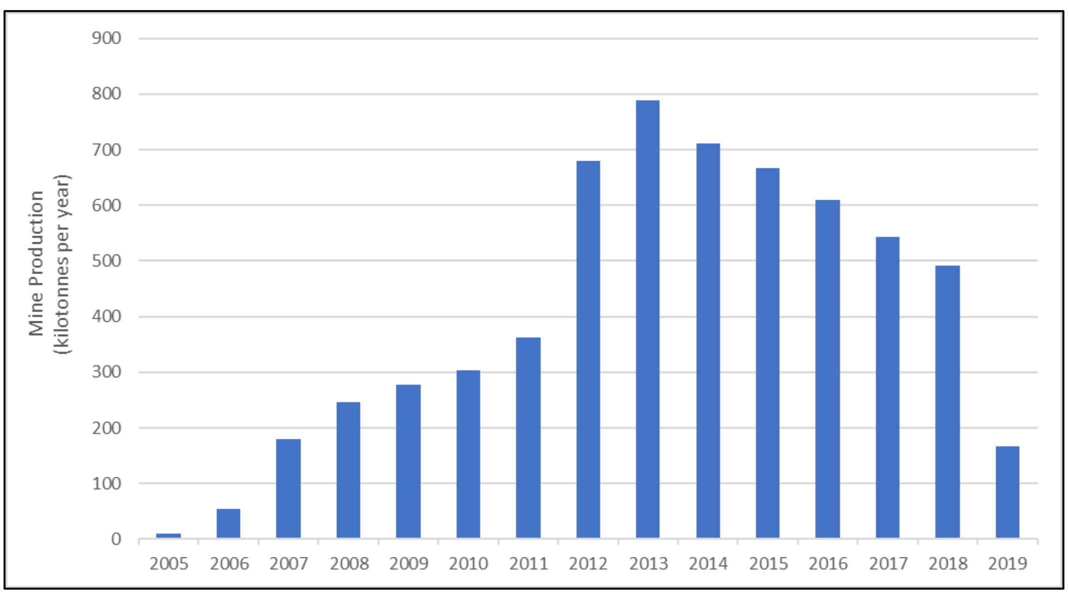

Figure 5-11: La Parrilla Mine Production from 2005 to 2019 (Golden Tag 2023)

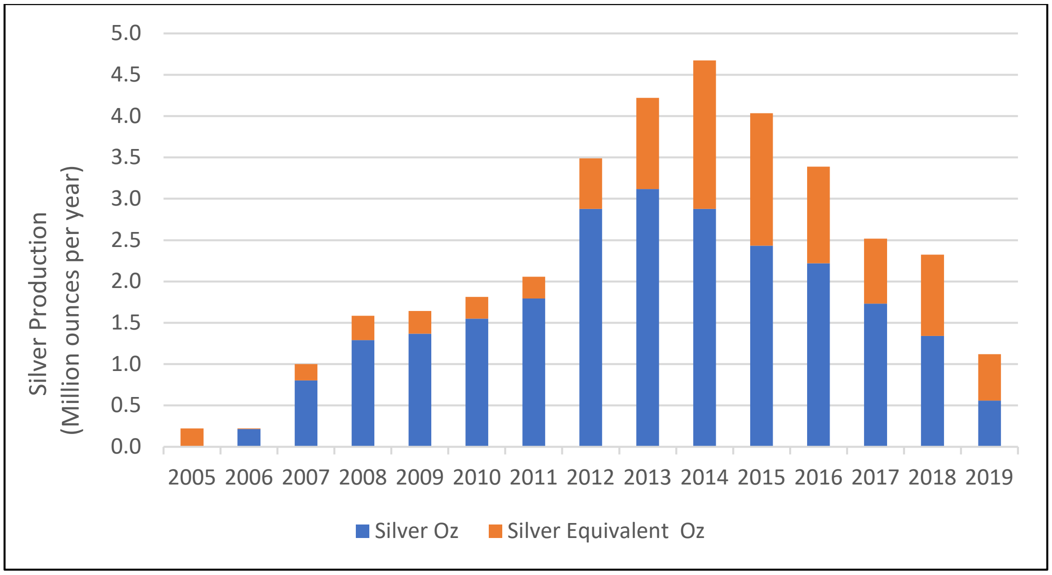

Figure 5-12: La Parrilla Mine Silver and Silver Equivalent Production from 2005 to 2019 (Golden Tag 2023)

Payable lead, zinc, and gold content are expressed as silver equivalent, which was calculated yearly based on the current commodity prices, mill recoveries and smelter terms of that year (2005 all ounces were reported as silver equivalent).

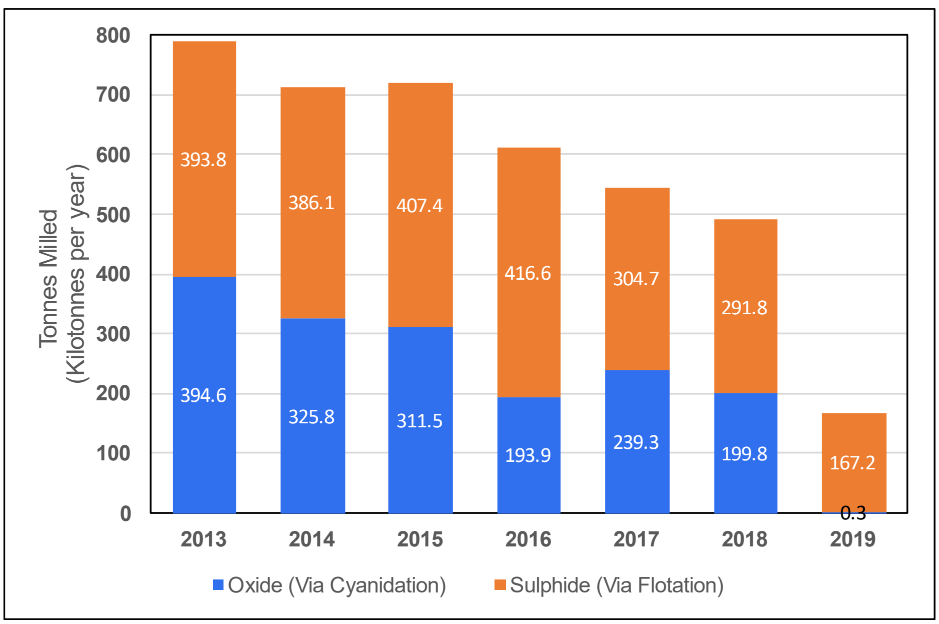

Figure 5-13: La Parrilla Silver Mine Milled Tonnes from 2013 to 2019 (Golden Tag 2023)

Table 5-8: La Parrilla Mine Summary of Production from 2010-2019 (Golden Tag, 2023)

Production	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ore Processed / Tonnes Milled	303,869	362,947	679,788	788,335	711,915	667,705	610,509	543,985	491,637	167,535
Silver Grade (g/t)	209	200	170	162	158	145	140	130	108	139
Recovery (%)	76%	77%	78%	76%	79%	78%	81%	76%	76%	75%
Silver (oz)	1,548,832	1,793,728	2,876,810	3,115,997	2,876,452	2,434,095	2,220,874	1,730,383	1,340,385	557,603
Gold (oz)	413	344	923	1,051	982	1,161	1,009	1,014	963	-
Lead (lbs)	4,280,167	7,888,943	13,240,889	18,503,451	21,259,559	10,441,510	10,648,161	6,544,745	6,550,602	4,659,549
Zinc (lbs)	363,288	178,767	4,952,899	6,723,878	12,619,352	17,524,223	10,577,434	3,944,232	5,695,657	3,691,100
Total Silver Equivalent (oz)	1,813,788	2,057,172	3,487,392	4,219,374	4,673,186	4,036,398	3,388,434	2,517,199	2,323,056	1,120,490

6 Geological Setting and Mineralization

6.1 Regional Geology

The La Parrilla mine is located at the transition between the Mesa Central and the Sierra Madre Occidental (SMO) physiographic provinces of Mexico (Figure 6-1).

The Mesa Central is an elevated plateau that comprises marine sedimentary rocks of the Mesozoic Basin of Central Mexico (MBCM) to the east, and two sequences of volcano-sedimentary rocks: the Parral terrane to the northwest and the Guerrero super terrane to the southwest (Centeno-Garcia et al. 2008). A clear boundary between the volcano-sedimentary terranes and the calcareous rocks of the MBCM has not been defined, but Nieto-Samaniego et al. (2007) propose that the San Luis Tepehuanes Fault System (SLTFS) could represent the boundary between the Guerrero terrane and the MBCM.

The Sierra Madre Occidental (SMO) province is a large volcanic province that formed as a result of the subduction of the Farallon plate under North America. This volcanic province locally overlaps rocks of the Mesa Central. The SMO consists of five main igneous complexes, from oldest to youngest:

- Late Cretaceous to Paleocene plutonic and volcanic rocks
- Eocene andesites and lesser rhyolites, traditionally grouped into the Lower Volcanic Complex
- Two pulses of silicic ignimbrites emplaced in the Oligocene (ca. 32–28 Ma) and Early Miocene (ca. 24–18 Ma), and grouped into the Upper Volcanic Supergroup
- Transitional basaltic-andesitic lavas that erupted toward the end of, and after each ignimbrite pulse; correlated with the Southern Cordillera Basaltic Andesite Province of the southwestern United States
- Post-subduction volcanic rocks consisting of alkaline basalts and ignimbrites emplaced in the Late Miocene, Pliocene, and Pleistocene (McDowell and Keizer 1977, Clark et al. 1979, and Ferrari et al. 2007).

The La Parrilla area is situated at the boundary between a calcareous sedimentary sequence of the MBCM—correlated with the Cuesta del Cura and Indidura Formations—and volcano-plutonic rocks of the SMO.

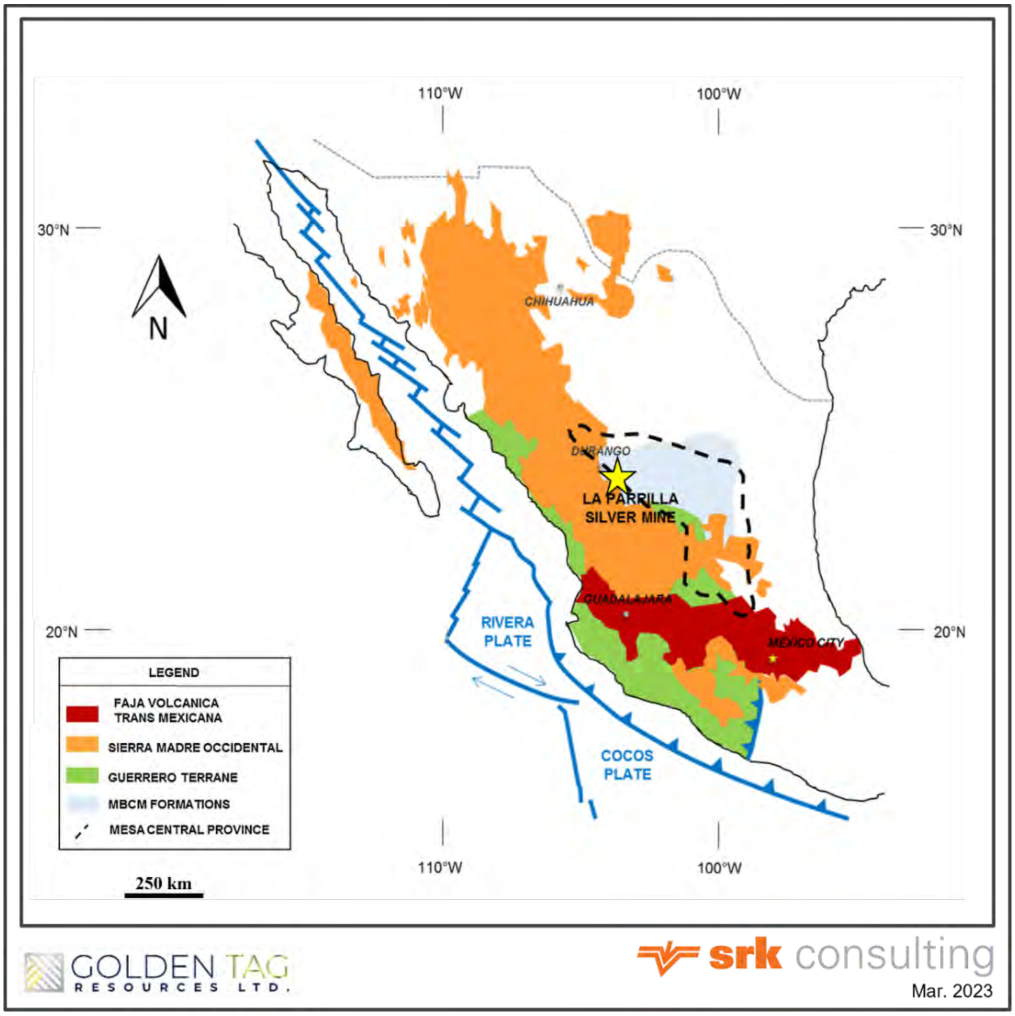

Figure 6-1: Physiographic Provinces of Mexico (SRK 2023)
Source: Adapted from Campa and Coney, 1983

Three deformation events have been recognized in the region: the Laramide northeast-southwest to east-west compression, a north-south to north–northeast to south–southwest extension and an east-west extension. The Laramide thin-skinned deformation created low-angle northwest-trending folds and thrust faults and was active in the Mesa Central between approximately 90 Ma and 37 Ma (Campa and Coney 1982, Starling 2006, and Nieto-Samaniego et al. 2007). The area was under north-south extension during the Late Eocene to Oligocene and was accompanied by sinistral trans-tensional reactivation of the low-angle northwest-trending thrust faults, which produced east-west to northwest-southeast normal faults and tension fractures between the sets of reactivated northwest-trending thrust-faults (Starling 2006 and Nieto-Samaniego et al. 2007). The east-west extension event started in the Miocene and produced north–northeast- and northwest-trending normal faulting and tilting of the Eocene and Oligocene volcanic units. The north–northeast and northwest normal faults are interpreted to post-date mineralization and are more representative of the Basin and Range-type of extension (Starling 2006 and Nieto-Samaniego et al. 2007).

The San Luis–Tepehuanes Fault System (SLTFS) is an important structural feature of the Mesa Central. The SLTFS is a northwest-trending lineament that extends from Tepehuanes, Durango to San Luis de la Paz in Guanajuato (Figure 6-2, Nieto-Samaniego et al. 2007). The SLTFS is thought to control the location of mineral deposits in the Mexican Silver Belt (MSB), such as the Real de Angeles, Fresnillo-Juanicipio, Sombrerete (San Martin-Sabinas district), Chalchihuites (Del Toro-La Colorada) deposits in Zacatecas; and the Avino and Pitarrilla deposits in Durango.

The La Parrilla District is located along the Mexican Silver Belt and the SLTFS as described by Nieto-Samaniego et al. (2007).

The La Parrilla District contains hydrothermal mineral deposits hosted by Early Cretaceous limestones and shales that have been intruded by an Eocene quartz monzonite–granodiorite stock, Oligocene dikes, rhyolite–rhyodacite dikes and plugs, and Miocene–Quaternary basalt–basaltic andesite dikes. The Eocene-age stocks and dikes have metamorphosed the Cretaceous rocks into marble, hornfels, skarnoid and minor skarn.

Figure 6-2: Regional Structures of the Mesa Central (FMS 2023)

Source: Adapted from Nieto-Samaniego et al. 2007

6.2 Property Geology

The geology of the La Parrilla project is characterised by the stratigraphy of the Chalchihuites district. The oldest units in the area consist of Lower to Upper Cretaceous calcareous rocks of the Cuesta del Cura and Indidura Formations. The Paleocene Ahuichila calcareous conglomerate overlies the Cretaceous formations and is in turn partially overlain by Eocene–Oligocene dacite-rhyodacite flows and tuffs and rhyolite tuffs of the Sierra Madre Occidental Province. Miocene–Quaternary basalts represent the latest volcanic event; they overly the Eocene–Oligocene volcanic units, Quaternary conglomerates, and unconsolidated gravels.

The Cretaceous formations have been intruded by an Eocene-age granodiorite–quartz monzonite stock, andesite dikes, Oligocene-age rhyolite–rhyodacite dikes, and Miocene–Quaternary basalt-basaltic andesite dikes.

The Cretaceous Cuesta del Cura Formation is lower Albian to Cenomanian and was first described in Parras, Coahuila State, where it overlies the Aurora Formation and is in turn overlain by the Indidura Formation (Imlay 1936). At its type locality, the formation consists of 20 to 120 Centimetre (cm)-thick black to grey limestone beds, with boudinaged bedding and abundant lenses of black chert. In the La Parrilla area, the formation was mapped to the southwest of the active mine area where it is in contact with the stock. The thickness of the formation has not been determined on the La Parrilla property, but in the San Martin mining district in Sombrerete, a maximum thickness of 770 metres has been measured (Olivares, 1991).

The Indidura Formation is Cenomanian to Turonian and was first described in the Las Delicias region of Coahuila (Kelly 1939). In this locality, the formation overlies the Aurora Formation and consists of intercalated shales and thin layers of limestones. The middle member contains layers of sandstone and gypsum, indicating a shallow depositional environment proximal to shoreline (Reyes 1976). At La Parrilla, the Indidura Formation is the main host to mineralization and consists of 10 to 20 cm-thick silty limestone layers intercalated with shales. The thickness of the formation has not been determined in the La Parrilla area, but a maximum thickness of 575 metres has been measured in the San Martin mining district in Sombrerete (Olivares 1991).

The sedimentary rocks are intruded by granodiorite–quartz monzonite stocks. At La Parrilla, the main granodiorite stock has not been dated but is interpreted to be Eocene, based on similarities with the quartz monzonite stock at the Cerro de la Gloria in San Martin. The Cerro de la Gloria stock was dated by potassium-argon at 46.2 ± 1 million years old (Ma) by Damon et al. (1983). This suite of Eocene intrusions is responsible for skarn and some of the porphyry-type mineralization in Mexico.

The rhyolite-rhyodacite volcanic rocks are fine-grained to porphyritic and consist mainly of quartz and alkali feldspar (sanidine-orthoclase). These rocks have not been dated in the area, but in Fresnillo and other prospects in the Mesa Central, age dating suggests an Oligocene age (Velador et al. 2010, Tuta et al. 1988). On the property, Oligocene volcanic rocks occur predominantly to the south and west of the mine area and consist of tuffs, welded tuffs, and of rhyolite–rhyodacite and basalt flows. Rhyolite

and rhyodacite domes and flows occur to the south of the property and are characterized by flow textures and the presence of quartz phenocrysts.
Basalt–basaltic andesite dikes of probable Miocene to Quaternary age intrude the sedimentary formations and older intrusions. These younger dikes have also been observed to destroy or cross-cut mineralization in other districts such as Chalchihuites, Fresnillo, La Parrilla and La Preciosa.

Metamorphic rocks observed in the La Parrilla area are marble, hornfels, skarnoid, and lesser skarn. Skarnoid is defined as an intermediate rock between a purely metamorphic hornfels and a purely metasomatic skarn, with development resulting from the metamorphism of impure lithologies with some mass transfer by small-scale fluid movement (Meinert 1992). Skarn is observed underground in pods and lenses and is better developed in outcrops of the Cuesta del Cura Formation where it is in contact with the stock. Figure 6-3 is a schematic stratigraphic column for the La Parrilla region.

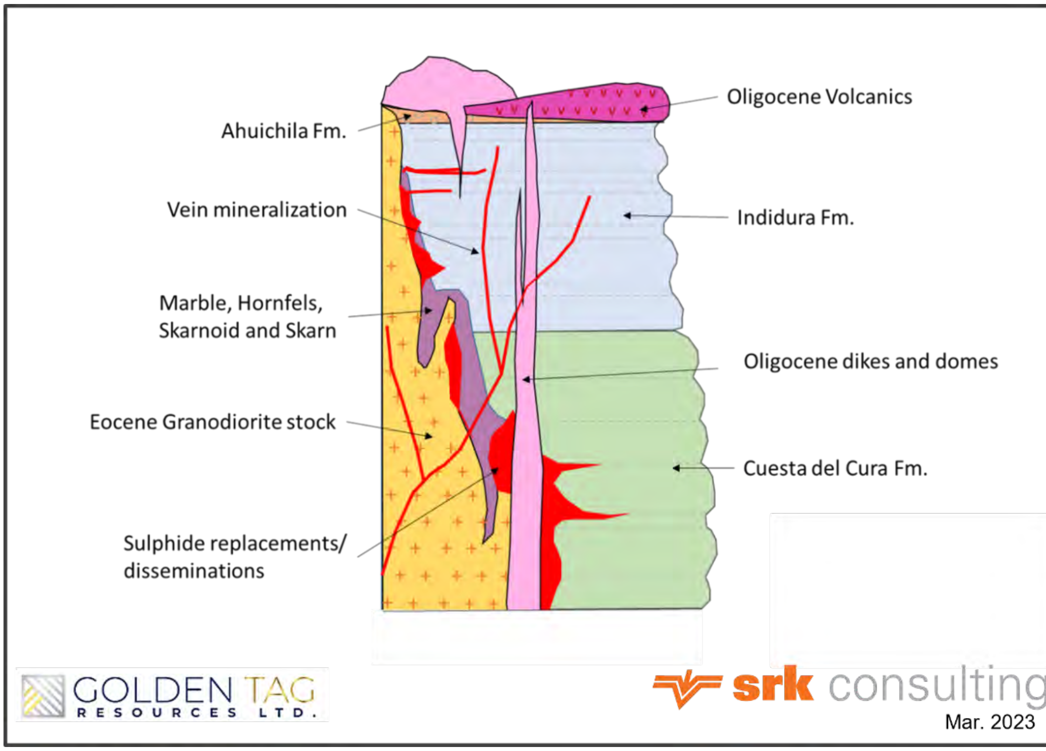

Figure 6-3: Stratigraphic Column for the La Parrilla Region (FMS 2023)

Sulphide and oxide mineralization in La Parrilla occur in vein and replacement deposits. Mineral deposits are hosted by sedimentary rocks of the Indidura and Cuesta del Cura Formations and by the granodiorite stock (Figure 6-4); mineralization is controlled by pre-existing faults, fractures, and bedding planes. Three major structures that bound the La Parrilla stock seem to control most of the mineralization along the Rosarios–La Blanca vein, C1100 (Intermedia)–San Marcos veins and Vacas replacement deposit, and Vivoras–Quebradillas veins and replacements.

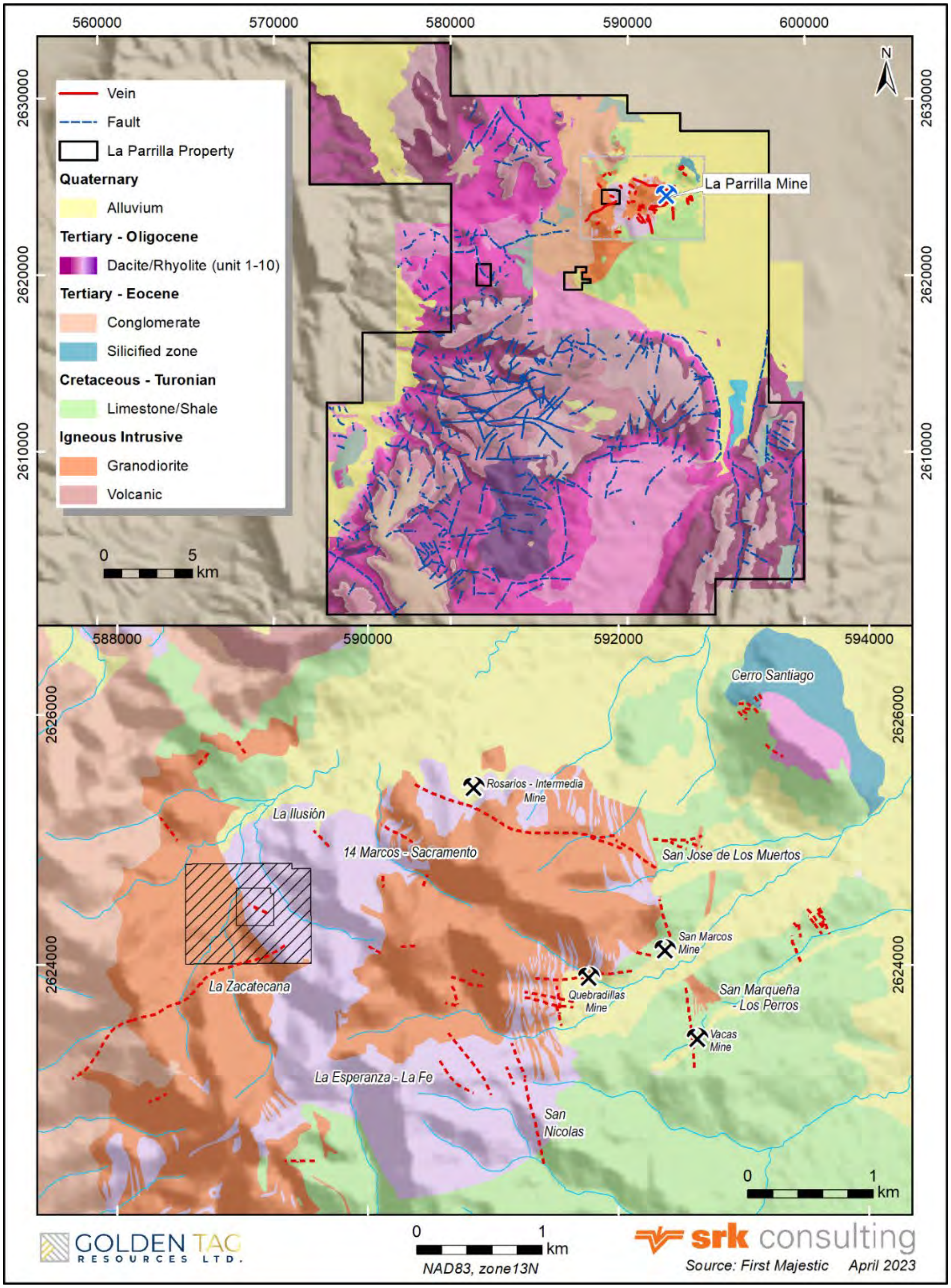

Figure 6-4: Geology of the La Parrilla Mine Area (FMS 2023)

Main lithologies, structures, mineral deposits and the location of mines and prospects. Non-FMS property indicated by hatched box.

6.3 Structural Interpretation

Structural analysis on the Rosarios, San Marcos, C1100 (Intermedia), Quebradillas and Vacas veins and replacements has been carried out by FMS geologists. Most of the following descriptions were obtained from the internal report prepared by Victor H. Galvan (Structural Model of the La Parrilla Silver Mine, 2017).

The main structures controlling mineralization in the La Parrilla area strike N70°W, N20°W, N10°W and N85°E (290°, 340°, 350°, and 085°), and are located at the north, east and south edges of the main stock (Figure 6-5). It is hypothesized that the controlling structures occur due to a weakness zone created at the contact between the stock and sedimentary rocks of the Indidura and Cuesta del Cura formations.

Kinematic indicators from slickensides in underground structures (Figure 6-5) indicate a dextral strike-slip principal component displacement. Anastomosing faulting is observed, indicating several displacement planes (Figure 6-5A). The kinematic indicators are mostly located in the intrusion and have a cataclasite envelope (Figure 6-5 B, C, D, E, F).

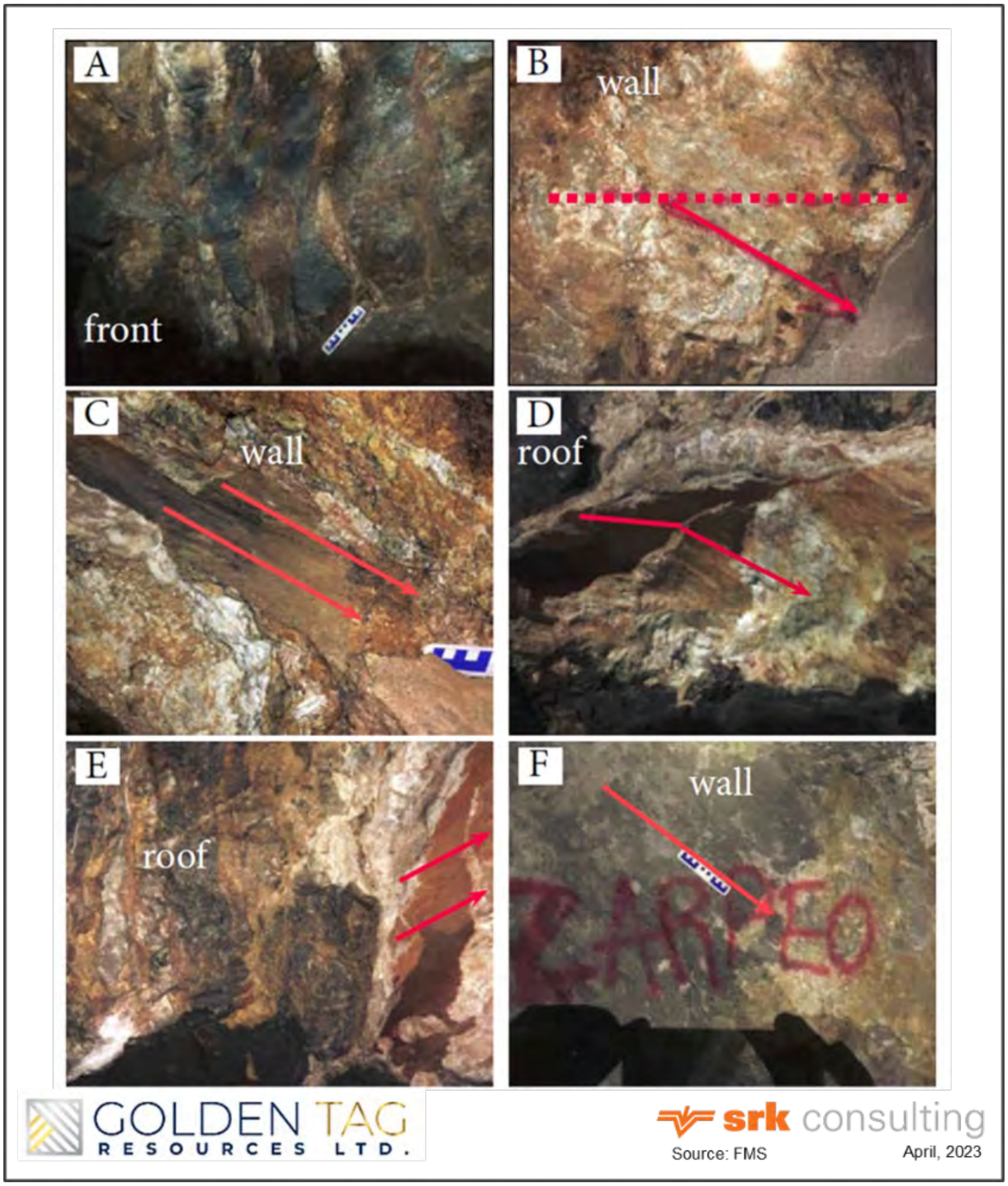

Figure 6-5: Underground Kinematic Indicators (FMS 2017)

Typical breccia textures in the La Parrilla area are jigsaw-fit, clast-rotated breccias and tabular-clast breccias consisting of angular cobble- and boulder-size fragments of limestone, generally cemented by massive calcite and in minor proportion by sulphides (Figure 6-6). Some breccia matrix and gouge cement often contain disseminated sulphides such as pyrite, galena, and sphalerite. Some of these breccias are concordant to the stratification (Figure 6-6 D and Figure 6-6 E). These breccias are formed due to sudden and strong pressure-drop proximal to faults due to reactivation and opening, which produces hydraulic brecciation by implosion.

Chaotic and rotated matrix-supported boulder-sized fragments are observed in main faults; this suggests rotation and translation of components (Figure 6-7 A and Figure 6-7 B). Matrix-supported and matrix ± cement-supported pebble- and boulder-sized irregular breccias are observed in the Rosarios vein (Figure 6-7 C and Figure 6-7 D). Rotated angular limestone fragments supported in a quartz (Figure 6-7 E), or calcite (Figure 6-7 F) matrix cross-cut the early sulphide fissure-infill and replacement mineralization, suggesting these breccias represent a late stage of dilation along the main vein faults.

Mineralization at the Quebradillas and Vacas deposits show replacement textures which are likely related to injection structures.

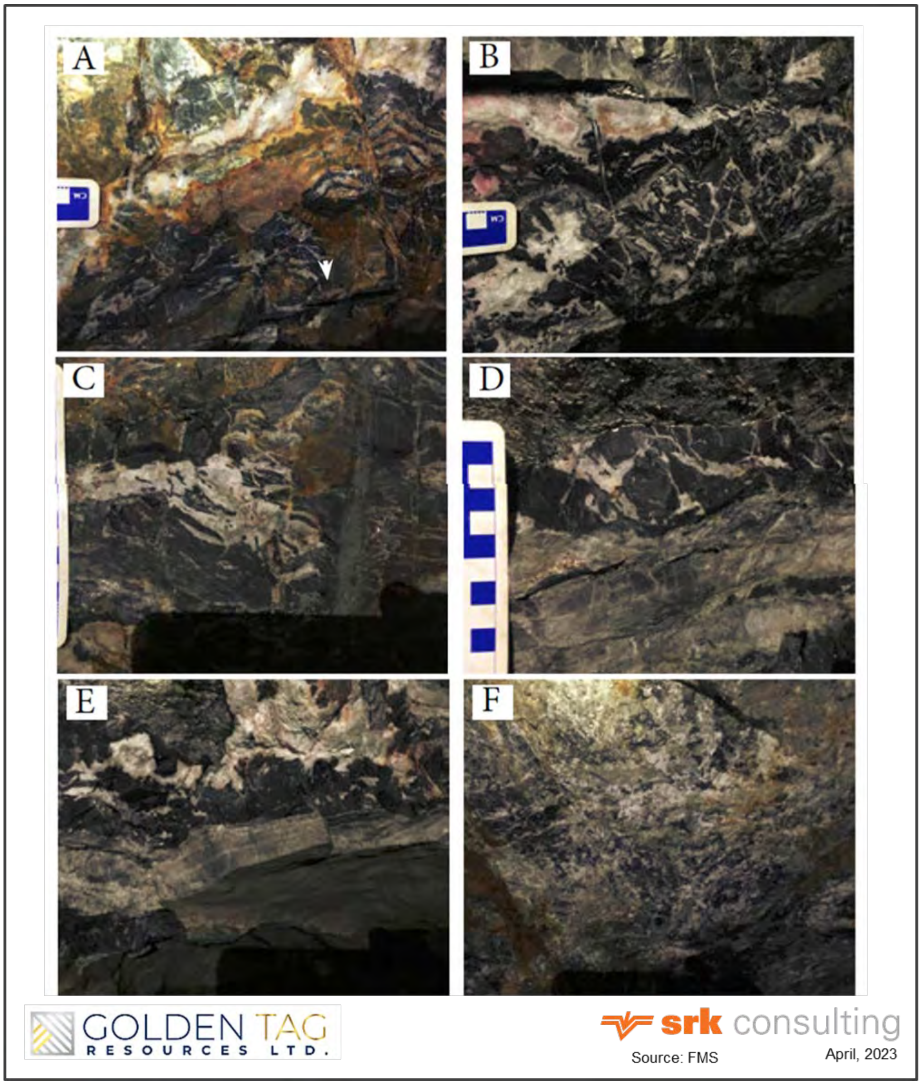

Figure 6-6: Photos of Conformable Breccias Cemented by Calcite (FMS 2017)

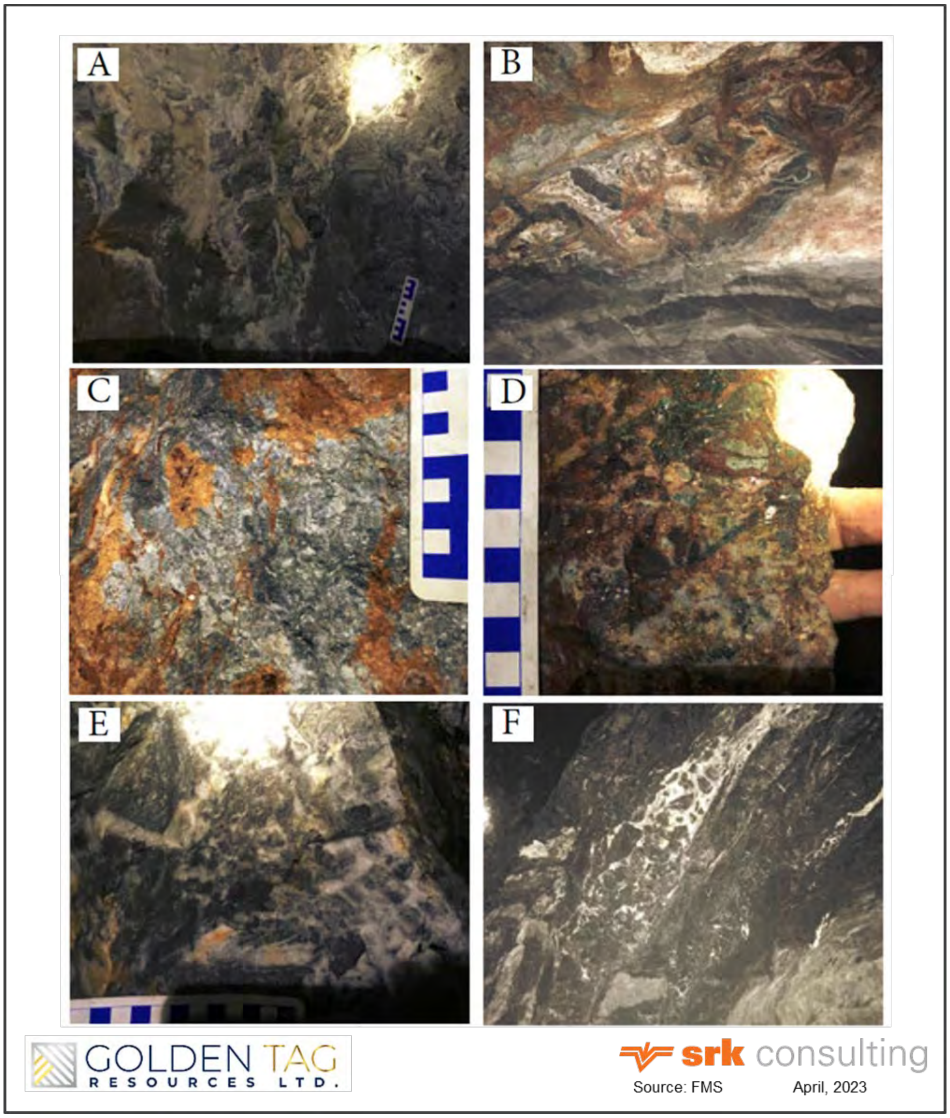

Figure 6-7: Photos of Breccias Containing Clasts of Limestone and Intrusive Rock Cemented by Calcite and/or Sulphides (FMS 2017)

A strike-slip displacement component is observed in the Rosarios fault-vein, where the western extent of Rosarios shows a horsetail splay (Figure 6-8). The Rosarios vein is interpreted as two strike-slip underlapping segments linked by horsetail splays. The minor principal stress ($\sigma3$) is perpendicular to the linking splay, where the dilation occurs, and the major principal stress ($\sigma1$) indicates the major stress producing the strike-slip displacement. In the same way, the Quebradillas deposit appears to be associated to a linking structure between two strike-slip underlapping segments, but instead of dilation, compression produced a flower structure. The two structures, Rosarios and Quebradillas, form a shear zone with overall dextral displacement.

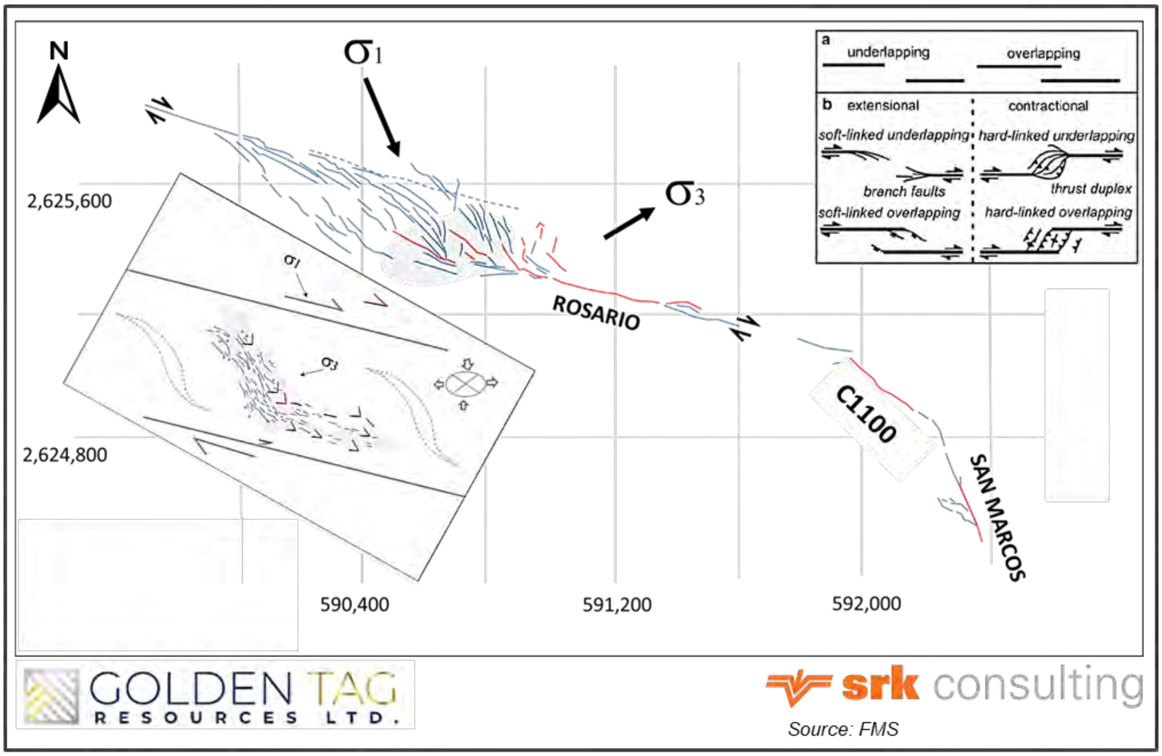

Figure 6-8: Structural Map of Rosarios (FMS 2017)

In conclusion, the following structural features are observed or interpreted:

- The horsetail splay associated with the Rosarios vein is an extensional link between two underlapping segments.
- C1100 (Intermedia) and San Marcos are closely related to the Rosarios structure; although their strike orientations are different, they may form the backbone conduit of the ore-bearing fluids.
- The frictional regime created in the shear zone triggered the replacement bodies.
- Quebradillas replacement veins represent a compressional link between two underlapping segments.
- Vacas and San Marcos veins correspond to—or are related to—the normal fault components of the shear zone.
- Shear zones and strike-slip faults represent potential exploration targets and their presence to the north and south of the deposit should be investigated.

6.4 Mineralization

There are two categories of veins at La Parrilla: (1) open space filling veins and (2) fault-veins. The open space filling veins can consist of massive sulphide veins; quartz-calcite veins containing pyrite, sphalerite, and galena; and breccia veins cemented by quartz-calcite. Fault-veins consists of matrix-supported breccias or gouge containing disseminated sulphides and oxides. Open space filling veins can transition along strike into fault-veins and vice versa, and the presence of stockwork is common at the contacts of the vein with the host rock. Thus, it is interpreted that most veins were open or partially open faults and fractures, that they were flooded with hydrothermal fluids, and that some of these were reactivated by later faulting. Replacement deposits, on the other hand, occur as oblique or perpendicular splays to veins and faults, and as larger replacement deposits concordant with sedimentary bedding. Replacement deposits generally have limited strike extent and have irregular shape and thickness.

The La Parrilla deposits contain primary sulphides such as galena, sphalerite, pyrite, pyrrhotite, arsenopyrite, chalcopyrite, covellite, acanthite, native silver, and silver sulphosalts (tetrahedrite-freibergite solid solution). Due to supergene oxidation, the primary sulphides in the upper parts of some deposits have been altered to cerussite, anglesite, hemimorphite, hydrozincite, jarosite, goethite, hematite, cervantite, malachite, chrysocolla, chalcanthite, and native silver. The main non-metallic gangue minerals present in the deposits are calcite, quartz, fluorite, and siderite. The main clay minerals associated with the deposits and alteration halos are smectite, illite-smectite, and kaolinite.

Rosarios Vein

The Rosarios vein strikes north 70 degrees (°) west on average, dips at 64° to the northeast (290°/64°) and has a known strike length of 2,000 metres (m). The mineralization extends vertically for 900 m, and its thickness varies from 0.2 to 14 m. The vein sits roughly at the northern contact of the granodiorite stock and the Indidura limestone. The vein pinches and swells; economic grades can occur either at the footwall or at the hangingwall of the main controlling structure. Stockwork zones are developed either at the footwall or hangingwall of the vein; vein splays and replacements are typically developed at the hangingwall. The mineralogy of the vein consists of galena, sphalerite, acanthite, native silver, pyrite, pyrrhotite, arsenopyrite, anglesite, willemite, quartz, calcite, and fluorite.

C1100 (Intermedia) Vein

The C1100 vein strikes north 50° west on average, dips at 75° to the northeast (310°/75°) and has a known strike length of 500 m. The vein is mineralized for a vertical extent of 430 m, and its thickness varies from 0.5 to 1.5 m. The structure is a fault-vein that pinches and swells and is hosted by the Indidura Formation and the granodiorite stock. The vein is oxidized in the upper 150 m and it usually develops mineralized stockwork. The mineralogy of the vein consists of mainly of galena, sphalerite, acanthite, native silver, pyrite, pyrrhotite, quartz, calcite, and fluorite.

San Marcos Vein

The San Marcos vein strikes north 20° west on average, dips at 60° to the northeast (340°/60°) and has a known strike length of 650 m. The vein is mineralized for a vertical extent of 350 m, and its thickness varies from 0.5 to 17 m. The structure is a fault-vein that marks the eastern contact of the granodiorite stock with the Indidura Formation, and it is concordant with bedding. The structure pinches and swells, reaching its maximum thickness in flexure zones along strike where it generally develops cymoid loops. The mineralogy of the vein consists of hematite, goethite, native silver, cerargyrite, quartz, and calcite.

Quebradillas Norte-Sur Vein

The N-S vein strikes north 45° west on average, dips at 71° to the northeast (315°/71°) and has a known strike length of 125 m. The vein is mineralized for a vertical extent of 465 m, and its thickness varies from 0.25 to 5.0 m. The structure is a fault-vein hosted by the Indidura Formation and the granodiorite stock, with replacement bodies developed at its footwall and hangingwall. The mineralogy of the vein consists of galena, sphalerite, acanthite, freibergite, native silver, pyrite, pyrrhotite, arsenopyrite, quartz, calcite, and fluorite.

Quebradillas Vein

The Quebradillas vein strikes north 88° east on average, dips at 86° to the south (88°/86°) and has a known strike length of 280 m. The vein is mineralized for a vertical extent of 175 m, and its thickness varies from 1 to 2.5 m. The structure is a fault-vein hosted by the Indidura Formation and the granodiorite stock, with replacement bodies developed at its footwall and hangingwall. The structure pinches and swell and contains a fault structure with gouge material at its hangingwall and footwall contact. The mineralogy of the vein consists of galena, sphalerite, acanthite, native silver, pyrite, pyrrhotite, arsenopyrite, quartz and calcite.

Quebradillas Q-38 Replacement Vein

The Q-38 replacement vein strikes north 7° west on average, dips at 68° to the northeast (353°/68°), and has a known strike length of 150 m. The zone is mineralized for a vertical extent of 180 m, and its thickness varies from 0.3 to 8.7 m. The replacement body is hosted by the Indidura Formation and is concordant to bedding planes. The mineralogy of the replacement vein consists of, sphalerite, galena, arsenopyrite, native silver, pyrite, pyrrhotite, quartz, calcite, and fluorite.

Quebradillas 550 Vein

The 550 vein strikes north 80° east on average, dips at 83° to the south (80°/83°) and has a known strike length of 315 m. The vein is mineralized for a vertical extent of 185 m, and its thickness varies from 0.5 to 5.5 m. The structure is a fault-vein hosted by the Indidura Formation and the granodiorite stock, with replacement bodies developed at its footwall and hangingwall. The structure pinches and swell and contains a fault structure with gouge material at its hangingwall and footwall contact. The mineralogy of the vein consists of galena, sphalerite, pyrite, pyrrhotite, arsenopyrite, quartz, calcite, and fluorite.

Quebradillas 460 Replacement

The 460 Replacement vein strikes north 16° west on average, dips at 63° to the northeast (344°/63°), and has a known strike length of 425 m. The zone is mineralized for a vertical extent of 570 m, and its thickness varies from 0.1 to 8.5 m. The replacement body is hosted by the Indidura Formation and is concordant to bedding planes. The mineralogy of the replacement vein consists of galena, sphalerite, acanthite, freibergite, native silver, pyrite, pyrrhotite, arsenopyrite, quartz, calcite, and fluorite.

Quebradillas Tiro Vein

The Tiro vein strikes north 60° west on average, dips at 56° to the northeast (300°/56°) and has a known strike length of 70 m. The vein is mineralized for a vertical extent of 120 m, and its thickness varies from 0.50 to 4.0 m. It occurs as a structurally controlled mineralized breccia with sulphides mineralization that is cemented with calcite and quartz. The mineralogy of the vein consists of galena, sphalerite, native silver, arsenopyrite, pyrite, pyrrhotite, quartz and calcite.

Quebradillas Viboras Vein

The Viboras vein strikes north 80° west on average, dips at 80° to the south (100°/80°) and has a known strike length of 700 m. The vein is mineralized for a vertical extent of 250 metres, and its thickness varies from 0.3 to 3.5 m. The structure is a fault-vein hosted by the Indidura Formation and the granodiorite stock, with replacement bodies developed at its footwall and hangingwall. The structure pinches and swell and contains a fault structure with gouge material at its hangingwall contact. The mineralogy of the vein consists of galena, sphalerite, acanthite, native silver, pyrite, pyrrhotite, arsenopyrite, quartz, and calcite.

Quebradillas El Recuerdo Vein

The El Recuerdo vein strikes north 80° west on average, dips at 70° to the northeast (280°/70°) and has a known strike length of 550 m. The vein is mineralized for a vertical extent of 150 metres, and its thickness varies from 1.3 to 9.0 m. The vein is hosted by the Indidura Formation and by the granodiorite stock and is oxidized. The mineralogy of the vein consists of cerussite, anglesite, hematite, goethite, willemite, native silver, quartz, calcite, and fluorite.

San Nicolas Vein

The San Nicolas vein strikes north 25° west on average, dips at 70° to the northeast (335°/70°) and has a known strike length of 525 m. The vein is mineralized for a vertical extent of 470 m, and its thickness varies from 0.3 to 1.8 m. The vein shows open-space mineralization textures with small splays of massive sulphides in its hangingwall. It is hosted by Indidura Formation and it is oxidized in its upper 100 m. The mineralogy of the vein consists of mainly of galena, sphalerite, acanthite, native silver, pyrite, quartz, and calcite.

Vacas Replacement Vein

The Vacas replacement vein strikes north 17° west on average, dips at 58° to the northeast (343°/58°) and has a known strike length of 200 m. The zone is mineralized for a vertical extent of 400 m, and its thickness varies from 0.2 to 18.0 m. The replacement body is hosted by the Indidura Formation and is concordant with a fault zone running along bedding planes. This is thought to be a favourable structural setting for replacement mineralization. This fault structure is also locally occupied by later andesite dikes. The mineralogy of the replacement vein consists of galena, sphalerite, acanthite, freibergite, jamesonite, native silver, pyrite, pyrrhotite, arsenopyrite, quartz, calcite, and fluorite. This vein was mined out in the third quarter of 2016.

6.5 Prospects

The La Parrilla property contains several prospects, including Quebradillas SW which consists of a system of veins (San Nicolas & La Esperanza) located to the west and southwest of the Quebradillas open pit and La Parrilla NW which consists of a system of veins (La Ilusion & Argenis) to the west of the Rosarios mine. Other prospects are the veins and hydrothermal breccias occurring in the Los Perros /San Marqueña and Cerro de Santiago areas. These two prospects show characteristics of epithermal-type systems, in contrast with the veins in Quebradillas southwest and La Parrilla NW, which show mesothermal characteristics.

7 Deposit Types

Mineralization at La Parrilla occurs in veins, breccias, stockworks and replacements that are hosted by the Cretaceous limestones and shales of the Indidura Formation and by the granodiorite–quartz monzonite intrusion. Contact metamorphism and metasomatism resulted in the development of marble, hornfels, skarnoid, and skarn at the intrusive contact. Because mineralization is related to the intrusive contact and skarn development, the deposits are proposed to be of the intrusion-related hydrothermal type and may represent mesothermal to epithermal environments.

The occurrence of quartz-fluorite veins in the Los Perros /San Marqueña prospects and the sinter Cerro de Santiago prospects are further indications of an epithermal environment.

Figure 7-1 shows a general genetic model proposed by Corbett (2013) illustrating the various styles of hydrothermal deposits and the proposed environment for the La Parrilla deposits. The proposed setting for La Parrilla is similar to that of the upper portions of San Martin–Sabinas in Zacatecas.

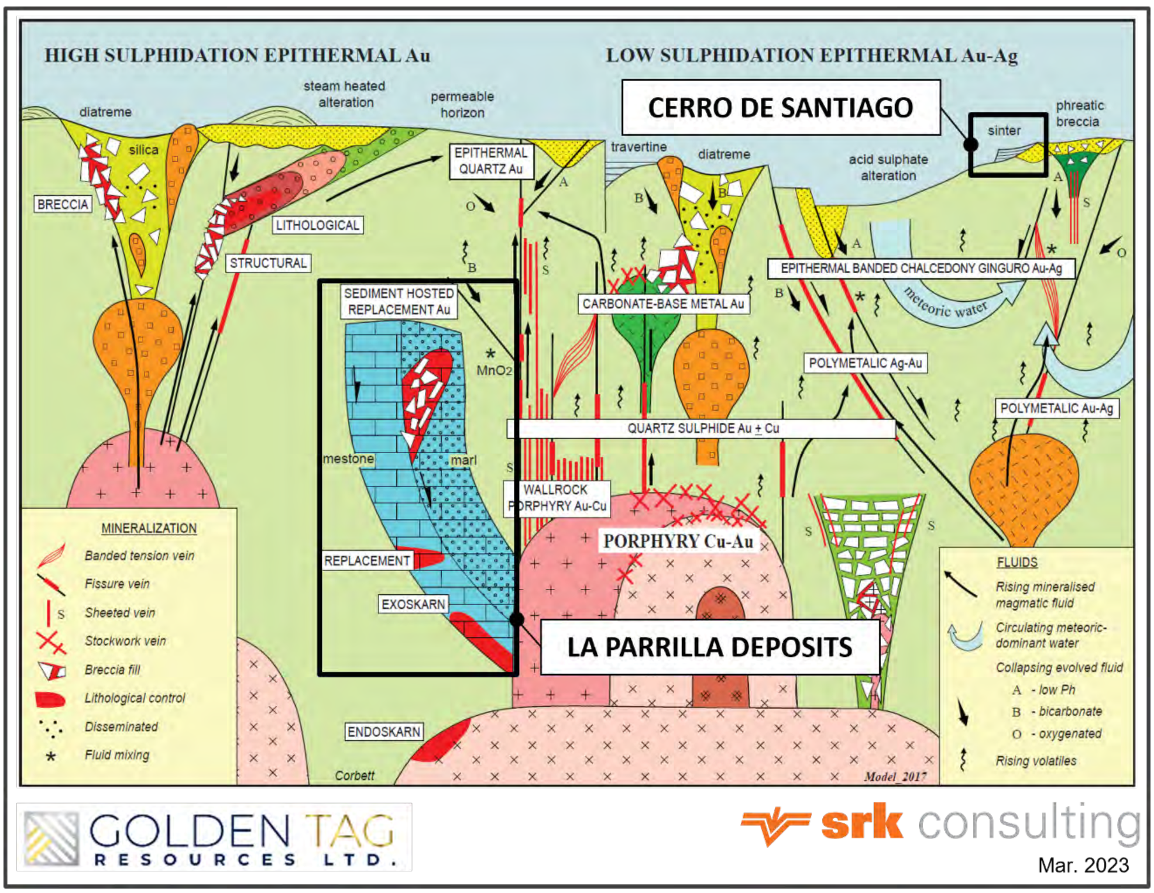

Figure 7-1: Schematic Model of Hydrothermal Deposits, Proposed by Corbett (2013) (SRK 2023)

Black boxes show the most likely environments for the La Parrilla deposits and Cerro de Santiago sinter.

8 Exploration

8.1 Exploration Completed by Golden Tag Resources Ltd.

No exploration activities have been completed by Golden Tag on the La Parrilla Property to date.

9 Drilling

9.1 Drilling by Historic Owners

Drilling programs by historic operators, prior to FMS, on the La Parrilla property were limited, as positive exploration results were likely obtained through underground development. From 1990 to 1993, Grupo México conducted drilling campaigns that totalled 16,634 metres drilled from 73 drillholes. Drill results from previous operators prior to 2005, were not considered in the Mineral Resource estimate summarized in Section 13.

9.2 Drilling by First Majestic Silver

The QP was provided with multiple drill hole dataset files which were combined in preparation of this Technical Report. The drilling data were received as a set CSV-format tables. For the borehole dataset, these tables included collars, survey (directional survey), assay, lithology, structures, mineralogy, alteration, core recovery, and specific gravity data. Table 9-1 summarizes the entire database, inclusive of surface and underground core holes, for La Parrilla property. This database of core drilling was assessed and validated by the QP, and selected holes were applied in the Mineral Resource estimate process which is summarized in Section 13.

Table 9-1: Summary of Diamond Drilling Data at La Parrilla (Golden Tag 2023)

Area	Total Drillholes	Total Metres
14 Marcos (14M)	20	6,161
Cerro Santiago (CS)	27	16,416
El Cristo (ELCR)	9	4,655
C1100 (Intermedia)	85	18,332
La Esperanza (LE)	13	4,517
La Ilusion (LI)	4	1,533
Los Perros (LP)	21	14,870
Quebradillas	574	73,253
Rosarios (RO)	241	46,769
Sacramento (SAC)	11	3,027
San Jose Muertos (SJM)	21	7,574
San Nicolas (SN)	46	13,795
San Marcos (SNMR)	112	26,858
Los Perros (SP)	6	1,555
Vacas (VC)	103	24,213
Total	**1,293**	**263,527**

First Majestic Silver explored the La Parrilla property with numerous drill programs from 2005 to 2020. From 2005 to 2020, FMS drilled a total of 243,828 metres in 1,047 core drillholes (Figure 9-1 and Table9-2).

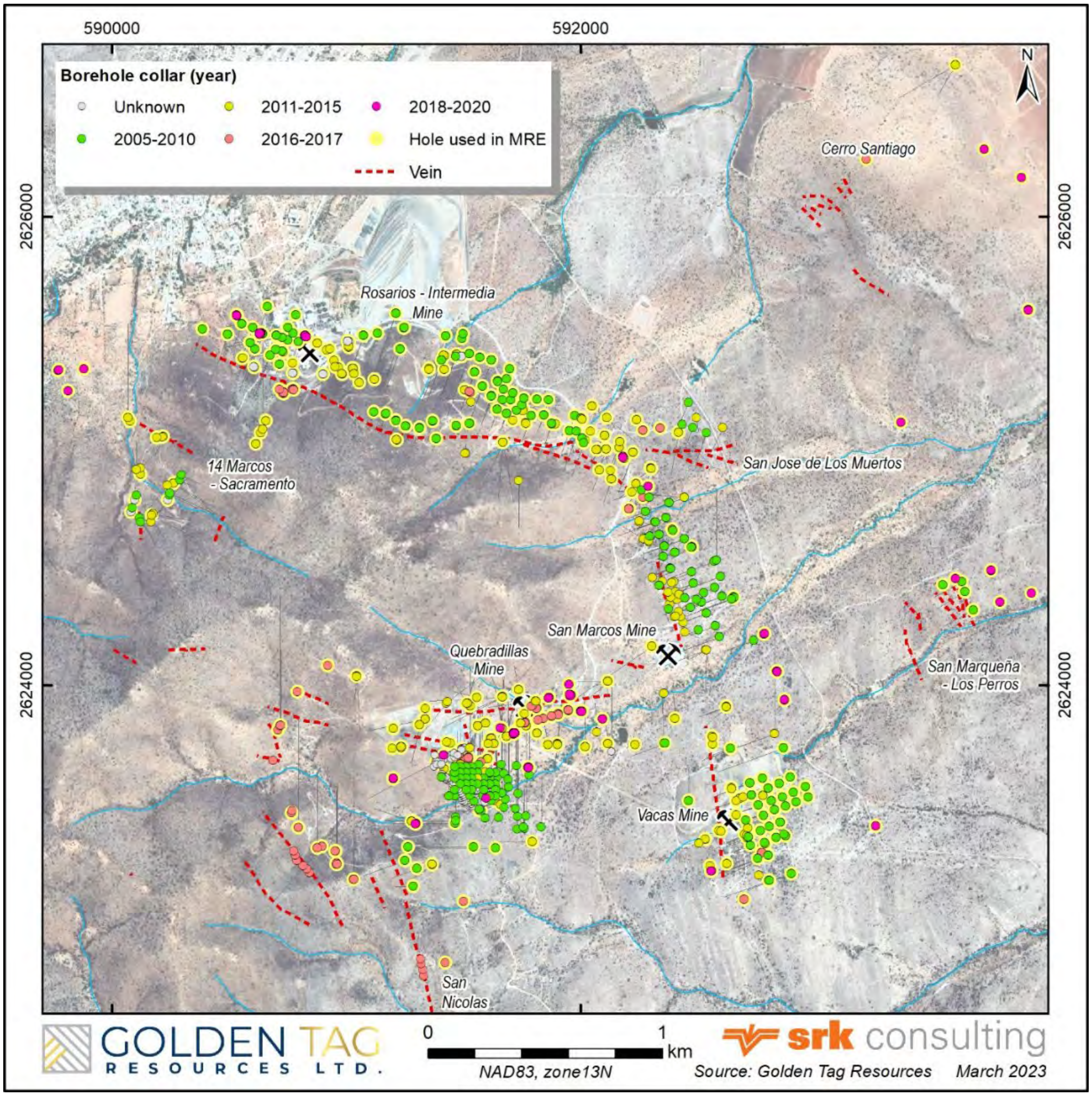

Figure 9-1: Map of La Parrilla Showing Surface Drillhole Collar Locations Relative to Vein Traces (Golden Tag Resources 2023)

Table 9-2: Summary of First Majestic Silver Drilling from 2005-2020

Area	Total Drillholes	Total Metres
14 Marcos (14M)	20	6,161
Cerro Santiago (CS)	27	16,416
El Cristo (ELCR)	6	2,798
C1100 (Intermedia)	85	18,332
La Esperanza (LE)	13	4,517
La Ilusion (LI)	4	1,533
Los Perros (LP)	21	14,870
Quebradillas	410	69,294
Rosarios (RO)	241	46,769
Sacramento (SAC)	11	3,027
San Jose Muertos (SJM)	21	7,574
San Nicolas (SN)	46	13,795
San Marcos (SNMR)	33	12,975
Los Perros (SP)	6	1,555
Vacas (VC)	103	24,213
Grand Total	**1,047**	**243,828**

9.2.1 First Majestic Drilling Procedures

First Majestic Silver used geological cross-sections and plan view maps to develop drilling programs on La Parrilla property. Drillholes are categorized into delineation holes, infill holes, and exploration holes. Delineation holes are used to guide and support the mine operation, infill holes improve the quality of known resources, and exploration holes contribute to additional resources. FMS relied primarily on contracted drilling companies for infill and exploration programs, while utilizing company owned Diamec drilling rigs and personnel for delineation drilling (Table 9-3). Core recoveries for surface and underground drilling was typically close to 100%, except in select mineralized intercepts where recovery may have been reduced significantly due to brecciation and hydrothermal alteration associated with the veins and fault-veins. The average core recovery in mineralized structures is 91%.

