Independent Technical Report for the Puerto Rico Carbonate Hosted Polymetallic Project, Coahuila, Mexico

Report Prepared for

Ayubowan Capital Ltd.

Report Prepared by

srk consulting

SRK Consulting (Canada) Inc.

3CA053.000
June 12, 2017

Independent Technical Report for the Puerto Rico Carbonate Hosted Polymetallic Project, Coahuila, Mexico

Ayubowan Capital Ltd.
1600 – 609 Granville Street
Vancouver, British Columbia, Canada
V7Y 1C3
E-mail: sackerman@emprisecapital.com
Tel: +1 778 331 8505
Fax: +1 866 824 8938

SRK Consulting (Canada) Inc.
Suite 1500, 155 University Avenue
Toronto, Ontario, Canada
M5H 3B7
E-mail: toronto@srk.com
Website: www.srk.com
Tel: +1 416 601 1445
Fax: +1 416 601 9046

SRK Project Number 3CA053.000

Effective date: June 12, 2017
Signature date: June 12, 2017

Authored by:

["Signed and Sealed"]
Anna Fonseca, PGeo
Principal Consultant (Geology)

["Signed and Sealed"]
Dominic Chartier, PGeo
Senior Consultant (Geology)

Peer Reviewed by:

["Signed and Sealed"]
Glen Cole, PGeo
Practice Leader (Resource Geology)

Cover: Scenic view of Puerto Rico project.

IMPORTANT NOTICE

This report was prepared as a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* Technical Report for Ayubowan Capital Ltd. (Ayubowan) by SRK Consulting (Canada) Inc. (SRK). The quality of information, conclusions, and estimates contained herein are consistent with the quality of effort involved in SRK's services. The information, conclusions, and estimates contained herein are based on: i) information available at the time of preparation, ii) data supplied by outside sources, and iii) the assumptions, conditions, and qualifications set forth in this report. This report is intended for use by Ayubowan subject to the terms and conditions of its contract with SRK and relevant securities legislation. The contract permits Ayubowan to file this report as a Technical Report with Canadian securities regulatory authorities pursuant to National Instrument 43-101. Except for the purposes legislated under provincial securities law, any other uses of this report by any third party is at that party's sole risk. The responsibility for this disclosure remains with Ayubowan. The user of this document should ensure that this is the most recent Technical Report for the property as it is not valid if a new Technical Report has been issued.

Executive Summary

Introduction

The Puerto Rico project is a carbonate-hosted polymetallic exploration project located in northern Coahuila State, Mexico. Ayubowan Capital Ltd. (Ayubowan) has an option agreement to acquire up to 100% of the Puerto Rico project.

In February 2017 Ayubowan commissioned SRK Consulting (Canada) Inc. (SRK) to visit the Puerto Rico property to assess its merit and to prepare an independent technical report in compliance with Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Properties and Form 43-101F1 guidelines.

SRK understands that this technical report will be used by Ayubowan to support an application for listing as a Tier 2 Company on the Toronto Stock Exchange. This report summarizes the technical information available on the Puerto Rico project and concludes that this mineral asset satisfies the requirement to be a “qualifying property” to support an application for listing as a Tier 2 Company on the Toronto Stock Exchange.

It is SRK’s opinion that the character of the property is of sufficient merit to warrant additional exploration expenditures. A two-phase exploration work program comprising geological mapping, geochemical sampling, ground and airborne geophysics, metallurgical testing, and drilling is recommended. The proposed work program is estimated to cost approximately US$6.8 million.

Property Description and Ownership

The Puerto Rico project is located in northern Coahuila State, Mexico; approximately 250 kilometres northwest of Melchor Múzquiz, the closest city with developed infrastructure and supplies. A small camp is established on the Puerto Rico property and basic supplies can be sourced from the nearby village of Norias de Boquillas, approximately 12 kilometers from the camp. The project area is accessible by paved and undeveloped dirt roads, and consists of six mining concessions that cover an area of approximately 2,822 hectares. The mining concessions were originally granted between 2004 and 2009 to Juan Reynaldo Elizondo Falcón, Jesús Miguel Hernández Garza, or a 50/50 split between the two individuals for a period lasting 50 years. Mining concession Alytu 3 (title 233478), registered to Jesús Miguel Hernández Garza, was cancelled on May 19, 2014 and a revision recourse against the cancellation has not been resolved to date. In addition, the two individuals transferred a shareholders’ contribution to Solvitec, S.A. de C.V. (Solvitec) for the Alytu 8 (title 225821) and Panama (title 222958) mining concessions on January 15, 2010. Jesus Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón have provided Ayubowan with a copy of shareholders´ resolutions of Solvitec confirming the termination of the shareholders´ contribution agreement and the return of the Alytu 8 (title 225821) and Panama (title 222958) mining concessions.

On April 7, 2017, Jesús Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón (acting as Property Owners) and Discovery Metals, S.A. de C.V. a wholly-owned Mexican subsidiary of Ayubowan (acting as the Company), signed a and option agreement for the transfer of mineral exploration rights and the option to purchase, for a term of 5 years, 100% title to the Puerto Rico property in consideration of cash payments, share issuances, and expenditures on the property. The cash payments and share issuances are to total a minimum value of US$10,000,000. Ayubowan must also complete exploration expenditures of US$12,500,000 within five years of receiving the permits for drilling on the property, of which a minimum of US$2,000,000 must be spent within the first 12 months.

The mineralized zones of highest and immediate interest to Ayubowan occur along the corridor from the Papicuano to Zaragoza workings, and include the Puerto Rico and San José mines. They are located within active concessions and are not affected by the status of cancelled concession Alytu 3.

Geology and Mineralization

The Puerto Rico project is found within the northern extension of the Gondwanic Maya and Oaxaquia terranes. The Oaxaquia microcontinent forms a north-south trending belt of high-grade metamorphic rocks, of which Mesoproterozoic gneisses and anorthosites are unconformably overlain by Paleozoic marine and continental sedimentary rocks containing Gondwanic fossils. Located to the east of Oaxaquia, the Maya Terrane is comprised of Ediacaran to Mississippian magmatic and metamorphic rocks, and a Mesozoic sedimentary sequence linked to that of the Oaxaquia.

The Puerto Rico project is located in an area of overlap of the Basin and Range Province and the Rio Grande Rift Province, which are two currently active extensional systems. High-angle faults in northern Chihuahua and Coahuila are interpreted to be associated with Basin and Range extension, and normal faulting in the inverted Chihuahua and Sabinas Basins suggests that the Rio Grande Rift may extend into the inverted Chihuahua Basin.

The Puerto Rico schist is the oldest rock unit in the vicinity of the Puerto Rico project, and is Permian in age. Aptian to Cenomanian carbonate sedimentation deposited the Cupido, La Peña, Glen Rose, Telephone Canyon, Edwards, McKnight, Santa Elena-Salmon Peak, Del Rio, and Buda formations, which are overlain by Cenomanian calcareous shales of the Boquillas-Eagle Ford, San Vincente-Austin, and Pen formations. The entire Paleozoic to Mesozoic sequence forms an east-verging fold and thrust belt with arcuate northwest-trending fold axes that are displaced by a conjugate set of southeast-trending sinistral faults and northeast-trending normal faults. Oligocene magmatic rocks include diorite, andesite flows and intermediate tuffs, rhyolite domes and flows, granitic to syenitic intrusions, and felsic tuffs. The Cupido Formation is the main host to carbonate replacement-style base metal mineralization in the project area.

Detailed mapping over the main mineralized zones of the Puerto Rico property was conducted by the Consejo de Recursos Minerales and the Metal Mining Agency of Japan in the late 1970s. In the north, the geology is dominated by a partially eroded, overturned anticline that forms a thrust sheet atop shallow dipping Cupido limestone beds. A regional Paleozoic unconformity between the Paleozoic Schist and Puerto Rico Formation clastic wedge, and a regional Mesozoic unconformity between Puerto Rico Formation conglomerate and platformal sedimentation are exposed in the core of the anticline. Mesozoic strata of the Cupido limestone, La Peña calcareous shale, and the cliff forming Glen Rose limestone form the partly preserved eastern limb of the anticline and are intruded by an over two-kilometre strike length monzonitic sill. West of the anticline axis, the Las Norias normal fault downdrops the Glen Rose and Santa Elena formation rocks approximately 400 metres and juxtaposes them against Paleozoic rocks and Cupido Formation limestone. Carbonate replacement-style mineralization occurs along the southeast-striking Las Norias and parallel faults. In the southern portion of the property, the geology consists of a north-south trending section of carbonate rocks of the Cupido, La Peña, and Glen Rose formations in the east, a north-south elongated fault bound block of Glen Rose Formation in the centre, and downdropped Santa Elena Formation carbonate rocks in the west. Mineralization in this area occurs along the easternmost normal fault.

The Puerto Rico, San José, and Zaragoza mines host the main known mineralized deposits at the Puerto Rico project. The Puerto Rico mine features oxidized mantos and chimneys that are hosted in steep- to shallow-dipping Cupido Formation limestone in the overturned anticline, and in the nearby La Cubana portal area, carbonate replacement-style mineralization is found along the northeast trending La Cubana fault as shallowly-dipping mantos, galena-cemented breccia, and copper-rich stacked mantos. At the San José mine, strongly oxidized, stacked, barite-bearing mantos and chimneys are hosted in Cupido Formation limestone. Mantos replacing beds in the eastern limb of the anticline are flat lying and up to 1.5 metres thick, and mantos replacing beds in the western limb dip moderately to the southwest and are up to 1.5 metres thick; stacked manto zones are up to five metres thick and lower-grade disseminated zinc oxides and lead sulphides occur between the mantos. A monomict copper oxide and carbonate cement-supported breccia with subrounded clasts strongly replaced by yellow to brown oxides and chalcocite is observed to be open at depth and along strike in the San José mine. At the Zaragoza mine, stacked, barite-calcite-rich mantos up to 60 centimetres form massive replacement of Cupido Formation limestone. Galena and lesser non-sulphide zinc minerals form veinlet stockwork, disseminations, monomict breccia cement and clast replacement adjacent to the mantos.

Exploration Status

Mineralization on the Puerto Rico property was first discovered in 1883 after an outcropping lead-silver oxide chimney was discovered at the Puerto Rico mine, and subsequently at the San José mine site. The Puerto Rico chimney was mined from 1896 to 1900 by the Kansas City Smelting and Refining Company, after which the high-grade lead-silver oxide chimney was mined out. In 1906, ASARCO began mining zinc oxides from the walls of the lead-oxide stopes until the onset of the Mexican Revolution in 1918. Mining of direct-shipping zinc oxide ores took place from the 1970s to 1985, during which time the majority of workings on haulage levels in the Puerto Rico and San José mines were excavated.

Mexico's Consejo de Recursos Minerales (CRM), in partnership with the Metal Mining Agency of Japan (MMAJ), explored the Puerto Rico property from 1975 to 1982. Geological mapping, geochemical sampling, geophysical surveys and core drilling was executed. A total of 814 samples were collected along a northwest-southeast elongated grid extending from within the United States to the Elvira zone in the southern portion of the property. Samples were generally collected every 200 metres along lines spaced approximately 500 metres apart, and in the area extending from the Venus zone to the Puerto Rico mine sample were collected every 25 metres along lines spaced 200 metres apart. As part of the same program that involved the collection of geochemical samples, an induced polarization and electromagnetic survey was conducted from the Venus area to the Puerto Rico mine in a northwest-southeast elongated survey block; no mutual relation between anomalies identified in each survey was found. A total of 16 core boreholes were drilled in the vicinity of the Papicuano and Venus areas, and west of the Las Norias Fault, however the main deposits of the Puerto Rico project were not drill tested. The CRM has measured approximately 4,000 metres of underground workings and suggest that 1,000,000 tonnes of material has been mined from the district since initial exploitation.

The Puerto Rico project was inactive until 2004 when Minera Aventureros del Yaqui and Mr. Jesús Miguel Hernández Garza and Mr. Juan Reynaldo Elizondo Falcón staked claims and began the current small-scale mining of direct shipping zinc, lead and copper ores.

Geochemical sampling by Freeport McMoRan to investigate the property's potential for copper mineralization was performed from 2008 to 2012. A total of 131 samples were collected on the Puerto Rico property primarily from the Puerto Rico and San José mines, and in proximity to the Las Norias Fault. Few details regarding the geochemical sampling by Freeport McMoRan are available.

There are reported to be over 200 historic workings in the district, with the Puerto Rico and San José mines accounting for over 90% of the mined tonnage. Non-mechanized mining by Mr. Hernández and Mr. Elizondo over the past three years has resulted in the sale of approximately 10,000 tonnes of nominal 20% zinc to a base metals processing plant in Monclova. Ayubowan has not conducted exploration work on the Puerto Rico project.

Mineral Resource and Mineral Reserve Estimates

There are no known mineral resources or mineral reserves on the Puerto Rico project.

Conclusion and Recommendations

In the opinion of SRK, the character of the early stage Puerto Rico project is of sufficient merit to recommend further exploration work designed to identify, prioritize, and test the known deposits and exploration targets. Implementation of the proposed program will satisfy the minimum work commitment requirements to qualify the Puerto Rico project as a qualifying property for the purpose of supporting a listing application as a Tier 2 company on the Toronto Stock Exchange.

The cost of the proposed exploration work programs is estimated at approximately US$6.8 million. The proposed programs also include the cost for Ayubowan to satisfy the terms agreed upon in the Puerto Rico option agreement between Ayubowan and the two current property owners, Jesús Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón, of which a minimum of US$2 million must be spent within 12 months of the agreement.

Table of Contents

List of Tables

List of Figures

1 Introduction and Terms of Reference

The Puerto Rico project is a carbonate-hosted polymetallic exploration project located in Mexico, with a history of mining including current small-scale artisanal mining activities. It is located approximately 250 kilometres by road from Melchor Múzquiz in northern Coahuila State. Ayubowan Capital Ltd. (Ayubowan) has an option agreement to acquire up to 100% of the Puerto Rico project.

In February 2017, Ayubowan commissioned SRK Consulting (Canada) Inc. (SRK) to visit the property and prepare a technical report for the Puerto Rico project. The services were rendered between February and April 2017, leading to the preparation of this technical report.

SRK understands this technical report will be used by Ayubowan to support an application for a change of business listing on the Toronto Stock Exchange. Some of the listing requirements as a Tier 2 company include sufficient evidence of no less than C$100,000 of approved expenditures by Ayubowan on the property and a work program with an initial phase of no less than C$200,000, as recommended in a technical report.

This technical report summarizes the technical information available on the Puerto Rico project and demonstrate that the Puerto Rico project clearly qualifies as a property of merit as defined by the Toronto Stock Exchange. In the opinion of SRK, this property has merit warranting additional exploration expenditures. An exploration work program is recommended comprising ground and airborne geophysical surveys, geological and structural mapping, geochemical sampling, reverse circulation and core drilling, and geological and resource modelling.

1.1 Scope of Work

The scope of work, as defined in a letter of engagement executed on February 3, 2017 between Ayubowan and SRK, involves the preparation of an independent technical report for the Puerto Rico project in compliance with National Instrument 43-101 and Form 43-101F1 guidelines. This work typically 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
- Recommendations for additional work

1.2 Work Program

The work program involved a personal site inspection of the Puerto Rico property by Ms. Anna Fonseca, PGeo, from February 13 to 18, 2017. The technical report was assembled in Toronto during the months of February and April 2017. It was prepared following the guidelines of the Canadian Securities Administrators National Instrument 43-101 and Form 43-101F1, and in conformity with generally accepted CIM “Exploration Best Practices” guidelines.

1.3 Basis of Technical Report

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

- Discussions with Ayubowan personnel
- Inspection of the Puerto Rico project area, including outcrop and underground workings
- Review of exploration data collected by Ayubowan and previous property owners
- Puerto Rico Mine Prospect Summary Report (McAnulty 2009)
- Report on field visit to the Puerto Rico project (Caldwell 2016)
- Regional geological mapping and report by the Mexican Geological Survey (2007)
- Additional information from public domain sources

1.4 Qualifications of SRK and SRK Team

The SRK Group comprises more than 1,400 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 a large number of major international mining companies, the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

The compilation of this technical report was completed by Anna Fonseca, PGeo (APEG-BC #30399, APGO #2194) and Dominic Chartier, PGeo (OGQ #874, APGO #2775), with the assistance of Caitlyn Adams, G.I.T. (APGO #10520). By virtue of their education, membership to a recognized professional association and relevant work experience, Ms. Fonseca and Mr. Chartier are independent Qualified Persons as this term is defined by National Instrument 43-101.

Glen Cole, PGeo (APGO #1416), a Practice Leader (Resource Geology) with SRK, reviewed drafts of this technical report prior to their delivery to Ayubowan as per SRK internal quality management procedures. Mr. Cole did not visit the project.

1.5 Site Visit

In accordance with National Instrument 43-101 guidelines, Ms. Anna Fonseca visited the Puerto Rico project between February 13 and February 18, 2017. She was accompanied by agricultural engineer Jesús Miguel Hernández Garza and geologist Alvaro Lopez-Pico, who are familiar with the geology and mineralization of the property. Mr. Hernández holds surficial and artisanal mining rights over the property. In addition, Mr. Hernández is currently mining artisanally at the San José and Zaragoza mines in the district.

The purpose of the site visit was to inspect the asset, characterize its structural setting, verifying grades and characterizing the mineralization style of the principal known mineralized zones, groundtruth priority areas chosen from remote sensing interpretation, collect samples for geochemical analyses, collect all relevant information for the compilation of a technical report, and determine the merit of the exploration property.

SRK was given full access to relevant data and conducted the site visit with the previous property owners to obtain information on the past exploration work and to understand procedures used to collect, record, store, and analyze historical exploration data.

1.6 Acknowledgement

SRK would like to acknowledge the support and collaboration provided by Ayubowan personnel for this assignment. Their collaboration was greatly appreciated and instrumental to the success of this project.

1.7 Declaration

SRK's opinion contained herein and effective **June 12, 2017** is based on information collected by SRK throughout the course of SRK's investigations. The information in turn reflects various technical and economic conditions at the time of writing this report. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive subtotals, totals, and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of Ayubowan, and neither SRK nor any affiliate has acted as advisor to Ayubowan, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

2 Reliance on Other Experts

SRK has not performed an independent verification of land title and tenure information as summarized in Section 3 of this report. SRK did not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but have relied on a legal opinion of Abraham Urias, a lawyer from the firm Urias Romero y Asociados, S. C. in Mexico. The reliance applies solely to the legal status of the rights disclosed in Section 3 of this report.

SRK received a copy of a letter dated February 15, 2017 from Abraham Urias indicating that five of the six concessions in the Puerto Rico project are in good standing with the government and comply with all legal obligations required by Mexican mining laws and regulations. One of the concessions, Alytu 3, was cancelled on May 19, 2014 with a revision recourse against cancellation filed, though no determination on the matter has been issued to date.

SRK was informed by Ayubowan that there are no known litigations potentially affecting the Puerto Rico project.

3 Property Description and Location

The Puerto Rico property is located in northern Coahuila State, Mexico, approximately 250 kilometres from the city of Melchor Múzquiz on both paved highway and improvised dirt roads (Figure 1). The project site is situated along the base of a major escarpment on the western edge of the Sierra del Carmen range and within the Maderas del Carmen Biosphere Reserve. A small camp is established on the Puerto Rico property; however, necessary supplies must be sourced from Melchor Múzquiz, whereas basic supplies can be sourced from the village of Norias de Boquillas, approximately 12 kilometres from the Puerto Rico camp. The property contains several small artisanal mines and workings that are currently active. The centre of the property is located at approximately 29.18 degrees latitude north and 102.81 degrees longitude west.

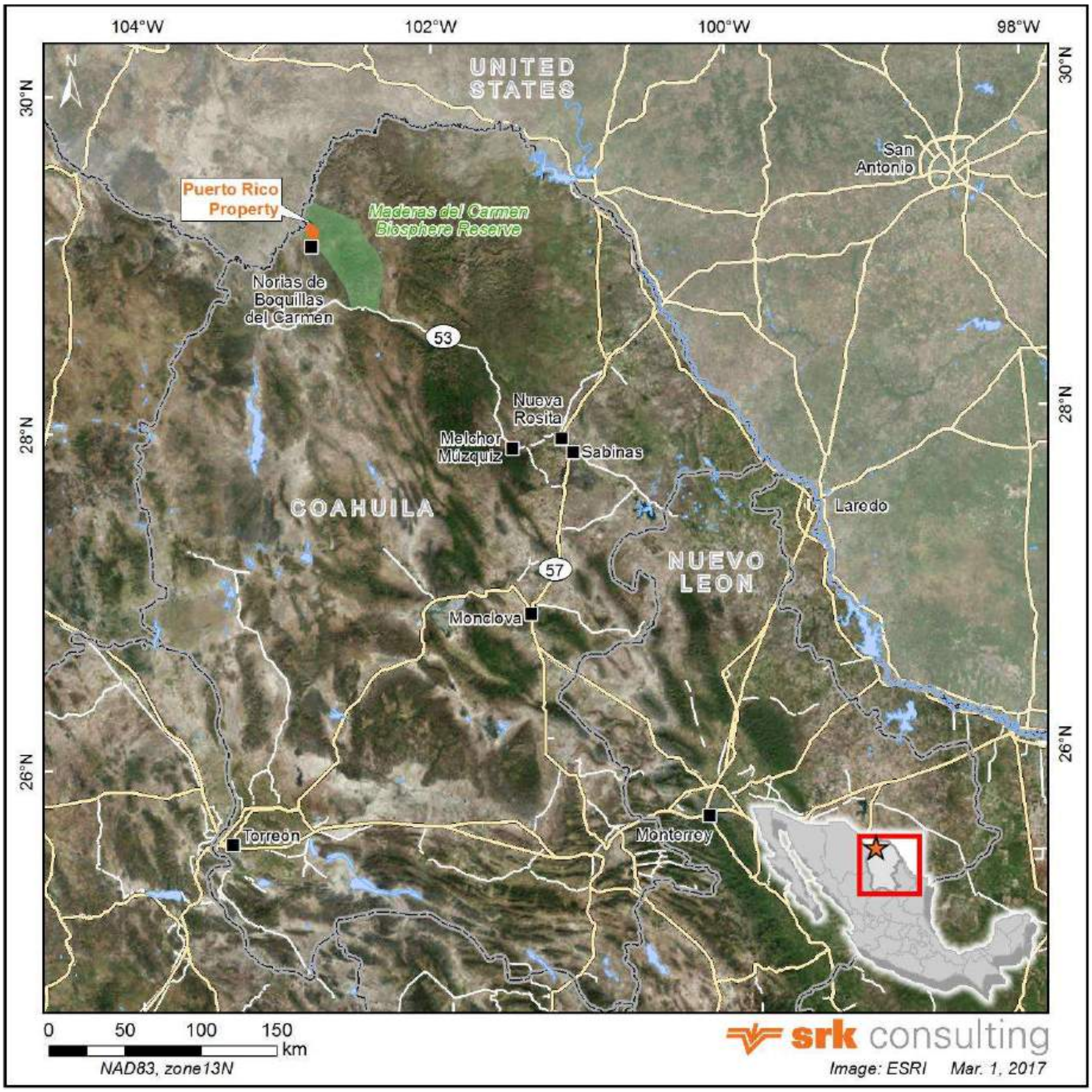


Figure 1: Location Map of the Puerto Rico Property

3.1 Mineral Tenure

The Puerto Rico project comprises six mining concessions (Table 1 and Figure 2) covering an area of approximately 2,822 hectares. Five of the six concessions are active; the sixth concession, Alytu 3 (title 233478), was cancelled on May 19, 2014 by the Mines Recorder Office of the Federal Directorate of Mining of the Secretariat of the Economy of Mexico (Mines Recorder Office). A revision recourse was filed against the cancellation and, to our knowledge, it has not been resolved to date. Ayubowan understands the reason for the cancellation of mining concession Alytu 3 is a result of unpaid mining duties. The six Puerto Rico mining concessions were granted between 2004 and 2009 for a period lasting 50 years. The concessions were originally granted to Juan Reynaldo Elizondo Falcón, Jesús Miguel Hernández Garza, or a 50/50 split between the two individuals.

