

# Silver Bullet Mines Provides Update on Washington Silver Mine, A New Director, and a Lead Order for Financing

written by Raj Shah | August 2, 2024

August 2, 2024 ([Source](#)) – Silver Bullet Mines Corp. (TSXV: SBMI) (OTCQB: SBMCF) ('SBMI' or 'the Company') is pleased to announce it is continuing preparations for mining at its Washington Mine Property in Idaho, including adding mining strength to its board of directors. The Washington Mine, a historical past producing high grade gold/silver mine, is 100% privately owned by SBMI on patented lands. It is near Idaho City and Boise, proximate to infrastructure.

As previously disclosed by SBMI, the Washington Mine first saw production in the late 1800's with an average gold grade of one ounce per ton. It again produced gold in the 1930's during which time the then-owner lacked the process capability needed to produce silver, so a decision was made to block out the silver mineralization with the intention of returning at a future date to extract it. To the best of SBMI's knowledge, the blocked-out volume remains *in situ*. A historical report indicates the blocked-out volume contains an estimated 3 million ounces of silver with a grade of 30 to 90 ounces per ton and 15,000 ounces of gold at 0.3 ounces per ton. (Source, "Geological Evaluation", Roger G. Stoker, P.G. and Ryne C. Stoker, Student Geologist, Energy Services Inc., December, 1981.).

Stoker also indicated the underground location of the "Berger Vein," described as a "gold ore shoot 25 feet wide, 135 feet long, and unknown depth." Average grades were given as 0.3

oz/ton gold with unknown silver content. Additional notes in *Stoker* suggest that the Berger Vein had been intersected in drifting at the 400-foot level.

In the 1980's a previous owner of the Washington Mine reopened the underground to produce a bulk sample claimed to be representative of the mineralized body. The bulk sample was sent to Hecla Smelting for processing with the head grade reported to be 44 ounces silver per ton. (*Stoker, ibid.*).

SBMI took its own bulk sample in 2021 which averaged 55.5 oz/t silver (news release of January 18, 2022), which equates to over 1,902 g/t silver at a conversion rate of 34.285.

As part of its preparations for mining at the Washington Mine, the Company completed the mine identification process and contracted a Mine Safety and Health Administration ("MSHA") consultant to assist SBMI in meeting MSHA standards.

It is anticipated that production at the Washington Mine will start at 50 tons per day sometime over the next few months, in a zone that reportedly produced smelter receipts of 44 ounces per ton silver in the 1980's. Access to the material will be through a new adit approximately 80 feet from where the high-grade mineralization is reasonably believed to be. As SBMI is starting a new adit, SBMI will rockbolt there immediately as the adit is begun and then lengthened.

The initial plan is to extract roughly 2500 tons of high-grade material to be stockpiled at the minesite until sufficient quantities are available for economic shipping to a mill.

The Company is evaluating several mills to determine their capabilities of processing the material from the Washington Mine on an economic basis. Relevant metallurgical test work was completed by Montana Technical Institute (CAMP) in 2022.

Assuming regular mining from the Washington Mine is stabilized, further plans include mine development to access the areas of the underground workings where high-grade gold was mined in the past including the Berger Vein, and surface exploration to delineate the possible parallel vein that was reported during SBMI's 2021 summer exploration program (news release of December 9, 2021).

To support the Company's mining plans, both at the Washington Mine in Idaho and the Buckeye Silver Mine in Arizona, the Company is pleased to announce Mr. Kerem Usenmez, M.Sc., P.Eng., has been appointed to the board. Mr. Usenmez is a Geological Engineer and a mining entrepreneur with 25 years of global experience, focussed in underground and open pit mining and ground support with Inco (MB), and Wood (formerly Amec) Engineering.

He is currently the CEO of Volta Metals Ltd. (CSE: VLTA), a lithium explorer, based in Ontario, Canada. Before Volta Metals, he was the CEO of Metallum Resources Inc. where he acquired and advanced Canada's highest grade zinc deposit, the Superior Lake Zinc Project.

