



# Investor Presentation

## August 2017



- ***UNLOCKING SIGNIFICANT VALUE BY VALIDATING HISTORIC RESOURCES AT THE 100% OWNED PAST-PRODUCING KAY MINE IN ARIZONA, USA***
- ***EXPLORING THE PROLIFIC SIERRA MADRE GOLD AND SILVER REGION IN CHIHUAHUA STATE, MEXICO***

# Cautionary Statement

Investors are cautioned that, except for statements of historical fact, certain information contained in this document includes "forward-looking information" with respect to a performance expectation for SSE. Such forward-looking statements are based on current expectations, estimates and projections formulated using assumptions believed to be reasonable and involving a number of risks and uncertainties which could cause actual results to differ materially from those anticipated. Such factors include, without limitation, fluctuations in foreign exchange markets, the price of commodities in both the cash market and futures market, changes in legislation, taxation, controls and regulations of national and local governments and political and economic developments in Canada and other countries where SSE carries-out or may carry-out business in the future, the availability of future business opportunities and the ability to successfully integrate acquisitions or operational difficulties related to technical activities of mining and reclamation, the speculative nature of exploration and development of mineral deposits located, including risks in obtaining necessary licences and permits, reducing the quantity or grade of reserves, adverse changes in credit ratings, and the challenge of title. The Company does not undertake an obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

# Overview

- **Silver Spruce Resources Inc.** is a Canadian publicly traded company that trades on the TSX Venture Exchange under the symbol SSE with **59.5 MM shares outstanding**
- The Company has a very clean balance sheet and an experienced management team in the areas of exploration, prospect development, corporate finance, and public company management
- The Company has two advanced and highly prospective properties: Kay Mine in Arizona which is 50 miles north of Phoenix and Pino de Plata in the state of Chihuahua near the town of Chinipas, Mexico
- The “Kay Mine” is a historically-producing VMS Deposit with an historically-indicated resource of 1.6 million ounces Au equivalent. There is significant potential to expand the resource downdip and along strike
- “Pino de Plata” is 15km away from the Coeur Mines’ flagship mine Palmerejo. Coeur now surrounds SSE’s claims on east, west, and north sides
- Silver Spruce’s initial NI 43-101 report on Pino de Plata indicates many similarities geologically between the Pino de Plata and Palmerejo projects. SSE’s surface sampling has confirmed high grade mineralization of over 550 g/t silver with highly anomalous grades of lead, zinc and gold



# Presentation Overview

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# Corporate Summary

July 21, 2017	
Listing	TSXVSE: SSE
Head office	Bridgewater, Nova Scotia
Shares Outstanding	59,452,992
Warrants	13,284,066
Options	3,800,000
Fully diluted	76,537,058
Share Price Range	\$.05 - \$.14
Debt	\$600,000 CDN
Tax Loss Carry Forward	> \$10 M
Bank	Canadian Imperial Bank of Commerce
Auditors	McGovern Hurley, Toronto

# Key Team Members

## **Dr. Brian Penney, PhD, DIC, P.Eng** **Chairman/Director**

- Ph.D.- High energy nuclear physics-Imperial College of Science & Technology, Univ. of London
- Extensive leadership experience with early stage companies founding CEO of TARA a Halifax based Telecoms R&D firm, Chairman and CEO of Abridgean in Halifax; Past Chairman of Intertainment Media Inc. (TSXV: INT), CEO and Chairman of e-djuster Inc. in Ottawa and CarteNav Solutions Inc.
- Served on the boards of several Canadian government and academic-industry boards including: the Communications Research Centre and CANARIE

## **Karl Boltz** **President, CEO and Director**

- Natural resources consultant - 15+ years working with public and private companies in Mexico - project acquisition, funding, market development and project management. Fluent in Spanish
- Co-founding President, CEO and Director of EXMIN Resources Inc. (acquired by Sierra Metals)

