



# Q2 2020 Financial and Operational Results Webcast

NYSE: FSM | TSX: FVI | August 14, 2020



Lindero gold Project, Argentina

# CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS / NON-GAAP FINANCIAL MEASURES



This corporate presentation contains forward looking statements which constitute “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995 (collectively, “Forward looking Statements”). All statements included herein, other than statements of historical fact, are Forward looking Statements and are subject to a variety of known and unknown risks and uncertainties which could cause actual events or results to differ materially from those reflected in the Forward-looking Statements. The Forward looking Statements in this corporate presentation may include, without limitation, statements about the Company’s plans for its mines and mineral properties; operating cash flow, free cash flow, forecast metal production, mineral reserves, mineral resources, metal grades, recoveries, total cash cost, all-in sustaining costs; the impact of COVID-19 on the Company’s operations and construction activities at the Lindero Project, debt levels, future plans and objectives based on forecasts of future operational or financial results; the impact of COVID-19 on construction activities at the Lindero Project; the timing of the construction and development of the Lindero Project, including the commissioning of the tertiary crusher and agglomeration plant; planned preparations for operations at Lindero, including the first doré pour at the Lindero Project; targeted timing for production and commercial production at Lindero; increase in costs related to COVID-19; the Company’s business strategy, plans and outlook; the estimates of expected or anticipated economic returns from the Company’s mining operations including future sales of metals, concentrate or other products produced by the Company; the Company’s ability to achieve its production and cost guidance; capital expenditures at the Company’s operations; approvals and other matters. Often, but not always, these Forward looking Statements can be identified by the use of words such as “estimated”, “potential”, “open”, “future”, “assumed”, “scheduled”, “anticipated”, “projected”, “used”, “detailed”, “has been”, “gain”, “planned”, “reflecting”, “will”, “containing”, “remaining”, “expected”, “to be”, or statements that events, “could” or “should” occur or be achieved and similar expressions, including negative variations.

Forward looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by the Forward-looking Statements. Such uncertainties and factors include, among others, changes in general economic conditions and financial markets; risks relating to a global pandemic, including COVID-19, which unless contained could cause a slowdown in global economic growth and impact the Company’s business, operations, financial condition and share price; the duration of the COVID-19 pandemic and the impact of COVID-19 on the Company’s business, operations and financial condition, including the Company’s ability operate or continue to operate at its sites; the impact of further suspensions of operations at any of the Company’s operating mines or at the Lindero Project; the Company’s ability to manage challenges presented by COVID-19; uncertainty of production, development plans and cost estimates for the Cayloma mine, the San Jose mine and the Lindero Project; changes in prices for silver and other metals; technological and operational hazards in Fortuna’s mining and mine development activities; market risks related to the sale of the Company’s concentrates and metals; future development risks, including start-up delays and cost overruns at Lindero; risks inherent in mineral exploration; uncertainties inherent in the estimation of mineral reserves, mineral resources, and metal recoveries; the Company’s ability to replace mineral reserves; changes to current estimates of mineral reserves and resources; changes to production estimates; the Company’s ability to obtain adequate financing for further exploration and development programs and opportunities; governmental and other approvals; recoverability of value added tax and significant delays in the Company’s collection process; claims and legal proceedings, including adverse rulings in litigation against the Company; political unrest or instability in countries where Fortuna is active; labor relations issues, as well as those factors discussed under “Risk Factors” in the Company’s Annual Information Form dated March 26, 2020 and filed on SEDAR at [www.sedar.com](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in Forward looking Statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward looking Statements contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to expectations regarding the duration of the COVID-19 pandemic; mine production costs; expected trends in mineral prices and currency exchange rates; the accuracy of the Company’s current mineral resource and reserve estimates; that the Company’s activities will be in accordance with the Company’s public statements and stated goals; that there will be no material adverse change affecting the Company or its properties; that all required approvals will be obtained; that there will be no significant disruptions affecting operations, including the construction of the Lindero Project and the bringing of the Project into commercial production and such other assumptions as set out herein. Forward looking Statements are made as of the date hereof and the Company disclaims any obligation to update any Forward-looking Statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that Forward-looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on Forward looking Statements.

This corporate presentation also refers to non-GAAP financial measures, such as cash cost per tonne of processed ore; cash cost per payable ounce of silver; total production cost per tonne; all-in sustaining cash cost; all-in cash cost; adjusted net (loss) income; operating cash flow per share before changes in working capital; free cash flow; income taxes, and interest income; and adjusted EBITDA. These measures do not have a standardized meaning or method of calculation, even though the descriptions of such measures may be similar. These performance measures have no meaning under International Financial Reporting Standards (IFRS) and therefore, amounts presented may not be comparable to similar data presented by other mining companies.

Mr. Eric N. Chapman, M.Sc., Vice President of Technical Services, is the Qualified Person for Fortuna Silver Mines Inc. as defined by National Instrument 43-101. Mr. Chapman is a Professional Geoscientist of the Association of Professional Engineers and Geoscientists of the Province of British Columbia (Registration Number 36328) and is responsible for ensuring that the information contained in this presentation is an accurate summary of the original reports and data provided to or developed by Fortuna Silver Mines Inc., and has reviewed and approved the scientific and technical information contained herein.

Dollar amounts expressed in US dollars, unless otherwise indicated.

# NOTE ABOUT THE INFORMATION CONTAINED HEREIN AND THE NOVEL CORONAVIRUS



As at the date of this presentation, the Caylloma and San Jose mines are operating and construction activities at the Lindero Project are proceedings, each with reduced on-site workforces and in accordance with health protocols and applicable government and regulatory requirements. The Company's operations and financial performance are dependent on it being able to operate at each of its mines and projects. Given the fast-changing situation with respect to the COVID-19 pandemic, including the areas suffering from the pandemic and the response of governments in implementing protective policies including travel bans, it is difficult to predict the exact nature and extent of the impact the pandemic may have on the Company and its business. The Company could face increased restrictions from governments in order to prevent the spread of COVID-19 and as a result be prevented from operating at its mines and projects for a material period of time, and its ability to transport and sell its concentrates could likewise be restricted. Any changes in the current situation relating to the COVID-19 pandemic and an increase in the current restrictions applicable to its operations could significantly impact the Company and its performance and thus would impact the accuracy of any forward-looking statements contained in this presentation, particularly with respect to the Lindero construction timelines, cost budget and timing for commencement of production at the Lindero Project (Refer to Slides 6, 13, 14, and 15).



