



31 October 2019

SCI QUARTERLY ACTIVITIES REPORT

For the 3 Months Ending 30 September 2019

Silver City Minerals Limited (ASX: **SCI**) (**Silver City** or **Company**) is pleased to provide the following summary of its activities for the three (3) months ending 30 September 2019 (**Period**).

Operations

The Company holds a considerable portfolio of tenements at Broken Hill (see below).

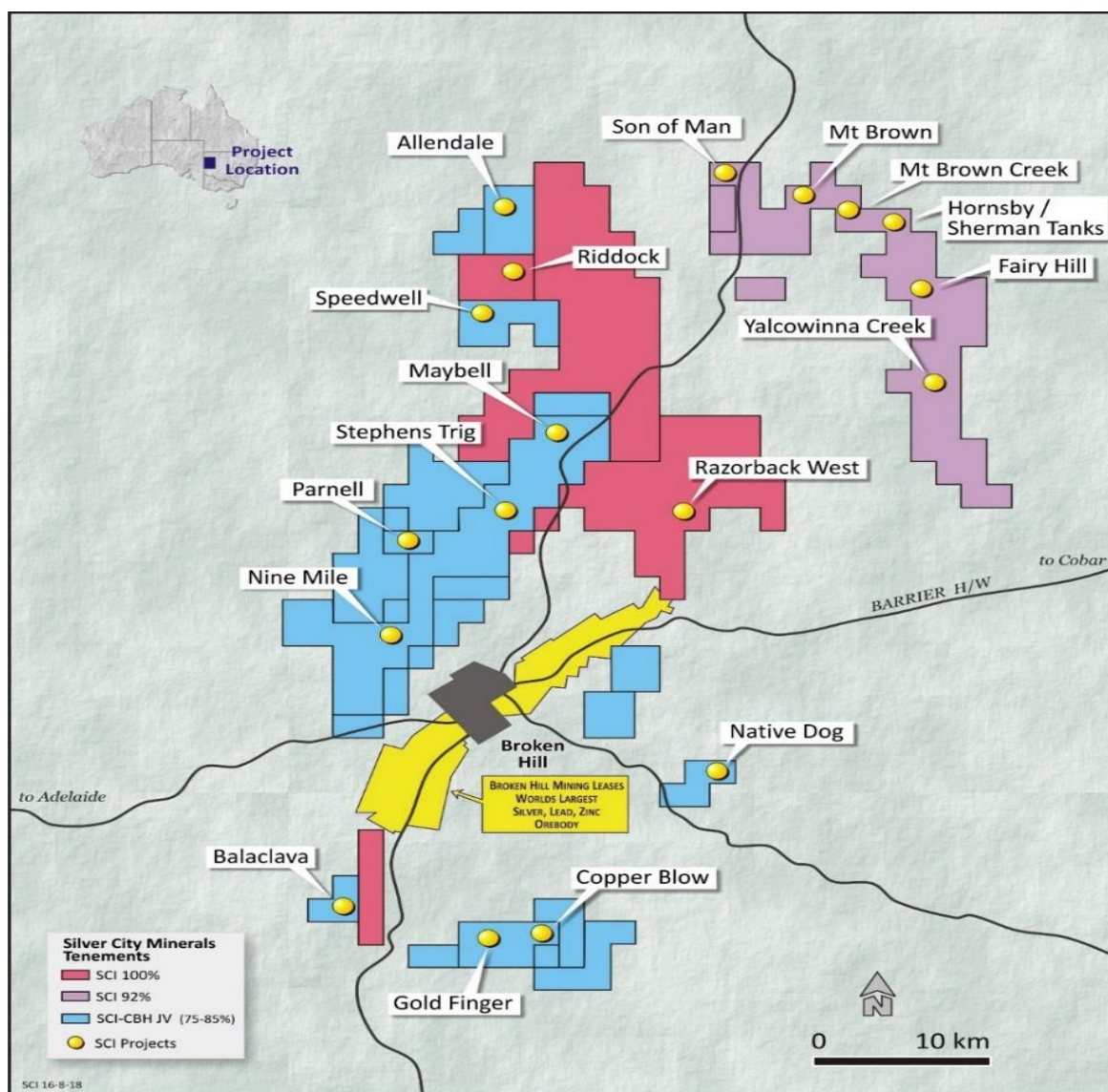


Figure 1

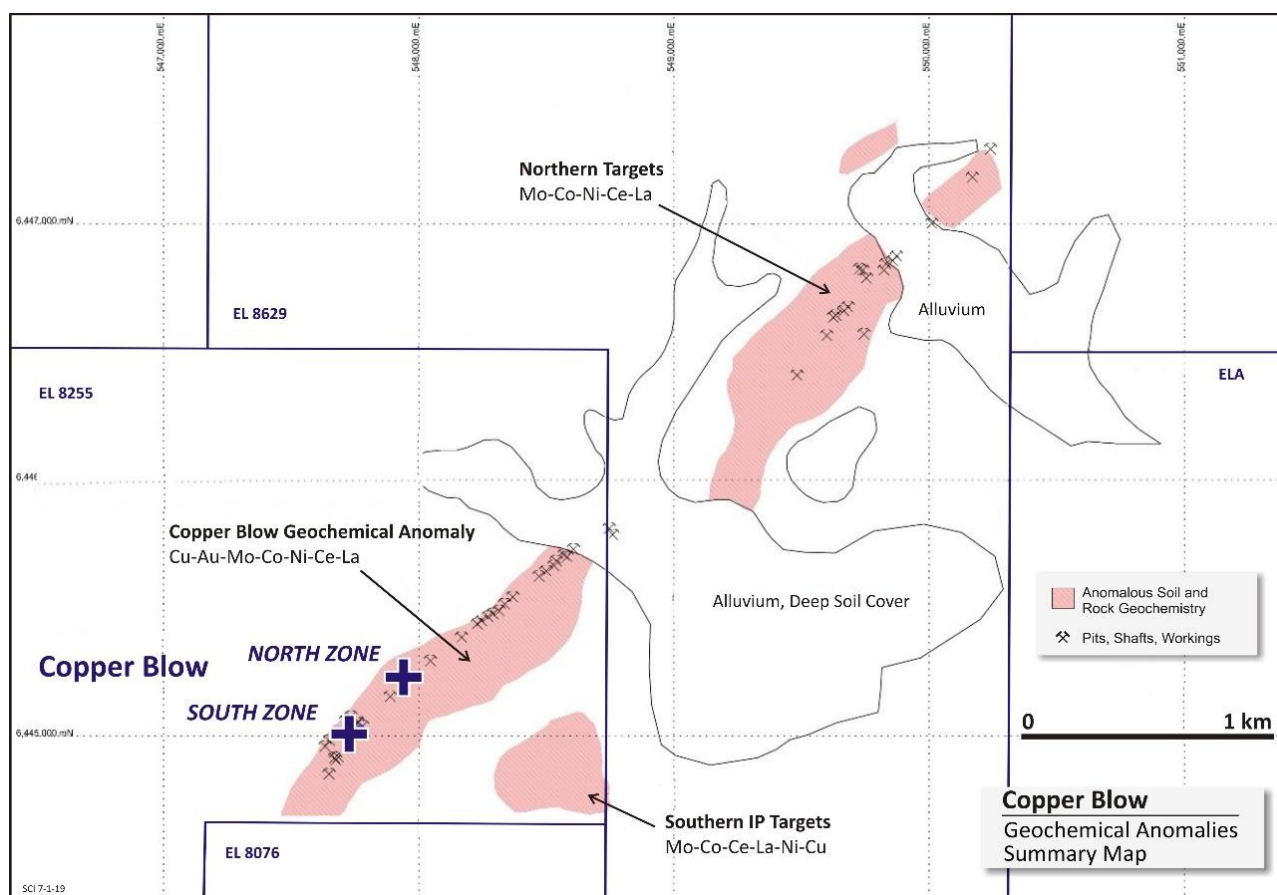


Figure 2

No new drilling was conducted at Copper Bow during the Period. To date the Company has drilled approximately 8,500 metres at Copper Bow prospect (see ASX Release 4 October 2018). Drill testing has tested the mineral system over a strike length of 1 kilometre where the mineralisation demonstrates the geological characteristics of an iron oxide copper gold deposit (IOCG), similar to those which form within an arcuate domain on the eastern side of the Gawler Craton in South Australia.