Drillholes are typically drilled at an angle to intersect veins or mineralized structures that generally dip at near vertical angles. They are sometimes completed at angles less than 90° with respect to the dip and strike of the structure being explored, the thickness of mineralized intercepts is therefore an apparent thickness.

Core sizes include TT46 (36.4 millimetres), NQ (47.6 millimetres), and HQ (63.5 millimetres) diameter core. The TT46 diameter is generally used only for delineation drillholes, whereas NQ and HQ core sizes are used for infill and exploration drillholes. The smaller TT46 drillholes are not surveyed and are not used in Mineral Resource estimation.

Since 2005, drillhole collars have been surveyed by the engineering department at La Parrilla using Sokkia and TOPCON ES-105 total stations. Collected information includes longitude, latitude, and elevation coordinates, azimuth and dip angle. Collar data are downloaded from the total station and uploaded into a mine server. In 2016, FMS hired the services of J&A Arquitectura and Geomatica S.A. de C.V. to resurvey surface and underground collars used for resource estimation in the WGS84 datum. From 2017 onward, all collars that were not proximal to the main resource areas were surveyed using differential global position units (DGPS) rather than the TOPCON ES-105 total stations.

Several different downhole survey instruments such as Tropari, Reflex, Flexit and DeviTool PeeWee have been used at La Parrilla since 2005. Downhole surveys were collected every 50 metres by the drilling contractor, using a DeviTool PeeWee electronic multishot instrument. In 2017 the frequency of downhole survey stations increased to every 25 metres using Reflex's EZ-Shot tool operated by the drilling contractors.

Table 9-3: Summary of Drilling Contractors From 2005 to 2020 (Golden Tag 2023)

Year	Contractor	Core Size	Underground	Surface
2005	Causa	HQ, NQ	N	Y
2006	Canmex	HQ, NQ, BQ	N	Y
	Causa	HQ, NQ	N	Y
2007	Causa	HQ, NQ	N	N
	Tecmin Servicios	NQ	N	Y
2008	Causa	HQ, NQ, BQ	Y	Y
2009	Causa	NQ	Y	Y
2011	First Majestic	HQ, NQ	Y	N
	Tecmin Servicios	HQ, NQ	Y	Y
	Versa	NQ	Y	N
2012	First Majestic	NQ	Y	N
	Spm	HQ, NQ	Y	Y
	Tecmin Servicios	HQ, NQ	Y	Y
2013	Causa	HQ, NQ	N	Y
	First Majestic	BQ, NQ	Y	N
	Spm	HQ, NQ	Y	Y
	Tecmin Servicios	HQ, NQ	N	Y
2014	First Majestic	HQ, NQ, BQ	Y	N
	Silm	HQ, NQ	Y	N
	Versa	HQ, NQ	Y	N
2015	Causa	NQ	N	Y
	First Majestic	BQ	Y	N
	Tecmin Servicios	NQ	Y	N
	Versa	HQ, NQ	Y	Y
2016	First Majestic	BQ, TT-46	Y	N
	Versa	HQ, NQ, TT-46	Y	N
2017	First Majestic	HQ, NQ, TT-46	Y	N
	Versa	HQ, NQ, TT-46	Y	Y
2018	First Majestic	HQ, NQ, TT-46	Y	N
	Versa	HQ, NQ, TT-46	Y	Y
2019	Diamec	TT-46	Y	N
	Versa	HQ, NQ, TT-46	Y	Y
2020	2R	HQ, NQ	N	Y
	Versa	HQ, NQ	Y	Y

Extracted core was placed on a sample collection device where the core is broken (if necessary) and fit into core boxes; mechanical breaks due to fitting the core into core boxes are marked using a coloured pencil. Wooden blocks are placed at the end of each 3.05 metre core run to mark the total depth and the core length recovered. Once full, the core box is secured with a top lid and stacked for transportation. Core boxes and lids used by FMS are made of plastic.

Core boxes from underground drilling are transported and delivered to the core shed by the drillers every morning; the core boxes are secured with raffia fiber or rubber bands before transportation. The condition of the core boxes and core is checked by one of the exploration geologists at the core shed upon receipt. In the case of surface drilling, the exploration geologist collects the core boxes every morning from the drilling station and transports them in a pickup truck to the core shed; the core boxes are secured with raffia fiber or rubber bands during transportation.

Logging of drill core and the determination of sample intervals are performed by FMS project geologists. Trained assistants are responsible for core splitting and sampling as per the project geologists' direction. Core logging is done digitally in LogChief® using tablets or laptop computers; the logging software captures lithology, structure, alteration, mineralogy, sample intervals, core recovery and RQD information. FMS's drillhole database is compiled in electronic format and contains collar surveys, assay intervals, lithology and gold, silver, lead, and zinc assay values. The data collection practices employed by FMS are considered to be consistent with industry-standard exploration and operational practices.

After the core was logged and sample intervals were marked, the core boxes were photographed. Core boxes were then placed on racks and stored within the secured core shack.

9.3 Drilling by Golden Tag Resources Ltd.

Golden Tag has not undertaken any drilling activities at the La Parrilla Project.

9.4 SRK Comments

The QP is of the opinion that the drilling procedures adopted by FMS at La Parrilla are consistent with generally recognized industry best practices. The resultant drilling pattern, in addition to the underground developments, is sufficiently dense to interpret the geometry and the boundaries of mineralization with confidence. The core samples were collected by competent personnel according to generally accepted industry best practices. The sampling process was undertaken or supervised by suitably qualified geologists. The QP concludes that the samples are representative of the source materials and there is no evidence that the sampling process has introduced a bias.

10 Sample Preparation, Analyses and Security

Golden Tag has not completed any sampling on the La Parilla Property.

Several analytical laboratories have been used for processing and assaying First Majestic's La Parrilla samples since 2005 (Table 10-1).

Table 10-1: La Parrilla – Sample Preparation and Analytical Laboratories (FMS 2023)

Laboratory	Sampling Period	Comments
Inspectorate America Corporation	2005–2012	Primary laboratory for drill core samples. Independent Lab. Sample preparation in Durango, Mexico and analyses in Reno, Nevada.
La Parrilla Laboratory	2005-2012	Primary laboratory for chip samples. Not independent. Preparation and analyses at La Parrilla Mine.
First Majestic Central Laboratory	2013–2017	Primary laboratory for chip samples. Starting in 2015 also primary laboratory for drill core. Not independent. Preparation and analyses at La Parrilla Mine.
SGS	2013–2016 2016–2017	Primary laboratory for core and channel samples. Independent. Regular assays, re-assays and check assays. NQ core samples have been sent to this laboratory since 2016. Preparation and analyses in Durango, Mexico.
Bureau Veritas Mineral Laboratory	2017	Secondary laboratory for check assays starting in 2017. Sample preparation in Durango, Mexico and analyses in Vancouver, Canada
First Majestic Central Laboratory	2018-2020	Primary laboratory for core and chip samples. Not independent. Preparation and analyses at La Parrilla Mine.

Since January 1, 2015, the Inspectorate America Corporation (Inspectorate) laboratory operates under Bureau Veritas Mineral Laboratories (BVML). Both laboratories are independent of FMS and hold ISO 9001:2008 and ISO/IEC 17025:2005 certification for quality.

Most of the exploration and ore control samples from La Parrilla were analysed at the on-site La Parrilla Laboratory, beginning in 2005. In 2013, the La Parrilla Laboratory became the First Majestic Central Laboratory (Central Laboratory). The Central Laboratory is not a commercial laboratory and is not independent of First Majestic. This laboratory gained ISO 9001 accreditation in mid-2015, ISO 9001:2008 in 2017 and ISO 9001:2015 from June 2018 to June 2021 and was temporarily suspended from April to December 2021.

SGS Durango held ISO 9001 certification from early 2008 until approximately mid-2012, after which time the laboratory gained ISO 9001:2008 accreditation.

10.1 Sample Preparation and Analysis

10.1.1 Core Sampling Procedures

From 2005 to 2013, drill core sampling was conducted by First Majestic Plata, S.A. de C.V. (FM Plata). Upon receipt, mine geologists logged the core and marked sample intervals according to geological and mineralized features. Collected samples were generally less than 1.5 metres in length. Sample technicians cut the marked intervals of core into halves utilizing a diamond saw, with one half of the core subsequently placed in a numbered bag and sent to the primary laboratory for analysis.

Since 2013, core sampling has been conducted by First Majestic Silver Corp. During logging, La Parrilla geologists select and mark the sample intervals according to lithological contacts, mineralization, alteration and structural features. From 2013 to 2014, the sample methodology consisted of taking sample intervals of 0.30 to 5.0 metres in length depending on the core size, to obtain a minimum sample weight of 1.5 kilograms. Between mineralized zones, samples with a maximum length of 5.0 metres were taken. After 2014, minor changes to the sampling methodology were implemented. Depending on the core diameter, samples from mineralized zones are 0.20 to 1.5 metres in length, with additional samples collected in the waste rock on either side of mineralized zones ranging from 2.5 to 3.0 metres in length.

All drill core intervals selected for sampling are cut in half using an electrical saw under the supervision of the logging geologist. For each sample, one half of the core is retained in the core box for further inspection and the other half is placed in a sample bag. A sample tag displaying the sample number is stapled into the core box beside the sampled interval, and a copy of the sample tag is inserted into the sample bag. Sample bags are tied with string and placed in rice bags for shipping to the primary laboratory for analysis.

10.1.2 Channel and Chip Sampling Procedures

In 2013, FMS commenced underground channel sampling efforts. Rock surfaces are first washed, then marked with sample lines every 25 metres where ground conditions permit. Sample lines start on one side of the drift's wall, continuing along the back to the other side of the drift, with sample lengths respecting vein/wall contacts and any textural or mineralogical variations. A six-centimetre wide by three-centimetre-deep channel was cut using a handheld diamond saw. The channel samples were chipped to fragments of less than six centimetres using a hand-held percussion hammer and were collected using a canvas tarp; the tarp was cleaned thoroughly between samples. Samples were deposited into individually numbered bags and later in larger sacks for transportation to a designated laboratory.

Chip samples were the primary means of grade control sampling in La Parrilla mine from 2005 to 2019. This sampling was done for the purpose of reserve delineation and was conducted along the mine drifts and developments of the mineralized zones. Chip samples consisted of shallow chips broken off the back of drifts, with sample lines marked and numbered on the drift's walls for proper orientation and identification. Consecutive samples were taken along a channel using a hammer and chisel; the length of individual sample length depended on geological features and generally measured less than

1.5 metres. The chips were collected from a canvas tarp and deposited in numbered bags for transportation to a designated laboratory.

From 2014 to 2019, chip samples are collected from every three-metre advance on a heading, and every three metres along the backs of every third stope lift. Chip samples are generally at least two metres long and often include barren or silver-poor shoulder samples; lithological boundaries are respected. Sample intervals are marked with paint, the interval is chipped with a chisel and hammer, and the sample is collected from a canvas tarp and deposited in numbered bags for transportation to a designated laboratory.

Data was provided to the QP as CSV tables provided by FMS which included the header, assays, and channel orientation data. A summary of the channel samples is shown in . The comprehensive list of channel samples was validated by SRK in preparation of this Technical Report and the validated channels used in the Mineral Resource Estimate are outlined in Section 13.

Table 10-2: Summary of Channel and Chip Samples at La Parrilla

Area	Total Channel and Chip Traces	Total Metres
C1100 (Intermedia)	93	227
Quebradillas	1,438	4,607
Rosarios	1,223	3,671
San Nicolas	21	59
San Marcos	1,300	3,624
Grand Total	**4,075**	**12,188**

10.1.3 Analytical Methods

First Majestic Central Laboratory

From 2005 to 2013, samples were prepared using the following procedures at the First Majestic Central Laboratory (FMCL):

- Weighing of sample of approximately 1 to 4 kilograms
- Passed through a jaw crusher, reduced to 1.3 centimetres (1/2 inch), and split
- 500-gram split passed through gyratory or disk crushers to reduce sample to 10 mesh
- Split of 200- to 300-gram sample
- Dried in an oven at 120°C
- Pulverized using one disk and one ring pulveriser to grind the rock to minus 100 mesh

The resulting pulp was homogenized, and 10 grams were analysed for silver, gold, lead, zinc, and copper; in 2013, arsenic analysis was added. Silver and gold assays were carried out by fire assay, while the other elements were analyzed by atomic absorption or ICP, following a multi-acid digestion. The Central laboratory started using 34 elements by two-acid digestion with an ICP finish (ICP34BM) for Pb and Zn assays from 2017.

Samples were processed by laboratory personnel during the analytical process, then stored securely at the La Parrilla Laboratory for a short time, before being discarded.

Since 2014, samples are prepared at the FMCL using the following procedure:

- Drying at 100°C for eight hours
- Crushing to 80% passing 10 mesh using a jaw crusher
- Splitting a 200-gram subsample using a riffle splitter
- Pulverizing to 80% passing 150 mesh

All samples received by the Central Laboratory are logged-in and sorted by a laboratory information management system (LIMS). Assay results are reported using LIMS and include results from inserted laboratory quality control samples. The analytical methods used by the Central Laboratory are listed in Table 10-3.

Table 10-3: Central Laboratory Analytical Methods and Detection Limits – 2017 to 2020 (FMS 2023)

Code	Element	Limits	Description
AUAA-13	Au	0.01-10 g/t	Au by AA with Ag inquarting with Au as main element
ASAG-12	Ag	0.002 g/t	20 g fire assay gravimetric finish
ASAG-13	Au	0.01 g/t	20 g fire assay AAS finish
AAG-13	Ag	0.5-300 g/t	2 g 3-acid digestion AAS finish
ICPAW-20	20 elements including Pb, Zn, Cu, Fe, As, Mn	0.001-10%	0.25 g 2-acid/Aqua-regia digestion/ICP-AES
ICP10-AW	Pb, Zn	0.001-11%	Aqua-regia digestion ICP
ICP34BM	Pb	0.0004-1%	Aqua-regia-Digest ICP
ICP34BM	Zn	0.0005-1%	Aqua-regia-Digest ICP
AWAA-100	Pb, Zn, Cu, Fe, As, Cd, Mn, Bi, Ni, Sb	0.002%	2-acid digestion finish by atomic absorption

Inspectorate Laboratory

From 2005 to 2012, primary core samples were submitted to Inspectorate. Samples were prepared at the Inspectorate preparation laboratory in Durango, Mexico, where core samples were crushed and pulverized. Resulting 250-gram pulp samples were sent to Reno, Nevada, USA, for analyses.

The procedure is described as follows:

- A four-kilogram sample was dried and reduced to greater than 80% passing 10 mesh using a jaw crusher and roll mill.
- A subsample of 250 to 300 grams was obtained using a Jones splitter.
- Sample was pulverized to greater than 90% passing 150 mesh using Labtech LM2 pulverizing mills. Clean tested sand was used between samples during the pulverization process to avoid contamination.
- Pulps were sent to BSI-Inspectorate in Reno, Nevada for analysis.
- Samples were analyzed for silver and gold by fire assay with AA finish. Multi-element analyses were done by aqua-regia and 30-element ICP package. Over-limit samples were re-assayed using the following procedures:
- For silver over 200 ppm, re-assay by fire assay with gravimetric finish.
- For lead, zinc, or copper over 10,000 ppm, re-analysed by aqua-regia digestion with AA finish.

Inspectorate analyses and detection limits used from 2005 to 2012 are presented in Table 10-4.

Table 10-4: Inspectorate Lab Analytical Methods and Detection Limits – 2005 to 2012 (FMS 2023)

Code	Element	Limits	Description
Au-1AT-AAGenX	Au	0.005 ppm	1 AT Fire Assay, AAS finish, 2012.
Au-1AT-AA	Au	5 ppm	1 AT Fire Assay, AAS finish.
Ag-1AT-GV	Ag	3.4 ppm	Over-limit Ag by Fire Assay, gravimetric finish
30-AR-TR	Ag	0.1–100 ppm	Aqua-regia, ICP, Trace Level Ag. 2011–2012
30-AR-TR	As, Pb, Zn	5–10,000 ppm 2–10,000 ppm	Aqua-regia, ICP, Trace Level. 2011–2012.
AA	Ag	0.1–200 ppm	AA.
AA	Cu, Pb, Zn, As	10,000 ppm	AA. 2006-2008.
AA/AQR	Ag	200 ppm	Aqua-regia, AA.
AQR	Ag	0.1–200 ppm	Aqua-regia, ICP.
AQR	As, Pb, Zn	10,000 ppm	Aqua-regia, ICP.
FAA, FA/AAS	Au	0.005 ppm	Fire Assay, AAS finish.
FAGRAV	Ag	0.1–200 ppm	Fire Assay, gravimetric finish.
ICP	Ag	0.1–200 ppm	ICP Package. 2006–2007.
AAS	Pb, Zn	10,000 ppm	Pb and Zn by Fire Assay.
Zn-AR-OR-AA	Zn	20%	Ore Grade Zn, Aqua-regia, AA.

SGS de Mexico, S.A. de C.V.

Samples analysed at SGS Durango were prepared using the following method:

- Drying at 100°C for six to eight hours, or until the sample weight is constant
- Sample crushed to 75% passing 2 millimetres using a Rocklabs Boyd Crusher or Terminator jaw crushers
- 250-gram subsample split using a riffle splitter
- Pulverized to 85% passing 200 mesh using a Labtech ESSA LM2 pulverizer
- Approximately 100 grams used for analysis and laboratory internal quality control

All samples were analysed by 3-acid digestion with AAS finish and aqua-regia digestion with 34-element ICP-AES package for silver. Over-limit 3-acid digest silver assays were also analysed by 30-gram fire assay with gravimetric finish. Gold was analysed by fire assay. Over-limit results for manganese, lead, and zinc were subsequently analysed by a sodium peroxide fusion /ICP-AES package.

The analytical methods and detection limits for the samples submitted to SGS are listed in Table 10-5: SGS Analytical Methods and Detection Limits – 2013 to 2017 (FMS 2023).

Table 10-5: SGS Analytical Methods and Detection Limits – 2013 to 2017 (FMS 2023)

Code	Element	Limits	Description
FAA313	Au	0.01 g/t	30 g, Fire Assay, AAS finish.
AAS21E	Ag	0.5–300 g/t (2013)	2 g, 3-acid digest, AAS finish. Main method for Ag.
FAG313	Ag	5 ppm	30 g, Fire Assay, gravimetric finish. Over-limit method.
ICP14B	Ag	2–100 ppm 2–10 ppm (2013)	0.25 g, Aqua-regia digestion/ICP-AES.
ICP14B	multi-element	Range from 0.5–10,000 ppm	0.25 g, Aqua-regia digestion/ICP-AES.
	Mn	0.01%	0.20 g, Sodium Peroxide Fusion/ICP-AES. Over-limit method.
ICP90Q	Pb	0.05%	0.20 g, Sodium Peroxide Fusion/ICP-AES. Over-limit method.
	Zn	0.05%	0.20 g, Sodium Peroxide Fusion/ICPAES. Over-limit method.
CON12V	Zn	5–65%	Titration. Over-limit method.
CON11V	Pb	10–70%	Titration. Over-limit method.

Bureau Veritas Mineral Laboratories (BVML)

Commencing in 2017, check samples at the BVML preparation facilities have been processed using the following procedures:

- crushed in a jaw crusher to 70% passing 10 mesh
- a 250-gram riffle split sample of the crushed material is pulverized in a mild-steel pulverizer to 85% passing 200 mesh
- Pulps are sent for analysis at the BVML laboratory in Vancouver, BC, Canada.

All samples are analysed by four-acid digestion with AAS finish, and aqua-regia with ICP finish for silver. Over-limit silver results are analysed by fire assay with gravimetric finish.

The analytical methods and detection limits for samples submitted to BVML are listed in Table 10-6.

Table 10-6: BVML Analytical Methods and Detection Limits – 2020 (FMS 2023)

Code	Element	Limits	Description
FA430	Au	0.005 ppm	Lead collection Fire Assay, Fusion-AAS finish.
MA401, MA402	Ag	1 ppm	Ag by 4-acid, AAS finish. Main method for Ag.
AR330	Pb, Zn, Multi-elements	10000 ppm	30 elements, aqua-regia, ICP finish.
FA530	Ag	50 ppm	30 g Fire Assay, gravimetric finish. Over-limit method.
AR410	Pb, Zn	1–1000 ppm	0.1 g/100 ml Aqua-regia, AAS finish. Ore Grade-over-limit.
GC816	Zn	0.01–100 ppm	Zinc assay by classical titration in duplicate. Over-limit method.
AQ300	Pb, Zn, Cu, As	1-10 000 ppm	Aqua-regia digestion ICP-ES.
AQ300	Ag	1–100 ppm	Aqua-regia digestion ICP-ES.
AQ300	Fe	0.01–40%	Aqua-regia digestion ICP-ES.
AQ374	Pb, Zn, Mn	0.01%	1:1:1 Aqua-regia digestion ICP-ES. Over-limit method.
PF370	Pb, Zn	>30%	Peroxide Fusion ICP-ES

10.2 Sample Security

Throughout historical mine operations, chip samples were temporarily kept in secured storage at the La Parrilla Laboratory before being disposed of and recycled in the La Parrilla cyanidation circuit. Samples were processed by laboratory personnel.

Since 2013, drill core samples have been stored in a secure core processing and storage warehouse at the La Parrilla mine, prior to their shipment by company truck to the sample processing laboratories. All samples are securely sealed, and chain of custody documents are issued for all shipments. The analytical results from these samples are received by authorized First Majestic personnel using secure digital transfer transmissions, and these results are restricted to qualified First Majestic personnel until their publication.

SGS and Bureau Veritas Mineral Laboratory hold coarse and pulp reject samples in a secured area for 90 days, after which time the samples are sent back to La Parrilla. Upon completion of the drilling programs, the diamond drill core and coarse rejects and pulps are catalogued and securely stored in the core storage facility at the La Parrilla mine site.

10.3 Specific Gravity Data

Specific gravity (or bulk density) measurements were made on site by FMS geologists on core samples using the water displacement and Pycnometer from 2004 until 2016 From 2016 onward all specific gravity determinations were completed at the First Majestic Central Laboratory using the water displacement method. Specific gravity determinations were made on full HQ, NQ, BQ and TT-6 diameter core samples from recent drill programs and on quarter-core samples from historical drill programs. Sample lengths measured 11 centimetres on average and were collected from mineralized zones and from wall rocks on either side of mineralized zones.

The water displacement procedure consists of the following steps:

- Damp weight of sample is recorded
- Sample is dried for six hours in 100°C oven
- Dry weight of sample is recorded
- Sample is dried at room temperature for 18 hours
- Second dry weight of sample is recorded
- Sample is coated in wax
- Wax-coated weight of sample is recorded
- Water is displaced with the sample and weighed
- The specific gravity of the sample is calculated, taking into account the weight of the wax

A total of 4,218 specific gravity determinations are in the resource database, including 2,213 for Quebradillas, 801 for C1100-San Marcos, 688 for Rosario and 516 for San Nicolas.

10.4 Quality Assurance and Quality Control

Quality control measures are typically set in place to ensure the reliability and trustworthiness of exploration data. These measures include written field procedures and independent verification of aspects such as drilling, surveying, sampling, assaying, data management and database integrity, are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical quality control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation and assaying. They are also important to prevent sample mix-up and to monitor the voluntary or inadvertent contamination of samples.

Assaying protocols typically involve regularly duplicating and replicating assays and inserting quality control samples to monitor the reliability of assaying results delivered by the assaying laboratories. Check assaying is normally performed as an additional test of the reliability of assaying results. This generally involves re-assaying a set number of sample rejects and pulps at a secondary umpire laboratory.

10.4.1 Historical Operators (pre-2004)

Due to artisanal history of the project no information is available about the implementation of analytical quality control program prior to 2004. Drilling from previous operators before 2005 are not used to support Mineral Resource estimation.

10.4.2 First Majestic Silver Corp. (2004-2020)

From 2007 to 2012, FMS implemented a quality control program to evaluate silver assay results from the La Parrilla Laboratory for chip and core samples by submitting one core sample for every 20 original samples to Inspectorate in Reno, Nevada for duplicate check assaying. Channel sample check assays were performed by the SGS laboratory in Durango.

Pincock, Allen & Holt (2007 and 2011) concluded that the results from the check assaying were reasonable and recommended the implementation of a strict quality control program by introducing blanks and in-house prepared standard reference materials (SRMs), as well as duplicate samples. Stricter quality control and quality assurance programs for core samples were implemented by First Majestic Silver during the second half of 2013; these included the insertion of duplicates, in-house reference materials, certified reference materials (CRMs), coarse and pulp blanks, and coarse and pulp check samples.

From 2013 to 2014, quality control samples included duplicates, in-house standard reference material and blanks. Geologists inserted approximately one duplicate, one standard and one blank every 20 samples (5%) submitted to the Central Laboratory at the La Parrilla mine.

Commencing in 2015, the sample methodology changed and the average insertion rate of control samples sent to the Central Laboratory and to SGS for analysis was modified to the following proportions of samples sent for assay:

- 2%: quarter-core field duplicates
- 4%: coarse and pulp duplicates
- 6%: certified reference materials
- 4%: blanks

Control samples are inserted randomly into the sample stream. Standards are inserted according to a visual estimate of the mineralization grade, and blanks are inserted between samples containing visible mineralization.

Both in-house First Majestic Silver standard reference materials (SRMs) and commercially prepared certified reference materials (CRMs) have been used to assess laboratory accuracy for silver, gold, lead, and zinc. Table 10-7 summarizes the types of reference materials used by year.

Table 10-7: Standard Reference Material Used by Year (FMS 2023)

Year	Type	Grades	Comments
2012–Early 2013	In-house, not certified (Muestra Alta Nivel 8 Sur, Muestra Baja Nivel 8)	Low, high	Materials from Level 8 of the San Juan deposit at Del Toro Mine. Prepared by SGS in Durango. Best value from round robin-analyses refereed by five laboratories. The expected values and control limits are based on simple statistics only.
Late 2013–2014	In-house, not certified (SMO1-B-LP, SM01-B-LP, SM01-M-LP, SM02-A-LP)	Low, medium, high	Materials from underground deposits at the La Parrilla mine. Prepared by the Central Lab and submitted for a round robin-analysis to three independent laboratories. Preparation procedures used are not known.
2014–2015	In-house, not certified (LPOX_14, LPSU_14)	Low, high, medium	Materials obtained at La Parrilla mine from oxide and sulphide rocks. Prepared at Inspectorate Laboratory. Finalized grades were taken from average results from 10 samples analysed at Inspectorate.
2015–2016	Commercial, certified	Low, medium, cut-off, and high	Materials were prepared and certified by CDN Resource Laboratories Ltd.
2017-2020	Commercial, certified	Low, medium and high	Materials were prepared and certified by CDN Resource Laboratories Ltd.

A total of nine certified reference materials were used from 2017 to 2020, procured from CDN Resource Laboratories Ltd. and are outlined in Table 10-8.

Table 10-8: Specifications of Control Samples Used Between 2017 and 2020

Reference Material	Element	Expected Value	Standard Deviation	Inserts	Source
CDN-ME-1306	Ag (g/t)	104	3.5	683	CDN Resource Laboratories Ltd.
	Au (g/t)	0.919	0.056	490	
	Pb (%)	1.60	0.035	665	
	Zn (%)	3.17	0.075	532	
CDN-ME-1402	Ag (g/t)	131	3.5	92	CDN Resource Laboratories Ltd.
	Au (g/t)	13.9	0.4	324	
	Pb (%)	2.48	0.055	325	
	Zn (%)	15.23	0.335	319	
CDN-ME-1407	Ag (g/t)	245	6	61	CDN Resource Laboratories Ltd.
	Au (g/t)	2.12	0.075	61	
	Pb (%)	3.97	0.085	61	
	Zn (%)	0.536	0.012	61	
CDN-ME-1505	Ag (g/t)	360	6	598	CDN Resource Laboratories Ltd.
	Au (g/t)	1.29	0.055	596	
	Pb (%)	1.87	0.035	440	
	Zn (%)	0.72	0.017	414	
CDN-ME-1602	Ag (g/t)	137	3	296	CDN Resource Laboratories Ltd.
	Au (g/t)	1.31	0.05	196	
	Pb (%)	1.13	0.025	267	
	Zn (%)	0.775	0.019	37	
CDN-ME-1603	Ag (g/t)	81	5	34	CDN Resource Laboratories Ltd.
	Au (g/t)	0.995	0.033	34	
	Pb (%)	1.34	0.02	34	
	Zn (%)	0.45	0.015	34	
CDN-ME-1605	Ag (g/t)	269	6.5	338	CDN Resource Laboratories Ltd.
	Au (g/t)	2.85	0.08	340	
	Pb (%)	4.45	0.075	342	
	Zn (%)	2.15	0.035	340	
CDN-ME-1901	Ag (g/t)	371	9	46	CDN Resource Laboratories Ltd.
	Au (g/t)	7.85	0.185	46	
	Pb (%)	2.56	0.055	46	
	Zn (%)	2.89	0.055	46	

10.5 SRK Comments

The QP reviewed the field procedures and analytical quality control measures used by First Majestic and historical operators where possible. The analysis of the analytical quality control data is presented in Section 11 of this Technical Report. In the opinion of the QP, First Majestic personnel used care in the collection and management of the field and assaying exploration data.

The quality of the analytical data collected for silver, gold, lead, and zinc from Rosarios, San Marcos, and Quebradillas zones is sufficiently reliable to support Mineral Resource estimation. It is also the QP's opinion that sample preparation, analysis, and security are generally performed in accordance with exploration best practices and industry standards.

11 Data Verification

11.1 Databases

The La Parrilla resource database is located on First Majestic Silver's terminal server located at the La Parrilla Mine. The drillhole database is in Microsoft Standard Query Language (SQL). The SQL database is based on the Maxwell Database scheme and contains drilling and channel data.

Before April 2013, core was logged on paper and subsequently captured in Excel spreadsheets and in DrillKing. During 2013, data was recorded in an acQuire™ database. DrillKing and acQuire™ are computer programs used to validate and manage geological databases.

Since 2014, core logging data has been captured directly using LogChief™ and imported and validated in DataShed™. LogChief™ and DataShed™ are core logging and database management software provided by Maxwell GeoServices. Historical data previously captured in Excel, DrillKing and acQuire™ was imported into SQL using DataShed™. Historical chip assay data is captured in AutoCAD and Excel files. First Majestic Silver is currently transferring this data into the SQL database.

Assays results from La Parrilla's Central Laboratory and SGS laboratories are received in electronic formats via email, and copies of the certificates are obtained from their secured websites.

Electronic and paper core logs contain core intervals for main lithology, veins, structures, mineralization, alteration, RQD, core recovery and density data. Paper copies of core logs, drillers' reports, sample tags, density and assay certificates are filed at the La Parrilla Mine.

11.2 Verification of Legacy Data

Data prior to 2013 did not follow First Majestic's current standards for sample collection, preparation, analysis, and security.

Independent data verification was performed by Pincock, Allen & Holt in 2007 and 2011 in support of technical reports on the Project. This included verification for assay checks of production concentrates at La Parrilla laboratory, concentrate assays reported by the MET-MEX Peñoles smelter in 2007, and check assaying assessments in 2011. Pincock, Allen & Holt concluded that results from check assaying were reasonable with appropriate preparation procedures, and that the sample results appeared to be reasonably representative of the deposit mineralization and to be usable with acceptable confidence in the resource estimation.

11.3 Verification by First Majestic

Database validation and verifications by First Majestic consist mainly of data entry error check, collar spatial validation, intervals errors check, downhole survey deviation, quality assurance and quality control review (assessments of precision, accuracy, and contamination of regular and check samples for silver, gold, lead, and zinc).

The flow of historical and new data from capture to use in resource estimate is shown in Figure 11-1. In conjunction with this flowsheet, FMS maintained a detailed spreadsheet of the data validation items for each major table, including the staff responsible for the verification procedures. In addition, the DataShed import process includes a series of built-in checks for errors at all stages, from header to individual tables. Import of assay data files, including quality control results, directly from the laboratory, must match with sample intervals and sample numbers that are already established in the database.

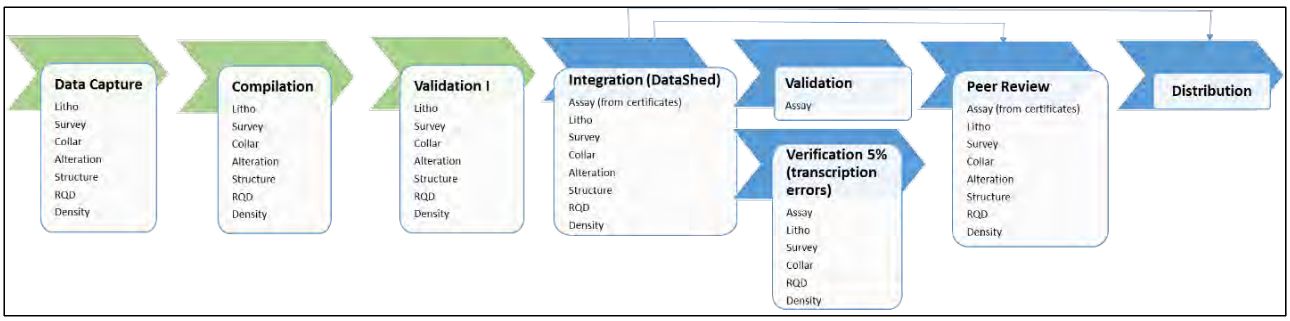

Figure 11-1: First Majestic Data Capture and Validation Flowsheet (FMS 2023)

All drillholes in the database were subject to validation and 5% was subject to verification from hard copy records and originals survey and assay certificates.

11.4 Verifications by SRK

11.4.1 Site Visit

In accordance with National Instrument 43-101 the QP visited La Parrilla mine site from January 24 to 26, 2023, accompanied by representatives of First Majestic Silver. The QP for the Mineral Resource, as defined by NI 43-101, is Dr. David F. Machuca Mory, Ph.D., P.Eng. (PEO#100508889).

The purpose of the site visit was to review the digitization of the exploration database and validation procedures, review exploration procedures, define geological modelling procedures, examine drill core, interview project personnel, and collect all relevant information supporting the preparation of the Mineral Resource Statement presented herein.

During the site visit, the QP examined core from several boreholes and found that the logging information, including lithological contacts and sample intervals, accurately reflects the digital log sheets. High and low assay values correspond and correlate with logged mineralization, indicating a strong understanding of the mineralization controls.

11.4.2 Verifications of Drill Hole Data

The La Parrilla database considered by QP includes data obtained from boreholes drilled until December 2020 and from channels samples taken between May 2017 and April 2019. The database comprises 1,293 core drillholes (263,527metres) and 4,075 channels (12,188 metres).

The exploration drilling and production underground data were received as a set CSV-format tables. For the borehole dataset, these tables included collars, survey (directional survey), assay, lithology, structures, mineralogy, alteration, core recovery, and specific gravity data. For the underground production data, the tables provided by FMS included the header, assays, and channel orientation data. The data was imported into a Leapfrog Geo™ database for plotting and validation. SRK applied various checks to the database, including but not limited to:

- Missing and incoherent coordinates
- Duplicate and missing survey records
- Erroneous inclinations
- Holes with no assays
- Missing intervals
- Missing and negative grades
- Chip samples assigned to erroneous channels
- Mismatches between the underground excavations and the coordinates of underground channels.

All issues found in the database were communicated to FMS and most of them were corrected by FMS. The boreholes and channels with issues that could not be corrected were flagged for their exclusion in the Mineral Resource estimation. As a result, 412 holes were excluded from the Mineral Resource database for various reasons, including lack of surveys in the records and unconfirmed collar coordinates (removed drill holes are listed in Appendix B). Out of the 4,075 underground channels, only 3,715 could be validated. The others were discarded from the Mineral Resource database mainly because unconfirmed and dubious coordinates

In general, the authors are satisfied that the exploration and infill drilling work carried out at La Parrilla mine by FMS has been conducted in a manner consistent with generally recognized industry best practices. After several iterative reviews between the authors and FMS, the QP is satisfied that the validated drilling an underground channel data is sufficiently reliable for supporting a Mineral Resource evaluation.

11.4.3 Verifications of Analytical Quality Control Data

To assess the accuracy and precision of analytical quality control data, the authors undertook routine verifications. Analytical quality control data typically comprises analyses from standard reference materials, blank samples, and a variety of duplicate data. Time series plots are used during the analyses of data from reference materials and blanks to identify extreme values (outliers) or trends that may indicate issues with the overall data quality. To assess the repeatability of assay data, the QP routinely plots and assesses the following charts for duplicate data:

- Bias charts
- Quantile-quantile (Q-Q) plots
- Mean versus half absolute deviation (HRD) plots
- Mean versus half absolute relative deviation plot
- Ranked half absolute relative deviation (HARD) plot

The authors analysed the available analytical quality control data of La Parrilla project. FMS provided the QP with analytical control data containing the assay results for the quality control data produced since 2017, on La Parrilla silver project. All data was provided in Microsoft Excel spreadsheets. The authors aggregated the assay results of the analytical control samples for further analysis. Control samples (blanks and standards) are summarized on time series plots, and paired data (duplicates and check assays) were analysed using bias charts, quantile-quantile, and relative precision plots to highlight their performance (Appendix A). The analytical quality control data produced by First Majestic Silver on the La Parrilla Project is summarized in Table 11-1.

This technical report reviews the analytical quality control measures implemented by First Majestic Silver from 2017 to 2020. The reader is referred to the 2016 Technical Report issued by First Majestic Silver Corp. for details of data verification performed by SRK in preparation of that Technical Report.

Table 11-1: Summary of Analytical Quality Control Data Produced by First Majestic Silver on the La Parrilla Project from 2017 to 2020

Assay Results for Silver	Core		Channel	Total	Total	Expected Value
	FMS Central Lab	SGS Durango	FMS Central Lab		(%)	Ag (ppm)
Total Regular Sample Count	58,535		20,807	79,342		
Blanks	2,845	59	716	3,620	4.6	
Coarse Duplicates	991	74		1,065	1.3	
Field Duplicates	819	36		855	1.1	
Pulp Duplicates	1,077	37		1,114	1.4	
Certified Reference Material						
CDN-ME-1306	683		198	881		104 +/- 3.5
CDN-ME-1402	92		188	280		131 +/- 3.5
CDN-ME-1407	23	38		61		245 +/- 6.0
CDN-ME-1505	560	38	193	791		360 +/- 6.0
CDN-ME-1602	258	38		296		137 +/- 3.0
CDN-ME-1603	34			34		81 +/- 5.0
CDN-ME-1605	338		187	525		269 +/- 6.5
CDN-ME-1901	46			46		371 +/- 9.0
Total CRM	2,034	114		2,148	2.7	
Total QC Samples	**7,766**	**320**	**716**	**8,802**	**11.1**	

A total of 79,342 core and channel or chip samples have been taken with an additional 8,802 quality control samples analysed (blanks, standard reference materials, pulp and coarse reject duplicates) representing approximately 11.1% of the total samples in the database.

Blank Material

Pulp and coarse blanks were used to assess contamination during sample preparation and analysis for silver, gold, lead, and zinc at the Central Laboratory and SGS.

Before 2013, blanks were processed from construction blocks made from gravel taken from a local river. Since 2013, blanks have been obtained from basalts located northeast of La Parrilla mine.

Contamination assessment is done using date sequence performance charts from pulp and coarse blanks. The threshold limits are ten times the lower detection limit reported by the laboratory.

A total of 3,620 blank samples were inserted during the 2017-2020 drilling and chip sampling programs. Blank samples were analysed at both SGS (2017) and Central Laboratory (2017-2020) and assay values exceeding ten times the detection limit was considered a failure. The performance of SGS and Central Laboratory yielded below 10 times the detection limit of the labs with some failure due to carry-over contamination or insertion error. From 2019 to 2020 the time series analysis shows improvement of blank sample performance. The failures in blank samples may represent insertion errors of mislabeled samples. Examples of the blank quality control data plotted by authors is shown in Figure 11-2 and Figure 11-3. All other blank quality control plots are shown in Appendix A.

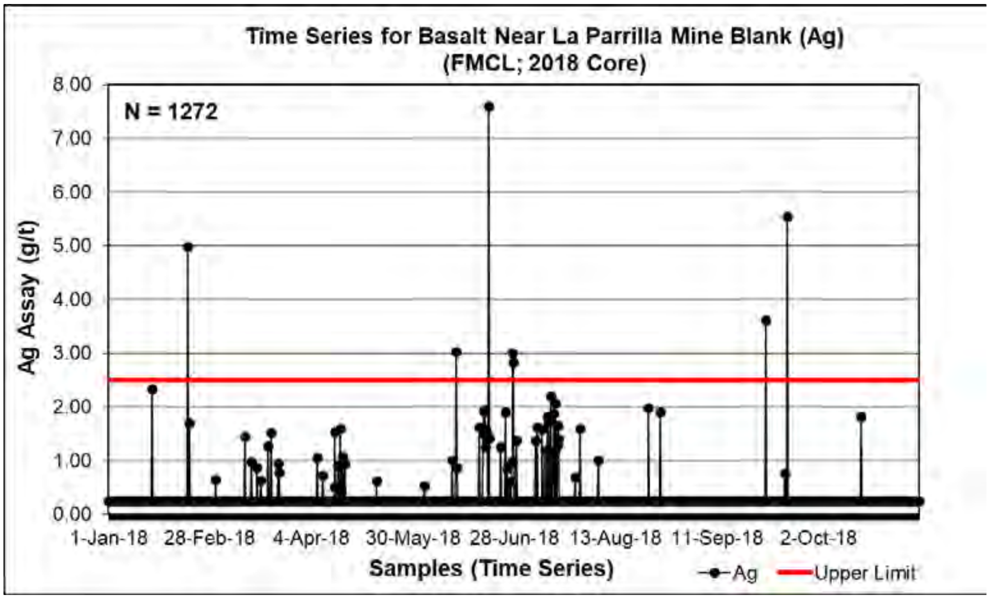

Figure 11-2: Quality Control Plot for Blank Material Assayed for Silver at FMCL in 2018

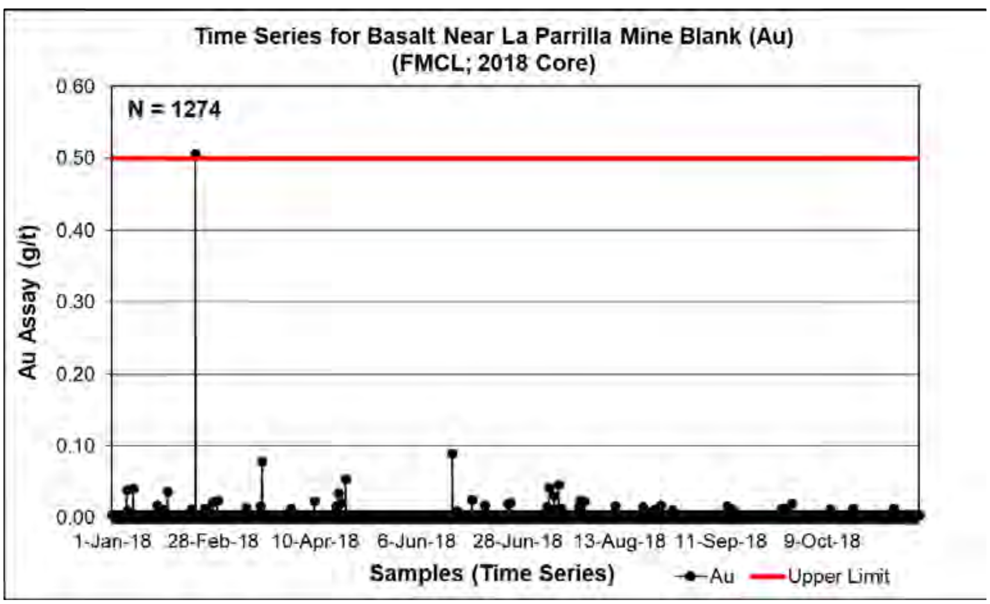

Figure 11-3: Quality Control Plot for Blank Material Assayed for Gold at FMCL in 2018.

An investigation of blanks assaying significantly above the warning limit (ten times the detection limit) indicate potential issues of contamination, as well as the possible swapping or mislabelling of blank material. The performance of blanks submitted to SGS Durango is notably better than that of the First Majestic Central Laboratory, where few blanks assayed above the warning limit. Although observations of potential contamination at the Central Laboratory are noted to occur less than 5% of the time as shown in Table 11-2. The operator is encouraged to closely monitor and investigate any failures of blanks, to ensure that potential carry-over contamination during the sample preparation process, in the future. Consideration should also be made to source certified blank material, rather than the previously sourced uncertified blank material, which would increase confidence in analytical results.

Table 11-2: La Parrilla Mine Blank Failure Rates from 2017-2020

QC Sample	Element	Laboratory	Total Outliers	Total of Blanks	Error Rate (%)
Blank (2017)	Au	SGS	0	59	0
	Ag		1	59	1.7
Blank (2017)	Au	FMCL	5	786	0.6
	Ag		10	742	1.3
Blank (2018)	Au	FMCL	1	1,274	0.1
	Ag		7	1,272	0.6
Blank (2019)	Au	FMCL	0	261	0
	Ag		0	590	0
Blank (2020)	Au	FMCL	0	241	0
	Ag		0	241	0

Certified Reference Materials

Certified reference materials were used by First Majestic Silver to monitor the analysis accuracy and precision over time. The results of the certified reference material at both the SGS and FMC laboratory's suggests grades are within the recommended three standard deviation and are summarized in Table 11-3.

Table 11-3: Summary of Certified Reference Material Analysed on La Parrilla Project from 2017-2020

CRM	Lab	Element	No. Inserts (Count)	No. Failures	Exp. Val.	Exp. Std. Dev.	Calc. Mean	Failure Rate
CDN-ME-1306	SGS	Pb	38	7	1.60	0.035	1.55	18%
		Zn	39	7	3.17	0.075	3.09	18%
CDN-ME-1407	SGS	Ag	38	6	245	6	243	16%
		Au	38	3	2.12	0.075	2.19	8%
		Pb	38	5	3.97	0.085	3.89	13%
CDN-ME-1505	SGS	Ag	38	2	360	6	359	5%
		Au	38	1	1.29	0.055	1.32	3%
		Pb	37	9	1.87	0.035	1.8	24%
		Zn	38	10	0.72	0.017	0.70	26%
CDN-ME-1602	SGS	Ag	38	1	137	3	133	3%
		Au	38	4	1.31	0.05	1.35	11%
		Pb	10	10	1.13	0.025	0.98	100%
		Zn	37	18	0.775	0.019	0.72	49%
CDN-ME-1306	FMCL	Ag	683	22	104	3.5	101	3%
		Au	490	2	0.919	0.056	0.91	0%
		Pb	627	37	1.60	0.035	1.59	6%
		Zn	493	33	3.17	0.075	3.16	7%
CDN-ME-1402	FMCL	Ag	92	0	131	3.5	128	0%
		Au	324	3	13.9	0.4	13.83	1%
		Pb	325	9	2.48	0.055	2.47	3%
		Zn	319	29	15.23	0.335	15.13	9%
CDN-ME-1407	FMCL	Ag	23	0	245	6	241	0%
		Au	23	2	2.12	0.075	2.09	9%
		Pb	23	3	3.97	0.085	4.01	13%
		Zn	23	1	0.536	0.012	0.54	4%
CDN-ME-1505	FMCL	Ag	560	9	360	6	356	2%
		Au	558	28	1.29	0.055	1.28	5%
		Pb	403	25	1.87	0.035	1.87	6%
		Zn	376	11	0.72	0.017	0.72	3%
CDN-ME-1602	FMCL	Ag	258	24	137	3	1.29	9%
		Au	158	9	1.31	0.05	1.13	6%
		Pb	257	29	1.13	0.025	0.77	11%
CDN-ME-1603	FMCL	Ag	34	0	81	5	86	0%
		Au	34	0	0.995	0.033	0.98	0%
		Pb	34	0	1.34	0.02	1.35	0%
		Zn	34	0	0.45	0.015	0.46	0%
CDN-ME-1605	FMCL	Ag	338	0	269	6.5	271	0%
		Au	340	13	2.85	0.08	2.82	4%
		Pb	342	8	4.45	0.075	4.45	2%
		Zn	340	17	2.15	0.035	2.14	5%
CDN-ME-1901	FMCL	Ag	46	0	371	9	371	0%
		Au	46	0	7.85	0.185	7.79	0%
		Pb	46	0	2.56	0.055	2.57	0%
		Zn	46	0	2.89	0.055	2.9	0%

Accuracy was assessed in terms of the mean returned values relative to the expected value and percentage of failures. Standard sample results were plotted on date-sequenced performance charts (Figure 11-4,Figure 11-5 and Figure 11-6) to investigate for outliers/failures.

During the accuracy assessment, apparent errors such as mislabeling of samples were identified and corrected. An overall general bias of standards assaying below the expected value or below three times the standard deviation is also frequently observed in Pb and Zn assays. The failure rate is high in 2017 to 2018 compared to 2019 to 2020, as the accuracy improved from 2019 onwards. The statistical analysis indicates there is a problem with the CDN-ME-1602 in 2017 as both laboratories had consistent lead and zinc failures. The silver performance of channel samples standard CDN-ME-1306 and CDN-ME-1505 suggests that there may have been a problem with the certified reference material or with the assay laboratory.

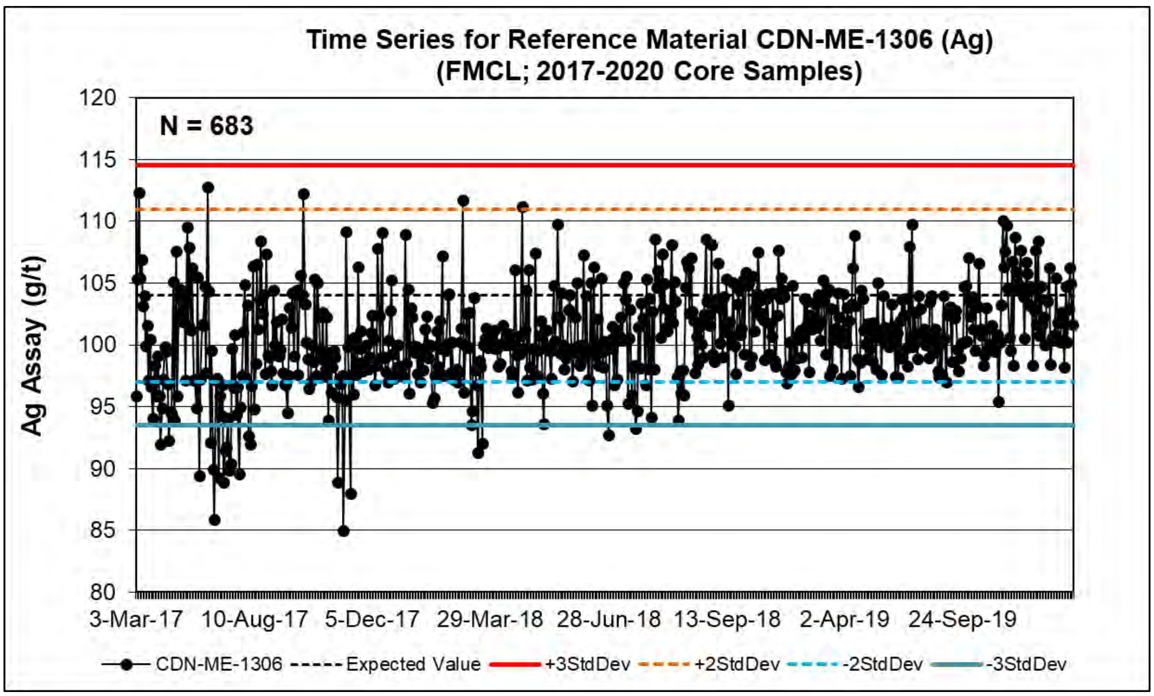

Figure 11-4: Time Series for CDN-ME-1306 Certified Reference Material Analysed for Silver at the FMCL Between 2017-2020

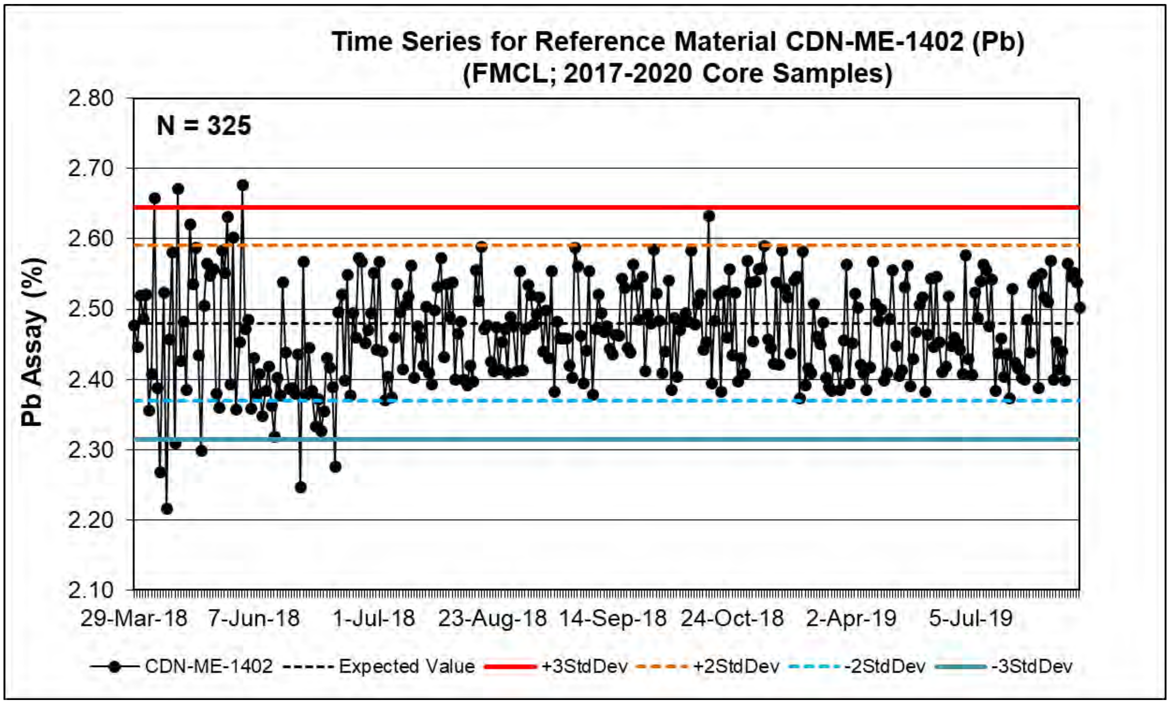

Figure 11-5: Time Series for CDN-ME-1402 Certified Reference Material Analysed for Lead at the FMCL Between 2017-2020

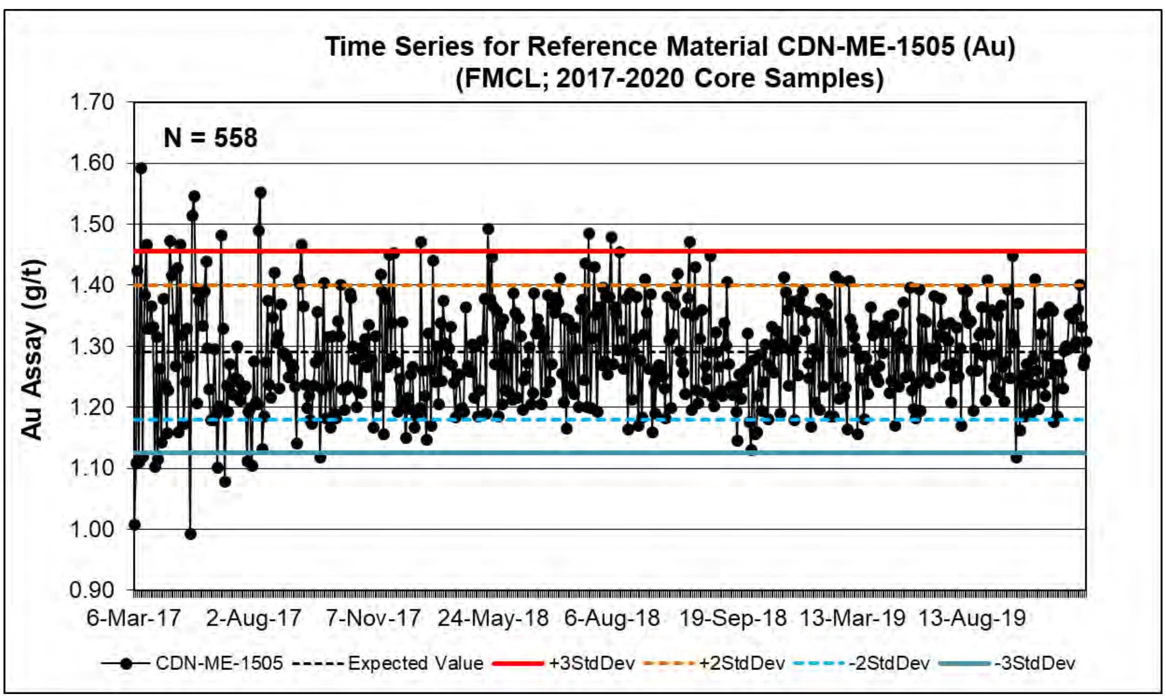

Figure 11-6: Time Series for CDN-ME-1505 Certified Reference Material Analysed for Gold at the FMCL Between 2017-2020

Duplicates

Scatter plots and absolute relative difference cumulative frequency charts for silver, gold, lead, and zinc were prepared to evaluate laboratory precision by correlating the duplicate assays with the original assays.

Field duplicates were taken by splitting half core into quarter core, where one quarter of the core represents the original sample, and the other quarter becomes the duplicate sample. Coarse reject and pulp samples were taken by the laboratory from the portions of the samples that were prepared. Primary and duplicate samples were submitted to the laboratory in the same batch for analysis. An example of a bias chart for coarse silver pairs is shown in Figure 11-7.

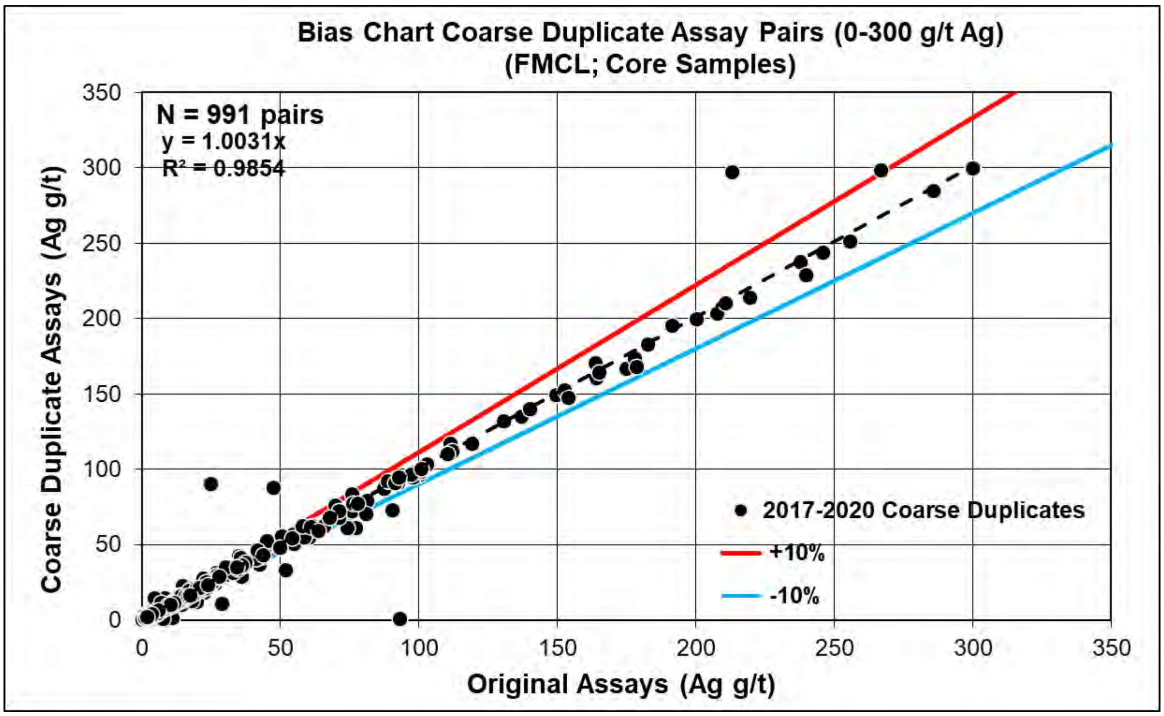

Figure 11-7: Bias Chart for Coarse Duplicate Core Samples Analysed for Silver at the FMCL from 2017-2020

The absolute relative difference, cumulative frequency charts and scatter plot charts indicate poor precision and poor to moderate correlation for field duplicates with silver, gold, lead, and zinc assays from the Central Laboratory and from SGS. The poor correlation and low precision at both laboratories are most likely attributable to natural heterogeneity of the distribution of mineralization of the deposit. A ranked half absolute relative deviation plot for field duplicated analysed for silver is shown in Figure 11-8.

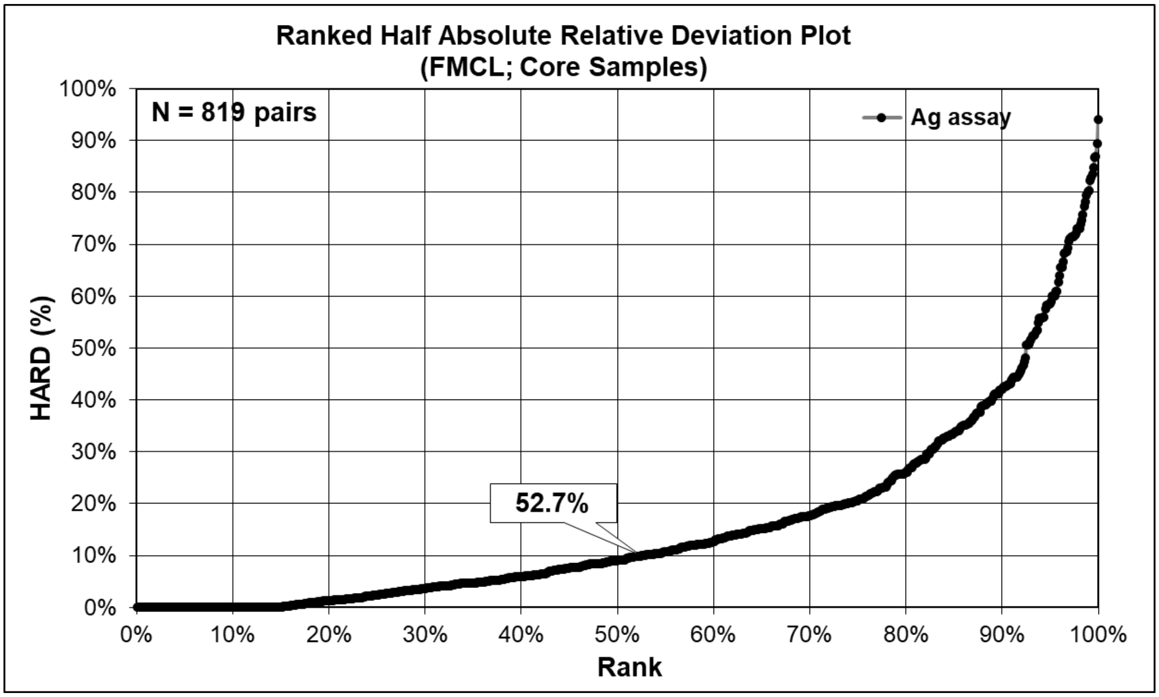

Figure 11-8: Ranked Half Absolute Relative Deviation Plot for Field Duplicate Core Samples Analysed for Silver at the FMCL from 2017-2020

Poor precision, but good correlation, was obtained for coarse and pulp duplicates for silver, lead, and zinc assays from SGS and from the Central Laboratory. Coarse and pulp duplicates for gold from both laboratories achieved lower precision and poor correlation. During the precision assessment, assay pairs with significant absolute differences were identified and investigated for data entry errors or errors in the analysis and were corrected in the database.

