



ASX ANNOUNCEMENT

20 June 2013

Silver City Exploration Update

- **SCI completes seventeen drill holes in current program totalling 2,574 metres**
- **Allendale drill hole 13AN045 returns 6 metres at 10.4% zinc; includes 3 metres at 17% zinc.**
- **Parnell drilling reveals elevated silver, lead and zinc including hole 13PR003 returning 6 metres at 2.2% lead, 0.5% zinc and 20 g/t silver.**
- **Further drill results from Razorback West and Mount Brown pending – expected mid -July**

Silver City Minerals Limited (ASX:SCI) is pleased to announce that it has received analytical results for drilling completed at three of its projects; Allendale, Native Dog and Parnell located near Broken Hill in New South Wales, Australia. Drilling at the Razorback West and Mount Brown projects has recently been completed with results pending. A total of 2574 metres have been drilled in seventeen holes on five projects in the current program (Figure 1).

Parnell

The historic Parnell Mine is a Broken Hill type (BHT) mineral occurrence located 15 kilometres north of Broken Hill. Old mine workings from the late 1800s have mined an aggregate of almost 1600 tonnes of galena-rich material. Grades recorded from various mining campaigns up to 1971 range from 18 to 33% lead, 120 to 760 g/t silver and 2 to 3% zinc. Geological assessments by SCI suggest that extensions to mineralisation extend southward beneath a large area of alluvial cover.

A rotary airblast (RAB) program conducted in December last year outlined a trend of subdued but persistent lead and zinc anomalism which extends for at least 650 metres beneath the alluvial flats at Parnell South. SCI completed four reverse circulation (RC) holes to test for mineralisation in the western limb of a large fold structure where mineralisation is preferentially hosted in a metamorphosed sandstone unit (Figure 2.). Three of the four holes returned anomalous intersections of elevated lead and silver over down-hole widths of 3 to 9 metres.

The Company is encouraged by the results of this program because not only are the holes elevated in silver, lead and zinc, but mineralisation is associated with a major fold structure. In the Broken Hill deposit sulphides preferentially occur in the nose (hinge) zone of folds similar to that mapped at Parnell. To date most exploration has focussed on the western limb of the Parnell fold with few holes designed to test the nose zone. SCI will review results of the recent program with the view to further drill-testing.

Allendale

Since initial drilling commenced in 2011 the project has returned numerous narrow (1 to 10 metres true thickness) high grade base-metal intersections within a 500 metre long zone of sheared and faulted lode rocks (Annual Report 2012 for further details). The poddy and discontinuous nature of the mineralised intersections led SCI to seek out broader thicknesses of base-metal sulphides using a combination of downhole electro magnetics (EM) and magnetometric resistivity (MMR). This work identified off-hole conductors in the southern part of the project which were tested as part of the recent program with one RC hole 13AN045 (Figure 3). An EM conductor modelled at approximately 60 to 70 metres was intersected from 66 metres and returned 6 metres at 10.4% zinc 0.06% lead and 2 g/t silver. This intersection, while returning encouraging grades is estimated to have a true thickness of only 2 to 3 metres and has not given SCI sufficient encouragement to continue further exploration.

Native Dog

Four RC holes were completed within the Native Dog project area. These were targeted at zones of elevated geochemistry where lode rocks and small gossans outcropped. Best results were returned from hole 13ND004 in the northeastern part of the tenement (See Figure 4 and Table 1).

Outlook

Additional drilling has been completed at the Razorback West and Mount Brown projects. At Razorback two holes were designed to test coincident IP, gravity and lead-zinc geochemical anomalies. At Mount Brown a fold nose which hosts lead-bearing banded iron formations was tested. Analytical results are pending and likely to be available in mid-July

An airborne electromagnetic survey scheduled to begin early in May this year has been postponed until August at the request of landowners in order to avoid disruption of agricultural activities. This survey once completed is likely to provide targets for future drill-testing.

Recent drilling at Parnell has focussed attention on the possibility of massive sulphides occurring in the hinge zone of a fold structure. More drilling is anticipated.

Table 1 Significant drill Intersections (3 metres composite samples and 0.8% zinc or lead cutoff).

