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28 January 2022

Company Announcement Officer
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

ACTIVITIES REPORT FOR THE QUARTER ENDED

31st December 2021

HIGHLIGHTS

Bowdens Silver Project, New South Wales

- **Final stages for the approvals for the Bowdens Silver Project open-cut mine development.**
- **Drilling of the 30,000m resource program at Bowdens Silver continues with wide and high-grade results returned.**

Bundarra Zone results include;

- **BD21035 - 14.2m @ 374 g/t silver equivalent (36 g/t silver, 4.86% zinc, 2.35% lead and 0.23g/t gold) from 238m and;**
- **3.0m @ 437 g/t silver equivalent (52 g/t silver, 5.57% zinc, 0.50% lead and 1.14g/t gold) from 294.4m.**
- **BD21036 - 9.0m @ 296 g/t silver equivalent (29 g/t silver, 3.23% zinc, 1.86% lead and 0.55g/t gold) from 300.7m.**
- **With further high-grade results released subsequent to the end of the quarter, including BD21042, 2.4m @ 1520 g/t silver equivalent (269 g/t silver, 15.8% zinc, 10.33% lead, 0.78% copper and 0.42 g/t gold) from 297.3m.**

Northwest and Aegean Zone results include;

- **BD21003A - 3.0m @ 678 g/t silver from 306m.**
- **BD21025 - 14.0m @ 264 g/t silver equivalent (240 g/t silver, 0.07% zinc and 0.61% lead) from 322m.**
- **BD21021 – 6.0m @ 382 g/t silver equivalent (349 g/t silver, 0.16% zinc and 0.75% lead) from 191m.**

Southern pit extensions including gold:

- **BD21018 - 9.8m @ 214 g/t silver equivalent (180 g/t silver, 0.14% zinc and 0.06% lead and 0.31 g/t gold) from 39m.**

Underground Scoping Study

- **A Scoping Study for potential underground mining scenarios at Bowdens Silver continued during the quarter in parallel with high-grade mineral resource estimation.**

Silver Mines Limited COVID-19 Response

During the December 2021 quarter, Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") continued to carry out measures in response to the impact of the COVID-19 pandemic. The Company's priorities are to protect the health and safety of our staff, contractors and local communities, while maintaining the integrity of our business.

The Company adheres to the directives from Federal and State Government and has put in place comprehensive COVID-19 Policies and Procedures. This has allowed our current operations to continue safely and with minimal interruption.

Bowdens Silver Project

The Bowdens Silver Project is the largest undeveloped silver deposit in Australia and lies within Exploration Licence 5920, which is 100% held by the Company. The Project is located in central New South Wales, approximately 26 kilometres east of Mudgee.

In May 2020, the Company completed and submitted the Bowdens Silver Development Application and associated Environmental Impact Statement ("EIS") to the New South Wales Department of Planning, Industry and Environment ("DPIE"). In March 2021, the Company announced the submission of its Mining Lease Application ("MLA 601").

The proposed development comprises an open-cut mine feeding a new processing plant with a conventional milling circuit and differential flotation to produce two concentrates that will be sold for smelting off site.

Plant capacity is designed for 2.0 million tonnes per annum with a mine life of 16.5 years. Life of mine production is planned to be approximately 66 million ounces of silver, 130,000 tonnes of zinc and 95,000 tonnes of lead.

The EIS was placed on an eight-week public exhibition which concluded during the September 2020 quarter. At the end of the June quarter 2021, the Company submitted its Submissions Report to DPIE.

From the exhibition process, the Company received no objections to the Project from any of the Government agencies and received resounding public support with 79% of all public organisation and general public submissions in favour of the Project (of a total of 1,909 submissions). The Company is not aware of a proposed mining Project in recent times in New South Wales that has received this level of support.

The Submissions and Submissions Report may be viewed at the DPIE Major Projects website at https://www.planningportal.nsw.gov.au/major-projects/project/9641.

The project is currently in the final stages of development approvals.

Silver Mines continues an extensive program of consultation with relevant Government departments, local communities, and other interested stakeholders. The program examines the potential impacts and benefits of exploration and development across the substantial Bowdens Silver tenement portfolio. Consultation processes focus on the current potential mine development area and the wider area where the Company is commencing or undertaking exploration programs.

