



Frac Sand Player in the Making



June 2016



Forward-Looking Statements & Disclaimer

Certain statements and concepts contained herein constitute forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of South American Silica Corp. ("SAS"), including, but not limited to, the impact of general economic conditions, industry conditions, geopolitical risks, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates and that a resource will be achieved on exploration projects, that the Carina property will be developed as anticipated and frac sand potential is realized, that resource size estimates, production and timing of development will be achieved on any target area, currency fluctuations, the uncertainty of obtaining additional financing and exploration risk, and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Potential size estimates are conceptual in nature. There has been insufficient exploration to define a resource on the specified targets. It is uncertain if further exploration will result in resources being delineated on those targets. These forward-looking statements are made as of the date hereof and SAS. assumes no obligation to update or revise them to reflect new events or circumstances.

Comparisons of SAS' properties and exploration targets with other frac sand projects are conceptual in nature, and have not been independently verified by SAS and information regarding these peer deposits are drawn from publicly available information. Information on SAS and its projects are available on the company's web site at www.samsilicacorp.com.

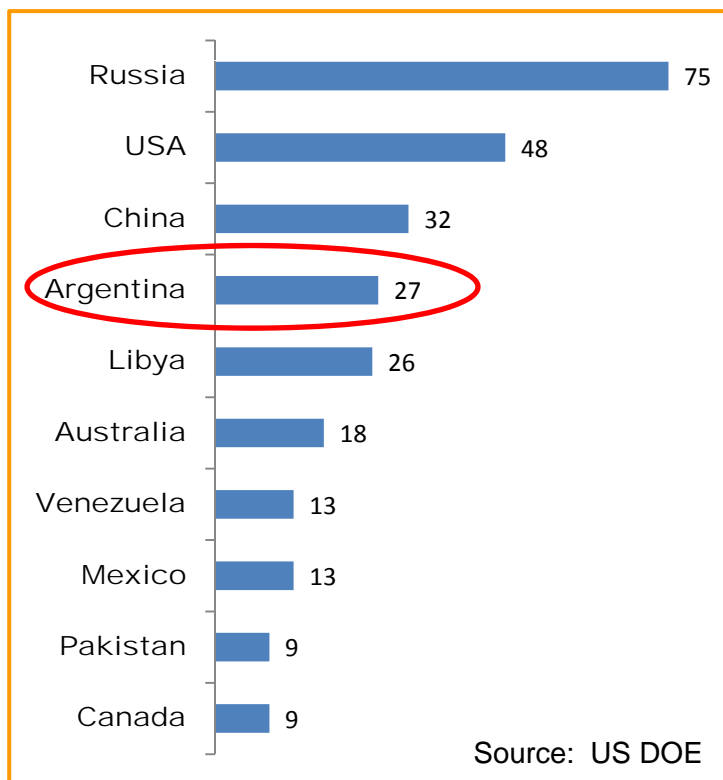
Industry and peer information has been drawn from publicly available sources and have not been independently verified by SAS.

- ➔ Discovered top quality frac sands within competitive “transport distance” of the Vaca Muerta shale & ports for export opportunities;
- ➔ Dominant land position defined – staking needs to be completed;
- ➔ Properties have full spectrum of grain sizes required by the frac sand industry;
- ➔ Location:
 - ➔ Within reasonable delivery distance of the giant Vaca Muerta shale basin;
 - ➔ access to deepwater ports for potential export.
- ➔ Development strategy:
 - ➔ Define sand resource and take the projects to commercial production;
 - ➔ M&A potential – larger sand producers likely to enter field as:
 - ➔ US\$ strengthens (sands from other jurisdictions become cheaper in US\$ terms); and
 - ➔ Size of the frac sand market for the Vaca Muerta basin grows

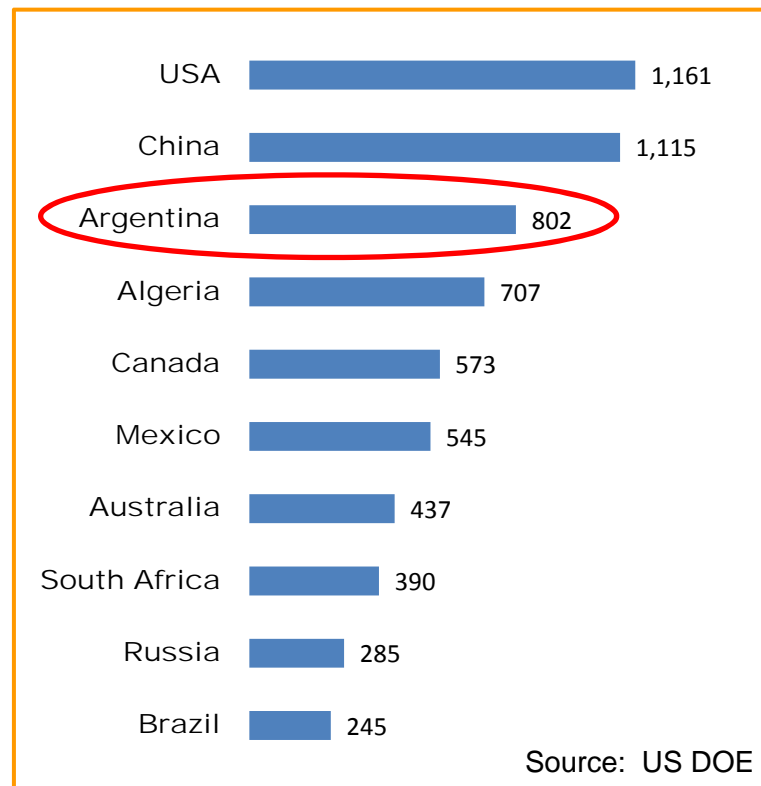


Background: Top Global Oil & Gas Shale Basins

Shale Oil Rankings by Country Technically Recoverable Shale Oil Resources (billions of barrels)



