



7 April 2021

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

TRANSFORMATIONAL WA HIGH-GRADE GOLD ACQUISITION BY SILVER CITY

Highlights

- Silver City to acquire an 80% interest in the highly prospective Austin Gold Project (“Austin Gold Project”) from Gardner Mining Pty Ltd (“Vendor”) through the acquisition of Gardner Tenements Pty Ltd (“GT”).
 - The Austin Gold Project is located in the prolific gold mining district of the Mt Magnet and Tuckabianna Greenstone Belts of Western Australia.
 - The Austin Gold Project comprises a large portfolio of granted mining leases and exploration licenses covering 175 square kilometers and is adjacent to Musgrave Minerals Limited (ASX:MGV) Cue Gold Project and their high grade Break of Day deposit.
 - Minimal modern day exploration has been conducted on the Austin Gold Project, however limited shallow drilling intersected high grade gold that has never been followed up including:
 - 6 m at 15.8 g/t Au from 36 m (including 2 m at 43 g/t Au) in BGRC-03 at the *Brunswick Hill* prospect¹; and
 - 2 m at 4.9 g/t Au from 32 m at the end of hole in AUSRC20 at *Brians* prospect².
 - Due diligence by Silver City on the Austin Gold Project indicates a dominant northwest control in at least two localities including an in-situ quartz vein at *Brians* prospect with abundant visible gold.
 - The observed northwest control is similar in orientation to high-grade controlling structures throughout the Mt Magnet and Cue district deposits, including the exciting Starlight discovery by Musgrave Minerals adjacent to the Austin Gold Project.
 - Several other targets have been highlighted based on widespread gold observed at surface by historical and present day prospectors employed by the Vendor.
 - The Austin Gold Project represents an excellent opportunity for the company to conduct a new exploration strategy based on the newly identified controlling structures across a large and highly prospective tenement package, similar to that at the Break of Day deposit.
 - Geophysics and geochemistry work program underway.
 - Placement to raise \$1.5 million including a commitment from the Vendor to subscribe for their pro-rata share of circa \$0.6m.
-

