



ASX ANNOUNCEMENT

11 September 2017

Outstanding Copper Sulphide Intersected Over 13.5 metres in First Diamond Hole at Copper Blow

- First diamond hole at Copper Blow intersects 13.5 metres of strong copper mineralisation
- Visual estimate of 10 to 15% chalcopyrite in a magnetite-rich rock
- Intersection only 110 metres below surface
- A further 8 holes still to be drilled in the initial program

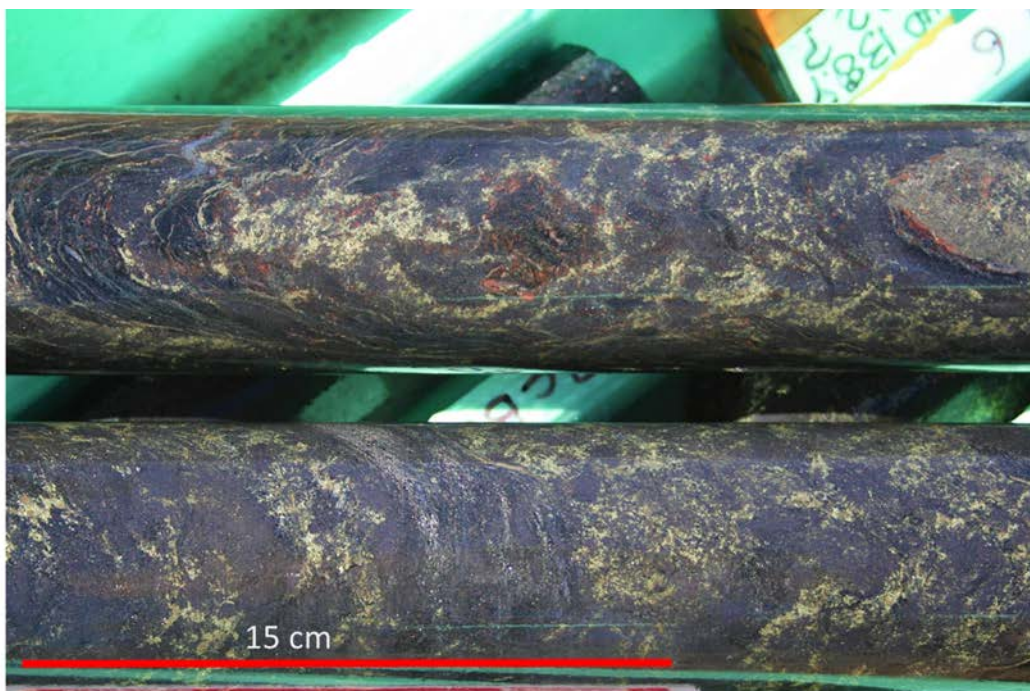


Plate 1 Copper sulphide mineralisation from within the new drill hole intersection in hole 17CB043 at Copper Blow. Extensive chalcopyrite mineralisation with minor pyrite and pyrrhotite in a magnetite-biotite rich rock. (red bar = 15 cm).

Silver City Minerals Limited (ASX: SCI) (“Silver City” or “the Company”) is pleased to announce that it has drilled a significant copper sulphide intersection over a downhole interval of 13.5 metres in its first diamond drill hole (17CB043) at Copper Blow, located

approximately 20 kilometres south of Broken Hill. Significant copper mineralisation extends from **131.7 to 145.2 metres** and lies only 110 metres below surface (Plate 1).

The intersection comprises strong chalcopyrite (copper sulphide) mineralisation with lesser amounts of iron sulphides (pyrrhotite and pyrite) intimately associated with strong magnetite and biotite alteration. A visual estimate of the core suggests an overall chalcopyrite content of 10 to 15% with a range of 5 to 20%.

Preliminary interpretation suggests the mineralisation has formed in a northwest-dipping structure and may be part of a steeply plunging shoot.

Hole 17CB043 was designed to follow-up a high-grade intersection hosted in old drill hole CB09 which returned **11.8 metres at 6.7% copper, 1.92 g/t gold and 13.7 g/t silver** from a depth of 182.9 metres.

In addition to diamond drill hole 17CB043, SCI has completed one reverse circulation hole (17CB041) at the southern end of the Copper Blow prospect and two RC precollars for additional diamond holes (17CB042 and 044).

