SILVER CITY MINERALS LIMITED

Quarterly Report December 2016

ASX Code: SCI

Issued Shares: 158.6M
Unlisted Options: 29.7M
Cash Balance: $1.4M
ABN: 68 130 933 309

DIRECTORS

Bob Besley
Chris Torrey
Ian Plimer
Greg Jones
Ian Hume

TOP SHAREHOLDERS

(At 9 January 2017)

Sentient Group:	13.0%
Variscan Mines:	4.3%
HSBC Custody Nominees	2.9%
BNP Paribas Nominees	2.7%
RHB Securities Singapore	2.7%
Top 20:	39.7%

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HIGHLIGHTS

New Exploration Initiative

Silver City (SCI) is continually on the lookout for new exploration opportunities especially in mining districts where high grade deposits are known. Recent work at Cobar has led to a focus on that district. It is located close to Broken Hill enabling operational synergies. The emphasis will be on copper-gold as well as zinc; commodities where significant demand is anticipated in the coming years. SCI acquired one new exploration licence close to its Wilga Downs joint venture and has made application for another immediately to the east of the very large zinc-lead-silver deposit at Endeavor. SCI will also increase its search efforts for new opportunities outside NSW.

Cobar (copper-gold)

- Drilling has been completed at the Wilga Downs project in one diamond hole to a depth of 426.8 metres.
- It intersected a metamorphosed volcanic rock between 244 and 260 metres which hosts pyrrhotite and pyrite (iron sulphides) and minor chalcopyrite (copper-iron sulphide) with some graphite.
- These minerals are conductive, however the location of the EM conductor outlined in the ground survey suggests it lies further to the north. These minerals typically occur peripheral to copper-rich ore zones in volcanic hosted massive sulphide deposits.
- The hole returned **2 metres at 0.15% copper from 196 metres and 3 metres at 0.17% copper and 1 g/t silver from 257 metres.**

Broken Hill (zinc-lead-silver)

- Drilling has been completed at Razorback West in three diamond core holes.
- Hole 16RB020 intersected 17 metres at 0.16% zinc and 0.19% lead from 166 metres. Within this intersection one metre returned **2.44% lead, 0.34% zinc and 15.3 g/t silver.** Mineralisation extends from surface to at least 160 metre down dip. Potential for higher grade zones occur down dip and along strike.
- Two holes further north tested geochemical and electromagnetic targets. They returned intersections of conductive pyrrhotite and magnetite with no base metal mineralisation. The presence of pyrrhotite is thought to explain the anomaly.

OUTLOOK

- Results from downhole electromagnetic surveys for both Razorback West and Wilga Tank should be available early in February.
- SCI has begun a new exploration initiative in the Cobar District of New South Wales

OPERATIONS

Work during this Quarter focussed on diamond drilling at Razorback West near Broken Hill (Figure 1) and Wilga Downs to the north of Cobar (Figure 7). Drilling was conducted in November and December 2016. Analytical results from both projects were recently received with a preliminary description of geology and mineralisation at the Razorback West outlined in ASX Release 30 November 2016.

Broken Hill

Razorback West Drilling (100% Silver City Minerals)

The Razorback West corridor is considered by the Company to be the northern extension of the Broken Hill "line-of-lode", offset by a fault known as the Stephens Creek Shear. The corridor extends for 12 kilometres, is approximately three kilometres wide and is mostly buried beneath a veneer of alluvium and soil in a valley with little more than 10-15% outcropping rock (Figure 2).

The Company outlined coincident lead-zinc-manganese geochemical, gravity and IP anomalies in the southern part of the corridor. This target zone is over five kilometres long and one kilometre wide. SCI initiated the first ever drilling in 2012. Drill holes returned anomalous lead, zinc and manganese, and confirmed the presence of the favourable host-rock sequence for Broken Hill type zinc-lead-silver mineralisation.

In order to focus on more significant accumulations of sulphide of the Broken Hill type, the Company undertook both moving loop and fixed loop electromagnetic (EM) surveys. A number of subtle EM conductors were identified.

Recent Drilling

In the recently completed program, two holes (16RB019 and 16RB021) were designed to test coincident EM conductors and geochemical anomalies. Further to the southwest, hole 16RB020 tested beneath lead-zinc mineralisation previously encountered in shallow RC holes (Figure 3). The program will be partly funded by a NSW government grant under the Co-operative Drilling Initiative (Round 2).

Table 1 Drill Hole Data at Razorback West

Drill Hole	MGA (Zone 54) East (m)	MGA (Zone 54) North (m)	Elevation (m)	Declination (degrees)	Azimuth (degrees)	Total Depth (m)
16RB019	555150.1	6477949	234.3	-62.5	130	297.9
16RB020	554204.8	6476890	247.3	-60	130	308.0
16RB021	554899.6	6477765	244.4	-57.5	128.5	333.5

Results

Preliminary interpretation of holes 16RB019 and 021 suggest that the EM conductivity is responding to small concentrations of pyrrhotite (iron sulphide) and chalcopyrite (copper sulphide) in association with disseminated magnetite (Figure 4). Minor lead and zinc sulphides were also observed.

Hole 16RB020 was designed to test beneath mineralisation encountered in RC holes drilled in 2012. A zone of disseminated lead and zinc sulphides was identified between 166 and 183 metres returning an intersection of **17 metres at 0.16% zinc and 0.19% lead.** Within this intersection one metre (167 to 168 m) returned **2.44% lead, 0.34% zinc and 15.3 g/t silver.** The tenor of mineralisation is consistent with other RC and diamond holes in the zone (eg: 66 metres at 0.17% zinc in hole 12RB013) and indicates a steep westerly dip to the mineralised zone (Figure 5).

What does this mean?

The two northern holes 16RB019 and 21 encountered oxides and sulphides of iron and weak sulphides of copper, lead and zinc in the area where the electromagnetic anomaly was interpreted to occur. The mineral pyrrhotite is a particularly good electrical conductor and is the likely source of the EM anomaly. Pyrrhotite is not an economic mineral and tends to occur on the margins of the Broken Hill ore bodies or, along with chalcopyrite (copper iron sulphide), is part of a late stage mineralising event unrelated to Broken Hill type ores.

The more interesting hole, which has no attendant EM anomaly, is 16RB020. The geology and the mineralisation suggest a consistent westerly dip with weak lead-zinc mineralisation persisting from surface to at least 160 metres down dip. The mineralised zone is between 10 and 20 metres wide (Figure 5). The Company considers that there is potential for this zone to host higher grade mineralisation either down dip or along strike.

What's next?

Down-hole electromagnetic surveys are scheduled to start in mid-January. There is potential to identify strongly mineralised zones close to the existing holes using this method.

In addition, a detailed geological assessment of the new holes will be undertaken by a highly experience Broken Hill consultant. This will assist in identifying the most prospective part of the rock sequence with respect to the new and historic holes.

