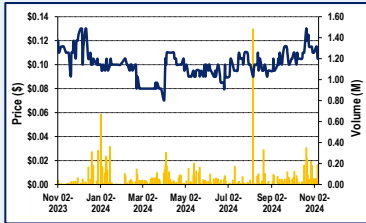


Silver Bullet Mines Inc.

TSXV: SBMI | OTC: SBMCF



Rating: Buy
Target Price: \$0.20



| REVISIONS | Rev. | Prior |
|--------------------|-----------|-----------|
| Rating | Spec. Buy | Spec. Buy |
| Target Price | \$0.20 | \$0.80 |
| Revenue F2024A (M) | \$0.0 | \$0.0 |
| Revenue F2025E (M) | \$4.5 | - |

| MARKET DATA | |
|---|-----------------|
| Date: | Nov 8, 2024 |
| Current Price (C\$): | \$0.11 |
| 52-Week Range: | \$0.07 / \$0.17 |
| Shares O/S (M): | 70.9 |
| Mkt Cap (\$M): | \$7.4 |
| EV (\$M): | \$9.7 |
| Avg. Weekly Vol. (M) | 0.06 |
| Website: www.silverbulletmines.com | |

| FINANCIALS | | | |
|-------------------------|---------------|---------|--------|
| Fiscal Year End: | FYE (June 30) | | |
| | F2023A | F2024A | F2025E |
| Revenue (\$M) | \$0.0 | \$0.0 | \$4.5 |
| | | FQ3/24A | F2024A |
| Cash (\$M) | | \$0.03 | \$0.10 |
| Current Assets (\$M) | | \$0.2 | \$0.2 |
| Net Cash (\$M) | | -\$2.4 | -\$2.4 |
| Total Assets (\$M) | | \$3.3 | \$3.3 |
| Debt (\$M) | | \$1.5 | \$2.4 |
| Total Liabilities (\$M) | | \$2.7 | \$3.4 |

Sources: Company Reports; S&P Capital IQ
All figures in CAD unless otherwise stated.

Silver Bullet Mines Battles Challenges to Forge Ahead at the Buckeye Silver Mine & Washington Mine

Silver Bullet Mines Inc. (“SBMI” or “the Company”) is a Canadian-based silver and copper exploration and development company. The Company’s primary asset is the Black Diamond (BD) Property, located near Globe, Arizona, which includes five past-producing, high-grade silver mines, including the Buckeye Silver Mine.

SBMI commenced production at the Buckeye Silver Mine (“Buckeye Mine”) in mid-2022, but mining operations are currently paused pending the resolution of safety issues. While awaiting the restart of mining at Buckeye, the Company plans to generate revenue by processing third-party mineralized material at its mill in Globe, Arizona.

SBMI is also advancing its Washington Mine in Idaho, a historical silver and gold mine that is being prepared for production. Additionally, the Company is exploring copper-gold porphyry targets on the BD Property, leveraging the region’s mining history and proximity to significant copper deposits.

REPORT HIGHLIGHTS

INVESTMENT THESIS AND UPCOMING CATALYSTS:

- **Revenue Generation through Third-Party Processing:** SBMI’s mill near Globe, Arizona, is actively processing third-party mineralized material, providing an alternative revenue stream during mine shutdowns.
- **Near-Term Cash Flow Potential:** SBMI is positioned to resume mining at the Buckeye Mine, where high-grade silver in Zone1 is anticipated to significantly enhance cash flow once operations restart.
- **Recent Strategic Financing:** SBMI’s recent \$1.1 million financing strengthens its balance sheet, thereby supporting ongoing work and operational resilience.

FINANCIAL ANALYSIS & VALUATION:

- We are maintaining a Speculative Buy Rating on **SBMI** but reducing the one-year Price Target to \$0.20 from \$0.80, and introducing a two-year Price Target of \$0.35.
- The one-year Price Target of \$0.20 is based on **SBMI** processing 30,000 tons of third-party mineralized material over the next 12 months with a grade of 8 oz/t, 90% recovery rate, and booking net revenue of US\$15 per ounce. Silver production would be approximately 240,000 ounces.
- The two-year Price Target of \$0.35 is based on **SBMI** processing the third-party mineralized material in 12 months and then processing higher-grade mineralized material from the Buckeye Mine. For a base case, we assumed 80% utilization of the mill, 264 production days per year, all-in operating costs of US\$20/ounce, a grade of 20 oz/t, and a silver price of US\$30/ounce. Silver production would be approximately 583,020 ounces.

Table of Contents

| | |
|---|----|
| 1.0 Investment Thesis – Why Invest in Silver Bullet Mines | 4 |
| 2.0 Company and Projects Overview | 5 |
| 2.1 Key Assets | 5 |
| 2.1.1 Buckeye Silver Mine, Arizona | 5 |
| 2.1.2 Washington Mine, Idaho | 6 |
| 2.1.3 McMorris Mine, Arizona | 7 |
| 2.1.4 Black Copper Project, Arizona | 7 |
| 2.2 Strategic Operations and Market Position | 8 |
| 2.3 Regulatory and Operational Challenges | 9 |
| 2.4 The Challenge of Operating Without a Resource | 9 |
| 2.5 Recent Corporate Hiring Should Help with Operational Activities | 9 |
| 2.6 Near-Term Outlook and Upcoming Catalysts | 10 |
| 3.0 Detailed Projects Review Since the Last Research Report | 11 |
| 3.1 Buckeye Silver Mine, Arizona | 11 |
| 3.1.1 Recent Development and Production Goals | 11 |
| 3.1.2 Assay Results from Key Zones | 13 |
| 3.1.3 Expansion of Mining Operations (2023) | 15 |
| 3.1.4 Ore Processing and Metallurgical Optimization | 15 |
| 3.1.5 Operational Challenges in 2023 | 17 |
| 3.1.5 Setbacks and Opportunities in 2024 | 17 |
| 3.2 Washington Mine, Idaho | 20 |
| 3.2.1 Washington Mine Overview | 20 |
| 3.2.2 Historical Overview and Zones of Interest | 20 |
| 3.2.3 Assay Results from the Washington Mine | 20 |
| 3.2.4 Metallurgy and Processing | 22 |
| 3.2.5 Operational Plans, Challenges, and Mine Development | 23 |
| 4.0 Arizona Silver and Copper Belts | 25 |
| 4.1 The Arizona Silver Belt | 25 |
| 4.2 The Arizona Copper Belt | 26 |
| 4.3 Why Copper? The Electrification of the World Shines a Light on Battery Metals | 28 |
| 5.0 Financial Statement, Financing Activities and Capital Structure | 30 |
| 5.1 Financial Statement Summary | 30 |
| 5.1.1 Assets | 30 |
| 5.1.2 Debt, Debenture, and Loan Liabilities | 30 |
| 5.1.3 Revenue, Cash Advances, Silver Sales and Orders | 31 |
| 5.2 Detailed Financing Activities (2022 to 2024) | 34 |
| 5.3 Capital Structure | 35 |
| 6.0 Valuation | 38 |
| 6.1 One-Year Price Target | 38 |
| 6.2 Two-Year Price Target | 38 |
| 6.3 Other Assumptions | 40 |

| | |
|---|----|
| Appendix A: Key Management & Board of Directors ----- | 41 |
| Management ----- | 41 |
| Board of Directors ----- | 41 |
| Appendix B: Silver Comparison Companies ----- | 43 |
| Appendix C: Recent News Releases ----- | 44 |
| Appendix D: eResearch Disclosure ----- | 46 |

WHY INVEST IN SILVER BULLET MINES

- Revenue Generation Through Third-Party Processing
- Near-Term Cash Flow Potential
- Recent Strategic Financing
- District-Scale Exploration Potential
- Strong Management and Board
- Mining-Friendly Jurisdictions

1.0 INVESTMENT THESIS – WHY INVEST IN SILVER BULLET MINES

Revenue Generation Through Third-Party Processing

SBMI's mill near Globe, Arizona, is actively processing third-party mineralized material, providing an alternative revenue stream during mine shutdowns.

Near-Term Cash Flow Potential

SBMI is positioned to resume mining at the Buckeye Mine, where high-grade silver in Zone1 is anticipated to significantly enhance cash flow once operations restart.

Recent Strategic Financing

SBMI's recent \$1.1 million financing strengthens its balance sheet, supporting ongoing work and operational resilience.

District-Scale Exploration Potential

The BD Property, located in Arizona's prolific Silver Belt, offers exploration potential with multiple historical mines, including Buckeye and McMorris, as well as promising copper-gold targets.

Strong Management and Board

Recent additions to the board bring expertise in mining and safety, which is critical given the operational and regulatory challenges.

Mining-Friendly Jurisdictions

Arizona and Idaho are recognized for their mining history and supportive regulatory environment, which favour **SBMI's** operations.

Upcoming Catalysts

- Completion of Buckeye Mine Safety Work: Expected completion of regulatory safety work at the Buckeye Mine, thus enabling high-grade silver mining to resume.
- Restart of the Washington Mine: **SBMI** is advancing the Washington Mine in Idaho, which is expected to provide a second revenue stream.
- Further Third-Party Processing Agreements: Continued third-party material processing, boosting revenue flow until full-scale mining resumes.

KEY ASSETS

Buckeye Silver Mine: The past-producing Buckeye Silver Mine is **SBMI's** flagship asset and is located on the BD Property near Globe, Arizona.

Washington Mine: The Washington Mine in Idaho is **SBMI's** second key asset. The mine is a historical producer of silver and gold, and the Company has identified it as a critical part of its future production strategy.



2.0 COMPANY AND PROJECTS OVERVIEW

Silver Bullet Mines Inc. (SBMI) is a Canadian-based exploration and development company engaged in silver and copper projects across Arizona and Idaho. **SBMI's** business model is centred on the exploration and reactivation of historically productive silver mines, while also targeting new mineralization opportunities. The Company's focus is on restarting operations at its high-grade silver mines, with a strategy that includes both in-house ore processing and revenue generation through third-party mineralized material.

2.1 Key Assets

2.1.1 Buckeye Silver Mine, Arizona

The Buckeye Silver Mine ("Buckeye Mine") is **SBMI's** flagship asset and is located on the Black Diamond (BD) Property near Globe, Arizona.

Spread over 19.4 square kilometres (4,790 acres), partially within the Tonto National Forest, the BD Property is located in the Miami-Globe area of Gila County in central Arizona, approximately 145 km (90 miles) east of Phoenix, Arizona, and 14.5 km (9 miles) north of the city of Globe (see Figure 1).

The property is road accessible from Globe and supported by good infrastructure, including power and a large and skilled workforce. There is no power line to the property but the closest power source is only 8 km (5 miles) southwest of the property.

The BD Property includes 232 contiguous BLM mineral claims and 0.063 square kilometres (15.5 acres) of patented claims, multiple shafts, and over 74 adits from several historical silver mines including:

- Buckeye Mine;
- La Plata Mine;
- McMorris Mine;
- Silver Seven Mine.

With a patented claim, the federal government issues a patent (deed) so the claimholder owns the land above and the minerals below. Patented claims exist in perpetuity, and with certain activities, such as drilling, patented claim holders do not need to apply for a drilling permit which often speeds up exploration activities.

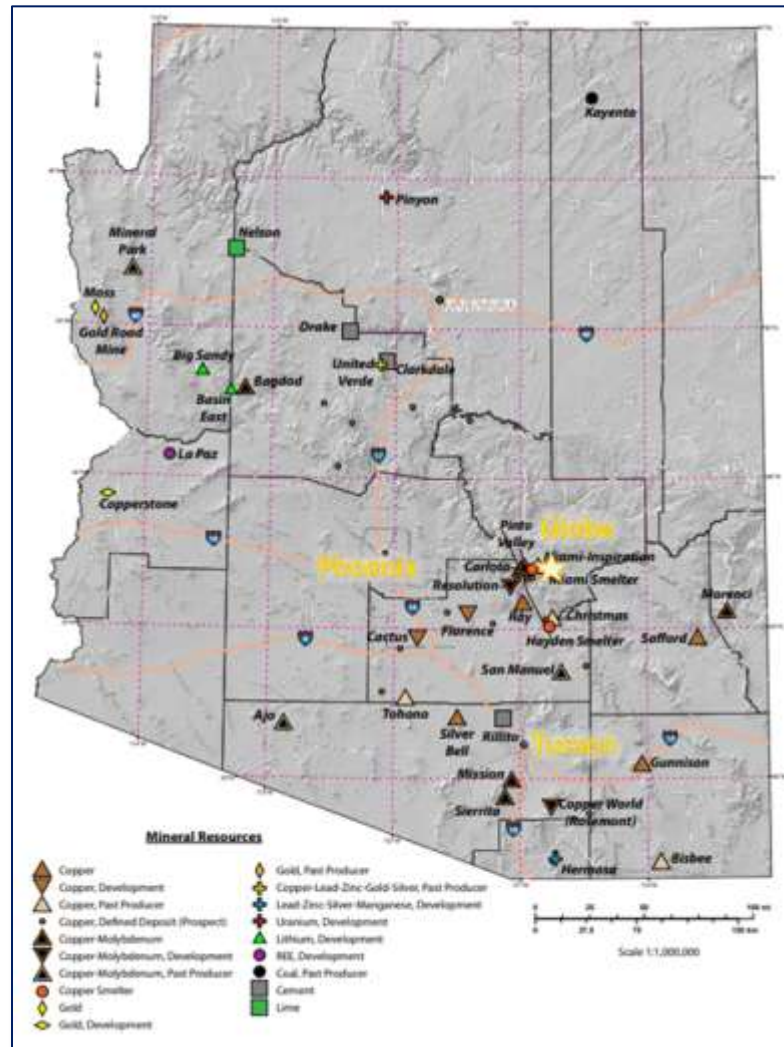
Initial production began at the Buckeye Mine in mid-2022. However, the mine encountered regulatory delays, which led to a halt in operations in December 2023 due to safety and compliance requirements mandated by the Mine Safety and Health Administration (MSHA).

The Company continues to work on completing the necessary ground support work, including rockbolting, to resume mining activities in Zone1, a high-grade silver zone that **SBMI** expects to significantly contribute to future production once operations recommence.

