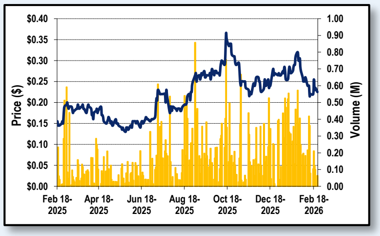
# Silver Bullet Mines Corp.

TSXV: SBMI | OTC: SBMCF

Rating: Speculative Buy
Target Price: $0.70




| REVISIONS | Rev. | Prior |
|---|---|---|
| Rating | Spec. Buy | Spec. Buy |
| 1-Year Target Price | $0.70 | $0.40 |
| Revenue F2025A (M) | $0.0 | $0.0 |
| Revenue F2026E (M) | $10.4 | $5.9 |

| MARKET DATA | |
|---|---|
| Date: | Feb 25, 2026 |
| Current Price (C$): | $0.23 |
| 52-Week Range: | $0.13 / $0.39 |
| Shares O/S (M): | 147.7 |
| Mkt Cap ($M): | $34.0 |
| EV ($M): | $34.3 |
| Avg. Weekly Vol. (M) | 0.59 |

Website: www.silverbulletmines.com

| FINANCIALS | | |
|---|---|---|
| Fiscal Year End: | FYE (June 30) | |
| | F2025A | F2026E |
| Revenue ($M) | $0.0 | $10.4 |
| | F2025A | FQ2/2026A |
| Cash ($M) | $0.24 | $0.37 |
| Current Assets ($M) | $0.3 | $0.5 |
| Net Cash ($M) | -$2.1 | -$1.6 |
| Total Assets ($M) | $3.3 | $3.6 |
| Debt ($M) | $1.7 | $0.7 |
| Total Liabilities ($M) | $3.4 | $2.2 |

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

## Dual Revenue Model and Expanding Cash Flow Support Higher Valuation for Silver Bullet Mines

**Silver Bullet Mines Corp.** (“**SBMI**” or “the Company”) is a Canadian-based silver, gold, 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 (“Buckeye Mine”) and a wholly owned mill in Globe, Arizona.

**SBMI** began production at the Buckeye Mine in 2022, but is currently prioritizing higher-margin production and generating revenue by processing mineralized material from the King Tut (KT) and Super Champ (SC) mines. The Company has also secured a direct ship ore (DSO) agreement covering material from its Arizona assets, and recently acquired the past-producing Columbia and Gold Queen mines to expand its hub-and-spoke processing model.

**SBMI** is also advancing its Washington Mine (WM) in Idaho, a historical silver and gold mine, which is being prepared for production. Additionally, the Company is exploring copper-gold porphyry targets on the BD Property.

### RECENT COMPANY UPDATES:

- **Offtake Agreements: SBMI** received its first payment from Arizona operations, following multiple concentrate shipments from both KT & SC under its offtake arrangement. Five shipments have now been completed, marking **SBMI’s** transition into repeatable, cash-generating operations.
- **Other Arizona Activities:** At KT, underground development has been completed and mining has commenced, with management expecting higher head grades from underground material. **SBMI** also secured a one-year DSO agreement covering up to 12,000 tons in 2026, enabling monetization of additional material outside the mill while maintaining production from SC.
- **Washington Mine Progress:** In Idaho, **SBMI** advanced the WM through underground rehabilitation & surface sampling, reporting average silver assays of 33.9 oz/ton from recent work. Work continues as the Company finalizes third-party processing arrangements.
- **Strengthened Financial Position:** In addition to prior equity financings totaling approximately $4.9 million in 2025, recent warrant exercises have added incremental working capital during the production ramp-up phase.

### FINANCIAL ANALYSIS & VALUATION:

- We are maintaining a Speculative Buy rating on SBMI and increasing our one-year Target Price to $0.70.
- Our valuation is based on a 12-month forward-looking cash flow estimate from the expected production at KT and SC, the bulk sample from the WM, the recently announced DSO agreement, and assigning a $5 million value to the McMorris Mine and other legacy properties.

## 1.0 RECENT COMPANY NEWS

**RECENT NEWS**

- Direct Ship Agreement Leads to Second Revenue Stream
- Operational Milestone as First Payment Received
- Underground Mining and New Zone Discovery at King Tut
- Columbia and Gold Queen Acquisitions in Arizona
- Warrant Exercises Improve Liquidity

Since our last Update Report on December 8, 2025, **SBMI** has released five news releases that impact our forward valuation assumptions.

The key changes relate to revenue diversification, operational validation, and liquidity strengthening. Collectively, these updates reduce execution risk and materially increase forward cash flow visibility.

### *1.1 Direct Ship Agreement Leads to Second Revenue Stream*

- On December 18, 2025, SBMI announced a one-year agreement to direct ship material from the KT and Super Champ ("SC") mines to a major industry participant.
- This agreement introduces a revenue stream independent of mill throughput.
    - The agreement covers up to 12,000 tons in calendar 2026, with potential expansion.
    - Material will be crushed to ¼ inch at the mine site and bypass the Globe mill.
    - **SBMI** will receive 80% provisional payment within five days of shipment documentation.
    - Pricing is based on the mean daily LBMA gold and silver quotations.
    - The counterparty is the same buyer currently purchasing concentrate.
- This agreement enables SBMI to monetize broader-grade material while preserving mill capacity for higher-grade underground feed.

### *1.2 Operational Milestone as First Payment Received*

- On January 30, 2026, **SBMI** announced receipt of its first payment from Arizona operations.
- This milestone confirms the full mining-to-payment production cycle.
    - Five concentrate shipments have been completed to date.
    - A sixth shipment is currently in process.
    - Management expects head grades to increase as underground material replaces surface waste.
    - Revenue details remain confidential.
- The Company has demonstrated the initial mining-to-payment production cycle.

### *1.3 Underground Mining and New Zone Discovery at King Tut*

- On January 5, 2026, **SBMI** announced the discovery of a new silver-rich zone at the KT Mine.
- Twelve samples returned 7 to 27 oz/ton silver, with gold and lead credits.
    - The newly identified structure has been traced over 200 feet in length.
    - Approximately 200 tons have been removed for bulk processing.

