



ASX ANNOUNCEMENT

30 October 2018

Soil Survey Confirms Extensive Mineral System at Copper Blow

Highlights

- **Multi-element anomalies indicative of IOCG confirm presence of extensive mineral system**
- **Pathfinder elements suggest significant potential for further copper-gold mineralisation**
- **Copper mineralisation at Copper Blow represent only a small part of a much larger mineral system – target generation ongoing using IP and RAB**

Silver City Minerals Limited (ASX: SCL) (“Silver City” or “the Company”) is pleased to announce that results received from a recent soil geochemical program at the Copper Blow project located 20 kilometres south of Broken Hill has confirmed the presence of an extensive mineral system.

Soil and rock chip data, including historic trench samples, indicate a number of multi-element anomalies considered to be indicative of iron-oxide copper-gold mineralisation.

These extend for 4.5 kilometres along strike and broadly straddles a magnetic ironstone in the Copper Blow Shear Zone. Magnetite in this shear zone produces a linear magnetic anomaly trending northeast-southwest. Old mine workings occur the entire length of the anomaly.

The new soil data suggests that geochemical anomalism at surface is associated with sulphide mineralisation at depth. The widespread presence of sulphide is also outlined by gradient array induced polarisation (IP) geophysical surveys.

It is apparent from both the soil and IP surveys that sulphide extends well beyond the ironstone shear.

The Company recently has shown that the Southern IP Target zone has coincident IP and soil geochemical anomalies and is not associated with significant magnetite. A drill hole which tested this anomaly returned broad zones of finely disseminated and stringer sulphide. Results from this hole are pending (ASX Release 3 October 2018).

Copper Blow, located in the Curnamona Province, lies within an iron oxide copper-gold (IOCG) domain similar to that in the adjacent Gawler Craton where some of the worlds largest IOCGs occur; notably Olympic Dam (Figure 1).

