31st October, 2003

Australian Stock Exchange Limited
Company Announcements Office

MACMIN SILVER LTD CLOSES $10 MILLION FINANCING FACILITY

Macmin Silver Ltd (Macmin), on the 30th October 2003, signed an agreement with US based investment group, Cornell Capital Partners (Cornell), for a $10 million Equity Line of Credit.

The equity line facility is part of a financing strategy to ensure that funding is available for the further exploration of and development of the company’s silver resources/reserves at the Texas Silver Project, in Queensland, Australia.

The facility should give shareholders and investors confidence that Macmin has a source of funds for the continued expansion of silver resources (by drilling) and for silver mine development at the company’s Texas Silver Project, (see previous releases for likely timing for silver production). In the interim, the company may commence construction of long lead-time development items such as connection to grid power and various road works at site.

The equity line gives Macmin substantial flexibility, in terms of both draw-downs and freedom to use alternative funding sources. The equity line gives the company comfort that no matter what its financial needs and no matter what the market cycle, it has a fall back position. The pricing of each draw-down will relate to the market price of Macmin Shares at the time of draw-down. Thus, if Macmin shares increase in price, draw-downs will be at higher than present prices. The equity line also gives the company a source of project funding which will allow Macmin to remain unhedged. In addition, the attraction for the company to remain debt free should not be underestimated as we enter a period of increasing interest rates over the coming years.

The main terms of the facility are as follows:

- Macmin has the right, but not the obligation to sell ordinary shares of up to AUD$10,000,000 in tranches of $200,000 over the next 60 months.

- At option of Macmin, Cornell shall purchase up to $200,000 of ordinary shares from Macmin in any five-trading-day period. The rate of draw-downs will be determined by Macmin in view of its financial requirements and the market.

- There is no mandatory or minimum draw-down.

- There are no non-usaged fees on the unused amount of the Equity line.
- There are no covenants or restrictions to prevent Macmin from seeking outside financing and investments.

- Shares issued to Cornell will be priced at a 3% discount to the lowest daily volume weighted average price during the three trading days beginning on the first trading day after the placement notice by Macmin to Cornell (subject to a minimum acceptable price to Macmin).

- A 5% commission will be payable at the time of issue of shares.

- Macmin will pay to Cornell an implementation fee (in cash or shares at Macmin's discretion) of $175,000 at the closing of this agreement and a further $75,000 five trading days prior to the first draw-down.

Managed by US based Yorkville Advisers LLC, the Cornell group of funds has a rapidly growing reputation for structuring equity participation agreements. Facilities similar to this equity line of credit are widely utilised by companies like Macmin in the USA and UK. To date, the Cornell group has made available in excess of $600 million for over 50 publicly quoted corporations.

R.D. McNeil
Managing Director

This report is based on & accurately reflects information compiled by a competent person as defined in Appendix 5A of the ASX Listing Rules.