

Demand Driving Silver Prices: The Top 5 Silver Producers Trading on the TSX

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The recent surge in silver prices has sparked renewed interest in the precious metal as an investment avenue, particularly amidst a backdrop of economic uncertainty and geopolitical tensions. Despite its traditional correlation with gold, silver has demonstrated an independent trajectory in recent months, outperforming its counterpart and attracting attention from investors seeking diversification and hedging opportunities.

Christopher Ecclestone, an analyst at [Hallgarten & Company](#), sheds light on the dynamics shaping the silver market in a [short note](#) he released earlier this morning on [Aya Gold & Silver Inc.](#) (TSX: AYA | OTCQX: AYASF). He notes the intriguing divergence between gold and silver prices, emphasizing the impact of global events such as inflationary pressures and geopolitical conflicts on precious metal markets. Ecclestone's insights underscore the complexity of factors influencing silver's price movements and its potential as an investment asset.

One notable aspect of silver's recent performance is its resilience amid challenging economic conditions. While gold has historically been viewed as the ultimate safe haven asset, silver's versatility and industrial applications have contributed to its appeal as an alternative investment. Ecclestone highlights the role of industrial demand in driving silver prices, suggesting that silver's utility extends beyond its function as a store of value.

Moreover, the [Critical Minerals Institute](#) (CMI) Co-Chair Jack

Lifton always tells us that silver is the #1 technology metal, he often references a notable supply-demand imbalance in the silver market. The forecasted increase in global silver supply, coupled with strong demand projections, suggests a potentially favorable environment for silver investors. Ecclestone's observations underscore the significance of supply dynamics in shaping silver's price trajectory and investment outlook. And we are counting down to having John Carter from [Silver Bullet Mines Corp.](#) (TSXV: SBMI | OTCQB: SBMCF) at 9 AM EST, tomorrow – Wednesday, April 10, 2024, from 9-920 AM ([click here to join](#)).

In preparation – we have done our research on the Top 5 silver producers listed on the Canadian markets. Here are the top 5 silver companies listed on the TSX by market capitalization:

#1: [Pan American Silver Corp.](#) (TSX: PAAS | NYSE: PAAS)

Market Cap: C\$ 9.357 billion

Latest News Release: April 8, 2024 – Pan American Silver reports additional high-grade drill results from the La Colorada Skarn project [[Read more](#)]

About: Pan American is a leading producer of silver and gold in the Americas, with operations in Canada, Mexico, Peru, Brazil, Bolivia, Chile, and Argentina. They have a strong reputation for sustainability, operational excellence, and financial management. Headquartered in Vancouver, B.C., their shares trade on the NYSE and TSX under “PAAS.”

#2: [First Majestic Silver Corp.](#) (TSX: FR | NYSE: AG)

Market Cap: C\$ 3.167 billion

Latest News Release: April 1, 2024 – First Majestic Announces 2023 Mineral Reserve and Mineral Resource Estimates [[Read more](#)]

About: First Majestic is a publicly traded mining company focused on silver and gold production in Mexico and the United States. They own and operate several mines, including San Dimas, Santa Elena, and La Encantada, along with development and

exploration assets.

#3: [Fortuna Silver Mines Inc.](#) (TSX: FVI | NYSE: FSM)

Market Cap: C\$ 1.993 billion

Latest News Release: April 8, 2024 – Fortuna reports strong gold equivalent production of 112,543 ounces in the first quarter of 2024 [[Read more](#)]

About: Fortuna Silver Mines Inc. is a Canadian precious metals mining company with five operating mines in Argentina, Burkina Faso, Côte d'Ivoire, Mexico, and Peru. They emphasize sustainability, efficient production, environmental protection, and social responsibility.

#4: [MAG Silver Corp.](#) (TSX: MAG | NYSE American: MAG)

Market Cap: C\$ 1.751 billion

Latest News Release: March 27, 2024 – MAG Silver Announces Robust Updated Technical Report for Juanicipio [[Read more](#)]

About: MAG Silver Corp. is a Canadian exploration company focused on advancing high-grade precious metals projects in the Americas. Their joint venture interest in the Juanicipio Mine in Mexico positions them as a top-tier primary silver mining company.

#5: [SilverCrest Metals Inc.](#) (TSX: SIL | NYSE American: SILV)

Market Cap: C\$ 1.497 billion

Latest News Release: March 11, 2024 – SilverCrest Reports Fourth Quarter and 2023 Annual Financial Results [[Read more](#)]

About: SilverCrest is a Canadian precious metals producer headquartered in Vancouver, BC. Their principal focus is the Las Chispas Operation in Sonora, Mexico, with ongoing initiatives to expand their asset base and operate multiple silver-gold mines in the Americas.

In summary, the recent surge in silver prices highlights the metal's potential as a valuable component of a diversified

investment portfolio. Whether through physical ownership, ETFs, mining stocks, or futures contracts, investors have various avenues to participate in the silver market and potentially benefit from its upward trajectory.



