



BEST 50
OTC QX
2021

VENTURE
50
2020

Discoverysilver

The Cordero Project

*Developing One of the World's
Largest Silver Deposits*

December 2022

Forward Looking Statement & NI 43-101 Disclosure

Cautionary Statement on Forward-Looking Information & NI 43-101 Disclosure

This presentation contains certain forward-looking information and statements which may not be based on fact, including without limitation, statements regarding the Company's expectations in respect of its future financial position, business strategy, future exploration and production, mineral resource potential, exploration drilling, permitting, access to capital, events or developments that the Company expects to take place in the future. All statements, other than statements of historical facts, are forward-looking information and statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will" and similar expressions identify forward-looking information and statements.

In addition to the forward-looking information and statements noted above, this presentation includes those that relate to: the expected results of exploration activities; the estimation of mineral resources; the ability to identify new mineral resources and convert mineral resources into mineral reserves; ability to raise additional capital and complete future financings; capital expenditures and costs, including forecasted costs; the ability of the Company to comply with environmental, safety and other regulatory requirements; future prices of base and precious metals; the ability of the Company to obtain all necessary approvals and permits in connection with the development of the Puerto Rico Project and other projects under option.

Such forward-looking information and statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such information and statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information and statements. Such factors include, but are not limited to, fluctuations in the price of zinc, silver and other commodities, the inability of the Company to raise sufficient monies to carry out its business plan, changes in government legislation, taxation, controls, regulations and political or economic developments in Mexico, the accuracy of the Company's current estimates of mineral grades and the accuracy of the geology and vein structures at the Company's projects, the maintenance of access to surface rights for exploration, risks associated with mining or development activities, including the ability to procure equipment and supplies, including, without limitation, drill rigs, the speculative nature of exploration and development, including the risk of obtaining necessary licenses and permits. Many of these uncertainties and contingencies can affect the Company's actual performance and could cause actual performance to differ materially from those expressed or implied in any forward-looking information and statements made by, or on behalf of, the Company. Readers are cautioned that forward-looking information and statements are not guarantees of future performance. There can be no assurance that such information and statements will prove to be accurate and actual results and future events could differ materially from those presented in such information and statements. Forward-looking information and statements is subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking information and statements. Such risks include, but are not limited to, the volatility of the price of zinc and other base and precious metals, uncertainty of mineral resources, exploration potential, mineral grades and mineral recovery estimates, delays in exploration and development plans, insufficient capital to complete development and exploration plans, risks inherent with mineral acquisitions, delays in obtaining government approvals or permits, financing of additional capital requirements, commercial viability of mineral deposits, cost of exploration and development programs, risks associated with competition in the mining industry, risks associated

with the ability to retain key executives and personnel, title disputes and other claims, changes in governmental and environmental regulation that results in increased costs, cost of environmental expenditures and potential environmental liabilities, accidents, labour disputes, and the ability of the Company to get access to surface rights for exploration. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information and statements. The Company disclaims any intention or obligation to update or revise any forward-looking information and statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Mineral Resource estimates reported herein have been classified as Measured, Indicated or Inferred based on the confidence of the input data, geological interpretation and grade estimation parameters. Mineral Resources used for estimating project economics reported herein are based on inputs that include metallurgical performance, geologic and geotechnical characterization, operational costs, and other economic parameters. The Mineral Resource estimate was prepared in accordance with NI 43-101 and classifications adopted by the CIM Council. A Preliminary Economic Analysis (PEA) is a study that includes an economic analysis of the potential viability of mineral resources. The PEA is preliminary in nature. No mining study has been completed. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The PEA includes inferred resources that are too speculative geologically to have the economic considerations applied to them. There is no certainty that the PEA will be realized.

Gernot Wober, P.Geo, V.P Exploration, Discovery Silver Corp., is the Company's designated Qualified Person within the meaning of National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed and validated that the information contained herein is accurate. All sources of data contained herein are from Discovery Silver unless otherwise noted.

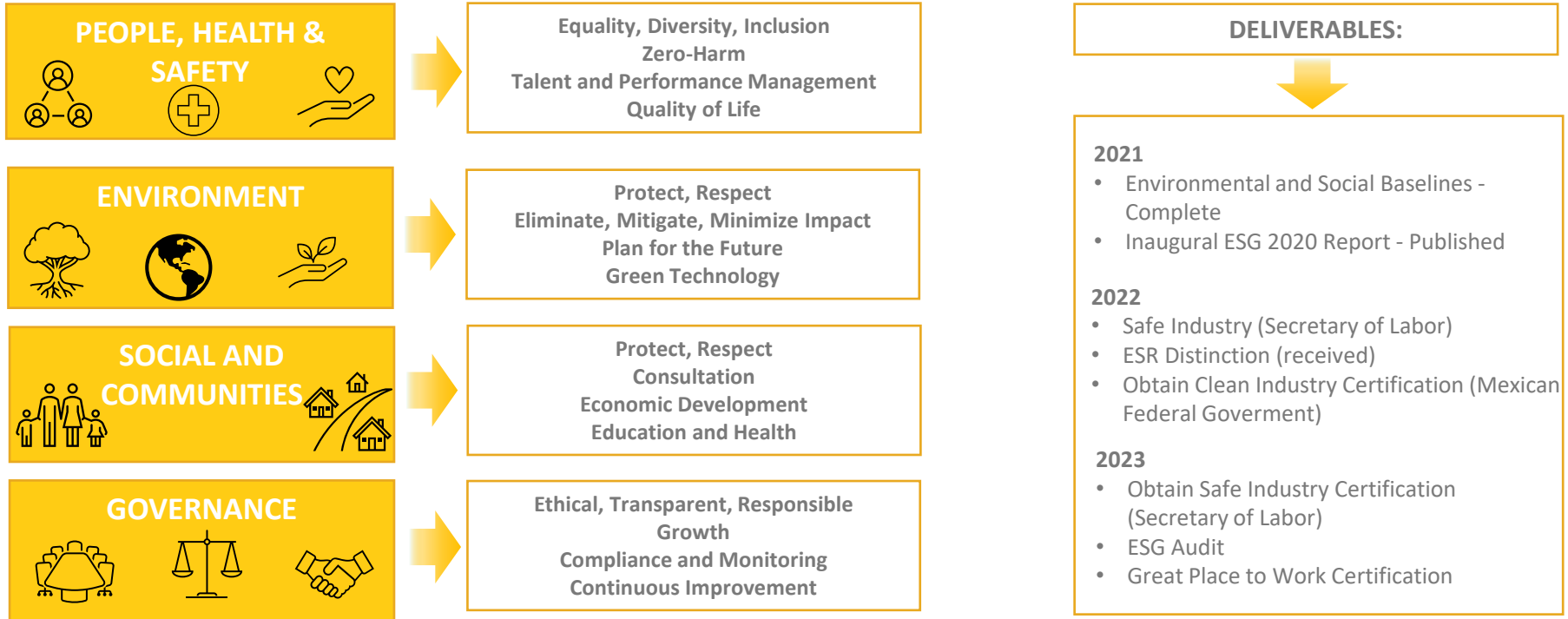
References (used through current presentation):

¹ The most recent technical report for the Cordero Project is the 2021 Preliminary Economic Assessment (PEA). The PEA includes the most recent resource estimate for the Cordero project. The PEA was completed by Ausenco Engineering Canada Inc. with support from AGP Mining Consultants Inc. and Knight Piésold and Co. (USA). Supporting details of the resource estimate and PEA can be found in the Appendices.

² AgEq for sulphide mineral resources is calculated as $Ag + (Au \times 16.07) + (Pb \times 32.55) + (Zn \times 35.10)$; these factors are based on commodity prices of Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb and assumed recoveries of Ag - 84%, Au - 18%, Pb - 87% and Zn - 88%. AgEq for oxide/transition mineral resources is calculated as $Ag + (Au \times 87.5)$; this factor is based on commodity prices of Ag - \$24.00/oz and Au - \$1,800/oz and assumed recoveries of Ag - 60% and Au - 70%.

³ AgEq for all PEA related data is calculated based on commodity prices: Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb/

Our ESG Commitment



The Cordero Project – A Tier 1 Asset



Size

+26Moz AgEq annual production
Top 5 primary silver mine



Margin

Operating margin of +60%
LOM AISC of \$12.35/oz AgEq



Mine Life

16-year mine life
Clear extension potential

Proven Management & Board

Management

Tony Makuch, P.Eng
Interim CEO

35+ years' experience in mine development, operations & executive management

Most recently – CEO & Director of Kirkland Lake Gold (2016 – 2022)

Tony Esplin
Chief Operating Officer

30+ years' experience including 20+ years of executive/senior management roles at Tier 1 operations with Newmont and Barrick

Andreas L'Abbé, MA, CPA, MBA
CFO

15+ years' experience in financial management & operations with a focus on Latin American operations

Gernot Wober, P.Geo
VP Exploration

35+ years' experience in exploration, resource development and production geology

Forbes Gemmill, CFA
VP Corporate Development

15+ years' experience in capital markets, exploration, project development and operations

Roman Solis, Eng (Geoscience)
Country Manager

18+ years' experience in Mexico in exploration and mining geology

Board

Murray John, MBA
Chairman

35+ years' experience in engineering, resource investment & executive management

Currently – Director of O3 Mining, Osisko Gold Royalties, Prime Mining

Jeff Parr, CPA, MBA
Director

30+ years' experience in financial & executive management. Previously CFO Centerra Gold

Currently – Vice Chair of Agnico Eagle

Daniel Vickerman
Director

20+ years of experience in the financial industry. Formerly, Managing Partner, UK, of Edgcrest Capital UK and a Managing Director at Canaccord Genuity Corp.

Moira Smith, PhD, P.Geo
Director

30+ years experience in exploration geology, including Fronteer Gold and Teck.

Currently – VP Exploration & Geoscience, Liberty Gold

Jennifer Wagner, LL.B.
Director

15+ years of experience in governance, legal & compliance in the mining sector.

Most Recently – EVP Corporate Affairs & Sustainability at Kirkland Lake Gold

Tony Makuch, P. Eng
Interim CEO

Discovery Silver ... The Basics

Cordero Project

- PFS-stage Ag+ (Zn-Pb-Au) project
- Located in mining-friendly Chihuahua, Mexico
- +1B oz AgEq¹ global resource, 910M oz in M&I

Strong Cash Position

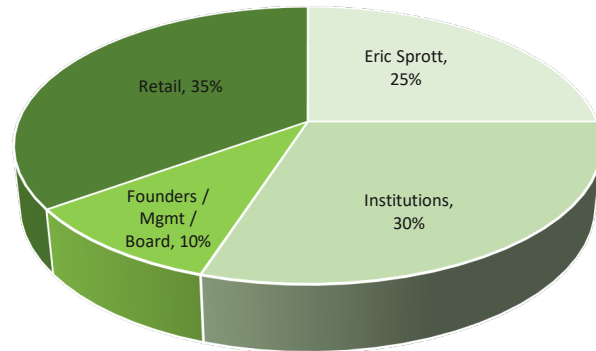
- ~C\$55M cash balance



Capital Structure

Shares Outstanding TSXV: DSV, OTCQX: DSVSF	349 million
Options Outstanding Weighted average exercise price \$1.37	25 million
Fully Diluted Shares Outstanding	374 million
Basic Market Capitalization ⁽¹⁾	C\$410 million

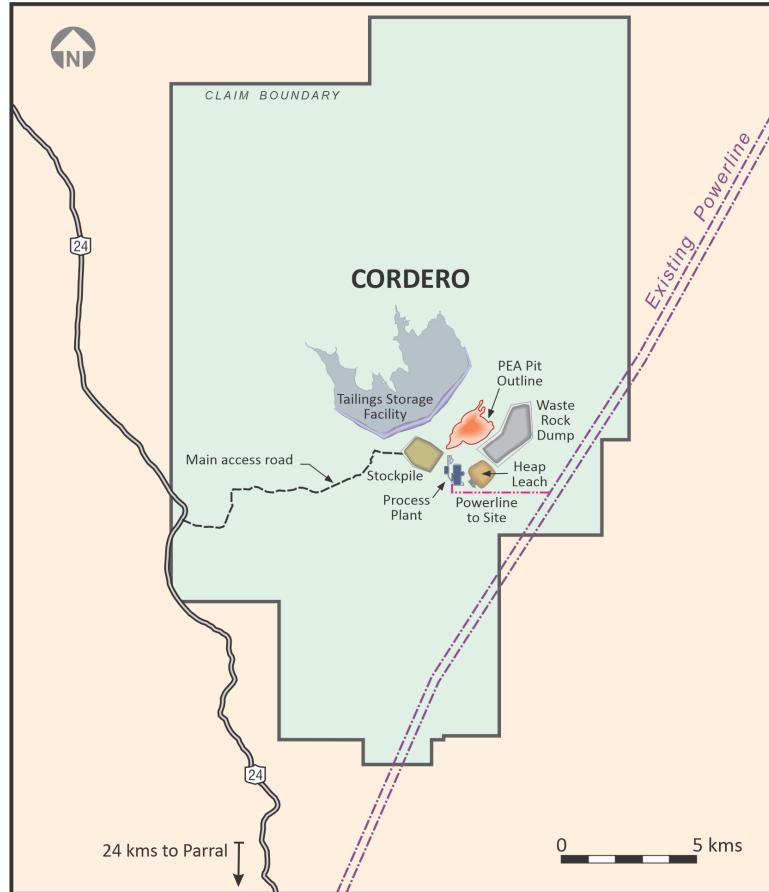
(1) Based on closing share price on TSX.V of \$1.19 on November 30, 2022.



