



DEFIANCE
SILVER CORP

DISCOVERY-FOCUSED GEOSCIENCE

Corporate Presentation, April 2023

TSX.V: DEF | OTCQX: DNCVF | WKN: A1JQW5 | FRA: D4E

Disclaimer

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NI43-101 DISCLOSURE:

George Cavey, P. Geo., a Qualified Person under the meaning of Canadian National Instrument 43-101 is responsible for the technical information in this presentation.

Why Invest in Defiance Silver?

It is built on the pillars that make a junior exploration company successful



Assets

- Robust resource base
- Significant exploration potential
- Leverage to precious metal prices
- Tepal Au price sensitivity
- Zacatecas resource upside



Team

- Proven mine finders
- Experienced management team with decades of exploration success leading to M&A and mine development
- Excellent relationship with local communities and government



Technique

- Modern Systematic Discovery-Focused Geoscience
- Drill-ready exploration targets
- Systematic exploration and reinterpretation of historical work has generated highly prospective targets to add ounces and increase grade



Funding

- Strong treasury position
- Fully funded 2023 exploration budget
- Final cash payments for 100% ownership of Lucita and San Acacio accounted for in 2023 budget.
- Management and key partners are long-term shareholders

Mexico



Silver

Zacatecas State

- San Acacio Project
- Lucita Project
- Lagartos Project
- Panuco Project

Zacatecas
District-Scale
Land Package

Gold-Copper

Michoacan State

Tepal Project

Defiance Silver has a solid project base

Using a phased approach on a pipeline of projects is key to our long-term vision

Zacatecas District-Scale Land Package (Ag)

Tepal (Cu-Au)

Lucita

Panuco

Lagartos

San Acacio

Michoacan

Early Exploration

Maiden drill program completed 2022

Early Exploration

3 drill campaigns completed by PAAS

Early Exploration

First pass drilling completed by MAG Silver

Resource

16.9M Oz Inferred Resource*. Multi hundred-year historical mining operation

Pre-Feasibility

1.8M Oz Au & 813M Lbs. Cu M&I Resource**



Under option for 100% ownership



Under option for 100% ownership



Bought in 2018. 100% DEF ownership



Flagship asset since 2005. Under option for 100%



Merger concluded in 2019

*-Source: NI-43-101 Technical Report and Resource Estimate, San Acacio Silver Deposit, Zacatecas State, Mexico, by Giroux and Cuttle, September 2014 (further details in the Appendix of this presentation)

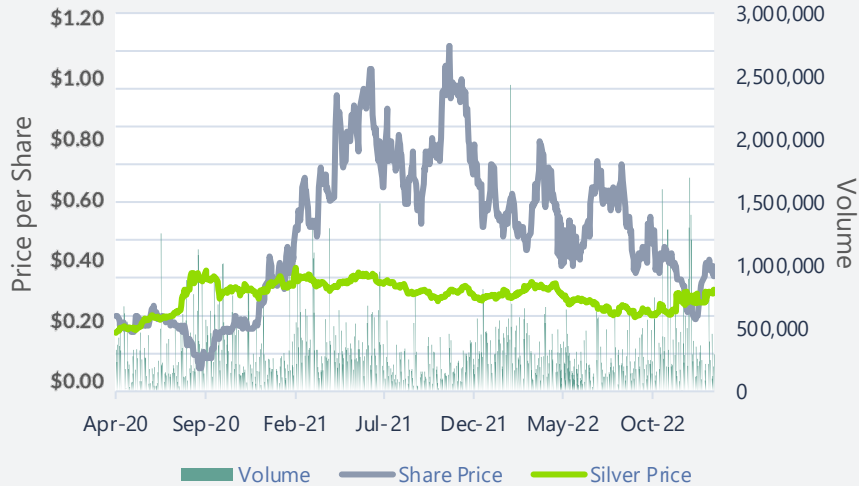
**-Source: NI-43-101 Technical Report Preliminary Economic Assessment on the Tepal Project, Michoacan, Mexico, JDS Energy & Mining Inc, January 2017 (further details in the Appendix of this presentation)

Capital Structure

TSX.V: **DEF** | OTCQX: **DNCVF** | WKN: **A1JQW5** | FRA: **D4E**



SHARE PRICE HISTORY



Source: Sedar, TMX, LBMA, Yahoo Finance

SHARE STRUCTURE (\$CAD)

Trading

Trading Symbols	TSX.V:DEF OTCQX:DNCVF
52 Week Hi-Low	\$0.71-\$0.13
Avg. Daily Trading Volume	~207,130

Cash Position (April 1st, 2023)

Cash	~\$6.5M CAD
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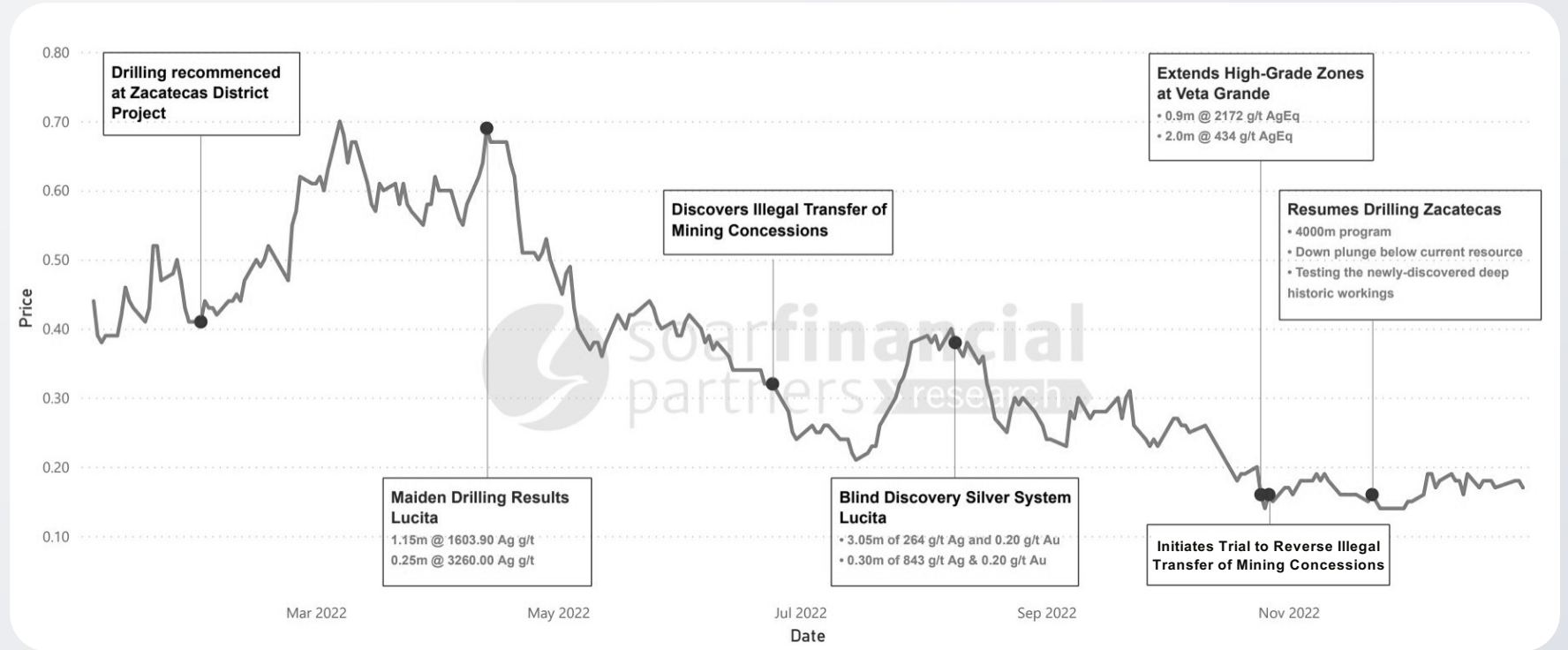
Share Structure (April 4th, 2023)

Share Price	\$0.21
Market Cap (CAD \$M)	\$48.1M
Common Shares	227,702,437
Options	9,542,000
Warrants	20,613,355
DSU/PSU/RSU	312,501
Fully Diluted	260,723,202

Ownership

Institutional ownership	~35%
Management ownership	~5%

2022 Year in Review





DEFIANCE
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ZACATECAS PROJECTS

San Acacio and Lucita

TSX.V: DEF | OTCQX: DNCVF | WKN: A1JQW5 | FRA: D4E

World Class Mining District



Zacatecas State

- One of Mexico's principal mining jurisdictions.
- Largest silver producing state in Mexico
- Second-largest copper producing state in Mexico
- Active companies include –Pan American Silver, Fresnillo, Newmont, Teck, Agnico Eagle, Grupo Mexico, Capstone, Minera Frisco

Mines in Zacatecas

Fresnillo Complex – One of the World's Largest Primary Silver mining complexes.

