



31 July 2020

SCI QUARTERLY ACTIVITIES REPORT

For the 3 Months Ending 30 June 2020

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 2020 (**Period**).

Highlights

- Silver City exercised its option to acquire the Wellington Project, a highly prospective copper gold exploration package in the Lachlan Fold Belt, NSW.
- Subsequent to the end of the June quarter, the Company announced the settlement of the Wellington Project Acquisition.
- Appointment of Sonu Cheema as a Non-executive Director of the Company.
- Silver City continues to evaluate further opportunities in the Lachlan Fold Belt and other base metal and precious metal opportunities within Australia.
- Tindery Project EL8579 review highlights intrusion related gold potential, field work planned.
- Yalcowinna Cu-Co Project review highlights regional similarities with cobaltiferous pyrite deposits.
- On 29 July 2020, SCI announced that it had received commitments for a placement of up to 100,000,000 fully paid ordinary shares (Placement Shares) at a price of \$0.015 per share to raise \$1,500,000 before costs.

Operations

Wellington Project

Silver City recently settled acquisition of the Wellington Project which is located circa 15kms to the south of the Boda discovery (Alkane Resources NL). By way of background, the Company announced on 11 March that it had entered into a binding option agreement with Syndicate Minerals Pty Ltd to acquire the Wellington Project confirmed settlement on 21 July 2020. The exploration license application (formerly ELA5852) was granted as EL8971 and is now pending transfer to Silver City Minerals upon all normal statutory consents being received (Refer ASX release 21 July 2020).

Silver City has identified a number of areas of interest for follow up. One of the key targets will be the significant 1.2km copper anomaly identified from historic works at the Wilunga Copper Prospect. The copper anomaly at Wilunga identified from soils, recorded coherent copper mineralisation over 1.2kms and peak values of 2,000ppm copper. The area has seen limited gold assaying in historic soil sampling and requires follow up work (refer Announcement 16 April 2020).

