



30 July 2021

SCI QUARTERLY ACTIVITIES REPORT

For the 3 Months Ending 30 June 2021

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 June 2021 (**Period**) and events subsequent.

Highlights

- **Austin Gold Project (WA):** Post end of June Quarter, Silver City completed the acquisition of an 80% interest in the highly prospective Austin Gold Project from Gardner Mining Pty Ltd through the acquisition of Gardner Tenements Pty Ltd. The Austin Gold Project is located in the prolific Murchison gold mining district and occurs adjacent to Musgrave Minerals Limited (ASX:MGV) Cue Gold Project, including the high-grade Break of Day group of deposits and recent discoveries.
- Due diligence work by Silver City in the field has confirmed high grade gold mineralisation in several places.
- Drilling to commence shortly and expected to be ongoing for the next few months with:
 - Diamond drilling contract confirmed with program scheduled to commence in August; and
 - RC and Aircore rigs also secured for late August and September.
- **Broken Hill Project - Copper Blow Trend (NSW):** Comprehensive multi-element drill re-assay review and 3D polymetallic modeling is now complete at Copper Blow.
- Thick copper-gold mineralisation in the *North Block* is strongly associated with a large zone of rare earth metals and magnetite and open at depth.
- Multiple, narrow high-grade copper-gold mineralisation in the *South Block* is strongly associated with magnetite mineralisation and is open downplunge to the southwest.
- The results confirm the Copper Blow system is IOCG-related and an extensive regional field sampling campaign is now complete to further identify copper-gold-rare earth-magnetite targets across the Broken Hill tenure.
- **Tindery Gold Project (NSW):** An extensive soil sampling program and rock sample program is now complete. A total of 530 soil samples and 48 rock samples have been submitted to the laboratory and results are complete. Results and interpretation are currently in progress and are due in September.

REVIEW OF OPERATIONS

Austin Gold Project (WA)

Subsequent to the end of the June quarter, Silver City announced on 26 July 2021, that it had finalised its due diligence and completed the acquisition for an 80% interest in the Austin Gold Project through the acquisition of 80% of the shares in the capital of Gardner Tenements Pty Ltd from the Vendor (**Acquisition**), refer ASX Release on 7 April 2021. The Austin Gold Project is located in the highly prospective Murchison greenstone province of Western Australia, 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 (Figure 1).

Mr Darren White was appointed to the board of SCI as a Non-executive Director on 23 July 2021. Mr White is a successful and well-respected WA based businessman with over 30 years' experience in mining operations, in

particular key business areas of drilling and blasting. Silver City is delighted to welcome Mr White to the board and his skills in the mining sector will be a significant advantage for the Company during exploration campaigns in the coming months.

