

Winston's Growth Stock Report

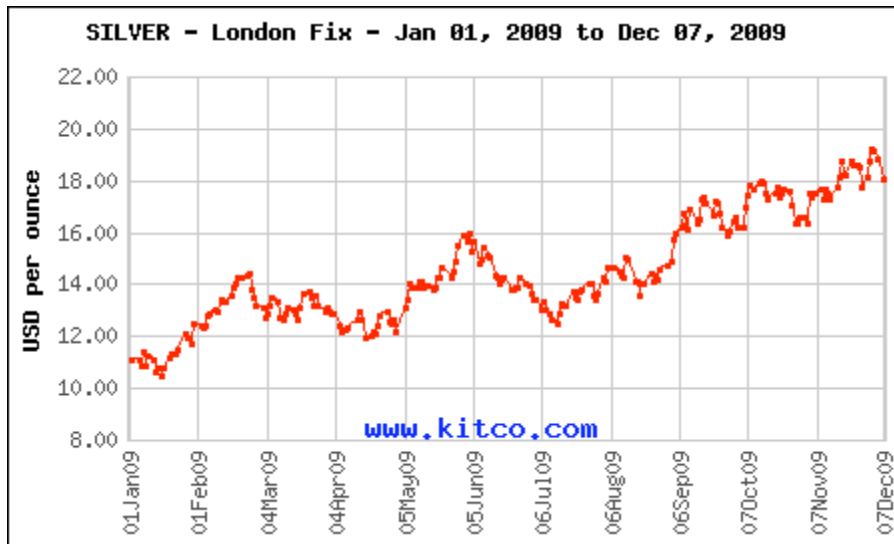
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Wildcat Silver (WS, TSXV) *Resource Numbers are Building*

Back in July when I first reviewed Wildcat Silver (Issue 24) the primary focus of the company was to develop their manganese resources. Manganese is the fourth most widely traded metal in the world and is used in steel alloys to increase many favourable characteristics such as strength, hardness and durability. The market for manganese is looking even better today with its usage in lithium batteries. Recently Nissan announced they are only five years away from the commercial launch of an e-car battery that offers twice the energy storage capacity. These new batteries will use a lithium nickel manganese cobalt (NMC) oxide cathode that increases efficiency tremendously.

However as good as the manganese market has become, silver has made a good run going from a low of \$12.47 in July to a recent high of high of over \$19. The potential cash flow from WS's silver and manganese resources is now about the same.

