Harnessing North America's Exceptionally High-Grade Pure Silver and Gold Deposits

Metals & Mining

We re-initiate coverage on Black Bear Minerals Limited (ASX: BKB), formerly called James Bay Minerals, with a 12-month target price of A$3.07, representing ~341% upside from the current share price of A$0.695. **BKB holds two high-grade silver and gold assets, Shafter Silver and Independence Gold, in prime U.S. jurisdictions** (Texas and Nevada, respectively), aligned with strengthening gold and silver fundamentals. The recent acquisition of the Shafter Project not only complements the robust foundation laid by the high-grade Independence Gold Project but also marks a transformational step for BKB, adding one of North America's most elite undeveloped silver deposits to its portfolio.

Labelled as **one of the highest-grade pure silver projects on the ASX, Shafter boasts a non-JORC resource of 17.6Moz at an impressive average grade of 289 g/t Ag**. Located on private land in Presidio County, Texas, the asset stands as one of the most compelling high-grade silver opportunities in the U.S. Extensive underground infrastructure, production shafts, and a modern processing plant–all valued at ~A$150m–provide a substantial head start for future restart scenarios, materially reducing capital expenditure and development timelines. Recent mapping and sampling confirm strong growth potential beyond the historically mined zones. The **planned JORC-compliant resource estimate is expected to integrate silver with lead and zinc, unlocking the project's broader multi-commodity upside** and positioning Black Bear for substantial value creation.

High-grade gold to significantly transform BKB's economics

The Independence Gold Project in Nevada positions Black Bear within the heart of the Battle Mountain district, one of North America's most prolific Tier-1 gold belts. Located immediately adjacent to the Fortitude and Phoenix operations–which have collectively yielded more than 7Moz of gold–Independence hosts a significant historical JORC-compliant resource containing both near-surface oxide gold and deeper sulphide mineralisation. The project benefits from favourable metallurgy demonstrated across neighbouring mines on the same productive mineralised trends. A ***previously approved Plan of Operations sharply reduces permitting risk*** and accelerates the pathway to drilling and asset development. With shallow oxide tonnage, high-grade skarn targets, and exceptional jurisdictional strength, Independence represents a strategically positioned asset with clear scalability, strong optionality, and near-term value-catalyst potential.

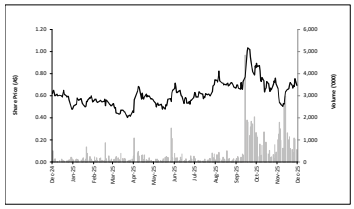
Valuation range of A$2.87–3.26 per share

Using a SOTP-driven asset-comparable valuation methodology, we have valued BKB at a midpoint target price of A$3.07, representing a Price/NAV of 0.23x, indicating significant valuation upside (341.1%) compared to the current share price. ***We anticipate that Black Bear will undergo a re-rating with the announcement of a JORC-compliant, upgraded mineral resource estimate for the Shafter Silver project***. Significant value unlocking is also possible amidst the ongoing scoping study at the Independence Gold project. Our valuation excludes any potential value unlocking from corporate activities undertaken by management on its lithium portfolio. The downside risk to the stock is highly limited. Key risks to our investment thesis include project execution delays, regulatory risks, geological risks, and commodity cycle risks.

Black Bear Minerals Valuation (A$ m)	Base Case	Bull Case
Shafter Silver Project value	255.0	300.5
Independence Gold Project Value	214.3	234.2
Implied Price (A$)	**2.87**	**3.26**

Date	16 Dec 2025
Share Price (A$)	0.695
Market Cap (A$m)	103.4
52-week L/H (A$)	0.39 / 1.13
Free Float (%)	76.5%
Bloomberg	BKB AU
Reuters	BKB.AX

Price Performance (in A$)



Business description

Black Bear Minerals (ASA: BKB), previously named James Bay, is a U.S.-focused junior miner advancing two high-quality assets in Tier-1 jurisdictions. The recently acquired Shafter Silver Project in Texas forms the cornerstone of the portfolio, delivering exposure to one of North America's highest-grade historic silver districts with substantial existing infrastructure, a proven production history, and significant exploration upside across an extension of Mexico's prolific Eastern Sierra Madre Belt. Complementing this is the Independence Gold Project in Nevada, a Tier-1 jurisdiction hosting near-surface heap-leachable gold and high-grade skarn mineralisation.

Analyst

Riddhesh Chandwadkar — riddhesh@sharesinvalue.com.au

Rahul Tiwari — rahul.tiwari@sharesinvalue.com.au

Disclosure - Readers should note that East Coast Research has been engaged and paid by the company featured in this report for ongoing research coverage.

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Investment Rationale

Listed on the ASX, Black Bear Minerals Limited (ASX: BKB) is a US-focused exploration and mining company. BKB has strengthened its strategic position in the North American precious metals sector through the acquisition of the Shafter Silver Project in Texas. Together with the company's high-grade Independence Gold Project in Nevada, the Shafter acquisition forms a complementary, geographically aligned portfolio located in the most favourable mining jurisdictions in the US.

In addition to the two high-grade gold-silver Projects, BKB also holds two lithium assets in Quebec, Canada–*La Grande and Troilus Lithium Project*.

The company is fully funded through an A$30m equity raising, which supports the acquisition, ongoing exploration programmes and the delivery of future development studies.

The company was formerly known as James Bay Minerals Limited and, in November 2025, rebranded as Black Bear Minerals Limited to reflect its expanded North American focus.

Strategically positioned projects in top-tier mining destinations in the U.S.

The Shafter Silver Project offers a rare opportunity to acquire a high-grade silver asset in the U.S., where regulatory stability, low sovereign risk and an exceptionally favourable tax regime create a highly supportive operating environment. The project is on private land in Texas, widely regarded as the lowest-taxed jurisdiction for mining globally. Its geological setting is considered the northern continuation of the Eastern Sierra Madre Belt, which hosts some of Mexico's largest silver-producing mines. This geological continuity provides compelling evidence that Shafter may represent an extension of a world-class mineral system.

BKB has the right assets in the right jurisdictions at the right time, when the market fundamentals for both gold and silver represents a compelling investment case

The Independence Gold Project sits within the Phoenix Mine Complex plan of operations in Nevada. This strategic location provides advanced permitting enabling mine approvals in ~8-12 months (vs. ~18-24 months in Australia). Consequently, Black Bear has the potential to save A$2-5m, from having these permits in place.

These two assets create a diversified precious metals development pipeline in jurisdictions known for transparent permitting, excellent infrastructure, strong community support and clear pathways to production. The substantial infrastructure already in place at Shafter significantly shortens future development timelines and reduces capital intensity, thereby improving the potential economic viability of a restart scenario.

As Texas and Nevada have the lowest total tax and royalty burdens among the principal mining jurisdictions worldwide, ***Black Bear benefits from having a presence in these mining- and tax-friendly locations***. This strategic positioning supports the company's operational efficiency and enhances its financial flexibility.

The recent acquisition of Shafter Silver complements Black Bear's portfolio

Located in Presidio County, Texas, U.S., Black Bear's recent acquisition of the historically closed[1] Shafter Silver mine represents a significant addition to the company's existing portfolio. With silver added to the U.S. Critical Minerals List, ***Shafter holds strategic importance as a domestic supply source***. Moreover, China's Ministry of Commerce has announced silver export restrictions effective October 2025, making the restart of Shafter's operations highly beneficial for U.S. domestic consumption.

The Shafter Silver tenement lies in the geological extension of Mexico's high-grade silver deposits. It is surrounded by approximately A$150m of existing mine and processing infrastructure, including underground mines, shaft declines, a processing plant, non-process infrastructure, and a power substation.

[1] Aurcana Silver Corp. had produced 134,557 oz silver from 2012-2013 from Shafter mine

The mine's operational capability is partially permitted, supported by a high-grade foreign resource (non-JORC) of 17.5 Moz at 289 g/t Ag. Aided by strong government support, management is expected to advance the project by fast-tracking drilling programmes and feasibility studies, aiming to restart the mine by 2027. ***With a simple metallurgical processing pathway achieving recoveries of ~85%, Shafter's development complements the Independence project's permitting timelines***.

Shafter mine is located on a private land that is part of an extension of Mexico's exceptionally high-grade Eastern Sierra Madre Belt which is home to Newmont's Penasquitos, the world's fifth largest silver-producing mine

We believe the Shafter acquisition–financed through BKB's recent A$30m capital raising–offers a rare combination of high grades, established infrastructure, and exploration upside in a Tier-1 U.S. jurisdiction. This positions the company to capitalise on rising silver demand amid the global energy transition and renewed investor appetite for precious metals, while establishing BKB as a key player in the North American silver sector through Shafter's existing infrastructure and historic high grades, thereby fast-tracking development.

Ongoing Scoping study for the Nevada-based Independence Gold project to substantiate the project's economic feasibility

Being one of the Tier-1 jurisdictions for gold mineralisation–Nevada produces ~75% of all gold mined in the U.S.–there is already world-class infrastructure for Black Bear's Independence Gold project to utilise. This infrastructure includes sealed roads, power and water facilities, and water rights, providing nearly all the necessary support for future operations.

Recent metallurgical testwork has confirmed ~96% recovery of a very high-grade skarn resource[2] (~7g/t Au). The preliminary program identified the most effective flowsheet for gold recovery at the mine site. This ***initial testwork demonstrates that gold mineralisation at Independence is non-refractory and can be processed using conventional methods***, including gravity recovery followed by a carbon-in-leach (CIL) circuit with low reagent consumption. This confirms the project's low-risk profile and supports a capital-efficient processing route for its high-grade skarn gold deposit.

Management has appointed Kappes, Cassiday & Associates to lead a Scoping Study for the Independence Gold project, evaluating a potential near-term development scenario focused on the near-surface oxide gold mineral resource estimate at the mine site. The ***low-capex development pathway, targeting a simple open-pit heap-leach operation, is expected to significantly enhance Black Bear's stock price.***

Polymetallic Mineralisation extension to provide the necessary value-add

Recently, grab sampling of stockpile material from historic Presidio mining was conducted at the Shafter Project. The largest stockpile, known as the East Dump, returned average grades of 343g/t Ag, 0.8% Pb, 0.6% Zn, and 0.1g/t Au from 18 samples collected across the 16,500 m^2 sampled area. Subsequent rock chip assay results have substantiated the polymetallic mineralisation potential at the Shafter tenement, with 10 samples recording over 200g/t Ag, five samples exceeding 1% Zn, and eight samples surpassing 1% Pb. All these intercepts occurred outside the current 17.6Moz Ag envelope, indicating unrealised potential.

Skarn resource at Independence tenement is open in all directions with historic drill results confirming similar high grade skarn mineralisation all around

At the Independence Gold Project, the first reverse circulation (RC) drill holes into North Hill have returned shallow oxide gold and polymetallic intercepts. These drill assays show polymetallic intercepts located outside the near-surface resource estimate–hole JBRC007 intercepted multiple stacked mineralised lodes, including 12.2m at 1.2g/t Au from 158.5m, comprising 1.5m at 6.7g/t Au, 167g/t Ag, and 1.2% Cu.

Recent drilling across the two projects continues to deliver extensions to the near-surface resource in multiple areas, returning polymetallic intercepts and supporting the potential for significant acceleration in Black Bear's valuation.

[2] Skarn deposits are economically valuable as sources of metals such as tin, tungsten, manganese, copper, gold, zinc, lead, nickel, molybdenum and iron. A skarn is formed by a variety of metasomatic processes during metamorphism between two adjacent lithologic units.

https://pubs.usgs.gov/of/1995/ofr-95-0831/CHAP12.pdf

Dual-listing to propel JBY's growth trajectory in the U.S.

Recently, James Bay Minerals initiated the process of securing a listing on the U.S. Over-the-Counter (OTC) Market. This proposed U.S. listing is expected to enhance the visibility of Black Bear's Nevada-based Independence Gold Project and Texas-based Shafter Silver Project. The OTC listing is likely to serve as a stepping stone towards potential future listings on major U.S. exchanges.

The primary objective of this dual listing is to establish a U.S. market presence, enabling Black Bear to engage with U.S. institutional investors, gain recognition from U.S. government departments, participate in critical mineral initiatives, and explore potential U.S. partnerships. Strong North American demand for Black Bear shares is evidenced by the recently completed A$30m capital raising programme, which attracted significant participation from U.S. institutional investors.

We believe this strategic initiative is well-timed, given the growing appetite among U.S.-based investors for precious metals exposure and silver's role in clean energy, electrification, and technology. With gold added to the U.S. critical minerals list in March 2025 and silver included in the U.S. Department of the Interior's draft 2025 critical minerals list, ***this initiative will grant Black Bear access to a large pool of new U.S.-based investors seeking exposure to silver and gold projects, thereby supporting potential investors.***

BKB offers an exceptionally high-grade polymetallic mineralisation in a tier-1 U.S. mining jurisdiction story with substantial re-rating potential

Using a resource-based peer-comparable-driven valuation methodology, we have valued BKB at ***A$2.87 per share in our base case and A$3.26 per share in our bull case***, with a ***midpoint target of A$3.07 per share***. This equates to a Price/NAV of 0.23x and implies a potential upside of 341.1% to the current share price of A$0.695. This valuation gap is not only remarkable but also strongly justified by several growth drivers that reinforce our confidence.

Black Bear is well positioned to capitalise on favourable macroeconomic tailwinds, with silver prices at decade highs and gold prices currently at record levels

Recent surface rock chip samples have returned assay results of up to 3,100 g/t of Ag at the Texas-based Shafter Silver Project, confirming the ***potential for significant resource expansion***. The rock chip assay results have substantiated the polymetallic mineralisation potential, outside the current Ag envelope. The multi-pronged strategy–expanding the mineralised footprint, upgrading historical data and rising metal prices–provides multiple independent pathways to valuation growth.

Beyond silver, the Nevada-based Independence Gold tenement is emerging as a ***strategic gold-focused multi-commodity minerals project***. Re-assays have returned high-grade gold-silver extensions of near-surface mineralisation intervals. Recent metallurgical testwork has confirmed superior gold recovery for the high-grade skarn resource at Independence using a simple, conventional process. This supports the potential of low-risk metallurgy and supports capital-efficient processing at the mine. With a scoping study underway to determine the repeatability of these recoveries and establish strong economic feasibility, the ***Independence Gold Project offers significant value-add for potential investors***.

Looking ahead, ***Black Bear's growth trajectory is underpinned by a robust balance sheet strength***. In October-November 2025, the company successfully raised A$30m via a placement to institutional investors, reflecting solid market confidence. This ensures that drilling, assay sampling, and feasibility studies are fully funded, mitigating near-term financing risk. With this level of financial flexibility, management is well-positioned to pursue drilling programs aggressively, complete scoping-level studies, and proactively seek regulatory permits and approvals.

In our view, Black Bear Minerals represents a compelling small-cap investment in a Tier-1 U.S. jurisdiction. The company combines a portfolio of exceptionally strong polymetallic mineralisation, a well-structured drilling program, operational momentum, a strong balance sheet, material valuation disconnects, and clear catalysts for re-rating as the resource estimate is refined and scoping studies are completed.

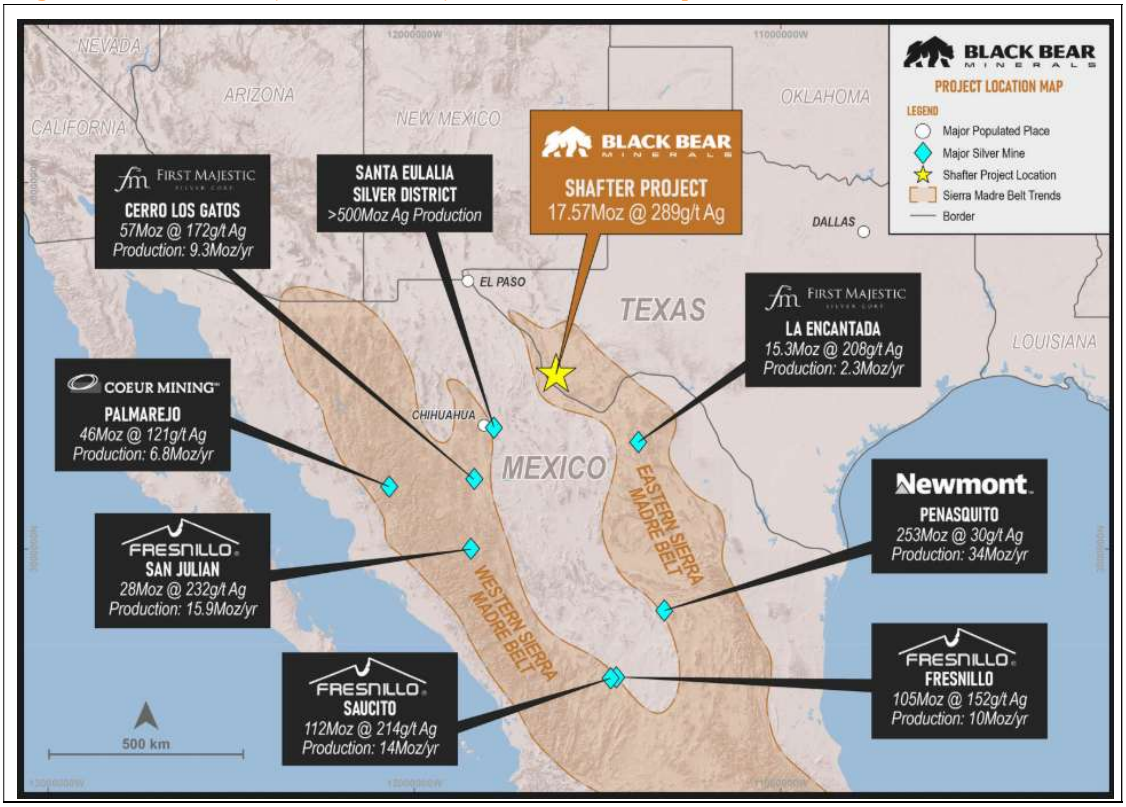
Key risks include exploration risk, project execution risk, commodity price volatility risk, asset development risk, funding risk, and regulatory risk.

Shafter Silver Project – A historic high-grade asset poised for revival

Shafter positions BKB as a key player in the North American silver sector, leveraging its existing infrastructure and historic high grades to fast-track development

The Shafter Silver Project sits in Presidio County, Texas, near the historic town of Marfa and just 32km north of the U.S.–Mexico border. Strategically positioned within the 1,600km basin carbonate sequence that extends from northern Mexico into southwest Texas, **the Project lies on an extension of Mexico's prolific Eastern Sierra Madre Belt** (Figure 1)**, a region renowned for hosting world-class silver mines**. This strategic position places Shafter among major producers such as Newmont's Peñasquito Mine, the fifth-largest silver producer globally, and other high-grade operations including Fresnillo's Saucito and San Julián mines, Coeur Mining's Palmarejo, and First Majestic's Cerro Los Gatos and La Encantada. **Shafter benefits from proximity to a proven silver-rich trend, underscoring its potential to become a significant contributor in one of the world's most productive silver belts**.

Figure 1: The Shafter Project sits near major silver mines on the prolific Sierra Madre Belt



Source: Company

BKB acquired the Shafter Project on 2 October 2025, diversifying its precious metals product portfolio. The Project is a historic high-grade silver deposit that ***produced over 35Moz of silver at an average grade of 521 g/t Ag between 1883 and 1942***. Under the acquisition terms, BKB will pay US$9.5m upfront and a deferred US$8.5m over two years, along with a 2% net smelter return royalty on future production. The company plans to fund the purchase and initial development through a A$30m capital raising.

The Shafter Project is particularly appealing because it includes existing infrastructure valued at about US$150m, including underground workings, shafts, a processing plant, and water and power rights – significantly reducing development risk and cost. With ***a non-JORC resource estimate of 17.6Moz of silver at 289 g/t, and strong exploration upside along a 4km strike***, the

project offers both scale and grade potential. This acquisition aligns with Black Bear's broader goal of building a portfolio of Tier-1 silver and gold assets in North America.

The Mineral Resource Estimate (MRE) for the Shafter Project was completed in 2015 in accordance with Canadian NI 43-101 standards. This **estimate outlines 1.89Mt at an average grade of 289g/t silver, containing ~17.57Moz of silver** across measured, indicated, and inferred categories (Figure 2). The resource was calculated using a cut-off grade of 137g/t silver and a silver price assumption of US$18.5/oz. **Historical metallurgical test work supports an average silver recovery of 85.4%, indicating strong processing potential.**

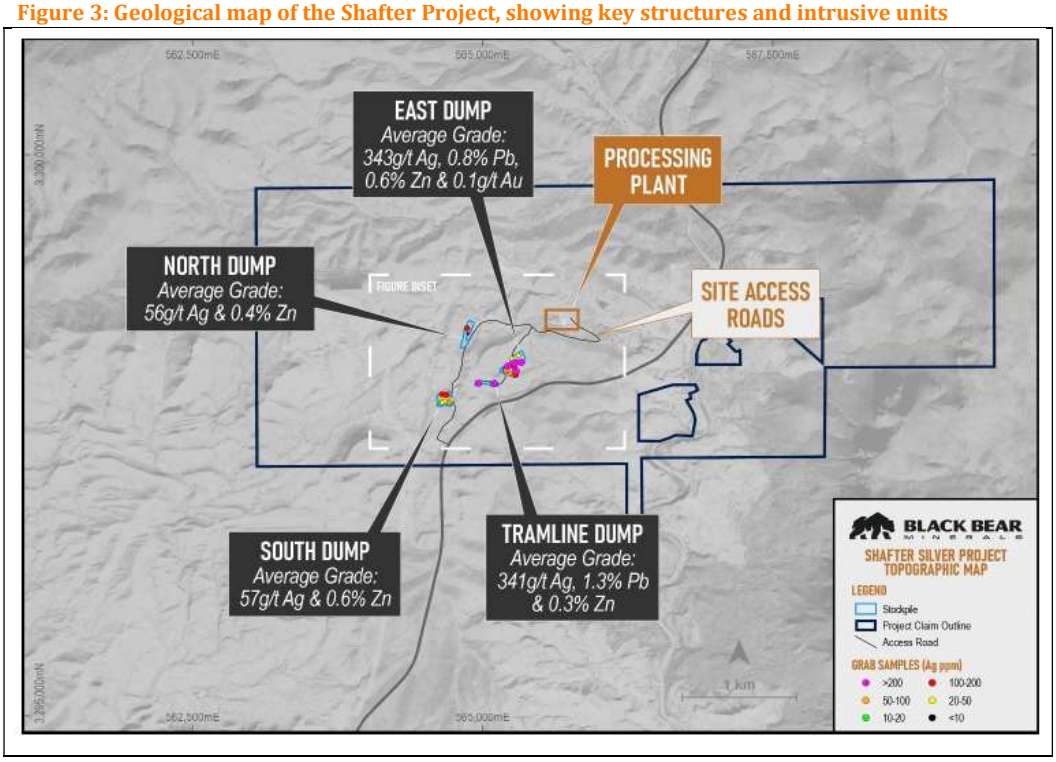
Figure 2: Shafter NI 43-101 Resource Estimate* (2015)

Classification	Cut-Off (Ag g/t)	Tonnes (Mt)	Grade (Ag g/t)	Ag Ounces (Moz)
Measured	137	0.09	299	0.89
Indicated	137	1.01	314	10.17
Inferred	137	0.79	256	6.51
Total	**137**	**1.89**	**289**	**17.57**

*Source: Company; *The resource estimates are foreign and not yet JORC-compliant*

As this is a foreign resource, it is not yet JORC-compliant. BKB plans to undertake verification drilling, re-assay historic core to include additional metals, and complete a maiden JORC 2012 mineral resource estimate as part of its initial work programme at the Project. This is expected to provide a more comprehensive assessment of the Project's full value potential.

