ISSUER & PROJECT REVIEW · SILVER-GOLD (DORÉ) · DEVELOPMENT (FEASIBILITY)

Panuco Silver-Gold Project

Vizsla Silver Corp. (NYSE American / TSX: VZLA) | Sinaloa, Mexico | NI 43-101 Feasibility Study (eff. 4 Nov 2025) | figures in US$

COMMODITY	STAGE	OWNERSHIP	DEPOSIT	MINING	PROCESSING
Silver-gold (doré)	Feasibility[1]	100% Vizsla Silver	Epithermal Ag-Au veins	Underground (3,300→4,000 t/d)	Whole-ore leach → Merrill-Crowe

AFTER-TAX NPV_5
US$1,802M
report deck (Ag $35.50 / Au $3,100) · rebuilt US$1,792M — see p.3

AFTER-TAX IRR
111.1%
report, monthly evaluation; ≈114% in our model, annual basis

C1 / AISC
US$8.56 / 10.61/oz AgEq
co-product basis · below the US$12.21 primary-silver average

PAYBACK
0.6 yr
report, monthly basis; 0.52 yr in our model, annual basis

INITIAL CAPITAL
US$238.7M
US$173M net of capitalised pre-production revenue & costs

PAYABLE SILVER
94.7 Moz
+ 776 koz gold · 12.8 Mt @ 249 g/t Ag / 2.01 g/t Au

MINE LIFE
9.4 yr
1.2 Mt/a → 1.46 Mt/a from Year 4 · avg 17.4 Moz AgEq/yr

VALUATION
0.57× P/NAV
pinned 1-Aug-2026 (p.3) · near 52-week low

THE BULL CASE RESTS ON…

- **One of the highest-grade silver development projects anywhere.** A 416 g/t AgEq Proven and Probable reserve delivers an after-tax NPV_5 of **7.5× the initial capital**, payback under a year and a triple-digit IRR — economics few development projects at any stage can show.
- **A deeply conservative price deck — silver trades ~63% above it.** The study runs at US$35.50/oz silver against ~US$58 spot (early August 2026); even our top ladder rung (US$40 → US$1,995M) sits well below spot. Each US$1/oz of silver adds ≈US$45M of after-tax NPV.
- **Funded and construction-ready, in a sector that just repriced.** A US$300M convertible plus stated cash over US$450M covers the US$238.7M build; EPCM and equipment contracts are awarded. Coeur's takeout of SilverCrest — the closest analogue — cleared at ~US$13.5/oz AgEq against Vizsla's US$2.75 (pinned 1 August 2026).

THE BEAR CASE RESTS ON…

- **The security environment is the market's visible charge.** In January 2026 ten workers were abducted near Concordia; nine were found deceased, one remained missing, and operations were suspended for a period. The shares sit near a 52-week low at US$2.75/oz AgEq (pinned 1 August 2026) despite record silver.
- **The study's fiscal modelling has gaps our rebuild surfaces.** Its working capital contradicts its own stated 30-day terms (−US$31M as stated); US$128M of pre-production revenue never enters the tax base (−US$31M net-basis); statutory 10% profit sharing is absent (−US$175M uncapped) — see p.3.
- **The permit is not yet in hand and the schedule is tight.** The MIA was expected mid-2026, not announced by early August 2026; a 2H 2026 construction decision and 2H 2027 first production leave little slack. Grade also falls steeply (389 → ~123 g/t Ag), so the value leans on the early years.

[1] **Feasibility Study (FS):** the most advanced study stage, based on Mineral Reserves — here a Proven and Probable reserve (85% Probable) with an AACE Class 3 (±15%) capital estimate. An issuer P/NAV is shown on the flagship only; assets outside Panuco are noted qualitatively.

Risk heat-map

Likelihood of a risk becoming *materially detrimental* set against its potential impact — a characterization for review, not a recommendation. Panuco is a funded, construction-ready feasibility-stage project whose risk profile is dominated not by financing or metallurgy but by jurisdiction: the security environment, the pending environmental permit, and how the Mexican fiscal regime is ultimately applied.