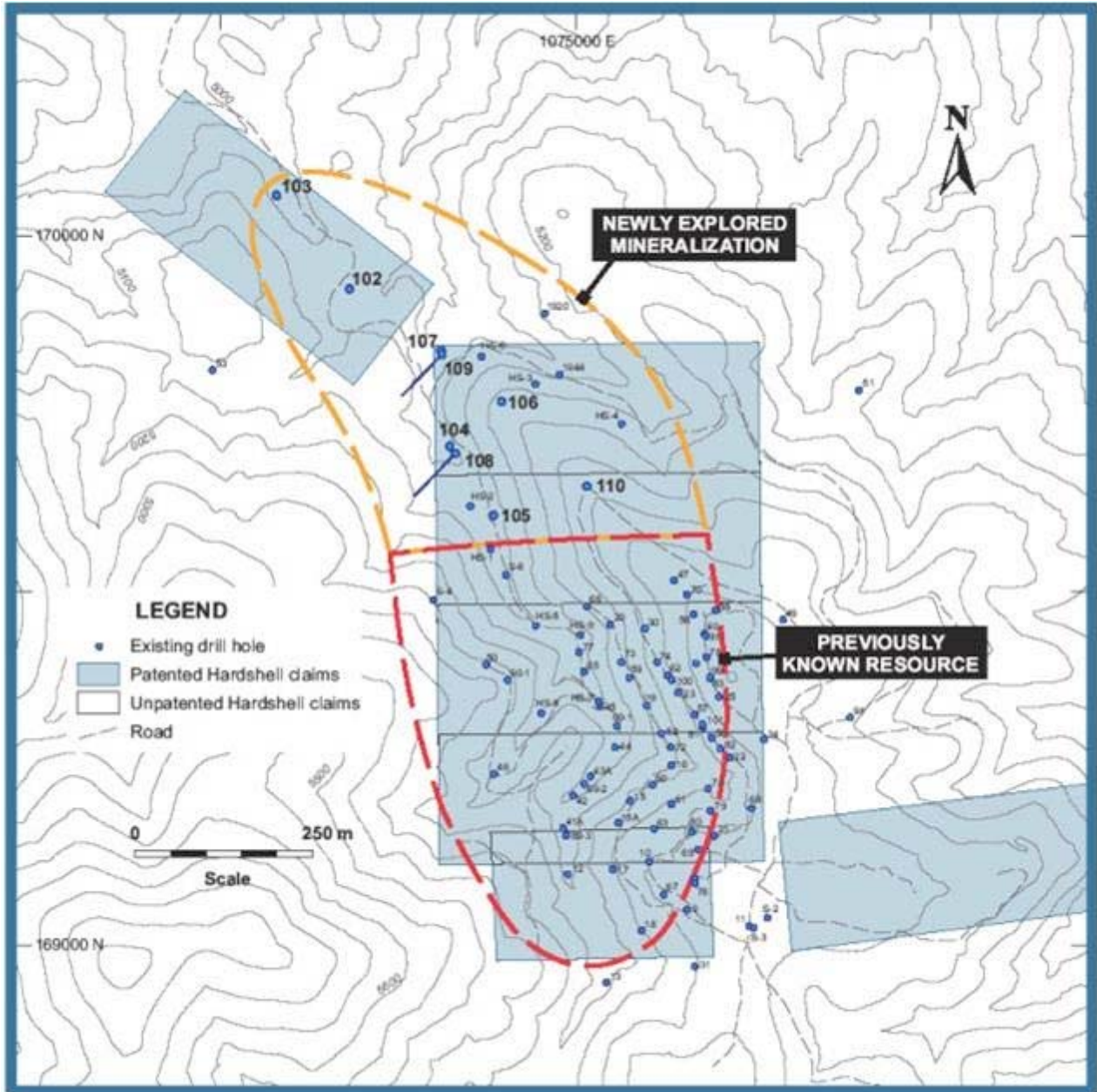


WS will have a resource estimate not including the 9 holes released November 23, 2009 within the next few weeks, followed 45 days later by a 43-101 on that estimate alone. The 43-101 that includes the 9 holes will be completed during the first half of 2010. It's expected that the 2009 data should add some significant tonnes.

The 2009 drill program featured a drill hole that showed **110 Metres Grading 75 g/t Silver, 12% Manganese, 8.2% Zinc and 5.3% Lead**. The results include 3 drill holes done in 2008 and 6 done this year.

Hole	From (metres)	To (metres)	Interval (metres)	Silver (g/t)	Manganese (%)	Copper (%)	Lead (%)	Zinc (%)
<i>2008 Drilling</i>								
HDS-102	404.50	433.40	29.00	37.7	4.40	0.10	0.50	1.20
	566.00	585.90	19.80	68.5	6.70	0.10	4.80	7.10
	596.20	609.60	13.40	37.8	5.70	0.10	3.10	3.60
HDS-103	495.90	588.90	93.00	17.1	3.40	0.00	0.20	0.30
	680.20	683.40	3.20	109.6	2.30	0.20	11.00	14.40
	723.30	712.60	10.70	34.2	2.10	0.00	3.60	1.20
HDS-104	257.10	306.90	49.80	65.1	14.80	0.10	2.60	2.40
	306.90	416.70	109.70	75.3	11.80	0.20	5.30	8.20
	425.80	460.90	35.10	34.2	6.60	0.30	2.10	2.20
<i>2009 Drilling</i>								
HDS-105	190.80	236.83	46.02	105.3	15.80	0.10	1.66	2.29
	277.98	302.82	24.84	81.2	11.35	0.24	3.96	2.38
HDS-106	177.39	192.63	15.24	9.8	12.65	0.01	0.23	3.18
	285.75	302.36	16.61	80.6	15.61	0.12	1.42	2.75
	302.36	355.70	53.34	10.8	5.75	0.01	0.17	0.24
	422.15	434.95	12.80	32.5	8.48	0.05	2.06	3.03
	434.95	468.48	33.53	26.6	2.74	0.06	0.93	3.37
HDS-107	332.54	360.27	27.74	45.4	10.60	0.10	0.63	0.84
	727.56	741.27	13.72	11.1	2.60	0.02	0.91	1.36
HDS-108	215.49	230.73	15.24	48.5	2.75	0.08	0.20	0.91
	259.69	276.45	16.76	48.8	12.34	0.03	1.13	2.69
HDS-109	305.41	413.61	108.20	68.4	13.69	0.10	1.75	1.98
	413.61	428.85	15.24	81.8	0.76	0.12	10.59	5.51
	438.00	556.87	118.87	53.7	7.55	0.16	2.93	4.08
HDS-110	235.31	258.17	22.86	175.6	12.91	0.18	1.52	2.69
	261.21	309.98	48.77	32.8	13.78	0.05	0.66	1.38
	381.61	404.47	22.86	180.2	10.19	0.11	3.88	1.75

The 2009 drill program focused on exploration of the northwestern extensions of oxide and sulphide mineralization and confirmed continuity of mineralization in this direction. These new results also made previous drilling completed in 2008 significant. The resource remains open to the north and northwest.



The next steps for WS will be to get the prefeasibility and feasibility studies underway. To that end, the drill rigs will be back on the site early in the New Year. Also metallurgy work will start which includes the start up of a pilot plant.

Based on the most recent drilling results, strong grades were encountered deeper down so one of the goals for the company in 2010 will be to undergo studies to evaluate the economics of

building an underground mine. My bet is they'll start with an open pit but since they'll eventually go underground anyway, it makes sense to initiate the engineering of mining deeper down. However going with an underground concept might allow the company to get a permit faster and speed up their timeline.

Infill drilling is still needed to the south to improve the quality of the reserve and more step out drilling to the north and north east which is still open could build the resource numbers further.

We can expect a lot more activity in 2010, most notably improved and growing resource numbers. My back of the napkin calculations indicate that their silver resource has possibly doubled. The old data from 2007 cited an inferred resource of 53.6 million ounces of silver and 1.2 billion pounds of manganese. The outlined deposit reportedly contained 10.3 million tons of ore grading 5.2 ounces per ton silver, 1% zinc, 0.05% copper and 6.26% manganese.

The cash costs of production for this deposit look rather good as well. The other metals pay a lot of bills before the silver and manganese are considered. Looking at the silver, their cash costs would be in the range of *minus* - \$14 to -\$20. Looking at manganese alone net of by products, you're still at minus -10 cents.

Wildcat Silver presents an opportunity for a double for the patient investor who waits for the resource numbers to build as the company moves toward the feasibility and then production.