Silver Report 2021

Everything you need to know about the precious metal silver!

SRC swiss resource capital ag

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Preface

Dear Readers,

You could almost say „back to the roots“. Originally, we started our special report series (which also includes a precious metal report, a battery metal report and a uranium report) in 2016 with a silver report. In 2018, this was merged with the precious metals report. But silver has become extremely „hot“ in recent weeks and months, so we want to dedicate a separate study to this „hybrid“ precious metal again.

Why actually „hybrid“ precious metal? – you will surely ask yourself now. The explanation is quite simple: While gold is largely demanded by the jewelry industry and the investment sector, the majority of platinum group metals flow into industry. In the case of silver, on the other hand, the ratio of industrial to non-industrial demand almost balances out. This could become a major price driver for silver in the future, as both sectors have experienced or will experience an immense surge in demand in the coming years.

In the case of the non-industrial sector, this became apparent at the latest since the beginning of the Corona pandemic. The global silver ETFs recorded inflows never thought possible and sucked a lot of physical silver from the market. This even came close to offsetting the industry‘s Corona-induced demand dip. 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. From the side of the industry, however, a demand growth is likely to set in. The photovoltaic and automotive sectors in particular will easily double their demand for silver in the coming years. Although copper has the edge as a cable connection, silver is indispensable as a perfect electrical conductor in power generation modules and electronic components.

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 on Silver and hope to provide you with a lot of new information, impressions and ideas.

Your 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.

Tim Rödel is Manager Newsletter, Threads & Special Reports at SRC AG. He has been active in the commodities sector for more than 15 years and accompanied several chief-editor positions, e.g. at Rohstoff-Spiegel, Rohstoff-Woche, Rohstoffraketen, the publications Wahrer Wohlstand and First Mover. He owns an enormous commodity expertise and a wide-spread network within the whole resource sector.

Silver: The hybrid precious metal with twice the chance of skyrocketing prices! New uses due to unique properties make silver a future highflyer

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 bound up in appropriate applications for many years, 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. Like gold, it is basically money and serves to preserve value. It can also be seen as a kind of hedge against progressive inflation.

Silver with hybrid function

While gold is mainly used as an investment, to preserve value and in the form of jewelry (less than 10% of annual demand comes from industry), silver has a kind of hybrid function. This means that most recently about 57% of total silver demand came from industry (including photography), while the rest was mainly demanded by the investor side in the form of bars and coins as well as by the jewelry industry.

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).
In the future, the pharmaceutical and medical sectors in particular are likely to trigger a further, greater surge in demand. Since silver has antibacterial and – currently particularly important – antiviral effects, it is already seen as a potential savior in medical and pharmacological applications.

Supply situation

Silver production down sharply - Mexico, Peru and China are by far the largest silver producers

According to „The Silver Institute“, global silver production peaked in 2016 at around 899.4 million ounces. Since then, annual silver production fell to 833.2 million ounces by 2019. In 2020, global silver production plummeted to just 784.4 million ounces due to Corona, falling below the 800-million-ounce mark for the first time since 2012. With annual production of just under 180 million ounces, Mexico ranks first among the producing nations, followed by Peru (110 million ounces) and China (108 million ounces). These three countries together are thus responsible for around half 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.

Weak base and precious metal prices cause silver production to decline overall

For many years, this high dependence 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. Price declines – above all for copper, but also for lead – in recent years ensured that silver production increased only marginally and has been declining since 2016. Although prices for base and precious metals are expected to increase in the coming years, this is primarily due to the expected closure of several medium to large zinc/lead mines and further to an enormous investment backlog which has accumulated in recent years due to the weak price development. Corresponding mine projects have been put on hold and only inadequately developed. As a result, these projects are likely to be brought into production only after a long delay.

Overall, global silver supply in 2020 recorded a decline of around 4% or 42.5 million ounces to 976.2 million ounces. Silver production (excluding recycling) fell by 5.9% and production from primary silver mines by as much as 11.9% compared with 2019. Only production from copper mines increased by 3.5%, which was probably due to the higher copper prices and the associated increased mining activity in this area.

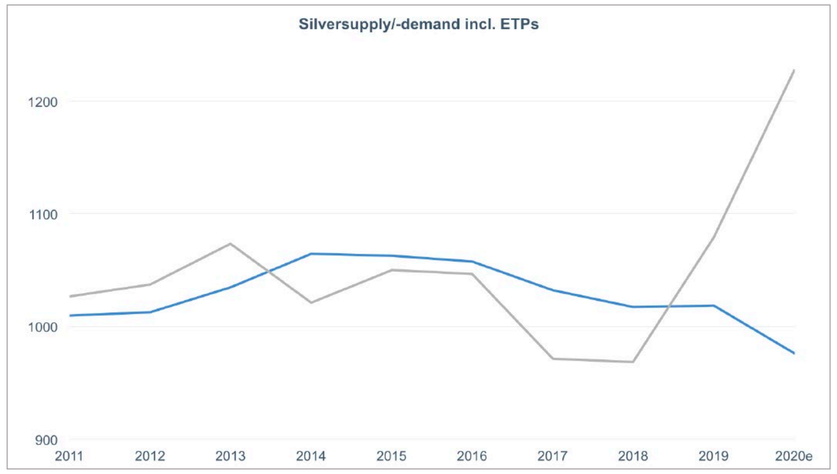
Silver companies prioritized cost savings

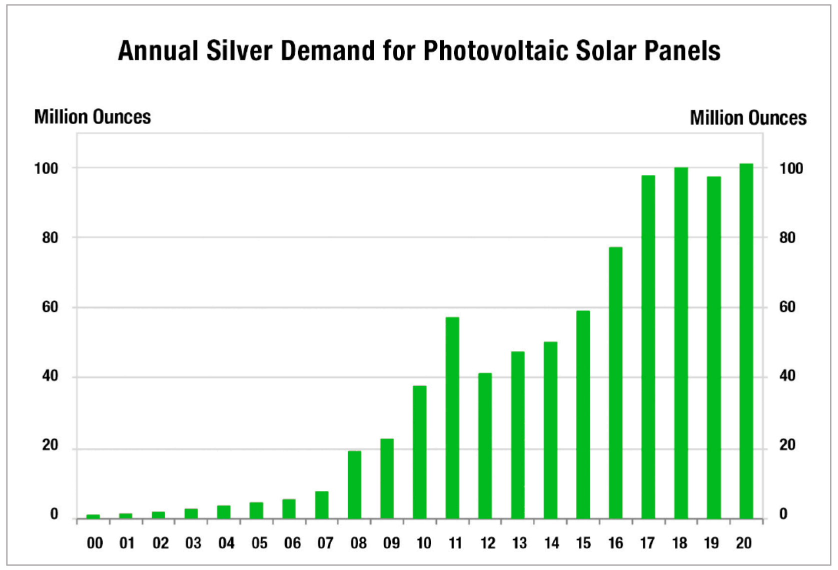
The development of the mine pipeline for primary silver mines also stalled in recent years with weak silver price development, primarily because the silver companies had to deal primarily with getting their cost structure under control. The high silver prices, especially in the years 2010 to 2012, ensured 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.

Recycling share rises marginally from low level

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 182 million ounces by 2020.

Silver supply (blue) and silver demand (gray) (Source: own representation)



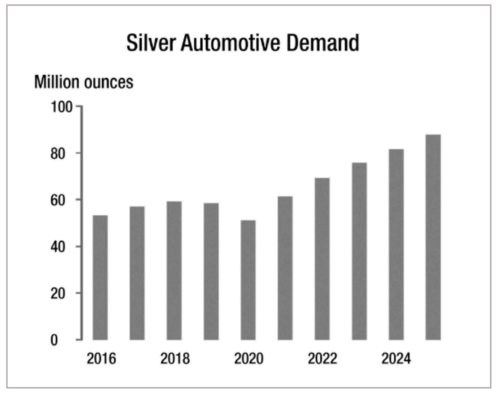


(Source: own representation)

Demand situation

Silver demand collapsed due to Corona – ETPs create „positive bias“

Total silver demand (excluding ETPs) reached a record high of around 1.071.2 billion ounces in 2013 and fell from an extremely high level to around 995.4 million ounces by 2019. In 2020, a collapse of nearly 100 million ounces to 896.1 million ounces occurred due to Corona. However, if the net inflows into the global silver ETPs (exchange-traded product), which are physically backed, are included, the picture is completely different (see below for explanation).



(Source: own representation)

Demand from jewelry sector and industry down

The jewelry sector recorded the sharpest drop in demand in 2020, with a decline of over 50 million ounces or 26% compared with 2019. Silverware even slumped by almost half. In the industrial sector, the decline in demand was still quite moderate at 5% to 487 million ounces, mainly due to the photovoltaics sector (see below). By contrast, demand from the photography sector was 16% lower than in 2019.

Photovoltaic and automotive sectors record rapid growth in demand

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 area even in the crisis year 2020 compared with the previous year. Several nations, primarily the USA as part of its „Green New Deal“ and China, want to greatly expand the share of photovoltaic capacity. Experts expect that demand from the photovoltaic sector could increase to as much as 140 million ounces per year by 2023. The decisive factor, however, is the fact that more and more silver will be bound in corresponding solar modules for at least 20 years!

The automotive sector is also likely to provide further impetus. Silver is increasingly used in a wide range of electronic components, the sheer number of which is increasing sharply in electric vehicles – compared to vehicles with internal combustion engines. In addition, silver is considered an important conductor in battery packs and solar panels for car roofs. 50 million ounces were demanded by the automotive sector alone in 2019. In 2010, it was 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 over 80 million ounces per year. The development of a new type of battery based on zinc and silver should also be interesting.

Demand for physical silver continues to rise – inflows into silver ETPs explode!

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 15 million to 200.5 million ounces from 2019 to 2020.
Global silver ETPs, which saw outflows of 21.4 million ounces in 2018, already saw net inflows of 83.3 million ounces in 2019. In 2020, net inflows really exploded to 331.1 million ounces.

Summary: Supply deficit will continue and lift silver to new price levels

For years, there was an oversupply in the silver sector, which – thanks to increased inflows into silver-backed silver ETPs – turned again into a full supply deficit of 60 million ounces from 2019. In 2020, including ETPs, a supply deficit of 251 million ounces was even recorded. All in all, global silver demand is expected to rise again in the coming years. In addition to expected ETP inflows and physical demand at a high level, demand from the medical/pharmaceutical, automotive and photovoltaic sectors in particular is expected to increase, in some cases dramatically.
On the supply side, most primary silver producers have concentrated on reducing mining prices in recent years due to a persistent slump in silver prices. Particular savings were made in exploration, which led to the fact that virtually no major deposits were discovered in recent years. Price weaknesses for several base metals also meant that the development of mines that produce silver as a by-product was postponed for the time being. The Silver Institute assumes a supply deficit of up to 126.7 million ounces of silver for 2021 including ETPs.
It is precisely its hybrid function that should drive silver to new price levels in the post-Corona period. 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, however, 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.

The best precious metal stocks promise multiplication potential!

On the other hand, the corresponding stocks are still strongly undervalued compared to the major (standard) indices. We have taken this as an opportunity to present some promising precious metal companies to you in the following. We focus mainly on development companies with extremely promising projects and on already producing mining companies with established and profitable deposits.

(Source: american-public-power-association, unsplash)

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
Currency: CHF/ Euro*
Certificate fee: 0.95 % p.a.
Performance fee: 15 % p.a.

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

Currently the following titles are represented in the SRC Mining & Special Situations Certificate (5/2021): ENDEAVOUR SILVER CORP. | MAPLE GOLD MINES LTD | FREE MCMORAN COP | COPPER MOUNTAIN MINING CORP. | MAG SILVER CORP. | SKEENA RES LTD NEW | URANIUM ENERGY CORP. | FRANCO NEVADA | SIBANYE STILLWATER LTD. | RIO TINTO | R.DUTCH SHELL B | AGNICO EAGLE | BHP BILLITON | ISOENERGY LTD. O.N. | FIORE GOLD LTD | ANGLO AMERICAN | VIZSLA SILVER CORP. | OSISKO GOLD ROYALT. | KARORA RES INC. | OCEANAGOLD CORP. | TOTAL FINA ELF SA B EO 10 | MILLENN.LITHIUM CORP. | KUYA SILVER CORP. | CHEVRON | TRILLIUM GOLD MINES INC. | CALEDONIA MINING O.N. | ENWAVE | GOLDMINING INC. | CANADA NICKEL CO. INC. | FURY GOLD MINES LTD. | NEWMONT CORP. DL 1,60 | AURANIA RES CAD R.S. | KORE MINING LTD. | BLUESTONE RESOURCES | VICTORIA GOLD CORP. | GOLD TERRA RESOURCES | HANNAN METALS LTD | BARRICK GOLD CORP. | ADVENTUS MNG CORP. | MAWSON GOLD LTD | OSISKO METALS INC. O.N.

Interview with Prof. Dr. Torsten Dennin – Founder and CEO of Lynkeus Capital LLC

Prof. Dr. Dennin, precious metals are in demand again and seem to be coming back into long-term trend. And silver in particular has recently outperformed strongly. What is behind this?

In March 2020, silver briefly fell below US$12, its lowest price since the global financial and economic crisis of 2008. The gold/silver ratio, which indicates the attractiveness of gold versus silver, swung lower than at any time in the past 50 years. It was a painful moment for the silver industry, which always seemed to be overshadowed by gold. Gold subsequently rose above US$2,100 per troy ounce for the first time in August 2020. Measured from the March 2020 low, silver more than doubled, testing the US$30 level twice.

Since then, however, both precious metals have been in a consolidation phase. There is much to suggest that this is a case of „catching one's breath" before a further rise. Because rarely the environment for precious metals and the shares of gold and silver mines looked so good as today!

In detail, the framework conditions remind of the last great cycle in the 1970s. The U.S. fired up the printing press to finance the war in Vietnam and at the same time buried the monetary system in its hitherto known form, at the core of which the world's reserve currency, the U.S. dollar, was backed by gold. Economic growth fell short of potential growth, and eventually the price level rose as well – stagflation ensued. As a result, gold and silver became massively more expensive.

