



ASX ANNOUNCEMENT

28 May 2018

61 metres copper-gold intersection at Copper Blow

- **61 metres at 0.7% copper and 0.14 g/t gold from 184 metres in hole 18CB055**
- **40 metre wide zone of copper-gold mineralisation open at depth and along strike**
- **Grade increasing with depth**
- **Results for twelve holes pending**
- **Drilling continues**

Silver City Minerals Limited (ASX: SCI) (“Silver City” or “the Company”) is pleased to announce results from the first two diamond drill holes completed in the current drilling program at Copper Blow 20 kilometres south of Broken Hill. Copper-gold mineralisation extends for at least 200 metres along strike and 270 metres down dip from surface and is open in all directions.

Background

The focus of recent drilling has been the North Zone represented by a magnetic anomaly which is 450 metres long and up to 80 metres wide. It is just one of seven strong magnetic anomalies along the shear zone (Figure 2).

The rock in this zone produces a distinctive induced polarisation geophysical anomaly which is attributed to the presence of abundant copper and iron sulphide hosted within a magnetite body. Drilling suggests it is particularly enriched in copper sulphide.

In January this year the Company drilled a hole to test the North Zone at depth. Hole 18CB054 returned an intersection of **42.2 metres at 1.3% copper and 0.4 g/t gold** in a magnetite-rich rock at a vertical depth of approximately 200 metres. (ASX Release 22 February 2018). This is considered to be a significant copper-gold intersection.

Holes 18CB054, 18CB057 and several historic RC holes at shallower depths indicated that a broad zone of copper-gold mineralisation extended from surface to at least 270 metres (ASX Release 21 May 2018; Figure 5).

Copper Blow is located close to the large mining and infrastructure facilities at Broken Hill.

