

February 08, 2010

THE WALL STREET TRANSCRIPT

Connecting Market Leaders with Investors

The following report is produced by
THE WALL STREET TRANSCRIPT

02-08-2010

GOLD & PRECIOUS METALS, BASE METALS AND NON METALS MINING REPORT

NOTICE

The Wall Street Transcript does not in any way endorse or guarantee the accuracy or reliability of any of the information, statements or opinions expressed in the reports or comments of other firms or individuals. We take due care to report or transcribe accurately what has been written or said by others but because of the possibility of human or mechanical error, we cannot assume any liability for the correctness of the transcription. We point out further that, of course, all opinions expressed are subject to change without notice. Neither the information or any opinion which may be expressed constitutes a solicitation for the purchase or sale of any securities referred to herein. For further information, contact the individual or investment organization concerned.

CHIEF EXECUTIVE OFFICER FORUMS/INTERVIEWS

Important Note: Wall Street Transcript forums and interviews with Chief Executive Officers are published verbatim as editorial content and include "forward-looking statements" (as such term is defined in the United States Private Securities Litigation Reform Act of 1995). These "forward-looking statements" may be subject to and be made pursuant to the "safe-harbor" provisions of Section 27A of the United States Securities Act of 1933, as amended, and Section 21E of the United States Securities Exchange Act of 1934, as amended. Since these statements are based on factors that involve risks and

uncertainties, actual results may differ materially from those expressed or implied by such "forward-looking statements". Such factors are often included in the company's filings of reports with the United States Securities and Exchange Commission, including Forms 10-K, 10-Q, 8-K and Proxy Statements; the company's annual and interim reports to shareholders and similar documents. In carrying out our responsibilities to our readers and to the Chief Executive Officers selected for forums or interviews, we are required to offer, and we offer, each Chief Executive Officer an opportunity to back-up the interview and provide our readers and potential investors with specific financial data, including earnings statements, balance sheet statements and other material business and financial data, through the sponsored publication of such reports or highlights therefrom, with meaningful information.

Founded 1963

**Published by Wall Street Transcript Corporation
48 West 37th Street, 8th Floor, New York, NY 10018
Copyright 2009 Wall Street Transcript Corporation
All Rights Reserved**

Silver Falcon Mining, Inc. (SFMI.PK)



PIERRE QUILLIAM has served as Silver Falcon Mining, Inc.'s Chief Executive Officer and a member of its board since the company's formation in 2007. Prior to that, Mr. Quilliam was a board member and Chief Financial Officer of Dicut, Inc., from 2001 to January 2006, as well as Chairman and Chief Executive Officer of Dicut from January 2006 to October 2007. Mr. Quilliam has served as a Director and Officer of Goldcorp Holdings Co. since November 2003. From 1975 to 1980, Mr. Quilliam established and operated Outico Ltd., a reseller of industrial tools and mining equipment. From 1980 to the present, Mr. Quilliam has established and managed numerous companies in various capacities, including finance, consulting, accounting and management.

SECTOR — METALS & MINING

(ANN606) TWST: Would you begin with a brief historical sketch of Silver Falcon Mining and a summary of what the company is doing presently?

Mr. Quilliam: Silver Falcon Mining is a company that was transformed from an older company into a junior mining concern in 2007. It received a 15-year contract from the owners of certain properties on War Eagle Mountain in Idaho, in Owyhee County. This contract is for the mining and extracting of precious metal from the ore on the mountain.

TWST: Please give us your perspective on what the commodities markets did in the past six months or so, and where you think it may be going in the next six to 12 months in gold and silver.

Mr. Quilliam: After much research, our board of directors, given the present situation in the world of the American debt and how it was handled, felt that gold and silver, which always tags along, would be on the rise for the next five years, to a point of possibly \$2,500 to \$3,000 an ounce. That was the motivation for our company to get into this field.

TWST: How many projects are you currently working on? Bring us up to date with the Diamond Creek Mill project. What prospects does the property hold in terms of reserves?

