



## Q1 2021 EARNINGS CALL

High-Grade, Silver-Geared Producer with  
Exceptional Organic Growth Potential



May 7 2021

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Certain statements in this presentation may constitute "forward-looking statements". Those statements include, but are not limited to, statements with respect to production from the Cerro Los Gatos Mine, further exploration of the Los Gatos District, including the repurchase of an 18.5% interest in our affiliate entities, Minera Plata Real S. de R.L. de C.V., Operaciones San Jose de Plata S. de R.L. de C.V. and Servicios San Jose de Plata S. de R.L. de C.V. (collectively, the "Los Gatos Joint Venture" or the "LGJV"), a feasibility study to be completed at the Cerro Los Gatos Mine for a 3,000 tpd production rate expansion, estimated calculations of mineral reserves and resources at our properties, results of the economic analysis contained in the Los Gatos Technical Report, our business strategy, general administrative expenses, the completion of the Reorganization, the entry into the Management Service Agreement, payment of royalty payments, production and sale of concentrates, future strategic infrastructure development at the Cerro Los Gatos Mine, expected cost savings, projected attributable net revenue and free cash flow, estimates of tax liabilities, our prospects, plans and objectives, industry trends, our requirements for additional capital, expectations generally regarding treatment under applicable government regimes for permitting or attaining approvals, unanticipated reclamation expenses, government regulation, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, synergies of potential future acquisitions, expected actions of third parties, and limitations of insurance coverage. These statements are generally identified by the use of words such as "may," "might," "could," "would," "achieve," "budget," "scheduled," "forecasts," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," the negative of these terms and other comparable terminology. These forward-looking statements may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our industry. All forward-looking statements speak only as of the date on which they are made. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions concerning future events that are difficult to predict. Therefore, actual future events or results may differ materially from these statements. There are, or will be, important factors that could cause actual results to differ materially from those expressed or implied by forward-looking statements and recipients are cautioned not to place undue reliance on these statements. The Company does not undertake any obligation to publicly update these forward-looking statements, except as required by law.

## Market & Industry Data

This presentation includes market and industry data and forecasts that we have developed from independent research reports, publicly available information, various industry publications, other published industry sources or our internal data and estimates. Independent research reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. Although we believe that the publications and reports are reliable, we have not independently verified the data. Our internal data, estimates and forecasts are based on information obtained from trade and business organizations and other contacts in the markets in which we operate and our management's understanding of industry conditions. Although we believe that such information is reliable, we have not had such information verified by any independent sources.

## Comparables

The comparable information about other issuers was obtained from public sources and has not been verified by the Company of the Underwriters. Comparable means information that compares an issuer to other issuers. The information is a summary of certain relevant operational attributes of certain mining and resource companies and has been included to provide the prospective investor an overview of the performance of what are expected to be comparable issuers. The comparables are considered to be an appropriate basis for comparison with the Company based on their industry, size, operating scale, commodity mix, jurisdiction, capital structure and additional criteria. The comparable issuers face different risks from those applicable to the Company. Investors are cautioned that there are risks inherent in making an investment decision based on the comparables, that past performance is not indicative of future performance and that the performance of the Company may be materially different from the comparable issuers. If the comparables contain a misrepresentation, investors do not have a remedy under securities legislation in any province in Canada. Accordingly, investors are cautioned not to put undue reliance on the comparables in making an investment decision.

## Notice Regarding Mineral Disclosure

In October 2018, the Securities and Exchange Commission (the "SEC") adopted amendments to its current disclosure rules to modernize the mineral property disclosure requirements for mining registrants. The amendments include the adoption of a new subpart 1300 of Regulation S-K, which will govern disclosure for mining registrants (the "SEC Mining Modernization Rules"). The SEC Mining Modernization Rules replace the historical property disclosure requirements for mining registrants that were included in the SEC's Industry Guide 7 and better align disclosure with international industry and regulatory practices, including the Canadian National Instrument—43-101—Standards of Disclosure for Mineral Projects ("NI 43-101"). Although compliance with the SEC Mining Modernization Rules is not required until January 1, 2021, the Company has chosen to voluntarily comply with the SEC Mining Modernization Rules in this presentation.