[www.silverspruceresources.com](http://www.silverspruceresources.com)



# Key Team Members

**Greg Davison, MSc, PGeo**

**Director**

- Professional consulting exploration geologist, project manager and ore mineralogist with thirty-nine years of practical field, commercial laboratory and management experience from diverse geological settings in more than forty countries
- VMS expertise from exploration targeting through ore mineralogy and process development

**Leonard J. Karr, Certified Professional Geologist**

**Consulting Exploration and Project Manager**

- 30+years in a wide range of geologic and metallogenic environments
- Managed exploration, drilling, construction and development projects on five continents
- Expertise in precious and base metal systems, industrial minerals, coal and hydrocarbons

# Key Team Members

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## **Gordon Barnhill**

### **CFO, VP Corporate Affairs, Director**

- 25 years as a senior commercial lending officer with Canada's largest banking institution
- Former president of a management consultancy focused capital research, business evaluations, deal structuring and investment strategies

## **Art Brown**

### **Director**

- 30+ yrs. as agent /owner/operator of business technology and computer systems enterprises
- 25+ years of public company directorship including involvement with financings
- Served as a Director for 8 companies ranging from technology to mineral exploration and oil & gas
- Currently President of Alba Minerals Inc. TSXVSE:AA.H



# Business Strategy

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*We strive to provide a significant investor opportunity by acquiring exceptional exploration properties for great value and with a modest investment deliver excellent returns to our shareholders.*

Silver Spruce Resource will deliver value to its shareholders by:

- Leveraging the strengths of its board and management team
- Focusing primarily on high impact precious & base metal exploration opportunities
- Making strategic acquisitions in well established districts with well understood models
- Seeking properties that have had some production and/or a resource that needs investment to be brought into NI 43-101 compliance



# Kay Mine Project - USA

## VMS Deposit - Base Metals – Gold – Silver



- Located immediately west of Black Canyon City, AZ
- 50 miles north from Phoenix, AZ

# Kay Mine Project

## VMS Deposit / Past-Producing Mine - Arizona

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### Project Overview

- Past-producing - Volcanogenic Massive Sulfide deposit project in a mining-friendly region
- Base Metals - Copper, Zinc, Lead deposit with strong gold and silver credits
- 472 acres of claims of which 72 acres are patented claims
- Property was previously held and explored by Exxon Minerals (a wholly owned subsidiary of Exxon Oil)
- Exxon calculated an Indicated Resource in place of 6.4 million short tons of mineralization at 2% cut off averaging 2.2% copper, 3.03% zinc, 0.082 oz/t (2.56 g/t) gold, and 1.2 oz/t (37.5 g/t) silver\* (1.64 million ounces of Au equivalent\*\*)
- Exxon Minerals' resource estimations were calculated using historic mine level plans and its own exploration drilling intercepts
- Nearby infrastructure



\*(The Qualified Person for Silver Spruce has not conducted sufficient work to definitively classify Exxon's resource estimate to be compliant with NI-43-101 resource definitions and additional drilling is required to verify)

\*\*Au Equivalent calculated using: \$2.63 lb Cu, \$1.24 Zn, \$18.22 Ag, \$1249.22 Au : (Commodity Price Source: Kitco.com – March 31, 2017)



