



27 April 2021

MAJOR SOIL SAMPLING PROGRAMS COMMENCE ON THE AUSTIN GOLD PROJECT

Highlights

- Major soil sampling programs commence on two high priority prospect areas within the Austin Gold Project.
 - A total of 1,085 soil samples to be undertaken over the extensive *Shadow Target* area which covers an area up to the tenement boundary which is adjacent to Musgrave Minerals (ASX:MGV) new Big Sky discovery.
 - A total of 720 samples to be undertaken over the highly prospective *Teds Trend* where:
 - Spectacular gold specimens have been recovered from *Gardner's Hole* and bulk assays by Silver City up to 57.1 g/t Au.
 - Widespread evidence of course gold, shafts and pits has been reported over at least a 1.4km strike length along a major BIF contact.
 - A review of the detailed airborne magnetic data aiming to identify additional new drill targets along potential gold bearing structures is almost complete with results to be released shortly.
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Silver City Minerals Limited (ASX: **SCI**) recently announced that it has entered a binding share sale and joint venture agreement with Gardner Mining Pty Ltd (Vendor) to acquire an 80% interest in the Austin Gold Project, located in the highly prospective Murchison greenstone province of Western Australia (Refer Silver City announcement dated 7 April 2021). The Austin Gold Project is located directly adjacent to the Cue Gold Project owned by Musgrave Minerals Limited (ASX:MGV), which includes the high grade Break of Day Deposit and Starlight discovery.

High priority drill targets have already been established from previous high grade gold intersections that have not been followed up at the *Brunswick Hill* and *Brians* prospects (Refer Silver City announcements 7, 12 and 19 April 2021). Further preliminary work has highlighted two additional high priority target areas for soil sampling which aims to identify further exciting drill targets.

Selected Areas of Soil Sampling

The *Teds* prospect target area was selected for soil sampling due to:

1. Previous discovery of at least three extremely rich pods of surface gold including *Gardners Hole* that was bulk sampled and revealed spectacular specimens of gold with irregular gold nuggets and veins up to 3-4 cm in length (Refer Silver City announcement dated 7 April 2021).
2. Bulk sampling recently by Silver City during the project due diligence period under *Gardners Hole* returned assay results of **57.1 g/t (1.8 oz/t) Au, 5.5 g/t Au and 2.9 g/t Au** (Refer Silver City announcement dated 12 April 2021).

3. Several other shafts and small pits, as well as widespread evidence for coarse gold nuggets has been reported over a large strike length of 1.4 km along a major BIF contact.

Silver City considers the *Teds* trend to be an extremely prospective trend for the discovery of high-grade gold-bearing structures under cover. Close-spaced soil sampling is an excellent strategy for defining the orientation of these structures hidden beneath thin soil cover. A 2.2 km strike length along the *Teds* trend (Figure 1) has been selected for close spaced soil sampling at 25m spacing with lines spaced 50m and 100m apart for a total of 720 samples. Results will assist drill target definition at the prospect in conjunction with ongoing geophysical interpretation work.

