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27th July 2021

Company Announcement Officer
ASX Limited
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Infill and Extensional Drilling Results from Bowdens Silver

HIGHLIGHTS

Northwest High-Grade Zone

- **Initial results from the 30,000m drill program at Bowdens continue to define potential resources for underground mining scenarios, with a focus on the Northwest High-Grade and Aegean Zones.**
- **BD21006 results drilled east of the Northwest High-Grade Zone include;**
  - **2.0 metres @ 443 g/t silver equivalent (146 g/t silver, 3.80% lead, 3.43% zinc and 0.25 g/t gold) from 212 metres; and**
  - **8.3 metres @ 354 g/t silver equivalent (276 g/t silver, 2.15% lead, 0.10% zinc and 0.31 g/t gold) from 263 metres.**
- **BD21011 results returned from the Northwest High-grade Zone include:**
  - **13.0 metres @ 264 g/t silver equivalent (188 g/t silver, 1.66% lead, 0.40% zinc) from 207 metres.**

Bundarra Zone

- **Results from BD21007, show potentially significant 200 metres of extension to the southeast of the Bundarra Zone include:**
  - **6.0 metres @ 311 g/t silver equivalent (35 g/t silver, 3.60% zinc, 2.87% lead and 0.60 g/t gold) from 267 metres.**

Substantial Drilling Program

- **Drilling continues with the 30,000 metre program with four rigs operational on site and which is expected to continue until at least the end of 2021.**

Introduction

Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") is pleased to announce recent assay results from drilling at the Bowdens Silver Project located near Mudgee in New South Wales.

Diamond drilling has continued to test the potential for high-grade resource extensions for underground mining scenarios at the Bowdens Silver Deposit, with a particular focus on the Northwest High-Grade Zone and more recently on the Aegean Zone. The Aegean Zone is a high-grade vein system located beneath the bulk-tonnage Ore Reserve in the Main Zone of the Bowdens Deposit (refer to Figure 1). Drilling has also targeted depth extensions of the recently identified 'Northern Feeder Vein' across the nose of the deposit.

