Sunshine Silver Mining & Refining

*The Next North American Silver Major*

Precious Metals Summit
September 2017
“The reception we receive for SSMRC should be excellent. As an institutional-quality vehicle it has it all: high-quality assets in safe jurisdictions, with a management team and supportive shareholder base that have proven track records of creating extraordinary value for investors, while executing successful strategies in socially and environmentally friendly ways.

The Sunshine Mine is a brand... as well as the iconic jewel of American silver mining. From the highest grade large primary silver mine in the world’s safest jurisdiction to an end-product refinery that will produce silver bars certified for direct delivery to COMEX, the Sunshine complex is slated to be the only completely autonomous and fully integrated silver mining operation in the United States.

Los Gatos is one of the most exciting virgin discoveries of silver and zinc in a NAFTA jurisdiction and, in partnership with Japan’s DOWA Mining and Metals, will be SSMRC's first producing mine. The combination of Los Gatos and the magnificent Sunshine deposit has created a branded, blue-chip development profile that is second to none. With a realistic target of more than 15 million ounces of high-quality North American silver production per annum, SSMRC is the perfect vehicle for silver and zinc investors who want to check all the boxes on people, assets and strategy.”

Thomas S. Kaplan, Chairman of The Electrum Group LLC, lead investor of SSMRC, as well as NOVAGOLD Resources Inc.
Building a World Class Silver Mining Company:
Two High Grade, Development Assets in Premier Silver Regions

Los Gatos
Chihuahua, Mexico

A Company-Maker
- New greenfield district-scale silver, gold, zinc and lead discovery
- Owning all required mineral rights and surface rights
- In the right location: Chihuahua State, MX. Mexico is the world’s largest silver producer
- Fourteen mineralized zones defined to-date
- JV with Dowa, owners of Japan’s largest zinc smelter, signed December 2014
- NI 43-101 compliant feasibility study completed in December 2016
- Expected to produce 9.6 million AgEq ounces annually
- Strong community support

Sunshine Mine
Idaho, USA

Redevelopment of a World-Class Deposit
- One of the world’s highest-grade large primary silver deposits
- Former prolific silver producer with an end-product silver refinery certified for direct COMEX delivery
- In the right location: The Silver Valley, Idaho; the largest silver producing region in the United States
- Near-term production and cash flow: Phased growth annual production target of 10 million Ag ounces annually
- Existing infrastructure: Water, power and access
- Have all environmental permits to begin mining operations
- Reduced operating risk given historical production and ongoing mine improvements
- 2011-2014 exploration discovered additional near-surface resources and significant potential for further discovery

1 Defined as primary silver projects with at least 100 million oz. of Mi&I resources, inclusive of P&P reserves.
An institutional shareholder base, led by The Electrum Group, a value-added leader in natural resources investing for more than two decades.

**Share Structure**

- **Shares Outstanding:** 73.9 million
- **Warrants:** 0.0 million
- **Options & DSUs:** 5.6 million
- **Fully Diluted:** 79.5 million
- **Debt:** US$0 million
- **Cash (est. at September 30, 2017):** US$24.5 million
Sunshine Silver Mining & Refining: Proven Management

- **Stephen Orr**
  - Executive Chairman & CEO
  - 39 years experience
  - President and CEO, Ventana Gold Corp (through to sale of company)
  - CEO, OceanaGold Limited;
  - Managing Director Australia & Africa Operations, Barrick Gold Corporation;
  - President, Homestake Canada Inc.
  - Joined Sunshine Silver in 2011

- **Roger Johnson**
  - CFO
  - 36 years experience
  - Vice President and Chief Accounting Officer, Newmont Mining Corporation
  - Senior accounting/finance positions at Kennecott Utah Copper Corporation, Pasminco Zinc, and Coopers & Lybrand
  - Joined Sunshine Silver in 2011

- **Phil Pyle**
  - VP Exploration & Mexico
  - 36 years experience
  - Exploration Manager, Linear Gold
  - MIM Exploration, BHP Minerals and AMAX Exploration
  - Joined Sunshine Silver in 2008

- **John Kinyon**
  - VP Operations
  - 35 years experience
  - VP & General Manager - Kensington Operation, Coeur Mining
  - VP Operations - New Zealand Operations, OceanaGold
  - General Manager, Homestake/Barrick Gold’s Eskay Creek Operation
  - Joined Sunshine Silver in 2012

- **Luis Felipe Huerta**
  - Project Manager
  - 18 years experience
  - Project Manager Continental Gold, Buritica Project
  - Project Manager, Fortuna Silver, San Jose Project
  - Project Superintendent, Compania Minera Atococha
  - Joined Sunshine Silver in 2015

- **Abyl Sydykov**
  - Metallurgical Manager
  - 21 years experience
  - Plant/Operations Manager, Anglo Asian Mining Company (Gedabek Gold Mine, Azerbaijan)
  - Corporate Metallurgist, Endeavour Silver
  - Process Manager – Pitarrilla Project, Silver Standard
  - Chief Metallurgist – Alamo Dorado Project, Pan American Silver
  - Joined Sunshine Silver in 2015
Sunshine Silver Mining & Refining: 
**Experienced Board of Directors**

- **Stephen Orr**  
  Executive Chairman & CEO  
  - CEO of Sunshine Silver Mining & Refining Corporation

- **John Ellis**  
  - Retired Chairman and CEO of Anglogold North American Inc., Independence Mining Company, Hudson Bay Mining and Smelting Corp.

