

SILVER CITY MINERALS LIMITED



28 December 2017

ASX Market Announcements
Australian Securities Exchange

Clarification of Announcement

Silver City Minerals Limited (ASX: SCI) refers to the announcement dated 21 December 2017 titled "Drilling and Metallurgical Evaluations at Copper Blow".

Attached is an updated version of that announcement which includes more specific cross-references to previous announcements and results.

Yours faithfully

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Ivo Polovineo
Company Secretary
Silver City Minerals Limited



ASX ANNOUNCEMENT

21 December 2017

Drilling and Metallurgical Evaluations to Commence at Copper Blow

- **Silver City to commence second round of drilling at Copper Blow**
- **850 meters to be drilled in three diamond holes**
- **Drill rig mobilised and all permits and approvals received**
- **Preliminary metallurgical test work has been initiated**

Silver City Minerals Limited (ASX: SCL) (“Silver City” or “the Company”) is pleased to announce that a diamond drill rig has been mobilised to Broken Hill in order to commence work on the Copper Blow project (Figure 5).

Copper Blow is located twenty kilometres south of Broken Hill and an initial drill program of three holes (850 metres in total) is scheduled to commence immediately after the Christmas and New Year holiday break. The Company has all permits and notifications in place to commence work.

Samples selected from recent SCL drill intersections have been despatched for metallurgical assessment. Initial work will assess the mineralogy and recoverability of cobalt, copper and gold from a range of mineralisation styles.

Background

In August and September this year SCL completed approximately 2700 metres of drilling at Copper Blow. The drilling was designed to assess lateral and downdip extensions to a number of high grade copper-gold intersections drilled by BHP and Shell in the late 1980s and early 1990s. A consulting geologist's report at that time indicated that the mineralisation was of the iron oxide copper-gold type (IOCG) previously unrecognised in the Broken Hill district of New South Wales.

The consultant also indicated that hydrothermal alteration minerals (including strong magnetite and biotite) and copper-gold mineralisation are hosted in steeply plunging shoots within a north-easterly trending shear zone. Historic drill intersections including **11.8 metres at 6.7% copper, 1.92 g/t gold and 13.7 g/t silver, 19.8 metres at 1.8% copper, including 3 metres at 4.6% copper and 15 metres at 2.7% copper, 0.53 g/t gold and 3.7 g/t silver** were recorded but no subsequent drilling was undertaken to assess continuity at depth (ASX Release 4 May 2017).

SCI drill holes encountered similarly encouraging grades and confirmed a steep southwest plunge to mineralisation (Figure 1). Copper, gold and cobalt are hosted in magnetite-rich rocks. The best intersection was **4 metres at 6.1% copper, 4.23 g/t Au, 13 g/t Ag and 220 ppm cobalt from 188 metres, including 1 metre at 11.3% copper, 10.7 g/t gold, 25 g/t silver and 405 ppm cobalt from 191 metres** in hole 17CB041 (ASX Release 5 October 2017).

Others included **3 metres at 7.4% copper, 2.38 g/t gold and 254 ppm cobalt** from 127 metres in hole 17CB045 and **8.2 metres at 1.9% copper and 0.53 g/t gold** from 131.8 metres in hole 17CB043 (ASX Release 26 October 2017). The main copper-rich mineral is chalcopyrite (copper sulphide).

A number of drill intersections contain elevated cobalt with little or no copper-gold. These are hosted in magnetite-pyrite rich rock. For example **5.2 metres at 0.14% cobalt** in hole 17CB042 from 400 metres, **2 metres at 0.08% cobalt** in hole 17CB049 from 48 metres **and 0.75 metres at 0.29% cobalt** in hole 17CB043 from 333.6 metres (ASX Release 26 October 2017). The magnetite-rich rocks throughout the prospect are elevated in cobalt with surface rock samples returning grades to 0.15% (ASX Release 16 November 2017).

Program

Drilling

ASX Release dated 27 November 2017 indicated the Company will complete an initial (Phase 1) three-hole (850 metres) program designed to test down-plunge extensions to mineralisation. A subsequent, more extensive follow-up program (Phase 2) is planned. It will continue to test down-plunge extensions and conduct preliminary drilling of new geophysical and geochemical targets to the northeast (Figures 2 to 4). Initial results of phase 1 are expected late January to early February 2018.