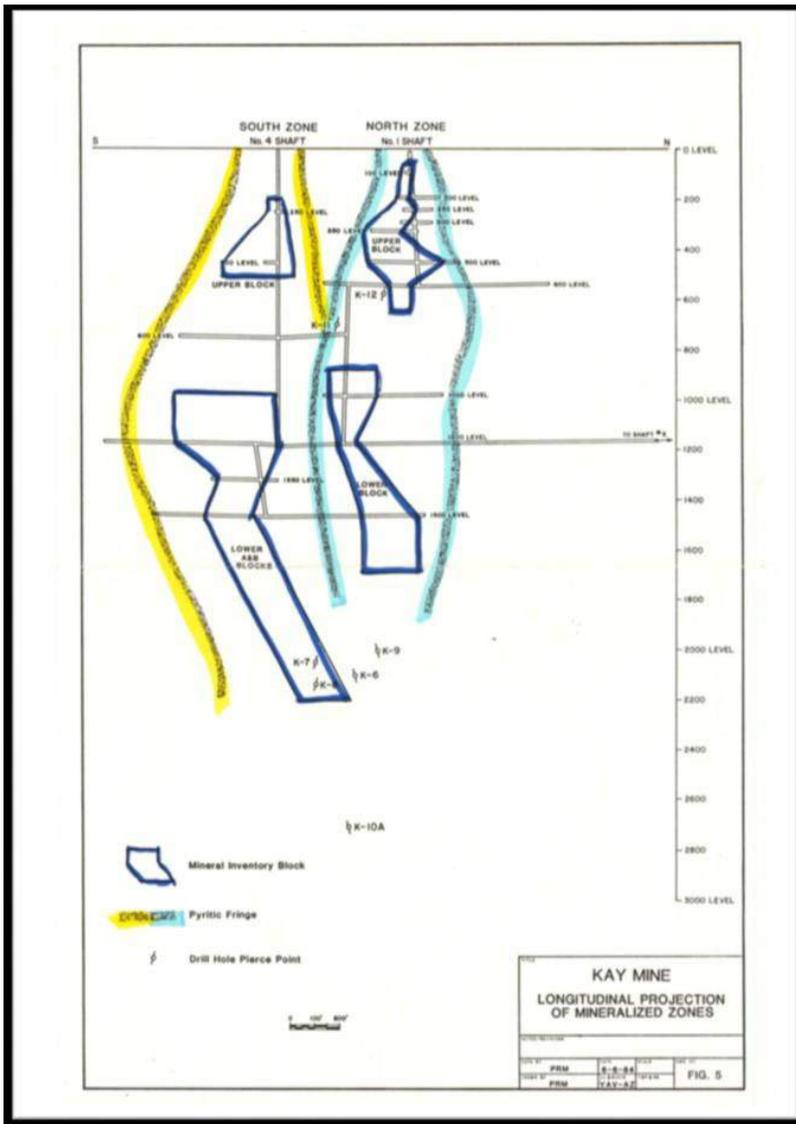
# Kay Mine Project

## VMS Deposit / Base Metals - Gold - Silver

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### Opportunity

- Opportunity to generate significant value in near term by proving known deposit
- Known deposit is open at depth and potentially along strike
- It is anticipated that a geophysics and drilling program will validate the Exxon's indicated resource
- Significant exploration upside remains – Exxon reports indicate that only 25% of the host mineralized system has been fully explored
- Aggressive work plan in place to prove the known deposits to NI 43-101 standards and explore additional targets
- Drilling and geophysical study slated for 2017



# Kay Mine Project

## VMS Deposit / Base Metals - Gold - Silver

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### Additional Background

- Exxon Minerals owned the property from 1972 to 1982 and drilled 26,554 feet of diamond core and reverse circulation holes
- Exxon invested in excess of \$1.5 million USD exploring the property (\$5.6 million USD adjusted for inflation)
- The price for base metals dove sharply in 1981/1982 which led to their abandonment of the project
- Current SSE claims cover all known mineralization and reasonable extensions
- Estimated past production of only 4000 tons
- Surface rights of SSE's Patented Claims independently appraised for \$850k USD in 2017



