

# SILVER CITY MINERALS LIMITED

ABN 68 130 933 309

## ANNUAL REPORT 2020



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## Board of Directors

Roland Gotthard  
Tom Pickett  
Sonu Cheema (Director and Company Secretary)

## ASX Share Register

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GPO Box 3993  
Sydney, NSW 2001  
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[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## Auditor

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

## Principal and Registered Office

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Telephone: +61 8 6489 1600

Email: [reception@cicerogroup.com.au](mailto:reception@cicerogroup.com.au)

Website: [www.silvercityminerals.com.au](http://www.silvercityminerals.com.au)

## Securities Exchange Listing

Australian Securities Exchange  
ASX Code: SCI

# Directors' Report

During the Period ended 30 June 2020, 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 Euriovie Block including the Yalcowinna Cu-Co prospect.

## Wellington Project

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

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

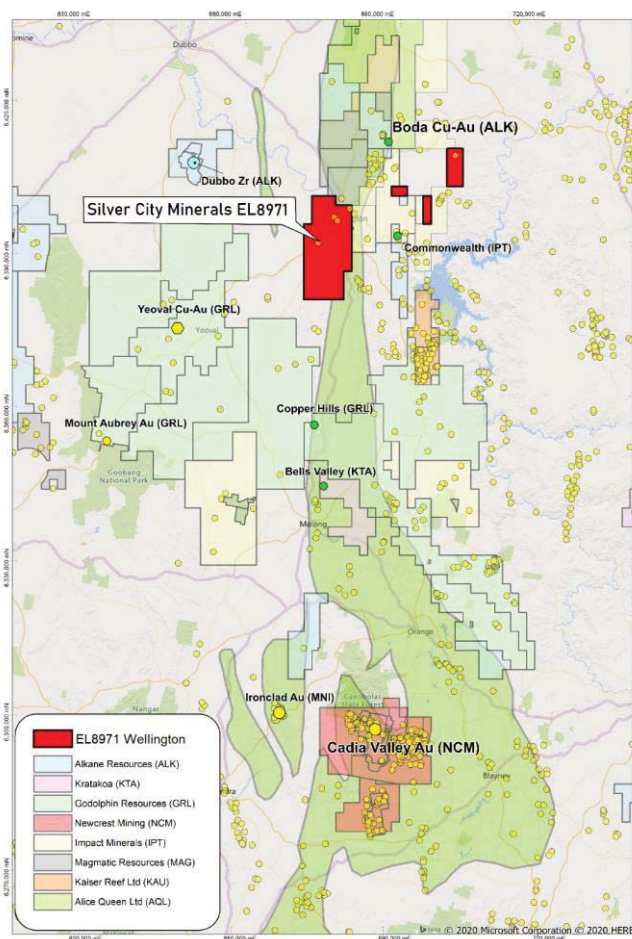
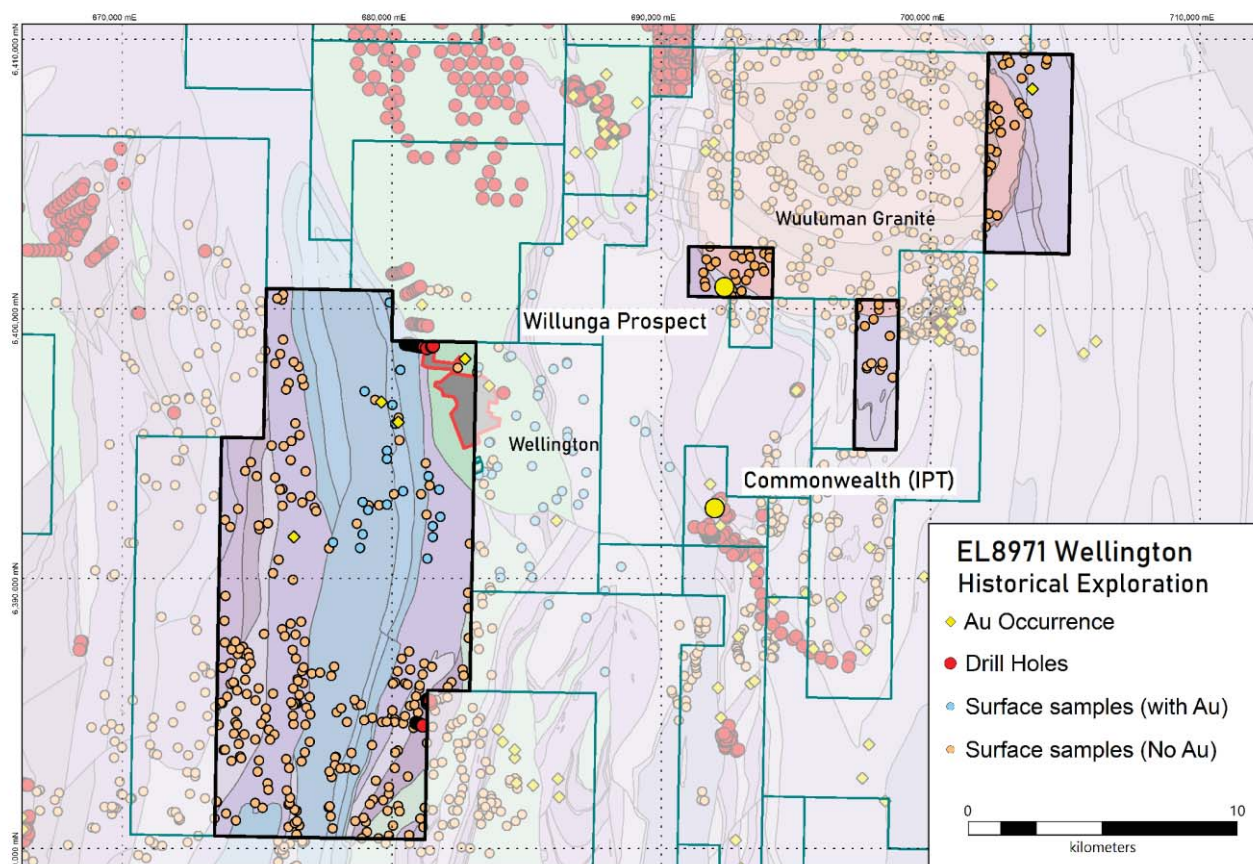


Figure 1: Location of EL8971 Wellington

## Historical Exploration

Silver City Minerals has collated and reviewed all historical exploration from the New South Wales DIGS online database. Exploration on the Wellington Project is detailed in historical exploration reports, annual reports and tenement relinquishment reports. The Project has been explored by Placer Prospecting Australia (1967-1968), AMAX Exploration (1972-1974), Banlona Pty Ltd (Paradigm Gold) in 2014. The majority of the project area has been covered with regional scale stream sediment sampling. Assaying has primarily been for base metals (copper, lead and zinc) with limited precious metals (gold, silver) and very limited trace element geochemistry (Figure 2, below).



