

Silver Mountain Mines Inc. Completes GeoChem Program and Commences Drilling at its Ptarmigan Property

August 23, 2011, Calgary, Alberta – Silver Mountain Mines Inc. (CNSX:SMM) (“Silver Mountain” or the “Company”) has completed its GeoChem program at its Ptarmigan Property located in South Eastern British Columbia. The objective of the program was to enhance the Company’s understanding of the surface geology and the potential of the area. The program consisted of over 570 samples (soil, silt & rocks) from three strategic areas; Ptarmigan – Iron Cap Basin, North Ridge and West Veins, and the East Block.

To further define the extent of the mineralization throughout this strategic area, the Company has commenced its 2011 drilling program, effective August 20, 2011, of up to 6,000 metres in the Ptarmigan-Iron Cap Basin and North Ridge areas. The estimated capital cost of this program will be approximately \$1.5 million.

The Company has contracted an independent consultant and metallurgical laboratory to prepare a feasibility study for a potential extraction program testing the known ore from the existing adit system to confirm processing methodologies and determine the economic value.

Silver Mountain Mines is a past producing mine with a rich history.

- Average grade 4,215 g/t Silver (Ag)
- Silver production yielded approx. 89,000 oz
- 3,546 grams of Gold, averaging 5.4g/t Gold (Au)
- 3,812 kg copper (0.58% Cu)
- 3,519 kg lead (0.54% Pb)
- 848 kg zinc (0.13% Zn)

NEW DISCOVERY AREAS

Upper Ptarmigan Highlights

The upper Ptarmigan Deposit is located about 300 meters from the original Ptarmigan mine as the CRD mineralization plunges to the south. Drilling within the Upper Ptarmigan IP anomaly in 2010 intersected multiple sulphide horizons with 2 holes intersecting mineralized zones with stringers of tetrahedrite. PT10-30 drilled in 2010 towards the projected axis of a major anticline structure intersected two mineralized zones with visible tetrahedrite and elevated lead, copper and zinc values including 2.1 m averaging 29 g/t Ag, 0.01 g/t Au, 1.1% Pb, 0.05% Cu, and 0.03% Zn.

The Upper-Ptarmigan is an important drilling target to establish the continuity of a newly exposed extension of mineralization that returned average grades of 640 g/t Silver and 1.9 g/t Gold over 6 metres from the Ptarmigan mine area. It is anticipated that the mineralization will be concentrated throughout this strike zone. The geology suggests that mineralization could continue as it winds its way through these known faults.

North Ridge

A potentially significant discovery was made mid North Ridge in 2010 where an area of gossans and highly siliceous outcrops were found over a 25 metre strike length indicating a potential vein system 2 to

10 metres wide. Samples were taken from random outcrops across the showing and one sample was taken from the vein gully slightly lower and to the south that suggests a west-dipping structure.

The samples returned excellent silver and gold grades:

| SAMPLE | ELEVATION | AG | AU | CU | PB |
|--------|-----------|-----|------|------|-------|
| | m | g/t | g/t | % | % |
| 528151 | 2,653 | 494 | 3.21 | 0.07 | 0.06 |
| 528152 | 2,653 | 444 | 0.99 | 0.13 | <0.01 |
| 528153 | 2,653 | 146 | 0.09 | 0.03 | <0.01 |
| 528154 | 2,643 | 612 | 1.78 | 0.02 | <0.01 |

(Source: Acme Analytical Laboratories Ltd.)

Iron Cap Basin

Mineralization has been observed over a vertical distance of 250 metres and a horizontal distance of 400 metres north-south.

Chip sample averages from Iron Cap adits:

| ADIT NO. | # SAMPLES AVERAGED | ELEVATION | AG | AU | CU | PB | FE | S |
|----------|--------------------|-----------|------|------|------|------|------|------|
| | | m | g/t | g/t | % | % | % | % |
| 1 | 1 | 2,666 | 184 | 0.14 | 0.03 | 16.6 | 18.1 | 2.1 |
| 2 | 5 | 2,735 | 7 | 0.10 | Tr. | 0.11 | 23.9 | 12.4 |
| 3 | 7 | 2,754 | 671 | 0.31 | 0.13 | 18.3 | 12.9 | 8.8 |
| 4 | 3 | 2,802 | 64 | 0.27 | 0.01 | 2.2 | 28.8 | 11.7 |
| 5 | 1 | 2,907 | 1000 | 0.42 | 0.10 | 30.2 | 14.9 | 11.3 |

(Source: Acme Analytical Laboratories Ltd.)

OUTLOOK

Management's 2011 goal is to determine the size/potential of the Ptarmigan-Iron Cap Basin, while continuing to explore and carry out work on the new discoveries.

“2011 has been a very positive year for Silver Mountain. We have obtained a listing on the CNSX and raised significant capital which will allow us to continue our exploration / drilling programs,” stated Mr. Steve Konopelky, President and CEO of the Company. “During 2011 we will continue to explore the Ptarmigan-Iron Cap and the New Discovery areas through an expanded program that will lead to defining our resource base and increase stakeholder value. We are enjoying strong commodity markets, healthy working capital, no debt and a team focused on delivering results.”

Silver Mountain Mines has recently launched its website at www.silvermountainmines.com.

Assay results mentioned above are taken from the 2010 43-101 report, written by a Professional Geologist in the Province of British Columbia and the Qualified Person for the 43-101 Report.

About Silver Mountain Mines Inc. (CNSX: SMM)

Silver Mountain Mines Inc. is a Canadian based exploration and development company with 100% ownership in over 9,200 hectares of a two type deposit system; Silver Rich High Grade Epithermal Veins and a Massive / Semi-Massive Sulphide Deposit (Carbonate Replacement Deposit). The Company is focused on exploring, developing and re-opening the Ptarmigan Mine-Iron Cap silver and gold deposit in South Eastern, British Columbia.

For further information on Silver Mountain Mines Inc. please visit the Company’s website www.silvermountainmines.com and SEDAR (www.sedar.com) or contact Mr. Steve Konopelky, President & CEO of the Company at 403-229-9140. For general investor relation inquiries please contact Sheri Barton at 403-217-5830.

ON BEHALF OF THE BOARD

“Steve Konopelky”

Steve Konopelky
President and CEO

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