



DEFIANCE
SILVER CORP

CORPORATE PRESENTATION

JANUARY 2021

TSXV:DEF OTC:DNCVF



DISCLAIMER

FORWARD-LOOKING INFORMATION AND STATEMENTS

This presentation contains “forward-looking information” and “forward-looking statements” within the meaning of applicable securities laws. This information and statements address future activities, events, plans, developments and projections. All statements, other than statements of historical fact, constitute forward looking statements or forward-looking information. Such forward-looking information and statements are frequently identified by words such as “may”, “will”, “should”, “anticipate”, “plan”, “expect”, “believe”, “estimate”, “intend” and similar terminology and reflect assumptions, estimates, opinions and analysis made by management of Defiance in light of its experience, current conditions, expectations of future development and other factors which it believes to be reasonable and relevant.

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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.

TIGHT SHARE STRUCTURE

Share Structure

TRADING	Trading Symbols	TSXV:DEF OTC:DNCVF
	52 Week Hi-Low	\$1.05-\$0.06
	Average Daily Trading Volume	~284,500
CASH POSITION December 31st, 2020	Cash (CAD \$M)	~\$10.1
SHARE STRUCTURE December 31st, 2020	Share Price	\$0.98
	Market Cap (CAD \$M)	~\$187.9
	Common Shares	191.8
	Options	5.8
	Warrants	37.2
	Fully Diluted	237.0
OWNERSHIP	Institutional Ownership	~35%

Share Price History



Source: Sedar, TMX, Yahoo Finance

DEFIANCE SILVER

PREMIER MEXICO EXPLORATION & DEVELOPMENT COMPANY



TORQUE

- Defiance's projects have excellent leverage to precious metal prices.
- Historically leveraged to silver prices; in 2016, the company returned 6x when silver prices appreciated 20%.
- Silver & Gold focus.



TRACK RECORD

- Management has a track record of acquiring, financing, and developing precious metals deposits in Mexico.
- Management & Insiders own over 10%.
- Over 35% held by institutions.



EXECUTION

- Currently drilling high-priority targets.
- Focused on adding ounces.
- Re-interpreting and following up on historic work using systematic modern geoscience.

ZACATECAS DISTRICT

- Our Zacatecas projects are located in the high-grade Veta Grande and Mala Noche camps.
- Recent work highlights the potential for composite vein systems at depth and suggests the presence of a long-lived mineralizing system at San Acacio.

TEPAL

- Tepal is a large, advanced-stage Gold & Copper project in Mexico.
- The project has attractive economics at current spot prices and compelling exploration targets outside of the current pit design.

Defiance Silver is focused on adding ounces to our resource projects using systematic, modern discovery- focused geoscience.

SOLID PROJECT BASE | WITH A FOCUS ON PRECIOUS METALS

	San Acacio Project	Tepal Project
LOCATION	Zacatecas	Michoacán
PRIMARY COMMODITY	Silver	Gold-Copper
DEPOSIT TYPE	Epithermal Vein	Porphyry-Epithermal
STAGE	Resource	Pre-Feasibility
NI 43-101 RESOURCE	16.9mm ozs Ag*	1.8mm ozs Au + 813mm lbs Cu
INFRASTRUCTURE	Excellent; road, power grid, water, and experienced Mexican labor	Excellent; road, seaport, access with low topographical relief
OWNERSHIP	Under Option	100%

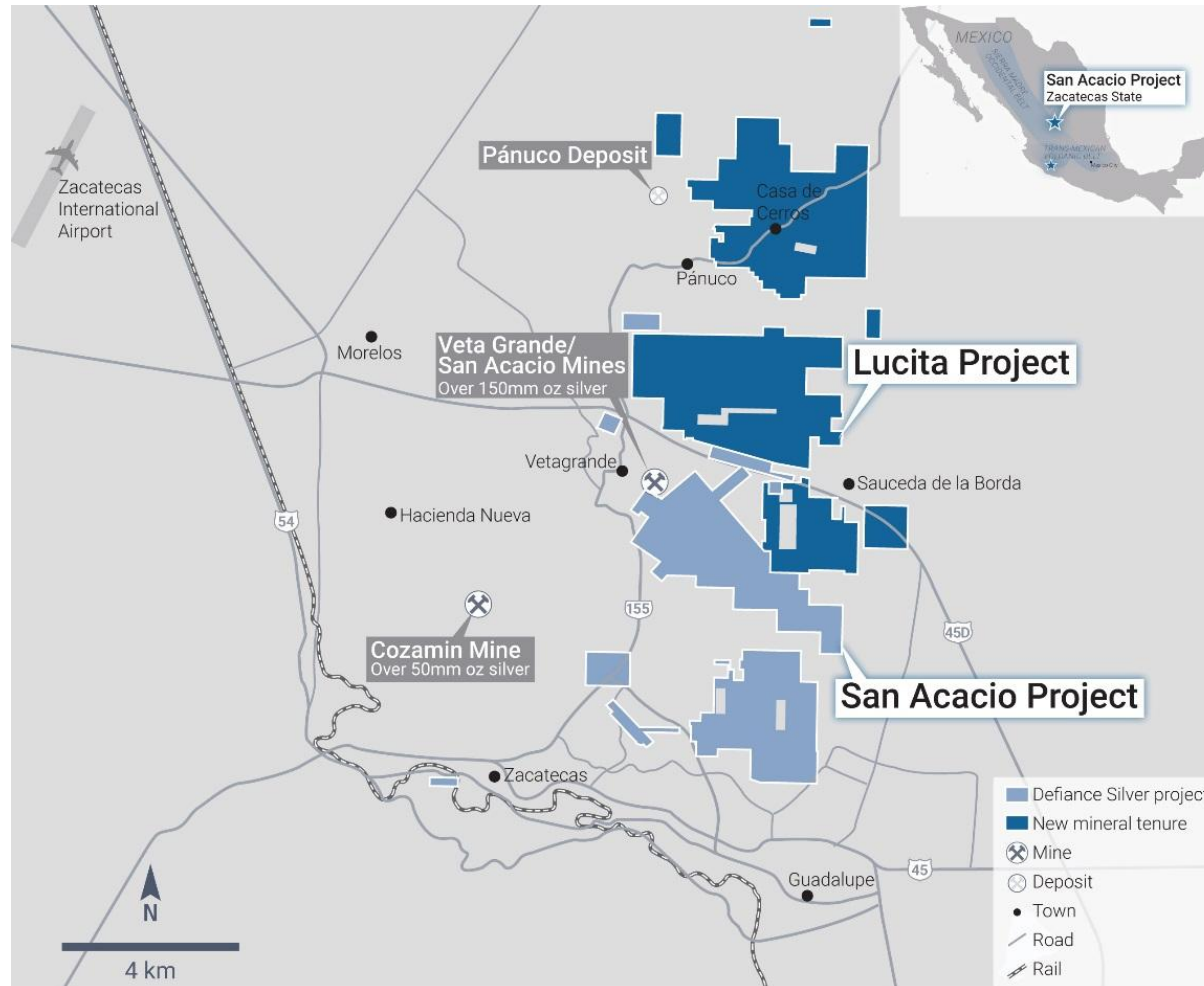


*-Source: NI-43-101 Technical Report and Resource Estimate, San Acacio Silver Deposit, Zacatecas Sate, Mexico, by Giroux and Cuttle: September 2014 (further details in the Appendix of this presentation)

+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)

ZACATECAS DISTRICT PROJECTS

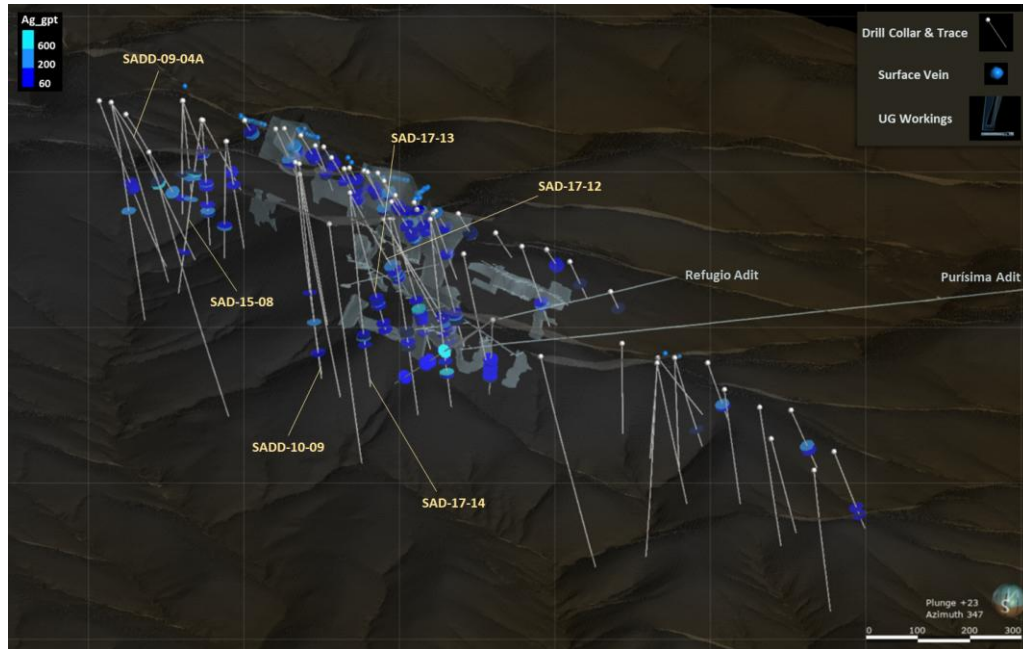
WITHIN THE BILLION OZ ZACATECAS SILVER CAMP



