

Silver Bullet Mines Corp. Announces Financing With 2 Lead Orders

written by Raj Shah | February 10, 2022

February 09, 2022 ([Source](#)) – Silver Bullet Mines Corp. (TSXV: SBMI) ('SBMI' or 'the Company') announces its intention to carry out an accretive non-brokered financing of Units. Each Unit will be priced at \$0.40 (forty cents) per Unit and will comprise of one common share and one full 60-cent (sixty cent) warrant with a 24-month term, with each such warrant being exercisable into a common share (the "Financing"). Readers are reminded the Qualifying Transaction that resulted in SBMI being a reporting issuer in December, 2021 was carried out at \$0.30 per share.

"As we've disclosed many times, the global supply chain has been problematic for us," said Mr. A. John Carter, SBMI's CEO. "Unavoidable third-party delays, especially through the port of Long Beach, caused the Company to consume working capital that otherwise would not have been consumed. Further, with the passage of time, we have experienced pandemic-related increases in the cost of parts, logistics, fuel and supplies. All of this has put stress on the treasury. While SBMI continues to have considerable cash in its account, effecting a financing now is a combination of insurance and ensuring SBMI can execute on its revised 2022 plans in both Arizona and better-than-expected Idaho. It's the responsible thing to do."

The minimum and maximum gross proceeds from the Financing will be \$500,000 (five hundred thousand dollars) and \$2,000,000 (two million dollars), respectively. The minimum and maximum number of Units to issue as a result of the Financing are 1,250,000 and 5,000,000, respectively. Units will be allocated on a first

come, first served basis although SBMI retains the right to accept or reject subscription agreements in its sole discretion.

SBMI has two lead orders on the Financing, one for CDN\$180,000 and the other for USD\$200,000, from two existing shareholders who are accredited investors, who each committed to participating in the Financing without knowing its terms. Other existing shareholders have also expressed an interest in participating in the Financing without knowing its terms.

Net proceeds from the Financing, assuming the minimum, will be used to fund operations in Arizona until the Buckeye Silver Mine begins generating revenue, most likely in May, 2022 (see SBMI press release dated February 7, 2022 for details on the timing of revenue generation). Net proceeds from the Financing, assuming the maximum, will be used to fund and expand operations in Arizona until the Buckeye Silver Mine begins generating revenue (up to approximately \$800,000), to fund development of the Washington Mine in Idaho (up to approximately \$500,000), and to fund exploration and development of the McMorris Mine in Arizona (up to approximately \$500,000). In either case some of the proceeds will fund costs related to the Financing, working capital and overhead. The amount of costs related to the Financing will vary depending upon the amount paid as referral fees, which is unknown as this time.

SBMI purchased the Washington Mine in Idaho in December, 2020. The Company expected to warehouse that property until after the Buckeye Silver Mine began generating revenue so minimal allocation was made for it in SBMI's 2021 or 2022 budget. However, preliminary work at the Washington Mine revealed it could be capable of near-term revenue generation, resulting in the January 18, 2022 press release disclosing the assay results from a blended bulk sample of 55.5 oz/t silver. Management wants to accelerate work at the Washington Mine which will require

some of the capital being raised in the Financing.

Customary prospectus exemptions will be relied upon for the Financing, including the “Accredited Investor” exemption and the “Distributions to Existing Security Holders” exemption pursuant to section 2.9 of Ontario Securities Commission *Rule 45-501* (the ‘Existing Securityholder Exemption’). Management believes this to be a democratic means of effecting the Financing.

Investors subscribing for Units under the Existing Securityholder Exemption must meet certain conditions set out in *Rule 45-501*. The Company has set Monday, February 7, 2022 as the record date. Subscribers purchasing Units under the Existing Shareholder Exemption will need to represent in writing that they meet certain requirements of the Existing Shareholder Exemption, including that they were, on such record date, a common shareholder of the Company and still are a shareholder as at the closing date. The aggregate acquisition cost to a subscriber under the Existing Shareholder Exemption cannot exceed \$15,000 in the 12-month period immediately preceding the closing of the Financing, unless that subscriber has obtained advice from a registered investment dealer regarding the suitability of the investment. There is no minimum subscription amount. Any SBMI shareholder can subscribe, subject to the conditions above and in the subscription agreement.

Referral fees may be paid to arm’s length persons in connection with the issuance of the Units. Other than the subscription agreement, there will be no further offering material provided to Existing Security Holders or others related to Financing. The subscription agreement is available at the Company’s website <https://www.silverbulletmines.com/technical-corporatedocuments>. The Financing is subject to regulatory approval.

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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 viruses create risks that at this time are immeasurable and impossible to define.