



**SILVER BULLET MINES CORP.**

**MANAGEMENT DISCUSSION & ANALYSIS**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**

## **SILVER BULLET MINES CORP.**

### **Management Discussion & Analysis**

Three months ended September 30, 2024

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#### **Overview**

The following management’s discussion and analysis (“MD&A”) of the financial condition and results of operations of Silver Bullet Mines Corp. (“Silver Bullet”, “SBMI” or the “Company”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three months ended September 30, 2024. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the condensed interim consolidated financial statements of the Company for the period ended September 30, 2024 together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. The results for the period presented are not necessarily indicative of the results that may be expected for any future period. The Company is considered as a “Venture Issuer” as defined in NI 51-102.

The Company’s consolidated financial statements and the financial data included in the MD&A have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee that are effective as at June 30, 2024 as set forth in Note 3 of the consolidated financial statements.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Silver Bullet’s common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

The MD&A was reviewed and approved by the Board of Directors and is effective as of November 28, 2024.

#### **Forward Looking Information**

Certain information regarding the Company within Management’s Discussion and Analysis (“MD&A”) may include “forward-looking statements” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, goals, expansion and growth of the Company’s business, plans and other such matters are forward-looking statements. When used in this MD&A the words “estimate”, “plan”, “anticipate”, “expect”, “intend”, “believe” and similar expressions are intended to identify forward-looking statements. Such statements by their nature involve certain risks and uncertainties that could cause actual results to differ materially from those contemplated by such statements. The Company considers the assumptions on which these forward-looking statements are based to be reasonable at the time they were prepared, but cautions the reader that these assumptions regarding future events, many of which are beyond the control of management, may ultimately prove to be incorrect. The reader should not rely solely on these forward-looking statements.

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#### **Silver Bullet's Business**

The address of the registered office is 200-3310 South Service Road, Burlington, Ontario L7N 3M6. The Company's shares are listed on the TSXV under the trading symbol "SBMI" and trade on the OTCQB market under the symbol "SBMCF".

The Company is a mineral company whose primary focus during the three months ended September 30, 2024 was the development of the Buckeye Silver Mine located in Arizona, USA, the maintenance of its gravity fed processing mill also located in Arizona, USA, the development of the Washington Mine located in Idaho, USA, and the acquisition of the new Super Champ Mine property located in Arizona, USA. In addition, the Company owns mineral properties in Arizona and Nevada, USA and former producing mines in Arizona, which it intends to explore/develop in future years.

During the period, the Company entered into an agreement to process high grade mineralized material from a past producing silver mine proximate to the Company's Buckeye Silver Mine in Arizona, on commercial terms including an option to lease the property. The private property is owned by an arm's length third party. Subsequent to the period end, the Company exercised its option to lease the property. Terms of the lease include an indefinite term at the option of the Company, and a gross royalty on product sold.

The Company intends to focus, in the near term, the majority of its resources in Arizona on producing saleable product from this property. This property is the Super Champ Mining property.

#### **Corporate History, Background and General Development**

The Company was incorporated on July 13, 2018, as Pinehurst Capital 1 Inc., pursuant to the provisions of the Ontario Business Corporations Act.

On October 15, 2021, the Company acquired all of the issued and outstanding shares of Silver Bullet Mining Inc. in exchange for the issue of common shares to the former shareholders of Silver Bullet Mining Inc. The transaction was accounted for as a reverse-takeover whereby the legal subsidiary being Silver Bullet Mining Inc., is considered the ongoing entity. Concurrent with the transaction, the Company changed its name to Silver Bullet Mines Corp.

The Company owns 100% of several subsidiary companies, Black Diamond Exploration Inc., Silver Bullet Holdings Inc., Silver Bullet Arizona Inc., and Silver Bullet Idaho Inc. all of which are US incorporated entities.

The Company has not yet achieved commercial production from its Buckeye Silver Mine, its Washington Mine nor its Super Champ Mine.

#### **Qualified Person**

Robert Komarechka P. Geo., a Qualified Person under National Instrument 43-101 -Standards of Disclosure for Mineral Projects, has approved the scientific and technical disclosure in this Management Discussion and Analysis.

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#### **Going Concern**

The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing or to complete corporate transactions to meet the minimum capital required to successfully complete the Company's projects and to fund operating expenses. Development of the Company's current projects to the production stage will require significant financing. Refer to the "Risks and Uncertainties" and "Liquidity and Capital Resources" sections for additional information.

This MD&A incorporates these changes into the analysis provided below.

The Company's mineral exploration and development efforts have not resulted in achieving commercial production to date and, accordingly, the Company is dependent upon debt and/or equity financings, the accommodation of service providers and creditors, and the optioning and/or sale of resource or resource-related assets for its funding.

