



**ARMADALE**  
**CAPITAL** PLC

# CANYON SILVER MINE OPTION AND RE-OPENING

“A high-grade historically producing mine”

June 2024

[www.armadalecapitalplc.com](http://www.armadalecapitalplc.com)

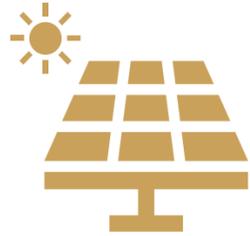


# A compelling and near-term mine opportunity

- High-grade historically producing mine
- Located in the Silver Valley of North Idaho, a part of the famous Coeur d'Alene Mining District
- Wide zones of mineralisation exposed by previous mining
- No modern exploration conducted despite the large scale of nearby deposits and historical high-grade production from the mine
- Stockpiles previously sold at hand-sorted grades of:
  - 1,020 g/t silver, 66% lead and 10% zinc from historically trucked grades
  - Further grades of 50% zinc, 255 g/t silver and 8% lead
- Further opportunity to discover material with 3 to 4 more veins still to assess
- Areas of mineralisation that can be exposed quickly have been identified from the existing shafts
  - ✓ **Simple mine operation**
  - ✓ **Historic high-grade production**
  - ✓ **Potential to increase shareholder value by defining a resource**
  - ✓ **Compelling macro for silver, lead and zinc**

Silver plays a significant role in the green energy transition

# Global Silver Demand for the Green Energy Transition



## SOLAR PV DEMAND

- Silver industrial demand in 2023 grew 11% YoY with demand from Solar PV increasing 64% YoY, drawing roughly 5500t and forecasts indicate solar PV demand could reach roughly 6500t in 2024.
- Global solar installation has grown tenfold in the past decade, surpassing 1.4 Terawatts (TW) as of 2023.
- Should the solar industry continue to grow at its current rate, worldwide solar power could approach 9TW in 2031.

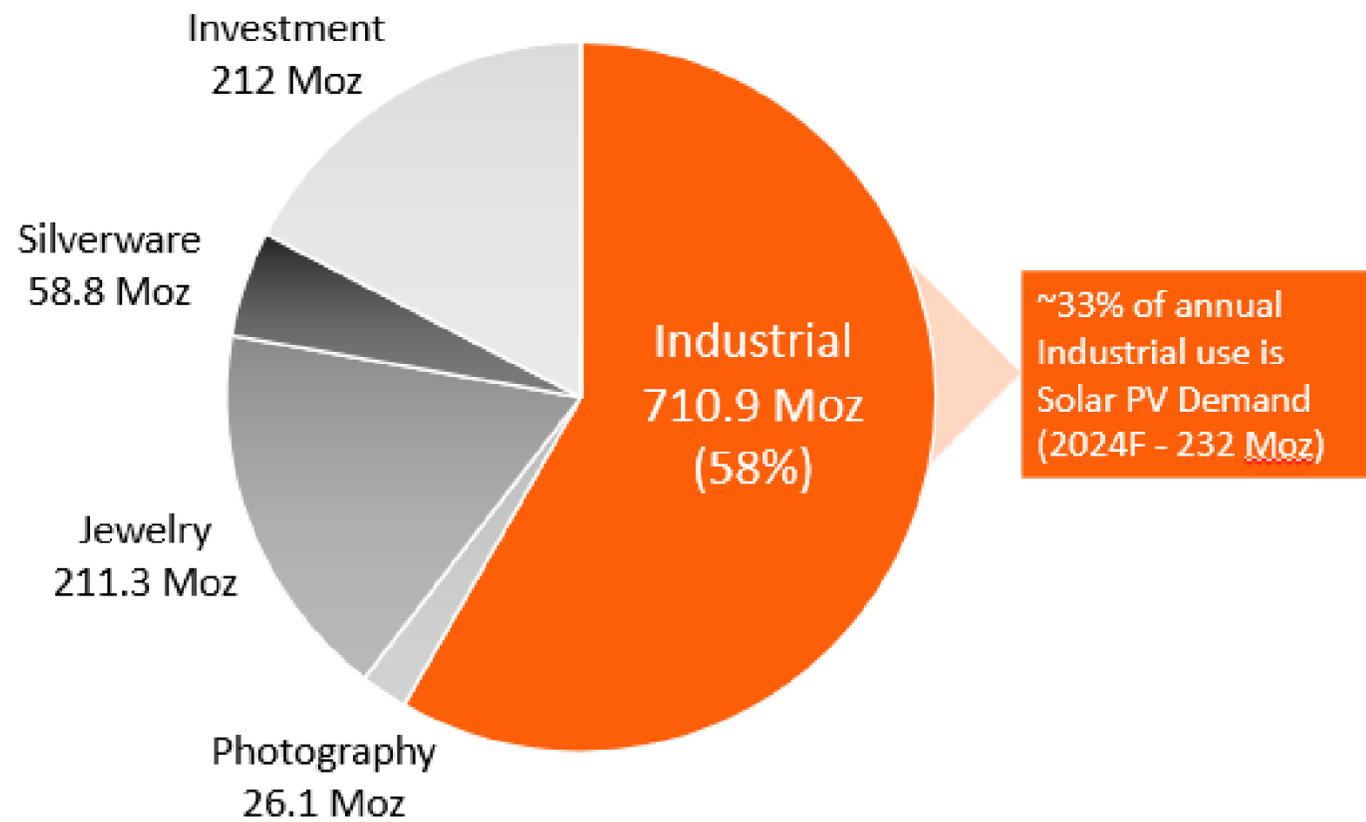


## EV DEMAND

- Silver for EV demand has grown at a CAGR of 42.9% over the past 10 years, consuming more than 500 tonnes of silver in 2023. According to estimates by the Silver Institute, the average internal-combustion vehicle (both petrol and diesel) uses between 15-28 grams of silver, 18-34 grams for hybrids, and roughly 25-50 grams per EV. Should those statistics hold true, the global transition to EVs could lead to a step change in silver demand from the automotive industry.

