



## ASX ANNOUNCEMENT

4 September 2013

### Silver City Exploration Update

- Massive sulphide search using deep penetrating airborne electromagnetics (VTEM) commences at Broken Hill.
- Large induced polarisation survey exploring for gold-bearing sulphide zones commences at Sellheim in North Queensland.
- Silver City notifies CBH Resources Limited that it has earned 75% interest in Broken Hill exploration licences.

**Silver City Minerals Limited (ASX:SCI)** is pleased to announce that it has commenced two important geophysical surveys; one in Broken Hill and the other at the newly acquired Sellheim Gold Project in North Queensland. In addition SCI has reached a significant milestone; notifying joint venture partner CBH Resources Limited (CBH) that it has earned a 75% interest in selected exploration licences in the Broken Hill district.

SCI Chairman Bob Besley commented:

“Modern geophysical surveying at Broken Hill is an exciting new step in the search for massive sulphide deposits and the results of these surveys will assist SCI to delineate targets for further drilling.”

“At Sellheim the large IP survey will be the first systematic attempt to look for sulphide targets beneath the alluvial goldfield and surrounding gold-copper mineralisation.”

### **Broken Hill, New South Wales**

#### *VTEM Survey*

The Company has commenced an airborne electromagnetic survey using the deep penetrating Geotech VTEM system. It will cover an area of approximately 115 square kilometres and is designed to detect electrically conductive metallic sulphide deposits. The area chosen for the survey hosts a number of old mines and numerous lode rock sequences typical of Broken Hill type (BHT) mineralisation (Figure 1). The aim of the survey is to target conductive metallic sulphide deposits beneath the old mines.

A number of survey lines will also be flown over the Allendale project where SCI has encountered numerous massive sulphide intersections in drilling. At Allendale, lead, zinc and silver-rich sulphides are currently of insufficient thicknesses to warrant extraction by open pit methods. The survey is designed to target deeper, thicker sulphide bodies beneath the current shallow drilling.

Initial data from this work should be available towards the end of September.

*CBH Joint Venture*

SCI has recently notified CBH that it has earned 75% in two tenements (ELs 5919 and 8075). SCI was required to spend \$3 million on these licences and EL 7300 between 27 August 2010 and 30 September 2013. SCI previously held 76.5% interest in EL 7300. Cumulatively the joint venture covers an area of 525 square kilometres and represents almost 50% of the Company’s exploration tenure at Broken Hill. All three tenements are host to the favourable Broken Hill rock sequences and host numerous old mines, prospects and lode horizons of the Broken Hill type. Important projects such as Allendale, Parnell and Speedwell lie within this tenure (Figure 1).

The joint venture agreement allows CBH to maintain its joint venture interest and be free-carried on further exploration expenditure up until the commencement of Definitive Feasibility Study at which time it will be required to contribute according to its interest. CBH also has the off-take rights to lead and zinc concentrates derived from the joint venture tenements at international benchmark terms.

