

# COMPANY FACT SHEET



## Contact

### SILVER MINES LIMITED

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## Company Profile

SILVER Mines Limited (SVL) aims to develop a small high-grade silver-rich deposit as soon as possible to provide working capital to meet its continuing exploration and development goals in the short to medium term.

SVL was established to explore, discover and develop primary silver mining operations in Australia and overseas.

The company listed on the Australian Stock Exchange on January 19, 2007 after raising A\$4.1 million from the IPO, with Martin Place Securities underwriting A\$3 million. Since listing, a further A\$750,000 was raised through a placement. The company has sufficient funds available to sustain its operations in the short to medium term but intends to raise more money as it becomes available. An important component of this is the listing of SVL's shares on the Plus Market in London, which is under way and is anticipated to be completed by the end of 2007. This dual listing aims to give SVL a broader investment base as well as to heighten its profile internationally.

## Company Projects

SVL holds eight exploration licences concentrated primarily in the historical silver mining areas of the New England area in the north of New South Wales. All the tenements lie within the Woolomin-Texas Block of the New England Fold Belt, which holds the largest number of recorded mineral deposits of any structural entity in New South Wales. All of the company's projects are considered prospective for hosting silver-rich polymetallic mineralisation.

Since listing, SVL has also completed 3,000 m of reverse-circulation drilling – with 2,500 m carried out on its Webbs Silver Project on EL5674. Results to date have been very encouraging, with a number of prospects identified that contain favourable geological environments that may be amenable to hosting highgrade silver-rich polymetallic mineralisation. The highest-priority prospects lie within EL5674, where the historic Webbs Silver Mine is located.

Drilling on the Webbs Silver Southern prospect (about 600 m south of the Webbs Silver Mine) has returned very high-grade intersections from a number of holes with the best assays received to date in RC012 with 20 m downhole (about 3.5 m true width) at 761 g/t silver (24 oz/t silver) – including 1 m at 10,550 g/t silver. This prospect has now had 2,500 m of drilling completed on it, with results from all holes expected in mid-December. The company hopes to delineate a JORC-compliant resource from this drilling in early 2008.

Surface mapping and sampling in conjunction with ground geophysics has also identified a number of other high-priority targets within this tenement. A 7,000 m drilling programme will begin in February that will test a number of these targets. Drilling will also begin at the historic Webbs Silver mine, where operations ceased in the 1950s, primarily due to unfavourable market conditions and poor management of the operation. A review of the available historical data suggests that the likelihood of the mineralisation extending below the base of mining (200 m) is good, and drilling is planned to test this model in early 2008.

Reconnaissance work has also been completed on SVL's Mole River tenements this year and has returned very encouraging results from a number of prospects: mostly associated with vein or multi-veinstyle structures similar to those at the Webbs Silver

The initial programme focused on following up previous explorers' work that had identified high silver values in rock-chip sampling but had never been followed up. SVL's preliminary programme included mapping and sampling at six prospects identified from anomalous silver targets defined by previous explorers, including Kennecott Explorations Ltd (Kennecott), Western Mining Corporation Ltd and BHP Ltd in the 1980s and 1990s. Most of the previous exploration focused on bulk-tonnage tin deposits and neglected silver and base-metal mineralisation and anomalies. These prospects include Spring Road Workings, Whalan's North and South, The Avenue, Mosman and Mosman South. These results confirm the Kennecott data and are considered highly prospective, particularly given the polymetallic nature of each occurrence and that this is the first follow-up work done at these prospects since Kennecott's work in the 1990s. The significance of the results is that there is clear evidence that highgrade silver-rich polymetallic mineralisation occurs at a number of prospects within our tenements, and with further work, it may be possible to delineate an economically-exploitable deposit from one or more of these areas. Follow-up exploration projects are being planned for these prospects and will start early next year.