IMPACT	LIKELIHOOD — LOW	MEDIUM	HIGH
HIGH		**Silver-price retreat** after-tax NPV US$1,544M at US$30/oz in our model — though the deck already sits ~39% below spot	**Security environment (Sinaloa)** ten workers abducted near Concordia Jan 2026, nine deceased; operations suspended for a period
MED	**Financing** low likelihood — US$300M convertible (Nov 2025) + stated cash over US$450M; no equity raise since	**MIA permit timing** expected mid-2026, not announced by early Aug 2026 — gates the construction decision **Doré marketing terms** no refining contract or market study; charges are assumptions	**Fiscal-regime application** statutory profit sharing omitted from the study (payroll-capped in the likely case; uncapped −US$175M); pre-production revenue untaxed (−US$31M net-basis)
LOW			

Economics — as reported vs. our rebuilt model

We present the project as reported and through our independent year-by-year model at the study's own deck (Ag US$35.50/oz, Au US$3,100/oz; 5%, mid-period). The rebuild lands within **−0.5%** of the headline — and surfaces three things it does not show: working capital contradicts the study's own stated 30-day terms (−US$31M applied as stated); ~US$128M of pre-production revenue never enters the tax base (−US$31M taxed on a net basis); and Mexico's statutory 10% profit sharing is absent (−US$175M uncapped upper bound).

AS REPORTED (issuer FS · Ag $35.50/oz / Au $3,100/oz · 5%)	
After-tax NPV_5	**US$1,802M**
After-tax IRR / payback	111.1% / 0.6 yr (monthly basis)
Pre-tax NPV_5	US$2,842M
NPV_5 / initial capital	7.5×

REBUILT ECONOMIC MODEL (same deck · 5%)	
After-tax NPV_5	**US$1,792M** (−0.5%)
After-tax IRR / payback	≈114% / 0.52 yr (annual basis)
Pre-tax NPV_5	US$2,839M (−0.1%)
Each US$1/oz of silver	≈ US$45M of NPV

"As Reported" cites the FS economic analysis (Section 22, Tables 22-1/22-2); "Rebuilt" is our independent formula-driven model at the same deck, verified by real recalculation, with taxes built from the Mexican statutes (the report's 8.5% / 1.0% mining-levy rates are current statutory — p.6). The three findings above trace to §22.4.1 (the stated 30-day working-capital terms against a cash flow carrying only ~US$10M of VAT timing), Table 22-2 notes 3-5 with §22.4 (pre-production revenue netted against capital while the tax depreciation base stays gross), and §22.4 (profit sharing unmentioned; the 2021 salary cap plausibly makes it payroll-scale, but the study does not say so). Conventions: the report's 111.1% IRR and 0.6-yr ("7-month") payback are monthly-basis; our annual convention gives ≈114% and 0.52 yr.

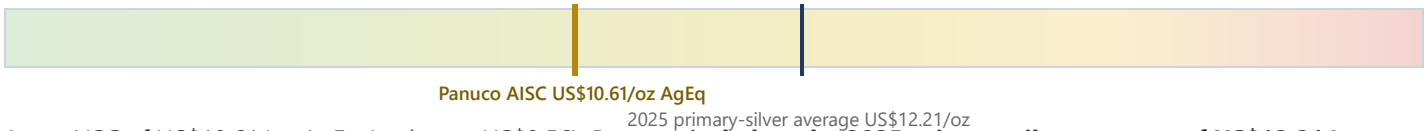
> The underlying formula-driven Excel model — every hard-coded input footnoted to its source in the technical report, with each finding above a selectable assumption — is available to subscribers and can be re-run at alternative prices, discount rates, recoveries and capital.

NET ASSET VALUE & VALUATION MULTIPLES

Rebuilt after-tax NPV_5 (study deck, 5%)	US$1,792M
+ Net cash (US$427M cash & short-term investments less US$300M convertible at face)	US$127M
= Net Asset Value (NAV, Panuco only)	**US$1,919M**
P/NAV = market cap US$1,102M ÷ NAV	**0.57×**

Vizsla Silver trades at **0.57× the net asset value of Panuco alone at the study's deliberately conservative deck** — at the US$40/oz ladder rung the multiple falls to ~0.52×. The shares sit near a 52-week low, de-rated after the January–April 2026 security incident even as silver set records. NAV reflects the study economics only, unrisked. Pinned S&P Capital IQ, 1 August 2026: US$3.14 × 351.0M shares = US$1,102M market cap; net cash US$127M = US$427M cash and short-term investments less the US$300M convertibles (due 2031) at face. The balance sheet shows US$237M because IFRS 9 splits the instrument (a US$49M derivative liability carried separately; the debt component accretes to face — FY2026 statements, Note 11); face value is the full principal claim. The market capitalization also carries assets outside Panuco (the Vizsla Royalties stake — Elemental's C$327M acquisition pending — the Fresnillo-district claims and district exploration), so the Panuco-only multiple is somewhat lower than printed.