SBMI's on-site mill, located near the Buckeye Mine, is central to its ore processing activities. Although mining operations are paused, the mill has continued to operate since February 2024, processing stockpiled material from previous mining

activities and third-party mineralized material. The ability to process third-party ore has provided SBMI with an alternate revenue stream while mining at Buckeye remains on hold. This strategic use of the mill will enable the Company to generate income and maintain its operational capacity despite the regulatory delays affecting the mine.

Figure 1: Arizona – Major Mines – Development Projects, Past Producers, and Defined Deposits



Source: 2022 Arizona Geological Society (edited); annotated by eResearch Corp.

2.1.2 Washington Mine, Idaho

The Washington Mine in Idaho is **SBMI's** second key asset. The mine is a historical producer of silver and gold, and the Company has identified it as a critical part of its future production strategy. SBMI is currently advancing development work at the Washington Mine to bring it back into production.

The Company is conducting exploration and preparing the mine for active operations, with a focus on intercepting high-grade zones identified in historical reports. SBMI's strategy for the Washington Mine is to bring it online as a

secondary production source, complementing the output from the Buckeye Mine once it resumes full-scale operations.

2.1.3 McMorris Mine, Arizona

Once the Buckeye Mine is re-opened and cash flowing, **SBMI** plans to carry out confirmatory and exploration drilling on the high-grade targets around the McMorris Mine in Arizona. This area comprises roughly 21% of the BD Property's surface area.

The McMorris Mine produced approximately 500,000 ounces of silver at 250 oz/ton (8,571.4 grams per tonne (g/t)) between 1875 and 1893. The mineralization at the mine area is similar to that of the Buckeye Mine. It is a three-level mine that consists of several drifts and shafts. The deepest shaft descends to 200 metres (650 feet). Although the old workings need to be accessed and rehabilitated, the underground access for the mine is in place and allows for future exploration and development.

Grades from underground sampling at the McMorris Mine returned 45 oz/ton (1,542.9 g/t) silver in ore shoots with an average grade in the remaining vein estimated at 10 oz/ton (342.9 g/t). The resource potential is estimated at approximately 5 million ounces of silver over a 2,800-foot strike length. (Note: This is a historical estimate and not an NI 43-101 resource.)

2.1.4 Black Copper Project, Arizona

The Black Copper Project is located approximately 1.5 kilometres south of the Buckeye Mine on the BD Property in Arizona and was previously mentioned in a geologic report on the BD Property from January 2021.

Geologic consultants including **SBMI's** Qualified Person (QP) visited the Black Copper Project in late November and early December 2022.

Samples from Black Copper were taken and reported values that were greater than 1,000 parts per million (ppm) as the initial detection limit for copper was set to 1,000 ppm. The samples underwent further testing to confirm the copper concentration which ranged from 22,400 ppm (2.24%) to 54,900 ppm (5.49%) (see Figure 2).

The Black Copper Project is one of three copper porphyry potential prospects on the BD Property, including the Richmond (Richman) Basin and Buckeye South.

Figure 2: Black Copper, Arizona – Updated Copper Values

| Sample | Gold | Copper | | |
|--------|-------------------|-------------------|-------------------------|-------|
| | Original (ppb) | Original (ppm) | Updated Assays (ppm) | (%) |
| 342151 | 615 | >1,000 | 22,400 | 2.240 |
| 342152 | 192 | >1,000 | 37,400 | 3.740 |
| 342153 | 941 | >1,000 | 34,000 | 3.400 |
| 342154 | 654 | >1,000 | 54,900 | 5.490 |

Source: 2022 Company News Release (January 31, 2023)

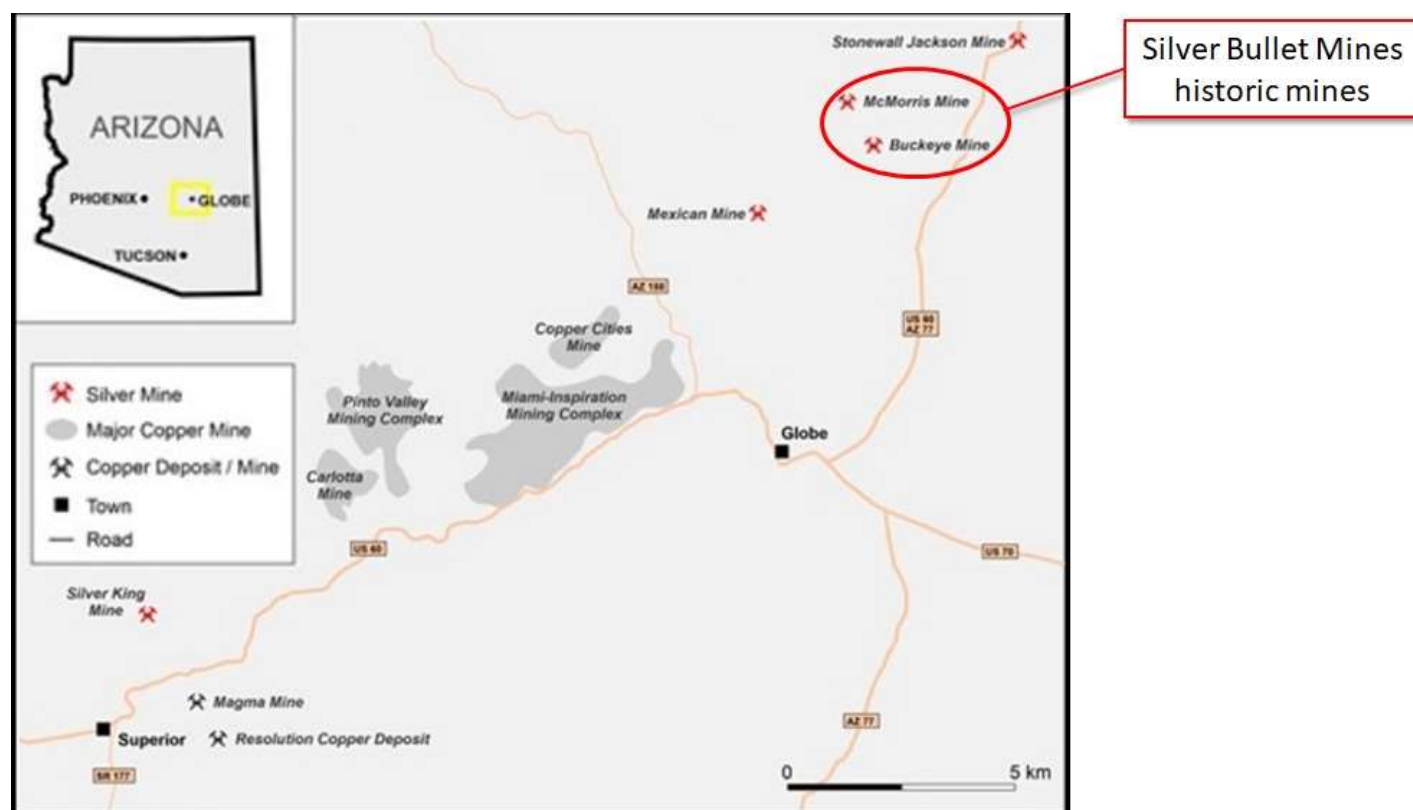
2.2 Strategic Operations and Market Position

SBMI's ability to manage operations through the processing of third-party material at its Globe, Arizona, mill is a key component of its strategy. This will allow the Company to mitigate the financial impact of the regulatory challenges at the Buckeye Mine and maintain a steady cash flow. The processing of third-party ore not only generates revenue but also strengthens **SBMI's** relationships with other mining operators in the region, potentially providing future opportunities for collaboration and growth.

The Company has also focused on securing the necessary financing to support its ongoing development efforts. In early 2024, **SBMI** raised \$230,800 through a unit offering at \$0.12, which included one common share and a \$0.17 warrant, followed by an agreement with Countryman Investments Limited in April 2024, which included a \$1,000,000 convertible debenture offering. This financing was designed to provide the working capital needed to continue development at both the Buckeye and Washington mines.

In August 2024, **SBMI** launched another financing round aimed at raising additional capital to further support its operations. This financing was crucial for providing the Company with additional working capital, particularly in light of the delays in restarting mining operations at Buckeye. In September 2024, **SBMI** extended this financing by 30 days to allow more time to secure the necessary funds.

Figure 3: Copper and Silver Projects near Globe, Arizona



Source: Silver One Resources; annotated by eResearch Corp.

2.3 Regulatory and Operational Challenges

Recent regulatory challenges have impacted **SBMI's** operational timelines, particularly at the Buckeye Mine. After starting production in early 2022, mining was paused in December 2023 following an MSHA review, which required the Company to undertake additional safety and ground support measures.

Although the mill resumed processing in February 2024, the prolonged delay in mining operations, now extending into November 2024, highlights the substantial regulatory hurdles the Company faces.

However, **SBMI** has been proactive in addressing these issues and remains focused on restarting mining operations at the Buckeye Mine. Once the required ground support work is completed, the Company plans to ramp up production, especially in the high-grade Zone1, which has shown promising assay results in recent exploration.

2.4 The Challenge of Operating Without a Resource

From the start, **SBMI** chose to bypass drilling a resource and proceeded directly to mining. Restarting a historical mining operation without defined ore presents several challenges, some of which are highlighted below.

- Uncertainty in Ore Quality:
 - Without defined ore, it's difficult to predict the quality and quantity of extractable minerals, making financial planning more complex.
- Increased Exploration Costs:
 - Additional exploration and drilling are required to define the ore zones, which can be costly and time-consuming.
- Operational Risks:
 - Old mine workings may have structural instabilities, and there could be unknown voids or hazardous conditions that pose safety risks to workers.
 - Additionally, refurbishing and reinforcing historic mining adits, portals, tunnels, and other infrastructure can add significant costs to the project.

This decision, while potentially expediting production, increased the risks and uncertainties associated with the project. For **SBMI**, since going public in 2021, it has faced these challenges when restarting the Buckeye Mine, which caused delays in mining and processing and increased costs.

In addition, throughout this report, we use the term "mineralized material" instead of "ore". According to NI 43-101 standards, "ore" refers to material that has been classified as a Proven, Probable, Measured, or Indicated Mineral Resource. Without a defined resource, any extracted material with economic potential is referred to as "mineralized material".

2.5 Recent Corporate Hiring Should Help with Operational Activities

Kerem Usenmez's appointment to **SBMI's** board of directors in August 2024 comes at an important time for the Company. With over 25 years of global experience in mining and exploration, his addition to **SBMI's** leadership team is particularly significant given the Company's current operational and strategic challenges.

Having worked on large-scale mining projects requiring complex safety measures, his knowledge should help accelerate the completion of the necessary safety work at the Buckeye Mine and resume mining operations.

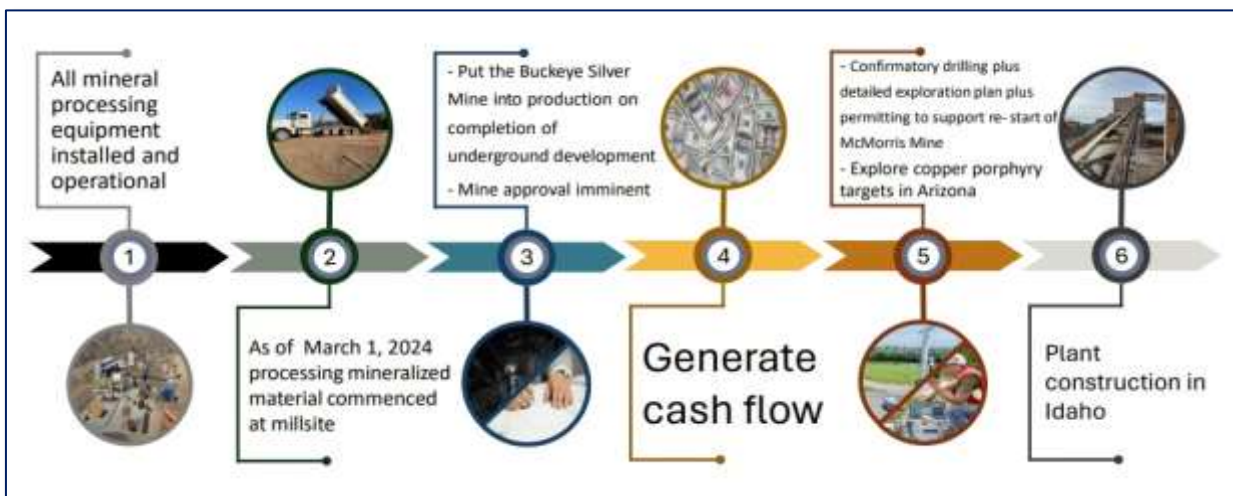
At the Washington Mine in Idaho, **SBMI** continues to make strides in preparing the site for active mining. Mr. Usenmez's experience in both underground and open-pit mining should provide **SBMI** with the strategic guidance needed to efficiently bring the Washington Mine into production.

Given the Company's desire to diversify its production base, the successful development of the Washington Mine is key to **SBMI's** long-term strategy. Mr. Usenmez should play an important role in overseeing the project's advancement to establish the Washington Mine as an additional source of revenue.

2.6 Near-Term Outlook and Upcoming Catalysts

- Looking ahead, **SBMI** is focused on resuming full-scale mining at the Buckeye Mine in Arizona, where the Company anticipates higher production levels from Zone 1.
- Concurrently, **SBMI** aims to bring the Washington Mine in Idaho into production, providing a secondary source of revenue and helping diversify its operations.
- The Company continues to explore copper-gold porphyry targets at the BD Property, leveraging the Globe region's rich mining history.
- The Company's ability to generate revenue from third-party ore processing and maintain financial flexibility through strategic financing agreements places **SBMI** in a position to capitalize on future opportunities once operations fully resume.
- With the regulatory challenges at Buckeye nearing resolution and development progressing at Washington, **SBMI** is positioned to achieve its long-term production and growth objectives in the North American silver market.

Figure 4: Near-Term Outlook and Upcoming Catalysts



Source: Corporate Presentation (April 2024)

REGULATORY HURDLES

SBMI faced significant regulatory challenges in 2024, impacting its operations at the Buckeye Mine and mill in Arizona.

In December 2023, both the mine and mill were shut down due to safety and operational issues mandated by the **MSHA**.

