Tuesday, April 14, 2026

HALLGARTEN + COMPANY

Initiation of Coverage

Christopher Ecclestone
cecclestone@hallgartenco.com

Silver Viper Minerals

(TSX-V: VIPR | FSE: SO60 I OTCQB: VIPRF)

Strategy: LONG

Key Metrics	
Price (CAD)	$1.21
12-Month Target Price (CAD)	$2.90
Upside to Target	140%
12mth high-low	$0.165 to $2.57
Market Cap (CAD mn)	$111.32
Shares Outstanding (mns)	92.0
Warrants (mns)	40.0
Options (mns)	7.0
Fully diluted	139.0

Silver Viper Minerals

Poised to Strike in Mexico

- \+ Silver Viper is a Mexican explorer that has largely flown under the radar until recently but is now gaining forward motion propelled by not only the higher silver price but also by the markets' perceived pivot to silver as the precious metal with the most upside
- \+ The Coneto transaction has added highly prospective territory in the State of Durango and brought the Mexican mining major, Fresnillo, onto the register as a large shareholder
- \+ The Silver price reached above $100 on international tensions and economic events and then retreated from an overheated situation to more realistic levels
- \+ The universe of silver explorers, developers and producers has moved into a much higher profile in the mining space over the last two years
- \+ A series of financings have positioned the company with cash resources for its immediate exploration plans
- \+ The previous Mexican government's talk of an open-pit mining ban has faded as a concern
- ✕ Precious metals, including Silver, have given up significant ground as the war in the Middle East grinds on
- ✕ The financing environment has been tough in the junior explorer space in the last two years, with investors being most well-disposed to fund projects with a perspective to production

Silver Drives a Mexico-Centric Strategy

The mid-2020s will be known by mining investors for the renaissance of silver. While gold has also had a great run, it would appear that the silver uplift has brought to life many more sleeping exploration and development stories than gold has. After all gold is a perennial, whereas silver's fortunes have been more fluctuating, particularly since the eclipse of the metal as an industrial staple in photography applications. That new applications have arisen was scarcely noted and silver languished until a partial awakening in 2020 and a full awakening in 2025.

It may be a truism that a tide lifts all boats, but it is certainly true at the moment that investors' positive disposition towards gold and silver has spilled over from producers/developers into the junior explorer space. This then requires a further dichotomy between explorers that are moving their projects forward and "deepening" them with intensification of work on the main target(s) and those that will do anything to avoid any proximity to the dreaded "d-word" (no, not dividends!) by constantly pursuing new adjacent and/or distant greenfield targets on their patches.

Meanwhile the other component of the Silver Viper strategy has been Mexico and this country has been shucking off the burdens it inherited from the AMLO period which ended in 2024. Mexico is clearly perceived as better now than under the previous administration with momentum towards a full rerating of the prospects there.

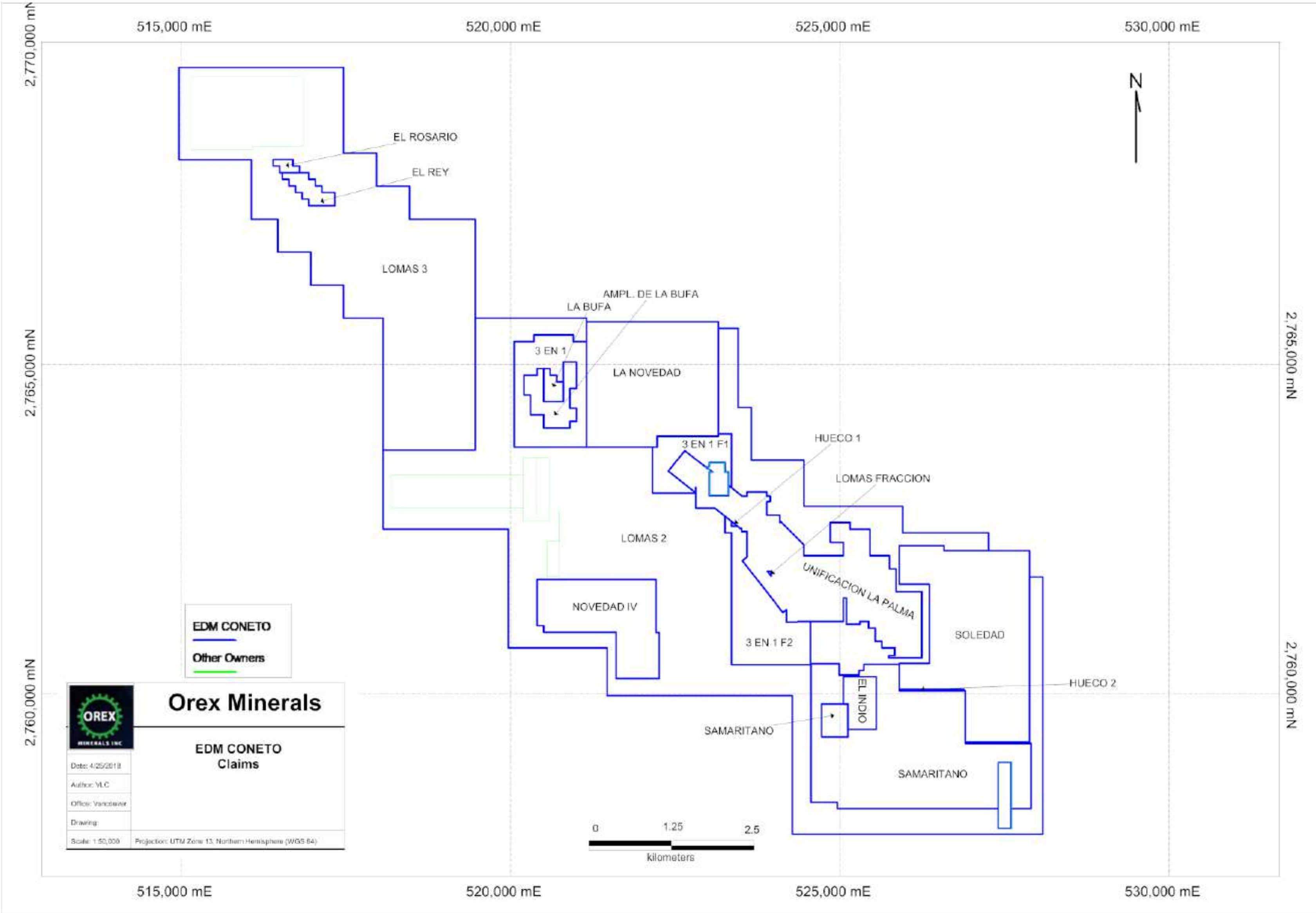
The Viper Strikes Fast

Silver Viper has had a transformational year in 2025. While the company already existed and it had its La Virginia project, the silence had been deafening. Since the onset of a new management style in the first half of the year the company has been in a whirlwind of adding a minor project (Cimarron) then another major project (Coneto). This action was interspersed with financings and management enhancements to bring the company to a point where it achieved lift-off. Indeed, yielding a more than fivefold rise in the share price between May and November of 2025 before retracing to current levels around $1.29.

In this **Initiation of Coverage** we look at the original "state of play", the assets held, the assets added, those they might be subtracted, the new management strategy and then the underpinnings of the silver uptrend/rerating and the state of things in Mexico and its mining policies at this juncture.

The Coneto Silver-Gold Project

The Coneto project is located approximately 100 kms north of Durango City, within the historic Coneto Mining District, one of Mexico's oldest and most prolific silver-gold camps. The project area covers 4,995 hectares of mineral concessions with the concession map shown below:


515,000 mE
520,000 mE
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AMPL. DE LA BUFA
LA BUFA
3 EN 1
LA NOVEDAD
3 EN 1 F1
HUECO 1
LOMAS FRACCION
LOMAS 2
UNIFICACION LA PALMA
NOVEDAD IV
3 EN 1 F2
SOLEDAD
HUECO 2
EL INDIO
SAMARITANO
SAMARITANO
EDM CONETO
Other Owners
Orex Minerals
OREX
MINERALS INC
EDM CONETO
Claims
Date: 4/25/2018
Author: VLC
Office: Vancouver
Drawing:
Scale: 1:50,000
Projection: UTM Zone 13, Northern Hemisphere (WGS 84)
0
1.25
2.5
kilometers

The claims collectively host over 40 known epithermal quartz veins exhibiting silver-gold mineralization, some exceeding 20 metres wide and extending for over one kilometre along strike.

The Coneto property surrounds the town of Coneto de Comonfort, a historic mining town, with a population of 4,400. The town has a pool of skilled labour, while the project has strong infrastructure, including paved road access, connection to the national power grid, and proximity to major highways and services.

The Coneto Deal

In late October of 2025, Silver Viper announced that it had entered into a binding term sheet with Fresnillo plc (LSE: FRES) and Orex Minerals Inc. (TSX-V: REX) to acquire 100% ownership of the Coneto Silver-Gold Project (a JV between the two vendors) located in Durango, Mexico.

Silver Viper is acquiring the vendors' combined interests in Coneto (i.e. the 61.21% held by Fresnillo and 38.79% held by Orex) through an all-share transaction which values the Coneto Project at US$15mn (approximately CAD$21mn). The deemed price was CAD$0.80 per VIPR Share (converted to Canadian dollars on the closing date of the acquisition). A finder's fee was payable to OJR Jet Management Consultancies CO LLC SOC of up to 1,151,595 VIPR shares.

Originally, post-closing, Fresnillo was to hold approximately 17% and Orex approximately 11% of the issued and outstanding VIPR Shares on a non-diluted basis. However, due to intermediate financings this is now 14% and 9% respectively. Fresnillo and Silver Viper have entered into an investor rights agreement, providing customary anti-dilution rights for Fresnillo.

On the 13th of March of 2026, the company executed a definitive share purchase agreement with Fresnillo plc and Orex Minerals.

Orex shares a director with Silver Viper in the form of Steve Cope, and Ruben Alvidrez joined the board representing Fresnillo.

Royalties

There exist net smelter return (NSR) royalties of 1% for Minera Cima, S.A. de C.V. and 1.5% for Minera San Miguel de Coneto, S.A. de C.V., which are still in force for the claims originally owned by these companies.

Past Production

The Coneto district has seen over 400 years of mining activity, with both artisanal and modern operations exploiting silver- and gold-bearing veins across multiple zones. Despite this long history, the project remains underexplored at depth, with historical drilling and underground workings confirming high-grade zones and strong continuity beneath the water table.

Over 40 veins of silver & gold have been documented in the Coneto mining camp, some over 20 m wide and extending more than a km in length. Very little diamond drilling has occurred on the property. However, drilling records from the 1970s yielded grades of 2.35 g/t Au and 224 g/t Ag for a silver equivalent of 365 g/t over 3.15 m in Loma Verde, part of the western vein system. The central vein system was also mined in the 1970s by private companies. Mining on several veins has only gone as far down as the water table, yet the veins continue below that level.

Back History of Coneto

Gold was discovered in the Coneto camp as early as 1552 with recorded mineralisation on La Bufa. Early mining activities in the Coneto mining district began in 1572 when a group of Spaniards founded the Real de Coneto. Smelting of gold and silver minerals were performed in furnaces of simple construction. The Spaniards left the mines in 1790 due to excessive water in the underground workings.

In the 19th century, various foreign companies had initiated operations on the Sauce and Palma veins (currently on Orex's Unificacion La Palma mineral concession), installing steam engines to pump out mine water. Tin exploration also took place in the rhyolites to the east of Coneto de Comonfort (Anon., 1888). These activities were suspended in 1910 due to the Mexican Revolution.

In 1960, an USA company installed the first mill with a flotation system of 200 tons per day capacity, but their operations were suspended in 1973. Compañía Minera Comonfort S.A. de C.V. operated in the property between 1976 to 1990, including the Palma and Sauce vein areas.

A report prepared for the Comision de Fomento Minero described a part of a drilling program conducted in 1972 targeting the Durazno Vein by Servicios Administrativos Frisco S.A. de C.V. (Veytia-Barba, 1974). The report focused more on the structure and groundwater fluorite potential but included a portion of the drill logs with gold and silver assays.

Between 1976 and 1981, the Consejo de Recursos Minerales (CRM) worked on the Coneto Project and constructed ramp access to the main mine workings with the portal located near the old Fortuna Tiro (shaft). Over three years (1978 to 1980) CRM excavated 3,429 metres of underground development, drilled 4,428 metres in 38 boreholes and took 4,862 channel and core samples, of which 633 samples were of core (Guzman and Alba, 1981). Evaluation of their results is not possible without access to the data. The CRM also conducted a resource and reserve estimate, but the equivalencies of methodology to the current CIM standards is unknown. Furthermore, in the 1980s, uranium exploration was in vogue and Uranio Mexicano explored the hills west of Coneto de Comonfort. Their work focused mainly on the uranium potential in the Upper Volcanic Group but referred to the geologic setting of the Gold-Silver veins in Coneto (Reyes-Cortes, 1985).