Mr. Quilliam: First of all, as to how many projects we are working on, currently there is only one. It is called War Eagle Mountain. The construction phase of the mill itself, Diamond Creek Mill, is almost finished. Today they are starting to assemble the mechanicals inside. We will be in production within the next few weeks. We will first start by working on the dumps of material that were left on the mountain about 100 years ago. These piles contain an unusual amount of gold and silver for the simple reason that 100 years ago if you did not see the gold on the rock with your own two eyes, it was assumed that it did not contain any precious metal. But we now know that there was a lot of veins that were not apparent on the surface of the rock. Because of the structure of that same rock,

a whole lot of ore was classified as being useless when in fact it contained a lot of precious metals.

TWST: What's the agenda at this point? What are your priorities over the next 12 months?

Mr. Quilliam: My priorities are as follows: We are going to complete the mill in the next month or two, start it up and act in the fashion of an old-time miller, if you want. We're going to produce gold and silver. Once the mill is completed and producing, we are going to open up the underground workings on the War Eagle Mountain, and we are going to reflect and open most of the old workings, and thus go into underground mining.

TWST: What is the financial status of the company at this point? Are there any funding or financing needs that must be met?

Mr. Quilliam: We are fully funded for the building and startup of the mill. We are going to be looking for funds in the order of about \$6.5 million for the underground operation, which will be required once the old workings are open. And we have geologists report as to reserves and veins that are crossing the old workings.

TWST: What is economically feasible as you go through the production formula? Will it be dependent on today's prices? Are those mines generally workable economically?

Mr. Quilliam: Those mines are in granite, which means that the cost of extraction is much lower than mines that are, say, in loose rock. So we don't have to shore up the tunnels and shafts. For example, the main tunnel is 1.5 miles long in its first phase, and it's straight as an arrow as it was 100 years ago. And there are only three instances where it's shored up with timber, the rest of it being just free standing. So that lowers the cost of extraction measurably. Due to the high value of the ore historically, we calculate that our cost of extraction will be around \$300 an ounce. And as long as the price of gold doesn't fall below that, the operation will be profitable.

TWST: What would like to accomplish in, say, two to three years? What would make that time frame a success?

Mr. Quilliam: Basically, the mill being in an expansion mode at that point, and the mountain producing ore of quality and

quantity sufficient to not only support the operation but greatly exceed it in dollar value.

TWST: What is your legal status? Is it actual ownership, mineral rights or is it some lease from the government?

Mr. Quilliam: We have a number of quit claims, which are, as you know, outright ownership of properties. We also hold a number of lode claims from the Bureau of Land Management (BLM), and we have a number of placer claims that we have filed on the mountain. All in all, we believe that we have covered the majority of the vein structure, and we'll make sure as time goes on that we cover more and more of the side veins, which are offshoots of the main one.

TWST: What about challenges, obstacles or problems? What could go wrong here?

Mr. Quilliam: Mining is a difficult area; all kinds of things could go wrong. There could be an earthquake, to quote something that's fairly current right now, which would displace the inside of the mountain, or a fall in the price of gold and then partly a new mode of financial payment in the world that would not involve precious metals as a backup, or a loss of interest in precious metals as a decorative medium, major accidents in our corporation's operations, etc. These are a number of factors that could negatively affect our operation. But being good managers — at least we hope so — we are keeping our eyes open for potential trouble on all fronts.

"We will first start by working on the dumps of material that were left on the mountain about 100 years ago. These piles contain an unusual amount of gold and the silver for the simple reason that 100 years ago, if you did not see the gold on the rock with your own two eyes, it was assumed that it did not contain any precious metal!"

TWST: Tell us about your background and expertise, and about those of the other members of the Silver Falcon team.

