

# SILVER CITY MINERALS LIMITED

ABN 68 130 933 309

ASX Code: SCI

## Silver City Minerals

### First Lithium Explorer @Broken Hill

Mining 2016 (24–25 August 2016)

# Important Disclaimer

---

This presentation is provided to you for the sole purpose of providing background technical, financial and other information to enable you to review the business activities of Silver City Minerals Limited ("Silver City", "SCI" or the "Company"). This presentation contains forward looking statements concerning Silver City Minerals Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Silver City's beliefs, opinions and estimates of Silver City Minerals as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development. Nothing in this material should be construed as the solicitation of an offer to buy or sell SCI securities.

## **Competent Person**

Information in this document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Christopher Torrey, who is the Managing Director and full-time employee and shareholder of Silver City Minerals Limited, and a Member of the Australian Institute of Geoscientists. Mr Torrey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Torrey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

# Attractive Investment proposition

---

- Focus on productive mining camps...Broken Hill and Cobar
- Broken Hill - large tenement position ( $\approx 1200 \text{ km}^2$ )
  - Lithium and Zinc
- Lithium is the metal of the future – used in next gen battery technology
- Broken Hill home to the largest Zinc-Lead-Silver Deposit
- Global zinc deficit expected from 2017 onwards
- Cobar represents a new opportunity
  - Copper and Gold

# Company snapshot



## Top 5 shareholders

Sentient Group	13.0%
Variscan Group	4.3%
HSBC Custody Nominees	2.9%
BNP Paribas Nominees	2.9%
RHB Securities Singapore	2.7%

## Key metrics

Market cap (at 3 cents)	\$4.7m	Cash on hand (at 30 June)	\$2.5m
52-week high	13¢	Top 20 shareholders	41.3%
52-week low	1.3¢	Shares on issue (No.)	158.6m
30-day average volume	2.9m	Unlisted Options	10.5m

# Board of Directors

---



**Bob Besley**  
**Chairman**

Geologist with over 40 years experience in mining and exploration. Founder and original Managing Director of CBH Resources Limited. Bob took that company from inception as a junior explorer to a large zinc, lead and silver producer with a peak market cap of \$600m. Currently Non-Exec Director KBL Mining Limited.



**Chris Torrey**  
**Managing Director**

Geologist with over 35 years experience in international mineral exploration. Senior management and consulting roles with Cyprus-Amax, ASX-listed Golden Cross Resources, US-listed Golden Minerals and Apex Silver. Past Chairman of Golden Cross Resources.



**Ian Plimer**  
**Non-Executive Director**

Ian Plimer was the inaugural Professor of Mining Geology (University of Adelaide) and Emeritus Professor of Earth Sciences at The University of Melbourne. Ian is considered to be the world expert on the geology of the Broken Hill orebody on which he has worked and published extensively for almost 50 years.



**Greg Jones**  
**Non-Executive Director**

Greg is a geologist with 35 years exploration and mine operational experience. Senior management roles with Western Mining and Sino Gold. He currently holds directorships with ASX-listed companies; Moly Mines, Eastern Iron Limited and Thomson Resources. Greg is the Managing Director of Variscan Mines Limited.



**Ian Hume**  
**Non-Executive Director**

Ian was a founding partner of The Sentient Group, a private equity fund specialising in global investment in the resources sector. Long career of investing in international mining and telecommunications, primarily in North and South America, Russia and the Pacific Rim.



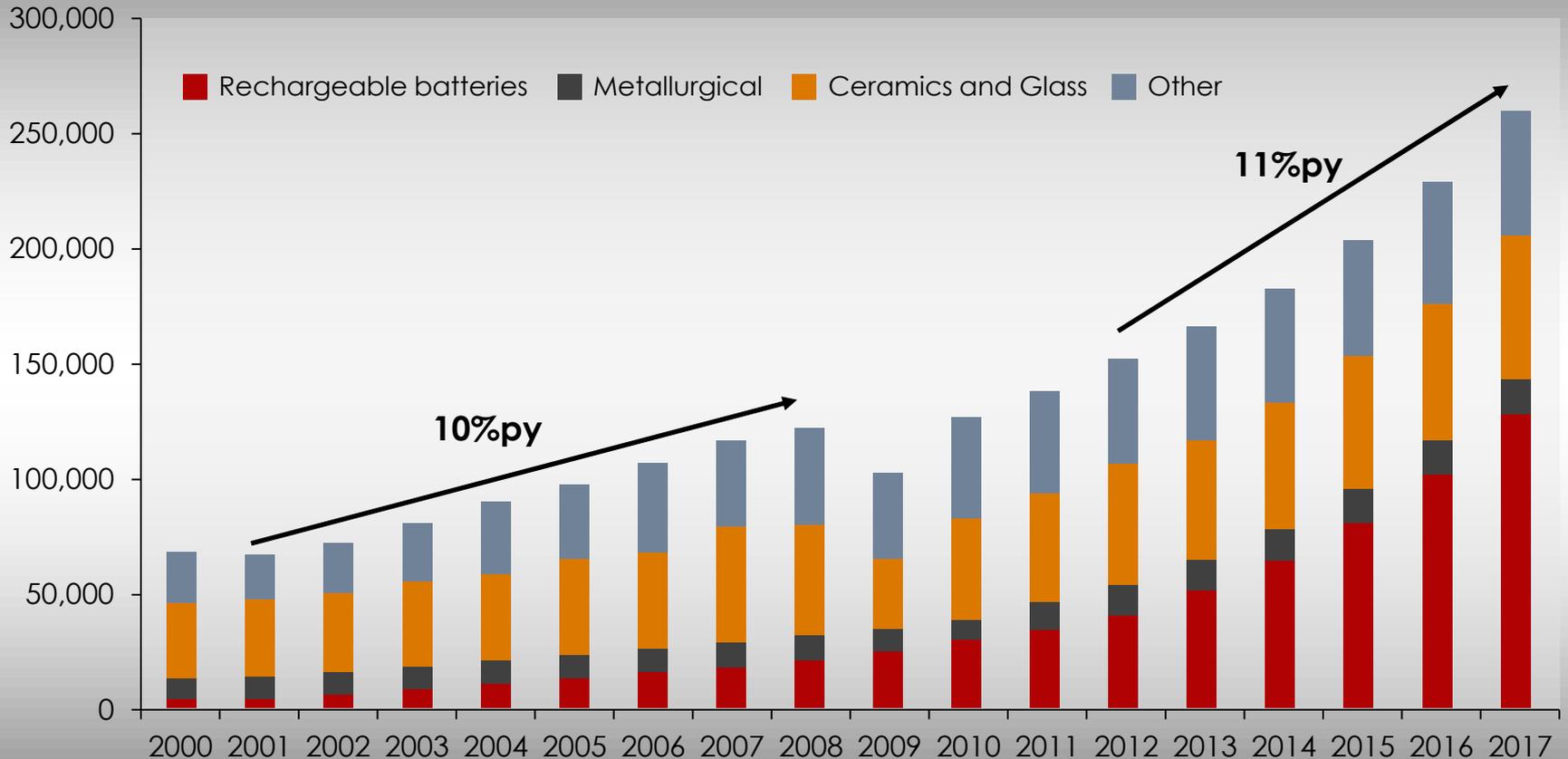
**Yanina Barila**  
**Alternate Non-Executive Director**