Hole Number	From (metres)	Interval (metres)	Lead (%)	Zinc (%)	Silver (g/t)	Location
13AN045	66	6	0.06	10.40	2	Allendale
13PR002	54	9	1.90	0.02	11	Parnell
13PR003	42	6	2.20	0.50	20	Parnell
13PR004	45	3	0.55	3.10	6	Parnell
13ND004	93	3	0.90	0.60	15	Native Dog
13ND004	99	3	0.30	0.90	2	Native Dog

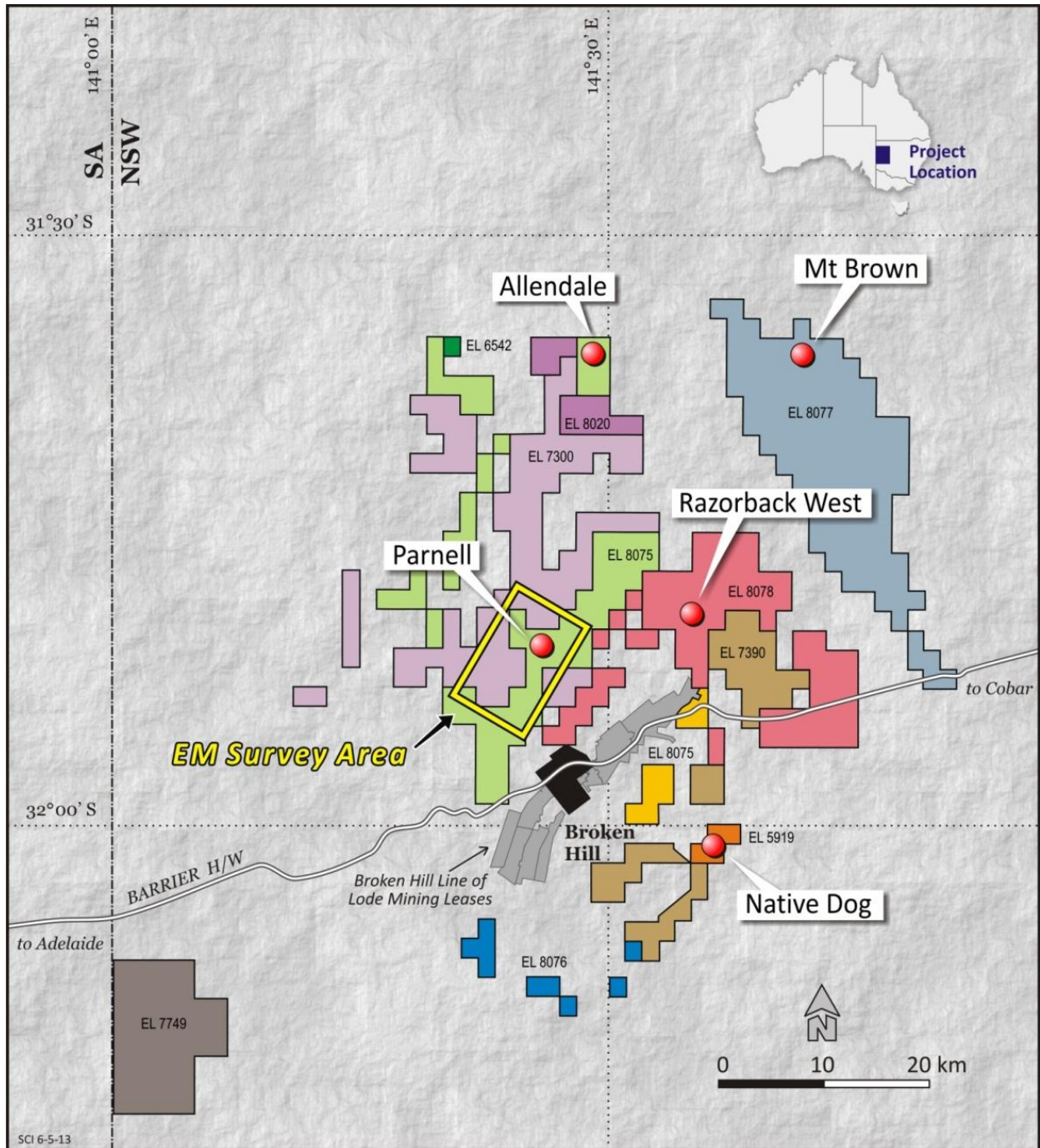


Figure 1. Silver City Minerals tenements and projects. (Note: Broken Hill Line of Lode Mining Leases are not part of SCI tenure).