Examination of paired assay data suggest that silver grades can be reasonably reproduced (Table 11-4). As expected, the variance of field duplicates is higher than coarse reject duplicate pairs and pulp duplicate pairs, and the variance of coarse reject pairs is higher than pulp duplicate pairs. Half absolute relative difference (HARD) plots suggest that 91.9% (SGS Durango) and 85.1% (Central Laboratory) of pulp duplicate assay samples have HARD below 10%, indicating that the laboratories could reasonably reproduce the results, however, the First Majestic Central Laboratory had notably greater difficulty. Similarly, 80.6% (SGS Durango) and 82.4% (Central Laboratory) of coarse reject duplicate pairs are below 10% HARD, indicating moderate to reasonable reproducibility by the respective laboratories. HARD plots of field duplicates suggest that 64.9% (SGS Durango) and 52.77% (Central Laboratory) of pairs have HARD below 10%, indicating relatively poor to moderate correlation, however, this can likely be attributed to the heterogeneity of the deposit.

Table 11-4: Summary of Duplicate Assay Analysis at the FMCL from 2018-2020

Type	Element	Lab	Sample	Count	Min (g/t)	Max (g/t)	Mean (g/t)	Std. Dev. (g/t)	Correlation Coefficient	Pairs ≤ 10% HARD
Coarse	Au	FMCL	Original	991	0.005	2.53	0.04	0.15	0.99	83.9%
			Duplicate	991	0.005	2.52	0.05	0.16		
Coarse	Ag	FMCL	Original	991	0.250	300	15.02	39.34	0.99	82.4%
			Duplicate	991	0.250	300	14.99	39.29		
Coarse	Pb	FMCL	Original	767	0.000	10.00	0.17	0.74	0.99	70.9%
			Duplicate	767	0.000	9.46	0.17	0.74		
Coarse	Zn	FMCL	Original	677	0.000	10.00	0.24	0.85	0.99	76.4%
			Duplicate	677	0.000	10.00	0.23	0.85		
Field	Au	FMCL	Original	819	0.005	1.18	0.03	0.09	0.77	64.2%
			Duplicate	819	0.005	1.56	0.03	0.10		
Field	Ag	FMCL	Original	819	0.250	300	9.25	30.84	0.91	52.7%
			Duplicate	819	0.250	300	9.37	30.68		
Field	Pb	FMCL	Original	618	0.000	6.33	0.10	0.48	0.92	42.4%
			Duplicate	618	0.000	5.71	0.09	0.44		
Field	Zn	FMCL	Original	618	0.000	9.60	0.15	0.81	0.99	44.5%
			Duplicate	618	0.000	10.00	0.15	0.80		
Pulp	Au	FMCL	Original	1,076	0.005	1.31	0.04	0.10	0.96	83.7%
			Duplicate	1,076	0.005	1.37	0.04	0.10		
Pulp	Ag	FMCL	Original	1,077	0.250	300	20.55	53.50	0.98	85.1%
			Duplicate	1,077	0.250	300	20.22	53.04		
Pulp	Pb	FMCL	Original	840	0.000	9.23	0.28	1.08	1.00	72.6%
			Duplicate	840	0.000	9.20	0.28	1.07		
Pulp	Zn	FMCL	Original	845	0.000	15.70	0.52	1.79	1.00	81.3%
			Duplicate	845	0.000	15.70	0.51	1.79		
Coarse	Ag	SGS	Original	36	0.150	145.00	16.58	29.55	1.00	80.6%
			Duplicate	36	0.150	140.00	16.84	29.27		
Field	Ag	SGS	Original	74	0.150	125.00	14.58	28.82	0.97	64.9%
			Duplicate	74	0.150	108.00	14.21	25.95		
Pulp	Ag	SGS	Original	37	0.150	90.90	11.37	19.24	1.00	91.9%
			Duplicate	37	0.150	87.80	11.52	19.56		

11.5 SRK Comments

The QP considers that caution should be used for the pre-2013 results due to the limited QA/QC data.

Although a number of failures have been identified, the analytical results delivered by the First Majestic Central Laboratory and by SGS Durango are considered sufficiently reliable for the purpose of Mineral Resource estimation.

The performance of control samples analysed by the First Majestic Central Laboratory and SGS Durango is considered acceptable despite some identified difficulties. Blanks generally returned values below ten times the detection limit, and standards performed reasonably, with assay results largely within three times the standard deviation of the certified or expected value. A number of failures were identified; however, improvements were made by First Majestic Silver to increase the confidence in more recently acquired analytical quality control data.

The QP notes:

- Sample collection and preparation protocols that support Mineral Resource estimation were aligned with industry-standard methods.
- Drill core samples were analysed by independent certified laboratory (SGS) until 2017 and the non-independent First Majestic Central Laboratory (FMCL) from 2018-2020 using industry-standard analytical methods for silver, gold, lead and zinc.
- Channel samples were analysed by the FMCL and results were generally acceptable; however, several blanks and CRM failures appear to be cause by mislabeling errors and care should be taken going forward to mitigate this error.
- Quality control insertion rates after 2013 meet industry standards.
- Assay results from FMCL and SGS achieved acceptable precision from pulp and coarse duplicates. Low precision from field duplicates was attributed to the heterogeneity of the mineralization.
- Silver and gold assays of Certified Reference Materials (CRMs) by the Central Laboratory and SGS achieved acceptable accuracy. However, lead and zinc results from the FMCL indicate analytical accuracy challenges, reporting a significant number of failures. Care should be taken going forward to mitigate these analytical issues and the laboratory should be monitored on an ongoing basis to ensure that results are of good quality.
- Some carry-over contamination is present in coarse and pulp blanks submitted to the FMCL and SGS. The QP recommends that an evaluation be undertaken to determine the underlying causes of carry-over contamination during sample preparation and analysis, and that the laboratory undertakes remediation of any issues identified. In addition, consideration should be given to sourcing different blank materials.
- The between-laboratories bias for the 2017–2020 check programs was acceptable for silver results from SGS and FMCL.
- Core sample storage procedures and storage areas are consistent with industry best practice standards.

- Data are currently captured electronically, entered in databases, and validated through a series of built-in and manual validation routines.

It is the QP's opinion that the quality of the analytical data for silver, gold, lead, and zinc from Rosarios, San Marcos and Quebradillas resource areas is sufficiently reliable to support Mineral Resource estimation. Additionally the QP considers that sample preparation, analysis, and security processes are generally performed in accordance with exploration best practices and industry standards.

12 Mineral Processing and Metallurgical Testing

12.1 Background

La Parrilla's processing facility has been in care and maintenance (C&M) since early September 2019. The following analysis of the mineral processing facilities is based on the historical operational performance of La Parrilla between 2015 to 2019. The available metallurgical testing has been developed by La Parrilla personnel throughout their operational period.

During operation the metallurgical processing plant at La Parrilla treats two types of material: oxide and sulphide ores. Oxide ore is the in-situ oxidation product of the sulphides and typically occurs near surface. Sulphide ore is unaltered and tends to occur below the oxide material. Both ore types are polymetallic with silver as their principal economic component. The material also contain significant amounts of lead and zinc, and minor amounts of gold.

Oxide material is processed by cyanide leaching to produce doré bars while sulphide material is processed by differential flotation to produce a silver-rich lead concentrate and a zinc concentrate.

The flotation plant receives sulphide material and produces two saleable streams, a silver-rich lead concentrate, and a zinc concentrate. Precious metals are preferably deported to the lead concentrate, although both concentrates streams bear payable silver values.

The leaching plant receives oxide material and produces doré bars as a saleable product. A simplified La Parrilla block flow diagram is illustrated in Figure 12-1.

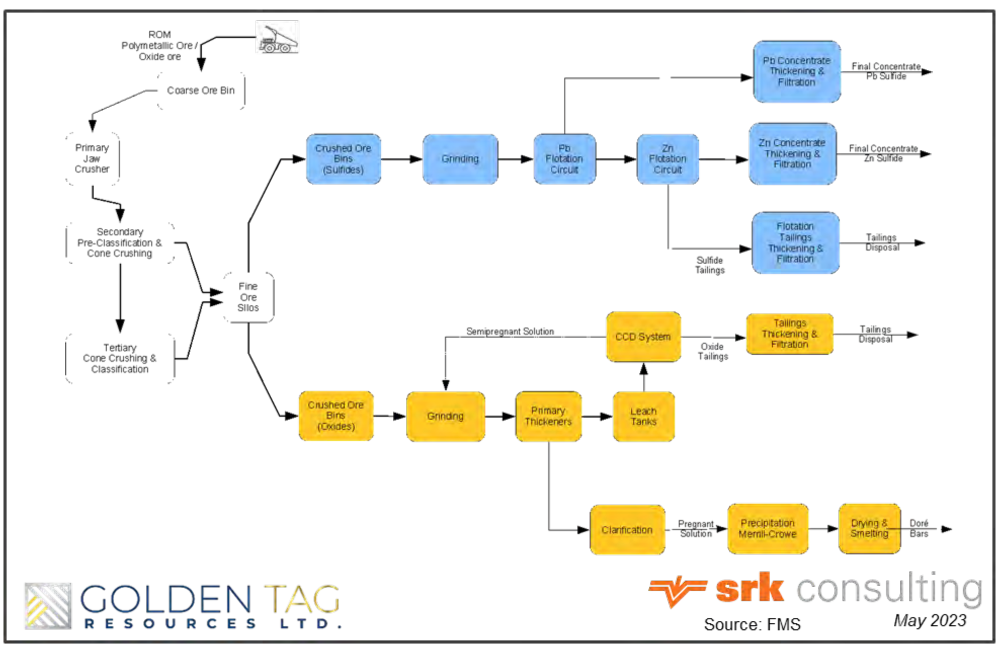

Figure 12-1: La Parrilla Simplified Block Flow Diagram (FMS 2023)

12.2 Processing Plant

The processing plant's nominal capacity is 1,000 tonnes per day (tpd) per circuit, for a combined throughput of 2,000 tpd. Process automation has not been incorporated at La Parrilla, though the basic grinding-classification control loop was planned but not yet implemented.

During the 2015 to 2019 period La Parrilla processed a total of 949,338 tonnes of fresh oxide material grading 117 g/t Ag and 0.110 g/t Au, and produced 88,620 kilograms of doré bars averaging 83.40% silver and 0.10% gold (Table 12-1).

When considering fully operational years, from 2015 to 2018, La Parrilla processed a total of 890,887 tonnes of fresh oxide material grading 123 g/t Ag and 0.117 g/t Au, and produced 87,283 kilograms of doré bars averaging 83.7 silver and 0.10% gold.

Table 12-1: La Parrilla Overall Fresh Feed and Production, 2015 to 2019 Period

Stream		Units	2015	2016	2017	2018	2019	2015 -2018	2015 -2019
Ore Feed Oxide	tonnes	t	277,502	174,250	239,303	199,832	58,450	890,887	949,338
	Pb								
	Ag	g/t	118	115	138	120	26	123	117
	Au	g/t	0.100	0.112	0.124	0.135	0.010	0.117	0.110
	Zn								
	tonnes	t	376,366	383,588	304,682	291,806	167,232	1,356,441	1,523,673
Ore Feed Sulfide	Pb	%	1.56	1.42	1.30	1.39	1.95	1.43	1.48
	Ag	g/t	164	152	123	108	130	139	138
	Au	g/t	0.030	0.040	0.030	0.030	0.003	0.030	0.030
	Zn	%	2.96	1.85	1.16	1.60	1.81	1.95	1.94
Pb Concentrate	tonnes	t	10,170	9,974	6,490	6,813	4,568	33,447	38,015
	Pb	0.0%	38.6%	45.2%	45.7%	43.6%	45.9%	43.0%	43.3%
	Ag	kg/t	3.8	4.5	4.2	3.1	3.2	3.9	3.9
	Au	g/t	0.930	1.270	1.170	1.170	0.770	1.130	1.080
	Zn	%	4.4%	4.5%	0.0%	0.0%	0.0%	4.43%	4.4%
Zn Concentrate	tonnes	t	16,258	10,770	4,318	6,334	3,991	37,680	41,672
	Pb	%						0.0%	0.0%
	Ag	kg/t	0.31	0.43	0.70	0.47	0.37	0.42	0.41
	Zn	%	39.3%	42.5%	41.4%	40.8%	40.9%	40.7%	40.7%
Dore	tonnes	kg	23,016	16,526	28,429	19,313	1,337	87,283	88,620
	Ag	%	80.0	86.9	93.5	71.1	63.0	83.70	83.40
	Au	%	0.090	0.090	0.100	0.110	0.060	0.100	0.100

During the same period, total sulphide material processed was 1,523,673 tonnes averaging 1.48% Pb, 138 g/t Ag, 0.03 g/t Au, and 1.94% zinc, which after processing in the flotation circuit resulted in the following concentrates produced:

- a total of 38,015 tonnes of commercial quality lead concentrate grading 43.3% Pb, 3.9 kg/t Ag, 1.08 g/t Au, and 4.4% Zn.
- a total of 41,671 tonnes of commercial quality zinc concentrate grading 0.41 kg/t Ag and 40.7% Zn.

No penalty metals in concentrate have been reported.

The overall metal production and recovery is presented in Table 12-2:

- The combined deportment of silver reached 73,9%, distributed as 45.6% to lead concentrate, 5.4% to zinc concentrate, and 23.0% to doré bars.
- 72.8% of the lead was recovered in the lead concentrate. No presence of lead is reported in the zinc concentrate.
- Gold deportment totaled 81.5% distributed as 26.4% to lead concentrate, 55.1% to doré bars.
- Zinc metal deportment totaled 60.5% distribute to 3.0% in lead concentrate and 57.6% in zinc concentrate.

Table 12-2: La Parrilla Metal Deportment from 2015 to 2019

Stream	Units	2015	2016	2017	2018	2019	2015-2019	Distribution 2015 – 2019 (%)
Fresh Feed Ag	kg	94,413	78,158	70,484	55,556	23,283	321,893	100.0
Fresh Feed Pb	t	5,856	5,463	3,965	4,065	3,264	22,613	100.0
Fresh Feed Au	kg	40	35	39	37	5	156	100.0
Fresh Feed Zn	t	11,157	7,092	3,533	4,673	3,030	29,485	100.0
Pb Concentrate Ag	kg	38,991	45,150	26,973	20,949	14,733	146,796	45.6
Pb Concentrate Pb	t	3,925	4,509	2,969	2,971	2,097	16,470	72.8
Pb Concentrate Au	kg	9.5	12.6	7.6	8.0	3.5	41.2	26.4
Pb Concentrate Zn	t	447	446	0	0	0	893	3.0
Zn Concentrate Ag	kg	5,120	4,665	3,034	2,971	1,472	17,262	5.4
Zn Concentrate Zn	t	6,385	4,578	1,789	2,584	1,634	16,969	57.6
Dore Ag	kg	18,409	14,354	26,572	13,730	842	73,907	23.0
Dore Au	kg	20.6	15.4	27.2	22.0	0.8	86.0	55.1
Production Ag	kg	62,520	64,169	56,578	37,651	17,047	237,965	73.9
Production Pb	t	3,925	4,509	2,969	2,971	2,097	16,470	72.8
Production Au	kg	30	28	35	30	4	127	81.5
Production Zn	t	6,832	5,024	1,789	2,584	1,634	17,862	60.6

The sulphide circuit operated at approximately 1,000 tpd or above until approximately the first quarter (Q1) of 2017, then reduced to approximately 800 tpd until Q1 2019, thereafter the fresh feed was progressively reduced until shutdown by 2019 September. Note that from approximately November 2015 until June 2016 the sulphide plant operated at approximately 1,200 tpd (Figure 12-2).

During the first half (H1) of 2015 the oxide plant operated between 800 tpd and 1,000 tpd, at which time throughput dropped to approximately 400 to 800 tpd until it was shut down in May 2019.

The mill feed's monthly average and daily average is presented graphically in Figure 12-2 . Sulphide feed was reasonably steady in 2018, but started a steep downwards trend in January 2019 that ended in early September 2019 when plant operation ceased. The Oxide plant operated until May 2019.

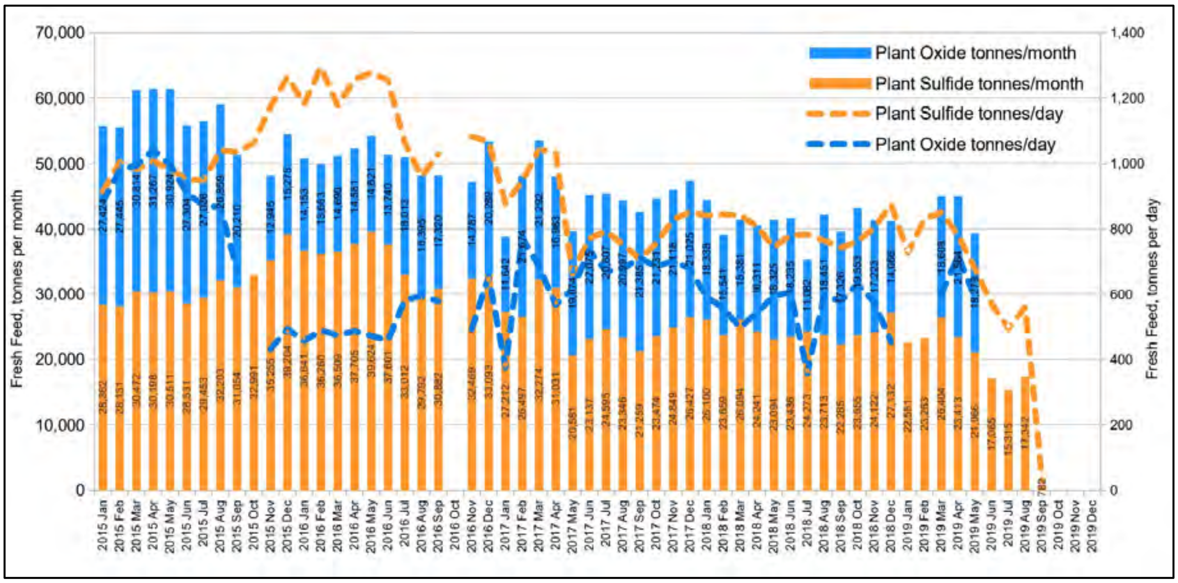

Figure 12-2: La Parrilla Oxides and Sulphide Circuit Daily and Monthly Throughput (FMS 2023)

Silver is preferably deported to lead concentrate, in proportions that ranged from approximately 48% to 86% (Figure 12-3):

- During 2015, a total of 62.4% of the silver production was recovered in the lead concentrate, 29.4% was recovered in doré bars, and 8.2% in zinc concentrate.
- During 2016, 70.4% of the silver production was recovered in lead concentrate, 22.4% in doré bars, and 7.3% in zinc concentrate.
- During 2017, a total of 47.7% of the silver production was recovered in lead concentrate, 47.0% in doré bars, and 5.4% in zinc concentrate.
- During 2018, a total of 55.6% of the silver production was recovered in the lead concentrate, 36.5% was deported to doré bars, and 7.9% was deported to zinc concentrate.
- During 2019, the last year of operation, 86.4% of the silver was recovered in the lead concentrate, 4.9% in doré bars, and 8.6% in zinc concentrate

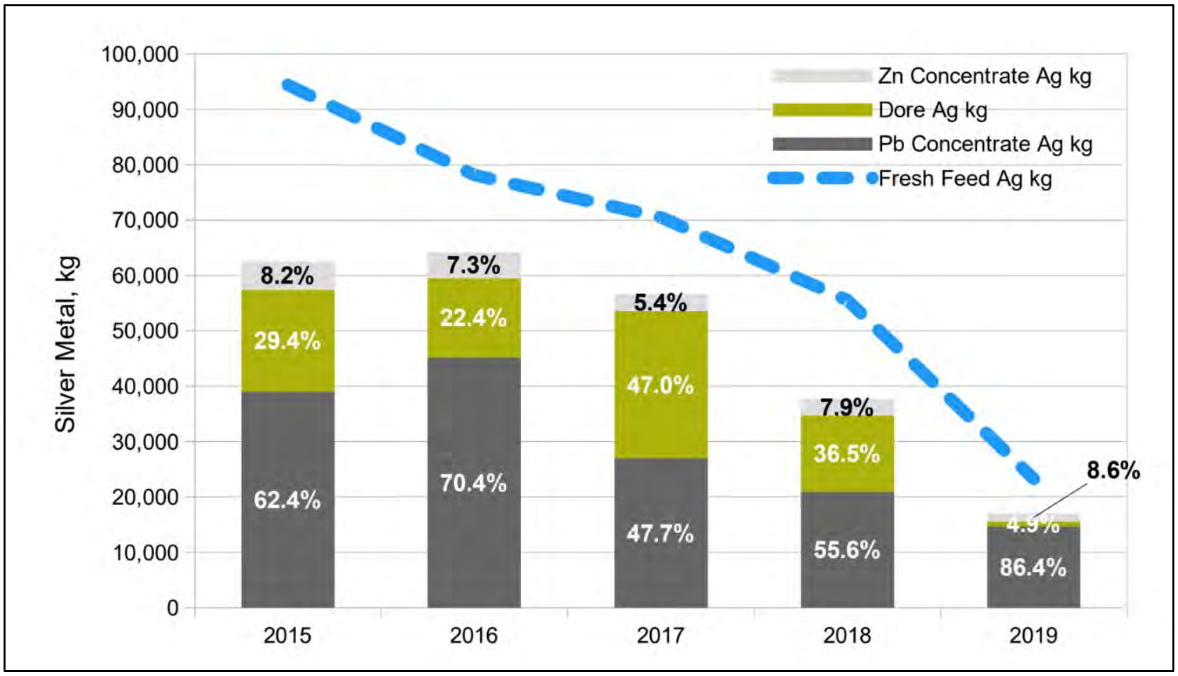

Figure 12-3: La Parrilla Plant, Silver Metal Deportment (FMS 2023)

Gold is preferably recovered in doré bars, in proportion that ranged from approximately 55% to 78%, as shown in Figure 12-4:

- In 2015, a total of 68.5% of the gold production was recovered in doré bars, and 31.5% was recovered in led concentrate.
- In 2016, 54.9% of the gold production was recovered in doré bars, and 45.1% in lead concentrate.
- In 2017, a total of 78.1% of the gold production was recovered in doré bars, and 21.9% in lead concentrate.
- In 2018, a total of 73.4% of the gold production was recovered in doré bars, and 26.6% in lead concentrate
- In 2019, the last year of operation, only 18.4% of the gold production was recovered in doré bars mostly because the oxide circuit operated until May, and 81.6% was recovered in lead concentrate.

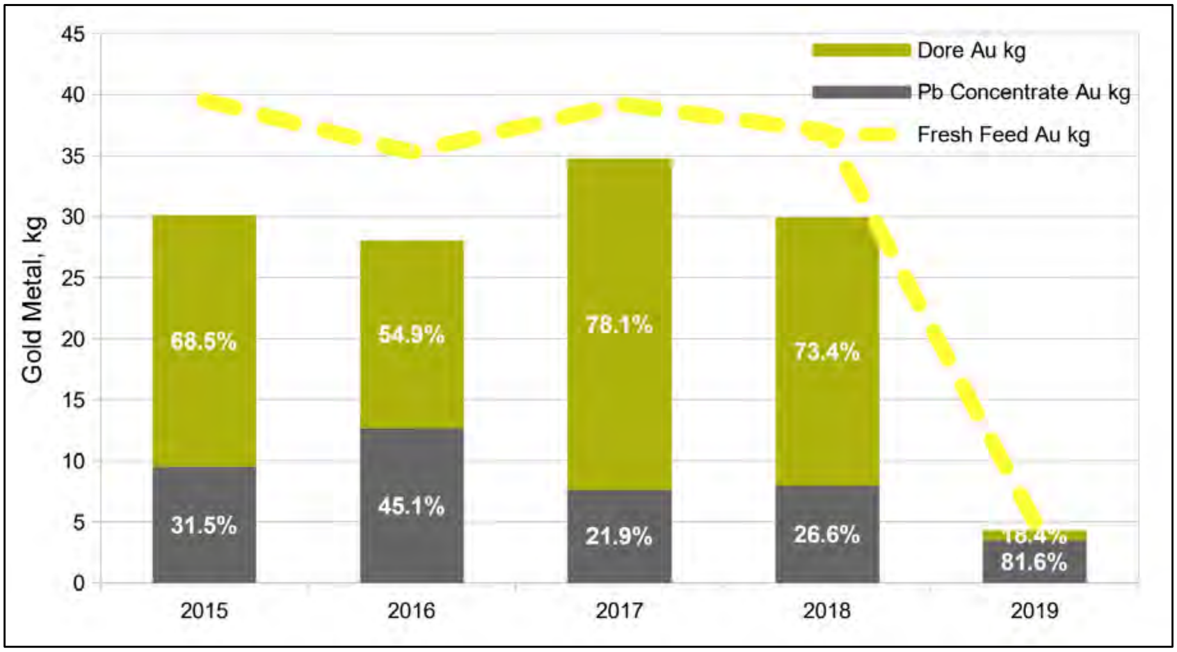

Figure 12-4: La Parrilla Plant, Gold Metal Deportment (FMS 2023)

Except for a minor portion of the zinc that reports to the lead concentrate, zinc is largely recovered in the zinc concentrate as shown Figure 12-5.

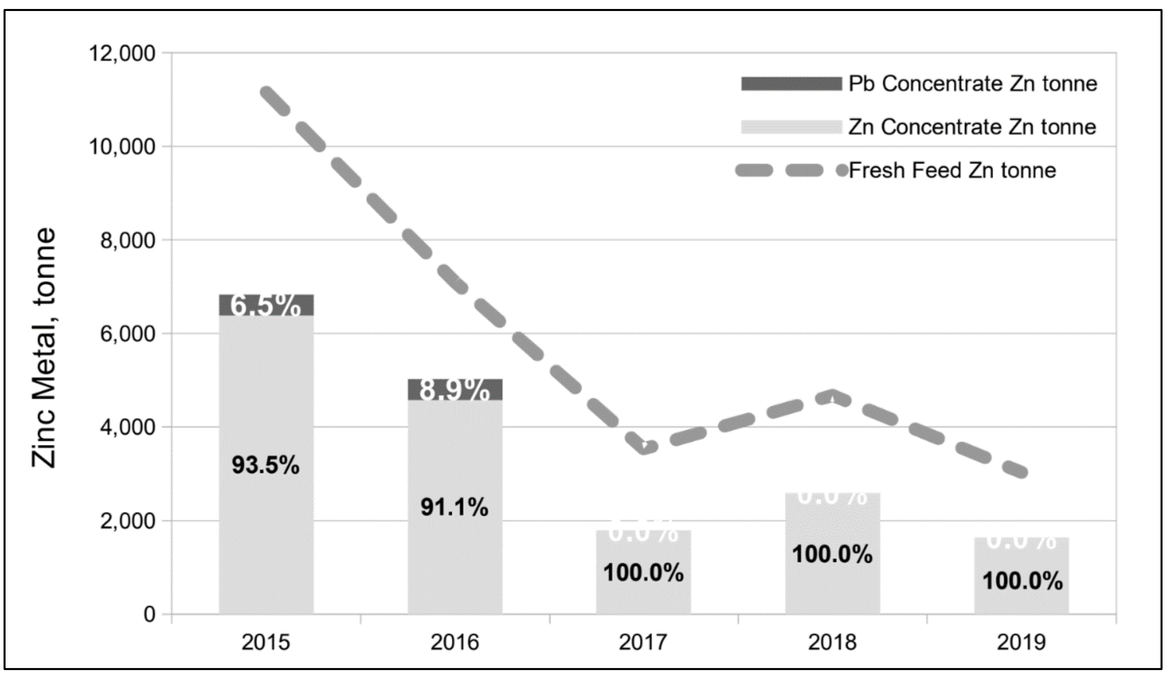

Figure 12-5: La Parrilla Plant, Zinc Metal Deportment (FMS 2023)

12.2.1 La Parrilla Crushing Circuit

The single crushing plant is a conventional three-stage circuit that batches sulphide ore and oxide material to feed the Oxide and Sulphide circuits. Nominally, the La Parrilla crushing plant is designed to operate 15 hours per day processing 155 tonnes per hour with a 100% - 5/16 particle size (Figure 12-6).

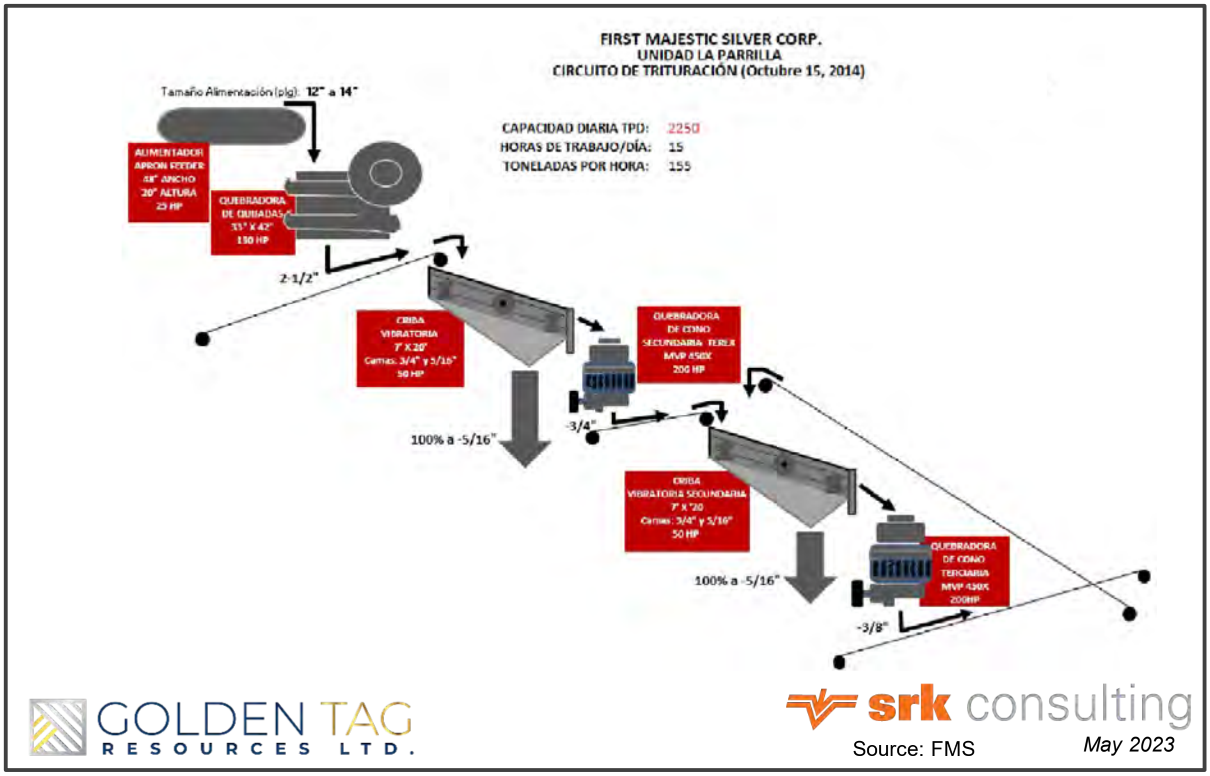

Figure 12-6: La Parrilla Crushing Circuit (FMS 2023)

The primary crushing stage operates a 48” apron feeder discharging on a 33” x 42” and 150 HP jaw crusher operating in open circuit. The jaw crusher produces a nominal 2 1/2” particle size. The secondary stage operates in open circuit with pre-classification using a double-deck vibrating screen with 3/4” and 5/16” openings respectively. The vibrating screen’s oversize feeds a 200 HP cone crusher discharging a nominal 3/4”.

The tertiary stage operates in close-circuit with pre-classification using a double-deck vibrating screen with 3/4” and 5/16” openings respectively. The vibrating screen’s oversize feeds a 200 HP cone crusher discharges a nominal 3/8”.

12.2.2 La Parrilla Oxide Circuit

The oxide leaching plant uses conventional grinding with a P80 ranging from 65 to 70 micrometers approximately, multi-stage agitated leaching, followed by Merrill-Crowe to recover precious metals from the pregnant solution. Precious metals are smelted into a doré bar that is trucked off-site as shown in Figure 12-7.

Two fine-crushed oxide ore bins feed two ball mills operating in close-circuit with hydrocyclones. The hydrocyclones overflow slurry stream is conditioned in three primary thickeners before being transferred to the 13 leaching tanks. Slurry from the leaching tanks is transferred to the counter-current decantation (CCD) thickeners to separate the rich leaching solutions and solids that are filtered before being dry-stacked in the tailings storage facility.

The rich leaching solutions recovered in the CCD stage are passed through the clarification filters, then the precious metals are recovered using precipitation with zinc before being dried and smelted into a doré bar.

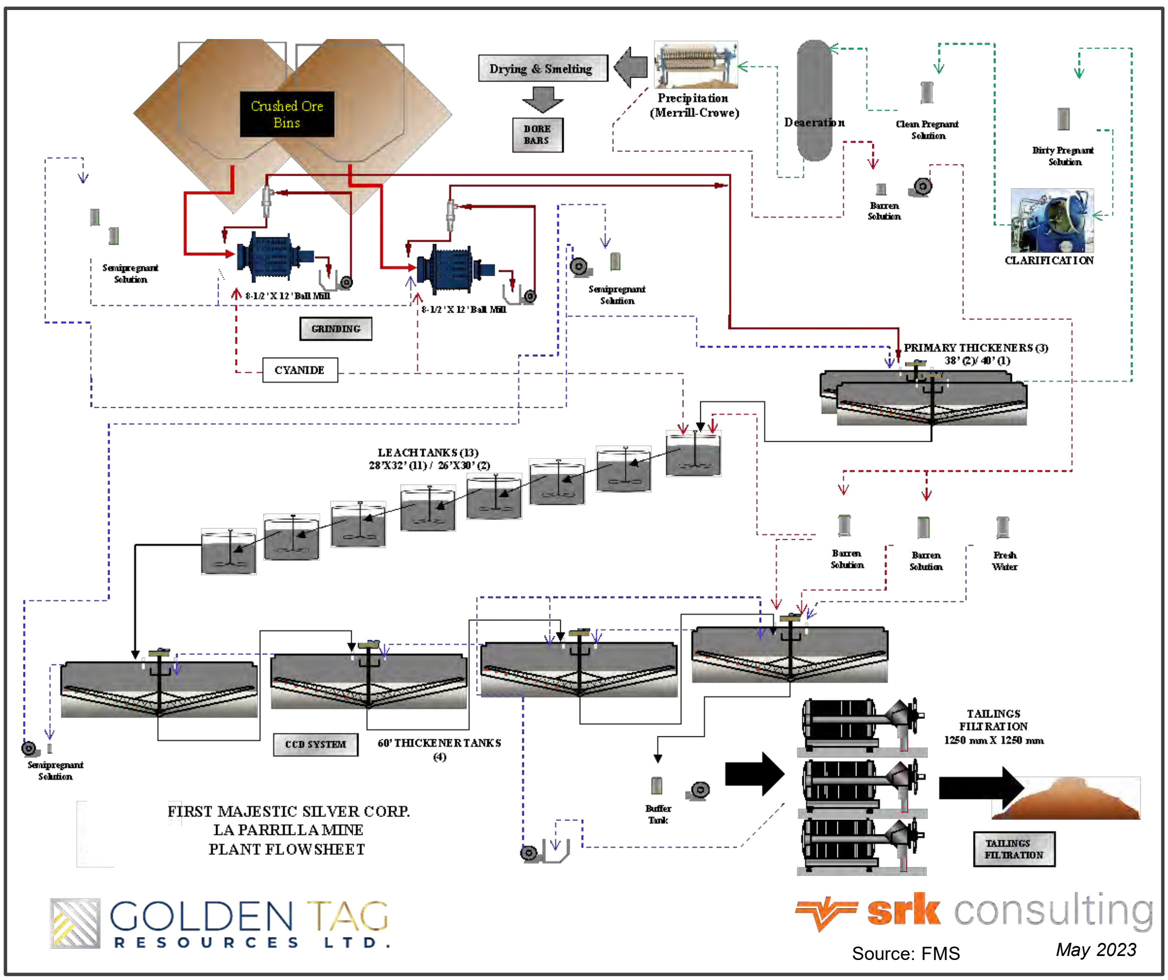

Figure 12-7: Oxides Leaching Plant – Simplified Flowsheet (FMS 2023)

During the 2015 to 2019 period La Parrilla's oxide circuit performed as follows (Table 12-3):

- Produced a total of 3,437 doré bars weighing a combined 88,620 kilograms averaging 83.4% silver and 0.10% gold.
- The precious metals production totaled 73,907 kilograms of silver, equivalent to 2,376,152 ounces, and 86 kilograms of gold equivalent to 2,764 ounces of gold.
- The silver metallurgical recovery during the period averaged 66.4%, and ranged from approximately 56% to 80%.
- The gold metallurgical recovery during the period averaged 82.3%, and ranged from approximately 75% to 90%.

Table 12-3: La Parrilla, Oxide Circuit, Dore Bars Production from 2015 to 2019

Parameter	Units	2015	2016	2017	2018	2019*	2015 - 2019
Quantity		964	680	977	756	60	3,437
Weight	kg	23,016	16,526	28,429	19,313	1,337	88,620
Ag	%	80.0	86.9	93.5	71.1	63.0	83.4
Au	%	0.09	0.09	0.10	0.11	0.06	0.10
Ag	kg	18,409.2	14,353.8	26,572.0	13,730.0	841.6	73,907
Au	kg	21	15	27	22	1	86
Recovery Ag	%	56.3	71.7	80.4	57.1	56.5	66.4
Recovery Au	%	74.7	79.1	91.4	81.3	135.4	82.3
Dore bar Avg. weight	kg	24	24	29	26	22	26

*Operated until May 2019. 2019's metallurgical recovery does not represent a true metallurgical balance because of the circuit clean up after finishing operating.

An analysis of the Oxide Circuit's metallurgical performance suggests the followings:

- Recovery of silver is closely correlated with silver's head grade as supported by its coefficient of variation R^2=0.58 (Figure 12-8)
- Correlation between gold recovery and gold head grade is low (R^2=0.16), even though its overall recovery is reasonably high at 82.3% during the 2015 – 2019 period (Figure 12-9)
- The recovery of silver and gold presents negligible correlation with the grinding P_{80}
- Silver and gold production show a poor positive correlation with throughput as shown in Figure 12-10 . A possible explanation for this low-level correlation is the lack of suitable operating practices and process controls, which highlights a potential opportunity to materially improve production and overall metallurgical recovery.

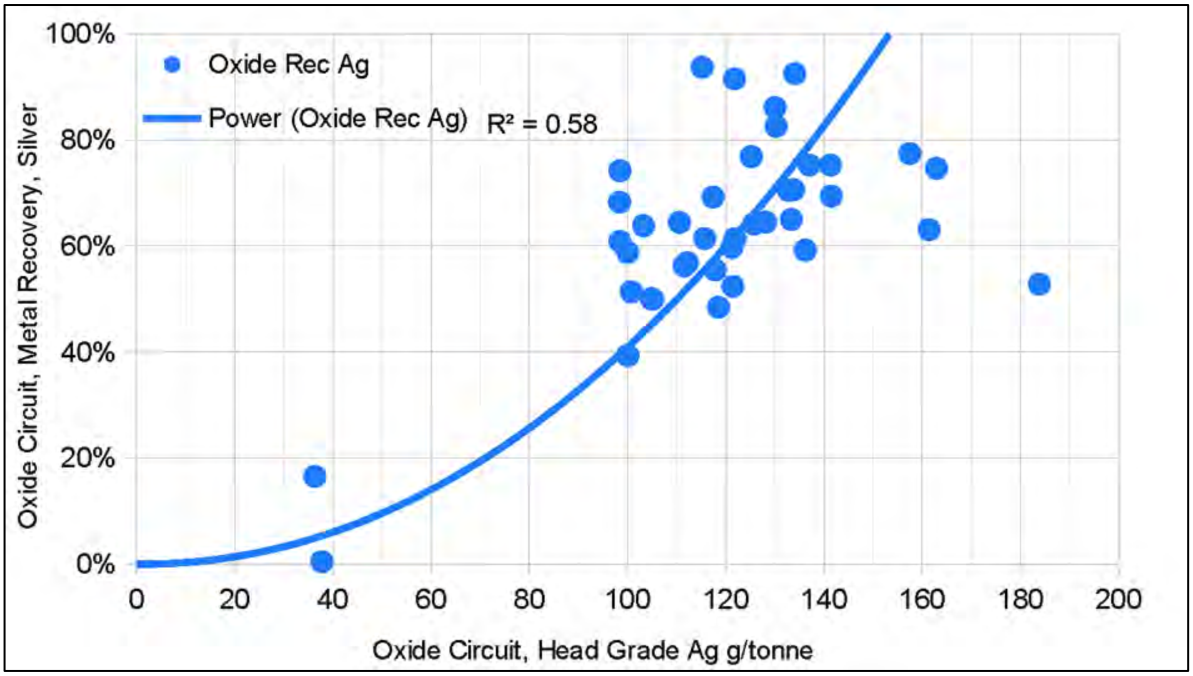

Figure 12-8: La Parrilla Oxide Circuit, Silver Recovery Versus Silver Head Grade (FMS 2023)

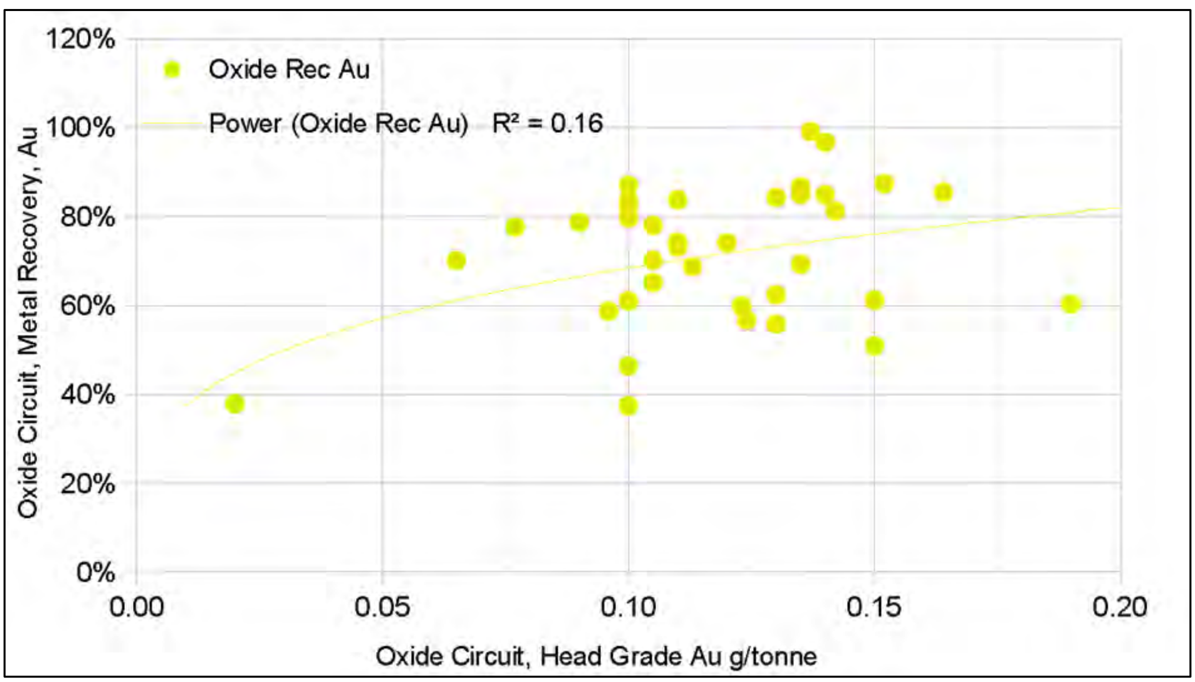

Figure 12-9: La Parrilla Oxide Circuit, Gold Recovery Versus Hold Head Grade (FMS 2023)

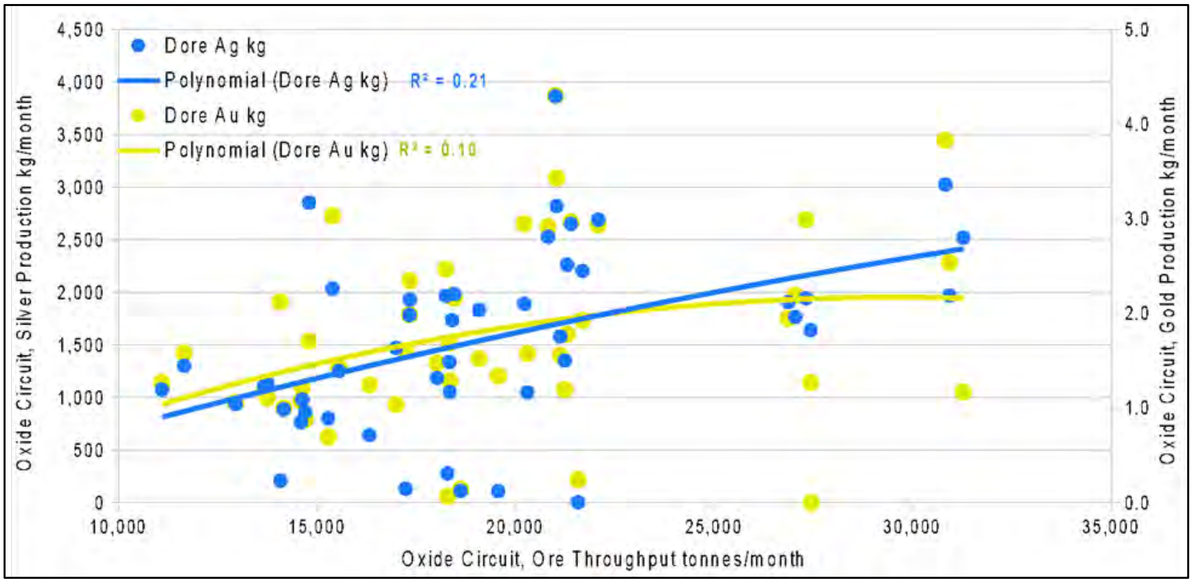

Figure 12-10: La Parrilla Oxide Circuit, Silver and Gold Production Versus Throughput (FMS 2023)

12.2.3 La Parrilla Sulphide Circuit

The Sulphide flotation circuit consists of a conventional ball mill-classification stage, and a multi-stage flotation plant that first recovers lead minerals into a lead concentrate stream, and then recovers zinc minerals into a zinc concentrate. After dewatering, both final mineral concentrates are trucked off-site.

A 900 HP conventional ball mill operates in closed-circuit with hydrocyclones to produce flotation feed with P_{80}=60 µm, approximately. The lead circuit recover lead concentrate first and its tails feed the zinc circuit (Figure 12-11).

The lead flotation circuit consists of a rougher stage with 4×500 ft^3 cells, and a scavenger of the rougher tails using 1×300 ft^3. The rougher concentrate is further upgraded in two sequential stages: the first cleaner uses 1×300 ft^3 cell and the second cleaner uses 1×300 ft^3 cell. The final lead concentrate produced from the second cleaner stage is thickened and dewatered using a vertical-plate pressure filter.

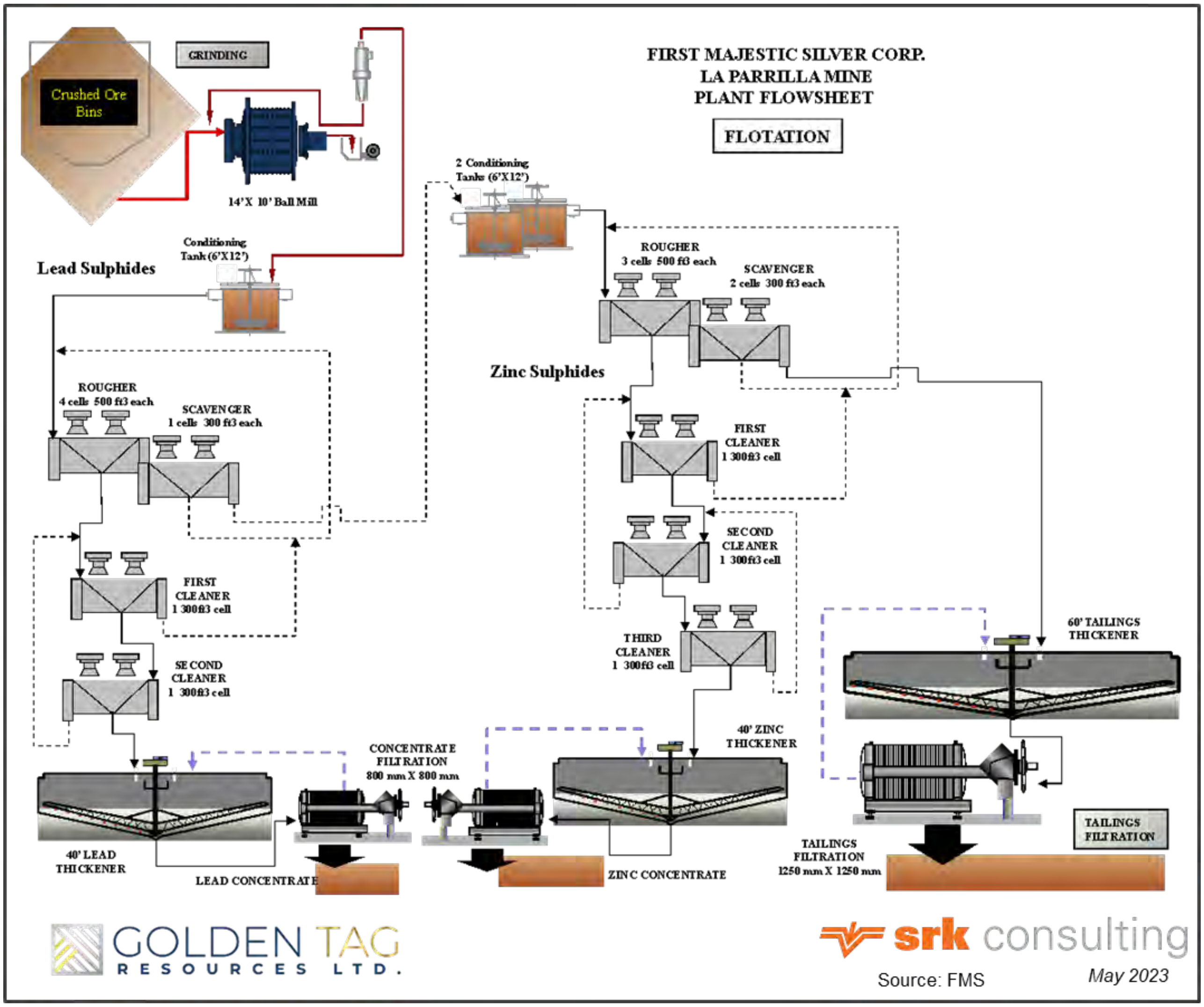

Figure 12-11: La Parrilla, Sulphide Plant – Simplified Flowsheet (FMS 2023)

Tailings produced by the lead circuit's scavenger stage feed the conditioning tank for the zinc circuit. After conditioning, the slurry is fed to the zinc rougher flotation stage consisting of 3×500 ft^3 cells. The rougher flotation stage tails feed 2×300 ft^3 scavenger flotation cells to produce the final flotation plant tails from the sulphide circuit that are thickened, filtered and disposed of in the tailings storage facility. The zinc rougher concentrate is subject to three counter-current cleaning flotation stages with the concentrate from each stage being transferred to the next cleaning stage, and its tails are fed back to the previous stage. The first cleaning stage uses 1x300 ft^3 cell, the second cleaning stage uses 1x300 ft^3 cell, and the third cleaning stage uses 1x300 ft^3 cell. The final zinc concentrate produced in the third cleaning stage is thickened and dewatered using a vertical-plates pressure filter.

Sulphide Circuit, Lead Concentrate

Overall, the lead concentrate tonnage production shows a consistent downward trend between 2015 and 2019. During this period, the lead concentrate quality remained within typical industry values, except in 2015, with a weighted average concentrate grade of 43.3% Pb, 3.9 kg/t Ag, 1.08 g/t Au. Zinc content was reported for 2015 and 2016 only and averaged 4.4% in the lead concentrate.

During the 2015 to 2019 period, the metallurgical recovery to the lead concentrate averaged 72.8% Pb, 69.7% Ag, 80% Au, and 5.2% Zn (Table 12-4). Note that the gold recovery value is reported constant at 80% which suggest that gold is not part of the normal process control practices at La Parrilla likely because its low grade in the fresh feed (0.03 g/t Au average).

Table 12-4: La Parrilla, Sulphide Circuit, Lead Concentrate Production, 2015 to 2019

Parameter	Units	2015	2016	2017	2018	2019*	2015-2019
Pb Concentrate	tonne	10,170	9,974	6,490	6,813	4,568	38,015
Pb	%	38.6	45.2	45.7	43.6	45.9	43.3
Ag	kg/t	3.8	4.5	4.2	3.1	3.2	3.9
Au	g/t	0.93	1.27	1.17	1.17	0.77	1.08
Zn	%	4.40	4.47	0.00	0.00	0.00	
Ag	kg	38,991	45,150	26,973	20,949	14,733	146,796
Pb	tonne	3,925	4,509	2,969	2,971	2,097	16,470
Au	kg	9.50	12.65	7.60	7.97	3.52	41.24
Zn	tonne	447	446	0	0	0	893
Rec Pb	%	67.0	82.5	74.9	73.1	64.3	72.8
Rec Ag	%	63.2	77.7	72.1	66.5	67.6	69.7
Rec Au	%	80.0	80.0	80.0	80.0	80.0	80.0
Rec Zn	%	4.0	6.3	0.0	0.0	0.0	
Mass Pull	%	2.7	2.6	2.1	2.3	2.7	2.5

*Operated until September 2019

Figure 12-12 Figure 12-13, and Figure 12-14 present the fresh feed head grade, lead concentrate grade and metal recovery to lead concentrate as a function of lead concentrate mass pull, the key conclusions are as follows:

- Lead concentrate mass pull is directly proportional to the increase in lead and silver head grades. The R^2 coefficients for both silver and lead at 0.29 and 0.54, respectively, are not as high as they should be for a well-run processing plant (should range from R^2=0.8 to R^2=0.9), therefore suggesting a potentially good opportunity to improve its performance.
- Lead concentrate lead grade is inversely proportional to the concentrate mass pull
- Silver grade in the lead concentrate is inversely proportional to the lead concentrate mass pull
- Both silver and lead metal recovery are directly proportional to the lead concentrate mass pull.
- The high dispersion-low R^2 coefficient for metal recovery and concentrate grade versus lead concentrate mass pull further emphasizes the opportunity to materially improve the metallurgical performance, and consequently production, cost, etc, of the sulphide circuit.

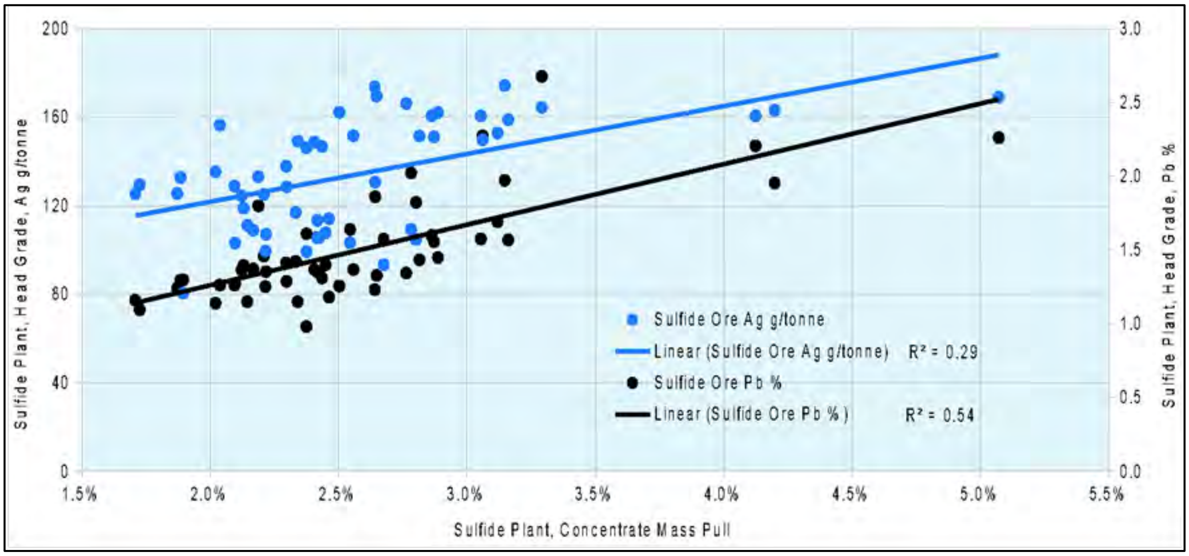

Figure 12-12: La Parrilla Sulphide Plant Lead Concentration Mass Pull versus Ore's Head Grade (FMS 2023)

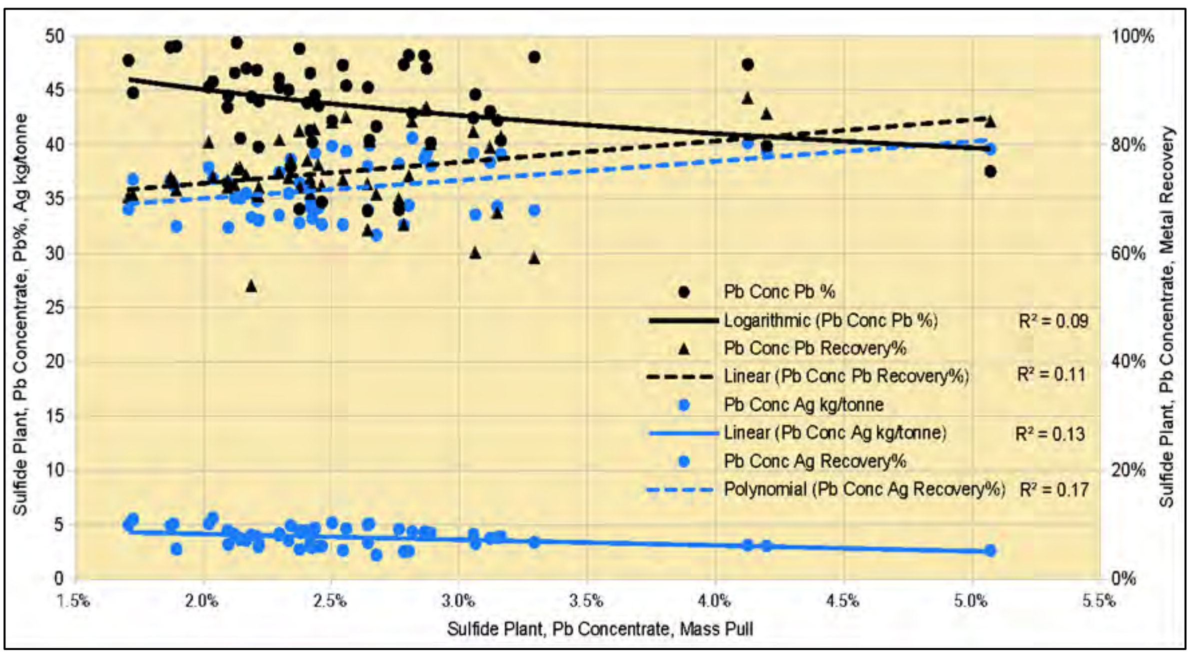

Figure 12-13: La Parrilla Sulphide Circuit, Lead Concentrate Grade and Metal Recovery (FMS 2023)

An analysis of the lead flotation's performance versus throughput is presented in Figure 12-14. Note that the recovery of all metals shows a medium range determination coefficient (R^2=0.45 to R^2=0.63).

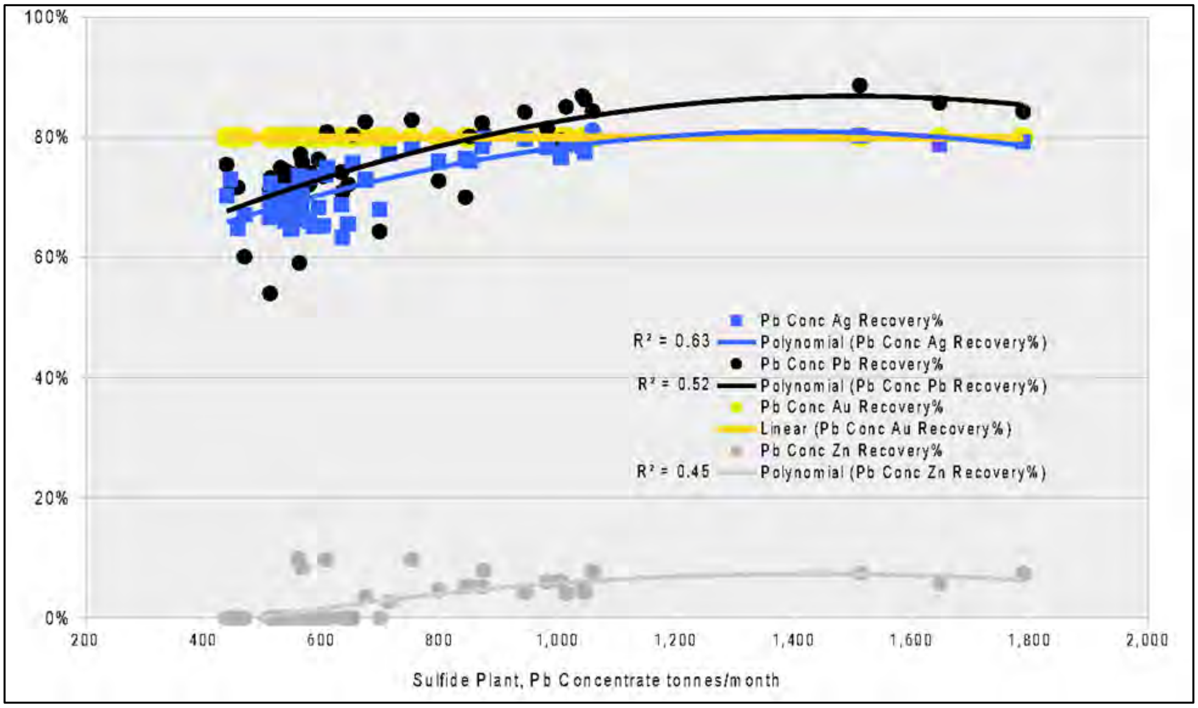

Figure 12-14: La Parrilla Sulphide Circuit, Lead Concentrate Recovery versus Throughput (FMS 2023)

Sulphide Circuit, Zinc Concentrate

Overall, the zinc concentrate tonnage production shows a downward trend consistent with the drop in the fresh feed's zinc grade. The zinc concentrate quality remained within typical industry values with a 2015 to 2019 weighted average concentrate grade of 40.7% Zn, and containing 0.41 kg/t Ag. La Parrilla does not report the content of lead or gold in the zinc concentrate.

During the 2015 to 2019 period (Table 12-5), the metallurgical recovery to the zinc concentrate averaged 57.6% Zn and 8.2% Ag.