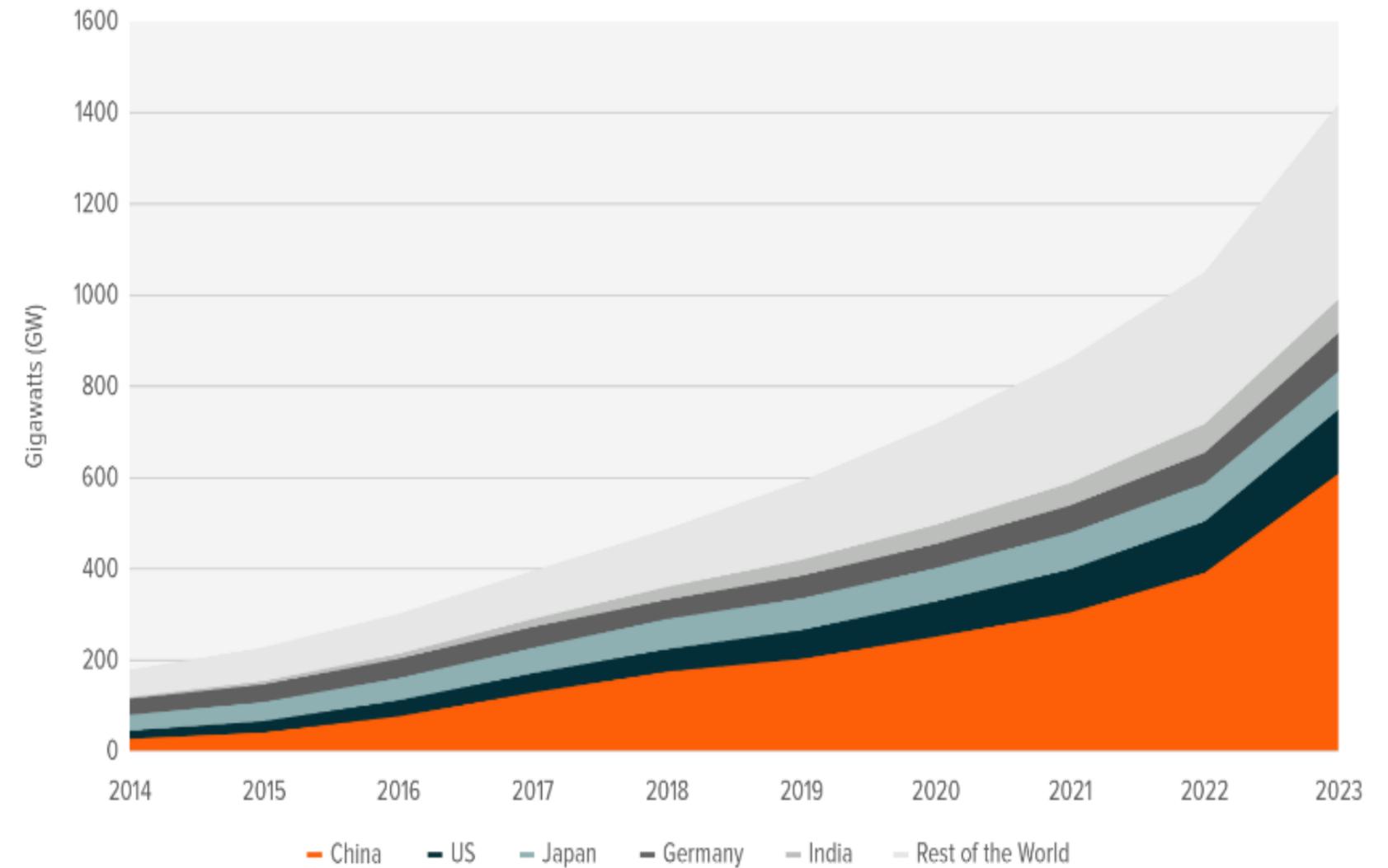
# Solar dominating Industrial Silver Demand