Bowdens Project Exploration

Introduction

During the December 2021 quarter, the Company announced ongoing success in its exploration activities at the Bowdens Silver Project (refer to releases of 26th October 2021, 3rd December 2021 and 18th January 2022 (released subsequent to the end of the quarter)). The exploration program has yielded exceptional high-grade silver intercepts.

Diamond drilling has continued to test the potential for underground mining scenarios at the Bowdens Silver Deposit with a focus on the Northwest Zone, the Aegean Zone and the Bundarra Zone. These three zones are located beneath the bulk-tonnage Ore Reserve of the Bowdens Deposit (refer to Figure 1).

With highly successful drilling results returned, the Company expanded drilling activity at Bowdens Silver. A 30,000 metre program commenced during the June 2021 quarter with four rigs operational on site and will continue through the first half of calendar 2022 year. This campaign is the largest investment in exploration undertaken by Silver Mines at Bowdens Silver in four years. The Company remains very well placed to fund its aggressive drill program with a cash balance at end of December quarter 2021 of $28.5 million.

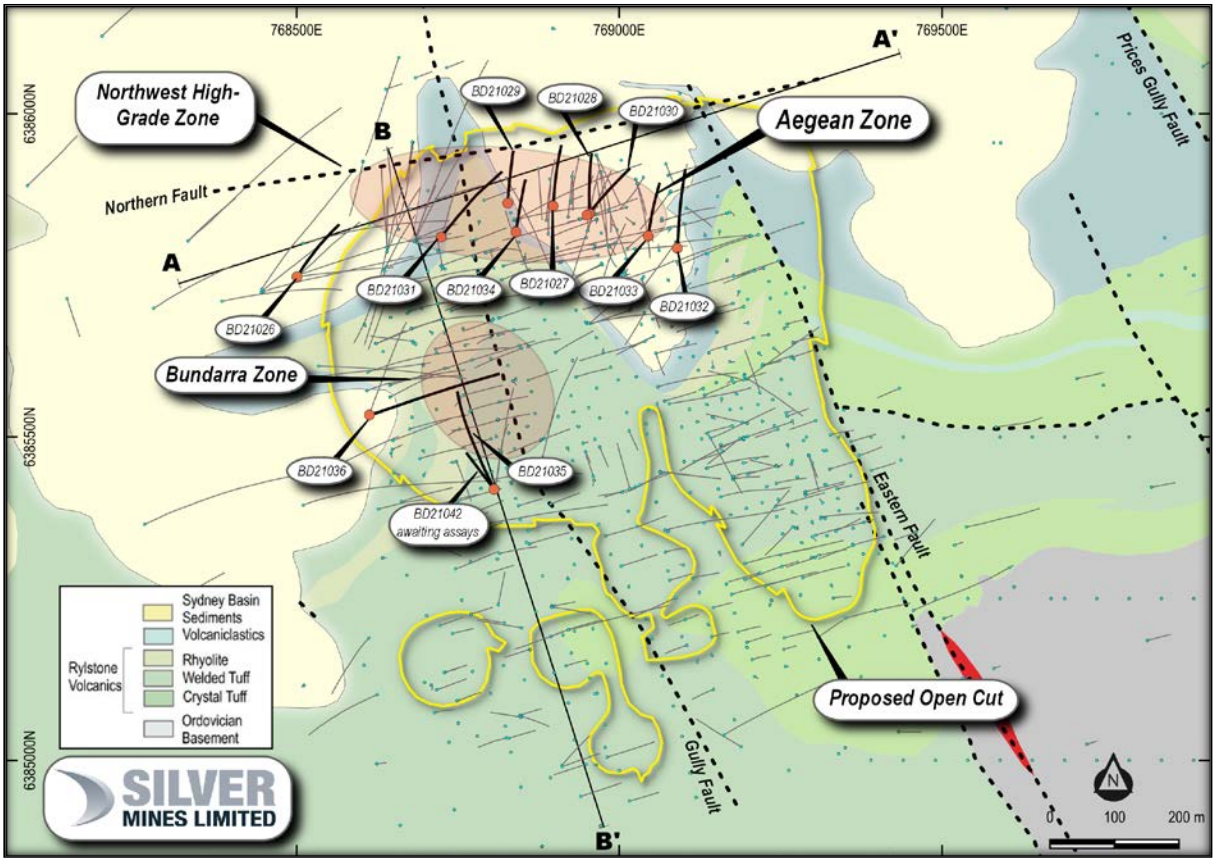

Figure 1. Reported drillhole locations and high-grade silver targets at the Bowdens Silver Project.