While the mill was reopened in February 2024, the mine is still shut down.

Despite these setbacks, **SBMI** remains focused on its long-term strategic objectives. The reopening of the mill has allowed the Company to continue generating revenue from existing stockpiles.

In addition, **SBMI** has focused on generating revenue from its mill by processing third-party mineralized material.

3.0 DETAILED PROJECTS REVIEW SINCE THE LAST RESEARCH REPORT

3.1 Buckeye Silver Mine, Arizona

The Buckeye Mine in Arizona is **SBMI's** flagship asset. Since 2022, the Company has executed a plan focused on mining high-grade silver zones and developing an efficient ore processing mill to generate consistent revenue from silver production.

3.1.1 Recent Development and Production Goals

During 2021 and 2022, **SBMI** faced pandemic-related shipping delays, especially through the Port of Long Beach, for its three shipping containers of mill site equipment, which consumed working capital that otherwise would not have been consumed.

SBMI also faced increased costs for shipping, parts, supplies, fuel, services, and equipment since the onset of the pandemic.

Throughout 2022, **SBMI** focused on rehabilitating and mining high-grade zones, advancing its processing capabilities by completing the gravity plant (mill) and initiating the production of silver doré bars.

The Company set an initial production goal of 10,000 tonnes of mineralized material, with production of 125 tonnes per day (tpd). The material would be stockpiled at the nearby mill for processing at **SBMI's** gravity-based plant. Photos of the coarse ore to the crushed ore in the fine ore bin can be seen in Figure 5.

Key to **SBMI's** mining strategy was the exploitation of historical high-grade silver zones identified by K.C. Delise in 1976, notably the Treasure Room. Delise's 500-foot strike zone, identified in geological reports from the 1970s, served as the focus of **SBMI's** early exploration and mining efforts. The zone was believed to contain silver, gold, and copper.

By March 2022, **SBMI** successfully blasted into the Treasure Room, confirming the presence of high-grade silver mineralization. Grab samples from the area returned assay results showing silver concentrations ranging from 12.2 to 125.0 ounces per ton (oz/t) or 418.5 to 4,287.5 g/t (see Figure 6). The Company verified these results through in-house assays as well as independent third-party laboratory verification, thus ensuring the data's accuracy.

Figure 5: Buckeye Mine – Coarse Ore (Left Photo); Crushed Ore (Right Photo)



Source: Company News Release (July 5, 2022)

Figure 6: Buckeye Mine – Samples in the Vicinity of the Treasure Room

| Grab Sample | Silver | |
|-------------|-----------|----------|
| | (g/tonne) | (oz/ton) |
| 1 | 480.2 | 14.0 |
| 2 | 521.4 | 15.2 |
| 3 | 418.5 | 12.2 |
| 4 | 466.5 | 13.6 |
| 5 | 473.3 | 13.8 |
| 6 | 1,207.4 | 35.2 |
| 7 | 4,287.5 | 125.0 |
| 8 | 692.9 | 20.2 |
| 9 | 727.2 | 21.2 |

Source: Company News Release (March 1, 2022)

Figure 7: Buckeye Mine – Underground Sampling

| Location | Sample | Silver | |
|-------------------------------------|------------|-----------|----------|
| | | (g/tonne) | (oz/ton) |
| Footwall of the Vein | 1 | 11,718.95 | 341.8 |
| Footwall of the Vein | 2 | 1,152.95 | 336.2 |
| Footwall of the Vein | 3 | 23,108.76 | 674.0 |
| Footwall of the Vein | 4 | 24,226.49 | 706.6 |
| Footwall of the Vein | 5 | 4,265.18 | 124.4 |
| Treasure Room Stope | 27 samples | 691.56 | 20.17 |
| Behind the Treasure Room Stope | 7 samples | 1,271.32 | 37.08 |
| Treasure Room's Historical Tailings | 5 sample | 613.72 | 17.9 |

Source: Company News Release (April 4, 2022)

Figure 8: Buckeye Mine – 35-pound Historical Tailings Sample

Source: Company News Release (April 4, 2022)

3.1.2 Assay Results from Key Zones

In April 2022, **SBMI** released the results of 44 samples (see Figure 7) taken from four key areas of the Buckeye Mine: the Footwall of the Vein, the Treasure Room Stope, the area Behind the Treasure Room Stope, and the Treasure Room's Historical Tailings (see Figure 8).

- Footwall of the Vein:
 - The highest-grade assay came from the Footwall of the Vein at 24,226.49 g/t or 706.6 oz/t silver.
 - The other four assays from the Footwall of the Vein were:
 - 11,718.95 g/t or 341.8 oz/t silver;
 - 1,152.95 g/t or 336.2 oz/t silver;
 - 23,108.76 g/t or 674.0 oz/t silver; and
 - 4,265.18 g/t or 124.4 oz/t silver.
- The average assays of the remaining 39 samples (including 6 samples of 0.0 oz/t) returned the following results:
 - Treasure Room Stope (27 samples): 691.56 g/t or 20.17 oz/t silver;
 - Behind the Treasure Room Stope (7 samples): 1,271.32 g/t or 37.08 oz/t silver;
 - Treasure Room's Historical Tailings (5 samples): 613.72 g/t or 17.9 oz/t silver.

In February 2023, the Company announced that it intercepted a mineralized vein approximately 380 feet from the entrance to the adit. The initial assays from the vein exploration yielded silver contents of up to 270.6 oz/t (9,277.7 g/t) (see the Company's News Release from February 15, 2023), underscoring the vein's high-grade potential.

In March 2023, **SBMI** released the assay results from the vein in the upper adit at the Buckeye Mine, behind the Treasure Room, 420 to 444 feet from the entrance of the upper adit. For the full results, see Figure 9. Highlight results included:

- High-grade vein material:
 - 270.0 oz/t (9,257.1 g/t) Ag (see Figure 10);
 - 290.0 oz/t (9,942.9 g/t) Ag;
 - 297.6 oz/t (10,203.4 g/t) Ag.
- Green vein material:
 - 60.0 oz/t (2,057.1 g/t) Ag;
 - 78.8 oz/t (2,701.7 g/t) Ag.
- Silver-coloured vein material:
 - 89.0 oz/t (3,051.4 g/t) Ag;
 - 96.8 oz/t (3,318.9 g/t) Ag.

Additional assays from various stopes within the Treasure Room returned values from 11.6 to 212.2 oz/t (397.7 to 7,275.4 g/t) (see Figure 11). However, **SBMI** cautioned that these samples may not fully represent the entire Treasure Room or the Buckeye Mine.

These assay results reinforced the potential for further exploration and development. Additionally, the presence of gold and copper mineralization highlighted the potential for diversified revenue streams from the mine.

Figure 9: Upper Adit Samples from Behind the Treasure Room

| Sample | Silver (oz/ton) |
|--------------------------------------|---------------------|
| High-grade vein material – Sample 1 | 270.0 |
| High-grade vein material – Sample 2 | 290.0 |
| High-grade vein material - Sample 3 | 297.6 |
| High-grade vein material – Sample 4 | 284.0 |
| Green Vein Material – 1 | 60.0 |
| Green Vein Material – 2 | 78.8 |
| Green Vein Material – 3 | 47.2 |
| Green Vein Material – 4 | 40.5 |
| Silver Coloured Vein Material – 1 | 79.4 |
| Silver Coloured Vein Material – 2 | 89.0 |
| Silver Coloured Vein Material – 3 | 96.8 |
| Silver Coloured Vein Material – 4 | 43.0 |
| 10ft Channel Samples Across Vein – 1 | 18.0 across 10 feet |
| 10ft Channel Samples Across Vein – 2 | 49.6 across 10 feet |
| Drill Cuttings From Blast Holes – 1 | 2.8 over 12 feet |
| Drill Cuttings From Blast Holes – 2 | 5.8 over 12 feet |

Source: Company News Release (March 3, 2023)

Figure 10: Buckeye Mine – Sample from High-Grade Vein



Source: Company News Release (March 3, 2023)

Figure 11: Grab Samples from Stopes in the Treasure Room

| Sample | Location | Silver (oz/ton) |
|--------|----------|-----------------|
| 1 | Stope 25 | 74 |
| 2 | Stope 32 | 11.6 |
| 3 | Stope 33 | 212.2 |
| 4 | Stope 34 | 101.8 |

Source: Company News Release (October 25, 2023)

3.1.3 Expansion of Mining Operations (2023)

Treasure Room and Hallway

Throughout 2023, **SBMI** focused on expanding its mine operations by targeting additional zones of mineralization and enhancing its mill's processing capacity. Mining efforts remained concentrated on the Treasure Room and the parallel Hallway. Operational efforts included screening and rock bolting as the team progressed along the vein.

The Treasure Room, located approximately 310 feet from the portal, showed high-grade silver concentrations with observations of native silver. Unfortunately, when the Treasure Room was reached, its unsafe conditions necessitated a change in plans. In the future, **SBMI** plans to stabilize the Treasure Room for safer access and anticipates that more high-grade material will be found at depth.

The Hallway was developed as an alternative to bypass the unstable conditions in the Treasure Room. This zone, while difficult to develop due to the hardness of the surrounding rock, eventually allowed **SBMI** to further advance mining activities.

Zone1

In October 2023, **SBMI** announced the successful interception of a new mineralized zone – Zone1 – located behind the Treasure Room (see Figure 12). This discovery was based on historical data, including 1969 drill holes and recent LIDAR studies.

Initial assays from Zone1 revealed silver concentrations ranging from 11 to 24.2 oz/t (377.1 to 829.7 g/t) (see Figure 13), providing a promising new source of high-grade ore for **SBMI's** milling operations. The development of Zone1 marked an important step in the Company's long-term mining strategy, expanding its operational footprint and potentially increasing production volumes.

By November 2023, the vein width in Zone1 had increased to over 19 feet, and assay results continued to align with historical estimates, further confirming the zone's economic viability.

SBMI initiated regular mining activities in Zone1, stockpiling high-grade material for future processing at its mill. The Company also contracted a Ground Penetrating Radar System (GPR) study to better understand the vein's geological structures and to identify potential parallel structures that could further expand mining operations.

3.1.4 Ore Processing and Metallurgical Optimization

SBMI's ore processing capabilities were significantly enhanced in 2022 and 2023 with the completion of the crushing circuit at its mill near Globe, Arizona, which began operating at optimal efficiency. However, challenges in the grinding and gravity circuits required further optimization.

In late 2022, silver doré production was negatively impacted by the presence of other elements in the processed ore that led to malformed bars. Metallurgical results eventually indicated highly magnetic iron alloy in the mineralized material.

To address the presence of the highly magnetic iron alloy in the mineralized material, **SBMI** integrated a high-intensity magnetic separator into its milling operations in early 2023 to improve the silver doré bar production.

Figure 12: Rock Face Photos from the Buckeye Mine, Arizona

Source: Company News Release (October 11, 2023)

Figure 13: Muck Pile Samples from the Zone1 Vein

| | Silver | |
|----------|--------|-------|
| | (Oz/t) | (g/t) |
| Sample 1 | | |
| 1A | 17.6 | 603.4 |
| 1B | 17.4 | 596.6 |
| 1C | 18 | 617.1 |
| Sample 2 | | |
| 2A | 11 | 377.1 |
| 2B | 12.8 | 438.9 |
| 2C | 12.8 | 438.9 |
| Sample 3 | | |
| 3A | 20.2 | 692.6 |
| 3B | 18.8 | 644.6 |
| 3C | 20.2 | 692.6 |
| Sample 4 | | |
| 4A | 24.2 | 829.7 |
| 4B | 24.2 | 829.7 |
| 4C | 24.2 | 829.7 |

Source: Company News Release (November 27, 2023)

In February 2023, the Company mined and stockpiled over 450 tons (408.2 tonnes) of vein material, advancing the drift along the vein to Zone1. The Company shipped high-grade silver material to the mill for processing and produced several batches of silver doré bars, which were sent to third-party labs for analysis. Notably, an X-ray Fluorescence (XRF) analysis of the doré bars confirmed that they primarily consisted of silver and copper, with minor quantities of gold, zinc, nickel, lead, and iron.

By mid-2023, **SBMI** was processing 150 to 200 tons (136.1 to 181.4 tonnes) of mineralized material per day, primarily from lower-grade stockpiles, and the mill continued to refine its processes to improve recovery rates and silver concentrate output.

In June 2023, **SBMI** reported that the mill had been operating efficiently on a single ten-hour shift, processing approximately 350 tons (317.5 tonnes) of vein material from lower-grade stockpiles.

The processing activities yielded 418 pounds (189.6 kg) of both magnetic and non-magnetic concentrates:

- The non-magnetic material (192 pounds/87.1 kg) was sent to the Company's refinery for the production of doré bars, which contained silver and minor amounts of gold, copper, nickel, and other metals. The doré bars were shipped to a client in Europe to ensure the viability of the shipping process.
- The remaining 226 pounds (102.5 kg) of magnetic material was retained for future processing to recover any precious metals.

SBMI also successfully completed the processing of a bulk sample of 40 tons (36.3 tonnes) from Zone1 in December 2023 (see Figure 14). The sample yielded an average of 24.2 oz/t (829.7 g/t) silver, confirming the high-grade characteristics of the zone and demonstrating the mill's capacity to handle significant volumes of material.

3.1.5 Operational Challenges in 2023

SBMI faced several operational challenges throughout 2023, including equipment problems and extreme weather conditions.

In July 2023, excessive heat warnings from the National Weather Service and wildfires near the Buckeye Mine forced the Company to temporarily halt mining and milling activities.

The Company resumed operations in September 2023 following the installation of additional cooling systems and the mitigation of wildfire risks.

SBMI negotiated extensions with its customers for silver deliveries impacted by the operational pause, ensuring that the delays did not affect its long-term revenue outlook.

3.1.5 Setbacks and Opportunities in 2024

SBMI faced significant regulatory challenges in 2024, impacting its operations at the mine and mill in Arizona. In December 2023, both the mine and mill were shut down due to safety and operational issues mandated by the U.S. Department of Labor's **MSHA**.

While the required work on the mill was completed, allowing it to reopen in February 2024, the mine has remained closed for an extended period due to ongoing ground support work, including rockbolting. These regulatory delays have significantly affected **SBMI's** production plans.

