

SILVER CITY MINERALS LIMITED

ABN 68 130 933 309

ANNUAL REPORT 2021



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Board of Directors

Leo Horn
Darren White (Appointed 23 July 2021)
Tom Pickett
Sonu Cheema (Director and Company Secretary)

Principal and Registered Office

Suite 9, 330 Churchill Avenue
Subiaco, WA 6008

ASX Share Register

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Auditor

BDJ Partners
Level 8, 124 Walker Street
North Sydney, NSW 2060

Securities Exchange Listing

Australian Securities Exchange
ASX Code: SCI

Directors' Report

During the Period ended 30 June 2021, the Company completed the following operational and corporate activities.

Operations

Silver City Minerals Ltd (**SCI**, or, the **Company**) holds a considerable portfolio of mineral exploration tenure in the highly endowed and highly prospective Broken Hill region of the Curnamona Province. The Company's Projects include Copper Blow, interpreted to be an Iron Oxide Copper Gold (IOCG) deposit, the Razorback West Project and tenure over the Euriowie Block including the Yalcowinna Cu-Co prospect.

Austin Gold Project (WA)

Subsequent to 30 June 2021, Silver City announced on 26 July 2021, that it had finalised its due diligence and completed the acquisition for an 80% interest in the Austin Gold Project through the acquisition of 80% of the shares in the capital of GT from the Vendor ("**Acquisition**"), as previously announced to the ASX on 7 April 2021. The Austin Gold Project is located in the highly prospective Murchison greenstone province of Western Australia, 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 (Figure 1).

Mr Darren White was appointed to the board of SCI as a Non-executive Director on 23 July 2021. Mr White is a successful and well-respected WA based businessman with over 30 years' experience in mining operations, in particular, key business areas of drilling and blasting. Silver City is delighted to welcome Mr White to the board and his skills in the mining sector will be a significant advantage for the company during exploration campaigns in the coming months.

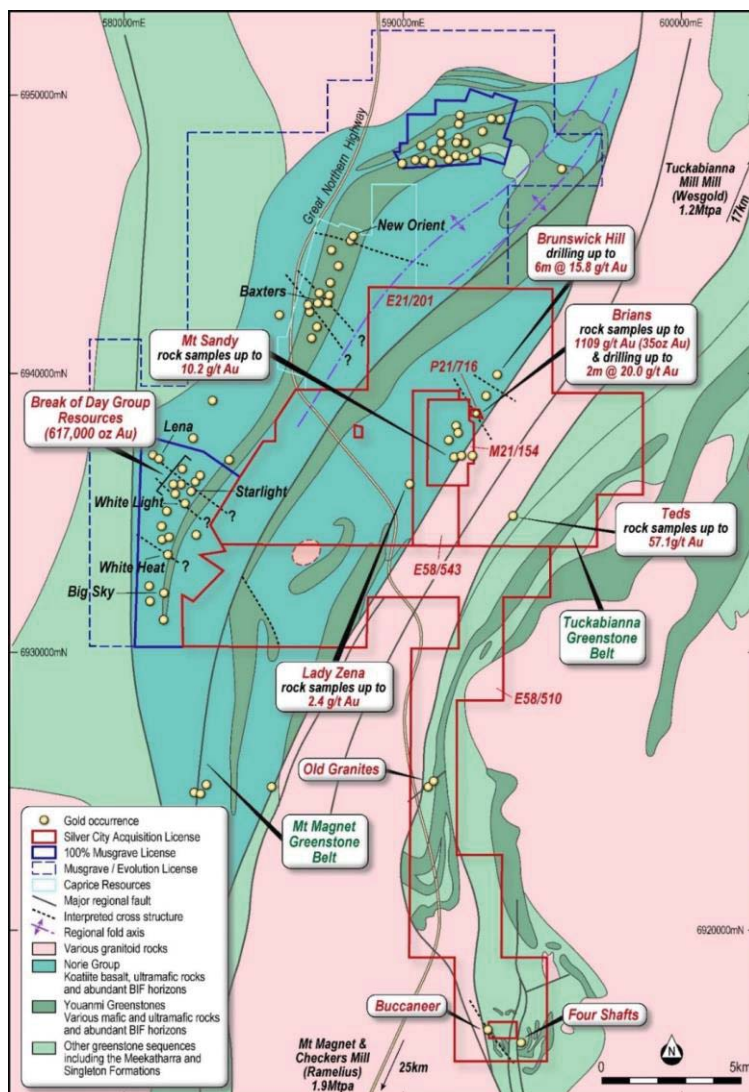


Figure 1: Interpreted geology map of the Mt Magnet and Tuckabianna Greenstone Belts showing the location of the Austin Gold Project tenement outlines with respect to the licenses held by Musgrave Minerals and Caprice Resource. Resource estimates by Musgrave Minerals are total combined Indicated and Inferred JORC 2012 estimates.

Directors' Report

Strategic Project Location

The Austin Gold Project is located 45 km north of Mt Magnet and comprises 175 square kilometres in the highly prospective Tuckabianna and Mt Magnet greenstone belts of the prolific Murchison gold mining district (Figure 1). The Murchison Province is reported to have historically produced over 17Moz of gold with significant current resources and exciting recent new discoveries by a variety of companies including Musgrave Minerals. The Austin Gold Project is also well located within 50 km of two operating mills held by Ramelius and Wesgold adjacent to the Great Northern Highway (Figure 1).

The Austin Gold Project is centred around one granted mining license at Mt Sandy and surrounded by three larger granted exploration licenses and one small prospecting license (Figure 1). The project has been privately held by various companies for over 20 years with very little modern day exploration programs conducted throughout the package. However, widespread alluvial and hard rock gold has been recovered near surface exposures throughout the tenure by prospectors over many years. A handful of shallow drill programs have been conducted in the past with significant gold results that have never been followed up adequately. Those results include a spectacular drill result of: ffff

- **6 m at 15.8 g/t Au** from 36m (including **2 m at 43 g/t Au**) at the *Brunswick Hill* prospect; and
- **2 m at 20.1 g/t Au** from 31m (including **1 m at 28.0 g/t Au**) in at the *Brians* prospect.

Importantly, recent interpretation by the geological survey indicates that the majority of gold occurrences including the *Mt Sandy*, *Brians* and *Brunswick Hill* prospects occur on the eastern limb of the regionally folded highly prospective Norie Group rocks within the Mt Magnet Greenstone Belt (Figure 1). The extensive package held by Musgrave Minerals, including the *Break of Day* and *Lena* group of gold resources, occur on the western limb of the Norie Group. A number of new discoveries have been made by Musgrave Minerals including the high-grade *Starlight*, *White Light*, *White Heat* and *Big Sky* structures that have been shown to trend northwest (*Musgrave Minerals ASX Investor Presentation dated 14 December 2020, 1 February 2021, 19 March 2021 and 18 June 2021*). These structures have provided a breakthrough new understanding in the controls of the mineralisation in the district. Importantly, these northwest controlling structures are interpreted to project under cover onto the Austin Gold Project license (Figure 1).

Due diligence work by SCI included a highlight discovery of quartz veins within the Brians prospect pit displaying abundant visible gold (Figure 2) that has not been followed up properly with drilling. For more details on the Austin Gold Project, including several new high-grade assays on rock samples and previous drilling intersections that have never been followed up refer to important SCI announcements dated as below:

12 April 2021: Rock Assays up to 1,100 g/t Gold at Austin Project;

19 April 2021: High Grade Gold Results 2m at 20.1 g/t Au from RC Samples at Brians Prospect at the Austin Project; and

5 May 2021: Geophysics Highlights >40km of Potential Gold Bearing Structures at Austin Gold Project.



Figure 2: Photograph of polished gossanous quartz vein with abundant visible gold recently sampled by the Company from the outcrop exposures in the north face of the *Brians* historic pit.

Imminent Drill Program

Various exploration programs are currently ongoing on the Austin Gold Project and a more detailed exploration update will be released in the September quarter. SCI have been extremely fortunate to have successfully secured a diamond drill

Directors' Report

contract with Hagstrom Drilling with drilling to commence in August. The primary aim of the program is to conduct strategic drillholes in key prospect areas of known gold mineralisation to better understand and characterise the orientation of mineralisation in order to optimise its ongoing exploration strategy. The Company has also secured a RC Rig which is scheduled to arrive in late August and an Aircore Rig which is scheduled to arrive in September or October. The Company expects that it will be drilling for a number of months testing multiple prospects across the project which will be an exciting period of exploration for the Company.

Acquisition Overview

As announced on 7 April 2021, the Company executed a binding share sale and joint venture agreement ("**Agreement**") with the Vendor to acquire an 80% interest in GT, the owner of the tenements that comprise the Austin Gold Project, including M 21/154, E 21/201, P 21/716, E 58/543 and E 58/510 (together, the "**Tenements**"). A summary of the material terms of the Agreement are set out in the SCI announcement dated 7 April 2021.

In consideration for the Acquisition, on 23 July 2021 the Company issued 300,000,000 fully paid ordinary shares in the capital of SCI (**SCI Shares**) at a deemed issued price of \$0.015 per SCI Share (**Consideration Shares**) to the Vendor. The allotment of Consideration Shares to the Vendor was done so pursuant to obtaining shareholder approval at the General Meeting held on 5 July 2021.

Broken Hill Project - Copper Blow Trend (NSW)

On 24 May 2021, the Company announced excellent results from the Copper Blow Prospect in New South Wales, located within the Broken Hill Project surrounding the World's richest and largest Silver-Lead-Zinc deposit.

Previous work by Silver City has indicated a strong association between the intersected copper-gold mineralisation with iron oxide mineral magnetite, as well as elevated rare-earth metals from soil data. This metal association is common in Iron Oxide Copper-Gold (IOCG) deposit systems in the Mt Isa Province of Queensland (e.g. Ernest Henry) and the Gawler Craton of South Australia (e.g. Olympic Dam). As a result of these observations, an extensive assay program was conducted by Silver City to re-assay previous sample pulps for rare earth elements (REE) and other associated metals typical of IOCG-systems. A total of 232 full suite 4 acid and peroxide digest ICP assays were conducted for a total of 23 holes.