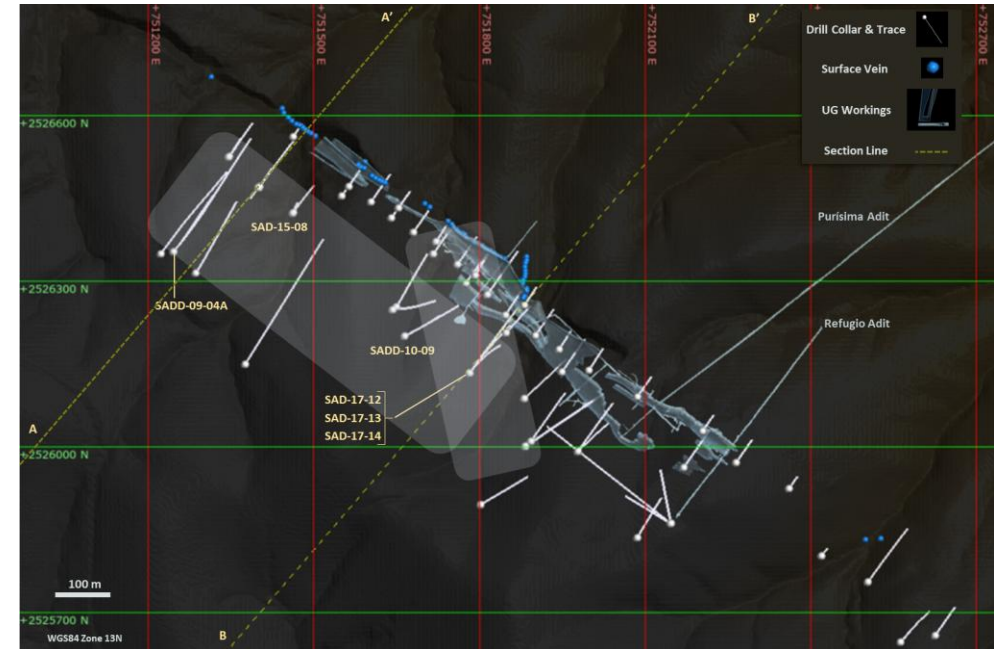
- Located in Zacatecas, Mexico.
- Option to acquire 100% ownership.
- Current Initial Resource: 16.9 mm Oz. Ag based on 44 holes totalling 10,200m of drilling.
- San Acacio and Lagartos projects located on the prolific Veta Grande and Mala Noche Veins.
- Significant Intersections outside of current resource; Base Metals never tabled into previous resource estimates.
- Excellent infrastructure, topography, and labour.
- The Zacatecas Silver district has produced >1B ozs Ag and is still a prolific mining region for silver and base metal deposits.
- “Fresnillo in the 60s”.
 - Similar crustal position/crustal blocks
 - Fresnillo out of ore by the mid 1960’s; now the world’s largest primary silver mine
 - Discovery-focused geoscience works

SAN ACACIO & VETA GRANDE VEIN

TARGETS IDENTIFIED ALONG STRIKE AND TO THE SOUTH EAST

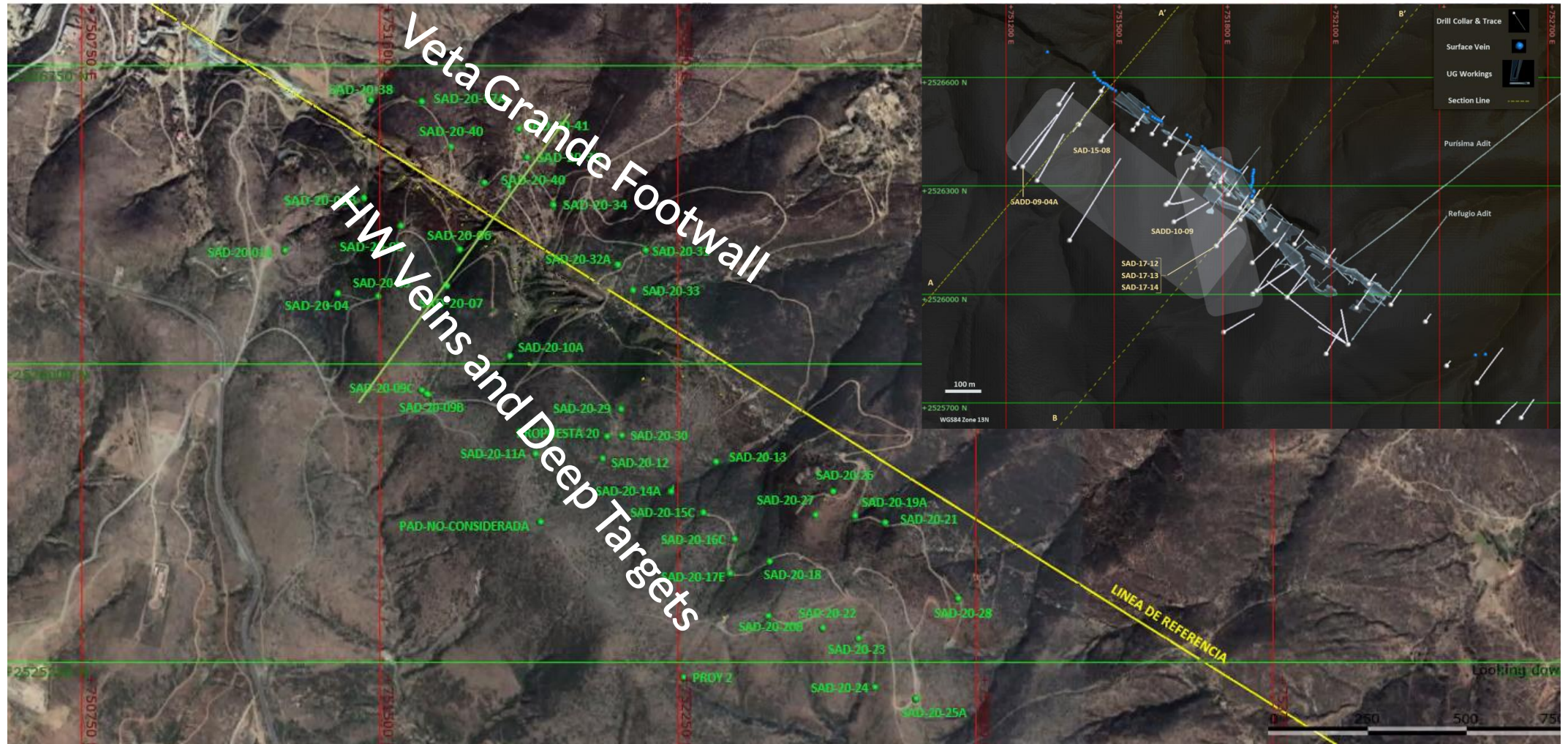


- Significant mineralization identified in the vicinity of SAD 15-08 and SAD 17-12/13/14.
- Deep targets have also been identified along strike of the Veta Grande immediately to the south east. Drilling in 2017 was targeted too high in the system, some holes did not reach target depth (SAD17-20, 17-30A).



- 1.3km X 300m hanging wall mineralizing event parallel to the Veta Grande (in grey boxes).
- Significant mineralization identified in the vicinity of SAD 15-08 and SAD 17-12/13/14.
- Principle targets are blind hanging wall veins and the vertical extension of the principle Veta Grande structure.