At the Coneto Mine, silver and gold production records are mostly absent. There is one reference to production in 1989 and 1990 by Compañia Minera Comonfort, S.A. de C.V., documenting tonnage processed and recovered grades:

Coneto Mine Production (1989-1990)

Year	Tonnes	Au ozs	Ag ozs	Recovered Grades Au g/t	Recovered Grades Ag g/t
1989	42,244	1,061	170,322	0.8	126
1990	31,532	707	140,579	0.7	138

Following the 1990 closure of operations due to the low silver prices, the Ejido Council of Coneto de Comonfort filed for lack of severance pay for workers. It was awarded the property from Compañía Minera Comonfort S.A. de C.V. In 1996, Compañia Minera Mexicana de Avino S.A. de C.V., a subsidiary of Avino Silver and Gold Mines Ltd. (Avino), obtained the mineral concessions in the central part of the camp from the Ejido Council. Avino contracted ERA-Maptec Ltd. to conduct a structural analysis of the Coneto Camp. Avino produced estimates of potential tonnage for a series of veins in the Coneto mining camp, but the methodology did not conform to the current CIM standards. There is also evidence (the remains of drill core found in a building near Tiro Norte) that Avino conducted a small drilling program in the late 1990s in the Durazno and Impulsora areas, the extent of which is not known. The amount of drilling was in the order of 1,000 metres, but the core storage was poor, and the information on the results has not been found.

In the early 2000s, Compañia Minera San Miguel de Coneto S.A. de C.V. obtained the multitude of small mineral concessions of the Avino ground in the central part of the Coneto mining camp. Many of these concessions, centred around Coneto de Comonfort, were combined to form a more significant mineral concession, "Unificacion La Palma." By sub-licensing, the concession owners allowed mining activity to proceed for the industrial mineral fluorite CaF_2 in the Durazno and Impulsora Mines on the east side of the concessions. For a fluorite operation to be viable, the product must be relatively pure from deleterious elements. Sulphide and metal content within the fluorite was considered high, and the fluorite operation was shut down in 2007.

In 2007, a wholly-owned subsidiary of Pan American Silver conducted a property examination of the Coneto mining camp, which included a metallurgical test. This test was performed only on quartz breccia material sampled from the surface in the Calaveras area of the Coneto Project and resulted in 85% silver recovery and 60% gold recovery. These recovery factors were considered preliminary as the testing methods were not optimized for Coneto and represented only one style of mineralisation. Nevertheless, these results were used in various internal and external evaluations, including NI 43-101 Technical Report authored by Whiting & Gunning in 2009.

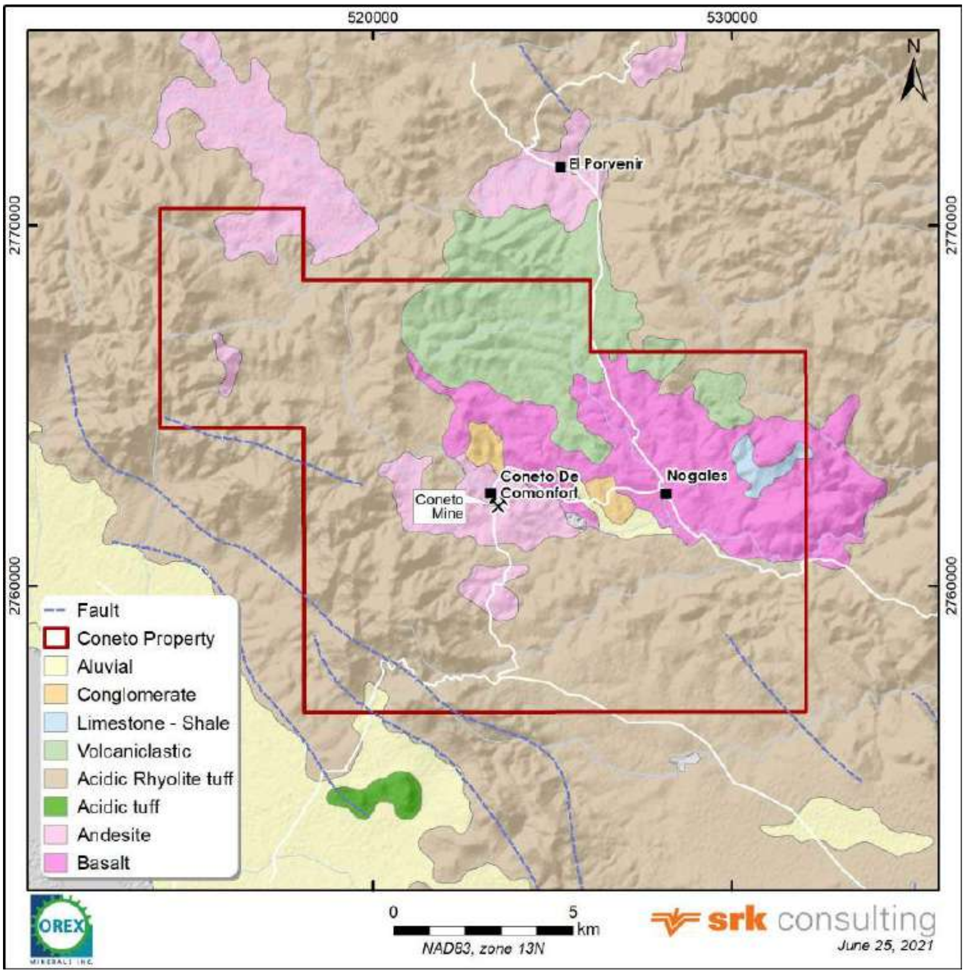
In 2007, Pan American was also re-evaluating their corporate approach for acquiring new assets, and they were moving toward more advanced development opportunities. Coneto was described as a promising exploration project, but without current reserves/resources, it did not satisfy Pan American's corporate thresholds.

Management of Orex Minerals Inc. had been interested in Coneto for several years. In April 2009, a property examination was conducted by Orex Minerals and in mid-2009 it acquired all of the mineral concessions belonging to Compañia Minera San Miguel de Coneto S.A. de C.V. and Compañia Minera Cima S.A. de C.V. in the Coneto mining camp. Between 2011 and 2013 Fresnillo plc and Orex Minerals formed a Joint Venture to explore the Coneto claims, held 55% by Fresnillo Plc and 45% by Orex Minerals under an Association Agreement, with Fresnillo serving as the project operator.

Regional Geology

The Coneto property is located in the Mesa Central geological subprovince (also known as Altas Llanuras or High Plains) on the eastern flank of the Sierra Madre Occidental. The elevations vary from 1,980 metres in the Santiaguillo Lagoon valley to 2,740 metres in the Sierra de Coneto.

The trend hosts some of the world's largest and most historic silver deposits, including the Fresnillo mine (operated by Fresnillo Plc), the Guanajuato and Zacatecas mining districts, and major development projects such as La Preciosa (Avino Silver & Gold Mines Ltd.) and La Pitarrilla (Endeavour Silver).



The general landscape of the project area is shown in the photo that follows:

Project Geology

Mineralisation in the Coneto Project appears as low to intermediate sulphidation epithermal veins. The zonation of mineralisation is indicative of the lower levels of an epithermal system.

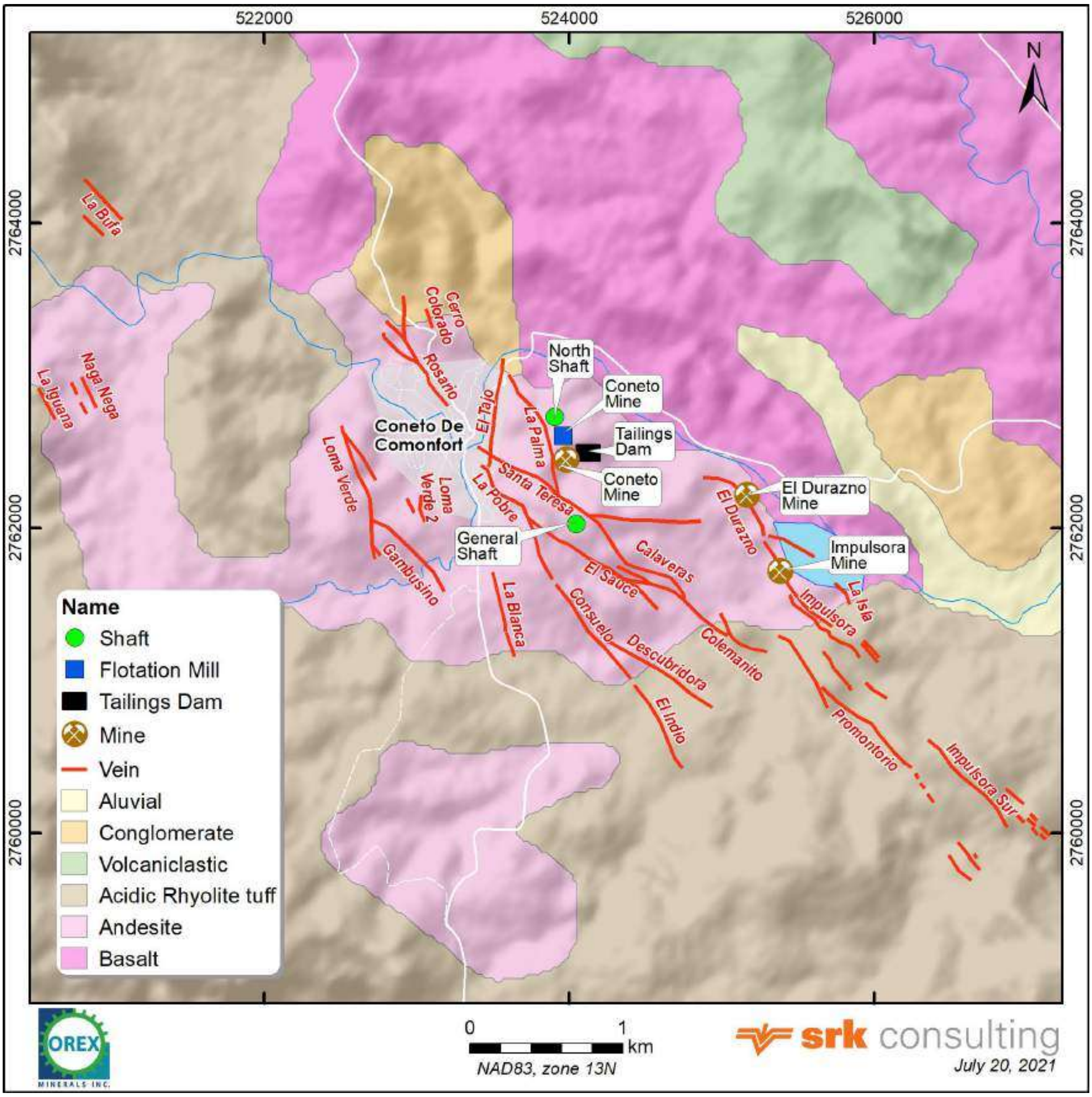
Mineralisation controls are primarily structural and secondarily lithological. Economical gold and silver mineralisation appear in hydrothermal quartz plus calcite veins that formed in pre- mineralization faults. This fault system corresponds to an event that allowed the introduction of hydrothermal fluids. Pre- and post-mineralisation lithologies can be found within the area of the project.

The post-mineralisation rocks include ignimbrites, rhyolites and felsic intrusives belonging to the upper volcanic group. The mineralisation is hosted in rocks of the Lower Volcanic Group, which is composed of a series of volcanic rocks including tuffs, agglomerates and breccias. Gold and silver mineralisation occurs in veins, veinlets and stockwork.

Overlying the sedimentary-dominated units is the Tertiary aged Lower Volcanic Group. These are composed of andesite lava flows, andesite agglomerate and andesite breccias. Near the top of the Lower Volcanic Group, the rocks become progressively more felsic. The Lower Volcanic Group may be 300 metres thick in the Coneto area, based on comparisons to other similar camps.

There are over 40 veins documented in the Coneto property. Some individual veins have been mapped for over two kilometres along strike and vary from 1 to 20 metres thick. In addition, there are quartz stockwork and breccias in both hanging and footwall zones of significant veins. Quartz veins and breccias, which tend to be more resistant to weathering than the host rocks, often appear as outcrops.

The veining, and associated hydrothermal alteration corridor, extends approximately 16 kilometres in an northwest-southeast direction, the dominant strike direction of the veins, and four kilometres in an southwest-northeast direction.



The Tertiary aged Upper Volcanic Group, dominated by rhyolites, ignimbrites and felsic intrusive, overlies unconformably. The contact is evident along the access road south of Coneto. Most of the Sierra de Coneto to the west is composed of the Upper Volcanic Group. A Pleistocene post-mineralisation conglomerate is exposed mainly along the northeastern margin of the Coneto mining camp, along with younger basalt and basaltic andesite units.

The volcanics, mostly rocks of the Lower Volcanic Group, comprise 95% of the study area and constitute the bedrock of the known structures. The upper sections are rocks of rhyolitic composition, dominantly tuffs and ignimbrites. Veins hosted in the Lower Volcanic Group have variable degrees of hydrothermal alteration associated with the mineralisation structures. These alterations include kaolinitisation, silicification, and pyritisation. In addition, later meteoric waters oxidize the upper levels of the vein systems.

