A DISTRICT SCALE
RESOURCE DEVELOPER AND EXPLORER

DEFIANCE
SILVER CORP

DISCLAIMER

FORWARD-LOOKING INFORMATION AND STATEMENTS

This presentation contains "forward-looking information" and "forward-looking statements" within the meaning of applicable securities laws. This information and statements address future activities, events, plans, developments and projections. All statements, other than statements of historical fact, constitute forward-looking statements or forward-looking information. Such forward-looking information and statements are frequently identified by words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "estimate", "intend" and similar terminology and reflect assumptions, estimates, opinions and analysis made by management of Defiance in light of its experience, current conditions, expectations of future developments and other factors which it believes to be reasonable and relevant. Forward-looking information and statements involve known and unknown risks and uncertainties that may cause Defiance's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking information and statements and accordingly, undue reliance should not be placed thereon. Risks and uncertainties that may cause actual results to vary include but are not limited to the speculative nature of mineral exploration and development, including the uncertainty of reserve and resource estimates; operational and technical difficulties; the availability of suitable financing alternatives; fluctuations in gold and other commodity prices; changes to and compliance with applicable laws and regulations, including environmental laws and obtaining requisite permits; political, economic and other risks arising from Defiance's South American activities; fluctuations in foreign exchange rates; as well as other risks and uncertainties which are more fully described in our annual and quarterly Management's Discussion and Analysis and in other filings made by us with Canadian securities regulatory authorities and available at www.sedar.com. Defiance disclaims any obligation to update or revise any forward-looking information or statements except as may be required by law.

NI43-101 DISCLOSURE:

Peter J. Hawley, P. Geo., a Qualified Person under the meaning of Canadian National Instrument 43-101 is responsible for the technical information in this presentation.

FOCUS ON MEXICO

DEFIANCE SILVER CORP

Defiance Silver Corp.

- A leading Mexico focused explorer
- An advanced portfolio of silver and gold-copper projects:
  - San Acacio, Zacatecas – Maiden Resource
  - Tepal Project – PFS Level Reserve/Resource

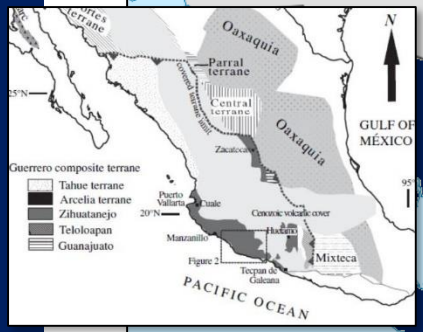
MEXICAN ASSETS
TECHNICAL DISCUSSION

- TWO DEFINED RESOURCES
- EXCELLENT JURISDICTIONS
- A THRIVING MINING ECONOMY
- ACCESS TO EXPERIENCED MEXICAN LABOUR
- EXCELLENT INFRASTRUCTURE
- HISTORICAL PRODUCTION
- SURROUNDED BY ESTABLISHED EXPLORERS AND DEVELOPERS.

Two emerging jurisdictions with district scale growth potential

THE MEXICAN ALTIPLANO
AN ESTABLISHED MINING DISTRICT

DEFIANCE SILVER CORP



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13. Candelaria Res. – Caballo Blanco HS Au Deposit

LS Low Sulphidation Epithermal (Ag-Pb-Zn)
HS High Sulphidation Epithermal (Au(Ag), Cu
VMS Volcanogenic massive sulphide Zn (Cu) (Ag,Au,Pb)
CRD Carbonate Replacement Deposit Zn (Ag, Pb)
GGB Guerrero Gold Belt Skarn-Porphyry Au (Cu, Fe)

Inset map showing tectono-stratigraphic terranes, after **Centeno-García E et al. Geological Society of America Special Papers 2008;436:279-308**

San Acacio Project

DEFIANCE SILVER CORP

Zacatecas, Mexico

"BUILDING A STRATEGIC LAND BASE"

A High-Grade, Wide-Vein

Silver-Lead-Zinc Epithermal Vein System

SAN ACACIO PROJECTS
CONSOLIDATING A MINING DISTRICT

DEFIANCE SILVER CORP

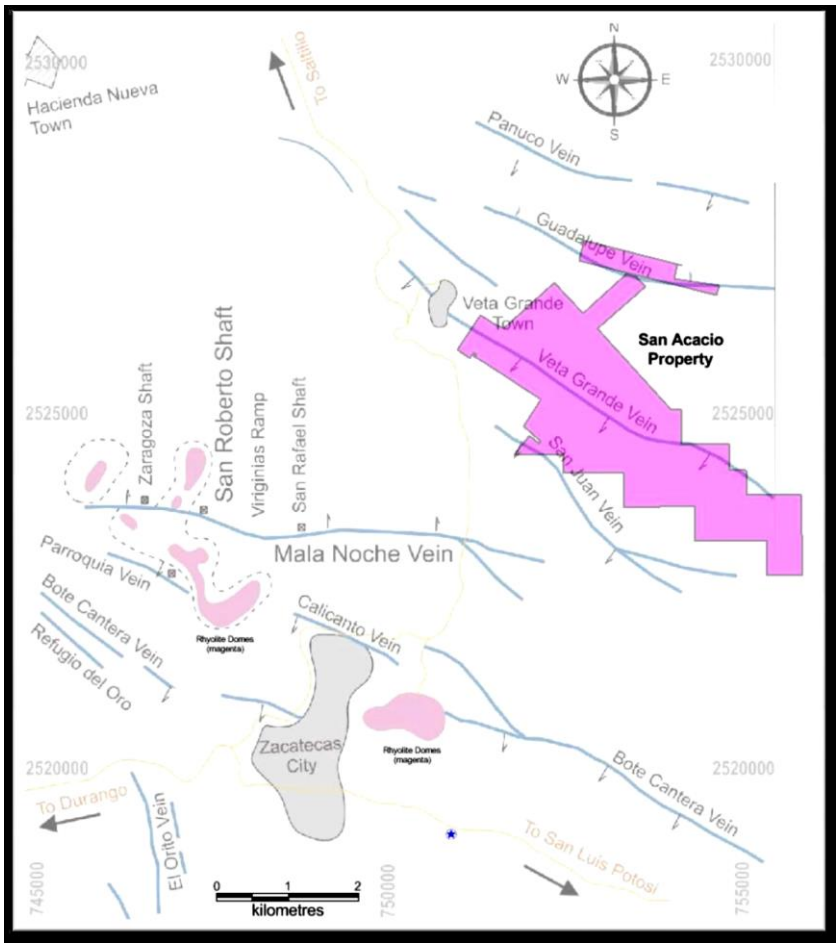
LOCATION & CLAIMS

- ✓ Recently acquired MAG Silver's Zacatecas Holdings
- ✓ Doubled the San Acacio land package to 1506 has.
- ✓ A strategic location in a mining district that dates back to colonial history.
- ✓ Several district mines continue in operation and development today.
- ✓ Neighbours include the districts largest operator, Capstone Mining's Cozamin Mine, producing 1Moz Ag, 36.9Mlb Cu & 9.3Mlb Zn in 2017 (2017 Capstone Mining Financials).
- ✓ AN excellent infrastructure with paved roads, access to the state power grid and a skilled Mexican labour force, mining friendly.

Extending a footprint in an important mining camp
(Defiance Silver News Release June 13, 2018)

SAN ACACIO MINE PROJECT
HISTORIC MINING DISTRICT

Established Mining District



2014 NI43-01 Report, Defiance Silver.

Historic district production is estimated to be 750,000,000 ounces of silver from 20 million tonnes grading over 900 g/t silver and approximately 2.5 g/t gold.
(Consejo de Recursos Minerales; Cardenas et al 1992).

The San Acacio mine was historically mined to a maximum depth of 120 meters, to the base of the oxide zone, at approx. grades of 200 g/t silver not including by-product.

The San Acacio Mine was mined along a 1.2km portion of a 5.6 Km strike length controlled by Defiance Silver.

A historic production estimate indicate approximately 750,000 to 1,000,000 tonnes of ore was mined with grades exceeding 1kg/t Ag at San Acacio.
(Atlas Mining, SEC filings)

SAN ACACIO PROJECTS
LAGARTO PROJECT ACQUISITION

ACQUISITIONS

MAG Silver Corp Invests in Exploration Upside

MAG Silver Corp

Dr. Peter Megaw
MAG Silver's Chief Exploration Officer

"…MAG chose to partner with Defiance because of our long-held interest in the exploration potential of the Veta Grande Vein, the second most important vein in the billion-ounce Zacatecas silver district. A number of high-grade ore-shoots have been found along its length and the ability to expand exploration to a continuous 5.6 km stretch of this historically under-explored vein greatly enhances the potential for discovering more. This strategic interest in Defiance provides MAG with exposure to the upside of future discoveries as their exploration of this important vein advances."

(See Defiance News Release June 13, 2018)

SAN ACACIO PROJECTS
LAGARTO PROJECT ACQUISITION

NEW ACQUISITION

- Adds 14 key contiguous and non-contiguous concessions totalling 800 has.
- Adds important strike/dip potential to the San Acacio claims on the historic Veta Grande Vein system.
- Shares a border on trend SE of Santacruz Silver Mining Ltd. Contracuña Mine.
- Adds a large claim block on the Malanoche vein system, currently being mined by Capstone Mining Corp.; at their Cozamin Mine.
- Regional database that cost over $10 million to assemble, including:
  - A drill database for 90 holes, extensive geochemistry, geophysics, satellite imagery, and detailed drill logs from over 135,000ha of ground covering the Zacatecas Silver District to the Fresnillo Silver District.
- An important upside exploration potential:
  - Significant drilling highlights include:
    - 850 g/t (24.8 ounces per tonne) silver over 0.95 meters; 417 g/t (12.1 ounces per tonne) silver over 1.0 meter

DEFIANCE SILVER NOW CONTROLS A TOTAL OF 1506 HAS IN THE IMPORTANT ZACATECAS MINING DISTRICT.

SAN ACACIO MINE PROJECT
2014 MAIDEN INFERRED RESOURCE

DEFIANCE SILVER CORP

A Current Resource

Vein	AgEq Cut-off (g/t)	Tonnes > Cut-off (tonnes)	Grade>Cut-off Ag(g/t)	Au (g/t)	AgEq (g/t)	Contained Metal Ag (ozs)	Au (ozs)	AgEq (ozs)
VETA G	100	2,150,000	192.43	0.19	204.66	13,302,000	10,000	14,147,000
VETA C	100	739,000	153.28	0.08	158.66	3,642,000	1,900	3,770,000
VETA B	100	13,000	76.53	0.45	105.98	32,000	190	44,000
TOTAL	**100**	**2,902,000**	**181.94**	**0.16**	**192.5**	**16,976,000**	**12090**	**17,961,000**
VETA G	120	2,020,000	197.97	0.2	210.64	12,857,000	10,000	13,680,000
VETA C	120	658,000	158.79	0.09	164.48	3,359,000	1,900	3,480,000
TOTAL	**120**	**2,678,000**	**188.34**	**0.17**	**199.3**	**16,216,000**	**11,900**	**17,160,000**

The San Acacio Deposit has a 43-101 Inferred Mineral Resource Estimate available on www.sedar.com or www.defiancesilver.com. Using a silver equivalent ("AgEq")* cut-off grade of 100 grams tonne ("g/t"). Using a gold price of $1270/ oz Au and silver price of $19.60 the silver equivalent value would be silver content plus 65 times the gold content. (Note: total contained AgEq values may not add exactly because of rounding). Metallurgical recoveries are not taken into account. Giroux and Cuttle, 2014 NI43-101.