  - Underground development at KT has been completed.
  - Mining from underground headings has commenced.
- Underground production is expected to increase average head grades relative to earlier surface feed.

### *1.4 Columbia and Gold Queen Acquisitions*

- On February 5, 2026, **SBMI** announced the acquisition of the Columbia and Gold Queen past-producing mines in Arizona.
- These properties are located less than 48.3 km (30 miles) from the Globe mill.
  - The acquisition involved a small cash payment with no shares or royalties issued.
  - Due diligence testing indicates the material is suitable for mill processing.
  - Management intends to evaluate stockpiles for potential near-term feed.
- The acquisitions expand the hub-and-spoke model without dilution.

### *1.5 Warrant Exercises and Liquidity*

- Recent news releases disclosed cumulative warrant exercises during Q1 and Q2 of fiscal 2026.
- After adjusting for previously modeled exercises, incremental cash raised since September 30 totals approximately $1.17 million.
  - Warrants were exercised at $0.16 to $0.18 strike prices.
  - The average exercise price approximated $0.163 per warrant.
  - Liquidity has strengthened during the production ramp-up phase.
- We believe that the balance sheet is well-positioned to support near-term execution.

**Figure 1: Panning of the Mineralized Material from New High Grade Silver/Gold Zone at the KT Mine in Arizona**

*Source: Company News Release (January 5, 2026)*

## 2.0 INVESTMENT THESIS – WHY INVEST IN SILVER BULLET MINES

**WHY INVEST IN SILVER BULLET MINES**

- Revenue Generation from Company-Operated Processing
- Dual-Channel Revenue Model
- Multi-Asset Pipeline

The investment thesis from our December 8, 2025, report remains intact but has been strengthened.

The investment thesis was that **SBMI's** ownership of a functioning mill and multiple past-producing mines positioned the Company to transition into a multi-asset, cash-generating precious metals producer with scalable operating leverage.

**SBMI** now operates a dual-channel monetization model with validated concentrate sales and an active DSO agreement.

Execution risk has declined following receipt of payment and repeat shipments; however, the Company has yet to demonstrate sustained, uninterrupted monthly production levels, which remains an important operating risk.

### *2.1 Revenue Generation Through Company-Operated Processing*

The Globe mill in Arizona remains central to **SBMI's** operating model, serving as the hub of its hub-and-spoke strategy and enabling the Company to control processing, recoveries, and timing of concentrate sales.

- Concentrate shipments have now been completed and paid, validating the full production cycle from mining through processing and sale.
- Underground mining at KT in Arizona supports expectations for higher forward head grades relative to earlier surface-derived material.
- Mill throughput assumptions remain conservative relative to demonstrated capacity, providing operational leverage as feed volumes increase.

The processing performance and concentrate sales provide a stronger foundation for forward revenue estimates, although sustained production consistency remains to be demonstrated.

### *2.2 Cash Flow from Mineralized Feedstock*

The addition of a Direct Ship Ore (DSO) channel represents a structural enhancement to SBMI's business model, reducing reliance on mill throughput alone and expanding the range of material that can be monetized.

- Higher-grade underground feed can be directed to the mill, where processing and concentration maximize value recovery.
- Broader-grade or surface-accessible material can be directed to DSO, enabling incremental revenue without additional mill constraints.
- Working capital improves through 80% provisional payments shortly after shipment.
- Production scaling is less constrained by mill capacity, allowing total throughput to increase beyond mill-only limits.

This dual-channel structure enhances revenue flexibility, improves capital efficiency, and supports a higher forward cash flow profile, which underpins our revised valuation.

### *2.3 Multi-Asset Pipeline*

**SBMI** now controls multiple past-producing assets in Arizona and Idaho capable of supplying feed to its processing operations, reducing single-asset dependence and enhancing production optionality.

- KT in Arizona remains the primary gold driver and is expected to anchor near-term revenue as underground mining advances.
- SC in Arizona provides silver-rich supplemental feed and operational flexibility within the Arizona portfolio.
- The Washington Mine in Idaho offers a silver-dominant bulk sample upside, with ongoing evaluation toward third-party processing.
- Columbia and Gold Queen expand Arizona feed optionality and align with the Company's hub-and-spoke processing strategy.

This diversified asset base supports operational resilience, provides multiple potential feed sources, and reinforces **SBMI's** positioning as a multi-asset emerging precious metals producer.

## VALUATION

- The strengthened production profile and dual-channel revenue structure support our maintained Speculative Buy rating and revised \$0.70 target.

# 3.0 VALUATION

## *3.1 Price Target Calculation*

The strengthened production profile and dual-channel revenue structure support our maintained Speculative Buy rating and revised \$0.70 target.

Our valuation is based on forward-looking cash flow estimates derived from expected production at the Company's active projects: King Tut and Super Champ in Arizona, the Washington Mine in Idaho, and the recently secured Direct Ship Ore (DSO) agreement covering material from the Arizona assets.

The analysis incorporates assumptions regarding mill throughput, DSO volumes, head grades, recoveries, operating margins, commodity prices, and foreign exchange, reflecting SBMI's transition to a dual-channel, multi-asset production model. **These margins assume stable recoveries and no significant cost escalation during ramp-up.**

The resulting forward enterprise value is adjusted for projected net cash to determine a 12-month forward equity valuation. **We treat projected 12-month cash flow as a proxy for sustainable run-rate production, assuming continuity of grade and access to mineralized material.**