The area exhibits an extensive system of hydrothermal alteration indicative of the presence of mineralization. Low to intermediate-sulphidation epithermal silver-gold quartz veins are in a window of Tertiary age lower volcanic group andesites, the same rock formation which hosts other similar silver-gold deposits. The mineral zonation shows that Coneto is high in the epithermal system and that the system is preserved. In this type of deposit, the top is fluorite rich, zoning to precious metals followed by base metals. Similar deposits in Mexico have mineralized vertical extents in the 300m-600m range.

Exploration

After acquiring the concessions, Orex Minerals initiated exploration with 21 boreholes (5,006 metres) in 2010. The aforementioned JV (with Fresnillo) drilled 33 boreholes for a total of 11,998 metres. Subsequent exploration between 2014-2015 through the JV targeted the main structures through 41 boreholes (16,327 metres). The most recent drilling program on the Coneto claims was executed between 2016 and 2017 with 11 boreholes for a total of 5,215 metres.

Silver Viper intends to undertake a comprehensive exploration and drilling program targeting expansion of known systems and deeper, high-potential horizons.

An environmental permit was granted for a period of two years beginning October 19, 2016, and expired on October 19, 2018. There are currently no environmental permits in force approved by the Secretaría del Medio Ambiente y Recursos Naturales (SEMERNAT) to carry out exploration studies that produce an environmental impact.

Coneto Resource

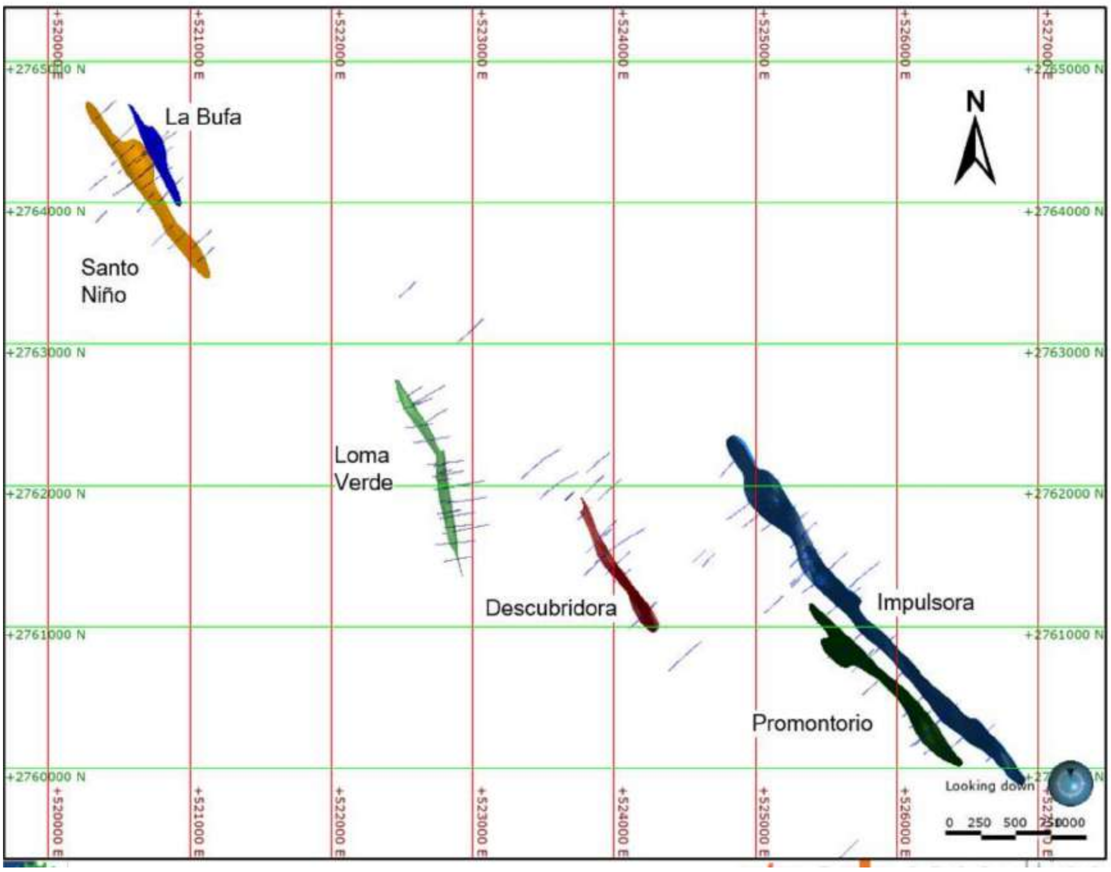
In May 2021, Orex commissioned SRK Consulting (Canada) Inc. (SRK) to audit and validate the mineral resource model for the Coneto project, inclusive of a site visit to the property and the preparation of a technical report. The services were rendered between June and August 2021, leading to the preparation of the mineral resource statement reported herein.

CONETO - MRE

Category	Tonnes	Au g/t	Ag g/t	Au Eq. g/t	Contained Metal Au Ozs '000	Contained Metal Ag Ozs '000	Contained Metal Au Eg. Ozs '000
La Bufa	264	2.44	85	3.34	21	717	28
Santo Niño	901	1.1	163	3.17	32	4,718	92
Loma Verde	1,920	1.32	165	3.58	81	10,148	220
Descubridora	280	0.91	141	2.69	8	1,266	24
Promontorio	690	2.31	50	3.13	51	1,108	69
Impulsora	1,270	2.28	28	2.57	93	1,154	105
Total Inferred	5,325	1.67	112	3.15	286	19,111	538

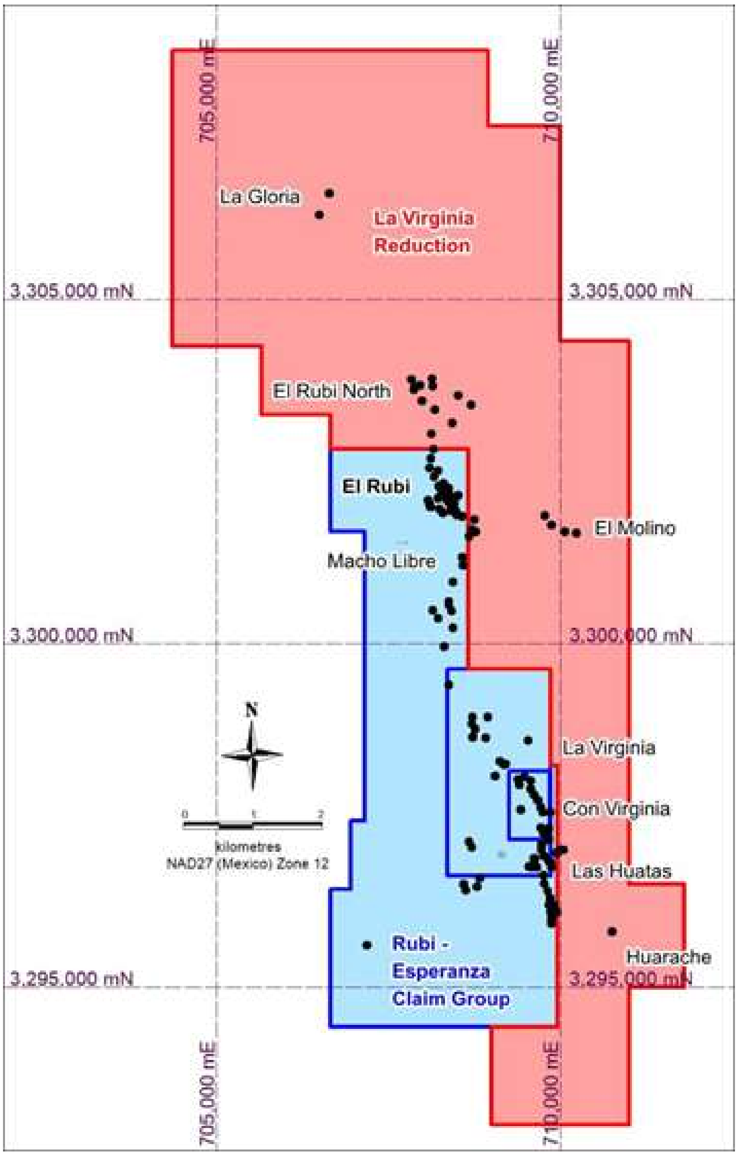
The MRE was based on a cut-off mineral value of US$74.30 per tonne. In-situ mineral values and gold equivalent grades are based on prices of US$1,500 per troy ounce of gold and US$21.50 per troy ounce of silver and metal recoveries specific to each vein ranging from 66% to 98% for gold and 69% to 90% for silver.

The mineralisation zones as reported in the MRE are shown on the map below:



Background

The main asset of Silver Viper is the La Virginia Gold-Silver project. This was originally comprised of 6,882 hectares in six mineral concessions. The claims were acquired in two phases from June 2018, the first being a 2102-hectare group of three claims known as Rubi-Esperanza, recently acquired 100% by Silver Viper Minerals. The second group was acquired in December 2018 and is a large group of three concessions also now owned 100% by Silver Viper.



The company undertook a project-wide reconnaissance campaign and filed paperwork to reduce the area of the large claims, with a goal of significantly reducing the claim maintenance costs. This strategy allowed the company to focus exploration on the recognized mineralized trend.

La Virginia

The La Virginia project is a silver-gold exploration property located in eastern Sonora, Mexico. The project is 15 kms northeast of the township of Nacori Chico, approximately 195 km northeast of Hermosillo, and 180 km south of the USA/Mexican border.

Access to the project area from the state capital of Hermosillo is by way of paved highway #14 east to a well-marked intersection at Rancho El Coyote, (approx. 250 km by road), then south along paved local roads to the township of Nacori Chico (approx. 50 km by road). From Nacori Chico, access to the project is by way of the local unpaved road connecting that town with the community of Mesa Tres Rios.

The project is situated in rugged terrain with elevations ranging from 1200 m to 2100 m above sea level and the project is of sufficient size to support a mining operation. Road access to the project is adequate, and a powerline corridor connecting the township of Nacori Chico with the eastern community of Mesa Tres Rios is partially complete. Any future development work would be dependent upon upgrading the local ranch trails and the construction of new access road to the project area.

Regional Geology

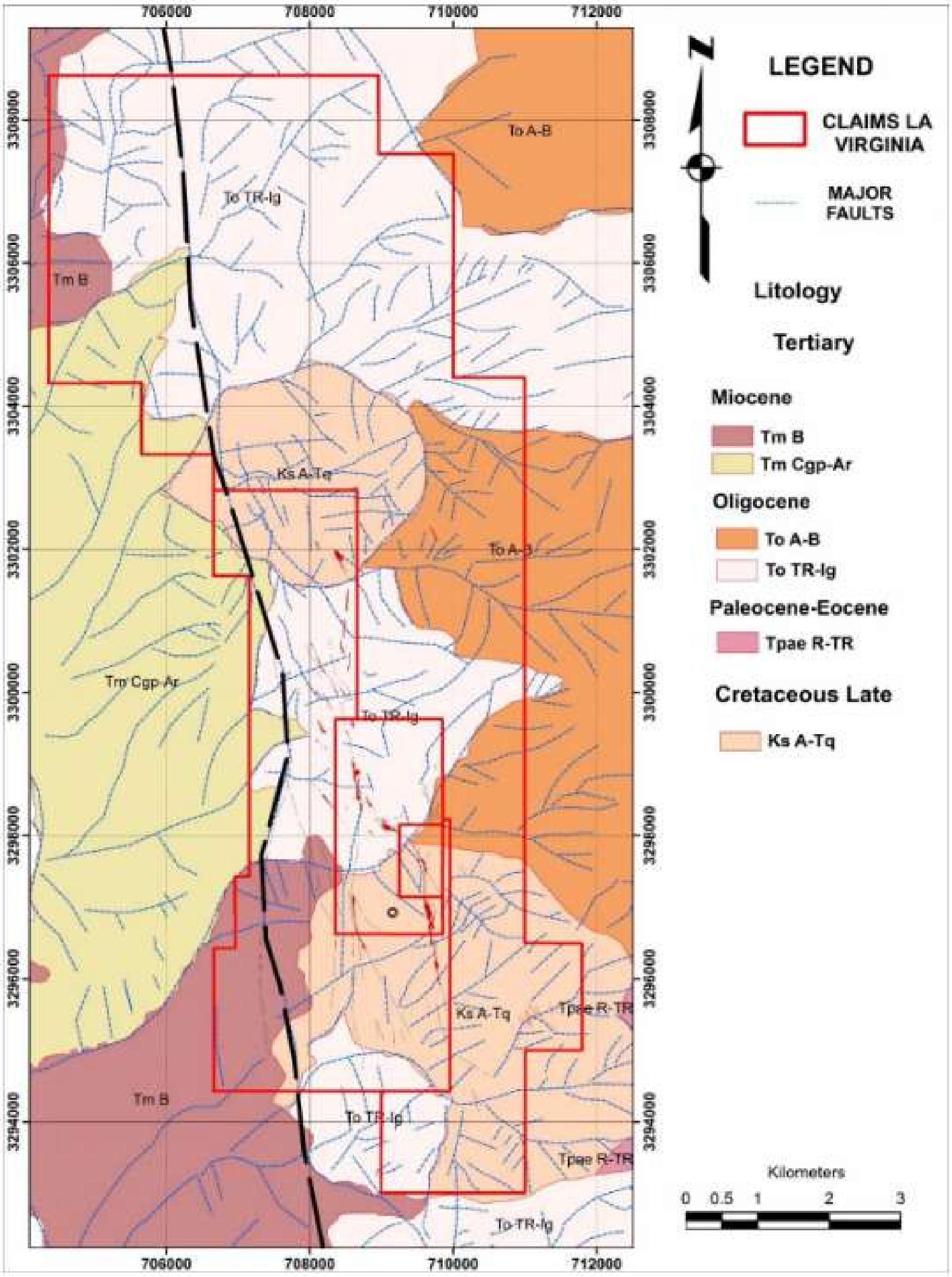
The La Virginia project is situated within the Sierra Madre Occidental Province of Northern Mexico. The Sierra Madre Occidental, a linear belt of volcanic rocks approximately 1,500 km long by 250 km wide, is known to host many important gold and silver prospects and producing mines of western Mexico.