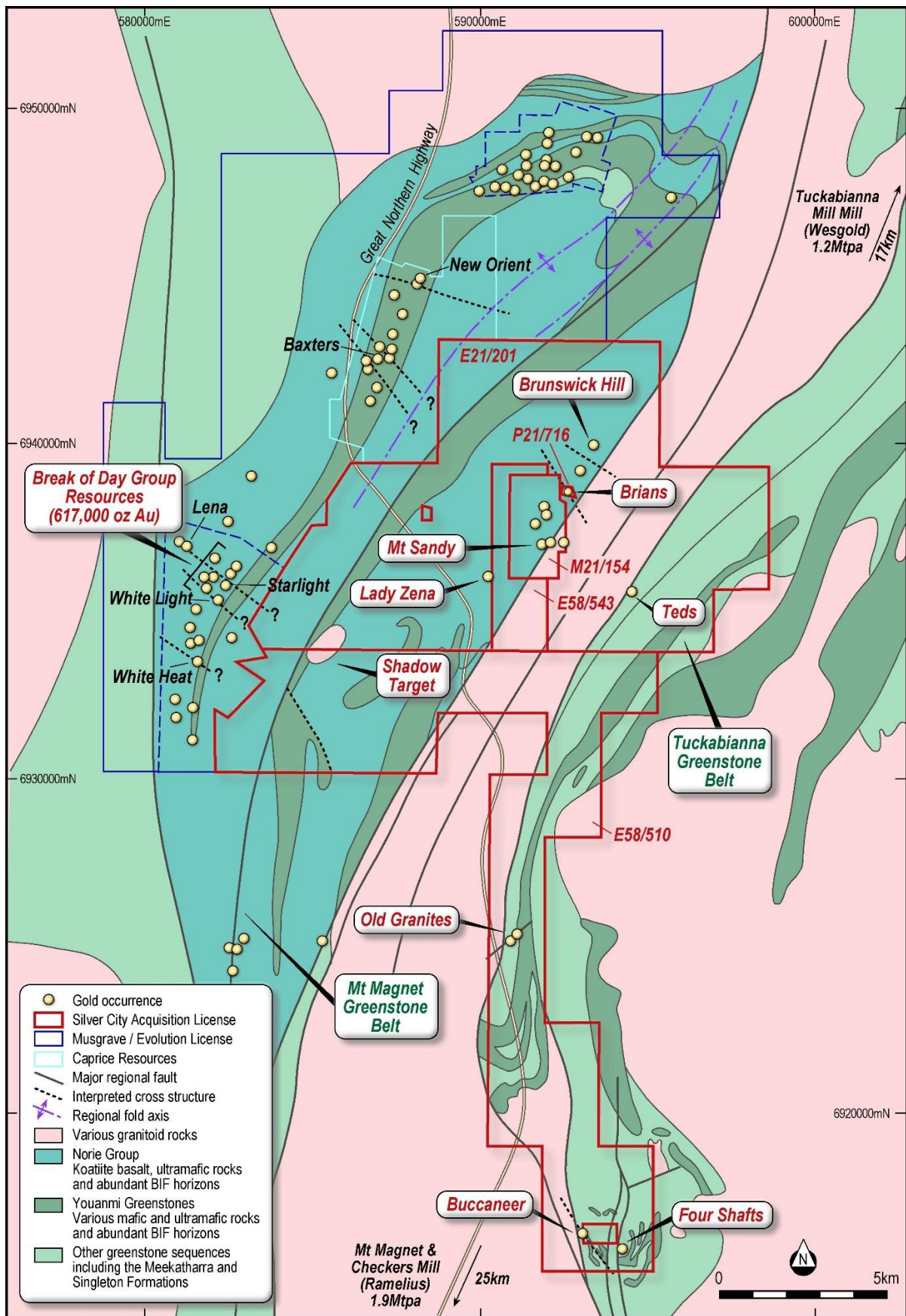


Figure 1: Interpreted geology map of the Mt Magnet and Tuckabianna Greenstone Belts showing the location of the Austin Gold Project tenement outlines with respect to the licenses held by Musgrave Minerals and Caprice Resource. Resource estimates by Musgrave Minerals are total combined Indicated and Inferred JORC 2012 estimates^{3,4,5}.

Silver City Minerals Limited (ASX: **SCI**) ("**Silver City**" or "**Company**") is pleased to announce it has entered into a binding share sale and joint venture agreement with the Vendor to acquire an 80% interest in the Austin Gold Project through the acquisition of GT, located in the highly prospective Murchison greenstone province of Western Australia ("**Acquisition**"). The Austin Gold Project is located directly adjacent to the Cue Gold Project owned by Musgrave Minerals Limited (ASX:MGV) ("**Musgrave Minerals**"), which includes the high grade *Break of Day* deposit and Starlight discovery.

The Acquisition is highly prospective opportunity for Silver City with abundant gold at surface and the limited shallow drilling undertaken returning a number of high grade intersections including (refer Table 1 and 2):

- **6 m at 15.8 g/t Au** from 36m (including **2 m at 43 g/t Au**) in BGRC-03 at the *Brunswick Hill* prospect¹;
- **6 m at 2.9 g/t Au** (including 1 m at 11.8 g/t Au) from 44 m in JWRCP-19 at the *Brunswick Hill* prospect⁶; and
- **2 m at 4.9 g/t Au** from 32 m at the end of hole in AUSRC20 at *Brians* prospect².

Due diligence conducted by Silver City has identified a number of newly identified controlling structures at the Austin Gold Project, similar to that of the adjacent *Break of Day* deposit, that are considered highly prospective for repeat high grade gold mineralisation.

Strategic Project Location

The Austin Gold Project is located 45 km north of Mt Magnet and comprises 175 square kilometres in the highly prospective Tuckabianna and Mt Magnet greenstone belts of the prolific Murchison gold mining district (Figure 1). The Murchison Province is reported to have historically produced over 17Moz of gold with significant current resources and exciting recent new discoveries by a variety of companies including Musgrave Minerals. The Austin Gold Project is also well located within 50 km of two operating mills held by Ramelius and Wesgold adjacent to the Great Northern Highway (Figure 1).

The Austin Gold Project is centred around one granted mining license at Mt Sandy and surrounded by three larger granted exploration licenses and one small prospecting license (Figure 1).

The project has been privately held by various companies for over 20 years with very little modern day exploration programs conducted throughout the package. However, widespread alluvial and hard rock gold has been recovered near surface exposures throughout the package by prospectors over many years. A handful of shallow drill programs have been conducted in the past with significant gold results that have never been followed up adequately.

Importantly, recent interpretation by the geological survey indicates that the majority of gold occurrences including the *Mt Sandy*, *Brians* and *Brunswick Hill* prospects occur on the eastern limb of the regionally folded Norie Group within the Mt Magnet Greenstone Belt (Figure 1). The extensive package held by Musgrave Minerals, including the *Break of Day* and *Lena* group of gold resources, occur on the western limb of the Norie Group. A number of new discoveries have been made by Musgrave Minerals including the high-grade *Starlight*, *White Light* and *White Heat* structures that have been shown to trend northwest (*Musgrave Minerals ASX Investor Presentation dated 14 December 2020, 1 February 2021 and 19 March 2021*). These structures have provided a breakthrough new understanding in the controls of the mineralisation in the district. Importantly, these northwest controlling structures are interpreted to project under cover onto the Austin Gold Project license (Figure 1).

A number of significant discoveries are also being made including at *West Island* along strike on the Musgrave Minerals joint venture ground with Evolution Mining who are committed to spending an \$18 million joint venture earn-in (*See Musgrave Minerals ASX announcement dated 27th January 2021*).

The prospectivity of the belt is further backed by significant recent intersections by Caprice Resources at the *Baxters* and *New Orient* prospects (See *Caprice ASX Investor Presentation Dated 1 February 2021*) that also show an association with northwest-trending structures that may also project onto the Austin Gold Project to the southeast (Figure 1).

