



## **Annual General Meeting - 20 November 2014 Chairman's Address to Shareholders**

Good afternoon and welcome to this Annual General Meeting of Silver City Minerals Limited.

Silver City Minerals has focused its exploration efforts on the discovery of large tonnage and high grade base and precious metal deposits. Broken Hill as the world's largest zinc-lead-silver deposit remains our principal target. Beyond the 8 kilometre long Broken Hill orebody there is more than 100 kilometres of strike length of the Broken Hill host rocks within the Company's tenements that show a strong footprint of Broken Hill style mineralisation.

Exploration to date at Broken Hill has predominantly been directed at outcropping zinc-lead-silver mineralisation in a search for shallow open cut resources that could quickly be brought to production or developed into a larger orebody with depth. Significant drill intersections were obtained at a number of projects such as Allendale and Champion. These had insufficient tonnages to justify an open cut operation.

More recently we have directed the search to large system targets that are mostly under cover or have outcropping features indicative of a Broken Hill ore system at depth. Razorback West and Balaclava are the most advanced under-cover targets. These are exciting prospects that have been identified by SCI as containing Broken Hill host rocks along strike to the north (Razorback West) and south (Balaclava) of the Broken Hill orebody.

Approximately 60% of the SCI tenements at Broken Hill are covered by alluvium where there is little or no outcrop and past exploration efforts are limited. The Company is now undertaking a study of all the geological, geophysical and geochemical data sets accumulated across the Broken Hill District to identify a large scale footprint of a non-outcropping orebody.

During the year the Company identified an intrusive related copper-gold target at Sellheim in an area of Queensland where a number of large tonnage gold deposits are known. While drilling intersected a number of mineralised gold and copper zones related to extensive multiple intrusions, grades were not sufficient to justify continued drilling and the project has been relinquished.

Silver City continues to evaluate areas that have the potential for large tonnage discovery through early stage drilling. The current downturn in exploration funding and continued difficult market conditions provides opportunities to acquire low cost entry to established projects. The SCI team has the geological knowledge and corporate experience to recognise and evaluate opportunities and has worked hard over the past year to position the Company for a significant discovery.

I thank our shareholders for their continued interest and support during a year when market conditions have been at a low point in the cycle.

Bob Besley  
Chairman