



ASX ANNOUNCEMENT

4 January 2018

Drilling Commences at Copper Blow

- Silver City has commenced a second round of drilling at Copper Blow
- 850 meters to be drilled in three diamond holes
- Holes to test deeper extensions to mineralisation

Silver City Minerals Limited (ASX: SCI) (“Silver City” or “the Company”) is pleased to announce that it has commenced a second round of drilling at Copper Blow located 20 kilometres south of Broken Hill. Initially three holes will be completed in order to test extent and continuity of mineralisation down dip and down plunge of existing copper-gold intersections (Phase 1 holes in Figures 1 and 2).

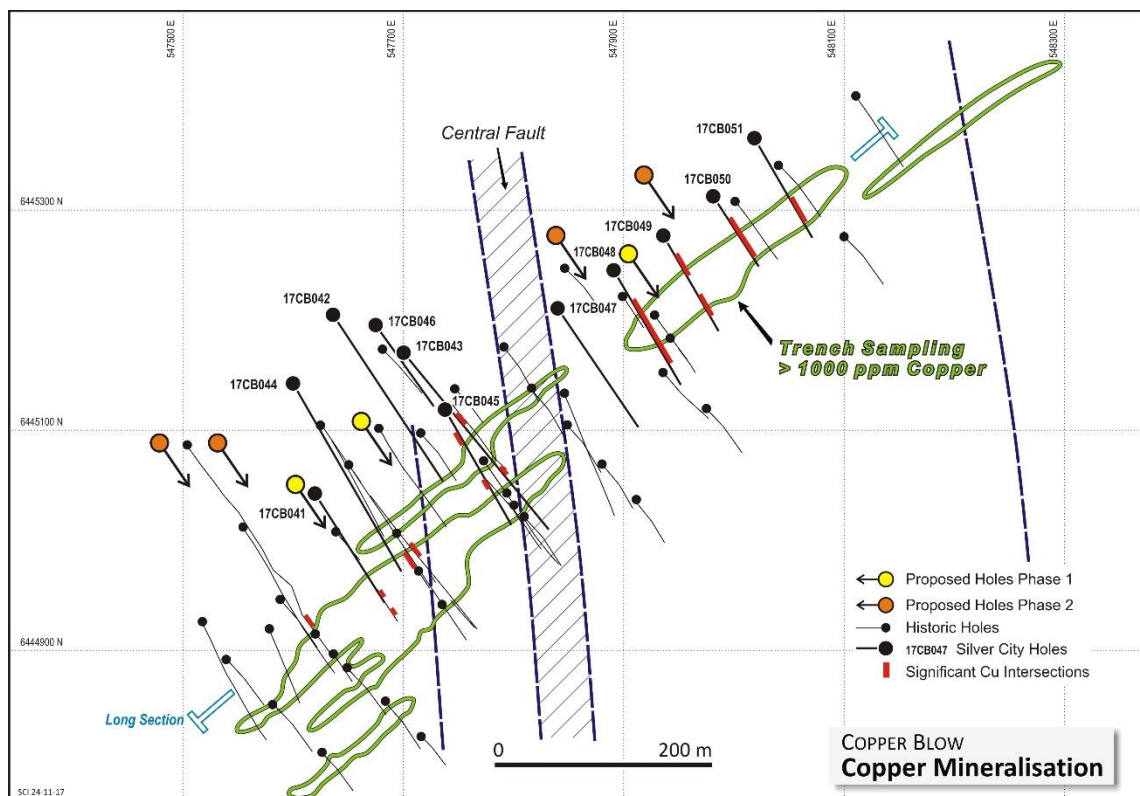


Figure 1 Copper Blow drill hole locations with significant mineralisation represented as red bars on drill traces. Central Fault separates high grade and deeper mineralisation in the south from broad zones of lower grade in the north.

