Guadalupe Y Calvo Gold-Silver Project
Chihuahua State, Mexico

July, 2020
• Well located property, excellent road access, good local infrastructure
• Historic gold-silver mining district, multiple vein structures <3 km long
• Low sulfidation epithermal veins, high grade “bonanza” orebodies
• Prolific production history, 2 million oz gold, 28 million oz silver
• Encouraging historic drill results < 4.12 gpt gold, 281 gpt silver over 2.5 m
• Historic Indicated Resource of 142,500 oz gold, 7.1 million oz silver
• 1.86 million tonnes @ 2.4 gpt gold, 120 gpt silver
• Resource wide open beneath post-mineral tuffs
• Exploration targets untested and open along strike, at depth
• Endeavour is seeking a partner or buyer for the project
GUADALUPE Y CALVO

- Located in the town of Guadalupe y Calvo, southwestern Chihuahua State, México, approximately 300 km south of Chihuahua City.
- The Project is accessible by highway from Chihuahua City through the city of Hidalgo de Parral, a major mining center about a 3 hour drive from GyC.
• In July, 2012, Endeavour Silver completed the acquisition of the Guadalupe y Calvo Project from AuRico Gold Inc., which consisted of eight mineral concessions covering 54,856.1 hectares.

• In 2014, Endeavour Silver acquired four concessions controlled by Minera Lincoln de Mexico, S.A. de C.V. (Lincoln), with 2,311.2594 hectares. These concessions cover the extensions of the Rosario vein, both to the northwest and to the southwest.

• In July, 2018, Endeavour reduced the San Luis and San Luis NW claims (with 18,391.5 and 36,025.3177 hectares respectively) which were part of the original acquisition.

• Currently, the Guadalupe y Calvo Project consists of ten mineral concessions covering 2,750.4998 hectares, including several old adits and shafts. Endeavour Silver and its subsidiaries control 100% of the mineral properties comprising the Project and there are no underlying royalty agreements on the mineral properties.

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<td><strong>Total</strong></td>
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1554  Spanish exploration of northern Mexico begins.
1567  First significant mineral discovery in Chihuahua State.
1600-1700  Other major mineral discoveries in Mexico include: Parral, Batopilas, Santa Eulalia, Marguarichi, Dolores and Naica districts.
1820  Mexico gains independence from Spain and Mexican government encourages foreign investment to develop the economy – a revival of mining begins
1835  Bonanza gold was discovered on the site of the Rosario vein outcrop and in a short time the town of Zorrilla was founded Guadalupe y Calvo)
1835-1838  Ochoa family begin consolidating district and by 1928 have sole ownership of the northern Zorrilla and Pertenencia portions of the Rosario breccia/vein complex. The southern San Francisco portion of Rosario remains in the hands of local small miners for many years.
1838-1949  Ochoa family lease their holdings to two English mining companies. During this time bonanza graded ores were produced from both open pit and underground workings. Operations were restricted by lease agreements to approximately 100 meters below surface and above.
1844  Output from these mining operations was large enough that the Mexican government erected a mint to coin the mines output.
1849  Properties reverted back to the Ochoa family, as mutually agreed terms for new leasehold agreements on the properties could not be reached.
1849-1865  District was worked primarily by small miners and gambosinos under agreements with the Ochoas.
1865  Henry Holderness, an American of British decent, purchases one half interest in the Ochoa properties. Holderness utilized the exploration shafts and tunnels constructed by the English companies to develop and mine the Pertenencia and Zorrilla portions of the Rosario breccias/vein complex down to approximately 200 meters below the surface. At this depth, dewatering the mine became too much of a problem so mining halted there
1871  Holderness deeded his interests back to the Ochoa family.
1871-879  Ochoas leased ground to gambosinos and mining and production continued in a haphazard fashion.
1879-1888  Ochoas leased properties to various U.S. politicians and mining promoters; however, all these ventures failed due to the demands of the Ochoas family.

1888  Ochoa family lost claims by failure to perform minimal work requirements.

1889-1894  American mining group consolidated district and mining activities were limited to repossessing dump materials, a highly profitable venture.

1895  Tiburcio Garcia, a local merchant acquired all interests in district and sold them to Rosario Mining Company of Ft. Worth, Texas.

1895-1910  Rosario Mining operated the property and undertook extensive underground sampling programs until the property was sold to West Mexican Mines Ltd.

1910-1939  West Mexican operated a 50-ton per day mill with a cyanide recovery circuit and reported recoveries of 90 percent. In 1930s operations shifted from the main Rosario breccias/vein complex to the east west striking Nankin structure. Known for almost 100 years, this was the first time any diligent exploration and development has been taken on the structure.

1940  West Mexican continued production until they left the district in 1940.

1940-1978  Small miners and gambisinos operated mines at Guadalupe y Calvo.

1978  Compañía Minera Los Maples S.A. de C.V. acquired claims encompassing both the Rosario and Nankin structure, rehabilitated the old mill building and installed a treatment plant with a flotation circuit, and used the recovery process Merrill Crowe circuit on a small heap leach. Production by Los Maples was derived from a small open cut at the top of the Rosario outcrop and underground workings in the Nankin. Grades in the open cut were reported to be 4.3 g/t gold and 312 g/t silver.

1980s  CRM performed studies as part of the Mexican government’s program to stimulate mining. No exploration work was performed. Contratista Tormex S.A., a subsidiary of Lacana reviewed data with no actual exploration work performed.

1996  V-Fund Investments Ltd. acquired an option from Los Maples and performed limited mapping, sampling and bottle roll leach tests on surface samples.