On January 15, 2010, Jesús Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón transferred a shareholders' contribution to Solvitec, S.A. de C.V. (Solvitec) for the Alytu 8 (title 225821) and Panama (title 222958) mining concessions. The shareholders' contribution agreement was for a two-year term commencing February 1, 2010 which could be extended for an additional term of five years. Jesus Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón have provided Ayubowan with a copy of shareholders' resolutions of Solvitec confirming the termination of the shareholders' contribution agreement and the return of the Alytu 8 (title 225821) and Panama (title 222958) mining concessions. Ayubowan understands that registration at the Mines Recorder Office of the said shareholders' resolutions and the return to Jesus Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón of title to the Alytu 8 (title 225821) and Panama (title 222958) mining concessions is underway.

Most of the mineralized zones of highest and immediate interest to Ayubowan are found along the corridor from the Papicuano to Zaragoza workings, and include the Puerto Rico and San José mines. They are located within active concessions and are not affected by the status of cancelled concession Alytu 3 (Figure 2).

Table 1: Mineral Tenure Information

Concession Name	Title Number	Status	Registered To	Original Grant Date	Expiry Date	Area (hectares)
Alytu	226665	Active	Juan Reynaldo Elizondo Falcón 100%	17-Feb-2006	16-Feb-2056	200
Alytu 3	233478	Cancelled*	Jesús Miguel Hernández Garza 100%	10-May-2009	Mar-2059	2,224
Alytu 7	232334	Active	Jesús Miguel Hernández Garza 50% Juan Reynaldo Elizondo Falcón 50%	29-Jul-2009	28-Jul-2058	99
Alytu 7	231824	Active	Jesús Miguel Hernández Garza 50% Juan Reynaldo Elizondo Falcón 50%	7-May-2008	6-May-2058	100
Alytu 8	225821	Active	Solvitec, S.A. de C.V. 100%**	27-Oct-2005	26-Oct-2055	149
Panama	222958	Active	Solvitec, S.A. de C.V. 100%**	30-Sep-2004	29-Sep-2054	50
Total						**2,822**

* Cancelled on May 19, 2014 with a revision recourse against cancellation filed, though no determination on the matter has been issued to date.

** On January 15, 2010, Jesús Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón transferred a shareholders' contribution to Solvitec, S.A. de C.V. (Solvitec) for the Alytu 8 (title 225821) and Panama (title 222958) mining concessions. The agreement consisted of a two-year term commencing February 1, 2010 which could be extended for an additional term of five years. Cancellation of the Solvitec Transfer has been confirmed by Jesus Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón, but is not yet recorded at the Mines Recorder Office.

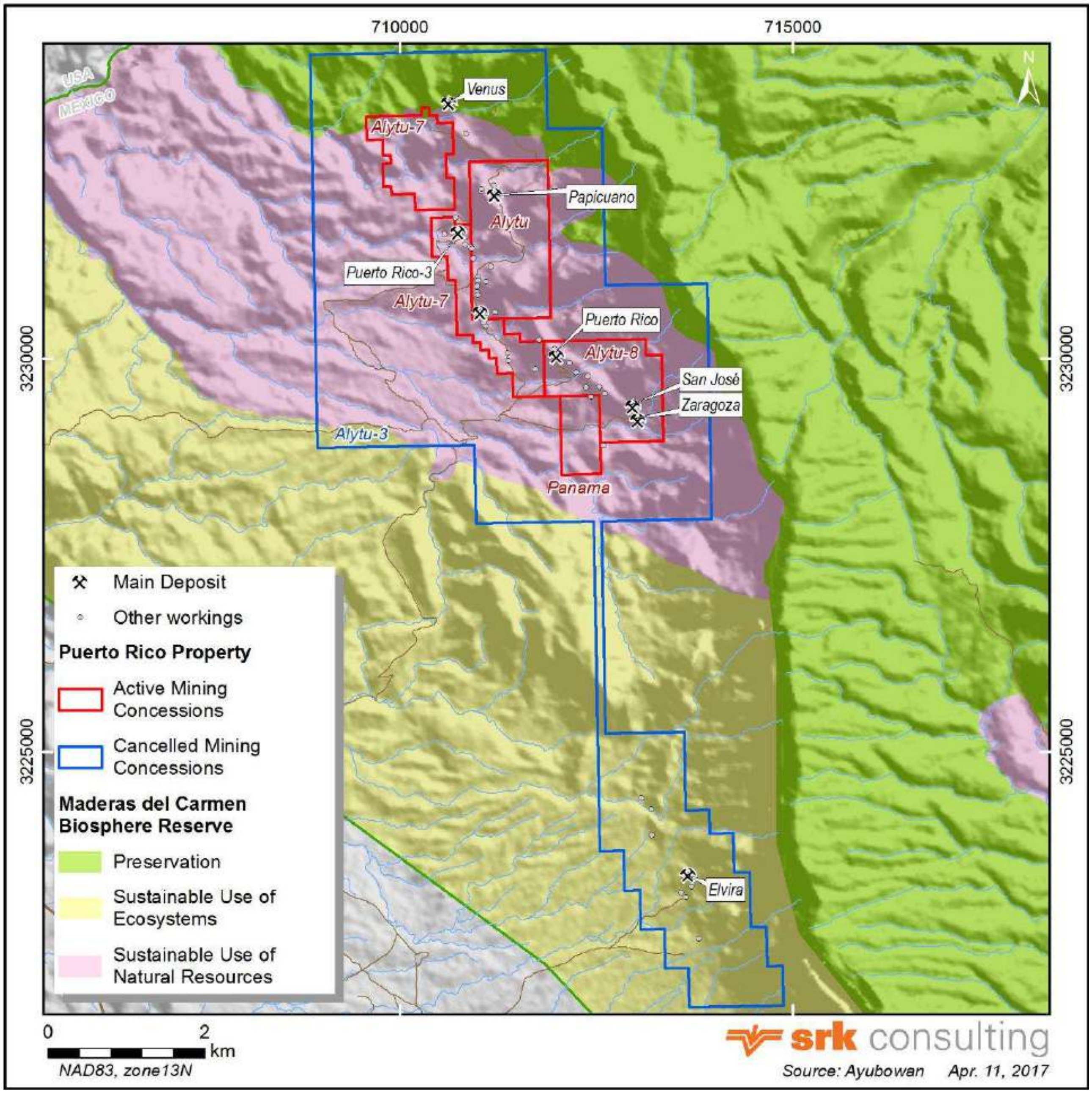


Figure 2: Land Tenure Map of the Puerto Rico Property

Assessment reports through to 2015 have been submitted to the Mines Recorder Office for all six concessions. Assessment work reports for 2016 are due by May 31, 2017. Mining duties have been paid up to the first half of 2016 for all five active claims. Unpaid mining duties for the second half of 2016 and the first half of 2017 total MXN$168,124 (about C$12,000). Mining duties for cancelled concession Alytu 3 were paid up to 2014.

3.2 Underlying Agreements

On April 7, 2017, Jesús Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón (acting as Property Owners) and Discovery Metals, S.A. de C.V. a wholly-owned Mexican subsidiary of Ayubowan (acting as the Company), signed a "Mineral Exploration and Option to Purchase Agreement" (the "Puerto Rico Option Agreement") for the transfer to the Company of mineral exploration rights and the option to purchase, for a term of 5 years, 100% title to the Puerto Rico property in consideration of cash payments, share issuances, and expenditures on the property. The cash payments and share issuances are to total a minimum value of US$10,000,000. Ayubowan must also complete exploration expenditures of US$12,500,000 within five years of receiving the permits for drilling on the property, of which a minimum of US$2,000,000 must be spent within the first 12 months.

3.3 Permits and Authorization

In Mexico, surface exploration can be carried out on titled mining concessions without additional permits, as long as such activities fall within the framework of Mexican technical official norm NOM-120-SEMARNET-2011. When drilling is planned and drill sites selected, an application must be submitted to the Secretaria del Medio Ambiente y Recursos Naturales (SEMARNAT) prior to issuing an environmental drilling permit (Informe Peventivo).

The Puerto Rico project is located within the Maderas del Carmen Biosphere Reserve (Figure 2). Mining is not prohibited, as the mining concessions are primarily within an area designated as available for sustainable use of natural resources. However, additional permits will be required for exploration and an environmental impact study is necessary for exploration activities involving surface roads and drill pads (McAnulty 2009). Jesús Miguel Hernández Garza and Juan Reynaldo Elizondo Falcón have informed Ayubowan that an application to the Regional Director of the National Commission of Natural Protected Areas of Mexico (CONANP) was filed on February 22, 2017 formally requesting the "regularization" of mineral exploration activities on the Puerto Rico property and the revision of the Handling Manual of the Maderas del Carmen Natural Protected Area. An Environmental Impact Manifest (MIA) on the Puerto Rico property was appended to the application (A. Urias, personal communication, April 11, 2017).

3.4 Environmental Considerations

The Puerto Rico property is an exploration project at the mineral resource definition-stage with a history of mining including a mine at Puerto Rico in the early 20th century. The modern work completed thus far has been limited primarily to drilling in a limited area, prospecting, geophysical surveys, and some small-scale artisanal underground development. Planned exploration programs will require careful environmental considerations considering its location within the Maderas del Carmen Biosphere Reserve. As far as SRK can determine, the current environmental liabilities related to the Puerto Rico property, if any, are negligible.

3.5 Mining Rights in Mexico

The Mining Law of 1992 regulates mining in Mexico. It establishes that all minerals found in Mexican territory are owned by the nation of Mexico. The mining law specifies that private parties may exploit minerals (except oil and nuclear fuel minerals) through concessions granted by the federal government. Mining licences are known as "concessions" in Mexico. Mining concessions are granted for a period of 50 years, renewable once for an additional period of 50 years.

Only Mexican nationals or Mexican-incorporated companies may hold mining concessions in Mexico, although there are no foreign ownership restrictions on such companies. This means that foreigners wishing to engage in mining in Mexico must establish a wholly-owned Mexican corporation for that purpose, or enter into joint ventures with Mexican individuals or corporations. Once acquired, concessions are freely transferrable.

Concessions are acquired by locating and erecting a principal monument and having the concession located by an official surveyor. All concessions must be registered with the Mexican Public Registry of Mining. The General Direction of Mines grants mining concessions for periods of 50 years so long as work is performed on the ground, assessment reports are filed in May, and taxes, based on the area and age of the concession, are paid in advance in January and July of each year. A mining concession can be renewed for another 50-year period. Properties that add up to less than 1,000 hectares in size (in the aggregate) are not required to file annual work assessment reports, although assessment work commitments must be satisfied.

Surface rights are owned either by private persons or ejidos (common land owned by an agrarian community). A land lease agreement with the local ejido, approved by the general assembly of members of the ejido, is required to access and carry out exploration activities on the Puerto Rico property. Compensation on a yearly basis is usually required to carry out any extensive work program and the landholders must also be compensated, should the land be required for development. Under the Puerto Rico Option Agreement, the company is required to pay taxes, carry out assessment work and file statistical technical report, among other things, to maintain the mining concessions comprising the Puerto Rico property in good standing. Mr. Hernández and Mr. Elizondo have informed Ayubowan that they are certified members of the local ejido.

Maintenance obligations that arise from a mining concession that must be kept current to avoid its cancellation include performance of assessment work, the payment of mining taxes, and compliance with environmental laws.

SRK is unaware of any other significant factors and risks that may affect access, title, or the right of ability to perform the exploration work recommended for the Puerto Rico project.

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

4.1 Accessibility

Access to the Puerto Rico project is from the city of Melchor Múzquiz via paved Highway 93 a distance of 180 kilometres to the north-northwest, then 50 kilometres north on a maintained gravel road to the village of Norias de Boquillas, and finally 12 kilometres northeast on a rugged road to the project area.

4.2 Local Resources and Infrastructure

Norias de Boquillas is a small farming and agricultural village and thus provides very few amenities, limited to a general store with basic supplies. No electrical services are available, and the nearest power line is located along Highway 93. A small camp has been built on the Puerto Rico project; however, electricity is unavailable on site.

Múzquiz-Sabinas-Nueva Rosita comprise the main coal-producing region in Mexico, as well as producing significant fluorite and celestite, and is therefore well established to provide support services. Múzquiz is a major supply center, and as indicated above is located approximately 250 kilometers from the project area. Additionally, post-secondary institutes in the region specializing in mining could provide skilled labour.

The city of Monterrey provides the closest international flight services and is located approximately 3.5 hours to the southeast of Múzquiz by car. As a mining and processing center for mineral deposits, Monterrey could also provide additional support services.

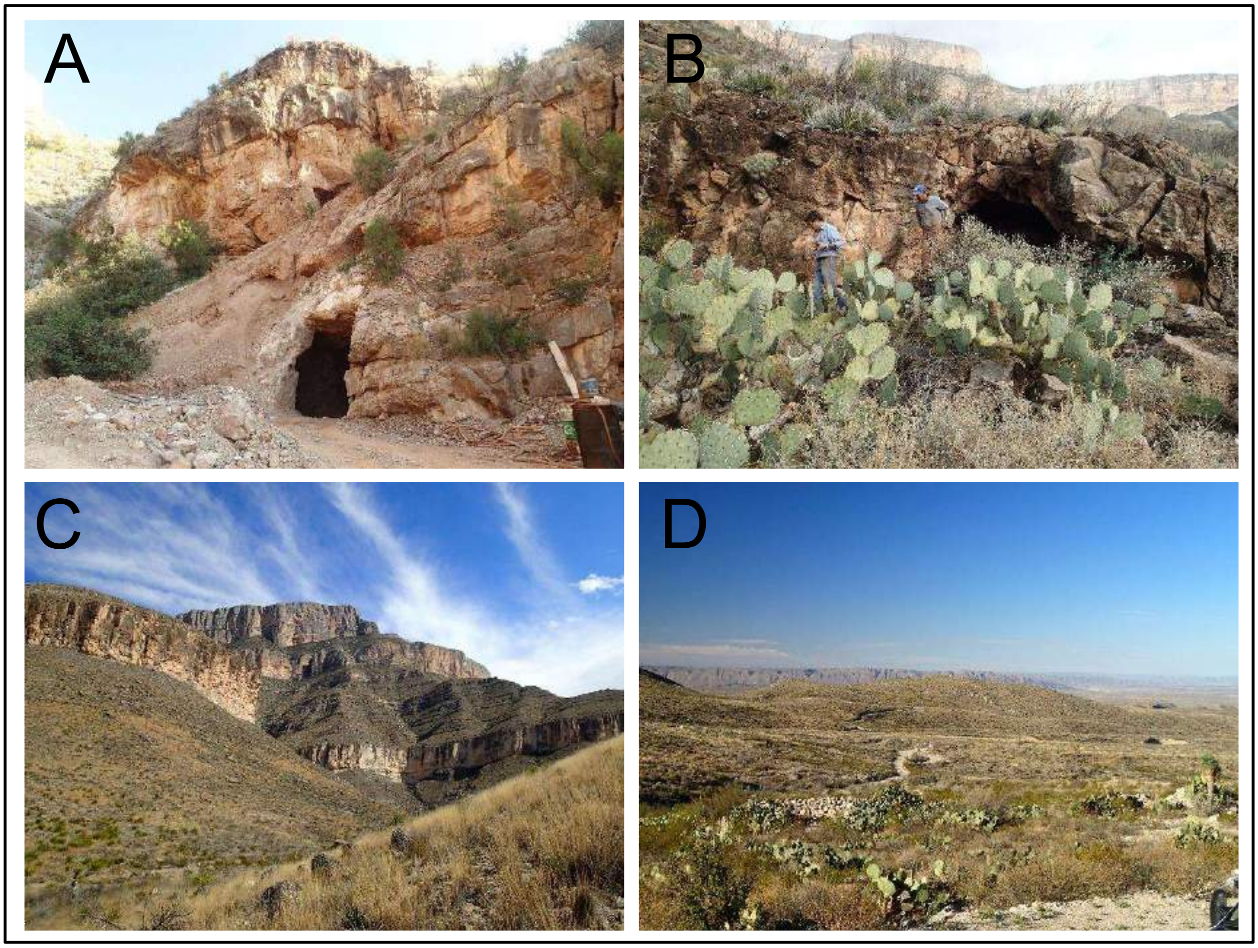
Ore from the Puerto Rico property is currently being sold to a large base metals processing plant in the city on Monclova, located approximately 400 kilometres to the southeast of the project area.

4.3 Climate

Coahuila is characterized as having a semiarid to desert climate. Minimal precipitation corresponds to the desert climate, while greater rainfall in the northeastern and southeastern portions of the state corresponds to more vegetation found at higher elevations. The average high temperature in Norias de Boquillas ranges from approximately 17˚C in winter months to 35˚C in summer months, while the average low temperature ranges from 3˚C in winter months to 22˚C in summer months. Rainfall is minimal, with less than 40 millimetres accumulated each month from May to October and less than 15 millimetres accumulated each month from November to April. Temperatures below freezing are experienced from time to time during the winter. Accordingly, work on the project could be performed year-round.

4.4 Physiography

The Puerto Rico project extends along the base of the Sierra del Carmen in the Sierra Madre Oriental physiographic province of Mexico. The rugged mountain range is skirted by Chihuahuan Desert landscape with scattered growth of thorny and evergreen shrubs, agave plants, and cactuses. Vastly different from the surrounding desert, near-vertical cliff faces and rugged hills are found along the eastern side of the project. The closest major river system is called the Rio Grande in the United States and Rio Bravo in Mexico, and is located approximately five kilometres to the north along the Mexico-United States border.



srk consulting

Photos: SRK March, 2017

Figure 3: Typical Landscape in the Project Area

A: Zaragoza mine portal (Looking southeast)

B: Historical artisanal mine portal (Looking northeast)

C: Puerto Rico scenic view (Looking northeast)

D: Typical landscape (Looking southwest)

5 History

The information contained within this section is taken primarily from a 2009 summary report written by consulting geologist, W. Noel McAnulty, Jr. on the Puerto Rico mine prospect.

Mineralization at the Puerto Rico mine was first discovered in 1883 as an outcropping lead-silver oxide chimney, and subsequently at the more southerly Mina San José site. The project was leased to the Kansas City Smelting and Refining Company in 1896 and the Puerto Rico chimney was mined from 1896 to 1900. Some ores were smelted near the mine, but were primarily shipped by wagon to Marathon, Texas from which it was shipped by rail to El Paso, Texas for smelting. The high-grade lead-silver oxide chimney was mined out by 1900.

In 1906, ASARCO, a stock company, was formed to mine zinc oxides from the walls of the lead oxide stopes. An aerial tramway was constructed near the Puerto Rico mine to haul ores across the Rio Grande and into Texas. It was then transported to Marathon to be shipped by rail to St. Louis. Mining of the zinc oxides ended around 1918 due to the onset of the Mexican Revolution.

Minor amounts of lead oxides and lesser amounts of copper oxides were shipped to Mexican smelters via the city of Cuatro Ciénegas through the early 1920s. Production is reported to be poorly documented from the 1920s to 1960s.

Mining of direct-shipping zinc oxide ores took place from the 1970s to 1985. During this time, the majority of workings on haulage levels of the Puerto Rico and San José mines were excavated after mantos were recognized in historic haulage crosscuts. From 1975 to 1978, Mexico's Consejo de Recursos Minerales (CRM), in partnership with the Metal Mining Agency of Japan (MMAJ), explored the Puerto Rico project. Geochemical sampling was executed and the surface geology was mapped. No drilling was performed at the Puerto Rico or San José mines. However, core drilling to the north at the Papicuano lead-silver site was conducted. The CRM has measured approximately 4,000 metres of underground workings in the district as a whole and suggest that 1,000,000 tonnes of material has been mined since initial exploitation (Caldwell 2016). Further description of the exploration and drilling by the CRM and MMAJ can be found in Sections 8 and 8.3.

The project was inactive until 2004 when Minera Aventureros del Yaqui and Mr. Jesús Miguel Hernández Garza and Mr. Juan Reynaldo Elizondo Falcón staked claims and began the current small-scale mining of direct-shipping zinc, lead and copper ores.

Geological reconnaissance, survey mapping of some of the underground mine workings, and limited sampling has been carried out on the Puerto Rico project since 2008.

There are reported to be over 200 historical workings in the district, with the Puerto Rico and San José mines accounting for over 90% of the mined tonnage. Non-mechanized mining by Mr. Hernández and Mr. Elizondo at the Puerto Rico project over the past three years has resulted in the sale of approximately 10,000 tonnes of nominal 20% zinc to a base metals processing plant in Monclova (Caldwell 2016).

There are no known historical mineral resource or mineral reserves on the project.

6 Geological Setting and Mineralization

6.1 Regional Geology

The Puerto Rico project is found within the northern extension of the Gondwanic Maya and Oaxaquia terranes. The Oaxaquia microcontinent forms a north-south trending belt of high-grade metamorphic rocks. Mesoproterozoic gneisses and anorthosites are unconformably overlain by Paleozoic marine and continental sedimentary rocks containing Gondwanic fossils. Little is known about the Maya Terrane, located to the east of Oaxaquia, and comprised of Ediacaran to Mississippian magmatic and metamorphic rocks. The Mesozoic sedimentary sequence of the Maya Terrane can be linked to that of the Oaxaquia.

From Paleozoic to present time, the Gondwanic crust underlying northern Coahuila underwent five deformation events. The Late Paleozoic Ouachita-Marathon-Sonora Orogeny resulted from the collision of a Gondwana (South America) continental margin arc against the southern margin of Laurentia (North America), leading to the closure of the Rheic ocean and the creation of foredeep and foreland basins and uplifts throughout the southern margin of Laurentia.

Progressive break-up of Pangea in the Late Triassic resulted in the opening of the Atlantic Ocean and subsidiary basins and in the shifting and rearrangement of continental blocks along the incipient plate margin. This led to the development of Mesozoic extensional to trans-tensional basins and carbonate platforms along Mexico's Gondwanic and Laurentian backbone. Opening of the Gulf of Mexico 166 million years ago (Ma) resulted in the development of normal faults that controlled positive and negative paleogeographic features in a horst-and-graben arrangement and the deposition of Triassic and Jurassic lacustrine, evaporitic, and alluvial-fan red-beds and other clastic sediments in the basins (González-Sánchez et al. 2015). Carbonate platforms formed atop the Paleozoic to Triassic horsts in the Aptian-Albian. The Chihuahua Trough is an approximately 150 by 350 kilometres northwest-southeast basin extending from Ciudad Juárez to close to the border of Chihuahua. Up to 1,000 metres of Upper Jurassic, Cretaceous, and Paleogene marine sediments were deposited in the Chihuahua Trough (Oviedo-Padrón et al. 2010). It was rimmed by carbonate platforms and subaerial regions. Its boundaries are interpreted to be faults that controlled deposition of sediment during subsidence and that were reactivated during Laramide shortening and basin inversion (Wilson 1990). Approximately 6,000 metres of Jurassic to Cretaceous siliclastic, carbonate, and evaporitic rocks were deposited in the Sabinas Basin. The basin was bound by the Coahuila paleo-island to the south, the Burro Peyote paleo-peninsula to the north and east, and the Tamaulipas paleo-archipelago to the east. The Sabinas Basin is bound by the regional scale San Marcos and La Babia faults and contains important deposits of Mississippi Valley Type, evaporate-hosted barite, fluorite, and celestine, paleokarstic zinc-lead, and carbonate replacement deposits (CRD) [Figure 4].

Subduction processes from the Paleo-Pacific margin produced the Laramide Orogeny, which originated in the west during the Late Cretaceous and propagated east until the Eocene. Laramide shortening resulted in the inversion of the Chihuahua and Sabinas Basins into the northwest-trending Sierra Madre Oriental fold and thrust belt.