Today, all states are turning on the virtual printing press in the fight against Corona. Our monetary and financial system, which has been tried and tested for 50 years, is reaching its limits. And despite years of quantitative easing by central banks, economic growth in Europe and the U.S. has lagged behind its long-term trend. If the development of the economic framework data follows a similar path today, then the prices of gold and silver will develop very favorably in the coming years. Perhaps we are indeed only at the beginning of a Golden Decade for precious metals, the silver lining of which is just beginning to appear on the horizon.

Did the Corona crisis with all its side effects give the precious metals sector an additional boost?

In my opinion, this connection is misrepresented in many media: Neither do fears of a virus cause the prices of gold and silver to rise, nor will the value of precious metals collapse after widespread vaccinations.

Rather, the connection is fundamental: the government's economic policy response to Corona and Lockdown is an orgy of debt on an unprecedented scale. To keep this from wreaking havoc on our monetary and financial system, interest rates must remain low for the foreseeable future.

Low interest rates, a large expansion of money supply, and an erosion of confidence, in the long-term sustainability of government debt is the push that has awakened precious metals from their slumber. If inflationary tendencies are now added to the mix, we are in for the perfect storm for precious metals like gold and silver. This is because precious metals have proven to be reliable and stable in value over long periods of time.

In your view, how will precious metals, and silver in particular, fare in 2021/2022? What price levels can investors expect in the coming 12 to 18 months?

An investment in gold has never seemed as attractive as it does today: low interest rates, a printing press running at high pressure, rising inflation and a growing mountain of debt are making more and more people think of gold as a safety anchor. American investment banks are among the most aggressive

Dr. Torsten Dennin has over 15 years of professional investment experience. He is head of asset management at Asset Management Switzerland AG and founder and managing director of Lynkeus Capital, a Swiss investment company specialising in commodities.
Dr. Dennin is Professor of Economics at EBC University, Düsseldorf, and a full member of the Berlin Institute of Finance, Innovation and Digitalization. He also lectures regularly at the Dualen-Hochschule Baden-Württemberg (DHBW) in Germany. He is the author of the books "Secured Commodity Forward Contracts in Asset Management", "Lukrative Rohstoffmärkte – Ein Blick hinter die Kulissen" and "Afrika – Kontinent der Chancen" as well as numerous other publications in professional journals. His new book, "From Tulips to Bitcoins" is already after a few weeks an Amazon bestseller in Germany and the USA in the categories financial market, commodities and digital currencies.

Silver price US$/ounce from 1991 to May 2021 (Source: own representation)

in their price forecasts. A price target of US$3,000 was written on its banners by Bank of America, and the consensus estimate of most financial institutions is between US$1,900 and US$2,300 for the next few months. The fundamental conditions are right, and technically the gold price has broken out to the upside, so that new highs are within reach.

Quite different is the silver price, which has been outperforming gold for only a few months: At a current price of US$27, there is still plenty of room to reach the US$50 mark, which was reached in February 1980 and in April 2011. Adjusted for inflation, the old high in 1980 corresponds to a current price of around US$120 per troy ounce of silver – and there is nothing to prevent silver, like gold, from rising to new highs.

Compared to gold, this is a very large catch-up potential.

Time and again, fears of a gold ban arise among precious metals investors. How realistic do you think such a scenario is? Would this also affect silver? And how should one protect oneself against it?

Most investors probably consider a ban on gold ownership to be completely unlikely, but this overlooks the fact that in Germany private ownership of precious metals was subject to repeated bans and restrictions between 1923 and 1955. In the world's most important economy, the U.S., a ban on private gold ownership even lasted from 1933 until the end of 1974, when, with the onset of the Great Depression, the state forced its citizens to hand over their gold to the central bank at a fixed exchange rate. And here lies the common root: a ban on gold ownership is usually imposed by governments when states find themselves in a currency crisis. Like Turkey, which recently banned its citizens from using Bitcoins to make payments because of it.

And we are also not far away from a monetary crisis due to the immense distortions of the Corona crisis.

One glimmer of hope is that gold bans have never been particularly effective, because unlike other valuables, gold could be easily hidden and kept out of the reach of the state. Even if the probability of another gold ban is low, it cannot be ruled out. Investors who want to play it safe should consider buying shares in gold and silver mines. After all, to

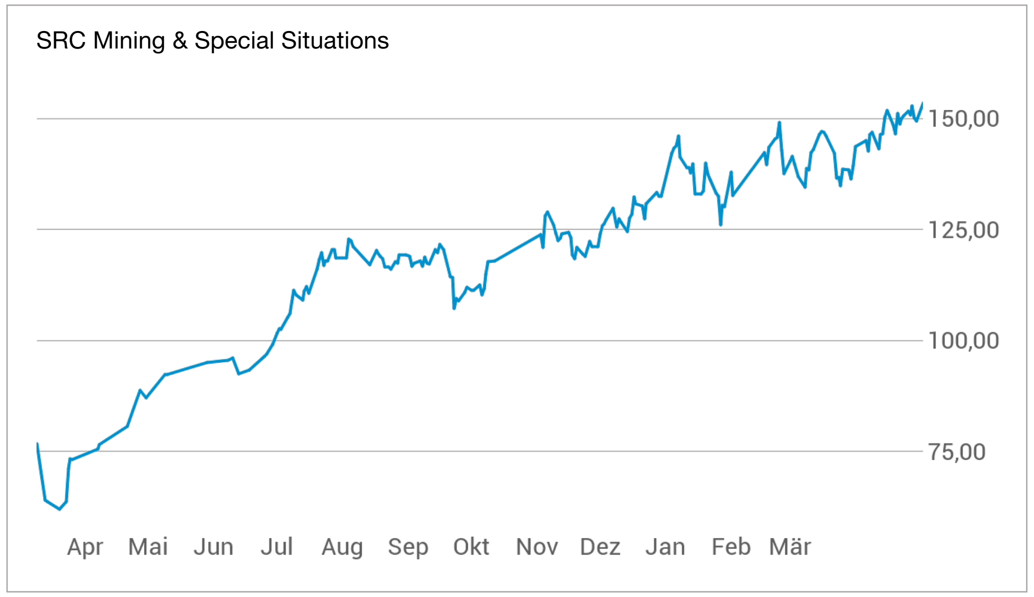
ban private share ownership would be tantamount to abolishing capitalism and the market economy. Especially since the sector received a knighthood in August 2020 when value legend and star investor Warren Buffet took a stake in Barrick Gold. Because at current gold and silver prices of around 1,800 and 27 U.S. dollars, respectively, the operators of gold and silver mines promise record profits.

In addition to your role as head of asset management at Asset Management Switzerland AG, you are also a professor of economics and active at the Berlin Institute of Finance, Innovation and Digitalization. How do you reconcile these tasks, and what do you do better than your competitors?

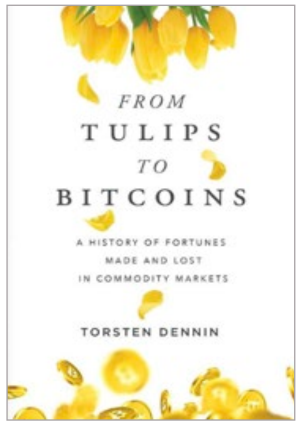
As a bank-independent financial services provider, Asset Management Switzerland AG specializes in business with high-net-worth private and corporate clients. As an asset manager, it is sometimes important to swim against the tide in order to protect clients' assets. For example, we use capital-preserving real asset strategies as well as innovative savings plans on precious metals such as gold and silver, and also on cryptocurrencies. Research and teaching at the university and collaboration on projects of the Berlin Institute of Finance, Innovation and Digitalization regularly shows us new impulses. Examples are in the area of sustainability, which is also becoming an increasingly important topic for precious metals, and new technologies such as blockchain and cryptography. This interaction between theory and practice is a success factor for our customers.

Our partners in alternative investment opportunities such as Lynkeus Capital, Swiss Resource Capital and Angelmountain Global Wealth also benefit from this.

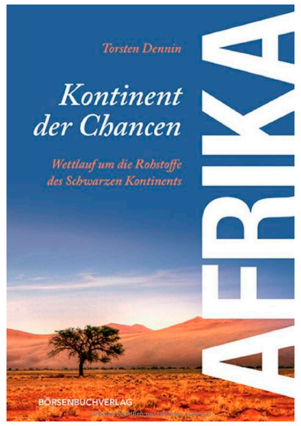
Example: In the current positive market environment for precious metals, silver is showing relative strength, outperforming gold. This is particularly beneficial for silver mining stocks, as rising prices are often reflected as a „multiplier" in the company's earnings and value. With the SRC Mining & Special Situations Certificate, we have launched an investment product that focuses on gold and silver mines. With a performance of +68% since inception in September 2019 a super timing! The Angelmountain Precious Metals Fund is



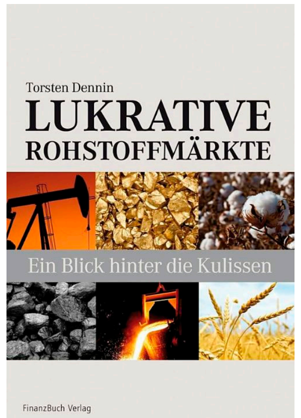
Since issuance in March 2020, the SRC Mining & Special Situations Certificate can show a performance of +68%. (Source: own representation)



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



Torsten Dennin
Afrika – Kontinent der Chancen
Börsenbuchverlag, April 2013



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

even more focused on silver exploration and production. A key success factor here is regular interaction with the management of each of our portfolio companies.

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?

In „Afrika. Kontinent der Chancen" I highlight the attractive development opportunities of commodity projects in gold, silver and gemstones, among others. Africa is a continent that is still left out by most investors – wrongly! Take a look at the development of Lagos, for example: With almost 15 million inhabitants, this city in Nigeria is the second largest agglomeration on the African continent. Since the 1970s, this city alone has exploded by a factor of 10!

„Lukrative Rohstoffmärkte" on the other hand, focuses entirely on commodities – crude oil, natural gas, copper, gold and silver: all fascinating markets with their own dynamics.

In summary, what excites me about the commodity markets are the individual stories and the tangibility. You can touch a ton of copper, just like you can touch a barrel of crude oil or a gold bar. Because in the current capital market environment, tangible assets such as commodities and especially precious metals like gold and silver are playing an increasingly important role.

Your current book „From Tulips to Bitcoins" is an international bestseller. What can precious metals investors in particular take away from it?

I'm delighted that „From Tulips to Bitcoins" has been so well received and has now been translated into six languages. The unifying theme is market speculation and financial bubbles: The tulip mania in Holland in the 17th century was considered the biggest bubble in financial markets for almost 400 years, until the Bitcoin bubble burst in 2017/2018.

In Chapter 13, I describe the Hunt brothers' silver speculation in the late 1970s, the largest speculative bubble in the silver market. 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 silver speculation continues to reverberate to this day.

The systematics of most bubbles is always the same. The formation of financial bubbles on the capital markets is part of our free-market economic system, and when a bubble bursts, it becomes very uncomfortable on the financial markets. Currently, we are living in a debt bubble, fed by the money creation of central banks to finance government Corona bailouts. Precious metals like gold and silver have a long tradition as crisis currency and can help to secure assets even in uncertain times.

Precious metals remain indispensable for storing value – Expert interview with Christian Brenner, Managing Director philoro EDELMETALLE GmbH, Germany

Precious metals performed very well in 2020, almost without exception. In your opinion, what was the main reason for this?

Due to the current circumstances, many people have rightly become very cautious and would like to invest their liquid, partly interest-free bank savings in safe assets. In addition, some market participants expect a higher inflation rate in the near future. Some forecasts even talk about the likelihood of hyperinflation, because the market is being „flooded" with liquidity without precedent, especially by the Western national banks. And gold, as we know, is a perfectly sensible inflation hedge.
In my opinion, the good performance of other precious metals is mainly due to a global increase in demand for electronic devices (crypto-currencies, digitalization, electric vehicles, etc.). I expect this trend to continue for a while.

For 2020, but also into 2021, many bullion dealers, but also mints, repeatedly reported delivery bottlenecks or were unable to serve customer requests at all. What was the situation like at philoro EDELMETALLE during this period?

The philoro group is one of the leading precious metal dealers in Western Europe. Accordingly, we have very good contacts with the mints and also with other wholesalers around the world. With the advent of the Corona crisis in the spring of 2020, some dealers were unable to deliver. We, on the other hand, were able to serve all customer orders, thanks to our good network.
We are constantly in contact with the mints so that we can see a bottleneck in time and act accordingly. Recently, however, it happens that there is always a „run" in a metal, and thus the productions are quickly busy. Consequently, there may be delays in delivery, but both we and the mints and bullion dealers, try to keep delivery times as short as possible for our customers and offer alternatives.

The (apparent) shortage in physical precious metals as well as emerging pressure „from the street" in the form of initiatives such as Wall Street Silver, an offshoot of Wallstreetbets – a large group of small investors that at the beginning of the year put several hedge funds in trouble, which acted too much on the short side in several stocks – seem to have a lasting impact on the physical precious metals market. What is your view on such initiatives, and do you think that the COMEX futures system could be shaken by this, if (too) many physical deliveries are called for, but at the same time the precious metal warehouses are empty?

Hedge funds very often work with statistical probabilities. If there is a 95% probability that a stock cannot mathematically rise by an amount „X" in the next few weeks, then some hedge funds sell this stock short. Often this calculation works out, but if a group opposes these short sales, exactly the 5% residual risk occurs and the hedge fund has to buy in, which in turn can fuel a price. Such „manipulations" can work with individual stocks, but it becomes difficult with precious metals. Here, there are significantly more players in the market, who quickly exploit distortions or discrepancies. Also, short and fast price increases are immediately used by mine operators to fix profits.
The COMEX futures system is a system that is also used by other clearing houses. The Chicago Board of Trade (CboT) or the London Metal Exchange (LME) calculate the risk positions similarly, so that this margin system, despite disruptions (crop failures, oil shortages, wars, etc.) has already proven itself for almost a century.
Last year, the first and third quarters in particular saw more exchange deliveries (averaging just over 5,000 contracts) due to the Corona uncertainty and the measures taken. However, a look at the past shows that especially between the years 2003 and 2006, significantly more contracts were registered for delivery (on average well over 5,000 contracts and also over 10,000 contracts). Of

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.

course, a short-term peak in demand can rattle the system, but as long as the material is available, production will take place and demand will be met, albeit with delayed delivery.

