



11 March 2020

Listings Compliance (Sydney)
ASX Compliance Pty Ltd
20 Bridge Street
Sydney NSW 2000

OPTION TO ACQUIRE HIGHLY PROSPECTIVE COPPER-GOLD TENURE WITHIN THE MOLONG VOLCANICS, LACHLAN FOLD BELT, NSW

Key Highlights:

- Silver City executes binding option to acquire a highly prospective gold-copper exploration package in the Lachlan Fold Belt, NSW.
- Tenement package covers over 200 square kilometres and is strategically located in Australia's largest porphyry province and circa 15kms south of Alkane Resources' Boda Discovery.
- The ground sits within the Molong Volcanic belt and in part contains the same rocks that host the giant Cadia-Ridgeway mine 85km south and Alkane Resources Boda discovery circa 15km north.
- Gold-copper porphyry deposits typically occur in clusters indicating significant potential in the newly acquired ground given its proximity to Boda.
- Desktop review is underway to ascertain next steps for exploration.
- Supplements the Company's Broken Hill assets where Silver City is one of the largest landholders in the District.
- Placement to raise \$0.25 million.

Silver City Minerals Limited (ASX: **SCI**) (**Silver City** or **Company**) is pleased to announce that it has entered into a binding option agreement with Syndicate Minerals Pty Ltd to acquire its holdings in ELA 5852 Wellington.

The Wellington Project is located within and adjacent to the Molong Volcanic Belt, an Ordovician volcanic belt within the Lachlan Fold Belt, with prospectivity for porphyry copper gold mineralisation. Examples of porphyry copper-gold within the Molong Volcanic Belt include Cadia-Ridgeway (Newcrest) 85km to the south and the Boda discovery (Alkane Resources NL) 15km north east.

The Company believes that ELA5852 Wellington (**Tenement**) has potential to host porphyry copper-gold mineralisation and other styles of mineralisation. The Company has begun a process of geological due diligence and data compilation to assess the prospectivity of the tenure.