**Arizona Operations**

- Our model assumes that the Globe mill processes material for 5 tons per hour, operating 5 hours per day, 20 days per month, and 12 months a year.
- These assumptions result in a processing capacity of approximately 6,000 tons annually. These assumptions are well below the mill's designed capacity of about 125 tpd (40,000 to 45,000 tons per year if operated continuously), highlighting potential production upside.
- We allocated the 6,000 tons across SBMI's two Arizona mines, assuming King Tut supplies 5,400 tons per year (90% of the mill feed) and Super Champ supplies 600 tons per year (10% of the mill feed).
- For King Tut, we apply an estimated head grade of 0.5 oz/ton gold and a 90% recovery rate, reflecting both historical mine data and metallurgical test results disclosed by the Company. At a gold price of US\$3,800/oz, and assuming 50% operating margins, King Tut is expected to generate approximately US\$4.6 million in revenue over the next 12 months. This reflects its role as the Company's primary contributor to near-term cash flow.
- For Super Champ, we assume an average head grade of 20 oz/ton silver, also at 90% recovery, consistent with sampling results from the mine's exposed vein system. Using a silver price of US\$45/oz and a 50% margin, Super Champ is expected to generate revenue of approximately US\$0.24 million in the next year.
- In addition to mill throughput, we model 10,000 tons of DSO material at an estimated average grade of 0.25 oz/ton gold. Applying a 70% operating margin and a gold price of US\$3,800/oz, DSO is expected to generate approximately US\$6.65 million in revenue over the next 12 months. The DSO agreement materially expands revenue beyond mill-only constraints and improves working capital velocity through 80% provisional payments.

- Please note that **SBMI** has not released any margin data; therefore, margin assumptions for the Arizona and Idaho mines represent ***e*Research**'s independent, informed estimates rather than the Company's disclosed data.
- Together, we estimate Arizona operations will generate approximately US$11.5 million in revenue over the next 12 months (see Figure 2).

**Idaho Operations**

- The Washington Mine in Idaho provides additional upside through bulk sample processing. We assume the Company mines 5,000 tons over the next year at an estimated 30 oz/ton silver grade, again using a 90% recovery assumption.
- Because the Washington Mine's mineralized material is expected to be processed by a third party, we apply a 60% margin. At US$45/oz silver, this results in an expected revenue contribution of approximately US$3.6 million (see Figure 2).
- The Idaho estimate reflects development-stage production rather than steady-state operations, but still provides meaningful incremental cash flow.

**Total Revenue and Valuation**

Total revenue across all projects is estimated at approximately US$15.16 million, or approximately $20.73 million at a US/CAD exchange rate of approximately 1.37.

After deducting estimated corporate and mine development expenses of $4.6 million, including the cost of a crusher, the forward cash flow is projected at approximately $16.1 million.

Applying a 7.0× cash-flow multiple, consistent with comparable early-stage precious metals producers, yields a forward enterprise value of $112.9 million. EBITDA is being used as a proxy for operating cash flow.

The Cash Flow multiple is supported by the Silver Comp table in Appendix B, where comparable producers trade at an average EV/EBITDA of 26.0x and a median of 20.1x. However, public market multiples vary widely depending on production stage, with many small producers trading at elevated multiples during ramp-up phases. We discount the multiple to 7.0× to reflect **SBMI's** smaller scale and early production profile.

We also assigned a $5 million value to the McMorris Mine and other legacy properties, resulting in a total enterprise value of $117.9 million.

Adjusting for projected net cash (February 2027 estimate) results in a forward equity value of approximately $135.2 million. Dividing by the fully diluted shares outstanding, the calculation results in a 12-month price per share of $0.70 per share (see Figure 2).

Share dilution is calculated using the Treasury Method, which assumes that all in-the-money options and warrants are exercised at the Valuation Price and that the proceeds are used to repurchase shares at the same Valuation Price.

In Figure 4, we provide a Sensitivity Analysis to calculate the impact of changes to our assumptions (Figure 3).

**We are maintaining a Speculative Buy Rating on SBMI and increasing our one-year Price Target to $0.70.**

## Figure 2: One-Year Forward Price Per Share Calculation

| Valuation Calculation | | |
|---|---|---|
| **Arizona - King Tut (primarily gold)** | | |
| Tons | 5,400 | |
| Average Head Grade (Au) - estimate | 0.5 oz/t | |
| **Total** | **2,700 oz** | |
| Recovery Rate | 90% | |
| Gold Price: | US$3,800.00 | |
| Net Revenue / oz | US$1,900.00 | |
| **Revenue (King Tut)** | | **US$4,617,000** |
| | | |
| **Arizona - Super Champ (primarily silver)** | | |
| Tons | 600 | |
| Average Head Grade (Ag) - estimate | 20.0 oz/t | |
| **Total** | **12,000 oz** | |
| Recovery Rate | 90% | |
| Silver Price: | US$45.00 | |
| Net Revenue / oz | US$22.50 | |
| **Revenue (King Tut)** | | **US$243,000** |
| **Arizona - DSO (primarily gold)** | | |
| Tons | 10,000 | |
| Average Head Grade (Au) - estimate | 0.25 oz/t | |
| **Total** | **2,500 oz** | |
| Recovery Rate | n/a | |
| Gold Price: | US$3,800.00 | |
| Net Revenue / oz | US$2,660.00 | |
| **Revenue (DSO)** | | **US$6,650,000** |
| **Combined Revenue (King Tut, Super Champ, & DSO)** | | **US$11,510,000** |
| | | |
| **Idaho - Washington Mine (primarily silver)** | | |
| Tons (Bulk Samples) | 5,000 | |
| Average Head Grade (Ag) - estimate | 30.0 oz/t | |
| **Total** | **150,000 oz** | |
| Recovery Rate | 90% | |
| Silver Price: | US$45.00 | |
| Net Revenue / oz | US$27.00 | |
| **Revenue (Washington Mine)** | | **US$3,645,000** |
| | **Total Revenue (US$)** | **US$15,155,000** |
| | **Total Revenue (C$)** | **$20,728,554** |
| *Note: US/CAN FX:1.37* | | |
| Company & Mine Development Expenses (12-months) (est.) | | $4,600,000 |
| **Cash Flow Over the Next 12 Months** | | **$16,128,554** |
| **Valuation Multiple 7.0x Cash Flow** | | **$112,899,880** |
| McMorris Mine & Other Properties | | $5,000,000 |
| **Enterprise Value:** | | **$117,899,880** |
| Cash (February 2027) (est.) | $16,365,686 | |
| Debt (Balance Sheet - Dec. 31, 2025) | $685,301 | |
| Debt (Retired After Dec. 31, 2025) | $0 | |
| Cash (Raised After Dec. 31, 2025) | $1,664,467 | |
| **Net Debt** | **-$979,166** | |
| Net Debt (February 2027) (est.) | | -$17,344,852 |
| **Equity Value** | | **$135,244,732** |
| Diluted Shares (at Valuation Price) | | 193,334,610 |
| **Price Per Share (In 12 Months)** | | **$0.70** |

