

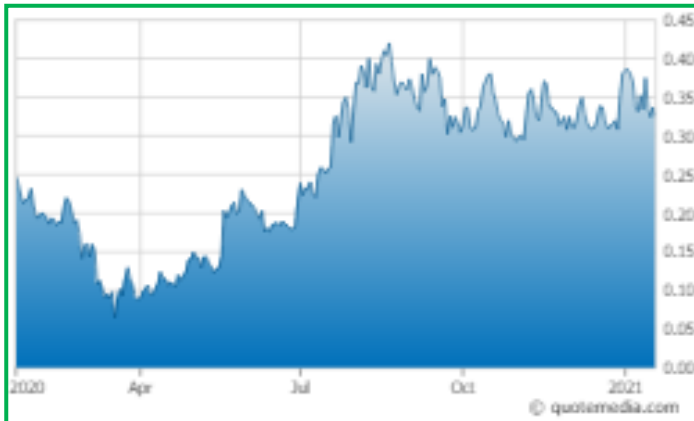
Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – January 24, 2021

www.silverelef.com



Silver Elephant Mining (C\$ 0.43)

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

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

Net shares issued : 179.5 million
Fully diluted shares : 217.5 million
Market Capitalization : C\$ 77.2 million
(US\$ 60.6 million)

2021 price target: C\$ 1.00

INVESTMENT ALERT

► Silver Elephant Mining acquires Class I Minago Nickel Sulphide Project in Thompson Nickel Belt, Manitoba, Canada

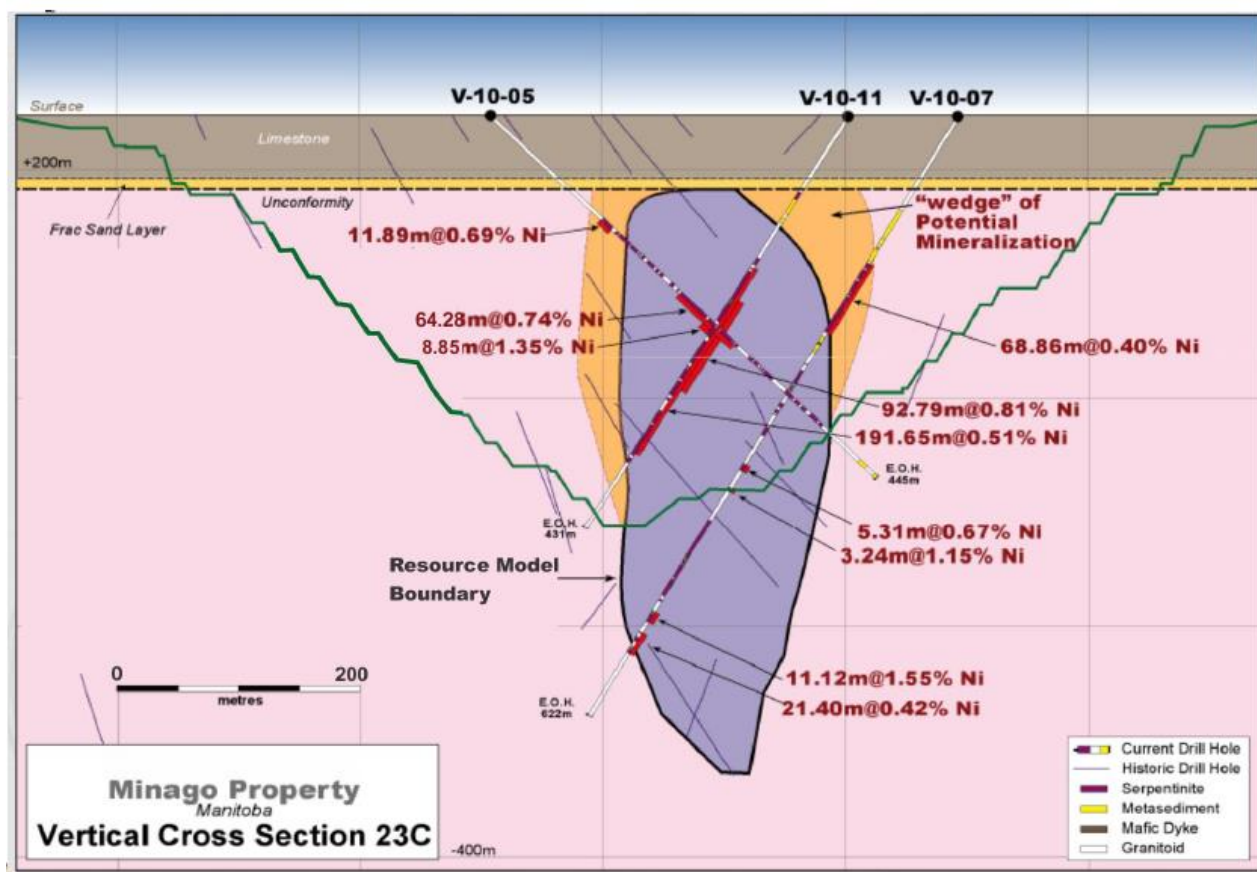
On January 22, 2021, **Silver Elephant Mining** (“**Silver Elephant**”) announced that it had entered into a binding definitive **Asset Purchase Agreement** (the “**APA**”) with **Victoria Nickel** to acquire the **Minago Nickel Project** located in the **Thompson Nickel Belt** (“**TNB**”), **Manitoba, Canada**.