#### **Mineral Related Property Descriptions**

The Company currently has three mines under development in Arizona, USA and Idaho, USA along with exploration properties in Arizona, USA, and Nevada, USA. A more detailed description of the Company's properties can be found on the Company's website [www.silverbulletmines.com](http://www.silverbulletmines.com).

#### **Buckeye Silver Mine**

The claims which include the Buckeye Silver mines are comprised of three non-contiguous patent mining claims, totaling 47.89 acres (19.40 ha), leased in one agreement to the Company. These patents are: The Buckeye of 15.49 acres (6.27 ha), the Newton of 16.69 acres (6.76 ha), and the Red Robin of 15.71 acres (6.36 ha). All these patents were registered in 1887 as shown on their certificates which state shafts, tunnels, levels and open workings on them. The claims are located in Gila County, Arizona approximately 31 km from Globe, Arizona.

The Buckeye patent is contained geographically within the east central part of the Black Diamond claim block. The Buckeye claim hosts the past producing Buckeye Mine which was re-opened and test mined in 2017 by some members of the current management team through another public company under a lease from the landowners. The Red Robin and Newton patents are both located southwest and outside the Black Diamond claim block. An agreement between the patent holders and SBMI exists on the above three patents. The agreement states that the Lessee (SBMI), holds rights for the purpose of exploration for minerals, and the construction, development and operation of a mine on the property and includes water rights for the property. The lease agreement is subject to increasing annual payments and gross equity return on metal production from the Buckeye property to the lessee of 5%. The effective date of the new agreement for this lease amendment is July 9, 2020. The lease also allows for entry and exploration on the Red Robin and Newton patents; further development on these two patents would be subject to additional terms and agreement with the parties.

The Buckeye patent land is taxed annually, and the tax is the obligation of the landowner. The lease agreement between Silver Bullet and landowner requires payments to the landowner that may be used to cover these

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annual taxes. Lease payments with respect to the lease are disclosed in Note 20 of the condensed interim consolidated financial statements for the period ended September 30, 2024.

During the 2023 and 2024 fiscal years, the Company has carried out a significant amount of development work in connection with the Buckeye Silver Mine including the extraction of a bulk sample, as announced in press releases disseminated on January 27, 2022, March 1, 2022, and April 4, 2022 all of which are available at [www.sedar.com](http://www.sedar.com) or the Company's website at [www.silverbulletmines.com](http://www.silverbulletmines.com).

As disclosed in a news release disseminated July 24, 2023, there were excessive heat warnings from the National Weather Service, with temperatures around Globe, Arizona being experienced in the range of 41 to 46 Celsius. There also were wildfires which restricted access to the mine. These factors led to a temporary interruption of activities at the Buckeye Silver Mine and the mill. Activities at the mill and the Buckeye Silver Mine began again in early September 2023.

During December 2023, the Buckeye Silver Mine was audited by the Mine Safety Health Administration (MSHA) in the normal course, resulting in several suggestions from MSHA to implement minor improvements to pre-empt potential safety issues. Work on the recommendations was carried out during Q3 and Q4 and continued into Q1 of fiscal 2025.

During Q1 of fiscal 2025, development costs incurred and expensed total \$308,453 (2024-\$116,307).

### **Washington Mine**

The Washington Mine property, located in Boise County, Idaho, USA consists of 118.88 acres (48.11 ha) of patented land and was acquired on December 18, 2020. Historically, the Washington Mine was a high-grade gold property during the late 1800s. Based on the historic Stoker Report, available at the Company's website at [www.silverbulletmines.com](http://www.silverbulletmines.com), silver zones at the Washington Mine were blocked and never mined.

During the period ended September 30, 2024, and to the date of this MD&A, the Company has continued the development of the Washington Mine (see news releases dated August 2, 2024, and August 26, 2024 and November 22, 2024). Development activity included construction of an access ramp and the engagement of a contract mining company to complete underground development and extraction of a bulk sample from the Washington Mine.

The initial target of the Company is the historic area last tested in the 1980's (the "Target Zone"). The results from a bulk sample taken by the previous owner and processed by Hecla Mining from the Target Zone ran 44 ounces silver and .1 ounces gold per ton. (see news release dated August 26, 2024) Subsequent random sampling completed by SBMI from various locations underground including the Target Zone and confirmed by Montana Technical University and a third-party independent lab ran 58.5 ounces per ton silver.

The Company intends to extract a 2,000 ton bulk sample for processing followed by another bulk sample of a similar size (see news release dated November 22, 2024).

The Company anticipates revenue generation from the Washington Mine by Q3 of fiscal 2025.

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Costs of \$63,978 were incurred during the period (2023-\$nil) with respect to the development of the Washington Mine.

