SILVER CITY MINERALS LIMITED

ASX ANNOUNCEMENT

26 September 2017

High Grade Copper Hit in first hole at Copper Blow

- **8.22 metres at 1.9% copper and 0.53 g/t gold**
- **Includes 4 metres at 2.5% copper and 0.83 g/t gold**
- **Exploration along strike in the prospective magnetic belt 3 kilometres to northeast and 2 kilometres to west has been initiated**
- **Assays still to come on five completed holes with a further 5 holes scheduled to be drilled**

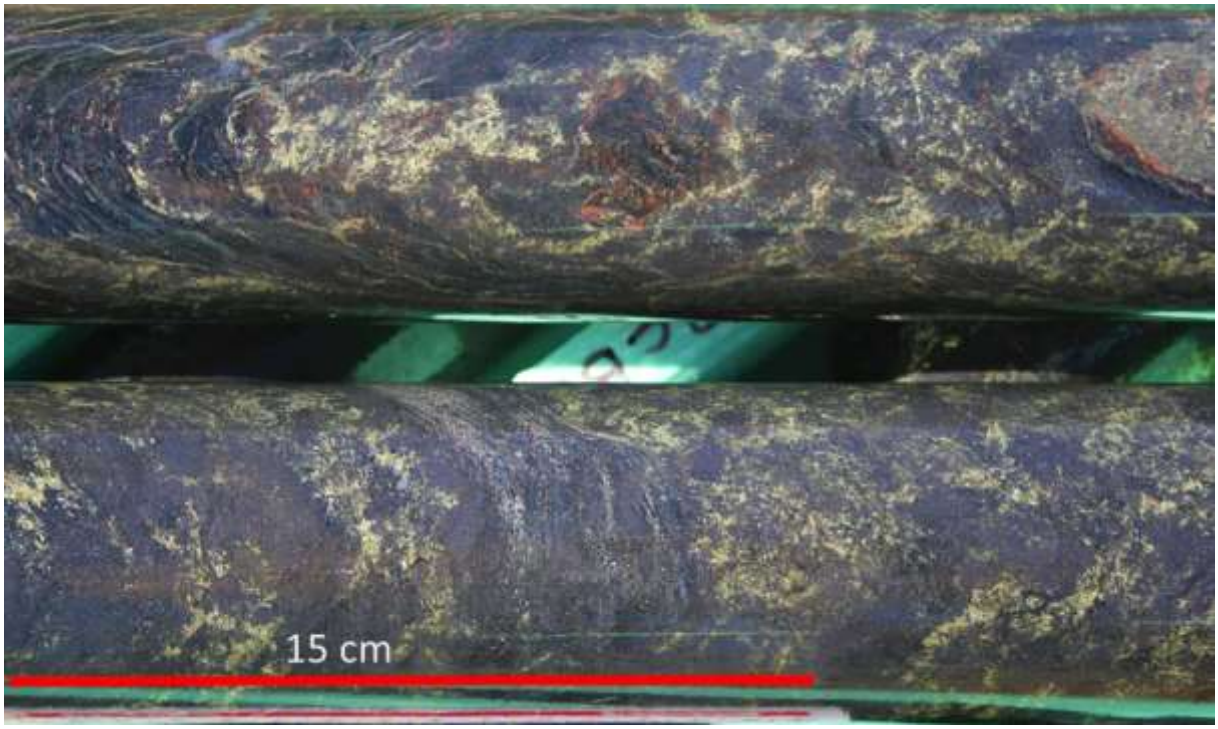

Plate 1. Core from high grade intersection in hole 17CB043 showing strong chalcopyrite (copper sulphide) mineralisation. A one metre sample of this material returned 4.4% copper and 2.1 g/t gold.

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Silver City Minerals Limited (ASX: SCI) ("Silver City" or "the Company") is pleased to announce it has received analytical results for part of its first diamond drill hole at Copper Blow locate 20 kilometres south of Broken Hill. The hole returned an intersection as follows:

- **8.22 metres at 1.9% copper and 0.53 g/t gold from 131.78 metres**
- **Including 4 metres at 2.5%copper and 0.83 g/t gold from 131.78**

These were contained within a broader zone of sulphide mineralisation of:

- **13.32 metres of 1.3 % copper and 0.36 g/t gold from 131.78**

The intersection comprises strong chalcopyrite (copper sulphide) intermixed with iron sulphides (pyrrhotite and pyrite) and intimately associated with strong magnetite and biotite alteration (ASX Release 11 September 2017). This is an excellent result and highlights the potential of the project. Further drilling is underway to determine the extent of this mineralisation. At the time of writing a further five holes are scheduled.