Figure 14: Close Up on Zone1 Vein Face



Source: Company News Release (November 27, 2023)

Mill Operations Resume but Mining Delayed

In February 2024, the Company successfully resumed mill operations near Globe, Arizona, after completing the mandatory safety and health requirements set by the **MSHA**. The mill, now fully compliant, is processing stockpiled mineralized material from the Buckeye Mine, with assays showing silver grades as high as 480 oz/t (16,457.1 g/t).

However, mining at the Buckeye Mine has been paused since December 2023 due to issues related to compliance with the **MSHA**. These required safety measures include rockbolting and timbering at the mine site. The Company reported that no new material could be extracted from the mine until the required **MSHA** work was completed. **SBMI** originally reported that the process was “expected to take between one and three months”, but it has been ten months and mining production has not yet restarted.

As of the latest update in August 2024, SBMI indicated that the ground support work, including rockbolting, was nearing completion, and mining from Zone1 was expected to begin in the coming weeks. However, as of October 2024, no further news releases confirmed that mining had resumed. This prolonged pause has had a considerable impact on the Company’s ability to achieve its original production targets for 2024.

SBMI's immediate priority is to complete the necessary safety work at the mine and resume mining operations as soon as possible. The Company anticipates that the higher-grade material from Zone1, once mining resumes, will significantly boost silver output and improve its financial position.

Mill Operations and Revenue Generation from Third-Party Material

Despite these setbacks, **SBMI** remains focused on its long-term strategic objectives. The reopening of the mill has allowed the Company to continue generating revenue from existing stockpiles.

In addition, **SBMI** has focused on generating revenue from its mill by processing third-party mineralized material. The third-party ore primarily comes from nearby mining operations in the region. The material was initially test-processed in May, and by September 2024, **SBMI** had entered commercial production from this third-party material. This strategic decision has allowed the Company to maintain operations and mitigate some of the financial impacts caused by the delay in mining.

Figure 15: SBMI's Mill Near Globe, Arizona



Source: Corporate Presentation (April 2024)

WASHINGTON MINE

The Washington Mine in Idaho is a key asset for **SBMI**.

SBMI initially delayed development at the Washington Mine until its Buckeye Mine became a revenue-generating operation.

However, preliminary assay results from a blended bulk sample, with an average grade of 55.5 oz/ton (1,902.9 g/t) silver, indicated potential for near-term revenue generation.

This prompted **SBMI** to accelerate work on the Washington Mine, requiring capital for the project.

3.2 Washington Mine, Idaho

3.2.1 Washington Mine Overview

The Washington Mine in Idaho is a key asset for **SBMI**. The mine, purchased by **SBMI** in December 2020, is situated in Idaho's placer gold district and has a history of producing both gold and silver (see Figure 16).

Production occurred in the late 1800s and again in the 1930s, with limited silver recovery due to processing limitations at the time and the low price of silver. The blocked-out silver mineralization is reported to contain an estimated 3 million ounces of silver, grading between 30 to 90 oz/t (1,028.6 to 3,085.7 g/t), and approximately 15,000 ounces of gold at a grade of 0.3 oz/t (10.3 g/t).

The mine is located on patented lands, which provides **SBMI** with full property rights, including mineral rights. This offers several advantages, such as fewer land use restrictions and a more streamlined permitting process, compared to operations on public lands. There is also a reduced risk of disputes over mining rights or environmental challenges, which can often be encountered on public lands.

SBMI initially delayed development at the Washington Mine until its Buckeye Mine became a revenue-generating operation. As a result, limited budget allocation was provided for the Washington Mine from 2021 to 2024. However, preliminary assay results from a blended bulk sample, with an average grade of 55.5 oz/ton (1,902.9 g/t) silver, indicated potential for near-term revenue generation. This prompted **SBMI** to accelerate work on the Washington Mine, requiring capital for the project.

3.2.2 Historical Overview and Zones of Interest

The Washington Mine has seen periods of production in the past, beginning in the late 1800s with an average gold production grade of 1.0 oz/t (34.3 g/t). During the 1930s, due to technological constraints, silver mineralization was not fully recovered and was left in situ for potential future extraction (see Figure 17).

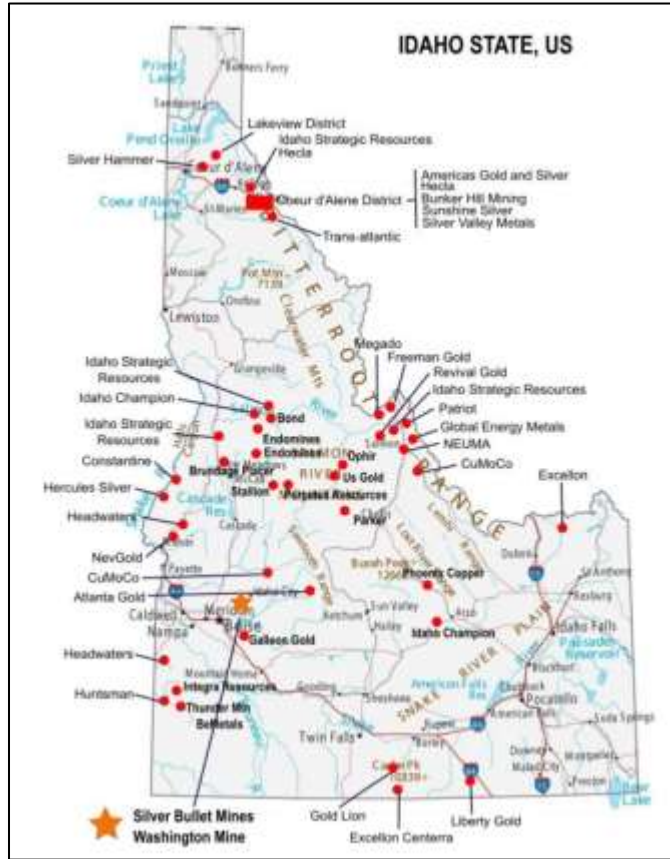
One of the key zones of interest at the mine is the Berger Vein, a gold-bearing structure measuring approximately 25 feet in width and 135 feet in length. The full depth of the vein is undetermined. Historical records from drifting in the 1930s indicate that the Berger Vein was intersected at the 400-foot level. This structure was later detailed in a 1981 geological report by Roger G. Stoker and Ryne C. Stoker, which offered valuable insights into the mineralized body within the Washington Mine.

3.2.3 Assay Results from the Washington Mine

Assay results from various exploration efforts have been an important factor in **SBMI**'s decision to proceed with development at the Washington Mine.

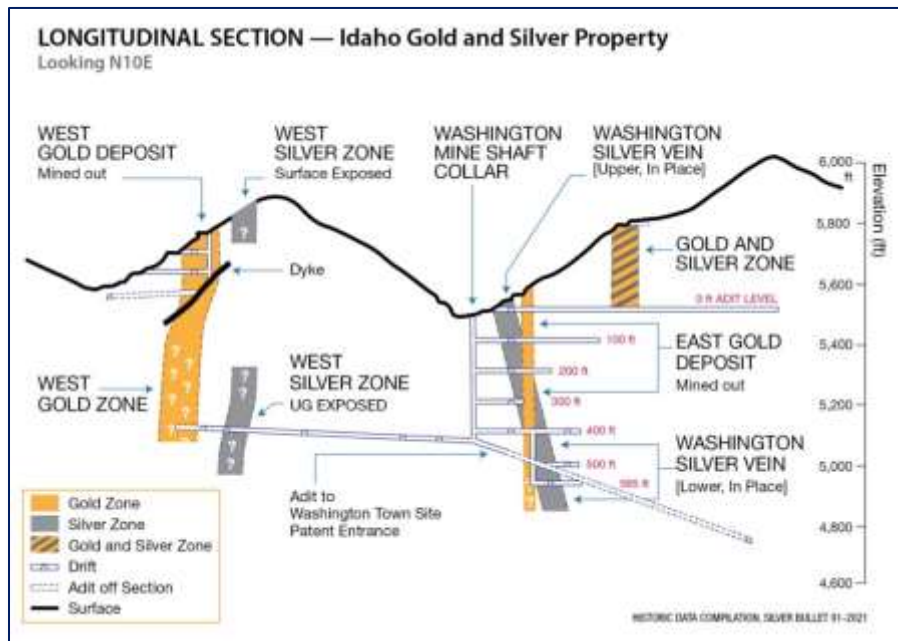
- In 2021, **SBMI**'s vein sampling assay results from the Washington Mine samples showed high-grade mineralization potential with silver grades up to 6,174 g/t and gold grades reaching 18 g/t.
- **SBMI** released assays in December 2021 from mineralized vein samples it collected in December 2020 (see Figure 18):
 - Silver grades ranged from 883 g/t to 4,780 g/t.
 - Gold grades ranged from less than 0.14 g/t to 4.61 g/t.

Figure 16: Washington Mine, Idaho – 1.5 Hours from Idaho City



Source: Corporate Presentation (July 2024)

Figure 17: Washington Mine, Idaho – Longitudinal Section



Source: Corporate Presentation (July 2024)

- **SBMI** also released assay results from site work in 2021, which included exposing the vein at surface, opening the adit, sampling across the vein, sampling the historical ore bins in the Washington Shaft, sampling the crushed mineralized material from the south shaft stockpile, and sampling the Weatherby Portal (see Figure 20).
 - Silver grades ranged from 3,742 g/t to 6,174 g/t.
 - Gold grades ranged from 0.342 g/t to 18.72 g/t.
- In January 2022, SBMI also released assay results from an 80-kg bulk sample from eight locations at the Washington Mine (see Figure 21).
 - Results yielded an average of 55.5 oz/ton silver (1,902 g/t silver).
 - These results, corroborated by both SBMI's in-house lab and an external accredited lab (Paragon Geochemical), align with historical data and confirm the property's mineralized nature.
 - While SBMI focused on assaying for silver, Paragon Geochemical also tested for gold, with results spanning from 1.40 g/t to 2.49 g/t across four quarters.
- Also in 2021, near-surface soil sampling around the Washington Shaft identified potential mineralized structures; the highlights included 9.13 g/t, 4.58 g/t, and 1.06 g/t gold across three lines of sampling.

These assay results aligned with historical data, providing confidence in the decision to move forward with mine development. Historical data from the 1980s indicated similar silver grades from bulk samples, further reinforcing the mine's potential.

Figure 18: Washington Mine, Idaho – Vein Sampling Results from December 2020 Samples

| Sample | Gold | Silver | |
|-------------|--------|--------|----------|
| | (g/t) | (g/t) | (oz/ton) |
| WASH-ID-001 | 0.557 | 4,350 | 127 |
| WASH-ID-002 | 1.36 | 4,780 | 139 |
| WASH-ID-003 | 1.26 | 4,740 | 138 |
| WASH-ID-004 | 0.676 | 2,030 | 59 |
| WASH-ID-005 | 0.928 | 2,580 | 75 |
| WASH-ID-006 | 1.69 | 2,480 | 72 |
| WASH-ID-007 | 0.37 | 1,298 | 41 |
| WASH-ID-008 | 0.60 | 1,107 | 35 |
| WASH-ID-009 | < 0.14 | 883 | 28 |
| WASH-ID-010 | 4.61 | 3,928 | 126 |

Source: Company News Release (December 9, 2021)

3.2.4 Metallurgy and Processing

In 2022, **SBMI** partnered with the **Center for Advanced Materials Processing (CAMP)** at **Montana Technical University** to conduct mineralogical and metallurgical tests on samples from the Washington Mine. The tests included

automated mineralogy, gravity concentration evaluations, and flotation testing to develop an efficient recovery process. The results indicated initial recovery rates of 86.35% for silver and 69.1% for gold, with further optimization tests planned to improve these figures.

The Company also engaged in discussions with local mills for the processing of extracted material, which would be stockpiled at the mine until sufficient quantities were ready for shipment. **SBMI's** flowsheet, developed in collaboration with CAMP, was designed to maximize the recovery of silver and gold while controlling operational costs.

Figure 19: Washington Mine, Idaho – Revitalized Portal



Source: Corporate Presentation (July 2024)

3.2.5 Operational Plans, Challenges, and Mine Development

In 2022, **SBMI** outlined its plans to begin mining operations at the Washington Mine. Initial efforts were focused on rehabilitating the underground workings, including securing the historical adit and preparing for the extraction of a bulk sample of 1,500 to 3,000 tons (1,360.8 to 2,721.6 tonnes) of mineralized material. This material was intended to be processed at a local mill. Historical bulk samples taken in the 1980s yielded grades of 44.0 oz/t silver (1,508.6 g/t) and 0.1 oz/t (3.4 g/t) gold.

As part of the development strategy, the Company focused on widening the adit, securing the underground environment with rockbolting and timbering, and improving access roads to the site.

SBMI also owned timber rights on the surface, which enabled the Company to harvest timber for underground support structures, thereby reducing costs associated with underground development.

The development plan included targeting areas that were expected to contain additional high-grade silver mineralization and it also considered developing a ramp to reach the high-grade parallel structure identified during its 2021 field program, which was considered a high-priority target for future exploration.

However, the Company faced several operational challenges related to safety and regulatory compliance. **SBMI** contracted a consultant to ensure that all work adhered to the **MSHA** standards. The Company completed rockbolting and

screening to secure the entrance to the mine and obtained the necessary MSHA approvals before advancing underground.

Additionally, road access to the mine was impacted by severe winter weather, which caused delays in the early part of 2023. Repairs were required to fix washed-out sections of the access road and culverts were installed to improve long-term site access.

In August 2024, **SBMI** signed an agreement with an underground mining contractor with experience in high-grade vein-type structures, positioning the Company to begin underground work at the Washington Mine. The Company anticipated starting operations in fall 2024, with plans to drift approximately 80 feet (24.4 m) into the structure and extract a 2,500-ton (2,268.0 tonne) bulk sample. This material would be stockpiled on-site and later processed at a third-party mill.

