

**SILVER MOUNTAIN REPORTS POSITIVE RESULTS INCLUDING
452 g/t Ag OVER 6.80 METRES AND 448 g/t Ag OVER 4.10 METRES**

October 16, 2012, Calgary, Alberta – Silver Mountain Mines Inc. (TSX-V:SMM) (“Silver Mountain” or the “Company”) is pleased to report results from thirteen of forty-five diamond drill holes from the Ptarmigan Mine area on its 100% owned Ptarmigan Property near Radium, British Columbia. The program successfully identified additional high grade silver-bearing vein and semi-massive to massive manto-style mineralization containing a high proportion of sulphosalts.

Mineralization includes intervals of 452 grams per tonne (g/t) silver (Ag) over 6.80 metres (m), 839 g/t Ag over 2.90 m, 1,642 g/t Ag over 1.10 m and 4,806 g/t Ag and 6.99 g/t gold (Au) over 0.29 m. From cross sections, mineralization is interpreted to be an irregular rod shaped body estimated to have a minimum thickness of 5.5 m and maximum thickness of 8 m. The orientation of the mineralized trend supports the interpretation of pyrite-rich, semi-massive to massive sulphide mineralization extending from the Level 2 Adit (at surface) to the Level 1 workings. This interpretation suggests this irregular mineralized rod extends a minimum of 90 m, plunging approximately 15° from surface through the Level 1 workings and remains open to the south.

The following table summarizes reported Ptarmigan Mine drill intercepts:

DDH	From (m)	To (m)	Length* (m)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Cu (%)
PT12-56	4.00	13.00	9.00	1.89	0.14	0.01	0.00	0.00
PT12-57	4.50	7.10	2.60	0.91	0.07	0.00	0.00	0.00
PT12-58	abandoned and re drilled as PT12-59							
PT12-59	45.90	48.80	2.90	839	0.93	0.28	0.04	0.54
including	45.90	47.00	1.10	1,642	1.07	0.55	0.08	1.05
PT12-60	intersected level 1 workings – zone mined out							
PT12-61	48.80	49.95	1.15	229	0.992	0.04	0.01	0.15
PT12-62	Not	Sampled						
PT12-63	24.60	24.70	0.10	8.6	1.61	0.01	0.004	0.0
	31.12	31.30	0.18	3.04	1.83	0.00	0.00	0.00
	31.30	32.60	1.30	1,119	1.88	0.02	0.05	0.63
including	31.63	31.92	0.29	4,806	6.99	2.66	0.06	0.19
PT12-64	43.30	50.10	6.80	452	0.52	0.09	0.02	0.26
including	43.80	45.80	2.00	644	0.76	0.13	0.02	0.31
including	47.80	49.70	1.90	836	0.47	0.15	0.05	0.53
PT12-65	43.00	47.10	4.10	448	0.48	0.07	0.03	0.25
including	43.40	44.00	0.60	2,376	1.38	0.23	0.12	1.28
including	46.00	47.10	1.10	330	0.42	0.06	0.02	0.19
PT12-66	Not	Sampled						
PT12-67	42.70	47.20	4.50	48.7	0.48	0.10	0.00	0.03
PT12-68	42.00	53.00	11.00	123	0.54	0.52	0.01	0.10
including	42.30	46.00	3.70	304	0.71	1.34	0.02	0.27

*True widths have not been calculated and are therefore not known at this time

The mineralization is interpreted to be controlled by a north trending fault intersecting one or more favourable carbonate-rich replacement horizons. Given the carbonate-rich composition of the host Mt. Nelson stratigraphy, identification of additional carbonate replacement horizons and/or lenses is anticipated as a result of further exploration, particularly with respect to the number of mineralized intercepts documented between 2009 - 2012.

Mineralization intersected in PT12-56 (1.89 g/t Ag and 0.14 g/t Au over 9.0 m) and PT12-57 (0.91 g/t Ag and 0.07 g/t Au over 2.6 m) suggests potential for identification of additional mineralization east of, and below, the Level 1 mineralized body.

In 2012 the Company completed a 45 hole diamond drilling program totaling 4,053 metres (2012 DDH Collar Location Chart - <http://www.silvermountainmines.com/maps.asp>). Results are pending from the Upper Ptarmigan, and the East Ptarmigan. A drill plan map and three cross sections showing the locations for the reported drill holes are available on our website at <http://www.silvermountainmines.com/maps.asp>.

QA-QC All samples were submitted to AGAT Laboratories (“AGAT”) for analysis, an independent certified laboratory and preparation facility which maintains an ISO 17025 accreditation by the Standards Council of Canada (SCC). All samples were securely stored at the Ptarmigan Mine site or within sight of the Project Manager and/or Supervising Geologist, at all times. Assays were secured in rice bags, delivered to AGAT Laboratory in Calgary, Alberta, from where they were shipped to their Vancouver Laboratory for analysis.

The content of this news release has been reviewed by Rick Walker, B.Sc., M.Sc., P. Geo., a Qualified Person for the purposes of NI 43-101, with the ability and authority to verify the authenticity and validity of the data herein.

About Silver Mountain Mines Inc. (TSX-V: SMM)

Silver Mountain Mines Inc. is a Canadian based exploration and development company with 100% ownership of a 9,200 hectare property centered on the historical silver rich Ptarmigan Mine in south eastern, British Columbia. 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 Silver Mountain Mines Inc. please visit the Company’s website <http://www.silvermountainmines.com> and SEDAR (www.sedar.com) or contact Mr. Steve Konopelky, President & CEO of the Company at + 1 403 229 9140.

This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. These statements are based on a number of assumptions and factors that could cause actual results to differ materially from those in forward looking statements Silver Mountain Mines Inc. does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

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“Steve Konopelky”

Steve Konopelky
President and CEO