



26 August 2020

Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

28KMS OF PROSPECTIVE VMS STRIKE SECURED IN WA THROUGH TALLERING EXPLORATION APPLICATION

Key Highlights:

- Silver City has secured a significant footprint in the prolific Talling Greenstone belt through its application for E59/2445 Talling in the Murchison region of Western Australia
- E59/2445 covers circa 28 kilometres strike of VMS prospective felsic volcanic rocks of the same age and association as the massive Golden Grove deposit located 150km to the South
- The significant Golden Grove mine has been operating for 30 years producing copper, gold, zinc lead and silver and estimated to continue for another 20 years
- Silver City Minerals has pegged E59/2445 on the basis that the northern Talling Belt on the tenure contains similarly prospective felsic volcanic rocks to Golden Grove
- Historic soil sampling anomalies of up to 338ppm Cu require follow-up
- Data compilation underway prior to grant

Silver City Minerals Limited (ASX: **SCI**) (**Silver City or Company**) has applied for an exploration tenement in the Murchison region of Western Australia, E59/2445 Talling. E59/2445 covers an area of 48 sub-blocks (143km²) in the northern Talling Greenstone Belt, Western Australia, and is prospective for Volcanogenic Massive Sulphides.

Volcanogenic Massive Sulphide Prospectivity

The Talling Greenstone Belt is an Archaean succession of felsic volcanoclastics, mafic volcanics, mafic and ultramafic intrusions, and ultramafic lavas, within the western Murchison Domain of the Yilgarn Craton of Western Australia (Figure 1).

Silver City has been able to secure a significant footprint in this high prospective belt. The Talling Greenstone Belt succession includes felsic units associated with the Gabanintha Formation, which is host to significant volcanogenic massive sulphide mineralisation at Golden Grove, approx 150km to the south of E59/2445. Historical exploration has confirmed the age of the Talling Greenstone felsic units as 2.93Ga, equivalent to the units that host Golden Grove.

Volcanogenic massive sulphide style mineralisation is known from the Talling Greenstone Belt on the southern limb, with significant base metal sulphide anomalism developed at several VMS prospects at Conquistador, A-Zone and Santy Well. Exploration by Kalamazoo Resources in 2017 (Refer ASX Announcement 21 July 2017 - *Base Metal Exploration Program Commences At Kalamazoo's Flagship W.A. Project*) identified that significant base metal anomalism is present on the southern Talling Belt over a minimum of 25 kilometres of strike, and is poorly understood with the majority of historical exploration not assayed for base metals.

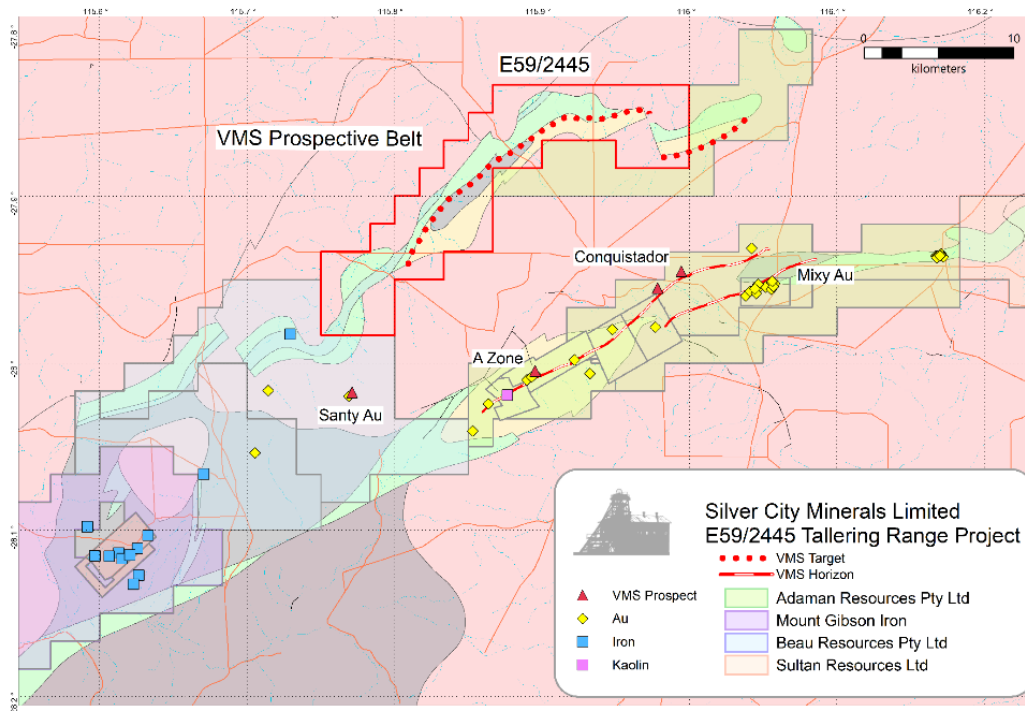


Figure 1: Location of E59/2445 Tallering and regional tenure

Silver City Minerals has pegged E59/2445 on the basis that the northern Tallering Belt contains similarly prospective 2.9Ga felsic volcanic rocks to Golden Grove, with previous exploration having been limited to gold exploration, minor base metal assaying in soil sampling, and historical EM surveys which, based on experience with mineralisation in the southern belt, may not be effective at detecting mineralisation.

