



ASX ANNOUNCEMENT

20 March 2012

Silver City Schedules Drilling to Commence in April at Broken Hill

Silver City Minerals Limited (ASX:SCI) has engaged a drill services provider to recommence drilling on its Broken Hill projects in April 2012. Between 4000 and 5000 metres of drilling is expected to be completed before the end of June on a number of targets. All environmental permits are in place and drill pad construction will commence as soon as weather permits. Recent heavy rains at Broken Hill have delayed numerous exploration projects including those of Silver City Minerals. The priority targets will be Allendale, Razorback West and the Umberumberka Silver Mine (Figure 1).

Allendale

This project has already returned a number of favourable intersections from drilling which was completed in September last year including the following:

- Hole RCAN-002 returned 10 metres at 4.1% lead and 12% zinc and 29.0 g/t silver from 15 metres.
- 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.
- Hole RCAN-028 returned 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 and 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.

A total of 14 new holes have been designed to test extensions of the mineralisation. The Company hopes to begin to outline resources during the next stage of drilling. Both reverse circulation (RC) and diamond drill holes have been planned.

Razorback West

This project is characterised by a large (5 kilometre strike length) lead-zinc geochemical anomaly located to the northeast of Broken Hill. It has been delineated by RAB and auger drilling beneath alluvial and soil cover and has the potential to represent the fault-offset,

northern extension of the Broken Hill “Line of Lode” (Figure 2). Up to 10 RC holes have been planned to test this project.

Umberumberka Silver Mine

Polymetallic Broken Hill-type (BHT) mineralisation of the type that is located at Allendale and perhaps Razorback West is known to contain appreciable silver. Another, poorly explored style of silver mineralisation known as “Thackaringa-type” is hosted in galena (lead sulphide) veins with iron-rich carbonates. In the geological history of the Broken Hill district these are much younger in age than the well-known Broken Hill deposit.

When these veins oxidise in near-surface weathering conditions the silver becomes concentrated close to the water table and produces very high grade supergene silver mineralisation. One of the largest vein deposits of this type is located within Exploration Licence 7300. The **Umberumberka Silver Mine** located west of Silverton has an historic production in the order of 39,000 tonnes at a grade of approximately 10% lead and 800 g/t silver (Geological Survey records). The Main Umberumberka Lode has been interpreted to extend for 1.5 kilometres in strike. The Chloride Lode lies to the north and has a strike length of 2 kilometres. It converges with the Umberumberka Lode close to the location of the main workings.

Old mine plans show that main workings located on the Umberumberka Lode extend for about 300 to 400 metres along strike and to approximately 100 metres depth. Ore shoots within the workings were reported to be about 30 metres long and vein widths varied from less than 1 to 3 metres. The vein structure is inclined 65 degrees to the southwest.

It is evident from historic data that a large amount of silver (in the order of 1 million ounces) was extracted from a small volume of rock. Silver City Minerals plans to investigate whether there are extensions to the historic ore zones and undiscovered ore shoots within the known vein structure. The Company envisages two target types in this setting. The first is very high grade silver directly associated with galena veins at depth which persist in planar fault structures. The second is perhaps lower grade silver distributed in breccia and stockwork zones in or adjacent to veins in a near-surface oxidised setting. The later would be well suited to extraction in shallow open pits with beneficiation using well established, low cost leach technologies.

At least 4 RC drill holes are planned to assess the continuity and grade of silver mineralisation both beneath and along strike from the old workings (Figure 3).

