



ASX ANNOUNCEMENT

5 October 2017

High Grade Copper-Gold (Silver-Cobalt) in first RC hole at Copper Blow

Assay results received for the first reverse circulation hole completed at Copper Blow confirm high grade copper-gold mineralisation

- **4 metres at 6.1% copper, 4.23 g/t gold, 13 g/t silver, 220 ppm cobalt from 188m**
- **Including 1 metre 11.3% copper, 10.7 g/t gold, 25 g/t silver and 405 ppm cobalt from 191 metres**
- **Southernmost hole drilled in the program – high grade mineralisation remains open to the south**
- **Coincident magnetic and RAB copper anomalies continue for a further 3 kilometres to the south west**
- **Results for remaining ten holes in the program to come**



Plate 1 Strong copper sulphide mineralisation in RC chips hole 17CB041.

Silver City Minerals Limited (ASX: SCI) (“Silver City” or “the Company”) is pleased to announce that it has drilled two significant copper sulphide intersections in its first reverse circulation drill hole (17CB041) at Copper Blow, located approximately 20 kilometres south of Broken Hill.

- **4 metres at 6.1% copper, 4.23 g/t Au, 13 g/t Ag and 220 ppm cobalt from 188 metres, including 1 metres at 11.3% copper, 10.7 g/t gold, 25 g/t silver and 405 ppm cobalt from 191 metres.**
- **2 metres at 2.4% copper, 0.8 g/t gold, 5 g/t silver and 95 ppm cobalt from 162 metres**

The intersections comprise strong chalcopyrite (copper sulphide) mineralisation with lesser amounts of iron sulphides (pyrrhotite and pyrite) intimately associated with strong magnetite and biotite alteration (ASX Release 11 September 2017; Plate 1). This was the first RC hole of the program and lies in the southern part of the prospect where little detailed drilling has been undertaken (Figure 1).

Managing Director Chris Torrey commented...” *this is an excellent result from one of the first holes in the program. It shows the high grade mineralisation is open to the south where it remains untested. Magnetic and RAB copper anomalies continue in this south and south-westerly direction providing significant exploration upside*”.

The Company is currently conducting downhole electromagnetic (EM) surveys in the area of drilling and has commenced detailed magnetic and gravity surveys to track the prospective horizons along strike. Existing magnetic maps and historic RAB geochemistry suggest potential for copper mineralisation for a strike length in excess of 6 kilometres (Figure 2).

Table 1 Drill Hole Specifications

Drill Hole	MGA East (m)	MGA North (m)	Elevation (m)	Declination (degrees)	Azimuth (degrees)	Total Depth (m)	Comment
17CB041	547620	6445041	240	-60	145	204	RC hole, complete

SILVER CITY MINERALS LIMITED



Christopher Torrey
Managing Director

ABOUT Silver City Minerals Limited

Silver City Minerals Limited (SCI) is a base and precious metal explorer with a strong focus on the Broken Hill District of western New South Wales, Australia. It takes its name from the famous Silver City of Broken Hill, home of the world's largest accumulation of silver, lead and zinc; the Broken Hill Deposit. SCI was established in May 2008 and has been exploring the District where it controls Exploration Licences through 100% ownership and various joint venture agreements. It has a portfolio of highly prospective projects with drill-ready targets focused on high grade silver, gold and base-metals, and a pipeline of prospects moving toward the drill assessment stage. The Company continues to seek out quality projects for exploration and development.

Caution Regarding Forward Looking Information.

This document contains forward looking statements concerning Silver City Minerals Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Silver City's beliefs, opinions and estimates of Silver City Minerals as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

Competent Persons

The information in this report that relates to Exploration Results is based on information compiled by Chris Torrey (BSc, MSc, RPGeo Mineral Exploration), who is a member of the Australian Institute of Geoscientists. Mr Torrey is the Managing Director, a shareholder and full time employee of Silver City Minerals Limited. Mr Torrey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as "Competent Persons" as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Torrey, consents to the inclusion in this Report of the matters based on this information in the form and context in which it appears.

CONTACT DETAILS

Management and Directors

Bob Besley	Chairman
Chris Torrey	Managing Director
Greg Jones	Non-Executive Director
Ian Plimer	Non-Executive Director
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Annexure 1 Diagrams

