National Instrument 43-101
Technical Report

on the

La Gitana Gold-Silver Property
Oaxaca State, Mexico

for

INOMIN MINES INC
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Vancouver, B.C., Canada V6C 3A6

by

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10 September 2020

1.0 Executive Summary

<u>Property Description</u>: At the time of this report the La Gitana Property (the "Property") consists of one mineral concession (494.2 ha), San Carlos, granted by the Direccion de Mineria de Mexico registered with Title Number 228417.

<u>Location:</u> The Property is located in the municipality of San Carlos Yautepec, district of Yautepec, in the eastern part of Oaxaca State in southern Mexico.

<u>Ownership:</u> Ownership of the Property since 1999 changed from Wheaton River Minerals Ltd to Goldcorp Inc to Chesapeake Gold Corp to Gunpoint Exploration Ltd to Inomin Mines Inc. Subject to an agreement (4 August 2020) with Gunpoint Exploration Ltd, a 100% ownership of the Property was purchased by Inomin Mines Inc subject to a pre-existing 3% NSR to Rassini, S.A.B. de C.V. of Mexico.

<u>Property History</u>: All exploration activities reported on were completed by Chesapeake Gold Corp from 2003 to 2006. Exploration programs on the Property included soil geochemistry, geological mapping, rock and channel sampling, IP, and diamond drilling.

Two HQ-size core drilling campaigns were completed on the Property from 2005 to 2006. The initial stage was helicopter-supported program (13 holes) and the second phase was a conventional bulldozer supported program (25 holes).

The diamond drilling programs tested a one kilometre strike of the system and confirmed the existence of gold-silver mineralization in a zone 400 to 500 metres long, 50 to 150 metres wide and 50 to 300 metres deep, with grades ranging from 0.25 to 27.8 g/t gold and 5 to 2330 g/t silver. The potential quantity and grade of mineralization is currently conceptual in nature due to the insufficiency of drill density to define a mineral resource and currently it is uncertain if further exploration will result in the target being delineated as a mineral resource.

<u>Geology:</u> The Property is hosted in the Oligocene-aged Lower Volcanic Sequence. It is located in a volcanic massif, in a region formed by Tertiary-aged bimodal volcanism consisting of subvolcanic stocks, calderas and domes.

<u>Mineralization</u>: Alteration (consisting mainly of silicification) and mineralization are northwest trending structurally controlled, hosted in rhyodacitic rocks and volcaniclastic sediments. Gold-silver mineralization is indicative of a low sulphidation epithermal system associated with multistage quartz breccia-veins, quartz stockworks and disseminations. The Property hosts two subparallel northwest trending corridors.

The main structure is a quartz breccia-veins and stockwork system which has been traced for more than 1.4 kilometres up to 300 metres wide and a vertical extension of approximately 400 metres. Structures dip steeply between 70° and 90°. Gold and silver are present as electrum and acanthite within the quartz.

A second, less developed zone, is located approximately 300 metres to the southwest of the main zone, as defined by soil geochemistry, channel sampling, and minimal drill testing.

<u>Conclusions and Recommendations</u>: Gold-silver mineralization remains open to the southeast and at depth from previously tested areas. The next recommended phase of exploration, including drillhole confirmation and airborne magnetics is estimated to cost $57,000.

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2.0 Introduction

This report summarizes the historical exploration activities completed to present on the La Gitana gold-silver Property ("Technical Report") and provides an evaluation of the exploration potential of the Property. The technical report was prepared under the terms set out in the NI43-101 standard at the request of Inomin Mines Inc. ("Inomin"), a public company whose shares are listed for trading on the TSX Venture Exchange under the symbol MINE.

This report is co-authored by L. John Peters, P.Geo, a director of Inomin and Andris Kikauka, P.Geo, independent geologist. The authors are Qualified Persons as defined by the Canadian Securities Administrators' ("CSA") National Instrument 43-101, Standards of Disclosure for Mineral Projects, according to the format and content specified in Form 43-101F1, Technical Report. Mr Kiauka takes full responsibility as an independent Qualified Person for this report.

2.1 Purpose of Report

The purpose of this report is to summarize the geological, geochemical, geophysical, and drilling data for evaluation of the La Gitana Property as of the effective date (10 September 2020). The report is intended to meet Inomin's disclosure obligations in accordance with the requirements of the TSX Venture Exchange and other regulatory organizations. This report may also be used to raise investment capital for future exploration.

2.2 Sources of Information

The sources of historical information and data used in the preparation of this report are referenced in Section 20 (References). Most of the technical data was taken from historic in-house geological and progress reports from Chesapeake Gold Corp. ("Chesapeake") of Vancouver, BC and Mexico Geological Survey public data. In 2006, A. Kikauka, P.Geo, completed an independent NI43-101 technical report on the data presented in this report for Chesapeake reporting that the data collected by Chesapeake and the author himself, was found to be to industry standards or higher.

All units specified in this report are metric unless otherwise specified. All maps have been created at UTM Nad27 (Zone 15) datum, the official datum utilized by the Mexico Geological Survey.

2.3 Field Examinations

On 4 August 2020 Inomin announced the acquisition of the La Gitana Property. Due to travel restrictions related to the current Covid-19 pandemic, L. Peters has not had the opportunity to visit the Property.

Andris Kikauka, P. Geo (co-Author) was employed by Chesapeake Gold Corp. during January-February 2005 as an independent consultant at La Gitana Project. He was involved in the rocks and soils sampling program, reviewed the geological data and examined the drillcore including its sampling methods. In 1999, Mr. Kikauka also visited the La Gitana Project on behalf of Francisco Gold Corp. as part of a regional reconnaissance in Oaxaca State. Mr Kikauka was present during the several exploration stages including the sampling, mapping and drilling programs in La Gitana Project.

A review of all news releases from Chesapeake Gold Corp (“Chesapeake”) and Gunpoint Exploration Ltd (“Gunpoint”) from 2006 to present was made to ensure that no exploration or material change to the scientific and technical information about the Property had occurred since the time of Mr Kikauka’s inspection.

3.0 Reliance on Other Experts

The author has not relied on reports, opinions or statements of legal or other experts who are not qualified persons for information concerning legal, environmental, political or other issues and factors relevant to the technical report. Technical conclusions from professional geologists involved with historic surveys were reviewed and proposed where it agreed with the author’s opinions.

4.0 Description and Location of Property

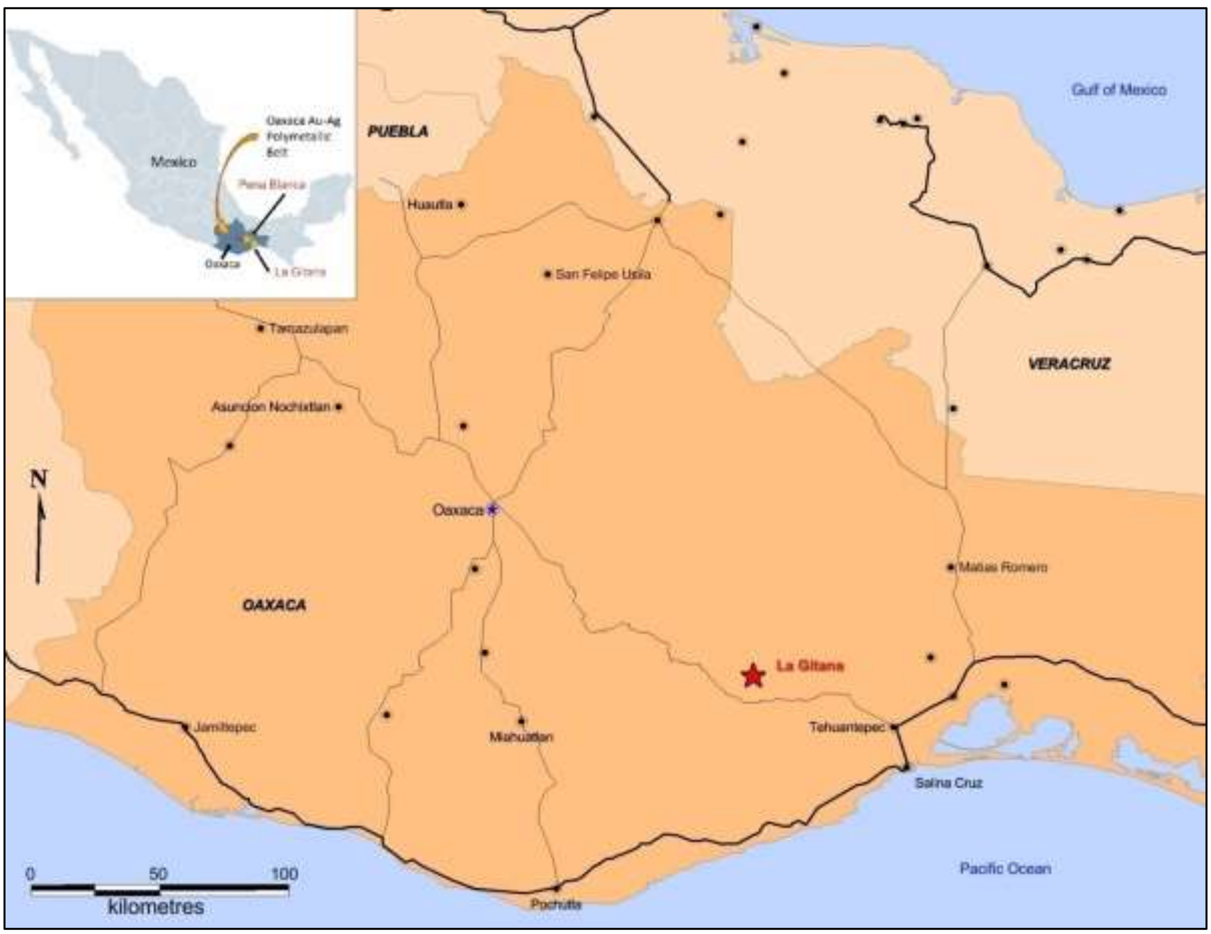

Figure 1: Location Map

The La Gitana Property is located in the eastern part of Oaxaca State, southern Mexico (Figure 1). The Property (San Carlos) is located at latitude 16°30’ N and longitude 95°44.7’ W or UTM (Nad27 Z15) 206930E and 1826250N, approximately 120 kilometres (“km”) southeast of Oaxaca City, the state capital. The Property consists of one 2006 exploitation licence (228417) encompassing 494.2 hectares (“ha”) issued in 2006 to Desarrollos Mineras

San Luis S.A de C.V. (a wholly owned Mexican subsidiary of Goldcorp Inc) and valid to 2049.

Oaxaca State is located in southwestern Mexico bordered by the states of Guerrero to the west, Puebla to the northwest, Veracruz to the north, and Chiapas to the east. To the south, Oaxaca has a significant coastline on the Pacific Ocean. Oaxaca State is one of the 32 states that compose the Federative Entities of Mexico. It is divided into 570 municipalities, of which almost three quarters (418) are governed by a traditional system of self-governance. The La Gitana property is located in the Municipality of San Carlos Yautepec in the district of Yautepec.

On 4 August 2020 Inomin announced an agreement with Gunpoint to acquire a 100% interest in both the La Gitana and Pena Blanca gold-silver properties (Figure 2). Pena Blanca, not a subject of this report, is located approximately 15 km northwest of La Gitana.

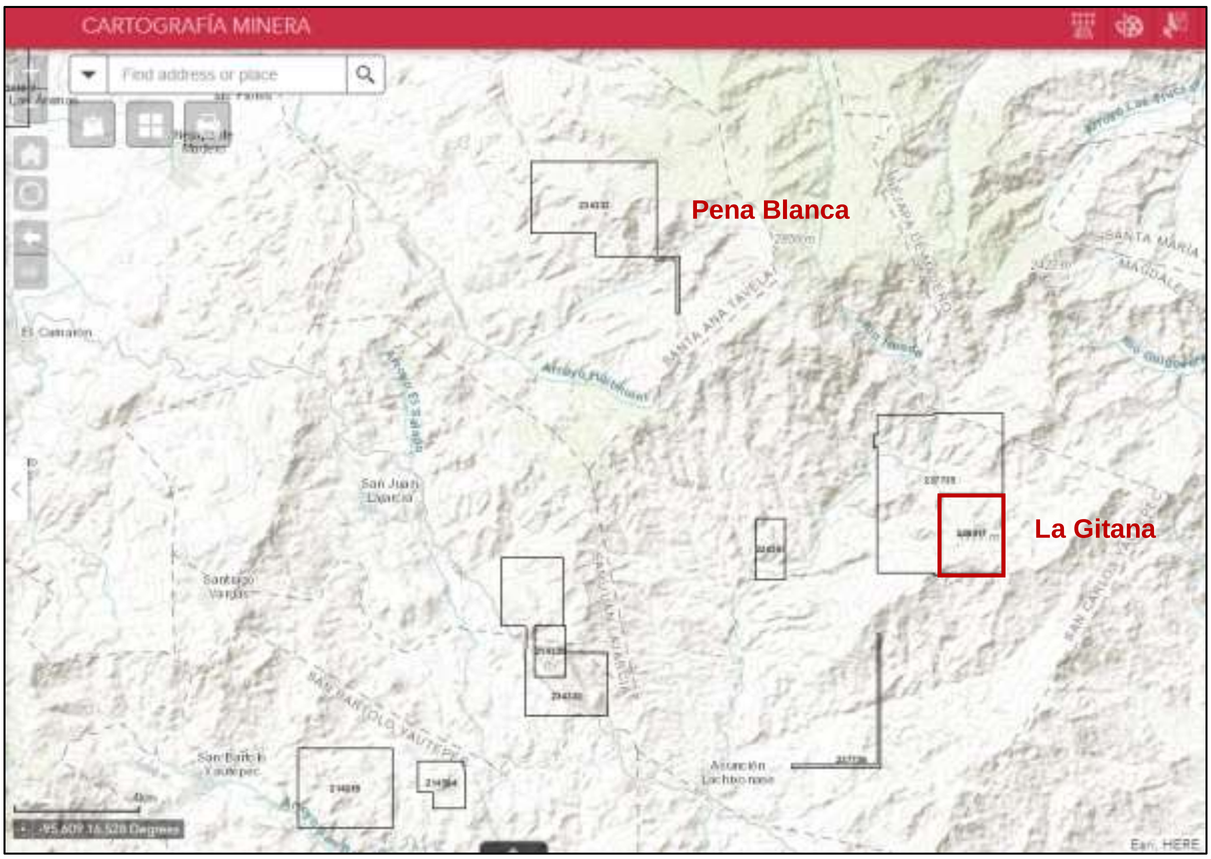

Figure 2: Regional Concession Map (CartoMinMex website, 7 September 2020)

Subject to acceptance by the TSX Venture Exchange, Inomin is acquiring a 100% interest in both the La Gitana and Pena Blanca properties for 1,000,000 common shares of Inomin, $25,000 cash, and the grant of a 1.5% NSR payable to Gunpoint on the Pena Blanca property (with an option for Inomin to purchase 0.5% of the NSR at any time for $1,000,000). La Gitana is subject to an existing 3% NSR previously mentioned which will be assumed by Inomin. Inomin intends to conduct exploration activities through its wholly owned Mexican subsidiary Minera Rio Dorado S.A. de C.V.