Geochemically, the Sierra Madre Occidental rocks form a typical calc-alkaline rhyolite suite with intermediate to high potassium and relatively low iron contents. Late Eocene to Miocene volcanism was bimodal, but silicic compositions are volumetrically dominant.

Geology

The project hosts low-sulphidation epithermal-style gold-silver in quartz stockworks, veins and hydrothermal breccias controlled by the regional north-northwest trend. Mineralization is hosted by intermediate volcanics, and pre-mineral, dacite-rhyodacite dykes emplaced along fractures aligned to the regional trend. The structures are laterally extensive and often conspicuous due to the erosion-resistant nature of the coincident dykes.

Work to date has identified anomalous gold and silver mineralization over many kilometres.



Historical underground workings indicate that mineralized zones within dilationary jogs or bends along the target structures can achieve true widths of up to 20m.

Past Mining

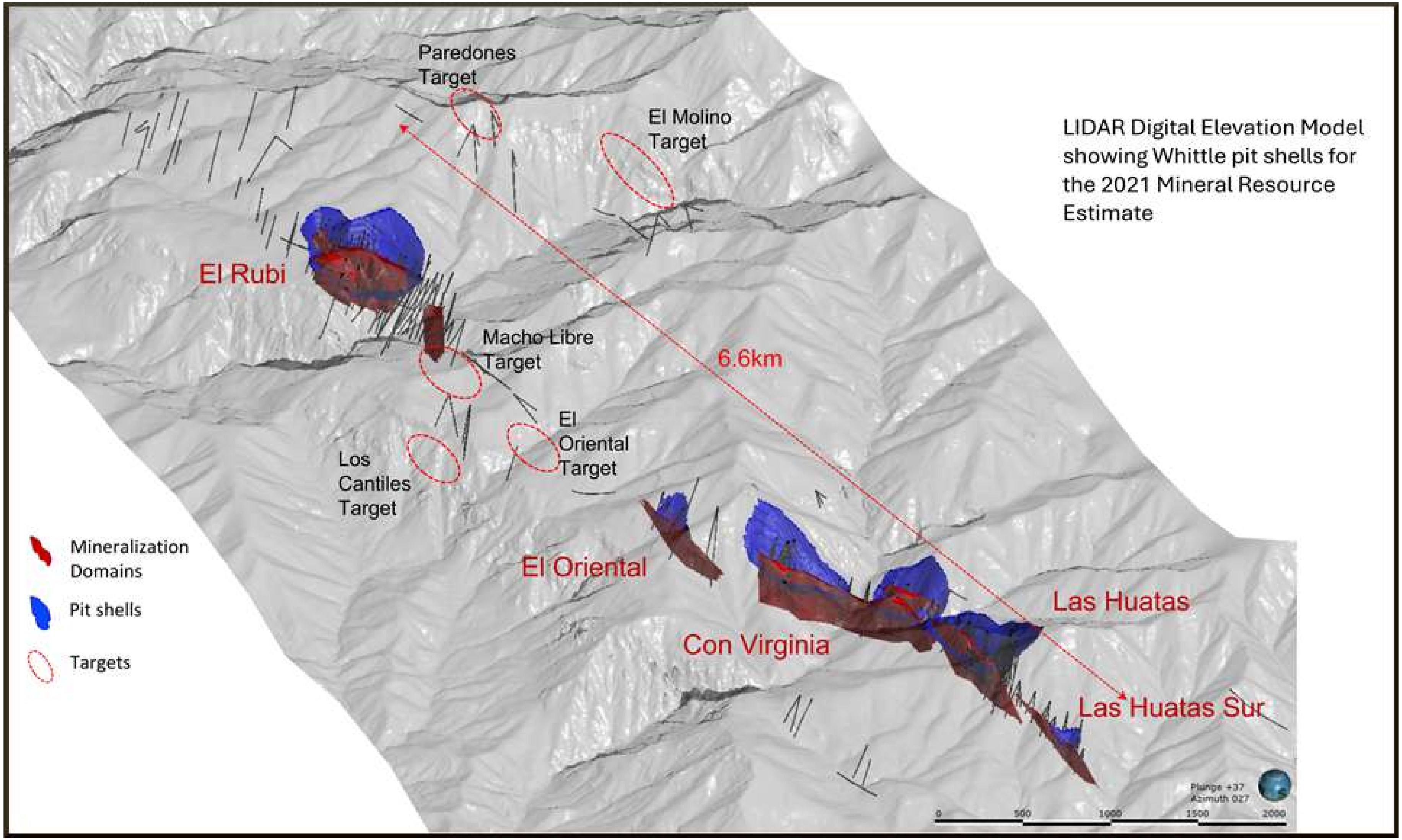
There is little documentation on historical mining on Silver Viper's concessions though various signs of this past activity exist, though seemingly on a relatively small-scale. The best example of historical mining is at Con Virginia, where stockwork veining is observed to achieve thicknesses of 20 m in the underground workings.

Observations from within the workings indicate that the previous workers targeted high-grade sulphide mineralization often found in lenses along the contact between local rhyodacite dykes and the host lithologies.

Below can be seen the El Oriental historical mine workings with the exposed opening measuring 1.5 m across.

At the El Rubi showing, historical workers sunk an exploration shaft measuring approximately 10 m deep and drove a short adit into the hillside. These efforts were apparently to test the orientation and extent of mineralization related to the El Rubi structure which outcrops in the area and at surface returns anomalous gold and silver mineralization.

Field observations suggest that material extracted from the various small-scale workings was hauled back to the La Virginia area for rudimentary processing. Some artifacts found below the La Virginia portal including concrete pads and scraps of steel mark the site of a small crushing/sorting operation.


Paredones Target
El Molino Target
LIDAR Digital Elevation Model showing Whittle pit shells for the 2021 Mineral Resource Estimate
El Rubi
Macho Libre Target
6.6km
El Oriental Target
Los Cantiles Target
Mineralization Domains
Pit shells
Targets
El Oriental
Las Huatas
Con Virginia
Las Huatas Sur
0
500
1000
1500
2000

The project is remote, and a field camp is in place on the property.

Exploration

In 2007, the area was targeted by a reconnaissance program undertaken by Canadian explorer Minefinders Corporation Ltd. The program took a “big picture” approach and targeted the northwest regional trend extending from the Dolores Au-Ag mining operation in western Chihuahua possibly as far as the El Tigre Ag-Au Mining camp in Sonora, about 180 km to the northeast. As a result of this survey, La Virginia was identified as a prospective target, as well as the Rubi-Esperanza claim.

In 2010, Minefinders embarked upon an intensive exploration campaign over the La Virginia project area. Work completed included geochemical sampling and geological mapping, culminating in a diamond drilling program which ran from 2010 to 2013.

Exploration drilling by the previous operators focused largely on the main mineralized trend centered on the Con-Virginia area. Drilling commenced in 2010 and focused on the evaluation of mineralized showings from Las Huatas Sur in the south to El Oriental in the north, with the majority of the drilling focusing on Las Huatas, Con-Virginia and La Virginia.

In 2012 Pan American Silver acquired Minefinders, and the final year of exploration was completed under the supervision of Pan American Silver’s exploration team. Minefinders/Pan American Silver drilled 188 diamond drillholes for a total 52,635 metres.

Silver Viper acquired the La Virginia Project from Pan American Silver in 2018. Exploration work began with a regional targeting and reconnaissance survey and progressed to drill testing in September 2018. Recent exploration work has included two phases of diamond drill testing:

- Phase I drilling, designed as a first pass test along known mineralized trends and potential parallel structures, was completed in December 2018 and totaled 20 holes for 4,753 metres.
- Phase II focused on target areas north of the historical exploration areas, notably the El Rubi discovery area, and added 20 more holes for 6,955 metres.

Silver Viper had completed 102 diamond drillholes totalling 27,913 metres.

The company, in close conjunction with its drilling contractor, re-opened the exploration camp, which operates under new safety protocols observed by certified personnel.

In June of 2020 the team recommenced drilling at El Rubi, and the work began in October of 2025 has included continued drill testing of that structure, as well as additional prospective targets in the surrounding area.


Upper Volcanic Series
Lower Volcanic Complex
Western Zone
Andesite - porphyritic
Andesite - flows, agglomerate
El Rubi Structure
Rhyolite - lithic/crystal tuffs
Foreground - Southern side of Arroyo El Rubi

Resource

The MRE for the La Virginia was prepared by Arseneau Consulting Services (ACS), led by Gilles Arseneau and is dated as at May 2021. ACS estimated that the La Virginia Project contained 6.1 million tonnes grading 0.78 g/t gold and 35 g/t silver of indicated mineral resource and 6.6 million tonnes of inferred mineral resource grading 0.71 g/t gold and 41 g/t silver potentially accessible by open pit.

In addition to the mineral resource near surface, the deposits contain 227,000 tonnes grading 1.92 g/t gold and 62 g/t silver of inferred mineral resource that could be amenable to underground mining.

La Virginia Resource

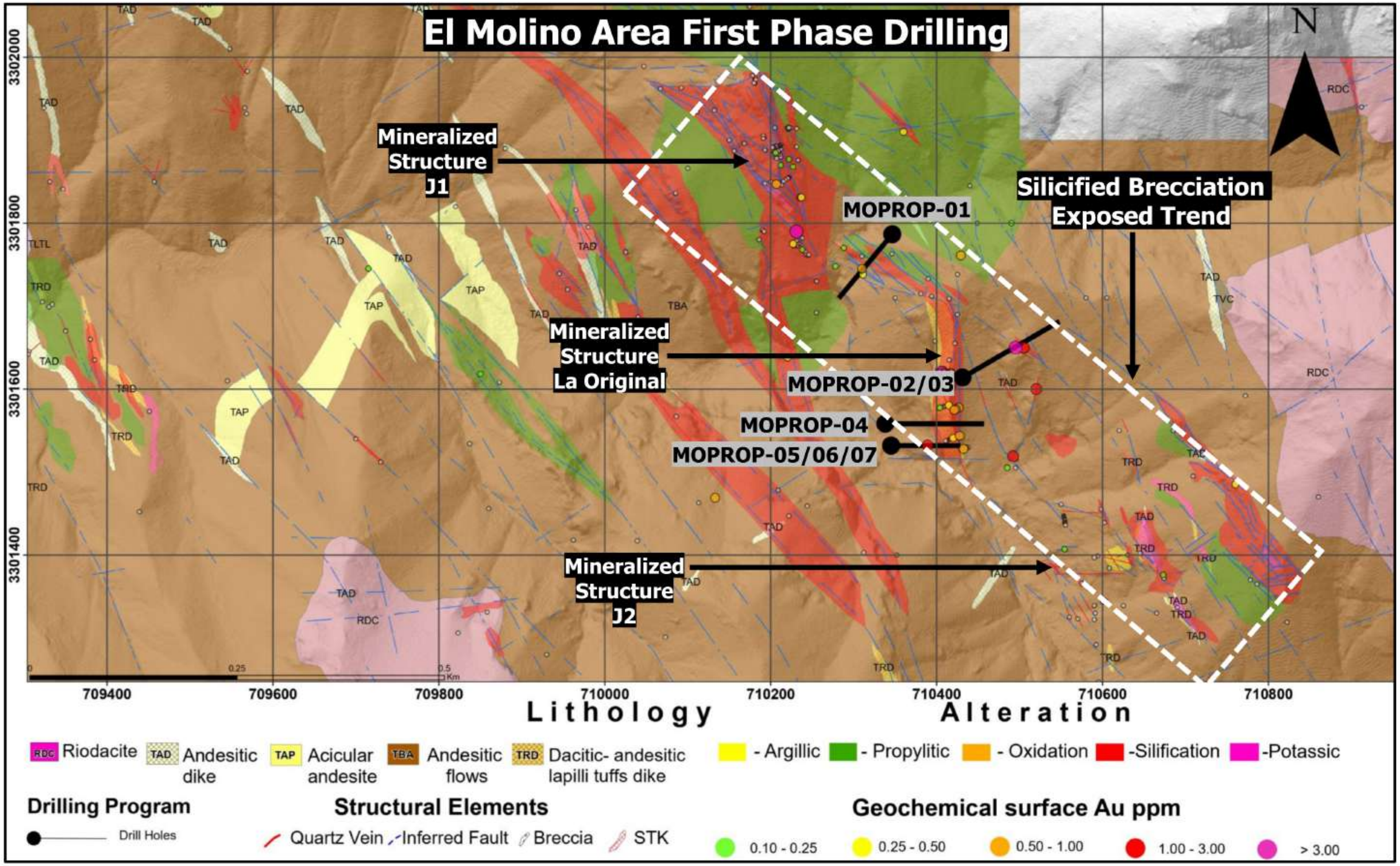
Deposit	Mining Method	Category	Tonnes	Capped Au g/t	Capped Ag gt/t	Contained Au ozs	Contained Ag ozs
El Rubi	Open pit	Indicated	6,179,000	0.78	35	154,300	6,929,000
Total			6,179,000	0.78	35	154,300	6,929,000
El Rubi	Open pit	Inferred	3,255,000	0.9	36	94,100	3,750,000
Con Virginia	Open pit	Inferred	3,279,000	0.66	36	69,500	3,837,800
El Oriental	Open pit	Inferred	91,000	1.47	28	4,300	81,900
Las Huatas	Open pit	Inferred	3,169,000	0.76	47	77,300	4,749,900
Las Huatas Sur	Open pit	Inferred	83,000	0.40	26	1,100	70,200
Total			9,877,000	0.78	39	246,300	12,489,800
Con Virginia	Underground	Inferred	39,000	1.52	121	1,900	152,700
El Oriental	Underground	Inferred	25,000	2.11	47	1,700	37,000
Las Huatas	Underground	Inferred	152,000	1.9	51	9,300	249,800
Las Huatas Sur	Underground	Inferred	11,000	3.19	34	1,100	12,000
Total			227,000	1.92	62	14,000	451,000
Total Indicated			6,179,000	0.78	35	154,300	6,929,000
Total Inferred			10,104,000	0.80	40	260,300	12,941,300

Mineral resources were calculated using a cut-off of US$20 equivalent for the open pit and US$100 for underground. The dollar equivalent is based on US$1,650 per ounce of gold and US$22 per ounce of silver assuming recoveries of 94% for gold and 90% for silver.