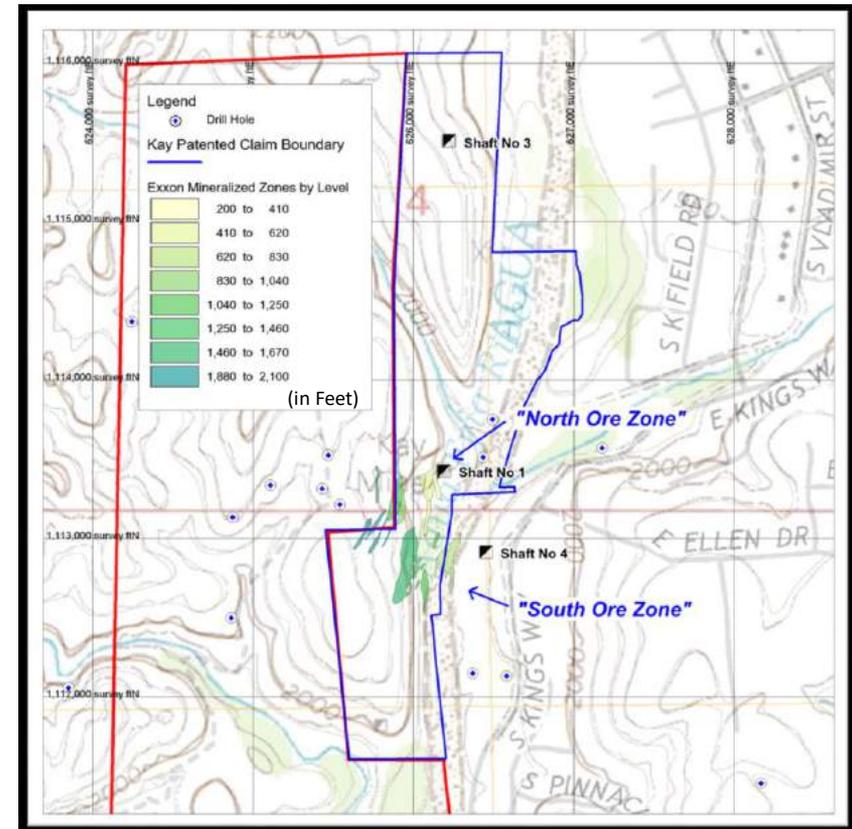
# Kay Mine Project

## VMS Deposit / Base Metals - Gold - Silver

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### 2017-2018 Work Program

- Data Compilation – GIS
- Geologic Mapping
- Geochemical Sampling
- Geophysics
- Drilling – twinning of select Exxon holes
- Downhole geophysics
- Maiden 43-101 Report



# Pino de Plata Project - Mexico

## Multi System Hosted / Silver - Zinc - Gold



- Located 5km south of Chinipas de Almada, Chihuahua, Mexico
- 15 km from Coeur Mining's flagship Palmerejo Mine
- In the heart of the Sierra Madre Occidental gold-silver belt
- Definitive Purchase Agreement for 100% interest
- Four road-accessible concessions comprising 397 ha

# Pino de Plata Project

## Silver - Base Metals - Gold

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### Project Overview

- Precious metal / base metal project in a prolific region
- Three mineralization types manifest on the project providing drill targets
- Epithermal models are well understood
- Road-accessible with producing mines in the area
- Some historic artisanal production on claims
- Significant alteration throughout the property
- Untested by drilling
- Opportunity to generate significant results



