

Ticker: SLVR CN
Market cap: C\$145m

SCPe cash: C\$31m
Price: C\$0.56/sh

Project: El Tigre
Country: Mexico, Sonora

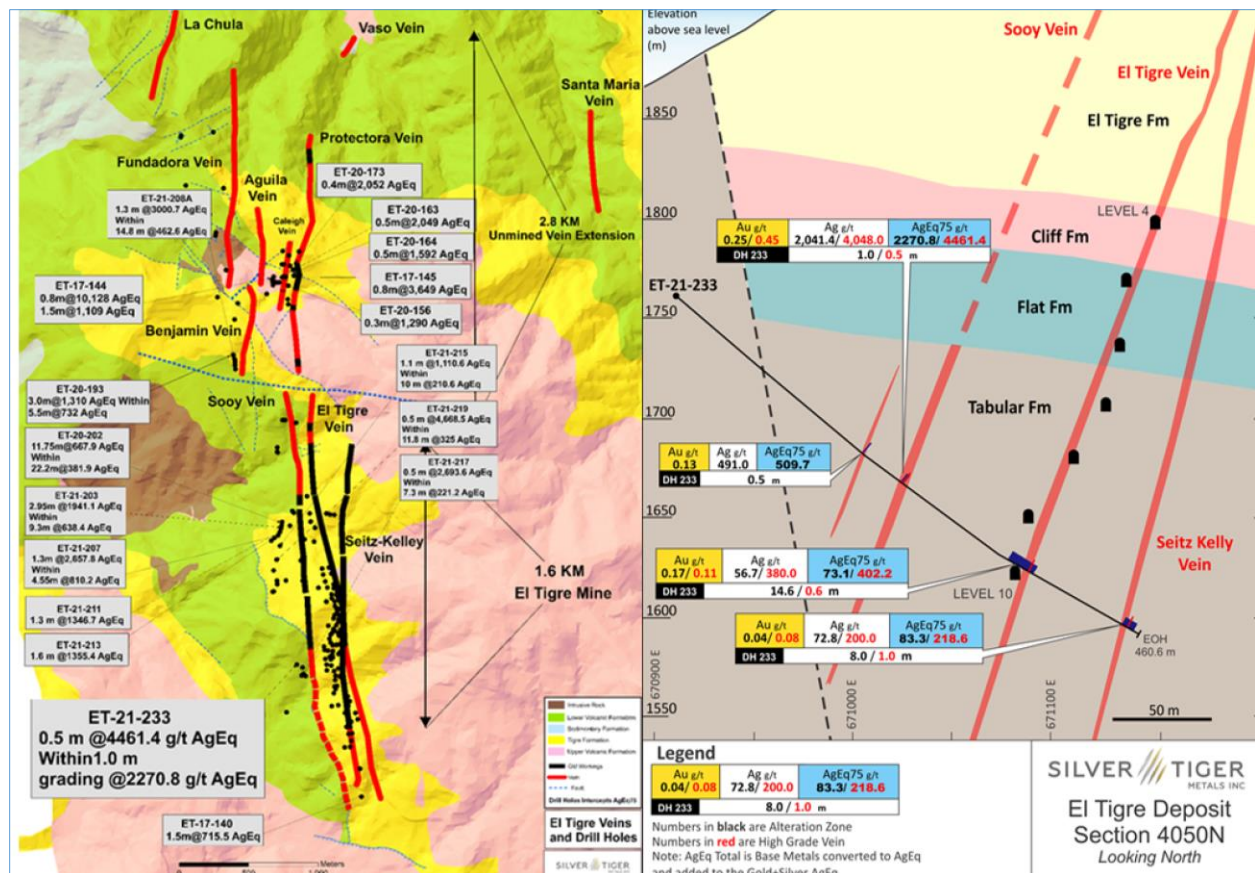
RECOMMEND. (unc): BUY

TARGET (unc): C\$1.20/sh

RISK RATING: VENTURE

Silver Tiger hits more bonanza high-grade at Sooy, this time stepping out further south, ~900m along strike of the discovery hole reported in February and intersecting **0.5m @ 4,461g/t AgEq** within **1m @ 2,270g/t AgEq**. It is remarkable that these veins were left behind down in the Tabular Formation, despite the El Tigre vein having mined right past it (0.6m @ 402g/t around old workings), speaking to the 'early' shut down during the Great Depression, rather than from depletion. Today's drilling and previous step-outs on the Sooy Vein continue to hit and have validated that the entire strike is mineralized up to 1km. This gets interesting as the next phase of drilling transitions to infill ahead of the next resource update, with four drills active, a fifth on the way, and 3km of strike to continue drilling. Stepping back, this is still all about discovery in a region where a 1Moz AuEq HG silver vein commands billion, or even multi-billion, dollar valuations, and the ingredients, if not the drilling (yet), are all now in place at the El Tigre system. **We maintain our BUY rating and C\$1.20/t PT based on US\$1.50/oz AgEq on the existing resource, and same again for a nominal 85Moz.**

Figure 1. (A) El Tigre veins plan map and (B) x-section showing today's 0.5m @ 4,461g/t AuEq



Source: Silver Tiger

Sooy Vein returns bonanza high grade in 0.5m @ 4,461g/t AgEq; step outs continue to hit

Today's results from the ongoing drilling on the Sooy Vein highlighted **0.5m @ 4,461g/t** (90% Ag) within a **1m @ 2,270g/t AgEq** collared 900m south of the discovery hole, **0.5m @ 1,175g/t AgEq**, and **9.9m @ 209g/t AgEq** including **1.8m @ 542g/t AgEq**. Drilling immediately adjacent to the old El Tigre workings hit **0.6m @ 402 g/t AgEq**. Four drills are active with a fifth being mobilized to site ahead of the next phase of drilling that will focus on resource delineation.