**Figure 2: Historical Exploration EL8971 Wellington**

## Willunga Copper Prospect

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

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

Silver City Minerals has reviewed the historical exploration of the Wellington Project EL8971 and has concluded that contact zone of the Carboniferous Wuuluman Granite represents an hydrothermal mineralisation target related to porphyry dykes. The Company believes that EL9871 Wellington has potential to host porphyry copper-gold mineralisation and other styles of mineralisation, and that historical exploration was insufficient to test this potential.

The Company has engaged a land access consultant and has begun the process of negotiating access to the Willunga Prospect for the purposes of undertaking soil sampling, prospecting and mapping.

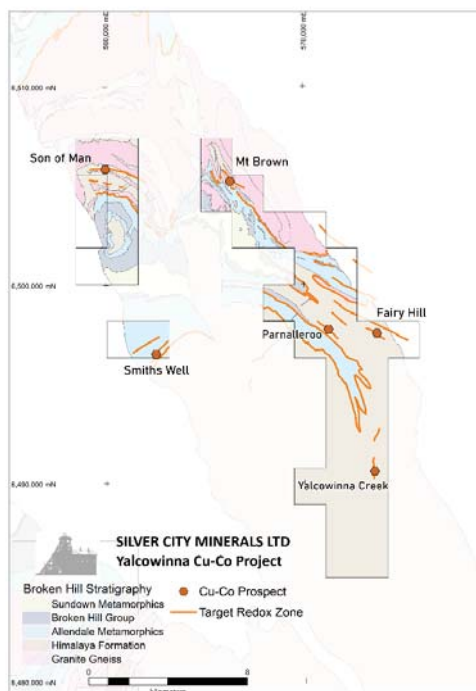
Silver City Minerals has assumed operatorship of the Wellington Project and will progress land access agreements in the current quarter prior to undertaking exploration activities. Planned activities include low-impact exploration activities such as soil sampling, petrology and geological mapping.

## Tindery Project

EL8579 Tindery is located 45 km north of Cobar, and covers an area of 138km<sup>2</sup>. EL8579 was reduced via partial relinquishment in line with statutory obligations during the preceding Quarter, with gold prospective portions of the tenement retained.

Silver City Minerals has identified that the contact of the Silurian Tindarey Granite is prospective for gold mineralisation. The Cobar Basin is intruded by a suite of Silurian aged granitoids, including the Tindery Granite. Several mineral occurrences of gold and reported historical small-scale mines and workings are reported within the Girilambone Group within proximity to the contacts of the Tindery Granite.





**Figure 4 Yalcowinna Cu-Co Project Target Redox Zones**

## EL8077 Razorback

Silver City Minerals has reviewed the Razorback prospect, with a thorough reinterpretation of the Company's drilling and geophysical data undertaken. The review, undertaken by both external and Company personnel, has identified significant opportunity still exists within the Razorback tenement for discovery of Broken Hill Type lead and zinc sulphide mineralisation. The Company is in the process of updating its land access agreements with affected landholders, and auditing of registered Aboriginal Heritage sites and land access agreements with affected native title holders and claimant groups, to bring them in to line with community expectations. The Company will then commence on ground exploration on Razorback.

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

The Yalcowinna Project contains extensive copper-cobalt mineralised gossans hosted within the Thackaringa Group sequence in the Euriowie Block, approximately 25km east of Broken Hill. The Company compiled and reviewed a new exploration model that more associates the Yalcowinna copper and cobalt occurrences to the Big Hill, Railway and Pyrite Hill cobaltiferous pyrite deposits (refer Cobalt Blue Holdings Ltd ASX:COB).

These deposits are formed of massive and disseminated cobaltiferous pyrite hosted within albitised gneisses within the Thackaringa Group. The mineral system models for these deposits are analogous to redox-boundary hosted sedimentary copper mineralisation common to Proterozoic sedimentary basins. Redox boundaries occur as the host basin transitions from shallow, oxygenated conditions to deep water anoxic conditions, which occurs at the top of the Thackaringa Group within the Curnamona Craton.

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

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

Land access agreements for the Yalcowinna Project are being renegotiated with affected landholders, with a land access manager appointed to undertake the work. The Company is also undertaking a process of auditing of registered Aboriginal Heritage sites and land access agreements with affected native title holders and claimant groups, to bring them in to line with community expectations.

The Company has appointed an external consultancy and field operations manager to undertake exploration on the Yalcowinna Project and is planning on undertaking regional sampling of gossans and ironstone outcrops to understand

Silver City Minerals has renegotiated land access agreements with landholders at Tindery, paving the way for field activities. The Company has engaged a consultancy and field operations manager to undertake soil sampling on accessible portions of the tenement.

## Copper Blow (EL8863, EL8333 SCI 75%)

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

To date the Company has drilled approximately 8,500 metres at Copper Blow prospect (see ASX Release 4 October 2018), defining a +200m vertical extent of copper mineralisation interpreted to be hosted within a shear of structural zone.

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

The Company has worked on renegotiating the land access agreements with affected pastoral landholders during the year. The Company is reviewing its land use and access on EL8263 including auditing of registered Aboriginal Heritage sites and land access agreements with affected native title holders and claimant groups, to bring them in to line with community expectations.

# Directors' Report

whether these represent IOCG mineralisation or sedimentary copper-cobalt mineralisation. This activity is pending the completion of land access agreements.