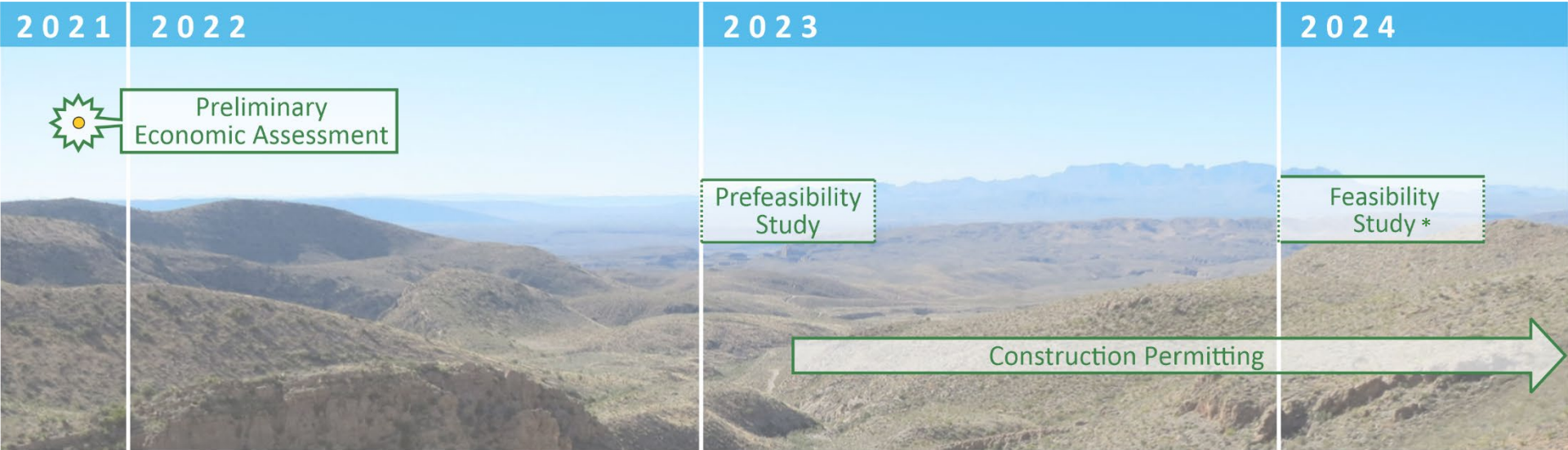
A Platform to Execute

Cordero Overview

- 100% owned
- Large land package (35,000 ha)
- Excellent local infrastructure
- Topography ideal for open pit mining



Creating Value Through Execution



* Delivery timeline of Feasibility Study is preliminary and will be finalised upon the completion of the Prefeasibility Study

A Low-risk Project

A Simple Project

Large, Disseminated Deposit

Open pit mine with low strip ratio of 2.2:1

Well-defined Resource

99% of tonnes in PEA mine plan in Measured & Indicated category

Excellent Metallurgy

Sulphides recoveries of ~85-95% for Ag/Pb/Zn at a coarse grind
Clean, saleable concentrates

Existing Local Infrastructure

Capex savings from proximity to major roads/powerlines



Low Execution Risk

Exceptional Economics

2021 PEA Highlights

Base Case Economics

$NPV_{(5\%)} = \text{US\$}1.2 \text{ B}$

IRR = 38%

Payback = 2.2 years

Upside Case Economics

$NPV_{(5\%)} = \text{US\$}1.9 \text{ B}$

IRR = 55%

Payback = 1.4 years

Size + Margin + Mine Life

26 Moz AgEq annual production

Life-of-mine AISC < \$12.50/oz

16-year mine life

Low Capital Intensity

Initial capex ~US\$450M

NPV to Capex >2.5x (*base case*)

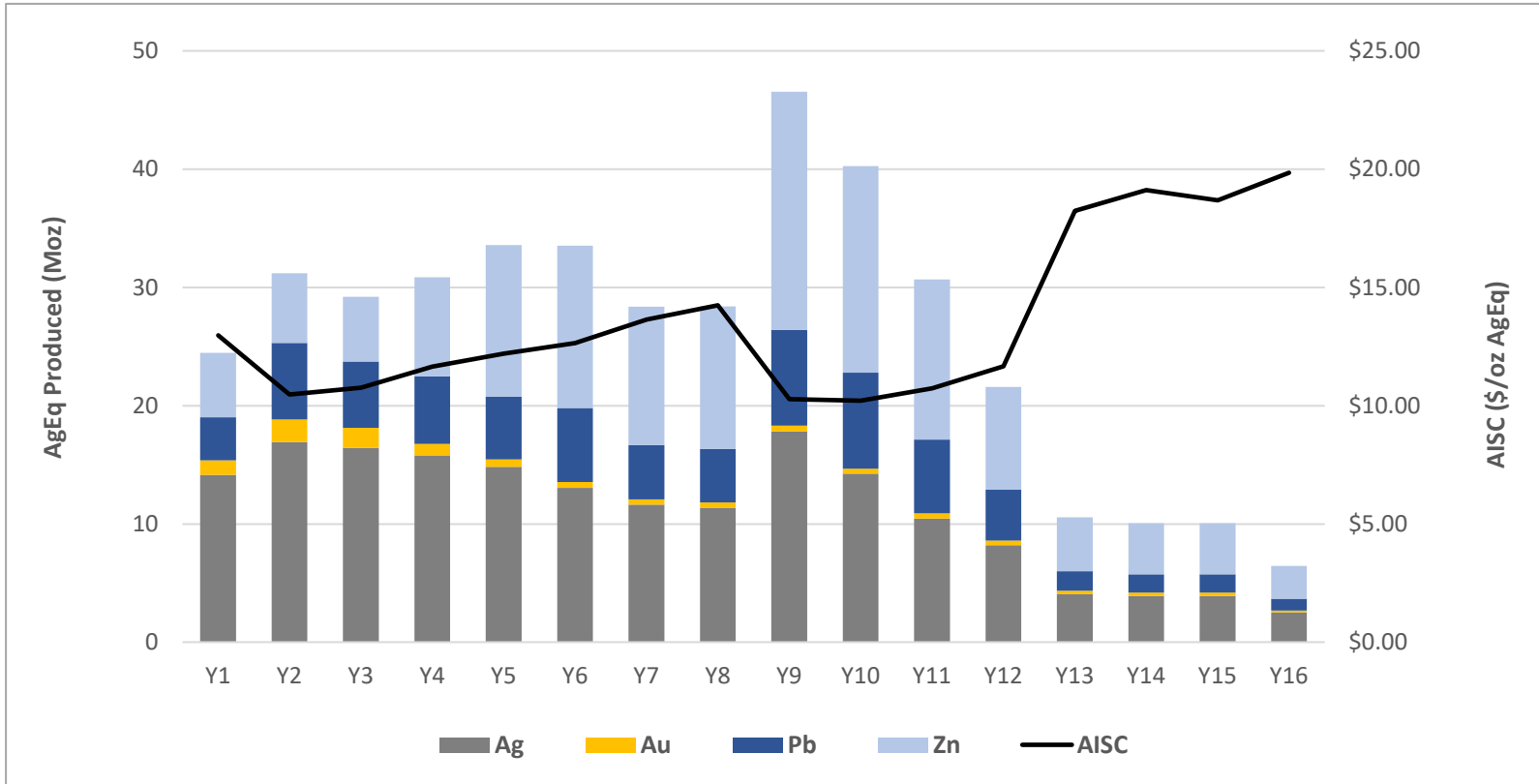
NPV to Capex >4x (*upside case*)



Tier 1 Metrics

NPV, IRR and Payback figures are all after-tax
Base case: Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb
Upside case: Ag - \$27.50/oz, Au - \$1,880/oz, Pb - \$1.10/lb, Zn - \$1.45/lb (based on one-year trailing 90th percentile)

Sizeable Production at Low Costs



Production & All-in Sustaining Costs (ASIC) are sourced from 2021 PEA.










Production & AISC calculations assume:
 Ag = \$22/oz
 Au = \$1,600/oz
 Pb = \$1.00/lb
 Zn = \$1.20/lb

AISC is calculated on a co-product basis

Significant Progress Post PEA

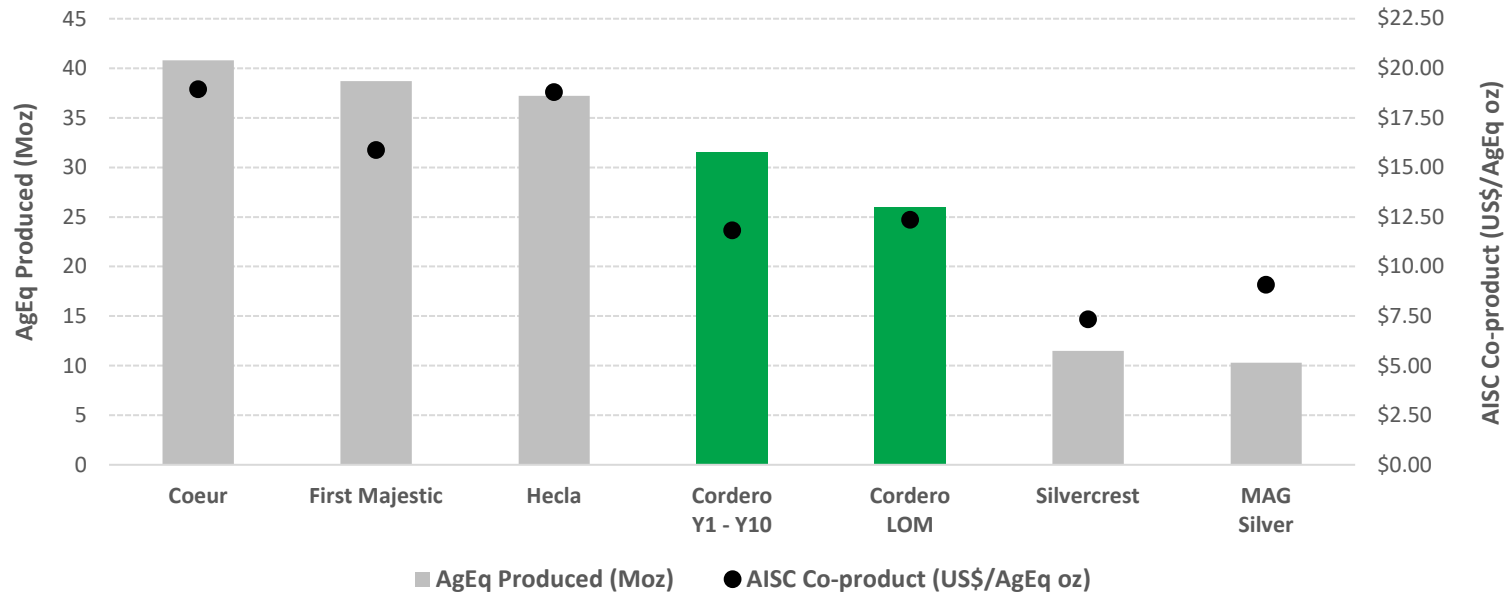
	2021 PEA	Upcoming PFS
Supporting drill data		
Resource drilling	517 drill holes / 224,000m	713 drill holes / 288,000m
Engineering drilling	2 drill holes / 800m	22 drill holes / 4,900m
Metallurgy test program	85-90% recoveries	85-95% recoveries, lower reagent consumption, oxide/sulphide blending
Process design	Heap leach + Flotation	Flotation only
Mill throughput rates		
Initial phase	20,000 tpd	25,000 tpd
Expanded phase	40,000 tpd	50,000 tpd

2021 PEA vs Upcoming PFS

	2021 PEA	Upcoming PFS
METAL PRODUCED	26Moz AgEq annual average	 +25% higher mill throughput  Higher recoveries  Potential pit expansion
OPERATING COSTS	AISC: \$12.34/AgEq oz	 Higher throughput = Lower unit costs  Lower reagent consumption  General cost inflation
INITIAL DEVELOPMENT COST	US\$450M	 Heap leach circuit eliminated  Simplified process design  General cost inflation

Notes: Figures sourced for 2021 PEA assume Ag = \$22/oz, Au = \$1,600/oz, Pb = \$1.00/lb, Zn = \$1.20/lb. Initial development cost for 2021 PEA includes US\$80M of pre-strip mining costs.