Copper Blow lies within an elongate magnetic anomaly and the known mineralisation extends for 1 kilometre along strike. Magnetite is readily discernible in airborne magnetic data and the prospective magnetic linear continues both northeast and west for three and two kilometres respectively (Figure 3). Both northeastern and western extensions are poorly explored as they lie beneath a cover of alluvium and soil.

The Company plans to conduct exploration along this trend. Work will include geophysical surveys (ground magnetics, gravity and electromagnetics) and rotary air blast (RAB) drilling to sample bedrock beneath the cover.

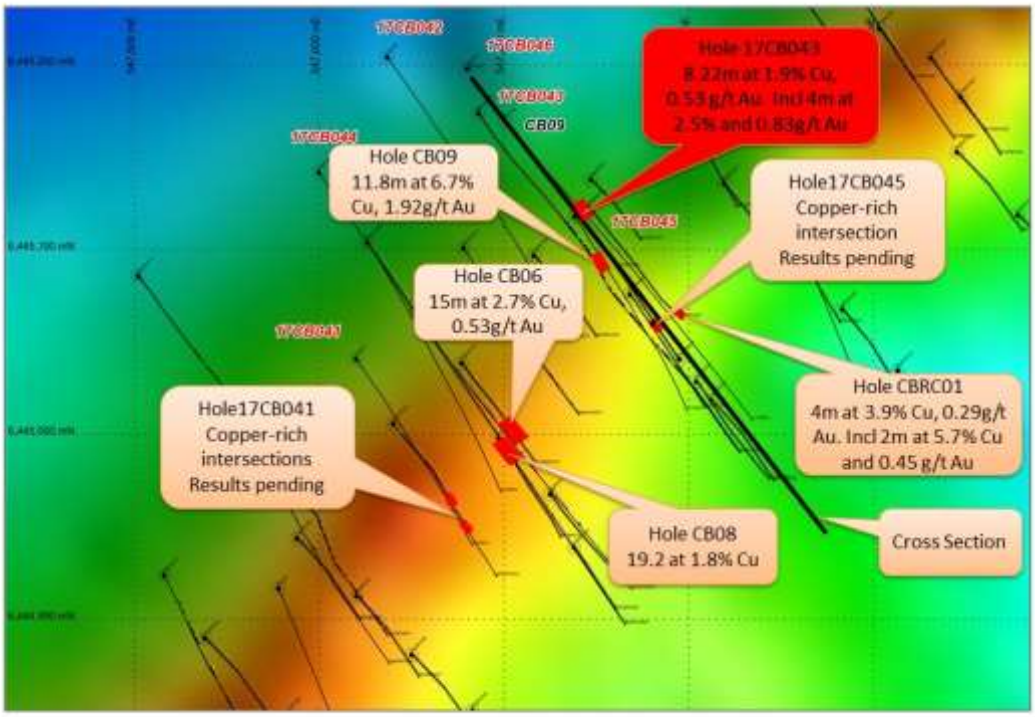

Figure 1 Drilling at Copper Blow. Background image is airborne magnetics. SCI drill hole numbers shown in red. Line of cross section for Figure 2 shown.

Background

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 (Figure 1).

The 17CB043 collar is located 15 metres east of hole CB09 placing the surface projections of the holes about 10 metres apart. The difference in the intersected depths of mineralisation in the holes suggests oblique faulting has displaced one from the other (Figure 2).

Reverse circulation (RC) hole 17CB045 has been completed to test the up dip extent of mineralisation in holes CB09 and 17CB043 and has intersected strong chalcopyrite mineralisation from 127 to 130 metres within a broader zone of sulphide mineralisation six metres wide. This hole serves to confirm the up-dip continuity of copper mineralisation.

A new RC hole 17CB046 has been designed to test the down dip extension of the new intersection in hole 17CB043 and will commence shortly.

