



ASX ANNOUNCEMENT

12 July 2012

Razorback West Drilling Results

Silver City Minerals Limited (ASX:SCI) is pleased to release the results of a sixteen hole reverse circulation (RC) drilling program at Razorback West located approximately 20 kilometres northeast of Broken Hill (Figure 1).

This work is the first significant drill investigation of a large, concealed lead and zinc anomaly identified by RAB drilling (Figure 2). The RC holes have located a zone of geochemically anomalous rock comprising predominantly metamorphosed sandstone and siltstone which have been altered to chlorite and sericite. The rock also hosts abundant blue quartz and fine grained garnet which is commonly associated with Broken Hill type (BHT) mineralisation. The anomalous rock package is approximately 50 metres wide, steeply dipping and contains elevated concentrations of galena (lead sulphide) and sphalerite (zinc sulphide). In addition other sulphide minerals including pyrite, pyrrhotite (both iron sulphides) and chalcopyrite (copper sulphide) have been identified.

The package is characterised by broad down-hole intersections of zinc in the order of 0.1 to 0.2% and manganese in the order of 0.1 to 0.3%. (Table 1; Figure 3). In contrast lead occurs as disseminated galena in discrete zones within sandstone units. For example hole 12RB013 returned 6 metres at 0.43% lead from 51 metres including 1 metre at 1.20% lead from 53 metres and 3 metres of 3.6 g/t silver from 51 metres.

The drill data indicates the presence of significant quantities of zinc and manganese with localised, elevated lead and silver mineralisation. BHT mineralisation is characteristically hosted within broad zones of anomalous rock similar to that intersected in the first pass drilling by Silver City. If massive sulphide ores are present in the area the Company would expect them to be located within corridors of anomalism such as those identified here. The company proposes to investigate the use of ground geophysical techniques such as induced polarisation and electromagnetics in order to target enriched sulphide zones.

Table 1. Elevated Zinc Geochemistry in RC Drill Holes

Hole No.	From (metres)	Intersection (metres)	Zinc (%)
12RB003	15	12	0.15
12RB007	3	18	0.13
12RB009	48	24	0.20
Including	60	9	0.39
12RB013	12	93	0.14
Including	87	18	0.28
12RB016	93	33	0.17