**Forecast Demand in 2024 (Million Ounces)**



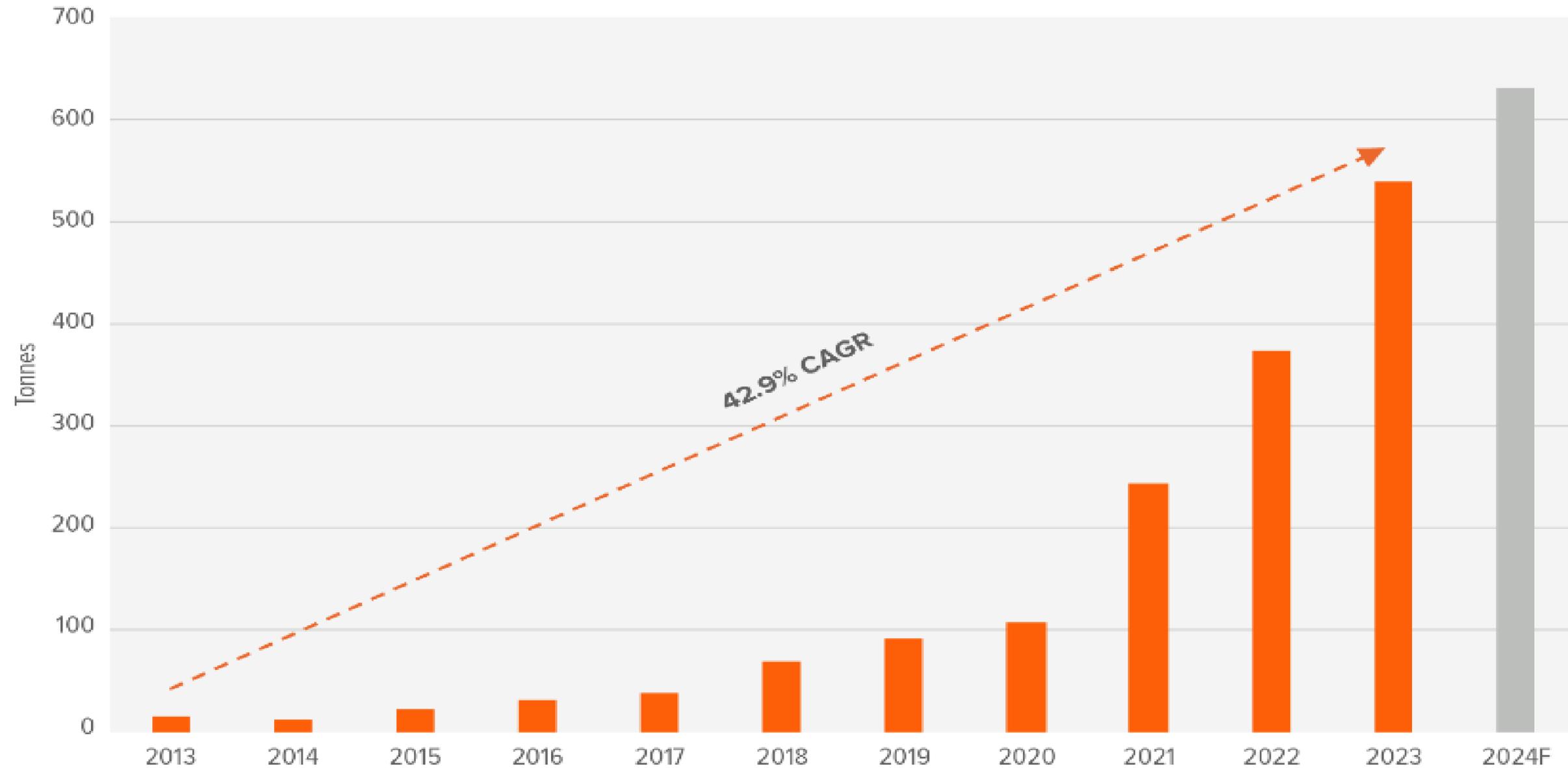
## GLOBAL SOLAR INSTALLED CAPACITY

Source: Global X ETFS using information from BP. (2022). Statistical Review of World Energy and Ember. (May, 2024). Open data - Total Install Base - Solar.



# EV Demand for Silver is growing rapidly

Source: Global X ETFs. Using information from IEA. (April 30, 2024). Global electric car stock, 2013-2023 and The Silver Institute. (January 21, 2021). Silver consumption in the global automotive sector to approach 90 million ounces by 2025.