# Pino de Plata – 3 Primary Targets

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## EPITHERMAL TARGET

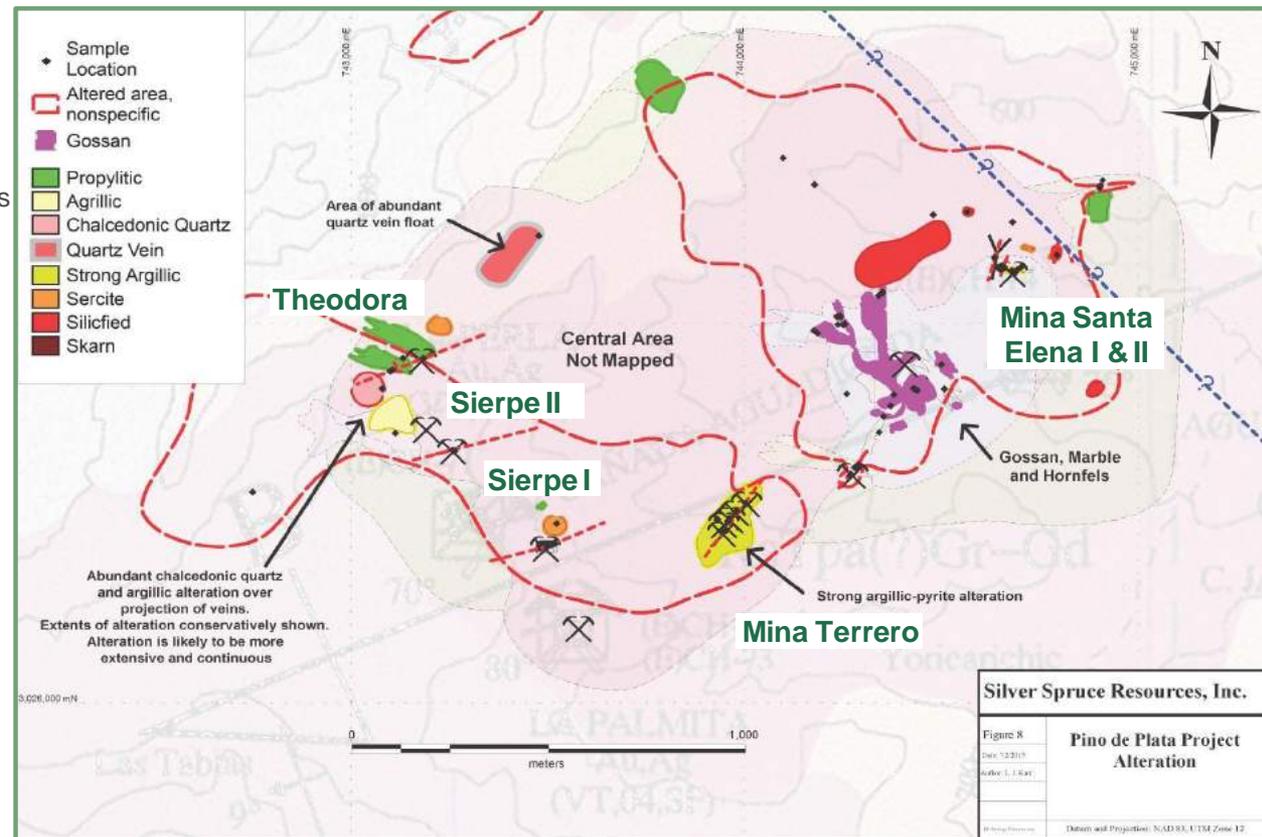
At the **Terrero** target, an area of over 20,000 square metres (>2 Ha), “the replacement epithermal mineralization in igneous rocks contains good silver grades at surface in unoxidized rock. Seven out of nine samples contained >1 opt (31.25 g/t) Ag to as much as 17.8 opt (557 g/t) Ag. Little additional work in the way of mapping and sampling is required prior to drilling this prospect

## CARBONATE REPLACEMENT TARGET

The **Santa Elena** gossan area presents a viable target for replacement Ag-Pb-Zn-Cu deposits. Unoxidized replacement mineralization from the Santa Elena Mine approaches 6.4 opt (200 g/t) Ag. This area has the potential for relatively shallow replacement mineralization over an area of >20 Ha

## VEIN TARGETS

The **Sierpe I&II** and **Theodora** veins are open on strike and have indications of ore grade Ag >8 opt (250 g/t) Ag and reasonably minable widths >= 1m. Newly exposed, Ag mineralized quartz veins in road cuts to the west along with favorable alteration west of the Sierpe and Theodora mines make these attractive vein targets



# Pino de Plata Project – The Big Picture

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*Producing mines in the Sierra Madre Occidental that are classified as epithermal deposits with silver and gold mineralization are typically hosted in multiple veins, breccias, stockworks and replacement zones.*