Minago immediately projects **Silver Elephant** to the forefront of the nickel sulphide mining space to support much needed Class I nickel for long-range, high-intensity, fast charging **NMC 811 (80% nickel, 10% manganese, 10% cobalt)** cathode standard lithium batteries to fuel mass electric vehicle (EV) adoption.

EV penetration is expected to reach 22 to 30% by 2030 according to a recent research report by McKinsey & Company. Annual production of 20 million EV’s requires over 2 billion pounds of Class I nickel. The global nickel production was approximately 5 billion pounds consisting of 2.5 billion pounds of Class I high-purity nickel from sulphide deposits and 2.5 billion pounds of Class 2 nickel from laterite deposits.

Nickel production from sulphide deposits has been declining due to their rarity.

Silver Elephant’s value proposition is to fill the insatiable and eruptive **Class I** nickel demand from EV’s by expanding nickel sulphide resource at **Minago** to district scale and eventually bring the **Minago Project**, known as the **Nose deposit**, to production with industry partners.



On January 21, 2021, **Silver Elephant** announced that it had completed a 940-metre diamond drilling program at the **Pero target** within its **Pulacayo Project** in **Bolivia**.

Pero is located at the south-eastern extension of the **Pulacayo** deposit which hosts an estimated **NI 43-101 Mineral Resource of 70 million ounces of silver, 904 million pounds zinc, 386 million pounds lead**.

Previous diamond drilling at the east extension of the **Pulacayo** deposit was directly along the main east-west trend of the main **Tajo Vein system**.

The results showed increasingly erratic and narrowing mineralization along the eastward trend. However, geological mapping and surface sampling completed in late 2020 identified an area of silver bearing surface mineralization of up to 200 g/t silver several hundreds of metres south of the projected east-west Tajo vein system trend suggesting that the system was offset southward in this portion of the system where strong alteration can be observed at surface covering 250 metres by 100 metres wide.

The reinterpreted surface projection of the **Tajo Vein system** coincides with some historic Spanish workings in that area of properties that date back to the 16th Century. Highlights of assay results from recent surface samples at Pero and tabulated below.

Sample ID	Type	Azimuth	Width (m)	Ag (g/t)	Zn%	Pb%
1313	Chip	210	3	200	0.1	0.1
1314	Chip	195	1.2	200	0.1	0.01
1295	Chip	340	3	164	0.0164	0.0164
1297	Chip	320	1.4	132	0.0132	0.0132
1315	Chip	200	2.9	100	0.01	0.01
1301	Chip	240	4	72	0.0072	0.0072
1303	Chip	200	6.4	67	0.0067	0.0067
1323	Chip	20	4	50	0.005	0.005
1304	Chip	150	3.7	46	0.0046	0.0046

Also on January 21, 2021, **Silver Elephant** announced that a 2,300-metre drilling program has commenced at its 100% owned **Sunawayo Silver-Lead-Zinc Project** in **Central Bolivia**. This is the first ever drilling campaign in history at Sunawayo acquired by Silver Elephant in September 2020. Since that time the Company has collected over 90 samples along an 8-kilometre strike length. Over 86% of these samples returned silver assay results grading from 1 g/t to 458 g/t. These results demonstrate extensive near-surface silver mineralization at Sunawayo.

ELEF: 115 km² Land Position in Bolivia



35.5 km² Pulacayo



59.5 km² Sunawayo



25.6 km² 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 km²) 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 km²) 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 km²) ongoing step out drilling next to 94 meters @ 0.4 g/t Au, 22g/t Ag, 1% Pb+Zn, Assay results throughout 2020.

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

Investment comments:

With the acquisition of the **Class I Minago Nickel Sulphide Project** in **Canada**, this immediately projects **Silver Elephant** to the forefront of the sulphide mining space to support much needed **Class I range NMC 811 cathode standard lithium batteries** to fuel mass electric vehicle adoption.

Based on the reported 230 million ounces silver equity for its flagship **Pulacayo Project**, the combined **Sunawayo- Malku Khota Project** bordering historical 350 million ounces silver, and targeting to prove this resource in 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 **Silver Elephant**'s projects, focused on a three-way strategy based on silver, nickel and vanadium, and having approximately C\$ 8 million in cash, **I increase my 2021 price target from C\$ 0.80 to C\$ 1.00.**