



ASX ANNOUNCEMENT

9 May 2013

Silver City Exploration Update

- **Drilling has commenced at Razorback West near Broken Hill.**
- **First-pass drilling at Razorback West expected to be completed by mid June.**
- **1700 metres of drilling completed on four projects.**
- **Results received for first pass drilling at Mount Brown.**
- **Airborne electromagnetic survey scheduled to commence this week.**

Silver City Minerals Limited (ASX:SCI) is pleased to announce that drilling has commenced at the Razorback West project near Broken Hill in New South Wales, Australia. The Company intends to complete approximately 1000 metres of combined reverse circulation and diamond drilling at this project to test coincident geochemical and geophysical anomalies.

The Company has recently completed approximately 1700 metres of reverse circulation drilling at four projects; Mount Brown, Allendale, Native Dog and Parnell. Results for the first round of drilling at Mount Brown are outlined below (Table 1) and results from the remainder are pending.

In addition the Company has commissioned an airborne electromagnetic (EM) survey scheduled to start this week which will cover approximately 115 square kilometres of prospective ground to the northwest of Broken Hill (Figure 1). This method is designed to detect buried massive sulphide deposits.

Razorback West

This project lies to the north of Broken Hill, is interpreted to be underlain by the same rock sequence as the Broken Hill "Line of Lode" and is largely buried beneath soil and alluvial cover. The project is represented by rotary air blast (RAB) geochemical anomalies which are coincident with a distinctive, elongate gravity anomaly and a series of induced polarisation (IP) geophysical anomalies which extend over a strike length of three kilometres. Preliminary drilling 500 metres north of IP Anomaly 1, completed in 2012, encountered low concentrations of base-metal sulphides in a sandstone unit (ASX Release 12 July 2012; Figure 2). The Company plans to test Anomaly 1 to depths of up to 300 metres with a fence of drill holes. SCI is optimistic that it might encounter massive sulphide silver-lead-zinc mineralisation in these holes.

Mount Brown

The Company has received analytical results for the first stage of drilling at Mount Brown, located approximately 50 kilometres northeast of Broken Hill. Five reverse circulation (RC) holes were designed to test the continuity and grade of lode horizons. Hole 13MB001 was designed to test a large magnetic anomaly and associated lead-bearing banded iron formations in the nose of a tight fold structure. Holes 13MB002 to 005 targeted gossanous lode rocks beneath a group of old mine workings (Figure 3).

Results

Holes 13MB002 to 005 confirm the presence of a zone of low grade zinc-lead-silver mineralisation; the "Main Lode Zone" with an estimated true thickness of between 10 and 20 metres which dips steeply to the northeast (Figure 4). The lode zone has continuity along strike of over 100 metres and similarly extends to depths in excess of 100 metres. Siliceous, garnet-rich lodes within the lode zone host abundant blue quartz, pyrite (iron sulphide) and magnetite (iron oxide) with minor galena (lead sulphide), sphalerite (zinc sulphide) and chalcopyrite (copper sulphide). The lodes are hosted in a sequence of metamorphosed sedimentary and volcanic rocks. Significant hole deviation occurred in all holes such that they flattened in dip and swung northward. This was probably caused by a combination of drilling equipment and rock structures. The Company considers that hole 13MB001 probably missed its intended target due to this deviation.

Future Exploration

Broken Hill type deposits have typically undergone structural thickening in the nose or hinge zone of tight fold structures. Mount Brown is thought to be located in the nose of a fold structure. Strong hole deviation has potentially caused hole 13MB001, to be deflected away from this hinge zone. The Company will review the drill data in order to assess if further drilling is warranted.

Table 1 Significant Drill Intersections based on 3 metres composite samples and 0.3% zinc cutoff.

Hole Number	From (metres)	Interval (metres)	Lead (%)	Zinc (%)	Silver (g/t)
13MB002	45	21	0.18	0.65	5
Including	51	3	0.30	0.50	5
And	60	6	0.33	0.81	9
13MB003	60	12	0.24	0.73	15
including	66	3	0.40	1.17	34
13MB004	63	6	0.25	0.49	4
13MB005	114	9	0.16	0.47	3

The analytical technique used by SCI 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 (Appendix 1).