PLAN MAP OF PROPOSED DRILL LOCATIONS



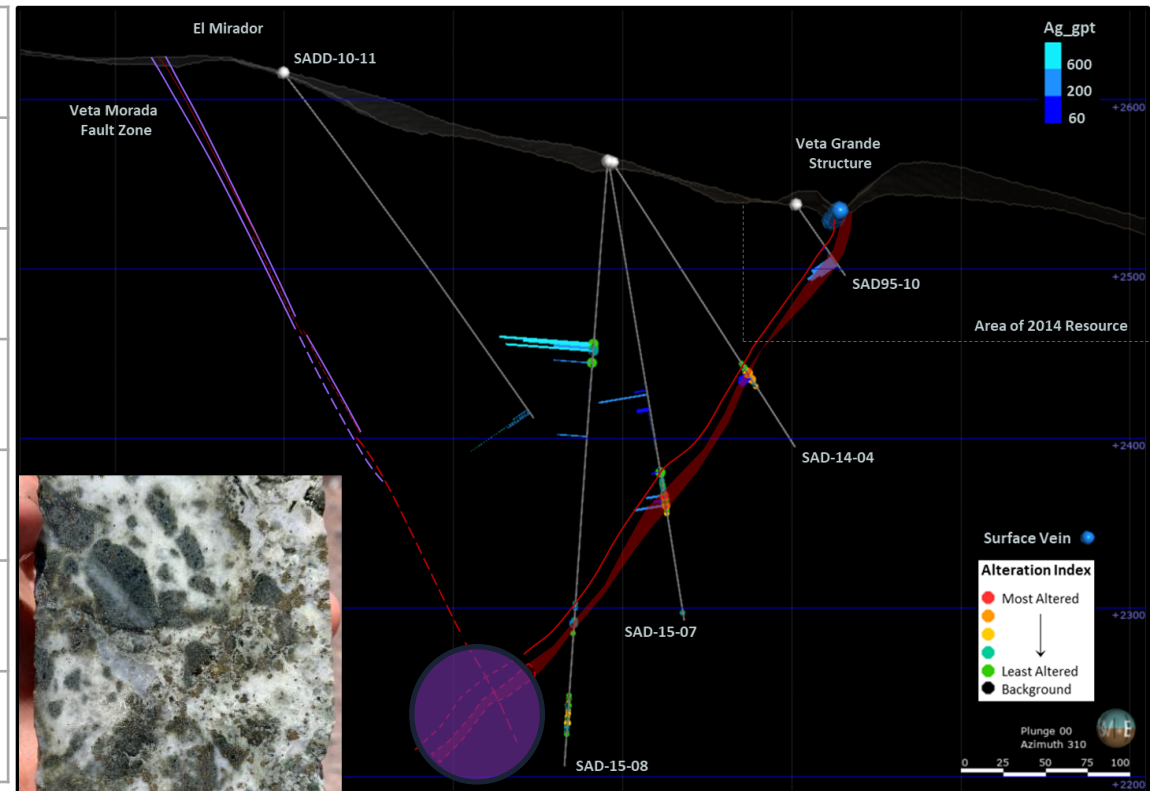
SAN ACACIO – MIRADOR/ALMADEN

SIGNIFICANT MINERALIZATION OUTSIDE THE PRINCIPLE VETA GRANDE

HoleID	From	To	Width*	Ag	Au	Cu	Pb	Zn	Zone
SADD09-04A	243.00	244.3	1.3*	769	0.15	0.01	0.23	0.79	Natividad
<i>including</i>	243.00	243.3	0.3*	3,090	0.57	0.04	0.92	3.27	Natividad
SADD10-09	314.85	316.05	1.20*	239	0.42	0.117	1.33	4.10	HWVG
SAD15-08	106.05	113.3	7.25*	631.4	0.43	0.01	0.09	0.22	Unknown
SAD17-13	261.00	264.0	3.0*	372.2	0.10	0.01	0.16	0.45	HW Vein
<i>including</i>	261.00	262.0	1.0*	748.7	0.19	0.01	0.31	0.88	HW Vein

By the late 1960's, the Fresnillo mine had become marginal. 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

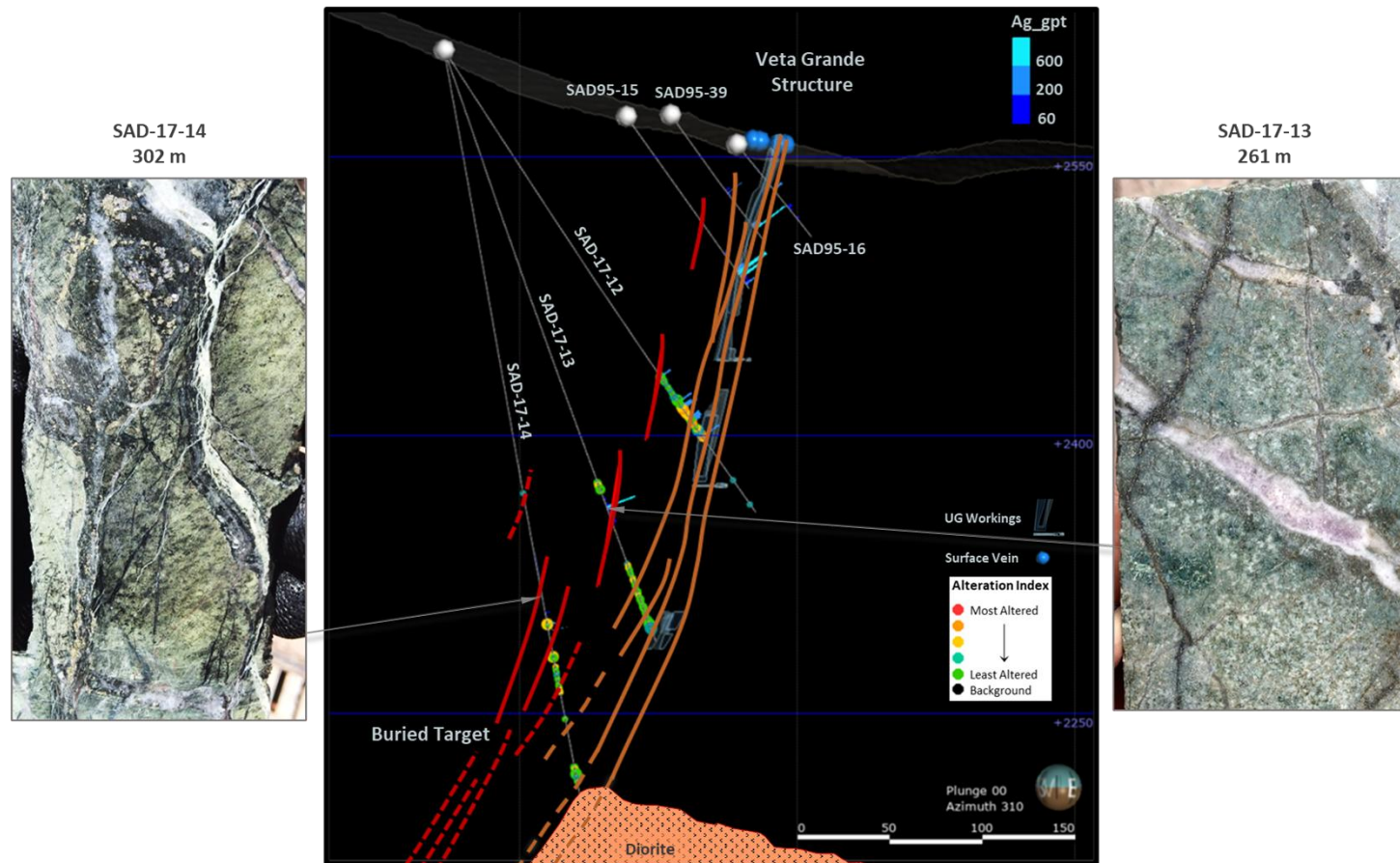


Mineralised Fault Breccia
SAD-15-08: 7.25m @ 631 gpt Ag

Cross-section through the El Mirador Zone with vein structures & target interpretation shown in red and purple.