Table 12-5: La Parrilla Sulphide Circuit, Zinc Concentrate Production, 2015 to 2019

Parameter	Units	2015	2016	2017	2018	2019*	2015-2019
Zn Concentrate	t	16,258	10,770	4,318	6,334	3,991	41,671
Ag	kg/t	0.31	0.43	0.70	0.47	0.37	0.41
Zn	%	39.3	42.5	41.4	40.8	40.9	40.7
Ag	kg	5,119.7	4,665.3	3,033.7	2,971.3	1,472.3	17,262.0
Zn	t	6,384.7	4,577.8	1,789.1	2,583.5	1,634.1	16,969.0
Rec Ag	%	8.3	8.0	8.1	9.4	6.8	8.2
Rec Zn	%	57.2	64.5	50.6	55.3	53.9	57.6
Mass Pull	%	4.3	2.8	1.4	2.2	2.4	2.7

*Operated until September 2019

The zinc and silver recovery to zinc concentrate shows a consistent direct correlation with the concentrate mass pull and coefficients of determination R^2= 0.8 and R^2=0.3 respectively (Figure 12-15).

Zinc and silver grade in the zinc concentrate show an inverse correlation with the increase in concentrate mass pull.

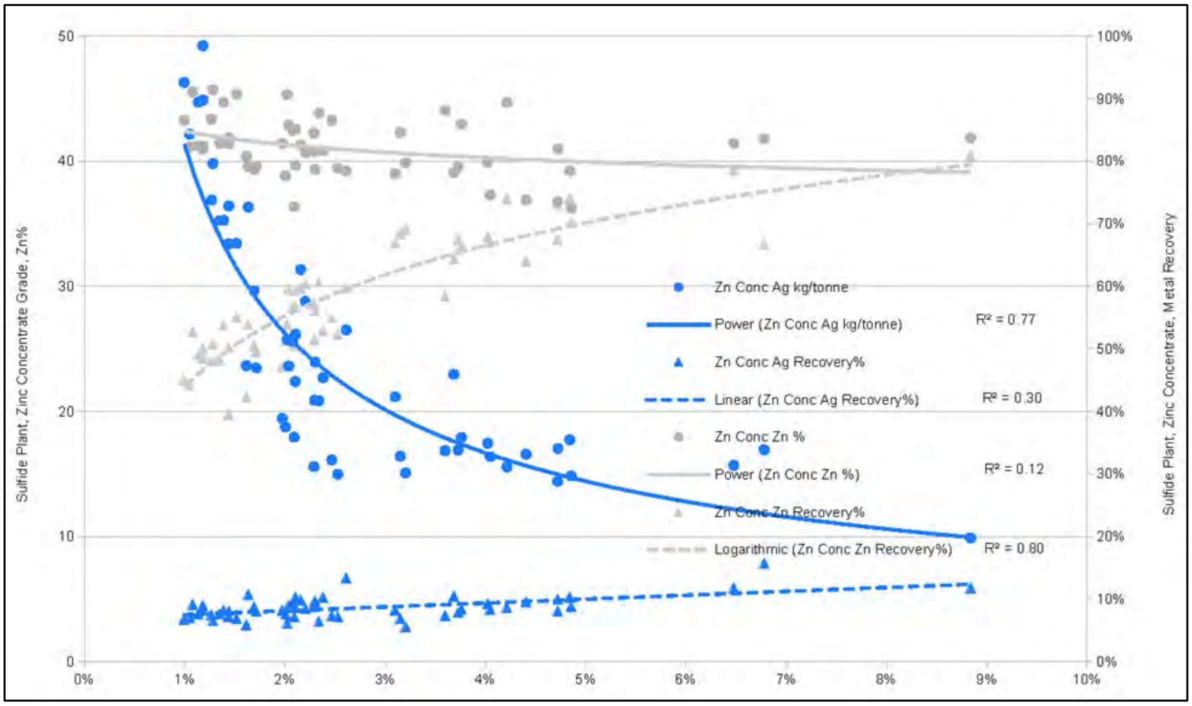

Figure 12-15: La Parrilla Zinc Circuit, Recovery and Grade versus Mass Pull (FMS 2023)

12.3 Plant Design and Major Equipment Characteristics

La Parrilla uses conventional processing equipment which was installed in 2011 during the mill expansion. The operation uses no automation or instrumentation to monitor process variables throughout the circuits. Table 12-6 summarizes the major process equipment at the processing facilities.

Table 12-6: La Parrilla, Major Processing Equipment

Area	Description	Make	Size / Type
Crushing	Apron Feeder	Terex	48"X20'
Crushing	Apron Feeder	Terex	48"X20'
Crushing	Jaw Primary Crusher	Svedala	33"X42"
Crushing	Secondary Screen, Double Deck 3/4" & 5/16"	Terex	7'X20' THS7202-38
Crushing	Tertiary Screen, Double Deck 3/4" & 5/16"	Terex	7'X20' THS7202-38
Crushing	Secondary Cone Crusher, 200 hp	Terex	MVP450X
Crushing	Tertiary Cone Crusher, 200 hp	Terex	MVP450X
Milling	Cyclone # 1, Mill 1	Krebs	D-20
Milling	Cyclone # 2, Mill 1	Krebs	D-20
Milling	Cyclone # 1, Mill 2 (Leaching)	Krebs	D-20
Milling	Cyclone # 2, Mill 2 (Leaching)	Krebs	D-20
Milling	Cyclone # 1, Mill 3 (Leaching)	Krebs	D-20
Milling	Cyclone # 2, Mill 3 (Leaching)	Krebs	D-20
Milling	Mill #1, 8'-6" X 12'-0" (Leaching), 350 HP	Marcy/GE	Marcy Ball Mill
Milling	Mill #2, 8'-6" X 12'-0" (Leaching), 350 HP	Marcy/GE	Marcy Ball Mill
Milling	Mill # 3, 10' X 14' (Flotation), 900 hp	Marcy/GE	Marcy Ball Mill
Flotation	Pb – Pre-Rougher Flotation Tank Cell	S/F	6'x12', 300 ft^3
Flotation	Pb – Rougher Flotation Cell #1	WEMCO	500 ft^3
Flotation	Pb – Rougher Flotation Cell #2	WEMCO	500 ft^3
Flotation	Pb – Rougher Flotation Cell #3	WEMCO	500 ft^3
Flotation	Pb – Rougher Flotation Cell #4	WEMCO	500 ft^3
Flotation	Pb – Scavenger Flotation Cell #1	WEMCO	300 ft^3
Flotation	Pb – First Cleaner Flotation Cell #1	n.a.	n.a.
Flotation	Pb – Second Cleaner Flotation Cell #1	n.a.	n.a.
Flotation	Pb – Concentrate Thickener 190 m³	S/F	30 ft
Flotation	Pb – Concentrate Filter Press	Micronics	800 mm x 800 mm
Flotation	Zn – Pre-Rougher Flotation Tank Cell	S/F	6'x12', 300 ft^3
Flotation	Zn – Rougher Flotation Cell #1	WEMCO	500 ft^3
Flotation	Zn – Rougher Flotation Cell #2	WEMCO	500 ft^3
Flotation	Zn – Rougher Flotation Cell #3	WEMCO	500 ft^3
Flotation	Zn – Scavenger Flotation Cell #1	WEMCO	300 ft^3
Flotation	Zn – Scavenger Flotation Cell #2	WEMCO	300 ft^3
Flotation	Zn – Scavenger Flotation Cell #3	WEMCO	300 ft^3
Flotation	Zn – Scavenger Flotation Cell #4	WEMCO	300 ft^3
Flotation	Zn – First Cleaner Flotation Cell #1	n.a.	n.a.
Flotation	Zn – Second Cleaner Flotation Cell #1	n.a.	n.a.
Flotation	Zn – Third Cleaner Flotation Cell #1	n.a.	n.a.
Flotation	Zn – Concentrate Thickener 190 m³	S/F	30 ft
Flotation	Zn – Concentrate Filter Press	Micronics	800 mm x 800 mm
Flotation	Flotation – Tailings Filter Press	Diemme ME 1200	BQ00 C312032
Flotation	Sulphides – Tailings Thickener 835 m3 Westpro	Westpro	60 ft
Cyanidation	Oxides – Tailings Filter Press	Micronics	1200 mm x 1200 mm

Area	Description	Make	Size / Type
Cyanidation	Standby – Tailings Filter Press	Micronics	1200 mm x 1200 mm
Cyanidation	Induction Furnace	Inductotherm	3000 psi
Cyanidation	Primary Thickener #3	S/F	40 ft 40' X 10'
Cyanidation	Clarification Thickener 25 ft 25' X 7'	S/F	24 ft 25' X 7'
Cyanidation	Primary Thickener #1	S/F	40 ft 40' X 10'
Cyanidation	Primary Thickener #2	S/F	40 ft 40' X 10'
Cyanidation	Leach Tanks	S/F	11×28' X 32'
Cyanidation	Leach Tanks	S/F	2×26' X 30'
Cyanidation	CCD #1, 835 M3	Westpro	60 ft
Cyanidation	CCD #2, 835 M3	Westpro	60 ft
Cyanidation	CCD #3, 835 M3	Westpro	60 ft
Cyanidation	CCD #4, 835 M3	Westpro	60 ft

12.4 Metallurgical Testing

La Parrilla developed an extensive metallurgical testing program for sulphide and oxide samples. A total of 261 samples were tested.

12.4.1 Sulphide Samples (Flotation Testwork)

Between September 2014 and January 2019, a total of 132 tests were performed which included batch flotation tests and locked-cycle tests which tracked and optimized the metallurgical performance of Ag, Pb, Zn, Cu, As, Fe, PbO, ZnO (Table 12-7). The following observations were made:

- The samples and tested zones included: Quebradillas, La Blanquita, Intermedia, Patio Tolva de Cal, Rosarios, San Marcos, and San Nicolas.
- silver head grade averaged 268 g/t, and ranged from 30 g/t to 908 g/t
- lead head grade averaged 2.6% and ranged from 0.1% up to 11.2%
- zinc head grade averaged 3% and ranged from 0% up to 24%
- Additionally, copper, arsenic, iron, and lead and zinc oxides were present in the sulphide samples

The resulting lead and zinc concentrate parameters are presented in Table 12-8 and Table 12-9. The large variability in results is typical of metallurgical testing campaigns and emphasizes the importance of adjusting the operating conditions for each material feeding the mill.

Table 12-7: Metallurgical Testing, Sulphide Samples, Head Grade

Mine and Vein	No. of Tests	Ag (g/t)			Pb (%)			Zn (%)			Average Cu (%)	Average As (%)	Average Fe (%)	Average PbO (%)	Average ZnO (%)
		Minimum	Maximum	Average	Minimum	Maximum	Average	Minimum	Maximum	Average					
Rosarios															
Rosarios	79	30	908	260	0.2	7.1	2.1	0.1	8.3	2.0	4.5	0.45	7.54	0.74	0.15
All Rosarios	**79**	**30**	**908**	**260**	**0.2**	**7.1**	**2.1**	**0.1**	**8.3**	**2.0**	**4.5**	**0.45**	**7.54**	**0.74**	**0.15**
San Marcos															
San Marcos	6	169	581	270	0.6	1.2	0.9	0.0	0.1	0.0	2.7	0.27	8.45	0.49	0.03
Intermedia - C1100	1	137	137	137	0.9	0.9	0.9	1.5	1.5	1.5	1.7	0.21	4.75	0.52	0.17
All San Marcos	**7**	**137**	**581**	**251**	**0.6**	**1.2**	**0.9**	**0.0**	**1.5**	**0.2**	**2.6**	**0.26**	**7.92**	**0.49**	**0.05**
Quebradillas															
Quebradillas	27	96	761	312	0.3	9.8	3.9	0.1	10.0	2.5	5.6	0.83	8.26	0.92	0.17
San Nicolas	5	186	241	216	0.7	3.2	1.4	0.3	3.3	1.8	4.7	1.17	14.23	0.67	0.15
All Quebradillas	**32**	**96**	**761**	**297**	**0.3**	**9.8**	**3.5**	**0.1**	**10.0**	**2.4**	**5.5**	**0.88**	**9.19**	**0.88**	**0.17**
Other															
La Blanquita	1	142	142	142	1.7	1.7	1.7	14	14	14	2.7	0.24	8.84	0.46	0.07
Vacas	12	69	623	277	0.1	11.2	4.9	1.1	24.2	12.8		0.64	8.75		
Patio Tolva de Cal	1	141	141	141	1.6	1.6	1.6	1.5	1.5	1.5	2.9	0.41	7.22	0.69	0.12
All Other	**14**	**69**	**554**	**258**	**0.1**	**11.2**	**4.4**	**1.1**	**24.2**	**12.1**	**0.4**	**0.60**	**8.65**	**0.08**	**0.01**
Overall	**132**	**30**	**908**	**268**	**0.1**	**11.2**	**2.6**	**0.0**	**24.2**	**3.0**	**4.5**	**0.56**	**8.11**	**0.74**	**0.14**

Table 12-8: Metallurgical Testing, Sulphide Samples, Lead Concentrate Results

Mine and Vein	Pb Conc Rec/Con Average	Concentration Grades						Recovery Grades					
		Pb Conc Minimum Ag (g/t)	Pb Conc Maximum Ag (g/t)	Pb Conc Average Pb (%)	Pb Conc Minimum Zn (%)	Pb Conc Maximum Pb (%)	Pb Conc Average Zn (%)	Pb Conc Minimum Pb (%)	Pb Conc Maximum Ag (g/t)	Pb Conc Average Zn (%)	Pb Conc Average Cu (%)	Pb Conc Average As (%)	Pb Conc Average Fe (%)
Rosarios													
Rosarios	33	461	23,320	80.6	15.5	0.6	0.4	9.1	92.9	12.6	29.2	17.9	9.0
All Rosarios	**33**	**461**	**23,320**	**80.6**	**15.5**	**0.6**	**0.4**	**9.1**	**92.9**	**12.6**	**29.2**	**17.9**	**9.0**
San Marcos													
San Marcos	43	6,651	19,246	36.2	0.2	16.7	0.1	32.1	86.0	6.6	49.5	25.8	5.8
Intermedia - C1100	30	9,415	9,415	56.3	3.2	56.3	3.2	51.3	58.1	9.4	29.9	15.6	4.6
All San Marcos	**41**	**6,651**	**19,246**	**39.1**	**0.2**	**56.3**	**0.5**	**32.1**	**86.0**	**7.0**	**46.7**	**24.3**	**5.6**
Quebradillas													
Quebradillas	27	793	14,021	68.6	8.2	3.6	0.1	9.3	94.6	10.2	33.3	18.5	7.1
San Nicolas	67	543	7,477	68.7	3.5	0.6	1.3	47.9	78.6	12.4	46.7	12.3	5.0
All Quebradillas	**33**	**543**	**14,021**	**68.6**	**3.5**	**3.6**	**0.3**	**9.3**	**94.6**	**10.5**	**35.4**	**17.5**	**6.8**
Other													
La Blanquita	37	3,131	3,131	50.4	2.3	50.4	2.3	73.7	59.5	4.3	33.2	7.8	1.6
Vacas	23	1,461	8,290	82.7	12.0	4.0	0.4	79.0	94.8	5.7		12.6	6.2
Patio Tolva de Cal	15	4,045	4,045	45.4	3.4	45.4	3.4	42.2	51.2	20.3	9.8	12.6	9.4
All Other	**23**	**1,461**	**8,290**	**77.7**	**3.4**	**45.4**	**0.8**	**42.2**	**94.8**	**6.6**	**3.1**	**12.3**	**6.1**

Table 12-9: Metallurgical Testing, Sulphide Samples, Zinc Concentrate Results

Mine and Vein	Zn Conc Rec/Con Average	Concentration Grades								Recovery Grades							
		Zn Conc Minimum Ag (g/t)	Zn Conc Maximum Ag (g/t)	Zn Conc Average Pb (%)	Zn Conc Minimum Cu (%)	Zn Conc Maximum Zn (%)	Zn Conc Average As (%)	Zn Conc Minimum PbO (%)	Zn Conc Maximum Fe (%)	Zn Conc Average Ag (%)	Zn Conc Average Pb (%)	Zn Conc Average Zn (%)	Zn Conc Average Cu (%)	Zn Conc Average As (%)	Zn Conc Average Fe (%)	Zn Conc Average PbO (%)	Zn Conc Average ZnO (%)
Rosarios																	
Rosarios	27	44	1,832	2.4	0.6	23.8	0.6	0.5	10.3	10.1	5.6	39.3	42.5	8.1	8.2	14.5	13.4
Quebradillas and San Marcos																	
Quebradillas	47	64	2,068	4.7	0.5	38.0	0.8	0.7	12.6	7.7	2.8	51.7	34.2	7.9	10.3	9.8	10.9
Intermedia - C1100	18	608	608	1.2	0.2	51.5	0.2	0.2	8.5	13.9	8.0	58.8	20.0	13.1	8.0	9.5	6.7
San Marcos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
San Nicolas	21	161	931	1.3	0.4	47.4	0.8	0.3	8.8	8.4	4.0	41.9	20.3	3.7	2.8	9.0	10.1
Other																	
La Blanquita	34	765	765	3.2	0.6	44.7	0.3	-	11.1	15.5	4.9	87.2	66.8	3.5	3.7	-	-
Vacas	14	38	2,940	0.9	-	48.3	6.0	-	6.3	14.4	7.0	67.1	-	20.5	19.0	-	-
Patio Tolva de Cal	20	303	303	3.7	0.1	28.4	-	-	-	4.7	5.2	18.2	3.9	4.9	5.3	4.4	7.3

12.4.2 Oxide Samples (Cyanide Testwork)

Between September 2014 and October 2018, a total of 129 cyanidation tests were conducted that tracked silver leaching (Table 12-10).

The samples and tested zones included: Nivel 9-836, Quebradillas, Rosarios, San Marcos, Sin Dominio (i.e. not classified), SN-2 (9-850), Sub 4 Sur, Tajo La Herradura, Tajo Quebradillas, and Vacas.

The silver head grade covered a wide range from approximately 185 g/t Ag up to 800 g/t Ag. Note that consistently with the large variation in silver head grade, the reagents consumption and the metallurgical recovery also fluctuates. These are normal results for a metallurgical testing campaign as they are exploratory and subject to optimization.

Table 12-10: Metallurgical Testing – Oxide Samples

Mine and Vein	No. of Tests	Head Calculated Max Ag (g/t)	Head Calculated Min Ag (g/t)	Consumption NaCN Max (kg/t)	Consumption NaCN Min (kg/t)	Consumption CaO Max (kg/t)	Consumption CaO Min (kg/t)	Recovery Min (%)	Recovery Max (%)
Rosarios	67	911.76	47.58	5.15	0.7	7.76	0	2.4%	117.5%
San Marcos	15	0	0	2.6	0.8	5.2	0.1	0.0%	0.0%
Quebradillas	14	797.95	185.37	3.68	0.83	4.53	0.04	2.3%	47.5%
Vacas	13	622.35	68.26	4.28	0.73	3.5	0.24	0.9%	68.9%
Sin Dominio	14	557.37	23.29	3.66	0.96	5.01	0	2.1%	82.2%
Others	6								
Overall	129	911.76	23.29	5.15	0.7	7.76	0	0.9%	117.5%

12.5 Deleterious Elements

Deleterious elements in final flotation concentrates are below penalty levels. Occasionally, arsenic present in the ore is controlled on site by blending materials to ensure that the final concentrate shipped to clients meets the technical specifications required and is not subject to penalties.

Dore production obtained from the cyanidation circuit contains no deleterious elements.

13 Mineral Resource Estimates

13.1 Introduction

The Mineral Resource estimate presented herein represents the second Mineral Resource evaluation prepared for La Parrilla Silver Mine using a three-dimensional block model and in conformity with generally accepted CIM Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines (November 2019). The previous Mineral Resource Statement reported in accordance with the Canadian Securities Administrators' National Instrument 43-101 is found at "Technical Report for the La Parrilla Silver Mine, Durango State, Mexico" by First Majestic Silver Corp. and SRK Consulting (Canada) Inc. This report is filed on SEDAR with effective date December 31, 2016.

Mineral Resource models for La Parrilla were recently prepared by FMS and these were transferred to Golden Tag on November 29, 2022. The effective date of FMS Mineral Resource estimate is December 31, 2020. The authors of this report audited these models and the database used for their construction between January and March 2023. As a result of this audit, SRK re-estimated and reclassified La Parrilla Mineral Resources during March and April 2023. This section documents the Mineral Resources audit, re-estimation and reclassification by the authors of this report.

The resource estimation work completed by FMS was audited and re-estimated by Dr. David F. Machuca-Mory, P.Eng. (PEO#100508889) and Mr. Ilkay Cevik, MSc, PGeo (PGO #3766). Mr. Glen Cole, PGeo (PGO #1416) peer reviewed the revised modeling. Dr. Machuca-Mory and Mr. Cole are Principal Consultants with SRK, whereas Mr. Cevik is an Associate Consultant with SRK. Reasonable Prospects of Eventual Economic Extraction (RPEEE) analysis were undertaken by Mr. Justin So, EIT under the supervision of Mr. Benny Zhang, PEng (PEO #100115459). Mr. So and Mr. Zhang are, respectively, Consultant and Principal Consultant with SRK. The Qualified Person (QP) for the Mineral Resource estimates is Dr. Machuca Mory, an appropriate independent QP as this term is defined in NI 43-101. The Mineral Resource estimate is dated May 31, 2023.

This chapter describes the Mineral Resource database and the Mineral Resource estimation process and key assumptions adopted by SRK after completing its audit and re-estimation of the original Mineral Resource model provided by FMS. The process adopted by the authors of this report is based on the work done by FMS, but includes measures to restrict the influence of lower quality channel samples, it includes reviewed boundaries for the Mineral Resource categories, and it incorporates RPEEE considerations. In the opinion of the QP, the Mineral Resource evaluation reported herein is a reasonable representation of the global silver, gold, lead and zinc Mineral Resources found in La Parrilla ore bodies at the current level of sampling. The Mineral Resources have been estimated in conformity with generally accepted CIM *Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines (2019)* and are reported in accordance with the Canadian Securities Administrators' National Instrument 43-101. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources will be converted into Mineral Reserves.

After its database auditing, the authors of this report are of the opinion that the current drilling and sampling information is sufficiently reliable to interpret with confidence the boundaries for silver, gold, lead and zinc mineralization and that the assay data are sufficiently reliable to support Mineral Resource estimation. The original Mineral Resource Models by FMS and the auditing and re-estimation by the authors of this report were completed using Leapfrog EDGE© software.

13.2 Resource Estimation Procedures

After the audit of the Mineral Resource database and estimates provided by FMS, SRK and Golden Tag concluded that a re-estimation was warranted to incorporate the following modifications:

- Inclusion of data acquired after the completion of the Mineral Resource estimate by FMS,
- Updating of a few estimation domains modified after the completion of the Mineral Resource estimate by FMS,
- Inclusion of corrections of errors identified in the database during the audit,
- Restriction of the influence of underground channel samples in the grade estimation,
- Removal of unrecoverable pillars from the Mineral Resources,
- Revision of the boundaries between Mineral Resource categories,
- Correction of the oxidation limits in San Marcos vein.
- Consideration of the "reasonable prospects for eventual economic extraction" (RPEEE) criterion,
- Updating of the reporting cut-off grade.

The Resource estimation methodology applied by SRK involved the following procedures:

- Database compilation and verification
- Auditing of the wireframe models for the mineralised structures
- Definition of resource domains
- Data conditioning (compositing and capping)
- Block modelling and grade interpolation
- Resource classification and validation
- Assessment of RPEEE and selection of appropriate cut-off grades
- Preparation of the Mineral Resource Statement

In the opinion of the QP, the Mineral Resource estimates reported herein are a reasonable representation of the global silver, gold, lead, and zinc. Mineral Resources found in the La Parrilla mine at the current level of sampling. The Mineral Resources were estimated in conformity with generally accepted CIM Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines (November 2019) and are reported in accordance with Canadian Securities Administrators' National Instrument 43-101. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into mineral reserve.

13.3 Resource Database

13.3.1 Drilling and Channel Sampling Database

As discussed in Section 11 of this report the QP performed various data verification processes on the drill and channel database, in preparation of the Mineral Resource Estimate. The validated data effectively used in the Mineral Resource estimation includes 2,025 core samples (1,271 metres), from 392 different boreholes piercing the mineralized structures of La Parrilla mine and 9,676 chip samples (5,148 metres), taken from 3,190 underground channels within these structures. Virtually all these samples have been analysed by silver, lead and zinc and most have been also analysed by gold (95%) and other economic and deleterious elements, such as copper, arsenic, and iron.

Table 13-1, Table 13-2, and Table 13-3, present the length-weighted statistics of the grades of economical metals in the raw samples effectively used in the Mineral Resource estimation of Quebradillas, San Marcos and Rosarios zones, respectively.

Table 13-1: Length-Weighted Statistics for Economic Metal Grades in Samples Applied for Mineral Resource Estimation in all Domains of the Quebradillas Zone

Element	Data Type	Number	Minimum (g/t)	Maximum (g/t)	Mean (g/t)	Median (g/t)	Std. Dev. (g/t)	Coeff. Var.	Skewness
Ag (g/t)	Core	725	0.15	2,461.90	134.22	60.50	225.88	1.68	4.82
	Channel	3,021	0.05	5,018.34	169.90	77.52	279.97	1.65	4.99
Au (g/t)	Core	723	0.00	5.90	0.10	0.04	0.28	2.76	12.84
	Channel	2,695	0.00	0.01	0.00	0.01	0.00	0.24	-2.56
Pb (%)	Core	725	0.00	20.65	1.46	0.38	2.30	1.57	2.63
	Channel	3,021	0.00	49.90	2.53	0.96	3.90	1.54	3.04
Zn (%)	Core	725	0.00	18.99	1.60	0.42	2.66	1.67	2.93
	Channel	3,021	0.00	38.40	2.42	0.83	3.45	1.43	2.46

Table 13-2: Length-Weighted Statistics for Economic Metal Grades in Samples Applied for Mineral Resource Estimation in all Domains of the San Marcos Zone

Element	Data Type	Number	Minimum (g/t)	Maximum (g/t)	Mean (g/t)	Median (g/t)	Std. Dev. (g/t)	Coeff. Var.	Skewness
Ag (g/t)	Core	532	0.15	2,200.00	176.16	82.40	287.97	1.63	3.84
	Channel	3,517	0.25	8,908.25	283.32	132.05	501.36	1.77	7.18
Au (g/t)	Core	475	0.00	4.15	0.14	0.05	0.28	2.02	6.67
	Channel	3,447	0.00	8.42	0.11	0.01	0.33	3.09	9.45
Pb (%)	Core	523	0.00	11.06	0.36	0.11	0.97	2.74	6.93
	Channel	3,517	0.00	50.20	0.57	0.00	2.05	3.60	8.78
Zn (%)	Core	524	0.00	12.57	0.31	0.10	0.88	2.80	7.34
	Channel	3,517	0.00	32.00	0.54	0.00	1.71	3.15	6.10

Table 13-3: Length-Weighted Statistics for Economic Metal Grades in Samples Applied for Mineral Resource Estimation in all Domains of the Rosarios Zone

Element	Data Type	Number	Minimum (g/t)	Maximum (g/t)	Mean (g/t)	Median (g/t)	Std. Dev. (g/t)	Coeff. Var.	Skewness
Ag (g/t)	Core	757	0.15	3,421.30	163.60	74.00	331.54	2.03	5.86
	Channel	3,138	0.05	19,990.38	220.61	135.00	532.02	2.41	25.94
Au (g/t)	Core	662	0.00	5.16	0.14	0.06	0.28	1.99	7.25
	Channel	3,138	0.00	0.01	0.00	0.00	0.00	0.33	1.54
Pb (%)	Core	764	0.00	35.20	1.13	0.36	2.15	1.90	6.83
	Channel	3,138	0.00	152.00	1.95	0.93	4.77	2.45	20.03
Zn (%)	Core	761	0.00	16.80	0.82	0.17	1.75	2.14	4.34
	Channel	3,138	0.00	49.90	1.34	0.52	2.24	1.66	5.49

13.3.2 Specific Gravity Database

A total of 4,352 specific gravity values are found in the mineralised and unmineralized intervals of the core boreholes effectively used in the Mineral Resource estimation. Non representative specific gravity values below 1.75 and above 3.9 were trimmed from the global distribution (see Figure 13-1) to minimize biases in the estimation of the specific gravity in the Mineral Resource model. After discarding these excessively low and excessively high values, 365 specific gravity values remain within the mineralisation domains. Table 13-4 presents the basic statistics of the specific gravity values within the mineralisation domains regrouped by mines and oxidation zones. The averages of these groups were applied to the corresponding volumes in the Mineral Resource model.

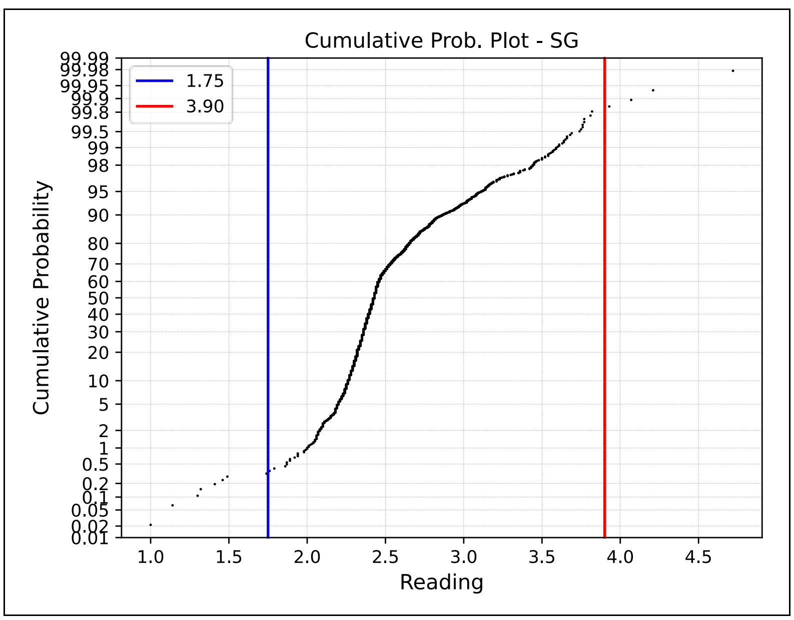

Figure 13-1: Global Distribution of Specific Gravity Measurements Showing Lower (blue) and Upper (red) Trimming Thresholds

Table 13-4: Basic Statistics of the Specific Gravity Values at La Parrilla

Zone and Material Type	Count	Mean	Std. Dev.	Min	Median	Max
Rosarios						
Oxides	37	2.38	0.25	1.94	2.30	2.99
Sulphides	83	2.53	0.32	1.87	2.43	3.82
San Marcos						
Oxides	10	2.45	0.22	2.25	2.35	2.80
Sulphides	45	2.54	0.37	2.07	2.42	3.76
C1524 (QB)						
Sulphides	15	2.68	0.31	2.32	2.66	3.52
C460 (QB)						
Sulphides	49	2.82	0.46	1.99	2.82	3.76
Norte Sur (QB)						
Sulphides	72	2.58	0.34	1.98	2.55	3.77
San Nicolas (QB)						
Oxides	4	2.61	0.32	2.28	2.57	3.00
Sulphides	50	2.69	0.46	2.01	2.51	3.74

13.4 Mineralisation Domain Modelling

The 22 vein models were built by FMS using implicit modelling guided by the borehole geological logging, core and channel samples grades, and, where available, underground mappings. These 3D solids were provided by FMS in three separate Leapfrog Geo^{TM} projects, each one corresponding to each of the mines of La Parrilla project. The audit of the vein model identified small overlaps between solids belonging to different but adjacent mines and 2 solids in the Quebradillas mine corresponding to the C460 and C460 Bajo veins that were updated by FMS after the completion of the FMS' Mineral Resource estimate in December 2020. The authors of this report corrected the solid overlaps and incorporated the updated solids. Table 13-5 list the audited vein domains and their volumes, and Figure 13-2 offers a general view of the veins in the three different mines considered in the Mineral Resource estimation.

Weathering profiles were modelled by FMS as surfaces based on data collected from underground mining activities.

Table 13-5: Volumes of Vein Models Applied for Mineral Resource Estimation

Zone and Vein Domain	Volume (m3)
Rosarios	
Rosarios	1,726,400
C340	116,820
Victoria	50,515
V193	33,395
Veta Nueva	11,027
Subtotal Rosarios	**1,938,157**
San Marcos	
San Marcos	372,510
C1100	170,260
San Marcos B2	97,714
San Marcos Bajo	15,358
Adriana	14,291
Subtotal San Marcos	**670,133**
Quebradillas	
C460	187,290
San Nicolas	182,400
C550	62,077
Q38	58,935
Norte Sur	53,011
C460 Bajo	41,932
Quebradillas	41,877
Veta Nueva	33,598
C1524	32,593
1524_Alto	18,142
Quebradillas Bajo	17,042
1524_Bajo	9,613
Subtotal Quebradillas	**738,510**
Total Vein Domains Volume	**3,346,800**

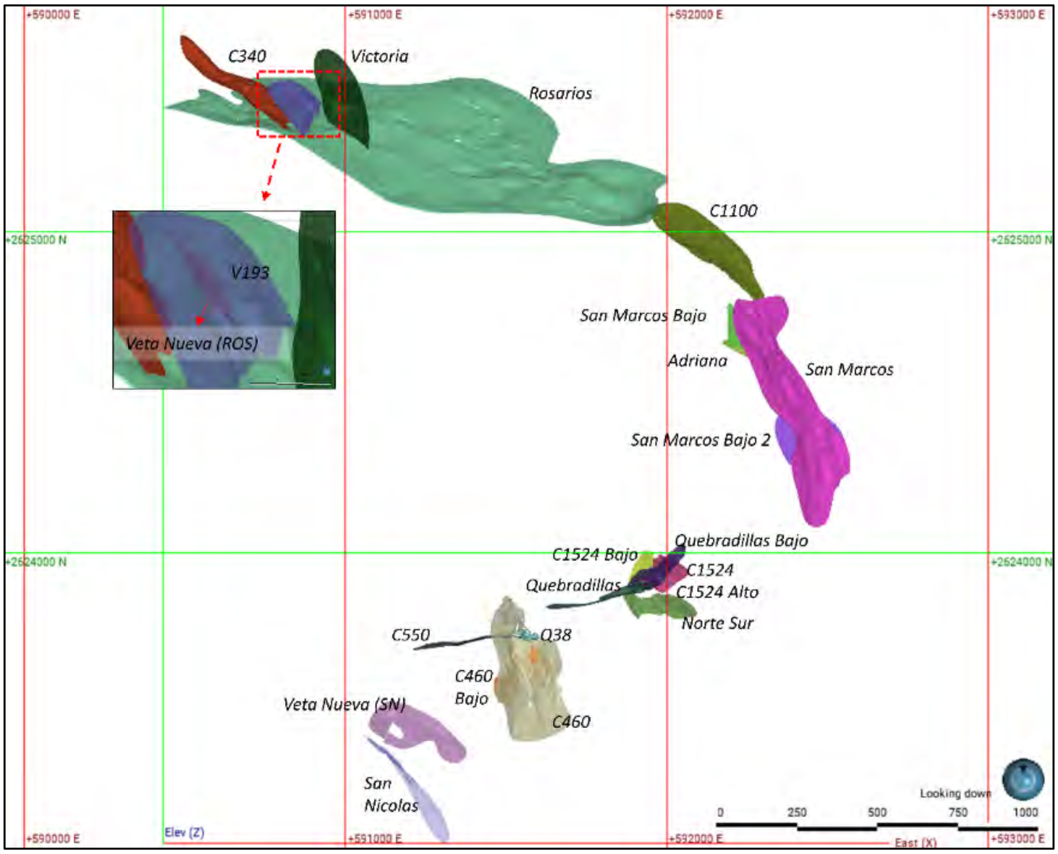

Figure 13-2: La Parrilla Mine – Vein Wireframes (SRK 2023)

13.5 Estimation of Economic Elements

13.5.1 Compositing and Capping of High Grades

Core and underground channel samples were grouped in zones and veins and examined for determination of an appropriate composite length. As illustrated in Figure 13-3, around 80% of the core and channel samples taken from within the veins are 0.70 m long or shorter. Similarly to FMS, the QP selected the compositing length considering the relative thickness variation of each vein. As detailed in , this approach resulted in different compositing lengths applied to the core and channel samples in each vein, with larger compositing lengths for samples within thicker veins. The use of different composite lengths for different veins is acceptable since the vein domains boundaries are treated as hard. The residual intervals of up to a half the compositing length were distributed equally between all composites.

The impact of compositing on the average grades was assessed by comparing the length-weighted average grades of silver, gold, lead and zinc in the assays against the equally weighted average grades for the same elements in the composites. Overall, the relative differences between these two sets of average grades did not exceed 0.5%, which suggest compositing is not a source of bias in the input data for Mineral Resource estimation.

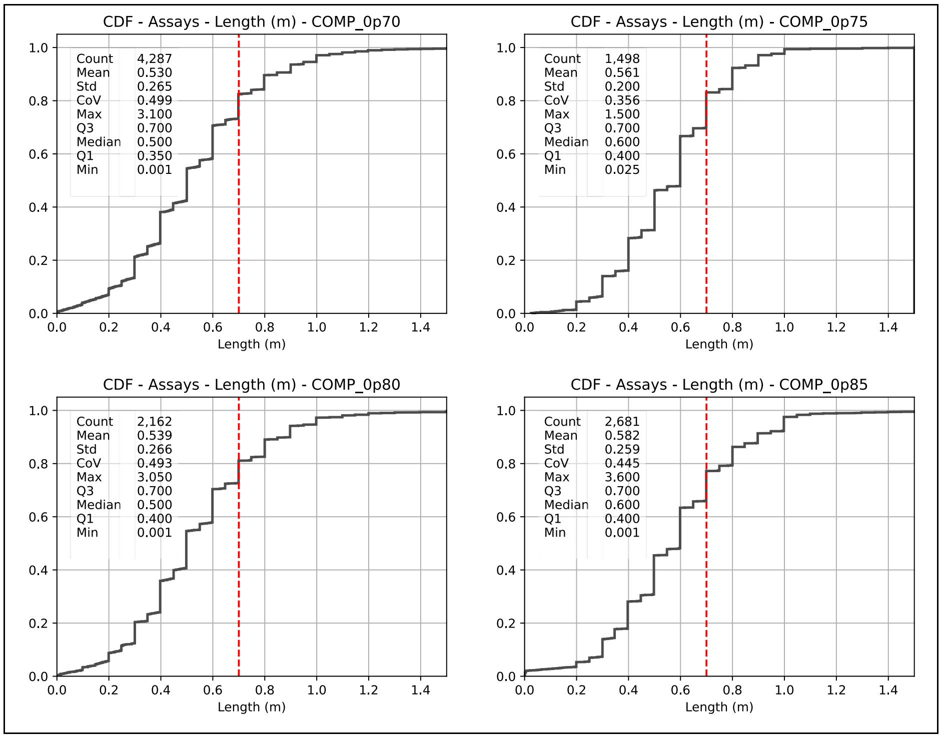

Figure 13-3: Interval Lengths for Assayed Borehole and Channel Samples Within all Veins Grouped Based on Composite Length Applied (Most Populated Four Groups in Terms of Number of Assays are Shown).

Table 13-6: Compositing Lengths Applied to Each Vein Domain at La Parrilla

Zones and Vein Domain	Compositing Length (m)	Vein Intersection Length (m)	
		Mean	Median
Rosarios			
Rosarios	0.85	1.89	1.55
C340	0.70	1.56	1.47
Victoria	0.70	2.00	1.20
V193	0.70	1.69	1.20
Veta Nueva	0.50	1.03	0.85
San Marcos			
San Marcos	0.70	1.55	1.40
C1100	0.75	1.70	1.50
San Marcos B2	0.80	1.80	1.60
San Marcos Bajo	0.70	1.05	0.80
Adriana	0.50	1.04	1.00
Quebradillas			
C460	0.70	1.56	1.30
San Nicolas	0.80	1.84	1.60
C550	0.80	1.69	1.60
Q38	1.25	3.00	2.50
Norte Sur	0.80	1.74	1.50
C460 Bajo	0.70	1.77	1.50
Quebradillas	0.70	2.53	1.47
Veta Nueva	0.80	1.65	1.51
C1524	0.80	1.70	1.65
1524_Alto	0.70	1.38	1.30
Quebradillas Bajo	0.80	1.39	0.93
1524_Bajo	0.90	0.90	0.60

The impact of grade outliers was examined on composite data for each element using log probability plots and cumulative statistics, but also considered the three-dimensional location of the potential outlier values. SRK evaluated the capping thresholds chosen by FMS through various statistical checks and found them to be reasonable. As an example, Figure 13-4 shows the statistical checks performed on the composite silver grades of the Rosarios vein to evaluate the choice of the corresponding capping threshold.

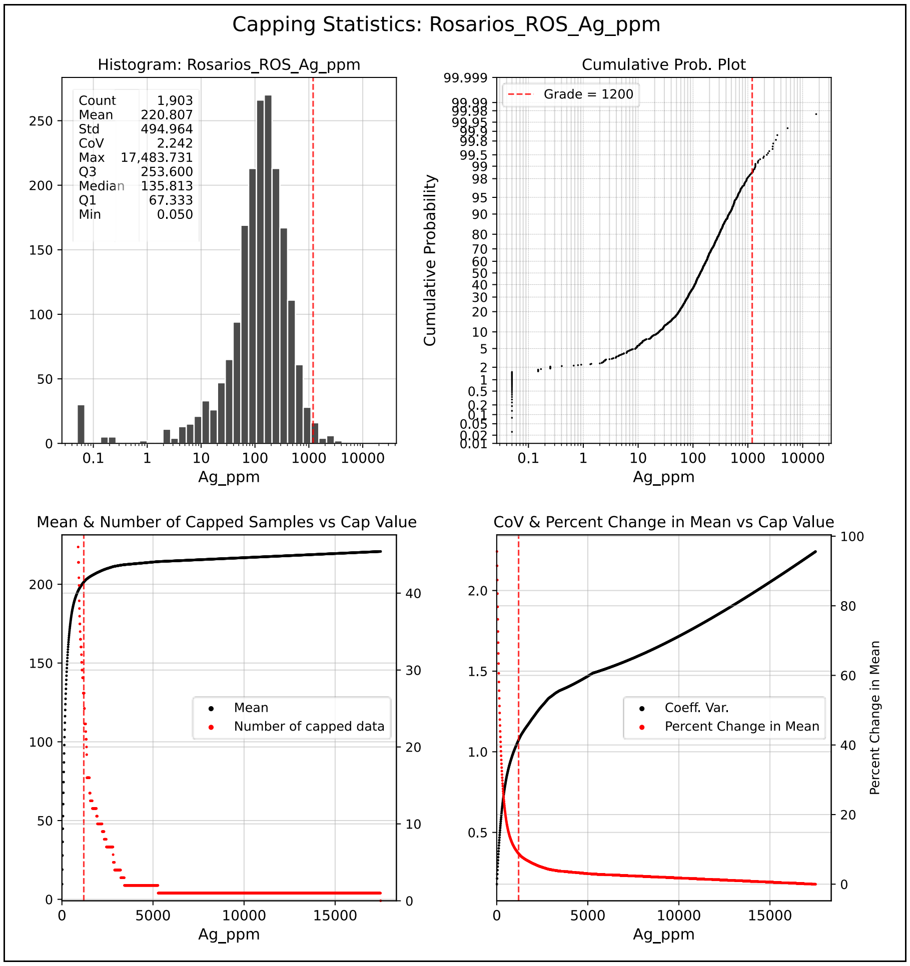

Figure 13-4: Capping Analysis for the Silver Composite Grades within the Rosarios Vein

Table 13-7 to Table 13-10 show the silver, gold, lead and zinc grades statistics in composite samples before and after capping, and the impact of capping on the average grades.

Table 13-7: Before and After Capping Statistics for Silver Composite Grades

Mine and Vein	No.	Before Capping					After Capping				Capping Stats	
		Min.	Max.	Mean	Std. Dev.	Coeff. Var.	Max.	Mean	Std. Dev.	Coeff. Var.	Percent Capped (%)	Impact on the Mean (%)
Rosarios												
Rosarios	1,903	0.05	17,484	221	495	2.24	1,200	201	216	1.07	1	-9
C340	563	0.25	1,269	140	136	0.97	550	137	119	0.87	2	-2
Victoria	64	0.15	2,575	232	377	1.62	1,200	211	268	1.25	2	-9
V193	215	0.05	99	176	137	0.78	600	174	126	0.73	2	-1
Veta Nueva	144	0.05	1,298	176	181	1.03	690	170	154	0.90	3	-3
All Rosarios	**2,889**	**0.05**	**17,484**	**200**	**415**	**2.08**	**1,200**	**185**	**195**	**1.05**	**2**	**-7**
San Marcos												
San Marcos	1,535	0.15	3,868	219	328	1.50	1,200	203	237	1.17	2	-7
C1100	1,137	0.20	8,908	345	487	1.41	1,870	330	369	1.12	1	-4
San Marcos B2	189	2.50	1,189	143	144	1.01	590	138	122	0.88	2	-3
San Marcos Bajo	68	0.25	1,766	215	307	1.43	1,100	205	265	1.29	1	-5
Adriana	75	10.60	1,433	186	229	1.23	895	177	185	1.05	3	-5
All San Marcos	**3,004**	**0.15**	**8,908**	**261**	**392**	**1.50**	**1,870**	**247**	**297**	**1.20**	**2**	**-5**
Quebradillas												
C460	394	0.25	3,068	279	355	1.27	1,350	269	304	1.13	1	-4
San Nicolas	279	0.05	2,259	113	191	1.69	890	106	138	1.29	1	-6
C550	208	0.25	2,113	139	190	1.37	600	130	130	1.00	1	-6
Q38	376	0.25	1,294	114	131	1.15	525	110	103	0.94	2	-4
Norte Sur	527	0.25	1,778	185	214	1.15	820	182	197	1.09	2	-2
C460 Bajo	172	0.25	2,462	168	290	1.73	900	151	205	1.36	3	-10
Quebradillas	260	0.15	1,114	133	206	1.55	800	130	194	1.50	3	-2
Veta Nueva	103	0.05	314	57	68	1.20	260	56	66	1.18	2	-1
C1524	118	0.25	918	161	179	1.12	918	161	179	1.12	0	0
1524_Alto	40	0.25	735	110	160	1.45	610	106	145	1.36	5	-4
Quebradillas Bajo	102	0.25	3,015	283	402	1.42	1,100	258	281	1.09	3	-9
1524_Bajo	11	17	143	54	43	0.79	143	54	43	0.79	0	0
All Quebradillas	**2,590**	**0.05**	**3,068**	**167**	**245**	**1.46**	**1,350**	**160**	**205**	**1.28**	**2**	**-4**

Table 13-8: Before and After Capping Statistics for Gold Composite Grades

Mine and Vein	No.	Before Capping					After Capping				Capping Stats	
		Min.	Max.	Mean	Std. Dev.	Coeff. Var.	Max.	Mean	Std. Dev.	Coeff. Var.	Percent Capped (%)	Impact on the Mean (%)
Rosarios												
Rosarios	1,871	0.00	2.37	0.03	0.11	3.43	0.60	0.03	0.08	2.81	1	-7
C340	550	0.00	2.84	0.04	0.18	4.43	1.50	0.04	0.15	3.87	0	-6
Victoria	60	0.00	0.36	0.01	0.05	3.55	0.05	0.01	0.01	1.28	2	-40
V193	190	0.00	0.16	0.00	0.01	3.28	0.05	0.00	0.01	1.69	1	-16
Veta Nueva	140	0.00	0.20	0.00	0.02	3.97	0.05	0.00	0.01	1.59	1	-25
All Rosarios	**2,811**	**0.00**	**2.84**	**0.03**	**0.12**	**4.03**	**1.50**	**0.03**	**0.09**	**3.43**	**1**	**-8**
San Marcos												
San Marcos	1,500	0.00	5.64	0.17	0.34	1.94	1.12	0.16	0.24	1.53	2	-9
C1100	1,094	0.00	1.56	0.01	0.07	4.93	0.40	0.01	0.04	3.38	0	-12
San Marcos B2	184	0.00	1.78	0.23	0.31	1.30	1.20	0.23	0.27	1.19	3	-4
San Marcos Bajo	68	0.00	0.92	0.05	0.15	3.15	0.92	0.05	0.15	3.15	0	0
Adriana	72	0.00	0.11	0.01	0.02	2.31	0.11	0.01	0.02	2.31	0	0
All San Marcos	**2,918**	**0.00**	**5.64**	**0.11**	**0.27**	**2.46**	**1.20**	**0.10**	**0.20**	**2.02**	**1**	**-8**
Quebradillas												
C460	319	0.01	0.87	0.02	0.09	3.76	0.70	0.02	0.08	3.57	1	-4
San Nicolas	253	0.00	5.58	0.04	0.35	10.00	0.50	0.02	0.05	3.27	0	-57
C550	208	0.01	0.08	0.01	0.01	1.02	0.02	0.01	0.00	0.29	1	-6
Q38	360	0.00	1.51	0.04	0.13	3.50	0.40	0.03	0.07	2.49	1	-19
Norte Sur	474	0.01	0.27	0.01	0.03	2.39	0.25	0.01	0.03	2.37	0	0
C460 Bajo	172	0.01	0.53	0.03	0.07	2.73	0.53	0.03	0.07	2.73	0	0
Quebradillas	260	0.01	0.35	0.02	0.05	2.01	0.15	0.02	0.04	1.72	3	-11
Veta Nueva	103	0.00	0.28	0.02	0.04	2.92	0.15	0.01	0.04	2.67	4	-13
C1524	118	0.01	1.33	0.06	0.16	2.57	0.40	0.05	0.09	1.89	5	-22
1524_Alto	34	0.01	0.18	0.02	0.04	1.76	0.10	0.02	0.03	1.51	3	-11
Quebradillas Bajo	71	0.01	0.18	0.02	0.03	1.63	0.10	0.02	0.03	1.47	4	-7
1524_Bajo	11	0.01	0.29	0.07	0.10	1.41	0.29	0.07	0.10	1.41	0	0
All Quebradillas	**2,383**	**0.00**	**5.58**	**0.02**	**0.14**	**5.53**	**0.70**	**0.02**	**0.06**	**2.80**	**1**	**-18**

Table 13-9: Before and After Capping Statistics for Lead Composite Grades

Mine and Vein	No.	Before Capping					After Capping				Capping Stats	
		Min.	Max.	Mean	Std. Dev.	Coeff. Var.	Max.	Mean	Std. Dev.	Coeff. Var.	Percent Capped (%)	Impact on the mean (%)
Rosarios												
Rosarios	1,903	0.00	141.00	1.58	3.99	2.53	9.00	1.43	1.90	1.32	1	-9
C340	563	0.00	17.09	1.91	2.17	1.13	9.00	1.85	1.85	1.00	2	-3
Victoria	64	0.00	8.52	1.18	1.53	1.30	6.00	1.14	1.36	1.20	2	-3
V193	220	0.00	17.01	2.48	2.52	1.01	10.00	2.41	2.21	0.92	2	-3
Veta Nueva	144	0.00	12.93	2.49	2.28	0.92	9.00	2.43	2.05	0.85	2	-2
All Rosarios	**2,894**	**0.00**	**141.00**	**1.75**	**3.51**	**2.01**	**10.00**	**1.63**	**1.94**	**1.19**	**2**	**-7**
San Marcos												
San Marcos	1,534	0.00	20.91	0.14	0.72	5.16	20.91	0.14	0.72	5.16	0	0
C1100	1,131	0.00	18.07	1.17	2.15	1.85	7.50	1.08	1.75	1.62	2	-8
San Marcos B2	189	0.00	2.15	0.08	0.19	2.55	2.15	0.08	0.19	2.55	0	0
San Marcos Bajo	67	0.00	9.97	0.30	1.30	4.39	9.97	0.30	1.30	4.39	0	0
Adriana	75	0.00	0.22	0.02	0.04	2.47	0.22	0.02	0.04	2.47	0	0
All San Marcos	**2,996**	**0.00**	**20.91**	**0.52**	**1.52**	**2.90**	**20.91**	**0.49**	**1.29**	**2.64**	**1**	**-6**
Quebradillas												
C460	394	0.00	35.57	4.56	5.04	1.11	20.00	4.46	4.64	1.04	2	-2
San Nicolas	279	0.00	7.53	1.32	1.61	1.22	6.50	1.31	1.58	1.20	2	-1
C550	208	0.00	11.10	1.93	2.11	1.10	8.20	1.88	1.93	1.03	3	-3
Q38	376	0.00	14.02	1.61	1.86	1.16	7.50	1.57	1.69	1.07	2	-2
Norte Sur	527	0.00	21.90	3.78	4.24	1.12	16.00	3.72	4.04	1.08	2	-2
C460 Bajo	172	0.00	10.90	1.63	1.88	1.16	10.90	1.63	1.88	1.16	0	0
Quebradillas	260	0.00	15.13	0.91	1.78	1.95	8.00	0.88	1.57	1.79	2	-4
Veta Nueva	103	0.02	4.41	0.40	0.60	1.49	2.20	0.38	0.49	1.27	1	-5
C1524	118	0.01	16.29	2.12	2.38	1.12	13.00	2.09	2.23	1.06	1	-1
1524_Alto	40	0.04	5.35	0.97	1.39	1.44	4.50	0.93	1.28	1.37	8	-4
Quebradillas Bajo	102	0.01	9.69	1.23	1.76	1.43	6.50	1.17	1.50	1.29	2	-5
1524_Bajo	11	0.08	1.25	0.34	0.39	1.15	1.25	0.34	0.39	1.15	0	0
All Quebradillas	**2,590**	**0.00**	**35.57**	**2.37**	**3.39**	**1.43**	**20.00**	**2.33**	**3.19**	**1.37**	**2**	**-2**

Table 13-10: Before and After Capping Statistics for Zinc Composite Grades

Mine and Vein	No.	Before Capping					After Capping				Capping Stats	
		Min.	Max.	Mean	Std. Dev.	Coeff. Var.	Max.	Mean	Std. Dev.	Coeff. Var.	Percent Capped (%)	Impact on the Mean (%)
Rosarios												
Rosarios	1,900	0.00	35.03	1.07	1.89	1.78	7.00	1.01	1.49	1.48	1	-5
C340	563	0.00	26.34	1.72	2.40	1.40	9.00	1.65	1.99	1.21	2	-4
Victoria	64	0.00	8.57	1.31	1.87	1.43	6.00	1.26	1.69	1.34	5	-4
V193	220	0.00	9.12	1.31	1.32	1.00	5.00	1.28	1.18	0.92	1	-3
Veta Nueva	144	0.00	6.64	1.69	1.44	0.85	6.00	1.68	1.41	0.84	1	-1
All Rosarios	**2,891**	**0.00**	**35.03**	**1.25**	**1.97**	**1.58**	**9.00**	**1.19**	**1.61**	**1.35**	**1**	**-5**
San Marcos												
San Marcos	1,534	0.00	7.13	0.07	0.35	5.01	7.13	0.07	0.35	5.01	0	0
C1100	1,131	0.00	13.71	1.17	1.99	1.69	7.50	1.12	1.75	1.56	2	-5
San Marcos B2	189	0.00	0.79	0.07	0.13	1.87	0.79	0.07	0.13	1.87	0	0
San Marcos Bajo	67	0.00	4.35	0.15	0.58	3.98	4.35	0.15	0.58	3.98	0	0
Adriana	75	0.00	0.20	0.02	0.04	2.50	0.20	0.02	0.04	2.50	0	0
All San Marcos	**2,996**	**0.00**	**13.71**	**0.49**	**1.36**	**2.79**	**7.50**	**0.47**	**1.22**	**2.61**	**1**	**-4**
Quebradillas												
C460	394	0.00	20.38	4.33	4.43	1.02	17.00	4.30	4.32	1.00	2	-1
San Nicolas	279	0.00	31.75	1.47	2.63	1.78	9.00	1.39	1.93	1.39	1	-6
C550	208	0.00	12.03	3.01	2.57	0.86	10.50	2.99	2.54	0.85	1	0
Q38	376	0.00	13.39	1.73	2.16	1.25	8.00	1.67	1.92	1.15	2	-3
Norte Sur	527	0.00	19.48	2.94	3.09	1.05	12.00	2.89	2.89	1.00	1	-2
C460 Bajo	172	0.00	18.38	2.57	2.78	1.08	18.38	2.57	2.78	1.08	0	0
Quebradillas	260	0.00	11.69	0.70	1.22	1.74	7.00	0.68	1.08	1.58	1	-3
Veta Nueva	103	0.02	4.41	0.47	0.70	1.49	4.41	0.47	0.70	1.49	0	0
C1524	118	0.00	14.91	1.56	2.51	1.61	9.00	1.48	2.20	1.48	3	-5
1524_Alto	40	0.02	5.52	0.71	1.21	1.69	4.50	0.67	1.05	1.57	5	-6
Quebradillas Bajo	102	0.01	11.56	0.92	1.38	1.50	7.00	0.87	1.07	1.22	1	-5
1524_Bajo	11	0.04	0.90	0.18	0.26	1.43	0.90	0.18	0.26	1.43	0	0
All Quebradillas	**2,590**	**0.00**	**31.75**	**2.29**	**3.06**	**1.34**	**18.38**	**2.25**	**2.89**	**1.29**	**1**	**-2**

13.5.2 Statistical and Spatial Continuity Analysis

Core and channel samples are both used in Mineral Resource estimation. Contrary to core samples, channel samples are targeted to the mineralisation and were subjected to a QAQC program only in 2018 and 2019. Therefore, it was necessary to quantify the differences between grades obtained from core and channel samples to devise an adequate approach for combining them in Mineral Resource estimation. For this purpose, channel composite grades were compared against core composite grades at various separation distances within all vein domains. The quantile-quantile plots of compare the channel and core distributions of silver, gold, lead and zinc grades at a maximum separation distance of 15 metres between both sample types. As demonstrated by these plots, channel samples tend to have higher grades than core samples. Table 13-11 shows that the relative bias between channel and core silver grades tend to increase with the separation distance. SRK decided to restrict the influence of channel sample composites in the Mineral Resource estimation based on the results of this comparative sample type analysis.

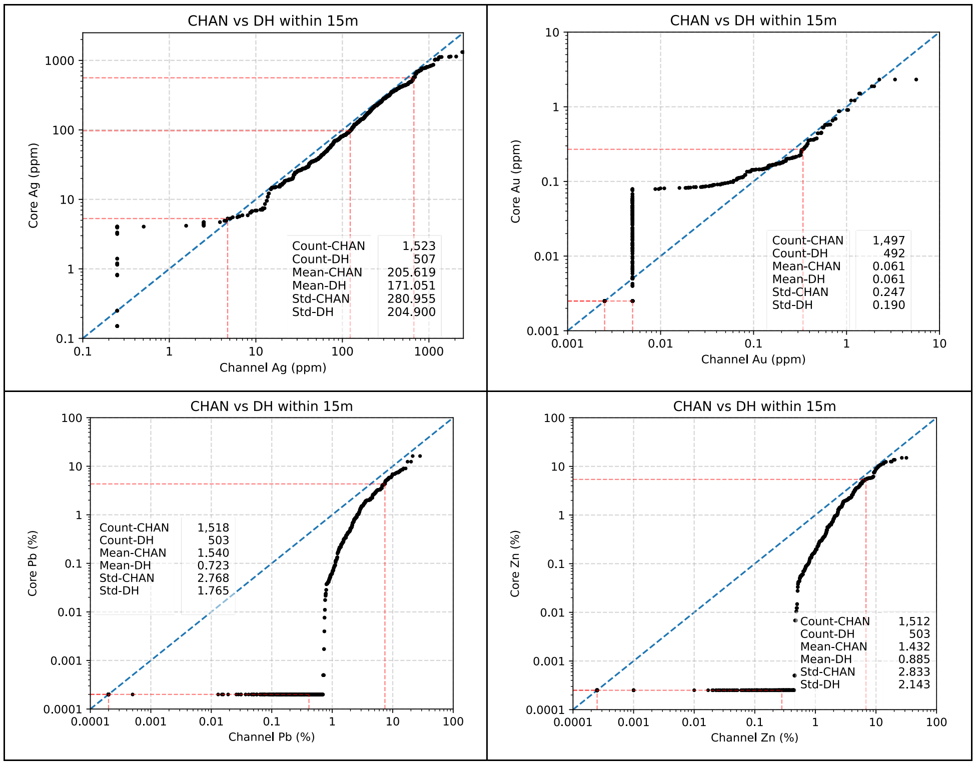

Figure 13-5: Quantile-Quantile Plots Comparing Channel and Core Composite Grades Within a Distance of 15 m Inside all Veins.

Table 13-11: Average Silver Grade Comparison between Channel and Core Composites at Increasing Separation Distances

Distance (m)	Composite count		Average Ag grade (g/t)		Relative average grade differences (%)
	Channels	Core	Channels	Core	
5	243	165	205.17	190.24	8
10	795	350	204.39	180.09	13
15	1,523	507	205.62	171.05	20
20	2,366	603	211.21	168.05	26
25	3,215	684	216.67	167.04	30
30	3,966	749	224.88	167.71	34

FMS generated experimental variograms of silver, gold, lead and zinc grades for the larger domains in the deposit. The models fitted by FMS on the experimental variograms, however, were not used directly in the Mineral Resource estimation, as the grade interpolation method was inverse distance weighting (IDW). Instead, the variogram models were used to inform the orientations and ranges of the IDW grade interpolation.

The QP generated experimental variograms using only the channel composites within a few of the domains of the Rosarios and San Marcos mines and only for silver grades. The purpose of the models fitted to these experimental variograms (see Table 13-12) was to support the definition of the ranges of influence for channel composite grades in the Mineral Resource estimation.

Table 13-12: Variogram Models for Silver Grades in Channel Composite Samples Within Selected Domains

Mine and Domain	Variogram Model							Rotation Angles[1]		
	Nugget [3]	Str. No.	Type	CC[3]	X Range[4]	Y Range[4]	Z Range[4]	Azimuth	Dip	Pitch
Rosarios										
Rosarios[2]	0.1	1	Exponential	0.60	4	30	10	64	10	0
		2	Spherical	0.30	60	36	12			
San Marcos										
San Marcos[2]	0.1	1	Exponential	0.69	6	25	10	60	68	0
		2	Spherical	0.21	30	25	10			
C1100[2]	0.1	1	Spherical	0.80	11	25	10	73	36	0
		2	Spherical	0.10	22	30	12			

1. The Azimuth and dip angles define the plane of the vein, the pitch is a rotation angle perpendicular to the vein
2. Model fitted on experimental semi-variograms
3. Nugget effect and sill contribution values standardized by the data variance
4. Variogram ranges in metres

13.5.3 Block Model Definition

The criteria used in the definition of the block model parameters included the drillhole spacing, geological understanding of the deposit, geometry of the modelled veins, and current underground mining techniques. The block models are rotated to make the thinner dimension of the parent block (Z) perpendicular to the plane of the vein. Thus, separated models were defined for each vein, as each vein has different strike and dip. All 22 block models consist of 10 m × 10 m × 1 m parent cells with 1.25 m × 1.25 m × 0.125 m subcells and their characteristics are summarized in Table 13-13.

Weathering profiles were provided by FMS as solids modelled based on data collected from underground mining activities and used to code the block model to differentiate oxide from sulphide material. These solids were audited by SRK, and the block model coding corrected as necessary.

