

To Company Announcements Officer
ASX

23rd December, 2009

Drilling Results Extend Mineralisation at Webbs.

Silver Mines Limited (SVL) is pleased to announce that drilling results from the recently completed 1,634m reverse circulation program at the 100% owned Webbs Silver Project have extended high grade silver-rich polymetallic mineralisation at the Webbs Silver South and Adit Prospects to a total combined strike length of over 600m, and remains open in all directions.

The final batch of assays was received on December 21. The new results have not been incorporated into the existing resource model, this will be completed as a priority in the New Year. The results are considered excellent and support SVL's view that the Webbs Silver South and Adit Prospects are a continuously mineralised lode system rather than two discrete pipes. The best intersections are shown in Table 1 and hole locations in Table 2. Funds recently raised will be used to complete further drilling in March 2010 as well as progress the mining, metallurgical and other studies on the project.

Hole ID	From# (m)	To# (m)	Ag g/t	Ag Oz/t	Zn %	Cu %	Pb %	Sb %	comment
RC058	116	124	33	1.1	0.3	0.03	0.6	0.01	RC pre-collar for diamond tail in 2010
RC059	9	11	142	4.6	0.2	0.1	1.1	0.05	
RC059	15	16	178	5.7	0.4	0.2	1.9	0.1	
RC060	54	60	213	6.8	0.9	0.3	0.7	0.2	
RC061	NSI*								
RC062	NSI								
RC063	99	100	143	4.6	0.9	NSA**	0.5	NSA	
RC064	NSI								
RC065	22	24	614	19.7	0.3	0.2	0.4	0.1	
RC066	NSI								
RC067	143	152	312	10.0	2.2	0.3	0.5	0.1	
RC068	63	69	76	2.4	1.6	NSA	3	NSA	RC pre-collar for diamond tail in 2010
RC069	32	37	283	9.1	1.7	0.3	1.7	0.2	
RC070	36	39	347	11.2	0.4	0.3	0.9	0.2	
RC071	105	118	223	7.2	1.9	0.2	0.2	0.1	

Table 1 – most significant assays from October-November 2009 drilling program, EL5674.

- depths are downhole intersections and NOT true widths of lode. Due to the geometry of the lode versus the angle of each drillhole the true width of the mineralised interval is approximately one third of the downhole intersection. These true widths will be clarified once all the new drillholes have been incorporated into the existing 3D model and interpreted.

* NSI – no significant intersection. ** NSA – no significant assay.

Hole ID	Total Depth (m)	Azimuth (° MAG)	Dip (°)	Easting (MGA)	Northing (MGA)
RC058	124	280	55	358906	6751692
RC059	48	280	55	358883	6751820
RC060	72	280	75	358883	6751820
RC061	129	280	55	358958	6752123
RC062	144	280	63	358958	6752122
RC063	120	280	55	358970	6752129
RC064	114	280	55	358975	6752150
RC065	78	280	55	358953	6752173
RC066	150	280	75	358954	6752172
RC067	162	280	55	358910	6751664
RC068	185	280	55	358915	6751643
RC069	60	320	60	358909	6751919
RC070	102	320	68	358910	6751917
RC071	126	310	55	358889	6751717