2022 production @ Fresnillo – 16.3M Oz Ag

2021 production @ Saucita – 12.4M Oz Ag

Peñasquito – Mexico's largest open pit gold mine with 8m Oz Au in Reserves.

2022 Production – 573,000oz Au @ AISC \$968

La Colorada –> 100m Oz P&P high grade operation, recent results include – 295m @ 234 g/t Ag 6.36% Pb, 5.7%Zn

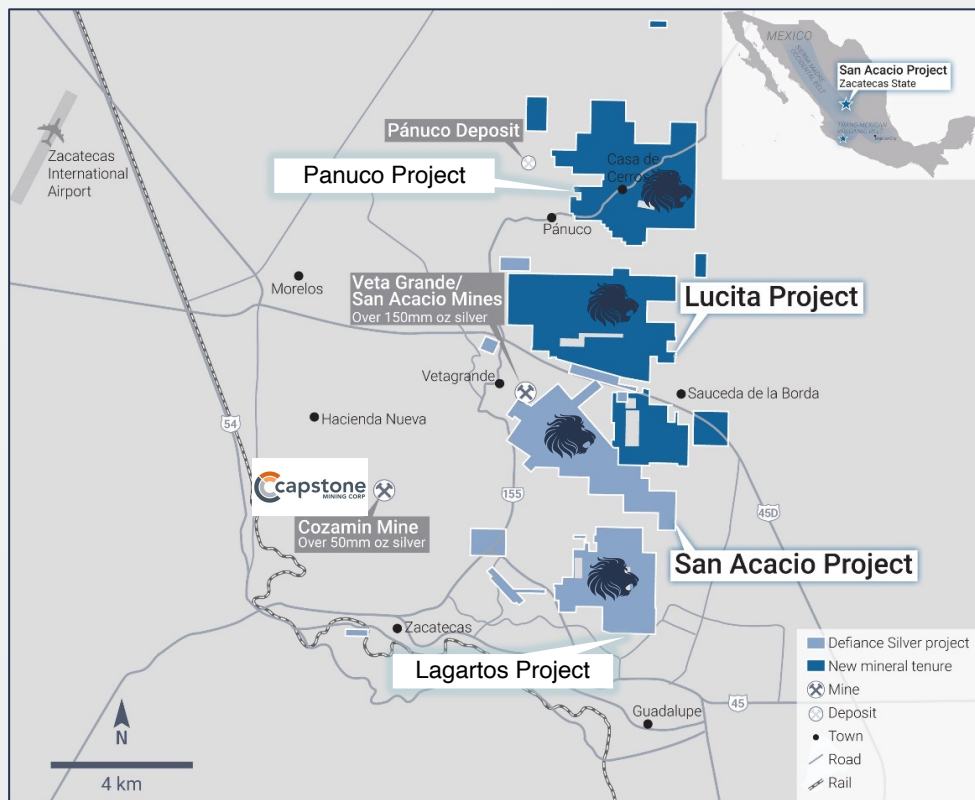
Juanicipio - MAG Silver Discovery to Production – 6.9m Oz Ag @ 556 Ag produced by Sept 2022

San Nicolas – Agnico Eagle commits to \$580m investment for a 50-50 JV with Teck



Zacatecas District-Scale Land Package

Within The Billion Ounce Zacatecas Mining District



Discovery-Focused Geoscience Works

- Located in Zacatecas, Mexico
- Excellent infrastructure, topography, and labour.
- The Zacatecas mining district has produced >1 Billion ozs Ag and is still a prolific mining region for silver and base metal deposits.
- San Acacio and Lagartos projects located on the prolific Veta Grande and Mala Noche Vein Systems.
- Current Initial Resource: 16.9 M Oz. Ag based on 44 holes totalling 10,200m of drilling. More than 20,000m of drilling completed since last resource estimate. Significant intersections outside of current resource
- “Fresnillo from the 1960’s”. Similar crustal position/crustal blocks
 - Fresnillo out of ore by the mid 1960’s; now the world’s largest primary silver mine
 - In 1975, as a result of geochemical, geophysical and geological programs, Fresnillo discovered the Santo Nino vein at a depth of approximately 300m; 3m of 1087 g/t Ag, 1.62 g/t Au, 0.4% Pb, 0.7% Zn.*

*(Ruvalcaba-Ruiz & Thompson, 1988; Gemmel, et al., 1988, Querol & Palacios, 1990

San Acacio Project

Veta Grande Vein System

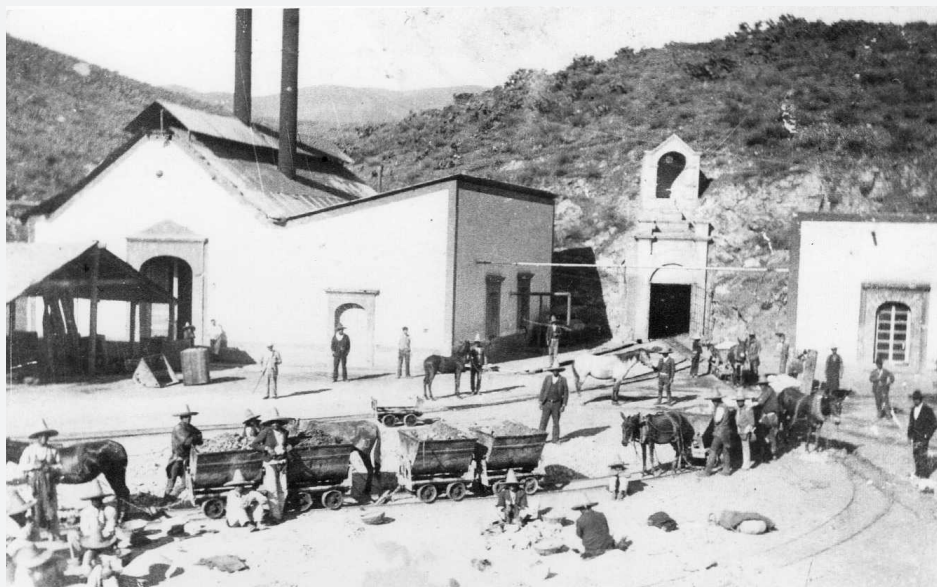


- Located in Zacatecas, Mexico. One of Mexico's most well-known mining districts
- Excellent infrastructure, topography, and skilled local workforce. 10-minute drive from city centre on paved roads, power on site.
- Option to acquire 100% ownership. Lagartos property owned outright
- Current Initial Resource: 16.9M Oz. Ag based on 44 holes totalling 10,200m of drilling. Over 20,000m drilling completed since last resource update. ~7800m drilling completed last year.
- San Acacio and Lagartos projects located on the prolific Veta Grande and Mala Noche Vein Systems. Next door neighbour is the 3800 TPD Cozamin mine (Capstone Mining)
- Veta Grande vein system has historically produced >150m oz of Ag.
- Significant Intersections outside of current resource; base metals never tabled into previous resource estimates.
- The Zacatecas mining district has produced >1Billion ozs Ag and is still a prolific mining region for silver and base metal deposits.