- Pino de Plata is similar in this respect, showing several styles of mineralization including veins, stockworks, and breccia zones
- The project also contains Ag-Zn-Pb-Cu skarn mineralization adjacent to a strongly altered intrusive, suggesting the possibility of an underlying porphyry system
- Property hosts several drill-ready epithermal, breccia, and skarn targets that are well defined on the basis of geologic mapping and geochemistry



# Pino de Plata Project

## Epithermal Replacement Target

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### The Terrero Mine

- Disseminated epithermal mineralization in strongly argillized igneous rocks contains ore grade silver at surface
- Seven out of nine samples contained **>1 oz/t (31.25 g/t) Ag** to as much as **17.8 oz/t (557 g/t) Ag**
- Minimal additional mapping and sampling is required prior to drilling

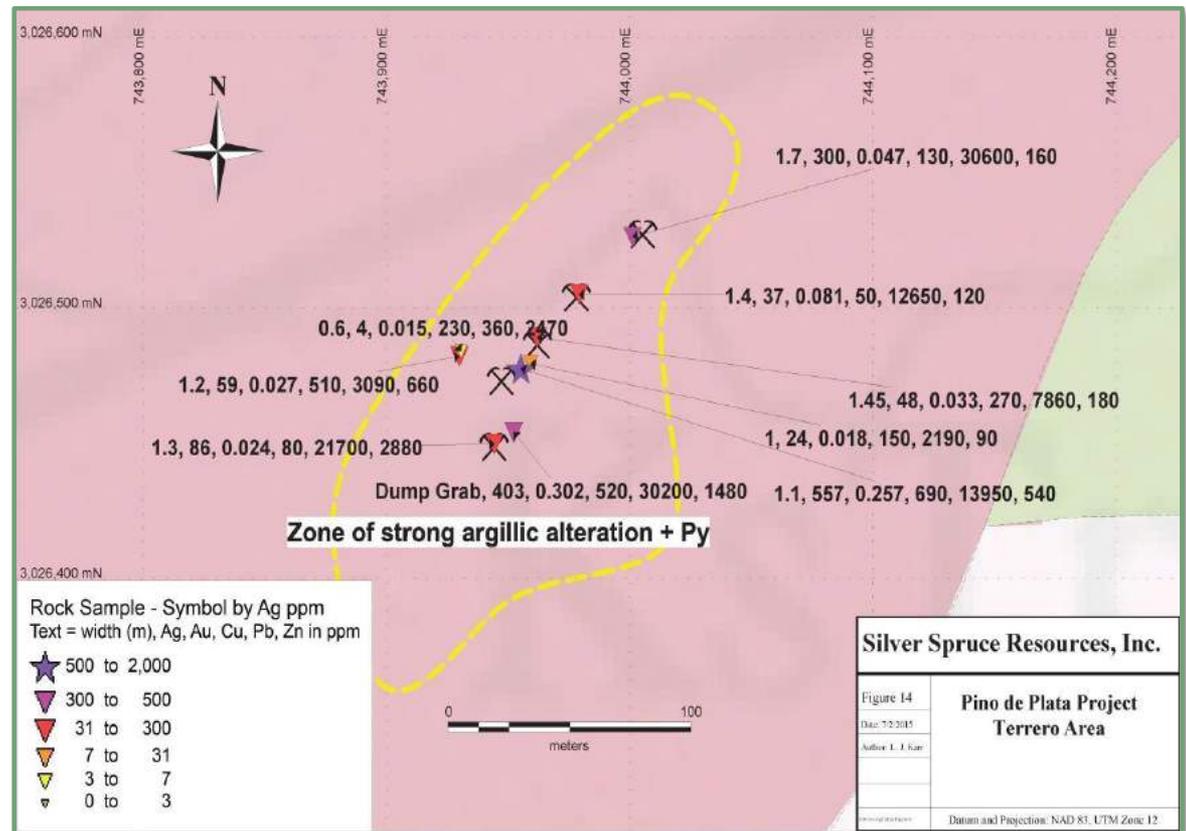


# Pino de Plata Project

## Epithermal Replacement Target

### The Terrero Mine cont'd

- Alteration in this area is characterized by very strong clay alteration that has largely obliterated the original rock textures
