



STRATEGIC
MINERALS



121 INVESTOR PRESENTATION | MAY 2020

DEVELOPING A SECOND INCOME STREAM

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MULTI-MINERAL PROJECT PORTFOLIO

A global, producing mining company with projects in the USA, UK and Australia

Southern Minerals Group (Cobre) New Mexico, USA

Resource: Magnetite Ore
Tonnes: 700,000+ (stockpile)
Phase: Production/processing
Sales 2019: \$2.5m (42,517 t)
NPAT 2019: \$1.45m
2020 Targets: Sales \$3.0m
Tonnes 50,000
NPAT \$1.7m



Leigh Creek Copper Mine (LCCM) Leigh Creek, Southern Australia

Resource: Copper Oxide
Phase: Full production expected late 2020 subject to securing finance
Resource: JORC Indicated 24,205 tonnes contained copper
Price paid: Low, less than US\$100/t
Capital : \$5m to fund start and W/C
Cash flow: Expected Q4 20/ Q1 21
Off take: In place up to 300t p/m based off LME price



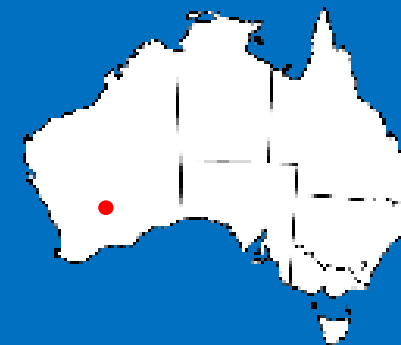
Cornwall Resources Limited (Redmoor) Cornwall, UK

Resource: Tin/Tungsten/Copper
Amount: JORC Inferred: 11.7Mt @ 1.17% Tin Equivalent
Cash Cost: Less than £25 a tonne
Phase: Brownfields Development
Exploration: Progressing to Pre-Feasibility
Outstanding: \$1.125m payment due June
Opportunity: World class tin/tungsten mine



Central Australian Rare Earths (CARE) Western Australia

Resource: Cobalt, Nickel Sulphid
Phase: Greenfields Development
Project: Tenements in proven Nickel belt of Western Australia
Opportunity: To define high grade Nickel and Cobalt deposits



KEY COMPANY FACTS

Securities in Issue and Market Capitalisation

Shares in Issue	1,467m
Market Capitalisation at 0.6p	£8.8m
Issue Price June 2019 (Directors, Consultants, Employees and Major Shareholder participated)	1.40p
Average daily share turnover	4.225m
One year Trading Range	0.33 – 1.825p

Significant Shareholders and Management

Charles Manners	5.35%
Peter V Wale (Executive Director)	3.95%
J Peters (Managing Director)	3.88%
Lenark / Kifaco / James Chisholm	3.06%
Directors and Management*	8.37%

SML One Year Trading History





COBRE MAGNETITE STOCKPILE, NEW MEXICO, USA

Profitable operating base to fund overheads and ongoing projects

- **Magnetite stockpile:** 700,000+ tonnes of material (10+ year mine life)
- **Low risk operations:** centred around logistics rather than mining – contactless during Covid-19
- **After Tax Profit margins:** generally exceeds 50%
- **Close relationship** with mine owner, eight annual rollovers and confident of long term access
- **Cash cow** expected to provide SML over \$1.5m after tax cash flow during 2020
- **Arbitration claim** of \$20m expected Q2 2020
- **Barrier to entry** of transport costs locks in local customers, mainly cement and fertiliser companies
- **Stable committed management** with key executive incentivised for organic sales growth.