San Acacio Project

Veta Grande Vein System

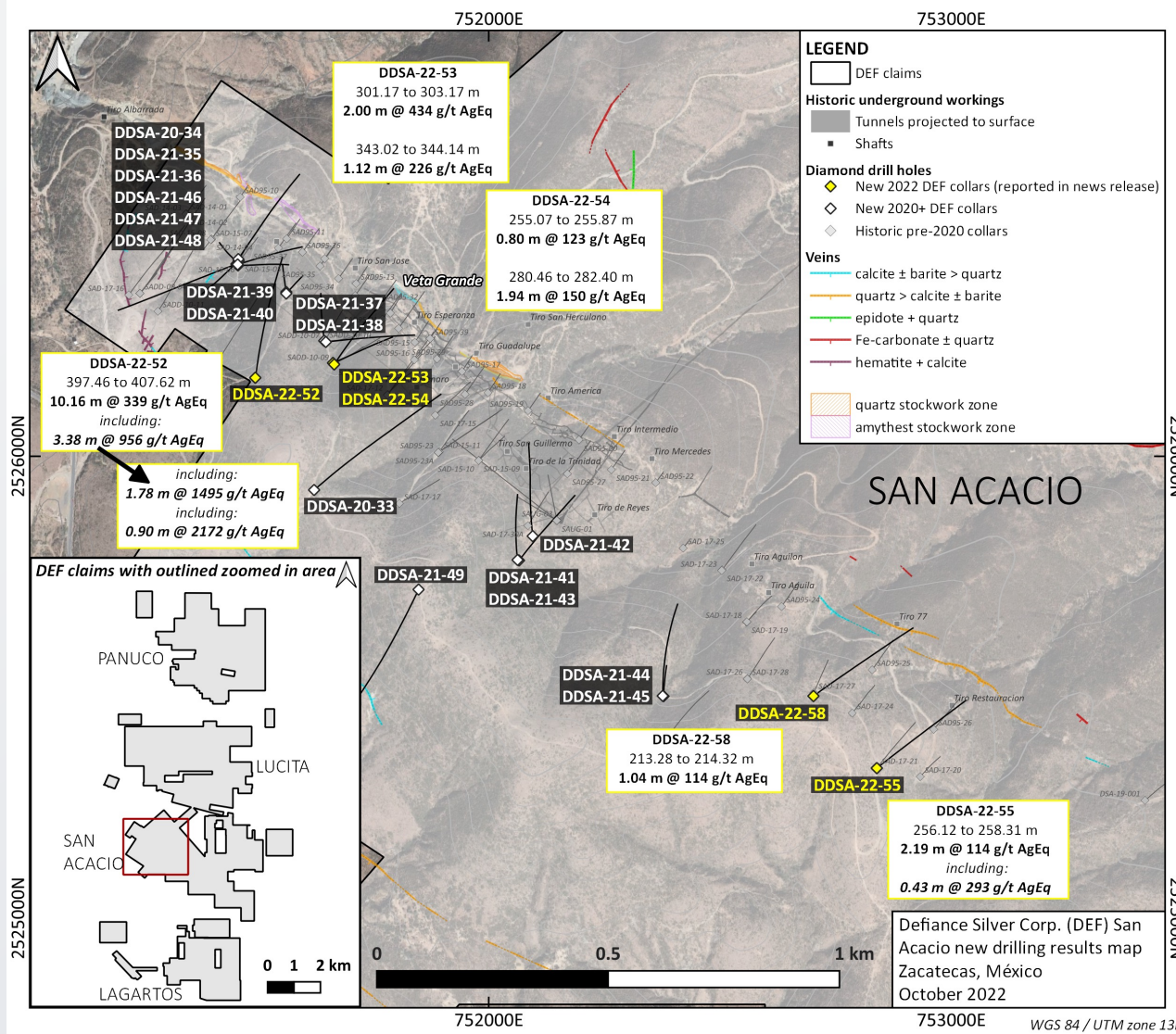
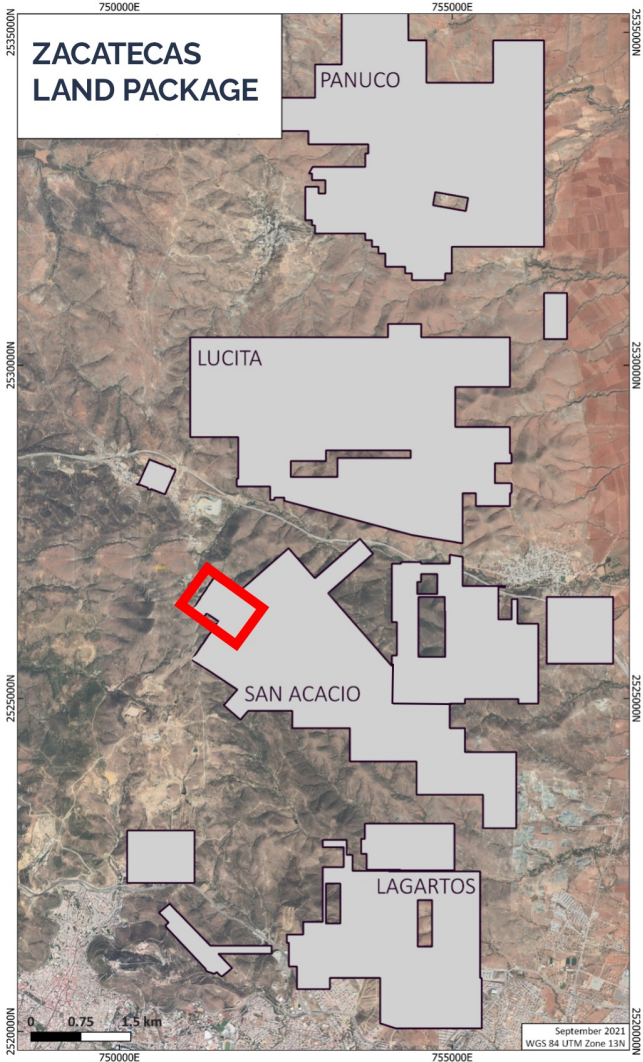
- 1548 to Present: Over 150 million Oz Ag produced from the from Veta Grande vein system.



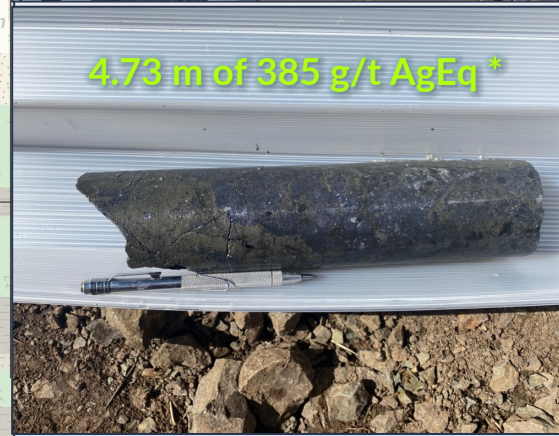
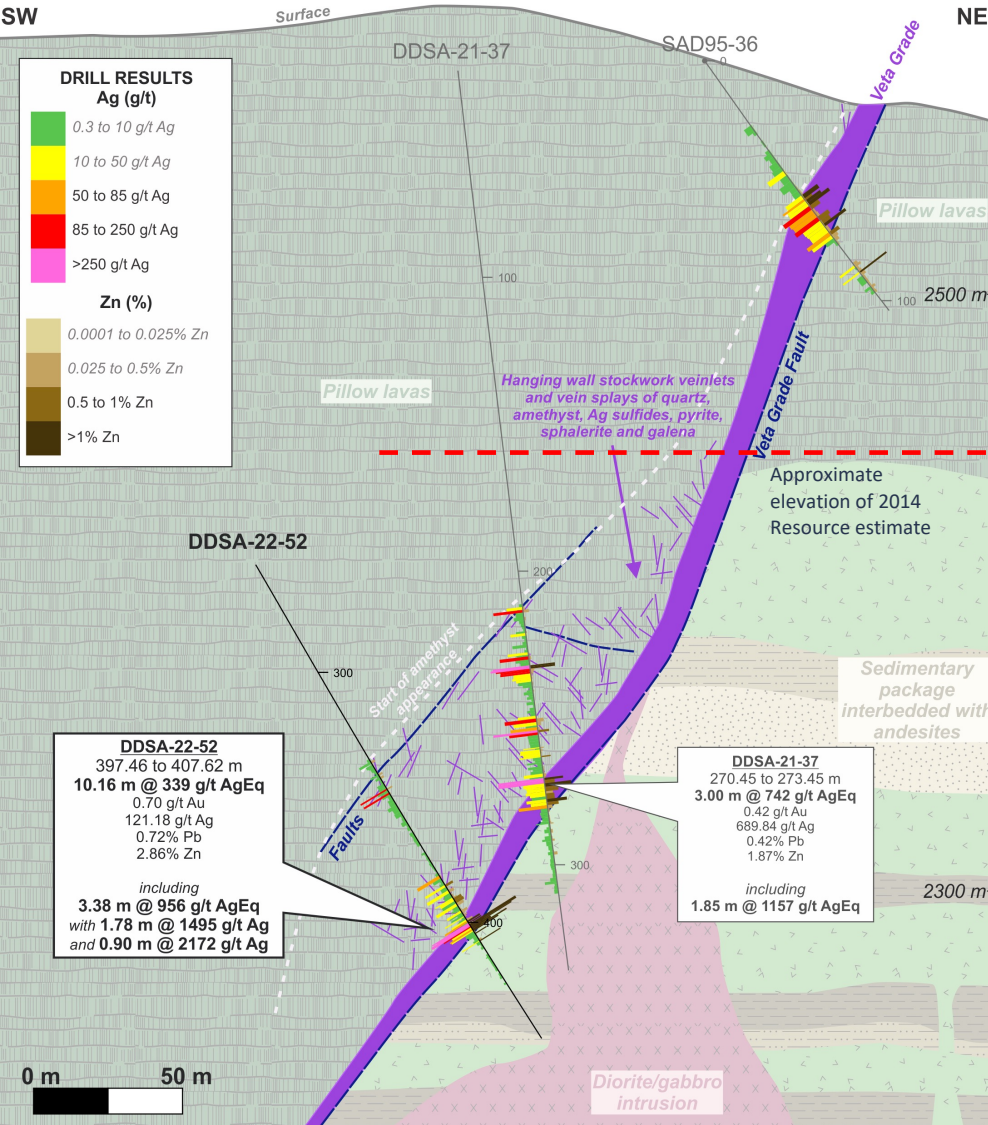
Entrance to La Purísima tunnel, Veta Grande, Zacatecas
(Within Defiance Silver's License area)