As used herein, references to the "Los Gatos Technical Report" are to the "NI 43-101 Technical Report: Los Gatos Project, Chihuahua, Mexico," prepared by Guillermo Dante Ramírez-Rodríguez, Leonel Lopez, Kira Johnson, Keith Thompson, Kenneth Smith, Luis Quirindongo and Max Johnson each of whom are employees or consultants with Tetra Tech, Inc. and each of whom is a "Qualified Person," as defined in NI 43-101, dated July 2020 with an effective date of July 1, 2020, which was prepared in accordance with the requirements of the SEC Mining Modernization Rules and NI 43-101. Any scientific and technical information included in this presentation that is (i) derived from the summaries in the third amended and restated preliminary base PREP prospectus of the Los Gatos Technical Report but which was not specifically prepared by the qualified persons who are the authors of the Los Gatos Technical Report or (ii) scientific or technical information not summarized or extracted from the Los Gatos Technical Report has been approved by Philip Pyle, Vice President of Exploration and Chief Geologist of the Company.

The mineral resource estimates contained in the Los Gatos Technical Report have an effective date of September 6, 2019 and have not been updated since that time and include mineral reserves. The mineral reserve estimates and the economic analysis contained in the Los Gatos Technical Report have an effective date of July 1, 2020 and have not been updated since that time and exclude 655,746 tonnes of mineral reserves that have been mined through June 30, 2020.

This presentation uses the term "inferred mineral resources." Inferred mineral resources are subject to uncertainty as to their existence and as to their economic and legal feasibility. The level of geological uncertainty associated with an inferred mineral resource is too high to apply relevant technical and economic factors likely to influence the prospects of economic extraction in a manner useful for evaluation of economic viability. Because the Company has elected to voluntarily comply with the SEC Mining Modernization Rules, the mineral property disclosure included in this presentation may not be comparable to similar information provided by other issuers that have not elected to early adopt such rules.

## Other

Certain monetary amounts, percentages and other figures included in this presentation have been subject to rounding adjustments. Certain other amounts that appear in this presentation may not sum due to rounding. This presentation contains certain supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are in addition to, and not a substitute or superior to, measures of financial performance prepared in accordance with GAAP.

# FULL SPEED AHEAD

*New silver producer optimizing operations for decades of growth*



- ① Key value creation catalysts completed**
  - ✦ Increased ownership in the Los Gatos Joint Venture (“LGJV”) to 70% from 51.5%, and LGJV Working Capital Facility retired in first quarter of 2021 (“Q1”)
- ② Keen focus on 2021 sustaining development and production growth**
  - ✦ Numerous strategic CLG capital initiatives underway in Q1 enhancing mining efficiencies and reducing operating costs
  - ✦ CLG 2021 production increasing to life-of-mine average production
- ③ Recommended drilling in a new silver district**
  - ✦ Second largest in-production silver property in Mexico at 103,087 hectares; only 15% of which has been explored to date
  - ✦ Definitional drilling Cerro Los Gatos (“CLG”) mine commenced in December 2020.
  - ✦ Exploration drilling at Santa Valeria target commenced in March 2021.
  - ✦ Exploration drilling at Esther target commenced in May 2021.
- ④ Design production rates sustained in Q1 2021**
  - ✦ Sustained design production rate of 2,500 tpd for each Q1 operating day despite six-day suspension of production activities from Northern Mexico power outage
  - ✦ Strong recoveries of all metals in Q1 production
  - ✦ Still in-line to meet production guidance for 2021, despite February temporary suspension



# ESG COMMITMENT



## Strong community support at CLG

- + Over 99% of the approximately 540 employees reside in Mexico
- + Workforce composition: Approx. 20% Female / 80% Male
- + Workforce residence geography: Local communities 24% / Chihuahua state 60%

## Proactive Response to COVID-19

- + Numerous health, safety and sanitation precautions implemented
- + Nasal testing for all employees and contractors prior to entering site
- + Prevention seminars and medical equipment donations to local communities
- + Assisting with initial vaccine roll-out to high-risk population in community

## Focus on Community Well-Being

- + Physical, social and mental health program support and donations
- + Construction support for elementary teacher home and middle school remodeling

