

BOWDENS ACQUISITION UPDATE

The Board of Silver Mines Limited (ASX:SVL) (Company) advises that a total of \$1.8m in cleared funds have been forwarded to Kingsgate Consolidated (ASX:KCN) representing the “initial amount” to be forwarded by Silver Investment Holdings Australia Limited (SIHA) to KCN and further contemplated within the Heads of Agreement (HOA) between SVL and SIHA announced 3rd March 2016.

The above payment follows the completion of the due diligence on the Bowdens project by SIHA and SVL’s approval to proceed with the proposed acquisition.

The Company has today issued shares for the recent placement under the Board’s rights pursuant to Listing Rule 7.1. The remaining components of the recent placement will be subject to shareholder approval at a meeting of shareholders to be held in May 2016.

Board Appointment

SVL has appointed Mr Saxon Ball to the Board of the Company effective today.

Mr Ball is a Director of STB Projects Pty Ltd, a Private Australian Company focussed on infrastructure installation services and development within the natural resources sector.

The Chairman, Mr Nathan Featherby said that Mr Ball has extensive experience in the development of infrastructure solutions and services provided to the natural resources sector. Saxon who has completed studies in Business development and leadership, resides in Sydney, NSW and makes a valuable addition to the SVL Board.

For enquiries please contact Investor Relations, Hugo McChesney (M: +61 401 736 739 E: hugo@silverminesltd.com.au).

Yours faithfully
Silver Mines Limited



Trent Franklin
Company Secretary

Released: 7th April 2016