Lithium in Pegmatites

The Company has completed its initial evaluation of pegmatites for lithium within its Broken Hill tenure. It concludes that there is a gradation in the chemical nature of the pegmatites from poorly fractionated, in high grade metamorphic rocks to more highly evolved (fractionated) in low grade metamorphic rocks. This evolution in chemistry is represented by potassium rubidium ratios in Figure 6.

Lithium and other economic minerals (tin, tungsten, tantalum and niobium) are preferentially hosted in the more highly evolved pegmatites within the Waukeroo tin field. The tenor of the lithium within the tin field remains low. Given the current market conditions the Company has decided to curtail the lithium search for the time being in favour of continued work on zinc at Broken Hill and copper-gold at Cobar.

The Company will continue to assess the use of pegmatites as a geochemical vector towards lead-zinc-silver mineralisation.

Cobar

Wilga Downs (Silver City Minerals can earn 80%)

This project is the subject of a farm-in and joint venture agreement with Thomson Resources Ltd (ASX:TMZ) and is located approximately 80 kilometres north of Cobar, New South Wales (Figure 7).

The exploration focus is a series of geophysical anomalies adjacent to a favourable geological boundary.

The project is characterised by an elongate, east to northeast oriented magnetic anomaly 1.5 kilometres long and 400 metres wide. Limited outcrop suggests this lies sub-parallel to a regionally significant geological contact between old rocks of the Girilambone Group (Ordovician age) and younger rocks of the Cobar Supergroup (Devonian to Silurian age).

Many of the mines and mineral occurrence in the district are located at or near this regionally extensive contact. In many locations the contact is a major fault and the Rookery Fault is an important example (Figure 7).

An induced polarisation geophysical survey conducted in 1971 shows a strong chargeability anomaly coincident with the magnetic anomaly. Two holes were drilled in the western end of these anomalies by AMAX (1971) and CRAE (1978). Both intersected broad zones of elevated lead, zinc and copper mineralisation (ASX Release 19 August 2016).

Drill logs document the presence of sulphide minerals; sphalerite, chalcopyrite, galena, pyrite and pyrrhotite. In particular CRAE noted a relationship between a metamorphosed basaltic (mafic volcanic) rock and mineralisation. This is a characteristic of the nearby Tritton copper deposit.

In 2014, Thomson Resources flew Versatile Time-Domain Electromagnetics (VTEM) over a large portion of the EL. This identified a conductor within the western part of the magnetic and IP anomalies. Thomson Resources followed this up with one north-south oriented line of ground EM which confirmed a strong conductor at depth (TMZ ASX Releases 17 September 2014 and 22 July 2015).

Silver City subsequently conducted gravity and more detailed ground electromagnetic surveys. This work showed a gravity anomaly coincident with both the magnetic anomaly and an electromagnetic conductor at depth. A zone of high conductivity and IP chargeability located approximately 200 metres east of mineralisation intersected by CRAE in hole 78WD01 was targeted for drilling (Figure 8). Hole 16WD02 was drilled from south to north for a total of 426.8 metres (Table 2).

Table 2. Drill Hole Data for Wilga Downs

Drill Hole	MGA (Zone 55) East (m)	MGA (Zone 55) North (m)	Elevation (m)	Declination (degrees)	Azimuth (degrees)	Total Depth (m)
16WD02	410003	6593158	166.1	-62.5	15.5	426.8

Results

The drill hole passed through a sequence of metamorphosed and highly deformed siltstones, sandstones, cherts and mafic volcanic rocks.

Between 244 and 260 metres it intersected a very fine grained, sheared, dark, siliceous rock with abundant chlorite, sericite and locally graphite. It hosts stringers and veinlets of iron and copper sulphides (pyrite, pyrrhotite and chalcopyrite). These locally form vein breccia zones to 10 centimetres in true thickness with gangue minerals that may include quartz, chlorite, feldspar and calcite (Plate 1).

Geochemical data suggests this is a mafic volcanic rock (basalt) or volcaniclastic sediment similar to that which occurs in the adjacent hole 78WD01. While sulphides occur as weak disseminations and in veinlets throughout the hole, most intense mineralisation appears to be preferentially hosted within or around this volcanic unit. The combination of sulphides and graphite in this zone is conductive to electromagnetic energy. The anomalous conductor outlined by the ground EM survey however lies almost 50 metres to the north of this intersection.

The hole returned

- **2 metres at 0.15% copper from 196 metres and**
- **3 metres at 0.17% copper and 1 g/t silver from 257 metres (Plate 1)**

Plate 1 Copper mineralisation hole 16WD02. (Core length approx. 20cm)

What does this mean?

It is unclear whether or not the hole has fully tested the geophysical anomaly. A volcanic rock higher in the hole hosts conductive minerals but the main anomaly lies further to the north. Potentially a more conductive and copper-rich body is located to the north and the weak zone of mineralisation outlined here is peripheral to it. The hole has encountered volcanic rocks associated with mineralisation; a similar geological setting to the Tritton orebody located further to the east (Figure 7). The potential for a copper-rich volcanic-hosted (or associated) massive sulphide deposit remains high.

What's next?

A downhole EM survey will be conducted in late January. This will be able to more accurately define the location of massive sulphides within 100 to 150 metres of the hole. A significant off-hole anomaly will require drill testing.

New Exploration Initiative

Silver City is continually on the lookout for new exploration opportunities especially in mining districts where high grade deposits are known and mined. The gold exploration work the Company undertook in Queensland and New Zealand during 2014 and 2015 are examples of this. Our recent work in the Cobar district of New South Wales has led to a focus by the Company on the district especially as it is located relatively close to Broken Hill, enabling operational synergies.

Further, it has a rich history of high grade copper-gold and zinc production (Figure 7), commodities which are set to be in demand in the coming years. To this end, SCI has acquired one new exploration licence close to its Wilga Downs joint venture (EL 8494) and has made application for another (ELA 5416) immediately to the east of the large zinc-lead-silver Endeavor Deposit. Evaluation of public domain historic exploration data on these has commenced.

CORPORATE

Net operating expenditure for the Quarter was $577k. This included $503k on projects, $113k on administration and $10k expenditure on a tenement security deposit, offset by $11k received in interest income, $35k received from an R&D refund, $3k received from JV and consulting income. Cash on hand at the end of the Quarter was approximately $1.4 million.

Announcements related to this report

ASX Releases 12 July 2011, 11 May 2016, 3 June 2016, 15 August 2016, 19 August 2016, 30 August 2016, 7 September 2016, 12 September 2016, 27 September 2016, 6 October 2016 and 30 November 2016. Quarterly Report March 2015.

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 focused 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. It recently entered into a farm-in and joint venture agreement with respect to the Wilga Downs project near Cobar.