An extensive compilation of the new polymetallic assays combined with historic assays was compiled and reviewed by Geos Mining Minerals Consultants in NSW in order to define the distribution of various metals within the area of drilling at Copper Blow. The drillholes were interrogated using the assays and lithological data and two separate wireframes were developed for the *South Block* and *North Block* which are separated by an interpreted fault (Figure 3). The modelling of various metals has defined a zonation pattern of metals that are distinctly different from the *North Zone* to the *South Zone*.

The *North Zone* is characterised by wide zones of copper and gold mineralisation with a prominent increase in iron and TREO (Total Rare Earth Oxides) at depth (Figure 3 & 4, Table 1 in ASX release dated 24 May 2021). The modelling suggests there is a vertically plunging shoot of copper-gold-TREO and iron that is open below intersection in 18CB057 forming an exciting drill target (Figure 3). Highlight intersections in the *North Zone* include:

- **41.2m at 1.3% Cu, 0.4g/t Au, 32.0% Fe and 0.3% TREO** from 183.8 m in 18CB054;
- **30.0m at 0.9% Cu, 0.3 g/t Au, 24.7% Fe and 0.3% TREO** from 270 m in 18CB057 including **15.0m at 1.5% Cu, 0.3 g/t Au, 36.3% Fe and 0.3% TREO**; and
- **5m at 1.2% Cu, 0.4 g/t Au, 15.9% Fe and 0.4% TREO** from 91 m.

The *South Zone* is characterised by multiple, narrower and higher-grade intersections of copper and gold mineralisation with a strong correlation with iron but variable TREO (Figure 3 & 4). The modelling strongly suggests a distinct shallow plunge to the southwest forming a second exciting drill target (Figure 3). Highlight intersections in the *South Zone* include:

- **4m at 6.1% Cu, 4.2 g/t Au and 37.7% Fe from 188 m in 17CB041 and 2 m at 2.4 % Cu, 0.8 g/t Au, 30.0% Fe and 0.14% TREO**;
- **7m at 3.7% Cu, 1.1 g/t Au, 23.3% Fe and 0.4% TREO from 126 m in 17CB045**; and
- **16 m at 2.7% Cu, 0.6 g/t Au, 24.2% Fe from 133m in 84CB06 and 4 m at 3.5% Cu, 2.4 g/t Au, 28.5% Fe**.

Directors' Report

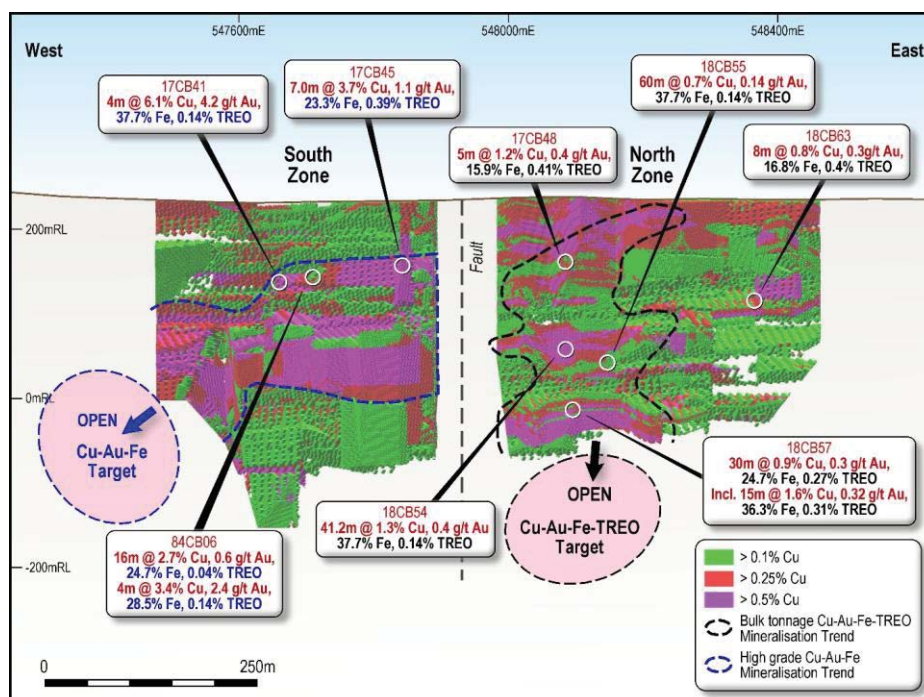


Figure 3: Long Section at Copper Blow showing block model coloured for copper showing the location of highlight intersections and the trend for Fe and TREO. Location of section shown on Figure 3.

Exploration Target Modelling

An Exploration Target was estimated from the drill data and has been estimated in the range of between **10.5Mt and 14.5Mt** at an average grade of **0.6% to 0.8% copper, 0.13 g/t to 0.23 g/t gold** and 7.5% to 9.0% Fe. It is clear that separate higher grade zones of copper as well as iron will occur within the deposit but will require more detailed domaining within the simple wireframes completed to date.

In addition, an Exploration Target for TREO was estimated to be in the range of between **1.5Mt and 2.3Mt** at an average grade of between **0.18% TREO and 0.44% TREO**. The TREO Exploration Target is constrained to a smaller volume due to the limited number of TREO samples that have been assayed; further re-assaying of the historical drill samples could increase the tonnage range significantly.

SCI is focussed on reviewing the deficiencies in the historic drilling data, and work towards completing a JORC 2012 inferred resource.

Metallurgy

A review of the metallurgy commenced on the project to progress the positive floatation testwork results at Copper Blow that returned results of up to 97% recovery of the copper (ASX Announcement dated 27 March 2018).

A review was made on the viability of treating iron as a by-product of the copper-gold mineralisation. A batch of 8 representative samples were selected from various parts of the deposit for Davis Tube Recovery (DTR) analysis to determine the amount of magnetite in the sample. The results indicate a magnetite content of up to 42%, representing a range of up to 80% of the Fe% values.

Metallurgical and processing consulting group, Resource Development Partners, has been engaged to review all data on the project and provide recommendations for further work.

Ongoing Exploration Work

Modelling of various metals within Copper Blow strongly suggests an association with IOCG systems. A review of the regional geophysics including airborne magnetics, radiometrics and gravity is underway to characterise the anomalies at Copper Blow. In addition, an extensive regional field sampling campaign is now complete with the primary aim to identify further copper-gold-rare earth-magnetite targets across the Broken Hill tenure. As part of the field work, a field visit will be conducted to Copper Blow in order to assess the deposit workings and confirm collar locations as part of the ongoing work on the deposit to progress toward a JORC-2012 inferred resource.

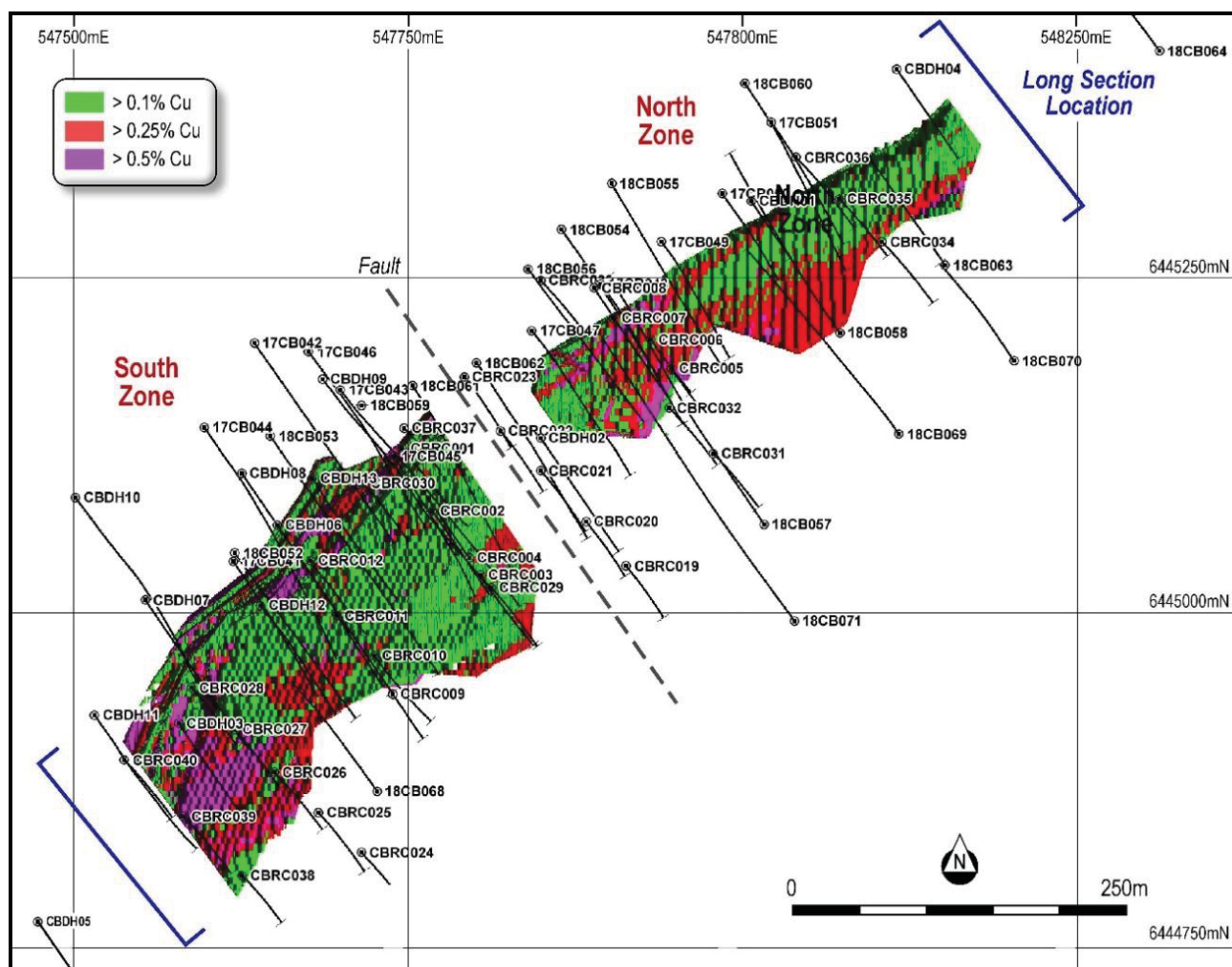


Figure 4: Block model at Copper Blow coloured for copper showing the location of highlight intersections and the trend for Fe and TREO.