Cordero vs Silver Peers



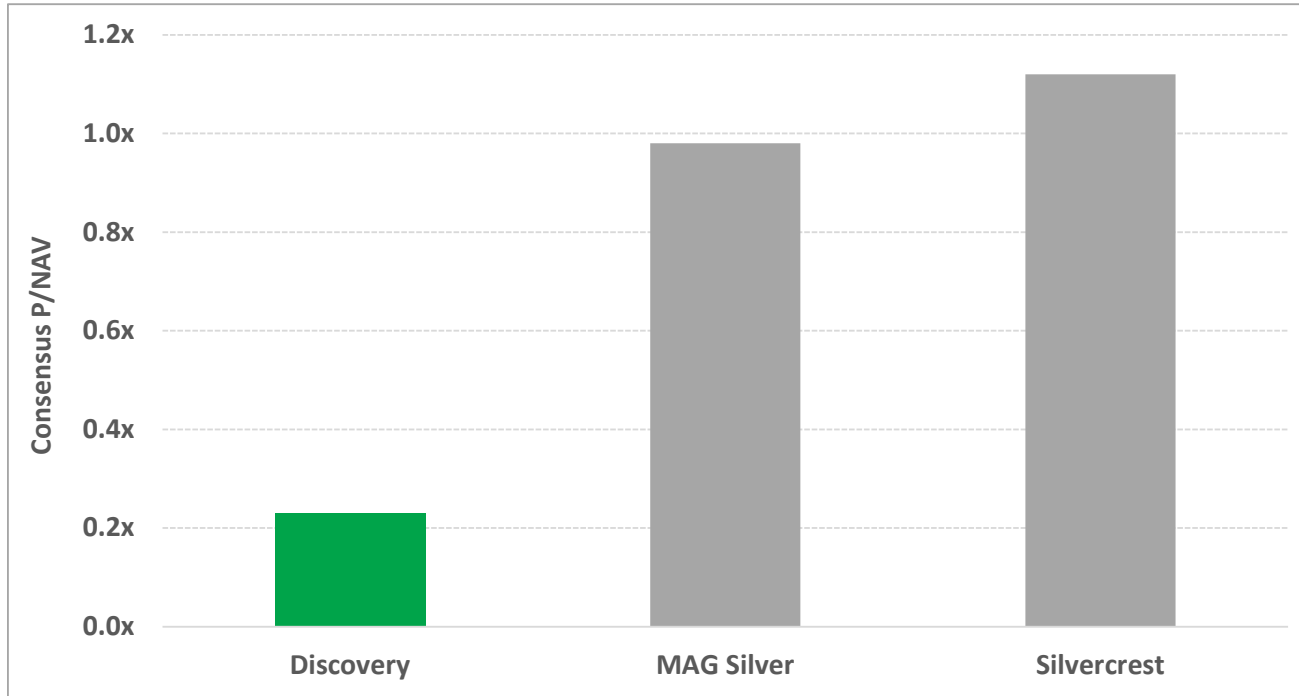
# of Mines	4	4	4	1	1	1	1

Cordero
Sourced from Nov. 2021 PEA

Silver peer production
BMO Capital Markets
forecast for 2024

• For AgEq ratios: Cordero AgEq production assumes Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb, Zn - \$1.20/lb; BMO AgEq production is based on spot prices as at November 25, 2022: Ag - \$21.42/oz, Au - \$1,751/oz, Pb - \$0.97/lb, Zn - \$1.33/lb)

Clear Re-rating Potential



Significant multiple expansion opportunity through the advancement of Cordero to a construction decision

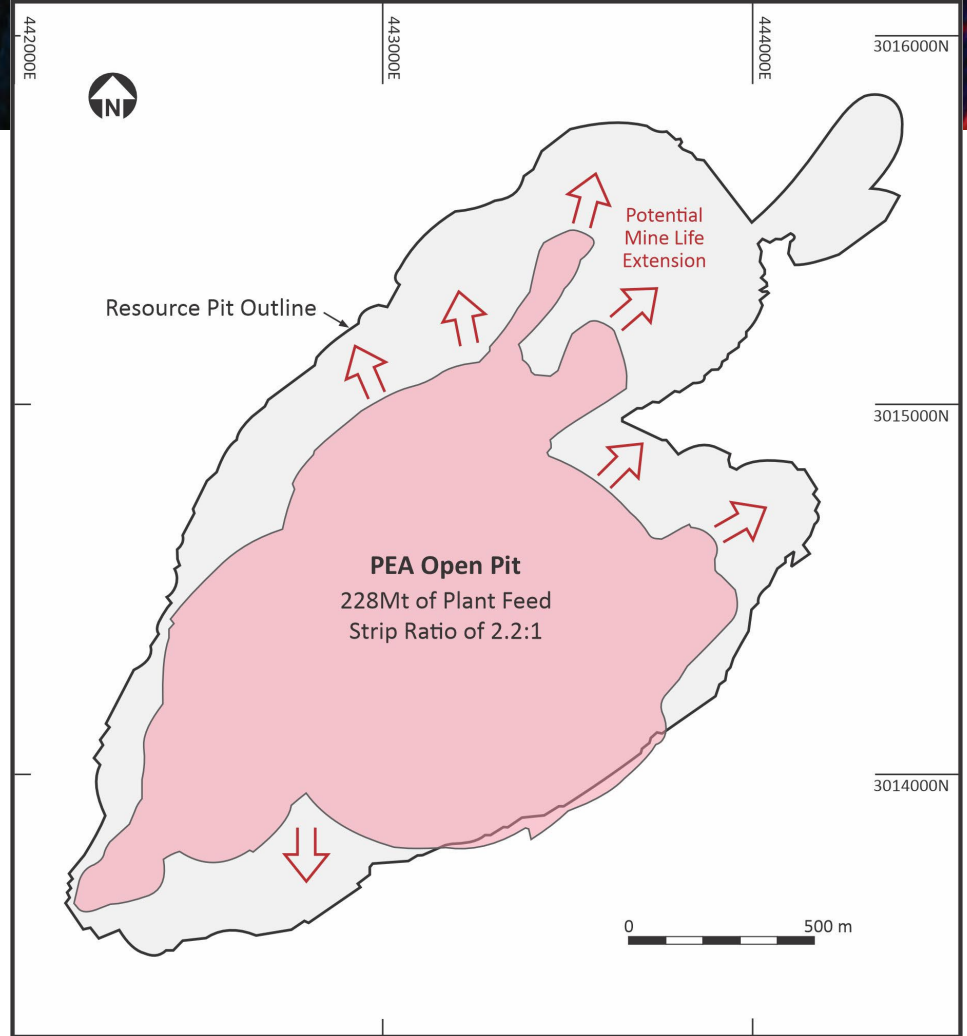
Source: Capital IQ (multiples priced as of August 24, 2022)

Silver Price Torque

PEA Mine Plan Optionality

+300Mt of Sulphide Resource sits outside PEA pit but within Resource Pit

Potential to extend mine life and/or increase production at higher metal prices



Resource Investor Checklist

Tier 1 Project

+15-year mine life
+25Moz AgEq production
Bottom half of cost curve

High Capital Efficiency

NPV to Capex ratio >2.5x
Simple process design
Existing infrastructure

Clear Permitting Timeline

Clear & transparent permitting process
Efficient turnaround time post document submission (typically 12-18 months)

Proven Management/Board

Tony Esplin (COO) & Tony Makuch (Interim CEO) recently appointed; Tier 1 operating experience
Proactive approach to build Project Execution team

M&A Relevance

Cordero offers size, margin, scale & location
Scarcity of high-quality silver development projects

Secular Trend of Underlying Metals

Silver to benefit from being both precious & green
Expected increase in demand for lead & zinc by-products



Discoverysilver

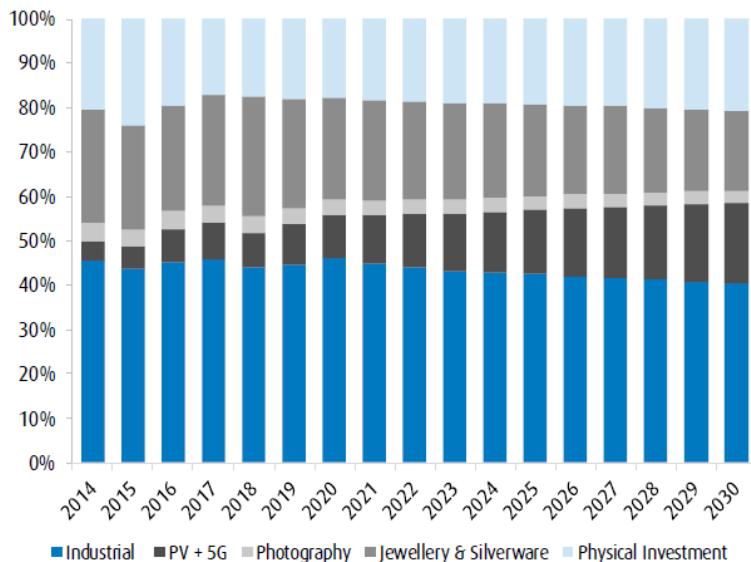
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Appendices