*Source: eResearch Corp.*

## Figure 3: Model Assumptions

| Arizona Mining & Mill Assumptions | |
|---|---|
| **Mill Rate** | |
| 5 tons of production per hour | 5.0 |
| 5 hours of production per day | 5.0 |
| 20 days of production per month | 20.0 |
| 12 months of production per year | 12.0 |
| **Total Yearly Production (tons)** | **6,000** |
| King Tut (90% Production) (tons) | 5,400 |
| King Tut - Au Grade (oz/ton) | 0.5 |
| King Tut - Recovery Rate | 90% |
| King Tut - Margin | 50% |
| Super Champ (10% Production) (tons) | 600 |
| Super Champ - Ag Grade (oz/ton) | 20.0 |
| Super Champ - Recovery Rate | 90% |
| Super Champ - Margin | 50% |
| DSO (% Production) (tons) | 10,000 |
| DSO - Au Grade (oz/ton) | 0.25 |
| DSO - Recovery Rate | n/a |
| DSO - Margin | 70% |
| **Idaho Mining Assumptions** | |
| Washington Mine - Bulk Sample (ton) | 5,000 |
| Washington Mine - Ag Grade (oz/ton) | 30.0 |
| Washington Mine - Recovery Rate | 90% |
| Washington Mine - Margin | 60% |

*Source: eResearch Corp.*

## Figure 4: Sensitivity Chart for the Valuation Calculation (C$M)

| | | Gold Price (US$/oz) | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | -10% | -5% | $3,800 | +5% | +10% | **Margin - Idaho** | |
| **Silver Price (US$/oz)** | -10% | $0.50 | $0.54 | $0.59 | $0.64 | $0.69 | 40% | 50% |
| | -5% | $0.54 | $0.59 | $0.64 | $0.70 | $0.75 | 45% | 55% |
| | $45.00 | $0.59 | $0.64 | **$0.70** | $0.75 | $0.81 | 50% | 60% |
| | +5% | $0.62 | $0.68 | $0.74 | $0.80 | $0.85 | 55% | 60% |
| | +10% | $0.66 | $0.71 | $0.77 | $0.84 | $0.91 | 60% | 60% |
| | | -10% | -5% | 6,000 | +5% | +10% | **Margin - Arizona** | |
| | | **Arizona Production (tons per year)** | | | | | | |
| | | -10% | -5% | 5,000 | +5% | +10% | | |
| | | **Idaho Production (tons per year)** | | | | | | |

*Source: eResearch Corp.*

**Figure 5: Shares Outstanding for Fully Diluted Share Count and Valuation**

| Shares Outstanding | Number |
|---|---|
| **Shares Outstanding at end of the Previous Quarter (Sep. 30, 2025)** | **130,795,212** |
| Shares issued in the Quarter | 13,520,342 |
| **Shares Outstanding at end of the Quarter (Dec. 31, 2025)** | **144,315,554** |
| | |
| **Shares Issued after the Quarter end (Sep. 30, 2025)** | |
| Warrants Exercised - FQ1/26 | 254,000 |
| Warrants Exercised - January 5, 2026 News Release ($0.16 incremental) | 4,430,167 |
| Warrants Exercised - January 5, 2026 News Release ($0.17) | 1,923,334 |
| Warrants Exercised - February 18, 2026 News Release ($0.16-$0.18) | 3,601,667 |
| **Total Shares Issued after the Quarter End** | **10,209,168** |
| | |
| **Shares Outstanding - Estimate (Feb. 25, 2026)** | **154,524,722** |
| **- In the Money Options (Total Number of Options: 8.4M)** | **2,950,000** |
| **- In the Money Warrants (Total Number of Warrants: 48.2M)** | **34,950,864** |
| **Shares Outstanding - Fully Diluted (Stock Price > Derviative Price)** | **192,425,586** |
| **Shares Outstanding - Valuation (Target Price > Derviative Price)** | **194,521,389** |

*Sources: Company Reports, eResearch Corp*

### *3.2 Other Assumptions*

Corporate and mine development expenses of $4.6 million include $180,000 per year for the leasing or financing and operating costs of a new crusher.

At this time, we assign $5 million in value to SBMI's non-core projects, which include:

- The potential restart of the McMorris Mine in Arizona, and
- Copper–gold porphyry opportunities on the BD Property in Arizona.

These assets are considered early-stage and are valued on a qualitative basis pending further technical work or economic studies.

For the Arizona operations, we assume SBMI can continue to identify and extract economic mineralization from both the King Tut and Super Champ mines at sufficient grades and volumes to support mill operations and DSO commitments over the next year.

For the Idaho operations, we assume SBMI can secure the necessary contractual arrangements for third-party processing of mineralized material from the Washington Mine. Our valuation assumes that such an agreement is reached and that Washington material can be processed on a schedule that supports the forecast tonnage and margins.

### *3.3 Risks*

**Going Concern**

Currenlty the Company operates at a loss. Its financial statements include a going concern note that the continued access to financing cannot be assured.

**Equity Dilution**

The issuance of shares and warrants through prior financings and recent warrant exercises increases the fully diluted share count and reduces per-share valuation sensitivity. While recent exercises have strengthened liquidity, additional capital requirements, particularly if production ramp-up underperforms expectations, could result in further equity issuance and dilution.