Results have been received for holes, BD21015 through to BD21036, with most of these holes being within the Northwest and Aegean Zones. Holes BD21015, BD21017, BD21035 and BD21036 were drilled to test for southern extensions to the Bundarra Zone towards BD21007 (refer to Figure 1).

The resource drilling has focused on the Aegean and Northwest Zones through 2021, with drilling now being focused on the Bundarra Zone to be used in upcoming Mineral Resource estimation modelling.

One hole, BD21018 was drilled in the south of the deposit to investigate a gravity anomaly and highlights the potential to add to the current resources. Notably there is a close association of silver and gold at this location in the deposit.

Bundarra Zone Results

The Bundarra Zone is a base metal (zinc and lead) dominant sulphide zone with appreciable silver and gold, below the current silver–zinc–lead resource. Mineralogy and textures indicate a higher emplacement temperature (and closer proximity to source) compared to the main upper part of the Bowdens Silver system. Gold is common in veins throughout the deeper parts of the system where mineralisation is related to, or controlled by, the emplacement of a dacite intrusion into the Rylstone Volcanic pile and underlying Ordovician Basement. A large volume below the known extent of the dacite intrusion has not been tested, with this area

presenting a significant target. Current modelling supports the hypothesis that the dacite has acted to trap migrating hydrothermal fluids, as well as fracturing surrounding rocks (Rylstone Volcanics and Ordovician Basement) during its emplacement, thus increasing the permeability and potential for mineral deposition immediately surrounding the intrusion.

Significant intercepts from BD21015 include **1.0 metre @ 513 g/t silver equivalent** (126 g/t silver, 2.94% zinc, 4.47% lead **and 1.14 g/t gold**) from 212 metres, and **1.0 metre @ 357 g/t silver equivalent** (53 g/t silver, 2.27% zinc, 3.63% lead **and 0.87 g/t gold**) from 218 metres, while from BD21017 intercepts include **3.0 metres @ 278 g/t silver equivalent** (44 g/t silver, 3.18% zinc, 1.92% lead and 0.15 g/t gold) from 221 metres.

Results from BD21015 and BD21017 indicate multiple stacked structures and suggests the Bundarra zone has a thickness of 3 to 20 metres, 200 metres of strike (northwest to southeast) and extend 120 metres (east to west).

Drill holes BD21035 and BD21036 were drilled to extend the Bundarra Zone directly south of the semi-massive sulphide intersection in BD17011 (refer releases dated 15th March 2017, 11th April 2017, 12th May 2017 and 7th June 2017 and recent releases 27th July 2021 and 26th October 2021) and west of more recent BD21017 and BD21015. Two zones of significant mineralisation have been intersected in BD21035 which define the Bundarra Zone, with an upper zone being the typical banded/brecciated, semi-massive sphalerite (zinc sulphide) – pyrite (iron sulphide) – galena (lead sulphide) with carbonate alteration, and the lower zone being a quartz-carbonate-sphalerite-pyrite-galena-chalcopyrite (copper sulphide) vein system. The two styles of mineralisation have a vertical separation of approximately 50 metres with the separation increasing with distance to the south.

Significant intercepts from BD21035 include **14.2 metres @ 374 g/t silver equivalent** from 238 metres, and **3.0 metres @ 437 g/t silver equivalent** from 294.4 metres. The high-grade core of **4.6 metres @ 694 g/t silver equivalent** from 245.4 metres represents the highest-grade intercept to date in the Bundarra Zone.[1] The quartz–sulphide vein (3.0 metre intercept) appears to represent a conduit to the Bundarra style mineralisation, and which forms a new component to the Bowdens Silver System. This style of mineralisation, deeper in an epithermal environment, is prospective for gold.

The significant intercept from BD21036 from within the upper semi-massive sulphide zone includes **9.0 metres @ 296 g/t silver equivalent** from 300.7 metres. Drilling is continuing for continuations of the main semi massive sulphide and new quartz – sulphide horizons to the south and west.

Hole BD21042 was drilled in the Bundarra Zone to the south (50 to 80 metres) of BD21035 and has intersected a 2.5 metre wide quartz-carbonate-sphalerite-galena-pyrite-chalcopyrite vein (refer Figure 2) and another 1.5 metre wide vein. These veins, in addition to the 3.0 metres @ 437 g/t silver equivalent intercept from BD21035, represent **a substantial new high grade target including gold to the Bowdens Silver system**. Results from BD21042 were released subsequent to the end of the December 2021 quarter.