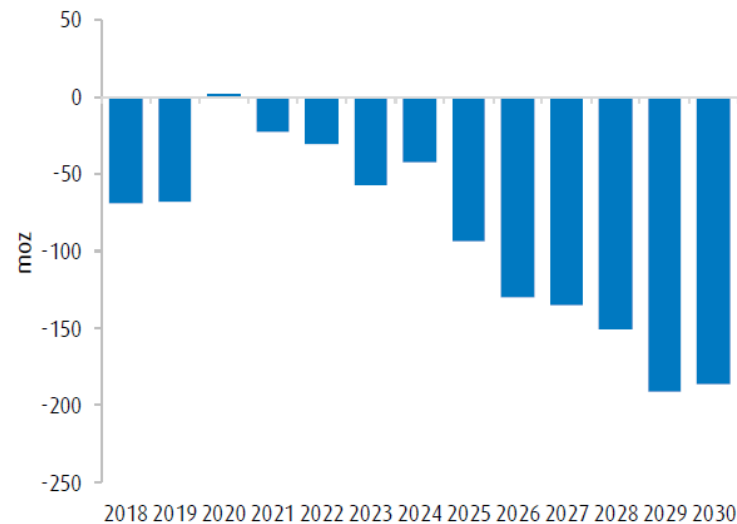


Silver – Supply & Demand

Silver Demand Contribution by End-Use



Silver Supply Deficit Forecast to Grow

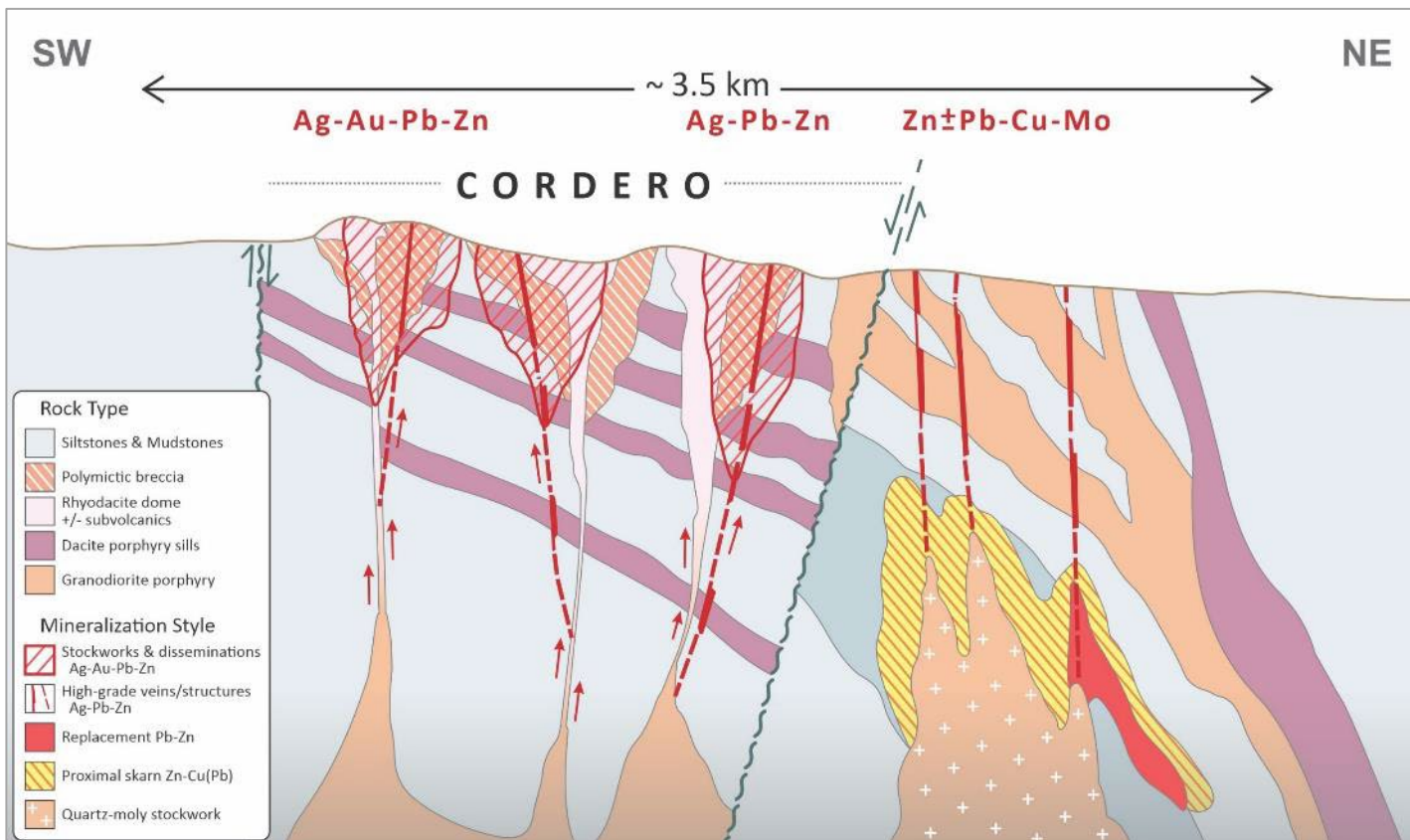


Source: Silver Institute, BMO Capital Markets

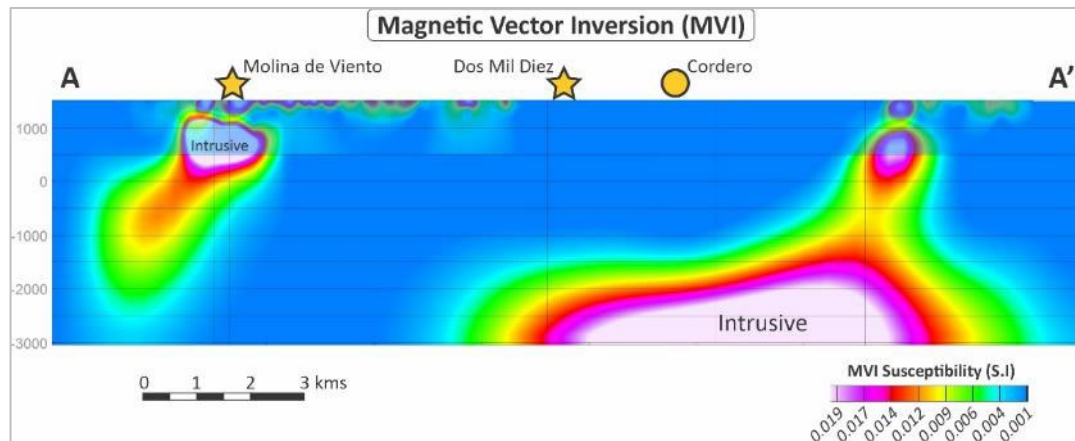
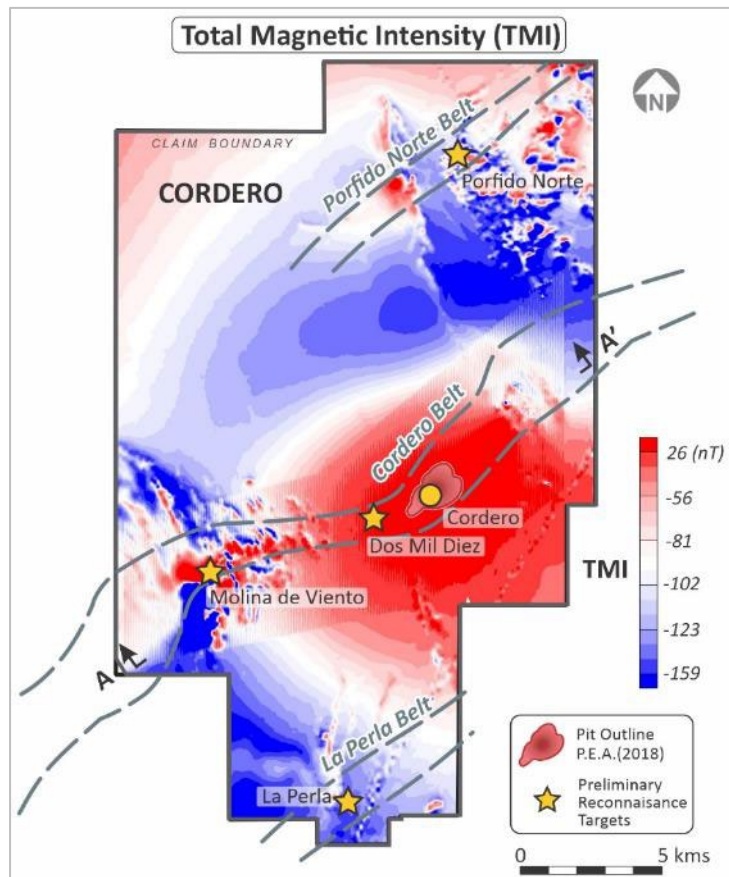


Geology + Resource

Cordero – Conceptual Geological Model



Geophysics – Interpreted Intrusives at Depth



Property-Wide Exploration Targets

La Ceniza

- Resource growth target adjacent to Cordero

Porfido Norte

- Chargeability high suggesting possible intrusion
- Prominent Ag soil anomaly + surface alteration

Sanson

- Large, strong mag high indicative of possible source intrusion
- Intense silica alteration + Ag rock geochemistry + jasperoid veining

Dos Mil Diez

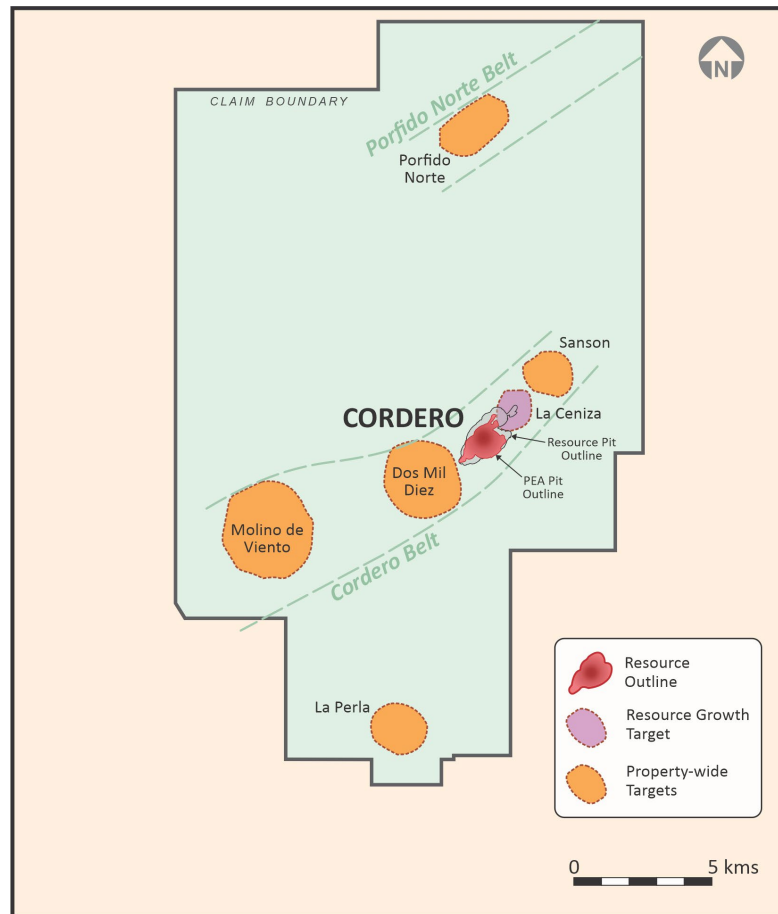
- Large alteration footprint from ASTER imagery interpretation
- Mapped intrusives, veining & alteration + Ag rock geochemistry

Molino de Viento

- Chargeability high / resistivity low anomaly + Ag rock geochemistry

La Perla

- Chargeability high + alteration footprint + historic UG workings



2021 Resource Dataset / Inputs

Extensive drill dataset

- 224,000 m / 517 drill holes

Model incorporates geological & structural constraints

Resource is pit-constrained with a waste-to-ore ratio of 1.1

Resource categorisation

- Sulphide: assumed to be processed via mill/flotation
- Oxide/transition: assumed to be processed via heap leaching

Pit constraint assumptions

- Ag - \$24.00/oz, Au - \$1,800/oz, Pb - \$1.10/lb, Zn - \$1.20/lb
- Recovery assumptions: based on 2021 met test program
- Mining costs: ~\$1.60/t + \$0.024/t per bench (AGP Mining)
- Processing costs: \$6.30/t for mill/flotation, \$3.92/t for heap leaching (Ausenco)
- G&A costs: \$0.86/t (Ausenco)

Net Smelter Return (NSR cut-off)

- NSR = Net revenue less treatment costs & refining charges
- Sulphide resource cut-off: \$7.25/t
- Oxide resource cut-off: \$4.78/t

2021 Resource Estimate

Classification	Tonnes	Grade					Contained Metal				
		Ag	Au	Pb	Zn	AgEq	Ag	Au	Pb	Zn	AgEq
	<i>Mt</i>	<i>g/t</i>	<i>g/t</i>	<i>%</i>	<i>%</i>	<i>g/t</i>	<i>Moz</i>	<i>koz</i>	<i>Mlb</i>	<i>Mlb</i>	<i>oz</i>
SULPHIDE RESOURCE											
Measured	128	22	0.08	0.31	0.52	52	89	328	881	1,470	212
Indicated	413	19	0.05	0.28	0.51	47	255	707	2,543	4,663	625
M&I	541	20	0.06	0.29	0.51	48	344	1,035	3,424	6,132	837
Inferred	108	14	0.03	0.19	0.38	34	49	99	451	909	119
OXIDE/TRANSITION RESOURCE											
Measured	23	20	0.06	-	-	25	15	43	-	-	19
Indicated	75	19	0.05	-	-	23	45	125	-	-	56
M&I	98	19	0.05	-	-	23	60	168	-	-	74
Inferred	35	16	0.04	-	-	20	18	44	-	-	22

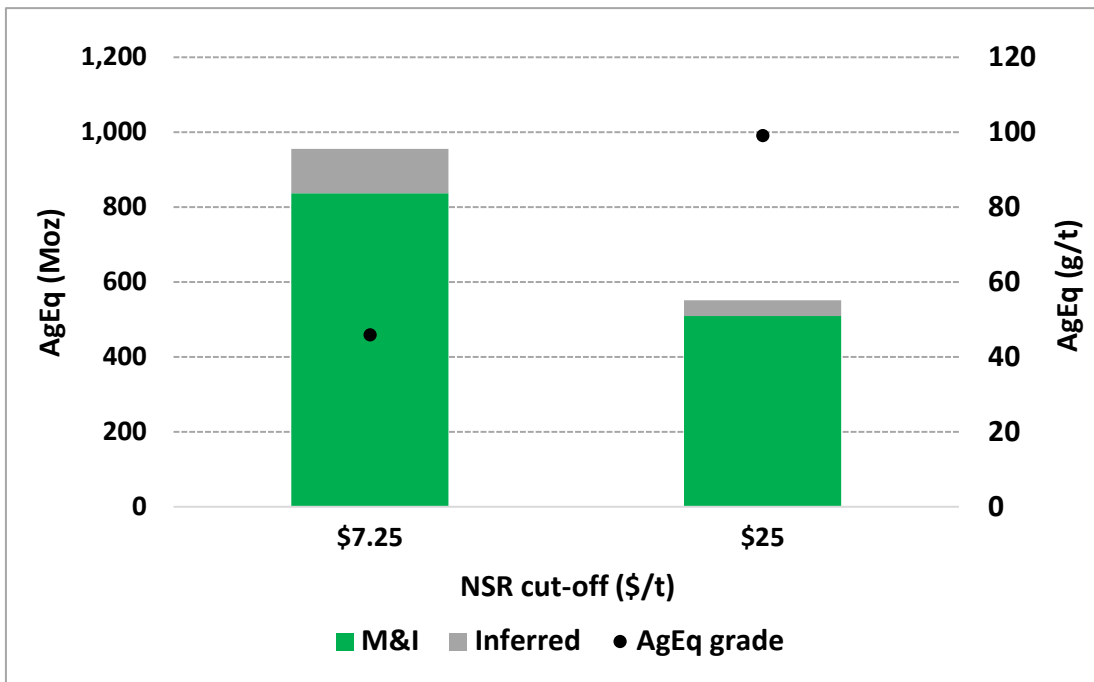
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- G&A costs: \$0.86/t (Ausenco)

2021 Sulphide Resource



* \$7.25/t NSR cut-off is the reporting cut-off for Sulphide mineralization. See Appendices for detailed Resource Estimate

~90% of sulphide resource is Measured & Indicated

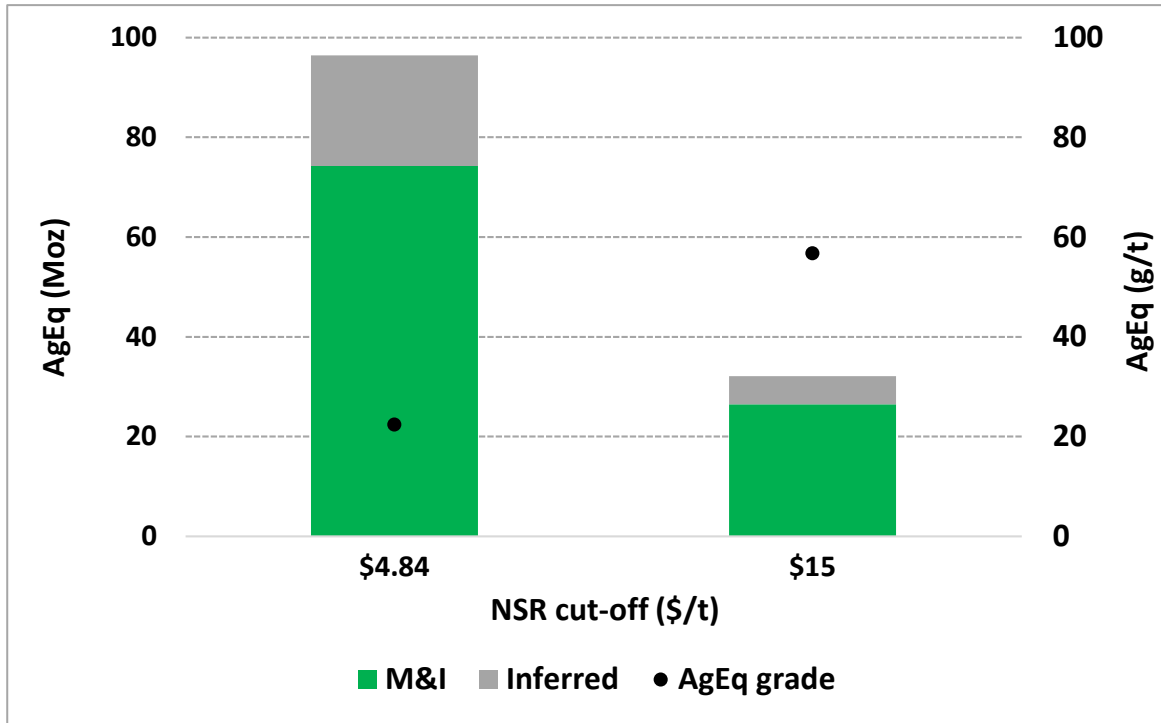
~60% of contained metal within high-grade subset

- M&I: 510 Moz AgEq at 101 g/t AgEq (\$25/t NSR cut-off)

Growth opportunities

- Bulk-tonnage: far north-east of deposit (limited drilling / encouraging intercepts)
- High-grade veins: strike and depth extensions of Todos Santos & Josefina vein trends