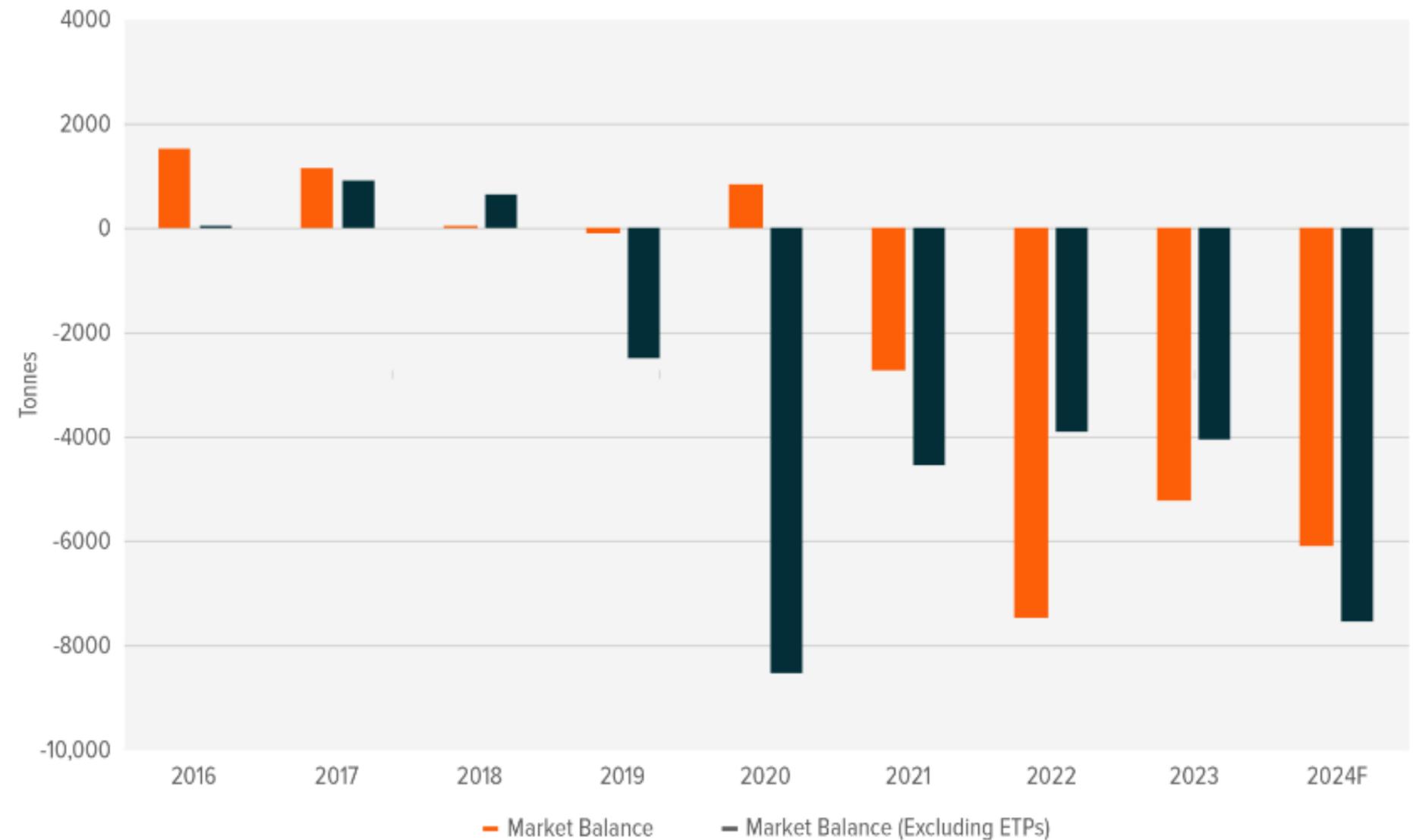
Forecasts based on views held by The Silver Institute and IEA as at 29/05/2024.

# Ongoing Silver Supply Deficit

- In the latest Silver Institute's latest World Silver Survey, the silver market marked its third consecutive year of supply deficits last year – or its fifth if investments (such as exchange traded products) are excluded.
- Mines across the world produced 23,340 tonnes of silver in 2013, today they produce a total of 23544 tonnes.
- Silver industrial demand, on the other hand, has grown at a rate of 4.5% (over five years) after a period of relative stagnation prior to 2018, and last year, total silver demand rose 18% to a record high of 35,150 tonnes, creating a supply deficit of around 7,500 tonnes.

## SILVER ENTERS AN ERA OF SUPPLY DEFICIT

Source: The Silver Institute. (2024) Silver Supply and Demand – Accessed on 29/05/2024.

