

To: Australian Securities Exchange Limited (ASX)
From: Silver Mines Limited (ASX: SVL)
Date: 19 November, 2015
Subject: Company Update

Financing Update

Silver Mines Limited (SVL or The Company) is pleased to advise that it is in the process of finalising a Placement of new shares. The Company has received commitments for up to A\$1.2M from sophisticated investors and Institutions of which \$1,090,500 in applications have been received

DJ Carmichael (DJC) is acting as advisor and lead book runner for the Placement.

The proposed placement is at a price of A\$0.0015 with an attaching A\$0.003 free option on a 1 for 1 basis. Shareholder approval will be sought in due course for Executive Director, Nathan Featherby to participate in the placement for up to A\$250,000.

As the Company currently only has capacity to issue approximately 700 Million shares (350 M shares & 350 M options) to raise an immediate amount of \$525,000, it will need to make an application to the ASX for a waiver of Listing Rule 7.1, because it has entered agreements to issue shares beyond its current capacity.

Therefore, at this point SVL intends to only process applications to the extent of \$525,000; with the balance being finalised after approval for issue of additional shares is obtained at the AGM on 30 November, 2015 and in respect to Nathan Featherby, when approval for his participation in the Placement is also obtained from shareholders.

The funds will be used for future acquisitions and working capital purposes.

Appointment of Technical and Strategic Advisor

Silver Mines is pleased to confirm the appointment of Mr Darren Holden as a technical and strategic advisor to The Company. Darren Holden, a geologist, is best known for his work within the Australian and North American exploration industries. Mr Holden and the team at Fractal Graphics won the GoldCorp challenge in 2001, a global, internet-based competition aimed at identifying a further 6 million ounces of gold at GoldCorp's Red Lake Mine in NW Ontario, Canada. Mr Holden then went on to be Vice President at Geoinformatics Exploration Inc (2003 to 2009), an exploration company that forged strategic alliances with several major mining companies across the globe. Under Mr Holden's leadership the Geoinformatics team went on to identify several precious and base metal discoveries in Alaska, British Columbia and Mexico. More recently, Mr Holden stepped down as Managing Director of ABM Resources NL and maintains an on-going geology and business development role at ABM. As Managing Director

at ABM (2009 to 2015) he led the team to a number of discoveries in the remote, but highly prospective Tanami Region in the Northern Territory, culminating in the recent development of the Old Pirate High-Grade Gold Mine.

The Board believes this appointment will bring to SVL a high skill level in exploration, development, corporate experience and a high-level global network within the exploration, mining and mining finance sectors. It is also intended that Mr Holden will assist in helping SVL identify and acquire projects that upon successful acquisition will create a silver focused company of global significance.

Resignation of Director

The Board of Silver Mines Limited (The Company or SVL) wishes to advise that its long serving Director and Chairman, David Sutton, has advised the Board that he will not seek re-election at the AGM and will resign his position as Director/Chairman effective from the date of the AGM, 30 November, 2015.

Mr. Sutton has served as a Director/Chairman since 2006 and has guided the Company through the recent difficult times faced by all junior exploration companies and chaired over the Company's recent Silver acquisition strategy and the successful fundraising of approximately \$2.75 Million, via a Rights Issue, that has put SVL on a strong footing again.

Mr. Sutton said that he was resigning to pursue his financial services activities that had expanded considerably in recent times and was focused on listing the business on the ASX. He stated that he felt confident that he was leaving SVL in good hands and in a strong financial position and with a sound strategy going forward.

The Board thanked him for his contribution over the years and his wise guidance and stewardship of the Company and wished him well in any new endeavours and in his financial services business.

The Board wishes to advise that Nathan Featherby will assume the role of Chairman following Mr. Sutton's departure on 30 November, 2015.

By Order of the Board
Silver mines Limited