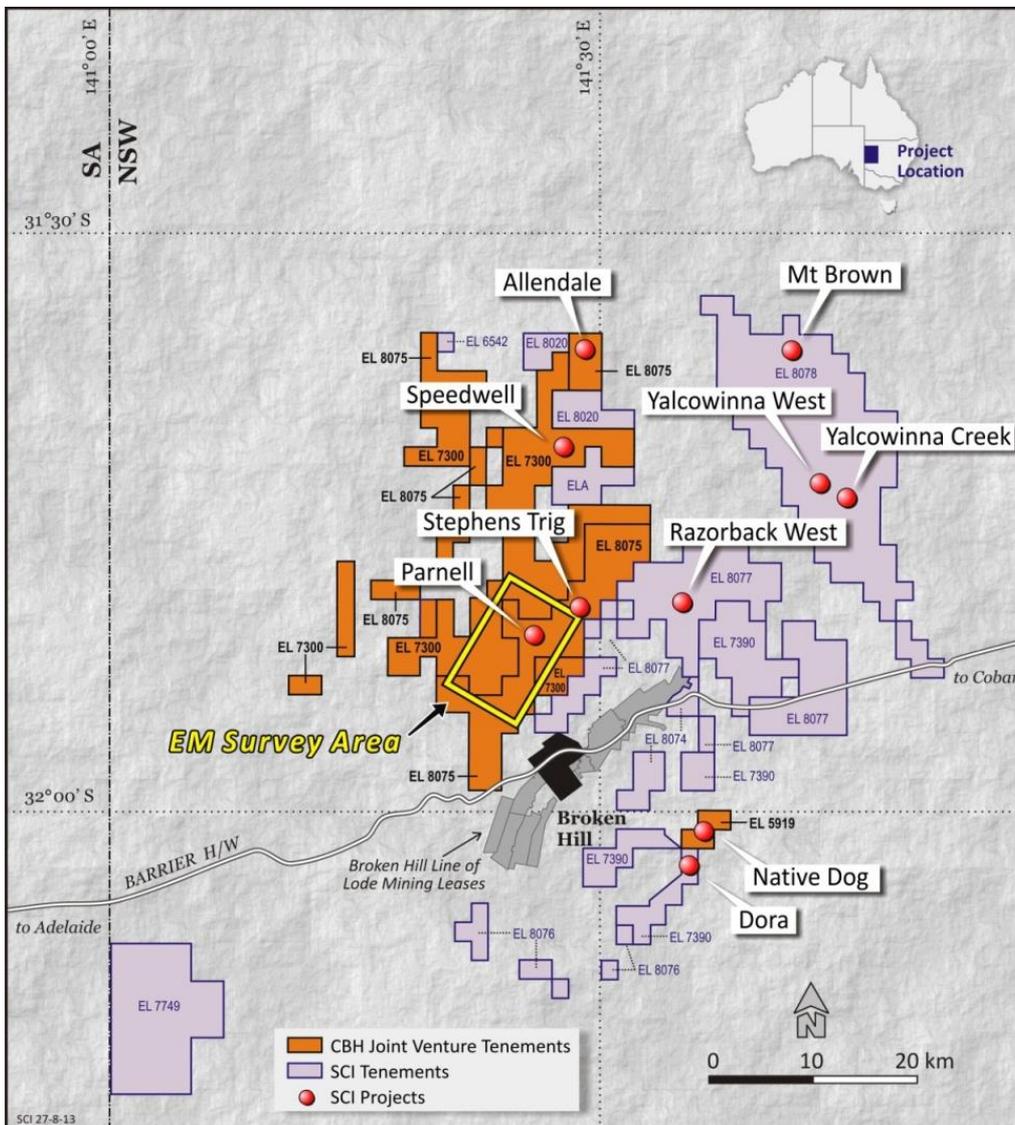


Figure 1. Showing Silver City exploration tenements and CBH Joint Venture tenements.

## Sellheim, Queensland

### Induced Polarisation Survey

SCI has commenced an induced polarisation (IP) survey over an area of approximately 15 square kilometres at Sellheim. The survey is focussed on a corridor of gold-anomalous rock lying close to the contact between an intrusive tonalite rock and older calcareous sediments. It is designed to map out and target zones of elevated sulphide content and silicified rock associated with gold and copper mineralisation with the view to drill testing targets.

Rock chip samples in this area have returned highly anomalous gold, copper, molybdenum, silver and bismuth (ASX Release 3 July 2013). The anomalous rocks comprise gossanous breccia, veins in siltstone and skarn-altered calcareous sediments. The contact zone also hosts hydrothermally altered quartz-feldspar porphyry rock; a possible source of mineralising fluids.