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 Person

The information in this report that relates to Exploration Results is based on information compiled by Christopher Torrey (BSc, MSc, RPGeo.) 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 relevant to the styles of mineralisation and type of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Torrey consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Annexure 1: Diagrams

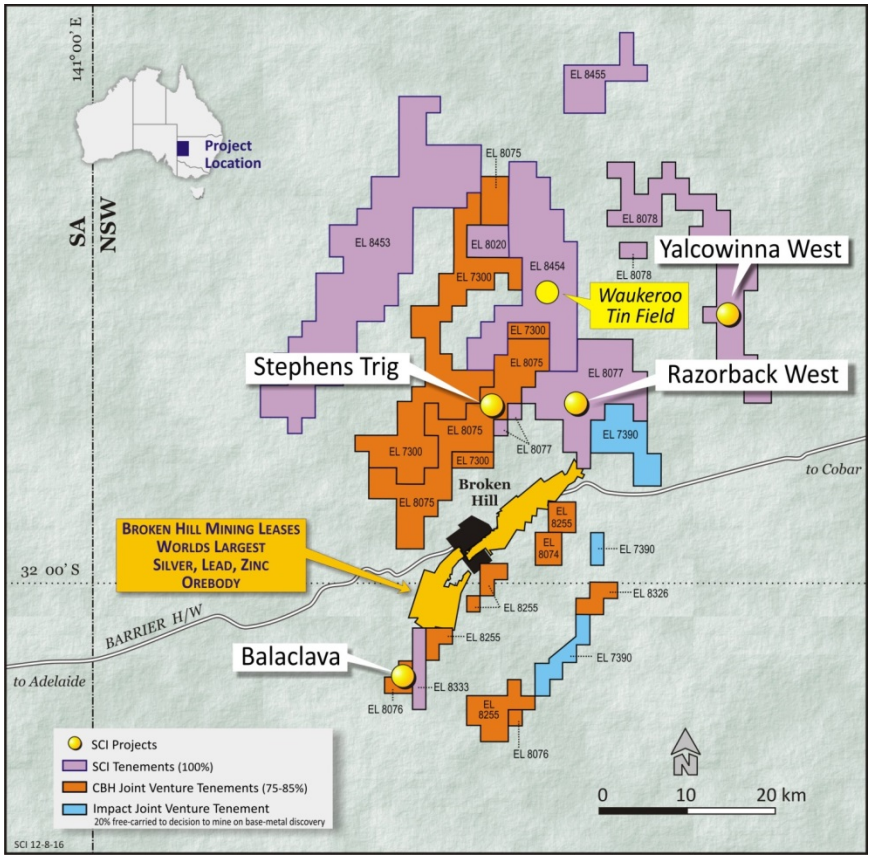


Figure 1. Silver City Minerals, Broken Hill tenements and location of current projects.

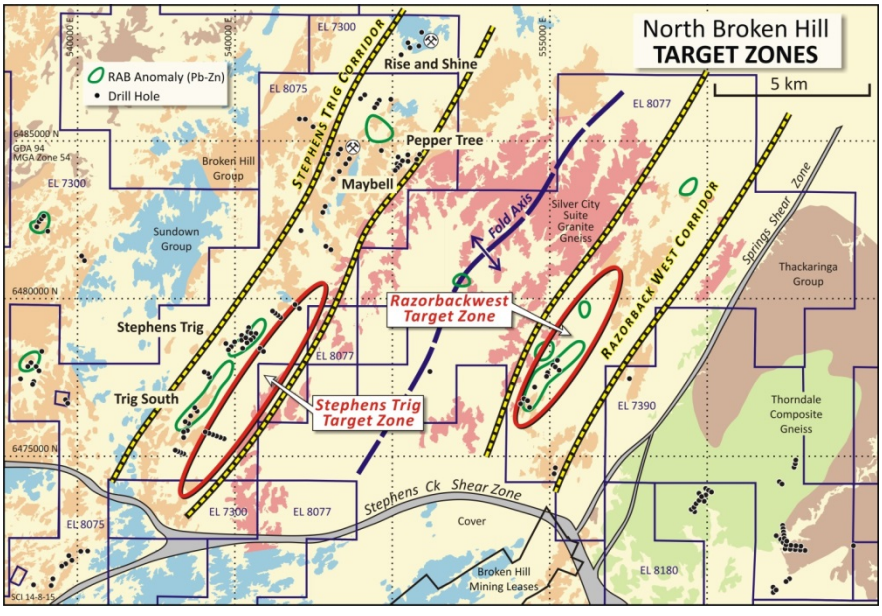


Figure 2. Razorback West mineralised corridor in relation to Broken Hill Mining leases and other SCI projects including Stephens Trig