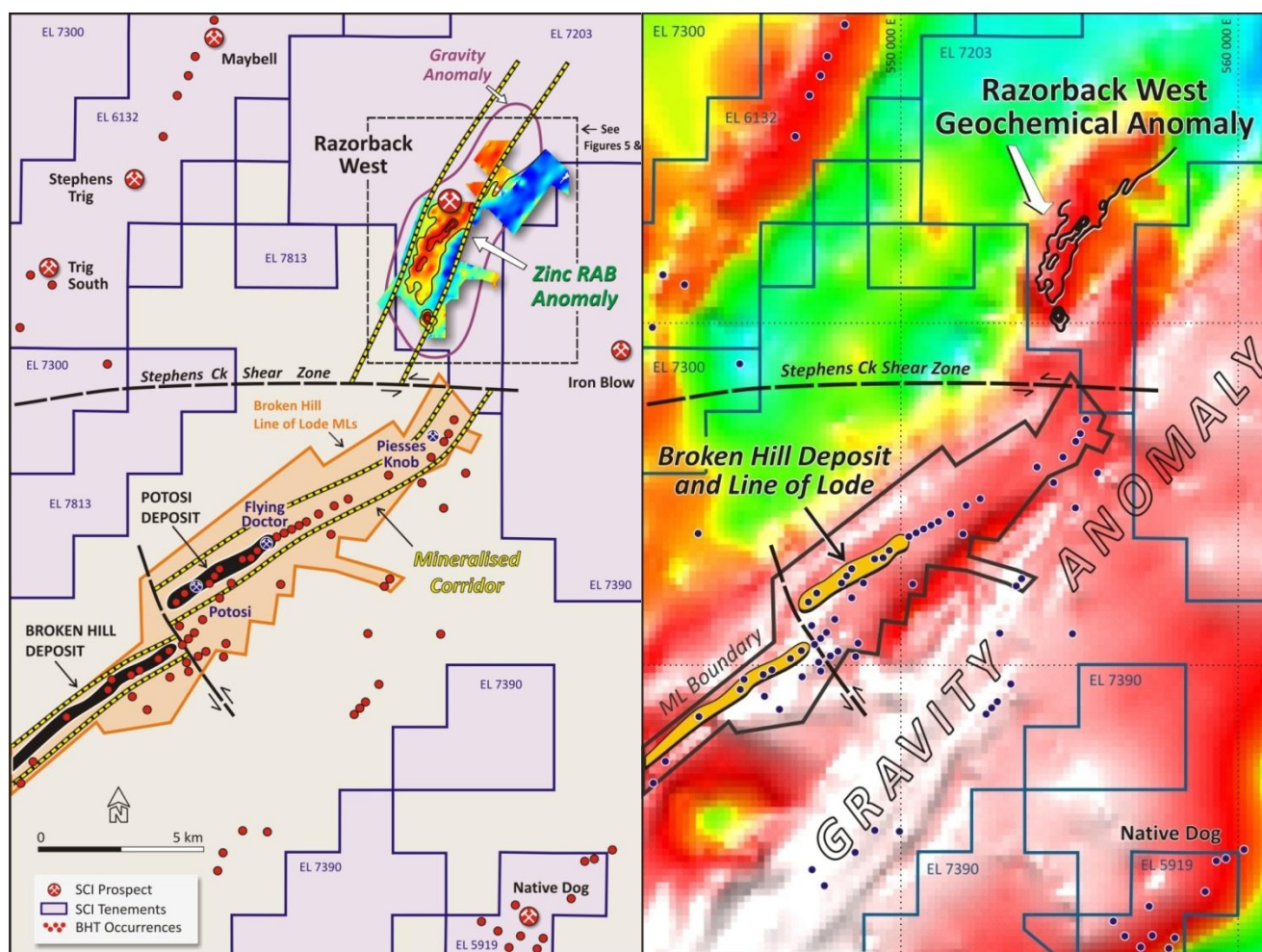


Figure 1. Diagrams show the Razorback West geochemical anomaly with respect to the Broken Hill deposit and the district-wide gravity anomaly. The Broken Hill deposit lies on a western gravity ridge within the regional anomaly as does the Razorback West geochemical anomaly.

Background

Razorback West is located approximately 20 kilometres northeast of Broken Hill. It was one of six key projects outlined in the SCI Prospectus in July 2011.

The project is characterised by a large lead and zinc anomaly which has been detected in historic auger and RAB sampling programs including two undertaken by the Company (Figure 2). Geochemically anomalous rocks occur mostly beneath a cover of soil and transported alluvium between 5 and 30m thick. The most coherent anomaly appears to be zinc. It extends in a southwest-northeast orientation, is 5 kilometres long and locally 200 to 400 metres wide. Elevated manganese, an important constituent of prospective lode rocks in Broken Hill type (BHT) deposits, coincides with both lead and zinc anomalies with values in peak anomalies at 1.2% manganese.

Prior to this drilling program the geology in the zone was poorly understood due to sparse outcrop, but interpretive government survey maps indicate that the rocks belong to the favourable Broken Hill Group. The zinc anomaly in particular overlies a ridge of gravity anomalism which extends for 6 kilometres along strike. The location of this ridge and the geochemical anomaly sits in a similar position to the Broken Hill deposit with respect to the very large gravity anomaly which underlies the district (Figure 1).

Silver City believes that this prospect has the potential to represent the northern extension of the Broken Hill Line of Lode which has been offset westward by the Stephens Creek Shear Zone. This interpretation is supported by a westward offset in mapped geology and gravity anomalies. As such this represents a highly attractive exploration target for the Company.