Due Diligence of the Main Prospects

A field trip was conducted by Silver City geologists during the dates of 27th to 29th January 2021. In addition, a data room of historic reports and maps were provided by the Vendor that has been assessed for due diligence purposes. The following describes the highlights of the work by previous explorers at 5 key prospect areas on the Austin Gold Project:

Brunswick Hill

A total of 14 RC drill holes for 983 m were completed at the *Brunswick Hill* prospect area by Consolidated Mining & Finance Limited in 1988¹ and Lake Austin Gold Mines NL in 1987.⁶

Highlights results include (refer Table 1 and 2):

- **6 m at 15.8 g/t Au from 36 m** in BGRC-03¹ in **including 2 m at 43.0 g/t Au** in pyrite-altered and quartz veined sheared basalt at the contact with banded iron formation (BIF); and
- **6 m at 2.9 g/t Au from 44 m** in JWRCP-19 **including 1 m at 11.8 g/t Au** in altered BIF with quartz veins and disseminated sulphide.⁶

Both holes were drilled 130 m apart toward to the southeast to intersect the dip of the outcropping BIFs scattered in the area mainly southwest of the BRC-03. These drilling intersections have never been followed up at depth. Various holes along the BIF did not intersect significant mineralisation.

On inspection in the field, a prominent northwest trending creek occurs near the collar for BGRC-03 which drains into Lake Austin. Outcrops in the creek show evidence for northwest-trending joints as well as complex folding that also show a possible steep northwest plunge. A number of gossanous float and subcrop rocks were taken from the creek for sampling (Figure 2).



Figure 2: Photograph of highly gossanous banded BIF float rock sample (ARK17) found in the cross-cutting creek at *Brunswick Hill*.

It is clear that the strategy to target the BIF unit at shallow depths along strike and drilling toward the southeast has not been effective at *Brunswick Hill*. The orientation of quartz veins and associated sulphide in holes BGRC-03 and JWRCP-19 is yet unknown and will be the key to following up further mineralisation at the prospect. Importantly, a recent review of historic mapping in the area has revealed the occurrence of a prominent west-northwest trending fault located 600 m to the southwest of Brunswick Hill that has never been inspected in the field or drill tested (Figure 1). Further work to investigate the controlling structures will be a priority for Silver City to enable an effective drill program to follow up high grade mineralisation in BGC-03 and JWRCP-19 at depth.

Brians

The *Brians* prospect is characterised by a small historic pit around 5 m deep that is reported to have produced in the order of 500 ounces of gold. A total of 6 very shallow drill holes for 194 m were drilled by Gardner Mining Pty Ltd in May 2020² with a primary aim to identify small shallow oxidised resources that may be mined from surface. Shallow drilling was again angled toward the southeast to target the main dip of the BIF's in the area at shallow depths. One hole returned a significant drilling intercept of (refer Table 1 and 2):

- **2 m at 4.9 g/t Au** from 32 m at the end of hole in AUSRC20.

Importantly, re-assaying of the 2 m composite interval at the end of hole indicates the presence of coarse gold with secondary assays on the same interval returning up to **8.65 g/t Au**. During the recent field visit by Silver City, the 1 m sample bags were recovered and submitted to Intertek Laboratories for a variety of analysis to more accurately establish the grade of the interval. Importantly, significant gold mineralisation in hole AUSRC20 has never been followed up at depth.

Further shallow drilling was conducted along strike with no significant results besides one anomalous composite interval in AUSRC018 that returned **4 m at 0.1 g/t Au** from 12 m located approximately 50 m to the southeast. Again, it is clear from the drilling that there is a control to gold mineralisation that was unknown at the time of the drill program.

Fortunately for Silver City, the historic pit exposures at *Brians* enabled an important opportunity to inspect the outcropping weathered mineralization in order to establish the potential control on gold-bearing structures and veins as part of the due diligence on the project. This work has allowed a potential breakthrough in the understanding of the control on gold-bearing structures at *Brians*. Quartz veins up to 10 cm thick are exposed in the northern face of the pit that clearly cross-cut the main dip of the stratigraphy with variable steep dip 55-88° toward the northeast (025-055° dip direction) indicating a definitive northwest trend. Importantly, rock samples of the quartz veins inspected contained abundant visible gold (Figure 3). This northwest trend to the gold-bearing quartz veins is very similar to the orientation of mineralisation reported by Musgrave Minerals at the high-grade *Starlight*, *White Light* and *White Heat* structures.

This breakthrough in understanding of the controlling structures that host high grade gold mineralisation at *Brians* will enable Silver City to more effectively orient future drill programs in the area including following up open mineralisation intersected in AUSRC20 at depth. The dip to the northeast of gold-bearing quartz veins indicates the optimum drilling direction will be to the southwest. This strategy has never before been conducted on the project and provides an exciting opportunity for Silver City.



Figure 3: Photograph of a weathered, gossanous quartz vein with abundant visible gold recently sampled by Silver City from the outcrop exposures in the north face of the *Brians* historic pit.

Mt Sandy

The area of *Mt Sandy* is centred in the large, permitted mining lease M21/154 (Figure 1) which has been the subject of several stages of small scale alluvial mining by Gardner and previous operators. Widespread gold has been recovered over a very large area of roughly 1.2 km by 0.7 km. Production from the area is unknown but we do know that 600 ounces was reported to be produced by prospectors in 1984 using metal detectors and dry blowing equipment. Only minimal modern day exploration has ever been conducted in the central area to target bedrock gold. The hill of *Mt Sandy* itself contains a shaft and adit to a depth of around 15 m. Drilling has never been conducted to test the depth extent of gold recovered from the adit. However, shallow drilling by Continental Resource Management⁷ in 2007 was conducted 400 m to the north and intersected a best intercept of (refer Table 1 and 2):

- **7 m at 1.7 g/t Au** from 21 m including **3 m at 3.4 g/t Au** in SC0603

Similar to other prospects on the project, these significant results have never been properly followed up.