Figure 20: Washington Mine, Idaho – Follow-up Sampling Results from 2021

| Sample | Gold | Silver | |
|------------|-------|--------|----------|
| | (g/t) | (g/t) | (oz/ton) |
| 5-28-21 B | 1.06 | 3,651 | 88.8 |
| 5-28-21 H | 18.72 | - | <.146 |
| 5-28-21 L | - | 4,331 | 126 |
| 08-26-21 C | 6.58 | 6,174 | 180 |
| 08-26-21 D | 3.98 | 4,241 | 124 |
| 08-26-21 K | 0.342 | 3,742 | 109 |

Source: Company News Release (December 9, 2021)

Figure 21: Washington Mine, Idaho – Bulk Sample Assays from 2021

| Company | Line | Quarter 1 Silver | Quarter 2 Silver | Quarter 3 Silver | Quarter 4 Silver |
|-----------------------------|------|------------------|------------------|------------------|------------------|
| | | (oz/ton) | (oz/ton) | (oz/ton) | (oz/ton) |
| SBMI | 1 | 69.6 | 55.4 | 44.2 | 48.8 |
| SBMI | 2 | 68.8 | 55.4 | 43.0 | 51.6 |
| SBMI | 3 | 74.0 | 57.0 | 44.0 | 54.0 |
| SBMI | 4 | 70.4 | 56.8 | 44.2 | 51.4 |
| Average per Quarter | | 70.7 | 56.2 | 43.9 | 51.5 |
| Average across all Quarters | | 55.5 | | | |
| Paragon | 5 | 70.1 | 67.1 | 50.0 | 46.6 |
| Paragon | 5 | 1.82 g/t Au | 2.49 g/t Au | 1.77 g/t Au | 1.4 g/t Au |

Source: Company News Release (January 18, 2022)

ARIZONA SILVER AND COPPER BELTS

According to the USGS, Arizona ranked second in the U.S. for non-fuel mineral production in 2023.

The Arizona Silver Belt and Arizona Copper Belt represent two highly valuable mineralized areas within the state, each with unique geological attributes and economic potential.

4.0 ARIZONA SILVER AND COPPER BELTS

According to the U.S. Geological Survey (USGS), Arizona ranked second in the U.S. for non-fuel mineral production in 2023, valued at US\$9.5 billion, just behind Texas (US\$9.75 billion) but ahead of Nevada (US\$8.8 billion).

Arizona's mineral output is dominated by copper, but it also produces other minerals, including molybdenum and silver, and construction materials such as cement, gravel, and sand.

Arizona's copper production currently meets over two-thirds of U.S. demand due to its favourable geological conditions for large copper porphyry deposits, especially within the Arizona Copper Belt.

Arizona's favourable policy environment also contributes to its attractiveness for mining investments, as recognized by rankings from the **Fraser Institute** in recent years with a rank of number seven in 2023.

The Arizona Silver Belt and Arizona Copper Belt represent two highly valuable mineralized areas within the state, each with unique geological attributes and economic potential.

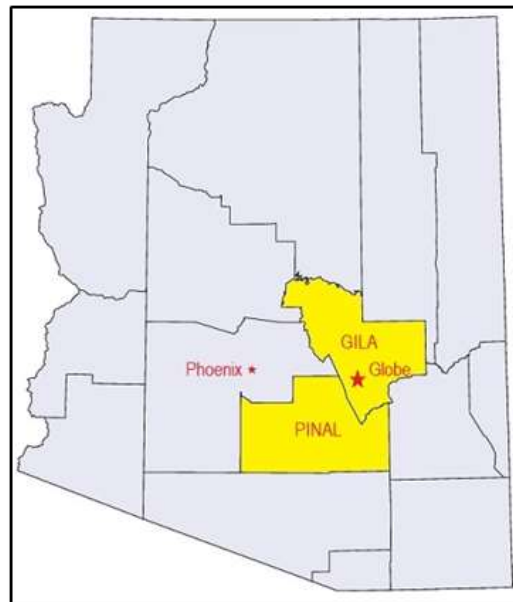
SBMI's assets within these belts position it to leverage both historical silver-rich areas and copper-gold porphyry exploration opportunities.

4.1 The Arizona Silver Belt

The Arizona Silver Belt is a historically important silver mining region primarily located in southern Gila County and extending into northern Pinal County (see Figure 22), which is the northern end of the silver district that extends into Mexico.

Known for its high-grade silver production, this belt hosted several key mines, including the Buckeye, Old Dominion, Silver Queen, McMorris, Stonewall Jackson, and Silver King mines.

Figure 22: Gila and Pinal Counties of the Arizona Silver Belt



Source: *ereferencedesk.com*; annotated by eResearch Corp.

These mines collectively yielded millions of dollars in silver, establishing Arizona as a major player in the U.S. silver industry during the late 19th and early 20th centuries.

In the Richmond Basin, silver mineralization typically appears alongside chalcopyrite, argentite, and tennantite, with native silver occurring in nugget form and, less commonly, as wire formations.

Recent exploration work by **Silver One Resources Inc. (TSXV: SVE)** in 2020 highlighted the belt's high-grade potential. Multiple surface vein fragments discovered near Globe, Arizona, contained silver-rich material, including a substantial 190 kg (417 lbs) fragment (see Figure 23). Specific gravity testing and assays revealed this fragment to be exceptionally high grade, with another 8.5 kg fragment returning silver grades of 469,000 g/t (13,679.2 oz/ton).

This discovery underscores the continued potential for silver exploration and production within the Arizona Silver Belt, aligning with **SBMI's** focus on revitalizing historic silver assets in this region.

Figure 23: Silver Fragments from the Phoenix Silver Project, near Globe



Sources: *Silver One News Release (February 2020)*

4.2 The Arizona Copper Belt

Arizona is the leading U.S. producer of copper, largely due to the mineral wealth found in the Arizona Copper Belt, a broad, northwest-trending mineralized zone spanning southern and central Arizona.

This belt comprises several types of copper deposits, including porphyry copper deposits in the southern and central areas, volcanogenic massive sulphide (VMS) deposits in the central region, and copper-bearing breccia pipes in the north. Porphyry copper deposits, in particular, have driven Arizona's copper output, as they offer large, economically viable ore bodies formed from hydrothermal fluids associated with magma chambers.

Figure 24 illustrates the major northwest-trending belt of copper mineralization across Arizona. The southeastern part of the copper belt is dominated by porphyry copper and associated gold, lead, silver, and zinc deposits.

In proximity to the BD Property, four major copper porphyry systems underscore the area's copper potential. **SBMI's** exploration efforts have identified three potential copper-gold porphyry zones on the BD Property itself: Richmond Basin, Buckeye South, and Black Copper. Initial geochemical samples from the Richmond Basin returned promising results, with anomalous copper values reaching 1,040 ppm, along with elevated silver values.

At Black Copper, sampling revealed copper values as high as 7.45% and over 2 g/t of gold, underscoring the property's potential for copper-gold mineralization. Located just 10 km from Freeport-McMoRan's (NYSE: FCX) operations, the BD Property is strategically positioned within this productive copper belt, benefiting from its proximity to established copper infrastructure.

Figure 24: Copper Porphyry Trends and Locations; Black Diamond Property in Red



Source: *BD Property NI 43-101 Technical Report (2021); modified by eResearch Corp.*

Figure 25: Magnetite with Azurite Surface Sample from the Black Copper Prospect



Source: BD Property NI 43-101 Technical Report (2021)

4.3 Why Copper? The Electrification of the World Shines a Light on Battery Metals

Copper, lithium, nickel, cobalt, manganese, and graphite are essential metals used in producing lithium-ion batteries, which power electric vehicles (EVs) and energy storage systems. As the world increasingly transitions to EVs and renewable energy sources, demand for these metals continues to grow. Batteries remain a major cost component of EV production with rising demand, as companies commit to electrification.

One of the primary challenges in adopting sustainable energy is efficiently storing generated energy for use when production from solar or wind dips due to variability in weather conditions, seasonal changes, or nighttime hours. Reliable storage solutions are essential to balance these fluctuations, ensuring a consistent energy supply even when renewable sources are not actively generating power.

According to a June 2024 report by Precedence Research, the global battery metals market is valued at approximately US\$11.65 billion in 2024 and is projected to reach US\$23.97 billion by 2033, expanding at a compound annual growth rate (CAGR) of 8.35%.

Improving battery technology supports the adoption of renewable energy by enhancing energy storage and copper infrastructure for grid expansion. The need for these metals in battery production is anticipated to grow steadily as green energy adoption accelerates.

Additionally, copper is essential for expanding and modernizing the electric grid, which is crucial for powering the economy's electrification. Copper's conductivity and durability make it ideal for transmitting electricity efficiently across vast networks, supporting the increased energy demands from EVs, renewable energy sources, and other electrification efforts that require a resilient grid infrastructure.

Figure 26: Battery Metals Applications

| APPLICATIONS | MINERALS | | | | | |
|--------------|--------------|--------------|--------------|------------|--------------|------------|
| | Copper Cu | Cobalt Co | Nickel Ni | Lead Pb | Silver Ag | Zinc Zn |
| Batteries | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Electronics | ✓ | ✓ | ✓ | | ✓ | |
| Grid | ✓ | ✓ | ✓ | | ✓ | |
| Mobility | ✓ | ✓ | ✓ | | ✓ | |
| Solar Power | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Wind Power | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Source: eResearch Corp.

ONGOING FINANCINGS SUSTAIN OPERATIONS

Due to various disruptions over the past three years, **SBMI** has relied on debt and equity financing to sustain operations and improve cash flow. Recent debt financings include a \$940.0K convertible debenture in May and, in October, a \$1.1M convertible debenture.

5.0 FINANCIAL STATEMENT, FINANCING ACTIVITIES AND CAPITAL STRUCTURE

5.1 Financial Statement Summary

5.1.1 Assets

Current Assets

For the fiscal year ending June 30, 2024, **SBMI** reported total Current Assets of \$186,426. These assets consisted of:

- Cash and Cash Equivalents: \$103,275, which includes \$95,000 held in a term deposit;
- Miscellaneous Receivables: \$16,871, entirely composed of refundable sales tax;
- Prepaid Expenses and Deposits: \$66,280, which includes items such as prepaid taxes on mineral property, prepaid marketing costs, and prepaid liability insurance.

Property, Mill, and Equipment

For the fiscal year ending June 30, 2024, **SBMI** reported Property, Mill, and Equipment valued at \$3,086,462, broken down as follows:

- Land: \$802,058
- Mill and Infrastructure: \$1,915,538
- Equipment: \$368,866

Accumulated depreciation for these assets totalled \$330,042 as of June 30, 2024. Changes during the year included additions of only \$3,247 for equipment and \$111,429 for translation adjustments due to currency fluctuations.

5.1.2 Debt, Debenture, and Loan Liabilities

Over the past three years, **SBMI** has faced significant challenges that have impacted its ability to generate revenue. The issues included COVID supply chain disruptions, malformed silver doré bars, adverse weather conditions, and the closure of both mine and mill facilities for safety updates, which have led to mining and milling delays.

These challenges disrupted **SBMI's** plans to continually mine and process mineralized material, necessitating a series of financing measures to keep the company operating. To bridge the financial gap, **SBMI** secured equity and multiple forms of debt financings.

On **SBMI's** latest Balance Sheet (see Figure 27), the debt liabilities include (ordered by issuance date):

1. Note Payable (Issued Fiscal 2021)
 - Amount: US\$250,000 (\$319,575 at issuance)
 - Terms: Non-interest bearing, unsecured, initially due on February 2, 2024.
 - Status: Extended to August 9, 2024
2. Convertible Promissory Note (Issued August 2022)

- Amount: \$650,000
 - Terms: Initially bore 8% interest, maturing on February 9, 2024, and convertible at \$0.10 per unit, with each unit comprising one common share and one warrant exercisable at \$0.35.
 - Status: Extended to June 30, 2024, with an increased interest rate of 11%; \$50,000 was converted into 500,000 shares on April 5, 2024.
3. Convertible Debt (Issued May 2023)
- Amount: US\$225,000, part of a supply agreement for 500 kg of silver doré bars.
 - Terms: Convertible into 1,370,455 common shares if the Company defaults.
 - Status: Defaulted on July 5, 2023, with ongoing negotiations to extend the agreement and defer conversion.
4. Loan Payable (Issued September 2023)
- Amount: US\$350,000, structured in tranches, with US\$225,000 received in September 2023.
 - Terms: Non-interest bearing, secured by equipment, and repayable in cash or silver after five years.
 - Status: US\$125,000 is pending, contingent on delivery of 500 kg of silver.
5. Convertible Debentures (Issued May 2024)
- Amount: \$940,000, issued in \$1,000 tranches.
 - Terms: Three-year term, unsecured, 12% annual interest, convertible at prices increasing yearly from \$0.08 to \$0.12. Each debenture included 10,000 detachable warrants, exercisable over three years at \$0.12, \$0.14, and \$0.16 for Year 1, Year 2, and Year 3, respectively.
 - Status: Convertible at the Company's discretion if the stock exceeds \$0.25 for ten days.

After the year-end (June 30), in October 2024, **SBMI** successfully closed a \$1,118,000 convertible debenture financing, convertible at prices increasing yearly from \$0.10 to \$0.14, aimed at strengthening the balance sheet and sustaining the Company's financial stability as it prepares to restart operations and explore new revenue opportunities through third-party material processing.

Each \$1,000 tranche came with 10,000 detachable warrants, exercisable over three years at \$0.16, \$0.18, and \$0.20 for years 1, 2, and 3, respectively. The debenture has a three-year term with 12% annual interest, payable semi-annually in year one and quarterly in years two and three. Interest payments will be made in cash or common shares at **SBMI's** discretion.

5.1.3 Revenue, Cash Advances, Silver Sales and Orders

Cash Advance and Silver Orders

In May 2023, **SBMI** disclosed the receipt of a cash advance from a client acquiring its silver products. This client had initially ordered 50 kg of silver and subsequently committed to purchasing 500 kilograms (approximately 17,600 ounces) of silver monthly over six months.

In anticipation of the first silver delivery, the client provided **SBMI** with an advance of US\$225,000. This advance is backed by a conditional convertible debenture valued at US\$225,000, featuring a 3% interest rate and a conversion price of \$0.22 per share.

Revenue from Monthly Silver Orders

Based on the prevailing spot price of silver in April 2023, each monthly shipment of 500 kg was projected to yield revenue of approximately US\$400,000.