There is no NI 43-101 Report in connection with the Washington Mine.

#### **Super Champ Mine**

The Super Champ Mine is located in Arizona, proximate to the Company's Buckeye Silver Mine. The property covers approximately 20 acres (8 ha). The Company is currently accessing mineralized material at surface to be processed at the Company's processing mill. Assays of mineralized material to date have been encouraging. See News Releases dated September 24, 2024, October 9, 2024, and November 18, 2024.

The Company anticipates revenue generation from this property to commence during Q3 of fiscal 2025.

There is no NI 43-101 Report in connection with the Super Champ Mine.

#### **Black Diamond Property**

The Black Diamond property is located in Gila County, Arizona about ten miles north of the town of Globe and is centred on the mining area referred to as the Richmond Basin. Globe lies approximately 100 miles (160.9 km) east of Phoenix along highway 60. From Globe, the project area can be reached via US Highway 60 west to Globe, then taking Highway 188 North for 12 miles (19.3km) to Horseshoe Bend wash, then following Horseshoe Bend wash for 2 miles (3.2km), then taking Wood Spring wash Road for 7 miles (11.3 km) to the Richmond Basin. Additional Forestry Roads lead to the McMorris mine area to the north and the Buckeye mine area to the south. Access to the property requires a four-wheel drive vehicle with high clearance due to the rugged nature of the roads and steep topography. The total surface distance from Globe to the property by road is approximately 19 miles (30.6 km).

The Black Diamond Property is a 232 Bureau of Land Management (BLM) claim group totalling approximately 4,793 acres (1,940 ha). The claims are in a generally rectangular configuration having an average area of about 20.66 acres (8.36 ha) a claim. The Black Diamond property comprises several claim groups staked by the previous land holders and new additional staking that now are all consolidated into the Black Diamond Property held by SBMI. The property covers the Richmond Basin mining area and is host to several past producing underground primary silver mines. This area is now referred to as a significant part of the Arizona Silver Belt.

An annual maintenance fee of US\$165 per claim was paid during fiscal 2024 and fiscal US\$200 per claim for fiscal 2025 to the Bureau of Land Management (BLM) to keep the claims in good standing. There is no annual fee to Gila County for the BLM claims.

There are no other royalties associated with the Black Diamond Property.

During fiscal 2024 and fiscal 2025 to date, the Company incurred no exploration and evaluation expenses with respect to the Black Diamond Property.

There is a NI 43-101 Report in connection with the Black Diamond property including the Buckeye Mine.

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**Nevada Property**

The Nevada property consists of twelve mining claims covering 97.2 ha. The Company currently has no immediate plan to carry out exploration and evaluation activities on the property. An annual maintenance fee of US\$165 per claim was paid during fiscal 2024 and US\$200 per claim for fiscal 2025 to the Bureau of Land Management (BLM) to keep the claims in good standing.

There is no NI 43-101 Report in connection with the Nevada property.

**Mill Property**

The property consists of 69.87 acres (28.28 ha) of patented land located near Globe, Arizona and was acquired on February 3, 2021. The Company's processing mill and assay lab are situated on this property.

The mill is a 125 MTPD Modular High Efficiency Gravity Mill. The plant is modular in construction and consists of ore bins, a crusher, conveyors, a ball mill, slurry pumps, concentrators, dewatering screws, and other miscellaneous equipment. Water required to operate the mill comes from a well on the property and is recycled following the milling process. Additional information on the mill can be found at the Company's website at [www.silverbulletmines.com](http://www.silverbulletmines.com).

The processing mill and assay lab were constructed during fiscal 2022 and the mill was commissioned during fiscal 2023.

During December 2023, the Mill was audited by the Mine Safety Health Administration (MSHA) in the normal course, resulting in several suggestions from MSHA to implement minor improvements to pre-empt potential safety issues. The recommended work has been completed and approved by MSHA.

**Selected Financial Information**

	<b>Sept.</b> 2024	<b>Sept.</b> 2023	<b>Sept.</b> 2022
	\$	\$	\$
Loss for the period	660,091	180,733	966,486
Loss per share basic and fully diluted	(0.01)	(0.00)	(0.02)
Total assets	3,310,307	3,387,237	3,556,499
Total long-term liabilities	806,588	155,079	289,199

**Selected Quarterly Financial Information**

The following table sets out the selected financial information for the three months ended:

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	<b>Sept 30, 2024</b>	<b>June 30, 2024</b>	<b>Mar 31, 2024</b>	<b>Dec 31, 2023</b>
Total assets	\$ 3,310,307	\$ 3,272,888	\$ 3,287,482	\$ 3,242,540
Working capital	\$ (3,035,756)	\$ (2,433,179)	\$ (2,364,391)	\$ (2,055,040)
Net loss for the period	\$ 660,091	\$ 1,545,239	\$ 497,856	\$ 545,282
Loss per share	\$ 0.01	\$ 0.02	\$ 0.01	\$ 0.01