Table 1 Drill Hole Specifications

Drill Hole	MGA East (m)	MGA North (m)	Elevation (m)	Dip (degrees)	Azimuth (degrees)	Total Depth (m)	Comment
17CB043	547700	6445170	240	-60.9	144.2	375.8	RC pre-collar to 119.6m, then core to 375.8m
17CB045	527738	6445118	240	-60	145	216	RC

Table 2 Analyses from Hole 17CB043

Hole ID	Sample	From	To	Interval	Cu (%)	Au (g/t)
17CB043	164339	131.78	133.00	1.22	0.938	0.11
17CB043	164340	133.00	134.00	1.00	1.775	0.45
17CB043	164341	134.00	135.00	1.00	4.43	2.10
17CB043	164342	135.00	136.00	1.00	1.455	0.39
17CB043	164343	136.00	137.00	1.00	1.17	0.36
17CB043	164344	137.00	138.00	1.00	3.09	0.46
17CB043	164345	138.00	139.00	1.00	0.37	0.11
17CB043	164347	139.00	140.00	1.00	1.95	0.32
17CB043	164348	140.00	141.00	1.00	0.34	0.12
17CB043	164349	141.00	142.00	1.00	0.15	0.02
17CB043	164350	142.00	143.00	1.00	0.10	0.07
17CB043	164351	143.00	144.00	1.00	0.19	0.07
17CB043	164352	144.00	145.10	1.10	0.62	0.12

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
Josh Puckridge	Non-Executive Director
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Annexure 1 Diagrams

