



## SHAREHOLDER UPDATE

28 June 2011

### **Welcome to Silver City Minerals**

On behalf of your Board of Directors, I would like to welcome both new and existing shareholders to Silver City Minerals Limited (Silver City or Company). The Company has been informed by the Australian Securities Exchange ("ASX") that the expected date for the listing of Silver City securities will be Wednesday 6<sup>th</sup> July 2011. The ASX code assigned to the Company is SCI.

Silver City successfully completed its Initial Public Offering (IPO), raising in excess of AUD\$9.8 million. This was well beyond the Company's target minimum subscription of \$6 million, and the Board is pleased with the strength of this support given difficult conditions in global equities markets.

The Company, incorporated in May 2008, was formed specifically to explore for metals in the world-famous Broken Hill district of western New South Wales, Australia. Silver City has used initial seed capital to identify and acquire prospective mineral title in an area that your Board of Directors considers has been significantly under-explored. This is the first time a junior explorer has acquired and consolidated such a large tenure position in the district.

The Company will be exploring for silver, gold and base-metals in one of Australia's famous metallogenic districts and its premier silver province. We will be conducting our work in the "shadow of the headframe" of the giant Broken Hill massive sulphide deposit; approximately a 300 million tonne ore body, mined continuously for more than 125 years and has produced over 1 billion ounces of silver. Our main projects are hosted in the same rock units that host the Broken Hill orebody. Importantly they all have access to infrastructure, being within 50 to 60 kilometres of the major mining centre and city of Broken Hill.

### **Drilling**

A contract with a drill service provider has been signed and drilling is scheduled to commence on or around the time of listing on the ASX. The first prospects to be drilled include:

- the historic Allendale Mine area; an historic, high grade base-metal producer,
- Maybell; a project which has returned high grade silver intersections in early Silver City drilling, and;
- Golden King; an historic gold-copper mine.

These will be followed by drilling at Razorback West, Stephens Trig and Yellowstone (Figure 1). For more details on the project portfolio and exploration programs please refer to our website at [www.silvercityminerals.com.au](http://www.silvercityminerals.com.au).

## **Options**

As indicated in Section 2.9 of the Prospectus, all shareholders on the share register at a date (yet to be announced) approximately 4 months after shares commence trading on the ASX, will be entitled to participate in a non-renounceable entitlement of Options on the basis of one Option for every three shares held. These Options will be issued at a subscription price of \$0.01 each with an exercise price of \$0.25 and an expiry date three years after the issue date. Further details of this offer will be announced to the ASX in due course and we encourage shareholders to participate in the offer at that time.

The Company would like to thank all those who participated in the Initial Public Offering and are confident we can grow Silver City into a pre-eminent Australian exploration company.

## **SILVER CITY MINERALS LIMITED**



**Christopher Torrey**  
Managing Director

## **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 Licences and Mineral Claims 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
Justin Clyne	Company Secretary
Gordon McLean	Exploration Manager

### **Registered Office**

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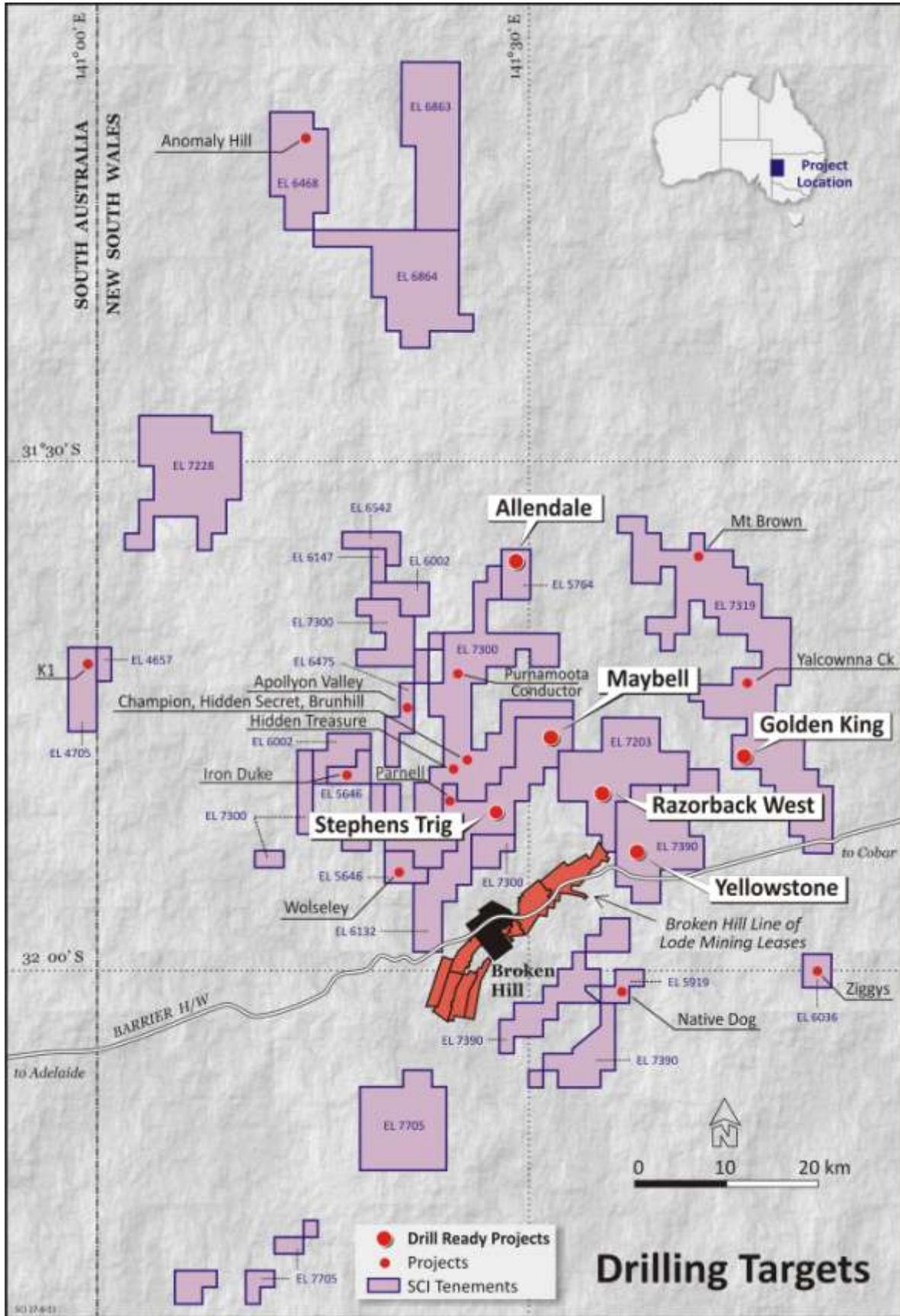


Figure 1. Silver City Minerals Limited (SCI) Tenements and Drilling Targets.