

Silver Spruce Resources

Metals & mining
18 February 2021

Multi-asset, multi-commodity exploration

Silver Spruce Resources (SSE) is a Canada-based junior exploration company looking to secure c C\$3–4m (Edison estimate) in funding to further advance early-stage exploration at its assets. It predominantly explores for gold (Au), silver (Ag), copper (Cu), zinc (Zn) and lead (Pb) across four deposits: El Mezquite, Jackie Gold Project, Pino de Plata (Pino) and Melchett Lake, for which it has definitive options to acquire interests. SSE places equal priority on each asset.

Current focus: El Mezquite, Jackie and Melchett Lake

El Mezquite is a drill-ready 180ha project in the Sierra Madre Occidental region of Sonora, Mexico, where SSE is targeting Au and Ag. Here, rock chip samples yielding up to 3.41g/t Au and 198g/t Ag have been analysed. SSE recently initiated a Phase 1 exploration programme here.

The Jackie gold project is a 1,130ha property within the Sonora Gold Belt, parallel to the precious metals-rich Mojave-Sonora Megashear. Here, exploration is very active, with nearby properties reported to be held by Minera Alamos, Newmont, Garibaldi, Evrim, Kootenay Silver and Peñoles. SSE recently initiated a Phase 1 exploration programme here.

Melchett Lake is a 4,320ha project in the Thunder Bay mining district of Ontario, Canada, where SSE is targeting Au, Ag, Cu, Zn and Pb. Here, samples yielding up to 28.8g/t Au, 560g/t Ag and 19.1% Zn have been analysed and SSE is renewing permits to execute Phase 1 drilling of 1,000–1,500m for Au, Ag and Zn.

Pino: Has potential but awaiting land resolution issue

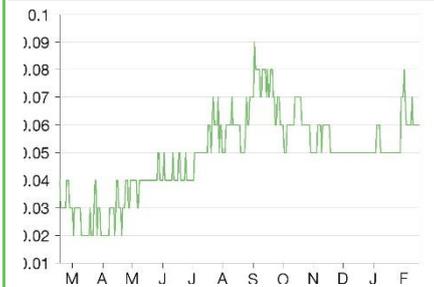
Pino de Plata is a drill-ready, 397ha project in the Sierra Madre Occidental region of Chihuahua, Mexico where SSE is targeting Au and Ag. Here, surface samples yielding more than 500g/t Ag and highly anomalous grades of Au, Zn and Pb have been analysed. SSE has an exploration permit in place with permission to execute Phase 1 drilling of 1,000–1,500m across 20–30 sites. However, discussions are ongoing with the landowner to lift access restrictions to the property.

Funding status and needs: Reasonable

We estimate that SSE requires c C\$3–4m over the next 12–18 months to progress its early-stage exploration projects. At 8 February 2021, it had a cash position of C\$1.7m, resulting from raising c C\$2.6m from the closure of private placements over the past eight months.

Price **C\$0.06**
Market cap **C\$10m**
 US\$:C\$1.27

Share price graph



Share details

Code CVE:SSE
 Listing TSX
 Shares in issue 160.8m

Business description

Silver Spruce Resources is a Canada-based junior exploration company that predominantly explores for gold, silver, copper, zinc and lead across four sites in Canada and Mexico.

Bull

- Management team experienced in the areas of exploration and prospect development.
- Definitive options to acquire interests in key assets that have showcased high-quality samples of gold, silver, copper, zinc and lead.
- Already raised c C\$2.6m from private placements during the past eight months.

Bear

- Potential dilution of management resources and finances, given focus on four simultaneous, ongoing projects.
- Access to the Pino de Plata project still pending.
- Requires at least c C\$3–4m to progress its early-stage exploration plans over the next 12–18 months.

Analysts

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Silver Spruce Resources is a research client of Edison Investment Research Limited

Historical financials

Year end	Revenue (C\$m)	PBT (C\$m)	EPS (C\$)	DPS (C\$)	P/E (x)	Yield (%)
10/19	0.0	(0.93)	(0.01)	N/A	N/A	N/A
10/20	0.0	(0.78)	(0.01)	N/A	N/A	N/A

Source: Company financial statements

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