Table 2 Drill hole specifications

Hole Number	East (metres)	North (metres)	Depth (metres)	Dip (degrees)	Azimuth (degrees)	Elevation (metres)
13MB001	565903	6505106	156	-60.0	235	280
13MB002	565598	6505286	114	-60.0	235	314
13MB003	565557	6505336	102	-65.0	235	305
13MB004	565625	6505257	102	-65.0	205	296
13MB005	565640	6505327	168	-65.0	235	300

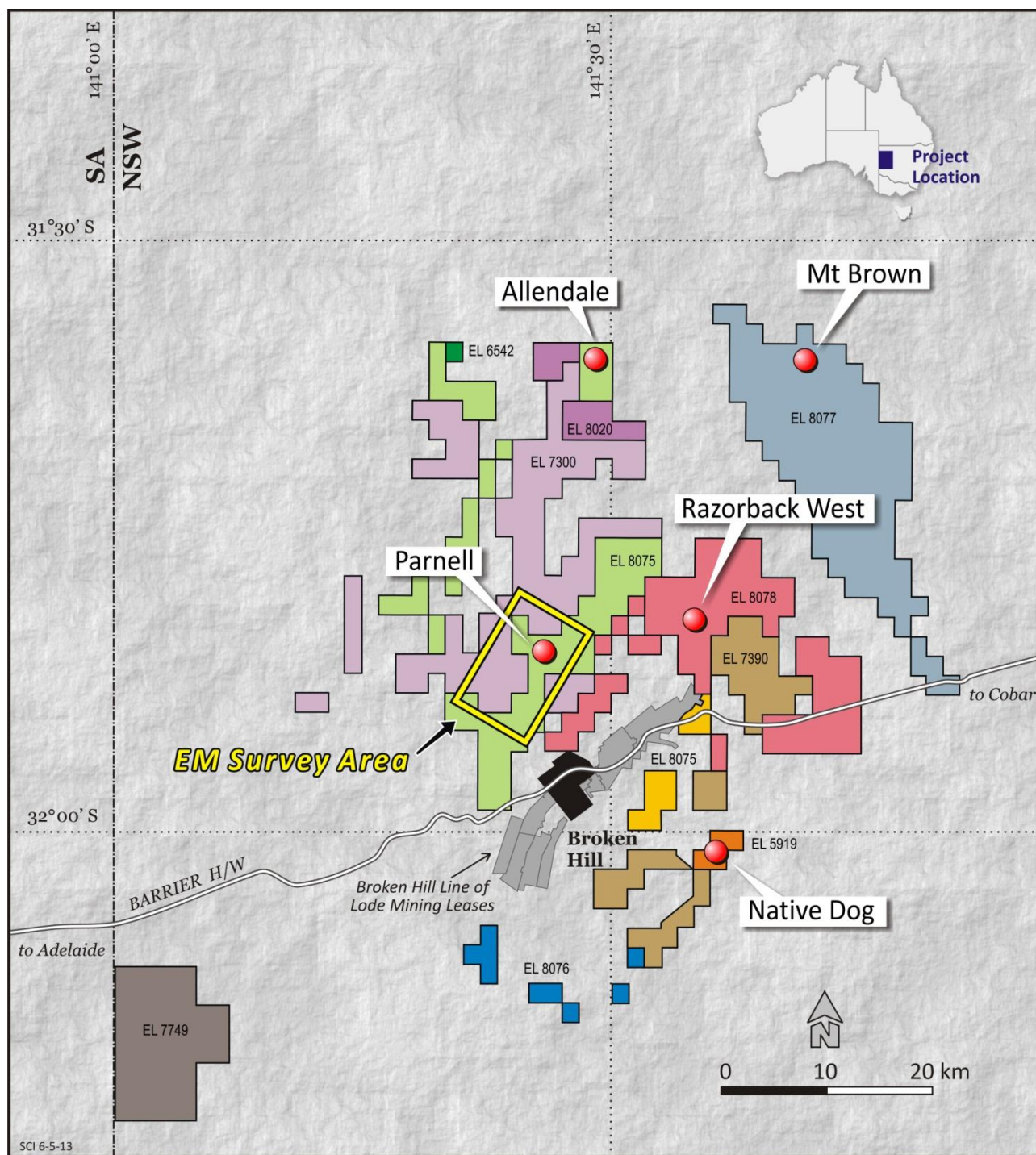


Figure 1. Silver City Minerals tenements and projects. (Note: Broken Hill Line of Lode Mining Leases are not part of SCI tenure).

