

15 August 2018

Company Announcement Officer
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ENTITLEMENTS ISSUE: DESPATCH OF PROSPECTUS

Silver Mines Limited (ASX:SVL) (“Silver Mines” or “the Company”) advises that the Prospectus for the Company’s partially underwritten, renounceable entitlements offer (**Offer**) announced on 3 August 2018 will today be despatched to Shareholders.

The terms of the Offer are as follows:

- (a) Eligible Shareholders are offered the ability to subscribe for one (1) fully paid ordinary share (**New Share**) for every four (4) existing shares they hold in the Company, as at the record date (10 August 2018).
- (b) Eligible Shareholders will receive one new option for every two New Shares subscribed for. The New Options will have an exercise price of \$0.06, with an expiry date which is three years from issue.
- (c) Eligible Shareholders include shareholders who are noted in the Share Registry as having an address in Australia or New Zealand as at the record date.
- (d) Shareholders are able to trade their entitlements on the ASX. Patersons Securities Limited has been appointed as nominee of ineligible shareholders for the purpose of selling their entitlements.
- (e) The Offer is being partially underwritten by Patersons Securities Limited to the value of \$2,500,000.

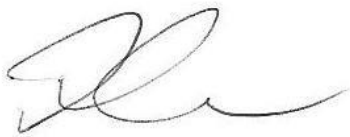
The Offer is intended to be conducted in accordance with the following timetable*:

Announcement of Offer	3 August 2018
Lodgement of Prospectus with ASIC	3 August 2018
Copy of Prospectus given to ASX	3 August 2018
Notices sent to Shareholders	6 August 2018

Ex-date	9 August 2018
Trading of rights commences	9 August 2018
Record Date	10 August 2018
Prospectus despatched to Shareholders (and announcement of despatch)	15 August 2018
Closure of rights trading	24 August 2018
Last day to extend the Closing Date	28 August 2018
Closing Date*	31 August 2018
ASX notified of under subscriptions	4 September 2018
Issue date	6 September 2018
Trading of Securities commences on a normal basis	7 September 2018

* The above dates are determined based upon the current expectations of the Directors. The Directors reserve the right to extend the Closing Date by giving at least three Business Days' notice to ASX prior to the Closing Date. Such extensions would have a consequential effect on subsequent dates.

Yours faithfully
Silver Mines Limited



Trent Franklin
Company Secretary