



# Silver Report 2022

Everything you need to know about the precious metal silver!

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NEW WORLDS.**

**THE FUTURE  
IS GOLD.**



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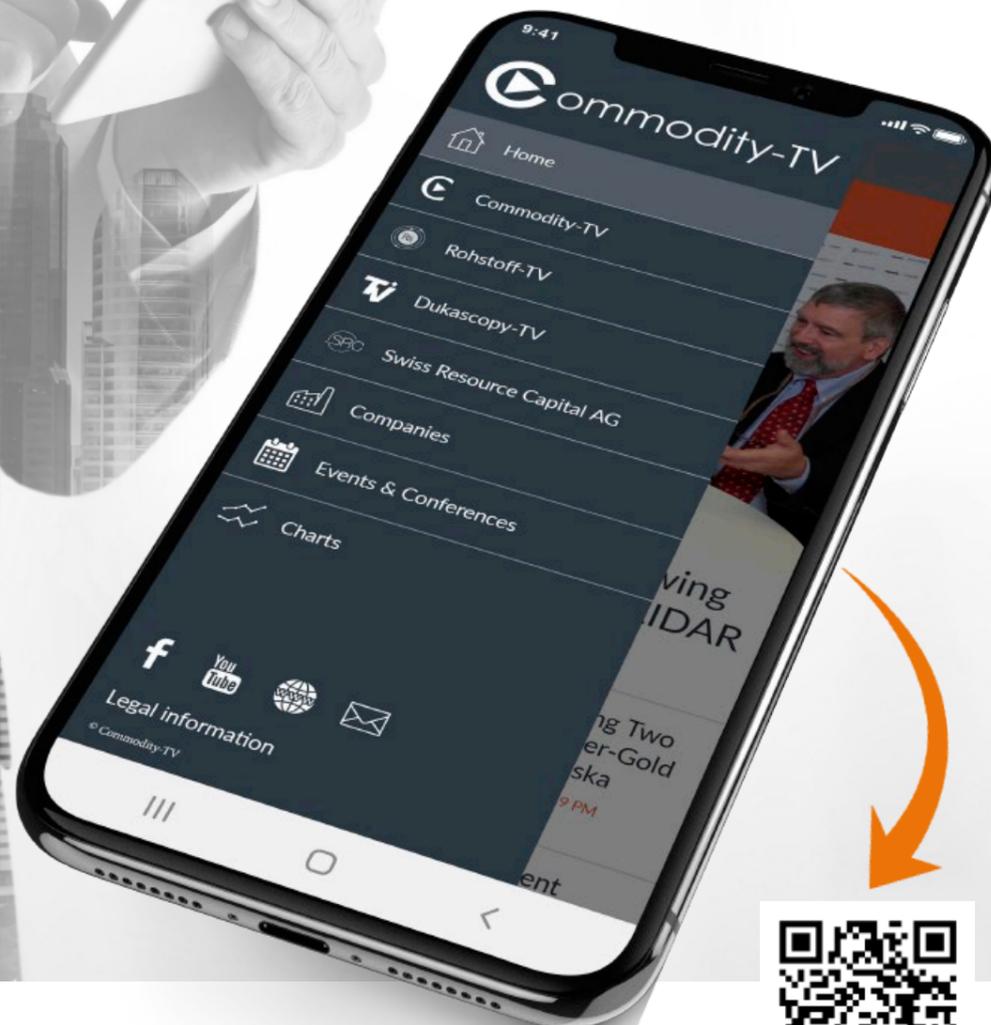
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## Preface

Dear Readers,

We started our special report series (which also includes a precious metal report, a battery metals report and a uranium report) in 2016 with a silver report, and in this issue, we are once again presenting you with a wealth of information on what will probably be the most important metal of the coming decades. Because silver is finding more and more applications. Especially the boom markets photovoltaics, electromobility and 5G will play an increasingly decisive role in the coming years. These sectors are already showing signs of enormous growth in demand for silver, which will not be covered by the current mines.

However, the non-industrial sector also recorded inflows into ETFs during the Corona pandemic that were never thought possible and thus took a lot of physical silver off the market. This even came close to offsetting the Corona-induced dip in demand from the industrial sector. In the face of ever-expanding money supply growth, silver will certainly continue to see high demand from the investment sector in the coming years. Nevertheless, demand growth, especially from the industrial sector, can be expected in the future. The photovoltaic sector, the automotive sector and the 5G transformation in particular will see their demand for silver grow strongly in the coming years.

Moreover, a highly manipulated silver futures market could become highly distressed in the foreseeable future when it comes to having to cover physical supplies.

In this silver report, we will introduce you to some interesting companies that are suitable for speculation on rising silver prices. We also want to give you the necessary basic knowledge by means of our general part, so that you can make your own decisions.

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My team and I hope you enjoy reading the Special Report Precious Metals and hope to provide you with a lot of new information, impressions and ideas.

Yours, Jochen Staiger



Jochen Staiger is founder and CEO of Swiss Resource Capital AG, located in Herisau, Switzerland. As chief-editor and founder of the first two resource IP-TV-channels Commodity-TV and its German counterpart Rohstoff-TV, he reports about companies, experts, fund managers and various themes around the international mining business and the correspondent metals.



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# Silver:

## Physical investments, the budding electric boom and the expansion of renewable energies lead to a high supply deficit!

### The „hybrid metal“ benefits from several increases in demand at the same time

Whereas silver's „big brother“ gold is mainly used as an investment, to preserve value and in the form of jewelry (less than 10% of annual gold demand comes from industry), silver has a kind of „hybrid function“. This means that most recently around 50% of total silver demand came from industry (including photography), while the remainder was mainly demanded by the investor side in the form of bars and coins and by the jewelry industry. Almost all relevant demanders increased their demand for the silvery metal last year. First and foremost, the investment sector, which grew above all thanks to high growth in physically deposited exchange traded products (ETPs), which are becoming increasingly popular and have recorded a total of around 560 million ounces in net inflows over the past three years. To put this in perspective: This represents about two-thirds of the total annual production in 2021! At the same time, there is more and more demand from (future)

### Physical silver offered more than 10% return per year

No wonder, since physical silver generated an average annual return of almost 11% in euros in the years 2009 to 2021 alone. In US\$, the increase in value was still 9.5% - per year, mind you! In view of the fact that in 2020 alone there was a supply deficit of 250 million ounces, the question arises as to why the silver price did not fully explode with this. The answer is simple: it was artificially depressed by means of paper contracts on the COMEX futures exchange! How long this can be practiced in view of the real (opposite) development - both on the supply and on the demand side, depends above all on the extent to which larger contract quantities must be physically delivered in the future. Big players such as Canadian commodity mogul Eric Sprott have recently positioned themselves strongly and bought massively into silver mines.

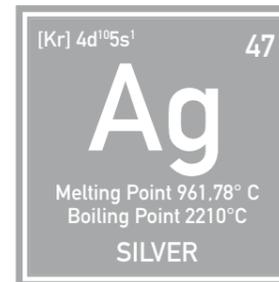
### Industrial demand is really picking up now!

According to „The Silver Institute“, just over 50% of all silver demanded in 2021 went to industry (including photography). Due to the boom on the investor side, the share of silver demanded by industry fell, but could still remain above the 50% mark. However, it is clear that a real explosion in demand can be expected in the future, especially from industry. The energy sector in particular will play a dominant role. In particular, the use in more and more components of more and more electric vehicles, in photovoltaic systems (installed over several decades), but also in 5G networks and in the medical sector, will cause industrial demand to rise sharply in the coming decade. This is made possible by the special properties of silver, which will be discussed in more detail below.

boom sectors such as electromobility and photovoltaics. Silver is therefore clearly becoming one of the metals most in demand in the current decade, although production has not been able to keep pace for a long time and there has de facto been an increasingly large supply deficit on the silver market for three years.

### The element silver

Silver is a chemical element with the element symbol Ag and the atomic number 47 and belongs to the so-called transition metals, to which the precious metals also belong. From a purely chemical point of view, precious metals are metals which are corrosion-resistant, i.e. which are permanently chemically stable in a natural environment under the influence of air and water.



Silver is a soft, easily malleable heavy metal with unique properties, such as the highest electrical conductivity of all elements and the highest thermal conductivity of all metals. It is precisely these properties that make it an indispensable metal in industrial applications. The metal is finding its way into more and more high-tech areas such as photovoltaics or the electric car, but also in medical applications, which are experiencing an immense technological boost right now during the Corona crisis.

But silver is much more than that: unlike gold, it is sometimes bonded for many years in appropriate applications (e.g. photovoltaic panels), with the sheer volume of potential applications growing steadily as technology advances.

In addition to being an industrial metal, silver is also an investment object (hence the term „hybrid metal“). Like gold, it is basically money and serves to preserve value. It can also be seen as a kind of hedge against progressive inflation.

### Main applications: Electronics, alloys, photography, pharma/medicine

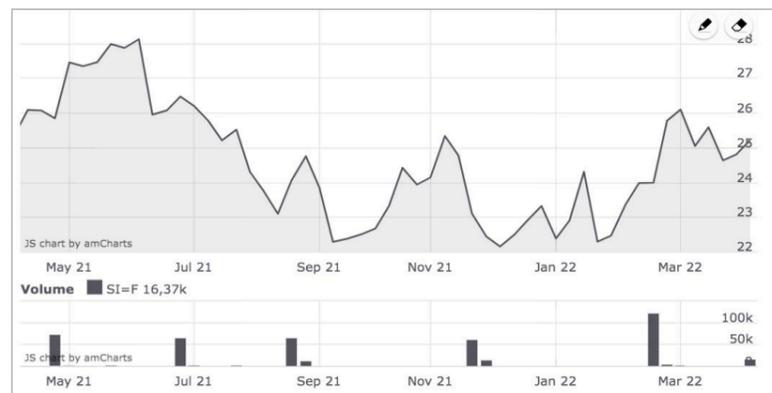
Its top values in important properties (highest electrical conductivity of all metals, high thermal conductivity and pronounced optical reflectivity) make silver indispensable above all in the fields of electrics (photovoltaics), electronics (electromobility) and optics or photography. In addition, there are applications as silver alloys (with copper, zinc, tin, nickel, indium), which are used in electrical engineering and soldering technology as soldering alloys (so-called hard soldering), contact materials (especially in relays) and conductive materials (for example as capacitor coatings). Since silver has antibacterial and antiviral effects, it is already considered a potential savior in medical and pharmacological applications of the future.

## Supply situation

### Silver production recovers after 2020

According to „The Silver Institute“, global silver production reached its all-time high of around 899 million ounces in 2016. Since then, annual silver production has fallen steadily to 835 million ounces in 2019. In the exceptional year 2020, global silver production slumped to just 779 million ounces due to Corona, falling below the 800-million-ounce mark for the first time since 2012. 2021 saw an increase from an exceedingly low level to 828 million ounces, which was, however, below the level of the last pre-Corona year 2019. For 2022, experts from „The Silver Institute“ expect production to increase to around 890 million ounces. This development will be supported primarily by higher production from primary silver mines.

With an annual production of around 178 million ounces, Mexico ranks first among the



Silverpricechart, one year  
(Source: JS Charts by amCharts)

producing nations, followed by Peru (110 million ounces) and China (109 million ounces). These three countries are thus together responsible for around 50% of global silver production.

### Silver is mainly extracted as a by-product

Only about a quarter of the annual silver production comes from mines in which silver is the primary raw material. Most of it comes from mines where silver is only a by-product, i.e. mainly from zinc/lead mines, but also from copper and gold mines.

### Base and precious metal prices influence silver production in both directions

For many years, this heavy dependence primarily on base metals such as lead, zinc and copper meant that weak base and precious metal prices and the associated closure of mines or at least reduction in the corresponding base metal production also had a negative impact on the production of silver as a by-product. In recent years, price declines - above all for copper, but also for lead - have caused silver production to fall. A recent increase in base and precious metal prices will lead to an increase in supply from secondary mines in the short term, but several medium to large zinc/lead mines are expected to close

in the coming years, which means that silver volumes are likely to decline. Furthermore, there is still an investment backlog which has accumulated in the past years due to the weak price development. Corresponding mining projects have been put on hold and only insufficiently developed. As a result, these projects are likely to be brought into production only after a long delay.

### Recycling share rises marginally from low level and cannot compensate for lack of supply

Silver recycling fell since 2011 from 233 million ounces to just 164.5 million ounces by 2016. Since then, the recycling sector has been able to make some gains again, increasing its supply to 192 million ounces of silver by 2021. For 2022, a minimal increase of 3% to around 198 million ounces is expected here. This means that the existing supply deficit will not be offset by the recycling sector in 2022 either.

### Silver supply rising overall

Overall, global silver supply in 2021 (including recycling) recorded an increase of around 5% or 50 million ounces to 1,022 million ounces from an extremely low level. Silver production (excluding recycling) increased by 6%, recycling by 5%. For 2022, „The Silver Institute“ expects total silver supply to increase by 7% to 1,092 million ounces.

## Demand situation

### Silver demand rises strongly even without ETPs

Total silver demand (excluding ETPs) reached a record high of around 1,070 million ounces in 2013 and fell from an extremely high level to around 993 million ounces by 2019. In 2020, there was a Corona-related slump of around 100 million ounces to 892 million ounces. In 2021 demand increased again notice-

ably to around 1,029 million ounces. Overall, demand for silver increased in all key sectors in 2021, which even short-term negative effects such as the chip shortage, which has still not been completely overcome, could not change.

### Demand from jewelry sector and industry record increases and record levels, respectively

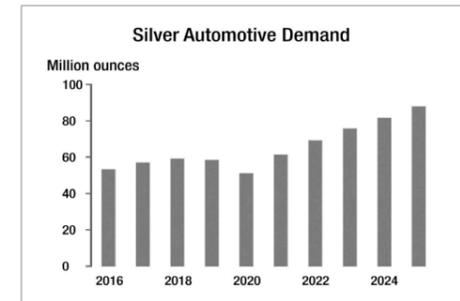
Physical silver investments recorded the strongest increase in demand in 2021 with 263 million ounces (+32%), followed by silverware with +25% and the jewelry industry with +18%. Demand from the industrial sector (excluding photography) increased by 8% to a record high of 524 million ounces.

### Demand will also increase in 2022

For 2022, „The Silver Institute“ expects a further increase in silver demand to 1,112 million ounces. Due to steadily increasing silver applications and improved economic conditions, demand from industry is forecast to rise by 5% and for physical silver investments (silver bars and coins) by 13%. Demand for jewelry and silverware is expected to increase by around 10% and around 20%, respectively, in 2022. In the jewelry sector in particular, India, the largest demand driver, continues to have Corona-related high catch-up potential.