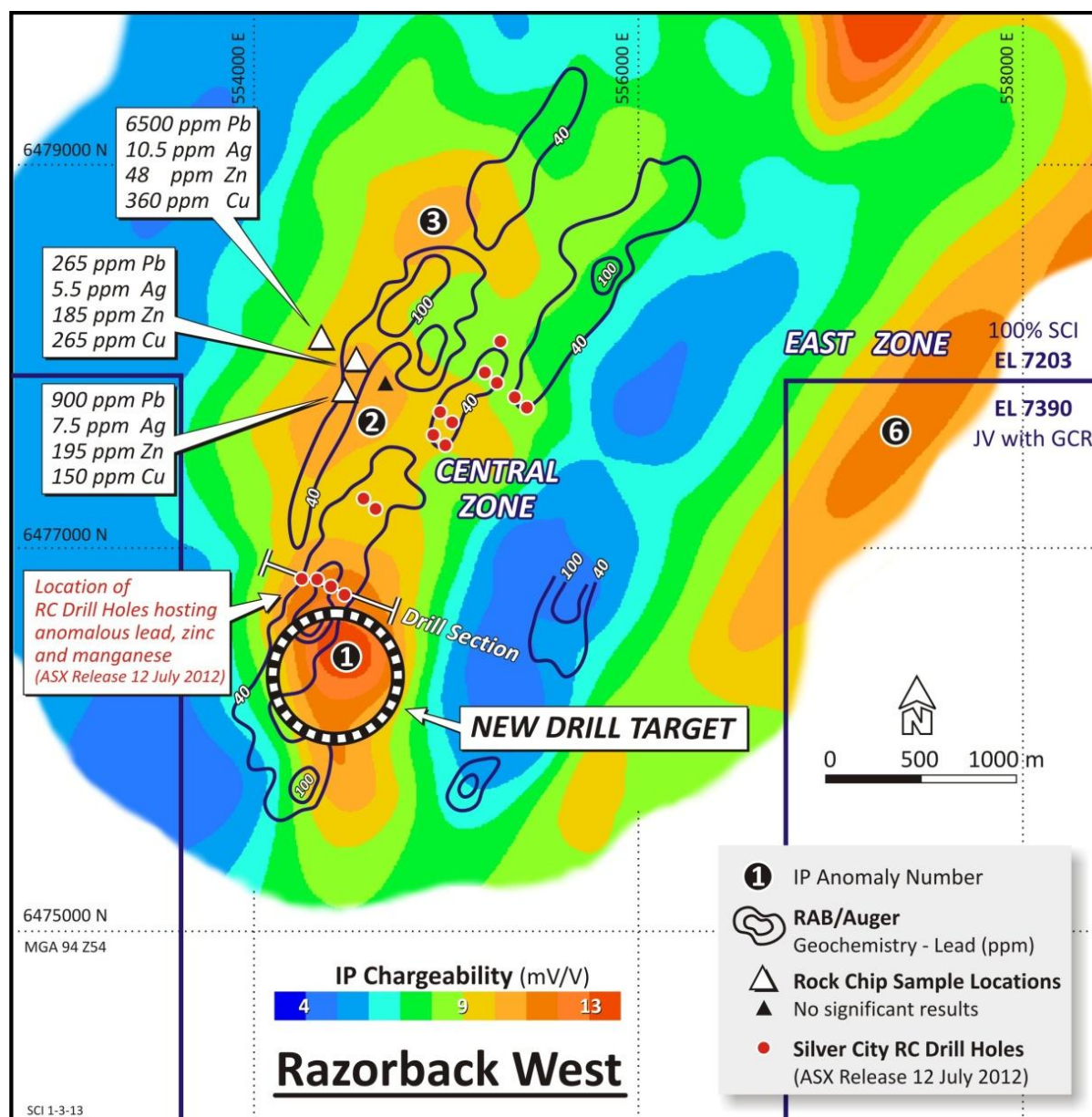


Figure 2. Razorback West Project. Diagram shows RAB geochemical anomalies largely coincident with induced polarisation chargeability anomalies over a strike length of 3 kilometres. Target 1 drilling has commenced.