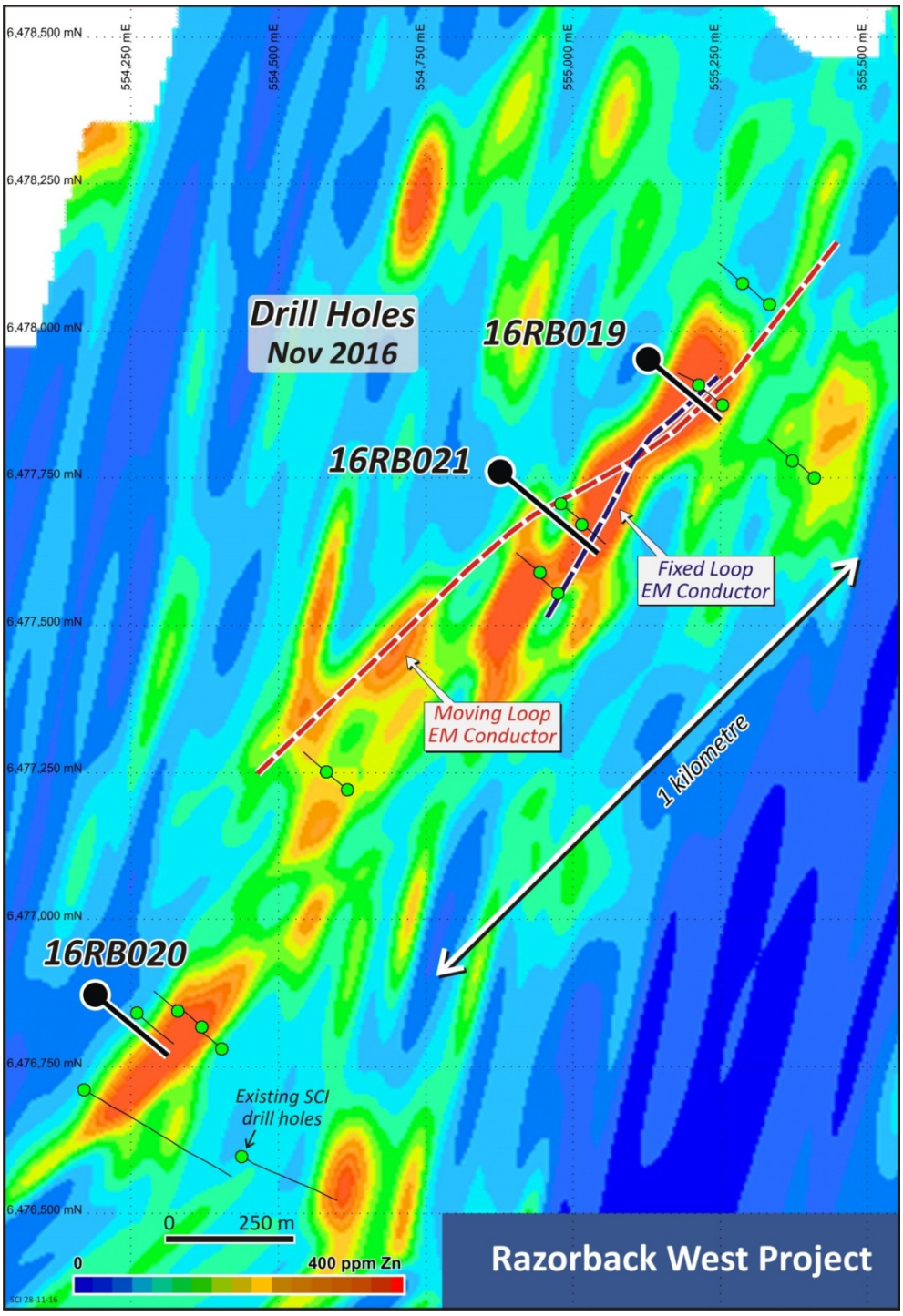


Figure 3. Shows the RAB zinc anomaly (colour image) and the positions of the moving and fixed loop electromagnetic conductors. Historic SCI drill hole locations are shown in green. Recent holes 16RB019 to 21 will be partly funded by the drilling grant.

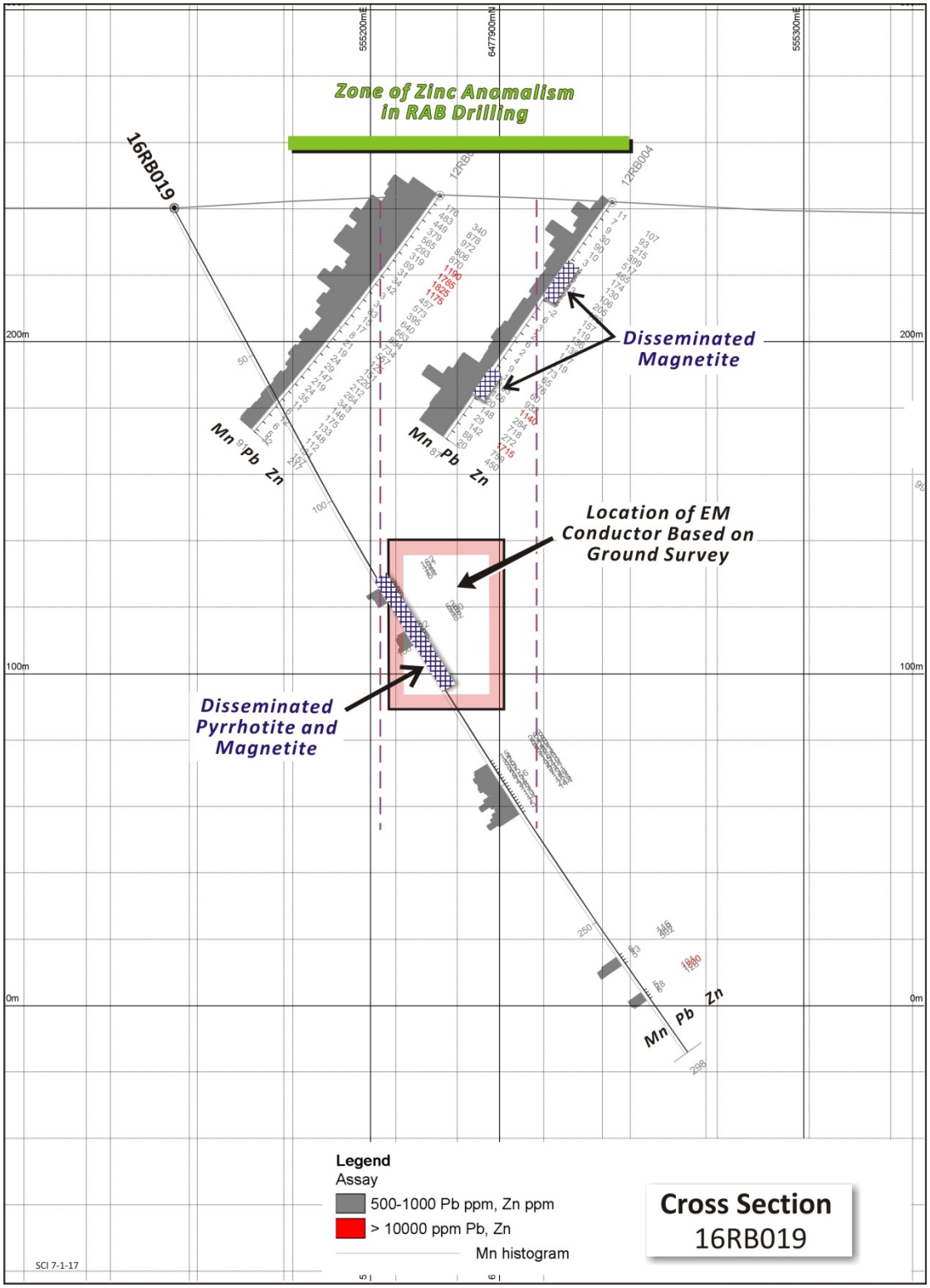


Figure 4. Cross Section 16RB019 shows the relationship of the disseminated pyrrhotite-magnetite zone to the anticipated EM conductor.