Figure 3: Geological map of the Shafter Project, showing key structures and intrusive units



Source: Company

Geological setting and mineralisation support high-grade potential

The geology within southwest Texas comprises a sequence of Jurassic-Cretaceous sedimentary basin rocks overlain by older Paleozoic basement. The sedimentary carbonate sequence extends over 1,600km from northern Mexico, through southwestern Texas, to southeastern Arizona, and were thrust faulted and folded during the Laramide orogeny. Silver-lead-zinc deposits, including the

Shafter deposit, occur across the strike of the carbonate sequences, though little attention has been historically focused outside Mexico.

The Shafter mining district is located on the south flank of the Chinati Mountains, adjacent to a Tertiary age volcanic caldera. Outcrops in the district are predominantly Permian and Cretaceous limestone, dolomite, siltstone, and sandstone, that were uplifted during the Cretaceous-Tertiary Laramide orogeny and were later cut by Tertiary intrusions.

Mineralisation in Shafter mostly occurs as "mantos," which are flat, replacement zones within upper Permian limestone, just below the contact with Cretaceous rocks. These mantos are usually 2.5–4.5 m thick and lie parallel to bedding, dipping gently southeast. Thickness increases where vertical feeder structures intersect. The mineralised zone is up to 450m wide (north–south) and extends at least 4km northeast. Silver is mainly found as oxidised acanthine mixed with quartz, calcite, and goethite, along with smaller amounts of other minerals like dolomite, galena, and sphalerite.

The Shafter Mineralisation broadly follows the trend of the MacDaniel Fault, which is thought to be a major feeder structure for mineralisation. The work by Gold Fields and Aurcana focused on defining mineralisation along strike to the northeast of the historic Presidio Mine, defining a 1.8km mineralised zone termed the 'Shafter Extension'. ***We believe these geological characteristics not only improve the chances of cost-effective mining but also position the Shafter Project as a scalable, long-term production potential.***

Our readers should note that BKB has not yet acknowledged the resource base at Shafter Silver as JORC compliant. These estimates have been prepared in accordance with Canadian National Instrument 43-101 and do not comply with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code). A competent person has not conducted sufficient work on these assets to classify the resource base as JORC compliant.

However, given that the NI 43-101 and 2012 JORC Codes share many similarities in their reporting standards, we believe these estimates provide a solid foundation for BKB's silver asset portfolio at Shafter. Furthermore, the original estimates were calculated as part of the mine-restart planning in 2015, under tight constraints, i.e., removal of any block intersecting ≥5% underground workings and a 137g/t Ag cut-off and silver price of US$18.5/oz, indicating an easy-to-mine near-surface high-grade asset.

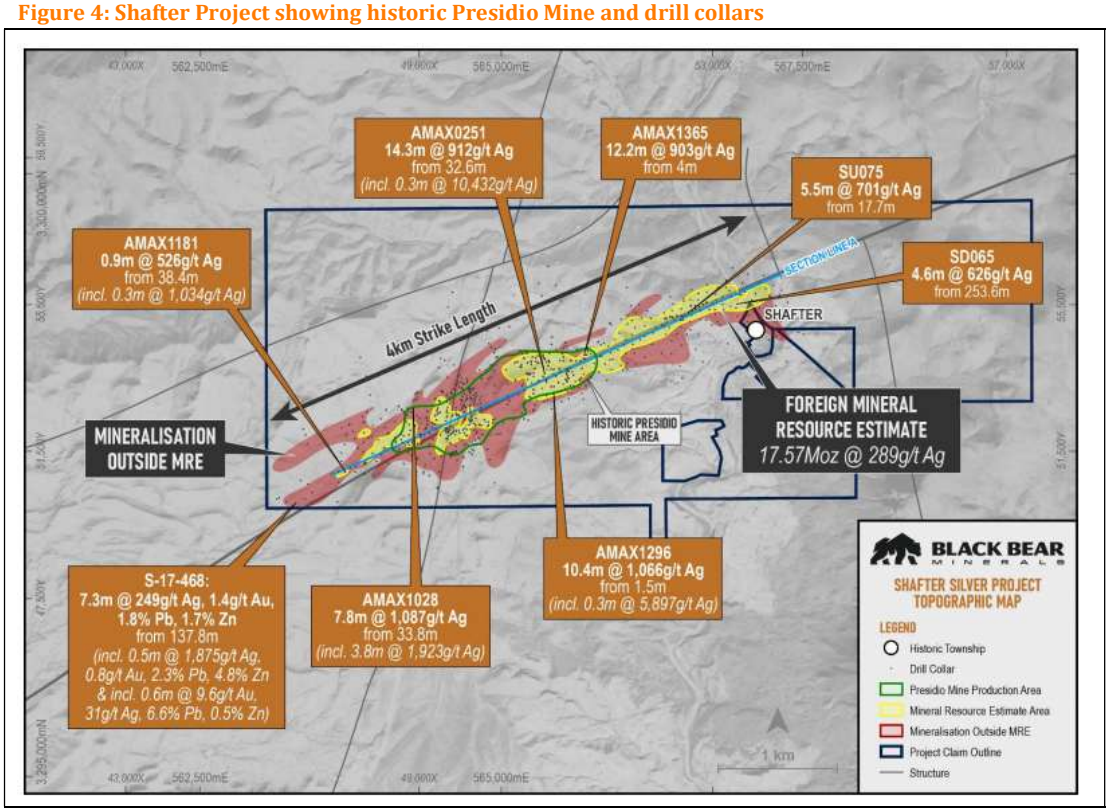
We anticipate that, following recent drilling and rock chip sample assay results up to 3,100g/t Ag outside the historic MRE, the 2015 cut-off grade will be lowered to reflect changes in silver prices. This is expected to nearly double the resource, albeit at a slightly lower grade, resulting in a substantial overall enhancement of the resource estimates.

Although it is not certain that further exploration and evaluation will result in these estimates being classified as Mineral Resources under the JORC 2012 standards, given the similarity between the standards, we consider the probability high.

Historic production further strengthens Shafter's world-class silver potential

The Shafter Project is located along the extension of Mexico's prolific Eastern Sierra Madre Belt, which hosts world-class deposits including Newmont's Peñasquito Mine, the fifth-largest silver producer globally. The mineralised zone at Shafter extends ~4km along strike (Figure 4), dipping gently eastward.

Figure 4: Shafter Project showing historic Presidio Mine and drill collars



Source: Company

Its western portion outcrops at surface and was historically mined as the Presidio Mine, which operated from 1883 until 1942, closing due to declining silver prices and wartime legislation. During this period, **Presidio produced about 2.3Mt of ore containing 35.2Moz of silver at an exceptional average grade of 521 g/t Ag, confirming the district's world-class potential**. The historic workings include 160km of underground drifts, declines, adits, and stopes, supported by four production shafts, representing a substantial infrastructure advantage that can significantly reduce restart timelines and capital requirements.

In 2008, Aurcana Silver Corporation acquired the Shafter Project through its subsidiaries Rio Grande Mining Company and Shafter Properties Inc., completing additional drilling and resource classification work before constructing new processing facilities. Production began in 2012 but ceased in December 2013 following a sharp decline in silver prices.

During its brief operational period, Aurcana produced 134,557oz of silver, primarily from a starter open pit and limited extensions of Presidio workings. **This production history demonstrates technical viability, proven metallurgy, and operational capability, while the existing infrastructure and processing facilities provide a strong foundation for future development**. With silver prices now significantly higher than 2013 levels, we believe Shafter offers low geological risk and substantial upside potential for restarting operations and expanding production.

Robust infrastructure positions Shafter for rapid, low-cost restart

The Shafter Project boasts an exceptional infrastructure foundation valued at ~A$150m, significantly de-risking future restart plans. Constructed in 2012 for a 3,000t/day operation, the site hosts a complete processing circuit including a ball mill, thickener stages, Merrill-Crowe recovery system, and an on-site refinery–supported by extensive warehousing, workshops, and administrative buildings.

Figure 5: Core Storage Facility

Source: Company

Figure 6: Shafter Processing Infrastructure

Source: Company

Power is supplied through a regional 69kV line connected to an on-site substation, while fully secured water rights ensure reliable operational capacity. The underground mine, accessible to a depth of 270m, remains in good condition with established declines and hoist infrastructure. Additionally, the Project has full unincumbered water rights for exploration, development and any potential future operations. **Together, these facilities position Shafter as an "operationally near-ready" asset capable of a rapid restart once technical studies are completed**. This extensive existing infrastructure provides a substantial cost and time advantage, underscoring Shafter's strategic appeal within Black Bear's growing U.S. precious metals portfolio.

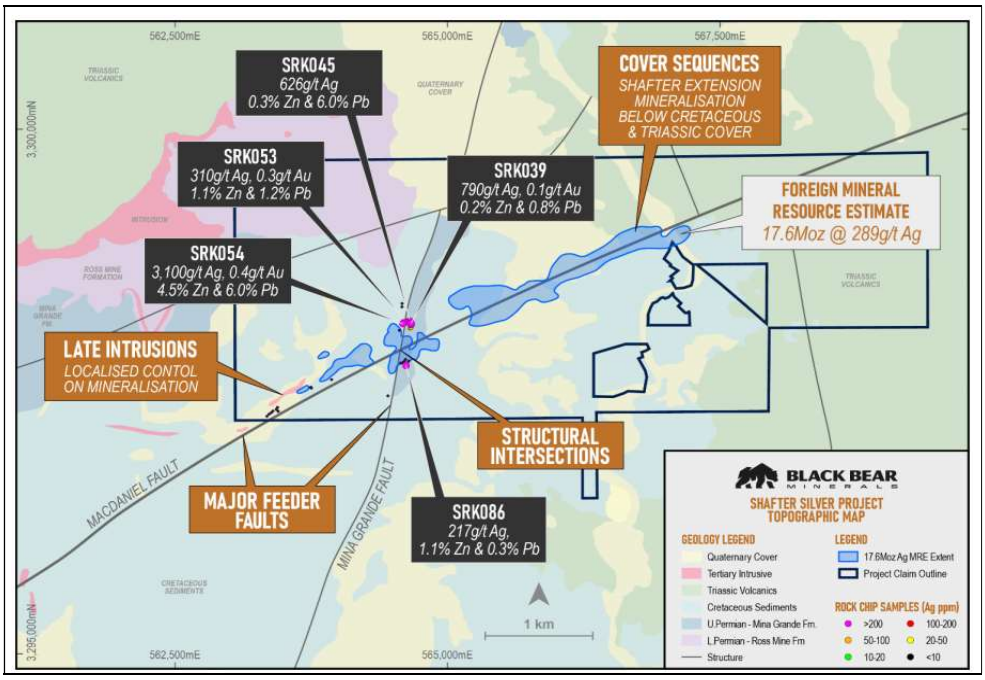
High-grade rock chip samples confirm exceptionally high-grade polymetallic mineralisation growth potential beyond existing MRE

In November 2025, BKB commenced its initial work programme at the Project, which included reconnaissance mapping and sampling. The **Initial exploration efforts are focused on three key areas: northeast extensions to Shafter mineralisation, southwest extensions to the Presidio Mine, and from-surface (near-surface),** shallow drilling to determine open-pit potential at a lower-grade cutoff, building on previous work conducted by Aurcana.

Reconnaissance mapping and sampling at the Project were completed in November 2025, and the assays have been received for 72 rock chip samples from the central area of the Project. **Exceptional grades, with 10 samples above 200g/t Ag, and a peak result of 3,100g/t Ag** (Figure 7) and Appendix IV), **indicates that from-surface ore-grade silver mineralisation exists outside the 17.6Moz Ag Foreign MRE** associated with the outcropping Mina Grande Formation.

Results received recently on 27 November 2025 confirm the presence of high-grade silver mineralisation both north and south of the historic Presidio Mine area, extending over a minimum strike length of 370m and remaining open in both directions. Historic drilling in the vicinity is either too sparse or inadequately sampled. It does not reflect the potential indicated by rock chip results, underscoring the need for further exploration and assessment.

Figure 7: Exceptional high-grade rock chip sample results



Source: Company

Near-surface mineralisation at the Presidio Mine area occurs within the Mina Grande Formation as manto-style carbonate replacement ore bodies. Historically, mining focused on selectively extracting high-grade silver (>500 g/t Ag), leaving significant mineralisation exposed at surface. This makes the area a high-priority target for evaluating open-pit mining potential.

Moreover, the Shafter Deposit was historically assessed solely for silver potential. However, **first-pass rock chip sampling by BKB indicates that manto-style mineralisation is polymetallic, containing silver along with zinc, lead, and gold.** The Company plans to further investigate the Project's multi-commodity potential through additional surface sampling and re-analysis of historic core to determine whether these additional elements hold economic significance.

Results from 35 grab samples collected across four stockpiles reported in early December confirm the presence of high-grade polymetallic mineralisation at the Presidio historic mine area. This clearly indicates unrealised potential at the Shafter Project.

Results from these samples showed grades up to 1,570g/t Ag (SWD001), 5% Pb (SWD020), 4.4% Zn (SWD009), 0.3g/t Au (SWD001 & SWD004) and 1.1% V_2O_5 (SWD005). Even though the exact extent of the grade estimation for stockpiles needs further drilling, bulk sampling and metallurgical tests, the largest stockpile, East Dump, returned average grades of 343g/t Ag, 0.8% Pb, 0.6% Zn and 0.1g/t Au from 18 samples across the 16,500m^2 sampled area. This clearly indicates the exceptionally high grade, density, volume, and metallurgical properties of the available stockpile.

These **early systematic surface sampling have set the drilling agenda clearly for BKB management to be achieved in 2026–determine stockpile grade estimation and volume extent**.

Figure 8: Grab sampling of stockpile material from historic Presidio mining indicates polymetallic potential at the Shafter

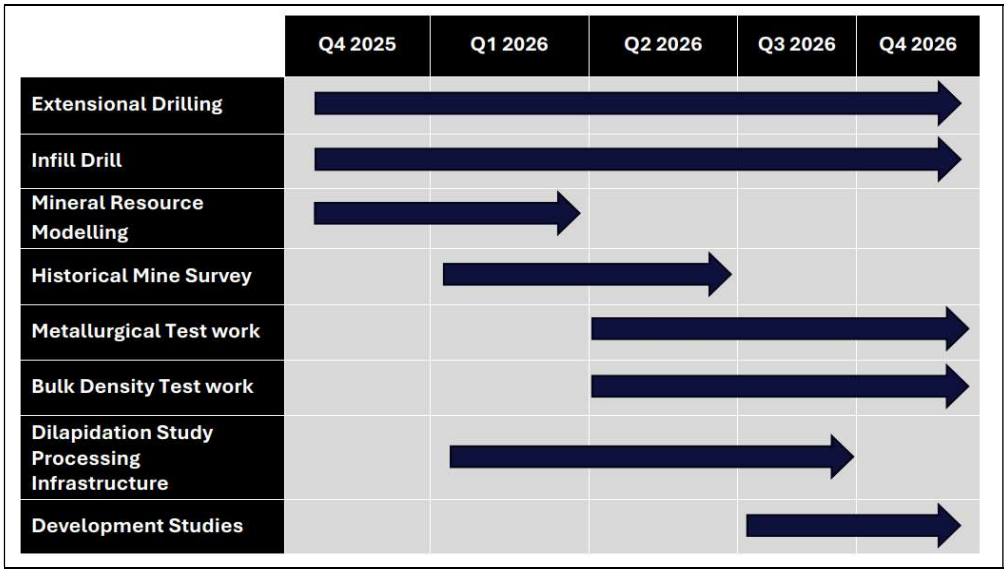
Sample ID	Stockpile	Northing	Easting	RL	Au (ppm)	Ag (ppm)	Pb (ppm)	Zn (ppm)	V (ppm)	V_2O_5 (ppm)
East Dump Average					**0.09**	**343**	**8,192**	**6,378**	**461**	**824**
SWD001	East	3298153	565333	1253	0.27	1,570	32,700	7,350	253	452
SWD002	East	3298159	565323	1256	0.01	44	449	1,690	39	70
SWD003	East	3298158	565295	1261	0.03	76	1,770	2,880	85	152
SWD004	East	3298147	565276	1265	0.27	611	4,520	9,630	215	384
SWD005	East	3298139	565270	1265	0.00	113	42,200	5,580	6,220	11,104
SWD006	East	3298129	565269	1264	0.03	106	1,925	3,250	156	278
SWD007	East	3298110	565272	1261	0.04	73	1,635	3,170	164	293
SWD008	East	3298088	565283	1255	0.03	61	1,180	2,190	55	98
SWD009	East	3298074	565289	1252	0.07	1,465	3,980	44,200	39	70
SWD010	East	3298061	565277	1254	0.08	52	1,395	4,590	81	145
SWD011	East	3298048	565278	1252	0.11	83	4,480	6,660	259	462
SWD012	East	3298040	565284	1251	0.08	121	9,040	2,850	21	37
SWD013	East	3298035	565268	1254	0.01	50	4,390	2,900	131	234
SWD014	East	3298052	565237	1254	0.05	83	1,380	3,620	109	195
SWD015	East	3298081	565200	1268	0.05	81	1,835	4,290	114	204
SWD016	East	3298120	565218	1272	0.33	1,515	32,600	7,470	244	436
SWD017	East	3298187	565250	1268	0.05	31	832	1,020	38	68
SWD018	East	3298212	565307	1258	0.03	47	1,145	1,470	83	148
Tramline Dump Average					**0.05**	**341**	**13,012**	**3,034**	**25**	**45**
SWD019	Tramline	3297974	564985	1269	0.03	24	1,460	4,690	11	20
SWD020	Tramline	3297967	564964	1266	0.13	895	49,600	3,070	76	136
SWD021	Tramline	3297965	565101	1269	0.05	432	660	3,130	10	18
SWD022	Tramline	3297971	565081	1270	0.01	12	328	1,245	3	5
South Dump Average					**0.04**	**57**	**1,818**	**6,063**	**39**	**70**
SWD023	South	3297821	564732	1267	0.01	26	727	3,420	16	29
SWD024	South	3297795	564713	1268	0.05	93	1,225	2,400	75	134
SWD025	South	3297803	564699	1268	0.01	11	337	1,355	39	70
SWD026	South	3297808	564676	1268	0.01	37	876	723	20	36
SWD027	South	3297796	564653	1267	0.01	29	922	3,340	34	61
SWD028	South	3297788	564631	1268	0.02	14	1,940	18,400	20	36
SWD029	South	3297792	564601	1270	0.03	8	269	1,550	8	14
SWD030	South	3297872	564708	1267	0.05	33	2,680	9,960	52	93
SWD031	South	3297864	564691	1269	0.04	183	2,040	5,970	66	118
SWD032	South	3297868	564652	1269	0.11	151	6,200	16,900	29	52
SWD033	South	3297842	564648	1271	0.15	42	2,780	2,670	71	127
North Dump Average					**0.02**	**56**	**1,199**	**4,075**	**67**	**120**
SWD034	North	3298456	564866	1251	0.03	102	1,805	7,200	53	95
SWD035	North	3298410	564872	1251	0.01	9	593	950	81	145

Source: Company

Next steps: A clear development pathway toward production

Over the next 12-24 months, BKB intends to undertake a staged exploration and development programme with a focus on delivering a maiden JORC MRE. This will include infill drilling to increase confidence, regional exploration beyond the current Shafter Foreign MRE limits, and shallow drilling to assess open-pit potential at lower cut-off grades (Figure 9).

Figure 9: BKB has clearly laid out plans for developing the Shafter Project over next 24 months



Source: Company

Further work includes reviewing historic drill core and mapping to identify mineralisation within Cretaceous sediments overlying the Mina Grande Formation. Historic drilling largely ignored these units, assuming they were poor hosts for manto-style silver. **BKB intends to test for epithermal-style mineralisation in these sediments**, which may represent leakage features above high-grade mantos, creating new shallow targets. BKB is currently finalising exploration drill programmes and will announce them in Q4 2025.

BKB aims to unlock multi-commodity upside, confirm high-grade silver continuity, and assess open-pit potential, significantly enhancing project economics. Existing infrastructure and historic production reduce restart timelines and capital intensity, while incorporating gold, lead, and zinc could transform Shafter into a polymetallic opportunity, improving resilience against silver price volatility. ***We believe successful execution positions Shafter for a clear development pathway toward production,*** contingent on technical results and market conditions.

Shafter's strategic advantages to propel Black Bear's growth trajectory

1. Located in a Tier-1 Mining Jurisdiction of Texas

The Shafter Project is located in Presidio County, Texas**, which is considered one of the most favourable mining jurisdictions in the world because it has one of the lowest total tax rates and royalties (**Figure 10**).** Unlike many regions that impose high government levies on mineral production, Texas maintains minimal state royalties and relatively low corporate tax rates, making it highly attractive for mining companies. Moreover, the Shafter deposit is located on private land, which further reduces regulatory hurdles and eliminates federal royalty requirements that apply to public lands. **This combination of low taxation and private land ownership significantly lowers operational costs and accelerates permitting, giving mining projects in Texas a substantial economic advantage.**

In addition, **the Project benefits from its proximity to two key towns that provide access to essential services and workforce**. Marfa, located ~64km north with a population of about 1,800, serves as a regional administrative hub. Presidio, about 32km south with a population of roughly 4,100, plays a critical role as an administrative centre for U.S. Border Patrol operations and supports agriculture, ranching, tourism, and transportation. This strategic location ensures easy access to labour, infrastructure, and services, reducing operational risks, lowering costs, and enabling efficient logistics and supply chain management.

Figure 10: Texas has the lowest total take of taxes and royalties among the principal mining jurisdictions in the world

Jurisdiction	Royalty / Mining duty	Export duty	Corporate income tax CIT	Total headline take
Texas (Private land)	0%		21%	21%
Nevada	2 to 5 % on net profit		21%	26%
Texas (State owned)	6.25 % NSR		21%	27%
Western Australia	2.5% (metals)		30%	33%
Chile	1 % ad-valorem + ~8 % margin component		27%	36%
Mexico	7.5 % on EBITDA (most minerals) + 0.5 % on gross revenue (Au, Ag)		30%	38%
Argentina	3 % - pithead (Comparable to Gross Revenue Royalty)	8 % ad-valorem	35%	46%

Source: Company

2. Significant existing infrastructure with great accessibility

One of the standout features of the Shafter Project is that the **Project benefits from an existing mine and processing infrastructure, which is estimated to have a replacement value of ~A$150m**. This includes established underground workings, processing facilities, and supporting utilities such as power and water systems. Having this infrastructure already in place significantly reduces upfront capital expenditure compared to a greenfield development, accelerates project timelines, and lowers overall development risk. These cost savings and operational advantages enhance the economic viability of the project and make it more attractive to investors by improving returns and reducing execution challenges.