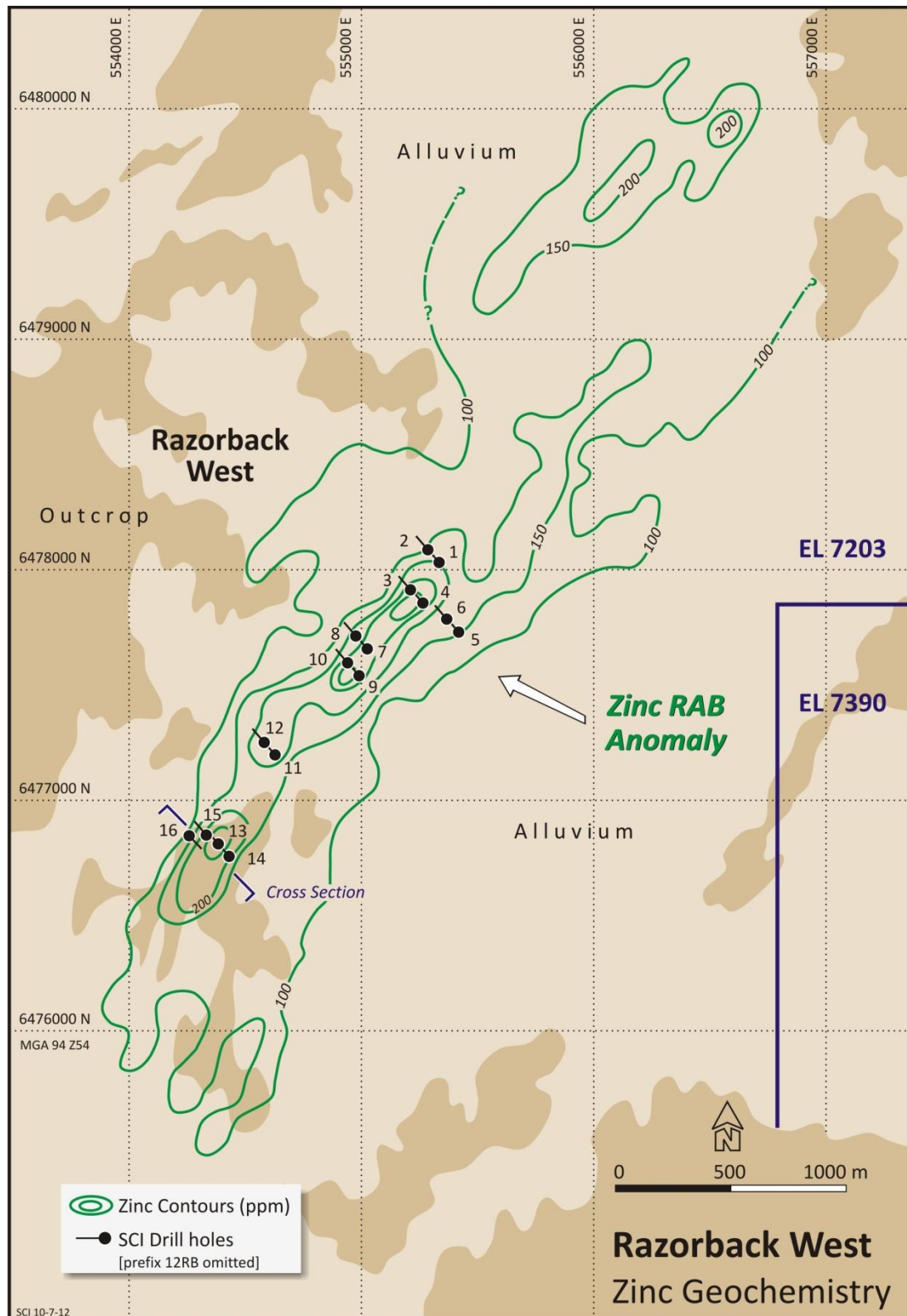


Figure 2. Razorback West zinc geochemical anomaly and Silver City drill hole locations.