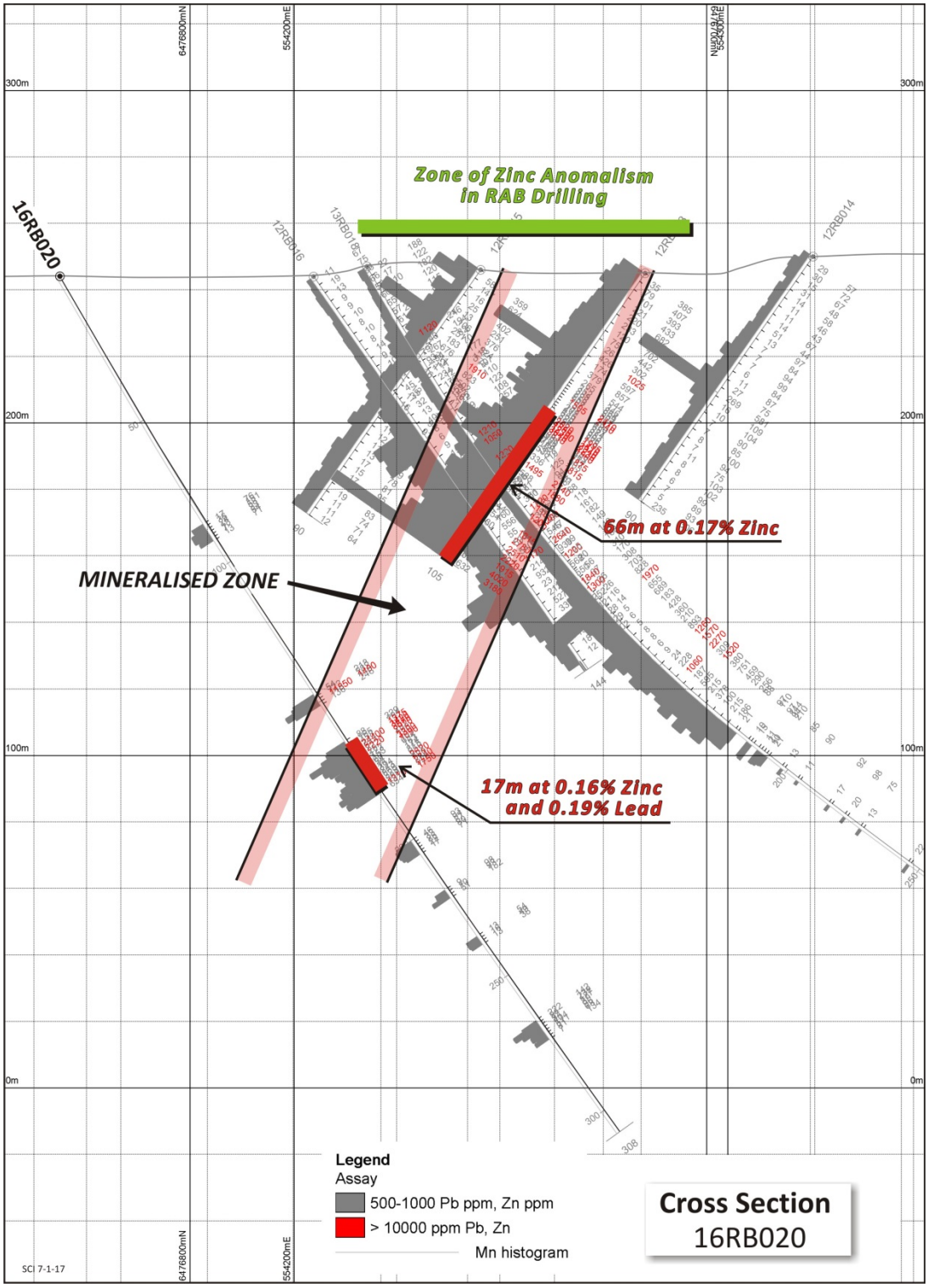


Figure 5 Cross Section 16RB020 shows a broad, steeply west-dipping zone of weak lead and zinc mineralisation

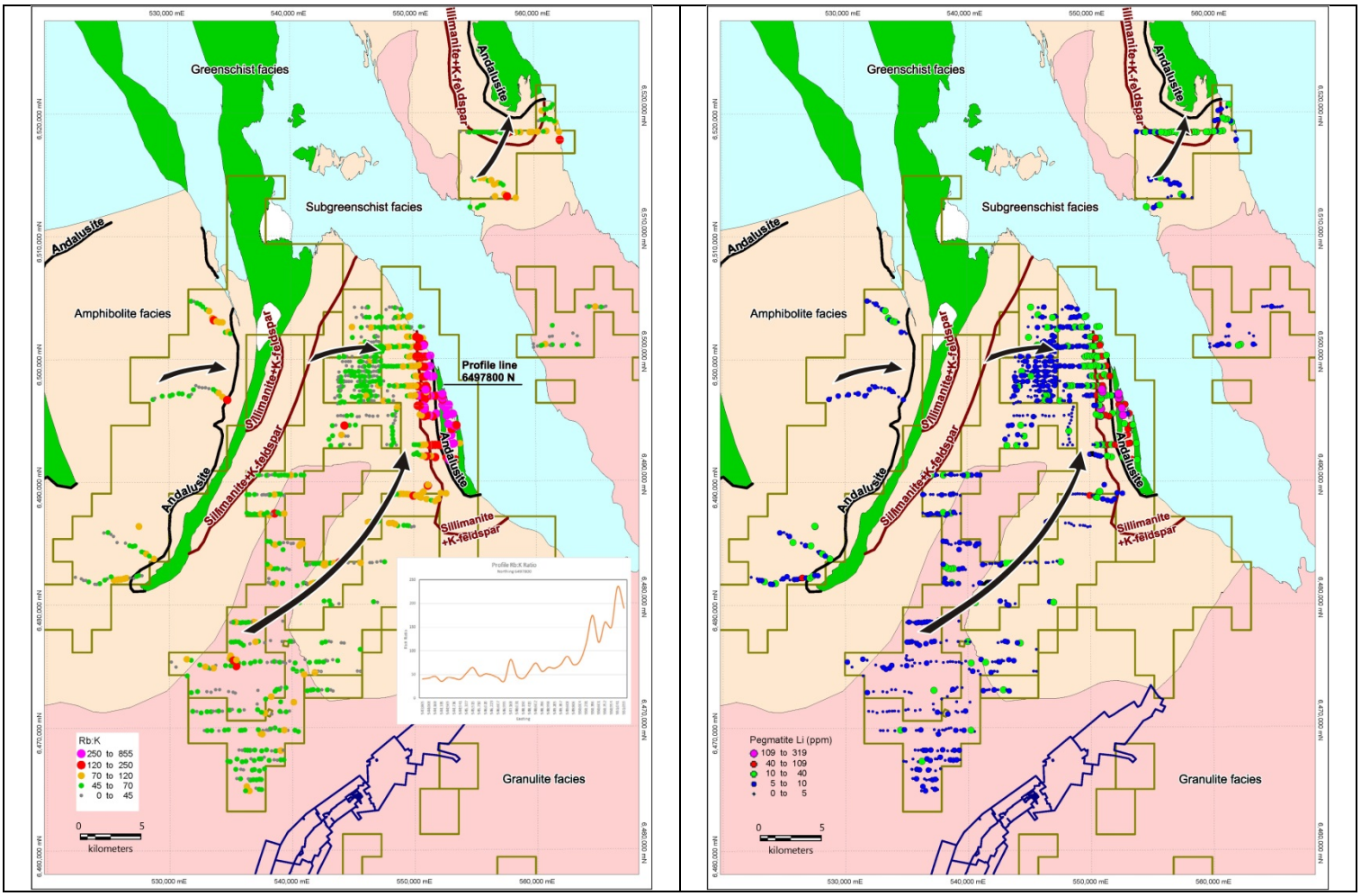
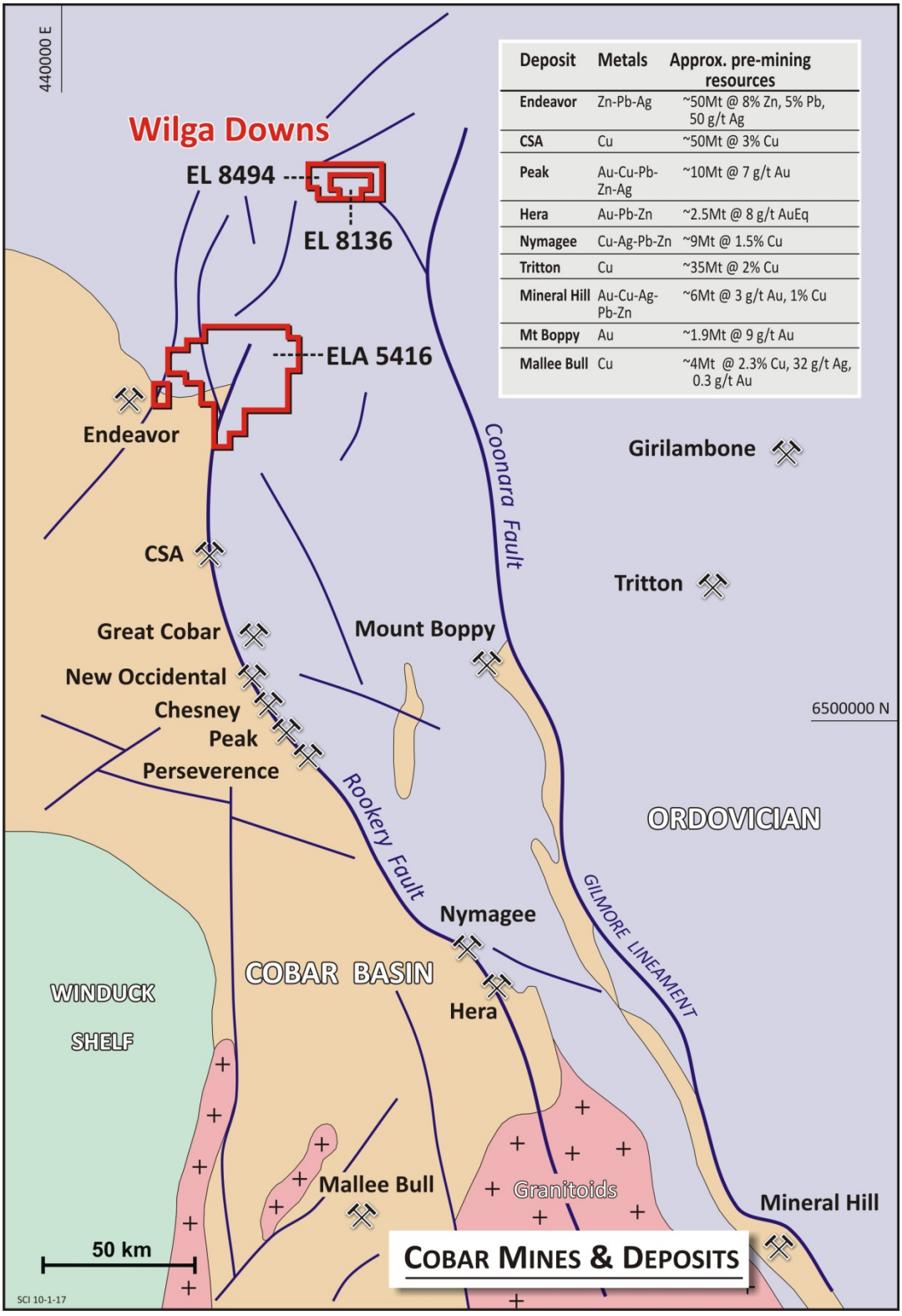