Although an exploration concession from the Direccion de Mineria de Mexico enables the holder to conduct reconnaissance, exploration, or mining, the concession does not include direct ownership or possession rights over the surface where a mining concession is located. On the La Gitana concession the surface rights belong to the community of Santa Maria Lachixonace. Although the surface area of the Property is owned by the community, individual landowners do not currently use or occupy the land. Community approval will be required prior to exploration activities moving forward.

In accordance with the Mexican Mining Law, mining activities should be preferred over any other use or exploitation of the land where the mining concessions are located and its mining regulations provide rules under which a mining concession holder may require the expropriation or temporary occupation of the land when it does not reach an agreement with the landowner. Inomin is currently engaged in discussions with the land owners.

Prior to exploration an environmental permit will need to be acquired from the Secretaria de Medio Ambiente y Recursos Naturales de Mexico (SEMARNAT). The applicable regulation, Norma 120-SEMARNAT-2011, requires a report, Informe Preventivo en Materia de Impacto Ambiental, that includes descriptions of the ground surface, mining/exploration history, surface ownership, mineral tenure, and the proposed exploration program. Certified written permission from surface owners must accompany the report when tendered to SEMARNAT's delegation in Oaxaca City. Once submitted, SEMARNAT is required to respond to the application within one calendar month. There is no known or anticipated obstacle to obtaining the SEMARNAT permit for the La Gitana property. The environmental permit is required to be renewed every 6 months depending on the upcoming scheduled exploration work. At this time, there are no known environmental liabilities associated with the Property.

To maintain a mining claim in good standing, holders are required to provide evidence of the exploration and/or exploitation work carried out on the claim under the terms and conditions stipulated in the Mining Law, and to pay mining duties established under the Mexican Federal Law of Rights, Article 263. Exploration work can be evidenced with investments made on the lot covered by the mining claim, and the exploitation work can be evidenced the same way, or by obtaining economically utilizable minerals. Chapter 2, Article 59 of the Mexican Law Regulation (2012) indicates the minimum exploration expenditures or the value of the mineral products to be obtained. Holders of concessions are also required to pay 7.5% of the net income of the sale of minerals extracted plus a 0.5% royalty on the sale of gold, silver or platinum.

5.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

La Gitana is road accessible by 4-wheel drive vehicles. From Oaxaca City drive southeast (approximately 3.5 hours) 172 km towards Tehuantepec on Highway 190 to the village of Santa Maria Lachixonace (Rio Hondo). At this junction, a 22.5 km terraced road heading north is taken to the Rancheria de Los Ranchos, then the remaining 16 km to access the Property is taken on a dirt road created by Chesapeake in 2005. During the rainy season the off-highway road needs to be maintained for site access.

The weather is dry and semi-hot with a rainy season of five months starting in May and ending in November. The temperatures range from 15 to 35 degrees Celsius depending on the different seasons of the year. Work can be completed on the Property year round, however, the rainy season does pose logistical issues.

Historically, local water springs supplied sufficient water to supply a 50 – 100 person camp. During the non-rainy season, water for drilling purposes was pumped from a river located 2 km away.

Local hydro power is available at the highway junction, 40 km south of the Property. Power at the Property during previous exploration activities was supplied by portable generators.

Historically, local labour and services were contracted from the village of Rio Hondo, located approximately 40 km south of the Property. Qualified and technical personal were hired from outside the municipality.

In 2005, Chesapeake constructed an onsite camp, helicopter pads in the camp and along the water source, and 16 km of access road as well as 7 km of drill access trails. The current property size may not be large enough at this time to accommodate future mining operations, however, open land exists to the south and east of the Property that can be applied for when the scope of exploration requires it.

Figure 3: Physiography of the La Gitana Property (Google Earth Image, 2016)

According to the physiographic chart edited by the Directorate General of Geography of the National Territory (1981), the La Gitana Property is located in the physiographic province of the Sierra Madre del Sur. The Sierra Madre del Sur runs along the coast with an average width of 150 km and a minimum height of 2,000 metres ("m") above sea level ("asl") with peaks over 2,500 m asl (Figure 3). Local terrain is mountainous displaying abrupt topographical changes deeply dissected by tropical weathering with elevations ranging from 700 to 1800 m asl.

In the Oaxacan territory there are eight hydrological regions, which comprise the basins of several important rivers in terms of their length and flow. The Property is located in the hydrological region of Tehuantepec located in the Tehuantepec Isthmus area.

Vegetation at the Property ranges from semi-desert plants such as palms, cacti, acacias and bushes at lower elevations to forests containing oaks and white pines at upper elevations.

6.0 History

In the early 1500's, soon after the fall of Mexico City, Spaniards led by Cortez arrived in Oaxaca after being informed that the area had gold. Several captains and representatives of Cortez were sent to the area looking for gold as well as routes to the Pacific to establish trade routes to Asian spice markets.

The Property area was initially exploited by British and Mexican artisanal miners during the nineteen century around 1813. The work was concentrated in silver bearing narrow veins of the Gitana vein structure. Staking and more modern methods of exploration was carried out during the 1980`s and 1990`s by individual prospectors and mining companies. Mention of old workings including a 5-ton steam donkey, heavy jacklegs, several small-scale adits, trenches, and pits on the Property were noted prior to Chesapeake's involvement (Kikauka, 1999).

In 1997 Kennecott visited the Property and reported a channel sample grading 0.65 g/t Au and 30 g/t Ag over 153.5 m (Robles, 97).

In 1999 a property license (210183) was issued by the Direccion de Mineria de Mexico to Luismin S.A. de C.V. (a wholly owned Mexican subsidiary of Wheaton River Minerals Ltd ("Wheaton River").

In 2002 a 3% NSR was granted to Corporacion Turistica San Luis S.A. de C.V.

In 2003 Wheaton River, through its Mexican subsidiary, optioned a 75% interest in the Property to Minerales El Prados S.A. de C.V. (a Mexican subsidiary of Chesapeake) subject to the 3% NSR payable to Corporacion Turistica Sanluis S.A. de C.V.

In 2004 Goldcorp Inc purchased Wheaton River and its subsidiaries.

In 2006 a new exploitation licence was issued (228417) covering the same ground as the previous license encompassing 494.2 hectares ("ha"). The license was issued to Desarrollos Mineras San Luis S.A. de C.V. (a wholly owned Mexican subsidiary of Goldcorp Inc), valid to 2049.

In 2012 Chesapeake completed the terms of the option agreement and vested 75% in the Property.

In 2019 the remaining 25% of ownership was transferred to Chesapeake via its Mexican subsidiary, subject to the underlying royalty. In 2020 Chesapeake transferred their interest to Minera CJ Gold S.A. de C.V. (a wholly owned Mexican subsidiary of Gunpoint Exploration Ltd. ("Gunpoint")).

Ownership of the Property since acquisition in 1999 changed from Wheaton River to

Goldcorp to Chesapeake to Gunpoint to Inomin. Only Chesapeake has recorded exploration on the Property from 2003 to 2006 as detailed in Section 9 of this report.

7.0 Geological Setting and Mineralization

7.1 Regional Geology

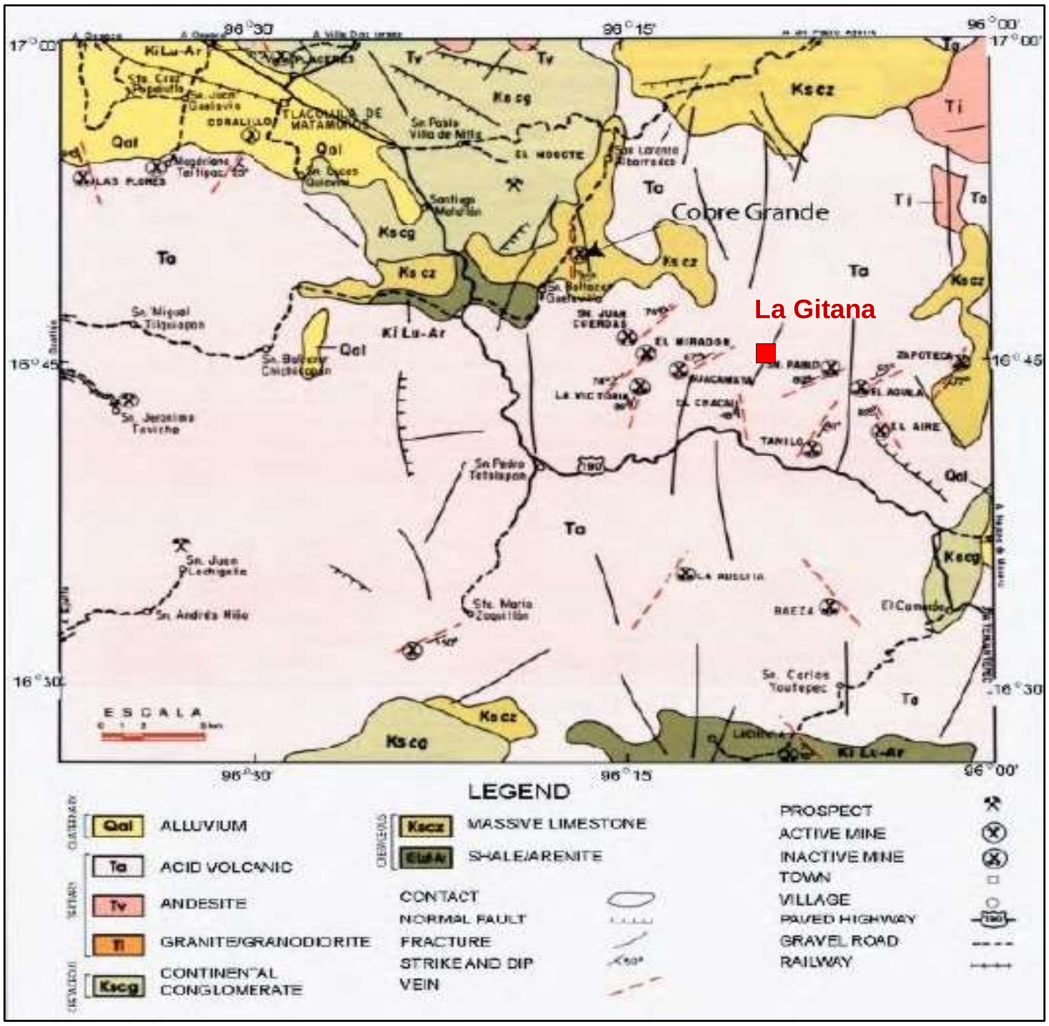

Figure 4: Regional Geology (GeoInfoMex website)

The western region of the Tehuantepec Isthmus in eastern Oaxaca is characterized by the boundary between two major tectonic blocks, the Maya block to the northeast and the Oaxaca block to the southwest, both parts of the North American tectonic plate (Figure 5).

This boundary is composed of several regional faulting systems with a northwest orientation such as Vista Hermosa-Rio Grande, Villa Alta and Tehuantepec.

The La Gitana district is located in Tertiary volcanic rocks of the Cuicateco terrain part of the Oaxaca block, associated to secondary northwest trending faults, parallel to the regional Tehuantepec dextral strike slip faulting system where bimodal volcanism was developed.

Lithologies in the La Gitana district consist of minor Jurassic red beds, Cretaceous limestones, and Tertiary granodiorites as a basement. Intruded and covered by Tertiary intrusive rocks and andesites, dacites and rhyodacites associated to dome complexes, thin syenitic to basaltic tuffs and flows probably of upper Tertiary to Quaternary-aged are the more recent volcanic rocks in the sequence (Figure 4).

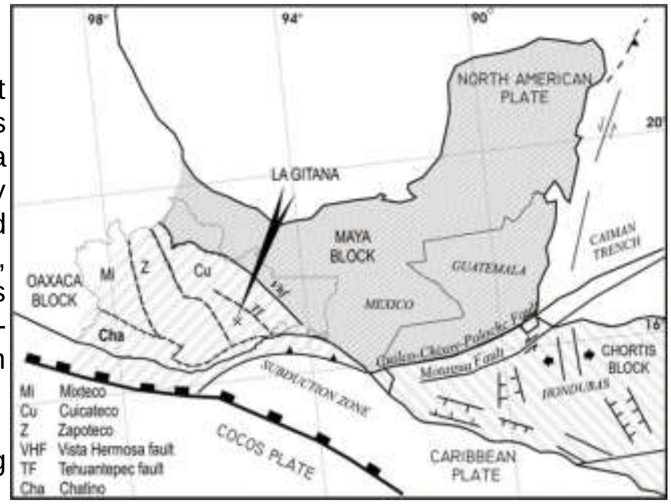

Figure 5: Structural Setting

Occurrences of porphyry, skarn, pollymetallic replacement, and epithermal systems have all been found in the region.