## 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

TenementId	Project	GrantDate	ExpiryDate	Comments
EL 7300	ARAGON	23/02/2009	23/02/2020	Previously ELA 3584, 3585 & 3586
EL 7390	YELLOWSTONE	20/08/2009	20/08/2023	Previously ELA 3705
EL 8020	RIDDOCK	23/11/2012	23/11/2023	Previously ELA 4558
EL 8075	WILLYAMA	15/04/2013	15/04/2022	Previously ELA 4646
EL 8077	RAZORBACK	15/04/2013	15/04/2022	Previously ELA 4655
EL 8078	YALCOWINNA	15/04/2013	15/04/2022	Previously ELA 4654
EL 8236	NATIVE DOG	11/02/2014	11/02/2020	Previously ELA 4925
EL 8333	ENMORE	17/12/2014	17/12/2023	Previously ELA 5076
EL 8495	SOUTHERN CROSS	22/12/2016	22/12/2024	Previously ELA 5362
EL 8579	TINDERY	26/05/2017	26/05/2020	Renew Pending
EL 8685	ASPEN	23/01/2018	23/01/2024	
EL 8862	CLEVEDALE	17/06/2019	17/06/2025	Previously ELA 5731 (ELA 5731 was applied for to consolidate EL 8074 and part of EL 8255)
EL 8863	HIMALAYA	17/06/2019	17/06/2025	Previously ELA 5732 (EL 5732 was applied for to consolidate EL 8076, part of EL 8255, EL 8629 and ELA 5702 plus some additional ground)
EL 8971	ORANGE	23/04/2020	22/04/2025	

**Table 1: Tenement Schedule**

EL = Exploration Licence

Els 8075, 8078, 8236 are subject to agreements with Variscan Mines Limited and Eaglehawk Geological Consulting Pty Ltd whereby Variscan and Eaglehawk hold an NSR (Net Smelter Return) interest in parts of these tenements.

Silver City has an agreement with Impact Minerals on the lead-zinc-silver metal rights for EL 7390. Silver City's interest is free-carried to a Decision to Mine.

Eaglehawk has an 8% interest carried to the completion of a BFS in EL 8695 and in 45 of the 50 units that are now EL 8078. On completion of a BFS, Eaglehawk can contribute to retain the 8% interest or revert to a 0.2% NSR. The percentages for ELs 8076, 8074, 8255 and 8629 should be 0% in 2019. These licences were cancelled and consolidated into ELs 8862 and 8863.

## ASX Listing Rules Compliance

In preparing the Annual Report for the period ended 30 June 2020, the Company has relied on the following ASX announcements

ASX Announcement	1 Aug 2019	Quarterly Activities Report and Appendix 5B
ASX Announcement	12 Aug 2019	Response to ASX Price Query
ASX Announcement	2 Sep 2019	Change of Address
ASX Announcement	26 Sep 2019	Annual Report including Full Year Statutory Accounts
ASX Announcement	22 Oct 2019	Notice of Annual General Meeting and Proxy Form
ASX Announcement	1 Nov 2019	Placement to raise \$300,000
ASX Announcement	1 Nov 2019	Quarterly Activities Report and Appendix 5B
ASX Announcement	5 Nov 2019	Becoming a substantial holder
ASX Announcement	5 Nov 2019	Notice under section 249D of the Corporations Act
ASX Announcement	7 Nov 2019	Appendix 3B and Cleansing Notice
ASX Announcement	11 Nov 2019	Change in substantial holding
ASX Announcement	22 Nov 2019	Results of Meeting
ASX Announcement	26 Nov 2019	Notice of General Meeting/Proxy Form
ASX Announcement	26 Nov 2019	Letter to Shareholders
ASX Announcement	19 Dec 2019	Change in substantial holding
ASX Announcement	30 Dec 2019	Share Trading Policy

# Directors' Report

ASX Announcement	2 Jan 2020	Results of Meeting
ASX Announcement	2 Jan 2020	Placement to raise \$200,000
ASX Announcement	6 Jan 2019	Ceasing to be a substantial holder
ASX Announcement	14 Jan 2020	Notice of Initial Substantial Holder
ASX Announcement	17 Jan 2020	Change in substantial holding
ASX Announcement	31 Jan 2020	Quarterly Activities Report and Appendix 5B
ASX Announcement	21 Feb 2020	Director Appointment
ASX Announcement	21 Feb 2020	Final Director's Interest Notice
ASX Announcement	21 Feb 2020	Initial Director's Interest Notice
ASX Announcement	9 Mar 2020	Trading Halt
ASX Announcement	11 Mar 2020	Highly Prospective Lachlan Fold Copper Gold Project Secured
ASX Announcement	11 Mar 2020	Proposed issue of Securities - SCI
ASX Announcement	12 Mar 2020	Half Year Financial Report
ASX Announcement	18 Mar 2020	Placement Completion and Extension of Option
ASX Announcement	25 Mar 2020	DD Progressing on Acquisition 15kms from Boda
ASX Announcement	3 Apr 2020	Change in substantial holding
ASX Announcement	3 Mar 2020	Change in substantial holding
ASX Announcement	16 Apr 2020	Significant 1.2km copper anomaly identified in Lachlan Fold
ASX Announcement	27 Apr 2020	Trading Halt
ASX Announcement	28 Apr 2020	SILVER CITY EXERCISES OPTION TO ACQUIRE WELLINGTON PROJECT
ASX Announcement	30 Apr 2020	Quarterly Activities Report and Appendix 5B
ASX Announcement	29 May 2020	Board Appointment
ASX Announcement	12 Jun 2020	Notice of General Meeting/Proxy Form

## Compliance Statement

This report contains information extracted from reports cited herein. These are available to view on the website [www.silvercityminerals.com.au](http://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 2020.

## 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.

### Tom Pickett

#### Non-Executive Director

Director since 28 February 2019

Tom 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.

# Directors' Report

## Roland Gotthard

### Non-Executive Director

Director since 20 February 2020

Mr Gotthard is an Exploration Geologist with over 15 years' experience and discovering mineralisation and ore deposits in both greenfields and brownfields environments. Roland's experience has predominantly been in exploring for Archaean and Proterozoic lode gold, Proterozoic and Archaean VMS deposits, Proterozoic copper, iron ore and lithium. Mr. Gotthard holds a Bachelor of Science degree from the University of Queensland (Honours) and has held positions previously with companies such as Mincor Resources NL, LionOre Australia Ltd and Ramelius Resources Ltd.

