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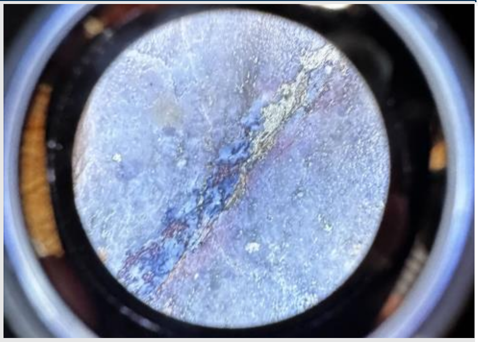
Gray's Prospects



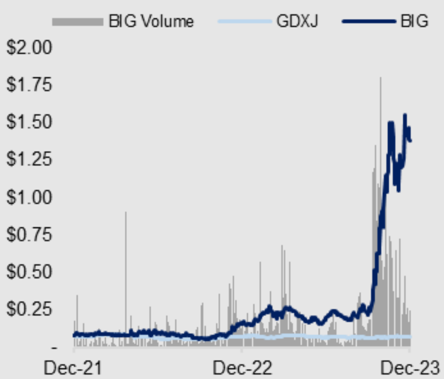
Hercules Silver Corp.
BIG CN

Site Visit – Completed (Nov 2023)

Price	*C$*	$1.38
Shares on Issue	*m*	227.9
Market Cap	*C$m*	$314.5
Total Debt	*C$m*	-
Working Capital	*C$m*	$31.9
Avg, Daily Volume	*3mo*	2,011,211

All figures in USD unless noted.

BIG CN vs GDXJ (Rebased)



Source: FactSet.

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2 January 2024

Agentis Capital Mining Partners

("Agentis Capital")

Hercules Silver (BIG CN)

Leviathan Porphyry Discovery Footprint Shows Scale via Just 4 Holes… System Extended +500m

Event

Today, before market open, BIG reported assay results from three holes (partial assays for hole 21) completed as part of its deep Phase II drill program at its Leviathan Cu-Mo porphyry target on its Hercules property, western Idaho, USA.