San Francisco shaft
(Veta Grande, Zacatecas, 1926)



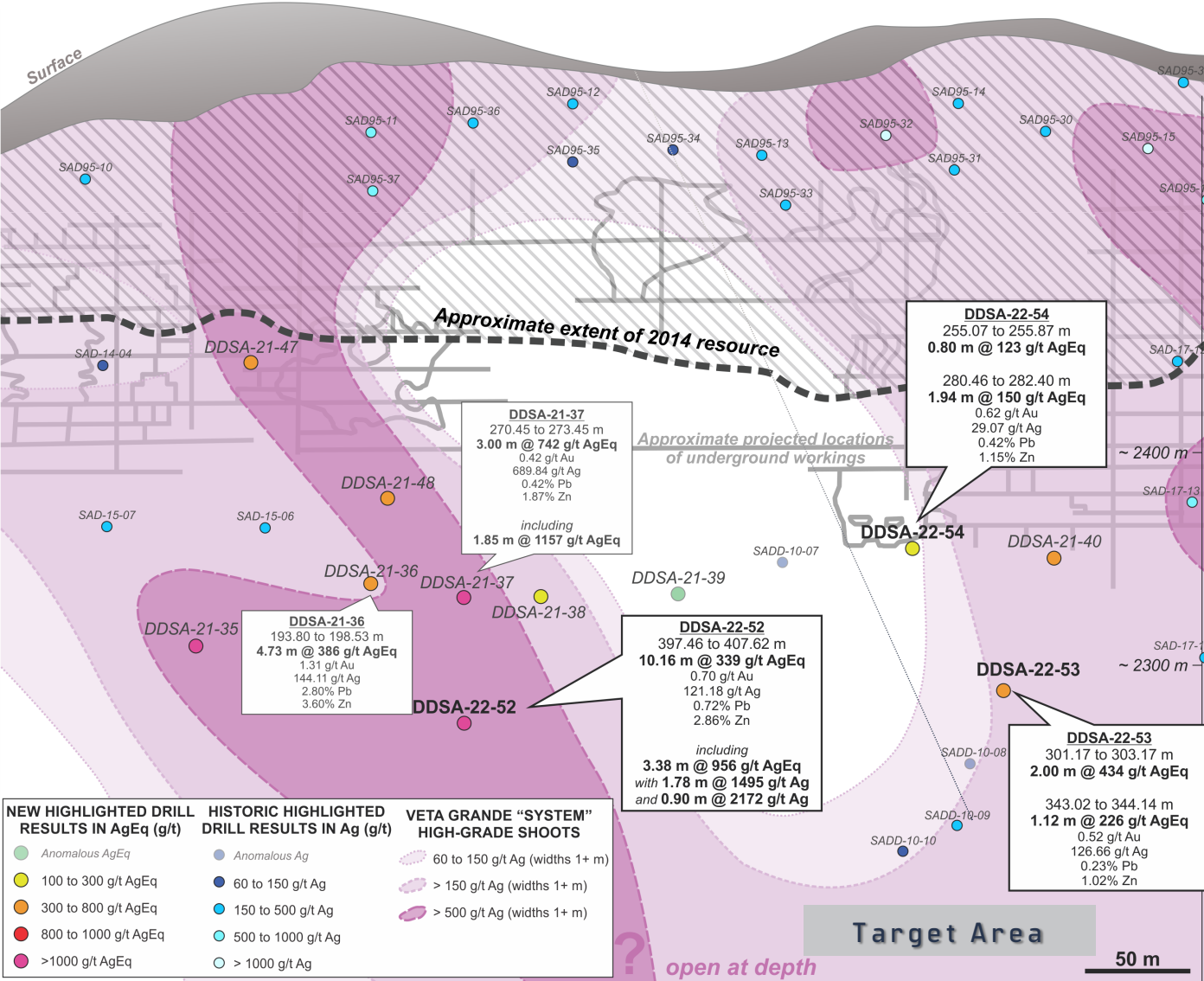
Resource area



4.73 m of 385 g/t AgEq*

Drilling from 2014-2023
Has demonstrated a
larger body of
mineralized material
below the limits of the
current resource
estimate.

*Representative samples



DDSA-22-54
 255.07 to 255.87 m
0.80 m @ 123 g/t AgEq

280.46 to 282.40 m
1.94 m @ 150 g/t AgEq
 0.62 g/t Au
 29.07 g/t Ag
 0.42% Pb
 1.15% Zn

DDSA-21-37
 270.45 to 273.45 m
3.00 m @ 742 g/t AgEq
 0.42 g/t Au
 689.84 g/t Ag
 0.42% Pb
 1.87% Zn

including
1.85 m @ 1157 g/t AgEq

DDSA-21-36
 193.80 to 198.53 m
4.73 m @ 386 g/t AgEq
 1.31 g/t Au
 144.11 g/t Ag
 2.80% Pb
 3.60% Zn

DDSA-22-52
 397.46 to 407.62 m
10.16 m @ 339 g/t AgEq
 0.70 g/t Au
 121.18 g/t Ag
 0.72% Pb
 2.86% Zn

including
3.38 m @ 956 g/t AgEq
 with **1.78 m @ 1495 g/t Ag**
 and **0.90 m @ 2172 g/t Ag**

DDSA-22-53
 301.17 to 303.17 m
2.00 m @ 434 g/t AgEq

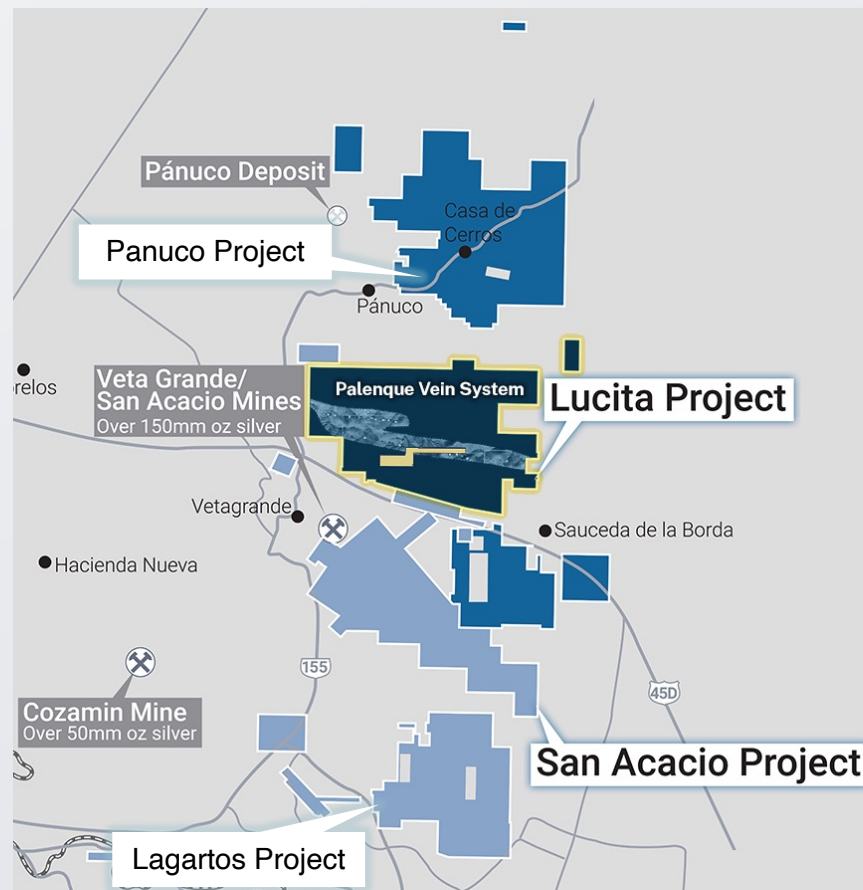
343.02 to 344.14 m
1.12 m @ 226 g/t AgEq
 0.52 g/t Au
 126.66 g/t Ag
 0.23% Pb
 1.02% Zn