Table 13-13: Block Models Characteristics Customized to Each Vein

Mine and Vein	Base Point[1]			Number of Parent blocks[2]			Rotation[3]		
	X	Y	Z	X	Y	Z	Azm.	Dip	Pitch
Rosarios									
Rosarios	590,314	2,625,353	2,335	171	105	132	15°	64°	0°
C340	590,476	2,625,585	2,146	49	41	54	36°	77°	0°
Victoria	591,148	2,625,292	2,151	37	27	0	237°	54°	0°
V193	590,742	2,625,481	2,144	28	35	2	53°	70°	0°
Veta Nueva	590,782	2,625,459	2,022	16	20	8	35°	86°	0°
San Marcos									
San Marcos	592,226	2,624,805	2,120	80	43	100	74°	62°	0°
C1100	591,954	2,625,088	2,056	53	44	90	47°	71°	0°
San Marcos Bajo 2	592,317	2,624,456	2,108	33	45	37	73°	61°	0°
San Marcos Bajo	592,186	2,624,787	2,015	18	24	23	94°	51°	0°
Adriana	592,166	2,624,669	2,038	22	20	30	29°	82°	0°
Quebradillas									
C460	591,444	2,623,902	2,153	53	62	110	83°	64°	0°
San Nicolas	591,044	2,623,463	2,245	47	57	102	48°	83°	0°
C550	591,186	2,623,747	2,131	35	25	80	356°	89°	0°
Q38	591,478	2,623,806	1,974	16	21	98	7°	81°	0°
Norte Sur	591,842	2,623,869	2,034	26	57	50	42°	73°	0°
C460 Bajo	591,664	2,623,778	2,251	28	67	518	78°	68°	0°
Quebradillas	592,061	2,623,863	2,079	49	33	98	170°	87°	0°
Veta Nueva	591,029	2,623,493	2,119	36	36	35	44°	56°	0°
C1524	591,876	2,623,943	2,019	20	31	76	29°	66°	0°
C1524 Alto	591,971	2,624,007	2,019	12	21	127	37°	85°	0°
Quebradillas Bajo	592,038	2,624,068	2,076	27	25	70	133°	60°	0°
C1524 Bajo	591,851	2,624,007	2,005	19	29	130	55°	54°	0°

1. NAD83 UTM coordinate system
2. For all block models the parent blocks are 10 m × 10 m × 1 m and the subcells are 1.25 m × 1.25 m × 0.125 m
3. In LeapFrog™ rotation convention

13.5.4 Grade Estimation Strategy

The last internal Mineral Resource estimate by FMS on December 31, 2020, was generated using inverse weighted distance interpolation to a power of two (IDW2). SRK retained this interpolation method but restricted the influence of channel samples.

Table 13-14 summarizes the composite search parameters of the three passes applied for the estimation of economic grades. The first pass captures minimum of 7 and a maximum of 16 core and/or channel composites within a 50 m × 30 m × 20 m search ellipsoid. All subsequent passes use only core composites. The search ellipsoid dimensions of the second pass are loosely related to the variogram model ranges obtained for the silver grades in individual veins or in groups of veins in the same area. The second pass requires a minimum on three and a maximum of 16 composites for estimation. The perpendicular search radius is exaggerated in relation to the perpendicular variogram radii to accommodate the sinuosity of the veins. The third pass is a filling pass intended to populate with estimated grade the entire volume of the modelled veins. A relaxed minimum and maximum composites requirement for the third pass of the estimation was applied. A maximum number of 2 composites per borehole or channel is applied only for the first and second pass.

All search ellipsoids are oriented to be subparallel to the plane of each vein. Due to their distinct geological identity, all veins were estimated independently, using a hard boundary.

Table 13-14: Search Parameters Used for Inverse Distance to a Power of Two Interpolation of Silver, Gold, Lead and Zinc Grades

Mine and Vein	Pass 1						Pass 2						Pass 3						Search Rotation[2]		
	Search Ranges[1]			Number of Samples		Max. Samples per hole	Search Ranges[1]			Number of Samples		Max. Samples per hole	Search Ranges[1]			Number of Samples		Max. Samples per hole	Dip	Dip dir.	Pitch
	Max.	Med.	Min.	Max.	Min.		Max.	Med.	Min.	Max.	Min.		Max.	Med.	Min.	Max.	Min.				
Rosarios																					
Rosarios	50	30	20	7	16	2	190	120	80	3	16	2	250	150	100	1	20	0	64	14	70
C340	50	30	20	7	16	2	120	80	60	3	16	2	250	150	100	1	20	0	78	35	70
Victoria	50	30	20	7	16	2	190	120	80	3	16	2	250	150	100	1	20	0	54	242	70
V193	50	30	20	7	16	2	140	80	40	3	16	2	250	150	100	1	20	0	69	58	70
Veta Nueva	50	30	20	7	16	2	140	80	40	3	16	2	250	150	100	1	20	0	88	37	70
San Marcos																					
San Marcos	50	30	20	7	16	2	120	80	60	3	16	2	250	150	100	1	20	0	65	67	70
C1100	50	30	20	7	16	2	120	80	60	3	16	2	250	150	100	1	20	0	73	44	70
San Marcos Bajo 2	50	30	20	7	16	2	120	80	60	3	16	2	250	150	100	1	20	0	57	67	70
San Marcos Bajo	50	30	20	7	16	2	120	80	60	3	16	2	250	150	100	1	20	0	52	95	70
Adriana	50	30	20	7	16	2	180	100	80	3	16	2	250	150	100	1	20	0	79	28	70
Quebradillas																					
C460	55	35	20	7	16	2	190	120	80	3	16	2	250	150	100	1	20	0	61	82	70
San Nicolas	50	30	20	7	16	2	180	100	70	3	16	2	250	150	100	1	20	0	89	51	70
C550	50	30	20	7	16	2	190	120	70	3	16	2	250	150	100	1	20	0	85	172	65
Q38	50	30	20	7	16	2	75	50	30	3	16	2	250	150	100	1	20	0	86	352	115
Norte Sur	50	30	20	7	16	2	140	80	60	3	16	2	250	150	100	1	20	0	74	32	70
C460 Bajo	50	30	20	7	16	2	180	100	70	3	16	2	250	150	100	1	20	0	65	82	70
Quebradillas	50	30	20	7	16	2	190	120	70	3	16	2	250	150	100	1	20	0	87	166	65
Veta Nueva	50	30	20	7	16	2	180	100	60	3	16	2	250	150	100	1	20	0	59	42	70
C1524	50	30	20	7	16	2	180	100	70	3	16	2	250	150	100	1	20	0	54	36	70
C1524 Alto	50	30	20	7	16	2	180	100	70	3	16	2	250	150	100	1	20	0	83	38	70
Quebradillas Bajo	50	30	20	7	16	2	120	60	40	3	16	2	250	150	100	1	20	0	60	131	65
C1524 Bajo	50	30	20	7	16	2	120	80	40	3	16	2	250	150	100	1	20	0	54	44	70

1. Search ranges in metres
2. In LeapFrog™ rotation convention

13.5.5 Model Validation

To validate the block estimates, the QP visually compared the informed composites against IDW2 estimates on transversal views and sections and found grade trends in veins similar to those confirmed by underground stopes.

Figure 13-6, Figure 13-7 and Figure 13-8 show transversal sections of the silver estimates of Rosarios, San Marcos and C460, which are, respectively, the biggest contributors to the Mineral Resources of the Rosarios, San Marcos and Quebradillas deposits.

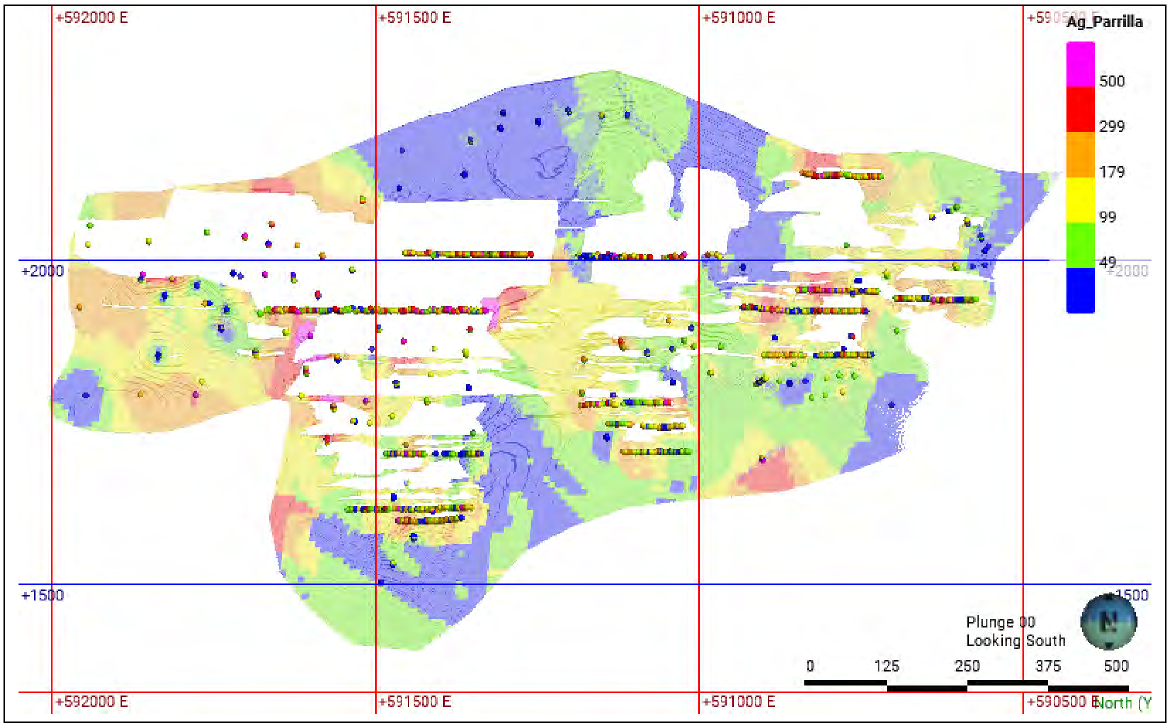

Figure 13-6: North-Looking View of the Estimated Silver Grades in the Rosarios Vein

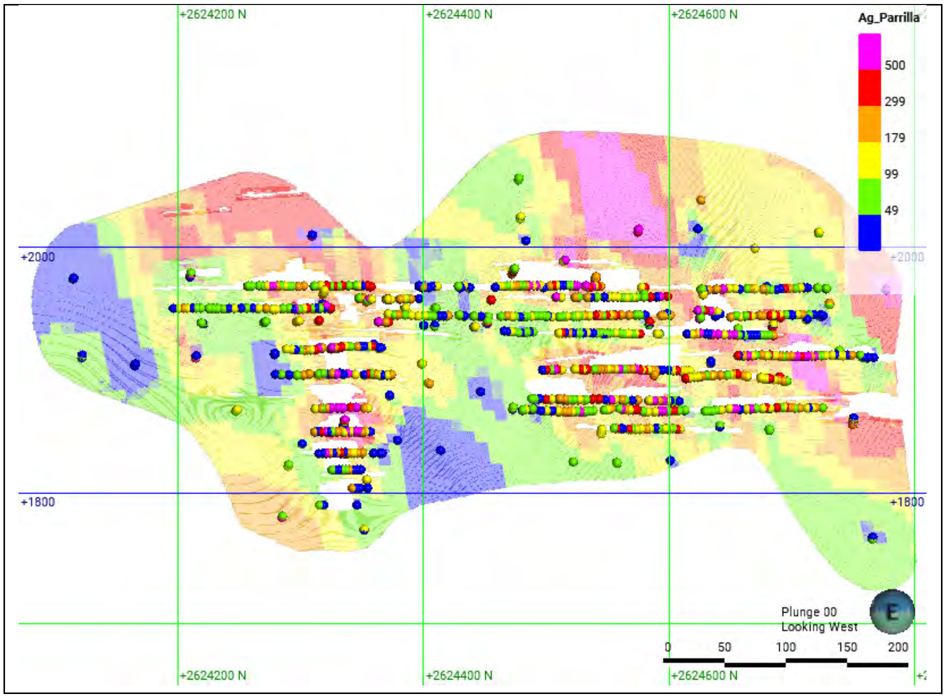

Figure 13-7: East-Looking View of the Estimated Silver grades in the San Marcos Vein

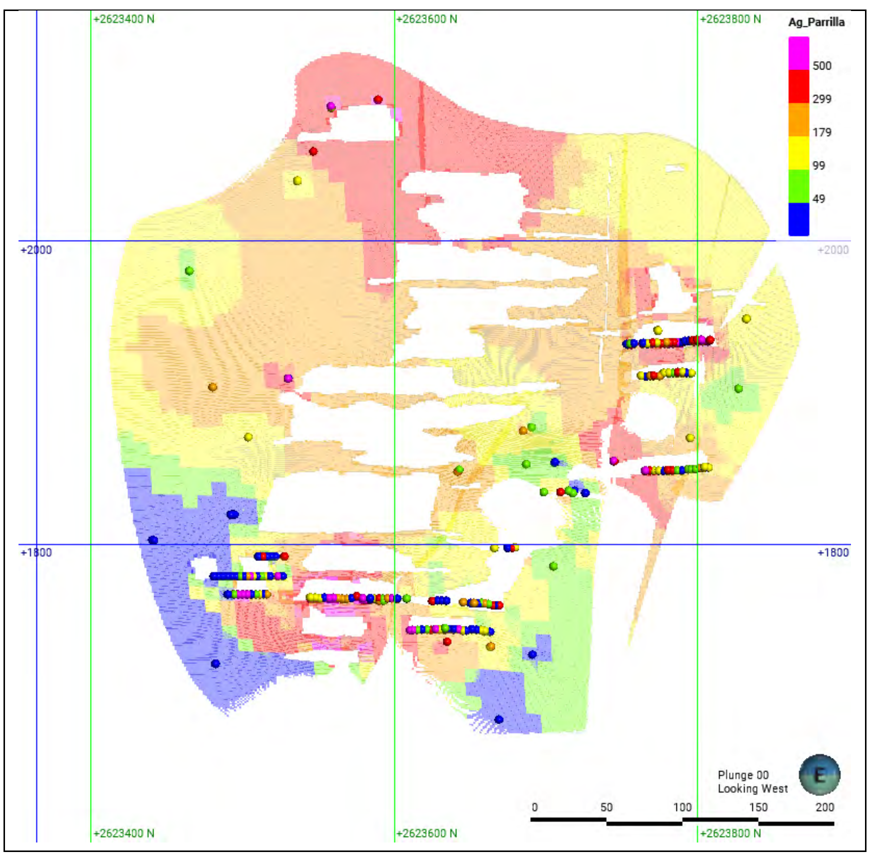

Figure 13-8: East-Looking View of the Estimated Silver Grades in the C460 Vein

The QP also generated a parallel grade interpolation using a nearest neighbour (NN) function and checked that the global quantities and average grade for each metal from each method were reasonably comparable. Figure 13-9, Figure 13-10 and Figure 13-11 show swath plots in the along-strike and vertical directions comparing the Nearest Neighbours and the IDW2 interpolation for the silver grades in the Rosarios, San Marcos and C460 veins, respectively.

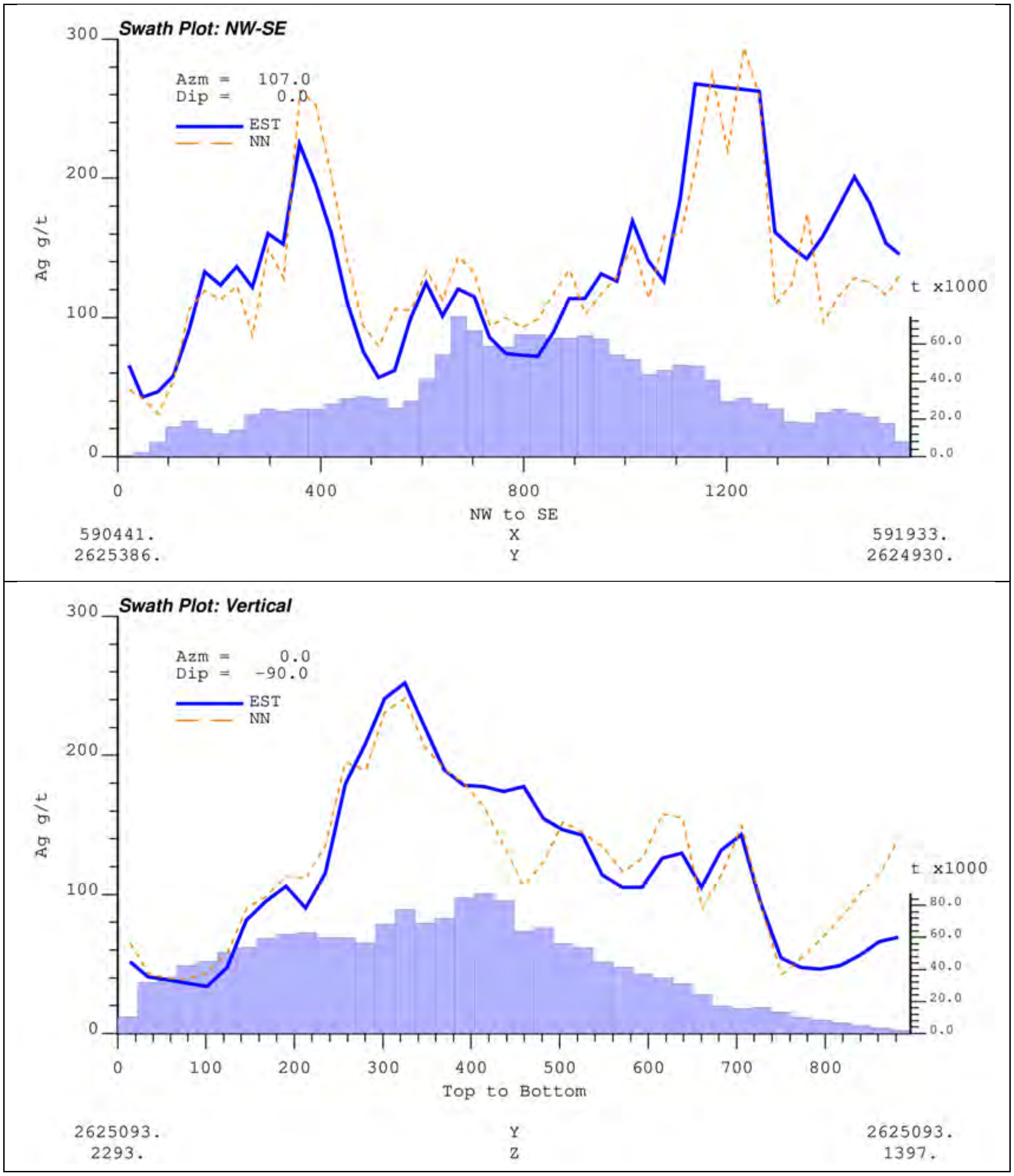

Figure 13-9: Along-Strike (top) and Vertical (bottom) Swath Plots for NN and IDW2 Silver Grade Estimates in the Rosarios Vein

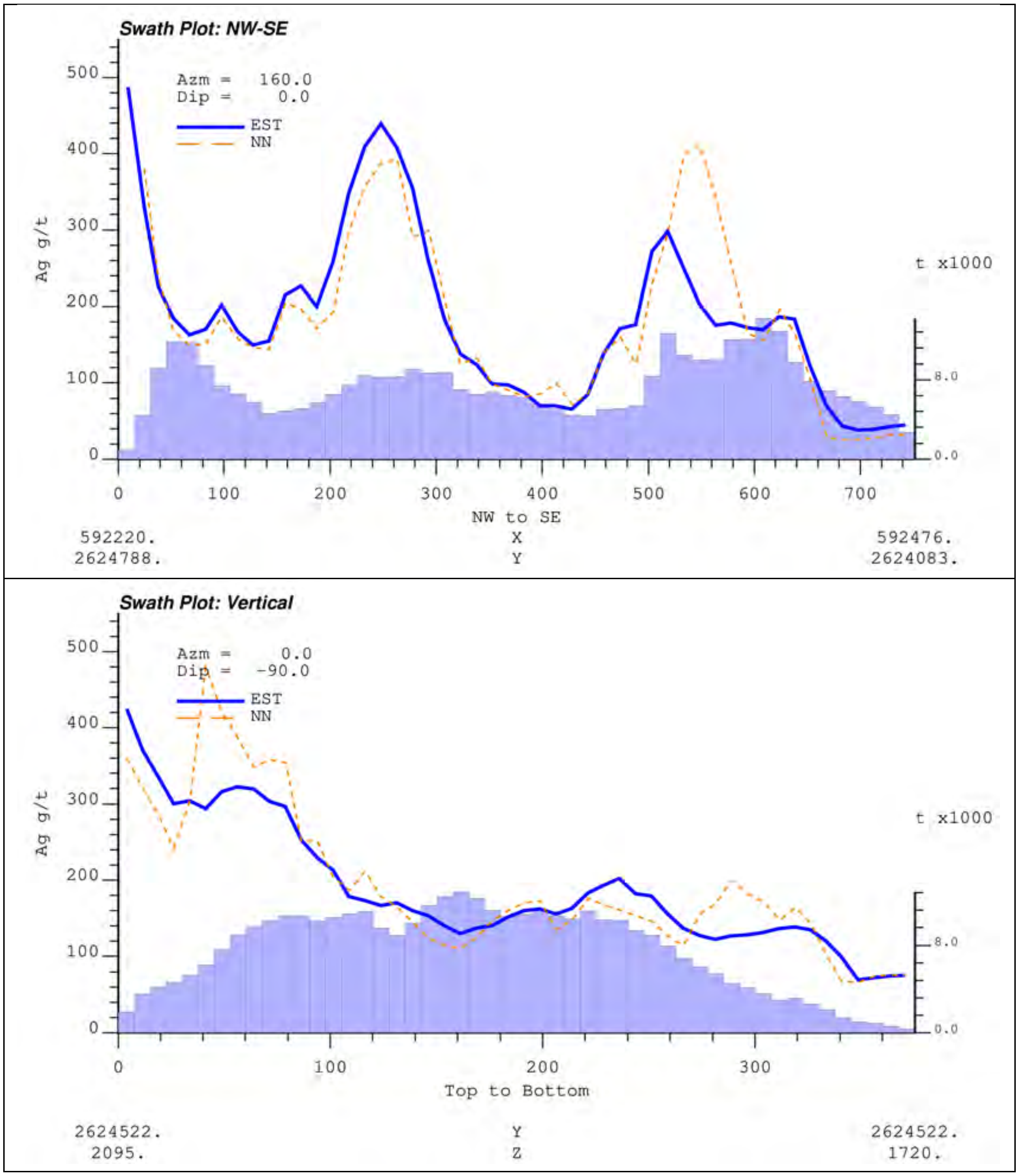

Figure 13-10: Along-Strike (top) and Vertical (bottom) Swath Plots for NN and IDW2 Silver Grade Estimates in the San Marcos Vein

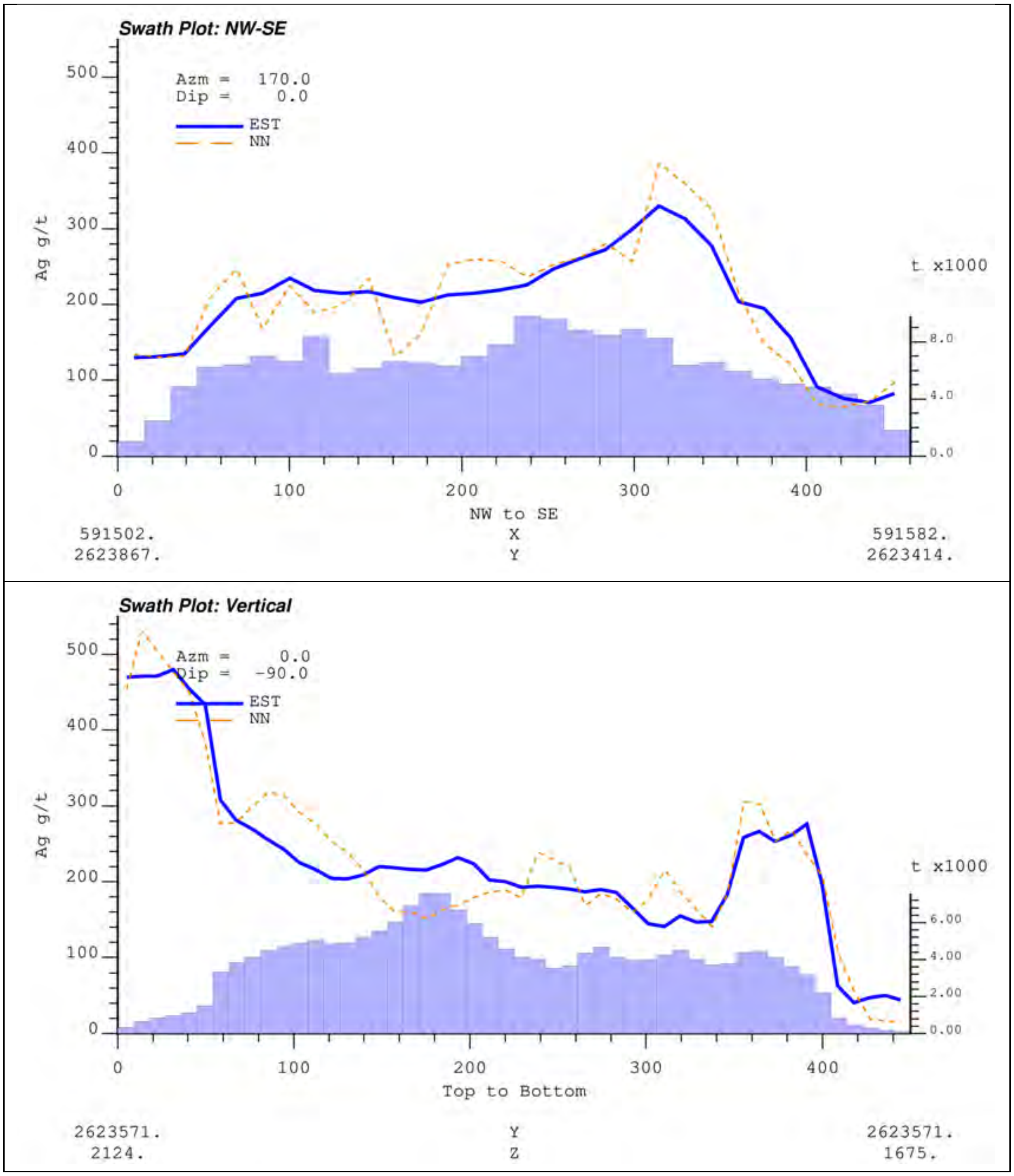

Figure 13-11: Along-Strike (top) and Vertical (bottom) Swath Plots for NN and IDW2 Silver Grade Estimates in the C460 Vein

13.6 Mineral Resource Classification

Block model quantities and grade estimates for the Rosarios, San Marcos, and Quebradillas deposits at La Parrilla were classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014) by Dr. David Machuca-Mory (PEO#100508889), an appropriate independent Qualified Person for the purpose of National Instrument 43-101.

Mineral Resource classification is typically a subjective concept. Industry best practices suggest that resource classification should consider the confidence in the geological continuity of the mineralized structures, the quality and quantity of exploration data supporting the estimates, and the geostatistical confidence in the tonnage and grade estimates. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas of similar resource classification as well as the continuity of the targeted mineralization at the reporting cut-off grade.

The QP is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation. The sampling information was acquired primarily by core drilling, generally on 30 to 50 metre-spaced sections.

No Measured Mineral Resources were defined for the estimates since the most densely sampled areas tend to be dominated by channel samples. Classification criteria include the following requirements for assigning the Indicated Mineral Resource category within the meaning of the CIM Definition Standards for Mineral Resources and Mineral Reserves (2014):

- Blocks estimated with samples from at least three boreholes at a 30 m separation,
- Blocks estimated using core and channel samples within 40 m distance from underground workings where the mineralization has been exposed and sampled.
- Borehole data used in the estimation must be supported by satisfactory QAQC results.

The Inferred Mineral Resource category was assigned to blocks estimated with composites from at least two boreholes with approximately 75 m separation, and to blocks estimated by extrapolation up to a distance of 50 m, or more, depending on the observed continuity of the vein and the mineralization (see Figure 13-12, Figure 13-13 and Figure 13-14).

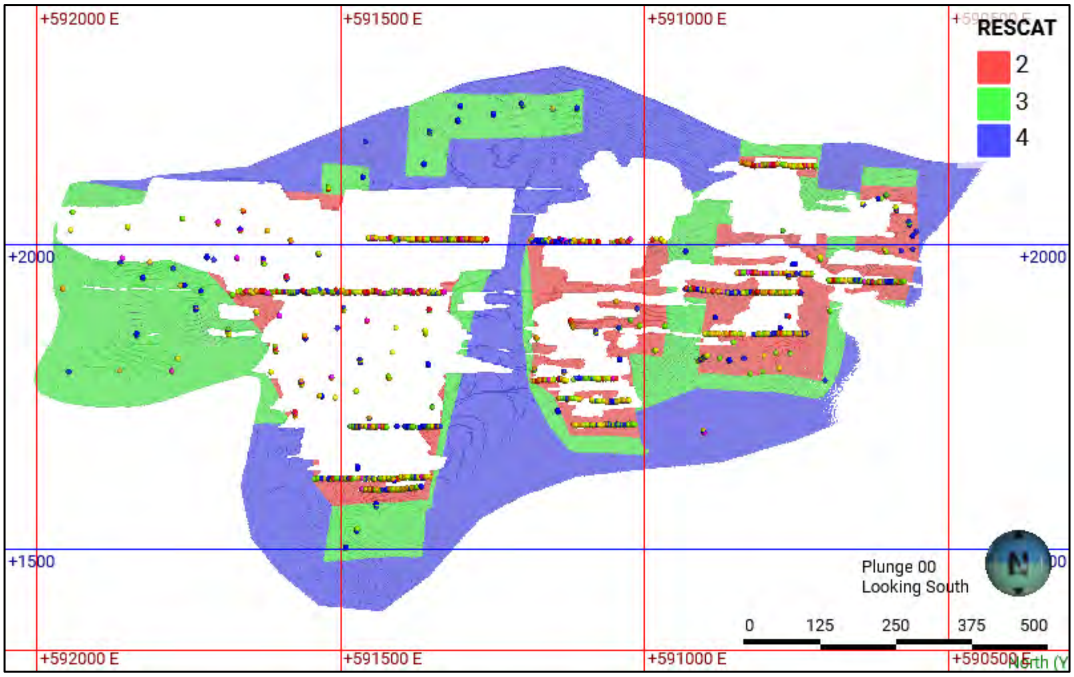

Figure 13-12: Mineral Resource Categories in Rosarios Vein (2: Indicated, 3: Inferred, 4: Unclassified)

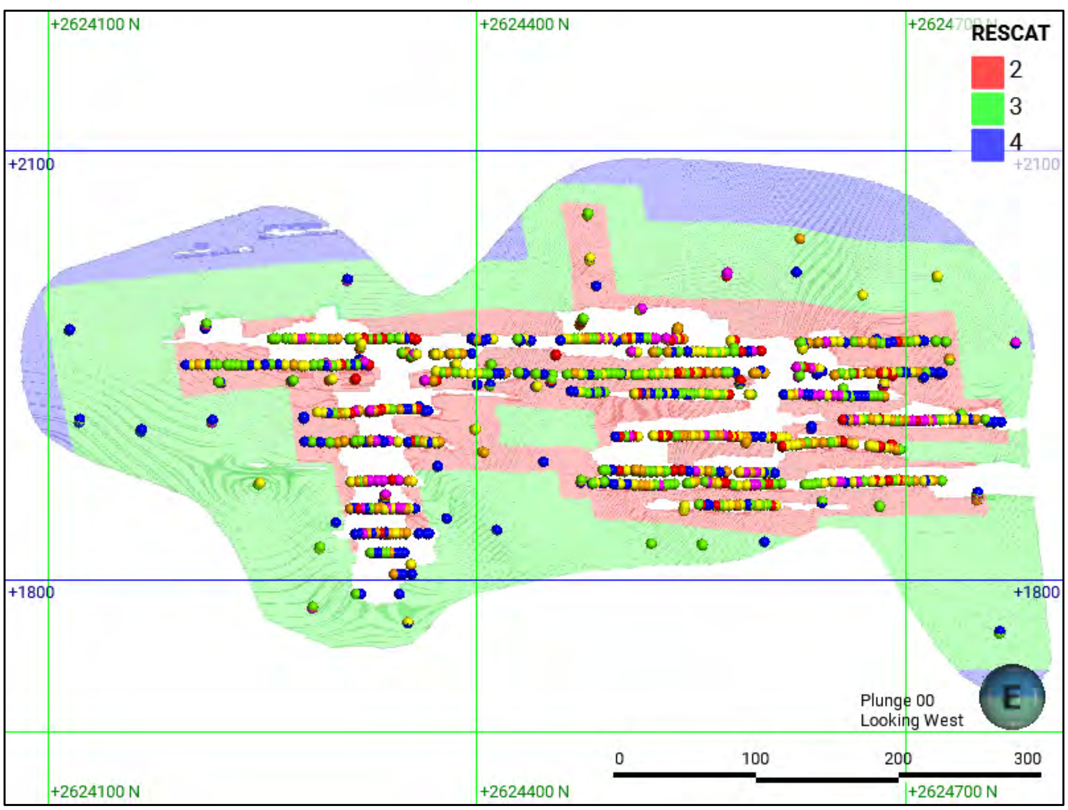

Figure 13-13: Mineral Resource Categories in San Marcos Vein (2: Indicated, 3: Inferred, 4: Unclassified)

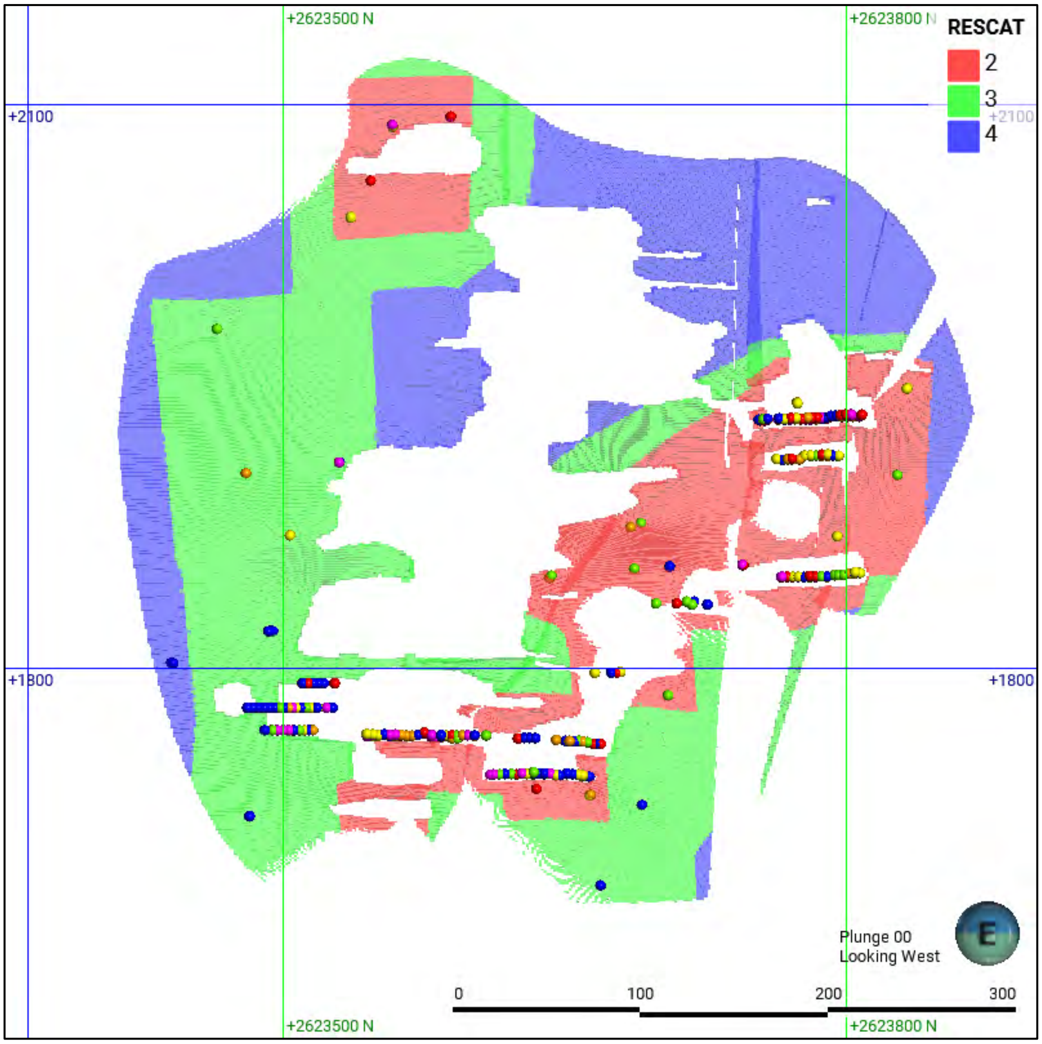

Figure 13-14: Mineral Resource Categories in C460 Vein (2: Indicated, 3: Inferred, 4: Unclassified)

13.7 Reasonable Prospects for Eventual Economic Extraction

The Canadian Institute of Mining, Metallurgy and Petroleum (CIM) *Definition Standards for Mineral Resources and Mineral Reserves* (May 2014) defines a Mineral Resource as:

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

The “reasonable prospects for eventual economic extraction” (RPEEE) requirement generally implies that factors material to technical feasibility and potential economic viability must be considered when preparing Mineral Resource statements. To meet this requirement, the authors of this report applied to the Mineral Resource estimates criteria regarding the recoverability of underground pillars, the extraction selectivity of the mining method, and an appropriate cut-off grade that considers underground extraction scenarios and processing recoveries.

13.7.1 Cut-off Grade

Table 13-15 summarizes the technical-economical assumptions considered for determining the cut-off grade for the reporting of La Parrilla Silver Mine Mineral Resources. Metal prices were based on three-year trailing average to December 31, 2022. Mining, processing, indirect and general and administration costs were based on 2017 actual and adjusted by inflation and exchange rate from 2017 to 2022. Sustaining costs were estimated in relation to forecasted plant and infrastructure maintenance needs. Metallurgical recoveries were based on the weighted average of actual 2015 - 2017 recoveries. 2017 was the last year of normal and full production. Cut-off grade considered for oxide and sulphide block model estimates were, respectively US$140 g/t Ag-Eq and US$125g/t Ag-Eq.

Table 13-15: Assumptions Considered for Underground Mineral Resource Reporting Cut-Off Grades

Parameter	Oxides	Sulphides	Unit
Cut-off grade	140	125	Ag-Eq (g/t)
Silver price	22.5	22.5	$/oz
Lead price	0.94	0.94	$/lb
Zinc price	1.35	1.35	$/lb
Gold price	1800	1800	$/oz
Mining costs	21.51	21.51	$ per tonne milled
Process cost	21.30	16.81	$ per tonne milled
Indirect costs	14.34	14.34	$ per tonne milled
General and administrative costs	10.58	10.58	$ per tonne milled
Sustaining costs	6.00	6.00	$ per tonne milled
Closure cost allocation	0.2	0.2	$ per tonne milled
Process recovery Ag	70.12	79.61	%
Process recovery Pb	-	74.73	%
Process recovery Zn	-	58.80	%
Process recovery Au	82.75	80.13	%

13.7.2 Removal of Unrecoverable Underground Pillars

Most of the La Parrilla veins have been subjected to different degrees of underground exploitation. Thus, pillars and sills are left between stopes. As the stopes were backfilled with unconsolidated waste rock material, the remaining mineralisation in the pillars and sills is often unrecoverable, and, therefore, not considered to meet the RPEEE requirement.

Additionally, material in the proximity of deplete volumes must remain in-situ as support for future mining. Consequently, SRK removed from the Mineral Resource estimated blocks between largely depleted stopes and within a buffer of 3 metres around depleted stopes. Blocks around development workings were not removed. This approach was applied to the seven biggest veins of La Parrilla, including Rosarios, San Marcos, C340, C1100, C460, Norte Sur and San Nicolas. Together these 7 veins contribute to above 80% of the Mineral Resources. Figure 13-15, Figure 13-16 and Figure 13-17 show, respectively, the depleted and unrecoverable volumes for Rosarios, San Marcos and C460 veins.

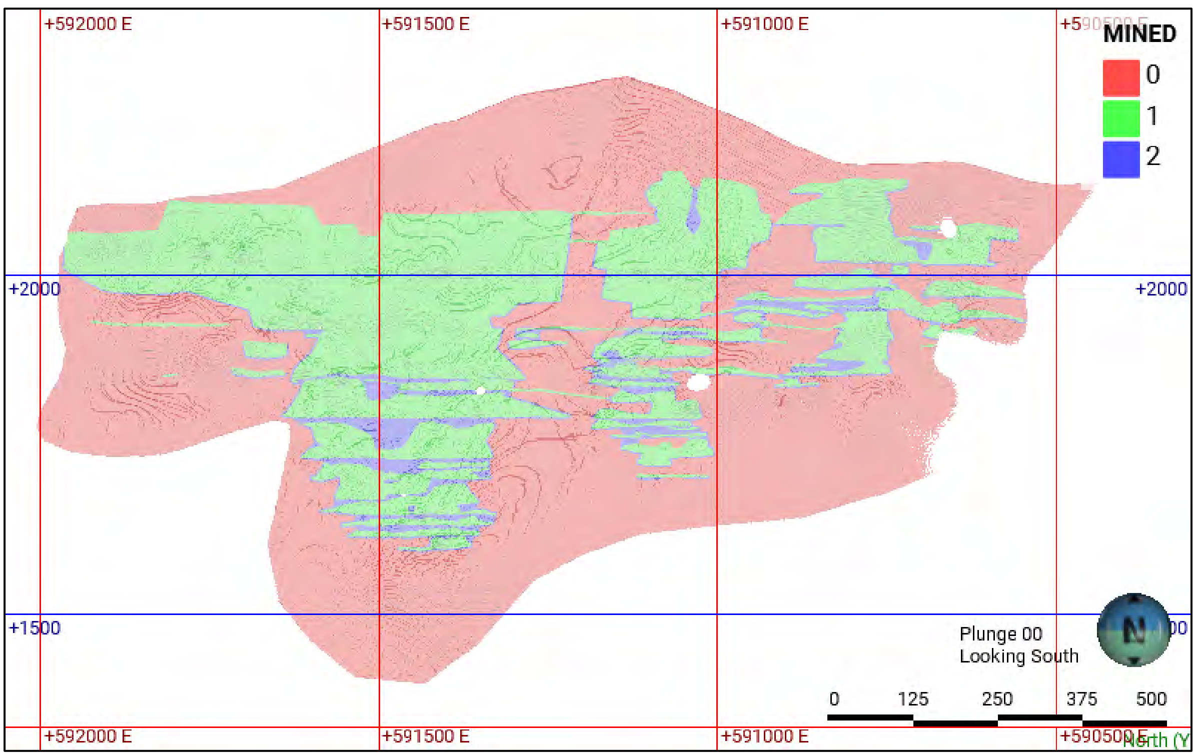

Figure 13-15: Depleted and Unrecoverable Volumes in Rosarios Vein (0: In-situ, 1: Mined-out Material, 2: Unrecoverable Blocks that are Removed from the Mineral Resources)

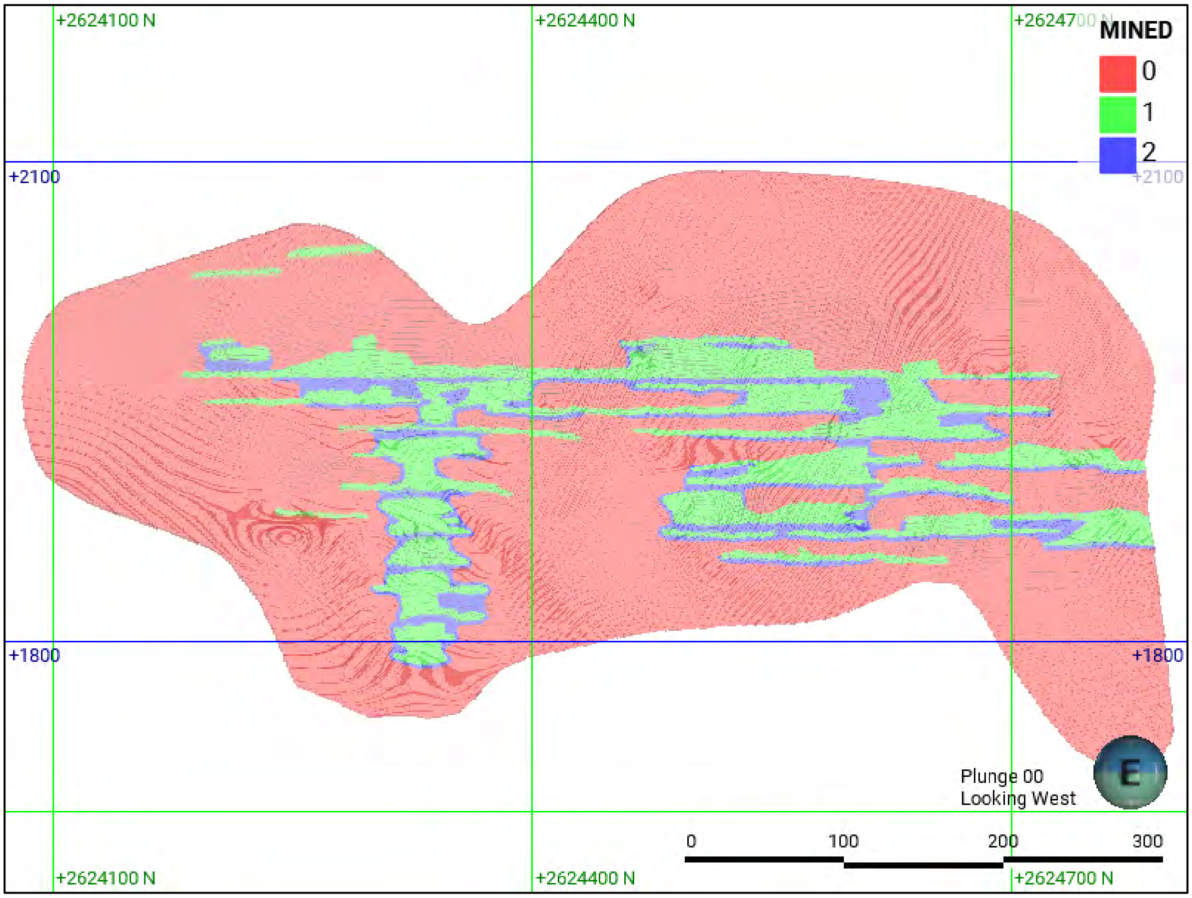

Figure 13-16: Depleted and Recoverable Volumes in San Marcos Vein (0: In-situ, 1: Mined-out Material, 2: Unrecoverable Blocks that are Removed from the Mineral Resources)

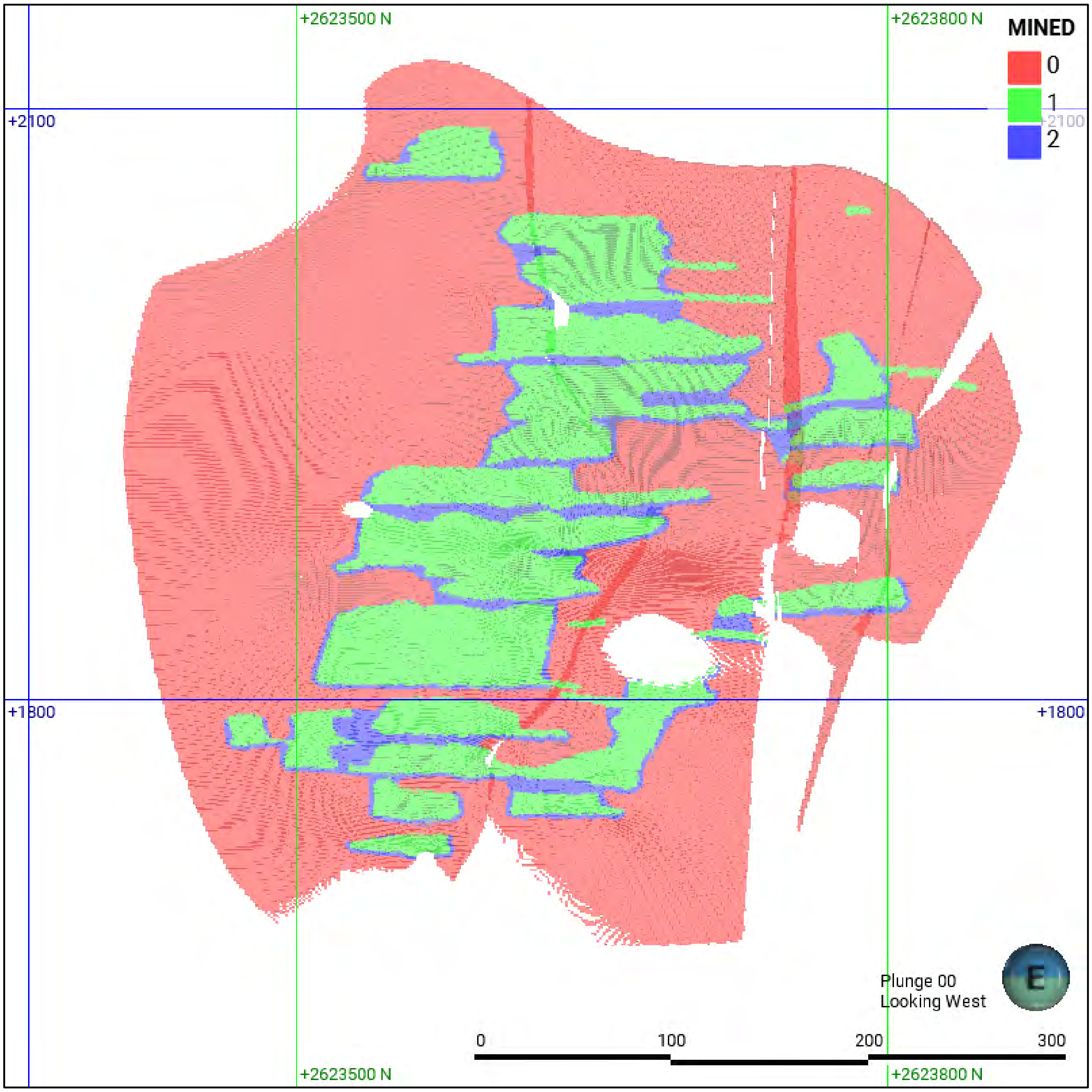

Figure 13-17: Depleted and Unrecoverable Blocks in C460 Vein (0: In-situ, 1: Mined-out Material, 2: Unrecoverable Blocks that are Removed from the Mineral Resources)

Figure 13-18 illustrates that there is a strong relationship between the mined-out tonnage and the tonnage in unrecoverable pillars for the seven biggest domains. A quadratic regression formula fitted to this relationship was used to infer the tonnage in unrecoverable pillars in the other fifteen veins.

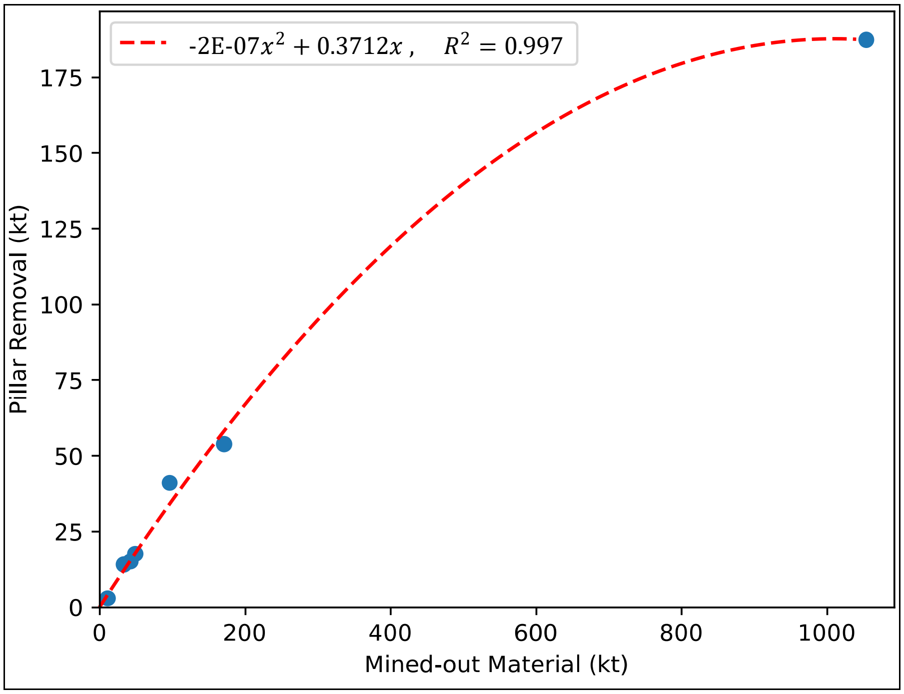

Figure 13-18: Relationship Between Mined-Out Tonnage and Tonnage in Unrecoverable Pillars

13.7.3 Conceptual Mineable Shapes

The CIM Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines (2019) suggest that underground mining scenarios must satisfy the RPEEE by demonstration of the spatial continuity of the mineralization within potentially mineable shapes. To meet this requirement, the authors of this report applied Deswick™ Stope Optimizer to delimit volumes of the Mineral Resources that amenable to be mined using mechanized cut-and-fill mining methods (MCF). MCF has been the mining method used by FMS in the three mines of La Parrilla since acquiring the property in 2004 until they were put on a care-and-maintenance by the end of 2019. Table 13-16 present the parameters applied for the mineable shapes optimisation at the seven biggest veins in La Parrilla.

Table 13-16: Parameters for Conceptual Mineable Shapes

Parameter	Value		Unit
	Oxides	Sulphides	
Mining method (vein width >2.0 m)	Cut-and-fill mining methods (MCF)		
Mining method (vein width 0.9 to 2.0 m)	MCF with reusing		
Total hangingwall/footwall dilution	0.4	0.3	metres
Sub-level spacing	12	12	metres
Minimum mining width (diluted reusing)	1.3	1.2	metres
Minimum mining width (diluted MCF)	2.4	3.4	metres

As Table 13-17 shown, the application of the mineable shapes selection on the seven biggest domains results in an average ore tonnage loss of 18% in the Inferred Resources and 12% in the Indicated Resources.

Table 13-17: Impact of MSO Selection on the Estimated Tonnage

Resource Category and Vein	Ore Tonnage after Pillar Removal	MSO Tonnage Loss	% MSO Tonnage Loss
Indicated			
Rosarios	272,207	49,731	-18%
C340	45,886	10,562	-23%
San Marcos	73,228	26,979	-37%
C1100	38,754	4,924	-13%
460	72,810	3,850	-5%
San Nicolas	10,264	3,481	-34%
Norte Sur	39,880	1,762	-4%
Total Indicated	**280,821**	**51,559**	**-18%**
Inferred			
Rosarios	442,897	58,961	-13%
C340	121,098	16,462	-14%
San Marcos	183,934	26,264	-14%
C1100	53,960	7,910	-15%
460	93,636	683	-1%
San Nicolas	126,286	17,307	-14%
Norte Sur	34,040	-144	0%
Total Inferred	**1,055,851**	**127,442**	**-12%**

The pillar removal and conceptual mineable shapes processes were applied directly only to the seven biggest veins representing altogether 80% of the Mineral Resources. For the other 15 veins, the RPEEE was applied via the regression formula derived from the impact of unrecoverable pillars (see Figure 13-18) and factors derived conceptual mine shapes on the seven biggest veins. The tonnage loss factors due to the mineable shapes selection applied for the fifteen smallest domains were obtained from the average tonnage losses for the seven biggest domains (Table 13-17)

13.7.4 Sensitivity Analysis

The Mineral Resources of La Parrilla Silver Mine are sensitive to the selection of the reporting cut-off grade. To illustrate this sensitivity, the block model quantities, grade estimates and total in-situ contained metal expressed as thousands of silver equivalent ounces is presented in the following tables by classification and mineral type (pre-RPEEE adjustments). The results at different cut-off grades for all block models combined are presented in the following tables:

- Table 13-18 – Indicated Oxide material
- Table 13-19 – Indicated Sulphide material
- Table 13-20 – Inferred Oxide material
- Table 13-21 – Inferred Sulphide material

The reader is cautioned that the figures presented in this table should not be misconstrued for a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade and do not incorporate the impact of mineable shapes selection.

Table 13-18: La Parrilla Silver Mine –Block Model Quantities and Grade Estimates* at Various Cut-Off Grades for Indicated Oxide Material (SRK 2023)

Cut-off Grade	Quantity	Grades			Metal Content
Ag-Eq (g/t)	(kt)	Ag (g/t)	Au (g/t)	Ag-Eq (g/t)	Ag-Eq (koz)
100	182	198	0.16	211	1,239
110	165	209	0.16	223	1,181
120	156	215	0.16	229	1,145
125	148	220	0.16	234	1,116
130	142	225	0.16	239	1,090
140	**131**	**234**	**0.17**	**248**	**1,042**
150	120	243	0.17	257	993
160	108	254	0.17	269	932
170	100	263	0.17	277	888
180	91	272	0.17	287	842
190	85	281	0.16	295	804
200	75	293	0.16	307	743
210	67	306	0.16	321	686
220	61	317	0.16	331	644
230	54	329	0.16	343	600

* The reader is cautioned that the figures in this table should not be misconstrued for a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of a cut-off grade.

Table 13-19: La Parrilla Silver Mine –Block Model Quantities and Grade Estimates* at Various Cut-off Grades for Indicated Sulphide Material (SRK 2023)

Cut-off Grade	Quantity	Grades					Metal Content
Ag-Eq (g/t)	(kt)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag-Eq (g/t)	Ag-Eq (koz)
100	694	159	0.08	1.76	1.57	248	5,528
110	669	162	0.08	1.80	1.60	253	5,443
120	641	166	0.07	1.84	1.64	259	5,338
125	**622**	**169**	**0.07**	**1.87**	**1.67**	**263**	**5,262**
130	601	172	0.07	1.91	1.69	268	5,175
140	568	177	0.07	1.97	1.74	275	5,028
150	535	182	0.07	2.03	1.79	283	4,871
160	501	187	0.07	2.10	1.84	291	4,692
170	471	192	0.07	2.17	1.88	299	4,530
180	427	200	0.07	2.27	1.97	311	4,272
190	382	209	0.07	2.40	2.07	326	3,997
200	349	217	0.06	2.48	2.15	337	3,790
210	324	223	0.06	2.56	2.22	347	3,622
220	303	229	0.06	2.62	2.26	356	3,470
230	284	235	0.06	2.67	2.30	364	3,329

* The reader is cautioned that the figures in this table should not be misconstrued for a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of a cut-off grade.

Table 13-20: La Parrilla Silver Mine –Block Model Quantities and Grade Estimates* at Various Cut-off Grades for Inferred Oxide Material (SRK 2023)

Cut-off Grade	Quantity	Grades			Metal Content
Ag-Eq (g/t)	(kt)	Ag (g/t)	Au (g/t)	Ag-Eq (g/t)	Ag-Eq (koz)
100	704	210	0.10	219	4,956
110	645	221	0.10	229	4,759
120	595	230	0.10	239	4,575
125	575	234	0.11	243	4,494
130	553	239	0.11	248	4,404
140	**514**	**247**	**0.11**	**256**	**4,233**
150	476	256	0.11	265	4,057
160	437	266	0.11	275	3,861
170	404	275	0.11	284	3,688
180	361	288	0.11	297	3,447
190	332	297	0.11	307	3,277
200	300	309	0.11	319	3,076
210	265	324	0.11	334	2,846
220	235	339	0.11	349	2,638
230	212	353	0.11	363	2,467

* The reader is cautioned that the figures in this table should not be misconstrued for a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of a cut-off grade.

Table 13-21: La Parrilla Silver Mine –Block Model Quantities and Grade Estimates* at Various Cut-off Grades for Inferred Sulphide Material (SRK 2023)

Cut-off Grade	Quantity	Grades					Metal Content
Ag-Eq (g/t)	(kt)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag-Eq (g/t)	Ag-Eq (koz)
100	1,046	152	0.14	1.44	1.46	235	7,912
110	988	157	0.14	1.49	1.51	243	7,716
120	935	162	0.14	1.54	1.56	250	7,519
125	**915**	**164**	**0.14**	**1.55**	**1.57**	**253**	**7,443**
130	894	166	0.14	1.57	1.59	256	7,355
140	849	170	0.14	1.61	1.64	262	7,160
150	782	176	0.15	1.69	1.69	272	6,844
160	719	183	0.15	1.77	1.76	283	6,535
170	648	191	0.15	1.86	1.85	295	6,157
180	584	200	0.15	1.94	1.94	309	5,794
190	544	207	0.15	2.00	2.00	318	5,556
200	510	213	0.15	2.04	2.04	326	5,347
210	476	218	0.14	2.10	2.11	335	5,121
220	446	224	0.15	2.15	2.16	343	4,917
230	416	230	0.15	2.20	2.21	351	4,695

* The reader is cautioned that the figures in this table should not be misconstrued for a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of a cut-off grade.

13.8 Mineral Resource Statement

Table 13-22 represents the Mineral Resource Statement for the La Parrilla Mine. This Mineral Resource Statement was produced by the authors of this report based on the results of its audit of the information and Mineral Resource estimates provided by FMS. SRK's audit included an exhaustive review of the database, the re-estimation of the silver, gold, lead, and zinc grades using corrected data, the application of the RPEEE by removing unrecoverable pillars and applying mineable shapes selection, review of the boundaries between Mineral Resource categories, and the updating of the cut-off grade.

After its audit and re-estimation, the QP considers that the Mineral Resources for La Parrilla mine is appropriately classified as Indicated and Inferred Mineral Resources in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101. The Mineral Resources may be affected by further infill and exploration drilling that may result in increases or decreases in subsequent Mineral Resource estimates.

Table 13-22: Mineral Resource Statement*, La Parrilla Mine, Durango, Mexico. SRK Consulting (Canada) Inc., May 31, 2023.

