



ASX ANNOUNCEMENT

23 April 2018

Second Rig Commences Drilling at Copper Blow

- **Silver City has commenced a third round of drilling at Copper Blow with a diamond core rig and an reverse circulation rig now on site**
- **Positive response of copper mineralisation to trial Induced Polarisation (IP) geophysical surveys**
- **IP survey expanded to cover 3.5 kilometres of the host magnetic anomaly**

Silver City Minerals Limited (ASX: SCI) (“Silver City” or “the Company”) is pleased to announce that a reverse circulation (RC) drill rig has commenced drilling at Copper Blow 20 kilometres south of Broken Hill. The introduction of this second rig is expected to speed up the program which comprises combine RC and diamond drill holes. Diamond drilling commenced early in March on two previously permitted holes (ASX Release 26 March 2018).

Environmental permits for a further eighteen holes have recently been received, enabling the RC program to commence.

The drill program is designed to follow-up significant copper-gold intersections encountered in previous programs with the view to defining a mineral resource. In addition, drilling will test coincident geophysical and geochemical anomalies along strike from Copper Blow.

This is the third round of drilling initiated by the Company, comprises approximately 4000 metres in up to eighteen new holes and will take approximately two months to complete.

In addition to drilling, the Company has also initiated an induced polarisation (IP) geophysical survey. A trial of both dipole-dipole and gradient array configurations over known mineralisation successfully detected sulphides outlined in earlier drilling. An more extensive IP survey has been initiated over 3.5 kilometres of strike, with the view to defining zones of higher concentrations of sulphide minerals and aid in drill targeting.

Background

In recent ASX releases (22 January 2018, 5 February 2018 and 22 February 2018) the Company reported intersections of massive magnetite-sulphide veins in the South Zone of Copper Blow and disseminated and banded copper mineralisation in hole 18CB054.

The Company reported that copper-gold mineralisation outlined in drill holes is hosted within two pod-like magnetic anomalies (North and South Zones) with a collective strike extent of 1 kilometre. These zones are interpreted to be separated by a fault.

They are located in the south-western part of a magnetic-high linear anomaly that extends for 4.5 kilometres to the northeast. This linear feature hosts an additional seven untested magnetic anomalies, all of which have potential to host copper-gold mineralisation (Figure 1).

The North and South Zones both host copper, gold and cobalt mineralisation within a northeast-trending biotite and magnetite-altered shear zone. The grade and morphology of the mineralised zones changes from South to North across the interpreted fault.

In the South Zone, veins and biotite and magnetite-bearing shears host sulphide mineralisation ranging in estimated true thickness from 0.3 to 10 metres. Grades are variable and this zone hosts some of the highest grade intersections encountered in the project to date (for example Hole CB09: **11.8 metres at 6.7% copper and 1.92 g/t gold** and 17CB041: **4 metres at 6.1% copper, 4.23 g/t Au, 13 g/t Ag and 220 ppm cobalt** including **1 metre at 11.3% copper, 10.7 g/t gold, 25 g/t silver and 405 ppm cobalt**; ASX Releases 4 May 2017 and 5 October 2017).

In contrast the North Zone is characterised by much broader zones of mineralisation from 25 to 50 metres estimated true thickness albeit at lower with more consistent grades (for example 18CB054: **41.2 metres at 1.3% copper and 0.40 g/t gold**; ASX Release 22 February 2018).

The project is a joint venture between Silver City Minerals Limited (75%) and CBH Resources Ltd (25%) whereby each company contributes to exploration expenditure on a pro-rata basis.

Drilling

The new drill holes are designed to test:

- The sparsely drilled ground between the North and South Zones, previously thought to be a fault zone (Figures 2 and 3).
- The extent of mineralisation encountered in hole 18CB054 (along strike and down-dip; Figure 2).
- Extensions to the North Zone (Figure 2).
- Geophysical anomalies CB2, CB3, CB4 and CB5 (Figures 1 and 3).
- New IP targets which may be defined by the current geophysical program.