The precollars have not been drilled in mineralised rocks and await diamond tails. RC hole 17CB041 was completed to a depth of 204 metres. Moderate to strong copper mineralisation was visually recognised over a number of intervals. These include 162-165 metres (5 to 10 % chalcopyrite) and 188-191 metres (10 to 20% chalcopyrite). This hole is located 150 metres south of the strong copper mineralisation intersected in 17CB043.

The drill core will undergo detailed geological and geotechnical logging and samples will be despatched to the laboratory for analyses as soon as possible. Results from the diamond hole and RC drill chips are expected within two to three weeks.

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
17CB042	547637	6445204	240	-60	145	144	RC pre-collar, core drilling to follow
17CB043	547700	6445170	240	-60.9	144.2	375.8	RC pre-collar to 119.6m, then core to 375.8m
17CB044	547600	6445142	240	-61	146	144	RC pre-collar, core drilling to follow

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), Glenn Coianiz (BSc, RPGeo Information Geoscience and Mineral Exploration, Grad Diploma GIS & Remote Sensing) and Robert Gordon (BApSci Geology) who are members of the Australian Institute of Geoscientists. Mr Torrey is the Managing Director, a shareholder and full time employee of Silver City Minerals Limited, Mr Coianiz is a full time employee of Exploris Pty Ltd and Mr Gordon is the Exploration Manager and full time employee of Silver City Minerals. Mr Torrey, Mr Coianiz and Mr Gordon have 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, Mr Coianiz and Mr Gordon consent 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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Annexure 1 Diagrams