Although the Company is generating revenue and has improved its working capital position, sustained execution may be required to reduce reliance on external financing. Future equity raises, if required, could limit upside in the near term.

**Rising Operating Costs**

Operating expenses increased to approximately $4.88 million in Fiscal 2025 as development activity expanded. Including monthly costs for a new crusher, Fiscal 2026 operating expenses are trending at approximately $4.2 million (excluding non-cash expenses), representing a slight year-over-year decline. For SBMI, operating expenses currently include mine development costs, as no NI 43-101 compliant technical report has yet established formal life-of-mine parameters. Under IFRS, expenditures related to the mines are expensed as incurred, with capitalization limited to the mill and associated equipment.

Sustained cost escalation in labour, consumables, contract mining, crushing (for DSO), transportation, and regulatory compliance could offset expected margin assumptions. If operating costs rise materially above modeled levels, forward cash flow and valuation could be adversely affected.

**Mine Development and Production Risks**

SBMI remains in the early stages of establishing sustained production across multiple assets. While concentrate shipments have been completed and payment received, the Company has not yet demonstrated long-term, uninterrupted monthly delivery volumes.

The valuation assumes consistent tonnage delivery from King Tut, Super Champ, DSO material, and Washington bulk sampling. Delays in underground development, grade variability, lower-than-expected recoveries, or logistical constraints could reduce throughput and revenue.

Head grades used in the valuation are based on sampling and early production data and may not fully reflect realized grades at scale.

**DSO Execution Risk**

A meaningful portion of the revised valuation is supported by assumed DSO volumes. While a contract is in place, execution risk remains.

The valuation assumes approximately 10,000 tons of DSO material at modeled grades and margins. Variability in grade, payable terms, crushing efficiency, transportation costs, or shipment timing could materially impact realized cash flow.

Failure to achieve targeted DSO volumes would reduce forward revenue and valuation.

**Processing and Offtake Risks**

The valuation assumes reliable processing capacity and uninterrupted operations at the Globe mill. Any mechanical disruption, water constraints, or feedstock variability could directly impact revenue.

In Idaho, the Washington Mine requires finalization of third-party processing arrangements. Changes in toll-milling terms, treatment charges, or smelter deductions could reduce expected margins.

While the Company has established a relationship with a buyer, continued performance and counterparty reliability remain important.

**Commodity Price Volatility**

The valuation is sensitive to gold and silver prices. Assumptions of US$3,800/oz gold and US$45/oz silver provide leverage to strong metal markets; however, price declines would reduce net revenue and margin assumptions.

Precious metal volatility remains a key risk, particularly for small-scale producers with limited hedging.

**Exploration and Resource Uncertainty**

SBMI does not currently have NI 43-101 compliant mineral resource estimates for King Tut, Super Champ, Washington, Columbia, or Gold Queen.

Production forecasts rely on geological interpretation, historical records, sampling results, and bulk sample data. Continuity, grade distribution, and scale of mineralization may differ from expectations.

Exploration success is not guaranteed, and resource expansion remains speculative.

**Regulatory and Permitting Risks**

Mining and processing activities in Arizona and Idaho remain subject to state and federal regulations. Additional permitting requirements, safety compliance matters, or inspections could introduce operational delays or increase expenditures.

The Company's ability to maintain permits in good standing is critical to uninterrupted development and production.

**Liquidity and Market Risks**

SBMI remains a small-cap issuer with limited trading liquidity. Market volatility, sector sentiment, or constrained capital market conditions could affect the Company's ability to fund expansion or manage balance sheet flexibility.

Share price volatility may remain elevated relative to larger, more established producers.

## APPENDIX A: FINANCIAL STATEMENTS

### Figure 6: Income Statement

| Silver Bullet Mines Corp. (TSXV:SBMI) Income Statement (C$) | F2022A June 30 | F2023A June 30 | F2024A June 30 | F2025A June 30 | FQ1/2026A Sep. 30, 2025 | FQ2/2026A Dec. 31, 2025 |
|---|---|---|---|---|---|---|
| **Total Revenue** | - | - | - | - | - | - |
| Mineral Property Development Expense | 2,919,630 | 1,675,832 | 964,522 | 3,961,350 | 689,604 | 859,202 |
| Exploration Expenses | 51,935 | 53,506 | 54,556 | 65,557 | 17,394 | 18,018 |
| General & Admin Expenses | 1,042,177 | 586,099 | 472,708 | 718,015 | 154,343 | 175,260 |
| Depreciation & Amortization | 47,000 | 136,649 | 138,220 | 133,958 | 33,055 | 33,264 |
| Professional Fees | 243,186 | 182,429 | 113,084 | 132,803 | 33,743 | 40,070 |
| Finance Expense | 21,017 | 141,232 | 189,772 | 412,863 | 51,258 | 17,826 |
| Stock-Based Compensation | 591,096 | - | 337,288 | 66,842 | 795,096 | |
| Listing Expense | 1,156,240 | - | - | - | | |
| **Operating Expense Total** | **6,072,281** | **2,775,747** | **2,270,150** | **5,491,388** | **1,774,493** | **1,143,640** |
| | | | | | | |
| **Operating Income** | **(6,072,281)** | **(2,775,747)** | **(2,270,150)** | **(5,491,388)** | **(1,774,493)** | **(1,143,640)** |
| Gain (Loss) On Sale Of Assets / Investment | | | | | | |
| Other Unusual Items | - | | | | | |
| **EBT Incl. Unusual Items** | **(6,072,281)** | **(2,775,747)** | **(2,270,150)** | **(5,491,388)** | **(1,774,493)** | **(1,143,640)** |
| **Net Income (Loss)** | **(6,072,281)** | **(2,775,747)** | **(2,270,150)** | **(5,491,388)** | **(1,774,493)** | **(1,143,640)** |
| Basic and diluted loss per share | (0.11) | (0.04) | (0.03) | (0.07) | (0.01) | (0.01) |
| Weighted average shares outstanding | 56,162,000 | 64,924,000 | 68,100,000 | 84,300,000 | 124,792,000 | 140,395,000 |