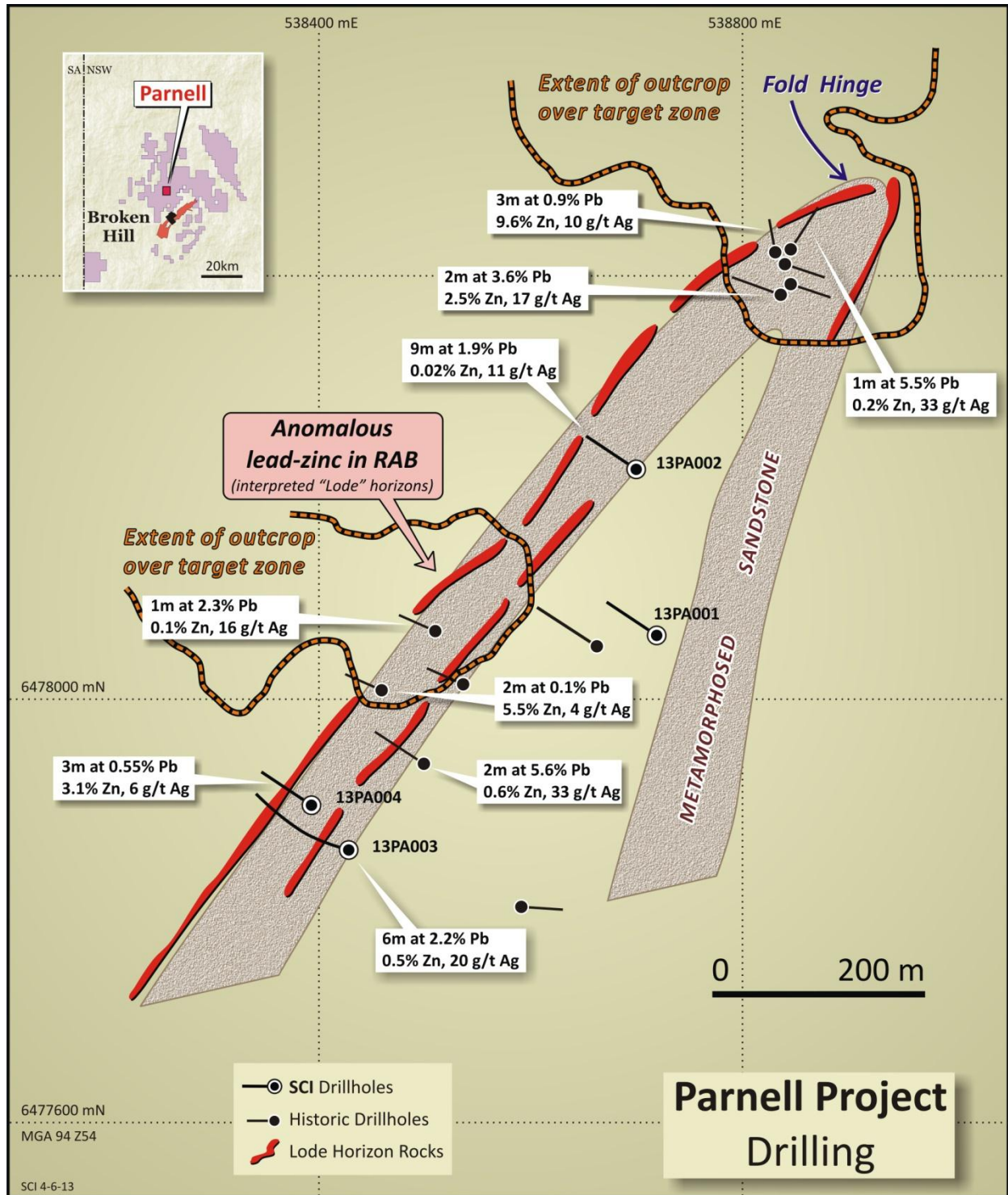


Figure 2. Parnell Project drilling.