## Awarded Socially Responsible Company Award in Mexico

- + Third consecutive year

## Outstanding Safety Record



# Q1 2021 HIGHLIGHTS

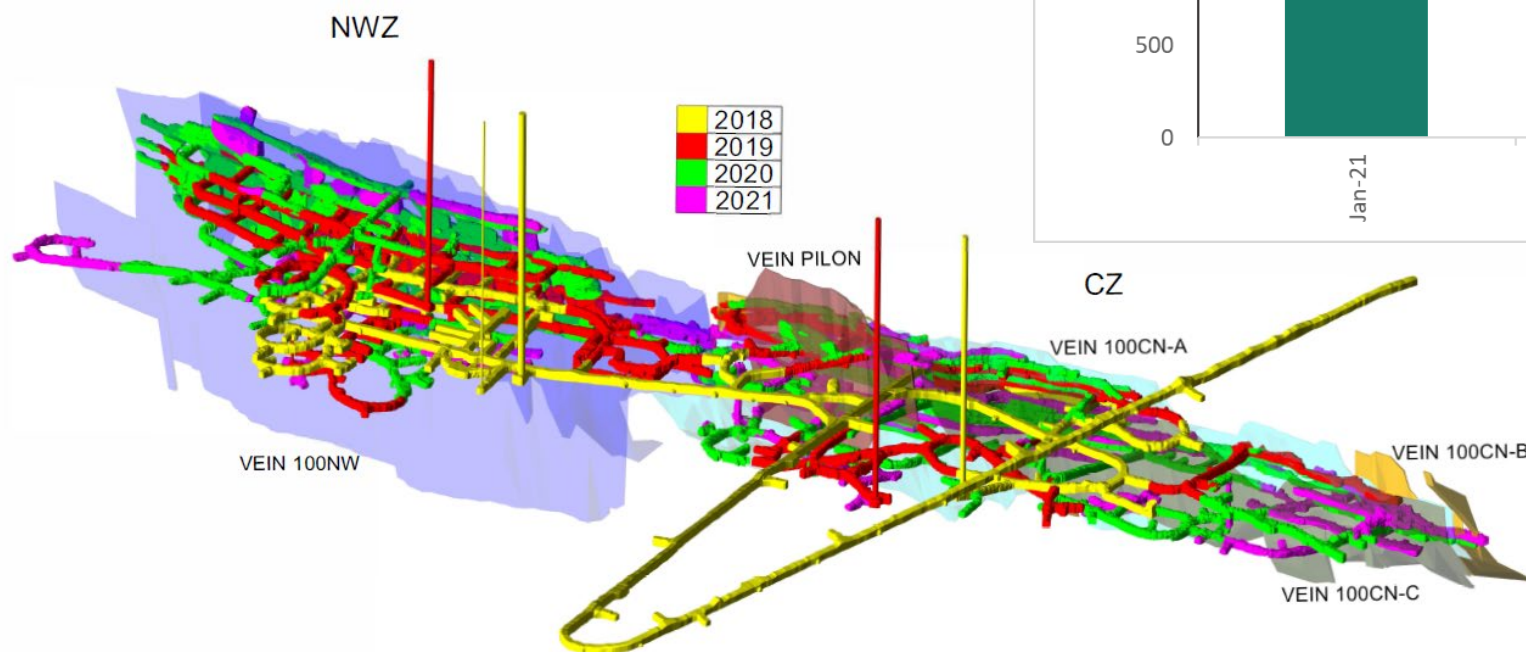
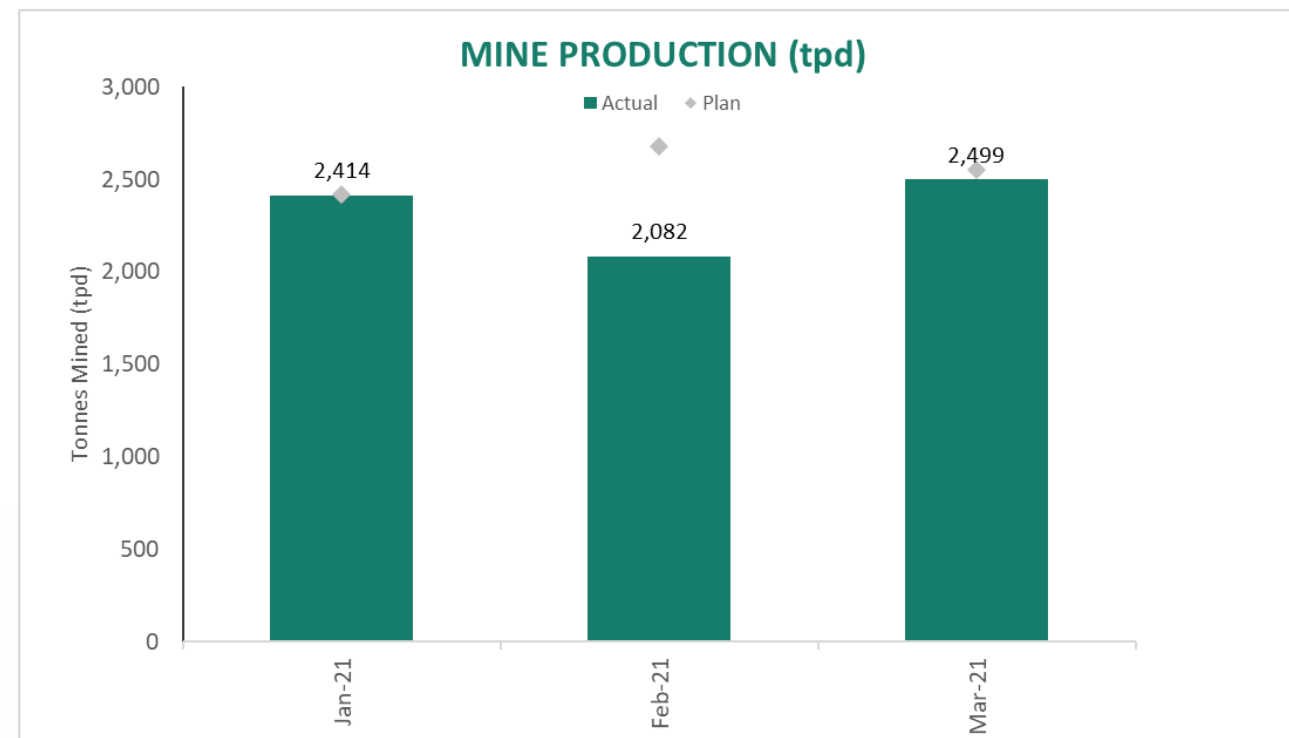
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- + Repurchased an additional 18.5% interest in the Los Gatos Joint Venture (“LGJV”), increasing the Company’s LGJV interest to 70%
- + Extinguished the \$60 million LGJV Working Capital Facility of which Gatos Silver’s pro-rata portion was \$42 million
- + Processed 203,479 tonnes of ore from the Cerro Los Gatos (“CLG”) mine
- + Achieved strong metal recoveries at the CLG processing plant with silver recovery averaging 85%, lead recovery averaging 87%, zinc recovery averaging 71% and gold averaging 60%
- + Advanced definition drilling at CLG with three drills currently in operation
- + Secured permit approvals to begin definition drilling at the LGJV’s Esther zone and commenced an exploration drilling program at Gatos Silver’s wholly-owned Santa Valeria property
  - Both Santa Valeria and the Esther zone have geologic characteristics similar to CLG