# JORGE A. GANOZA

President, CEO and Director



San Jose Mine, Mexico

# OUR COMPANY



**15 years**  
generating  
sustainable  
shareholder value

-  Operating Mine
-  Development Project
-  Exploration
-  Fortuna Silver Mines Inc.  
CORPORATE OFFICE, VANCOUVER, CANADA
-  Fortuna Silver Mines Peru  
MANAGEMENT HEAD OFFICE, LIMA, PERU



# Q2 2020 HIGHLIGHTS



## Free Cash Flow<sup>1</sup>

Neutral FCF from ongoing operations in spite of COVID constraints

**\$0.2 M**



## Liquidity<sup>2</sup>

**\$132 M**

Total Net Debt to EBITDA ratio<sup>3</sup>

**1 : 1**



## Lindero progress

**97%<sup>4</sup>**

Funding Remaining to Commercial Production

**\$55 - \$60 M**

First doré pour planned for **Q3 2020<sup>5</sup>**



## COVID-19

- 2020 guidance withdrawn<sup>6</sup>
- San Jose resumed operations on May 26<sup>7</sup>
- Lindero resumed construction in mid May<sup>5</sup>

### Notes:

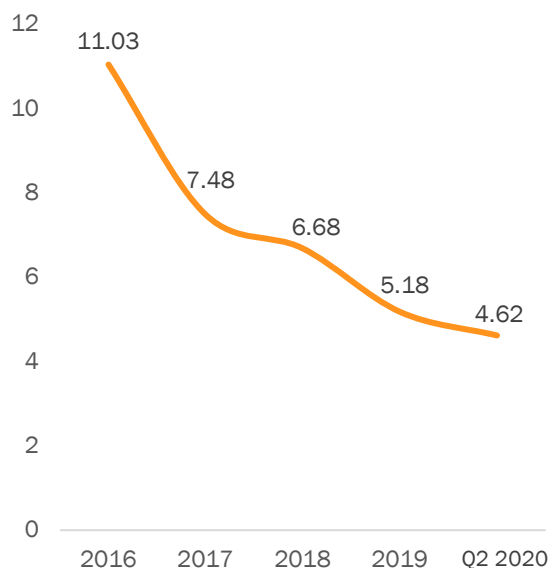
1. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*; refer to slide 36
2. Liquidity considers cash and cash equivalents as of June 30, 2020 and \$55 million available under credit facility
3. Total Net Debt to EBITDA as of June 30, 2020
4. Refer to Fortuna news release dated July 16, 2020, "[Fortuna commences stacking ore on the heap leach pad at the Lindero gold Project, Argentina](#)"
5. Refer to Fortuna news release dated May 8, 2020, "[Fortuna provides update on the resumption of construction activities at the Lindero gold Project, Argentina](#)"
6. Refer to Fortuna news release dated April 2, 2020, "[Fortuna provides an update on its response to the worldwide spread of COVID-19](#)"
7. Refer to Fortuna news release dated May 26, 2020, "[Fortuna announces resumption of production at the San Jose Mine, Mexico](#)"

# HSSE STATISTICS AND TRENDS

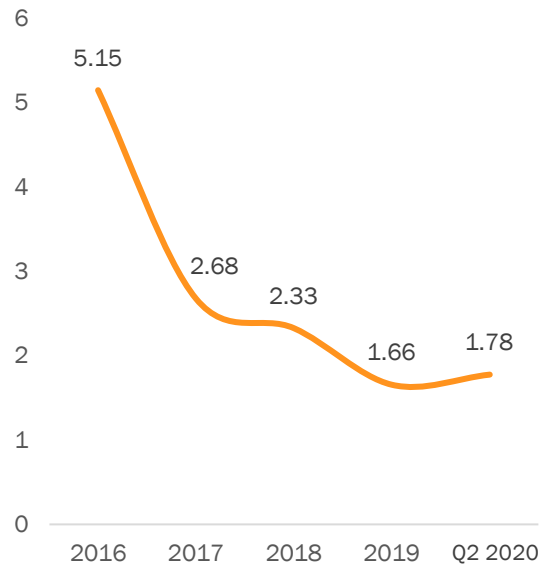


2016 – Q2 2020 (rolling 12 months)

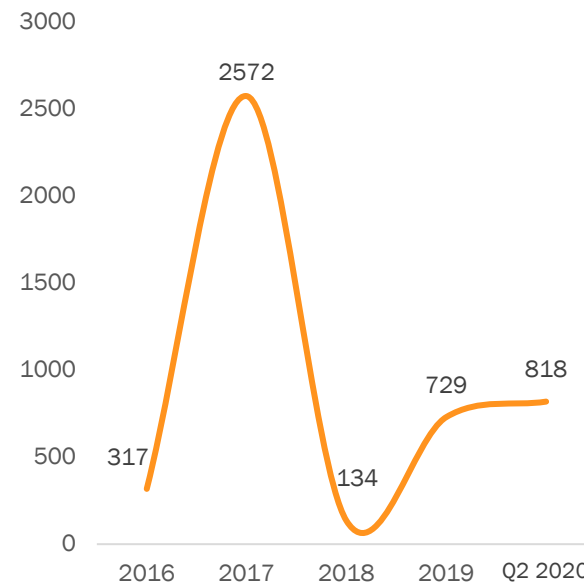
### Total Recordable Injury Frequency Rate<sup>1</sup>



### Lost Time Injury Frequency Rate<sup>2</sup>



### Severity Rate<sup>3</sup>



#### Notes:

1. Total Recordable Injury Frequency Rate = (lost time + medical treatment injuries) x 1,000,000 / man hours
2. Lost Time Injury Frequency Rate = (lost time injuries x 1,000,000) / man hours
3. Severity Rate = (days lost because of lost time injuries x 1,000,000) / man hours
4. Includes all employees and contractors of Fortuna and subsidiaries.

# Q2 2020 CONSOLIDATED PRODUCTION<sup>1</sup>



Production Impacted by COVID-19 Temporary Suspension at the San Jose Mine<sup>2</sup>

SILVER PRODUCTION

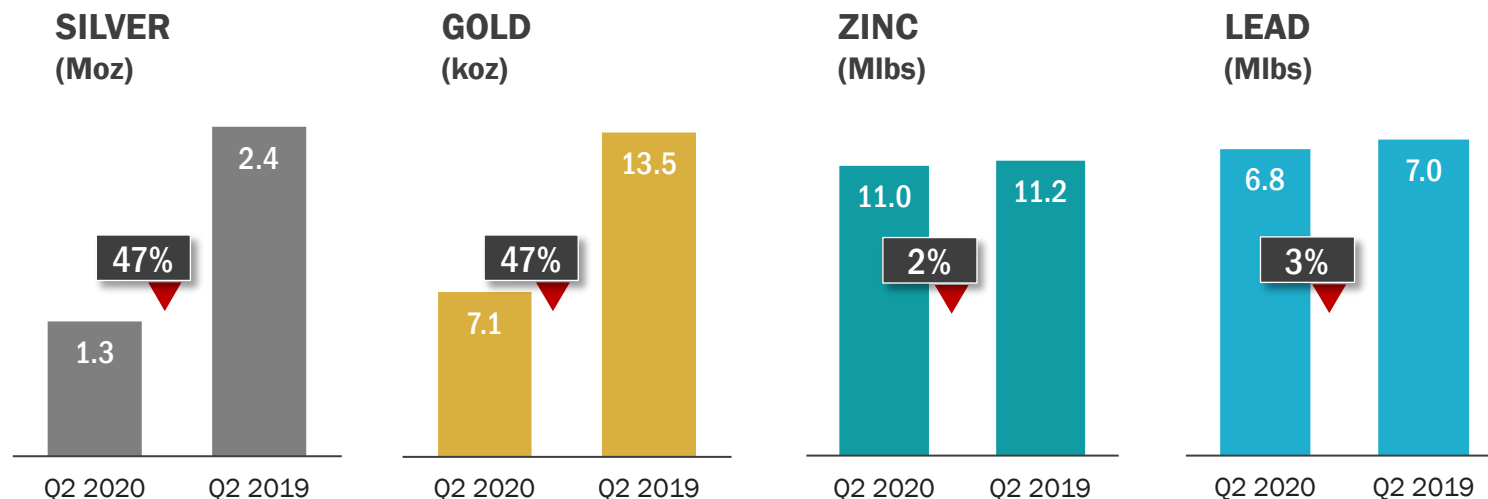
**1.3 Moz**

GOLD PRODUCTION

**7.1 koz**

or

**1.8 Moz Ag Eq<sup>3</sup>**



Notes:

1. Refer to Fortuna press release dated July 15, 2020, "[Fortuna reports production of 1.3 million ounces of silver and 7,099 ounces of gold for the second quarter of 2020](#)"
2. Refer to Fortuna news release dated May 26, 2020, "[Fortuna announces resumption of production at the San Jose Mine, Mexico](#)"
3. Ag Eq calculated using silver to gold ratio of 81 to 1 and does not include lead or zinc

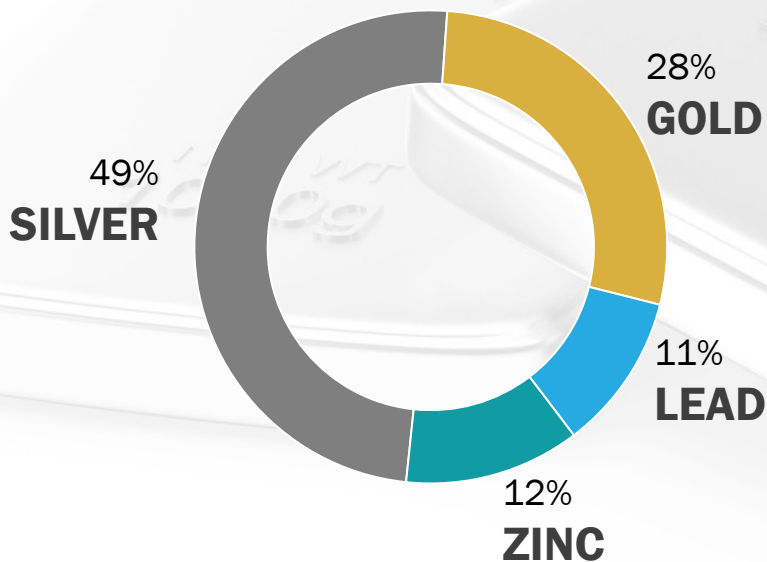


# Q2 2020 CONSOLIDATED SALES



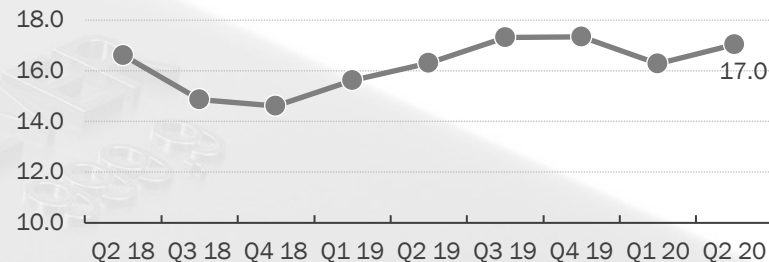
## Provisional Sales Contribution by Metal

Sales<sup>2</sup> of **\$44.5 M**      Precious metals contribution<sup>3</sup> **77%**

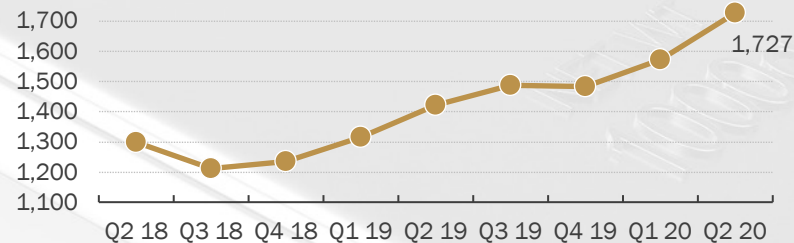


### REALIZED PRECIOUS METALS PRICES<sup>1</sup>

#### SILVER (\$/oz)



#### GOLD (\$/oz)



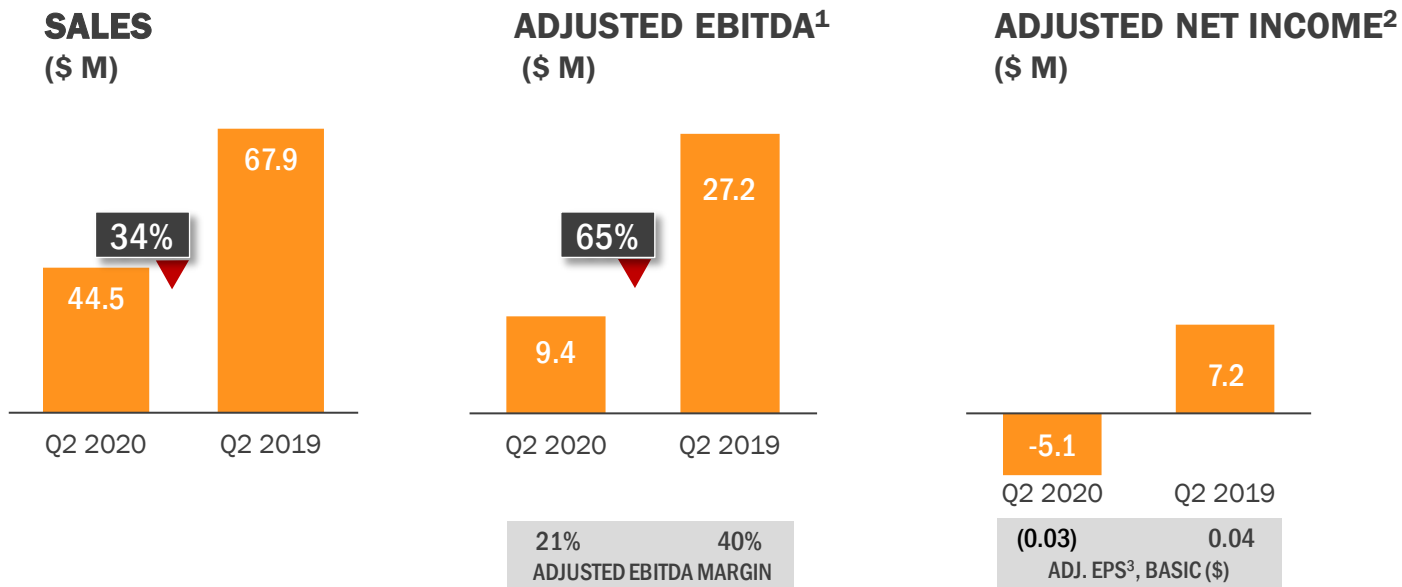
Notes:

1. Realized prices on provisional sales before adjustments; refer to slide 31
2. Net sales
3. Contribution based on provisional sales
4. Totals may not add due to rounding

# Q2 2020 CONSOLIDATED FINANCIAL HIGHLIGHTS



Financials Impacted by Lower Production at San Jose Due to COVID-19 Temporary Suspension



**Notes:**

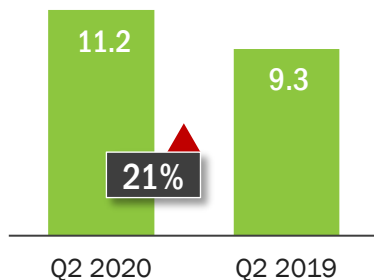
1. Earnings Before Interest, Taxes, Depreciation and Amortization; non-GAAP financial measure; refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*; refer to slide 32 Adjusted EBITDA detail
2. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*; refer to slide 34 for Adjusted Net Income detail
3. Adjusted Earnings Per Share; non-GAAP financial measures; refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*; refer to slide 34 for Adjusted Net Income detail

# Q2 2020 AISC<sup>1</sup> Ag Eq

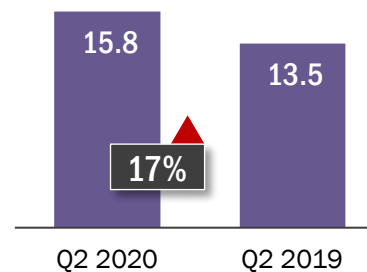


San Jose Impacted by Lower Production due to COVID-19 Temporary Suspension; Caylloma Impacted by Base Metal Prices

**SAN JOSE MINE**  
(AISC \$/oz Ag Eq)<sup>2,3</sup>



**CAYLLOMA MINE**  
(AISC \$/oz Ag Eq)<sup>2,4</sup>



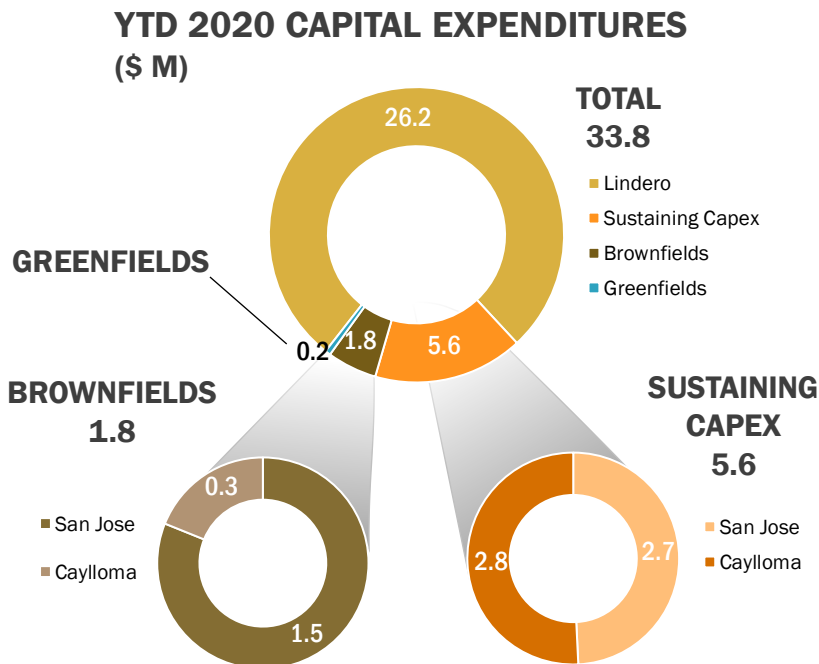
Notes:

1. AISC per payable ounce of silver equivalent production includes production cash cost, commercial and government royalties/mining tax, worker's participation, subsidiary G&A, corporate G&A, sustaining capital expenditures, and Brownfields exploration; non-GAAP financial measure; refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*
2. Q2 2020 AISC (\$/oz Ag Eq) estimated at metal prices of \$1,727/oz Au, \$17.03/oz Ag, \$0.75/lb Pb, and \$0.89 /lb Zn
3. Ag Eq calculated using ratios of Ag:Au = 100:1 for Q2 2020 and 88.3:1 for Q2 2019
4. Ag Eq calculated using ratios of Ag:Au = 105.9:1; Ag:Pb (lbs) = 1:21.3; Ag:Zn (lbs) = 1:18.1 for Q2 2020 and Ag:Au = 87.2:1; Ag:Pb (lbs) = 1:17.4; Ag:Zn (lbs) = 1:11.9 for Q2 2019

# YTD 2020 CONSOLIDATED CAPITAL EXPENDITURES



Lindero CAPEX<sup>1</sup> of \$4.9 Million During the Second Quarter; Construction Activities Resumed in Late May



## CONSOLIDATED CAPITAL EXPENDITURES (\$ M)

	YTD 2020
Lindero Construction	26.2
Sustaining CAPEX	5.6
Brownfields exploration <sup>2</sup>	1.8
Greenfields exploration <sup>2</sup>	0.2
<b>Total</b>	<b>33.8</b>

Notes:

1. Capital expenditure
2. Temporarily suspended all Greenfields and Brownfields exploration activities; refer to Fortuna news releases dated March 17, 2020, "[Fortuna provides an update on the status of its operations in response to the worldwide spread of COVID-19](#)" and April 2, 2020 "[Fortuna provides an update on its response to the worldwide spread of COVID-19](#)"
3. Totals may not add due to rounding

# CURRENT ASSET PORTFOLIO



## PRODUCTION

San Jose Mine, Mexico

Caylloma Mine, Peru

## DEVELOPMENT

Lindero Gold Project<sup>1</sup>, Argentina  
*Commercial production planned for Q1 2021*