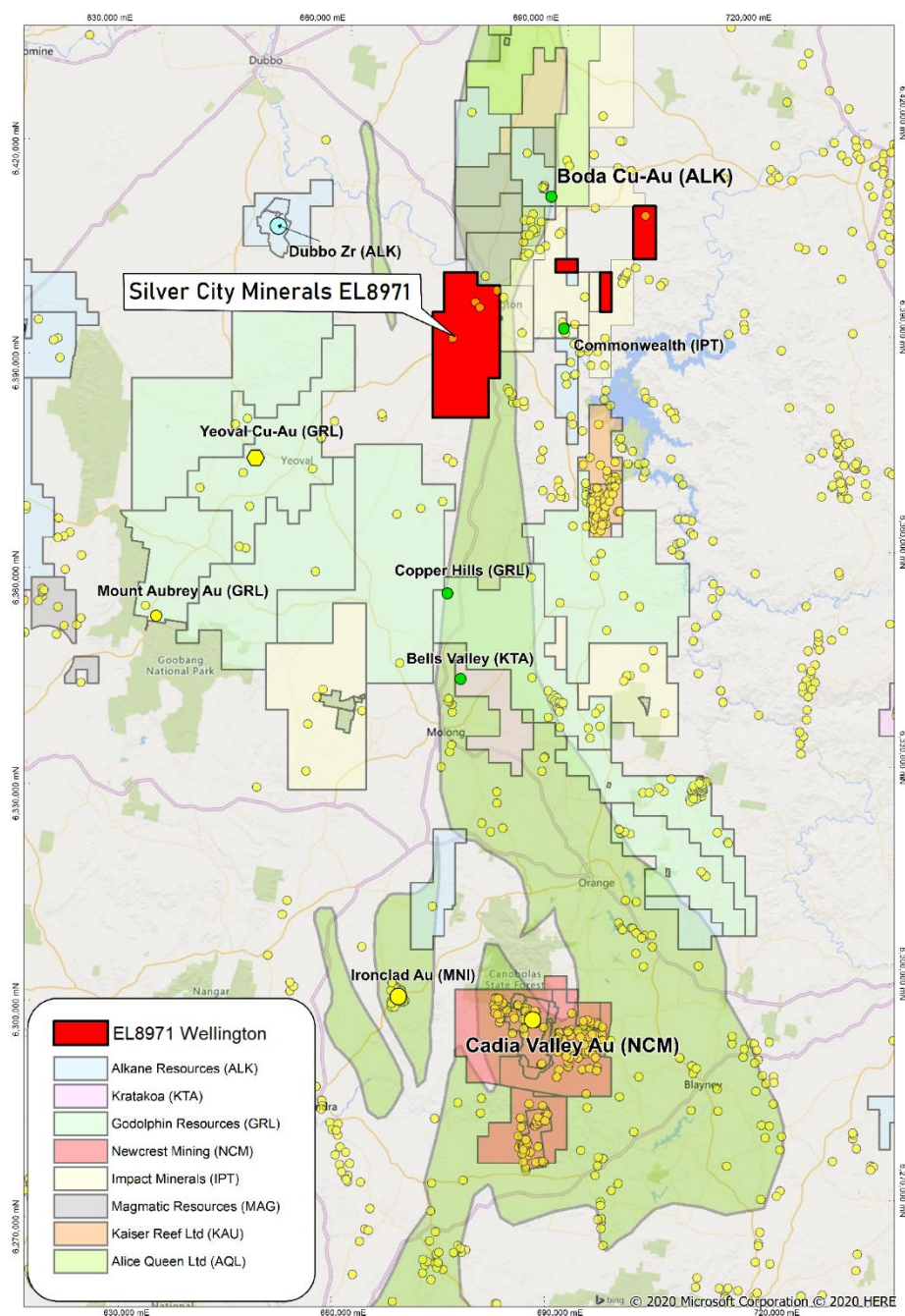


Figure 1: Location of EL8971 Wellington

Historical Exploration

Silver City Minerals has collated and reviewed all historical exploration from the New South Wales DIGS online database. Exploration on the Wellington Project is detailed in historical exploration reports, annual reports and tenement relinquishment reports.

The Project has been explored by Placer Prospecting Australia (1967-1968), AMAX Exploration (1972-1974), Banlona Pty Ltd (Paradigm Gold) in 2014. The majority of the project area has been covered with regional scale stream sediment sampling. Assaying has primarily been for base metals (copper, lead and zinc) with limited precious metals (gold, silver) and very limited trace element geochemistry (Figure 2, below).