- **Marc Faber**  
  - Publisher of The Gloom, Boom & Doom Report; author of Tomorrow’s Gold – Asia’s Age of Discovery  
  - Director of NOVAGOLD Resources Inc. and Sprott Inc.

- **Wayne Kirk**  
  - Formerly of Thelen Marrin Johnson & Bridges and VP/General Counsel for Homestake  
  - Director of Electrum Ltd.

- **William Natbony**  
  - Former CEO and Executive Chairman of The Tigris Group Inc.  
  - Former senior partner at Katten Muchin Rosenman LLP  
  - Director of Gabriel Resources Ltd. and several privately-held companies

- **David Peat**  
  - Former VP/Controller of Newmont  
  - Former VP/CFO of Homestake

- **Eric Vincent**  
  - CEO of The Electrum Group LLC  
  - Former President of Ospraie Management
Sunshine Silver Mining & Refining: A Proven Track Record of Creating Value

Through smart strategic acquisitions and exploration success, multiple milestones achieved over 10 years

### Sunshine Mine & SSMRC Corporate
- Merger of Los Gatos into Sunshine Silver Mines
- Liberty Mining & Metals acquires 15% of Sunshine Silver Mines Corp.
- Discovery of Sunshine Vein Extension
- Acquired Big Creek Refinery
- Purchased adjacent mineral rights from Americas Silver
- Updated Sunshine Mine NI 43-101 PEA

### Los Gatos Project
- Initial acquisition of Los Gatos
- Discovery of the Cerro Los Gatos deposit
- Amapola discovery
- Filed initial Sunshine Mine NI 43-101 resource estimate and PEA
- Obtained drilling permits and surface access rights
- Commenced exploration drilling at Los Gatos
- Filed NI 43-101 resource estimate for Cerro Los Gatos and Esther
- Initial Los Gatos JV discussions with Dowa
- Signed LOI for Los Gatos with Dowa
- Completed NI 43-101 resource estimate for Amapola discovery
- Filed updated combined Los Gatos NI 43-101 resource estimates
- Los Gatos metallurgical work and Conceptual Economic Assessment completed
- Signed Los Gatos Joint Venture agreement with Dowa Metals & Mining

### Timeline
- **2007**
  - Initial acquisition of Los Gatos
  - Obtained drilling permits and surface access rights
  - Commenced exploration drilling at Los Gatos
- **2008**
  - Discovery of the Cerro Los Gatos deposit
  - Filed NI 43-101 resource estimate for Cerro Los Gatos and Esther
  - Amapola discovery
- **2009**
  - Filed initial Sunshine Mine NI 43-101 resource estimate and PEA
- **2010**
  - Initial Los Gatos JV discussions with Dowa
  - Signed LOI for Los Gatos with Dowa
- **2011**
  - Completed NI 43-101 resource estimate for Amapola discovery
  - Filed updated combined Los Gatos NI 43-101 resource estimates
- **2012**
  - Initial Los Gatos JV discussions with Dowa
  - Signed LOI for Los Gatos with Dowa
  - Completed NI 43-101 compliant feasibility study
  - Dowa earns 30% interest in the Los Gatos Project
  - Completed NI 43-101 compliant feasibility study
- **2013**
  - Initial Los Gatos JV discussions with Dowa
  - Signed LOI for Los Gatos with Dowa
- **2014**
  - Reactivated exploration
  - Initiated Feasibility Study & decline development to access the mineralization
- **2015**
  - Reactivated exploration
  - Initiated Feasibility Study & decline development to access the mineralization
- **2016**
  - Reactivated exploration
  - Dowa earns 30% interest in the Los Gatos Project
  - Completed NI 43-101 compliant feasibility study
  - Completed NI 43-101 compliant feasibility study
Los Gatos Silver-Zinc-Lead Project:

Discovery of a New High Grade Epithermal District in Mexico’s Silver Belt
Los Gatos Silver-Zinc-Lead Project:
Located ~150km South of Chihuahua City, Mexico
Los Gatos Silver-Zinc-Lead Project:
New Epithermal Precious Metals District

- ~103,000 hectares of mineral rights in 17 contiguous concessions
- No historical workings or previous exploration
- Exploration began in 2006, blind discovery of Cerro Los Gatos & Esther zones in March 2009
- ~5500 hectares of surface rights covering three known deposits (Cerro Los Gatos, Esther and Amapola) and additional exploration lands
- 11 other zones with ore grade intersections
- Only 15km of the 100km of vein strike extent identified thus far has been tested
Los Gatos Silver-Zinc-Lead Project:  
**Dowa Metals & Mining Co.**

- Founded in 1884, Dowa has been developing mineral resources in order to secure stable, long-term sources of raw materials for its Akita Zinc / Kosaka Smelting & Refining complex and its Onahama Smelting & Refining complex, both in Japan.

