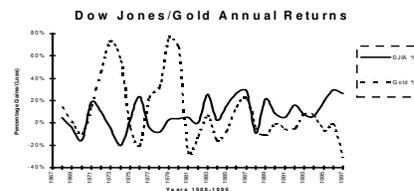




# Gold

## Energy & Tech Stocks



Weekly Hotline Message (Now in our 40th Year) July 9, 2021

New Coverage (2021-07-09)

### Tier One Silver Inc.



**Business:** Exploration and development of large-scale precious and base metals projects in Peru starting with the flagship Curibaya Project.

Trades Toronto:	TSLV
USOTC:	TSLVF
Shares Outstanding:	125,794,897
Public Float <sup>1</sup> :	~52,456,471
Price 7/9/21:	US\$1.03
Market Cap:	US\$130 million
Cash:	C\$~14 million
Fully Diluted Shares:	133,709,894
Progress Rating:	A-4
Telephone:	778 729 0600
Website:	<a href="https://www.tieronesilver.com/">https://www.tieronesilver.com/</a>

<sup>1</sup>The majority of shares outstanding are in strong hands. Management & Directors own 9%, close associates 40.5%, Newmont Goldcorp 8.8%, and institutions own 10%.

This is virtually a new company but a story that has been in the making going back four years when the Curibaya Project was held by Auryn Resources before Auryn was merged with Eastmain Resources, which then became known as Fury Gold Mines, a company that is also covered in this letter. From the beginning, Ivan Bebek, co-founder of Tier One



Silver, raved about the extensive rich silver and gold values hosted on surface veins throughout the Curibaya Property. Some of those are pictured in the photo (left). It has taken much longer than hoped for drilling to take place on this spinoff from Fury Gold Mines, but if my view of this company's future prospects is right, it will be well worth waiting for. As the company's **President & CEO Peter Dembicki** noted in a short film clip that you can watch on the company's website home page, "The company's flagship Curibaya Project hosts the



largest undrilled silver project they know of in the world.”

I was delighted to see shares of Tier One Silver, which I obtained as a spinout from Fury Gold Mines, begun trading in my account in June. Then on June 17 when it was announced that drilling was getting underway on the Curibaya, I knew it was time to bring this story to your attention.

At Auryn, Ivan Bebek and his team of geologists identified opportunities in a prolific mineral belt in the southwestern corner of Peru, where numerous world-class precious and base metals deposits have been discovered. The flagship project, Curibaya, as well as several other properties, has been acquired by Tier One Silver in this belt of rocks. Also, another spinout of Fury Gold Mines, namely Sombrero Resources—which has

not yet begun to trade—also exists. Those of you who owned Fury Gold Mines prior to the spinout can also look forward to that company beginning trading in the near future.

