SILVER CITY MINERALS LIMITED

19 April 2021

HIGH GRADE GOLD RESULTS FROM RC DRILL SAMPLES CONFIRM HIGH PRIORITY DRILL TARGET AT THE BRIANS PROSPECT

Highlights

- **13 RC drill samples which were recently submitted as part of the due diligence work on the newly acquired Austin Gold Project (80%), have now been received.**
- **Assays returned a high-grade gold intersection close to surface at the *Brians* Prospect of:**
  - **2m at 20.1g/t Au from 31m, including 1m at 28.0g/t Au in hole AUSRC20**
- **These results have effectively upgraded the original composite spear sampling result previously reported by a factor of four (2m @ 4.9g/t Au).**
- **Interpretation by Silver City indicates these drill results are related to high grade gold veins at surface that returned assays up to 1,109 g/t Au observed in the *Brians* pit that trend northwest in a similar orientation to the mineralisation at the nearby *Starlight, White Light* and *White Heat* discoveries by Musgrave Minerals (ASX:MGV).**
- **Interpretation by Silver City confirms at least one high priority drill target that has not been tested by previous drilling.**
- **A review of the detailed airborne magnetic data as well as historic geochemistry is currently underway that aim to identify additional new drill targets.**

Silver City Minerals Limited (ASX: **SCI**) recently announced it has entered a binding share sale and joint venture agreement with the Vendor to acquire an 80% interest in the Austin Gold Project, located in the highly prospective Murchison greenstone province of Western Australia. 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.

The Austin Project is a 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:

- **6 m at 15.8 g/t Au** from 36m (including **2 m at 43.0 g/t Au**) in BGRC-03 at the *Brunswick Hill* prospect.

Several significant historic gold intersections and highly mineralised outcrops have never been properly followed up. For full details of the Acquisition see Silver City announcement 7 April 2021.

RC Sample Results at the *Brians* Prospect

As previously reported, a field trip was conducted by Silver City geologists during the dates of 27th to 29th January 2021 as part of the due diligence on the project. During the fieldwork it was recognised that previous shallow drilling by Gardner Mining Pty Ltd in 2020 was sampled and assayed by spear sample composites using a PVC pipe and combined into 4 metre composites. (*NB: This is a cost-effective standard*

sampling procedure across worldwide gold projects to acquire assays for the entire length of each hole). Silver City announcement dated 7 April 2021 reported a two metre spear composite assay result at *Brians* of 2 m at 4.9 g/t Au from 32 m (at the end of hole) in AUSRC20.

All one metre composite standard split RC sample bags were stored and retained by Gardner and thirteen samples were selected by Silver City for leachWELL™ and fire assay for gold (Table 1). Ten of the 13 RC samples were selected from the *Brians* prospect due to the encouraging previous composite results.

The assay results of the RC resampling work are extremely encouraging with the best result:

- **2 m at 20.1 g/t Au** from 31m including **1 m at 28.0 g/t Au** in hole AUSRC20.

These results have effectively upgraded the original composite spear sampling result previously reported by a factor of four. This work indicates that the one metre composite samples and leachWELL™ assay are a far superior representative assay for the mineralised interval intersected in hole AUSRC20 and may indicate other historical spear sampling results are potentially understated.

It is now clear from these results that it is imperative in high-grade coarse gold projects like Austin that composite RC spear samples are followed up with a series of selected one metre composite assays. In addition, as with the rock assay results (Silver City announcement dated 12 April 2021) it is also clear that leachWELL™ is the superior assay technique for the project (Table 1).