Why we like Silver Tiger

- Regionally exceptionally strong mineralisation system with historic ~100Moz @ ~2.5kg/t AgEq
- Existing pittable 80Moz bulk-mineralisation provides 'base load' scale
- Northern extensions never systematically explored, highlights of 0.8m @ 8,326g/t AgEq
- Old mine only mined to 250-450m, with deeper formations mineralised elsewhere
- Team adept at discovering and digitising old mine records to speed drill targeting

Catalysts

- 2021: Drilling from northern veins: Benjamin / Cayleigh
- 1H21: Drilling from old-mine surround for HG vein strike- and depth extensions

Research

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Ticker: SLVR CN	Price / mkt cap: C\$0.56/sh, C\$145m	Project PNAV today: 0.46x					Asset: El Tigre				
Author: B Salier / B Gaspar	Rec / xNAV PT: BUY, C\$1.2/sh	1xNAV_{1Q21} FF FD: C\$1.22/sh					Country: Sonora, Mexico				
SOTP <i>project valuation</i> *											
	C\$m	O/ship	NAVx	C\$/sh	Commodity price	CY21E	CY22E	CY23E	CY24E	CY25E	
Existing resource @ US\$1.50/oz AgEq	162	100%	1.00x	0.54	Silver price (US\$/oz)	24.00	24.00	24.00	24.00	24.00	
SCPe pro forma cash	30.8	100%	1.00x	0.10	Gold price (US\$/oz)	1,850	1,850	1,850	1,850	1,850	
Cash from options	13.6	100%	1.00x	0.04	Resource	Au	Ag	AgEq	AgEq	Ag (%)	
Exploration nominal 85Moz @ US\$1.50/oz	162	100%	1.00x	0.54	Indicated	0.51g/t	21g/t	60g/t	52Moz	65%	
Asset NAV185000% US\$24/oz	368				Inferred	0.52g/t	88g/t	128g/t	33Moz	31%	
				PT:	1.22	TOTAL	0.51g/t	36g/t	76g/t	85Moz	52%
Market P/NAV 0.46x					Capital structure		Basic	FD			
					Shares (m)	259.3	301.6				

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SELL: The stocks total returns are expected to be materially lower than the overall market

TENDER: The analyst recommends tendering shares to a formal tender offering

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BUY:	42
HOLD:	0
SELL:	0
UNDER REVIEW:	0
TENDER:	0
NOT RATED:	0
TOTAL	42

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