Yanina is an investment manager with The Sentient Group. Yanina brings international experience in the review and evaluation of mining and energy projects and her areas of expertise include financial modelling and equity research. She is a non-executive director of TSX-list Tinka Resources Limited.



## Lithium @ Broken Hill

# Global Lithium demand



Source: Fox Davis Capital

# Pegmatite: key source of Lithium

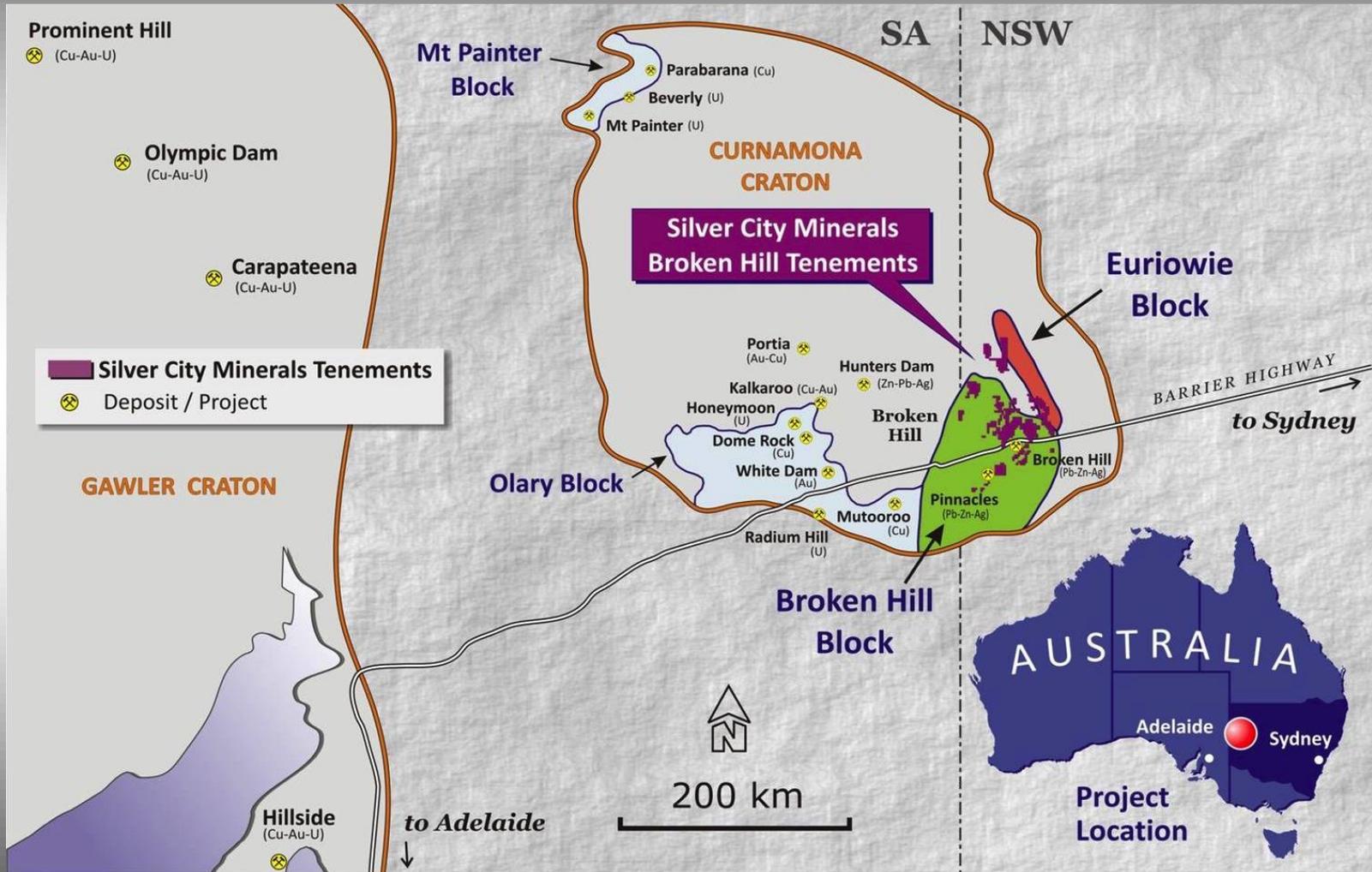
---



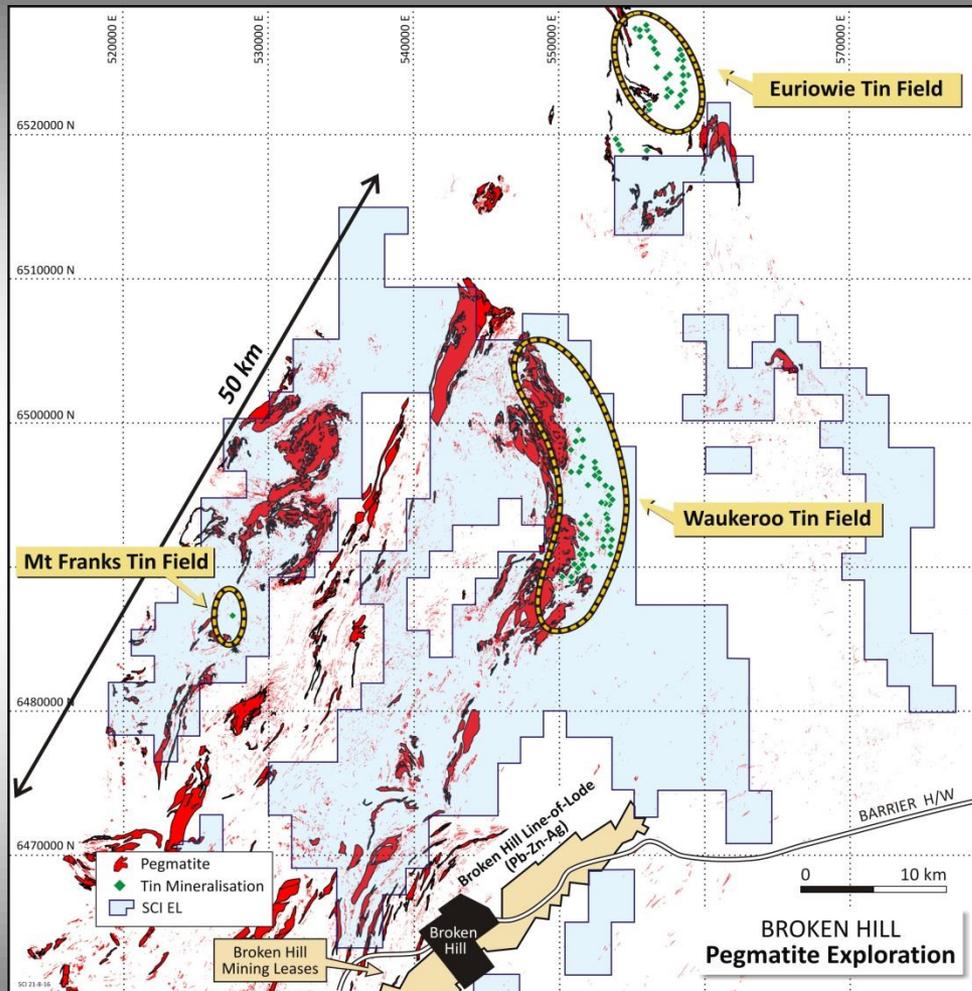
- A half of global supply of lithium comes from pegmatite
- NSW Geological Survey documents the presence of lithium in pegmatite @ BH
- SCI holds title to 13 granted exploration licences