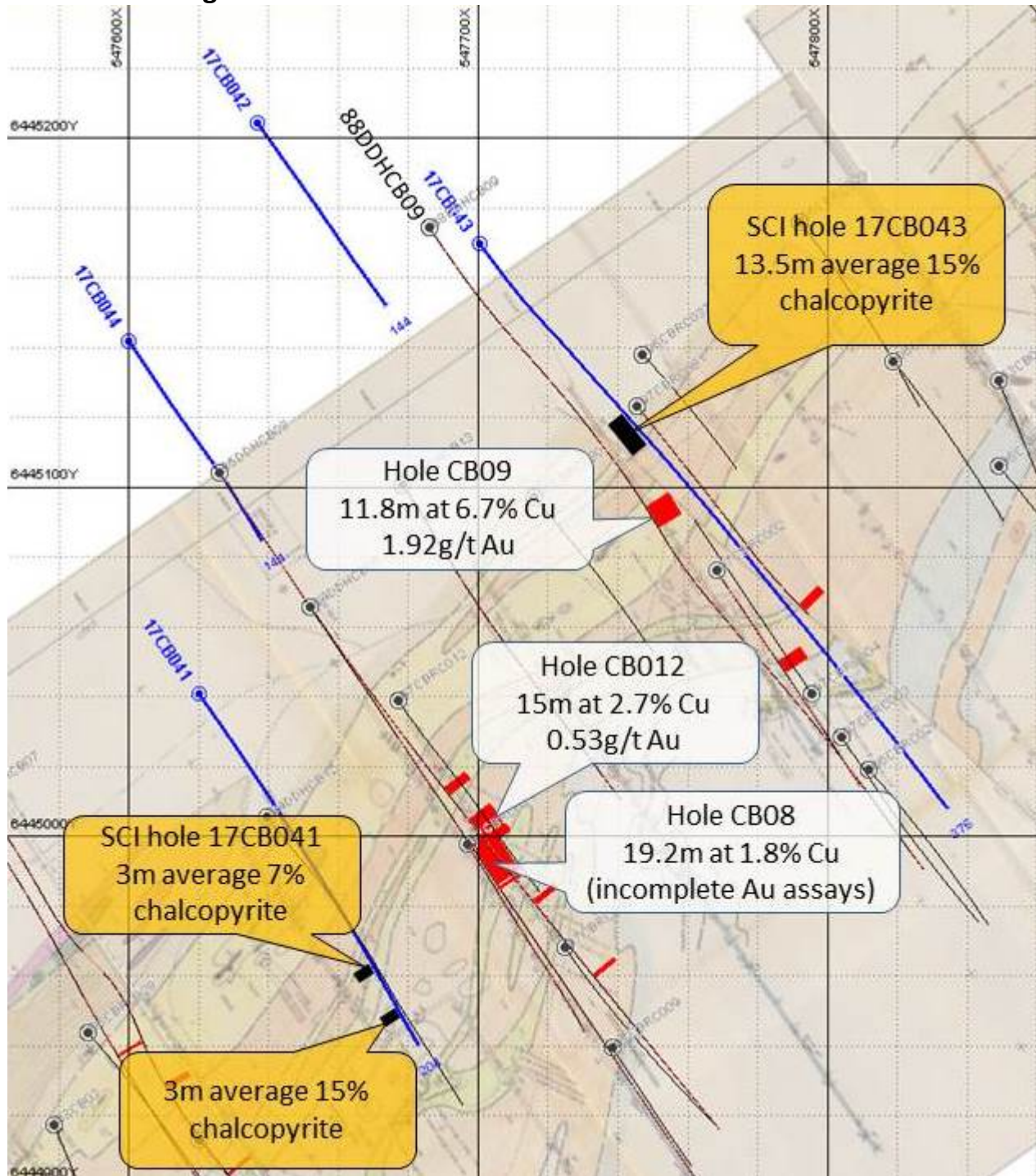


Figure 1. Diagram showing recently drilled SCI holes at Copper Blow (blue drillhole traces) in relation to historic holes. Red bars indicate significant historic drill intersections at a nominal cut off of 1% copper. Black bars indicate significant intersections in recent SCI drilling. Hole 17CB042 and 44 are precollars RC holes with diamond tails scheduled.