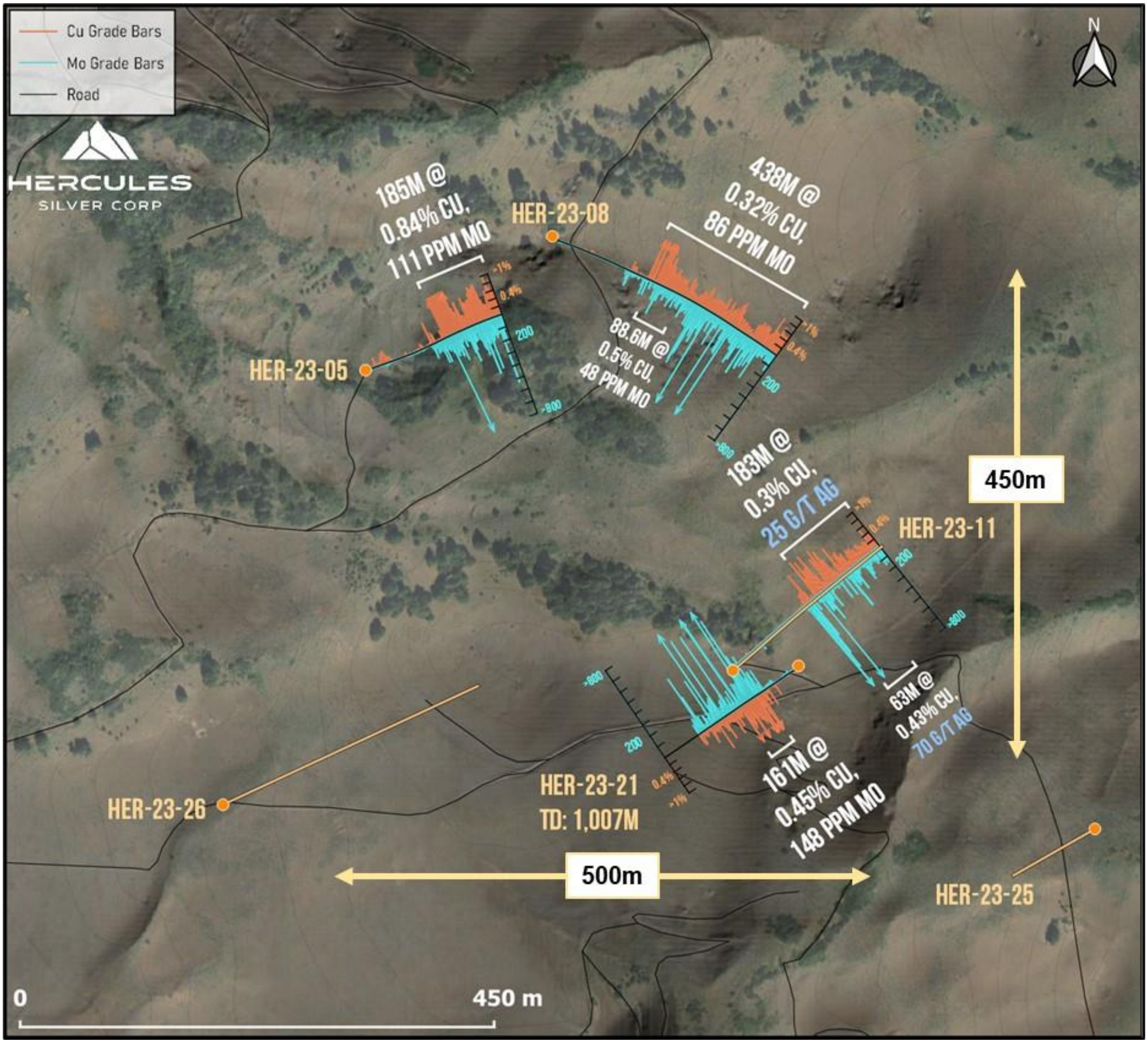
Impact – Positive

- **Three step-out holes deliver +0.5%Cu intervals… Strong implications for a very large zoned system** – With the three holes reported today in addition to discovery hole 5 (185m at 0.84%Cu), the Leviathan porphyry target already covers a mineralized footprint of +500m by +450m (Fig 1). The three holes reported delivered intervals of +0.5%Cu mineralization within phyllic alteration; this is encouraging, as phyllic zones can cover significant distances from the high-grade potassic core(s) – see Fig 5 for core photos. With solid grades documented in the more distal phyllic shell, we think the mineralizing system is very powerful and an intact, unaltered potassic core could contain very high-grade mineralization. We highlight all holes reported to date have shown the highest grades near surface, suggesting the supergene enrichment zone + high-grade hypogene bornite mineralization also has scale, as well as that all holes ended in mineralization. As we highlighted in our Dec 17/23 BIG Prospect Addition, the orientation of the porphyry system is unclear, although we think it is related to the Ag-Zn-Pb mineralization at surface. Albeit limited information, based on the four holes reported to date, the strength of mineralization appears to increase to the northwest. The holes reported today include:
  - Hole 8, collared 220m E of hole 5: **437.5m at 0.32%Cu, 0.01%Mo (0.35%CuEq)** incl **88.6m at 0.50%Cu, 1g/tAg (0.51%CuEq)** (Fig 2)
  - Hole 11, collared 450m SE of hole 5: **182.9m at 0.30%Cu, 25g/tAg, 0.01%Mo (0.54%CuEq)** incl **63.2m at 0.43%Cu, 70g/tAg, 0.01%Mo (1.06%CuEq)** and incl 0.73m at 0.25%Cu, **3,001g/tAg** (Fig 3)
  - Hole 21, collared 500m SE of hole 5: **161.1m at 0.45%Cu, 4g/tAg, 0.01%Mo (0.53%CuEq)** – assays pending for 734-1003m (Fig 4)
- **Is the bonanza-grade silver mineralization a porphyry-related overprinting event?** – Hole 11 intersected native silver veinlets overprinting porphyry copper mineralization within a 0.73m at 0.25%Cu, 3,001g/tAg interval. We believe this could be a distal expression of the intrusive system (thus BIG is on the outskirts of the Cu porphyry) and BIG management interprets the silver veinlets could be feeder veins to the disseminated Ag-Zn-Pb mineralization overlying the Leviathan porphyry. We highlight BIG has refined its geological interpretation of the quartz porphyry intrusions as sub-vertical porphyries as opposed to dykes.
- **Additional staking complete, based on proprietary 3D IP survey** – BIG announced it has staked another 570 lode mining claims north of the Hercules property to secure the extension of the 2023 3D IP survey. This is a smart move by BIG to bolster its district-scale land position as the highest grades to date have been observed in the northernmost hole (hole 5). Management has indicated the footprint from BIG's deep 2023 IP survey (~900m penetration depth) implies potential for an even larger system than previously interpreted. We expect follow-up drilling in 2024 to consist of additional broad step-outs as BIG hones in on the potassic zone(s) of the system likely to host 0.5% to +1.0%Cu grades, as observed in hole 5.

