



ASX ANNOUNCEMENT

17 July 2012

High Grade Base Metal Intersections at Allendale, near Broken Hill, NSW

New Zone containing 10 metres at 6.2% zinc, 3.4% lead and 26 g/t silver including 3 metres at 11.4% zinc, 8.9% lead and 67 g/t silver in hole 12AN035.

Silver City Minerals Limited (ASX:SCI) is pleased to announce that it has continued to intersect base metals and silver in massive sulphide mineralisation in a second phase of drilling at the multi-commodity Allendale project located near Broken Hill, NSW, Australia. Complete assays for four holes and partial assays for one hole have been received for this fifteen hole program and significant results are outlined in Table 1.

Hole 12AN035 is of particular interest as it has intersected sulphides in a zone which has not been encountered or was previously poorly represented in earlier drilling. This zone has an estimated true thickness of 7 to 8 metres and is referred to as the Eastern Zone. The Company has drilled another hole; 12AN039 designed to intersect the projected extension of the sulphides in 12AN035. This hole has also intersected sulphide mineralisation some 30 metres down-dip. Visual estimates of hole 12AN039 indicate this mineralisation is narrower and zinc rich. Analytical results are pending.

The geological picture emerging from the drilling programs to date suggests that base metal and silver mineralisation is hosted in up to five sub-parallel east dipping lode horizons which have estimated true thicknesses between 1 and 10 metres. Within any particular horizon the tenor of mineralisation is variable with zinc being the dominant metal. The presence of tight folding and the development of shear zones sub parallel to stratigraphy are typical of Broken Hill type (BHT) deposits. Allendale has been considered to be BHT mineralisation for some time and Silver City's drill programs confirm this.

Geological modelling of the lode horizons is being assisted by diamond drill core from two holes which were completed towards the end of the recent program. The analytical results from ten holes are still pending.

Table 1: Allendale Reverse Circulation Drilling Significant intercepts at 1% Zinc cut-off .

Hole Number	From	To	Interval (metres)	Silver (g/t)	Lead (%)	Zinc (%)	Zinc+ Lead	Sample Type
12AN030	93	99	6	23	2.6	2.4	4.9	3 metre
12AN031	36	48	12	4	0.6	1.4	2.1	3 metre
including	42	45	3	12	2.1	2.5	4.6	3 metre
12AN031	57	60	3	12	1.8	0.4	2.1	3 metre
12AN031	90	93	3	5	0.3	1.5	1.8	3 metre
12AN032	81	84	3	9	1.1	0.9	2.0	3 metre
12AN033	39	42	3	10	0.5	4.1	4.7	3 metre
12AN035	72	84	12	28	3.5	6.4	9.8	3 metre
12AN035	72	84	12	22	2.9	5.3	8.2	1 metre
including	73	83	10	26	3.4	6.2	9.7	1 metre
including	79	82	3	67	8.9	11.4	21.3	1 metre
12AN035	86	87	1	4	0.5	1.1	1.6	1 metre
12AN035	91	92	1	4	0.4	1.1	1.5	1 metre

Note: Analytical results are available for an RC pre-collar in hole 12AN034. A diamond core tail has been drilled from the base of this RC hole and as yet no results are available for the cored component.

Table 2 Allendale Drillhole Information

Hole No.	East	North	Azimuth	Declination	Total Depth
	(GDA)	(GDA)	(degrees)	(degrees)	(metres)
12AN030	545790	6503079	300	-60	139
12AN031	545758	6502981	270	-60	181
12AN032	545757	6502984	255	-76	168
12AN033	545746	6502888	270	-60	127
12AN034	545817	6502980	270	-65	240.8
12AN035	545796	6502932	270	-55	151
12AN036	545795	6502862	270	-60	151
12AN037	545835	6502781	270	-60	115
12AN038	545825	6503413	270	-60	73
12AN039	545798	6502932	270	-70	151
12AN040	545786	6503310	270	-60	100
12AN041	545768	6503222	270	-60	100
12AN042	545705	6503010	360	-90	55
12AN043	545705	6503040	360	-90	55
12AN044	545760	6503022	300	-60	120.5

Background

The Allendale Project is located 40 kilometres north of Broken Hill, New South Wales, Australia. The drilling has been designed to test beneath the historic Allendale mine. Published geological maps interpret the mine as hosted by the Parnell Formation of the Broken Hill Group. The rock types include garnet-biotite gneiss, amphibolite and both pelitic and psammitic metamorphosed sediments. Late pegmatites tend to be conformable with adjacent rock sequences. Base metal sulphide mineralisation is hosted in up to five distinctive “lode rock” horizons comprising bluish granular quartz and garnet quartzite. Prior to 1990 the mine produced approximately 20,000 tonnes of massive sulphide rock with grades similar to those recorded at the Broken Hill deposit (in the order of 10 to 20% combine lead and zinc, and 50 to 100 g/t silver).