View from Silver City tenement

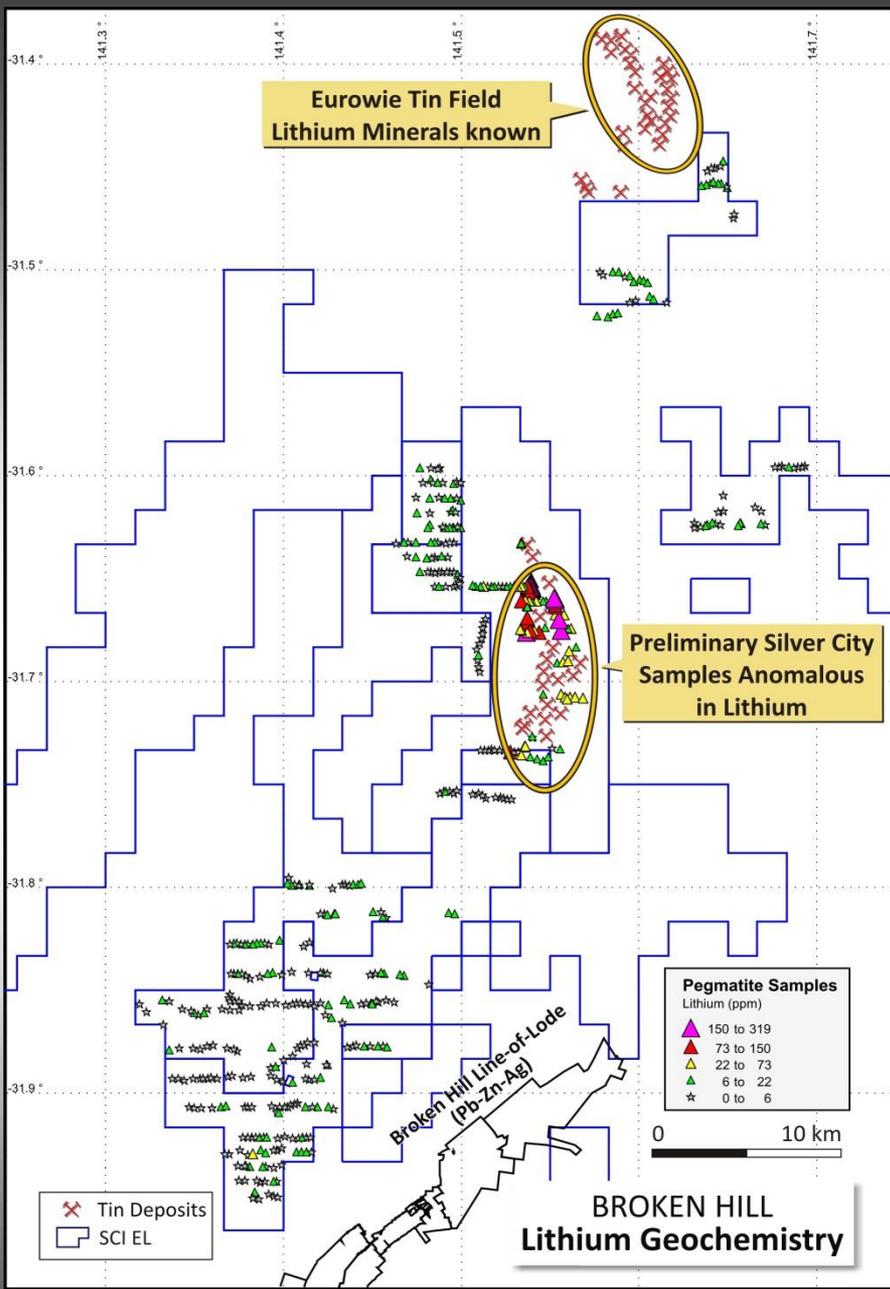
# Silver City minerals projects



# Lithium



- 1200 square kilometres tenure
- 100 square kilometres of outcropping pegmatite
- Euriowie & Kantappa tin fields host lithium minerals
- Prior to Silver City work no lithium exploration undertaken



## Early Results

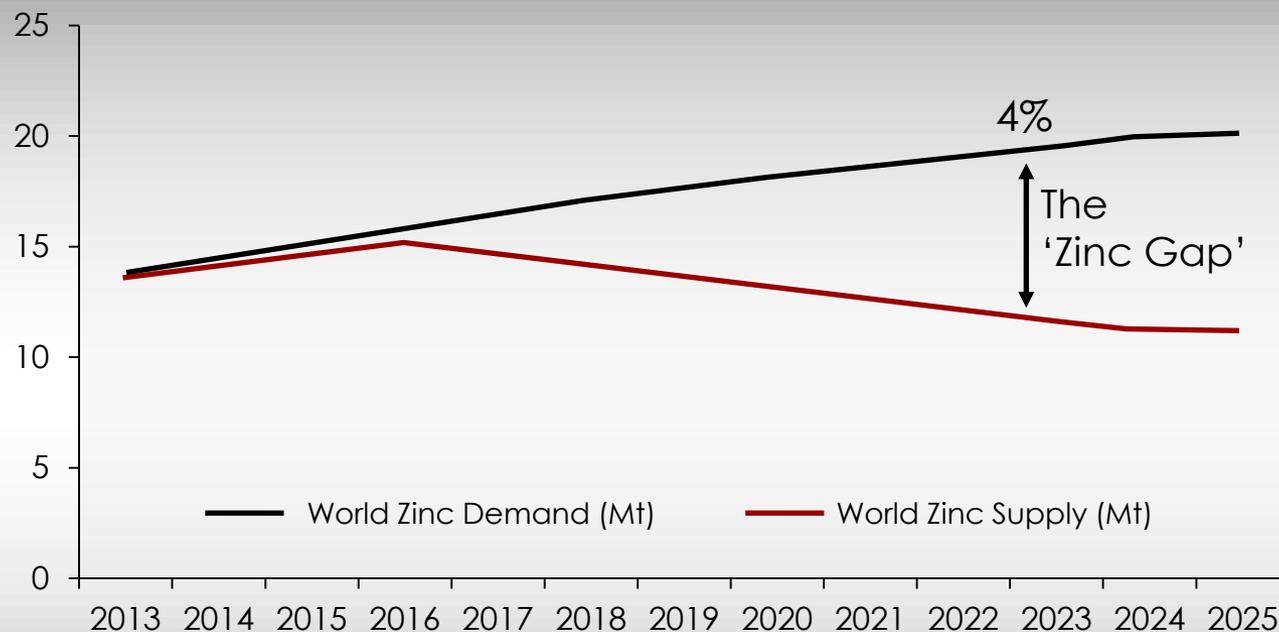
- Lithium- anomalous samples all occur within Waukeroo tin field
- Still early days with over 500 sample results pending
- Lithium associated with tin-rich pegmatites
- More detailed sampling ongoing



