



ASX ANNOUNCEMENT

13 December 2011

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

Silver City Minerals Limited (ASX:SCI) is pleased to announce that it has received results for reverse circulation (RC) drill hole RCAN-028 which was drilled in the final stages of the Allendale drilling campaign in September. Intersections include the following:

- **4 metres of 2.8% lead, 3.9% zinc and 20 g/t silver from 61 metres, including 1 metre of 5.6% lead, 9.3% zinc and 40 g/t silver from 61 metres.**
- **5 metres of 3.5% lead, 5.8% zinc and 37 g/t silver from 85 metres, including 2 metres at 7.4% lead, 10.3% zinc and 61 g/t silver from 85 metres.**

Allendale Project

In a notice to the ASX (September 27, 2011) the Company announced a number of high grade base metal and silver intersections from this project located approximately 40 kilometres north of Broken Hill. At the time of that announcement results had not been received for samples from hole RCAN-028 which was drilled in the final stages of the Allendale program from the same drill platform as hole RCAN-019 (Figure 1)

Two base metal massive sulphide intersections were encountered in both holes at about the same elevation. Hole RCAN-019 returned 2 metres at 5% lead, 6.8% zinc and 44.3 g/t silver from 53 metres and 3 metres at 4% lead, 9.2% zinc and 31 g/t silver from 78 metres. The intersections in hole RCAN-028 lie approximately 20 to 25 metres to the south of those in RCAN-019 in an area of the project where no old mine workings or indications of mineralisation occur at surface.

Geological interpretation suggests that there are at least four closely spaced lode-rock horizons which host mineralisation and that these dip steeply to the east. Silver City drilling shows continuity of lode-rock with good lead-zinc-silver grades to depths of about 60 to 70 metres with clear potential for down-dip extensions beyond this. Holes RCAN-019 and 028 also indicate that mineralisation continues with encouraging thicknesses and grades to the south where no mineralisation had been previously identified. The interpretation suggests that the southernmost hole in the project area (Hole DDA-8; an historic diamond drill hole) passes beneath the plunging mineralisation identified in holes RCAN-19 and 028.

The Company plans a new round of drilling, including diamond drilling, in the first quarter of 2012 aimed at advancing the project toward a resource definition. .

Table 1 Drill Hole Intersections Allendale Hole RCAN-028

Hole Number	GDA94 East (m)	GDA94 North (m)	Azimuth (degrees)	Declination (degrees)	From (m)	Interval (m)	Silver (g/t)	Lead (%)	Zinc (%)
RCAN028	545750	6502945	250.5	-60	61	4	20	2.8	3.9
Including					61	1	40	5.6	9.3
And					85	5	37	3.5	5.8
Including					85	2	61	7.4	10.3

Maybell Project

SCI has also received results for drilling conducted at Maybell located 20 kilometres north of Broken Hill. Six holes were completed to test for continuity of high grade silver mineralisation previously identified in hole RCM05 which intersected 4 metres of 608 g/t silver from 17 metres down-hole. Holes RCM09, 010 and 011 were designed to test for continuity down-dip and along strike at distances of approximately 25 to 30 metres (Figure 2). The best intersection was 2 metres at 29 g/t silver from 21 metres in hole RCM010 located 25 metres to the southwest of hole RCM05 (Table 2). Both intersections have been attributed to near-surface supergene enrichment of silver above a strongly pyritic lode-rock horizon which in itself contains low levels of silver mineralisation. The lack of continuity of grade indicates little potential to develop primary silver resources in this location; drilling funds have been reallocated to other projects.