## 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.

## Josh Puckridge

### Non-Executive Director

Director since 3 February 2017 – Resigned 29 May 2020

Josh is a Corporate Finance Executive formerly working as a specialist Equity Capital Markets Advisor for Fleming Australia, a Corporate Advisory and Funds Management firm. He has significant experience within funds management, capital raising, mergers, acquisitions and divestments of projects by companies listed on the Australian Securities Exchange.

## Darren Wates

### Non-Executive Director

Director since 28 February 2019 – Resigned 20 February 2020

Darren is a corporate lawyer with over 20 years' experience in equity capital markets, merger and acquisitions, resources, project acquisitions and corporate governance gained through private practice and in-house roles in Western Australia. Darren holds Bachelor degrees in Law and Commerce and a Graduate Diploma in Applied Finance and Investment.

## Directors' interests in shares and options

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

Directors	Shares directly and indirectly held	Options directly and indirectly held
T Pickett	-	-
R Gotthard	-	-
S Cheema	-	-

## 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 \$554,321 (2019: loss of \$1,531,863).

## Dividends

No dividends were paid or proposed during the period.



# Directors' Report

## Review of operations

A review of the operations commences on page 4 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 21 July 2020, the Company announced the advancement of the completion of acquisition and settlement for the Wellington Project (EL 5852). This follows the exercise of an option under the binding option agreement (Agreement) with Syndicate Minerals Pty Ltd (Vendor) to acquire its holdings in EL 5852 and in accordance with shareholder approval received at the General Meeting held on 13 July 2020 (GM).

On 29 July 2020, the Company announced that had received commitments for a placement of up to 100,000,000 fully paid ordinary shares (Placement Shares) at a price of \$0.015 per share to raise \$1,500,000 before costs. This was subsequently completed on 4 August 2020.

On 19 August 2020, the Company announced the commence and assessment of its strategic tenement holdings in New South Wales to identify exploration opportunities, particularly for gold mineralisation. EL8579 Tindery is located 45 km north of Cobar and covers an area of 288km<sup>2</sup>. The prospective Chesney Fault System strikes onto the southern portion of EL8579, with 15km of prospective fault on the tenure.

On 26 August 2020, the Company applied for an exploration tenement in the Murchison region of Western Australia, E59/2445 Talling. E59/2445 covers an area of 48 subblocks (143km<sup>2</sup>) in the northern Talling Greenstone Belt, Western Australia, and is prospective for Volcanogenic Massive Sulphides.

There were, at the date of this report, no matters or circumstances which have arisen since 30 June 2020 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.

## 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
63,625,000	Ordinary	\$0.02	31 October 2022
3,000,000	Ordinary	\$0.03	16 January 2021
4,000,000	Ordinary	\$0.06	5 June 2022
2,000,000	Ordinary	\$0.05	29 November 2020
26,750,000	Ordinary	\$0.03	27 February 2022
99,375,000			

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.

# Directors' Report

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## 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 2020, 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

Anthony Dowell  
Partner

24 September 2020

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**Accounting**

**Financial  
Advice**

**Super**

**Audit**

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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 2020 amounting to \$2,600 for tax return and business activity statement lodgement (2019: Nil). 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 2020 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
R Gotthard	Non-Executive Director – Appointed 20 February 2020
S Cheema	Non-Executive Director and Company Secretary - Appointed 29 May 2020
J Puckridge	Non-Executive Director – Resigned 29 May 2020
D Wates	Non-Executive Director – Resigned 20 February 2020

## 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 2019, 37% of shareholders voted against an advisory resolution to adopt the Company's remuneration report. Following this result, the Company is required, under the Corporations Act, to provide investors with an update on any action that has been taken in response to the shareholder vote. The Company has used this result as an opportunity to re-evaluate both the structure of the Board and its approach to remuneration to ensure that the arrangements are appropriate given the stage of the Company's development.

As a result of the review, the Board has been reduced in size from four Directors to three. To ensure that the Board retains a strong mix of skills, Company Secretary Sonu Cheema was appointed as a Director of the Company. Mr Cheema has elected not to receive an additional fee for the assuming the role of Non-executive director of the Company.

# Directors' Report

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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 2020.

## **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 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.

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# Directors' Report

## Non-executive director remuneration arrangements (continued)

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 – Josh Puckridge – resigned 29 May 2020

- ▶ Director Fee. Term: As per Constitution of the Company.
- ▶ Fee rate: \$40,000 per annum. (2019: \$40,000)
- ▶ Termination payments: Nil
- ▶ Termination period: 1 Month Notice

### Non-Executive Director – Darren Wates – resigned 20 February 2020

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

### Non-Executive Director – Roland Gotthard – appointed 21 February 2019

- ▶ Director Fee. Term: As per Constitution of the Company
- ▶ Fee rate: \$40,000 per annum.
- ▶ 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.
- ▶ 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.<sup>1</sup>
- ▶ Termination payment: Nil

<sup>1</sup> 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 15% shareholder of Cicero Group Pty Ltd.

# Directors' Report

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

	Short-term benefits		Post employment	Share-based payments	Total \$	Consisting of options %
	Cash salary and fees \$	Consulting \$	Superannuation \$	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

## Director and key management personnel remuneration for the year ended 30 June 2019

	Short-term benefits		Post employment	Share-based payments		
	Cash salary and fees \$	Consulting \$	Superannuation \$	Options \$	Total \$	Consisting of options %
Directors						
B Besley(b)	30,581	-	2,941	-	33,522	-
C Torrey (b)	180,481	-	16,269	5,200	201,950	-
G Jones (b)	28,148	-	2,674	-	30,882	-
D. Wates (a)	13,333	-	-	-	13,333	-
T. Pickett (a)	13,665	-	-	-	13,665	-
J Puckridge	56,163	-	-	-	56,163	-
Total Directors	322,371		21,884	5,200	349,455	-
Other key management personnel						
S Cheema (a)	-	40,000	-	-	40,000	-
I Polovineo (b)	-	27,000	-	-	27,000	-
Total other KMP	-	67,000	-	-	67,000	-
Totals	322,371	67,000	21,884	5,200	416,455	-

- (a) Appointed 28 February 2019.
- (b) Resigned 28 February 2019.

