

To: Company Announcements Officer
Australian Securities Exchange

15th March, 2011

WEBBS DIAMOND DRILLING RESULTS AMENDMENT

Silver Mines Limited (SVL) wishes to advise that the ASX announcement released today has been amended to show all silver (Ag) results in grams per tonne (g/t) rather than ppm.

The results have not changed as ppm are equivalent to g/t i.e. 1 ppm is equal to 1 g/t.

This amendment has been done to ensure consistency with previous announcements released by SVL which have shown silver values in g/t.

Please direct any queries regarding the content of this report to Charles Straw (CEO) on +61 2 9253 0900 or cstraw@silverminesltd.com.au.

Competent Person Declaration

The information in this Document that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr David Hobby, consulting geologist to SVL, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Hobby 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 in the 2004 Edition of the 'Australasian Code for Reporting of Exploration' for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hobby consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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HIGHLIGHTS

- **DDH011 intersects 3.95m @ 916g/t Ag, 0.9% Cu, 0.16% Pb and 3.42% Zn from 94.6m**
- **DDH006 intersects 3.0m @ 408g/t Ag, 0.59% Cu, 2.54% Pb and 1.93% Zn from 81.7m and;
6.0m @ 275g/t Ag, 0.39% Cu, 0.39% Pb and 2.19% Zn from 96.15m**
- **DDH009 intersects 3.0m @ 261g/t Ag, 0.31% Cu, 1.30% Pb and 1.20% Zn from 23.8m**
- **DDH008 intersects 2.0m @ 196g/t Ag, 0.26% Cu, 1.25% Pb and 1.23% Zn from 21.6m and;
2.0m @ 180g/t Ag, 0.1% Cu, 0.68% Pb and 0.85% Zn from 37.2m**
- **DDH007 intersects 6.0m @ 167g/t Ag, 0.18% Cu, 0.83% Pb and 1.53% Zn from 137.9m**
- **Deep drilling at Main Shaft workings confirms existence of lode structure at depth >250m**
- **Additional results from remaining holes are awaited**

Silver Mines Limited (ASX:SVL, PLUS:SVLP) is pleased to announce that it has received the results for six of the eleven recently completed diamond drill holes at the Webbs Silver project. Results have also been received for diamond drill holes previously completed which targeted deeper mineralisation beneath the Main Zone old workings. All results are shown in Table 1. Amendment

RECENT DRILLING

Results from recently completed holes (DDH006, 008, 009 and 011) reveal high grade intersections that support and locally enhance the current resource. DDH011 is particularly encouraging and continues to demonstrate an apparent increase in grade with depth in certain areas of the Webbs South mineralisation. Mineralisation remains open beneath DDH011 as shown in Figure 1. DDH011 also supports the model that local variability is apparent both along strike and down dip, with key indicators remaining structural and geological features with silver content variable in some zones.

Holes DDH008 and 009 intersected near surface, relatively narrow and moderate grade zones of silver rich polymetallic mineralisation.

Hole DDH007, which was aimed to twin RC076, tracked above the planned target. Results from DDH007 were 6.0m @ 167g/t Ag, 0.18% Cu, 0.83% Pb and 1.53% Zn. These are comparable to the nearby hole RC067 which intersected 9m @ 312g/t Ag, 0.27% Cu, 0.47% Pb and 2.15% Zn.

DDH006 was drilled at the Webbs Main zone. It was aimed to twin RC100 however it intersected the lode slightly below RC100. Results from DDH006 reveal slightly lower grades over narrower widths as compared to the RC100 intersection however this is not unexpected given the grade distribution observed in other parts of the deposit.

Hole DDH005 was planned to twin RC045. It tracked slightly below and north of target. The results from DDH005 (1.46m @ 46g/t Ag) as compared to RC045 (7m @ 343g/t Ag) are difficult to reconcile and may indicate local grade discontinuity, structural disruption or other complexity at this localised zone. The position of all diamond drill holes in relation to previous RC drilling is shown in the longitudinal section in Figure 2.

PREVIOUS DRILLING

Results have also been received for diamond drill holes completed in 2009. These holes were targeted at depth extensions beneath the old workings at Webbs Main, and were drilled to test for indications of the structural and alteration indicators of the deposit at these depths. Three holes DDH001, 002 and 004 all intersected the main lode zone at a depth of approximately 250m below surface. Grades of zinc, arsenic and other accessory metals along with strong alteration indicate the 'main lode zone' is still present over true widths up to 9m. Although silver grades are not considered high when compared to other parts of the deposit, the presence of the main lode zone and intensive alteration over considerable widths provides strong support for mineralisation to extend to at least this depth throughout the entire deposit.

DDH003 was abandoned short of the Main Zone, but did intersect narrow low grade zones west of the Main Lode, supporting the existence of parallel mineralised structures to the west of the main lode zone. The position of all diamond drill holes in relation to previous RC drilling is shown in longitudinal section in Figure 2.

FUTURE PLANS

The Company awaits the results of five more recently completed diamond drill holes. These results will be reported when received. Diamond core will then be available to formulate samples for a metallurgical testwork program seeking to optimize floatation performance and silver recovery.