A few years ago, there was always the theory that large quantities of physical gold were being transferred from the West to the East, i.e., to China, especially via Switzerland. Can you confirm this?

Switzerland has long been active as a global „gold hub“. This is due not least to the political stability and investor-friendly attitude of the government.
It is true that since the opening of the precious metals market to a larger number of market participants in China in 2010, the demand for physical precious metals has increased markedly. This is mainly due to rising incomes in China. Another reason for the increasing demand is that compared to the West, there is a lack of investment alternatives. Again, this trend is expected to continue for at least a few more years. Since the financial crisis in 2008, many eastern national banks have decided to switch from the seller to the buyer side. In concrete terms, this means that they are withdrawing more gold from the market than they are adding to it. This can be seen not only in China, but also in Russia and India, two other important markets.

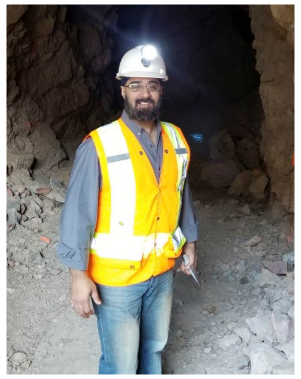
What advice would you currently give to investors interested in precious metal investments? Is there a secret recipe for asset protection in times of negative interest rates and the threat of inflation?

History has shown that gold is ideally suited as a protection against inflation because it has been able to retain its intrinsic exchange value for thousands of years. More than 2000 years ago, for example in the Roman Empire, you could buy a high-quality tunic with about 20 grams of gold (at that time the unit of weight gram did not yet exist). Today, for example, you can get a high-quality suit for it.
As a long-term precious metals investor, I think it is therefore important not to waste too much thought on short-term price movements that reflect the current perception of market participants. The long-term upward trend seems more intact than ever. Due to this, the price paid, for long-term investors, is secondary, because it can be assumed that at the end of this decade, the price of gold will be higher.

My tip to precious metal investors: invest at least 20% of your assets in precious metals. Try to buy the metals in tranches. This has the consequence that you can already profit from a rise in prices. If, on the other hand, the price falls in the short term, the long-term investor can buy more and thus push the effective cost price down. A diversification (e.g., one part silver, one part gold) is also quite reasonable here. Finally, as already mentioned, the price paid is secondary, since it can be assumed anyway that the price will develop as in the last millennia.

Discovery Silver

One of the world's largest silver deposits and star investor Sprott on board



Taj Singh, CEO

Discovery Silver is a Canadian mining development company focused on silver and silver-zinc-lead projects in northern Mexico with one of the largest undeveloped silver deposits in the world. The company has proven a silver resource of 595 million ounces within a few years at the flagship Cordero project alone, as well as significant gold, zinc and lead resources as by-products. In total, Discovery Silver's resource base is over 1.5 billion silver equivalent ounces!

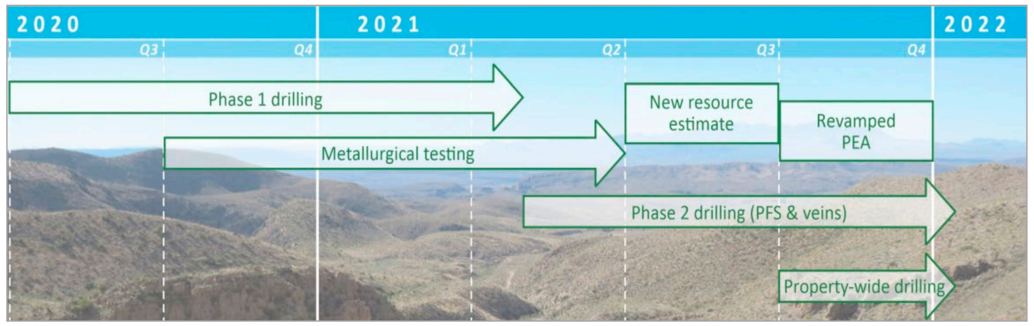
Cordero Silver Project – Resource

The Cordero Silver Project is located on the eastern edge of the Sierra Madre Occidental Mountains within the northern extent of the Central Mexican Silver Belt. The project is also located in one of Mexico's leading porphyry and carbonate replacement deposit districts and is similar to well-known nearby precious metals mines (e.g., Newmont Goldcorp Corporation's Peñasquito Mine) and projects (e.g., Orla Mining Ltd.'s Camino Rojo Project). There are currently six regional targets outside of the Cordero deposit that require follow-up work and drill testing.
Historic mines and workings at Cordero date back to the 17th century. There are approximately 40 shallow vertical shafts with associated open entrances at Cordero, generally developing outcrops, narrow (1-2 meters), high-grade silver, zinc, lead and gold veins, and high-grade skarn mineralization. The La Luz mine was the largest mine and active in the 1940s. Remains of a small six-cell flotation mill built by ASARCO are still at the La Luz Mine.
The bulk tonnage potential of the Cordero deposit was first recognized in 2009 by Levon Resources Ltd, which Discovery acquired in August 2019, and tested. The resource estimate for the project, captures a massive inventory of silver-zinc-lead-gold, making it one of the largest undeveloped silver deposits in the world, providing exceptional leverage in a rising silver market.

The most recent resource estimate to date, dated March 2018 and compliant with the Canadian Resource Calculation Standard NI 43-101, indicates 407.8 million ounces of silver, 1.27 million ounces of gold, 3.77 billion pounds of lead and 8.03 billion pounds of zinc in the indicated category at a cut-off grade of 15 grams silver equivalent (silver plus by-products) per tonne rock (g/t). Further, in the inferred category, this shows 187.5 million ounces of silver, 363,000 ounces of gold, 1.86 billion pounds of lead and 4.66 billion pounds of zinc. In total, this adds up to over 1.5 billion ounces of silver equivalent. A cut-off grade of 10g/t silver equivalent yields even higher resource numbers, however, a higher cut-off grade is calculated for the current preliminary economic assessment.
Cordero has all the attributes of a quality project: grade, size, significant organic growth opportunities and a good location in the mining-friendly state of Chihuahua on a prolific silver belt.
Since the acquisition of Cordero in August 2019, Discovery's focus has been on exploiting the underexplored high-grade zones within the larger mineralized system with the goal of defining a high-margin project of scale. Aggressive drilling to date has outlined a high-grade core with large tonnages flanked by high-grade veins with a strike extent of more than 5 kilometers.

Cordero Silver Project – A New Higher Value Approach

Within the Cordero drill database, there are several hundred individual intervals with silver equivalent values greater than 500g/t and over 1,400 individual intervals with silver equivalent values greater than 200g/t. These include 2 meters of 3,878g/t silver equivalent, 6 meters of 2,887g/t silver equivalent, 2 meters of 2,779g/t silver equivalent, 2 meters of 2,311g/t silver equivalent and 4 meters of 2,002g/t silver equivalent.



2021 Objectives (Source: Discovery Silver)

In addition, Cordero has high grade bulk tonnage potential as evidenced by intercepts such as 56 meters of 292g/t silver equivalent, 48 meters of 562g/t silver equivalent, 40 meters of 398g/t silver equivalent and 36 meters of 700g/t silver equivalent.

Cordero Silver Project – Exploration Successes in 2020 and 2021 and Upcoming Exploration Plans/Catalysts

Despite the already huge resource, Cordero has further resource potential that is currently being further explored. The fact that the current resource is not yet fully delineated to the south, north, northwest and at depth has prompted Discovery Silver to begin further exploration campaigns. This has led to several spectacular drill results announced by the company in 2020 and 2021. These include a 34.7-meter intercept averaging 617g/t silver equivalent, including 3.7 meters averaging a whopping 2,524g/t silver equivalent. In addition, 2,153g/t silver equivalent over 1 metre, 1,907g/t silver equivalent over 1.4 metres, 2,007g/t silver equivalent over 1.9 metres and 2,290g/t silver equivalent over 1.3 metres and 1,605g/t silver equivalent over 2.9 metres were achieved. In addition, much thicker silver mineralization was intersected. These include 105.9 meters of 188g/t silver equivalent, 62.8 meters of 217g/t silver equivalent, 402 meters of 134g/t silver equivalent, including 112 meters of 247g/t silver equivalent, 139 meters of 138g/t silver equivalent and 128 meters of 165g/t silver equivalent.

The Company's current Phase 1 drill program at Cordero, which is expected to be completed by Q2 2021, includes 55,000 meters of drilling. The program is focused on defining and delineating the particularly high-grade zones and upgrading the majority of the existing resource to Measured & Indicated, as well as publishing a robust PEA. The updated resource model, scheduled for completion in the second half of 2021, will incorporate geology and structure for the first time and include more than 180,000 drill meters and 350 drill holes. This will also include the publication of a reserve estimate for the first time, which in turn will form the basis for a subsequent pre-feasibility study.
In total, Discovery Silver plans to spend CA$26 million in 2021.

Three advanced projects in the contiguous state of Coahuila

In addition to the flagship Cordero project, Discovery Silver owns a 150,000-hectare land package in a large and historic mining district in Coahuila State, Mexico. The portfolio of three large, drill-ready projects and a variety of early-stage opportunities, all with shallow, high-grade silver-zinc-lead mineralization, is located in a world-class CRD belt extending from southeastern Arizona to central Mexico. The land holdings contain hundreds of historic pits with several kilometers of underground development, with no modern exploratory drilling ever conducted on the properties before Discovery Silver acquired them.

Recent sampling confirmed that these projects may be very high-grade projects with extensive mineralization at or near surface. For example, underground sampling at the Minerva project found grades of up to 8,880g/t silver, up to 37.8% zinc, up to 43.2% lead and up to 2.3% copper, and nearly 100 other channels with grades above 400g/t silver equivalent. At the Monclova project in 2019, up to 2,645g/t silver equivalent was found directly at surface, and there were many channel samples of 500-1,000g/t silver equivalent. In the Puerto Rico project area, a historic mining area that produced more than 1 million tonnes of ore at an average grade of 40% zinc (+200-400g/t silver), more than 8 kilometers of untested strike length was identified and mapped. Drilling has never been conducted on any of these projects.

Solid liquidity position – investor legend Eric Sprott on board

Since the beginning of 2020, Discovery Silver has been able to finance CA$60 million, through share issues. Investor legend Eric Sprott, who is the largest single shareholder (27% of all outstanding shares), contributed CA$25 million alone. In addition, founders and management hold about 11% of all shares, institutional investors about 28%.

Summary: One of the world's largest silver deposits offers huge leverage

Discovery Silver has one of the world's largest non-producing silver deposits. Especially for investors expecting a rising silver price, the share seems to be very interesting, because an increase in the silver price for Discovery Silver by only 1 US dollar means a change in value of the silver by about 600 million US dollars. Therefore, the leverage of Discovery Silver is huge, and the project offers much more opportunities and potential for resource expansion. Discovery Silver shares offer a very good risk-reward ratio, especially for investors who expect a significantly higher silver price in the medium term. In addition, upcoming drill results should provide a steady stream of positive news. In particular, a new resource estimate and a new PEA focused on smaller initial production, but also much lower capital costs.

Exclusive interview with Taj Singh, President & CEO of Discovery Silver

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

The past 12 months have been very busy and very successful for Discovery. We continued our aggressive Phase 1 drill program at our flagship Cordero project. The program started in Q4 2019, when we acquired the property, and to-date we have drilled over 70,000 m. During that time, we had consistently delivered very impressive results that demonstrate the excellent high-margin potential that exists within the giant mineralized footprint at Cordero.

Over the past year we also raised over $90 million from financings and warrant exercises, giving us one of the best cash positions of any explorer / developer in the industry. Our very strong current cash balance (~$95 million) gives us the ability to accelerate our Cordero work program towards a construction decision and also have a significant portion of the equity capital needed for Cordero's construction down the road.

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

Discoverysilver

Over the coming months we will be busy compiling the Phase 1 drill data alongside our updated geological and structural models to produce a brand-new resource estimate in 3Q 2021. This resource model, along with the results from our detailed metallurgical testwork program that is ongoing, will form the basis for a revamped preliminary economic assessment ("PEA") to be completed in 4Q 2021. Our objective with the PEA is to deliver a technically robust study that demonstrates Cordero is one of the few deposits in the silver space that offers the combination of margin, size and scaleability.
While we are working on these major de-risking milestones, we will remain focused on continuing to add value through our Phase 2 drill program. Our Phase 2 program will immediately follow our Phase 1 program with the four drill rigs currently operating on site continuing uninterrupted. Phase 2 drilling will be focused on three key areas:

(1) upgrading inferred resources to indicated for inclusion in a prefeasibility study on Cordero;
(2) resource expansion of bulk-tonnage mineralization; and
(3) testing of the width, grade and continuity of extensive high-grade vein systems that transect the deposit (new exploration potential).

How do you see the current situation on the market for precious metals?

It really does seem like the precious metals bull run has hit a „pause" since early Q4 2020, but we think it is only just that – a pause. In the past few weeks, it really does feel like we are turning the corner and the bull market is set to move up strongly again. It should be noted though that silver has done well compared to gold in holding its price up and that is in part due to its use as an industrial metal. Silver's industrial usage is expected to rise in the coming years especially because of its significant use in electric vehicles, solar panels and 5G/6G networks. The forecasted shortage of silver at the end of this decade is around 250 million ounces which is over 25% of the total global mine supply – even before you consider investment demand increases.
On top of the increasing industrial demand, when you add in the potential investment demand increase in silver, the results could be startling. In terms of the investment side, the silver market is 1/10th the size of the gold market so, as is well-known, when gold moves silver moves much stronger. This was evident in 2020 where silver's returns significantly outperformed gold, and many think it's just the beginning.

