



## ASX ANNOUNCEMENT

3 November 2016

### **Silver City has commenced drilling at Razorback West Zinc Project, Broken Hill**

- **Holes test northern extensions of the Broken Hill mine corridor**
- **Drilling potential Zinc-Lead-Silver mineralisation of the Broken Hill type (BHT).**
- **Razorback West 100% owned by Silver City**

**Silver City Minerals Limited (ASX: SCI)** (“Silver City” or “the Company”) is pleased to announce that it has commenced drilling at Razorback West. A three-hole program for a total of approximately 1000 metres is designed to test a number of targets.

The project is located just 20 kilometres to the northeast of Broken Hill in an area largely ignored by previous explorers due to the abundance of alluvial and soil cover. The project is owned 100% by Silver City.

#### **Drill Targets**

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 twelve 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 (Figures 1 and 2).

The Company has outlined a coincident lead-zinc-manganese geochemical, gravity and IP anomaly in the southern part of the corridor (Figure 3). This target zone is over five kilometres long and one kilometre wide. SCI initiated the first ever drilling in 2012 and to date has completed 18 holes. Drill holes have returned anomalous lead, zinc and manganese and have 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.

In plan, the conductors show a close spatial relationship with the peak zinc anomaly outlined in shallow RAB holes (Figure 4). Further, when reviewed in cross-sections with respect to Silver City shallow reverse circulation (RC) drill holes, the main conductor shows a similar relationship to steeply dipping zones of elevated lead, zinc and manganese (Figures 5). The fact that the conductors are remarkably coincident with elevated zinc, lead and manganese suggests some causal link.

In addition, alteration minerals, especially fine grained garnet and blue quartz are also associated with the elevated geochemistry. This is similar to the Broken Hill deposit immediately to the southwest, which hosts abundant zinc and lead in sulphide ores within an envelope of manganese-rich garnet, garnet “sandstone” and blue quartz-bearing rock sequences.

The rock package with the alteration and elevated geochemistry is 35 to 50 metres wide and lies directly above the interpreted EM anomaly as shown in Figure 5.

The EM anomalies lie untested at depth beneath the existing Silver City drill holes. They could be responding to a significant accumulation of zinc-rich (sphalerite-rich) mineralisation in a deeper target zone depicted conceptually in Figure 6.

### **NSW Government Funding**

The stated objective of the New Frontiers Cooperative Drilling Program is to provide grants for exploration drilling programs which demonstrate strong prospectivity, sound financial planning and a proven technical base. The anticipated outcomes of the program being:

- to encourage mineral exploration and discovery in New South Wales that will ultimately ensure a sustainable economic resource pipeline for the State;
- to encourage exploration drilling in greenfields areas that will test new geological ideas and models and/or drilling in regions covered by significant cover;
- to stimulate exploration in greenfields areas and build a stronger relationship between government and industry, in order to fully realise the economic resource potential of New South Wales.

The New Frontiers program is administered by the NSW Department of Industry Skills and Regional Development (Department). The terms of the grant provide for reimbursement of 100% of direct drilling metre costs incurred at the Razorback West project prior to 30 June 2017 for a total of \$114,800. All other costs will be met by the Company. The grant is subject to a number of conditions which include various reporting requirements and a requirement that the Department (in its reasonable opinion) is satisfied with the manner in which the Company has conducted the drilling program. The Company will receive payment after drilling and final reporting has been completed.