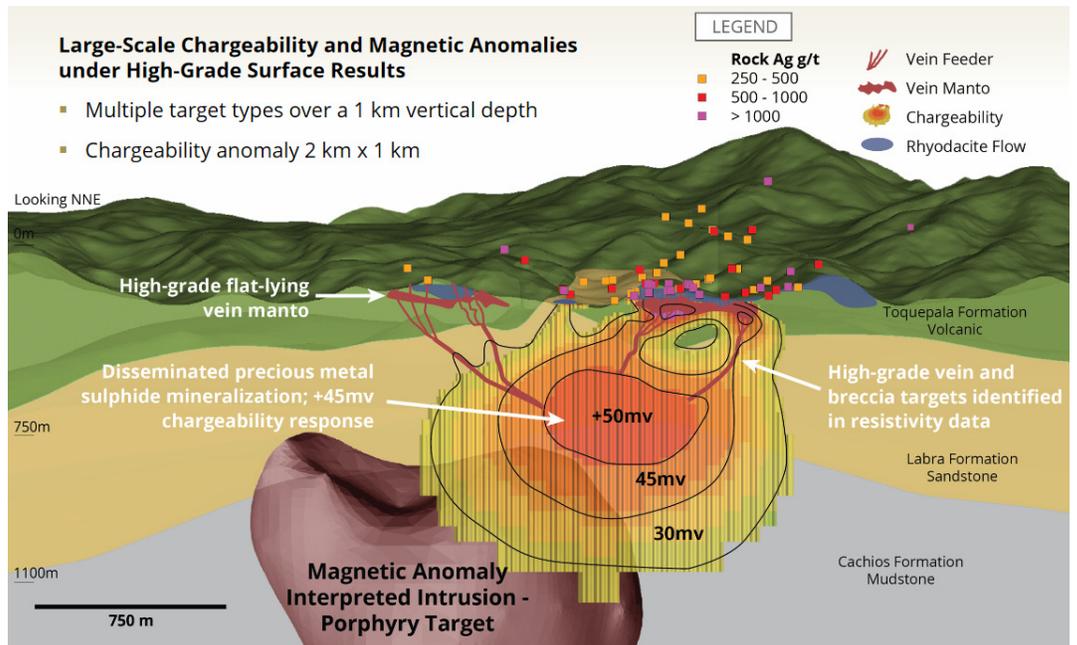
As the company’s Sr. Vice President of Exploration, Dave Smithson, noted in the short film clip on the company’s website, it didn’t matter which veins on surface were sampled over a 4 km by 5 km area, all were mineralized and a total of 81 samples graded over 500 g/t silver and 60 graded over 2g/t gold.

Some of those high-grade values are noted in the photograph on the prior page, and a more extensive list of silver and gold values is shown in the table on your right.

SILVER (g/t)							GOLD (g/t)						
1	298,590	22	2,010	43	1,125	64	732	1	934.00	22	7.19	43	3.08
2	14,180	23	1,855	44	1,070	65	730	2	43.20	23	6.97	44	3.01
3	10,415	24	1,680	45	1,060	66	709	3	42.60	24	6.81	45	2.91
4	9,180	25	1,660	46	1,030	67	706	4	23.60	25	6.72	46	2.88
5	7,990	26	1,630	47	1,020	68	666	5	17.65	26	6.39	47	2.86
6	6,940	27	1,610	48	1,015	69	663	6	17.55	27	6.10	48	2.86
7	4,740	28	1,600	49	946	70	656	7	16.50	28	5.10	49	2.8
8	4,620	29	1,585	50	945	71	620	8	15.60	29	4.93	50	2.76
9	4,520	30	1,560	51	907	72	618	9	15.10	30	4.92	51	2.55
10	4,100	31	1,480	52	900	73	618	10	14.55	31	4.84	52	2.52
11	3,950	32	1,480	53	886	74	588	11	14.10	32	4.84	53	2.42
12	3,490	33	1,445	54	874	75	584	12	13.40	33	4.78	54	2.39
13	3,260	34	1,410	55	868	76	558	13	10.10	34	4.78	55	2.36
14	3,110	35	1,405	56	861	77	546	14	9.94	35	4.66	56	2.35
15	2,990	36	1,340	57	807	78	537	15	9.46	36	4.29	57	2.29
16	2,780	37	1,310	58	800	79	523	16	8.31	37	3.86	58	2.27
17	2,600	38	1,285	59	790	80	514	17	7.88	38	3.64	59	2.08
18	2,290	39	1,190	60	783	81	509	18	7.62	39	3.63	60	2.07
19	2,220	40	1,160	61	778			19	7.59	40	3.30		
20	2,130	41	1,140	62	774		Cutoff at 500 g/t Ag	20	7.39	41	3.20		Cutoff at 2 g/t Au
21	2,070	42	1,130	63	736			21	7.29	42	3.11		

While surface mineralization is exciting, Management will be exploring deeper targets outlined by geophysical anomalies, illustrated as follows:

On June 17, Management announced that its drill plan covers an area of approximately 2 kilometers (km) by 1.5 km in an area of strong alteration and high-grade surface mineralization that is underlain by a strong chargeability anomaly ranging between 30 and 50 millivolts (mv), which is consistent with values that are associated with sulphide mineralization. Surface sampling and mapping have identified flat-lying high-grade manto structures and



subvertically oriented high-grade feeder structures that coincide with chargeability anomalies on surface and at shallow depths.