ISIN: CA25471U1003
WKN: A2DW38
FRA: 1CU0
TSX-V: DSV

Shares outstanding: 323.0 million
Options: 19.0 million
Warrants: 34.0 million
Fully diluted: 376.0 million

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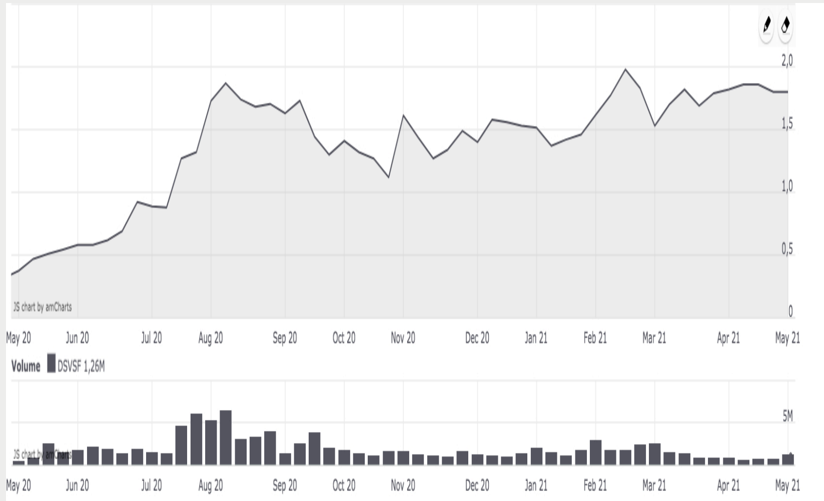
Discovery Silver Corp.



Eloro Resources
Potential monster resource in sight!

Tom Larsen, CEO

Eloro Resources is a Canadian mining development company with multiple, potentially high-caliber silver, gold and base metal projects in Bolivia, Peru and Quebec. The main focus is on the promising metals silver and tin, which are poised for a boom, mainly from the electric revolution and increasing de-carbonization. The two main projects are considered to be highly underexplored, but hold a high resource potential, as recent drilling has impressively shown.

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 Potosi, 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 Potosi. 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 – Historical Exploration Activities

The exploration history of Iska Iska dates back to colonial times when silver and gold veins were mined on a small scale. In the mid-1960s, a tin deposit south of Iska Iska was mined. In the 1990s, this tin property south of Iska Iska was explored by the Bolivian company COMSUR, which carried out a 2,000 meter prospecting program. In 2012, the Villegas family took control of Iska Iska and continued prospecting. It turned out to be a polymetallic (gold, silver, zinc, lead) mineralized area within the old Spanish workings. In 2016, the Villegas family hired Dr. Osvaldo Arce, P.S., president of the Bolivian Geological Society and a highly respected Bolivian geologist. The latter produced a comprehensive textbook on Bolivia's metalliferous ore deposits. On January 9, 2020, Eloro Resources Ltd. signed the definitive option agreement to acquire Iska Iska.

Flagship Project Iska Iska – Geology, Own Exploration Activities and First Hits

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 resulted in the discovery of the Huayra Kasa Breccia Pipe in November 2020. In addition, another hole drilled at a -10 degree angle to the southwest of the Huayra Kasa adit discovered nearly 180 meters of silicified and mineralized breccia, with the hole terminating in well-mineralized breccia. Sampling at the northwest end of the Santa Barbara breccia vent returned 0.32g/t gold, 26.90g/t silver, 1.16% lead, 28.5g/t indium and >500 ppm tin.

Additional drilling 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 with diameters of several hundred meters. Drilling has confirmed a diameter of 400 meters for the Santa Barbara vent, with a further mineralized envelope of 100 meters around the pipe for an effective mineralized diameter of 600 meters. The adjacent Central Breccia vent 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 full 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 scored a real bull's eye in April 2021 when they announced a whopping 166 meters of 442g/t silver equivalent including 56.2 meters of 1,092g/t silver equivalent.

Flagship project Iska Iska – upcoming catalysts

Currently, Eloro Resources is working on deeper 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. Preliminary metallurgical testing will begin shortly. The ultimate goal is to outline a large resource in the Santa Barbara and Central breccia pipes. Eloro Resources is advancing an aggressive drilling program in this effort.

Flagship Project Iska Iska – Expansion

In October 2020, Eloro Resources acquired nine additional mining claims, totaling 311.75 square kilometers. These are located on so-called Aster anomalies with a similar 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 Resources' 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 600 meters. Significant drill results included 7.31g/t gold over 3.4 metres, 4.31g/t 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, a target area of over 4 kilometers strike length and at least 1 kilometer wide was demonstrated in the San Markito area. The best values from surface trenching were 8.91g/t gold over 0.5 meters and 3.90g/t gold over 1.53 meters.

La Victoria gold-silver project – upcoming catalysts

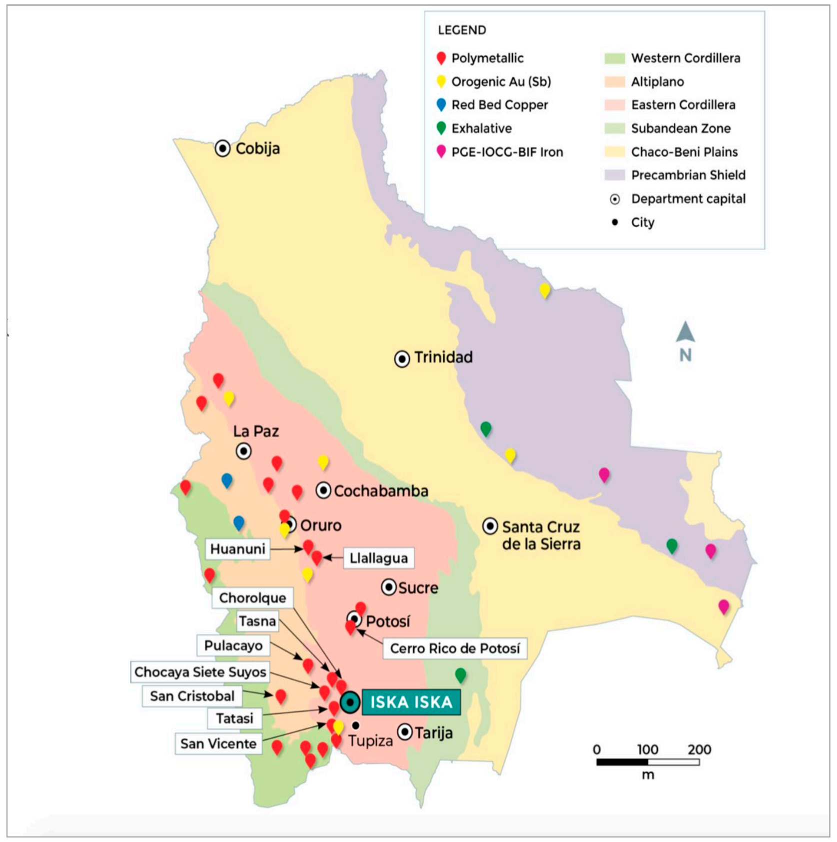
Eloro Resources plans to conduct a 2,000 meter diamond drill program in 2021 for La Victoria to test targets at San Markito. In parallel, they are working on trenching and sampling to explore an extensive IP chargeability anomaly. Plans are also underway to conduct a preliminary assessment of the Southern Block, which has a similar geological setting to San Markito.

Top management team with two formative heads

Eloro 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, specializing 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 took on role as the position of President and Chief Executive Officer of Champion Iron Limited, a position he assumed following the completion of the merger between Australian-based Mamba Minerals Ltd. and TSX-listed Champion Iron Mines Limited.

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. (Source: Eloro Resources)



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 campaign delivers first bull's eye and more results coming soon

Mineralization at Iska Iska indicates a massive porphyry-epithermal system. The central vent has a strong tin porphyry affinity and probably overlies a large tin-gold-silver porphyry at 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, but lacks the large and notable mineralized breccia pipes of Iska Iska, which run nearly a kilometer vertically, providing significant room for a substantial deposit. Eloro Resources is advancing an aggressive drilling program in this regard. With a well oversubscribed CA$25 million financing, exploration work is assured for months to come and investors can look forward to results from the drilling campaign.

Exclusive interview with Tom Larsen, CEO of Eloro Resources

TSX-V **ELO**
OTCQX **ELRRF**
FSE **P2QM**

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

In a little over a year, the management team at Eloro has successfully taken a prospective mineral property having never been drilled in the highly prospective Potosi region of Bolivia and with a maiden drill campaign, discovered an extensive porphyry-epithermal deposit complex with multiple breccia pipes. The ISKA ISKA deposit is polymetallic and by its nature, provides exposure to multiple metals including silver, tin, gold, zinc, lead, bismuth and indium.
After the completion of two successful bought deal equity raises, the company is fully financed for a significant 51,000 metre drill program to further define the vast underlying potential of this property.
On the back of our success to date, Eloro has used its exploration expertise to further acquire 9 additional properties in this prolific region of Bolivia.

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

As this successful discovery has been quite expedient in nature, the next 12 months will be primarily focused on defining a resource in our Santa Barbara breccia pipe and in exploring several additional pipes in the land package, namely the Central and Porco targets with the addition of two surface drills added to the program. Detailed metallurgical testing has just started and will be ongoing in these months.

How do you see the current situation on the market for precious metals?

Lately, the pricing momentum in the precious metals area has proved to be a challenge. The near term environment of higher bond yields and a stronger US dollar has lessened investor interest in the sector despite what ultimately will be a supportive long-term investment horizon. Inflationary forces can be seen throughout the economy and excessive government spending all make a case for holding precious metals.
The prospects of 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: 60.2 million
Options: 5.0 million
Warrants: 9.1 million
Fully diluted: 74.3 million

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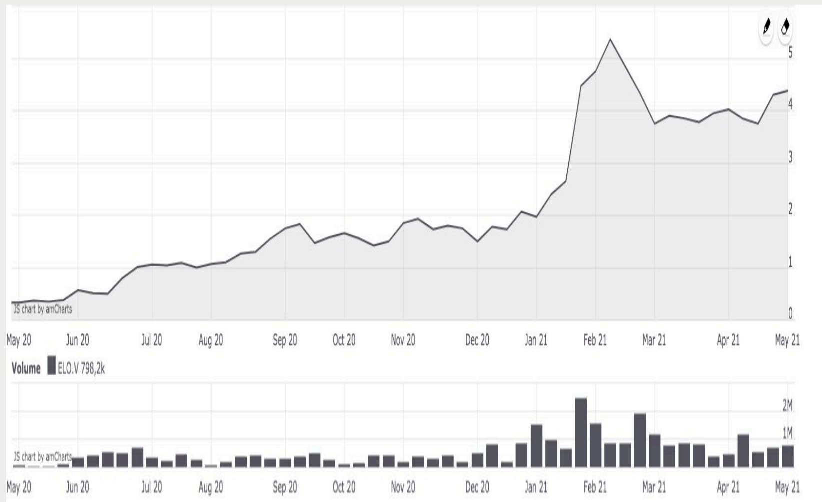
Eloro Resources Ltd.



Endeavour Silver
Profitable production and fourth mine in the pipeline

Bradford Cooke, Executive Chairman

Endeavour Silver is one of North America's largest silver producers with listings in New York, Toronto and Frankfurt. The company could produce a total of about 3.5 million ounces of silver and 37,139 ounces of gold from its Mexican mining assets in 2020. In 2021, the company plans to produce up to 4.3 million ounces of silver and 35,500 ounces of gold. In addition, Endeavour Silver plans to build a fourth (and then largest) mine as soon as financing is secured.

Guanaceví silver mine

Endeavour Silver's first Guanaceví plant, commissioned in 2004, has a processing capacity of 1,200 tonnes per day (tpd) of rock. In total, Endeavour Silver mined 3.07 million ounces of silver and 9,814 ounces of gold there in 2020. 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.
Guanacevi has particularly high-grade areas in the Porvenir Centro, Porvenir Norte and Santa Cruz veins. In the Porvenir Norte area, the company encountered up to 1,831g/t silver equivalent, in the Porvenir Centro area up to 1,181g/t silver equivalent and within the Santa Cruz vein up to 3,903g/t silver equivalent. Most recently, smaller intersections of up to 5,454g/t silver and 13.35g/t gold have been reported.
In July 2019, the Company also announced the acquisition of exploration and exploitation rights to two properties adjacent to the Guanacevi Mine. Both properties cover potential extensions of Endeavour ore bodies. The 15-hectare El Porvenir property is adjacent to the operating Porvenir Norte mine and includes upside extensions to the Porvenir Norte ore body. In November 2019, Endeavour Silver was able to publish the first drill results from El Curso. In doing so, they landed a real bull's eye right away. Among other things, 1,182g/t silver and 3.07g/t gold were detected over 5.1 meters. This also included the highest-grade silver mineralization, which amounted to 5,372g/t silver and 15.22g/t gold over 0.5 meters. 2020 assays included 1,081g/t silver and 3.25g/t gold over 10.0 meters.

Bolañitos silver/gold mine

In 2007, Endeavour Silver put Bolañitos into operation. The processing capacity at Bolañitos is 1,600 tpd. In total, Endeavour Silver mined 353,318 ounces of silver and 18,963 ounces of gold there in 2020. At the end of 2020, reserves were 2.53 million silver equivalent ounces and resources were 11.61 million silver equivalent ounces. In May 2019, Endeavour Silver released spectacular drill results from both the Plateros and San Miguel ore veins. 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.

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 the acquisition of the actual El Compas gold-silver mining operation, it was also possible 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 two El Compas and El Orito veins and over ten additional exploration targets.
In total, Endeavour Silver mined 89,374 ounces of silver and 8,362 ounces of gold there in 2020. 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.
Previous drilling intersected 4.70 meters of 239.55g/t gold and 1,333g/t silver, among others.
To extend the mine life, Endeavour Silver acquired two additional projects with a total area of 227 hectares in the immediate vicinity of the planned El Compas Mine. These host several veins with proven grades of up to 1,300g/t.

Terronera – Reserves/Resources

At the San Sebastian project, acquired in 2010, Endeavour Silver quickly 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. Among other things, sensationally high-grade areas were encountered, such as 1,180 grams of silver equivalent per ton of rock over 1.7 meters, 1,485 grams of silver equivalent per ton of rock over 1.3 meters and 3,335 grams of silver equivalent per ton of rock over 0.2 meters. The highest concentration was a staggering 11,245 grams of silver equivalent per ton of rock! In June 2018, 861g/t of silver equivalent was detected over a 21.2-meter interval. In total, Terronera had 68.81 million silver equivalent ounces of reserves plus 13.56 million silver equivalent ounces of resources at the end of 2020. Further infill drilling has demonstrated grades of up to 18,000 grams silver equivalent per tonne.