### **Reports Relevant to this announcement**

ASX Release 12 July 2011 and 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 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 Person**

*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 he is undertaking to qualify as a "Competent Person" 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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Chris Torrey	Managing Director
Greg Jones	Non-Executive Director
Ian Plimer	Non-Executive Director
Ian Hume	Non-Executive Director
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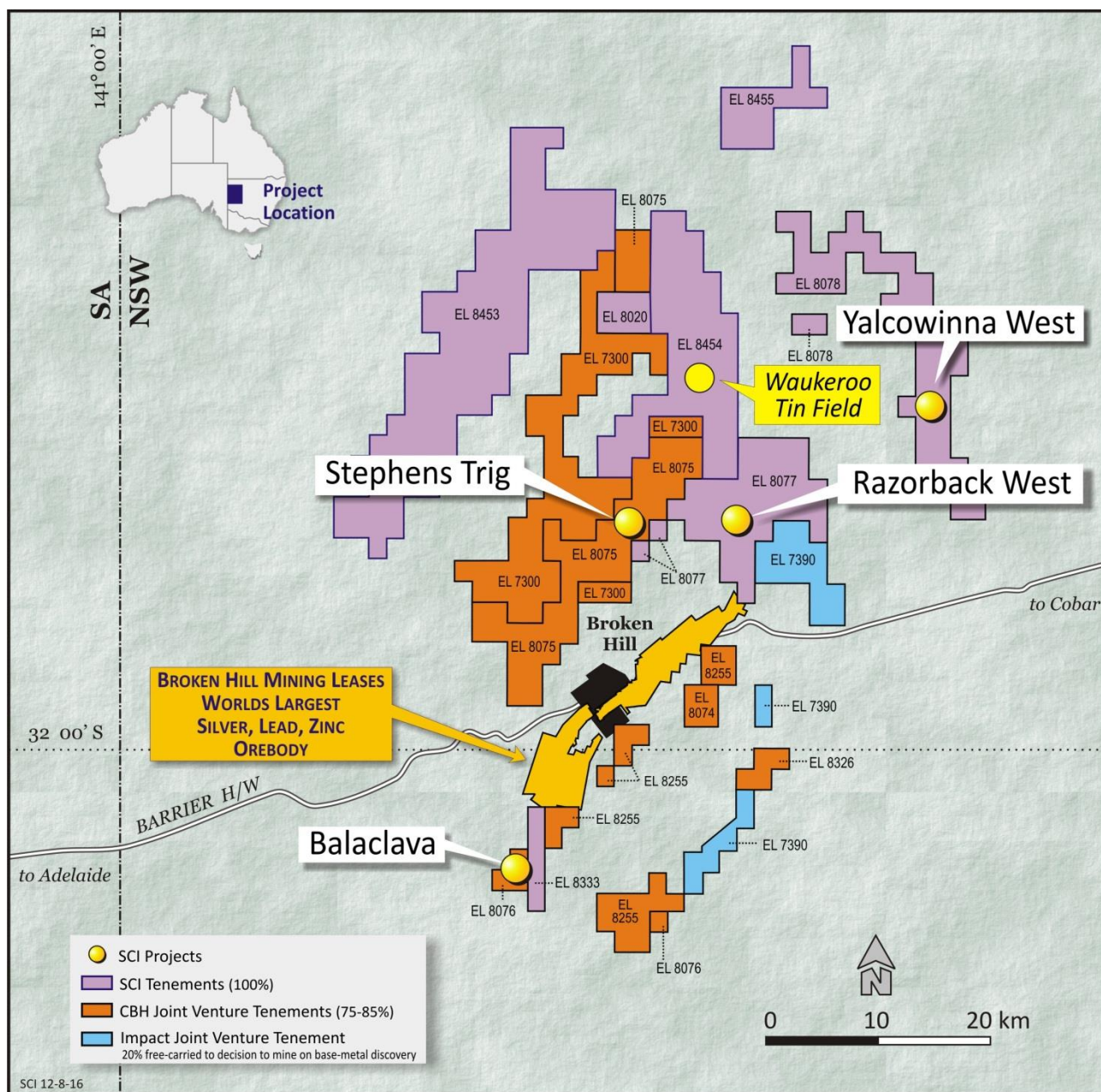


Figure 1. Silver City Minerals tenements at Broken Hill.