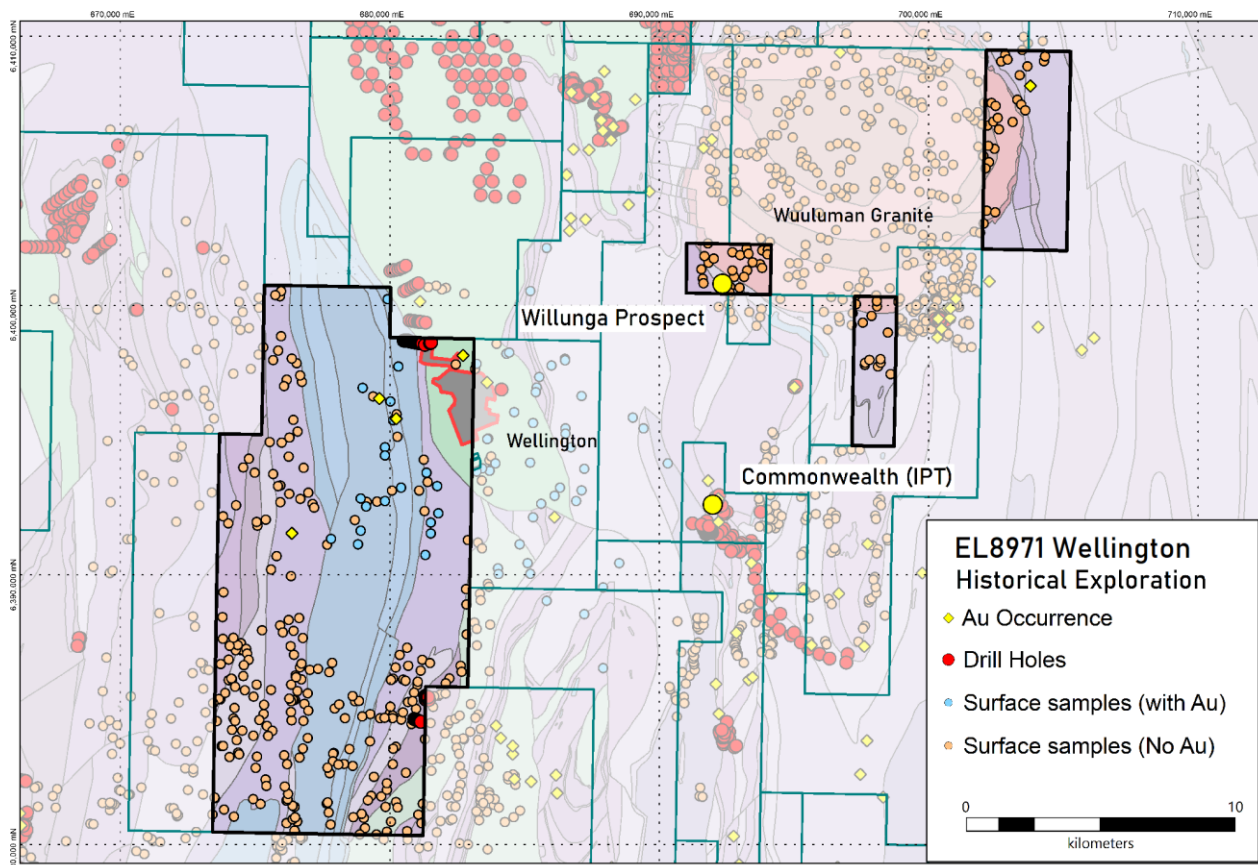


Figure 2: Historical Exploration EL8971 Wellington

Willunga Copper Prospect

Placer Prospecting (Australia) Pty Ltd (Placer) pegged EL74 in 1967 covering the Willunga Copper Prospect, in the south-western margin of the Carboniferous Wuyulan Granite. Placer undertook stream sediment sampling for Cu, Pb, Zn and Mo, soil sampling, gridding and mapping.

Placer's geological map, dating from 1967 showed a series of workings over a strike length of approximately 600m. No production is recorded from the Willunga prospect.

Silver City Minerals has reviewed the historical exploration of the Wellington Project EL8971 and has concluded that contact zone of the Carboniferous Wuyulan Granite represents a hydrothermal mineralisation target related to porphyry dykes. The Company believes that EL8971 Wellington has potential to host porphyry copper-gold mineralisation and other styles of mineralisation, and that historical exploration was insufficient to test this potential.

The Company has progressed the acquisition of EL8971 and will progress the tenement transfer subject to all normal statutory approvals.

Silver City Minerals has assumed operatorship of the Wellington Project and will progress land access agreements in the current quarter prior to undertaking exploration activities. Planned activities include low-impact exploration activities such as soil sampling, petrology and geological mapping.

Tindery Project

EL8579 Tindery is located 45 km north of Cobar and covers an area of 288km². The tenement covers elements of the Cobar Basin, an Ordovician metasedimentary succession host to several significant mines (figure 3). The prospective Chesney Fault System strikes onto the southern portion of EL8579, with 15km of the base metal prospective fault present on the tenure.

The Cobar Basin is intruded by a suite of Silurian aged granitoids, including the Tindery Granite. Several mineral occurrences of gold and reported historical small-scale mines and workings are reported within the Girilambone Group within proximity to the contacts of the Tindery Granite.

Silver City Minerals has identified that the contact of the Silurian Tindery Granite is prospective for gold mineralisation.

Exploration Program

Silver City Minerals is planning to undertake multi-element soil sampling and regolith mapping at EL8579 Tindery in the coming months, subject to availability of field staff and any travel restrictions¹.

The Company has agreed to contribute to the drilling of a water bore on EL8579 in cooperation between the landholder and CSA Cobar Operations Pty Ltd (Glencore). The hole is planned to a depth of approximately 350m. The water bore will be used for supply of water and will remain property of CSA Operations Pty Ltd.

SCI Director Mr Roland Gotthard commented, "Silver City is contributing toward the drilling of this water bore by assaying of the samples for base and precious metals. The drilling of a 350m vertical hole within the project is a rare opportunity to geochemically and geologically characterise the stratigraphy of the subsurface rocks. Information from this hole will contribute toward understanding of the project's geology and mineral potential. Silver City continues to work cooperatively with stakeholders and neighbours."

