



Annual General Meeting - 28 November 2012 Chairman's Address to Shareholders

Good afternoon and welcome to this second Annual General Meeting of Silver City Minerals as an ASX listed company.

The Company commenced drilling within weeks of listing in June last year and since that time has focused on testing a group of outstanding targets for a Broken Hill type silver-lead-zinc deposit as well as high grade silver and copper-gold targets. All the targets are located within 50 kilometres of Broken Hill. This work has led to 2 high priority areas for testing where mineralisation in each case extends over significant strike lengths and has rock type, alteration and mineralisation characteristics of the Broken Hill ore system.

At Allendale silver-lead-zinc mineralisation was intersected in 30 of 44 holes drilled and has been traced over a strike length 450 metres in a series of parallel lodes. The next stage of testing using geophysical techniques is scheduled to commence next week to locate structural thickening of the lode zones, typical of the major ore developments within the Broken Hill ore body.

At Razorback West our work shows that there is a large, elongate geochemical anomaly in a corridor north of Broken Hill which can be interpreted as the fault-offset extension of the Broken Hill Line of Lode. As a consequence we consider this corridor, which lies beneath soil and alluvial cover, to be highly prospective. Our first pass drilling confirms that the right sort of rocks, alteration and lead and zinc mineralisation are present. A geophysical exploration program designed to locate sulphide targets is also due to commence next week.

In addition the Silver City team has identified a number of exciting new targets where mineralisation at surface has been located, mapped and sampled over extensive distances but where previous exploration has been minimal or non-existent. These are the Mt Brown and Yalcowinna Creek projects located between 40 and 50 kilometres from Broken Hill. Both represent large scale base metal zones capable of hosting Broken Hill type deposits.

In May this year the new CBH Resources Rasp Mine at Broken Hill commenced production. This has added a second milling facility to the already well-established infrastructure at Broken Hill and provides opportunity for developing ore established on Silver City's surrounding exploration tenements.

The Company is in the fortunate position of having a team that is highly skilled in exploration as well as having in-depth knowledge of the Broken Hill District and its world class orebody. These are the elements needed to uncover a new discovery at Broken Hill.

Details of the Company's exploration activities over the past year are given in the annual report. Chris Torrey, the Managing Director, will present to the meeting further insight into the results achieved in the past year and the focus for testing mineralisation in the coming year.

Bob Besley
Chairman.