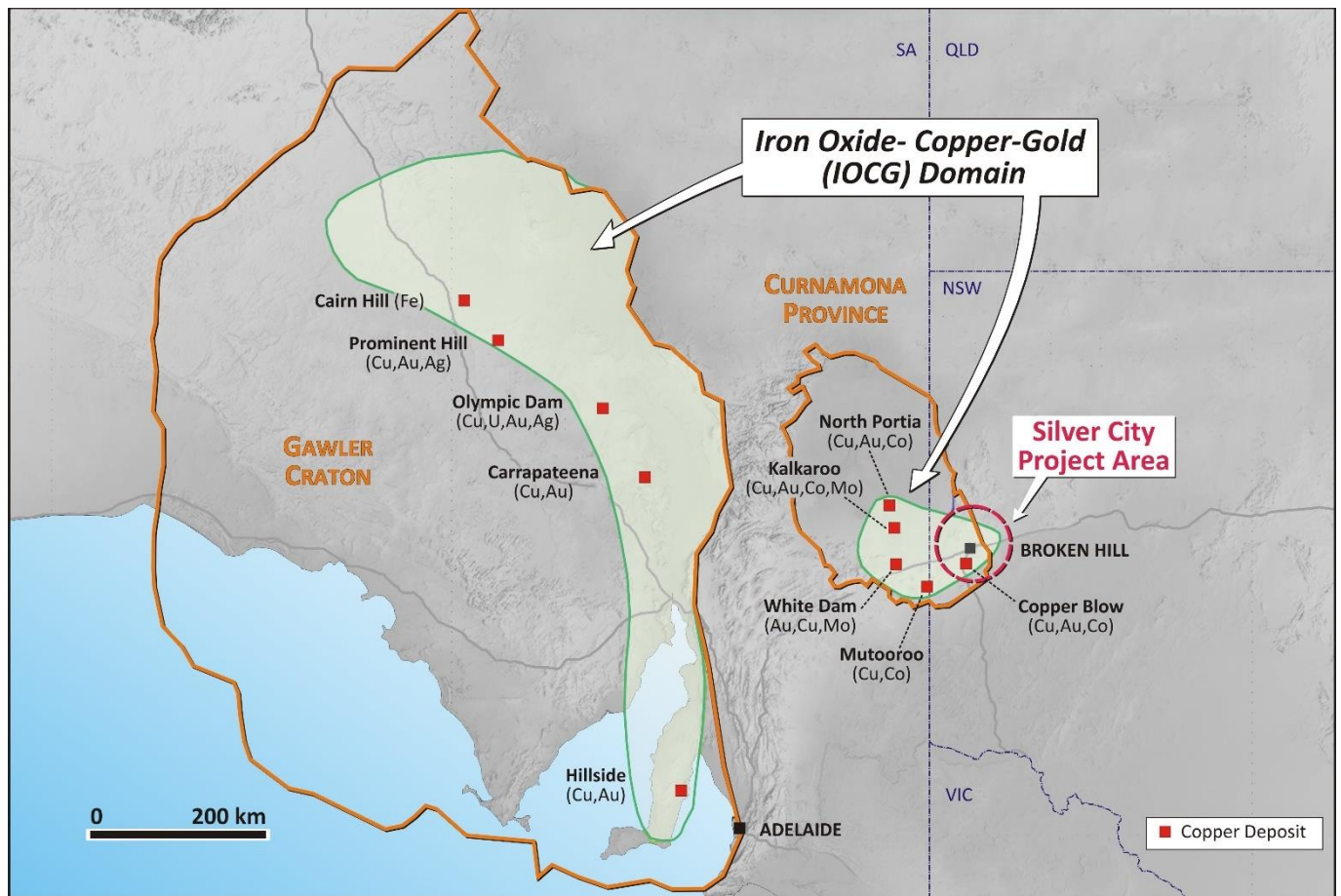


Figure 1 Rocks of Proterozoic age are hosted in the Gawler Craton and the Curnamona Province. IOCG domains occur within these. Copper Blow is located 20 kilometres south of Broken Hill.

Soil Sampling

Soil sampling at Copper Blow was designed to test the geochemical response in residual soils along the prospective belt, within and adjacent to the Copper Blow Shear Zone. Residual soils are those which are directly derived from rock by decomposition and weathering. These normally occur on or close to the rock interface and their chemistry reflects that of the underlying rock.

The survey was complicated by several zones of transported alluvium, sheet wash and deep regolith cover. The chemistry of these do not reflect that of the underlying rock (Figures 2 and 3). Data from these zones is omitted from this report for clarity.

Samples were analysed for 49 elements including gold. The extent of the sampling within residual soils zones is presented in Figures 4 to 7 (Annexure 1) for copper, molybdenum, cobalt and cerium.

