



ASX ANNOUNCEMENT

19 June 2017

High Grade Surface Samples Confirm Prospectivity at Copper Blow

- **Best grades of 6.89% copper and 1.85 g/t gold in biotite-magnetite-quartz rocks**
- **Surface samples average 2.6% copper and 0.43 g/t gold**
- **Anomalous cobalt, molybdenum, silver and rare earth elements**

Silver City Minerals Limited (ASX: SCI) (“Silver City” or “the Company”) is pleased to announce the results of a preliminary rock chip sampling program at the Copper Blow project 20km south of Broken Hill (Figure 1). Results confirm the prospectivity of the project and match similar high grade results from historic drilling programs.

SCI announced that a review of historic drilling within EL 8255 has identified a number of diamond and RC holes at Copper Blow that returned significant, high grade copper and gold results over estimated true widths of 15 metres (ASX Release 4 May 2017). These include;

- 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
- 15 metres at 2.7% copper, 0.53 g/t gold and 3.7 g/t silver
- 2.1 metres at 3.2% copper, 0.65 g/t gold, 5 g/t silver and 0.038% cobalt

The Company determined that no systematic follow-up of these holes was undertaken by previous explorers to assess the possibility of steeply plunging, high grade deposits.

The project is a joint venture between SCI (75%) and CBH Resources Ltd (CBH; 25%) which owns and operates the Rasp Mine and sulphide flotation facility at Broken Hill.

It may also present an opportunity for trucking ore to an existing mill in Broken Hill significantly reducing the cost to any future mining project.

Indications from limited historic assays and rock descriptions from Copper Blow show that the mineralisation is an iron oxide copper-gold (IOCG) type, which is similar to the nearby Portia

mine and Kalkaroo deposits in South Australia. Globally a broad range of economic copper-gold deposits fall within the IOCG category. These range in size from less than 1 million tonnes in the Tennant Creek deposits of the Northern Territory to 10 billion tonnes at Olympic Dam in South Australia. Many are characterised by elevated copper, gold, silver, cobalt, molybdenum, phosphorous and light rare earth elements.

Copper Blow is perhaps the first documented IOCG in New South Wales and may be similar in size and tenor to those mined at the Selwyn (Starra) deposits of Queensland.

Sampling

During a recent site visit to Copper Blow, SCI geologists collected sixteen rock chip samples over a strike length of one kilometre. These were predominantly from old mine dumps with strong visual indications of copper mineralisation in magnetite and biotite-rich rocks (Figure 2).

Samples were collected specifically for the purpose of characterising the trace element assemblage of the copper-rich mineralisation. SCI had the samples analysed for 36 elements. This style of multi-element scan has not been undertaken previously. Results for important elements are outlined in Table 1.

Results

The samples are oxidized with abundant copper carbonate minerals, including malachite. These are highly elevated in copper with results similar to those encountered in during historic drilling in deeper sulphide zones. Copper ranges from 0.01% to 6.89% with an average of 2.6%.

The results suggest a number of anomalous trace elements may hold economic potential. These include gold (to 1.84 g/t), silver (to 12.6 g/t), cobalt (to 749 ppm), lanthanum (a rare earth element to 590 ppm) and molybdenum (to 198 ppm).

The conclusion from this work is that there is potential for other economic elements associated with copper (especially gold, silver and cobalt) and that the signature of these elements is typical of IOCG deposits.

Future Work

Silver City has been collating all historic exploration data on the Copper Blow project with the view to commencing a drilling program in the next quarter. Planning and permitting for this program are underway and the Company will keep the market informed of the progress and a likely commencement date when the permits are approved.