# 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 2020 there were 2,000,000 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	-	-
D Wates	2	2	1	1	-	-
J Puckridge	2	2	1	1	-	-

Signed at Perth this 28<sup>th</sup> day of September 2020 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 2020

	Note	Consolidated 2020 \$	Consolidated 2019 \$
<b>Revenue</b>	3	28,083	252,141
ASX and ASIC fees		(32,513)	(35,357)
Audit fees		(34,500)	(28,200)
Computer services/licences		-	(17,196)
Contract administration services		(176,575)	(129,531)
Employee costs		(128,355)	(259,451)
Exploration expenditure written off		(82,490)	(1,107,222)
Insurances		(23,184)	(19,182)
Marketing and conference costs		(727)	(40,568)
Rent		(25,525)	(56,032)
Share based payments		-	(5,200)
Travel and accommodation		-	(15,211)
Other expenses from ordinary activities		(78,535)	(70,854)
<b>Loss before income tax expense</b>		(554,321)	(1,531,863)
Income tax expense	4	-	-
<b>Loss after income tax expense</b>	12	(554,321)	(1,531,863)
<b>Other comprehensive income</b>			
<b>Other comprehensive (loss)</b>		-	-
<b>Other comprehensive income/(loss) for the period</b>		-	-
<b>Total comprehensive loss for the year attributable to members of Silver City Minerals Limited</b>		(554,321)	(1,531,863)
Basic loss per share (cents per share)	14	(0.17)	(0.56)
Diluted loss per share (cents per share)	14	(0.17)	(0.56)

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

# Consolidated Statement of Financial Position

As at 30 June 2020

	Note	Consolidated 2020 \$	Consolidated 2019 \$
<b>Current assets</b>			
Cash assets	5	650,725	446,586
Receivables	6	33,056	35,189
<b>Total current assets</b>		<b>683,781</b>	<b>481,775</b>
<b>Non-current assets</b>			
Receivables	6	1,270	6,801
Tenement security deposits	7	160,000	160,000
Property, plant and equipment	8	3,166	5,288
Deferred exploration and evaluation expenditure	9	5,772,324	5,776,029
<b>Total non-current assets</b>		<b>5,936,760</b>	<b>5,948,118</b>
<b>Total assets</b>		<b>6,620,541</b>	<b>6,429,893</b>
<b>Current liabilities</b>			
Payables	10	72,374	42,005
<b>Total current liabilities</b>		<b>72,374</b>	<b>42,005</b>
<b>Total liabilities</b>		<b>72,374</b>	<b>42,005</b>
<b>Net assets</b>		<b>6,548,167</b>	<b>6,387,888</b>
<b>Equity</b>			
Contributed equity	11	19,311,702	18,597,102
Accumulated losses	12	(12,763,097)	(12,287,026)
Reserves	13	(438)	77,812
<b>Total equity</b>		<b>6,548,167</b>	<b>6,387,888</b>

*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 2020

	Note	Consolidated 2020 \$	Consolidated 2019 \$
<b>Cash flows from operating activities</b>			
Payment to suppliers and employees		(538,544)	(573,891)
Grants received		26,000	-
R&D tax concession offset		-	37,035
JV and consulting income		-	185,845
Interest received		2,083	8,805
<b>Net cash flows (used in) operating activities</b>	24	(510,461)	(369,206)
<b>Cash flows from investing activities</b>			
Rental Bond		-	(5,531)
Purchase of fixed assets		-	(5,733)
Expenditure on mining interests (exploration)		-	(853,543)
Tenement security deposits		-	(10,000)
<b>Net cash flows (used in) investing activities</b>		-	(874,807)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		750,000	570,000
Equity raising expenses		(35,400)	(50,338)
<b>Net cash flows from financing activities</b>		714,600	519,662
<b>Net increase/(decrease) in cash held</b>		204,139	(724,351)
Net foreign exchange differences		-	273
Add opening cash brought forward		446,586	1,170,664
<b>Closing cash carried forward</b>	24	650,725	446,586

*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 2020

Consolidated				
Note	Issued capital \$	Accumulated losses \$	Reserves \$	Total equity \$
<b>At 1 July 2018</b>	18,067,440	(10,761,763)	78,939	7,384,616
Loss for the year	-	(1,531,863)	-	(1,531,863)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(1,531,863)	-	(1,531,863)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital (net of share issue costs)	529,662	-	-	529,662
Share-based payment	-	-	5,200	5,200
Expired option value	-	6,600	(6,600)	-
Foreign currency translation	-	-	273	273
<b>At 30 June 2019</b>	<b>18,597,102</b>	<b>(12,287,206)</b>	<b>77,812</b>	<b>6,387,888</b>
<b>At 1 July 2019</b>	18,597,102	(12,287,206)	77,812	6,387,888
Loss for the year	-	(554,321)	-	(554,321)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	(554,321)	-	(554,321)
<b>Transactions with owners in their capacity as owners:</b>				
Issue of share capital (net of share issue costs)	714,600	-	-	714,600
Share-based payments	-	-	-	-
Expired option value	-	78,250	(78,250)	-
Foreign currency translation	-	-	-	-
<b>At 30 June 2020</b>	<b>19,311,702</b>	<b>(12,763,097)</b>	<b>(438)</b>	<b>6,548,167</b>

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 2020

## 1. Corporate information

The financial report of Silver City Minerals Limited (the Company) for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Directors on 25 September 2020.

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 2020

## 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 2020

## 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 2020

## 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 2020

## 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 2020

## 2. Summary of significant accounting policies (continued)

### Exploration, evaluation, development and restoration costs (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 2020

## 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 2020

## 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 2020

## 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 another share placement before the end of the calendar year which will supplement existing funds. This is supported by the Company's strong track record in successfully raising capital, to which the Company had raised \$0.75 million via a share placements during the year ended 30 June 2020 and a further \$1.5 million completed via share placement on 4 August 2020. The Directors are confident that projected 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.

### 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 2020. 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

Joint venture and consulting income
Rent
R&D tax concession
Grants
Interest received – other financial institutions

Consolidated 2020 \$	Consolidated 2019 \$
-	180,222
-	27,078
-	37,035
26,000	-
2,083	7,806
28,083	252,141

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 4. Income tax

Prima facie income tax (credit) on operating profit/(loss) at 27.5% (2019: 27.5%)  
Deferred income tax liability in respect of carried forward tax losses – not recognised  
Income tax expense

Consolidated 2020 \$	Consolidated 2019 \$
(152,438)	(421,262)
152,438	421,262
-	-

No provision for income tax is considered necessary in respect of the Company for the period 30 June 2020.