### Photovoltaic and automotive sectors record rapid growth in demand – 5G sector on the rise

Since 2011, the photovoltaic sector has played a weighty role in silver demand. This doubled within 10 years to 101 million ounces by 2020, with an increase in this sector even in the crisis year 2020 compared with the previous year. In 2021, demand from the photovoltaic sector increased again to just under 109 million ounces. Several governments at once need and want to implement the carbon neutrality commitments they have made and are

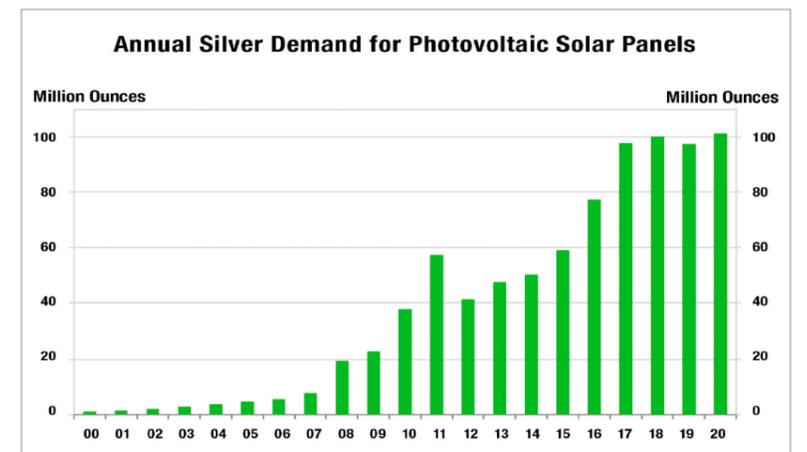


(Source: own representation)

therefore working to rapidly expand their green energy projects. Experts predict that demand from the photovoltaic sector could increase to as much as 150 million ounces per year by 2025. Importantly, this means that more and more silver will be tied up in corresponding solar modules for several decades! Additional demand is coming from the automotive sector. Silver is increasingly being used in a wide range of electronic components, the sheer number of which is greatly increased in electric vehicles - compared to vehicles with internal combustion engines. A fully equipped car may have more than 50 silver-tipped switches to activate such things as the engine, power steering, brakes, windows, mirrors, locks and other electrical accessories. In addition, silver is considered an important conductor in battery packs and solar panels for car roofs. 52 million ounces were demanded by the automotive sector alone in 2021. In 2010, there were just 10 million ounces, and about one million in 2000. By 2025, leading silver producers such as First Majestic Silver expect demand to rise to

(Source: own representation)

Silver supply (blue) and silver demand (gray)



over 80 million ounces per year. Just emerging is demand from the 5G sector. Some of the key components needed for 5G deployment include base stations, home devices (to replace wireless broadband), 5G smartphones, 5G antennas, radio frequency front-end module components, and optical transceivers. Despite all this, the increase in silver demand from the 5G revolution will not be driven so much by the direct introduction of 5G-enabled hardware but will manifest itself primarily through an expanded range of capabilities in which silver can play a significant role. This new 5G-enabled ecosystem will create additional demand for semiconductor ICs/chips, memory, passive components, cabling, power distribution, IoT devices, and MEMS sensors, all of which use silver products similar to those in the semiconductor segment.

**Demand for physical silver continues to rise – inflows into silver ETPs will continue to play a major role!**

Demand for physical silver continued to grow in 2020, despite or perhaps because of Corona and its (economic) consequences. Demand for coins and bars, for example, rose by around 16 million to 199 million ounces from

2019 to 2020. In 2021, there was a further increase to around 260 million ounces.

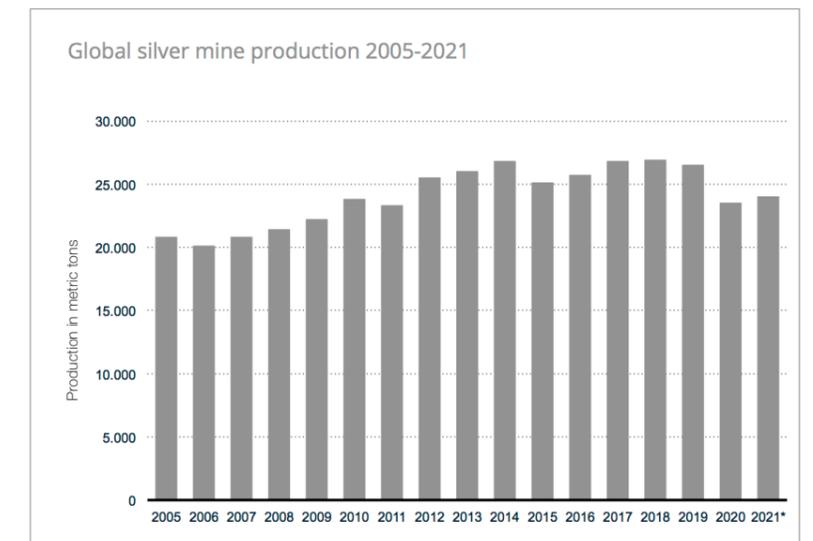
Global silver ETPs, which saw outflows of 21 million ounces in 2018, already saw net inflows of 83 million ounces in 2019. In 2020, net inflows really exploded to 331 million ounces. In 2021, there was a decline in net inflows, but they still accounted for about 150 million ounces of silver. According to „The Silver Institute“, physical silver investments are likely to show another double-digit increase in 2022 and reach a seven-year high.

**Summary:  
Corona recovery has triggered a silver boom**

For years, there was an oversupply in the silver sector, which – thanks to increased inflows into silver-backed silver ETPs – turned back into a supply deficit of 53 million ounces from 2019. In 2020, including ETPs, a supply deficit of 251 million ounces was recorded, and in 2021 a supply deficit of around 150 million ounces. All in all, global silver demand has recently picked up again significantly. The main reason for this, apart from physical investments, is India’s continuing hunger for jewelry (many weddings have been postponed from 2020 to 2021/2022) as

well as a significant recovery of the global economy and the gradual resolution of supply chain problems. The supply side has also seen a recent upturn, which is not surprising after an exceedingly weak 2020. However, the highs of past years could not be reached again. Most primary silver producers focused primarily on reducing mining prices in recent years due to a persistent bear market in silver prices. Particular savings were made in exploration, which resulted in very few major deposits being discovered in recent years. Price weaknesses for several base metals meant that the development of mines producing silver as a by-product was initially put on hold. The high silver prices, mainly from 2010 to 2012, ensured that mines were also commissioned which had all-in costs of over US\$20 per ounce. These quickly became unprofitable after 2012. Instead of closing them, however, the companies have since tried to drive down costs. This left little time and even less money for elaborate exploration and development programs. In the meantime, the vast majority of companies have been able to reduce their costs to a tolerable and, for the most part, profitable level. Most recently, many silver miners were able to post tidy profits, which made it possible for some of them (including First Majestic Silver) to even keep mined silver in stock and wait for a higher silver price to sell.

It is therefore precisely its hybrid function that is likely to drive silver to ever new demand and price levels in the coming years. On the one hand, there is a good chance of a strong expansion of demand due to an expected economic upswing (and especially from (future) high-tech boom sectors) and, on the other hand, there is also a continuing high demand from the investment sector, as many investors want to protect their savings from increasing currency devaluation and will invest in silver.



(Source: own representation)

**The best silver stocks promise multiplication potential!**

In contrast, the corresponding stocks are still strongly undervalued compared to the major (standard) indices. We have taken this as an opportunity to present some promising silver companies to you in the following. In doing so, we focus primarily on development companies with extremely promising projects and on already producing mining companies with established and profitable deposits.



# Interview with Prof. Dr. Torsten Dennin – CIO Asset Management Switzerland AG



Prof. Dr. Torsten Dennin is Head of Asset Management and Member of the Board of Directors of Asset Management Switzerland AG. Since 2003, Prof. Dr. Dennin has been analyzing the international financial markets with a focus on commodities as well as the equity sectors Oil&Gas and Metals&Mining. Dr. Dennin studied economics at the University of Cologne, Germany, and at Pennsylvania State University, USA, and received his PhD in commodity markets from the Schumpeter School of Business and Economics. As a professor of economics, he teaches at several universities in Germany and Switzerland. Torsten Dennin is the author of several books. His latest book, *From Tulips to Bitcoins*, is published worldwide in seven languages. Torsten is married and lives with his wife and daughter in Switzerland.

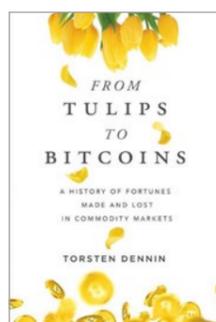
**Prof. Dr. Dennin, the silver price has recently been rather volatile and directionless. What do you think was the reason for that?**

Gold and silver went through a consolidation phase last year, which was due to the good economic situation in the stock markets despite the rising inflation figures. Corona and the economic costs and losses associated with the pandemic notwithstanding, stock prices rose across the board in 2021. In this exuberance, which manifested itself in blooms such as meme stocks like GameStopp and AMC, silver also briefly came under the scrutiny of Reddit and WallStreetBets. A correction was not long in coming as a result.

However, the price of silver has been rising for a few months, even if there are temporary setbacks. The \$22 mark has established itself as a new technical support, so that the times of silver prices of \$15-\$18 should finally be over. This lets not least the operators of silver mines breathe a sigh of relief. Silver mine production has been able to make up for the initial shortfalls caused by COVID-19 in 2020, so that mine production in 2021 will rise again to over 1,000 million troy ounces. And in 2022, we can expect further growth in production due to production increases at existing mines in Mexico and Peru and the commissioning of new mines. However, production growth is expected to lag demand growth. Therefore, the industry organization Silver Institute forecasts an average price of \$25 for the troy ounce of silver in 2022, which is significantly above the average of the previous year.

**Your current book „From Tulips to Bitcoins“ is an international bestseller. And in your books „Lukrative Rohstoffmärkte – Ein Blick hinter die Kulissen“ and „Afrika. Kontinent der Chancen“, you repeatedly address the topic of commodities, gold and silver. What is it about the commodity markets that fascinates you so much?**

I am pleased that „From Tulips to Bitcoins“ has a broad appeal and has now been translated into seven languages. The unifying theme is speculation and financial bubbles: The tulip mania in Holland in the 17th century was considered the biggest bubble in the financial markets for almost 400 years, until the Bitcoin bubble burst in 2017/2018.



Torsten Dennin  
**From Tulips To Bitcoins**  
Greenleaf Publishing  
May 2019,  
ISBN 9781632992277

The systematic of most bubbles is always the same, because irrational exaggerations are part of our free-market economic system, and when a bubble bursts, it becomes very uncomfortable in the financial markets. Currently, we are living in a debt bubble, fed by the money creation of the central banks to finance the government's Corona bailouts, economic stimulus and the green energy transition. In this capital market environment, real assets such as commodities, gold and silver are playing an increasingly important role. Precious metals such as gold and silver also have a long tradition as crisis currencies and can help to safeguard assets, even in uncertain times.

**Along with copper, silver is considered by experts to be THE metal of the future. What are the reasons for this?**

Among experts, copper is considered the metal of electrification and e-mobility, and lithium currently irreplaceable in the field of commercial battery technology. Silver, on the other hand, is often overlooked due to its dual character, precious and thus investment

metal as well as industrial metal. Wrongly so, because silver is an all-rounder and indispensable in industry and electrical engineering. Silver plays an important role in the energy turnaround, because the photovoltaic industry demands more than 100 million ounces of silver worldwide. That is more than 10% of the annual mine production. And silver will also play a significant role in the production of superconductors and RFID chips, important for the Internet of Things.

As a consequence of rising industrial demand, the Silver Institute sees a supply deficit on the silver market in 2021 for the first time since 2015, i.e., a situation where demand significantly exceeds silver production.

**Inflows into physically backed ETPs/ETFs have been steadily reaching record levels since 2020. In your opinion, is this just a temporary trend or is it set to continue?**

Physical holdings of silver remained stable at a high level near their all-time highs at year-end 2021. Gold and silver are also rising again in investors' favor with the market correction on the stock market, and at the latest with the outbreak of the war between Russia and Ukraine. Therefore, with the data of the first quarter of 2022, we expect a further increase in investment demand, both for coins and bars as well as for physical silver funds. The already slight increase in investment demand, together with higher demand from the industry, has already led to a slight market deficit of 7 million ounces in the silver market. Remarkable against this background are the jump in imports from India in the fourth quarter of 2021. This market deficit of the previous year could still widen to more than 20 million ounces in 2022, which should positively influence the silver price.

**Is the Russia-Ukraine crisis also playing a bigger role in silver?**

As „safe havens“ for investors, gold and silver are benefiting indirectly from this conflict. Since February 24, the prices of the two precious metals have risen noticeably, while nervousness on the stock market has increased. On the other hand, the war in Ukraine and the sanctions against Russia enforced by the West directly affect a large number of commodities, namely crude oil and natural gas, palladium, nickel and wheat. What many don't realize is that Russia is the world's largest wheat exporter and Ukraine ranks fifth after Canada, the U.S. and France. And higher energy prices in turn fuel the price development of other commodities and fuel inflation.

The last major commodity booms in history were always driven by oil prices and led to rising inflation figures: the oil price shock in the 1970s, the Gulf War in the 1990s, and the commodity supercycle of the 2000s. I describe this with more background in my recent book, „From Tulips to Bitcoins.“

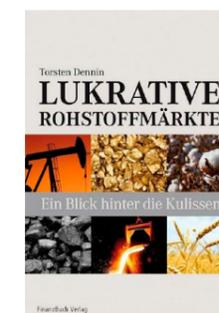
Another episode from „From Tulips to Bitcoins“ is the biggest speculative bubble of the silver market: fearing to lose their wealth gained from crude oil due to rising inflation, the Hunt brothers started investing their money in silver. The price of silver rose from under \$2 in 1973 to over \$50 in January 1980, finally collapsing on March 27, 1980 („Silver Thursday“). After the crash, the price of silver fell to below US\$5 per troy ounce and remained at that price level for over 20 years. The trauma of this failed silver speculation continues to reverberate to this day.

**So the issue of inflation is much more important for precious metals like silver than the current conflict between Russia and Ukraine?**

An investment in gold and silver has never seemed as attractive as it does today: low interest rates, a printing press running at high pressure, persistently high inflation and a



Torsten Dennin  
**Afrika – Kontinent der Chancen**  
Börsenbuchverlag, April 2013



Torsten Dennin  
**Lukrative Rohstoffmärkte**  
FinanzBuch Verlag, 2. Auflage,  
Oktober 2011

**„Perhaps we are therefore really only at the beginning of a Golden Decade for precious metals, whose silver lining is just beginning to appear on the horizon.“**

growing mountain of debt are making more and more people think of precious metals as an anchor of safety.

Because the financial system seems to be out of control. After the bank bailout and the financing of a global economic and financial crisis came a bailout for the entire economy: Corona bailout money on an unprecedented scale. Now financial aid is on the horizon because of the threat of an economic collapse due to the Russia-Ukraine conflict, replaced by funding for the energy transition.

As we feared this development, we launched the SRC Mining & Special Situations Certificate in cooperation with Swiss Resource Capital in 2019, which is focused on gold and silver mines in addition to a broad commodity exposure. With a performance of +73% since inception in September 2019 a super timing! Even more significantly focused on gold and silver mining and exploration is the Angelmountain Precious Metals fund we manage. Currently, silver mines account for about 40% of the fund's assets. An important success factor for both products is the regular exchange with the management of each of our portfolio companies.

**Where do you see opportunities on the one hand, but also risks for the further development of the silver sector on the other?**

The price development of gold and silver depends on many factors, the most important of which are the development of interest rates and inflation as well as investors' risk appetite.

The gold/silver ratio as an indicator of the relative attractiveness of silver has come back significantly from its all-time high but remains above the average of the past 30 years. This means that silver still has significant catch-up potential to gold.

Unlike gold, which is already trading close to its all-time highs and has technically broken out to the upside, the price of the troy ounce of silver still needs to rise above \$50 to mark a new all-time high. Adjusted for inflation, the previous highs in the price of silver are \$60 in April 2011 and even over \$120 in March 1980.

Perhaps we are therefore really only at the beginning of a Golden Decade for precious metals, whose silver lining is just beginning to appear on the horizon.



## Invest with the commodity professionals



You do not have to be a stock market professional to make wise investment decisions. Invest together with Swiss Resource Capital AG and Asset Management Switzerland AG in the mega-trend commodities. Since 05.03.2020 the experts' specialist knowledge has been available as a Wikifolio certificate:

**SRC Mining & Special Situations Zertifikat**  
**ISIN:** DE000LS9PQA9  
**WKN:** LS9PQA  
**Währung:** CHF/ Euro\*  
**Zertifikatsgebühr:** 0,95 % p.a.  
**Performancegebühr:** 15 %

\*Trading in Euro is possible at the Euwax in Stuttgart.