Given a very recently increased budget for exploration, the Company will consider further development options for the project, taking into account the considerable work completed by the Company in previous periods, while also considering factors such as availability to further capital and market sentiment.

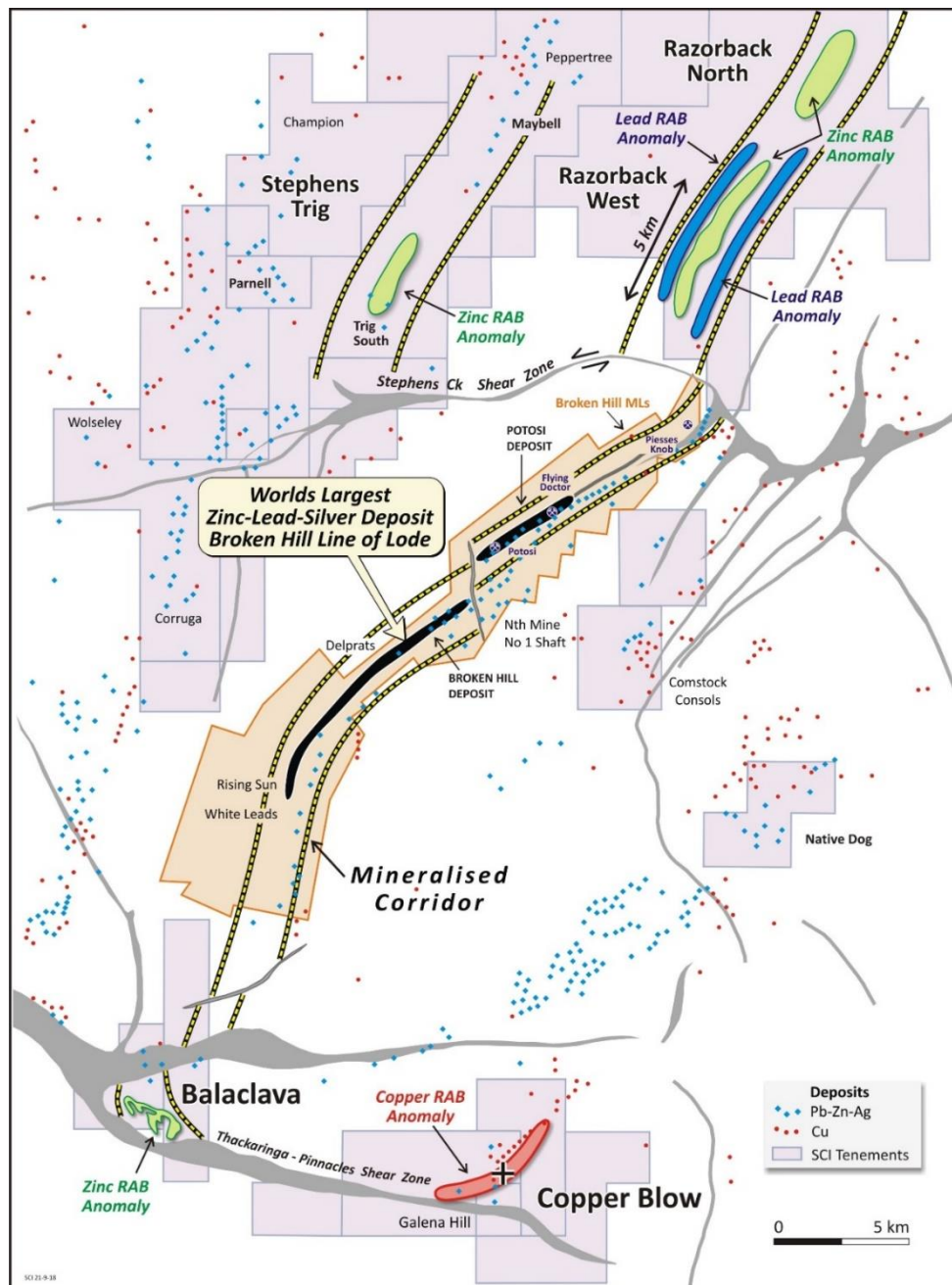


Figure 3

During the Period further review work was conducted in relation to the Company's Razorback West project. The project is located to the north of the Broken Hill orebody (see Figure 3 above) and is considered to be prospective for zinc, lead and silver. Reviews suggest the possibility of an elongated lead anomaly beneath alluvial cover corresponding to a prospective horizon known as the Hores Gneiss. It is coincident with favorable geophysical anomalies and remains untested by drilling for which the Company will likely test in the future. The host rocks of Razorback West are considered to be the fault-offset extension of the Broken Hill mine sequence and, as such, are prospective for Broken Hill-type zinc-lead-silver mineralisation.

As with Copper Blow, the Company has been considering the project's development in conjunction with capital availability and exploration techniques and objectives that generate the greatest creation of shareholder value while reducing risk where possible.

Corporate Activities

During the Period the Company prepared and lodged its Annual Report to Shareholders for the year ending 30 June 2019.

The Notice of Annual General Meeting (**AGM**) has been dispatched to all shareholders, with the AGM to be held at 1:00 PM WST on 22 November 2019 at 1176 Hay Street, West Perth, WA 6005.

The Company has begun a more pragmatic and appropriate approach to running the business development. The Board is assessing all reasonable avenues to create shareholder growth, be it by the further development of any of its current projects or the acquisition of new projects that may be amenable to the creation of shareholder value.