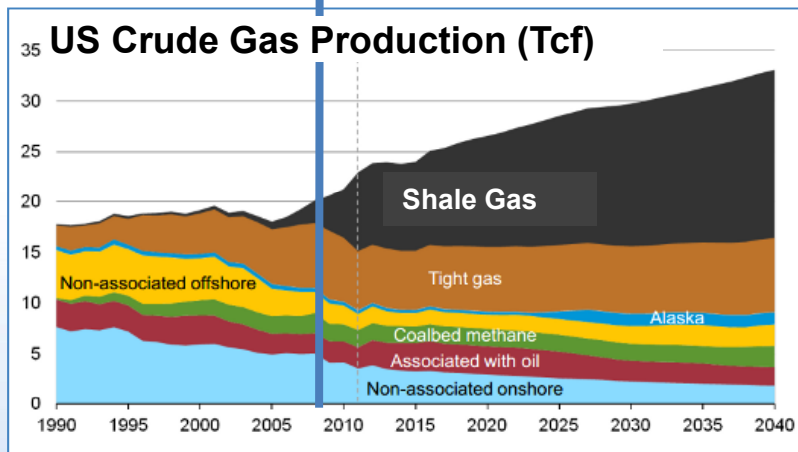
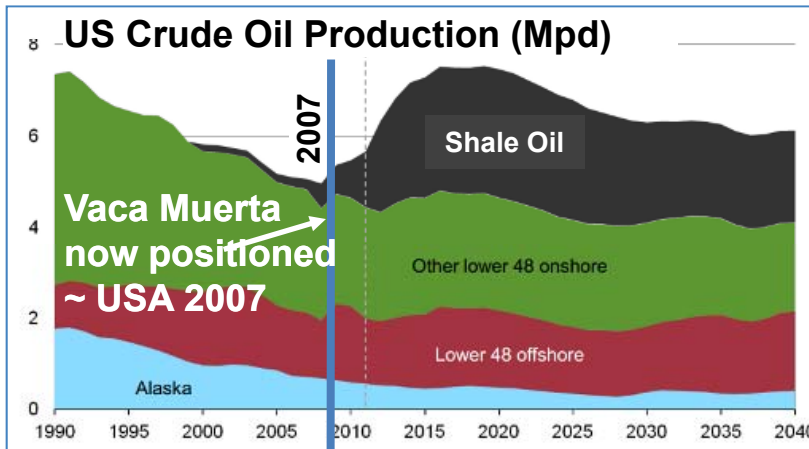
Shale Gas Rankings by Country Technically Recoverable Shale Gas (trillions of cubic feet)





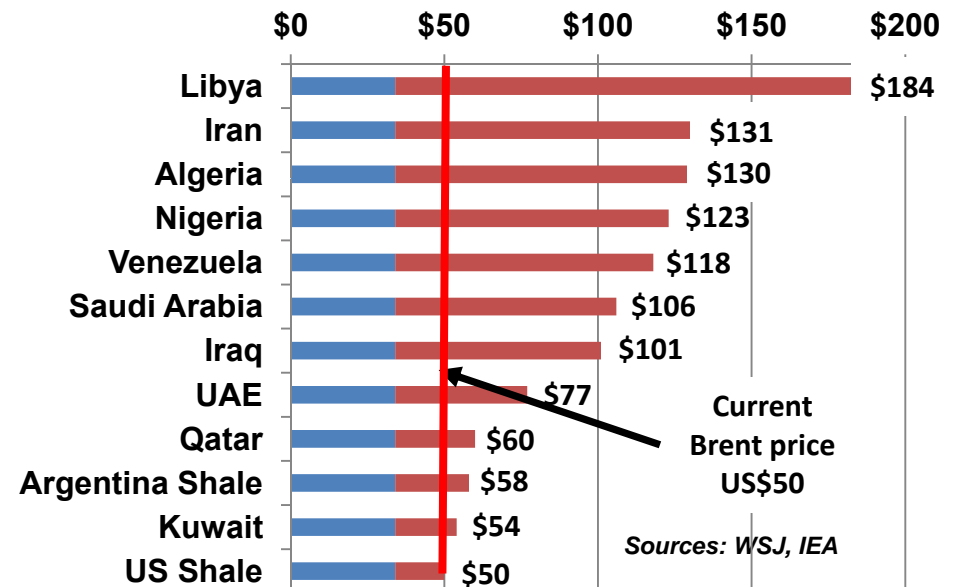
Background:

Weakening oil prices – effect on shale oil



Sources: Energy and Capital, Wall Street Journal

OPEC & Shale Estimated Breakeven Costs



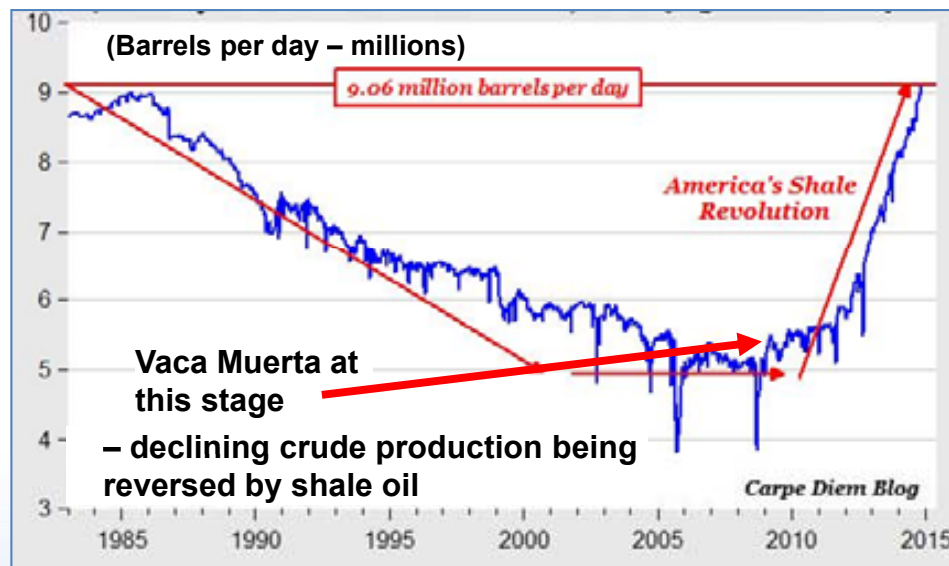
*Vaca Muerta Shale in Argentina; Eagle Ford & Bakken Shale in the USA

Oil & gas from shale becoming more efficient, lowering production costs from shale

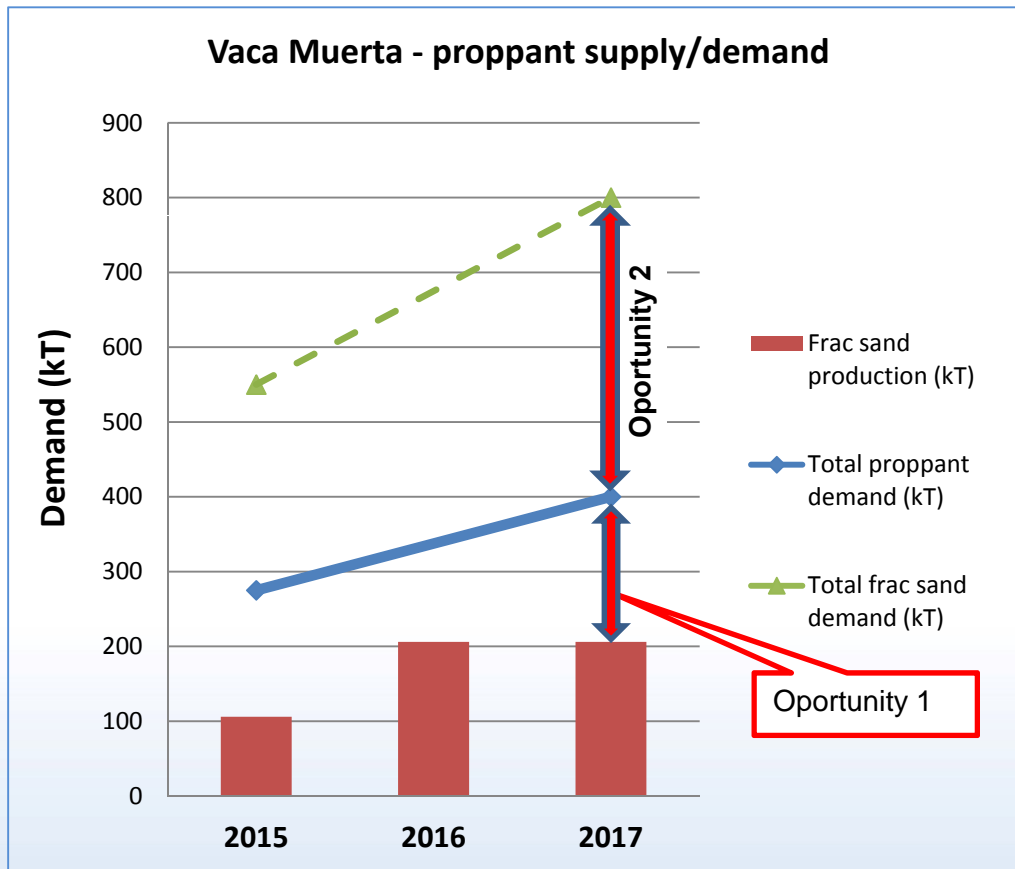


Vaca Muerta set to emulate USA oil & gas from shale success

Weekly US Crude Oil Production Jan. 1983 to Nov. 2014



- Vaca Muerta – after years of decline, oil & gas production starting to rise due to shale development
- Argentina currently spends \$7B on energy imports
- Argentina dependent on USA technologies to reduce production costs – enhances bilateral ties
- Vaca Muerta positioned today where the USA was in 2007



- Total proppant requirement in 2017 ~ 800,000 tonnes
- ~50% (~400,000 tonnes) of requirement is for frac sand (oportunity 1)
- ~50% is for ceramic proppants, but a 9 or 10K (good quality) frac sand is very likely to substitute for some of the ceramic proppant requirement, increasing the potential market share for sands of exceptional quality. Frac sands are ~20% of the price of ceramic proppants