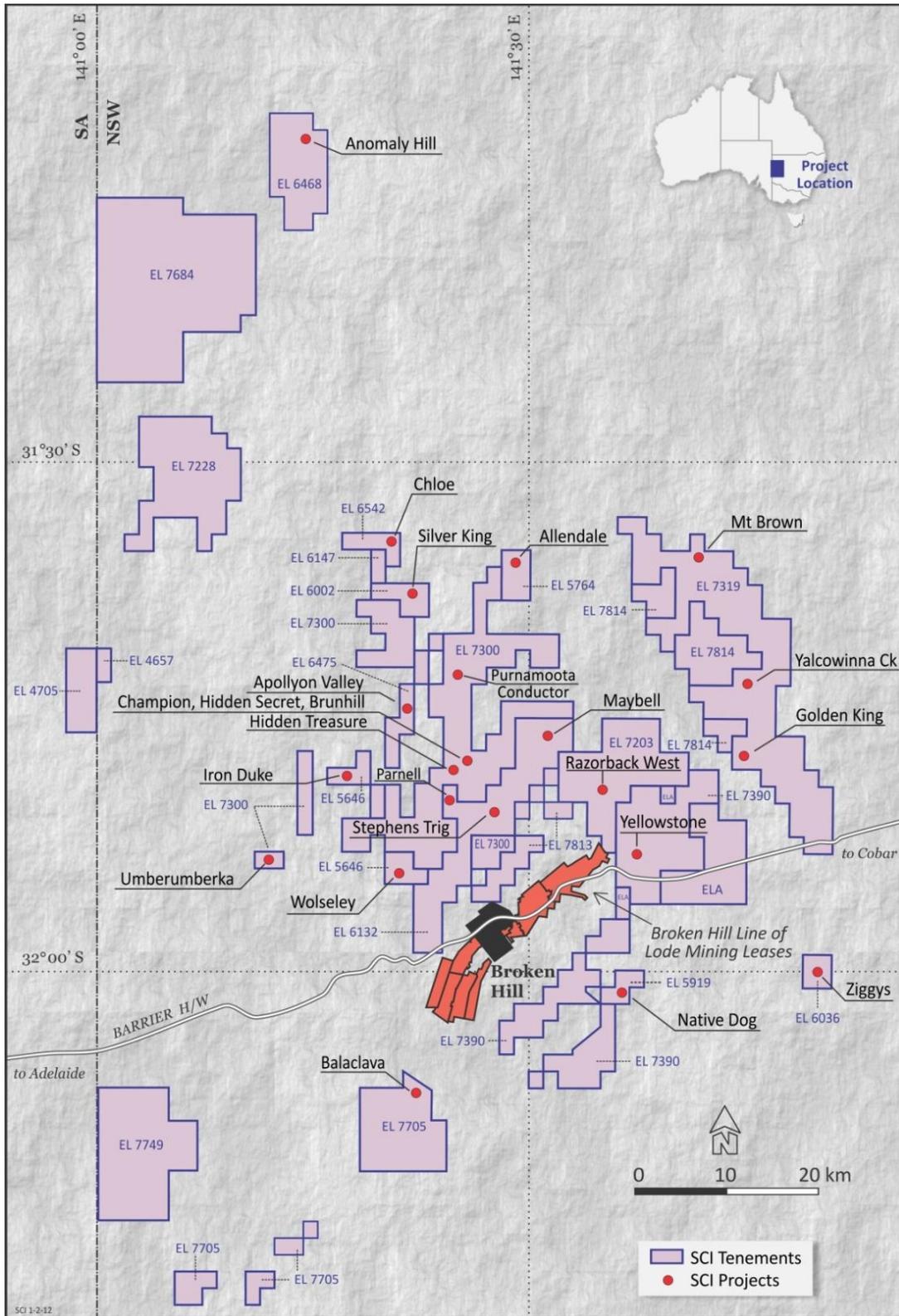


Figure 1. Silver City Minerals Limited projects.

