

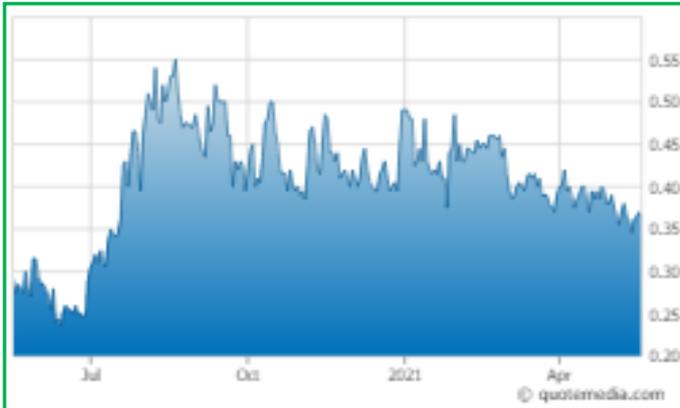
Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – May 24, 2021

www.silverelef.com



Silver Elephant Mining (C\$ 0.375)

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

H + L prices (12 months) : C\$ 0.59 – 0.215

Net shares issued : 201.9 million
Fully diluted shares : 235.7 million
Market Capitalization : C\$ 72.7 million
(US\$ 60.2 million)

2021 price target: C\$ 1.00

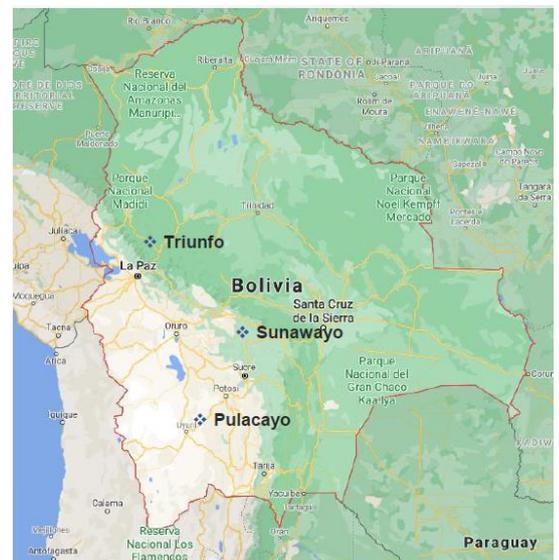
INVESTMENT ALERT

- ▶ **Silver Elephant Mining** returning to its roots as a pure silver play with spinning out its nickel and vanadium assets

On May 14, 2021, **Silver Elephant Mining** (“**Silver Elephant**”) announced it is planning to spin out **Flying Nickel Mining Corp.** and **Nevada Vanadium Mining Corp.**, two Canadian companies fully owned by Silver Elephant. Doing so will return the Company to being a dedicated silver investment vehicle.

John Lee, **Silver Elephant**’s Chairman states: “Silver Elephant is moving toward a pure silver play with proposed spinouts of its non-silver assets. **The Company will focus on resource expansion and environmental permitting of our flagship Pulacayo Silver project in Bolivia. Pulacayo hosts 107 million oz of silver in the indicated category** according to Mercator technical report dated October 13, 2020. \$ 35 million has been invested at **Pulacayo** with over 100,000 metres of drilling.

Bolivia is opening up to foreign investment, in stark contrast to growing anti-foreign-mining sentiment in Peru. The Company’s team in Bolivia has been operating peacefully at **Pulacayo** since 2005 with strong support from the local community.



While Silver Elephant is still working out the timing to effect the dual spin outs (which are non-binding at this stage), the Company feels it is important to communicate the company's future direction." In the following weeks, the company will provide procedural briefings and updates on its management additions, and banking advisory appointments.

► **Flying Nickel Mining Corp (FNI)**

FNI will own the **Minago nickel sulphide project**. It is located in the **Thompson nickel belt (TNB)**, which is the fifth-largest nickel-bearing geological belt in the world. TNB had over 5 billion pounds of nickel production since 1958. Both Manitoba provincial highway 6 and a high-voltage (230 kV) transmission line transect Minago. In 2011, an Environmental Impact Assessment was approved for a 10,000-tonnes-per-day open-pit operation at Minago. FNI is undertaking to renew the EIA in 2021. Over \$35 million has been invested at Minago with over 74,000 meters of historic exploration drilling. **Nickel prices** are trading at or near a multi-year high.

On May 17, 2021, **Silver Elephant** announced that the Company and its 100% owned subsidiary **Flying Nickel Mining** have commissioned an independent **Mineral Resource Estimate** in accordance with NI 43-101 for the **Minago nickel project**.

► **Nevada Vanadium Mining Corp (NVV)**

NVV will own the **Gibellini vanadium project**, designed to be an open-pit, heap-leach operation in Nevada, USA. Nevada was ranked by the Fraser Institute as the world's #1 mining investment jurisdiction in 2018 and 2020. The Gibellini project development achieved an important milestone in July 2020 when the Notice of Intent to prepare an **Environmental Impact Statement ("EIS")** was published in the Federal Register. A final Record of Decision on EIS is expected in 2021.

The U.S. government has designated **vanadium** as one of 35 critical minerals to the national security and the economy. Vanadium alloys and catalysts are used in the aerospace, defense, energy storage, and infrastructure sectors. Over \$35 million has been invested at **Gibellini** to date. Like for nickel, **vanadium prices** are trading at or near a multi-year high.




VALUE ADD: SILVER DISCOVERY & BOLIVIA REVIVAL

- Silver miners in Bolivia produced over 25 million oz ag in 2020 (paas, sumitomo, apm)
- Silver explorers in Bolivia have raised \$100million since 2018 (nuag, elo, elef)
- Pulacayo: 670m oz historic ag production underground (1800 to 1952)
- Pulacayo+Paca: indicated 107m oz ag, 1.4b lb zn, 694m lb pb (91% in-pit) (48mt @ 69g/t ag, 1.3% zn, 1.4% pb) by Mercator Oct, 2020
- New target Pacamayo drilling in Q3, 2021

1. Pulacayo	6. Pero stockwork
2. Paca	7. Pacamayo argillic alteration
3. El Abra breccias	8. Shafts - over 700m depth
4. Pulacayo west extension	9. Two-lane paved highway
5. Pacamayo vein	

3-7 are exploration targets with insufficient exploration to define a mineral resource

[Silver Elephant Pulacayo drills 5 meters grading 1,825 g/t AgEq 11 August, 2020](#)

[Silver Elephant Paca drills 12 meters grading 1,085 g/t Ag 28 October, 2019](#)

[Prophecy acquires Pulacayo-Paca 02 January, 2015](#)








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.

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

Investment comments:

By having planned to spin out its **nickel** and **vanadium assets** at a time prices of these electric battery metals are booming, this would result in a significant added value to **Silver Elephant** as a pure silver play again.

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, an expected positive outcome for this project would upgrade **Silver Elephant** to a major silver producer.

Considering the prospective outlook for **Silver Elephant's** as a pure silver play and its focus to evaluate other potential silver acquisitions, enhanced by the Company being substantially undervalued compared to the peer group of silver development companies.

I have increased my 2021 price target to C\$ 1.00 from C\$ 0.80.