

ANNOUNCEMENT
8TH May 2007

GEOPHYSICS SURVEY RESULTS, NEW ENGLAND

Discreet anomalies have been identified outside the known zones of mineralisation as well as other anomalies coinciding with known historical shafts on a recently completed Induced Polarisation (IP) geophysical survey on the Company's (ASX: SVL) 100% owned Webbs Consols prospect (EL6239, Map 1).

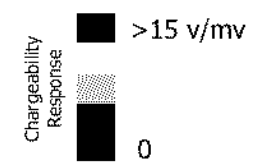
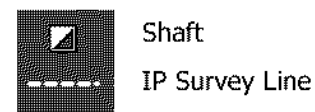
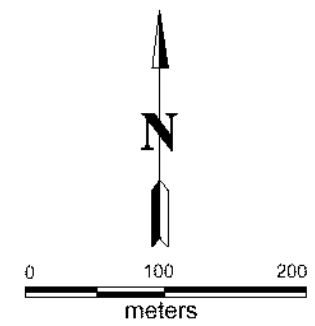
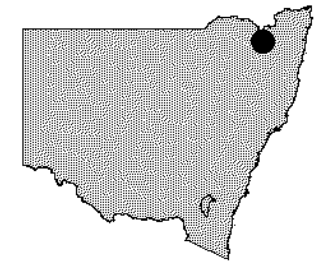
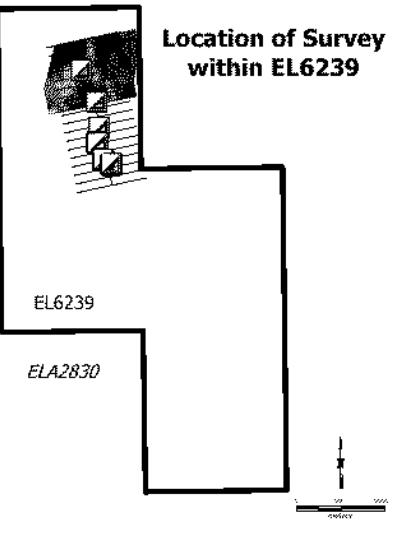
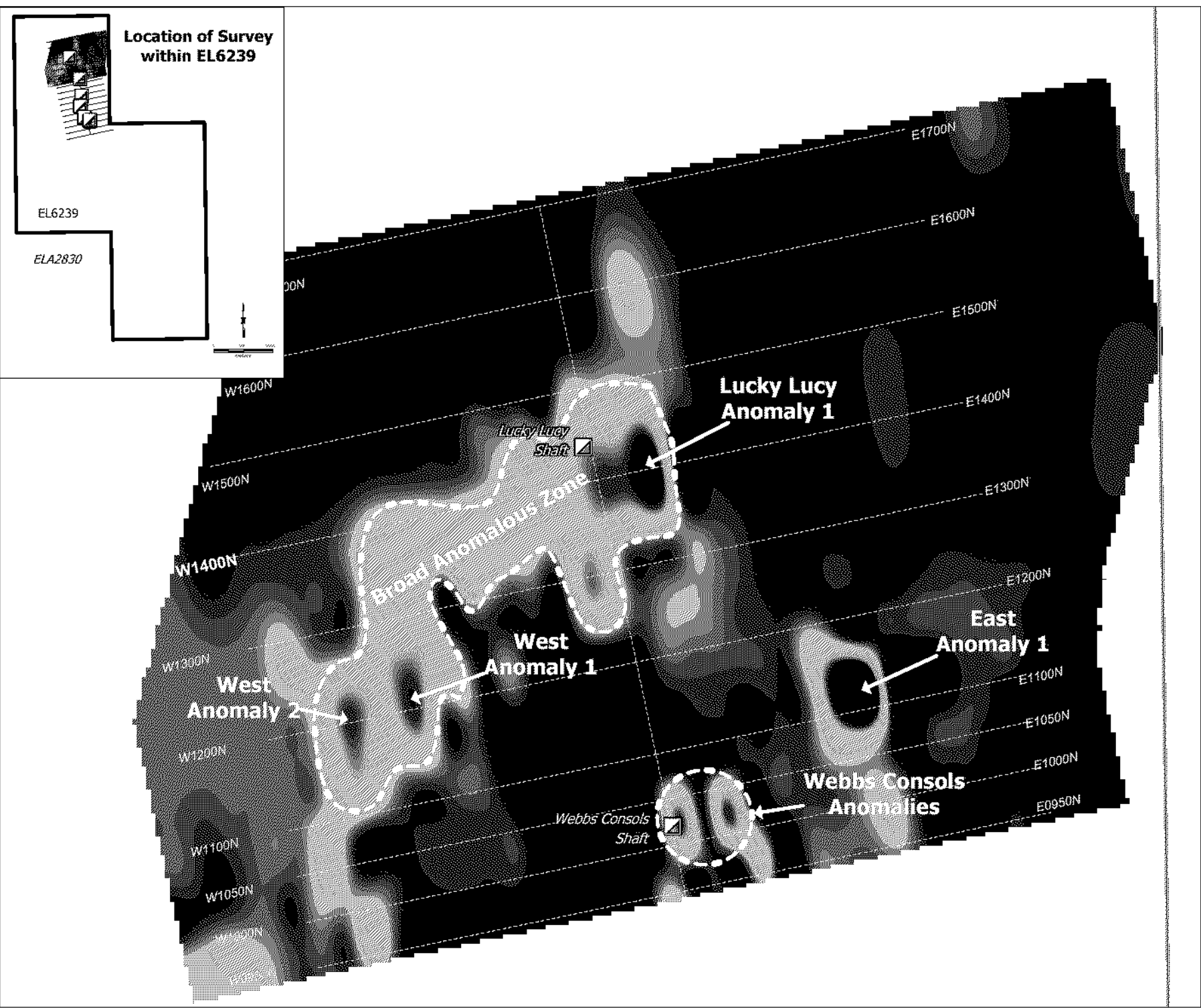
The Company contracted Fugro Ground Geophysics to run the survey. The surveys covered an area of approximately one square kilometre over known old workings on the northern end of EL6239. The purpose of the survey was to identify areas of possible sulphide metal accumulation that may occur in the ground but may not be obvious on the surface. The survey completed only half the planned area due to other commitments from the Fugro crew. It is planned to complete the remaining southern half of the survey in June 2007.