Category and Mineral Type	Mine	Quantity (ktonnes)	Grade					Contained Metal				
			Silver (g/t)	Gold (g/t)	Lead (%)	Zinc (%)	Ag-Eq (g/t)	Silver (koz)	Gold (koz)	Lead (ktonnes)	Zinc (ktonnes)	Ag-Eq (koz)
Indicated Mineral Resource												
Oxides												
	Rosarios	17	303	0.05	0.00	0.00	308	168	0.0	0.0	0.0	171
	San Marcos	76	223	0.18	0.00	0.00	240	545	0.4	0.0	0.0	585
	Quebradillas											
Subtotal Indicated Oxides		**93**	**238**	**0.16**	**0.00**	**0.00**	**253**	**713**	**0.5**	**0.0**	**0.0**	**756**
Sulphides												
	Rosarios	273	153	0.08	1.56	1.27	236	1,342	0.7	4.3	3.5	2,071
	San Marcos	32	269	0.14	1.19	1.08	341	276	0.1	0.4	0.3	351
	Quebradillas	217	165	0.05	2.27	2.17	289	1,151	0.3	4.9	4.7	2,016
Subtotal Indicated Sulphides		**522**	**165**	**0.07**	**1.83**	**1.63**	**264**	**2,770**	**1.2**	**9.6**	**8.5**	**4,437**
Total Indicated Resources		**615**	**176**	**0.08**	**1.55**	**1.39**	**263**	**3,483**	**1.7**	**9.6**	**8.5**	**5,193**
Inferred Mineral Resource												
Oxides												
	Rosarios	226	210	0.10	0.00	0.00	219	1,525	0.7	0.0	0.0	1,590
	San Marcos	211	289	0.10	0.00	0.00	298	1,965	0.7	0.0	0.0	2,027
	Quebradillas	8	146	0.18	0.00	0.00	162	35	0.0	0.0	0.0	39
Subtotal Inferred Oxides		**445**	**246**	**0.10**	**0.00**	**0.00**	**256**	**3,525**	**1.5**	**0.0**	**0.0**	**3,657**
Sulphides												
	Rosarios	302	139	0.22	1.40	1.27	229	1,347	2.2	4.2	3.8	2,223
	San Marcos	42	152	0.19	0.83	0.79	211	206	0.3	0.3	0.3	287
	Quebradillas	468	176	0.07	1.67	1.81	276	2,654	1.1	7.8	8.5	4,162
Subtotal Inferred Sulphides		**812**	**161**	**0.13**	**1.53**	**1.56**	**255**	**4,207**	**3.5**	**12.4**	**12.7**	**6,672**
Total Inferred Resources		**1,257**	**191**	**0.12**	**0.99**	**1.01**	**256**	**7,731**	**5.0**	**12.4**	**12.7**	**10,328**

*

(1) Block model estimates audited by David F. Machuca-Mory, PhD, PEng, Principal Consultant (Geostatistics), and Ilkay Cevik, PGeo, Associate Consultant (Geology), SRK Consulting Canada Inc.
(2) Mineral Resources are not mineral reserves and do not have demonstrated economic viability.
(3) Mineral Resources have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves.
(4) All figures rounded to reflect the relative accuracy of the estimates.
(5) Reasonable prospects of eventual economic extraction were considered by applying appropriate cut-off grades, removing unrecoverable portions of the estimates, and reporting within potentially mineable shapes.
(6) Metal prices considered were US$22.50 /oz Ag, US$1,800 /oz Au, US$0.94 /lb Pb and US$1.35 /lb zinc.
(7) Cut-off grade considered for oxide and sulphide block model estimates were, respectively US$140 g/t Ag-Eq and US$125g/t Ag-Eq. They are based on 2017 costs adjusted by the inflation rate and include sustaining costs.
(8) Metallurgical recovery used for oxides based on weighted 2015 - 2017 actuals was 70.1% for silver and 82.8% for gold
(9) Metallurgical recovery used for sulphides based on weighted 2015 - 2017 actuals was 79.6% for silver, 80,1% for gold, 74.7% for lead and 58.8% for zinc.
(10) Metal payable used was 99.6% for silver and 95% for gold in doré produced from oxides.
(11) Metal payable used was 95% for silver, gold, and lead and 85% for zinc in concentrates produced from sulphides
(12) Silver equivalent grade is estimated as: Ag-Eq = Ag Grade + [(Au Grade x Au Recovery x Au Payable x Au Price / 31.1035) + (Pb Grade x Pb Recovery x Pb Payable x Pb Price x 2204.62) + (Zn Grade x Zn Recovery x Zn Payable x Zn Price x 2204.62)] / (Ag Recovery x Ag Payable x Ag Price / 31.1035)
(13) Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces or thousands of tonnes
(14) Totals may not add up due to rounding

13.9 Previous Publicly Disclosed Mineral Resource Estimates

The Mineral Resources declared in this technical report supersede the previous Mineral Resource declaration made public in the Technical Report for the La Parrilla Silver Mine, Durango State, Mexico, prepared by SRK and FMS for First Majestic Silver Corp. and effectively dated December 31, 2016. This Mineral Resource Statement is presented in Table 5-6.

The differences between the updated 2023 Mineral Resource Statement documented in this technical report to that previously publicly released can be attributed to the following factors:

- Depletion from January 2017 until the start of the care-and-maintenance period by the end of 2019;
- Updated and revised Mineral Resource database;
- Updated geological interpretation;
- Uniformization of the Mineral Resource estimation methodology to IDW2 in 2023, instead of ordinary kriging and polygonal averages in 2017;
- Reviewed criteria for Mineral Resource classification;
- Application of the RPEEE to the Mineral Resources, including additional considerations on the recovery of pillars and selection within mineable shape;
- Updated cut-off grade.

13.10 Recommendations for Conversion of Mineral Resources into Mineral Reserves

Almost all veins included in La Parrilla Mineral Resources have been depleted to some extent. Most historical stopes have been backfilled with waste rock and the rock quality around them and near to the Quebradillas open pit may have deteriorated. Thus, the conversion of Mineral Resources into Mineral Reserves must be based on a careful analysis of the remaining pillars and stope crowns that can be economically and safely extracted. Additionally, ground support and dewatering costs, particularly at the lower levels, must be factored in this conversion.

The Mineral Resources are reported as in-situ resources within the limits of the mineralised structures. That is, external dilution is not accounted for. Conversion of Mineral Resources into Mineral Reserves will need to include an external dilution grade. An external dilution model was not prepared as the host rock of the mineralised structures is considered as largely barren. However, during the visit to the Quebradillas underground mine, the QP observed some thin mineralised veinlets outside the recognised contacts of the main veins. The modelling of grades within a low-grade halo around the current mineralisation domains is an opportunity to avoid penalizing the Mineral Resource estimate when converting them to Mineral Reserves. In absence of this low-grade model, using zero grades for the external dilution is regarded as a conservative approach.

Vein thickness is an important factor when converting Mineral Resources to Mineral Reserves in narrow vein deposits. Thus, particular attention should be paid to the modelling of the vein volumes. Errors in borehole inclinations may introduce distortions in the vein models geometry that complicate the design of mineable shapes on them.

14 Adjacent Properties

There are no adjacent properties that are considered relevant to the La Parrilla Silver Mine.

15 Other Relevant Data and Information

There is no other relevant data or information available about the La Parrilla Silver Mine.

16 Interpretation and Conclusions

The following interpretations and conclusions summarize the report authors opinions, based on the information presented in this report.

16.1 Mineral Tenure, Surface Rights and Agreements

Information provided by FMS legal experts supports that the mining tenure held is valid and is sufficient to support declaration of Mineral Resources. La Parrilla has adequate mineral concession and surface rights to support potential mining operations that may be designed in mining studies based on the Mineral Resources presented in the Report.

16.2 Geology and Mineralization

The La Parrilla Mine area deposits are considered to be examples of intrusion-related carbonate replacement deposits and mesothermal fault-veins. The current understanding of mineralization and alteration styles, as well as the structural and lithological controls on mineralization, is sufficient to support the Mineral Resource estimation.

16.3 Exploration Procedures, Drilling and Data Analysis

The exploration programs completed to date are appropriate for the mineralization style at La Parrilla. Sampling methods (core and channel sampling) and data collection are acceptable given the deposit dimensions, mineralization true widths, and the style of the deposits. The programs conform to industry-standard practices and can be applied in support of Mineral Resource estimation.

The lithological, geotechnical, collar, and downhole survey data collected are generally considered to be reliable with documentation provided in this report to document drillholes with unreliable data that were removed for the Mineral Resource estimation. The quality control program is adequate but needs further attention to the ongoing corrective actions in order to better address the issues observed in terms of precision, accuracy, and contamination.

It is the QP's opinion that the quality of the analytical data for silver, gold, lead, and zinc from Rosarios, San Marcos and Quebradillas resource areas is sufficiently reliable to support Mineral Resource estimation. It is also the QP's view that sample preparation, analysis, and security are generally performed in accordance with exploration best practices and industry standards.

16.4 Exploration Potential

Golden Tag identified several exploration target areas outlined herein.

The linear anomalies observed in the aeromagnetic data were used to generate exploration targets, as linear anomalies can be indicative of faults and veins. Additionally, the 3D inversion model was used as a guide for intrusion-limestone contacts, which are favourable for hosting skarn deposits. Geological mapping and geochemical rock and soil sampling programs were conducted on several of the target areas generated.

Geological mapping and sampling in the La Parrilla southwest area (southwest of the Quebradillas pit) led to the discovery of several new polymetallic veins such as the northwest trending La Esperanza vein, which was drill tested with encouraging results (Table 16-1). This is indicative of the potential to discover new mineralized veins, like those found at Quebradillas and Rosarios, along the granodiorite-limestone contact.

Geological mapping and sampling in the Los Perros / San Marqueña Cerro Santiago area, approximately one kilometre (km) to the east of the San Marcos mine, exposed a northwest trending system of veins, breccias and sinter characteristic of epithermal mineralization which extends along a strike length of over three km. The initial phase of drilling in this area returned several significant gold and silver intercepts indicating the presence of epithermal mineralization (Table 16-1). The presence and extent of this epithermal system demonstrates the potential for additional large-scale epithermal systems within other areas of the property.

Geochemical soil sampling, geological mapping and rock sampling programs were conducted on five grids and the results show several significant silver anomalies and new polymetallic vein discoveries within La Parrilla West, El Tiro and Graceros grids (Figure 5-5). Three drill holes completed in 2020 within the La Parrilla West grid led to the discovery of the west-northwest trending polymetallic Argenis vein, 750 metres to the west of the Rosarios mine. The results of the geochemical rock and soil sampling, geological mapping and drilling in La Parrilla West grid indicate the potential to extend the Rosarios vein system a further 750 m to the west. In addition, initial drill results from the San Jose de Los Muertos area to the east of the mine, suggest that the Rosarios vein system may potentially extend for a further 650 metres to the east (Table 16-1).

Table 16-1: Recent Significant Drill Intercepts Showing the Exploration Potential of La Parrilla Property

Area	Prospect	Hole	Collar X	Collar Y	Collar Z	Azimuth	Dip	From (m)	To (m)	Drilled Width (m)	Ag g/t	Au g/t	Pb %	Zn %	Ag.Eq g/t
San Jose Muertos	San Jose de Los Muertos (SJM)	ILP-SJM-16-01-A	592340.5	2625096.2	1977.0	96.8	-1.8	15.0	19.3	4.3	95	0.15	2.17	4.47	287
		ILP-SJM-16-02	592340.2	2625095.6	1977.0	114.6	0.8	176.7	178.4	1.7	498	0.05	6.09	9.88	935
		ILP-SJM-17-57	592267.0	2624801.1	1929.5	71.6	0.2	405.0	406.8	1.8	284	0.15	0.29	0.01	305
		ILP-SJM-17-67	592267.0	2624801.1	1929.5	33.5	-18.4	378.3	381.4	3.1	146	0.01	0.08	0.46	161
					and			393.4	396.5	3.15	112	0.4	0.47	0.55	172
		ILP-SJM-18-76	592182.6	2624973.1	1801.0	62.2	0.2	340.9	355.3	14.35	97	0.05	0.78	0.6	138
		ILP-SJM-18-80	592182.5	2624973.8	1801.0	49.8	-0.4	201.0	201.4	0.4	257	0.15	0.89	1.58	336
		ILP-SJM-18-82	592182.6	2624972.6	1800.8	60.4	-7.8	386.3	387.0	0.75	142	0.29	0.87	0.32	197
		ILP-SJM-18-83	592183.0	2624971.6	1800.8	79.1	-9.9	430.4	430.8	0.4	251	0.13	0.13	0.15	269
La Parrilla West	Argenis (LI)	SLP-LI-20-01	589770.6	2625342.2	2116.0	217.8	-44.3	238.1	242.5	4.4	154	0.01	0.23	0.31	169
		SLP-LI-20-02	589812.8	2625255.0	2127.6	205.6	-46.5	167.6	171.2	3.6	256	0.03	1.74	2.25	366
		SLP-LI-20-03	589879.4	2625349.3	2116.9	227.5	-57.5	349.9	353.4	3.45	72	0.04	2.24	2.58	206
Quebradillas SW	La Esperanza (LE)	SLP-LE-17-01	590897.0	2623309.0	2213.0	228.5	-45.6	4.7	7.3	2.55	76	2.01	0.07	0.06	242
					and			128.5	128.8	0.3	847	0.06	0.02	0.07	854
		SLP-LE-17-02	590797.0	2623389.0	2253.0	228.8	-44.9	262.4	265.9	3.45	114	0.26	0.12	0.57	154
		SLP-LE-17-04	591031.5	2623167.6	2254.0	231.7	-50.7	40.6	42.0	1.45	213	0.34	0.37	0.23	256
		SLP-LE-17-07	590958.4	2623236.8	2233.2	233.1	-43.1	48.2	48.6	0.4	118	0.35	0.15	0.19	155
		SLP-LE-17-08	590961.4	2623232.8	2232.2	235.2	-54.0	179.6	179.9	0.3	168	0.2	0.24	0.06	192
					and			275.6	275.8	0.2	5	1.06	0.01	0.08	92
		SLP-LE-17-09	590960.0	2623236.0	2233.0	230.8	-46.8	125.8	126.1	0.25	141	0.21	0.57	0.23	180
		SLP-LE-17-11	590953.0	2623288.0	2240.0	214.6	-47.0	137.5	137.7	0.25	194	0.07	0.71	0.48	232
Cerro Santiago-Los Perros	Cerro Santiago (CS)	SLP-CS-17-03-A	593358.9	2626117.1	2046.9	217.6	-63.5	290.2	291.0	0.8	0	1.19	0	0.01	96
		SLP-CS-17-04	593358.9	2626117.1	2074.8	190.7	-64.8	129.5	130.3	0.75	2	1.4	0	0	114
		SLP-CS-18-01	593913.1	2625601.9	2045.5	238.8	-50.5	479.2	480.9	1.7	440	1.14	0	0	532
					and			486.3	492.5	6.2	490	1.22	0.01	0.02	589
		SLP-CS-18-02	593913.7	2625601.2	2045.6	215.7	-43.2	526.2	532.3	6.15	84	0.18	0.01	0	99
		SLP-CS-18-04	593909.0	2625602.0	2046.4	220.4	-52.8	62.0	63.0	1	1	2.85	0	0.01	230
					and			501.0	501.3	0.3	5	3.17	0	0	260
		SLP-CS-18-06	593909.0	2625602.0	2046.4	232.7	-43.9	363.0	364.1	1.05	1	0.99	0	0	81
		ILP-CS-18-63	592290.3	2624847.5	1929.7	75.9	-14.6	360.0	361.1	1.1	20	0.62	0.32	0.01	79
					and			363.6	365.2	1.6	97	0.48	0.7	0.04	155
					and			840.3	840.6	0.35	4	1.35	0.02	0.02	113
		SLP-CS-18-07	593368.3	2625120.7	2024.1	41.9	-47.7	405.5	407.1	1.55	97	0.55	0	0	141
		SLP-CS-19-01	594037.8	2626032.1	1967.6	241.9	-44.7	393.0	393.8	0.75	192	0.06	0.18	0.02	203
		SLP-CS-19-04	593724.5	2626288.5	1981.0	234.6	-72.7	12.0	13.0	0.95	303	0.05	0	0.02	308
	Los Perros (LP)	SLP-LP-18-02	593755.0	2624487.0	2027.8	258.8	-46.4	98.3	98.6	0.35	412	7.26	0	0	997
					and			102.6	103.9	1.35	168	0.53	0.01	0.01	211
		SLP-LP-18-05	593755.0	2624489.0	2028.5	273.1	-45.0	268.9	269.2	0.3	147	0.4	1.26	0.05	215
		SLP-LP-19-02	594164.6	2624883.7	2003.1	250.8	-57.3	352.0	352.6	0.65	52	0.9	0	0	124
					and			356.2	360.9	4.75	72	0.22	0	0.03	90
		SLP-LP-19-01	594213.5	2624585.7	2004.9	252.0	-56.0	447.7	448.1	0.4	1	1.4	0	0	114
		SLP-LP-19-03	594165.0	2624883.8	2003.0	251.7	-72.8	619.1	620.4	1.35	77	0.25	0	0	97
		SLP-LP-19-05	594351.1	2624989.7	1991.2	263.4	-71.6	223.1	223.5	0.35	22	3.94	0.01	0.01	339
		SLP-LP-19-06	594395.1	2624687.1	1994.5	250.0	-70.6	623.5	624.7	1.15	3	1.14	0	0	95
		SLP-LP-20-03	594140.2	2625029.4	2000.5	244.1	-47.7	326.2	327.0	0.75	94	1.06	0	0	180
					and			466.3	466.8	0.5	3	2.13	0	0	175
El Cristo	El Tiro							No Significant Results							

*All results are rounded. Assays are uncut and undiluted. Widths are core-lengths, not true widths. True widths are estimated to be between 70-80% SJM, 65-70% LI & LE, and 40-70% CS & LP. Silver equivalent for underground sulphide mineralization, Ag-Eq g/t, was calculated using commodity prices of $22.50/oz Ag, $0.94/lb Pb, $1.35/lb Zn, and $1800/oz Au. All other assumptions used in the calculation are outlined in Section 13.7.1.

Preliminary reconnaissance mapping and geochemical rock sampling has revealed banded -quartz-carbonate veins, quartz-carbonate breccias, sinter deposits and felsic dikes within the eastern part of the La Michilia area which suggest the potential for epithermal mineralization in the southern section of the property covered by rhyolites.

The exploration potential at La Parrilla is indicated by the following favourable factors:

- La Parrilla is located along the Mexican Silver Belt.
- Regional northwest-trending structures are observed in regional and detailed magnetic surveys.
- The analytic signal and vertical derivative products suggest potential for additional northwest and north-south trending structures.
- The occurrence of an Eocene age granodiorite stock hosted by the Cuesta del Cura and Indidura Formations creates potential for skarn, polymetallic vein, and replacement deposits.
- The occurrence of veins and breccias with epithermal characteristics and of sinter deposits suggest potential for epithermal deposits proximal to the La Parrilla mine area and within the La Michilia area.
- The occurrence of rhyolite domes in the southern portion of the property indicates potential for additional exploration for epithermal deposits.
- The geological mapping and geochemical rock and soil sampling programs, which have been conducted over a small section of the property, have resulted in numerous new discoveries of surface mineralization that have not been followed up on by more detailed exploration work and drilling.
- A large portion of the property has not been subject to any exploration (La Providencia, Michis, & Hueco concessions, ~66,000 ha), including no drilling performed on the 31,350 hectare La Michilia area (Michis concession).

16.5 Mineral Processing and Metallurgical Testing

The metallurgical analysis discussed in this report is primarily based on operational plant data. The metallurgical work focused on tailoring the plant to the real run-of-mine mill feed, and analytical laboratory work was developed to the level necessary to ensure plant performed to expectations.

The metallurgical work was performed on fresh mine samples obtained on a regular basis from the mining sequence, and on mill feed samples. In all cases, the testing focused on maximizing metallurgical recovery and optimizing the reagents consumption for both flotation and cyanidation circuits.

The metallurgical recoveries considered in the cut-off grade assumptions presented in this technical report and in the economic analysis are shown in Table 16-2.

Table 16-2: Metallurgical Recoveries Considered in the Cut-Off Grade Calculation

Metal	Metallurgical Recovery – Cyanidation of Oxides	Metallurgical Recovery – Flotation of Sulphides
Silver	70.1%	79.6%
Gold	82.8%	80.1%
Lead	N/A	74.7%
Zinc	N/A	58.8%

16.6 Mineral Resource Estimation

SRK undertook a detailed review of the Mineral Resource database provided by FMS. Most of the issues found in the database were remediated in collaboration with FMS. These issues related mostly to the location and orientation of boreholes and the location of underground channels. The borehole and channel sample data that could not be satisfactorily corrected were discarded from the input database for Mineral Resource estimation. As a result of the database audit, 10% of the channel samples and 412 boreholes out of 1,293 were removed from Mineral Resource database. The QP is confident that the quality and quantity of the borehole and channel sampling data in the final Mineral Resource database is sufficiently reliable to inform the Indicated and Inferred categories for La Parrilla Mineral Resource estimates.

No Measured Resources were defined by the QP since these would be in the proximity of channel samples and largely informed by them. Suitable QAQC protocols for channel samples have not been continuously applied at La Parrilla and their location cannot be confirmed with high confidence. Moreover, related to nearby borehole samples, channel samples can present material positive biases, particularly for lead and zinc grades.

The Mineral Resource estimation process at La Parrilla conforms with standard industry practices. The QP ensured that RPEEE were considered for Mineral Resource reporting. As such, the QP removed pillars judged unrecoverable from the Mineral Resources and applied potentially mineable shapes to delimit continuous mineralized volumes to be reported in the Mineral Resource Statement. The pillar removal and mineable shapes selection was applied directly to the seven largest veins contributing to around 80% of the reported Mineral Resources. RPEEE factors derived from the biggest veins were applied to the other 15 veins.

The discrimination between oxidized and fresh material is based on terrain observations by FMS mine geologists. These material type categories were coded in the block model based on the information provided by FMS. With the collaboration of FMS, the QP corrected the oxides/sulphides block model coding where the limits between these categories were spatially inconsistent and did not correspond to the grades of economic metals related to the presence of sulphides, particularly lead and zinc. These material types influence the specific gravity estimation and the metallurgical recovery applied to the corresponding cut-off grades.

Factors which may affect the geological and Mineral Resource modeling and the preliminary stope designs used to constrain the Mineral Resources include: commodity price assumptions; dilution assumptions; changes to geotechnical, mining, and metallurgical recovery assumptions; changes in interpretations of geometry and continuity of mineralization zones; changes to assumptions made as to the continued ability to access the site, retain mineral and surface rights titles, maintain the operation within environmental and other regulatory permits, and retain the social licence to operate.

16.7 Underground Pillars

Pillars considered to be unrecoverable under the RPEEE criteria amount to 235 thousand tonnes at 242 g/t average silver equivalent grade in Rosarios, 103 thousand tonnes at 332 g/t average silver equivalent grade in San Marcos, and 91 thousand tonnes at 310 g/t average silver equivalent grade in Quebradillas. At the time of his Mineral Resource estimate, inadequate information was available for the QP to determine the recoverability of these pillars. Nevertheless, mineralized material contained within these pillars represent an opportunity for potential future extraction, if supported by additional geomechanical studies and underground resampling.

17 Recommendations

The geological setting, character of the polymetallic mineralization, and exploration and production results to date justify additional exploration and technical study expenditures on the La Parrilla Project. Two phases of recommendations are proposed. Phase 1 recommendations relate to exploration activities aimed to extend and improve the confidence on the current Mineral Resource domains and to delineate additional Mineral Resources. Phase 2 recommendations relate to Mineral Resource model optimizations in anticipation of the resumption of the mining activities at La Parrilla.

17.1 Phase 1

The Phase 1 work program includes allocations for testing the extension along strike, at depth and to the surface of the main La Parrilla veins and to incorporate these extensions into the Mineral Resources. The exploration work in this first Phase comprises drilling aimed to add additional Inferred Resources. During this drilling program, Golden Tag plans to undertake the following work in four priority areas:

- 3,000 metres of drilling to test the east, west and down-dip extension of the Rosarios and C340 veins,
- 1,000 metres of drilling to test the extension of the San Marcos vein to surface and at depth,
- 1,000 metres of drilling to test the northern extension of the Quebradillas open pit zone and
- 2,000 metres of drilling to test the strike and down-dip extension of the C460 vein at Quebradillas.

The total cost of the first stage of drilling in Phase 1 is approximately US$2.10 million (Table 17-1), assuming a drilling cost of US$300 per metre.

Table 17-1: Estimated Cost for the Phase 1 Exploration Program for the La Parrilla Mine

Description	Units (metres drilled)	Total Cost (Million US$)
Drilling Stage 1		
Rosarios extension	3,000	0.90
San Marcos extension	1,000	0.30
Quebradillas open pit zone extension	1,000	0.30
Quebradillas C460 extension	2,000	0.60
Total	**7,000**	**2.10**

17.2 Phase 2

The Phase 2 work program is designed to complete the required drilling and to provide additional support to the eventual resumption of mining activities at La Parrilla. Phase 2 is not dependent on the results of the Phase 1 work program and can be conducted concurrently. The Phase 2 work program focuses on various aspects for enhancing the Mineral Resource estimation process to facilitate the future conversion to Mineral Reserve prior the potential resumption of the mining. The estimated cost for the Phase 2 work program outlined below is US$5.24 million (Table 17-2).

17.2.1 Additional Infill and Exploration Drilling

A second stage of drilling will follow-up on the success of the first stage in Phase 1, with an additional 7,000 metres of infill drilling and further exploration drilling (US$2.1 million).

17.2.2 Database and QA/QC

SRK audited the Mineral Resource database and addressed issues in collaboration of FMS. After several iterations, almost a third of the boreholes drilled at La Parrilla area were considered unsuitable for Mineral Resource estimation. Re-instating part of these boreholes will require a deeper validation effort and the execution of some confirmatory boreholes targeting key mineralised intervals. The estimated cost for additional database validation work is estimated in US$15,000. Approximately 2,000 metres of confirmatory drilling may be required for the main vein structures at an estimated cost of US$0.60 million.

The recovery of Mineral Resources locked in pillars and the opening of new stopes will require the support of a robust short-term Mineral Resource model. Underground short-term models are heavily informed by closely spaced data, such as channel sampling data, in the case of La Parrilla. Assuming accessibility support by additional geomechanical studies, an underground resampling campaign may be required to inform this short-term model given the location uncertainties and biases observed in the channel sampling data provided by FMS. The new channel sampling data will be also useful to support the estimation of Indicated Resources in the long-term model. An estimated budget of US$50,000 may be needed to initiate this underground resampling campaign in the currently open stopes of the main veins. The resampling may be extended later to other stopes and veins. An adequate QA/QC program should be applied for all new underground channel samples.

FMS is removing the laboratory instruments from the on-site Central Laboratory. Golden Tag may need to re-equip this laboratory to support the day-to-day assaying requirements of the mine operation, additionally it is recommended to add metallurgical testing equipment to the laboratory.

Specific gravity (SG) values in the model are estimated as averages per mine and oxidation type. A more accurate density model would require increasing the SG data. The QP suggests taking these measurements from existing core at key intervals and all core recovered from future drilling.

17.2.3 Vein Modelling

Vein thickness is an important factor when converting Mineral Resources to Mineral Reserves in narrow vein deposits. Thus, particular attention should be paid to the modelling of the vein volumes. Errors in borehole inclinations may introduce distortions in the vein models geometry that difficult the design of mineable shapes on them. The remediation of these errors will require the remodelling of the vein volumes. The estimated cost of reinterpreting and remodelling the veins is US$50,000.
Implicit modelling of tabular bodies may incur thickness inflation away from borehole intersects. Future updates of the vein solids must minimize this risk by increasing the manual editing of these solids.

17.2.4 Mineral Processing

The available Mineral Resource information suggest that no material differences in the mineralogy is expected; therefore, the current process flowsheet is anticipated to be suitable for resuming operational activities. Overall, the facilities in its current state require significant maintenance as well as the addition of some new equipment to become fully operational, the total estimated cost of this work is US$2.1 million (Appendix C).

The processing QP recommends the following improvements of the processing facilities which are necessary to re-start the operation:

- General maintenance work is required in the crushing plant;
- Basic automation of the grinding-classification loop should be considered, as it will greatly benefit the metallurgical performance and overall energy cost. In addition, new grinding media is required in the grinding circuit;
- Cleaning stage cells in both the lead and zinc floatation circuits are required. An upgrade of the rougher cells to forced air technology should improve overall metallurgical recovery.

17.2.5 Mineral Resource Estimation and Classification

Future updates of the Mineral Resource model should consider approaches aimed to better reflect the statistical and spatial distribution of grades at Selective Mining Unit (SMU) support. Ordinary Kriging calibrated by change of support models or non-linear estimation / simulation methods should be considered for Mineral Resource modelling.

The potential biases introduced by channel sampling in the estimation should be continuously monitored with comparative paired analysis against core samples. Appropriate measures, such as interpolation with restricted searches and cokriging with different quality data, should be considered for incorporating channel samples into short- and long-term estimates.

Honoring of multivariate correlations between economic elements and contaminants can be key for discriminating between ore types for different metallurgical processing flows. Multivariate estimation / simulation techniques can be applied for this purpose.

The discrimination between oxidized and fresh material in the Mineral Resource model is based on field observations by FMS mining geologists. With the collaboration of FMS, the QP corrected obvious spatial and grade incongruencies in the oxide / sulphide boundaries. However, this limit is still a source of uncertainty that could be minimized by a reassessment of the mineralogy and multivariate grade distribution in the various veins.

Numerous apparently disconnected high grade borehole intervals are external to the vein domains. These intervals present an opportunity to be included within a low-grade halo around the defined domains. This low-grade halo can be used for external dilution in the mineable shapes delimitation.

The proposed extension and infill drilling program has the potential to add additional Mineral Resources and consolidate those currently reported. The additional information coupled with the use of modern estimation methods will require the reassessment of the classification criteria and the boundaries between the different Mineral Resource categories.

All recommended improvements to the Mineral Resource estimation and classification can be executed at an estimated cost of US$50,000.

17.2.6 Reasonable Prospects for Eventual Economic Extraction

Following the RPEEE guidelines, the QP removed from the Mineral Resource pillars deemed too thin or inaccessible and applied mineable shapes to define continuous volumes of mineable material. This exercise was performed only on the 7 biggest veins of La Parrilla contributing approximately to 80% of the Mineral Resource. For the other 15 veins, RPEEE factors derived from the average losses in the seven biggest domains were applied. A more detailed work is required to define specific loses for each of the 22 veins reported in La Parrilla Mineral Resource. This cost of this additional work is estimated at US$25,000.

Table 17-2: Estimated Cost for the Phase 2 Recommendations

Description	Cost (US$)	Total Cost (Million US$))
Drilling		
Exploration and infill drilling (7,000m)		2.10
Sub-total		**2.10**
Within Resource Pillar Channel Sampling	50,000	
Geological Vein Modeling	50,000	
Mineral Resource Update	50,000	
RPEEE Support Work	25,000	
Re-equip Laboratory (estimate)	250,000	
Sub-total		**1.04**
Mineral Processing Activities		
Various Processing Facilities Upgrades	2,100,000	
Sub-total		**2.10**
Total		**5.24**

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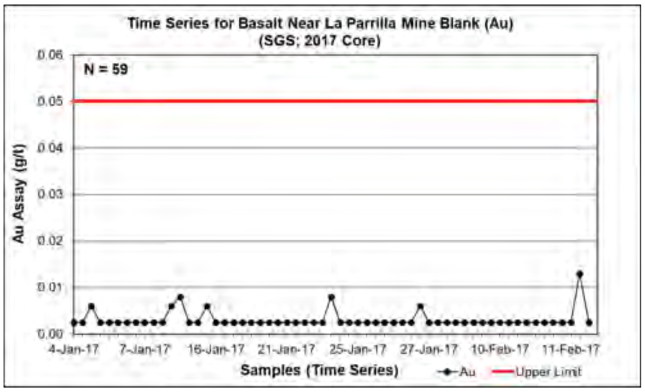
APPENDIX A

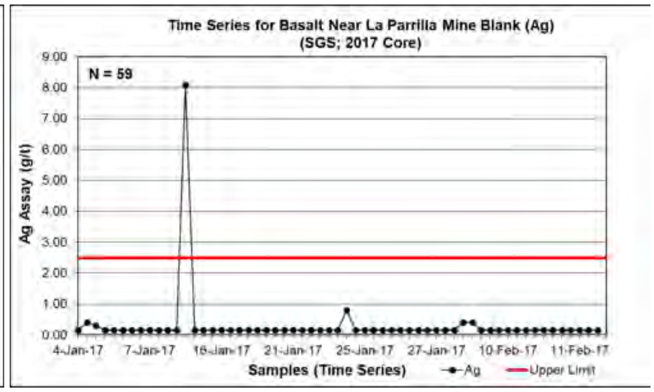
Analytical Quality Control Data and Relative Precision Charts

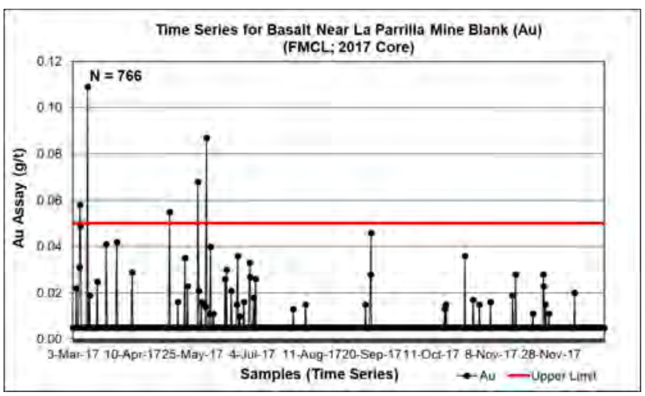
Time Series Plots for Blank Samples Assayed by SGS & First Majestic Central Laboratory during 2017

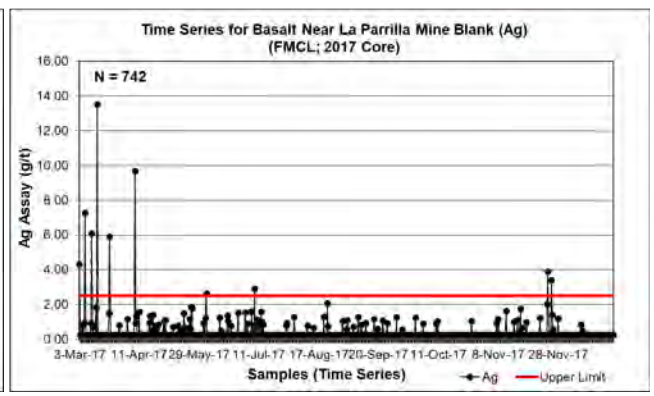
Project	La Parrilla Mine
Data Series	2017
Data Type	Core
Commodity	Silver (g/t) and Gold (g/t)
Laboratory	SGS
Analytical Method	Fire Assay
Detection Limit	Various

Statistics	**Au**	**Ag**	**Au**	**Ag**
Sample Count	59	59	766	742
Expected Value	0.005	0.250	0.005	0.2500
Standard Deviation	-	-	-	-
Data Mean	0.003	0.311	0.007	0.427
Upper Limit (10xDL)	0%	2%	1%	1%





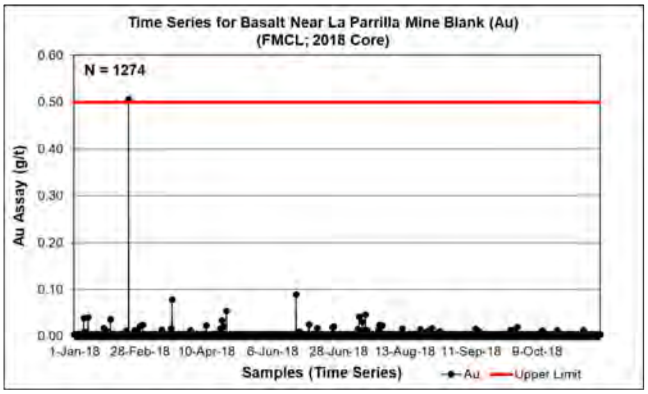


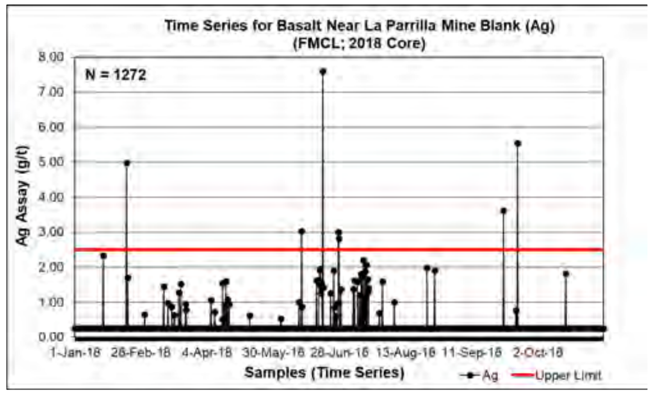


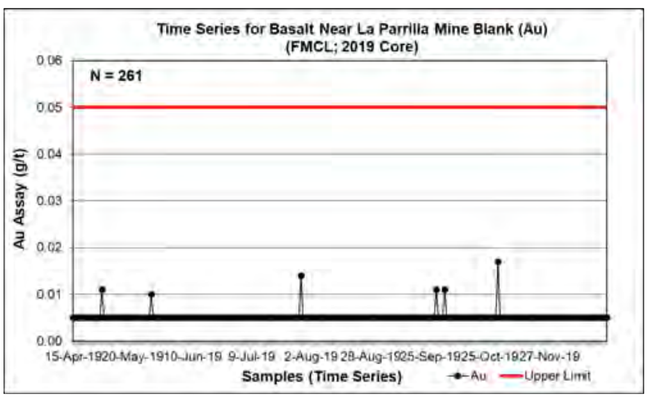
Time Series Plots for Blank Samples Assayed by First Majestic Central Laboratory during 2018-2020

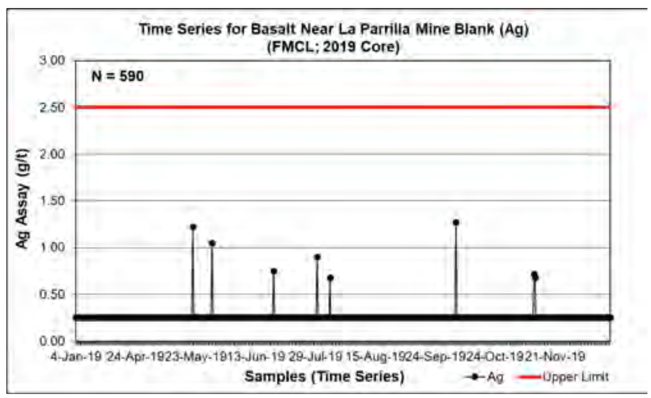
Project	La Parrila Mine
Data Series	2018-2020
Data Type	Core
Commodity	Silver and Gold (g/t)
Laboratory	FMCL
Analytical Method	Fire Assay
Detection Limit	Various

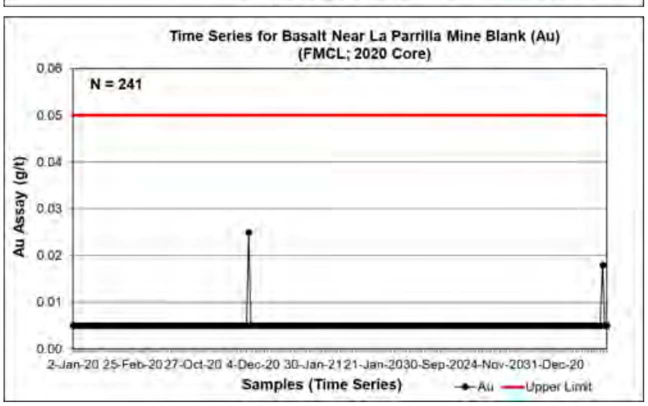
Statistics	**Au**	**Ag**	**Au**	**Ag**	**Au**	**Ag**
Sample Count	1,274	1,272	261	590	241	241
Expected Value	0.050	0.250	0.005	0.2500	0.0050	0.2500
Standard Deviation	-	-	-	-	-	-
Data Mean	0.006	0.324	0.005	0.259	0.005	0.250
Upper Limit (10xDL)	0%	1%	0%	0%	0%	0%

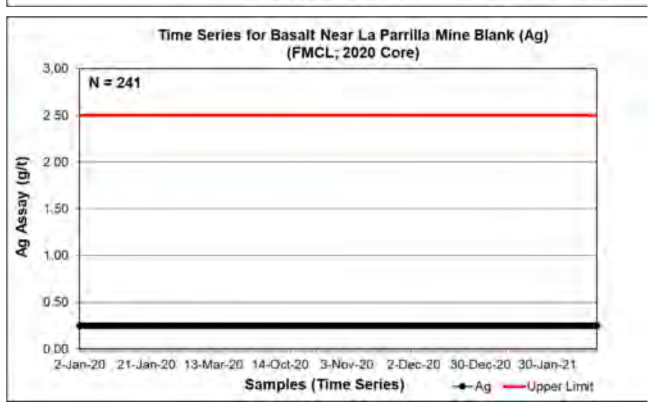








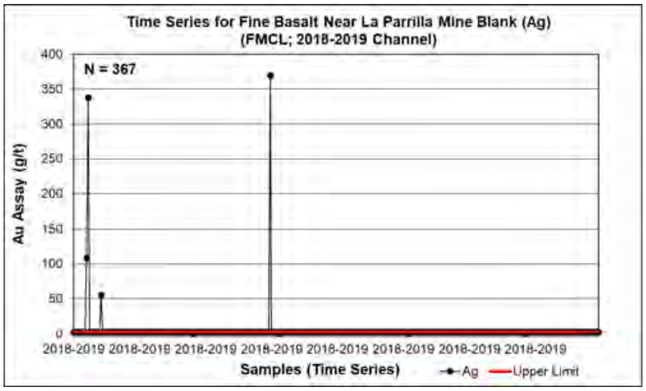


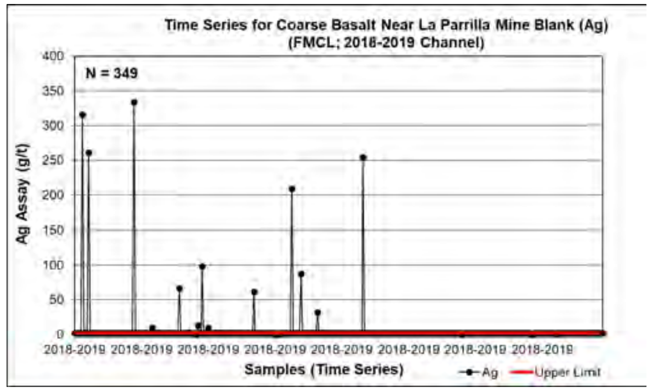


Blank Samples Assayed by First Majestic Central Laboratory during 2018-2019 for Channel Sampling

Project	La Parrilla Mine
Data Series	2016-2019
Data Type	Channel
Commodity	Silver (g/t)
Laboratory	FMCL
Analytical Method	Fire Assay
Detection Limit	0.25

Statistics	**Ag**	**Ag**
Sample Count	367	349
Expected Value	0.250	0.250
Standard Deviation	-	-
Data Mean	4.82	7.38
Upper Limit (10xDL)	1%	4%





Certified Reference Material used for Channel Samples Analytical Quality Control Data Assayed by First Majestic Central Laboratory during 2018-2019

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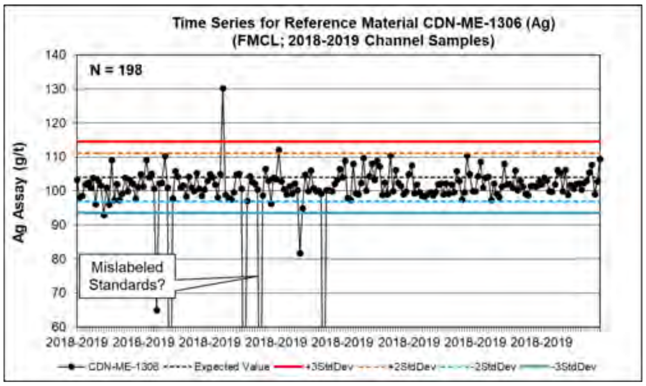
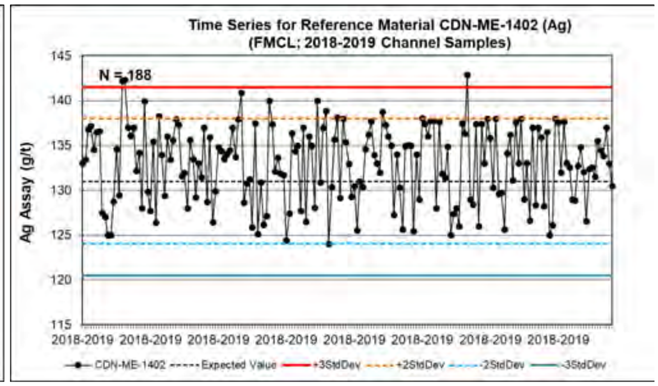
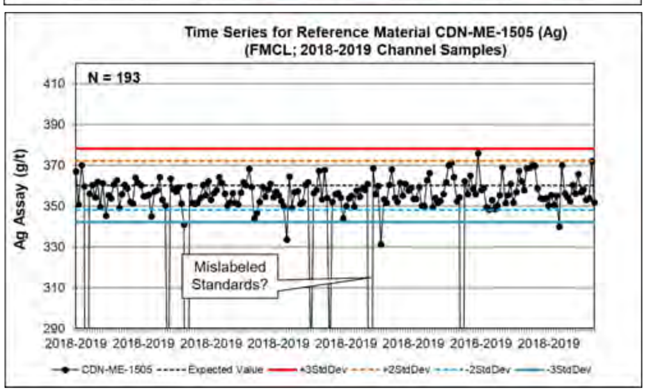
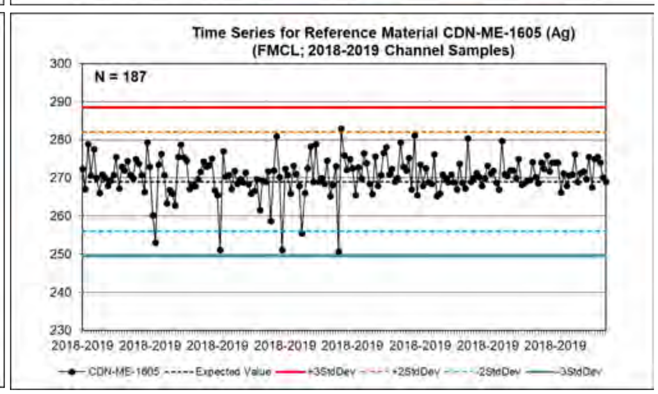
Project	La Parrilla Mine
Data Series	2018-2019
Data Type	Channel Samples
Commodity	Silver (g/t)
Laboratory	FMCL
Analytical Method	Fire Assay
Detection Limit	2 g/t Silver

Statistics	**CDN-ME-1306**	**CDN-ME-1402**	**CDN-ME-1505**	**CDN-ME-1605**
Sample Count	198	188	193	187
Expected Value	104	131.00	360.00	269.00
Standard Deviation	3.5	3.50	6.00	6.50
Data Mean	100	132.92	348.23	270.62
Outside 3StdDev	4%	2%	6%	0%
Below 3StdDev	7	0	11	0
Above 3StdDev	1	3	0	0



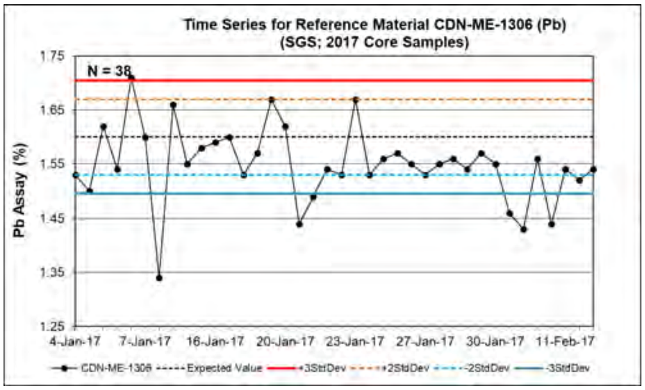


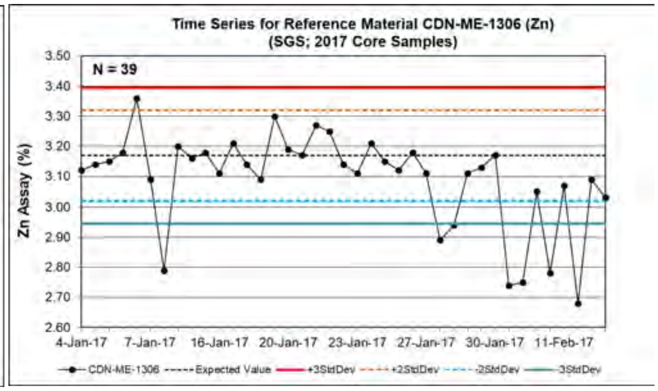




Time Series Plots for Certified Reference Material CDN-ME-1306 Samples Assayed by SGS

		Statistics	CDN-ME-1306	CDN-ME-1306
Project	La Parrilla Mine	**Sample Count**	38	39
Data Series	2017 Standards	**Expected Value**	1.60	3.17
Data Type	Core Samples	**Standard Deviation**	0.04	0.08
Commodity	Pb (%) and Zn (%)	**Data Mean**	1.55	3.09
Laboratory	SGS	**Outside 3StdDev**	18%	18%
Analytical Method	Various	**Below 3StdDev**	6	7
Detection Limit	Various	**Above 3StdDev**	1	0





Time Series Plots for Certified Reference Material CDN-ME-1407 Samples Assayed by SGS

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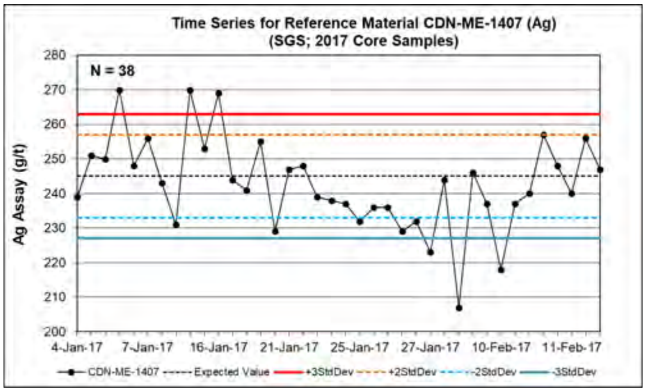
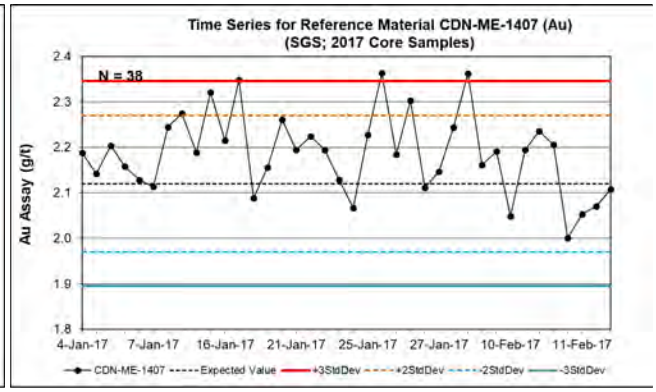
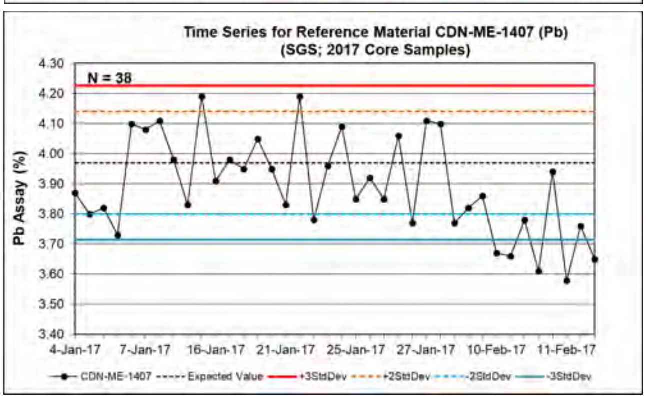
Project	La Parrilla Mine
Data Series	2017 Standards
Data Type	Core Samples
Commodity	VArious
Laboratory	SGS
Analytical Method	Various
Detection Limit	Various

Statistics	**CDN-ME-1407**	**CDN-ME-1407**	**CDN-ME-1407**
Sample Count	38	38	38
Expected Value	245	2.12	3.97
Standard Deviation	6.0	0.08	0.09
Data Mean	243	2.19	3.89
Outside 3StdDev	16%	8%	13%
Below 3StdDev	3	0	5
Above 3StdDev	3	3	0



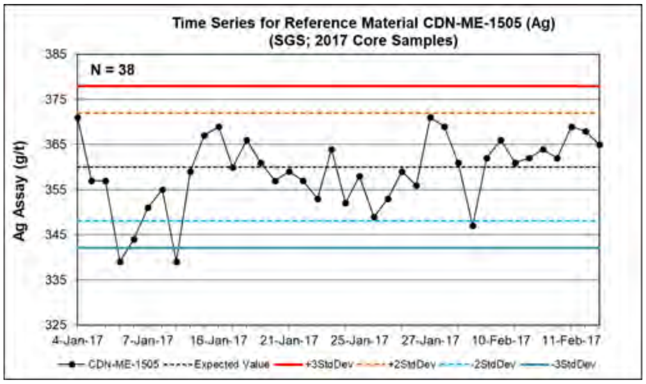


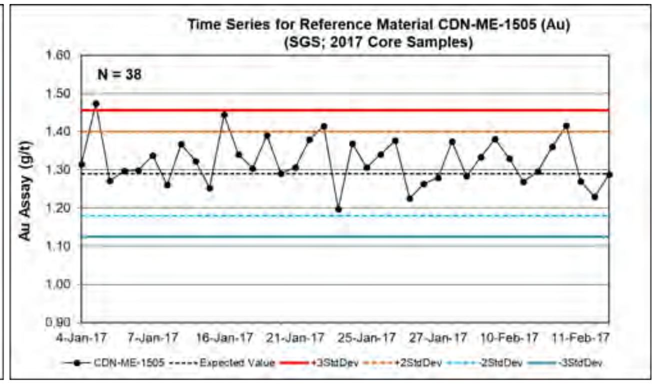


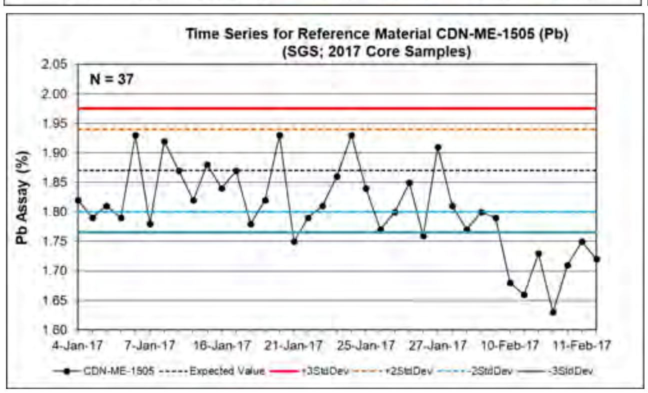
Time Series Plots for Certified Reference Material CDN-ME-1505 Samples Assayed by SGS

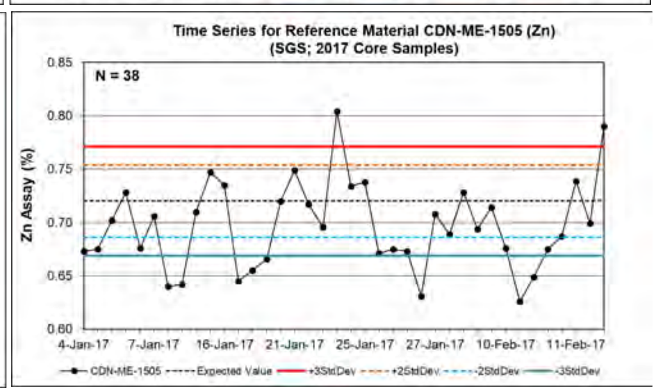
Project	La Parrilla Mine
Data Series	2017 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	SGS
Analytical Method	Various
Detection Limit	Various

Statistics	CDN-ME-1505	CDN-ME-1505	CDN-ME-1505	CDN-ME-1505
Sample Count	38	38	37	38
Expected Value	360	1.29	1.87	0.72
Standard Deviation	6.0	0.06	0.04	0.02
Data Mean	359	1.32	1.80	0.70
Outside 3StdDev	5%	3%	24%	26%
Below 3StdDev	2	0	9	8
Above 3StdDev	0	1	0	2









Time Series Plots for Certified Reference Material CDN-ME-1602 Samples Assayed by SGS

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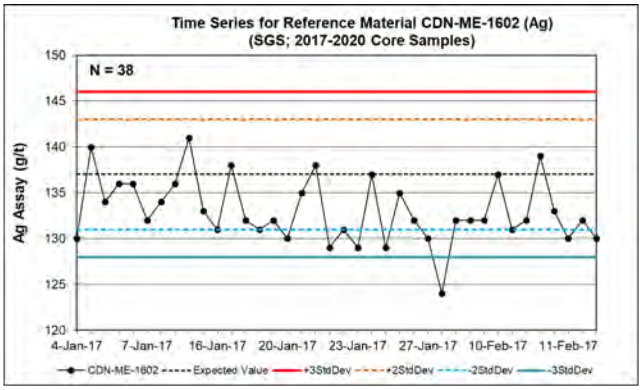
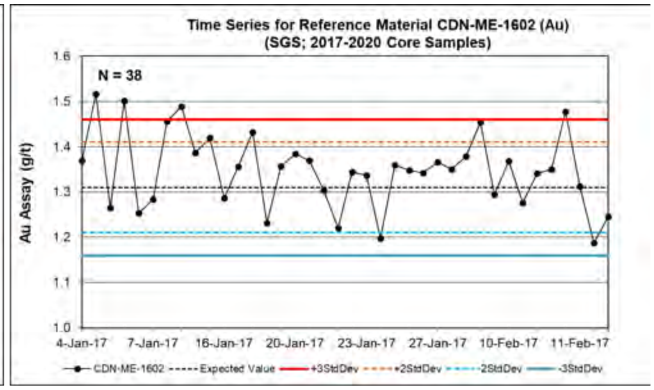
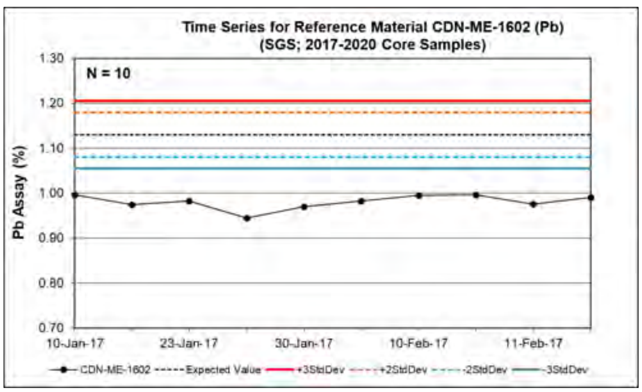
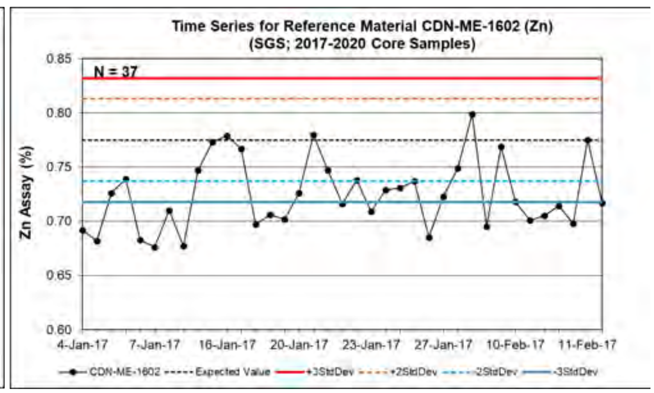
Project	La Parrilla Mine
Data Series	2017 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	SGS
Analytical Method	Various
Detection Limit	Various

Statistics	**CDN-ME-1602**	**CDN-ME-1602**	**CDN-ME-1602**	**CDN-ME-1602**
Sample Count	38	38	10	37
Expected Value	137	1.31	1.13	0.78
Standard Deviation	3.0	0.05	0.03	0.02
Data Mean	133	1.35	0.98	0.72
Outside 3StdDev	3%	11%	100%	49%
Below 3StdDev	1	0	10	18
Above 3StdDev	0	4	0	0





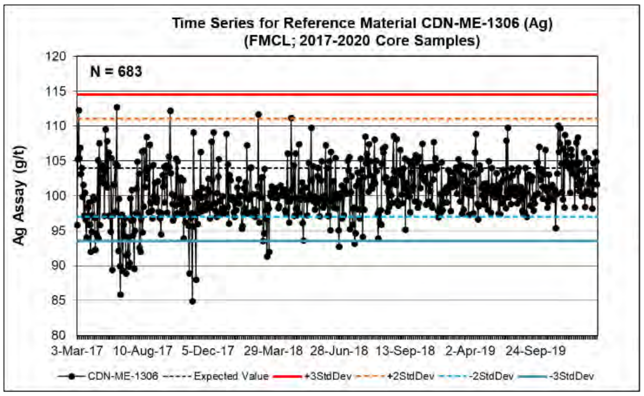


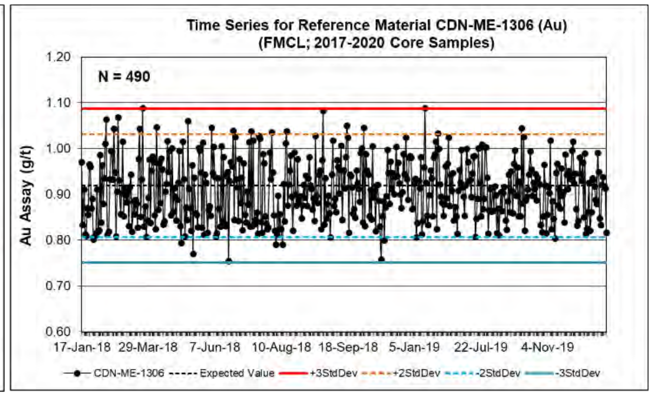


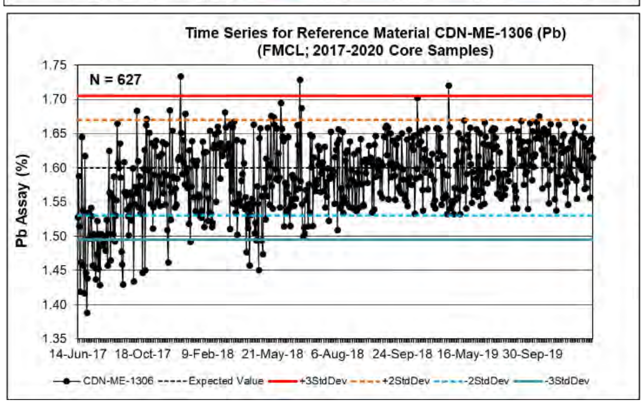
Time Series Plots for Certified Reference Material CDN-ME-1306 Samples Assayed by First Majestic Central Laboratory

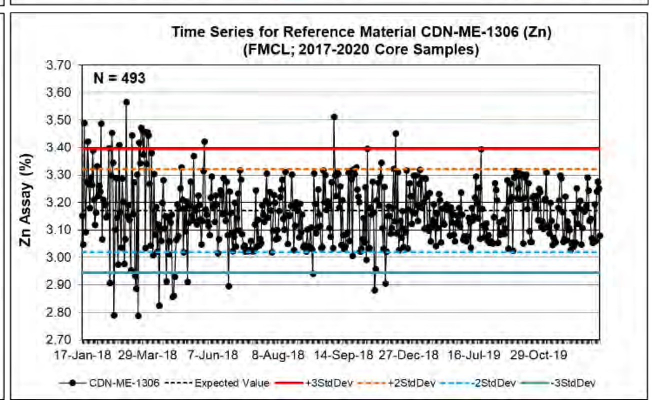
Project	La Parrilla Mine
Data Series	2017-2020 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	FMCL
Analytical Method	Various
Detection Limit	Various

Statistics	**CDN-ME-1306**	**CDN-ME-1306**	**CDN-ME-1306**	**CDN-ME-1306**
Sample Count	683	490	627	493
Expected Value	104	0.92	1.60	3.17
Standard Deviation	3.5	0.06	0.04	0.08
Data Mean	101	0.91	1.59	3.16
Outside 3StdDev	3%	0%	6%	7%
Below 3StdDev	22	0	34	15
Above 3StdDev	0	2	3	18









Time Series Plots for Certified Reference Material CDN-ME-1402 Samples Assayed by First Majestic Central Laboratory