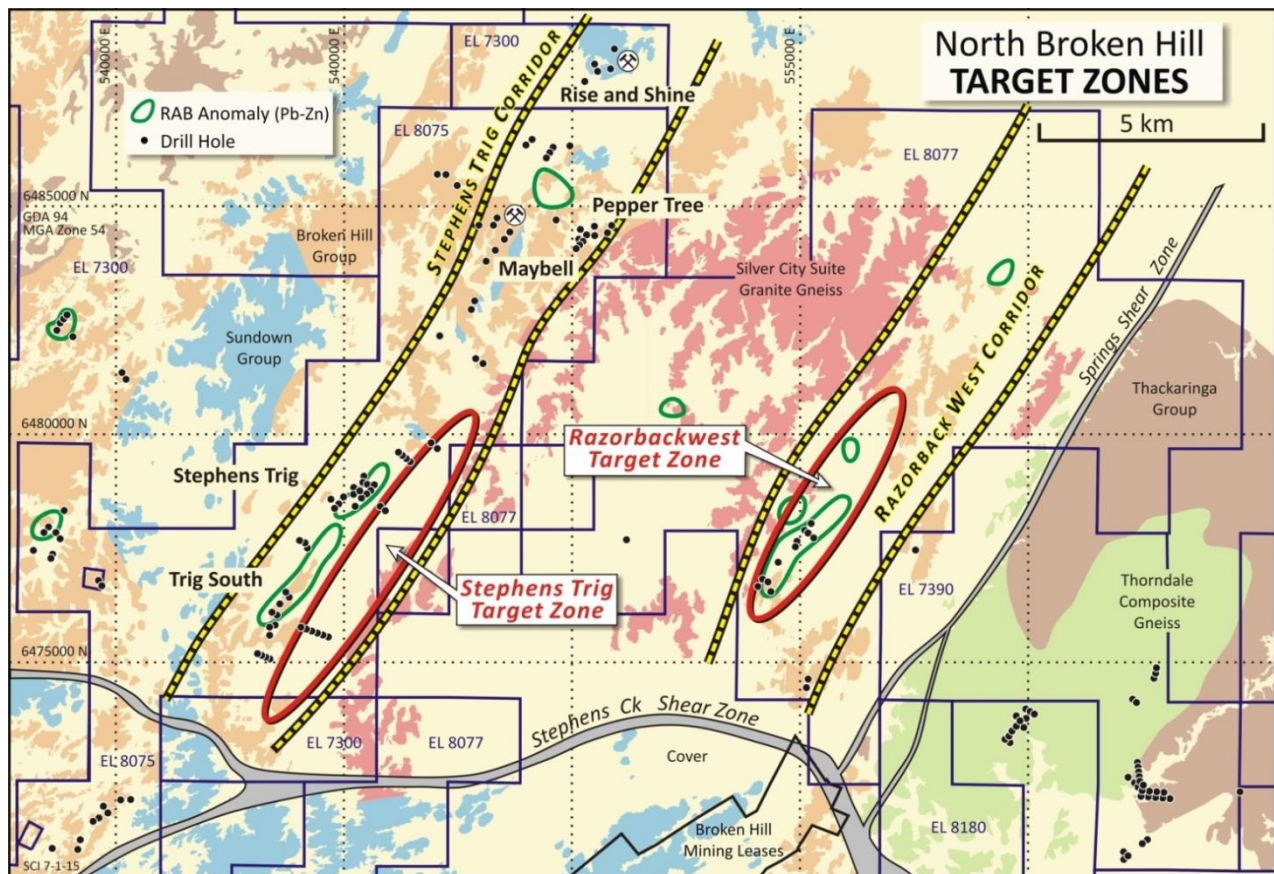


Figure 2. North Broken Hill target zones. Diagram shows outcropping rock types and areas of alluvial and soil cover (pale yellow). The prospective Stephens Trig and Razorback West corridors trend in a northeast direction and lie to the north of the Stephens Creek Shear Zone. The Broken Hill orebodies are located to the south of the shear zone within the Broken Hill Mining Leases. The Target Zones outlined in red are areas of focussed exploration by SCI.