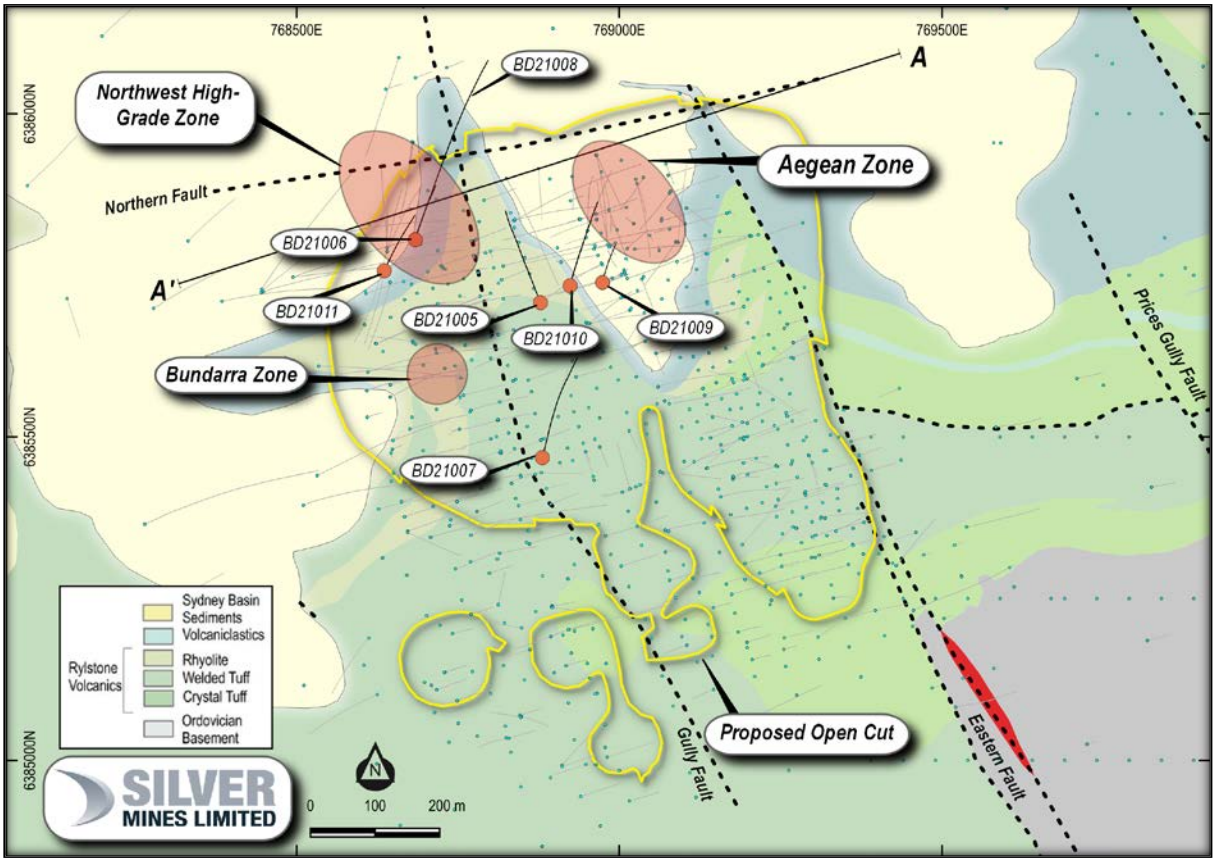

Figure 1. Reported drillhole locations and underground mining targets at the Bowdens Silver Project.

Northwest High-Grade and Aegean Zones Results

Results have been received for two recent drill holes within the Northwest High-Grade Zone. BD21006 drilled to test for eastern extensions of the deposit towards the Aegean Zone, and BD21011 drilled to increase confidence in future Mineral Resource estimates.

The Northwest Zone starts approximately 30 metres below the base of the proposed Bowdens Silver open pit. This mineralised zone is being targeted for potential high-grade silver underground mining scenarios (refer Figures 1, 2 and 3). The zone is defined as 1 metre to 20 metres thick, 200 metres in width (east to west) and continues down plunge/dip to the

northwest for at least 300 metres. This zone is not yet closed off with BD21006 expanding the zone to 230 metres width and crossing the Gully Fault.

Mineralisation has been intersected in two clear horizons in BD21006 with significant results of **2.0 metres @ 443 g/t silver equivalent** (146 g/t silver, 3.80% lead, 3.43% zinc and 0.25 g/t gold) from 212 metres, **8.3 metres @ 354 g/t silver equivalent** (276 g/t silver, 2.15% lead, 0.1% zinc and 0.31 g/t gold) from 263 metres, and **1.0 metre @ 377 g/t silver equivalent** (315 g/t silver, 1.78% lead 0.05% zinc and 0.22 g/t gold) from 276 metres. Gold is associated with silver mineralisation towards the east, and in higher concentrations in the centre of the Northwest Zone.

Drilling in the Northwest High-Grade Zone has intersected breccia and veined sulphides dominated by silver sulphides, galena (lead sulphide) and sphalerite (zinc sulphide) within the welded tuff of the Rylstone Volcanics. Mineralisation intersected in BD21011 of **13.0 metres @ 264 g/t silver equivalent** (188 g/t silver, 1.66% lead, 0.4% zinc and 0.16 g/t gold) from 207 metres and **4.0 metres @ 264 g/t silver equivalent** (188 g/t silver, 2.01% lead, 0.18% zinc) from 239 metres increase confidence that the zones have good lateral continuity.

The Aegean Zone, situated below Main Zone, is sub-horizontal with a steepening of plunge to the north and defined over 150 metres in strike towards the north-northwest. It is some 50 metres in width and ranges from 2 to 8 metres thickness.