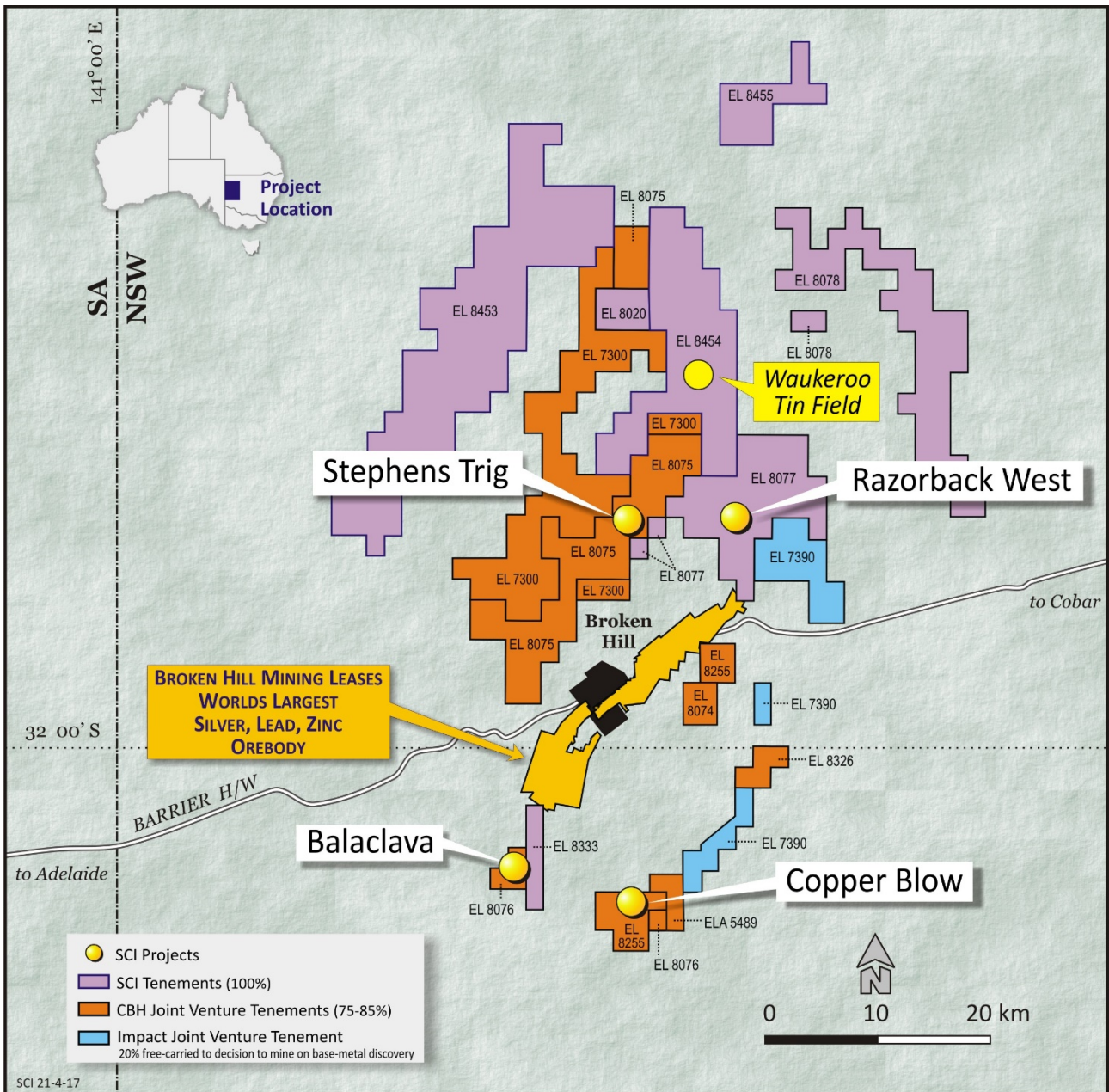


Figure 2. Silver City tenements at Broken Hill. Location of Copper Blow

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"> Core and reverse circulation chips are being processed and sampled. This report documents visual observations
	<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"> Sampling is ongoing. RC chips will be sampled on one metre intervals nominally where magnetite alteration is observed and/or where preliminary XRF analyses indicates copper greater than 500 ppm. Core will be sampled according to geological assessment nominally at one metre intervals. Half core will be sampled as a representative of mineralised zones.
	<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 determination of mineralisation in the Public Report is by visual observation by experienced geologists
	<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"> Sampling is ongoing. 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. 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"> Both HQ core and reverse circulation drilling. Core is standard double tube and RC uses a face sampling hammer. Some hole combine RC precollars with diamond tails
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"> Industry standard measurement of core and loss. It is noted that the interval of elevated chalcopryrite referred to in this hole has suffered core loss with an overall recover of 89%. This core loss was not due to poor ground conditions but a drill rig malfunction during wireline recovery and subsequent re-drill. Core recovery for the remainder of the core hole was in excess of 95%. RC sample size was not recorded.
	<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 	<ul style="list-style-type: none"> RC chips have been geologically logged in detail and core will be both geologically and geotechnical logged . These will be

Criteria	JORC Code explanation	Commentary
	<p><i>Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<p>appropriate for use in Mineral Resource estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> Logging is qualitative. Logging is ongoing
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> 	<ul style="list-style-type: none"> Core will be sawn and half core will be submitted for analyses
	<ul style="list-style-type: none"> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> 	<ul style="list-style-type: none"> Sample sizes are considered to be of appropriate grain size for the material being sampled Sample preparation has not yet been undertaken Riffle splitting reverse of circulation chips In RC holes duplicates were collected nominally every 20th sample Riffle split. Holes with excessive water flows were curtailed in favour of diamond tails.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> No analyses at this stage No geophysical tools spectrometers, handheld XRF instruments were used for analytical reporting. In RC hole duplicates were collected approximately every 20th sample. Standards are inserted also every 20th sample. No results available for assessment as yet
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> No results as yet No twinning of drillholes has been undertaken Data is recorded on site using computer storage programmes and backed up at main office. No assays at this stage
Location of data points	<ul style="list-style-type: none"> <i>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.</i> 	<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.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • GDA94 MGA Zone 54 • Regional DTM from airborne geophysical surveys and/or Shuttle Radar
Data spacing and distribution	<p><i>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.</i></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. Drilling is ongoing
	<ul style="list-style-type: none"> • Whether sample compositing has been applied. • 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"> • No analyses as yet • 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. 	<ul style="list-style-type: none"> • See body of report
	<ul style="list-style-type: none"> • If the exclusion of this information is justified on the basis that the information is not 	<ul style="list-style-type: none"> • This information is to be included in this public report

Criteria	JORC Code explanation	Commentary
	<i>Material and this exclusion does not detract from the understanding of the report, the 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"> No assay data is available at this time
	<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 assay data is available at this time
	<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 in historic holes is unknown
	<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 unknown.
	<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"> No assays reported
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"> Drill testing to follow-up and confirm historic drill results is ongoing.
	<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