## EXPLORATION

### BROWNFIELDS<sup>2</sup>

Lindero Project, Argentina  
Arizaro

San Jose Mine, Mexico  
Trinidad vein | Victoria mineralized zone

Caylloma Mine, Peru  
Animas vein | San Cristobal silver vein

### GREENFIELDS<sup>2</sup>

Northern Argentina  
Campo Casa Blanco

### Mexico

Generative program to identify potential acquisition opportunities

#### Notes:

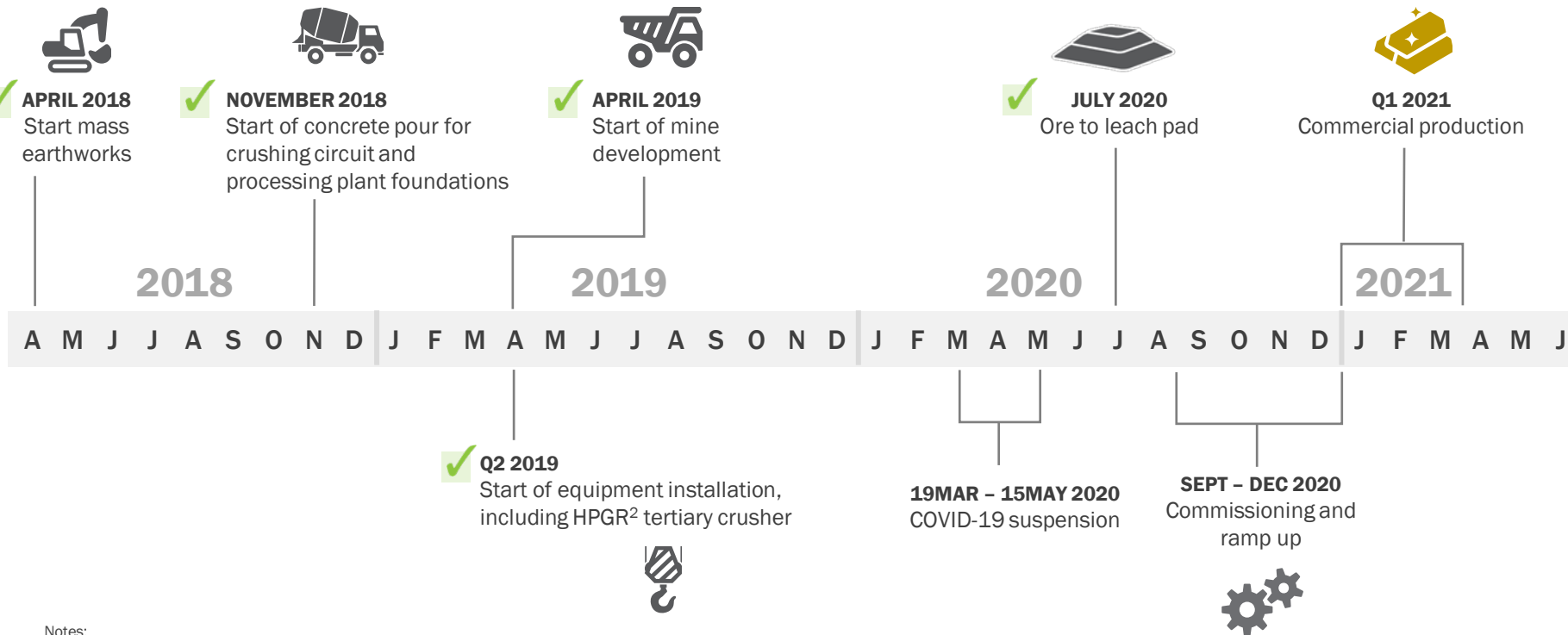
1. Refer to Fortuna news release dated May 8, 2020, "[Fortuna provides update on the resumption of construction activities at the Lindero gold Project, Argentina](#)"
2. The Company has temporarily suspended all Greenfields and Brownfields exploration activities | Refer to news release dated March 17, 2020, "[Fortuna provides an update on the status of its operations in response to the worldwide spread of COVID-19](#)" and April 2, 2020 "[Fortuna provides an update on its response to the worldwide spread of COVID-19](#)" | Refer to slide 3, "Note about the information contained herein and the Novel Coronavirus"



# LINDERO PROJECT, ARGENTINA



## Project Construction Milestones<sup>1</sup>



Notes:

1. Refer to Fortuna news release dated May 8, 2020, "[Fortuna provides update on the resumption of construction activities at the Lindero gold Project, Argentina](#)"
2. High Pressure Grinding Roll
3. Illustrative representation of Management's target schedule for production
4. [View Lindero photo gallery](#)

# LINDERO PROJECT, ARGENTINA



## First Gold Pour Planned for the End of Q3 2020<sup>1,2</sup>

- ✓ Overall project is 97% complete as at June 30, 2020
- ✓ Primary and secondary crushing circuits commissioned
- ✓ Ore stacking on the initial cell at the heap leach pad commenced on July 10, 2020
- ✓ Ore irrigation and leaching of the heap scheduled to commence at the end of August 2020
- ✓ Commercial production expected to start in Q1 2021
- ✓ Total construction capital expenditures of between \$314 million to \$320 million; increase of 28% over Feasibility Study estimate<sup>3</sup>



Lindero deposit

### Notes:

1. Refer to Fortuna news release dated July 16, 2020, "[Fortuna commences stacking ore on the heap leach pad at the Lindero gold Project, Argentina](#)"
2. Refer to Fortuna news release dated May 8, 2020, "[Fortuna provides update on the resumption of construction activities at the Lindero gold Project, Argentina](#)"
3. Refer to Fortuna news release dated September 21, 2017, "[Fortuna announces positive construction decision for its Lindero gold Project in Salta, Argentina](#)"

# LINDERO PROJECT, ARGENTINA



Achieved Mining Rate to Support Design Processing Capacity of 18,750 tpd



Note:

1. [View Lindero photo construction gallery](#)



# LINDERO PROJECT, ARGENTINA



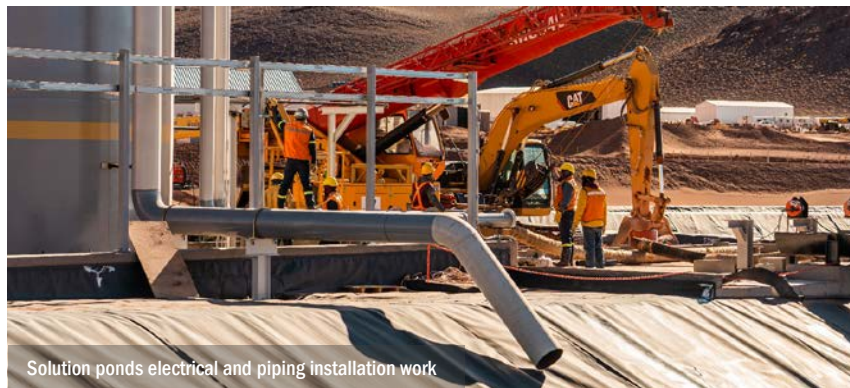
## Ore Stacking at the Heap Leach Pad Commenced on July 10, 2020



31-hectare start-up leach pad area



Leach pad stacking system installation work



Solution ponds electrical and piping installation work

Note:

1. [View Lindero photo construction gallery](#)

# LINDERO PROJECT, ARGENTINA



## Primary and Secondary Crushing Circuits Commissioned; Ramp-up Phase Started<sup>1</sup>



### Notes:

1. Refer to Fortuna news release dated July 16, 2020, "[Fortuna commences stacking ore on the heap leach pad at the Lindero gold Project, Argentina](#)"
2. [View Lindero photo gallery](#)



# LINDERO PROJECT, ARGENTINA

## Tertiary Crushing Circuit and Agglomeration Plant



Note:

1. [View Lindero photo construction gallery](#)

# LINDERO PROJECT, ARGENTINA



## Process Area and Solution Ponds



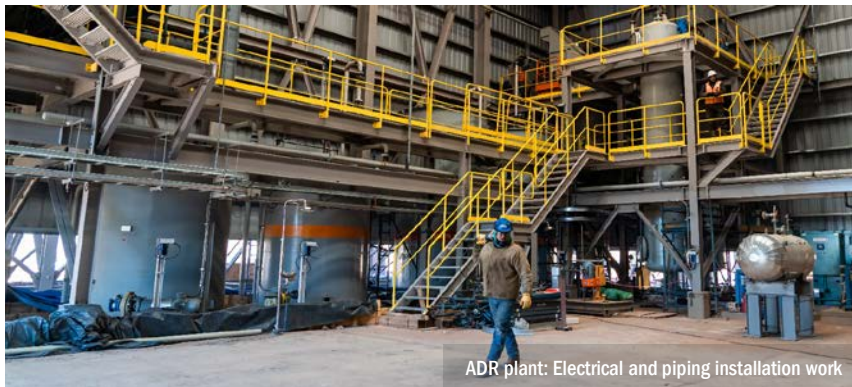
Note:

1. [View Lindero photo construction gallery](#)



# LINDERO PROJECT, ARGENTINA

## ADR Plant



Note:

1. [View Lindero photo construction gallery](#)

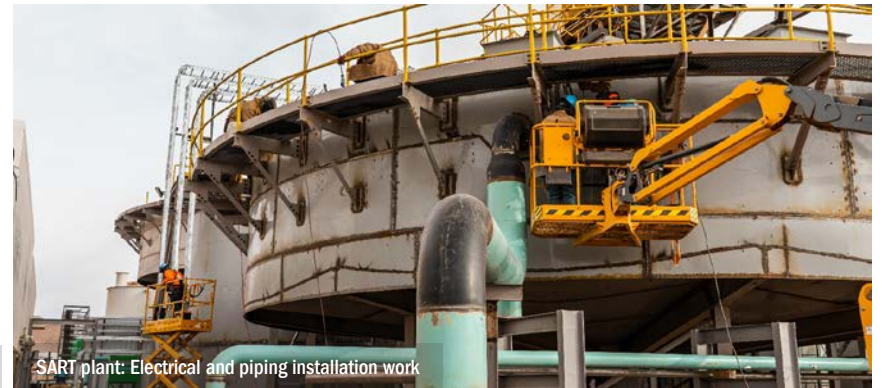
# LINDERO PROJECT, ARGENTINA



## SART Plant



SART plant: Electrical and piping installation work



SART plant: Electrical and piping installation work

Note:

1. [View Lindero photo construction gallery](#)



# LUIS D. GANOZA

Chief Financial Officer



Lindero Project: Mine fleet operator training



# Q2 2020 FINANCIAL HIGHLIGHTS



## YTD 2020 EBITDA Margin of 28%

(\$ M, except in earnings per share figure)	Q2 2020	Q2 2019	% Change / Q2 2019
Sales	44.5	67.9	▼ (34%)
Net income (loss)	(5.7)	10.3	▼
EPS, basic	(0.03)	0.07	▼
Adjusted net income (loss) <sup>1</sup>	(5.1)	7.2	▼
Adjusted EPS, basic	(0.03)	0.04	▼
Adjusted EBITDA <sup>2</sup>	9.4	27.2	▼ (65%)
Net cash provided by operating activities	3.4	24.0	▼ (86%)
Free Cash Flow from ongoing operations <sup>3</sup>	0.2	15.4	▼ (99%)

- Sales and EBITDA impacted by COVID-19 temporary suspension and lower base metal prices
- Free Cash Flow from ongoing operations neutral due to COVID-19 temporary suspension at San Jose and lower sustaining CAPEX

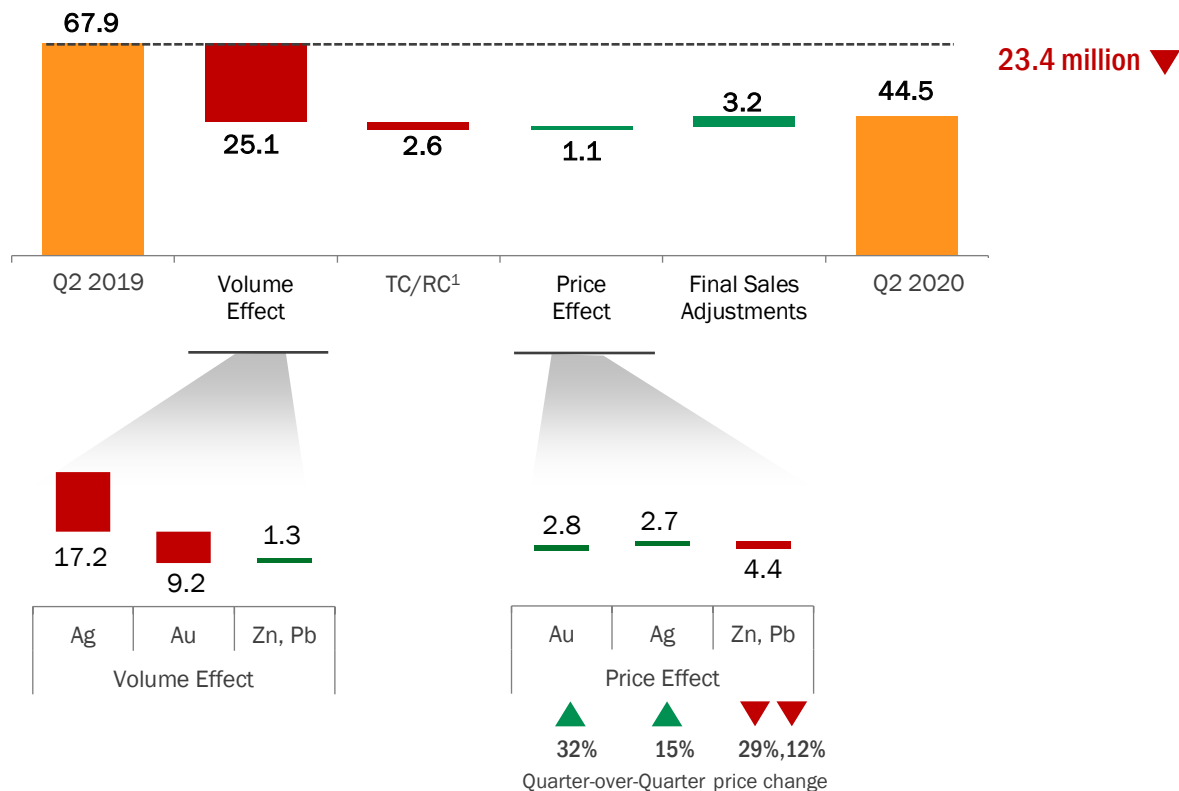
### Notes:

1. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures* | Refer to slide 34 for Adjusted Net Income detail
2. Earnings Before Interest, Taxes, Depreciation and Amortization; refer to slide 32 for Adjusted EBITDA detail
3. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures* | Refer to slide 36

# Q2 2020 FINANCIAL HIGHLIGHTS



## Sales Impacted by Lower Production at San Jose Due to COVID-19 Temporary Suspension



Notes:

1. Treatment charges / Refinement charges
2. Refer to slide 31 for consolidated sales metrics
3. Totals may not add due to rounding

# Q2 2020 FINANCIAL HIGHLIGHTS



## Segmented EBITDA Impacted by COVID Suspensions, Partially Offset by Metal Price Recovery in June

### CONSOLIDATED

(\$ M)	Q2 2020	Q2 2019	% Change / Q2 2019
Adjusted Operating Income <sup>1</sup>	1.5	15.1	▼ (90%)
Adjusted EBITDA <sup>2</sup>	9.4	27.2	▼ (65%)
EBITDA Margin over sales	21%	40%	

