



ASX ANNOUNCEMENT

21 April 2016

Silver City Commences RC Drilling at Stephens Trig Zinc Project, Broken Hill

- **Silver City to follow up near-surface zinc intersections.**
- **Modelling suggests potential for mineable mineralisation close to surface.**
- **Potential for open pit ore within trucking distance of Broken Hill plants.**

Silver City Minerals Limited (ASX: SCI) (“Silver City” or “the Company”) has commenced a reverse circulation drilling program at Stephens Trig. The work comprises six shallow holes (60 to 120 metres depth) and is designed to test the open-pit potential of the zinc-rich Stephens Trig project located 12 kilometres north of Broken Hill. The project is a joint venture between Silver City and CBH Resources Limited who own and operation the Rasp Mine at Broken Hill.

Background

Stephens Trig lies completely beneath alluvial cover in a low-relief river valley system north of Broken Hill. It was discovered in the early 1990’s by a program of RAB and step-out diamond drilling. To date there have been 31 drill holes completed. It is broadly defined by a lead-zinc rotary air blast (RAB) geochemical anomaly which extends for 1.5 kilometres along strike with a further southern extension of over 2 kilometres over the Trig South prospect.

SCI has identified three mineralised lode horizons all of which host appreciable zinc-rich intersections; Main Lode, East Lode and East 2 Lode.

Both Main and East 2 lode host a number of mineralised intersections within 100 metres of surface. These include:

East 2 Lode

- Hole 04SGC002; 43m to 57m (14m) at 0.5% lead and 1.9% zinc, including 54m to 57m (3m) at **1.4% lead and 5.8% zinc.**

- Hole 91SG03; 110m to 122m (12m) at **2.3% lead and 6.8% zinc**, including 112m to 118m (6m) at **3.8% lead and 11.8% zinc**.
- Hole 90SG01; 66m to 68m (2m) at **4.3% lead and 12.0% zinc**.

Main Lode

- Hole 04SGC001; 51m to 57m (6m) at **0.7% lead and 9.53% zinc**.

(Note: Holes outlined here were previously reported in the Company Prospectus 2011 or ASX Release 9 January 2012 to a nominal 1% zinc cut-off).

Work by SCI shows that the shallow, up-plunge positions of the E2 and Main lodes from 100 metres depth to surface and extending over a strike of 300 metres have not been sufficiently tested by drilling. Work is designed to follow-up holes listed here and shallow RAB geochemical anomalies. Preliminary economic modelling of up-plunge, hypothetical, lodes has been sufficient to suggest that, if grades and thicknesses are consistent with other intersections in the lodes, there is potential for open pit ore.

Ore-grade material from this zone could be amenable to trucking to one of two beneficiation mills currently operating at Broken Hill.

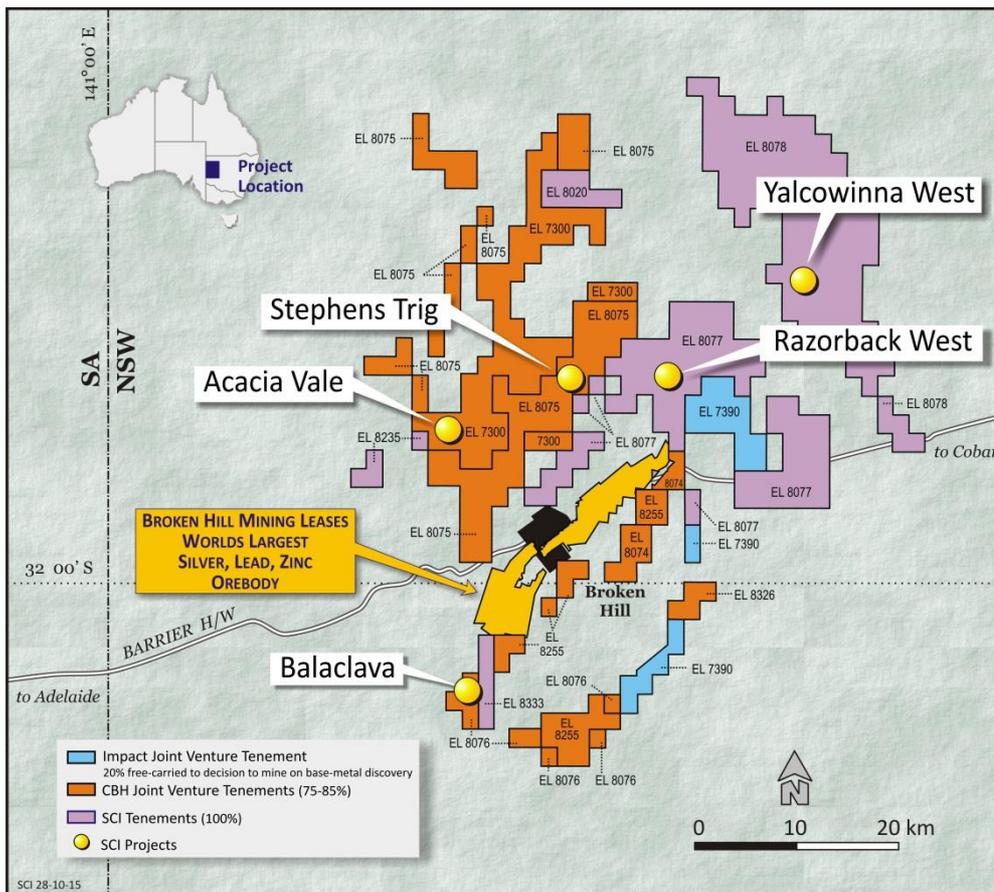


Figure 1. Silver City tenements and projects at Broken Hill.

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 with a strong focus 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.

Caution Regarding Forward Looking Information.

This document contains forward looking statements concerning Silver City Minerals Limited. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Silver City's beliefs, opinions and estimates of Silver City Minerals as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future development.

Competent Persons

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.

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

Registered Office

Level 1, 80 Chandos Street, St Leonards,
NSW 2065, Australia
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