Capital Structure at end of Period

Category	ASX Code	Number
Fully Paid Ordinary Shares on Issue	SCI	293,710,253
Unquoted Options (\$0.06 – 24/11/19 expiry)	-	8,500,000
Unquoted Options (\$0.03 – 16/01/21 expiry)	-	3,000,000
Unquoted Options (\$0.06 – 5/06/22 expiry)	-	4,000,000
Unquoted Options (\$0.05 – 29/11/20 expiry)	-	2,000,000
Unquoted Options (\$0.03 – 27/02/22 expiry)	-	26,750,000

Tenement Schedule at end of Period

Tenement	Name	Granted Date	Expiry Date	Status	Blocks	Registered Holder	Operator	JV
EL 7300	Aragon	23/02/2009	22/02/2020	GRANTED	37	SCI	SCI	CBH 15% Eaglehawk 0.5% NSR
EL 8020	Riddock	23/11/2012	22/11/2023	GRANTED	6	SCI	SCI	
EL 8075	Willyama	15/04/2013	15/04/2022	GRANTED	40	SCI	SCI	SCI 75% CBH 25%
EL 8077	Razorback	15/04/2013	15/04/2022	GRANTED	23	SCI	SCI	
EL 8078	Yalcowinna	15/04/2013	15/04/2022	GRANTED	36	SCI	SCI	Eaglehawk 8% in area previously EL 7319
EL 8236	Native Dog	11/02/2014	10/02/2020	GRANTED	4	SCI	SCI	SCI 75% CBH 25%
EL 8333	Enmore	17/12/2014	16/12/2023	GRANTED	5	SCI	SCI	
EL 8454	Yanco	9/08/2016	9/08/2019	GRANTED	19	SCI	SCI	
EL 8495	Southern Cross	22/12/2016	21/12/2019	GRANTED	11	SCI	SCI	SCI 75% CBH 25%
EL 8579	Tindery	26/05/2017	25/05/2020	GRANTED	98	SCI	SCI	
EL 8685	Aspen	23/01/2018	22/01/2024	GRANTED	2	SCI	SCI	SCI 92% Eaglehawk 8%
EL 8862	Clevedale	17/06/2019	16/06/2022	GRANTED	8	SCI	SCI	SCI 75% CBH 25%
EL 8863	Himalaya	17/06/2019	16/06/2022	GRANTED	29	SCI	SCI	SCI 75% CBH 25%
EL 7390*	Yellow Stone	20/08/2009	29/10/2023	GRANTED	41	GCO	GCO	SCI has an agreement with Impact Minerals on the Pb-Zn rights of this EL

EL = Exploration Licence

Els 8075, 8078, 8236 are subject to agreements with Variscan Mines Limited and Eaglehawk Geological Consulting Pty Ltd whereby Variscan and Eaglehawk hold an NSR (Net Smelter Return) interest in parts of these tenements.