Next Moves at La Virginia

The company began its latest drilling campaign in October of last year. This consisted of an initial 5,000m drill program. The first target was the mainly hitherto untouched El Molino target (see targets on the map on the following page) after which the focus shifted to El Rubi to infill and expand upon the aforementioned resource.

The drill program was carried out by Globexplore Drilling Corp., one of the top exploration and drilling analytics companies in Mexico.


El Molino Area First Phase Drilling
Mineralized Structure J1
MOPROP-01
Silicified Brecciation Exposed Trend
Mineralized Structure La Original
MOPROP-02/03
MOPROP-04
MOPROP-05/06/07
Mineralized Structure J2
N
3302000
3301800
3301600
3301400
709400
709600
709800
710000
710200
710400
710600
710800
Lithology
Alteration
RDC Riodacite
TAD Andesitic dike
TAP Acicular andesite
TBA Andesitic flows
TRD Dacitic- andesitic lapilli tuffs dike
- Argillic
- Propylitic
- Oxidation
-Silification
-Potassic
Drilling Program
Drill Holes
Structural Elements
Quartz Vein
Inferred Fault
Breccia
STK
Geochemical surface Au ppm
0.10 - 0.25
0.25 - 0.50
0.50 - 1.00
1.00 - 3.00
> 3.00

The Flow of Drill Results

In late March, the company announced the results of drilling since October 2025. Results for a total of 5,646.4m of drilling are available so far. It is notable that the original drill program, as mentioned, was intended to be 5,000m, but is being expanded to facilitate further infill-drilling at El Rubi to convert resources in the Inferred category to the Indicated category or better. To this end drilling is ongoing at El Rubi.

Thus far the team has completed seven drill holes for a total of 1,026.4m along structures surrounding El Molino to the east and south of El Rubi, and 11 infill drill holes representing 4,620m through the core of the previous resource model at El Rubi.

Two of the total seven drill holes intersected anomalous zones coinciding with breccias or veins (in drill holes LV25-331 and LV25-336). Highlights from El Molino included:

- Drill Hole LV25-331 returned 3.5m of 1.25 g/t Au and 24.81 g/t Ag from 56.0m, including 0.5m of 5.0 g/t Au and 27.9 g/t Ag from 56.5m. This is a newly identified mineralized structure.
- Drill hole LV25-336 returned 3.2m of 1.66 g/t Au and 4.27 g/t Ag from 28.6m, 150m north-northwest of the structure hit by LV25-331. This is a newly identified mineralized structure.

Both of these holes are 145m apart and possibly represent different structures in the same mineralized corridor. The other holes at El Molino were drilled north and south of these anomalous hits and did not intersect any significant intervals.

Highlights announced for assays already in from El Rubi included:

- Drill hole LV25-338 returned 1.0m of 8.92 g/t Au and 79.8 g/t Ag from 255m down hole: 7.1m of 1.57 g/t Au and 16.9 g/t Ag starting at 300m downhole which includes 1.7m of 4.26 g/t Au and 14.0 g/t Ag starting from 304m downhole. These intervals are roughly in the central part of the planned pit at El Rubi.
- Drill hole LV25-339 returned 14.6m of 1.49 g/t Au and 66.7 g/t Ag from 116m downhole and includes 3.10m of 3.30 g/t Au and 198.5 g/t Ag from 116m, and 5.6m of 1.73 g/t Au and 42.1 g/t Ag from 123.0m; 17.3m of 2.00 g/t Au and 28.8 g/t Ag from 358.2m including 1.0m of 8.79 g/t Au and 58.5 g/t Ag from 358.2m and 1.5m of 4.95 g/t Au and 64.9 g/t Ag from 365.5m and 2.5m of 4.34 g/t Au and 107.9 g/t Ag from 373m; 1.5m of 14.8 g/t Au and 52.3 g/t Ag from 402.5m including 0.5m of 43.3 g/t Au and 147.0 g/t Ag from 403m.
- Drill hole LV26-341 returned 7.0m of 1.07 g/t Au and 14.0 g/t Ag from 250.0m including 1.0m of 5.0 g/t Au and 20.0 g/t Ag from 255m.
- Drill hole LV26-343 returned 2.2m of 4.5 g/t Au and 347.7 g/t Ag from 169.0m including 0.5m of 13.8 g/t Au and 1,205 g/t Ag from 170.2m; 5.0m of 1.26 g/t Au and 62.5 g/t Ag from 221.0m

including 2.0m of 1.87 g/t Au and 72.9 g/t Ag from 221.0m; 26.4m of 1.25 g/t Au and 72.2 g/t Ag from 242.6m including 1.2m of 3.84 g/t Au and 206.4 g/t Ag from 242.6m as well as 3.5m of 5.31 g/t Au and 319.7 g/t Ag from 262.5m.

- Drill hole LV26-344 returned 1.1m of 12.34 g/t Au and 604.5 g/t Ag from 150.95m; 3.0m of 3.66 g/t Au and 18.25 g/t Ag from 258.0m including 2.0m of 6.46 g/t Au and 19.8 g/t Ag from 258.0m, also including 0.5m of 16.1 g/t Au and 18.7 g/t Ag from 258.5m; 2.6m of 50.66 g/t Au and 158.1 g/t Ag from 278.5m including 0.6m of 208.0 g/t Au and 435.0 g/t Ag from280.5m; 5.0m of 1.49 g/t Au and 94.3 g/t Ag from 296.5m including 2.0m of 2.73 g/t Au and 176.7 g/t Ag from 299.5m.
- Drill hole LV26-345 returned 11.7m of 9.18 g/t Au and 352.0 g/t Ag from 236.5m including 4.2m of 24.79 g/t Au and 955.1 g/t Ag from 244.0m also including 1.5m of 65.87 g/t Au and 2,527.3 g/t Ag from 244.7m also including 0.5m of 183.5 g/t Au and 6,850.0 g/t Ag from 244.7m.
- Drill hole LV26-347 returned 13.5m of 2.79 g/t Au and 37.5 g/t Ag from 89.5m including 2.5m of 11.62 g/t Au and 52.8 g/t Ag from 90.5m; 10.5m of 2.11 g/t Au and 35.9 g/t Ag from 202.5m including 4.0mof 3.75 g/t Au and 15.0 g/t Ag from 204.0m and including 1.0mof 3.72 g/t Au and 178.0 g/t Ag from 212.0m.

These impressive intercepts (with presumably more results to follow) should go a long way towards enhancing the MRE at El Rubi by providing infill data with higher grade intercepts while recalculating the resource for the substantially high gold and silver prices reigning currently. We note the grades were capped at rather low levels previously.

No significant results were received for holes LV25-332 to LV25-335 and LV25-337 at El Molino, and LV26-340, LV26-342, LV26-346, and LV26-348 at El Rubi.

The Pan American Angle

A group of three mineral concessions were acquired by way of an Assignment Agreement with Pan American in December of 2018. The terms of the agreement gave 100% ownership of the La Virginia, La Virginia 2, and El Macho mineral concessions to Silver Viper in return for a 2% NSR Royalty over the entirety of the consolidated La Virginia project, including the Rubi-Esperanza Groups of claims, which represent the core of the new project.

Also included in the transaction was a provision for transfer of all data relating to previous work completed on the project. Most notably among the data were detailed drilling information generated by exploration activities completed by Minefinders Corporation and then Pan American between 2010 and 2013.

Pan American retains a right of first refusal over the Rubi-Esperanza group of claims, should Silver Viper not exercise its option, and a right of first offer over the entirety of Silver Viper’s consolidated La Virginia Project.

In December 2019, Silver Viper filed for a reduction of the La Virginia mineral concession and canceled the La Virginia 2 and EL Macho mineral concessions.

On Mexico & Mining

The outgoing Mexican President, Andrés Manuel López Obrador (popularly known as AMLO), took a hard line on the mining sector. Most controversially, he imposed restrictions on permitting new open-pit mines, citing environmental concerns. Some 97 of the country's approximately 250 active mines utilise open-pit mining. Open-pit mining accounts for ~60% of the value of Mexico's national mining and metallurgical production.

In response, the Mexican Mining Chamber (Camimex) voiced strong opposition to the proposed ban. Camimex warned that the prohibition could lead to a 1% contraction in the country's GDP and jeopardize nearly 200,000 jobs.

In December of 2024, the newly-elected Mexican President, Claudia Sheinbaum, announced that her government would review a bill. She was reported as saying: "Open-pit mining warrants a thorough review, as activities such as sand extraction for cement production and lithium mining — critical for national development — are conducted using this method. It is vital to assess the specifics of the constitutional reform's provisions,"

Interestingly rather than just a new law the change was being couched as a constitutional reform. The proposed legislation also seeks to prohibit fracking and restrict water usage in areas where the resource is scarce, except for domestic purposes in populated areas. The measures were approved by the lower chamber of Congress in August of 2024, which aimed to ban open-pit mining.

Sheinbaum's announcement followed a post by Minister of Economy Marcelo Ebrard on X, where he reported a "productive meeting" with representatives of Mexico's mining sector, including Camimex President Pedro Rivero. The discussions centred on the exploration and production of strategic minerals, although specific details were not disclosed.

Mexico's top open-pit mines include Southern Copper's Buenavista copper mine, Newmont's (TSX: NGT) (NYSE: NEM) Peñasquito, two of Fresnillo's (LON: FRES) gold-silver mines, and several others owned by Industrias Peñoles.

Some projects, such the San Nicolas partnership between Teck Resources (TSX: TECK.A, TECK.B)(NYSE: TECK) and Agnico Eagle Mines (TSE, NYSE: AEM), depend on open-pit plans for their viability.

Sheinbaum has indicated that the review process will be comprehensive, aiming to balance national development goals with environmental sustainability.

The Sheinbaum Administration has seemingly deftly unencumbered itself of mooted policy changes that were thrown into the public arena at the very end of the *AMLO* period with little consideration of the effects for the mining sector, the country and the team that would need to manage the subsequent *sexenio*.

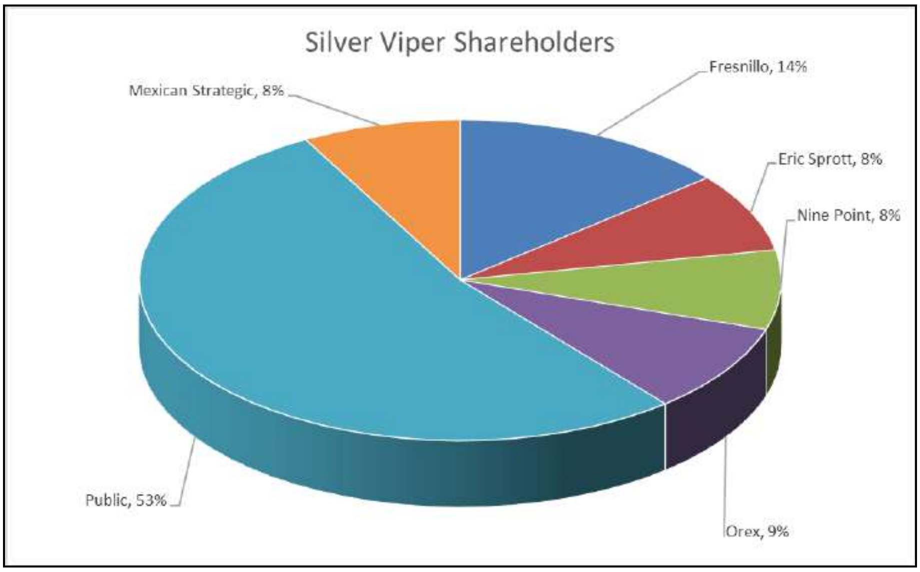
Financing & Shareholders

The most recent financing was launched on the 18th of November 2025 in the form of a non-brokered private placement financing aimed at raising gross proceeds of up to CAD$12mn from the sale of up to 15,000,000 units at a price of CAD$0.80 per unit. These units consisted of one common share and one warrant.