Historic soils data was completed by various companies that covers the highly prospective trend from the *Lady Zena* Prospect to the *Mt Brunswick* prospect which is a very large strike length of over 15 km (Figure 1). This data is currently being reviewed, digitised and interpreted by Silver City which aims to identify drill targets to progress exploration in the area. Complex folding and the critical northwest-trending faults have been mapped by previous explorers at *Mt Sandy* so the compilation and synthesis of this work is also a high priority for Silver City.

Teds

The *Teds* prospect area occurs on a different geological trend on the Tuckabianna greenstone belt along strike from the Tuckabianna gold deposit held by Westgold⁴ where their 1.2 Mt per annum gold processing plant is currently located (Figure 1). The area has recently been the subject of excitement by the Gardner Mining Pty Ltd team due to the discovery of at least three extremely rich pods of surface gold⁸. Recently, a prospect called *Gardners Hole* was identified by the team and a bulk sample was taken from a costean that measured approximately 1.5 m deep, 1.5 m wide and 1.5 m length (i.e. 3.3 square metres). The specimens of gold are spectacular with irregular gold nuggets and veins up to 3-4 cm in length that occur associated with weathered smoky quartz veins (Figure 4A). Approximately 6 tonnes of material were extracted by the Vendor, coarse crushed then processed utilising a sluice box and collection mat (Photo 4B).



Figure 4A: (left) spectacular specimens of outcropping gold within smoky vein quartz that were bulk sampled at *Gardners Hole* in the *Teds* prospect area.

Figure 4B (right) Collection mat utilised to extract the gold from the sluice box during the bulk sampling work by Gardner Mining Pty Ltd at *Gardners Hole*.

In addition to *Gardners Hole*, several other shafts and small pits that have been rehabilitated are known by the Gardner Mining team where abundant gold has been reported in the past. Widespread evidence for gold at *Teds* occurs over a large strike length of 1.4 km along a major BIF contact. The *Teds* prospect trend represents yet another extremely prospective strike length where particularly rich pods of high grade gold may be discovered by Silver City.

An airborne magnetic survey was flown by Gardner across the project. Silver City plans to reprocess the airborne magnetic data and conduct a structural interpretation across the project. This work will be critical to progress exploration at *Teds*. Most of the outcrop at *Teds* is under thin residual soil cover so a detailed soil sampling program is also being planned by Silver City to help define drill targets.

Buccaneer

A series of historic gold working pits occur at the *Buccaneer* gold mines area located 18 km along strike to the south of *Teds* prospect also on the Tuckabianna greenstone belt (Figure 1). Production from the small pit at *Buccaneer* is estimated to be in the order of 600 ounces. The main historic pit which extends

to around 5 m depth was recently inspected by Silver City geologists. A prominent, highly gossanous fault zone and associated quartz veinlets was identified in the northwest face of the pit which was measured to be dipping moderately 62° toward the northeast (032° dip direction) which indicates again a clear northwest strike to mineralisation (Figure 5). A one metre channel sample was taken across the mineralised zone and assays are pending. There is no evidence for drilling to follow up the mineralisation that appears in the pit.



Figure 5: Photograph looking northwest into the historic *Buccaneer* showing the gossanous fault zone with associated quartz veins (red dash outline) trending northwest and dipping northeast.

Shadow

During the site visit Silver City geologists were taken by the Gardner Mining team to an area now called the *Shadow* target (Figure 1). The area is identified as an area of interest due to a number of gold nuggets that have been reported by prospectors working throughout the area. The area is almost entirely covered by residual soil and sand besides one small granite intrusive outcrop that was observed by Silver City with some with very thin quartz veinlets.

This area is conceptually a very interesting target area for several reasons. Importantly, the southeast extension of the structures that control the high grades at *Starlight* and *White Light* potentially extend into the *Shadow* target area (Figure 1). The small intrusive granite is also an interesting feature that may provide an area of lithological complexity that often occurs associated with gold deposits. The indication of surface gold nuggets in the area is a very encouraging sign for the possibility of highly mineralised structures hidden by the sand cover. The soil material and open country is considered by Silver City to be an ideal terrain for soil sampling coverage to identify drill targets. Structural interpretation of the airborne magnetic data will also be a key criteria for selecting drill targets in this highly prospective area and this work is underway.

Opportunity for Silver City

Due diligence work by Silver City indicates the Austin Gold Project represents a unique opportunity to acquire and explore a large ground holding in one of the most exciting greenstone belts in Australia where numerous discoveries are currently being made. The Austin Gold Project is essentially unexplored by modern techniques and Silver City have already established a key northwest control to gold mineralisation

observed in the field. Encouragingly, this is a similar orientation to high-grade controlling structures to the exciting *Starlight*, *White Light* and *White Heat* discoveries by Musgrave Minerals on the adjoining license (Figure 1). This northwest trend to primary gold mineralisation is not unique to the immediate district, it is also common throughout the Mt Magnet and Cue greenstone district deposits including the world class Great Fingall deposit located just west of Cue which is currently held by Westgold. Great Fingall historically produced 1.2 million ounces at 19.8 g/t Au⁹ that is also strongly controlled by the northwest structures (Figure 6).

