Silver Bullet Announces Investment and Continuation of Mining in Arizona

written by Raj Shah | September 7, 2023
September 07, 2023 (Source) – Silver Bullet Mines Corp. (TSXV: SBMI) (OTCQB: SBMCF) ('SBMI' or 'the Company') announces the continuation of mining operations at the Buckeye Mine in Arizona and a cash infusion.

The aberrant extremely hot weather continued in Arizona throughout most of August, preventing work from then being carried out at the mill or at the Buckeye Mine. The temperature on the concrete mill pad during this period on occasion exceeded 150 degrees Fahrenheit. Running the mill in such hot weather would have been a danger to the proper functioning of the equipment. Mining, whether during the day or at night, would have been an unacceptable safety risk to the field team.

The hot weather has finally abated and the Company is pleased to announce the continuation of mining operations at the Buckeye Mine. Processing material at the mill should continue within roughly one month.

SBMI has been advised by the United States Forest Service that in August, 2023 lightning caused a fire near the Buckeye Mine. The USFS graded the road leading to the Buckeye Mine to allow it to bring in equipment needed to fight the fire.

The annual taxes on the BLM lands comprising part of the Black Diamond property, which surrounds the Buckeye Mine, have been paid.

SBMI is pleased to announce it has entered into an agreement

with an arm’s length third party (the “Investor”) for the amount of USD$350,000. This investment is structured as a loan having a five year term and a zero per cent interest rate. The first tranche of this investment is USD$225,000 which has been received by SBMI, and the second tranche of USD$125,000 is contemplated to be forwarded to SBMI five days after the first shipment of silver dore has been received by the Investor. The loan is secured by two pieces of equipment onsite in Arizona.

This relationship with the Investor should allow SBMI to better execute its business model, substantially increase its revenue and expand its operations.

The Investor carried out an extensive due diligence review on SBMI, including a site visit to the Buckeye Mine and the mill, and including metallurgy on sample dore bars from the Buckeye. As a result of such extensive review, the Investor has asked SBMI to work with it to advance other projects in which the Investor is involved. The first two such projects under consideration are in Arizona and Colorado. It is intended that SBMI will provide mining, metallurgical and processing services to the Investor using SBMI’s state-of-the-art milling infrastructure and facilities. The SBMI mill should be capable of handling any of the Investor’s products under consideration, and being modular, can be expanded to increase its capacity as required.

The Investor is also a potential purchaser of dore bars to be produced at the mill. As the relationship evolves, it is likely the Investor will become SBMI’s largest customer.

On July 7, 2023 SBMI announced the extension of the silver purchase agreement with the Purchaser described in its April 27, 2023 and May 4, 2023 press releases. Effective June 30, 2023, the Purchaser and SBMI verbally agreed to extend the term of

such agreement to August 31, 2023, and worked towards reducing such verbal agreement to writing. The Purchaser and SBMI continue in good faith to try to reduce the June 30, 2023 verbal agreement to writing including a new extension date.

The test-run shipment of silver, as described in the Company's June 14, 2023 press release, from SBMI to the Purchaser was received and tested by the Purchaser. The 102 ounces comprising the test-run contained dore bars consisting of varying amounts of silver, copper, and other materials. The Purchaser has tested the dore bars to determine what composition is best suited for its purposes.

As for further detail in the mining activities, the Company reached the Treasure Room in March, 2022. Higher grade material was found in the wall rock, and the Company's intention at the time was to commence mining on the other side of the Treasure Room where the vein is clearly visible. Unfortunately, unsafe working conditions due to ceiling instability meant the Company could not cross the Treasure Room and instead had to mine around the Treasure Room into the diabase. This added roughly 150 feet of drifting through harder host rock. During this time, encouraging values were obtained from samples but were not of sufficient volume to run the mill efficiently.

Until paused by the unusual heat wave, such mining activity had advanced approximately 600 feet from the portal entrance to the Treasure Room, then around the Treasure Room, and then along the vein. The team now continues to drift along the vein towards a targetted area. The Company estimates that it is relatively close to drifting into historical drill holes which can be traced from the casings on surface. The Company's information related to those historical drill holes and the historical assaying of them do not meet *NI43-101* standards and cannot be disclosed.

In furtherance of its understanding of the vein and the host rock, a Lidar survey of the Buckeye Mine was recently carried out.

At some time in the future, the Company will return to the Treasure Room (once fully safetied) and will develop the lower levels where the Company believes there to be more higher grade material. The cost and timing of such activities have not been determined at this time.

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Cautionary and Forward-Looking Statements

This news release contains certain statements that constitute forward-looking statements as they relate to SBMI and its subsidiaries. Forward-looking statements are not historical facts but represent management's current expectation of future events, and can be identified by words such as "believe", "expects", "will", "intends", "plans", "projects", "anticipates", "estimates", "continues" and similar expressions. Although management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that they will prove to be correct.

By their nature, forward-looking statements include assumptions,

and are subject to inherent risks and uncertainties that could cause actual future results, conditions, actions or events to differ materially from those in the forward-looking statements. If and when forward-looking statements are set out in this new release, SBMI will also set out the material risk factors or assumptions used to develop the forward-looking statements. Except as expressly required by applicable securities laws, SBMI assumes no obligation to update or revise any forward-looking statements. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: the impact of SARS CoV-2 or any other global virus; reliance on key personnel; the thoroughness of its QA/QA procedures; the continuity of the global supply chain for materials for SBMI to use in the production and processing of ore; shareholder and regulatory approvals; activities and attitudes of communities local to the location of the SBMI's properties; risks of future legal proceedings; income tax matters; fires, floods and other natural phenomena; the rate of inflation; availability and terms of financing; distribution of securities; commodities pricing; currency movements, especially as between the USD and CDN; effect of market interest rates on price of securities; and, potential dilution. SARS CoV-2 and other potential global pathogens create risks that at this time are immeasurable and impossible to define.