MULTIPLE MINERAL EVENTS

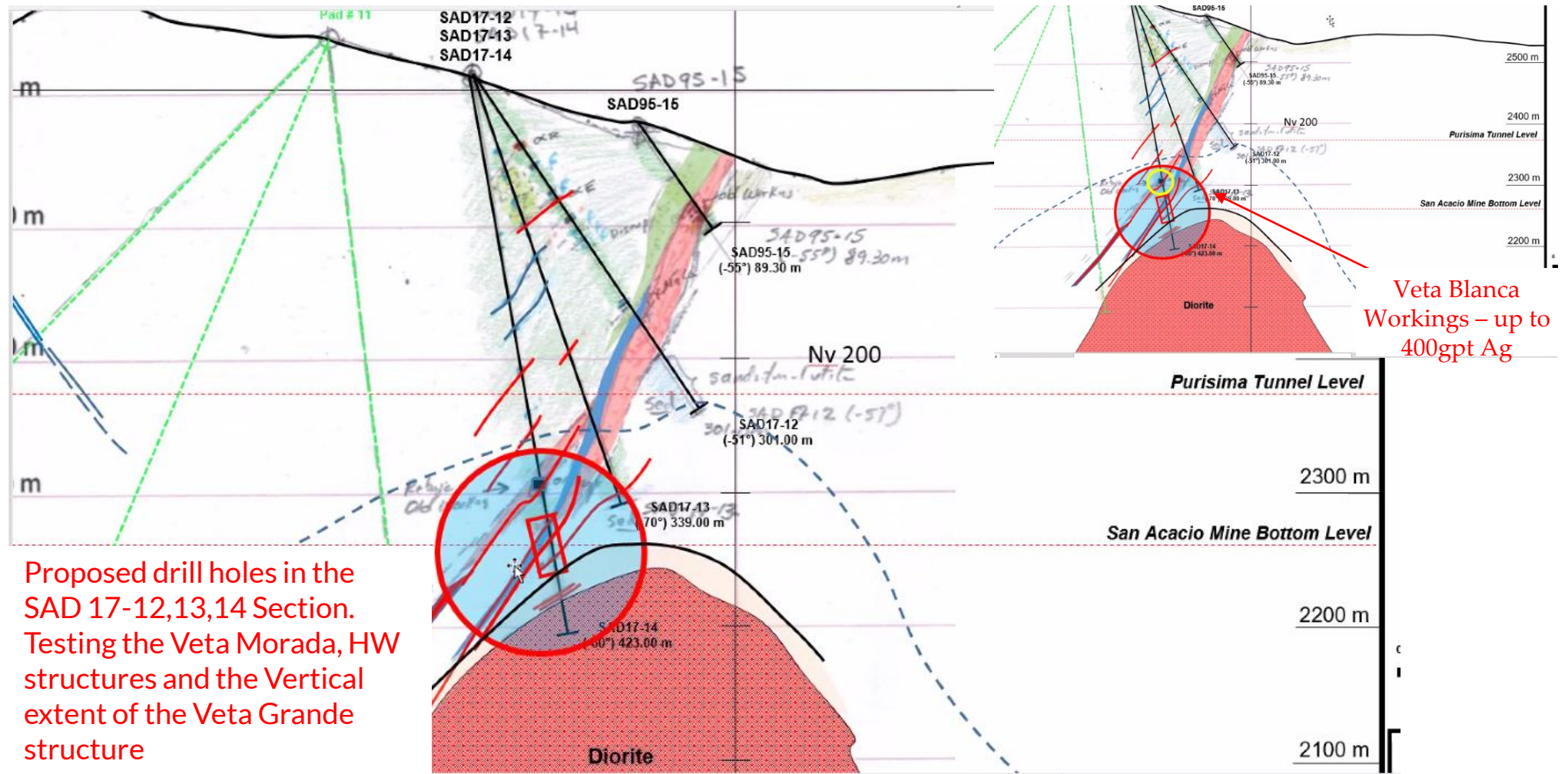
EVIDENCE OF BLIND VEINS, SYSTEM OVERPRINT



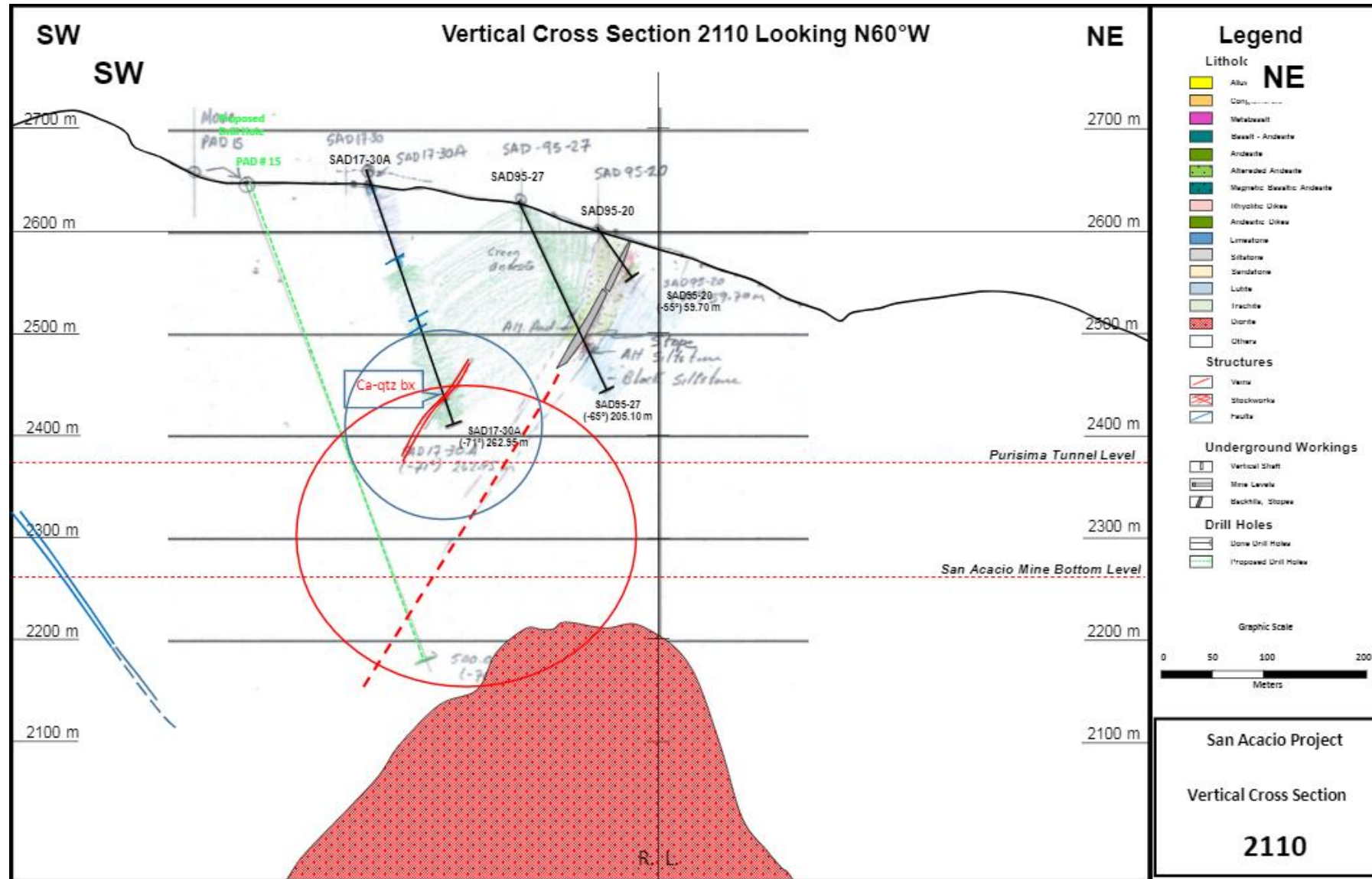
Hole_ID	Length (m)*	Ag g/t	Au g/t	AgEq g/t**
SAD-14-01	8.10	222.12	0.22	268.13
SAD-14-02	3.20	419.09	0.82	499.43
SAD-14-03	8.30	42.89	0.92	278.33
SAD-14-04	6.10	138.35	0.80	340.4
SAD-15-07	1.50	354.14	0.80	570.10
SAD-15-08	7.25	631.46	0.43	675.58
SAD-15-10	2.1	283.31	0.17	337.8
SAD-17-12	27.03	148.2	0.29	202.99
Includes	7.58	212.9	0.05	230.03
Includes	5.00	230.7	0.51	354.97
Includes	6.05	122.1	0.74	222.59
SAD-17-13	10.00	171.2	0.08	204.65
Includes	3.00	372.2	0.10	404.03
Includes	5.00	104.4	0.08	136.15
SAD-17-14	0.60	139.5	0.40	276.74
SAD-17-14	0.88	213.8	0.30	236.21
SAD-17-14	0.30	477.6	0.46	520.27
SAD-17-15	3.18	285.0	0.02	296.30
SAD-17-16	6.18	7.4	0.25	65.88
SAD-17-17	1.01	33.9	0.12	187.85

* True Thickness approximately 70-80% **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\$