# 2021 MINE & PLANT OPERATIONS

- + Q1 2021 average daily mining rate, inclusive of power outage suspension, was 2,332 tpd
- + Completed 1,234 meters of underground development accessing higher grade portions of the deposit in the NW and Central Zones
- + On-stream analyzer commissioned and provides real-time monitoring and continuous adjustment of the processing circuit to maximize metal recoveries.



# A SOLID START TO THE YEAR



## Q1 2021 Key Stats

- + Q1 2021 production (recovered / payable)<sup>(1)</sup>:
  - 1.5 / 1.3 million ounces Ag
  - 1.1 / 0.9 thousand ounces Au
  - 7.6 / 7.2 million pounds Pb
  - 8.6 / 7.4 million pounds Zn
- + All-in sustaining cost:
  - By-product basis<sup>2</sup> of \$19.76 Ag/oz
    - Includes approximately \$2.50/Ag oz associated with Covid-19 costs and less ounces produced due to power outage
  - Co-product basis<sup>2</sup> of \$21.29 AgEq/oz
- + Cash cost:
  - By-product basis<sup>2</sup> of \$10.44 Ag/oz
  - Co-product basis<sup>2</sup> of \$15.21 AgEq/oz
- + Operating costs were in line with expectations given temporary suspension due to power outage
- + Sustained 2,500 tpd design production rate for all operating days in Q1
- + Continued strong plant recoveries in Q1

Source: Company Press Releases & Records

1. Figures are shown on a 100% basis while Gatos Silver ownership of the LGJV is on a 70% basis.
2. Silver equivalents and by-product credits based on average metal prices during the three months ended March 31, 2021 of \$24.15/oz silver, \$1.16/lb zinc, \$0.93/lb lead and \$1,812/oz gold.



# 2021 – YEAR OF OPTIMIZATION UNDERWAY



## Numerous strategic capital initiatives to enhance production proficiency and best-in-class standards

- + Expected sustaining capital expenditures: \$65-\$75M
- + Key CLG infrastructure enhancements commenced during Q1:
  - Paste plant engineering; expected completion Q2 2022.
  - Second mine refrigeration unit construction; expected completion Q3 2021
  - Third tailings lift construction; expected completion Q1 2022
  - Underground pumping stations construction; expected completion Q3 and Q4 2021.