## Zinc @ Broken Hill

# Global Zinc demand supply forecast (Mt)

Mt of Zinc



Source: HDR | Salva

Increasing demand-supply gap forecast for Zinc

- Demand increasing
- Mines closing
- Limited new mine capacity to fill the gap

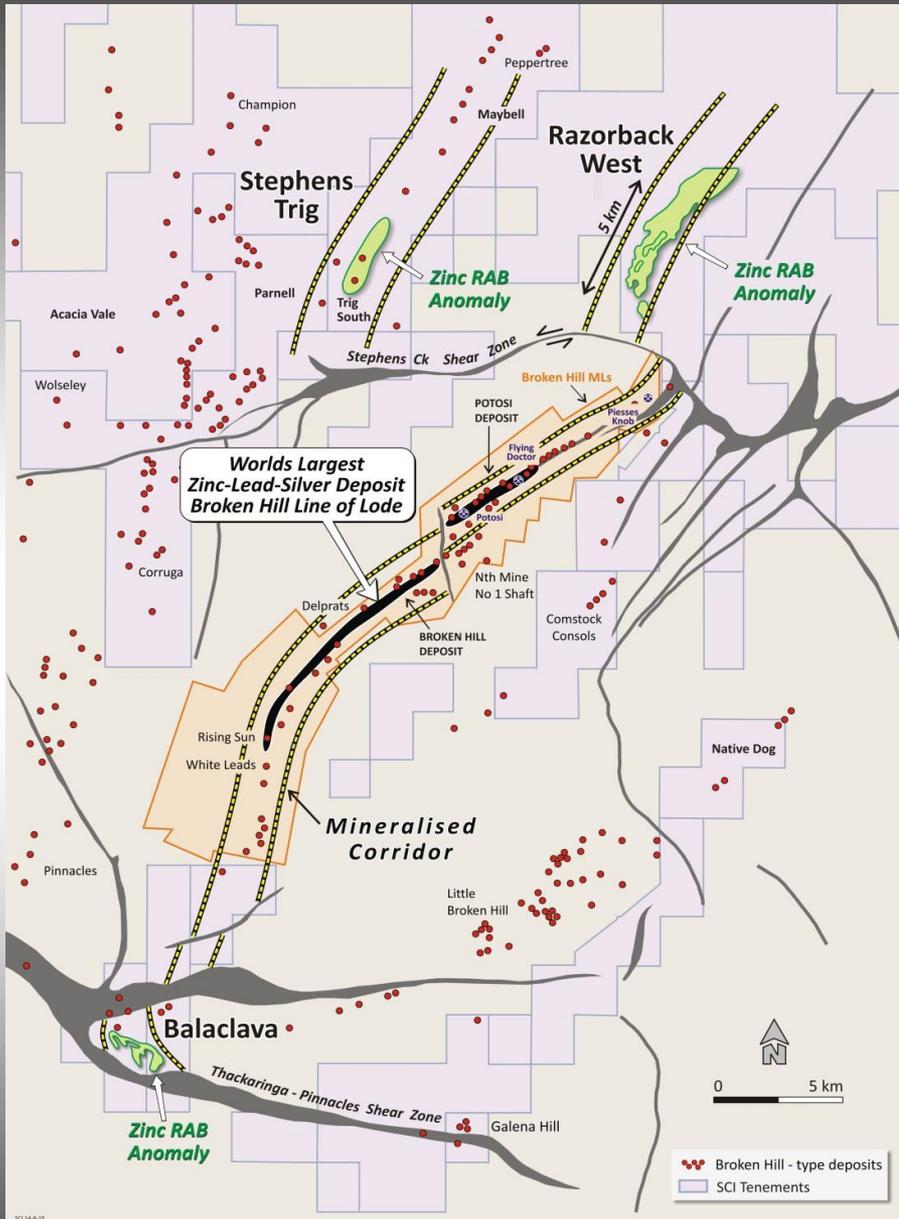