Currently the following titles are represented in the SRC Mining & Special Situations Certificate (3/2022): ENDEAVOUR SILVER CORP. | MAPLE GOLD MINES LTD | MAG SILVER CORP. | URANIUM ENERGY | SKEENA RES LTD NEW | ISOENERGY LTD. O.N. | FRANCO-NEVADA CORP. | VIZSLA SILVER CORP. | FREE MCMORAN COP | SIBANYE STILLWATER LTD. | KARORA RES INC. | COPPER MOUNTAIN MINING CORP. | AGNICO EAGLE MINES LTD. | RIO TINTO | BHP GROUP LTD. | ANGLO AMERICAN | OCEANAGOLD CORP. | OSISKO GOLD ROYALT. | KUYA SILVER CORP. | CALIBRE MINING CORP. | CALEDONIA MINING | TUDOR GOLD CORP. | SUMMA SILVER CORP. | GCM MINING CORP. | CONSOLIDATED URANIUM INC. | GOLDMINING INC. | ALPHA LITHIUM CORP. NEW | CHESAPEAKE GOLD CORP. | NEWMONT CORP. | TRILLIUM GOLD MINES INC. | DISCOVERY SILVER CORP. | CANADA NICKEL CO. INC. | VICTORIA GOLD CORP. | CONDOR GOLD PLC | KUTCHO COPPER CORP. | BARRICK GOLD CORP. | ENWAVE | DENARIUS METALS CORP. | TIER ONE SILVER INC. | GOLD TERRA RESOURCES | MEDMIRA INC. | FURY GOLD MINES LTD. | HANNAN METALS LTD | ADVENTUS MNG CORP. | MAWSON GOLD LTD | AURANIA RES. | OSISKO METALS | TORQ RESOURCES INC.



# Precious metals remain indispensable for storing value – Expert interview with Christian Brenner, Managing Director and Chairman of the Board philoro SCHWEIZ AG



Christian Brenner was born in Vienna in 1979. Today he lives and works near St. Gallen in Switzerland. He is Chairman of the Board of Directors and Managing Director of philoro Schweiz AG as well as Managing Director of philoro EDELMETALLE GmbH in Germany. He studied communications at the University of Vienna and then spent almost ten years as an account manager responsible for planning and implementing successful media strategies at SevenOneMedia Austria – ProSieben-Sat1 AG and AEGIS Media Austria. His clients included well-known national and international brands. The founding of philoro together with his brother Rudolf Brenner in 2011 marked the beginning of his successful entrepreneurial career. At philoro, he also devotes himself intensively to the areas of marketing and CRM and, for the constant and strategic further development of the brand, relies on the constant observation of medium and long-term brand and market perspectives, about which he is happy to provide information.

**Mr. Brenner, prices for precious metals have been going crazy lately. High volatility was recorded, which certainly also had to do with the Russia-Ukraine crisis. What is your assessment of this?**

It is extremely difficult to make predictions at present, as there are too many completely different influences on the markets.

It is undisputed that in crisis and war situations the price of gold, and also the prices of other precious metals, generally rise. Investors regard precious metals as „safer“ than investments on the stock exchanges - even if they have to do without interest income. This is also the case now: It is true that measures taken by the central banks - against the unusually high inflation rates of the last twenty years - threaten interest rate hikes and thus short-term gains in bonds and yields. However, if economic growth slows down or even collapses as a result of the braking measures, then gold's hour has come again. Many commentators therefore believe in further increases in the gold price, and the currently persistently high demand for gold worldwide seems to prove them right.

**What role does inflation currently play for your customers?**

A glance at current statistics is enough: The central banks' hope that some kind of normalization of inflation rates could be achieved as early as the beginning of the year has not been confirmed.

On the contrary, the inflation rate in the USA is already just below eight percent at 7.9 percent. The annual inflation rate in the EU rose to 6.2 percent in February, and to 5.9 percent in the euro zone. In Switzerland, it is - traditionally - still significantly lower at 2.2 percent. But here, too, there are increasing signs that the low levels of the last 20 years will not be maintained. Energy prices in particular will also have an impact here.

So the „safe haven“ for gold investors is also a good argument when you look at inflation rates. After all, the price of gold has improved over the last 15 years from around \$500 per troy ounce to the current level of around \$1,950, with an increase of more than 12 percent in the last year alone.

**While gold is more of a store of value, silver has a kind of hybrid function and platinum group metals have a predominantly industrial significance. Is this classic picture of the precious metals still correct and what can be derived from it for investors?**

The silver price has weakened somewhat - after strong increases in 2019 and 2020 - but is currently rising again. Platinum has recently lost some ground; palladium is gaining again. But here, too, predictions are not easy: The impact on Russian exports is completely open: With a mine production of 93 tons of palladium, Russia has clearly left South Africa behind for the first time in 2021 and is by far the world's largest producer and also exporter. Russia is also a major player in platinum. Putin's empire produces about 15 percent of the world's platinum. The Western automotive industry is closely linked to both metals, as they are used in the production of semiconductors (chips) and catalytic converters. Russia also holds an important position as an exporter of aluminum. Here, Russia occupies the second position in the world after China. The automotive industry is already groaning because of supply problems.

**Which investment products have recently been at the top of your customers' list?**

Large denominations such as gold bars from philoro in 250g and 100g sizes, as well as CombiBars, are currently in demand. Silver is currently found in every second shopping cart. This is a very high value. Silver is currently more in demand than ever. The mining possibilities for silver are limited for various

**„Silver is currently more in demand than ever. The mining possibilities for silver are limited for various reasons. But if demand continues to rise at this level, this will have a much greater impact on the price. Then the turbo will be ignited for silver.“**

reasons. But if demand continues to rise at this level, this will have a much greater impact on the price. Then the turbo will be ignited for silver.

**Many investors are faced with the question of how best to invest in physical precious metals. Buy directly and put it in the (bank) safe or rather use the possibility of a bonded warehouse. What is your recommendation?**

We recommend buying directly from a company specializing in precious metals, such as philoro. Price, but also the breadth and depth

of the assortment here are much better than at the bank. Storage depends on the metal and the volume. From an investment of 10,000 CHF, it is already worthwhile to store in duty-free storage. An own safe at home certainly has the advantage that you can store other valuables there in addition to precious metals. Safe deposit boxes at the bank are worthwhile if you also want to diversify within your storage locations. Therefore, we at philoro also offer bank-independent safe deposit boxes in the entire D-A-CH region, which can be visited from Monday to Saturday.



# Eloro Resources

## Steady New Top Results and First Resource Estimate



Tom Larsen, CEO

Eloro Resources is a Canadian mining development company with high-profile silver, gold and base metal projects in Bolivia, Peru and Quebec. The main focus is on the promising metals silver and tin, which are facing a boom, from the electric revolution and increasing decarbonization. The flagship project Iska Iska is considered to be highly underexplored, but holds a high resource potential, as recent drilling has impressively shown. A first resource estimate is in preparation.

### Flagship project Iska Iska – location and infrastructure

Eloro Resources flagship project is called Iska Iska and is located in Bolivia, a country known for exceedingly large deposits of gold, silver, iron ore, zinc, tin, lead and lithium, such as Cerro Rico de Potosí, Silver Sand, San Bartolomé, Pulacayo, San Cristobal and San Vicente. The Iska Iska concession area is an easily road-accessible, royalty-free project and is located approximately 48 kilometers north of the town of Tupiza in the province of Sud Chichas in the department of Potosí. This places the 900-hectare Iska Iska project in the middle of the Eastern Cordillera, which hosts a number of large polymetallic mines and mineral deposits.

### Flagship Project Iska Iska – Geology, Exploration Activities and First Discoveries

Iska Iska is a large silver-tin polymetallic porphyry epithermal complex associated with a Miocene, presumably collapsed/churned caldera overlying Ordovician rocks with large breccia pipes, dacite domes and hydrothermal breccias. The age of the mineralization is similar to Cerro Rico de Potosí, the world's largest silver deposit, which has yielded approximately 2.1 billion ounces of silver since the 16th century and is still in production. The initial drilling campaign led

to the discovery of the Huayra Kasa Breccia Pipe in November 2020.

Drilling there returned 129.60g/t silver equivalent over 257.5 meters directly from surface, 79.00g/t silver equivalent over 121.33 meters and 74.16g/t silver equivalent over 40.88 meters, among others.

The project was further shown to host multiple vents (pipes), some with diameters of several hundred meters. Drilling has confirmed a diameter of 400 meters for the Santa Barbara Pipe, with a further mineralized envelope of 100 meters around the vent for an effective mineralized diameter of 600 meters.

The adjacent Central Breccia pipe to the south has a surface dimension of 400 metres by 700 metres. It appears likely that the Santa Barbara and Central Breccia pipes merge at depth. A wide range of metals, including silver, zinc, lead, copper, tin, indium, bismuth and gold represent exactly the type of composition one would expect to find in a significant „Potosi-type“ deposit.

Eloro Resources made its first real hit in April 2021 when it reported 166 meters at 442g/t silver equivalent including 56.2 meters at 1,092g/t silver equivalent. Further intersections encountered during the year included 53.20 metres at 234.19g/t silver equivalent and 27.53 metres at 342.98g/t silver equivalent as well as 194.14 metres at 160.22g/t silver equivalent and 51.09 metres at 318.15g/t silver equivalent. The longest mineralized interval returned 171.57g/t silver equivalent over 373.40 metres. There has been a very clear consistency in both the widths and grades of the mineralization, particularly in the most recent drilling.

Furthermore, the company was able to identify an additional significant vent. This is called the Porco (South) Breccia Pipe, which is approximately 600 meters in diameter and has a similar signature to the Santa Barbara Breccia Pipe and the Central Breccia Pipe, confirming the likelihood that it is a large Breccia Pipe. Several significant mineralized intercepts were encountered there during the recent drill program. Trenching in an underground adit, for example, allowed the Com-



The longest HQ diamond drill hole completed in Bolivia at 1,022.4m at Iska Iska silver-tin polymetallic project. (Source: Eloro Resources)

pany to detect 521g/t silver equivalent over a strike length of 103 meters, among others.

### Flagship project Iska Iska – upcoming catalysts

Currently, Eloro Resources is working on additional drilling to test the breccia pipes at depth. There is high potential to intersect a large tin porphyry. In addition, they are investigating other breccia tube targets in the large silver and tin polymetallic porphyry epithermal complex. Ground magnetics and IP surveys to evaluate breccia tubes and potential breccia tube targets are being conducted in parallel. The ultimate goal is to outline a large resource in the Santa Barbara and Central breccia pipes. In doing so, Eloro Resources is advancing an aggressive drilling program that is expected to define an initial NI43-101 compliant resource, which is expected to be released in the second quarter of 2022. A magnetic inversion model also confirmed an extensive mineralized system at Iska Iska extending over a strike length of 2.4 kilometers.

### Flagship Project Iska Iska – Expansion

In October 2020, Eloro Resources acquired nine additional mining areas covering a total of 311.75 square kilometers. These are located on so-called Aster anomalies with a simi-

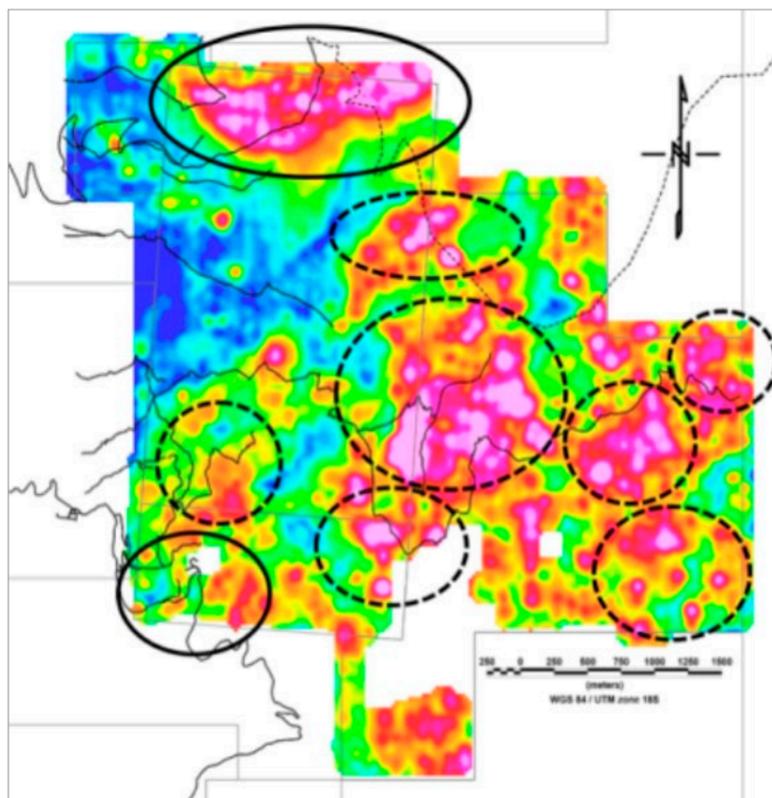
lar hydrothermal signature to Iska Iska. Targets on these properties include polymetallic silver, gold, lead, zinc and tin, as well as other base metals.

### La Victoria Gold-Silver Project – Location and Infrastructure

Eloro Resource's second potentially high-caliber project is called La Victoria (Eloro holds 82%), is located in central Peru and comprises 16 claims totaling 8,930 hectares. La Victoria is surrounded by projects from major mining companies such as Fresnillo, Teck, Anglo American and Vale. Located in the highly mineralized belt of northern and central Peru, the project has access to well-developed infrastructure including road access.

### La Victoria Gold-Silver Project – Geology and Exploration Activities

La Victoria hosts epithermal gold-silver mineralization. Magnetic surveys have outlined 18 main target zones in 3 major tectonic blocks. The current main target areas are in 3 main blocks: San Markito, Rufina-Victoria & Southern Blocks. Eloro Resources previously conducted initial diamond drilling at Rufina in 2017 and 2018. These intersected a large gold-bearing low to medium epithermal system with a width of 600 meters and a vertical extent of 700 meters and a strike length of



La Victoria  
(Source Eoro Resources)

600 meters. Significant drill results included 7.31g/t gold over 3.4 metres, 4.31g/t gold over 1.6 metres, as well as 4.31g/t gold over 1.0 metre and 8.67g/t gold over 0.4 metres. Further investigation showed that epithermal gold-silver mineralization at La Victoria extends to a vertical depth of 1.5 kilometers. In addition to this, a target area of over 4 kilometers strike length and at least 1 kilometer width was proven in the San Markito area. The best values from surface trenching returned 8.91g/t gold over 0.5 meters and 3.90g/t gold over 1.53 meters.

### Top management team with two formative heads

Eoro Resources is led by an excellent management team of which two personalities stand out in particular. CEO Tom Larsen has more than 40 years of experience in the investment industry, speci-

alizing in corporate finance and management of junior resource companies. In 2006, Mr. Larsen was the founder, Chairman and CEO of Champion Minerals Ltd. and subsequently assumed the position of President and Chief Executive Officer of Champion Iron Limited, a position he assumed upon completion of the merger between Australian-based Mamba Minerals Ltd. and TSX-listed Champion Iron Mines Limited.

Technical & Senior Business Advisor Dr. Quinton Hennigh is an economic geologist with 25 years of exploration experience. He is the founder and current Chairman and President of Novo Resources Corp. which recently poured its first gold bar. Earlier in his career, Dr. Hennigh prospected for major mining companies such as Homestake Mining Company, Newcrest Mining Ltd and Newmont Mining Corporation. At Gold Canyon Resources Inc. he led exploration at the Springpole alkali gold project near Red Lake Ontario, a 5-million-ounce gold project that was sold to First Mining Gold Corp. in 2015. Dr. Hennigh was also instrumental in Kirkland Lake Gold's acquisition of the Fosterville gold mine, located in Australia and previously owned by Newmarket Gold Inc.