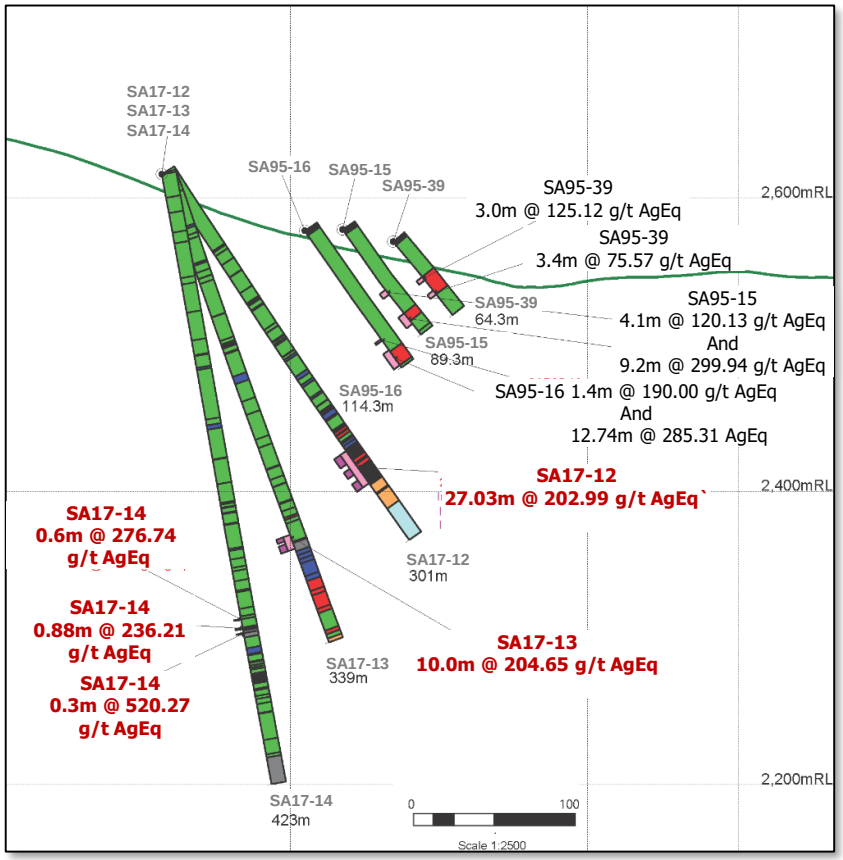
Deposit Type	Silver-lead-zinc epithermal
Stage	43-101 Inferred Resource
Location	5km SW of Veta Grande, Zacatecas, MX 8 km Northeast of Zacatecas City
Infrastructure	Excellent road, power grid, water and experienced Mexican labour
Ownership	Under Option
Royalties	2.5% ROFR
Land Package	1506 ha

Upside Resource Potential

SAN ACACIO MINE PROJECT
2017 DRILL RESULTS

DEFIANCE SILVER CORP

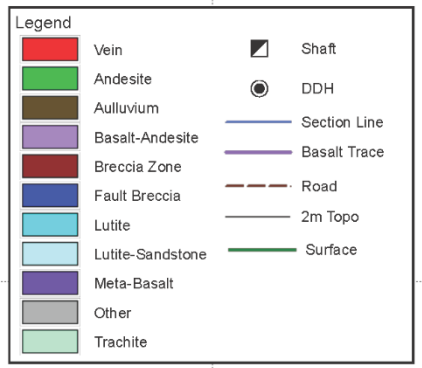
Initial drill results demonstrate a potential to increase the current resource by drilling on strike and at depth along the Veta Grande Vein System.



Cross Section L9700E: 2017 Drill core Assay Results shown with historic results from 1995 drilling. Viewed northwesterly.

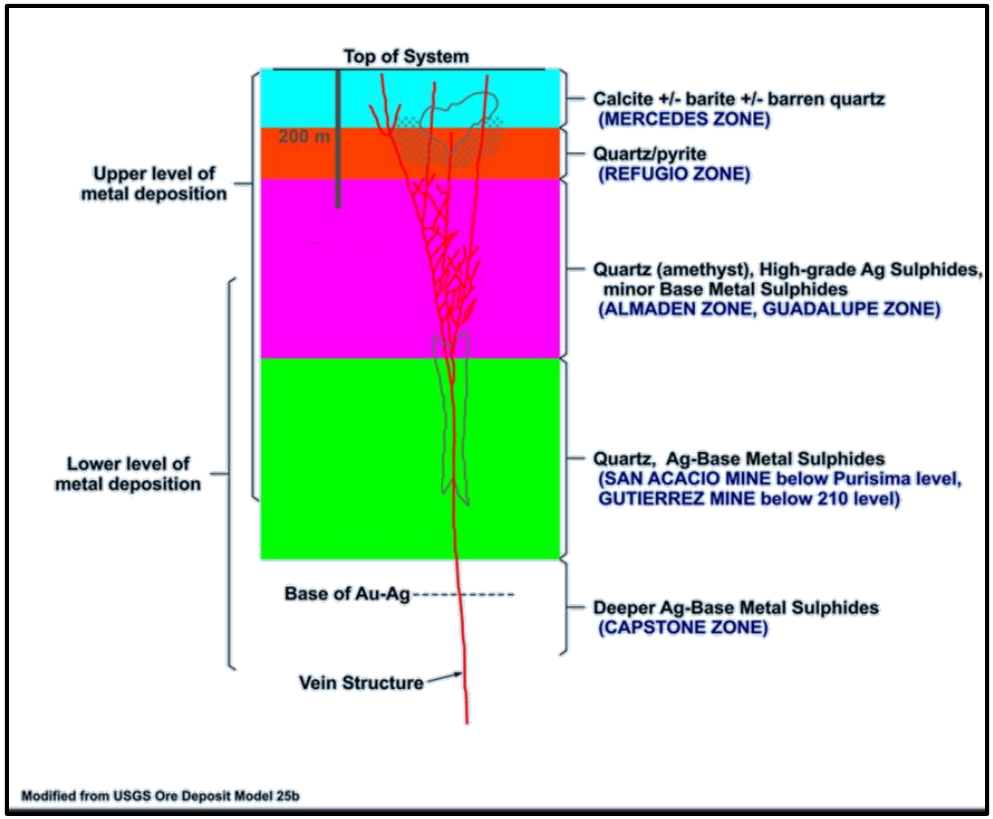
Drill Results: Selected assay intervals from 2017 phase II drill program

Hole_ID	From (m)	To (m)	Length (m)	Ag g/t	Au g/t	AgEq g/t
SA17-12	226.62	253.65	27.03	148.2	0.29	202.99
Includes	226.62	234.20	7.58	212.9	0.05	230.03
Includes	238.00	243.00	5.00	230.7	0.51	354.97
Includes	247.60	253.65	6.05	122.1	0.74	222.59
SA17-13	261.00	271.00	10.00	171.2	0.08	204.65
Includes	261.00	264.00	3.00	372.2	0.10	404.03
Includes	266.00	271.00	5.00	104.4	0.08	136.15
SA17-14	308.07	308.67	0.60	139.5	0.40	276.74
SA17-14	314.12	315.00	0.88	213.8	0.30	236.21
SA17-14	318.00	318.30	0.30	477.6	0.46	520.27
SA17-15	209.82	213.00	3.18	285.0	0.02	296.30
SA17-16	393.30	399.48	6.18	7.4	0.25	65.88
SA17-17	439.13	440.14	1.01	33.9	0.12	187.85



An established geological Model driven exploration

The Zacatecas Model

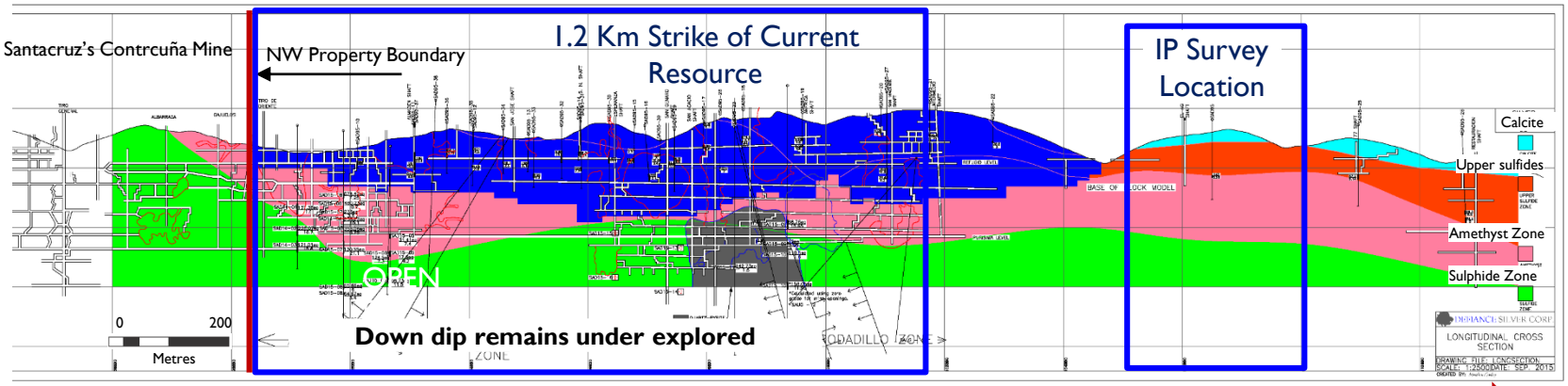


- ✓ San Acacio is at an early development phase similar to where the Cozamin mine was before it became a major mining operation
- ✓ Defiance Drilling confirms geological model of high level Silver/Lead/Zinc zones near surface, and indications of Gold/Copper zones at depth
- ✓ San Acacio has wide veins. Wide vein widths are important for profitable mining tonnage
- ✓ Width of mineralized intersections range from 5-27m

New Discovery Potential
Coincident Anomalies

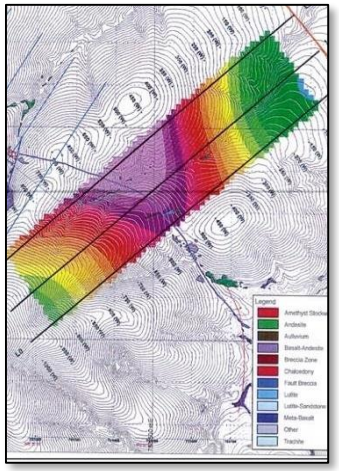
DEFIANCE SILVER CORP

A New Untested Target

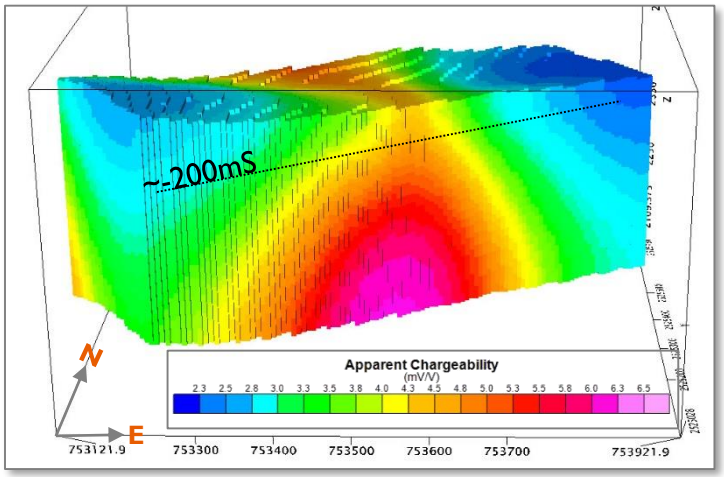


San Acacio Mine Vertical Long Section viewed northeast.
Shows mine workings, drill holes.

Another 4.4 km remains Underexplored on Strike



IP Survey Plan view north



IP Survey 3D Chargeability Inversion model – Oblique view north

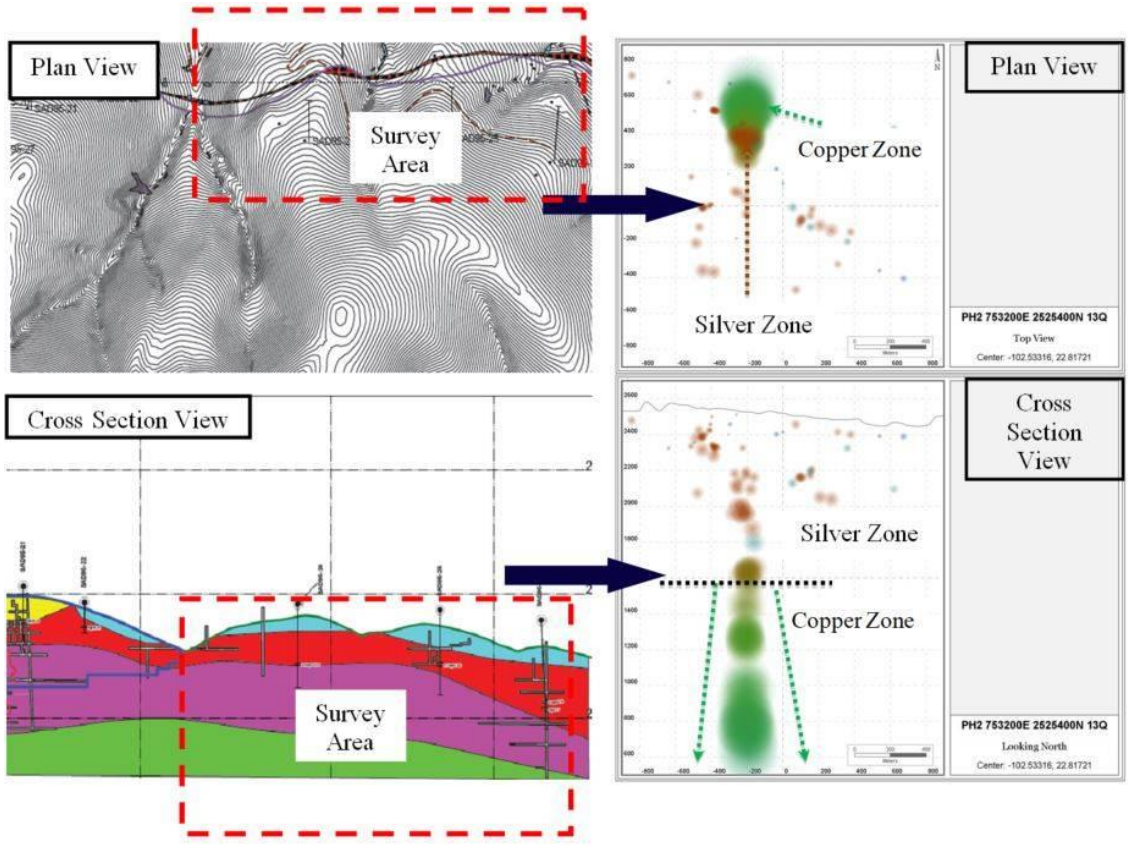
- ✓ NW-SE Trending IP anomaly located near surface
- ✓Successfully Located vein beneath thin cover
- ✓Detected a new anomaly in vein footwall at 200m depth