Tindery Gold Project (NSW)

Silver City continues to undertake an assessment of its strategic tenement holdings in New South Wales, particularly for gold mineralisation.

The Tindery Project is a large land package of 157 km square kilometres in the prolific Cobar Gold-Base Metal mining district with extensive historic production of gold, silver and copper. The project is located in the unexplored northern tip of the Cobar Trend along strike from the CSA Mine held by Glencore and the Endeavor Mine held by CBH Resources (Figure 6). The Chesney Fault System, which extends for 15 km strike on the Tindery Project tenure, is considered highly prospective since it is a major subsidiary structure to the Cobar Fault associated with the CSA deposit (Figure 6). Geologically, the northern part of the Cobar Basin is intruded by a suite of Silurian aged granitoids, including the Tindery Granite. Several gold occurrences and historical small-scale mines and workings are reported within close proximity to the contacts of the Tindery Granite. This association suggest the project is prospective for intrusion-related gold (IRG) deposits.

Previous exploration on the license indicates extensive stockwork veining at the historic Golconda gold mine that is reported to extend over an area 50-200 m wide and 450 m of long with rock samples up to **2.5 g/t Au** (Figure 6). The Golconda gold mine trend has never been drilled. In addition, extensive gold-bearing chalcedonic quartz veins have been historically identified at the Tinderra Tank prospect and reported to occur up to 5 m thick and extend for 2.5km strike with assays **up to 2.1 g/t Au** (Figure 6) (Refer Release 19 August 2020).

An extensive soil geochemistry program comprising 530 samples is now complete and assays have been received. The interpretation of the results is currently underway and are expected to be reported in the September quarter.

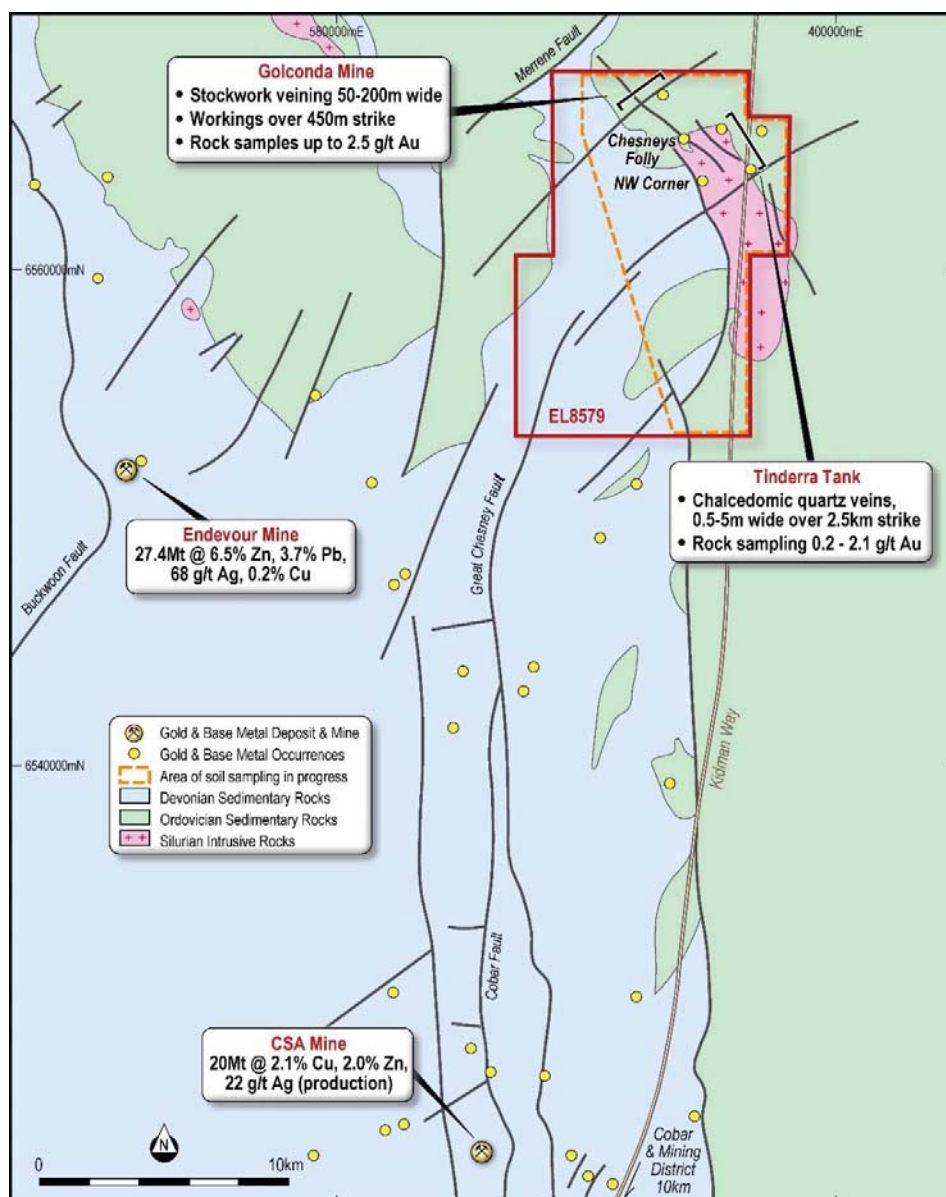


Figure 6: Simplified geology map showing the Tinderry Project license in relation to the major deposits and occurrences. Resource estimates in relation to third parties' projects are total combined Measured, Indicated and Inferred that are reported in the CBH 2008 Annual Report prepared in accordance with the JORC code at the time.

Wellington Project

Silver City settled acquisition of the Wellington Project which is located 15 kilometres south of the Boda porphyry copper-gold discovery by Alkane Resources NL. The Company announced on 11 March 2020 a binding option agreement with Syndicate Minerals Pty Ltd to acquire the Wellington Project which confirmed settlement on 21 July 2020. The exploration license application (formerly ELA5852) was granted as EL8971 (Refer ASX release 21 July 2020). During the June quarter, Silver City has received notification from the department for the approval of the transfer.

A desktop review continues to progress on previous exploration data with particular focus on assessing the project for porphyry copper-gold deposits similar to the nearby Boda discovery.

Corporate Activities

Subsequent to the end of the June quarter, SCI has completed a placement of 100,000,000 FPO shares at \$0.015 per FPO share to raise \$1,500,000 before costs in satisfaction of the Placement condition. The Placement was settled in two tranches as follows:

1. Tranche 1 – as announced on 15 April 2021, SCI completed a placement of 57,281,600 SCI Shares to new and existing sophisticated investors to raise \$859,224 pursuant to the Company's existing capacity under ASX Listing Rule 7.1; and

Directors' Report

- Tranche 2 – as announced on 26 July 2021, SCI issued 42,718,400 SCI Shares to raise \$640,776 to related party participants following shareholder approval obtained at the SCI General Meeting held 5 July 2021. This includes Vendor participation for up to \$590,776 in Tranche 2 (being their pro-rata allocation to maintain the Vendors percentage ownership in the Company post the issue of the Consideration Shares) and Directors Sonu Cheema and Leo Horn participation in the Placement for a total of \$50,000.

Covid-19

The outbreak of COVID-19 is impacting global financial and commodity 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 continuing to change and evolve. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to any material impact of COVID-19 on its operations, work programs or any other material adverse impact on the Company.

Tenement Schedule

Project	Tenement	Tenement Holder	Grant Date	Expiry Date	Blocks	Area (sq km)
Tindery	EL 8579	Silver City Minerals Ltd	26/05/2017	26/05/2023	47	141
Wellington	EL 8971	Silver City Minerals Ltd	23/04/2020	23/04/2026	71	213
Broken Hill	EL 7300	Silver City Minerals Ltd	23/02/2009	23/02/2026	18	54
	EL 8020	Silver City Minerals Ltd	23/11/2012	23/11/2023	6	18
	EL 8075	Silver City Minerals Ltd	15/04/2013	15/04/2022	40	120
	EL 8077	Silver City Minerals Ltd	15/04/2013	15/04/2022	23	69
	EL 8078	Silver City Minerals Ltd	15/04/2013	15/04/2022	36	108
	EL 8236	Silver City Minerals Ltd	11/02/2014	11/02/2026	4	12
	EL 8333	Silver City Minerals Ltd	17/12/2014	17/12/2023	5	15
	EL 8495	Silver City Minerals Ltd	22/12/2016	22/12/2024	5	15
	EL 8685	Silver City Minerals Ltd	23/01/2018	23/01/2024	2	6
	EL 8862	Silver City Minerals Ltd	17/06/2019	17/06/2025	8	24
	EL 8863	Silver City Minerals Ltd	17/06/2019	17/06/2025	29	87
Tallering	E59/2455	Silver City Minerals Ltd	Pending, applied 13/8/2020		47	141
Austin	E58/510	Gardner Tenements Pty Ltd*	31/05/2018	30/05/2023	26	78
Austin	E58/543	Gardner Tenements Pty Ltd*	1/07/2019	30/06/2024	3	9
Austin	E21/201	Gardner Tenements Pty Ltd*	13/08/2019	12/08/2024	31	93
Austin	M21/154	Gardner Tenements Pty Ltd*	20/01/2010	19/01/2031	488	5
Austin	P21/716	Gardner Tenements Pty Ltd*	8/04/2014	7/04/2022	8	0

*Austin Project JVA

ASX Listing Rules Compliance

In preparing the Annual Report for the period ended 30 June 2021, the Company has relied on the following ASX announcements.