	<b>Sept 30, 2023</b>	<b>June 30, 2023</b>	<b>Mar 31 2023</b>	<b>Dec 31, 2022</b>
Total assets	\$ 3,387,237	\$ 3,154,531	\$ 3,409,948	\$ 3,922,278
Working capital	\$ (1,858,898)	\$ (1,852,748)	\$ (1,255,767)	\$ 285,240
Net loss for the period	\$ 180,773	\$ 733,069	\$ 678,858	\$ 399,334
Loss per share	\$ 0.00	\$ 0.01	\$ 0.01	\$ 0.00

Silver Bullet Mines Corp. reported no discontinued operations and declared no dividends for any period presented.

Loss for the quarter ended December 31, 2022 includes ongoing development expense for the Buckeye Silver Mine. Total assets include land, mill equipment and current assets. Loss for the quarter ended March 31, 2023 includes ongoing development expense for the Buckeye Silver Mine. Loss of the quarter ended June 30, 2023 includes ongoing development expense for the Buckeye Silver Mine. Total assets include land, equipment, mill and infrastructure, and current assets. Working capital deficiency reflects minimal current assets and previous long-term liabilities now current liabilities.

Loss for the quarter ended September 30, 2023 includes ongoing development expense for the Buckeye Silver Mine and general and administrative expenses. Total assets include land, equipment, mill and infrastructure, and current assets. Working capital deficiency reflects minimal current assets and previous long-term liabilities now current liabilities.

Loss for the quarter ended December 31, 2023 includes ongoing development expense for the Buckeye Mine and the Mill along with general and administrative expenses, including share based compensation, a non-cash item. Total assets include land, equipment, mill and infrastructure, and current assets. Working capital deficiency reflects minimal current assets and previous long-term liabilities now current liabilities.

Loss for the quarter ended March 31, 2024 includes ongoing development expense for the Buckeye Mine along with general and administrative expenses.

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Loss for the quarter ended June 30, 2024 includes ongoing development expense for the Buckeye Mine along with general and administrative expenses.

Loss for the quarter ended September 30, 2024 includes ongoing development expense for the Buckeye Mine and the Washington Mine along with general and administrative expenses.

Total assets include land, equipment, mill and infrastructure, and current assets. Working capital deficiency reflects minimal current assets and previously categorized long-term liabilities now categorized as current liabilities.

### **Results of Operations**

Operations during the period ended September 30, 2024 were focused on development of the Buckeye Silver Mine and the development of the Washington Mine. Operations during the period ended September 30, 2023 were focused on the development of the Buckeye Silver Mine.

Loss for the period ended September 30, 2024 was \$660,091 which was a loss of \$0.01 per share on both a basic and fully diluted basis. Loss for the period ended September 30, 2023 was \$180,773 (\$0.00 per share).

There were several administrative expenses with significant variances from fiscal 2024, including mineral property development expense, general and administrative expense, and interest expense. Interest expense varied due to the renegotiation of a convertible promissory note with an investor.

Mineral property development expense variance resulted from labour costs associated with the ongoing development costs of the Buckeye Silver Mine and the Washington Mine. The Company expenses all mine development costs as it has not conducted a preliminary economic estimate for either of the mines resulting in no basis over which to capitalize and amortize costs associated with development of its mines. The Company is considered to be in the exploration and evaluation stage of development of its properties.

The variance in general and administrative expense resulted from an increase in investor relations and investor communication expense of \$18,000 from fiscal 2024 as a result of the Company's increased investor relation programs, and an increase in insurance expense of \$17,000.

Increase in finance costs include increase in interest related expense of \$36,000 from fiscal 2024 primarily as a result of increased interest rate from 8% to 11% related to the convertible promissory note and interest accrued in connection with the convertible debentures issued in May 2024.

Accretion expense includes amounts related to note payable and convertible debentures.

The Company also incurred non-cash depreciation expense of \$32,186 during the period 2024 compared to \$32,186 for 2023.

### **Financing and Investing Activities**

Financing activities

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### **Management Discussion & Analysis**

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#### *Equity*

During the period ended September 30, 2024, the Company issued 312,500 common shares at \$0.08 per share on the conversion of \$25,000 of convertible debentures. Also, during the period the Company issued 750,000 common shares at \$.10 per share, and 750,000 share purchase warrants pursuant to the conversion of \$75,000 of face value of the convertible promissory note.

#### *Debt*

During the period, holders of \$25,000 of convertible debentures converted their debt for common shares.