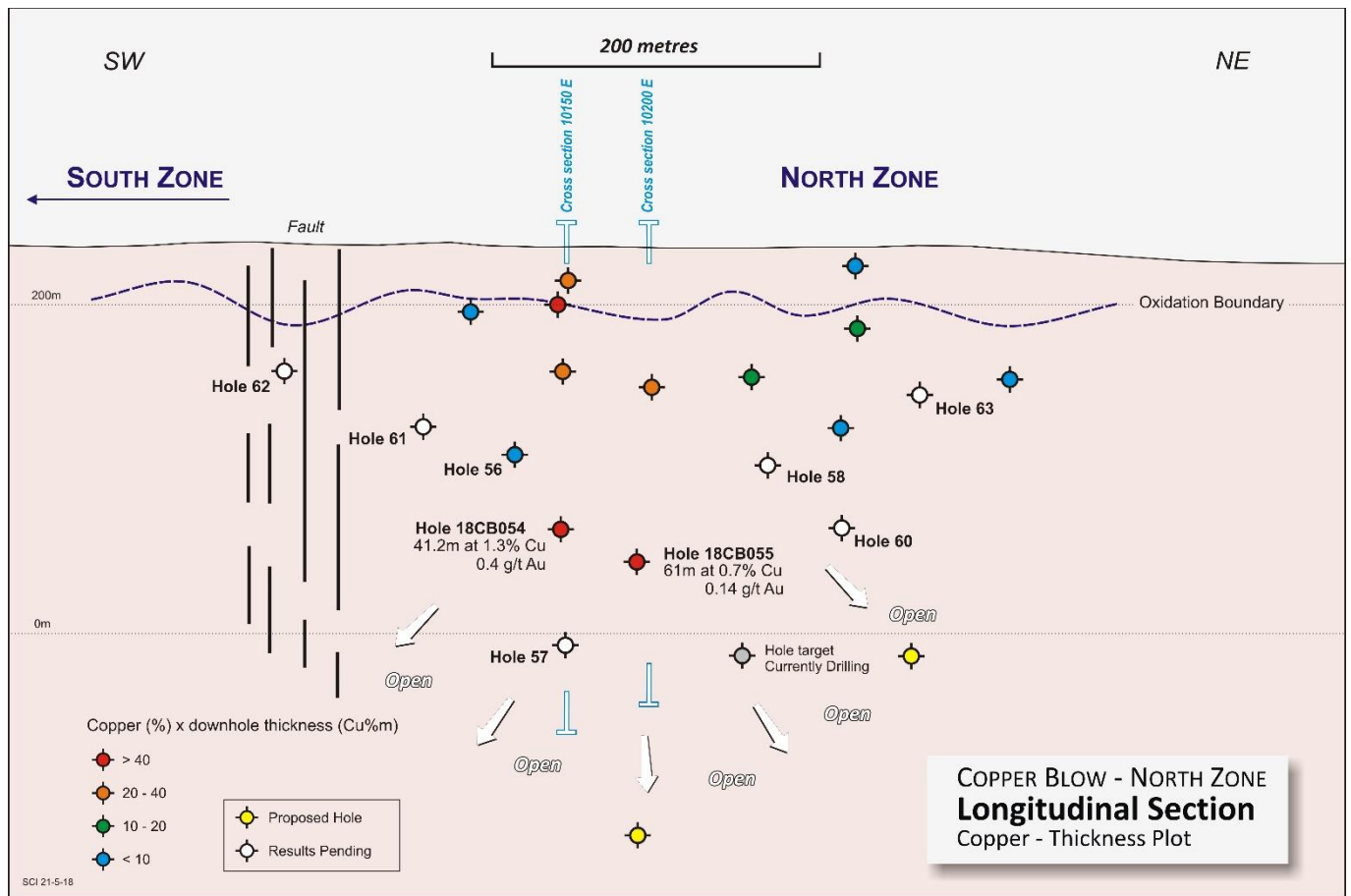


Figure 1 Copper Blow Longitudinal Section showing grade x thickness plot. Copper-gold mineralisation is open all directions.

Results

In the third round of drilling at Copper Blow the Company has completed fourteen drill holes. The program was ongoing at the time of writing. Analytical results of the first two holes of the program have been received.

Hole 18CB055

This hole is located 50 metres to the northeast of hole 18CB054 and was drilled to test for extensions to copper-gold mineralisation at the same depth as the 18CB054 intersection (Figures 1 and 3). It encountered:

- **61 metres at 0.7% copper and 0.14 g/t gold from 184 metres**

This is hosted within a broader zone of 75 metres at 0.6% copper and 0.12 g/t gold from 172 metres.

Mineralisation occurs in intense magnetite-quartz-biotite alteration in a shear zone. Within this there are disseminated and stringer sulphides including chalcopyrite, bornite and pyrite. The intersection is dominated by chalcopyrite.

Drilling indicates the mineralised structure is vertical, that the magnetite-rich rock is 60-70 metres wide and the copper-gold-rich zone has a true thickness of 40 metres (Figure 2). Mineralisation is open and grade is increasing at depth.

Hole 18CB056

This hole is located 40 metres to the southwest of hole 18CB054 and was drilled to assess the southern extent of copper-gold mineralisation. It drilled the south-eastern margin of the North Zone magnetic anomaly.

Hole 18CB056 intersected 40 metres of magnetite-rich rock from 123 metres and the sulphide content was 1 to 2%. The resulting intersection was 16 metres at 0.14% copper and 0.04 g/t gold from 134 metres.

Synopsis

Drilling results in the North Zone show that copper mineralisation extends at least 200 metres along strike (Figure 3). Similarly it extends to at least 270 metres down dip (Figure 4). Cross sections of mineralisation indicate that the magnetite-quartz host and associated copper mineralisation are vertical.

The new intersection in hole 18CB055 and results from hole 17CB049 indicate that copper-gold mineralisation is approximately 40 metres wide (Figure 4). On a drill section 50 metres to the southwest intersections in holes 18CB054 and 18CB057 indicate a thickness of approximately 20 metres (ASX Release 21 May 2018; Figure 5).

The two cross sections for which the Company has most comprehensive results (Sections 10150E and 10200E) show mineralisation increasing in grade with depth.

The Company has undertaken density measurements on samples of core using the water displacement method. Eighty-eight samples of magnetite-quartz rock with sulphides returned specific gravity measurements of between 2.7 and 4.8 g/cm³ with an average of 3.5 g/cm³.

At the time of writing analytical results were pending on six holes located in the North Zone. One hole was still underway and a further two holes were proposed. In addition results from four holes in anomaly CB4 and two holes from the South Zone were pending (Figure 2).

