

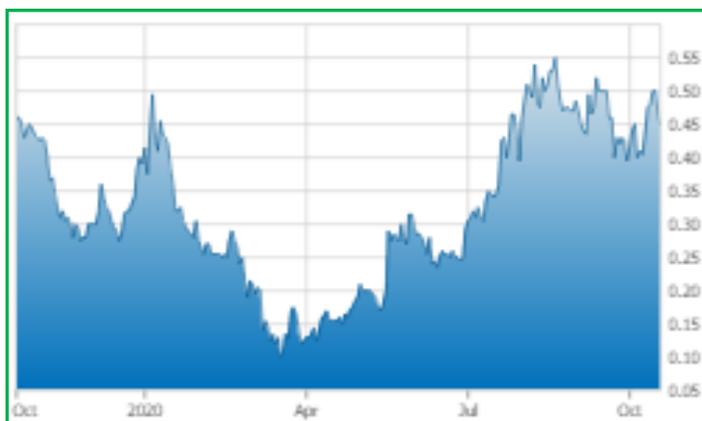
# Strategic Metals & Rare Earths Letter

## INTERNATIONAL

*the independent information and advisory publication on investing in Strategic Metals & Rare Earths*

**INVESTMENT ALERT – October 21, 2020**

[www.silverelef.com](http://www.silverelef.com)



### Silver Elephant Mining (C\$ 0.42)

TSX.V : ELEF  
OTCQX : SILEF  
Frankfurt : 1P2N

H + L prices (12 months) : C\$ 0.59 – 0.10

Net shares issued : 146.3 million  
Fully diluted shares : 190.2 million  
Market Capitalization : C\$ 61.4 million  
(US\$ 46.8 million)

**2021 price target: C\$ 0.80**

## INVESTMENT ALERT

- ▶ **Silver Elephant Mining reports 230 million ounces silver equity for its flagship Pulacayo Project in Bolivia, and**
- ▶ **announces C\$ 6 million bought deal**

On October 13, 2020, **Silver Elephant Mining** (“**Silver Elephant**”) announced the result of an **NI 43-101 compliant Mineral Resource Estimate** for its **Pulacayo Silver-Lead-Zinc Project** in **Bolivia**.

The Project consists of the Pulacayo Deposit and Paca Deposit (7 km north of the Pulacayo Deposit) and is located 107 km northeast of Sumitomo Corporation’s San Cristobal Silver mine, 171 km southwest of New Pacific’s Silver Sands discovery and 39 km north of Pan American Silver Corp’s San Vincente silver mine.

A technical report documenting the Mineral Resource Estimate, prepared by Mercator Geological Services, will be filed by the Company within 45 days (see table 1 for total contained metal, effective October 13, 2020).

On October 20, 2020, **Silver Elephant** entered into an agreement with Mackie Research Capital Corporation as lead underwriter and sole bookrunner, on behalf of a syndicate of underwriters, including Canaccord Genuity Corp. and Sprott Capital Partners LP. Pursuant to the agreement, under a bought-deal basis 15 million shares of the Company at a price of C\$ 0.40 per common shares, gross proceeds amount to C\$ 6.0 million. The Offering is scheduled to close on or about November 13, 2020.

Silver Elephant's Pulacayo Project Resource Estimate October 13, 2020							
Deposit	Category	Rounded Tonnes	Ag Moz	Zn Mlbs	Pb Mlbs	AgEq Moz	% Reported Ag
Pulacayo	Indicated	26,350,000	70.2	903.7	386.0	133.4	64%
	Inferred	1,670,000	7.2	71.8	18.4	11.4	
Paca	Indicated	21,690,000	37.0	485.8	304.2	70.2	36%
	Inferred	3,395,000	6.0	51.1	43.7	9.2	
Total	Indicated	48,040,000	106.7	1,384.7	690.2	208.5	89%
	Inferred	5,065,000	13.1	122.8	61.9	21.7	11%

On September 8, 2020, **Silver Elephant** announced that it has entered into a binding sales and purchase agreement (“SPA”) with a private partner to acquire the **Sunawayo Silver-Lead Mining Project (“Sunawayo”)** located immediately adjacent to the **Malku Khota Silver Project** in **Bolivia**.

**Malku Khota** has a **historic (2011) resource of 350 million ounces of silver** contained in its greenfield **Wara, Sucre and Limnosa deposits**, which are only 200 metres southwest of the Sunawayo border (southeast border). Roughly 3.5 kilometres of strike have been drilled from the Southeast border into the Malku Khota Project.

Cited historic resource estimates are not current mineral resources.

## ELEF: 115 km<sup>2</sup> Land Position in Bolivia





Sunawayo



Pulacayo



Triunfo



# Silver Elephant Mining: The New Silver Standard

## 2020-2021 Objective:

**Drill 3 O's (Sunawayo, Pulacayo, Triunfo)**

**Evaluate Other Potential Silver Acquisitions**

**Prove up 300 million oz Silver in 2021-2022**



- Silver: Sunawayo (59.5 km<sup>2</sup>) within 200 meters from Malku Khota's historic 350-million-oz Sedex-style silver deposit. Sunawayo is permitted with a 100 tpd mining operation.
- Silver: Pulacayo (35.5 km<sup>2</sup>) 31million silver oz indicated at 455g/t silver, 27 million oz inferred 93,311 meters drilling. Resource estimate update in September.
- Gold/silver: Triunfo (25.6 km<sup>2</sup>) ongoing step out drilling next to 94 meters @ 0.4 g/t Au, 22g/t Ag, 1% Pb+Zn, Assay results throughout 2020.

ELEF: SILEF Daily Vol 2 million @\$0.5, 30% by Insiders & Institutions (Inc Sprott), 145m shares o/s, 189m f/d.

## Investment comments:

Based on the reported 230 million ounces silver equity for its flagship **Pulacayo Project**, a combined **Sunawayo- Malku Khota Project** bordering historical 350 million ounces silver, and targeting to prove this resource in 2020-2021, a positive outcome is expected to upgrade **Silver Elephant** to an international major silver producer, which would be substantially undervalued compared to the peer group of silver development companies.

In addition having completed a Preliminary Economic Assessment ("PEA") in May 2018, **Silver Elephant's** owned **Gibellini Vanadium Project** has the technical potential to be brought to the production stage in the next three years as the first primary vanadium mine in the United States.

Considering the prospective outlook for the Company's projects, focused on a two-way strategy based on silver and vanadium, I maintain my 2021 price target of **C\$ 0.80**.