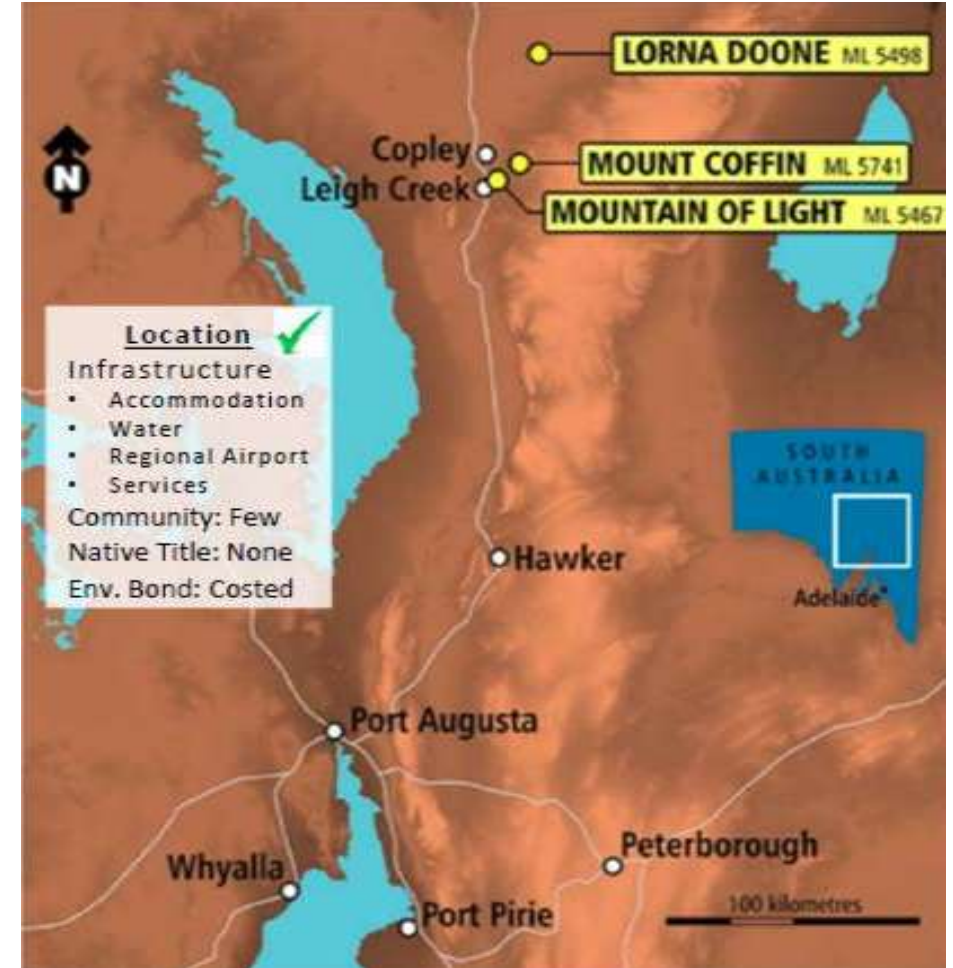


LEIGH CREEK COPPER MINE, SOUTH AUSTRALIA

LEIGH CREEK COPPER MINE, SOUTH AUSTRALIA HIGH GRADE COPPER CONCENTRATE

Copper price exposure, local market demand, near term cashflow, growth opportunities

- Leigh Creek Copper Mine (LCCM) is a copper project in the North Flinders ranges of South Australia.
- Successfully restarted copper production on existing heaps in May 2019. It has undertaken extensive metallurgical drilling.
- 24,900 tonnes of contained copper- JORC (2012) Resource (3.6Mt @ 0.7% Cu) Further Mineral Inventory (non JORC compliant) taking total to 36,400 tonnes of contained copper (5.4Mt @ 0.7%).
- 100% offtake agreement (390km south of LCCM).
- Rapid access to substantial cash flows (<6 months), quick payback period.
- Very low capital cost required to prepare site and fund working capital/pre strip.
- Surrounding tenements and potential deposits provide significant expansion possibilities and are considered likely to double mine life.
- Low technical risk.