[1] Subsequent to the end of the quarter this record was beaten with BD21042 returning **2.4m @ 1520 g/t silver equivalent** from 297.3 (refer release dated 18th January 2022).

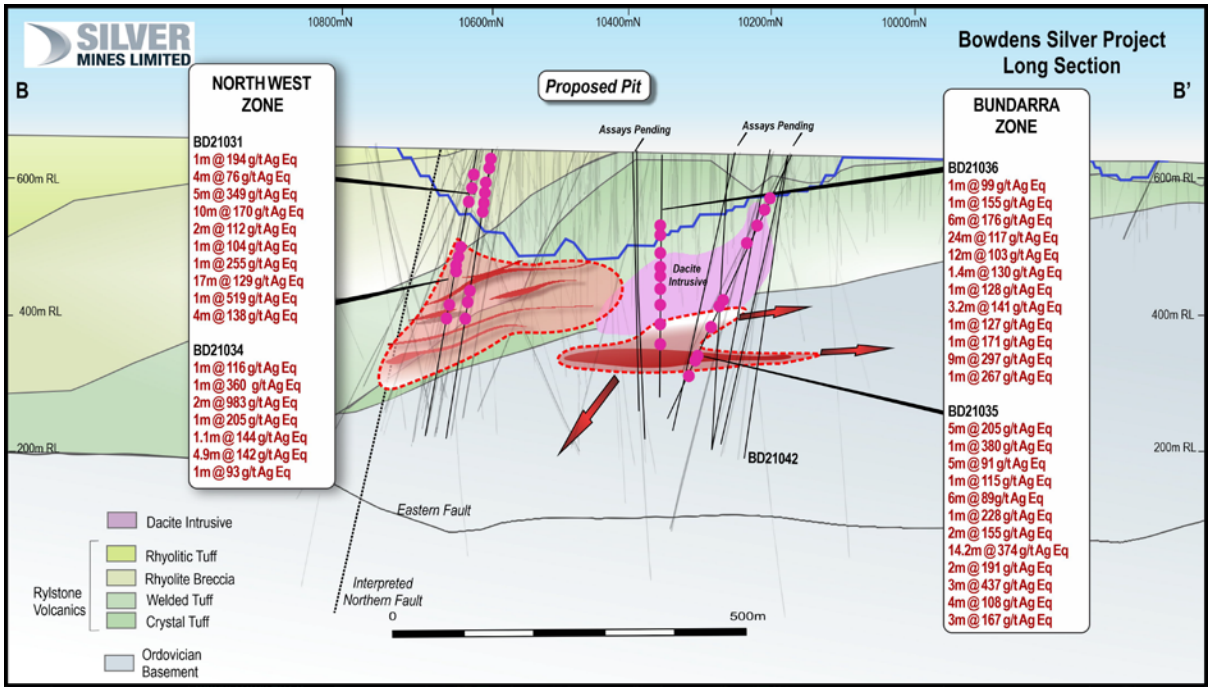

Figure 2. Bowdens Silver Project Long Section looking east.

Table 1. Significant intercept calculations from recent results from the Bundarra Zone.

Hole	From	To	Interval	Silver	Zinc	Lead	Gold	Silver Eq
	(m)	(m)	(m)	(g/t)	(%)	(%)	(g/t)	(g/t)[1]
BD21015	29	30	1.0	640	3.32	2.01	0.06	872
	212	213	1.0	126	2.94	4.47	1.14	422
	218	219	1.0	53	2.27	3.63	0.87	287
BD21017	221	224	3.0	44	3.18	1.92	0.15	266
BD21035	238	252.2	14.2	36	4.86	2.35	0.23	374
incl.	245.4	250	4.6	72	8.76	4.40	0.49	694
	294.4	297.4	3.0	52	5.57	0.50	1.14	437
incl.	294.4	295.8	1.4	78	9.14	0.87	2.36	749
BD21036	300.7	309.7	9.0	29	3.23	1.86	0.55	296
incl.	301.5	303	1.5	48	5.55	3.69	0.30	470
& incl.	308	309	1.0	67	4.65	3.32	2.58	615

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, 83% lead 80% copper estimated from test work commissioned by Silver Mines Limited. 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) + 113.08*Cu%. Intercepts calculated using a 90g/t AgE cut-off and 3 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

Northwest Zone and Aegean Zone Results

The Northwest Zone starts approximately 30 metres below the base of the proposed Bowdens Silver open pit. This mineralised zone is a high-grade silver target at depth with continuation and connectivity to the Aegean Zone (refer Figure 1 and Figure 3). Both zones are defined as shallowly dipping zones 1 metre to 20 metres thick, **extending over 520 metres** (east to west) and continuing down plunge/dip to the northwest for at least 300 metres.