Lucita Project: Exploring the Palenque Vein System

Maiden drilling returns high grade results

- Nearly tripled Defiance's land position in historic Zacatecas silver district.
- Option to acquire 100% ownership from Pan American Silver, single remaining payment November 2023.
- Significant, well-mineralized, multi-kilometer target at Lucita Central (Palenque Vein System). Individual 2022 drill results* up to 3260 g/t Ag & 1603 g/t Ag

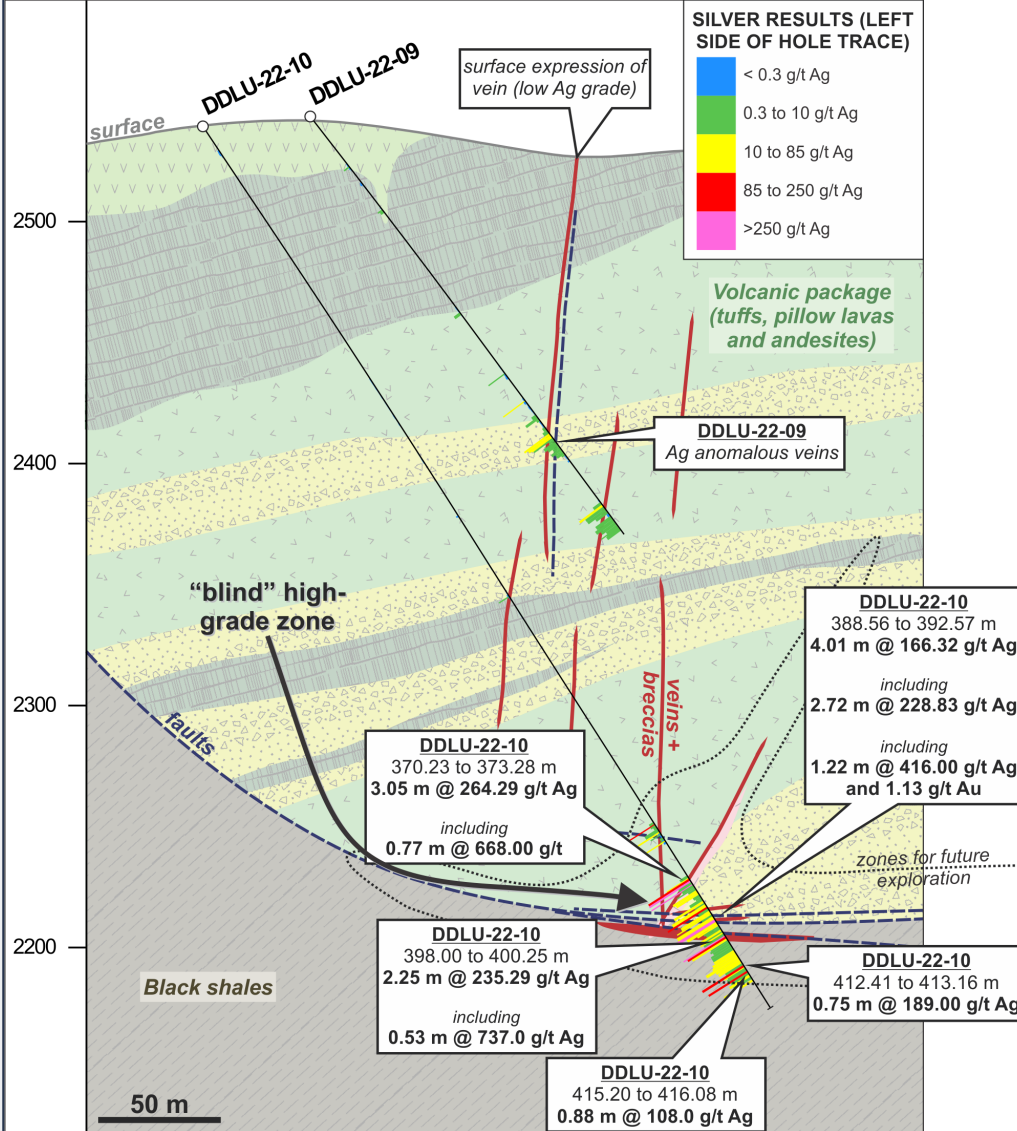
Hole	From	To	Interval	Au g/t	Ag g/t
DDSA-21-50	115.82	119.15	3.33	0.06	709.04
including	116.25	117.4	1.15	0.11	1603.90
DDL-21-01	171.06	172	0.94	0.11	106.82
DDL-21-04	114.95	117.68	2.73	0.16	102.07
including	114.95	116.53	1.58	0.11	134.00
DDL-21-05	152.52	156	3.48	0.02	513.57
including	154.1	156	1.9	0.03	940.18
including	154.1	154.35	0.25	0.07	3260.00
DDL-21-05	164.4	165.45	1.05	0.19	317.00
DDL-21-05	219.53	223.62	4.09	0.10	137.40
including	219.53	220.13	0.6	0.28	618.00
DDL-21-05	229.35	230.86	1.51	0.76	191.92



*True thickness unknown

Lucita Project

Blind Silver System Discovery



Previously unrecognized, blind, “contact” style of target encountered at depth on hole DDLU-22-10.

Wide (>40m) and highly anomalous Ag mineralization was supported by individual results grading up to 737 g/t Ag.

Single drill hole DDLU-22-10 returned:

- **3.05m of 264.29 g/t Ag, including 0.77m of 668 g/t Ag (370.23m to 373.38m)**
- **2.72m of 228.83 g/t Ag including 1.22 m of 416 g/t Ag and 1.13 g/t Au (338.56m to 391.28m)**
- **2.25m of 235.29 g/t Ag including 0.53m of 737 g/t Ag (398.00m to 400.25m)**

*True thickness unknown

Panuco Project: Exploring the Tres Cruces Vein System

One of the best polymetallic targets in the district

Northern Zacatecas District

Multi-Kilometre vein system. One of the best polymetallic targets in the district

3 phases of historical drilling completed, returning high grade silver in a number of different veins.

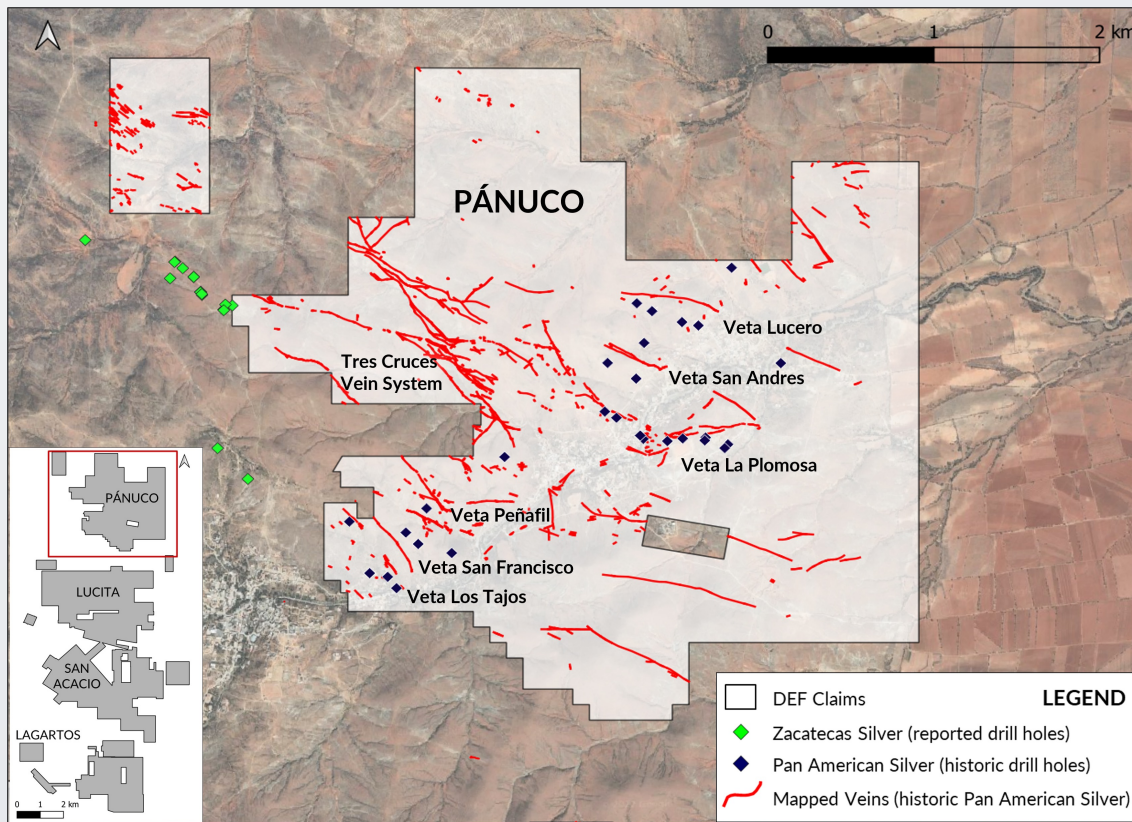
Neighbouring operators currently reporting high grade results