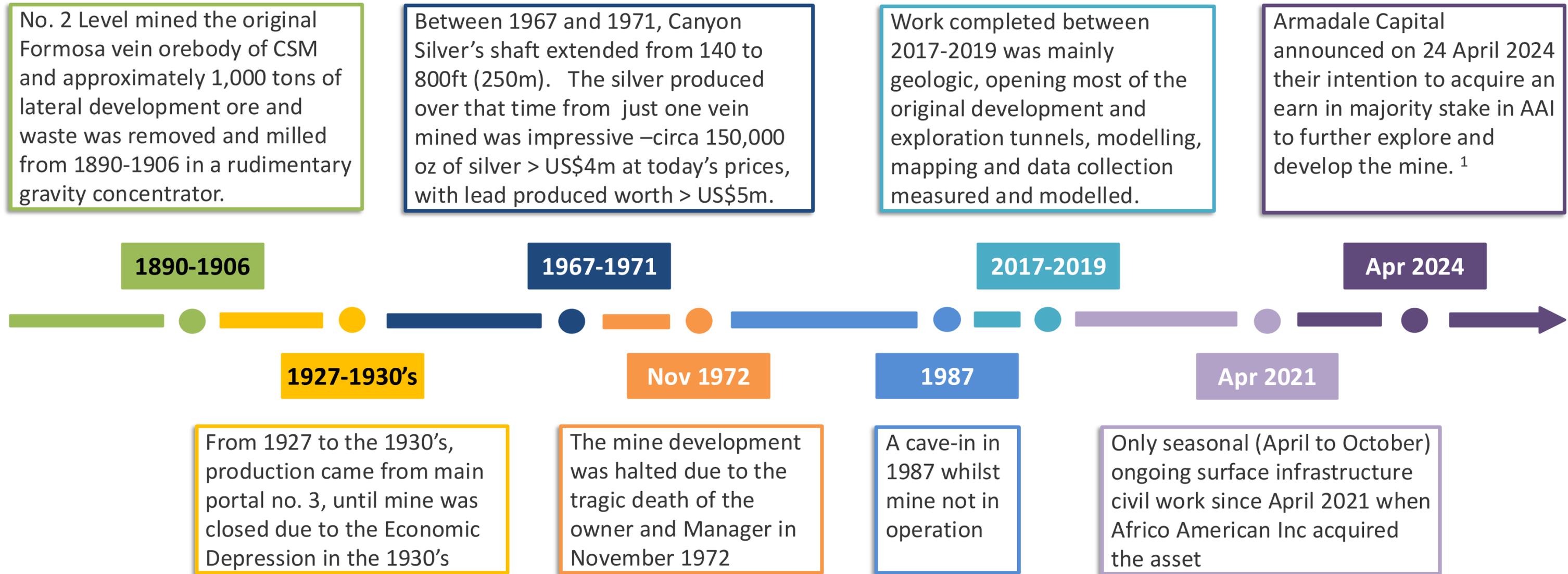


# Option to Acquire the Canyon Silver Mine Asset

- On 24 April 2024, the Board of Armadale Capital announced entering into a binding heads of terms agreement to 'earn-in' over 50% in Africo American Incorporated (AAI), the holding company of the Canyon Silver Mine asset in Idaho, USA. <sup>1</sup> Details included:
  - Phase One - acquire a 25% interest in AAI through purchase of new shares for US\$500k by 31 December 2024. (By 14 May 2024, Armadale had paid US\$150k of the initial US\$500k required to exercise Option One, with funds used to commence re-opening of the historic Canyon Silver mine shaft.)
  - Phase Two - increase interest to 43.8% in AAI through purchase of new shares for US\$1m in cash
  - Phase Three - final option to acquire an additional 7% interest in AAI (total holding to 50.8%) for US\$280k
- If Armadale exercises the final option to gain greater than 50% of the project, the vendor has the right to sell the remaining stake to Armadale for approximately \$US1.0m giving Armadale 100% ownership.

1. Refer to Company Announcement on 24<sup>th</sup> April 2024

# History timeline of the Canyon Silver Mine



1. Refer to Company Announcements in 2024 on 24<sup>th</sup> April, 2<sup>nd</sup> May, 14<sup>th</sup> May and 15<sup>th</sup> May 2024

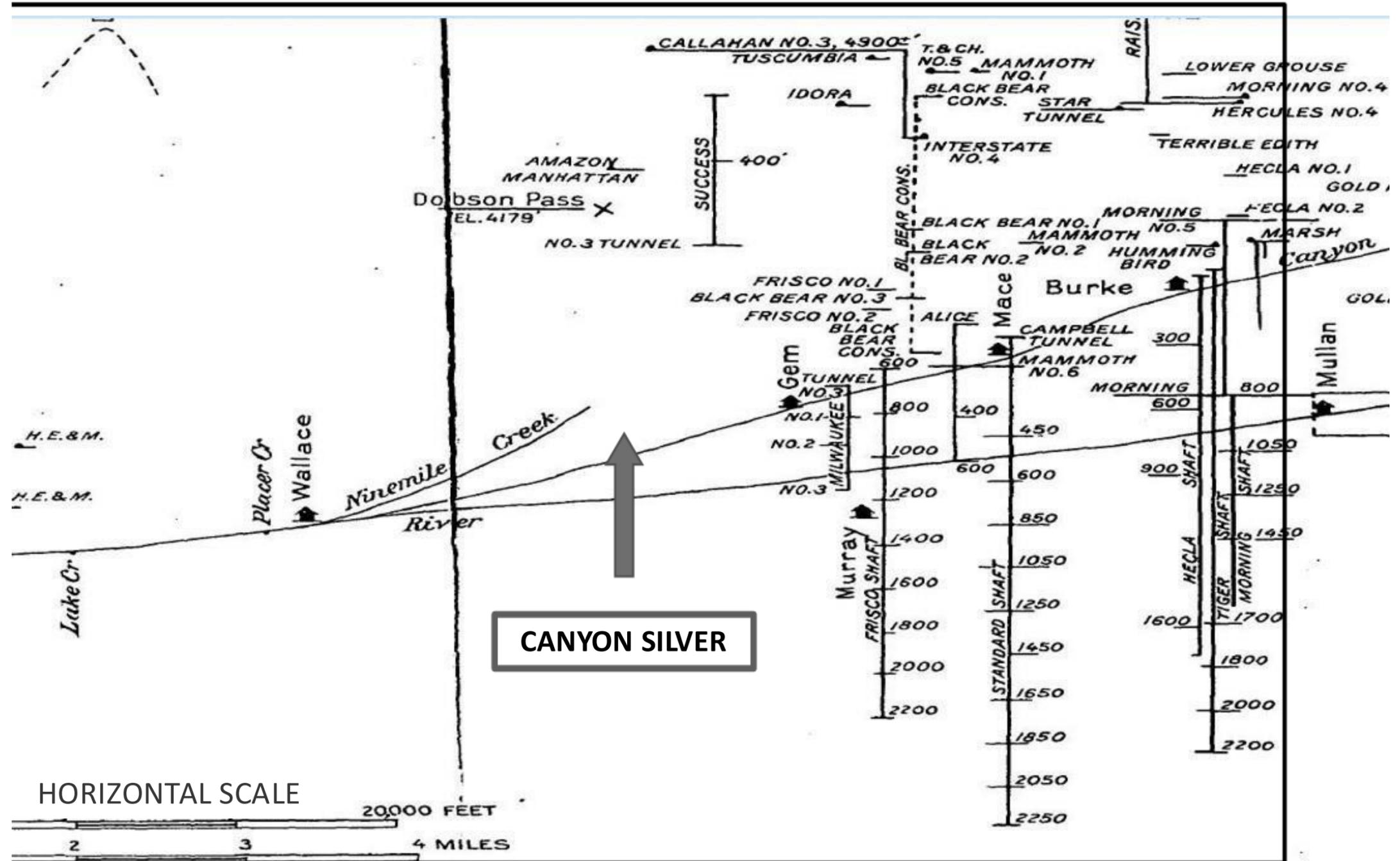
# Canyon Silver Mine located in Idaho's World-Class Silver Valley