ASX Announcement	26 July 2021	MAJOR DRILLING PROGRAMME TO COMMENCE AUSTIN GOLD PROJECT
ASX Announcement	24 May 2021	Large Copper Gold - Rare Earth - Iron system at Copper Blow
ASX Announcement	5 May 2021	Over 40kms of potential gold bearing structures identified
ASX Announcement	30 April 2021	Quarterly Activities Report and Appendix 5B
ASX Announcement	27 April 2021	Major Soil Sampling Programs Commence at Austin Gold Project
ASX Announcement	19 April 2021	High Grade Gold results confirm Priority Drill Target
ASX Announcement	15 April 2021	Work continues at Austin Gold Project, Placement Completed
ASX Announcement	12 April 2021	Rock Assays up to 1,100 g/t Gold at Austin Project
ASX Announcement	7 April 2021	Transformational WA High Grade Gold Project Acquisition
ASX Announcement	29 October 2020	Quarterly Activities Report and Appendix 5B
ASX Announcement	1 October 2020	SCI Appoints Experienced Technical Director
ASX Announcement	28 September 2020	Annual Report 30 June 2020

Directors' Report

ASX Announcement	26 August 2020	28kms of VMS strike secured in same setting as Golden Grove
ASX Announcement	19 August 2020	Work to commence on 2.5km Gold strike at Tindery
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	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

Compliance Statement

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 Annual Report for the period ended 30 June 2021.

Directors

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Darren White

Non-Executive Director

Director since 23 July 2021

Mr Darren White to the board of SCI as a Non-executive Director. Mr White was appointed to the board on 23 July 2021. Mr White is a successful and well respected WA based businessman with over 30 years' experience in mining operations, in particular, key business areas of Drilling and Blasting.

Leo Horn

Non-Executive Director

Director since 1 October 2020

Mr Horn is a technical geologist with over 20 years' experience in the exploration and mining industry for precious, base and rare earth metals, diamonds and uranium across Australia, Asia, North and South America and Africa. During that time Mr Horn has contributed to several significant discoveries including leading the team that delineated several large, high grade uranium resources in the prolific Athabasca Basin of Canada. In addition to key exploration management roles, Mr Horn has extensive experience in executive officer positions in which he has developed valuable corporate finance, marketing and capital raising experience. Mr Horn holds a Bachelor of Science with Majors in Geology & Geomorphology and Honours in Geology from the University of Western Australia and is a member of the Australian Institute of Geoscientists.

Tom Pickett

Non-Executive Director

Director since 28 February 2019

Mr Pickett has experience in a range of sectors including mining, exploration, law, tourism and hotels, having held executive appointments in these areas for both ASX listed and private companies. Tom is currently the Executive Chairman of Cannindah Resources and has held numerous board positions on other ASX listed companies over the past 15 years. His experience in the management of exploration activity across a number of projects in North Queensland for both gold and copper is a valuable asset to Cannindah Resources Limited. Tom holds a Law Degree from Bond University, along with a Graduate Certificate in Applied Finance and Investment.

Sonu Cheema

Non-Executive Director and Company Secretary

Director since 29 May 2020

Mr Cheema has over 10 years' experience working with public and private companies in Australia and abroad. He currently serves as the Company Secretary of eMetals Limited (ASX: EMT), Yojee Limited (ASX: YOJ), Avira Resources Limited (ASX: AVW), Comet Resources Limited (ASX: CRL) and Technology Metals Australia Limited (ASX: TMT). He has completed a Bachelor of Commerce majoring in Accounting and is a CPA member.

Mr Roland Gotthard resigned as non-executive director on 1 October 2020.

Directors' Report

Directors' interests in shares and options

As at the date of this report, the interests of the Directors in the shares, performance rights and options of Silver City Minerals Limited were:

Directors	Shares directly and indirectly held	Options directly and indirectly held	Performance Rights directly and indirectly held
T Pickett	-	1,500,000	1,500,000
L Horn	1,666,667	3,000,000	3,000,000
D White	339,385,066	-	-
S Cheema	1,666,666	1,500,000	1,500,000

Principal activities

The principal activity of the Company is exploration for the discovery and delineation of high-grade base and precious metal deposits and the development of those resources into economic, cash flow generating businesses.

Results

The net result of operations of the consolidated entity after applicable income tax expense was a loss of \$997,375 (2020: loss of \$554,321).

Dividends

No dividends were paid or proposed during the period.

Review of operations

A review of the operations commences on page 3 of this Annual Financial Report. This, together with the Director's Letter and the sections headed "Significant changes in the state of affairs" and "Significant events after the balance date" in this report, provides a review of operations of the Company during the year and subsequent to reporting date.

Significant changes in the state of affairs

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

Significant events after the balance date

On 26 July 2021, the Company announced that it had now finalised its due diligence and completed the acquisition for an 80% interest in the Austin Gold Project through the acquisition of 80% of the shares in the capital of GT from the Vendor ("Acquisition"), as announced to the ASX on 7 April 2021.

The Company announced on 5 August 2021, 23 August 2021 and 22 September 2021, the status update for Diamond, RC and Air Core Drilling programs which are currently underway and in advance stages. The results of drilling programs will be provided in the forthcoming period ahead.

There were, at the date of this report, no other matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Likely developments and expected results

As the Company's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Company is hoping to establish resources from some of its current prospects and to identify further base and precious metal targets.

Directors' Report

Shares under option or issued on exercise of options

Details of unissued shares or interests under option for Silver City Minerals Limited as at the date of this report are:

Number of shares under option	Class of share	Exercise price of option	Expiry date of options
42,406,250	Ordinary	\$0.02	31 October 2022
4,250,000	Ordinary	\$0.05	30 June 2023
4,250,000	Ordinary	\$0.10	30 June 2024
4,000,000	Ordinary	\$0.06	5 June 2022
26,750,000	Ordinary	\$0.03	27 February 2022
81,656,250			

The holders of these options do not have the right, by virtue of the option, to participate in any share issue of the Company or of any other body corporate or registered scheme.

Indemnification and insurance of directors and officers

Indemnification

The Company has not, during or since the end of the financial period, in respect of any person who is or has been an officer of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Insurance premiums

During the financial period the Company has paid premiums to insure each of the Directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director or officer of the Company, other than conduct involving a wilful breach of duty in relation to the Company. The premiums paid are not disclosed as such disclosure is prohibited under the terms of the contract.

Environmental performance

Silver City Minerals holds exploration titles issued by New South Wales Department of Planning and Environment – Resources and Geoscience, which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the Department's guidelines and standards. There have been no significant known breaches of the licence conditions.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's Independence Declaration

To the directors of Silver City Minerals Limited

As engagement partner for the audit of Silver City Minerals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

BDJ Partners



Gregory Cliffe
Partner

28 September 2021

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Directors' Report

Non-audit services

The Company's auditor, BDJ Partners provided non-audit services to the Company during the period ended 30 June 2021 amounting to \$1,800 for tax return preparation and lodgement (2020: \$2,600). The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Remuneration report (audited)

This remuneration report for the year ended 30 June 2021 outlines the remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (KMP) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Details of key management personnel

Details of KMP including the top five remunerated executives of the Parent and Group are set out below.

Directors	
T Pickett	Non-Executive Director – Appointed 28 February 2019
L Horn	Non-Executive Director – Appointed 20 February 2020
S Cheema	Non-Executive Director and Company Secretary - Appointed 29 May 2020
D White	Non-Executive Director – Appointed 23 July 2021

Remuneration philosophy

The objective of the Company's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- ▶ Competitiveness and reasonableness
- ▶ Acceptability to shareholders
- ▶ Performance linkage/alignment of executive compensation
- ▶ Transparency
- ▶ Capital management

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Company's limited financial resources.

Fees and payments to the Company's Non-Executive Directors and Senior Executives reflect the demands which are made on, and the responsibilities of, the Directors and the senior management. Such fees and payments are reviewed annually by the Board. The Company's Executive and Non-Executive Directors, Senior Executives and Officers are entitled to receive options under the Company's Employee Share Option Scheme.

At the Company's AGM in 2020, 99% of shareholders voted against an advisory resolution to adopt the Company's remuneration report.

The Company has not made or agreed to make any bonus or performance related payments to its Directors or Key Management Personnel during the year ended 30 June 2021.

Non-executive director remuneration arrangements

Directors are entitled to remuneration out of the funds of the Company, but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate

Directors' Report

remuneration of the Non-Executive Directors has been fixed at a maximum of \$200,000 per annum to be apportioned among the Non-Executive Directors in such a manner as the Board determines. Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as Directors. The Chairman's fee is set at \$50,000 p.a. and Non-Executive Director fees at \$40,000 p.a. At present, no Committee fees are paid to Directors.

Service agreements

Remuneration and other terms for key management personnel are formalised in contractor agreements. Details of these agreements are set out below:

Non-Executive Director – Darren White – appointed 23 July 2021

- ▶ Director Fee. Term: As per Constitution of the Company.
- ▶ Fee rate: \$40,000 per annum. (2020: N/A)
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

Non-Executive Director – Tom Pickett – appointed 28 February 2019

- ▶ Director Fee. Term: As per Constitution of the Company
- ▶ Fee rate: \$40,000 per annum (2020: \$40,000).
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

Non-Executive Director – Leo Horn – appointed 1 October 2020

- ▶ Director Fee. Term: As per Constitution of the Company
- ▶ Fee rate: \$40,000 per annum (2020: N/A).
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

Non-Executive Director and Company Secretary– Sonu Cheema – Appointed 28 February 2019 as Company Secretary and 29 May 2020 as Non-Executive Director

Director Fee.

- ▶ Term: As per Constitution of the Company
- ▶ Fee rate: \$Nil per annum (2020: Nil).
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

Directorship and Company Secretary Fee:

- ▶ 12 month rolling contract. Either party may terminate the contract with 30 days' notice.
- ▶ Remuneration: \$10,000 per month plus GST as at 28 February 2019.¹
- ▶ Termination payment: Nil

¹ Includes payments to Cicero Group, for all Financial reporting, corporate office rent and all administration services. Sonu Cheema is a director of Cicero Corporate Services Pty Ltd and a 30% shareholder of Cicero Group Pty Ltd.