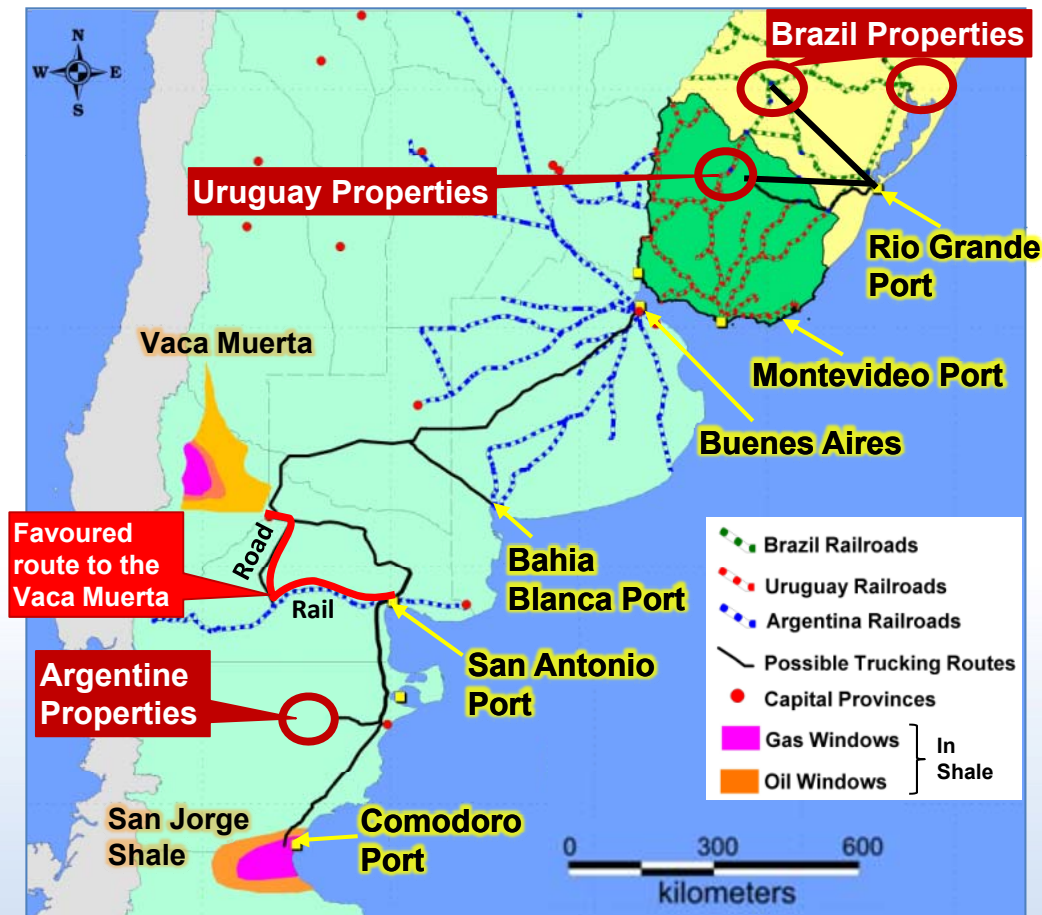
⇒ importance of very high quality Brazilian & Uruguayan sands



Our Position:

Domestic Frac Sand Market Emerging
All about quality & logistics

Strategically Located in Uruguay, Brazil, Argentina



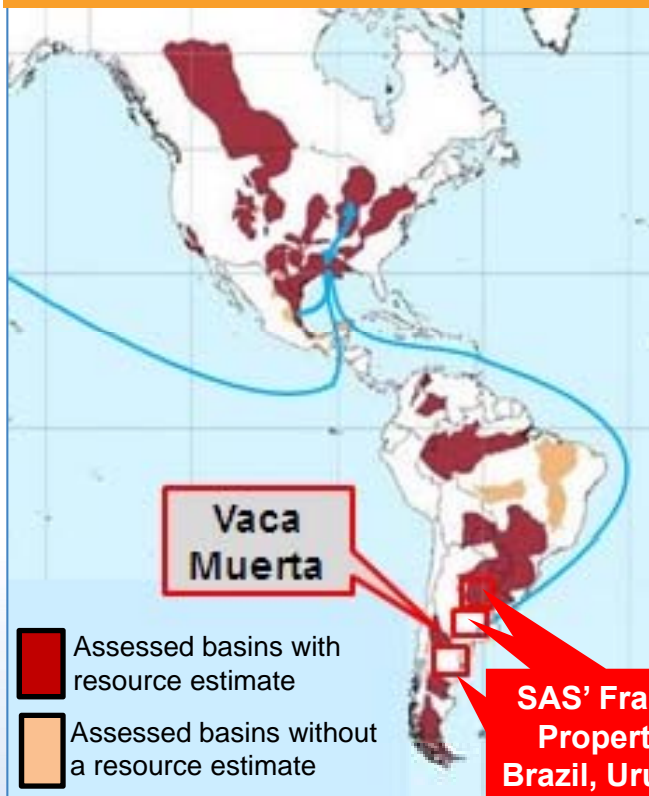
Immediate Need for Local Frac Sand Supply

- Oil & gas production from the Vaca Muerta is just starting
 - Foreign oil majors investing >\$9B so far to develop the giant Vaca Muerta shale in Argentina
 - Frac sand / proppant market expected to be 800,000 tonnes per year in 2016/2017. Current local production only 6,000t per year
 - Almost all of Argentina's frac sand imported from Brazil, China & USA
- ➔ **Our properties near key shale basins & infrastructure (road, rail & ports)**