Metallurgy

Samples have recently been despatched for preliminary evaluation. Of particular interest will be the metallurgical results for cobalt from samples of high grade copper-gold and those devoid of copper but high in cobalt (for example hole 17CB42 hosting **5.2 metres at 0.14% cobalt**). Results are anticipated late January to early February 2018.

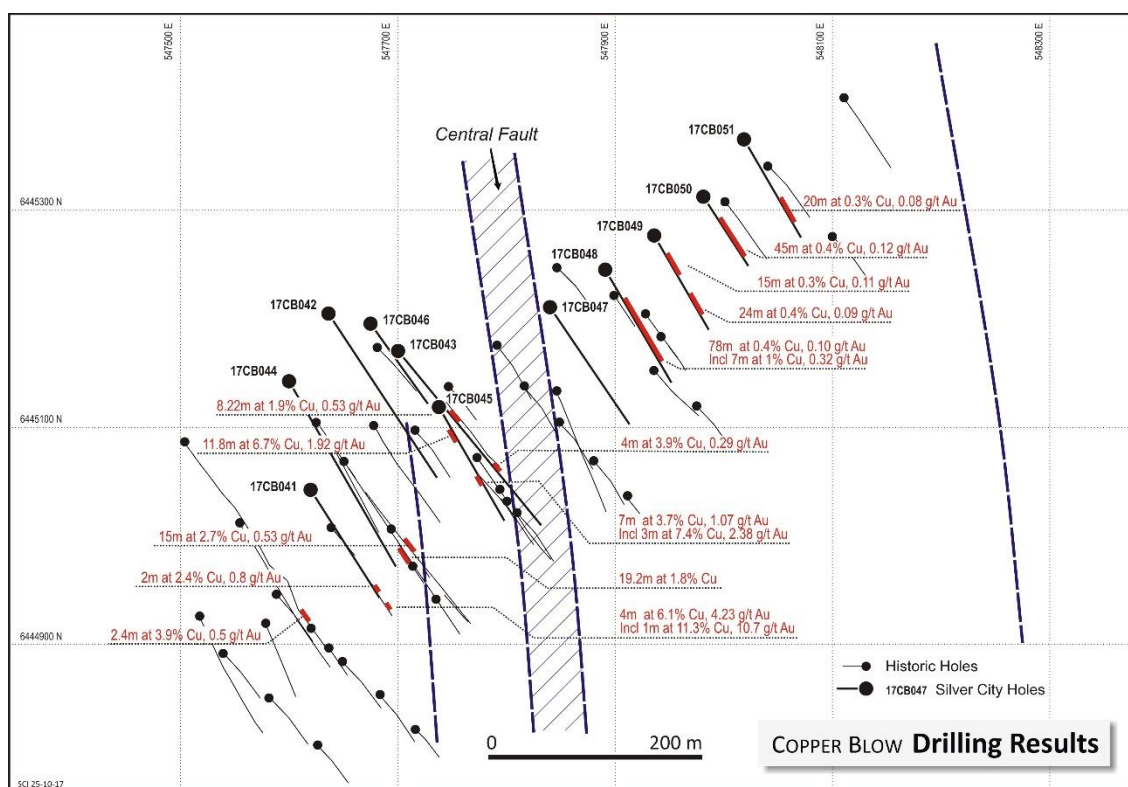


Figure 1. Copper Blow drilling and intersections

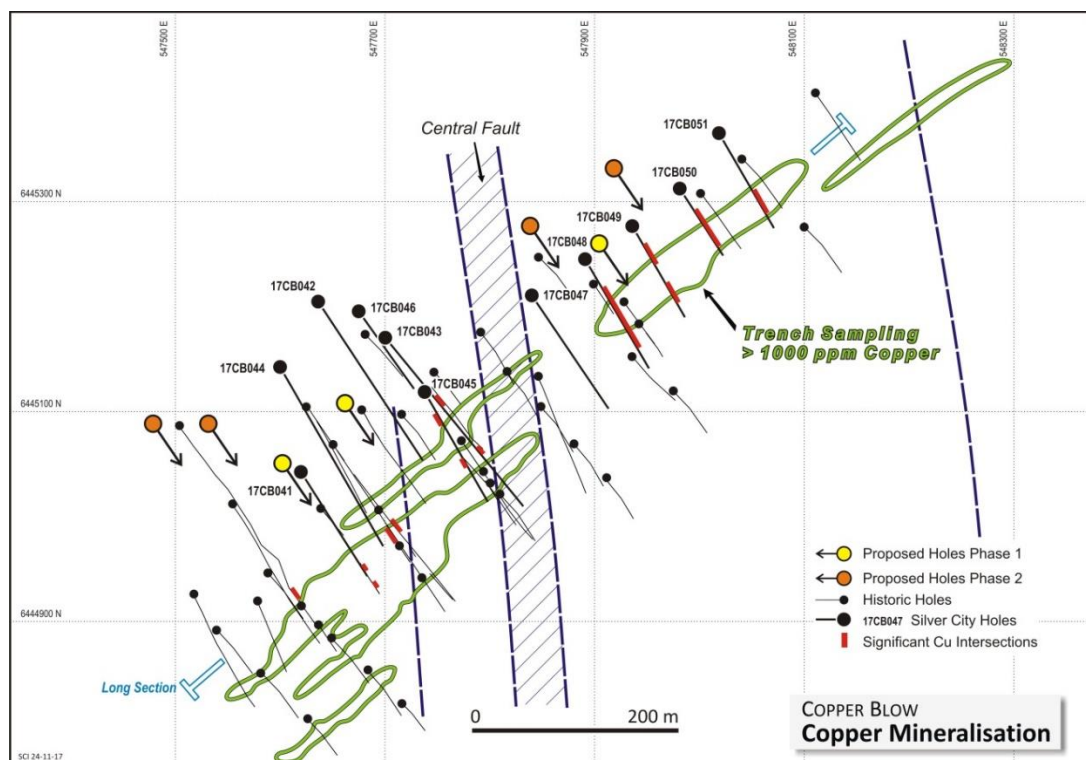


Figure 2. Copper Blow drill hole locations with significant mineralisation represented as red bars on drill traces. Central Fault separates high grade and deeper mineralisation in the south from broad zones of lower grade in the north.