Key Catalysts

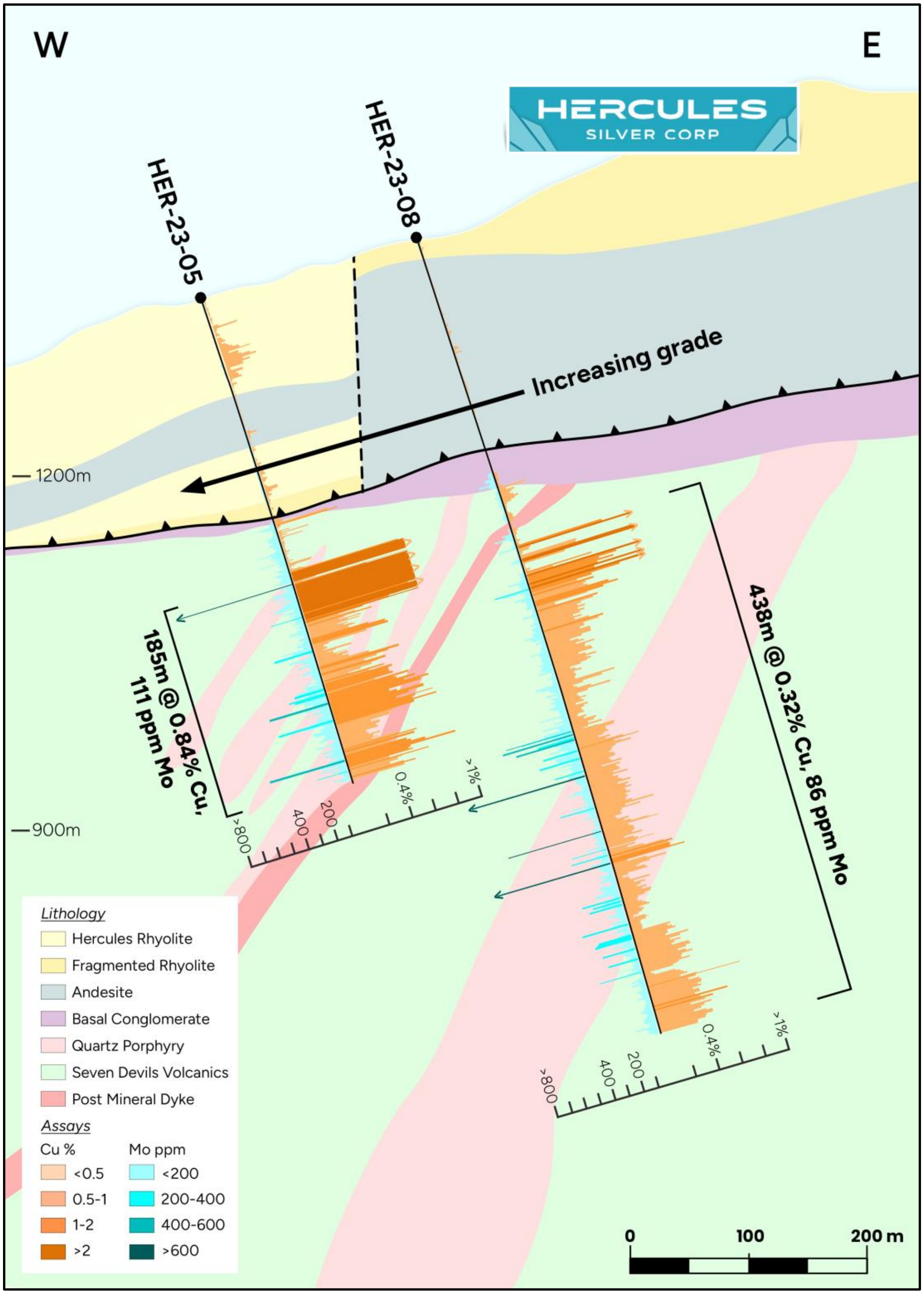
- **Hercules deep drilling results** – 4 holes pending (4Q23-1Q24)
- **Follow up drilling** – 10km with potential to expand scope (2Q24-4Q24)