Table 2 Significant Drill Hole Intersection Maybell Hole RCAN-028

Hole Number	GDA94 East (m)	GDA94 North (m)	Azimuth (degrees)	Declination (degrees)	From (m)	Interval (m)	Silver (g/t)
RCM010	548314	6484728	128	-60	25	2	29

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 natural 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

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

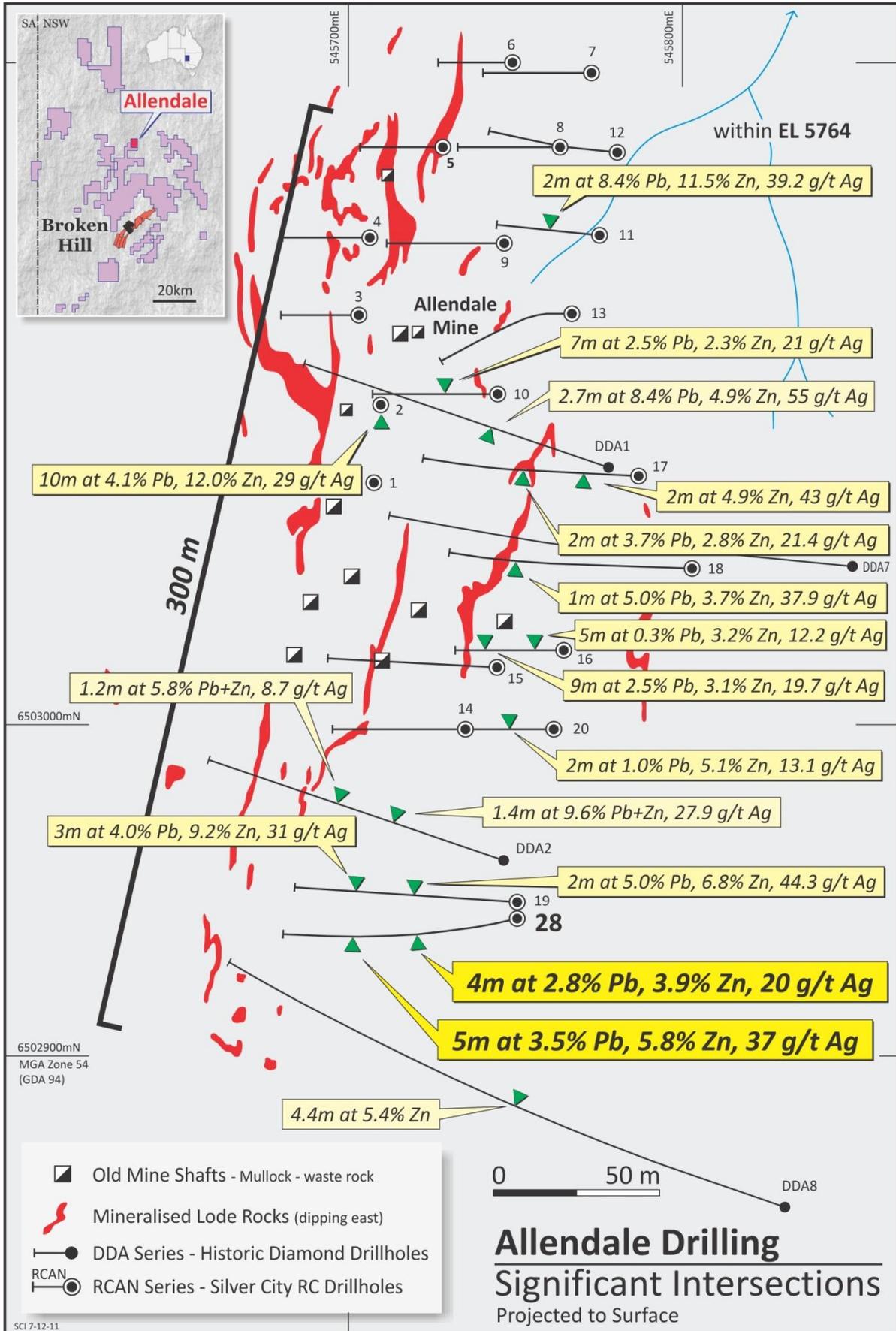


Figure 1. Significant Drill Hole Intersections at Allendale showing results for hole RCAN028.