Figure 11: Shafter Underground Decline

Source: Company

Figure 12: Shafter Processing Facility Filter Press

Source: Company

The Project is located in southwest Texas, ~20 miles north of the border town of Presidio, with excellent access via U.S. Highway 67. From El Paso, the Project can be reached by major highways–Interstate 10 to Van Horn (118 miles), then U.S. Highway 90 to Marfa (78 miles), and finally U.S. Highway 67 to Shafter (40 miles)–providing reliable, year-round connectivity. Most of the project area lies west of Shafter and is accessible via dirt roads from Highway 67. The nearest major airport is in El Paso, about 3.5 hours by road, ensuring convenient access for personnel, equipment, and logistics. This exceptional accessibility reduces transportation costs and simplifies supply chain logistics; proximity to the U.S.–Mexico border facilitates cross-border trade and workforce flexibility; nearby towns provide accommodation, utilities, and skilled

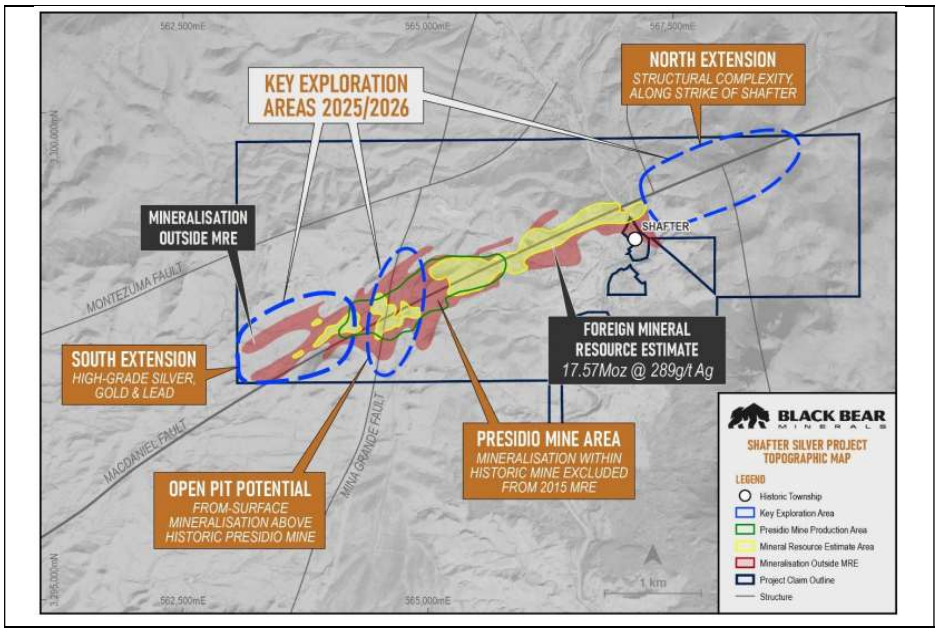
labour; and strong regional connectivity minimises mobilisation time for exploration and development activities, enhancing overall operational efficiency. **We believe these cost savings and operational advantages enhance the project's economic viability and make it more attractive to investors by improving returns and reducing execution challenges.**

3. **A proven track record of substantial historic production**

The Shafter Project boasts a remarkable production history, underscoring its world-class silver potential. **Between 1883 and 1942, the historic Presidio Mine produced ~35.15Moz of silver at an exceptional average grade of 521 g/t Ag, placing it among the highest-grade silver districts globally.** This long production record confirms the continuity and quality of mineralisation within the carbonate-hosted mantos and validates the geological model.

In addition, **during 2012–2013, Aurcana produced 134,557oz of silver, primarily from a starter open pit and limited extensions of historic workings**. This production demonstrates technical viability, proven metallurgy, and operational capability. At the same time, the presence of extensive underground infrastructure–160km of drifts, declines, and stopes supported by four shafts–significantly reduces restart timelines and capital intensity. We believe the combination of historic high-grade output and modern production success positions Shafter as a low-risk, high-potential project. With silver prices now substantially higher than during Aurcana's operational period, the economics of restarting and expanding production are beautiful, offering investors exposure to a proven asset with scalable upside.

Figure 13: Significant upside exits at the Shafter Project



Source: Company

4. **Highly scalable asset with substantial growth potential**

Following a comprehensive review of historical data and the exceptional results from recent reconnaissance mapping and sampling, Black Bear believes there is significant exploration upside beyond the currently defined mineralised footprint of the Shafter Extension and Presidio Mine Area (Figure 13).

Notably, **the 2015 Foreign MRE of the Shafter Project largely excludes high-grade mineralisation of the historic Presidio Mine area** (Figure 13)**.** The 2015 block-diluted Foreign MRE was prepared for mine-restart planning under tight constraints, including removal of any block intersecting ≥5% underground workings, a 4.0oz/t (137g/t) Ag cut-off and a US$18.50/oz silver price, focusing on material that suited the existing infrastructure.

Moreover, **the Foreign MREs for the Project have historically reported only silver mineralisation**. As part of the Company's maiden JORC 2012 MRE, Black Bear intends to incorporate all economically significant elements, including gold, lead, and zinc, identified within the deposit, providing a more comprehensive understanding of the Project's full multi-commodity potential.

5. **High-grade Mexican-style silver in the US**

The Shafter Project represents a rare opportunity to access Mexican-style high-grade silver mineralisation within the U.S. Located on an extension of Mexico's prolific Eastern Sierra Madre Belt, Shafter shares the same geological characteristics that have made northern Mexico one of the world's most productive silver regions. This includes structurally controlled, carbonate-hosted deposits with exceptional grades–similar to those found in renowned Mexican mines such as Fresnillo and Peñasquito. **With an average grade of 289 g/t Ag across 17.57Moz, Shafter stands out in the U.S. context, where most silver projects are lower-grade**. This unique combination of grade, geological continuity, and proximity to world-class silver belts positions Shafter as a strategic asset offering Mexican-style silver potential without the jurisdictional complexities of operating in Mexico.

6. **A potential US critical mineral supply alternative amid China's export controls**

Silver's role in the global market is undergoing a fundamental transformation–from a traditionally cyclical precious metal to a critical industrial material. This shift is driven by silver's unique properties as the most conductive metal, making it indispensable in defence technologies, semiconductors, and the rapidly expanding renewable energy sector. Despite surging demand, the market faces persistent structural deficits, with global mine production remaining flat since 2016 and recycling unable to provide sustainable long-term supply, even with recent growth.

This scarcity is further compounded by China's strategic repositioning of silver as an industrial asset, marked by increased domestic consumption and the implementation of export restrictions in October 2025. For the U.S. – heavily reliant on imports to meet its significant share of global demand – the domestic supply gap poses a serious challenge to future supply security. This underscores the strategic imperative to invest in operation-ready and scalable domestic silver projects, a priority reinforced by silver's recent inclusion on the U.S. Critical Minerals List in November 2025.

We believe the Shafter Project represents a strategic opportunity to strengthen U.S. critical mineral supply chains at a time when global silver markets face increasing uncertainty. As a high-grade silver project located within the US, Shafter offers a secure, domestic source of a metal essential for clean energy technologies, electronics, and industrial applications. This positions Shafter not only as a valuable mining asset but also as a contributor to U.S. economic security and energy transition goals, reducing reliance on foreign supply and mitigating geopolitical risk.

We view the Shafter Project as a strategic opportunity to reinforce U.S. critical mineral supply chains amid growing uncertainty in global silver markets. As a high-grade silver deposit located within the U.S., Shafter provides a secure, domestic source of a metal vital to clean energy technologies, electronics, and industrial applications. This positions Shafter not only as a premier mining asset but also as a key contributor to U.S. economic security and energy transition objectives–helping reduce dependence on foreign supply and mitigate geopolitical risks.

Independence Gold – A high-grade deposit located in the Tier-1 mining jurisdiction of Nevada

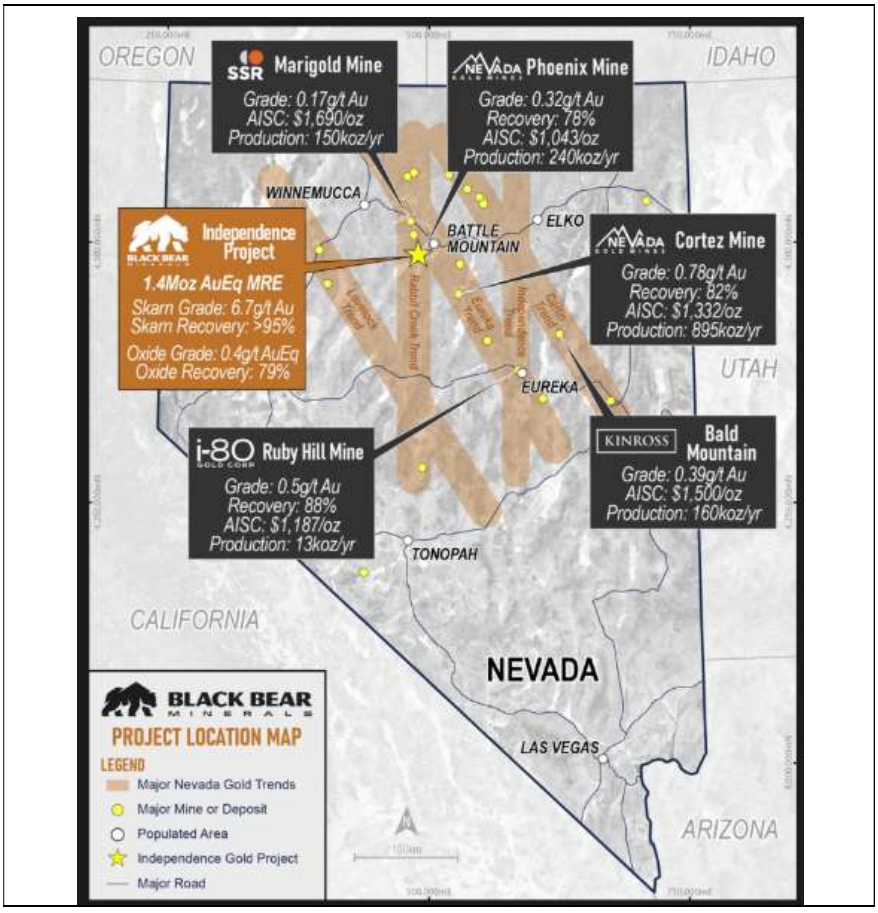
In October 2024, BKB completed a transformational acquisition of the high-grade Independence Gold Project, located in Nevada, U.S. The project is held by Independence Mining LLC ("IML"), a joint venture between Battle Mountain Resources Pty Ltd ("BMR"), which has a 51.54% interest (the "BMR Interest"), and Americas Gold Exploration Inc. ("AGEI"), which holds the remaining 48.46% (the "AGEI Interest").

BKB has entered into a definitive term sheet to acquire 100% of the issued capital of BMR, thereby securing the BMR Interest and the right to earn the AGEI Interest over two years. Upon successful completion of the earn-in, BKB will own 100% of IML and, consequently, the Independence Gold Project. Under the earn-in terms, BKB is required to pay a remaining total of US$2m to AGEI over the next two years, with the majority of this amount payable in BKB shares, based on the prevailing 30-day volume-weighted average price (VWAP).

The Independence Gold Project has very high-grade JORC-compliant Inferred gold Mineral Resource Estimates of 980koz at 6.67g/t gold in deep skarn mineralisation and a near-surface epithermal component of 290koz at 0.4g/t gold in the Indicated category and 90koz at 0.32g/t gold in the Inferred category. The project is favourably located in the prolific Battle Mountain Mining District in the tier-1 mining jurisdiction of Nevada, U.S.

Figure 14: Independence Gold Project along with the number of existing gold producers in the region

Independence Gold Project is located in proximity to major mining towns in Nevada, US, with access to major highways and other critical infrastructure

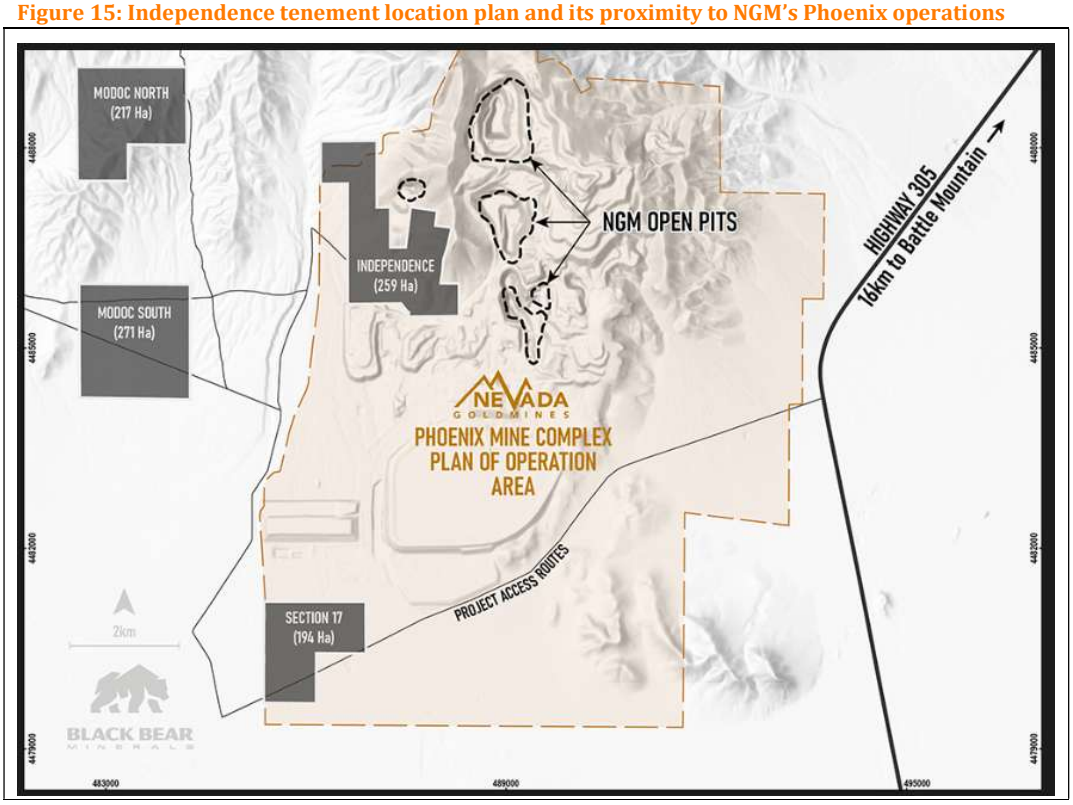


Source: Company

Prime landholding in a Tier-1 mining jurisdiction and adjacent to existing large-scale gold mining operations

The Independence Project comprises 80 unpatented mining claims and 84 unpatented mill sites, covering ~1,861 acres of land managed by the Bureau of Land Management (BLM) in Lander County, Nevada. Strategically located, the project lies adjacent to Nevada Gold Mines' (NGM) Phoenix Project and ~16km south of Battle Mountain. Additionally, the project includes Section 17, a 470-acre parcel of private fee surface land within the Battle Mountain Mining District, where the company holds exclusive water rights and plans to establish future production water wells.

Figure 15: Independence tenement location plan and its proximity to NGM's Phoenix operations



Source: Company

BKB recently acquired the Modoc claims, located ~2km west of the existing Independence Project claims. This strategic addition provides the company with greater flexibility for future millsite planning, which will be evaluated in an upcoming scoping study. The southern Modoc claims lie in a flat valley between Wilson and Rocky Creeks and are connected to the Independence Project via the Buffalo-Phoenix service road–making them a strong candidate for a potential expanded millsite to support the broader project.

The northern Modoc claims are positioned along the geological trend of the historic Modoc Mine, on the southern edge of the Modoc Intrusive. These claims cover the same rock formations– cherts, siltstones, and limestones of the Havallah Sequence–that host the nearby Buffalo Valley silver-gold-copper mine. While limited exploration has been conducted in this area, Open File maps indicate the presence of silica and iron oxide alteration along the Rocky Fault, as well as several historic prospects and workings near the Modoc Fault. As a result, the northern Modoc claims present promising greenfield exploration targets within a Tier-1 mining district in Nevada.

Nevada is one of the most attractive jurisdictions for mining startups

Starting mining operations in Nevada offers a range of strategic, economic, and regulatory advantages. These benefits include the following:

Nevada is regarded as one of the most attractive gold-silver mining jurisdictions globally, offering high-grade resources, excellent geological potential, and favourable metallurgy and geophysics. The region is also characterised by cost-efficient mining, positioning Independence as a highly attractive investment opportunity

1. **Rich Mineral Resources**

Nevada is one of the most mineral-rich states in the U.S., producing more than **20 essential minerals,** including gold, silver, lithium, copper, and barite. It is the **top gold-producing state and a global leader in gold output**. The Independence Gold Project is in particularly advantageous location as the Battle Mountain Mining District is one of Nevada's most active and productive mining areas. It includes:

- Over **7,500 mining claims, with around 2,900 currently active.**
- Approximately **325 mines,** including 255 producers, 47 occurrences, and 19 prospects[3].

2. **Supportive Regulatory Environment**

Nevada has a **well-established regulatory framework** that balances environmental protection with mining development. Agencies like the **Nevada Division of Environmental Protection** and the **Bureau of Land Management** ensure that operations meet high environmental standards while still allowing for efficient permitting.

3. **Economic Incentives**

- **No corporate income tax** or personal income tax in Nevada.
- Competitive **royalty and tax structures** for mining operations.
- Access to **state and federal grants** for exploration and development in some cases.

4. **Skilled Workforce and Education**

Nevada is home to institutions like the **University of Nevada, Reno**, which offers specialized programs in mining engineering, geology, and metallurgy. This provides a pipeline of skilled labour for the industry. In addition, Battle Mountain's proximity to several major mining operations provides it with access to a pool of ready talents for a rapid development of new mining projects. The major mining operations in the region include:

- **Cortez Hills**, operated by Barrick Gold Corporation, which is one of the largest gold mines in the U.S. and located just south of Battle Mountain[4].
- **Nevada Gold Mines**, a joint venture between Barrick (61.5%) and Newmont (38.5%), which operates multiple sites across northern Nevada, including areas near Battle Mountain. This venture is the **largest gold-producing complex in the world**[5].

Drawing on this opportunity, BKB has appointed Keith Wood as a strategic advisor to fast track the development of the Independence Gold Project in Nevada. Keith Wood is the former Chief Growth Geologist for Nevada Gold Mines (NGM) neighbouring Phoenix Gold Mine and has extensive experience as a geologist, including 15 years' experience working in senior roles in Nevada for Barrick and NGM.

5. **Modern Infrastructure**

The state offers:

- Excellent transportation networks (highways, railroads, and proximity to ports).
- Access to power and water infrastructure.
- Proximity to processing facilities and supply chains for mining equipment.

6. **Commitment to Safety and Sustainability**

[3] thediggings.com, Battle Mountain Mining District.

[4] https://nevadamining.org/cortez-hills-the-story-of-nevadas-newest-large-scale-mine/

[5] Barrick Mining Corporation - Operations - Nevada Gold Mines

Nevada's mining industry emphasizes workplace safety, with rigorous training and oversight. It also leads in reclamation practices, with over $4.5bn in reclamation guarantees held by state and federal agencies to ensure environmental restoration after mining.

7. **Economic and Social Benefits**

Mining operations in the region contribute significantly to the local and state economy. In 2023, Nevada Gold Mines alone distributed $2.7bn in economic value across Nevada, including, $347m in state taxes, $1.2bn in personnel costs, and $1.5bn in goods and services purchased within the state.

Large and Very High-Grade Gold Mineral Resource Estimate (MRE) at the Independence Gold Project

Drawing on both historical drilling data from previous operators and its own Phase 1 drilling campaign, BKB was able to rapidly announce a Maiden JORC-compliant Mineral Resource Estimate (MRE) for the Independence Project. The MRE includes **a high-grade, deep skarnstyle mineralisation, with an Inferred resource of 980,000oz of gold at 6.67g/t Au.** Additionally, **a near-surface epithermal resource has been defined with 290,000oz of gold at 0.4 g/t** Au in Indicated Resources and 90,000oz at 0.32g/t in the Inferred Resources.

Figure 16: JORC Mineral Resource Estimates

Near Surface Mineral Resource Estimate - 2025

Category	Tonnes (t)	Grade (g/t)			Ounces		
		Au	Ag	AuEq	Au	Ag	AuEq
Indicated	23,176,458	0.40	7.90	0.43	294,395	5,907,963	321,584
Inferred	8,716,172	0.32	4.86	0.35	90,702	1,361,866	98,015
						Total Contained AuEq Ounces	419,599

Skarn Mineral Resource Estimate - 2025

Category	Tonnes (t)	Grade (g/t)			Ounces		
		Au	Ag	AuEq	Au	Ag	AuEq
Inferred	4,592,370	6.67	-	-	984,412	-	-
						Total Contained Au Ounces	984,412

Source: Company

The High-Grade Skarn Gold Resource

The high-grade skarn mineralisation is a key component of the Independence Gold Project, with an Inferred Resource of 4.59Mt at 6.67 g/t gold, totalling ~984,412oz of gold. This resource remains open for expansion, especially to the north, where historic drill hole WI-002 intersected similar high-grade skarn mineralisation about 580 m beyond the current resource boundary (Figure 17).

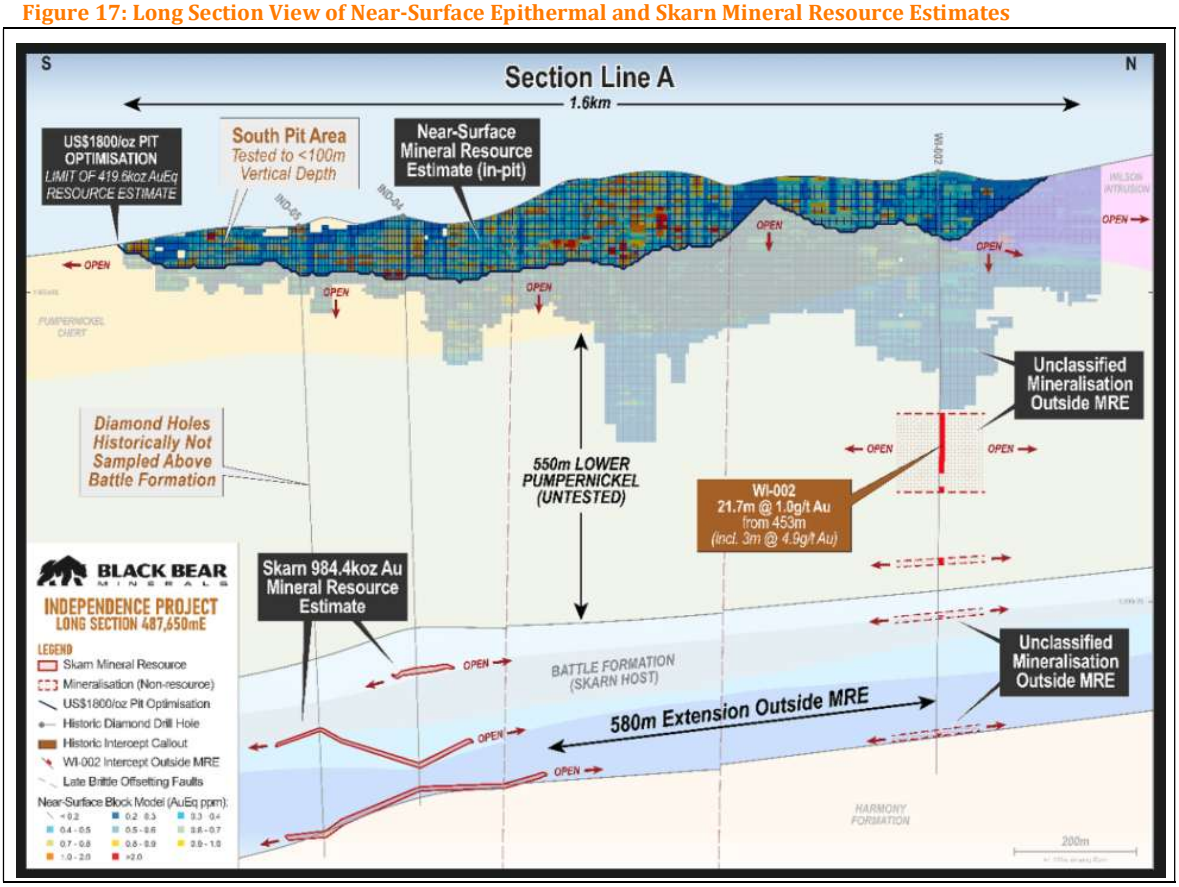
The mineralisation is mainly found in basal conglomerates and coarse calcareous sandstones within units of the Battle Formation. A review of historical drill logs by BKB confirms that gold is present in the same rock types, highlighting them as priority targets for future drilling.