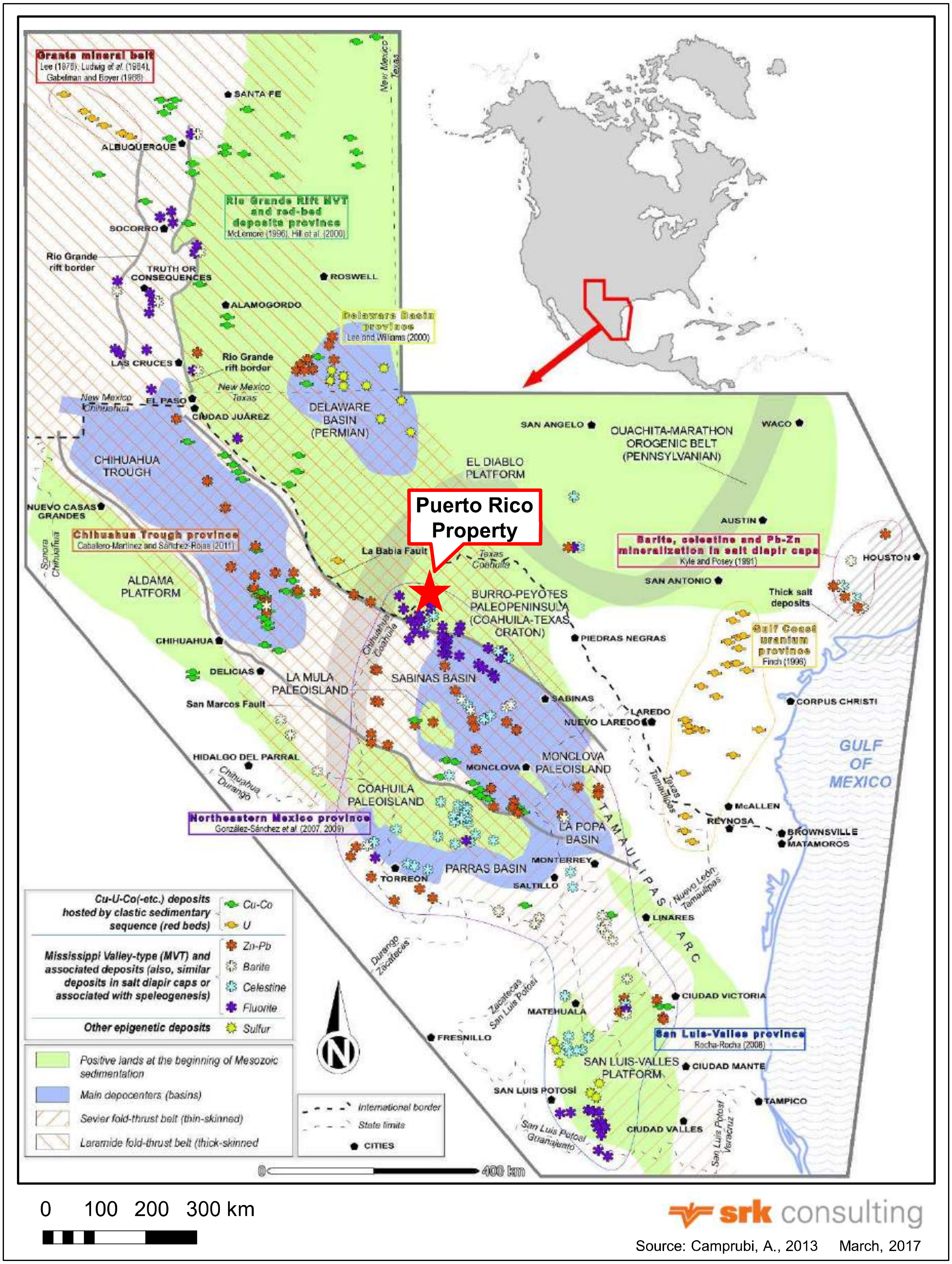


Figure 4: Distribution of Sedimentary Basins and Stratabound Deposits in Northern Mexico
Source: Camprubi (2013)

The Puerto Rico project is located in an area of overlap of two currently active extensional systems, the Basin and Range Province and the Rio Grande Rift Province. High-angle faults reported in northern Chihuahua and Coahuila are interpreted to be associated with Basin and Range extension, and normal faulting reported in the inverted Chihuahua and Sabinas Basins suggest that the Rio Grande Rift may extend into the inverted Chihuahua Basin.

As mapped by Vergara-Martinez and Huicohea-Reyes (2007), in the Boquillas del Carmen map sheet (Figure 5), the Permian Puerto Rico schist is the oldest unit found within the vicinity of the Puerto Rico project. Aptian to Cenomanian carbonate sedimentation deposited the Cupido, La Peña, Glen Rose, Telephone Canyon, Edwards, McKnight, Santa Elena-Salmon Peak, Del Rio, and Buda formations, which are overlain by Cenomanian calcareous shales of the Boquillas-Eagle Ford, San Vincente-Austin, and Pen formations. Magmatic rocks are interpreted to be Oligocene in age and include, from oldest to youngest, diorite, andesite flows and intermediate tuffs, rhyolite domes and flows, granitic to syenitic intrusions, and felsic tuffs. The entire Paleozoic to Mesozoic sequence forms an east-verging fold and thrust belt with arcuate northwest-trending fold axes that are in turn mapped as being displaced by a conjugate set of southeast-trending sinistral faults and northeast-trending normal faults.

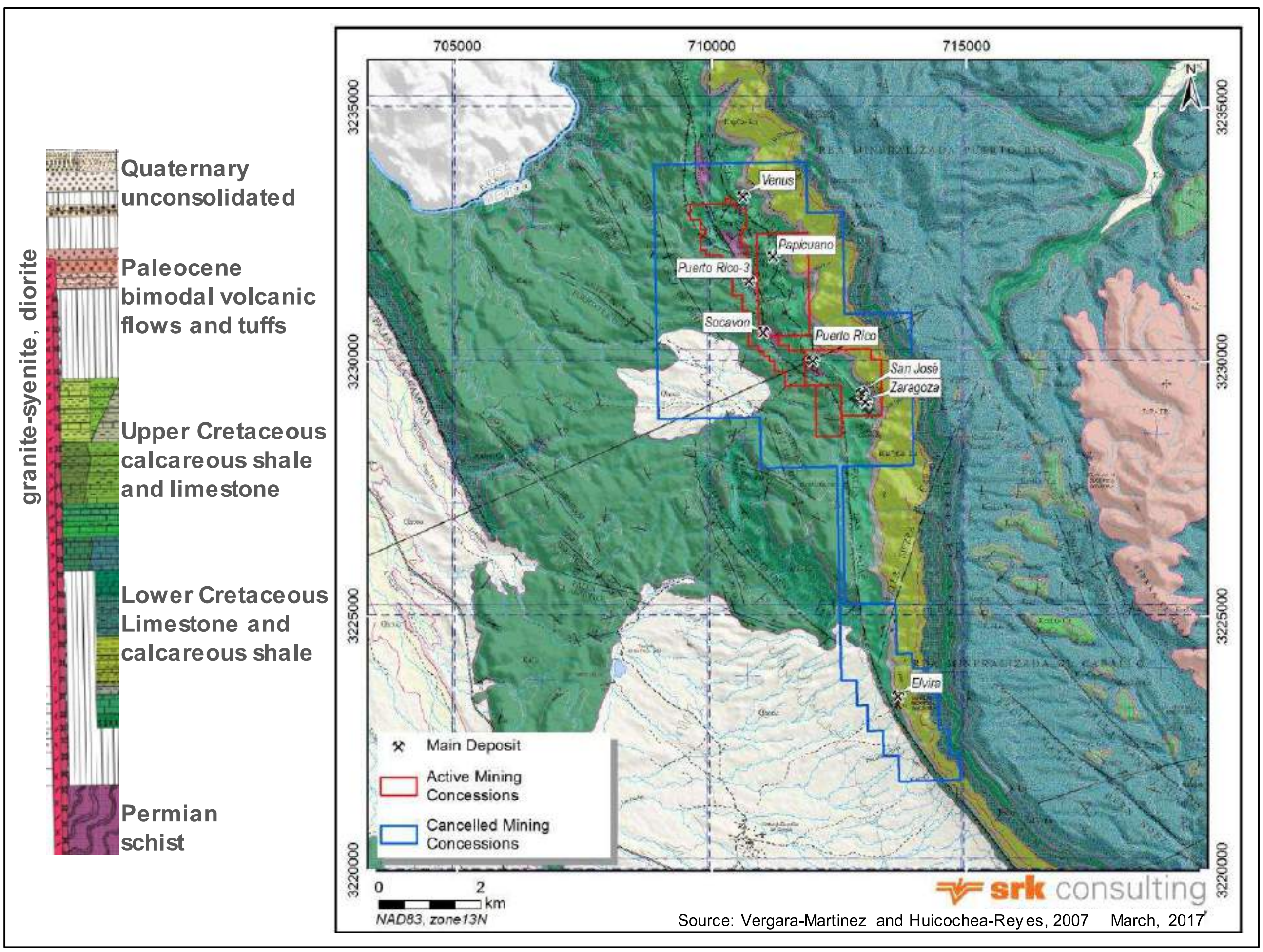


Figure 5: Geology of the Boquillas del Carmen Map Sheet

Source: Vergara-Martinez and Hulcochea-Reyes (2007)

6.2 Property Geology

The joint venture between the CRM and the MMAJ conducted detailed mapping along an approximately 6 by 1.5 kilometres northwest-southeast elongated area extending from south of Mina Zaragoza to immediately north of Mina Venus, and a 2.4 by 1.5 kilometre north-northwest−trending area over the Elvira area (Figure 6 and Figure 7). The geology of the northern area is dominated by a partially eroded, overturned anticline that forms a thrust sheet atop shallow dipping Cupido limestone beds. The core of the anticline exposes the regional Paleozoic unconformity between Paleozoic Schist and Puerto Rico Formation clastic wedge and the regional Mesozoic unconformity between Puerto Rico Formation conglomerate and platformal sedimentation. Mesozoic strata of the recessive Cupido limestone, the more resistant La Peña calcareous shale, and the cliff-forming Glen Rose limestone form the partly-preserved eastern limb of the anticline and are intruded by a fine-grained, equigranular, leucocratic sill reported by the CRM as being monzonitic to syenitic, and mapped continuously for an over two-kilometre strike length. West of the anticline axis, the Las Norias normal fault downdrops the Glen Rose and Santa Elena formation rocks approximately 400 metres and juxtaposes them against Paleozoic rocks and Cupido Formation limestone. Carbonate replacement-style mineralization occurs along the southeast-striking Las Norias and parallel faults. Alteration of the limestone in this zone is characterized by a change from grey to a homogeneous dark reddish-brown colour resulting from iron and manganese oxyhydroxide replacement and fracture fill, whereas monzonitic sills show texture-destructive clay alteration.

Bedding measurements collected by the CRM show a noticeable westerly shift of the anticline axis in the Puerto Rico to Zaragoza mines area relative to the Venus-Papicuano and Puerto Rico-3-Socavón areas. The anticline axis varies from 326-trending in the Venus-Papicuano area to 347-trending in the Puerto Rico-3-Socavón area, and to 139-trending in the Puerto Rico to Zaragoza area. This shift is interpreted to represent a bend in an orientation that favours the development of dilational zones during sinistral reactivation of northwest-trending thrusts and has the potential to draw in hydrothermal fluids from major corridors such as the two unconformities, the thrust fault, the Las Norias and parallel faults and injected those fluids into permeable limestones of the Cupido Formation.

The geology of the southern area consists of an approximately north-south-trending section of carbonate rocks of the Cupido, La Peña, and Glen Rose formations in the eastern third, a north-south elongated fault bound block of Glen Rose Formation in the centre, and Santa Elena Formation carbonate rocks downdropped in the western third. Structural measurements in the southern area define a 165-trending antiform. Mineralization occurs along the easternmost normal fault.

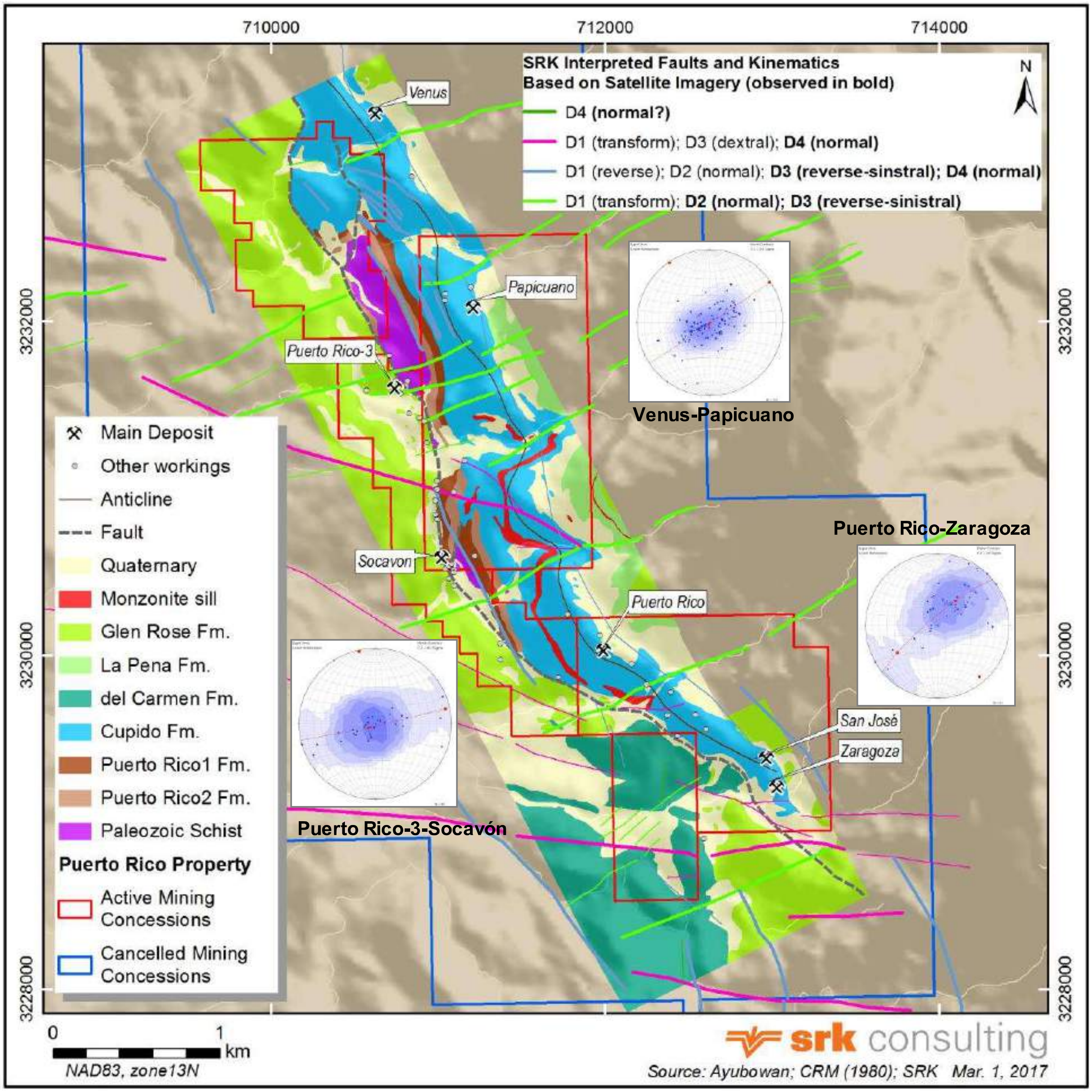


Figure 6: Local Geology as Mapped by the CRM (1980), Stereonets of Poles to Bedding Planes, Faults Interpreted by SRK from Satellite Imagery of the Northern Portion of the Puerto Rico Property.

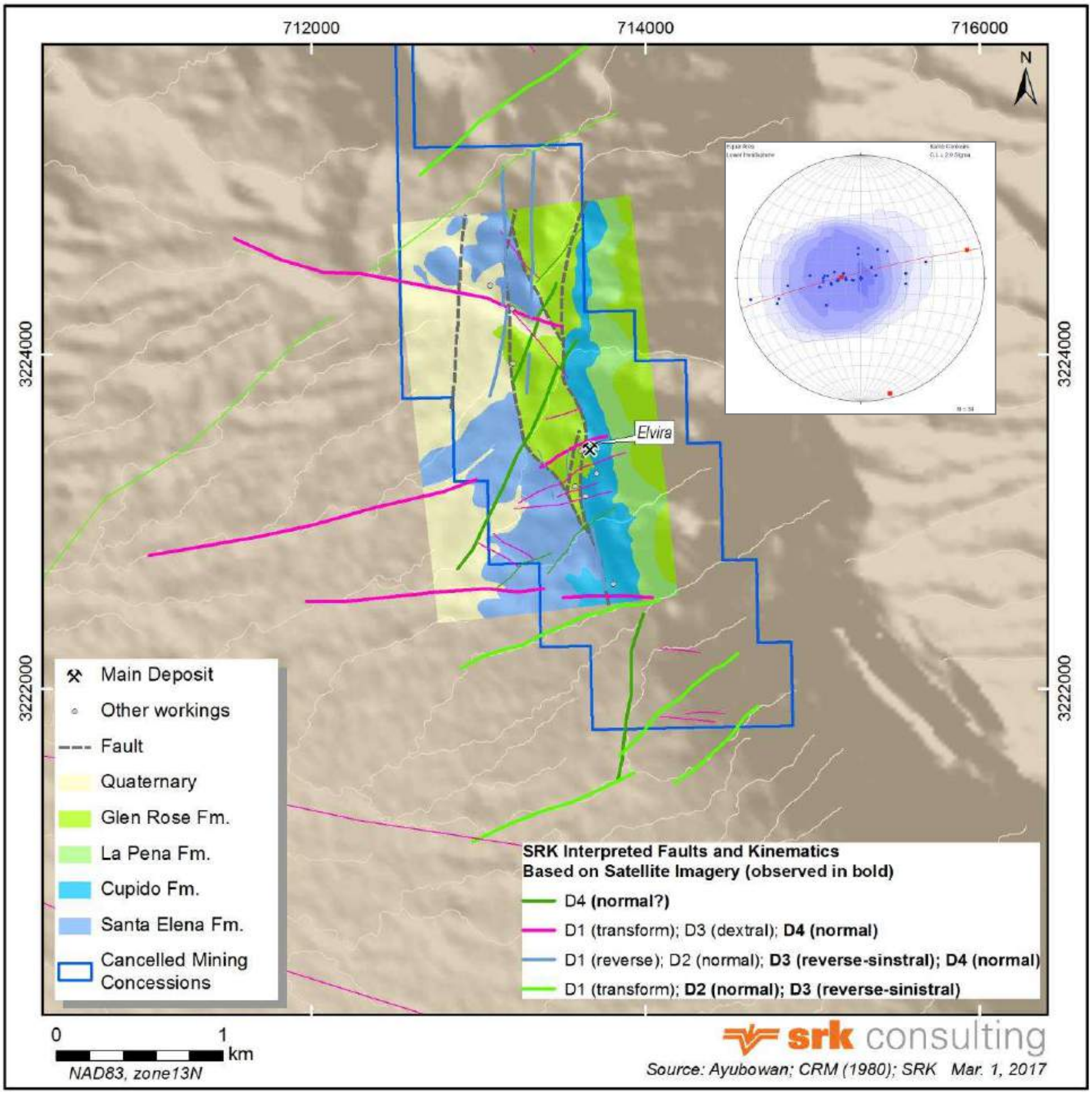


Figure 7: Local Geology as Mapped by the CRM (1980), Stereonets of Poles to Bedding Planes, and Faults Interpreted by SRK from Satellite Imagery of the Southern Portion of the Puerto Rico Property.

6.2.1 Paleozoic Schist

In the Sierra del Carmen, the Paleozoic Schist crops out over an approximately 4.5 kilometre area. In the Manuel Benavides map sheet, the Paleozoic schist is described as greenschist facies, calcareous, compact to granular texture, medium-grained, and having muscovite, calcite, opaques, and potassic feldspar as major metamorphic minerals, and calcite, muscovite, hematite, and sparse quartz as cements. Contacts with the overlying Cupido Formation are unconformable and marked by red conglomerates. The schist's lower contact is not exposed, and its true thickness is unknown; minimum thickness is estimated at 50 metres. The metamorphism of the schist is interpreted as being Permian and associated with the Ouachita-Marathon-Sonora Orogeny, and the age of deposition is interpreted as being Devonian. In the Puerto Rico project, the Paleozoic schist displays a well-developed penetrative foliation that is overprinted by a poorly- to moderately-developed crenulation. A single mineralized location is reported by the CRM (1980) in the Puerto Rico Formation. White bull quartz is widespread along the unconformable contact with the overlying Puerto Rico clastic rocks.

6.2.2 Puerto Rico Formation

Sanchez (1975) defines the Puerto Rico Formation as polymictic conglomerate-sandstone. The conglomerate is well cemented and poorly sorted, red to purplish-red on fresh and weathered surfaces, forms 0.2 to 1.0-meter-thick beds, and contains subangular to subrounded milky quartz, concretions, limestone, sandstone, and andesite clasts that range from a few millimetres to 30 centimetres within a rusty sandy-clay matrix. Contacts with the underlying schist and with the overlying Cupido Formation limestone are discordant, and the unit is estimated at 150 metres thick. Based on stratigraphic correlations with La Mula and Las Vigas formations, the Puerto Rico Formation is interpreted as being of Hauterivian to Lower Cretaceous age. Mineralization in the Socavón area is partly hosted in the Puerto Rico Formation conglomerate in fault contact with Glen Rose Formation limestone strata shed from horsts during the opening of the Atlantic.

6.2.3 Cupido Formation

In the Puerto Rico project, the Cupido Formation limestone is found as a distinct black, coarsely fossiliferous grainstone to wackestone and oolitic packstone that may constitute as a useful stratigraphic marker. Contacts with the overlying La Peña Formation are concordant, whereas contacts with Puerto Rico Formation conglomerate and sandstone are discordant. In the Puerto Rico project, the Cupido limestone's recessive character contrasts topographically with the overlying La Peña calcareous shale and Glen Rose limestone. The Cupido Formation has an estimated thickness of 220 metres, and an age of Hauterivian-Aptian based on stratigraphic correlations of the lower Cupido Formation with the La Mula, La Virgen, and Patula formations. A depositional environment of shallow platform with agitated and well oxygenated waters allowing for abundant bioherm development is interpreted. The Cupido Formation is the main host to CRD-style base metals mineralization in the Puerto Rico project area.

6.2.4 La Peña Formation

The La Peña limestone was defined by Imlay (1936) as having a carbonate basal unit, and a clay-calcareous upper unit. Humphrey and Diaz (1956) restricted the La Peña Formation to the clay-calcareous beds containing *Dufrenoyia justinae* fossils. The calcite member consists of dark grey, locally-dolomitized lime-mudstone containing nodules and concretions, whereas the calcareous shale member forms narrow, dark grey beds. Contacts with the underlying Cupido and the overlying Glen Rose formations are conformable and gradational. The thickness of the unit is measured between 58 metres (Carpenter 1997) and 95 metres (Vergara-Martinez and Huicohea-Reyes 2007). An Aptian age was assigned to the Cupido Formation based on stratigraphic correlations of the Otates Formation. Similar to the Cupido Formation, the depositional environment is interpreted as shallow platform. The La Peña Formation is not known to host mineralization.

6.2.5 Glen Rose Formation

The Glen Rose limestone was defined by Hill (1891) as a sequence of alternating magnesian fossiliferous limestone, lime mudstone to wackestone, clay rich sandstone, and crystalline, commonly oolitic limestone. Vergara-Martinez and Huicohea-Reyes (2007) distinguished at least ten lithofacies within the Glen Rose Formation. Contacts with the underlying La Peña Formation is conformable and gradational, whereas contacts with the overlying Telephone Canyon Formation are concordant but sharp. The thickness of the unit is estimated at between 530 metres Vergara-Martinez and Huicohea-Reyes (2007) and 563 metres (Carpenter 1997). A lower Albian age was assigned based on its fossil content and on correlations with Benigno, Lagrima, and Aurora formations. A depositional environment of shallow marine to lagoonal has been interpreted for the Glen Rose Formation. A single mineralized occurrence hosted in the Glen Rose limestone is recorded by the CRM (1980).