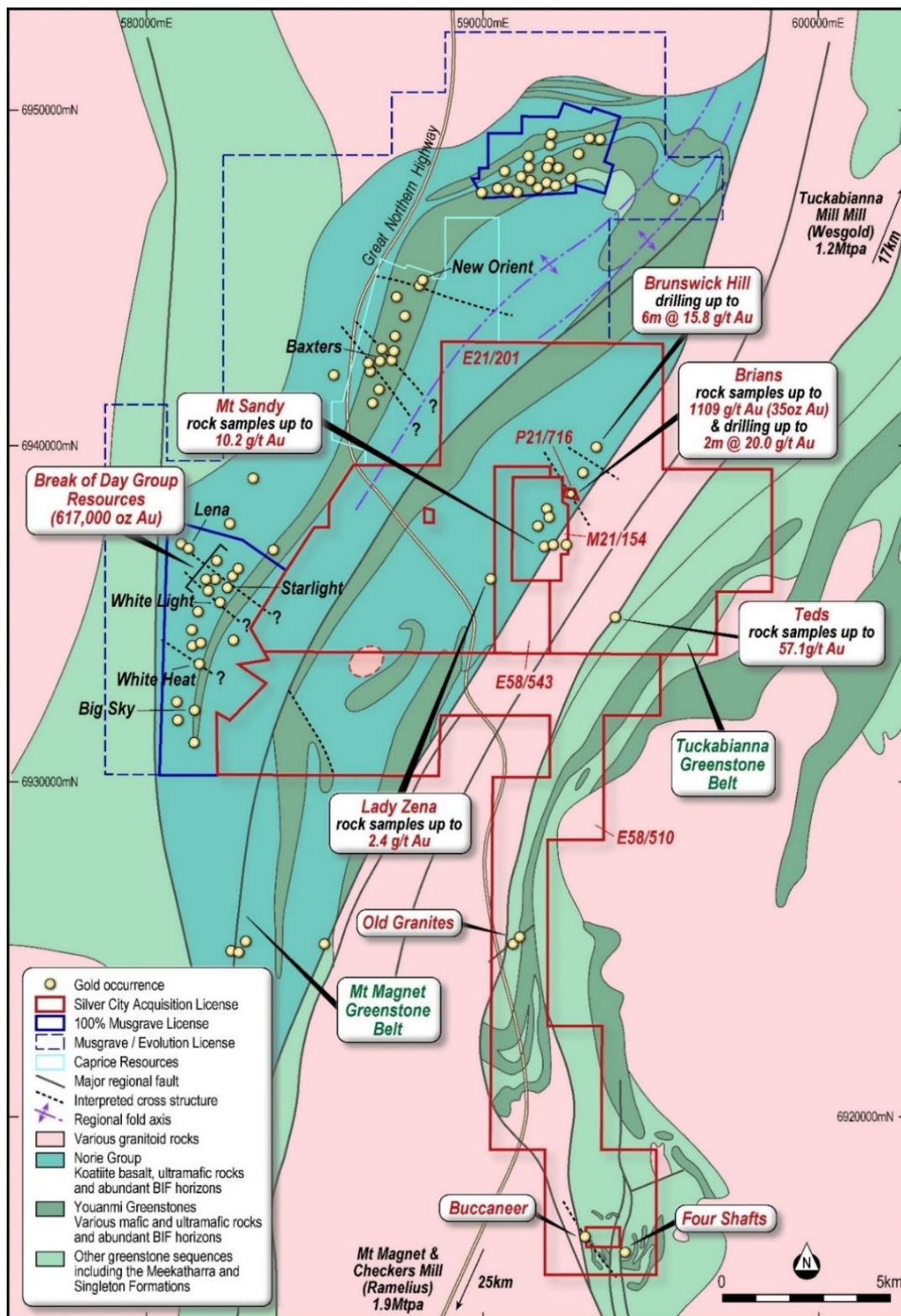


Figure 1: Interpreted geology map of the Mt Magnet and Tuckabianna Greenstone Belts showing the location of the Austin Gold Project tenement outlines with respect to the licenses held by Musgrave Minerals and Caprice Resource. Resource estimates by Musgrave Minerals are total combined Indicated and Inferred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

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).

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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 had 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 tenure 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. Those results include spectacular drill results of:

- **6 m at 15.8 g/t Au** from 36m (including **2 m at 43 g/t Au**) at the *Brunswick Hill* prospect; and
- **2 m at 20.1 g/t Au** from 31m (including **1 m at 28.0 g/t Au**) in at the *Brians* prospect.

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 highly prospective Norie Group rocks 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*, *White Heat* and *Big Sky* structures that have been shown to trend northwest (*Musgrave Minerals ASX Investor Presentation dated 14 December 2020, 1 February 2021, 19 March 2021 and 18 June 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**).

Due diligence work by SCI included a highlight discovery of quartz veins within the Brians prospect pit displaying abundant visible gold (**Figure 2**) that has not been followed up properly with drilling. For more details on the Austin Gold Project, including several new high-grade assays on rock samples and previous drilling intersections that have never been followed up refer to SCI announcements dated 7th, 12th and 19th April 2021.



Figure 2: Photograph of polished gossanous quartz vein with abundant visible gold recently sampled by the Company from the outcrop exposures in the north face of the *Brians* historic pit.

Imminent Drill Program

Various exploration programs are currently ongoing on the Austin Gold Project and a more detailed exploration update will be released in the September quarter. SCI have been extremely fortunate to have successfully secured a diamond drill contract with Hagstrom Drilling with drilling to commence in August. The primary aim of the program is to conduct strategic drillholes in key prospect areas of known gold mineralisation to better understand and characterise the orientation of mineralisation in order to optimise its ongoing exploration strategy. The Company has also secured a RC Rig which is scheduled to arrive in late August and an Aircore Rig which is scheduled to arrive in September or October. The Company expects that it will be drilling for a number of months testing multiple prospects across the project which will be an exciting period of exploration for the Company.

Acquisition Overview

As announced on 7 April 2021, the Company 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**”). A summary of the material terms of the Agreement are set out in the SCI announcement dated 7 April 2021.

In consideration for the Acquisition, on 23 July 2021 the Company issued 300,000,000 fully paid ordinary shares in the capital of SCI (**SCI Shares**) at a deemed issued price of \$0.015 per SCI Share (**Consideration Shares**) to the Vendor. The allotment of Consideration Shares to the Vendor was done so pursuant to obtaining shareholder approval at the General Meeting held on 5 July 2021.