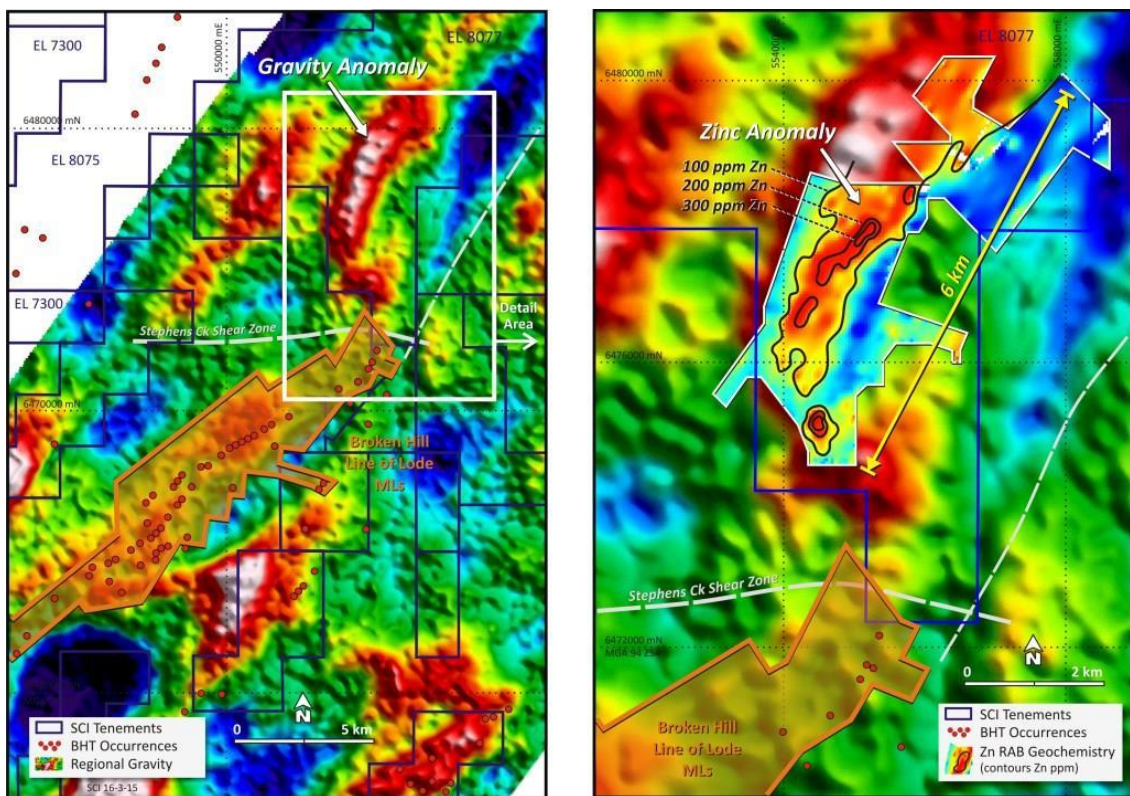


Figure 3. On left gravity image with Broken Hill "line-of-lode" mining lease superimposed, showing significant gravity anomaly to the north of the Stephens Creek Shear Zone. Image on right is an enlarged view of that gravity anomaly with the SCI RAB zinc anomaly superimposed.