Metallurgical testing has not yet been conducted on the deep-skarn mineralisation, and no metal-equivalent grades have been reported to date. This leaves open the possibility that future test work could reveal the presence of other extractable metals in addition to gold, potentially enhancing the overall value and appeal of the skarn resource.

*"A **skarn gold resource** refers to gold mineralisation that occurs within a skarn deposit–a type of metamorphic rock formed when hot, mineral-rich fluids from an intrusive igneous body (like a granite) react with surrounding carbonate rocks (like limestone or dolomite). In addition to gold, skarns often*

*contain other valuable metals such as **copper, zinc, lead, silver, and iron**. Skarn gold deposits can be **high-grade**, meaning they contain a high concentration of gold per tonne of rock."*

Figure 17: Long Section View of Near-Surface Epithermal and Skarn Mineral Resource Estimates



Source: Company

Near-Surface Gold Resource

The near-surface gold resource at Independence includes three types of rock zones: oxide, transition, and sulphide, with an Indicated Resource of 23.18Mt at 0.40 g/t of gold, totalling about 294,395oz of gold and an Inferred Resource of 8.72Mt at 0.32g/t for 90,702oz of gold.

This resource is based on a model of what could be mined using an open-pit method and processed using heap leaching, a common and cost-effective way to extract gold from lower-grade material.

Because different rock types recover gold at different rates, higher cut-off grades (minimum gold content needed to be considered economic) are used for the transition and sulphide zones, which are harder to process than oxide material.

So far, metallurgical testing has focused on the oxide zone, which is easier to process. More testing is needed to improve recovery from the transition and sulphide zones.

There is also additional gold near the surface that lies outside the current pit model, so it's not included in the official resource estimate yet and present a significant upside potential to the currently defined near-surface Resource at Independence. This includes promising new drill results like drill hole AGEI-65, which hit 18.3m at 1.0 g/t gold, including a high-grade section of 3.1 m at 2.7 g/t gold at Rebel Peak. BKB has also recently released the results of the first three holes of its 2025 RC drilling campaign at Independence. All three holes returned significant gold intersections. Notably, hole JBRC003 intersected 68.6m at 1.2 g/t Au from a depth of 15.2m, and 13.7m at 2.5 g/t

Au from 117.4m. Additionally, hole JBRC001 reported 50.3m at 0.4 g/t Au starting at 4.6m, and 25.9m at 0.4 g/t Au from 146.3m.

There's a massive upside potential to the currently defined resources at Independence

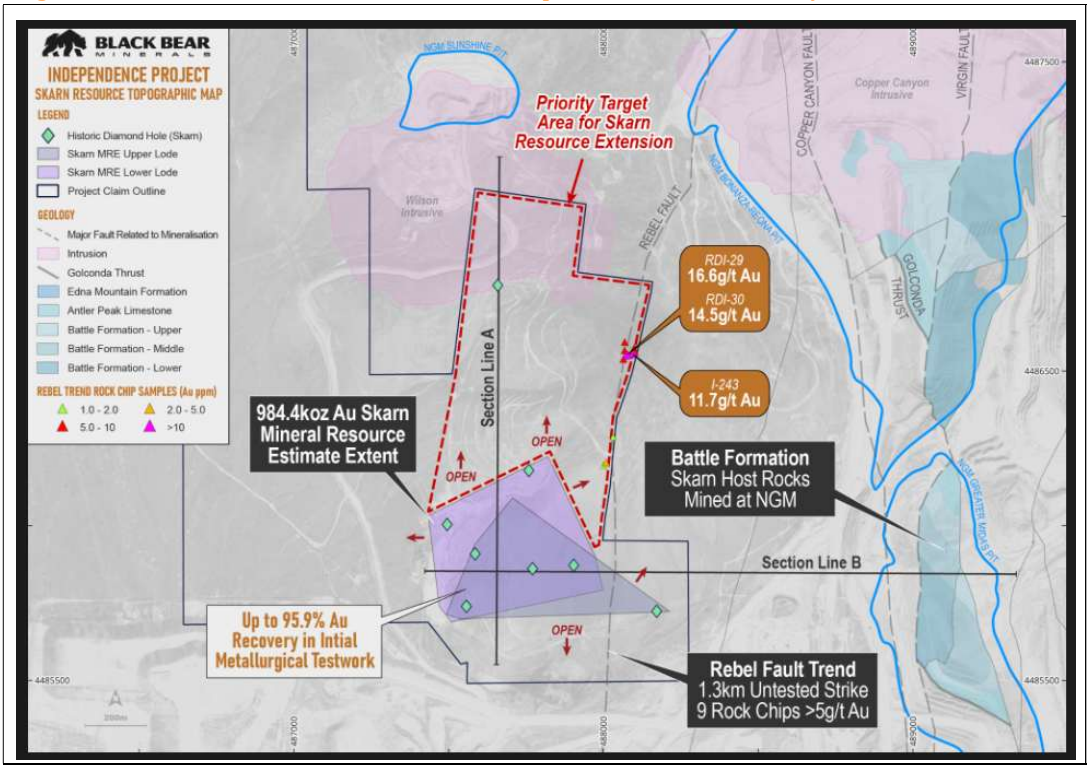
The project shows strong potential to expand the current near-surface epithermal gold resource, with mineralisation remaining open in all directions. Recent drilling, particularly holes AGEI-65 and JBRC001, confirms that gold extends eastward into the Rebel Peak zone, where surface samples have returned high-grade assays up to 16.6 g/t gold.

Drillings to the north of the currently defined near-surface Resource has returned thick and shallow intersections of over 1g/t gold, which is much higher than the grades of the currently defined near-surface Resource

These results not only confirm the continuity of broad mineralised zones but also suggest the presence of higher-grade material than currently reflected in the resource estimate. This opens up the opportunity to both increase the size of the resource and boost the average grade, especially in the northwest area, which has not yet been drilled.

Additional exploration targets have also been identified within the near-surface epithermal system, where intrusive rocks and breccias cut through the chert host rock. These breccias are associated with significantly higher gold grades than the surrounding rock, making them promising zones for upgrading the quality of the near-surface resource.

Figure 18: Skarn MRE and mineralised drill intercepts outside of the currently defined MRE



Source: Company

A major opportunity for resource growth lies in exploration drilling beyond the current skarn Mineral Resource Estimate (MRE). Notably, a historic drill hole (WI-002), located 580 m north of the existing skarn resource boundary, intersected high-grade mineralisation within the same host rock units. This suggests a significant strike length of mineralised rock that has yet to be included in the resource model.

The high-grade skarn mineralisation remains open in all directions, and upcoming diamond drilling will target the full 1.6km strike length of these host rocks to identify additional mineralisation.

Moreover, most historic diamond drill holes were only partially sampled, focusing on known skarn zones. However, two fully sampled holes (WI-series) revealed additional mineralisation within the lower Pumpernickel Formation, which lies between the near-surface epithermal and skarn resources. This formation is now considered a new exploration target, especially where it is intersected by intrusions, steep faults, and breccias, which are known to enhance gold-silver mineralisation.

The Independence Gold Project sits on a geologically proven gold belt

The Independence Project is located in the Battle Mountain Mining District in north-central Nevada, an area known for its rich history of gold mining. The land here has been shaped over hundreds of millions of years by powerful geological forces–stretching, cracking, and squeezing the Earth's crust. These events created the perfect conditions for gold and other minerals to form underground.

The rocks in this region belong to several ancient geological layers. One of the most important is the Havallah Sequence, which includes the Pumpernickel Formation–the main host for the near-surface gold found at Independence. Deeper underground, the Roberts Mountains rocks host the high-grade skarn gold, similar to what's found at nearby major deposits like Phoenix and Fortitude.

The near-surface gold at Independence likely formed from hot, mineral-rich fluids that leaked upward from a deeper gold system. This deeper system, known as a gold skarn, developed when these fluids reacted with limestone-rich rocks, creating concentrated zones of gold.

In short, the Independence Project sits on a geologically proven gold belt, with both shallow and deep gold targets–making it a highly promising site for exploration and development.

Near-Surface Resources at Independence Amenable to Low-Cost Heap Leaching Gold Extraction Methods

Heap leaching is widely used in Nevada due to its cost-effectiveness, especially for low-grade oxide ores:

- **Lower capital and operating costs** compared to milling or roasting.
- **Simpler infrastructure** and faster setup.
- **Energy-efficient**, as it doesn't require grinding or high-temperature processing.
- **Scalable** for both small and large operations.

Figure 19: Comparison of Gold Extraction Methods

Heap Leaching	
- Crushing	- Lower capital costs
- Stacking	- Lower operating costs
- Leaching	- Energy-efficient
- Recovery	- Scalable
Conventional Milling	
- Crushing	- Higher capital costs
- Grinding	- Higher operating costs
- Leaching	- Energy-intensive
- Recovery	- Complex infrastructure
Roasting	
- Crushing	- Highest capital costs
- Grinding	- Highest operating costs
- Roasting	- Energy-intensive
- Leaching	- Complex infrastructure
- Recovery	

Source: East Coast Research

Heap Leaching is the most cost-effective and energy-efficient method, ideal for low-grade oxide ores. The other methods of gold extraction involve more complex processes and costly

infrastructure, such as conventional milling or roasting, which is the most capital- and energy-intensive, used for sulphide and refractory ores that require high-temperature treatment. Figure 19 shows a comparison of the different gold extraction methods, highlighting the more straightforward heap-leaching procedure compared to the other techniques and its resulting cost benefits.

The Phoenix Mine, part of the Nevada Gold Mines (NGM) joint venture between Barrick Gold (61.5%) and Newmont Corporation (38.5%), is a major gold and copper mining operation located adjacent to BKB's Independence Gold Project. It is a key part of NGM, which is considered the largest gold-producing complex in the world, with annual gold production of c. 3Moz.

The heap leaching method used at gold mining operations near the Independence Project involves fewer and simpler processing steps compared to other gold extraction techniques, resulting in significantly lower operational costs

Phoenix produces >200,000oz of gold and >20,000t of copper annually, primarily through heap leaching of oxide ores. These ores come from the Battle Formation, the same geological unit that hosts the near-surface resources at the Independence Project, meaning they share similar material characteristics. The heap leach process used at Phoenix involves a straightforward series of steps, including:

1. Crushed ore is stacked on a lined pad.

2. A cyanide solution is sprayed over the heap, which dissolves the gold.

3. The gold-laden solution is collected and processed to recover gold through adsorption and electrowinning.

Independence can potentially use the same extraction method, leading to a low-cost operation. As can be seen in Figure 20 Phoenix has the lowest All-in Sustaining Costs (AISC) amongst the four gold mining operations at Nevada Gold Mines (NGM). Given that the near-surface grades at Independence are higher than those of Phoenix (0.38g/t for Indicated and Inferred combined vs. 0.32g/t for Phoenix), it is fair to assume that the operating costs at Independence will be even lower.

Figure 20: Phoenix is the lowest cost producer amongst Nevada Gold Mines operations

Operating Division	2024 attributable production (000s ozs)	2024 cost of sales[a] ($/oz)	2024 total cash costs[b] ($/oz)	2024 all-in sustaining costs[b] ($/oz)	2025 forecast attributable production (000s ozs)	2025 forecast cost of sales[a] ($/oz)	2025 forecast total cash costs[b] ($/oz)	2025 forecast all-in sustaining costs[b] ($/oz)
Gold								
Carlin (61.5%)	775	1,429	1,187	1,730	705 – 785	1,470 – 1,570	1,140 – 1,220	1,630 – 1,730
Cortez (61.5%)[c]	444	1,402	1,046	1,441	420 – 470	1,420 – 1,520	1,050 – 1,130	1,370 – 1,470
Turquoise Ridge (61.5%)	304	1,615	1,238	1,466	310 – 345	1,370 – 1,470	1,000 – 1,080	1,260 – 1,360
Phoenix (61.5%)	127	1,687	765	1,031	85 – 105	2,070 – 2,170	890 – 970	1,240 – 1,340
Nevada Gold Mines (61.5%)	1,650	1,478	1,126	1,561	1,540 – 1,700	1,470 – 1,570	1,070 – 1,150	1,460 – 1,560

Source: Barrick 2024 Annual Report

Metallurgical test works at Independence's near-surface resources have proven their amenability to heap leach methods

Tests have been done on rocks from near the surface of the project area to see how well gold and silver can be extracted. These tests were carried out by the previous owners of Independence over the years. The main method tested was heap leaching, which is a common way to extract metals using chemicals. The key outcomes from the metallurgical testing conducted on different ore types from the Independence project are summarized below:

• Early tests (2009–2012) showed that gold recovery was quite good in surface rocks (about 81–84%), but silver recovery was lower (22–48%). Deeper rocks had lower gold recovery (44–64%) and similar silver recovery.

• Crushing the rocks into smaller pieces generally helped improve metal recovery, especially for deeper material.

• More recent tests in 2021 showed a wide range of results, with gold recovery between 34% and 94%, and silver between 17% and 74%, depending on the sample.

• The amount of sulphur in the rocks affects how much gold can be recovered–the more sulphur, the harder it is to extract the gold.

• Some rocks also contain arsenic and copper, but these don't seem to cause major problems for the extraction process.

• More testing is recommended to improve the accuracy of these results and possibly increase the amount of gold and silver that can be recovered.

Figure 21: Recovery Characteristics from test work compilation

Material type	Crush size, P80% mm	Field metal recovery		Consumption, kg/mt	
		Au Rec,%	Ag Rec,%	NaCN	Lime
Oxide	38.1	79%	27%	0.27	2
Transitional	38.1	50%	27%	0.41	3
Sulphide	38.1	22%	27%	0.26	4

Source: Company

Overall, these results are very encouraging and fall within the typical heap-leach gold recovery rate range of 60% to 80% for oxide materials observed elsewhere, including Phoenix. It is essential to clarify that the 22% recovery rate for sulphide material shown in Figure 21 was derived from historical heap-leach tests conducted on near-surface epithermal mineralisation. These tests were optimised explicitly for oxide material and not for sulphide-hosted mineralisation. Therefore, the reported recovery is not representative of the skarn-hosted sulphide resource and does not reflect the appropriate processing method for recovering gold from epithermal sulphide mineralisation.

No tests have been done yet on Independence's deeper skarn resources, which are on BKB's to-do list in 2025. Given the high-grade nature of the skarn-hosted gold resource at Independence, the Company sees strong potential to optimise gold recoveries through conventional processing methods such as flotation, pressure oxidation (POX), or other sulphide-specific techniques. Upcoming metallurgical test work will be critical in identifying the most efficient processing route and will play a key role in shaping future development strategies.

Notably, the nearby Fortitude Mine–operated by Battle Mountain Gold from 1984 to 1993 before its acquisition by Newmont and integration into the current Barrick/Newmont joint venture (NGM)–produced 2.1Moz of gold at an average grade of 6.68g/t, with recoveries exceeding 90%. Current operations at the Phoenix Mine, also nearby, are achieving average gold recoveries of 79% from sulphide ore.

Importantly, both the Fortitude and Midas pits are hosted within the same Battle Formation that underlies the Independence Project's skarn resource, which contains 984,412oz of gold at an average grade of 6.67g/t. This geological continuity further supports the potential for strong metallurgical performance and economic viability.

Ready infrastructure with advanced environmental approvals in place

The Independence Gold Project is strategically located adjacent to Nevada Gold Mines' (NGM) Phoenix Gold Mine and ~16kms south of Battle Mountain town, providing it with ready access to mining infrastructure such as power, water, roads and skilled workforce

The Independence Project sits within the Phoenix Mine Complex Plan of Operations, providing advanced permitting enabling mine approvals in ~8–12 months, and the estimated cost saving of having these permits in place is A$2m - $5m, according to BKB.

A Plan of Operations in mining is a detailed document submitted to regulatory agencies–such as the Bureau of Land Management (BLM) in the U.S.–that outlines how a mining project will be developed, operated, and eventually closed and reclaimed. It is a mandatory requirement for mining activities on federal lands and serves as the blueprint for the entire lifecycle of a mine. It is a comprehensive assessment encompassing the following:

- **Regulatory Compliance:** Required for approval before mining can begin on public lands.
- **Environmental Stewardship:** Ensures that mining is done responsibly and that land is reclaimed.
- **Community and Stakeholder Transparency:** Provides a clear plan for how the project will impact the area.

Besides saving an estimated A$2–5m in costs, securing Plan of Operations approval significantly accelerates the Independence Project's path to production–cutting the timeline by approximately two years.

Figure 22: Environmental approvals needed to start mining operations in Nevada,US

Assessment Pathway	Purpose	Timeframe	Approx. Costs	Status	Comments
ENVIRONMENTAL IMPACT STATEMENT (EIS)	Fully analysis significant impacts and alternatives.	~24 months	$2m - $5m	Completed	NGM completed for Phoenix Gold Mine, Independence Gold Project sits within the assessed EIS area
PLAN OF OPERATIONS (PoO)	Area in which an approved Record of Decision (ROD) has been granted.	Linked to EIS	Yearly fees dependent on size of PoO	Completed	PoO in place based on Phoenix EIS completed; Independence Gold Project sits within same PoO.
ENVIRONMENTAL ASSESSMENT (EA)	Determines if significant impact exists.	8 – 12 months	$50k - $100k	Partially Completed – Not Submitted	Environmental Assessment appropriate to Independence given an EIS exists. EA will outline the Independence Project Operations as a Project Amendment.

Source: Company

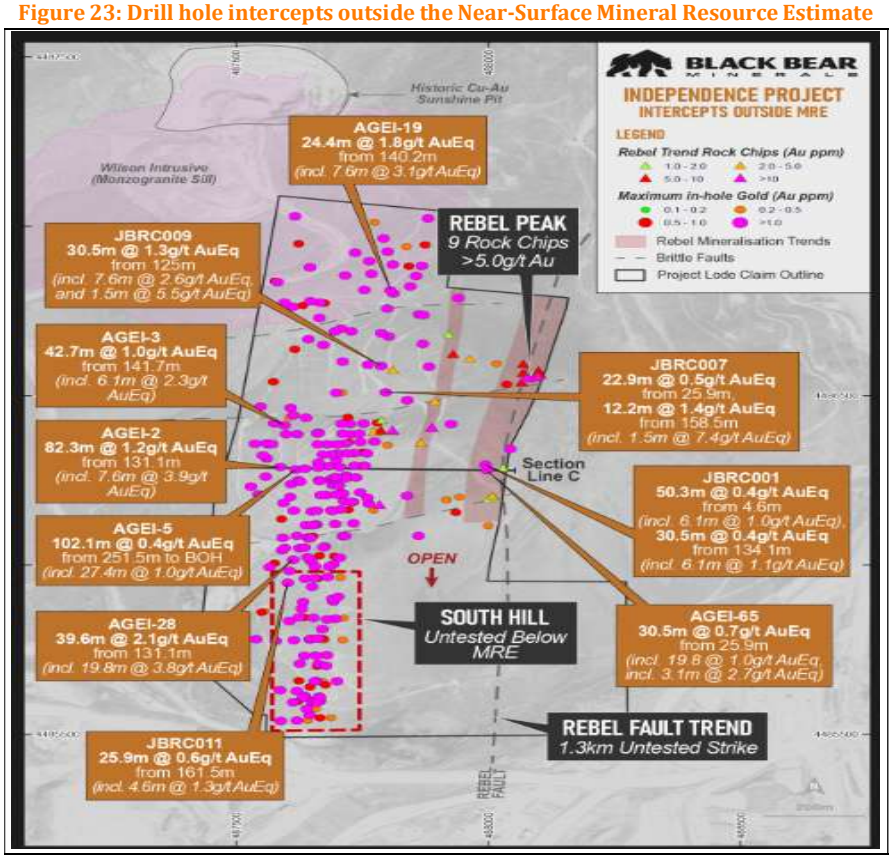
In addition, being located in a prolific mining district and right next to a large operating mine, Phoenix Gold Mine, the Independence Project has ready access to necessary infrastructure for the future development of the asset, including sealed roads, power, water and skilled workforce. This will bringing about lower future development costs as well as accelerated development timelines.

Next steps for the Project

BKB intends to advance its MREs across both near-surface epithermal and skarn deposits through an aggressive drilling strategy–expansion drilling to drive resource growth and definition drilling to enhance confidence in existing estimates. With both resource types remaining open in all directions, the Project offers significant upside potential beyond the current combined 2025 MRE of 1.4Moz AuEq, positioning the company for substantial future growth.

Initial metallurgical test work on skarn mineralisation has delivered outstanding gold recoveries of up to 96%, underscoring the resource's economic viability. Ongoing optimisation of grind size and flowsheet design is expected to improve processing efficiency and project economics further. In parallel, BKB plans to complete a Scoping Study on the near-surface resource in the near term, **a critical step toward defining a clear development pathway and establishing itself as Nevada's next gold producer in the prolific Battle Mountain region**.