7.2 Property Geology

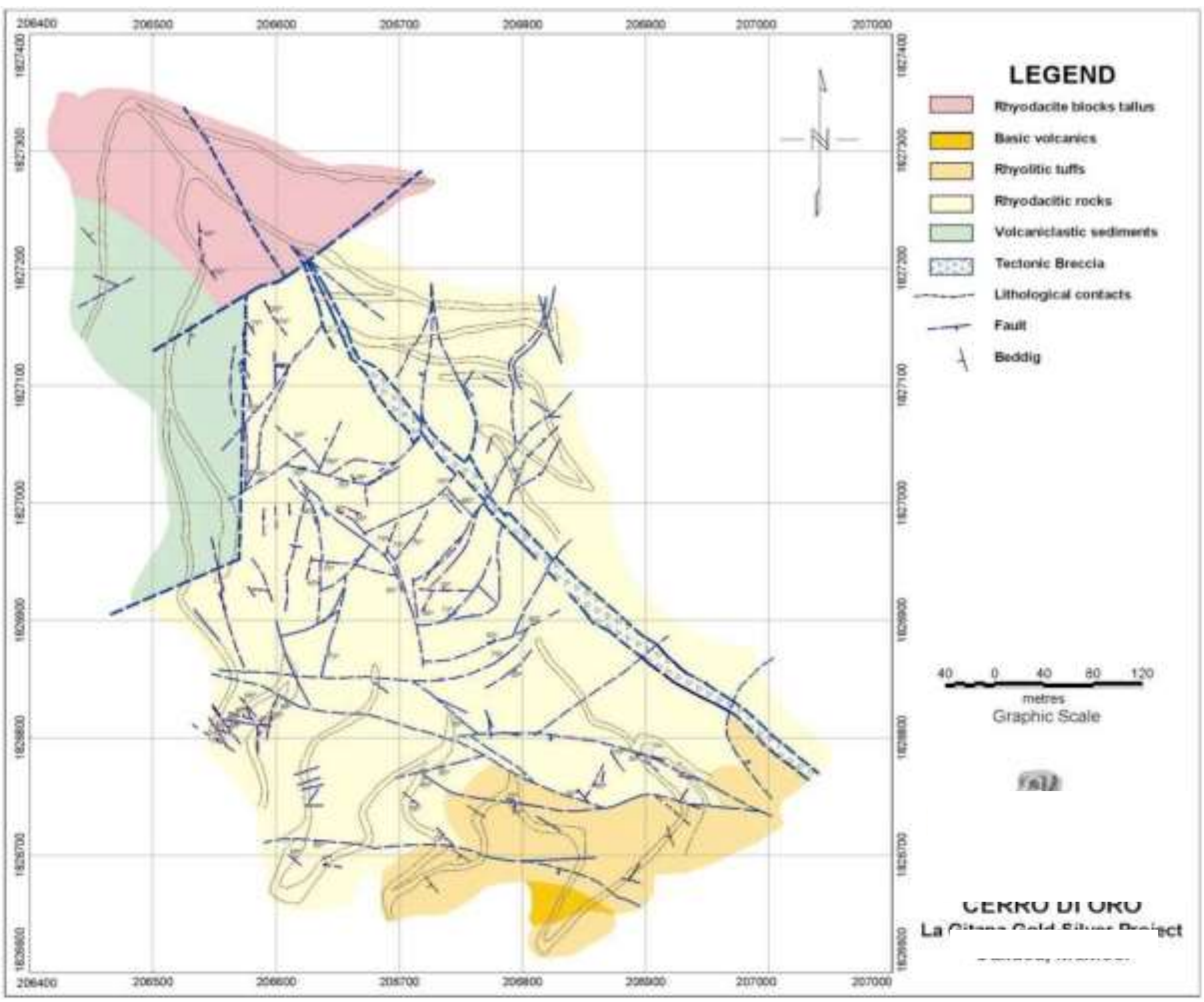

Figure 6: Property Geology (Galicia, A, 2005)

The Property is hosted in the Oligocene-aged Lower Volcanic Sequence. It is located in a volcanic massif, in a region formed by Tertiary-aged bimodal volcanism consisting of subvolcanic stocks, calderas and domes. Lithologies are described below from oldest to most recent. Figure 6 illustrates the extent of geological mapping on the Property. The entire mapped portion on Figure 6 is wholly within the boundaries of the Property.

Oligocene Tertiary-aged andesite-dacite: The oldest rocks on the Property, this unit can be seen in lower elevations (mostly stream beds). The unit consists mainly of plagioclase porphyritic (fine to medium grained) andesites, andesitic breccias, and aphanitic andesites.

Tertiary-aged volcaniclastic sediments: These flat dipping units consist of well bedded heterolithic breccias, volcanic pebble conglomerates and bedded andesitic to dacitic sandy and silty tuffs.

<u>Gold Hill Complex</u>: This geological group is composed of dacite-rhyodacite flows, rhyolite flows, and andesite tuffs and agglomerates.

Oligocene Tertiary-aged rhyodacitic complex: Consisting of light green coloured rhyodacite dykes, plugs, breccias and flows over a thickness of approximately 200 m, this unit is evident in outcrop over most of the area mapped. Flow banding varies from vertical in the plugs and dykes to sub-horizontal in the distal parts of the flows.

The rhyodacite has medium to coarse grained texture, rich in potassium feldspar crystals and/or plagioclase, biotite, quartz, hornblende, magnetite, and abundant quartz eyes in a flow banded fine grained groundmass with abundant concentrations of silica. Textures vary from coarse porphyritic to aphanitic.

This rock unit hosts most of the known gold-silver mineralization on the Property.

Oligocene Tertiary-aged rhyolitic tuffs and pyroclastic rocks: Bedded pale purple rhyolitic tuffs, welded tuffs and pyroclastic breccias overlay the main rhyodacitic complex. These rocks likely represent the late events of rhyodacitic volcanic activity of the dome complex.

The rhyolitic tuffs, silicified and altered by hydrothermal fluids, crop out in the upper topographic zones. Light grey to pale pink medium to coarse grained, angular rhyolitic ignimbrite flows to 200 m thick occur widely in the southern portion of the Property occurring as flows and dykes. These rocks usually have a fluid and settlement texture with crystals of quartz, biotite and potassium-rich feldspar and/or plagioclase, which are observed completely rotated and affected by flows rich in silica and potassium feldspar as well as pyroxene and magnetite, which are partially and/or totally altered in some areas to hematite.

(Oligocene?)-aged Post Mineral Volcanic Rocks: Consisting of syenitic to basaltic mafic flows within sub-horizontal beds, this post-mineral unit overlays the altered and mineralized felsic rocks. Locally, this rock unit can be found as narrow dykes cross-cutting older volcanic rocks. It is common to observe collations of andesitic and sandy to laminar stratification in areas near the base of the volcanic sequence. This unit occurs in the southern portion of the mapping area.

Rocks are light to dark brown, consisting of andesitic and basaltic composition flows with thicknesses typically of less than 10 m. Pyroxene and magnetite minerals scattered in the matrix are common. No alteration and/or mineralization of economic interest have been found in this unit to date.

7.3 Structural

Main structures in the La Gitana Property have a N30°W to N60°W strike with dips ranging from 60° NE or SW to vertical. These structures have been conduits for volcanic feeder dykes and sub-volcanic plugs related to the dome complex. The northwest trending faults appear to be the principal controls and feeder structures of the epithermal precious metals mineralization (Kikauka, 2006). The epithermal system has been traced for several kilometres along strike.

Secondary, mainly post-mineralization, faulting systems have been recognized at the La Gitana. The most important are the NE-SW trending features with normal and strike slip movements that have displaced the mineralized corridors horizontally and vertically.

Other secondary N-S faulting systems identified on the Property have also created minor displacements of the mineralized bodies.

7.4 Alteration and Mineralization

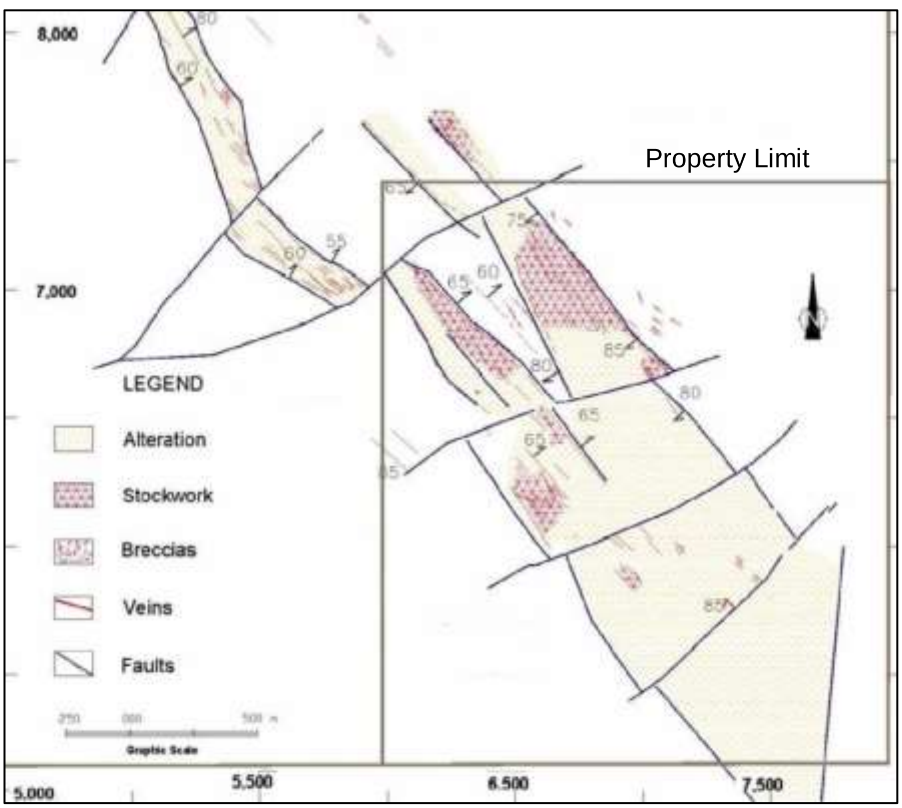

Figure 7: Alteration and Mineralization

The main type of alteration on the Property is silicification. Widespread massive low temperature silica has replaced much of the rhyodacitic flows, breccias and dykes. The controls of mineralization are predominantly structural with northwest trending faults and related fracturing zones being the main permeable conduits for the introduction of the hydrothermal fluids into the host rocks resulting in quartz breccia-veins and the quartz stockworks.

Argillic alteration occurs as a restricted envelope (smectite-illite) bounding the silicification, and in some cases is the result of the leaching of sulphides disseminated in the rocks (clay-limonite). Propyllitization, mainly chloritic and pyritic, some calcite and minor epidote are present at the external limits of the corridor.

Apart from the fractured zones related to veining (primary system), a secondary system of veinlets of the quartz stockworks are often controlled by the flow banding and pseudo-bedding planes of the rhyodacitic flows forming a normal crosscutting pattern.

Disseminated mineralization is controlled by permeable lithologies such as volcanic breccias, volcaniclastic conglomerates and tuffs.

Mineralization consists of gold-silver bearing quartz breccia-veins, quartz stockworks and disseminations. The breccia-veins are the epithermal feeders of the mineralization and have multistage banded- collophorm, comb-drussy, chalcedonic and crystalline amethyst quartz. Pyrite, arsenopyrite and acanthite are associated with the quartz dependant on the different veining stages. Breccia-vein widths range from 1 to 3 m but are often arranged as swarms. Gold values in drill core ranged from below detection level to a high of 27.8 g/t Au and 2,330 g/t Ag.

Quartz stockworks occur coincident with the breccia-veins. The quartz stockwork veinlets are multistage, have the same textural characteristics and quartz types of the breccia-veins, and also host sulphides. The extension of the quartz stockwork zone is several tens of metres wide.

Disseminated mineralization has been detected in several zones up to 50 m wide consisting of disseminations of fresh or oxidized sulphides in permeable volcaniclastic rocks including tuffaceous and conglomeratic units and massive silicified rhyodacitic rocks.

The main structure is a quartz breccia-veins and stockwork system which has been traced for more than 1.4 kilometres up to 300 metres wide and a vertical extension of approximately 400 metres. Structures dip steeply between 70° and 90°. Gold and silver are present as electrum and acanthite within the quartz. A second, less developed zone, is located approximately 300 metres to the southwest of the main zone, as defined by soil geochemistry, channel sampling, and minimal drill testing.

Diamond drilling of 38 holes tested a one kilometre strike of the system and confirmed the existence of gold-silver mineralization in a zone 400 to 500 metres long, 50 to 150 metres wide and 50 to 300 metres deep, with grades ranging from 0.25 to 27.8 g/t gold and 5 to 2330 g/t silver. The potential quantity and grade of mineralization is currently conceptual in nature due to the insufficiency of drill density to define a mineral resource and currently it is uncertain if further exploration will result in the target being delineated as a mineral resource.

8.0 Deposit Types

Gold occurs as primary commodity in three main classifications, each including a range of specific deposit types with common characteristics and tectonic settings. These classifications are [a)]"orogenic" including vein-type deposits formed during crustal shortening of the greenstone or clastic host rock, [b)]"intrusion-related" associated with granitic intrusions sharing an Au-Bi-Te-As metal signature, and [c)]"oxidized intrusion-related" including porphyry, skarn, and high and low-sulphidation epithermal deposits all associated with high-level oxidized porphyry stocks in magmatic arcs. Other important deposit types such as Carlin, Au-rich VMS, and low-sulphidation are viewed by different authors either as stand-alone models or as members of the broader oxidized intrusion-related class (Figure 8).

Mineralization on the La Gitana property is typical of low sulphidation gold-silver epithermal systems. Low-sulphidation epithermal deposits are precious metal-bearing quartz veins, stockworks and breccias formed from boiling of near neutral pH chloride waters. During formation gold is being carried as a fire complex with sulphur, the fluids flowing up well defined structures that blossom out near the surface. A reduction in pressure or pH balance allows the fluid to boil ("boiling zone") dropping gold from the sulphidic waters. Below the boiling zone the gold will remain soluble and not be significantly deposited and above the boiling zone much of the gold has already dropped out of solution. Emplacement of mineralization takes place at depths ranging from near-surface hotspring environments to ~1 km depth.

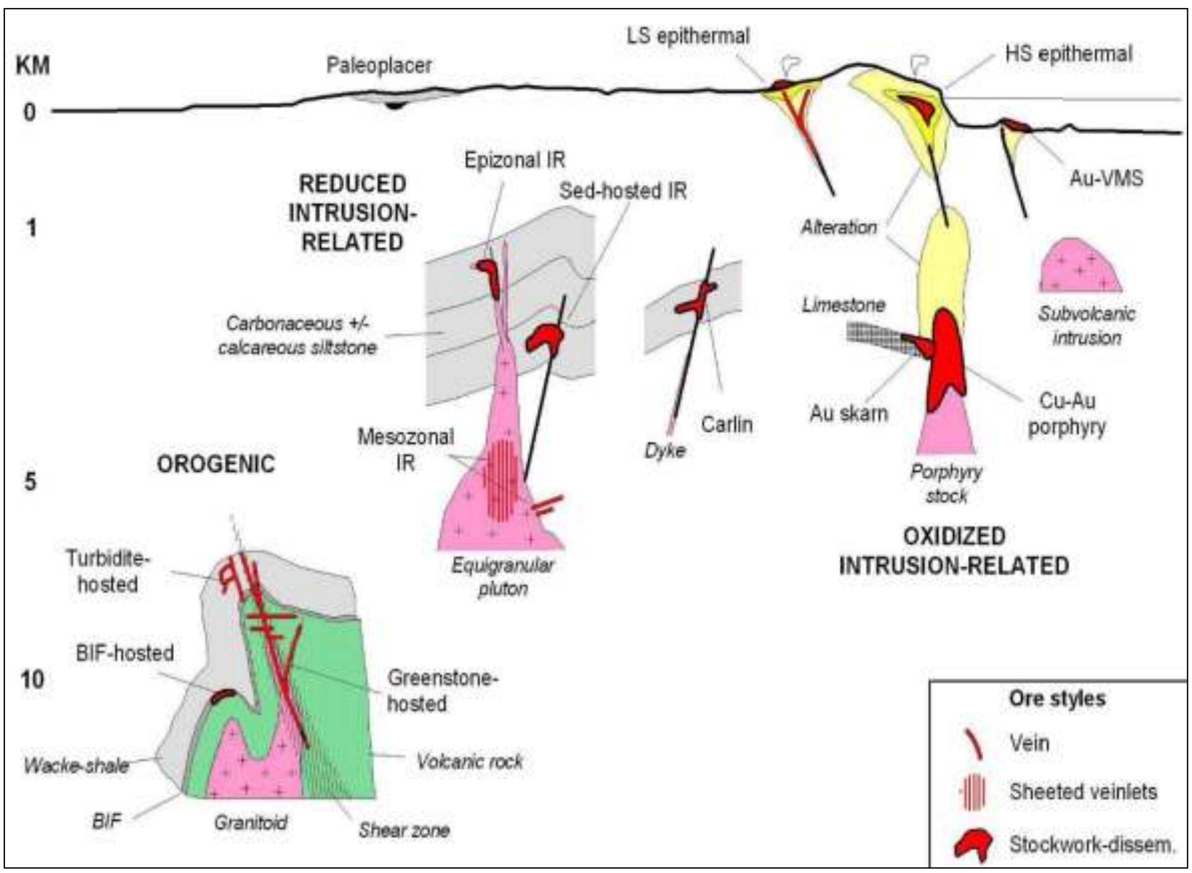

Figure 8: Schematic Cross-section of the Main Gold Systems and their Crustal Depths (Poulsen et al, 2000)

Vein mineralogy in low-sulphidation epithermal systems is characterized by gold, silver, electrum and argentite with variable amounts of pyrite, sphalerite, chalcopyrite, galena, tellurides, selenides, and rare tetrahedrite and sulphosalt minerals. Crustiform banded quartz veining is common, typically with interbanded layers of sulphide minerals, adularia and/or illite. At relatively shallow depths, the bands are collophorm in texture and millimetre-scale, whereas at greater depths, the quartz becomes more coarsely crystalline. Lattice textures, composed of platy calcite and its quartz pseudomorphs, indicate boiling. Breccias in veins and subvertical pipes commonly show evidence of multiple episodes of formation. Quartz, adularia, illite and pyrite alteration commonly surround ores; envelope width depends on host rock permeability. Propylitic alteration dominates at depth and peripherally.