Our Position: Competitive advantages

Map of basins with assessed shale oil & gas



- ➔ Early mover status – only North American frac sand company in region
- ➔ Location – sands close to Vaca Muerta & deepwater ports for export
 - Properties in Uruguay, Brazil & Argentina ≈ \$140 per tonne to \$150 per tonne transport cost to the Vaca Muerta
 - From China to Argentina ~\$150/t (excl. transport costs within China) & ~55 day delivery
- ➔ Complete range of grain sizes – can deliver tailored product to meet client's requirements
- ➔ Hydromining potential (eliminates dust)



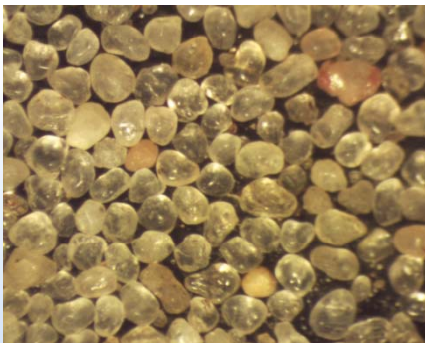


Properties:

Bahia Norte Project, Brazil – a premium sand

Bahia Norte Project in Brazil – outstanding frac sand characteristics

- Sand is at surface – no cover;
- Size – ~5Mt potential; could use hydromining;
- Grain size - ~90% of sand has excellent frac sand characteristics – premium sand:
 - ~48% has coarse 20/40 grain size;
 - ~42% has finer 40/70 grain size;
- Production could start in 12-18 months – with hub-and-spoke design - production feeding to central processing facility – advantage is this can be scaled as the market grows;
- Outstanding infrastructure – sand could be barged directly from site to deepwater port.



Delivery of sand would be by road & rail to a deepwater port

Bahia Branca Project in Brazil – potential for large-scale production

- Sand is at surface – no cover;
- Size – >50Mt potential, amenable to hydromining;
- >90% of bulk sand has outstanding frac characteristics:
 - ≤25% in coarser 20/40 grain size;
 - ~50% in the finer 40/70 fraction; &
 - ≤25% in the very fine 70/140 grain size;
- Production could start in 12-18 months – with hub-and-spoke design - production feeding to central processing facility – advantage is this can be scaled as the market grows;
- Infrastructure – rail runs through property - 460km to deepwater port.

Railway line with friable frac sand in foreground at Bahia Branca Project

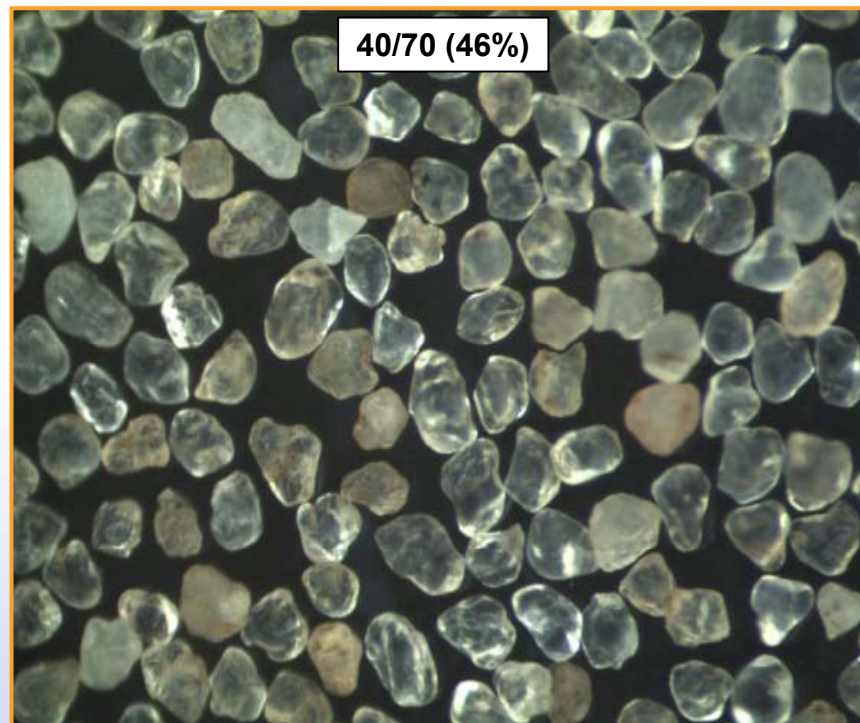


Sand dune target



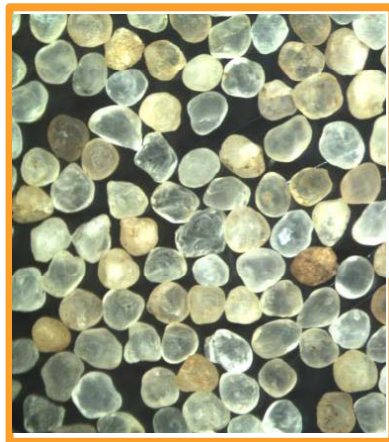
- Sand is at surface – no cover;
- Contains desirable fine sand grain sizes – 40/70 & 70/140 fraction;
- >95% of bulk sand has good frac characteristics;
- Could be hydromined – low cost;
- Excavation would form natural dam for irrigation of adjacent farmland:
- Potential to use waste from forestry industry in area for electricity generation & drying