A new zinc discovery of typical high grade Broken Hill ore (+15% Zn+Pb) will fill a significant part of the shortfall

# Silver City zinc projects

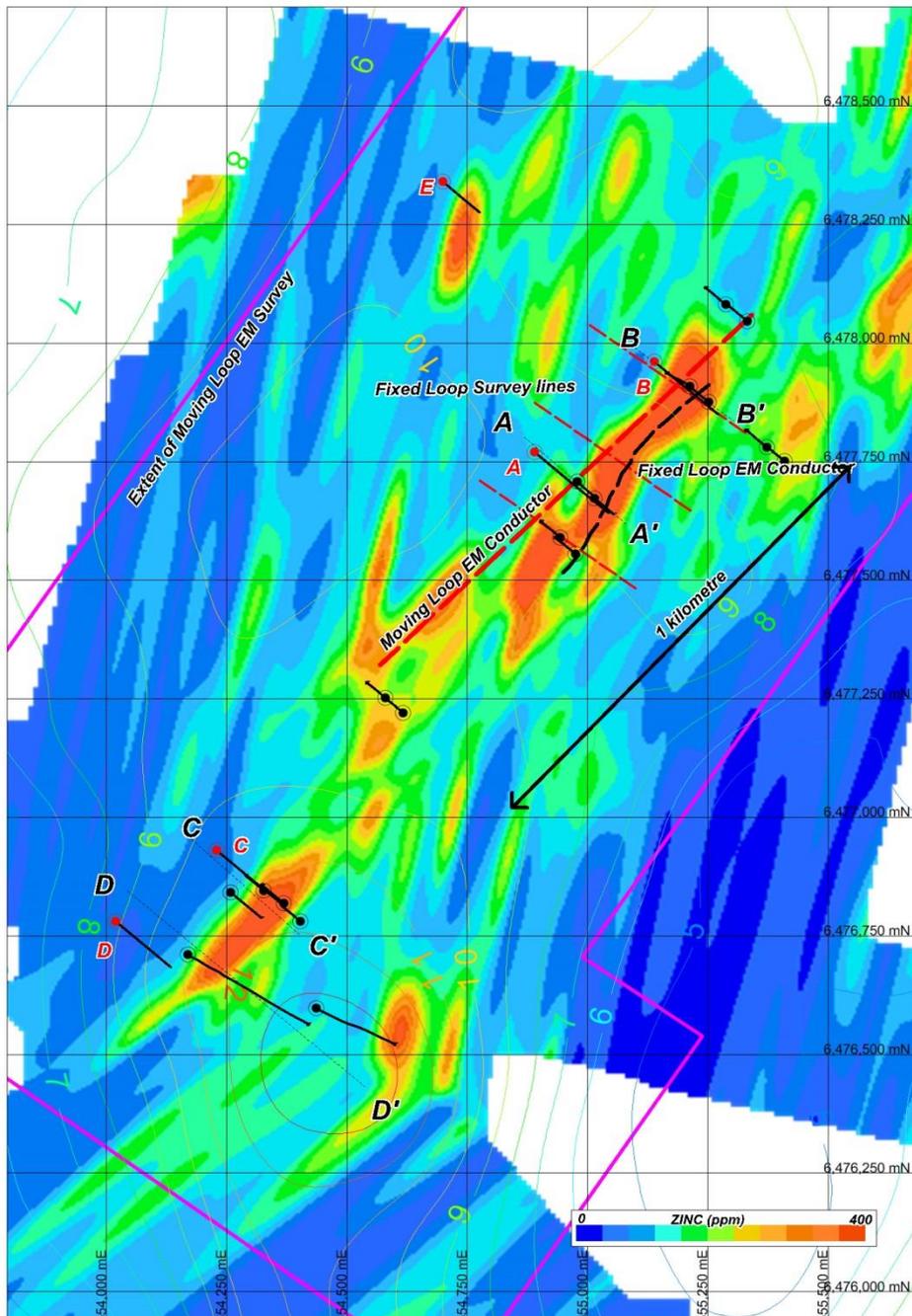
- Razorback West
- Stephens Trig
- Balaclava