Regional structural control is important in localization of low-sulphidation epithermal deposits. Brittle extensional structures (normal faults, fault splays, ladder veins, cymoid loops, etc.) are common. Veins typically have strike lengths in the range of 100's to 1000's of metres; productive vertical extent is seldom more than a few hundred metres and closely related to elevation of paleo-boiling. Vein widths vary from a few centimetres to metres or tens of metres. High-grade ores are commonly found in dilational zones in faults at flexures, splays and in cymoid loops.

Low sulphidation epithermal gold deposits share a number of characteristics. Regional settings are intra to back-arc and rift-related extensional with bimodal volcanic suites (basalt-rhyolite). Gold mineralization is hosted in extensional to strike-slip faults, structural intersections, and in some cases rhyolite domes. Veining is typically banded veins where Au<Ag with gold pathfinder (Zn,Pb,Cu,As,Hg) signatures. Alteration mineralogy shows lateral zoning from proximal quartz-chalcedony-adularia in mineralized veins to illite-pyrite to distal propylitic alteration assemblages (Figure 9).

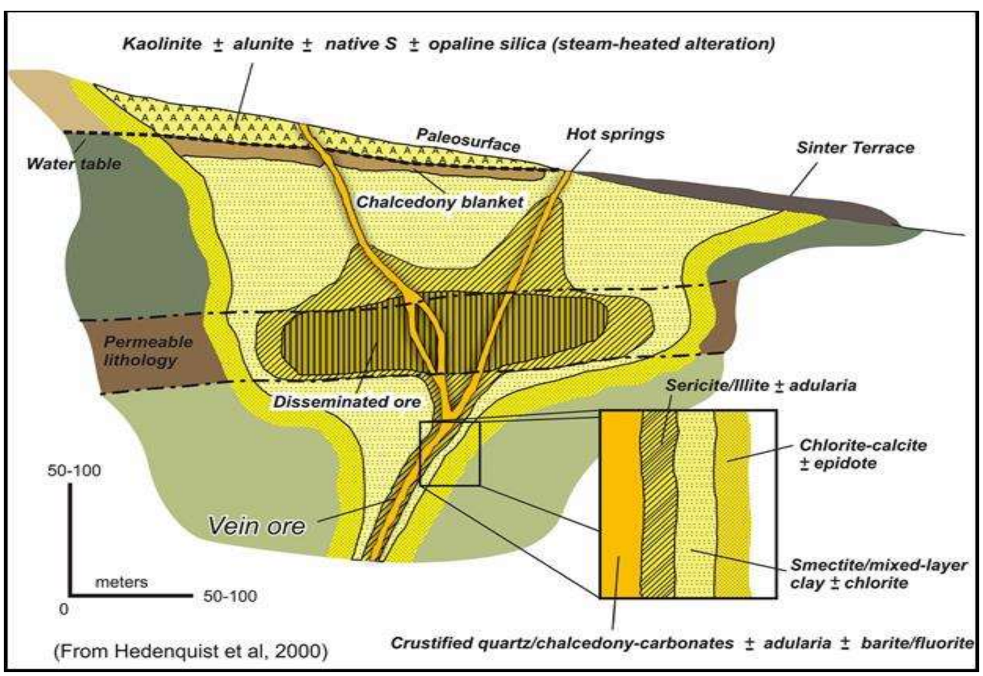

Figure 9: Cross-section of Alteration of Low Sulphidation Deposits (Hedenquist, 2000)

Vertical zoning in clay minerals vary from shallow, low temperature kaolinite-smectite assemblages to deeper, higher temperature illite. Host rock composition can also cause variations in the alteration mineral zoning pattern. Examples of low sulphidation gold deposits include the Hishikari (Japan), Round Mountain (Nevada), Pajingo (Australia), and Cerro Vanguardia (Argentina) mines.

9.0 Exploration

All units used in this Section are in metres ("m") or centimetres ("cm") unless otherwise specified. Geographic coordinates utilize UTM Nad27 Zone 15 datum.

All exploration activities in this section of the technical report, including geological, geochemical, geophysical, and drilling exploration programs completed on the Property to date between 2003 and 2006 were conducted by Chesapeake, focussing on gold and silver exploration. Inomin has not completed any exploration to date.

To support exploration activities, a 16 km road was constructed to access the Property in addition to 5 km of drill roads. A 50 man camp and core shack with storage and sampling facilities were also installed at the site.

Historical geological, geophysical and analytical data used in this report have been compiled by the authors and, to the authors' knowledge, all of the survey data reported is factual. Any data, including geochemical data that could not be verified by signed analytical certificates from accredited laboratories or that could not be backed by a signed geological report was omitted from this report.

This section summarizes the results of all exploration to date.

9.1 Soil and Rock Geochemistry

Geochemistry refers to the chemical composition and distribution of chemical elements in the biosphere (rocks, soils, water, plants, etc) and includes the study of chemical processes and reactions that govern the compositions. Geochemistry has a direct connection to the commodity that is sought. Material derived from rocks is sampled on the assumption that if the underlying rocks are enriched in metals of interest, the derived material will be too. Geoscientists may sample solid material derived directly from the rock as soil, or sediment created by the dispersion of soil into streams, or sediment on which metals transported in solution (ground-, creek- or lake-water) are precipitated, or the waters themselves. In general, the fundamental principle involves testing naturally occurring sample media for enrichment in certain elements, and tracing those elements back to their source.

Soil geochemistry: During the normal process of weathering and soil formation, trace elements present in the bedrock become incorporated into overlying residual soils. Ideally, the location and identification of these anomalies in residual soil environments represents the most straightforward and direct geochemical method of locating subsurface mineralization. The normal incorporation of metals in the soils generally results in a "fan-shaped" distribution, the near surface portion of the fan typically considerably wider than the anomaly near the rock contact. In environments where soil transport mechanisms such as glacial dispersion, landslides, alluvium, seepage, or erosion occurs interpretation is much more complicated.

To date, a total of 777 soil samples have been taken over the majority of the Property by mainly Chesapeake. Samples were taken on 50-m spaced grid lines at 50-m intervals.

All samples were integrated into a common database for property-wide coverage. Analytical results from samples sent to ALS (nee ALS Chemex) were compared with signed analytical certificates to verify their authenticity. Samples taken in 2003 and 21 samples taken in 2004 were sent to Acme Laboratory and their Mexican subsidiary Inspectorate Ltd and certificates were unavailable to verify the analytical results.

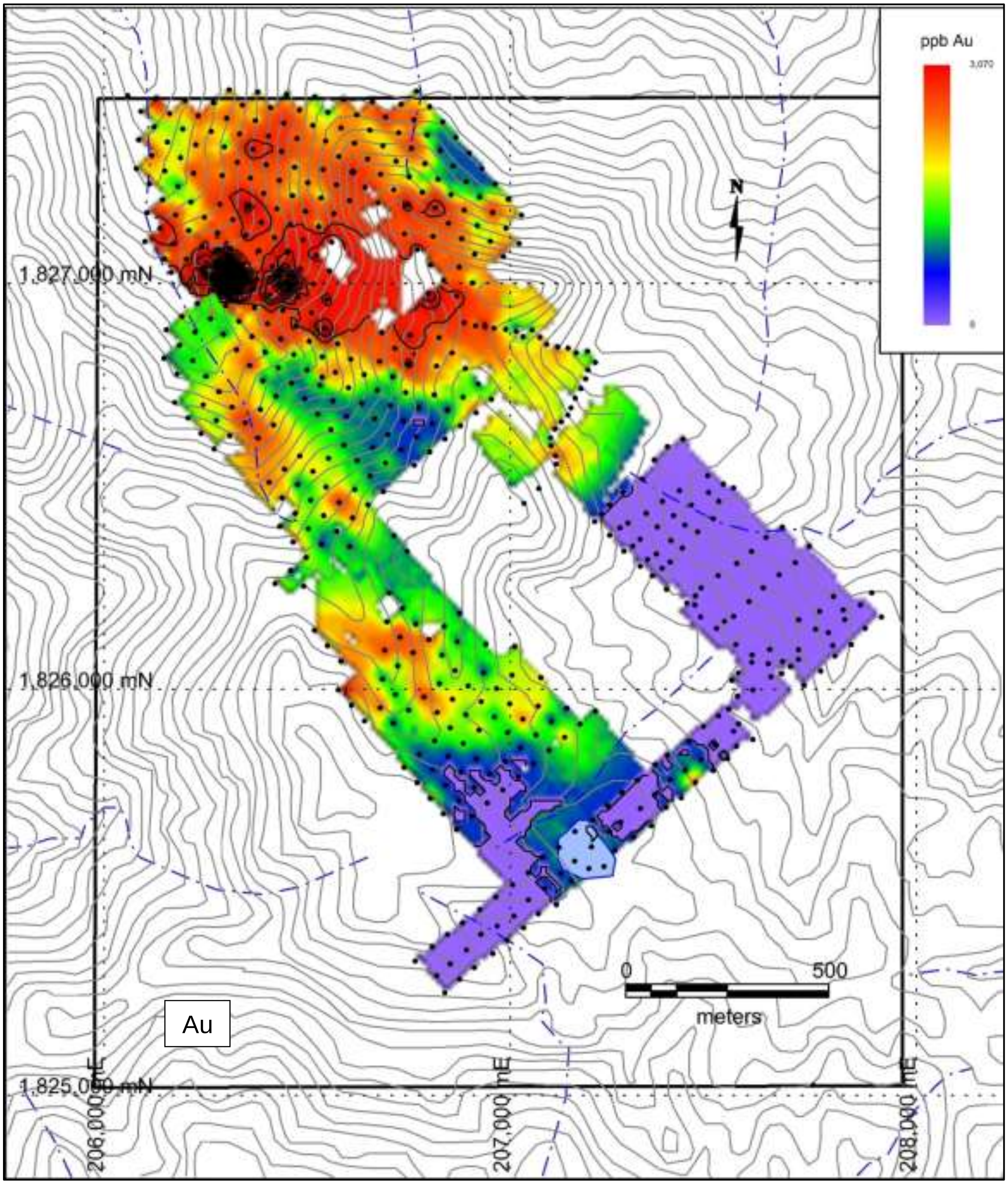

Figure 10: Gold-in-soil Geochemistry

Analytical results for all soil samples were gridded and contoured (Figures 10-12). A strongly anomalous gold-in-soils zone was delineated in the northern portion of the Property with a weaker more diffuse anomaly in the west-central portion of the Property. Gold pathfinder elements including arsenic ("As"), antimony ("Sb"), copper ("Cu"), and molybdenum ("Mo") are often used to focus on possible gold zones due to their enhanced mobility and genetic relationship with gold. Both gold zones were found to be coincident with both gold pathfinder elements and base metal distribution.

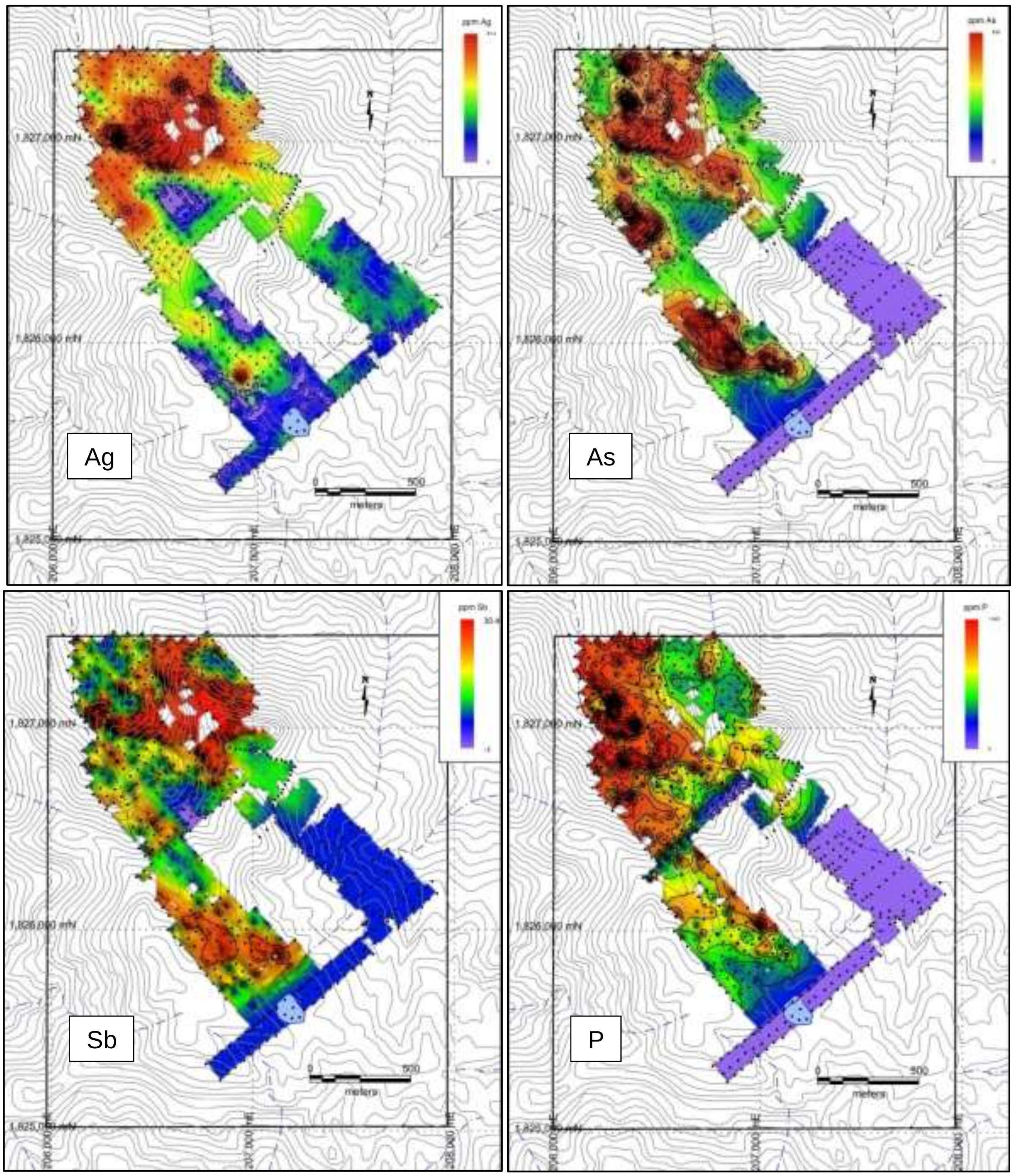

Figure 11: Gold Pathfinder Elements Soil Geochemistry

Base metals such as copper and zinc are often found below the boiling zone of gold mineralization in Low Sulphidation deposits whereas molybdenum is often associated with the gold mineralization and areas above. Zonation of concentrations of copper and molybdenum in soils in the northernmost gold anomaly suggests that to the north of the Property the deposit may be below the boiling zone. Alternatively, the southern gold anomaly is coincident with a strong molybdenum-in-soil anomaly absent of copper suggesting this area is high in the system.

