



ASX ANNOUNCEMENT

3 April 2012

Silver City Outlines Extensive Mineralised Gossan Horizons at Mt Brown, near Broken Hill

- **Rock samples containing up to 34% lead, 310 g/t silver, 10.4% copper and 0.95% zinc.**

Silver City Minerals Limited (ASX:SCI) has completed a detailed geological mapping and rock chip sampling program at the Mt Brown project within its Exploration Licence 7319 located approximately 50 kilometres to the northeast of Broken Hill. This work has identified and mapped out a number of lode rock horizons typical of Broken Hill type (BHT) mineralisation. A total of five separate zones have been identified, three of which were previously unknown. Cumulatively these extend over a strike length of approximately three kilometres. The Main Lode corridor is interpreted to extend for one kilometre and is 10 to 70 metres wide. It consists of a package of iron stained, garnet-rich metasediments, which host iron and manganese-rich siliceous gossans and lode rocks. Within the corridor these range in thickness from a few centimetres to 4 metres. The mineral magnetite is associated with lode rocks and gossans.

Work to date has been encouraging and suggests potential for mineralisation at depth. No drilling has taken place at Mt Brown. Silver City plans to conduct a magnetic survey to trace extensions to lode rocks and gossans beneath cover and assess the extent of the potential mineralisation as a prelude to drill testing.

Rock Chip Sampling

The Silver City Minerals rock chip sampling program collected a total of 105 samples from the project area which is about 1 square kilometre in size. In addition the Company had access to results from samples collected by a previous explorer.

A total of sixty seven, predominantly gossanous rock chip samples have been collected from the Main Lode corridor. Of these, twenty seven (40%) returned values of greater than 1% lead and twenty one (31%) greater than 2% lead with a maximum value of 34% lead. Nine samples (13%) returned greater than 0.5% zinc with a maximum value of 0.95% zinc.

Similarly nine samples returned greater than 0.5% copper and eight (12%) samples returned greater than 30 g/t silver. One sample at the northern end of the outcropping zone returned 10.4% copper and another within the central part of the zone returned 310 g/t silver.

Induced Polarisation Survey (IP)

The Company has reprocessed data from an historic dipole-dipole IP survey conducted in 1982. The survey shows a strong chargeability anomaly, modelled at about 100 metres below surface (red colour in Figure 1). This is interpreted to represent mineralised, sulphide-bearing rock in the hinge of a tight fold and is coincident with lode horizons.

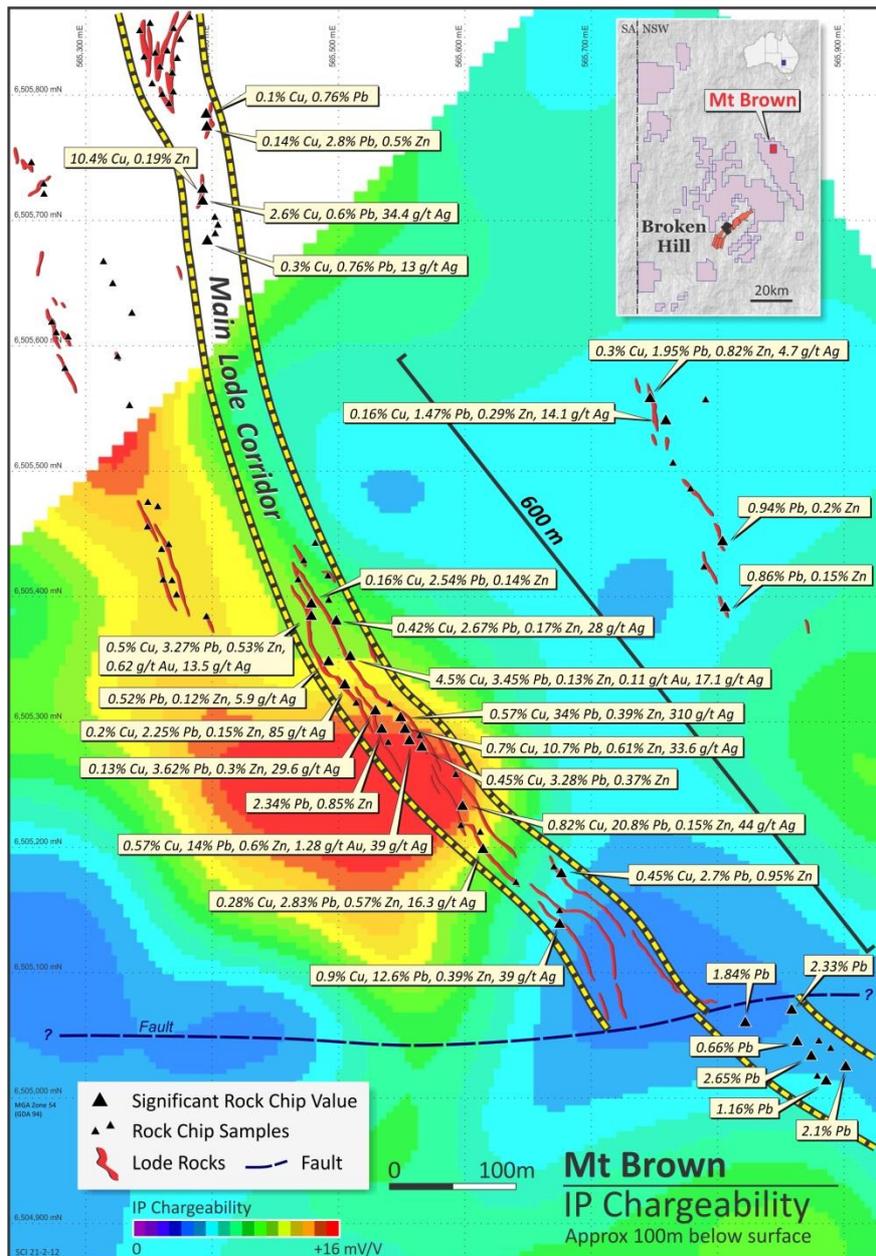


Figure 1. Mt Brown showing lodes rocks, the Main Lode corridor, rock chip samples and induced polarisation (IP) chargeability. All rock chip samples are shown. Only those with significant results are labelled.

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: Rock chips samples weighed nominally 1 to 2 kilograms and were grab samples specifically designed to test gossanous lode rock horizons. The amount of gossanous material in the samples was highly variable. Gossan refers to iron and manganese oxides with other minerals including quartz which represent the near-surface weathered equivalent of sulphide-bearing rock at depth. Sulphide minerals are the primary source of copper, lead, zinc and silver in the district. Analytical methods: Copper, lead, zinc and silver ALS Code ME-ICP61 and OG 46 for high grade samples. Gold ALS Code Au-AA21 (www.alsglobal.com).

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
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