### SAN JOSE MINE, MEXICO

(\$ M, except in cash cost figures)	Q2 2020	Q2 2019	% Change / Q2 2019
Adjusted EBITDA	16.0	26.3	▼ (39%)
Margin over sales	52%	52%	
Production cash cost (\$/t)	65.98	68.99	▼ 4%
AISC (\$/oz Ag Eq)	11.18	9.26	▲ 21%
Care & Maintenance costs (\$ M) <sup>4</sup>	1.6		

### CAYLLOMA MINE, PERU

(\$ M, except in cash cost figures)	Q2 2020	Q2 2019	% Change / Q2 2019
Adjusted EBITDA	1.8	5.1	▼ (65%)
Margin over sales	13%	30%	
Production cash cost (\$/t)	74.92	86.11	▼ 13%
AISC (\$/oz Ag Eq)	15.81	13.48	▲ 17%

Notes:

- Refer to slide 34 for Adjusted Operating Income
- Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*; refer to slide 32 for Adjusted EBITDA
- All-in sustaining cash cost per payable ounce of silver equivalent production; silver equivalent production calculated using realized prices; please refer to slide 31; non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*
- Cash Portion of Care & Maintenance costs incurred during the quarter

# Q2 2020 FINANCIAL HIGHLIGHTS



## G&A and Effective Tax Rate

(\$ M)	Q2 2020	% Change over Q2 2019
Operating mines G&A	2.2	▼ (12%)
Corporate G&A	2.4	▼ (29%)
Share-based payments	5.6	▲ 700%
Workers participation	0.2	▼ (50%)
Total G&A	10.4	▲ 49%

Effective tax rate on adjusted income before taxes	534%
--	------



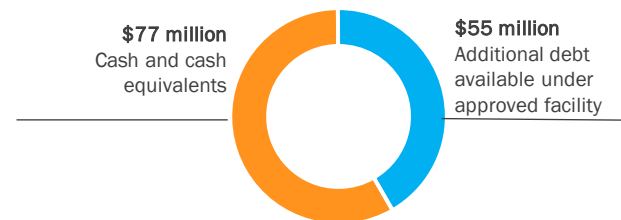
# Q2 FINANCIAL HIGHLIGHTS



## Balance Sheet and Liquidity as of June 30, 2020

- Credit facility amended<sup>1</sup>
  - Additional covenant flexibility up to and including Q1 2021
- \$69 million equity financing closed on May 20, 2020<sup>2</sup>

### Total Liquidity: \$131.7 million



- Total Financial Debt<sup>3</sup>: \$141 million
- Total Net Debt to EBITDA: 1 : 1

#### Notes:

1. Refer to Fortuna news release dated May 5, 2020, "[Fortuna announces proposed amendments to financial covenants in credit facility](#)"
2. Refer to Fortuna news release dated May 20, 2020, "[Fortuna Silver Mines Closes US\\$69 Million Bought Deal Equity Financing Including Full Exercise of Over-Allotment Option](#)"
3. Financial debt includes interest-bearing principal; excludes bank letters of guarantee, and other items
4. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*; refer to slide 32 for Adjusted EBITDA

## CONTACT

**CARLOS BACA**, Investor Relations Manager | +51.1.616.6060, ext. 2 | [info@fortunasilver.com](mailto:info@fortunasilver.com) | [fortunasilver.com](http://fortunasilver.com)



# APPENDIX



San Jose Mine, Mexico

# CONSOLIDATED SALES METRICS



	Q2 2020	Q2 2019	% Change	YTD 2020	YTD 2019	% Change
<b>Metal Sold</b>						
Ag (oz)	1,300,327	2,551,385	(49%)	3,106,358	4,645,542	(33%)
Au (oz)	7,179	14,559	(51%)	17,385	26,835	(35%)
Pb ('000 lb)	7,696	7,110	8%	14,312	14,341	0%
Zn ('000 lb)	11,859	10,924	9%	22,371	22,193	1%
<b>Realized Price</b>						
Ag (US\$/oz)	17.03	14.85	15%	16.58	15.20	9%
Au (US\$/oz)	1,727	1,311	32%	1,636	1,313	25%
Pb (US\$/lb)	0.75	0.86	(13%)	0.80	0.89	(10%)
Zn (US\$/lb)	0.89	1.25	(29%)	0.93	1.24	(25%)

Note: Realized prices based on provisional sales before final price adjustments



# Q2 2020 ADJUSTED EBITDA<sup>1</sup>



## Non-GAAP Financial Measures

Expressed in \$ M	Three months ended June 30,	
	Q2 2020	Q2 2019
Net Income	(5.7)	10.3
Add Back:		
Community support provision	-	-
Inventory adjustment	0.1	-
Foreign exchange loss, Lindero project	2.7	(0.7)
Net finance items	0.3	-
Depreciation, depletion, and amortization	8.9	11.4
Income taxes	6.2	5.7
Share of loss from associates	-	0.1
Investment income	(2.2)	-
Other non-cash items	(0.9)	0.4
<b>Adjusted EBITDA</b>	<b>9.4</b>	<b>27.2</b>

## Notes:

1. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*

2. Totals may not add due to rounding

# YTD 2020 ADJUSTED EBITDA<sup>1</sup>



## Non-GAAP Financial Measures

Expressed in \$ M	Six months ended June 30,	
	YTD 2020	YTD 2019
Net Income	(10.2)	12.5
Add Back:		
Community support provision	(0.1)	-
Inventory adjustment	-	-
Foreign exchange loss, Lindero project	6.0	2.2
Net finance items	0.6	(0.2)
Depreciation, depletion, and amortization	20.5	20.5
Income taxes	13.3	12.9
Share of loss from associates	0.1	0.1
Investment income	(3.3)	-
Other non-cash items	(1.5)	3.1
<b>Adjusted EBITDA</b>	<b>25.4</b>	<b>51.1</b>

## Notes:

1. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*

2. Totals may not add due to rounding

# Q2 2020 ADJUSTED NET INCOME



## Non-GAAP Financial Measures<sup>1</sup>

Three months ended June 30,

Expressed in \$ M	Q2 2020	Adjustments	Q2 2020 Adjusted	Q2 2019	Adjustments	Q2 2019 Adjusted
Sales	44.5	-	44.5	67.9	-	67.9
Cost of sales	30.7	(0.1)	30.7	44.9	0.1	45.1
<b>Mine operating income</b>	<b>13.8</b>	<b>0.1</b>	<b>13.8</b>	<b>23.0</b>	<b>(0.1)</b>	<b>22.8</b>
General and Administration	10.4	0.0	10.4	7.0	(0.1)	6.9
Exploration and evaluation	0.1	-	0.1	0.3	-	0.3
Share of loss from associates	0.0	(0.0)	-	0.1	(0.1)	-
Foreign exchange loss (gain)	2.6	(2.7)	(0.1)	(0.2)	0.7	0.5
Other expenses, net	1.9	0.0	2.0	0.1	0.0	0.1
<b>Operating Income (loss)</b>	<b>(1.3)</b>	<b>2.7</b>	<b>1.5</b>	<b>15.7</b>	<b>(0.7)</b>	<b>15.1</b>
Investment income	2.2	(2.2)	-	-	-	-
Interest and finance (costs) income, net	(0.3)	0.1	(0.3)	(0.1)	0.1	-
Loss on derivatives	-	-	-	0.3	0.3	0.6
<b>Income before taxes</b>	<b>0.5</b>	<b>0.6</b>	<b>1.2</b>	<b>15.9</b>	<b>(0.3)</b>	<b>15.7</b>
Current income tax expense	4.0	-	4.0	9.9	0.8	10.7
Deferred income tax expense (recovery)	2.2	-	2.2	(4.2)	2.0	(2.2)
<b>Net income (loss) and adjusted net income (loss)</b>	<b>(5.7)</b>	<b>0.6</b>	<b>(5.1)</b>	<b>10.3</b>	<b>(3.1)</b>	<b>7.2</b>