Mr. Quilliam: Basically, although I'm not a miner, I have been a financier throughout my life. I've done nothing but play with money, so to speak, and accumulate net worth. So I am assembling a team of professional mill managers and mining engineers backed up by geologists. In short, people who are experienced in mining and milling operations. Our mill is presently under the direction of an ex-Barrick Gold manager who is very experienced in all the intricacies of operating such a plant. Our General Manager in Idaho is a businessman and an expert in heavy equipment, and who has lived his life in and around War Eagle Mountain, and who knows the people, knows the area, the local weather patterns and the different factors that can affect an operation like ours — roads and maintenance, and so on and so forth. In addition, we are looking

presently for a mining engineer who is going to take charge of the underground mining operation. And we have a couple of geologists who have been scouring the mountain to give us a verification of the values discovered in the area 100 years ago. These geologists have spent the last summer mapping the geology of the mountain, the veins and so on. We will then be hiring drill crews who will be looking at and mapping the inside of the mountain. We have amongst our directors an expert in computerized 3D technology whose focus will be to make sure that we can get an accurate picture of where the gold and the silver are prevalent in the underground.

TWST: As CEO of Silver Falcon Mining, what occupies your attention most on a daily basis?

Mr. Quilliam: I've been extremely busy in making this company fully reported and moving it from the Pink Sheets to the Bulletin Board. Once that is done, I have a good team of auditors and accountants who are making sure that financial reporting is not only accurate but thorough, sound and accurate reporting, that they can forewarn of coming pitfalls in the financial side of this mining venture. So mainly, my preoccupation has been to look forward as to make sure to anticipate problematic events in the future, and to protect our shareholders, of which of course I am one, and that their financial worth grows with that of Silver Falcon Mining.

TWST: Would you describe to me the investor base?

Mr. Quilliam: Our investors are composed at present of individuals who are fairly wealthy, who have enough confidence in the company, its directors and its operation to put up fairly large amounts of their personal money to see that this gets properly financed and can go on to a successful future.

TWST: What is your own personal view of the general outlook for gold?

Mr. Quilliam: I believe personally that gold will go up above the \$3,000 to \$3,500 an ounce for the simple reason that right now, the U.S., which is the driving force, if you want, in finances in the world, has put itself in a position of foreign ownership and also — for lack of a better description — has decided to pay its bills by turning on the printing press. For a corporation or a government, printing money to pay your bills is never a good idea, as it devalues the net worth of the country. So basically, I believe that the world is going to look for some stability, some guarantee of stability, of protection of personal worth by investing in gold, whether it be bullion or jewelry or otherwise. And that will, for the foreseeable future, drive up the price of the precious metal.

TWST: What are some benchmarks or milestones that investors might use to judge your movements over the next two years?

Mr. Quilliam: Number one, they are going to be pleasantly surprised when we show up on the Bulletin Board, which is going to happen within the next 30 days. After that, the opening of the mill of course will justify the attention that the stock has been getting, but it will also bring forward the discrepancy between the book value of the company and the fair price of the shares on the market.

TWST: What are the two or three best reasons for long-term investors to look closely at Silver Falcon Mining as an investment today?

Mr. Quilliam: One hundred years ago, people found War Eagle Mountain quite by chance and extracted gold out of there to the tune of hundreds of millions of dollars, which in 1868 was a lot of money. Since then, through a succession of disasters, negative events such as world wars, market crashes, bank failures, etc., no further extraction of quantities of precious metals has been done on that mountain; everything has laid dormant. But the Idaho Bureau of Mines values that mountain as containing \$10 billion of precious metals. When they did this valuation in the 1990s, gold was priced at \$650 per ounce, with fluctuations of \$350 to \$650 per ounce. So basically there is an upswing into the value of the ore contained in the mountain. It has not been commercially exploited for 100 years,

and although basically it's not as easy as bending over and picking it up, it's simply a question of hard work. But it is very feasible, and with today's modern means and mechanical extraction machines, and so on and so forth, it is extremely possible to extract the precious metals from the mountain at a nice profit.

TWST: Thank you. (KL)

PIERRE QUILLIAM

President & CEO

Silver Falcon Mining, Inc.

1385 Broadway Ave.

Suite 1109

New York, NY 10018.

(941) 761-7819

(941) 761-7848 — FAX

www.silverfalconmining.com