## 2021 CLG production guidance remains unchanged

- + 2021 recovered metal in concentrate<sup>(1)</sup>:
  - 7.5 – 7.9 million ounces Ag
  - 4.5 – 5.0 thousand ounces Au
  - 40 - 42 million pounds Pb
  - 49 - 52 million pounds Zn
- + AISC: \$17.00 - \$17.50/Ag oz<sup>(1)(2)</sup>



Source: Company Records

1) Based on metal prices of \$24.00/oz silver, \$1.09/lb zinc, \$0.87/lb lead and \$1900/oz gold

2) By-product AISC basis



# GATOS SILVER: FINANCIAL RESULTS



✚ Gatos Silver financial results for continuing operations for the quarters ended March 31, 2021 and 2020:

	<b>Three Months Ended March 31,</b>	
<i>Amounts in millions</i>	<b>2021</b>	<b>2020</b>
Exploration expenses	\$0.2	\$0.2
G&A expenses	3.6	0.8
<b>Operating expenses</b>	<b>3.8</b>	<b>1.0</b>
Equity (income) loss in LGJV	(2.7)	13.4
Arrangement fees	0.5	1.6
<b>Net other expense</b>	<b>(2.2)</b>	<b>15.0</b>
<b>Net loss</b>	<b>\$1.6</b>	<b>\$16.0</b>
<b>Net loss per share</b>	<b>\$0.03</b>	<b>\$0.40</b>

- ✚ Increased G&A expenses in 2021 due to higher public company costs related to increased G&A compensation, insurance, consulting expenses, and increased stock-based compensation expense.
- ✚ Equity income (loss) in LGJV represents GSI's 70% interest beginning March 11, 2021 and 51.5% interest in first quarter 2020