Table 1 Drill Hole Specifications

Hole Number	MGA East (m)	MGA North (m)	Elevation (m)	Dip (degrees)	Azimuth (degrees)	Metres RC	Metres diamond	Total Metres
18CB055	547906	6445321	233.4	-59.8	150	0	301	301
18CB056	547844	6445257	234.2	-60.1	144.1	0	271	271
18CB057	548016	6445065	235.0	-59	325.9	200	204.8	404.8
18CB058	548071	6445209	235.0	-58.8	325.6	108	163	271

Table 2 Significant drill intersections

Hole Number	From (metres)	Interval (metres)	Copper (%)	Gold (g/t)	Comment
18CB055	172	75	0.6	0.12	0.1% Cu cutoff
Including	184	61	0.7	0.14	0.25% Cu Cutoff
Including	184	4	1.1	0.25	0.8% Cu cutoff
and	196	4	1.1	0.20	1.0% Cu cutoff
and	242	2	2.6	0.78	1.0% Cu cutoff

Annexure 1 Figures

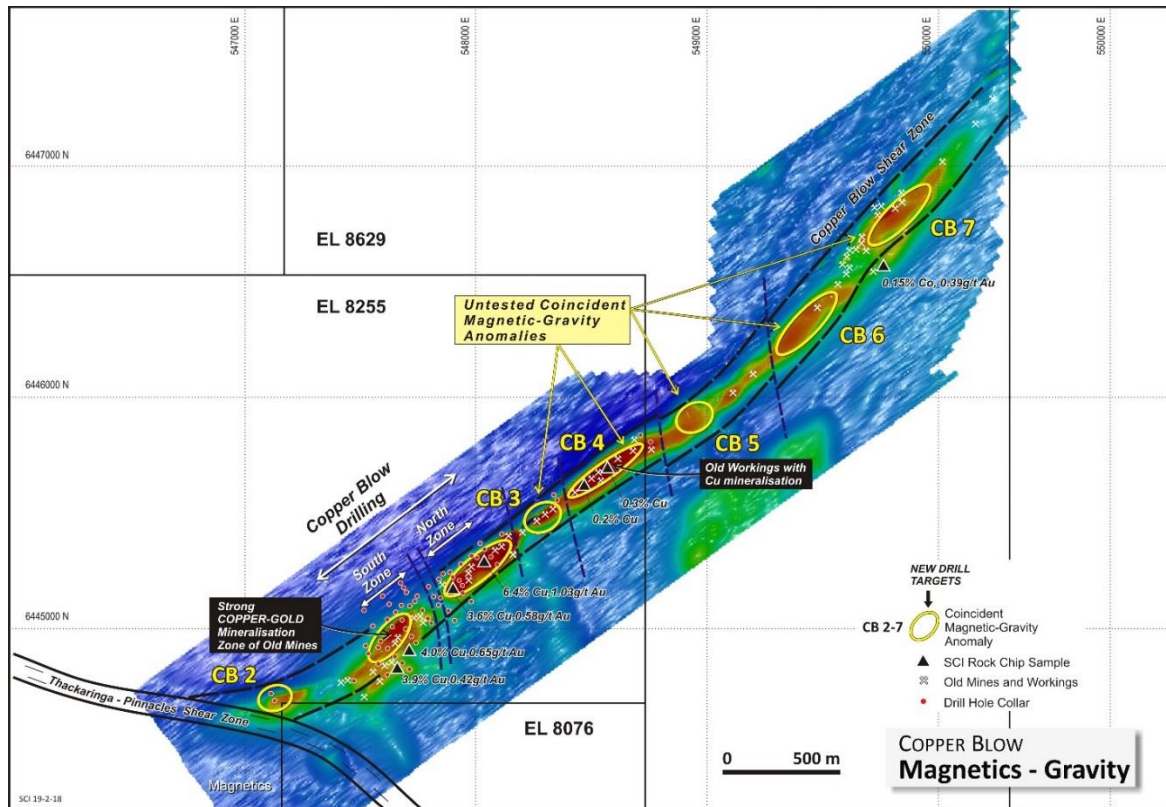


Figure 2 Detailed ground magnetic survey reduced to pole image. Shows a series of coincident magnetic/gravity anomalies. In addition to the North and South Zones at Copper Blow there are seven targets all of which might host copper mineralisation.

