

ASX Release

28 October 2008

### Sale of Yanco Glen to Silver City Mining

Australian exploration company Graynic Metals Limited (ASX: GYN) is pleased to announce that it has completed a sale agreement for the Company's Yanco Glen Project with Silver City Mining Limited. The Yanco Glen Project (Corona - EL6489) is located 40km to the north of Broken Hill in eastern New South Wales.

The consideration for Silver City's purchase of 100% of Graynic's interest in Yanco Glen is a combination of Silver City shares and options, along with participation in a pool of converting performance shares. Participation will be based on exploration success.

Silver City will be responsible for developing and implementing exploration programmes for Yanco Glen, and for maintaining the tenement in good standing in accordance with all statutory requirements, including the annual tenement expenditure requirements set by the New South Wales Department of Primary Industries - Mineral Resources.

The Sale Agreement is subject to, and conditional upon, the Australian Stock Exchange granting Silver City conditional approval for its ordinary shares to be listed for quotation on the ASX on or before 30 June 2010. If Silver City fails to meet this timeframe Silver City will be deemed to have withdrawn from the Agreement and ownership of the tenement will revert to Graynic.


### Background on Silver City Mining

Silver City Mining Limited was incorporated for the purposes of acquiring and exploring a significant tenement package at Broken Hill in western New South Wales, which includes the Yanco Glen project. Silver City Mining intends to use funds raised via seed capital and through a planned IPO on the ASX to carry out exploration work on the Company's tenements targeting MVT style mineralisation.

The Broken Hill area of NSW is home to the world's largest lead-zinc-silver deposit and Silver City has a tenement package with extensive prospective areas with little previous exploration. There is a substantial existing data set with immediate drill targets that is prospective for sediment-hosted, stratiform Pb-Zn-Ag, sediment-hosted hydrothermal copper deposits, MVT Pb-Zn-Ag, and IOCG mineralisation.

In 2006, drilling at PlatSearch NL's Dome 5 prospect in the Mundi Plains tenement intersected high grade massive carbonate-hosted MVT Pb-Zn sulphides within the Adelaidean cover sequence. Intersections included 1m at 8.03% lead, 13.88% zinc and 74.85 g/t silver and 3.06m at 0.17% lead, 6.95% zinc and 4 g/t silver.

This is the first time that MVT style of mineralisation has been observed in the Curnamona/Broken Hill region and the first time that grades of this calibre have been seen in the Broken Hill Adelaidean rocks which have been essentially ignored by previous explorers. This intersection opens up a new opportunity for this deposit style over a significant area.



The Yanco Glen project area is traversed by The Silver City Highway. Access is further provided by station tracks. Yanco Glen covers extensive areas of Adelaidean rocks including the Corona Dolomite which is the target horizon for MVT style mineralization. The project has limited recorded production information from previous copper and gold workings, which targeted quartz veins located in the northern part of the licence.

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## Map of Silver City Mining Tenement Package