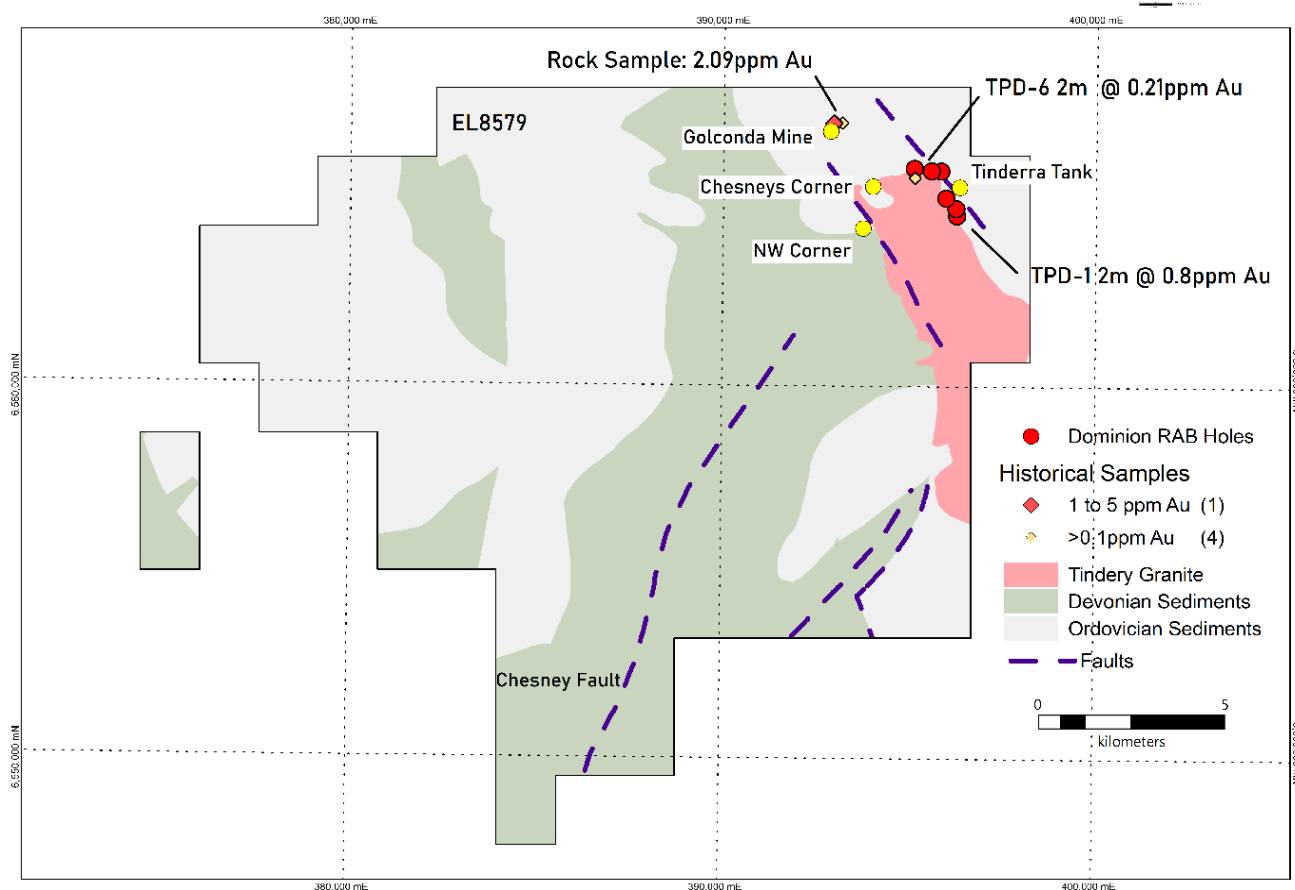


Figure 3: EL5879 Tindery historical gold mineralisation

Copper Blow

The Copper Blow prospect is a copper and magnetite mineralised system with copper mineralisation present over a strike length of 1 kilometre where the mineralisation demonstrates the geological characteristics of an iron oxide copper gold deposit (IOCG), similar to those which form within an arcuate domain on the eastern side of the Gawler Craton in South Australia.

To date the Company has drilled approximately 8,500 metres at Copper Blow prospect (see ASX Release 4 October 2018), defining a +100m vertical extent of copper mineralisation interpreted to be hosted within a shear of structural zone.

The Company is reviewing Copper Blow with an objective of understanding the scope of work required to bring the known mineralisation envelope into a JORC 2012 compliant quantification. This work is proposed to include a thorough review of the existing drilling database, geophysics and targeted drilling to upgrade the mineralisation classification to a reportable level.