6.2.6 Santa Elena Formation

The Santa Elena-Salmon Peak limestone was initially defined by Shumard (1860) as the “Washita Limestone”, and made formal by Barnes (1974) as a 23-metre-thick upper member of granular cross-bedded limestone with abundant concretions, caprinids, and other shell fragments, and a 115-metre-thick lower member of mudstone. Contacts with the underlying Burro Peyotes Formation are conformable, and the upper contact with the Del Rio Formation is abrupt and well-marked by a change from limestone to coarse-grained dolomite sedimentation. The unit is estimated at 220 metres thick in Mexico (Vergara-Martinez and Huicohea-Reyes 2007) and 104 metres in Texas (Barnes 1974). At the Elvira area in the southern portion of the Puerto Rico claims, the Las Norias and parallel normal faults downdrop the Santa Elena Formation to the west against Glen Rose and Cupido formations. Based on the caprinid species, the formation is assigned an Albian age. Depositional environment is marked by strongly oxygenated water leading to abundant maritime fauna, and magnesium input during diagenesis. The Santa Elena limestone is commonly host to fluorite-celestite mineralization, specifically along contacts with felsic subvolcanic rocks.

6.3 Structural Setting

Three fault sets were interpreted by SRK from ASTER and Quickbird satellite imagery in the Puerto Rico project area: arcuate southeast striking thrusts and parallel normal faults, a conjugate set of jagged faults trending northeast (sinistral) and southeast (dextral), and young north-northeast-trending faults (Figure 6 and Figure 7). With the exception of the straight north-northeast-trending faults, all faults are interpreted to have formed as early as the Ouachita Orogeny. Faults in favorable orientations are interpreted as having reactivated during subsequent deformation events. CRD-style mineralization is controlled primarily with southeast striking thrusts and normal faults, and subordinately with the conjugate set. Shallowly dipping faults lacking a well-defined strike-slip movement component could not be identified from satellite imagery, but mappable portions of those faults include a thrust fault in the Puerto Rico mine and shallowly dipping normal faults.

6.3.1 Pre-Mineral Veins

Calcite veining is very intense above the Puerto Rico to Zaragoza areas, and widespread throughout the property. Calcite veins emplaced in non-mineralized Cupido limestone in the La Cubana mine display shallowly dipping dilational jogs indicative of emplacement associated with reverse faulting. Non-mineralized calcite veins are interpreted to be associated with the Laramide compressional event and to predate base metal mineralization.

6.3.2 Northwest-Southeast Trending Fault

In the Papicuano portal area, a 345-striking steeply dipping to subvertical fault with 20 to 50 centimetres of clast-supported monomictic fault breccia along the footwall has well-developed 105-trending slickenlines (Figure 8). The orientation and sense of movement on the slickenlines indicate that jogs to the northwest and dip shallowing have potential of producing dilational zones, whereas jogs to the southeast and dip steepening are restrictive.

Historical workings in the Socavón area occur along the Las Norias fault, which downdrops Glen Rose Formation limestone to the west against red weathering Puerto Rico Formation conglomerate. Lower order 130 to 140-trending oxidized faults are exposed in the old workings. The Las Norias fault surface was observed in a single locality, where it forms a polished, cryptocrystalline quartz-lined surface without kinematic indicators.

In the Elvira area, calcite veins display a predominantly northwest strike (average 325), forming sheeted veins spaced by 5 to 30 centimetres. Sigmoidal tensional vein arrays indicate sinistral movement. In one location, a 141-striking subvertical calcite vein displays well-developed extensional textures.

6.3.3 Conjugate Fault System

Strike-slip movement on the northeast-trending La Cubana fault produces an apparent normal displacement of flat-lying beds beneath a thrust by approximately 50 metres, whereas apparent displacement of the thrust is approximately 5 metres (Figure 8).

Northeast-trending sinistral faults fan from more northerly orientations in the north to more east-west orientations in the Puerto Rico to Zaragoza and Elvira areas. Northeast trending faults are dominant over northwest trending dextral faults in the Papicuano-Venus area, whereas first order northwest trending faults are strongest in the Socavón to Zaragoza area. Northeast-trending horsetail faults show sinistral displacements of 30 to 40 metres in satellite imagery over an area immediately outside of the northeastern claim boundary. The sense of movement observed on the conjugate fault set in satellite imagery and interpreted from kinematic indicators in outcrops is opposite to that mapped by Vergara-Martinez and Huicohea-Reyes (2007) in the Boquillas del Carmen map sheet, affirming the reactivation history of those faults.

Attesting to the mineralization potential during syn-mineral reactivation of the conjugate set include observations made of a 35- to 45-centimetre-wide northwest-striking fault zone which was high-graded in the San José mine, and northwest-striking faults which are mineralized in the Puerto Rico-3 area.

6.3.4 Post-Mineral Faulting

Examples of post-mineral faulting observed at the Puerto Rico project include a 022-striking, moderately-dipping fault observed in the Zaragoza portal area that downdrops barite veins by seven centimetres to the east (Figure 8). Additionally, in the San José portal area, a red iron oxyhydroxide-stained, 045-trending, moderately-dipping fault with well-developed slickenlines indicative of normal movement displaces a non-mineralized, steeply-dipping, 169-trending, 25-centimetre -wide fault breccia zone.

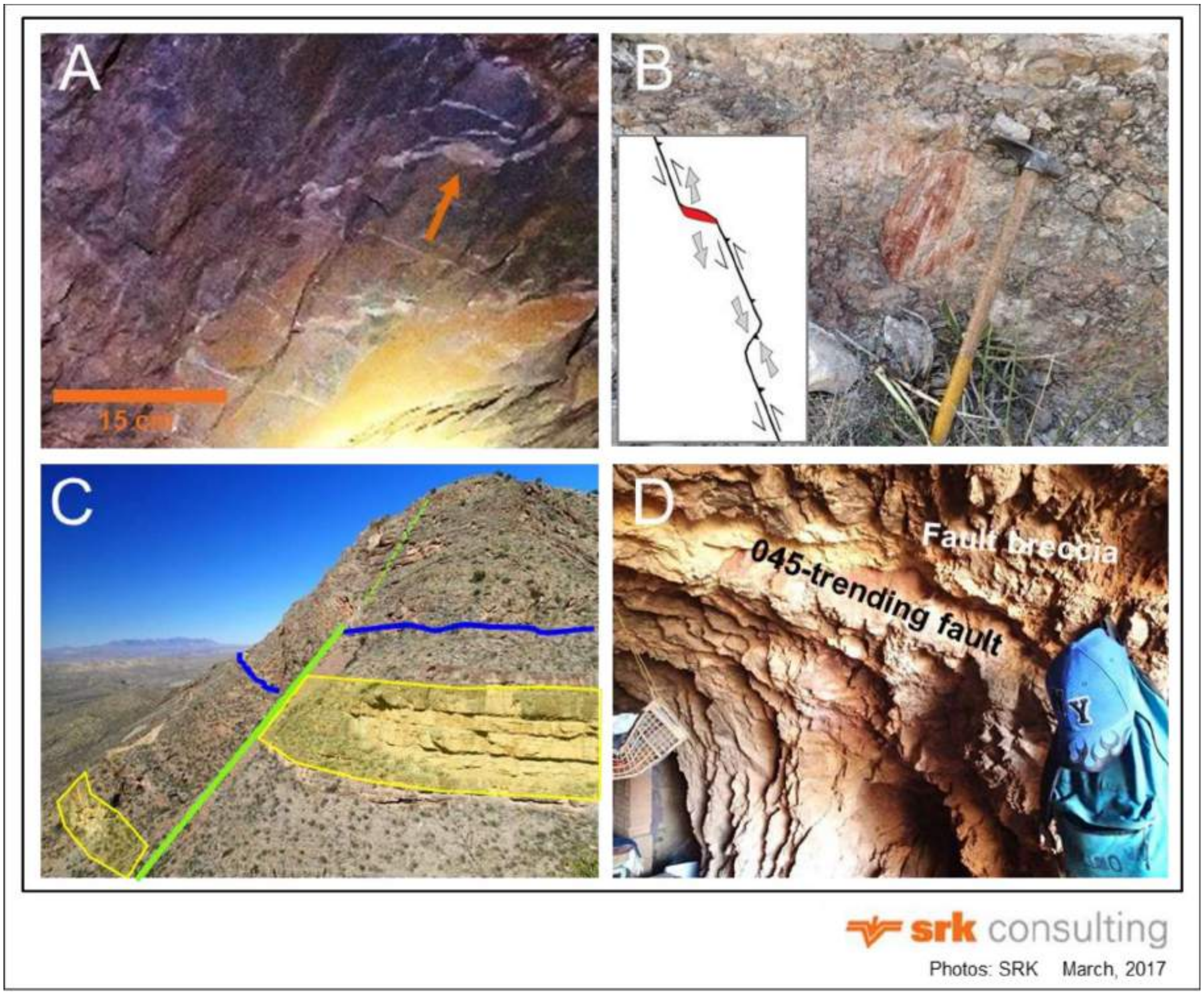


Figure 8: Structural Features Observed at the Puerto Rico Project

A: Calcite vein with dilational jog indicating reverse sense of movement in the Puerto Rico mine (looking 315)

B: Papicuano mineralized fault with well developed slickenlines with reverse-sinistral sense of movement and 20 to 50 centimetre monomict fault breccia along the footwall (looking 255). Inset schematic representation of potential dilational jogs (red) and restricting bends (teeth) on the northwest striking Papicuano fault.

C: La Cubana Fault (green) produces apparent 50 metre normal displacement of flat-lying beds (yellow) without equivalent displacement in the thrust plate (blue) [looking 300]

D: 022-striking post-mineral fault downdrops a barite vein to the east by 7 centimetres (looking 212)

6.4 Alteration

SRK performed preliminary interpretations of 30-metre pixel resolution Landsat-8 and ASTER remote-sensing visible and infrared spectral data in order to identify anomalous features associated with known base metal mineralization that can be used for regional targeting. The Crosta analysis of Landsat-8 visible and infrared data is a double principal components analysis used to obtain a broad distinction between: dominantly iron oxyhydroxide-bearing; dominantly clay-sericite-bearing; and mixed iron oxyhydroxide- and clay-sericite-bearing pixels. In the Puerto Rico property area, Crosta analysis shows a distinctive arcuate, strongly fault-controlled yellow-brown colour over the main mineralized trend that extends northward into Texas (Figure 9).

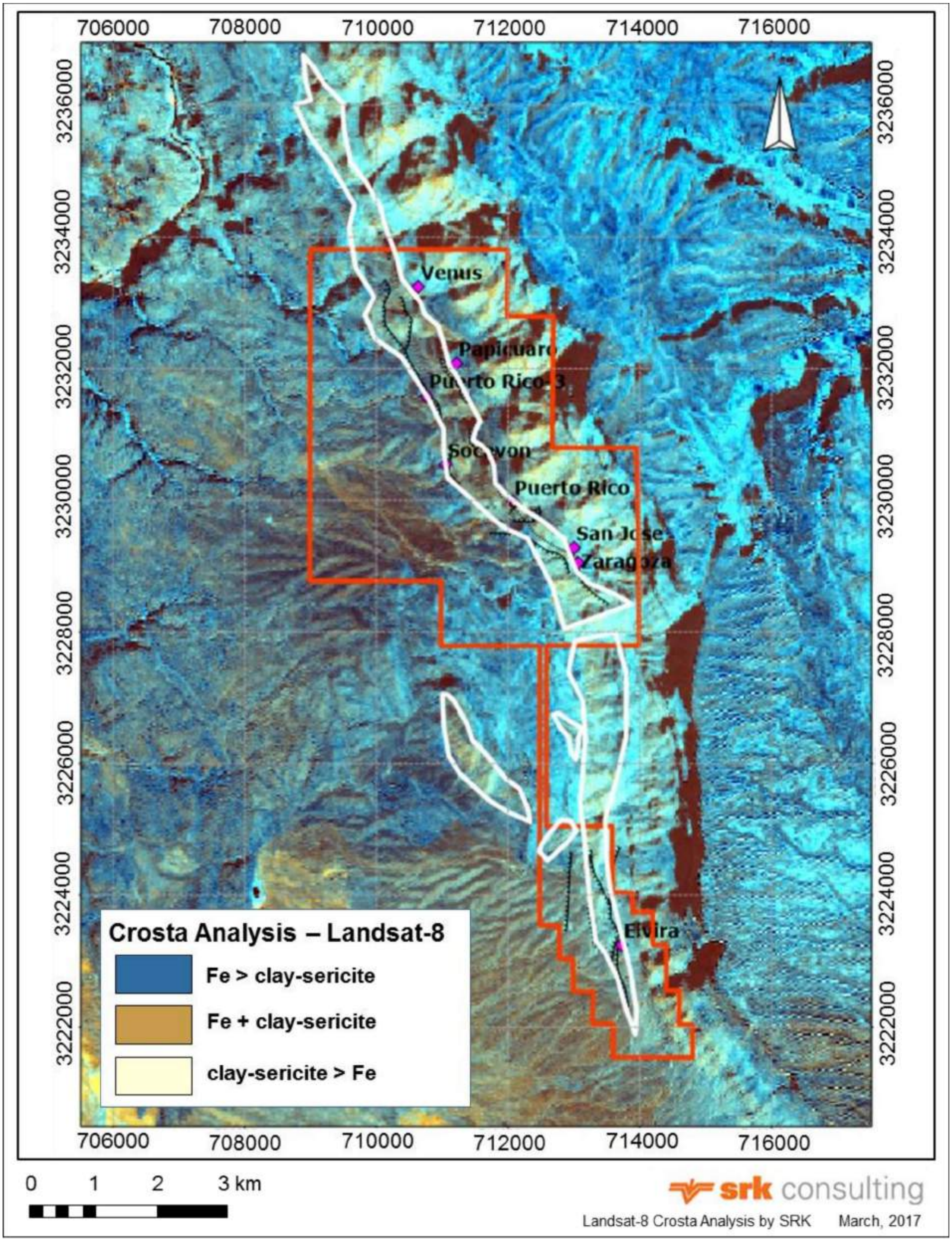


Figure 9: Landsat-8 Crosta Analysis Performed by SRK
Distinctive Color Anomaly Outlined in White

The southerly extension of the colour anomaly into the Elvira area has a lighter tint indicative of higher clay content, and resembling the colour associated with massive limestone beds of the Glen Rose Formation to the east of the mineralized trend. A colour anomaly similar to that of the main mineralized trend occurs to the northwest of the Elvira area, outside the Puerto Rico project.

6.5 Mineralization

6.5.1 Puerto Rico Mine

The Puerto Rico mine is the main historical deposit on the Puerto Rico project. Oxidized mantos and subordinate structurally-controlled chimneys are hosted in steep- to shallow- dipping Cupido Formation limestone in the overturned anticline above an easterly vergent thrust. A leucocratic, fine-grained, equigranular sill of monzonitic to syenitic composition intrudes the western limb of the anticline. The northeast trending La Cubana fault is mineralized in the La Cubana portal area.

The larger stopes of the Puerto Rico Level 18 expose strongly oxidized mantos 8 to 12 metres wide consisting of pink and white zinc oxides, red to orange iron oxyhydroxides, patchy and disseminated galena, and lesser barite and copper oxides replacing steeply dipping limestone beds. The patchy and mixed colour nature of the oxide mineralization makes it difficult to estimate base metal-bearing mineral percentages and to distinguish massive from semi-massive mineralization. McAnulty (2009) estimated the main mineralized zone to be 65 metres in vertical length by approximately 100 metres horizontal length. SRK believes McAnulty's estimate to be a minimal size, and that the vertical and strike extents of the steeply dipping Puerto Rico mineralization and the La Cubana mantos have greater extents that need to be verified through adequate drilling and surveying.

Other mineralization styles include stacked 40-centimetres- to over four metres-thick shallowly-dipping mantos, galena-cemented breccia, and copper-rich stacked mantos in the La Cubana area. Examples of the CRD mineralization found in the Puerto Rico mine can be seen in Figure 10.

6.5.2 San José Mine

Stacked, strongly-oxidized, barite-bearing mantos and lesser structurally-controlled chimneys in the San José mine are hosted in Cupido Formation limestone. Mantos that are replacing beds in the eastern limb of the fold are flat-lying and up to 1.5 metres thick, and are controlled by smaller older folds in the eastern limb, whereas mantos that are replacing the western limb dip moderately to the southwest and are up to 2.5 metres thick. This differs from the fold control over the mineralization in the Puerto Rico mine where the mantos in the eastern limb dip steeply. Stacked manto zones are up to five metres thick, with lower-grade disseminated zinc oxides and lead sulphides occurring between the mantos.

The approximately 4- by 10-metre stope in the lowest level of the San José mine exposes a copper oxide and carbonate cement-supported monomict breccia with subrounded clasts strongly replaced by yellow to brown oxides and chalcocite. The breccia appears open at depth and along strike. Examples of the CRD mineralization found in the San José mine can be seen in Figure 10.

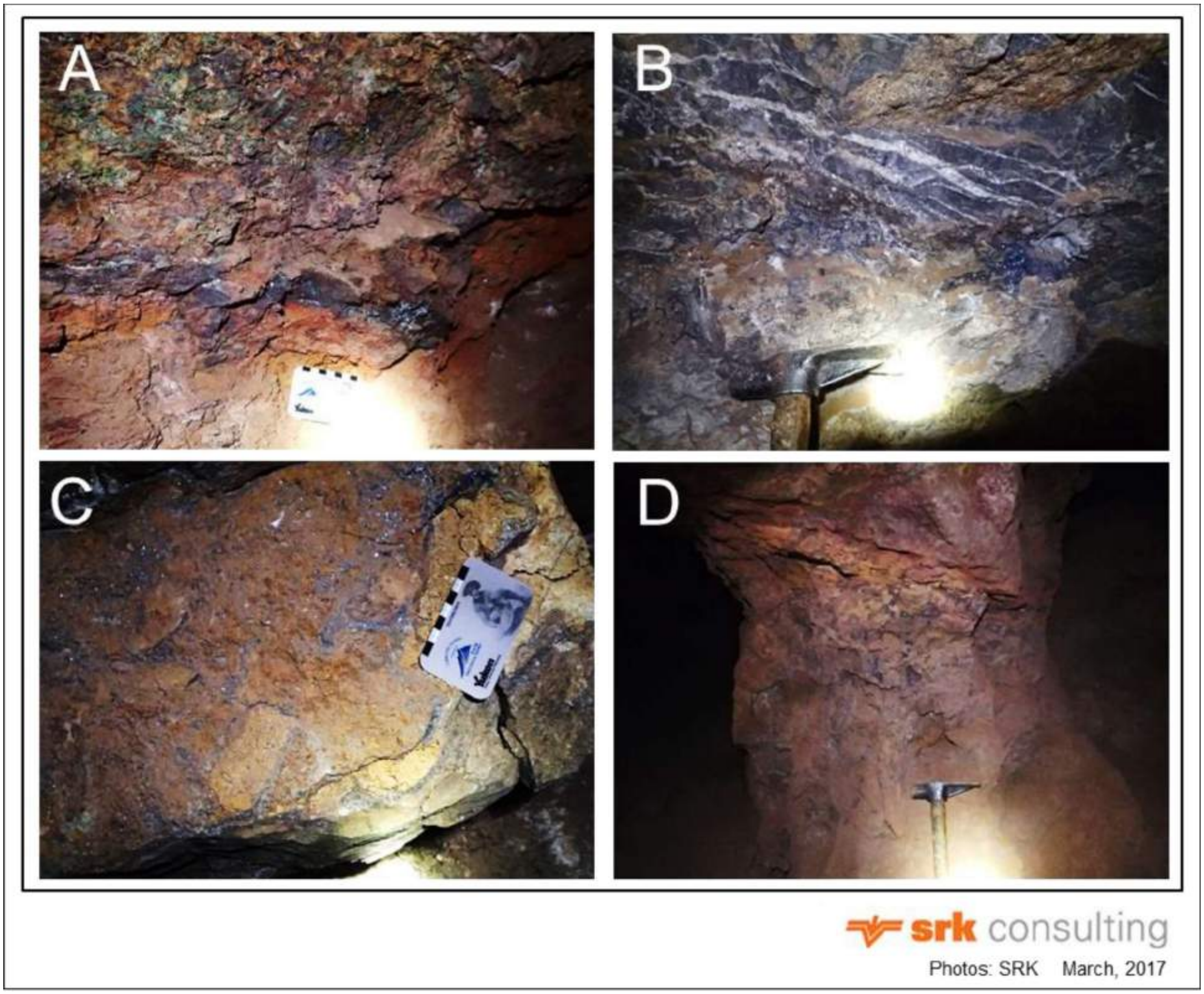


Figure 10. CRD Mineralization in the Puerto Rico and San José Mines

A: Puerto Rico Level 0 copper oxide rich manto (looking 240 degrees)

B: Galena cemented breccia zone and disseminated galena in strongly veined limestone in the Puerto Rico Mine (looking 030 degrees)

C: Galena cement supported monomict breccia in the San José mine. Subrounded yellow oxide replaced clasts less than 20 centimetres in size (looking 030 degrees)

D: Zinc rich pillar in the San José mine (looking 109 degrees)

6.5.3 Zaragoza Mine

Stacked, barite-calcite-rich mantos up to 60 centimetres thick have sharp contacts and form massive replacement of Cupido Formation limestone. Galena and lesser non-sulphide zinc minerals form veinlet stockwork, disseminations, monomict breccia cement and clast replacement adjacent to the mantos. Examples of the CRD mineralization found in the Zaragoza mine can be seen in Figure 11.

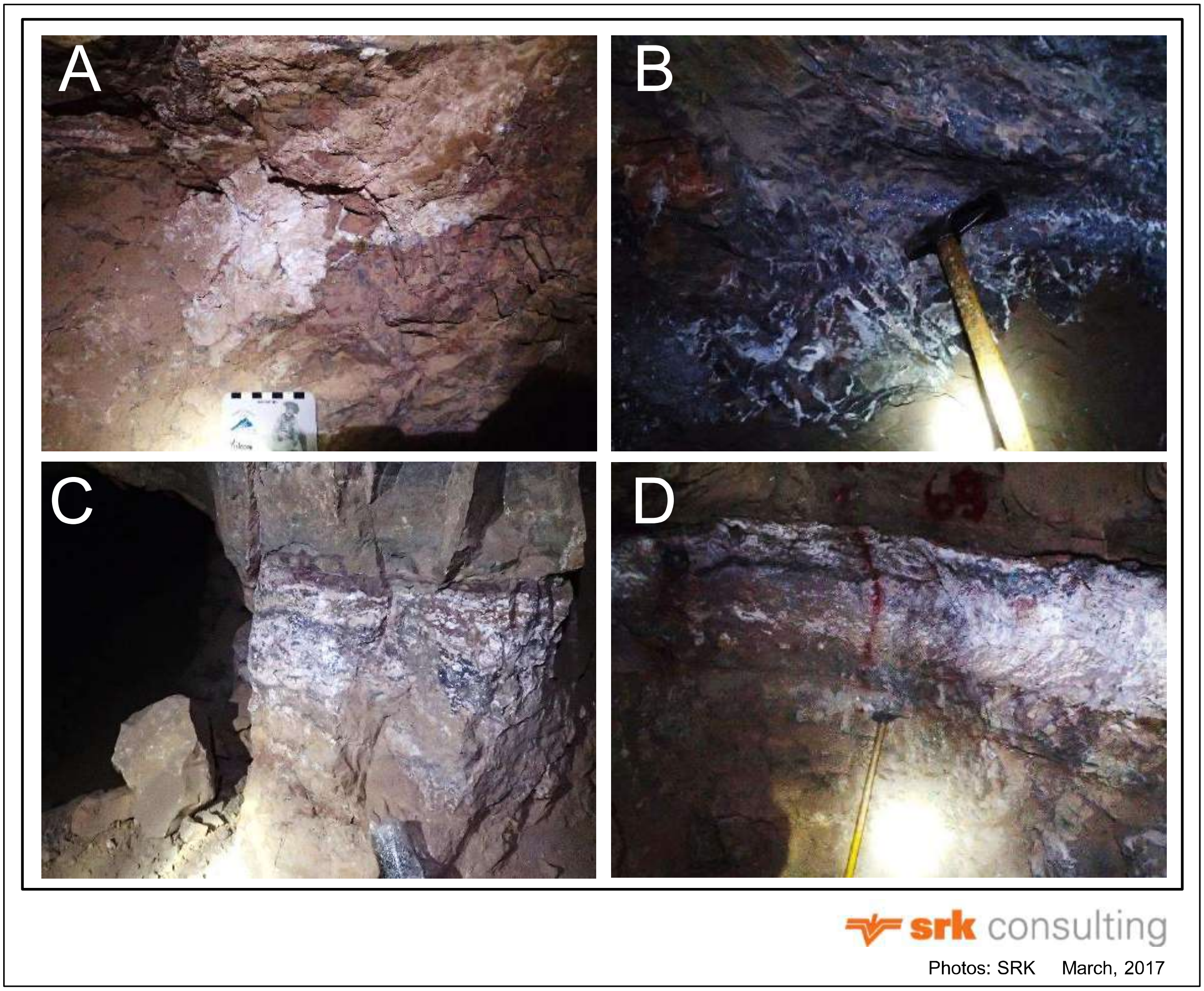


Figure 11: CRD Mineralization in the Zaragoza Mine

A: Barite veins less than five centimetres with breccia angular clast or red-brown oxide altered limestone and galena along vein contacts (looking 090 degrees)

B: Monomict breccia clasts strongly replaced by galena and sphalerite and cemented by white barite and clay/oxides

C: Sharp contact of flat-lying manto of white barite, orange and red oxides, grey sphalerite, and galena (looking 344 degrees)

D: Over 35% white zinc-oxide and sphalerite manto with sharp, flat-lying contacts, 30−40 centimetres wide with copper oxides, less than 1% chalcopyrite, and less than 3% chalcocite near upper contact (looking 045 degrees)

6.5.4 Papicuano Area

The Papicuano underground working was not accessible at the time of SRK's site visit.