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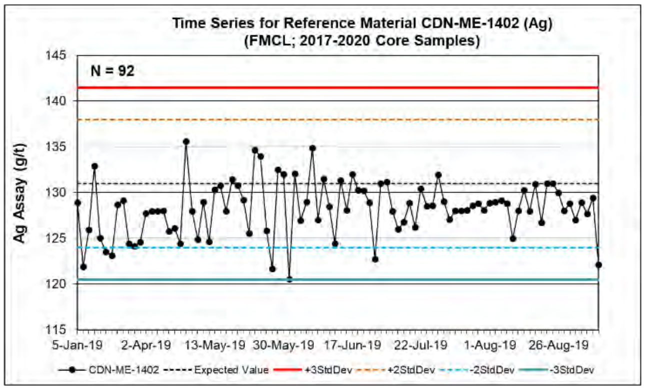
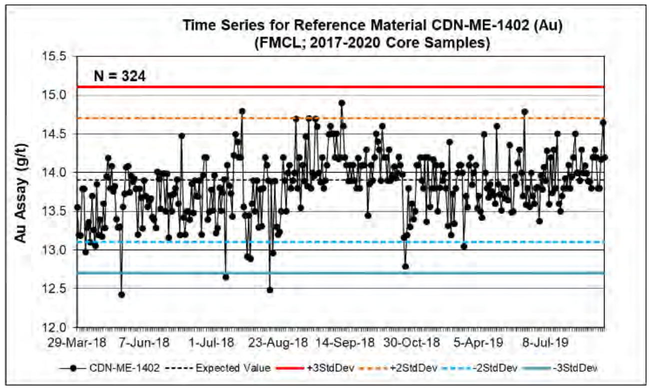
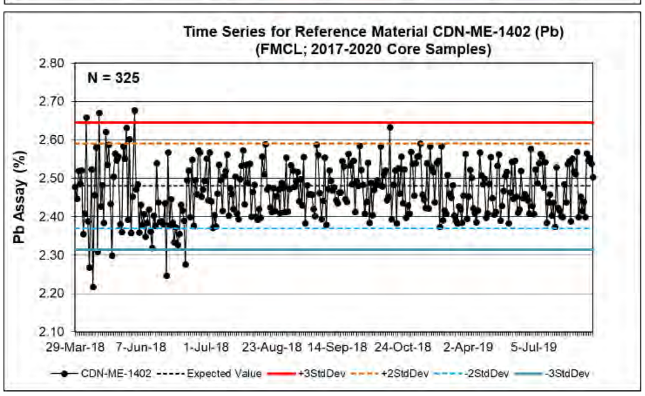
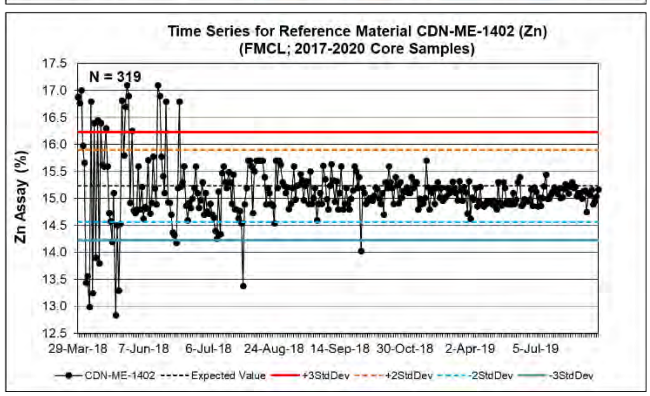
Project	La Parrilla Mine
Data Series	2017-2020 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	FMCL
Analytical Method	Various
Detection Limit	Various

Statistics	**CDN-ME-1402**	**CDN-ME-1402**	**CDN-ME-1402**	**CDN-ME-1402**
Sample Count	92	324	325	319
Expected Value	131	13.90	2.48	15.23
Standard Deviation	3.5	0.40	0.06	0.34
Data Mean	128	13.83	2.47	15.13
Outside 3StdDev	0%	1%	3%	9%
Below 3StdDev	0	3	6	12
Above 3StdDev	0	0	3	17





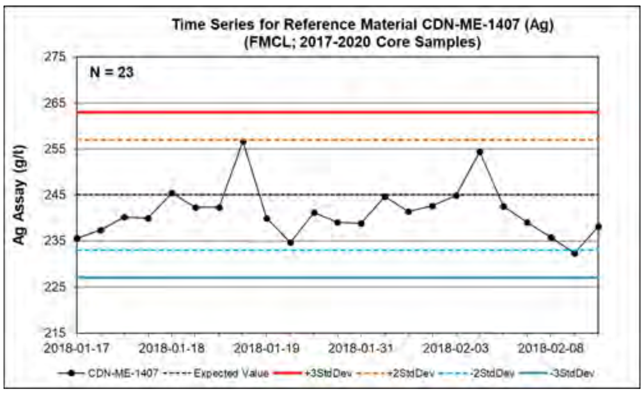


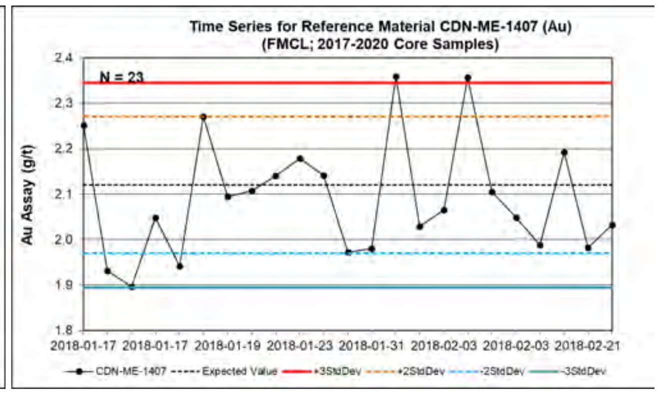


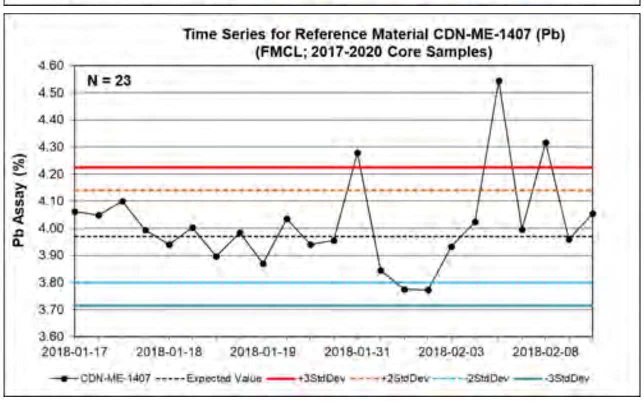
Time Series Plots for Certified Reference Material CDN-ME-1407 Samples Assayed by First Majestic Central Laboratory

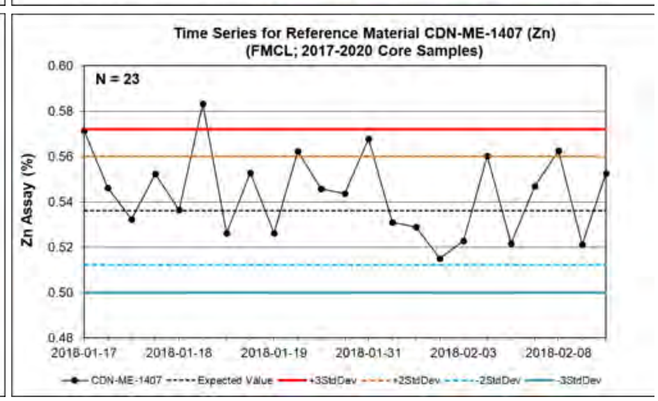
Project	La Parrilla Mine
Data Series	2017-2020 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	FMCL
Analytical Method	Various
Detection Limit	Various

Statistics	CDN-ME-1407	CDN-ME-1407	CDN-ME-1407	CDN-ME-1407
Sample Count	23	23	23	23
Expected Value	245	2.12	3.97	0.54
Standard Deviation	6.0	0.08	0.09	0.01
Data Mean	241	2.09	4.01	0.54
Outside 3StdDev	0%	9%	13%	4%
Below 3StdDev	0	0	0	0
Above 3StdDev	0	2	3	1









Time Series Plots for Certified Reference Material CDN-ME-1505 Samples Assayed by First Majestic Central Laboratory

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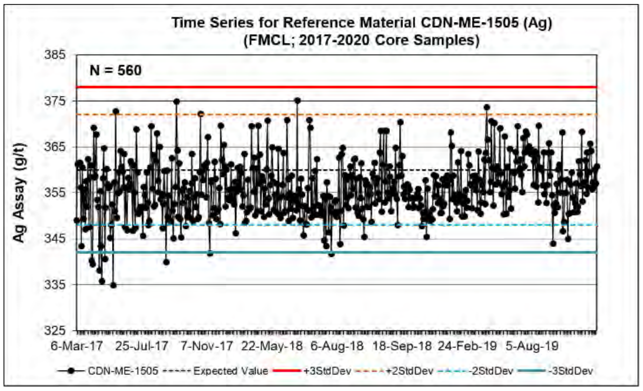
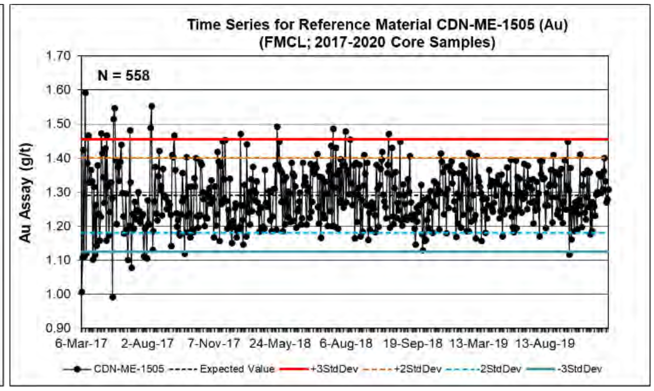
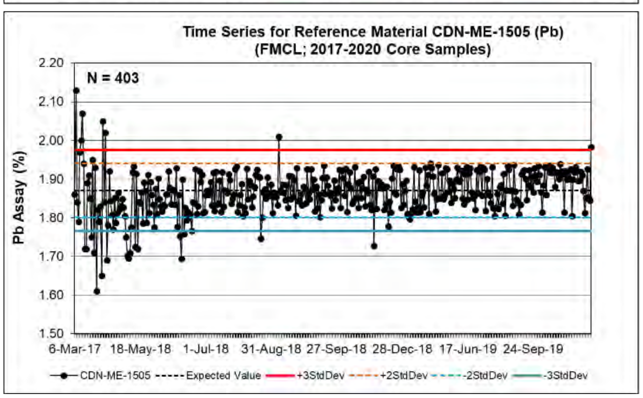
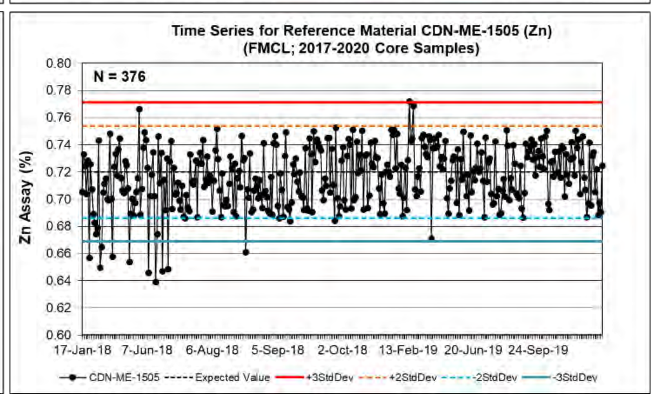
		Statistics	CDN-ME-1505	CDN-ME-1505	CDN-ME-1505	CDN-ME-1505
Project	La Parrilla Mine	**Sample Count**	560	558	403	376
Data Series	2017-2020 Standards	**Expected Value**	360	1.29	1.87	0.72
Data Type	Core Samples	**Standard Deviation**	6.0	0.06	0.04	0.02
Commodity	Various	**Data Mean**	356	1.28	1.87	0.72
Laboratory	FMCL	**Outside 3StdDev**	2%	5%	6%	3%
Analytical Method	Various	**Below 3StdDev**	9	13	18	10
Detection Limit	Various	**Above 3StdDev**	0	15	7	1





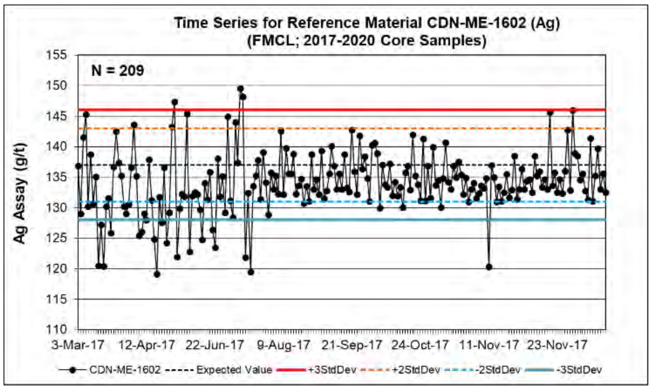


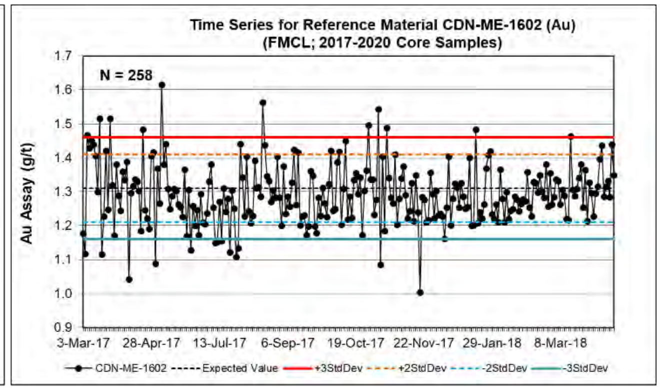


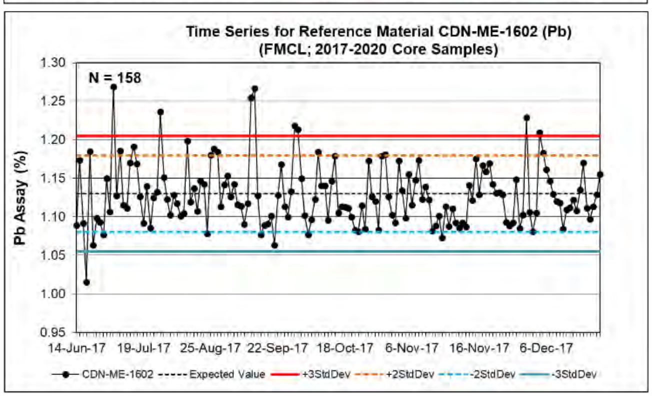
Time Series Plots for Certified Reference Material CDN-ME-1602 Samples Assayed by First Majestic Central Laboratory

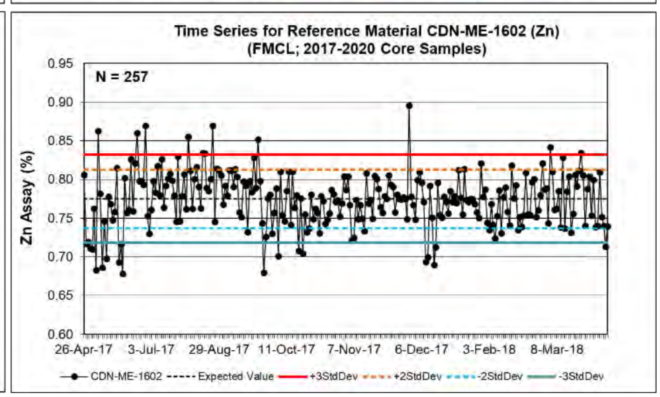
Project	La Parrilla Mine
Data Series	2017-2020 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	FMCL
Analytical Method	Various
Detection Limit	Various

Statistics	**CDN-ME-1602**	**CDN-ME-1602**	**CDN-ME-1602**	**CDN-ME-1602**
Sample Count	209	258	158	257
Expected Value	137	1.31	1.13	0.78
Standard Deviation	3.0	0.05	0.03	0.02
Data Mean	134	1.29	1.13	0.77
Outside 3StdDev	10%	9%	6%	11%
Below 3StdDev	18	13	1	18
Above 3StdDev	3	11	8	11









Time Series Plots for Certified Reference Material CDN-ME-1603 Samples Assayed by First Majestic Central Laboratory

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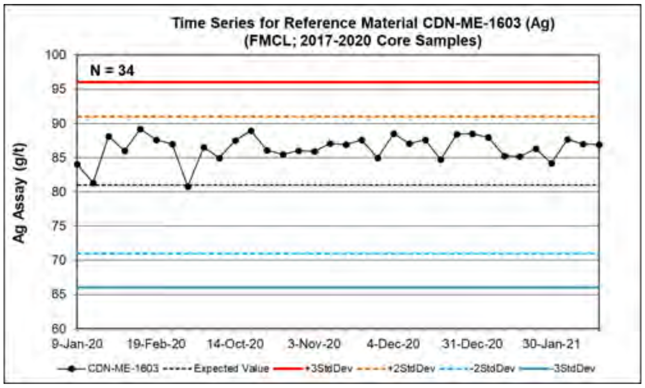
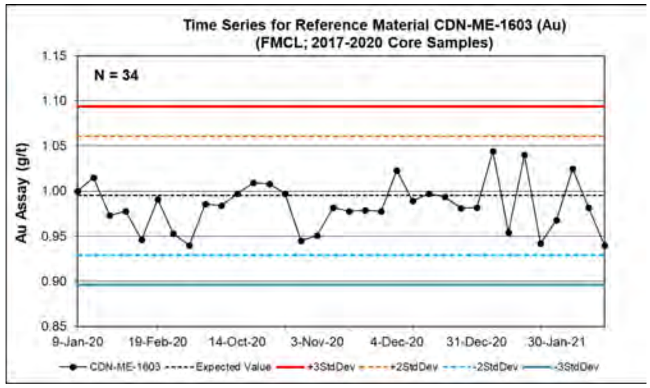
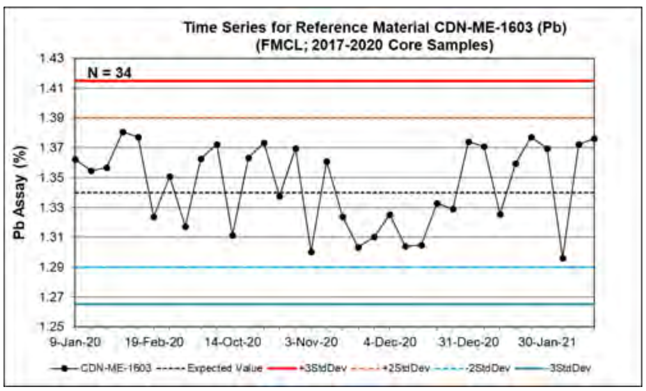
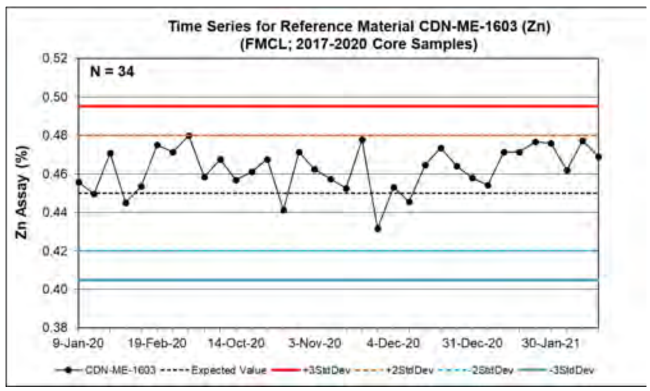
		Statistics	CDN-ME-1603	CDN-ME-1603	CDN-ME-1603	CDN-ME-1603
Project	La Parrilla Mine	**Sample Count**	34	34	34	34
Data Series	2017-2020 Standards	**Expected Value**	81	1.00	1.34	0.45
Data Type	Core Samples	**Standard Deviation**	5.0	0.03	0.03	0.02
Commodity	Various	**Data Mean**	86	0.98	1.35	0.46
Laboratory	FMCL	**Outside 3StdDev**	0%	0%	0%	0%
Analytical Method	Various	**Below 3StdDev**	0	0	0	0
Detection Limit	Various	**Above 3StdDev**	0	0	0	0





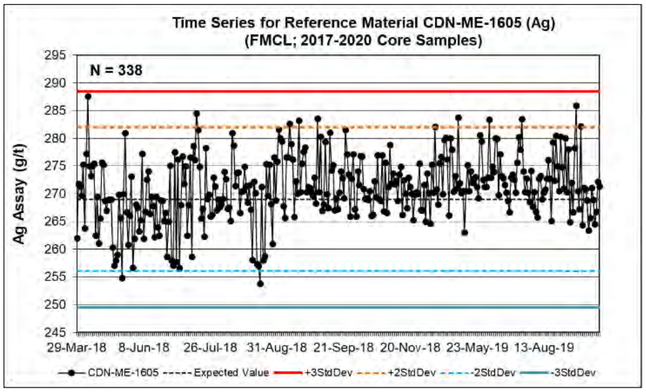


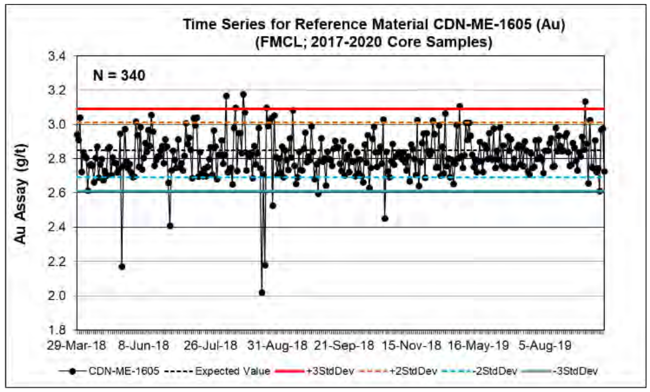


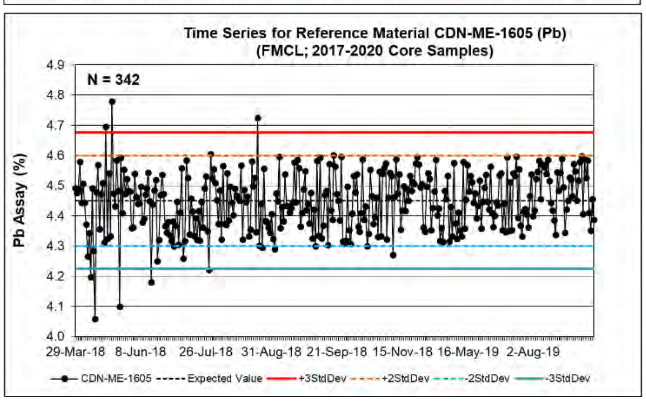
Time Series Plots for Certified Reference Material CDN-ME-1605 Samples Assayed by First Majestic Central Laboratory

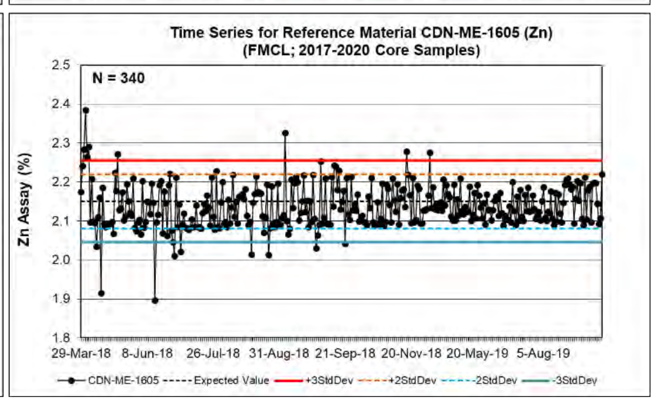
Project	La Parrilla Mine
Data Series	2017-2020 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	FMCL
Analytical Method	Various
Detection Limit	Various

Statistics	**CDN-ME-1605**	**CDN-ME-1605**	**CDN-ME-1605**	**CDN-ME-1605**
Sample Count	338	340	342	340
Expected Value	269	2.85	4.45	2.15
Standard Deviation	6.5	0.08	0.08	0.04
Data Mean	271	2.82	4.45	2.14
Outside 3StdDev	0%	4%	2%	5%
Below 3StdDev	0	7	5	9
Above 3StdDev	0	6	3	8









Time Series Plots for Certified Reference Material CDN-ME-1901 Samples Assayed by First Majestic Central Laboratory

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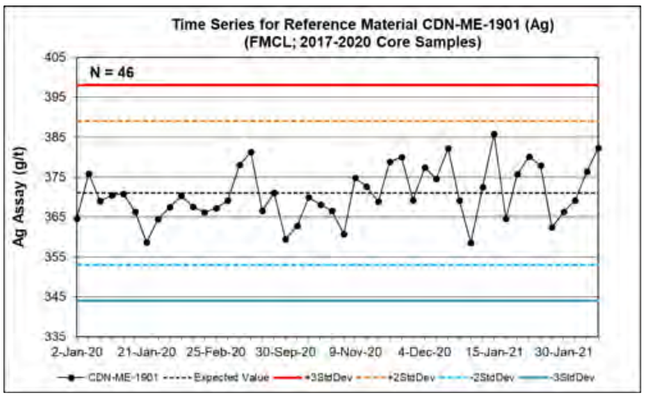
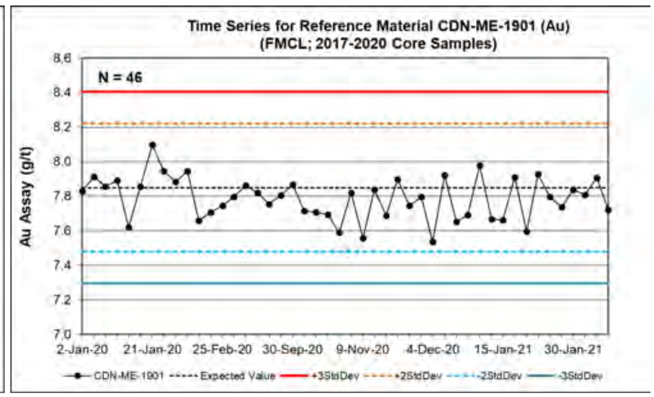
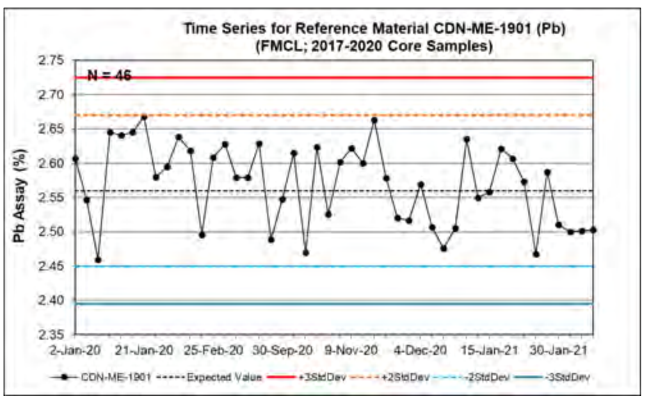
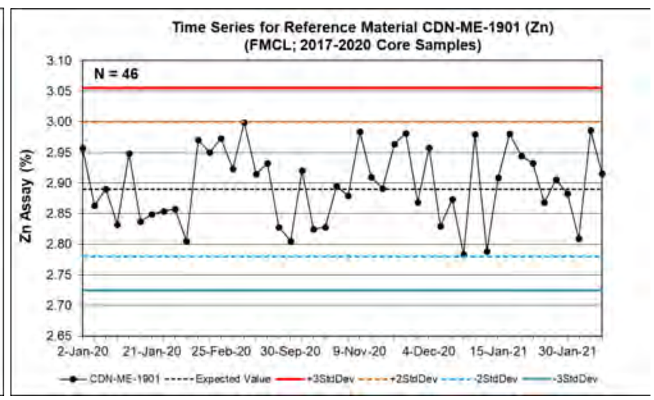
Project	La Parrilla Mine
Data Series	2017-2020 Standards
Data Type	Core Samples
Commodity	Various
Laboratory	FMCL
Analytical Method	Various
Detection Limit	Various

Statistics	**CDN-ME-1901**	**CDN-ME-1901**	**CDN-ME-1901**	**CDN-ME-1901**
Sample Count	46	46	46	46
Expected Value	371	7.85	2.56	2.89
Standard Deviation	9.0	0.19	0.06	0.06
Data Mean	371	7.79	2.57	2.90
Outside 3StdDev	0%	0%	0%	0%
Below 3StdDev	0	0	0	0
Above 3StdDev	0	0	0	0





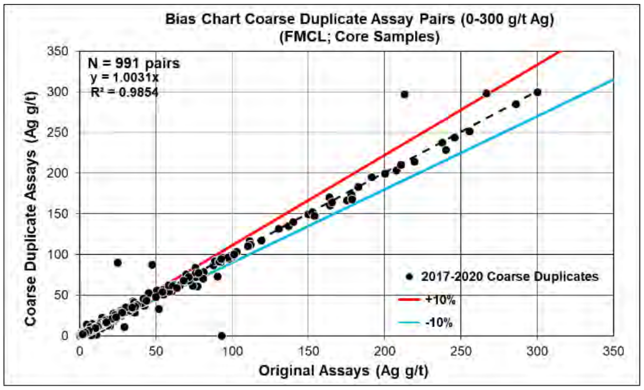


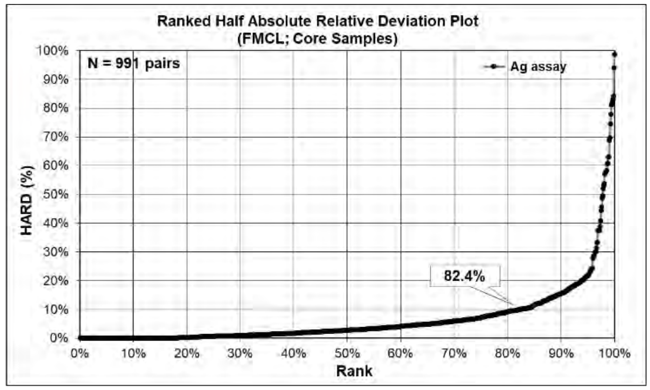


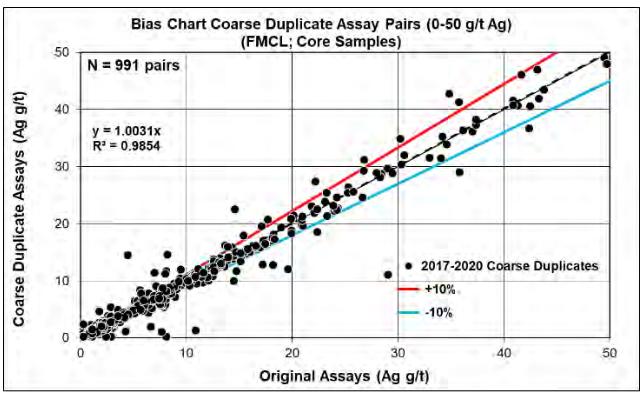
Bias and precision plots for Coarse duplicate pairs assayed at the First Majestic Central Laboratory– Ag

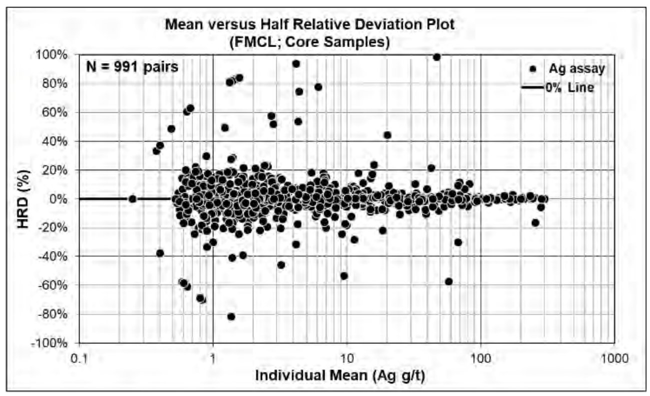
Project	La Parrilla Mine
Data Series	2017-2020 Coarse Duplicates
Data Type	Core Samples
Commodity	Ag in g/t
Analytical Method	3A_AAS
Detection Limit	0.5 g/t Ag
Original Dataset	Original Assays
Paired Dataset	Coarse Duplicate Assays

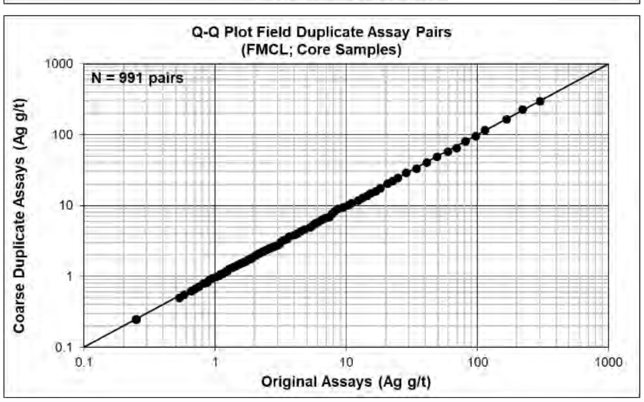
Statistics	**Original**	**Field Duplicate**
Sample Count	991	991
Minimum Value	0.250	0.250
Maximum Value	300.00	300.00
Mean	15.023	14.986
Median	2.500	2.430
Standard Error	1.250	1.265
Standard Deviation	39.338	39.826
Correlation Coefficient	0.9916	
Pairs ≤ 10% HARD	82.4%	

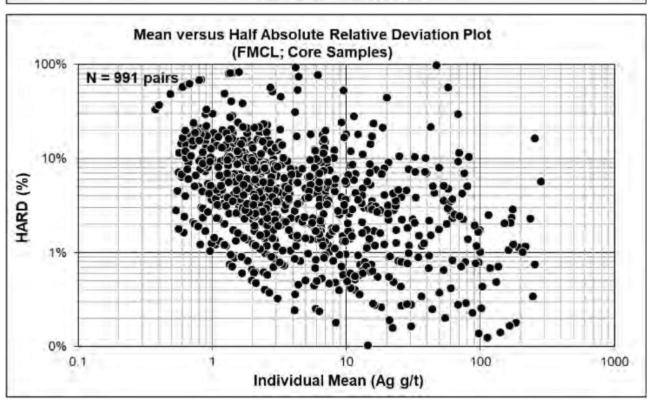








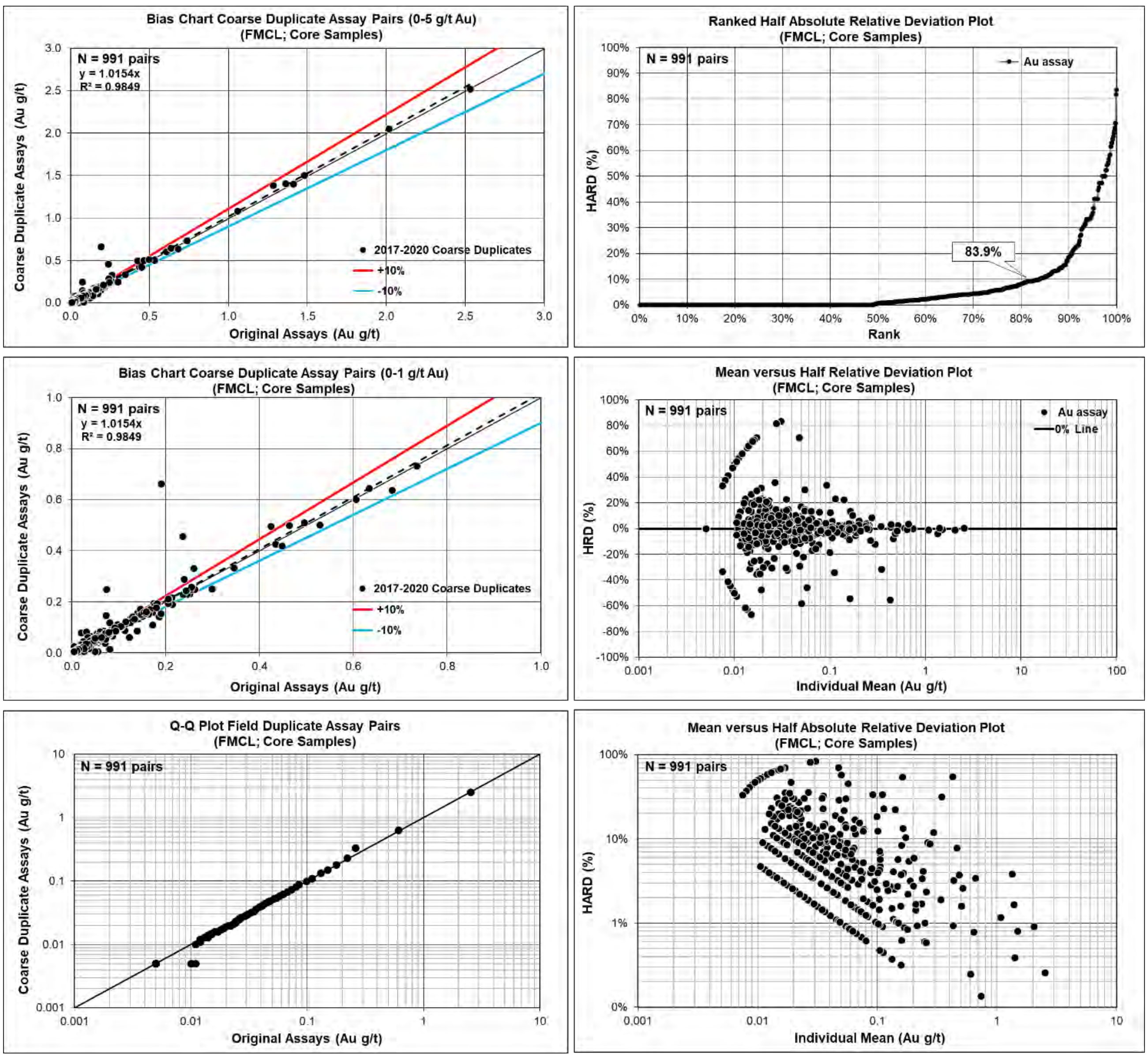




Bias and Precision Plots for Coarse Duplicate Pairs Assayed at the First Majestic Central Laboratory – Au

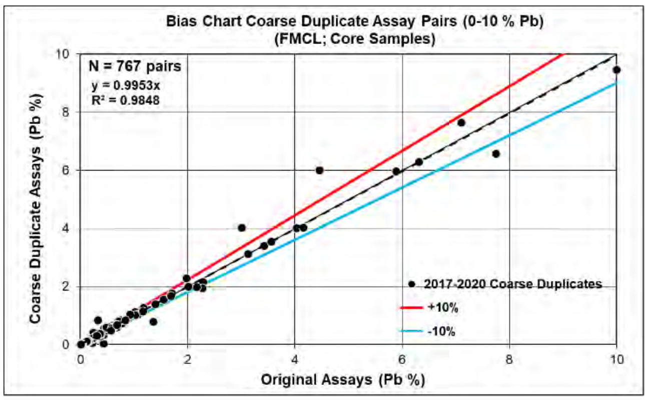
Project	La Parrilla Mine
Data Series	2017-2020 Coarse Duplicates
Data Type	Core Samples
Commodity	Au in g/t
Analytical Method	3A_AAS
Detection Limit	0.005 g/t Au
Original Dataset	Original Assays
Paired Dataset	Coarse Duplicate Assays

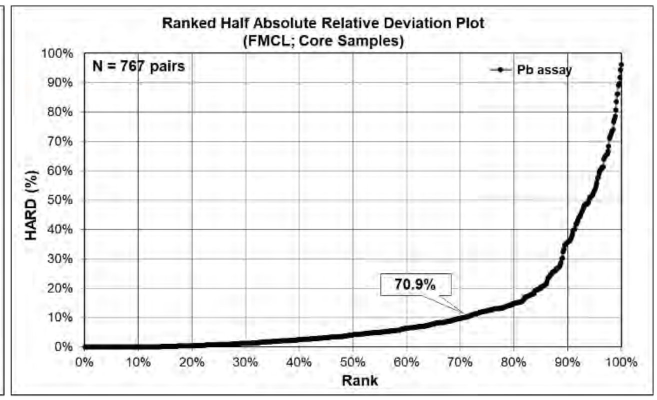
Statistics	**Original**	**Field Duplicate**
Sample Count	991	991
Minimum Value	0.005	0.005
Maximum Value	2.53	2.52
Mean	0.044	0.045
Median	0.012	0.011
Standard Error	0.005	0.005
Standard Deviation	0.153	0.156
Correlation Coefficient	0.9918	
Pairs ≤ 10% HARD	83.9%	

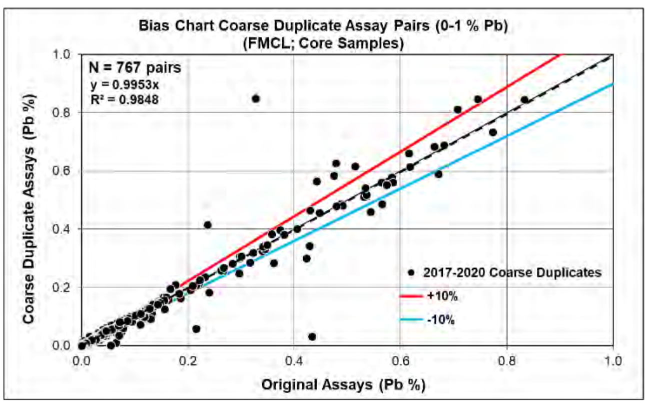


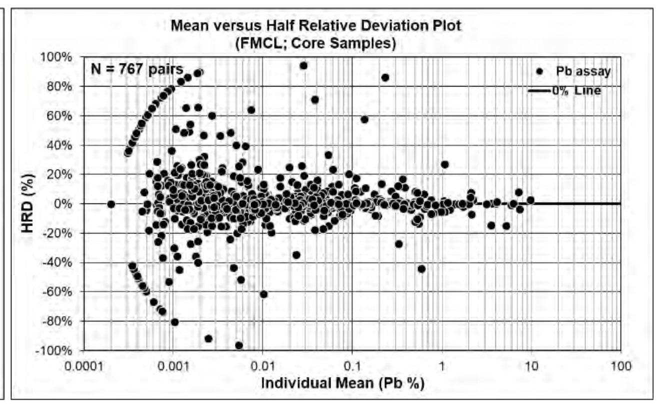
Bias and Precision Plots for Coarse Duplicate Pairs Assayed at the First Majestic Central Laboratory – Pb

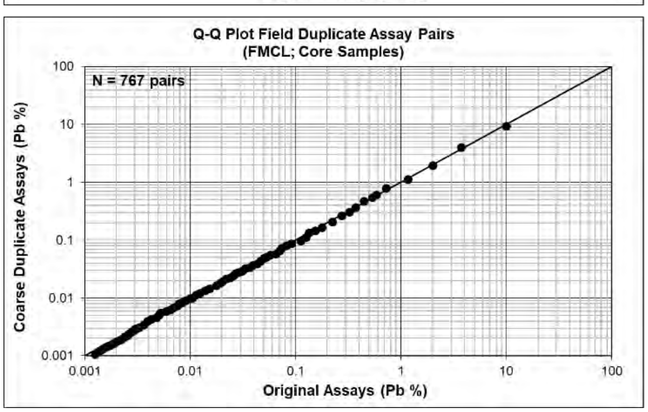
		Statistics	**Original**	**Field Duplicate**
srk consulting		**Sample Count**	767	767
Project	La Parrilla Mine	**Minimum Value**	0.000	0.000
Data Series	2017-2020 Coarse Duplicates	**Maximum Value**	10.00	9.46
Data Type	Core Samples	**Mean**	0.167	0.168
Commodity	Pb in %	**Median**	0.006	0.006
Analytical Method	ICPMS	**Standard Error**	0.027	0.027
Detection Limit	0.001 % Pb	**Standard Deviation**	0.737	0.739
Original Dataset	Original Assays	**Correlation Coefficient**	0.9920	
Paired Dataset	Coarse Duplicate Assays	**Pairs ≤ 10% HARD**	70.9%	

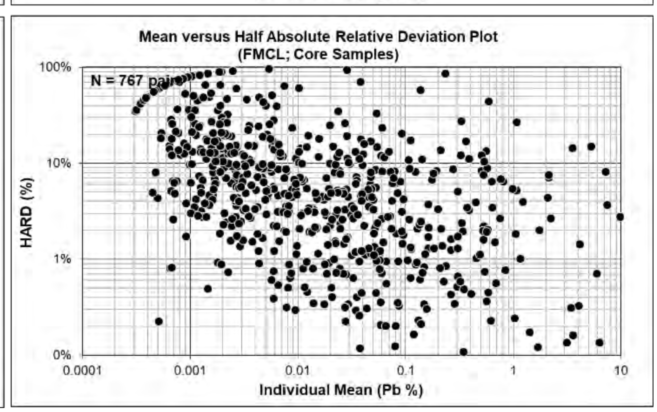






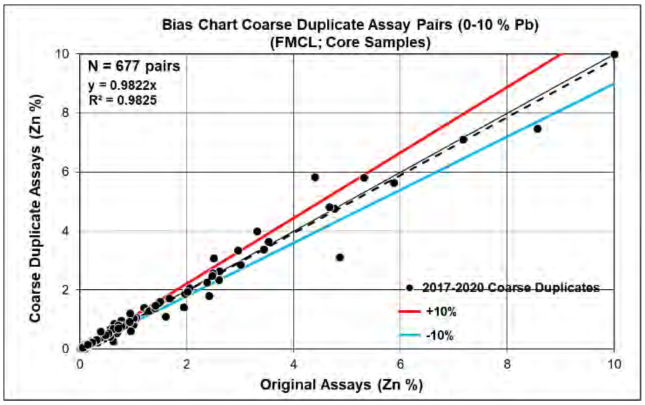


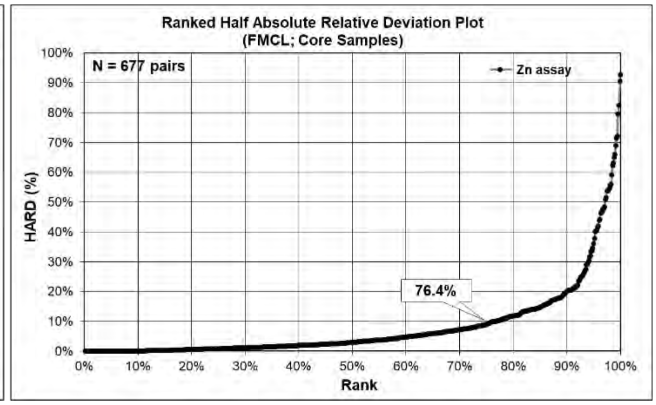


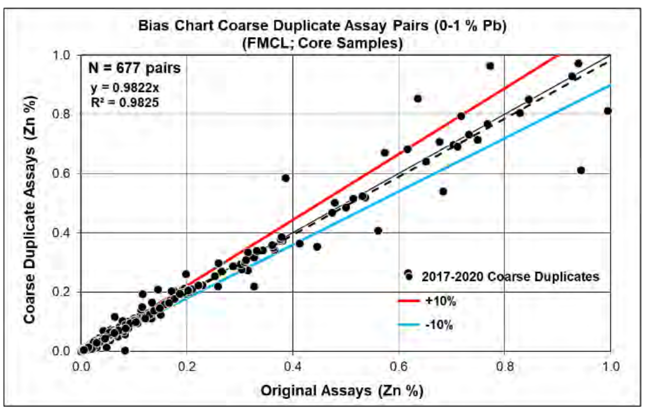


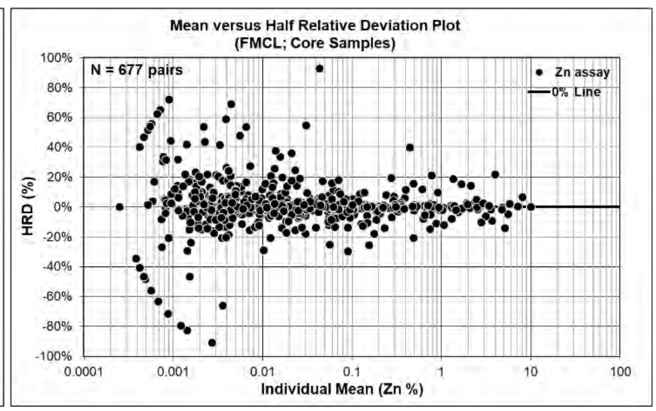
Bias and Precision Plots for Coarse Duplicate Pairs Assayed at the First Majestic Central Laboratory – Zn

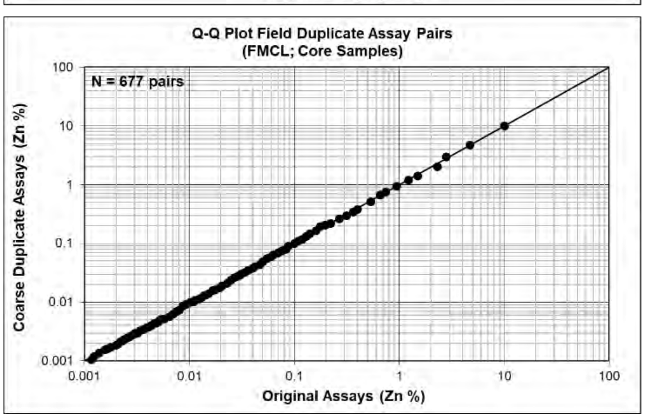
		Statistics	**Original**	**Field Duplicate**
		Sample Count	677	677
Project	La Parrilla Mine	**Minimum Value**	0.000	0.000
Data Series	2017-2020 Coarse Duplicates	**Maximum Value**	10.00	10.00
Data Type	Core Samples	**Mean**	0.236	0.234
Commodity	Zn in %	**Median**	0.012	0.011
Analytical Method	ICPMS	**Standard Error**	0.033	0.032
Detection Limit	0.001 % Zn	**Standard Deviation**	0.853	0.845
Original Dataset	Original Assays	**Correlation Coefficient**	0.9906	
Paired Dataset	Coarse Duplicate Assays	**Pairs ≤ 10% HARD**	76.4%	

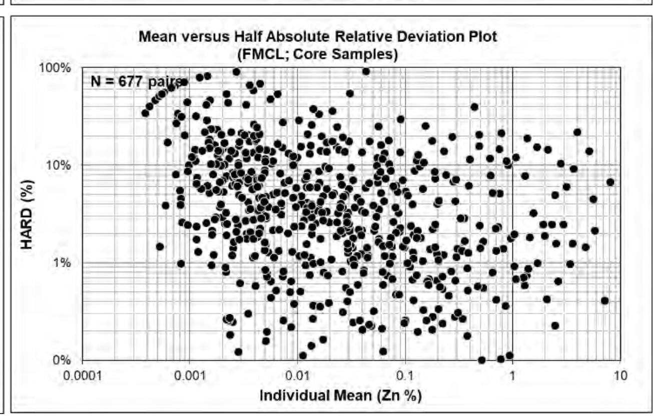






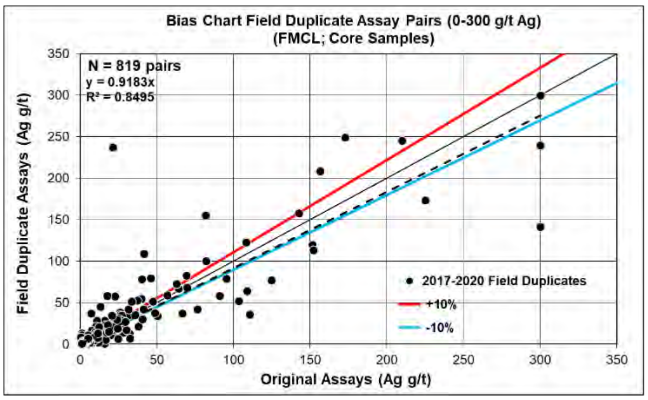


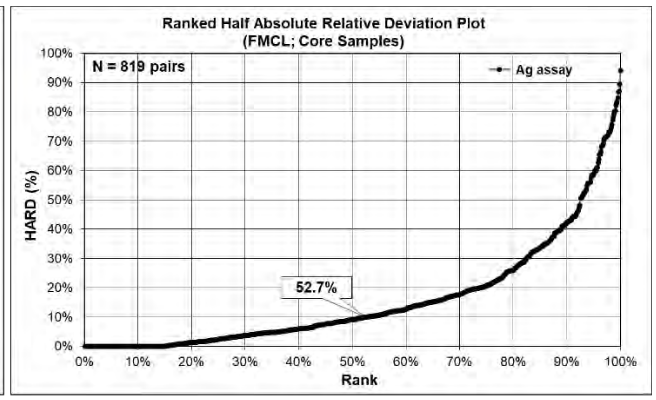


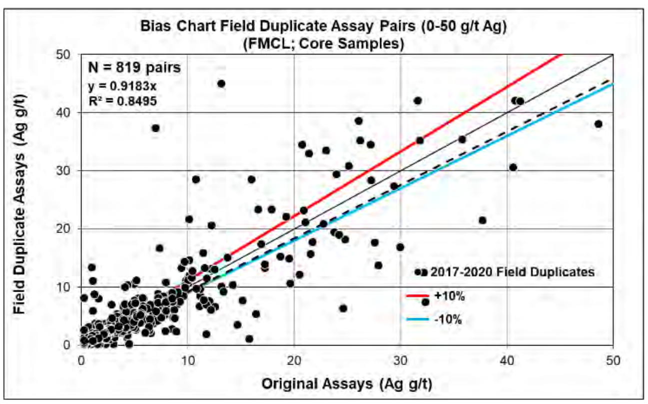


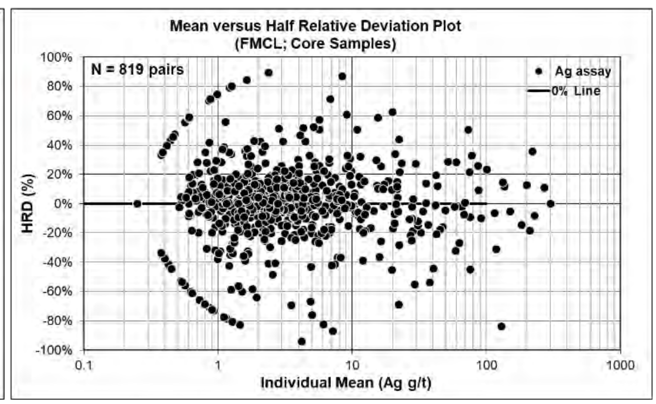
Bias and Precision Plots for Field Duplicate Pairs Assayed at the First Majestic Central Laboratory – Ag

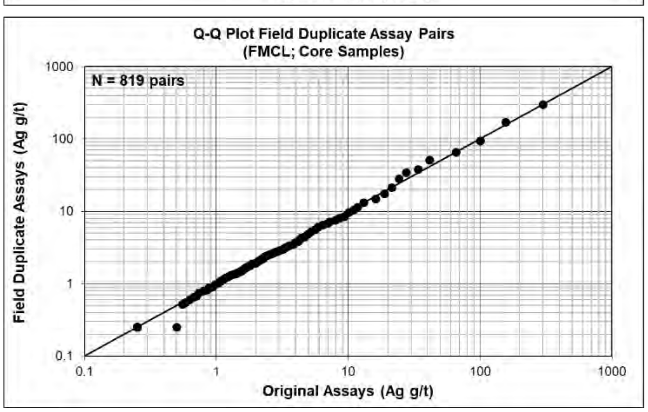
		Statistics	Original	Field Duplicate
		Sample Count	819	819
Project	La Parrila Mine	**Minimum Value**	0.250	0.250
Data Series	2017-2020 Field Duplicates	**Maximum Value**	300.00	300.00
Data Type	Core Samples	**Mean**	9.250	9.366
Commodity	Ag in g/t	**Median**	1.970	1.924
Analytical Method	3A_AAS	**Standard Error**	1.077	1.072
Detection Limit	0.5 g/t Ag	**Standard Deviation**	30.836	30.679
Original Dataset	Original Assays	**Correlation Coefficient**	0.9145	
Paired Dataset	Field Duplicate Assays	**Pairs ≤ 10% HARD**	52.7%	

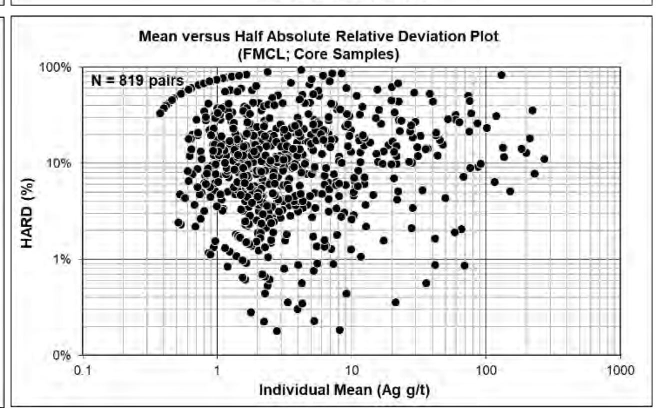






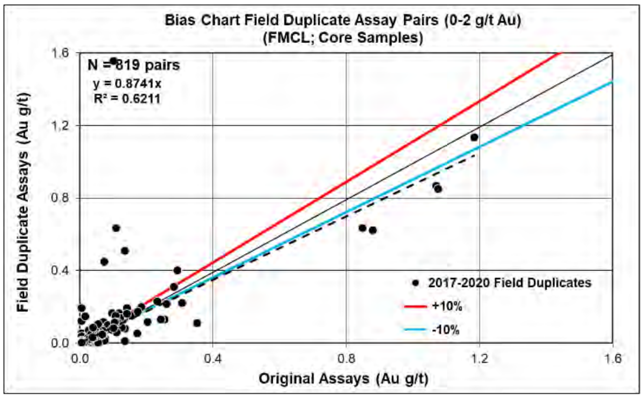


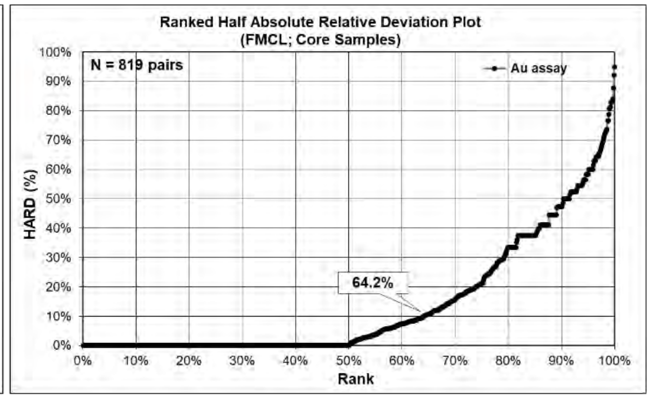


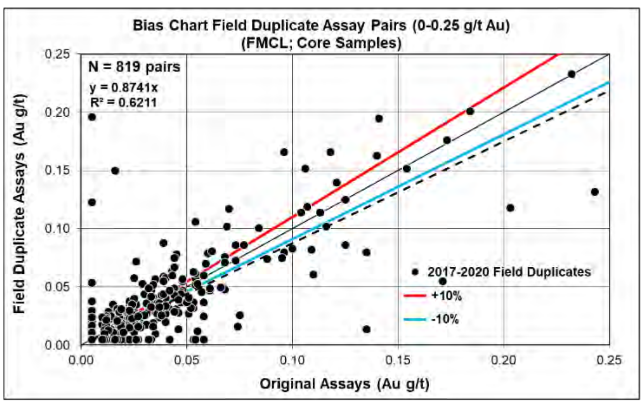


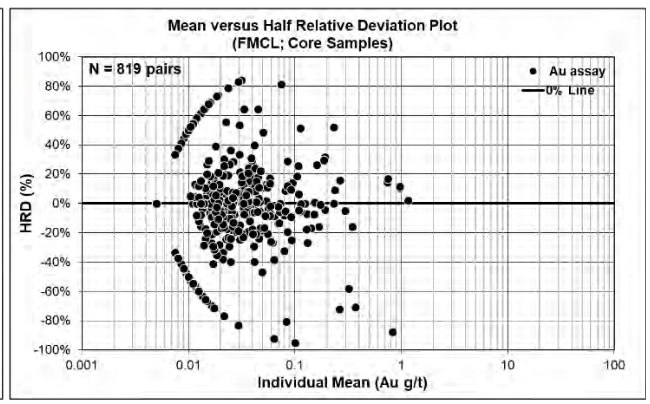
Bias and Precision Plots for Field Duplicate Pairs Assayed at the First Majestic Central Laboratory – Au

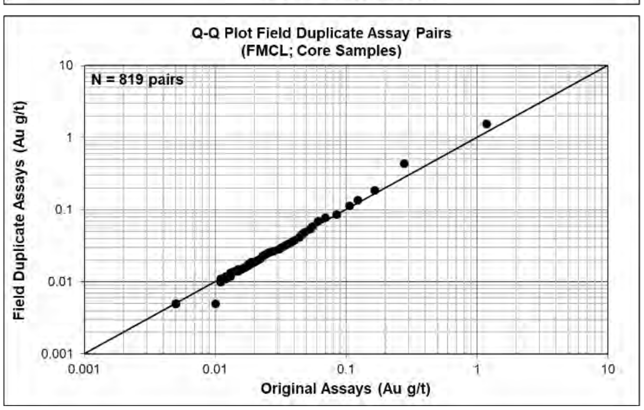
		Statistics	Original	Field Duplicate
		Sample Count	819	819
Project	La Parrilla Mine	**Minimum Value**	0.005	0.005
Data Series	2017-2020 Field Duplicates	**Maximum Value**	1.18	1.56
Data Type	Core Samples	**Mean**	0.027	0.029
Commodity	Au in g/t	**Median**	0.005	0.005
Analytical Method	3A_AAS	**Standard Error**	0.003	0.003
Detection Limit	0.5 g/t Au	**Standard Deviation**	0.086	0.096
Original Dataset	Original Assays	**Correlation Coefficient**	0.7683	
Paired Dataset	Field Duplicate Assays	**Pairs ≤ 10% HARD**	64.2%	

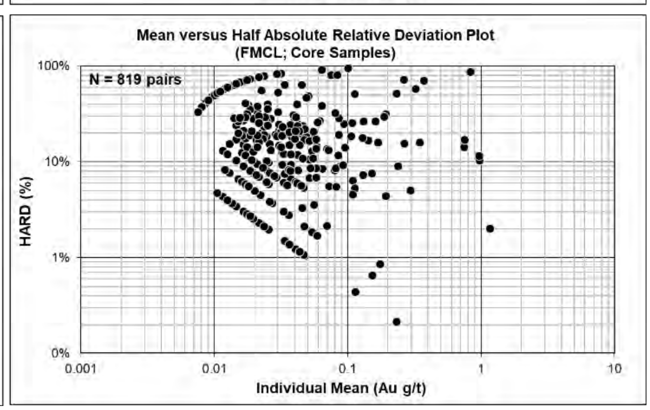






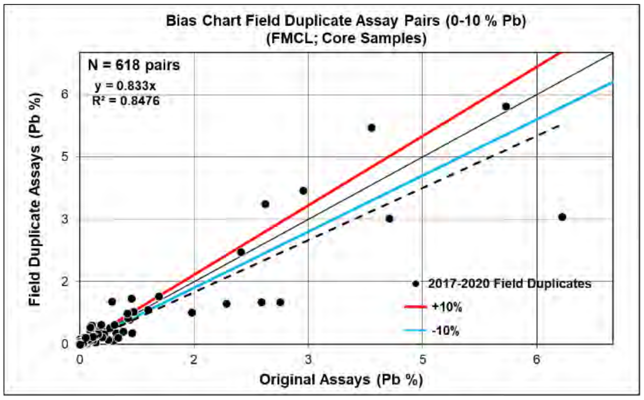


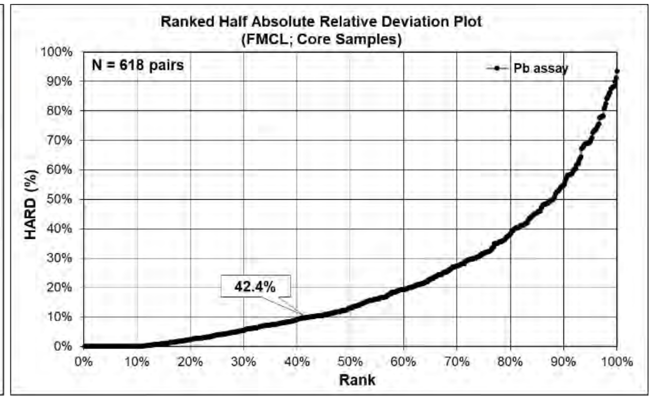


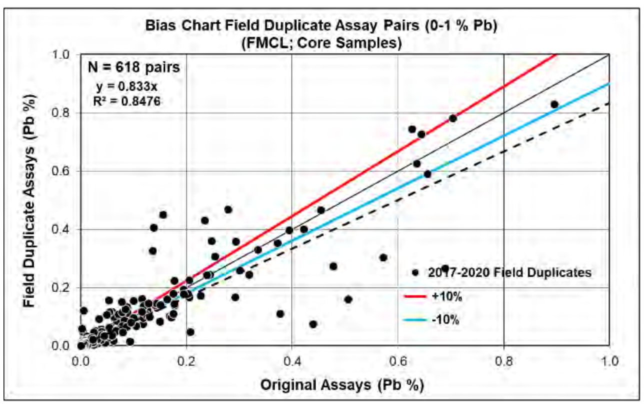


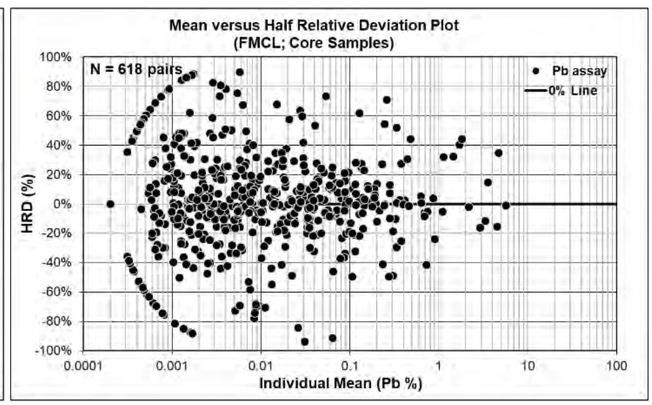
Bias and Precision Plots for Field Duplicate Dairs Assayed at the First Majestic Central Laboratory – Pb