*Source: S&P Capital IQ; eResearch Corp.*

### Figure 7: Balance Sheet

| Silver Bullet Mines Corp. (TSXV:SBMI) Balance Sheet (C$) | F2022A June 30 | F2023A June 30 | F2024A June 30 | F2025A June 30 | FQ1/2026A Sep. 30, 2025 | FQ2/2026A Dec. 31, 2025 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash and Equivalents | 284,850 | 7,767 | 103,275 | 239,082 | 645,482 | 365,686 |
| Miscellaneous Receivables | 78,313 | 15,865 | 16,871 | 14,973 | 20,334 | 25,434 |
| Prepaid Expenses and Deposits | 166,958 | 13,285 | 66,280 | 43,982 | 261,111 | 154,397 |
| **Total Current Assets** | **530,121** | **36,917** | **186,426** | **298,037** | **926,927** | **545,517** |
| Gross Property, Plant & Equipment | 3,090,208 | 3,117,614 | 3,086,462 | 3,051,016 | 3,084,887 | 3,019,479 |
| **Total Assets** | **3,620,329** | **3,154,531** | **3,272,888** | **3,349,053** | **4,011,814** | **3,564,996** |
| **LIABILITIES** | | | | | | |
| Accounts Payable and Accrued Liabilities | 264,021 | 679,785 | 1,061,471 | 1,684,306 | 1,720,474 | 1,476,314 |
| Convertible Debt | - | 297,900 | 308,000 | 306,969 | 313,223 | 308,385 |
| Note Payable | - | 314,736 | 342,176 | 122,788 | 69,606 | 68,531 |
| Convertible Promissory Note | - | 597,244 | 600,000 | - | - | - |
| Loan Payable | - | - | 307,958 | 306,968 | 313,222 | 308,385 |
| Other Current Liabilities | - | - | - | - | - | - |
| **Total Current Liabilities** | **264,021** | **1,889,665** | **2,619,605** | **2,421,031** | **2,416,525** | **2,161,615** |
| Note Payable | 273,970 | - | - | - | - | - |
| Convertible Debentures | - | - | 823,654 | 1,007,114 | 660,361 | - |
| **Total Liabilities** | **537,991** | **1,889,665** | **3,443,259** | **3,428,145** | **3,076,886** | **2,161,615** |
| **EQUITY** | | | | | | |
| Share Capital | 11,396,883 | 12,259,462 | 14,618,626 | 19,114,996 | 20,558,048 | 22,443,614 |
| Contributed Surplus | 928,096 | 828,893 | 1,166,181 | 1,113,123 | 1,306,148 | 1,306,148 |
| Warrants | 2,308,510 | 2,299,449 | 354,631 | 1,534,218 | 2,064,677 | 1,914,237 |
| Equity Component of Convertible Promissory Note | - | 57,193 | 123,826 | 81,492 | 81,492 | - |
| Comprehensive Inc. and Other | (1,101) | 46,463 | 63,109 | 19,211 | 44,969 | 8,222 |
| Deficit | (11,550,050) | (14,226,594) | (16,496,744) | (21,942,132) | (23,120,406) | (24,268,840) |
| **Total Common Equity** | **3,082,338** | **1,264,866** | **(170,371)** | **(79,092)** | **934,928** | **1,403,381** |
| **Total Liabilities And Equity** | **3,620,329** | **3,154,531** | **3,272,888** | **3,349,053** | **4,011,814** | **3,564,996** |
| **Total Shares Outstanding on Balance Sheet Date** | **62,421,962** | **66,697,522** | **69,939,898** | **118,990,694** | **130,795,212** | **144,315,554** |

*Source: S&P Capital IQ; eResearch Corp.*

## Figure 8: Cash Flow Statement

| Silver Bullet Mines Corp. (TSXV:SBMI) Cash Flow (C$) | F2022A June 30 | F2023A June 30 | F2024A June 30 | F2025A June 30 | FQ1/2026A Sep. 30, 2025 | FQ2/2026A Dec. 31, 2025 |
|---|---|---|---|---|---|---|
| **Net Income** | **(6,072,281)** | **(2,775,747)** | **(2,270,150)** | **(5,491,388)** | **(1,774,493)** | **(1,148,428)** |
| Accretion | 29,303 | 68,713 | 95,647 | 128,336 | 11,333 | 25,424 |
| Depreciation | 47,000 | 136,649 | 138,220 | 133,958 | 33,055 | 33,473 |
| Gain on Conversion Feature | - | - | - | - | - | - |
| Gain on Reduction in Debt | - | - | - | - | - | - |
| Share Based Compensation | 591,096 | - | 337,288 | 66,842 | 795,096 | - |
| Non-cash Compensation | - | - | - | - | 30,000 | 30,000 |
| Unrealized Foreign Exchange | 1,440 | 15,914 | 21,188 | 1,385 | 11,925 | (8,476) |
| Listing Expenses | 1,156,240 | - | - | - | | - |
| Other | - | - | - | 180,000 | | - |
| **Change in non-cash working capital:** | | | - | - | | - |
| Miscellaneous Receivables | 128,443 | 62,448 | (956) | 1,898 | (5,361) | (5,100) |
| Prepaid Expenses | 104,727 | 153,673 | (52,995) | 22,298 | (217,129) | 106,714 |
| Accounts Payable and Accrued Liabilities | (92,915) | 486,564 | 381,686 | 987,024 | 36,168 | (244,160) |
| **Cash Used in Operating Activities** | **(4,106,947)** | **(1,851,786)** | **(1,350,072)** | **(3,969,647)** | **(1,079,406)** | **(1,210,553)** |
| | | | | | | |
| Cash Received on Acquisition of Mining | 80,544 | - | - | - | - | - |
| Additions of Property, Mill and Equipment | (1,954,604) | (90,142) | (3,247) | (107,849) | (5,055) | (15,566) |
| **Cash from Investing** | **(1,874,060)** | **(90,142)** | **(3,247)** | **(107,849)** | **(5,055)** | **(15,566)** |
| | | | | | | |
| Issuance of Promissory Notes | - | 619,357 | - | - | - | - |
| Issuance of Note Payable | - | - | - | (223,264) | (53,182) | - |
| Issuance of Common Shares | 2,890,618 | 807,912 | 329,085 | 3,444,919 | 1,424,250 | - |
| Share Issue Cost | (88,797) | (25,194) | (5,664) | - | (55,092) | - |
| Proceeds of Share Subscription Payable | - | - | - | (155,823) | - | |
| Convertible Debt | - | 306,360 | 923,190 | 1,115,603 | - | |
| Loan Payable | - | - | 305,550 | - | - | |
| Exercise of Options & Warrants | - | - | - | 100,000 | 210,667 | 895,767 |
| **Cash from Financing** | **2,801,821** | **1,708,435** | **1,552,161** | **4,281,435** | **1,526,643** | **895,767** |
| Foreign Exchange Rate Adj. | (41,366) | (43,590) | (103,334) | (68,132) | (35,782) | 50,562 |
| **Net Change in Cash** | **(3,220,552)** | **(277,083)** | **95,508** | **135,807** | **406,400** | **(279,790)** |
| **Cash and Cash Equivalents, beginning of the period** | **3,505,402** | **284,850** | **7,767** | **103,275** | **239,082** | **645,482** |
| **Cash and Cash Equivalents, end of the period** | **284,850** | **7,767** | **103,275** | **239,082** | **645,482** | **365,692** |