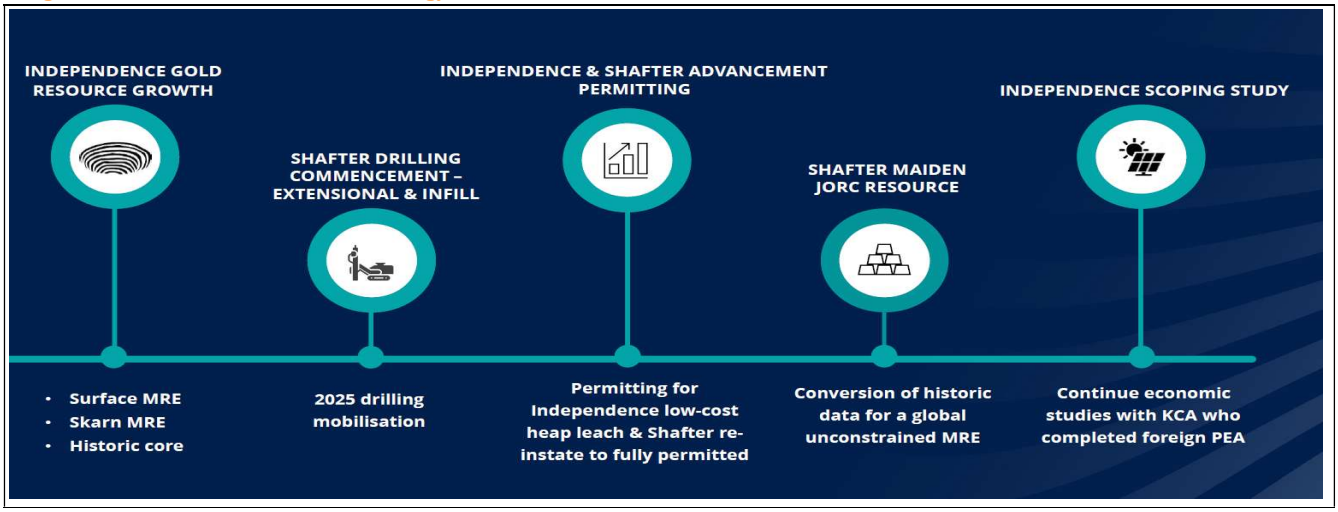
Figure 23: Drill hole intercepts outside the Near-Surface Mineral Resource Estimate



Source: Company

Additionally, generative fieldwork at Modoc North–including detailed mapping and surface geochemical sampling–will target new gold-silver mineralisation in unexplored areas, potentially unlocking further resource opportunities and reinforcing the Project's long-term growth profile

Figure 24: Black bear has a clear strategy and milestones to achieve in 2026



Source: Company

BKB's Non-Core Assets: Quebec Lithium Projects

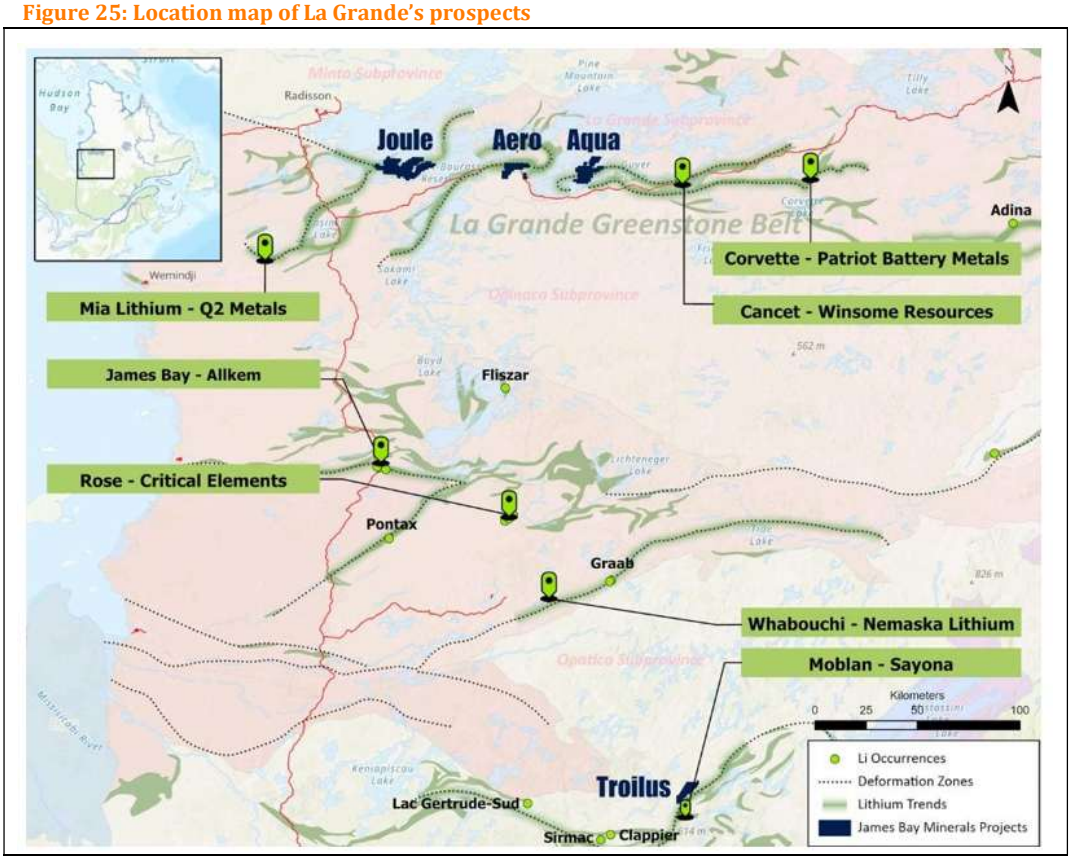
BKB also holds 100% interests in two lithium exploration projects in Quebec, Canada. The following is a brief explanation of these assets:

I. La Grande Lithium Project

The La Grande Project is located between 50km to 190km east of Radisson in northwest Quebec and includes the Joule, Aero & Aqua prospects. The La Grande Project is located in the heart of the Canadian Shield, a massive area of ancient rock that stretches across central and eastern Canada. Specifically, it sits in the Superior Geological Province, one of the oldest and most stable parts of the Earth's crust, dating back billions of years.

This region is made up of different rock zones. The La Grande Sub-province, where the project is located, lies between two other important zones: the Bienville Sub-province to the north and the Opinaca Sub-province to the south. Together, the La Grande and Opinaca areas are known for having many spodumene pegmatite deposits–a key source of lithium, which is essential for batteries and clean energy technologies.

Figure 25: Location map of La Grande's prospects



Source: Company

The Joule Prospect

The flagship Joule Prospect covers a large area (about 16,385 hectares) near the Robert-Bourassa reservoir in Quebec. It sits on ancient rock formations known to host valuable minerals.

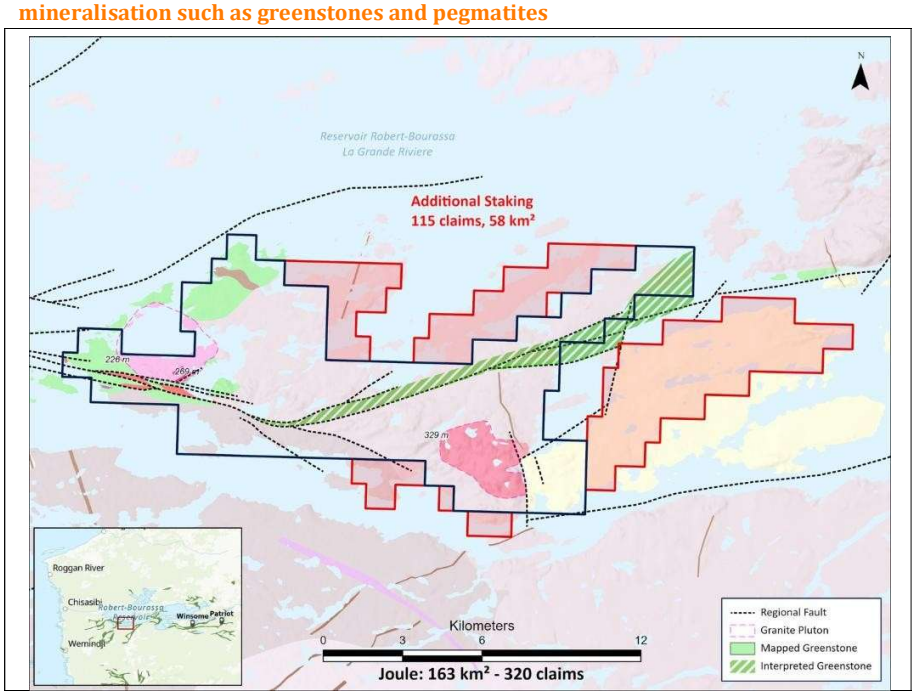
A major feature of the area is the Joule Deformation Zone (JDZ)–a long, complex geological fault system that stretches over 21km on the property and continues far beyond. This zone is important because it creates the right conditions for lithium-bearing pegmatites (a type of rock that can contain economic grades of lithium).

The western part of the JDZ is especially promising. It's broken up by smaller faults and shows signs of pegmatite rocks, which are good indicators of lithium potential.

The eastern part is also favourable, with wide zones of rock movement that could allow pegmatite dykes to form and spread–similar to what's seen at other successful lithium projects in the region.

Overall, the Joule Prospect has the right geology and structure to be a strong candidate for future lithium exploration and discovery should the current downcycle in lithium prices end.

Figure 26: Joule tenements showing identified areas highly prospective for lithium mineralisation such as greenstones and pegmatites



Source: Company

The Aero Prospect

The Aero Prospect includes 101 connected claims covering about 4,980 hectares. What makes this area exciting is the presence of around 13km of geological fault zones, which are considered highly favourable for finding lithium-rich pegmatites (remarkable rocks that can contain lithium).

Nearby projects like Cancet (by Winsome) and Corvette (by Patriot) have similar fault zones running through them–and both have made significant lithium discoveries. This suggests that Aero could have similar potential (Figure 25). Corvette has a defined resource estimate of 109Mt at 1.42% Li_2O, making it one of the most significant lithium pegmatite resources in the Americas.

The Aqua Prospect

The Aqua Prospect covers a large area of about 8,800hectares across 172 connected claims. It sits at the meeting point of three ancient rock zones in northern Quebec–La Grande, Bienville, and Opinaca–making it geologically diverse and promising.

The property is crossed by major regional faults, which are cracks in the Earth's crust where mineral-rich fluids often flow. These faults run through the La Grande Greenstones, a rock type considered highly favourable for finding lithium-rich pegmatites.

II. Troilus Lithium Project

The Troilus Project covers about 4,400 hectares across 81 connected claims in the BKB region of Quebec, around 105km northwest of Chibougamau. It sits in a geologically rich area known as the Frotet-Evans Belt, which is part of a larger ancient rock formation called the Opinaca Sub-province.

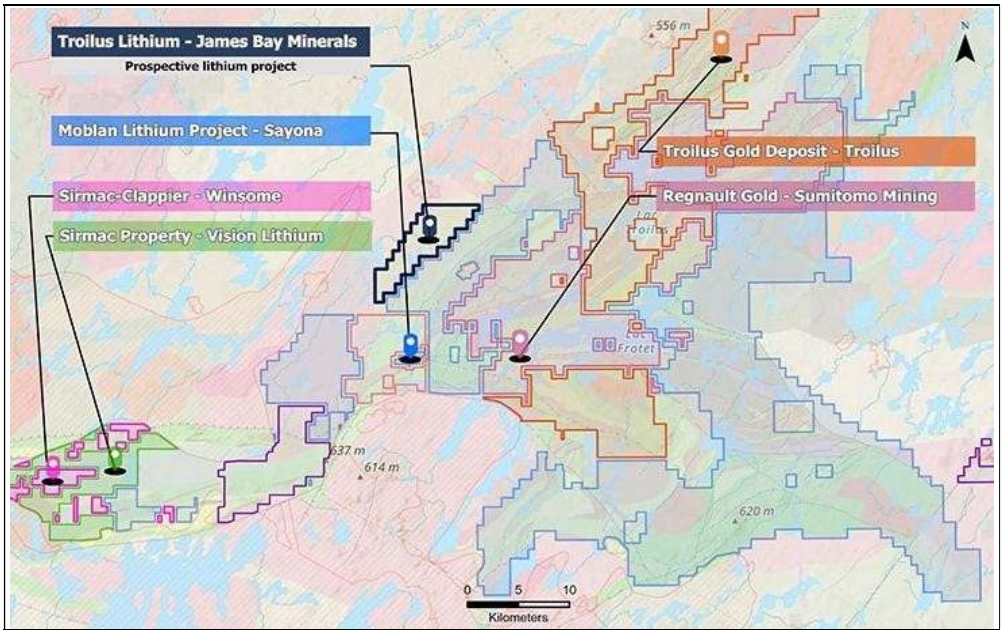
Although the area hasn't been explored much yet, nearby projects like Moblan, Sirmac, and Sirmac-Clappier–all within 5 to 30km–have already found lithium-bearing pegmatites, which are rocks that can contain valuable lithium minerals like spodumene.

The rocks on the Troilus property are mostly gneiss and paragneiss, which are ancient, banded metamorphic rocks. Early signs suggest the area could also host lithium-rich pegmatites.

Since this is an early-stage project, the next steps would include:

- Mapping the geology.
- Collecting rock and soil samples.
- Trenching and ground surveys.
- And eventually, drilling to test for lithium, provided the earlier stages yield encouraging results.

Figure 27: Troilus tenements and its neighbouring gold and lithium deposits



Source: Company

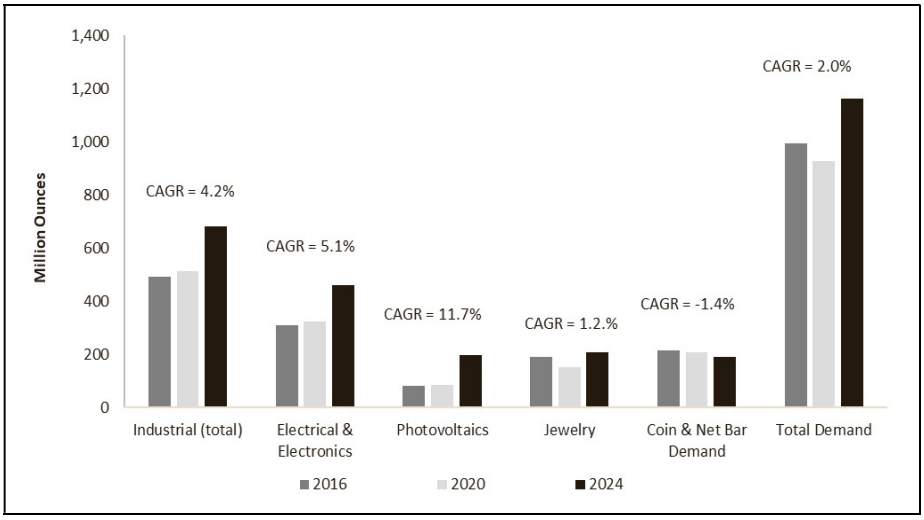
Silver in Focus: Navigating strong demand amid limited supply

Silver is a highly versatile metal, prized for exceptional conductivity, reflectivity, and antimicrobial properties, making it indispensable across industrial, medical, and consumer applications. Renowned as both a trading commodity and store of value, silver's malleability, lustre, and corrosion resistance also make it ideal for jewellery and ornaments. Industrially, it powers batteries, electrical contacts, and conductors, enhances solar panel efficiency, and serves as a mirror and in energy-efficient coatings, while its non-toxic, antimicrobial nature supports medical devices and consumer products, cementing silver's role as both a functional and strategic material globally.

The industrialisation of silver: Entering a new demand cycle

In recent years, the silver market has undergone a notable transformation, marked by tightening supply, surging demand, and heightened price volatility. Once seen primarily as a precious metal for ornamental and investment purposes, silver is now increasingly recognised as a critical industrial commodity, especially in sectors linked to clean energy, electronics, and advanced manufacturing. The global push for decarbonisation and digitalisation has significantly boosted silver's utility, particularly in photovoltaic applications (Figure 28), where it plays a vital role due to its unmatched electrical conductivity.

Figure 28: Photovoltaics have been the key driver for silver demand in the past decade



Source: Silver Institute and East Coast Research

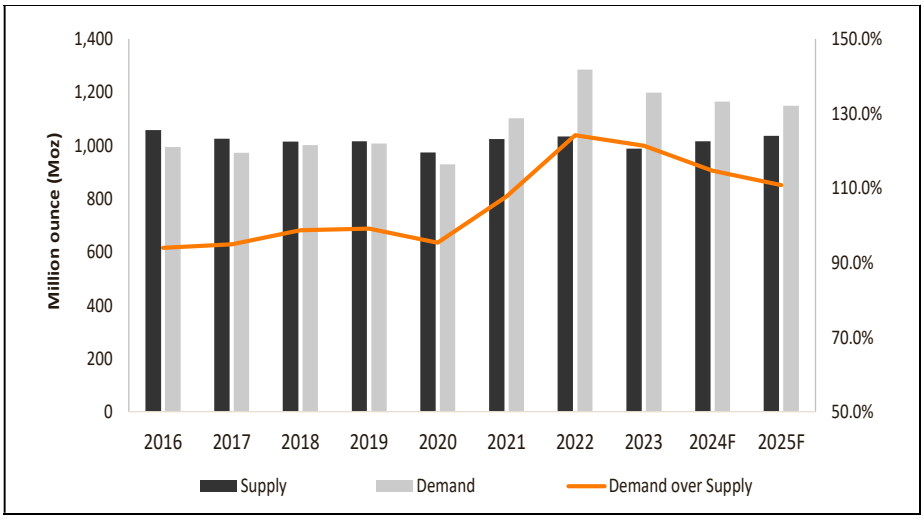
At the same time, silver supply has struggled to keep pace with rising consumption. Despite some recovery in mine production, persistent supply deficits have become a defining feature of the market since 2020. This mismatch between supply and demand is reshaping the market's dynamics, influencing investment strategies and prompting increased attention to long-term resource sustainability.

Silver prices have responded to these fundamental shifts with periods of volatility, often influenced by macroeconomic conditions, inflationary pressures, and investor sentiment. While short-term fluctuations remain, the underlying structural trends point to a supportive environment for silver in the medium to long term. As industrial demand continues to expand–particularly from the solar energy sector–investors are increasingly viewing silver not only as a store of value but also as a strategic asset tied to future technological and environmental progress.

Silver supply remains structurally constrained

The global silver market has been grappling with a persistent and widening supply-demand gap in recent years (Figure 29). Since 2020, annual supply deficits have become the norm, highlighting deep-rooted structural challenges within the silver supply chain along with continued strength in demand, particularly from industrial sectors. In 2022, the market recorded a peak shortfall of 254Moz, followed by another significant deficit of 149Moz in 2024, representing 15% of total global silver supply. This stands in sharp contrast to earlier years, such as 2015, when the market posted a surplus of 34.7Moz.

Figure 29: Demand has outpaced silver supply since 2021



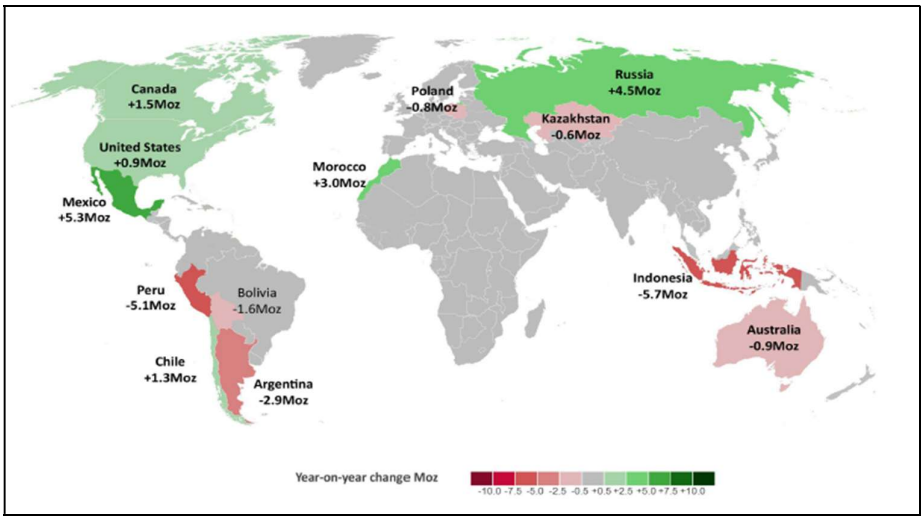
Source: Silver Institute and East Coast Research

Global silver supply remains structurally constrained, with stagnant mine output and limited recycling unable to meet rising demand

On the supply side, structural constraints have remained a defining feature of the silver market, continuing to weigh on global output. In 2024, total silver supply rose just 2% yoy to roughly 1,032 Moz, supported by a modest uptick in mine production and a 12-year high in recycling at 193.9 Moz. Yet mine output remained constrained at 819.7 Moz, well below early-decade levels, reflecting the ongoing decline in primary silver production and only marginal contributions from gold and base-metal by-product output. Shrinking pools of recoverable silverware, jewellery, and photographic scrap similarly limited the growth of recycling.

These pressures have persisted into 2025, with global mined supply expected to remain essentially flat at around 813 Moz (Figure 30). Gains in North America, Russia, and Morocco are being offset by sharp declines across key South American producers, particularly Peru, Argentina, and Chile, as well as notable reductions in Indonesia and Australia. This increasingly stagnant production landscape highlights the depth of structural supply tightness. Without significant discoveries or large-scale expansions, mine output is unlikely to keep pace with rising long-term demand, leaving the silver market exposed to extended deficits and maintaining strong support for prices.

Figure 30: Mined silver production to remain flat in 2025 at 813Moz



Source: Silver Institute and East Coast Research

Rising Silver Demand: Industry, Jewellery, and Photovoltaics Lead Growth

PV demand for silver remains structurally strong despite rapid thrifting, as soaring global solar installations and growth of TOPCon and HJT technologies keep consumption high and sustain long-term industrial demand

Global silver demand has remained robust, maintaining historically high levels since 2021. While demand grew at a CAGR of 5.8% between 2020 and 2024, supply expanded just about 1% during the same period. Industrial usage has become the most significant component of global silver demand, accounting for nearly 60–70% of total consumption. In 2024, industrial fabrication hit a record 680.5Moz, according to the World Silver Survey, marking the fourth consecutive year of growth. Advancements in clean energy, electronics, and infrastructure largely drive this trend. A significant share comes from photovoltaic applications as solar panel production alone consumed about 197.6Moz (about 17% of total silver demand) in 2024, representing nearly 30% of all industrial demand. Other major industrial applications include the production of electronics, 5G devices, automotive electronics, and electric vehicle charging infrastructure, where silver's high conductivity is indispensable. Additional uses span brazing and soldering, catalysts, and antimicrobial coatings. The robust outlook for green technologies and smart electronics suggests that industrial demand could exceed 700Moz in 2025, even as manufacturers continue efforts to reduce silver use per unit.

Photovoltaics: Solar power fuels silver growth

The photovoltaic sector remains one of the fastest-growing drivers of global silver demand. Although PV manufacturers have aggressively reduced silver loadings through progressive thrifting by improving grid line design, such as SMBb to OBB (Small Metal Busbar to One Busbar), adopting LECO (Laser Enhanced Contact Optimisation) and fine line printing, and advancing material innovation, including Ag Cu pastes and copper substitution, the rapid scale-up of solar installations continues to outweigh these efficiency gains (Figure 31). Global PV silver demand climbed to about 198Moz in 2024, up from 60Moz in 2015, even as technologies such as TOPCon (Tunnel Oxide Passivated Contact) and HJT (Heterojunction Technology) adopt lower silver usage per watt. In 2025, PV demand is expected to ease slightly from record highs but will remain structurally elevated as annual installations approach 700 to 750GW (Figure 32). With PV now representing more than a quarter of industrial silver consumption, the sector highlights silver's growing strategic importance in the clean energy transition across Asia, the United States and Europe, even as ongoing cost pressures encourage a long-term shift toward copper plating and silver-free paste solutions.

Figure 31: Indexed silver loading per watt, by technology

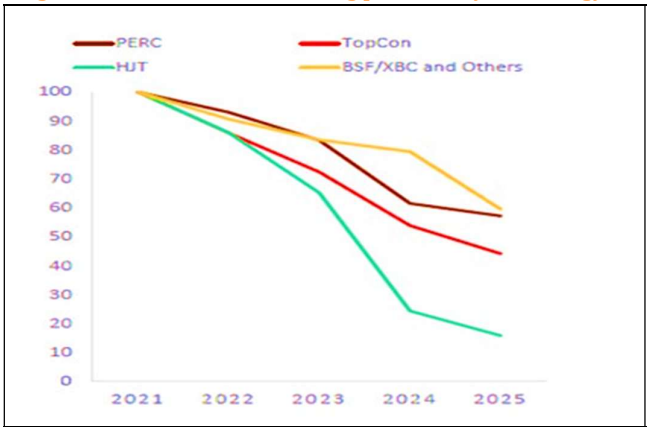
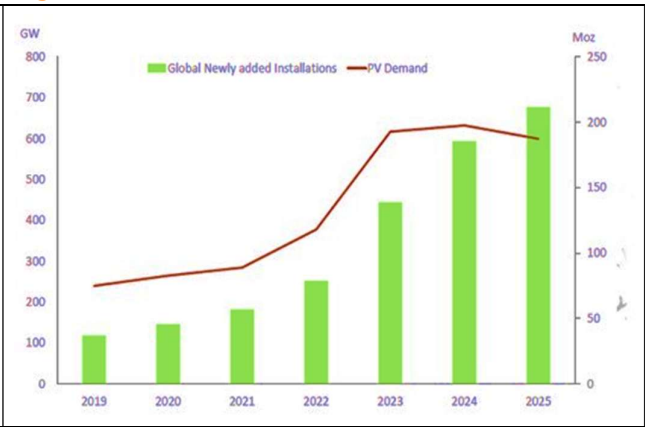


Figure 32: PV silver demand



Source: Silver Institute

Silver prices surge amid shifting macro drivers

Silver prices have entered a decisive phase of transition, supported by shifting macro conditions, strengthening industrial fundamentals, and increasingly aggressive investor positioning. ***Over 2024 and 2025, prices have staged a powerful two-year rally, punctuated by bouts of volatility but defined by a clear upward trajectory.*** Silver rose 21% YoY in 2024, lifting annual averages to their highest level since 2012, and ***this momentum accelerated sharply in 2025, with prices doubling from roughly US$28–30 per ounce to US$56–58 per ounce by November***. Notably, silver has significantly outperformed gold, copper, equities, and even cryptocurrencies year to date (Figure 33 and Figure 34) underscoring its emergence as one of the strongest assets across global markets.