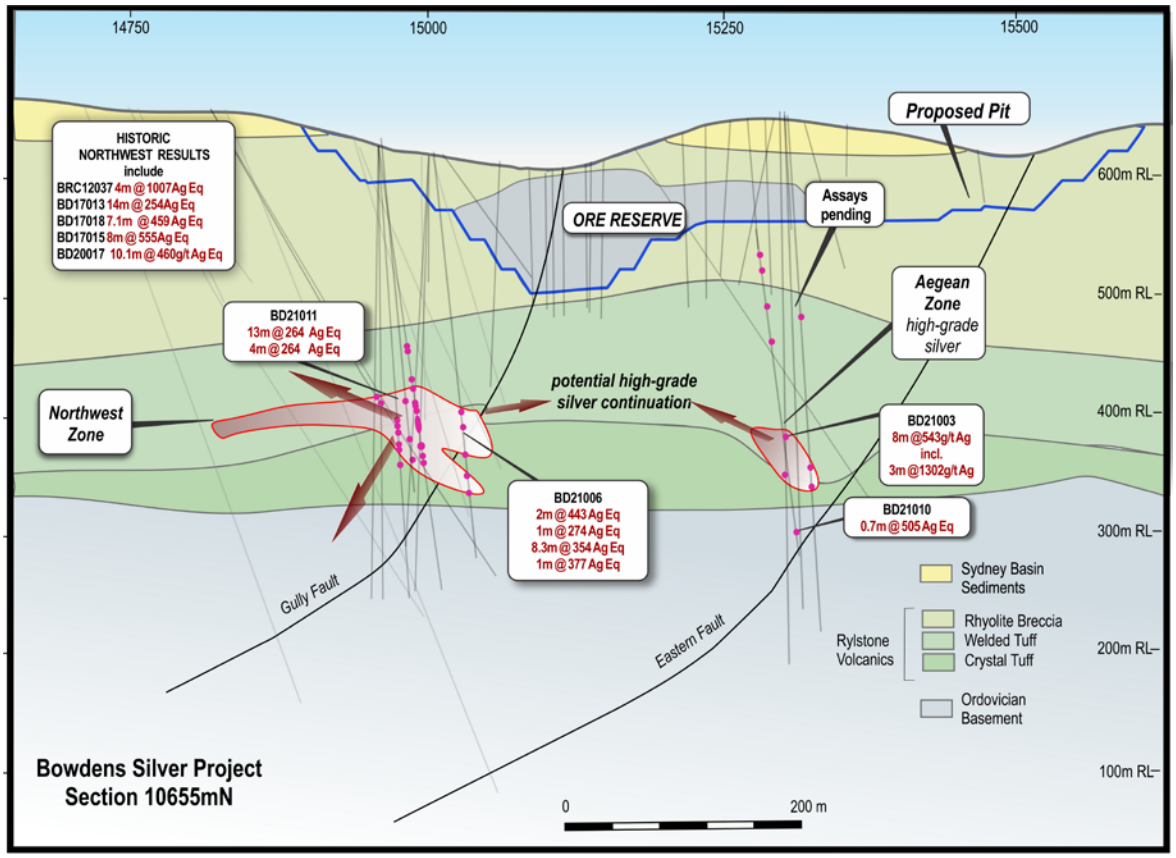

Figure 2: Looking North Section A-A' through Main Zone Ore Reserve and Aegean Zone showing new intercepts and previous intercepts.

The Northwest High-Grade Zone and Aegean Zone intercepts are at similar elevations and dominantly near the welded tuff and crystal tuff contact, which steepens to the north. Here the

favourable geology, proximity to faults and zoning of alteration highlight this untested area to be an excellent target for high grade silver. Drilling is ongoing to prove the continuity between these two bodies below the Ore Reserve. This concept is illustrated in Figure 3.