*Source: S&P Capital IQ; eResearch Corp.*

## APPENDIX B: SILVER COMPARISON COMPANIES

### Figure 9: Silver Comparison Companies

| Company Name | Ticker | Price (C$) (Feb 24/26) | Shares Out. (M) | Cash (C$ M) | Debt (C$ M) | EV (C$ M) | Revenue (C$ M) | EBITDA (C$ M) | EV/Rev | EV/ EBITDA |
|---|---|---|---|---|---|---|---|---|---|---|
| **PRODUCERS** | | | | | | | | | | |
| Americas Gold and Silver | TSX:USA | $12.14 | 322.9 | $39.10 | $62.77 | $3,607.33 | $104.87 | -$14.48 | 34.4 | |
| Andean Precious Metals | TSX:APM | $10.23 | 149.8 | $121.37 | $52.67 | $1,423.22 | $298.94 | $104.03 | 4.8 | 13.7 |
| Austral Gold | TSXV:AGLD | $0.22 | 612.3 | $5.93 | $28.53 | $171.43 | $36.28 | -$2.32 | 4.7 | |
| Avino Silver & Gold | TSX:ASM | $12.34 | 156.8 | $57.33 | $4.67 | $1,818.07 | $86.07 | $34.57 | 21.1 | 52.6 |
| Aya Gold & Silver | TSX:AYA | $27.35 | 143.0 | $129.18 | $113.19 | $3,635.89 | $136.12 | $31.84 | 26.7 | 114.2 |
| Bear Creek Mining | TSXV:BCM | $1.12 | 346.8 | $2.32 | $85.27 | $514.32 | $98.40 | -$0.88 | 5.2 | |
| Boliden AB | OM: BOL | $106.20 | 284.0 | $1,374.06 | $3,539.65 | $32,367.71 | $13,910.01 | $3,267.87 | 2.3 | 9.9 |
| Minas Buenaventura | NYSE:BVN | US$39.09 | 254.0 | US$485.72 | US$710.63 | US$10,225.78 | US$1,407.84 | US$509.95 | 7.3 | 20.1 |
| Coeur Mining | NYSE:CDE | US$25.03 | 642.1 | US$553.60 | US$358.96 | US$15,491.81 | US$2,070.13 | US$1,010.84 | 7.5 | 15.3 |
| Discovery Silver | TSX:DSV | $10.79 | 810.3 | $410.67 | $6.59 | $7,930.28 | $653.21 | $351.34 | 12.1 | 22.6 |
| Endeavour Silver | TSX:EDR | $18.24 | 294.2 | $58.12 | $161.50 | $5,374.47 | $337.14 | $55.30 | 15.9 | 97.2 |
| First Majestic | TSX:AG | $41.01 | 493.1 | $973.82 | $308.74 | $18,983.92 | $1,257.16 | $610.82 | 15.1 | 31.1 |
| Fortuna Mining | TSX:FVI | $18.67 | 305.3 | $560.75 | $211.30 | $5,180.93 | $947.06 | $547.69 | 5.5 | 9.5 |
| Fresnillo plc | LSE:FRES | £40.32 | 736.9 | £1,822.96 | £850.46 | £29,271.50 | £3,944.29 | £1,657.18 | 7.4 | 17.7 |
| Glencore | LSE:GLEN | £5.19 | 11,696.6 | £2,987.00 | £42,340.00 | £85,916.50 | £247,535.00 | £9,742.00 | 0.3 | 8.8 |
| GoGold | TSX:GGD | $3.46 | 433.4 | $245.61 | $0.00 | $1,110.87 | $84.51 | $35.20 | 13.1 | 31.6 |
| Gold Resource | NYSEAM:GORO | US$1.56 | 161.9 | US$9.80 | US$0.00 | US$247.56 | US$61.43 | -US$5.92 | 4.0 | |
| Guanajuato Silver | TSXV:GSVR | $0.69 | 724.6 | $9.24 | $16.64 | $524.76 | $75.10 | $9.71 | 7.0 | 54.1 |
| Hecla Mining | NYSE:HL | US$23.99 | 670.3 | US$301.20 | US$285.09 | US$16,017.78 | US$1,423.02 | US$696.44 | 11.3 | 23.0 |
| Hochschild Mining | LSE:HOC | £7.83 | 514.5 | £109.84 | £323.85 | £4,240.69 | £1,075.97 | £422.95 | 3.9 | 10.0 |
| IMPACT Silver | TSXV:IPT | $0.38 | 345.5 | $26.23 | $0.22 | $110.47 | $41.39 | $3.77 | 2.7 | 29.3 |
| Integra Resources | TSXV:ITR | $5.66 | 201.5 | $81.57 | $23.25 | $1,032.99 | $219.13 | $63.32 | 4.7 | 16.3 |
| Kingsgate | ASX:KCN | A$6.37 | 267.2 | A$23.78 | A$116.85 | A$1,795.37 | A$336.75 | A$82.26 | 5.3 | 21.8 |
| Kuya Silver | CSE:KUYA | $1.04 | 192.1 | $6.63 | $0.00 | $196.35 | $2.31 | -$5.01 | 85.0 | |
| Luca Mining | TSXV:LUCA | $1.85 | 272.6 | $15.93 | $52.34 | $535.90 | $138.41 | $28.26 | 3.9 | 19.0 |
| McEwen Inc. | TSX:MUX | $36.98 | 54.5 | $75.42 | $127.73 | $1,490.25 | $166.45 | $16.88 | 9.0 | 88.3 |