Figure 33: Silver outperformed precious and some base metals

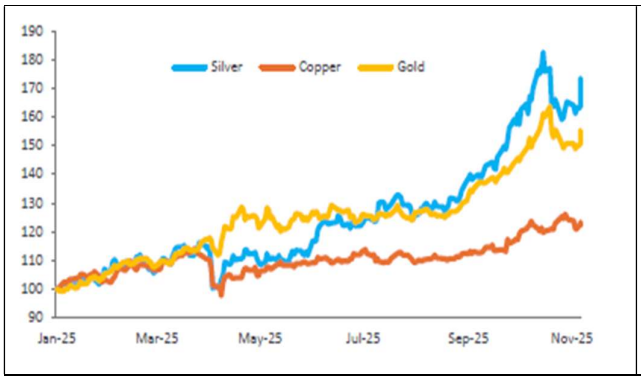
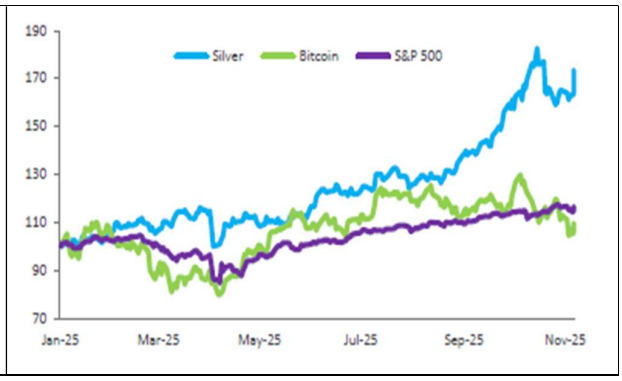


Figure 34: Silver outperformed equities and crypto



Source: Silver Institute

What drove Silver's 2024 rally?

A potent mix of macro catalysts powered silver's 2024 performance. A 1% Federal Reserve rate cut revived appetite for non-yielding assets, while heightened geopolitical tensions boosted safe-haven demand. Strong U.S. equity markets, buoyed by AI-driven optimism, supported portfolio diversification into precious metals. Physical demand remained a cornerstone, with industrial offtake reaching a record 680.5 million ounces, led by photovoltaics, EVs, and advanced electronics. However, concerns around China's economic trajectory tempered some of the upside given silver's dual industrial-investment nature.

Silver prices double in 2025 on supply tightness and strong demand

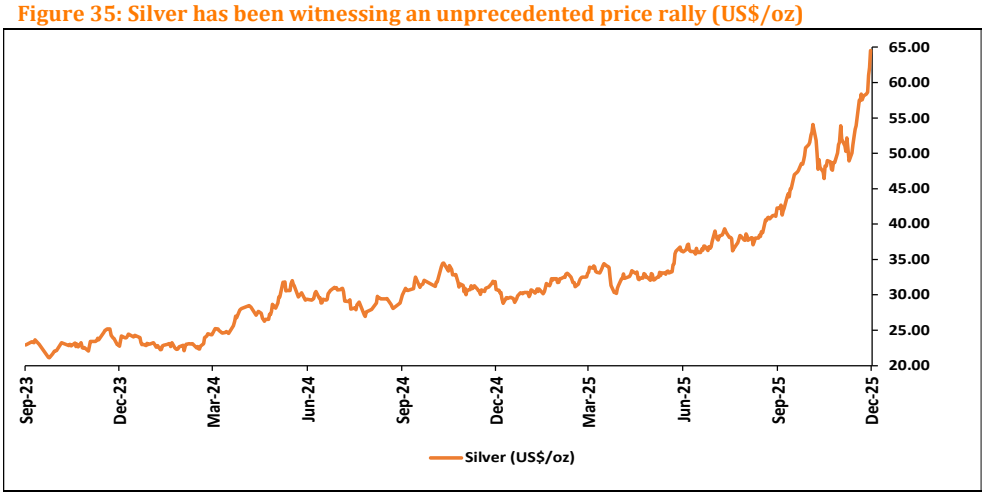
In 2025, silver extended its bullish momentum and delivered its strongest annual advance in over a decade. Liquidity constraints became an increasingly dominant driver as tightening global inventories, elevated lease rates, and a surge in investment flows created a powerful supply-demand imbalance. Silver outperformed not only precious and base metals but also major equity indices and cryptocurrencies. Accelerating industrial demand from solar PV, power electronics, and EV components reinforced the fundamental backdrop, while expectations of further U.S. rate cuts, a softer dollar, and geopolitical uncertainty boosted defensive allocations. At the same time, slower mine growth and subdued scrap supply exacerbated structural deficits, cementing a highly supportive environment for continued price strength.

Silver outlook remains bullish, driven by persistent supply deficits and rising industrial demand

Silver's outlook is bullish, driven by persistent supply deficits, rising industrial demand, and supportive macro conditions

Silver's outlook remains firmly bullish, with multiple forecasts pointing to sustained upside. Bank of ***America expects prices to reach US$65 per ounce by 2026***, averaging around US$56 per ounce, while ***Deutsche Bank sees silver holding in the mid US$50 range*** as tightening supply and strong industrial demand continue to support the market. Rapid growth in solar energy, electric vehicles, electronics and broader clean energy infrastructure, combined with slower mine development and limited scrap flows, suggests that structural deficits will persist. Global mine production is projected to peak in 2026 and then decline as major operations approach end of life, while recycling remains constrained by depleted stockpiles. This tightening supply environment, reinforced by investor interest driven by expected rate cuts and a softer dollar, supports a multi-year bullish trajectory for silver.

Figure 35: Silver has been witnessing an unprecedented price rally (US$/oz)



Source: World Gold Council

Gold's run: Soaring demand lifts gold price

Gold remains one of the world's most liquid and trusted stores of value, prized for its durability, chemical stability, and intrinsic worth. Its corrosion resistance, conductivity, and malleability make it indispensable across industries, while its scarcity and high extraction costs reinforce long-term value. As both a monetary hedge and investment asset, gold protects against inflation, currency weakness, and geopolitical shocks. Steady demand for jewellery and technology, combined with ETF flows, futures activity, and central bank buying, shapes price cycles, especially in a market where mine supply grows slowly.

Gold rally strengthens on weak dollar, geopolitical uncertainty, and robust investor demand

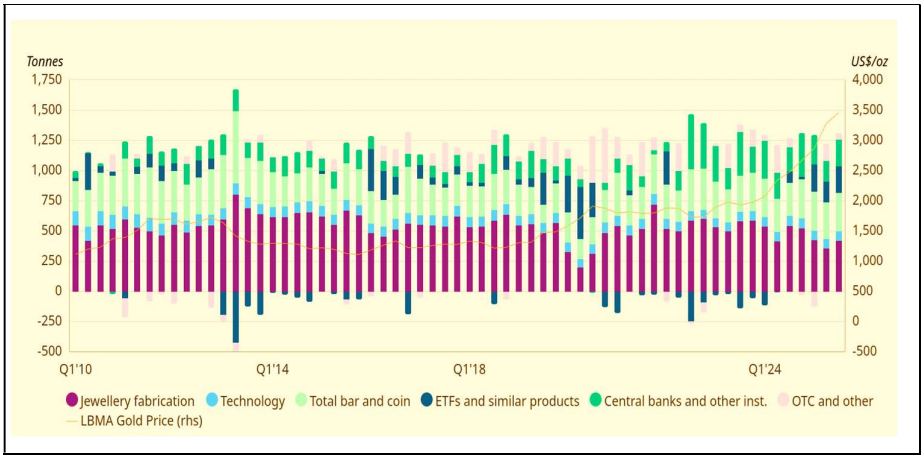
Gold has delivered a stellar 2025, soaring past all-time highs and returning significant returns. This rally is underpinned by heightened geopolitical and economic uncertainty, a weaker US dollar, and substantial price momentum, as both investors and central banks increase allocations to diversify and enhance stability.

Gold demand surged on investor and central bank buying, prices smashed record highs above and supply stayed tight with weak recycling and marginal mine growth

Global demand is surging across all major sectors, including jewellery, investment, central bank purchases, and industrial use (Figure 36). ***Total consumption reached US$382bn by Q3 2025, up 41% YoY, following US$382bn in 2024***. Investors dominated Q3, with massive ETF inflows of 222t and a fourth consecutive quarter of bar and coin demand above 300t, reaching 316t, driving overall growth. Central banks remained active, buying 220t, 28% higher than the prior quarter, though YTD purchases of 634t lagged last year's 724t in the first three quarters.

Jewellery, historically the most significant segment at around 44% of demand, 2,012t in 2024, faced continued headwinds, declining double-digit YoY, the sixth consecutive drop, to 371t in Q3 2025 as volumes remained pressured in the record-price environment.

Figure 36: Gold demand at record levels for Q4 and FY 2024



Source: World Gold Council

Key drivers behind gold's bullish momentum in 2025

A complex mix of macroeconomic, geopolitical, and institutional factors is shaping the current gold market. *The key price drivers include:*

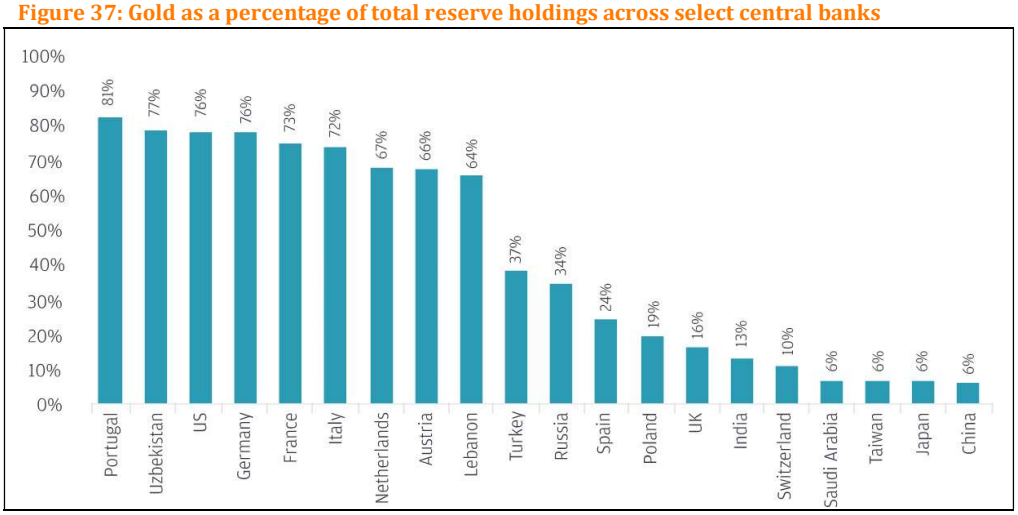
- ***Central bank gold purchases have emerged as one of the most significant factors supporting the gold market in 2025***. Global central banks continue aggressive gold acquisition programmes, with institutions across Asia, the Middle East, and emerging economies actively diversifying their reserves away from traditional currency holdings. ***In Q3 2025 alone, central banks purchased 219t of gold, more than 20% above the five-year quarterly average***. China, India, Turkey, and Poland are among the top buyers, with Poland aiming for 20% of its reserves in gold.

- **Weakening US Dollar**: Gold typically shows inverse correlation with dollar strength. The greenback has endured one of its poorest years since the early 2000s. By the end of September 2025, the Dollar Index (DXY) had declined by around 10%. If it finishes the year around these levels, it will mark its weakest performance against major peers since 2003, when the DXY slipped nearly 15%.

  Much of this year's weakness is linked to tariffs-induced fears of stagflation and a broader sense that America's economic dominance is being challenged. The trend of de-dollarisation, whereby foreign investors diversify away from US assets, has also gathered pace. For gold, which is priced

in dollars, the slide has been an undeniable tailwind, making the metal more attractive for buyers across other currencies.

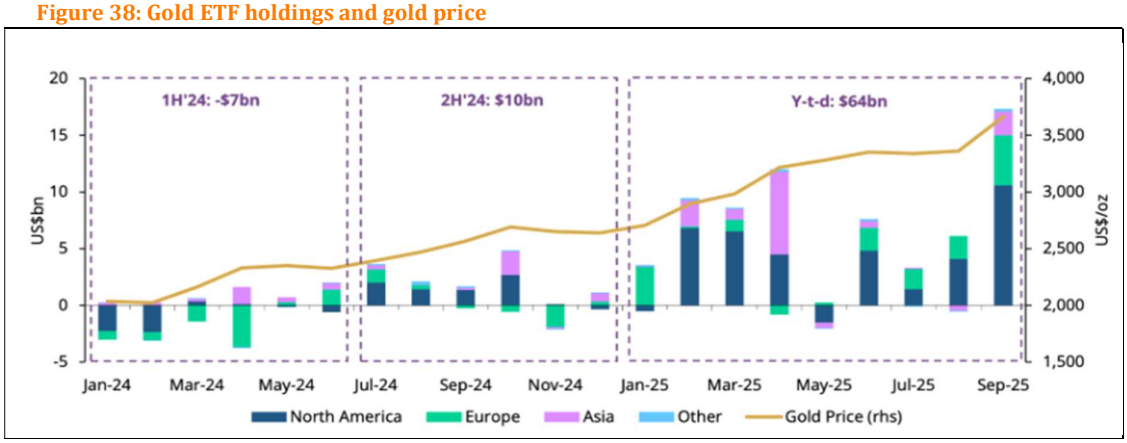
Figure 37: Gold as a percentage of total reserve holdings across select central banks



Source: World Gold Council, IMF, J.P. Morgan Commodities Research

- **Monetary Policy & Interest Rates:** Another key driver behind gold's big gains has been the U.S. Federal Reserve cutting interest rates this year. After a lengthy pause, it resumed trimming rates in September 2025 as labour market weakness outweighed concerns over inflation, with the central bank indicating that there may be two more cuts to come in Q4 2025. As a result, bond yields fell. Lower yields make non-interest-bearing assets such as gold relatively more appealing.
- **Rising ETF Investments**: After a period of outflows, gold-backed exchange-traded funds are experiencing renewed interest from investors seeking portfolio protection. ***Gold ETFs saw US$26bn in inflows in Q3 2025, the largest on record. Total assets under management reached US$472bn (+23 qoq), reflecting renewed institutional interest*** (Figure 38).

Figure 38: Gold ETF holdings and gold price



Source: World Gold Council

- **Geopolitical tensions** continue to create market uncertainty, pushing institutional and retail investors toward tangible assets. Gold is increasingly seen not just as a hedge but as a strategic reserve in times of instability.
- **Inflationary pressures** have persisted despite central bank interventions, enhancing gold's appeal as a wealth preservation tool.
- **Supply constraints** from major mining operations have failed to keep pace with growing demand.

These dynamics have converged to create a powerful inflection point for gold, elevating it from a tactical hedge to a strategic cornerstone in diversified portfolios.

Supply-side dynamics of gold

In 2024, total gold supply inched up 1% YoY to a record high of 4,974t, with growth in both mine production and recycling contributing to the increase. We note that gold is sourced from mining (75%) and recycled gold (25%).

Mine production is geographically diversified, and no region contributes more than a quarter of global production. This diversification reduces the risk of supply shocks, contributing to gold's low volatility, as its mining is concentrated in fewer regions. Additionally, recycling acts as a buffer, filling the gap and balancing the market when primary production cannot meet demand.

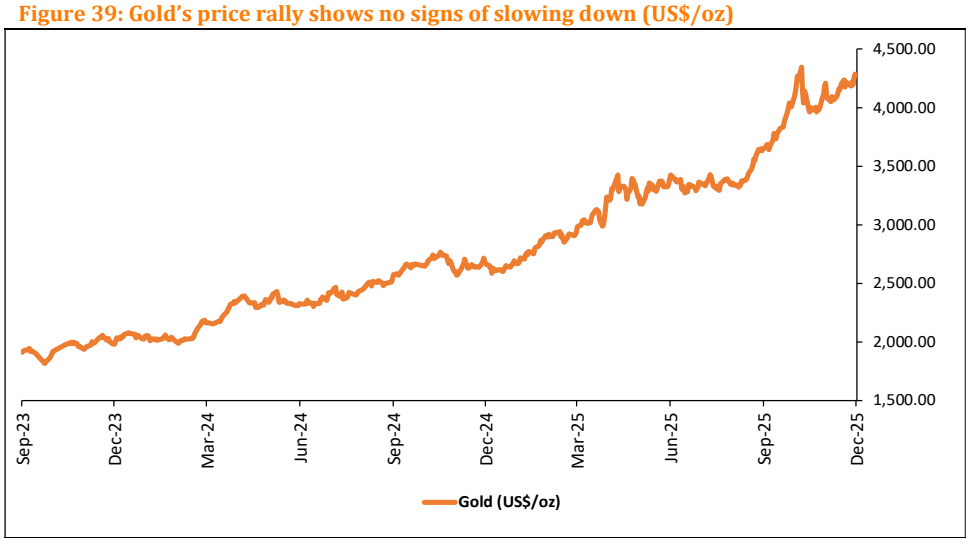
Gold prices are on an exponential growth trajectory

Gold has shown remarkable strength in 2025, powering to repeated record highs as global economic volatility fuelled a flight to safety. ***After breaking through US$3,000/oz earlier in the year, prices continued to accelerate, reaching an all-time high of US$4,380/oz in October before closing near US$4,200 in November.*** With gains exceeding 60% YTD, gold has been one of 2025's standout global assets.

Heading into 2026, the outlook remains anchored to macro uncertainty. If current conditions hold, prices may consolidate, but this year's pattern suggests the market is primed for further surprises. A slowdown in economic growth and deeper rate cuts could lift gold moderately, while a sharper downturn with rising geopolitical risk would likely trigger stronger upside. Conversely, a successful rollout of Trump-era economic policies could strengthen US growth and the dollar, pushing gold lower.

Central bank buying, recycling flows, and ongoing safe-haven demand will remain important drivers. Above all, gold's value as a portfolio stabiliser and diversification tool remains firmly intact amid persistent market volatility.

Figure 39: Gold's price rally shows no signs of slowing down (US$/oz)



Source: World Gold Council

Valuation: Resource-driven SOTP-based valuation suggests significant upside potential for BKB

Given that Black Bear has resource estimates for both its core assets–the Shafter Silver and Independence Gold projects–but has not yet completed a scoping study for either, we find it most appropriate to use a peer-multiples-driven, resource-based valuation approach to determine a medium-term price target for the company's stock.

Currently, BKB does not generate free cash flow, and an aggressive drilling programme is underway. We believe that the conclusion of the ongoing scoping study for the gold project is ~9 months away (starting in June 2025), with additional drilling and resource updates planned for early to mid-2026.

Consequently, we believe that, at this stage, a SOTP-based, resource-driven valuation approach–anchored in peer multiples–is the most suitable methodology.

I. Shafter Silver Project Value

The original estimates for Shafter were calculated as part of the mine-restart planning in 2015, under tight constraints, i.e., removal of any block intersecting ≥5% underground workings and a 137g/t Ag cut-off and silver price of US$18.5/oz, indicating an easy-to-mine near-surface high-grade asset

To establish our base-case valuation, ***we applied a 15% premium to the peer group EV/average resource multiple when valuing the Shafter Silver Project***. ***The perceived jurisdictional advantage justified this premium***, as capital market participants typically value silver ounces higher for assets in the Americas than in Australia. ***We also applied this premium to reflect that Texas offers relatively lower operating costs than Australian-based assets. Given that BKB provides a resource grade that is ~2x the average silver grade of the peer group, this premium is, in fact, conservative.***

Given that Shafter is a unique pure-silver asset, located in the Americas, we have assessed A$EV/Moz of Ag resource multiples for a group of TSX and ASX-listed silver miners. We have used TSX-based peers mainly due to it being the most active exchange for junior silver miners. The peer set includes Vizsla Silver Corp. (TSX: VZLA), Americas Gold and Silver (TSX:USA), AbraSilver Resource (TSX:ABRA), Avino Silver & Gold Mines Ltd.(TSX:ASM), Dolly Varden Silver Corp. (TSXV: DV), Unico Silver Ltd. (ASX: USL), Andean Silver Ltd.(ASX: ASL), Polymetals Resources Ltd (ASX:POL), Broken Hill Mines Ltd. (ASX:BHM), Blackrock Silver Corp.(TSXV: BRC) and Mithril Silver and Gold Ltd. (ASX:MTH).

All the companies are comparable to Black Bear with respect to market cap, asset positioning and resource estimates. The peer group trades at an **average EV/resource multiple of A$12.3/oz** and a **median of A$11.2/oz** (Figure 40). *For this report, the mineral resource estimate for the peer set is 100% for the Measured and Indicated categories and 50% for the Inferred category*.

Our readers should note that BKB has not yet acknowledged the resource base at Shafter Silver as JORC compliant. These estimates have been prepared in accordance with Canadian National Instrument 43-101 and do not comply with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 JORC Code). A competent person has not conducted sufficient work on these assets to classify the resource base as JORC compliant.

However, given that the NI 43-101 and 2012 JORC Codes share many similarities in their reporting standards, we believe these estimates provide a solid foundation for BKB's silver asset portfolio at Shafter.

We anticipate that, following recent drilling and rock chip sample assay results up to 3,100g/t Ag outside the historic MRE, the 2015 cut-off grade will be lowered to reflect changes in silver prices. This is expected to nearly double the resource, albeit at a slightly lower grade, resulting in a substantial overall enhancement of the resource estimates.

Although it is not certain that further exploration and evaluation will result in these estimates being classified as Mineral Resources under the JORC 2012 standards, given the similarity between the standards, we consider the probability high.

To value the Shafter Silver Project, ***we have used the peer group EV/Average resource multiple of A$14.1/oz of Ag across our base case scenario***. Despite an exceptionally high grade at Shafter, we have maintained a conservative multiple below what might be justified to account for the non-JORC estimate and lower weighted average resource compared with peers (more advanced JORC-compliant reporting), leaving room for further upside.

Figure 40: Black Bear Minerals Silver Asset Peer Set

Company Name	Ticker	Market Cap* (A$m)	EV* (A$m)	Ag (Moz)^	Ag Grade (g/t)	EV / Ag (A$/oz)
Vizsla Silver Corp.	TSX: VZLA	2,691.5	2,376.3	93.3	262.8	25.46
Americas Gold and Silver Corp.	TSX:USA	2,667.0	2,703.0	167.1	109.6	16.18
AbraSilver Resource Corp.	TSX:ABRA	1,825.2	1,794.3	203.5	55.9	8.82
Avino Silver & Gold Mines	TSX:ASM	1,396.4	1,316.3	194.2	93.4	6.78
Dolly Varden Silver Corp.	TSXV: DV	647.3	609.7	49.1	202.8	12.41
Unico Silver Ltd.	ASX: USL	425.6	413.1	45.2	69.9	9.15
Andean Silver Ltd.	ASX: ASL	440.0	428.1	29.7	172.1	14.40
Polymetals Resources Ltd.	ASX:POL	351.8	370.2	51.2	83.6	7.22
Broken Hill Mines Ltd.	ASX:BHM	305.7	317.4	25.6	76.8	12.40
Blackrock Silver Corp.	TSXV: BRC	309.7	302.0	27.1	217.0	11.14
Mithril Silver and Gold Ltd.	ASX:MTH	93.2	74.9	6.7	135.1	11.16
Median		**440.0**	**428.1**	**49.1**	**109.6**	**11.16**
Average		**1,014.0**	**973.2**	**81.2**	**134.5**	**12.28**

*Note: ^Mineral Resource Estimate is calculated as 100% for Measured and Indicated and 50% of Inferred resource; *as of 15 December 2025*
Source: S&P Capital IQ and East Coast Research

Several qualitative factors influence valuation beyond resource size, including grade, depth, jurisdiction, and infrastructure access. Higher-grade and shallow deposits are more economically attractive due to lower extraction costs. Projects in stable, mining-friendly regions like Australia, Canada, and the U.S. also command higher valuations. Proximity to infrastructure–such as roads, power, and processing facilities–further enhances project economics by reducing capital and operating costs. Metallurgical characteristics and workforce availability also play a role. Free-milling ores are easier and cheaper to process than refractory ores, and access to skilled labour supports efficient development. These factors explain the wide range of EV/resource multiples across peer companies.