Silver City has an agreement with Impact Minerals on the lead-zinc-silver metal rights for EL 7390. Silver City's interest is free-carried to a Decision to Mine.

Eaglehawk has an 8% interest carried to the completion of a BFS in EL 8695 and in 45 of the 50 units that are now EL 8078. On completion of a BFS, Eaglehawk can contribute to retain the 8% interest or revert to a 0.2% NSR. The percentages for ELs 8076, 8074, 8255 and 8629 should be 0% in 2019. These licences were cancelled and consolidated into ELs 8862 and 8863.

Events after the Period

The Company was pleased to announce the placement of 30,000,000 new shares at \$0.01 per share with a 1:1 free attaching option exercisable at \$0.02 expiring 31 October 2022.

This placement, before costs, raises \$300,000 in addition to the Company's reported cash at the end of the Period.

For, and on behalf of, the Board of directors of the Company,

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ABOUT Silver City Minerals Limited

Silver City Minerals Limited (SCI) is a base and precious metal explorer focused on the Broken Hill District of western New South Wales, Australia. It takes its name from the famous Silver City of Broken Hill, home of the world's largest accumulation of silver, lead and zinc; the Broken Hill Deposit. SCI was established in May 2008 and has been exploring the District where it controls Exploration Licenses through 100% ownership and various joint venture agreements. It has a portfolio of highly prospective projects with drill-ready targets focused on high grade silver, gold and base-metals.

Caution Regarding Forward Looking Information

This document 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.

ASX Listing Rules Compliance

In preparing the Quarterly Activities report for the period ended 30 September 2019, the Company has relied on the following ASX announcements

ASX Announcement	6 July 18	Copper-Gold intersections at Copper Blow
ASX Announcement	23 July 18	New Large Copper-Gold Target at Copper Blow
ASX Announcement	30 July 18	Quarterly Activities Report
ASX Announcement	3 September 18	Drilling Commences at Copper Blow
ASX Announcement	17 September 18	New Copper-Cobalt projects at Broken Hill
ASX Announcement	4 October 18	Extensive Sulphide Zone at Southern Anomaly
ASX Announcement	17 October 18	Presentation for Brisbane Resources Round-Up
ASX Announcement	25 October 18	Quarterly Activities Report
ASX Announcement	30 October 18	Soil Survey Confirms Extensive Mineral System at Copper Blow
ASX Announcement	9 November 18	Copper Blow Drill Results
ASX Announcement	21 November 18	Copper Blow Exploration Update
ASX Announcement	24 January 19	Quarterly Activities Report
ASX Announcement	30 April 19	Quarterly Activities Report and Appendix 5B
ASX Announcement	1 August 19	Quarterly Activities Report and Appendix 5B

Compliance Statement

This report contains information extracted from reports cited herein. These are available to view on the website www.silvercityminerals.com.au. In relying on the above ASX announcements and pursuant to ASX Listing Rule 5.23.2, the Company confirms that it is not aware of any new information or data that materially affects the information included in the abovementioned announcements or this Quarterly Activities for the period ended 30 September 2019.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Silver City Minerals Limited

ABN

68 130 933 309

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(35)	(35)
(b) development	-	-
(c) production	-	-
(d) staff costs (excludes direct exploration salaries)	-	-
(e) administration and corporate costs	(65)	(65)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	5	5
1.6 Income taxes paid	2	2
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(92)	(92)

2. Cash flows from investing activities	-	-
2.1 Payments to acquire:	-	-
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:	-	-
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities	-	-
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	442	442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(92)	(92)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	350	350

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	93	183
5.2	Call deposits	257	257
5.3	Bank overdrafts	-	-
5.4	Other – term deposits	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	350	442

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

29

-

Salaries, Directors fees and consultancy fees at normal commercial rates.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs (excludes direct exploration salaries)	30
9.5 Administration and corporate costs	44
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	124

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A	N/A	N/A	N/A
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A	N/A	N/A	N/A

Mining exploration entity and oil and gas exploration entity quarterly report

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Director/Company secretary)

Date 31 October 2019

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.