Table 2: Drill hole collars

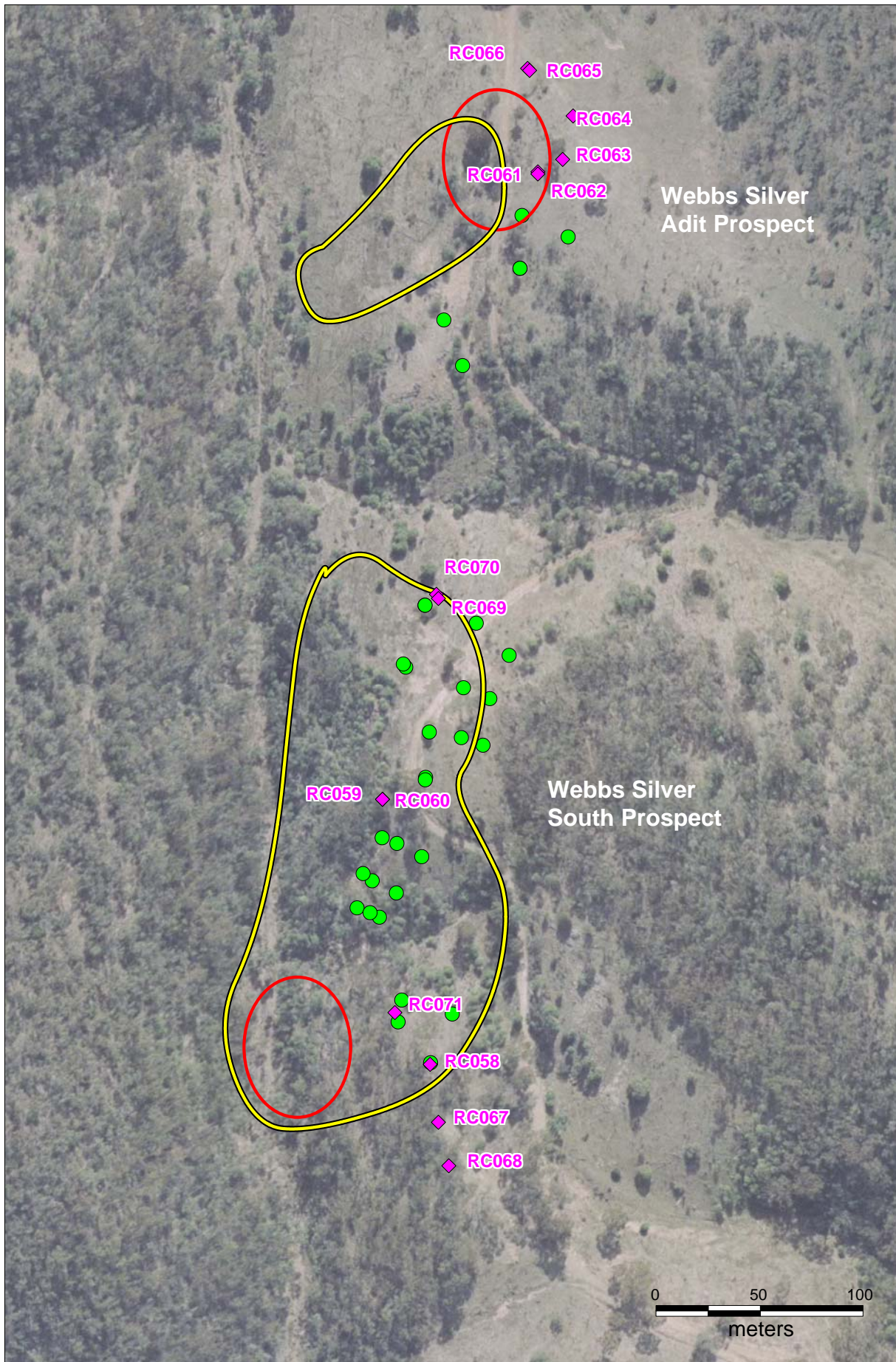
A full updated interpretation will be provided in early 2010 once the results have been incorporated into the resource model.

The Company wishes all a happy and safe holiday and a prosperous 2010.

Please direct any queries regarding the content of this report to Charles Straw (CEO) on +61 2 9436 0533 or cstraw@silverminesltd.com.au.





The information in this report that relates to Exploration Results is based on information compiled by Charles Straw, consulting geologist and General Manager, who is a Member of The Australasian Institute of Mining and Metallurgy. Charles Straw has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Charles Straw consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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DATUM: GDA94, MGA ZONE 56



-  EM Anomaly (Conductivity)
-  IP Anomaly (Chargeability)
-  SVL Drill Hole Collar (2007-2008)
-  SVL Drill Hole Collar Oct 09

MAP 1
October 2009 Drilling
EL5674