1997  Minera Glamis S.A. de C.V., subsidiary of Glamis Gold Ltd., performed limited work of mapping and a surface and underground sampling program


2006  Gammon Gold acquires Guadalupe y Calvo project in the context of an acquisition of Mexgold.
• Exploration activities commenced in 2013 and concluded in 2018, focused on regional exploration to add resources to those already detected in El Rosario mine.

• In 2016, an interpretation of ASTER-type satellite images was performed.

• At the end of 2016, an Aerial Flight of Geophysics was carried out over 3,000 linear kilometers (including Magnetometry, Gamma Ray Spectrometry and VLF).

• Both surveys generated anomalies that were partially followed up by geological prospecting.

• Approximately 4,600 geochemical samples were collected with respect to the properties.

• From these activities are highlighted the following prospective areas: San Carlos, Las Truchas, Canoas, Nabogame, Milpillas, Mesa de la Reforma, Gallinas and El Chapito.
GUADALUPE Y CALVO

AEROMAGNETIC ANOMALIES

ANOMALIA X

ANOMALIA IX

ANOMALIA I

ANOMALIA XIII

ANOMALIA VI
The mining district of Guadalupe y Calvo is located within the Sierra Madre Occidental metallogenic province, a north-northwesterly trending linear volcanic belt (Figure 7.1). This volcanic field, 1,500 km long and 200 km wide, is one of the world's largest epithermal precious metal terranes, hosting a majority of Mexico's gold and silver deposits. It extends from south of Oaxaca and Chiapas to Arizona and New Mexico.
• GyC lies in the heart of the Sierra Madre Occidental gold-silver belt of low sulfidation, epithermal mining districts

• Fresnillo’s San Julian mine lies 50 km to the SE and Couer’s Palmerejo mine lies 150 km to the NW
• The property covers the historic Rosario mine, with past production of 2 million ounces of gold and 28 million ounces of silver. Historic operations were hindered by water problems when the mine reached the valley floor which is why mining was not pursued down dip.

• Guadalupe y Calvo is a classic gold-silver low sulfidation epithermal deposit with quartz-adularia-sericite veins. The system contains veins, breccias and stockworks hosting economically significant gold and silver sulfide mineralization with open-space textures associated with volcanic related hydrothermal systems.

• The mine’s main structural feature is the northwest striking Rosario fault complex with a total width of the mineralized zone up to 80 m. Historic underground mining widths of high-grade gold-silver mineralization were up to 10 m.

• The second major vein is the east-west striking Nankin vein, which dips shallowly south at 30°. This structure has an obvious deflection where it intersects the Rosario vein, creating a complex pattern of stockwork and sheeted veinlets that provides a possibility for bulk-mining either in open pit or large underground stopes.
• The wide hydrothermal breccia of the Rosario Vein system is covered by the unconformable post-mineral volcanics to the southeast, and is down-thrown by the Bufa Fault on the order of 400 m vertically to the northwest.
Section 64-1 SW-NE (looking NW) - Typical transverse section showing the two major veins. The section is drawn perpendicular to the Rosario Vein, but skew to the strike of the Nankin Vein which is an E-W vein dipping approximately 30° south, that has suffered drag folding in the hanging wall of the Rosario structure.
Open stopes at the surface of the Rosario vein, looking SE towards town.

Photograph of cliffs formed by ignimbrites of UVS with Exploration Camp shown in valley bottom.

Typical outcrop of the Rosario Vein looking NNW along strike, here showing an 11m wide zone of strong veining and hydrothermal breccias.

Outcrop of the Rosario Vein.
Longitudinal section of the Rosario Vein, looking Northeast, showing the Silver / Gold Ratio of mineralized intercepts in the Rosario Vein drilled by Aurico. Although there is no district-wide trend, there appears to be “feeders” associated with higher Ag / Au ratios. Ore deposits in the Sierra Madre tend to have Ag – base metal roots, and this could be evidence of such a root to the system here.
Classification | Ton | Ag | Au | Ag Oz | Au Oz
--- | --- | --- | --- | --- | ---
**Indicated Resources** | 1,861,000 | 119.5 | 2.4 | 7,147,300 | 142,500

Classification | Ton | Ag | Au | Ag Oz | Au Oz
--- | --- | --- | --- | --- | ---
**Inferred Resources** | 154,000 | 93.8 | 2.1 | 464,600 | 10,600

Longitudinal Section of Rosario Vein, showing indicated resources blocks

Longitudinal Section of Rosario Vein, showing inferred resources blocks

Longitudinal Section of Nankin Vein, showing indicated resources blocks

Longitudinal Section of Nankin Vein, showing inferred resources blocks
GUADALUPE Y CALVO

SAN CARLOS AREA
GUADALUPE Y CALVO

EL CHAPITO TARGETS
• The Guadalupe y Calvo project area is a famous and highly prospective high grade gold-silver district in the Sierra Madres.

• The property contains the historic Rosario mine, with historic resources estimated by Aurico in the Rosario and Nankin veins of 1.861 million tonnes indicated, grading 120 gpt silver and 2.4 gpt gold for 7.1 million ounces of silver and 142,000 ounces of gold; plus 0.154 million tonnes inferred grading 94 gpt silver and 2.1 gpt gold for 0.5 million oz silver and 11,000 oz gold

• There is strong evidence of mineralization in other areas of the project, mainly in San Carlos and El Chapito, that have not been drilled.

• Along the Rosario trend, there are another areas that need to be evaluated with more field work, supported by the large database of the project and the region, including geology, geochemistry, geophysics and drill core, which give a good potential to locate more resources.

• A 20 hole, 5,000 m drill program is recommended to test for bonanza mineralization along strike and at depth from the Rosario mine