Kerem has 25 years of mining and exploration experience in various fields from exploration geology and drilling supervision to rock mechanics. He has in-depth technical experience in geotechnical and geological site investigation, rock mass characterization, and engineering stability analysis for mining and infrastructure projects, underground and open pit mine design, slope stability analyses, including geotechnical mapping, material strength testing, empirical analysis and numerical modelling and has extensive experience with the design and quality control/quality assurance for the implementation of ground support systems underground, conducting detailed rock mechanics mining scoping, pre/feasibility studies and detailed

design/evaluation/review/monitoring of underground excavations at existing operations. He also has extensive experience in diverse geotechnical projects world-wide, including dam constructions, tunnel constructions and mines.

Kerem is a director of the Prospectors and Developers Association of Canada where he chairs the Securities and Public Affairs committees. Kerem earned his Bachelor and Master's degrees from Dokuz Eylul University in Turkey, and earned equivalency via Master's courses from Laurentian University in Sudbury, Ontario. He is a registered Professional Engineer in Manitoba and Ontario.

Readers should be cautioned that the Company's decision to move forward with the construction of and production at the Washington Mine is not based on the results of any pre-feasibility study or feasibility study of mineral resources demonstrating economic or technical viability. The Company has undertaken exploration and development activities; and after taking into consideration various factors, including but not limited to: historical data, the exploration and development results to date, technical information developed internally, the availability of financing, and the starting costs as estimated internally by the Company's management, the Company is of the view that the establishment of mineral reserves by way of a prefeasibility or feasibility study at this stage is not necessary and would be unduly costly, and that the most responsible utilization of the Company's resources is to proceed with the development of the Washington Mine. Readers are cautioned that due to the lack of prefeasibility or feasibility study, there is increased uncertainty and higher risk of economic and/or technical failure associated with the Company's decision. In particular, there is additional risk that mineral grades may be lower than expected, and the risk that construction or continuing mining operations may be more

difficult or more expensive than management expected. Production and economic variables may vary considerably, due to the absence of a detailed economic and technical analysis in accordance with *National Instrument 43-101*. Failure at the Washington Mine may materially adversely impact the Company's overall ability to continue as a going concern.

The references in this release to data and observations derived from work not carried out by SBMI are of historical nature only and cannot be relied upon at this time. SBMI does not know the methods by which such work was carried out, or whether all or part of it was under the supervision of a Qualified Person, as that term is defined in *NI43-101*. SBMI refers to such data and observations to inform its knowledge of the area and to support its thesis for exploration and mining.

With respect to the third-party stockpile initially announced May 2, 2024 and updated June 13, 2024, SBMI announces all such material has been processed through SBMI's mill. The Company continues to discuss acquiring the remaining 30,000 tons of mineralized material at surface from an arm's length third party. The Company is evaluating the results of the test run to determine what changes to the mill or additional equipment if any will be needed to process the remaining 30,000 tons on a cost-effective basis, which will impact the terms of the agreement if any with the third party. It is likely some capital expenditures will need to be incurred to enable the mill to maximize its recovery of all valuable minerals in the material.

To finance the further work at the Washington Mine and for working capital, SBMI intends to issue a convertible debenture (the "Debenture") in an amount up to \$1,000,000.00 to willing investors ("Investors"), issuable in tranches of \$1,000.00 with each tranche having 10,000 detachable warrants. Each warrant has a term of three years and is exercisable at \$0.16, \$0.18, and

\$0.20 for years 1, 2, and 3 respectively following the issuance of the Debenture. The Debenture will have a three-year term and interest will run at a rate of 12% per annum, payable semi-annually in arrears during year one and quarterly in arrears during years two and three. Interest will be paid to Investors in cash or in common shares of the Company, at SBMI's option.

Each Investor at any time can convert its portion of the Debenture, in whole or in part, into common shares of the Company. The conversion price shall be \$0.10 during the first twelve months following issuance of the Debenture, \$0.12 during the next twelve months of the term of the Debenture, and \$0.14 during the final twelve months of the term of the Debenture (the "Conversion Price").

SBMI can force conversion of the Debenture, in whole or in part, if SBMI's closing price for its common shares exceeds \$0.25 for a period of ten days. The Debenture can be prepaid by SBMI any time after twelve months from the issuance of the Debenture.

The Company has a lead order from existing shareholders for \$300,000.

Closing on the Debenture in whole or in part and Mr. Usenmez' appointment are 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 pathogens create risks that at this time are immeasurable and impossible to define.