All large zinc + lead anomalies

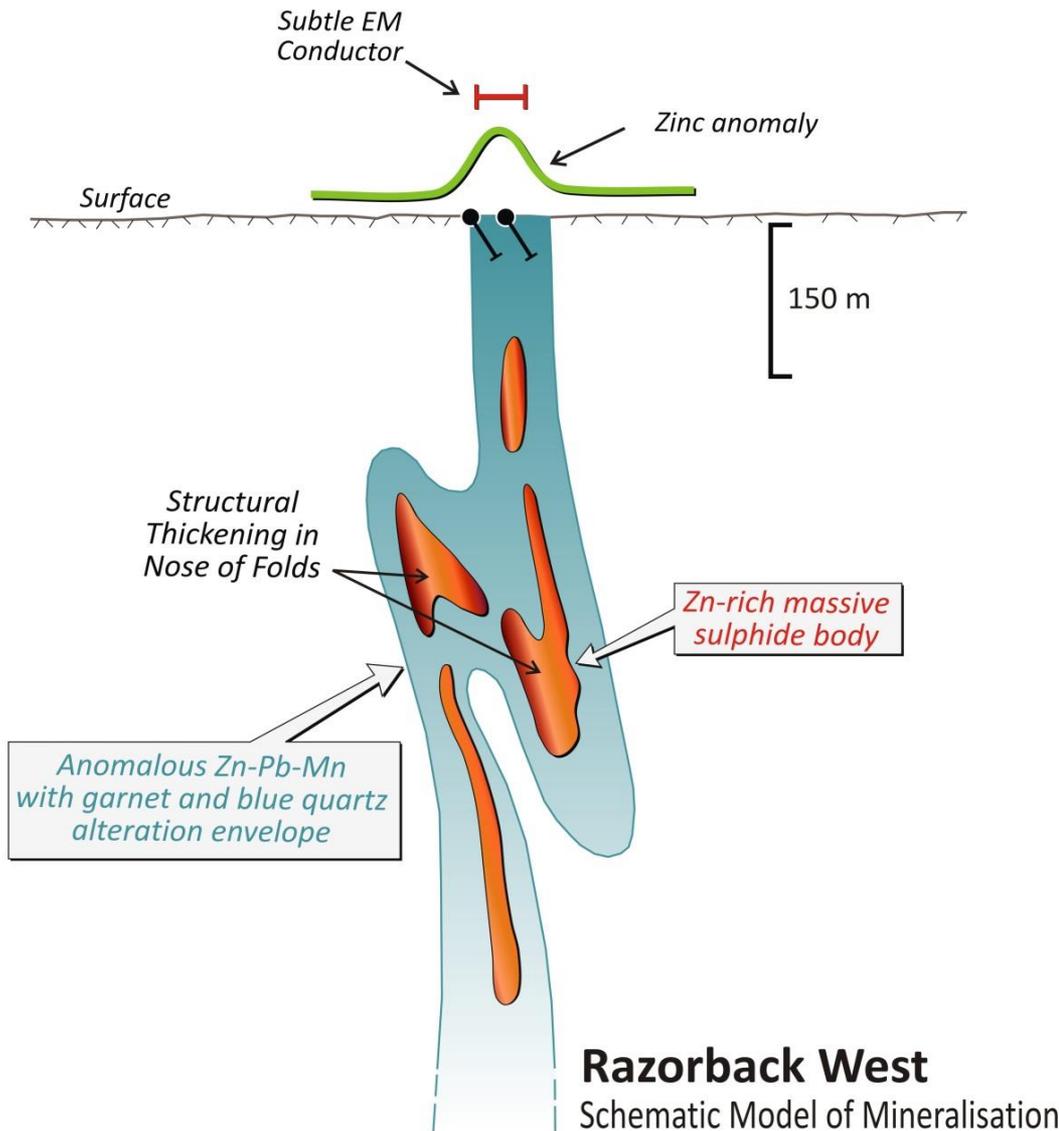
All under alluvial and soil cover



# Razorback West



- New drill targets based on geology, zinc geochemistry and electromagnetics
- Planned drilling September 2016 (application for funding under NSW New Frontiers scheme)

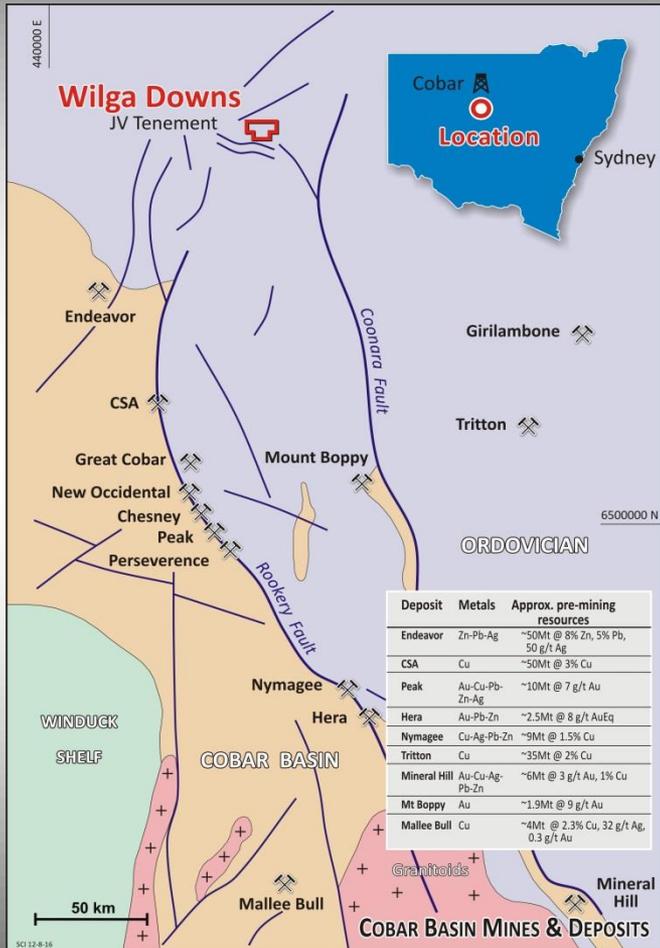


- Surface zinc anomaly in shallow RAB drilling
- Zinc in shallow reverse circulation drill hole
- electromagnetic conductor
- A conceptual, zinc-rich massive sulphide body at 120 – 150 metres below the surface
- Deeper drilling required