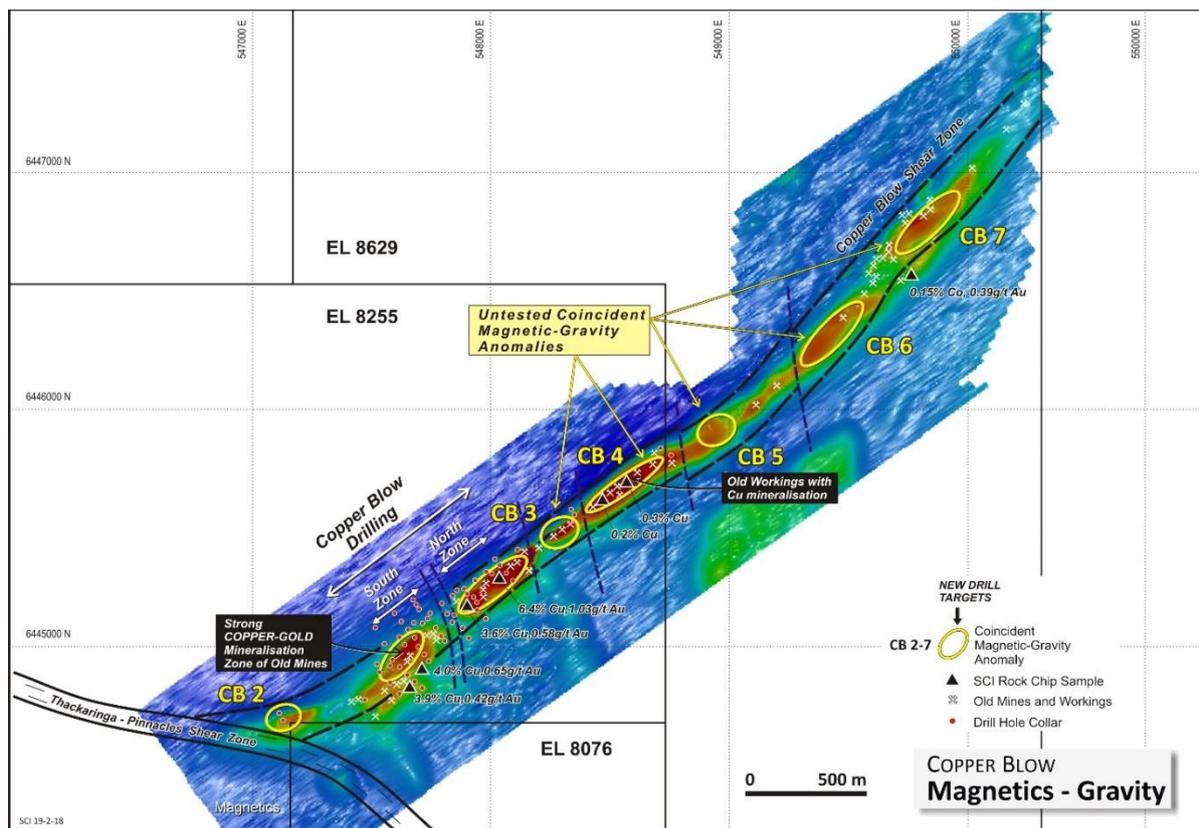


Figure 1. Detailed ground magnetic survey reduced to pole image. Shows a series of coincident magnetic/gravity anomalies. In addition to the North and South Zones at Copper Blow there are seven targets all of which might host copper mineralisation.