- Dowa’s Akita Zinc is the largest zinc refinery in Japan, producing about 200,000 tons of electrolytic zinc per year, as well as electrolytic cadmium, concentrated sulfuric acid, gold, silver, copper and a number of minor metals (i.e. indium, gallium, germanium).

- Dowa is currently involved in the operation of three mines, from which it imports zinc and copper concentrates to feed the Akita Zinc and Onahama Smelting & Refining Complex:
  - a 30% interest in the **Tizapa Zinc Mine** in Mexico (operated by Penoles),
  - a shared 50% interest in the **Huckleberry Copper Mine** in British Columbia (operated by Imperial Metals),
  - a shared 25% interest in the **Gibraltar Copper Mine** in British Columbia (operated by Taseko Mines).
Los Gatos Silver-Zinc-Lead Project: 
_Dowa Metals & Mining Joint Venture_

- In December 2014 Dowa Metals & Mining Co., Ltd. (Dowa) agreed to purchase 30% of the Los Gatos Project by paying US$50 million over two years.
- Dowa will have life of mine rights to purchase the Los Gatos zinc concentrate at market rates. Lead concentrate will be sold to an independent smelter.
- All earn-in proceeds funded the exploration, feasibility and early development work at Los Gatos. Feasibility was completed by year-end 2016 by TetraTech.
- Sunshine Silver Mining & Refining Corporation is the project operator and manages all activities.

### Costs Overview

- **Decline Construction**: $20.2 Million
  - Ramp construction to access the mineralization
  - Enables trial mining and bulk sample collection
  - Provides exploration drilling platforms for further resource delineation

- **Drilling**: $6.8 Million
  - Infill drilling within the current resources to confirm continuity
  - Extension drilling to expand the mineral resources

- **Technical Studies**: $7.7 Million
  - Completion of:
    - Geotechnical
    - Hydrogeological
    - Metallurgical
    - Environmental studies
    - Final mine design

- **Infrastructure Prep**: $15.3 Million
  - Power line permitting
  - Remaining strategic land purchases
  - Final infrastructure design
Since Aug 2014, total Ag Eq M&I resources at the Los Gatos project increased by +170%.

Source: Dec-16 datapoints per Tetra Tech Feasibility Technical Report; See appendix for resource details & metal prices used for Ag Eq calculations.
Los Gatos Silver-Zinc-Lead Project: 
*Cerro Los Gatos Zone*

<table>
<thead>
<tr>
<th>Ore Tonnes</th>
<th>Ag (g/t)</th>
<th>Au (g/t)</th>
<th>Cu (%)</th>
<th>Pb (%)</th>
<th>Zn (%)</th>
<th>Ag Eq (Moz)</th>
<th>Ag (koz)</th>
<th>Au (Mlbs)</th>
<th>Cu (Mlbs)</th>
<th>Pb (Mlbs)</th>
<th>Zn (Mlbs)</th>
<th>Ag Eq (Moz)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2P Reserves</td>
<td>9.81</td>
<td>247</td>
<td>0.30</td>
<td>0.10%</td>
<td>2.28%</td>
<td>4.75%</td>
<td>604</td>
<td>78.0</td>
<td>94.6</td>
<td>21.6</td>
<td>493.0</td>
<td>1,027.1</td>
</tr>
<tr>
<td>Measured</td>
<td>3.40</td>
<td>318</td>
<td>0.37</td>
<td>0.10%</td>
<td>2.60%</td>
<td>5.43%</td>
<td>726</td>
<td>34.8</td>
<td>40.4</td>
<td>7.5</td>
<td>194.9</td>
<td>407.0</td>
</tr>
<tr>
<td>Indicated</td>
<td>5.80</td>
<td>274</td>
<td>0.34</td>
<td>0.12%</td>
<td>2.96%</td>
<td>6.00%</td>
<td>725</td>
<td>51.1</td>
<td>63.4</td>
<td>15.3</td>
<td>379.0</td>
<td>767.2</td>
</tr>
<tr>
<td>Total Meas. &amp; Ind.</td>
<td>9.20</td>
<td>290</td>
<td>0.35</td>
<td>0.11%</td>
<td>2.83%</td>
<td>5.79%</td>
<td>725</td>
<td>85.9</td>
<td>103.8</td>
<td>22.8</td>
<td>573.9</td>
<td>1,174.2</td>
</tr>
<tr>
<td>Inferred</td>
<td>3.20</td>
<td>128</td>
<td>0.28</td>
<td>0.14%</td>
<td>3.10%</td>
<td>4.60%</td>
<td>514</td>
<td>13.2</td>
<td>28.8</td>
<td>9.9</td>
<td>218.7</td>
<td>324.5</td>
</tr>
<tr>
<td>Total Resources</td>
<td>12.40</td>
<td>248</td>
<td>0.33</td>
<td>0.12%</td>
<td>2.90%</td>
<td>5.48%</td>
<td>671</td>
<td>99.0</td>
<td>132.7</td>
<td>32.7</td>
<td>792.6</td>
<td>1,498.7</td>
</tr>
</tbody>
</table>