Broken Hill Project - Copper Blow Trend (NSW)

On 24 May 2021, the Company announced excellent results from the Copper Blow Prospect in New South Wales, located within the Broken Hill Project surrounding the World’s richest and largest Silver-Lead-Zinc deposit.

Previous work by Silver City has indicated a strong association between the intersected copper-gold mineralisation with iron oxide mineral magnetite, as well as elevated rare-earth metals from soil data. This metal association is common in Iron Oxide Copper-Gold (IOCG) deposit systems in the Mt Isa Province of Queensland (e.g. Ernest Henry) and the Gawler Craton of South Australia (e.g. Olympic Dam). As a result of these observations, an extensive assay program was conducted by Silver City to re-assay previous sample pulps for rare earth elements (REE) and other associated metals typical of IOCG-systems. A total of 232 full suite 4 acid and peroxide digest ICP assays were conducted for a total of 23 holes.

An extensive compilation of the new polymetallic assays combined with historic assays was compiled and reviewed by Geos Mining Minerals Consultants in NSW in order to define the distribution of various metals within the area of drilling at Copper Blow. The drillholes were interrogated using the assays and lithological data and two separate wireframes were developed for the *South Block* and *North Block* which are separated by an interpreted fault (Figure 3). The modelling of various metals has defined a zonation pattern of metals that are distinctly different from the *North Zone* to the *South Zone*.

The *North Zone* is characterised by wide zones of copper and gold mineralisation with a prominent increase in iron and TREO (Total Rare Earth Oxides) at depth (Figure 3 & 4, Table 1 in ASX release dated 24 May 2021). The modelling suggests there is a vertically plunging shoot of copper-gold-TREO and iron that is open below intersection in 18CB057 forming an exciting drill target (Figure 3). Highlight intersections in the *North Zone* include:

- **41.2m at 1.3% Cu, 0.4g/t Au, 32.0% Fe and 0.3% TREO** from 183.8 m in 18CB054;
- **30.0m at 0.9% Cu, 0.3 g/t Au, 24.7% Fe and 0.3% TREO** from 270 m in 18CB057 including **15.0m at 1.5% Cu, 0.3 g/t Au, 36.3% Fe and 0.3% TREO**; and
- **5m at 1.2% Cu, 0.4 g/t Au, 15.9% Fe and 0.4% TREO** from 91 m.

The *South Zone* is characterised by multiple, narrower and higher-grade intersections of copper and gold mineralisation with a strong correlation with iron but variable TREO (Figure 3 & 4). The modelling strongly suggests a distinct shallow plunge to the southwest forming a second exciting drill target (Figure 3). Highlight intersections in the *South Zone* include:

- **4m at 6.1% Cu, 4.2 g/t Au and 37.7% Fe from 188 m** in 17CB041 and **2 m at 2.4 % Cu, 0.8 g/t Au, 30.0% Fe and 0.14% TREO**;
- **7m at 3.7% Cu, 1.1 g/t Au, 23.3% Fe and 0.4% TREO from 126 m** in 17CB045;
- **16 m at 2.7% Cu, 0.6 g/t Au, 24.2% Fe from 133m** in 84CB06 and **4 m at 3.5% Cu, 2.4 g/t Au, 28.5% Fe**.

