

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Silver City Minerals Limited

ABN

68 130 933 309

Quarter ended ("current quarter")

30 June 2014

**Consolidated statement of cash flows****Cash flows related to operating activities**

	Current quarter 30 June 2014 \$A'000	Year to date (12 months) 30 June 2014 \$A'000
1.1 Receipts from product sales and related debtors	0	0
1.2 Payments for (a) exploration and evaluation	(768)	(2,034)
(b) development	0	0
(c) production	0	0
(d) administration	(130)	(649)
1.3 Dividends received	0	0
1.4 Interest and other items of a similar nature received	29	155
1.5 Interest and other costs of finance paid	0	0
1.6 Income taxes paid/received on R&D tax offset	0	850
1.7 Other - tenement security deposits paid	(81)	(84)
- tenement security deposit refunds	0	0
- joint venture income	13	13
<b>Net Operating Cash Flows</b>	<b>(937)</b>	<b>(1,749)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	(1)	(2)
1.9 Proceeds from sale of: (a) prospects	0	0
(b) equity investments	0	0
(c) other fixed assets	0	0
1.10 Loans to other entities	0	0
1.11 Loans repaid by other entities	0	0
1.12 Other (provide details if material)	0	0
<b>Net investing cash flows</b>	<b>(1)</b>	<b>(2)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(938)</b>	<b>(1,751)</b>

	Current quarter \$A'000	Year to date \$A'000
1.13 Total operating and investing cash flows (brought forward)	(938)	(1,751)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc	878	1,298
1.15 Proceeds from sale of forfeited shares	0	0
1.16 Proceeds from borrowings	0	0
1.17 Repayment of borrowings	0	0
1.18 Dividends paid	0	0
1.19 Other - Share issue costs	(6)	(14)
<b>Net financing cash flows</b>	872	1,284
<b>Net increase (decrease) in cash held</b>	(66)	(467)
1.20 Cash at beginning of quarter/year to date	3,854	4,255
1.21 Exchange rate adjustments to item 1.20	0	0
1.22 <b>Cash at end of quarter</b>	3,788	3,788

**Payments to directors of the entity and associates of the directors****Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	118
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Salaries and consultancy fees at normal commercial rates

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Expenditure by joint venture partners on exploration tenements in which Silver City has an interest amounted to \$14,200

**Financing facilities available***Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	481
4.2 Development	0
4.3 Production	0
4.4 Administration	182
<b>Total</b>	663

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	336	153
5.2 Deposits at call	48	47
5.3 Bank overdraft	0	0
5.4 Other - bills receivable, bank accepted and short term bank deposits	3,404	3,654
<b>Total: cash at end of quarter (item 1.22)</b>	3,788	3,854

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	Coombarra EL 8255 Taupo One MEP 56212 Taupo Two MPP 56147	EL granted MEP granted MPP granted	0% 0% 0%	100% 100% 100%

6.3 The full Silver City schedule of tenements is included as an attachment to this report.

**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total Number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b>	Nil			
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil			
7.3 <b>Ordinary securities - fully paid SCI</b>	116,300,601	116,300,601		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through return of capital, buy-backs (c) Release of securities from escrow	12,359,105	12,359,105 - -	\$0.071	\$0.071
7.5 <b>Convertible debt securities</b>	Nil			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil			
7.7 <b>Options</b>			<i>Exercise price</i>	<i>Expiry date</i>
SCIO 25 cents (listed)	29,167,263	29,167,263	\$0.25	19 Dec 2014
SCI 25 cents	2,200,000	-	\$0.25	9 Aug 2014
SCI 25 cents	6,000,000	-	\$0.25	8 Sept 2014
SCI 25 cents	3,000,000	-	\$0.25	7 Mar 2015
SCI 15 cents	1,000,000	-	\$0.15	23 Aug 2015
SCI 8 cents	1,000,000	-	\$0.08	27 Sep 2016
7.8 Issued during quarter	Nil	-		
7.9 Exercised during quarter	Nil	-		
7.10 Expired during quarter	Nil			
7.11 <b>Debentures</b> (totals only)	Nil			
7.12 <b>Unsecured notes</b> (totals only)	Nil			

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## Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
2. This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 28 July 2014

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(Director / ~~Company Secretary~~)

Print name:

Chris Torrey

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenements, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Tenement	Tenement No.	SCI Interest	Joint Venture Details
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**NEW SOUTH WALES**

Acacia	EL 8235	100%	CBH 15%
Aragon	EL 7300	85%	
Coombarra	EL 8255	100%	
Durin	EL 8180	100%	
Golbin	EL 7749	100%	
Lewis	EL 8179	100%	CBH 25%
Lynor	EL 8076	75%	
Native Dog	EL 8236	75%	CBH 25%, note 1
Razorback	EL 8077	100%	Note 4
Riddock	EL 8020	100%	CBH 25%
Rildar	EL 8074	75%	
Willyama	EL 8075	75%	CBH 25%, Notes 1 and 2
Yalcowinna	EL 8078	100%	Eaglehawk 8% in area of EL 7319 only, Notes 1 and 3
Yellowstone	EL 7390	0%	Golden Cross Operations Limited 100%, SCI earning 80%

**QUEENSLAND**

Sellheim	MLs 10238, 10269 and 10270	0%	SCI can earn 80%, Nedex 100%
Mt Richardson	EPM 13499	0%	SCI can earn 80%, Nedex 100%
Mt Tindale	EPM 15778	0%	SCI can earn 80%, Nedex 100%
Douglas	EPM 17573	0%	SCI can earn 80%, Nedex 100%

**NEW ZEALAND**

Taupo One	MEP 56212	100%	
Taupo Two	MPP 56147	100%	

EL	=	Exploration Licence (NSW)	ELA	=	Exploration Licence Application
EPM	=	Exploration Permit for Minerals (QLD)	ML	=	Mining Lease
PEM	=	Minerals Exploration Permit (NZ)	MPP	=	Mineral Prospecting Permit (NZ)

Note 1 These tenements are subject to agreements with Variscan Mines Limited and Eaglehawk Geological Consulting Pty Ltd whereby Variscan and Eaglehawk hold an NSR (Net Smelter Return) interest in parts of these tenements.

The following ELs were consolidated in order to better manage a number of smaller contiguous licences.

Note 2 Willyama EL 8075 consolidates the following six ELs:  
EL 5646 (Mt Robe), EL 5764 (Yanco Glen), EL 6002 (Eldee Creek), EL 6132 (Stephens-Centennial), EL 6147 (Big Aller), EL 6475 (Apollyon Valley).

Note 3 Yalcowinna EL 8078 consolidates the following two ELs:  
EL 7814 (Bitterkeep) and EL 7319 (Euriowie). Eaglehawk has an 8% interest in the 78 units of this application that are currently EL 7319.

Note 4 Razorback EL 8077 consolidates the following three ELs:  
EL 7203 (Iron Bar), EL 7813 (Windy Hill) and EL 7902 (Donart).