Source: Tetra Tech Feasibility Technical Report; See appendix for Ag Eq calculation details
Los Gatos Silver-Zinc-Lead Project: Over 1.6 Kilometers of Development Completed

Decline Progress Toward the NW Zone

Location of Trial Mining in the Central Zone

Decline Progress in the Central Zone
Los Gatos Silver-Zinc-Lead Project:
Decline from Surface Intersected Vein on Sept. 14, 2016
Results Meaningfully Higher!
Resource model predicted that the trial mining area would average 307 g/t silver, 1.8% lead and 3.3% zinc

<table>
<thead>
<tr>
<th>Explosive Round</th>
<th>Ag g/t</th>
<th>Pb %</th>
<th>Zn %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Round 1</td>
<td>1082.9</td>
<td>10.97</td>
<td>11.82</td>
</tr>
<tr>
<td>Round 2</td>
<td>739.3</td>
<td>11.4</td>
<td>11.22</td>
</tr>
<tr>
<td>Round 4</td>
<td>571.3</td>
<td>5.95</td>
<td>6.86</td>
</tr>
<tr>
<td>Round 5</td>
<td>309.3</td>
<td>3.41</td>
<td>5.55</td>
</tr>
<tr>
<td>Round 6</td>
<td>472.7</td>
<td>4.64</td>
<td>4.73</td>
</tr>
<tr>
<td>Wtd. Avg.</td>
<td>635.1</td>
<td>7.27</td>
<td>8.04</td>
</tr>
</tbody>
</table>

50 t bulk sample sent to Pilot Processing Plant at SGS Lakefield Research Facility.
Los Gatos Silver-Zinc-Lead Project: Feasibility Study Mine Plan

### 2016 Feasibility Study Mine Plan

<table>
<thead>
<tr>
<th></th>
<th>Drift and Fill Ore Tonnes</th>
<th>Transverse Ore Tonnes</th>
<th>Longitudinal Ore Tonnes</th>
<th>Total Waste Tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total diluted and Recovered Ore tonnes</td>
<td>6,735,233</td>
<td>1,574,123</td>
<td>1,499,076</td>
<td>2,586,170</td>
</tr>
<tr>
<td>Diluted NSR $ Value/t</td>
<td>186.48</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted AgEq g/t</td>
<td>501.18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted Ag g/t</td>
<td>247.39</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cash Costs/t</td>
<td>115.22</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted Zn%</td>
<td>4.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted Pb%</td>
<td>2.28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted Cu%</td>
<td>0.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diluted Au g/t</td>
<td>0.3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Production by Zone

- **NW Total Diluted and Recovered Tonnes**: 3,073,200
- **Central Total Diluted and Recovered Tonnes**: 5,510,086
- **SE Total Diluted and Recovered Tonnes**: 1,225,147

### Key Figures

- **2,500 tonnes per day**
  - Mining Rate
- **11.5 Years**
  - Initial 2P Mine Life
- **$316 mm**
  - Expected Pre-Production Capex
- **$63 mm**
  - Average free cash flow per year
- **4.0 Year**
  - Payback period
- **$12.13/Ag oz.**
  - All-in co-product sustaining cost
- **$5.21/Ag oz.**
  - All-in by-product sustaining cost

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1. Production figures shown represent payable production
2. Feasibility Study based on Ag Price = $20.16/oz., Zn Price = $1.01/lb., Pb Price = $0.92/lb., Au Price = $1318/oz.
Los Gatos Silver-Zinc-Lead Project: Feasibility Study Metallurgy

- Primary Crusher → 2-Stage Grinding → Conventional Flotation to produce a Lead (high silver) and a Zinc concentrate
- The samples have A×b values of 45-77 and SCSE values of 7.66-9.56 kWh/t, categorizing the samples as softer per JKTech database of SMC tests, which reduces grinding costs
- The samples have BWI intermediate hardness values of 15.3-18.9 kWh/t
- 50 tonne bulk sample from test mining stope shipped to SGS Lakefield for pilot plant testing
- 40-50% of the tailings returned underground as paste backfill, remaining tailings to tailings storage facility (zero discharge)
## Cerro Los Gatos Feasibility Study Summary (100% Basis)

<table>
<thead>
<tr>
<th>Proven &amp; Probable Reserve (including dilution):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes</td>
<td>9.8 million</td>
</tr>
<tr>
<td>Silver Grade</td>
<td>247 g/t</td>
</tr>
<tr>
<td>Zinc Grade</td>
<td>4.8%</td>
</tr>
<tr>
<td>Lead Grade</td>
<td>2.3%</td>
</tr>
<tr>
<td>Gold Grade</td>
<td>0.3 g/t</td>
</tr>
</tbody>
</table>

| Initial Mine Life (based on current Proven & Probable reserves) | 11.5 years |

<table>
<thead>
<tr>
<th>Production Rate (annual):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Tonnage Milled</td>
<td>0.85 million tonnes</td>
</tr>
<tr>
<td>Recovered Silver</td>
<td>5.8 million ozs</td>
</tr>
<tr>
<td>Recovered Zinc</td>
<td>64.8 million lbs</td>
</tr>
<tr>
<td>Recovered Lead</td>
<td>39.8 million lbs</td>
</tr>
<tr>
<td>Recovered Gold</td>
<td>5.8 thousand ozs</td>
</tr>
</tbody>
</table>

| Preproduction Capital Cost | $316 million |
| Annual Free Cash Flow\(^1\) | $63 million |
| Project Payback Period | 4.0 years |