Fig 1 Plan view of Phase II drill holes designed to test the Leviathan porphyry target at BIG's Hercules property, showing grade bars for copper (orange) and molybdenum (blue). We highlight the step-out drilling was conducted blind, based on the 2022 IP survey which has been superseded by a new, larger deep 3DIP survey in 2023. We highlight that hole 21 (161m at 0.45%Cu) was collared +500m SE of discovery hole 5 (185m at 0.84%Cu) and hole 8 (438m at 0.32%Cu) was collared +200m NE of hole 5. The footprint of mineralization already covers a +500m by +450m area (annotated by Agentis).



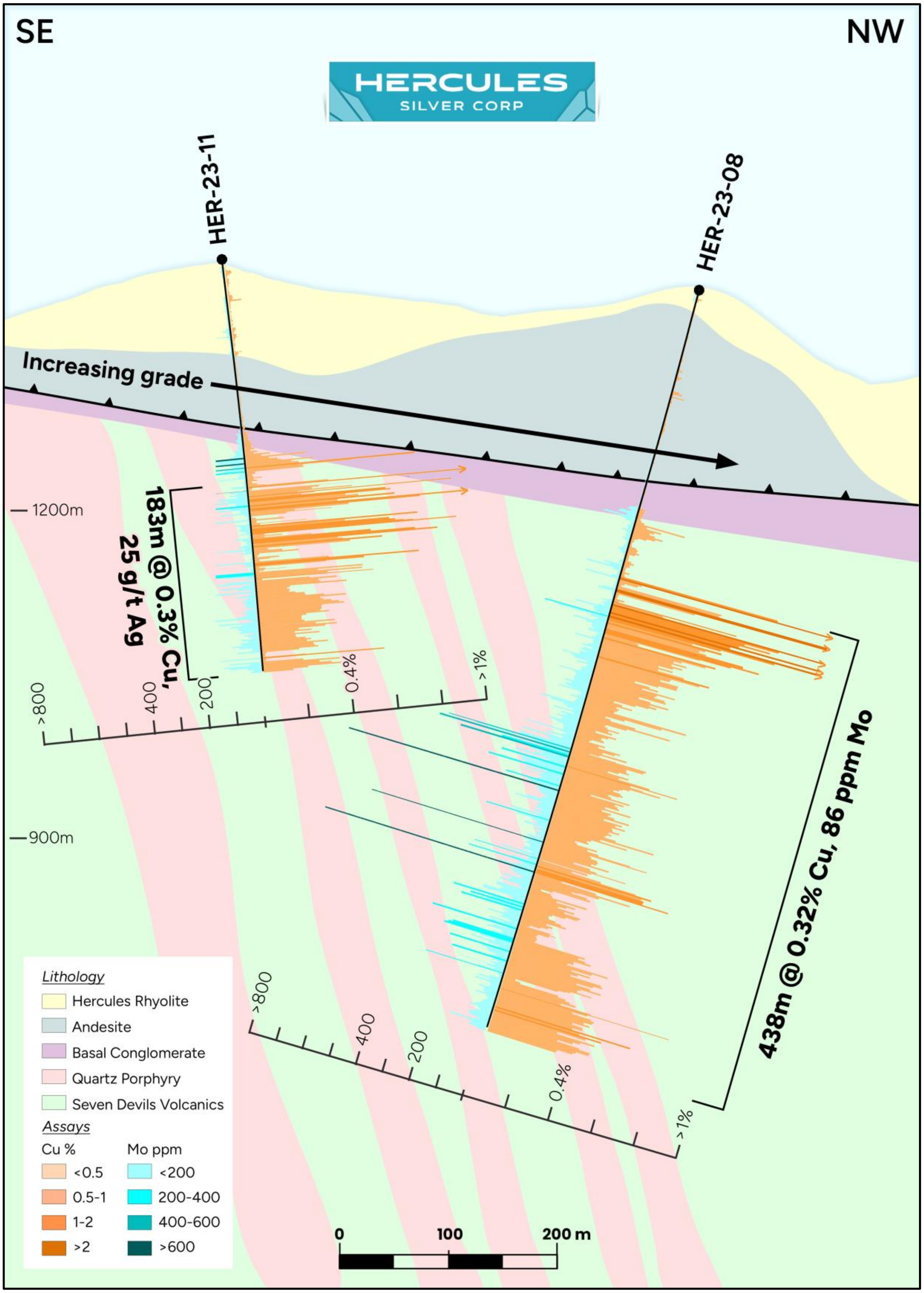
Source: Company disclosure; Agentis Capital research.