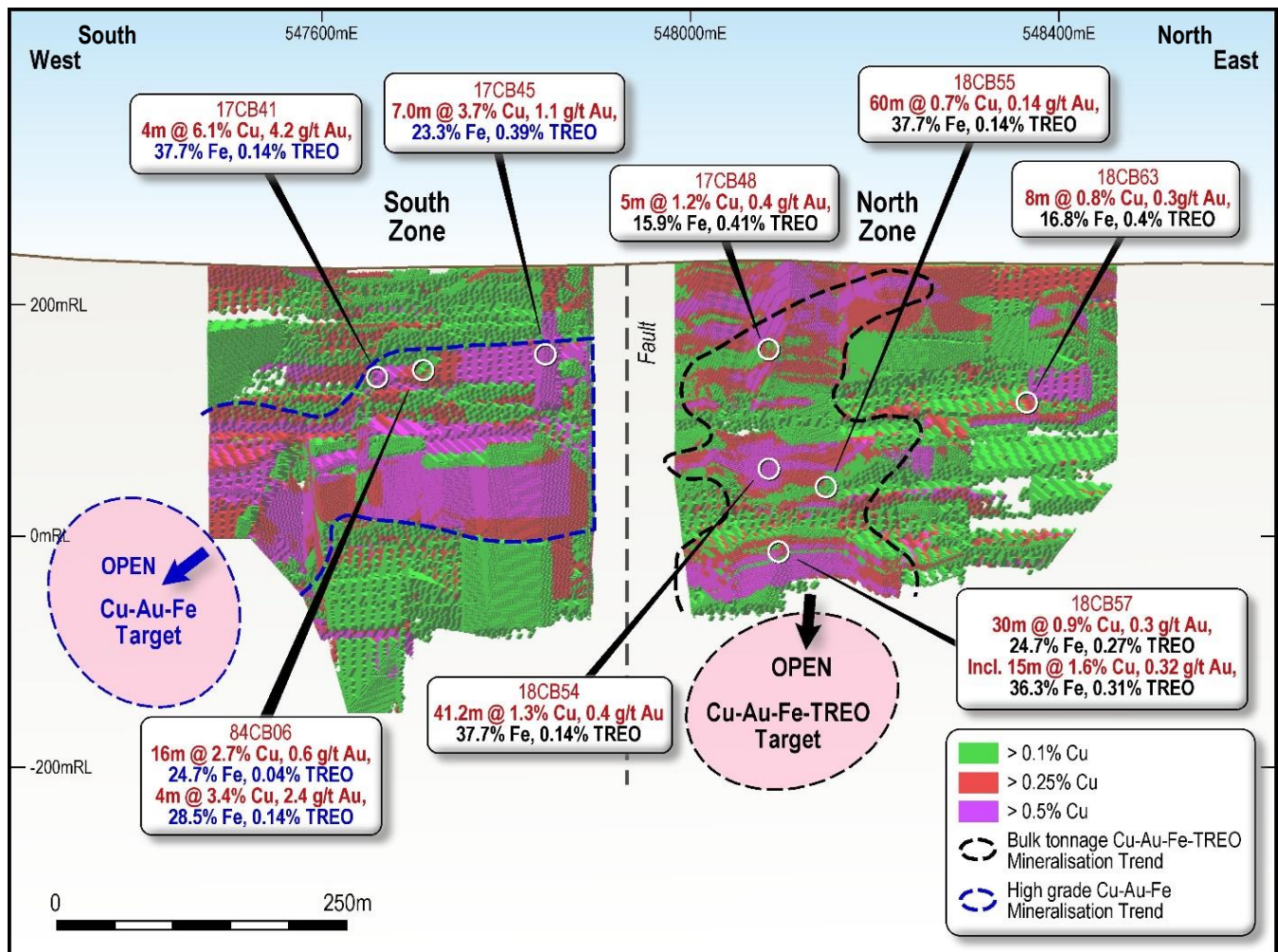


Figure 3: Long Section at Copper Blow showing block model coloured for copper showing the location of highlight intersections and the trend for Fe and TREO. Location of section shown on Figure 3.

Exploration Target Modelling

An Exploration Target was estimated from the drill data and has been estimated in the range of between **10.5Mt and 14.5Mt** at an average grade of **0.6% to 0.8% copper, 0.13 g/t to 0.23 g/t gold** and 7.5% to 9.0% Fe. It is clear that separate higher grade zones of copper as well as iron will occur within the deposit but will require more detailed domaining within the simple wireframes completed to date.

In addition, an Exploration Target for TREO was estimated to be in the range of between **1.5Mt and 2.3Mt** at an average grade of between **0.18% TREO and 0.44% TREO**. The TREO Exploration Target is constrained to a smaller volume due to the limited number of TREO samples that have been assayed; further re-assaying of the historical drill samples could increase the tonnage range significantly.

SCI is focussed on reviewing the deficiencies in the historic drilling data, and work towards completing a JORC 2012 inferred resource.

Metallurgy

A review of the metallurgy commenced on the project to progress the positive floatation testwork results at Copper Blow that returned results of up to 97% recovery of the copper (ASX Announcement dated 27 March 2018).

A review was made on the viability of treating iron as a by-product of the copper-gold mineralisation. A batch of 8 representative samples were selected from various parts of the deposit for Davis Tube Recovery (DTR) analysis to determine the amount of magnetite in the sample. The results indicate a magnetite content of up to 42%, representing a range of up to 80% of the Fe% values.

Metallurgical and processing consulting group, Resource Development Partners, has been engaged to review all data on the project and provide recommendations for further work.