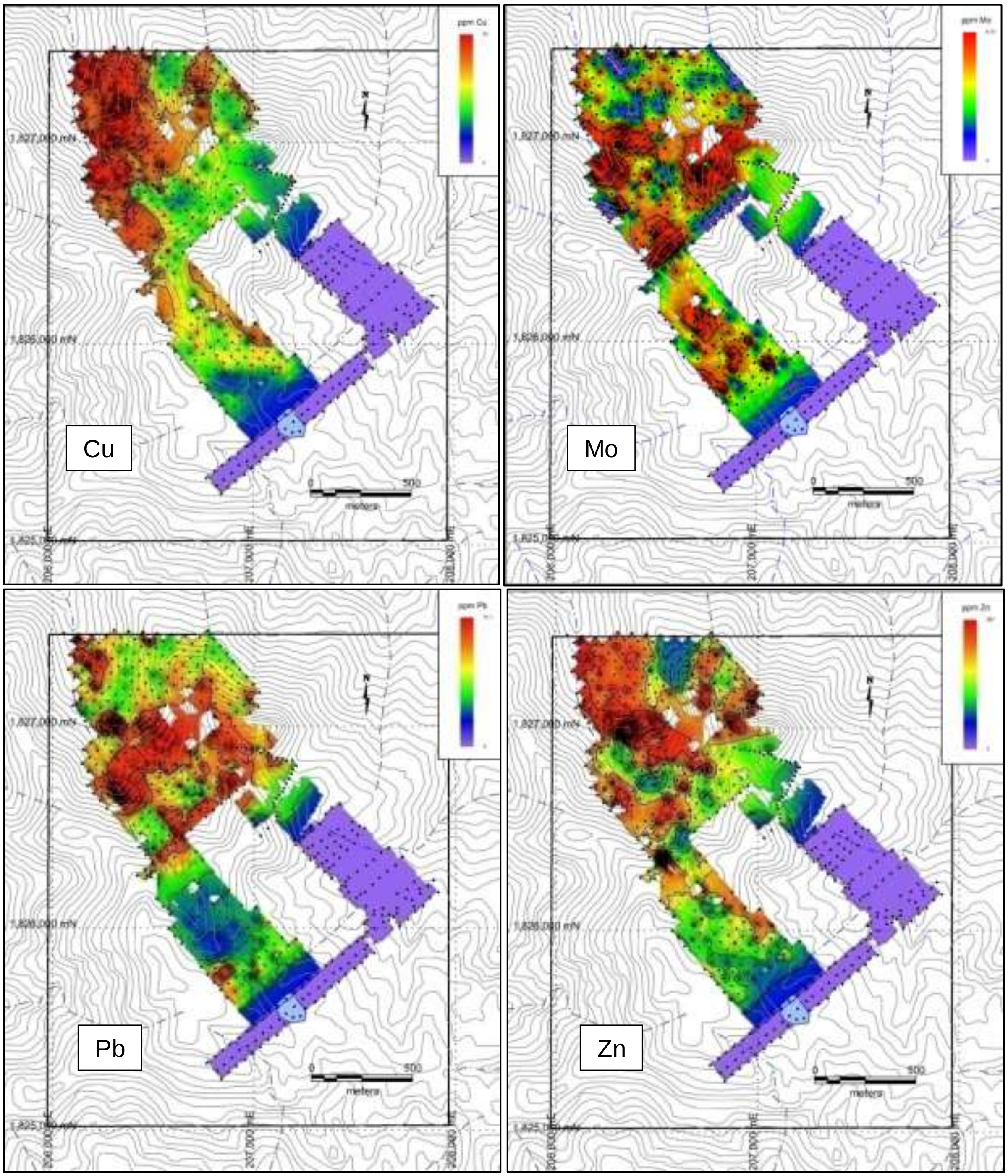

Figure 12: Base Metals Soil Geochemistry

Analytical results for phosphorus-in soils were contoured highlighting the volcaniclastic region of the Property.

The continuous lack of grade in the southeastern portion of the soils grid is resultant of the lack of multi-element geochemistry of samples taken in this area.

Correlation coefficients; A correlation coefficient is a statistical measure of the degree to which changes to the value of one variable predict change to the value of another. In positively correlated variables, the value increases or decreases in tandem. In negatively correlated variables the value of one increases as the value of the other decreases. Correlation coefficients are expressed as values between +1 and -1. A coefficient of +1 indicates a perfect positive correlation: A change in the value of one variable will predict a change in the same direction in the second variable. A coefficient of -1 indicates a perfect negative correlation: A change in the value of one variable predicts a change in the opposite direction in the second variable. Lesser degrees of correlation are expressed as non-zero decimals. A coefficient of zero indicates there is no discernable relationship between fluctuations of the variables.

Correlation coefficients between gold, silver, base metals, and common gold pathfinder elements from the 777 samples were calculated and are illustrated in Table 1.

Au	1.000						
Ag	0.178	1.000					
Cu	0.031	0.460	1.000				
Pb	-0.008	0.159	0.668	1.000			
Zn	0.039	0.404	0.420	0.303	1.000		
As	0.039	0.007	-0.076	-0.073	-0.050	1.000	
Sb	0.187	0.363	0.142	0.103	0.069	-0.031	1.000
	Au	Ag	Cu	Pb	Zn	As	Sb

Table 1: Correlation Coefficients for Multi-element Soil Geochemistry

Overall, gold was found to have weak to absent correlations with all elements analyzed for except for weak correlations with silver and antimony. Silver correlates well with antimony, zinc and copper with a weak correlation with lead and gold. Copper correlates well with other base metals.

Rock geochemistry: Rock geochemistry consists of selecting rocks in the field to be sent for laboratory analyses to ascertain any valuable material. Rocks are generally selected in promising locations, broken to allow observation on a clean surface where rock type and alteration described by the sampler, and finally forwarded to the laboratory. Three types of rocks samples were taken; 1)grab samples are samples broken from outcroppings or subcrops believed to not have travelled from its source, 2)float samples are selected from boulders or angular rock situated in the surface tills or soils and that have travelled an unknown distance, and 3)chip and channel samples are samples that are created as a uniform composite of insitu bedrock material across a recorded distance.

Of the reported 2,778 rock samples taken in and around the Property, only 887 rock samples are presented in this report, of these 477 were chip samples, 258 were channel samples (series of continuous chip samples), 146 were grab samples, and 6 samples were taken from talus or boulders. The remaining samples in Gunpoint's database were either taken off the Property, did not have associated geographical locations, or did not have supporting analytical certificates for corroboration.

Multi-element laboratory analyses was completed on most rock samples. Samples locations with results for gold are illustrated on Figure 13. Numerous gold-rich samples were taken from the main northern anomaly, as defined by the soil geochemistry. Although the southern Au-in-soil geochemical anomaly had anomalous gold in rocks, most of the sampling returned gold values <1 g/t Au. Channel sampling in the southeastern portion of the Property returned numerous values greater than 2 g/t Au in an area where soil geochemical data was missing.

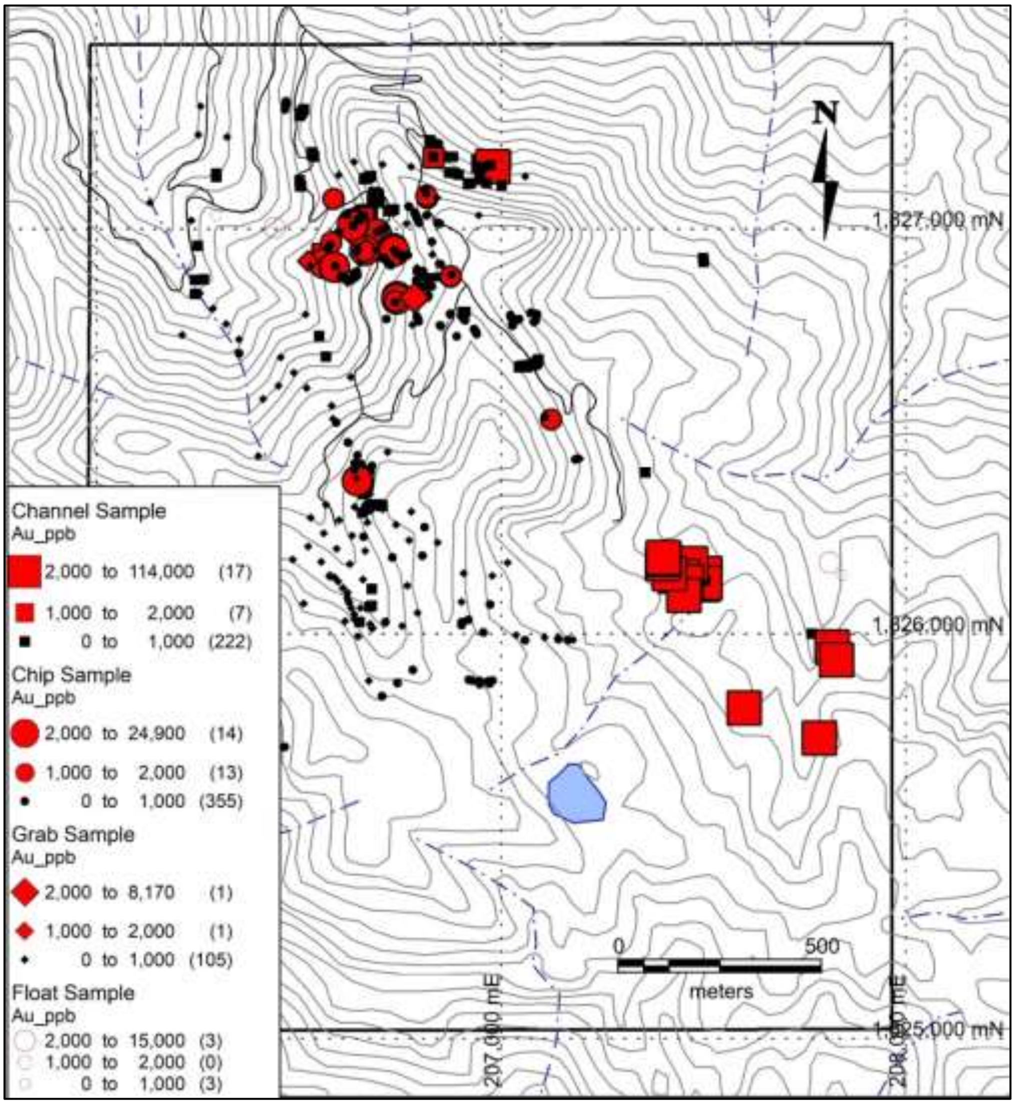

Figure 13: Rock Sampling Illustrating High Gold Samples

Correlation coefficients between gold, silver, base metals, and common gold pathfinder elements from the 887 samples were calculated and are illustrated in Table 2. Gold was found to have a weak correlation with silver and antimony. Silver was found to have a moderate affinity with copper, zinc, and antimony. Copper was found to have a moderate correlation with zinc and lead. Arsenic did not correlate with any of the elements analyzed for.

Au	1.000						
Ag	0.178	1.000					
Cu	0.031	0.460	1.000				
Pb	-0.008	0.159	0.668	1.000			
Zn	0.039	0.404	0.420	0.303	1.000		
As	0.039	0.007	-0.076	-0.073	-0.050	1.000	
Sb	0.187	0.363	0.142	0.103	0.069	-0.031	1.000
	Au	Ag	Cu	Pb	Zn	As	Sb

Table 2: Correlation Coefficients for Multi-element Rock Geochemistry

9.2 Geophysics

Geophysics is a subject of natural science concerned with the physical processes and properties of the Earth and its surrounding space environment, and the use of quantitative methods for their analysis. Geophysical applications include measuring gravitational effects, magnetic fields, and electrical conductivity produced by differing rock types and their internal structure and composition.

Magnetics: The magnetic survey method exploits small variations in magnetic mineralogy among rocks. Measurements are made using fluxgate, proton-precession and optical absorption magnetometers. Magnetic anomalies may be related to primary igneous or sedimentary processes that establish the magnetic mineralogy, or they may be related to secondary alteration that either introduces or removes magnetic minerals. In mineral exploration and its geoenvironmental considerations, the secondary effects in rocks that host ore deposits associated with hydrothermal systems are important and magnetic surveys may outline zones of fossil hydrothermal activity.