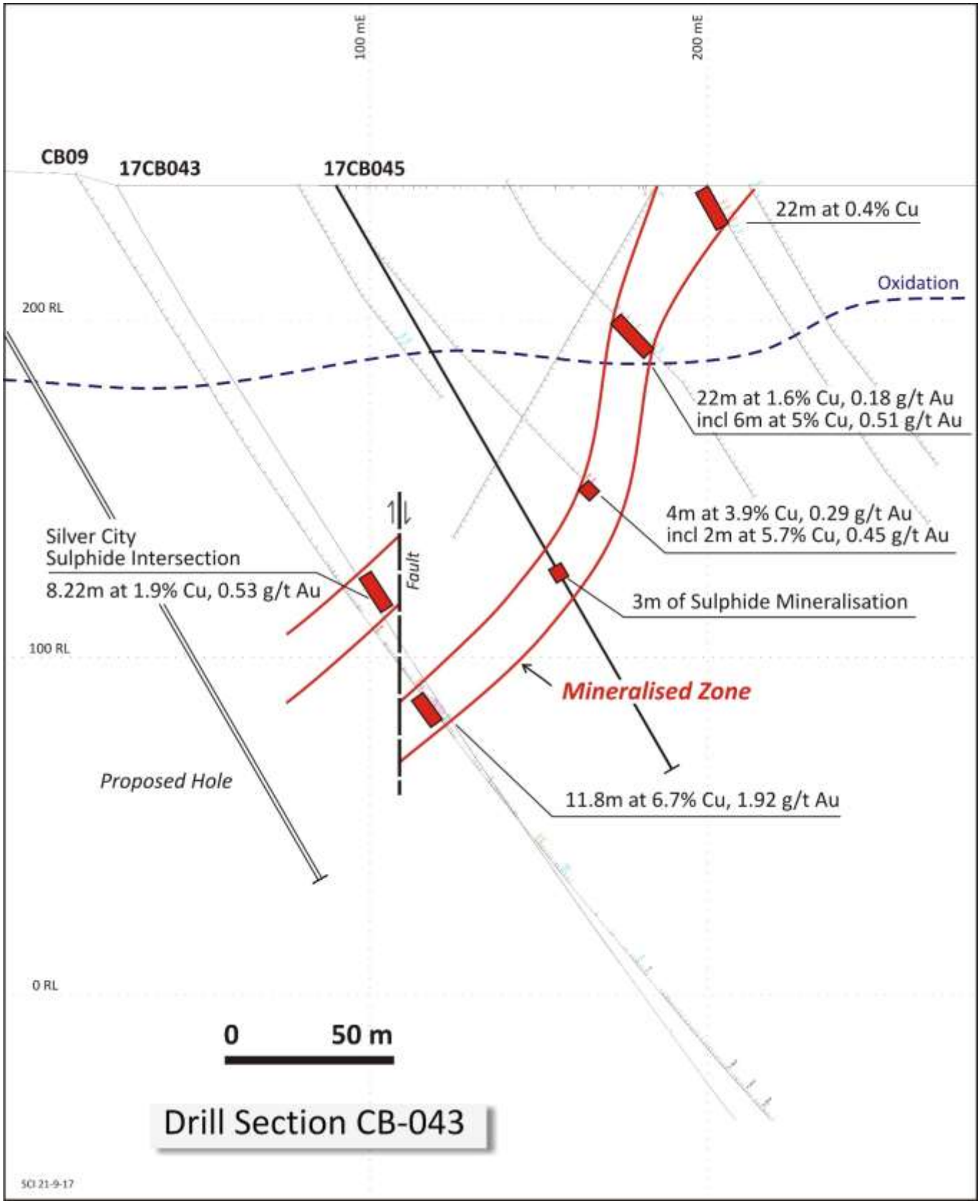

Figure 2. Cross section 17CB043 shows continuity of mineralisation with a steep dip to the northwest.

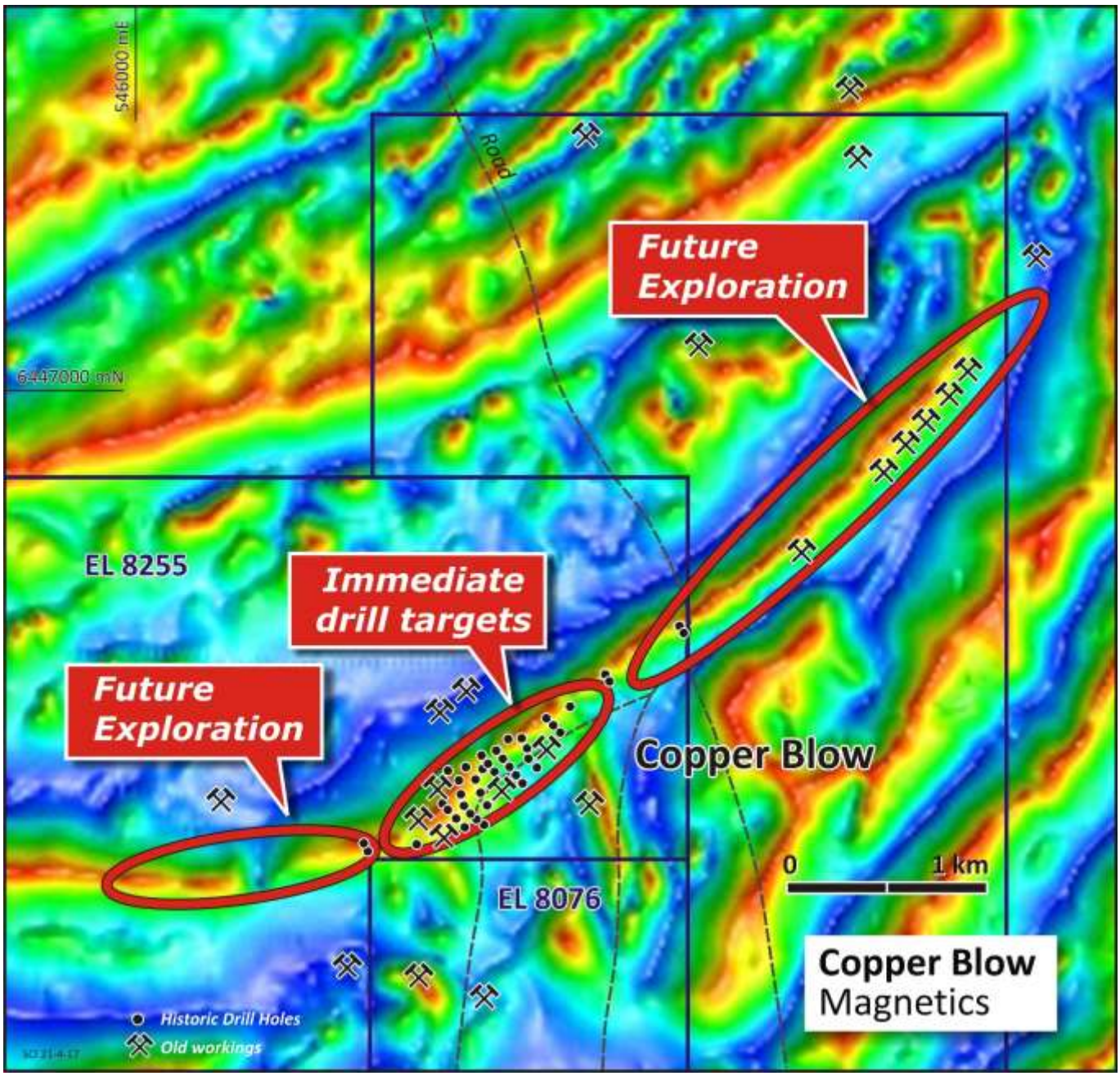

Figure 3. Magnetic map showing the propsective magnetic linears extending to the northeast and west of the Copper Blow prospect