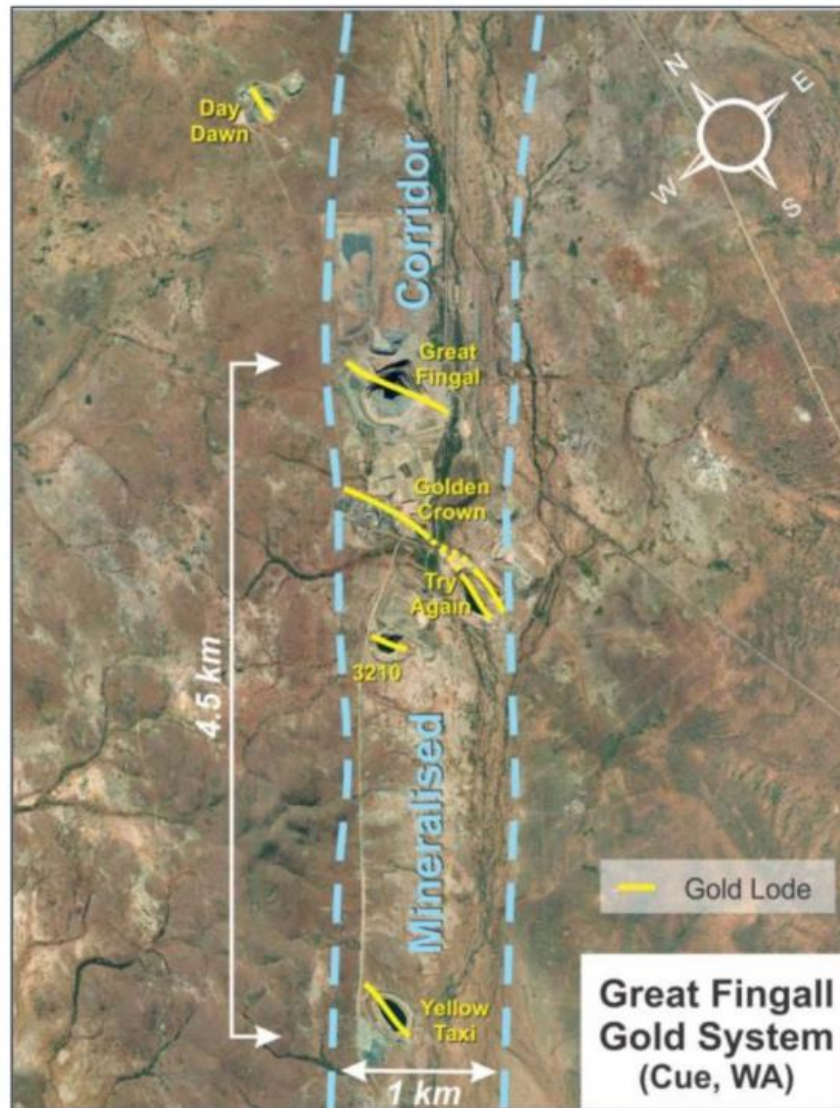


Figure 6: Plan map of the Great Fingall deposit located near Cue showing the orientation of high grade gold structures. (Musgrave Minerals ASX Investor Presentation dated 8 May 2019)

Next Steps of the Austin Gold Project

The following work programs are currently underway on the Austin Gold Project to assist the drill targeting work:

- Reprocessing of airborne magnetic data specifically to target and interpret cross structures particularly those on a northeast orientation.
- Reprocessing and releveling of the historic soil geochemistry data from the 15 km trend from *Lady Zena* to *Mt Brunswick* to identify subtle gold-in-soil anomalies.
- Recent submission of 30 rock samples and 12 historic RC sample bags that were taken during the due diligence field trip on the project. The samples will be subject to a variety of assay techniques

for gold to establish the optimum assay techniques given the inherent coarse nature to the gold reported on the project. Multi-element data is also important to assist later multi-element soil data interpretation.

- Digitisation of all historic drill data into a comprehensive database.

Additional work programs are also being planned to be completed over the coming months:

- Comprehensive fine fraction multi-element soil sampling programs along the *Teds* trend as well as at the *Shadow Target* to help identify further drill targets.
- A gradient array IP survey to cover the area from *Mt Brunswick* to *Brians* in order to identify areas of extensive disseminated sulphide and silicification/quartz veining associated with gold mineralisation.
- Completion of a targeting matrix across the project to rank each of the targets across the Austin Gold Project.
- Preliminary maiden drill program at the *Brunswick Hill* and *Brians* prospects where highly mineralised gold intersections have never been followed up at depth. In addition to RC drilling, Silver City plans to also complete strategic diamond drill holes to accurately define the orientation of gold-bearing veins and sulphide alteration.

Transaction Overview

Acquisition

The Company has executed a binding share sale and joint venture agreement (“**Agreement**”) with the Vendor to acquire an 80% interest in GT, the owner of the tenements that comprise the Austin Gold Project, including M 21/154, E 21/201, P 21/716, E 58/543 and E 58/510 (together, the “**Tenements**”).

