



ASX ANNOUNCEMENT

9 January 2012

Copper and Base Metal Intersections at the Golden King and Stephens Trig Projects, near Broken Hill, NSW

Silver City Minerals Limited (ASX:SCI) is pleased to announce that it has received results for reverse circulation (RC) drill holes from both its Golden King and Stephens Trig projects:

Golden King - Drilling intersects some of the best copper mineralisation recorded in the district, close to Broken Hill

- 22 metres at 0.61% copper from 85 metres, including 2 metres at 1.30% copper from 93 metres in hole RCGK005.
- 12 metres at 0.41% copper from 73 metres in hole RCGK006.
- 12 metres at 1.34% copper from 32 metres including 4 metres at 3.37% copper from 33m in hole RCGK007.
- 3 metres at 1.24% copper from 42 metres in hole RCGK009.
- 26 metres at 0.21% copper from 82 metres also in hole RCGK009.

Bob Besley, the Chairman of Silver City Minerals Limited commented “.....to my knowledge these intersections represent some of the better copper mineralisation reported in the Broken Hill district and indicates the potential for copper deposits in this highly mineralised region....”

Stephens Trig – Drilling confirms mineralisation in prospective 10 to 20m thick lode-rock sequences.

- 2 metres at 1.2% zinc, 4.0% lead and 8 g/t silver from 153 metres in hole RCSCG010.
- 4 metres at 1.7% zinc, 1.2% lead and 3 g/t silver from 163 metres in hole RCSCG011.
- 5 metres of 2.2% zinc, 2.1% lead and 20 g/t silver from 68 metres in hole RCSCG012. This includes 1 metre at 5.4% zinc, 7.5% lead and 72 g/t silver from 71 metres.

Background

Drilling at Stephens Trig and Golden King commenced in October and November 2011 respectively. A total of seven holes were completed at Stephens Trig and nine at Golden King. The drilling was part of a 10,000 metre program on six projects which were outlined in the Prospectus for the successful IPO in July 2011. To date drilling has been undertaken at the Allendale, Maybell, Stephens Trig, Golden King and Yellowstone projects, with results still pending for Yellowstone (Figure 1).

Golden King Project

Golden King is an historic mine largely hosted within EL 7319 located approximately 32 kilometres northeast of Broken Hill. Records show that it produced small quantities of high grade gold and copper mineralisation (see Prospectus for details). Gossanous and quartz vein material occur discontinuously along the length of a shear-zone oriented east-northeast.

Mapping by Silver City shows that there are multiple lodes hosted in a chlorite-altered corridor 20 to 50m wide and 800m long (Figure 2). Silver City has collected rock chip samples (grab and continuous rock chip samples) from outcrops and bulk samples of vein material extracted from the No.3 Shaft (not in-situ but on ore dumps at surface). Siliceous material located at No.3 Shaft returned high gold with three samples returning 7.7 g/t, 12.8 g/t and 9.15 g/t and less than 0.1% copper. Limonitic and goethitic gossans were sampled in the western part of the structure and returned appreciable copper ranging in grade up to 2.67%.

The area to the east around No.3 Shaft lies within two Mining Leases which are subject to an Option Agreement with a third party. Three holes (RCGK001-003) tested the structure in this zone with no significant results recorded. In contrast four holes in the western part of the structure returned appreciable, anomalous copper grades (Table 1). Holes RCGK005, 006, 007 and 009 intersected variable thicknesses of pyrrhotite and chalcopyrite in a highly siliceous alteration zone. Hole RCGK005 which cut the structure about 30 metres west of the No.1 Shaft intersected an alteration zone containing 25% to 30% total sulphide from 76 to 96 metres. These holes indicate the presence of a steeply dipping zone of appreciable copper mineralisation which extends over a strike length of at least 120 metres, is open in all directions and varies between approximately 10 and 20 metres in true thickness.

The Company intends to pursue the project further with the view to investigating the potential for near-surface copper resources amenable to open pit extraction.

Table 1. Significant Drill Hole Intersections Golden King

Hole Number	MGA East	MGA North	Azimuth (degrees)	Declination (degrees)	From (metres)	Interval (metres)	Copper (%)
RCGK005	570803	6483078	163.5	-60	27	1	1.02
and					75	32	0.50
including					85	22	0.61
including					93	2	1.30
RCGK006	570727	6483040	150	-60	73	12	0.41
RCGK007	570736	6483011	163.5	-60	14	1	1.60
and					32	12	1.34
including					33	4	3.37
RCGK009	570836	6483089	163.5	-60	41	8	0.60
including					42	3	1.24
and					82	26	0.21

Note: 1 metre samples collected from cyclone splitter, nominal sample size 2.5 kilograms and analytical method ALS codes ME ICP41 and ME OG46 (www.alsglobal.com). Nominal 0.1% copper cut-off used in calculations.

