Silver Bullet Resumes Processing Material at the Buckeye Silver Mine in Arizona

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Sometimes the best-laid plans don't go the way you had hoped. It makes me think of the old adage "if it was easy, everyone would do it". This seems especially true in the world of mining. Nothing ever seems to work out on the timeline anticipated and quite often it isn't on budget either. Nevertheless, all those steadfast entrepreneurs involved in junior mining soldier on, and hopefully someday they will reap the rewards of their efforts for themselves and their shareholders.

When I last wrote about Silver Bullet Mines Corp. (TSXV: SBMI | OTCQB: SBMCF) it was a story that was seemingly going from good to great. In July 2022, Silver Bullet announced it had successfully completed the commissioning of its wholly owned 125-tonne-per-day (MTPD) state-of-the-art mill, to process material from the Company's flagship Black Diamond Property. By mid-July the Company announced it had successfully produced silver, which is remarkable considering they spent less than C$3 million building this fully functional mill. However, after processing only 60 tons of Buckeye Mine material, they encountered challenges in pouring proper silver dore bars. Further review of what caused these challenges led to samples from its concentrates being sent to a third-party lab (Lone Pine Analytical), for further analysis. That analysis revealed significant quantities of Platinum Group Metals (PGMs) and gold in the mineralized material. Hence my comment about the story going from good to great.

PGMs and Gold or Not, That is the Question

Based on this new information, the Company temporarily stopped processing materials at the mill while it reviewed with metallurgical consultants, the best way to extract the PGMs and gold along with the silver. As far as problems go, this is a pretty good one to have to explain to shareholders. But that's when things took another twist, and this time it wasn't as good a story for investors. On March 2, 2023, Silver Bullet reported it had received results from six referee/check samples submitted to a second independent third-party lab (Activation Laboratories Inc.) which put the previous results into question. These new results indicate there is virtually no gold, palladium, and platinum versus that reported by Lone Pine Analytical.

Check Assay Results Not Syncing – Further Verification Required

The March 2, 2023 press release states that Lab #2 assayed these samples using ICP (induced coupled plasma) followed by OES (optical emission spectroscopy) analysis versus Lab #1 which used Mass Spectroscopy (MS), which is very technical for those not in the mineral analytical industry. Silver Bullet is investigating whether the difference in the process could explain the discrepancy in results so samples have been sent to a third independent certified lab for further verification and the results will be disclosed to the public immediately upon receipt.

Magnet Separates Iron from Mineralized Material to Resolve Silver Bar Issues

Whatever results from the mystery of the PGMs, Silver Bullet is moving forward and is back on track to start generating cash

flow from the processing of mineralized material at its 125 TPD pilot plant. The Company identified the presence of a highly magnetic iron alloy in the mineralized material which led to malformed dore bars. This was addressed by using a high-intensity magnet to pull the iron alloy from the concentrate prior to the smelting process and just like that, Silver Bullet was back in business and photographed a silver dore bar poured after the iron alloy was removed. The Company has stockpiled approximately 750 tons of mineralized material at the surface at the Buckeye Mine site, for shipment and processing at the mill site in Globe, Arizona. The Company is currently mining 150 to 200 tons of mineralized material per day, although rates will vary.

Upper Main Vein Assays up to 270.6 Ounces per Ton

Additionally, the Company began extracting mineralized material from a different section of the Buckeye Silver Mine, about 380 feet (116 metres) from the entrance to the adit as it works behind an area known as the "Treasure Room". The first significant assays from this vein were 43, 178.6, and 270.6 ounces of silver per ton (opt), which did not include material from the footwall. Grades like that will quickly make you less concerned about whether there are PGMs and gold sprinkled in for good measure.

Cash Flow Around the Corner

Depending on how quickly Silver Bullet can start generating free cash flow from the renewed silver operations, there's a chance the Company can start self-funding future working capital. It could be a fine line given there was only C$347,000 in cash and cash equivalents and working capital of C$285,000 available at the end of 2022, but, once the mill is producing silver at a

regular clip, there is always the potential for off-take agreements that could provide cash advances. As a junior miner, you always seem to be walking a tightrope between positive and negative momentum, but it appears Silver Bullet is swinging the pendulum back to the positive side of the ledger with the potential of cash flow just around the corner and pending resolution on the PGM and gold mystery.

With a market cap of C$12 million and a chart that appears to have found a good base in the C$0.17-C$0.18 range, there could be some exciting times ahead for SBMI.