New Discovery Potential
A new exploration target

DEFIANCE SILVER CORP

Coincident Anomalies

AERI survey independently confirms the IP geophysical anomaly



Atomic Energy Resonance Imaging Survey (AERI)

- ✓ Confirmation of IP Anomaly is a technical success.
- ✓ Anomaly measures 400m in width, 300m in length, and is open.
- ✓ Shape, size and mineral zonation compares favourably with geophysical images generated by Capstone Mining on their nearby Cozamin Mine at depth

AERI results extends the IP anomaly to a depth of 1000m from surface

SAN ACACIO PROJECT
EXPLORATION PLANS

DEFIANCE SILVER CORP

Upside Exploration

San Acacio is drill ready and permitted

Two Important Targets for Follow Up:

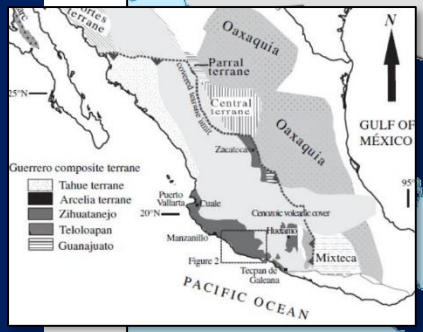
1. Increase the resource. The Veta Grande Vein System:
   Follow up 2017 phase 1 drill program that successfully extended mineralization by 140m below the base of the maiden resource, improved the resource grade, and extended the strike potential of the vein by 550m. Phase 2 drilling seeks to expand on this success. (Phase 1 drilling completed 5000m in 17 shallow diamond drill holes).

2. New Discovery potential. The new coincident IP/AERI geophysical targets identified in 2017 add an important new discovery potential.
   Coincident Induced Polarization (IP) and Atomic Energy Resonance Imaging (AERI) geophysical surveys independently defined a large anomaly below the area of shallow drilling that merits follow up drilling

Next Steps

1. Update the resource - Phase 2 drilling of the Veta Grande vein. Follow up of Phase 1.
2. Test the new discovery potential - Drill the IP/AERI geophysical anomaly.
3. Prep for phase 3 along remainder of the Veta Grand vein controlled by Defiance:
   - Property scale geophysics
   - Property scale mapping, updated sections, geochemistry etc.
   - Review the San Acacio option agreement, terms successfully extended to 2020.

Southern Mexico
An Underexplored Au-Cu-Ag Belt



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Inset map showing tectono-stratigraphic terranes, after **Centeno-García E et al. Geological Society of America Special Papers 2008;436:279-308**

TEPAL PROJECT
A 4M OZ AUEQ RESOURCE

DEFIANCE SILVER CORP

MICHOACÁN, MEXICO

A large Gold-Copper advanced stage deposit with district scale growth potential.

TEPAL PROJECT
"CHECKS ALL THE BOXES"

DEFIANCE SILVER CORP

LOCATION & CLAIMS

- ✓ A large-scale Au-Cu deposit in a mining friendly and secure jurisdiction
- ✓ 100% ownership
- ✓ Current M&I resource of 4.0 Moz. AuEq. (*Using US$1250./oz. Au, US$2.50/lb. Cu, $18.00 Ag)*
- ✓ C$27M spent to-date
- ✓ Excellent infrastructure: road accessible, water, and port facilities
- ✓ Surface rights are private landowners.
- ✓ Power - 50 megawatts available today (28 MW required). Main Power grid is 14 kilometres from site. 10 Kv is 1.5 Km away.

Inset: State of Michoacan

Concession	Title	Issuance date	Hectares
Tepal	219924	06/05/2003	986
Tepal Fracc. 1	216874	04/06/2002	140
Tepal Fracc. 2	216875	04/06/2002	70
Tepal Fracc. 3	216876	04/06/2002	90
La Esperanza Fracc. 1	216873	04/06/2002	120
Total			1406

TEPAL PROJECT
NI 43-101 M&I RESOURCE ESTIMATE

A Current Resource

Updated Resource Estimate

Deposit	Resource Category	Tonnage (kt)[2]	Average Grade[1]				Contained Metal		
			Au (g/t)	Cu (%)	Ag (g/t)	Mo (%)	Au (Koz)	Cu (Mlb)	AuEq[3] (koz)
Tepal North	Measured	14,000	0.50	0.29	0.78	0.002	228	89	473
	Indicated	55,000	0.30	0.21	1.01	0.002	533	252	1,226
	M + I	69,000	0.34	0.22	0.96	0.002	761	341	1,699
Tepal South	Measured	20,000	0.47	0.22	1.07	0.002	300	96	564
	Indicated	21,000	0.45	0.20	1.17	0.002	305	91	555
	M + I	41,000	0.46	0.21	1.12	0.002	605	187	1,119
Tizate	Measured	-	-	-	-	-	-	-	-
	Indicated	77,000	0.18	0.17	2.29	0.006	438	285	1,222
	M + I	77,000	0.18	0.17	2.29	0.006	438	285	1,222
Total	**Measured**	**34,000**	**0.48**	**0.25**	**0.95**	**0.002**	**528**	**185**	**1,037**
	Indicated	**153,000**	**0.26**	**0.19**	**1.67**	**0.004**	**1,276**	**628**	**3,003**
	M + I	**187,000**	**0.30**	**0.20**	**1.54**	**0.004**	**1,804**	**813**	**4,040**
	Inferred	35,000	0.16	0.15	1.68	0.006	182	120	512

1. Au = gold, Cu = copper, Ag = silver, Mo = molybdenum, g/t = grams per tonne, % = percent, oz. = ounces, lbs. = pounds,
The in situ resource stated in the table conforms to CIM guidelines for reasonable potential for economic extraction and is not to be confused as reserves.
2. Resource numbers above are rounded to nearest 100,000 tonnes and may not add up, 1,000 oz Au, 1,000,000 lbs Cu and 1,000 oz.
3. AuEq [2] uEq = gold equivalent and is calculated using gold and copper only using USD $1000 Au, USD $2.75 Cu metal prices (AuEq = (lbs. Cu$2.75/$1000) + Au oz)*
After JDS 2017 PEA..

A 4 million ounce gold equivalent resource (Au-Cu)

Low cost, accretive & large 2017 PEA Highlights ($USD)

DEFIANCE SILVER CORP

Resource Highlights

Pre-tax NPV5%	Pre-tax IRR	Payback	Post-tax NPV5%	Post-tax IRR	Payback
$299M	$36%	1.6 Yrs	$169M	$24%	2.3 Yrs

Production Averages LOM 10 Years

Au: 79,000 oz
Cu: 32Mlbs

Initial Capital Cost

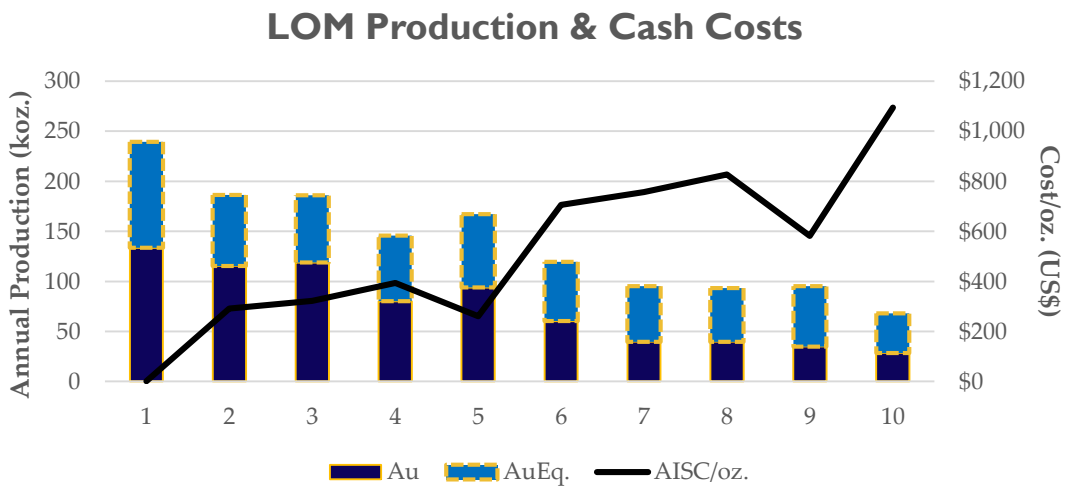
$214M

LOM

10 Years

LOM 10 Years Per Oz Au Cost

Avg cash cost $313/oz AISC $396/oz



(1) Using US$1,250/oz. Au price, US$2.50/lb. Cu price and US$18.00/oz. Ag price
(2) Cash cost includes all mining, milling & refining, transport, mine-level G&A, and royalty costs; net of byproduct credits

Using base case price assumptions of $1,250/oz. gold, $2.50/lb copper and $18.00/oz. silver, Tepal has an estimated $169 million after-tax NPV at a 5% discount rate, an attractive 24% after-tax IRR, and an after-tax payback period of 2.3 years. Base case LOM revenue split is 54% gold/43% copper/3% silver. The base case economic evaluation used metals prices that are close to current spot prices and near the median of current medium to long term analyst forecasts. After-tax economics were prepared using the following assumptions: a 2.5% Net Smelter Return (NSR) royalty, 0.5% Mexican royalty based on precious metals revenue, 7.5% Mexican royalty based on EBITDA, 12% annual depreciation rate, accumulated tax loss carry forward of US$22.4 million, and a 30% Mexican income tax rate. Please see News Release dated January 29, 2017

Resource Highlights

TEPAL PROJECT METALLURGY

DEFIANCE SILVER CORP

Two independent processing circuits:

1. Oxide Milling (~13% of total material)

- Recovery averages 81% Au, 60% Ag.
- Grind -> CIL -> Doré -> Refiners.

2. Sulphide Milling (~87% of total material)

- Recovery averages 77% Au, 65% Ag, 87% Cu.
- Concentrate -> Smelters, Doré -> Refiners.
- Average Concentrate Grade: 26% Cu, 28 g/t Au, 99 g/t Ag.
- Concentrate is very clean and in demand.
- No smelter penalties.
- Ideal for blending.

Assumptions used to Estimate the 2017 PEA Economics

Table 1: Flotation Concentrate & Tails Cyanidation Recovery Estimates

Tepal Recovery		Flotation	Tails Cyanidation	Combined Recovery
Copper	%	88.2		88.2
Gold	%	62.4	16.5	78.9
Silver	%	27.4	15.5	40.2
Tizate Recovery				
Copper	%	85.9		85.9
Gold	%	58.0	16.0	74.0
Silver	%	59.6	18.5	78.1

Table 2: Oxide Leach Recovery Estimates

Tepal Recovery			
Gold	%		83.2
Silver	%		63.3
Tizate Recovery			
Gold	%		75.2
Silver	%		55.9

98% of the mine plan material is measured and indicated
2% of the mine plan material is inferred
The base case used metals prices of USD$1250 gold, $2.50 copper, $18.00 silver.
Recoveries are based on Tables 1 nd 2 summarized from 2017 PEA, JDS..