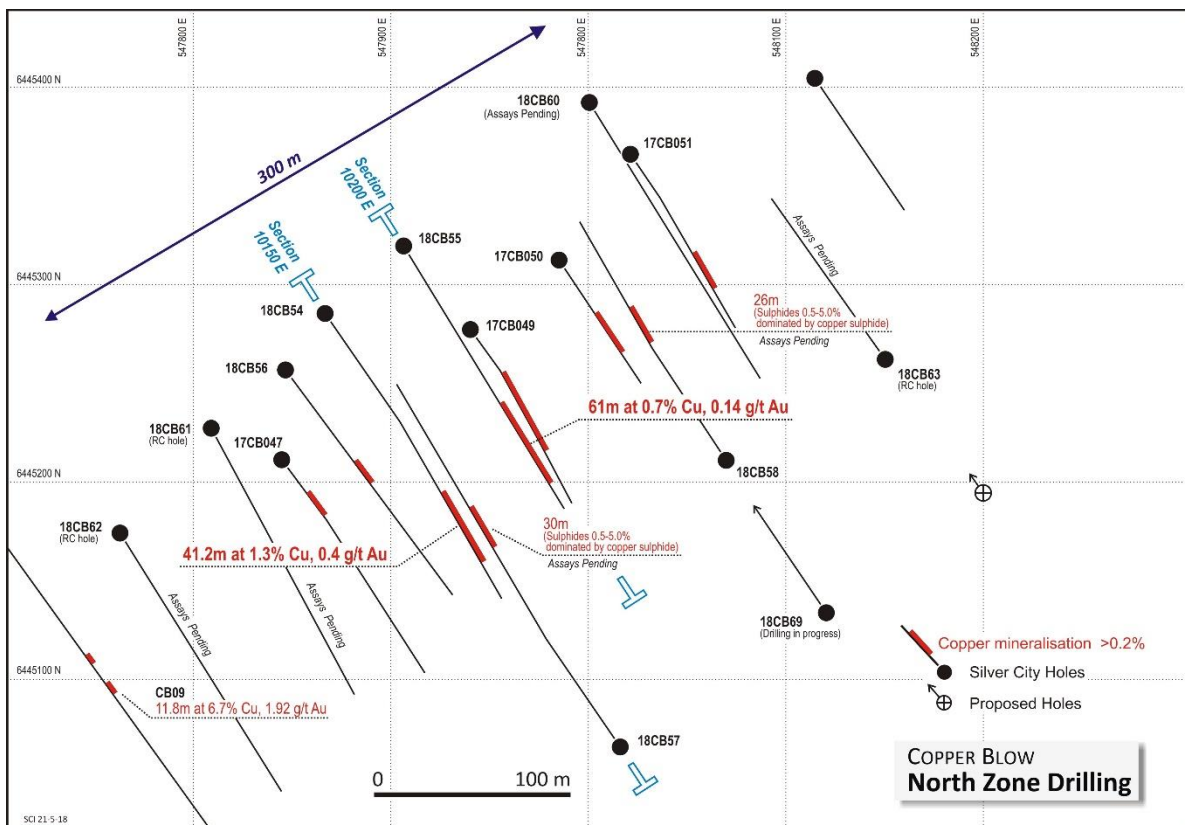


Figure 3 North Zone drill plan. The focus of recent drilling has been to assess the extent and continuity of copper-gold mineralisation within the zone proximal to mineralisation already encountered in hole 18CB054. Historic RC holes omitted for clarity.