The Group has a deferred income tax liability of Nil (2019: 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 \$17,782,074 (2019: \$17,227,753) as at 30 June 2020.

A benefit of 27.5% (2018: 27.5%) of approximately \$4,890,070 (2019: \$4,737,632) 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

Cash at bank  
Money market securities – bank deposits

Consolidated 2020 \$	Consolidated 2019 \$
45,172	186,523
600,397	260,063
650,725	446,586

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

**Current**  
GST receivables  
Prepayments  
Trade and other debtors

**Non - current**  
Rental bonds

Consolidated 2020 \$	Consolidated 2019 \$
1,436	2,779
13,333	24,123
18,287	8,287
33,056	35,189
1,270	6,801

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 7. Tenement security deposits

	Consolidated 2020 \$	Consolidated 2019 \$
Cash at bank – bank deposits	160,000	160,000
	160,000	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.

## 8. Property, plant and equipment

	Motor vehicle	Plant and equipment	Total
<b>Year ended 30 June 2019 (Consolidated)</b>			
Opening net book amount	-	9,850	9,850
Additions	-	5,733	5,733
Depreciation expense	-	(10,295)	(10,295)
Closing net book amount	-	5,288	5,288
<b>At 30 June 2019</b>			
Cost	93,101	125,431	218,532
Accumulated depreciation	(93,101)	(120,143)	(213,244)
Net book amount	-	5,288	5,288
<b>Year ended 30 June 2020 (Consolidated)</b>			
Opening net book amount	-	5,288	5,288
Additions	-	-	-
Depreciation expense	-	(2,122)	(2,122)
Closing net book amount	-	3,166	3,166
<b>At 30 June 2020</b>			
Cost	-	5,288	5,288
Accumulated depreciation	-	(2,122)	(2,122)
Net book amount	-	(3,166)	(3,166)

## 9. Deferred exploration and evaluation expenditure

	Consolidated 2020 \$	Consolidated 2019 \$
Costs brought forward	5,776,029	6,113,964
Costs incurred during the period	(3,705)	769,287
Expenditure written off during period	-	(1,107,222)
Costs carried forward	5,772,324	5,776,029
Exploration expenditure costs carried forward are made up of:		
► Expenditure on joint venture areas	4,678,552	4,678,552
► Expenditure on non joint venture areas	1,093,772	1,097,477
Costs carried forward	5,772,324	5,776,029

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 9. Deferred exploration and evaluation expenditure (continued)

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.

## 10. Current liabilities – payables

Trade creditors  
Accrued expenses  
Superannuation payable  
PAYG payable

Consolidated 2020 \$	Consolidated 2019 \$
53,289	27,580
18,500	14,000
950	-
(365)	425
72,374	42,005

## 11. Contributed equity

### Share capital

368,710,253 fully paid ordinary shares (2019: 293,710,253)

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

### Share issue costs

### Option issue consideration reserve

99,375,000 unlisted options on issue (2019: 11,722,540)

(a)

Consolidated 2020 \$	Consolidated 2019 \$
20,445,864	19,702,464
(1,448,157)	(1,419,357)
313,995	313,995
19,311,702	18,597,102

### (a) Movements in ordinary shares on issue

#### At 30 June 2018

Shares issued

Shares issued

#### At 30 June 2019

Shares issued

Shares issued

Shares issued

#### At 30 June 2020

(i)

(ii)

(iii)

(iv)

(v)

Number	\$
245,839,883	19,122,464
370,370	10,000
47,500,000	570,000
293,710,253	19,702,464
30,000,000	300,000
20,000,000	200,000
25,000,000	250,000
368,710,253	20,452,464

- (i) In September 2018, 370,370 shares were issued at \$0.027 per share in consideration of a land access agreement.
- (ii) In December 2018, 47,500,000 shares were issued at \$0.012 per share under a share placement.
- (iii) In October 2019, 30,000,000 fully paid ordinary shares were issued at \$0.01 per share under a share placement.
- (iv) In January 2020, 20,000,000 fully paid ordinary shares were issued at \$0.01 per share under a share placement.
- (v) In March 2020, 25,000,000 fully paid ordinary shares were issued at \$0.01 per share under a share placement.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 11. Contributed equity (continued)

### 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.

## 12. Accumulated losses

	Consolidated 2020 \$	Consolidated 2019 \$
Balance at 1 July	12,287,026	10,761,763
Operating loss after income tax expense	554,321	1,531,863
Expired option value transferred to Accumulated Losses	(78,250)	(6,600)
Balance at 30 June	12,763,097	12,287,026

## 13. Reserves/share-based payments

### Reserves

	Consolidated 2020 \$	Consolidated 2019 \$
Balance at 1 July	77,812	78,939
Share-based payment expensed during the financial year	-	5,200
Expired option value transferred to Accumulated Losses	(78,250)	(6,600)
Foreign currency translation reserve	-	273
Balance at 30 June	(438)	77,812

	Consolidated 2020 \$	Consolidated 2019 \$
Share-based payment reserve	5,200	83,450
Foreign currency translation reserve	(5,638)	(5,638)
Balance at 30 June	(438)	77,812

### 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 2019 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 2020 and 2019.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 13. Reserves/share-based payments (continued)

### Summary of ESOP options granted

	Consolidated 2020 no.	Consolidated 2019 no.
Outstanding at the beginning of the year	10,500,000	9,250,000
Granted during the year	-	2,000,000
Forfeited during the year	-	-
Exercised during the year	-	-
Expired during the year	(8,500,000)	(750,000)
Outstanding at the end of the year	2,000,000	10,500,000

### 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

	2020	2019
Weighted average exercise price of options at 1 July	\$0.05	\$0.06
Weighted average exercise price of options granted during period	\$0.02	\$0.03
Weighted average exercise price of options outstanding at 30 June	\$0.03	\$0.05
Weighted average exercise price of options exercisable at 30 June	\$0.03	\$0.05
Weighted average contractual life	2.38 Years	1.56 Years
Range of exercise price	\$0.02-\$0.06	\$0.03-\$0.05