Standard industry processes that are simple and familiar

TEPAL PROJECT
2017 PEA ASSUMPTIONS

DEFIANCE SILVER CORP

Assumptions used to Estimate the 2017 PEA Economics

Operating Assumptions	Millions ($USD)
Pre-Production Capital Costs	$214.2
Sustaining Capital Costs	$86.7
Mine Life	9.8 years
Total Material Mined	142.9 Mt
Strip Ratio	0.6 : 1
Average Plant Throughput (Sulphide + Oxide)	9.6 Mtpa
Average Au Sulphide Head Grade	0.33 g/t
Average Cu Sulphide Head Grade	0.21%
Average Au Oxide Head Grade	0.45 g/t
LOM Average Au Sulphide Recovery (combined Flotation & CIL)	77%
LOM Average Cu Sulphide Recovery	87%
LOM Average Au Oxide Recovery	81%

(1) $USD Cash cost includes all mining, milling & refining, transport, mine-level G&A, and royalty costs.

Operating Cost Assumptions	Avg Annual (M$)	$/t processed	LOM (M$)
Mining*	31	3.30	299
Processing–Sulphide Flotation/Cyanidation	44	4.75	430
Processing–Oxide CIL	8	0.85	77
G&A	7	0.75	67
Total	90	9.65	873

*Avg. LOM Mining $USD cost amounts to $2.16/t mined at a 0.6:1 strip ratio (excluding pre-production tonnes mined).
Totals may not add due to rounding
Source: JDS (2017)

TEPAL PROJECT

TEPAL 2017 PEA VS. 2013 PFS

DEFIANCE SILVER CORP

Resource Highlights

- Updated the economic base case metal prices
- Revised Whittle pit optimization at lower metal prices
- Revised process flow sheet consisting primarily of:
  - Reduction of the sulphide flotation throughput from an average 37,000 t/d to 22,000 t/d
  - Change from batch grinding oxide material in the SAG and ball mills to an independent oxide crushing and grinding circuit
  - Increase of oxide CIL retention time from 8 hours to 24 hours
- Mining operating costs based on contractor mining rates. Rented fleet vs owned.
- Revised mining schedule based on changes to the process plant
- Updated capital and operating cost estimates (CAPEX and OPEX) based on revised designs and more recent equipment budgetary pricing

Parameter	Unit	2013 PFS	2017 PEA
Cu Price	US$/lb	3.44	2.50
Au Price	US$/oz	1389.95	1,250
Ag Price	US$/oz	26.03	18.00
PRODUCTION			
Mine Life	Years	11.5	9.8
Total LOM Ore	M tonnes	149.6	90.5
Total LOM Waste	M tonnes	267.6	52.5
Total LOM Mined	M tonnes	417.2	142.9
Strip Ratio	**w:o**	**1.8**	**0.6**
Average Plant Throughput	M tpa	13.0	9.6
Cu Head Grade – Sulphide	%	0.20%	0.21%
Au Head Grade – Sulphide	g/t	0.30	0.33
Ag Head Grade – Sulphide	g/t	1.50	1.47
Au Head Grade – Oxide	g/t	0.42	0.45
Ag Head Grade – Oxide	g/t	1.25	1.11
Payable Cu LOM	LOM M lbs	503.1	308.0
Payable Au LOM	LOM k oz	1,164	766
Payable Ag LOM	LOM k oz	2,952	2,458
OPEX			
Mining	$/tonne milled	4.09	3.30
Processing - Sulphide Flotation	$/tonne milled	6.09	5.49
Processing - Sulphide Cyanidation	$/tonne milled	0.87	
Processing - Oxide Cyanidation	$/tonne milled	6.82	
Processing - Oxide CIL	$/tonne milled		6.34
G&A	$/tonne milled	0.54	0.75
Tailings	$/tonne milled	0.03	
Leasing Costs	$/tonne milled	0.54	
Total OPEX	**$/tonne milled**	**12.09**	**9.65**
OTHER			
Cash Cost (Net of By-Product Credits)	$/Payable Au oz	170	313
Cash Cost (Net of By-Product Credits incl. of Sustaining Capital)	$/Payable Au oz	251	396
CAPEX			
Pre-Production Capital	**$ M**	**353.8**	**214.2**
Sustaining & Closure Capital	$ M	43.6	86.7
Total Capital + Contingency	**$ M**	**397.4**	**300.9**
ECONOMIC RESULTS			
Pre-Tax $NPV_{5\%}$	**$ M**	**590.3**	**299.4**
Pre-Tax IRR	**%**	**35.9%**	**35.9%**
Pre-Tax Payback Period	**Years**	**2.7**	**1.6**
After-Tax $NPV_{5\%}$	**$ M**	**421.2**	**169.4**
After-Tax IRR	**%**	**27.7%**	**23.6%**
After-Tax Payback Period	**Years**	**3.2**	**2.3**

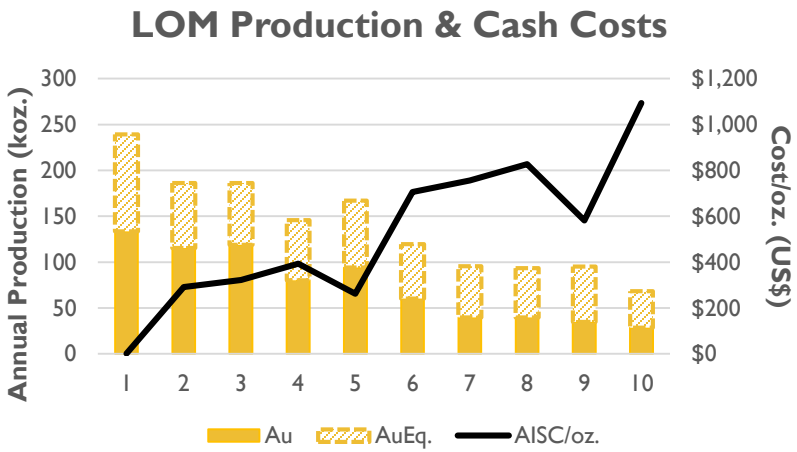
Resource Highlights

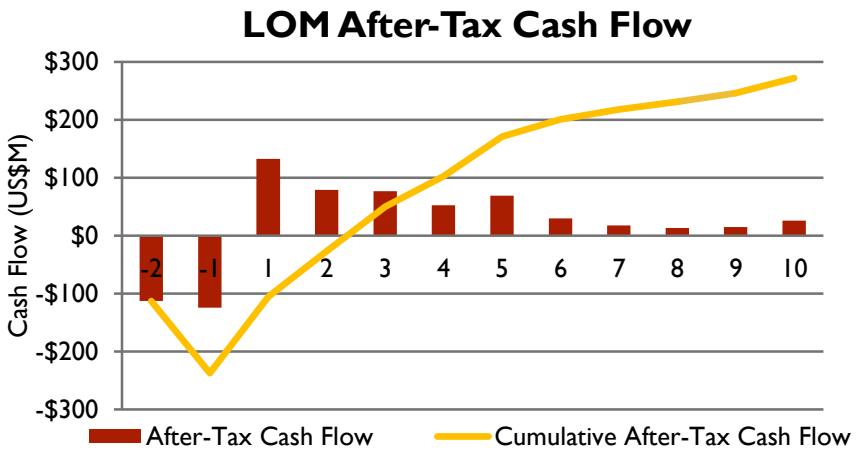
TEPAL PROJECT

TEPAL 2017 PEA

DEFIANCE SILVER CORP

PEA Production Profile





Production Year	*units*	1	2	3	4	5	6	7	8	9	10	LOM
Resource Mined	*Mt*	12.2	10.4	8.5	8.7	9.5	9.5	8.1	8.1	8.0	6.0	**90**
Waste Mined	*Mt*	3.0	6.7	3.3	4.7	6.1	6.9	3.8	3.9	1.7	0.2	**52**
Strip Ratio	*w : o*	0.2	0.6	0.4	0.5	0.6	0.7	0.5	0.5	0.2	0.0	**0.6**
Payable Gold	*koz.*	133	115	119	80	94	60	40	40	35	28	**766**
Payable Copper	*Mlbs.*	52	34	33	32	36	27	25	24	28	18	**308**
Payable Silver	*koz.*	123	136	156	123	108	353	461	357	345	271	**2,458**
Gold Equivalent[1]	koz.	239	186	186	146	167	119	95	93	95	68	**1,418**
All-In Sustaining Cash Cost[2]	*US$/oz.*	$1	$291	$322	$394	$261	$705	$757	$828	$581	$1,094	**$396**

(1) Using US$1,250/oz. Au price, US$2.50/lb. Cu price and US$18.00/oz. Ag price

(2) Cash cost includes all mining, milling & refining, transport, mine-level G&A, and royalty costs; net of byproduct credits

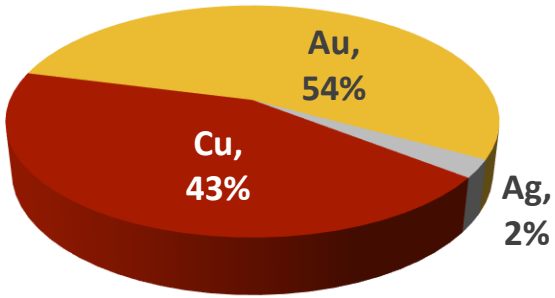
Average annual cash flow (Years 1-5) is US$82 million/year = rapid capital payback

Resource Highlights

TEPAL PROJECT
FINANCIAL HIGHLIGHTS

DEFIANCE SILVER CORP

LOM Revenue Split



Price Sensitivity			
% Δ in Base Case Metals Prices	**-10%**	**0%**	**10%**
Gold Price (US$/oz)	$1,125	**$1,250**	$1,375
Copper Price (US$/lb)	$2.25	**$2.50**	$2.75
Silver Price (US$/oz)	$16.20	**$18.00**	$19.80
All-In Sustaining Costs (net of byproducts):			
Gold (US$/oz)	$497	**$396**	$296
Copper (US$/lb)	$0.69	**$0.38**	$0.07
Pre-Tax:			
$NPV_{5\%}$ (US$ millions)	$165.6	**$299.4**	$433.3
IRR (%)	25%	**36%**	46%
Payback Period (years)	2.2	**1.6**	1.3
After-Tax:			
$NPV_{5\%}$ (US$ millions)	$77.5	**$169.4**	$257.2
IRR (%)	15%	**24%**	31%
Payback Period (years)	3.0	**2.3**	1.9

PEA Production Highlights

Average Oxide Milling Rate: 5,500 tonnes per day
Average Sulphide Milling Rate: 22,000 tonnes per day

Years 1-5 Average Payable Production: 108,000 oz./yr Au and 37 Mlbs./yr Cu
LOM Average Payable Production: 79,000 oz./yr Au and 32 Mlbs./yr Cu

LOM Payable Production: 766,000 oz. Au and 308 Mlbs. Cu
AIC Cost plus Sustaining Cost(1), net of by-product credits: $396/oz. Au

TEPAL PROJECT
2017-18 EXPLORATION PROGRAM

DEFIANCE SILVER CORP

Exploration

Objectives:

1. **Test the potential to increase the existing resource/grade**
2. **Test the potential for new discovery**

TEPAL PROJECT
USE OF PROCEEDS

DEFIANCE SILVER CORP

The 2017-18 exploration program has changed how we explore…

2017 Exploration Budget of US$300,000 was used in a multi-disciplined program, including:

- Database management.
- Surface sample audit program.
- Structural mapping.
- Outcrop and core alteration mapping (XRF and XRD).
- Susceptibility and physical properties modelling of core.
- Geochemistry evaluation.
- Re-logging of select drill holes.
- Regional structural and alteration studies.
- Geophysical modelling (3D Inversions).