During the period, the holder of the convertible promissory note converted \$75,000 of the principal amount to common shares and common share purchase warrants and an additional \$125,000 of the principal amount to the date of this MD&A.

The Company extended the maturity date of the convertible promissory note to January 1, 2025.

During the period, the Company received \$585,035 in deposits in connection with the issuance, on October 16, 2024, of \$1,138,000 in convertible debentures in tranches of \$1,000. The debentures have a term of three years, are unsecured, bear interest payable quarterly at 12% per annum and are convertible into common shares at \$0.10, \$0.12, and \$0.14 during years one through three respectively. Each debenture included 10,000 detachable warrants with an exercise price of \$0.16, \$0.18, and \$0.20 during years one through three respectively.

#### *Investing activities*

During the period ended September 30, 2024, the Company invested \$32,364 in equipment and infrastructure in connection with the mill.

#### Events subsequent to the period end

On October 7, 2024, the Company exercised its option and entered into a lease agreement for the past producing silver mine. Terms of the lease include an indefinite term at the Company's option and a gross royalty on sale of product

On October 16, 2024, the Company issued \$1,118,000 in convertible debentures in tranches of \$1,000 with each tranche including 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 debentures. The debentures 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 the Company's option. Each Investor at any time can convert its portion of the debentures, 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 debentures, \$0.12 during the next twelve months of the term of the debentures, and \$0.14 during the final twelve months of the term of the debentures. The Company incurred cash commissions of \$13,500 and issued 135,000 finders warrants in connection with the financing.

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

On November 3, 2024, 2,235,000 warrants and 84,000 broker warrants expired.

On November 19, 2024, the holder of the convertible promissory note converted \$125,000 of the face amount to 1,250,000 common shares and 1,250,000 common share purchase warrants.

On November 12, 2024, the holder of the convertible promissory note extended the maturity date to January 1, 2025 in exchange for a fee of \$25,000.

### **Liquidity and Capital Resources**

This section should be read in conjunction with the condensed unaudited consolidated financial statements for the period ended September 30, 2024, and the corresponding notes thereto.

The Company has total assets of \$3,310,307 (June 30, 2024-\$3,272,888). The Company's current assets total \$266,273 (June 30, 2024-\$186,426), current liabilities total \$3,302,029 (June 30, 2024-\$2,619,605) giving rise to working capital deficiency of \$(3,035,756) (June 30, 2024- working capital deficiency \$(2,433,179)).

The working capital deficiency is comprised of accounts payable and accrued liabilities of \$1,249,000, deposits of \$583,000, convertible debt of \$304,000, note payable of \$337,000, loan payable of \$304,000 and convertible promissory note of \$525,000, offset by current assets of \$266,000.

Included in accounts payable and accrued liabilities is \$706,000 owed to management which will not be paid until the Company generates revenue, and convertible debt of \$304,000 which the Company can unilaterally convert to equity. An amount of \$75,000 of the convertible promissory note was converted to equity during the period and an additional \$125,000 was converted subsequent to the period end. The maturity date of the convertible promissory note was extended to January 1, 2025.

Subsequent to the period end, the Company issued convertible debentures with a face amount of \$1,138,000 including deposits at period end of \$583,000.

The Company's ability to continue as a going concern is dependent upon its ability to achieve profitable operations, generate enough funds and/or continue to obtain enough capital from investors to meet its current and future obligations. The recoverability of amounts shown for property and equipment is dependent on future profitable operations or proceeds from disposition of mineral interests. As a result of these risks, there is material uncertainty which may cast significant doubt as to the appropriateness of the going concern assumption. There can be no assurance that the steps management is taking will be successful. These audited consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

The Company has not yet realized profitable operations and has incurred significant losses to date resulting in a cumulative deficit of \$17,156,835 (June 30, 2024-\$16,496,744).

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The Company's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions without incurring unacceptable losses, relinquishment of properties or risking harm to the Company's reputation.

The discovery, development and acquisition of mineral properties are unpredictable events. Future metal prices, the success of exploration programs and other property transactions can have a significant impact on capital requirements. The Company expects to receive income from its Buckeye Silver Mine and its Washington Mine during the next fiscal year. Should the Company decide to further develop any of its properties, the Company may fund its capital requirements by arranging further equity financing, issuing long-term debt, selling royalties, arranging joint ventures with other companies, or through a combination of the above. The Company may also consider the sale of certain non-core properties in order to raise additional capital.

#### **Proposed Transactions**

The Company has no material proposed transactions other than those in the normal course of business.

#### **Additional Disclosure for Venture Issuers Without Significant Revenue**

##### *Exploration and evaluation expenditures and development costs*

The Company's policy is to expense exploration and evaluation expenditures. The Company expenses all mine development costs as it has not conducted a preliminary economic estimate for either of the mines resulting in no basis over which to capitalize and amortize costs associated with development of its mines.