- Mineralization occurs in stratiform zones a metre or more thick containing  $\leq 1$  cm thick parallel lenses of pyrite. In some place up to 10% of the host rock is replaced by pyrite
- Values at surface contain up to 17.8 oz/t (557 g/t) Ag



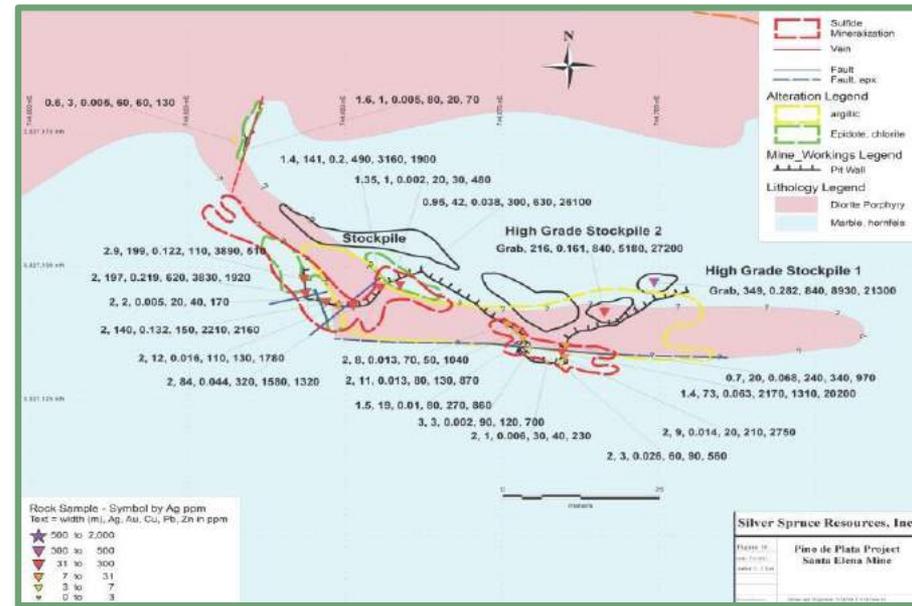
# Pino de Plata Project

## Carbonate Replacement Target

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### The Santa Elena – Gossan Area

- A viable target for replacement Ag-Pb-Zn-Cu deposits
- Extensive gossans are anomalous in Ag and base metals
- Unoxidized replacement mineralization approaches **6.4 oz/t (200 g/t) Ag**
- Potential for relatively shallow mineralization over an area of >20 Ha.
- Two small open cuts and a 4 metre adit driven along a diorite intrusive-marble contact
- Mineralization consists of replacement and veinlets and disseminated sphalerite, galena and chalcopyrite hosted by marble
- Two 40 kg samples taken from stockpiles averaged .007 oz/t (0.21 g/t) Au, 8.64 oz/t (270 g/t) Ag, 840 ppm Cu, 6,689 ppm Pb, and 24,828 Zn

