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November 7, 2008

(SYMBOL: “SEG” TSX)

SILVER EAGLE PROVIDES FINANCIAL AND OPERATIONAL UPDATE

Toronto, Ontario – Silver Eagle Mines Inc. (TSX:SEG) (“Silver Eagle” or the “Company”) announces that due to the steep decline in metal prices, it is reviewing and considering all options and strategic alternatives to enhance stakeholder value.

As a result of the significant downturn in silver, lead and zinc prices, the Company has experienced lower than planned cash flows from operations. These cash flows are insufficient to cover the operating and corporate costs of the Company and as a result, Silver Eagle has minimal available cash resources. Silver Eagle has taken and is continuing to take steps to reduce cash costs and expenses both at its operations and its corporate offices.

The Company had been engaged in extended negotiations in respect of an anticipated loan financing to stabilize the Company’s cash position, which negotiations have now been terminated.

Silver Eagle has engaged Haywood Securities Inc. to act as its financial and strategic advisor, to perform a strategic review of the Company.

The Company is considering all potential alternatives, including potentially raising additional capital, completing a merger or acquisition transaction, selling assets, putting the mine on care and maintenance or ceasing operations at the mine.

There can be no assurance that the Company will complete any transaction that may arise in connection with any of the above.

Silver Eagle is a Canadian-based mining company, the primary asset of which is its wholly-owned Mexican subsidiary, San Pedro Resources, S.A. de C.V., which controls the fully-permitted Miguel Auza Mine and adjacent properties in Zacatecas, Mexico. Since the commissioning of the expanded mill in September, it has processed 18,613 tonnes of ore grading 1.82% Pb, 2.06% Zn and 205 gpt Ag, producing 467 tonnes of zinc concentrates, 460 tonnes of lead concentrates, with 89,302 ounces of Ag contained in the above mentioned concentrates. To date, November processing is averaging 513 tpd. Concentrates are being hauled to the Manzanillo port where they are being exported.

ON BEHALF OF THE BOARD OF DIRECTORS OF SILVER EAGLE MINES INC.

“Terrence H. Byberg”
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If you would like to receive press releases via email please contact info@silvereaglemines.com
Please specify “Silver Eagle press releases” in the subject line.
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This news release contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its projects. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements contained herein are made as of the date of this press release and the Company disclaims, other than as required by law, any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances, management's estimates or opinions should change, except as required by securities legislation. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements

(The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.)