Development costs for Buckeye Silver Mine and related activity:

Personnel	\$219,000
Materials and supplies	\$ 89,000

##### *General and administration expenses*

Significant components of general and administrative expenses include:

Management expense	\$ 75,000
Investor communications	\$ 24,000
Interest and bank charges	\$ 2,000
Transfer agent and filing fees	\$ 11,000
Insurance	\$ 20,000
Other	\$ 382

*Any material costs, whether expensed or capitalized as assets, not included in the above.*

#### **Critical Accounting Estimates and Judgements**

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The preparation of the audited consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Determination of functional currency.
- Determination of provisions and contingencies.
- Title to mineral property interests.
- Income, value added, withholding and other taxes.
- Impairment of non-financial assets.
- Selection of inputs used in determining carrying values of non-interest bearing note payable;
- Selection of inputs used in determining carrying values of convertible promissory note; and
- Selection of inputs used in determining carrying values of convertible debentures.

#### Adoption of new accounting standards

There are several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations which have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Company. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact to the Company's financial statements.

#### New standards, interpretations and amendments not yet effective

IFRS 18, Presentation and Disclosure in Financial Statements. In April 2024, the IASB issued this new standard which will replace IAS 1. IFRS 18 is effective January 1, 2027, with early adoption permitted.

The amendments are not expected to have an impact on the Company's consolidated financial statements.

### **Financial Instruments and Risk Management**

#### Fair values

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act.

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The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

The following table provides an analysis of the financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2024, the Company did not have any financial instruments measured at fair value.

<b>Categories of Financial Instruments at</b>	<b>Sept 30, 2024</b>	<b>Sept 30, 2023</b>
Financial Assets-amortized cost		
Cash and cash equivalents	\$ 29,501	\$ 85,779
Miscellaneous receivables	20,913	24,419
Financial liabilities-amortized cost		
Accounts payable and accrued liabilities	\$ 1,248,740	852,636
Note payable	337,476	330,530
Convertible promissory note	525,000	607,673
Loan payable	303,728	155,079
Convertible debenture	806,588	-
Deposits	583,085	-

The fair values of all the Company's financial instruments approximate the carrying value due to the short term nature of the financial instruments except for the Note payable which is long-term in nature. Interest rates did not significantly change and the fair value of the note payable approximates it's carrying amount. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

**Credit Risk**

Cash consists of bank balances and short-term deposits maturing in one year or less. The Company manages the credit risk related to short-term investments by selecting counterparties based on credit ratings and monitors all investments to ensure a stable return, avoiding investment vehicles with higher risks.

**SILVER BULLET MINES CORP.****Management Discussion & Analysis**

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The carrying amount of miscellaneous receivables and cash represents the maximum credit exposure. The credit risk associated with miscellaneous receivables is minimized as they are receivable substantially from a government agency.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

The following table summarizes the Company's contractual maturities and the timing of cashflows as at September 30, 2024. The amounts presented are undiscounted contractual cash flows and may not agree with the carrying amounts in the consolidated financial statements.

	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	\$1,248,740	\$ -	\$1,061,471
Deposits	583,085		583,085
Convertible debt	304,000		304,000
Note payable	337,746	-	337,746
Convertible promissory note	525,000		525,000
Loan payable	303,728	-	303,728
Convertible debenture	-	915,000	915,000
<b>Total</b>	<b>\$3,302,029</b>	<b>\$ 915,000</b>	<b>\$4,217,029</b>

**Market Risk**

Market risk is the risk that changes in market factors, such as foreign exchange rates, commodity prices, and interest rates and liquidity will affect the Company's value of financial instruments. The objective of market risk management is to mitigate risk exposures within acceptable limits, while maximizing returns.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no variable rate interest-bearing outstanding debt. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

**Commodity price risk**

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is low as the Company is not yet a producing entity.

**SILVER BULLET MINES CORP.****Management Discussion & Analysis**

Three months ended September 30, 2024

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company is exposed to foreign currency fluctuations as certain transactions are denominated in United States dollars.

Should the Canadian dollar strengthen or weaken 10% vis-à-vis the United States currency, then a translation gain or loss of approximately \$87,000 (2023-\$68,000) would arise and would be recorded as a current expense.