PROPOSED DRILL HOLES - HW AND DEEP TARGETS



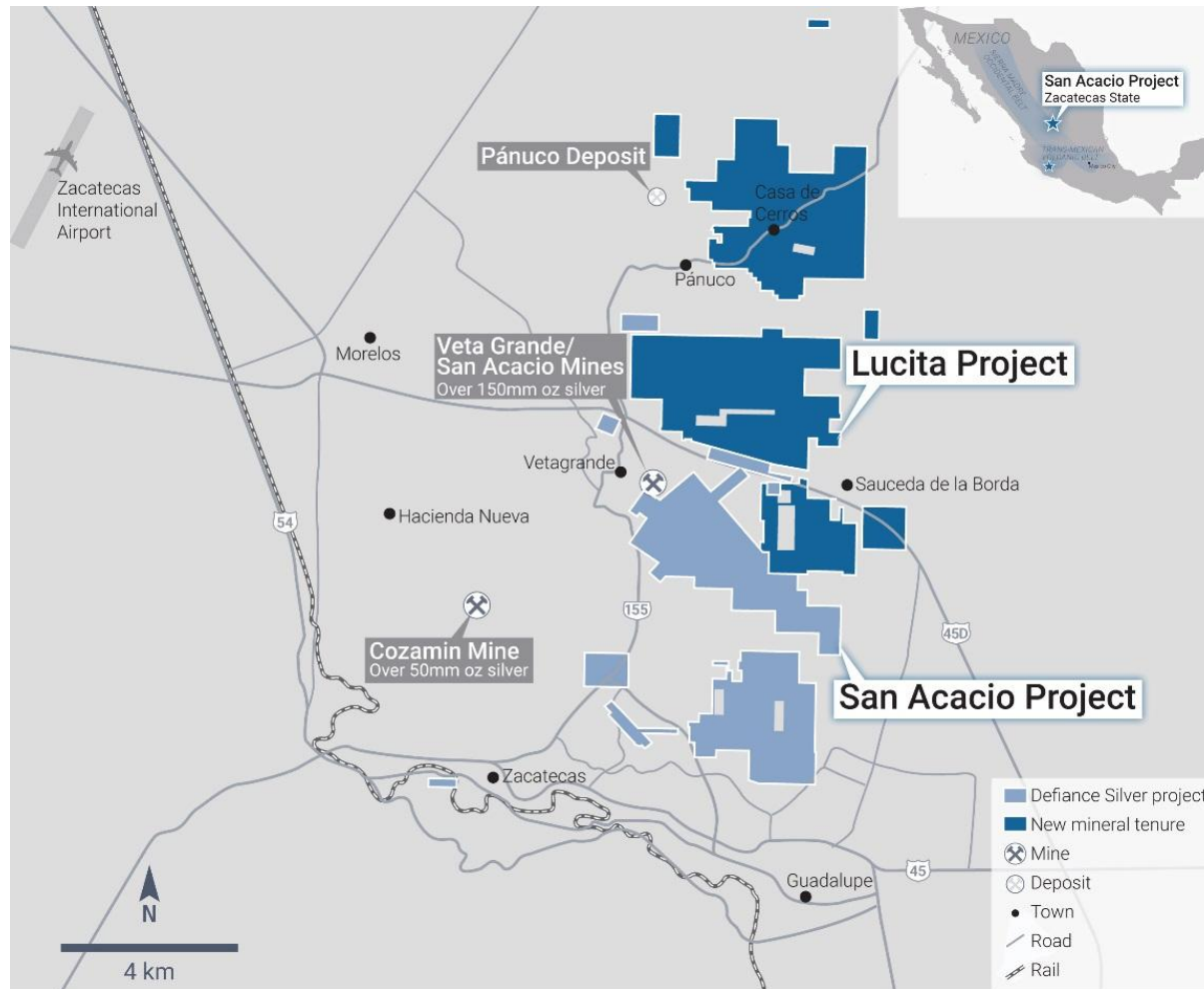
HIGH IMPACT 2017 HOLES MISSED TARGET DEPTH



MDC May 2020

LUCITA ACQUISITION

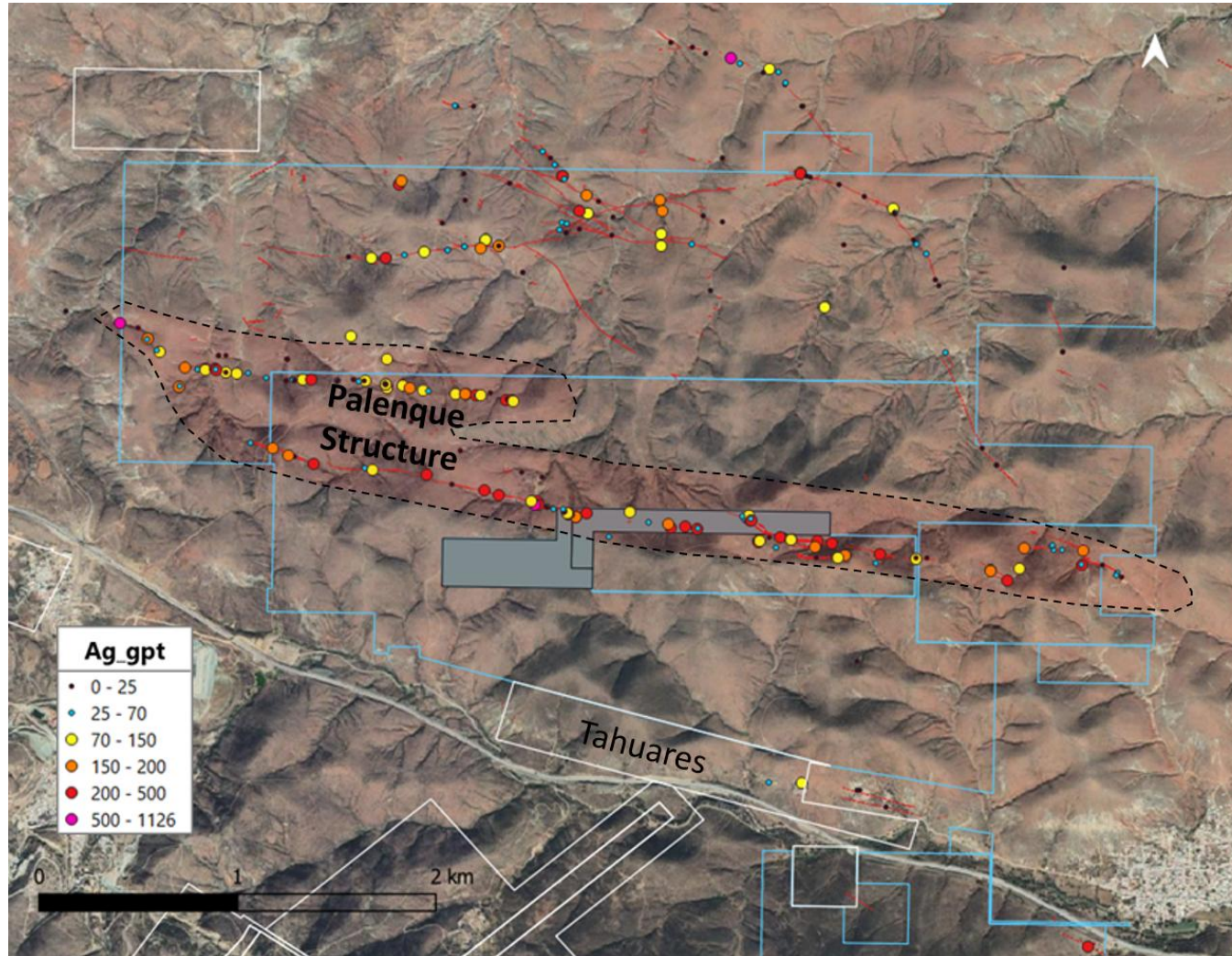
DISCOVERY READY PARTNERSHIP WITH PAN AMERICAN SILVER



- Nearly triples Defiance land position in historic Zacatecas silver district.
- Option to acquire 100% ownership.
- Strengthens land position to ~1/4TH of historical district.
- The Zacatecas Silver district has produced >1B Ozs Ag and is still a prolific mining region for Ag and base metal deposits.
- High-grade historical drilling on Northern, Panuco licenses.
 - Hosts the on-strike extension to the 19 million oz Ag-Eq. Panuco Deposit.
- Significant, well-mineralized, and un-drilled multi-kilometer target at Palenque.
- Excellent infrastructure, topography, and labour.
- Aggressive follow up exploration planned for 2021.
 - Surface Geochemistry
 - Surface Geophysics
 - Diamond Drilling

EL PANELQUE

MULTI-KILOMETRE TARGET WITH GRADE



- Surface grade over multiple kilometres.
- Adjacent to San Acacio project.
- Un-drilled, high priority target.
 - 12m wide with 4km of strike length has returned historical grab samples between 25 g/t Ag to over 700 g/t Ag.
- Identified through regional targeting program.
- Surface work commencing immediately.
- Excellent infrastructure, topography, and labour.
- Aggressive follow up exploration planned for 2021.
 - Surface Geochemistry
 - Surface Geophysics
 - Diamond Drilling