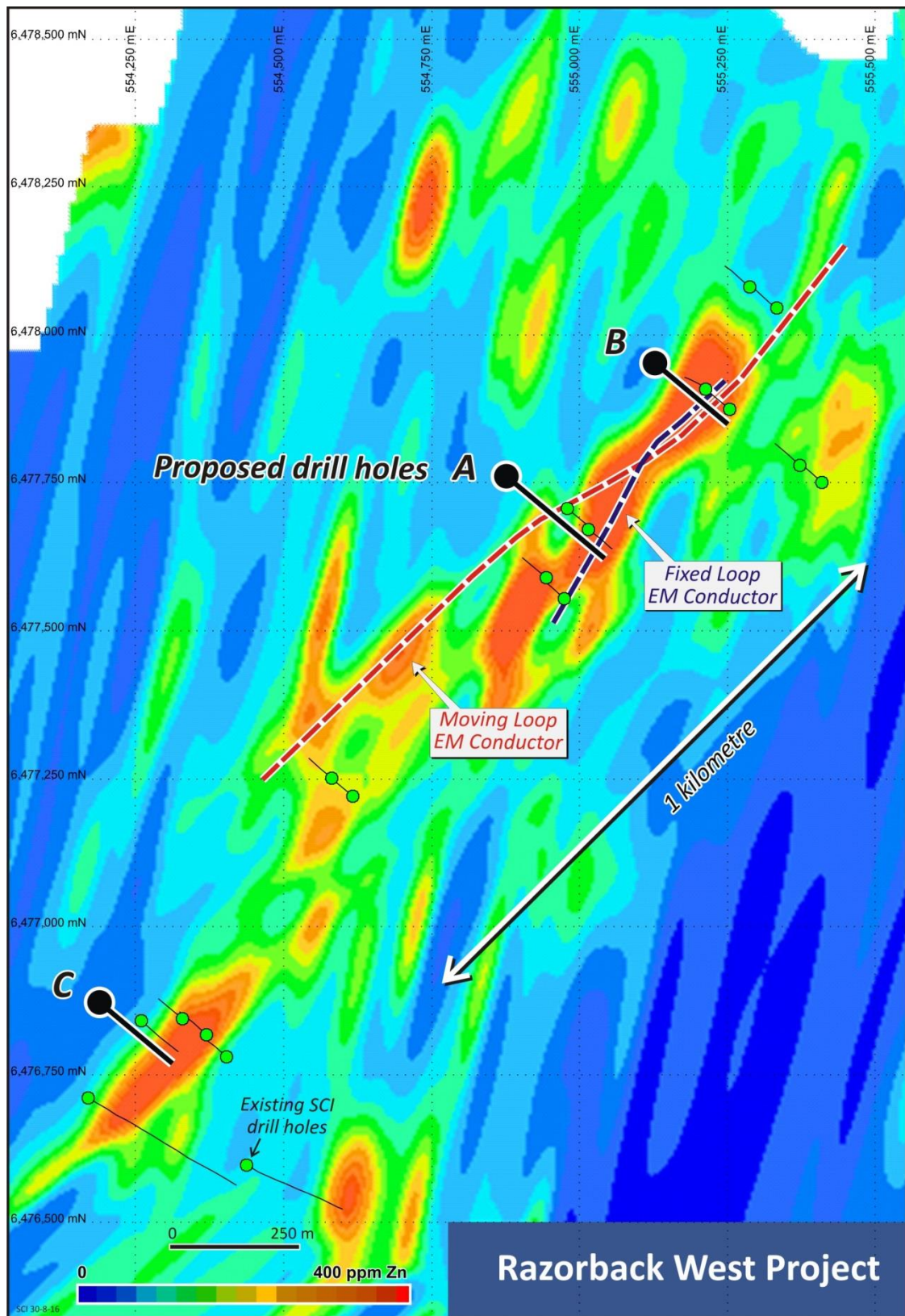


Figure 4. Shows the RAB zinc anomaly (colour image) from Figure 3 in detail and the positions of the moving and fixed loop electromagnetic conductors. SCI drill hole locations are shown, as are proposed Holes “A”, “B” and “C” to be partly funded by the drilling grant.