Figure 27: SBMI Balance Sheet

| Silver Bullet Mines Corp. (TSXV:SBMI) Balance Sheet (C\$) | F2021 June 30 | F2022 June 30 | F2023 June 30 | F2024 June 30 |
|--|-------------------|-------------------|-------------------|-------------------|
| ASSETS | | | | |
| Cash And Equivalents | 3,505,402 | 284,850 | 7,767 | 103,275 |
| Miscellaneous Receivables | 206,756 | 78,313 | 15,865 | 16,871 |
| Prepaid Expenses and Deposits | 271,685 | 166,958 | 13,285 | 66,280 |
| Total Current Assets | 3,983,843 | 530,121 | 36,917 | 186,426 |
| Gross Property, Plant & Equipment | 1,141,238 | 3,090,208 | 3,117,614 | 3,086,462 |
| Total Assets | 5,125,081 | 3,620,329 | 3,154,531 | 3,272,888 |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Liabilities | 356,935 | 264,021 | 679,785 | 1,061,471 |
| Convertible Debt | - | - | 297,900 | 308,000 |
| Note Payable | - | - | 314,736 | 342,176 |
| Convertible Promissory Note | - | - | 597,244 | 600,000 |
| Loan Payable | - | - | - | 307,958 |
| Other Current Liabilities | 12,000 | - | - | - |
| Total Current Liabilities | 368,935 | 264,021 | 1,889,665 | 2,619,605 |
| Note Payable | 230,127 | 273,970 | - | - |
| Convertible Debentures | - | - | - | 823,654 |
| Total Liabilities | 599,062 | 537,991 | 1,889,665 | 3,443,259 |
| EQUITY | | | | |
| Share Capital | 8,404,108 | 11,396,883 | 12,259,462 | 14,618,626 |
| Units to be Issued | - | - | - | - |
| Contributed Surplus | 337,000 | 928,096 | 828,893 | 1,166,181 |
| Warrants | 1,275,476 | 2,308,510 | 2,299,449 | 354,631 |
| Equity Component of Convertible Promissory Note | - | - | 57,193 | 123,826 |
| Comprehensive Inc. and Other | - | (1,101) | 46,463 | 63,109 |
| Deficit | (5,490,565) | (11,550,050) | (14,226,594) | (16,496,744) |
| Total Common Equity | 4,526,019 | 3,082,338 | 1,264,866 | (170,371) |
| Total Liabilities And Equity | 5,125,081 | 3,620,329 | 3,154,531 | 3,272,888 |
| Total Shares Outstanding on Balance Sheet Date (M) | 51,031,372 | 62,421,962 | 66,697,522 | 69,939,898 |

Source: SBMI Financial Statements; formatted by eResearch Corp.

Figure 28: SBMI Income Statement

| Silver Bullet Mines Corp. (TSXV:SBMI) Income Statement (C\$) | F2021 June 30 | F2022 June 30 | F2023 June 30 | F2024 June 30 |
|---|--------------------|--------------------|--------------------|--------------------|
| Total Revenue | - | - | - | - |
| Mineral Property Development Expense | 542,741 | 2,919,630 | 1,675,832 | 964,522 |
| Exploration Expenses | 43,243 | 51,935 | 53,506 | 54,556 |
| General & Admin Expenses | 395,882 | 1,042,177 | 586,099 | 472,708 |
| Depreciation & Amortization | - | 47,000 | 136,649 | 138,220 |
| Professional Fees | 231,793 | 243,186 | 182,429 | 113,084 |
| Finance Expense | 339,782 | 21,017 | 141,232 | 189,772 |
| Stock-Based Compensation | 337,000 | 591,096 | - | 337,288 |
| Listing Expense | - | 1,156,240 | - | - |
| Operating Expense Total | 1,890,441 | 6,072,281 | 2,775,747 | 2,270,150 |
| Operating Income | (1,890,441) | (6,072,281) | (2,775,747) | (2,270,150) |
| Gain (Loss) On Sale Of Assets / Investment | - | - | - | - |
| Other Unusual Items | - | - | - | - |
| EBT Incl. Unusual Items | (1,890,441) | (6,072,281) | (2,775,747) | (2,270,150) |
| Net Income (Loss) | (1,890,441) | (6,072,281) | (2,775,747) | (2,270,150) |
| Basic and diluted loss per share | (0.05) | (0.11) | (0.04) | (0.03) |
| Weighted average shares outstanding | 34,602,000 | 56,162,000 | 64,924,000 | 68,100,000 |

Source: SBMI Financial Statements; formatted by eResearch Corp.

Figure 29: SBMI Statement of Cash Flows

| Silver Bullet Mines Corp. (TSXV:SBMI) Cash Flow (C\$) | F2021 June 30 | F2022 June 30 | F2023 June 30 | F2024 June 30 |
|---|--------------------|--------------------|--------------------|--------------------|
| Net Income | (1,890,441) | (6,072,281) | (2,775,747) | (2,270,150) |
| Accretion | 421,127 | 29,303 | 68,713 | 95,647 |
| Depreciation | - | 47,000 | 136,649 | 138,220 |
| Gain on Conversion Feature | (52,928) | - | - | - |
| Gain on Reduction in Debt | - | - | - | - |
| Share Based Compensation | 337,000 | 591,096 | - | 337,288 |
| Non-cash Compensation | 7,500 | - | - | - |
| Unrealized Foreign Exchange | (14,281) | 1,440 | 15,914 | 21,188 |
| Listing Expenses | - | 1,156,240 | - | - |
| Other | 20 | - | - | - |
| Change in non-cash working capital: | | | | |
| Miscellaneous Receivables | (23,738) | 128,443 | 62,448 | (956) |
| Prepaid Expenses | (271,685) | 104,727 | 153,673 | (52,995) |
| Accounts Payable and Accrued Liabilities | 220,657 | (92,915) | 486,564 | 381,686 |
| Cash Used in Operating Activities | (1,266,769) | (4,106,947) | (1,851,786) | (1,350,072) |
| Cash Received on Acquisition of Mining | - | 80,544 | - | - |
| Additions of Property, Mill and Equipment | (1,099,206) | (1,954,604) | (90,142) | (3,247) |
| Cash from Investing | (1,099,206) | (1,874,060) | (90,142) | (3,247) |
| Issuance of Promissory Notes | 986,686 | - | 619,357 | - |
| Issuance of Note Payable | 319,575 | - | - | - |
| Issuance of Common Shares | 4,799,912 | 2,890,618 | 807,912 | 329,085 |
| Share Issue Cost | (246,796) | (88,797) | (25,194) | (5,664) |
| Proceeds of Share Subscription Payable | 12,000 | - | - | - |
| Convertible Debt | - | - | 306,360 | 923,190 |
| Loan Payable | - | - | - | 305,550 |
| Cash from Financing | 5,871,377 | 2,801,821 | 1,708,435 | 1,552,161 |
| Foreign Exchange Rate Adj. | - | (41,366) | (43,590) | (103,334) |
| Net Change in Cash | 3,505,402 | (3,220,552) | (277,083) | 95,508 |
| Cash and Cash Equivalents, beginning of the period | - | 3,505,402 | 284,850 | 7,767 |
| Cash and Cash Equivalents, end of the period | 3,505,402 | 284,850 | 7,767 | 103,275 |

Source: SBMI Financial Statements; formatted by eResearch Corp.

5.2 Detailed Financing Activities (2022 to 2024)

This section outlines **SBMI's** financial activities over the past two years, highlighting its efforts to secure funding through various debt and equity financing rounds to support the Company as it worked on several operational challenges.

Early 2022 Financing Initiatives

- In March, SBMI completed a financing round, raising \$2.7 million at \$0.40 per unit. Each unit consisted of one common share and one full warrant, exercisable at \$0.60 over 24 months.
- The proceeds were allocated to initiate pilot production at the Buckeye Mine in Arizona. Additional allocations included supporting development and metallurgical work at the Washington Mine in Idaho, and further exploration and development at the McMorris Mine in Arizona.

Mid-2022 Financial Challenges

- Faced with operational delays at the Arizona mill that impacted cash flows, **SBMI** secured a loan of \$650,000 in August 2022.
- This 18-month term loan featured an 8% interest rate and a conversion option at \$0.30 per unit, potentially converting into 2,166,667 units. Each unit would convert to one common share and one common share purchase warrant, exercisable at \$0.35 for a four-year term.

Late 2022 Capital Raise

- In December 2022, SBMI closed a \$0.69 million financing round, pricing units at \$0.20 (totalling 3.4 million units), each comprising one common share and one warrant exercisable at \$0.30 for two years.

2023 Financial Developments

- In May 2023, SBMI received a cash advance from a silver purchaser, amounting to US\$225,000, against an initial delivery. This advance would be secured by a US\$225,000 convertible debenture at a 3% interest rate and the conversion price would be \$0.22 per share. On February 22, 2024, SBMI announced that it reached an extension agreement with the debenture holder, initially due February 6, 2024, to extend the debenture due date to June 30, 2024.
- Operational challenges due to extreme weather conditions in August 2023 led to a halt in production, negatively impacting cash flow.
- In response, SBMI secured a zero-interest loan of US\$350,000 from an arm's length third party in September 2023, bolstered by a non-brokered equity financing effort aiming to raise \$500,000 in October 2023.
 - The first tranche of this financing closed in January 2024, raising \$230,800 through the issuance of over 1.9 million units at \$0.12 each. Each unit consisted of one common share and one warrant exercisable at \$0.17 for two years.
 - The second tranche closed in February 2024, adding \$98,285 to the Company's funds through the issuance of over 0.8 million units.

2024 Financial Developments

- **SBMI** continued to engage with strategic partners and secured financing to support its ongoing projects, including the expansion of operations in both Arizona and Idaho, and leveraging relationships with third-party ore suppliers to maintain revenue during mining delays.
- By processing third-party mineralized material at its Globe mill, **SBMI** has been able to mitigate the financial impacts of the temporary halt in mining at the Buckeye Mine, demonstrating its ability to adapt to challenges.
- To support its operations amid these delays, **SBMI** secured an equity financing in early 2024, closing a \$329,085 unit financing in January at \$0.12 per unit. Each unit consisted of one common share and one full warrant at an exercise price of \$0.17 and a term of two years.
- In April 2024, the Company entered into a strategic business agreement with **Countryman Investments Limited** and also launched a convertible debenture offering of up to \$1,000,000, designed to provide working capital and fund the ongoing development at the Buckeye and Washington mines. Each \$1,000 tranche came with 10,000 warrants, exercisable over three years at \$0.12, \$0.14, and \$0.16 in years 1, 2, and 3, respectively. The debenture has a three-year term with 12% annual interest, payable semi-annually in Year 1 and quarterly in Year 2 and Year 3. Investors can convert their debentures into common shares at \$0.08 in Year 1, \$0.10 in Year 2, and \$0.12 in Year 3. **SBMI** can force conversion if the share price exceeds \$0.25 for 10 days, and it can prepay the debenture after 12 months.
- **SBMI** closed on \$940,000 of this debenture in May 2024, using the funds to complete the mandatory **MSHA** safety work at the Buckeye Mine and to advance preparations at the Washington Mine.
- In August 2024, **SBMI** launched another \$1,000,000 debenture financing round aimed at improving its working capital. Each \$1,000 tranche came with 10,000 detachable warrants, exercisable over three years at \$0.16, \$0.18, and \$0.20 for Year 1, Year 2, and Year 3, respectively. The debenture has a three-year term with 12% annual interest, payable semi-annually in Year 1 and quarterly in Year 2 and Year 3. Interest payments will be made in cash or common shares at **SBMI's** discretion.
- On October 21, 2024, **SBMI** successfully closed \$1,118,000 from this debenture financing. This closing provides capital to continue work at the Buckeye and Washington mines, and for processing third-party material at the mill in Globe, Arizona.

5.3 Capital Structure

According to **S&P Capital IQ**, as of November 1, 2024, **SBMI's** capital structure consists of 71,002,398 common shares outstanding (including any options, warrants exercised, or debt converted).

According to the Company's latest published financials, as of June 30, 2024, **SBMI's** capital structure consisted of:

- Common shares outstanding: 69,939,898

- Options outstanding: 4,778,571 with an average Exercise Price of \$0.24 (see Figure 30).
- Warrants outstanding: 16,908,607 with an average Exercise Price of \$0.20 (see Figure 31).
- Broker warrants outstanding: 159,450 with an average Exercise Price of \$0.24 (see Figure 32).

The debt that could affect **SBMI's** capital structure includes:

- Convertible Debt: \$304,200 (\$308,000 on the Balance Sheet), convertible into 1,370,455 common shares;
- Convertible Promissory Note: \$600,000 (\$600,000 on the Balance Sheet), convertible into 2,000,000 units, comprising one common share and one warrant with a 48-month term and a \$0.35 strike price;
- Convertible Debentures (issued May 2024): \$940,000 (\$823,654 on the Balance Sheet) issued in \$1,000 tranches, convertible at prices increasing yearly from \$0.08 to \$0.12. Each debenture included 10,000 detachable warrants, exercisable over three years at \$0.12, \$0.14, and \$0.16 for Year 1, Year 2, and Year 3, respectively;
- Convertible Debentures (issued October 2024): \$1,118,000 (not on the June 30, 2024 Balance Sheet) issued in \$1,000 tranches, convertible at prices increasing yearly from \$0.10 to \$0.14. Each debenture included 10,000 detachable warrants, exercisable over three years at \$0.16, \$0.18, and \$0.20 for Year 1, Year 2, and Year 3, respectively.

Figure 30: Option Table

| | Number of Options | Exercise Price | Remaining Life (Years) |
|----------------|-------------------|----------------|------------------------|
| | 2,571,429 | \$0.30 | 1.49 |
| | 428,571 | \$0.30 | 2.77 |
| | 428,571 | \$0.15 | 4.67 |
| | 1,350,000 | \$0.15 | 4.68 |
| Total | 4,778,571 | | |
| Average | | \$0.24 | 2.79 |

Source: Company Financial Statement (F2024), eResearch Corp.