COST POSITION — THE PRIMARY-SILVER COST CURVE



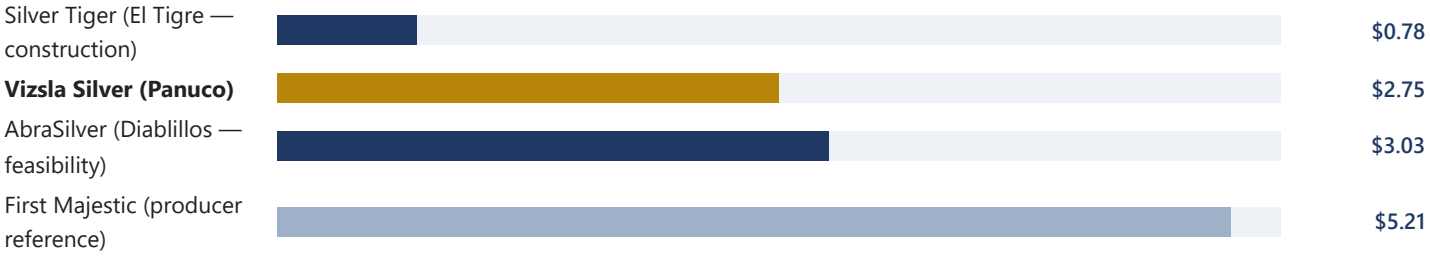
At an AISC of US$10.61/oz AgEq (cash cost US$8.56), Panuco sits **below the 2025 primary-silver average of US$12.21/oz** — roughly second quartile — and the co-product basis is conservative: netting the gold off as a credit would screen among the lowest-cost silver mines. Feasibility-stage estimates. Average: World Silver Survey 2026 (primary silver mines, by-product accounting basis). AISC per FS Table 22-1; our model reproduces it at US$10.56 (−0.5%).

Peer & transaction context

Vizsla Silver is a listed pure-play developer, so the market prices Panuco every day. On enterprise value per ounce of contained silver-equivalent (EV/oz; each company's total resource, M&I + Inferred, on its own stated AgEq basis), clean feasibility- and construction-stage silver developers trade around **US$0.8–3/oz**, and established producers several times higher. Vizsla sits at **US$2.75/oz** (pinned 1 August 2026) — inside the developer band — despite carrying what few of the band's members have: top-of-class grade (a 416 g/t AgEq reserve, against bulk deposits like Cordero at 52 g/t), a construction-ready Feasibility Study, and funding in hand. The January–April 2026 security incident is the visible explanation.

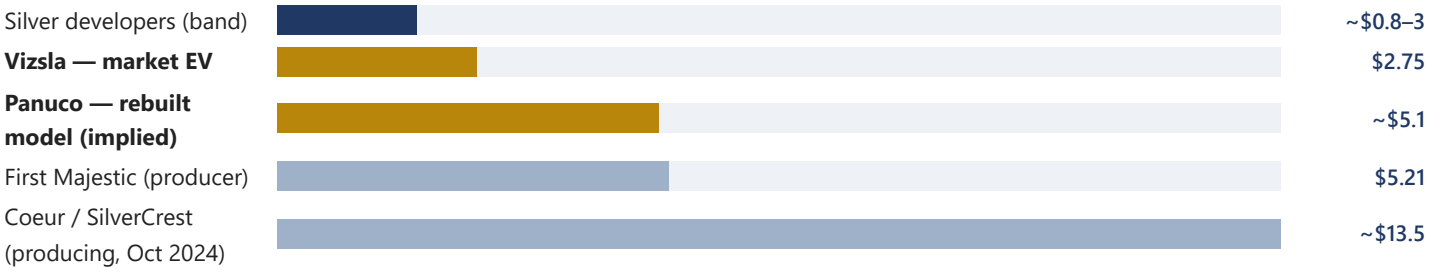
ENTERPRISE VALUE PER OUNCE OF CONTAINED SILVER-EQUIVALENT — SILVER DEVELOPERS (US$/OZ AGEQ)