The data have been modelled and interpreted and a number of isolated areas of anomalous elevated IP response have been identified (Map 1). Two main zones of anomalous chargeable IP response have been identified with values up to five times background. The anomalous zones detected are approximately 200 and 500 metres in length. The IP chargeability parameter relates directly to the amount of metallic minerals in the earth and these anomalous results point to areas that are likely to contain anomalous amounts of sulphide minerals such as zinc, lead and silver that may be related to economic accumulations of these metals.

The Company is planning to complete follow-up work on the anomalies with the first round of drilling planned to commence on the Webbs Consols prospect in July 2007.

For further information please contact Charles Straw, General Manager on 02 9455 0280 or email at cstraw@silverminesltd.com.au.

The information in this report that relates to Exploration Results has been compiled by Charles Straw (BSc Appl Geo, Hons) consulting geologist and General Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. The information used in the report has been provided by Steve Collins (MSc (Hons.) degree in mineral exploration geophysics), Consultant Geophysicist who has more than 30 years continuous experience in mineral exploration geophysical prospecting and interpretation. He is been a member of The Australian Society of Exploration Geophysicists and the Australian Institute of Geoscientists. Both Charles and Steve have 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 Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Charles and Steve consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.



MAP 1
WEBBS CONSOLS
PROSPECT - IP
(CHARGEABILITY)
SURVEY