However, the issue was upsized due to strong demand. The final tranche of that financing closed in mid-December of 2025 and was comprised of 3,433,750 units issued at a price of $0.80 per unit for aggregate gross proceeds of $2,747,000. Therefore, and total of CAD$17mn was raised, having previously closed the first tranche on the 12th of December of 2025, that raised an aggregate of $14,253,000.

The warrant entitles the holder to acquire a share at a price of $1.20 per share for a period of 24 months from the date of issue. As is becoming almost *de rigueur* these days of strong precious metals markets, the expiry date of the warrants may be accelerated if the VWAP of the shares is greater than CAD$1.40 for any 20 consecutive trading days. All securities issued in this financing are subject to a statutory four-month and one day hold period.

The previous financing was in July of 2025, when the company raised, via a non-brokered private placement, gross proceeds of up to CAD$3.49mn from the sale of 11,993,149 units at a price of $0.30 per unit (with each unit consisting of one common share and one-half warrant). Each warrant entitled the holder thereof to acquire one share at a price of $0.50 for a period of 24 months from their date of issue. All the units issued are subject to a trading restriction for a period of 12 months. The company also consolidated its shares one for two at that time.



In that financing, Eric Sprott, through 2176423 Ontario Ltd, acquired 1,516,700 units in the financing for total consideration of CAD$455,010. Prior to the placement, he had beneficially owned or controlled 3,333,300 common shares and 1,666,650 common share purchase warrants (representing approximately 6.2% on a non-diluted basis and 9% on a fully diluted basis assuming the exercise of such warrants). After that financing, the Sprott interests beneficially owned or controlled 4,850,000 common shares and 2,425,000 common share purchase warrants.

The pie chart that follows shows the current shareholder breakdown (Nine Point being an entity associated with Sprott Asset Management.

Interestingly, one of the new directors, Ruben Alvidrez, is the brother of the CEO of Fresnillo, further cementing the relationship with the Mexican major.

Directors & Management

Adam Cegielski, director and Chairman, brings extensive capital-markets and public-company leadership experience, including founding director and President of First Nordic Metals, on which initiated coverage in the second half of 2024. He was also a founding director of Cayden Resources, which was sold to Agnico Eagle for CAD$205million, and CEO & Director of Binovi Technologies Corp.

Steve Cope, CEO & executive director, has 12 years' experience in the mining sector. He has worked in corporate development for Orko Silver Corp, Barsele Minerals (which merged with Goldline to create First Nordic), Orex Minerals and Timmins Gold Corp. His responsibilities with these companies have covered a wide range of areas including financing companies, project evaluation, investor relations and mergers and acquisitions.

Art Freeze, non-executive director, has an impressive 45 years of experience in Mineral Exploration & Project Management. Until 2007, he served as the Primary Consulting Geologist for Goldcorp Inc., and has held Consulting, Management & Supervisory positions with international mining companies such as Cominco Ltd., Pasminco Exploration, Echo Bay Mines and Pan American Silver Corp. He was a Consulting Geologist & Advisory Board Member for Orko Silver.

Ruben Alvidrez, non-executive director, joined the board around the time of the Coneto deal's announcement. He is the Director of Projects and Board Member at Luca Mining Corp (TSX-v: LUCA), a company we have long had under coverage and a constituent of our Model Resources Portfolio. He brings extensive leadership and operational experience in the mining and financial sectors. Prior to joining the mining industry, he has spent over 26 years with Citigroup, serving as Senior Vice President of Corporate Operations for Mexico and Latin America. His background includes expertise in corporate governance, operations management, and strategic finance.

Toby Pierce, non-executive director, is currently CEO and Director of Somerset Energy partners and serves as Non-Executive Chairman of First Nordic Metals. From 2015 to 2024, he was CEO and Director of TAG Oil Ltd., a TSX-listed oil and gas producer in Egypt and Australasia. He has over 28 years of geological and financial understanding within the resource sector. He has been a founder, CEO or director of numerous private and public mining and natural resource companies including Benchmark Metals, New Placer Dome Gold, Gold Line Resources, Crest Petroleum, North Country Gold, Brilliant Resources, Red Tail Metals, Kingfisher Metals and numerous shell companies in the Canadian and London markets.

Jeff Couch, non-director, is a capital markets executive with extensive experience in the natural resources sector, having advised companies and raised capital globally, with a particular focus on emerging markets. He currently works with a major mining-focused global private equity firm. He is presently acting CEO of Lydian Mining, an Armenian gold development company, and Alufer Mining, a Guinean bauxite producer, both portfolio companies of the private equity firm.

He held senior investment banking roles in Europe, including serving as Head of Investment Banking, Europe for BMO Capital Markets for over a decade. He has also held senior positions with Credit Suisse Europe and Citigroup (Salomon Brothers). He has extensive public company board experience on both the Toronto Stock Exchange and the London Stock Exchange.

It is also notable to add that the company established an advisory board in recent times with:

Gernot Wober, is a geologist with more than 35 years of international experience in mineral exploration and project development, bringing deep technical expertise across a wide range of deposit types, including orogenic gold systems, greenstone-hosted deposits, epithermal polymetallic vein systems, and porphyry-related silver, copper, and gold deposits, with a strong track record of discovery, resource growth, and technical leadership. He previously served as Vice President, Exploration at Discovery Silver Corp., where he played a key role in advancing the Cordero silver project in Chihuahua, Mexico, from resource stage through feasibility, helping establish it as one of the world’s largest undeveloped silver projects, and contributed to the technical due diligence supporting Discovery’s acquisition of Newmont Corporation’s Porcupine Complex. Prior to Discovery, he was Vice President, Exploration, Canada, at Osisko Mining Inc., where he led exploration activities at the Windfall gold project and was instrumental in the discovery of the high-grade Lynx Zone.

Andreas L’Abbe, has more than 17 years of experience in the mining sector, primarily focused on Latin American assets. Most recently spent nearly eight years as CFO and Corporate Secretary of Discovery Silver Corp. (TSX: DSV), having joined the company shortly after its inception in 2017. During his tenure, he oversaw finance, accounting, treasury, ESG, and corporate functions and played a key role in Discovery’s growth and transformation from an exploration company into a mid-tier producer. He was actively involved in strategic planning, financing, budgeting, and merger and acquisition activities, including the acquisition of Newmont Corporation’s Porcupine Complex, a transaction that significantly increased the Company’s market capitalization. Prior to Discovery, he held senior finance and strategy roles with several producing mining companies, including Tahoe Resources Inc., Timmins Gold Corp., and Goldcorp Inc., gaining extensive operational and transactional experience across Canada, Mexico, Peru, Guatemala, and Argentina. He is a CPA and holds an MBA.

Risks

It is important to highlight some of the potential risks for an investment that one should consider:

- ✕ Silver price fluctuations or sustained move to the downside
- ✕ Restrictive legislation in Mexico on the issue of open-pit mining and water usage
- ✕ Financing challenges for junior explorers

The company's main vulnerability is the silver price and sentiment towards it. At least as long as the wars in the Ukraine and Persian Gulf continues, there is an underpinning for gold/silver from the safe haven component of their attractions. Indeed, the longer these conflicts drag on the greater the chance of escalation in the conflict and thus the safe haven aspects of the precious metals will be reinforced. Beyond that we have the long-term underinvestment in new mines/capacity which has left silver with a scant pipeline of new sources of supply.

Mexico, under the new Sheinbaum administration, has more important fish to fry with its domestic economy (and dare we say exports) under threat from the new US administration with its erratic tariff policies creating havoc with trade policy, while the pushback against the country being a conduit for illegal immigration is also putting it in the penalty box. One can see the motivation of AMLO in grappling with crucial water issues, but the open-pit mining ban was a threat to development in parts of the country where the absence of gainful employment would just provide an open-door for cartels to augment their already existing territorial domination. The Sheinbaum administration needs to balance the existential issue of cartel creep versus open-pit mining in isolated regions, and it is obvious which would be more of a vote-catcher and represent a more responsible political position.

We would note that a similarly placed company, Silver Tiger (TSX-v: SLVR), was granted a permit in late October 2025,

Financing challenges come with the territory in the mining space. Pure explorers remain the ugly duckling of the current market as surging precious metals prices have brought substantial direct benefits to producers and collateral benefits to developers while investors continue to parse whether explorers are real or just going through the motions. In the case of the corporate grouping to which Silver Viper belongs the proof-of-the-pudding is actions taken at Barsele/First Nordic and Silver Viper, for now, is bathing in the reflected glory of the success elsewhere in the group.

Investment Theses

The relative underperformance of silver compared to gold is now being corrected. There is potentially much farther to go in this process. Both precious metals began a mega-rally from shortly after the beginning of the lockdowns and gold, in particular, has been hitting new highs, transforming the outlooks for miners of that metal. Silver's run has taken the metal well above its 2013 high, when it briefly touched $50 per oz. Of late it has been improving in terms of the silver-gold ratio but has only regained the average ratio of the last three years as it currently stands at around 66 ozs of silver for each ounce of gold, far from the centuries long perceived value being 15 to 1 with the yellow metal. This implies more upside for silver than for gold. Though opinions still differ.

It is no surprise that the stock price of Silver Viper wallowed in recent years as little to no work has been done since the resource came out in 2021 on the La Virginia project. However, the turn has come in recent months with a more forceful role being played by the management that has made First Nordic a success in since mid-2024. This brought a fivefold rise in the stock price and the creation of a sense of excitement about the Silver Viper story.

Ratings & Target

With a (recent) past history which includes the success of Barsele and then First Nordic, in Scandinavia, one is investing here with a view to the management/control team repeating their successes elsewhere. The drills campaign is ongoing and expanding at La Virginia with the upside to the existing La Virginia MRE becoming evident during 2026 as results accumulate to enable a revised and expanded (geographically) MRE. The drilling at Coneto should then also kick in with expansion and recalculation of the MRE at the newly added project.

The price move for the stock in the rest of 2026 will be driven by a number of factors. Firstly, there is the silver/gold price dynamic, secondly there will be the drill results themselves, which will be gradual and cumulative, then there will be perceptions of Mexico and improved country risk under the current President. The potential at Coneto is in the process of being quantified and the company is setting up an internal competition for whether La Virginia or Coneto will seize the flagship title in 2026. Further additions to the asset base will need to be assessed as and when.

It is worth noting also that in February of 2026, Silver Viper was including in the 2026 TSX Venture 50™, a ranking of the top 50 performing companies listed on the TSX Venture Exchange based on growth metrics and market performance.

With multiple tailwinds, and the minor breeze of past Mexican political caprice on open-pit mining receding, the direction of Silver Viper should be a return to the upside when the war in the Persian Gulf retreats as a factor. Therefore, we are initiating Silver Viper with a **LONG** rating with a 12-month target price of CAD$2.90.


Historic Chart for Cdn:VIPR by Stockwatch.com 604.687.1500 - (c) 2026
Mon Apr 13 2026 Op=1.25 Hi=1.28 Lo=1.19 Cl=1.21 Vol=510,870 Year hi=2.57 lo=0.165
Cdn:VIPR
3.00
2.85
2.70
2.55
2.40
2.25
2.10
1.95
1.80
1.65
1.50
1.35
1.20
1.05
0.90
0.75
0.60
0.45
0.30
Volume
1.5 M
1000
500 k
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
2025
2026

APPENDIX I: On Silver

The Dynamics of Silver

The travails of silver (and its fan base) in the decade up to 2020 were nothing short of torture. After briefly nearing $50 per oz in April of 2011, the upside was snatched away and the metal spent ages wallowing in shallows and miseries.

That gold was lacklustre for so long was bad enough but that tarnished (pardon the pun) silver's price even more so, despite the reality of silver's resurgent industrial applications, and the ratio of silver to gold slid away to ridiculous levels. The ratio was rapidly heading towards 100:1, when the patently obvious value of silver returned to the fore and the metal turned around in a rather dramatic rally.

Precious metals roared back into focus in 2020. It seemed to be that neither the two usual pillars of a gold turnaround, inflation or political insecurity powered the initial surge. As it turned out the pandemic did spur inflation eventually and wars broke out in Ukraine and the Middle East. No-one however was complaining that the rally lacked intellectual underpinning, they just lay back and enjoyed it.

Few know that for a long, long time (indeed centuries) a ratio of 15 to one between the silver price and the gold price was regarded as fit and proper. It is seldom that the ratio got as out of whack as it did in early 2020, soaring to 128 to one.

Usages & Applications

The travails of silver in the wake of the demise of traditional photographic technologies is a well-rehearsed subject and created a scenario for a decade and a half with little relief in sight. However, as inevitably happens (except maybe not in the case of Lead) the evolution of new technologies, in the form of the use of silver in photovoltaics (particularly for solar energy) brought relief, growth and dynamic path to some sunny uplands.

