

SILVER CITY MINERALS LIMITED



16 August 2018

Ms Kimberley Brown
Principal Adviser
Listings Compliance (Sydney)
ASX Compliance Pty Ltd ("**ASX**")
20 Bridge Street Sydney NSW 2000

Dear Kimberley,

Silver City Minerals Limited ("Company") - Appendix 3Y – Change of Director's Interest Notice

I refer to your letter dated 15 August 2018 ("**Letter**") regarding the Appendix 3Y lodged by the Company with ASX on 14 August 2018 for Mr Robert Besley (the "**Director's Notice**").

The Company notes that it is aware of its listing rule obligations in relation to this disclosure and specifically listing rules 3.19A and 3.19B and provides the following responses in relation to questions in the Letter:

- 1 Mr Besley was interstate with limited email access at the time the trades referred to in the Director's Notice were transacted. Immediately on return to the Company's offices on 14 August Mr Besley provided the necessary details for the Director's Notice to be lodged with ASX noting that this notification was overdue by 1 day per the requirements of listing rule 3.19A.2.
- 2 The Company has informed all Directors of the disclosure requirements set out in listing rules 3.19A and 3.19B and s205G of the Corporations Act. In addition, clause 5.3 of Company's Securities Trading Policy outlines the specific listing rule requirements for Directors' disclosures relating to securities trading. The terms of appointment of Directors also include a requirement to provide information as required by the listing rules and the Corporations Act which is cross referenced to the Securities Trading Policy.
- 3 The Company is confident that the arrangements currently in place as set out in 2 above are adequate and does not believe that any additional steps are required to ensure ongoing compliance with listing rule 3.19B.

Yours sincerely,

Ivo Polovineo
Company Secretary

15 August 2018

Ivo Polovineo
Company Secretary
Silver City Minerals Limited
Level 1
80 Chandos Street
ST LEONARDS NSW 2065

By Email:

Dear Ivo,

Silver City Minerals Limited (the “Company”): Appendix 3Y – Change of Director’s Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 14 August 2018 for Mr Robert Besley (the “Director Notice”);
2. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity’s admission or a director’s appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

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4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

The Director Notice indicates that a change in the Director's notifiable interest occurred on 6 August 2018. It appears that the Director's Notice should have been lodged with ASX by 13 August 2018. Consequently, the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Director Notice was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail or by facsimile on facsimile number (02) 9241 7620. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. AEST on Friday, 17 August 2018).

[Sent electronically without signature]

Kimberley Brown
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kimberley.brown@asx.com.au