The Company anticipates that a 12,000m RC drilling program will commence at Webbs in early April. This program is designed to increase and upgrade the existing resource. Drilling will also take place at exploration targets around Webbs and at other prospects in the region. The Company looks forward to continue reporting positive results to shareholders.

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Table 1. Diamond drilling: Hole details and intersections

Hole ID	MGA East	MGA North	Dip	Azi (mag)	Hole Depth	from	to	Int (m)	Ag g/t	Cu %	Pb %	Zn %
DDH001	359029	6752599	-80	281	323.0	305.27	313.70	8.43	0.89	0.08	0.03	0.05
DDH002	358914	6752594	-85	100	402.2	215.00	262.00	47.00	10	0.02	0.15	0.71
DDH002						234.60	243.55	8.95	16	0.02	0.2	1.92
DDH002						238.55	241.55	3.00	25	0.02	0.08	3.93
DDH002						255.20	260.85	5.65	5	0.01	0.07	0.08
DDH003	358879	6752551	-75	100	195.1	32.20	34.20	2.00	33	0.04	0.28	0.41
DDH003						178.50	179.10	0.60	32	0.05	0.21	0.29
DDH003						190.80	192.10	1.30	12	0.01	0.22	0.13
DDH004	359020	6752575	-80	280	347.1	125.40	126.40	1.00	32	0.98	0.006	0.06
DDH004						128.60	129.40	0.80	60	0.02	0.12	0.29
DDH004						159.20	160.20	1.00	32	0.02	0.21	0.37
DDH004						307.99	310.80	2.81	10	0.08	0.47	0.32
DDH004						342.30	347.00	4.70	22	0.04	0.08	1.99
DDH004						343.80	344.20	0.40	53	0.06	0.14	8.44
DDH005	358950	6752100	-62.5	289	120.0	106.36	108	1.64	46	0.02	0.11	0.16
DDH006	358929	6752588	-65	105	153.3	81.7	84.7	3.00	408	0.59	2.54	1.93
						96.15	102.15	6.00	275	0.39	0.39	2.19
DDH007	358910	6751665	-55	280	180.0	137.9	143.9	6.00	167	0.18	0.83	1.53
DDH008	358910	6751880	-65	280	105.1	21.0	23	2.00	196	0.26	1.25	1.23
DDH008						37.2	39.2	2.00	180	0.10	0.68	0.85
DDH009	358893	6751833	-55	270	67.7	23.8	26.8	3.00	261	0.31	1.30	1.20
DDH011	358923	6751849	-60	268	120.1	88.6	98.55	9.95	417	0.42	0.15	1.85
DDH011						94.6	98.55	3.95	916	0.90	0.16	3.42
DDH011						106.6	107.6	1.00	627	0.54	0.41	0.70