Market EV (market capitalization less net cash) ÷ total contained AgEq (M&I + Inferred, each company's stated AgEq basis, latest resource). Enterprise values pinned **1 August 2026** (S&P Capital IQ). Vizsla: ~354 Moz AgEq (M&I 222.4 + Inferred 131.7, FS-release basis); its EV includes non-Panuco assets. Dolly Varden is excluded: its merger into Contango ORE completed 26 March 2026 and the combined company's enterprise value prices a producing Alaska gold business alongside Kitsault (a silver-only ~64 Moz Ag basis). Discovery Silver (Cordero: 1,357 Moz AgEq at 52 g/t) is excluded because its enterprise value now prices a producing gold business; GoGold is omitted (no confirmed company-wide AgEq total). Vizsla's net cash carries the US$300M convertible at face value (balance-sheet carrying value US$237M under IFRS 9 bifurcation).



THE VALUE LADDER — WHAT SILVER IN THE GROUND IS WORTH AS IT DE-RISKS (US$/OZ CONTAINED AGEQ)

Illustrative, on company-stated AgEq resources (M&I + Inferred); market values pinned 1 August 2026 (S&P Capital IQ). Feasibility/construction silver developers trade ~US$0.8–3/oz; Vizsla's market EV stands at US$2.75/oz of Panuco's ~354 Moz; our rebuilt model at the study deck implies ~US$5.1/oz (NPV ÷ resource ounces); an established producer such as First Majestic trades ~US$5.2/oz; and Coeur's takeover of SilverCrest — the closest analogue to Panuco (high-grade underground silver-gold doré, northwest Mexico) — cleared at ~US$13.5/oz on the deal-date resource, for a producing asset. The market prices Panuco's ounces inside the developer band even though its grade, stage and funding sit at the top of it — and the rebuilt model's implied value per ounce is already producer-grade.



Peer & transaction context — transactions & sensitivity

RECENT SILVER M&A — WHAT ACQUIRERS PAY FOR SILVER IN THE GROUND

Target (project)	Acquirer	Date	Deal (US$)	Implied per oz	Profile
SilverCrest (Las Chispas, Sonora)	Coeur Mining	Oct 2024	~US$1.7B	~US$13.5/oz AgEq	**the Panuco analogue** — high-grade underground Ag-Au doré, NW Mexico, ~10 Moz AgEq/yr — but producing
MAG Silver (44% of Juanicipio)	Pan American Silver	May 2025	~US$2.1B	~US$17.3/oz Ag-only[1]	the lowest-cost primary-silver mine; attributable silver-only resource
Gatos Silver (70% of Cerro Los Gatos)	First Majestic	Sep 2024	~US$970M	~US$21.6/oz Ag-only[1]	producing Chihuahua mine; heavy zinc-lead
Adriatic Metals (Rupice, Bosnia)	Dundee Precious Metals	Jun 2025	~US$1.3B	~US$12.7/oz Ag-only[1]	polymetallic underground; the weakest analogue

Implied per-oz = deal value ÷ the target's total resource at the deal-date technical report, approximate, from public disclosure. [1] MAG, Gatos and Adriatic published no contained-AgEq totals at deal date, so their figures are per ounce of contained *silver only* and are not comparable with AgEq figures (indicatively ~US$8–9/oz AgEq for MAG and ~US$10–11 for Gatos). SilverCrest: ~US$1.7B over 126.0 Moz AgEq (M&I + Inferred, July 2023 report).

The 2024–25 consolidation wave — roughly **US$6 billion of announced takeovers of primary-silver producers** (Coeur/SilverCrest ~US$1.7B, First Majestic/Gatos ~US$1.0B, Pan American/MAG US$2.1B, Dundee/Adriatic ~US$1.3B), after a five-year stretch with almost no corporate activity in the sector — repriced silver in the ground, and the most direct print for Panuco is Coeur's **~US$13.5/oz AgEq** for SilverCrest's Las Chispas — the same style of asset on nearly every axis: high-grade underground silver-gold veins, doré product, northwest Mexico, ~10 Moz/yr scale. Las Chispas was *producing*, so the multiple is a ceiling that assumes execution. Applied mechanically to Panuco's ~354 Moz it would imply ~US$4.4–4.8B, against Vizsla's US$1.0B enterprise value (pinned 1 August 2026, convertible at face); the spread is the market's charge for construction, the pending permit and Sinaloa security risk. No silver-primary takeover has printed in 2026; the C$327M Elemental agreement for Vizsla Royalties (May 2026) is nonetheless third-party validation of Panuco-linked value struck after the security incident.