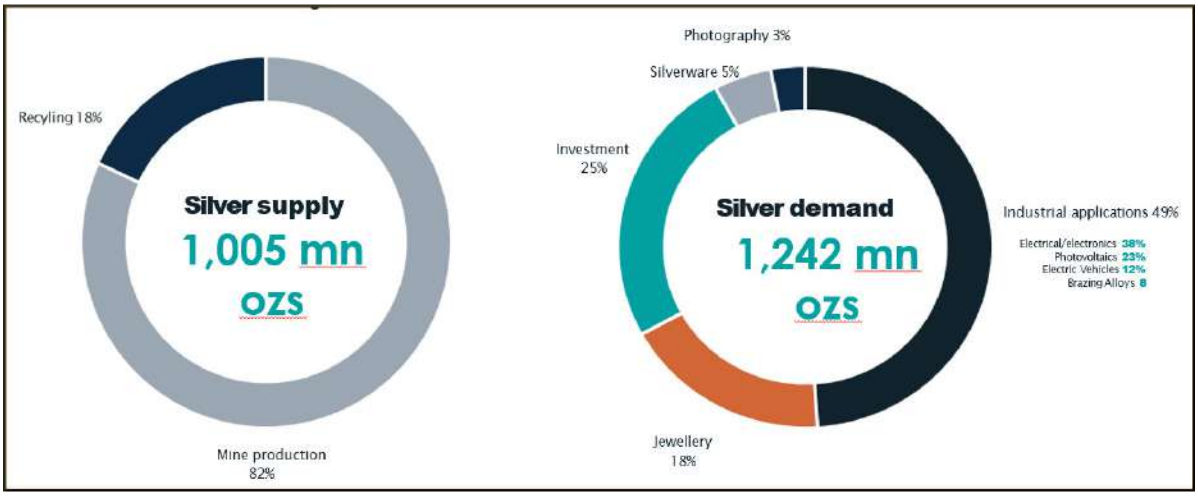
Indeed, few metals/minerals could match the recent growth in industrial demand that silver has been witnessing. The latest report of the USGS on Silver (that of 2025) stated that, in 2024, global consumption of silver was an estimated 37,000 tons, a slight increase from that in 2023. Coin and bar consumption decreased by 13% in 2024, but consumption of silver for industrial uses was estimated to have increased by 9% compared with that in 2023 owing to growth in the global economy. This was attributed to increased demand for consumer electronics and rising electric vehicle output.

Consumption of silver in jewelry and silverware was estimated to have increased by 4% and 7%, respectively. Global consumption of silver exceeded supply and was cited as a reason for price increases in 2024. The Silver Institute in its survey for 2024 also noted the importance of silver to the automotive industry.

This sector saw a rise in light vehicle output of 10%. However, they posited that end-use within the sector had the potential for yet faster gains due to rising vehicle sophistication. This includes features such as heated seats, front windshield defogging or heads-up displays, all of which need silver. Of particular help was the 42% rise in BEV output as these vehicles need much more silver than ICE equivalents.

The Energy Transition further benefited silver by the linked investment in power distribution for vehicle charging, solar panel installations and so forth.

In telecoms, end-use in 5G equipment also rose while newer areas such as wearable applications saw gains, although their contribution in weight terms remains modest at the moment.



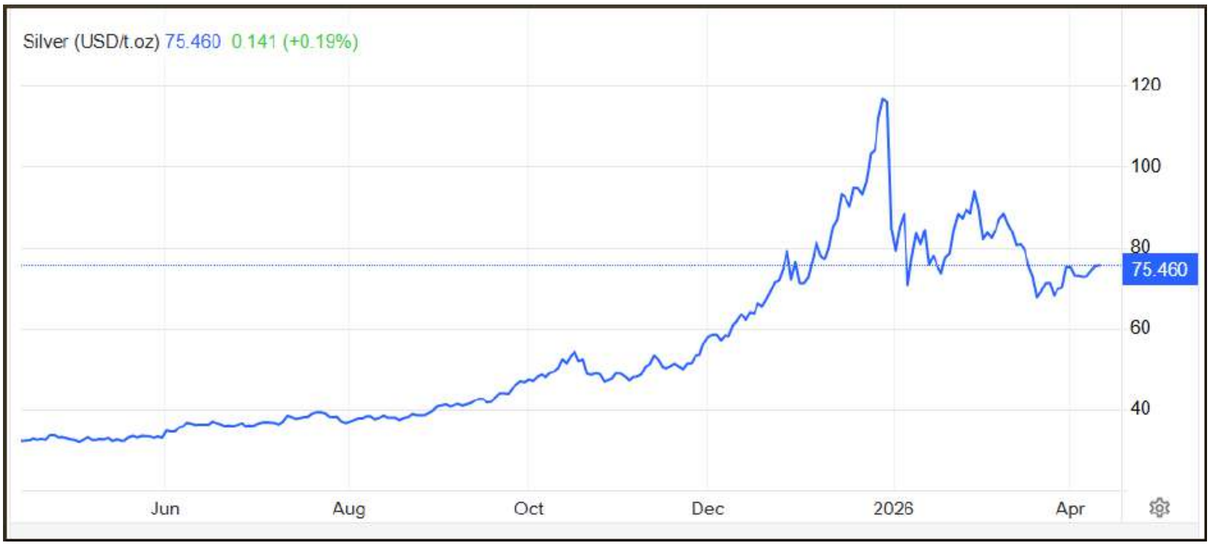
Production

At the global level, as the pie chart on the left above shows, the vast bulk of silver demand is met by new mined material but as the chart on the right shows there is now a substantial mismatch (i.e. deficit) which is met by erosion of stockpiles and stores of silver.

The 2025 report of the USGS on Silver estimated that, world silver mine production decreased in 2024 to an estimated 25,000 tons compared with 25,500 tons in 2023.

The Latest Leg Upwards

Silver (and Gold) have been in strong form since just after the onset of the pandemic, when they were initially sucked down with everything else but then headed up while many other metals wallowed.



Source: Trading Economics

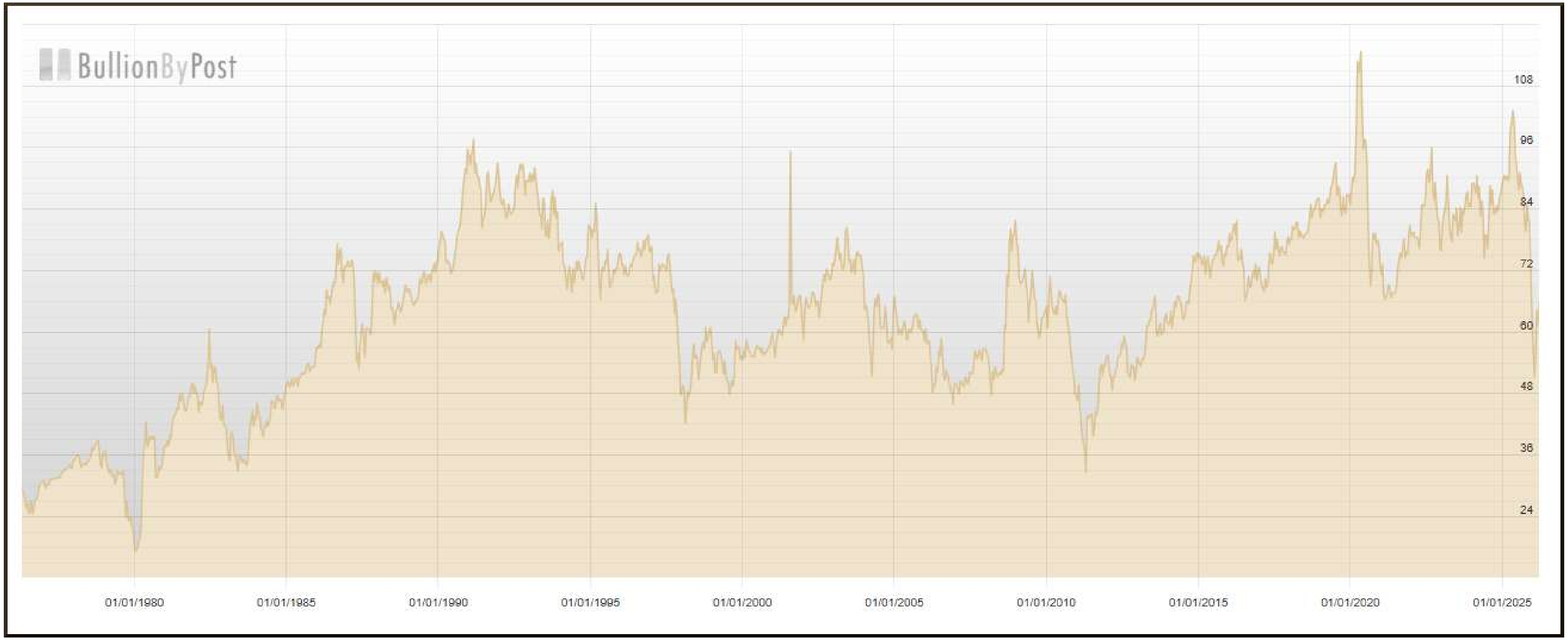
The arrival of the Trump Administration 2.0 muddied the waters of precious metals, as with much else. Long-term, it is not clear if Trumpian economics augured ill, or well, but uncertainty/instability is usually a friend to precious metals' prices and this advent of a radically novel administration in the US lit new fires under silver and gold prices, even as there is some prospect of the Ukraine War reaching a *denouement* and the Middle Eastern conflicts moving into abeyance seems possible (but maybe not).

Gold has been propelled above $5000 and silver broke above the key $100 mark before both retreated, particularly since the outbreak of the last war.

The Silver/Gold Ratio

This interesting ratio is shown on the following two pages with the first chart representing the last five years and the second chart representing the last fifty years. The ratio was largely range-bound from 2022 to early 2025 (between 75:1 and 95:1,) trading much closer to the average of 85:1, almost religiously over that period. Then it deteriorated rapidly as gold took off in early 2025 (to 105:1 at its worst) and but silver's surge (and lots of news noise) has the ratio now around 62 ounces of silver to the ounce of gold.

The rip-roaring days of the pandemic years are now well behind us, when silver was first slapped down and then soared as investors grappled with ideas about what life would look like after that odious event. That event proved to be a reset though for both of the "most precious metals" creating new trading bands.



Source: bullionbypost.com

A couple of years into the precious metals rally, the pandemic was replaced by the Ukraine war and more recently ethnic cleansing in the Middle East as the main drivers of tension. With the breakup of Syria being the next game in town and the potential for Israel/Egypt rancour, there are many scenarios to conjure with in precious metals

Mined Silver Compared to Gold

The modern (or industrial) silver age can be dated back to the expansion of silver mining in the southwest US, particularly in areas gained from Mexican control. This era saw silver mining surge with the discovery of the Comstock Lode in Nevada in 1859. This expansion emplaced a higher silver-to-gold mined ratio, possibly back toward 1:15 or 1:20. Geological surveys estimate that, globally, silver production outpaced gold by about 8:1 to 10:1 annually by the late 1800s, reflecting both abundance and demand for silver in coinage and industry. It was also this development that fired the furious debates over bimetallism in US politics.

It is useful to note that China was primarily a silver-based monetary system until the Revolution of 1949. Russia had been primarily a silver currency zone until just before 1900.

In the 20th century, new technologies (e.g., photography, electronics) gave impulse to silver's industrial use in turn expanded mining. Meanwhile gold's role shifted toward monetary reserves and jewelry. Then gold's value was frozen by U.S. President Franklin D. Roosevelt signed Executive Order 6102, which he signed on April 5, 1933, "forbidding the Hoarding of Gold Coin, Gold Bullion, and Gold Certificates within the continental United States" and this remained in place until the Nixon Administration.

Silver was not exempt as, on August 9, 1934, implemented the seizure of all silver situated in the continental United States with Executive Order 6814 - Requiring the Delivery of All Silver to the United States for Coinage. While this closely mirrored Executive Order 6102, it did include some key differences. One important difference was that EO 6814 excluded the seizure of all silver coins, whether foreign or domestic.

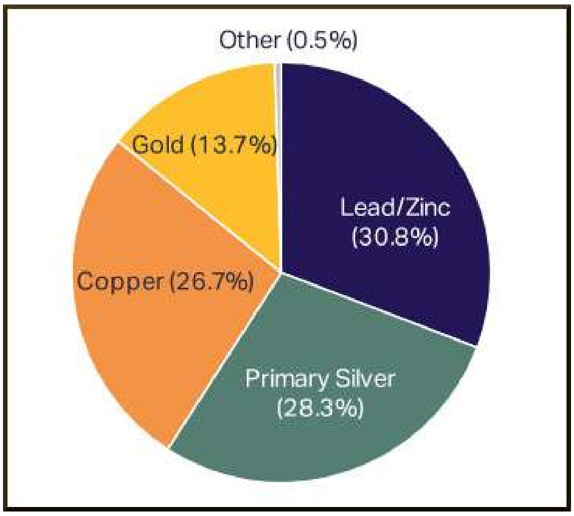
By mid-century, the mined ratio stabilized around 1:8 to 1:10, according to U.S. Geological Survey (USGS) data. For instance, in 2011, USGS reported silver reserves at 10 times that of gold and annual production at nine times gold's, aligning with a 1:9 ratio. This consistency persists today, with 2020s estimates holding at roughly 1:8 to 1:9, though silver's above-ground supply dwindles due to industrial consumption (over 50% of demand), unlike gold, where nearly all mined metal (about 244,000 metric tons historically) remains in vaults or jewelry.