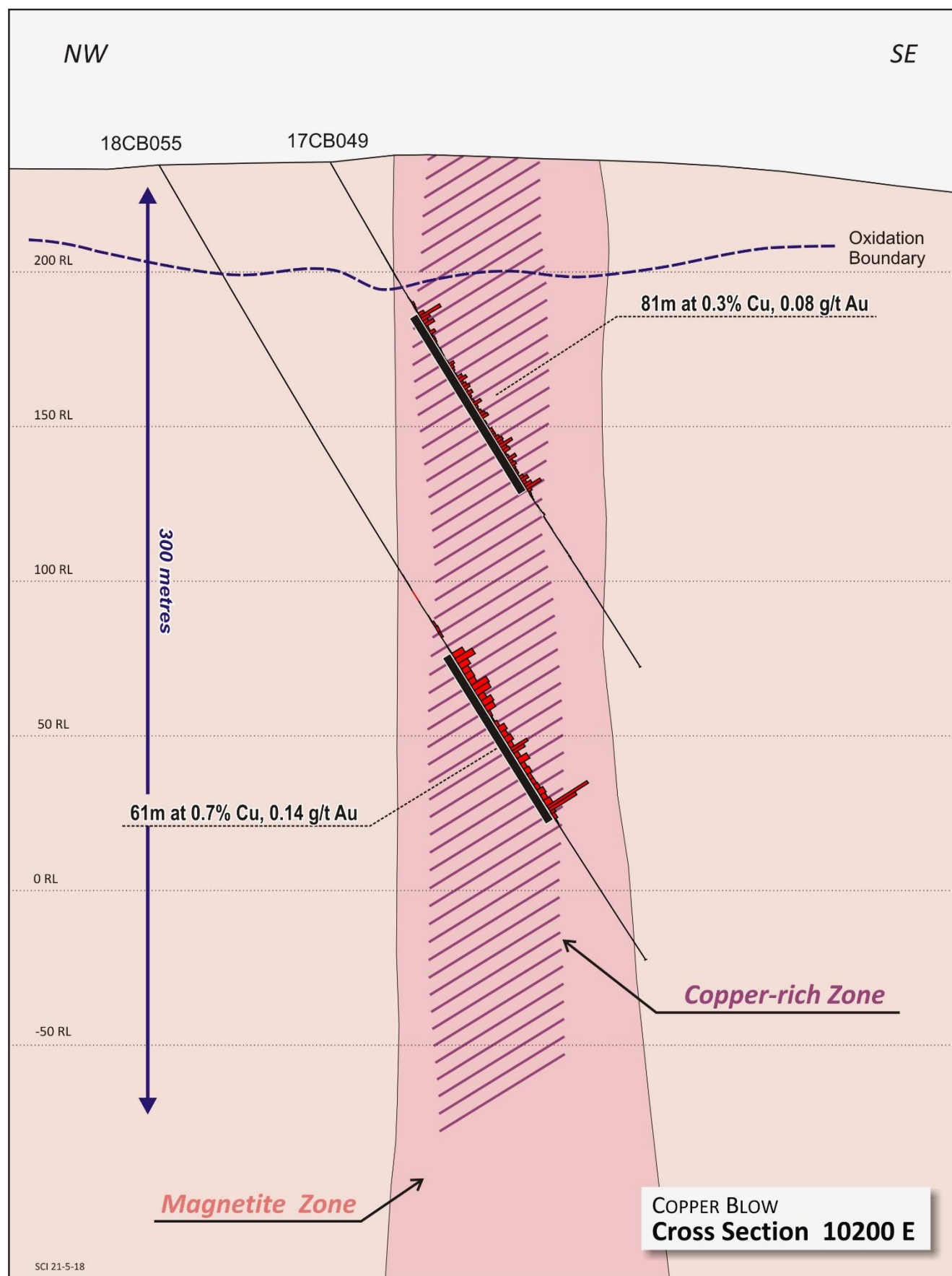


Figure 4 Cross-section showing new hole 18CB055 located 50 metres to the northeast of 18CB054. The intersection indicates a true thickness of copper-gold mineralation to be approximately 40 metres.

