

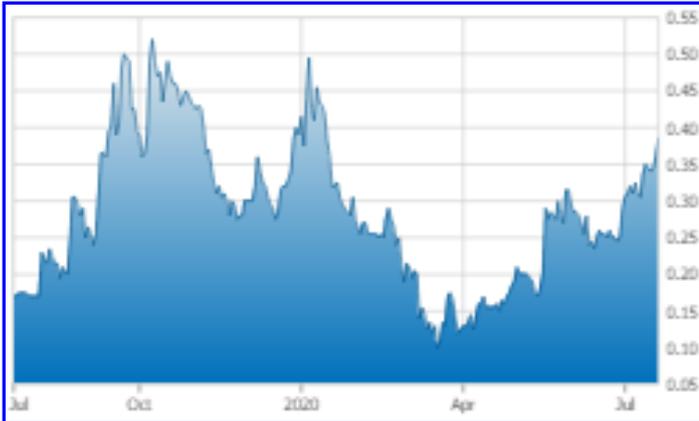
Strategic Metals & Rare Earths Letter

INTERNATIONAL

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

INVESTMENT ALERT – August 26, 2020

www.silverelef.com



Silver Elephant Mining (C\$ 0.47)

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

H + L prices (12 months) : C\$ 0.56 – 0.10

Net shares issued : 138.3 million
Fully diluted shares : 190.2 million
Market Capitalization : C\$ 65.4 million
(US\$ 49.5 million)

2021 price target: C\$ 0.80

INVESTMENT ALERT

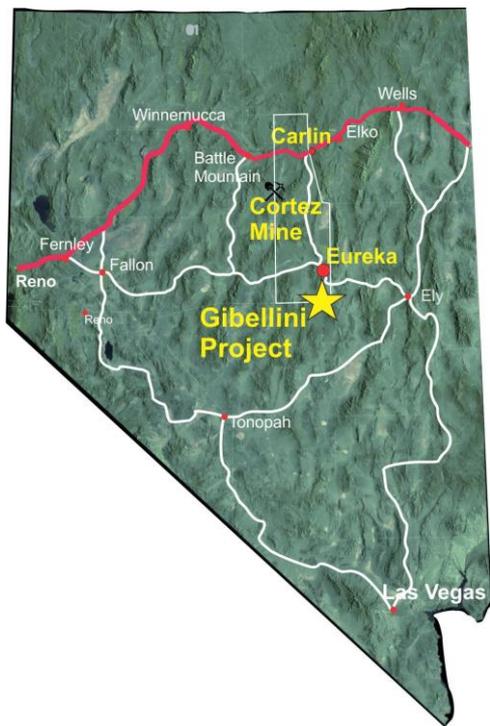
- ▶ **Wholly-owned subsidiary Nevada Vanadium has entered into a binding definitive Asset Purchase Agreement with CellCube Energy Storage to acquire the Bisoni Vanadium Project in Nevada, USA**

On August 24, 2020, **Silver Elephant Mining** (“**Silver Elephant**”) announced that its wholly-owned subsidiary **Nevada Vanadium LLC** has entered into a binding definitive **Asset Purchase Agreement** (the “**APA**”) with **CellCube Energy Storage Systems** to acquire the **Bisoni Vanadium Project** (“**Bisoni Project**”) situated immediately southwest to **Nevada Vanadium’s Gibellini Project**.

Subject to the terms and conditions in the APA, **Nevada Vanadium** is acquiring the **Bisoni Project** by its parent **Silver Elephant** issuing 4 million Silver Elephant common shares and paying \$ 200,000 cash to CellCube at closing.

Additionally, **Silver Elephant** will make a one-time payment to **CellCube** of \$ 500,000 worth of **Silver Elephant’s** common shares, upon the price of European vanadium pentoxide price exceeding US\$ 12 a pound for 30 consecutive business days, occurring on or before December 31, 2020.

Closing of the acquisition is expected in September 2020 and subject to the final approval of the Toronto Stock Exchange.



The **Bisoni Project** is comprised of 201 lode mining claims along a 13.8 km strike that covers an area of 16.5 square kilometres (1,656 hectares), easily accessed by a grader gravel road extending south from US highway 50 and is about 25 miles south of the town of Eureka, Nevada.

Together, the **Gibellini** and **Bisoni** projects are comprised of a total of 934 contiguous claims along a 20.7 km (NE-SW) strike covering 43.4 square kilometres (4,342 hectares).

The large combined land package hosts significant vanadium resources in the United States, right in the heart of Nevada, a state which consistently ranked in top 3 of the most attractive jurisdictions in the world for mining investment in 2017, 2018 and 2019, according to the Annual Survey of Mining Companies by the Fraser Institute, an independent Canadian policy think-tank.

Independently estimated historic resources by Edwin Ulmer and Edwin H. Bentzen III in 2016 for the **Bisoni Project** are tabulated below:

Table 1. Bisoni Project historic resource calculated in 2016

Historic Category	Mtons	V2O5 %	Mlbs Contained V2O5
Bisoni McKay			
<i>Indicated</i>	11.88	0.397	94.4
<i>Inferred</i>	7.05	0.427	60.1

The May 28, 2018 NI43-101 compliant Mineral Resource Estimate by AMEC for the Company's **Gibellini Project** is tabulated below:

Table 2. Gibellini NI43-101 compliant resource calculated in 2018

Category	Mtons	V2O5 %	Mlbs Contained V2O5
Gibellini			
<i>Measured and Indicated</i>	22.95	0.286	131.3
<i>Inferred</i>	14.97	0.175	52.3
Louie Hill			
<i>Inferred</i>	7.52	0.276	41.5

The current benchmark **V2O5** (vanadium pentoxide) price is US\$ 7.10/lb in China and US\$ 5.50/lb in Europe, according to Metal Bulletin.

On June 2, 2020, US Department of Commerce published the following as it initiates Section 232 investigation into imports of vanadium:

“Vanadium is a metal used in production of metal alloys and as a catalyst for chemicals across aerospace, defense, energy, and infrastructure sectors. Designated a strategic and critical material, vanadium is used for national defense and critical infrastructure applications. Examples include aircraft, jet engines, ballistic missiles, energy storage, bridges, buildings, and pipelines. Vanadium is a key component in aerospace applications due to its strength-to-weight ratio, the best of any engineered material. U.S. demand is supplied entirely through imports.

Vanadium is utilized in our national defense and critical infrastructure, and is integral to certain aerospace applications,” said Secretary Ross. “We will conduct a thorough, fair, and transparent investigation to determine whether vanadium imports threaten to impair U.S. national security.”

The **Gibellini Project** is scheduled to become the first primary vanadium mine in the United States at the end of 2023.

Investment comments:

Earlier this month **Silver Elephant** announced that it had intercepted bonanza 1,565 g/t silver results from its 100% owned flagship **Pulacayo Silver Project** in the Potosi department in **Bolivia**, where it also has a 100% interest in the **Pulacayo – Paca Silver-Lead-Zinc Property**.

Based on the completed Preliminary Economic Assessment (“PEA”) in May 2018, the **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.

Having upgraded my earlier price target of C\$ 0.40 for 2020, thanks to the strong price recovery of 50% for silver this year and expecting the V2O5 price to recover significantly from its lows too, **I maintain my 2021 price target for Silver Elephant at C\$ 0.80.**