RESULTS

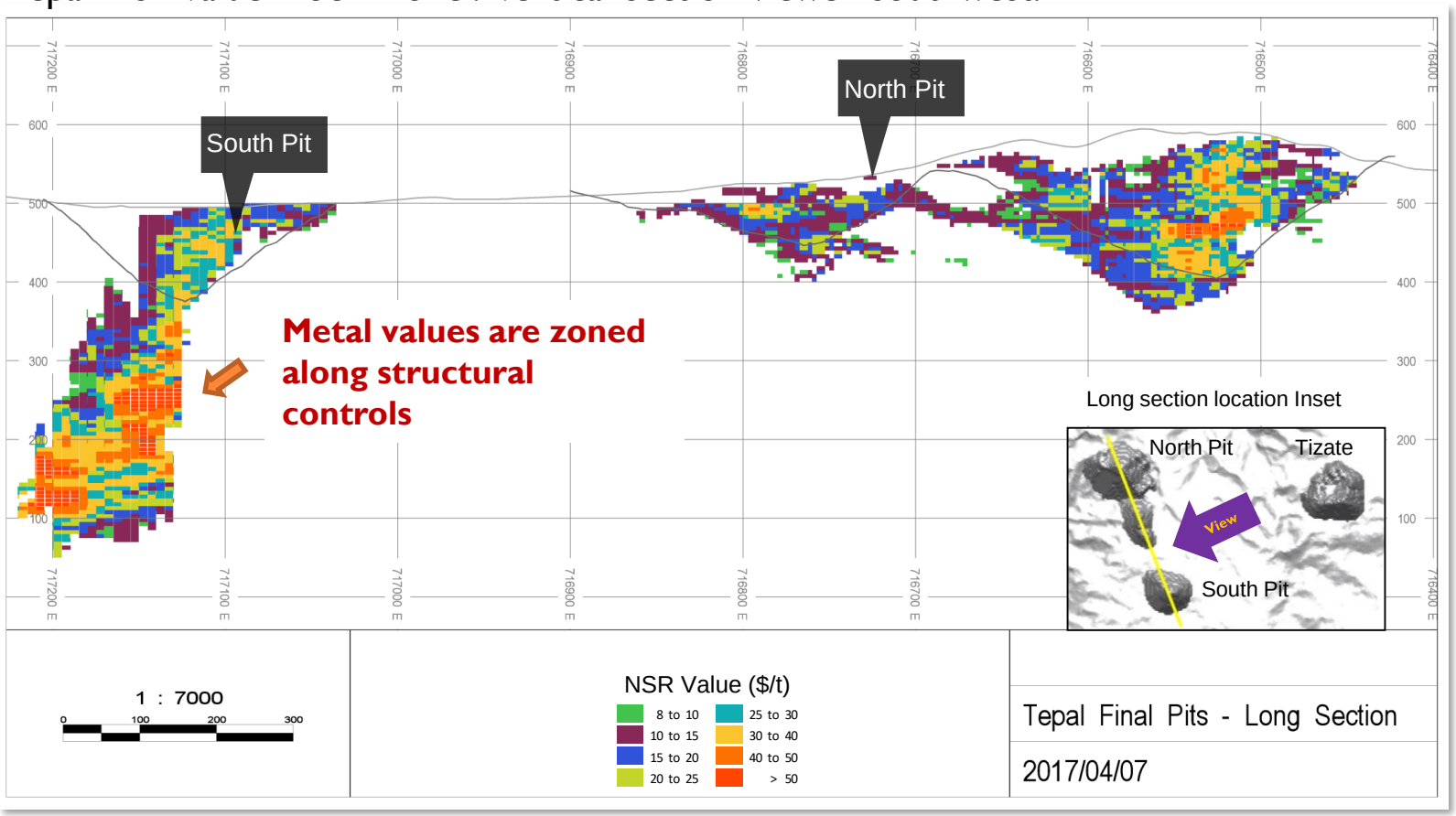
- ***A NEW MINERALIZATION MODAL***
- ***SIGNIFICANT UNTESTED POTENTIAL …***

TEPAL PROJECT
1. INCREASE THE RESOURCE

DEFIANCE SILVER CORP

Resource Potential

Tepal NSR Value Block Model: Vertical Section viewed southwest.



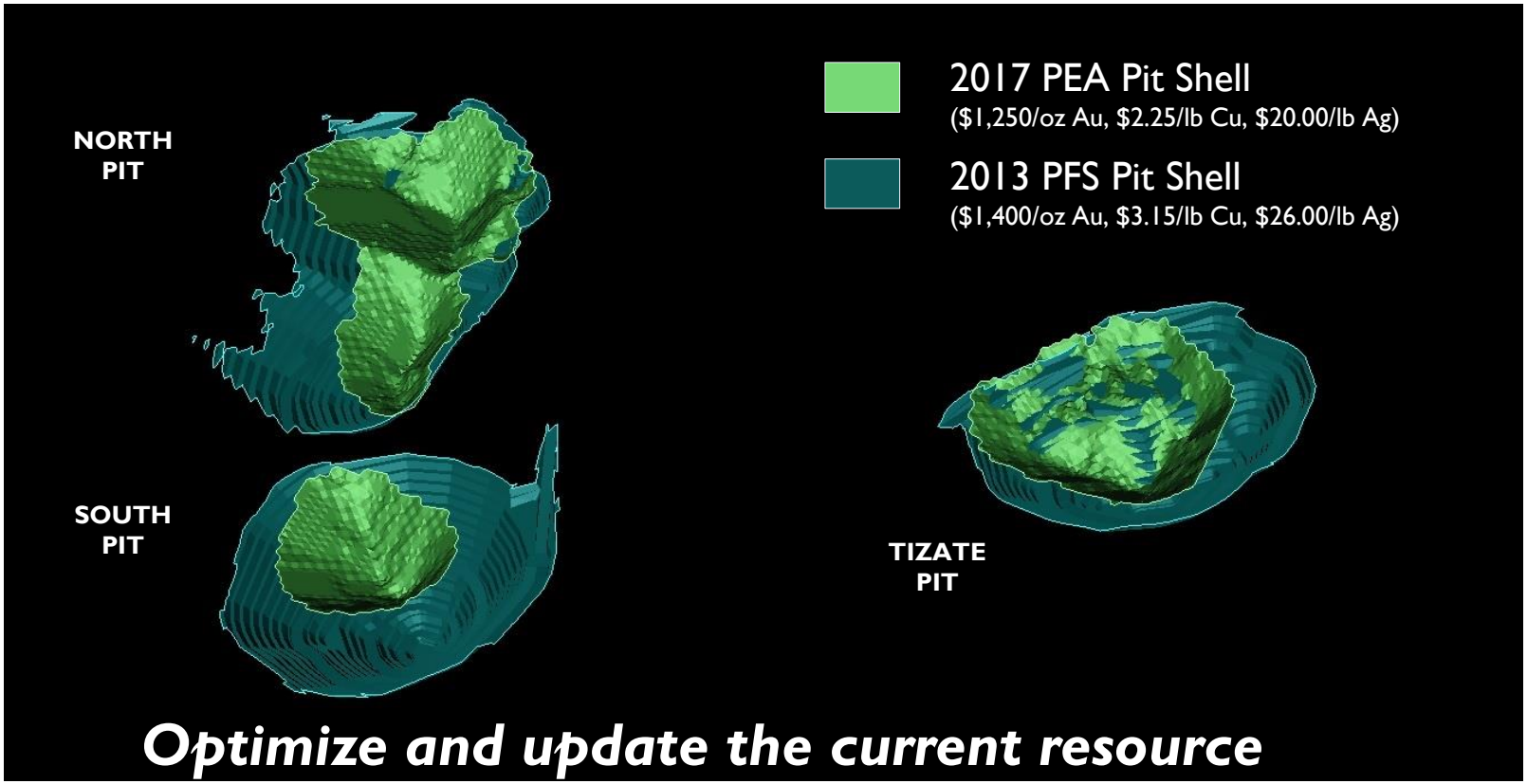
Start by looking for the vectors

Resource Potential

TEPAL PROJECT
1. INCREASE THE RESOURCE

DEFIANCE SILVER CORP

- ✓ The Optimized 2017 PEA pit shells significantly lowered the strip-ratio (0.6 : 1) vs. PFS pit shells (1.8 : 1), and switched the fleet from bought to rented.
- ✓ 47 MT were not included in the 2017 PEA, as available per the 2013 PFS Shell at higher metal prices = ~6 years @ 22,000 tpd rate



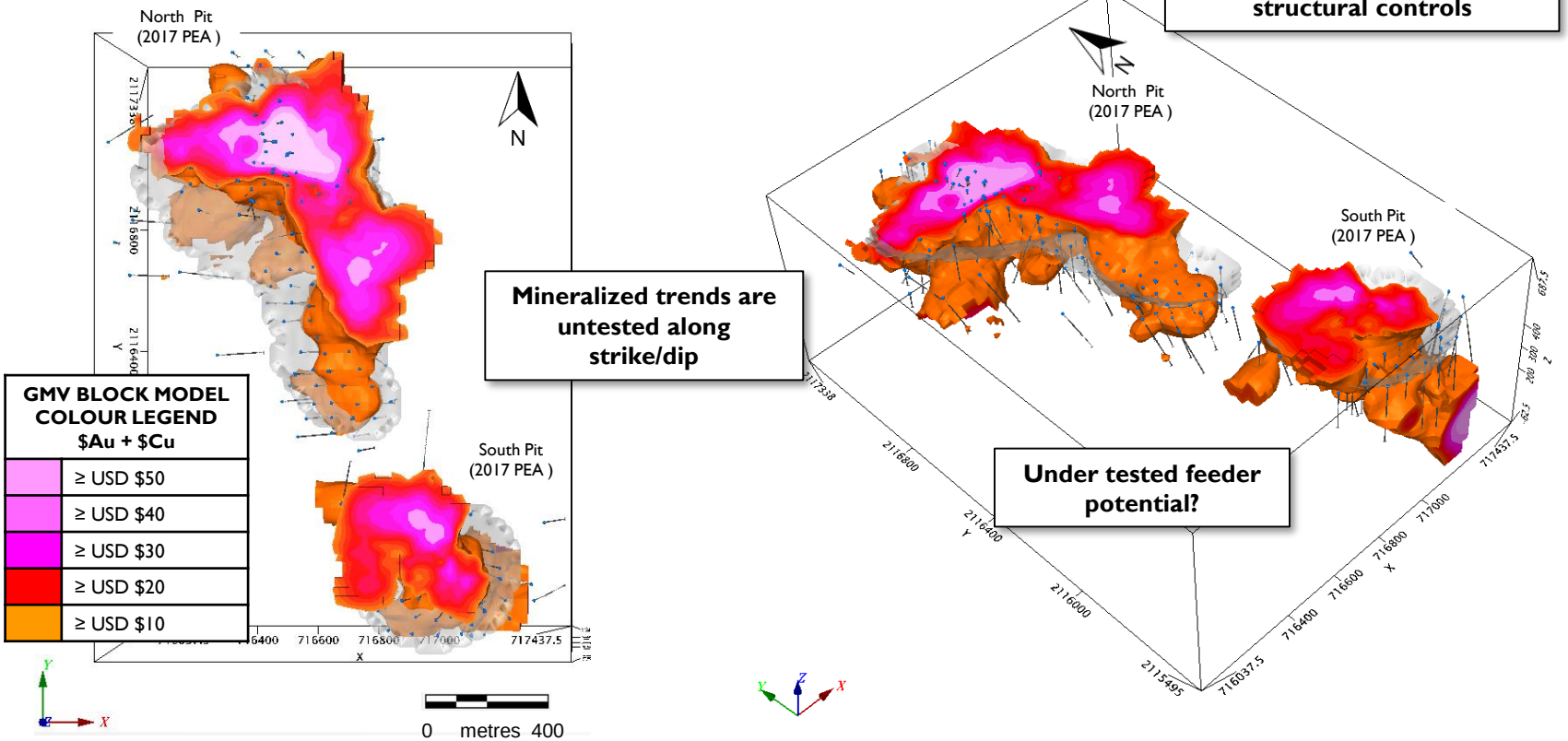
Optimize and update the current resource

TEPAL PROJECT
1. INCREASE THE RESOURCE

DEFIANCE SILVER CORP

Resource Potential

Look for new potential



3D Voxol of 2017 PEA resource GMV (see previous slide) block model, a) plan view, b) Oblique view looking north-easterly. Drilling optimised along these trends may increase the current resource

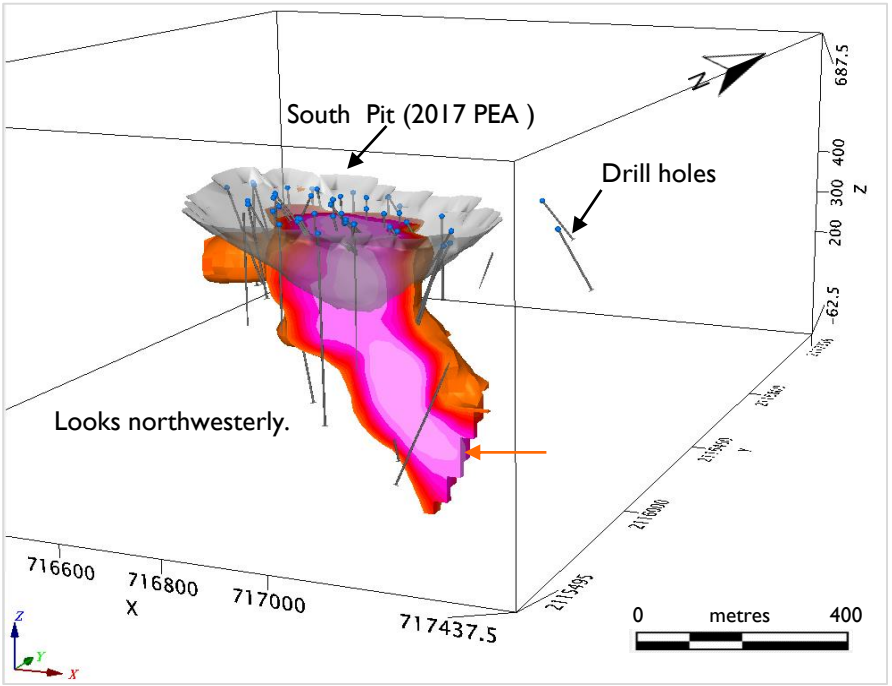
The 3D model completed in Q3 2018 confirms an important untested potential following structural controls that may help to increase the overall grade of an updated resource.

