

SILVER CITY MINERALS LIMITED



ASX ANNOUNCEMENT

16 December 2011

Drilling Commences at the Yellowstone Copper-Gold Project, near Broken Hill, NSW

Silver City Minerals Limited (ASX:SCI) is pleased to announce that it has commenced drilling at the Yellowstone copper-gold project near Broken Hill. A program of approximately 1000 metres has been planned in six reverse circulation percussion drill holes to test a number of induced polarisation (IP) geophysical targets, as well as gold and copper geochemical anomalies. The drilling is part of a 10,000 metre program designed to test six priority targets outlined in the Company's Prospectus from its recent successful IPO. Already this program has returned highly encouraging results from the Allendale project (ASX Releases 27 September and 13 December 2011) and the Company hopes for further success at Yellowstone.

Background

The Yellowstone project is located 20 kilometres northeast of Broken Hill. It is hosted within a major fault zone known as the Yellowstone Shear Zone and the historical focus of interest has been the Yellowstone prospect which contains outcrops of banded, siliceous gossan and quartz-hematite rocks. The banded gossan rocks, in particular, have returned anomalous gold and copper in surface rock chip samples and historic shallow drill holes (refer to the Company Prospectus for details). In addition a number of outcrops approximately 2 to 3 kilometres further to the northeast of the main prospect have similarly returned anomalous copper.

A recent geophysical survey (IP) over the about 5 kilometres of strike length of the Yellowstone Shear Zone has returned a number of distinctive chargeability anomalies thought to be indicative a sulphide mineralisation at depth. Some of these are coincident with surface geochemical anomalies while others have no surface expression; being obscured by a veneer of soil or alluvium.

The current program is designed to test both geophysical and geochemical anomalies for the presence of copper and/or gold mineralisation.

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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

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