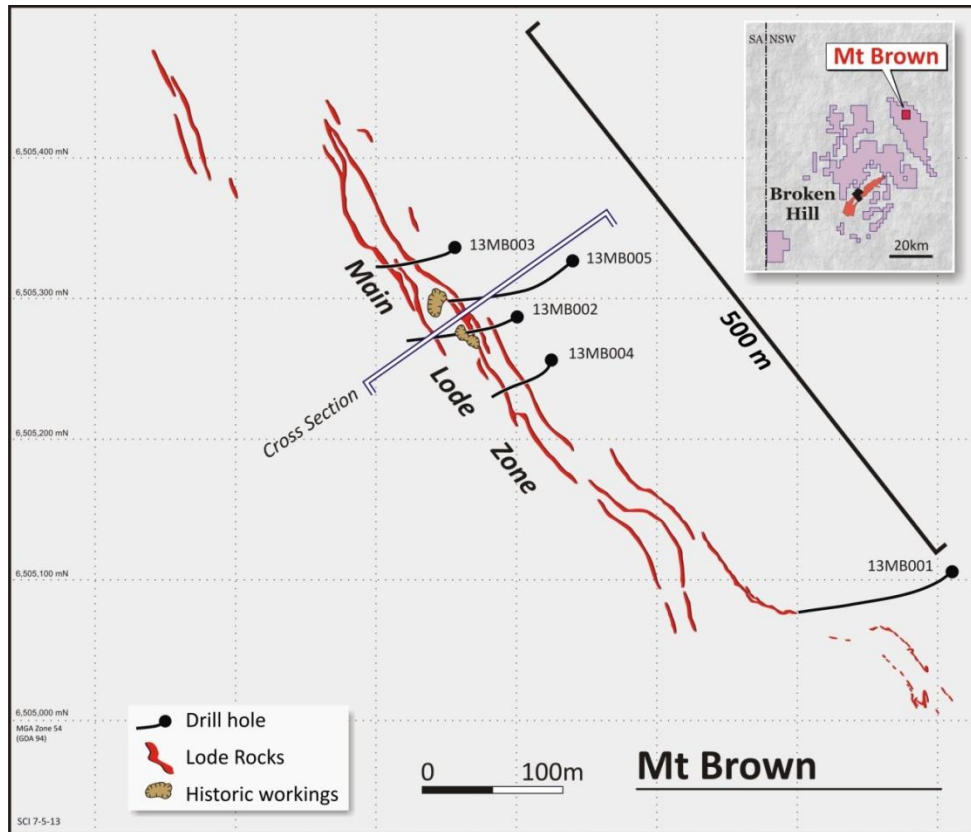


Figure 3. Mount Brown drill plan showing mineralised lode rocks and old mines.

