

2018 Operational & Sustainability Highlights

OPERATIONAL HIGHLIGHTS

Financial

- ▶ Revenue of **\$150.5 million**
- ▶ The El Cubo and Bolañitos mines generated positive free cash flow, which was reinvested at Guanaceví to develop two new ore bodies and at El Compas to develop the mine and plant
- ▶ EBITDA* of **\$21.9 million**
- ▶ Cash flow from operations before working capital changes of **\$22.2 million**
- ▶ Net loss of \$12.4 million (loss of \$0.10 per share)
- ▶ Cash costs* of **\$8.06 per oz silver** payable (net of gold credits)
- ▶ All-in sustaining costs* of **\$15.45 per oz silver** payable (net of gold credits)
- ▶ Working capital* of **\$54.5 million**, cash of \$33.4 million, no debt
- ▶ Arranged ATM financing for **\$35.7 million**, to advance Terronera raised net **\$7.6 million**

Operations

- ▶ Silver equivalent production totalled **9.7 million oz** (80:1 silver:gold ratio) from 5.5 million oz silver and 52,967 oz of gold.
- ▶ Silver equivalent production fell short of 2018 guidance due to lower mine output and silver grades at Guanaceví, lower gold grades at Bolañitos and delays in achieving commercial production at El Compas.
- ▶ Completed an updated 2018 Pre-Feasibility study for the Terronera project with higher revenues, EBITDA, free cash flow, NPV, annual production and mine life and low projected all in sustaining costs*
- ▶ Initiated development of the Milache ore body at the Guanaceví mine and production of development ore to the plant
- ▶ Completed development of the El Compas mine and extended commissioning to resolve start up issues
- ▶ Appointed Nick Shakesby as VP Operations and Manuel Echevarria as VP of New Projects

Exploration

- ▶ Drilled **55,319 meters** and spent **\$14.1 million** on brownfields and greenfields exploration, development engineering, and land payments across our portfolio of properties
- ▶ Majority of exploration budget to advance the Terronera project and explore the Parral properties, both projects had significant additions to reserves and resources, respectively
- ▶ Terronera achieved goal of upgrading 1 million tonnes from resources to reserves
- ▶ Exploration success at Bolañitos with new discovery on San Miguel vein, including **1,415 gpt Ag & 2.25 gpt Au over 1.1 m** true width
- ▶ Positive results at Parral from surface drilling and underground sampling including high grade drill results on San Patricio vein, **934 gpt Ag & 0.21 gpt Au over 4.2 m** true width
- ▶ Expanded Proven and Probable silver and gold Mineral Reserves by **38%** and **35%** respectively to **46.3 million oz silver** and **426,700 oz gold**
- ▶ Measured and Indicated silver and gold Mineral Resources declined by **25%** and **23%** respectively to **27.3 million oz silver** and **290,400 oz gold**
- ▶ Increased total Inferred silver Mineral Resources by **9%** due to the success of the 2018 drilling at Parral, where Inferred Mineral Resource Estimates for silver and gold increased **55%** and **49%** respectively

*These items are examples of non-IFRS measures. Please refer to the definitions set out in our Management Discussion and Analysis.

SUSTAINABILITY HIGHLIGHTS

PROMOTING SAFETY & HEALTH



SUPPORTING OUR PEOPLE



INVESTING IN THE COMMUNITY



RESPECTING THE ENVIRONMENT



PROVIDING ECONOMIC VALUE