Historical Exploration

The area covered by E59/2445 has been sporadically explored since the 1970's. The majority of the tenure was explored for gold in the period of 1982-1996, with base metal assaying restricted mostly to historic end of hole RAB samples.

Exploration on the area of E59/2445 has included stream sediment sampling, laterite sampling and soil auger geochemistry (Figure 2). Exploration for iron ore on the tenement identified extensive iron stone outcrops, and soil sampling identified base metal anomalism of up to 338ppm Cu, which has not been followed up.

Soil auger exploration in the Four Corner Well area has defined an anomalous area of 1.5 kilometres by 2 kilometres with auger results exceeding 150ppm Cu, 125ppm Zn and sporadic Au to 14ppb. This is interpreted to represent a potential VMS mineralising system, with the strike of prospective stratigraphy yet to be fully explored (Figure 3).

Exploration Program

Silver City Minerals has begun the process of compiling all available historical exploration data whilst progressing the tenement application. The Company intends to undertake a review of the historical exploration data, undertake mapping and soil sampling to define and extend the existing historical anomalies.

Silver City Minerals Director, Roland Gotthard, said of the Tallering application;

“The Tallering Greenstone Belt contains significant potential for discovery of VMS mineralisation, as evidenced by the under-explored southern extension of the belt where significant VMS anomalism is present. The Company has identified similar potential in the E59/2445 Tallering application area, with highly prospective base metal anomalies remaining un-drilled.”