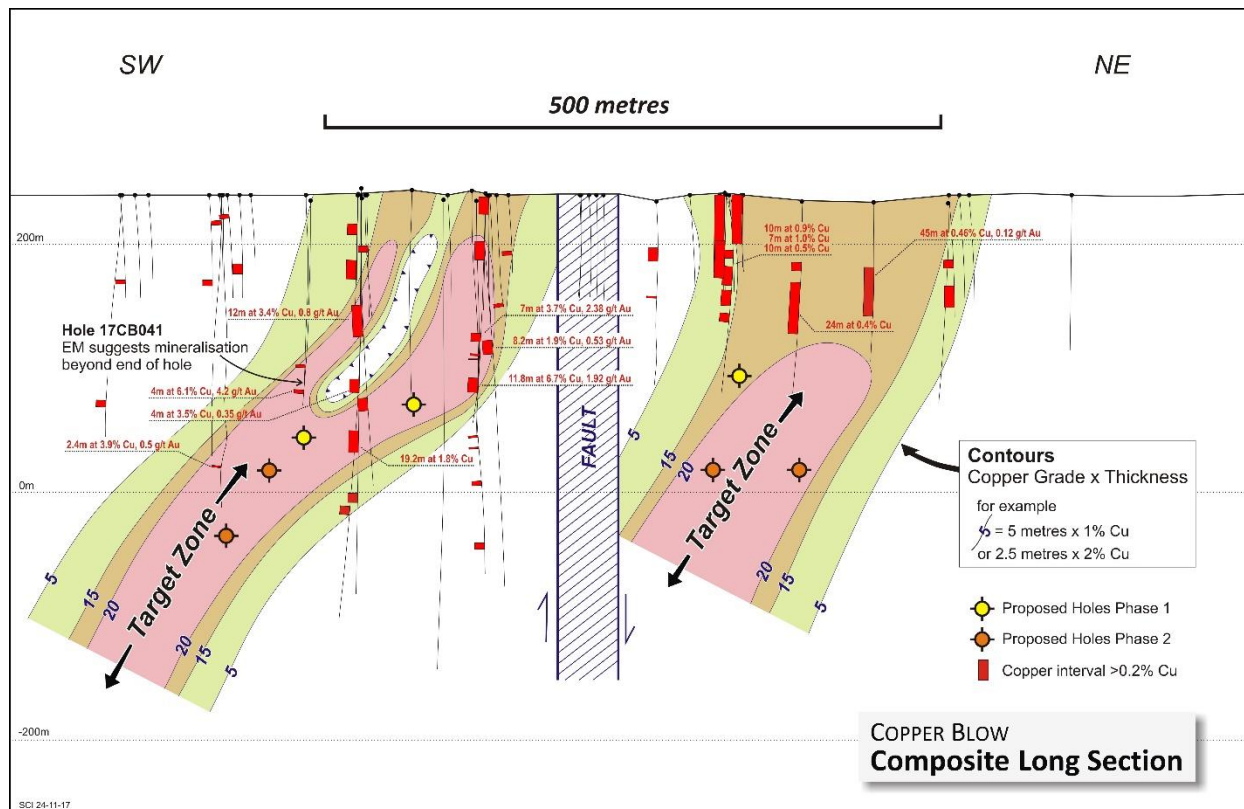


Figure 2 Long Section (from Figure 1). Composite diagram of >0.2% copper and grade x downhole thickness contours. Data suggests southerly or southwesterly plunge to mineralisation both north and south of the Central Fault. Hole 17CB041 hosts an interpreted downhole EM response indicating mineralisation off the end of the hole.

In August and September of 2017 SCI 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.

SCI drill holes encountered encouraging copper, gold and cobalt grades hosted in magnetite-rich rocks and confirmed a steep southwest plunge to mineralisation. 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).

A number of drill intersections contain elevated cobalt with little or no copper-gold 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

The current phase of drilling (850 metres) is likely to take three to four weeks to complete. Initial results of are expected late January to early February 2018. 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.

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

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