Brians Prospect Drill Target

A detailed compilation of the recent RC drilling and rock assays were reviewed in conjunction with the airborne magnetic imagery. Several important interpretations and implications for exploration at Austin have been identified by Silver City:

- The narrow high-grade intersection identified in AUSRC20 is most likely related to high-grade veins observed and sampled (up to **1,109 g/t Au**) in the *Brians* pit at surface (Figure 1);

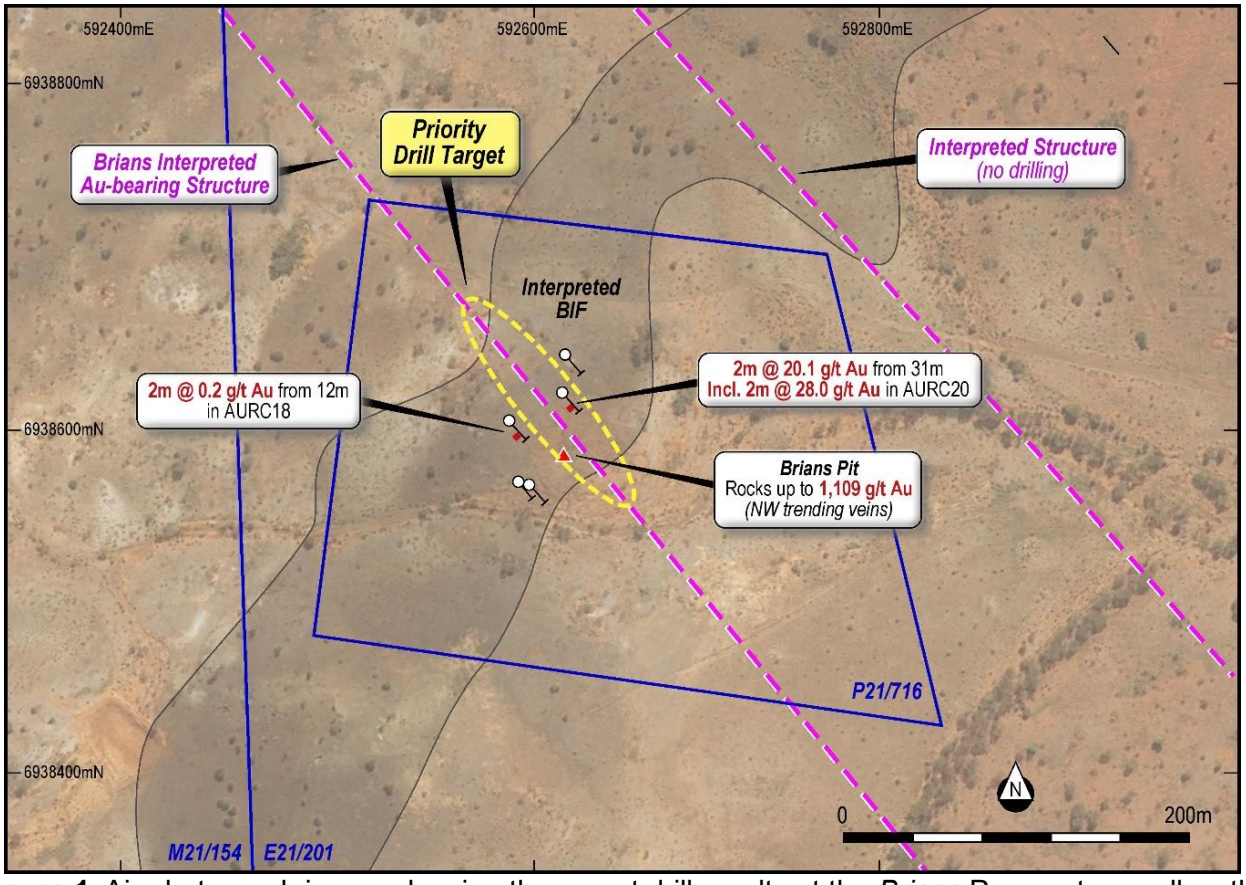

Figure 1: Air photograph image showing the recent drill results at the *Brians* Prospect as well as the recent highlight rock assay results and other interpretation work by Silver City.