<table>
<thead>
<tr>
<th>All-In Sustaining Cost (AISC):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Co-Product Basis</td>
<td>$12.13/Ag oz</td>
</tr>
<tr>
<td>By-Product Basis</td>
<td>$5.21/Ag oz</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project NAV(^1):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>@ 7.5% discount rate</td>
<td>$142 million</td>
</tr>
<tr>
<td>@ 5.0% discount rate</td>
<td>$209 million</td>
</tr>
<tr>
<td>@ 0% discount rate</td>
<td>$399 million</td>
</tr>
</tbody>
</table>

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\(^1\) Feasibility Study based on Ag Price = $20.16/oz., Zn Price = $1.01/lb., Pb Price = $0.92/lb., Au Price = $1318/oz.
Los Gatos Silver-Zinc-Lead Project:
*NI 43-101 Feasibility Study NPV Sensitivity*

Project Sensitivity to Silver Price

![Graph showing the relationship between after-tax NPV and silver price.]

Every $5.00 increase in the silver price adds $125 million to the NPV.

Project Sensitivity to Zinc Price

![Graph showing the relationship between after-tax NPV and zinc price.]

Every $0.20 increase in the zinc price adds $42 million to the NPV.

Note: Analysis based on a 100% project-level basis, a 5% discount rate & 18.5 MXN/USD exchange rate; Metal price assumptions are Ag = $20.16/oz, Au = $1,318/oz, Zn = $1.01/lb & Pb = $0.92/lb.
Los Gatos Silver-Zinc-Lead Project: Financing for Construction Completed!

Los Gatos Project Financing (*Millions*):

<table>
<thead>
<tr>
<th></th>
<th>Debt Facility</th>
<th>Equity Financing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SSMRC (70%)</td>
<td>$147M</td>
<td>$74M</td>
<td>$221M</td>
</tr>
<tr>
<td>Dowa Metals &amp; Mining (30%)</td>
<td>$63M</td>
<td>$32M</td>
<td>$95M</td>
</tr>
<tr>
<td>Los Gatos Preproduction CAPEX</td>
<td>$210M</td>
<td>$106M</td>
<td>$316M</td>
</tr>
</tbody>
</table>
### Los Gatos Silver-Zinc-Lead Project:
**$210M Project Finance Facility Approved**

<table>
<thead>
<tr>
<th>Issue</th>
<th>$210 million term loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>To fund ≈ 67% of Los Gatos Mine $316M initial construction cost</td>
</tr>
<tr>
<td><strong>Security</strong></td>
<td>All project assets including share pledge from the JV sponsors (Sunshine &amp; Dowa)</td>
</tr>
<tr>
<td><strong>Tenor</strong></td>
<td>10.5 years</td>
</tr>
<tr>
<td><strong>Interest Rate/Fees</strong></td>
<td>LIBOR + margin of 4.35% (includes annual arrangement fee)</td>
</tr>
<tr>
<td></td>
<td>2% One-time upfront fee</td>
</tr>
<tr>
<td><strong>Repayment Schedule</strong></td>
<td>14 consecutive semi-annual instalments / Beginning June 2021 / Final Dec 2027</td>
</tr>
<tr>
<td><strong>Cash Sweep Mechanism</strong></td>
<td>70% of excess cash flow</td>
</tr>
<tr>
<td><strong>Financial Covenants</strong></td>
<td>Accelerated repayment for change of control</td>
</tr>
<tr>
<td><strong>Lead Arranger</strong></td>
<td>Dowa Metals &amp; Mining Co. Ltd.</td>
</tr>
</tbody>
</table>
Los Gatos Silver-Zinc-Lead Project: Equity Financing

Los Gatos Project Equity Contribution  | $106 million
---|---
SSMRC 70%  | $74 million
Dowa 30%  | $32 million

- SSMRC has completed a $36.5 million private placement with $28 million to be an initial equity contribution to the Los Gatos Project.
- SSMRC has $46 million of equity obligation remaining ($74M - $28M = $46M).
- If SSMRC is unable to provide its remaining $46 million equity contribution, Dowa will continue funding the Los Gatos Project on SSMRC’s behalf.
  - Dowa will treat any funding on SSMRC’s behalf as a project loan with an interest rate of LIBOR + 1.5%.
  - The loan repayment is due on June 30, 2019 when the project is expected to start commissioning.
- If SSMRC does not repay the loan by the maturity date, Dowa will earn additional equity interest in the Los Gatos Project.
  - SSMRC will have a buy-back option to reacquire the Los Gatos Project equity acquired at the value credited to Dowa.
  - This option can be exercised at any time and expires two years following the Los Gatos Project commissioning.
## Los Gatos Silver-Zinc-Lead Project: The Timeline to Production