Figure 6 Left hand diagram shows rubidium potassium ratios superimposed on a map of metamorphic grade. Thematic colours and arrows indicate the increasing fractionation of pegmatites from higher grade metamorphism (granulite facies) to lower grade metamorphism (greenscist facies). The hotter the colour the more fractionated the rock. The inset profile represents and east-west line from higher to lower grade metamorphism and shows increasing fractionation from west to east.The right hand diagram shows the distribution of lithium with best values located in the Waukeroo tin field, hosted in low grade metamorphic rock in the most fractionated pegmatites. Arrows indicate direction of low to high degree of fractionation.



Deposit	Metals	Approx. pre-mining resources
Endeavor	Zn-Pb-Ag	~50Mt @ 8% Zn, 5% Pb, 50 g/t Ag
CSA	Cu	~50Mt @ 3% Cu
Peak	Au-Cu-Pb-Zn-Ag	~10Mt @ 7 g/t Au
Hera	Au-Pb-Zn	~2.5Mt @ 8 g/t AuEq
Nymagee	Cu-Ag-Pb-Zn	~9Mt @ 1.5% Cu
Tritton	Cu	~35Mt @ 2% Cu
Mineral Hill	Au-Cu-Ag-Pb-Zn	~6Mt @ 3 g/t Au, 1% Cu
Mt Boppy	Au	~1.9Mt @ 9 g/t Au
Mallee Bull	Cu	~4Mt @ 2.3% Cu, 32 g/t Ag, 0.3 g/t Au

Figure 7. Location of Mines and Mineral Deposits in the Cobar District. Diagram shows the Joint Venture Tenement (EL8136), a new 100% Silver City tenement (EL 8494) and a new EL application (ELA 5416).