Directors' Report

Director and key management personnel remuneration for the year ended 30 June 2021

	Short-term benefits		Post employment	Share-based payments		
	Cash salary and fees \$	Consulting \$	Superannuation \$	Options \$	Total \$	Consisting of options %
Directors						
T Pickett	39,999	-	-	-	39,999	-
R Gotthard (a)	26,667	3,200	2,533	-	32,400	-
S Cheema	-	-	-	-	-	-
L Horn (b)	29,997	44,800	-	-	74,797	-
D White (c)	-	-	-	-	-	
Total Directors	96,663	48,000	2,533	-	147,196	-
Other key management personnel						
S Cheema	-	118,000	-	-	118,000	-
Totals	96,663	166,000	2,533	-	265,196	-

No performance-based remuneration was paid in the 2021 and 2020 financial period.

- (a) resigned 1 October 2020
- (b) Appointed 1 October 2020
- (c) Appointed 23 July 2021

Director and key management personnel remuneration for the year ended 30 June 2020

	Short-term benefits		Post employment	Share-based payments		
	Cash salary and fees \$	Consulting \$	Superannuation \$	Options \$	Total \$	Consisting of options %
Directors						
T Pickett	44,333	-	-	-	44,333	-
R Gotthard (a)	13,333	-	1,267	-	14,600	-
S Cheema (c)	-	-	-	-	-	-
D Wates (b)	26,666	-	-	-	26,666	-
J Puckridge (d)	57,356	-	-	-	57,356	-
Total Directors	141,688	-	1,267	-	142,955	-
Other key management personnel						
S Cheema (c)	-	108,192	-	-	108,192	-
Total other KMP	-	108,192	-	-	108,192	-
Totals	141,688	108,192	1,267	-	251,147	-

No performance-based remuneration was paid in the 2020 and 2019 financial period.

- (a) Appointed 21 February 2020
- (b) Resigned 21 February 2020
- (c) Appointed 29 May 2020 as director and 28 February 2019 as Company Secretary
- (d) Resigned 29 May 2020

Directors' Report

Share-based compensation

Employee share option plan

The Company has established the Silver City Minerals Employee Share Option Plan (Plan) to assist in the attraction, retention and motivation of employees of the Company and its related bodies corporate (Group). At 30 June 2021 there were no options on issue pursuant to the Plan. The Plan is administered by the Board in accordance with the rules of the Plan, and the rules are subject to the ASX Listing Rules.

Compensation options: granted and vested during the year

There were no alterations to the terms and conditions of options granted as remuneration since their grant date. There were no forfeitures during the period.

Meetings of directors

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each director:

Directors	Board of directors		Audit committee		Remuneration committee	
	Held	Attended	Held	Attended	Held	Attended
T Pickett	3	2	1	1	-	-
R Gotthard	1	1	-	-	-	-
S Cheema	3	3	1	1	-	-
L Horn	2	2	1	1		
D White	N/A	N/A	N/A	N/A	N/A	N/A

Signed at Perth this 30th day of September 2021 in accordance with a resolution of the Directors.

Sonu Cheema

Non-executive Director and Company Secretary

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2021

	Note	Consolidated 2021 \$	Consolidated 2020 \$
Revenue	3	51,680	28,083
Expenses			
ASX and ASIC fees		(49,922)	(32,513)
Audit fees		(31,250)	(34,500)
Contract administration services		(193,095)	(176,575)
Employee costs		(69,996)	(128,355)
Exploration expenditure written off		(597,847)	(82,490)
Insurances		(22,952)	(23,184)
Marketing and conference costs		-	(727)
Rent		(2,346)	(25,525)
Depreciation		(3,166)	-
Other expenses from ordinary activities		(78,481)	(78,535)
Loss before income tax expense		(997,375)	(554,321)
Income tax expense	4	-	-
Loss after income tax expense	11	(997,375)	(554,321)
Other comprehensive income			
Other comprehensive (loss)		-	-
Other comprehensive income/(loss) for the year		-	-
Total comprehensive loss for the year attributable to members of Silver City Minerals Limited		(997,375)	(554,321)
Basic loss per share (cents per share)	13	(0.20)	(0.17)
Diluted loss per share (cents per share)	13	(0.20)	(0.17)

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	Consolidated 2021 \$	Consolidated 2020 \$
Current assets			
Cash assets	5	2,288,432	650,725
Receivables	6	56,858	33,056
Total current assets		2,345,290	683,781
Non-current assets			
Receivables	6	779	1,270
Tenement security deposits	7	175,500	160,000
Property, plant and equipment		-	3,166
Deferred exploration and evaluation expenditure	8	5,911,302	5,772,324
Total non-current assets		6,087,581	5,936,760
Total assets		8,432,871	6,620,541
Current liabilities			
Payables	9	75,863	72,374
Total current liabilities		75,863	72,374
Total liabilities		75,863	72,374
Net assets		8,357,008	6,548,167
Equity			
Contributed equity	10	22,018,334	19,311,702
Accumulated losses	11	(13,663,447)	(12,763,097)
Reserves	12	2,121	(438)
Total equity		8,357,008	6,548,167

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	Consolidated 2021 \$	Consolidated 2020 \$
Cash flows from operating activities			
Payment to suppliers and employees		(559,251)	(538,544)
Grants received		13,500	26,000
Receipts from other		22,000	-
Interest received		6,853	2,083
Net cash flows (used in) operating activities	23	(516,898)	(510,461)
Cash flows from investing activities			
Proceeds from sale of assets		20,000	-
Expenditure on mining interests (exploration)		(410,115)	-
Tenement security deposits		(15,500)	-
Net cash flows (used in) investing activities		(405,615)	-
Cash flows from financing activities			
Proceeds from issue of shares		2,572,746	750,000
Equity raising expenses		(12,526)	(35,400)
Net cash flows from financing activities		2,560,220	714,600
Net increase/(decrease) in cash held		1,637,707	204,139
Net foreign exchange differences		-	-
Add opening cash brought forward		650,725	446,586
Closing cash carried forward	23	2,288,432	650,725

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2021

	Consolidated			
	Issued capital \$	Accumulated losses \$	Reserves \$	Total equity \$
At 1 July 2019	18,597,102	(12,287,206)	77,812	6,387,888
Loss for the year	-	(554,321)	-	(554,321)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	(554,321)	-	(554,321)
Transactions with owners in their capacity as owners:				
Issue of share capital (net of share issue costs)	714,600	-	-	714,600
Share-based payment	-	-	-	-
Expired option value	-	78,250	(78,250)	-
Foreign currency translation	-	-	-	-
At 30 June 2020	19,311,702	(12,763,097)	(438)	6,548,167
At 1 July 2020	19,311,702	(12,763,097)	(438)	6,548,167
Loss for the year	-	(997,375)	-	(997,375)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	(997,375)	-	(997,375)
Transactions with owners in their capacity as owners:				
Issue of share capital (net of share issue costs)	2,203,495	-	-	2,203,495
Exercise of options	422,462	-	(65,737)	356,725
Share-based payments	172,500	-	73,496	245,996
Expired option value	(91,825)	97,025	(5,200)	-
Foreign currency translation	-	-	-	-
At 30 June 2021	22,018,334	(13,663,447)	2,121	8,357,008

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

1. Corporate information

The financial report of Silver City Minerals Limited (the Company) for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 30 September 2021.

Silver City Minerals Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange using the ASX code SCI.

The consolidated financial statements comprise the financial statements of Silver City Minerals Ltd and its subsidiaries (the Group or Consolidated Entity).

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

2. Summary of significant accounting policies

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards. The financial report has been prepared on a historical cost basis. All amounts are presented in Australian dollars.

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and complies with other requirements of the law. Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS).

Basis of consolidation

The consolidated financial statements comprise the financial statements of Silver City Minerals Limited (Silver City or the "Company") and its subsidiaries if applicable ("the Group") as at 30 June each year. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- ▶ Plant and equipment – 2 - 5 years
- ▶ Motor Vehicle – 5 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An item of plant and equipment is derecognised upon disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

Interest in jointly controlled operations – joint ventures

The Company has an interest in exploration joint ventures that are jointly controlled. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. A jointly controlled operation involves use of assets and other resources of the venturers rather than establishment of a separate entity.

The Company recognises its interest in the jointly controlled operations by recognising the assets that it controls and the liabilities that it incurs. The Company also recognises the expenses that it incurs and its share of any income that it earns from the sale of goods or services by the jointly controlled operations.

Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use.

Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Fair value through other comprehensive income

The Company does not hold any assets measured at fair value through other comprehensive income.

Financial assets through profit or loss

The Company does not hold any assets measured at fair value through profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

Exploration, evaluation, development and restoration costs

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- ▶ Such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- ▶ Exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area of interest is aggregated within costs of development.

Exploration and evaluation – impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry-forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining mine life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

Exploration, evaluation, development and restoration costs (continued)

Mine property held for sale

Where the carrying amount of mine property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Mine Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell – where such fair value can be reasonably determined, and otherwise at its carrying amount. Liabilities and provisions related to mine property held for sale are similarly reclassified as Liabilities – Mine Property Held for Sale and, Provisions – Mine Property Held for sale, as applicable, and carried at the value at which the liability or provisions expected to be settled.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of one year or less. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of an employee's services up to that date. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

Share-based payments

In addition to salaries, the Company provides benefits to certain employees (including Directors and Key Management personnel) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Binomial option pricing model. In valuing transactions settled by way of issue of options, no account is taken of any vesting limits or hurdles, or the fact that the options are not transferable. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the vesting conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification. If an equity-settled award is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised is recognised immediately. However, if a new award is substituted for the cancelled award and designated a replacement award on the date it is granted, the cancelled and the new award are treated as if there was a modification of the original award, as described in the previous paragraph. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share except where such dilution would serve to reduce a loss per share.

Leases

The Company has adopted AASB 16 from 1 July 2019, which has resulted in changes in classification, measurement and recognition of leases. All leases where the Company is a lessee are recognised in the Consolidated Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term and low value leases.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- ▶ Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- ▶ Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

Income tax (continued)

- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- ▶ Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ▶ Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Currency

Functional currency translation

The functional and presentation currency for the parent company is Australian dollars (\$). The functional currency of overseas subsidiaries is the local currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the translation. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Translation of Group Companies' functional currency to presentation currency

The results of the New Zealand subsidiary are translated into Australian Dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at reporting date.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share-based payment transactions

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Binomial formula taking into account the terms and conditions upon which the instruments were granted, as detailed in Notes 13 and 15.