### The SSMRC & Dowa Los Gatos Joint Venture will continually Add Value through Resource Expansion & Mine Construction

**Ongoing Definition Drilling to increase the Cerro Los Gatos Reserves & Resources**

**Construction of Cerro Los Gatos Process Plant and other surface Facilities to Annually Produce 5.8M Ag ozs, 64.8M Zn lbs, 39.8M Pb lbs\(^1\) at AISC of $5.21/Ag oz**

**Underground Development started in June 2015 and continues through Cerro Los Gatos Project Commissioning**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ MIA submitted to SEMARNAT for approval of surface construction permits</td>
<td>➢ Completion of the Ni 43-101 compliant Feasibility Study</td>
<td>➢ Completion of the Cerro Los Gatos Equity Financing Requirement</td>
<td>➢ Approval of Final Construction Permits for Cerro Los Gatos</td>
<td>➢ Approval of the Cerro Los Gatos Debt Finance Facility</td>
<td>➢ Initiate Cerro Los Gatos Project Construction</td>
<td>➢ Final Engineering Completed</td>
<td>➢ Long-lead Equipment Ordered</td>
<td>➢ Powerline Construction Started</td>
<td>➢ Earthworks Started</td>
<td>➢ Processing Plant &amp; Other Surface Facilities Construction Started</td>
<td>➢ Cerro Los Gatos Project Commissioning Begins</td>
<td>➢ Achieve Design Production of 2500 tpd</td>
</tr>
</tbody>
</table>

1 Figures shown are metal recovered; Payable metal figures are 5.2 Moz Ag, 50.5 Mibs Zn & 36.6 Mibs Pb
Los Gatos Silver-Zinc-Lead Project: Additional District Exploration Targets

Other Preliminary Resource Estimates:
- Esther: 1.75MT at 129.7 gAg/t, 1.8% Pb, 3.7% Zn
- Amapola: 1.46MT at 174.1 gAg/t, 0.2% Pb, 0.5% Zn

Other Ore Grade Intercepts:
- Cieneguita: 1.3m at 62.4g Ag/t, 5.4% Pb, 0.9% Zn
- San Luis: 2.0m at 271.0g Ag/t, 0.3% Pb, 0.1% Zn
- Paula Adorada: 4.0m at 180.0 g Ag/t, 0.1% Pb, 0.1% Zn
- San Agustin: 1.3m at 148.0 gAg/t, 1.2% Pb, 2.3% Zn
- Mezcalera: 2.0m At 59.4g Ag/t, 0.1% Pb, 0.1% Zn
- Los Torunos: 1.8m at 34.2 gAg/t, 2.6% Pb, 0.9% Zn
- El Rodeo Hole: 0.8m at 61.5 gAg/t, 3.4% Pb, 4.0% Zn
- Boca de Leon: 2.2m at 90.6 gAg/t, 5.0% Pb, 0.8% Zn
- El Lince: 4.0m at 62.2 gAg/t, 0.0% Pb, 0.1% Zn

Esther & Amapola Deposits¹

|         | Ore Tonnes (Mt) | Ag (g/t) | Au (g/t) | Cu (%) | Pb (%) | Zn (%) | Ag Eq (Mt) | Ag (Moz) | Au (koz) | Cu (Mlbs) | Pb (Mlbs) | Zn (Mlbs) | Ag Eq (Moz) |
|---------|----------------|----------|----------|--------|--------|--------|------------|----------|----------|-----------|-----------|-----------|-----------|           |
| Esther  |                |          |          |        |        |        |            |          |          |           |           |           |           |
| Indicated | 0.62          | 113      | 0.04     | 0.02%  | 0.60%  | 1.70%  | 225        | 2.3      | 0.8      | 0.3       | 8.2       | 23.2      | 4.5        |
| Inferred | 2.94          | 87       | 0.10     | 0.04%  | 1.30%  | 2.50%  | 274        | 8.2      | 9.5      | 2.6       | 84.3      | 162.0     | 25.9       |
| Total Resources | 3.56      | 92       | 0.09     | 0.04%  | 1.18%  | 2.36%  | 265        | 10.5     | 10.2     | 2.9       | 92.5      | 185.3     | 30.4       |

|         | Ore Tonnes (Mt) | Ag (g/t) | Au (g/t) | Cu (%) | Pb (%) | Zn (%) | Ag Eq (Mt) | Ag (Moz) | Au (koz) | Cu (Mlbs) | Pb (Mlbs) | Zn (Mlbs) | Ag Eq (Moz) |
|---------|----------------|----------|----------|--------|--------|--------|------------|----------|----------|-----------|-----------|-----------|-----------|           |
| Amapola |                |          |          |        |        |        |            |          |          |           |           |           |           |
| Indicated | 0.46          | 133      | 0.04     | 0.02%  | 0.70%  | 2.10%  | 269        | 2.0      | 0.6      | 0.2       | 7.1       | 21.3      | 4.0        |
| Inferred | 2.29          | 98       | 0.12     | 0.05%  | 1.60%  | 3.00%  | 324        | 7.2      | 8.8      | 2.5       | 80.8      | 151.5     | 23.8       |
| Total Resources | 2.75      | 104      | 0.11     | 0.04%  | 1.45%  | 2.85%  | 315        | 9.2      | 9.4      | 2.7       | 87.9      | 172.8     | 27.8       |