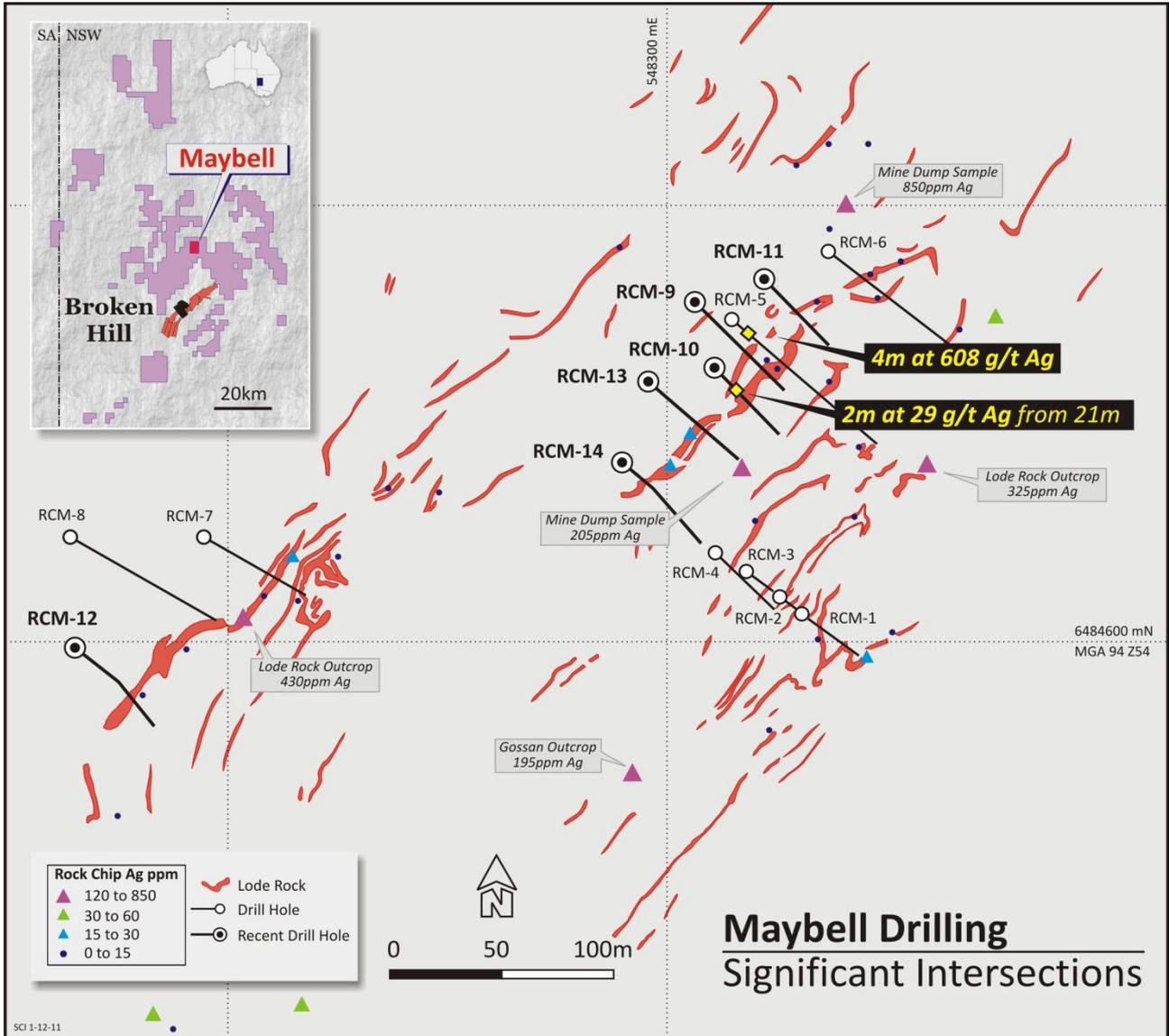


Figure 2. Significant Drill Hole Intersections at Maybell.