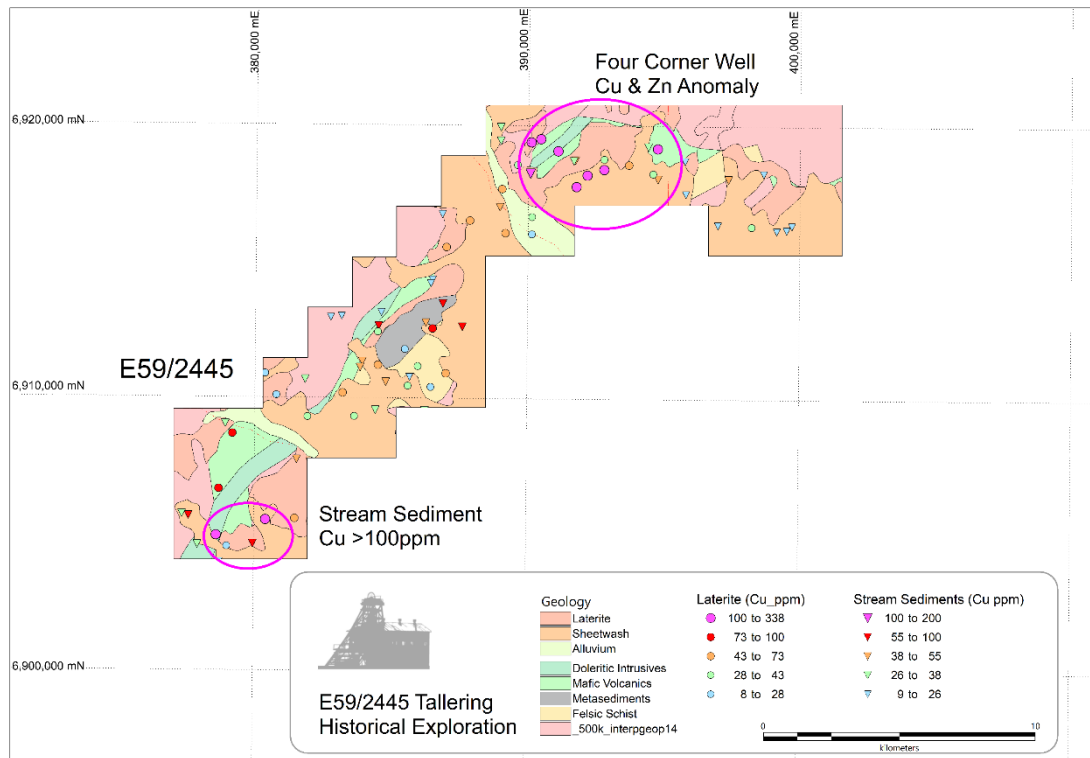


Figure 2: Historical Stream and Laterite Sampling E59/2445

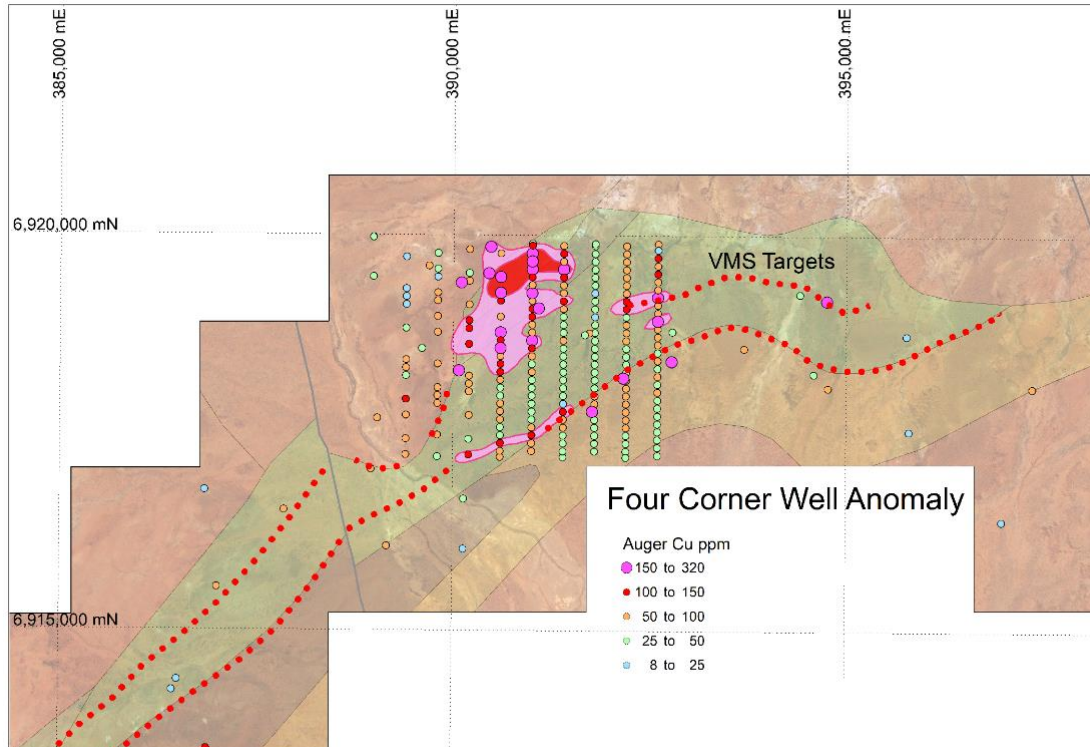


Figure 3: Copper in historical soil auger geochemistry, Four Corner Well Anomaly

This announcement has been authorised by the Board of Directors of Silver City Minerals Limited.

-ENDS-

Contact details

Sonu Cheema (Company Secretary)

Ph: +61 (8) 6489 1600

Fax: +61 (8) 6489 1601

Email: reception@cicerogroup.com.au

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.

COVID-19 IMPACT

The outbreak of COVID-19 is impacting global economic markets. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business. However, the situation is continually evolving, and certain consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its operations, work programs and any adverse impact on the Company. If any of these impacts appear material, the Company will notify investors through appropriate market updates.

No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Competent Persons Statement

The information in this announcement that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Roland Gotthard. Mr Gotthard is a director of Silver City Minerals Limited and a member of the Australian Institute of Mining and Metallurgy. Mr Gotthard has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Gotthard consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Historical surface sampling is detailed in historical exploration reports. Soil and auger sampling methodology is not completely recorded in historical WAMEX reports
Drilling techniques	<ul style="list-style-type: none"> Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Auger drilling was completed by previous explorers
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> N/A
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> N/A
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the 	<ul style="list-style-type: none"> Historical sampling and assaying techniques are considered potentially unreliable and may not adequately represent the true grade of any mineralisation

Criteria	JORC Code explanation	Commentary
	<i>grain size of the material being sampled.</i>	
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i> 	<ul style="list-style-type: none"> Records of historical assay methods and data is insufficient and is presented without any comment as to accuracy and precision
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Historical information is presented unadjusted from the results reported in the statutory reports
Location of data points	<ul style="list-style-type: none"> <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> Locations are derived from historical exploration reports
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> N/A
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> N/A
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> N/A
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> N/A

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> E59/2445 Talling, 48 sub-blocks covering 142km² The tenement is located in Western Australia, ~600km north from Perth The tenement is 100% owned by Silver City Minerals Limited
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Historical WAMEX reports; A55426 A82773 A87042 A92773 A97752 Additional data compilation is underway
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>E59/2445 is located within the Talling Greenstone Belt, Yilgarn Craton, Western Australia</p> <p>The deposit type sought is a Volcanogenic Massive Sulphide Deposit (VMS) hosted in felsic volcanic schists</p>
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<ul style="list-style-type: none"> N/A
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> N/A

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> • N/A
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> • A map showing tenement locations has been included • Maps showing the distribution of mineralised occurrences and anomalies has been provided
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> • Historical results have been described in a manner consistent with historical interpretations of them, except where modified by work undertaken by the Company. • Statements on reliability or otherwise of historical results are contained proximal to and in context with the historical results and interpretations • It is considered unfeasible and inappropriate to report all historical results.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> • N/A
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Soil sampling, mapping