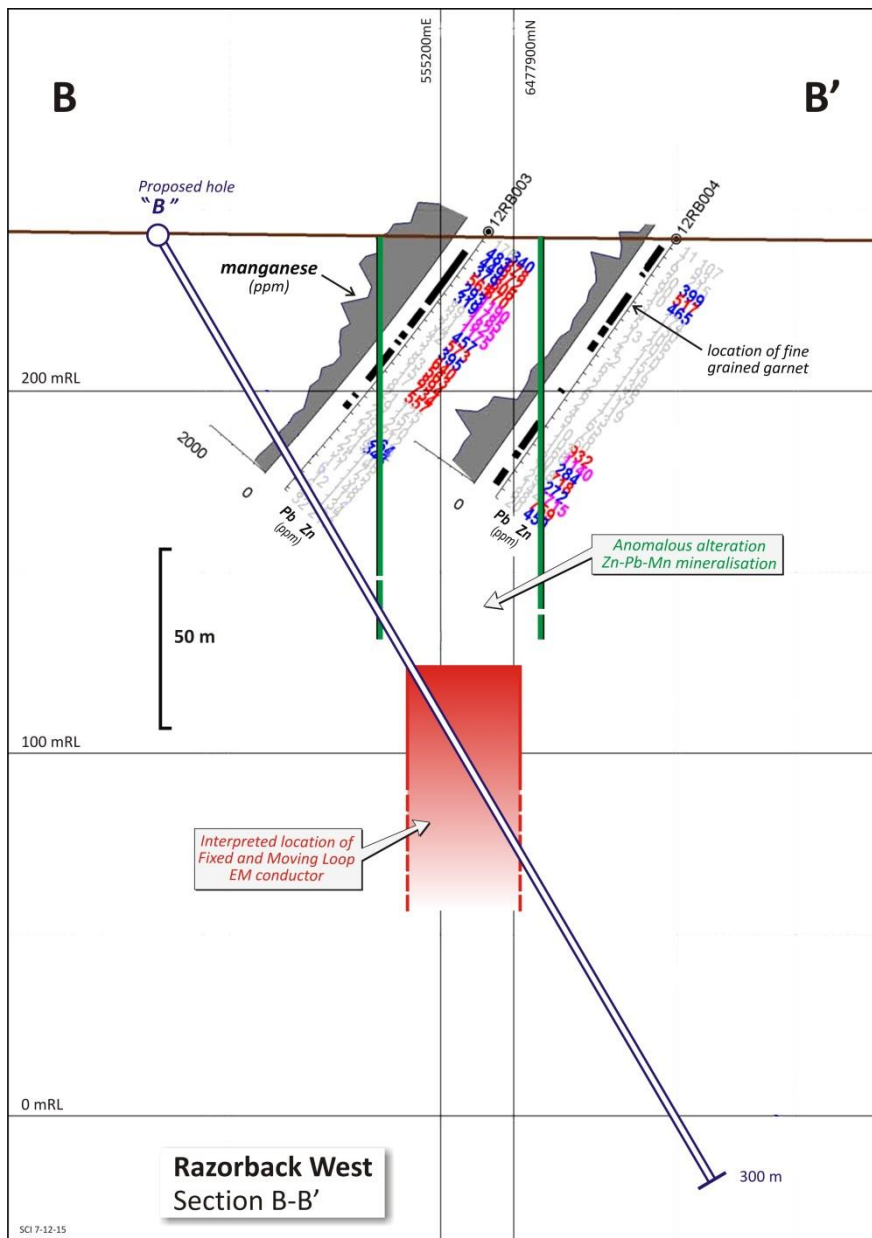


Figure 5. Cross-section B-B' (Hole "B" in Figure 4). Proposed drill hole tests EM anomaly approximately 150 metres below surface.