Key terms of the Acquisition are summarised as follows:

- in consideration for the Acquisition, the Company agrees to issue to the Vendor 300,000,000 fully paid ordinary shares in the capital of Silver City (**SCI Shares**) at a deemed issued price of \$0.015 per SCI Share (**Consideration Shares**). The allotment of Consideration Shares to the Vendor is subject to Silver City obtaining shareholder approval pursuant to item 7, 611 of the Corporations Act.
- Silver City and the Vendor will form an incorporated joint venture for the purpose of exploration and development on the Tenements (“**Joint Venture**”). Silver City will free carry the Vendor’s interest in the Joint Venture until such time as the Company decides to proceed with a decision to mine or the Agreement is terminated.
- Settlement of the Acquisition is subject to the satisfaction or waiver of the conditions precedent on or before the date that is six (6) months after the date of execution, including:
 - the Vendor transferring ownership of the Tenements to GT so that GT is the legal and beneficial owner of 100% interest in the Tenements;
 - completion of financial, legal and technical due diligence by SCI on GT and the Tenements and by the Vendor on SCI;
 - the parties obtaining all third party approvals and consents necessary to lawfully complete the matters set out in the Agreement;
 - the parties obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules, *Corporations Act 2001* (Cth) or any other law to allow the parties to lawfully complete, including (without limitation) Silver City obtaining shareholder approval pursuant to item 7, 611 of the Corporations Act for the allotment and issue of the Consideration Shares to the Vendor;

- there being no event occurring prior to the date of Settlement which materially and adversely affects the parties or the Tenements;
 - the Company completing a capital raising of not less than \$1,000,000 at an issue price of not less than \$0.015 per SCI Share (“**Placement**”) (further detail of the Placement is set out below);
 - the Vendor submitting a mine closure plan in respect of M21/154 to the Department of Mines, Industry Regulation and Safety for approval and obtaining the approval on terms satisfactory to the Company; and
 - entry into a shareholders agreement on customary terms.
- The Vendor has the right to appoint a director who is to remain on the Board of GT to represent its 20% interest in the Joint Venture. A director appointed by the Vendor may only be removed or replaced by GT, subject to the provisions of the Corporations Act.

The Agreement otherwise contains terms standard for an agreement of its nature including warranties and indemnities. Subject to shareholder approval being obtained, settlement of the Acquisition is expected to occur during quarter ending 30 June 2021 and Silver City will continue to keep the market informed in respect of material updates regarding the Acquisition.

Placement

The Company has received firm commitments for a Placement of 100,000,000 FPO shares at \$0.015 per FPO share to raise \$1,500,000 before costs. The Placement will settle in two tranches with tranche 1 to issue 57,281,600 shares to raise \$859,224 pursuant to the Company’s existing capacity under ASX Listing Rule 7.1. Tranche 2 will issue 42,718,400 shares to raise \$640,776 and will be subject to shareholder approval. The Vendor will seek to participate for up to \$590,776 in tranche 2 (being their pro-rata allocation to maintain the Vendors percentage ownership in the Company post the issue of the Consideration Shares) and the Directors of Silver City will seek to participate in the Placement for up to \$50,000.

The Company is in the process of preparing a Notice of Meeting to seek the necessary shareholder approval to undertake the issue of Consideration Shares to the Vendor, and for Director and Vendor participation in the Placement. Monies raised from the Placement will be applied to the exploration and development of the Austin Gold Project, the Company’s existing exploration assets and for working capital purposes. The Company has appointed Canaccord Genuity (Australia) Limited as the Lead Manager of the Placement.

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

-ENDS-

Contact details

Sonu Cheema (Director and 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 metals explorer focused on the prolific mining districts of Broken Hill, the Cobar Basin and the Lachlan Fold Belt of 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. The Company was established in May 2008 and has been exploring the Broken Hill District where it controls Exploration Licenses through 100% ownership and various joint venture agreements. It has a portfolio of highly prospective projects, many with drill-ready targets focused on gold, silver and base-metals. The Company 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.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

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 include, but are not limited to, statements preceded by words such as "planned", "expected", "projected", "estimated", "may", "scheduled", "intends", "anticipates", "believes", "potential", "predict", "fore see", "proposed", "aim", "target", "opportunity", "could", "nominal", "conceptual" and similar expressions. 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. So, there can be no assurance that actual outcomes will not materially differ from these forward-looking statements. Forward looking statements in this document are based on Silver City's beliefs, opinions and estimates of Silver City 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.

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 Leo Horn, a Competent Person. Mr Horn is a Director of Silver City Minerals and a member of the Australian Institute of Geoscientists. Mr Horn 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 Horn consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

References:

¹Consolidated Mining & Finance Limited, 1988. Progress Report on the Blac Gold Joint Venture. Wamex Report A028538.

²Gardner Mining Pty Ltd, 2021 Personal Communication. Annual Report Pending for P21/716.

³Musgrave Minerals Ltd. 11 November 2020. Break of Day High Grade Mineral Resource Estimate.

⁴Wesgold Resources Limited Annual Report 2020.

⁵Ramelius Resources Annual Report 2020.