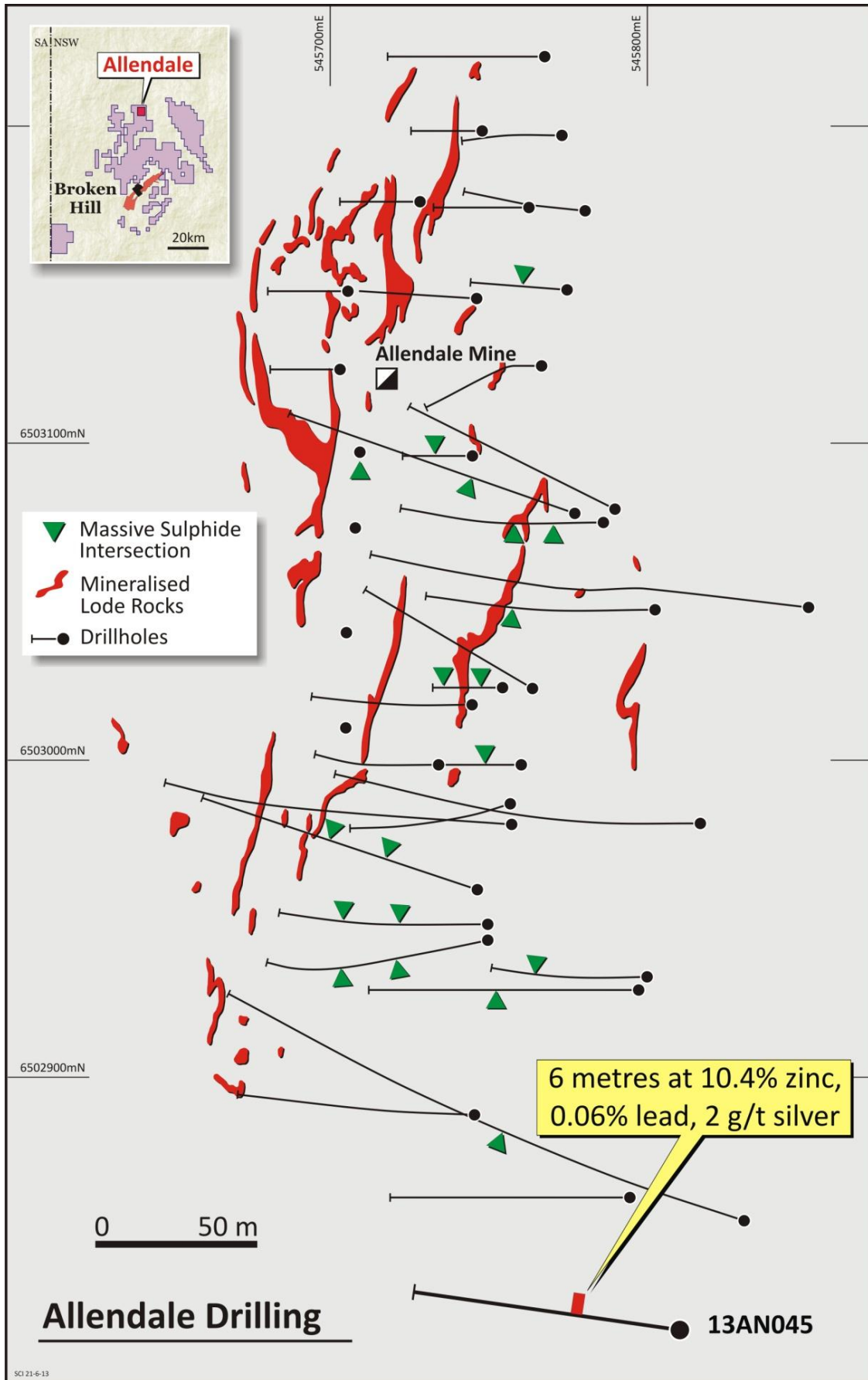


Figure 3. Allendale Project showing the location and result for recent hole 13AN045.