# New Copper-Gold Target @ Cobar

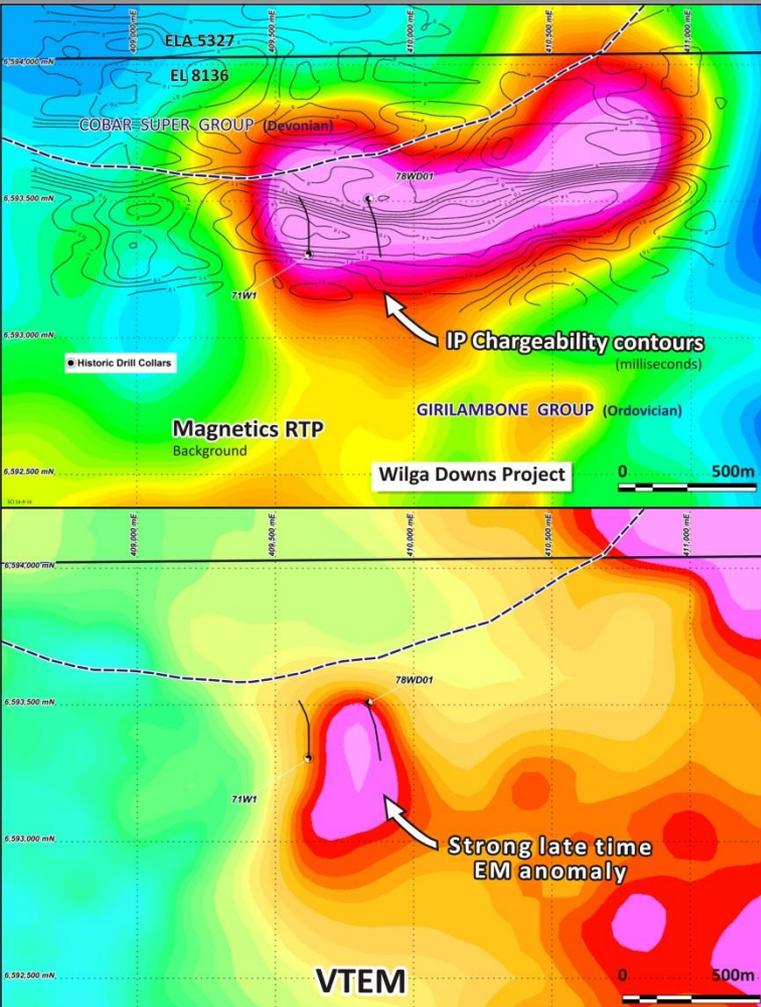
# Silver City Minerals projects - Cobar



## Wilga Downs Project

- Located in highly productive mining camp
- Long life, high grade deposits hosting copper, gold, lead, zinc and silver
- Silver City optimistic for Tritton or CSA look-alike
- Drill targets already outlined

# Cobar Geophysical Target



## Copper Gold Target

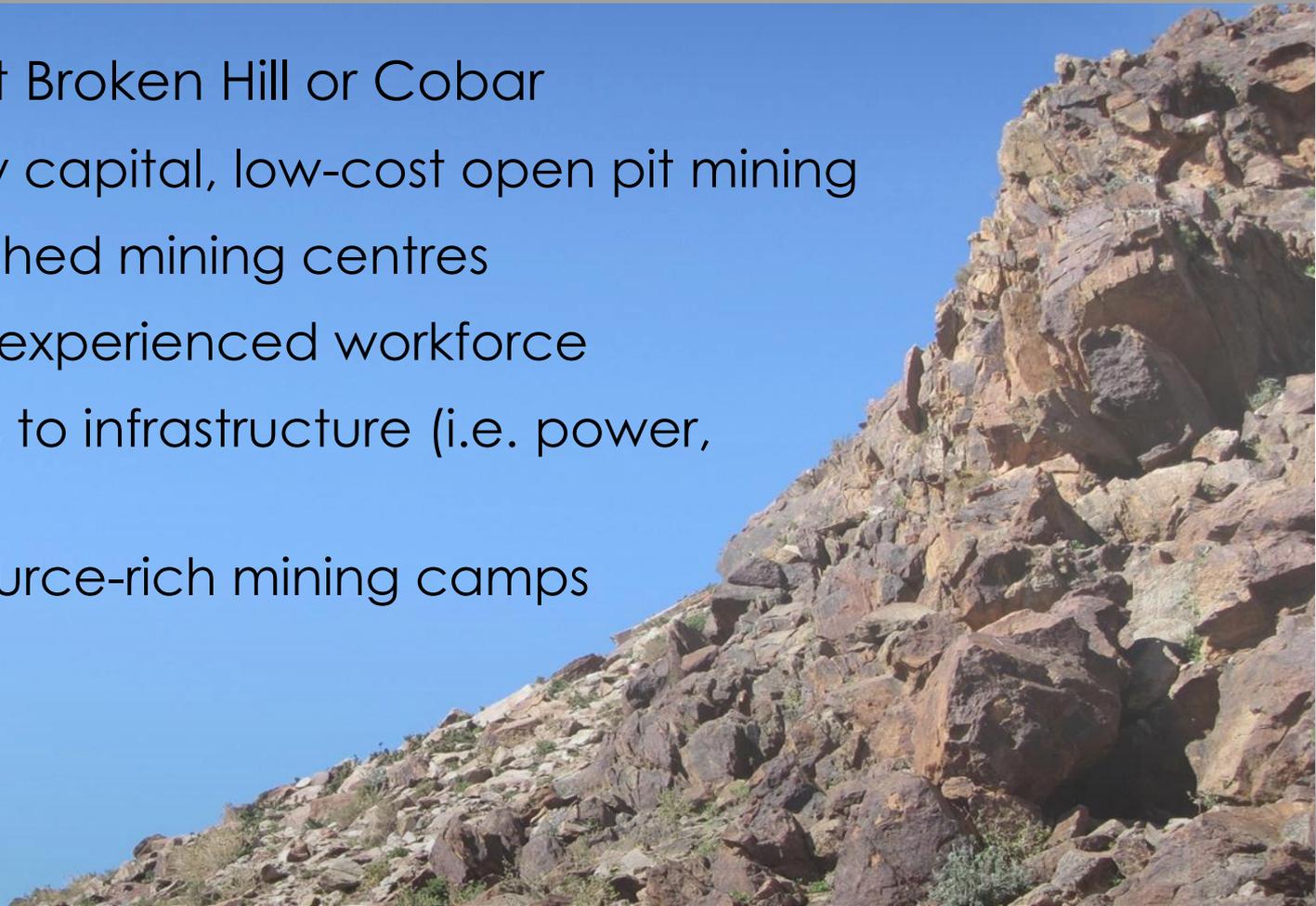
- Large magnetic anomaly
- Coincident IP chargeability
  
