



Recent price 68 cents (Friday 16 March)

Shares Outstanding: 79.25 million

Fully diluted: 98.9 million

Working Capital 5.48 million dollars

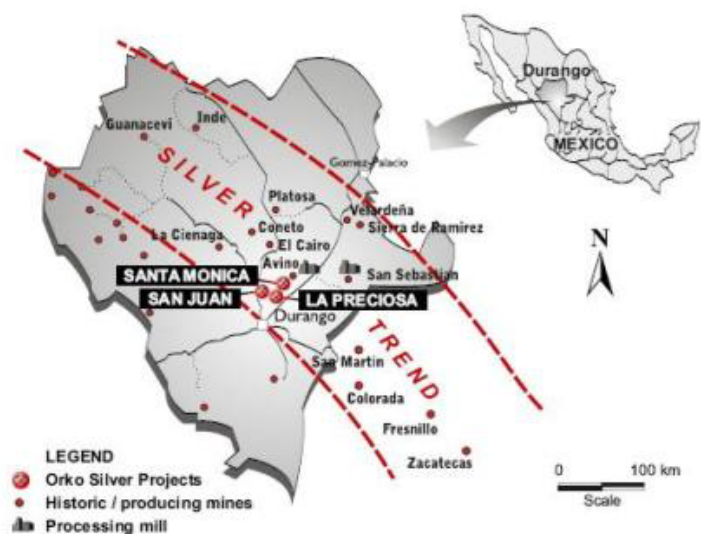
Fully diluted 15.25 million dollars

Orko Silver is an exploration company driven to develop a 100 million ounce silver resource in hopes of becoming an attractive takeover target. That being said, I believe that they are executing their business model very well.

Orko Silver is currently exploring for silver and gold in Mexico. Orko has several projects at several stages. They have the La Preciosa property, the Santa Monica and the San Juan property. Mexico is an excellent country to do business, particularly mining. It is one of the most prolific areas in the world for silver. With its long silver mining history, the population is highly trained in mining and knows the area very well. Further, their Chief Geologist Ben spends a significant portion of his time at the property and is completely fluent in Spanish. This is quite the bonus because he can keep his finger on the pulse of the area and know the culture. In many non-North American/Western countries, culture is a huge part of life, and in the business aspect, it is no different. Having a person in such an important role spending that much time in Mexico can help bridge the potential cultural differences and really optimize the productivity by knowing the cultural and governmental differences.

One thing I like about Management is that they don't spend money frivolously. The Management team is also quite conservative, they are not ones to talk about how blue skied their project is and how the stock is going to 100 dollars. They tell you what they have and what they are working on. They use the facts that are known to talk about the project. The team is very experienced and has led the company to the great position that it is in now.

The La Preciosa is the most advanced property. It has a National Instrument (NI) 43-101 compliant estimate of about 35.8 million ounces of silver. This is using the more conservative 150 grams per tonne (g/t) cut-off; the deposit has 4.39 million tonnes grading 229.9 silver (g/t) and 0.396 gold g/t, for a silver-equivalent grade of 253.7 g/t. This NI 43-101 is from March of 2007, since this last 43-101, there has been a fair bit of drilling. This latest 43-101 only includes





76 holes. They are currently drilling hole number 105. Based on this they are planning to have another NI 43-101 by the end of the 3rd quarter of 2007. Based on the current NI 43-101 Orko has a discounted value of about 70 million dollars. This is by no means huge, but the attractive part is that only about 30% of the ore body has been drilled and this current known part is open in all directions. This package makes Orko look particularly attractive. This project is 100% owned by Orko Silver after issuing 1 million shares to Goldcorp, Inc. subsidiary company in Mexico.

"Under the terms of its original project agreement, Orko had acquired a 75% working interest in La Preciosa Project by expending US \$1.5 Million on exploration. Pursuant to this agreement, Orko acquired the remaining 25% interest in La Preciosa Project from Goldcorp for consideration of US \$1 Million to be satisfied by issuing to Luismin S.A. de C.V. (a subsidiary of Goldcorp) common shares of Orko at a deemed price of CDN \$0.48 per share and based on the closing US/Canadian exchange rate on February 27, 2006." (From the March 3rd 2006 New Release)

Santa Monica: This project is on an "earn in" basis from Goldcorp, Inc. This particular land package is 17285 hectares and has some great work planned for it. They recently completed soil sampling and quartz float bolder survey's and got encouraging results(gold values as high as 2800g/t and silver results as high as 520g/t) These results have given Orko the confidence to proceed in an IP Geophysical survey before generating drill targets. The terms of the "earn in" are the same as the original terms of the La Preciosa when it was optioned from Goldcorps. The terms are 75% earn in for the expenditure of 1.5 million dollars. (See news release dated March 3rd 2006)

The San Juan property is also on an "earn in" basis. Orko has to spend 750000 dollars to earn a 75% interest in the property from Silver Standard. All the properties are contiguous to each other and form a large block of 43,000 hectares and have good infrastructure in the area.

Conclusion: Currently, based on the new resource estimate, I believe that the company is undervalued. With a current valuation of about 70 million dollars, the market cap is about 55 million dollars. Their goal is to have 100 million ounces. That would give the company a fair value of about 180 million dollars. Orko Silver is well financed with over 5 million dollars cash and no debt. It's fully diluted cash position is almost 3 times that amount. The management team is experienced in what they do and is executing their business plan beautifully. Further they have achieved just about 40 percent of their goal off the La Preciosa property alone. This is based on less than 30% of the targets. They have 2 other properties left that have minimal work done on them. In the mean time there is plenty of potential with Orko Silver and it is currently undervalued based on my analysis.