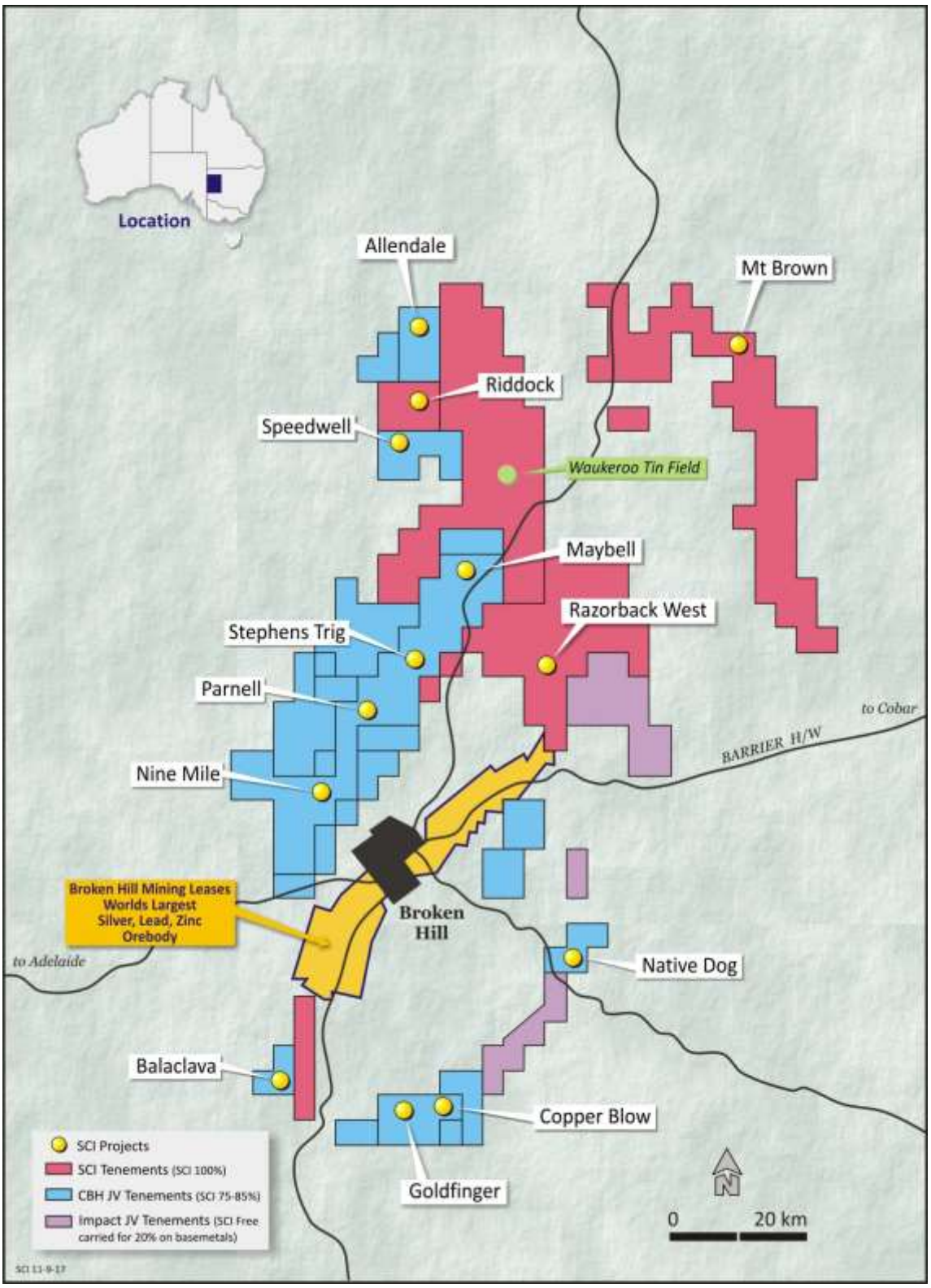

Figure 4. Silver City tenements at Broken Hill and the location of Copper Blow

Annexure 2

JORC Code, 2012 Edition – Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.*	• Core and reverse circulation drilling is being utilized to sample the project. This report documents analytical results from that sampling. No downholes instruments have been used and XRF is not reported.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• RC chips have been 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 been sampled as a representative of mineralised zones. A core saw was used to split the core.
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• The determination of mineralisation in the Public Report is both visual and analytical. Both are material to this as an indication of mineral distribution and tenor of grade.
	• *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.*	• In RC holes samples are collected in 1 metre intervals. Size of sample is noted visually and significant deviations from an average size of dry material are recorded. 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	• *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).*	• Both HQ core and reverse circulation drilling. Core is standard double tube and RC uses a face sampling hammer. Some holes combine RC precollars with diamond tails
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Industry standard measurement of core recovery and loss. In ASX Report 11 September 2017 the Company report core lost in the mineralised interval between 131.7 to 145.2 metres. This was incorrect, in fact the recovery was approximately 97%. RC sample size was recorded as a deviation from the mean of a dry sample. Core recoveries on the remaining holes was high at plus 97%.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• RC drilling was curtailed in zones of high water flow, however this occurs in a small number of holes
	• *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.*	• This is unknown at this time.

Criteria	JORC Code explanation	Commentary
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.*	• RC chips have been geologically logged in detail and core will be both geologically and geotechnical logged. These will be appropriate for use in Mineral Resource estimation, mining studies and metallurgical studies. •
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging is qualitative. All core was photographed wet and dry. Downhole magnetic susceptibility were collected for both RC and Core holes
	• *The total length and percentage of the relevant intersections logged.*	• Logging is ongoing
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Core has been cut with an electric diamond saw and half core has been submitted for analyses
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample sizes are considered to be of appropriate grain size for the material being sampled
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation is appropriate to the material being sampled
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Riffle splitting reverse of circulation chips. Core orientation and mark-up allows half core to be sampled
	• *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.*	• In RC holes duplicates were collected nominally every 20th sample. In the results reported from hole 17CB043 in this Report no duplicates are reported.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• Riffle split. Holes with excessive water flows were curtailed in favour of diamond tails.
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.*	• 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 handheld analytical tools used. • A duplicate sample was collected and a certified standard inserted into the sample sequence nominally every 20th sample. • 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.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in*	• No geophysical tools spectrometers, handheld XRF instruments were used for