| Pan American Silver | TSX:PAAS | $89.94 | 421.9 | $1,319.00 | $873.00 | $37,093.52 | $3,619.00 | $1,628.00 | 10.2 | 22.8 |
| Peñoles | BMV:PE&OLES | US$59.67 | 397.5 | US$3,127.19 | US$3,329.24 | US$25,975.79 | US$7,742.12 | US$2,650.99 | 3.4 | 9.8 |
| Santacruz Silver | TSXV:SCZ | $16.39 | 92.0 | $53.43 | $37.77 | $1,494.84 | $305.27 | $91.93 | 4.9 | 16.3 |
| Sierra Madre Gold | TSXV:SM | $2.15 | 196.4 | $11.56 | $5.38 | $431.22 | $19.66 | $3.52 | 21.9 | 122.5 |
| Silver X Mining | TSXV:AGX | $1.12 | 284.1 | $13.97 | $2.86 | $308.45 | $21.45 | $0.64 | 14.4 | 481.5 |
| Silvercorp | TSX:SVM | $18.15 | 220.8 | $462.84 | $114.90 | $3,481.10 | $365.89 | $192.79 | 9.5 | 18.1 |
| South32 | ASX:S32 | A$4.51 | 4,477.2 | A$1,664.00 | A$1,689.00 | $19,601.02 | $5,705.00 | A$1,193.00 | 3.4 | 16.4 |
| Southern Copper | NYSE:SCCO | US$212.65 | 826.1 | US$4,909.20 | US$7,327.00 | US$173,520.81 | US$13,420.00 | US$7,870.20 | 12.9 | 22.0 |
| SSR Mining | TSX:SSRM | $42.29 | 203.3 | $575.61 | $395.23 | $9,300.56 | $1,629.64 | $651.25 | 5.7 | 14.3 |
| Zijin Mining | SEHK:2899 | US$5.63 | 26,596.0 | US$10,942.03 | US$23,859.83 | US$172,528.09 | US$45,709.49 | US$9,892.11 | 3.8 | 17.4 |
| *Average (<100x)* | | | | | | | | | *11.4* | *26.0* |
| *Median* | | | | | | | | | *7.1* | *20.1* |
| **NEAR-TERM PRODUCTION/REVENUE** | | | | | | | | | | |
| Bayhorse Silver | TSXV: BHS | $0.13 | 358.9 | $0.57 | $0.40 | $46.48 | | -$2.16 | | |
| Bunker Hill Mining | TSXV:BNKR | $0.23 | 1,406.1 | $34.44 | $80.59 | $380.66 | | -$13.38 | | |
| Cerro de Pasco Resources | TSXV:CDPR | $0.70 | 608.0 | $26.86 | $4.87 | $395.42 | | -$8.28 | | |
| Excellon Resources | TSXV:EXN | $0.64 | 339.9 | $10.06 | $12.20 | $221.78 | | -$2.81 | | |
| **Silver Bullet Mines** | **TSXV: SBMI** | **$0.23** | **147.7** | **$0.37** | **$0.69** | **$33.56** | | **-$5.71** | | |
| Silver Elephant | TSX:ELEF | $0.26 | 57.2 | $0.24 | $0.04 | $14.39 | | -$3.37 | | |
| Skeena Resources | TSX:SKE | $49.60 | 121.1 | $153.01 | $61.73 | $5,821.70 | | -$101.02 | | |
| *Average* | | | | | | *$987.71* | | | | |
| *Median* | | | | | | *$221.78* | | | | |
| **PFS/FEASIBILITY STAGE** | | | | | | | | | | |
| AbraSilver | TSX:ABRA | $17.05 | 159.9 | $28.28 | $0.00 | $2,549.10 | | -$51.69 | | |
| Chesapeake Gold | TSXV:CKG | $4.33 | 76.9 | $10.41 | $0.00 | $339.48 | | -$3.68 | | |
| New Pacific Metals | TSX:NUAG | $7.07 | 184.1 | $41.97 | $0.00 | $1,224.05 | | -$4.68 | | |
| Seabridge Gold | TSX:SEA | $51.48 | 104.3 | $111.29 | $584.44 | $5,673.79 | | -$21.89 | | |
| Silver Mines | ASX:SVL | A$0.23 | 2,152.7 | A$19.30 | A$0.00 | $450.20 | $0.21 | -A$3.47 | | |
| Silver Tiger | TSXV:SLVR | $0.96 | 558.1 | $12.84 | $0.00 | $522.94 | | -$3.55 | | |
| Vizsla Silver | TSX:VZLA | $5.37 | 345.8 | $288.54 | $0.00 | $1,551.37 | | -$33.09 | | |
| *Average* | | | | | | *$1,758.70* | | | | |
| *Median* | | | | | | *$1,224.05* | | | | |

*Source: S&P Capital IQ; eResearch Corp.*

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**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, ***e*Research Corp.**, the company that I own and control, owns 50,000 common shares of **Silver Bullet Mines Corp.** (TSXV: SBMI). The shares were received in 2021 for payment of services to write research reports on **SBMI**.

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