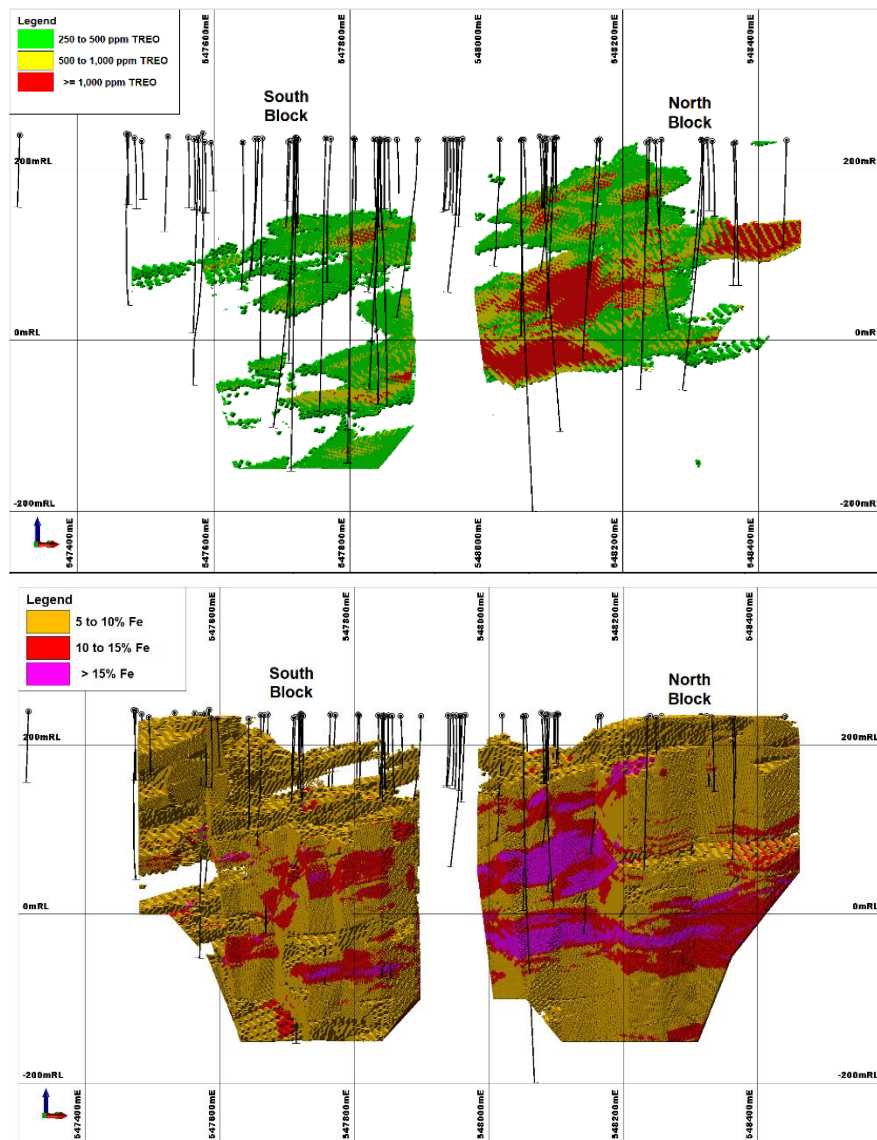


Figure 4: (upper) Long section at Copper Blow showing block model coloured for TREO%.
(lower) Long section at Copper Blow showing block model coloured for Fe%.

NB: The potential quantity and grade of the Exploration Target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. The Exploration Target has been prepared and reported in accordance with the 2012 edition of the JORC Code. The Exploration Target, being conceptual in nature, takes no account of geological complexity, possible mining method or metallurgical recovery factors. The Exploration Target was estimated in order to provide an assessment of the potential scale of the Copper Blow prospect as well as the distribution of various metals across the deposit.

Ongoing Exploration Work

Modelling of various metals within Copper Blow strongly suggests an association with IOCG systems. A review of the regional geophysics including airborne magnetics, radiometrics and gravity is underway to characterise the anomalies at Copper Blow. In addition, an extensive regional field sampling campaign is now complete with the primary aim to identify further copper-gold-rare earth-magnetite targets across the Broken Hill tenure. As part of the field work, a field visit will be conducted to Copper Blow in order to assess the deposit workings and confirm collar locations as part of the ongoing work on the deposit to progress toward a JORC-2012 inferred resource.