### Summary: Aggressive drilling leads to success and first estimate

Mineralization at Iska Iska indicates a massive porphyry-epithermal system. Several pipes have a strong tin porphyry affinity and probably overlie a large tin-gold-silver porphyry in the core of the massive Iska Iska system. In terms of metal content and geological setting, Iska Iska is comparable to neighboring world-class polymetallic systems, including Cerro Rico de Potosi, San Vicente, Chorolque, Tasna and Tatasi, which, however, do not have the large and notable mineralized breccia pipes of Iska Iska, providing considerable room for a substantial deposit. An initial indication of the extent of this system will come from the resource estimate in the second quarter of 2022. An ample financial cushion will lead to increased newsflow in the coming weeks and months.

### What have you and your company achieved in the past 12 months?

Eoro has been on a rapid pace of discovery drilling approximately 48,000 metres, yet we are far from defining the limits of this extensive porphyry-epithermal deposit complex. As per Dr. Bill Pearson, EVP of Exploration, out of the 81 holes drilled to date, not one has been blank, a testament to the quality of the deposit. Continued success in the field and corporately has allowed Eoro to take a never been drilled property in September of 2020 to a maiden resource in a very short time.

### What are the most important company catalysts for the next 6 to 12 months?

The next six months should see an abundance of key information related to the company, notably a maiden resource estimate including metallurgical results on the Santa Barbara area of ISKA ISKA. Once established, this resource should allow Eoro to graduate its listing to the TSX. High profile drilling targets will continue with several deeper drill targets in Porco and Cen-

tral breccia pipes – now considered to be Domain 2- of ISKA ISKA planned for the remainder of the year. Turnaround in the assay labs has dramatically improved as of late, so drilling results are expected to be much more consistently released to the market. Initial exploration work is planned for several other properties held in Bolivia.

### How do you see the current situation on the market for silver?

After what was arguably a less than stellar performance year for silver in 2021, pricing momentum has dramatically improved this year. The near-term environment of higher inflation, political uncertainty, and a clear shift in investor sentiment has proved supportive of the investment thesis for holding precious metals. The prospects for silver are probably more bullish in our view given the additional push to decarbonize our global economy. The push for more renewables and new technologies provides a strong backdrop for silver and one of our other key metals, tin, both of which are supply challenged.

**ISIN:** CA2899003008  
**WKN:** A12C1E  
**FRA:** P2QM  
**TSX-V:** ELO  
**OTCQX:** ELRRF

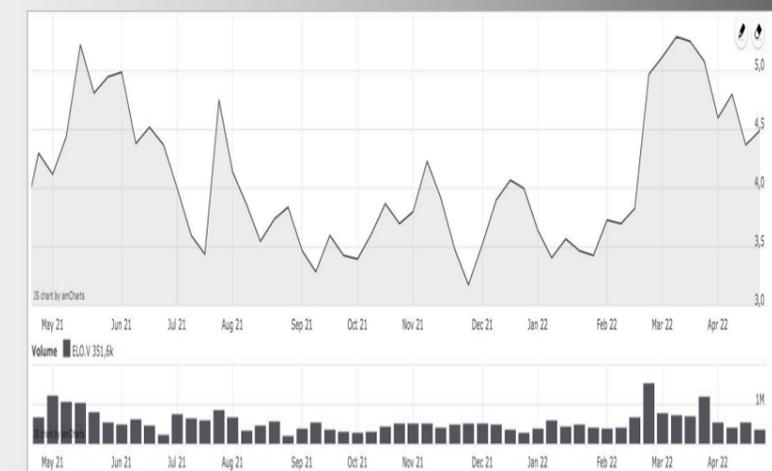
Shares outstanding: 63.7 million  
Options/RSUs: 5.8 million  
Warrants: 7.6 million  
Fully diluted: 77.1 million

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## Eloro Resources Ltd.



# Endeavour Silver

## Profitable production + prospect of new mine + major acquisition



Bradford Cooke, Executive Chairman

Endeavour Silver is a Canadian mining company and also one of the largest silver producers in North America. The company was able to produce a total of approximately 4.87 million ounces of silver and 42,262 ounces of gold from its two Mexican mining facilities in 2021. For the full year 2022, the company plans to produce up to 7.6 million ounces of silver equivalent. In addition, Endeavour Silver plans to build another (and then largest) mine as soon as financing is secured for it. The acquisition of the huge Pitarrilla silver deposit (>500 million ounces of silver) provides an additional strengthening of the development and growth pipeline.

### Guanaceví silver mine

Endeavour Silver's Guanaceví plant has a processing capacity of 1,200 tonnes of rock per day (tpd). In total, Endeavour Silver mined 4.33 million ounces of silver and 13,317 ounces of gold there in 2021. In 2022, Endeavour Silver plans to produce up to 5.2 million silver equivalent ounces. At the end of 2020, reserves were 14.6 million silver equivalent ounces and resources (excluding lead and zinc) were 25.6 million silver equivalent ounces. Guanaceví has several particularly high-grade areas. The Company encountered up to 1,831g/t silver equivalent in the Porvenir Norte area, up to 1,181g/t silver equivalent in the Porvenir Centro area and up to 3,903g/t silver equivalent within the Santa Cruz Vein. In the El Curso vein area, assays included 5,372g/t silver and 15.22g/t gold over 0.5 meters and 1,081g/t silver and 3.25g/t gold over 10.0 meters. The 2021 drill program returned additional high-grade discoveries of 1.97g/t gold and 1,254g/t silver over 3.22 meters and 4.36g/t gold and 1,450g/t silver over 3.18 meters, among others.

### Bolañitos silver/gold mine

Endeavour Silver's second mine complex is called Bolañitos. The processing capacity at Bolañitos is 1,600 tpd. In total, Endeavour Silver mined 491,412 ounces of silver and

24,652 ounces of gold there in 2021. For 2022, Endeavour Silver plans to produce up to 2.4 million silver equivalent ounces. At the end of 2020, reserves were 2.53 million silver equivalent ounces and resources were 11.61 million silver equivalent ounces.

In 2019, Endeavour Silver published spectacular drill results from the two ore veins Plateros and San Miguel. In the Plateros area, the company encountered up to 1,903g/t silver equivalent, in the San Miguel area even up to 6,497g/t silver equivalent. Most recently, the company was able to prove up to 4,736g/t silver equivalent.

The 2021 drill program returned additional high-grade discoveries of, among others, 8.08g/t gold and 151g/t silver over 1.67 meters and 1.26g/t gold and 342g/t silver over 0.96 meters.

### El Compas Silver Mine

In 2016, Endeavour Silver acquired the El Compas mine project for just US\$6.7 million in shares. In addition to acquiring the actual El Compas gold-silver mining operation, it was also able to lease the nearby La Plata ore processing plant with an initial processing capacity of 250 tpd (expandable to 500 tpd). El Compas currently consists of the El Compas and El Orito veins and over ten additional exploration targets.

In total, Endeavour Silver mined 45,808 ounces of silver and 4,293 ounces of gold there in the first nine months of 2021. At the end of 2020, El Compas had approximately 382,000 silver equivalent ounces of reserves and 1.14 million silver equivalent ounces of resources. In August 2021, the mine ceased operations and was temporarily placed in care and maintenance mode.

### Terronera – Reserves/Resources

At the San Sebastian project, acquired in 2010, Endeavour Silver discovered high-grade silver-gold mineralization called Terronera, which has since given the project its name. The at least four large gold vein systems present there are each over three kilometers

long. The highest concentration to date was an incredible 18,000 grams of silver equivalent per ton of rock! In total, Terronera had 68.81 million ounces of silver equivalent in reserves plus 13.56 million ounces of silver equivalent in resources at the end of 2020.

### Terronera – Final Feasibility Study

In September 2021, Endeavour Silver published a final feasibility study for Terronera. This is based on a production capacity of 1,700 tpd. Initial capital costs were estimated at US\$175 million. An average of 5.9 million silver equivalent ounces is expected to be produced annually over the 12-year mine life. An after-tax IRR of 21.3% was calculated for the underlying prices of US\$20.00 per ounce of silver and US\$1,575 per ounce of gold. The net present value (NPV) for these assumptions would be US\$174 million (discount rate: 5%) and the after-tax free cash flow would be US\$311 million. All-in sustaining costs, including the gold credit, would be only US\$3.24 per ounce of silver. For a gold price of US\$1,800 and a silver price of US\$24 per ounce, there would even be an after-tax IRR of 30.0% and an NPV of US\$282 million, as well as an after-tax free cash flow of US\$467 million. The all-in sustaining costs for this case, including the gold credit, would be only US\$1.15 per ounce of silver.

### Terronera – mine plans

In June 2019, Endeavour Silver announced that it had received final approval for Terronera. Endeavour Silver plans to make a production decision for Terronera and secure financing as soon as possible. Initial construction has already begun, including the erection of a temporary camp and preparation for forestry work and site clearing. Full construction will commence following a formal development decision after completion of the project financing package. Front-end engineering and design work is well advanced, and procurement activities for long delivery schedules are underway. The major permits required to start construc-

tion have been issued and minor permit amendments and extensions are being submitted to meet current feasibility planning. Terronera could go into production in 2023 and become Endeavour Silver's next and largest mine.

### Acquisition of the major project Pitarrilla

In early 2022, Endeavour Silver entered into a definitive agreement to acquire the Pitarrilla project in Durango State, Mexico, through the acquisition of SSR Durango, S.A. de C.V. for a total consideration of US\$70 million in cash and shares and a 1.25% NSR Royalty. Pitarrilla is a large undeveloped silver, lead and zinc project located 160 kilometers north of Durango City in northern Mexico. Pitarrilla covers 4,950 hectares in five concession areas and has extensive infrastructure with direct access to utilities. Furthermore, Pitarrilla hosts a historical measured and indicated mineral resource (open pit and underground) of 525.27 million ounces of silver, as well as a historical inferred open pit resource of 21.21 million ounces of silver and a historical inferred underground resource of 5.46 million ounces of silver. Endeavour Silver's initial objective is to rapidly convert these historical resources into NI43-101 compliant resources.

### Further development projects

In addition to the mines and Terronera, Endeavour has other potentially high-caliber development projects. For example, Parral, which has a total of 38.44 million ounces of silver equivalent resources (excluding lead and zinc). The newly acquired Bruner Gold Project, located in Nevada and hosting historic resources of 320,000 ounces of gold, covers 1,457 hectares and shows signs of multiple gold-bearing mineralizations at once. In addition, they own the right to explore and mine precious metals on Capstone Mining's 181-hectare Toro del Cobre concessions, which are located above 2,000 meters above sea level. Among other things, 0.5 meters

with a fabulous 16,350g/t silver equivalent was encountered there! Furthermore, a portfolio of potentially high-caliber exploration projects in Chile was secured in 2019. The three projects Aida, Paloma and Cerro Marquez are located in the north of Chile and are expected to be drilled soon.

**Summary: Terronera will dramatically reduce all-in costs + Pitarrilla perfectly complements growth pipeline**

Endeavour Silver owns two profitable mines and could start another one in 2023 with Terronera, which would then be by far the company's largest mine. With the new mine at Terronera, the all-in sustaining costs can be drastically reduced at the same time. Current-

ly, the company is trying to generate fresh capital by issuing more shares in order to already raise a large part of the mine financing for Terronera. The acquisition of Pitarrilla was a coup that fits perfectly with Endeavour Silver's experienced regional team, which has a track record of successful development, exploration and underground mining. Accordingly, Pitarrilla, together with the Terronera and Parral projects, form the key cornerstones of Endeavour Silver's medium to long-term growth profile.

Excitingly, the expansion areas around Terronera and the new projects in Chile and Nevada provide additional exploration and resource potential. In total, Endeavour Silver plans to drill 50,000 meters in 2022 at a total exploration cost of CA\$13 million, which should lead to increased newsflow. The company was able to generate US\$46 million in fresh capital in March 2022.

so that once the Terronera mine is up and running, our project development group can move over to build either Parral or Pitarrilla. Pitarrilla, together with Terronera and Parral, will form the key cornerstones of our long-term growth profile.

**What are the most important company catalysts for the next 6 to 12 months?**

In short, we plan to continue extending our mine lives at Guanacevi and Bolanitos through local acquisitions and exploration, commence construction at our Terronera project, complete an updated resource estimate for Pitarrilla and advance Parral to an updated resource and preliminary economic assessment.

**How do you see the current situation on the market for silver?**

Currently the mining stocks are signaling a bounce in metal prices. We should see that in the short-term. This will be followed by a consolidation of recent gains and then lead the way onwards and upwards on the inflation story and negative real interest rates.

Longer term, investors are starting to look at silver as both a store of value and for its industrial uses. In the next 12-18 months, I am looking for gold and silver to challenge recent highs (\$2100 gold and \$30 silver). All the key indicators are in place for higher silver prices with: (i) investors coming back into the precious metals market, (ii) record sovereign debts and deficits, (iii) strong forecast for industrial growth; and (iv) high inflation and negative real interest rates, even assuming multiple interest rate increases in 2022. This bull market for precious metals could continue for a few years.



The expansion areas around Terronera and the new projects in Chile and Nevada provide additional exploration and resource potential. (Source: Endeavour Silver)

## Exclusive interview with Bradford Cooke, Executive Chairman of Endeavour Silver

**What have you and your company achieved in the past 12 months?**

Last year was a good year for Endeavour Silver, both financially and operationally. On a consolidated basis, we produced 8.3 million ounces of silver equivalent, a 27% increase over the prior year. Our improved financial performance (\$14 million net earnings) led to a stronger balance sheet at year-end with \$103 million in cash and total working capital of \$121 million. All references to currency are in United States Dollars.

Our vision is to become a premier senior silver producer and to achieve this our focus is on developing our sector-leading portfolio of organic growth projects.

Last fall we issued a feasibility study for our next and largest mine, the Terronera project in Jalisco, Mexico. Terronera's annual production is expected to average 5.8 million oz

silver equivalent over a 12-year mine life at all-in sustaining costs of a mere \$1.15 per oz silver. Terronera has the potential to nearly double our production and reduce our costs by half. Initial work is now underway, and we plan to seek formal board approval for construction upon completion of debt financing package and receipt of additional amended permits in Q2 2022.

In January 2022, we announced the acquisition of La Pitarrilla silver project in Durango, Mexico. Pitarrilla is one of the largest undeveloped silver deposits in the world with a historic M&I resource of 525 million oz silver grading close to 100 gpt, plus material amounts of lead and zinc. There has already been comprehensive work done to advance the project with more than \$140 million invested to date, and many key permits are in place. Pitarrilla is a potential tier one asset and we plan to advance the project to a feasibility study while we are building Terronera

**ISIN:** CA29258Y1034  
**WKN:** A0DJ0N  
**FRA:** EJD  
**TSX:** EDR  
**NYSE:** EXK

Shares outstanding: 170.5 million  
 Options/PSUs: 5.5 million  
 Fully diluted: 176.0 million

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**CEO:** Dan Dickson

## Endeavour Silver Corp.



# First Majestic Silver

## Record production and positive pre-feasibility study



Keith Neumeyer, CEO

First Majestic Silver is a Canadian mining company focused on producing silver and gold from its four highly profitable mines in Mexico and Nevada. In 2021, the company reported record production of 26.9 million silver equivalent ounces (including gold by-products). In 2022, First Majestic Silver is targeting another record production of between 32.2 and 35.8 million silver equivalent ounces from its three Mexican and U.S. mines. In 2024, it aims to reach the 40 million silver ounce mark.

### San Dimas Silver/Gold Mine

The San Dimas operation is First Majestic Silver's largest and lowest-cost silver mine. In 2021, the mine produced a total of approximately 13.5 million silver equivalent ounces. The company expects to produce between 13.7 and 15.2 million silver equivalent ounces in the current year 2022 at an all-in sustaining cost of less than US\$12.65 per ounce. San Dimas had measured and indicated resources of 113.4 million silver-equivalent ounces (including reserves of 76.6 million silver-equivalent ounces) and inferred resources of 74.6 million silver-equivalent ounces at the end of 2021. Among other upgrades, the company plans to install a 3,000-tpd high-intensity grinding (HIG) mill in mid-2022. This HIG mill uses rotating grinding discs with ceramic balls to finely grind ore to 20 to 50 microns, which has been shown to significantly increase recoveries. HIG mills feature low energy consumption and reduced maintenance requirements compared to standard ball mills. The mine operation receives 50% of the required energy from low-cost and environmentally friendly hydropower, with the option to increase this share up to 100%.