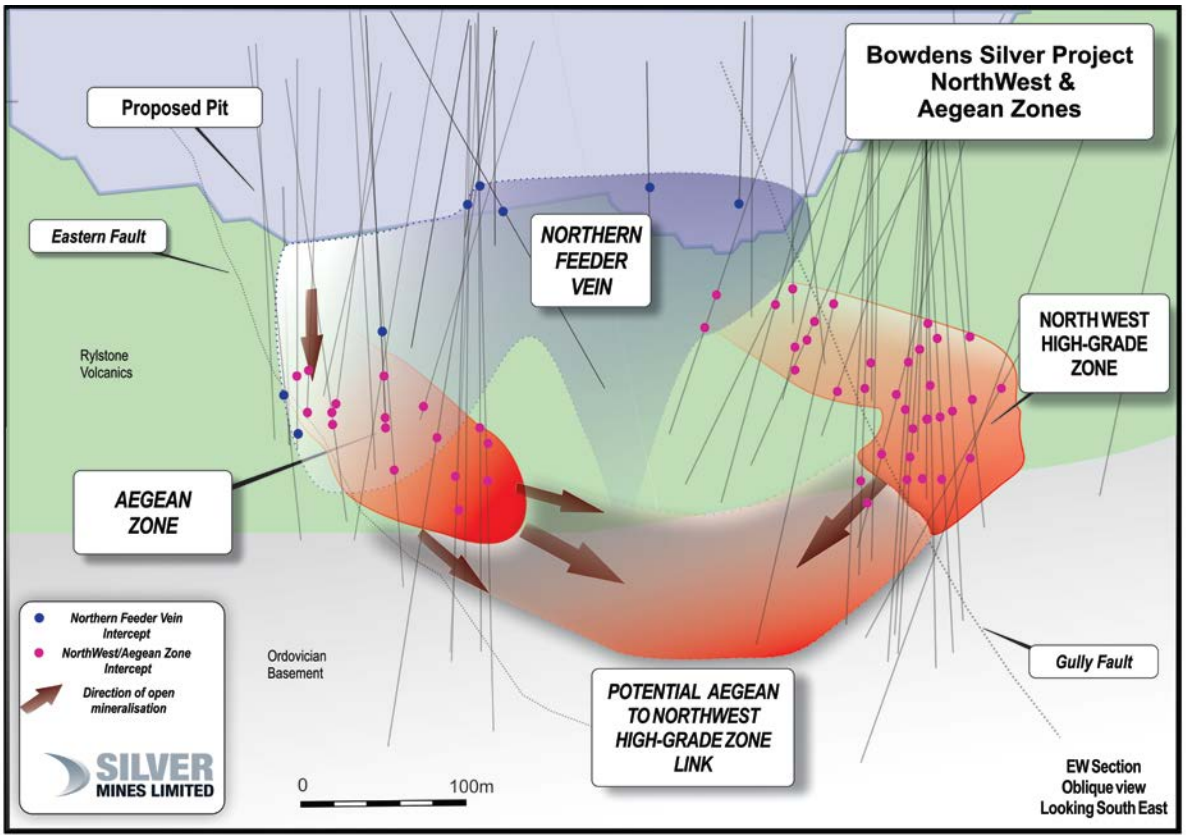

Figure 3. Looking South East at a section 100m south of A'A showing the currently defined Northwest and Aegean Zones, both at similar elevations between which lies an untested target zone of welded tuff.

Table 1. Significant intercept calculations from recent results from the Northwest High-Grade Zone.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t)[1]
BD21006	212	214	2	145.5	3.43	3.80	0.25	443
	222	223	1	229	0.37	0.79	-	274
	263	271.3	8.3	276.3	0.1	2.15	0.31	354
	276	277	1	315	0.06	1.78	0.22	377
BD21011	207	220	13	188.4	0.40	1.66	0.16	264
	239	243	4	188.1	0.18	2.01	0.05	264

1.Bowdens' reported silver equivalent is consistent with previous reports and current resource modelling based on assumptions: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) calculated from prices of US$20/oz silver, US$1.50/lb zinc, US$1.00/lb lead, and metallurgical recoveries of 85% silver + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. 2. Silver equivalent updated to also include significant gold credit assuming the same recovery as silver, with gold:silver price ratio of 80:1 based on the approximate price ratio: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) + 80*Au(g/t). Intercepts calculated using a 90g/t Ag cut-off and 3 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

Bundarra Zone Results

Drill hole BD21007 was drilled to investigate coincident gravity and induced polarisation chargeability and resistivity anomalies existing at a fault intersection of the Eastern and Bundarra Faults below the deposit. It also tested for silver mineralisation in or surrounding the dacite intrusion, situated just below the proposed open-pit mine, in the centre of the deposit. Although the dacite is pre-mineralisation it appears to be a significant controlling factor.

In this drill hole, silver mineralisation was persistent to a depth of 102 metres, to just within the dacite, while zinc, lead and gold occurred strongly below the dacite. A significant intercept of **6.0 metres @ 311 g/t silver equivalent** (35 g/t silver, 3.60% zinc, 2.87% lead and 0.60 g/t gold) from 267 metres, within a broader mineralised envelope of 160 metres @ 67 g/t silver equivalent (9 g/t silver, 0.7% zinc, 0.7% lead and 0.19 g/t gold) from 229 metres occurs 200 metres below the base of the dacite and some 200 metres southeast of the Bundarra Zone sulphides.

The Bundarra Zone is a base metal (zinc and lead) dominant sulphide zone below the current silver – lead – zinc resource which represents a hotter part of the Bowdens Silver system. Gold is common in veins throughout the deeper parts of the system where mineralisation is potentially related to, or controlled by, the emplacement of the dacite intrusion into the Rylstone Volcanic pile and underlying Ordovician Basement sediments. Results from BD21007 extend the zone defined as Bundarra 200 metres southeast from previous drilling (refer releases dated 15th March 2017, 11th April 2017, 12th May 2017 and 7th June 2017).

