

Tapping his toes to silver, Ecclestone hums the 3 P's from the old school mining hymnbook

New silver mines appearing on the scene are not a daily occurrence or even a regular happening. The silver price made a quantum leap from being rangebound for many years in the low to mid-teens to the low to mid-twenties (and now back below \$20) and yet there has not been a concomitant surge in new mine openings. Too many players want to mine the story rather than mine the metals. This is not the case with Silver Bullet Mines Corp. (TSXV: SBMI | OTCQB: SBMCF) that are advancing not one but two mines to production at the current moment.

They are singing out of our preferred hymnbook with the Three Ps (production, production, production) being their mantra and spending the money that would otherwise be going on endless consultants' reports on actually advancing the mine builds.

The Assets

The company has four principal assets, of which two are in development. These are the Buckeye, McMorris, & Silver Sevens mines in Arizona, the Washington mine in Idaho, the Lone Mountain & Ophir Canyon projects in Nevada and the Black Copper & Richmond (Richman) Basin Deposits in Arizona.

The producing project is Buckeye (which started production in the last two months) while the (imminent) development project is the Washington Mine in Idaho.

Miners with a Philosophy

Management at Silver Bullet do not mince their words. SBMI's

management has stated clearly that they do not intend to spend capital on a third-party resource estimate or Preliminary Economic Analysis for the Buckeye Silver Mine. In the company's opinion, given the nature of the known mineralization, the extensive historical third-party documentation, and the leadership team's direct experience at Buckeye, a third-party resource estimate or PEA would be prohibitively expensive to have written without actually advancing the Company's knowledge of the Buckeye. "This is old school mining," in the words of the CEO John Carter, "and for this project, it's the right way. Producing from 6-foot wide silver veins is not your standard mining opportunity, which means it requires a non-standard approach. Here, we believe the right approach is to carry out our own internal economic analysis."

On Silver

While silver has slipped back under \$20 we would expect it to clamber back above that level as the market gets its head in order and swings back towards hard assets (i.e. metals) and away from the frou-frou of Tech Unicorns.

6 Month Silver Price in USD/oz

High: 26.36 Low: 18.41 ▼2.87 12.61%

Last Close: 19.89



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Earnings

Having a bottom line is a rare phenomenon for a junior we know. Most of them run from earnings as if they are toxic waste. The recent retreat in silver means our expectations of even two months ago need a reality check, but even at current levels, one should expect earnings from Buckeye of around US\$3 million in a full year. If silver returns to \$23 per oz then earnings will be ~US\$6 million.

Nothing Succeeds like Success

The success of this strategy shall soon be measurable with Buckeye producing, extraction of ore at the Washington mine in Idaho, and then assessment of the potential at McMorris to do the same. There are few junior developers with two, let alone three, silver mines in production.

The company will have gone from a listing in late 2021, to production at Buckeye in less than nine months. Few miners have been able to go from starting gun to revenues in such a short timeframe. This is not to say that there won't be hiccups as we know in mining there is many an unexpected pitfall (literal or metaphorical). The market will thus be all the more surprised to see revenues so swiftly appear.