⁶Lake Austin Gold Mines NL, 1987. Report on the Lake Austin Gold Project. Lake Austin Mines NL. Wamex Report A024181

⁷Continental Resource Management Pty Ltd., 2007. Annual Report for Period August 2006 to August 2007. Wamex report A076409.

⁸Gardner Mining Pty Ltd, 2021 Personal Communication. Annual Report Pending for E21/201.

⁹Metals X Limited 30 September 2012. Quarterly report for period ending 30 September 2012.

Table 1: Coordinates for drill holes and costeans on the Austin Project.

Hole ID	X	Y	Coord. System	Dip	Azimuth	Depth	Year	Drill Type	Prospect	Company
BGRC-03	593358	6940033	GDA94 z50	-60	135	93	1988	RC	Brunswick Hill	Consolidated Mining & Finance
BGRC-02	593310	6940011	GDA94 z50	-60	135	92	1988	RC	Brunswick Hill	Consolidated Mining & Finance
AUSRC20	592615.2	6938621.5	GDA94 z50	-60	135	34	2020	RC	Brians	Gardner Mining Pty Ltd
AUSRC18	592590.1	6938568.9	GDA94 z50	-60	135	31	2020	RC	Brians	Gardner Mining Pty Ltd
SC0603	591238	6937396	GDA94 z50	-60	90	88	2007	RC	Mt Sandy (North)	Continental Resource Management
JWRCP-19	593269	6939927	GDA94 z50	-60	135	56	1987	RC	Brunswick Hill	Lake Austin Gold Mines NL
GARD-01	594164	6934643	GDA94 z50	0	0	1	2020	Costean	Teds	Gardner Mining Pty Ltd

Table 2: Composite assay results for drill holes on the Austin Project.

Hole ID	From	To	Interval	Gold	Cutoff	Prospect	Comments
BGRC-03	34	44	10	9.5	0.1	Brunswick Hill	
	36	42	6	15.8	1		
	36	38	2	43	5		
JWRCP-19	44	50	6	2.9	0.5	Brunswick Hill	
	44	47	3	4.8	1		
	44	45	1	11.8	5		
BGRC-02	2	4	2	1.1	1	Brunswick Hill	
AUSRC20	32	34	2	4.91	1	Brians	*Assay spear composite at end of hole
AUSRC18	12	16	4	0.1	0.1	Brians	
SC0603	21	28	7	1.72	0.5	Mt Sandy (North)	
	25	28	3	3.43	1		

Appendix 1: The following tables are provided to ensure compliance with the JORC Code (2012) requirements for the reporting of the Austin Gold Project

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 (eg 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 (eg '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 (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Sampling procedures adopted by various previous explorers primarily utilise reverse circulation drill rigs from which a <1 kg riffle split 1 m sample or a 1 kg split 2 or 4 m composite spear sample was pulverized to produce a 50 g charge for fire assay with atomic absorption spectrometry analysis for gold. Historic spear sampling procedures are considered to be adequate for the style of gold deposit and for the reporting of Exploration Results.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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"> Lake Austin Gold Mines N. L. (1987): Conducted reverse circulation (RC) drilling at the Mt Brunswick prospect. Consolidate Mining and Finance (1988): Conducted reverse circulation (RC) drilling at Mt Brunswick using a Schramm T-64 rig. Continental Resource Management Pty. Ltd. (2007): Conducted reverse circulation (RC) drilling at the Mt Sandy prospect. Gardner Mining Pty. Ltd. (2020): conducted shallow RC drilling at the Brians and Teds prospects

Criteria	JORC Code explanation	Commentary
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"> No recovery issues were reported during the drill programs by previous explorers. Sample representation is considered to be adequate for the reporting of Exploration Results.
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"> Simplified geological logs were recorded by the geologist on the RC rock chips for the entire length of all holes for all drilling by previous explorers. The lithological logs are considered to be adequate for the reporting of Exploration Results.
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 grain size of the material being sampled. 	<ul style="list-style-type: none"> Lake Austin Gold Mines N. L. (1987): Conducted reverse circulation drilling where 1 m samples were taken. Sampling methodology is not described in the reports but is assumed to be a 1 kg riffle split or spear sample. A 50 g charge was split and analyzed at Analytical Services WA Pty Ltd by fire assay and AAS finish. Check assays were conducted particularly on anomalous samples >0.1 g/t Au. Consolidate Mining and Finance (1988): RC samples were recovered from a cyclone at the end of each metre then riffle split down to less than 1 kg. Wet samples were sampled using a 50 mm PVC spear to the base of each bag. A 30 g charge was split and analyzed at Analytical Services WA Pty Ltd by fire assay and AAS finish. Check assays were conducted on routine every 7 samples as well as any anomalous samples >0.1 g/t Au. Continental Resource Management Pty. Ltd. (2007): Conducted reverse circulation drilling where 1 m samples were taken. Sampling methodology is not described in the reports but is assumed to be a 1 kg riffle split or spear sample. Assays were conducted at Genalysis Laboratories in Maddington where a 25 g pulp split was subject to aqua regia digest solvent extraction and AAS finish for gold. Gardner Mining Pty. Ltd. (2020): Conducted reverse circulation drilling where a 4 m (or less at the end of hole) composite sample was taken using a 50 mm PVC spear to the base of each bag. A 30 g charge was split and analyzed at SGS Laboratories in Perth by fire assay and ICP-MS finish. Results >2g/t Au were also analyzed by fire assay and MP-AES finish. <p>The historic drilling and sampling procedures are considered to be the best practice at the time and are considered to be adequate for the reporting of Exploration Results.</p>