Compliance Note: Individual 1 metre samples were collected using a cyclone splitter for a nominal sample size of approximately 2 kilograms per sample. In addition a spear-sample of the bulk on-site sample was collected in 3 metres composites 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). This analytical technique does not tend to detect the zinc content of the mineral gahnite. As a consequence it is considered by the Company to more accurately reflect the zinc content of sphalerite the main economic sulphide mineral sought. For quality control analytical standards were inserted approximately every 30th sample and duplicates were taken every 30th sample.

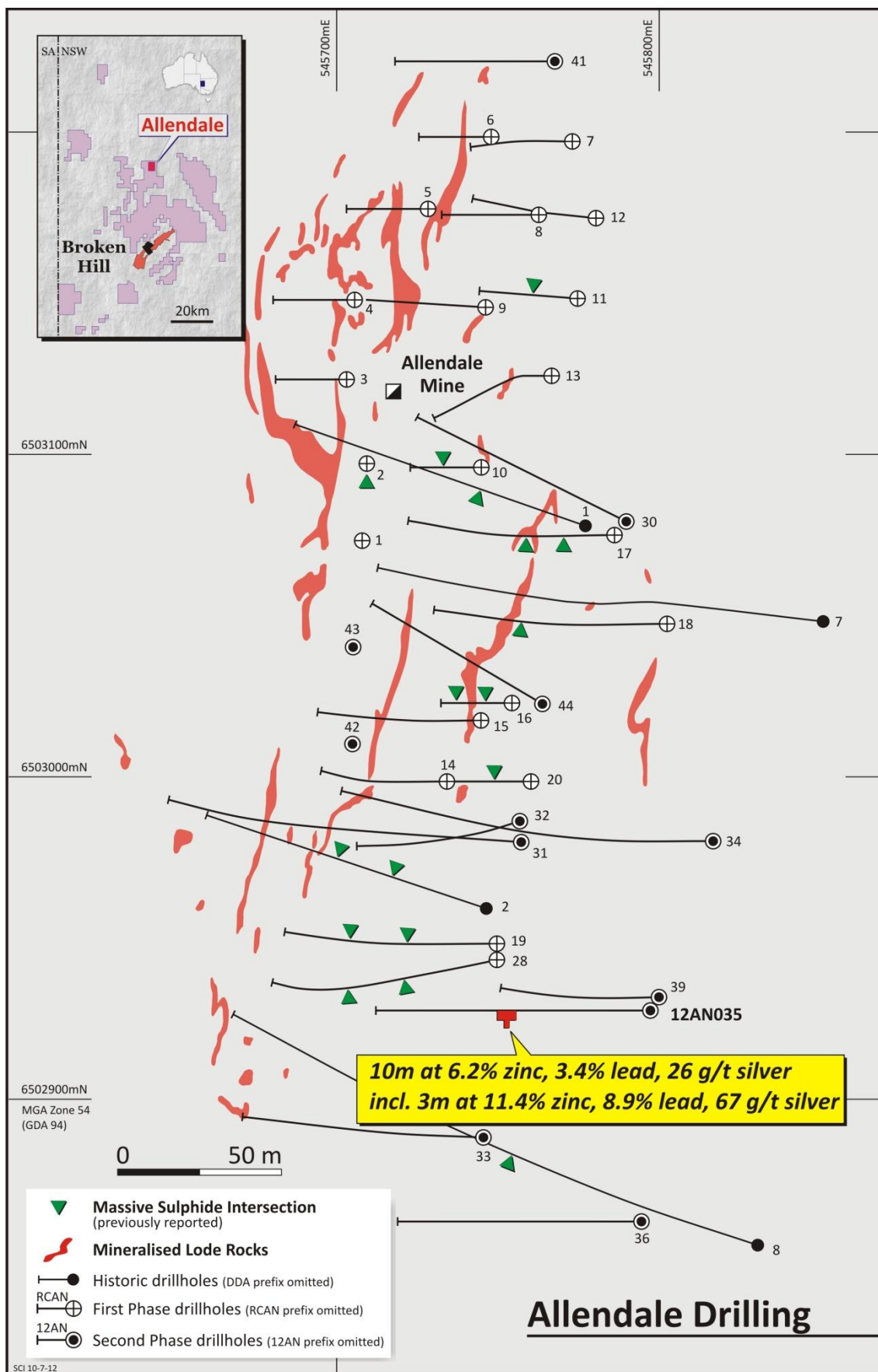


Figure 1. Allendale Drill hole locality plan showing holes with mineralised intersections and the most recent result from hole 12AN035. Note that holes 12AN037 and 12AN038 are located to the north of this figure.

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 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**

Bob Besley	Chairman
Chris Torrey	Managing Director
Greg Jones	Non-Executive Director
Ian Plimer	Non-Executive Director
Ian Hume	Non-Executive Director
Yanina Barila	Alternate Director
Ivo Polovineo	Company Secretary
Gordon McLean	Exploration Manager

Registered Office

Level 1, 80 Chandos Street, St Leonards, NSW 2065
PO Box 956, Crows Nest, NSW 1585, Australia
Ph: +61 2 9437 1737
Fax: +61 2 9906 5233
Email: info@silvercityminerals.com.au
Web: www.silvercityminerals.com.au