- Silver Valley has over 120 years of history of mining copper, zinc, lead and silver
- Canyon Silver will explore nearby options for toll treating and smelting



# Canyon Silver Mine and neighbouring mines

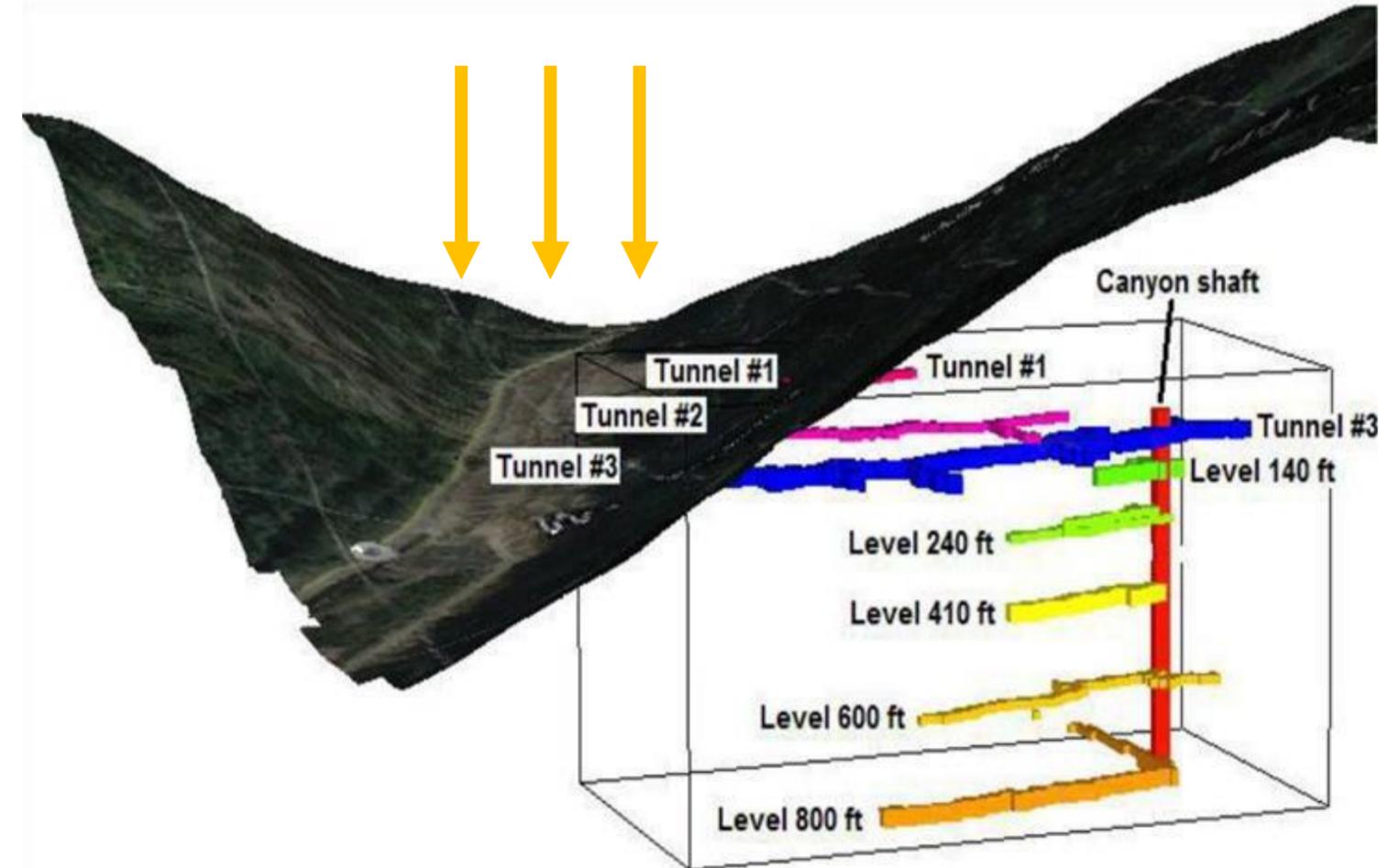
- By 1906, neighbouring mines were reaching depths of 2000ft, which indicates Canyon Silver's shaft can reach a far greater depth than 800ft.
- During the 1930's economic depression, many of these mines closed and never reopened.