Stephens Trig Project

The project is located approximately 15 kilometres north of Broken Hill and prior to the Silver City drilling program previous explorers have completed 24 drill holes to test the lode horizons. Silver City drill holes focused on follow-up of a number of shallow high grade intersections encountered by previous explorers.

The initial program comprised seven holes, the first (RCSCG008) of which was abandoned after 37 metres due to high water inflows. Of the remaining six holes, four reached their projected targets (holes RCSCG009-012) and two were curtailed (RCSCG013-014) beforehand due to high water inflows (Figure 3). Of the four holes that reached their target, all encountered significant thicknesses of “lode-rock”; specifically “blue-quartz” rock which is a common host to Broken Hill type (BHT) mineralisation. Interpreted thicknesses of these rocks range from 10 to 20 metres which is encouraging with respect to potential silver-lead-zinc mineralisation.

Mineralisation was encountered within the lode-rock package with the best intersection occurring in hole RCSCG012 with a 1 metre intersection of 7.4% zinc, 5.4% lead and 72 g/t silver (Table 2). Hole RCSCG013 while failing to reach its projected target, did encounter a previously unknown, hanging-wall lode-rock package of 10 to 15 metres true thickness also contained mineralisation.

One geological interpretation suggests that the lode-rock corridor has been offset by a fault and that the first phase Silver City drilling has focused on the southwestern side of that fault. The Company is encouraged by the anomalous thicknesses of the lode-rock sequences as these have potential to host appreciable high grade mineralisation. The presence of historic high grade intersections within the northeastern fault block gives further encouragement of potential.

The Company is currently modelling the drill data with the view to another phase of drilling on the next three months.

Table 2. Significant Drill Hole Intersections Stephens Trig

Hole Number	MGA East	MGA North	Azimuth (degrees)	Dip (degrees)	From (metres)	Interval (metres)	Silver (g/t)	Lead (%)	Zinc (%)
RCSCG010	545471	6478792	123	-60	153	2	8.4	4.0	1.2
and					157	1	7.9	0.4	1.8
RCSCG011	545491	6478837	123	-60	141	1	2.0	0.05	1.3
and					163	4	8.0	1.2	1.7
RCSCG012	545536	6478808	123	-60	63	1	7.7	0.3	1.6
and					68	5	20.0	2.1	2.2
including					71	1	72.0	7.5	5.4
RCSCG012	545536	6478808	123	-60	84	1	0.5	0.01	1.1
RCSCG013	545518	6478869	123	-60	47	1	6.2	0.05	2.6

Note: 1 metre samples collected from cyclone splitter, nominal sample size 2.5 kilograms and analytical method ALS codes ME ICP41 and ME OG46 (www.alsglobal.com).