Importantly, these shallow chargeability anomalies coalesce into a single body at a vertical depth of approximately 400 m to 700 m into the highest values of the chargeability anomaly measured at greater than 50 mv, representing a potentially disseminated precious metal system at depth. The lower portion of the chargeability anomaly overlaps with a magnetic anomaly at depth, which Tier One's technical team has interpreted as the causative intrusion to the mineralization observed at surface. Each drill hole has been planned to test multiple targets along its length. So, there are three types of silver and gold targets: (1) High-grade flat-lying veins; (2) High-grade breccia feeder veins that provided the plumbing for flat-lying surface mineralization; and (3) Disseminated precious metal sulfide mineralization at a greater depth. Beneath that lies a porphyry target that may be explored in time. But for now, there seems to be plenty of exciting targets that I'm hoping will create significant interest and value via the drill bit in months to come.

The drill program that has just gotten underway is the first drill program ever on the Curibaya. Tier One Silver is financed to drill 10,000 meters (m) although the initial phase of diamond drilling is planned to consist of approximately 6,000 m. Several of the planned holes will test multiple targets in each hole, including near-surface flat-lying vein mantos, high-grade feeder structures and a strong chargeability anomaly at depth, which may be associated with a disseminated style of mineralization and a potentially mineralized intrusion at depth. The company is permitted to drill up to 40 holes from 20 drill pads with its FTA (Ficha Tecnica Ambiental) drill permit.

Management has opined that "The high-grade samples taken on surface and scale of the geophysical responses at Curibaya are rare to see combined at the start of an exploration project which has never been previously drilled. Over the coming months, the company plans to drill test for the potential presence of economic silver and gold below the high-grade footprint defined on surface, exploring for new zones of vein mantos and feeders, and testing for a mineralized intrusion-related source of the veins at depth."

### Other Curibaya-Like Targets

Management will be focused mostly on Curibaya this year, and news from there is what should drive these share higher for the balance of this year.

*The Hurricane Silver Project* covers approximately 25,640 hectares and is located about 66 kilometers north of the city of Cusco within an underexplored region in southeastern Peru. Numerous high-grade silver occurrences have been identified at the project through first pass reconnaissance rock sampling by a previous operator.

The property's numerous high-grade silver occurrences have been identified through first pass reconnaissance rock sampling of the Hurricane Project by a previous operator. The largest of these occurrences is located at the Magdalena Prospect, which is characterized by a 1.5 km shear zone where multiple high-grade veins have been identified with chip sample



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values of up to **1.4 meters (m) of 1,175 g/t silver, 2.1 m of 792 g/t silver, 2.5 m of 589 g/t silver and 14 m of 100 g/t silver**. Past grab sample highlights from four additional prospects at the project are listed below in Table 1 and demonstrate the potential for high-grade silver and base metal mineralization.

**The Emilia Project** is a porphyry iron oxide copper-gold opportunity located within the Cretaceous porphyry and IOCG belt that hosts the Zafranel (Teck Resources), Tia Maria (Southern Copper Corp.) and Mina Justa (Minsur S.A.) deposits. It is located approximately 80km southwest from Arequipa, 7km west from National Highway 15 and has exceptional access to infrastructure. The property is approximately 1,400 hectares.

The principal target at Emilia is copper-gold mineralization situated beneath an intense zone of leaching and alteration. Multi-stage mineralizing events have a strong structural control with breccia bodies and stock-work vein zones displaying significant gold and copper values of up to 3.31g/t gold and 1.77% copper from due diligence sampling (Table 1). Importantly, the Company believes only one drill hole has been completed on the project to-date, effectively leaving the project untested.