¹Esther and Amapola resource estimate per TetraTech Aug12 Technical Report (also disclosed in Los Gatos FS technical report); See appendix for Ag Eq calculation details
The Sunshine Mine: An American Silver Legend
Sunshine Silver Mine: 
*We’re in the Sweetest Spot of the District*

**Sunshine**

<table>
<thead>
<tr>
<th>Grade</th>
<th>M&amp;I</th>
<th>Inf.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ag</td>
<td>827</td>
<td>221</td>
</tr>
</tbody>
</table>

- **M&I**: 75 million oz. Ag
- **Inf.**: 221 million oz. Ag

Source: Public filings and Google Earth. Silver grade of total reserves & resources (including inferred) at peer projects. M&I shown is inclusive of reserves. Relative circle size is indicative of current weighted average M&I silver grade.

**Bunker Hill**

<table>
<thead>
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<th>Inf.</th>
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</thead>
<tbody>
<tr>
<td>Ag</td>
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<td>N/A</td>
</tr>
</tbody>
</table>

- **M&I**: N/A
- **Inf.**: N/A

**Galena**

<table>
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<th>M&amp;I</th>
<th>Inf.</th>
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</thead>
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<tr>
<td>Ag</td>
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<td>16</td>
</tr>
</tbody>
</table>

- **M&I**: 42M oz. Ag
- **Inf.**: 16M oz. Ag

**Lucky Friday**

<table>
<thead>
<tr>
<th>Grade</th>
<th>M&amp;I</th>
<th>Inf.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ag</td>
<td>273</td>
<td>34</td>
</tr>
</tbody>
</table>

- **M&I**: 211M oz. Ag
- **Inf.**: 34M oz. Ag

Note: Grade shown represents grade of total reserves and resources. Relative circle size is indicative of current weighted average M&I silver grade.

In-Situ Mineral Resource Grades:
Global Silver Project Comparisons

Note: Grades include all Measured, Indicated and Inferred resources; Ag Eq calculations based on Ag = $17.02/oz, Au = $1,205/oz, Pb = $1.02/lb, Zn = $1.21/lb & Cu = $2.57/lb (10Mar17 spot prices)
Averages shown exclude SSMRC datapoints; All information is sourced from public disclosure as at 10Mar17
Sunshine Silver Mine: Focus on Shallow Targets

Using modern technology to systematically explore a world-class project in a historic and prolific district, to unlock value and create a unique high grade silver mine

- Numerous unexplored target areas identified for systematic exploration
- New veins & extensions of known veins discovered in the upper areas of the deposit
- Deposit also open at depth
- Additional high potential zones near previously mined areas
Sunshine Silver Mine: 
*Exploration Results*

**Sterling Tunnel Station D Vertical Section**

**South Yankee Boy Split Vein**

**Sunshine 500 Level**

**Sunshine 900 Level**

**DRILL STATION C**

**6725 Bulk Sample Stope**

**Vertical Section Looking West Summarizing South Yankee Boy Vein Intercepts**

---

**A focus on shallow targets:**

**South Yankee Boy Split Vein Discovery**

### South Yankee Boy Split Vein Intercepts

<table>
<thead>
<tr>
<th>DDH ID</th>
<th>Intercept Length (m)</th>
<th>Ag (grams/tonne)</th>
<th>Cu (%)</th>
<th>Pb (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2651</td>
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<td>555</td>
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<td>ST-2655</td>
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<td>562</td>
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<td>0.05</td>
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<td>ST-2658</td>
<td>1.22</td>
<td>709</td>
<td>0.78</td>
<td>0.41</td>
</tr>
<tr>
<td>ST-2659</td>
<td>0.58</td>
<td>708</td>
<td>0.40</td>
<td>0.05</td>
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<tr>
<td>ST-2662</td>
<td>0.67</td>
<td>1575</td>
<td>1.02</td>
<td>0.90</td>
</tr>
<tr>
<td><strong>Average</strong></td>
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<td><strong>891</strong></td>
<td><strong>0.94</strong></td>
<td><strong>0.28</strong></td>
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</table>
Sunshine Silver Mine: Exploration Results

Sterling Tunnel Station D Vertical Section

<table>
<thead>
<tr>
<th>STATION C 2600 Y</th>
<th>DRILL STATION C 2600 Y</th>
<th>Sterling Tunnel Station D Vertical Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3200 Y</td>
<td>3000 Y</td>
<td>Sunshine Vein</td>
</tr>
<tr>
<td>2800 Y</td>
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<td>Sunnshine Vein Extension</td>
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<tr>
<td></td>
<td></td>
<td>South Yankee Boy Split Vein</td>
</tr>
<tr>
<td>2400 Y</td>
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<td>Sunshine Vein</td>
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<tr>
<td>2200 Y</td>
<td></td>
<td>Sunshine 500 Level</td>
</tr>
<tr>
<td>2000 Y</td>
<td></td>
<td>Sunshine 900 Level</td>
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<td>1800 Y</td>
<td></td>
<td>Sunshine 900 Level</td>
</tr>
<tr>
<td>1600 Y</td>
<td></td>
<td>Sunshine 900 Level</td>
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</tbody>
</table>