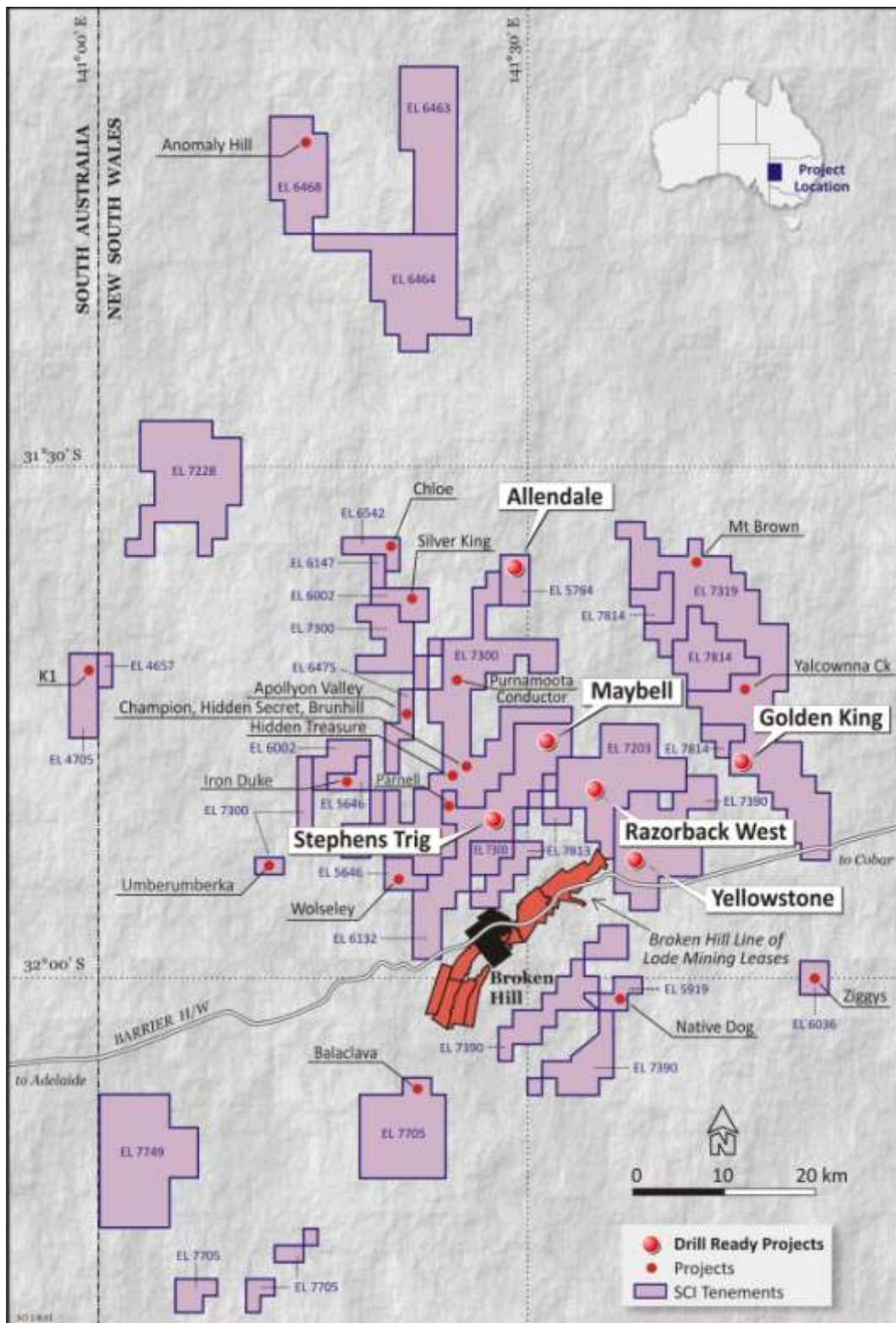


Figure 1. Silver City Minerals Limited projects. Allendale, Maybell, Stephens Trig, Golden King and Yellowstone were drilled between August and December 2011.