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 14. Earnings per share

	2020	2019
Net loss used in calculating basic and diluted loss per share	(554,321)	(1,531,863)
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	<b>Number</b> 330,093,814	<b>Number</b> 271,960,481
Basic earnings loss per share	<b>Cents per share</b> (0.17)	<b>Cents per share</b> (0.56)
Diluted earnings loss per share	(0.17)	(0.56)

## 15. Key management personnel

### Key management personnel compensation

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

	Consolidated 2020 \$	Consolidated 2019 \$
Short term employee benefits	249,880	389,371
Post-employment benefits	1,267	21,884
Other long term benefits	-	-
Termination benefits	-	-
Share-based payments	-	5,200
<b>Total</b>	<b>251,147</b>	<b>416,455</b>

### 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.
<b>2020</b>						
J Puckridge (a)	-	-	-	-	-	-
T Pickett	-	-	-	-	-	-
D Wates (b)	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-
R Gotthard	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2019</b>						
B Besley (c)	2,657,044	-	-	-	2,657,044	-
C Torrey (c)	1,430,889	-	-	-	1,430,889	-
D Wates	-	-	-	-	-	-
T Pickett	-	-	-	-	-	-
J Puckridge	-	-	-	-	-	-
<b>Total</b>	<b>4,087,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,087,933</b>	<b>-</b>

- (a) Resigned 29 May 2020  
 (b) Resigned 21 February 2020  
 (c) Resigned 28 February 2019



# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 15. 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.
<b>2020</b>									
J Puckridge (a)	-	-	-	-	-	-	-	-	-
T Pickett	-	-	-	-	-	-	-	-	-
D Wates (b)	-	-	-	-	-	-	-	-	-
S Cheema	-	-	-	-	-	-	-	-	-
R Gotthard	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-
<b>2019</b>									
B Besley (c)	1,500,000	-	-	-	1,500,000	1,500,000	-	1,500,000	-
C Torrey (c)	2,750,000	2,000,000	-	750,000	4,000,000	4,000,000	-	4,000,000	-
G Jones (c)	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
I Polovineo (c)	1,000,000	-	-	-	1,000,000	1,000,000	-	1,000,000	-
Total	13,500,000	2,000,000	-	750,000	7,500,000	7,500,000	-	7,500,000	-

(a) Resigned 29 May 2020.

(b) Resigned 21 February 2020.

(c) Resigned 28 February 2019.

## 16. 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	
		2020	2019
Mining Exploration Pty Ltd (MEPL)	Australia	100	100
Silver City NZ PTY Limited	New Zealand	100	100

## 17. Auditors' remuneration

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

Audit of the Company's accounts

Other services

Consolidated 2020 \$	Consolidated 2019 \$
34,500	28,200
2,600	-
37,100	28,200

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 18. 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 9. 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 2020 were as follows:

Joint Venture	Percentage interest 2020	Percentage interest 2019
<b>Silver City Farm In and Joint Venture Agreement</b>		
EL 7300	85%	85%
EL 8075	75%	75%
<b>Silver City Broken Hill Project Sale Agreement – Variscan Mines Limited</b>		
ELs 8236 and 8075	75%	75%
<b>Agreement relating to EL 8078 (Yalcowinna – formerly Ziggys EL 6036 and Euriowie 7319) with Eaglehawk Geological Consulting Pty Ltd</b>		
EL 8078 (Eaglehawk has an 8% interest in this EL)	92%	92%
<b>Broken Hill Base Metals Project with Impact Minerals Limited*</b>		
EL 7390	20%	20%
<b>Silver City JV with CBH</b>		
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 free-carried to a decision to mine.

## 19. 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 9 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 9. 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 2020

## 20. Contingent liabilities

The Group has provided guarantees totalling \$160,000 (2019: \$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.

## 21. 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 2020

## 21. 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 2020 \$	Consolidated 2019 \$
Cash and cash equivalents	650,725	446,586
Receivables	33,056	8,287
Deposits with banks and Joint Venture Partner	160,000	160,000
	843,781	614,873

### 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 \$
<b>2020</b>				
Payables	72,374	72,374	-	-
	72,374	72,374	-	-
<b>2019</b>				
Payables	39,226	39,226	-	-
	39,226	39,226	-	-

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

Financial assets	Carrying amount \$	< 12 months \$	1-3 years \$	>3 years \$
<b>2020</b>				
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	-	-
<b>2019</b>				
Cash at bank and term deposits	446,586	446,586	-	-
Receivables	8,287	8,287	-	-
Deposits with banks and Joint Venture Partner	160,000	-	160,000	-
	614,873	454,873	160,000	-

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 21. 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 2020 \$	Consolidated 2019 \$
Weighted average rate of cash balances	0.03%	0.03%
Cash balances	50,328	186,523
Weighted average rate of term deposits	0.75%	1.64%
Term Deposits	600,397	260,063

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 \$
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)	-
2019					
Cash and cash equivalents	446,586	4,466	-	(4,466)	-
Tax charge of 30%	446,586	(1,228)	-	1,228	-
After tax profit increase/(decrease)	-	3,238	-	(3,238)	-

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.

## 22. 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, 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.

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 22. Commitments (continued)

	Consolidated 2020 \$	Consolidated 2019 \$
Payable not later than one year	-	-
Payable later than one year but not later than two years	-	-
	-	-

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.

## 23. Events after the balance sheet date

On 21 July 2020, the Company announced the advancement of the completion of acquisition and settlement for the Wellington Project (EL 5852). This follows the exercise of an option under the binding option agreement (Agreement) with Syndicate Minerals Pty Ltd (Vendor) to acquire its holdings in EL 5852 and in accordance with shareholder approval received at the General Meeting held on 13 July 2020 (GM).

On 29 July 2020, the Company announced that had received commitments for a placement of up to 100,000,000 fully paid ordinary shares (Placement Shares) at a price of \$0.015 per share to raise \$1,500,000 before costs. This was subsequently completed on 4 August 2020.

On 19 August 2020, the Company announced the commence and assessment of its strategic tenement holdings in New South Wales to identify exploration opportunities, particularly for gold mineralisation. EL8579 Tindery is located 45 km north of Cobar and covers an area of 288km<sup>2</sup>. The prospective Chesney Fault System strikes onto the southern portion of EL8579, with 15km of prospective fault on the tenure.