Mineralisation is developed in two clear horizons with the Aegean Zone being dominated by silver sulphides (acanthite), while the Northwest Zone has a silver and base metal association (zinc, lead and minor copper). Gold is associated with silver in high concentrations in the centre of the Northwest Zone.

Drilling in the Northwest Zone has previously intersected breccia and vein sulphides dominated by silver sulphides, sphalerite and galena within the welded tuff of the Rylstone Volcanics (refer releases dated 3rd December 2021, 26th October 2021, 4th August 2021, 27th July 2021, 14th May 2021, and 28th January 2021). Recent results from BD21025 show continued increasing width of high-grade material with **14 metres @ 264 g/t silver equivalent** (240 g/t silver, 0.07% zinc, 0.61% lead) from 322 metres. Additionally, closely spaced wedge drilling for estimation purposes confirms the lateral continuity of mineralisation with **3 metres @ 679 g/t silver equivalent** (678 g/t silver) from 306 metres in BD21003A.

Results received for BD21031 thicken the Northwest Zone continuation towards the Aegean Zone. BD21031 is situated 40 metres east of BD21013 and 65 metres southeast of BD21025. Significant intersections in BD21031 include **17.0 metres @ 129 g/t silver equivalent** from 230 metres and **1.0 metre @ 519 g/t silver equivalent** from 276 metres.

BD21030, BD21032 and BD21033 define extensions east and southeast of the Aegean Zone, while BD21028 defines an extension north. BD21032 intersected the eastern fault prior to target depth. BD21033 intersected **4.0 metres @ 138 g/t silver equivalent** from 271 metres at the position of the Eastern Fault, while BD21030 intersected **3.5 metres @ 359 g/t silver equivalent** from 316.3 metres. The Aegean and Northwest Zones both remain open each in a north to northwest strike with drilling in 2022 to target extensions to these two zones.