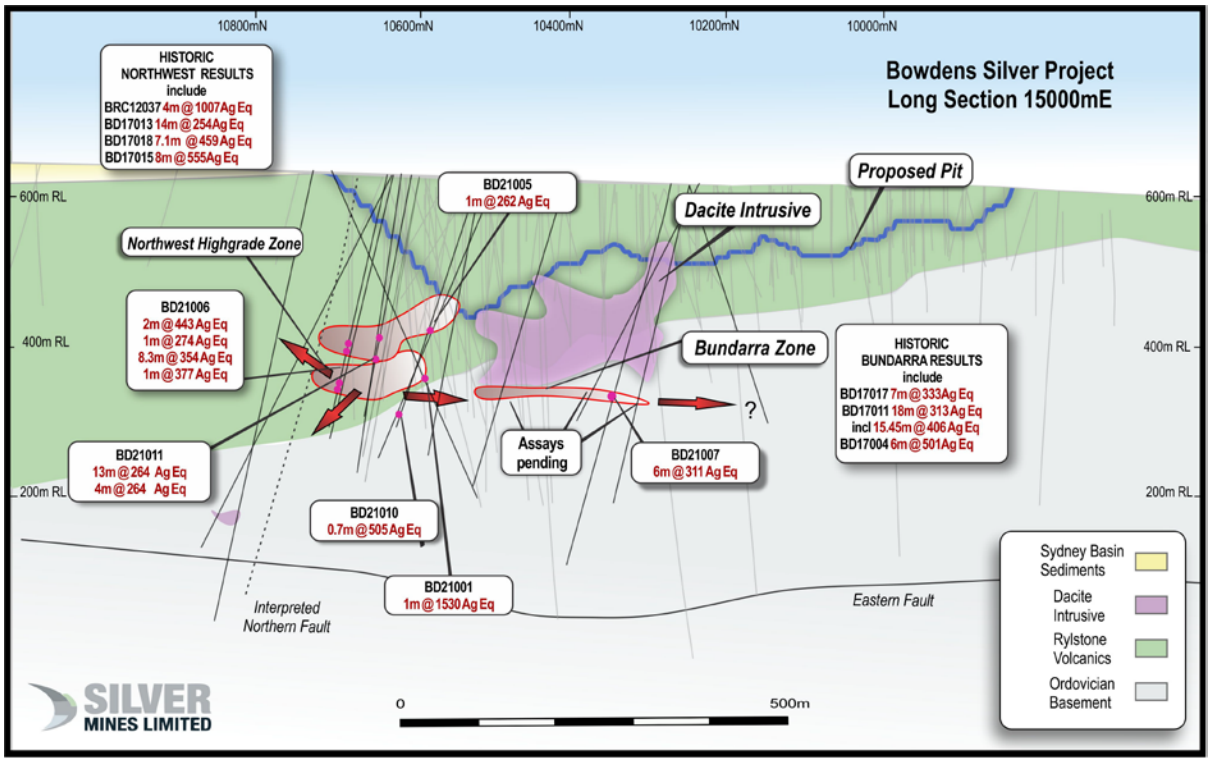

Figure 4. Bowdens Silver Project Long Section looking east.

Table 2. Significant intercept calculations from recent results from the Bundarra Zone.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t)[1]
BD21007	267	273	6	35	3.6	2.87	0.6	311

1.Bowdens' reported silver equivalent is consistent with previous reports and current resource modelling based on assumptions: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) calculated from prices of US$20/oz silver, US$1.50/lb zinc, US$1.00/lb lead, and metallurgical recoveries of 85% silver + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. 2. Silver equivalent updated to also include significant gold credit assuming the same recovery as silver, with gold:silver price ratio of 80:1 based on the approximate price ratio: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) + 80*Au(g/t). Intercepts calculated using a 30g/t Ag cut-off and 10 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

Feeder Vein Exploration

Three drill holes were completed to test the depth extent of the newly identified Northern Feeder Vein (BD21005, BD21009 and BD21010) particularly where it was modelled to intersect the basement contact and other faults, such as the Eastern Fault. While BD21005 and BD21010 intersected silver veins at estimated modelled depths, no substantial high-grade silver was intersected at modelled zones (refer Table 3 for summary of results). The vein appears to link areas of more flat lying mineralisation (typical Bowdens Silver ore) within the deposit exhibited within the Rylstone Volcanic pile. Targeting models are being updated for further work on this and other similar potentially significant feeder veins.

Table 3. Significant intercept calculations from recent results from the Northern Feeder Vein drilling.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t)
BD21005	**241**	**242**	**1**	**236**	**0.4**	**0.19**	**-**	**262[1]**
BD21010	**340.3**	**341**	**0.7**	**504**	**0.02**	**0.01**	**0.04**	**505[1]**

1.Bowdens' reported silver equivalent is consistent with previous reports and current resource modelling based on assumptions: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) calculated from prices of US$20/oz silver, US$1.50/lb zinc, US$1.00/lb lead, and metallurgical recoveries of 85% silver + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. 2. Silver equivalent updated to also include significant gold credit assuming the same recovery as silver, with gold:silver price ratio of 80:1 based on the approximate price ratio: Ag Eq (g/t) = Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) + 80*Au(g/t). Intercepts calculated using a 90g/t Ag cut-off and 3 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept. Intercepts are outside of current reserve.