Neighbouring Panuco deposit has 43-101 resource of 16.4 Million oz AgEq @ 187 g/t AgEq**

Defiance Silver's Panuco Project (Lucita North) historic drill results to date include*:

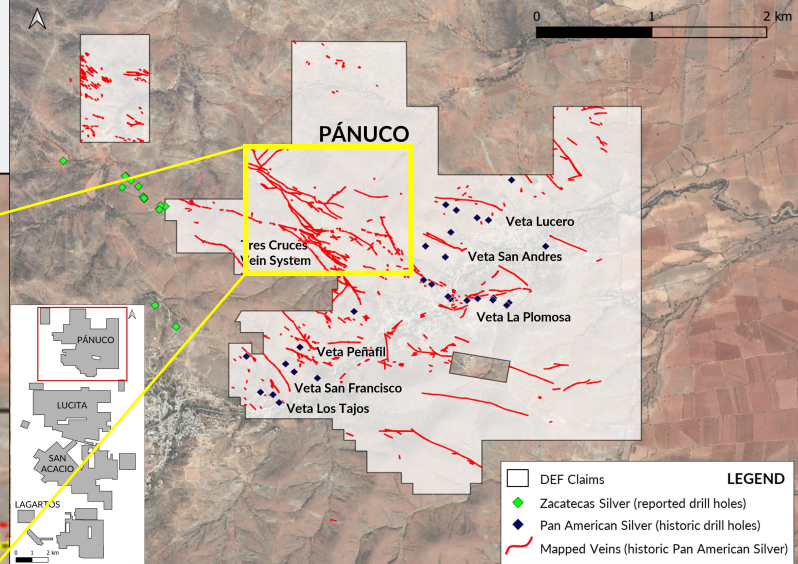
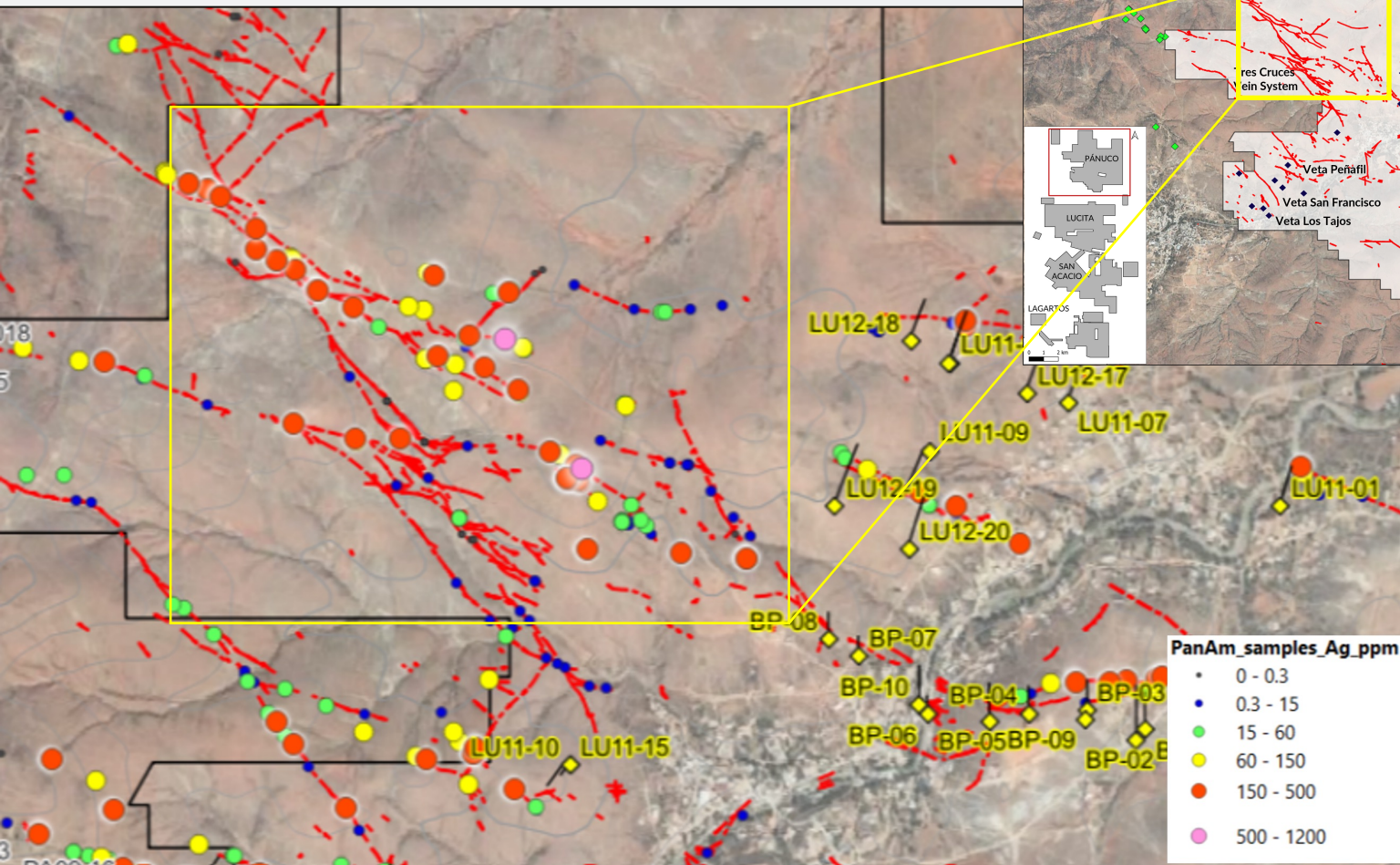
1.25m @779 g/t Ag (LU-11-19)

3.35m @325 g/t Ag (LU-11-16)



*True thickness unknown ** NI 43-101 Technical Report, Zacatecas Properties, Zacatecas State, Mexico" January 28, 2022

Panuco: Tres Cruces Vein System

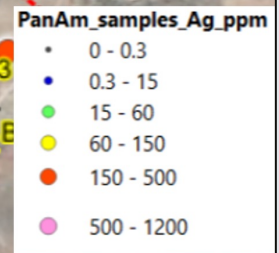


Multi-Kilometre undrilled vein system with high grade historical Ag results.

High priority exploration target on one of the best polymetallic targets in area.

High grade historical Ag sampling

Neighbouring project has returned appreciable results.



District Scale Opportunity

World Class Silver District



San Acacio/Veta Grande

The Zacatecas Silver district has produced >1 Billion ozs Ag and is still a prolific mining region for silver and base metal deposits.

- Resource expansion program ongoing. Returning positive results outside of the resource area

Lucita/Palenque

- First pass drilling returned high grade results across the Palenque vein system
- Blind “discovery” on Palenque west represents new contact style target.
- Panuco – Tres Cruces is one of the highest grade un-drilled polymetallic targets in the district.
- On strike to recently announced results from Panuco north and Panuco vein systems.

Strategy to add value at Zacatecas projects

DISCOVERY-FOCUSED MINERAL
SYSTEMS GEOSCIENCE

FULLY-FINANCED EXPLORATION AND
RESOURCE DRILLING PROGRAM

ADD OUNCES TO AN ADVANCED
ASSET



- RESOURCE EXPANSION DRILLING ONGOING AT VETA GRANDE
- FOLLOW UP DRILLING PLANNED FOR LUCITA DISCOVERIES
- INTIAL DRILLING PLANNED FOR PANUCO – TRES CRUCES

Why invest in Defiance Silver?