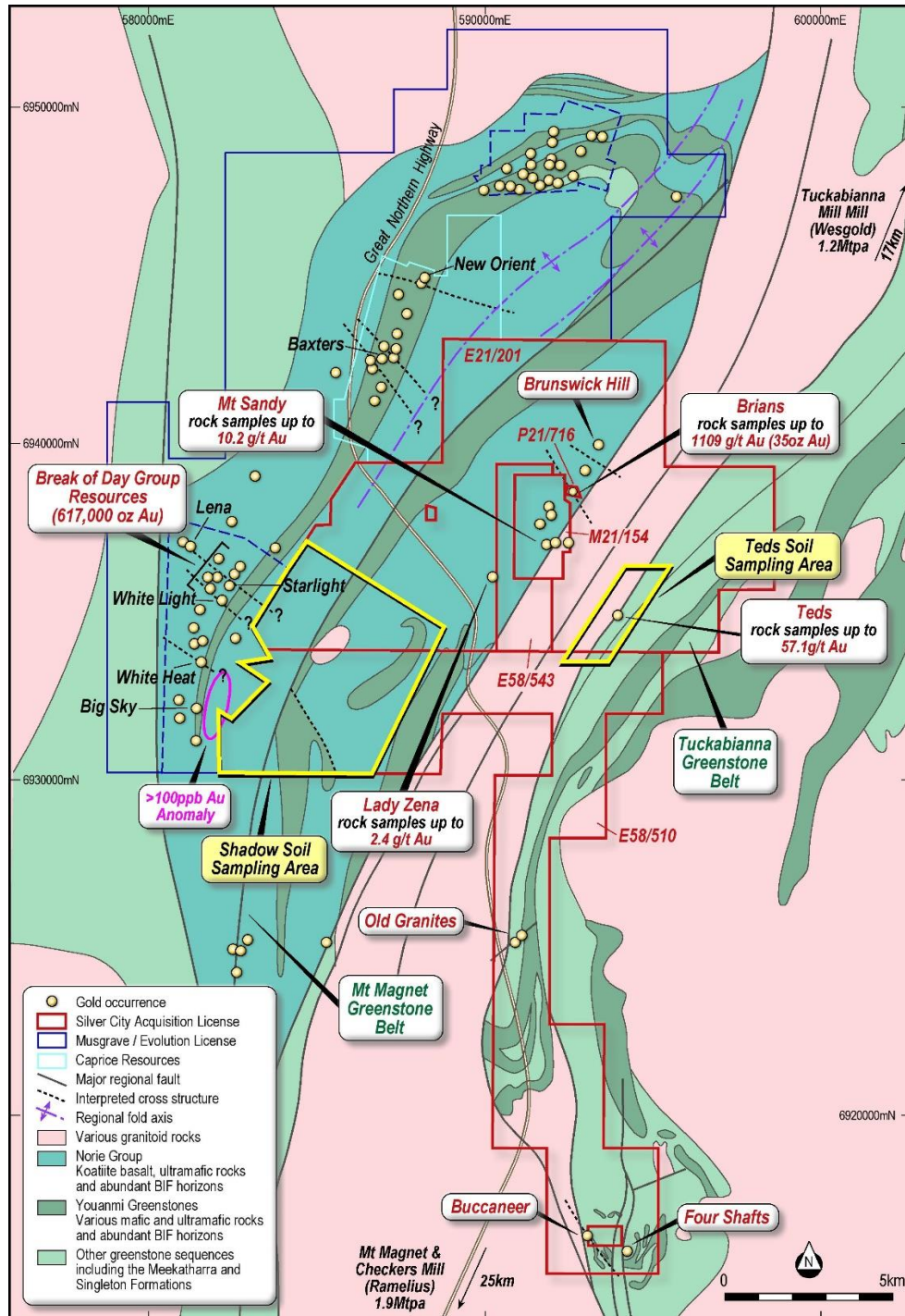


Figure 1: Interpreted geology map of the Mt Magnet and Tuckabianna Greenstone Belts showing the location of the Austin project tenement outlines with respect to the licenses held by Musgrave Minerals and Caprice Resource. New soil sampling work programs highlighted in yellow. Resource estimates by Musgrave Minerals are total combined Indicated and Inferred JORC 2012 estimates.

The *Shadow* prospect target area was selected for soil sampling due to several important observations by Silver City:

1. The area is considered extremely prospective for the southeast extension of the northwest controlling structures related to various discoveries made by Musgrave including *Starlight*, *White Light* and *White Heat* (Refer Musgrave ASX Investor Presentation dated 14 December 2020 and Announcements 1 February 2021).
2. Mapping by the Geological Survey of Western Australia has defined at least one northwest trending structure (Figure 1) which may be one of several structures potentially concealed beneath extensive variable soil cover.
3. The recent discovery at *Blue Sky* by Musgrave Minerals is located 1,000 m west of the Silver City license boundary (Figure 1) where significant intersections such as **30m at 5.8 g/t Au** from 30m were returned (Refer Musgrave Minerals announcement dated 8 April 2021).
4. Musgrave Minerals has also defined a large surface gold anomaly above 100 ppb Au that measures approximately 2,000m by 700m that occurs directly up to and partly crossing the Silver City license boundary (Figure 1).
5. Due diligence by Silver City at *Shadow* indicates widespread gold nuggets have been reported previously by prospecting methods in various places within the target area.
6. Fieldwork by Silver City identified one isolated outcrop of granite with very thin quartz veinlets and assays returned highly anomalous gold and pathfinder metals, silver and bismuth. The small intrusive granite is also an interesting geological feature that may be mineralised along its contacts when intersected by gold-bearing structures.

Accordingly, a very large area measuring 6,000m by 5,000m has been selected for wide-spaced soil sampling at the *Shadow* target area (Figure 1). To cover such a vast area, soil sampling will initially be conducted at 100 m spacing across lines spaced 200m and 400m apart. The ultra-fine fraction (-53 micron) soil sampling assay technique for extremely low-level gold and multi-elements is designed specifically to detect subtle anomalies even where deeper soil cover may be present. Again, results will assist drill target definition at the prospect in conjunction with ongoing geophysical interpretation work.

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 that are known to host high grade gold in the district. This will be particularly important over areas where soil sampling is currently being conducted.
- Regolith mapping is currently underway that utilises high resolution satellite Sentinel imagery to incorporate into the reprocessing, releveling and interpretation of the historic soil geochemistry data from the 15 km trend from *Lady Zena* to *Mt Brunswick* to identify subtle gold-in-soil anomalies. This will also be important where Silver City is currently conducting soil sampling.
- Digitisation of all historic drill data into a comprehensive database.

Other work programmes that will be planned in the coming months:

- 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.

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

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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.