Capitalisation and write-off of capitalised exploration costs

The determination of when to capitalise and write-off exploration expenditure requires the exercise of judgement based on various assumptions and other factors such as historical experience, current and expected economic conditions.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

2. Summary of significant accounting policies (continued)

Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the Company, adjusted to exclude any costs of servicing equity divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the Company, adjusted for:

- ▶ Costs of servicing equity;
- ▶ The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- ▶ Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Going Concern

The financial report is prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it maintaining sufficient funds for its operations and commitments. The Company has a high level of confidence in its ability to successfully complete capital raising initiatives as and when required. This is supported by the Company's strong track record in successfully raising capital, to which the Company had raised \$2.5 million (before costs) via a share placement during the year ended 30 June 2021 and a further \$0.36 million options exercises. The Directors are confident that current funds are sufficient in the near term to enable the Company to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. The Directors continue to monitor the ongoing funding requirements of the Company and as stated, have the ability to raise monies via a share placement in the near term as work programs progress.

Accounting standards issued but not yet effective

Australian Accounting Standards and interpretations that have been issued or amended but are not yet effective have not been adopted by the Consolidated Entity for the year ended 30 June 2021. The Consolidated Entity plans to adopt these standards at their application dates.

It is anticipated that the application of these standards will not have a material effect on the Consolidated Entity's results or financial reports in future periods.

The Director's assessment of the impact of all new standards and interpretations adopted during the current year is that they have not had a material impact on the financial report of the Company.

3. Revenue from ordinary activities

	Consolidated 2021 \$	Consolidated 2020 \$
Grants and joint venture income	24,827	26,000
Gain disposal of asset	20,000	-
Interest received – other financial institutions	6,853	2,083
	51,680	28,083

4. Income tax

	Consolidated 2021 \$	Consolidated 2020 \$
Prima facie income tax (credit) on operating profit/(loss) at 26% (2020: 27.5%)	(259,318)	(152,438)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

Deferred income tax liability in respect of carried forward tax losses – not recognised	259,318	152,438
Income tax expense	-	-

No provision for income tax is considered necessary in respect of the Company for the period 30 June 2021.

The Group has a deferred income tax liability of Nil (2020: Nil) associated with exploration costs deferred for accounting purposes but expensed for tax purposes. This liability has been brought to account and offset by deferred tax assets attributed to available tax losses. No recognition has been given to any deferred income tax asset which may arise from available tax losses, except to the extent offset against deferred tax liabilities. The Company has estimated its losses at \$18,056,352 (2020: \$17,782,074) as at 30 June 2021.

A benefit of 26% (2020: 27.5%) of approximately \$4,694,652 (2020: \$4,890,070) associated with the tax losses carried forward will only be obtained if:

- ▶ The Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- ▶ The Company continues to comply with the conditions for deductibility imposed by the law; and
- ▶ No changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses.
- ▶ Silver City and its 100% owned subsidiary (MEPL) formed a tax consolidated group of which Silver City is the head entity.

5. Cash and cash equivalents

	Consolidated 2021 \$	Consolidated 2020 \$
Cash at bank	102,836	50,328
Money market securities – bank deposits	2,185,596	600,397
	2,288,432	650,725

Bank negotiable certificates of deposit, which are normally invested between 7 and 120 days were used during the period and are used as part of the cash management function.

6. Receivables

	Consolidated 2021 \$	Consolidated 2020 \$
Current		
GST receivables	39,854	1,436
Prepayments	16,667	13,333
Trade and other debtors	337	18,287
	56,858	33,056
Non - current		
Rental bonds	779	1,270

7. Tenement security deposits

	Consolidated 2021 \$	Consolidated 2020 \$
Deposits	175,500	160,000
	175,500	160,000

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 20). The bank deposits are interest bearing.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

8. Deferred exploration and evaluation expenditure

	Consolidated 2021 \$	Consolidated 2020 \$
Costs brought forward	5,772,324	5,776,029
Costs incurred during the period	686,748	(3,705)
Expenditure written off during period	(547,770)	-
Costs carried forward	5,911,302	5,772,324
Exploration expenditure costs carried forward are made up of:		
► Expenditure on joint venture areas	686,748	4,678,552
► Expenditure on non joint venture areas	(547,770)	1,093,772
Costs carried forward	5,911,302	5,772,324

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 2. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

9. Current liabilities – payables

	Consolidated 2021 \$	Consolidated 2020 \$
Trade creditors	31,535	53,289
Accrued expenses	43,695	18,500
Superannuation payable	633	950
PAYG payable	-	(365)
	75,863	72,374

10. Contributed equity

	Consolidated 2021 \$	Consolidated 2020 \$
Share capital		
561,078,103 fully paid ordinary shares (2020: 368,710,253)	(a) 23,528,271	20,445,864
Fully paid ordinary shares carry one vote per share and carry the right to dividends.		
Share issue costs	(1,603,886)	(1,448,157)
Option issue consideration reserve		
4,000,000 unlisted options on issue (2020: 99,375,000)	93,949	313,995
	22,018,334	19,311,702

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

10. Contributed equity (continued)

(a) Movements in ordinary shares on issue

At 30 June 2019

Shares issued

Shares issued

Shares issued

At 30 June 2020

Shares issued

Shares issued

Shares issued

Shares issued

Shares issued

Shares issued

Shares issued

At 30 June 2021

	Number	\$
	293,710,253	19,702,464
(i)	30,000,000	300,000
(ii)	20,000,000	200,000
(iii)	25,000,000	250,000
	368,710,253	20,452,464
(iv)	100,000,000	1,500,000
(v)	1,400,000	28,000
(vi)	8,936,250	178,725
(vii)	7,500,000	150,000
(viii)	17,250,000	172,500
(ix)	57,281,600	859,224
(x)	-	187,358
	561,078,103	23,528,271

- (i) In October 2019, 30,000,000 fully paid ordinary shares were issued at \$0.01 per share under a placement
- (ii) In January 2020, 20,000,000 fully paid ordinary shares were issued at \$0.01 per share under a share placement.
- (iii) In March 2020, 25,000,000 fully paid ordinary shares were issued at \$0.01 per share under a share placement.
- (iv) In August 2020, 100,000,000 fully paid ordinary shares were issued at \$0.015 per share under a placement
- (v) In February 2021, 1,400,000 fully paid ordinary shares were issued at \$0.02 upon the exercise of options.
- (vi) In April 2021, 8,936,250 fully paid ordinary shares were issued at \$0.02 upon the exercise of options.
- (vii) In June 2021, 7,500,000 fully paid ordinary shares were issued at \$0.02 upon the exercise of options.
- (viii) In July 2020, 17,250,000 fully paid ordinary shares were issued for Wellington Project acquisition at \$0.01 per share.
- (ix) In April 2021, 57,281,600 fully paid ordinary shares were issued at \$0.015 per share under a share placement.
- (x) Expired value of options transferred to share capital.

Terms and conditions of contributed equity

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Options

- Options do not carry voting rights or rights to dividend until options are exercised.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

11. Accumulated losses

	Consolidated 2021 \$	Consolidated 2020 \$
Balance at 1 July	12,763,097	12,287,026
Operating loss after income tax expense	997,375	554,321
Expired option value transferred to Accumulated Losses	(97,025)	(78,250)
Balance at 30 June	13,663,447	12,763,097

12. Reserves/share-based payments

Reserves

	Consolidated 2021 \$	Consolidated 2020 \$
Balance at 1 July	(438)	77,812
Share-based payment expensed during the financial year	73,496	-
Exercise of options during the financial year	(65,737)	-
Expired option value transferred to Accumulated Losses	(5,200)	(78,250)
Foreign currency translation reserve	-	-
Balance at 30 June	2,121	(438)

	Consolidated 2021 \$	Consolidated 2020 \$
Share-based payment reserve	7,759	5,200
Foreign currency translation reserve	(5,638)	(5,638)
Balance at 30 June	2,121	(438)

Share-based compensation

Employee share option plan

The Company has established the Silver City Minerals Employee Share Option Plan (Plan) to assist in the attraction, retention and motivation of employees of the Company and its related bodies corporate (Group). Subsequent to 30 June 2021 there were no options granted under the Plan. The Plan will be administered by the Board in accordance with the rules of the Plan, and the rules are subject to the ASX Listing Rules. There have been no cancellations or modifications to any of the plans during 2021 and 2020.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

12. Reserves/share-based payments (continued)

Summary of ESOP options granted

	Consolidated 2021 no.	Consolidated 2020 no.
Outstanding at the beginning of the year	2,000,000	10,500,000
Granted during the year	8,625,000	-
Forfeited during the year	-	-
Exercised during the year	(7,500,000)	-
Expired during the year	-	(8,500,000)
Outstanding at the end of the year	3,125,000	2,000,000

Option pricing model and terms of options

The following table lists the inputs to the options model and the terms of options granted:

Issue date	Number of options issued	Exercise price	Expiry date	Expected volatility	Risk- free rate	Expected life	Estimated fair value	Model used	
Director and KMP options									
Oct 18	2,000,000	\$0.05	9 Oct 21	70.00%	2.00%	3.0 years	\$0.0026	Binomial	(a)

- (a) 2,000,000 options were granted to Directors and employees of the Company which were approved by shareholders at the AGM in November 2018. The options vested immediately.

The following table lists the inputs to the options model and the terms of options granted:

Issue date	Number of options issued	Exercise price	Expiry date	Expected volatility	Risk- free rate	Expected life	Estimated fair value	Model used	
Other Options									
Feb 19	26,750,000	\$0.03	27 Feb 22	-	-	3.0 years	-	-	(b)
Feb 19	3,000,000	\$0.03	16 Jan 21	-	-	3.0 years	-	-	(c)
Jan 20	30,000,000	\$0.02	31 Oct 22	-	-	3.0 years	-	-	(d)
Jun 18	4,000,000	\$0.06	5 Jun 22	-	-	3.0 years	-	-	(e)

- (b) Issue of 26.75 million options to subscribers to placement in December 2018.
- (c) Issue of 3 million options as approved at the Annual General Meeting of shareholders on 21 November 2017.
- (d) Issue of 30 million options as approved at the General Meeting of shareholders on 31 December 2019. These are free attaching options from completed placement.
- (e) Issue of 4 million options as approved at the General Meeting of shareholders on 24 May 2018.