TEPAL PROJECT
1. INCREASE THE RESOURCE

DEFIANCE SILVER CORP

Resource Potential

A potential for improving grade at depth



Oblique section through the proposed south pit. A 3D smoothed voxol model of the 2017 PEA gross metal value (GMV) block model, Z-axis is clipped to 580mEl. This section shows a low grade feeder zone exits beneath the south pit, with a (+USD$50) high grade core whose grade may be increasing at depth. This feeder remains largely under drilled. None of this material is included in the resource.

3D GMV Model – South Pit
Oblique section viewed northwest through the center of the resource, Clipped to 480m Elev.

GMV BLOCK MODEL COLOUR LEGEND $Au + $Cu	
	≥ USD $50
	≥ USD $40
	≥ USD $30
	≥ USD $20
	≥ USD $10

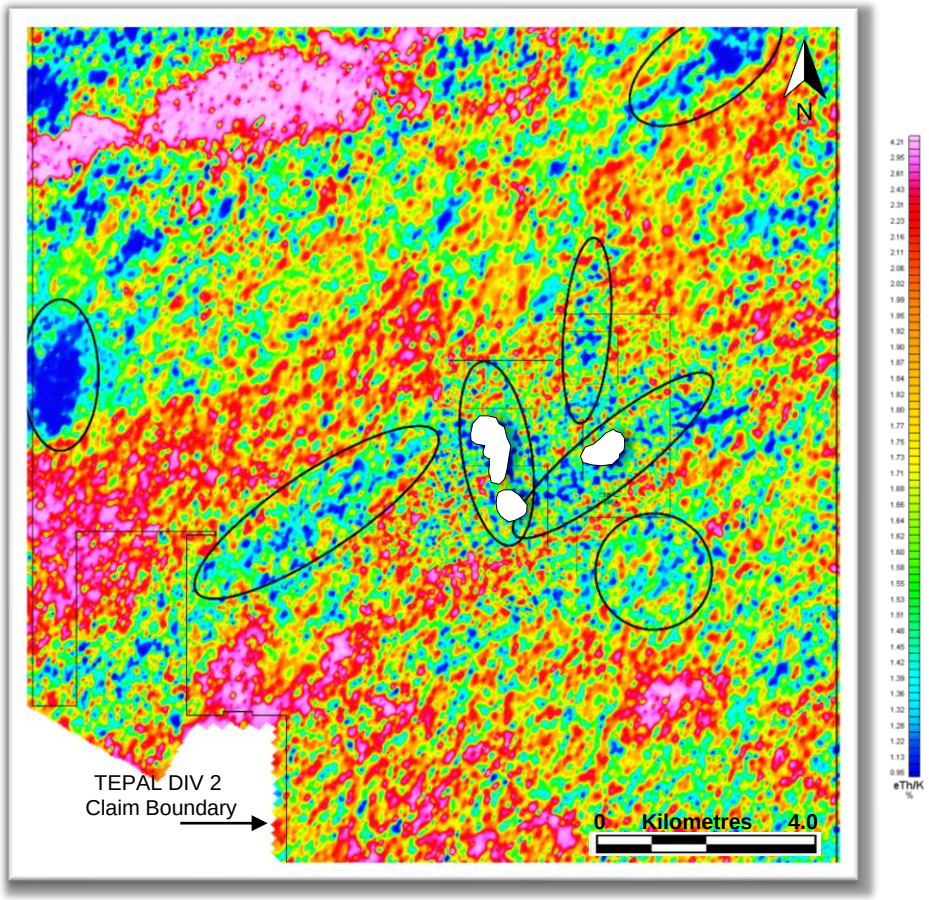
Gross Metal Value (GMV) Parameters

Parameters	Oxide	Sulphide
Gold Price (US$/oz)	1300.00	
Copper Price (US$/lb)	3.30	
Recovery (%) Tizate Au	68.8	66.2
Recovery (%)Tizate Cu	6.8	85.3
Recovery (%) Tepal Au	78.4	60.7
Recovery (%)Tepal Cu	14.3	87.4

TEPAL PROJECT
2. NEW DISCOVERY POTENTIAL

DEFIANCE SILVER CORP

Exploration



Plan view of an eThK % pseudocolour xy grid after Aeroquest Spectral data. Intrepid, 2012. Black ovals are Geophysicists exploration picks. On this image, blue and cool tones tend to be depleted in potassium (K,) while reds or warm tones tend to be enriched in K.

DATA REVIEW

Early Days: Using available data (such as the airborne Th/K survey (left), returned some unexpected results.

- Tepal's proposed pits (in white) line up within a jog of a regional NE structure.
- Mineralization is hosted in rocks depleted in K.
- Very little intrusion occurs on the property or in core. Host rock is a highly clay altered andesite breccia with little silica.

This was a strong indication that something more that a porphyry deposit may be underlying the property.

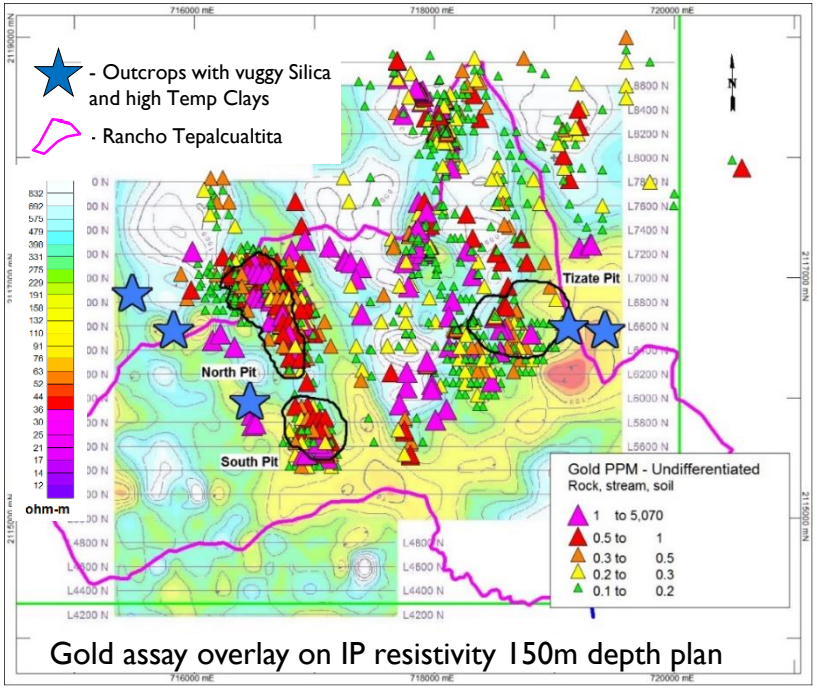
Importantly, it has a regional scale exploration potential.

TEPAL PROJECT
2. NEW DISCOVERY POTENTIAL

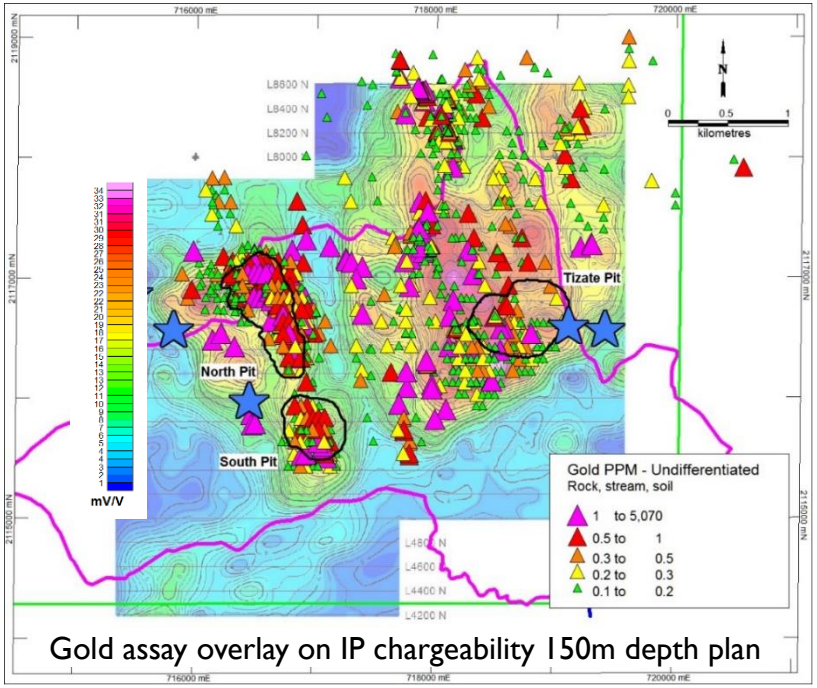
DEFIANCE SILVER CORP

Exploration

- Geochemical and geophysical data compilation was followed up with regional prospecting, core-re-logging, and a new structural and alteration survey.
- Coincident vuggy silica and high T° clays in scattered outcrop, high grade gold geochemistry at surface, favourable high resistivity with coincident high chargeability IP suggests an as yet untested high grade potential underlying the Tepal project.
- A similar potential was identified regionally in sporadic outcrop over a 7Km trend.



Gold assay overlay on IP resistivity 150m depth plan



Gold assay overlay on IP chargeability 150m depth plan

Surface assay results are compiled from undifferentiated historic data (soil, stream and outcrop samples). These results remain to be field verified, as such, this map should be considered preliminary and interpreted with caution

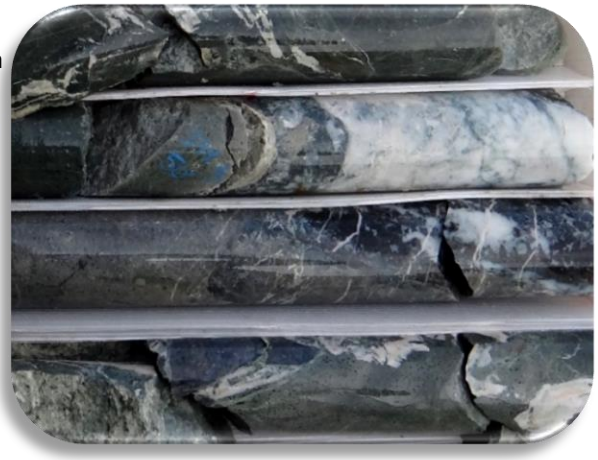
TEPAL PROJECT
2. New discovery potential

DEFIANCE SILVER CORP

Exploration

Quartz Vein with massive sulphide
TIZ-11-018: 1.42m 282.95 to 284.37m
(true width not known)

25.3 g/t Au, 565 g/t Ag



Quartz Vein in Fault Breccia
TEP-11-128: 394.5m

4.10 g/t Au, 0.109% Cu

Stockwork in Andesite Breccia
TEP-11-26: 387.0m

1.835 g/t Au, 0.523% Cu

Breccia dikes
TEP-11-26: 402.1m

1.445 g/t Au, 0.475% Cu

Core Review: High grade in core supports a high grade potential that merits follow up