SENSITIVITY TO THE SILVER PRICE — AFTER-TAX NPV5, US$M, FROM OUR MODEL (5%; GOLD HELD AT US$3,100/OZ)

Spot silver (~US$58/oz, early August 2026) sits far **above** the entire ladder — the study's US$35.50 deck is ~39% below spot, and even the US$40 rung is ~30% below. The US$3,100/oz gold assumption is likewise ~23% below spot gold (~US$4,050/oz). Each US$1/oz of silver moves after-tax NPV by ≈US$45M in our model: the bars above map the downside back to the deck, while anything near current prices implies economics materially above the headline. Revenue is 58% silver / 42% gold, so the project is levered to both metals.

Peer and issuer enterprise values are pinned as of 1 August 2026 (S&P Capital IQ). M&A deal values are as announced; deal-date net-cash adjustments are approximate. Per-ounce figures use each company's stated AgEq basis and are not restated to a common price deck; silver-only bases are marked. Vizsla's per-ounce figure divides an enterprise value that includes its non-Panuco assets by the Panuco resource only.

Study confidence

Panuco is supported by a **Feasibility Study** led by Ausenco (effective 4 November 2025) with a declared Proven and Probable Mineral Reserve — the mine plan processes the full reserve — and an AACE Class 3 (±15%) capital estimate. Grade is the defining feature: at 416 g/t AgEq the reserve is among the highest-grade in silver development. The ordinary caveats: 85% of the reserve is Probable, and the resource extends well beyond the plan.

Category	Tonnes (kt)	Ag (g/t)	Au (g/t)	AgEq (Moz)
Proven reserve	1,948	308	2.35	31.4
Probable reserve	10,854	239	1.95	139.7
Total P&P reserve (mine plan)	12,809	249	2.01	171.2
M&I resource (incl. reserve)	12,960	307	2.49	222.4
Inferred resource	10,470	219	1.96	138.7

Reserve per Table 1-3 (effective 4 November 2025; includes a small planned stockpile), estimated at Ag US$28.50 / Au US$2,300 — more conservative than the economics deck. Resource per Table 1-1 (September 2024, inclusive of reserves, reported above 150 g/t AgEq). AgEq converts gold at ~82.5–83:1; lead and zinc occur in the resource but are not recovered and carry no value. Reserve contained metal (102.7 Moz Ag, 829 koz Au) ties exactly to the processing schedule.

Jurisdiction & permitting

Panuco sits in the Panuco-Copala mining district of **Sinaloa, Mexico**, with doré trucked to Mazatlán and flown to North American refiners. Mexico is the world's largest silver producer and Sinaloa an established mining state; the questions the location raises are the ones the market is visibly pricing — security, and how the fiscal regime is applied.

Item	Status
Ownership & tenure	100%-owned by Vizsla Silver; district consolidated through acquisitions since 2019. An underlying 3.0% NSR (Compañía Minera Bacis) encumbers certain concessions; Vizsla holds a right to buy back 1.5% for US$1.9M (§4.2–4.3)
Royalties	Private NSRs of 3.5% (encumbered ground) and 2.0% (unencumbered; part of Napoleon) — ~3.2% effective, US$180M over life — plus the 1.0% government duty on gross silver-gold revenue (US$56M) (§22.4.2; Table 22-2)
Royalty spin-out	The spun-out NSRs sit in Vizsla Royalties Corp., in which Vizsla retains a large shareholding; Elemental agreed in May 2026 to acquire it for C$327M (close targeted Q3 2026) (§4.3.4; company disclosure)
Taxation	Income tax 30%; special mining tax 8.5%; 1.0% duty on gross precious-metal revenue; tax depreciation 10% (pre-production) / 12% (mining assets). The 8.5% and 1.0% are the current statutory rates after the December 2024 reform (§22.4; DOF, 19 Dec 2024)
Permitting	MIA (environmental impact authorization) — the key construction permit — expected by the company in mid-2026, not announced as of early August 2026; construction decision targeted 2H 2026, first production 2H 2027 (company disclosure, Jan 2026)
Security	January 2026: ten workers abducted near Concordia; nine found deceased, one missing (April 2026). Operations were suspended for a period and have resumed; senior government-relations leadership added since (company disclosures, Jan–May 2026)

> The honest counterweights: the environmental permit is not yet in hand and the schedule leaves little slack; the security environment is a real operating and workforce risk; and the study's fiscal modelling omits statutory profit sharing (p.3).