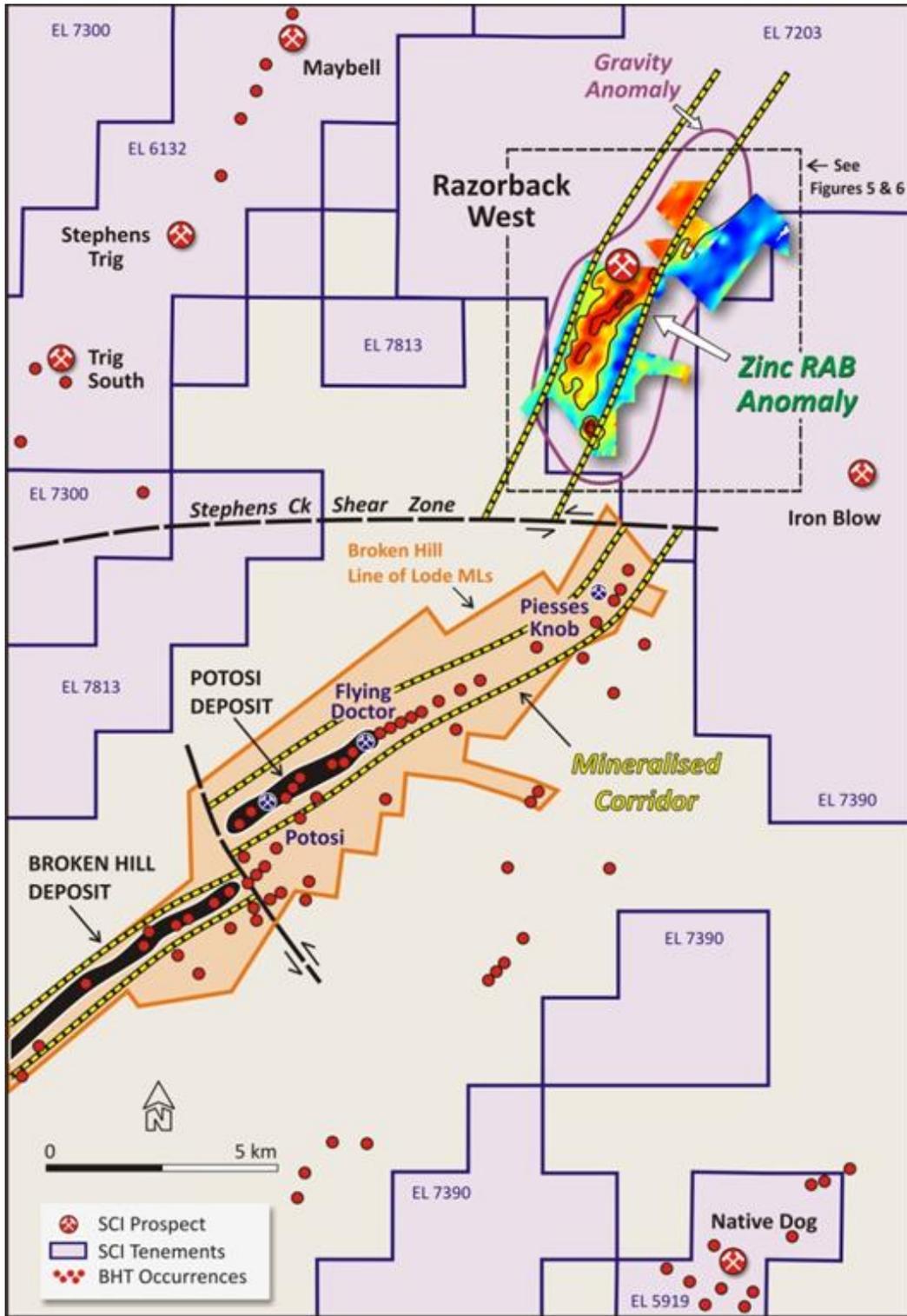


Figure 2. Razorback West Project.