### Santa Elena Silver/Gold Mine

The Santa Elena operation produced a total of approximately 5.0 million silver equivalent ounces in 2021. The Company expects to re-

cover between 6.6 and 7.4 million silver equivalent ounces from the mine in the current year 2022 at an all-in sustaining cost of less than US\$16.66 per ounce. Santa Elena (including its Ermitaño satellite project) had measured and indicated resources of 70.8 million silver equivalent ounces (including reserves of 54.3 million silver equivalent ounces) and inferred resources of 49.9 million silver equivalent ounces at the end of 2021. First Majestic Silver has already installed a 3,000 tpd HIG mill at Santa Elena, and silver and gold recovery rates have increased significantly to 93% and 96%, respectively. As of March 2021, the operation is largely powered by liquefied natural gas „LNG“, saving the company approximately US\$1 million per month or US\$1.50 - US\$2.00 per ounce.

### Project Santa Elena – Ermitaño

In addition, the Company is working on the development of the satellite project Ermitaño, located just 4 kilometers southeast of the Santa Elena mill.

A pre-feasibility study completed in November 2021 calculated an after-tax NPV/5% of US\$64.8 million and an after-tax IRR of 34% for the base case (US\$1,700/ounce gold, US\$22.50/ounce silver). For more realistic current values of US\$1,850/ounce gold and US\$25.50/ounce silver, one would arrive at an after-tax NPV of US\$111.8 million and an after-tax IRR of 55%.

In early November 2021, First Majestic Silver was pleased to announce the first doré pour from Ermitaño from development reserves at the Santa Elena plant. Ore production from this new mine is expected to increase during 2022 and into 2023.

Ermitaño has additional exploration potential. For example, drill results from the Ermitaño project included 13 meters of 1,003 g/t silver equivalent, 9.9 meters of 1,209 g/t silver equivalent, 9.1 meters of 1,447 g/t silver equivalent and 2.3 meters of 3,391 g/t silver equivalent. First Majestic Silver has an additional 100,000+ hectares of land in the vicinity of

the Santa Elena Mine that offer further potential for new discoveries.

### La Encantada Silver Mine

La Encantada, a near 100 percent silver mine, produced a total of approximately 3.3 million silver ounces in 2021. The Company expects to recover between 2.9 and 3.2 million ounces of silver from the mine in the current year 2022, at an all-in sustaining cost of less than US\$19.15 per ounce. La Encantada had measured and indicated resources of 32.8 million ounces of silver (including 12.3 million ounces of silver reserves) and inferred resources of 20.5 million ounces of silver at the end of 2021. First Majestic Silver is currently working to modify the roasting circuit to recycle tailings, which is expected to result in additional production of 1.5 million ounces of silver per year. The operation receives 90% of its required power from low-cost LNG generators.

### Jerritt Canyon Gold Mine

In March 2021, First Majestic Silver acquired Jerritt Canyon Canada Ltd. for US\$470 million in shares plus 5 million warrants to purchase First Majestic shares. Concurrent with the acquisition, Eric Sprott completed a US\$30 million private placement. The Jerritt Canyon gold mine is located in Nevada, USA, was discovered in 1972, has been in production since 1981, and has produced over 9.7 million ounces of gold in its 40-year production history. The mine is currently operated as an underground mine and has one of only three permitted roasters in Nevada. The processing plant has a capacity of 4,500 tonnes per day and is currently operating at an average rate of approximately 2,570 tpd. The Company produced 68,567 ounces of gold, or the equivalent of approximately 5.0 million silver equivalent ounces, from the Jerritt Canyon Gold Mine in 2021. First Majestic Silver is projecting total production of between

116,000 and 129,000 ounces of gold (9.0 to 10.0 million silver equivalent ounces) in the current year 2022 at AISC between US\$1,503 and US\$1,607 per gold ounce. At the end of 2021, Jerritt Canyon had measured and indicated resources of 115.5 million silver equivalent ounces (including reserves of 34.3 million silver equivalent ounces) and inferred resources of 89.9 million silver equivalent ounces.

The project site consists of a large, undeveloped land package covering 30,821 hectares. First Majestic Silver has identified several opportunities to improve both the cost and production profile of Jerritt Canyon, as well as near-term brownfield potential between the SSX and Smith mines and long-term cross-property exploration potential.

The most important project on Jerritt Canyon, the creation of an underground link between the SSX and Smith mines was successfully completed. The new link is expected to reduce haulage bottlenecks and improve the efficiency of personnel and equipment movements. In addition, the connecting tunnel is expected to support future exploration activities.

### Springpole Stream

In June 2020, First Majestic Silver entered into a silver stream agreement with First Mining Gold to acquire 50% of future silver production from the Springpole project. The agreement includes ongoing cash payments of 33% of the silver spot price per ounce, up to a maximum of US\$7.50 per ounce. In return, First Majestic Silver will pay a total of US\$22.5 million in cash and shares over three milestone payments. The project is expected to produce approximately 18 million ounces of silver over the life of mine. The deal offers significant upside potential at higher silver prices. Springpole also has significant exploration potential on its large, 41,913-hectare project.

### Regular dividend payment

In December 2020, First Majestic Silver announced its first dividend policy. Accordingly, the Board of Directors adopted a dividend policy under which the Company intends to pay quarterly dividends to shareholders equal to 1% of the Company's net sales, with dividends effectively linked to silver prices and production rates. Most recently, First Majestic Silver shareholders received a quarterly dividend of US\$0.0049 per share.

### Focus on exploration, mine expansion and Ermitaño development

Intensive work is currently being carried out on modernization measures at all mines, focusing not only on increasing production and reducing operating costs, but also on the use of environmentally friendly energy. In 2022, the company plans to invest a total of US\$207.8 million, consisting of US\$86.3 million for sustainable investments and US\$121.5 million for expansion projects. The Company plans to increase exploration drilling by 41% to approximately 320,200

meters in 2022. The focus will be on San Dimas and Jerritt Canyon. At the same time, First Majestic continues to advance the Ermitaño project to bring it to high-capacity utilization as quickly as possible.

### Summary: Next record production firmly in sight

First Majestic Silver is already operating four mines highly profitably and is preparing to utilize the existing capacities even more. As planned, this should also lead to new production records in 2022, with production expansions expected from Santa Elena/Ermitaño and Jerritt Canyon in particular. In addition to high investments in the expansion of existing mines, exploration will also play a central role in the current year. More than 320,000 drill meters should guarantee a steady news flow. First Majestic is extremely well financed. It recently announced the closing of an offering of US\$200 million aggregate principal amount of unsecured 0.375% convertible senior notes due 2027. This will allow the company to redeem higher-interest convertible notes while providing greater financial flexibility for additional strategic deals.

### What are the most important company catalysts for the next 6 to 12 months?

Major catalysts for First Majestic in 2022 will include:

- ▶ Annual production is anticipated to grow by ~ 30% across the Company's mines to within, 32.2 to 35.8 million silver equivalent ounces. First Majestic is on track to produce over 40 million silver equivalent ounces by 2024.
- ▶ Planning to invest a total of \$207.8 million on capital expenditures in 2022, consisting of \$86.3 million on sustaining investments and \$121.5 million on expansionary projects.
- ▶ Further cost reductions from the Santa Elena's Ermitaño mine as higher grades and throughputs are anticipated throughout 2022 and 2023.
- ▶ Planning to rehabilitate the West Generation and Saval II underground mines at Jerritt Canyon in H2 2022.
- ▶ Installing dual-circuit plant process at Santa Elena for finer grinding (30 microns) and to improve recoveries.
- ▶ Developing access into the Ojuelas orebody at La Encantada which is known to contain higher silver grades for initial ore extraction in H2 2022.

- ▶ A record 320,200 metres of exploration drilling is planned in 2022, with 21 exploration rigs active across the Company's mines.

### What sets First Majestic apart from the other silver producers?

First Majestic is the industry-leader for its silver purity. The Company prides itself on continuing to acquire the best talent, growing production through development and smart accretive transactions, while continuing to invest in R&D.

Unique to First Majestic, we offer a portion of our silver production for sale to the public. Bars, ingots, coins and medallions are available for purchase online at its Bullion Store at some of the lowest possible premiums.



(Source First Majestic)

## Exclusive interview with Keith Neumeyer, CEO of First Majestic Silver

### What have you and your company achieved in the past 12 months?

Highlights over the past twelve months include:

- ▶ The Company finished 2021 with the strongest production in its 20-year history of 26.9 million silver equivalent ounces.
- ▶ Completed the acquisition of the Jerritt Canyon Gold Mine in Nevada, USA adding a fourth operating mine to the portfolio.
- ▶ Successfully began underground ore production in the fourth quarter of 2021 from the Ermitaño mine near Santa Elena.
- ▶ At Jerritt Canyon, the Company completed the tailings lift at TSF2 and the

connection drift between the SSX and Smith Mines on time and on budget.

- ▶ Successfully converted the Santa Elena operation from diesel power to low-cost liquified natural gas ("LNG") with the construction of the new 12.4 MW LNG facility.
- ▶ Sold a record of 349,278 ounces of silver bullion from First Majestic's online bullion store, or approximately 3% of the Company's silver production.
- ▶ In 2021, the La Encantada, Santa Elena and San Dimas mines received the 2022 Distinctive ESR Award from the Mexican Center for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility (AliaRSE).

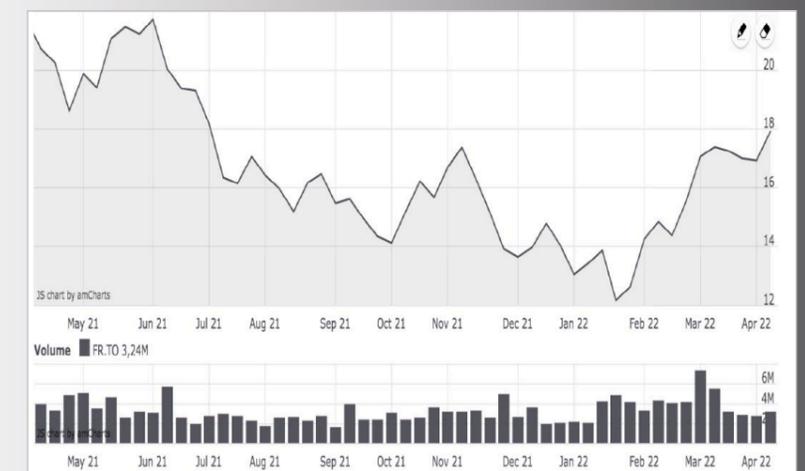
ISIN: CA32076V1031  
WKN: A0LHKJ  
FRA: FMV  
TSX: FR  
NYSE: AG

Shares outstanding: 260.0 million  
Options: 5.6 million  
RSU/PSU/DSUs: 0.4 million  
Fully diluted: 266.4 million

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www.firstmajestic.com

## First Majestic Silver Corp.



# MAG Silver

## Silver production started – ramp-up to 90% by the end of the year



George Paspalas, CEO

MAG Silver is a Canadian mining company with a clear focus on silver in Mexico. The company recently brought its Juanicipio project into production together with mega-partner Fresnillo. Investors can expect the big breakthrough in mid-2022, when the company will enter commercial silver production with the help of its own processing plant. By the end of 2022, the company aims to reach 85 to 90% utilization. Steady new discoveries only hint at the extent of further silver potential. The second silver project, Deer Trail, also produced good results recently. Since a few months, commodity legend and star investor Eric Sprott has also been on board.

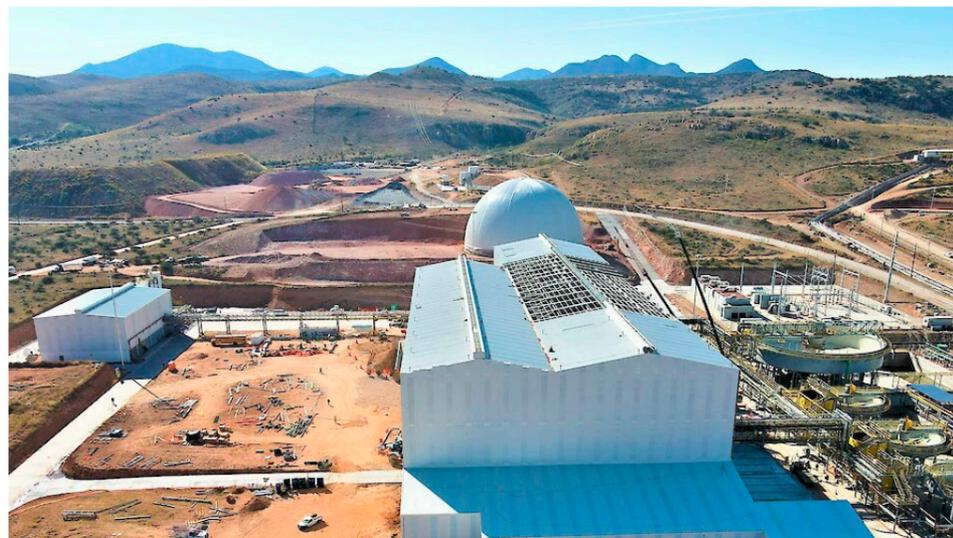
### Juanicipio Silver Project – Proportioning + Infrastructure

The Juanicipio project is 44% owned by MAG Silver and 56% by Fresnillo, one of the largest silver producers in the world, which operates several other large projects directly adjacent to Juanicipio. Juanicipio is surrounded by high-caliber mining projects within the Fresnillo Silver Trend, which to date have produced more than four billion ounces of silver, or over 10% of the world's total silver production. Due to its proximity to the city of Fres-

nillo, Juanicipio is directly linked to a very well-developed infrastructure.

### Juanicipio Silver Project – Resource

The project, which hosts multiple veins, has current resources within the Bonanza Zone alone of approximately 8.17 million tonnes of ore at 550g/t silver for 145 million ounces of silver in the indicated category and 1.98 million tonnes of ore at 648g/t silver for 41 million ounces of silver in the inferred category. In addition, there are approximately 848 million pounds of zinc and lead in the indicated category. The Deep Zone has 4.66 million tonnes of ore at 209g/t silver for 31 million ounces of silver in the indicated category and 10.14 million tonnes of ore at 151g/t silver for 49 million ounces of silver in the inferred category. Add to this another 790 million pounds of zinc and lead in the indicated category and 1.73 billion pounds of zinc and lead in the inferred category. Juanicipio also contains over 1.5 million ounces of gold homogeneously distributed in the mineralized system. However, the known resource is still open on several sides, so it is far from being completely delineated. Furthermore, Juanicipio hosts additional parallel and even intersecting veins that have not been



Juanicipio silver project being developed jointly with Fresnillo Plc. (Source : MAG Silver)

explored at all or only sporadically to date. It should be noted that the last resource estimate dates back to 2017 and further significant discoveries have been made since then, so one can assume a much higher resource base.

### Juanicipio Silver Project – Positive Economic Study

The very high grades are also the main reason why Juanicipio will become a low-cost mine. According to the latest economic feasibility study (PEA) from November 2017, based on a silver price of US\$17.90 per ounce, a gold price of US\$1,250 per ounce, a zinc price of US\$0.95 per pound, as well as a daily production rate of 4,000 tonnes and a mine life of 19 years, the all-in sustaining cash cost is US\$5.02 per silver equivalent ounce. The payback period is only 1.8 years, the after-tax NPV is US\$1.138 billion, and the after-tax IRR is a very strong 44%. Even for much worse underlying values of US\$14.50 per ounce of silver, US\$1,000 per ounce of gold, and US\$0.75 per pound each of zinc and lead, Juanicipio still shows very good economic metrics. The payback period for this scenario is 2.6 years, the after-tax NPV is US\$635 million, and the after-tax rate of return is 30%. For higher, currently nevertheless conservative prices of US\$23 per ounce of silver, US\$1,450 per ounce of gold, US\$1.15 per pound of lead and US\$1.20 per pound of zinc, this results in a payback period of 1.2 years, an after-tax NPV of US\$1.729 billion and an after-tax IRR of 61%.