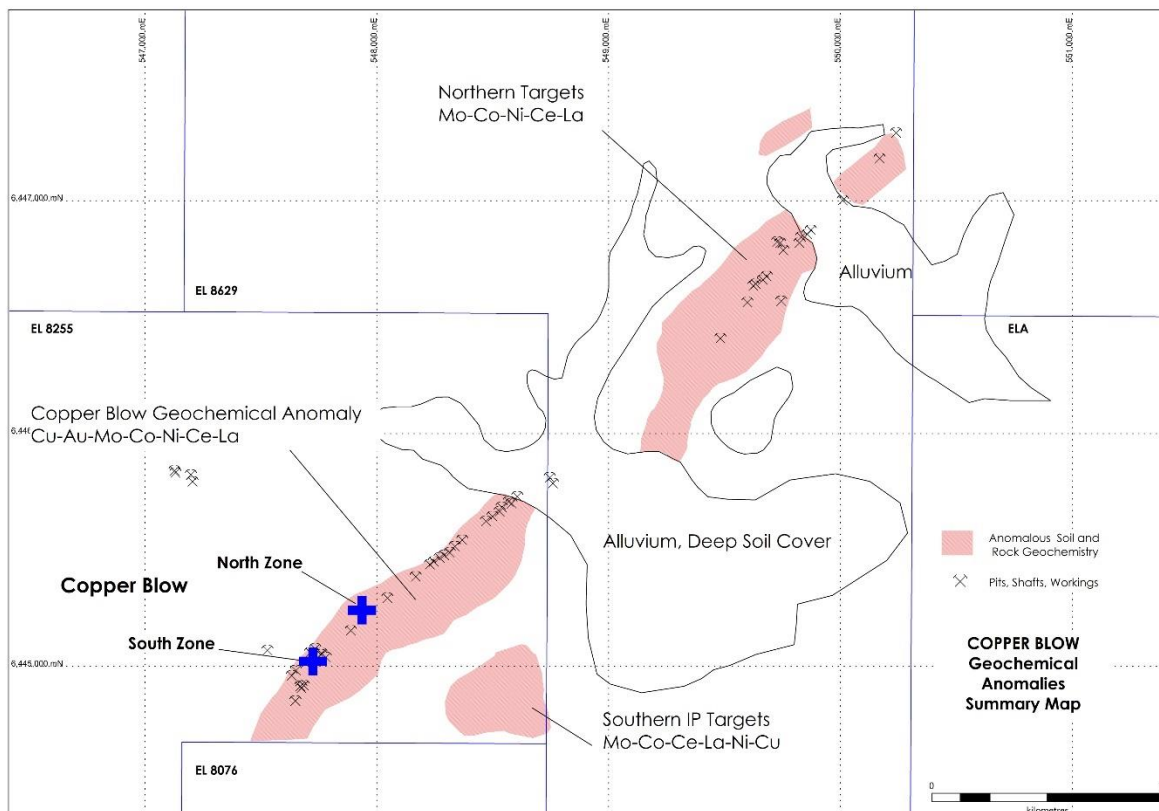


Figure 2 Diagram summarises anomalous elements and their distribution. To date drilling has been concentrated on the North and South Zones at Copper Blow