Outcrops at the Papicuano portal have a strongly bleached, pink-grey colour due to disseminated non-sulphide zinc and galena. A small adit approximately 120 metres north of the Papicuano portal exposes approximately two metres of calcite-galena veins, stockwork, and breccia above a flat-lying leucocratic sill (Figure 12).

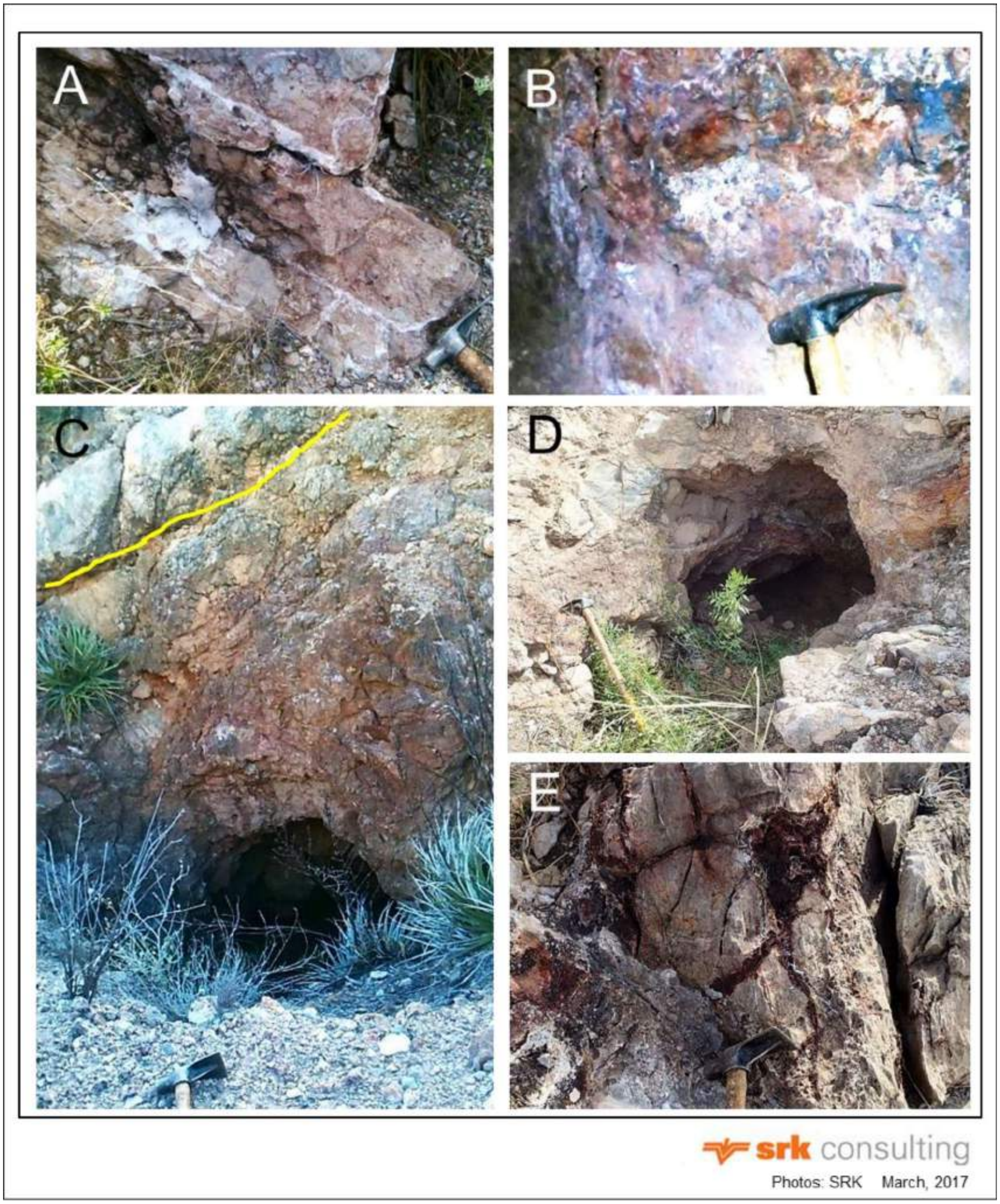


Figure 12: CRD Mineralization Found at the Papicuano, Socavón, and Elvira Areas

A: Bleached limestone outcrop with low grade disseminated galena at the Papicuano portal

B: Adit found approximately 120 metres north of Papicuano with calcite-galena stockwork, calcite-galena vein-breccia cement, and strongly developed calcite galena vein stockwork. A flat lying still was found exposed for over two metres inside small working.

C: Socavón portal outcrop. The Las Norias Fault (yellow) downdrops beige yellow Glen Rose limestone above pink conglomerate. The conglomerate has disseminated non-sulphide copper and black oxidized galena.

D: Elvira adit that exposes a 60 centimetre shallowly east-southeast dipping strongly oxidized manto.

E: Pink-beige altered packstone at Elvira and enlarged mineralized zone along the intersection between steeply dipping and shallowly dipping veins.

6.5.5 Socavón Area

Several historical workings are hosted in pink-red Puerto Rico Formation calcareous conglomerate in the fault bounded block between the 140-trending Las Norias Fault and a north-northeast-trending normal fault in the Socavón area (Figure 12).

6.5.6 Elvira Area

The Elvira underground working was not accessible at the time of SRK's site visit.

Historical workings expose a shallowly east-southeast-dipping oxidized manto up to 60 centimetres wide, zones of calcite-galena veinlet stockwork, strongly oxidized dilational intersections between steeply- and shallowly-dipping calcite-oxide veins, and a zone of increased hardness in red aphanitic calc-silicate replacement along a north-south trending anticline axis (Figure 12).

6.5.7 Venus Area

The Venus underground working was not accessible at the time of SRK's site visit.

7 Deposit Types

The Puerto Rico property hosts polymetallic carbonate replacement deposit (CRD) style mineralization across an approximately 12-kilometre, northwest-elongated corridor in the northern Mexico carbonate replacement deposit belt.

The high temperature carbonate-hosted silver-lead-zinc-copper deposits of northern Mexico are epigenetic deposits found in thick Jurassic to Cretaceous basinal sedimentary sequences dominated by carbonate (Megaw et al. 1988). Mineralization styles include lithologically controlled stratiform mantos and structurally controlled discordant chimneys, breccias, and vein networks. Disseminated sulphides or supergene products can occur adjacent to mantos. The variety of mineralization styles shown by these deposits are representative of responses to variations in intrusive associations, depth of emplacement, host-rock characteristics, and the geochemical evolution of the individual systems (Megaw et al. 1988). No consistent link between ore deposition and carbonate composition, facies, organic content, or insoluble components has been reported in the Mexican CRD district (Megaw et al. 1998). However, zones of secondary enhanced porosity and permeability are considered important mineralization controls (Megaw et al. 1988). The major polymetallic lead-zinc-silver-copper districts of northern Mexico show metal sourcing to be a mixture of basin brines and magmatic sources (Megaw 1996).

Elevated zinc, lead, silver and copper are key indicators in rock samples, while other elements such as cobalt, gallium, bismuth, cadmium, vanadium, molybdenum and barium can be useful pathfinders (Trueman 1998). Stable isotopes of carbon and oxygen are another useful geochemical vectoring tool in most carbonate hosted deposit types, including CRD. Resistivity, IP, and gravity can be useful geophysical exploration tools. Tectonically disturbed zones with carbonate/oxidized clastic sequences of major basins are a regional exploration target. CRD deposits often occur as clusters or in close proximity to associated deposit types such as skarn and porphyry. Thermal maturation anomalies and clay mineral zoning can also be a useful exploration tool (Trueman 1998).

The CRD district of northern Mexico is located within a major fold and thrust belt. Regional fault, fold, and fracture systems are dominant controls on mantos and chimney. Mantos and chimneys are enclosed within carbonate rocks and are generally remote from intrusive bodies. Sulphide mantos are commonly fed by sulphide chimneys which may in turn be fed by skarn chimneys cored by dikes (Megaw et al. 1988).

The Puerto Rico property is underlain by platformal rocks deposited to the north of the Sabinas Basin, which served as the depositional site for approximately 6,000 metres of Jurassic to Cretaceous siliclastic, carbonate, and evaporitic rocks, and is host to numerous high temperature CRD style, as well as lower temperature fluorite-barite and MVT style deposits and prospects. CRD mineralization is interpreted to be associated with Cenozoic extensional events and magmatic pulses, although the causal pluton is not always exposed. Clusters of carbonate replacement base metal mineralization form stratiform mantos and structurally controlled chimneys in limestone of the Cupido Formation along an approximately seven kilometre trend extending from the Venus mine to the Elvira zone. Mineralization appears to be associated with southeast striking thrust and normal faults, and lesser so with the conjugate fault system and appears to be controlled by changes in strike of the normal faults, which are also observed as variations in anticline axis orientation. An aphanitic to fine grained leucocratic sill exposed in outcrop and mine workings is found in the eastern part of the property, but its temporal association to mineralization remains unclear.

8 Exploration

Exploration on the Puerto Rico property is primarily historic in nature and includes the collection of geochemical samples, the execution of geophysical surveys, and geological mapping and sampling of a number of the underground workings. Ayubowan has not conducted exploration work on the Puerto Rico property.

8.1 Surficial Geochemistry

8.1.1 Sampling by CRM and MMAJ

The collection of geochemical samples by the Consejo de Recursos Minerales (CRM) jointly with the Metal Mining Agency of Japan (MMAJ) was executed in the late 1970's. A total of 814 samples, including 677 rock chip samples and 137 soil samples, were collected along a northwest-southeast elongated grid that extends from within United States territory to the Elvira zone; soil samples were collected where exposed bedrock was absent (Figure 13). In the area extending from the Venus zone to the Puerto Rico mine, line spacing was 200 metres and samples were collected every 25 metres. North of the Venus zone, lines were spaced 500 metres and samples were collected every 200 metres, whereas to the south of the Puerto Rico mine, line spacing varied from 200 metres to 500 metres and sample spacing was every 200 metres.

A preliminary statistical analysis by SRK has identified the following:

- The entire analytical data set shows strong correlations between zinc and lead, and lead and silver, and a significantly weaker correlation between copper and silver (Table 2).
- A correlation matrix for the rock samples shows similarly strong correlations between zinc and lead, and lead and silver, and a weak correlation between copper and silver (Table 3).
- Boxplot comparisons of rock and soil samples show distinct zinc and lead grade distributions, indicating that the two data types must be treated separately (Figure 14).
- The strongly correlated nature of the data is likely to overpower subtle trends. More sophisticated data mining methods such as principal components analysis should be employed in order to distil subtle patterns that may represent areas of structural complexities, favorable stratigraphy, or a combination thereof.
- Generally, zinc and lead are enriched in the Cupido Formation limestone, whereas copper is enriched along the unconformable contacts of the Paleozoic shales and Puerto Rico Formation and silver is most anomalous along the Las Norias fault (Figure 15).

Plots of silver and base metals for rock and soil geochemical samples show a marked difference between the results of samples collected along tightly spaced lines in the Venus to Puerto Rico areas and samples collected to the south of Puerto Rico area and north of the Venus area, and are coincident with two different sample batches (Figure 16). This may be a result of different dissolution and analytical procedures employed in two analytical batches, however, due to the lack of documentation on the procedures used it is not possible to verify.

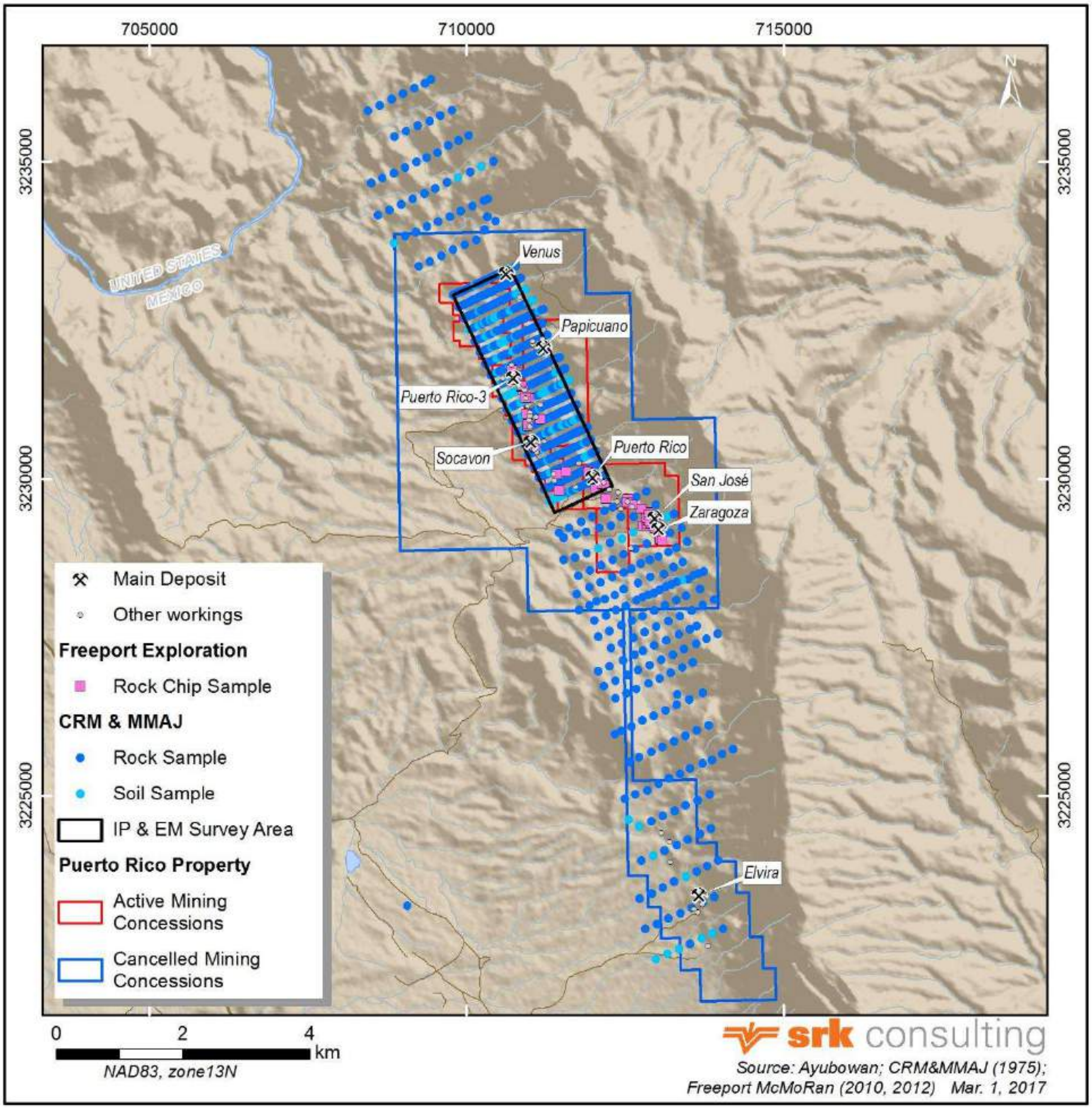


Figure 13: Compilation of Exploration Work on the Puerto Rico Property Executed by the Consejo de Recursos Minerales Jointly with the Metal Mining Agency of Japan (1975; blue), and Freeport McMoRan (2010, 2012; pink).

Table 2: Correlation Matrix of Logged Analytical Data Set of Combined Rock Chip and Soil Samples Collected by the CRM and MMAJ

Rock Chip and Soil Samples				
	LogZn	LogPb	LogCu	LogAg
LogZn	1			
LogPb	0.628	1		
LogCu	0.321	0.236	1	
LogAg	0.371	0.650	0.054	1

Table 3: Correlation Matrix of Logged Analytical Data Set of Rock Chip Samples Collected by the CRM and MMAJ

Rock Chip Samples				
	LogZn	LogPb	LogCu	LogAg
LogZn	1			
LogPb	0.678	1		
LogCu	0.321	0.229	1	
LogAg	0.422	0.671	0.017	1

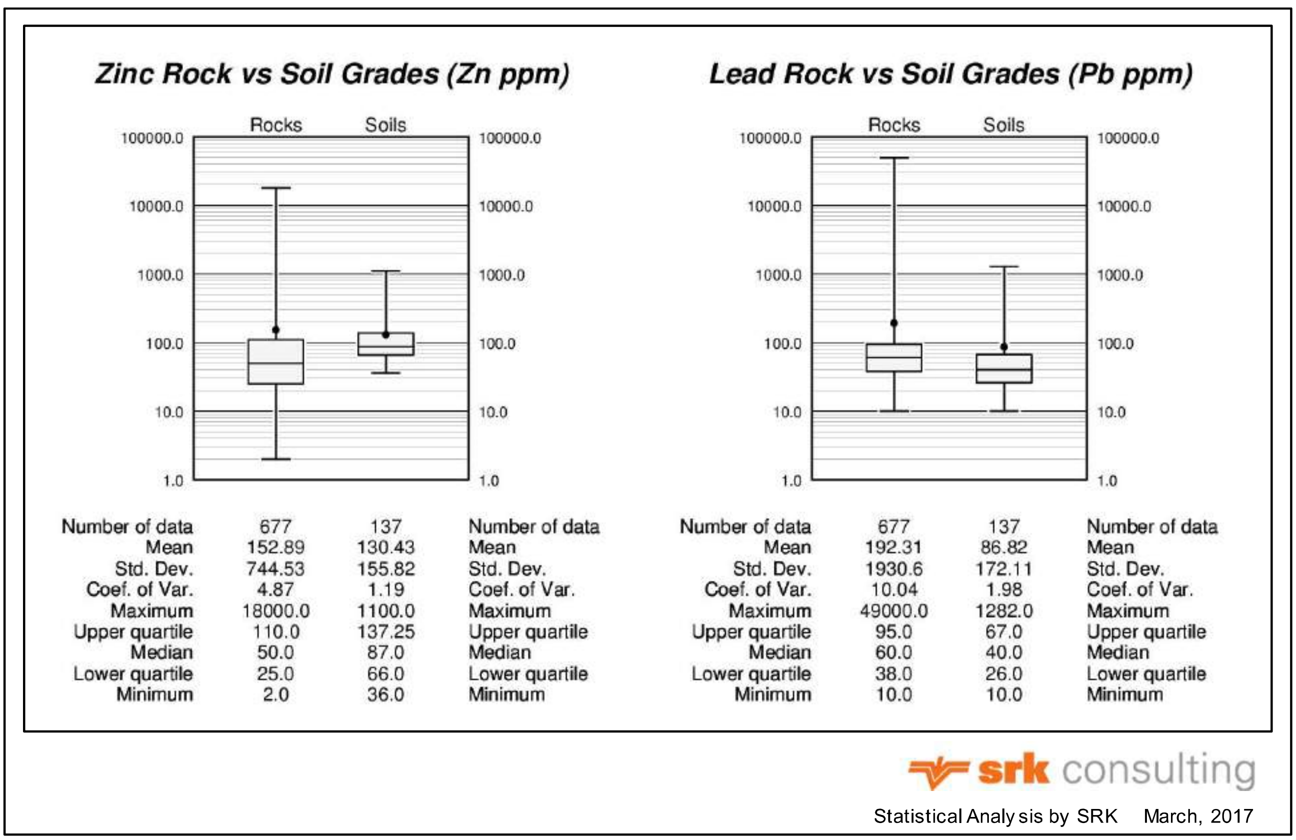


Figure 14: Boxplot Comparisons of Rock Chip and Soil Samples Collected by the CRM and MMAJ

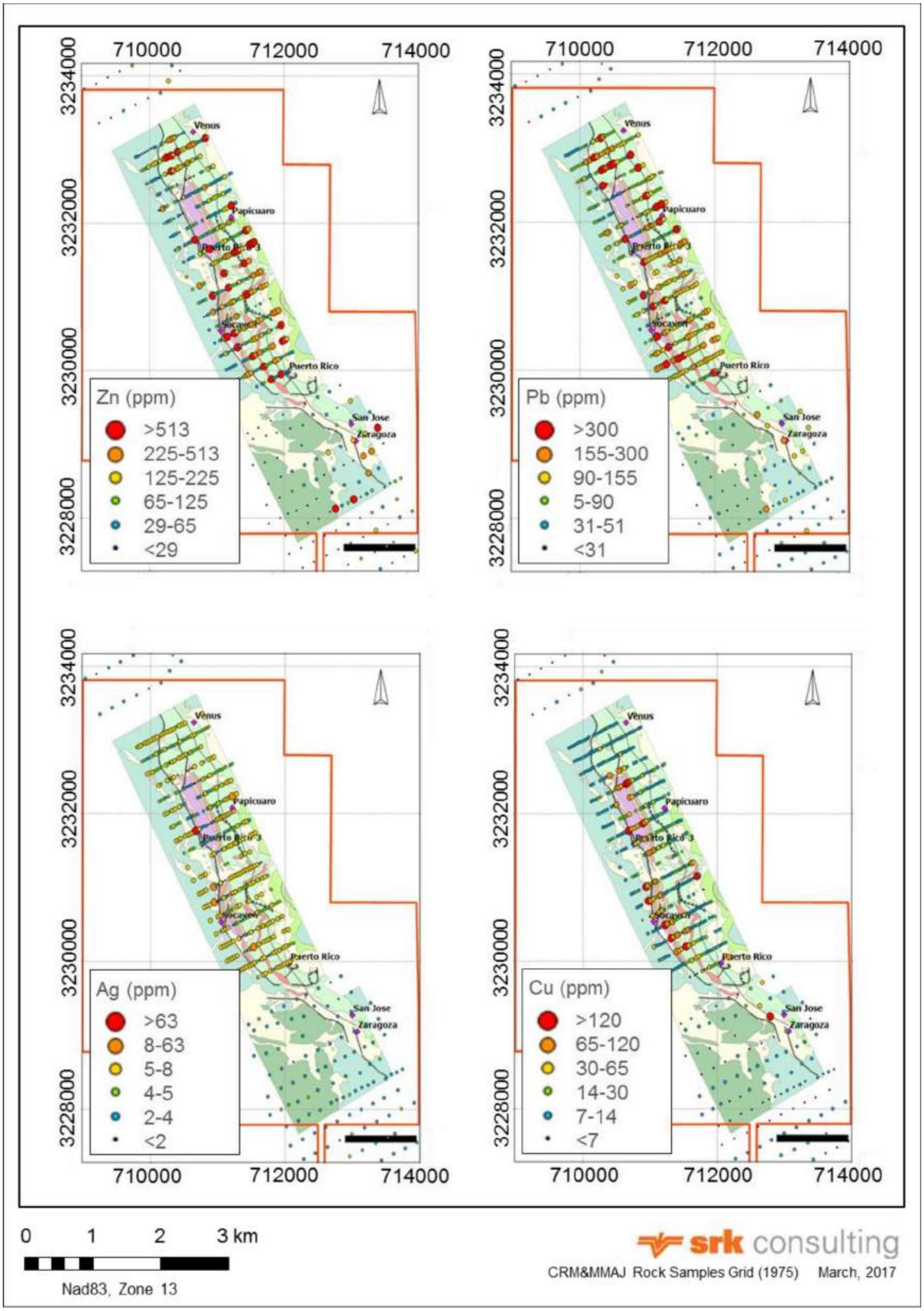


Figure 15: Zinc, Lead, Silver, and Copper Content from Geochemical Samples Collected Across the Puerto Rico Property by the CRM and MMAJ (1975)