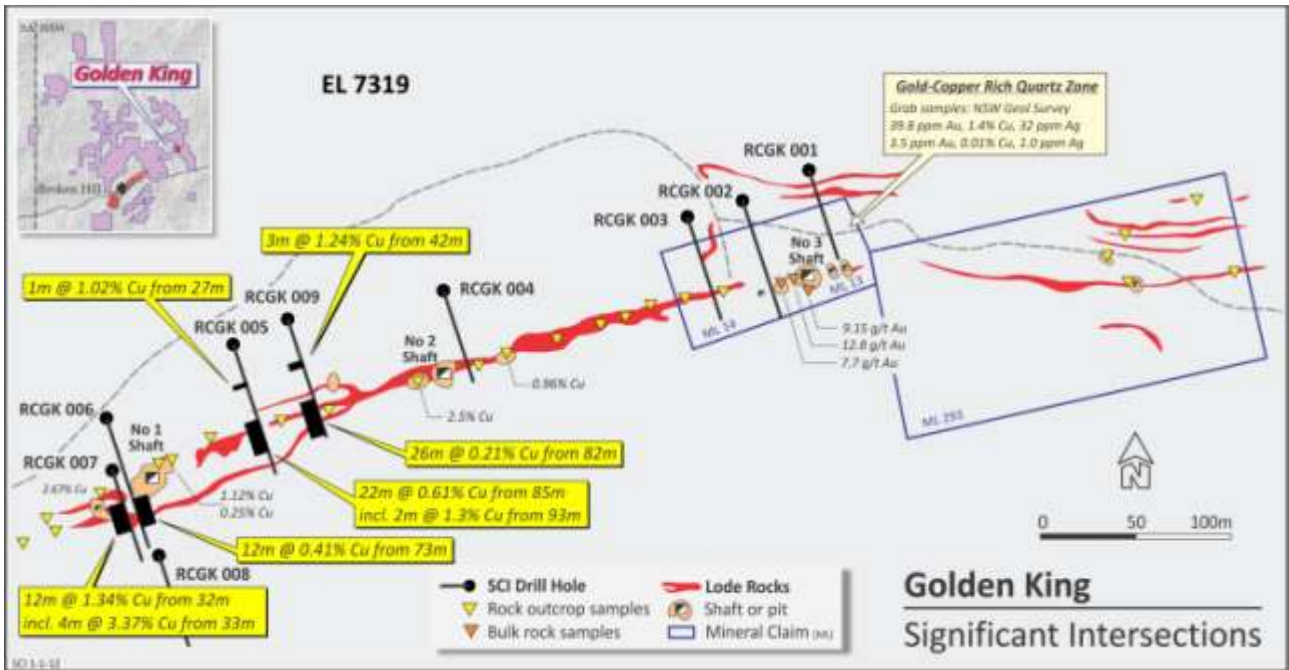


Figure 2. Golden King drilling with significant intersections.

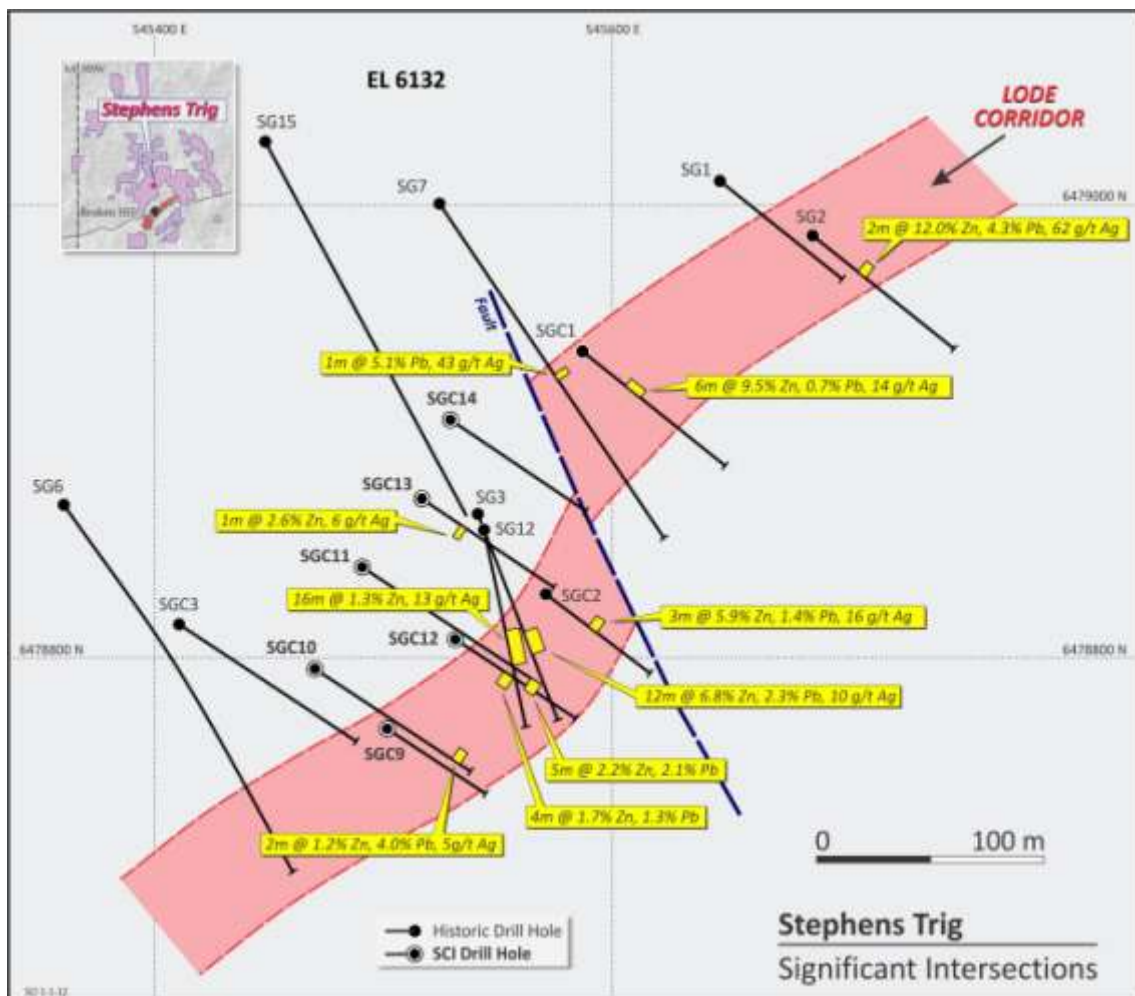


Figure 3. Stephens Trig drilling with significant intersections.

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 tenements 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
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