



## ASX ANNOUNCEMENT

7 September 2016

### **EM Target at Wilga Downs**

- **High resolution electromagnetic survey defines drill target**
- **Silver City to commence drilling within next two weeks**
- **Seeks high grade copper-gold target similar to Tritton or Mallee Bull**

**Silver City Minerals Limited (ASX: SCI)** (“Silver City” or “the Company”) is pleased to announce that a recent geophysical survey at its Wilga Downs joint venture project has defined an electromagnetic conductor which provides an excellent drill target. The geophysical response and results from previous drill holes suggest the target is sulphide rich at depths of approximately 200-250 metres below the surface.

The character of the conductor shows strong similarities to those that led to the discoveries of the Tritton (copper-gold) and Mallee Bull (copper-gold) deposits (Figures 1). Tritton has been mined since 2004 and Mallee Bull is a recent discovery.

### **Background**

In a recent announcement to the ASX (19 August 2016) the Company indicated it had signed a joint venture with Thomson Resources Ltd (ASX:TMZ) with respect to the Wilga Downs project located approximately 80 kilometres north of Cobar, New South Wales (Figure 1).

In order to follow-up on work undertaken by Thomson, Silver City completed high resolution moving loop and fixed loop electromagnetic (MLEM and FLEM) surveys. The results of this work outline a late-time (30 millisecond) conductor east of two historic drill holes. These holes drilled in 1971 and 1978 recorded broad intersections of anomalous copper, zinc and lead mineralisation (ASX Release 19 August 2016).

Work by both Thomson and Silver City suggest that these holes have not been drilled to sufficient depth to test the EM anomaly. The new work undertaken by SCI also indicates that the highest conductivities in the data lie almost 200 metres to the east of hole 78WD01. The new target lies within a strong magnetic and gravity anomaly and coincides with high induced polarisation chargeabilities (Figure 2).

Drilling is scheduled to commence within two weeks.

## 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. The Company has also begun to assess the prospectivity of the district for lithium associated with pegmatites. The Company continues to seek out quality projects for exploration and development and has recently entered into a farm-in and joint venture agreement with respect to a base metal project in the Cobar mining district east of Broken Hill.*

### **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 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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## ANNEXURE 1