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South American Silica



Frac sand miners & suppliers

Target Customers



Multi-national oilfield service providers

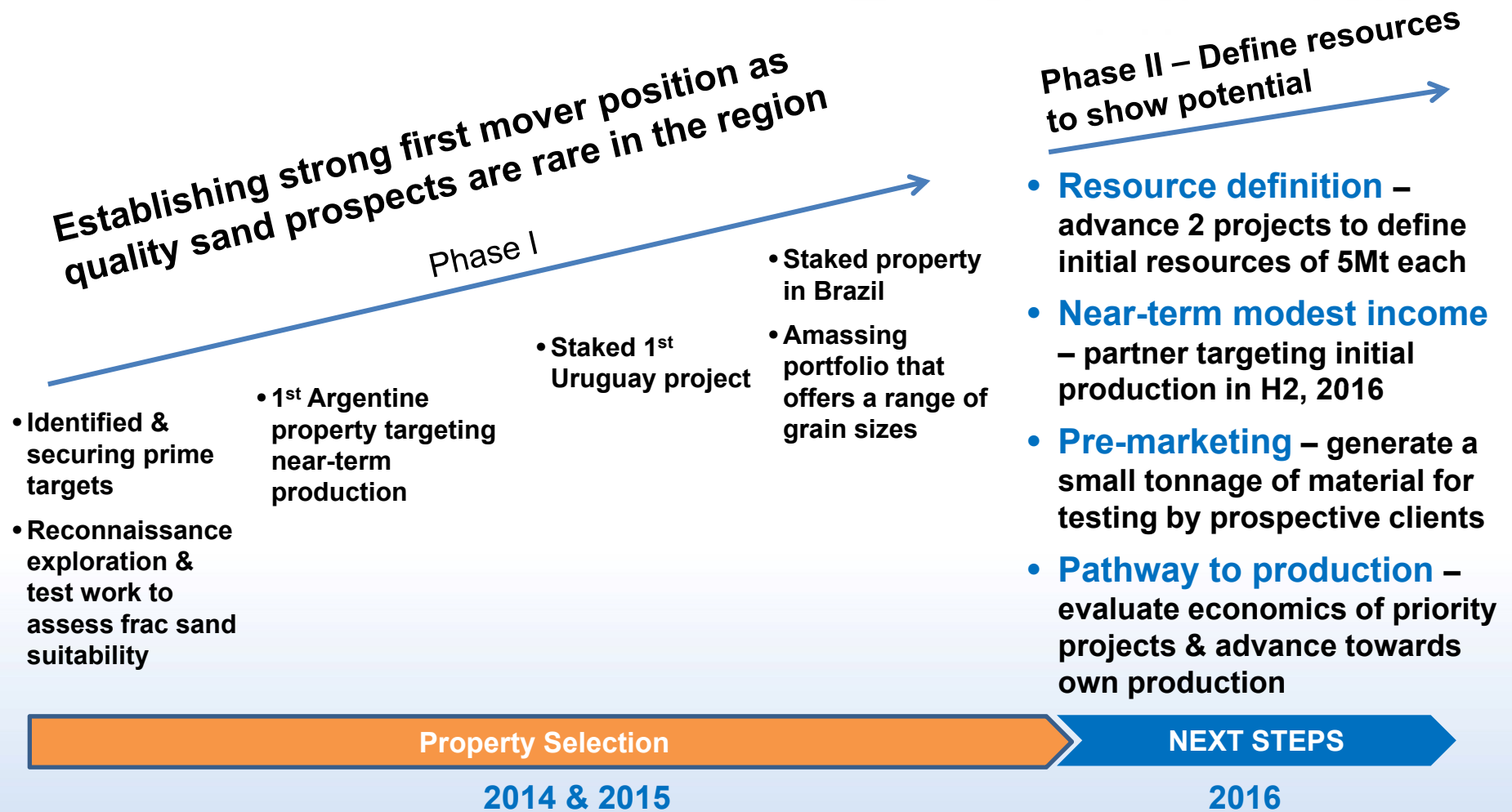
End Users



Global oil & gas producers



Our Next Milestones





Next Steps - details

1. **Immediate:**
 - Complete for mineral concession application in Brazil, Uruguay & Argentina **\$125K**
2. **Ideally by mid-2017 (funding dependent):**
 - A. Define NI43-101 resource of ~5 million tonnes on Brazil property **\$215K**
 - B. Define NI43-101 resource of ~5 million tonnes on Uruguay property **\$145K**
 - C. Argentina (support & defensive position) **\$ 45K**
 - D. Toronto G&A **\$ 80K**

\$475K

\$600K
3. **Process testwork to establish operating costs** **~\$1M**
4. **Subsequent way-forward to construction:**
 - ➔ If SAS remains private, would undertake economic study (based on 2. above) and move to construction as justified;
 - ➔ If SAS has been taken public, then would have to follow NI43-101 process of formal Feasibility Study



- ➔ NI43-101 resource estimates planned for either Uruguay or Brazil could be qualifying project for going-public transaction (dependent on short-term funding):
 - ➔ IPO, RTO etc;
 - ➔ Construction decision and then project debt to finance construction;
- ➔ Alternative is to keep SAS private and use project debt to finance production;
- ➔ Dividend payments to shareholders from cash flow;
- ➔ M&A: Whether SAS is private or listed leaves M&A options or form a joint venture with a producer.