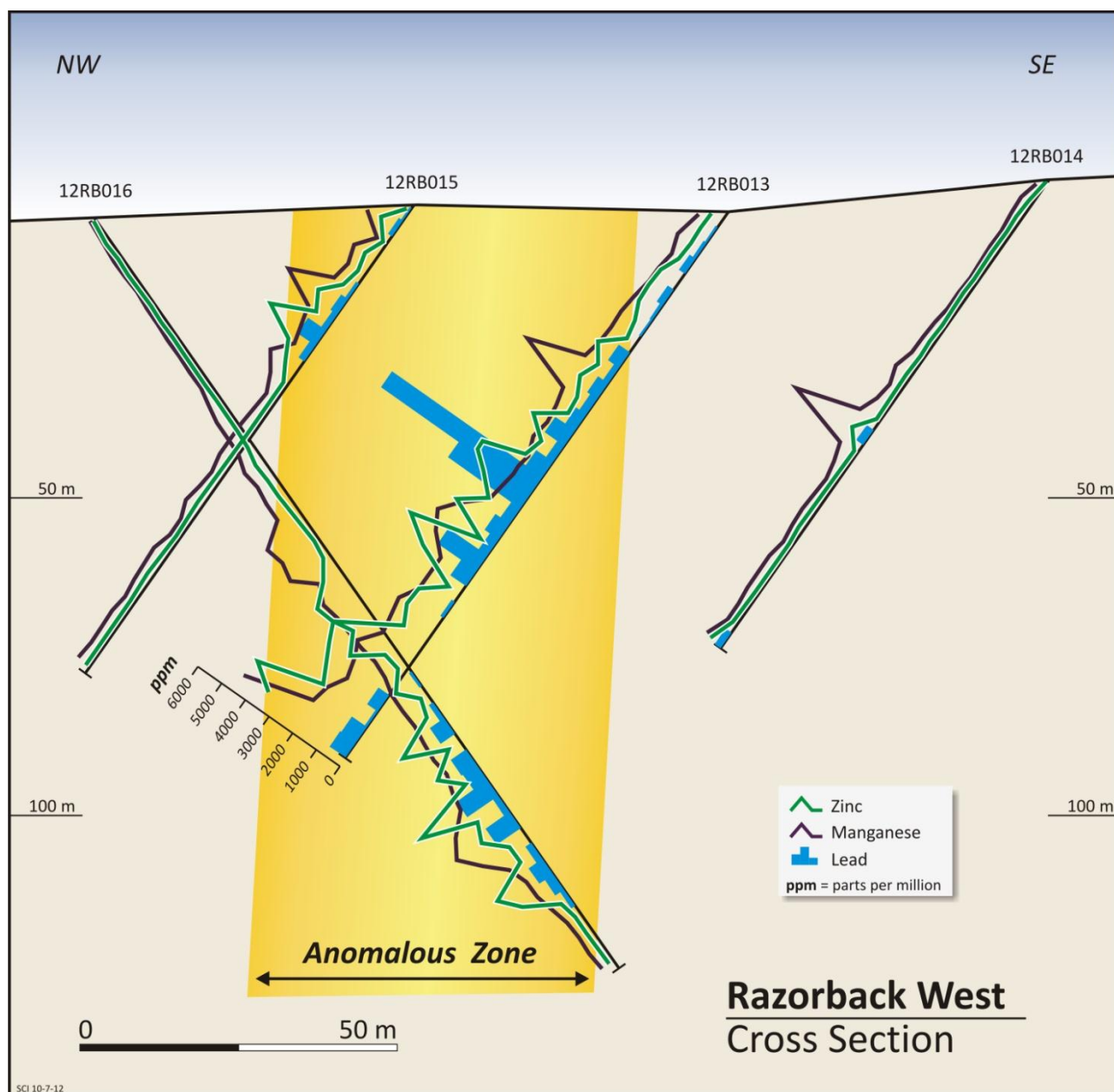


Figure 3. Cross-section showing extent of zinc, manganese and lead anomalism.

Compliance Note: Individual 1 metre samples were collected directly from the drill collection cyclone into large sample bags. A sample of each bag was collected using a standard spear-sampling method and composited every 3 metres for a nominal sample size of 2 kilograms. Analyses of the 3 metre composites were completed for all holes and the 1 metre samples were submitted only if there was visual evidence of mineralisation. Analytical methods were aqua regia ICP-AES (ALS Global Codes ME-ICP41 and OG46; www.alsglobal.com). For quality control analytical standards were inserted approximately every 30th sample and duplicates were taken approximately every 30th sample.

Table 2. Drill Hole Information

Hole No.	East	North	Azimuth	Declination	Total Depth
	(GDA)	(GDA)	(Degrees)	(degrees)	(metres)
12RB001	555333	6478045	310	-55	99
12RB002	555288	6478081	310	-55	91
12RB003	555213	6477908	310	-55	91
12RB004	555253	6477875	310	-55	87
12RB005	555410	6477751	310	-55	90
12RB006	555373	6477780	310	-55	99
12RB007	555015	6477672	130	-55	90
12RB008	554979	6477707	130	-55	90
12RB009	554975	6477555	310	-55	96
12RB010	554944	6477590	310	-55	93
12RB011	554617	6477220	310	-55	93
12RB012	554581	6477251	310	-55	90
12RB013	554370	6476818	310	-55	105
12RB014	554404	6476780	310	-55	90
12RB015	554328	6476845	310	-55	90
12RB016	554259	6476841	130	-55	144

SILVER CITY MINERALS LIMITED


Christopher Torrey
Managing Director

Competent Person

The information in this report that relates to Exploration Results is based on information compiled by Chris Torrey (BSc, MSc, RPGeo.) who is a member of the Australian Institute of Geoscientists. Mr Torrey is the Managing Director 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 2004 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.

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 one of the world's largest accumulations of silver, lead and zinc; the Broken Hill Deposit. SCI was established in May 2008 to explore specifically in the District where it controls Exploration Licences and Mineral Claims through 100% ownership and various Sale and Joint Venture agreements. It has a portfolio of highly prospective ground with drill-ready targets focused on high grade silver, gold and base-metals, and a pipeline of prospects moving toward the drill assessment stage.

CONTACT DETAILS

Management and Directors

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