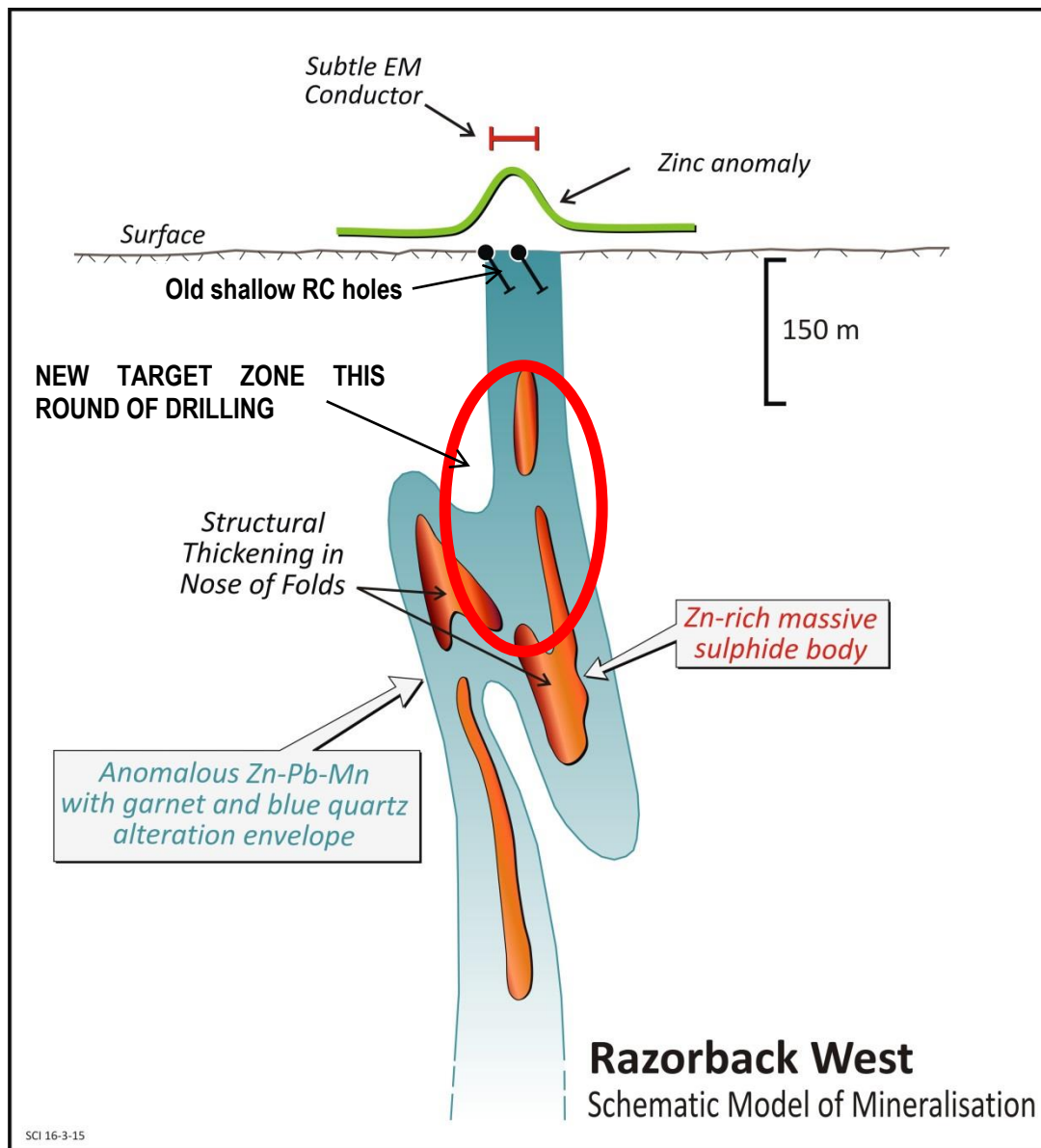


Figure 6. Schematic cross-section showing new target zone to be tested in upcoming round of drilling.