Terronera –
Final Prefeasibility Study

In July 2020, Endeavour Silver published a final pre-feasibility study (PFS) for Terronera. This is based on a production capacity of 1,600 tpd. Initial capital costs were estimated at US$99.0 million. The expansions would cost another estimated US$60.0 million over the life of the mine. An average of 5.1 million silver equivalent ounces is expected to be produced annually over the initial 10-year mine life. Based on prices of US$15.97 per ounce of silver and US$1,419 per ounce of gold, an after-tax IRR of a strong 30.0% has been calculated. For a gold price of US$1,800 and a silver price of US$18 per ounce, the after-tax IRR would even be 44.4%.
In September 2020, Wood plc. was commissioned to prepare a feasibility study for Terronera. This should be completed around mid-2021.

Terronera – mine plans

The construction time for the mine could be as little as 12 to 16 months.
Mine construction within 12 to 16 months would be feasible so quickly because Endeavour Silver has an „in-house" design and planning team. This team consists of the same project manager, the same Canadian engineering consultants and the same Mexican construction company that has been used since 2010 for the expansion of Bolañitos and the commissioning of El Cubo, among others.
In June 2019, Endeavour Silver announced that it had received final approval for Terronera. Endeavour Silver plans to make a production decision for Terronera soon, secure financing and begin construction of the facilities. Terronera could go into production in 2022 and become Endeavour Silver's next and largest mine.

Terronera – extension

In November 2020, Endeavour Silver announced the expansion of its Terronera project through the acquisition of two adjacent concession groups, La Sanguijuela and Cerro Gordo, which include multiple mineralized vein structures.
La Sanguijuela covers 2,759 hectares and hosts the Los Cuates vein, among others. This was explored over a length of 1.5 kilometers with thicknesses ranging from 2 to 6 meters, with sampling consistently returning values of 0.5-5.0 grams per tonne gold and 50-300 g/t silver. A few small historic mining operations, shafts and adits have been loca-

ted in the area, however, there has been no modern exploration activity to date.
Cerro Gordo covers 2,200 hectares and hosts two known veins. The El Maguey-El Madrono vein was explored over a length of 1.6 kilometers with a thickness of 2 to 4 meters and has values ranging from 0.6 to 2 g/t gold and 10-30 g/t silver. The Pena Gorda-Canoas vein outcrops over a length of 1.7 kilometers with a thickness of 2 to 5 meters and has values up to 0.5 g/t gold and 40 g/t silver.

Parral Development Project

In 2016, Endeavour Silver acquired the Parral project for just US$6 million in its own shares. There, several large veins are found that extend over a length of eight kilometers and are up to 40 meters thick. Parral had a total of 38.44 million ounces of silver equivalent resources (excluding lead and zinc) at the end of 2019. There is also excellent potential for the discovery of new high-grade resources. In 2017, for example, several high-grade drill results were reported. Among them was a 0.6-meter intercept with a whopping 13,117g/t silver! Another high-grade drill success was reported by Endeavour Silver in May 2018, where up to 1,660g/t silver, 0.72g/t gold, 6.52% lead and 14.45% zinc were encountered over 2.3 meters in the San Patricio mineralization area. In 2019, up to 3,770g/t silver was encountered in the Sierra Plata Mine area.

Expansion of exploration in Zacatecas province

In September 2017, Endeavour Silver announced that it had secured the right to explore for and mine precious metals on Capstone Mining's 181-hectare Toro del Cobre concessions, located above 2,000 meters above sea level. Capstone's concessions are located adjacent to the 75-hectare Calicanto concessions in Zacatecas, Mexico, owned by Endeavour Silver. The company is thus seeking to consolidate another project and make it fit for future production.
Speaking of Calicanto: Endeavour Silver delivered absolute high-grade drill results for the core project in December 2017. Among other things, 0.5 meters with an incredible 16,350g/t silver equivalent were encountered! In July 2018, new drilling detected 3,450g/t silver equivalent over 0.2 meters.

Potentially high-profile projects in Chile

In early 2019, Endeavour Silver announced that it had secured a portfolio of potentially high-caliber exploration projects in Chile. The three projects, Aida, Paloma and Cerro Marquez, are located in northern Chile and are expected to be drilled soon. Initially, 5,500 meters are planned, with an option for a further 2,500 meters.

Summary: Terronera will dramatically reduce all-in costs + financing should be in place soon

Endeavour Silver owns three profitable mines (in Q4 2020 they reported net revenues of US$19.9 million) and could start up a fourth by the end of 2022 with Terronera, which would then be by far the company's largest mine. With the new El Compas mine and Terronera, it will be possible to drastically reduce all-in sustaining costs at the same time. Currently, the company is trying to generate a total of CA$60 million by issuing additional shares in order to already raise a large part of the mine financing for Terronera. It will be exciting with the expansion areas around Terronera as well as with the new projects in Chile, which provide additional exploration and resource potential. In mid-May 2021, former CFO Dan Dickson replaced Bradford Cooke as CEO.

Exclusive interview with Bradford Cooke, Executive Chairman of Endeavour Silver

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

In 2020, Endeavour Silver Corp. completed operational turnarounds at our three mines, Guanaceví in Durango state, Bolañitos in Guanajuato state and El Compas in Zacatecas state. As a result, we delivered higher production and lower costs at each mine and met our 2020 production guidance, notwithstanding a two-month suspension of mining operations due to the COVID pandemic.
Lower costs coupled with higher metal prices drove significantly higher revenues, cash flow and earnings, which turned positive for the first time in three years thanks to our very strong operating performance. Our 2020 financial performance was the best in over two years.

- Gross Revenue: $140.2 million, up 18% from 2019
- Cash Flow: $29.8 million, up over 400% from 2019
- Net Income: $1.2 million, up from a loss of $48.1 million in 2019
- Cash Cost: $5.55 per oz silver payable net of gold credits, down 57% from 2019
- All-in Sustaining Cost: $17.59 per oz silver payable net of gold credits, down 17% from 2019
- Balance Sheet: Year-end cash balance was $61.1 million, working capital was $70.4 million
- Metal Production: 3,513,767 oz silver and 37,139 oz gold for 6.5 million oz AgEq (80:1 ratio)
- Reserves and Resources: Proven and Probable Mineral Reserves of 86.3 million oz AgEq (80:1 silver:gold ratio), Measured and Indicated Mineral Resources of 43.7 million oz AgEq, Inferred Mineral Resources of 87.1 million oz AgEq
- Completed Final Pre-Feasibility Study on Terronera: At current metal prices, NPV=$292 million, IRR=55%, Payback 1.4 years
- Sold non-core, non-producing El Cubo mine: Current proceeds worth $25 million
- Optioned out the non-core Guadalupe y Calvo property: Future proceeds worth $4 million
- Shares Included in Two Major Indices: The Company's common shares were added to the S&P/TSX Composite Index and the NYSE Arca Gold Miners Index (GDX ETF) in March
- Announced Management Succession Plan: Bradford Cooke will become Executive Chair, Dan Dickson will move up to CEO and Christine West will move up to CFO in May 2021

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

We have four main catalysts to create value for shareholders:

- continue to optimize the mining operations and drill to extend their mine lives
- complete the feasibility study and commence construction of the Terronera mine
- explore greenfield projects like Parral and Chile to expand our resources
- acquire new assets and make them bigger and better through exploration and engineering

How do you see the current situation on the market for precious metals?

Gold and silver are clearly in a new bull market thanks to historic low interest rates and

Bolañitos Mine, Mexico
(Source: Endeavour Silver)

historic high government borrowing/spending. Gold has been in a consolidation phase for the last several months, but silver has been stronger, which has pushed the gold:silver ratio down below 70 for the first time in over four years. Our short-term outlook is for more range bound prices until the 10-year Tbond yield tops out this summer. There is a risk of a major equity correction/liquidity crisis this autumn which could also hold back precious metal prices, but we expect gold and silver to bounce back in Q4. Silver should test or even break above the recent $30 per oz high by year-end.

Why did Endeavour Silver sell the El Cubo mine?

As any company grows, it naturally tends to focus on bigger and better mines or exploration projects. Such is the case with Endeavour Silver. As we move closer to developing our exciting new Terronera mine and more aggressively exploring our Parral and Chile projects, we felt it was time to let go of some non-core assets. We closed the 1500 tonne per day El Cubo mine in November 2019 when we ran out of economic reserves. Even though we continued to report some resources at El Cubo, they were small blocks scattered over a large area of the old mine so we did not think they could be economically extracted. However, the buyer VanGold has their own small resource property El Pinguico not far from the El Cubo plant, and they plan to bring the El Cubo plant back into production at a smaller throughput. We agreed to sell our El Cubo assets to them because VanGold offered us a better return than we could generate by continuing to try and mine it ourselves. Additionally, we become their largest shareholder at CAD$0.30 per share and the shares are now trading at CAD$0.60 per share, almost double (as per the week of April 19,2021)! We are more than happy to support VanGold on their path to become the next junior silver producer in Mexico, truly a win-win deal!

Institutional investors are paying much more attention to environmental, social and governance ("ESG") issues nowadays, how does Endeavour manage these matters?

We do not view ESG as an issue to be managed, we treat all of the impacts of our business as core to how we conduct our business. Mining like other industries worked historically in the context of social and environmental standards of the day. But these standards change, so industry has to change as well. Not only that, we at Endeavour Silver think the industry should not be lagging or responding to changes in these standards, we believe we should be proactive in setting better standards for our performance each year. What started as Corporate Social Responsibility, reflecting the impact our industry has on local communities in particular and society as a whole, has evolved to integrate Environment and Governance. When we started our Annual Sustainability Report eight years ago, we coined the term Corporate Social Integrity to more accurately reflect our view that we are responsible first to ourselves and our people. As these concepts evolved, they grew to encompass all aspects of our business that impact all stakeholders, hence the emergence of the term Sustainability. In May 2021, we will issue our 9th Annual Sustainability Report which covers all impacts of our business, positive and negative, for all of our stakeholders. Endeavour has been a leader not only in sustainability reporting for the mining industry in Mexico, each year we set a "higher bar" for our own ESG performance. Early on, we embraced a "philosophy of continuous improvement" and that is how we conduct our business including ESG.

Endeavour Silver recently announced board and management changes, effective May 12, 2021. Founder, Brad Cooke is stepping down as the CEO. Should shareholders be concerned?

On the contrary, investors should be pleased that board and management found a seamless path to management succession. Bradford Cooke was the Founder and original Executive Chairman and CEO, but as the Company grew, he recognized years ago the need for an independent Chairman for better corporate governance. Now that Chairman, Geoff Handley and CEO, Brad Cooke are both taking a step back from the day-to-day management of the Board and Company respectively, the Board recognized it had the best candidates for those and other key positions already inhouse. Mr. Cooke will step back up to the position of Executive Chair and remain active in supporting Dan Dickson and Christine West as they move up from their current positions of CFO and VP Controller to their new roles as CEO and CFO respectively. Both Dan Dickson and Christine West have been with Endeavour Silver since 2007 and have been instrumental in leading the company to where we are today. Mr. Handley will remain on the Board as a Director for continuity during this transition phase, and Rex McLennan will become the Lead Independent Director. The Company will likely continue to expand the Board and Management as the business grows so this is really just the next step forward for Endeavour Silver!

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

Shares outstanding: 157.9 million
Options/PSUs: 7.8 million
Warrants: -
Fully diluted: 165.7 million

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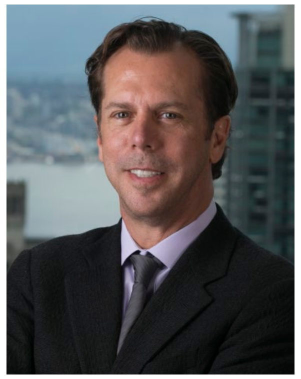
Endeavour Silver Corp.

First Majestic Silver
Mine modernization, future satellite project and dividend payment


Keith Neumeyer, CEO

First Majestic Silver is a Canadian mining company focused on producing silver from its three highly profitable mines in Mexico. In 2020, the company produced 20.4 million silver equivalent ounces (including gold by-products), which due to the constraints of the Covid 19 pandemic, was slightly less than in 2019, when they set a new production record of 25.6 million silver equivalent ounces. Mine development and exploration projects continued to be aggressively pursued in 2020, with over US$130 million invested. For 2021, First Majestic Silver is targeting an increase in production to between 20.6 and 22.9 million silver-equivalent ounces from its three Mexican mines.

San Dimas Silver/Gold Mine

The San Dimas operation is by far First Majestic Silver's largest and lowest-cost silver mine. In 2020, the mine produced a total of approximately 12.7 million silver equivalent ounces. The company expects to produce between 12.9 and 14.4 million silver equivalent ounces in 2021 at a total cost of less than US$12.23 per ounce. San Dimas had measured and indicated resources of 136.3 million silver equivalent ounces (including reserves of 91.0 million silver equivalent ounces) and inferred resources of 123.1 million silver equivalent ounces at the end of 2020.

The Company is undertaking an extensive modernization program primarily involving the mill, filtration systems, smelter, and mines. Among other upgrades, the company plans to install a 3,000tpd high intensity grinding (HIG) mill in 2021. 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 new mill is expected to be operational in the first half of 2022. The operation receives 50% of its required energy from low-cost and environmentally friendly hydroelectric power.


Santa Elena produced a total of approximately 4.2 million silver equivalent ounces in 2020. (Source First Majestic)

Santa Elena Silver/Gold Mine

The Santa Elena operation produced a total of approximately 4.2 million silver equivalent ounces in 2020. The Company expects to recover between 4.3 and 4.8 million silver equivalent ounces from the mine in 2021 at a total cost of less than US$17.68 per ounce. Santa Elena had measured and indicated resources of 64.1 million silver equivalent ounces (including 20.9 million silver equivalent ounces of reserves) and inferred resources of 70.7 million silver equivalent ounces at the end of 2020 (including the Ermitaño satellite project). First Majestic has already installed a 3,000 tpd HIG mill at Santa Elena and silver and gold recoveries have increased significantly to 93% and 96% respectively. As of March 2021, 85% of the operation was running on liquefied natural gas "LNG", saving the company approximately US$1 million per month, or US$1.50 – $2.00 per ounce.