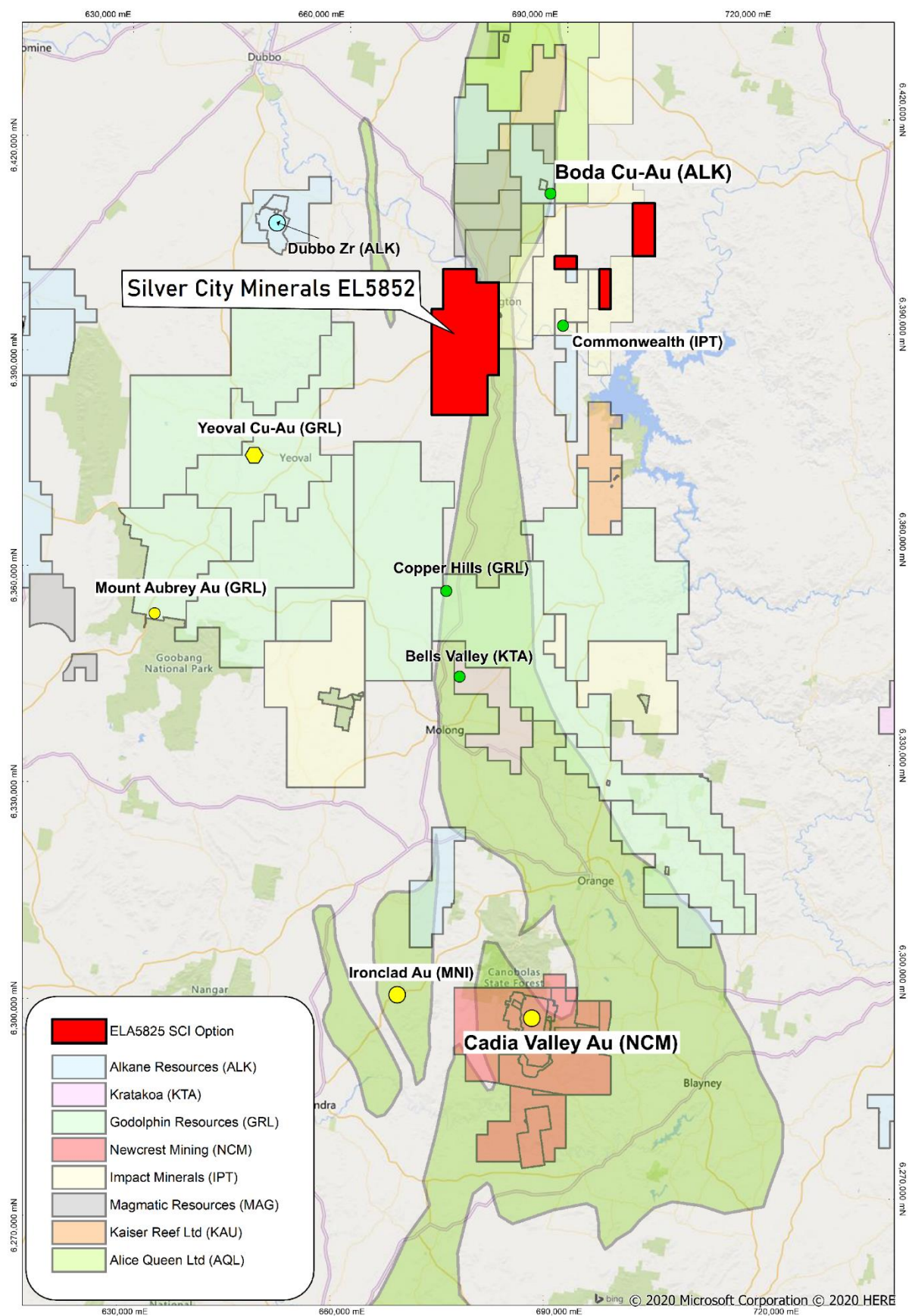


Figure 1: Location of ELA5825 in NSW

Terms of Option, Acquisition and Placement

Set out below are the terms and conditions of the option agreement (**Agreement**) between the Company and the vendor, Syndicate Minerals Pty Ltd (**Vendor**), pursuant to which the Company has a right to acquire the Tenement:

- **Option:** The Company has been granted an option to acquire the Tenement exercisable at any time within 14 days following execution of the Agreement (**Option**).
- **Conditions Precedent:** The Agreement is conditional on the satisfaction or waiver of the following conditions precedent within one month following exercise of the Option:
 - the Company exercising the Option;
 - the Company completing a capital raising to raise no less than \$200,000 (**Capital Raising**);
 - the parties receiving all necessary regulatory and third party approvals, including shareholder approval for the issue of consideration securities to the Vendor (or its nominees); and
 - the Company reimbursing the Vendor \$10,000, representing the bond paid in respect of the Tenement.
- **Consideration:** In consideration for the Tenement, the Company will issue to the Vendor (or its nominee) 15,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) and 7,500,000 options to acquire Shares, exercisable at \$0.02 on or before 31 October 2022 (**Options**). The Company will also grant to the Vendor a 1.5% net smelter return royalty in respect of all metals and minerals produced from the Tenement on customary terms.
- **Introducer Shares:** On completion of the acquisition, the Company will also issue the Vendor (or its nominees), 2,250,000 Shares at a deemed issue price of \$0.01 per Share and 1,125,000 options to acquire Shares, exercisable at \$0.02 on or before 31 October 2022 (**Options**) as an introduction fee.

During the term of the Option the Company will conduct a further due diligence at a desktop and ground level study to confirm historical work and mineral occurrences.

The Company is also pleased to announce that it has received firm commitments from sophisticated and professional investors to subscribe for 25 million Shares at \$0.01 per Share for \$250,000 (**Placement**). For every Placement Share subscribed, participants will receive (1) free attaching option exercisable at \$0.02 per share and expiring 31 October 2022 (**Attaching Options**). Placement Shares will be issued pursuant the Company's existing capacity pursuant to Listing Rules 7.1. The Attaching Options will be issued subject to shareholder approval at a meeting to be held as soon as practicable.

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

-ENDS-

Contact details

Sonu Cheema (Company Secretary)

Ph: +61 (8) 6489 1600

Fax: +61 (8) 6489 1601

Email: reception@cicerogroup.com.au

ABOUT Silver City Minerals Limited

Silver City Minerals Limited (SCI) is a base and precious metal explorer focused on the Broken Hill District of western 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.