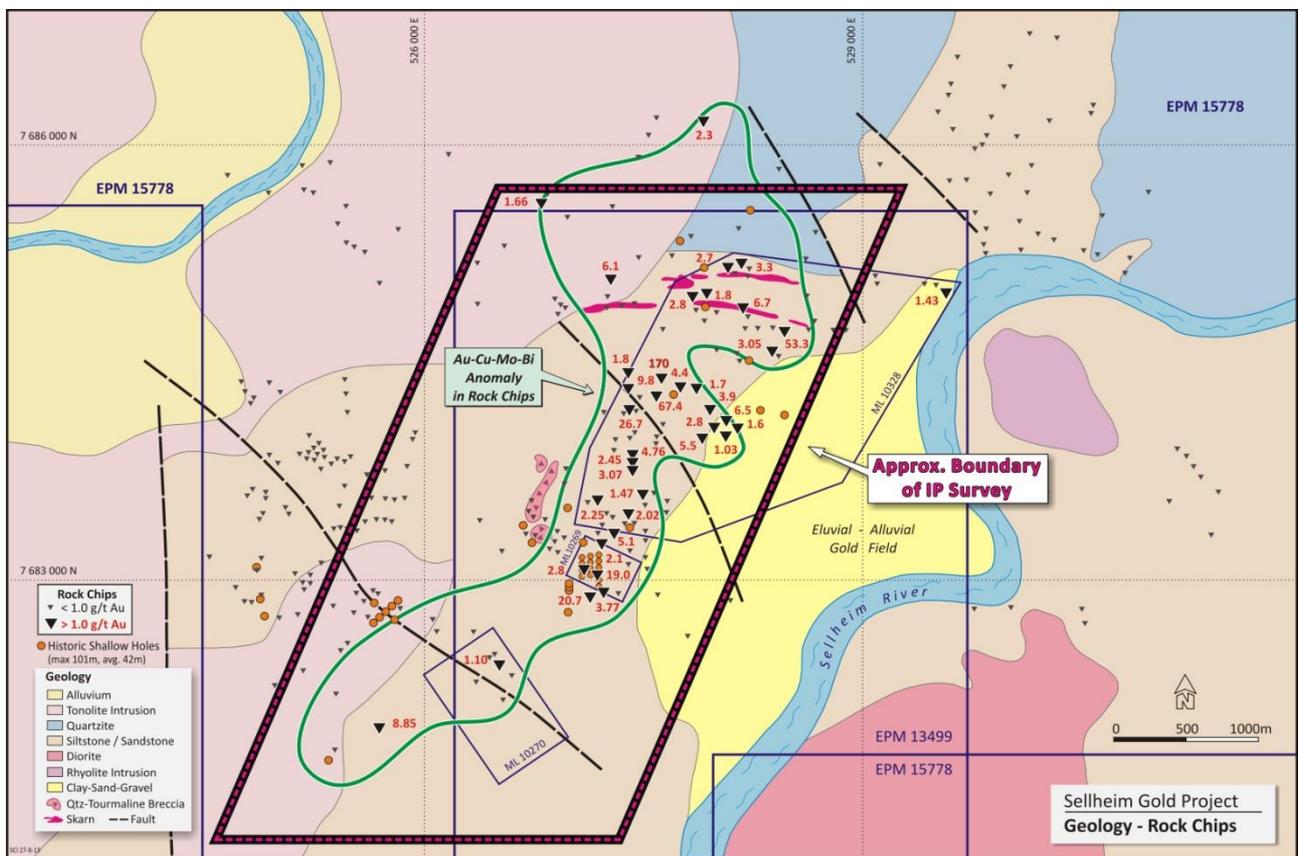


Figure 2 Sellheim Gold Project showing corridor of anomalous gold, geology and approximate layout of Induced Polarisation survey.

## 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, a shareholder 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 2012 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 the world's largest accumulation of silver, lead and zinc; the Broken Hill Deposit. SCI was established in May 2008 and has been exploring the District where it controls Exploration Licences through 100% ownership and various joint venture agreements. It has a portfolio of highly prospective projects with drill-ready targets focused on high grade silver, gold and base-metals, and a pipeline of prospects moving toward the drill assessment stage. The Company continues to seek out quality projects for exploration and development and has ventured to North Queensland where it has entered into a Farm-in and Joint Venture Agreement with a private consortium to explore for large intrusion-related gold deposits.

### 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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