

## SILVERMET ANNOUNCES 2011 Q1 RESULTS

**Toronto, June 27, 2011:** Silvermet Inc. (“**Silvermet**” or the “**Company**”) (TSXV: **SYI**) is pleased to announce the release of its financial and operating results for 2011 Q1.

### Highlights

- Operations are cash flow positive and profitable in 2011 Q1
- Production increased by 43% to 3,144 DMT (Dry Metric Tonnes zinc concentrate containing 68% zinc on average) from 2,195 DMT in Q1 2010 despite a 15 day planned shutdown in March for maintenance.
- Sales volumes increased by 6% to 3,626 DMT in Q1 2011 from 3,434 DMT in Q1 2010. (Q1 2010 sales included 1,581 DMT that had been shipped to port in Q3 2009 but were not accounted for as sales until Q1 2010.)
- Revenues increased by 14% to \$5.0 million (at 100%) in Q1 2011 (Silvermet’s share - \$2.4 million) from \$4.3 million in Q1 2010.
- Monthly production increased by 43% from 731 DMT per month in Q1 2010 to 1,048 DMT per month in Q1 2011.
- Repaid the C \$500,000 convertible debenture financing in February 2011.

	For the three months ended March 31,		
	2011 100%	2011 proportional	2010 100%
Gross sales revenues	\$ 4,963,404	\$ 2,432,068	\$ 4,345,210
Direct operating costs	2,311,754	1,084,387	2,512,673
Treatment & transportation	1,366,470	669,570	1,522,362
General and administration	137,671	137,671	212,303
<b>EBITDA<sup>(1)</sup></b>	<b>\$ 1,147,508</b>	<b>\$ 540,440</b>	<b>\$ 97,872</b>
Interest and financing		38,403	15,797
Amortization - Turkey		65,063	110,287
Amortization - Canada		991	2,370
Investment & other (gain) loss		(72,081)	(3,241)
Foreign exchange loss		11,859	50,982
Stock option expense		27,357	14,687
Accretion of liabilities		135,715	65,672
Income tax		120,772	-
Future income tax expense (recovery)		(31,340)	-
Non-controlling interest in net income of consolidated affiliates		-	92,054
<b>Net income (loss) available to common shareholders</b>		<b>\$ 243,701</b>	<b>\$ (250,736)</b>

(1) EBITDA is a non-GAAP measure, does not have a standardized meaning prescribed by GAAP and may not be comparable to similar terms and measures presented by other issuers. EBITDA comprises net income (loss) before income taxes, interest and financing expense (including accretion of liabilities), amortization expense, gain on dilution, non-controlling interest and stock option expense. The Company believes it is appropriate to exclude stock option expense, gain on dilution and non-controlling interest from EBITDA as a measure of operating performance that excludes non-recurring items.



“Results of the first quarter reflect a continuation of the production stability that was achieved at the Turkish operation, beginning in Q3 2010. Our engineers continue to improve throughput and efficiency of the Waelz kiln, with a view of achieving a higher grade zinc content and increased throughput.” said Stephen G. Roman, Silvermet’s Chairman, President and CEO. “We are now aggressively seeking a suitable location for construction of a new state of the art facility to address the EAFD processing capacity deficiency in Turkey.”

**About Silvermet:**

Silvermet’s principal business activity is the recycling of electric arc furnace dust (“EAFD”) obtained from steel companies through a Waelz kiln to recover zinc concentrates that are then sold to zinc smelters throughout the world. The Company owns 49% of a joint venture, Befesa Silvermet Turkey S.L. (“BST”), which operates a Waelz kiln facility located in Iskenderun, Turkey.

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