Fig 2 Cross section (looking N) showing hole 5 & hole 8 – Showing the grade bars for copper (orange) and molybdenum (blue) as well as interpreted geology. We highlight BIG interprets the quartz porphyry intrusions (pink) to be moderately/steeply-dipping as opposed to its previous interpretation as sub-horizontal sills. While grade is interpreted to increase to the W based on hole 5, is worth noting the high-grade mineralization persists near surface, potentially a combination of hypogene bornite mineralization and supergene enrichment via retrograde alteration. <u>We highlight the depth (and overall scale) implications of hole 8 via its 438m at 0.35%CuEq ending in ~0.4%Cu mineralization – we think the Leviathan discovery is in the early-innings of exploration of a system with multi-billion pound copper potential.</u>



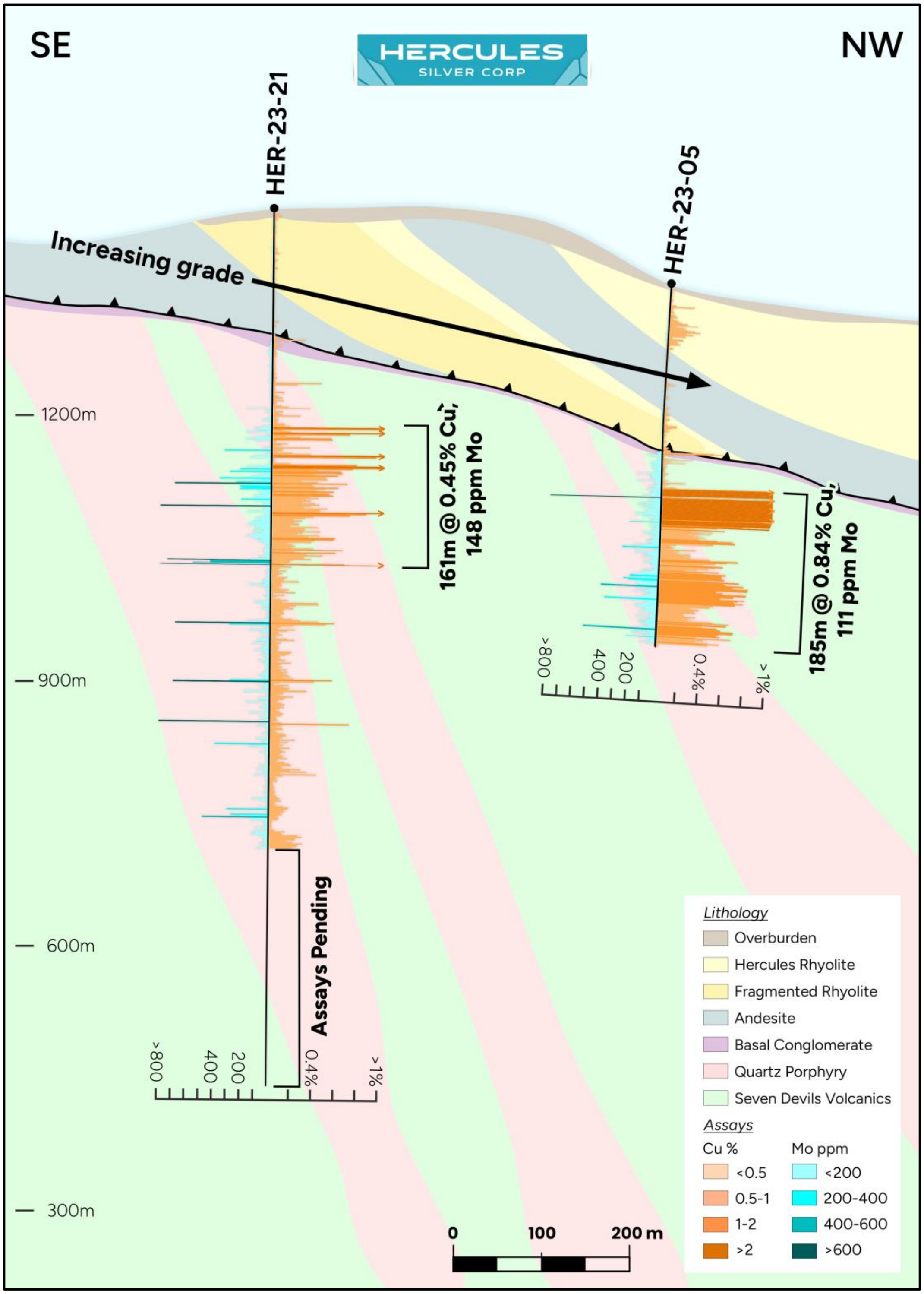
Source: Company disclosure; Agentis Capital research.