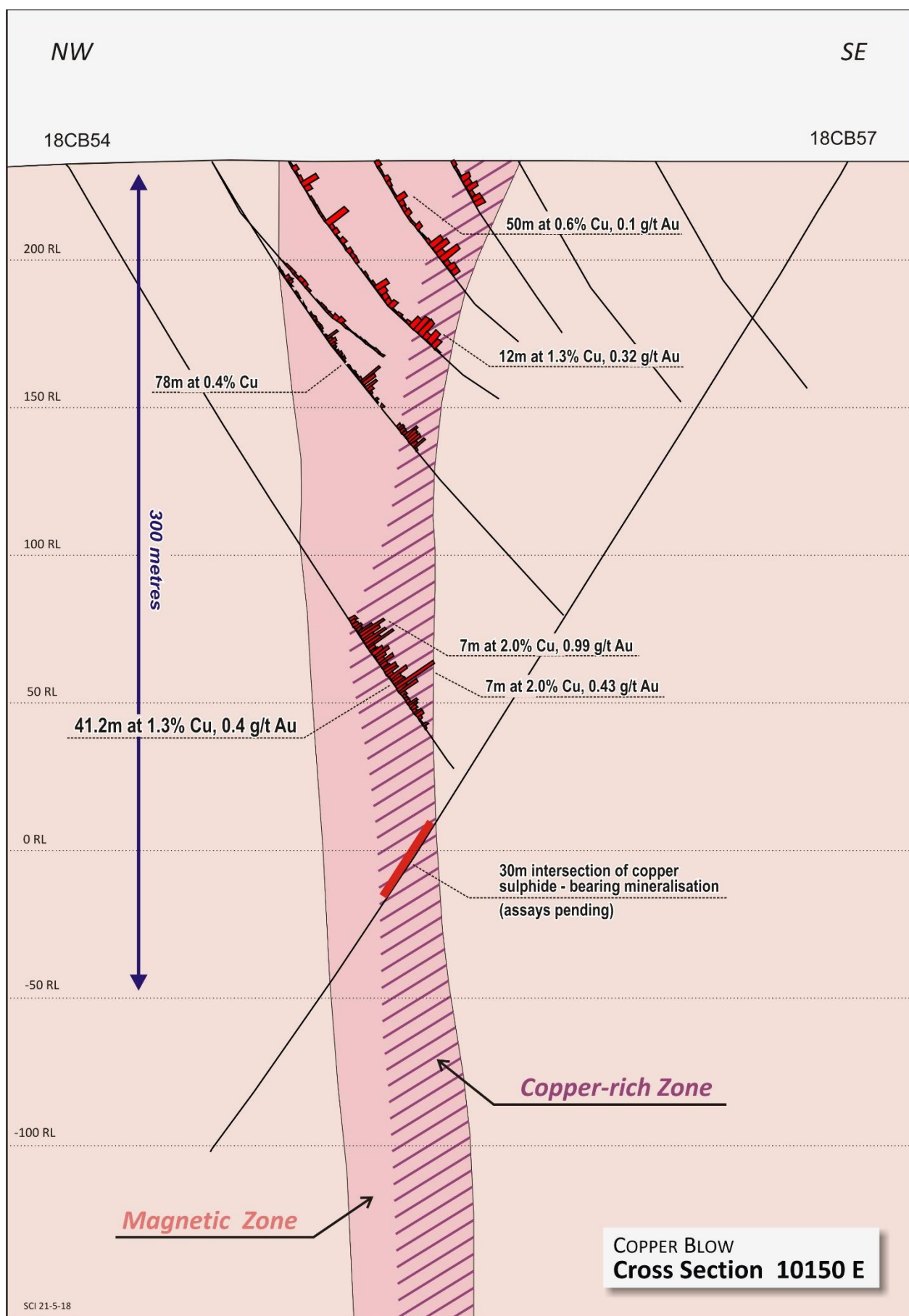


Figure 5 Cross-section showing new hole 18CB057 in relation to hole 18CB054. The sulphide mineralisation is persistent to depth and indicates mineralisation extends to depths of at least 270 metres.

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

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JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	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.	Report describes results for two diamond drill holes. Analytical results are for half core over 1 or 2 metres sample intervals
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples chosen for analyses on the basis of sulphide content and geological significance
	Aspects of the determination of mineralisation that are Material to the Public Report.	Results are Material to this and future Public Reports
	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.	Copper Blow is a base metal-gold-cobalt project. To date elevated grades have been observed to occur in association with elevated sulphide content. Sampling is based on the visual estimation of sulphide content and/or intensity of alteration. The Company not only samples elevated sulphide zones but also up to 10 metres of adjacent wall rocks.
Drilling techniques	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).	HQ and NQ diamond core. Standard NQ-2 predominates. Core has been drilled from surface and as tails to RC holes (Table 1 in body of report). Core orientation has been recorded using the Reflex Easy Ori method. Downhole surveys have been taken nominally every 30 metres using a gyro-orientation system due to the abundance of magnetite in the target zone.
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Core recoveries are recorded by the drillers in the field at the time of drilling and checked by a geologist or technician
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	- Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking and depths are checked against the depths recorded on core blocks. Rod counts are routinely undertaken by drillers. - When poor sample recovery is encountered during drilling, the geologist and driller have endeavoured to rectify the problem to ensure maximum sample recovery.
	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.	Relationship is not known at this time. Core recoveries have been very high.
Logging	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.	All core has been geologically and geotechnically logged in detail that will support Mineral Resource estimation, mining at metallurgical studies