2021 Oxide/Transition Resource



* \$4.84/t cut-off is the reporting cut-off for Oxide/Transition mineralization. See Appendices for detailed Resource Estimate

Oxide/transition resource -> weathered material at or close to surface

Heap leach potential in early years of mine life

+30 Moz AgEq within higher-grade subset

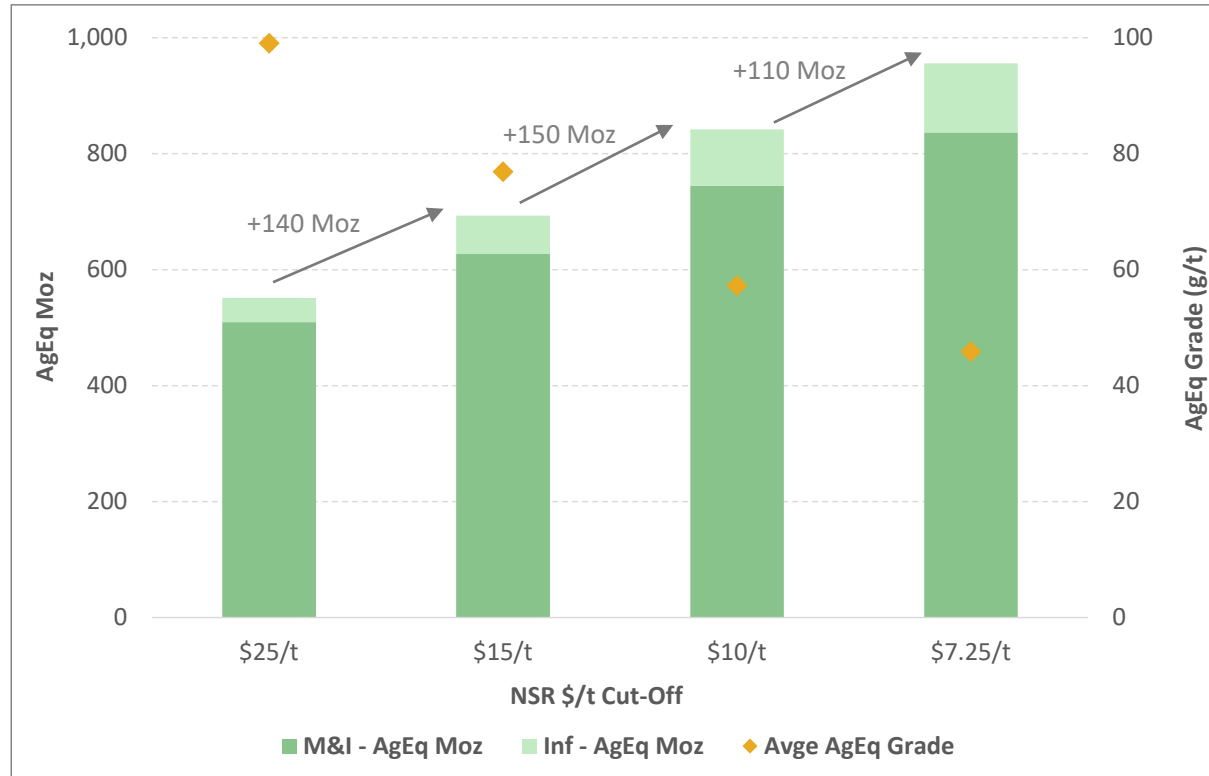
- M&I: 14 Mt at 60 g/t AgEq
- Inferred: 4 Mt at 45 g/t AgEq

Cordero – Unparalleled Silver Price Torque

Optionality & Scaleability

Lowering NSR cut-off from \$25/t to ...

- \$15/t increases sulphide resource by 140 Moz AgEq
- \$7.25/t increases sulphide resource by 400 Moz AgEq
- Oxide resource increases by 3x to 96Moz AgEq when lowering NSR cut-off from \$15/t to \$4.78/t



See Appendices for full resource estimate details and Cautionary Statement on slide 2 for clarifying statements

Largest Undeveloped Silver Deposits

Top 10 Largest Undeveloped Primary Silver Deposits

Project	Owner	Country	Development Stage	Silver Resource (Moz)
Bolshoi Konimansur	Government of Tajikistan	Tajikistan	Prefeas/Scoping	1,714
La Pitarrilla	SSR Mining	Mexico	Feasibility	552
Cordero	Discovery Silver	Mexico	Prefeas/Scoping	471
Corani	Bear Creek	Peru	Construction Planned	406
Malku Khota	Corporacion Minera de Bolivia	Bolivia	Prefeas/Scoping	370
Sunshine	Silver Opportunity Partners LLC	USA	Prefeas/Scoping	299
Prognoz	Polymetal International plc	Russia	Prefeas/Scoping	242
Silver Sand	New Pacific Metals Corp.	Bolivia	Prefeas/Scoping	191
Montanore	Hecla Mining Company	USA	Prefeas/Scoping	183
Hercules	Bald Eagle Gold Corp.	USA	Reserves Development	164

Source: S&P Capital IQ

(A) Data shown is from the most recent technical reports of the respective assets;

(B) Silver Resources shown are global (the sum of all categories of Resources).

(C) List shown is for active silver projects only



Metallurgy

PFS Metallurgical Test Program Summary

PFS Test Program Scope

Sulphides

High-grade samples & testing of rock blends

Test based on coarse grind size (~210 micron) & lower reagent consumptions

Oxides

Flotation testwork of 10% oxide / 90% sulphide blends

PFS Test Program Results

Sulphides

Recoveries from high grade samples: Ag 94-98%, Pb 89-97%, Zn 92-96%

Recoveries from rock type blends (medium grade): Ag 85-92%, Pb 85-92%, Zn 81-89%

Reagent consumption reduced significantly whilst achieving in-line/improved recoveries vs PEA

Oxides

Oxide recoveries through flotation: Ag ~60%, Pb ~40%, Zn: ~85%

Blending of oxides to be incorporate in PFS (eliminating heap leach circuit)

PFS Metallurgical Test Program Results

Test Type	Rock Type / Sample Location	Head Grade				Lead Circuit				Zinc Circuit			
						Recovery to Concentrate		Concentrate Grade		Recovery to Concentrate		Concentrate Grade	
		Ag	Pb	Zn	AgEq	Ag	Pb	Ag	Pb	Ag	Zn	Ag	Zn
		(g/t)	(%)	(%)	(g/t)	(%)	(%)	(g/t)	(%)	(%)	(%)	(g/t)	(%)
High-Grade	Breccia	252	3.8	2.6	462	93	96	4,634	73	4	93	219	52
	Volcanic	71	1.9	5.1	319	91	97	2,518	72	6	92	55	57
	Volcanic	46	0.9	2.1	151	86	93	3,270	69	8	96	100	56
	Sedimentary	41	0.8	1.6	128	81	89	2,395	53	13	96	182	53
Rock Type Blend	Starter Pit	37	0.6	0.6	76	85	92	3,516	57	7	89	287	53
	NE Extension	29	0.5	0.7	70	81	90	3,085	61	10	84	249	51
	South Corridor	33	0.4	0.8	76	65	85	2,868	44	18	85	446	53
	Run of Mine	33	0.5	0.8	76	75	89	3,643	62	12	81	385	59
Low-Grade	Volcanic	10	0.1	0.2	21	26	64	712	19	17	62	550	34
	Breccia	30	0.3	0.1	44	69	87	4,277	52	7	64	1,042	46
10% Oxide / 90% Sulphide Blend	Starter Pit	40	0.5	0.5	76	78	84	3,694	57	7	89	321	52
	NE Extension	29	0.5	0.6	66	78	86	3,250	61	9	87	255	54
	South Corridor	33	0.4	0.7	71	65	80	3,369	49	16	88	434	52
	Run of Mine	35	0.5	0.7	74	73	84	3,506	54	11	88	335	51

PFS Process Design

Phase 1 – Initial Throughput

Heap leach circuit eliminated

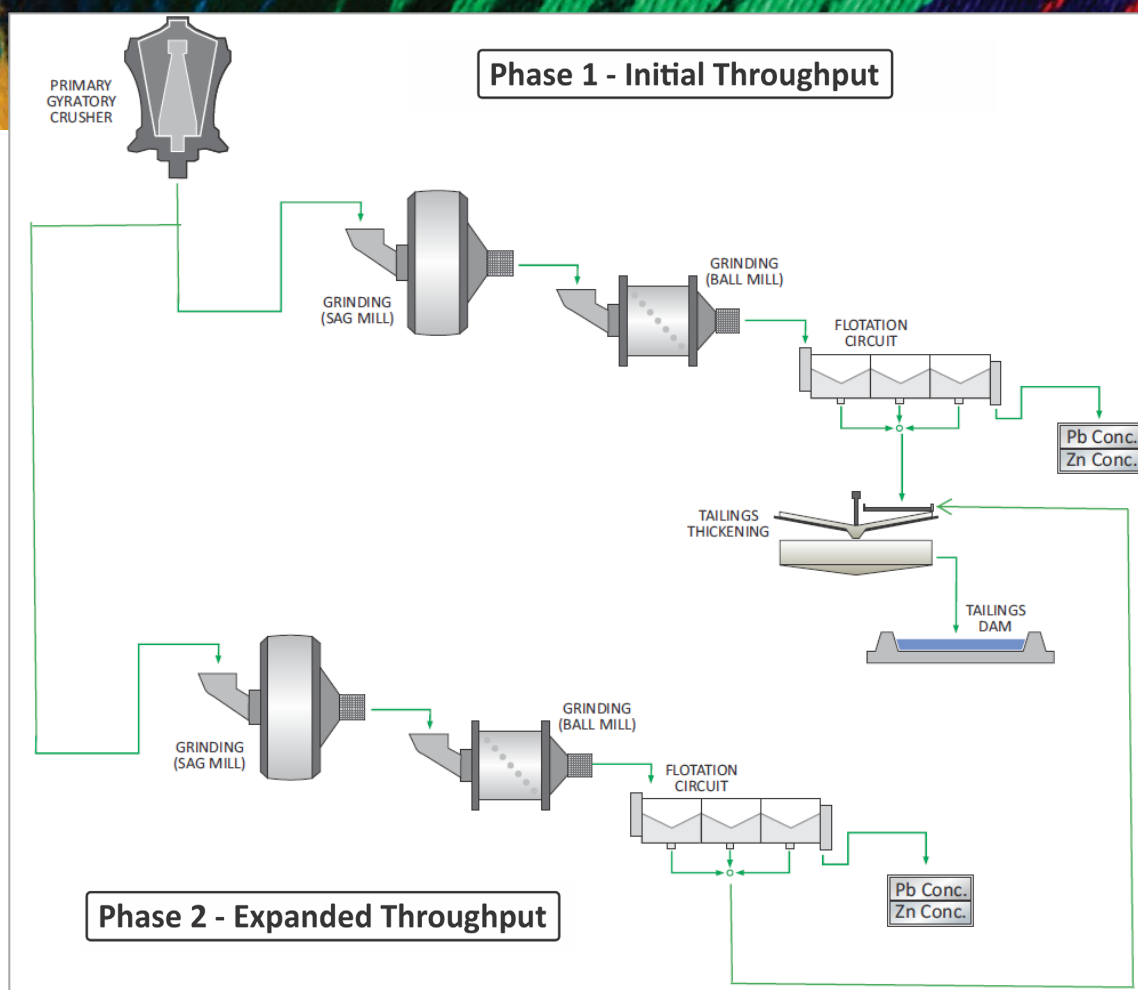
Advantages include simplified circuit, improved capital efficiency & streamlined permitting