Infrastructure

A district-scale underground operation in settled western Sinaloa: road access to Mazatlán, grid power, a compact two-phase plant and the simplest possible product — doré bars flown to the refiner, with no concentrate logistics. Post-study execution has begun: EPCM and mine-design contracts were awarded in April 2026 and an equipment supply agreement with FLSmidth followed in June.

Element	Provision (§17–21; company disclosure)
Access & product logistics	Doré bars are trucked from site to Mazatlán and flown to North American refiners — no concentrate haulage, port or smelter dependency (§1.16 / 19.1)
Power & inputs	Grid supply, with the off-site power line and on-site distribution carried in initial capital; cost basis US$0.09/kWh power, US$1.21/L diesel (§21.2 / 21.3.2)
Processing plant	Phase 1 (Years 1–3): 3,300 t/d whole-ore leaching → counter-current decantation (CCD) → Merrill-Crowe → on-site refinery and doré room. Phase 2 (Year 4+): adds flotation and regrind ahead of leaching, lifting throughput to 4,000 t/d for US$15.4M of expansion capital (§17; Table 21-1)
Mining system	Underground longhole stoping plus drift-and-fill in weaker ground, with paste backfill; capital development US$43.6M initial + US$206.3M sustaining over life (§16; Table 21-3)
Tailings & waste	Engineered TSF (US$14.9M initial + US$17.1M sustaining), waste-rock facility and paste plant; 6.3 Mt of waste over life against 12.8 Mt milled (Table 21-4; §16)
Execution status	EPCM and mine-design contracts awarded April 2026; FLSmidth to supply the crushing, milling and refining equipment (3,300 t/d, expandable to 4,000 t/d); underground test mine and bulk-sample program continuing (company disclosure, Apr–Jun 2026)

Engineering & metallurgy

Mining is underground — longhole stoping with drift-and-fill — feeding a staged plant that recovers both metals to doré on site: silver 92.3% and gold 93.8% over life, carried year-by-year in the schedule (Ag 90.7–93.4%) from grade-driven recovery models rather than flat averages. The economics are exceptional because the rock is: 416 g/t AgEq reserve grade, with revenue 58% silver and 42% gold.

The flowsheet is the silver industry's workhorse — cyanide leaching to doré — so the engineering questions are less about novelty than about profile:

- **The economics are front-loaded.** Processed silver grade falls from 389 g/t in Year 1 to ~123 g/t in Year 10 as the highest-grade Copala stopes are mined early. That is what buys the sub-year payback — and it means the NPV leans on the first five years (~20.3 Moz AgEq/yr) being delivered on schedule (Table 22-2).
- **Doré marketing terms are assumed, not contracted.** No refining contract exists and no market study was conducted; the 99.9% payability and the US$0.50/oz Ag / US$5.00/oz Au charges (US$50M over life) are estimates from comparable operations — a thin but unverified layer of the revenue line (§19.1 / 19.3).
- **Phase 2 is a mid-life plant project.** From Year 4 the circuit adds flotation, regrind and a second leach stream as Napoleon ore enters, with recoveries modelled from testwork equations by zone. The step carries its own execution risk, though the capital is modest (US$15.4M) (§13.8 / 17).

Note: the resource carries lead and zinc, but the study recovers neither — flotation to a saleable base-metal product was tested and rejected as uneconomic. Revenue is silver-gold doré only (§1.10).

Catalysts & timeline

The company describes the project as fully funded — a US$300M convertible note (November 2025) plus stated cash of over US$450M against a US$238.7M build — and execution has started ahead of the formal construction decision: EPCM awarded, long-lead equipment secured, a ~60,000 m drilling budget, and the underground test mine and bulk sample continuing. The clock now runs on the environmental permit.