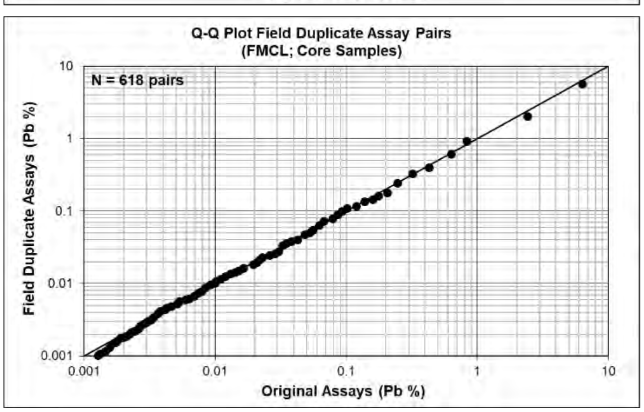
srk consulting		Statistics	Original	Field Duplicate
		Sample Count	618	618
Project	La Parrilla Mine	**Minimum Value**	0.000	0.000
Data Series	2017-2020 Field Duplicates	**Maximum Value**	6.33	5.71
Data Type	Core Samples	**Mean**	0.100	0.092
Commodity	Pb in %	**Median**	0.004	0.005
Analytical Method	ICPMS	**Standard Error**	0.019	0.017
Detection Limit	0.001 % Pb	**Standard Deviation**	0.481	0.435
Original Dataset	Original Assays	**Correlation Coefficient**	0.9172	
Paired Dataset	Field Duplicate Assays	**Pairs ≤ 10% HARD**	42.4%	

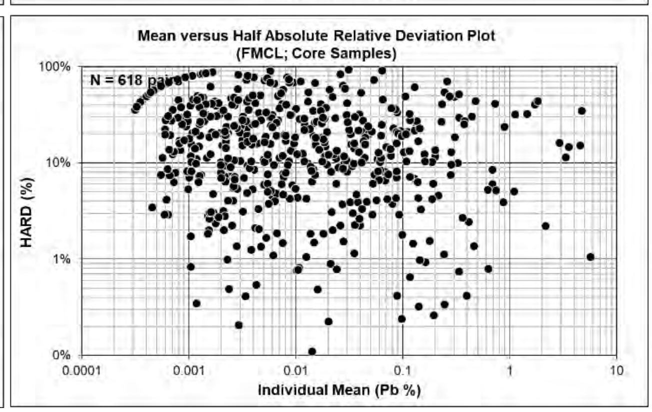






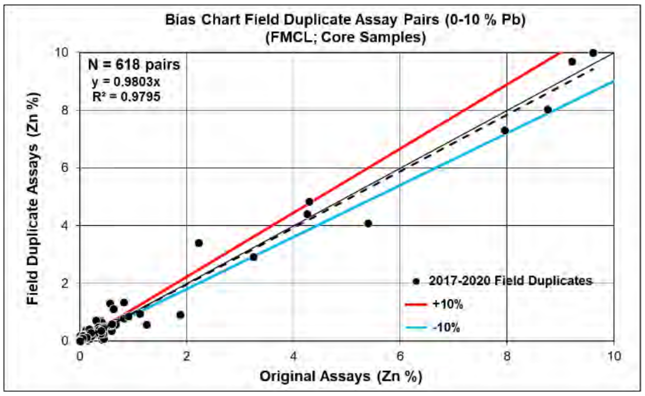


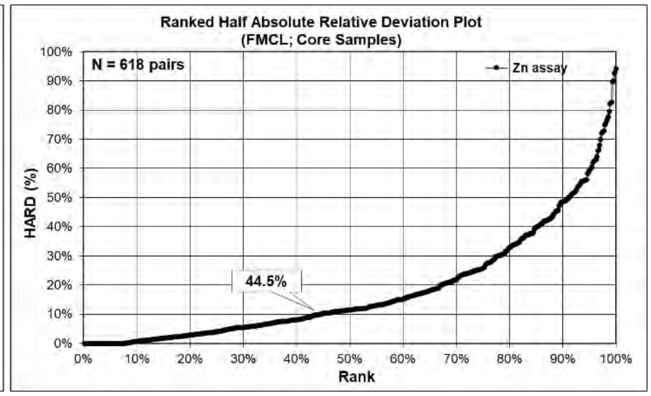


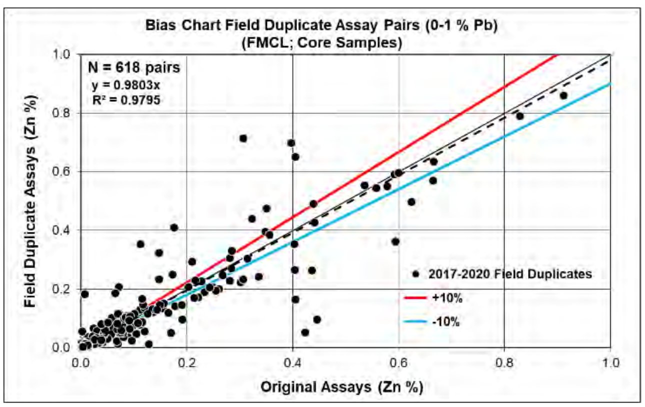


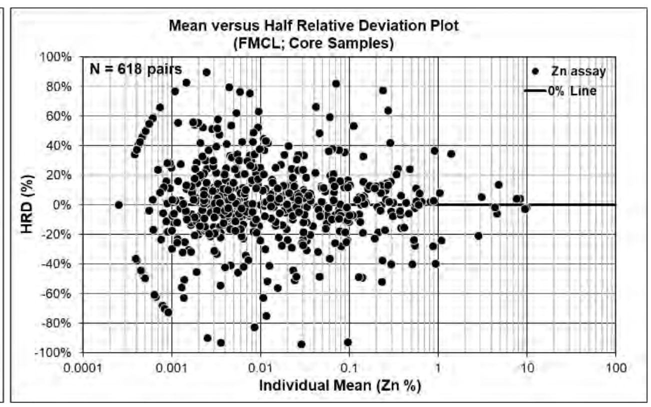
Bias and Precision Plots for Field Duplicate Pairs Assayed at the First Majestic Central Laboratory – Zn

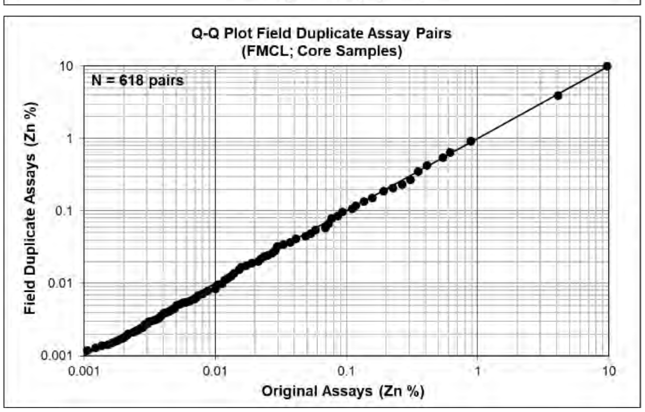
		Statistics	Original	Field Duplicate
		Sample Count	618	618
Project	La Parrilla Mine	**Minimum Value**	0.000	0.000
Data Series	2017-2020 Field Duplicates	**Maximum Value**	9.60	10.00
Data Type	Core Samples	**Mean**	0.147	0.145
Commodity	Zn in %	**Median**	0.006	0.006
Analytical Method	ICPMS	**Standard Error**	0.032	0.032
Detection Limit	0.001 % Zn	**Standard Deviation**	0.807	0.799
Original Dataset	Original Assays	**Correlation Coefficient**	0.9894	
Paired Dataset	Field Duplicate Assays	**Pairs ≤ 10% HARD**	44.5%	

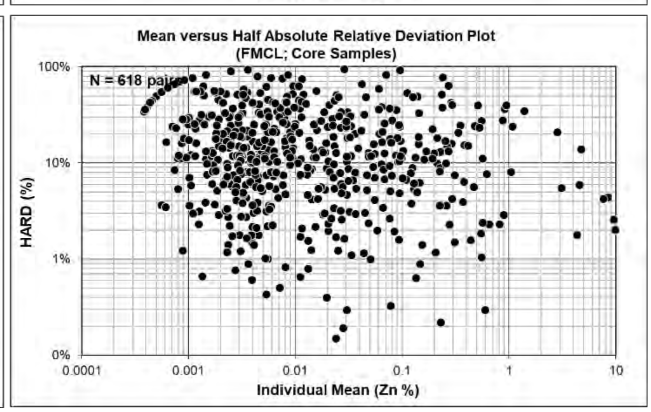








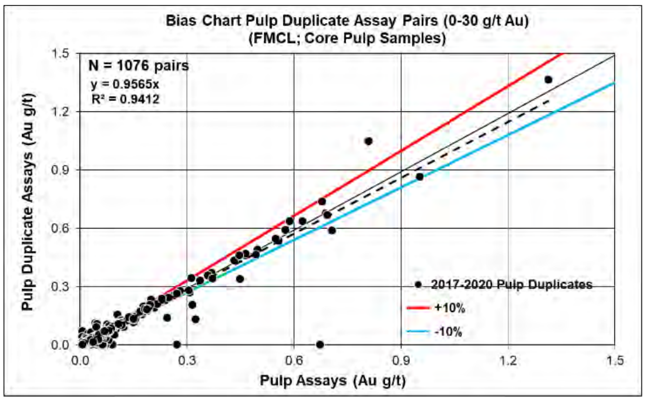


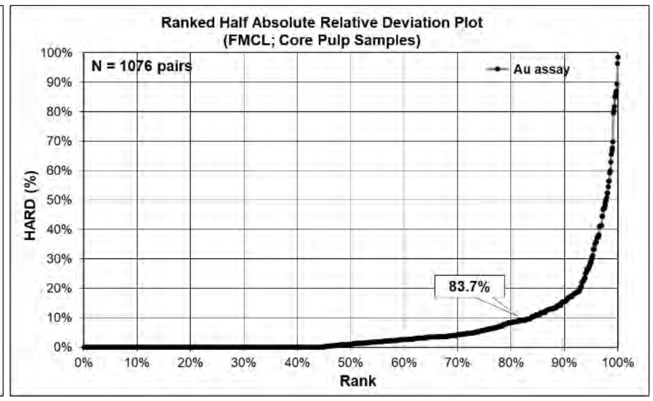


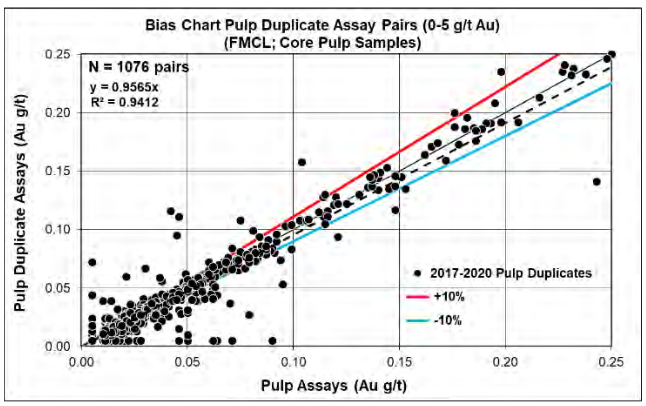
Bias and Precision Plots for Pulp Duplicate Pairs Assayed at the First Majestic Central Laboratory – Au

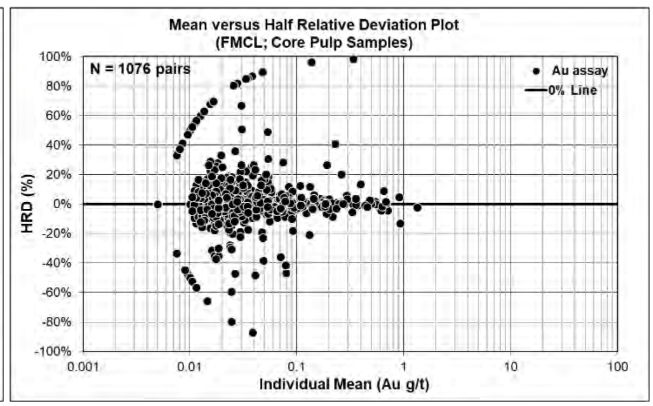
Project	La Parrilla Mine
Data Series	2017-2020 Pulp Duplicates
Data Type	Core Pulp Samples
Commodity	Au in g/t
Analytical Method	3A_AAS
Detection Limit	0.5 g/t Au
Original Dataset	Pulp Assays
Paired Dataset	Pulp Duplicate Assays

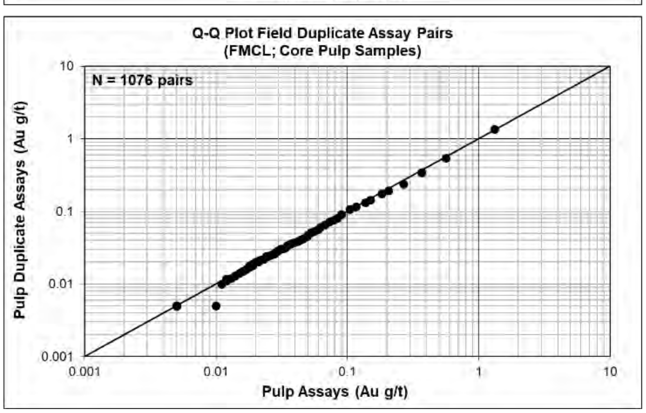
Statistics	**Original**	**Field Duplicate**
Sample Count	1,076	1,076
Minimum Value	0.005	0.005
Maximum Value	1.31	1.37
Mean	0.044	0.043
Median	0.015	0.014
Standard Error	0.003	0.003
Standard Deviation	0.100	0.099
Correlation Coefficient	0.9646	
Pairs ≤ 10% HARD	83.7%	

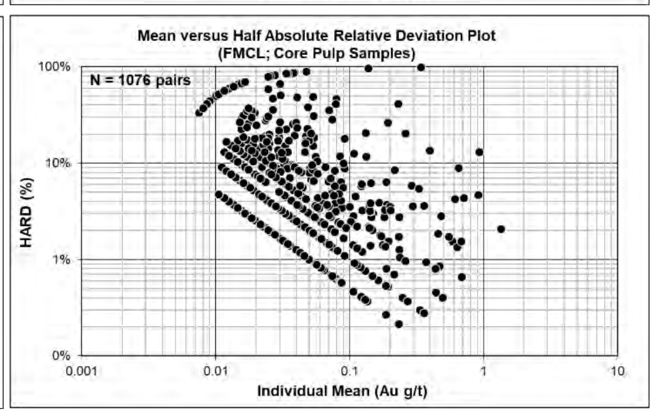






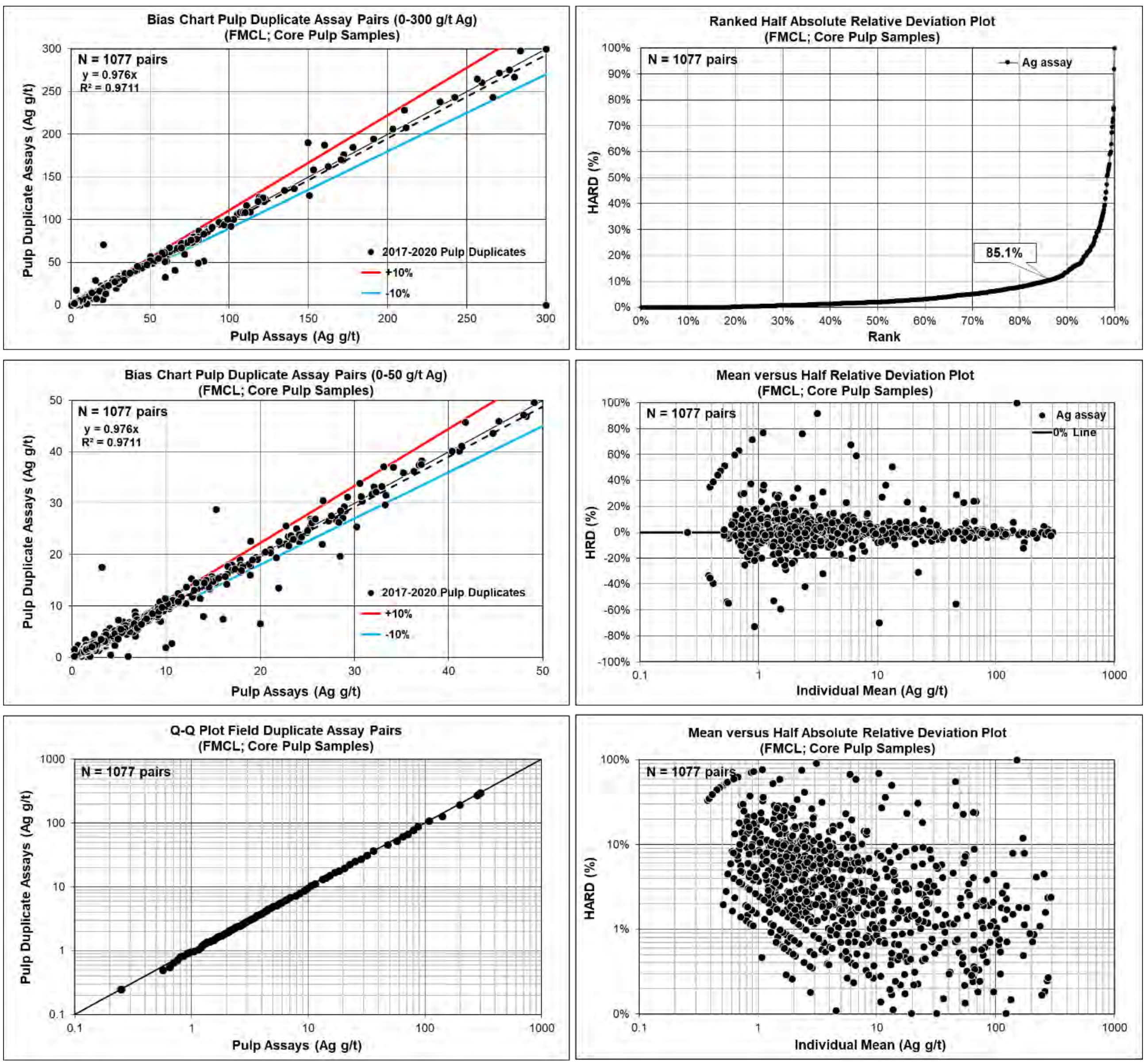






Bias and Precision Plots for Pulp Duplicate Pairs Assayed at the First Majestic Central Laboratory – Ag

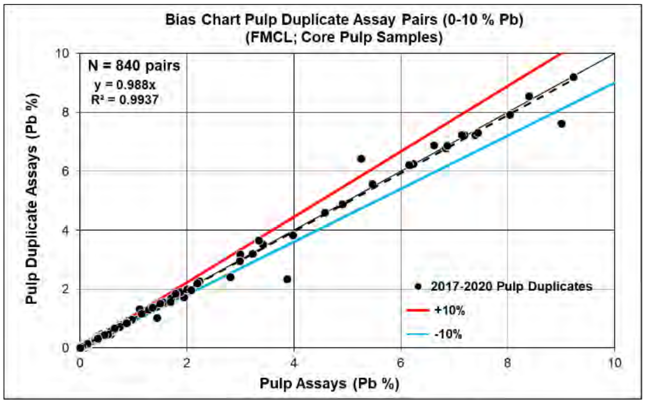
srk consulting		Statistics	Original	Field Duplicate
		Sample Count	1,077	1,077
Project	La Parrilla Mine	**Minimum Value**	0.250	0.250
Data Series	2017-2020 Pulp Duplicates	**Maximum Value**	300.00	300.00
Data Type	Core Pulp Samples	**Mean**	20.546	20.217
Commodity	Ag in g/t	**Median**	2.720	2.550
Analytical Method	3A_AAS	**Standard Error**	1.630	1.616
Detection Limit	0.5 g/t Ag	**Standard Deviation**	53.502	53.039
Original Dataset	Pulp Assays	**Correlation Coefficient**	0.9833	
Paired Dataset	Pulp Duplicate Assays	**Pairs ≤ 10% HARD**	85.1%	

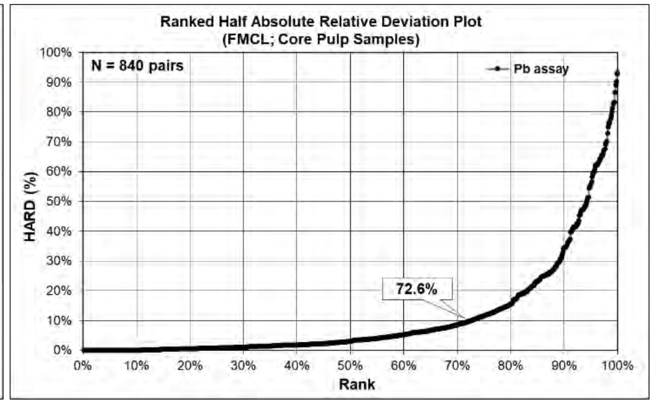


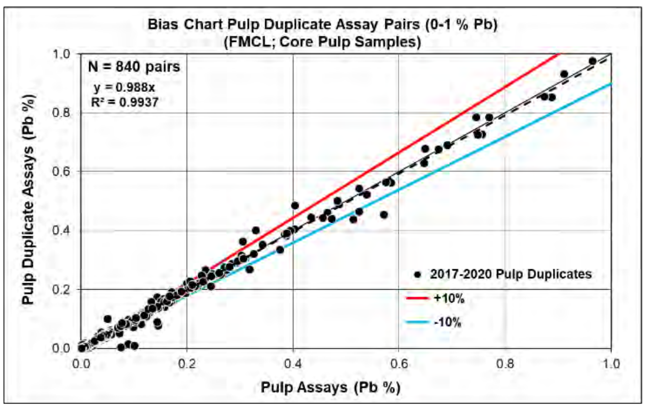
Bias and Precision Plots for Pulp Duplicate Pairs Assayed at the First Majestic Central Laboratory – Pb srk consulting

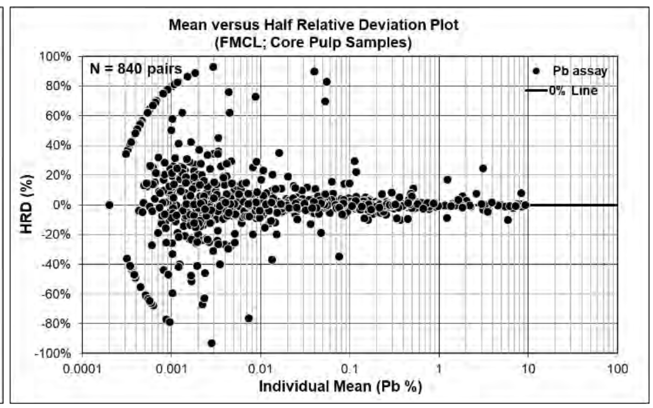
Project	La Parrilla Mine
Data Series	2017-2020 Pulp Duplicates
Data Type	Core Pulp Samples
Commodity	Pb in %
Analytical Method	ICPMS
Detection Limit	0.001 % Pb
Original Dataset	Pulp Assays
Paired Dataset	Pulp Duplicate Assays

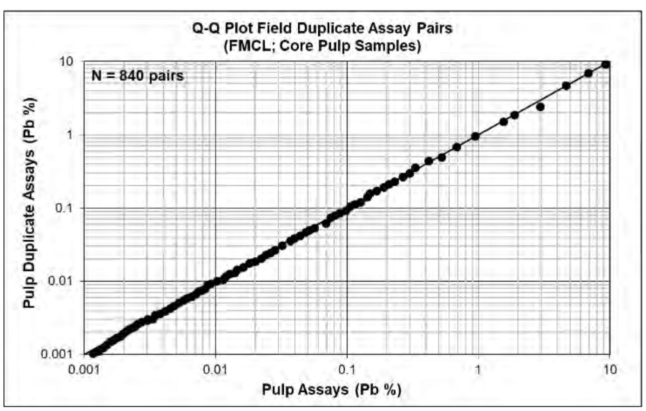
Statistics	**Original**	**Field Duplicate**
Sample Count	840	840
Minimum Value	0.000	0.000
Maximum Value	9.23	9.20
Mean	0.283	0.279
Median	0.008	0.007
Standard Error	0.037	0.037
Standard Deviation	1.077	1.068
Correlation Coefficient	0.9966	
Pairs ≤ 10% HARD	72.6%	

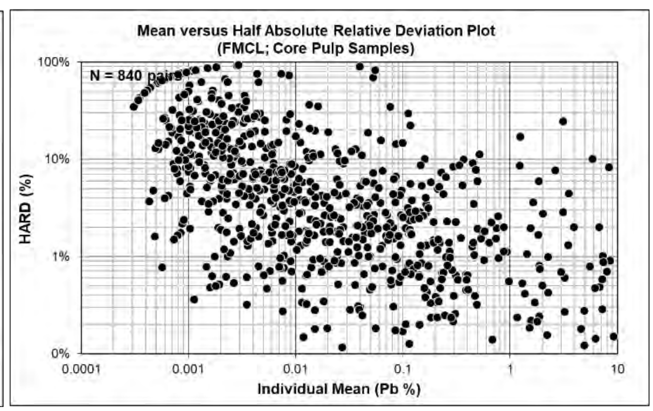








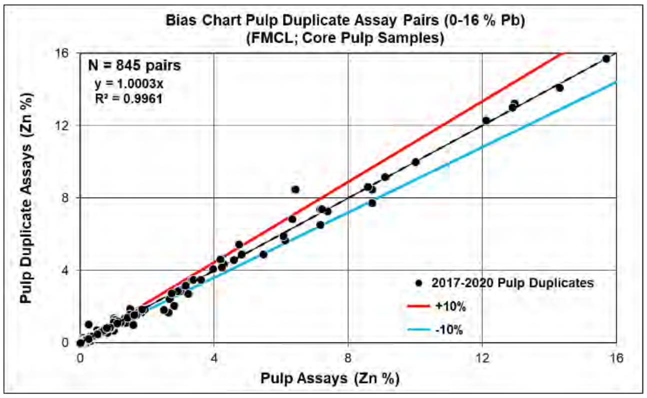


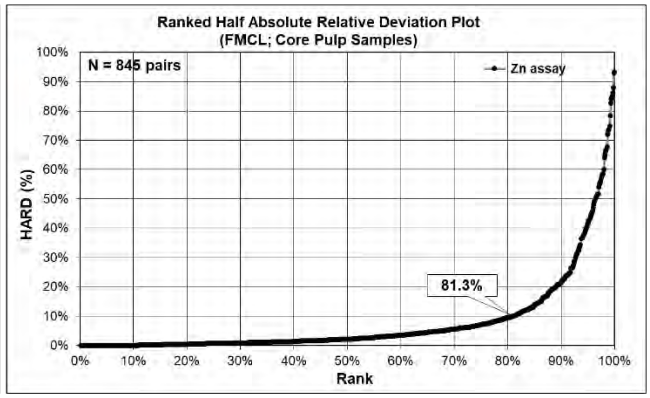


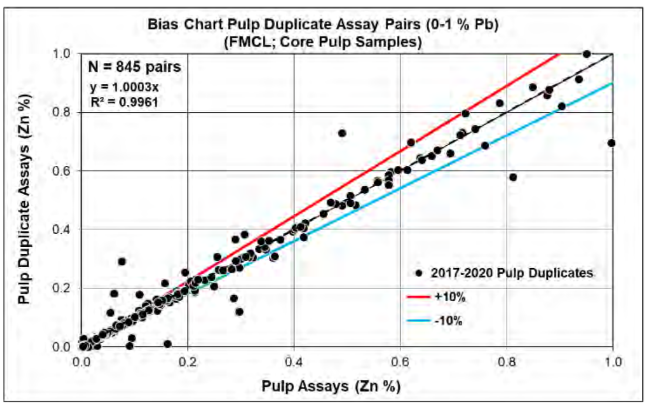
Bias and Precision Plots for Pulp Duplicate Pairs Assayed at the First Majestic Central Laboratory – Zn

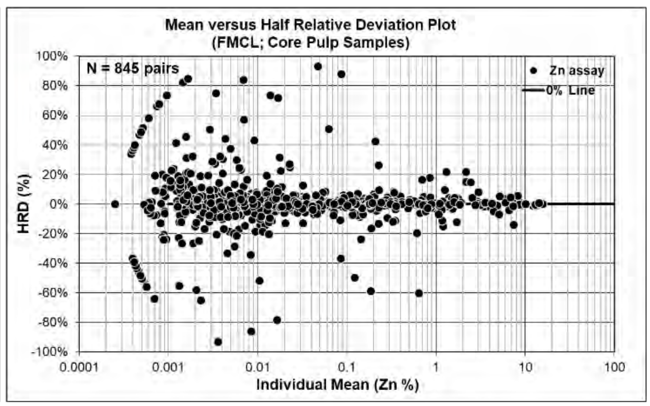
Project	La Parrilla Mine
Data Series	2017-2020 Pulp Duplicates
Data Type	Core Pulp Samples
Commodity	Zn in %
Analytical Method	ICPMS
Detection Limit	0.001 % Zn
Original Dataset	Pulp Assays
Paired Dataset	Pulp Duplicate Assays

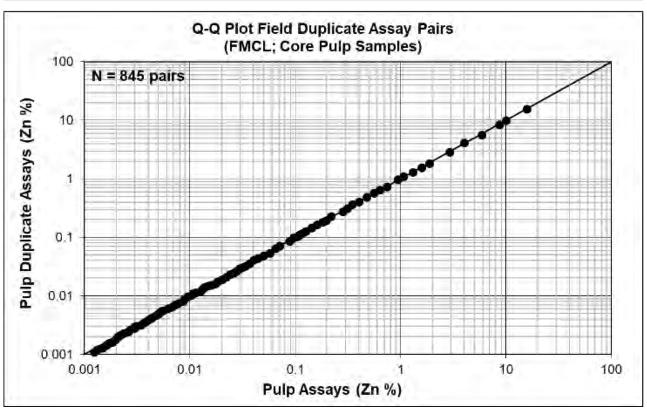
Statistics	**Original**	**Field Duplicate**
Sample Count	845	845
Minimum Value	0.000	0.000
Maximum Value	15.70	15.70
Mean	0.515	0.514
Median	0.013	0.013
Standard Error	0.061	0.062
Standard Deviation	1.786	1.790
Correlation Coefficient	0.9979	
Pairs ≤ 10% HARD	81.3%	

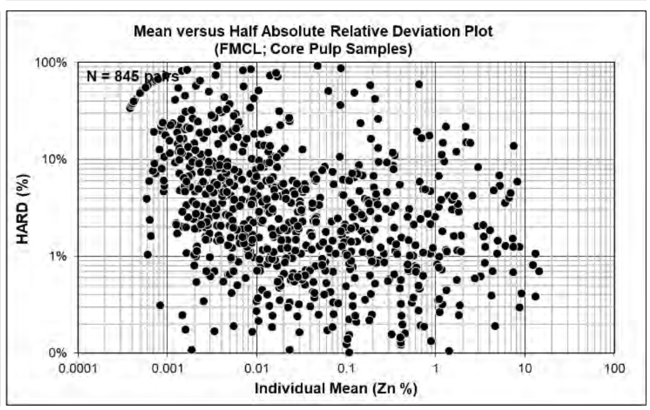








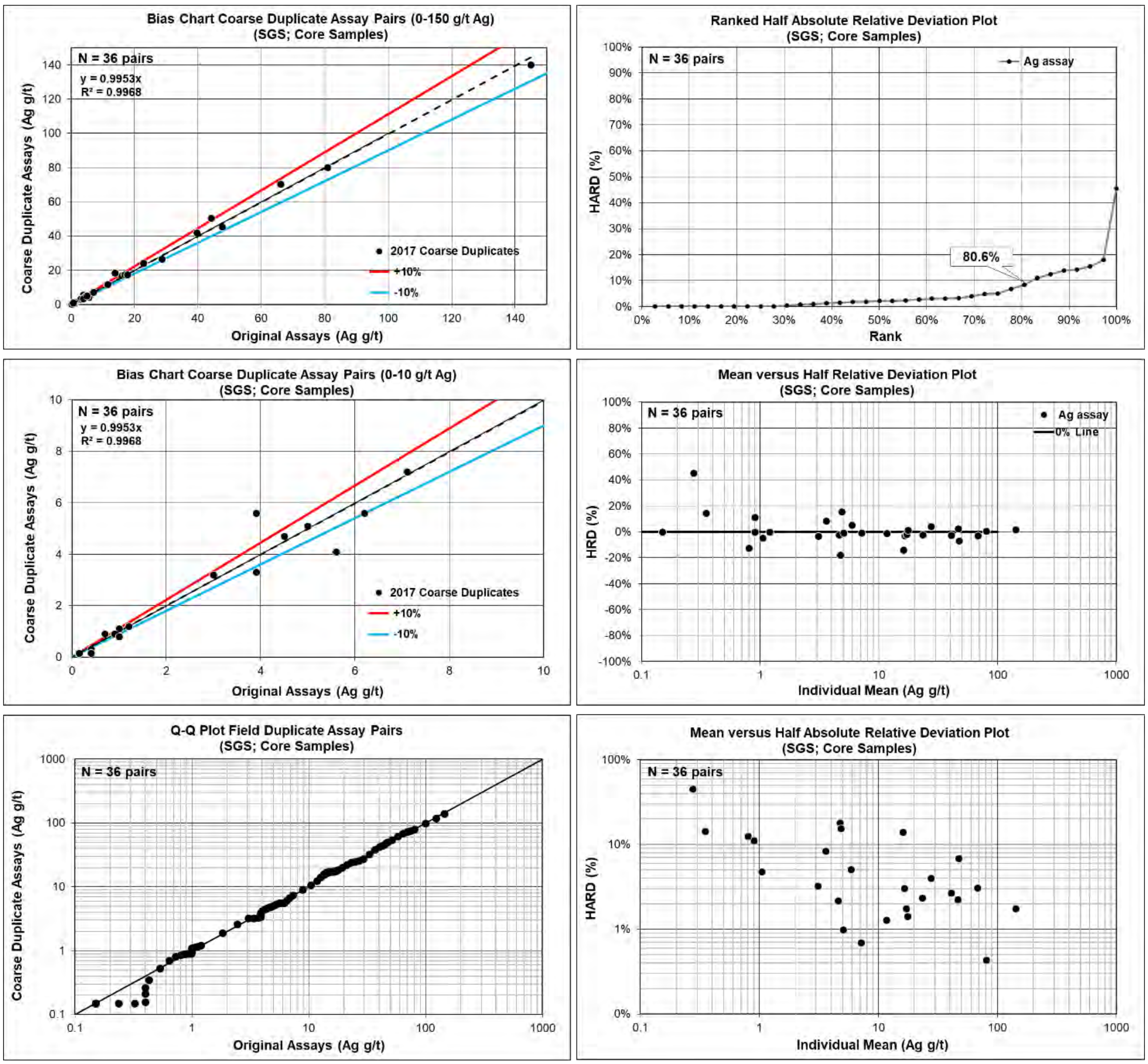




Bias and Precision Plots for Coarse Duplicate Pairs Assayed at SGS – Ag

Project	La Parrilla Mine
Data Series	2017 Coarse Duplicates
Data Type	Core Samples
Commodity	Ag in g/t
Analytical Method	AAS21E
Detection Limit	0.3 g/t Ag
Original Dataset	Original Assays
Paired Dataset	Coarse Duplicate Assays

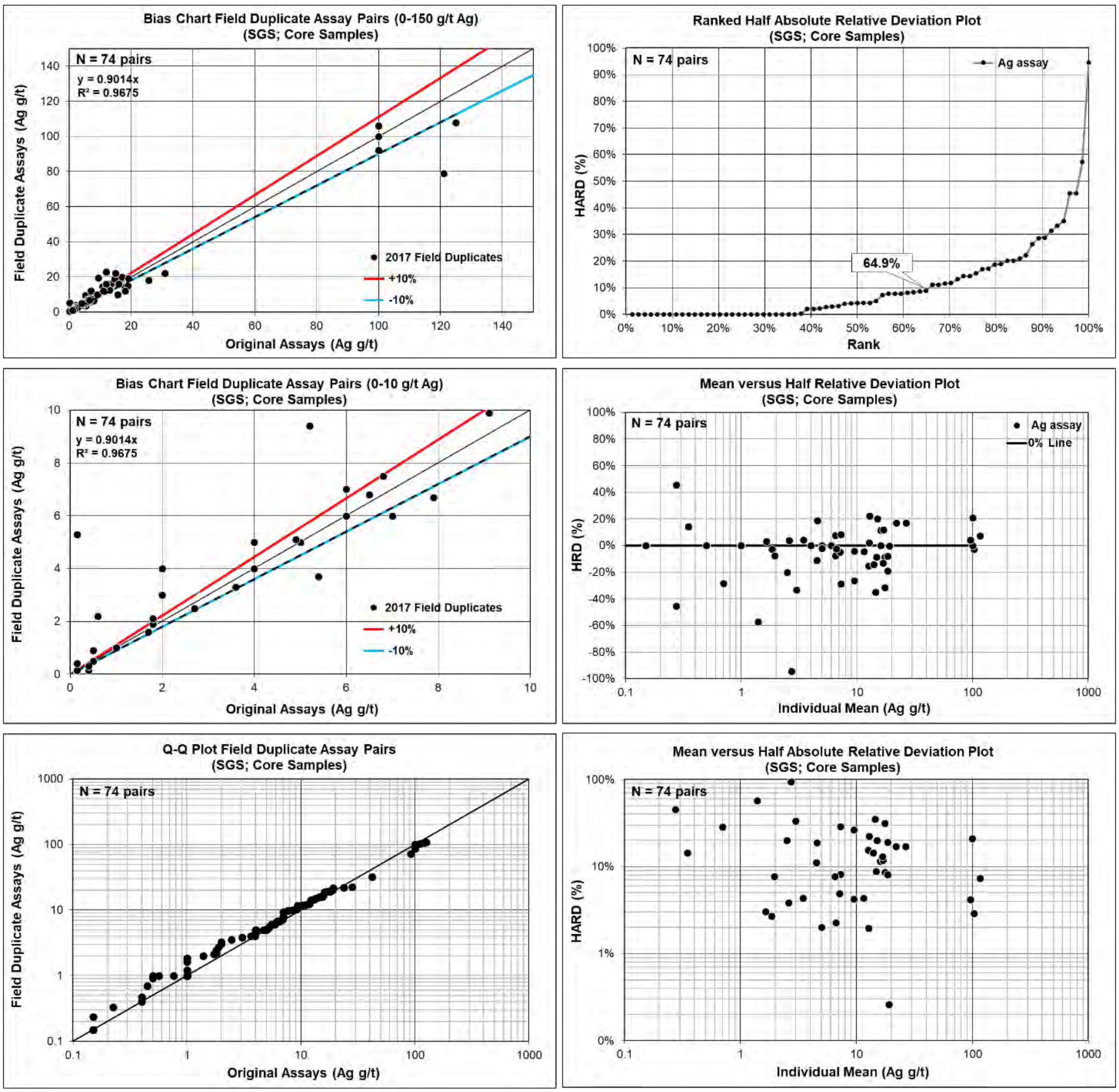
Statistics	**Original**	**Field Duplicate**
Sample Count	36	36
Minimum Value	0.150	0.150
Maximum Value	145.00	140.00
Mean	16.583	16.840
Median	4.200	4.400
Standard Error	4.924	4.879
Standard Deviation	29.545	29.273
Correlation Coefficient	0.9980	
Pairs ≤ 10% HARD	80.6%	



Bias and Precision Plots for Coarse Duplicate Pairs Assayed at SGS – Ag

Project	La Parrilla Mine
Data Series	2017 Field Duplicates
Data Type	Core Samples
Commodity	Ag in g/t
Analytical Method	AAS21E
Detection Limit	0.3 g/t Ag
Original Dataset	Original Assays
Paired Dataset	Field Duplicate Assays

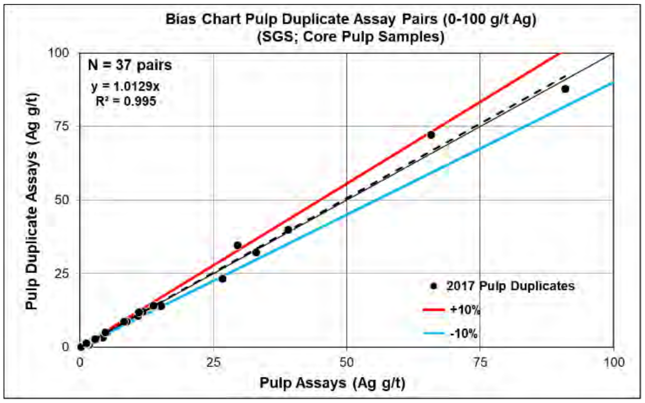
Statistics	**Original**	**Field Duplicate**
Sample Count	74	74
Minimum Value	0.150	0.150
Maximum Value	125.00	108.00
Mean	14.576	14.209
Median	4.950	5.000
Standard Error	3.350	3.017
Standard Deviation	28.817	25.954
Correlation Coefficient	0.9797	
Pairs ≤ 10% HARD	64.9%	

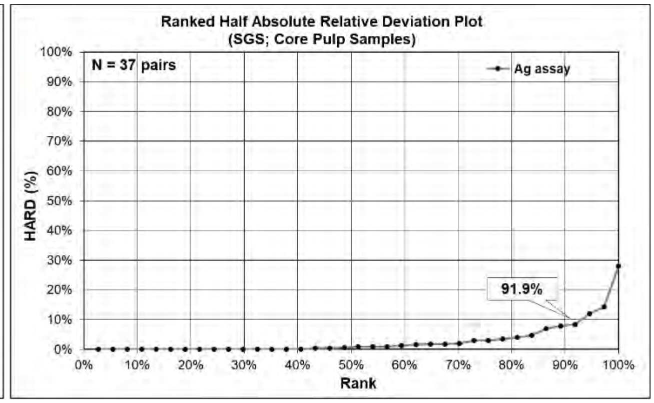


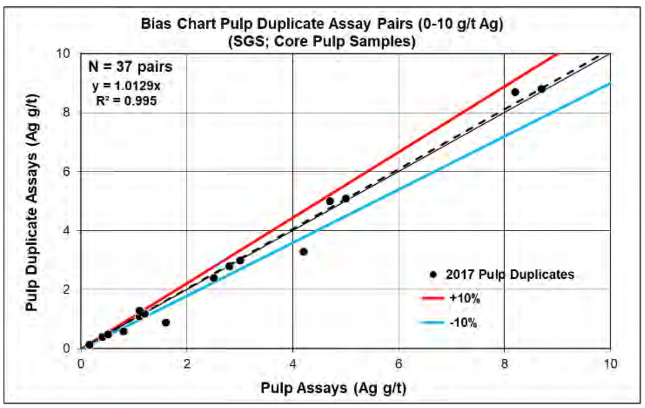
Bias and Precision Plots for Coarse Duplicate Pairs Assayed at SGS – Ag

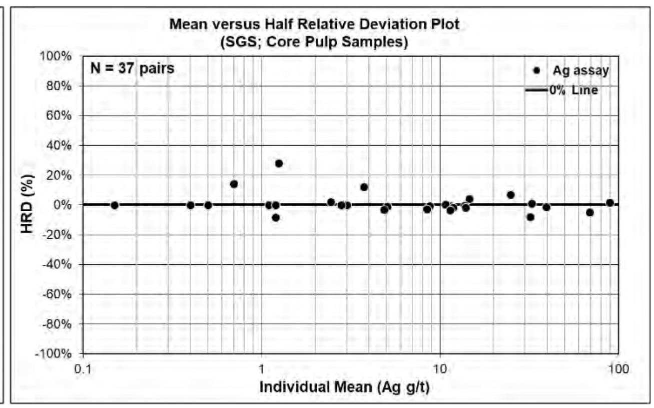
Project	La Parrilla Mine
Data Series	2017 Pulp Duplicates
Data Type	Core Pulp Samples
Commodity	Ag in g/t
Analytical Method	AAS21E
Detection Limit	0.3 g/t Ag
Original Dataset	Pulp Assays
Paired Dataset	Pulp Duplicate Assays

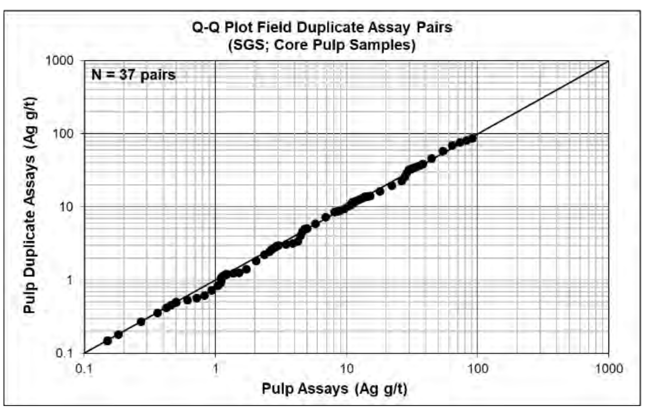
Statistics	**Original**	**Field Duplicate**
Sample Count	37	37
Minimum Value	0.150	0.150
Maximum Value	90.90	87.80
Mean	11.369	11.518
Median	3.000	3.000
Standard Error	3.163	3.215
Standard Deviation	19.240	19.555
Correlation Coefficient	0.9966	
Pairs ≤ 10% HARD	91.9%	

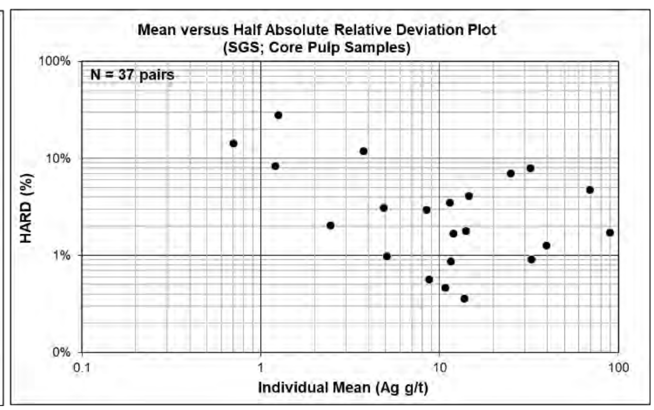












APPENDIX B

List of Drillholes Not Considered for Mineral Resource Estimation

Dataset	HoleID	Reason Removed
CS	SLP-CS-17-02	No Survey
CS	SLP-CS-17-03	No Survey
CS	SLP-CS-17-05	No Survey
LE	SLP-LE-17-03	No Survey
LE	SLP-LE-17-04-A	No Survey
Quebradillas	02-TQ	No Survey
Quebradillas	03-TQ	No Survey
Quebradillas	04-TQ	No Survey
Quebradillas	05-TQ	No Survey
Quebradillas	06-TQ	No Survey
Quebradillas	100-TQ	No Survey
Quebradillas	101-TQ	No Survey
Quebradillas	102-TQ	No Survey
Quebradillas	103-TQ	No Survey
Quebradillas	104-TQ	No Survey
Quebradillas	105-TQ	No Survey
Quebradillas	106-TQ	No Survey
Quebradillas	107-TQ	No Survey
Quebradillas	108-TQ	No Survey
Quebradillas	109-TQ	No Survey
Quebradillas	10-TQ	No Survey
Quebradillas	110-TQ	No Survey
Quebradillas	111-TQ	No Survey
Quebradillas	112-TQ	No Survey
Quebradillas	113-TQ	No Survey
Quebradillas	114-TQ	No Survey
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Quebradillas	129-TQ	No Survey
Quebradillas	12-TQ	No Survey
Quebradillas	130-TQ	No Survey
Quebradillas	131-TQ	No Survey
Quebradillas	132-TQ	No Survey

Dataset	HoleID	Reason Removed
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Quebradillas	134-TQ	No Survey
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Quebradillas	37-TQ	No Survey
Quebradillas	38-TQ	No Survey
Quebradillas	39-TQ	No Survey
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Dataset	HoleID	Reason Removed
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Quebradillas	7-TQ	No Survey

Dataset	HoleID	Reason Removed
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Quebradillas	ILP-Q-17-23	No Survey
Quebradillas	ILP-Q-17-24	No Survey
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QUEBRADILLAS	ILP-Q-18-67	No Survey

Dataset	HoleID	Reason Removed
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Dataset	HoleID	Reason Removed
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Dataset	HoleID	Reason Removed
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Quebradillas	VB-02	No Survey
Quebradillas	XLC-04	No Survey
Quebradillas	XLC-07	No Survey
RO	450-01	No Survey
RO	450-02	No Survey
RO	CPS-TEMIZ-05	No Survey
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RO	ILP-LB-14-05	No Survey
RO	ILP-RO-12-01	No Survey
RO	ILP-RO-14-31	No Survey
RO	ILP-RO-14-32	No Survey
RO	ILP-RO-15-05	No Survey

Dataset	HoleID	Reason Removed
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RO	ILP-RO-17-01	No Survey
RO	ILP-RO-17-03	No Survey
RO	ILP-RO-17-04	No Survey
RO	ILP-RO-17-05	No Survey
RO	ILP-RO-17-06	No Survey
RO	ILP-RO-17-09	No Survey
RO	ILP-RO-17-10	No Survey
RO	ILP-RO-17-17	No Survey
RO	ILP-RO-17-20	No Survey
RO	ILP-ROA-16-01	No Survey
RO	LB-14M-01	No Survey
RO	LB-14M-02	No Survey
RO	LBT-12-01	No Survey
RO	LBT-12-02	No Survey
RO	LBT-12-03	No Survey
RO	RO-01-A	No Survey
RO	TMZ-INT-4	No Survey
RO	TMZ-INT-5	No Survey
SN	ILP-SN-16-01	No Survey
SN	ILP-SN-16-02-A	No Survey
VC	ILP-VC-16-06	No Survey
VC	ILP-VC-16-07	No Survey
VC	ILP-VC-16-08	No Survey
VC	ILP-VC-16-09	No Survey
SNMR	SM-26-6	No Assay
CS	LG-01	Removed by FMS
CS	SLP-CS-12-02	Removed by FMS
CS	SLP-CS-17-01	Removed by FMS
CS	SLP-CS-17-03-A	Removed by FMS
CS	SLP-CS-17-04	Removed by FMS
CS	SLP-CS-17-05-A	Removed by FMS
CS	SLP-CS-18-04	Removed by FMS
CS	SLP-CS-18-05	Removed by FMS
CS	SLP-CS-18-06	Removed by FMS
Intermedia	LR-19	Removed by FMS
Intermedia	LR-27	Removed by FMS
Intermedia	LR-43	Removed by FMS
LP	SLP-LP-18-03	Removed by FMS
LP	SLP-LP-18-04	Removed by FMS
LP	SLP-LP-18-07	Removed by FMS
LP	SLP-LP-18-08	Removed by FMS
LP	SLP-LP-19-07	Removed by FMS
LP	SLP-LP-20-02	Removed by FMS
Quebradillas	ILP-Q-12-01	Removed by FMS

Dataset	HoleID	Reason Removed
Quebradillas	ILP-Q-12-07	Removed by FMS
Quebradillas	ILP-Q-12-08	Removed by FMS
Quebradillas	ILP-Q-18-07	Removed by FMS
Quebradillas	ILP-Q-18-72	Removed by FMS
Quebradillas	ILP-Q-18-73	Removed by FMS
Quebradillas	ILP-Q-19-27	Removed by FMS
Quebradillas	ILP-Q-19-28	Removed by FMS
Quebradillas	OILP-Q-19-06	Removed by FMS
Quebradillas	SLP-Q-12-16	Removed by FMS
Quebradillas	SLP-Q-12-17	Removed by FMS
Quebradillas	SLP-V-13-07	Removed by FMS
Quebradillas	SLP-V-13-12	Removed by FMS
RO	340-01	Removed by FMS
RO	449-01	Removed by FMS
RO	CPS-TEMIZ-04	Removed by FMS
RO	ILP-RO-12-01-A	Removed by FMS
RO	LB-02	Removed by FMS
RO	LB-04	Removed by FMS
RO	LB-06	Removed by FMS
RO	LB-07	Removed by FMS
RO	OX-01	Removed by FMS
RO	OX-14	Removed by FMS
RO	RO-23	Removed by FMS
SAC	SAC-01	Removed by FMS
SAC	SAC-01-11	Removed by FMS
SAC	SAC-02	Removed by FMS
SAC	SAC-02-11	Removed by FMS
SAC	SAC-03	Removed by FMS
SAC	SAC-04	Removed by FMS
SAC	SAC-07	Removed by FMS
SJM	ILP-SJM-17-57	Removed by FMS
SJM	ILP-SJM-17-60	Removed by FMS
SJM	ILP-SJM-17-67	Removed by FMS
SJM	ILP-SJM-18-82	Removed by FMS
SJM	SJM-01	Removed by FMS
SJM	SJM-02	Removed by FMS
SJM	SJM-03	Removed by FMS
SJM	SJM-04	Removed by FMS
SJM	SJM-05	Removed by FMS
SJM	SJM-06	Removed by FMS
SN	SLP-SN-17-03	Removed by FMS
SN	SN-07	Removed by FMS
SP	PA-01	Removed by FMS
SP	PA-02	Removed by FMS
VC	ILP-VC-13-02	Removed by FMS

Dataset	HoleID	Reason Removed
VC	ILP-VC-14-01	Removed by FMS
VC	SLP-VC-12-01	Removed by FMS
VC	SLP-VCS-12-01	Removed by FMS
VC	VC-15	Removed by FMS
VC	VC-41	Removed by FMS
VC	VC-48	Removed by FMS
VC	VC-49	Removed by FMS

APPENDIX C

Recommissioning Cost Estimate

Area	Equipment	Quantity	Status	Condition	Solution	Notes	Critical to re-start operation (y/n)	Estimated cost
Primary Crushing	heavy equipment	2	operating	both units will need new tires and minor maintenance	buy new sets of tires		y	15,000
Primary Crushing	rock breaker				improve fragmentation control at the mine, or incur an additional cost by installing/operating a rock breaker	fragmentation at the mine is usually cheaper than dedicating equipment at the crushing plant	n	80,000
Primary Crushing	stationary grizzly			needs Hardox lining	buy Hardox plates & weld them		y	40,000
Primary Crushing	freshwater tank	1		visual inspection suggests the tank is a good condition		include this tank in the regular wall-thickness measurement service contracted to third-parties	n	
Primary Crushing	process head tank	1		visual inspection suggests the tank is a good condition		include this tank in the regular wall-thickness measurement service contracted to third-parties	n	
Primary Crushing	feeder	1	operating	is a perpetual reason for downtime, needs regular repairing	needs analysis, relatively expensive to fix	feeder can not handle the impact from the ore's vertical drop. Major job to fix the problem. Suggest doing nothing for now	n	TBD
Primary Crushing	discharge belt	1	operating	typical wear and tear		needs regular replacement and/or repairs	n	TBD
2-3 crushing	feed belt magnet	1	operating	regular overloads due to presence of magnetic minerals	attempt adjusting magnetic field to increase selectivity. It should be located on a transfer point	needs regular repairs	n	TBD
2-3 crushing	conveyor belt #3		operating	because of its inclination the belts rolls backwards every time crushing area shuts down. Reason for delays in restarting the circuit	install a belt-break (anti-back rolling system)	time lost manually cleaning/unplugging before restarting	n	8,000
2-3 crushing	crushed ore stockpile roofing			highly corroded	needs replacement		n	5,000
2-3 crushing	vibrating screen			entire building vibrates because screen foundations are solidary to the building	needs detailed analysis. Evaluate installing isolation pads	this is a design/construction mistake	n	TBD
2-3 crushing	dust collector		not-operating	it does not function	remove it unless for Environmental regulations needs to be present	dust collectors do not function in this type of application. La Parrilla is one of many plants with the same problem	n	
Crushing plant wide				re-lining of chutes, screens, etc.	bring in a contractor	when in operation, re-lining is done on a regular basis	y	80,000
Lime preparation plant – oxide circuit				old facilities no-longer in use, deteriorated, unsafe	remove		n	TBD
Plant maintenance shop tools	tools			the amount, quality, and type of tools is unusually limited or non-existing		proper tools are required to make use of the personnel on site	n	250,000
Warehouse				not all purchases are registered/controlled in the warehouse's system	all site purchases should be recorded/controlled/inventoried by the warehouse	this is a substandard practice	n	TBD
Grinding	grinding/classification			no interlock in the hydrocyclone feed pump	missing a PiT to implement and interlock	sump level sensor? VFD?	n	150,000
Grinding	ball mill ball charge			no ball charge inside or onsite	buy new charges		y	60,000
Flotation	air compressor 50 HP	1	removed from site	non-existing	buy a new unit. Verify if an intermediate tank is also needed ... price?	removed by FM	y	25,000
Flotation	rubber lining, flotation cells			all tanks need rubber lining (re-lining)	bring in a contractor		y	250,000

Flotation	crane – flotation building			currently using a contractor's mobile crane to service equipment	install a 5-10 tonne crane	significantly cheaper to install a crane than hiring contractor's mobile unit. Building can take an extra load. Assume minor reinforcement	n	25,000
Flotation	reagent distribution		removed from site	non-existant	install new reagent distribution system	likely removed along with the old cleaning cells	y	80,000
Flotation cells – cleaning stage	flotation cells – cleaning stage		removed/deteriorated	no cleaning cells in place. Old tanks (5×300 ft3) are in the junkyard in bad shape	install new tank-cells of larger size (likely 5 in total), pump boxes, pumps etc	have a Mexican contractor manufacture them, install with own crew. Assume additional reinforcement to existing structures	y	400,000
Concentrate filtration	lead concentrate filter			working condition but need multiple minor repairs	a small crew (3) can do it in about one week	rubber sleeves for cylinder protection, leaking, etc	n	5,000
CCD	variable frequency drives	5	removed from site	needs replacement	buy new ones		y	25,000
CCD	tanks			Tank's lower cylinder ring needs repairing	a crew of 5 can do it in 10 days	replace section by section	n	100,000
CCD	agitation mechanism	1	removed from site	non-existent	buy new complete agitation mechanism	FM removed motor, gearbox, shaft, impellers, etc	y	200000
Tails Filtration	filter	3		need minor repairs, install automation software	small crew can do the repairs. Buy license or install alternative software		n	10,000
General	structural steel			multiple load bearing steel columns and beams are badly corroded	replacement of structural steel sections		n	100,000
General	maintenance tools			lack type, quality and quantity tools to do any meaningful work	need to purchase proper tools		y	100,000
General	fire extinguishers			no fire extinguishers observed on site	refill existing extinguishers in storage		y	3,000
Total Estimate USD								**2,011,000**

TBD: to be determined

CERTIFICATE OF QUALIFIED PERSON

To Accompany the report entitled: **Independent Technical Report for the La Parrilla Silver Mine, Durango State, Mexico, August 10, 2023**.

I, David F. Machuca-Mory, residing at 1244 Chapman Cres., Milton, Ontario, Canada do hereby certify that:

1) I am a Principal Consultant with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 1500 - 155 University Avenue, Toronto, Ontario, Canada;
2) I am a graduate of the University of Alberta in 2010, with a doctorate in Mining Engineering (Geostatistics). In 2002, I graduated from MINES ParisTech Fontainebleau with a MEng in Mining Geostatistics. In 2000, I graduated from Pontificia Universidad Católica del Perú, Lima, with a BSc in Mining Engineering. I have practiced my profession continuously since 2000. I count with more than 10 years of experience in geostatistical resource modelling, evaluation and auditing for epithermal gold and silver deposits;
3) I am a professional Engineer registered with the Professional Engineers of Ontario, PEO #100508889;
4) I have personally inspected the subject project on January 24, 25 and 26, 2023.
5) I have read the definition of Qualified Person set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
6) I, as a Qualified Person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
7) I am the co-author of this report and responsible for sections 1-11, and 13-15, portions of Sections 16 and 17 and Section 18 of this report and accept professional responsibility for those sections of this technical report;
8) I have had no prior involvement with the subject property;
9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
10) SRK Consulting (Canada) Inc. was retained by Golden Tag Resources Ltd. to prepare a technical report of the La Parrilla Silver Mine. While preparing the report, a gap analysis of project technical data was completed using CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* and Canadian Securities Administrators National Instrument 43-101 guidelines. The preceding report is based on a site visit, a review of project files and discussions with First Majestic Silver Corp. and Golden Tag Resources Ltd. personnel;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the La Parrilla Silver Mine or securities of First Majestic Silver Corp. nor of Golden Tag Resources Ltd; and
12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

	[“signed and sealed”]
Milton, Ontario, Canada	David F. Machuca Mory, PhD, PEng (PEO #100508889)
August 10, 2023	Principal Consultant

CERTIFICATE OF QUALIFIED PERSON

To Accompany the report entitled: **Independent Technical Report for the La Parrilla Silver Mine, Durango State, Mexico, August 10, 2023**.

I, Daniel Sepulveda, residing at Castillos del Mar 58, Baja California, Mexico do hereby certify that:

1) I am an Associate Consultant with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 1500 - 155 University Avenue, Toronto, Ontario, Canada
2) I am a graduate of the University of Chile in 1992, I obtained an Extractive Metallurgy Degree. I have practiced my profession continuously since1992. I have worked as a Metallurgist for a total of 33 years since my graduation from university. My relevant experience includes employee of several mining companies, engineering & construction companies, and as a consulting engineer;
3) I am a registered member the Society of Mining, Metallurgy, and Exploration, Inc. (SME) (No 4206787RM);
4) I have personally inspected the subject project January 24, 25, and 26, 2023;
5) I have read the definition of Qualified Person set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
6) I, as a Qualified Person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
7) I am the co- author of this report and responsible for Section 12 and portions of Sections 16 and 17 and accept professional responsibility for those sections of this technical report;
8) I have previously authored sections of the technical report titled "San Jose de La Parrilla, Durango, Mexico, NI 43-101 Technical Report n the Mineral Resources and Mineral Reserve Update"
9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
10) SRK Consulting (Canada) Inc. was retained by Golden Tag Resources Ltd. to prepare a technical audit of the La Parrilla Silver Mine. In conducting our audit, a gap analysis of project technical data was completed using CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines* and Canadian Securities Administrators National Instrument 43-101 guidelines. The preceding report is based on a site visit, a review of project files and discussions with First Majestic Silver Corp. and Golden Tag Resources Ltd personnel;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the La Parrilla Silver Mine or securities of Golden Tag Resources Ltd.; and
12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

["signed and sealed"]

Baja California, Mexico
August 10, 2023

Daniel H. Sepulveda, BSc, SME-RM (No. 4206787RM)
Associate Metallurgist