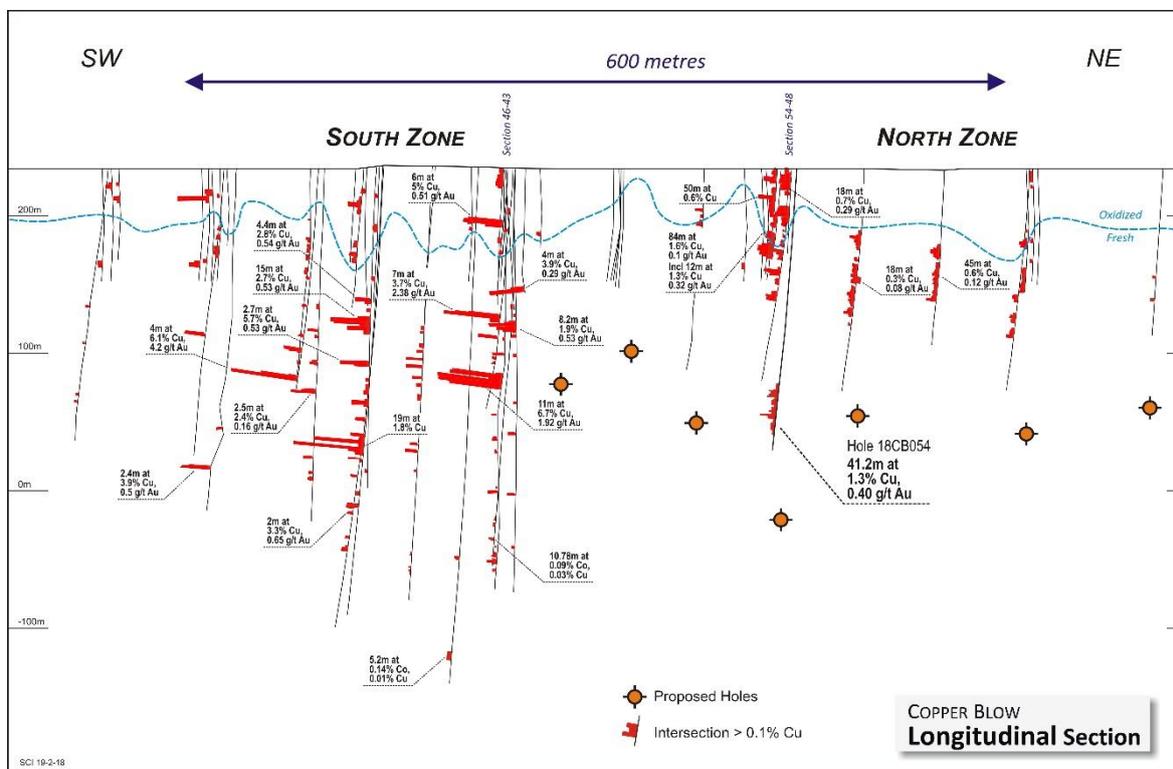


Figure 2. Composite longitudinal section showing extent of drilling and significant intersections. The zone between hole 54 (Section 54-48) and high grade intersections in Section 46-43 has very little drilling (over approximately 150 metres of strike). Piercement points of proposed drilling are shown.