- Quartz veins with visible gold in the pit at *Brians* trend northwest and dip to the northeast which indicates that drilling by Gardner has not been conducted in the optimum orientation (Figure 1);
- The airborne magnetic image indicates a subtle flexure or offset in the highly magnetic banded iron formation (BIF) host rock intersected in the shallow RC holes (Figure 2);
- Outcropping high-grade veins and narrow high-grade gold in AUSRC20 are interpreted to be related to a northwest trending structure in a similar orientation to mineralisation at the *Starlight, Whit Light* and *White Heat* discoveries by Musgrave Minerals (Silver City announcement 7 April 2021);
- Shallow drill hole AUSRC18 that intersected 2 m at 0.2 g/t Au from 18m has not effectively tested the northwest trending structure that cross cuts the host rock BIF (Figure 1);
- A high priority drill target is defined where the interpreted northwest trending structure intersects the BIF host rock (Figure 1 & 2). This target is highly prospective for high-grade gold mineralisation;
- The optimum orientation to effectively test the interpreted structure is toward the southwest to effectively intersect the interpreted structure perpendicular to strike;
- Another parallel northwest-trending structure has been interpreted from the airborne magnetic image located 200 m to the northeast that has never been drilled (Figure 1). This interpretation is characterised by a prominent “hook” shape observed in the magnetic image that indicates another significant offset and/or flexure in the host BIF (Figure 2); and
- This work confirms that careful interpretation of high quality airborne magnetic imagery remains a critical tool for exploration across the Austin Project in the search for high-grade gold structures and deposits.