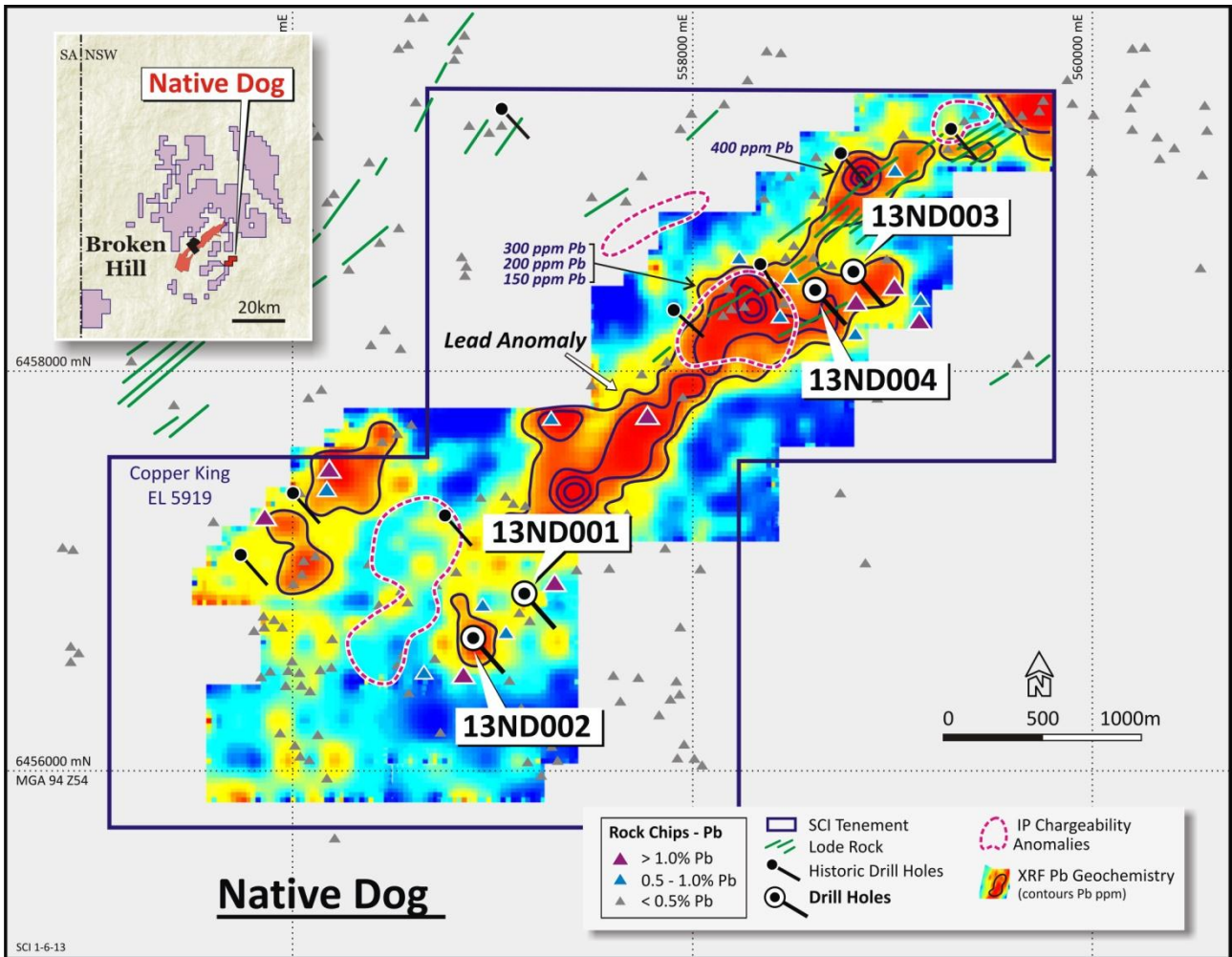


Figure 4. Native Dog Project drilling.