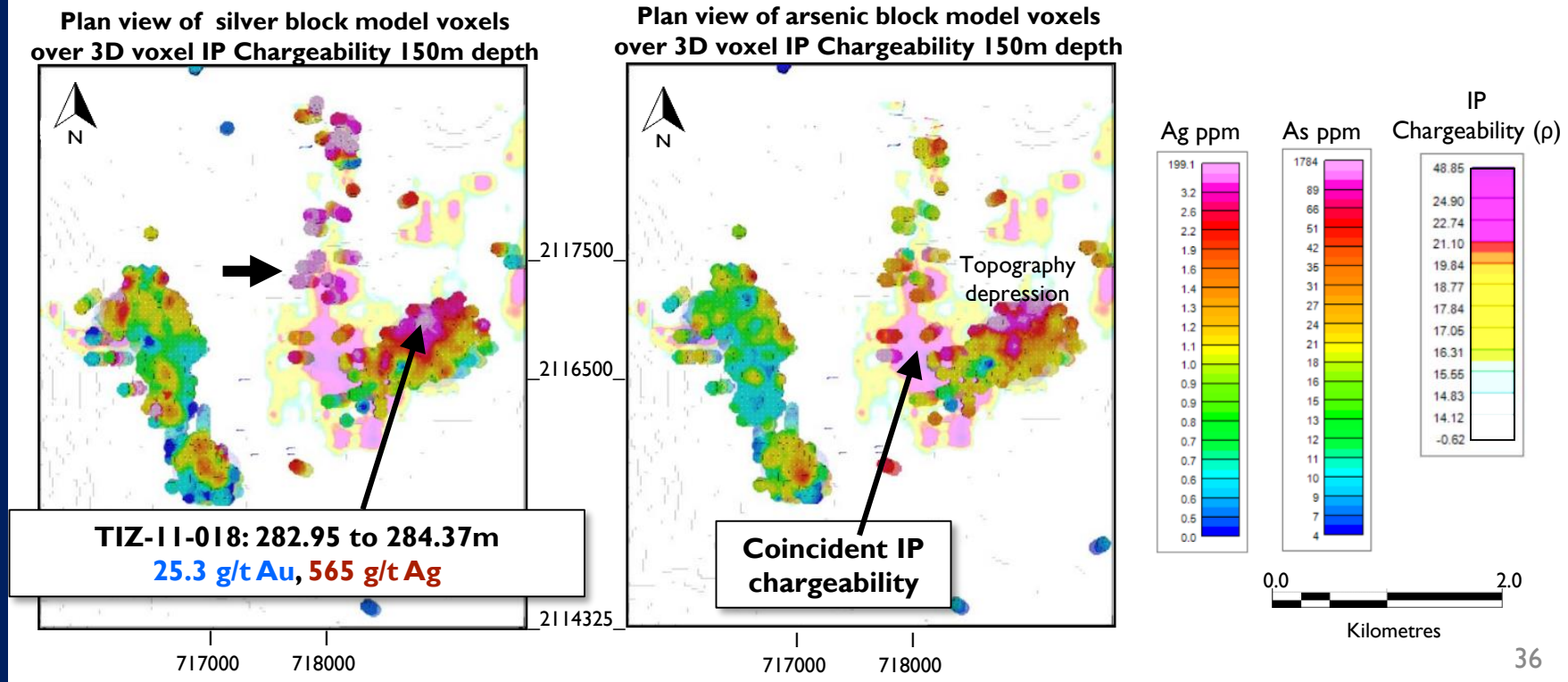
TEPAL PROJECT
2. NEW DISCOVERY POTENTIAL

DEFIANCE SILVER CORP

Exploration

Consistent and coincident exploration anomalies from all sources merit follow up

- Early stage exploration drilling in 2012 confirmed a north trending corridor that hosts a Au-Ag mineralization that remains underexplored to this date.
- The shallow drill holes were consistently anomalous in Ag and As, with gold increasing at depth in an area of coincident geophysical anomalies that correlates with surface geochem



TEPAL PROJECT
EXPLORATION RESULTS

DEFIANCE SILVER CORP

Exploration

- ✓ **Near term potential to expand the current resource**

  Follow newly identified structural controls and feeders beyond existing shell limits.

- ✓ **Potential to improve the grade of the resource**

  Assess untested structures within the existing resource for potential to increase grade.

- ✓ **A new discovery potential**

  - The recognition of two mineralizing events
    1. Intrusion related mineralization: Relates to lower grades (Au≥ 0.06 – to 1.0 g/t).
       - Correlates with (Cu,Mo,Ag)(S)(Fe,Co).
    2. Epithermal related mineralization: Relates to higher grades (Au > 1.0 g/t to 4.1 g/t)
       - Correlates with (Ag,Pb,Sb)(As).
  - The recognition of important exploration indicators in outcrop

    Vuggy silica, high temperature clays (pyrophyllite, dickite), possible sinter and native sulphur in outcrop and in core.

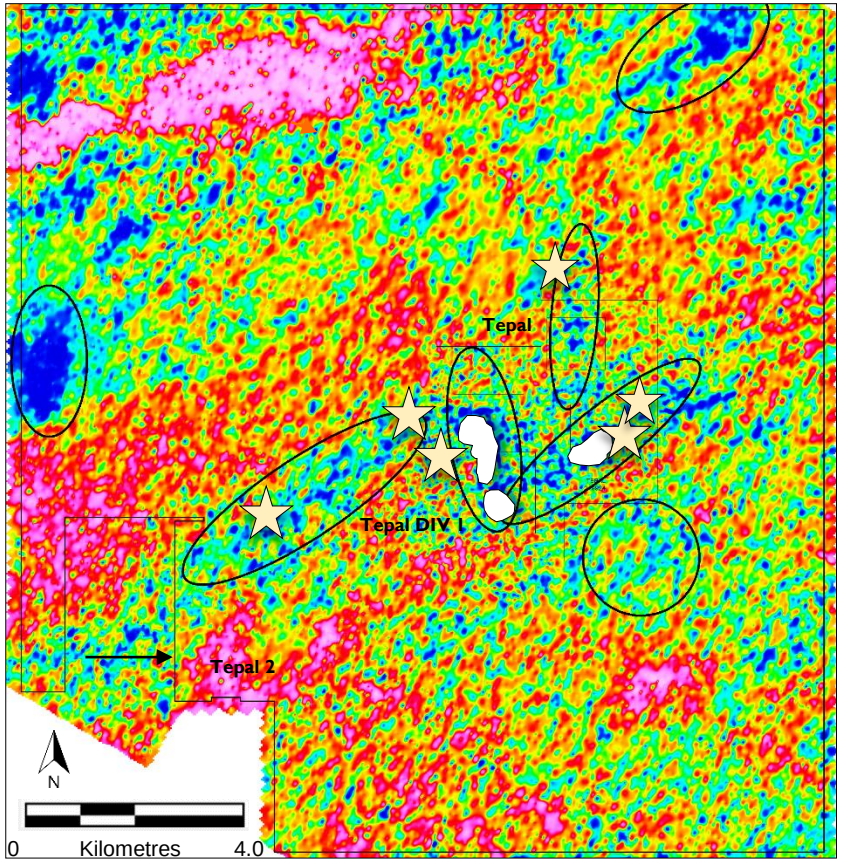
- ✓ **An exciting new exploration model**

  The 2017-18 exploration program has resulted in the discovery of a mineralized epithermal system with high grade potential that has the ability to become a game changer. This will be followed up in 2019.

TEPAL PROJECT
A REGIONAL SCALE POTENTIAL

DEFIANCE SILVER CORP

Exploration



Plan view of an eThK % pseudocolour xy grid, Aeroquest.
Black ovals are Geophysicists best exploration picks.

Vuggy silica and observed in scattered outcrop with coincident clay alteration, FeOx, and silica flooding merits follow up observed over a 7Km trend.

A New Exploration Target

- A plan map with the location of showings of vuggy silica discovered to date in outcrop;
- The trend is exposed **over seven kilometers** in discontinuous clay and silica altered outcrops;
- PIMA results confirm the presence of important high temperature clay minerals on the Tepal property.
- Early results warrant follow up

TEPAL PROJECT
EXPLORATION PLANS

DEFIANCE SILVER CORP

Exploration

Q1 2019

- Field check 2017-18 results
- Geophysics
- Mapping
- Pima (XRD) survey
- Update permits (Including existing MIA permit)
- Fine tune drill targets

Q2 2019?

- DRILLING

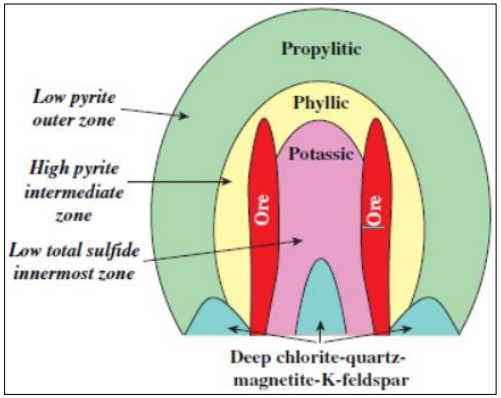
Chasing the high-grade

TEPAL PROJECT

PORPHYRY VS. CIRCUM PACIFIC MODEL

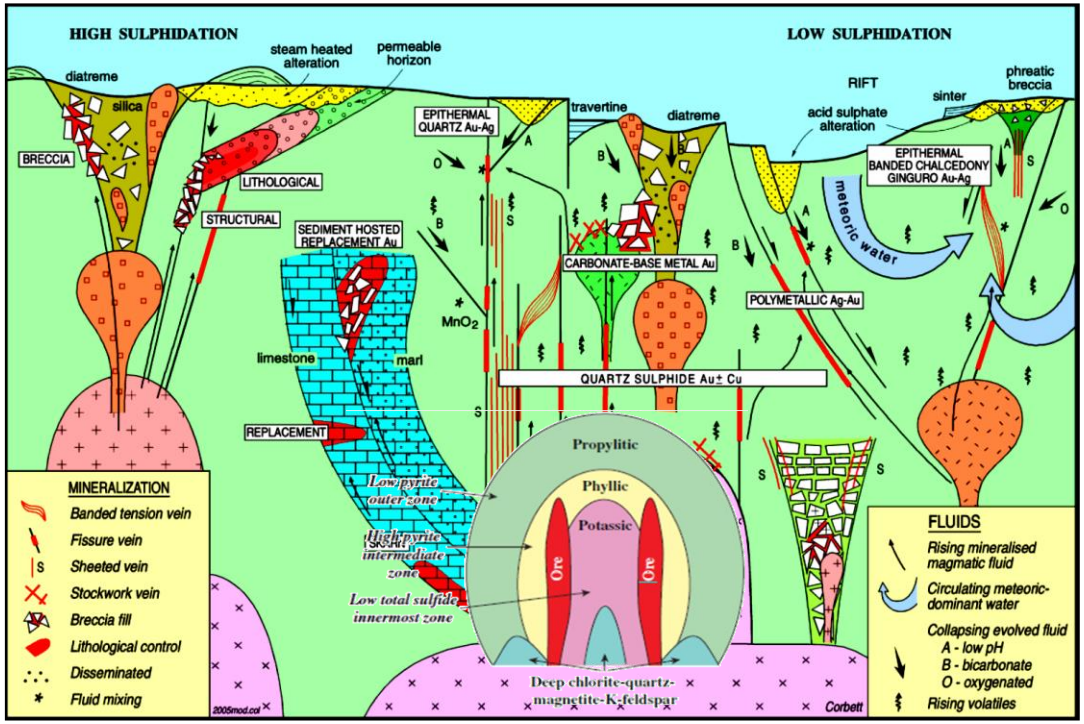
DEFIANCE SILVER CORP

A Classic Porphyry



A classic intrusion centric porphyry model in cross section through a typical porphyry Cu-Au deposit with idealized but typical alteration zoning
(after Lowell and Guilbert, 1970).

Vs. The Bigger Picture



The Circum-Pacific model encompasses many different styles of mineralization that can occur in a continuous series from a magmatic arc porphyry through to related epithermal Cu-Au-Mo-Ag and even VMS mineralisation. Modified from Corbett, 2002, 2004, 2008.

