



Silver Mines Limited
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SILVER MINES LIMITED CONFIRMS FINANCING ARRANGEMENTS

- **Firm commitments received for \$2.25m at a price of \$0.0015**
- **Attaching 1 for 2 free \$0.003 option with 2-year expiry**
- **Bowdens acquisition deposit of \$1.8m to be paid on or before Wednesday 30 March 2016**
- **Placement supported by leading natural resources focussed institutions and high net worth individuals**
- **Advanced discussions underway with brokers, advisors and financial institutions to complete full settlement terms prior to 30 June 2016**

The Directors of Silver Mines Limited ('SVL' or 'the Company') are pleased to announce that the Company has received firm commitments totalling \$2.25m to subscribe for a placement of shares at a price of \$0.0015 (**Placement**) with a 1 for 2 free attaching \$0.003 option (2-year expiry) (**Options**). The Placement was lead managed by DJ Carmichael and was supported by a range of natural resources focussed institutions and high net worth individuals.

The Placement shares are anticipated to be issued under the Company's available placement capacity on or around 24 March 2016. The issue of the options attaching to the placement shares are subject to shareholder approval in accordance with ASX Listing Rule 7.1. The Company anticipates that it will seek this approval at a general meeting intended to be held in May 2016. Further, the Company will today lodge a 'cleansing' prospectus in respect of the issue of the Options and a small further offer of shares.

The proceeds of the Placement are intended to be used to pay a deposit of \$1.8m to Kingsgate Consolidated Limited (ASX:KCN), to fund the Bowdens Silver Project acquisition announced by the Company on 3rd March 2016.

It is currently anticipated that the remaining payment required to complete the Bowdens Silver Project acquisition will be raised by the Company under financing arrangements to be confirmed in April 2016. Discussions are currently underway with leading brokers, advisors and financial institutions to firm up the proposed arrangements, providing the Company with the appropriate level of funding to further its Silver focussed project portfolio.

The Company will update shareholders in the coming weeks with respect to timing of the proposed general meeting to be held in May 2016.

The successful completion of the Bowdens Silver Project acquisition will make SVL the largest pure play silver company on the Australian Securities Exchange, and one of the largest silver companies in the southern hemisphere. This substantial expansion to the Company's resource base perfectly positions SVL to capitalise on an upturn in silver prices.

SVL's Consolidation Strategy

As per previous announcements, the core of SVL's strategy has been to consolidate silver deposits in New South Wales and to form Australia's pre-eminent silver company.

SVL has now secured agreements relating to three significant Silver deposits all of which fall in New South Wales. The Webbs Deposit is 100% owned by SVL while it is anticipated that SVL will complete its acquisition of the Conrad Deposit from Malachite Resources Limited (ASX:MAR) in the near future, following SVL's completion of its payment and share issue obligations under the arrangements with MAR (refer to MAR release dated 2nd September 2015).

SVL's goal is to provide exceptional returns to shareholders through acquisition, exploration and potential development of quality silver projects and maximising leverage to an accretive silver price.

To date, SVL's strategy has been to evaluate, acquire, and explore opportunistically priced silver deposits in the current silver market. A key focus of this included acquiring known silver deposits with demonstrated JORC compliant resources that provide a low entry price to silver assets on a per ounce basis. Adding silver ounces and continuing to accumulate additional silver resources will provide an asset backing per share on a silver ounce per share basis.

Signed



Nathan Featherby
Chairman of the Board

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