Expanded Program

The Company currently has four drilling rigs on site undertaking an expanded program of 30,000 metres of diamond drilling. The program is to test targets and to define high-grade silver veins and feeder zones outside of the current Ore Reserve in the north, central and southern parts of the Bowdens Silver deposit. In the south of the deposit for example, limited previous diamond drilling is available to inform an interpretation of vein orientations and textures and, as such, this area will be tested to target higher-grade veins in the near surface.

With renewed insight from textural analysis, detailed gravity surveying and VTEM reprocessing, the ongoing drilling at the Northwest High-Grade and Aegean Zones will continue in tandem with targeted diamond drilling of steep feeder veins. This work includes testing eastern extensions to the Northwest Zone that would link to the Aegean Zone. In

particular, the Northwest High-Grade Zone is still considered to represent a feeder conduit for the Bowdens Silver system (refer to release dated 8th October 2020) with a close association between silver and gold in assays and vein textures (colloform banding and pebble breccia).

Drilling is also focussing on the identification of further steep and high-grade vein sets (feeders) in the centre and southern areas of the deposit. The base-metal and gold bearing Bundarra zone remain open to the south and down-dip to the west of previous drilling, with BD20001 drilled in early 2020 (refer release dated 8th April 2020) proving the Bowdens system is developed extensively at depth to the west.

The results of this program are expected to provide the basis for a resource estimation of potential underground mineable resources.

About the Bowdens Silver Project

The Bowdens Silver Project is located in central New South Wales, approximately 26 kilometres east of Mudgee (refer to Figure 5). The consolidated project area comprises 2,007 km^2 (496,000 acres) of titles covering approximately 80 kilometres of strike of the highly mineralised Rylstone Volcanics. Multiple target styles and mineral occurrences have potential throughout the district including analogues to Bowdens Silver, high-grade silver-lead-zinc epithermal and volcanogenic massive sulphide (VMS) systems and copper-gold targets.

Bowdens Silver is the largest undeveloped silver deposit in Australia with substantial resources and a considerable body of high-quality technical work already completed. The projects boast outstanding logistics for future mine development.

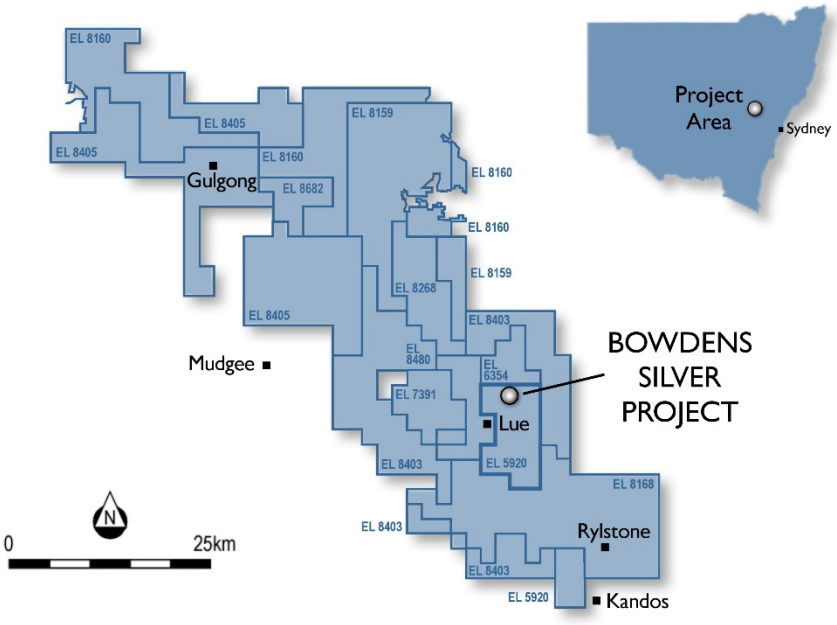

Figure 5: Silver Mines Limited tenement holdings in the Mudgee district.

This document has been authorised for release to the ASX by the Company's Managing Director, Mr Anthony McClure.