Throughput rate of ~25,000 tpd

Phase 2 – Expanded Throughput

Addition of parallel grinding & flotation circuits

Throughput rate of ~50,000 tpd





***2021 Preliminary
Economic Assessment***

PEA Mine Plan Phases

Mining broken into four phases

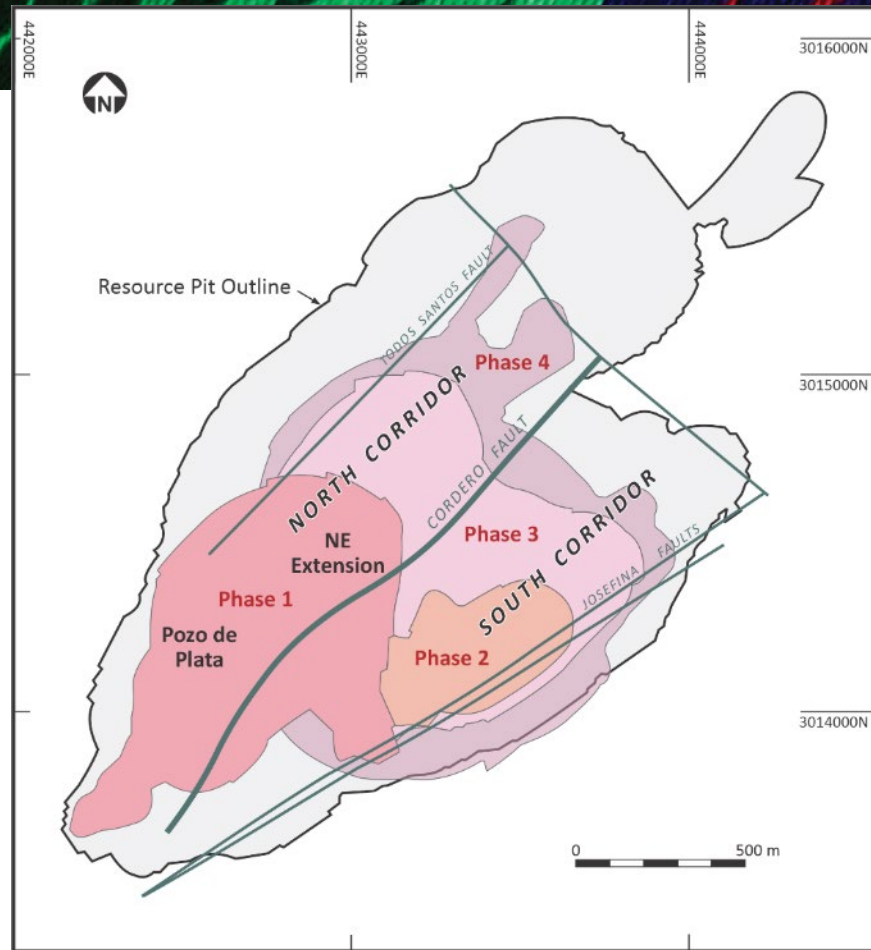
Phase 1 – Pozo de Plata

Phase 2 – Higher-grade oxides in South Corridor

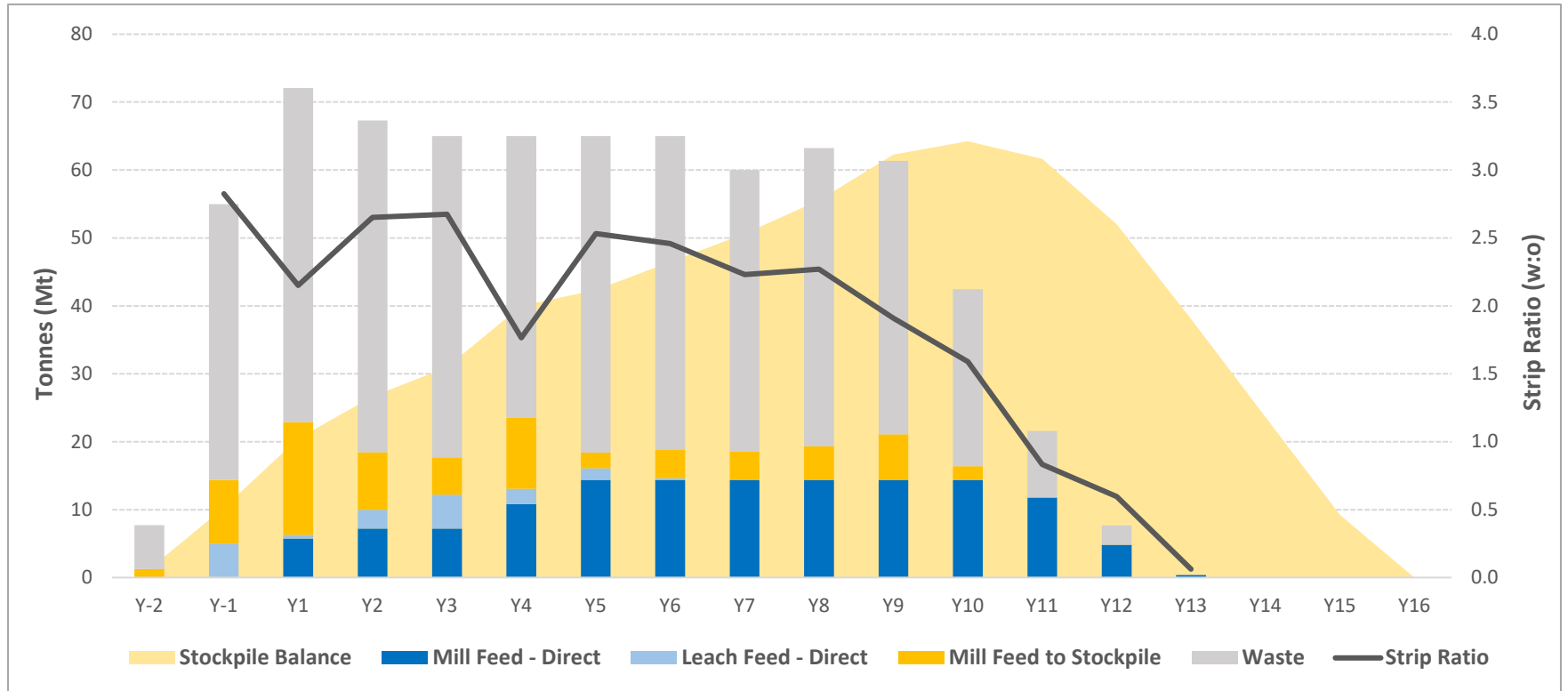
Phase 3 – NE Extension + part of South Corridor

Phase 4 – South Corridor

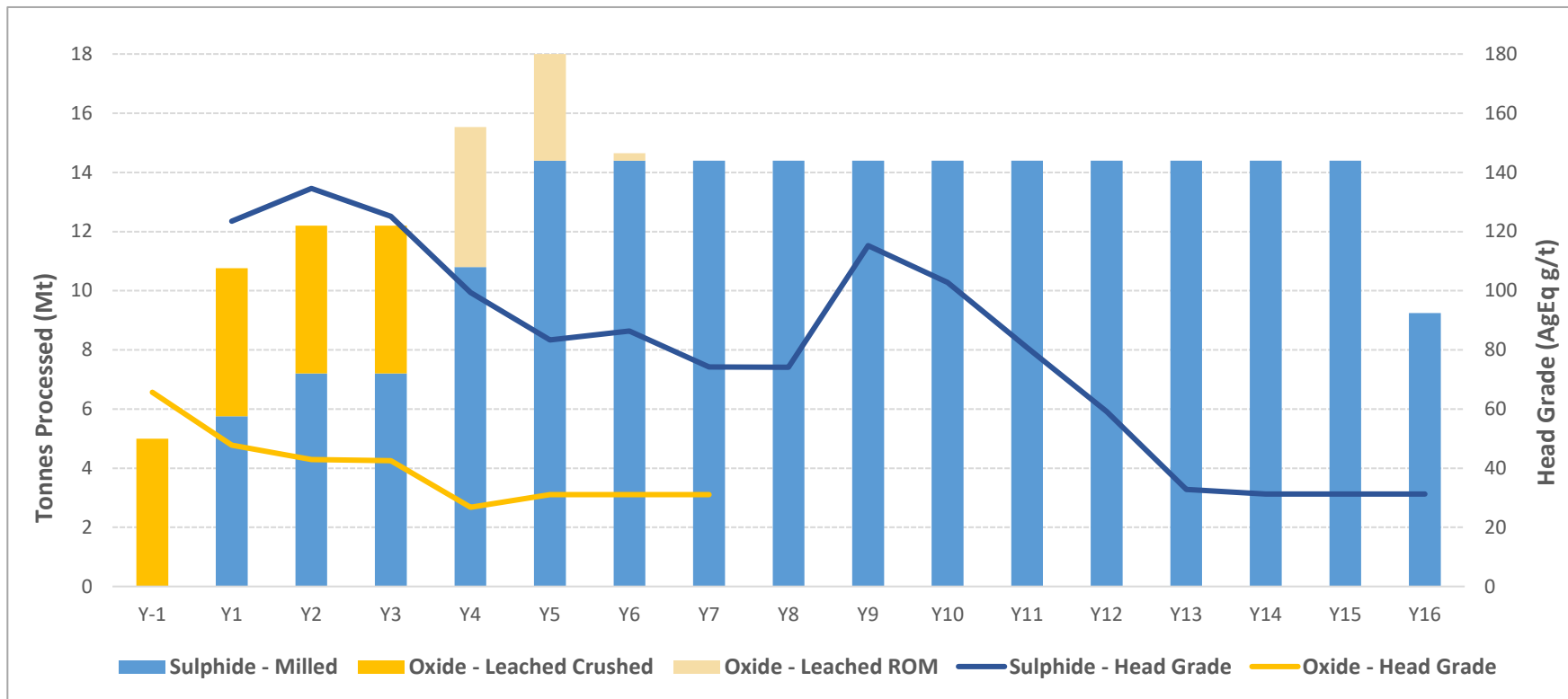
Phase	Years	Plant Feed (Mt)	Waste (Mt)	Total (Mt)	Strip Ratio (w:o)
Phase 1	Y-2 to Y3	50	101	151	2.0
Phase 2	Y-2 to Y1	8	16	24	1.9
Phase 3	Y3 to Y8	54	109	164	2.0
Phase 4	Y4 to Y13	115	265	380	2.3
Total		228	491	719	2.2



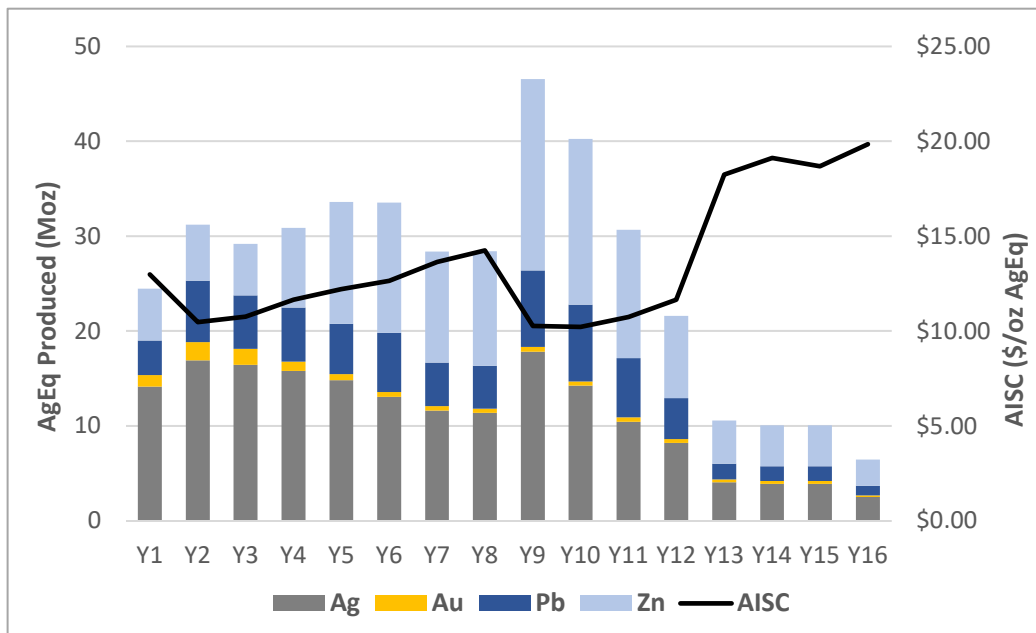
PEA Mine Plan



PEA Tonnes Processed vs Head Grade



PEA Metal Produced/Payable (AgEq) vs AISC



PERIOD	AVERAGE		TOTAL		AISC
	AgEq Produced (Moz)	AgEq Payable (Moz)	AgEq Produced (Moz)	AgEq Payable (Moz)	Co-product Basis (US\$/AgEq oz)
Years 1 - 4	29	26	117	104	\$11.39
Years 6 - 12	33	29	265	230	\$11.77
LOM	26	23	426	372	\$12.34

Sulphide Recoveries / Metallurgical Balance

	UNITS	PHASE 1				PHASE 2								LOM			
		Years 1 - 4				Years 5 - 12				Years 13 - 16							
		Ag	Au	Pb	Zn	Ag	Au	Pb	Zn	Ag	Au	Pb	Zn	Ag	Au	Pb	Zn
MET BALANCE																	
Average head grade	g/t or %	58	0.28	0.82%	0.81%	33	0.07	0.50%	0.92%	13	0.04	0.17%	0.34%	31	0.09	0.46%	0.75%
Recoveries																	
Recovered to Pb Con	%	81%	13%	90%	6%	71%	13%	86%	6%	56%	13%	69%	3%	73%	13%	86%	5%
Recovered to Zn Con	%	12%	6%	3%	85%	12%	6%	3%	86%	11%	6%	3%	74%	12%	6%	3%	85%
Tailings	%	7%	81%	7%	9%	17%	81%	11%	8%	33%	81%	28%	22%	16%	81%	11%	10%
Total	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CONCENTRATE GRADES																	
Pb Concentrate	g/t or %	3,490	2.45	54%	-	2,802	1.15	52%	-	2,657	2.11	43%	-	2,939	1.58	52%	-
Zn Concentrate	g/t or %	524	1.27	-	52%	254	0.28	-	51%	285	0.52	-	50%	298	0.45	-	51%

Note – recoveries were based on the 2021 metallurgical test program which included lock-cycle tests and examined metal recoveries to the silver-lead concentrate and the silver-zinc concentrate at varying head grades for each of the major geological rock types at Cordero

Concentrate Terms

Payabilities

	Ag	Au	Pb	Zn
Pb Concentrate				
Payable metal	95%	95%	95%	-
Minimum deduction	50 g/t	1 g/t	3 units	-
Zn Concentrate				
Payable metal	70%	70%	-	85%
Deduction	3 oz/t	1 g/t	-	-

Treatment/Refining Charges

PARAMETER	UNITS	PEA COST	SPOT	2021 BENCHMARK
TREATMENT/REFINING CHARGES				
Treatment charge – Pb con	<i>\$/dmt</i>	\$100	~\$60	\$140
Treatment charge – Zn con	<i>\$/dmt</i>	\$200	~\$80	\$160
Ag refining charge – Pb con	<i>\$/oz</i>	\$1.00	~\$0.75	\$1.50

Concentrate Transportation

Pb con - \$128/wmt, Zn con - \$116/wmt (trucking to Guaymas + port handling + ocean freight)