Near-term catalyst (company disclosure, Jan–Jun 2026)	Bearing
MIA environmental permit	The gating construction permit — company guidance was receipt in mid-2026; not announced as of early August 2026. The first thing to watch
Construction decision (2H 2026)	Board go-ahead for the 21-month build; the company targets first production in 2H 2027
Elemental / Vizsla Royalties closing (targeted Q3 2026)	Crystallizes the value of Vizsla's retained stake in the C$327M royalty spin-out — a non-Panuco asset inside the market capitalization
Detailed engineering & equipment delivery	EPCM and mine-design contracts (April 2026) and the FLSmidth supply agreement (June 2026) mature the AACE Class 3 estimate toward build-ready
District drilling & test mine	~60,000 m budget across Copala, Napoleon and district targets; resources beyond the 171 Moz AgEq reserve are the mine-life-extension story

SWOT synthesis

STRENGTHS

- Top-of-class grade: 416 g/t AgEq reserve; NPV_5 equal to 7.5× the initial capital
- Funded: US$300M convertible + stated cash over US$450M; no equity raise since Nov 2025
- Simple product — doré at effectively full price; no concentrate, smelter or port dependency
- AISC US$10.61/oz AgEq, below the US$12.21 primary-silver average

WEAKNESSES

- Sinaloa security environment — the January–April 2026 incident was severe
- MIA permit not yet in hand; the path to 2H 2027 first production is tight
- Study fiscal gaps: profit sharing omitted; pre-production revenue untaxed; working capital inconsistent with its own stated terms
- Doré marketing terms assumed — no refining contract or market study

OPPORTUNITIES

- Study deck ~39% below spot silver — ≈US$45M of NPV per US$1/oz of upside
- District exploration beyond the reserve (Copala, Napoleon, San Antonio, the Fresnillo claims)
- Producer re-rating: developers ~US$0.8–3/oz AgEq against producers several times higher (First Majestic US$5.21) — construction closes the gap
- M&A validation: SilverCrest cleared at ~US$13.5/oz AgEq; consolidation continuing

THREATS

- Security escalation forcing suspension, workforce or cost impacts
- Permit delay pushing the construction decision and the 2H 2027 target
- Silver retreating toward the deck: NPV US$1,544M at US$30/oz in our model
- Fiscal application: uncapped 10% profit sharing would be −US$175M (upper bound)

Mining primer — terms used in this memo

A short reference for readers newer to mining valuation. Definitions are general and neutral.

AACE capital-estimate classes. A standard scale (Class 5 roughest to Class 1 most definitive) for how developed a capital-cost estimate is. Class 3 — the Panuco study's class — is the first level built from engineering takeoffs rather than factors; generic guidance quotes accuracy bands around −20%/+25%, and this study states ±15%.

All-In Sustaining Cost (AISC). An industry cost measure capturing operating cost plus sustaining capital and certain overheads, expressed here per ounce of silver-equivalent; a common proxy for a project's position on the cost curve.

C1 cash cost (C1). The direct cash cost of production — mining, processing, site overheads plus royalties and refining charges — before sustaining capital and taxes; here expressed per ounce of silver-equivalent on a co-product basis (costs spread across both metals rather than netting the gold off as a credit).

Counter-current decantation (CCD). A series of thickener tanks that wash leached slurry in the opposite direction to the wash water, separating the metal-bearing solution from the barren solids ahead of metal recovery.

Discount rate. The annual rate used to convert future cash flows to present value; precious-metal projects are commonly evaluated at 5% real, though the choice materially affects NPV.

Doré. A semi-pure alloy of silver and gold poured into bars on site, then shipped to a refinery for final purification. Selling doré rather than a concentrate avoids smelter charges and payability deductions — the refiner's fee is a small per-ounce charge.

Drift-and-fill. An underground mining method for weaker or irregular ground: ore is taken in horizontal slices (drifts), and each slice is backfilled before the next is mined. Slower and costlier than bulk methods but selective and stable - often paired with longhole stoping in hybrid mine designs.

Enterprise Value (EV / TEV). Market capitalisation plus debt less cash; the value of the whole business independent of how it is financed.

Enterprise Value per resource ounce (EV/oz). Enterprise value divided by total contained resource ounces; a quick cross-project valuation yardstick that should be compared within similar grade and stage.

EPCM. Engineering, procurement and construction management — a contracting model in which an engineering firm manages design, purchasing and the construction contractors on the owner's behalf for a fee, rather than delivering the plant at a fixed price. The owner retains most cost and schedule risk, in exchange for flexibility and lower contracting premiums.