## Figures

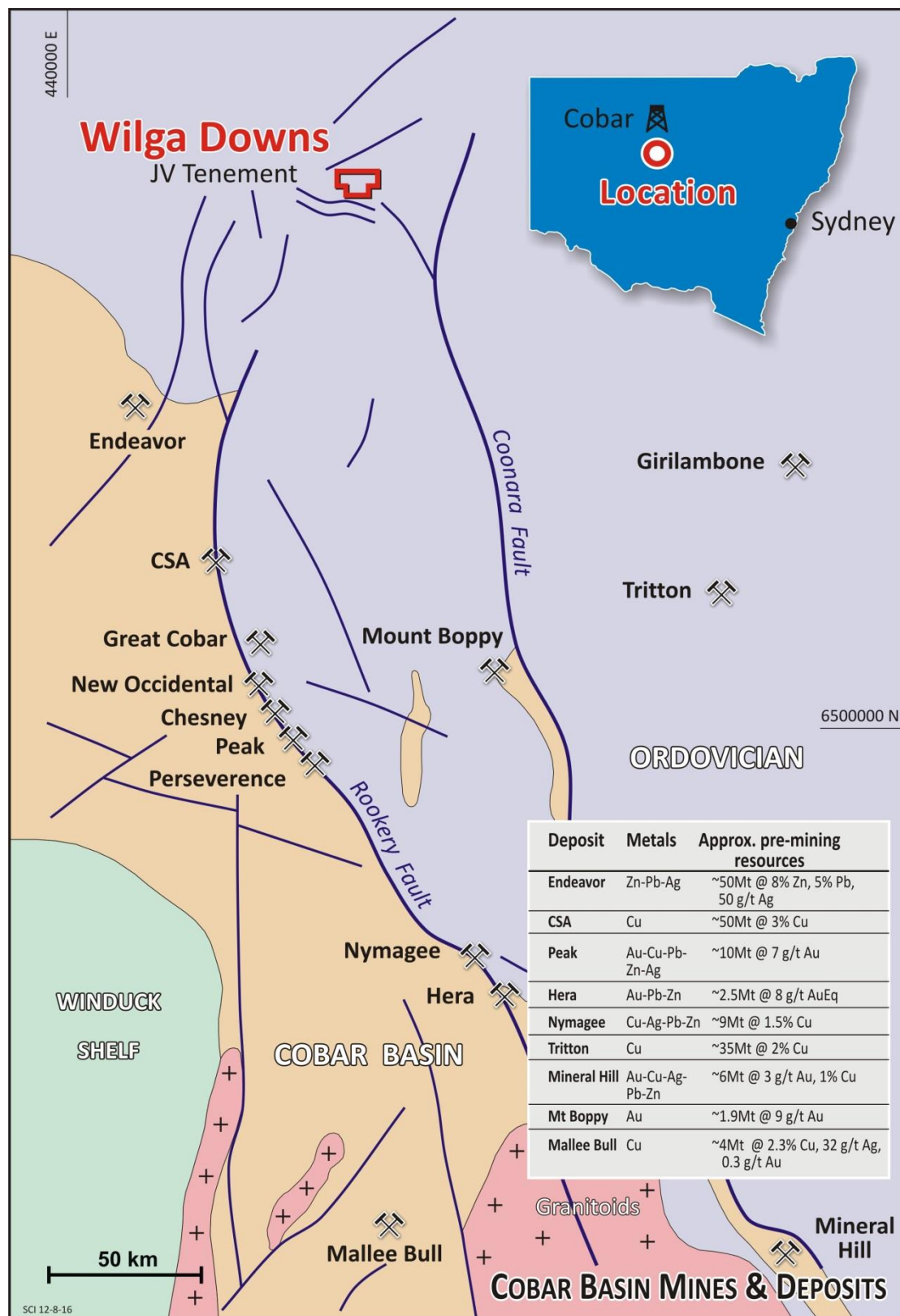


Figure 1. Mines and mineral deposits in the Cobar District. Location of the Wilga Downs exploration licence.

