

**5 September 2018**

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

## **ENTITLEMENT OFFER AND SHORTFALL PLACEMENT RAISES \$3.85M**

Silver Mines Limited (“Silver Mines” or “the Company”) advises that its renounceable entitlements issue announced on 3 August 2018 closed on 31 August 2018 at 5:00 p.m. (AEST) (“the Offer”). The Offer was for one new share for every four shares held by eligible shareholders at an issue price of \$0.03 per share (“New Shares”) to raise \$3.85 million (before costs), together with one free attaching option for every two New Shares subscribed for, exercisable at \$0.06 with an expiry date three years from the date of issue (“New Options”).

The Company received subscriptions from shareholders as per the below table. The Company is also pleased to advise that it has completed the placement of the Shortfall through the Lead Manager and Underwriter to the Offer, Patersons Securities Limited.

<b>Details</b>	<b>New Shares</b>	<b>New Options</b>	<b>\$</b>
Entitlement Securities	70,109,129	34,874,004	2,103,274.87
Additional Securities subscribed under shortfall	16,559,314	8,279,657	496,779.42
<b>Total</b>	<b>86,668,443</b>	<b>43,153,661</b>	<b>2,600,053.29</b>
Shortfall Placement	41,531,771	20,765,885	1,245,953.13
<b>Total Rights Issue</b>	<b>128,200,214</b>	<b>64,100,107</b>	<b>3,846,006.42</b>

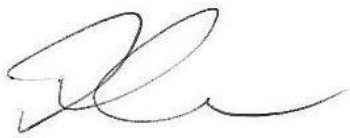
The Directors of Silver Mines have subscribed for 12,885,417 New Shares and 6,442,709 New Options totalling \$386,563 as part of the Offer and Shortfall Placement. The Shortfall Placement component to Directors comprising \$237,500 will be subject to shareholder approval. The offer to issue Shortfall Securities is a separate offer under the Entitlements Issue Prospectus dated 3 August 2018 (“Prospectus”).

The Company is pleased with the strong support from existing shareholders and the level of interest it received from new investors.

In accordance with the timetable for the Offer set out in the Prospectus, the issue date for the New Shares and New Options is intended to be 6 September 2018.

The completed financing is primarily targeted for a comprehensive initial drilling program of up to 7500 metres of reverse circulation and diamond core drilling at the high quality Barabolar exploration project located in central New South Wales. Subject to planning and approvals, drilling is expected to commence in September 2018. Please refer to ASX release of 28 August 2018.

Yours faithfully  
Silver Mines Limited



Trent Franklin  
Company Secretary