PEA Capex Summary

	INITIAL CAPITAL		EXPANSION CAPITAL		SUSTAINING LOM CAPEX	TOTAL LOM CAPEX
	Y-2	Y-1	Y3	Y8		
CAPITAL EXPENDITURES (US\$ M)						
Mining	\$26				\$7	\$33
Infrastructure	\$34	\$9	\$10		\$16	\$69
Heap Leach + Oxide Plant	\$72				\$4	\$77
Sulphide Processing Plant		\$95	\$51	\$23	\$30	\$199
Tailings Facility (TMF)		\$15			\$95	\$110
Indirects	\$22	\$30	\$17	\$6	\$4	\$79
Owners Costs	\$6					\$6
Closure (Net of Salvage Value)					\$22	\$22
Contingency	\$28	\$30	\$16	\$6	\$29	\$109
TOTAL CAPEX	\$368		\$94	\$35	\$208	\$704
PRE-SULPHIDE OPERATIONS						
Revenue		\$121				
Mining Costs		(\$110)				
Processing + G&A Costs		(\$26)				
Operating Cash Flow for Year -1		(\$16)				
NET FUNDING REQUIREMENT	\$384					

Initial Capital

Year -2: infrastructure, power line & heap leach circuit

Year -1: ball mill, flotation circuit, initial tailings dam life

Expansion Capital

Year 3: add ball mill & flotation circuit

Year 8: expand flotation circuit for higher Zn grades

Sustaining Capital

TMF: designed by Knight Piésold

Other: ancillary costs for process plant & infrastructure

PEA Operating Cost Assumptions

ITEM	UNIT	COST
Mining Cost		
Mining - Mill Feed	(\$/t mined)	\$2.16
Mining - Waste	(\$/t mined)	\$2.04
Processing Costs		
Heap leach - Oxides crushed	(\$/t stacked)	\$3.84
Heap leach - Oxides ROM	(\$/t stacked)	\$1.34
Sulphides - 7.2 Mtpa	(\$/t milled)	\$7.05
Sulphides - 14.4 Mtpa	(\$/t milled)	\$6.54
Site G&A - 14.4 Mtpa	(\$/t milled)	\$0.86

Mining cost

Assumes contractor mining & based on contractor quotes

Processing cost

Generated from first principles by Ausenco

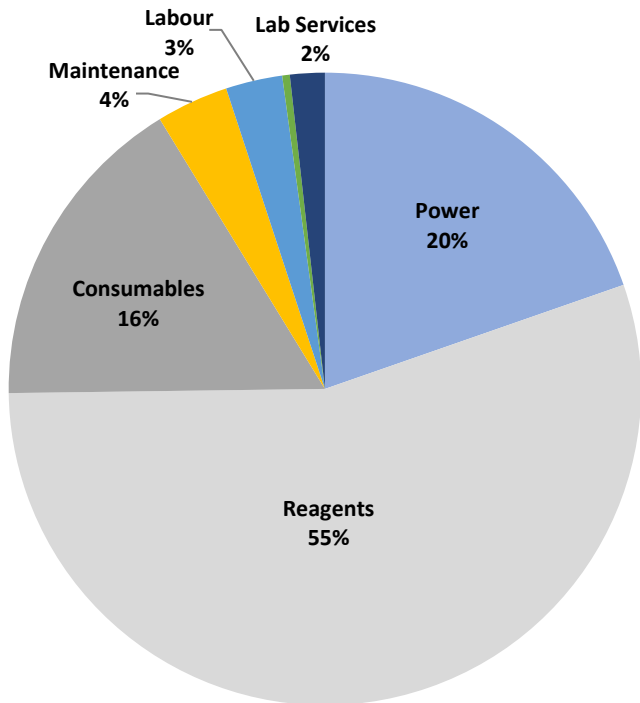
Sulphide processing costs benefit from coarse grind size & low power costs

G&A costs

Generated from first principles by Ausenco

Costs assume small camp & administration office at site

Sulphide Processing Costs Breakdown



Reagents Cost

Reagent consumption based on 2021 metallurgical testwork
MIBC and Soda Ash account for ~65% of reagent costs

Power Cost

Benefits from coarse grind size (no SAG mill required) & low power costs of \$0.06/kWh

Consumables Cost

Ball Mill grinding media account for ~60% of consumables cost

Labour Cost

Built from first principles

Assumes mill workforce of 156 people (plant operations, admin, laboratory and maintenance staff)

Commodity Price Sensitivity

NPV/IRR/Payback sensitivity to Ag/Zn prices: (Fixed prices for Au = \$1,600/oz & Pb = \$1.00/lb)

		Ag (\$/oz)														
		\$18.00			\$20.00			\$22.00			\$25.00			\$30.00		
		NPV (5%) <i>(US\$M)</i>	IRR <i>(%)</i>	Payback <i>(yrs)</i>	NPV (5%) <i>(US\$M)</i>	IRR <i>(%)</i>	Payback <i>(yrs)</i>	NPV (5%) <i>(US\$M)</i>	IRR <i>(%)</i>	Payback <i>(yrs)</i>	NPV (5%) <i>(US\$M)</i>	IRR <i>(%)</i>	Payback <i>(yrs)</i>	NPV (5%) <i>(US\$M)</i>	IRR <i>(%)</i>	Payback <i>(yrs)</i>
Zn (\$/lb)	\$1.05	\$715	27%	3.3	\$866	32%	2.7	\$1,016	36%	2.2	\$1,238	42%	1.8	\$1,607	53%	1.4
	\$1.10	\$765	28%	3.2	\$915	32%	2.6	\$1,064	37%	2.1	\$1,286	43%	1.8	\$1,655	53%	1.4
	\$1.20	\$863	30%	3.1	\$1,013	34%	2.5	\$1,160	38%	2.0	\$1,382	44%	1.7	\$1,751	55%	1.4
	\$1.30	\$961	32%	2.9	\$1,109	36%	2.3	\$1,257	40%	2.0	\$1,478	46%	1.7	\$1,848	56%	1.4
	\$1.45	\$1,105	34%	2.7	\$1,253	38%	2.2	\$1,401	42%	1.9	\$1,622	48%	1.6	\$1,992	58%	1.3



Cross Sections

Sections

Long Section A – A'

- North Corridor including Pozo de Plata & NE Extension

Long Section B – B'

- South Corridor

Cross Section C – C'

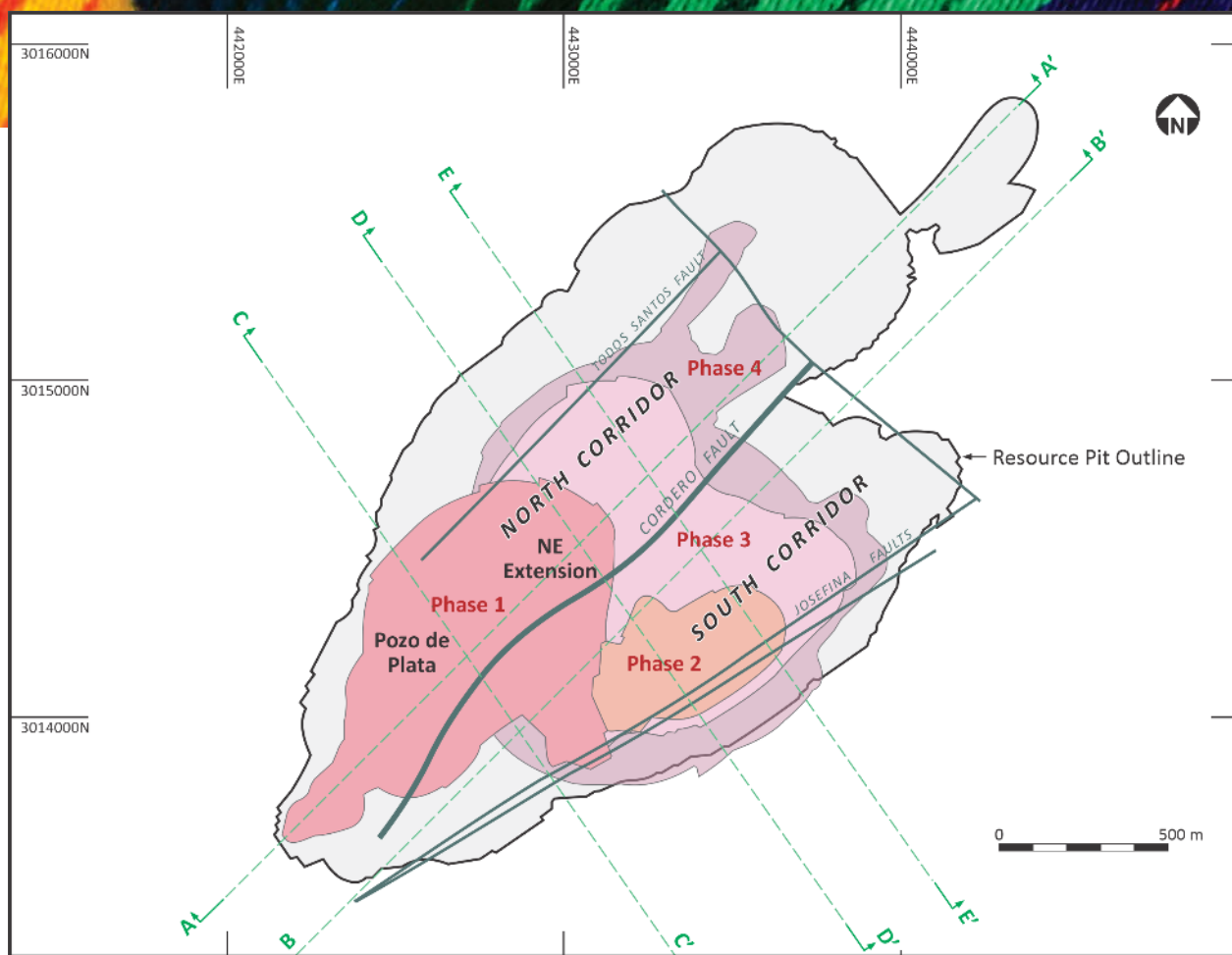
- Pozo de Plata – starter pit

Cross Section D – D'

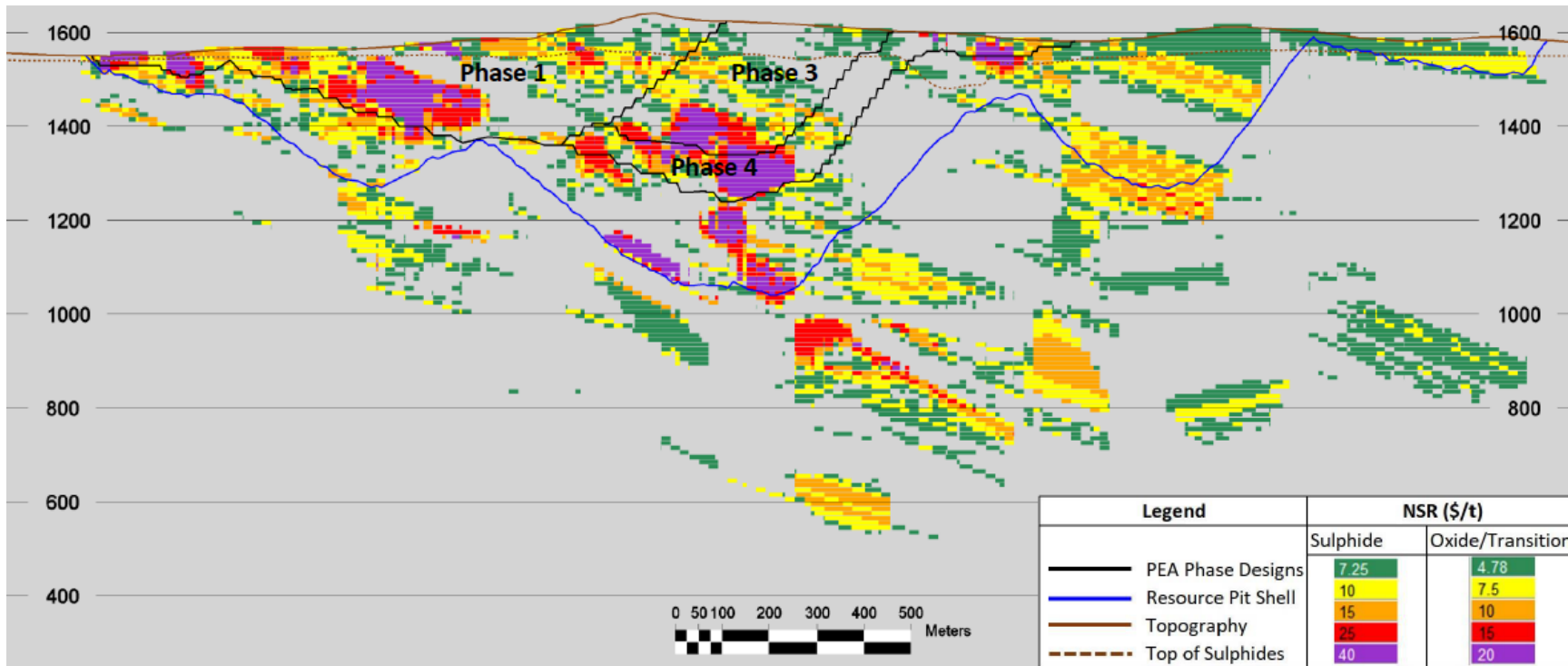
- NE Extension, South Corridor & Josefina

Cross Section E – E'