A focus on shallow targets:
Sunshine Vein Extension Discovery

Sunshine Vein

<table>
<thead>
<tr>
<th>DDH ID</th>
<th>Intercept Length (m)</th>
<th>Ag (grams/tonne)</th>
<th>Cu (%)</th>
<th>Pb (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2625</td>
<td>1.16</td>
<td>1246</td>
<td>0.41</td>
<td>0.13</td>
</tr>
<tr>
<td>ST-2627</td>
<td>0.52</td>
<td>520</td>
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<td>2142</td>
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<td>2126</td>
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<td>0.12</td>
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<tr>
<td>ST-2638</td>
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<td>1114</td>
<td>0.63</td>
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<td>ST-2665</td>
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<td>634</td>
<td>0.24</td>
<td>0.05</td>
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<tr>
<td>Average</td>
<td>0.55</td>
<td>1516</td>
<td>0.61</td>
<td>0.20</td>
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</table>
Sunshine Silver Mine: Exploration Results

Sterling Tunnel Station C Vertical Section

Vertical Section Looking West Summarizing 10 Vein Intercepts... Tunnel Elevation

South Yankee Boy Split Vein
Sunshine 900 Level
Sunshine 500 Level
6725 Bulk Sample Stope

A focus on shallow targets: 10 Vein Discovery

<table>
<thead>
<tr>
<th>DDH ID</th>
<th>Intercept Length (m)</th>
<th>Ag (grams/tonne)</th>
<th>Cu (%)</th>
<th>Pb (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-2624</td>
<td>0.09</td>
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<td>921</td>
<td>0.41</td>
<td>22.53</td>
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</table>
New Discovery South Yankee Boy Split Vein: Trial Mining

- 1.1 Meter Wide Vein
  - Grading 2,152 g/t Ag, 1.02% Cu, 2.43% Pb
- 2.2 Meter Wtd. Avg. Mining Width
  - Grading 1,049 g/t Ag, 0.50% Cu, 1.18% Pb
- 0.3 Meter Wide Vein
  - Grading 3,869 g/t Ag, 2.05% Cu, 0% Pb
- 1.68 Meter Wtd. Avg. Mining Width
  - Grading 1,322 g/t Ag, 0.65% Cu, 0.12% Pb

Full production mining rate 1,200 tpd
Silver grade 24.8 oz/ton (≈850 g/t)
Silver recovery 92% in Upper; 96% in Lower
Silver production (peak) 10 to 12 million ounces (9.4M average LOM)
Cash costs $9.16/oz
All-In sustaining costs $11.86/oz
NPV(5%)¹ $570M
Payback period 6 years
Mine life 24 years

¹ PEA technical report metal price assumptions are Ag = $21.26/oz, Cu = $3.00/lb, Pb = $0.96/lb & Sb = $5.00/lb
Sunshine Silver Mine: 
Largest Mineral Rights Holder in Idaho’s Silver Valley

Sunshine seized the opportunity during the sector downturn to become the largest mineral rights owner in Idaho’s Silver Valley, one of the world’s most prolific silver districts

- **Sunshine Pine Creek District**
  - First Target: 75 MM OZ Silver
  - 750+ MM Pounds Lead, Zinc & Copper

- **Sunshine Mine**
  - First Target: 400 MM OZ Silver and open at depth
  - 1.5+ B Pounds Copper, Lead & Zinc

- **Sunshine-East District**
  - First Target: 15 MM OZ Silver
  - 150+ MM Pounds Copper, Lead & Zinc

- **Sunshine-South**
  - First Target: 150 MM OZ Silver
  - 750+ MM Pounds Copper, Lead & Zinc

- **Sunshine-Coeur d’A’lene**
  - First Target: 50 MM OZ Silver
  - 500+ MM Pounds Copper, Lead & Zinc

- **Sunshine Silver East**
  - First Target: 500+ MM OZ Silver
  - 150+ MM Pounds Copper, Lead & Zinc
Sunshine Silver Mine: Purchased Sunshine Refinery in 2013

- A unique opportunity to be the only vertically integrated silver mining operation in the United States, having acquired the Sunshine Refinery in October 2013, and changed its name to Sunshine Mining & Refining Corporation

The Refinery makes Sunshine a Unique Silver Vehicle:

- Provides vertical integration from mining to refining of 99.98% pure silver bullion & possibly antimony metal
- Offers significant capital and operating expense savings vs. construction of new refinery or external processing of all silver-bearing concentrates
- Reduces risk of regulatory approval or delays as refinery is approved for operation under Sunshine’s existing federal water discharge permit
- Certified for direct delivery to COMEX
Sunshine Mine & Los Gatos: 
Size & Grade vs. Development Peers

The Sunshine & Los Gatos deposits are amongst the highest grade Ag deposits vs. their Silver Development Peers. MAG (shown in green) & Sunshine (shown in blue) are the only companies in the “Construction” phase.