Discovery-Focused Geoscience Works



[1-Source: NI-43-101 Technical Report and Resource Estimate, San Acacio Silver Deposit, Zacatecas State, Mexico, by Giroux and Cuttle, September 2014 \(further details in the Appendix of this presentation\)](#)

[2-Source: NI-43-101 Technical Report Preliminary Economic Assessment on the Tepal Project, Michoacan, Mexico, JDS Energy & Mining Inc, January 2017 \(further details in the Appendix of this presentation\)](#)

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APPENDIX



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Tepal Litigation

Timeline

June 24th, 2022*

Defiance discovers illegal and fraudulent transfer of mining concessions at the Tepal Project.

The company immediately initiated legal and administrative proceedings for return of the concessions.

October 27th, 2022⁺

Case is admitted for trial to District Court in Michoacán.

Defiance wins order to freeze the concessions, preventing their disposal.

The October 27th Order allows the early conclusion that District Court will eventually rule in favor of Defiance, restoring its rightful ownership of the Mining Concessions. Defiance has a substantial likelihood of success on the merits. Mexican Law, Mexican Precedents, and Mexican Courts are consistent in declaring null and void illegal transfers made fraudulently.

Current Status

Evidence has been submitted and the defendants have been notified of the trial.

The company expects a trial date and conclusion in the second half of 2023.

*Press Release: [June 24th, 2022](#)
+ Press Release: [October 27th, 2022](#)

Industry veterans with proven success

Chris Wright, BA
Chairman of the Board & CEO

Founder and Director of Windermere Capital, an investment firm and manager of two private investment funds: the Navigator and Breakaway Strategic Resource Funds, both of which are significant shareholders of Defiance.



Douglas Cavey
Executive Vice-President

Over a decade of experience working on exploration, development, and mining projects for private, junior, and mid-tier mining companies.



George Cavey, P.Geo
Vice-President, Exploration & Qualified Person

Former VP Exploration of Orko Silver, part of the team who discovered 264mm oz La Preciosa deposit sold to Coeur Mining in 2013 for \$380mm. 2004 recipient of the APEGBC C.J. Westermann Award. 2010 recipient of the Canadian Professional Geoscientist Award, Canada's highest honor for Professional Geoscientist.



Jennifer Roskowski, MSc
Principal Geologist

Global exploration geologist with a decade of experience working with one of the world's largest copper mining companies on global generative exploration and target definition.



Dunham L. Craig, P.Geo
Director

Past Director of Silvercrest Mines Inc., Past President and CEO and Director of Valoro/Geologix Exploration Inc., Vice President of Exploration and Corporate Development for Wheaton River Minerals.



Paul Smith, MSc
Director

Founding shareholder and past Finance Director of Ocean Partners Holdings Limited, one of the world's large traders of copper, zinc and lead concentrates.



James Bergin, BBA
Director

President and CIO of Hillhead Capital Inc. with 29 years of experience in capital markets with Credit Suisse, Barclays capital and Toronto Dominion Bank.



Ron Sowerby
Director

Director of Glentel Inc., which was purchased by Bell Inc. for \$594 million. Comptroller and CFO of TCG International Inc. (Trans Canada Glass Ltd.)



UNEXPECTED DEVELOPMENTS

A CATALYST FOR SILVER

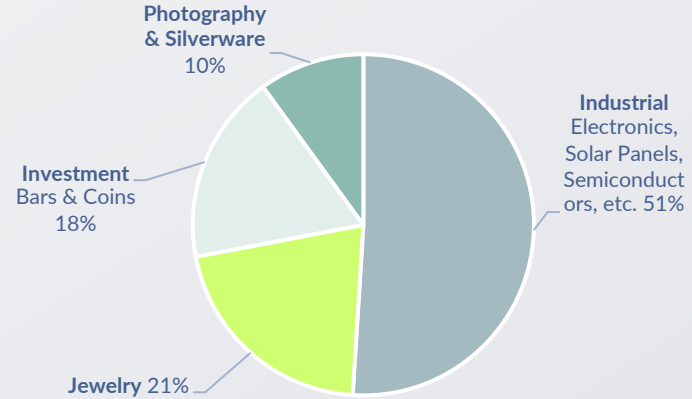
Global Silver Production by Country in 2018

Rank	Country	MMozs	
1	Mexico	196.6	■ Mandatory Mine Closures
2	Peru	144.9	
3	China	114.9	■ Disruption or Voluntary Closures
4	Russia	43.4	
5	Chile	42.1	
6	Bolivia	39.9	
7	Poland	39.6	
8	Australia	35.4	
9	United States	28.0	
10	Argentina	26.5	
11	Canada	24.8	
12	India	23.2	
13	Kazakhstan	19.5	
14	Sweden	14.6	
15	Indonesia	11.9	
16	Morocco	11.2	
17	Turkey	5.5	
18	Armenia	5.0	
19	Iran	3.6	
20	Dominican Republic	3.4	
21	Rest of World	21.7	
	World Total	855.7	

Percent of Production Offline >47.7

- COVID-19 has significantly shifted the supply/demand picture for silver.
- As manufacturing activity ceased, industrial demand has weakened and will recover as the global economy resumes and recovers.
- While industrial demand has softened, the more severe economic contraction has been in the service sector rather than manufacturing.

Silver Demand by Industry



- Mine suspensions are offsetting weak industrial demand for silver, with production halted in countries that represent 47.7% of global silver production.
- Silver already had an 861.7mm oz deficit and mine supply has been declining since 2015.
- Over 70% of silver is mined as a by-product in polymetallic mines; a slowing economy will lower demand for base metals, putting pressure on prices and mines.
- Mine resumptions and ramp-up will be gradual and are uncertain, while global scrap supply has dropped 50% since 2011.

Source: Bloomberg, Spott, The Silver Institute GFMS World Silver Survey

SAN ACACIO PROJECT

43-101 COMPLIANT INFERRED MINERAL RESOURCE ESTIMATE

43-101 Inferred Mineral Resource Estimate

Vein	Tonnes > Cut-off (tonnes)	Grade>Cut-off			Contained Metal		
		Ag (g/t)	Au (g/t)	AgEq (g/t)	Ag (ozs)	Au (ozs)	AgEq (ozs)
VETA G	2,150,000	192.43	0.19	204.66	13,302,000	10,000	14,147,000
VETA C	739,000	153.28	0.08	158.66	3,642,000	1,900	3,770,000
TOTAL	2,889,000	182.42	0.16	192.89	16,944,000	11,900	17,917,000

Source: NI-43-101 Technical Report and Resource Estimate, San Acacio Silver Deposit, Zacatecas State, Mexico, by Giroux and Cuttle, September 2014

The San Acacio Deposit has a 43-101 Inferred Mineral Resource Estimate available on www.sedar.com or www.defiancesilver.com. Using a silver equivalent ("AgEq")* cut-off grade of 100 grams tonne ("g/t"). Using a gold price of \$1270/ oz Au and silver price of \$19.60 the silver equivalent value would be silver content plus 65 times the gold content. (Note: total contained AgEq values may not add exactly because of rounding). Metallurgical recoveries are not taken into account.

Base Metals not included in initial inferred resource.

SAN ACACIO PROJECT

"POST-RESOURCE" DRILL RESULTS SUMMARY

Hole #	From (m)	To (m)	Length (m)*	Ag (g/t)	Au (g/t)	Cu %	Pb %	Zn %	AgEq (g/t)**
SAD14-01	134.00	142.10	8.10	222.12	0.22	0.01	0.20	0.53	268.13
SAD14-02	168.50	171.70	3.20	419.09	0.82	0.02	0.14	0.30	499.43
SAD14-03	05.00	213.30	8.30	42.89	0.92	0.04	1.87	2.44	278.33
SAD14-04	147.00	153.10	6.10	138.35	0.80	0.19	1.27	1.90	340.4
SAD15-07	136.40	140.00	3.60	211.49	0.14	0.01	0.11	0.20	234.17
SAD15-08	106.05	113.30	7.25	631.46	0.43	0.01	0.09	0.22	675.58
SAD15-10	331.5	333.6	2.1	283.31	0.17	0.01	0.38	0.70	337.8
SAD15-12	226.2	253.65	27.03	148.21	0.29	0.02	0.13	0.67	202.99
SAD15-13	261.00	271.00	10.00	171.22	0.08	0.01	0.27	0.42	204.65
SAD15-13	261.00	271.00	10.00	171.22	0.08	0.01	0.27	0.42	204.65
SAD15-15	209.82	213.00	3.18	285.04	0.02	0.01	0.05	0.17	296.30

*Please see Defiance [press release](#) of 25 Oct 2017 for further details and 2017 intercepts.