- NE Extension, South Corridor & Josefina

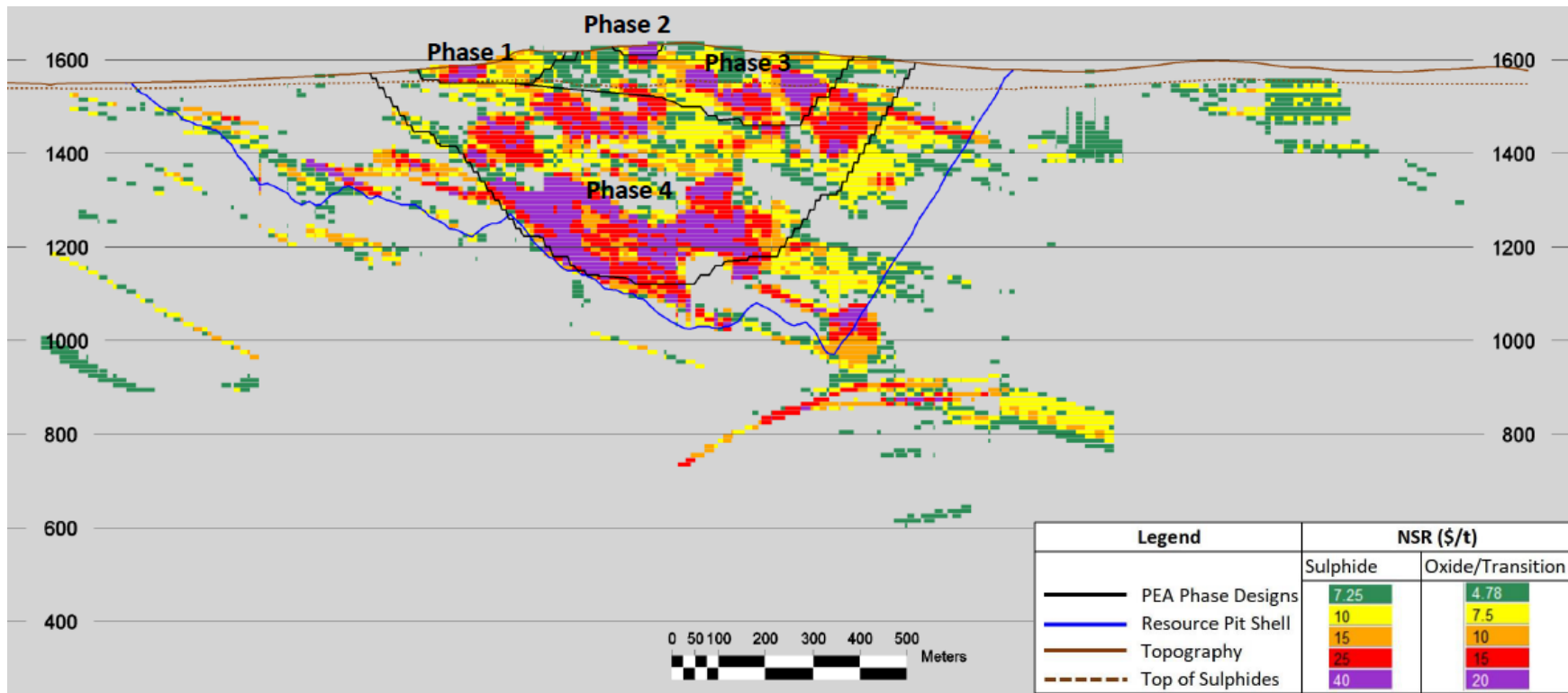


Long Section A - A'



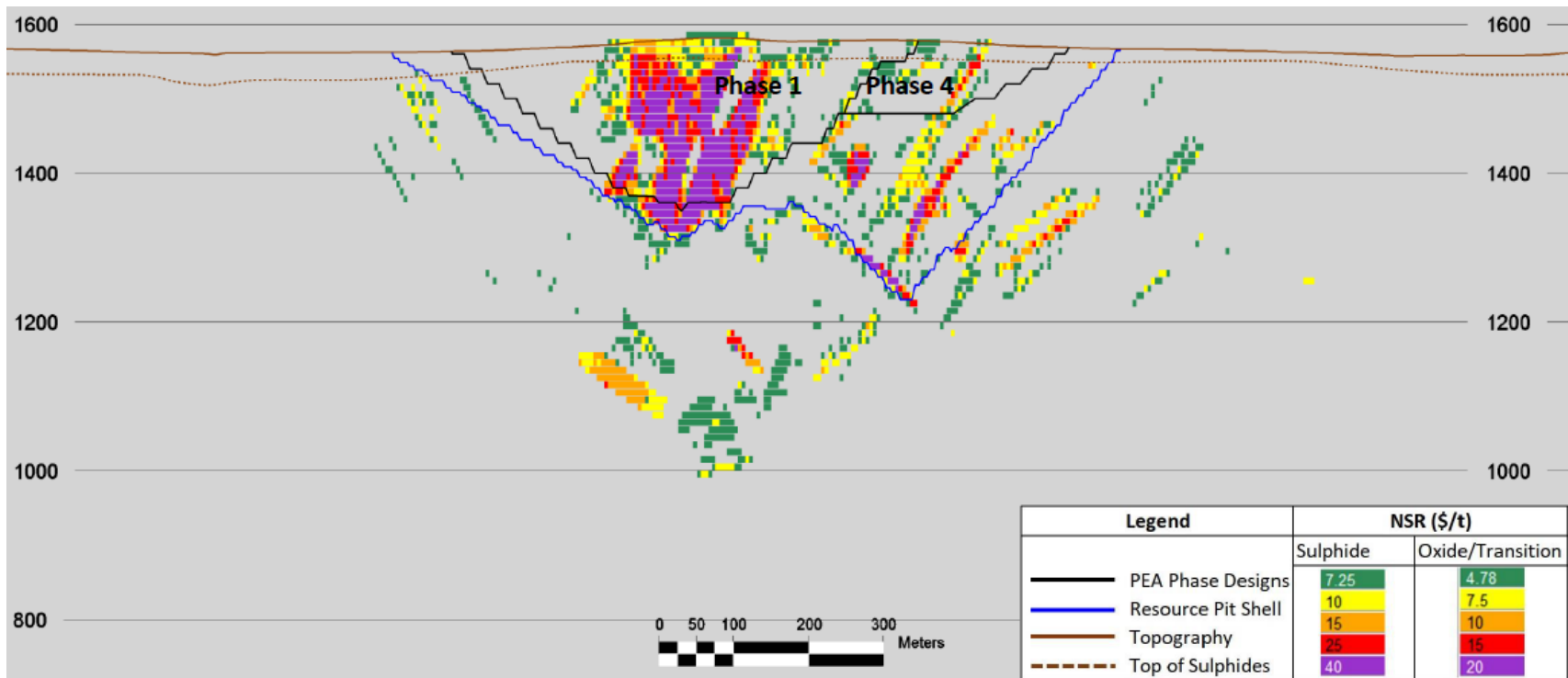
NSR values based on PEA assumptions and metal prices of Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb

Long Section B – B'



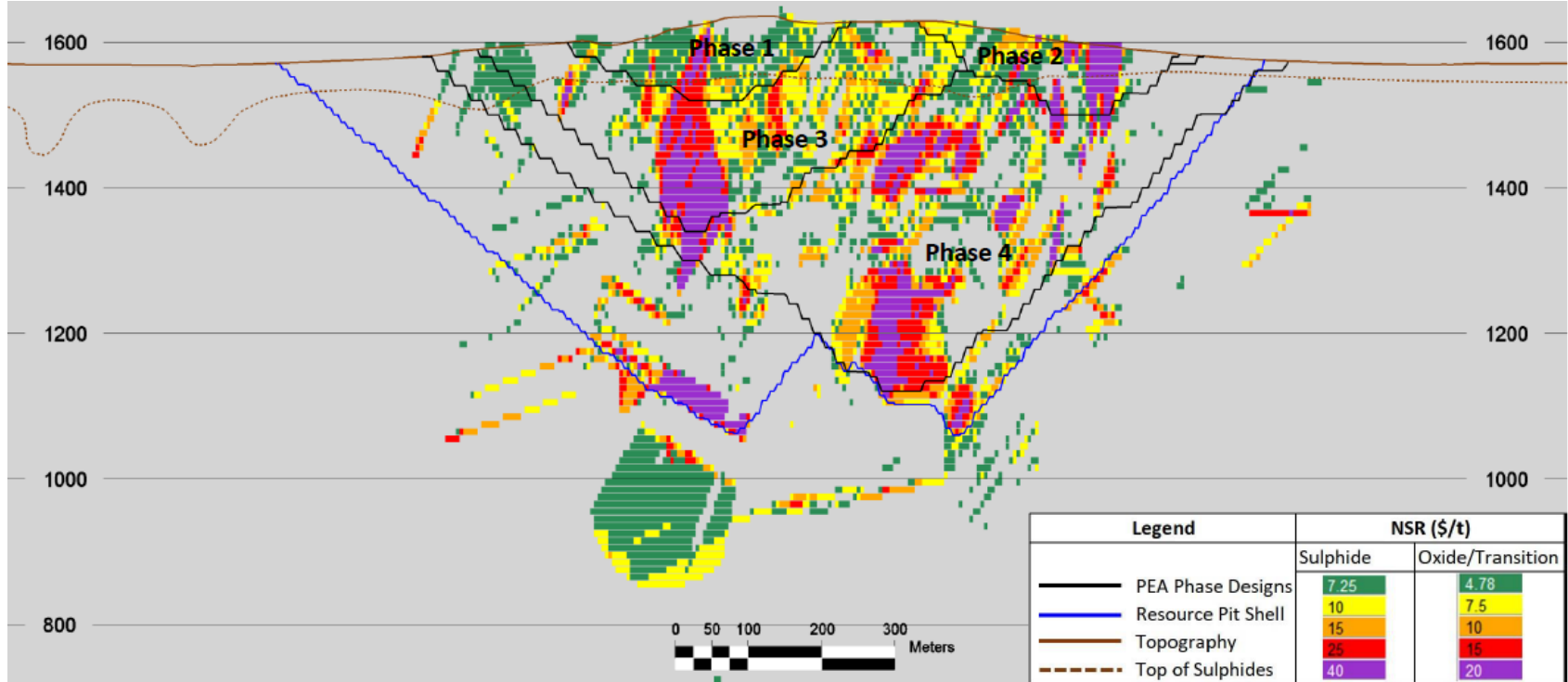
NSR values based on PEA assumptions and metal prices of Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb

Cross Section C – C'



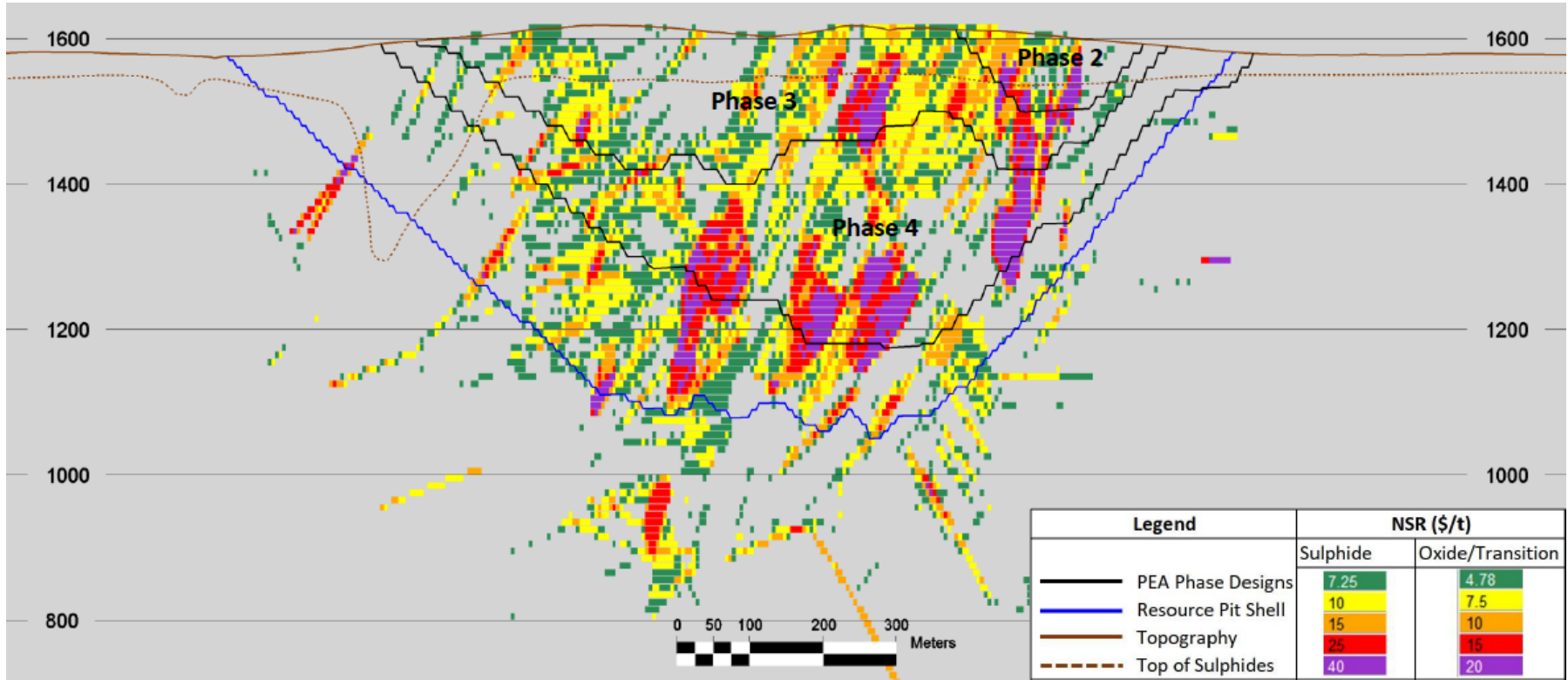
NSR values based on PEA assumptions and metal prices of Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb

Cross Section D – D'



NSR values based on PEA assumptions and metal prices of Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb

Cross Section E – E'



NSR values based on PEA assumptions and metal prices of Ag - \$22.00/oz, Au - \$1,600/oz, Pb - \$1.00/lb and Zn - \$1.20/lb