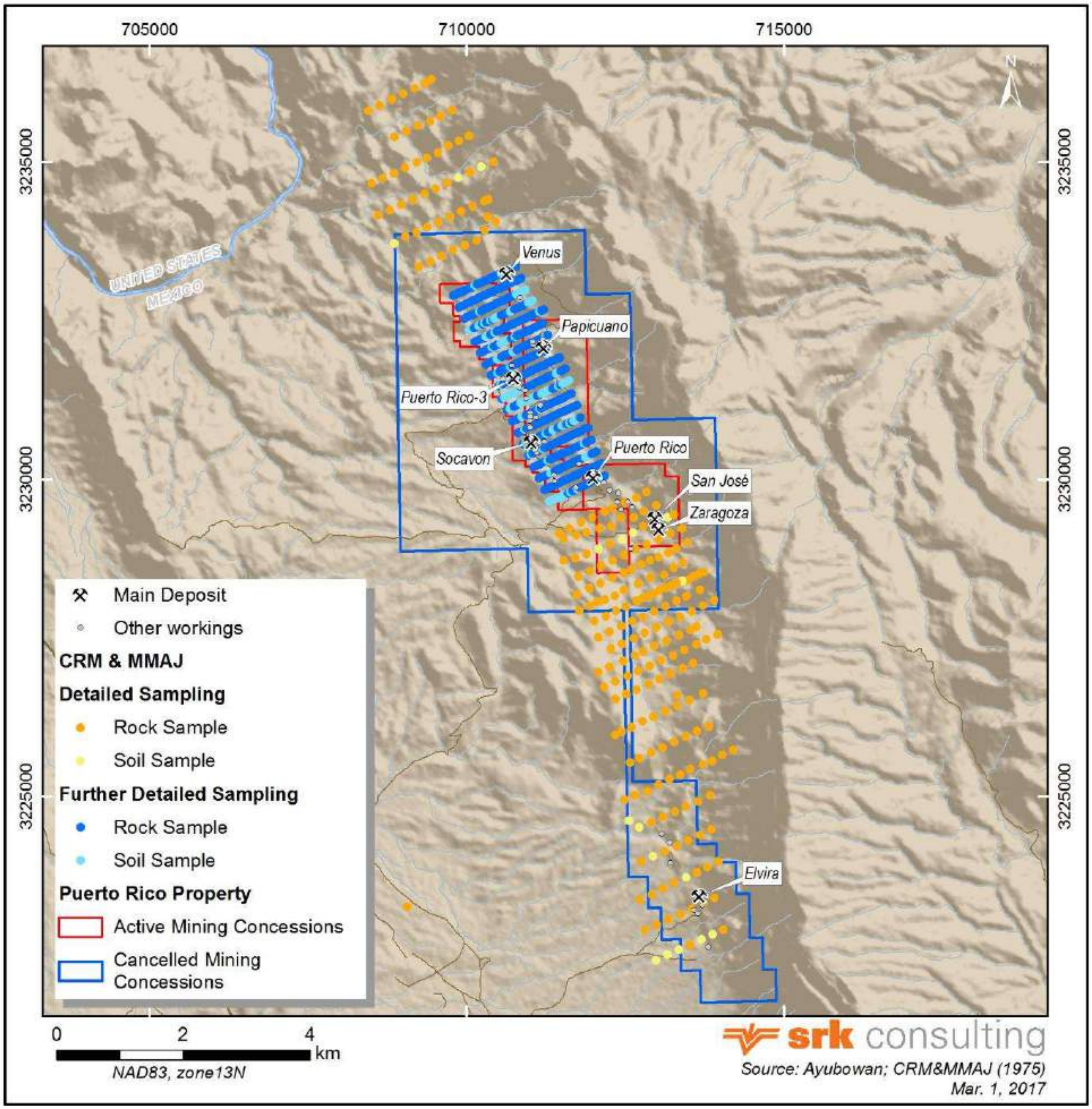


Figure 16: Two Batches of Rock and Soil Samples Collected by the CRM & MMAJ (1975)

8.1.2 Sampling by Freeport McMoRan Copper & Gold

Geochemical samples were collected from various sites on the Puerto Rico property by Freeport McMoRan from 2008 to 2012. Twenty rock chip and grab samples were collected in 2008 from mine tunnels, dump material and outcrop; no coordinates pertaining to these samples are available. In 2010, 24 rock chip and grab samples were collected from the San José mine, mine dump material, and outcrop; the coordinates of four tunnel samples are not included in the available dataset.

In 2012, a total of 63 rock chip and grab samples were collected primarily from outcrop and lesser from dump material and workings. Coordinates from nine of the 2012 samples are missing. Additional rock chip and grab samples were collected in 2012 from nine sites at the Puerto Rico mine and from 15 sites at the San José mine.

Samples collected by Freeport McMoRan which have coordinate data available can be found in Figure 13. Salient results from the 2008 sampling program and from the samples collected at the Puerto Rico and San José mines in 2012 can be found in Table 4 and Table 5, respectively.

Table 4: Results of Geochemical Samples Collected by Freeport McMoRan in 2008. Samples Analysed by ICP and Fire Assay for Silver.

Sample	Mine/Location	Remarks	Zn (%)	Pb (%)	Ag (ppm)	Cu (%)
PRF 1	Puerto Rico haulage level		29.0	0.9	40	0.00
PRF 2	Puerto Rico	Chip samples across vein zones	50.5	2.9	113	0.01
PRF 3	Puerto Rico	Chip samples in raise at west end of drift	19.5	6.4	105	0.01
PRF 4	Puerto Rico		17.3	41.0	409	0.04
PRF 5	Puerto Rico		37.5	38.1	310	0.03
PRF 6	Puerto Rico		7.7	49.5	628	0.06
PRF 7	Puerto Rico		5.5	69.8	680	0.07
PRF 8	Puerto Rico east drift	Chip 50 cm across manto	3.0	22.5	204	7.25
PRF 9	Puerto Rico east drift	Chip 30 cm across manto in floor of drift	6.2	1.1	13	21.80
PRF 10	Puerto Rico east drift	Chip of high grade pocket of galena in manto	4.0	69.8	524	0.05
PRF 11	Puerto Rico, portal of east drift	Grab of high grade Cu pile	4.5	0.8	188	12.00
PRF 12	San José	Partly oxidized pocket of galena; high-graded	31.0	10.0	382	1.64
PRF 13	San José surface prospect pit	Selected for galena	13.7	25.7	1,906	3.05
PRF 14	San José haulage level	Chip across galena-bearing manto	44.5	0.5	9	0.00
PRF 15	San José	Cu oxide in dump on surface	17.5	4.8	135	12.50
PRF 16	San José haulage level	Chip across lower part of manto in Chuyon level incline	0.5	58.4	281	0.03
PRF 17	WP 403	Grab of small pile of "ore" from prospect pit at contact schist with limestone	2.5	13.4	3725	2.43
PRF 18	Papicuano	Grab of ore pile at surface	2.6	34.7	338	0.03
PRF 19	Papicuano	Fines from screening	2.0	8.8	123	0.01
PRF 20	Puerto Rico base camp ore stockpile	Grab from Zn oxide stockpile	55.0	0.7	9	0.00

Table 5: Results of Geochemical Samples Collected by Freeport McMoRan from the Puerto Rico and San José Mines in 2012. Samples Analysed by ICP/MS.

Sample	Easting	Northing	Mine	Remarks	Zn (%)	Pb (%)	Ag (ppm)	Cu (%)
MSJ-1	713008	3229111	San José	Erasmo Chimney, Haulage level + 10m	3.8	20.4	> 150	0.91
MSJ-2	713009	3229094	San José	Erasmo Chimney, Haulage level + 10m, north	14.8	23.9	> 150	1.50
MSJ-3	713022	3229081	San José	Erasmo Chimney, Haulage level + 10m, middle	12.6	8.2	60	2.03
MSJ-4	713028	3229076	San José	Erasmo Chimney, Haulage level + 10m, south	12.6	0.2	6	4.19
MSJ-5	713032	3229080	San José	Erasmo Chimney, Haulage level + 10m, south	8.3	3.3	92	2.24
MSJ-6	713024	3229074	San José	Erasmo Chimney, Haulage level + 10m, south	5.6	1.4	77	6.85
MSJ-7	712970	3229109	San José	Haulage level chimney, vein intersection	4.2	4.7	105	3.07
MSJ-8	712981	3229098	San José	Haulage level chimney, vein intersection	27.0	1.4	62	0.35
MSJ-9	712966	3229116	San José	Chuyon/Borrado levels, Pb-Cu manto	33.0	20.1	> 150	0.54
MSJ-10	712969	3229112	San José	Chuyon/Borrado levels, anticline vein	0.4	49.5	> 150	0.21
MSJ-11	712960	3229103	San José	Borrado manto, middle	2.0	0.2	32	3.99
MSJ-12	712959	3229099	San José	Borrado manto, south	1.0	0.8	40	3.98
MSJ-13	712955	3229105	San José	Borrado manto, north	0.4	0.2	43	4.63
MSJ-14	712960	3229106	San José	Chuyon manto, Chuyon chimney	1.7	0.2	44	5.41
MSJ-15	712930	3229131	San José	Chuyon manto, north	0.3	0.7	104	5.14
MPR-1	711988	3229904	Puerto Rico	Upper Chimney, middle	38.9	6.0	> 150	0.03
MPR-2	711981	3229913	Puerto Rico	Upper Chimney, north	25.8	4.9	> 150	0.02
MPR-3	711969	3229914	Puerto Rico	Upper Chimney, north	2.7	6.2	> 150	0.04
MPR-4	712085	3229818	Puerto Rico	Upper Chimney, south	23.9	26.3	> 150	0.25
MPR-5	712176	3229713	Puerto Rico	La Cubana, chimney to manto transition	4.0	4.2	> 150	5.27
MPR-6	712196	3229719	Puerto Rico	La Cubana, chimney.	3.9	2.6	> 150	3.52
MPR-7	712194	3229725	Puerto Rico	La Cubana, NE-dipping vein	0.3	0.4	> 150	7.41
MPR-8	712217	3229720	Puerto Rico	La Cubana	8.1	7.8	> 150	5.06
MPR-9	712257	3229696	Puerto Rico	La Cubana, south	5.3	1.5	> 150	8.30

8.2 Geophysical Surveys

As part of the same program that involved the collection of geochemical samples, geophysical surveys were executed over the Puerto Rico project by the CRM and MMAJ (Figure 13). Induced polarization (IP) and electromagnetic (EM) surveys were conducted; no mutual relation was found between survey anomalies.

8.2.1 IP Survey by CRM and MMAJ

Time domain method was used to execute the IP survey, which covered an area of 3.8 square kilometres over the Puerto Rico project (Figure 13). Survey lines were one kilometre long, oriented northeast-southwest (N65°E – S65ºW), and spaced 200 metres apart. Survey points were collected in 100-metre intervals and measurements were taken at 100 metres, 200 metres, and 300 metres depth, directly below the survey point.

The following conclusions were made from the IP survey by MMAJ (1978):

- IP anomaly distribution in the survey area coincide with that of Paleozoic Schist.
- Surface showings were found by MMAJ along the western limit of the Paleozoic Schist, however, strong IP anomalies corresponding to the showings were not detected during the survey.
- The discovery of viable CRD type deposits may be unlikely in the IP anomalous zone since those anomalies are associated with Paleozoic Schist and not with permissive carbonate rocks.

8.2.2 EM Survey by CRM and MMAJ

A ground EM survey using Turam method was conducted along the IP survey lines, with additional lines established between each IP survey line. Stations were established at 25-metre intervals along 40 one kilometre length,100 metres spaced survey lines covering a 3.8 square kilometre area (Figure 13).

The following conclusions were made from the EM survey by MMAJ (1978):

- Anomalies were detected in the southwestern portion of the survey area and were interpreted by MMAJ to be caused by lead-zinc mineralization.
- Anomalous resistivity ranged from 0.2 to 1.2 ohm-metres and the depth of the causative bodies was estimated to be 0 to 20 metres below surface
- Based on the parallel distribution of the anomalies, they were interpreted as sheeted veins.

8.3 Geological Mapping and Sampling by McAnulty

An investigation of the Puerto Rico property was undertaken in early 2009 by consulting geologist W. Noel McAnulty, Jr. The Puerto Rico, San José, and Zaragoza underground workings were surveyed, the geology was mapped, and rock chip samples were collected. Level maps and cross sections were produced from the geological data that was gathered, examples of which can be seen in Figure 17.

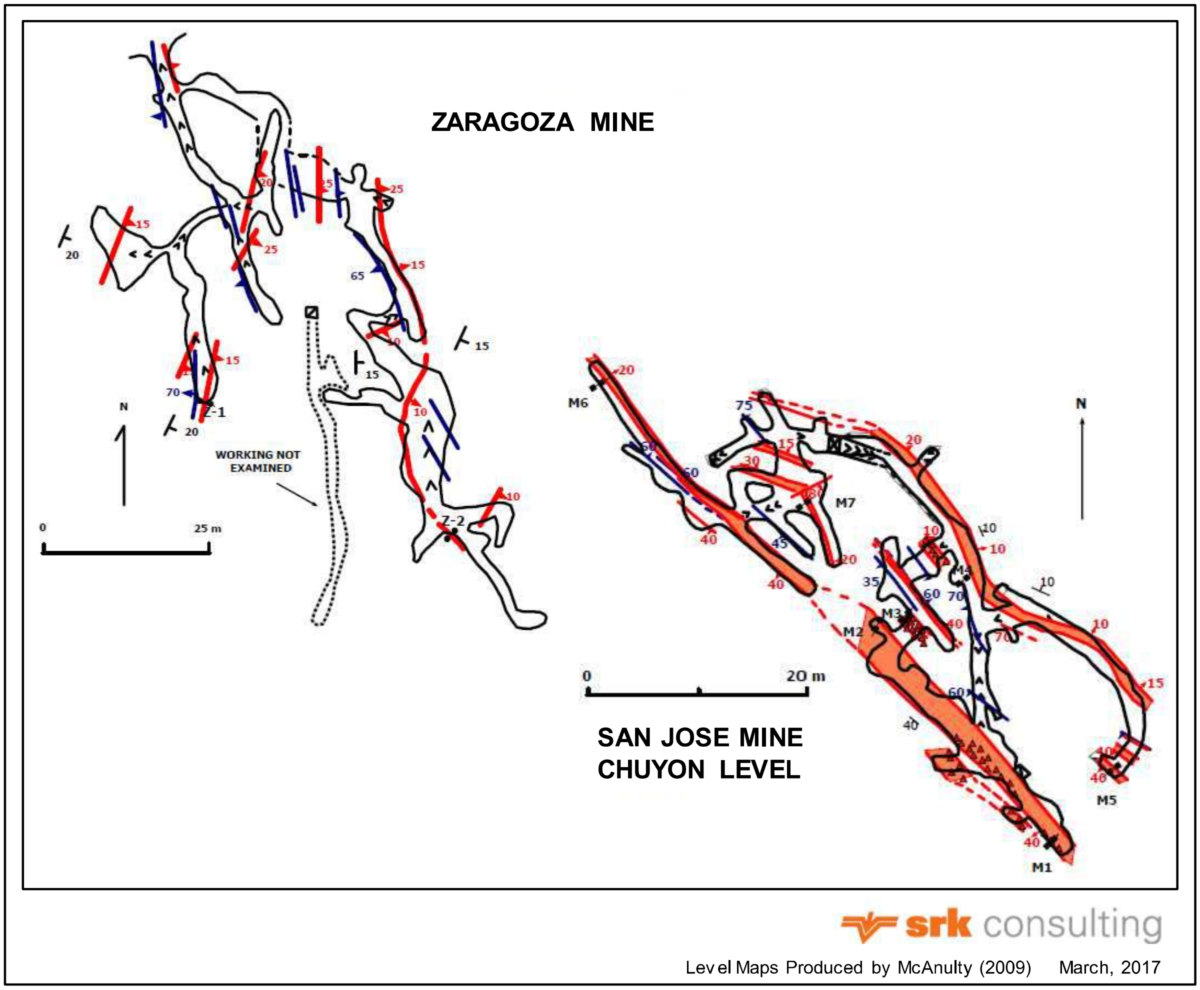


Figure 17: Level Maps Produced by McAnulty (2009) of the Zaragoza and San José Mines. Mantos and Chimneys are Illustrated in Red.

8.3.1 Puerto Rico Mine

McAnulty (2009) collected seven samples from the wall rock of horizontal chimney workings found approximately 15 metres above the haulage level and two samples from copper mantos in the southeast drift in the Puerto Rico mine (Table 6). McAnulty suggests that previously mined material would likely have had even higher grades than those collected in 2009.

Table 6: Analytical Results of Samples from the Puerto Rico Mine by McAnulty (2009)

Sample Number	Ag ppm	Pb %	Zn %	Cu %
PRF-1	34	0.8	29	0.009
PRF-2	124	2.9	50.5	0.018
PRF-3	94	6.4	19.5	0.025
PRF-4	409	44	17.3	0.015
PRF-5	310	38.1	37.5	0.037
PRF-6	628	46	7.7	0.051
PRF-7	680	69.8	5.5	0.039
PRF-8	204	7.2	22.5	0.000
PRF-9	<3	21.8	1.1	0.001

8.3.2 San José Mine

McAnulty (2009) collected five chimney samples and two mantos samples on the Chuyon level of the San José underground workings and observed that chimneys contained high values of copper with associated zinc and notable, but low silver values, and generally low lead values (Table 7). Conversely, mantos exhibit high lead and zinc values, mostly as oxides, with high silver and relatively low copper. Mercury, antimony, and molybdenum are elevated in mantos which McAnulty (2009) interpreted as being indicative of a relatively low temperature of mineralization, whereas chimneys reflect a later, higher-temperature stage of mineralization.

Table 7: Analytical Results of Samples from the San José Mine by McAnulty (2009)

Sample Number	Cu %	Zn %	Pb %	Ag ppm	Au gpt	Mo ppm	Hg ppm	Sb ppm
Chimneys								
SRM-1	11.4*	1.1	0.2	110	0.01	200	15	158
SRM-2	2.7	3.1	4.5	120	0.01	94	210	85
SRM-3	2.4	1.3	0.4	29	<0.005	39	54	33
SRM-5	4.9	0.5	0.4	40	0.01	52	24	43
SRM-6	6.7	0.3	0.4	68	0.01	76	24	77
Mantos								
SRM-4	0.6	35	21	601	0.03	1734	1534	1989
SRM-7	0.2	33	20	485	0.01	142	1034	566

* McAnulty (2009) suggests the high copper value reported likely reflects inadvertent nugget effect in sampling or assaying.

8.3.3 Zaragoza Mine

McAnulty (2009) collected two samples from different mantos in the Zaragoza underground workings. Although only two samples were collected, McAnulty (2009) noted that one manto was copper-bearing and the other was not, and that the mercury and antimony values were higher than what was observed in the San José mine (Table 8). Abundant barite was observed as gangue in the Zaragoza workings.

Table 8. Analytical Results of Samples from the Zaragoza Mine by McAnulty (2009)

Sample Number	Cu %	Zn %	Pb %	Ag ppm	Au gpt	Mo ppm	Hg ppm	Sb ppm
Z-1	0.2	17.3	10.2	227	<0.005	14	783	618
Z-2	6.1	9.5	3.3	202	<0.005	60	111	248

9 Drilling

9.1 Drilling by CRM and MMAJ 1977−1982

Core drilling on the Puerto Rico project was executed jointly by the Consejo de Recursos Minerales (CRM) and the Metal Mining Agency of Japan (MMAJ) from 1977 to 1982. A total of 16 core boreholes were drilled; 11 holes were drilled in the Papicuano area, two holes were drilled 400 metres southeast of Venus area, and three holes were drilled west of the Norias Fault (Figure 18, Table 9). Few details of the core drilling are available; graphic logs with assays are accessible for boreholes BD-20 to BD-32, with the exception of BD-25, for which no information is available.

Drilling results were summarized by McAnulty (2009) and are included in the subsections below. SRK reviewed the location of the core boreholes and noted that the reported collar coordinates do not coincide with the actual locations. Borehole locations within this report have been updated to reflect the validation easting and northing coordinates collected by SRK.

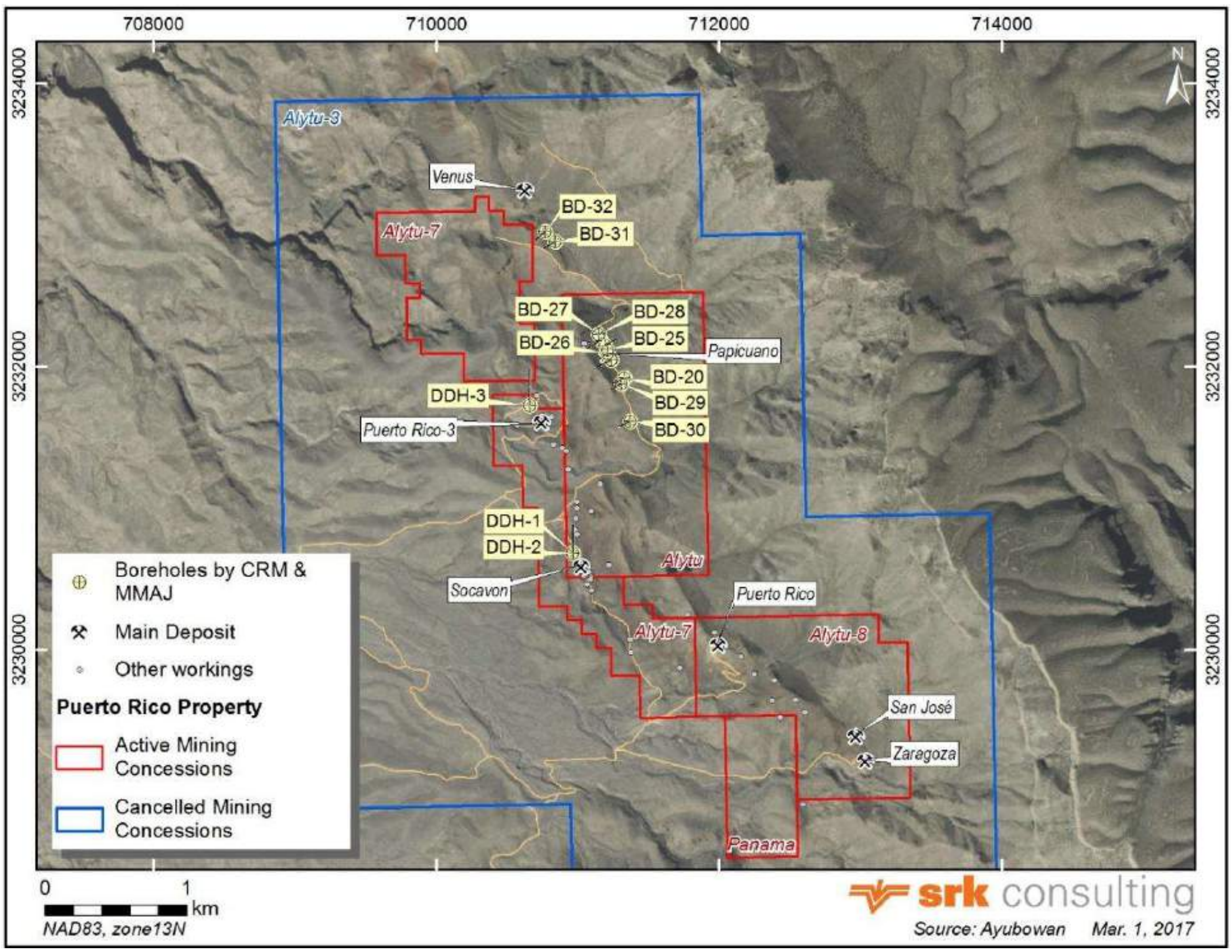


Figure 18: Map Showing the Distribution of Drilling on the Puerto Rico Property

Table 9: Summary of Drilling Executed by CRM and the Metal Mining Agency of Japan

Borehole ID	End Date	Easting*	Northing*	Elevation	Azimuth	Dip	Length (metres)	Target
DDH-1	Nov 1977	710,966	3,230,680	964		-90	130.50	W of Las Norias Fault
DDH-2	Jan 1978	710,966	3,230,680	957		-90	200.20	W of Las Norias Fault
DDH-3	Mar 1978	710,658	3,231,726	985		-90	270.00	W of Las Norias Fault
BD-20	May 1981	711,329	3,231,916	1,160	245	-70	250.10	Papicuano area
BD-21	Sep 1981	711,239	3,232,047	1,160	245	-55	222.45	Papicuano area
BD-22	Dec 1980	711,167	3,232,188	1,145	240	-60	258.65	Papicuano area
BD-23	Feb 1981	711,167	3,232,188	1,145	260	-60	200.95	Papicuano area
BD-24	Apr 1981	711,194	3,232,148	1,150	60	-60	200.40	Papicuano area
BD-25	N/A	711,210	3,232,121					
BD-26	May 1981	711,212	3,232,094	1,151	240	-70	100.00	Papicuano area
BD-27	July 1981	711,149	3,232,229	1,149	60	-45	204.80	Papicuano area
BD-28	Aug 1981	711,149	3,232,229	1,149	70	-70	145.30	Papicuano area
BD-29	Sep 1981	711,306	3,231,881	1,160	240	-45	127.20	Papicuano area
BD-30	May 1981	711,372	3,231,616	1,140	245	-45	136.10	Papicuano area
BD-31	Mar 1982	710,843	3,232,883	1,115	240	-50	151.10	SE of Mina Venus
BD-32	Mar 1982	710,769	3,232,953	1,120	230	-50	151.20	SE of Mina Venus
Total							**2,748.95**	

* Easting and northing coordinates collected by SRK.