[Note from the Publisher: In this headline photo (L-R): Peter Clausi and John Carter from Silver Bullet Mines Corp. (TSXV: SBMI | OTCQB: SBMCF), with Stephen Burega from Romios Gold Resources Inc. (TSXV: RG | OTCQB: RMI0F). The 15-oz bar was drawn during PDAC, and the winner was Mathieu Stephens from NeoTerrex Minerals Inc. (TSXV: NTX)]

Silver Trends and the Buckeye Silver Mine in Arizona

written by InvestorNews | April 9, 2024

In a recent InvestorIntel interview, Peter Clausi, VP Capital Markets and Director at [Silver Bullet Mines Corp.](#) (TSXV: SBMI |

OTCQB: SBMCF), discussed their recent business developments and production updates at the Buckeye Silver Mine, along with general silver market trends.

Clausi mentioned [an extension](#) of a silver purchase contract due to international shipping complexities. The mill in Arizona is currently running efficiently on one shift, with plans to add another once the crew becomes familiar with operations. Recent processing hinted at possible gold material, yet to be assayed. Dore bars containing silver, gold, copper, nickel, and other metals have been prepared for transportation to Europe for assay and sale. At the Buckeye Silver Mine, progress is being made in intercepting a higher mineralized zone.

When questioned about the cooled-off interest in silver compared to six months prior, Clausi expressed optimism about its future, citing demand-supply dynamics. He emphasized the excess of paper silver versus limited physical silver, predicting an upward price trend.

In summary, Silver Bullet Mines Corp. aims to overcome logistical challenges and navigate the fluctuating silver market, with a focus on improving production and exploring new mining projects.

To access the full InvestorIntel interview, [click here](#)

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About Silver Bullet Mines Corp.

Silver Bullet Mines Corp. is a silver and copper exploration and development company with projects in the western USA. Their flagship project is the Black Diamond, close to 5,000 acres in the Miami-Globe copper camp and centered on the Richmond Basin.

The basin is the site of the original 1870s native silver discoveries that brought prospectors to the now significant Globe copper camp. The story goes that a scouting party was fired upon by Apache Indians using bullets made of hammered native silver. Thus inspiring the company name – Silver Bullet Mines. The Richmond Basin is the location of several historic high grade silver-copper mines including: McMorris, La Plata, Helena, Silver Sevens, Buckeye and numerous associated prospects. Little work or extraction came from this area since the early 20th century as the camp focused on big copper mines. But these mine anchor this section of what is called the Arizona Silver Belt that extends from the famous Silver King near Superior, AZ and parallels the trend of the major copper deposits including the Magma mine. They believe the high grade silver is still there waiting for discovery.

To know more about Silver Bullet Mines Corp., [click here](#)

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If you have any questions surrounding the content of this interview, please contact us at +1 416 792 8228 and/or email us direct at info@investorintel.com.

Silver Bull Run Possible in 2023 as Demand from China and Green Energy Surges

written by Matt Bohlsen | April 9, 2024

Silver prices have surged higher in March 2023, now at [US\\$23.21](#) at the time of writing. Market commentary puts the rise down to a few factors including a flight to the safety of precious metals on the back of the U.S banking meltdowns and "[limited](#)

[silver supplies](#)".

Silver one year price chart – Shows silver surging about 15% higher (from its low) in March 2023



Source: [Trading Economics](#)

Silver demand vs supply – Deficits in 2021 and 2022, and perhaps 2023?

Silver demand is being driven mostly by China's industrial production. A portion of that demand is renewable energy products such as solar cells. A recent Australian study [concluded](#):

"Even though very small amounts of silver are used in solar cells, at the rate that the solar industry is growing, solar manufacturers would require over 20% of the current annual silver supply by 2027 and approximately to 85–98% of the current global silver reserves by 2050."

Silver supply is struggling to keep up with demand. Gainesville Coins precious metals expert Everett Millman was quoted by Kitco in December 2022, [stating](#): “Silver sitting in vaults, which can be used for bullion products and investment products, has been getting tighter and tighter. A major issue for 2023.”

Furthermore, Kitco [comments](#): “The Silver Institute and Metals Focus stating that the physical silver market, which excludes ETFs, is projected to show the most significant supply deficit in decades this year.”

[The Silver Institute](#) forecasts a significant silver deficit in 2022, following a 2021 silver deficit. Their 2022 global silver demand forecast is [1,101.8 million ounces](#) against a supply of 1,030.3 million ounces, leading to a 2022 forecast deficit of 71.5 million ounces. This follows from a 2021 global silver deficit of 51.8 million ounces.