Historical soil sampling over exposed target areas demonstrates strong gold and copper signatures over both target areas. Though the historical results cannot be confirmed, Tier One's technical team believes these results are broadly representative based on the results of the Company's due diligence sampling. The eastern target is characterized by a northwest trending gold-in-soils anomaly over an area of 600 meters (m) by 400m with an accompanying copper-in-soils anomaly over an area of 1km by 750m. The western target area is characterized by patchy gold anomalies aligned in a northwest orientation over a 750m strike length with an accompanying copper anomaly aligned east-west over a strike length of approximately 1km. The property at present is interpreted as an upper-level leach cap associated with a copper-gold porphyry and/or IOCG system at shallow depths.

**The Coastal Batholith** is comprised of five target areas on the coast of Peru, totaling 41,000 hectares, with both precious and base metal opportunities. Tier One screened 11,000 square kilometers (km) using a stream sediment survey to identify the five target areas, which are located within the northern half of the Cretaceous porphyry and IOCG belt that hosts the Zafranel (Teck Resources), Tia Maria (Southern Copper Corp.) and Mina Justa (Minsur S.A.) deposits in the southern region of Peru. The Company's technical team believes the same geology continues north of these deposits but has never been explored in a systematic manner. The Coastal Batholith is a low altitude project, located approximately 180km north of Lima, near to the Pan-American Highway.

**The Corisur** Epithermal Claims, which include the Tacora and Andamarca concessions, are located approximately 52 km from Tacna with road access and high-voltage power lines and water nearby. The Corisur Claims are contiguous to the Huilacollo Property. Tier One's technical team believes the epithermal system on the Tacora licenses is the continuation of the same oxide gold epithermal system observed on the Huilacollo licenses. The Andamarca license provides Tier One with a strategic land position that is considered important from an infrastructure standpoint if future mining were to occur.

## MANAGEMENT

**Peter Dembicki, President, CEO & Board Member** – Peter brings over 10 years of corporate finance and wealth management experience; dealing with high-net-worth individuals, corporations and institutional clientele. As a member of Canaccord Genuity, he structured and oversaw numerous multi-million dollar private, public and bought-deal financings in the mining and natural resource sectors. Mr. Dembicki's industry designations include: Canadian Securities Course (CSC), Conduct and Practices (CPH) and Wealth Management Essentials (WME). Throughout his tenure at Canaccord, he continuously added to his compliance and education credits, positioning himself above the industry standards of continuing education. Mr. Dembicki is a Graduate from the University of Washington in Seattle, with a degree in Communications.

**Ivan Bebek, Co-Founder, Co-Chair & Director** – Ivan has over 20 years of experience in financing, foreign negotiations and acquisitions in the mineral exploration industry. His understanding of the capital markets and ability to position, structure and finance companies that he has been associated with has been instrumental in their successes. Mr. Bebek

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was formerly the President, CEO and co-founder of Cayden Resources, which was sold to Agnico Eagle Mines for \$205M in November 2014, and a co-founder of Keegan Resources (now Galiano Gold). Mr. Bebek is currently President, CEO & Director of Sombrero Resources, Director of Torq Resources (formerly, Stratton Resources) and Chair and Director of Fury Gold Mines.

***Shawn Wallace, Co-Founder, Co-Chair & Director*** – Shawn has been involved in all aspects of the mining industry, from mineral exploration and project management, to financing, mergers & acquisitions and corporate development. Over the past 30 years, Mr. Wallace has been instrumental in building numerous high-quality mineral exploration, development and production companies, including co-founding Cayden Resources, which was acquired by Agnico Eagle Mines for \$205M. Mr. Wallace is also co-founder and Director of Asanko Gold (now Galiano Gold), Executive Chairman and Director of Torq Resources and Chair and Director of Sombrero Resources.

***Michael Henrichsen, Chief Geologist*** – Michael is a structural geologist (P.Geol.) and leads the Tier One Silver technical team. Previously, Mr. Henrichsen was the global structural geologist at Newmont, where his contributions significantly increased the reserves and resources base in the Ahafo district in Ghana. Mr. Henrichsen has also worked extensively at other major gold camps in South America, the Carlin Trend, Guinea and Canada.