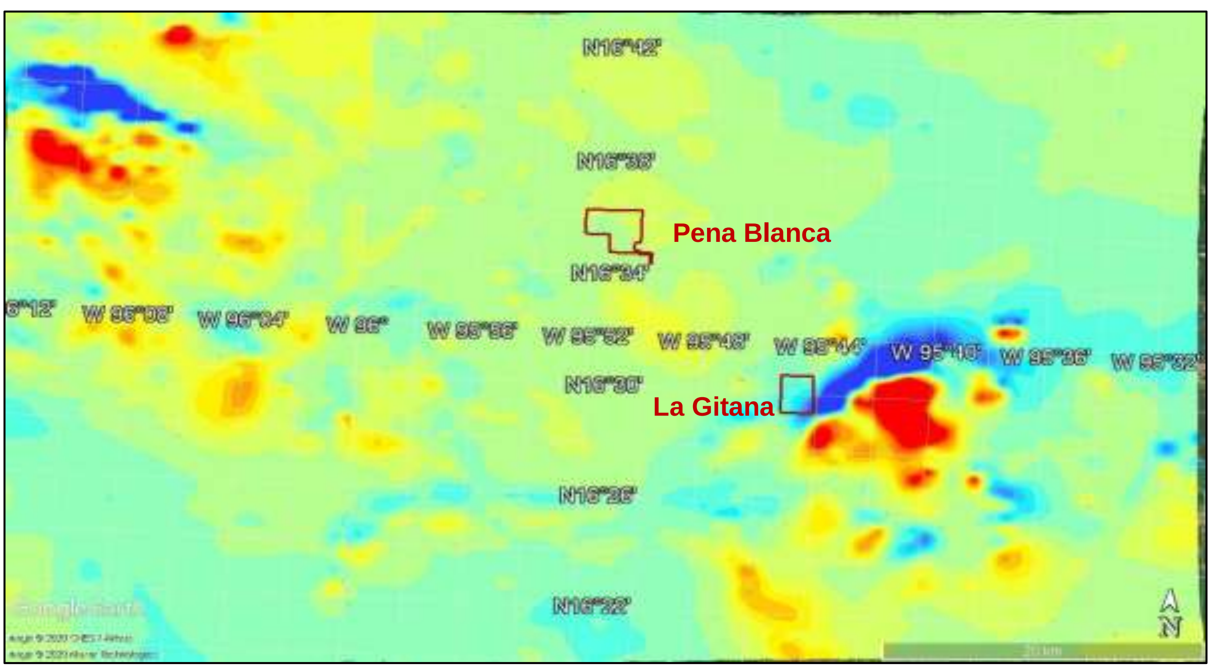

Figure 14: Regional Magnetics (Total Field) (from GeoInfoMex)

Although no airborne or ground magnetic surveys have been completed on the Property to date, regional compilations are available from the GeoInfoMex website (Figure 14). The following map was downloaded from the aforementioned website, however, the format of the site did not allow for a legend associated with the map. Red is high magnetics and blue is low with intervening intervals responding to the colour spectrum.

The Property is situated in a regional-scale northeast trending linear magnetic low likely caused by a major structural deformation zone.

Induced Polarization and Resistivity (IP): IP is a geophysical imaging technique used for measuring the electrical properties of subsurface rock. Resistivity is a bulk property of material describing how well that material inhibits current flow. Chargeability is a physical property that describes how well materials tend to retain an electrical charge. Time domain IP measures the voltage decay in the ground after the cessation of transmitted current. Resistivity and chargeability measurements are made by introducing a controlled electrical current into the ground using two current electrodes, thus energizing the ground, and then measuring the induced potential-field gradient voltage between two non-polarisable receiver electrodes. The distance between the pair of current electrodes and the pair of potential-field electrodes (a-spacing) determines the depth of investigation. The number of receiver stations determines the depth of penetration (n).

In 2005 a time-domain IP-Resistivity geophysical survey totalling 6 km on 11 lines spaced generally at 50 m intervals was completed in-house by Chesapeake. A dipole-dipole array was utilized with a=50 m and n=6. Data processing was completed utilizing GEOSOFT software. The survey was completed over the northern Au-in-soil anomaly, in the area where the majority of drilling has been completed.

Results for chargeability and calculated resistivity were averaged, gridded, and contoured and are presented in plan view on Figure 15.

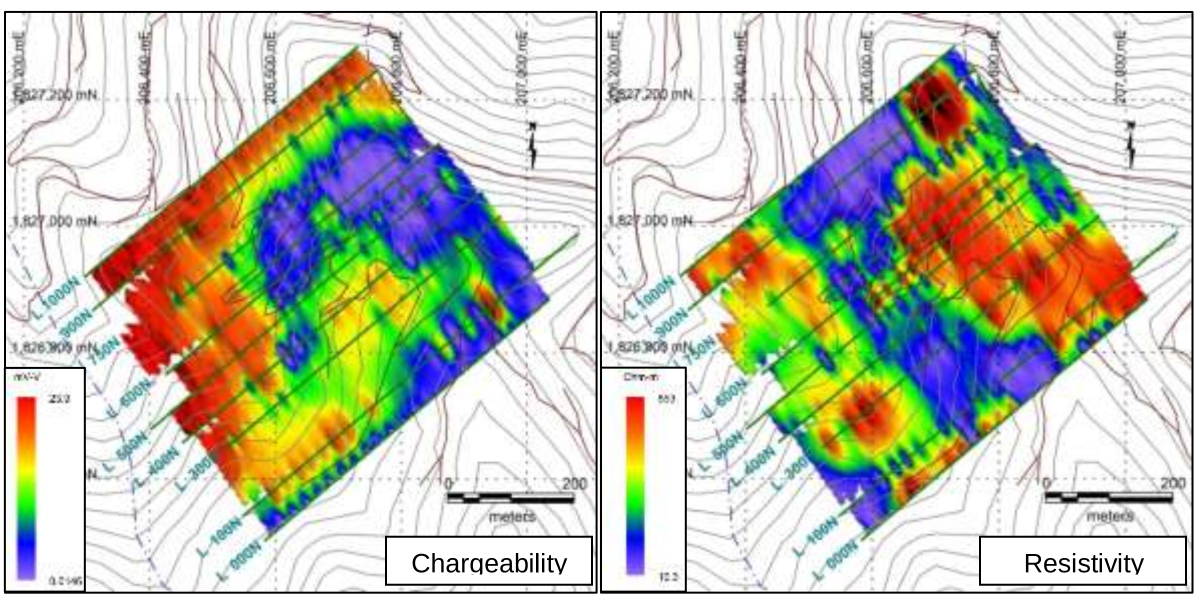

Figure 15: IP Chargeability and Resistivity Results

Chargeability was strongest to the north and west of the grid area coincident with mapped volcaniclastic units. Narrow linear weak chargeability highs also occur coincident with resistivity highs in the central portion of the grid, likely detecting disseminated sulphide mineralization in vein sets. Resistivity highs occur in the eastern portion of the grid consistent with areas of extensive silicification and gold mineralization. A second northwest trending resistivity high occurs trending off the grid in the western portion of the grid.

9.3 Petrographics and Rock Studies

Petrography is a branch of petrology that focuses on detailed descriptions of rocks. The classification of rocks is based on the information acquired during the petrographic analysis. Petrographic descriptions start with the field notes at the outcrop or drill core and include macroscopic descriptions of hand specimens. Samples are then prepared and studied in detail at the microscopic scale describing the mineral content and textural relationships within the rock.

Mineralographic-petrographic analyses of 6 samples from drill core completed in 2006 revealed that gold deposition occurred over multiple hydrothermal episodes. Gold occurs mostly in the form of electrum (a naturally occurring alloy of gold and silver with trace amounts of copper and other metals), and most of the silver occurs in the form of acanthite (Figure 16). Minor free gold was also found. The fine grained gold and electrum occur as inclusions in pyrite (FeS_2), acanthite (Ag_2S), goethite ($FeO(OH)$) and late hematite (Fe_2O_3) veinlets.

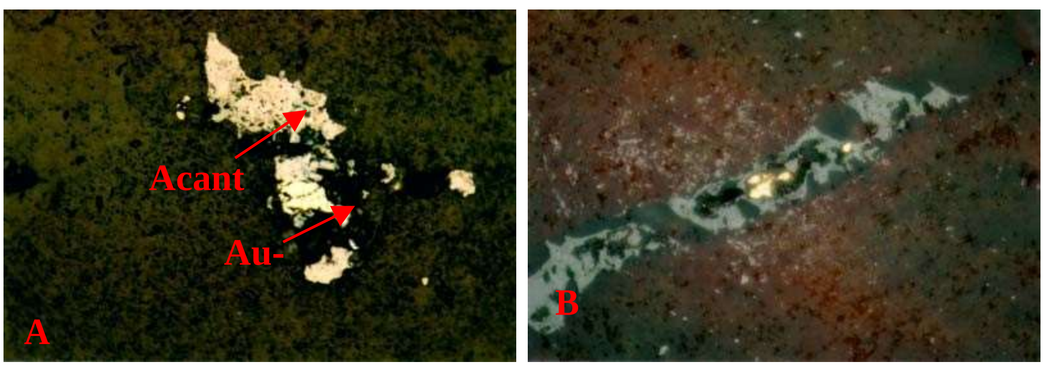

Figure 16: A-Electrum in Acanthite, B-Gold in Hematite vein

10.0 Drilling

Various types of drilling methods are available to test bedrock including percussion, rotary, auger, reverse circulation, and wireline core. All drilling to date on the Property utilized a Wireline core drill, an industry standard used for mineral exploration worldwide. Wireline coring allows rapid placement and withdrawal of the core barrel within the drill rods and therefore the rods do not need to be removed to recover each individual core sample. Various sizes of drillcore can be excavated based on the power capacity of the drill and the size of the core barrel.

No recorded drilling was completed on the Property by previous operators prior to 2005. In 2005-2006 Chesapeake completed 38 drillholes on the Property. In early 2005 a helicopter was contracted to support the drilling of the first thirteen holes (DH-1 to DH-13) totalling

2,647 m. During this stage Chesapeake constructed the 16 km access road to the Property. Once completed, the second phase drilling was bulldozer supported and included 25 drillholes (DH-14 to DH-38) totalling 5,583 m.

The core drilling was mostly HQ (63.5 mm) diameter core barrel diameter reducing down to NQ (47.6 mm) diameter in deeper adverse ground conditions, generally past 250 m depth. Drillcore from all drilling to date is located in an onsite core logging and camp facility constructed by Chesapeake.

Drill collar information is listed in Table 3.

Hole ID	UTM East	UTM North	Dip	Azimuth	Depth	Elevation
DH-01	206658	1826970	60°	50°	253.5	1557
DH-02	206559	1827059	50°	60°	222.0	1455
DH-03	206622	1826987	60°	60°	240.0	1510
DH-04	206722	1826972	70°	60°	171.0	1615
DH-05	206704	1826928	62°	70°	327.0	1547
DH-06	206629	1827105	70°	70°	234.0	1522
DH-07	206658	1826969	60°	100°	192.5	1557
DH-08	206605	1826948	50°	55°	217.0	1485
DH-09	206670	1826940	50°	60°	150.0	1534
DH-10	206619	1827158	47°	240°	81.0	1484
DH-11	206653	1827060	60°	90°	138.0	1557
DH-12	206628	1827108	65°	285°	111.0	1522
DH-13	206557	1826940	50°	70°	310.5	1435
DH-14	206634	1827177	45°	260°	105.0	1460
DH-15	206630	1827216	45°	260°	63.0	1438
DH-16	206548	1826889	50°	70°	273.0	1411
DH-17	206611	1826864	50°	75°	306.0	1447
DH-18	206564	1826996	47°	70°	252.0	1446
DH-19	206741	1826807	50°	70°	297.0	1548
DH-20	206686	1826838	50°	70°	250.0	1504
DH-21	206563	1826995	50°	40°	168.0	1445
DH-22	206759	1827105	45°	250°	141.0	1506
DH-23	206653	1827145	50°	260°	240.0	1482
DH-24	206705	1827174	45°	250°	186.0	1454
DH-25	206795	1826765	50°	70°	237.0	1586
DH-26	206841	1826726	50°	70°	114.0	1600
DH-27	206819	1826618	50°	70°	238.5	1615
DH-28	206734	1826710	50°	60°	216.0	1555
DH-29	206977	1826701	50°	60°	173.0	1649
DH-30	207169	1826500	50°	255°	192.0	1593
DH-31	206704	1826769	45°	35°	231.0	1540
DH-32	206525	1826967	50°	60°	270.0	1417
DH-33	206682	1827173	55°	265°	159.0	1456
DH-34	206562	1826833	50°	70°	388.0	1417
DH-35	206524	1826934	50°	70°	351.0	1413
DH-36	206735	1827165	55°	260°	247.5	1454
DH-37	206641	1827280	45°	250°	170.5	1420
DH-38	206639	1826790	50°	60°	315.0	1494

Table 3: Drill Collar Information

Locations of all drillholes are illustrated in Figure 17. The entire portion of Figure 17 is wholly within the boundary of the Property.

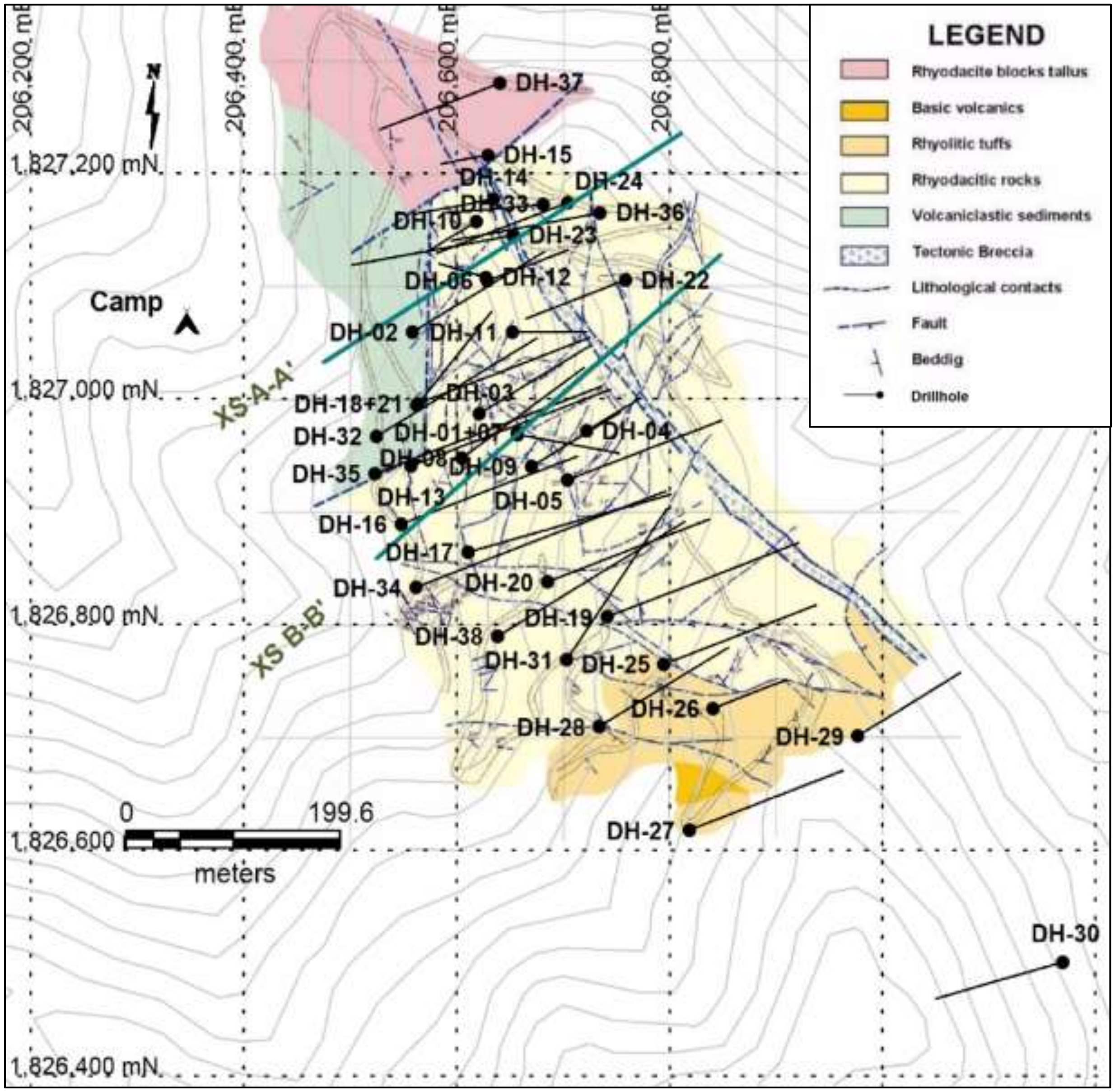

Figure 17: Drill Locations (Geology Background)

Two representative cross-sections, displaying geology and mineralization encountered are illustrated in Figures 18-19.

