Silver Mountain Mines Inc. Announces Private Placement

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CALGARY, ALBERTA -- (Marketwire - Oct. 12, 2012) - Silver Mountain Mines Inc. (TSX VENTURE:SMM) ("Silver Mountain" or the "Company") announces a non-brokered private placement of up to 10,000,000 flow-through units for total cash proceeds of up to $1,200,000 (the "Offering"). Each Unit consists of one common share ("Common Share") of the Company to be issued on a flow-through basis (each, a "Flow-Through Share") and one (1) Common Share purchase warrant (each, a "Warrant"). One Warrant entitles the holder thereof to acquire, subject to adjustment, one Common Share at a price of $0.20 per Common Share on or before 4:30 p.m. (MST) on the date December 31st, 2014 (the "Expiry Date") except that, in the event the Common Shares of the Corporation as quoted on the TSX Venture Exchange close at or above $0.30 per Common Share for twenty one (21) consecutive trading days, then the Company may, at its election, accelerate the Expiry Date upon not less than 30 days written notice to each subscriber.

The securities issued in the Offering will be subject to a hold period of four months plus one day from closing and are further subject to such other applicable regulatory and TSX Venture Exchange approval and completion of definitive documentation.

The Company may pay up to a 7% finder's fee relative to the Offering. The Company will use the proceeds of the private placement for exploration work, including a drilling program, on its 100% owned Ptarmigan Property, located in southeast British Columbia, and for working capital.

About Silver Mountain Mines Inc. (TSX VENTURE:SMM)

Silver Mountain Mines Inc. is a Canadian based exploration and development company with 100% ownership of a 9,200 ha property centered on the historical silver rich Ptarmigan Mine in south eastern, BC. The property hosts two styles of mineralization: silver rich, high-grade polymetallic epithermal veins and manto style massive / semi-massive sulphide mineralization.

For further information on please visit the Company's website www.silvermountainmines.com and SEDAR (www.sedar.com).

ON BEHALF OF THE BOARD

Steve Konopelky
President and CEO

Neither the TSX-Venture Exchange nor its Regulation Services Provider, as per the term defined in the policies of the TSX Venture Exchange, accepts responsibility for the adequacy or accuracy of the release.

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