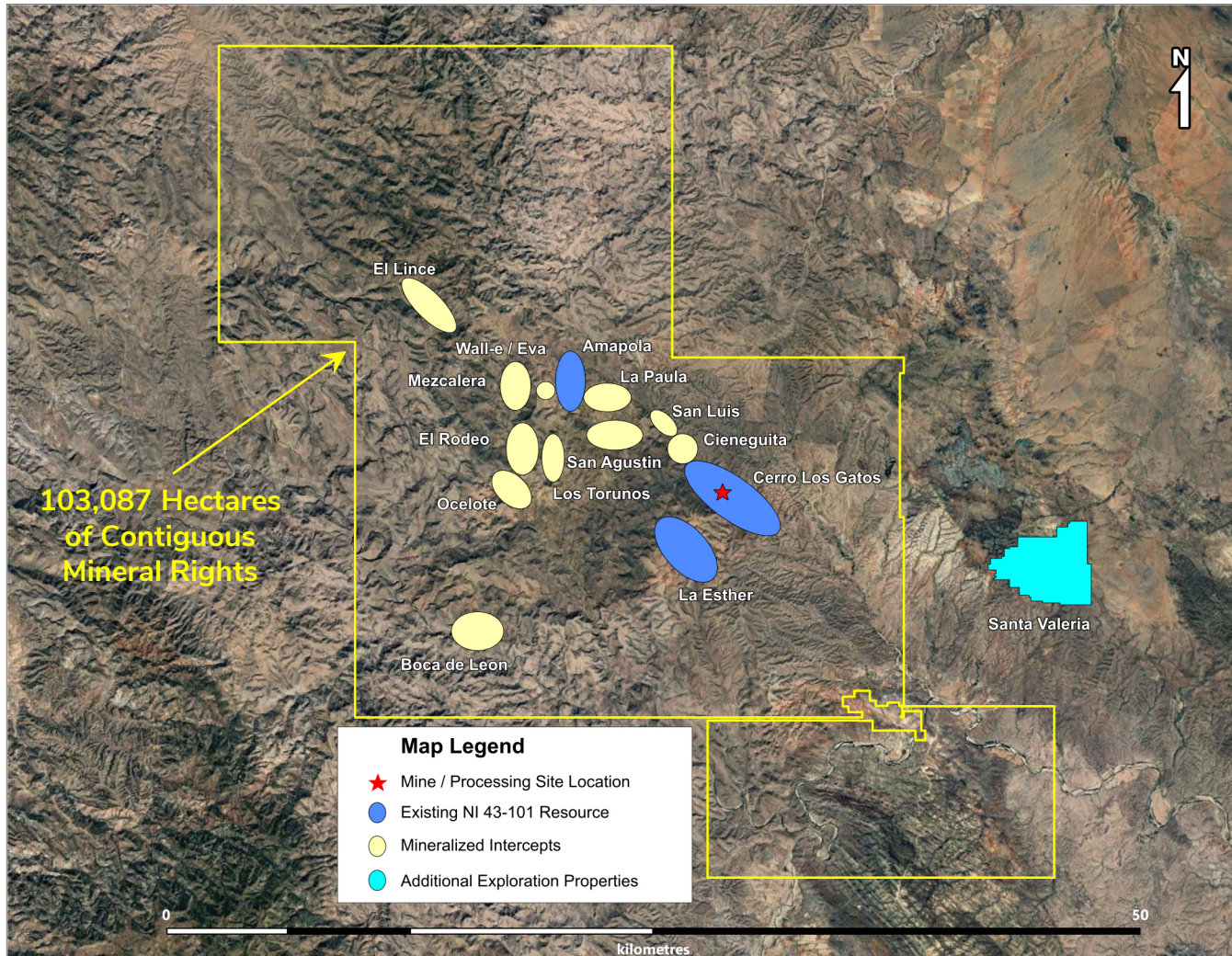
# LGJV: FINANCIAL RESULTS

+ LGJV financial results (100% basis) for the quarters ended March 31, 2021 and 2020:

	<b>Three Months Ended March 31,</b>	
<i>Amounts in millions</i>	<b>2021</b>	<b>2020</b>
Sales	\$46.3	\$18.9
Operating expenses	35.5	33.3
Other expenses	3.9	9.5
<b>Net income (loss)</b>	<b>\$6.9</b>	<b>(\$23.9)</b>

- + Q1 2021 was third consecutive profitable quarter with \$6.9 million of net income
- + Q1 2021 sales were \$46.3 million
  - 6,312 tonnes of lead concentrate at average grades of 6,314 g/t silver, 5.6 g/t gold, and 54.8% lead
  - 7,036 tonnes of zinc concentrate at average grades of 757 g/t silver and 55.2% zinc
  - Average metals prices: \$24.15/oz Ag; \$1,812/oz Au; \$0.93/lb Pb; and \$1.16/lb Zn
- + Operating expenses include \$19.8 million of cost of goods sold, \$10.9 million of depreciation, depletion and amortization, \$3.2 million of G&A expenses, \$0.9 million of royalty expense and \$0.7 million for exploration
- + Other expenses include \$2.1 million in interest expense and \$1.6 million in foreign exchange loss from the weakening Mexican Peso

# LOS GATOS DISTRICT & SANTA VALERIA



- + Exploration activities restarted
  - Three drills at CLG
  - One drill at Santa Valeria
  - One drill at Esther
- + The LGJV owns all of the surface rights covering CLG, and the Esther and Amapola deposits
- + Significant exploration upside at Esther and Amapola deposits
  - NI43-101 resource statements completed
  - Strong grade continuity along system
  - Similar characteristics identified during preliminary work at CLG
- + Eleven other mineralized zones identified and defined by drill intersections in the Los Gatos District
- + 100% owned Santa Valeria target located on the eastern fault boundary and appears to be a geologic mirror of CLG

# CLG PROJECT HIGHLIGHTS FOR APRIL

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- ✚ Mined 78,660 ore tonnes; highest monthly production since commissioning
- ✚ Mine recovered 7,000 tonnes of the 17,000-tonne ore shortfall from the February shutdown and 10,000 tonnes remain to achieve budget
- ✚ Mined the highest Ag grade for any month since commissioning at 331 g/t
- ✚ Mill recovered 3,000 tonnes of the 23,000-tonne ore processing shortfall from the February shutdown and 20,000 remain to achieve budget
- ✚ Achieved the best silver recoveries of any month since commissioning at 87.3%
- ✚ Produced the most silver ounces of any month since commissioning at 698,623 ounces and 7,023 ounces over plan
- ✚ Produced the most lbs of Zinc of any month since commissioning at 4,452,401 lbs
- ✚ Produced the most lbs of Pb of any month since commissioning at 3,588,822 lbs
- ✚ Produced the highest revenue stream from concentrate sales of any month since commissioning at ~\$21.2 million





NYSE / TSX: GATO  
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Tailings Storage Facility

Process Plant

ROM Ore Pad

Mine Portal

Administration Office

Mine Dry

Maintenance Shop