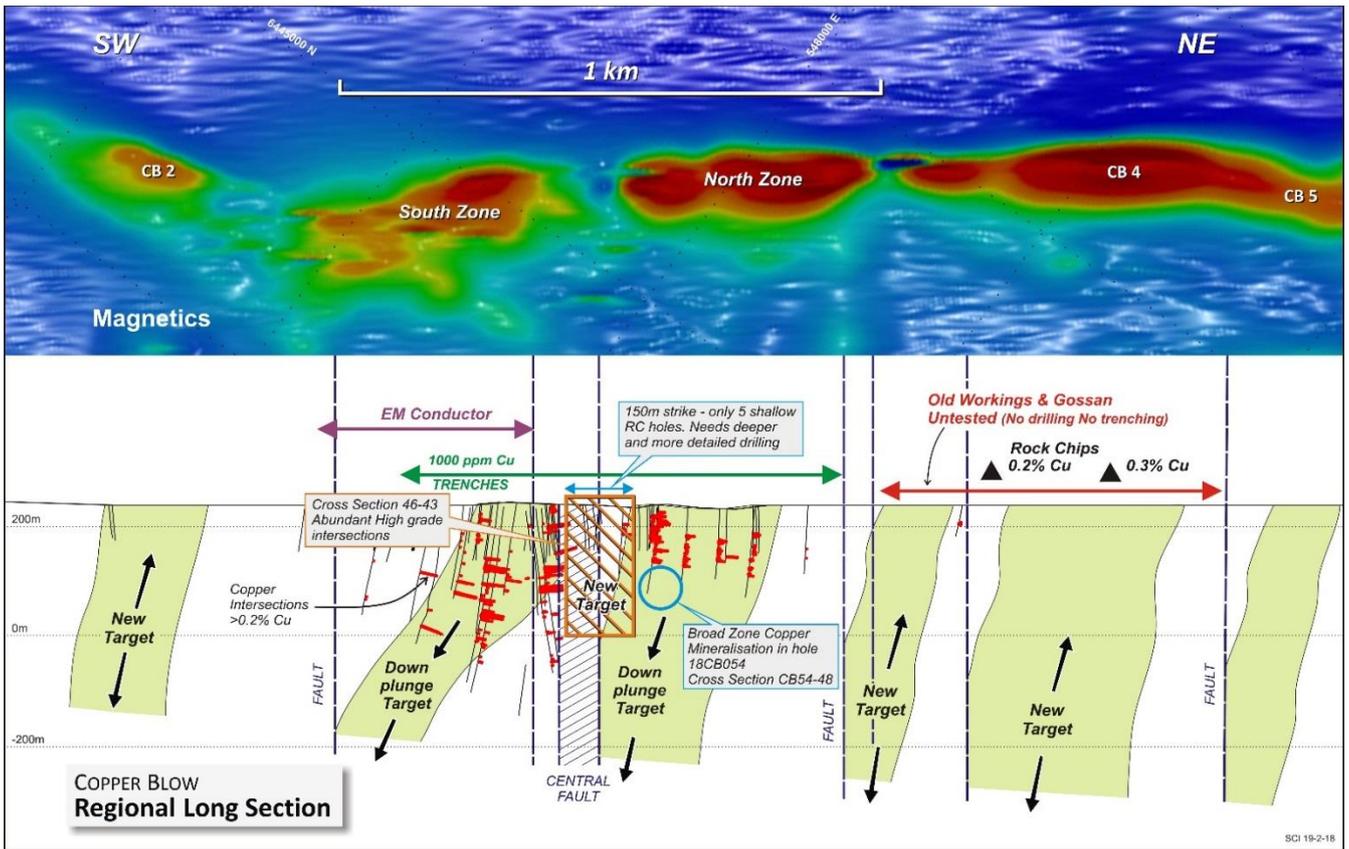


Figure 3. Composite longitudinal section and magnetic plan showing the anomalous magnetic pods and the corresponding interpretation of plunging mineralised copper-gold shoots. RC drilling planned for anomalies CB2, CB3, CB4 and CB5.

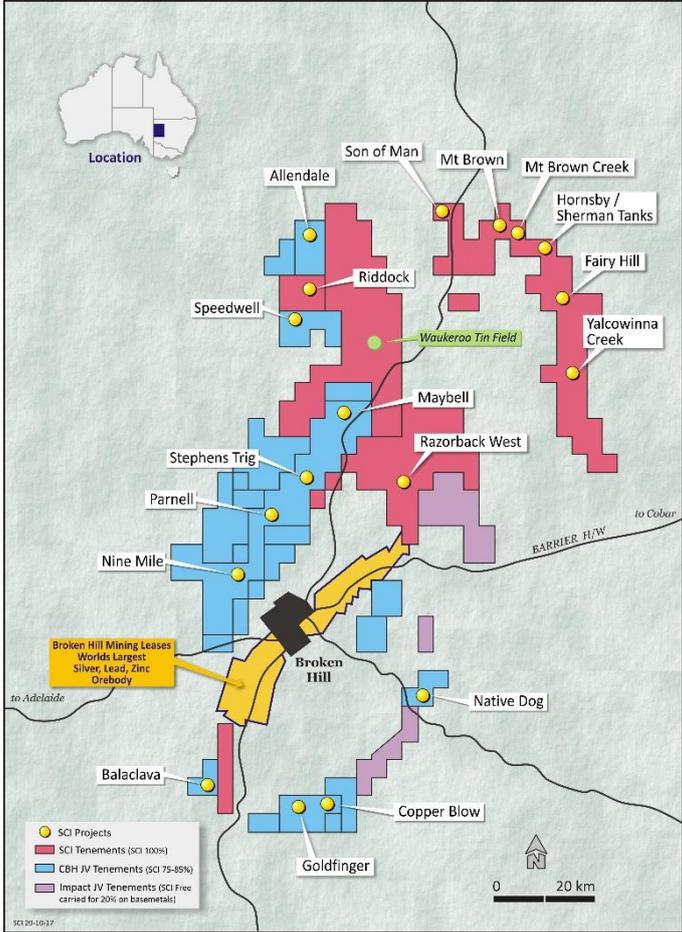


Figure 4. Silver City tenements and project locations

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, RPSGEO 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.

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