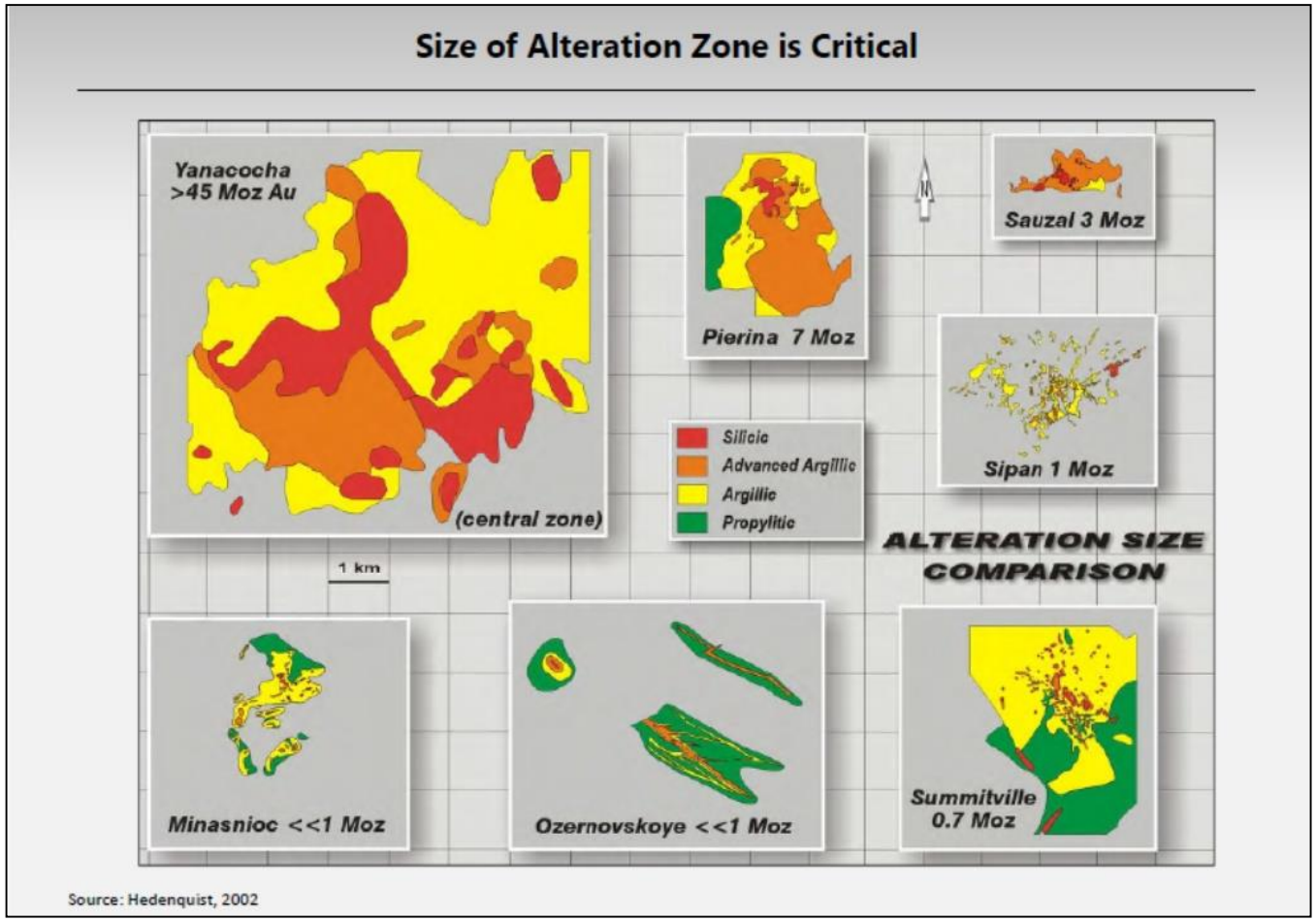
In exploration, its important to keep an open mind
- Anything can happen -

TEPAL PROJECT
EXPLORATION CASE STUDY

DEFIANCE SILVER CORP

TEASER ALERT

In an Epithermal Model – Alteration size IS important



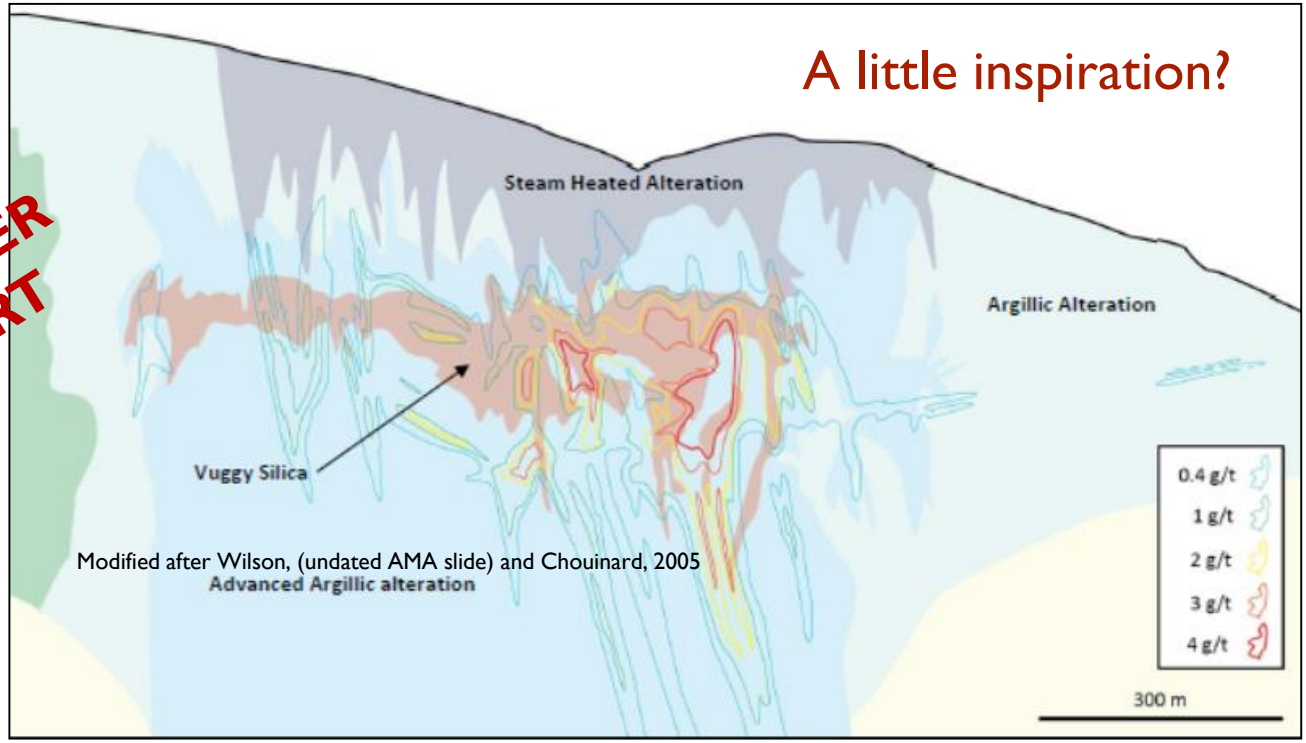
After Wilson and Tunningley, Exploration Alliance.
www.explorationalliance.com

TEPAL PROJECT
EXPLORATION CASE STUDY

DEFIANCE SILVER CORP

The Importance of Structural Controls

TEASER ALERT

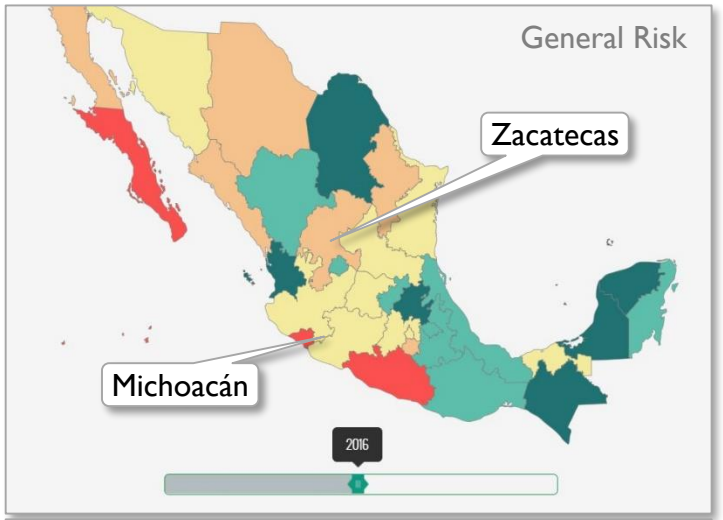


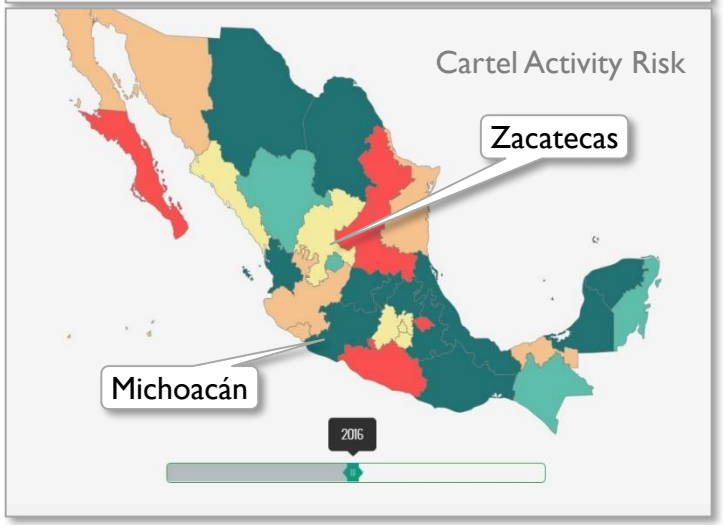
A cross section through Barrick Inc's high sulphidation Pasqua Lama Mine
The deposits hosts a +10Moz Au deposit.
Like Pasqua Lama, structurally controlled HS systems can host low grade but BIG deposits.

Defiance Silver Corp
2300 – 1177 West Hastings Street
Vancouver, BC, V6E 2K3
Canada

+1 604 669 7315
www.defiancesilver.com
info@defiancesilver.com

MEXICO
SECURITY RISK ASSESSMENT

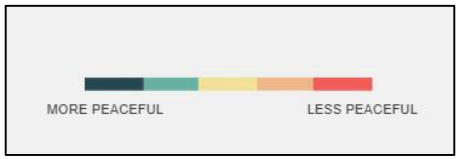




http://visionofhumanity.org/indexes/global-peace-index/

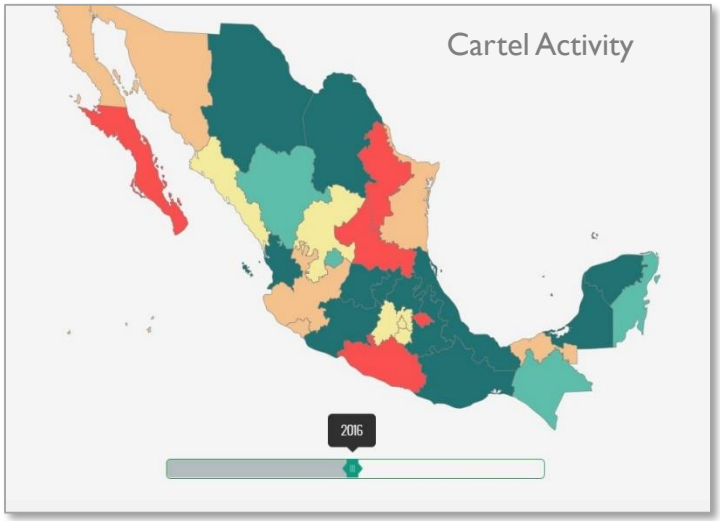
Security in Mexico

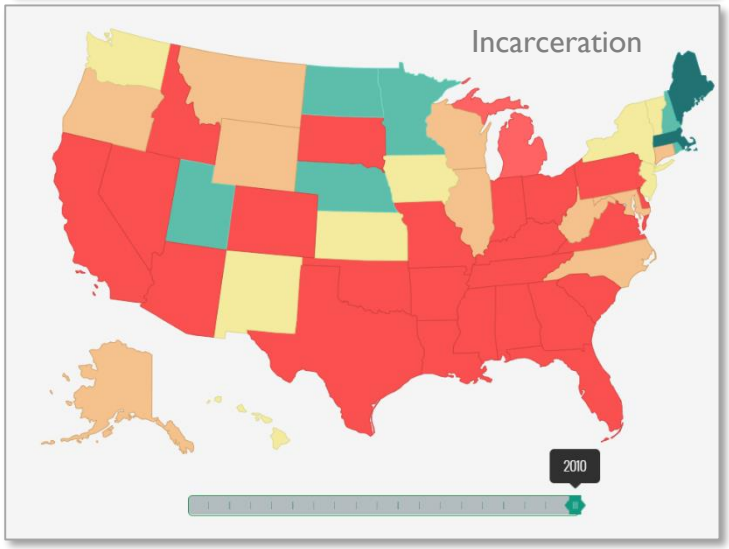
- Primarily a management issue
- Based on the 2016 Global peace index, Michoacán and Zacatecas States both rank moderately to more peaceful
- Despite Guerrero's title as most violent state, it has nevertheless seen the growth of a multi-billion dollar mining industry.
- The ongoing drug wars have had zero net effect on the growth of mining nationally.
- Mexico remains the largest silver producing nation as of 2017
- Gold production increased over the last 20 years from 35th to 9th place.



MEXICO
SECURITY RISK COMPARISON

DEFIANCE SILVER CORP





http://visionofhumanity.org/indexes/global-peace-index/

Security in Mexico vs the USA

- The USA continues to downplay its own cartel presence.
- The USA was last ranked in 2010, using different parameters making direct comparison difficult.
- The most interesting comparable is the USA statistics for incarcerations vs. Mexico's cartel activity.