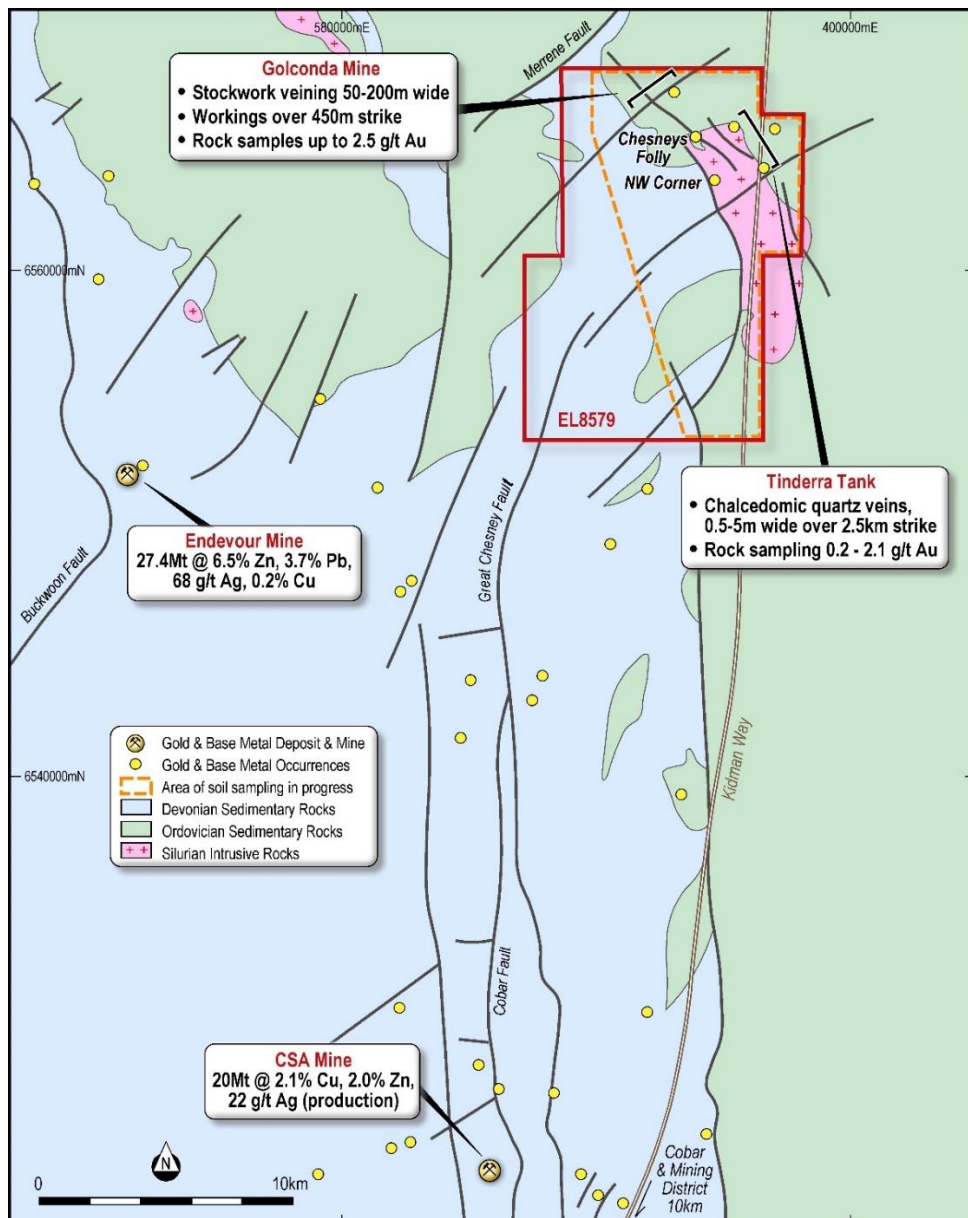


Figure 6: Simplified geology map showing the Tindery Project license in relation to the major deposits and occurrences. Resource estimates in relation to third parties' projects are total combined Measured, Indicated and Inferred that are reported in the CBH 2008 Annual Report prepared in accordance with the JORC code at the time.

Wellington Project

Silver City settled acquisition of the Wellington Project which is located 15 kilometres south of the Boda porphyry copper-gold discovery by Alkane Resources NL. The Company announced on 11 March 2020 a binding option agreement with Syndicate Minerals Pty Ltd to acquire the Wellington Project which confirmed settlement on 21 July 2020. The exploration license application (formerly ELA5852) was granted as EL8971 (Refer ASX release 21 July 2020). During the June quarter, Silver City had received notification from the department for the approval of the transfer.

A desktop review continues to progress on previous exploration data with particular focus on assessing the project for porphyry copper-gold deposits similar to the nearby Boda discovery.