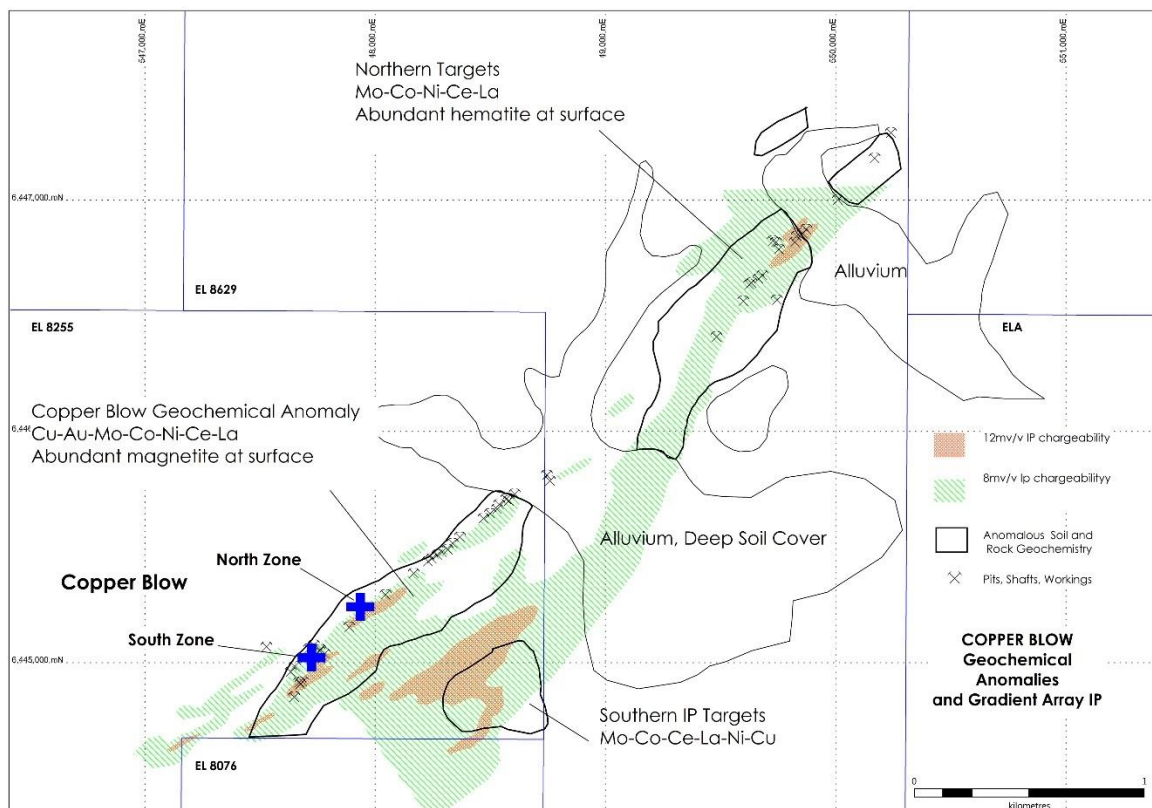


Figure 3 Diagram superimposes geochemical anomalies on gradient array induced polarisation

Synopsis of Results

Three zones of anomalism have been recognised to date (Figures 2 and 3)

1. *Copper Blow Geochemical Anomaly*

This zone extends for 1.6 kilometres along strike. It is coincident with the magnetic ironstone at the southwest end of the belt. Comprehensive drilling has tested approximately 1 kilometre of this anomaly and resource assessment is ongoing. The soils are characterised by elevated copper (up to 2010 ppm), gold (up to 0.11 ppm), molybdenum (up to 35.2 ppm), nickel (up to 62.6 ppm) and cobalt (up to 114 ppm). Rare earth elements cerium and lanthanum are also enriched.

This is the only part of the mineralised complex where significant copper is found at surface, explaining the elevated copper. Historic trench samples greater than 1000 ppm copper outline a zone 1600 metres long and up to 160 metres wide (ASX Release 27 September 2017).

2. *Northern Targets*

This zone extends for 1.1 kilometres where residual soils were encountered. It is interpreted to extend both north and south beneath alluvial cover following the trend of IP anomalism and may be connected to the Southern IP anomaly. This would suggest a total untested strike of 2.7 kilometres.

In the central area the outcropping rocks in the shear zone are characterised but specular hematite and lesser magnetite. The geochemical response indicates anomalous molybdenum (up to 10 ppm), cobalt (up to 33 ppm) and nickel (up to 79 ppm). Rare earths cerium and lanthanum are similarly anomalous. Copper in this zone returned a best result of 76.3 ppm.

A rock chip sample located in the northern part of this anomaly returned elevated cobalt and gold with no significant copper (sample 30566; **1485 ppm cobalt, 0.39 g/t gold** and 13 ppm copper; ASX Release 16 November 2017).

3. *Southern IP targets*

This target was first identified using IP. Residual soils over the IP anomaly are characterised by molybdenum (up to 6.6 ppm), nickel (up to 37 ppm) and copper (up to 87.3 ppm). Cerium and lanthanum are similarly elevated. Of interest here is a consistent zinc anomaly with a peak value of 659 ppm. Zinc is not encountered at Copper Blow, nor are there significant values from the Northern Targets zone.

Pathfinder Elements

Many mineral deposits display both mineralogical and geochemical zonation. The focus of the Silver City is on copper-gold mineralisation. It is evident that this style of mineralisation is accompanied by a wider range of similarly anomalous elements. In this case these include molybdenum, nickel, cobalt and rare earth elements cerium and lanthanum. These may be more broadly dispersed around a central copper-gold mineralised zone.

The presence of these and other pathfinder elements indicates the same mineralising fluids which produced copper-gold at Copper Blow were also present at the Northern Targets and the Southern IP Target. There is significant potential for copper-gold rich bodies to occur at depth within these anomalies.

What Next?

Silver City is currently assessing the mineral resource at Copper Blow and is waiting on analytical results from recent drilling. It is apparent that the copper-gold mineralisation in the North and South Zones at Copper Blow represents only a small part of a much larger mineral system.

The Company proposes to assess the areas adjacent to the Copper Blow Shear and other magnetite and gravity anomalies in order to determine the extent of the mineral system and generate further copper-gold targets for drill-testing.

The effectiveness of continued soil sampling is limited largely due to the extent of residual soil cover. Alluvium and deep regolith cover many prospective zones and as a consequence the Company proposes to use a combination of rotary airblast drilling (RAB) and IP to outline future drill targets. The effectiveness of the IP technique has already been demonstrated by the Company at Copper Blow. RAB is a geochemical sampling technique which enables a sample to be collected from beneath alluvial and deep regolith cover and will complement IP surveys.