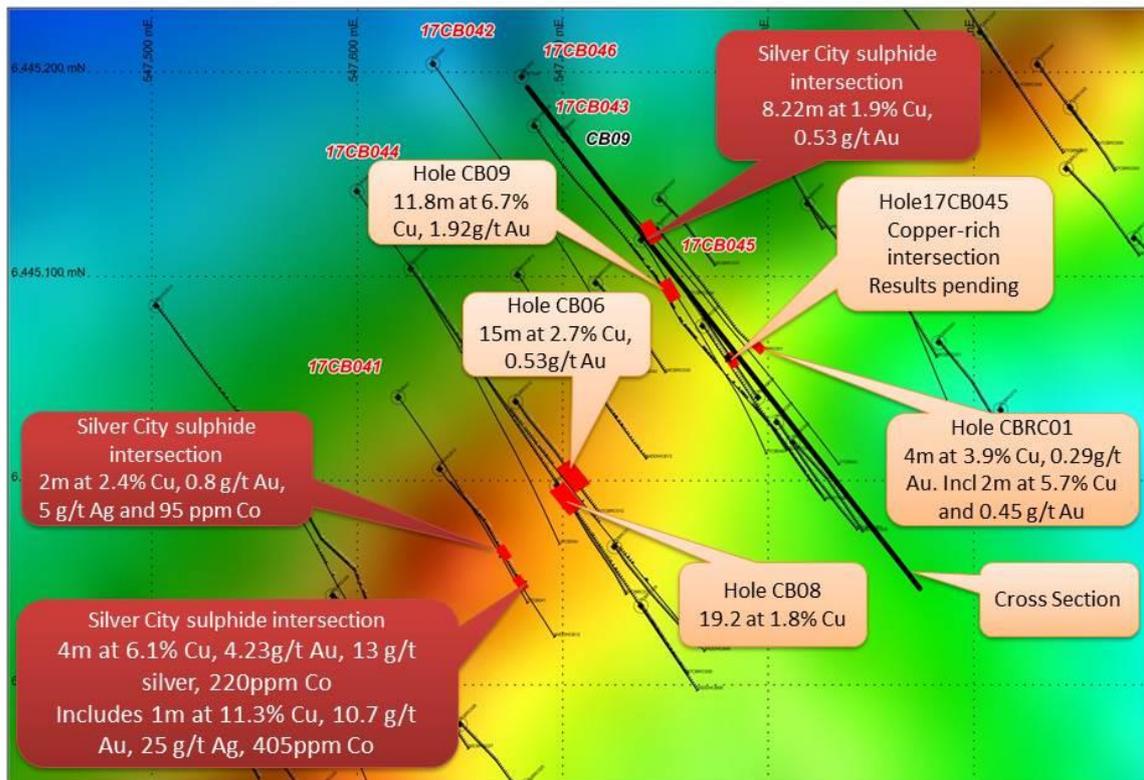


Figure 1. Drill plan at Copper Blow. Results from hole 17CB041 show high grade continues to the south.

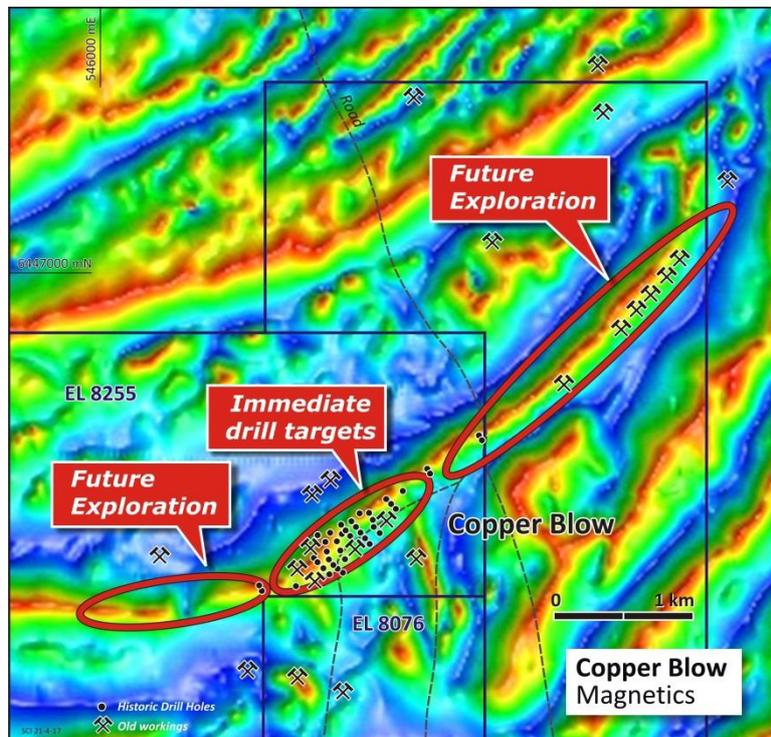


Figure 2. Diagram shows location of Copper Blow and areas where geophysical surveys have been initiated

Annexure 2

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. 	<ul style="list-style-type: none"> Reverse circulation drilling. Collecting samples at 1 metre intervals
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	<ul style="list-style-type: none"> RC chips sampled on one metre intervals nominally where magnetite alteration is observed and/or where preliminary XRF analyses indicates copper greater than 500 ppm.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. 	<ul style="list-style-type: none"> The assay results is Material in this Public Report in that they provide information about mineralisation potential
	<ul style="list-style-type: none"> In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> In RC holes 1 metre sample intervals. Samples are collected from a cyclone splitter on the rig and result in a nominal 12.5% split for 2 to 3 kg subsample. These are submitted for assay. Compressed air was used to clean cyclone after each rod
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Reverse circulation drilling. RC uses a face sampling hammer.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> Deviation from a mean dry sample is noted and recorded for RC samples.
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> No measures were undertaken
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> This is unknown at this time.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> RC chips have been geologically logged in detail These will be appropriate for use in Mineral Resource estimation, mining studies and metallurgical studies.
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<ul style="list-style-type: none"> Logging is qualitative.
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> 204 metres of 17CB041 has been logged