With a mineralisation zone of 4km, Shafter Silver project is situated within a basin carbonate sequence that lies in an extension of Mexico's famous Eastern Sierra Madre Belt. The project has multiple high-resource mines as neighbours, including Newmont's Penasquitos mine, the world's fifth largest silver-producing mine

Considering the high probability of an increase in the resource base following the recent assay results from 72 rock chip samples (***exceptional grades have been highlighted with 10 samples above 200g/t Ag and a peak result of 3,100g/t Ag***) – indicating near-surface ore-grade silver mineralisation exists beyond the reported estimate – we have assumed a 50–60% increase in the Shafter Silver Project resource base across our two valuation scenarios.

Furthermore, the ***project lies in an area that has significant prior capital investment (~A$150m) in infrastructure, making it relatively cost- and time-efficient compared to the average effort required to take the mine from exploration to the development stage***. The existing infrastructure includes partially permitted underground mines, declining shafts, a processing plant (1,370 m^2), a Merrill-Crowe recovery plant and refinery (250 m^2), a warehouse complex (2,230 m^2), an administrative building (981 m^2), and a power substation (69 kV).

It is essential to note that the Shafter Silver Project area was previously selectively mined; a large portion of silver mineralisation remains at the surface. This is considered a high-priority target for the management to assess the potential for open-pit mining. *Shafter is a near-ready mining site expected to be profitable even at a silver price of US$30/oz*. Consequently, ***Shafter occupies a unique position with extensive exploration and***

expansion programmes planned over the next 18–24 months. The project needs to be applied for key foundational permits.

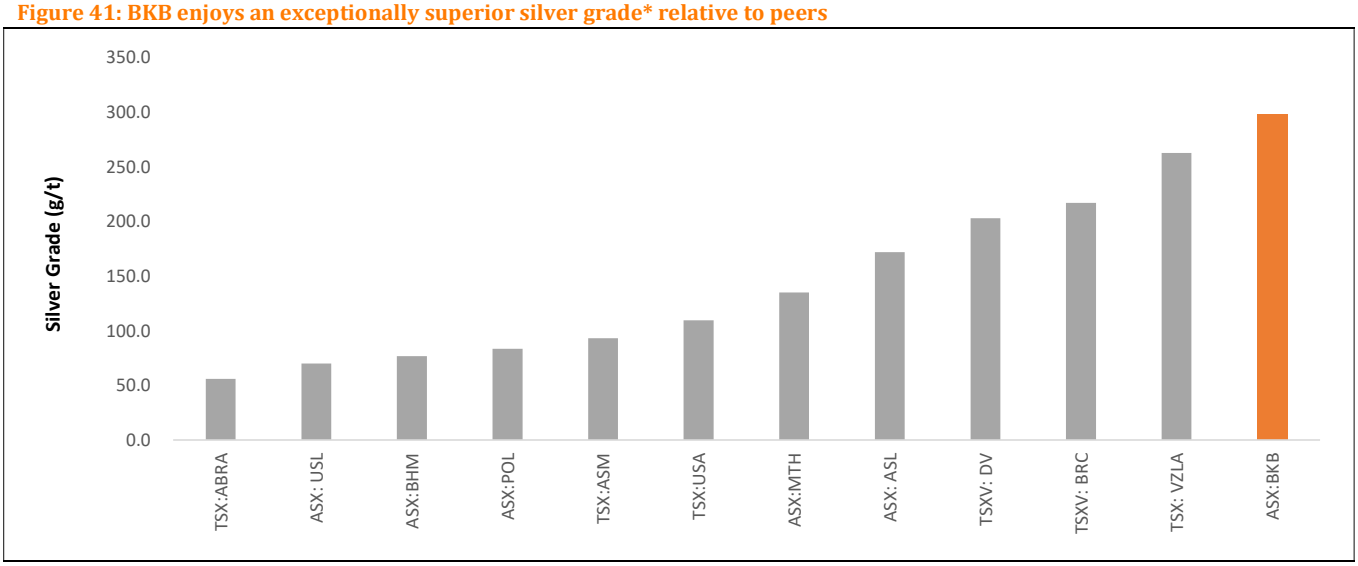
To establish a comprehensive valuation, we must acknowledge that the resource base under consideration is not JORC-compliant. Consequently, in our base case, we have applied a ***10–15% discount to the silver portfolio's overall valuation***. This conservative adjustment not only reflects the current absence of JORC-compliant resource estimates but also indicates limited drilling and sampling across the asset.

It is imperative to note that the historic drilling was limited, lacking adequate sampling, and did not capture the potential highlighted from the rock chip sample results, warranting further exploration and assessment. However, ***as these projects advance toward maiden JORC classifications, we believe this discount will not only disappear but also convert into a valuation premium – given the scale, grade, region, and exploration upside***.

Our investment thesis aligns with management's priority of delivering a JORC-compliant mineral resource update by early 2026 and of concluding a feasibility study to restart the mine by 2027. The ultimate near-term goal is to establish an accurate economic value for BKB's silver asset.

In our optimistic 'Bull' case scenario, we have applied a 20% premium to the peer average EV/Resource multiple. We believe the current Ag valuations of A$14.7/oz are close to base levels. This is based on our assumption that Shafter should be valued at a premium for its exceptional average silver resource grade (a recent rock chip sample has returned assay results up to 3,100g/t Ag), polymetallic mineralisation and a U.S.-based asset. With a long-term uptrend intact in silver mining, resilient silver metal prices are expected in 2026, owing to tight global supply driven by growth in institutional investment. Given an upcoming U.S. listing, BKB's silver portfolio holds significant value for potential investors.

Figure 41: BKB enjoys an exceptionally superior silver grade* relative to peers



*Note: * Resources include 100% of measured and indicated resources and 50% of inferred resources*

Source: East Coast Research

Our readers should note that the Shafter Silver Project MRE was prepared in 2015 by Aurcana Corporation in accordance with Canadian National Instrument 43-101. The related Preliminary Economic Assessment (PEA) of the tenement was prepared using a relatively low silver price of US$18.5/oz. At the current elevated silver price, the expected NPV of the asset will be >A$700m.

Given that the resource is still non-JORC, we have refrained from using the NPV calculation/historic PEA for valuing the asset. However, this leaves scope for multi-fold further increments in the overall valuation of BKB stock.

II. Independence Gold Project Value

Given the high-grade resource at Independence, we valued the project using a 10% premium to the peer group EV/average resource multiple. We have assessed A$EV/Moz of Au resource multiples for ASX-listed gold miners, including Ausgold (ASX:AUC), Antipa Minerals (ASX:AZY), Rox Resources (ASX:RXL), Strickland Metals (ASX:STK), Magnetic Resources (ASX:MAU), Astral Resources (ASX:AAR), Gorilla Gold Mines (ASX:GG8), Tesoro Gold (ASX: TSO), Horizon Gold (ASX: HRN), Matsa Resources (ASX: MAT), Great Boulder Resources (ASX: GBR) and Sunshine Metals (ASX: SHN). All the companies are comparable to Black Bear with respect to gold resource estimates. The peer group trades at an **average EV/resource multiple of A$212.9/oz** and a **median of A$184.3/oz** (Figure 42). *For this report, the mineral resource estimate for the peer set is 100% for the Measured and Indicated categories and 50% for the Inferred category.*

Black Bear trades at A$119.4/oz of Au, representing a ~44% discount to its peer average. Given that recent test work has confirmed exceptional gold recovery of ~96% from ~1Moz of a skarn resource at 6.7g/t Au, it is surprising that market participants value Black Bear stock at such a significant discount to its peers. To value the Independence Gold project, ***we have used EV/Average resource multiple of A$234.2/oz of AuEq across our base case scenario***. We believe that given the exceptionally high grade of Independence tenement, the multiple is justified.

Figure 42: Black Bear Minerals' Gold Peer Set

Company Name	Ticker	Market Cap (A$m)	EV (A$m)	Au / AuEq (Moz)^	Au / AuEq Grade (g/t)	EV / AuEq (A$/oz)
Ausgold Limited	ASX:AUC	515.8	504.2	2.73	1.1	184.7
Antipa Minerals Limited	ASX:AZY	410.7	374.4	2.04	1.5	183.8
Rox Resources Limited	ASX:RXL	400.1	349.8	2.04	4.1	171.3
Strickland Metals Limited	ASX:STK	457.6	434.0	3.90	1.2	111.3
Magnetic Resources NL	ASX:MAU	369.1	361.2	1.67	1.8	216.6
Astral Resources NL	ASX:AAR	331.9	313.4	1.51	1.1	207.5
Gorilla Gold Mines Ltd	ASX:GG8	389.4	364.4	0.54	4.5	677.9
Tesoro Gold Ltd	ASX:TSO	195.4	190.2	1.02	1.1	186.6
Horizon Gold Limited	ASX:HRN	128.9	128.9	1.74	1.3	74.0
Matsa Resources Limited	ASX:MAT	112.9	112.1	0.67	2.5	166.7
Great Boulder Resources	ASX:GBR	76.0	63.7	0.38	2.8	168.3
Sunshine Metals Limited	ASX:SHN	49.0	47.2	0.23	1.6	205.8
Median		**350.5**	**331.6**	**1.59**	**1.56**	**184.3**
Average		**286.4**	**270.3**	**1.54**	**2.04**	**212.9**
Black Bear Minerals Limited	ASX:BKB	103.38	99.33	0.83	4.90	119.4

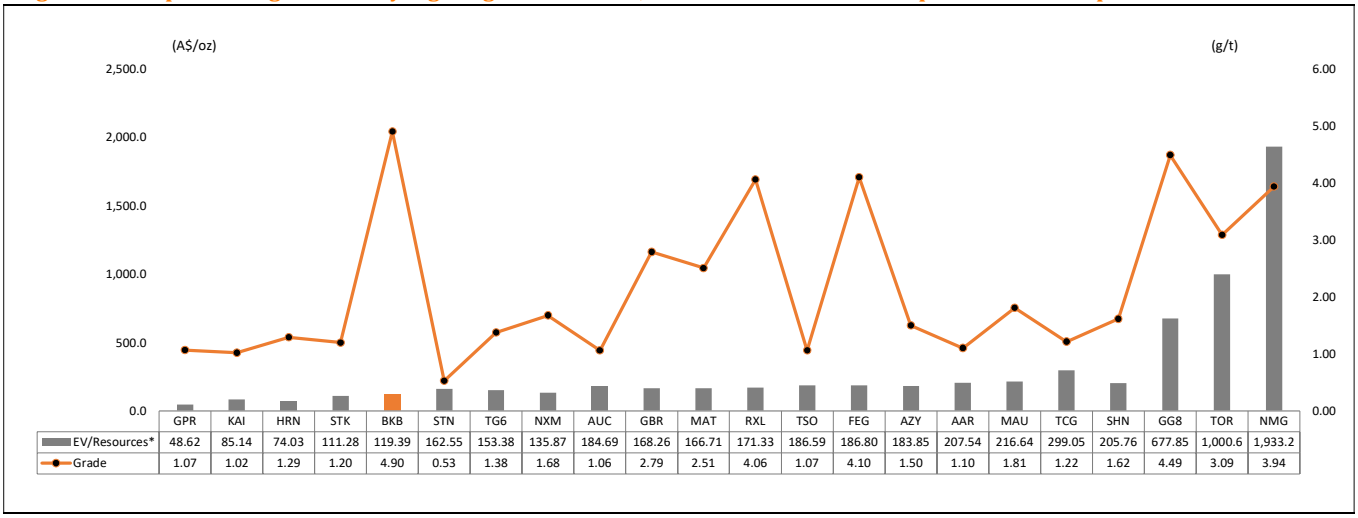
*Note: ^Mineral Resource Estimate is calculated as 100% for Measured and Indicated and 50% of Inferred resource; *as of 15 November 2025*
Source: S&P Capital IQ and East Coast Research

It is essential to highlight that these high-grade samples were obtained through a straightforward gravity recovery process followed by a carbon-in-leach (CIL) circuit, which uses minimal reagents. This approach significantly reduces metallurgical risk and indicates a conventional, capital-efficient processing method for the high-grade skarn gold deposit at the Independence tenement area. Further metallurgical testwork is in progress on several sample composites to identify the optimal grind size and verify the consistency of these recovery rates across all three regions of the skarn resource. Additionally, recently completed reverse circulation (RC) drilling at the South Hill tenement has revealed further extensions to gold-silver mineralisation beyond the near-surface MRE in the project area (hole AGEI-28: 39.6m @ 2.1g/t AuEq, including 19.8m @ 3.8g/t AuEq). As a result, ***we have modelled a 10–15% increase in the Independence Gold resource base across our two valuation scenarios***. Since most of the recently tested samples outside the historically

declared MRE yielded composites averaging between 3.7g/t Au and 4.4g/t Au, this assumption seems well-founded and reasonable.

Given Black Bear's similarities to higher-valued peers, including high grades, a shallow Resource component, and proximity to infrastructure, support a bullish outlook. Consequently, in our optimistic 'Bull' case scenario, we have applied a 15% premium to the peer average EV/Resource multiple. We believe the current AuEq valuation of A$244.8/oz is close to the base level. This is based on our assumption that gold prices will remain resilient in 2026, with a new base of US$4,000/oz, and its long-term uptrend driven by growth in institutional investment.

Figure 43: Despite having a relatively higher-grade resource, BKB share trades at a steep discount to the peers



	GPR	KAI	HRN	STK	BKB	STN	TG6	NXM	AUC	GBR	MAT	RXL	TSO	FEG	AZY	AAR	MAU	TCG	SHN	GG8	TOR	NMG
EV/Resources*	48.62	85.14	74.03	111.28	119.39	162.55	153.38	135.87	184.69	168.26	166.71	171.33	186.59	186.80	183.85	207.54	216.64	299.05	205.76	677.85	1,000.6	1,933.2
Grade	1.07	1.02	1.29	1.20	4.90	0.53	1.38	1.68	1.06	2.79	2.51	4.06	1.07	4.10	1.50	1.10	1.81	1.22	1.62	4.49	3.09	3.94

*Note: * Resources include 100% of measured and indicated resources and 50% of inferred resources*

Source: East Coast Research

III. Quebec-based portfolio of Lithium Projects Value

Given the limited historical work, we have not valued the Lithium Projects, i.e., the La Grande Lithium Project and the Troilus Lithium Project. La Grande is located in the La Grande sub-province along-trend from the Shaakichiuwaanaan deposit. It is one of the largest lithium exploration portfolios in the James Bay region of Quebec, Canada, covering ~416 sq km across the Joule, Aero, Aqua, and La Grande East properties.

Located in one of only a very few Tier-1 jurisdictions that display the key ingredients required for the formation of large-scale Lithium, Caesium, and Tantalum (LCT) pegmatites, the ***lithium assets hold significant value for Black Bear***. The project, with 340 high-priority targets identified and prospects for both lithium and rare earths, neighbours Winsome Resources' (ASX: WR1) Cancet Lithium Project and Patriot Battery Metals' (ASX: PMT) Shaakichiuwaanaan Lithium Project. The La Grande East tenement, covering 136 claims over 7,000 hectares, contains two magnetic lows that trend into Patriot Battery Metals' world-class Shaakichiuwaanaan Project.

Due to limited financial and management bandwidth, the company has shifted its focus to the more advanced gold and silver assets. However, these non-core lithium projects still hold significant value. *We believe Black Bear is expected to spin off the lithium projects to fund upcoming exploratory and expansion work across the two advanced projects*.

La Grande Lithium is a highly progressive asset with the potential to enhance BKB's valuation. ***Any forthcoming corporate activity or acquisition news related to La Grande and Troilus is expected to serve as key catalysts for the company***.

IV. Cash on Books

At the end of November, ***Black Bear completed an A$30m capital raising programme, bringing total cash-in-hand to ~A$32m*** (BKB had ~A$2m cash at the end of September

2025). Adjusted for the initial payment for the Shafter Silver Project acquisition (A$14.6m), the ***net cash in hand stands at A$17.6m*** (we have used the same in our valuation model). This strengthened balance sheet provides the company with the financial capacity to advance its extensive drilling campaign at Shafter Silver and conclude the ongoing scoping study at Independence Gold Project. Aimed at significantly expanding operations, the enhanced cash position will support comprehensive sampling and metallurgical testing across the mineralised zones, paving the way to verify resources as JORC-compliant. *With this level of financial flexibility, management is well-positioned to pursue regulatory permits proactively and mine restart approvals.*

BKB holds cash on its books equivalent to ~17% of its current market capitalisation. This indicates that the market is valuing the stock below its intrinsic worth. Additionally, the substantial cash balance presents a compelling risk-reward opportunity for potential investors as the management aims to and expand the MRE base across projects

We believe the market is now largely awaiting results from the ongoing drilling campaign/scoping study on resource expansion and upgrades/project feasibility. Confirmation of this milestone would effectively eliminate the key overhang on BKB's valuation–the current classification of its silver resource as non-JORC–and could unlock the next leg of the stock's re-rating.

With a healthy cash balance, BKB has the financial flexibility required to execute its near-term exploration and expansion programmes without immediate funding pressure. With targeted drilling underway and firm investor backing, the company is well-positioned to deliver material value-adding news flow over the coming quarters. ***Black Bear Minerals offers ASX investors a rare opportunity to leverage the global base and critical metals market through a high-quality, scalable polymetallic portfolio.***

Our SOTP-based valuation model implies a ***base-case enterprise value of A$486.8m and a bull-case value of A$552.3m*** (Figure 44). On a per-share basis, this equates to a valuation range of ***A$2.87 to A$3.26,*** with a ***mid-point target of A$3.07 per share***. At the current trading price of A$0.695, this ***reflects a P/NAV of 0.23x, representing a potential upside of ~341%***. As the market begins to price in the scale and quality of Black Bear's polymetallic portfolio, we see material valuation headroom ahead.

Figure 44: SOTP-based valuation calculation for Black Bear Minerals

Black Bear Minerals Valuation (A$m)	Base Case	Bull Case	Remarks
Shafter Silver Resources (Moz)	14.45	14.45	
~Incremental Resource (Moz)	7.22	8.67	50-60% jump in MRE
Sector average* (A$/oz Ag)	14.13	14.74	15-20% premium for relatively superior grade
Overall Premium / Discount	15.0%	10.0%	Discount for non-JORC MRE
Shafter Silver Project value	255.0	300.5	Adjusted for 2% royalty to Aurcana Silver Corp.
Independence Gold Resources (Moz)	0.83	0.83	
~Incremental Resource (Moz)	0.08	0.12	10-15% jump in MRE
Sector average* (A$/oz Au)	234.2	244.8	10-15% premium for a relatively higher grade
Independence Gold Project value	214.3	234.2	
Implied EV	**469.3**	**534.7**	
Cash**	17.6	17.6	Post recent capital raising
Provisions^	-	-	
Total Market Value	**486.8**	**552.3**	
Number of diluted shares on issue^^ (m)	169.5	169.5	
Implied price (A$)	**2.87**	**3.26**	
Current Price (A$)	0.695	0.695	
Upside (%)	*313.4%*	*368.9%*	
Mid-point Target Price (A$)	**3.07**		
Price / NAV (X)	**0.23x**		

*Note: *Total Resource includes 100% of Measured and Indicated Resources and 50% of Inferred Resources.;*
***as of the end of September 2025; also consists of the recently raised A$30m vis placement and adjusted for initial payment for Shafter acquisition;*
^ as of the end of June 2025; ^^ Total diluted shares include ordinary shares on issue, including performance share options
Source: East Coast Research

With a portfolio of underdeveloped superior-grade silver and gold assets in highly lucrative metallurgical zones and expanding polymetallic mineralisation systems, Black Bear offers a unique investment opportunity– particularly as a strategic buy-out target for metal-focused funds and other institutional investors.

In our view, Black Bear Minerals represents a compelling small-cap investment in a Tier-1 U.S. jurisdiction. The company combines a portfolio of exceptionally strong polymetallic mineralisation, a well-structured drilling program, operational momentum, a strong balance sheet, material valuation disconnects, and clear catalysts for re-rating as the resource estimate is refined and scoping studies are completed.

Additional Share Issue

It is essential to note that we have assumed a higher number of shares than are currently outstanding. The company currently has 148.7m fully paid-outstanding shares. This includes the recently issued 46.2m shares to the global institutional investors as part of an A$30m capital raising programme. The company also has 20.7m unquoted performance rights options, offered to senior executives as part of the remuneration and compensation structure. All these options have been fully expensed. This brings the total share count to 169.5m, which is used in our implied price calculation.

Black Bear shares have consistently strong performance over two Years, but have recently lagged behind rising metal prices

Black Bear shares have delivered a staggering ~348% return over the past 18 months, including a ~132% return over the past 24 months. This performance has been primarily driven by the completion of the acquisitions of its super high-grade Shafter Silver and Independence Gold projects, a surge in gold and silver prices, and strong discovery results at the Lithium projects. However, despite recent key announcements, the share has not yet rebounded to its 52-week high of A$1.13, reached in early October 2025 (down ~38% from the peak). Although the stock made attempts to surpass the A$1 mark again in mid-to-late October, it has struggled to sustain those higher levels. This is primarily due to capital market participants' discomfort with management's shifting focus, i.e., from lithium to gold and then to silver. Additionally, the market has been sceptical of the reported extremely high-grade anomalies within the Shafter tenement, given that the historical data are non-JORC and dated (last updated in 2015). With ASX investors generally more conservative toward silver players than their U.S. counterparts, BKB's stock market performance has recently lagged those of silver metal prices.

BKB stock has jumped ~348% in the last 18 months following the acquisition of Shafter Silver and Independence Gold mines; it still lags silver metal price performance and is currently trading at ~38% lower to its 52-week high

Given the scarcity of pure-play silver companies in Australia, ASX investors lack the experience and frameworks to accurately value a primary silver asset like Shafter Silver. North America (Canada and the U.S.) has a broader pool of silver companies listed there, with holdings across the Americas (North America and Latin America), generating massive trading volumes that prompt institutional investors to evaluate silver investments rationally. We anticipate that as the industrial and monetary value of silver gains broader recognition, Australian investors will move beyond viewing it solely as a hedge. This shift should ultimately support a strong re-rating for primary silver companies. Black Bear's upcoming U.S. OTC listing will act as an additional catalyst.

Additionally, **we believe most ASX investors are uneasy with Shafter Silver's non-JORC resource estimate.** However, the recent and ongoing extensive drilling programme has already produced results, including an exceptional assay sample that returned an impressive grade of 3,100g/t Ag from one of the holes. We anticipate multiple resource upgrades and a project extension in the near term. Furthermore, what most investors are missing is that ***Shafter is a near-production silver mine with all necessary infrastructure in place. This significantly de-risks all planned activities***, making it a straightforward mine to restart production (~24 months).