- Late time VTEM anomaly untested by drilling
- Confirmed by ground survey

# Project advantages

---

A discovery at Broken Hill or Cobar

- Ideal for low capital, low-cost open pit mining
- Well established mining centres
- Ready and experienced workforce
- Easy access to infrastructure (i.e. power, rail, etc.)
- Proven resource-rich mining camps



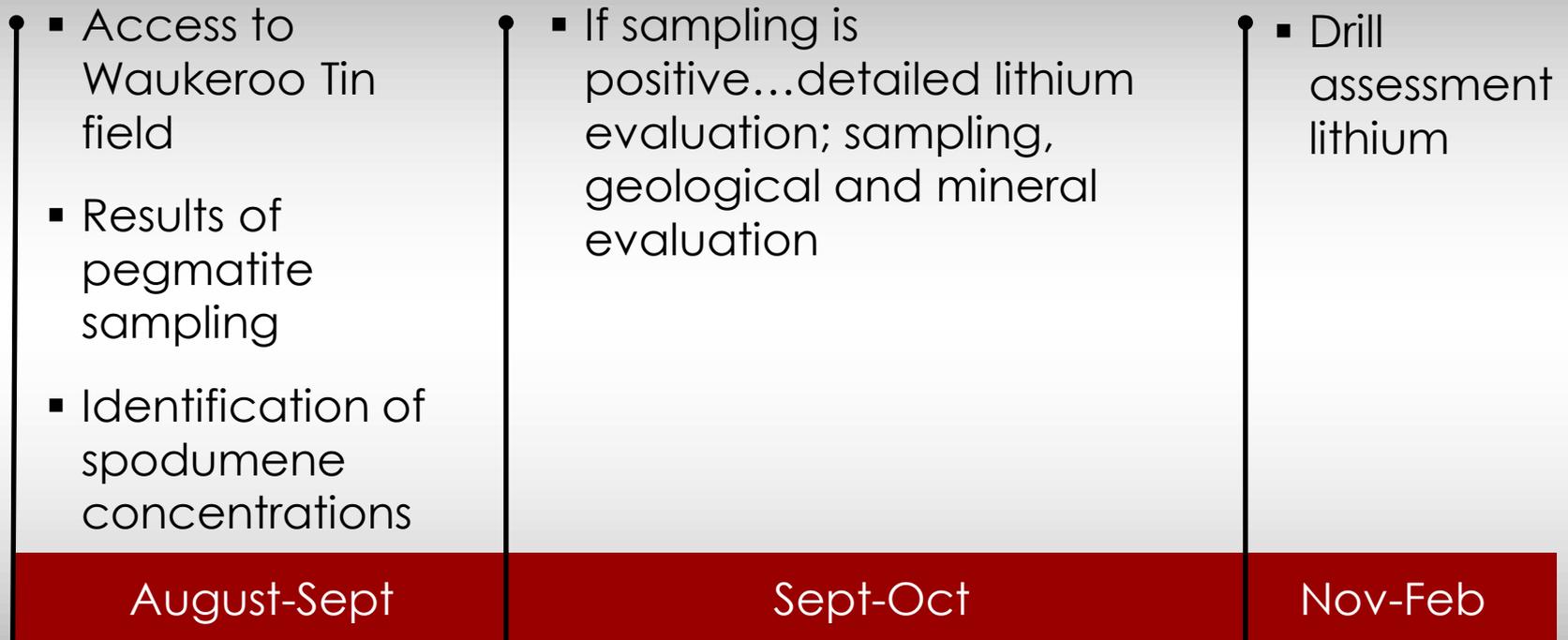
# Peer comparison

---

Explorers	ASX Code	Market cap	Primary Mineral	YTD return
Silver City	SCI	\$5.2m	Li & Zn	94%
Dakota Minerals	DKO	\$20.6m	Li only	18%
Pioneer Resources	PIO	\$21.7m	Li & Au	31%
Peel Mining	PEX	\$21.9m	Cu, Au, Zn	7%
Metalicity	MCT	\$23.7m	Li & Zn	139%
Lithium Australia	LIT	\$51.3m	Li only	33%

# Milestones next 6-months-Lithium

---



# Milestones next 12-months-Base Metals-Gold



# Summary

---

- Strong potential for new resources of lithium in spodumene-bearing pegmatites in Broken Hill district... early results positive
- Broken Hill and Cobar : ready access to infrastructure and workforce
- Company-making opportunities in Zinc and Copper-Gold
- SCl attractively priced compared to other explorers
- Drilling soon to commence
- Multiple milestones in next 12-months

# SILVER CITY MINERALS LIMITED

ABN 68 130 933 309



**ASX Code: SCI**

Level 1, 80 Chandos Street  
St Leonards  
NSW 2065  
Australia  
+61 2 94371737

[www.silvercityminerals.com.au](http://www.silvercityminerals.com.au)