Santa Elena – Ermitaño Project

In addition, the Company is working on the development of the Ermitaño Project, located just 4 kilometers south-east of the Santa Elena mill. This project currently hosts approximately 95.5 million ounces of silver equivalent in the measured, indicated, and inferred categories.

For 2021, the Company has budgeted capital expenditures totaling US$42.1 million for Ermitaño and expects to commence initial test block mining by mid-2021 to assess geotechnical conditions, subject to delineation drilling results, and recover approximately 50,000 to 60,000 tonnes of material to be used for industrial metallurgical testing. Development capital expenditures will prepare Ermitaño for initial limited mine production in the second half of 2021, followed by additional drift preparation and high drive activities in early 2022, with procurement for underground mining expected in the first half of 2021. In addition, blending and batching test work is expected to be completed by mid-year to determine the ideal processing method for the Santa Elena processing plant.

Reported drill results from the Ermitaño project include 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. The project could both increase production at Santa Elena and further reduce overall costs. First Majestic Silver also has more than 100,000 hectares of land in the vicinity of the Santa Elena mine, which offer additional potential for further discoveries.

La Encantada Silver Mine

La Encantada, a near 100% silver mine produced a total of approximately 3.5 million silver ounces in 2020. The Company expects to recover between 3.4 and 3.7 million silver ounces from the mine in 2021 at a total cost of less than US$14.70 per ounce. La Encantada had measured and indicated resources of 32.8 million ounces of silver (including 9.6 million ounces of silver reserves) and inferred resources of 21.0 million ounces of silver at the end of 2020. First Majestic Silver is currently working to modify the roasting circuit to reprocess tailings, which is expected to generate 1.5 million ounces of silver per year of additional production. The operation receives 90% of its required energy from low-cost LNG generators.

Acquisition of 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 lies in a World-class mining district of Nevada, USA. Jerritt Canyon was discovered in 1972, has been in production since 1981 and has produced over 9.5 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 2,200 tpd. The project site consists of a large, underexplored land package covering 30,821 hectares. In 2020, Jerritt Canyon produced 112,749 ounces of gold at a cash cost of US$1,289 per ounce. First Majestic Silver has identified several opportunities to improve both the cost and production profile of Jerritt Canyon, near-term brownfield potential between the SSX and Smith mines, and long-term cross-property exploration potential.

Springpole Stream

In June 2020, First Majestic Silver entered into a silver stream agreement with First Mining Gold to purchase 50% of future silver production from its Springpole project. The agreement includes ongoing cash payments equal to 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 the mine. The deal offers significant upside potential to higher silver prices. Springpole also has significant exploration potential over its large 41,913-hectare project.

Future dividend payment and share buyback program

In December 2020, First Majestic Silver announced its inaugural dividend policy. Accordingly, the Board of Directors adopted a dividend policy under which the Company intends to pay quarterly dividends to

shareholders at a rate of 1% of the Company's net revenue, effectively linking the dividend to silver prices and production rates. The first dividend will be paid after the completion of the first quarter of 2021.
Furthermore, the company announced in March 2021 that it may repurchase a total of up to 10 million outstanding company shares within 12 months.

Exploration and Ermitaño development in focus

First Majestic Silver was able to achieve exceedingly good results in 2020, despite the ongoing pandemic, with a net profit of US$23.1 million, at the same time investing over US$130 million in mine development and exploration. Currently, all the mines are working intensively on modernization measures, focusing not only on increasing production and reducing operating costs, but also on the use of environmentally friendly energy. In terms of exploration, First Majestic has 19 drills across its properties and plans to drill a total of over 180,000 meters in 2021. At the same time, First Majestic continues to advance the Ermitaño project for initial production in early 2022.

Mines in care and maintenance mode

First Majestic Silver has additional mine projects that could come back on-line in the future and help increase overall production.

La Parrilla Silver Mine

The La Parrilla silver mine had measured and indicated resources of 10.0 million silver equivalent ounces and inferred resources of 12.5 million silver equivalent ounces at the end of 2020. The 69,478-hectare concession area with several old mines provides ample opportunity for additional resources.

Del Toro Silver Mine

The Del Toro Silver Mine had an indicated resource of 7.6 million silver equivalent ounces and an inferred resource of 11.2 million silver equivalent ounces at the end of 2020. The Del Toro Silver Mine covers approximately 2,159 hectares of land.

San Martin Silver Mine

The San Martin silver mine had a measured and indicated resource of 10.5 million silver equivalent ounces and an inferred resource of 20.9 million silver equivalent ounces at the end of 2020. San Martin has an exploration potential of approximately 38,500 hectares.

La Guitarra Silver Mine

The La Guitarra silver mine had a measured and indicated resource of 7.4 million silver equivalent ounces and an inferred resource of 10.0 million silver equivalent ounces at the end of 2020. The La Guitarra claims cover an area of more than 39,000 hectares.

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 announcement of the Company's inaugural quarterly dividend policy. The Company intends to pay a 1% dividend based upon the Company's net revenues, or effectively linking the dividend to silver prices and production rates.
- In mid-March the Company announced the accretive acquisition of the Jerritt Canyon Mine in the World-class mining district of Nevada, USA from Sprott Mining. This new cornerstone asset is expected to generate significant upside potential through increased capital investments aimed at improving underground and plant production levels as well as exploration investments to focus on near-mine resource growth.
- Coming in on-time and on-budget, the Company recently completed the installation of a brand new 12.4MW liquefied natural gas "LNG" power plant at Santa Elena. The plant is expected to cut energy costs significantly, saving approximately US$1 million per month (or $1.50 to $2.00 an ounce) in costs.

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

Major catalysts for First Majestic in 2021 will include:

- The integration of the Jerritt Canyon mine into the Company's portfolio
- Higher silver recoveries expected at San Dimas following the installation of high intensity grinding (HIG) mill
- Initial test stope mining at the Ermitaño project will begin in Q2 and is expected to produce 50,000 to 60,000 tonnes of material by the end of 2021
- Continued ramping up of underground production at the Tayoltita and El Cristo areas at San Dimas
- Continued Resource expansion potential at Ermitaño – a Pre-Feasibility study is expected in the fourth quarter
- Continued improvements in metallurgical recoveries through implementation of microbubbles, fine grinding & other R&D

What sets First Majestic apart from the other silver producers?

First Majestic is the industry leader for its purity to silver. According to Bank of Montreal, First Majestic is estimated to generate 57% of its total revenue from the sale of silver in 2021. Even with the recent acquisition of the Jerritt Canyon Gold Mine, First Majestic remains the leader in silver purity amongst its major peers.

First Majestic Silver Corp.

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

Shares outstanding: 222.8 million
Options: 6.9 million
RSU/PSU/DSUs: 0.8 million
Fully diluted: 230.5 million

Contact:
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Kuya Silver
Upcoming silver producer on track for success

David Stein, CEO

Kuya Silver is a Canadian mining development company focused on high-grade silver deposits in North and South America. The company, which was formed in October 2020 from a merger of Kuya Silver and Miramont Resources, has already secured two, potentially high-grade silver projects. The flagship Bethania project was in production until 2016 and is expected to come back on stream shortly. Appropriate permits have already been obtained, and an economic feasibility study is in progress. In addition to several other institutional investors, Eric Sprott is also on board – twice.

Bethania flagship project – location and infrastructure

Kuya Silver's flagship Bethania project is located in central Peru, in the northwestern part of the department of Huancavelica, approximately 316 road kilometers from the capital Lima. The project comprises four concessions with a total area of 1,750 hectares, which are accessible year-round. The infrastructure is exceedingly good, partly due to the fact that Bethania was in production until 2016 and has been in care and maintenance status since then. The Bethania mine was opened in 1977 after the discovery of two veins (Española and 12 de Mayo) and has been in small-scale operation on and off for 40 years. In 2014, production reached 28,788 tons, producing 425,000 silver equivalent ounces (lead and zinc by-products only).

Bethania flagship project – historical production and acquisition

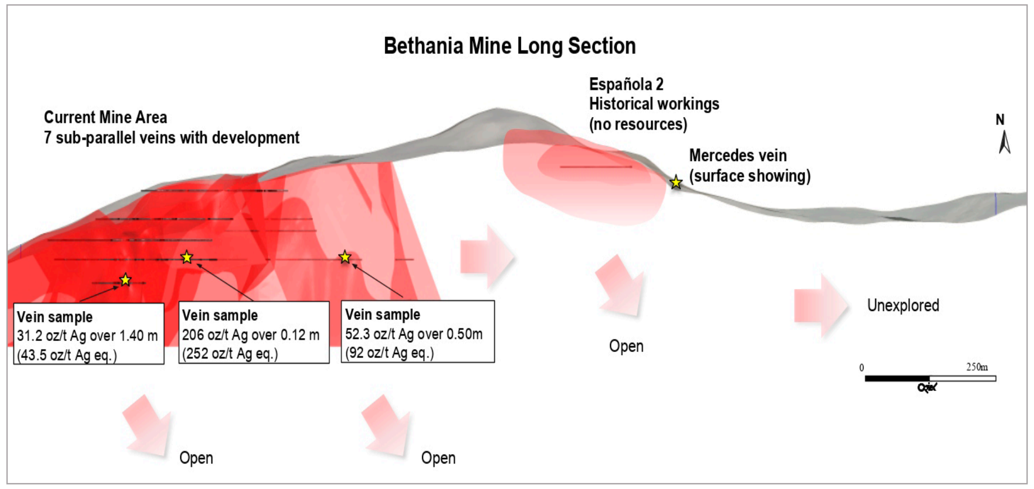
Until 2016, mining was carried out on a smaller scale (100 tons of rock per day (tpd)) on a private basis by the Peruvian company S&L Andes Export SAC. Processing of the extracted rock was carried out in several toll milling plants near the mine. In the process, the mine produced mostly silver-lead and zinc concentrates from run-of-mine material until it was placed on care and maintenance due to market conditions and lack of working capital. In December 2020, Kuya Silver acquired 100% of the issued and outstanding shares of capital of S&L Andes Export SAC, which owned the Bethania Mine and held the mining concessions, permits and other rights.

Bethania flagship project – approval process and economic feasibility assessment

Kuya Silver has already received approval from the Huancavelica Regional Government for the environmental impact study for a future Bethania operation. This includes a plant design for crushing, grinding and flotation circuits with a capacity of 350 tpd, as well as a stockpile storage facility and associated infrastructure. Kuya Silver plans to expand and build a concentrate plant at the site before resuming operations as early as the current year 2021. To determine economic viability, the company commissioned Mining Plus in November 2020 to conduct a preliminary economic assessment (PEA) of the silver mine project, in addition to completing a detailed engineering design of the development for expansion to a production rate of 350 tonnes per day. Mining Plus will complete a detailed design for a near-surface underground mine for this purpose.

Bethania flagship project – historic resource and drilling campaign

In order to effectively complete the PEA, a drilling program is first required. While Bethania already has a historical resource of approximately 8.6 million ounces of silver plus lead and zinc, this is not sufficient to complete the PEA and must first be confirmed by drilling and brought up to the Canadian NI43-101 resource calculation standard. To this end, Kuya Silver started its Phase 1 drill program in March 2021, which covered 5,000 meters.



Bethania has exceedingly high grades. In addition, mineralization is still open along strike and to depth.
(Source Kuya Silver)

The campaign initially consisted of two parts, with approximately 4,000 meters planned for the western third of the property to test all seven veins that formed the historic resource. Assay results and geotechnical measurements from this portion of the drill program were used to complete the underground mine production plan, including expansion from 100 tonnes per day to 350 tonnes per day.
The remaining 1,000 meters targeted the Española 2 area to confirm the extent of historical mining in the Española 2 adit as well as to test other newly identified veins at surface that may be associated with this mineralization. This series of drill holes is located approximately 900 meters east of the main adit and could significantly extend the strike length of the Bethania vein system. Particular attention is also being paid to the so-called Mercedes Vein, outcrops of which are visible at surface. The fact that Bethania has high-grade mineralization is evidenced by spectacular sampling from the mine, including 252 ounces of silver equivalent per ton of rock. Several high-grade veins cross the project in a northeast-southwest direction and hold high exploration potential.

Recent sampling from the Santa Elena Vein area returned up to 110.7 silver equivalent ounces.

The objective of the PEA is to push the relatively high all-in costs that led to the closure of the mine to a level below US$10 per ounce of silver. Particular cost savings are expected to come primarily from in-house, larger production without tolling costs, as well as from better recovery rates and the addition of a dedicated gold-copper circuit.

Silver Kings Property

In March 2021, Kuya Silver entered into a deal with First Cobalt Corp. to acquire 100% of the Kerr project. In addition, it holds a joint venture option to acquire up to 70% of the remaining claims of the Cobalt Camp in northeastern Ontario, Canada. The 10,000-hectare total area, called Silver Kings, is located within the historic Cobalt Silver Mining District. The previous operator identified several bonanza-style silver intercepts during exploration for cobalt. Kuya Silver initiated a 2,500-meter drill program in April 2021 to follow up and expand the high-grade zones. In doing so, there is both near-term production potential at Kerr and an opportunity at the under-explored Silver Kings joint venture. This is because Silver Kings comprises the six historic silver mines of Crown Reserve, Silver Leaf, Kerr Lake, Drummond, Hargrave, Silverfields, which produced over 50 million ounces of silver between 1905 and 1950. The deepest shaft reached less than 200 meters into the ground. This also means that there may be high exploration potential in deeper layers. Drill holes completed by First Cobalt included 3.57 meters of 821g/t silver, 2.2 meters of 515g/t silver, 2.0 meters of 450g/t silver and 2.5 meters of 1,441g/t silver.

Top management team for rapid success

Kuya Silver is led by a highly experienced and successful management team that promises rapid success.

CEO David Stein is the founder of Kuya and has been CEO since 2017. Trained with a technical background in geology and engineering, Stein entered the capital markets very early in his career, in 2001, as a mining equity analyst for a prominent Canadian broker. More recently, Stein was president and CEO of Aberdeen International, where he led various private equity and public company investment mandates.