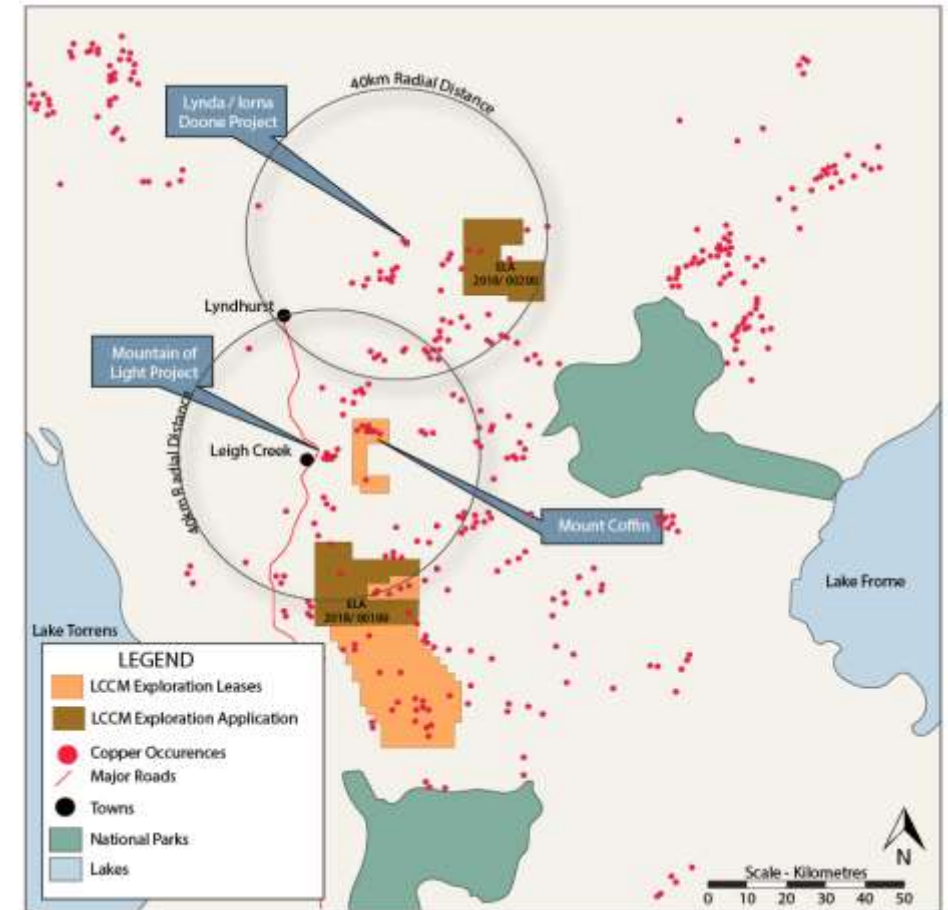
LEIGH CREEK COPPER MINE, SOUTH AUSTRALIA POTENTIAL JOINT VENTURE SCENARIO

Illustrative Joint Venture Scenario and highlighting growth opportunities

- JV proposal for 50% of project at \$6m with SML reimbursed \$1m of costs to date and balance invested into the project to fund it into full production (including working capital/pre strip).
- Production expected Q4 2020 (subject to finance).
- One scenario using the November 2019 LCCM feasibility study with a base case forecast for Paltridge North and Lorna Doone deposits with a average \$3lb copper price, would indicatively suggest JV investment parameters of:

Investment	:	\$ 6.0m
JV Cash Stream	:	\$ 18.2m
IRR Pre Tax	:	28% pa
Project Life	:	10 years
Payback	:	<2 years
First Sales	:	1 year

- Upside - Mount Coffin deposit and proposed acquisition of surrounding tenements (expand operations to 20+ years).