Weighted average disclosures on options

	2021	2020
Weighted average exercise price of options at 1 July	\$0.05	\$0.05
Weighted average exercise price of options granted during period	\$0.02	\$0.02
Weighted average exercise price of options outstanding at 30 June	\$0.03	\$0.03
Weighted average exercise price of options exercisable at 30 June	\$0.03	\$0.03
Weighted average contractual life	2.38 Years	2.38 Years
Range of exercise price	\$0.02-\$0.06	\$0.02-\$0.06

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

13. Earnings per share

	2021	2020
Net loss used in calculating basic and diluted loss per share	(997,375)	(554,321)
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	488,819,822	330,093,814
	Cents per share	Cents per share
Basic earnings loss per share	(0.20)	(0.17)
Diluted earnings loss per share	(0.20)	(0.17)

14. Key management personnel

Key management personnel compensation

The aggregate compensation made to key management personnel of the Company is set out below:

	Consolidated 2021 \$	Consolidated 2020 \$
Short term employee benefits	96,663	249,880
Post-employment benefits	2,533	1,267
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Consulting	166,000	-
	265,196	251,147

Shareholdings of key management personnel

Fully paid ordinary shares held in Silver City Minerals Limited

	Balance at 1 July no.	Granted as compensation no.	Received on exercise of options no.	Net change other * no.	Balance at 30 June no.	Balance held nominally no.
2021						
T Pickett	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-
R Gotthard (a)	-	-	-	-	-	-
L Horn (b)	-	-	-	-	-	-
D White (c)	-	-	-	-	-	-
Total	-	-	-	-	-	-
2020						
T Pickett	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-
R Gotthard	-	-	-	-	-	-
Total	-	-	-	-	-	-

- (a) Resigned 1 October 2020
- (b) Appointed 1 October 2020
- (c) Appointed 23 July 2021

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

14. Key management personnel (continued)

Option holdings of key management personnel

Share options held in Silver City Minerals Limited

	Balance at 1 July no.	Granted as compensation no.	Exercised no.	Net other change no.	Balance at 30 June no.	Balance vested at 30 June no.	Vested but not exercisable no.	Vested and exercisable no.	Options vested during year no.
2021									
T Pickett	-	-	-	-	-	-	-	-	-
L Horn (a)	-	-	-	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-	-	-	-
R Gotthard (b)	-	-	-	-	-	-	-	-	-
D White (c)	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
2020									
J Puckridge (a)	-	-	-	-	-	-	-	-	-
T Pickett	-	-	-	-	-	-	-	-	-
D Wates (b)	-	-	-	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-	-	-	-
R Gotthard	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

(a) Appointed 1 October 2020.

(b) Resigned 1 October 2020.

(c) Appointed 23 July 2021.

15. Related party disclosures

Subsidiaries

The consolidated financial statements include the financial statements of Silver City Minerals Limited (the Parent Entity) and the following subsidiaries:

Name	Country of incorporation	% Equity interest	
		2021	2020
Mining Exploration Pty Ltd (MEPL)	Australia	100	100
Silver City NZ PTY Limited	New Zealand	100	100

16. Auditors' remuneration

Total amounts receivable by the current auditors of the Company for:

Audit of the Company's accounts

Other services

Consolidated 2021 \$	Consolidated 2020 \$
31,250	34,500
-	2,600
31,250	37,100

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

17. Joint ventures

The Company is a party to a number of exploration joint venture agreements to explore for copper, gold, zinc and lead. Under the terms of the agreements the Company will be required to contribute towards the exploration and other costs if it wishes to maintain or increase its percentage holdings. The joint ventures are not separate legal entities. There are contractual arrangements between the participants for sharing costs and future revenues in the event of exploration success. There are no assets and liabilities attributable to the Company at the balance date resulting from these joint ventures other than exploration expenditure costs carried forward as detailed in Note 8. Costs are accounted for in accordance with the terms of joint venture agreements and in accordance with Note 2(i). Percentage equity interests in joint ventures at 30 June 2021 were as follows:

Joint Venture	Percentage interest 2021	Percentage interest 2020
Silver City Farm In and Joint Venture Agreement		
EL 7300	85%	85%
EL 8075	75%	75%
Silver City Broken Hill Project Sale Agreement – Variscan Mines Limited		
ELs 8236 and 8075	75%	75%
Agreement relating to EL 8078 (Yalcowinna – formerly Ziggys EL 6036 and Euriowie 7319) with Eaglehawk Geological Consulting Pty Ltd		
EL 8078 (Eaglehawk has an 8% interest in this EL)	92%	92%
Broken Hill Base Metals Project with Impact Minerals Limited*		
EL 7390	0%	20%
Silver City JV with CBH		
EL 8495	75%	75%
EL 8236	75%	75%
EL 8075	75%	75%
EL 8862	75%	75%
EL 8863	75%	75%

* Silver City's interest is terminated.

18. Segment information

The operating segments identified by management are as follows:

Exploration projects funded directly by Silver City Minerals Limited (“Exploration”)

Regarding the Exploration segment, the Chief Operating Decision Maker (the Board of directors) receives information on the exploration expenditure incurred. This information is disclosed in Note 8 of this financial report. No segment revenues are disclosed as each exploration tenement is not at a stage where revenues have been earned. Furthermore, no segment costs are disclosed as all segment expenditure is capitalised, with the exception of expenditure written off which is disclosed in Note 8. Financial information about each of these tenements is reported to the Board on an ongoing basis.

Corporate office activities are not allocated to operating segments as they are not considered part of the core operations of any segment and comprise of the following:

- ▶ Interest revenue.
- ▶ Corporate costs.
- ▶ Depreciation and amortisation of non-project specific property, plant and equipment.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

19. Contingent liabilities

The Group has provided guarantees totalling \$175,500 (2020: \$160,000) in respect of exploration tenements in NSW. These guarantees in respect of exploration tenements are secured against deposits with a banking institution. The Company does not expect to incur any material liability in respect of the guarantees.

20. Financial instruments

The Board as a whole is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that Senior Management have developed and implemented a sound system of risk management and internal control. The Company's risk management policy has been designed to identify, assess, monitor and manage material business risks to ensure effective management of risk. These policies are reviewed regularly to reflect material changes in market conditions and the Company's risk profile.

The main risks identified in the Company's financial instruments are capital risk, credit risk, liquidity risk, interest rate risk and commodity price risk. Summarised below is information about the Company's exposure to each of these risks, their objectives, policies and processes for measuring and managing risk, the management of capital and financial instruments.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the Company. In order to achieve this objective, the Company seeks to maintain a sufficient funding base to enable the Company to meet its working capital and strategic investment needs.

The Board ensures costs are not incurred in excess of available funds and will seek to raise additional funding through the issue of shares for the continuation of the Company's operations when required.

The Company considers its capital to comprise of its ordinary share capital, option reserve and accumulated losses. There were no changes in the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

Financial risk management objectives

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

During the period there have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Company's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the Company where such impacts may be material. The Board receives regular reports from the Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. These risks include credit risk, liquidity risk, interest rate risk and commodity price risk. The Company does not use derivative financial instruments to hedge these risk exposures.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these risks are set out below.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

20. Financial instruments (continued)

Credit risk (continued)

The Company mitigates credit risk on cash and cash equivalents by dealing with banks that have high credit-ratings assigned by Standard and Poors. There are two counterparties for Cash and Cash equivalents which are Commonwealth Bank of Australia and Bank of Western Australia Limited. Credit risk of receivables is low as it consists predominantly of GST recoverable from the Australian Taxation Office and interest receivable from deposits held with regulated banks.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated 2021 \$	Consolidated 2020 \$
Cash and cash equivalents	2,288,432	650,725
Receivables	56,858	33,056
Deposits with banks and NSW Government	175,500	160,000
	2,520,790	843,781

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

Ultimate responsibility for liquidity risk rests with the Board of Directors, who have built an appropriate risk management framework for the management of the Company's short, medium and long-term funding and liquidity requirements. The Company manages liquidity by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following table details the Company's contractual maturities of financial liabilities:

Financial liabilities	Carrying amount \$	< 12 months \$	1-3 years \$	>3 years \$
2021				
Payables	75,863	75,863	-	-
	75,863	75,863	-	-
2020				
Payables	72,374	72,374	-	-
	72,374	72,374	-	-

The following table details the Company's expected maturity for financial assets:

Financial assets	Carrying amount \$	< 12 months \$	1-3 years \$	>3 years \$
2021				
Cash at bank and term deposits	2,288,432	2,288,432	-	-
Receivables	56,858	56,858	-	-
Deposits with banks and NSW Government	175,500	-	175,500	-
	2,520,790	2,345,290	175,500	-
2020				
Cash at bank and term deposits	650,725	650,725	-	-
Receivables	33,056	33,056	-	-
Deposits with banks and Joint Venture Partner	160,000	-	160,000	-
	843,781	683,781	160,000	-

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

20. Financial instruments (continued)

Interest rate risk

The Company's exposure to the risks of changes in market interest rates relates primarily to the Company's cash holdings and short term deposits. These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Company does not engage in any hedging or derivative transactions to manage interest rate risk.

At balance date, the Company was exposed to floating weighted average interest rates as follows:

	Consolidated 2021 \$	Consolidated 2020 \$
Weighted average rate of cash balances	0.00%	0.03%
Cash balances	102,836	50,328
Weighted average rate of deposits	0.41%	0.75%
Deposits	2,185,596	600,397

The Company invests surplus cash in interest-bearing term deposits with financial institutions and in doing so it exposes itself to the fluctuations in interest rates that are inherent in such a market. Term deposits are normally invested between 7 to 90 days and other cash at bank balances are at call.

