



MACMIN SILVER LTD

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ASX Announcement

23rd October 2008

TWIN HILLS PRODUCTION FORECASTS

Mechanical installation of the upgraded crushing circuit has been completed and commissioning has commenced. Increased crushed product is expected to be available for stacking in the near future.

Based on the earlier crushing study the forecast silver production and site production cash costs for the Twin Hills Silver Mine are as shown in the table below. Silver production and forecasts are illustrated on the bar chart.

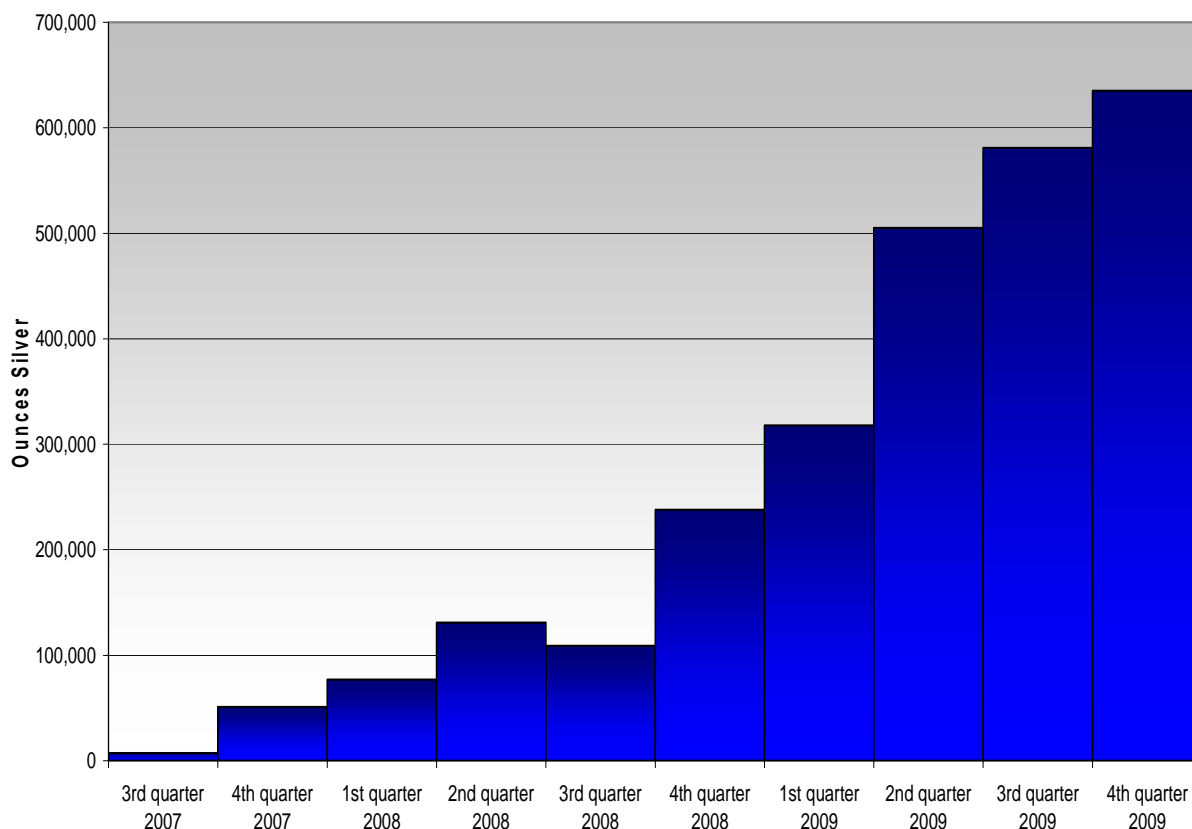
	3 rd QTR 2008	4 th QTR 2008	1 st QTR 2009	2 nd QTR 2009	3 rd QTR 2009	4 th QTR 2009
Ounces Silver Produced or Projected Silver Production	109,000	261,000	303,000	514,000	579,000	635,000
Tonnes Ore Stacked	82,000	169,000	240,000	240,000	270,000	300,000
Site Production Cash Cost of Silver Produced in AUD\$/ounce		22.00	22.00	13.00	12.00	11.50
Site Production Cash Cost of Silver Produced in US\$/ounce as at October 21 st 2008		15.00	15.00	9.00	8.00	8.00

The Company cautions that these figures are based on the following assumptions which could vary and may not be achieved. We believe the assumptions are realistic but they remain to be confirmed over time.

Note:

- US\$ to AUD\$ exchange rates will vary and thus cause the US\$/oz site production cost to change. The AUD\$/oz site production cash cost will not vary significantly with exchange rate fluctuations.
- The above projections are based on both the Crushing Circuit upgrade study and increased shifts, and could vary depending on the crushing upgrade performance.
- It is important to note that there is a minimum three month time lag between the time of stacking ore on the heaps, allowing leaching to commence, and the sale of the silver bullion produced from that ore. For this reason a positive net cash flow will not be achieved until the second quarter of 2009.
- Approximately \$AUD1.2 million in additional capital is required to expand the Merrill Crowe silver recovery facility and purchase a standby jaw crusher.
- To remain viable and achieve the above production levels and costs, the Company will need to raise a minimum of AUD\$5 million, including the capital above, by sale of assets and by an equity raising.

Twin Hills Production and Forecast Production



In response to queries from shareholders, the Company is investigating the possibility of marketing its own silver bullion. There is a long lead time required, however, so this could not be achieved until early 2009.

Yours faithfully,
MACMIN SILVER LTD

R.D. McNeil
CEO/CHAIRMAN

The Company

Macmin Silver Ltd is a silver focused company that has been listed on the ASX since 1993, whose primary projects are the Texas Silver Project, South-East Queensland, Australia where the Twin Hills Silver Mine is located, and the Tally Ho and Mt Scott Projects near Mackay, Central Queensland. The Company aims to utilise its accumulated knowledge and skilled team of staff to consolidate a position as the premier silver focussed company in Australia. This objective is based on our belief that rising silver prices herald a recognition that silver in the 21st Century will be a fundamental metal in technological advances and an important investment asset.

Macmin has exposure to gold by way of an investment of 10.4 million shares in New Guinea Gold Corporation (NGG) and a 1% NSR royalty on production by NGG. In addition, Macmin maintains equity investments in junior Australian explorers, Malachite Resources NL and Frontier Resources Ltd.

Further information is available at www.macmin.com.au.

Kc/rdm025.08