Feasibility Study (FS). The most detailed pre-construction economic study (more rigorous than a Pre-Feasibility Study or Preliminary Economic Assessment), generally considered sufficient to support a construction and financing decision.

Flotation. A concentration step in which finely ground ore is mixed with water and reagents and air bubbles float the metal-bearing minerals into a froth that is skimmed off, leaving the waste behind. At Panuco the Phase 2 flotation concentrate is reground and leached on site to doré — it is not sold.

Grade. Metal content per unit of rock, for gold typically grams per tonne (g/t). Higher grade generally means lower unit cost and a smaller footprint to mine a given quantity of metal.

Initial vs sustaining capital. Initial capital builds the mine; sustaining capital maintains and extends it through the mine life. Both are netted in life-of-mine economics.

Internal Rate of Return (IRR). The discount rate at which a project's NPV equals zero; a measure of return that is independent of project scale.

Longhole stoping. An underground bulk-mining method: long, parallel blast-holes are drilled between two levels, the ore between them is blasted, and the broken rock is drawn off below. Productive and relatively low-cost for steep, regular ore zones; 'transverse' means the stopes are mined across the width of the ore body in a primary-secondary sequence. Mined-out stopes are typically refilled with engineered backfill before neighbours are taken.

Mining primer (continued)

Measured / Indicated / Inferred (M&I). Resource confidence levels, from highest to lowest. Measured and Indicated (together 'M&I') can support a reserve; Inferred is too uncertain to convert to a reserve.

Merrill-Crowe. A recovery process that precipitates dissolved gold and silver out of a cyanide leach solution using zinc dust. Favoured over carbon adsorption for high-silver ores because large silver volumes would overwhelm carbon circuits; the precipitate is smelted into doré bars on site.

Metallurgical recovery. The percentage of contained metal actually recovered into saleable product by the processing circuit.

Mineral Reserve. The economically mineable part of a Measured and/or Indicated resource, after applying mining, processing, economic and other modifying factors. Reported as Proven or Probable.

Mineral Resource. A concentration of mineralization with reasonable prospects for eventual economic extraction; reported by confidence as Measured, Indicated or Inferred. A resource is not, by itself, demonstrated to be economic.

Net Present Value (NPV). The sum of a project's projected cash flows discounted to today at a chosen discount rate; the core output of a cash-flow model.

Net Smelter Return royalty (NSR). A royalty paid to a third party as a percentage of revenue, net of certain refining and transport charges; it reduces project cash flow but not the resource itself.

NI 43-101. The Canadian securities standard governing public disclosure of mineral projects; technical reports are signed by independent Qualified Persons. Equivalents include JORC (Australia), SAMREC (South Africa) and S-K 1300 (United States).

Payable metal. The share of the metal contained in a concentrate that the smelter actually pays for — after a small fixed deduction — expressed as a payability percentage (for example ~96% for copper). Revenue and many royalties are calculated on payable, not contained, metal. For doré sold to a refinery the deduction is much smaller — payability is typically 99% or higher.

Payback period. The time required for cumulative cash flow to recover the initial capital investment.

Price / Net Asset Value (P/NAV). Market capitalisation divided by net asset value (typically the after-tax project NPV plus net cash, less corporate items). Developers commonly trade below 1.0x, narrowing toward production.

Regrind. A second, finer grinding stage applied to an intermediate product (such as a flotation concentrate) before further processing. Finer particles expose more mineral surface to the leach or flotation chemistry, lifting recovery at the cost of additional power and equipment.

Silver-equivalent (AgEq). By-product metals (gold, lead, zinc, etc.) expressed as an equivalent quantity of silver using assumed metal prices; the figure depends on the price deck used and is not directly comparable across reports. Used for grade, production and per-ounce cost comparisons, never to compute revenue.

Tailings. The finely ground rock left after the metal-bearing minerals have been floated off in the mill. It is stored as a slurry behind an engineered embankment in a tailings storage facility (TSF); its long-term stability and water management are among a mine's most important environmental responsibilities.

Tailings storage facility (TSF). An engineered impoundment where tailings — the finely ground rock remaining after metal extraction — are permanently stored, typically behind a constructed embankment with water management and long-term monitoring.

Whole-ore leaching. Cyanide leaching applied to all of the ground ore, rather than to a concentrate produced by flotation. Simpler flowsheet with high metal recovery, at the cost of leaching (and detoxifying) the full tonnage.