



21 July 2020

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

LACHLAN FOLD BELT COPPER-GOLD ACQUISITION SETTLEMENT

Silver City Minerals Limited (ASX: **SCI**) (**Silver City** or **Company**) is pleased to announce the advancement of the completion of acquisition and settlement for the Wellington Project (EL 5852). This follows the exercise of an option under the binding option agreement (**Agreement**) with Syndicate Minerals Pty Ltd (**Vendor**) to acquire its holdings in EL 5852 and in accordance with shareholder approval received at the General Meeting held on 13 July 2020 (**GM**).

The Wellington Project is a highly prospective copper-gold exploration package in the Lachlan Fold Belt, NSW. It is strategically located in Australia's largest porphyry province and circa 15kms south of Alkane Resources' Boda Discovery.

Terms of Acquisition and Securities Issues

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 exercised its rights to acquire the Tenement:

- **Option:** The Company was granted an option to acquire the Tenement exercisable following execution of the Agreement (**Option**) as announced on 11 March 2020.
- **Conditions Precedent:** The Agreement was conditional on the satisfaction or waiver of the following conditions precedent following exercise of the Option:
 - the Company exercising the Option (this occurred on 28 April 2020, refer to ASX announcement of that date);
 - the Company completing a capital raising to raise no less than \$200,000 (**Capital Raising**) (this was completed and announced on 18 March 2020);
 - the parties receiving all necessary regulatory and third-party approvals and shareholder approval for the issue of consideration securities to the Vendor (or its nominees) (shareholder approval was received on 13 July 2020); and
 - the Company has processed the reimbursement to the Vendor of \$10,000 in respect of the bond paid in respect of the Tenement (this payment was made today).
- **Consideration:** In consideration for the transfer of the Tenement, the Company has issued to the Vendor (or its nominee) 15,000,000 fully paid ordinary shares at a deemed issue price of \$0.01 per Share in the capital of the Company (**Shares**), of which 7,500,000 Shares will be subject to 12 months voluntary escrow, 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. The issue of consideration shares and options was approved by shareholders at the Company's GM held on 13 July 2020.

- **Introducer Shares:** The Company has issued the 2,250,000 Introducer 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. The issue of introducer Shares and Options was approved by shareholders at the Company's GM held on 13 July 2020.
- **Placement Options:** participants to the placement in the respect of the Capital Raising have been issued (1) free attaching option exercisable at \$0.02 and expiring 31 October 2022 (**Placement Options**). The issue of Placement Options was approved by shareholders at the Company's GM held on 13 July 2020.
- **Trust Deed:** The Company and the Vendor have also executed a Trust Deed on **20 July 2020 (Deed)** under which the parties agree that from the date of execution of the Deed, until such time as the registration of the Tenement transfer has received ministerial consent, the rights in respect of the Tenement will be held on trust by the Vendors for the benefit of the Company.

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

-ENDS-

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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.