Fig 3 Cross section (looking NE) showing hole 11 & hole 8 – We note hole 11 delivered 182.9m at 0.30%Cu, 25g/tAg, 0.01%Mo (0.54%CuEq) including a silver-rich interval of 0.73m at 3kg/tAg, 0.25%Cu, overprinting porphyry mineralization.



Source: Company disclosure; Agentis Capital research.

Fig 4 Cross section (looking NE) showing hole 21 & hole 5 – We highlight hole 21 had some solid +2%Cu assays near surface within its interval of 161m at 0.53%CuEq, which could potentially represent a partially destroyed zone of bornite-rich mineralization. Based on the high grades observed in hole 5, all reported sections imply increasing grades to the northwest.



Source: Company disclosure; Agentis Capital research.

Fig 5 Core photos, hole 8 (310m to 318m downhole) – Showing a sub-interval of 32m at 0.67%Cu, 2g/tAg, 0.01%Mo (0.70%CuEq) within 437.5m at 0.32%Cu, 0.01%Mo (0.35%CuEq) within strong phyllic alteration bearing abundant pyrite-chalcopyrite+/-bornite sulphide mineralization in quartz veins with sericite selvages. We highlight the high density of what look like sulphide-rich "D" veins and qtz-sulphide "B" veins, suggesting hole 8 was drilled in a distal part of a very robust mineralizing system.

Source: Company disclosure; Agentis Capital research.

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Company specific disclosure details

Company Name	***Symbol***	***Disclosures***
Ascot Resources Ltd.	*AOT CN*	***1,2,3,4,8***
Defense Metals Corp.	*DEFN CN*	***1,2,3,4,8***
Imperial Metals Corporation	*III CN*	***1,2,3,4,8***
K92 Mining Inc.	*KNT CN*	***1,4,8***
NorthIsle Copper and Gold Inc.	*NCX CN*	***1,2,3,4,8***
Skeena Resources Limited	*SKE CN*	***1,2,3,4,8***
Snowline Gold Corp.	*SGD CN*	***1,4,8***
Vizsla Silver Corp.	*VZLA CN*	***1,2,3***
Western Copper and Gold Corporation	*WRN CN*	***1,4,8***
Dakota Gold Corp.	*DC US*	***1***
Endurance Gold Corporation	*EDG CN*	***1,4,8***
Gold Terra Resource Corp.	*YGT CN*	***1,2,3***
Hercules Silver Corp.	*BIG CN*	***1,4***
Inflection Resources Ltd.	*AUCU CN*	***1,4,8***
Maple Gold Mines Ltd.	*MGM CN*	***1,2,3,4,8***
Mayfair Gold Corp.	*MFG CN*	***1,4***
Northern Superior Resources Inc.	*SUP CN*	***n/a***
Scottie Resources Corp.	*SCOT CN*	***1,2,3,4***
Southern Cross Gold Ltd.	*SXG AU*	***1,4,8***
Western Alaska Minerals Corp.	*WAM CN*	***1,2,3,4,8***

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