### Juanicipio Silver Project – Expansion Progress + Production + Offtake Agreements

The Juanicipio Mine is an underground mine equipped by means of several ramps of 5 by 5 meters to be able to develop the first silver

deposits. In total, more than 32 kilometers of ramps and tunnels have been driven into the rock. The surface work has been completed and the first rock has already been extracted. Processing took place on only a few days per month at Fresnillo's adjacent 16,000 tpd plant. In 2021, a total of 251,907 tonnes of mineralized material was processed, primarily from underground development, resulting in recoveries of 2.97 million ounces of silver, 5,975 ounces of gold, 1,065 tonnes of lead and 1,519 tonnes of zinc. In mid-2022 - after connection to the Mexican power grid - the proprietary 4,000 tpd plant will begin operations. MAG Silver expects to reach 85 to 90% of full capacity by the end of 2022. Furthermore, both lead and zinc offtake agreements have been reached by the partners, under which both concentrates will be traded at market terms by Met-Mex Peñoles, S.A. De C.V., in Torreón, Mexico.

### Juanicipio Silver Project – Exploration and Production Expansion Potential!

Juanicipio has unprecedented exploration potential. Looking at the immediate vicinity of the Joint Venture area, it is easy to see that Fresnillo has identified several more ore veins to the east of it. These run parallel to the Valdecanas and Juanicipio mineralizations and are likely to extend into the Joint Venture area. In total, the Company invested US\$6 million in its exploration and drilling campaigns in 2021.

### Juanicipio Silver Project – Drilling Successes Since Release of Last Resource Estimate

Since 2017, the Company has been able to report several times that significant silver/gold mineralization has been encountered in drilling to expand the Valdecanas Deep Zone West.

This included 11.6 meters of 783g/t silver, 2.57g/t gold, 6.52% lead, 9.46% zinc, 0.32% copper, 5.20 meters of 333g/t silver, 16.87g/t gold, 4.47% lead, 3.77% zinc, 1.04% copper, including 1.44 meters of 854g/t silver, 54,67g/t gold, 3.21% lead, 2.72% zinc, 2.28% copper and 5.60 meters of 177g/t silver, 7.36g/t gold, 2.39% lead, 6.31% zinc, 0.12% copper, including 3.15 meters of 283g/t silver, 12.62g/t gold, 3.62% lead, 8.42% zinc, 0.17% copper.

MAG Silver was able to demonstrate higher gold grades in particular, as well as a shift from silver to high-grade copper, lead and zinc zones.

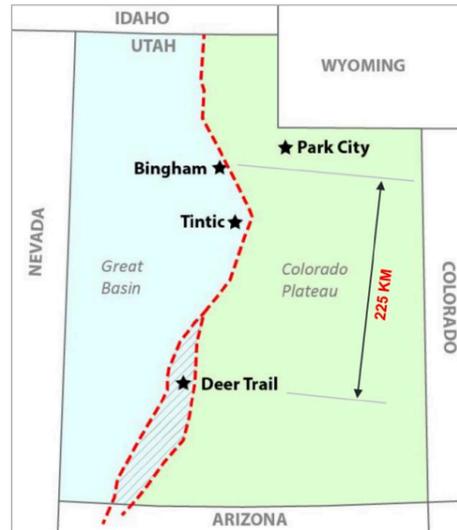
In addition, a parallel mineralization called Pre-Anticipada was detected. This contained up to 3.2 meters of 472g/t silver, 0.31g/t gold, 0.39% lead, 0.43% zinc and 0.03% copper.

2019 also saw the announcement of the discovery of the Venadas Vein. This is the first mineralized vein in the Fresnillo District to be oriented at a high angle (northeast) to the historically mined northwest oriented veins. Drilling returned up to 1,485g/t silver and up to 25.10g/t gold.

In 2020, the Deep Zone was able to report another bull's eye. Among other things, a sensational 3,884g/t silver, 8.4g/t gold, 6.5% lead and 9.7% zinc were encountered within a 5.7-meter intercept. The 2020 drill program returned other outstanding results including 1.0 meter of 7,920g/t silver and 4.3g/t gold plus lead, zinc and copper, 3.95 meters of 3,584g/t silver, and 5.7g/t gold plus base metals, and 8.60 meters of 1,356g/t silver and 3.3g/t gold. Longer intercepts were also encountered including 37.85 meters of 357g/t silver plus by-products.

### Deer Trail Project

In September 2020, MAG Silver signed an agreement to consolidate and acquire 100% of the silver-rich Deer Trail Carbonate Replacement Deposit (CRD) project in Piute County, Utah. The project includes 111 patented and 682 unpatented claims (approx-



Deer Trail has potential for large deposits  
(Source : MAG Silver)

mately 5,600 hectares) covering the historic Deer Trail Mine and adjacent Alunite Ridge area. This is the first time since the early 1980s that these properties have been consolidated, allowing MAG to apply an integrated exploration approach at the district level. MAG Silver anticipates that the high-grade silver, gold, lead, zinc and copper CRD sulfides at the Deer Trail mine are linked by miles of continuous mineralization to a porphyry copper-molybdenum center located west near Alunite Ridge. In the fourth quarter of 2020, the company initiated a 6,500-meter drill program that has already produced significant mineralized intercepts in the first three holes. They encountered 0.50 meters of 426g/t silver, 6.5g/t gold and 17.1% lead and zinc, and 1.90 meters of 952g/t silver, 38.2g/t gold and 9.2% lead and zinc, among others.

### Acquisition of Gatling Exploration

In March 2022, MAG Silver announced that it plans to acquire Gatling Exploration. Gatling Exploration is a Canadian gold exploration company focused on advancing the Larder Gold Project, located in the prolific Abitibi Greenstone Belt in Northern Ontario, Canada.

The Larder Project hosts three high-grade gold deposits along the Cadillac-Larder Lake Break, 35 kilometers east of Kirkland Lake. The project is 100% owned by Gatling and consists of patented and unpatented claims, leases and mining licenses in the communities of McVittie and McGarry. The 3,370-hectare project area is located 7 kilometers west of the Kerr Addison mine. All portions of the Larder property are readily accessible, and MAG Silver expects the existing exploration team to continue to operate.

### Very good financial resources

At the end of 2021, the company had about US\$66 million in cash. In April 2020, raw materials legend and star investor Eric Sprott was brought on board. He bought MAG shares with a total value of CA\$60 million, so that the financing of the mine could be fully secured. The company raised a further US\$46 million in November 2021 and also has a credit line of US\$40 million, which has not yet been drawn down.

### Summary: Money will be printed as of mid-2022

MAG Silver, together with Fresnillo, owns Juanicipio, one of the highest-grade silver deposits in the world. MAG Silver has eliminated all project risks. High grades, very well financed, minimal political and development risks, very good metallurgy as well as access to sufficient energy and water and the connection to the existing infrastructure near Fresnillo leave little room for downside potential. On the other hand, the upside potential is even higher with the possibility of further parallel mineralization trends and expansion opportunities to depth. The recent start of production provides the company with positive cash flow and sufficient capital until the start of its own commercial production, which is scheduled to start in mid-2022. From then on, money will literally be printed, as Juanicipio is one of the lowest-cost producing silver mines in the world. With the Deer Trail project, MAG Silver has another hot iron in the fire that meets all the criteria MAG Silver sets for a CRD project: Quality, size and potential.

## Exclusive interview with George Paspalas, CEO of MAG Silver

### What have you and your company achieved in the past 12 months?

The greatest achievement for MAG during 2021 was the completion of the construction stage of the 4000 tonnes per day Juanicipio processing plant at year end. The project is on budget, which is a great result given the challenges of cost escalation and the effects of COVID in Mexico.

We await the final stages of connection to the National electricity grid, scheduled for late Q2 2022. Mineralized material has been processed through two adjacent Fresnillo Plc processing facilities; Fresnillo and Saucito plants during 2021 and will continue until the ramp up of Juanicipio is established. This has en-

abled a great insight into the processing characteristics of the Juanicipio mineralization, which will de-risk the start-up and ramp up of production during H2 2022. All batches of concentrate produced at these two plants have been sold at off-take agreement terms, metal recoveries are in line with expectations, the grade is correlating well, and the material is milling in line with expectations. This processing has been a very positive and reassuring step in the development of Juanicipio. Additionally, this processing through the Fresnillo plants has generated good cash for Juanicipio. The project has self-funding itself so far through 2022, which is great for the balance sheet, and positions MAG well to carry on other growth and value-add initiatives with existing capital.



# Reyna Silver

## A legend makes new discoveries in Mexico and Nevada



We completed the Phase I exploration drilling program at Deer Trail in Utah during 2021. This was highly successful, locating the desired Redwall limestone host rock, and intercepting high grade, narrow mineralization in all three holes. Phase II drilling is now in progress, and we expect to be able to update on this progress late Q3 or early Q4 2022.

We recently announced the acquisition of Gatling Exploration, a junior Canadian exploration company holding a very desirable and strategically located exploration concession in the Abitibi region of Canada. This is a historically prolific mineralized region, and we await the shareholder vote in mid-May to finalize the transaction.

### What are the most important company catalysts for the next 6 to 12 months?

Start-up and ramp up of the Juanicipio production plant in H2 2022 will be the primary catalyst for MAG over the next 6 months.

We have received drill permits to explore the prospective Cesantoni area of the Juanicipio property, and we await results of the initial drill campaign in Q4 2022.

Phase II drilling at Deer Trail, and completion of the Gatling Exploration transaction, enabling MAG to introduce the project potential in detail to investors will also provide positive catalysts for MAG H2 2022.

### How do you see the current situation on the market for silver?

The silver market fundamentals remain very positive. Growth in consumption of silver in electronic use, biomedical and renewable power generation all bode well for a sustained strong metal price for years to come.

Reyna Silver is a Canadian mining development company with several potentially high-caliber silver projects in the Mexican state of Chihuahua and another project in Nevada. The company has announced several spectacular silver discoveries in its 2020 exploration program, which will be confirmed by drilling in 2021. The head of the exploration team is none other than Dr. Peter Megaw, who has recorded some spectacular finds in the past, including MAG Silver's huge Juanicipio deposit. The majority of the shares are held by management or institutional investors. The largest single shareholder is MAG Silver. Sprott is also on board.

### Guigui flagship project – location and infrastructure

Reyna Silver's flagship project is called Guigui, covers about 4,750 hectares and is located in the middle of the Santa Eulalia district, about 15 kilometers from Chihuahua City. An international airport is also located there. Reyna Silver's project site is easily accessible by paved roads.

### Guigui flagship project – historic mining + Santa Eulalia District mines

Reyna Silver's permit areas are located in the southern portion of the Santa Eulalia District, which to date has only been sporadically explored for high grade silver deposits. The western and eastern portions of the Santa Eulalia camp host several mines that are being exploited by toll milling. Throughout the district's history, approximately 510 million ounces of silver, 4.2 million tons of lead and 3.6 million tons of zinc have been mined. The average grades have been an extremely high 310g/t silver, 8.2% lead and 7.1% zinc. Santa Eulalia is thus one of the largest carbonate replacement deposits (CRD) in the world, with half of the CRD spectrum „missing“.

### Guigui flagship project – exploration successes to date

Reyna Silver's management team believes that this missing half lies exactly in Reyna Silver's concession area. And not only Reyna Silver's management believes this, but also Dr. Peter Megaw, Mexico's unofficial „silver pope“ and not only one of Mexico's greatest silver deposit experts, but also the discoverer of MAG Silver's huge Juanicipio deposit. It was also Megaw who conducted dissertation studies on the geology and geochemistry of the Santa Eulalia mining district back in the 1980s and ultimately brought Guigui into MAG Silver as well. Among other things, the company was able to prove 8.3 meters averaging 523g/t silver equivalent when it followed up on the shoots of the operational San Antonio Mine. Reyna Silver eventually acquired Guigui in 2018, starting with the consolidation of the southern Santa Eulalia district, which included the acquisition of the La Chinche concession.

### Flagship project Guigui – Own exploration activities

Peter Megaw also leads the exploration team at Reyna Silver. Drilling commenced in December 2020. This initially focused on anomalies to the north of the project site. Initial drilling targeted a series of strong geological and associated anomalies above where the CRD exploration model suggests the underlying engine of the system should lie. The possible source of mineralization in the West Camp/Potosi Mine area is in all likelihood within the Guigui Project as indicated by mapped mineralization, mineralization trends and structures. Finally, in October 2021, the first full strike was reported at Guigui. Two drill holes encountered a previously unknown rhyolitic intrusion over 200 meters thick with extensive high-grade sulfide mineralization along its base. One of the drill holes intersected 54.90 meters of pervasive multi-stage epidote skarn alteration inter-



Jorge Ramiro Monroy, CEO

ISIN: CA55903Q1046  
WKN: 460241  
FRA: MQ8  
TSX: MAG  
NYSE MKT: MAG

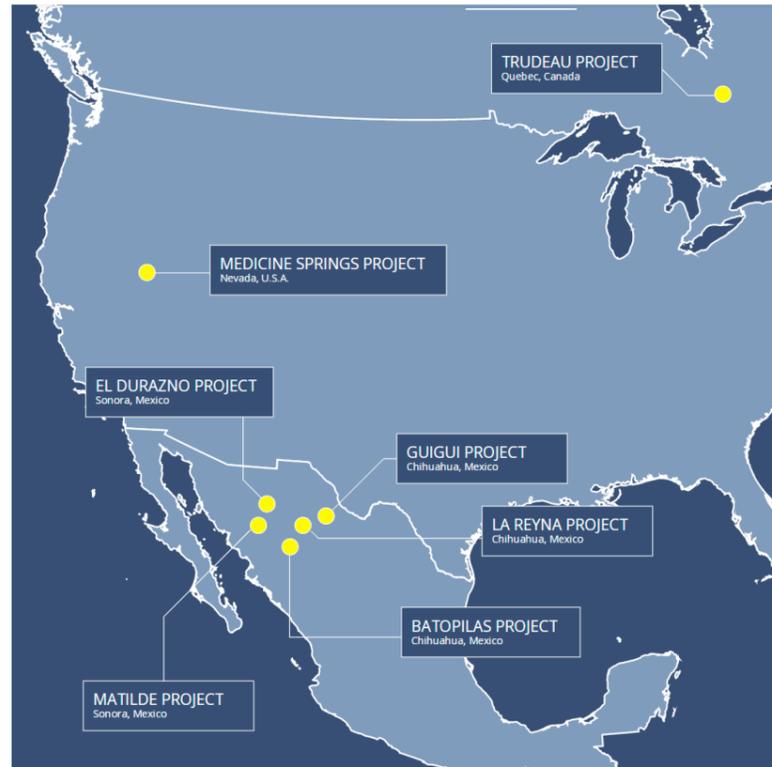
Shares outstanding: 97.8 million  
Options: 1.7 million  
Fully diluted: 99.5 million

Contact:  
MAG Silver Corp  
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## MAG Silver Corp.





Reyna Silver focuses entirely on projects in North America.  
(Source: Reyna Silver)

sected by at least 4 overlying sulphide mineralization levels. There, 184 g/t silver was also encountered over 2.3 meters, including a 0.59-meter intercept of 523 g/t silver. Below this is a zone of higher-grade zinc (up to 18.35% zinc). Adjacent to a zone of weakly sulphidized skarn is a narrow copper-bearing step (up to 1.58% copper) with moderate zinc. The lowermost 15 meters of the mineralized skarn are the most mineralized and have consistently high zinc grades (up to 15.2% zinc).