Criteria	JORC Code explanation	Commentary
	- Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- Qualitative geological logging, quantitative geotechnical logging, core photography (wet and dry) and core orientation have taken place. Specific gravity measurements using the water displacement method will be taken nominally every 5 metres - Work is ongoing. A total of 572 metres in holes 18CB055 and 56 and 100% of relevant intersections have been logged to date.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - Whether sample sizes are appropriate to the grain size of the material being sampled. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - 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. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	- Core has been cut with a diamond core saw and half core submitted for analyses. - Sample size is appropriate to grain size and the nature of the rock - Sample types and the nature of the preparation is appropriate to the project - Quality control includes detailed core recovery assessment and half core sampling to maximise representivity. - Core drilling is an appropriate method of ensuring representative sampling of mineralised zones and adjacent country rocks - Core only reported here
Quality of assay data and laboratory tests	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - 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. - 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.	- 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. - The laboratory also has its own QAQC of systematic standard, repeats and duplicates. - No downhole or geochemical tools have been used - No external laboratory checks have been undertaken - Certified standards are inserted nominally every 40th sample - No assessment has been undertaken at this time - The laboratory also has its own QAQC of systematic standard, repeats and duplicates.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage	- Verification by other company personnel has taken place - No twinned holes - Data is recorded on site a using computer storage program and backed

Criteria	JORC Code explanation	Commentary
	<i>(physical and electronic) protocols.</i> Discuss any adjustment to assay data.	up at main office. No data adjustment
Location of data points	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.	Hole to be surveyed by a registered surveyor DGPS survey
	Specification of the grid system used.	MGA94 Zone 54
	Quality and adequacy of topographic control.	Drone survey to millimetre accuracy
Data spacing and distribution	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.	Data spacing and distribution is sufficient to establish a degree of geological and grade continuity for Mineral Resources and Ore Reserve estimations.
	Whether sample compositing has been applied.	No compositing
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Drilling has been of sufficient density to determine that mineralised structures and veins have a northeasterly strike and are nearly vertical with steep dips both towards the northwest and southeast. Drill holes have been oriented perpendicular to strike at dip angles from horizontal of between 50 and 70 degrees. As such downhole intersections do not represent true thicknesses of mineralised zones. Depending on the angle of the hole at the intersection the true thickness may be between 50 and 80% of the downhole intersection.
	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.	Given the interpretation of the structure described above, there is of a high level of confidence in the orientation of the key mineralised structures. The Company does not consider that the sampling gives a biased result. This public report gives downhole thicknesses and estimates of true thicknesses.
Sample security	The measures taken to ensure sample security.	Company personnel cut core in a locked yard facility and take bagged samples labelled with the laboratory address to a freight forwarding carrier for transport to the laboratory
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits have been 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	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.	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.
	The security of the tenure held at the time of reporting along with any known impediments to	The tenure is secure under NSW legislation. There are no known impediments to operate.

Criteria	JORC Code explanation	Commentary
	<i>obtaining a licence to operate in the area.</i>	
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Details previously outlined in ASX Release 4 May 2017.
Geology	Deposit type, geological setting and style of mineralisation.	Iron oxide copper-gold deposit hosting cobalt
Drill hole Information	- 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: - 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.	See Tables in body of the report
	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 Competent Person should clearly explain why this is the case.	All data is included
Data aggregation methods	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.	Normal weight averaging techniques applied. Nominal cutoff grades are indicated. No high grade upper cutting has been applied
	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.	No short lengths. Samples are either at 1 or 2 metres in length
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No equivalents are reported
Relationship between mineralisation widths and intercept lengths	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	Drilling has been of sufficient density to determine that mineralised structures and veins have a northeasterly strike and are nearly vertical with steep dips both towards the northwest and southeast. Drill holes have been oriented perpendicular to strike at dip angles from horizontal of between 50 and 70 degrees. As such downhole intersections do not represent true thicknesses of mineralised zones. Depending on the angle of the hole at the intersection the true thickness may be between 50 and 80% of the downhole intersection.
	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').	This public report gives downhole thicknesses and estimates of true thicknesses.
Diagrams	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.	Annexure 1.

Criteria	JORC Code explanation	Commentary
Balanced reporting	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.	Exploration results outlined in this Public Report report both high and low grades. Grades are encountered over broad zones and consistent. Grade variations are not high.
Other substantive exploration data	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.	No new data
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).	Continued drilling, metallurgical testwork, continued IP geophysical surveys and surface geochemical sampling. Refer to body of text
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Refer to figure 2 in body of report