The table shows the balances held in foreign currencies:

September 30, 2024	USD \$	CAD \$
Cash and cash equivalents	10,918	14,738
Prepays and deposits	133,066	178,455
Accounts payable	84,404	114,355
Note payable	250,000	337,476
Convertible debt	225,000	304,000
Loan payable	225,000	303,728
Net exposure	(640,420)	(866,366)

September 30, 2023	USD \$	CAD \$
Cash and cash equivalents	62,457	84,456
Prepays and deposits	96,006	129,672
Accounts payable and accrued liabilities	76,881	102,943
Note payable	244,574	330,530
Convertible debt	225,000	304,200
Loan payable	114,204	155,079
Net exposure	(504,186)	(678,624)

## Commodity and equity risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is the potential adverse impact on the Company's comprehensive earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depend upon the world market price of certain precious and base metals. Precious and base metals have fluctuated widely in recent years. There is no assurance that, even if commercial quantities of precious and base metals are produced in the future, a profitable market will exist for them.

## U.S. Taxation

## **SILVER BULLET MINES CORP.**

### **Management Discussion & Analysis**

Three months ended September 30, 2024

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The Company, as a result of the acquisition of its wholly owned subsidiary Black Diamond Exploration Inc., will be treated as a U.S. corporation for U.S. federal income tax purposes and therefore a U.S tax resident and subject to U.S. federal income tax on its worldwide income.

The Company believes that it is, and will remain for the foreseeable future, a “U.S. real property holding corporation” for U.S. federal income tax purposes. As a result, under the Foreign Investment in Real Property Tax Act (“FIRPTA”) certain non-U.S. investors may be subject to U.S. federal income tax on gain from the disposition of shares of the Company’s common shares, in which case they would also be required to file U.S. tax returns with respect to such gain and may be subject to a withholding tax with respect to a disposition of the Company’s shares. In general, whether these FIRPTA provisions apply depends on the amount of the Company’s common shares that such non-U.S. investors hold and whether, at the time they dispose of their shares, the Company’s common shares are regularly traded on an established securities market within the meaning of the applicable Treasury Regulations. So long as the Company’s common shares continue to be regularly traded on an established securities market, only a non-U.S. investor who has held, actually or constructively, more than 5% of the Company’s common shares at any time during the shorter of (i) the five-year period ending on the date of disposition, and (ii) the non-U.S. investor’s holding period for its shares, may be subject to U.S. federal income tax on the disposition of the Company’s common shares under FIRPTA.

### **Capital Management**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying natural resource properties. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Company considers its capital structure to include cash and working capital. In order to maintain or adjust the capital structure, the Company may from time to time issue shares and adjust its capital spending to manage current and projected debt levels. To assess capital and operating efficiency and financial strength, the Company continually monitors its net cash and working capital.

### **Related Party Transactions**

#### **Key Management**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any directors of the Company and/or their holding companies.

Key management had the following transactions with the Company:

- Compensation that was paid or payable to key management in the amount of \$106,516 (September 30, 2023-\$85,729)

## **SILVER BULLET MINES CORP.**

### **Management Discussion & Analysis**

Three months ended September 30, 2024

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During the periods ended September 30, 2024 and 2023, Silver Sevens Exploration LLC, an entity controlled by the Company's Vice President Mining, provided administrative services to facilitate payments along with providing sub-contract labour to the Company. For the year ended June 30, 2024, development costs paid to Silver Sevens Exploration LLC in connection with the Company's mineral properties was \$308,453 (September 30, 2023-\$102,594).

Included in accounts payable and accrued liabilities is an amount of \$705,955 (June 30, 2024-\$609,753) owing to officers of the Company. The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

#### **Off-Balance-Sheet Arrangements**

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity, capital expenditures and capital resources that would be material to investors.

#### **Share Data**

As of September 30, 2024, the Company has 71,002,398 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 6,578,571 common shares expiring between September 30, 2025 and June 13, 2029 and exercisable at prices between \$0.10 and \$0.30 per common share; and (b) common share purchase warrants to purchase an aggregate of 17,431,936 common shares expiring between November 3, 2024 and May 13, 2027 and exercisable at prices between \$0.14 and \$0.50 per common share.

For additional details of share data, please refer to Notes 13, 14, and 15 of the September 30, 2024 condensed unaudited consolidated financial statements.

As of the date of this MD&A, the Company has 72,252,398 common shares issued and outstanding as well as: (a) stock options to purchase an aggregate of 6,578,571 common shares expiring between September 30, 2025 and June 13, 2029 and exercisable at prices between \$0.10 and \$0.30 per common share; and (b) common share purchase warrants to purchase an aggregate of 29,760,900 common shares expiring between November 3, 2024 and October 16, 2027 and exercisable at prices between \$0.14 and \$0.35 per common share.

In addition, there are 84,000 broker warrants exercisable at \$0.30 expiring November 3, 2024, 21,700 broker warrants exercisable at \$0.17 expiring January 9, 2026, 16,667 broker warrants exercisable at \$0.16 expiring May 8, 2027, and 37,083 broker warrants exercisable at \$0.16 expiring May 13, 2027.