Activities during the quarter have focused on maintaining the Company tenure in good stead, with substantial work related to statutory compliance and reporting activities with the NSW Department of Natural Resources and Mines. The Company has completed outstanding environmental rehabilitation activities.

Yalcowinna Cu-Co Project (EL8078, EL8685 SCI 92%)

The Yalcowinna Project contains extensive copper-cobalt mineralised gossans hosted within the Thackaringa Group sequence in the Euriowie Block, approximately 25km east of Broken Hill.

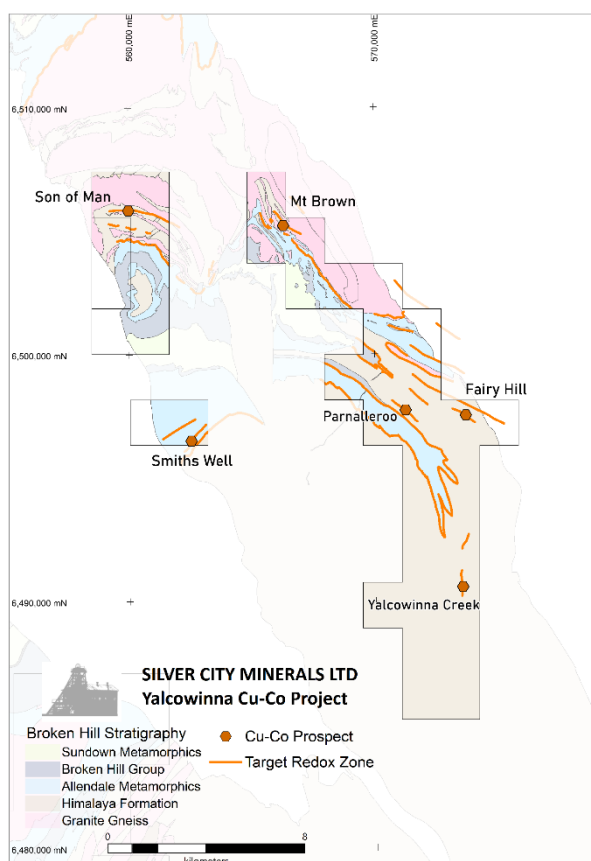


Figure 4 Yalcowinna Cu-Co Project Target Redox Zones

During the quarter the Company compiled and reviewed a new exploration model that associates the Yalcowinna copper and cobalt occurrences to the Big Hill, Railway and Pyrite Hill cobaltiferous pyrite deposits (refer Cobalt Blue Holdings Ltd ASX:COB).

These deposits are formed by massive and disseminated cobaltiferous pyrite hosted within albitised gneisses within the Thackaringa Group.

The Company's mineralisation models interprets these deposits as analogous to redox-boundary hosted sedimentary copper mineralisation common to Proterozoic sedimentary basins. Redox boundaries occur as the host basin transitions from shallow, oxygenated conditions to deep water anoxic conditions, which occurs at the top of the Thackaringa Group within the Curnamona Craton.

Silver City has identified regional redox boundaries, which are associated with ferruginous outcrops across the Yalcowinna tenure, that may be related to a similar style of Cu-Co mineralising event as in the Big Hill-Pyrite Hill deposits.

The Company has identified that these horizons have not all been systematically sampled.

Field activities have been delayed due to COVID-19, and expiry of access agreements with affected landholders. Resumption of field activities are pending the completion of access negotiations with pastoral leaseholders, which have been delayed due to the COVID-19 restrictions¹.

Corporate Activities

In response to the challenging market conditions and the COVID-19 pandemic, The Company has rationalized its operation in Broken Hill to minimize cash burn.

During the quarter, Mr Josh Puckridge resigned as Director of Silver City minerals Ltd to pursue other opportunities. Mr Sonu Cheema was appointed as Director of Silver City Minerals. He has over 10 years' experience working with public and private companies in Australia and abroad.

Pursuant to Section 6 of the Appendix 5B, the Company paid \$32,214 in director fees, superannuation and wages to the board of Silver City Minerals Limited. The Company engages Cicero Group Pty Ltd for accounting, administrative, company secretarial and directorship services at \$8,000 per month (exclusive of GST). Mr Sonu Cheema is a shareholder of Cicero Group Pty Ltd.

