

Frequently Asked Questions



Administrators' Second Update To Shareholders

Macmin Silver Limited (Administrators Appointed)
ACN 056 776 160

ASX code: MMN ("Macmin")

12 December 2008

What was the outcome of the second creditors meeting?

The second meeting of creditors was held on Friday 5 December 2008. At that meeting creditors resolved that Macmin enter into a Deed of Company Arrangement ("DOCA"). At a meeting held concurrently, the creditors of Macmin's wholly owned subsidiary, Texas Silver Mines Pty Ltd ("Texas") also resolved to enter into a "DOCA".

The DOCA's allow the Administrators time to conclude their investigations into the Companies affairs and conclude their dealings in relation to the sale of the Companies assets and/or a restructure of Macmin's share capital with a view to re-listing Macmin on the ASX for the benefit of creditors and members.

What is the current status of Macmin?

All Macmin and Texas's mining operations are now on a care and maintenance program. By placing the operations on care and maintenance, the value of Macmin's assets will be preserved, and any purchasers will have the ability to begin production

soon after the completion of any acquisition. The Administrators have elected to continue the heap leaching at Texas's Twin Hills Silver Mine (whilst doing so provides benefit to the Administrations).

How is the sale process going to be conducted?

The Administrators have been conducting an extensive advertising campaign in respect of Macmin's assets (including the assets of Texas). To date a number of expressions of interest have been received. It is expected these will be narrowed down to several serious bidders following the imminent release of an information memorandum. Given the interruption as a result of the Christmas period it is unlikely final offers will be received before March 2009.

The Administrators will be exploring all options in respect of Macmin's assets from restructuring proposals to the sale of individual assets. The Administrators will then seek creditor approval to vary the DOCA and complete the sale process or liquidate the Company.

Can I sell my shares whilst Macmin is under the Deed Administrators control?

Previously shareholders were advised that whilst Macmin was in Administration shares in the company could not be transferred. Now that Macmin is subject to a DOCA this restriction has been removed and shareholders may transfer shares off-market without seeking the leave of the Court. The Administrators will not generally be assisting shareholders in transferring shares off-market, however, shareholders MUST notify them of all off-market transfers completed so as to enable the share registry to be maintained.

Who can I contact for more information?

The Administrators will continue to provide further updates by way of announcements to the ASX. Shareholders with further queries should refer to my previous announcement to the ASX.

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