#### **Stock Options**

The Company has a formal stock option plan under which it is authorized to grant options to directors, officers, employees, and consultants to purchase common shares of the Company. The stock option plan is a rolling plan and the maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Each stock option granted is for a term not exceeding five years unless otherwise specified.

**SILVER BULLET MINES CORP.****Management Discussion & Analysis**

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Vesting terms and conditions are determined by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements.

The number of stock options outstanding at September 30, 2024 is summarized as follows:

	Number Of Options	Weighted Average Exercise Price
Balance, June 30, 2024	6,578,571	0.20
Options granted	-	0.00
Balance, September 30, 2024	6,578,571	0.20

The outstanding options expire between September 30, 2025 and June 13, 2029. At September 30, 2024 the 6,578,571 options have a weighted average life remaining of 2.95 years.

**Warrants**

The following common share purchase warrants entitle the holders thereof the right to purchase one common share for each common share purchase warrant. Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, June 30, 2024	16,908,605	\$ 0.49
Issued during the period	750,000	\$ 0.35
Expired during the period	(226,699)	\$ 0.50
Balance Sept 30, 2024	17,431,936	\$ 0.49

The following warrants are outstanding at September 30, 2024:

Number of warrants	Exercise price per warrant	Expiry date
2,235,000	\$0.30	November 3, 2024
1,209,560	\$0.30	December 19, 2024
595,000	\$0.30	March 17, 2025
1,923,334	\$0.17	January 2, 2026
819,042	\$0.17	January 9, 2026
500,000	\$0.35	August 11, 2026
400,000	\$0.14 to \$0.18	May 8, 2027
9,000,000	\$0.14 to \$0.18	May 13, 2027
750,000	\$0.35	
17,431,936		

In addition, there are 84,000 broker warrants exercisable at \$0.30 per share and expiring November 3, 2024, 21,700 broker warrants exercisable at \$0.17 expiring January 9, 2026, 16,667 broker warrants exercisable at \$0.16 expiring May 8, 2027, and 37,083 broker warrants exercisable at \$0.16 expiring May 13, 2027.

**SEGMENTED INFORMATION**

**SILVER BULLET MINES CORP.****Management Discussion & Analysis**

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The Company operates in one segment being the acquisition, exploration and development of exploration and evaluation properties. The Company has exploration and evaluation properties located in two geographical areas, Canada, and the United States of America.

	Canada \$	United States \$	Total \$
As at September 30, 2024			
Current assets	266,273	-	266,273
Property, mill and equipment	-	3,044,034	3,044,034
Total assets	266,273	3,044,034	3,310,307
Total liabilities	3,710,926	397,689	4,108,617
As at September 30, 2023			
Current assets	236,141	-	236,141
Property, mill and equipment	-	3,151,096	3,151,096
Total assets	236,141	3,151,096	3,387,237
Total liabilities	2,250,118	-	2,250,118

**Legal Proceedings**

To the knowledge of the Company, there are no actual or pending legal proceedings to which the Company is or is likely to be a party or of which any of its assets are likely to be subject.

**Risks and Uncertainties****Liquidity and Additional Financing**

The Company has limited financial resources and no sources of revenue and has no assurance that additional funding will be available to it to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

**Reliance on Key Personnel**

The Company is dependent on a relatively small number of key people, the loss of any of whom could have an adverse effect on its operations. The Company does not carry any key man insurance.

**SILVER BULLET MINES CORP.****Management Discussion & Analysis**Three months ended September 30, 2024

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**Dilution**

The Company may require additional equity financing to be raised in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares

**Commitments and Contingencies****Environmental Contingencies**

The Company's exploration activities are subject to various international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive.

The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**Buckeye Lease Agreement**

The Buckeye Silver Mine is subject to a lease agreement effective July 9, 2020 under which the Company is obligated to make lease payments on July 9<sup>th</sup> each year through 2036. The annual lease payments in US dollars are:

Payment Date	USD
July 9, 2025	60,000
July 9, 2026	65,000
July 9, 2027	70,000
July 9, 2028	75,000
Thereafter	<u>675,000</u>
	<u>945,000</u>

Lease payments from July 9, 2030 onward are payable at market rates to be negotiated which have been estimated at \$85,000 USD per annum based on the immediately preceding period.

**Management's Responsibility for Financial Information**

The Company's financial statements and other information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with International Financial Reporting Standards (IFRSs) and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

**SILVER BULLET MINES CORP.**

**Management Discussion & Analysis**

Three months ended September 30, 2024

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The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

**Additional Information**

Additional information relating to our Company is available for viewing on the SEDAR website at <http://www.sedar.com>.