*True Widths are approximately 70% to 80% of each intersection **Reported for comparison only, with no assumptions regarding metal recovery or smelter payments. Prices used are Au: \$1210.50/ounce, Ag: \$16.33/ounce, Cu; \$2.80/pound, Pb; \$0.83/pound and Zn \$0.95/pound in US\$. 1 Gram = 0.03215074657 Troy ounce

TEPAL GOLD-COPPER PROJECT

43-101 COMPLIANT MINERAL RESOURCE ESTIMATE

Tepal Total Project Resource Estimate¹ – March 2012

Resource Classification	Tonnes	Au Grade (g/t)	Cu Grade (%)	Ag Grade (g/t)	Contained Au (oz)	Contained Cu (lbs)
Measured	34,100,000	0.48	0.25	0.95	528,000	185,000,000
Indicated	153,700,000	0.26	0.19	1.67	1,276,000	628,000,000
Measured & Indicated	187,800,000	0.30	0.20	1.54	1,804,000	813,000,000
Inferred	35,700,000	0.16	0.15	1.68	182,000	120,000,000

Mineral Resource (Mine Diluted) Included in PEA Mine Plan¹²

Resource Classification	Tonnes	Au Grade (g/t)	Cu Grade (%)	Ag Grade (g/t)	Contained Au (oz)	Contained Cu (lbs)
Measured	26,800,000	0.51	0.25	0.95	438,000	150,000,000
Indicated	61,700,000	0.28	0.20	1.58	550,000	269,000,000
Measured & Indicated	88,500,000	0.35	0.21	1.39	988,000	419,000,000
Inferred	2,000,000	0.19	0.18	2.73	12,000	8,000,000

1. The resource states in the table conforms to CIM guidelines for reasonable potential for economic extraction and is not to be confused as reserves. Resource numbers above are rounded to the nearest 100,000 tonnes, 1,000 oz Au and 1,000,000 lbs Cu.
2. The mineral resource stated in the table conforms to CIM guidelines for reasonable potential for economic extraction and is not to be considered mineral reserves.
3. NSR cut-off for sulphide material is \$8.19/tonne milled and for oxide material is \$10.13/tonne milled.

[Source: NI-43-101 Technical Report Preliminary Economic Assessment on the Tepal Project, Michoacan, Mexico, JDS Energy & Mining Inc. January 2017.](#)

TEPAL GOLD-COPPER PROJECT

PROJECT PROFILE

Flotation Concentrate & Tails Cyanidation Recovery Estimates

	Flotation	Tails Cyanidation	Combined Recovery
Tepal Recovery			
Copper	88.2%		88.2%
Gold	62.4%	16.5%	78.9%
Silver	27.4%	15.5%	40.2%
Tizate Recovery			
Copper	85.9%		85.9%
Gold	55.0%	16.0%	74.0%
Silver	59.6%	18.5%	78.1%

Oxide Leach Recovery Estimates

Tepal Recovery	
Gold	83.2%
Silver	63.3%
Tizate Recovery	
Gold	75.3%
Silver	55.9%

1. Au = gold, Cu = copper, Ag = silver, Mo = molybdenum, g/t = grams per tonne, % = percent, oz. = ounces, lbs. = pounds. Resource numbers above are rounded to nearest 100,000 tonnes, 1,000 oz Au, 1,000,000 lbs Cu and 1,000 oz. AuEq ²AuEq = gold equivalent and is calculated using gold and copper only using \$1000 Au, \$2.75 Cu metal prices (AuEq = (lbs. Cu*\$2.75/\$1000) + Au oz.). All dollar values stated are \$USD
2. The mineral resource stated in the table conforms to CIM guidelines for reasonable potential for economic extraction and is not to be considered mineral reserves.

[Source: NI-43-101 Technical Report Preliminary Economic Assessment on the Tepal Project, Michoacan, Mexico, JDS Energy & Mining Inc. January 2017.](#)

TEPAL GOLD-COPPER PROJECT

PROJECT PROFILE

2017 PEA Assumptions

Sustaining Capital Costs	\$86.7
Mine Life	9.8 years
Total Material Mined	142.9 Mt
Strip Ratio	0.6 : 1
Average Plant Throughput (Sulphide + Oxide)	9.6 Mtpa
Average Au Sulphide Head Grade	0.33 g/t
Average Cu Sulphide Head Grade	0.21%
Average Au Oxide Head Grade	0.45 g/t
LOM Average Au Sulphide Recovery (combined Flotation & CIL)	77%
LOM Average Cu Sulphide Recovery	87%
LOM Average Au Oxide Recovery	81%

- (1) Cash cost includes all mining, milling & refining, transport, mine-level G&A, and royalty costs

2017 PEA Highlights

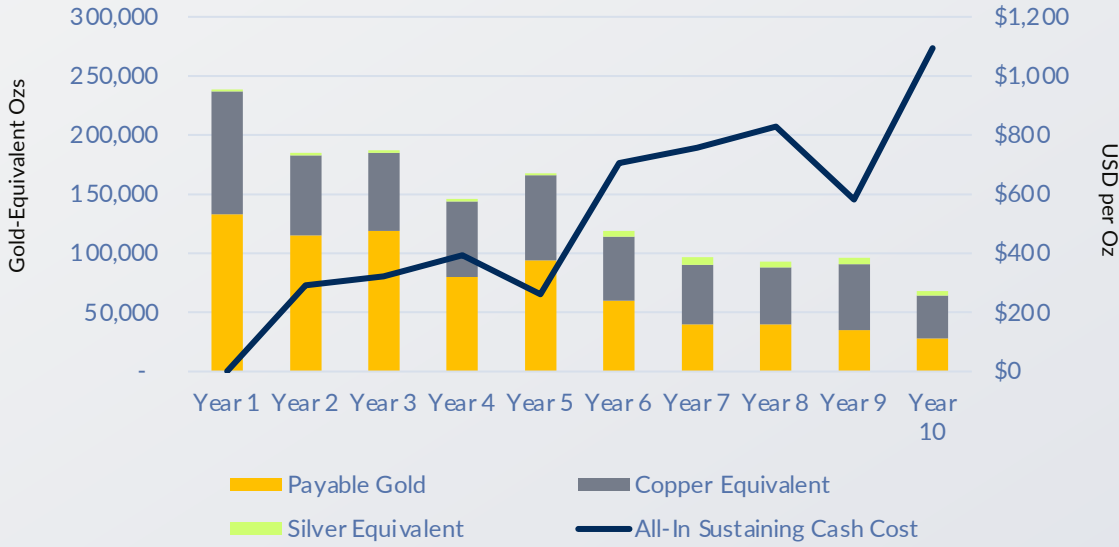
% Δ in Base Case Metals Prices		-10%	0%	10%
Gold Price (US\$/oz)		\$1,125	\$1,250	\$1,375
Copper Price (US\$/lb)		\$2.25	\$2.50	\$2.75
Silver Price (US\$/oz)		\$16.20	\$18.00	\$19.80
All-In Sustaining Costs (net of byproducts)				
Gold (US\$/oz)		\$497	\$396	\$296
Copper (US\$/oz)		\$0.69	\$0.38	\$0.07
Pre-Tax				
NPV(5%) (US\$ millions)		\$165.6	\$299.4	\$433.3
IRR (%)		25%	36%	46%
Payback Period (years)		2.2	1.6	1.3
After-Tax:				
NPV(5%) (US\$ millions)		\$77.5	\$169.4	\$257.2
IRR (%)		15%	24%	31%
Payback Period (years)		3.0	2.3	1.9

Source: NI-43-101 Technical Report Preliminary Economic Assessment on the Tepal Project, Michoacan, Mexico, JDS Energy & Mining Inc. January 2017.

TEPAL GOLD-COPPER PROJECT

PROJECT PROFILE

2017 PEA Production by Year & Cost Profile



(1) Using US\$1,250/oz. Au price, US\$2.50/lb. Cu price and US\$18.00/oz. Ag price
 (2) Cash cost includes all mining, milling & refining, transport, mine-level G&A, and royalty costs; net of byproduct credits

Source: NI-43-101 Technical Report Preliminary Economic Assessment on the Tepal Project, Michoacan, Mexico, JDS Energy & Mining Inc. January 2017.