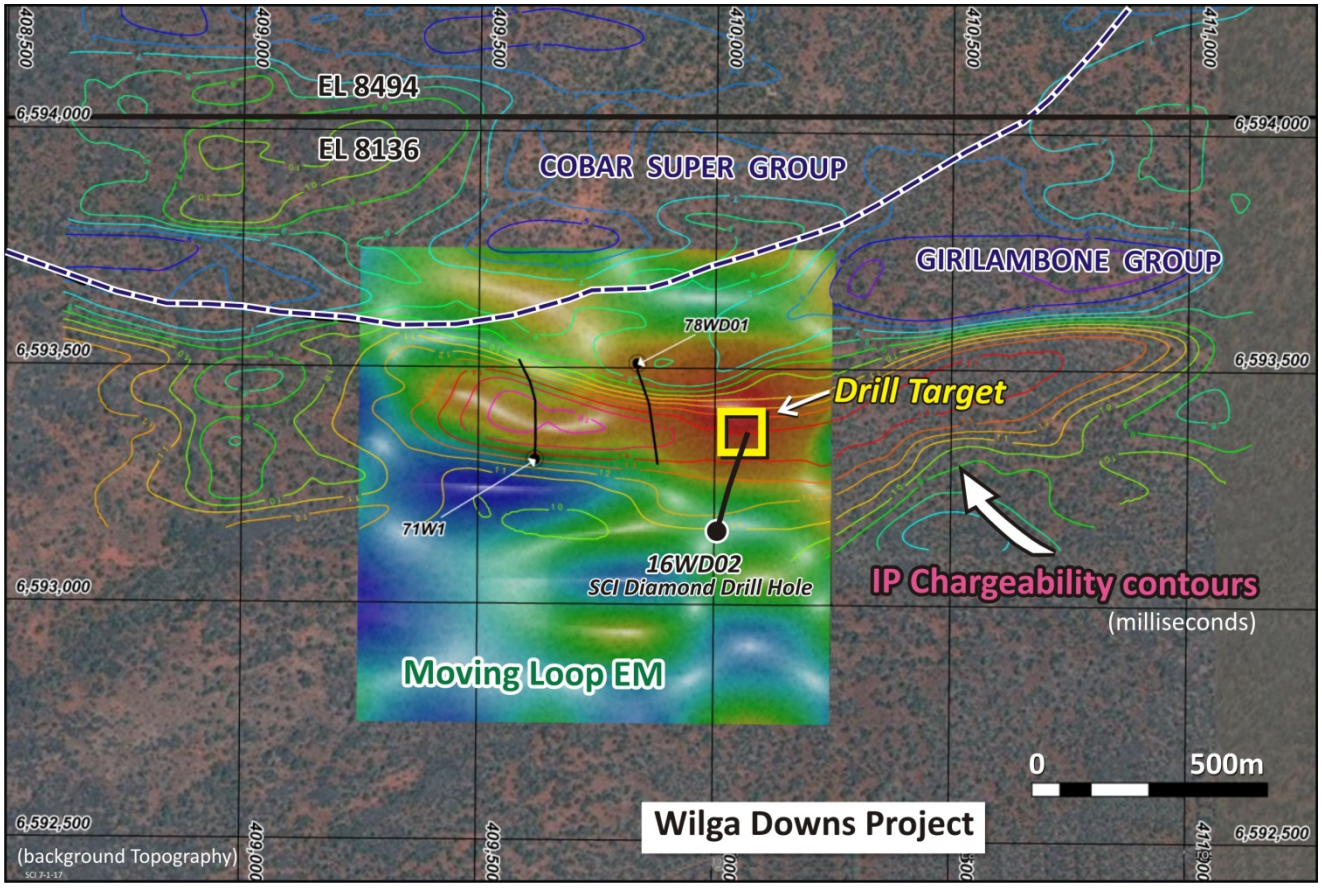


Figure 8. Wilga Downs project. Target and drill hole location. Contours represent IP chargeability and the colour image represents conductivity defined by ground EM surveys.

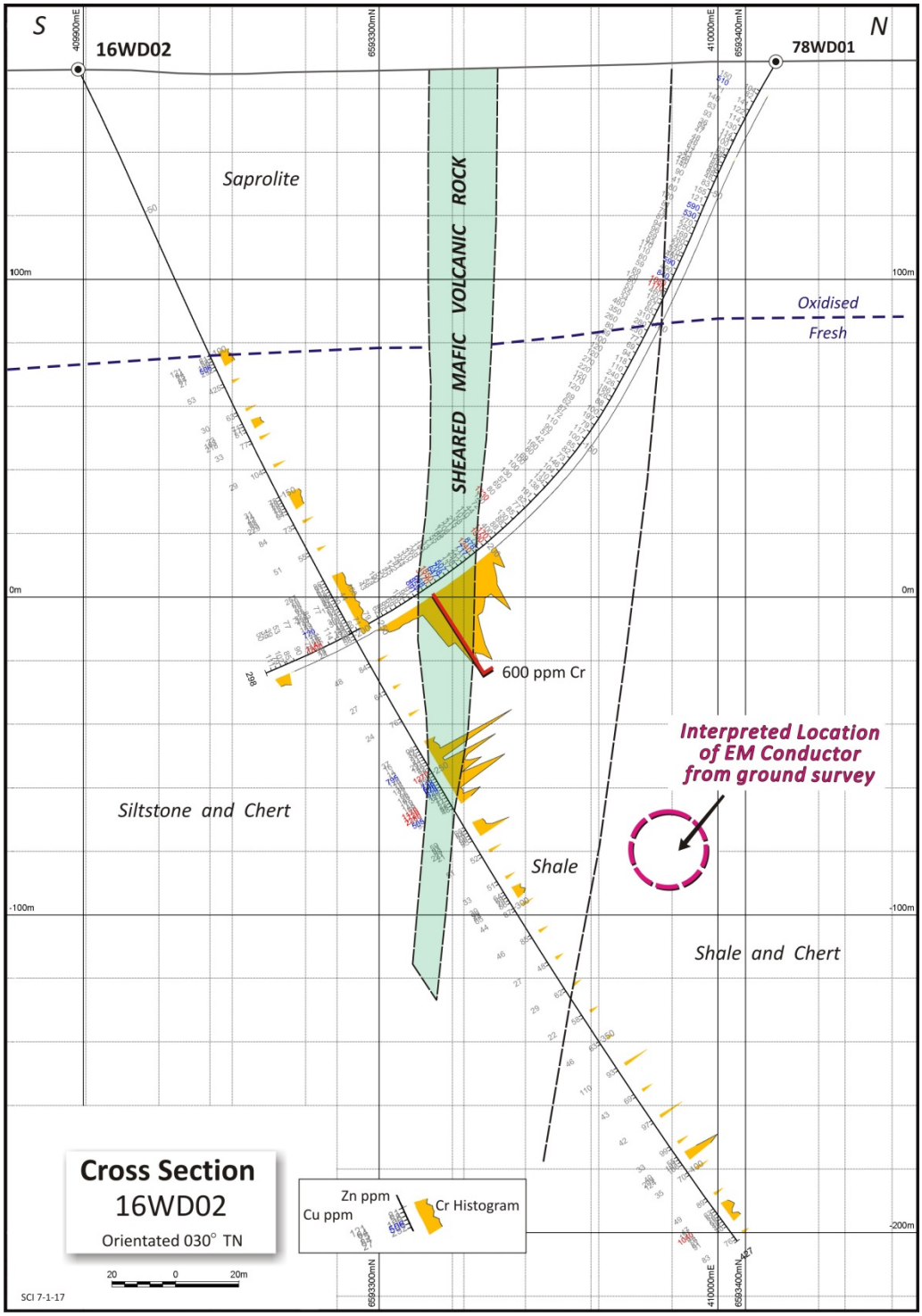


Figure 9. Cross Section 16WD020. Diagram shows the location of the drill hole in relation to the previous CRAE hole and the EM conductor as defined by the ground survey. The geology is steeply dipping to the south and a particular mafic (basalt) volcanic unit is recognised with elevate values of chrome compared to surrounding sediments. Copper and zinc values are shown (red>1000ppm and blue>500ppm). Note the EM conductor outlined in the ground survey lies 50 metres to the north of this volcanic unit.