On 26 August 2020, the Company applied for an exploration tenement in the Murchison region of Western Australia, E59/2445 Tallering. E59/2445 covers an area of 48 subblocks (143km<sup>2</sup>) in the northern Tallering Greenstone Belt, Western Australia, and is prospective for Volcanogenic Massive Sulphides.

There were, at the date of this report, no other matters or circumstances which have arisen since 30 June 2020 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.

## 24. Statement of cash flows

	Consolidated 2020 \$	Consolidated 2019 \$
Reconciliation of net cash outflow from operating activities to operating loss after income tax		
(a) Operating profit/(loss) after income tax	(554,321)	(1,531,863)
Depreciation	2,122	10,295
Share based payments	-	(5,200)
Exploration costs in opening and closing creditors	-	-
Annual and long service leave written back (expensed)	-	-
Exploration expenditure written off	3,705	1,107,222
Other		
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in receivables	4,887	105,296
Decrease)/increase in trade and other creditors	33,146	(22,513)
(Decrease)/increase in provisions	-	(42,843)
Net cash outflow from operating activities	(510,461)	(369,206)

# Notes to the Consolidated Financial Statements

For the year ended 30 June 2020

## 24. 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	50,328	186,523
Bank deposits (Note 5)	600,397	260,063
Cash on hand	650,725	446,586

## 25. Parent entity information

	2020 \$	2019 \$
Current assets	681,629	477,098
<b>Total assets</b>	6,892,191	6,698,765
Current liabilities	72,373	39,226
<b>Total liabilities</b>	72,373	39,226
Issued capital	19,311,702	18,597,102
Accumulated losses	(12,497,084)	(12,021,013)
Reserves	5,200	83,450
<b>Total shareholders' equity</b>	6,819,818	6,659,539
Loss of the parent entity	(554,321)	(1,531,437)
<b>Total comprehensive loss of the parent entity</b>	(554,321)	(1,531,437)



# Directors' Declaration

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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 2020 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 2020.

On behalf of the Board

**Sonu Cheema**  
Non-executive Director and Company Secretary  
Perth, 28 September 2020

# 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 2020, 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 2020 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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Please refer to the  
website for our  
standard terms of  
engagement.

## 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
<b>Deferred Exploration and Evaluation Expenditure</b> \$5.8 million Refer to Note 9	
<p>The consolidated entity owns the rights to several exploration licenses in New South Wales. 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"> <li>• The significance of the balance;</li> <li>• The inherent uncertainty of the recoverability of the amount involved; and</li> <li>• The substantial amount of audit work performed.</li> </ul>	<p>Our audit procedures included amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing whether any facts or circumstances exist that may indicate impairment of the capitalised assets;</li> <li>• Performing detailed testing of source documents to ensure capitalised expenditure was allocated to the correct area of interest;</li> <li>• Performing detailed testing of source documents to ensure expenditure was capitalised in accordance with Australian Accounting Standards; and</li> <li>• Obtaining external confirmations to ensure the exploration licences are current and accurate.</li> </ul>

## 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 2020 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 2020.

In our opinion, the Remuneration Report of Silver City Minerals Limited for the year ended 30 June 2020 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



.....  
Anthony Dowell  
Partner

28 September 2020

## Additional Information

### Information relating to shareholders

Information relating to shareholders at 24 September 2020 (per ASX Listing Rule 4.10)

#### Ordinary fully paid shares

There was a total of 485,960,253 fully paid ordinary shares on issue.

#### Options

There was a total of 99,375,000 unlisted options on issue.

Substantial shareholders	Shareholding
UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	31,500,000
MR JOHN ANTHONY GAFFNEY	31,000,000
RUBI HOLDINGS PTY LTD <JOHN RUBINO SUPER FUND A/C>	25,000,000

Top 20 shareholders of ordinary shares	Number	%
UPSKY EQUITY PTY LTD <UPSKY INVESTMENT A/C>	31,500,000	6.482%
MR JOHN ANTHONY GAFFNEY	31,000,000	6.379%
RUBI HOLDINGS PTY LTD <JOHN RUBINO SUPER FUND A/C>	25,000,000	5.144%
SKYWALKER HOLDINGS WA PTY LTD	14,500,001	2.984%
LOKTOR HOLDINGS PTY LTD <TAYBIRD A/C>	13,066,667	2.689%
WINDELL HOLDINGS PTY LTD <THOMPSON SUPER FUND A/C>	12,833,334	2.641%
CITICORP NOMINEES PTY LIMITED	12,187,984	2.508%
L&M GROUP LIMITED	11,480,696	2.362%
MR GAVIN JEREMY DUNHILL	9,000,000	1.852%
MR BILAL AHMAD	8,333,334	1.715%
SYNDICATE MINERALS PTY LTD	7,500,000	1.543%
SYNDICATE MINERALS PTY LTD	7,500,000	1.543%
NORFOLK BLUE PTY LTD <NORFOLK BLUE A/C>	7,000,000	1.440%
GECKO RESOURCES PTY LTD	6,000,000	1.235%
MS CHUNYAN NIU	5,709,091	1.175%
RECO HOLDINGS PTY LTD <RECO SUPER FUND A/C>	5,333,325	1.097%
CRAZY DINGO PTY LTD	5,000,000	1.029%
MS CHUNYAN NIU	5,000,000	1.029%
BNP PARIBAS NOMS PTY LTD <DRP>	4,551,515	0.937%
MR BARRY PHILLIP ALCOCK & MRS JULIE PATRICIA ALCOCK <BP & JP ALCOCK A/C>	4,380,993	0.902%
<b>Total of top 20 holdings</b>	<b>226,876,940</b>	<b>46.69%</b>
<b>Total number of shares</b>	<b>485,960,253</b>	<b>100.00</b>



## Additional Information

Range – FPO Shares	Number of shareholders	Ordinary shares	%
1 – 1,000	74	11,041	0.0
1,001 – 5,000	31	111,053	0.02
5,001 – 10,000	93	816,697	0.17
10,001 – 100,000	506	24,268,485	4.99
100,001 – and over	408	460,752,977	94.81
	1,112	485,960,253	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	0.0
1,001 – 5,000	0	0	0.0
5,001 – 10,000	1	9,000	0.01
10,001 – 100,000	2	103,500	0.10
100,001 – and over	49	99,262,500	99.89
	52	99,375,000	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](http://www.silvercityminerals.com.au/corporate/corporate-governance)