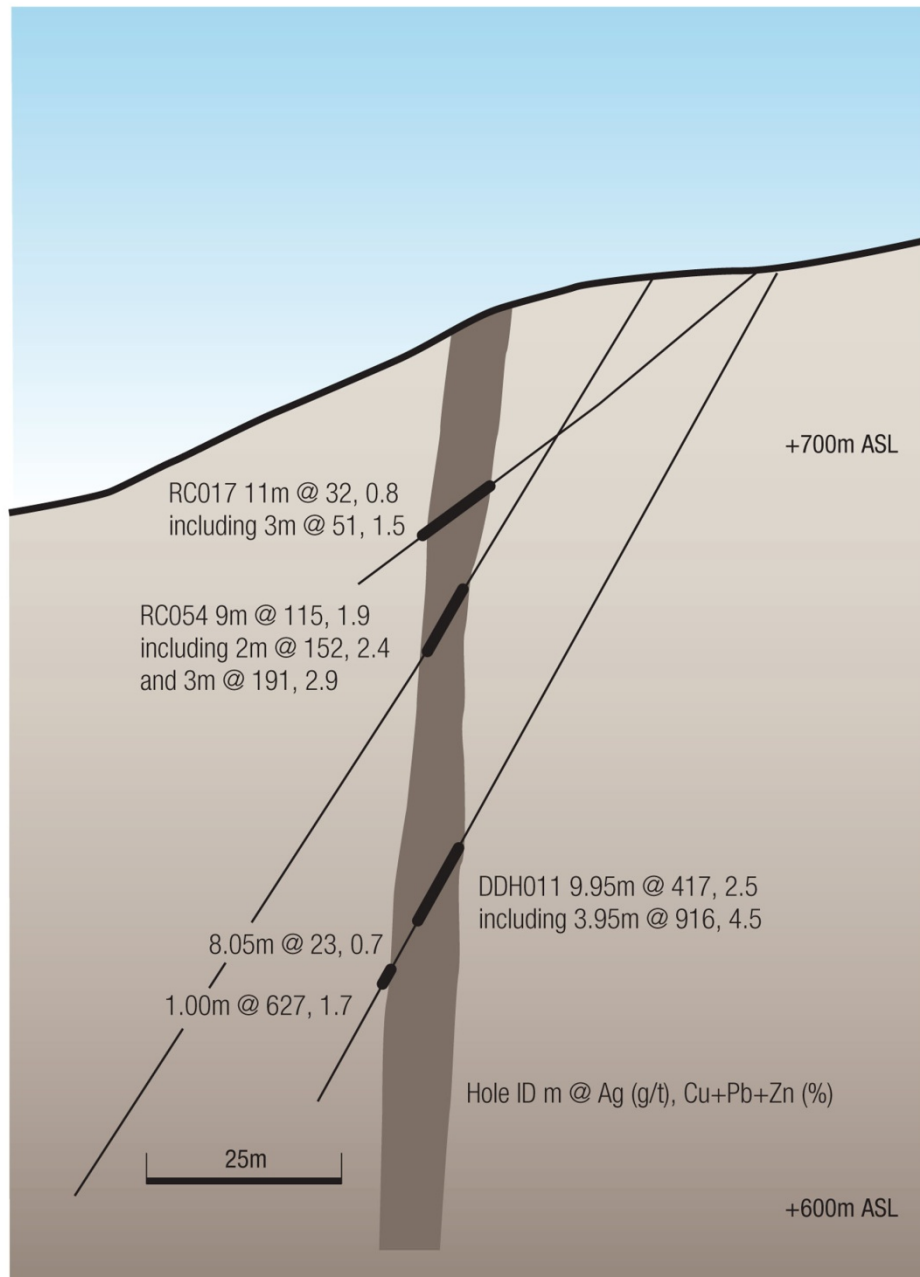
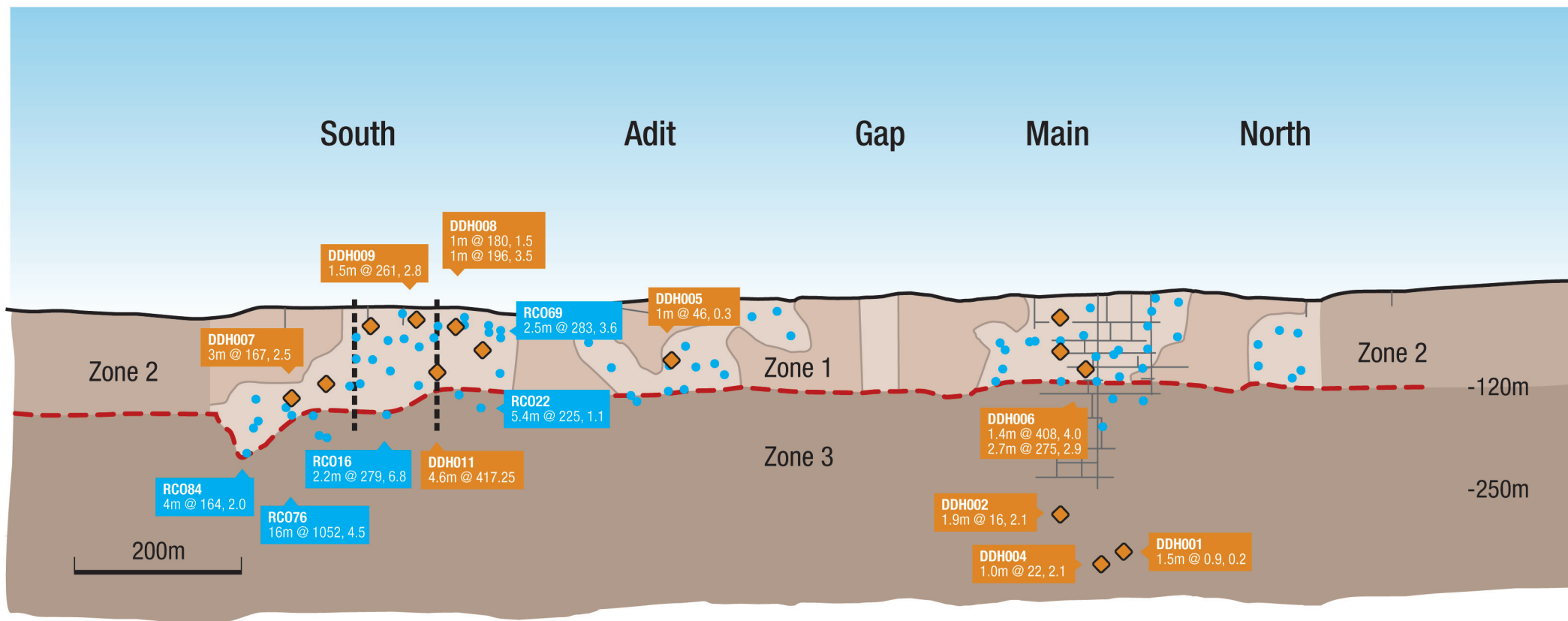


Figure 1. Cross Section 6751860N (MGA)



Diamond drill holes RC drill holes Cross Section Old workings

Hole ID m (estimated true width) @ Ag (g/t), Cu+Pb+Zn (%)

Areas of existing resource

Zone 1 Exploration Potential above 120m

Zone 2 Exploration Potential above 120m

Zone 3 – Exploration Potential 120m to 250m