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Competent Persons Statement

The information in this report that relates to mineral exploration from the Bowdens Silver Project is based on information compiled by the Bowdens Silver team and reviewed by Darren Holden who is an advisor to the Company. Dr Holden is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Dr Holden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Table 4. Drill collar locations for new results.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
Northern Feeder Vein	BD21005	768878	6385707	619	-65	338.6	385	Core	Assays received
Northwest Zone	BD21006	768684	6385805	618	-75	15	328	Core	Assays received
Bundarra Zone	BD21007	768881	6385468	602	-70	13.6	510.8	Core	Assays received
Northwest Zone	BD21008	768684	6385805	618	-60	15	549.8	Core	Assays received – no significant results
Northern Feeder Vein	BD21009	768974	6385739	658	-77	10	402	Core	Assays received
Northern Feeder Vein	BD21010	768924	6385734	639	-67	10	363.3	Core	Assays received
Northwest Zone	BD21011	768636	6385757	627	-75	25	404.6	Core	Assays received

Table 5. Summary of all recent drilling intercepts.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t)
BD21005	2	19	17	100	0.36	0.31	-	128[2]
	30.2	39	8.8	66	0.59	0.58	-	115[2]
	69	131	62	17	0.17	0.1	-	29[2]
	145	151	6	93	0.29	0.28	-	117[2]
	189	251	62	32	0.28	0.14	-	51[2]
Incl;	**241**	**242**	**1**	**236**	**0.4**	**0.19**	**-**	**262[1]**
	266	274	8	16	0.01	0.02	-	17[2]
	319	335	16	15	0.04	0.02	-	17[2]
BD21006	212	214	2	145.5	3.43	3.80	0.25	443[1]
	222	223	1	229	0.37	0.79	-	274[1]
	231	246	15	80.8	0.22	0.51	0.05	109[1]
	263	271.3	8.3	276.3	0.1	2.15	0.31	354[1]
	276	277	1	315	0.06	1.78	0.22	377[1]
	284	285	1	91.5	0.26	0.87	0.13	133[1]
BD21007	1.2	53	51.8	42.0	0.59	0.30	-	81[2]
	78	94	16	23.5	0.31	0.10	-	42[2]
	231	239	8	19.1	1.07	1.37	-	118[2]
	267	273	6	35	3.6	2.87	0.6	311
BD21009	56.6	109	52.4	116	0.5	0.39	-	154[2]
Incl;	85	105	20	194	0.65	0.64	-	247[1]
	124	151	27	38	0.09	0.2	-	50[2]
	198	229	31	18	0.09	0.04	-	24[2]
BD21010	8	77.8	69.8	69	0.39	0.28	-	98[2]
	111	123	12	87	0.1	0.07	-	95[2]
	133.7	187	53.3	54	0.2	0.15	-	68[2]
Incl;	**154**	**155**	**1**	**927**	**0.06**	**0.72**	**-**	**954[1]**
and Incl;	**181**	**184**	**3**	**172**	**0.1**	**0.26**	**-**	**186[1]**
	331	349	18	33	0.03	0.02	-	35[2]
	340.3	**341**	**0.7**	**504**	**0.02**	**0.01**	**0.04**	**505[1]**
BD21011	**207**	**220**	**13**	**188.4**	**0.40**	**1.66**	**0.16**	**264[1]**
	239	**243**	**4**	**188.1**	**0.18**	**2.01**	**0.05**	**264[1]**

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2. Intercepts calculated using a 30g/t Ag cut-off and 10 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

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Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay.') In other cases, more explanation may be required such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Sampling taken continuously downhole from PQ and HQ diameter diamond core. • PQ size core – all samples taken as nominal 1 or 2 metre intervals, or as otherwise defined by logged geology intervals, from quarter cut core. • HQ size core – all samples taken as nominal 1 metre intervals where mineralisation observed from half cut core, or as composite 2 metre samples of quarter core, or as otherwise defined by logged geology intervals and from the same side of the core where downhole orientations permit. • Samples vary in weight but are generally between 2 and 4 kilograms of material. • Each sample was sent for multi-element assay using ICP technique (ME-ICP61) with the entire sample pulverized and homogenized with a 25g extract taken for assay. Samples from BD21007 were analysed using method ME-MS61. • Select samples were also sent for gold using fire assay technique (Au-AA25 or Au-AA23) with a 30g sample taken for assay. • Assays are considered representative of the sample collected.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Diamond drilling undertaken using PQ and HQ diamond core rig with triple tube used. • All core, excluding PQ size, where unbroken ground allows, is oriented by drilling team and an orientation line drawn along the base of the hole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure*	• Core recovery is estimated at greater than 98%. • Some zones, (less than 5%) were broken core with occasional clay zones where sample loss may have occurred. However, this is not