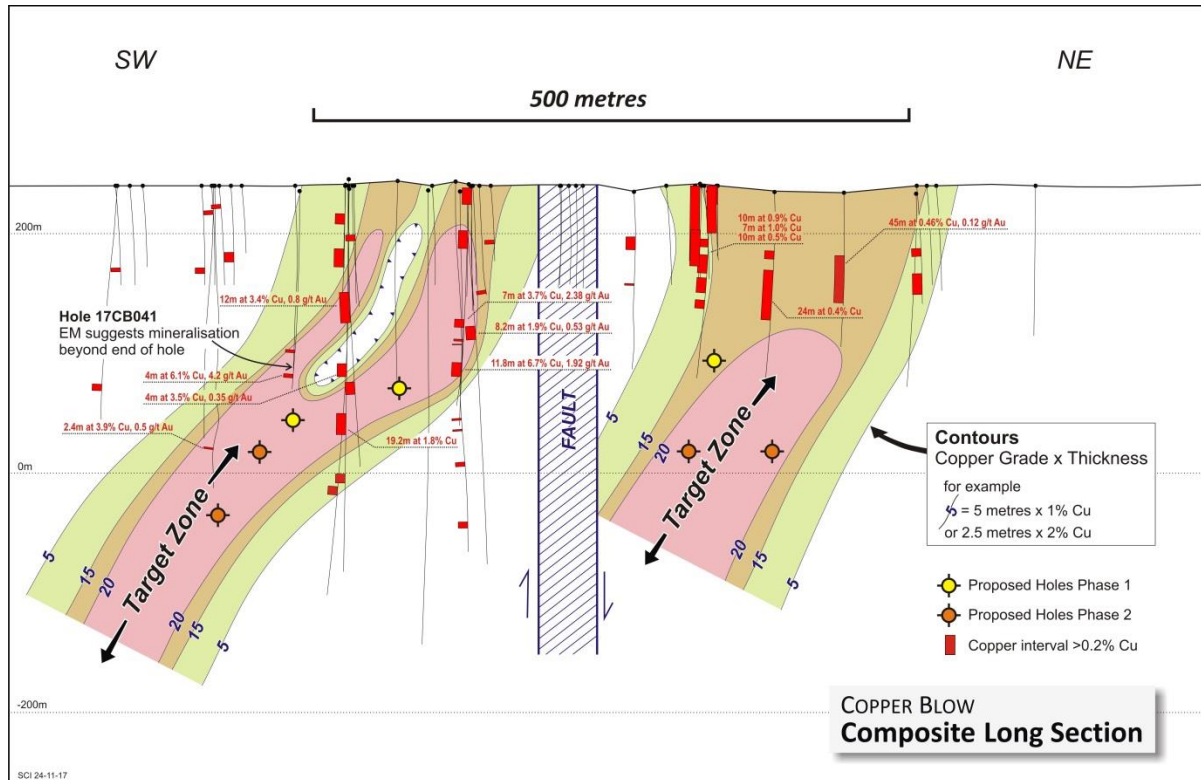


Figure 3. Long Section (from Figure 2). Composite diagram of >0.2% copper and grade x downhole thickness contours. Data suggests southerly or southwesterly plunge to mineralisation both north and south of the Central Fault. Hole 17CB041 hosts an interpreted