STRATEGY TO ADD VALUE AT ZACATECAS DISTRICT PROJECTS

**DRILL DEEP TARGETS ALONG THE
VETA GRANDE VEIN AND EXISTING
RESOURCE**

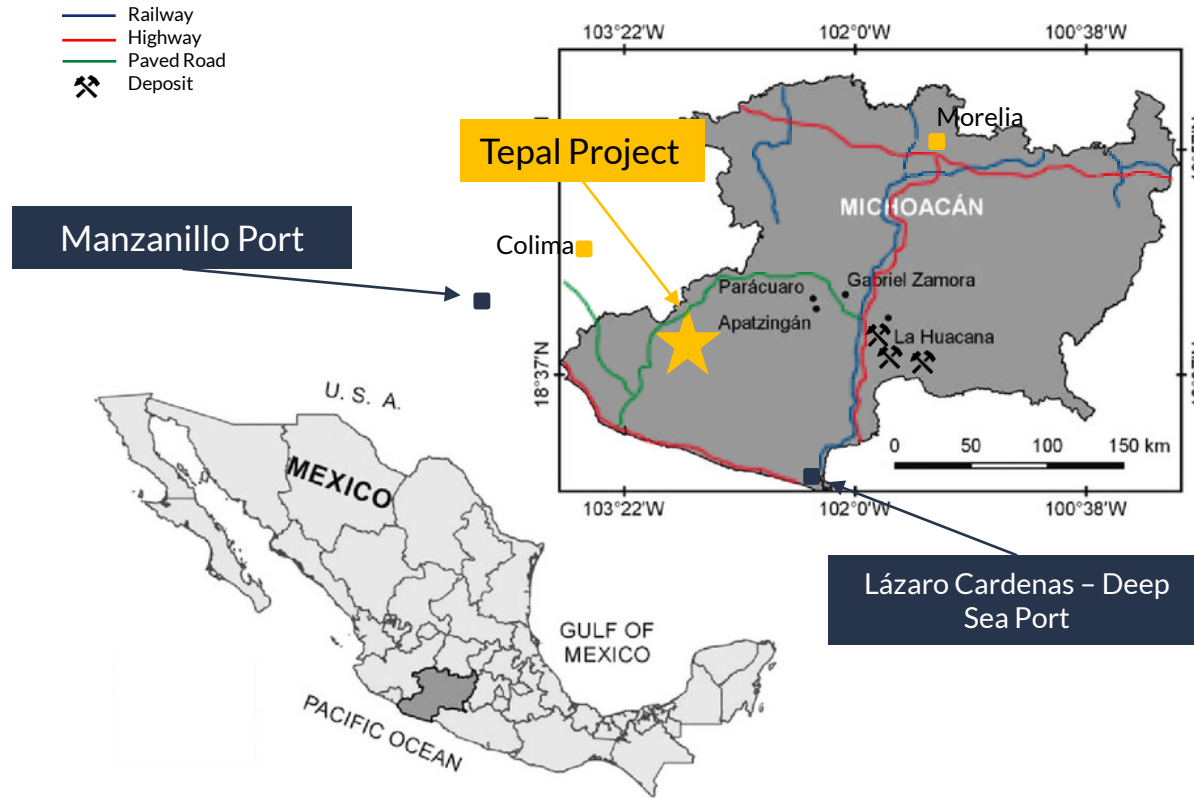
**DRILL HANGING WALL STRUCTURES
WITH PREVIOUSLY IDENTIFIED
MINERALIZATION**

**UNDERSTANDING MINERAL EVENTS &
STRUCTURES TO IDENTIFY NEW
TARGETS IN UNDER-EXPLORED AREAS**

- Follow up re-logging and re-sampling of historical drill holes has been initiated to better understand the mineral systems at San Acacio and Lagartos. New mineralization frequently seen in the hanging wall. Limited drilling in the footwall, strong veining at surface in the footwall.
- Drilling in 2020 will consist of a minimum of 5000 m and will initially test Hanging Wall and Footwall targets and the Veta Grande structure at Depth. We are seeing high level epithermal overprinting deeper epithermal mineralization, potentially the top of another system. The target is “Santo nino type” blind, composite veins & deeper Mala Noche type vein-mesothermal targets.
- Data compilation of all relevant historical and recent geologic and development data from the Zacatecas District continues; currently there is data covering over 135,000 Ha in the database.
- In the near-term, a property-wide surface geochemistry program is underway to help fingerprint the metal zonation and mineral system footprints.
- Defiance is preparing additional drill permit applications that will test some of the targets that lie outside of the current drill permit.

TEPAL GOLD-COPPER PROJECT

TECHNICALLY & FINANCIALLY DE-RISKED



- Located in Michoacán near the border of Jalisco State.
- 100% ownership.
- Current M&I resource: 1.8 mm Oz. Au & 812 mm lbs Cu⁺.
- C\$27M spent to-date.
- Excellent infrastructure: road accessible with power, water, and port facilities.
- Surface rights currently held by private landowners.
- 50 megawatts available today (28 MW required for mine).

Significant Exploration Target: Un-tested, recently discovered High Grade Gold Feeder System

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

ACCRETIVE ACQUISITION IN A DOWN MARKET

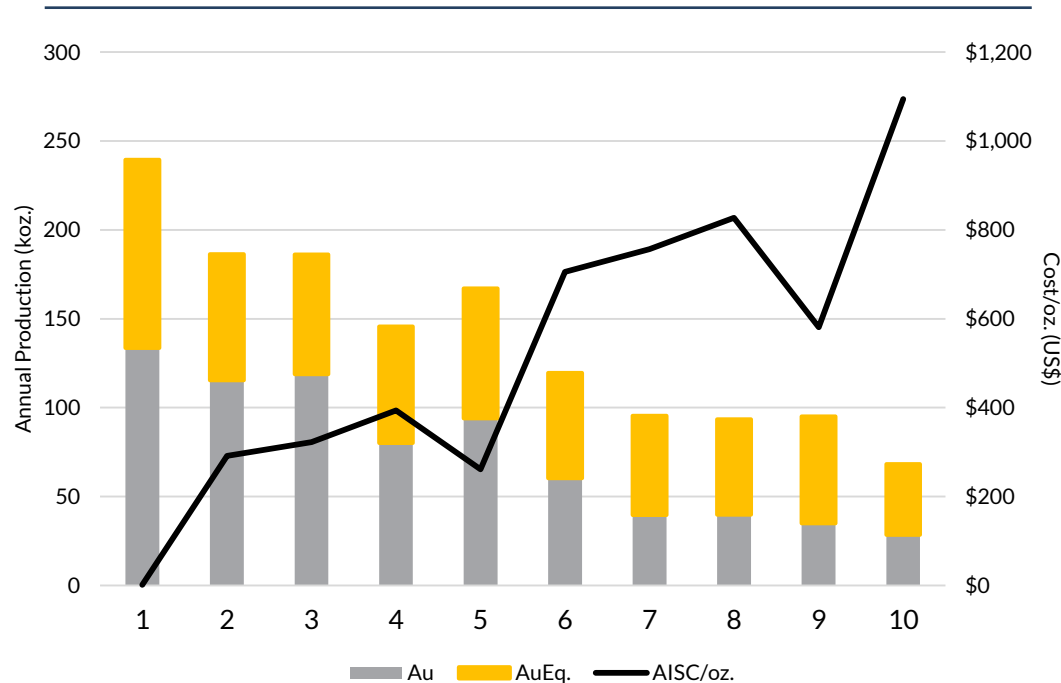
Using base case price assumptions of \$1,250/oz. gold, \$2.50/lb copper and \$18.00/oz. silver, Tepal has an estimated \$169 million after-tax NPV at a 5% discount rate, an attractive 24% after-tax IRR, and an after-tax payback period of 2.3 years. Base case LOM revenue split is 54% gold/43% copper/3% silver. The base case economic evaluation used metals prices that are close to current spot prices and near the median of current medium to long term analyst forecasts. After-tax economics were prepared using the following assumptions: a 2.5% Net Smelter Return (NSR) royalty, 0.5% Mexican royalty based on precious metals revenue, 7.5% Mexican royalty based on EBITDA, 12% annual depreciation rate, accumulated tax loss carry forward of US\$22.4 million, and a 30% Mexican income tax rate. Please see Valoro News Release dated January 29, 2017