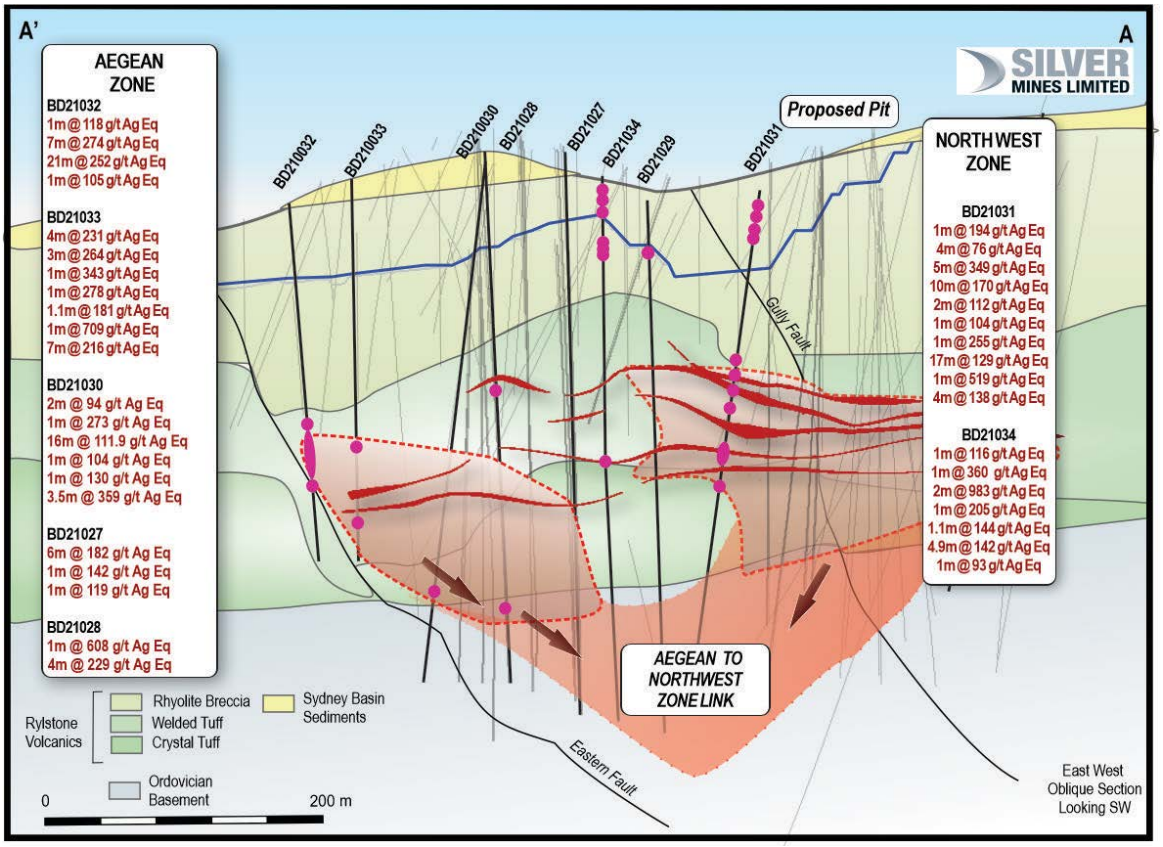

Figure 3: Oblique Section A-A' looking southwest through the Aegean and Northwest High-Grade Zones with mineralisation and new intercepts.

Table 2. Significant intercept calculations from recent results from the Northwest and Aegean Zones.

Hole	From	To	Interval	Silver	Zinc	Lead	Gold	Silver Eq
	(m)	(m)	(m)	(g/t)	(%)	(%)	(g/t)	(g/t)[1]
BD21003A	306	309	3.0	678	0.01	0.03	-	679
BD21016	227	233.3	6.3	209	0.47	0.27	-	242
BD21020	292	301	9.0	207	0.00	0.09	-	211
BD21021	191	197	6.0	349	0.16	0.75	-	382
	265	266	1.0	825	0.03	0.27	-	835
BD21023	166	168	2.0	293	0.88	1.94	-	401
BD21025	322	336	14.0	240	0.07	0.61	-	264
Incl	325	326	1.0	880	0.02	0.04	-	882
&	329	330	1.0	628	0.04	0.04	-	631
BRD21006	255	260	5.0	220	0.15	0.26	-	237
BD21028	201	202	1	496	0.73	2.27	-	608[1]
	332	336	4	228	-	0.04	-	229[1]
BD21030	316.3	319.8	3.5	356	0.02	0.06	-	359[1]
BD21031	175	176	1	229	0.10	0.62	-	255[1]

	230	247	17	107	0.05	0.57	-	129[1]
incl.	233	234	1	207	0.03	0.16	-	214[1]
& incl.	237	238	1	218	0.05	0.91	-	281[1]
	276	277	1	505	0.02	0.39	-	519[1]
BD21032	164	165	1	87	0.15	0.72	-	118[1]*
	169	176	7	245	0.11	0.69	-	274[1]*
	181	202	21	234	0.07	0.45	-	252[1]
	226	227	1	103	0.02	0.04	-	105[1]
BD21033	169.8	170.8	1	647	0.72	0.78	-	709[1]*
	199	206	7	190	0.30	0.34	-	216[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. 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.

Bowdens Southern Pit Extensions

During the December 2021 quarter, drill hole, BD21018 was completed to test an area of the deposit currently outside of the open pit Mineral Resource and where the Company has identified the potential to add significant zones of shallow mineralisation. This area was identified with a focus on an association between high-grade silver and gold, with potential similarities to the Northwest Zone and gold being associated with silver in the centre of the zone.

BD21018 was drilled to intercept the mineralising structures at a more optimal angle and returned significant shallow silver and gold mineralisation. Intercepts include **9.8 metres** @ **214 g/t silver equivalent** (180 g/t silver, 0.14% zinc, 0.06% lead **and 0.31 g/t gold**) from 39 metres as well as **4.0 metres** @ **343 g/t silver equivalent** (146 g/t silver, 0.56% zinc, 0.41% lead **and 1.94 g/t gold**) from 88 metres.