# Canyon Silver Mine and Structure

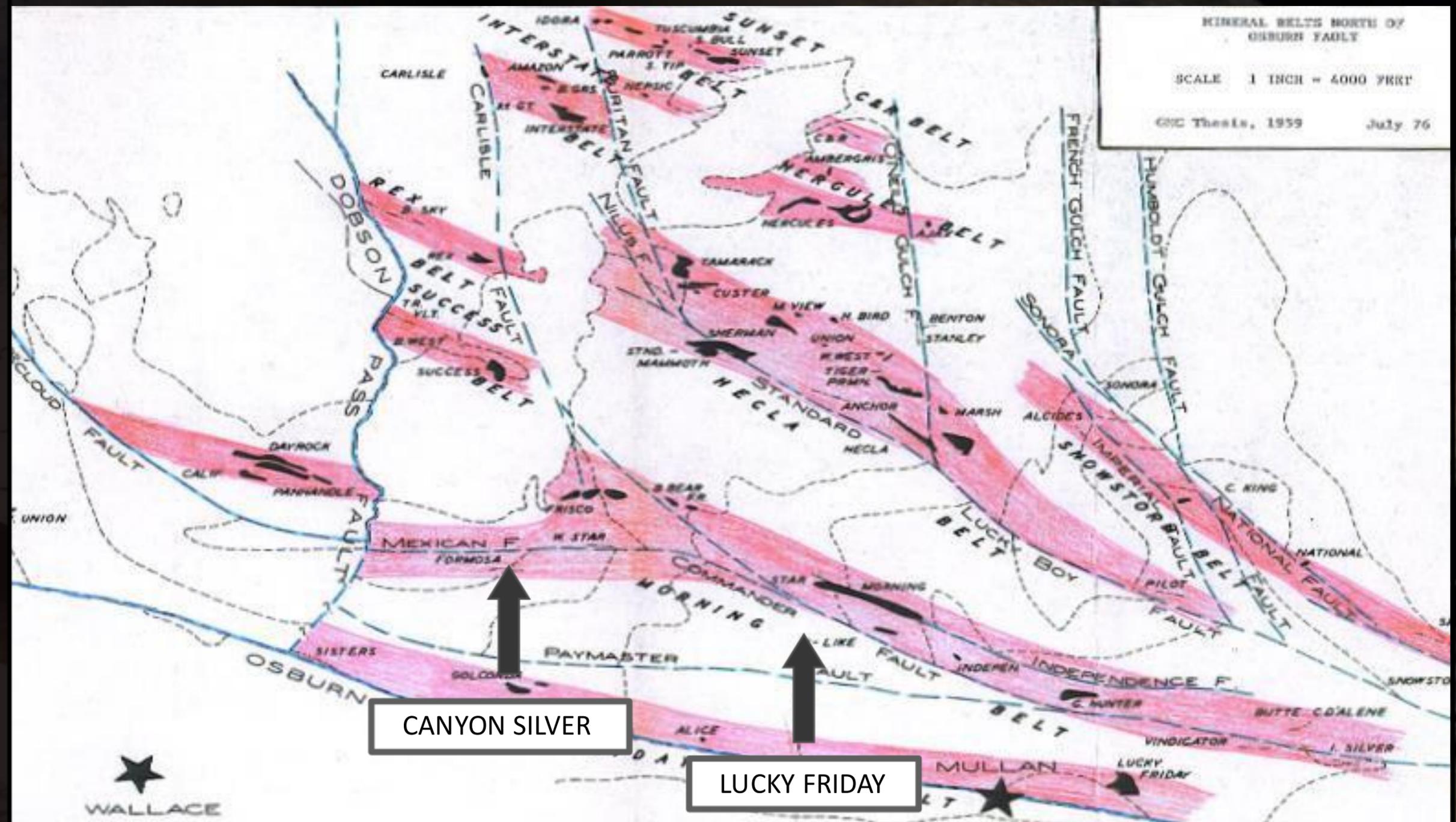
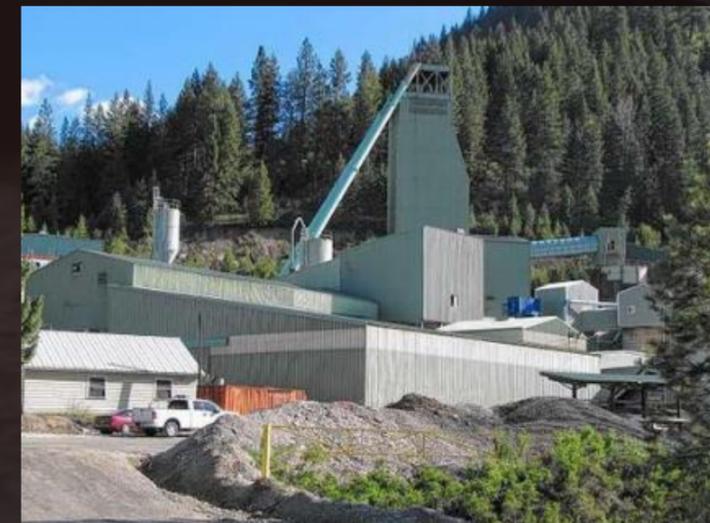
- A zinc, silver, and lead mine, located in Coeur D'Alene District in Northern Idaho.
- Located near dozens of +100-year-old mines and ore deposits that began production in the late 19th century.
- Canyon Silver's previously mined underground vertical shaft has 6 levels which is currently being re-opened.
- Since 1927, all production has come from Portal No. 3 which has been excavated and supported 90ft into the 300ft thick talus mountain side
- 100ft above Portal No. 3 is the No. 2 portal, which has been previously opened, supported, modeled and sampled, but needs cleaning out and further support around the winze that ties into No. 3 level.

