



SILVER MOUNTAIN ANNOUNCES A CORPORATE UPDATE AND NEW TARGETS ON ITS PTARMINGAN PROPERTY

February 28th, 2017 - Calgary, Alberta – Silver Mountain Mines Inc. (TSX-V: SMM) ("SMM" or the "Company") is pleased to release its 2016 audited financial statements posted on SEDAR (www.sedar.com) and the Company website (www.silvermountainmines.com). The Company is also announcing new exploration targets resulting from a thorough review of geophysical data on its wholly-owned Ptarmigan Property (the "Property"), located near Radium, British Columbia.

A review of all the Company's geophysical data was carried out by Dr. Jules Lajoie, who has over 35 years' experience and was previously the chief geophysicist with the Teck-Cominco group of companies. Dr. Lajoie has a very strong background in electromagnetic (EM) and induced polarization (IP) geophysical methods and has been involved with research teams interpreting complex electromagnetic challenges throughout his career. Dr. Lajoie's extensive experience has provided SMM with an improved geophysical understanding of the Ptarmigan project. "Dr. Lajoie and his business colleagues have enabled the Company to better understand the relationship between excellent geological results and the geophysics signatures that support the potential of a larger mineralized body", says Steve Konopelky, President and CEO of the Company.

The recent modelling of the Property's (Ag), lead (Pb), zinc (Zn) and gold (Au) has resulted in a new high-priority target and other new targets that require follow-up by SMM. The Company is very encouraged by the positive geophysical interpretation, not only because it defines a much larger target area adjacent to the previously drilled mineralization, but also because it outlines other high priority anomalies for future trenching and drilling. Management is developing plans to conduct an exploration program to thoroughly investigate these new targets.

The IP anomaly reviewed and interpreted by Dr. Lajoie, along line L3950N has approximate surface dimensions of 180 metres (m) by 50. It consists of an area of coincidental high chargeability and low resistivity. It is located east of the former fault-controlled Ptarmigan Mine, underlying the valley floor and is interpreted to be a potential replacement body that showed strong chargeability and resistivity responses. (*see Plan view chargeability map at <http://www.silvermountainmines.com/maps.asp>*)

The new anomaly is adjacent to previously released drill results from 2012 and 2014 on the Property with documented grades of up to 22,945 grams per tonne (g/t) Ag and 8.24% copper (Cu - see SMM News Release dated Oct. 7, 2014) and up to 37.30 g/t Au (see SMM News Release dated Oct. 15, 2014). Anomalous Cu and Ag is associated with the presence of sulphosalts and abundant sulphosalts have returned high grade Ag analyses (see Oct. 7, 2014 Release).

The main exploration targets on the Property are sulphidation epithermal, disseminated characterized by pervasive, multiple phases of silica, massive to semi-massive pyritic and dolomitic alteration. Anomalous gold, silver, values appear to be associated with areas of more intense multi-stage silicification and brecciation.

The content of this news release has been reviewed by Dr. Jules Lajoie, a Qualified Person for the purposes of NI 43-101, with the ability and authority to verify the authenticity and validity of the information herein.

As previously announced (see SMM News Releases dated, Mar. 24, 2015 and May 19, 2015, as well as the Company's Information Circular dated March 1, 2016) the Company is advancing its discussions relative to potential business alternatives and evaluating opportunities to create greater shareholder value. Such strategic alternatives process is on-going and new opportunities are emerging.

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 9,986-hectare property centered on the historical silver rich Ptarmigan Mine in south eastern British Columbia. 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 (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, or possible transactions or alternative business arrangements or relationships 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 several 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 because of new information, future events or otherwise, except to the extent required by applicable law. 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.

ON BEHALF OF THE BOARD

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Steve Konopelky
President and CEO