Criteria	JORC Code explanation	Commentary
	representative nature of the samples. • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	considered to have materially affected the results. • No significant relationship between sample recovery and grade exists.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All diamond core is logged using lithology, alteration, veining, mineralisation and structure, including geotechnical structure. • All core is photographed using both a wet and dry image. • In all cases the entire hole is logged by a geologist.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core were taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance, results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Selective sub-sampling based on geology to a maximum size of 2 metres and a minimum of 0.3 metres. • All core is cut using a Corewise core saw with core rotated 10 degrees to the orientation line to preserve the orientation for future reference. • For HQ core the half of the core without the orientation line is removed, bagged and sent to the laboratory for assay. • Sample sizes are considered appropriate for the rock type, style of mineralisation, the thickness and consistency of the intersections and assay ranges expected at Bowdens.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Samples dispatched to ALS Global in Orange NSW for sample preparation and analysis. Some sample batches were then on shipped to ALS Global in Adelaide, Brisbane and Townsville due to the high volume within the Orange Lab. • Site standards and blanks are inserted at a rate of 8 per 100 samples, and duplicates are inserted at a rate of 5 per 100 samples to check quality control. Laboratory standards and blanks are inserted every 25 samples.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections calculated by Bowdens Silver geologists. • All geological logging is entered digitally before inputting into a Maxwell Geoservices database schema. • Primary assay data is sent electronically from the laboratory to the SVL database administrator and then entered into the geological database for validation. • All assays matched with the logging sheets and loaded directly from the output provided by the laboratory with no manual entry of assays undertaken. • No adjustments were made or required to be made to the assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The collar position is initially surveyed using hand-held GPS with accuracy of +- 3 metres. • Down hole surveys collected every 30 metres using an electronic downhole reflex survey camera. • The terrain includes steep hills and ridges with a digital elevation model derived from a combination of locally flown LIDAR and publically available point cloud data. • All collars recorded in MGA94 zone 55.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drilling results relate to exploration drilling of the Aegean Zone. Drilling is not defined to a set spacing.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill orientation was designed to intersect the projection of the major structural controls to the Deposit. • An interpretation of the mineralisation has indicated that no sampling bias has been introduced.
Sample security	• *The measures taken to ensure sample security.*	• All samples bagged on site under the supervision the senior geologist with sample bags tied with cable ties before being driven by site personnel to the laboratory in Orange, NSW (~200 kilometres from

Criteria	JORC Code explanation	Commentary
		the site)
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The drilling campaign and drill work includes on-going internal auditing with advice taken on process from external advisors.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Bowdens Resource is located wholly within Exploration Licence No 5920, held wholly by Silver Mines Limited and is located approximately 26 kilometres east of Mudgee, New South Wales. • The tenement is in good standing. • The project has a 2.0% Net Smelter Royalty which reduces to 1.0% after the payment of US$5 million over 100% of EL5920 • The project has a 0.85% Gross Royalty over 100% of EL5920.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The Bowdens project was previously managed by Kingsgate Consolidated and Silver Standard Ltd, however the new results under this table are based on work conducted solely by Silver Mines/Bowdens Silver.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Bowdens Deposit is a low sulphidation epithermal base-metal and silver system hosted in Permian aged Volcanic rocks. • Mineralisation includes veins, shear veins and breccia zones within tuff and ignimbrite rocks. • Mineralisation is overall shallowly dipping (~15 degrees to the north) with high-grade zones preferentially following a volcanic dome. There are several vein orientations within the broader mineralised zones including some areas of stock-work veins. • The mineralisation reported in this release is hosted in the main Rylstone Volcanics which unconformably overlie the Ordovician Coomber Formation (sediments). The mineralization reported in this

Criteria	JORC Code explanation	Commentary
		report is related to Bowdens and represents a higher-temperature zone.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar;* o *elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;* o *dip and azimuth of the hole;* o *down hole length and interception depth; and* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All information is included in Table 1 and Table 2 of this report above.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Intersection calculation are weighted to sample length. The average sample represents 1 metre of drill core. • Reported intersections are based on a cut off of 90g/t silver with a 3 metres internal dilution factor. • No top cutting of data or grades was undertaken in the reporting of these results.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• Mineralisation is both stratabound and vein hosted. The stratigraphy dips moderately to the north within the volcanics and moderately to the west in the basement units, while the majority of mineralised veins dip west. Some individual veins intersected were sub-parallel (~10 to 20 degrees to core axes). However, given the stratigraphic controls on the zone, the drilling width is estimated to be 100 to 140% of true-width for stratabound mineralized zone.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to, a plan view of*	• Maps and cross sections provided in the body of this report.

Criteria	JORC Code explanation	Commentary
	drill hole collar locations and appropriate sectional views.	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All results received and compiled to date are reported in this release. Drilling is on-going with further results expected.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including but not limited to: geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics and potential deleterious or contaminating substances.*	• This report relates to drill data reported from this program.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• This report relates to a drill program that is designed to test the extension and explore for further zones of high-grade silver situated beneath the Bowdens Silver Deposit. Drilling is on-going with further results pending.