

SILVER CITY MINERALS LIMITED



ASX ANNOUNCEMENT

Drilling commences at Stephens Trig, near Broken Hill, NSW

6 October 2011

Silver City Minerals Limited (ASX:SCI) is pleased to announce that it has commenced drilling at the Stephens Trig project near Broken Hill, NSW. The initial program comprises approximately 1000 metres of reverse circulation percussion drilling in six holes in order to follow-up historic, near-surface, high grade, base-metal intersections. This drilling is part of a 10,000 metre program designed to test six priority targets outlined in the Company's Prospectus from its successful IPO. Already this program has returned encouraging results at the Allendale project (ASX release 27 September 2011).

Background

The Stephens Trig project is located approximately fifteen kilometres north of Broken Hill and lies within the northern part of a strong lead and zinc geochemical anomaly outlined by previous explorers using RAB (rotary air blast) drilling techniques. The project lies entirely under alluvial and soil cover and has been assessed by drilling over a strike length of two kilometres and locally to depths of 300 metres below surface. A total of twenty four widely-spaced drill holes already exist (Figure 1) and a number of significant intersections have been achieved (Table 1).

Exploration Rationale

Previous exploration at Stephens Trig has been predominantly undertaken by large mining companies prior to 2000, with deposit target sizes commensurate with the size of the company (in the order of 20 to 40 million tonnes). As a consequence, drilling tends to be widely spaced and locally deep. Drill holes are predominantly located at 100 to 200 metres spacing. The most recent explorer; Sipa Resources Limited looked at the project in more detail. In 2004 during follow-up of a reverse circulation percussion drill hole (drilled in 1991) containing an intersection of 6 metres at 11.8% zinc, 3.8% lead and 13 g/t silver, Sipa returned another encouraging intersection of 6 metres at 9.5% zinc, 0.7% and 14 g/t silver from 51 metres (Sipa ASX release 7 April 2004). No subsequent drilling has taken place.

Silver City Minerals Limited has taken the view that the intrinsically high grade nature (and high in-ground value) of the known near-surface base and precious metal intersections coupled with the complexity of geology in the area, warrants a more detailed drill assessment. The Company considers that there is potential for undiscovered base metal resources close to surface at Stephens Trig

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 which listed on the ASX in July 2011. The Company is 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 significant areas of exploration tenure 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.

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.

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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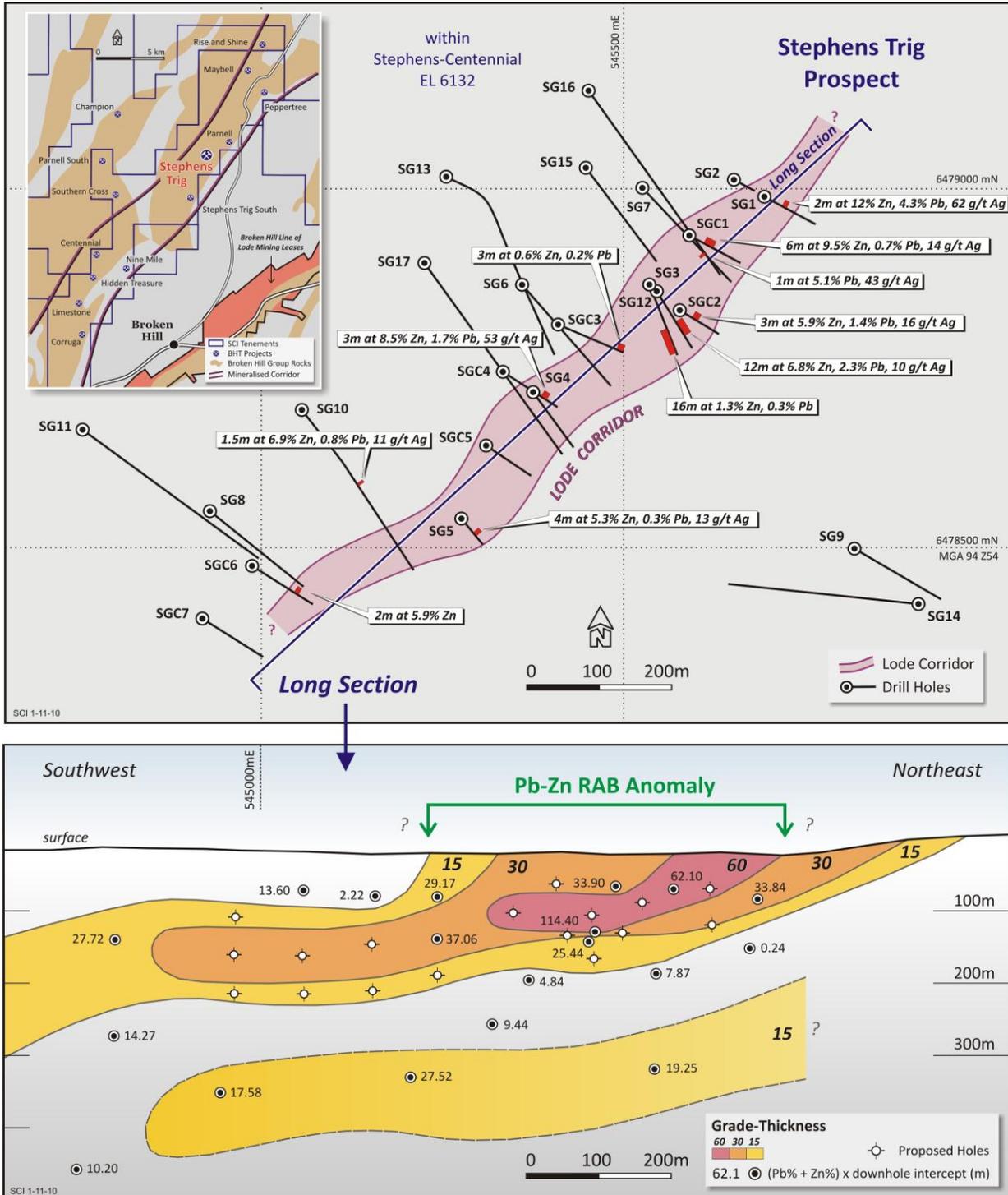


Figure 1. Plan and interpretive longitudinal section of Stephens Trig mineralised zone.