Table 2 Drill hole specifications

Hole Number	East (metres)	North (metres)	Depth (metres)	Dip (degrees)	Azimuth (degrees)	Elevation (metres)	Location
13AN045	545825	6502830	198	-60	270	358	Allendale
13ND001	557172	6456882	80	-60	150	270	Native Dog
13ND002	556920	6456635	100	-60	150	276	Native Dog
13ND003	558806	6458449	120	-60	150	265	Native Dog
13ND004	558614	6458389	80	-60	150	280	Native Dog
13PA001	538720	6478060	100	-60	300	304	Parnell
13PA002	538700	6478220	100	-60	300	304	Parnell
13PA003	538420	6477855	130	-60	300	305	Parnell
13PA004	538390	6477895	80	-60	300	304	Parnell

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 to explore specifically in the District where it controls Exploration Licences through 100% ownership and various 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
Ian Hume	Non-Executive Director
Yanina Barila	Alternate Director
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APPENDIX 1

Table 1 JORC Requirements

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> Reverse circulation drilling was used to obtain one metre samples. These were spear sampled using a 75mm diameter PVC spear and composited into three metres samples 2 to 3 kg in weight. Spear sampling methods were standardized to insure consistent and representative sampling. The one metre samples were passed through a riffle splitter to obtain 2 to 3 kg sub-samples (12.5% of the original sample) which were stored at a Company facility in Broken Hill.
Drilling techniques	<ul style="list-style-type: none"> Reverse circulation with a 114mm face-sampling hammer
Drill sample recovery	<ul style="list-style-type: none"> Sample weight was not recorded; however a consistent sample size of between 15 and 20 kilos per 1 metre sample is estimated.
Logging	<ul style="list-style-type: none"> All drill chips have been geologically logged and recorded to industry standard
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> See above
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> Laboratory preparation method involved a riffle split of the sample and pulverization to achieve 85% passing 75 microns or better. Standard analytical method is an aqua regia digestion and ICP for 35 elements (ALSGlobal Code ME-ICP41). Ore grade samples (lead > 10,000ppm and zinc > 10,000ppm) are re-assayed using ALSGlobal Code OG46 (www.alsglobal.com). This analytical technique does not tend to detect the zinc content of the mineral gahnite. As a consequence it is considered by the Company to more accurately reflect the zinc content of sphalerite the main economic sulphide mineral sought. Standards and duplicates where inserted in cycles of every 30 samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> No verification has been conducted at this early stage. Drill logs and assays are recorded in a digital form. Paper copies of logs are filed.
Location of data points	<ul style="list-style-type: none"> Collar co-ordinates and elevation are measured by handheld GPS. Datum MGA94 Zone 54
Data spacing and distribution	<ul style="list-style-type: none"> On a first pass basis 3 metres composites have been used (Table 1). Drill quantity and spacing is sufficient only to establish continuity of geology.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Drill holes were designed to intersect mineralisation perpendicular to strike.
Sample security	<ul style="list-style-type: none"> Samples awaiting dispatch were kept in a secure facility until they were bagged and dispatched to the laboratory using a local freight contractor.
Audits or reviews	<ul style="list-style-type: none"> No audits have been completed.

Section 2 Reporting of Exploration Results

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> • Parnell and Allendale are located within EL 8075 and Native Dog with EL 5919. Both ELs are held jointly by SCI (30%) and CBH Resources (70%) with SCI earning up to 75%. • No known impediments for future exploration and development.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> • Referred to SCI Prospectus
<i>Geology</i>	<ul style="list-style-type: none"> • Target on all three projects is Broken Hill type (BHT) hosted in metamorphosed sedimentary and volcanic rocks.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • Table 2 above.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • 3 metres composite samples reported at 0.8% zinc or lead cutoff
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • Downhole lengths are reported. • Intersections are not perpendicular to the target.
<i>Diagrams</i>	<ul style="list-style-type: none"> • See Figures
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • Reporting at 0.8% zinc or lead cutoff.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • Refer to SCI Annual Report 2012..
<i>Further work</i>	<ul style="list-style-type: none"> • The Company will evaluate the data assess if further drilling is warranted.