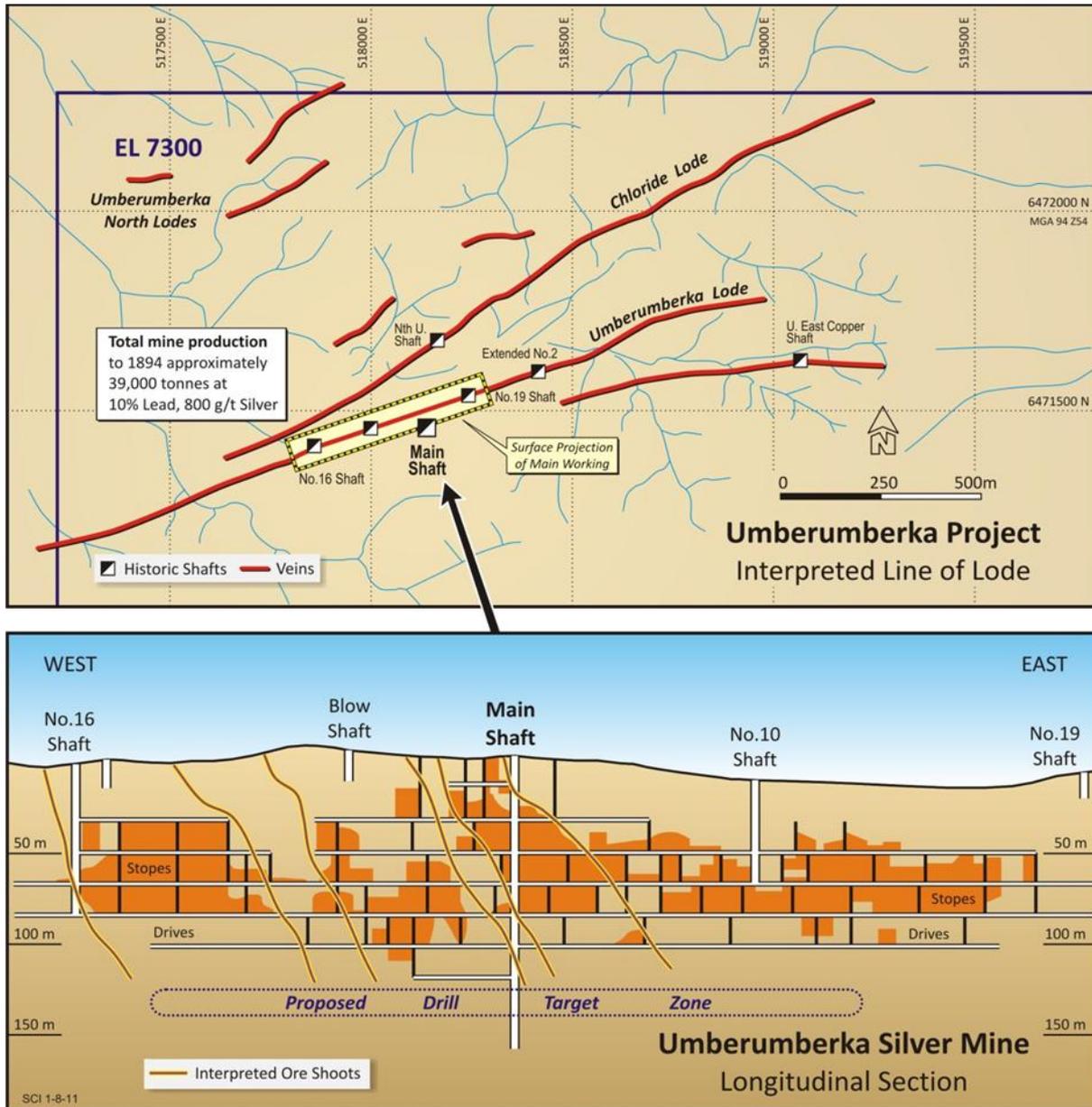


Figure 3. Umberumberka Silver Mine.

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.

Compliance Note: Drill hole intersections outlined in this document have previously been reported to the ASX on 27 September 2011 and 13 December 2011.

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 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
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