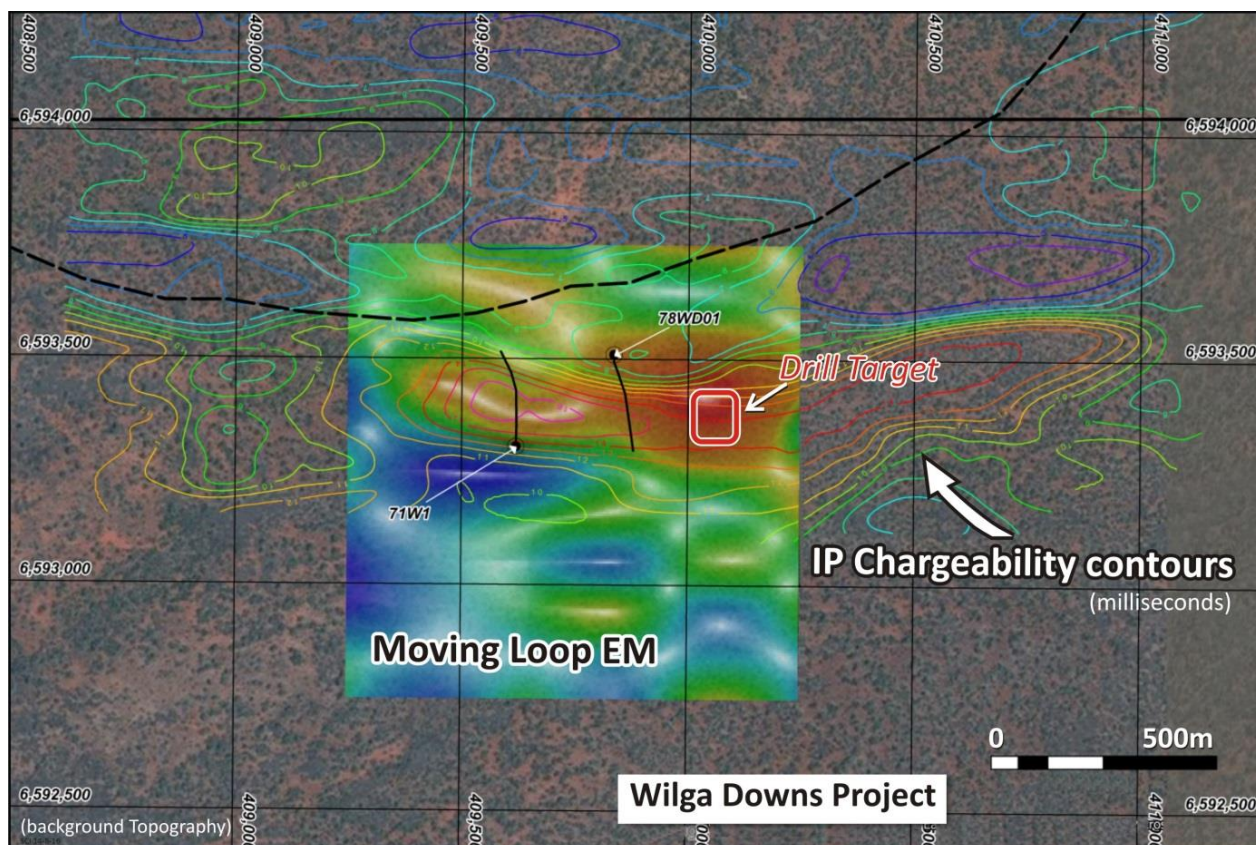


Figure 2. Plan shows an image of late-time moving loop EM, with hot colours showing zones of high conductivity. Contours are induced polarisation chargeability. The SCI drill target is shown.



## Annexure 2

## JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>No geochemical sampling was undertaken</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Logging	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>Grids were located by handheld GPS with approximate accurate of 5metres.(GDA94 MGA Zone 56)</li> <li>Topographic control used is Shuttle Radar Topography Mission (SRTM) data.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>None undertaken</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>The project lies within EL 8136 held by Thomson Resources and managed by Silver City Minerals as part of a farm-in and joint venture agreement. An access agreement is in place and Native Title does not apply.</li> <li>No impediments to operate are known.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>Exploration conducted in the past by AMAX and CRAE is considered to be of high quality. More recent geophysical surveys by Thomson enable good geo-referenced data control.</li> </ul>

Criteria	Commentary
Geology	Besshi-type Copper, or Cobar Type Pb-Zn-Ag-Cu
Drill hole Information	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Diagrams	See annexure 1
Balanced reporting	<ul style="list-style-type: none"> <li>No drilling was undertaken</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>All available information of significance has been included in this or previous reports by Thomson Resources.</li> <li>The surveys at the Wilga Downs Prospect consisted of a 200m moving loop (in-loop) survey followed up by a single fixed loop survey. The surveys were conducted by Fender Geophysics Pty. Ltd. using a Terratem receiver and a TCR coil sensor. Readings were taken to a delay time of 90 milliseconds. The moving loop survey used a 200m single turn transmitter loop with a typical transmit current of 24 amperes. Three component readings were taken with a centred receiver sensor at 100m stations along lines 200m apart. Six lines of 1km length were surveyed to cover an area of 1 square kilometer. The fixed loop survey used a 700m by 300m single turn transmitter loop with a typical current of 10 amperes. Three component readings were taken at 50m intervals along line (south-north) on lines 200m apart. Four lines of 500m length were read to cover an area of 0.3 square kilometres.</li> </ul>
Further work	<ul style="list-style-type: none"> <li>Drilling</li> </ul>