Notes:

1. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*
2. Totals may not add due to rounding

# YTD 2020 ADJUSTED NET INCOME



## Non-GAAP Financial Measures<sup>1</sup>

Six months ended June 30,

Expressed in \$ M	2020	Adjustments	2020 Adjusted	2019	Adjustments	2019 Adjusted
Sales	92.0	-	92.0	126.9	-	126.9
Cost of sales	70.8	0.1	70.9	82.4	0.1	82.5
<b>Mine operating income</b>	<b>21.2</b>	<b>(0.1)</b>	<b>21.1</b>	<b>44.5</b>	<b>(0.1)</b>	<b>44.4</b>
General and Administration	14.0	0.0	14.0	13.5	0.0	13.5
Exploration and evaluation	0.5	-	0.5	0.5	-	0.5
Share of loss from associates	0.1	(0.1)	-	0.1	(0.1)	-
Foreign exchange loss (gain)	3.9	(5.9)	(2.0)	3.5	(2.2)	1.2
Other expenses, net	2.2	(0.2)	2.0	0.3	0.0	0.3
<b>Operating Income (loss)</b>	<b>0.5</b>	<b>6.1</b>	<b>6.5</b>	<b>26.6</b>	<b>2.2</b>	<b>28.9</b>
Investment income	3.3	(3.3)	-	-	-	-
Interest and finance (costs) income, net	(0.7)	0.1	(0.6)	-	0.2	0.2
Loss on derivatives	-	-	-	(1.2)	2.6	1.4
<b>Income before taxes</b>	<b>3.1</b>	<b>2.9</b>	<b>5.9</b>	<b>25.4</b>	<b>5.1</b>	<b>30.5</b>
Current income tax expense	10.0	-	10.0	18.5	0.8	19.3
Deferred income tax expense (recovery)	3.3	-	3.3	(5.6)	1.1	(4.5)
<b>Net income (loss) and adjusted net income (loss)</b>	<b>(10.2)</b>	<b>2.9</b>	<b>(7.3)</b>	<b>12.5</b>	<b>3.1</b>	<b>15.6</b>

## Notes:

1. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*
2. Totals may not add due to rounding



# Q2 2020 Free Cash Flow<sup>1,2</sup>



## Non-GAAP Financial Measures<sup>2</sup>

Expressed in \$ M	Three months ended June 30,	
	Q2 2020	Q2 2019
Net cash provided by operating activities	3.4	24.0
Less: Change in long-term receivables	(0.4)	-
Less: Additions to mineral properties, plant and equipment	(3.3)	(4.7)
Less: Contractor advances for plant and equipment	-	(0.3)
Add: Advances applied to plant and equipment	-	0.3
Less: Current income tax expense	(4.0)	(9.9)
Add: Income taxes paid	4.5	6.0
<b>Free Cash Flow from ongoing operations<sup>3</sup></b>	<b>0.2</b>	<b>15.4</b>

## Notes:

1. Free Cash Flow calculated on the basis of current income tax rather than taxes paid
2. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*
3. From ongoing operations including San Jose and Caylloma and excludes Greenfields exploration

# YTD 2020 Free Cash Flow<sup>1,2</sup>



## Non-GAAP Financial Measures<sup>2</sup>

Expressed in \$ M	Six months ended June 30,	
	2020	2019
Net cash provided by operating activities	16.7	27.9
Less: Change in long-term receivables	(0.6)	1.5
Less: Additions to mineral properties, plant and equipment	(8.3)	(13.3)
Less: Contractor advances for plant and equipment	-	(0.6)
Add: Advances applied to plant and equipment	-	0.5
Less: Current income tax expense	(10.0)	(18.5)
Add: Income taxes paid	16.5	20.0
<b>Free Cash Flow from ongoing operations<sup>3</sup></b>	<b>14.3</b>	<b>17.5</b>

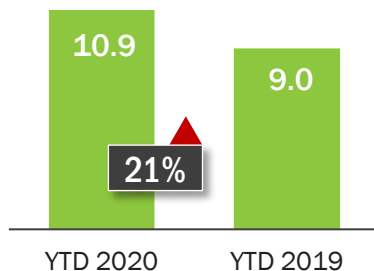
Note:

1. Free Cash Flow calculated on the basis of current income tax rather than taxes paid
2. Non-GAAP financial measure, refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*
3. From ongoing operations including San Jose and Caylloma and excludes Greenfields exploration

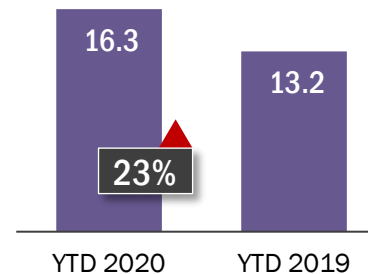
# YTD 2020 AISC<sup>1</sup> Ag Eq

San Jose AISC Impacted by Lower Production due to COVID-19 Shutdown | Caylloma AISC Impacted by Commercial Terms

**SAN JOSE MINE**  
(AISC \$/oz Ag Eq)<sup>2,3</sup>



**CAYLLOMA MINE**  
(AISC \$/oz Ag Eq)<sup>2,4</sup>



Notes:

1. AISC per payable ounce of silver equivalent production includes production cash cost, commercial and government royalties/mining tax, worker's participation, subsidiary G&A, corporate G&A, sustaining capital expenditures, and Brownfields exploration; non-GAAP financial measure; refer to slide 2 for *Cautionary Statement on Non-GAAP Financial Measures*
2. YTD 2020 AISC (\$/oz Ag Eq) estimated at metal prices of \$1,636/oz Au, \$16.58/oz Ag, \$0.80/lb Pb and \$0.93 /lb Zn
3. Ag Eq calculated using ratios of Ag:Au = 99:1 for YTD 2020 and 86:1 for YTD 2019
4. Ag Eq calculated using ratios of Ag:Au = 98.5:1 ; Ag:Pb (lbs) = 1:20.9 ; Ag:Zn (lbs) = 1:17.9 for YTD 2020 and Ag:Au = 86:1 ; Ag:Pb (lbs) = 1:17.1 ; Ag:Zn (lbs) = 1:12.3 for YTD 2019