Corporate Activities

Subsequent to the end of the June quarter, SCI has completed a placement of 100,000,000 FPO shares at \$0.015 per FPO share to raise \$1,500,000 before costs in satisfaction of the Placement condition. The Placement was settled in two tranches as follows:

1. Tranche 1 – as announced on 15 April 2021, SCI completed a placement of 57,281,600 SCI Shares to new and existing sophisticated investors to raise \$859,224 pursuant to the Company's existing capacity under ASX Listing Rule 7.1; and

2. Tranche 2 – as announced on 26 July 2021, SCI issued 42,718,400 SCI Shares to raise \$640,776 to related party participants following shareholder approval obtained at the SCI General Meeting held 5 July 2021. This includes Vendor participation 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 Directors Sonu Cheema and Leo Horn participation in the Placement for a total of \$50,000.

Pursuant to Section 6 of the Appendix 5B, the Company paid \$59,075 in director fees, superannuation and wages to the board of Silver City. This is inclusive of the Company engagement with Cicero Group Pty Ltd for accounting, administrative, company secretarial and directorship services at \$10,000 per month (exclusive of GST). Mr Sonu Cheema is a shareholder of Cicero Group Pty Ltd.

The \$398,767 of outflows from operating activities during the June quarter (refer Item 1.2 of the Appendix 5B) predominantly comprised of:

- Logistics and planning of drill programs at Austin
- Soil and rock sample geochemistry program at Austin
- Assay, data compilation and interpretation at all projects
- Metallurgical Testwork at Copper Blow
- Desktop review, analysis and reporting
- Technical consulting fees including consultant geologists
- Tenement administration, management and reporting
- Corporate, Accounting, Listing and Legal expenses

Current Capital Structure

| Category | ASX Code | Number |
|--|----------|-------------|
| Fully Paid Ordinary Shares on Issue | SCI | 603,796,503 |
| Fully Paid Ordinary Shares on Issue (Voluntary Escrow) | SCI | 300,000,000 |

| Number of shares under option / plan | Class of security | Exercise price of option | Expiry date of options |
|--------------------------------------|--------------------|--------------------------|------------------------|
| 45,788,750 | Unlisted Options | \$0.02 | 31 October 2022 |
| 4,000,000 | Unlisted Options | \$0.06 | 5 June 2022 |
| 26,750,000 | Unlisted Options | \$0.03 | 27 February 2022 |
| 2,500,000 | Unlisted Options | \$0.05 | 30 June 2023 |
| 2,500,000 | Unlisted Options | \$0.10 | 30 June 2024 |
| 5,000,000 | Performance Rights | - | - |

Tenement Schedule – 30 June 2021

| Project | Tenement | Tenement Holder | Grant Date | Expiry Date | Blocks | Area (sq km) |
|-------------|--------------------------|--------------------------|----------------------------|-------------|--------|--------------|
| Tindery | EL 8579 | Silver City Minerals Ltd | 26/05/2017 | 26/05/2023 | 47 | 141 |
| Wellington | EL 8971 | Silver City Minerals Ltd | 23/04/2020 | 23/04/2026 | 71 | 213 |
| Broken Hill | EL 7300 | Silver City Minerals Ltd | 23/02/2009 | 23/02/2026 | 18 | 54 |
| | EL 8020 | Silver City Minerals Ltd | 23/11/2012 | 23/11/2023 | 6 | 18 |
| | EL 8075 | Silver City Minerals Ltd | 15/04/2013 | 15/04/2022 | 40 | 120 |
| | EL 8077 | Silver City Minerals Ltd | 15/04/2013 | 15/04/2022 | 23 | 69 |
| | EL 8078 | Silver City Minerals Ltd | 15/04/2013 | 15/04/2022 | 36 | 108 |
| | EL 8236 | Silver City Minerals Ltd | 11/02/2014 | 11/02/2026 | 4 | 12 |
| | EL 8333 | Silver City Minerals Ltd | 17/12/2014 | 17/12/2023 | 5 | 15 |
| | EL 8495 | Silver City Minerals Ltd | 22/12/2016 | 22/12/2024 | 5 | 15 |
| | EL 8685 | Silver City Minerals Ltd | 23/01/2018 | 23/01/2024 | 2 | 6 |
| | EL 8862 | Silver City Minerals Ltd | 17/06/2019 | 17/06/2025 | 8 | 24 |
| EL 8863 | Silver City Minerals Ltd | 17/06/2019 | 17/06/2025 | 29 | 87 | |
| Tallering | E59/2455 | Silver City Minerals Ltd | Pending, applied 13/8/2020 | | 47 | 141 |

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

References:

¹Silver City Minerals Announcements – Refer Compliance Statement

²Musgrave Minerals Ltd. 11 November 2020. Break of Day High Grade Mineral Resource Estimate.

³Wesgold Resources Limited Annual Report 2020.

⁴Ramelius Resources Annual Report 2020.