- ➔ **High-growth frac sand market for significant shale oil & gas development in the Americas;**
- ➔ **Building dominant frac sand portfolio for near- to medium-term development with competitive advantages:**
 - ➔ **Early market entry in South America;**
 - ➔ **Location within areas of low transport cost for domestic & overseas markets;**
 - ➔ **Range of grain sizes so product can be tailored to each client's requirements;**
 - ➔ **Hydromining potential in Uruguay & Brazil – critical as new health & safety regs come into play;**
- ➔ **Multiple exit strategy options.**



South American Experienced Team

Board of Directors & Management Team

Dr. Richard Spencer – President, CEO & Director

(lived & worked 10 years in South America)

John Ross – CFO, Director

Richard Patricio – CEO, Mega Uranium – Director

Dr. Hugo Bastias – EVP (Argentinean)*

Elpidio Reis – COO (Brazilian)*

Gabriel Bastias – VP Exploration (Argentinean)*

** Based in South America*

Proven record of discoveries & development of large scale mines in South America:

- **>25Moz gold discoveries in Ecuador & Brazil**
- **23B1b copper in Ecuador**
- **48M1b uranium & other commodities in Colombia, Argentina & Guyana**
- **Mines in Brazil & Peru**



Share Capital	
Basic shares o/s	63,165,812
Options o/s	3,600,000
Warrants o/s	0
Fully diluted	66,765,812

Key Holders:

U3O8 Corp. (TSX: UWE; OTCQX: UWEFF)	39%
Institutional Ownership	18%
Insiders	7%



Richard Spencer, President & CEO

richard@samsilica.com

John Ross, CFO

john@samsilica.com



APPENDICES



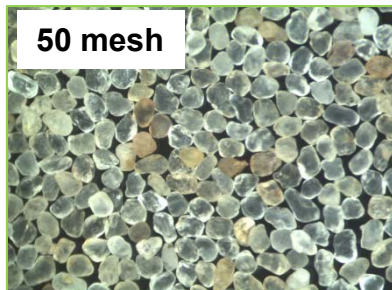
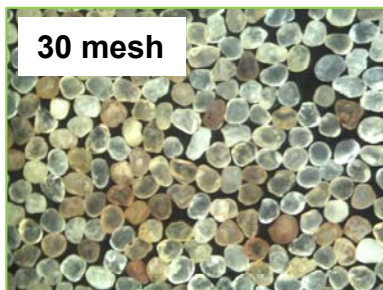
Target Ranking
 Prioritize by sand quality, size potential,
 location, infrastructure

Sequenced for near- to medium-term production growth potential

Rank	Target Area	Locat'n	Logistics	Potential Time to Prod'n	Size Potential (Mt)	Est. Transport Cost \$/t to:		Grain Size	% of Bulk Sand in Fract'n	Conform to API Frac Sand Specs ¹	
						Deep water Port	Vaca Muerta			Crush Test	K
1	Bahia Norte	Brazil	Barge to deepwater port	2H 2016	5	\$11	\$100	20/40 40/70	48% 42%	2.9%/10% 1.2%/8%	>>4 >>5
2	Bahia Branca	Brazil	By road with rail potential (poorly run railway system)	<1 year for small-scale 2- 3 years for large-scale	>>50	\$40	\$130	20/40 30/50 50/70 70/100	16% 46% 26% 16%	2.5%/10% 4.1%/10% 3%/8% 1.9%/6%	6 7 >>5 >>5
3	Carina	Argentina	Road	2H 2016	20	\$50	\$90	20/40 40/70	45% 48%	9.7%/10% 5.6%/8%	4 6
4	Polanco	Uruguay	By road with rail potential (poorly run railway system)	2 years	>50	\$52	\$137	40/70 70/140 50/70 70/100	46% 52% 35% 41%	6%/8% 3.3%/6% 4%/8% 1%/6%	6 7 >>5 >>5

*Internal size estimates & timing are conceptual in nature. See slide 2 for forward-looking statement.

(1) API (American Petroleum Institute) specifications for frac sand



Characteristic	API Requirm't	Test Results				Conform to API
Fraction		20/40	30/50	50/70	70/100	
% of sand in that fraction		16%	46%	26%	16%	
Sphericity	≥0.6	0.8	0.8	0.8	0.8	Exceed
Roundness	≥0.6	0.8	0.6	0.7	0.7	Exceed/Meet
Acid consumption	≤2%	0.6	1.5	<1.5		Exceed
Turbidity	≤250 FTU	6	4	<6		Exceed
Crush test (% of fines) 4Kpsi and 5Kpsi	20/40: ≤14% 30/50: ≤10% 40/70: ≤8% 70/100: ≤6%	2.5%	4.1%	3%	1.9%	Exceed
K value		6K	7K	>>5K	>>5K	





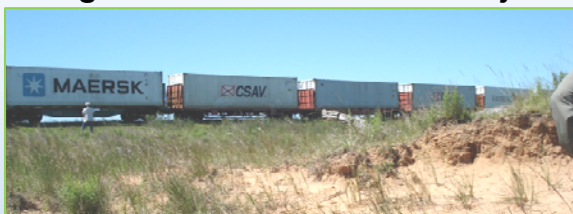
Brazil: Bahia Branca Project Potential for large-scale production

- “Hub-and-spoke” small-scale production in <1 year – could start producing from several small operations with sand fed to a central facility
- Large build-out potential – in parallel, advance feasibility & permitting to reach construction decision in ~2 years for full-scale production
- Hydromining potential
- >90% of bulk sand has frac characteristics