9.1.1 West of Las Norias Fault

The drilling of boreholes DDH-1, DDH-2 and DDH-3 utilized a TGM-5A-type drill machine from Japan. Both NQ and BQ drill bit sizes were used on the three holes, and the average core recovery was 88.4%. Drilling water was pumped from a well at Ejido las Norias and transported by truck with a 10-tonne capacity carrying tank; the water was stored on-site in two plastic water tanks. Drill core was transported to a CRM warehouse in Sabinas, approximately 300 kilometres southeast, where core logging took place.

Drilling of the three boreholes west of the Las Norias Fault was based primarily on the results of the geochemical and geophysical surveys previously conducted. DDH-1 was drilled to investigate anomalous results from the geochemical exploration program, where a weak IP anomaly was also recognized. Silver, copper, lead and zinc anomalies from the geochemical exploration program, along with anomalies identified from the IP and EM geophysical surveys lead to the drilling of borehole DDH-2. Borehole DDH-3 targeted an anomalous zone identified from both the IP and EM geophysical surveys, although no geochemical anomalies were identified.

Base metal mineralization in the three holes drilled west of the Las Norias Fault zone was found to be generally weak. MMAJ (1978) reported veins filled with calcite and iron oxide accompanied with oxidized lead and zinc minerals in borehole DDH-2 and summarized notable intersections as follows:

- A 0.12-metre-thick oxide vein intersected at 56.55 metres depth yielded 1.7 parts per million (ppm) silver, approximately 0.8% zinc, 0.1% lead, and trace copper;
- A one-metre-thick fractured zone with a network of veinlets intersected at 57.35 metres depth yielded 2.9 ppm silver, approximately 0.9% zinc, 0.1% lead and trace copper;
- A 0.25-metre-thick oxide vein intersected at 58.95 metres depth yielded 16.1 ppm silver, approximately 2.2% zinc, 0.2% lead and trace copper;

- A 0.2-metre-thick oxide vein intersected at 131.65 metres depth yielded 17.6 grams per tonne silver, approximately 4.4% zinc, 0.1% lead, and 0.05% copper.

9.1.2 Papicuano Area

In the Papicuano area, boreholes were collared along a strike length of approximately 550 metres on the eastern flank of the anticline and angled to the southwest toward the anticline axis.

Boreholes BD-27 and BD-28 were drilled in the northern Papicuano area and were collared at the same location. Borehole BD-27 did not intersect significant mineralization; the highest reported silver values were 10 to 16 ppm in scattered intercepts in the upper 20 metres of the borehole, maximum lead values were approximately 0.02%, the maximum zinc value reported was 0.08% with additional narrow intercepts of approximately 0.04%, and copper values were of trace amounts. Borehole BD-28 intersected scattered weak mineralization in the upper 50 metres, in which several intercepts of less than one metre of 10 to 20 ppm silver were found with associated lead and zinc values below 1%. Both holes intersected an approximately 10-metre-wide monzonite body at a depth of approximately 50 metres.

Boreholes BD-22 and BD-23 were collared at the same location and both reported to have intersected good values of lead and zinc, and moderate silver near surface. A 1.5 metre intercept averaging 6.4% lead, 3.5% zinc, and 35 ppm silver at a depth of four metres in core borehole BD-23 was reported. The same zone in borehole BD-22 reported a 2.9 metre intercept averaging 5.9% lead, 1.6% zinc, and 44 ppm silver. An approximately 15-metre-wide monzonite sill was intersected in both boreholes at a depth of approximately 65 metres. High zinc values are reported in several intercepts above and below the monzonite, and within the monzonite in borehole BD-22; a maximum zinc value of 13% was reported, with several intervals greater than 6%. Accompanying lead values are relatively low; however, up to 5% lead is reported in some intercepts. Silver values accompanying the high zinc are enriched, but low; silver values average approximately 20 ppm in core borehole BD-22 and approximately 8 ppm in borehole BD-23.

Borehole BD-24 also intersected good values of lead near surface. At a depth of 15 metres, a 75-centimetre intercept reported 9.5% lead, 0.3% zinc, and 62 ppm silver. An additional 1.5 metre intercept at a depth of 21 metres reported 2.5% lead, 0.15% zinc and 20 ppm silver. A monzonite sill was intersected at a depth of 70 metres and minor zinc enrichment is reported from assayed intervals near and within the sill, ranging from 0.7% to 2%.

Borehole BD-26 reported weak silver anomalies of 25 ppm to 100 ppm from three scattered narrow intervals. A 65-centimetre intercept reported 1.5% lead, 0.32% zinc, and 37 grams per tonne silver. A 12-metre-thick monzonite sill was intersected at 70 metres depth; no lead or zinc enrichment was reported from the assayed interval near and within the sill.

Boreholes BD-20 and BD-30 were drilled along the same line of section in the southeast portion of the Papicuano zone. Silver was found enriched in the upper 120 metres of borehole BD-20; one metre thick assay intervals report silver values ranging from 20 ppm to 40 ppm with accompanying lead and zinc values below 0.1%. At 116 metres depth, an 85-centimetre intercept reported 4.2% lead, 0.08% zinc and 12 ppm silver. Both holes intersected a monzonite sill at approximately 75 metres depth with scattered weakly mineralized intervals in BD-20 slightly above and below the sill. Borehole BD-30 was not mineralized; silver values of 5 ppm were reported in assayed intervals, and lead, zinc and copper values report as trace amounts.

Boreholes BD-21 and BD-29 did not intersect significant base metal mineralization. In borehole BD-21, most silver values ranged from 1 to 6 ppm, with maximum values of 61 and 40 ppm intersected at approximately 114 metres depth and 121 metres depth, respectively. A maximum content of 0.02% lead, 0.05% zinc, and trace copper were reported. Borehole BD-29 reported silver values ranging from 2 to 10 ppm, a maximum lead value of 0.01%, maximum zinc value of 0.03%, and maximum copper value of 0.01%. A monzonite dike was intersected from approximately 85 metres to 104 metres in borehole BD-21 and from approximately 93 metres to 111 metres in borehole BD-29.

9.1.3 Venus Mine Area

Borehole BD-31 was collared on the eastern flank of the anticline and angled toward the overturned axis of the fold. From 115 metres to 132 metres, high silver values are reported; 30 to 50-centimetre-wide assayed intercepts report silver values ranging from 107 to 311 ppm. Trace amounts of lead and zinc accompany the high silver values. A monzonite dike was intersected from 129.5 metres to 131 metres.

Borehole BD-32 reported weak silver anomalies; a 94-centimetre intercept at approximately 25 metres depth reported 60 ppm silver, a 40-centimetre intercept at approximately 26 metres depth reported 53 ppm silver, and a 45-centimetre intercept at approximately 121 metres depth reported 69 ppm silver. A maximum value of 1.58% zinc and maximum value of 0.31% lead were reported.

9.2 SRK Comments

SRK located 16 of the diamond drilling sites by the CRM and MMAJ joint venture. In all cases, the drill pad was recognizable and a cement pad was left at the collar site, but borehole numbers and drilling orientation marks were absent. A small amount of core was found near the collar location of DDH-1, DDH-2, and BD-24.

GPS locations were collected at each drill collar. Collar coordinates reported in drill reports and maps by the CRM and MMAJ do not coincide with the actual locations, and SRK therefore assigned core borehole identities on the basis of proximity to collars plotted in historical maps.

Ayubowan has yet to undertake any drilling on the prospective mineralized zones of the Puerto Rico project, including the Puerto Rico, San José, and Zaragoza mines. Previous drilling by the CRM and MMAJ in the Papicuano and Venus areas did not adequately target the mineralized zones, and the Puerto Rico and San José mines could not be drilled at the time as the claims were privately held. The available data regarding the historic drilling programs is limited, and more detailed and targeted drilling on the main mineralized zones of the Puerto Rico project is warranted.

10 Sample Preparation, Analyses, and Security

10.1 Surficial Geochemistry Sampling by CRM and MMAJ

Geochemical samples collected from rock chip samples were sent to the Sabinas Lab of CRM for analysis. Samples were dried, crushed, and divided by conical quartering. An unspecified amount of the crushed sample was ground under 200-mesh for use in analysis. Soil samples were screened under 80-mesh, and after splitting by conical quartering were ground under 200-mesh for use in analysis.

Two grams of each sample were mixed with 10 millilitres HNO_3 concentrate, two millilitres H_2SO_4 concentrate and deionized water. The mixture was heated on a hot plate until H_2SO_4 fumes were generated and then cooled. Up to 50 millilitres of solution with 2N HNO_3 was prepared, stirred, and filtered, and then the concentrations of silver, copper, lead and zinc were determined by atomic absorption methods.

Due to the historic nature of the geochemical sampling executed by the CRM and MMAJ, and the minimal documentation of sample processing protocol, it has not been determined whether the Sabinas Lab was certified at the time of sample analyses.

10.2 Surficial Geochemistry Sampling by Freeport McMoRan

The analysis of samples collected by Freeport McMoRan was executed by Skyline Assayers & Laboratories (Skyline) from Tucson, Arizona. The laboratory is accredited ISO/IEC 17025:2005 by the American Association for Laboratory Accreditation and is independent of Freeport McMoRan. Samples collected in 2008 underwent ICP and Fire Assay-gravimetry analysis, and the samples collected at the Puerto Rico and San José mines in 2012 underwent analysis by ICP-MS.

SRK was not provided with information regarding the sampling executed by Freeport McMoRan or the associated results, and the details pertaining to sample preparation, analysis and security is minimal. Geochemical analytical results were provided to SRK in excel spreadsheet format by Ayubowan.

10.3 Drill Sampling by CRM and MMAJ

No information is available on the sample preparation, analyses, and security procedures done on the core drilling program by CRM and MMAJ between 1977 and 1982.

10.4 Quality Assurance and Quality Control Programs

The historical exploration work documented in this technical report has reported minimal quality control measures typically set in place to ensure the reliability and trustworthiness of exploration data.

For the Freeport McMoRan sampling program, Skyline Assayers & Laboratories from Tucson, Arizona performed some lab internal quality control checks. Skyline inserted certified reference material CDN-CM-21 for gold only to sample batches GRUPO 1 to 7 collected in 2012, and tested two pulp duplicates for gold on each group of samples. The results obtained from the reference material were found to be within two standard deviations of the expected gold value in each sample batch. Certified reference material DC 70005 and PB139 for lead and zinc, and certified reference material CDN-CM-8 for copper was included by Skyline with samples collected from the Puerto Rico and San José mines in 2012. Five pulp duplicate checks were performed on this group of samples. The results obtained from known certified reference materials were within two standard deviations of the expected value.

10.5 SRK Comments

SRK is unable to directly verify the sampling preparation, analyses, and security procedures used by previous operators due to the historical nature of the work. It is SRK's opinion however that based on the available reports and based on SRK's sampling which yielded analytical results comparable with those quoted by previous operators, the results are adequate for the purpose of determining the merit of the property.

SRK recommends that the proposed exploration program incorporate robust quality control measures that involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation, and assaying processes. The laboratories chosen for analyses should be accredited ISO/IEC 17025:2005 for the analytical procedures used.

11 Data Verification

11.1 Site Visit

In compliance with the Canadian Securities Commission's requirements under National Instrument 43-101, the Puerto Rico project was visited by Ms. Anna Fonseca, PGeo over a six-day period from February 13 to 18, 2017. During the site visit, SRK was accompanied by agricultural engineer Jesús Miguel Hernández Garza from Múzquiz and geologist Alvaro Lopez-Pico from Guadalajara who are familiar with the geology and mineralized zones in the property. Mr. Hernández holds surficial and artisanal mining rights over the property.

SRK verified the location of 16 of the drilling sites from the drill program completed by the CRM and MMAJ joint venture between 1977 and 1982. The drill pad was recognizable and a cement pad was left at the collar site of all visited borehole sites, though borehole numbers were absent. A small amount of core was found near the collar location of DDH-1, DDH-2, and BD-24.

GPS locations were measured at each drill collar with a handheld GPS device. Previously reported collar coordinates do not coincide with the actual locations, and SRK therefore assigned core borehole identities on the basis of proximity to collars plotted in historical maps.

Rock samples were collected for geochemical analyses in order to verify base metal and silver grades reported in historical exploration, the details of which can be found in Section 11.2 Independent Verification Sampling.

Further geological information was collected in the field to improve the understanding of the structural, stratigraphic, and alteration controls over CRD-style mineralization over the property.

11.2 Independent Verification Sampling

In order to verify historical geochemical analyses, SRK collected 33 samples on the Puerto Rico property during the site visit: four grab samples from mine dumps or selective samples from outcrops to test specific mineralized zones, six underground grab samples, 10 rock chip samples from outcrops, and 13 underground rock chip samples (Figure 19 and Figure 20; Table 10). An attempt was made to collect representative rock chip samples. However, in several underground workings it was not possible and a grab sample was collected instead. The geochemical samples collected by SRK were double bagged at the sample collection site, sealed with a numbered security zap strap, and sample bags were labeled with the security strap number in permanent marker. Over the course of the site visit, samples were stored in the secured Puerto Rico camp.

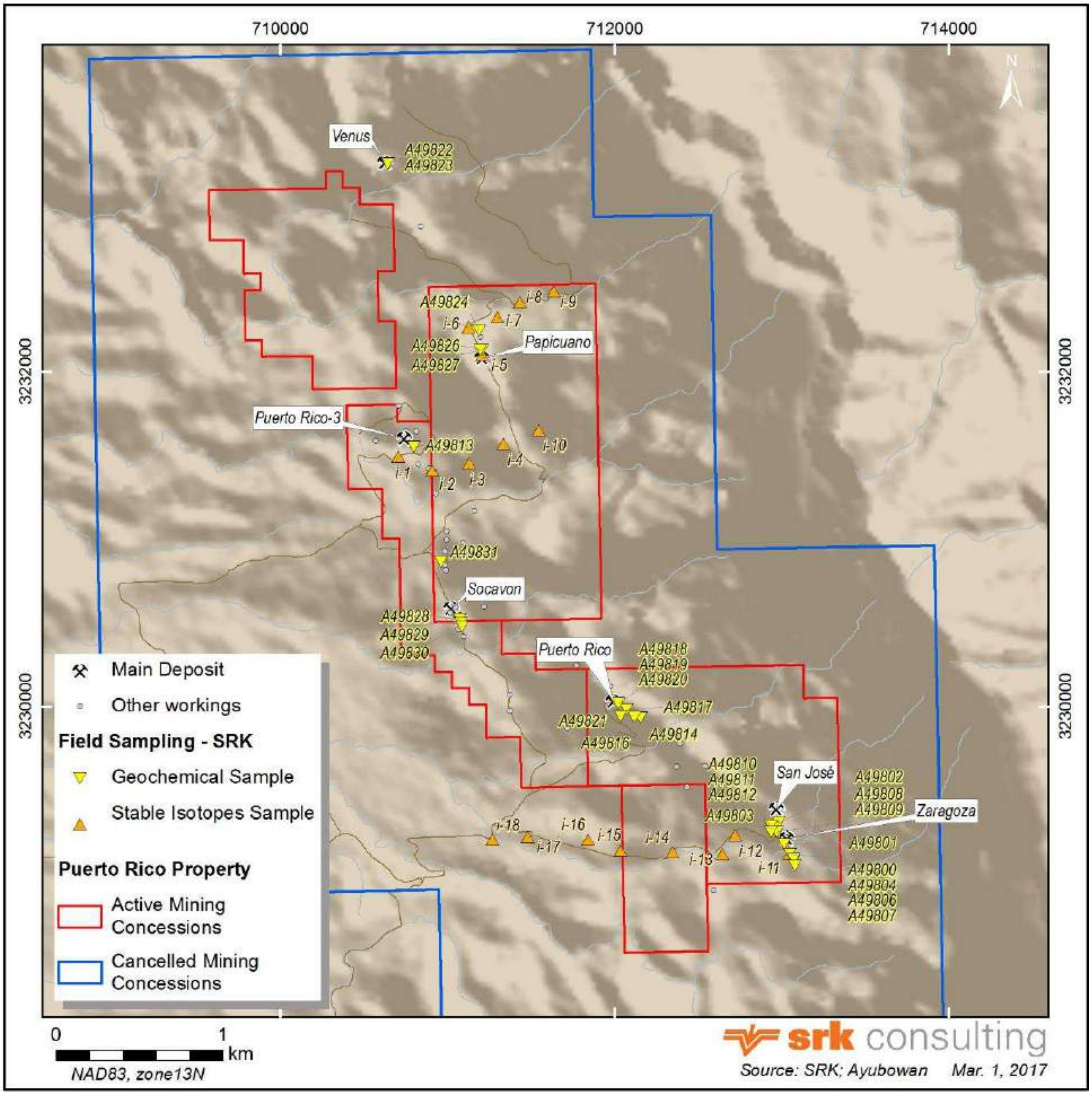


Figure 19: Location of Independent Verification Samples Collected by SRK in the Northern Portion of the Puerto Rico Property

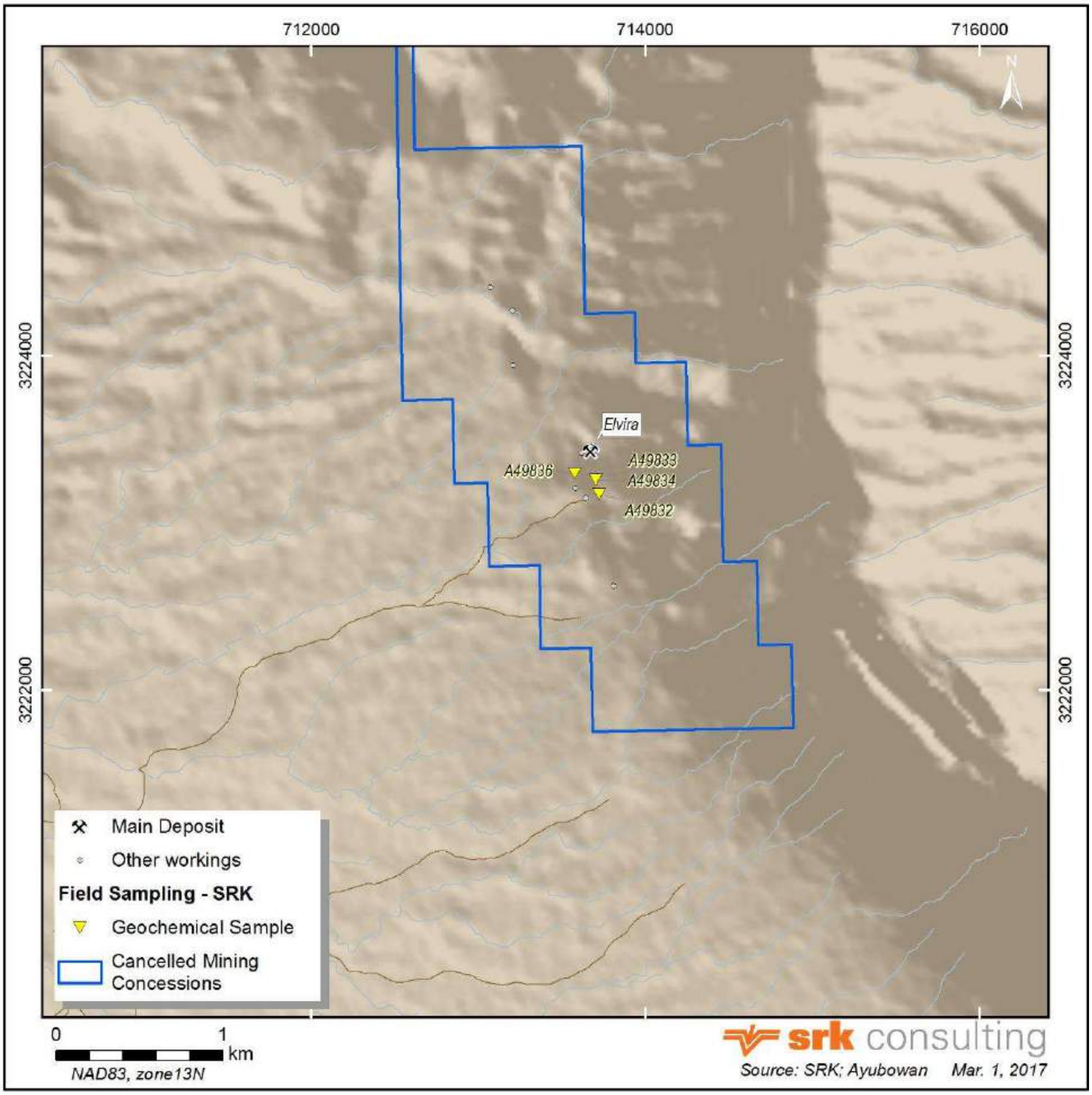


Figure 20: Location of Independent Verification Samples Collected by SRK in Proximity to the Elvira Zone

Table 10: Independent Verification Samples Collected for Geochemical Analyses

Sample	Easting	Northing	Mine	Type	Width (m)	Zn (%)	Pb (%)	Ag (ppm)	Cu (%)
A49800	713050	3229116		chip	1.0	0.1	2.4	38	0.05
A49801	713016	3229175	Zaragoza	chip	1.0	1.2	1.8	226	0.20
A49802	712982	3229304	Zaragoza	grab		0.3	14.7	220	0.16
A49803	712946	3229273	San José	grab		8.9	12.7	299	3.23
A49804*	713071	3229088	Zaragoza	chip	1.0	23.9	2.2	48	0.03
A49806	713071	3229077	Zaragoza	grab		13.4	4.2	107	0.06
A49807	713077	3229048	Zaragoza	grab		3.6	0.4	45	7.31
A49808	712968	3229250	San José	grab		1.8	0.0	58	5.54
A49809	712972	3229250	San José	chip	1.0	3.4	3.5	56	0.11
A49810	712934	3229282	San José	chip	1.0	34.2	0.7	10	0.48
A49811	712935	3229285	San José	chip	1.0	34.5	6.1	118	0.22
A49812	712936	3229250	San José	chip	1.0	0.2	0.1	17	2.05
A49813	710799	3231550	La Cubana	chip	0.5	0.6	0.6	215	8.25
A49814	712157	3229929	La Cubana	chip	1.0	0.0	0.1	5	0.02
A49816	712121	3229934	Puerto Rico	chip	2.0	10.9	0.6	28	1.78
A49817	712074	3229981	Puerto Rico	chip	1.5	13.4	4.0	157	0.11
A49818	712016	3230013	Puerto Rico	chip	0.5	15.1	2.0	280	0.02
A49819	712009	3230024	Puerto Rico	chip	1.0	42.7	4.0	180	0.02
A49820	712023	3230016	Puerto Rico	grab		26.0	15.7	309	0.02
A49821	712037	3229940	Puerto Rico	chip	0.5	1.7	1.9	3327	2.55
A49822	710644	3233244		grab		13.4	6.6	79	0.02
A49823	710644	3233238		panel		11.1	7.5	90	0.01
A49824	711190	3232244		chip	1.0	3.9	1.7	29	0.00
A49826	711209	3232131		chip	1.0	0.2	0.5	4	0.00
A49827	711196	3232127		grab		0.5	14.5	198	0.00
A49828	711076	3230522		grab		0.0	0.1	< 3	0.05
A49829	711083	3230495		chip	1.0	1.6	0.6	228	0.50
A49830	711087	3230477		chip	1.0	0.4	1.4	222	0.07
A49831	710961	3230863		grab		0.0	0.4	202	0.03
A49832	713725	3223171		chip	0.5	24.7	0.1	13	0.00
A49833	713707	3223262		chip	1.0	5.1	0.5	27	0.02
A49834	713704	3223258		chip	1.0	2.1	1.3	55	0.12
A49836	713576	3223297		chip	1.0	0.0	0.0	3	0.17

* Approximate Location

One certified reference material was inserted by SRK for each batch of ten samples. OREAS lead-zinc ore certified reference materials 131b and 133b were inserted in alternate fashion (Table 11).