-ENDS-

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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. The Company has also secured a significant ground holding of the Tallering Greenstone belt in the prolific Murchison gold mining region of Western Australia located 150 km south of the Golden Grove deposit.

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 IMPACT¹

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.

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. 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.

ASX Listing Rules Compliance Statement

In preparing the Quarterly Activities report for the period ended 30 June 2021 and subsequent period, the Company has relied on the following ASX announcements.

| | | |
|------------------|-------------------|--|
| ASX Announcement | 26 July 2021 | MAJOR DRILLING PROGRAMME TO COMMENCE AUSTIN GOLD PROJECT |
| ASX Announcement | 24 May 2021 | Large Copper Gold - Rare Earth - Iron system at Copper Blow |
| ASX Announcement | 5 May 2021 | Over 40kms of potential gold bearing structures identified |
| ASX Announcement | 30 April 2021 | Quarterly Activities Report and Appendix 5B |
| ASX Announcement | 27 April 2021 | Major Soil Sampling Programs Commence at Austin Gold Project |
| ASX Announcement | 19 April 2021 | High Grade Gold results confirm Priority Drill Target |
| ASX Announcement | 15 April 2021 | Work continues at Austin Gold Project, Placement Completed |
| ASX Announcement | 12 April 2021 | Rock Assays up to 1,100 g/t Gold at Austin Project |
| ASX Announcement | 7 April 2021 | Transformational WA High Grade Gold Project Acquisition |
| ASX Announcement | 29 October 2020 | Quarterly Activities Report and Appendix 5B |
| ASX Announcement | 1 October 2020 | SCI Appoints Experienced Technical Director |
| ASX Announcement | 28 September 2020 | Annual Report 30 June 2020 |
| ASX Announcement | 26 August 2020 | 28kms of VMS strike secured in same setting as Golden Grove |
| ASX Announcement | 19 August 2020 | Work to commence on 2.5km Gold strike at Tindery |
| ASX Announcement | 21 July 2020 | LACHLAN FOLD BELT COPPER-GOLD ACQUISITION SETTLEMENT |
| ASX Announcement | 28 April 2020 | SILVER CITY EXERCISES OPTION TO ACQUIRE WELLINGTON PROJECT |
| ASX Announcement | 16 April 2020 | Significant 1.2km copper anomaly identified in Lachlan Fold |
| ASX Announcement | 11 March 2020 | Highly Prospective Lachlan Fold Copper Gold Project Secured |
| ASX Announcement | 11 March 2020 | Proposed Issue of Securities - SCI |
| ASX Announcement | 12 March 2020 | Half Year Financial Report |
| ASX Announcement | 18 March 2020 | Placement Completion and Extension of Option |
| ASX Announcement | 25 March 2020 | DD Progressing on Acquisition 15kms from Boda |
| ASX Announcement | 16 April 2020 | Significant 1.2km copper anomaly identified at the wellington project located 15km from Boda Discovery |
| ASX Announcement | 28 April 2020 | SILVER CITY EXERCISES OPTION TO ACQUIRE WELLINGTON PROJECT |

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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 Activities Report for this 9 month period ended 30 June 2021 and subsequent to the end of the quarter.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Silver City Minerals Limited

ABN

68 130 933 309

Quarter ended ("current quarter")

30 June 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|----------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (274) | (578) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (26) | (78) |
| (e) administration and corporate costs | (120) | (369) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 2 | 7 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | 21 |
| 1.8 Other (ATO Payments / Receivables) | 19 | 49 |
| 1.9 Net cash from / (used in) operating activities | (399) | (948) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | 22 |
| | (c) property, plant and equipment | - | 11 |
| | (d) investments | - | - |
| | (e) 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 | - | 33 |

| | | | |
|-------------|---|--------------|--------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 803 | 2,204 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 329 | 357 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (8) |
| 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 | 1,132 | 2,553 |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 1,550 | 645 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (399) | (948) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | 33 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,132 | 2,553 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|---|------------------------------------|---|
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 2,283 | 2,283 |

| 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 | 2,283 | 1,550 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (High Interest Account) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 2,283 | 1,550 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 59 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | - | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |
| 7.5 Unused financing facilities available at quarter end | | - |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | - | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (399) |
| 8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | - |
| 8.3 Total relevant outgoings (item 8.1 + item 8.2) | (399) |
| 8.4 Cash and cash equivalents at quarter end (item 4.6) | 2,283 |
| 8.5 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 Total available funding (item 8.4 + item 8.5) | 2,283 |
| 8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3) | 5.72 |
| <i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i> | |
| 8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: NA | |
| 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: NA | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date:30/7/21.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.