

# Silver City Minerals Ltd

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Silver City Minerals Ltd is exploring for lithium, zinc, lead and silver in the world-class mineral province at Broken Hill.

Chris Torrey, managing director, exclusively joins Proactive Q&A Sessions™.

**Silver City Minerals Ltd (ASX:SCI)** is an explorer for zinc, lead and silver in the world-class mineral province of Broken Hill in New South Wales.

The company is now pioneering lithium exploration in the district, with preliminary results expected very soon.

A zinc or lithium discovery at Broken Hill would be ideal for a low capital, low-cost open pit mining due to it being a well-established mining centre with a ready workforce.

Silver City is in the right place at the right time with respect to these two “in-demand” commodities.

Chris Torrey, managing director, exclusively joins Proactive Q&A Sessions™.

PROACTIVE INVESTORS: Welcome Chris.

### First of all, can you outline what separates you from other explorers in the resource industry?

Chris Torrey: Firstly, our exploration ground is close to the mining centre of Broken Hill. Most of our prospects are less than 30 kilometres from town.

The ground is prospective, the infrastructure is fantastic and there is a wealth of local mining expertise.

Secondly, the primary metals we are exploring for are zinc and lithium; two particularly sought after commodities. The zinc (lead and silver) pedigree is already well established in the district.

Lithium is an unknown as no one has explored for it in the past.

Thirdly, in the coming months we will have a steady news flow on results from both exploration programs.

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## **What is your land position at Broken Hill?**

Chris Torrey: We have a package of 10 exploration licences (EL's) and 3 licence applications (ELA's) which will be granted imminently. This totals about 1200 square kilometres, all focused on Broken Hill.

## **Tell us about SCI's zinc projects at Broken Hill, what is the exploration focus in the near term?**

Chris Torrey: Broken Hill is the world's largest zinc-lead-silver deposit.

We are focused on making a discovery close to it and within the same rock sequence. Our immediate interest is on two areas, one 15 kilometres to the northeast of the famous Broken Hill orebody (Razorback West), and one about the same distance to the south (Balaclava).

Both lie largely under a veneer of alluvial and soil cover and are considered to be within rocks of the Broken Hill mine corridor. Each has potential to host another large zinc-lead-silver sulphide deposit.

We plan to drill at Razorback West and conduct geophysical surveys at Balaclava in September. If the geophysics turns up something at Balaclava we will move the rig there next.

## **What is the rationale behind the lithium search, has it ever been done before at Broken Hill?**

Chris Torrey: Some 50% of the world lithium supply comes from a rock called pegmatite. Some pegmatites contain lithium and others don't. We looked at the NSW Geological Survey's database on mapped pegmatites in the district and documented lithium occurrences, and we noticed a few interesting things.

Firstly, we found that about 8-10% of our land holding is occupied by outcropping pegmatite.

Secondly, we found that in areas to the north of our tenements lithium minerals had been identified in pegmatites associated with tin deposits.

The rationale was simple. We had similar pegmatites, tin deposits and host rocks on our ground, so we decided to look for any associated lithium.

Prior to SCI commencing its sampling, research showed that there were a total of 115 lithium analyses undertaken historically within our tenement package.

However, not one of those was documented to be from a pegmatite. So no, it had not been done before.

## **What is the status of the pegmatite sampling?**

Chris Torrey: It has been a daunting task sampling some 100 square kilometres of pegmatite. We have a team of four geologists collecting samples and documenting the nature of pegmatites across the district.

To date we have collected over 700 samples from within granted exploration licences.

We are very keen to have the ELA's granted so that we can commence work on these also, especially one which hosts the Waukeroo tin field.

Historic work on indicator element chemistry suggests this is particularly prospective for lithium. We anticipate grant of this tenure imminently.

We anticipate analytical results will be available for an initial sample batch sometime next week.

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## **What is the SCI exploration plan and budget for the remainder of 2016, and the timeline to assays?**

Chris Torrey: For the remainder of 2016 we anticipate spending about \$0.5 million, evenly split between zinc and lithium.

We already have plans to drill Razorback West and potentially Balaclava. If a lithium target is outlined in the current sampling we would anticipate a drill test before year end.

With respect to pegmatite assays, by the end of the week we should have three large batches of samples working their way through the laboratory system.

We would hope to be able to discuss some of these in an ASX release next week.

Drill results from Razorback West are likely to become available late September or early October.

## **Finally, why should an investor consider adding SCI to their portfolio?**

Chris Torrey: Silver City is exploring for two metals which are receiving a lot of attention in commodity markets at present.

It's exploring in a location where the development and mining of either of those commodities will be simple in terms of infrastructure and availability of skilled people.

The fact that there are two zinc processing plants with excess capacity already operating in town is also favourable. More importantly, we consider the potential for a new discovery of both commodities to be very high.

We will have a steady flow of news over the coming months with analyses of hundreds of pegmatite samples expected very soon and drilling taking place in September.

PROACTIVE INVESTORS: Thank-you Chris.

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