Chairman Dr. Quinton Hennigh is an economic geologist with 25 years of exploration experience, primarily in gold. Earlier in his career, he explored for major mining companies such as Homestake Mining Company, Newcrest Mining Ltd and Newmont Mining Corporation. Dr. Hennigh joined the junior mining sector in 2007 and has been involved with a number of Canadian publicly traded companies including Novo Resources where he serves as President and Chairman.

Vice President Operations and Co-Founder Christian Aramayo has more than seventeen years of experience in the mining industry in North and South America, the Caribbean, Europe and Africa. Throughout his career, he has been closely associated with the practices that provide world-class mining operations and projects, including such challenging operations as Pueblo Viejo, Paracatu, Fruta del Norte and Tasiast.

Strategic Consultant Hector Aramayo is an experienced civil engineer, consultant and project manager with experience in retail and industrial construction in Latin America. He is the founder of SICG SAC, a construction company and management firm that has built a blue-chip client base in Latin America over the last 20+ years.

Strong shareholders, high management involvement

Kuya Silver‘s strong shareholder structure is particularly striking. The management alone holds 28% of all outstanding shares. Another 9.6% are in the hands of Erika Soria, the former owner of Bethania. Commodity Capital holds 7.7%. Eric Sprott even has a double shareholding. Once privately with about 4.8% and through Sprott Asset Management. In addition, there is Crescat Capital and First Cobalt.

Summary: At the speed of light to silver mining

Kuya Silver is an early-stage story, which, however, can become a real success story in hyper speed. The basis for this is an existing mine that hosts some high-grade silver veins. Although drilling must first provide an accurate resource estimate that will form the basis for an economic assessment, the path to becoming a producer in less than a year seems set. The experienced management team should be able to establish appropriate production and raise the necessary financial resources. The high-caliber shareholders could help with the latter. The second hot iron in the fire is the huge Silver Kings Property, which has proven to host high-grade silver deposits. This mix could soon develop into a significant silver player.

Exclusive interview with David Stein, CEO of Kuya Silver

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

Taking Kuya public was a major milestone this year. In addition, we closed the acquisition of 100% of our flagship Bethania mine in Peru and received EIA approval to build a new plant. More recently we launched an aggressive exploration program to expand resources in Peru. Finally, we acquired a second silver project we are excited about: Silver Kings in Ontario, Canada

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

We have many catalysts this year. In the near term we expect to announce commencement of construction of the new Bethania plant and our expansion project. While we are building, we will have drilling results and new resource at Bethania throughout the year. We expect to start silver production early in 2022. At the same time, we will announce drilling results from Silver Kings project throughout the year.

How do you see the current situation on the market for precious metals?

Silver is in great shape! The price is still historically low (50% of previous high) compared to other metals, but the fundamentals are strong both in terms of monetary/investment demand and industrial demand.

ISIN: CA50149R1073
WKN: A2QELV
FRA: 6MR1
CSE: KUYA

Shares outstanding: 39.7 million
Options: 1.2 million
Warrants: <0.1 million
Fully diluted: 40.8 million

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Kuya Silver Corp.

MAG Silver

Highly profitable silver production started, high margin guaranteed in the future

George Paspalas, CEO

MAG Silver is a Canadian development company with a clear focus on silver in Mexico. The company recently brought its Juanicipio project into production with mega-partner Fresnillo. Steady new discoveries only hint at the extent of further silver potential. Commodities legend and star investor Eric Sprott has also been on board for a few months.

Juanicipio Silver Project – Share Ratios + 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 mega-projects right next to Juanicipio. Moreover, within the Fresnillo Silver Trend, Juanicipio is virtually surrounded by high-profile mining projects that have produced more than four billion ounces of silver to date, accounting for more than 10% of total global silver production. Due to its proximity to the city of Fresnillo, Juanicipio is directly integrated into a very well-developed infrastructure.

Juanicipio plant under construction. (Source MAG Silver)

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. A true monster resource, yet the known resource is still open on several sides, meaning it is far from completely delineated. Furthermore, Juanicipio hosts additional parallel and even intersecting veins that have not been 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 that one can already assume a 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 most recent 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$1.00 per pound and a lead 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 for this scenario is 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 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, the payback period is 1.2 years, the after-tax NPV is US$1.729 billion, and the after-tax IRR is 61%.

Juanicipio Silver Project – Expansion Progress + Production + Offtake Agreements

The Juanicipio Mine will be an underground mine, which is why the partner Fresnillo has installed several ramps measuring 5 by 5 meters in order 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 is scheduled for completion in mid-2021. The first rock has already been extracted. Processing took place two days a month at Fresnillo's neighboring 16,000 tpd plant. In the first stage of this, nearly 72,000 tonnes of rock were processed in the third and fourth quarters of 2020, with total production of 616,000 ounces of silver, 1,029 ounces of gold, 163 tonnes of lead and 224 tonnes of zinc (MAG is attributable to 44% of this). In the first quarter, total production was 462,321 ounces of silver and 697 ounces of gold. Beginning in the fourth quarter of 2021, the proprietary 4,000 tpd plant will begin operations. MAG Silver expects to reach 85% of full capacity by the end of 2021 and up to 95% by the end of 2022. In addition, during the project approval process, an operator agreement was entered into, which will become effective upon the start of commercial production. Furthermore, both lead and zinc offtake agreements have been reached by the partners whereby 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, which means that the currently planned 4,000 tons per day processing capacity could well be increased. Looking at the immediate surroundings 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 mineralization and are likely to extend into the Joint Venture area.

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.
The best results were:

- DEEP ZONE WEST: 11.6 meters at 783g/t silver, 2.57g/t gold, 6.52% lead, 9.46% zinc, 0.32% copper.
- DEEP ZONE EAST: 5.20 meters at 333g/t silver, 16.87g/t gold, 4.47% lead, 3.77% zinc, 1.04% copper, including 1.44 meters at 854g/t silver, 54.67g/t gold, 3.21% lead, 2.72% zinc, 2.28% copper
- ANTICIPADA VEIN: 5.60 meters grading 177g/t silver, 7.36g/t gold, 2.39% lead, 6.31% zinc, 0.12% copper, including 3.15 meters grading 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.
March 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 March 2020, the company was able to report another bull‘s eye in the Deep Zone area. 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-long intercept.
Overall, only about 5% of the entire project area has been surveyed for resources!

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 (approximately 5,600 acres) 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 is expected to deliver initial results shortly.

Very good financial resources

At the end of 2020, the company had about US$94 million in cash. In April 2020, commodity 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 is now fully secured. Furthermore, the company was able to generate an additional US$50 million through the issue of shares during the summer of 2020.

Summary: MAG Silver will earn mighty money from 2022 onwards

Together with Fresnillo, MAG Silver owns Juanicipio, one of the highest-grade silver deposits in the world. It was recently possible to start full silver production. The partner Fresnillo is already operating a mega project right next door and can make a valuable contribution to the rapid commissioning of the Juanicipio project, both in terms of infrastructure and mining expertise. 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 power and water and the connection to 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 for the remaining construction work. Commercial production has commenced in 2021 and should provide strong margins from 2022. With the recently acquired Deer Trail project, MAG Silver has another hot iron in the fire that meets all the criteria MAG Silver has 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?

We continue to make very good progress on the construction of the process plant for the Juanicipio project. Underground mine development continued, and the first production stope was opened in October 2020. Most significant was the decision to process development material from the Juanicipio underground through the neighbouring Fresnillo Plant on a 2-day per month campaign basis. This initiative will generate a very good understanding of the metallurgical response and optimized processing parameters, such that when commissioning commences in Q4 2021, the processing start-up will be substantially de-risked. This pre-production processing also generates welcomed cash flow for the joint venture.
To enable MAG Silver to fund their share of the Joint Venture capital contributions, a $US45 million private placement and $US50 million ATM offering were completed in 2020.
In September 2020, the company announced the earn in acquisition of the Deer Trail exploration project in Utah. This is a highly prospective silver rich base metal opportunity that MAG has been working on for a number of years.

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

Ongoing processing of Juanicipio underground development material through the Fresnillo Mill, completed construction and commercial production of the Juanicipio process plant, and results from the first two stages of Deer Trail exploration drilling.

How do you see the current situation on the market for precious metals?

Very positive, particularly silver which has the added commoditization effect on demand relative to gold.

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

Shares outstanding: 94.8 million
Options: 1.0 million
DSUs/PSUs/RSUs: 0.9 million.
Fully diluted: 96.7 million

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Vancouver, BC, V6C 2V6, Canada

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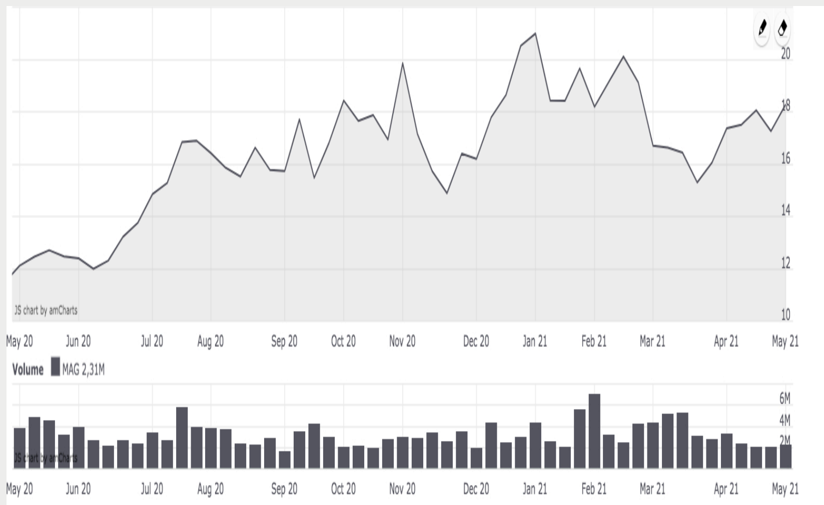
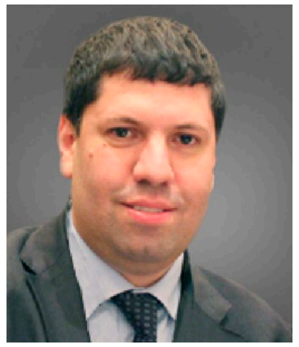
MAG Silver Corp.



Reyna Silver

Several hot irons in the fire of an emerging silver boom



Jorge Ramiro Monroy, CEO

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 reported several spectacular silver discoveries, such as 42,300 and 18,078 grams of silver per ton of rock (g/t), as part of its 2020 exploration program. The majority of the shares are held by management or institutional investors. The largest single shareholder is MAG Silver. Eric Sprott is also on board.

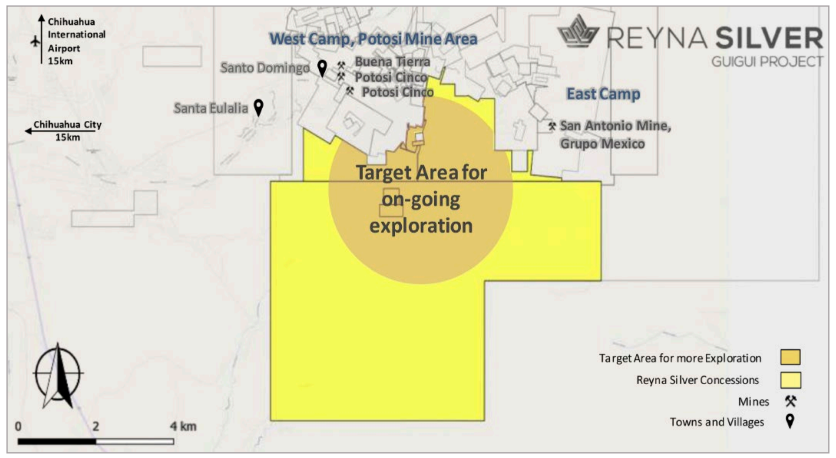
Guigui flagship project – Location and infrastructure

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“.

Reyna Silver expects the second half of the Santa Eulalia CRD deposit to be located on its own license area. (Source: Reyna Silver)



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 most likely within the Guigui Project as indicated by mapped mineralization, mineralization trends and structures. A total of 10,000 meters have been drilled there.

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 access 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 as high as 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 completed 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.

Batopilas Silver Project – Own Exploration Activities

Reyna Silver conducted an extensive sampling program from October to December 2020. This resulted in 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 came from the northwest area of the project area, Pastrana-Roncesvalles-Cobriza veins. Two previously unknown veins were also discovered there, one of which also contained higher gold grades. High resolution satellite hyperspectral imagery received following the sampling program shows that distinct alteration mineralogy coincides with new and long known structures; additional anomalies are currently being reviewed and sampled. These results will be combined with historical data in the coming months to define targets for drilling later in the year. An initial, dedicated drilling program is planned to start in the second half of 2021. In addition, the area around the Porfirio Diaz Tunnel, from which most of the historical production of around 300 million ounces of silver came, will also be investigated.

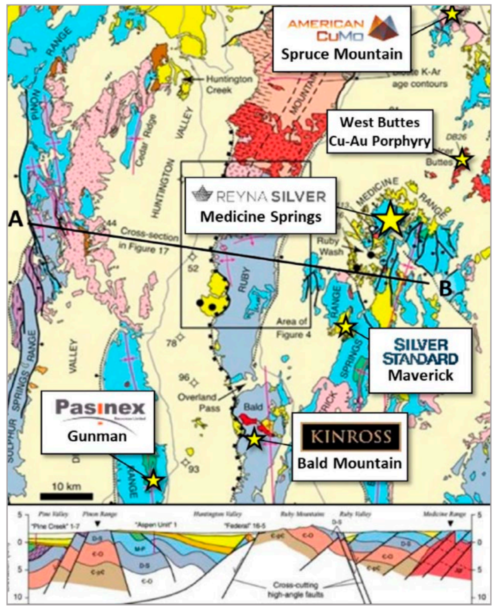
Silver project La Reyna

The La Reyna Silver Project covers approximately 300 hectares plus the former La Reyna Mine and is located in the eastern part of the Cusihuiriachic 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 Cusihuiriachic 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. A corresponding in-house exploration program is currently underway.