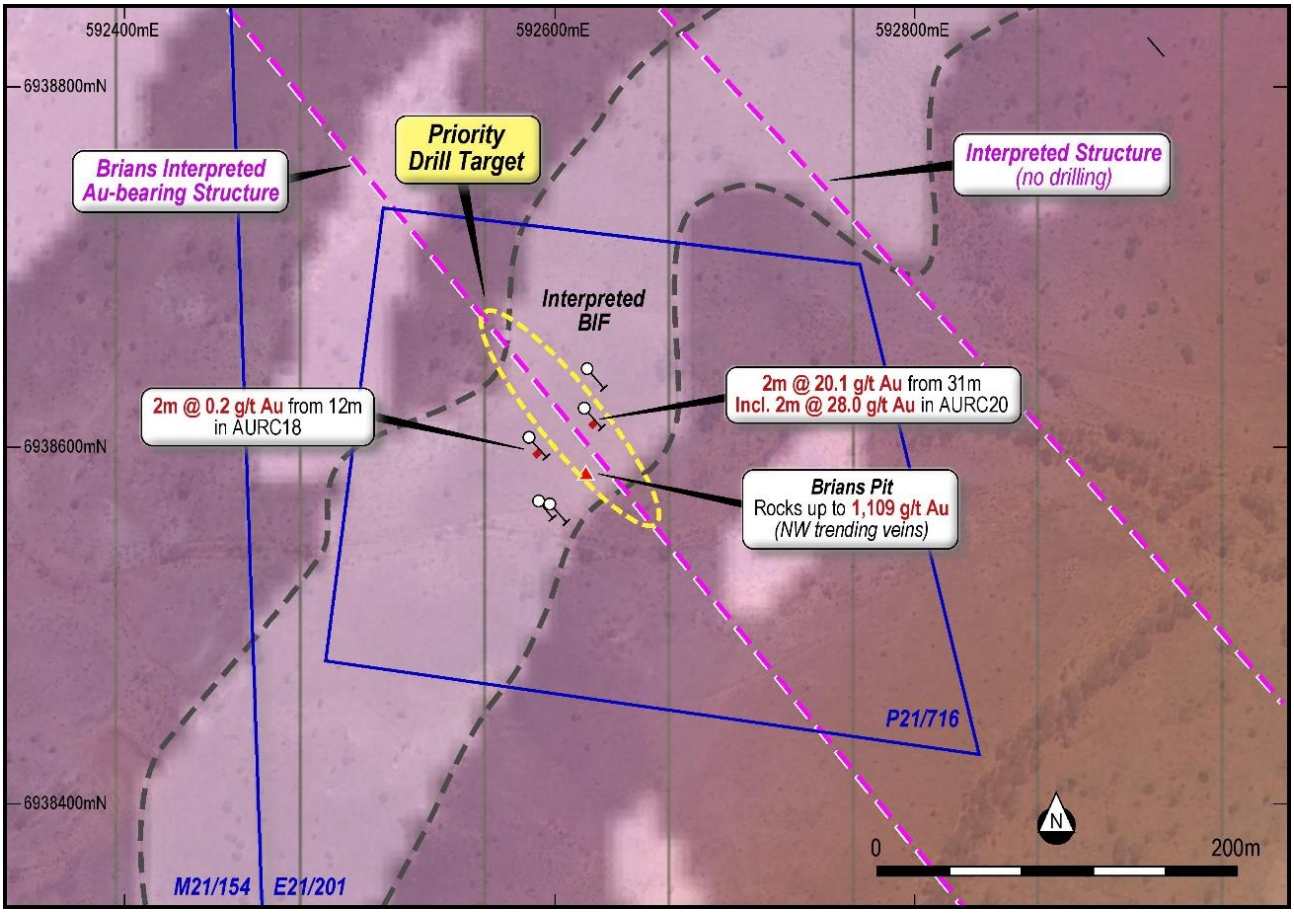

Figure 2: Airborne magnetic image (MRTPC) and air photograph (transparent) showing the recent drill results at the *Brians* Prospect as well as the recent highlight rock results and other interpretation work by Silver City.

Technical Director Leo Horn comments: "*These exciting gold results and interpretation work at Brian's help to confirm the critical northwest control to high-grade mineralisation. This detailed work not only highlights an exciting local drill target but also represents a detailed study area that has provided key geological parameters that will greatly assist our regional strategy to aggressively explore the Austin Project.*"

The remaining three RC samples did not return any significant assay results. These samples were selected at random from two holes at the *Teds* prospect and one hole at the *Brunswick Hill* prospect based on interesting veining and alteration observed in the chips. It is clear that more detailed work is required at both prospect areas in order to establish the key control to high-grade gold mineralisation identified to date.

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.
- Regolith mapping is currently underway that utilises high resolution satellite Sentinel imagery to incorporate into the reprocessing, relevelling 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.
- Comprehensive fine fraction multi-element soil sampling programs along the *Teds* trend as well as at the *Shadow Target* adjacent to Musgrave Minerals Break of Day group of deposits to help identify further drill targets in areas with no historic soil geochemistry coverage.
- 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 Tallering Greenstone belt through its application for E59/2445 Tallering 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", "foresee", "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.

Table 1: Composite summary table of the highlight leachWELL™ and fire assay results from sampling the one metre RC samples.

HoleID	From	To	Interval	Au (g/t) *Fire Assay*	Au (g/t) *leachWELL*[2]	% *Leachwell* Upgrade	Cutoff (g/t)
AUSRC20[1]	28	34	6	6.16	6.86	11.4%	0.2
including	31	33	2	18.31	20.12	9.9%	1
including	31	32	1	27.98	28.03	0.2%	10
AUSRC18[1]	12	14	2	0.14	0.22	57.1%	0.2

[1]*Collar information is listed in Silver City announcement 7 April 2021.*

[2]*Stated assays are the total combined assay for leachWELL LW1000/MS plus FA25T/OE on the tail.*