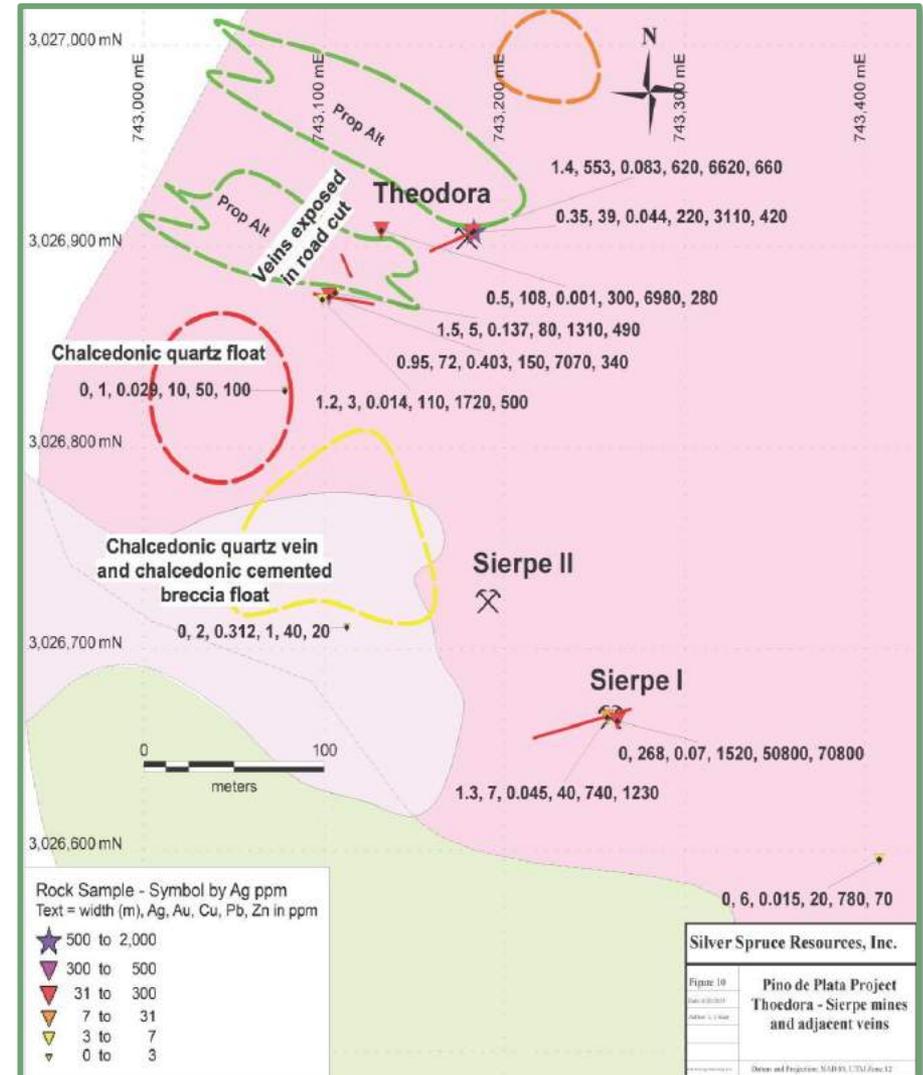


# Pino de Plata Project

## Vein Targets

### The Sierpe and Theodora Epithermal Veins

- Veins are open on strike and have indications of ore grade Ag (>8 oz/t [250 g/t Ag])
- Reasonably minable widths ( $\geq 1$ m)
- Newly exposed, Ag mineralized quartz veins in road cuts to the west
- Favorable alteration west of the Sierpe and Theodora mines
- A grab sample of high grade from the Sierpe I dump contained 8.6 oz/t (268 g/t) Ag and 5% Pb and 7% Zn



# Pino de Plata Project

## 2017 – 2018 Exploration Program

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- Detailed geologic mapping of the property
- Develop safe access to the Sierpe, Theodora and Terrero mines for additional mapping, sampling and drilling
- Thorough mapping and sampling of road cuts with particular attention to the gossan area, quartz boulder zone and west of the vein targets
- Soil sampling survey for entire property
- IP-Resistivity survey over the gossan area
- Drill geologic, geochemical and geophysical targets



Gossan Area - the Santa Elena Mine is roughly 500m left of the switchbacks behind the ridgeline. Note widespread red soil on ridgeline left of switchbacks.



Theodora Mine: Sample 1.4 m @0.083 g/t Au, 553 g/t Ag

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Thank You!