### Batopilas Silver Project – location and Infrastructure

Reyna Silver's second prospective silver project is called Batopilas, covers 1,117 hectares, a significant area of the historic Batopilas Mining District, and is also located in the Mexican state of Chihuahua, about 300 kilometers southwest of Chihuahua City. Another 15 kilometers to the southwest is Goldcorp's former El Sauzal Mine. Road ac-

cess is available via the nearby town of Batopilas. In addition, sufficient water is available in near-surface reservoirs.

### Silver project Batopilas – historical production

The Batopilas Mining District is considered one of the very few mining districts where the main mineral is native silver. The purity of this deposit can be up to 75% silver. Batopilas was discovered around 1630. Historical production from 1632-1912 was approximately 300 million ounces of silver with average grades exceeding 1,500g/t. This high-grade production was from more than 30 known veins. Mineralization is in the form of pods of crystalline native silver irregularly distributed along persistent structures over a vertical distance of over 700 meters.

### Batopilas Silver Project – Exploration Successes to Date

Initial modern drilling conducted by MAG Silver included 1.7 meters averaging 2,357g/t silver, including 20cm averaging 19,000g/t silver, and 1 meter averaging 3,000g/t silver. An initial, in-house drilling program commenced in June 2021 and immediately resulted in initial drilling successes. This has resulted in relatively near surface short intercepts of up to 28.70g/t gold and 10,565g/t silver.

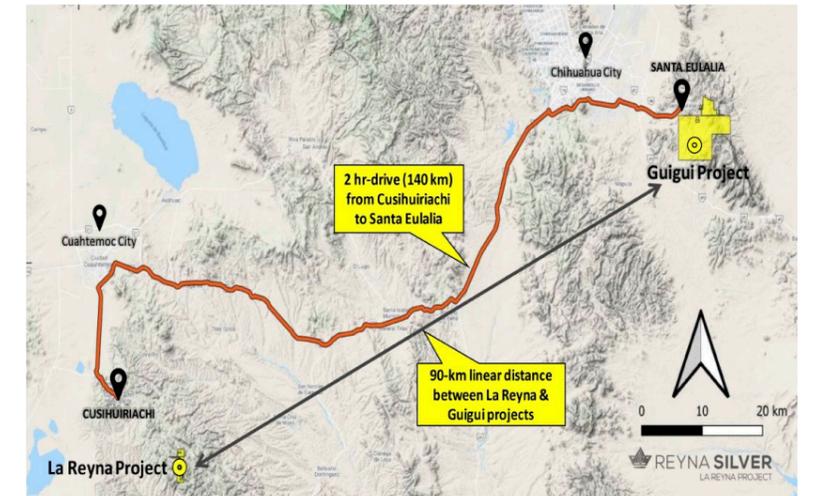
### Batopilas Silver Project – Own Exploration Activities

Reyna Silver conducted an extensive sampling program from October to December 2020. This yielded a total of 258 samples containing silver grades ranging from 305 to 42,302g/t silver and 1.03 to 21.4g/t gold. These were from the northwest area of the project area. Two previously unknown veins were also discovered there, one of which also contained higher grades of gold. High resolution satellite hyperspectral imagery received following the sampling program

shows that a distinct alteration mineralogy is consistent with new and long known structures; additional anomalies have been reviewed and sampled.

### Silver project La Reyna

The La Reyna Silver Project covers approximately 300 hectares plus the former La Reyna Mine and is located in the eastern part of the Cusihuiriacic Silver District, from which approximately 80 million ounces of silver plus by-products have historically been mined. The project site is located 10 kilometers southeast of the village of Cusihuiriacic and 32 kilometers southeast of Cuauhtémoc. It is approximately 140 kilometers by road to the flagship Guigui project, which could provide some synergy for future activities. La Reyna is completely enclosed by Sierra Metal's Cusi project. The eponymous Cusi Mine, which produced approximately 1.03 million silver equivalent ounces in 2019 with average grades of 129g/t silver, is located 10 kilometers northwest of La Reyna. Running through La Reyna is a mineralized trend identified in previous surface exploration by Dia Bras Mexicana - now Sierra Metals. 62 samples assayed in excess of 200g/t silver. Several samples assayed over 1,000g/t silver with a maximum of 5,140g/t silver, 1.67g/t gold, 0.63% copper, 7.64% lead and 1.33% zinc. Drilling extended less than 100 meters to depth. Reyna Silver's exploration team anticipates that this trend may continue to depth.

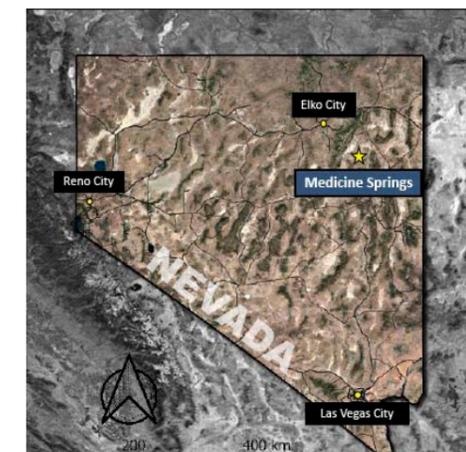


La Reyna offers synergys with Guigui  
(Source: Reyna Silver)

than 100g/t silver, with a maximum value of 559g/t. Furthermore, 125 reverse circulation drill holes were completed with an average depth of only 43 meters. This included 33 meters of 90g/t silver, 7.6 meters of 138g/t silver and 6 meters of 225g/t silver. Other anomalous soil and rock silver grades highlight the silver potential of this area. Reyna Silver conducted its own soil sampling program in 2021 and encountered very good results for silver (37 samples returned over 66g/t, two of which returned over 1,000g/t silver), lead and zinc in a 6x6 kilometer area, with copper along a prominent NE-SW striking structural network. The Company is currently defining several target zones to be further explored by drilling in 2022.

### Medicine Springs Silver Project

The Medicine Springs silver-lead-zinc project covers 4,831 hectares and is located in Elko, northeastern Nevada, just inside the Ruby Mountains Valley on the famous Carlin Trend. The project site is located on a large regional structure that hosts significant CRDs. Stockpile and rock chip samples are well above the 400g/t silver threshold in places. Sampling undertaken by previous owners indicates significant occurrences. Of 66 samples, 17 samples contained more



Medicine Springs is readily accessible by a network of county and state roads  
(Source: Reyna Silver)

### Strong shareholder structure

Reyna Silver has an extremely strong shareholder structure. MAG Silver is the largest single shareholder with about 8% of all outstanding shares and also provides excellent exploration expertise. 17% is held by management, another 40% by institutional investors, including Sprott Asset Management and several funds. Only about 35% is thus in the hands of small investors as free float.

### Summary: Multiple high-grade projects and one of the most successful geologists of all time on board

Reyna Silver has several high-caliber projects in its portfolio, from which significant results are expected in the coming months. At Guigui, the company has already made a find and should be able to land further direct hits in the near future. At Batopilas, the drilling campaign is in full swing. At La Reyna, extensive surface and chip sampling and de-

tailed mapping is underway. For Medicine Springs, work is underway to redefine the extent of mineralization and evaluate existing drill targets. A drilling campaign is planned here for the current year 2022. If only one of 4 potentially high-caliber silver projects hits the bull's eye, this should lead to a revaluation of Reyna Silver shares. This should be ensured by the silver pope Dr. Peter Megaw, who practically discovers top deposits on a continuous basis. The relatively lean shareholder structure should contribute immensely to this. By means of an oversubscribed financing in the amount of CA\$6 million, which was concluded in June 2021, Reyna Silver has sufficient capital to carry out all planned exploration activities.

ISIN: CA76170Q1063  
WKN: A2P6EN  
FRA: 4ZC  
TSX-V: RSLV

Shares outstanding: 100.2 million  
Options/warrants: 18.1 million  
Fully diluted: 118.3 million

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## Reyna Silver Corp.



## Sierra Madre Gold & Silver First Exploration Successes on Two Projects Raise Attention

Sierra Madre Gold & Silver is a Canadian mining development company focused on silver and gold deposits in Mexico. There, two highly prospective projects with a high historical resource have already been secured. Initial drill results indicate high grade deposits.

### Tepic project – location and infrastructure

Sierra Madre Gold & Silver's flagship project is called Tepic and is located 22 kilometers south of the city of Tepic, which is the capital of the Mexican state of Nayarit. Tepic has a population of well over 300,000 and its own airport, located just 15 kilometers from the Tepic project. The surrounding area, considered very mine friendly, has a specialized workforce familiar with heavy equipment and mining in the area. Due to its proximity to the town of Tepic, Sierra Madre's project has close access to the national power grid. In addition, industrial suppliers, machinery and factories are readily available in Tepic. The Tepic project covers approximately 2,612.5 hectares.

### Tepic Project – geology, resource and historical exploration work

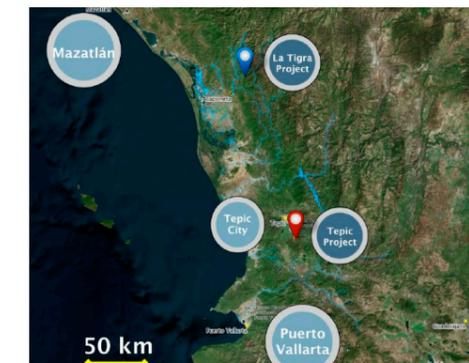
Tepic hosts a near-surface, low-sulphidation epithermal gold and silver deposit located within the Sierra Madre geological province. The main focus is on silver deposits, with gold as a by-product. A historical technical report already exists for the project from 2013, prepared in accordance with Canadian Mining Standard NI 43-101, with an indicated resource of 7.1 million ounces averaging 201g/t silver equivalent and an inferred resource of 3.1 million ounces averaging 181g/t silver equivalent. Approximately two-thirds of these resources are silver and one-third gold.

Previous owners have already completed 31,537 meters of core drilling in 149 holes, which are stored in the Sierra Madre camp.

However, closer examination revealed exceedingly poor core recovery, averaging only 76%, in mineralized intercepts, which may have led to an underestimation of gold and silver grades. This assessment is confirmed by the collection of higher-grade samples from underground workings adjacent to the core intersections.

Further resource potential also comes from a reinterpretation of drill results that strongly suggest that, contrary to previous belief, the two Dos Hornos structures are not truncated but open along strike. Furthermore, the experienced Sierra Madre management team believes that the strike length continues much further and that the known ore body also has further potential at depth.

The project also has good preliminary metallurgical test results for the recovery of gold and silver. Flotation tests and cyanide leaching of tailings have identified recoveries of up to 94% for gold and 90% for silver.



Alex Langer, CEO

Due to its proximity to the town of Tepic, Sierra Madre's project has close access to the national power grid.  
(Source: Sierra Madre Gold & Silver)

### Tepic Project – Own Drilling and Upcoming Catalysts

Prior to the recent listing in April 2021, Sierra Madre identified more than 10 kilometers of hydrothermal mineralized structures on the project property, with several identified zones of mineralization extending over one kilometer with widths up to 200 meters. Reconnaissance sampling returned silver values

ranging from <0.5 to 648 grams per tonne and gold values ranging from <0.005 to 7.43 g/t. Following the IPO, the Company commenced an extensive drilling program in May. This initially involved drilling 21 holes for which permits were already in place. In September 2021, the company was able to present drill results for the first time, and they were quite impressive. Among others, 15.2 meters with 2.23g/t gold and 263g/t silver as well as 22.9 meters with 1.47g/t gold and 119g/t silver were encountered. Further, October 2021 intersections included 9.2 meters of 54.2g/t silver and 6.52g/t gold. Thus, the company was able to prove that the already known mineralization is even larger than previously assumed. In addition, 6 further potentially high-carat areas could be identified. The second phase of the drilling campaign will start in February 2022. For this purpose, the number of drill pads has been increased from 47 to 182, which will enable the company to drill up to 300 holes. After completion of the second phase, Sierra Madre intends to quickly present an initial resource estimate for Tepic. Thereafter, an initial economic feasibility study is to be prepared quickly. The company also intends to quickly acquire additional projects that should lead to a significant increase in the resource base.

### La Tigra project

In July 2021, Sierra Madre acquired La Tigra, a second prospective gold and silver project. For this purpose, a purchase agreement was signed with the owner of the property, Industrial Minera Mexico S.A. de C.V. (IMMSA), met.

La Tigra is located 148 kilometers north of Tepic in the Mexican state of Nayarit. The project consists of seven mining concessions with a total area of 357 hectares, covering most of the historic mines in the Distrito Minero Del Tigre. La Tigra has excellent infrastructure and is accessible by a road that leads to 10 kilometers to the highway.

According to reports from the state-owned Servicio Geológico Mexicano (SGM), gold was mined at La Tigra before 1900. Beginning in 1927, Compañía Minera Unida Orien-

te S.A.de C.V. invested US\$500,000 in rehabilitating the mines and building new mines and the construction of new processing facilities. SGM reports that 13,110 tonnes of material grading 10 g/t gold and 358 g/t silver were processed.

The last mining took place between 1983 and 1991, when Compañía Minera Nayloro S.A. installed a flotation plant with a capacity of 250 tons per day. Since the cessation of operations at Nayloro and the sale of the equipment, only minimal exploration activities have been carried out. Sierra Madre began an extensive exploration program immediately after the acquisition, which quickly led to initial successes. The first soil sample results were reported as early as October 2021. There were 319 exploration samples taken, with values ranging from <0.005 to 18.2 grams per tonne gold. The average gold grade of all samples received to date was 0.48 g/t gold, with 32 samples greater than 1.0 g/t gold and 10 samples greater than 3.0 g/t gold. Silver values ranged from <0.5 to 65.2 g/t silver and averaged 3.99 g/t silver with 30 samples greater than 10 g/t silver and 4 samples greater than 30 g/t silver. Overall, two structural systems were identified.

Further trenching by the Company included 12.8 metres at 1.57g/t gold equivalent, including 5.3 metres at 3.69g/t gold equivalent. In addition, 12.0 metres at 2.91g/t gold equivalent, including 4.5 metres at 7.05g/t gold equivalent were encountered.

This work is to prioritize drill targets, for which approval has already been received to drill 30 drill pads. Drilling for this began in early March 2022 and very quickly produced initial positive results such as 22.9 meters at 1.85g/t gold and 24.2 meters at 1.63g/t gold, including 4.7 meters at 5.64g/t gold.

### Top management with many years of experience and unique success story

The fact that Sierra Madre Gold & Silver has attracted many institutional investors right from the start is probably also related to the high-caliber management.

Executive Chairman Gregory Liller has more than 40 years of experience in exploration and mine development. He has served as an officer or director of publicly traded companies including Prime Mining, Genco Resources, Gammon Gold and Oracle Mining. During his career, he played a key role in the discovery and development of more than 11 million ounces of gold and 600 million ounces of silver, as well as securing more than \$300 million in equity financing and \$100 million in debt financing.

CEO Alex Langer is a successful public markets specialist with over 15 years of experience. He began his career as an Investment Advisor at Canaccord Genuity, where he was involved in the financing of over 100 private and public companies, including the IPOs of Endeavour Silver, Fortuna Silver and Great Panther. Most recently, he was co-founder and Vice President of Prime Mining and Millennial Lithium, where he managed the capital markets for both companies.

Exploration Chief Greg Smith is an exploration geologist with more than 30 years of experience. He has worked as a consultant and for both junior and senior mining companies in various parts of the world, including North, Central and South America, Europe and Africa. He has a broad range of experience from

evaluating grassroots properties to overseeing advanced programs, including resource and reserve estimation, overseeing geological and engineering activities for active underground and open pit operations, including grade control, QA/QC programs and NI43-101 compliance. Smith was CEO and then VP Exploration of Calibre Mining and helped the company acquire the El Limon and La Libertad gold mines in Nicaragua.