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.*	• Diamond core drilling from surface. Half core sampling at nominal 1m intervals chosen visually. No hand held instrumentation.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Certified industry standards were inserted nominally every 40th sample
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*	• Both visual and analytical determination of results are 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.*	• Sampling for base metals is guided by visual record of mineral sulphides in the hole. Samples were nominal 1 metre downhole lengths of half core
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).*	• Diamond drilling of both HQ and NQ diameter core. Both triple and normal tube techniques were used.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Industry standard recovery measurements used. Core recoveries 98 to 100% at both projects (Razorback West and Wilga Downs)
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Core drilling, no recovery issues.
	• *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.*	• Recoveries are high. No relationship between recovery and grade are apparent.
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.*	• Detail geotechnical, structural and geological log were compiled and would be appropriate for Mineral Resource Estimation, mining studies and metallurgy. Downhole orientation measurements were taken and magnetic susceptibility was measured for the entire

Criteria	JORC Code explanation	Commentary
		hole.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Qualitative logging. All core was photographed; wet and dry.
	• *The total length and percentage of the relevant intersections logged.*	• 100% of 939.4 metres of core was logged at Razorback West and of 426.8 metres at Wilga Downs
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Core cut with a diamond saw. Half core submitted for analyses. Nominal 1m intervals
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The size of the sample is appropriate to the grain size.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• The sample preparation is appropriate to the sample require for base metal assessment.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Half core was sampled and bagged. Chosen core represents rocks visually selected for assessment.
	• *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 field duplicates or second half core utilized at this early stage of evaluation.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• core
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.*	*Razorback West* • Sample reparation was by ALS method PUL-23 whereby the sample was crushed to 70% nominal 6mm, then was riffle-split to a maximum of 3kg then pulverized to 85% passing 75 microns. Multi-element analysis by ALS method ME-ICP41 (www.alsglobal.com) for 35 elements. *Wilga Downs* • Sample reparation was by ALS method PUL-23 whereby the sample was crushed to 70% nominal 6mm, then was riffle-split to a maximum of 3kg then pulverized to 85% passing 75 microns. Four acid digest, multi element ICP-MS analyses for 60 elements ALS Global methods ME-MS61, ZnOG62, PbOG62 and gold by fire assay with AA finish code AA-Au22(www.alsglobal.com). • The nature and quality of the analytical methods are appropriate to style of mineralisation anticipated at this stage in the project and are of industry standard.

Criteria	JORC Code explanation	Commentary
		• No external laboratory checks are appropriate at this early stage of assessment.
	• *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 geophysical tools 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.*	• Certified industry standards were inserted nominally every 40th sample • Results were well with acceptable levels of accuracy. • No duplicates
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Verification was undertaken
	• *The use of twinned holes.*	• Not appropriate at this early stage of assessment
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• All data was recorded directly into computerized logging system. Backup protocols in place
	• *Discuss any adjustment to assay data.*	• No adjustments 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.*	• Collars determined Hand held GPS (± 5 metres accuracy) considered appropriate for early stage reporting and Mineral Resource estimation. Downhole surveys were undertaken nominally every 30m. using single shot Eastman Camera. Similarly considered appropriate for Mineral Resources reporting.
	• *Specification of the grid system used.*	• GDA 94 MGA Zone 54 for Razorback West and Zone 55 for Wilga Downs.
	• *Quality and adequacy of topographic control.*	• Topographic control used is Shuttle Radar Topography Mission (SRTM) data.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Analytical data points downhole are sufficient to characterize the nature of the rock and its mineralisation. Drill hole spacings are designed to test specific anomalies. All are appropriate for exploration results reporting.
	• *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.*	• The drill hole spacing with respect to previous holes allows a good degree of geological and geochemical continuity for Mineral Resource estimation at both Razorback West and Wilga Downs.
	• *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.*	• At Razorback West orientation of drilling has been determined by surface structural and stratigraphic mapping and correlated with earlier drill holes. Holes appear to have been drilled at a high angle to west-dipping bedding though

Criteria	JORC Code explanation	Commentary
		due to the intense deformation of the rocks, core to structure angles change locally downhole. At Wilga Downs drill orientation was based in core to structure angles from previous historic, but unoriented holes, and the general trend of geophysical anomalies. Out crop is poor and little surface structural information is available.
	• *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.*	• A Razorback West, downhole structural measurements suggest drillholes are oriented at a high angle to mineralised structures. • At Wilga Downs, downhole structural data suggest the drill hole is oriented obliquely to sulphides veins. These are generally oriented in a NW-SE direction and are steeply dipping. The hole was drilled at an azimuth of 15 degrees whereas 45 to 60 degrees would be more appropriated to test these at a more acute angle. Future holes will be re-oriented.
Sample security	• *The measures taken to ensure sample security.*	• Core is cut, labelled and bagged and held in a company store facility until it is dispatch to the laboratory via a freight forwarding company.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been completed.

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.*	• At Razorback West drilling with EL 8077. 100% Silver City Minerals, Native Title is extinguished and an access agreement is in place with the local landowner. The project lies within the headwaters of the Stephens Creek Reservoir and a condition of the licence is that the appropriate authority is notified of work before it commences. • At Wilga Tank drilling within EL 8136 held by Thomson Resources Ltd, subject to a farm-in and joint venture arrangement with Silver City Minerals. Silver City can earn up to 80%. Native title is extinguished and an access agreement is in place with the landowner.
	• *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.*	• No known impediments
Exploration done by	• *Acknowledgment and appraisal of exploration by other parties.*	• At Razorback West surprisingly little exploration has been conducted in this area.

Criteria	JORC Code explanation	Commentary
other parties		Work that has been undertaken by previous explorers is of high quality but locally poorly located. • At Wilga Downs two diamond drill holes have been completed by previous explorers targeting geophysical anomalies. The data is of good quality and typical of the reporting at the time (1971 and 1978). The 1978 hole is located at the NSW Core store facility at Londonderry and parts have been re-assayed by SCI.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Broken Hill type at Razorback West • Cobar or Tritton type Cu-Au at Wilga Downs
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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• Drill specification tables located in body of text. Razorback West reported to ASX 30 Nov 2016. • At Razorback West one significant intersection in one hole 16RB020, outlined in body of text. At Wilga Downs two intersections occur as outlined in body of text.
	• *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.*	• Not all analytical data is reported here for Razorback West or Wilga Tank. These are both base metal projects where sample selection is made on the basis of geological observation of the presence of sulphides mineralisation. As a consequence only parts of the holes were sampled. Only parts of the sampled hole are reported as they assist in the geological understanding of the project(s), The excluded information is not material as values are well below what might be considered economic mineralisation for both projects or have little or no bearing on the overall understanding of this report. These are early-stage exploration projects where the targets are key mineralised structures.
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 nominal cutoff grade for report at Razorback West is 0.1% Zinc. At Wilga Tank 0.1% copper. • No short lengths were included with samples being 1 metre and weight averaged according to industry standards. • No upper cuts were employed
	• *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.*	• At Razorback West a 1 metre higher grade section within a broader lower grade section is reported in the body of the report.
	• *The assumptions used for any reporting of*	• No metal equivalents reported

Criteria	JORC Code explanation	Commentary
	metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.*	• At Razorback West the true thickness of the quoted intersection (hole 16RB020)is estimated to be 10 metres • At Wilga Tank the true thickness of intersections may be up to 30% of the quotes downhole total due to the oblique nature of the intersection.
	• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*	• At Razorback West the geometry of mineralisation is tabular and dips steeply westward (figure 5) • At Wilga Tank sulphides zones are generally oblique to the angle of the holes.
	• *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').*	• At Razorback West true thickness in 16RB020 is estimated at 10 metres. • At Wilga Tank true thickness 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.*	• See Annexure 1
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.*	• Reporting focusses on identifying sections of sulphides-bearing core that might host significant mineralisation. Almost all of the assays from the project would be considered low grade; the reported intersection merely give an understanding of the geological context of mineralisation.
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 data available at this time.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Downhole EM surveys are scheduled for both projects
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Unknown at this time