downhole EM response indicating mineralisation off the end of the hole.

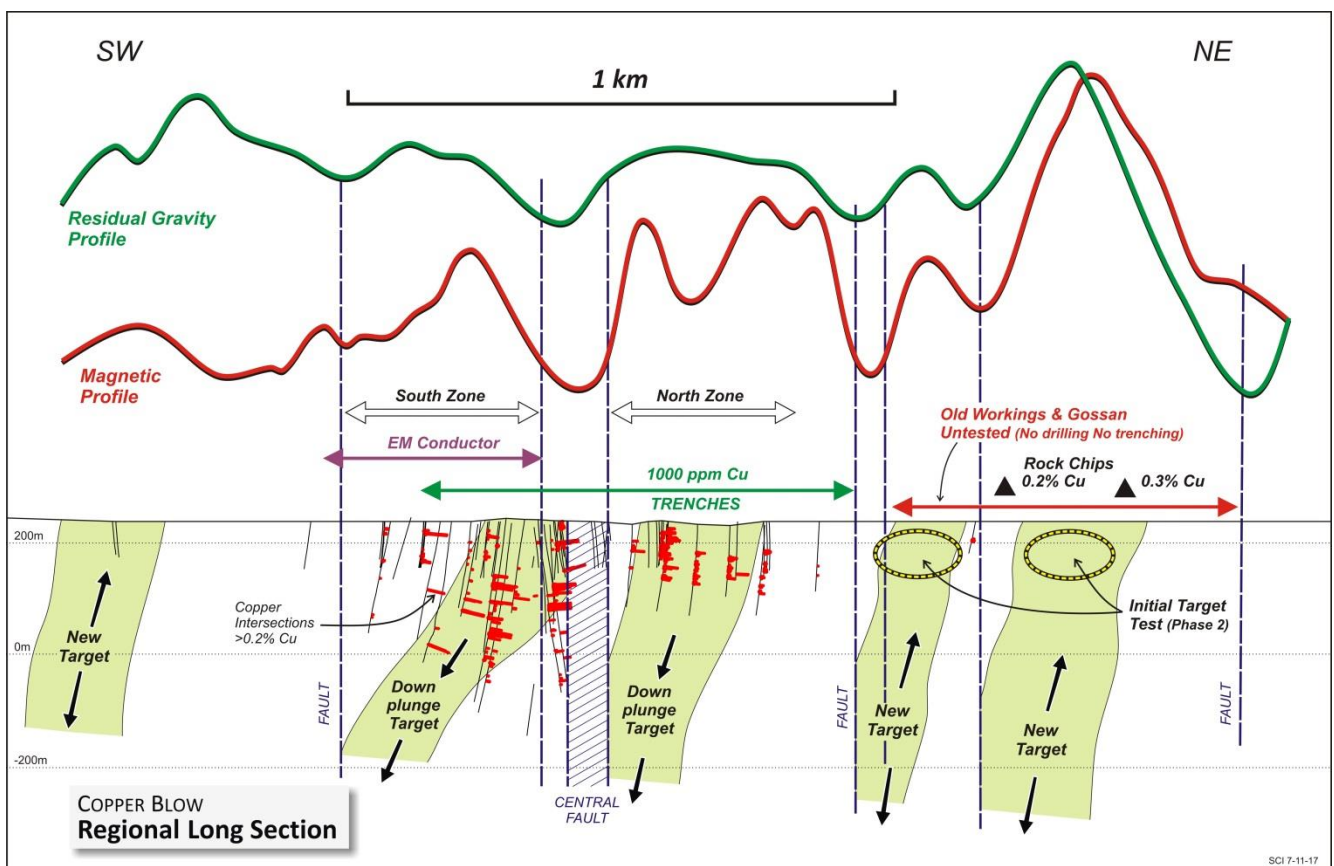


Figure 4. Regional long section of Copper Blow magnetic anomaly. Shows Copper Blow drilling and mineralisation in relation to new targets along strike. Shows area of Phase 2 exploration.