The Silver Institute silver supply v demand model summary showing deficit in 2021 and 2022 (f) – Note red ovals done by the author to highlight deficits

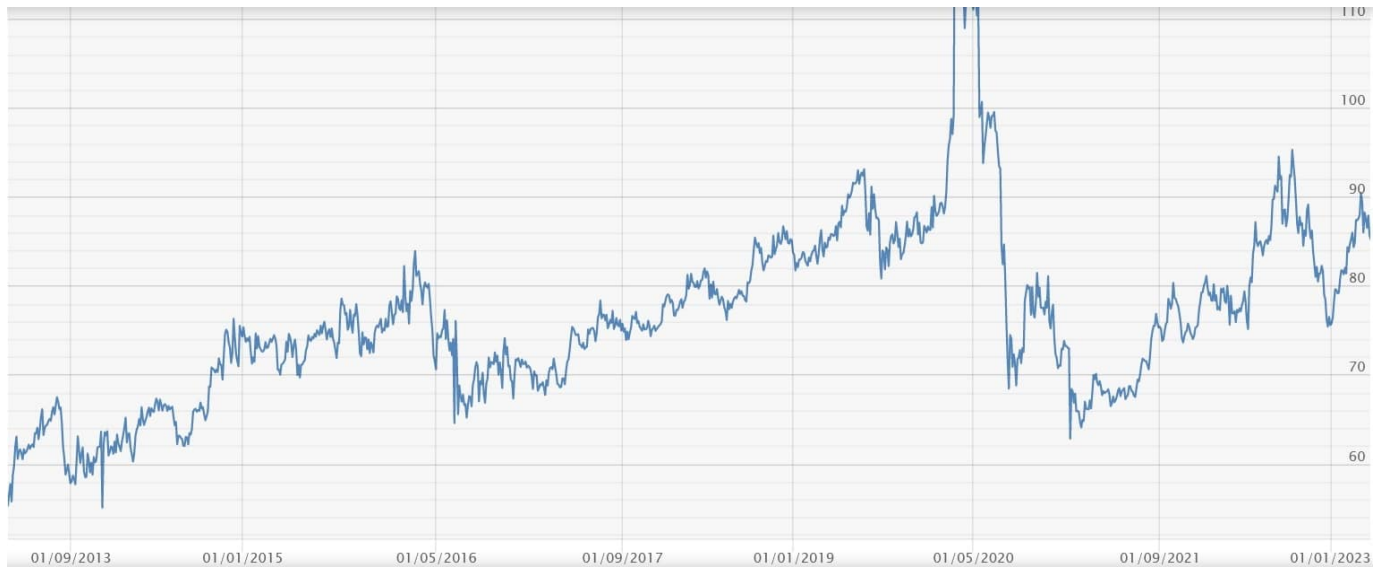
Silver Summary/Demand Summary											
Million ounces	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022F
Total Supply	1,008.0	1,027.3	1,055.3	1,047.4	1,046.9	1,011.9	1,000.0	999.8	953.0	997.2	1,030.3
Total Demand	978.8	1,058.7	1,012.0	1,052.3	979.4	951.3	975.7	980.0	880.0	1,049.0	1,101.8
Market Balance	29.2	-31.4	43.2	-5.0	67.5	60.6	24.3	19.8	73.0	-51.8	-71.5

Source: [The Silver Institute](#)

The gold to silver ratio remains high (bullish for silver)

The gold-to-silver ratio of [approximately 85 remains above its 10-year](#) average, suggesting there is room for silver to appreciate relative to gold.

The gold to silver ratio sits at ~85, which remains above the 10-year average



Source: [BullionByPost](#)

Where to next for silver prices

Generally speaking, gold does well in equity bear markets when investors are looking for safety, whereas silver typically does best during times of economic growth where demand for silver rises. This trend is because silver is mostly an industrial metal used extensively in industrial applications and the electronics industry.

Silver and gold also tend to perform better once interest rate rises have peaked and if the US dollar weakens, both of which look quite likely to happen in 2023.

Silver-focused analysts and commodities experts are quite bullish on silver in 2023

Kitco [stated](#) in December 2022:

“Silver is gearing up to outperform gold in 2023 after a mixed year, according to analysts, who point to a more positive macro

environment, strong physical demand, and a good technical set-up.”

David Morgan (quoted by [GoldSeek](#)), “Silver tends to outperform 3:1 in bull markets. Once silver eclipses \$30-50, the next move could soar to \$70-\$100+.”

Bank of America (quoted by [GoldSeek](#)):

“While upside may be limited near-term, mine supply is constrained, so a rebound of commercial purchases is set to ultimately push prices higher. [Supply] should also be supported by rising demand from solar panel and electric vehicle manufacturers, as the global community focuses on tackling climate change.”

Closing remarks

Both gold and silver have had a very good past month on the back of U.S. banking concerns and investors looking for safe havens.

Looking ahead to 2023, demand for safety from the precious metals looks likely to continue but may favor silver as the Chinese economy kicks back into full gear following years of Covid-19 restrictions. China is the largest consumer of silver, and industrial silver use is the largest demand driver for silver. Furthermore, the new green economy puts further demand pressures on silver.

A global recession remains the main risk for silver prices in 2023, as this would reduce silver demand.

March has already seen silver regain its popularity. 2023 looks set for silver to move higher as demand accelerates and supply remains tight, assuming we avoid a major global recession.

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

written by InvestorNews | April 9, 2024

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.



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.