**The previously mined underground vertical shaft has 6 levels which are currently being re-opened**



# Canyon Silver Mine - the next Lucky Friday?

The Canyon Silver Mine is located along the same mineral belt as Hecla's Lucky Friday Mine



Pictured: Mineral belts north of Osburn Fault

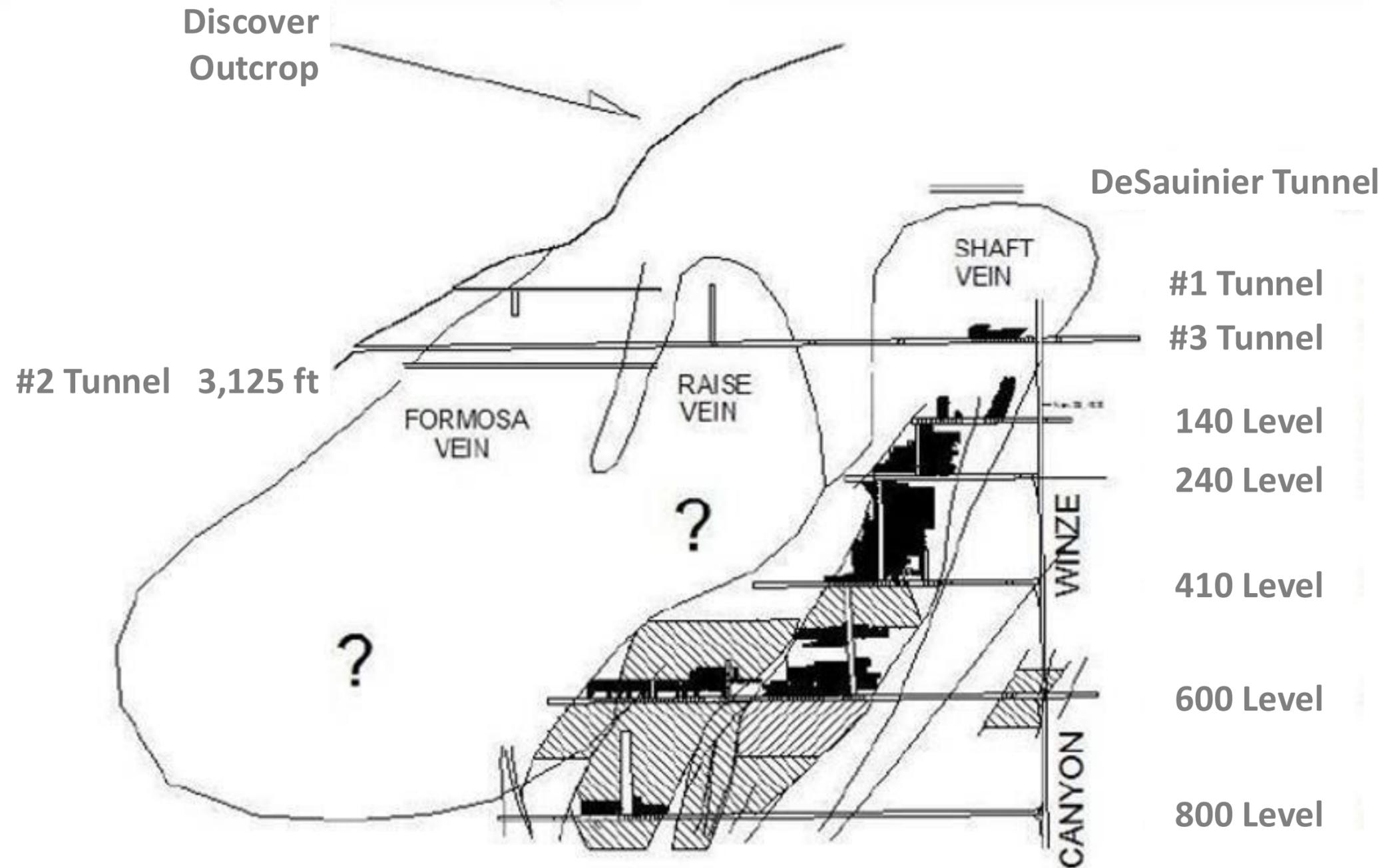
# Canyon Silver Mine - Upside Potential

- The six patented claims cover 40 hectares giving Canyon Silver excellent access to the historic workings
- Once existing adits are reopened, the company will commence exploration with a view to defining a JORC Resource and begin planning for the recommencement of mining.
- There are four known veins in the mine at adit level. Only one vein (the 'Shaft Vein') has undergone significant mining.



# Canyon Silver Mine - Upside Potential (cont..)

- Wide zones of mineralisation adjacent to historic production will be the target of initial exploration.
- There are three, possibly four more veins to explore.
- Mineralisation remains open at depth providing potential to define a JORC Resource.



# Canyon Silver Mine - Next Project Steps

On 14 May 2024, Armadale announced it had subscribed for US\$150,000 of the initial US\$500,000 required to exercise the first option to obtain a 25% interest in AAI. These funds will be used to commence the re-opening of Adit 2 and 3 of the Canyon Silver Mine. <sup>1</sup>

60 Days (from 14 May)

## Phase One

Commence re-opening of Canyon Silver Mine no. 2 and 3 adit whilst working legal and environmental permitting

Up to Six Months

## Phase Two

Make Tunnel No. 3 safe, commence repair work in hoist room and refurbish other underground infrastructure such as re-timbering and laying track

Up to 18 months

## Final Phase

Determined by geological results and mine plan. This may entail refurbishing the shaft and completing a scoping study on restarting operations

1. Refer to Company Announcements on 24<sup>th</sup> April 2024 and 14<sup>th</sup> May 2024

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