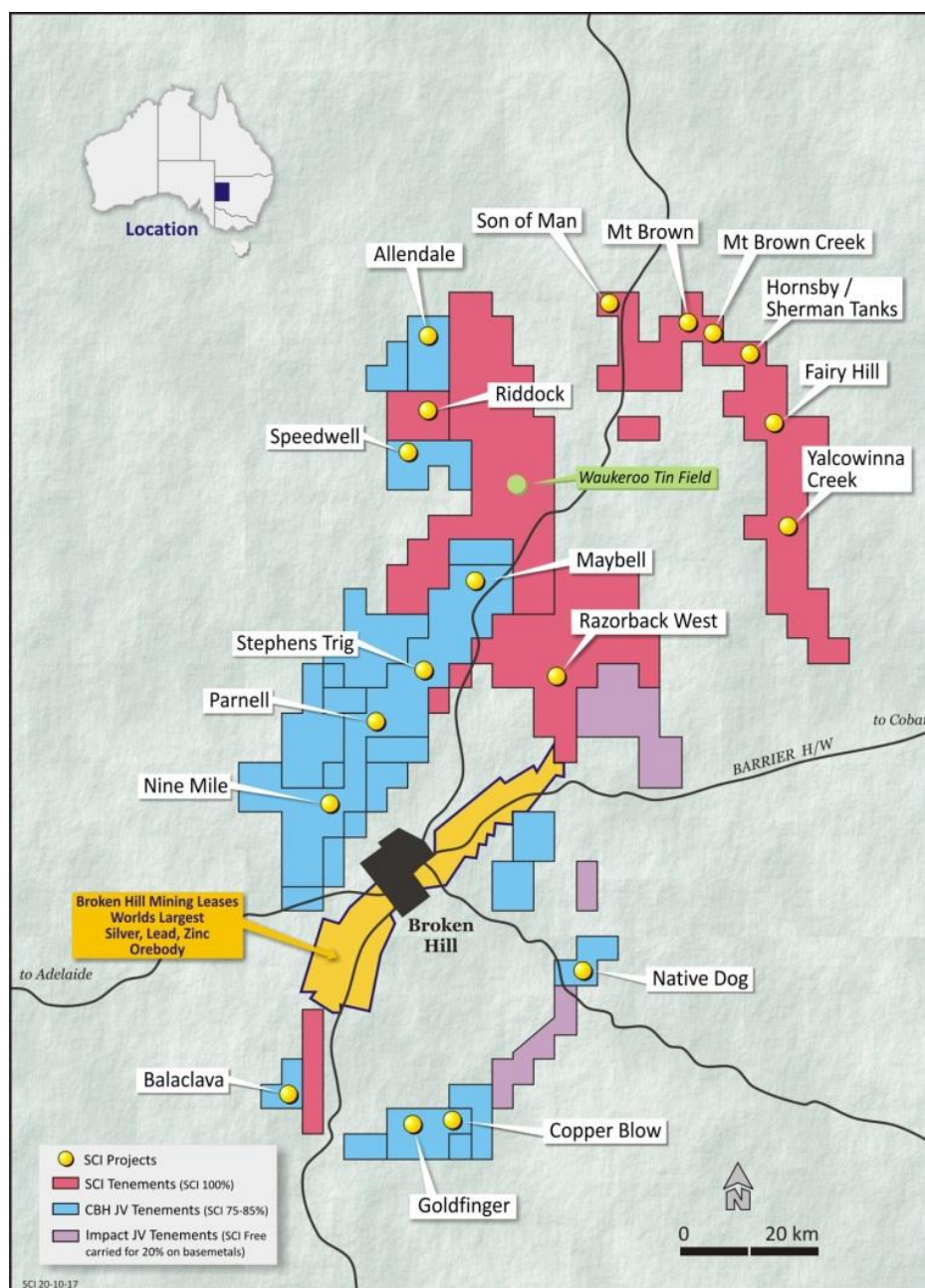


Figure 5. Silver City tenements Broken Hill

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
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