Medicine Springs Silver Project

The Medicine Springs silver-lead-zinc project covers 1,189 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



Medicine Springs Project
(Source: Reyna Silver)

samples, 17 samples contained more 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 believes the system is more extensive than previously thought.

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:
Several catalysts at once could cause Reyna Silver to explode

Reyna Silver has several hot irons in the fire, from which significant results are expected in the coming months. At Guigui, the company is working on the first drill campaign of 10,000 meters. At Batopilas, drill target definition is well underway, including detailed mapping, extensive channel and chip sampling, re-survey of MAG Silver drill core, reinterpretation of geophysics and ASTER satellite surveys. On La Reyna, extensive surface and chip sampling and detailed mapping are underway. For Medicine Springs, work is underway to redefine the extent of mineralization and evaluate existing drill targets (currently permitted for 5,000 meters of drilling there). If only one of 4 potentially high-caliber silver projects hits the bull's-eye, it should lead to a re-rating of Reyna Silver's stock. The relatively lean shareholder structure should contribute immensely to this.

Exclusive interview with Jorge Ramiro Monroy, CEO of Reyna Silver

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

- Going public in June 2020
- Raising CAD12.5M of which we still have CAD10.5M
- Acquisition of La Chinche which was a vital addition to our flagship asset Guigui.
- Acquired the Medicine Springs Project in Nevada, a brownfield, CRD silver and zinc exploration target in the Carlin District for which we are planning a 7,000 meters of drilling in 2021
- Acquired the La Reyna Project a district scale epithermal project in Chihuahua Mexico for which we are planning 5,000 meters of drilling in 2021
- Commenced exploration at the Batopilas project, the second project acquired from MAG Silver. This is a formerly the highest grade produce in Mexico having produced 350,000,000 ounces of Silver at 1.5kg/ton. We have found numbers of extensions to the 30 known veins in the district as well as 2 new veins with high-silver grades of up to 42,000 gpt and gold as high as 21 gpt. Currently permitting for a 5,000-meter drill campaign.

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

- The completion of our 10,000 meters program at Guigui. When we finish, we plan to start soon after another 10,000 meters
- Drilling at Batopilas this summer
- Drilling at Medicine Springs and La Reyna

How do you see the current situation on the market for precious metals?

We see the precious metals market to continue with volatility, but with an upwards trend. Specifically for silver, there are now so many macro trends piling behind silver. From massive money printing and debt from governments around the world, to increases in demand in key industrial usages of silver. As a company we are preparing to have maximum optionality for silver prices to raise, however our philosophy is high-grade silver in district scale; looking for a silver deposit that will make money under any market condition.

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

Shares outstanding: 91.1 million
Options: 2.5 million
Warrants: 21.0 million
Fully diluted: 114.6 million

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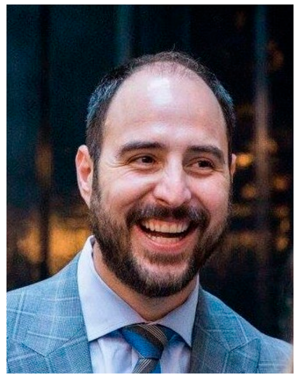
Reyna Silver Corp.

Sierra Madre Gold & Silver

Early-stage opportunity with the chance of quick wins



Alex Langer, CEO

Sierra Madre Gold & Silver is a Canadian mining development company that was listed in April 2021 and is focused on silver deposits (with gold as a by-product) in Mexico. They have already secured a very prospective project there with a high, historical resource. A big plus is the management, which consists of several high-caliber people in the industry.

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 hectares and can be acquired 100% for only US$450,000. Of this amount, US$350,000 has already been settled.

Tepic Project – Geology, Resource and Exploration Work to Date

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. More than 9 kilometers of mineralized structures have been identified on the project property in the past, with several identified zones of mineralization extending over one kilometer with widths of up to 200 meters.

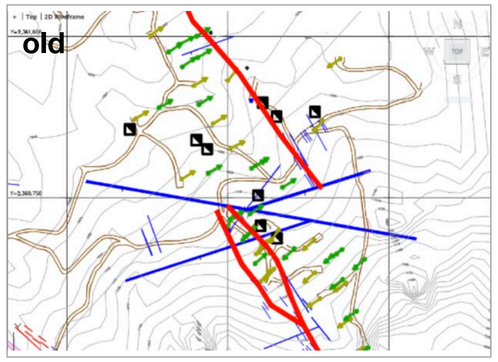
Previous owners have already completed 31,537 meters of core drilling in 149 holes, which are stored in the Sierra Madre camp. However, closer examination revealed exceedingly poor core recovery, averaging only 76%, in mineralized intercepts, which may have led to an underestimation of gold and silver grades. This assessment is confirmed by the collection of higher-grade samples in underground workings adjacent to the core intersections. A reverse circulation drilling campaign, which would yield 100% recovery, is planned to test this potential.

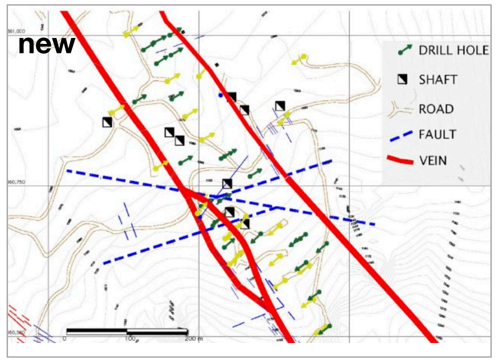
Further resource potential also comes from a reinterpretation of drill results that strongly suggest that contrary to earlier belief, the two Dos Hornos structures are not truncated but open along strike. Furthermore, the experienced Sierra Madre management team believes that the strike length continues 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.

Tepic project – timeline and upcoming catalysts

After the recent stock exchange listing in April 2021, Sierra Madre will immediately go full throttle from the beginning. Thus, the company will soon start an extensive drilling program, which is to address a total of 4 drill targets. Initially, at least 67 holes will be drilled





A reinterpretation of drill results strongly suggests that, contrary to earlier opinion, the two Dos Hornos structures are not truncated but open along strike. (Source: Sierra Madre Gold & Silver)

for which a permit has already been issued. Depending on the results, this drilling campaign may expand to up to 200 holes. A first resource estimate is to be published in the fourth quarter of 2021. 2022 is to be dominated by the preparation of an initial economic feasibility study. The company also intends to quickly acquire additional projects, which should lead to a significant increase in the resource base.

IPO well oversubscribed – several institutional investors on board from the start

The recent IPO at CA$0.50 for a total of CA$15 million was well oversubscribed, according to company sources. It should be noted that Sierra Madre Gold & Silver was previously a purely private company. It is all the more astonishing that this company was already able to finance a sum of CA$ 15 million at the time of the IPO. Even more astonishing, however, is the fact that around 10 institutional investors (including several funds) have been on board right from the start. Despite the relatively large amount of funding, the company has a relatively lean share structure with only 64 million shares outstanding. 37.7% of outstanding shares are held by management and founders, 7.4% by institutional investors, and about 55% is split between retail and high-net-worth investors. The whole illustrates that several institutional investors have bought in with only small positions so far and will certainly increase their positions in case of good drilling results. This could secure upcoming financing rounds.

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 its 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

(Source: Sierra Madre Gold & Silver)

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.

Advisor Andrew Bowering is a venture capitalist with 30 years of leadership experience in global mineral exploration and development. He founded Millennial Lithium, among other companies. Bowering has built several successful teams to pursue precious, base and industrial metals from exploration to production. He was, or is, founder and operator of companies such as Caldera Environmental and American Lithium Corp.

Summary: Explosive blend with top base

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 evaluation of the old drill core as well as the very extensive drill program that will start shortly will provide a massive news flow. 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. In summary, we are dealing with a highly explosive mixture that could quickly make investors' hearts beat faster.

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

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

We have started this company with some very strong fundamentals and a clear vision: to extract **value by becoming a junior mid-tier precious metals producer in Mexico.** To achieve this, we assembled a **team of global mining/exploration and capital markets experts**, with a particular **successful track record** in Mexico and raised **C$15M** for our IPO. Sierra Madre started trading on the TSX Venture on April 19th 2021 **(SM.V)**. We acquired the **Tepic Project** which hosts ~10Moz (all categories AgEq), has >31km of drill holes; many of which are still being evaluated.

With our senior **geological team (+90yrs of experience)**, we conducted **extensive reconnaissance field work**; the result of which has given us a deeper understanding Tepic and armed us with clearly defined drill targets. We have a robust **pipeline of property acquisitions** in the making. To summarize, we have all of our **milestones clearly outlined** and are organized to meet them.

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

The exploration potential on this project is very much open at depth and along strike.

<u>**0-6 mos:**</u> drilling ~**67 permitted (and possibly even up to 200) drill holes** on the 4 areas of interest at Tepic, developing what looks to be a large epithermal system; adding value and building resources. We will use a reverse-circulation (RC) drill which we expect to recover 100% core recovery vs the historical average of 76% by previous operators. This program will test the potential of the mineralization, which currently extends **>1km with widths up to 200m.**

<u>**6-12 mos:**</u> Updated **NI 43-101** resource estimate; drilling/developing the >9km of mineralized structures identified to date by Sierra Madre. We will also be advancing our pipeline of acquisitions in the region with the $5M budget that we have allocated to acquiring the new assets. Further engineering and **working toward PEA-level studies**. This is all a calculated and measured approach to achieving our vision.

How do you see the current situation on the market for precious metals?

With the continued quantitative easing that most governments around the world are actively participating in, we are bullish on the interest and demand for precious metals. As more and more investors understand the underlying economic issues with these government policies; gold and silver will become a larger safe haven and a continued currency hedge.

Sierra Madre Gold & Silver

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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Vancouver, BC V6E 2Y3 Canada

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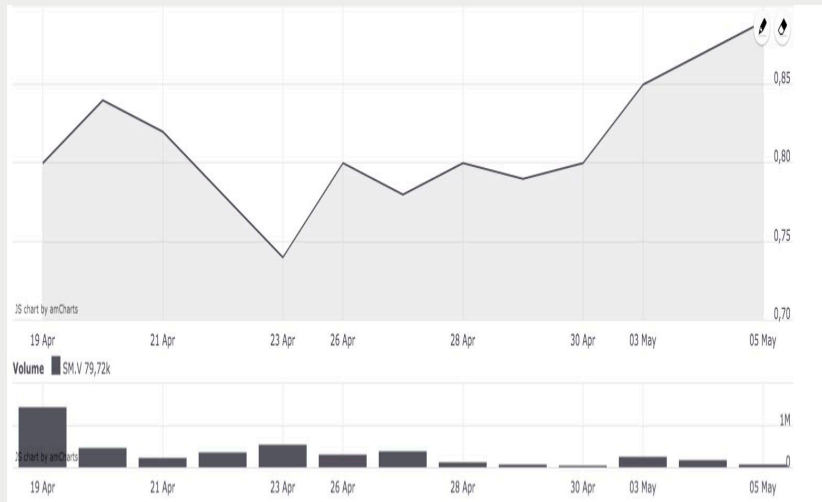

Social Media Network

Access to over **70.000 followers and likers**!

facebook, twitter, t, LinkedIn, StockTwits, Pinterest, LiveJournal, YouTube, Instagram, XING, FLIPBOARD

World wide Resource TV-Channels

- **Commodity-TV & Rohstoff-TV** – more than **1 Mio views** p.a.
- SRC **YouTube Channel** – more than **1.1 Mio views** p.a.
- **Partnership with Dukascopy-TV** – worldwide **7 Mio views** p.a.

Commodity-TV, Rohstoff-TV, Dukascopy TV – Swiss Financial Television, YouTube, CORE FINANCE

THE EXCLUSIVE MEDIA & COMMODITY CORPORATION

Stockhouse – Taking it to the Street.

+ 1.700 user

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- Professional **roadshows in Europe & Switzerland** in citys like: Zurich, Zug, Geneva, Lugano, St. Gallen, Vaduz, Milan, Munich, Frankfurt, Hamburg, Oslo, Stockholm, Monaco, Paris, Luxemburg, Vienna
- **Write-ups** through our editors & third party authors up to 200 different websites like Wallstreet-Online.de, Ariva.de, Finanzen.net
- Translation and dissemination via IRW-Press and Pressebox **articles, news releases and write-ups, advertorials**

IRW PRESS, PRESSEBOX

In German: +2,000 press & news outlets and + 1,800 journalists in Germany, Switzerland, Austria and Liechtenstein

In English: +10,000 press & news outlets and +3,500 journalists in 170 countries worldwide

Swiss Resource Capital AG & Commodity-TV Fairs and Events

- **Deutsche Rohstoffnacht** – INVEST Stuttgart
- **Edelmetallmesse,** Munich
- **Mines and Money,** London
- **Precious Metals Summit,** Zurich ...and more

Invest – Leading trade fair and congress for finance and investment

Precious Metals Summit Conferences, LLC – Where the smart money goes prospecting

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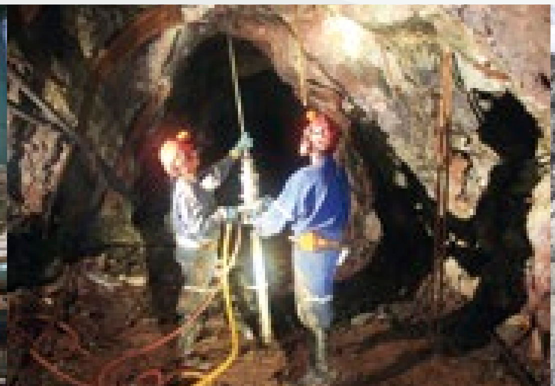
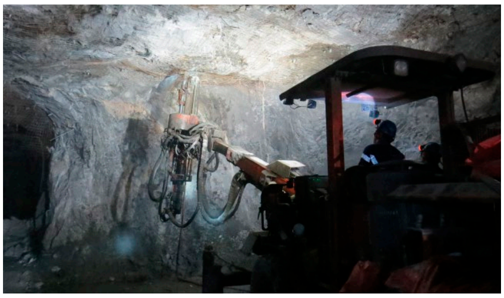
Edelmetall & Rohstoffmesse

mines and money London





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