On 29 July 2020, SCI announced that it had received commitments for a placement of up to 100,000,000 fully paid ordinary shares (**Placement Shares**) at a price of \$0.015 per share to raise \$1,500,000 before costs. The Placement price represents a 9% discount to the 20-day VWAP of SCI shares as at 24 July 2020. The fully subscribed Placement was well supported by sophisticated and strategic investors. Funds raised via the Placement will be applied to progressing the Silver City exploration programs, business development and general working capital.

Current Capital Structure

Category	ASX Code	Number
Fully Paid Ordinary Shares on Issue	SCI	378,460,253
Fully Paid Ordinary Shares on Issue (Voluntary Escrow)	SCI	7,500,000
Unquoted Options (\$0.03 – 16/01/21 expiry)	-	3,000,000
Unquoted Options (\$0.06 – 5/06/22 expiry)	-	4,000,000
Unquoted Options (\$0.05 – 29/11/20 expiry)	-	2,000,000
Unquoted Options (\$0.03 – 27/02/22 expiry)	-	26,750,000
Unquoted Options (\$0.02 – 31/10/22 expiry)	-	63,625,000

Tenement Schedule

EL8579 Tindery is subject to a 50% compulsory reduction in line with NSW mining regulations. The Company has advised the NSW Resources Regulator of the intention to relinquish 51 of the 98 sub-blocks. The reduction will come into effect in the near term. The Company continues to manage its tenement position as tenure comes to end of term and renewal.

TenementId	Client	Project	Holder1Shares	CurrentArea	GrantDate	ExpiryDate
EL 7300	SICM	ARAGON	100	37	23/02/2009	23/02/2020
EL 7390	SICM	YELLOWSTONE	100	24	20/08/2009	20/08/2023
EL 8020	SICM	RIDDOCK	100	6	23/11/2012	23/11/2023
EL 8075	SICM	WILLYAMA	100	40	15/04/2013	15/04/2022
EL 8077	SICM	RAZORBACK	100	23	15/04/2013	15/04/2022
EL 8078	SICM	YALCOWINNA	100	36	15/04/2013	15/04/2022
EL 8236	SICM	NATIVE DOG	100	4	11/02/2014	11/02/2020
EL 8333	SICM	ENMORE	100	5	17/12/2014	17/12/2023
EL 8495	SICM	SOUTHERN CROSS	100	5	22/12/2016	22/12/2019
EL 8579	SICM	TINDERY	100	98	26/05/2017	26/05/2020
EL 8685	SICM	ASPEN	100	2	23/01/2018	23/01/2024
EL 8862	SICM	CLEVEDALE	100	8	17/06/2019	17/06/2025
EL 8863	SICM	HIMALAYA	100	29	17/06/2019	17/06/2025
EL 8971	SICM	ORANGE	100	71	23/04/2020	22/04/2025

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

-ENDS-

Contact details

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Silver City Minerals Limited (SCI) is a base and precious metal explorer focused on the Lachlan Fold Belt and Broken Hill District 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. SCI was established in May 2008 and has been exploring the District where it controls Exploration Licenses through 100% ownership and various joint venture agreements. It has a portfolio of highly prospective projects with drill-ready targets focused on high grade silver, gold and base-metals.

CAUTION REGARDING FORWARD LOOKING INFORMATION

This document contains forward looking statements concerning Silver City Minerals Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Silver City's beliefs, opinions and estimates of Silver City Minerals as of the dates the forward-looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

COVID-19 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 Roland Gotthard. Mr Gotthard is a Director of Silver City Minerals and a member of the Australian Institute of Mining and Metallurgy. Mr Gotthard has sufficient experience relevant to the styles of mineralisation and types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"). Mr Gotthard consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

ASX Listing Rules Compliance Statement

In preparing the Quarterly Activities report for the period ended 30 June 2020, the Company has relied on the following ASX announcements.

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

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 Quarterly Activities for the period ended 30 June 2020.

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 2020

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 (if expensed)	(72)	(248)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	-	-
	(e) administration and corporate costs	(116)	(338)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	3
1.5	Interest and other costs of finance paid	1	6
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	44	57
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(142)	(520)
2.	Cash flows from investing activities	-	-
2.1	Payments to acquire:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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	-	-
	(c) property, plant and equipment	-	-
	(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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	743
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(20)
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	-	723

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	787	442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(142)	(520)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	723

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	645	645

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	645	787
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	645	787

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

32

24

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

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
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)	(142)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(142)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	645
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	645
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.55
8.8	If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	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	
	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	
	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	

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:31/7/20.....

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.

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