1- 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

2017 PEA HIGHLIGHTS (USD)

LOM Production & Cash Costs



- (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

Production Summary

LOM
10 Years

INITIAL CAPITAL COST
US\$214M

PRODUCTION AVERAGES LOM 10 YEARS

Au: 79,000 oz

Cu: 32Mlbs

LOM 10 YEARS PER OZ AU COST

Avg cash cost \$313/oz

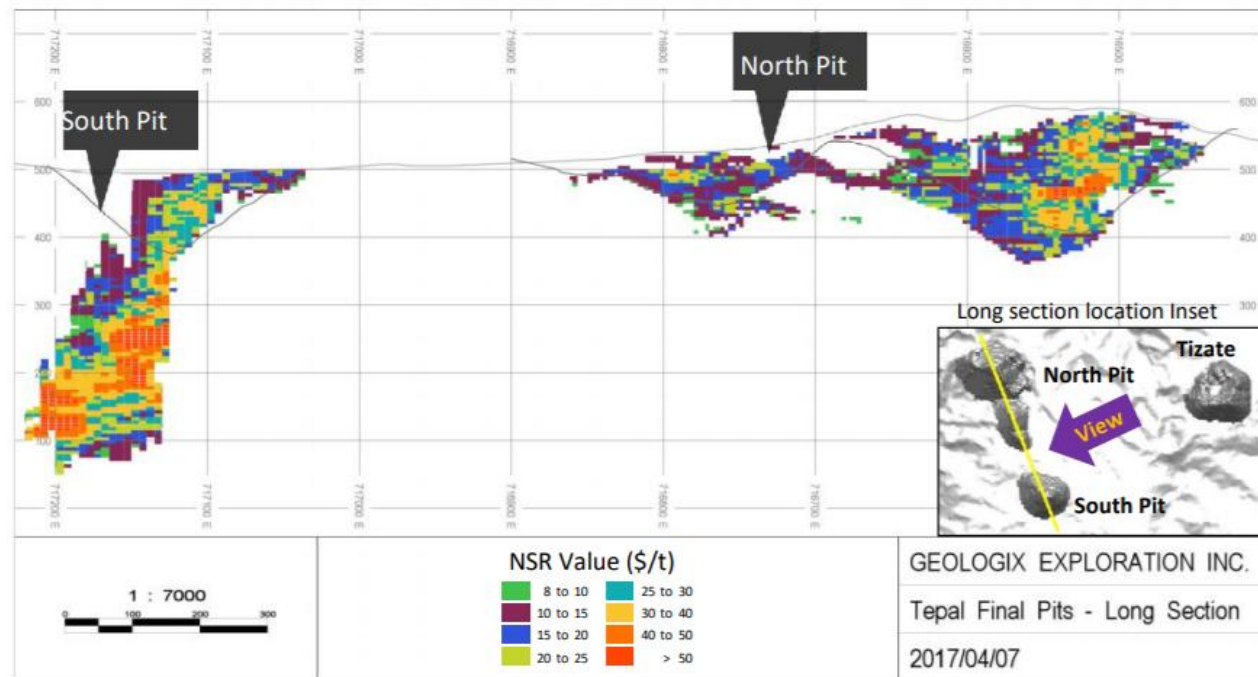
AISC \$396/oz

Using base case price assumptions of \$1,250/oz. gold, \$2.50/lb copper and \$18.00/oz. silver, Tepal has an estimated \$169 million after-tax NPV at a 5% discount rate, an attractive 24% after-tax IRR, and an after-tax payback period of 2.3 years. Base case LOM revenue split is 54% gold/43% copper/3% silver. The base case economic evaluation used metals prices that are close to current spot prices and near the median of current medium to long term analyst forecasts. After-tax economics were prepared using the following assumptions: a 2.5% Net Smelter Return (NSR) royalty, 0.5% Mexican royalty based on precious metals revenue, 7.5% Mexican royalty based on EBITDA, 12% annual depreciation rate, accumulated tax loss carry forward of US\$22.4 million, and a 30% Mexican income tax rate. Please see Valoro News Release dated January 29, 2017

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

FOCUS ON INCREASING HEAD GRADE

Hole No.	Zone	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)
TEP-11-026	South	309.2	498	188.8	0.4	1.04	2.7
	including	317.2	422	104.8	0.44	1.45	1.3
TEP-11-043	South	152	294.55	142.55	0.35	0.91	1.3
	including	162	274	112	0.38	1.04	1.2

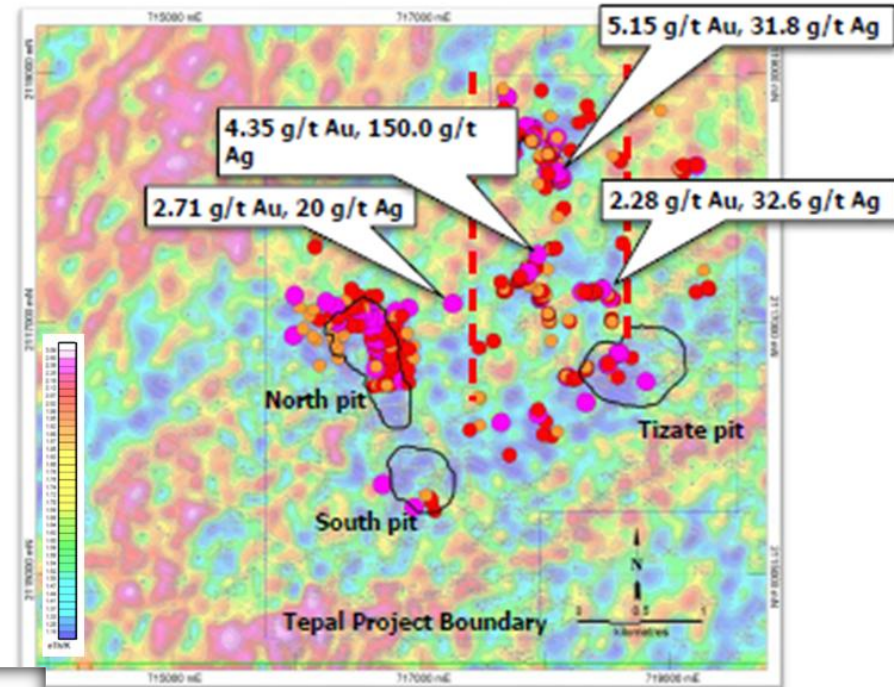
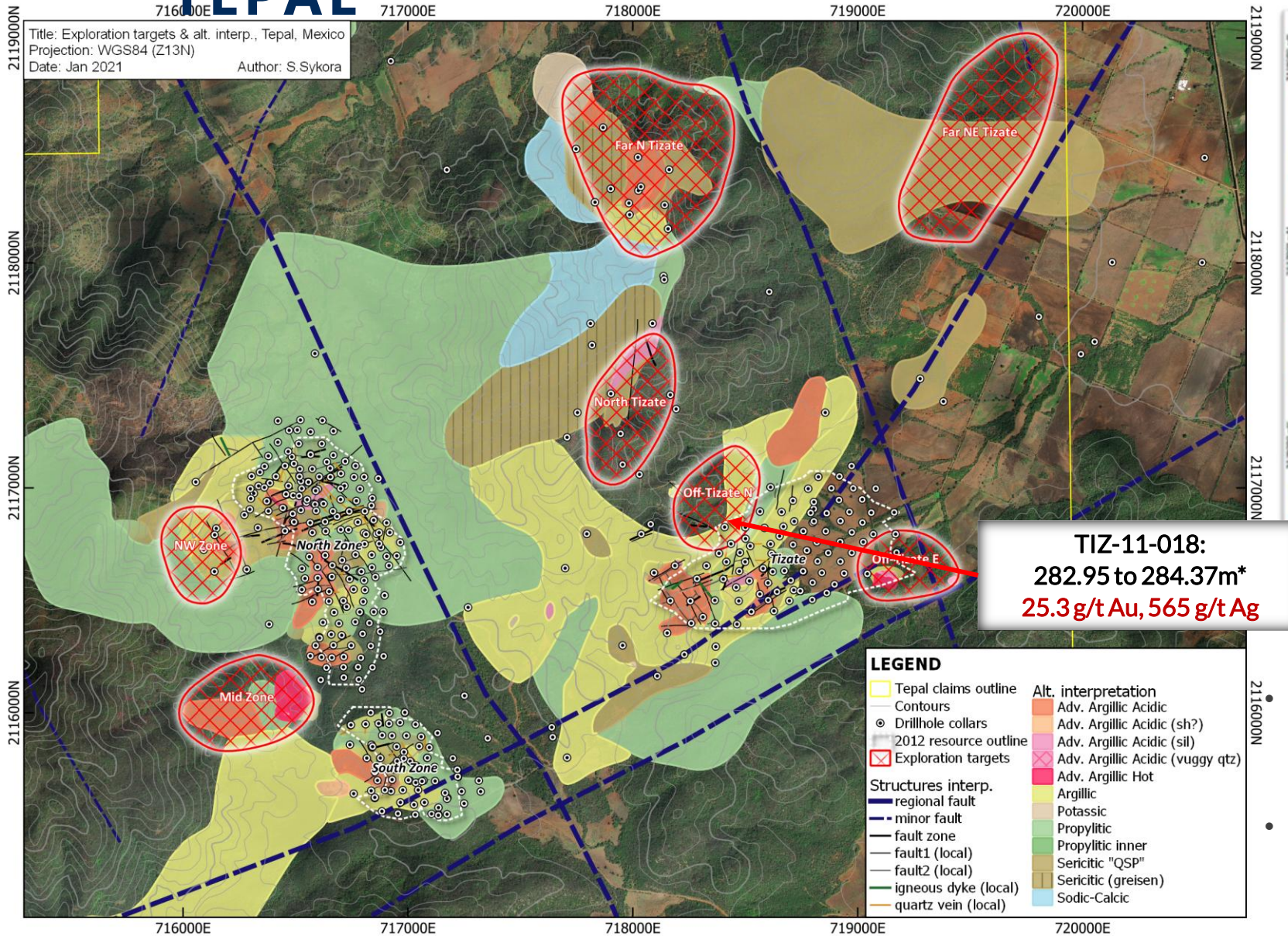


- Re-interpreted Geologic Model indicates Structural Grade Controls.
- Current exploration focused on high-grade Au mineralization found
 - At depth in South Pit
 - Along Strike of North Pit
 - Regionally at Tizate target
- Drill hole TIZ-11-018 demonstrates potential for additional high-grade Au-Ag in structurally controlled epithermal zones
 - TIZ-11-018: 282.95 to 284.37m*
25.3 g/t Au, 565 g/t Ag

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

*True width unknown

SIGNIFICANT EXPLORATION UPSIDE AT TEPAL



Au (ppm) in Rock Chip Samples

- 0.15 – 0.30
- 0.30 – 1.00
- >1.00

- Significant potential to increase Au and Ag head grade through targeted exploration and resource drilling
- Recent work indicates the presence Au-Ag epithermal feeder zones that remain largely untested
- Additional exploration and drill targets exist both within and outside current pit shell

WHY INVEST IN DEFIANCE?