Known Cu occurrences in northern Flinders Ranges

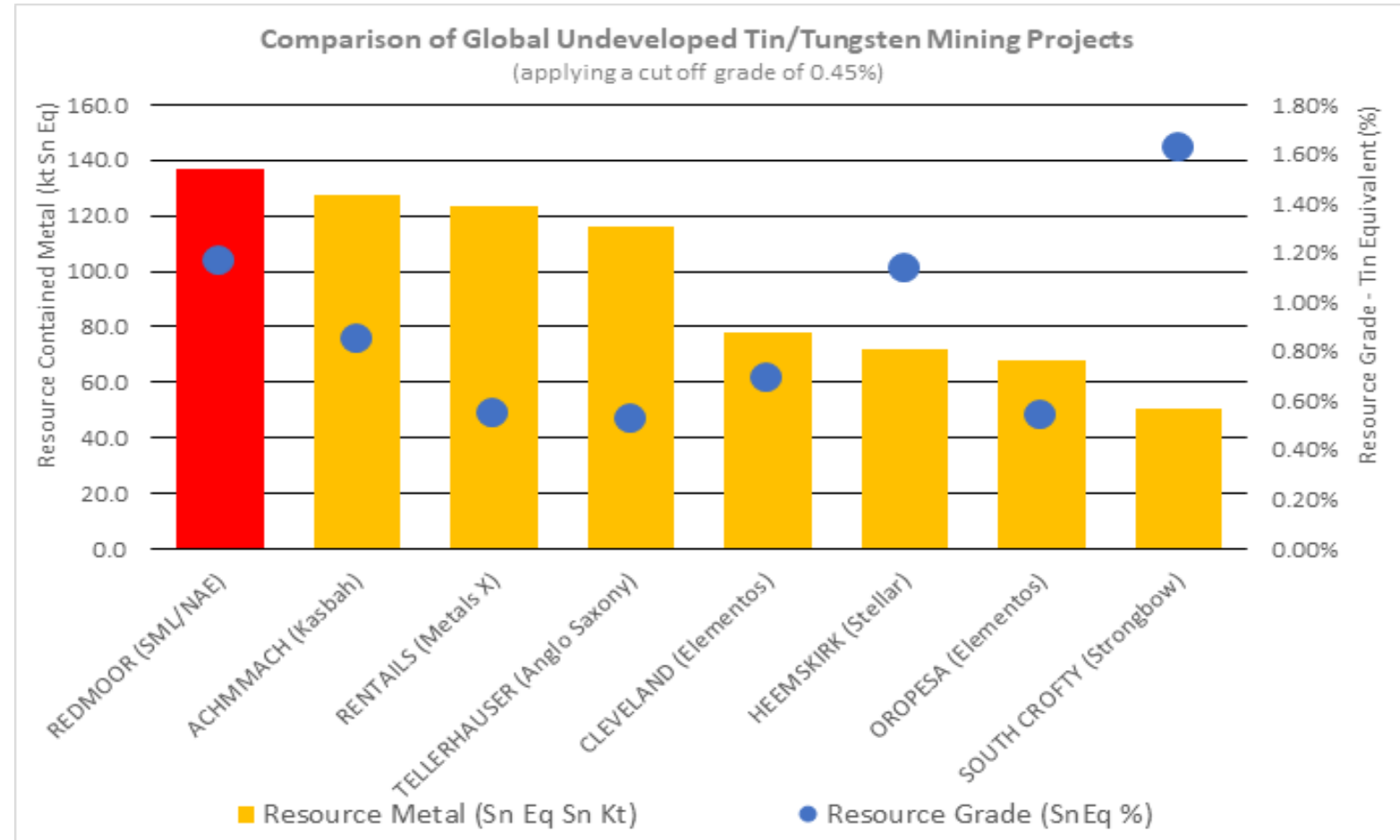


REDMOOR TIN/TUNGSTEN MINE, CRONWALL, ENGLAND

CORNWALL RESOURCES LIMITED (REDMOOR) MINERAL RESOURCE UPDATE

Building a top tier, world class tin/tungsten mine

- JORC inferred 137,000t tin equivalent contained metal
- Mkt value of in-situ metal ~\$2.1bn (@ US\$16,000/t)
- Capital cost approx. US \$100-120m and pre tax operating costs of between 40 to 50% of sales (at 700,000 tonnes p/a)
- Ore body amenable to underground mining
- Significant resource upside with deposit open at depth and along strike to the west
- Future high grade exploration target of 4-8 Mt



Recognised experts in global mining with a proven track record of building value



Mr John Peters (Managing Director)

- Experienced in acquisition strategies, mining project evaluation, commercial agreements
- Public company expertise on AIM / ASX boards
- Extensive capital markets experience and previously managed global assets of £7bn+
- SML's second largest shareholder



Mr Alan Broome AM (Chairman & Non-Executive Director)

- Professional Director and Company Advisor with 35 years' experience
- Current and previous Chair of ASX listed Mining and Exploration Companies; mining tech companies; Director of State Owned Mining operations
- Awarded Order of Australia for Services to Mining and Fellow of Professional Mining and Director institutions



Mr Julien McNally (Chief Financial Officer)

- Highly experienced with over 17 years in the resources industry
- AIM, ASX and TSX experience as CFO and Company Secretary
- Excellent mining strategy and project evaluation skills



Mr Peter Wale (Executive Director)

- Experienced investment professional with 25 years' involvement across diverse markets
- SML's third largest shareholder attuned to investor requirements
- Director of Cornwall Resources Limited



Mr Jeffrey Harrison (Non-Executive Director)

- Highly experienced mining engineer with over 40 years' experience in mining and minerals processing globally
- Played a key role in establishing Wolf Minerals' Hemerdon Mine, the first new metal mine in the UK in 45 years
- Member of the Institute of Directors and Fellow AusIMM



Mr Jon Reynolds (Project Manager, Australasia)

- Consulting geologist with over 30 years' experience
- Managing both CARE and Leigh Creek assets
- Expertise in Nickel, Copper, Uranium, Gold and Tin exploration, operations and project management



Producing AIM listed resources company



Diversified portfolio of high quality assets with significant upside potential



Located in tier one jurisdictions: UK, USA, Australia



Underlying cash flow foundation coupled with low overheads



Continuous second revenue stream from 2020/21



Experienced, committed, invested management team aligned with shareholders

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