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.

This report contains information extracted from ASX releases cited in the body of the report. These are available to view on the website www.silvercityminerals.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

CONTACT DETAILS

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Greg Jones	Non-Executive Director
Josh Puckridge	Non-Executive Director
Ivo Polovineo	Company Secretary

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Annexure 1 Diagrams

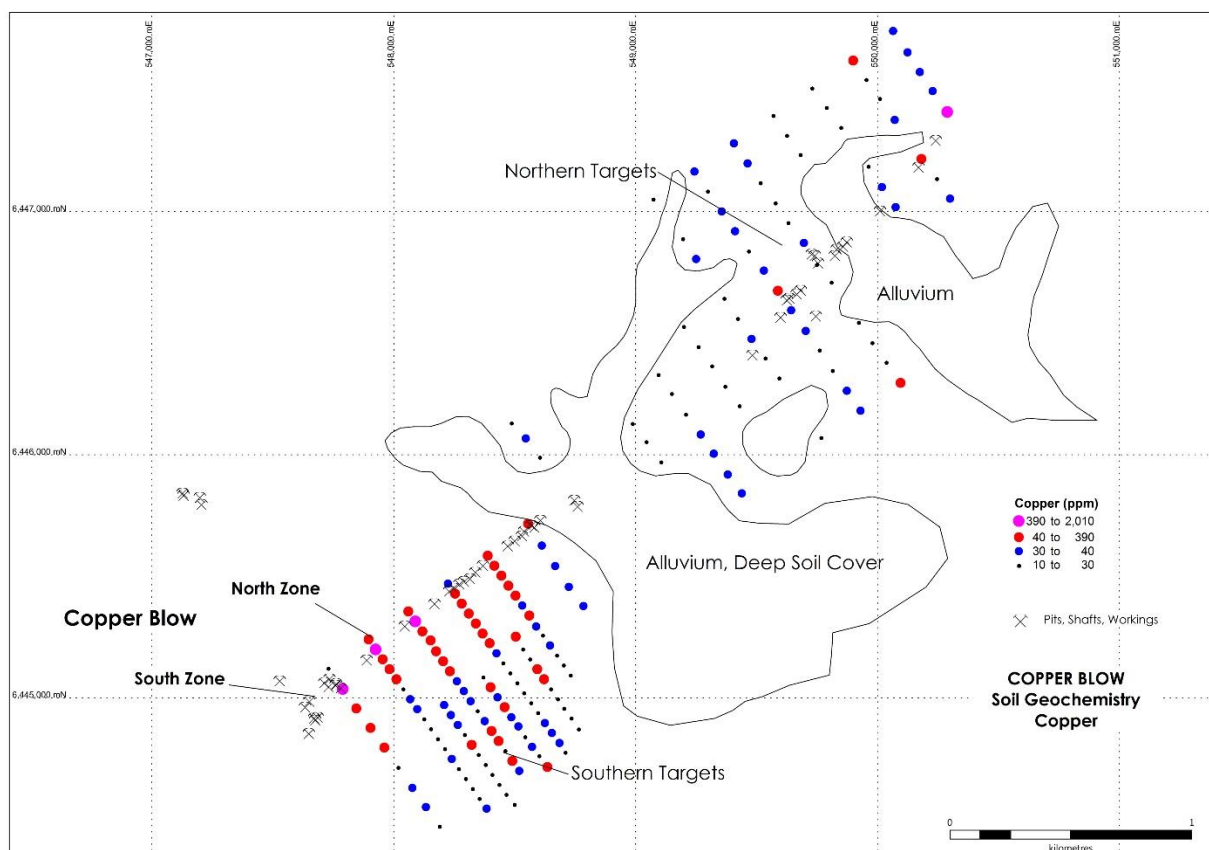


Figure 4 Copper geochemistry in residual soils at Copper Blow

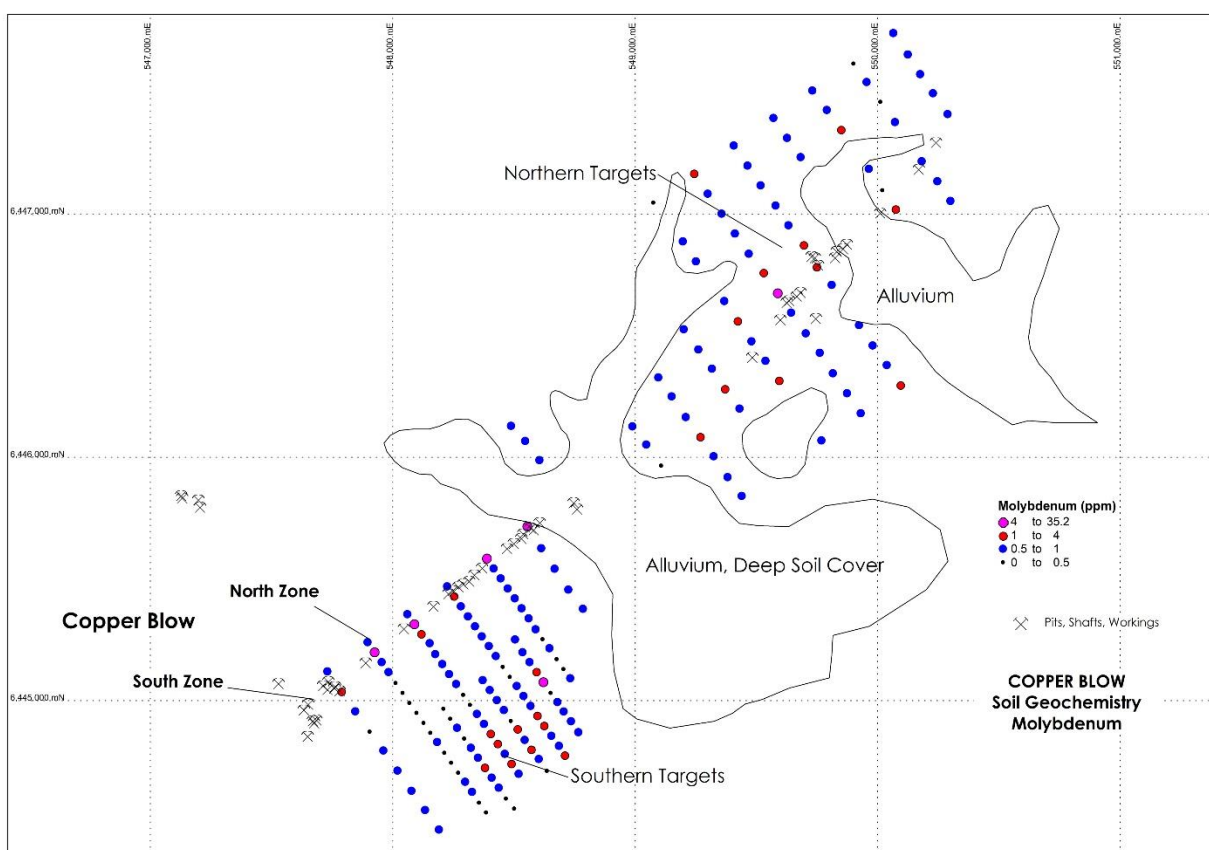


Figure 5 Molybdenum geochemistry in residual soils at Copper Blow

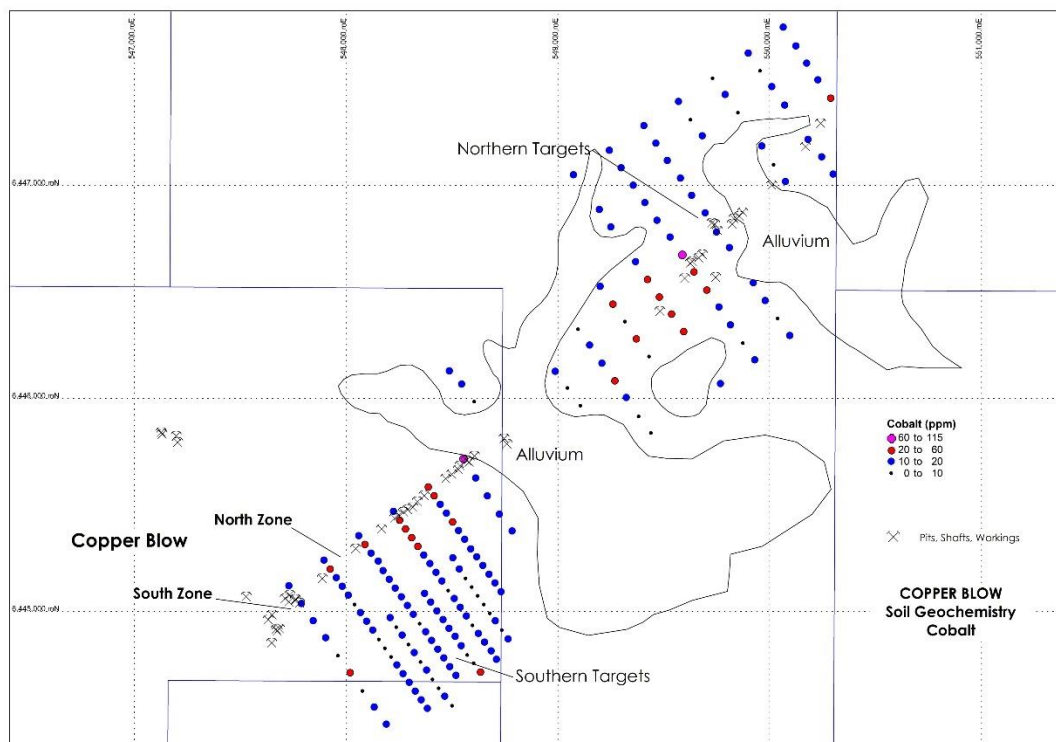


Figure 6 Cobalt geochemistry in residual soils at Copper Blow

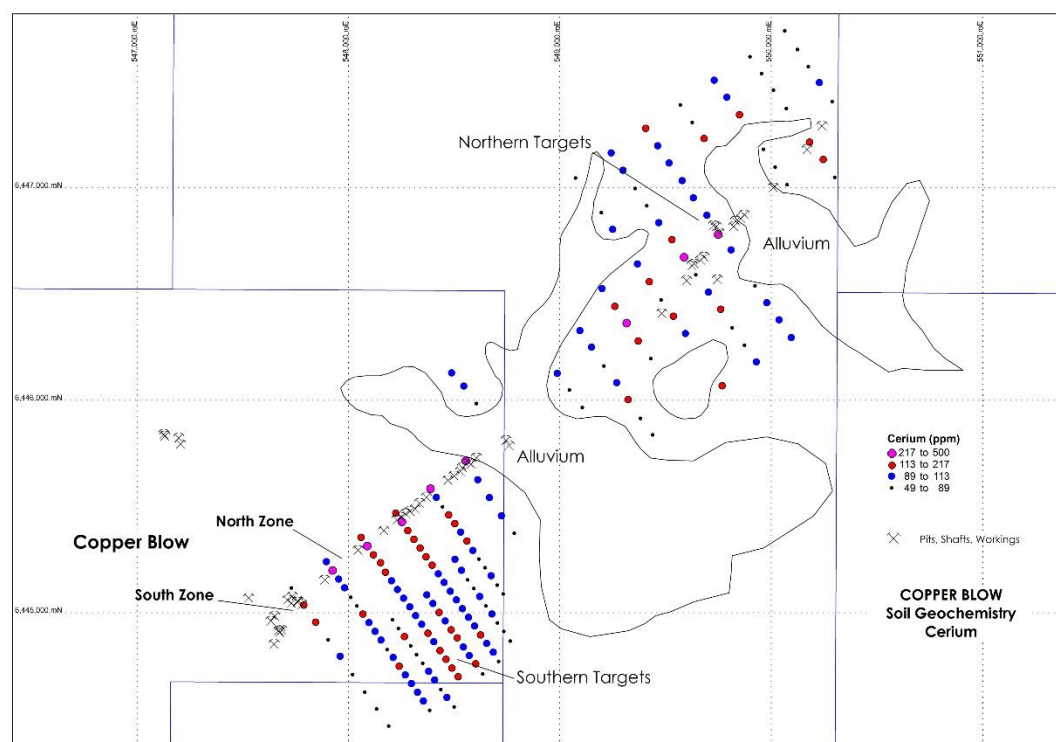


Figure 7 Cerium geochemistry in residual soils at Copper Blow

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.	The report specifically discusses the results of a soil sampling program
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	No measures undertaken
	Aspects of the determination of mineralisation that are Material to the Public Report.	The identification of anomalous trace element suites in soils which directly relate to copper-gold mineralisation is Material to this Public report.
	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.	Soil samples were collected using a hand-held auger. A "B"/"C"-horizon soil was samples was sieved on site to -5mm. Sample size was 0.5 to 1.0kg. All sample sites photographed.
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).	No drilling
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	No drilling