Figure 31: Warrant Table

| | Number of Warrants | Exercise Price | Expiry Date |
|----------------|--------------------|----------------|-------------------|
| | 226,671 | \$0.50 | Jul 8, 2024 |
| | 2,235,000 | \$0.30 | Nov 3, 2024 |
| | 1,209,560 | \$0.30 | Dec 19, 2024 |
| | 595,000 | \$0.30 | Mar 17, 2025 |
| | 1,923,334 | \$0.17 | Jan 2, 2026 |
| | 819,042 | \$0.17 | Jan 9, 2026 |
| | 500,000 | \$0.17 | Aug 11, 2026 |
| | 400,000 | \$0.16 | May 8, 2027 |
| | 9,000,000 | \$0.16 | May 13, 2026 |
| Total | 16,908,607 | | |
| Average | | \$0.20 | 1.48 Years |

Source: Company Financial Statement (F2024), eResearch Corp.

Figure 32: Broker Warrant Table

| | Number of Broker Warrants | Exercise Price | Expiry Date |
|----------------|---------------------------|----------------|-------------------|
| | 84,000 | \$0.30 | Nov 3, 2024 |
| | 21,700 | \$0.17 | Jan 9, 2026 |
| | 16,667 | \$0.16 | May 8, 2027 |
| | 37,083 | \$0.16 | May 13, 2027 |
| Total | 159,450 | | |
| Average | | \$0.24 | 1.36 Years |

Source: Company Financial Statement (F2024), eResearch Corp.

VALUATION

We are maintaining a Speculative Buy Rating on SBMI but reducing the one-year Price Target to \$0.20 from \$0.80, and introducing a two-year Price Target of \$0.35.

6.0 VALUATION

6.1 One-Year Price Target

We are maintaining a Speculative Buy Rating on **SBMI** but reducing the one-year Price Target to \$0.20 from \$0.80, and introducing a two-year Price Target of \$0.35.

The one-year Price Target of \$0.20 is based on **SBMI** processing 30,000 tons of third-party mineralized material over the next 12 months with a grade of 8 oz/t, 90% recovery rate, and booking net revenue of US\$15 per ounce.

Silver production would be approximately 240,000 ounces. We estimate this production could yield revenue of \$4.5 million (US\$3.2 million) after costs.

With the current debt of around \$3.5 million, we assume that **SBMI** will repay the debt over the next three years at approximately \$1.17 million per year, resulting in cash flow of approximately \$3.3 million.

Assuming a 5x Cash Flow Multiple and deducting the Net Debt, these factors would value **SBMI** at an Equity Value of \$14.4 million or \$0.17 per share based on the fully diluted share count of 83.0 million shares. We are rounding up and setting our one-year Price Target at \$0.20 (see Figure 33).

The Cash Flow multiple was derived from the Silver Comp table in [Appendix B](#) and used EBITDA as a proxy for Cash Flow. For production companies, the EV/EBITDA multiple has an average of 15.1x and a median of 13.6x. Since **SBMI's** mine is small scale, we discounted the multiple accordingly.

Figure 33: Price Per Share Calculation (1 Year)

| Cash Flow (F2025) - Third-party Mineralized Material | |
|--|----------------------|
| Third-party Mineralized Material | |
| Tons | 30,000 |
| Grade | 8.0 oz/t |
| Total | 240,000 oz |
| Recovery Rate | 90% |
| Net Revenue / oz | US\$15.00 |
| Revenue (Third-Party Material) | US\$3,240,000 |
| Revenue (Third-Party Material) | \$4,513,158 |
| <i>Note: US/CAN FX:1.39</i> | |
| Debt (Balance Sheet - June 30, 2024) | \$2,381,788 |
| Debt (Issued After June 30, 2024) | \$1,118,000 |
| Total Debt | \$3,499,788 |
| Debt Repaid Per Year (Assumption) | \$1,166,596 |
| Cash Flow Over the Next 12 Months | \$3,346,562 |
| Valuation Multiple (5x Cash Flow) | \$16,732,810 |
| Net Debt | \$2,333,192 |
| Equity Value | \$14,399,618 |
| Diluted Shares (at Valuation Price) | 83,040,922 |
| Price Per Share (In 12-months) | \$0.17 |

Source: eResearch Corp.

6.2 Two-Year Price Target

We are assuming that **SBMI** will finish processing the third-party mineralized material in 12 months and can start processing higher-grade mineralized material from the Buckeye Mine.

We have created a mine production model based on some assumptions from our research. We are assuming that the Company can continue to find economic mineral resources at the Buckeye Mine or surrounding historical mines to keep the mill operating past year two.

For a base case, we assumed 80% utilization of the mill, 264 production days per year, all-in operating costs of US\$20/ounce, a grade of 20 oz/t, and a silver price of US\$30/ounce. Silver production would be approximately 583,020 ounces.

The grade estimate was based on some recent mining activity at the site. In 2017, a previous owner mined 5 tonnes at the Buckeye Mine from which 500 ounces of silver were produced – the grade would be the equivalent of 100 ounces per ton. Therefore 20 ounces per ton is only 20% of the most recent production grade.

From our assumptions, these factors would generate \$7.6 million (US\$5.8 million). With the debt at around \$2.3 million in one year, we assume that **SBMI** will continue to repay the debt over the next two years at approximately \$1.17 million per year, resulting in cash flow of approximately \$6.4 million.

Assuming a 5x Cash Flow Multiple and deducting the Net Debt, these factors would value **SBMI** at an Equity Value of \$30.8 million or \$0.35 per share based on the fully diluted share count of 88.1 million shares. We are setting our two-year Price Target at \$0.35 (see Figure 34).

In Figure 35, we provide a Sensitivity Analysis to calculate the impact of changes to our assumptions.

Figure 34: Price Per Share Calculation (2 Year)

| Cash Flow (F2026) - Buckeye Mine Production | |
|--|----------------------|
| Buckeye Mine Production | |
| Tons | 29,101 |
| Recovered Grade* | 20.0 oz/t |
| Total | 582,020 oz |
| Net Revenue / oz | US\$10.00 |
| Revenue (Buckeye Mine) | US\$5,820,200 |
| Revenue (Buckeye Mine) | \$7,566,260 |
| * Assumed 90% Recovery | |
| Note: Assumed US/CAN FX:1.30 | |
| Debt (Balance Sheet - June 30, 2024) | \$2,381,788 |
| Debt (Issued After June 30, 2024) | \$1,118,000 |
| Debt Repaid in FY2025 | \$1,166,596 |
| Net Debt | \$2,333,192 |
| Debt Repaid Per Year (Assumption) | \$1,166,596 |
| Cash Flow Over the Next 12 Months | \$6,399,664 |
| Valuation Multiple (5x Cash Flow) | \$31,998,320 |
| Net Debt | \$1,166,596 |
| Equity Value | \$30,831,724 |
| Diluted Shares (at Valuation Price) | 88,119,070 |
| Price Per Share (In 24-months) | \$0.35 |

Source: eResearch Corp.

Figure 35: Sensitivity Chart for the Buckeye Mine Production

| | | SILVER PRICE (US\$/oz) | | | | | | |
|-----------|----|--------------------------|---------|---------|---------|---------|------|--------------|
| | | \$25.00 | \$27.50 | \$30.00 | \$35.00 | \$40.00 | | |
| RECOVERED | 8 | \$2.06 | \$3.61 | \$6.05 | \$7.91 | \$9.90 | \$10 | |
| GRADE | 10 | \$1.72 | \$3.22 | \$5.67 | \$7.91 | \$10.32 | \$15 | ALL-IN-COSTS |
| (oz/t) | 20 | \$1.72 | \$3.87 | \$7.57 | \$11.87 | \$16.51 | \$20 | (US\$) |
| | 30 | \$1.55 | \$4.26 | \$9.08 | \$15.42 | \$22.29 | \$22 | |
| | 40 | \$0.69 | \$3.61 | \$9.08 | \$17.40 | \$26.41 | \$24 | |
| | | 120 | 180 | 264 | 276 | 288 | | |
| | | PRODUCTION DAYS PER YEAR | | | | | | |

Source: eResearch Corp.

6.3 Other Assumptions

At this time, we are not assigning any value to the other projects including:

- The Washington Mine silver project in Idaho;
- The restart of the McMorris Mine in Arizona; or
- Copper porphyry opportunities on the BD Property in Arizona.

Strong Management Team

SBMI has an experienced executive team with diverse commercial, market and technical expertise, and has been involved in exploration and development projects since 1986.

APPENDIX A: KEY MANAGEMENT & BOARD OF DIRECTORS

Management

John Carter, Chief Executive Officer and Director

- Mr. Carter has over 40 years of mining experience with international experience in mineral processing and mill design.
- He has been president of various publicly listed junior mineral exploration companies, including **Northern Sphere Mining Corp.** (OTC: NSMCF), which owned various assets now within **SBMI** and he guided the exploration and test mining of the Buckeye Mine in Arizona.

Peter M. Clausi, Vice President – Capital Markets and Director

- Mr. Clausi is an experienced lawyer, investment banker, shareholder rights activist, and public company executive.
- He currently serves as President and CEO of **CBLT** (TSXV: CBLT) and President of Maplegrow Capital, among other senior executive roles.
- Mr. Clausi holds a Bachelor of Arts from **Laurentian University** and a J.D. from the Osgoode Hall Law School of **York University** in Toronto.

Brian L. Crawford, CPA, CA Chief Financial Officer and Corporate Secretary

- Mr. Crawford has over 30 years of operational experience in senior financial executive roles in both private and public companies.
- He is a former Partner at **BDO** and currently serves as CFO or Director of several companies including **Carmanah Minerals** (CSE: CARM), **CBLT Inc.** (TSXV: CBLT), **Portofino Resources** (TSXV: POR), and **Tempus Capital** (CSE: TEMP).
- Mr. Crawford is a Certified Public Accountant (CPA) and holds a Bachelor of Commerce from the University of Toronto.

Ron Murphy, Vice President – Mining and Director

- Mr. Murphy has over 30 years of operational experience in developing small underground mines in the western U.S., including the Buckeye and McMorris mines.
- He serves as President of **Black Diamond Exploration** and **Oro de Nevada Mining**, and also operates a mining safety training school in Superior, Arizona.
- Mr. Murphy holds a Bachelor of Business Administration from the **University of British Columbia**.

Board of Directors

John Carter, Chief Executive Officer and Director

- See biography above.

Peter M. Clausi, Vice President – Capital Markets and Director

- See biography above.

Ron Murphy, Vice President – Mining and Director

- See biography above.

Eric Balog, Director

- Mr. Balog has been a mining-focused investor relations professional since 2000.
- He served as VP of Corporate Development at Northern Sphere Mining (OTC: NSMCF) and as Director at First Canadian Capital and Trinity Wood Capital.

Kerem Usenmez, P.Eng., Director

- Mr. Usenmez has 25 years of global mining and engineering experience, with expertise in open-pit and underground mining.
- Currently, he serves as the President and CEO of **Volta Metals** (CSE: VLTA).
- Mr. Usenmez is a Professional Engineer and currently sits on the board of directors of the **Prospectors and Developers Association of Canada (PDAC)** and is the Chair of the Securities Committee and Co-Chair of the Public Affairs Committee of the **PDAC**.