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Fire assays by all previous explorers are considered total. Assays conducted using an aqua-regia digest by Continental Resource Management Pty. Ltd. Are considered a partial analysis. Standards, blanks and field duplicates were not completed by previous explorers. <p>The historic sampling and assay procedures are considered to be adequate for the reporting of Exploration Results.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> Significant intersections have been verified by previous explorers by the use of check assays as well as additional assay methodologies at the laboratory to verify the results. Twinned holes were not completed. <p>The historic sampling and assay procedures are considered to be adequate for the reporting of Exploration Results.</p>
Location of data points	<ul style="list-style-type: none"> 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. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Continental Resource Management Pty. Ltd. (2007) & Gardner Mining Pty. Ltd. (2020): RC collars were surveyed using a handheld GPS. Lake Austin Gold Mines N. L. (1987) & Consolidate Mining and Finance (1988): Drill hole locations are illustrated on report maps in AMG Zone 50 which were registered in QGIS then collars in GDA97 Zone 50 were estimated. These collars will need to be relocated and verified in the field.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Lake Austin Gold Mines N. L. (1987): RC drilling was conducted at a nominal 20-25 m spacing along strike (NE-SW) to target the BIF ridge at depth. RC drilling was designed to follow up anomalous rock results along the BIF ridge at Mt Brunswick. Samples were composited to 1 m. Significant intercepts were never followed up at depth. Consolidate Mining and Finance (1988): RC drilling was conducted at a nominal 50 m spacing along strike (NE-SW) to target the BIF ridge at depth. RC drilling was designed to follow up anomalous rock results along the BIF ridge at Mt Brunswick. Samples were composited to 1 or 2 m intervals. Significant intercepts were never followed up at depth. Continental Resource Management Pty. Ltd. (2007): Drill spacing was conducted at 25 m spacing east-west and drill lines were spaced 200 m apart. Samples were composited to 1 m. Gardner Mining Pty. Ltd. (2020): RC drilling was conducted at a nominal 20-25 m spacing along strike (NE-SW) to target beneath the Brians pit and along strike. Samples were composited to 4 m or 2m at the end of hole. Significant intercepts were never followed up at depth.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. 	<ul style="list-style-type: none"> Lake Austin Gold Mines N. L. (1987), Consolidate Mining and Finance (1988) & Gardner Mining Pty. Ltd. (2020) : Drill spacing, southeast azimuth and 60 degree dips were planned to test across the strike of the northeast-southwest striking prospective BIF stratigraphy. The possibility of northwest striking structures has NOT been targeted by the drilling and remain untested. Continental Resource Management Pty. Ltd. (2007): Drill spacing, east azimuth and 60 degree dips were planned to test outcropping anomalous quartz veins observed at surface which vary in orientation from 310°(NW)-043°(NE) with a moderate west dip.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	No details of sample security were reported.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	No audits or reviews have been undertaken.

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 license to operate in the area. 	<ul style="list-style-type: none"> The Austin Project, located 45 km north of Mt Magnet, comprises one granted mining license M21/154, three granted exploration licenses E58/510, E58/543 and E21/201 and one granted prospecting license P21/716 that are currently held by Gardner Mining Pty Ltd. Silver City Minerals has exercised an option to purchase 80% of the Austin Project licenses. SCI is not aware of any Native Title aspects over the Austin Project Licences.
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"> Lake Austin Gold Mines N. L. (1987) and Consolidate Mining and Finance (1988): Conducted reverse circulation (RC) drilling at the Mt Brunswick prospect. Continental Resource Management Pty. Ltd. (2007): Conducted reverse circulation (RC) drilling at the Mt Sandy prospect. Gardner Mining Pty. Ltd. (2020): conducted shallow RC drilling at the Brians and Teds prospects.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	The geology comprises typical Archean Yilgarn greenstone belt lithologies and granitic intrusives. The mineralization style is typical Archean orogenic-style lode gold deposits that are strongly structurally controlled. Mineralisation style on the project is interpreted to be similar to the mineralization at the Break of Day group of mineralized structures including Starlight (Musgrave Minerals) and also the Great Fingall gold deposit near Cue.
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"> A summary table of drill hole information is included in the body of the announcement

Criteria	JORC Code explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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. 	Composite assays at the Austin Project are reported at various cut-off grades of 0.5, 1.0 and 5.0 g/t Au.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	The true width of mineralisation have not yet been verified at Austin Project. Silver City does not believe previous drilling has not been conducted at an optimum orientation to intersect the mineralized structures. Additional drilling will be required to properly assess the true thickness of mineralized structures.
Diagrams	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • See relevant maps in the body of this announcement.
Balanced reporting	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • All available data has been presented in figures.
Other substantive exploration data	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Exploration data for the project continues to be reviewed and assessed and new information will be reported if material.
Further work	<ul style="list-style-type: none"> • The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> • Further work is detailed in the body of the announcement.