Indicative transport cost:

	<i>(per tonne)</i>
• Road & rail to Rio Grande Port: 460km	\$22
• Rio Grande Port charges	<u>\$9</u>
⇒ FOB Rio Grande, Brazil	\$31
• Sea freight to San Antonio Port, Argentina	\$33
• San Antonio Port & short-term storage costs	\$37
• Truck from San Antonio to Vaca Muerta (430km)	<u>\$48</u>
Total shipping cost landed in Vaca Muerta	\$148/t

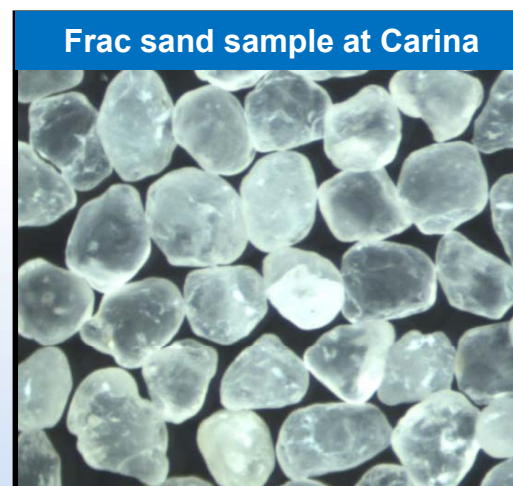
Railway line with friable frac sand in foreground at Bahia Branca Project





Characteristic	API Requirement	Original Test Results			Sample 14528 Results		Conform to API
Sample #		146	147	148	GEL 1101		
Fraction		20/40	30/50	40/70	20/40	40/70	
% of sand in that fraction		42%	73%	52%	45%	48%	~93%
Sphericity	≤0.6	0.61	0.63	0.57	0.6	0.6	Meet
Roundness	≤0.6	0.44	0.44	0.38	0.8	0.7	Exceed
Acid consumption	≤2%	1.7%	2%		2.5%		Meet / marginal
	≤3%			2.1%		3.9%	
Turbidity	≤250 FTU	102	78	166	193	140	Exceed
Crush test API Requirement		≤14% @ 4K	≤10% @ 4K	≤8% @ 5K	≤14% @ 4K	≤8% @ 5K	
4Kpsi		8.8%	3%		5.3%		Exceed
5Kpsi						6.4%	Exceed
6Kpsi			9.4%			9%	30/50 Meets; 40/70 Marginal
K Value			6K	7K	5K	6K	

- Frac sand ~93% of bulk sand
- Variety of fractions – mainly between 20/40 & 40/70 grain sizes
- Use as a pilot plant – for estimating costs towards developing own production
- Pre-marketing – will use samples to pre-market to prospective customers in the Vaca Muerta

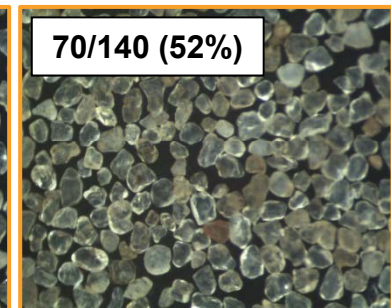
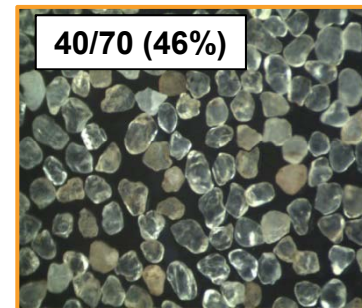




Sand dune target



Characteristic	API Requirement	Test Results				Conform to API
		40/70	70/140	50/70	70/100	
Fraction		40/70	70/140	50/70	70/100	
% of sand in that fraction		46%	52%	35%	41%	
Sphericity	≥0.6	0.8	0.7	0.8	0.7	Exceed
Roundness	≥0.6	0.7	0.6	0.7	0.6	Exceed or Meet
Acid consumption	≤3%	3.5%	4.5%	Not tested		Marginal
Turbidity	≤250 FTU	71	95	Not tested		Exceed
Crush test (% fines) at 5Kpsi	Permissible	≤8%	≤6%	≤8%	≤6%	
	Test Result	6%	3.3%	4%	1%	Exceed
K Factor		6K	7K	>> 5K	>>5K	



- Contains desirable fine 70/140 fraction
- >95% frac-grade
- Hydromining potential
- Excavation would form natural dam for irrigation of adjacent farmland



- “Hub-and-spoke” concept for large-scale production – could feed Uruguay sand to same central facility also processing Brazilian sand
 - Coarser Brazilian sands & finer Polanco sands ⇨ could adjust mix from Polanco & Bahia Branca to tailor plant output to grain size required by the market/customer
- Large build-out potential – could advance feasibility & permitting to reach construction decision in ~2 years for full-scale production
- Hydromining potential
- Indicative transport cost:

	<i>(per tonne)</i>
• Road & rail to Rio Grande Port	\$21
• Rio Grande Port charges	<u>\$9</u>
⇨ FOB Rio Grande, Brazil	\$30
• Sea freight to San Antonio Port, Argentina	\$33
• San Antonio Port & short-term storage costs	\$37
• Truck from San Antonio to Vaca Muerta (430km)	<u>\$48</u>
Total shipping cost landed in Vaca Muerta	\$148/t