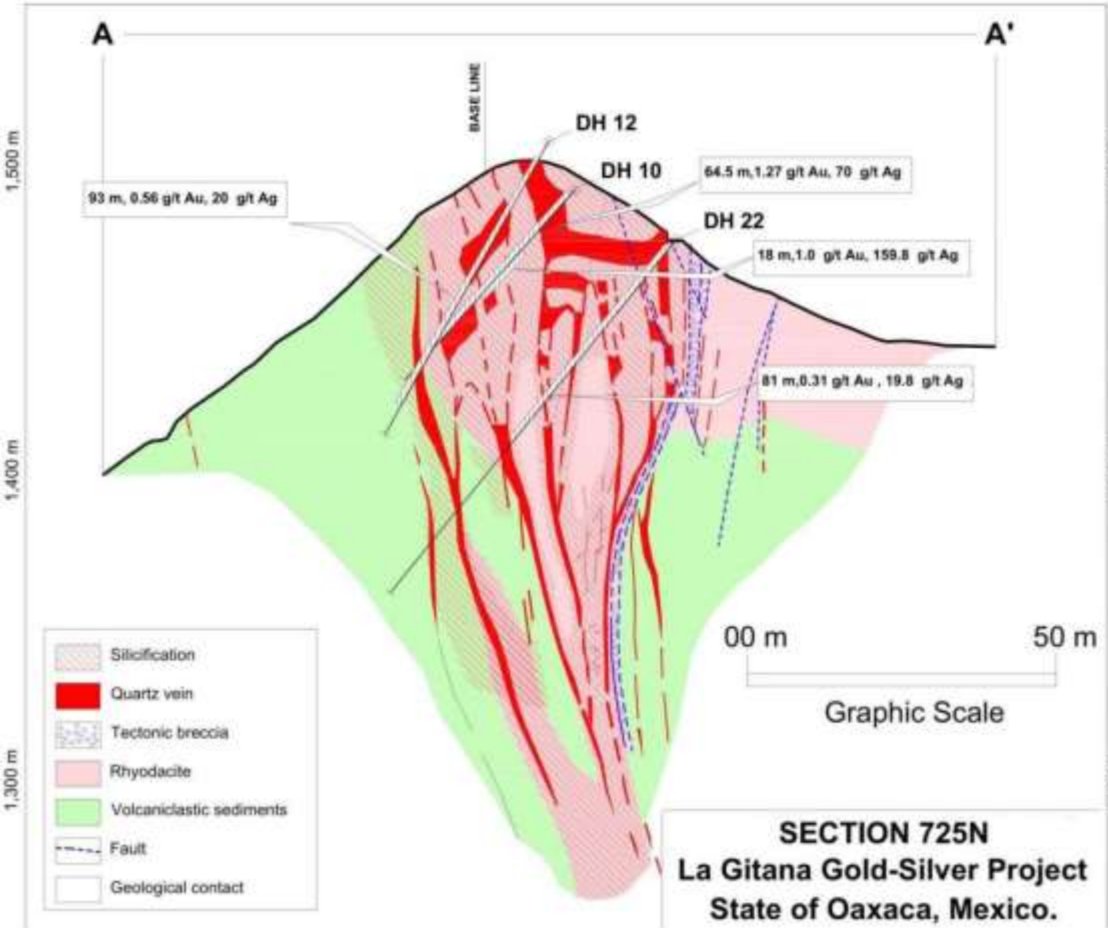

Figure 18: X-Section A-A' (looking 325°)

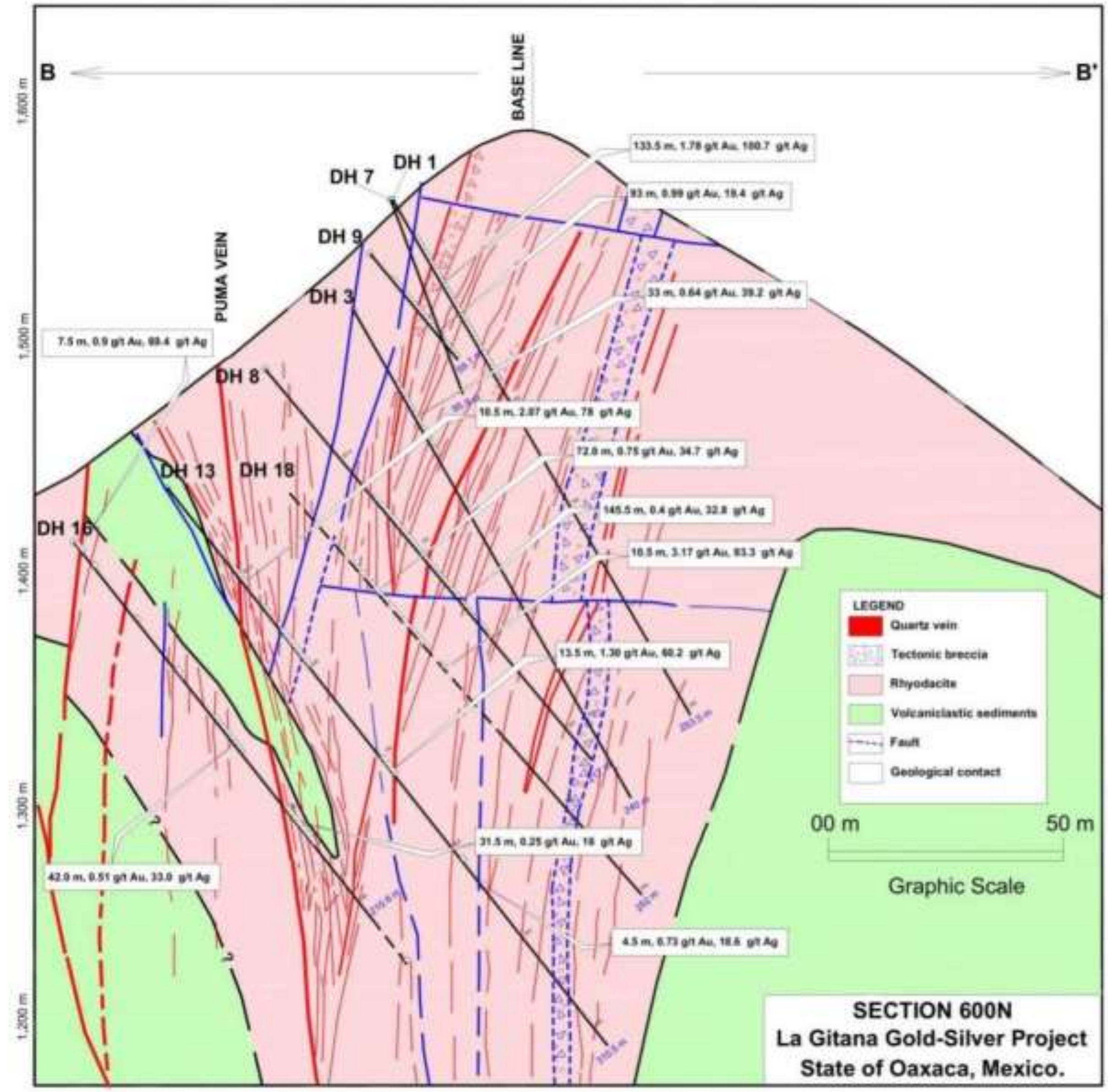

Figure 19: X-Section B-B' (looking 320°)

A summary of notable drill grade intersections is listed on Table 4. All analytical intervals are stated in downhole lengths (m). No attempt was made to calculate for true thicknesses at this time.

HOLE ID	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)
DH-01	34.5	115.5	81.0	2.66	157
DH-02	120.0	121.5	1.5	7.69	517
DH-03	46.5	60.0	13.5	1.16	64
DH-04	0.0	33.0	33.0	0.65	2
DH-05	3.0	7.5	4.5	1.05	14
DH-06	4.5	99.0	94.5	0.89	29
DH-07	13.5	90.0	76.5	0.74	24
DH-08	81.0	211.5	130.5	0.41	34
DH-09	12.0	102.0	90.0	1.02	20
DH-10	6.0	63.0	57.0	1.37	76
DH-11	1.5	99.0	97.5	0.51	15
DH-12	1.5	94.5	93.0	0.56	20
DH-13	45.0	211.5	166.5	0.41	23
DH-14	3.0	54.0	51.0	1.39	34
DH-15	0.0	10.5	10.5	0.62	41
DH-16	0.0	100.5	100.5	0.38	26
DH-17	124.5	282.0	157.5	0.31	8
DH-18	34.5	124.5	90.0	0.97	37
DH-19	109.5	166.5	57.0	0.32	7
DH-20	36.0	180.0	144.0	0.68	24
DH-21	97.5	124.5	27.0	0.32	7
DH-22	9.0	87.0	78.0	0.31	20
DH-23	201.0	216.0	15.0	0.55	14
DH-24	103.5	150.0	46.5	1.10	61
DH-25	7.5	37.5	30.0	0.11	1
DH-26	93.0	94.5	1.5	1.43	18
DH-27	138.0	141.0	3.0	0.90	10
DH-28	7.5	9.0	1.5	1.21	9
DH-29	102.0	117.0	15.0	0.14	1
DH-30	138.1	139.1	1.0	1.82	19
DH-31	135.0	165.0	30.0	0.35	5
DH-32	123.0	238.5	115.5	0.30	8
DH-33	100.5	150.0	49.5	0.46	39
DH-34	1.5	100.5	99.0	0.15	4
DH-35	117.0	190.5	73.5	0.14	15
DH-36	28.5	31.0	2.5	0.30	32
DH-37	1.5	9.0	7.5	0.29	5
DH-38	126.0	256.5	130.5	0.41	12

Table 4: Significant Analytical Drill Intersections

Calculations of gold grade x width of intersection allows visual interpretation of gold distribution in a gold deposit. A grade-width (g/t Au x interval m) long-section was created including all drillholes. Figure 20 illustrates that the bulk of gold mineralization appears to outcrop near X-section A-A', plunges to the southeast along the structural control, and may extend to depth past current drilling.

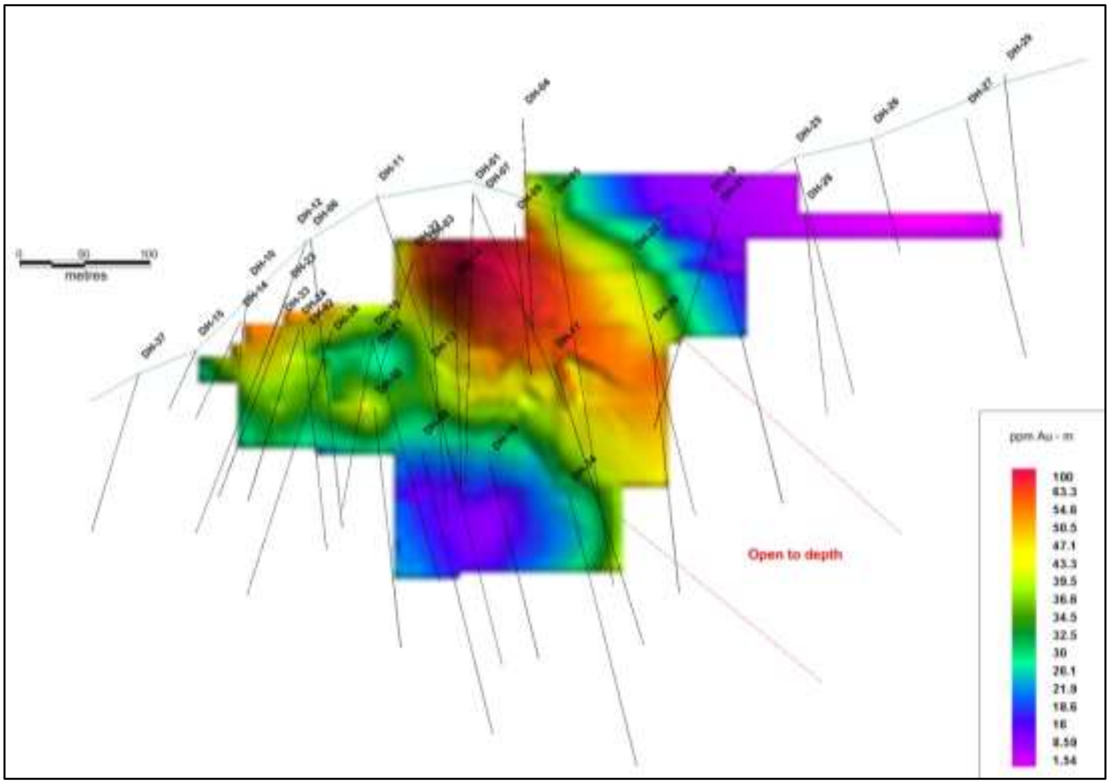

Figure 20: Grade x Width Long Sections (looking 45°)

Drillcore Geochemistry; A total of 4,853 core intervals were analyzed by multi-element geochemical analyses as well as fire assay for gold and silver. Gold often has a “nugget” effect during laboratory analyses due to its impact on small sample sizes being analyzed. Correlation coefficients were calculated between gold and each of the other analyzed elements to ascertain relationships that can be used for exploration targeting. All elements with weak to strong gold correlations are illustrated in Table 5.

Au	1.00					
Ag	0.67	1.00				
Cu	0.06	0.11	1.00			
Mo	0.20	0.14	0.06	1.00		
As	0.30	0.16	0.00	0.22	1.00	
Sb	0.36	0.31	0.03	0.15	0.36	1.00
	Au	Ag	Cu	Mo	As	Sb

Table 5: Correlation Coefficients for Multi-element Analyses on Drillcore

Gold was found to have a strong correlation with silver and weak to moderate correlations with gold pathfinder elements and molybdenum. Gold was also found to have a strong correlation with potassium (0.7), likely due to the fact that all of the veining encountered was hosted in potassium-rich rhyolitic rocks. It was also found that intervals with higher gold grades often contained elevated levels of selenium suggesting some of the gold may occur in selenides/tellurides.

The bulk of gold mineralization discovered to date occurs over an approximate 150 m vertical range of boiling that features colloform-crustiform banded quartz veins containing adularia bands and selvages, bladed quartz after calcite, and electrum (Figure 20).