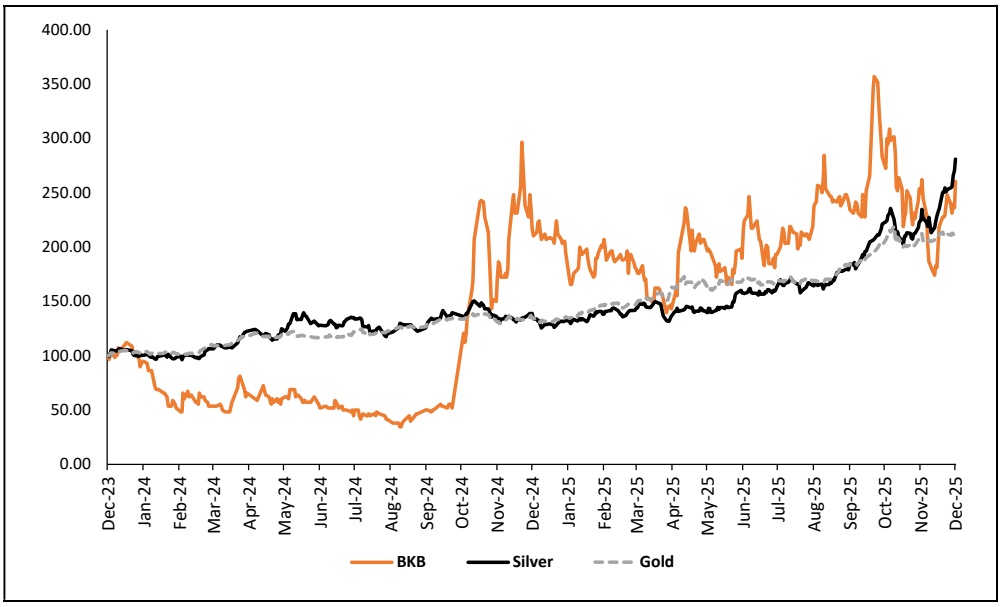
While current market conditions have been favourable to junior gold miners, we expect additional support for BKB as management provides more detailed information on the ongoing scoping study for the Independence project. The recent metallurgical testwork confirming ~96% gold recovery of

high-grade skarn resource gives us confidence in the Independence project's potential to unlock commercial value.

Silver and gold prices have been surging in 2025 (+67.3% and +26.3% YTD, respectively). They are expected to remain resilient in 2026 (new base of A$4,000/oz and A$55/oz, respectively), driven by heightened economic uncertainties, rapidly escalating demand, global supply disruptions, tightening inventories, inflationary pressures, and geopolitical conflicts, which are expected to support BKB stock's further rise.

In our view, BRK is undergoing a fundamental transformation. As exceptionally high-grade sample assay results and news of polymetallic mineralisation-expansion continue to emerge in the coming months, we expect potential investors to begin re-evaluating BKB as a high-quality junior miner. *The current market valuation appears to reflect only the broader macro story, not the company's complete operational (polymetallic) transformation*. ***We believe that, despite consistently high share price performance in the last two years, BKB still represents a compelling opportunity as the market catches up.***

Figure 45: Recently, BKB stock has dropped behind the silver price performance



Source: S&P Capital IQ, Argus Metals and East Coast Research

Catalysts for the re-rating of BRKs

Black Bear Minerals is trading at an early-stage exploration valuation with limited JORC-defined resources currently priced into the stock. However, multiple near- and medium-term catalysts could unlock shareholder value and drive a re-rating in market capitalisation.

- **Exploration Success across Projects**: Successful drilling at South Hill results in significant gold mineralisation potential outside of the near-surface MRE at the Independence project. This is expected to result in a potential incremental resource estimate across the entire Independence Project. Additionally, with an active drilling programme underway, surface sample assay results have hinted at exceptionally high-grade rock-chip silver intercepts outside the resource estimates, positioning the Shafter project for a potential resource extension and upgrade and creating a re-rating opportunity.

- Confirmation of historical resource estimate as unconstrained JORC resources at Shafter in early 2026 will act as a significant catalyst for further re-rating of the stock.

- **Strategic Location:** Both Black Bear projects lie in a tier-1 mining jurisdiction, which supports a superior position for asset development:
  - BKB's new acquisition, Shafter Silver Project, is located in Presidio County, Texas, near the town of Marfa, which is situated within a basin carbonate sequence strategically located within the extension of Mexico's Eastern Sierra Madre Belt – home to the world's fifth largest silver producing mine, Newmont's Penasquitos mine. The project spans 4km along the highly prospective zone, which has partially permitted an underground mine and all major infrastructure, i.e., mines, a declining shaft, a processing plant, non-process infrastructure, and a power substation. The project's prime geological position enhances its potential and supports a compelling re-rating opportunity as exploration advances.
  - Independence Project's Nevada district is widely regarded as one of the premier mining jurisdictions globally and is known for its rich mineral resources and supportive regulatory environment. Factors like an abundant skilled workforce, proximity to end markets, and pro-mining policies make Nevada a desirable destination for mining investment and exploration, supporting the investment rationale for potential investors.

We have identified several potential catalysts that could help close the gap between BKB's current share price and our target price

- **Maiden near-surface mineral resource to unlock hidden value in historical drill data and boost economics at Shafter:** A maiden near-surface rock chip sampling returns, assay results up to 3,100g/t Ag outside of the Shafter MRE, improving potential mining economics and development optionality. The re-assay program has already shown a potential uplift in silver grades across historic drill samples. Additionally, the samples highlight the polymetallic nature of mineralisation at the project. i.e. silver, lead, zinc and vanadium. By demonstrating scalability and multi-commodity mineralisation, this milestone could significantly enhance market confidence and drive a valuation uplift.

- **Metallurgical test work to strengthen project viability:** Strong gold recoveries (up to ~96%) from recently-concluded metallurgical test work at the Independence project are expected to validate processing assumptions and de-risk ongoing feasibility studies. Positive results would not only enhance project economics but also support a market re-rating based on improved development certainty.

- **Commodity price tailwinds:** Black Bear Minerals stands to benefit significantly from favourable commodity price dynamics. Sustained strength–or further increases–in silver and gold prices would directly enhance the economic appeal and valuation of the Shafter and Independence projects, respectively.

- Any **positive corporate activity-related news from the non-core lithium projects**, i.e. *La Grande Lithium Project and Troilus Lithium Project,* could significantly impact the company's share price.

Key Risks

While Black Bear Minerals presents an investment opportunity across two of the most essential base metals with multiple re-rating catalysts, investors should remain aware of several key risks that could impact the investment thesis:

The key risks to our investment thesis are exploration risk, commodity price risk development and funding risk, regulatory risk.

- **Exploration Risk:** As an early-stage explorer, BKB's valuation is highly sensitive to exploration success (validating exceptionally high silver grade at Shafter project and high gold grade at Independence project). Drilling results may not meet expectations, which could impact market confidence and share price performance.
- **Development and Funding Risk:** Successive drilling, metallurgical testing, and scoping studies at the Shafter and Independence projects will require significant capital. There is no certainty that future funding will be secured on favourable terms, which could potentially lead to dilution or delays.
- **Commodity Price Volatility:** BKB is exposed to fluctuations in the prices of its key commodities, i.e. gold and silver. Sustained price weakness could reduce project economics and investor appetite.
- **Geological Risk–**For a mining company such as Black Bear, there exists a tangible risk of downward estimates of reserve figures. There is also a risk that a percentage of indicated resources will be re-categorised as inferred resources in subsequent studies. Any such incident will negatively impact the projects' NAVs and, therefore, the company's valuation.
- **Regulatory and Permitting Risk:** Exploration and potential future development are subject to obtaining and maintaining the necessary permits and approvals. Changes in regulatory frameworks (in an otherwise stable Nevada region) or delays could affect project timelines.
- **Market and Liquidity Risk:** As a small-cap company, BKB may be subject to low trading volumes and share price volatility, which can affect investor entry/exit and capital raising capabilities.
- **Operational and Technical Risk:** The transition from exploration to development involves technical and operational complexities that may introduce cost overruns, scheduling issues, or unforeseen challenges, limiting the upside for potential investors.

Appendix I: BKB's SWOT Analysis

Figure 46: SWOT analysis

Strengths	Weakness
1) Multi-commodity exposure spanning gold, high-grade silver and lithium supports stability and provides resilience against price volatility 2) Tier-1 U.S. jurisdictions like Texas and Nevada provide regulatory stability, low royalties, private land access, and strong permitting frameworks. 3) Strong existing infrastructure at both Shafter and Independence, including underground workings, processing facilities and key utilities, materially reduces capex and accelerates development timelines. 4) Proven historic production at Shafter (35Moz Ag) and robust near-surface heap-leachable gold at Independence enhance confidence in geology and metallurgy. 5) Strong exploration upside, with Shafter offering multi-commodity potential (Ag-Au-Pb-Zn) and Independence hosting high-grade skarn zones.	1) Limited current production means near-term cash flow depends on financing, staged development and successful project execution across multiple assets. 2) Shafter's historical operational setbacks highlight the need for improved mine planning, updated studies and stronger cost-control to ensure sustainable restart economics. 3) The skarn Resources defined at Independence are deep and entirely in the low-confidence category of Inferred.
Opportunities	**Threats**
1) Significant potential to expand high-grade silver resources at Shafter through drilling across underexplored extensions of the historic Presidio and Shafter trends. 2) Upcoming JORC resource at Shafter may unlock multi-commodity value by incorporating gold, lead and zinc previously excluded from estimates. 3) Proximity of Independence to major Nevada gold producers enhances strategic value and increases the likelihood of future takeover interest. 4) Independence hosts both near-surface oxide and high-grade skarn systems, offering potential for substantial resource growth through targeted drilling. 5) Improved silver and gold prices could materially enhance project NPV, restart economics and accelerate development decisions.	1) Commodity price volatility in silver and gold may affect project valuations, financing conditions and restart decisions. 2) Tight credit markets due to the currently high economic uncertainty levels can make raising capital on favourable terms difficult for BKB to continue its resource development activities.

Source: East Coast Research

Appendix II: Management Team

Black Bear is guided by an accomplished leadership team with deep expertise in exploration, resource development, project optimisation, and capital markets, across global majors such as Rio Tinto, Newmont, and Fortescue. With a proven track record in project acquisition, development, and strategic growth, they bring a powerful blend of technical, financial, and operational capabilities to drive value.

Figure 25: Black Bear has an experienced management team and board members

Name and Designation	Profile
Matthew Hayes Executive Chairman	• Co-founder of James Bay Minerals (ASX: JBY) and Sun Silver Limited (ASX: SS1), bringing more than seventeen years of experience across corporate development, M&A and capital markets. • Managing Director of Wagtail, where he originated, negotiated and secured the acquisitions of James Bay Minerals' Independence Gold Project and Sun Silver's Maverick Springs Silver–Gold Project. • Proven track record in identifying strategic mineral assets and executing value-accretive transactions across multiple commodities and jurisdictions.
Andrew Dornan Corporate Consultant	• Co-Founder of James Bay Minerals (ASX: JBY) and Sun Silver Limited (ASX: SS1), bringing over 19 years of senior commercial management experience across major and mid-tier global mining companies. • Held key leadership roles with Newmont, Rio Tinto Copper-Gold, Pilbara Minerals, Tianqi Lithium and Fortescue Metals Group, spanning operations, commercial strategy and international growth.
Dennis Lindgren CEO	• Former Director of Strategy and Global Business Development at Alcoa, leading initiatives across U.S. critical minerals and downstream value chains. • Qualified Mining Environmental Scientist with deep expertise in regulatory compliance, ESG performance, and operational risk management. • Previously Group Environmental Manager at South32, overseeing environmental governance, portfolio optimisation and transformation programs across a multi-asset global footprint.
Judy Baker Non-Executive Director	• CEO and President of Argo Gold, bringing extensive leadership experience across exploration, project advancement and corporate strategy. • Former Director of Nemaska Lithium for eight years, contributing to one of Quebec's most significant lithium developments. • Qualified Geologist and Engineer with an MBA, combining strong technical expertise with deep capital markets capability.
Dean Ercegovic Non-Executive Director	• Non-Executive Chairman of Sun Silver (ASX: SS1). • Founding Director and Chief Operating Officer of Primero Group, where he spent over 11 years. Primero now operates in multiple regions worldwide and is an industry leader in the design, construction, and operation of mineral processing facilities.
Daniel Loughnan Chief Financial Officer	• Daniel is a Certified Practising Accountant (CPA) with 20+ years of experience. • He is a director of Danpalo Group and an accounting consultant to various ASX-listed companies.

Source: Company and East Coast research

Appendix III: Peer Data

Figure 47: Silver Peer Set

S.No.	Ticker	Name	Market Cap (A$m)	EV (A$m)	EV/Moz	Mineral Resource Estimate (Mt)			Mineral Resource Estimate (Mt)	Ag (g/t)	Ag (Moz)
						Measured	Indicated	Inferred			
1	TSX: VZLA	Vizsla Silver Corp.	2,691.5	2,376.3	25.5	0.0	7.5	7.2	11.1	262.8	93.3
2	TSX:USA	Americas Gold and Silver Corporation	2,667.0	2,703.0	16.2	14.9	25.4	14.7	47.6	109.6	167.1
3	TSX:ABRA	AbraSilver Resource Corp.	1,825.2	1,794.3	8.8	33.2	70.7	19.6	113.7	55.9	203.5
4	TSX:ASM	Avino Silver & Gold Mines Ltd.	1,396.4	1,316.3	6.8	8.5	44.6	23.8	65.0	93.4	194.2
5	TSXV: DV	Dolly Varden Silver Corporation	647.3	609.7	12.4	0.0	4.2	6.8	7.6	202.8	49.1
6	ASX: ASL	Andean Silver Limited	440.0	428.1	14.4	0.0	1.0	8.8	5.4	172.1	29.7
7	ASX: USL	Unico Silver Limited	425.6	413.1	9.1	0.0	9.4	21.6	20.2	69.9	45.2
8	ASX:POL	Polymetals Resources Ltd	351.8	370.2	7.2	4.4	12.4	4.7	19.2	83.6	51.2
9	TSXV: BRC	Blackrock Silver Corp.	309.7	302.0	11.1	0.0	1.3	5.1	3.9	217.0	27.1
10	ASX:BHM	Broken Hill Mines Limited	305.7	317.4	12.4	1.4	3.5	11.2	10.4	76.8	25.6
11	ASX:MTH	Mithril Silver and Gold Limited	93.2	74.9	11.2	0.0	0.7	1.7	1.6	135.1	6.7
	ASX:BKB	**Black Bear Minerals Limited**	**103.4**	**99.3**	**6.9**	**0.1**	**1.0**	**0.8**	**1.5**	**298.0**	**14.4**

Source: S&P CapIQ and East Coast Research

Figure 48: Gold Peer Set

S. No	ASX Code	Company	Market Cap (A$m)	EV (A$m)	Total Resources (Moz)	Grade (g/t)	Inferred Resources (Moz)	Weighted Average Comparable Total Resources (Moz)	EV / Weighted Average Comparable Total Resources (A$/oz)
1	ASX:TCG	Turaco Gold Limited	879.1	795.5	3.550	1.22	1.780	2.66	299.05
2	ASX:AUC	Ausgold Limited	515.8	504.2	3.040	1.06	0.620	2.73	184.69
3	ASX:NMG	New Murchison Gold Limited	508.6	489.4	0.280	3.94	0.053	0.25	1,933.23
4	ASX:AZY	Antipa Minerals Limited	410.7	374.4	2.424	1.50	0.774	2.04	183.85
5	ASX:RXL	Rox Resources Limited	400.1	349.8	2.448	4.06	0.813	2.04	171.33
6	ASX:STK	Strickland Metals Limited	457.6	434.0	7.800	1.20	7.800	3.90	111.28
7	ASX:MAU	Magnetic Resources NL	369.1	361.2	1.929	1.81	0.524	1.67	216.64
8	ASX:AAR	Astral Resources NL	331.9	313.4	1.761	1.10	0.503	1.51	207.54
9	ASX:GG8	Gorilla Gold Mines Ltd	389.4	364.4	0.987	4.49	0.899	0.54	677.85
10	ASX:STN	Saturn Metals Limited	286.1	258.9	2.030	0.53	0.874	1.59	162.55
11	ASX:TSO	Tesoro Gold Ltd	195.4	190.2	1.309	1.07	0.579	1.02	186.59
12	ASX:TOR	Torque Metals Limited	159.6	156.6	0.250	3.09	0.187	0.16	1,000.64
13	ASX:HRN	Horizon Gold Limited	128.9	128.9	2.137	1.29	0.791	1.74	74.03
14	ASX:MAT	Matsa Resources Limited	112.9	112.1	0.941	2.51	0.538	0.67	166.71
15	ASX:GPR	Geopacific Resources Limited	111.4	79.2	1.733	1.07	0.207	1.63	48.62
16	ASX:KAI	Kairos Minerals Limited	114.5	104.4	1.618	1.02	0.784	1.23	85.14
17	ASX:GBR	Great Boulder Resources Limited	76.0	63.7	0.501	2.79	0.245	0.38	168.26
18	ASX:FEG	Far East Gold Limited	58.7	50.4	0.540	4.10	0.540	0.27	186.80
19	ASX:SHN	Sunshine Metals Limited	49.0	47.2	0.337	1.62	0.214	0.23	205.76
20	ASX:NXM	Nexus Minerals Limited	41.7	30.4	0.308	1.68	0.168	0.22	135.87
21	ASX:TG6	TG Metals Limited	21.1	20.5	0.190	1.38	0.114	0.13	153.38
	ASX:BKB	**Black Bear Minerals Limited**	**103.4**	**99.3**	**1.370**	**4.90**	**1.075**	**0.83**	**119.39**

Source: S&P CapIQ and East Coast Research

Appendix IV: Surface Geochemical Sample Results from Shafter Silver Mine

Figure 49: Exceptional high-grade rock chip sample results

Sample ID	Sample Type	Easting	Northing	RL (m)	Ag (ppm)	Au (ppm)	Pb (ppm)	Zn (ppm)
SRK001	Rock Chip	564,583	3,298,337	1,276	BDL	BDL	4	22
SRK002	Rock Chip	564,582	3,298,305	1,277	1	BDL	24	210
SRK003	Rock Chip	564,558	3,298,081	1,289	BDL	0.002	31	40
SRK004	Rock Chip	564,655	3,298,095	1,295	1	0.003	15	97
SRK005	Rock Chip	564,655	3,298,095	1,295	1	BDL	11	77
SRK006	Rock Chip	564,654	3,298,097	1,295	BDL	0.001	10	71
SRK007	Rock Chip	564,654	3,298,099	1,295	1	0.009	475	859
SRK008	Rock Chip	564,654	3,298,098	1,295	2	0.004	152	611
SRK009	Rock Chip	564,653	3,298,101	1,295	2	0.005	103	324
SRK010	Rock Chip	564,653	3,298,101	1,295	4	0.008	216	542
SRK011	Rock Chip	564,653	3,298,100	1,295	2	0.006	529	1,195
SRK012	Rock Chip	564,655	3,298,102	1,295	8	0.024	821	2,720
SRK013	Rock Chip	564,652	3,298,104	1,295	13	0.019	1,565	3,340
SRK014	Rock Chip	564,654	3,298,105	1,295	33	0.011	577	2,650
SRK015	Rock Chip	564,654	3,298,105	1,295	6	0.001	41	1,005
SRK016	Rock Chip	564,660	3,298,106	1,294	1	BDL	12	85
SRK017	Rock Chip	564,659	3,298,106	1,294	1	BDL	239	690
SRK018	Rock Chip	564,664	3,298,104	1,294	30	0.015	1,740	4,680
SRK019	Rock Chip	564,665	3,298,105	1,294	2	0.001	30	252
SRK020	Rock Chip	564,662	3,298,106	1,294	10	0.001	676	1,820
SRK021	Rock Chip	564,661	3,298,106	1,294	28	0.005	1,360	3,010
SRK022	Rock Chip	564,664	3,298,106	1,294	25	0.005	2,760	6,690
SRK023	Rock Chip	564,667	3,298,115	1,300	1	0.001	16	92
SRK024	Rock Chip	564,667	3,298,117	1,299	4	0.008	275	1,650
SRK025	Rock Chip	564,665	3,298,111	1,301	1	BDL	68	1,040
SRK026	Rock Chip	564,667	3,298,118	1,299	12	0.007	1,010	6,940
SRK027	Rock Chip	564,667	3,298,122	1,298	2	0.005	184	1,210
SRK028	Rock Chip	564,667	3,298,121	1,298	15	0.009	533	1,820
SRK029	Rock Chip	564,667	3,298,122	1,299	16	0.012	496	2,120
SRK030	Rock Chip	564,668	3,298,122	1,299	17	0.008	460	1,270
SRK031	Rock Chip	564,667	3,298,123	1,297	9	0.004	522	1,685
SRK032	Rock Chip	564,665	3,298,124	1,298	82	0.004	617	2,640
SRK033	Rock Chip	564,670	3,298,126	1,299	29	0.013	641	1,895
SRK034	Rock Chip	564,667	3,298,136	1,300	15	0.013	504	1,290
SRK035	Rock Chip	564,668	3,298,137	1,294	66	0.063	5,430	2,920
SRK036	Rock Chip	564,667	3,298,139	1,301	467	0.073	5,390	9,050
SRK037	Rock Chip	564,668	3,298,137	1,300	45	0.017	17,350	3,110
SRK038	Rock Chip	564,668	3,298,141	1,301	12	0.009	18,500	2,960
SRK039	Rock Chip	564,663	3,298,149	1,296	790	0.111	2,350	8,190
SRK040	Rock Chip	564,659	3,298,153	1,295	6	0.003	125	205
SRK041	Rock Chip	564,655	3,298,163	1,299	2	0.002	94	238
SRK042	Rock Chip	564,657	3,298,166	1,299	340	0.053	27,400	6,930
SRK043	Rock Chip	564,657	3,298,167	1,299	153	0.026	33,600	11,350
SRK044	Rock Chip	564,656	3,298,166	1,299	247	0.024	52,900	2,460
SRK045	Rock Chip	564,654	3,298,169	1,298	626	0.064	60,200	3,490
SRK046	Rock Chip	564,653	3,298,170	1,298	7	0.001	814	296
SRK047	Rock Chip	564,612	3,298,169	1,289	192	0.027	5,040	4,840
SRK048	Rock Chip	564,612	3,298,169	1,289	96	0.049	3,960	8,660
SRK049	Rock Chip	564,608	3,298,160	1,290	281	0.022	6,080	20,100
SRK050	Rock Chip	564,608	3,298,159	1,290	348	0.039	9,920	7,850
SRK051	Rock Chip	564,607	3,298,159	1,290	109	0.016	860	999
SRK052	Rock Chip	564,601	3,298,161	1,289	89	0.015	794	724
SRK053	Rock Chip	564,605	3,298,158	1,290	310	0.314	12,000	10,750
SRK054	Rock Chip	564,600	3,298,152	1,293	3,100	0.35	60,400	44,800
SRK085	Rock Chip	564,644	3,297,788	1,268	4	0.015	201	908
SRK086	Rock Chip	564,619	3,297,801	1,270	217	0.047	3,100	11,500

Source: Company

Appendix V: Analyst's Qualifications

Riddhesh Chandwadkar

The lead analyst on this report is an equity research analyst at Shares in Value (East Coast Research). Riddhesh has a Bachelor's degree from the University of Mumbai and a Master's degree in Commerce (with a focus on Finance and Strategy) from the University of Sydney. He has passed Level 1 of the CFA Programme. Riddhesh has experience working across Equity Capital Markets as an investment analyst, focusing on Capital Raising and Mergers and Acquisitions for ASX-listed companies.

Rahul Tiwari

The analyst on this report is an equity research analyst at Shares in Value (East Coast Research). Rahul has a bachelor's and master's degree in Applied Finance from Macquarie University, a master's in Accounting from UNSW, and an MBA from Cornell University in the USA. Rahul has several years of experience across wealth management and investments, infrastructure project finance, private equity, and high-tech.

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