APPENDIX B: SILVER COMPARISON COMPANIES

Figure 36: Silver Comparison Companies

| Company Name | Ticker | Price (C\$) (Nov 7/24) | Shares Out. (M) | Cash (C\$ M) | Debt (C\$ M) | EV (C\$ M) | Revenue (C\$ M) | EBITDA (C\$ M) | EV/Rev | EV/ EBITDA |
|---------------------------------|-------------|---------------------------|--------------------|-----------------|-----------------|-----------------|--------------------|-------------------|------------|---------------|
| PRODUCERS | | | | | | | | | | |
| Adriatic Metals | ASX:ADT | A\$4.14 | 324.5 | A\$58.78 | A\$175.93 | A\$1,518.92 | A\$0.24 | -A\$32.90 | 6,261.8 | |
| Americas Gold and Silver | TSX:USA | \$0.63 | 276.4 | \$7.22 | \$27.44 | \$226.46 | \$97.12 | \$3.46 | 2.3 | 65.5 |
| Andean Precious Metals | TSXV:APM | \$1.83 | 149.4 | \$86.96 | \$64.47 | \$242.55 | \$199.84 | \$24.13 | 1.2 | 10.1 |
| Austral Gold | TSXV:AGLD | \$0.02 | 612.3 | \$4.58 | \$20.03 | \$41.52 | \$38.51 | -\$8.66 | 1.1 | |
| Avino Silver & Gold | TSX:ASM | \$1.70 | 135.5 | \$5.31 | \$3.59 | \$227.92 | \$52.03 | \$7.45 | 4.4 | 30.6 |
| Aya Gold & Silver | TSX:AYA | \$17.60 | 130.5 | \$85.15 | \$101.47 | \$2,324.26 | \$41.54 | \$4.89 | 56.0 | 475.2 |
| Bear Creek Mining | TSXV:BCM | \$0.52 | 227.7 | \$3.44 | \$74.26 | \$215.35 | \$94.65 | \$12.82 | 2.3 | 16.8 |
| Boliden AB | OM: BOL | \$42.74 | 273.5 | \$463.80 | \$2,283.43 | \$13,446.04 | \$11,212.17 | \$2,392.52 | 1.2 | 5.6 |
| Minas Buenaventura | NYSE:BVN | US\$12.18 | 254.0 | US\$457.89 | US\$682.57 | US\$3,492.26 | US\$1,108.81 | US\$347.10 | 3.1 | 10.1 |
| Coeur Mining | NYSE:CDE | US\$6.59 | 399.2 | US\$76.92 | US\$605.18 | US\$3,163.59 | US\$1,010.65 | US\$222.22 | 3.1 | 14.2 |
| Endeavour Silver | TSX:EDR | \$6.66 | 246.1 | \$55.60 | \$85.31 | \$1,679.20 | \$225.93 | \$40.54 | 7.4 | 41.4 |
| First Majestic | TSX:AG | \$9.38 | 301.8 | \$154.73 | \$233.52 | \$2,936.99 | \$525.21 | \$14.61 | 5.6 | 201.0 |
| Fortuna Mining | TSX:FVI | \$6.66 | 313.3 | \$180.55 | \$188.88 | \$2,177.03 | \$1,025.16 | \$446.37 | 2.1 | 4.9 |
| Fresnillo plc | LSE:FRES | £7.00 | 736.9 | £690.97 | £902.57 | £5,590.26 | £2,850.01 | £954.39 | 2.0 | 5.9 |
| Gatos Silver | TSX:GATO | \$23.58 | 69.3 | \$82.48 | \$0.22 | \$1,051.66 | \$48.95 * | -\$25.54 | 21.5 | |
| Glencore | LSE:GLEN | £3.95 | 12,157.1 | £2,839.00 | £32,009.00 | £66,540.56 | £227,505.00 | £11,449.00 | 0.3 | 5.8 |
| GoGold | TSX:GGD | \$1.45 | 329.5 | \$76.43 | \$0.78 | \$374.28 | \$31.79 | \$3.00 | 11.8 | 124.9 |
| Gold Resource | NYSEAM:GORO | US\$0.16 | 93.5 | US\$1.35 | US\$0.00 | US\$13.61 | US\$73.90 | -US\$13.53 | 0.2 | |
| Golden Minerals | TSX:AUMN | \$0.42 | 15.0 | \$1.44 | \$0.23 | \$4.34 | \$2.81 | -\$6.68 | 1.5 | |
| Guanajuato Silver | TSXV:GSVR | \$0.26 | 470.2 | \$2.20 | \$19.17 | \$145.47 | \$70.54 | -\$2.11 | 2.1 | |
| Hecla Mining | NYSE:HL | US\$5.73 | 620.9 | US\$22.27 | US\$539.80 | US\$4,033.32 | US\$840.96 | US\$305.83 | 4.8 | 13.2 |
| Hochschild Mining | LSE:HOC | £2.29 | 514.5 | £89.14 | £361.90 | £1,450.67 | £771.43 | £304.63 | 1.9 | 4.8 |
| IMPACT Silver | TSXV:IPT | \$0.26 | 247.4 | \$9.94 | \$0.20 | \$53.36 | \$23.22 | -\$7.53 | 2.3 | |
| Kingsgate | ASX:KCN | A\$1.40 | 257.8 | A\$3.89 | A\$59.41 | A\$416.37 | A\$133.09 | A\$209.60 | 3.1 | 2.0 |
| Luca Mining | TSXV:LUCA | \$0.58 | 198.1 | \$1.35 | \$36.86 | \$150.38 | \$76.88 | \$0.03 | 2.0 | 5,569.7 |
| MAG Silver | TSX:MAG | \$23.08 | 103.3 | \$97.34 | \$0.08 | \$2,250.06 | \$79.13 * | -\$15.08 | 28.4 | |
| McEwen Mining | TSX:MUX | \$13.06 | 52.9 | \$30.23 | \$42.46 | \$483.79 | \$199.63 | \$32.08 | 2.4 | 15.1 |
| Pan American Silver | TSX:PAAS | \$32.43 | 363.0 | \$469.90 | \$839.20 | \$12,288.59 | \$2,673.40 | \$707.30 | 4.6 | 17.4 |
| Peñoles | BMV:PE&OLES | US\$15.00 | 397.5 | US\$1,501.94 | US\$2,920.22 | US\$8,693.33 | US\$6,234.45 | US\$1,433.53 | 1.4 | 6.1 |
| Santacruz Silver | TSXV:SCZ | \$0.38 | 355.9 | \$7.31 | \$21.55 | \$154.71 | \$245.10 | \$30.80 | 0.6 | 5.0 |
| Sierra Metals | TSX:SMT | \$0.86 | 211.7 | \$18.60 | \$97.12 | \$334.47 | \$252.23 | \$59.62 | 1.3 | 5.6 |
| Silver Elephant | TSX:ELEF | \$0.57 | 37.8 | \$0.68 | \$3.76 | \$37.12 | \$0.00 | -\$5.71 | | |
| Silver X Mining | TSXV:AGX | \$0.26 | 201.6 | \$1.09 | \$1.32 | \$51.72 | \$17.46 | -\$1.43 | 3.0 | |
| Silvercorp | TSX:SVM | \$6.39 | 216.9 | \$209.51 | \$1.25 | \$1,269.19 | \$241.36 | \$111.64 | 5.3 | 11.4 |
| SilverCrest | TSX:SIL | \$14.40 | 148.7 | \$98.32 | \$0.53 | \$2,006.81 | \$261.54 | \$160.83 | 7.7 | 12.5 |
| South32 | ASX:S32 | A\$3.80 | 4,506.0 | A\$842.00 | A\$1,566.00 | \$16,687.76 | \$5,479.00 | A\$616.00 | 3.0 | 27.1 |
| Southern Copper | NYSE:SCCO | US\$107.11 | 790.4 | US\$2,973.60 | US\$6,982.40 | US\$88,738.07 | US\$10,944.60 | US\$5,955.90 | 8.1 | 14.9 |
| SSR Mining | TSX:SSRM | \$7.32 | 202.4 | \$365.75 | \$340.56 | \$2,595.72 | \$1,098.33 | \$27.97 | 5.3 | 92.8 |
| Zijin Mining | SEHK:2899 | US\$2.11 | 26,537.6 | US\$4,783.27 | US\$20,540.72 | US\$82,278.78 | US\$42,358.54 | US\$7,312.17 | 7.7 | 11.3 |
| <i>Average (<100x)</i> | | | | | | | | | 6.0 | 18.0 |
| <i>Median</i> | | | | | | | | | 3.0 | 13.2 |
| <i>* Income from Affiliates</i> | | | | | | | | | | |
| NEAR-TERM PRODUCTION | | | | | | | | | | |
| Bayhorse Silver | TSXV: BHS | \$0.04 | 282.8 | \$0.19 | \$0.43 | \$11.55 | | -\$1.73 | | |
| Excellon Resources | TSX:EXN | \$0.11 | 117.3 | \$0.59 | \$2.97 | \$13.16 | | -\$3.24 | | |
| Kuya Silver | CSE:KUYA | \$0.35 | 106.6 | \$2.85 | \$0.00 | \$33.42 | | -\$4.90 | | |
| Silver Bullet Mines | TSXV: SBMI | \$0.11 | 70.9 | \$0.11 | \$2.38 | \$9.72 | | -\$1.94 | | |
| <i>Average</i> | | | | | | \$16.96 | | | | |
| <i>Median</i> | | | | | | \$12.36 | | | | |
| PFS/FEASIBILITY STAGE | | | | | | | | | | |
| AbraSilver | TSXV:ABRA | \$2.89 | 125.4 | \$19.67 | \$0.00 | \$342.74 | | -\$15.03 | | |
| Discovery Silver | TSX:DSV | \$0.90 | 400.5 | \$37.30 | \$0.36 | \$323.48 | | -\$18.47 | | |
| New Pacific Metals | TSX:NUAG | \$2.30 | 171.5 | \$22.55 | \$0.00 | \$363.33 | \$0.00 | -\$6.11 | | |
| Skeena Resources | TSX:SKE | \$13.09 | 106.7 | \$128.17 | \$17.41 | \$1,285.46 | | -\$135.19 | | |
| Silver Mines | ASX:SVL | A\$0.10 | 1,508.0 | A\$11.07 | A\$0.00 | \$127.95 | | -\$2.91 | | |
| <i>Average</i> | | | | | | \$525.06 | | | | |
| <i>Median</i> | | | | | | \$343.40 | | | | |

Source: S&P Capital IQ (data); eResearch Corp.

Key Initiatives for SBMI in 2024 Included:

- Tactical financings
- Compliance and production ramp-up at the Buckeye Mine in Arizona
- Strategic business partnership with Countryman Investments
- Planned production at the Washington Mine in Idaho
- Processing third-party silver material at the mill near Globe, Arizona

APPENDIX C: RECENT NEWS RELEASES

SBMI Closes First Tranche of Financing and Provides Operational Update January 4, 2024

- **SBMI** closed the first tranche of a non-brokered financing initially announced in October 2023, raising \$230,800 through units priced at \$0.12 per unit.
- Each unit included one common share and one full warrant, exercisable at \$0.17 for a term of two years, with no acceleration clause.
- Additional tranches are anticipated in the near future to support ongoing operations.

SBMI Provides Operational Update in Arizona and Announces Second Tranche of Financing January 9, 2024

- **MSHA** and the Arizona State Mine Inspector completed inspections at the Buckeye Mine, requesting minor site adjustments.
- **SBMI** expects commercial production to commence upon completing these adjustments and confirms it has received a mine and mill number from **MSHA**.
- **SBMI** closed the second tranche of financing, raising \$279,085 through units at \$0.12, each including a share and a two-year warrant exercisable at \$0.17.

SBMI Assays 480 oz/t Silver from Vein in New Zone1 February 5, 2024

- High-grade assays from Zone1 returned values as high as 480 oz/t.
- **SBMI** noted consistent improvement in head grade from mining operations, indicating that higher-grade material will be fed into the mill.

SBMI Continues Production at its Arizona Mill February 22, 2024

- **SBMI** completed MSHA-required modifications and resumed operations at the Arizona mill, processing stockpiled material from the Buckeye Mine.
- The Company plans to establish production targets and complete outstanding orders as stockpile processing continues.

SBMI Commences Processing of Third-Party Silver Material May 2, 2024

- **SBMI** initiated test processing of mineralized material from a third-party source, processed at its Arizona mill.
- This third-party ore could provide an additional revenue stream and improve mill utilization rates.

SBMI Announces Closing on Debenture May 13, 2024

- **SBMI** closed on a \$940,000 debenture financing announced in April 2024.
- The funds are planned to support work at the Buckeye Mine in Arizona and exploration at the Washington Mine in Idaho.

SBMI Provides an Update on the Washington Mine, New Director Appointment, and Lead Order for Financing**August 2, 2024**

- **SBMI** finalized a contract with an experienced contractor for mining at the Washington Mine in Idaho. Expected operations include drifting and ore extraction from historic high-grade veins.
- **SBMI** appointed Kerem Usenmez, M.Sc., P.Eng., to its board of directors. Mr. Usenmez brings 25 years of global mining and engineering experience, with expertise in open-pit and underground mining, adding depth to **SBMI's** technical and operational capabilities.
- **SBMI** announced a lead order for \$300,000 as part of its \$1 million convertible debenture offering to fund continued development at the Washington Mine and for working capital.

SBMI Grants Options to Consultants**June 24, 2024**

- **SBMI** issued 1.8 million options at \$0.10 per option to consultants, with terms ranging from two to five years.

SBMI Sets Mining Schedule at Washington Silver Mine in Idaho and Updates Arizona Mine Operations**August 26, 2024**

- **SBMI** set an operational schedule to begin mining at the Washington Mine, Idaho, with ore extraction expected to continue through winter.
- The Buckeye Mine's rockbolting process is nearing completion; mining in high-grade Zone1 is anticipated to begin shortly.

SBMI Provides Third-Party Mineralized Material Update**October 9, 2024**

- **SBMI** announced the successful due diligence review of third-party mineralized material, including sampling and assay verification at its mill.
- The Company entered into a lease agreement for long-term processing of the material, with production expected to generate a significant revenue stream.

SBMI Announces Closing on Oversubscribed Debenture**October 21, 2024**

- **SBMI** closed an oversubscribed \$1,118,000 debenture financing initially announced on August 2, 2024.
- Funds are allocated for work at the Buckeye and Washington mines and processing of third-party ore.

APPENDIX D: ERESEARCH DISCLOSURE

eResearch Corporation

eResearch was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers benefit by having written research on a variety of public companies, using fundamental analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website (www.eresearch.com) and other channels, including social media, news releases, and video.

Note: eResearch company reports are available FREE on our website: www.eresearch.com

eResearch Intellectual Property: No representations, express or implied, are made by eResearch as to the accuracy, completeness, or correctness of the comments made in the report. This report is not an offer to sell or a solicitation to buy any security of the Company. Neither eResearch nor any person employed by eResearch accepts any liability whatsoever for any direct or indirect loss resulting from any use of its report or the information it contains. This report may not be reproduced, distributed, or published without the express permission of eResearch.

Analyst Accreditation

eResearch Analyst on this Report: Chris Thompson CFA, MBA, P.Eng.

Analyst Affirmation: I, Chris Thompson, hereby state that, at the time of issuance of this research report, **eResearch Corp.**, the company that I own and control, owns 50,000 common shares of **Silver Bullet Mines Inc.** (TSXV: SBMI). The shares were received in 2021 for payment of services to write research reports on **SBMI**.

eResearch Disclosure Statement

eResearch is engaged solely in the provision of equity research to the investment community. eResearch provides published research and analysis to its Subscribers on its website (www.eresearch.com), and the general investing public through its extensive electronic distribution network and newswire agencies. With regards to the distribution of its research material, eResearch makes all reasonable efforts to provide its publications, via e-mail, simultaneously to all of its Subscribers.

eResearch does not manage money or trade with the general public, provides full disclosure of all fee arrangements, and adheres to the strict application of its Best Practices Guidelines.

eResearch accepts fees from the companies it researches (the "Covered Companies"), from financial institutions, or other third parties. The purpose of this policy is to defray the cost of researching small and medium capitalization stocks which otherwise receive little or no research coverage.

To ensure complete independence and editorial control over its research, eResearch follows certain business practices and compliance procedures. Management of the Covered Companies is sent copies, in draft form before publication to ensure our facts are correct, that we have not misrepresented anything, and have not included any non-public, confidential information. At no time is management entitled to comment on issues of judgment, including Analyst opinions, viewpoints, or recommendations. All research reports must be approved, before publication, by eResearch's Director of Research, who is a Chartered Financial Analyst (CFA).

All Analysts are required to sign a contract with eResearch before engagement and agree to adhere at all times to the CFA Institute Code of Ethics and Standards of Professional Conduct. eResearch Analysts are compensated on a per-report, per-company basis and not based on his/her recommendations. Analysts are not allowed to accept any fees or other considerations from the companies they cover for eResearch. Analysts are allowed to trade in the shares, warrants, convertible securities, or options of companies they cover for eResearch only under strict, specified conditions, which are no less onerous than the guidelines postulated by IIROC. Similarly, eResearch, its officers, and directors are allowed to trade in shares, warrants, convertible securities, or options of any of the Covered Companies under identical restrictions.