***Dave Smithson, Sr. VP of Exploration*** – Dave (M.Sc.) is an ore deposit geologist responsible for global exploration and discovery at Tier One Silver. Previously, Mr. Smithson worked as a global gold specialist for Newmont where he contributed to gold-ounce reserve expansions at the Ahafo, Yanacocha and Carlin districts, amongst others. More recently, Mr. Smithson led the technical success at the Barqueño Gold-Copper Project in Jalisco, Mexico, which culminated in its purchase by Agnico Eagle Mines, for \$205M. Mr. Smithson holds a Master of Science degree from the University of British Columbia and has 19 years of experience.

***Christian Rios, Sr. VP of Operations, Peru*** – Christian is a professional geologist (P.Geol.) responsible for leading the operations of Tier One Silver's exploration activities in Peru. Previously, he was the Vice President of Exploration at Bear Creek Mining where he was directly involved in the discovery of the world-class Santa Ana and Corani silver-lead-zinc deposits in Peru and was on the team that delivered the feasibility study on the Corani Deposit. Mr. Rios has a Masters in Economic Geology and over twenty years of experience in exploration, mining development and operations, specializing in Peru.

***Elizabeth Senez, Interim CFO*** – Ms. Senez is a fellow of the Institute of Chartered Accountants in England and Wales, having obtained her undergraduate degree at Oxford University, in addition to a Diploma in Treasury Management from the Association of Corporate Treasurers. She comes to Tier One Silver with over 18 years of experience in accounting, finance and corporate treasury in Canada, Panama and the UK. Most recently, Ms. Senez was in the role of acting group treasurer for First Quantum Minerals Ltd., having moved through a range of progressively more senior roles in the UK and Panama during her eight years with the company. Prior to that, she was employed by Deloitte LLP, in both their London and Vancouver offices, where she worked with a range of Canadian and US listed mining companies.

***Tracy George, Corporate Secretary*** – Tracy has ten years of experience providing administrative, governance, regulatory compliance, AGM management and financing transaction support to numerous public companies, in the position of Group Corporate Secretary of Universal Mineral Services Ltd., a private company providing services to Tier One Silver, Sombrero Resources, Torq Resources and other publicly listed entities.

***Natasha Frakes, VP of Communications*** – Natasha has been working in public communications for over a decade. Her background is in journalism, formerly working as a news reporter and anchor for CBC Vancouver and CBC Calgary. Most recently, Ms. Frakes was the Manager of Investor Relations for Auryn Resources and played an integral role in the split of the company into three separate entities. This included creating unique brand identities and comprehensive communications platforms for the resulting companies: Fury Gold Mines, Tier One Silver and Sombrero Resources. She also holds the role of VP of Communications with Torq Resources.

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## The Bottom Line

Tier One Silver's Curibaya Project has all the earmarks of a very large high-grade system. Finally, after years of waiting—going back some four years since we covered Auryn Resources—subscribers have been waiting for the day when we could begin to learn to what extent exceptional high-grade values on surface would reveal similar grades in the third dimension. That day has now come and I'm quite enthused about the prospects of this company. The drills are starting to turn, with many of them targeted to hit multiple targets and styles of mineralization.

I don't want to overlook the issue of political risk, which I think is very real, given recent elections that revealed an avowed Marxist as president of the company. While you can't deny that Marxist leanings are potentially damaging to owners of private property, a couple of factors should hold the Marxist in check. First, Peru depends to such a great extent on mining for its national wealth. We have seen various countries in the past that have elected far leftists modify their extremism rather than give national wealth away. Secondly, the winner of the presidential election won by a very narrow margin, and the leftists are a minority in the legislature.

Finally, Tier One has a stellar management team led by Peter Dembicki, who gave up a very attractive position to head up Tier One Silver. The technical team overall is second to none among junior exploration companies, and Ivan Bebek and Shawn Wallace are second to none among the juniors when it comes to overall structuring, managing, and generating shareholder wealth for their shareholders. Now that this story is finally being activated, it has suddenly become one of my top picks.

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