Table 1 Surface Rock Chip Samples Copper Blow

Sample	East	North	Type	Description	Cu (%)	Au (g/t)	Ag (g/t)	Co (ppm)	Mo (ppm)	La (ppm)	P (ppm)
30397	547651	6444860	dump	quartz-magnetite rock with malachite & azurite	3.95	0.42	3.5	76	33	200	2030
30398	547616	6444868	dump	quartz-magnetite rock with malachite & azurite	1.46	0.27	4.9	316	16	50	1860
30399	547697	6444931	dump	sheared quartz-magnetite rock with malachite & azurite	4.04	0.65	5.6	54	45	110	2410
30400	547758	6445062	dump	quartz-magnetite rock with malachite	3.92	0.27	6.6	66	44	170	1880
30401	547886	6445158	Out-crop	sheared quartz-magnetite rock	1.06	0.27	1.5	38	47	480	1000
30402	547907	6445159	dump	magnetite-quartz vein with malachite	3.60	0.58	7.7	43	191	580	1360
30403	547891	6445176	dump	quartz-magnetite rock and veins with malachite	2.46	0.49	2.6	62	170	500	1220
30404	548032	6445302	dump	quartz-magnetite rock with malachite	6.36	1.03	4.7	228	78	450	4010
30405	547958	6445266	dump	quartz-magnetite rock and veins with malachite	0.05	0.03	0.4	381	19	170	4660
30406	548168	6445376	dump	sheared quartz-magnetite rock and veins with malachite	0.01	0.02	0.2	216	7	90	340
30407	548255	6445457	dump	magnetite quartz veins in biotite altered rock	0.03	0.01	<0.2	207	26	110	400
30408	548369	6445543	dump	magnetite quartz veins in biotite altered rock	0.03	<0.01	0.2	193	21	150	750
30409	547951	6445246	dump	magnetite quartz veins in biotite altered rock with malachite	4.04	0.79	5.2	54	53	590	2200
30410	547877	6445166	dump	magnetite quartz veins in biotite altered rock with malachite	3.70	1.85	12.6	73	198	400	910
30411	547637	6444961	dump	magnetite quartz zones in biotite altered rock	0.01	0.01	<0.2	39	20	40	790
30412	547587	6444842	dump	massive quartz-magnetite in biotite altered rock with malachite	6.89	0.13	3.4	749	24	20	2650

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
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Annexure 1 Diagrams