Criteria	JORC Code explanation	Commentary
	determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	analytical reporting.
	• *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.*	• In RC hole duplicates were collected approximately every 20th sample. Standards are inserted also every 20th sample.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Verification of intersections has been undertaken by alternative company personnel. •
	• *The use of twinned holes.*	• No twinning of drillholes has been undertaken
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Data is recorded on site using computer storage programmes and backed up at main office.
	• *Discuss any adjustment to assay data.*	• No adjustments have been made.
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.*	• Currently use of handheld GPS with accuracy to +- 5 metres. Anticipate more detailed DGPS survey on completion of the program. Downhole surveys are undertaken with a Reflex EZ Gyro tool.
	• *Specification of the grid system used.*	• GDA94 MGA Zone 54
	• *Quality and adequacy of topographic control.*	• Regional DTM from airborne geophysical surveys and/or 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.*	• 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
	• *Whether sample compositing has been applied.*	• No 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.*	• 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	• *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.*	• We note that some portions of core in some holes where fabric is at a low angle to core axis. Core orientation is ongoing to evaluate optimal drill direction and influence of the fabric
Sample security	• *The measures taken to ensure sample security.*	• Samples are collected and stored at a company facility and delivered to the laboratory by a freight forwarding company.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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	• *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,*	• 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

Criteria	JORC Code explanation	Commentary
	wilderness or national park and environmental settings.	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
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 body of 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.*	• This information is to be included in this public report
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.*	• The intersections in the Public Report are weight averaged. No cutting of high or low grades was undertaken.
	• *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 length were incorporated
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents were reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• Geological interpretation at present suggests the mineralisation reported in this Public Report has been drilled at a high angle to core axis however the geometry of this mineralisation in relation to historic holes close by suggests fault off-set.
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• The geometry of the mineralisation outlined in this report is unknown.
	• *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').*	• The reported intervals are down-hole lengths as true thickness are unknown
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.*	• All assays reported
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 other meaningful material is documented.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Drill testing to follow-up and confirm historic drill results is ongoing.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Annexure 1