An additional 18 chip samples of limestone were collected to conduct a pilot carbon and oxygen isotopes survey along three cross-sections over the Puerto Rico project (Figure 19, Table 12). Samples were spaced approximately 250 metres and were collected in a way to represent unaltered and unweathered limestone. In cases where the outcrop was strongly veined, some calcite vein is incorporated in the sample. The goal of the survey was to identify the magnitude of isotopic anomalies produced over known CRD-style mineralization to test if the method is a useful exploration technique in northern Coahuila carbonate rocks. The samples collected for the pilot survey were handed to Ayubowan by SRK to submit for stable isotopes analyses if they wish.

Table 11: Reference Materials Inserted by SRK for Independent Verification Samples and the Related Analytical Results

Reference Material	Constituent	Exp. Value	Std. Dev.	A49805	A48925	A48937	A48915	A19835
OREAS 131b	Zn (%)	3.04	0.119	2.992	2.963	3.083		
	Pb (%)	1.88	0.086	1.737	1.493	1.448		
	Ag (ppm)	33.3	1.21	34.3	32.9	34.7		
	Cu (ppm)	216	11	210	220	220		
OREAS 133b	Zn (%)	11.35	0.347				10.533	10.158
	Pb (%)	5.06	0.098				3.107	4.305
	Ag (ppm)	104	2				103	101
	Cu (ppm)	327	30				320	320

Table 12: Carbon and Oxygen Isotopes Survey Samples Collected by SRK

Sample	Easting	Northing	Carbonate Facies	Texture	IRS-active Minerals	Comments
i-1	710709	3231490	lime mudstone		siderite	
i-2	710910	3231407	lime mudstone	recrystallized	calcite	Fe-oxyhydroxide altered and recrystallized, shallowly dipping
i-3	711132	3231452	grainstone	oolitic	calcite	moderately recrystallized, sparsely oolitic
i-4	711337	3231567	lime mudstone		calcite	
i-5	711209	3232099	grainstone	fossiliferous	calcite	sample collected 15 cm above an 8 cm wide white barite-calcite cemented breccia
i-6	711127	3232264	lime mudstone		calcite	very hard, weak pervasive Fe-oxyyidroxide altered
i-7	711300	3232323	packstone	fossiliferous	calcite	
i-8	711434	3232414	wackestone	fossiliferous	siderite, calcite	strongly recrystallized
i-9	711636	3232478	lime mudstone		calcite	
i-10	711548	3231650	lime mudstone		ankerite, illite	laminated poker chip calcareous shale to lime mudstone (La Pena Fm.)
i-11	713045	3229121	grainstone	fossiliferous	calcite	
i-12	712723	3229229	wackestone	sparsely fossiliferous		
i-13	712645	3229116	lime mudstone			
i-14	712347	3229128	wackestone	recrystallized	calcite	moderately recrystallized, beige
i-15	712038	3229137	lime mudstone	recrystallized	calcite	moderately recrystallized, beige
i-16	711843	3229204	grainstone	fossiliferous	calcite, illite	
i-17	711481	3229219	wackestone	recrystallized	calcite	weakly recrystallized, white
i-18	711270	3229201	wackestone	fossiliferous	calcite	

A small chip from most geochemical samples was selected for infrared spectroscopy (IRS) analyses of the altered wallrock. Analyses were conducted using an Arcoptix Rocket FT-IR spectrometer, from which data within the 1,000 to 2,600 nm range are collected. The goal of the IRS survey was to determine whether the technique can be applied to identify invisible alteration outside of the known mineralized zones. IRS spectra from samples collected for base metal assays show variations in the dominant carbonate species and local presence of the clay minerals illite, smectite, chlorite, and palygorskite. IRS spectra from samples collected for the stable isotopes survey shows variations in carbonate species, and the presence of illite in samples that lack visible alteration (Table 13). A sample from the Zaragoza mine yielded ammonium bearing clays.

All samples were triple bagged and sealed in a cardboard box along with an analytical requisition form for shipment to Actlabs Mexico S.A. de C.V. in Zacatecas. The samples were personally delivered by SRK to Coahuilense de Autobuses in Múzquiz for shipment to Actlabs. The samples were submitted for analysis by base metal assays Code 8-AR-ICP-OES, which does not have an upper detection limit. The management system of Actlabs Mexico S.A. de C.V. in Zacatecas is accredited ISO 9001: 2008 by BVQI Mexicana, S.A. de C.V. for sample preparation, mineral analysis for geological and mining samples fire assaying geochemical and assay services. The laboratory is not accredited ISO 17025 for the specific test procedures.

The analytical results of the OREAS 131b and OREAS 133b reference materials are generally lower than their expected value, but are mostly within an acceptable range. The majority of the results are found to be within two standard deviations of the expected value. Reported lead values are less than two standard deviations below the expected value in four out of the five reference material samples, and sample 48915(OREAS 133b) reported a lead value 20 standard deviations below the expected value. Although the lead values show a small low bias in the reference materials, the results for zinc, lead, silver, and copper are found to be sufficiently reliable for the purpose of determining the merit of the property.

11.3 SRK Comments

Due to the historical nature of the surficial and drilling exploration work completed by the previous operators on the Puerto Rico project, SRK is unable to directly verify the sampling methodology and results. SRK however is of the opinion that based on the available reports, the results are adequate for the purpose of assessing the merit of the property.

SRK recommends that the proposed exploration program incorporate robust quality control measures that are set in place to ensure the reliability and trustworthiness of exploration data. These measures include written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management, and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures should include internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation, and assaying processes. They are also important to prevent sample mix-up and monitor the voluntary or inadvertent contamination of samples. Assaying protocols typically involve regular duplicate and replicate assays and insertion of quality control samples. Check assaying is typically performed as an additional reliability test of assaying results. The laboratories chosen for analyses should be accredited ISO/IEC 17025:2005 for the analytical procedures used.

Table 13: Results from Infrared Spectroscopy Survey Conducted by SRK

Sample	NH	Illite	Smectite	Ankerite	Siderite	Magne-site	Calcite	Dolomite	Chlorite	Palygors-kite	Gypsum
A49800							x				
A49802					x						
A49803							x				
A49804				x							x
A49806	x										
A49807					x						
A49808											
A49809		x						x			
A49810											
A49811		x			x						
A49812				x							
A49813		x									
A49814							x				
A49816							x				
A49817							x				
A49818					x				x		
A49818_white											
A49819					x		x				
A49820			x								
A49820B										x	
A49821		x						x			
A49822											
A49822B			x		x						
A49824							x				
A49826		x					x				
A49828		x				x					
A49828		x									
A49829		x			x						
A49832			x		x						
A49833			x				x				
A49834							x				
A49836		x									
S11					x						
S12							x				
S13							x				
S14							x				
S15							x				
S16							x				
S17							x				
S18					x		x				
S19							x				
S110		x		x							
S111							x				
S116							x				
S114							x				
S115		x					x				
S117							x				
S118							x				

12 Mineral Processing and Metallurgical Testing

There are no known mineral processing or metallurgical testing analyses that have been carried out on the Puerto Rico project.

13 Mineral Resource Estimates

There are no known mineral resources on the Puerto Rico project.

14 Adjacent Properties

There are no adjacent properties that are considered relevant to this technical report.

15 Other Relevant Data and Information

SRK is not aware of any other relevant data pertaining to the Puerto Rico project.

16 Interpretation and Conclusions

The Puerto Rico project is an early stage, carbonate-hosted polymetallic exploration project located approximately 250 kilometres by road from Melchor Múzquiz in northern Coahuila State, Mexico. The area has a long history of polymetallic mining, with lead-silver CRD style mineralization at the Puerto Rico project first discovered in 1883, and subsequently at the more southerly San José site. Minor production has occurred intermittently since that time. Artisanal mining started again in 2004 and continues to this day. There are reported to be over 200 historical workings in the district, with the Puerto Rico and San José mines accounting for over 90% of the mined tonnage. Non-mechanized artisanal mining over the past three years has resulted in the sale of approximately 10,000 tonnes of nominal 20% zinc to a base metal processing plant in Monclova (Caldwell 2016).

The Puerto Rico project is located within the Maderas del Carmen Biosphere Reserve. Mining is not prohibited in the areas currently being exploited by artisanal miners. Additional permits will be required for exploration and an environmental impact study is necessary for exploration activities involving surface roads and drill pads. Planned exploration programs will require careful environmental considerations.

The property includes regional-scale structures that served as major hydrothermal fluid corridors:

- Two regional scale unconformities are exposed in the core of a partly-eroded overturned anticline.
- The Las Norias listric normal fault and a parallel fault further to the east.
- A conjugate fault set controls the location of high grade chimneys in favourable limestone beds and along intersections.
- Property scale thrust faults have known CRD-style mineralization predominantly in the hanging wall.

Variations in the anticline axis orientation can explain the high-grade CRD-style mineralization in Puerto Rico, San José, and Zaragoza mines since certain bends in normal faults exploiting thrusts and fold axial surfaces have potential to develop dilatational jogs during normal reactivation.

Sampling within the existing workings by McAnulty in 2009 and by SRK for this technical report confirm the potential of the property. At Puerto Rico, the nine samples collected by McAnulty averaged 26.3% lead, 21.2% zinc, and 276 ppm silver and the six samples collected by SRK averaged 4.7% lead, 18.3% zinc, 714 ppm silver, and 0.75% copper. In addition, the six samples collected by SRK at the San José mine averaged 3.9% lead, 13.8% zinc, 93 ppm silver and 1.9% copper, and the five samples collected at the Zaragoza mine averaged 4.7% lead, 8.5% zinc, 129 ppm silver, and 1.6% copper.

After review, the exploration data were found to be sufficiently reliable to support the assessment of the merit of the property as an exploration project, but the quantity and quality of data is insufficient to support mineral resource modelling. Nevertheless, the exposed CRD mineralization in the existing deposits and its geological setting in the fertile backbone of Mexico indicates good potential for the polymetallic mineralization to extend at depth and along strike of the existing workings.

SRK is not aware of any significant risks and uncertainties that could be expected to affect the reliability or confidence in the exploration information discussed herein.

17 Recommendations

In the opinion of SRK, the character of the early stage Puerto Rico project is of sufficient merit to recommend an exploration program designed to identify and prioritize exploration targets and investigate selected targets with drilling. Implementation of the proposed program will satisfy the minimum work commitment requirements to qualify the Puerto Rico project as a qualifying property for the purpose of supporting a change of business listing application as a Tier 2 company on the Toronto Stock Exchange. The proposed exploration program also satisfies the terms of the Puerto Rico option agreement.

The recommended work program includes ground and airborne geophysical surveys, geological and structural mapping, geochemical sampling, reverse circulation and core drilling, and geological and resource modelling. Detailed mapping of the Las Norias fault and parallel faults should be executed to identify subtle bends in favourable orientations for mineralization, thrust faults should be mapped, and the internal carbonate stratigraphy of the Cupido Formation should be defined. Surficial exploration methods should be employed to characterize and test the unconformities where they are still covered by the upper limb of the overturned anticline, and to test the copper anomalies along the unconformable contacts at the core of the anticline. Induced polarization survey lines should be completed over exploration targets, including the Puerto Rico, San José, and Zaragoza mines to assist with sub-surface imaging of the structural geometry of the targets in preparation for drilling. Drilling in the second phase of exploration should initially focus on testing the down-dip and along strike extent of the known mineralization at the Puerto Rico, San José, and Zaragoza mines. Existing roads at the Puerto Rico, San José and Zaragoza mines can be utilized to access drill sites at each working, where seven angled HQ core boreholes of approximately 100 to 150 metres in length are recommended to be drilled toward the northeast. The strong IP and geochemical anomalies associated with the Paleozoic schist also warrant further investigation, and should be considered as part of the drilling program.

Other workings, namely the Papicuano, Socavón, Venus and Elvira zones should be investigated to confirm historical information and the presence of carbonate replacement-style mineralization, and ascertain their geological and structural setting. Any encouraging results should be followed up with drilling. Additionally, Crosta analysis of Landsat-8 visible and infrared data by SRK identified a colour anomaly similar to that of the main mineralized trend to the northwest of the Elvira area, outside of the Puerto Rico project. This area should be investigated with geochemical sampling to determine the anomaly's merit as an additional exploration target.

Although the mineralized zones of highest and immediate interest are found within active concessions, the recommended work program should also incorporate the necessary measures to ensure the re-instatement of mining concession Alytu 3.

The proposed work program involves two phases, which are estimated to cost approximately US$693,000 and US$6,080,000 respectively, including 10% contingency (Table 14). Advancement to the second phase of exploration is not contingent on the positive results of phase 1. The results of the first phase of exploration will assist in determining the areas of focus for exploration and resource definition in the second phase of exploration.

Table 14: Estimated Cost for the Exploration Program Proposed for the Puerto Rico Project

Work Program	Phase 1 Cost (US$)	Phase 2 Cost (US$)
RC and Core Drilling (Estimated at $200 per metre)		$3,000,000
Drill Core Assaying and Geochemistry		$900,000
Geology, Soil and Rock Sampling	$50,000	$50,000
Induced Polarization and Airborne Geophysics	$200,000	$100,000
Direct Salaries and Expenses	$250,000	$500,000
Land Holding Costs	$80,000	$80,000
Permitting and Environmental	$50,000	$50,000
Metallurgical Testing		$50,000
Resource Estimation		$50,000
Engineering		$20,000
Administrative		$800,000
Total	**$630,000**	**$5,600,000**
Contingency (10%)	$63,000	$480,000
TOTAL	**$693,000**	**$6,080,000**

SRK is unaware of any other significant factors and risks that may affect access, title, or the right or ability to perform the exploration work recommended for the Puerto Rico project.

18 References

Barnes, V.E., 1974. Geologic atlas of Texas, San Antonio Sheet, Robert Hamilton Cuyler memorial edition: University of Texas-Austin, Bureau of Economic Geology, 1 sheet, scale 1:250,000.

Caldwell, D., 2016. Field Visit to the Puerto Rico Project September 28th to October 5th, 2016. Internal report prepared for Ayubowan Capital Ltd.

Camprubi, A., 2013. Tectonic and metallogenic history of Mexico. Society of Economic Geologists Special Publication 17. pp. 201−243.

Carpenter, D., 1997. Tectonic history of the metamorphic basement rocks of the Sierra del Carmen, Coahuila, Mexico. Geological Society of America Bulletin, v. 109, pp.1321−1332.

[CRM] Consejo de Recursos Minerales, 1980. Plano geológico del area de Puerto Rico, Município de Ocampo, Coahuila, Proyecto NW de Coahuila. Sigma-CRM:050113.

González-Sánchez, F., González-Partida, E., Canet, C., Autudorei, V., Alfonso, P., Morales-Puente, P., Cienfuegos-Alvarado, E., and González-Ruiz, L., 2015. Geological setting and genesis of stratabound barite deposits at Múzquiz, Coahuila in northeastern Mexico. Ore Geology Reviews. http://dx.doi.org/101016/j.oregeorrev.2015.10.008

Hill, R.T., 1891. The Comanche series of the Texas-Arkansas region. Geological Society of America Bulletin, v. 2, p. 503-528.

Humphrey, W.E., and Díaz, G.T., 1956. Jurassic and Lower Cretaceous stratigraphy and tectonics of northeast Mexico. Petróleos Mexicanos, Informe Técnico NE-M 799, 393 p.

Imlay, R.W., 1936. Evolution of the Coahuila Peninsula, Mexico, Part IV. Geology of the western part of Sierra de Parras. Geological Society of America Bulletin, v. 47, pp. 1091−1152.

McAnulty, W. N., 2009. Puerto Rico Mine Prospect, Coahuila, Mexico. Unpublished Summary Report April 2009, 47 p.

McDowell, F.W., 2010. Geological map of the Manuel Benavides area, Chihuahua, Mexico. Geological Society of America, Map and chart series MCH099.

Megaw, P.K.M, Ruiz, J., and Titley, S.R., 1988. High temperature, carbonate hosted Ag-Pb-Zn (Cu) deposits of northern Mexico. Journal of Economic Geology, v. 83, pp. 1856−1885.

Megaw, P.K.M, Barton, M.D., and Islas-Falce, J.I., 1996. Carbonate-hosted Lead-Zinc (Ag, Cu, Au) deposits of Northern Chihuahua, Mexico. Society of Economic Geologists, Special Publication No. 4, pp. 277-289.

[MMAJ] Metal Mining Agency of Japan, 1978. Report on Geological Survey of the Coahuila Area, Northern Mexico, 489 p.

Oviedo-Padrón, E.G., Aranda-Gomez, J.J., Chavez-Cabello, G., Molina-Garza, R.S., Iriondo, A., González-Becerra, P.C., Cervantes-Coronoa, J.A., and Solorio-Munguia, J.G., 2010. Tectónica de la sierra Cuesta El Infierno y su posible relación con fallas reactivvadas cerca del levantamento de Plomosas, Chihuahua, Mexico. Revista Mexicana de Ciencias Geológicas, v. 27, pp. 389−411.

Sanchez, A.P., 1975. Levantamiento geológico-geoquímico de detalle del área Puerto Rico, município de Villa Ocampo, Coahuila.

Shumard, F.F., 1860. Observations upon the Cretaceous strata of Texas. Academy of Science of St. Louis Transactions. V. 1, pp. 583−590.

Titley, S.R., 1993, Characteristics of High temperature, carbonate-hosted Massive Sulphide Ores in the United States, Mexico and Peru. *In* Mineral Deposit Modeling, Geological Association of Canada. Special Paper 40, pp. 585-614.

Urias, A., 2017. Title Investigation, the Puerto Rico Property and the Additional Acquired Properties. Urias Romero y Asociados, S.C. Report prepared for Ayubowan Capital Ltd.

Vergara-Martinez, A., and Huicohea-Reyes, A.G., 2007. Estado de Coahuila, Servicios Geológicos Mineros S.A. de C. V.

Wilson, J.L., 1990. Basement structural controls on Mesozoic carbonate facies in northeastern Mexico – a review, in Contribuciones al Cretácico de Mexico y América Central, Linares, Nuevo León, Mexico. Actas de la Facultad de Ciéncias de la Tierra, Universidad Autónoma de Nuevo León, v. 5, pp. 5−45.

CERTIFICATE OF QUALIFIED PERSON

To accompany the report entitled: **Independent Technical Report for the Puerto Rico Carbonate Hosted Polymetallic Project, Coahuila, Mexico, June 12, 2017.**

I, Anna Fonseca, do hereby certify that:

1) I am a Principal Consultant (Geology) 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 British Columbia, with a M.Sc. in Economic Geology in 1998. I am a graduate of the University of Alaska Fairbanks with a B.Sc. in Geology in 1993. I have practiced my profession continuously since 1993. I have over 20 years of experience as a consultant for the mineral exploration industry, in government and in academia. I specialize in alteration mapping and modelling assisted by infrared spectroscopy and petrography in porphyry to epithermal environments. My experience ranges from regional- to deposit-scale bedrock, structural, and alteration mapping, petrographic analyses, planning, collection and interpretation of lithogeochemical samples, stable isotopes and infrared spectroscopic surveys in support of mapping programs, and regional structural interpretations of remote sensing data. I have conducted alteration, bedrock, and structural mapping at various scales, alteration modelling and petrographic work throughout the Americas, Middle East, Europe, and Russia and have taught economic geology and mapping courses in the Institut Polytechnique Lasalle Beauvais, France.
3) I am a Professional Geologist registered with the Association of Professional Geoscientists of Ontario (APGO #2194) and the Association of Professional Engineers and Geoscientists of British Columbia (APEG-BC #30399);
4) I have personally visited the project area from February 13, 2017 to February 18, 2017;
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 or co-responsible for all of the sections of this report and accept professional responsibility for all of the 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 Ayubowan Capital Ltd. to prepare a technical audit of the Puerto Rico project. In conducting our audit, a gap analysis of project technical data was completed using 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 Ayubowan Capital Ltd. personnel and legal counsel;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Puerto Rico project or securities of Ayubowan Capital Ltd. personnel, 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"]

Toronto, Ontario
June 12, 2017

Anna Fonseca, PGeo (APEG-BC #30399, APGO #2194)
Principal Consultant (Geology)

CERTIFICATE OF QUALIFIED PERSON

To accompany the report entitled: **Independent Technical Report for the Puerto Rico Carbonate Hosted Polymetallic Project, Coahuila, Mexico, June 12, 2017.**

I, Dominic Chartier do hereby certify that:

1) I am a Senior Consultant (Geology) 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 McGill University in Montreal, Quebec, with a B.Sc. in Earth and Planetary Sciences in 2002. I have practiced my profession continuously since 2002. I have created geological and ore deposit 3D models, analyzed the geostatistics and variography of ore deposits, completed NI 43-101 compliant mineral resource estimations, evaluated the geotechnical and structural properties of ore deposits, reviewed analytical quality control sample results, and co-authored or contributed to numerous NI 43-101 technical reports focused on gold, base metal and precious metal projects in Canada, West Africa, and South America;
3) I am a Professional Geologist registered with the Ordre des Géologues du Québec (OGQ #874) and the Association of Professional Geoscientists of Ontario (APGO #2775);
4) I have not personally visited the project area but relied on a site visit conducted by Anna Fonseca, a co-author of this technical report.
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 or co-responsible for all of the sections of this report and accept professional responsibility for all of the 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 Ayubowan Capital Ltd. to prepare a technical audit of the Puerto Rico project. In conducting our audit, a gap analysis of project technical data was completed using 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 Ayubowan Capital Ltd. personnel and legal counsel;
11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the Puerto Rico project or securities of Ayubowan Capital Ltd. personnel, 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"]
Toronto, Ontario, Canada	Dominic Chartier, PGeo (OGQ#874, APGO#2775)
June 12, 2017	Senior Consultant (Geology)