The Company's exposure to interest rate risk is set out in the table below:

Sensitivity analysis		+1.0% of AUD IR		-1.0% of AUD IR	
	Carrying amount \$	Profit \$	Other equity \$	Profit \$	Other equity \$
2021					
Cash and cash equivalents	2,288,432	22,884	-	(22,884)	-
Tax charge of 26%	2,288,432	(5,950)	-	5,950	-
After tax profit increase/(decrease)	-	16,934	-	(16,934)	-
2020					
Cash and cash equivalents	650,725	6,507	-	(6,507)	-
Tax charge of 27.5%	650,725	(1,789)	-	1,789	-
After tax profit increase/(decrease)	-	4,718	-	(4,718)	-

The above analysis assumes all other variables remain constant.

Commodity price risk

The Company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development of mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The Company does not hedge its exposures.

Net fair value of financial assets and liabilities

The carrying amounts of financial assets and liabilities of the Company approximate their net fair values, given the short time frames to maturity and or variable interest rates.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

21. Commitments

In order to maintain the Company's tenements in good standing with the New South Wales Department of Planning and Environment – Resources and Geoscience and the Western Australia Department of Mines, the Company may be required to incur exploration expenditure under the terms of each licence. Exploration licences renewed or granted in NSW after 1 July 2016 have no exploration expenditure commitment. These commitments are not binding as exploration tenements can be reduced or relinquished at any time. The Company has however provided the combined indicative tenement expenditure commitment for both NSW and predominately WA exploration assets as stated below.

	Consolidated 2021 \$	Consolidated 2020 \$
Payable not later than one year	750,000	-
Payable later than one year but not later than two years	1,000,000	-
	1,750,000	-

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

22. Events after the balance sheet date

On 26 July 2021, the Company announced that it had now finalised its due diligence and completed the acquisition for an 80% interest in the Austin Gold Project through the acquisition of 80% of the shares in the capital of GT from the Vendor ("Acquisition"), as announced to the ASX on 7 April 2021.

The Company announced on 5 August 2021, 23 August 2021 and 22 September 2021, the status update for Diamond, RC and Air Core Drilling programs which are currently underway and in advance stages. The results of drilling programs will be provided in the forthcoming period ahead.

There were, at the date of this report, no other matters or circumstances which have arisen since 30 June 2021 that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

23. Statement of cash flows

	Consolidated 2021 \$	Consolidated 2020 \$
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating profit/(loss) after income tax	(997,375)	(554,321)
Depreciation	3,166	2,122
Exploration costs in opening and closing creditors	(30,607)	-
Exploration expenditure written off	547,770	3,705
Gain on sale of assets	(20,000)	-
Change in assets and liabilities:		
(Increase)/decrease in receivables	(23,312)	4,887
Decrease)/increase in trade and other creditors	3,490	33,146
Net cash outflow from operating activities	(516,898)	(510,461)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2021

23. Statement of cash flows (continued)

- (b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

The balance at 30 June 2020 comprised:

Cash assets	102,836	50,328
Bank deposits (Note 5)	2,185,596	600,397
Cash on hand	2,288,432	650,725

24. Parent entity information

	2021 \$	2020 \$
Current assets	2,343,138	681,629
Total assets	8,704,522	6,892,191
Current liabilities	75,863	72,373
Total liabilities	75,863	72,373
Issued capital	22,018,334	19,311,702
Accumulated losses	(13,397,434)	(12,497,084)
Reserves	7,759	5,200
Total shareholders' equity	8,628,659	6,819,818
Loss of the parent entity	(997,375)	(554,321)
Total comprehensive loss of the parent entity	(997,375)	(554,321)

Directors' Declaration

In accordance with a resolution of the directors of Silver City Minerals Limited, I state that:

In the opinion of the directors:

- (a) The financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
 - (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
- (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2; and
- (c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
- (d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2021.

On behalf of the Board



Sonu Cheema

Non-executive Director and Company Secretary
Perth, 30 September 2021

Independent Auditor's Report

To the members of Silver City Minerals Limited,

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Silver City Minerals Limited (the company and its subsidiaries) ("the Group"), which comprises the consolidated statements of financial position as at 30 June 2021, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Deferred Exploration and Evaluation Expenditure \$5.9 million Refer to Note 8	
<p>The consolidated entity owns the rights to several exploration licenses in New South Wales and Western Australia. Expenditure relating to these areas is capitalised and carried forward to the extent they are expected to be recovered through the successful development of the respective area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.</p> <p>This area is a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the balance; • The inherent uncertainty of the recoverability of the amount involved; and • The substantial amount of audit work performed. 	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> • Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets; • Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest; • Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; and • Obtaining external confirmations to ensure the exploration licences are current and accurate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Silver City Minerals Limited for the year ended 30 June 2021 complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDJ Partners



Gregory Cliffe
Partner

30 September 2021

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Additional Information

Information relating to shareholders

Information relating to shareholders at 24 September 2021 (per ASX Listing Rule 4.10)

Ordinary fully paid shares

There was a total of 907,179,002 fully paid ordinary shares on issue.

Options

Number of shares under option	Class of share	Exercise price of option	Expiry date of options
42,406,250	Ordinary	\$0.02	31 October 2022
4,250,000	Ordinary	\$0.05	30 June 2023
4,250,000	Ordinary	\$0.10	30 June 2024
4,000,000	Ordinary	\$0.06	5 June 2022
26,750,000	Ordinary	\$0.03	27 February 2022
81,656,250			

Substantial shareholders	Shareholding
Gardner Mining Pty Ltd	339,385,066

Top 20 shareholders of ordinary shares	Number	%
GARDNER MINING PTY LTD	339,385,066	37.41%
UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	31,500,000	3.47%
RUBI HOLDINGS PTY LTD <JOHN RUBINO SUPER FUND A/C>	29,000,000	3.19%
SKYWALKER HOLDINGS WA PTY LTD	25,948,267	2.86%
WINDELL HOLDINGS PTY LTD <THOMPSON SUPER FUND A/C>	20,000,000	2.20%
RECO HOLDINGS PTY LTD <RECO SUPER FUND A/C>	14,000,000	1.54%
CITICORP NOMINEES PTY LIMITED	10,298,026	1.13%
MRS ELIZABETH RACHEL WILCOX	9,366,666	1.03%
GEORDIE BAY HOLDINGS PTY LTD	9,000,000	0.99%
MR MICHAEL OWEN SHERRY	8,000,000	0.88%
MR BILAL AHMAD	7,333,334	0.80%
LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C>	6,866,667	0.75%
THREE ZEBRAS PTY LTD <THE JUDD FAMILY A/C>	6,333,334	0.69%
L&M GROUP LIMITED	6,000,000	0.66%
BRU BOY PTY LTD <BRU BOY INVESTMENT A/C>	5,000,000	0.55%
BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,742,539	0.52%
BNP PARIBAS NOMS PTY LTD <DRP>	4,671,515	0.51%
MR BIN LIU	4,666,667	0.51%
MR ANDREW CARL JAMES <AJ FAMILY A/C>	4,000,000	0.44%
THREEBEE INVESTMENT GROUP PTY LTD	3,370,000	0.37%
Total of top 20 holdings	549,482,081	60.57%
Total number of shares	907,179,002	100.00%

Additional Information

Range – FPO Shares	Number of shareholders	Ordinary shares	%
1-1,000	84	11,530	0.00
1,001-5,000	30	104,386	0.01
5,001-10,000	91	803,055	0.09
10,001-100,000	869	38,991,553	4.30
100,001-9,999,999,999	656	867,268,478	95.60
	1,730	907,179,002	100.00

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof.

Range – Unlisted Options	Number of shareholders	Ordinary shares	%
1-1,000	0	0	0.00
1,001-5,000	0	0	0.00
5,001-10,000	0	0	0.00
10,001-100,000	1	56,250	0.07
100,001-9,999,999,999	42	81,600,000	99.93
	43	81,656,250	100.00

Optionholders have no voting rights until the options are exercised.

There is no current on-market buy-back.

Corporate governance statement

Silver City Minerals is committed to ensuring that its policies and practices reflect a high standard of corporate governance. The Board has adopted a comprehensive framework of Corporate Governance Guidelines.

The Group's Corporate Governance Statement can be viewed at: www.silvercityminerals.com.au/corporate/corporate-governance

Tenement Schedule

Project	Tenement	Tenement Holder	Grant Date	Expiry Date	Blocks	Area (sq km)
Tindery	EL 8579	Silver City Minerals Ltd	26/05/2017	26/05/2023	47	141
Wellington	EL 8971	Silver City Minerals Ltd	23/04/2020	23/04/2026	71	213
Broken Hill	EL 7300	Silver City Minerals Ltd	23/02/2009	23/02/2026	18	54
	EL 8020	Silver City Minerals Ltd	23/11/2012	23/11/2023	6	18
	EL 8075	Silver City Minerals Ltd	15/04/2013	15/04/2022	40	120
	EL 8077	Silver City Minerals Ltd	15/04/2013	15/04/2022	23	69
	EL 8078	Silver City Minerals Ltd	15/04/2013	15/04/2022	36	108
	EL 8236	Silver City Minerals Ltd	11/02/2014	11/02/2026	4	12
	EL 8333	Silver City Minerals Ltd	17/12/2014	17/12/2023	5	15
	EL 8495	Silver City Minerals Ltd	22/12/2016	22/12/2024	5	15
	EL 8685	Silver City Minerals Ltd	23/01/2018	23/01/2024	2	6
	EL 8862	Silver City Minerals Ltd	17/06/2019	17/06/2025	8	24

Additional Information

	EL 8863	Silver City Minerals Ltd	17/06/2019	17/06/2025	29	87
Tallering	E59/2455	Silver City Minerals Ltd	Pending, applied 13/8/2020		47	141
Austin	E58/510	Gardner Tenements Pty Ltd*	31/05/2018	30/05/2023	26	78
Austin	E58/543	Gardner Tenements Pty Ltd*	1/07/2019	30/06/2024	3	9
Austin	E21/201	Gardner Tenements Pty Ltd*	13/08/2019	12/08/2024	31	93
Austin	M21/154	Gardner Tenements Pty Ltd*	20/01/2010	19/01/2031	488	5
Austin	P21/716	Gardner Tenements Pty Ltd*	8/04/2014	7/04/2022	8	0

*Austin Project JVA