The mined Au:Ag ratio has thus evolved from peaks of ~1:20 (or higher) during period of high silver production, settling at 1:8 to 1:10 in modern times.

The drivers for this reflect geological realities i.e. silver's greater crustal abundance and human factors like mining technology and economic priorities. Unlike the price ratio, which has swung wildly (e.g., 15:1 historically to 90:1 today), the mined ratio represents a better picture on physical supply, rather than just mood or the gravitational pull of gold's moves.

The By-Product Driver

Or maybe we should say, the brake. As is well known, a large proportion of silver production is as a by-product of other metals. According to the Silver Institute, 71.7% of annual silver mine supply was produced as a by-product in 2023. The polymetallic ore deposits from which silver was recovered account for more than two-thirds of U.S. and world resources of silver.



Their pie chart on the right shows the dependency upon other metals for silver to be produced.

While the share of silver produced from gold mines declined YoY, from 15.5% to 13.7%, the contribution from copper and lead/zinc operations rose, from 25.5% to 26.7% and from 30.3% to 30.8% respectively. The share of production from primary silver mines was unchanged year-on-year, accounting for 28.3% of mine output in 2023.

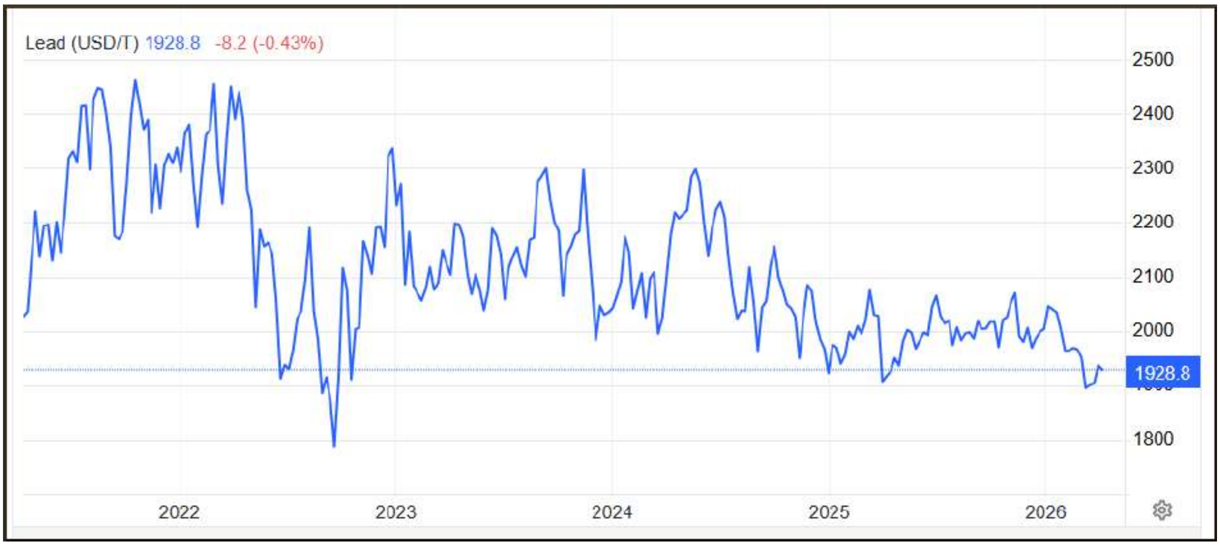
Most recent silver discoveries have been associated with gold occurrences. However, in the opinion of the USGS, copper and lead-zinc occurrences that contain by-product silver will continue to account for a significant share of reserves and resources in the future.

We should also note the symbiotic relationship between Silver and the Zinc/Lead complex. Mining of these two base metals remained the largest source of silver mine supply in 2023, producing 255.8mn oz (7,957 t).

Much of silver's production is driven by the price and demand dynamics of the base metal duo with which it often occurs. Strong(ish) Zinc prices (as at the current time) drive higher production (where possible) irrespective of where silver demand might be. Indeed, low Zinc prices for a long while (frankly most of last decade) caused Zinc producers to sustain production to continue to stay (marginally in profit) and this had the effect of dumping more silver on the market than was otherwise called for.

As we have noted before, elsewhere, we hold a gloomy view of long-term Lead demand due to the rise (whether it be slow or rapid) of the EV. This puts a lid on Lead's upside and ultimately (due to the high recycling ratio of Lead from batteries (the best rate of any metal). There is a tipping point, which may soon be reached, in which little new Lead will be required, thus casting a shadow over those Lead/Zinc mines where Lead is in the preponderance.

The ten-year Lead price (shown below) has essentially gone nowhere.



Thus, the silver content of those Lead mines, moving into a moribund status, will also be impacted negatively. Lead's decline should be a driver for an even tighter silver supply situation.

Conclusion

Silver bulls can enumerate a myriad of reasons to favour silver but for us it is better and more comforting to focus on the main drivers and avoid the minutiae. Lightly falling production is a scenario where there was already a massive supply/demand gap (bordering on a chasm) is a major plus. While companies like Silver Viper, potentially add (collectively) to future production, some past production is going away, with the auguries for by-product sourcing from Lead mining being particularly inauspicious. Few silver mines are being "turned on" in sufficient quantity to plug the supply gap.

The industrial demand situation is looking excellent and mainly applications are resistant to thrifting as prices move higher.

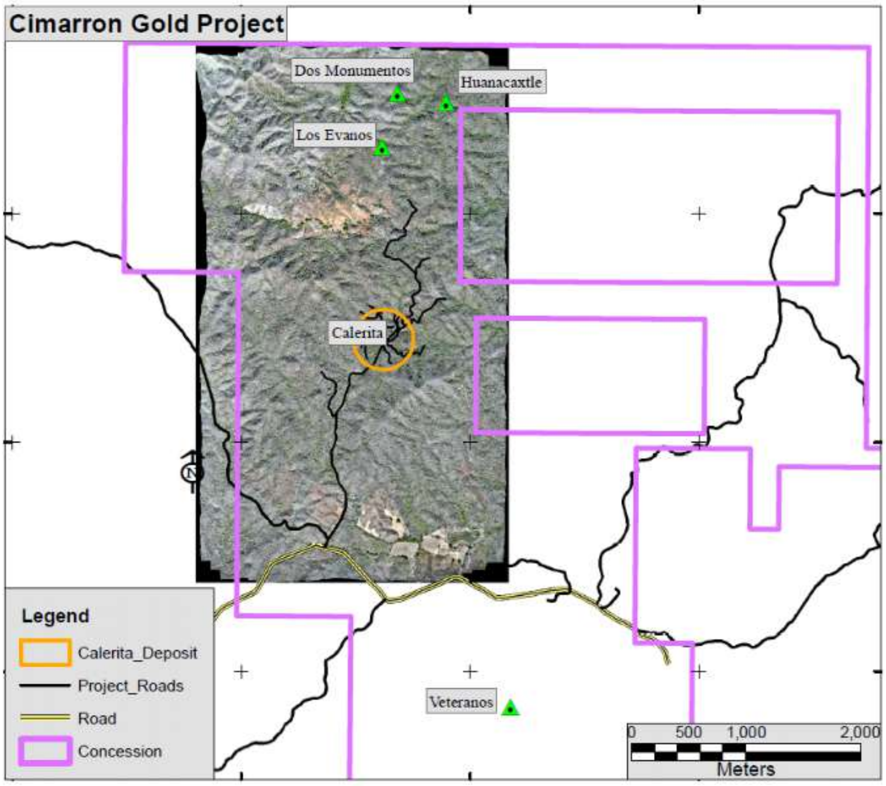
Finally, while Silver appears to be coat-tailing on gold, in an age of global tensions, there would appear to be potential for silver to be substantially more resistant to downdrafts in gold and that would feed through to improvements in the gold /silver ratio in silver's favour.

APPENDIX II: Cimarron

The Cimarron Project

While this asset will most likely be vended on, it is still worth reviewing here.

In early May of 2025, the company announced it had added to its Mexican portfolio with the purchase of the Cimarron Project. The Cimarron project is located 30km from Copala (held by Vizsla Silver), 35km from La Trinidad (held by GR Silver Mining, formerly Marlin Gold Mine), and 30km from the mining town of Rosario. The Cimarron Project property is made up of one mining concession totaling 2,873.98 hectares.



Geologically, it is located on the prolific porphyry belt that runs from Arizona to Jalisco. The initial discovery at Cimarron was made by Hecla in 1997 from stream sediments and outcrop sampling. There was no known mining history on the Calerita Deposit though some small artisanal workings are found along other mineralized structures on the property, but no documentation exists.

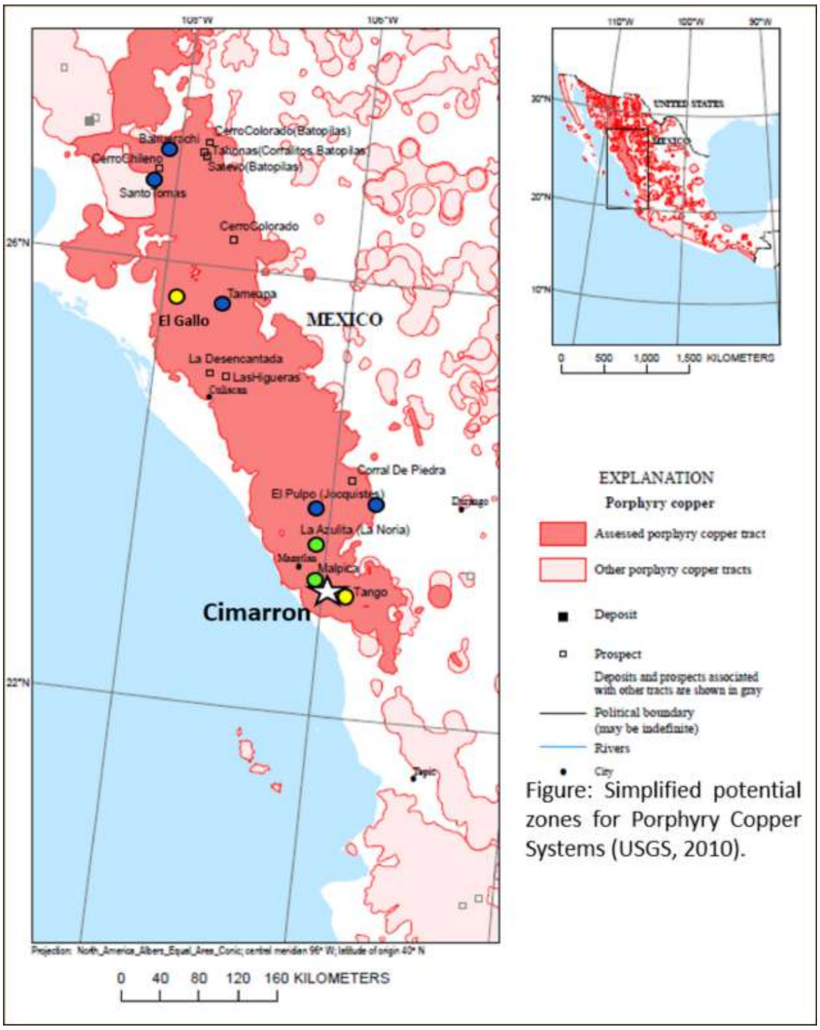


Figure: Simplified potential zones for Porphyry Copper Systems (USGS, 2010).

It is accessible via an 11-kilometre dirt road from a nearby paved road. The area is relatively flat, with low topographic contrast, supporting ease of access. An electrical line passes one kilometre south of the property. The nearby historic mining communities of Rosario and Mazatlán provide access to skilled local labour.

The Transaction

Silver Viper agreed to acquire all of the outstanding common shares of CSAC Holdings Inc (CSAC) from the vendors in exchange for 9,000,000 common shares of Silver Viper at a deemed price of CAD$0.20 cents per VIPR share. This transaction closed in the second half of June 2025.

Resource

The mineral resources were reported in February 2011, by Snowden Group of Perth, WA by Qualified Persons: Gary Wong, Pamela De Mark, and Richard Sulway. The title of that report is: "*Oro Gold de Mexico: Trinidad Property, Cimarron Deposit, Sinaloa, Mexico: Technical Report*".

CIMARRON RESOURCE

Historic non-compliant @ cut-off 0.3 g/t

Category	Tonnes	Au g/t	Contained Au Ozs
Inferred	3,700,000	0.65	77,381

This, of course, dates back to a time when the gold price was a mere fraction of the current price.

In light of the subsequent Coneto purchase, bringing in a more advanced and potentially substantially larger asset, one would not be surprised to see this asset monetized to renarrow the focus to only two major projects, i.e. La Virginia and Coneto.

Important disclosures

I, Christopher Ecclestone, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

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Web access at:

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60 Madison Ave, 6th Floor, New York, NY, 10010