

SILVER CITY MINERALS LIMITED



ASX ANNOUNCEMENT

Drilling commences at Golden King, near Broken Hill, NSW

2 November 2011

Silver City Minerals Limited (ASX:SCI) is pleased to announce that it has commenced drilling at the Golden King project near Broken Hill, NSW. The initial program comprises approximately 1000 metres of reverse circulation percussion drilling in up to nine holes in order to test for copper and gold mineralisation at the old Golden King mine. 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 Golden King project is located approximately thirty two kilometres north of Broken Hill. Silver City has entered into an option agreement to acquire three Mining Leases over a portion (300m of strike) of the historic Golden King Mine. The remainder of the old workings and outcropping lode rocks (500m of strike) are located within Silver City's Euriovie Exploration Licence. Gossanous and quartz vein material occur discontinuously along the length of the structure in a mylonitic shear zone oriented east-northeast. Small tonnages of material have been mined intermittently from the structure since discovery in 1884 (Figure 1).

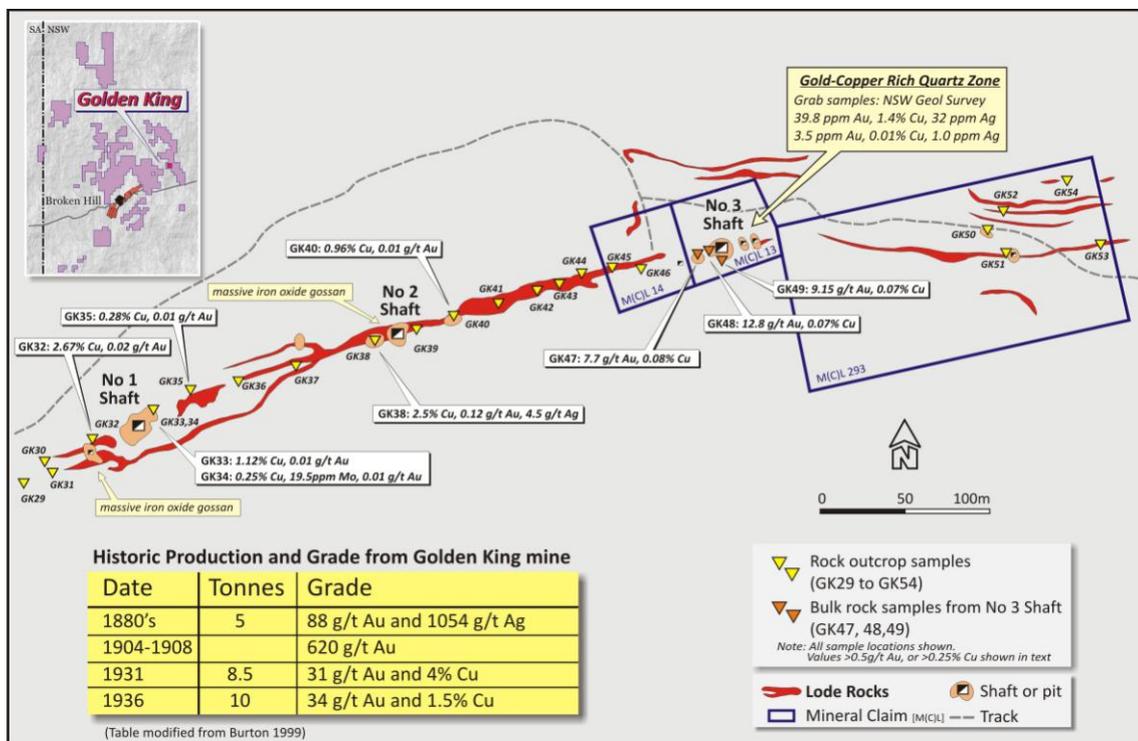


Figure 1. Golden King gold-copper project.

Mapping by Silver City shows that there are multiple lodes hosted in a chlorite-altered corridor 20 to 50m wide and 800m long. Silver City has collected rock chip samples (grab and continuous rock chip samples) from outcrops and bulk samples of vein material extracted from the No.3 Shaft (not in-situ but on ore dumps at surface). Siliceous material located at No.3 Shaft returned high gold with three samples returning 7.7 g/t, 12.8 g/t and 9.15g/t and less than 0.1% copper. Limonitic and goethitic gossans were sampled in the western part of the structure and returned appreciable copper ranging in grade from less than 0.5% to 2.67%

Silver City has commenced drilling up to nine reverse circulation drill holes to test the structure.

Drilling Update

Since completing its Initial Public Offering (IPO) in July this year Silver City has complete approximately 4500 metres of reverse circulation (RC) drilling on three projects. The Company has reported the results of 20 RC holes from its Allendale mine project located 50km north of Broken Hill (ASX Release 27 September 2011). Laboratory assay results for the final and southern-most hole drilled at the Allendale mine (RCAN-28) are pending. The Company did however report visual identification of massive sulphides in two intersections within this hole which returned highly elevated lead and zinc in portable XRF analyses. A follow-up program of drilling is currently in the planning stages.

A number of prospects between one and two kilometres to the north and south of the Allendale mine were also drill-tested. This work include three holes at Allendale South, one hole at Sinclairs, two holes at Sinclairs North (both to the north of the mine) and one hole at Steak House about two kilometres to the south. With the exception of the Steak House hole all analyses have been received with no significant results to report.

In addition, the Company has completed six holes for 606 metres at Maybell and six holes for 920 metres at Stephens Trig. Results for these holes are pending.

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

Registered Office

Level 1, 80 Chandos Street, St Leonards, NSW 2065
PO Box 956, Crows Nest, NSW 1585, Australia
Ph: +61 2 9437 1737
Fax: +61 2 9906 5233
Email: info@silvercityminerals.com.au
Web: www.silvercityminerals.com.au