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No drilling
	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.	No drilling
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 soil samples were logged in detail to assess lithology of residual rock fragments, record quartz vein content and to determine the style of regolith if not residual.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Qualitative and quantitative measurements were recorded
	The total length and percentage of the relevant intersections logged.	No drilling
Sub-sampling techniques	If core, whether cut or sawn and whether quarter, half or all core taken.	No drilling.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	No drilling

Criteria	JORC Code explanation	Commentary
and sample preparation	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	Sample types and the nature of the preparation is appropriate to the project
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	No quality control
	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.	No measures undertaken
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	No drilling
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.	Sample preparation pulverization 85% sample passing 75 microns. 4 acid digest, 48 elements using ICP/AES and ICP-MS (ASLGlobal Code ME-MS61: alsglobal.com). Gold by 30 gram charge fire assay and AA finish (ALS Code Au-AA23). Technique is appropriate to the study and considered to be total for most elements.
	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.	No handheld instruments used
	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.	No quality control procedures during sampling. Lab has provided its own quality control documentation
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	No drilling
	The use of twinned holes.	No drilling
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data is recorded on site a using computer storage program and backed up at main office.
	Discuss any adjustment to assay data.	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.	Sample sites by hand held GPS to 5 metres accuracy
	Specification of the grid system used.	MGA94 Zone 54
	Quality and adequacy of topographic control.	Drone survey to millimetre accuracy for hole and Shuttle Radar.
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.	Soil sample spacing varies between 100 metres on lines 200 metres apart in Northern zone to 50 metre spacings on 100 metre-space lines. The density and distribution has adequately allowed for a degree of geochemical and geological continuity to be established
	Whether sample compositing has been applied.	No compositing
Orientation of data in relation to	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	Soil samples lines were oriented perpendicular to strike of the know mineralisation. Bias is unknown.

Criteria	JORC Code explanation	Commentary
geological structure	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.	No drilling
Sample security	The measures taken to ensure sample security.	Samples were transported from site to a locked office. Samples are then delivered to a freight forwarding company 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.	Work outlined in this public report falls within ELs 8255 and 8629 which is subject to a joint venture between Silver City Minerals and CBH Resources. A landowner access agreements are in place. Native Title has been extinguished.
	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.	The tenure is secure under NSW legislation. There are no known impediments to operate.
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. Both shear zone hosted and disseminated
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.	No drilling
	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.	No drilling
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.	No drilling
	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	No drilling

Criteria	JORC Code explanation	Commentary
	<i>be shown in detail.</i> <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No equivalents are reported
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i> <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	- No drilling - No drilling.
	<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>	No drilling
Diagrams	<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>	Body of report
Balanced reporting	<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>	Comprehensive reporting of all data is not practicable. In the body of the text the significant values for selected elements are given for each anomaly discussed. Examples of the type and location of the data are given in Figures 3 to 7 where the range of values for each element is thematically mapped. The purpose of this Public Report is to convey the extent of important multi-element anomalies.
Other substantive exploration data	<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>	No other exploration
Further work	<i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <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>	- Continued drilling, RAB drilling, continued IP geophysical surveys and surface geochemical sampling. - Refer to figures in body of report