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	• *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.*	• 13 standard one metre RC samples that were riffle split during the RC drill program in 2020 by Gardner Mining Pty Ltd were submitted to the laboratory for analysis by Silver City. • Average weight for the RC samples was approximately 2.5 kg.
Drilling techniques	• *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).*	• RC drilling conducted by Gardner Mining Pty Ltd in 2020
Drill sample recovery	• *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.*	• Recoveries for the historical drilling were not assessed in detail however the weights of each sample were observed to be consistent. There have been no recovery issues observed from the one metres RC samples.
Logging	• *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.*	• Simplified geological descriptions for the weathered RC chips were recorded by Gardner Mining Pty Ltd in 2020.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	• *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.*	• 13 standard one metre RC samples that were riffle split during the RC drill program in 2020 by Gardner Mining Pty Ltd were submitted to the laboratory for analysis by Silver City. • Average weight for the RC samples was approximately 2.5 kg. • Samples are considered appropriate for the reporting of exploration results.
Quality of assay data and laboratory tests	• *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.*	• 13 historic RC samples that were selected by Silver City were assayed by fire assay for gold utilizing a 50 gram charge as well as a 48 element package by four acid digest and ICP-MS analysis at Intertek Genalysis in Perth. Both methods are considered total. The assay techniques are considered appropriate for the mineralisation style. • In addition, each RC sample was also assayed for accelerated cyanide leachWELL analysis for gold also at Intertek Genalysis in Perth. In addition, the entire tail is washed, homogenized and analysed by fire assay for gold in order to calculate a total analysis to compare to the fire assay. This assay technique is considered appropriate for coarse gold style mineralisation.
Verification of sampling and assaying	• *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.*	• Stated assays leachWELL assays are the total combined assay for leachWELL LW1000/MS plus FA25T/OE on the tail.
Location of data points	• *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.*	• Gardner Mining Pty. Ltd. (2020): Location of the reported drillholes at *Brians* were recorded using a handheld GPS which is considered appropriate for reconnaissance sampling. See Silver City announcement dated 7 April.
Data spacing and distribution	• *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.*	• 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. Spear samples were composited to 4 m or 2m at the end of hole. One metre composite RC samples were recently assayed by Silver City. • Results are considered to be appropriate for the reporting of exploration results. • Recent 1m RC assay composites have been reported at 0.1, 1 and 10 g/t Au cut-off grade.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *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.*	• 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 remains untested. • The highlight reported result at *Brians* is a narrow and shallow intersection that is open at depth. Follow up drilling across the identified northwest oriented structure at an optimum orientation is required to properly assess the true grade and thickness of mineralisation.
Sample security	• *The measures taken to ensure sample security.*	No details of sample security were reported.
Audits or reviews	• *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	• *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.*	• 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. • Silver City is not aware of any Native Title on the Austin Project.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Not applicable
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The geology comprises typical Archean Yilgarn greenstone belt lithologies and granitic intrusives. The mineralisation 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 mineralisation at the Break of Day group of deposits including the Starlight discovery (Musgrave Minerals) and also the Great Fingall gold deposit near Cue.

Criteria	JORC Code explanation	Commentary

Drill hole Information	• *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:*
	  ○ *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.*
		• A summary table of new composite RC results is included in the body of the announcement

Data aggregation methods	• *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.*	• Not applicable
Relationship between mineralisation widths and intercept lengths	• *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 been conducted at an optimum orientation to intersect the mineralised structures. Additional drilling will be required to properly assess the true thickness of mineralised structures.
Diagrams	• *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.*	• See relevant maps in the body of this announcement.
Balanced reporting	• *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.*	• All available data has been presented in figures.
Other substantive exploration data	• *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*	• Mapitt Geosolutions completed reprocessed airborne magnetic images that are illustrated and reported in this announcement. A total of 3,118 line kilometres were previously completed by Gardner Mining Pty Ltd at 50m east-west lines at 30m height with 500 m north-south tie lines.

Criteria	JORC Code explanation	Commentary
	substances.	• Exploration data for the project continues to be reviewed and assessed and new information will be reported if material.
Further work	• *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.*	• Further work is detailed in the body of the announcement.