### Summary: Full speed ahead

Sierra Madre Gold & Silver is a true early-stage story, but one that has several prerequisites for being a true high performer. First, the flagship Tepic project already has a very near-surface resource with average grades of about 200g/t silver equivalent, which is exceedingly high grade for a surface project. Further, the project has excellent potential to increase resource size and grade due to poor drill core recovery by previous owners. The second potentially high-grade project La Tigra has also already generated increased newsflow. And at a breathtaking rate! Last but not least, Sierra Madre Gold & Silver has an experienced and successful management team that has proven several times in the past that it can lead early-stage projects to production.

## Exclusive interview with Alex Langer, CEO of Sierra Madre Gold & Silver

### What have you and your company achieved in the past 12 months?

April 2021: listing on the TSXV (Tepic silver-gold project in Nayarit state, Mexico);

- ▶ Completed phase one drill program of 2,000 metres in 20 reverse circulation holes and trenched 2,700 metres.
- ▶ In February, permitted 135 drill pads at Tepic (up to 182 from 47)
- ▶ Compiled a new structural interpretation, outlining approximately 12 km of vein stri-

ke (up from 3.5 km previously) using a new structural model based on Sierra Madre's mapping and sampling.

- Identified the Taunas structures in the under-explored eastern portion of Tepic

July 2021: acquisition of the past-producing La Tigra project, 148 km north of Tepic from Grupo Mexico.

- ▶ Secured drill permits for 30 pads at La Tigra – drilling to commence April 2022
- ▶ Regional trenching program at La Tigra

**What are the most important company catalysts for the next 6 to 12 months?**

- ▶ Resource update in Q3
- ▶ In February, started phase II drilling at Tepic; ongoing drill results
- ▶ At La Tigra, maiden drill program and continuation of trenching results
- ▶ “Continuing to look at accretive acquisitions that could help us achieve that goal of moving into production quicker and getting up to 100 million oz. of silver”

**How do you see the current situation on the market for silver?**

Suggest: Bullish view from a combination of positive demand outlook and shrinking future supply: Main elements to the silver market:

Demand equation:

- ▶ Industrial: growth in the green technologies, silver’s excellent electrical conductivity is expected to drive strong demand growth as the world transitions away from fossil-fuel based technologies.

- ▶ Investment: physical investment expected to grow in the inflationary environment (silver as an inflation hedge).
- ▶ Potential dampening as central banks raise rates
- ▶ Plus jewelry and silverware.

Supply:

- ▶ in its 2021 World Silver Survey, the Silver Institute notes that, over the next four to five years, additional investment will be needed to advance projects to offset dropping production at existing mines.

## Vizsla Silver Monster Resource and Monster Drilling Program

Vizsla Silver is a Canadian mining development company specializing in high-grade silver-gold deposits in Mexico. Within a very short time, the company was able to prove a resource of more than 100 million ounces of silver equivalent at its Panuco silver-gold project. The high-caliber management team has achieved multiple exploration successes in the past and will aggressively advance Panuco in 2022 with a planned 120,000 meters of drilling.

**Panuco flagship project: location, scope and geology**

Consolidated since 2019, the Panuco silver-gold project is located in southern Sinaloa, Mexico, near the city of Mazatlán, and extends approximately 14 kilometers on the same geological trend as First Majestic Silver’s San Dimas Mine, approximately 80 kilometers away. The 6,800 hectare past producing area benefits from over 75 kilometers of vein extension, a 500 tonne per day mill, 35 kilometers of underground adits and shafts, tailings facilities, direct access to a major highway, power and exploration permits. The area contains epithermal silver and gold deposits of medium to low sulfidation associated with silicic volcanism and crustal extension in the Oligocene and Miocene. The source rocks are mainly continental volcanic rocks correlative to the Tarahumara Formation. The property contains numerous quartz-carbonate veins that form both steeply dipping and sub-horizontal veins. Mineralization consists of silver sulfides including argentite and acanthite, electrum and silver associated with pyrite, minor galena, sphalerite and rare chalcopyrite. Alteration is not well explored, although large zones of strong pyrite alteration extend over a kilometer from the main veins.

In terms of size and geology, Panuco is comparable to First Majestic’s San Dimas mine, but it hosts only about 20 veins, several of which have high silver and gold grades. Due to the fact that Panuco is district-sized but has been highly fragmented in the past, little

modern exploration, let alone drilling, took place prior to consolidation by Vizsla Silver. The first silver production in the area occurred in the 1500s, and production has been intermittent since then, with consistent production in recent decades.

**Panuco flagship project: early exploration work and first successes**

Vizsla Silver started 2019 with an initial exploration program consisting of target identification, detailed mapping and initial drilling. The drilling program began in December 2019 and concluded in late 2020 with 29,500 meters of core drilling. In 2021, Vizsla Silver significantly increased the scope of drilling to approximately 90,000 meters. This quickly led to the discovery of the high-grade Napoleon and Tajitos ore bodies.

**Panuco flagship project: resource estimate**

In March 2022, Vizsla Silver published its first resource estimate, which was a sensation. The company managed to report a resource of more than 100 million ounces of silver equivalent at the first go. Specifically, Panuco has a total of 5 million tonnes of rock averaging 191g/t silver, 2.08g/t gold, 0.26% lead and 0.5% zinc, or the equivalent of 30.5 million ounces of silver, 331,000 ounces of gold, 13,000 tonnes of lead and 24,600 tonnes of zinc, for a total of over 61.1 million ounces of silver equivalent (383g/t) in the indicated category. Further, Panuco has a total of 4.1 million tonnes of rock averaging 187g/t silver, 1.79g/t gold, 0.13% lead and 0.3% zinc, or the equivalent of 24.7 million ounces of silver, 236,000 ounces of gold, 5,300 tonnes of lead and 12,400 tonnes of zinc, for a total of over 45.5 million ounces of silver equivalent (345g/t) in the inferred category. Combined, this amounts to 106.6 million silver equivalent ounces. Exploration costs to date have thus



Michael Konnert, CEO

ISIN: CA8263XP1041  
WKN: A3CM97  
FRA: 409  
TSX-V: SM

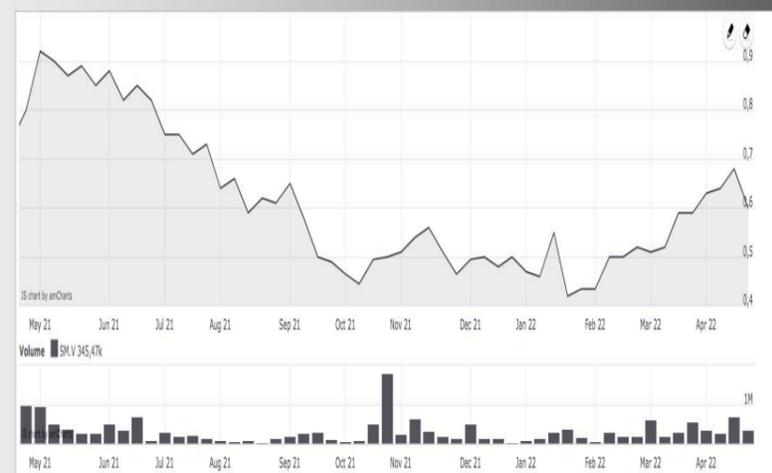
Shares outstanding: 63.9 million  
Warrants: 1.9 million  
Fully diluted: 65.9 million

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## Sierra Madre Gold & Silver



amounted to only US\$0.23 per silver equivalent ounce.

### Flagship project Panuco: Napoleon

Approximately 53 million ounces of silver equivalent can be attributed to the Napoleon area alone, which in addition to the main vein in the immediate vicinity, the so-called Napoleon Vein Corridor, has a whole series of other veins. Just recently, for example, Vizsla Silver was able to discover the Cruz Negra Vein, which, among other things, produced 3,098g/t silver equivalent over 0.9 meters. In general, it appears that Napoleon has higher grades and thicknesses towards the south. Higher gold grades are also expected there. Towards the north, it appears that base metal grades could increase. Overall, Napoleon has been traced to date for approximately 2.5 kilometers in length and 500 meters to depth, with the main resource still open to depth. Currently, 5 drill rigs are spinning in the Napoleon area.

### Panuco flagship project: Tajitos

Approximately 52 million ounces of silver equivalent are accounted for by the second larger sub-area, Tajitos, which, like Napoleon, is being steadily expanded by additional discoveries. Vizsla Silver recently discovered a new vein called Copala Vein north of Tajitos. The discovery included 81.91 meters averaging 226g/t silver equivalent including 2.31 meters averaging 3,701g/t silver equivalent. Copala is a shallow vein (dipping ~35° to the east) located in the Tajitos hanging wall. Tajitos itself remains open to depth and may offer further resource potential there.

### Panuco flagship project: Further resource potential

It is interesting to note that Napoleon and Tajitos are both located in the western part of Panuco, while the central and eastern sections are known to contain veins but have not been drilled to any great extent. This means

that Napoleon and Tajitos represent only a small portion of the Panuco project. Accordingly, less than 30% of the known targets on Panuco have been drill tested to date.

For the investigation of these areas, Vizsla Silver currently has 7 drill rigs in operation. Initial indications of where the journey can still go were already provided by the 2021 exploration campaign, which, among other things, encountered 3,707g/t silver equivalent over 3.5 meters, 2,758g/t silver equivalent over 4.5 meters and 3,701g/t silver equivalent over 2.3 meters.

### Panuco flagship project: current exploration activities and catalysts

In parallel to the current 120,000-meter drill program, Vizsla Silver is working on several fronts to rapidly advance Panuco. At the top of the agenda is the conversion or expansion of resources through drilling at Napoleon and Tajitos. Ongoing exploration drilling on high-priority targets is expected to generate additional resources and stimulate new discoveries. In addition, metallurgical testing on the Tajitos mineralization is underway with results expected in the second quarter of 2022. Further, initial geotechnical and hydrogeological studies and property-wide electromagnetic and airborne magnetic surveys will commence in Q2 2022. Next major milestone is expected to be the provision of an updated resource estimate in the second half of 2022.

### Top management team

Vizsla Silver has a top management team with more than 185 years of combined experience in exploration, development, permitting, operations and capital markets.

CEO Michael Konnert is co-founder and partner of Inventa Capital Corp, a private natural resource investment company based in Vancouver, BC. Previously, he was co-founder and CEO of Cobalt One Energy Corp, which

was acquired by Blackstone Minerals Ltd in 2017. Konnert has nearly a decade of experience in the natural resources industry, particularly in implementing successful corporate strategies for mineral exploration companies. He began his career with Pretium Resources Inc. (TSX-PVG) shortly after its \$265 million initial public offering.

Chairman Craig Parry has been involved in the resource sector for over 18 years. Craig is a former board member of Nexgen Energy and former Chief Executive Officer and current board member of IsoEnergy Ltd, both companies that discovered high profile uranium deposits. Parry is a co-founder and partner of Inventa Capital Corp. As exploration and business development geologist, Parry has been responsible for the business development of Tigers Realm since its inception in 2008. At Rio Tinto, he led exploration programs for iron ore, copper, diamonds, coal and bauxite in Australia, Asia and South America, and was lead geologist for the Kintyre uranium project pre-feasibility study.

### Summary: Increased newsflow from huge drilling program + near-term production potential.

Vizsla Silver has already generated a resource of more than 100 million ounces of silver equivalent in the past 30 months. But the team around CEO Michael Konnert and Chairman Craig Parry is not satisfied with that. In the current year 2022, they will drill 120,000 meters with 13 drill rigs in order to be able to publish an updated Panuco resource already in the second half of 2022. Panuco remains severely under-explored, with only 33 of 117 identified targets drilled. Electromagnetic surveys conducted to date have correlated with mineralization now known, indicating significant upside potential. Vizsla Silver also has control of all existing and permitted operating infrastructure at Panuco, including a 500tpd processing plant, providing near-term production potential. With more than CA\$35 million, the Company is adequately funded for up to 2 years of ongoing exploration and development. Increased positive newsflow is therefore expected in the coming months.

## Exclusive interview with Michael Konnert, CEO of Vizsla Silver

### What have you and your company achieved in the past 12 months?

Vizsla Silver has achieved a number of major milestones over the past 12 months, namely the announcement of our maiden resource estimate centered on the western portion of the project. The resource estimate included an indicated mineral resource of 61.1 Moz AgEq and inferred mineral resource of 45.6 Moz AgEq. This initial resource establishes Panuco as an extremely high-quality silver and gold district with a rare combination of size, grade and width, with significant room for growth.

Other key achievements include the acceleration of the option to acquire 100% of the Panuco-Copala silver-gold district, which includes existing permitted operating infrastructure. Taking full ownership of the entire district within 20 months speaks to not only our confidence in the district but also the strong belief the vendors have in the potential of this asset.

In addition, Vizsla also completed ~100,000m of drilling in 2021 with multiple high-grade vein discoveries and initial metallurgical testing returned high precious metals recoveries for Napoleon.

**What are the most important company catalysts for the next 6 to 12 months?**

For 2022, Vizsla has budgeted 120,000m of fully funded resource/discovery-based drilling with 13 drill rigs. Six rigs, including one directional drill, will be dedicated to upgrading and expanding the initial resource base ahead of an updated project resource in H2 2022.

The remaining seven drill rigs will be devoted to exploring other high-priority areas within the ~6,800-hectare district, that have never been systematically explored. Given the vastly underexplored nature of the district, there are many more potential high-grade discoveries to be found by Vizsla with the current resource area representing only a small portion of the known vein strike on the property.

Vizsla also anticipates to have the results from preliminary metallurgical testing on Tajito's mineralization in Q2 2022. Additionally, we have initiated initial geotechnical and hydrogeological studies as well as baseline environmental work.

Following a fixed loop trial survey conducted last spring, we determined that electromagnetics (EM) correlate to known high-grade mineralization at Napoleon. This ultimately led to the discovery of the parallel Josephine Vein. In 2022, Vizsla intends to fly the entire district with airborne EM and magnetics to aid in further identifying prospective targets for new mineralization.

**How do you see the current situation on the market for silver?**

We have seen a rise in the demand for silver not only as a precious metal with applications as a currency, investment, in jewelry and as a store of value but also possessing notable industrial uses. With the road map being created for the electrification of the world, silver will play a pivotal role. Significant amounts of silver will be required to develop the framework for renewable energy as well as in the production of electronics. This increased demand paired against only a modest growth in production will see the price of silver continue to rise.

**ISIN:** CA92859G2027  
**WKN:** A3C9S4  
**FRA:** 0G3  
**TSX-V:** VZLA

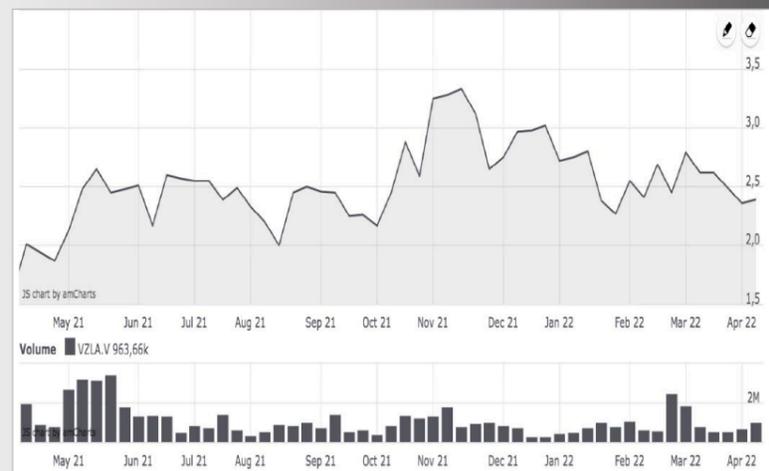
Shares outstanding: 148.0 million  
Options: 14.7 million  
Warrants: 33.5 million  
Fully diluted: 196.2 million

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