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> RC sample split to 12.5% of original 1 metre sample
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Sample sizes are considered to be of appropriate grain size for the material being sampled
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	<ul style="list-style-type: none"> Sample preparation via splitting is of high quality and an appropriate technique
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	<ul style="list-style-type: none"> Riffle splitting reverse of circulation chips
	<ul style="list-style-type: none"> Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. 	<ul style="list-style-type: none"> In RC holes duplicates were collected nominally every 20th sample
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> Riffle split. No excessive water was recorded in hole 17CB041
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	<ul style="list-style-type: none"> Analytical method for 35 elements including base metals was aqua regia ICP-AES and for gold a 30 gram charge fire assay with an AA finish (ALS Global Codes ME-ICP41 and OG46 and Au-AA25 www.alsglobal.com) The nature and quality of the analytical methods are appropriate to style of mineralisation anticipated and are of industry standard. No analysis of analytical deviation from standards or duplicates has been undertaken at this early stage The laboratory also has its own QAQC of systematic standard, repeats and duplicates. No external laboratory checks are appropriate at this early stage of assessment.
	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<ul style="list-style-type: none"> No geophysical tools spectrometers, handheld XRF instruments were used for analytical reporting.
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> In RC hole duplicates were collected approximately every 20th sample. Standards are inserted also every 20th sample. No bias is noted
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	<ul style="list-style-type: none"> Alternative company personnel have verified the significant intersections
	<ul style="list-style-type: none"> The use of twinned holes. 	<ul style="list-style-type: none"> No twinning of drillholes has been undertaken
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	<ul style="list-style-type: none"> Data is recorded on site using computer storage programmes and backed up at main office.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No adjustments have been made
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	<ul style="list-style-type: none"> Currently use of handheld GPS with accuracy to +/- 5 metres. Anticipate more detailed DGPS survey on completion of the program.
	<ul style="list-style-type: none"> Specification of the grid system used. 	<ul style="list-style-type: none"> GDA94 MGA Zone 54

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Regional DTM from airborne geophysical surveys and/or Shuttle Radar
Data spacing and distribution	<p>Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</p>	<ul style="list-style-type: none"> Data spacing and distribution will be sufficient to establish a degree of geological and grade continuity for Mineral Resources and Ore Reserve estimations.
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Standard compositing techniques have been applied
	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	<ul style="list-style-type: none"> Drilling has been oriented perpendicular to the dominant mapped geological structures and mineralised trends to optimize representative sampling
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> No known bias occurs.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples are collected and stored at a company facility and delivered to the laboratory by a freight forwarding company.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No audits yet undertaken

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	<ul style="list-style-type: none"> Drill holes outlined in this public report fall within EL 8255 which is subject a joint venture between Silver City Minerals and CBH Resources. A landowner access agreement is in place. Native Title has been extinguished.
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The tenure is secure under NSW legislation. There are no known impediments to operate.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Details previously outlined in ASX Release 4 May 2017.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Iron oxide copper-gold deposit
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. 	<p>See body of report</p>
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the 	<ul style="list-style-type: none"> This information is to be included in this public report

Criteria	JORC Code explanation	Commentary
	<i>Competent Person should clearly explain why this is the case.</i>	
Data aggregation methods	<ul style="list-style-type: none"> <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> 	<ul style="list-style-type: none"> Standard weight averaging. No cutting of high or low samples Intervals are reported at a 1% copper cutoff
	<ul style="list-style-type: none"> <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> 	<ul style="list-style-type: none"> No short lengths were included all samples are 1 metre.
	<ul style="list-style-type: none"> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> No metal equivalents were reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <i>These relationships are particularly important in the reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> The relationship of this initial intercept to other holes is suggests mineralised structure are steeply dipping
	<ul style="list-style-type: none"> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> 	<ul style="list-style-type: none"> The geometry of the mineralisation outlined in this report is considered to be steeply dipping
	<ul style="list-style-type: none"> <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i> 	<ul style="list-style-type: none"> The reported intervals are down-hole lengths
Diagrams	<ul style="list-style-type: none"> <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	<ul style="list-style-type: none"> Annexure 1
Balanced reporting	<ul style="list-style-type: none"> <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	<ul style="list-style-type: none"> Mineralised intersection reported here are geologically distinctive and include only samples about the cutoff (1% Cu)
Other substantive exploration data	<ul style="list-style-type: none"> <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	<ul style="list-style-type: none"> No other meaningful material is documented.
Further work	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> 	<ul style="list-style-type: none"> Extensive ground and downhole geophysical surveys and follow-up drilling
	<ul style="list-style-type: none"> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Annexure 1