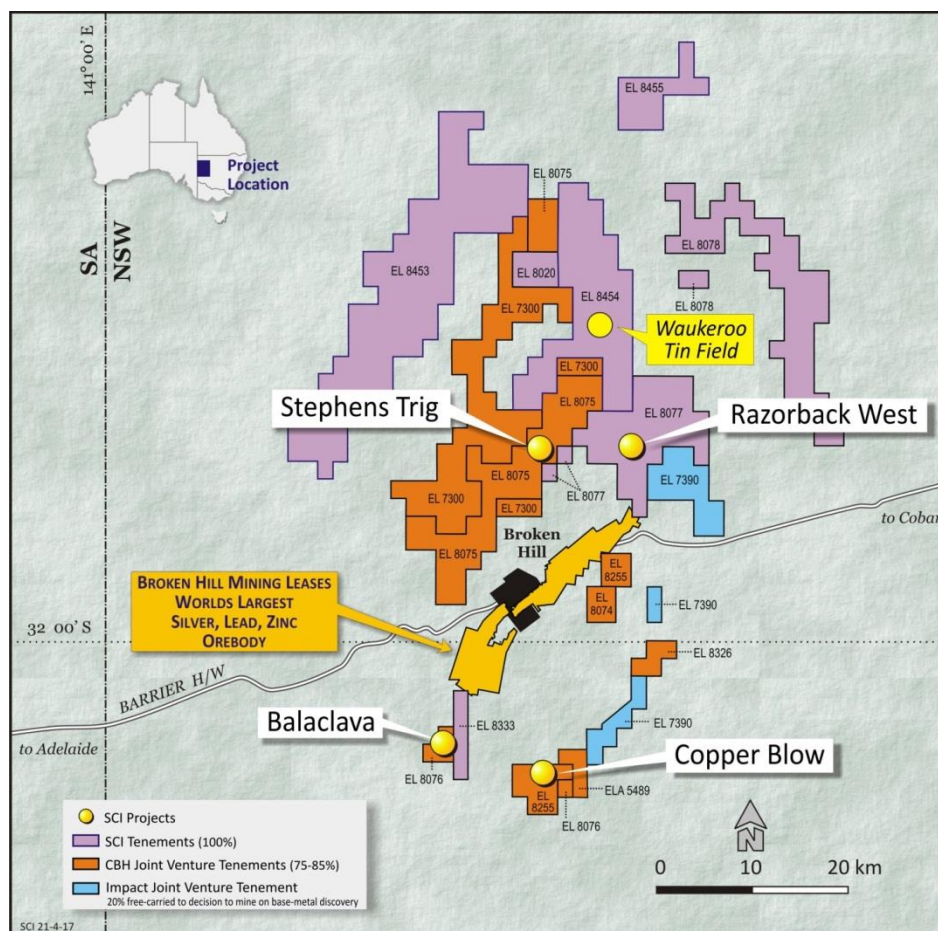


Figure 1 Silver City Tenements at Broken Hill and location of the Copper Blow Project

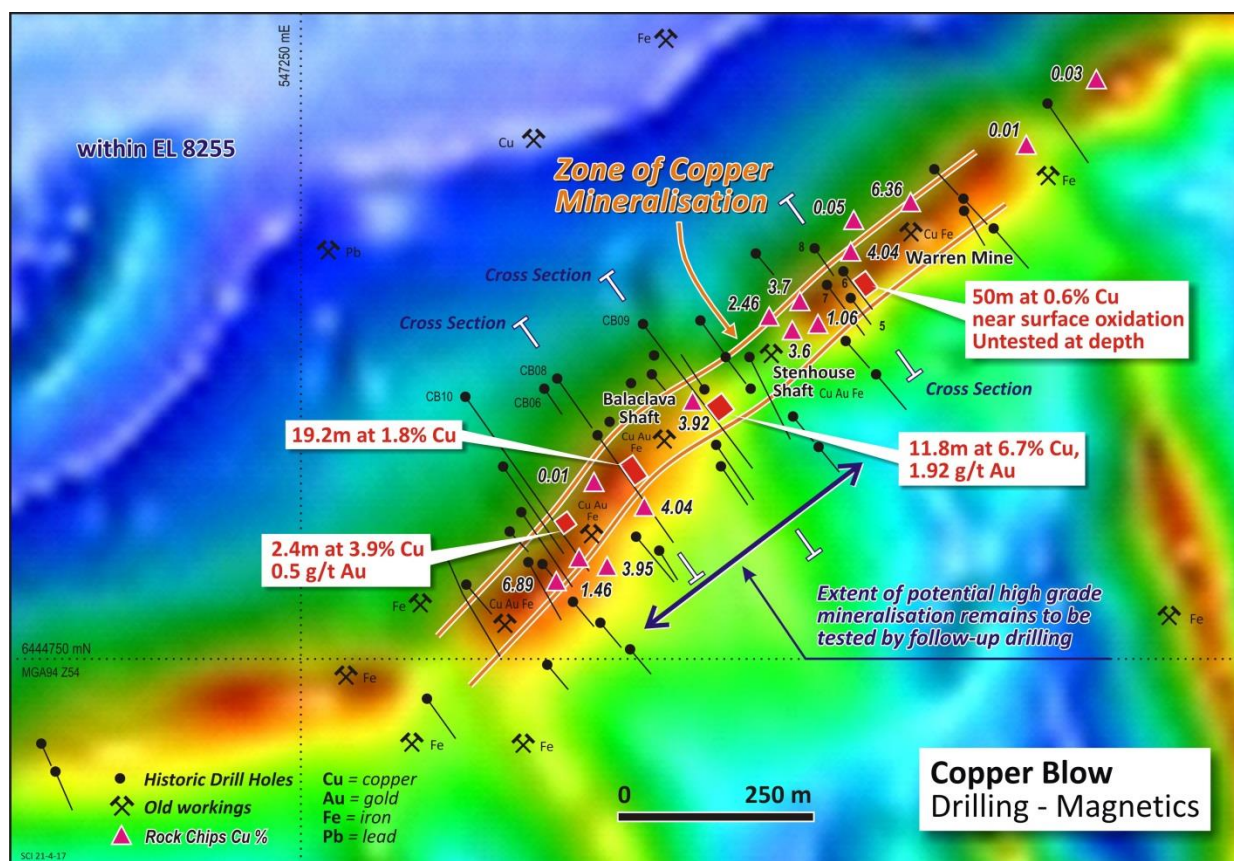


Figure 2. Copper Blow project showing sample location and copper grades for recent surface rock chip samples. Similarly shows historic drill results.