Average Ag/Au ratios and weight averaged grades for base metals (including copper) from mineralized intersections were calculated for each interval reported in Table 4. Base metals including zinc, lead and molybdenum were fairly uniform. Copper values in gold mineralized zones were found to be higher when the Ag/Au ratio was elevated with a correlation coefficient of 0.77. Results were graphed on a scatter plot as illustrated on Figure 21. Holes containing higher Ag/Au ratios were consistently located below the bulk of the mineralization and may be nearing the lower limit of the boiling zone where base metals will be enriched. This applies to most of the holes to the north of X-section A-A' hosting Ag/Au ratios ranging from 25 to 108. Holes drilled to the south of X-Section B-B' were all drilled above the projection of the bulk of mineralization with Ag/Au ratios below 20.

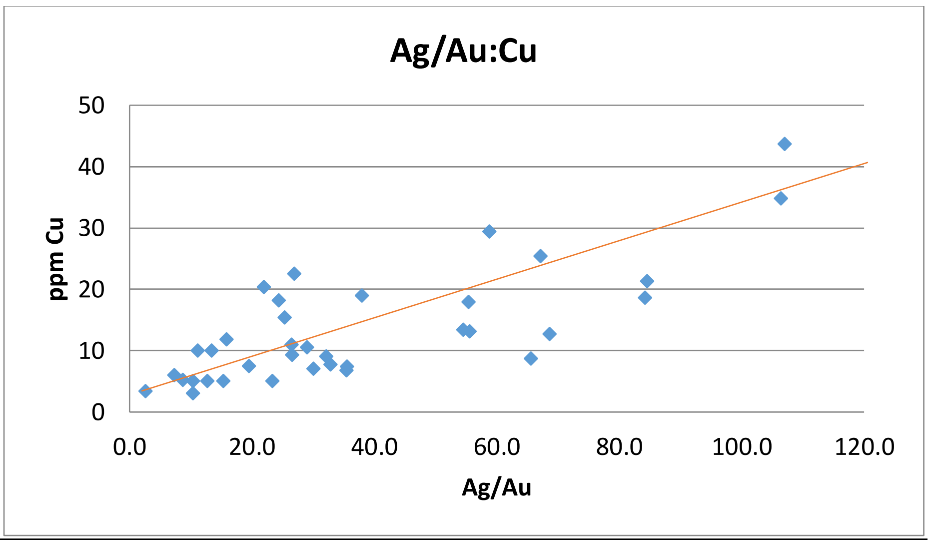

Figure 21: Scatter Plot of Ag/Au Ratios and Copper Mineralization

Core Recovery; Core recovery was measured between each 3 m marker (placed by the drillers marking the terminus of each 3 m long drill string). Core recovery, expressed as a percentage of actual measured core recovery compared to each reported 3-m interval. The core from all of the drilling was quite competent averaging 85% recovery overall ranging in individual holes from 48% to 99%.

Rock Quality Designation Index (RQD) is a modified core recovery percentage in which unrecovered core, fragments and small pieces of rock (<10cm) are not counted. Originally developed for predicting tunnelling conditions and support requirements, it serves as an exploratory tool identifying areas that deserve greater scrutiny. Average RQD for all drilling averaged 31% ranging in individual holes from 11% to 50% signifying that the rock was generally quite broken.

11.0 Sample Preparation, Analyses and Security

No sample preparation was conducted by an employee, officer, director or associate of Chesapeake or previous operators prior to delivery to the laboratory for analyses. The relationship between Chesapeake and all analytical laboratories mentioned in this Section was strictly arms-length, limited to the laboratory's commercial supply of analytical services. The authors are satisfied regarding the adequacy of sample preparation, security and analytical procedures completed on all analyses completed to date.

Soils: From 2003 to 2006 Chesapeake collected approximately 704 soil samples from the Property. Soil sample grids were chained in using a hip chain and compass. Samples were excavated to depths of approximately 30 cm using shovels, hoes, or augers targeting the B and C-horizons. Soil samples were placed into Kraft paper bags with sample grid locations marked on the bags using a felt pen, and locations were recorded using GPS where tree cover and vegetation permitted. Flagging was left at the sample site to denote grid location.

Twenty one samples taken in 2004 were sent to a sample preparation laboratory owned by BSI-Inspectorate (a division of Acme Labs) located in Durango, Mexico after which the samples were sent to Reno, Nevada, USA for analyses. The remaining samples were sent to ALS-Chemex preparation facility in Guadalajara, Mexico after which they were sent for analyses in Vancouver, BC, Canada. Both are internationally accredited laboratories.

Rocks: Results for 887 rock samples collected by Chesapeake from 2003 to 2006 were used in the body of this report. All samples that did not have associated geographical locations, or did not have supporting analytical certificates for corroboration were eliminated. Samples were chipped from outcrops, boulders, or subcrops, placed into plastic bags with an identifier tag, and sealed.

Samples were sent to ALS-Chemex preparation facility in Guadalajara, Mexico after which they were sent for analyses in Vancouver, BC, Canada.

Core: Drill core was moved from the drilling sites to a core shack facility located at the Property's base camp. The whole drillcore was photographed and measured for recovery and the RQD (rock quality designation). The core was logged recording lithologies, alterations, types of mineralization, veining stages, oxides-sulphides contents and structural data. The core was split into half lengthwise with diamond saws, one half was broken and pulverized and deposited into a marked sample bag to be sent to the laboratory, the other half was stored in core boxes at the site. The core samples were continuously sampled in 1.5 and 3.0 m intervals and placed in the core boxes catalogued with the respective sample numbers. A total of 4,875 intervals were split, sampled, and analyzed.

All core samples were sent to ALS-Chemex preparation facility in Guadalajara, Mexico after which they were sent for analyses in Vancouver, BC, Canada.

Security: All the sampling methods used on the Property for soils, rocks and drill core are standard and reliable for the mining industry. The laboratory analyses were performed by internationally recognized and certified laboratories.

Sample Preparation: Soil samples were weighed, dried, and screened with dry sieves to -180 microns (80 mesh).

Rock and drill core samples were weighed, dried, finely crushed in a jaw or roll crusher, to better than 70% -2 mm, split off up to 250 g and pulverized split to better than 85% passing 75 micron with a grinding mill.

Laboratory Certification: Two laboratories were used for analyses of all samples taken from the Property. On November 13, 1996, Acme became the first commercial geochemical analysis and assaying lab in North America to be registered under ISO 9001. Now under the operating name Bureau Veritas Commodities Canada Ltd (BVCC) it holds a multisite registration which includes all Canadian, US and Mexican preparation facilities including the Inspectorate Reno laboratory. As of January 2017 all sites worldwide are now transferred from their existing local registrations onto the Bureau Veritas global 9001 certificate.

ALS-Chemex, now ALS Minerals, is supported by a Quality Management System (QMS) framework which is designed to highlight data inconsistencies sufficiently early in the process to enable corrective action to be taken in time to meet reporting deadlines. The QMS framework follows the most appropriate ISO Standard for the service at hand i.e. ISO 9001:2015 for survey/inspection activity and ISO/IEC 17025:2017 UKAS ref 4028 for laboratory analysis.

Laboratory Analyses: No field standards or blanks were introduced into the sample chain prior to delivery to the laboratory for analyses. Both Acme and ALS's laboratories in-house QAQC procedures consist of introducing a variety of standards and blanks and completing normal-run pulp and preparation duplicates in each batch of analyses. Blanks were inserted to monitor for potential contamination during analysis, duplicates were inserted as a measure of reproducibility and precision of data, while standards measure the precision and accuracy of analysis. If, during the normal sample analytical run of approximately 30 samples, samples were found to be contaminated or unreproducable, the entire run was redone. No problems were reported in the analytical results from either laboratory.

Soils: Twenty one soil samples were analyzed by Acme using ICP multi-element analysis (AA/AQR) and cyanide leach (BLEG) assay for gold. The BLEG gold assay consists of leaching a large sample 500 to 3000 g with a cyanide-water solution that catches the gold and later is analyzed with the atomic absorption method, the detection ranging from 0.0001 to 10 g/t. Samples sent to ALS-Chemex were analysed using their ME-MS61 package which includes 48-element 4-acid ICP-MS method and fire assay for gold.

ALS's fire assay for gold analysis consists of fusing at high temperature a mixture of fluxing agents (lead oxide, sodium carbonate, borax, silica and other reagents) with 30 g of sample pulp and with 6 mg of gold-free silver. The lead oxide is reduced to lead, which collects the precious metals bead. When the fused mixture is cooled, the lead remains at the bottom, while a glass-like slag remains at the top. The precious metals are separated from the lead in a secondary procedure called cupellation. The final technique used to determine the gold content in the samples is by atomic absorption (AAS) for samples ranging from 0.005 to 10 g/t, and with gravimetric finish for samples with gold values above 10 g/T.

ALS's ICP multi-element analysis consists of the sample pulp being digested in Aqua Regia or in four acids depending upon the required procedure. Sample material is then analyzed with the ICP (inducted couple plasma) method returning analytical results for 27 to 48 elements including silver, copper, lead, zinc, arsenic, antimony and occasionally mercury.

Rocks and Drill Core: All rock and drillcore samples were analyzed by ALS Laboratory for a 48-element suite of elements using their ME-MS61 procedure. Gold was analysed for using ALS's AA23 and AA24 packages, both similar but where AA23 uses a 30 g sample pulp AA24 uses a 50 g sample pulp. Both gold packages have a detection range to 10 g/t Au. Overlimit samples for gold were analyzed using ALS's GRA21 package which is a fire assay and gravimetric finish to a detection limit of 1000 g/t Au. Fire assay for silver was completed by ALS's AA61 and AA62 packages which include digestion of the sample pulp by HF-HNO_3-$HClO_4$ digestion followed by a HCl leach and AAS finish. Overlimit samples for silver (>100 g/t Ag) were completed by GRA21, a gravimetric finish with a range limit of 10,000 g/t Ag.

12.0 Data Verification

All historic data related to historic exploration activities known to the authors has been reviewed and summarized for this report. All analytical results presented in this report was compared to signed analytical certificates issued by the assayer to verify its efficacy. All previously reported work was completed and reported by professionally accredited geoscientists. All laboratories used in geochemical analyses were ISO accredited.

Due to current Covid-19 travel restrictions, L. Peters has not had the opportunity to visit the Property to date, however, in 2006 A. Kikauka reported that the results of check samples taken by him indicated that geochemical values obtained from soils and rocks samples could be relied on and there did not appear to be any major discrepancies between original and repeated analyses. All results in this report have been reported on in a previous NI43-101 report written for Chesapeake in 2006 (Kikauka, A, 2006) and there is no reason to doubt that historic results have been reported as accurate.

13.0 Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical test work has been reported on samples taken from the Property.

14.0 Mineral Resource Estimates

No NI43-101 compliant or historic resource estimates have been completed on the Property to date.

23.0 Adjacent Properties

The La Gitana Property is located in a northwest trending regional structural corridor (Figure 22) that extends for more than 70 km along strike (Oaxaca Gold-Silver Belt). This corridor is associated with a tectonic boundary where there has been intense tectonic, igneous and volcanic activity that has favoured the emplacement of hydrothermal systems.

Several mineral prospects, inactive mines, and operating precious metals mines occur along this belt including Gold Resource (NYSE: GORO) owning the producing Arista and Mirador gold-silver mines situated approximately 50 km northwest of La Gitana and Fortuna Silver (TSX: FVI) owning the San Jose gold-silver mine elsewhere in the Belt.

Inomin has recently acquired an additional property, Pena Blanca, located approximately 15 km northwest of La Gitana that hosts similar gold-silver mineralization.

Figure 22: Oaxaca Gold-Silver Belt

24.0 Other Relevant Data and Information

There are no other relevant data and available information pertaining to the Property known to the authors not already included in this report.

25.0 Interpretation and Conclusions

The Property's main zone is a structurally controlled northwest trending gold-silver low sulphidation epithermal system hosted in rhyodacitic rocks bounded by volcaniclastic sediments.

Gold-silver mineralization is associated with a 100 to 300 m wide zone of multistage quartz breccia-veins, stockworks and minor disseminations that has been traced along strike for approximately 1.4 km. Drilling has tested the zone over a 400 m vertical extent and 1 km strike.

Chesapeake completed extensive exploration programs including detailed surface mapping and sampling, ground geophysics and diamond drilling on this zone. The authors believe the exploration programs undertaken compiled sufficient information to confirm the existence of a well-defined zone of gold-silver mineralization extending 500 m in length, 50 to 150 m wide and 50 to 300 m deep (sections 400N to 800N). Gold-silver mineralization is truncated to the north of the Property and plunges to the southeast and is open at depth along strike. The density of drilling to date shows continuation of gold-silver mineralization along strike, however, unforeseen risks and uncertainties may exist when testing between current drill spacings related to extrapolating the continuity of mineralization.

Soil and rock geochemistry along with minimal step-out drilling confirmed the existence of a second parallel gold-silver mineralized zone located approximately 300 m to the southeast.

The authors believe that further exploration of the Property is fully warranted. The authors also believe that previous exploration information is reliable and is sufficient to confirm the existence of a deposit containing gold-silver mineralization.

26.0 Recommendations

A representative suite of drillcore samples should be analyzed by an independent laboratory to confirm previously reported analytical results when access is possible.

A detailed airborne magnetic survey (east-west trending at 75 m line spacings) should be flown over the extent of the Property in an attempt to trace structurally controlled mineralization to the south and west of currently known areas.

Gold-silver mineralization is still open along strike and at depth to the southeast. Future drilling is required to determine the potential size, shape and grades of the gold-silver mineralization in this southeastern area and at depth.

Arrangements should be made to consult with the local landowners in the community of Rio Hondo by Inomin's wholly owned Mexican subsidiary to create a working relationship to discuss future exploration activities. Following that, an environmental permit will need to be acquired from the Secretaria de Medio Ambiente y Recursos Naturales de Mexico (SEMARNAT).

It is estimated that the next phase of exploration will cost $57,000. A breakdown of exploration costs for the next phase of exploration follows on Table 6.

Item	Cost
Airborne Magnetics	$ 18,000
Analytical (500 samples)	$ 16,000
Local Consultation	$ 5,000
Geological Support	$ 18,000
Total	$ 57,000

Table 6: Phase 1 Budget

Upon completion of the first phase exploration, a program of diamond drilling is recommended in prospective areas to determine the scope of gold-silver mineralization. Drilling should be focused both on areas along strike and at depth to the southeast of known gold mineralization as well as testing laterally for parallel potential gold bearing structures. Following this phase of drilling, a preliminary resource calculation should be completed.

27.0 References

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21.0 Date and Signature Page

This report, entitled National Instrument 43-101 Technical Report on the La Gitana Gold-Silver Property, Oaxaca State, Mexico and dated 10 September 2020 has been completed in compliance with NI43-101 standards of disclosure for mineral projects following the guidelines set forth on Form 43-101F. The undersigned authors are "Qualified Persons" as outlined in the instrument.

Dated this 10th day of September 2020.

Lawrence J. Peters, P.Geo

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