**Robust Resource Base
(1,2) and Significant
Exploration Potential**

**Proven Mine Finders:
Experienced** Management
team with decades of
exploration success leading
to M&A and Mine
Development

**Leverage to Precious
Metal Prices:**
Tepal Au Price Sensitivity
Zacatecas Resource
Upside

**Highly Aligned with
Shareholders:**
Management and Key
Shareholders aligned

**Drill-ready exploration
targets:** Systematic exploration
and reinterpretation
of historical work has generated
highly prospective targets to add
ounces and increase grade.



[\(1\) Please see Defiance news release dated January 15, 2015 and Appendix for 43-101 Inferred Mineral Resource Estimate](#)

[\(2\) Please see ValOro news release dated January 19, 2017 and Appendix for PEA Assumptions](#)



DEFIANCE
SILVER CORP

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TSXV:DEF OTC:DNCVF

APPENDIX



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.



Sherry Roberge, CPA, CA
CFO & Corporate Secretary

Member of the Institute of Chartered Professional Accountants of British Columbia and holds a Bachelor of Commerce degree from Royal Roads University as well as a Master of Professional Accounting from the University of Saskatchewan.



George Cavey, P.Geo
Technical Advisor & 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. Canadian Professional Geoscientist Award, Canada's highest honor for Professional Geoscientist.



Douglas Cavey
Technical Advisor - OreQuest Consultants

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



Jennifer Roskowski, MSc
Senior Geologist - OreQuest Consultants

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.



Darrell Rader, BBA
Director

Founder of Defiance Silver; has raised over \$100 million for mineral exploration and development during his career. Currently the President and CEO of Mexico-focused Minaurum Gold Inc.



Dunham L. Craig, P.Geo
Director

Past Vice President of Exploration and Corporate Development for Wheaton River, and past President and CEO of Valoro.



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

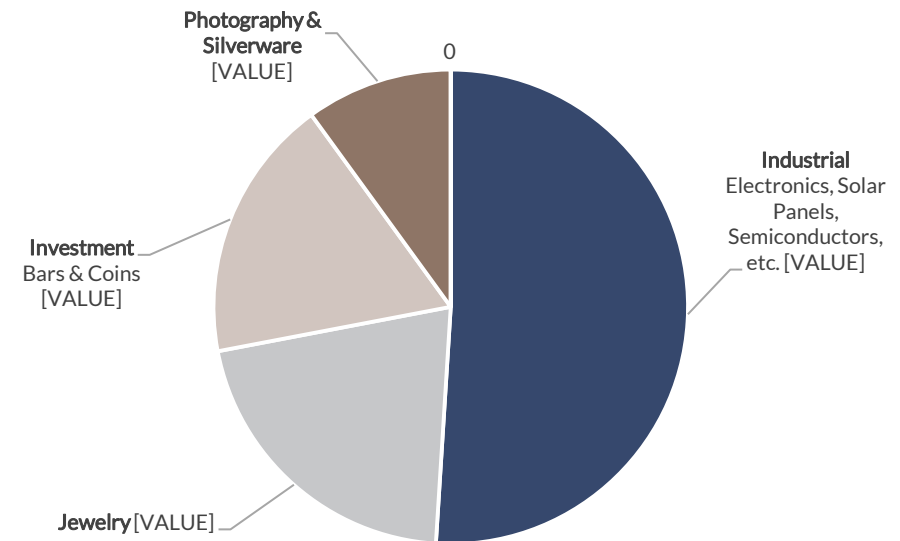
A CATALYST FOR SILVER

Global Silver Production by Country in 2018

Rank	Country	MMozs	
1	Mexico	196.6	
2	Peru	144.9	■ Mandatory Mine Closures
3	China	114.9	
4	Russia	43.4	
5	Chile	42.1	■ Disruption or Voluntary Closures
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, Sprott, The Silver Institute
GFMS World Silver Survey

SAN ACACIO PROJECT

43-101 COMPLIANT INFERRED MINERAL RESOURCE ESTIMATE

43-101 Inferred Mineral Resource Estimate

		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%

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

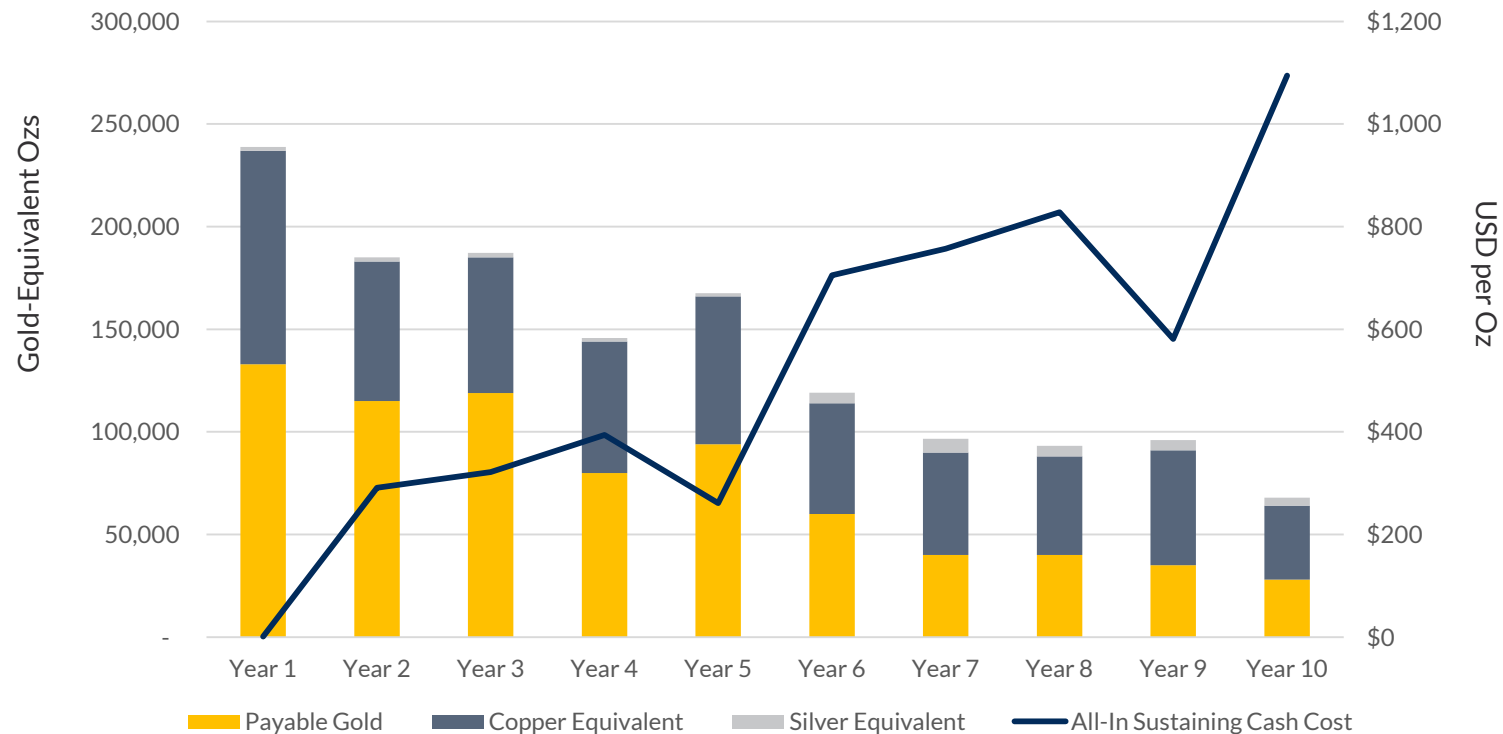
(1) Cash cost includes all mining, milling & refining, transport, mine-level G&A, and royalty costs

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