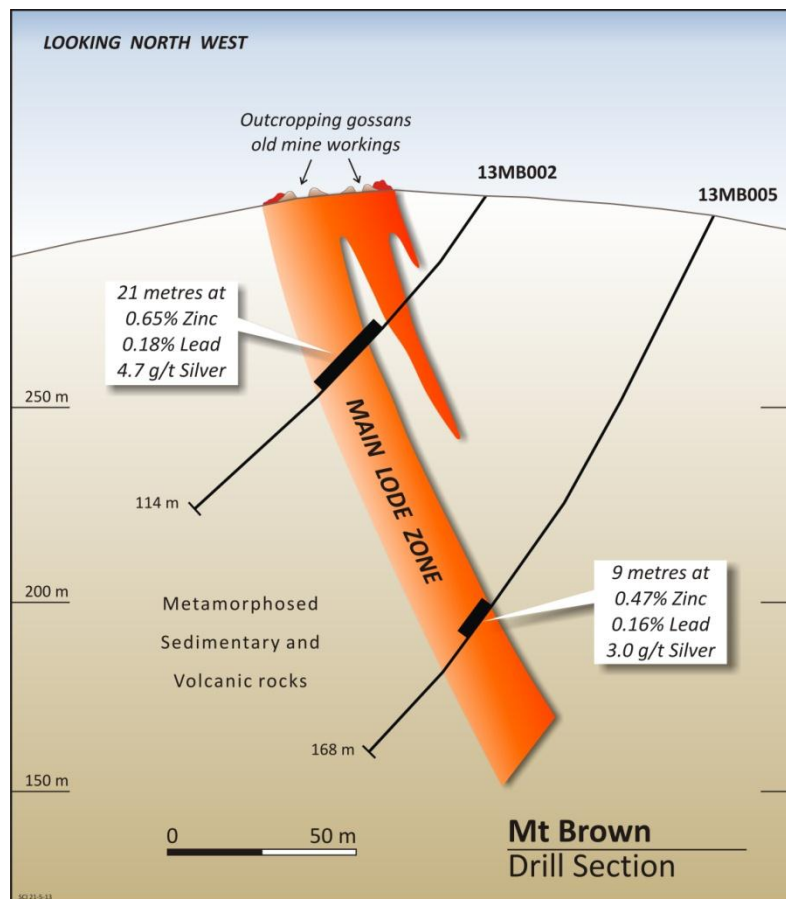


Figure 4. Mount Brown cross-section of drilling.

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, 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.

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 the world's largest accumulation 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 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
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APPENDIX 1

Table 1 JORC Requirements

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	Reverse circulation drilling was used to obtain one metre samples. These were spear sampled using a 75mm diameter PVC spear and composited into three metres samples 2 to 3 kg in weight. Spear sampling methods were standardized to insure consistent and representative sampling. The one metre samples were passed through a riffle splitter to obtain 2 to 3 kg sub-samples (12.5% of the original sample) which were stored at a Company facility in Broken Hill.
Drilling techniques	Reverse circulation with a 114mm face-sampling hammer
Drill sample recovery	Sample weight was not recorded; however a consistent sample size of between 15 and 20 kilos per 1 metre sample is estimated.
Logging	All drill chips have been geologically logged and recorded to industry standard
Sub-sampling techniques and sample preparation	See above
Quality of assay data and laboratory tests	Laboratory preparation method involved a riffle split of the sample and pulverization to achieve 85% passing 75 microns or better. Standard analytical method is an aqua regia digestion and ICP for 35 elements (ALSGlobal Code ME-ICP41). Ore grade samples (lead > 10,000ppm and zinc > 10,000ppm) are re-assayed using ALSGlobal Code 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. Standards and duplicates were inserted in cycles of every 30 samples.
Verification of sampling and assaying	- No verification has been conducted at this early stage. - Drill logs and assays are recorded in a digital form. Paper copies of logs are filed.
Location of data points	Collar co-ordinates are measured by handheld GPS. Datum MGA94 Zone 54. Elevation based on field surveyed topography to approximately 2 metre accuracy.
Data spacing and distribution	- On a first pass basis 3 metres composites have been used (Table 1). - Drill quantity and spacing is sufficient only to establish continuity of geology.
Orientation of data in relation to geological structure	Drill holes were designed to intersect mineralisation perpendicular to strike. Strong hole deviation to the north resulted in oblique intersections.
Sample security	Samples awaiting dispatch were kept in a secure facility until they were bagged and dispatched to the laboratory using a local freight contractor.
Audits or reviews	No audits have been completed.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	- Mount Brown is located within EL 8077 held jointly by SCI (92%) and Eaglehawk Geological Consulting Pty Ltd (8%). - No known impediments for future exploration and development.
Exploration done by other parties	Referred to in ASX Release 3 April 2012.
Geology	Target is Broken Hill type (BHT) hosted in metamorphosed sediments and volcanics.
Drill hole Information	Table 2 above.
Data aggregation methods	3 metres composite samples reported at 0.3% zinc cutoff
Relationship between mineralisation widths and intercept lengths	- Downhole lengths are reported. - Intersections are not perpendicular to the target.
Diagrams	See Figures
Balanced reporting	Reporting at 0.3% zinc cutoff.
Other substantive exploration data	Refer to ASX Release 3 April 2012.
Further work	The Company will evaluate the data assess if further drilling is warranted.