

DOWA acquires a 30% Interest in Los Gatos Project in Mexico

DOWA METALS & MINING CO., LTD. (“DOWA”, Headquarters: 14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo; Capital: ¥1,000 million; President: Akira Sekiguchi), a subsidiary of DOWA HOLDINGS CO., LTD. (same address; Capital: ¥36,400 million; President: Masao Yamada), has fulfilled the conditions to acquire a 30% share interest in Minera Plata Real, S. de R.L. de C.V. (“MPR”, headquarters: Mexico City, Mexico), a subsidiary of Sunshine Silver Mining & Refining Corporation (“SSMRC”, headquarters: Denver, Colorado, USA), who owns the Los Gatos silver-zinc-lead project (the “Project”) in Chihuahua, Mexico, by completing the remittance of US\$50 million, which has been utilized by MPR to proceed with a feasibility study of the Project. The acquisition will be closed soon by registration of the related documents with the authorities in Mexico.

A total of 208 additional infill diamond drill holes have been completed as of March 2016 and the continuity of the Cerro Los Gatos deposit was confirmed. Accordingly, based on the NI43-101 compliant resource report by Tetra Tech Inc., the Project now has a total of 12.8 million tonnes of geological resources with 5.4% zinc, 2.8% lead and 243 g/t silver including 9.2 million tonnes of measured & indicated resources with 5.7% zinc, 2.8% lead and 289 g/t silver.

Resource Classification (March 2016)	Tonnes Millions	Silver Equiv. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Equiv. Million Ounces	Silver Million Ounces	Zinc Million Pounds	Lead Million Pounds	Gold Thousand Ounces
Measured	3.4	618	318	5.4	2.6	0.37	68	35	407	195	41
Indicated	5.8	596	273	5.8	2.8	0.35	111	51	741	361	64
M&I	9.2	604	289	5.7	2.8	0.36	178	85	1148	556	105
Inferred	3.6	405	124	4.6	3.0	0.27	47	14	360	238	31
Total M&I	12.8	548	243	5.4	2.8	0.33	225	100	1508	794	136

The feasibility study work includes definition drilling, an exploration decline, metallurgical tests, environmental studies, mine design and economic evaluation and is expected to be finalized by the end of 2016. DOWA has obtained the off-take right to purchase all of the Project’s zinc concentrate for processing at the AKITA ZINC CO., LTD. refinery in Japan, which will contribute to the increased tonnage of the concentrates from its other invested mines.

<References>

1. Overview of Sunshine Silver Mining & Refining Corporation:

- 1) Name: Sunshine Silver Mining & Refining Corporation
- 2) Headquarters: Denver, Colorado, USA

2. Location:

The Project is approximately 120 km south of the state capital of Chihuahua City.