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"> 16 rock chip grab samples specifically collected from old mine dumps focussed on copper-rich samples in order to characterise other trace element abundances.
	<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"> The samples are selective and are thought to represent oxidised, strongly mineralised rock mined from old workings
	<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 Materiality in this report relates to the nature of trace element abundances which characterise the mineralisation as iron-oxide copper-gold type mineralisation
	<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"> Grab samples off old mine dump (2-3kgs)
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"> No drilling was undertaken
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"> No drilling was undertaken
	<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 drilling was 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"> No drilling was undertaken
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 Resource estimation, mining studies and metallurgical studies. 	<ul style="list-style-type: none"> No drilling was undertaken
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	<ul style="list-style-type: none"> No drilling was undertaken
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No drilling was undertaken
Sub-sampling techniques	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	<ul style="list-style-type: none"> No drilling was undertaken

Criteria	JORC Code explanation	Commentary
and sample preparation		
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	<ul style="list-style-type: none"> Sample size was appropriate to the grain size of the material Grab sampling of selected dump material was appropriate to the nature of the study No quality control methods were used No measures were used to ensure sampling of in situ material No drilling was undertaken
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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. 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. 	<ul style="list-style-type: none"> Rocks were subject to an aqua regia digest and analyses of 35 elements by ICP-MP (ALS Code ME-ICP41) and gold by 30g charge fire assay with an AA finish (ALS Code Au-AA25). High grade samples used ALS codes Cu-OG46 (ICP-AES). These techniques are appropriate for the nature of the study. No geophysical tools were used No quality control was used with the exception of the internal laboratory controls.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No verification was undertaken No drilling was undertaken Data was collect in the field and stored in a digital database system No adjustments
Location of data points	<ul style="list-style-type: none"> 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. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Hand held GPS with accuracy to plus or minus 5metres. It is not anticipated that this data will be used in mineral resources calculations GDA94 MGA Zone 54 No topographic control
Data spacing and distribution	<p>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.</p> <ul style="list-style-type: none"> Whether sample compositing has been applied. Whether the orientation of sampling achieves 	<ul style="list-style-type: none"> Distribution was based on the existing distribution of old mine workings. The data forms part of a geochemical study on the nature of the known mineralisation and will not be used in mineral resource estimation. No compositing The sampling was specifically biased

Criteria	JORC Code explanation	Commentary
	<i>unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Orientation of samples was not a consideration.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> No drilling was undertaken
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Company personnel delivered samples to a freight forwarding company for delivery to the laboratory.
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits were 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"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> All samples collected with EL 8255 subject to a joint venture between SCI and CBH Resources Ltd. A land access agreement is in place and Native Title has been extinguished The tenure is secure under NSW Legislation and no impediments to operated are foreseen.
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Exploration by others has been adequate. (documented in ASX Release 5 May 2017)
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Iron oxide Copper Gold style
Drill hole Information	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> <i>down hole length and interception depth</i> <i>hole length.</i> <i>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.</i> 	<ul style="list-style-type: none"> No drilling was undertaken Excluded data relates to specific trace elements with no significant or anomalous values. All relevant elements and all samples are reported.
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> <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</i> 	<ul style="list-style-type: none"> No weight averaging, cutting or cut-offs were used No drilling was undertaken

Criteria	JORC Code explanation	Commentary
	<p>and some typical examples of such aggregations should be shown in detail.</p> <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> No metal equivalents were reported
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. 	<ul style="list-style-type: none"> No drilling was undertaken
	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	<ul style="list-style-type: none"> No drilling was undertaken
	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> No drilling was undertaken
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Annexure 1 and Table 1 in body of report
All Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All results for a specific suite of elements are reported
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All data with respect to the sampling has been reported
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). 	<ul style="list-style-type: none"> Drill testing is anticipated in the next quarter
	<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Annexure 1