Mineralisation is hosted in the base of the Rylstone Volcanic sequence, within fractures in the welded tuff and crystal tuff units, with mineralisation particularly focussed at the contact between the Rylstone Volcanics and the Ordovician Basement units. Drilling to the south of this hole is shallow and limited in extent confirming the main Bowdens Resource remains open to the south and with potential for significant upgrades around the edges of the current Mineral Resource.

Table 3. Significant intercept calculations from recent results from the Bowdens Southern Pit drilling.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t)[2]
BD21018	39	48.8	9.8	180	0.14	0.06	0.31	214
	63	64	1.0	127	0.26	0.10	0.32	169
	72	73	1.0	236	0.44	0.28	0.87	337
	88	92	4.0	146	0.56	0.41	1.94	343
	98	99	1.0	54	1.14	0.98	1.75	283
	105	106	1.0	68	0.87	1.91	0.42	209
	143	144	1.0	38	1.88	0.29	0.70	197

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 Eq 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.

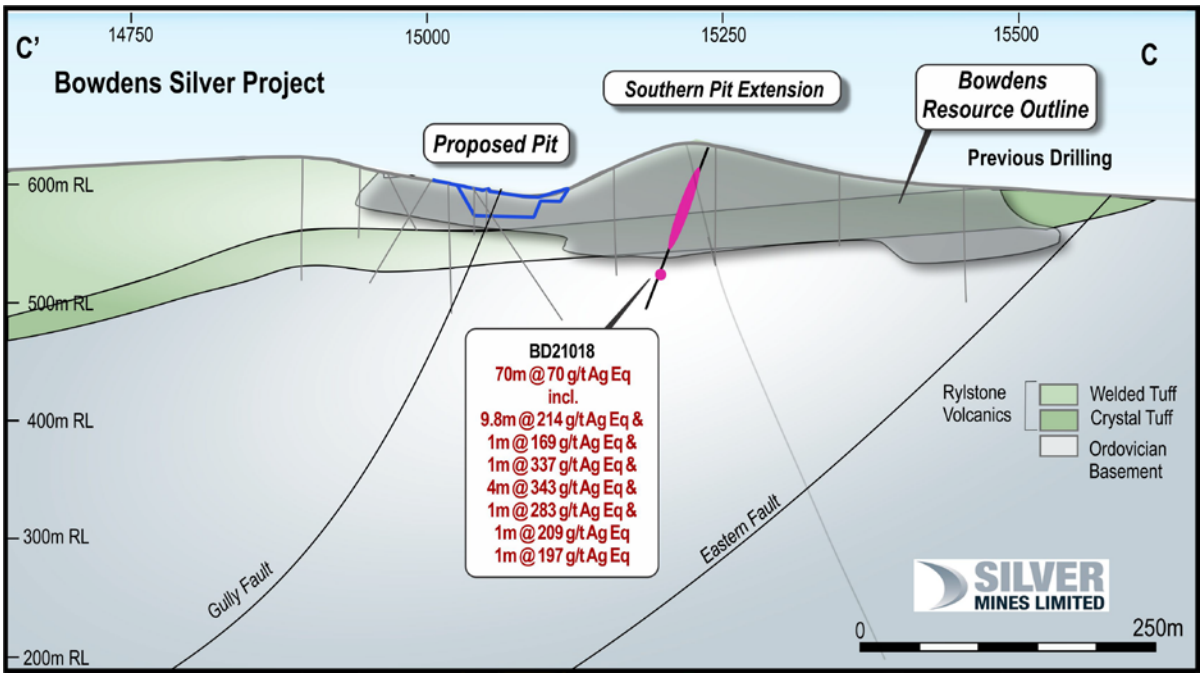

Figure 4. Bowdens Silver Southern Extensions looking north.

Expanded Program

The Company currently has four drilling rigs on-site undertaking an expanded program of 30,000 metres of diamond drilling. Targets include high-grade veins and feeder zones outside of the current open pit Ore Reserve in the north, central and southern parts of the Bowdens Silver Deposit. In the south of the deposit, limited previous diamond drilling is available to inform an interpretation of vein orientations and textures and, as such, these areas will be tested for high-grade veins near surface.

The drilling to target Resources beneath the planned open pit for underground mining scenarios will continue through the first half of 2022 with four diamond rigs to test for system extensions to the Bowdens Silver Deposit.

Mineral Resource Assessment and Scoping Study

In August 2021, the Company announced that due to outstanding drilling results from the Bowdens Silver Project a Mineral Resource assessment and Scoping Study for potential underground mining scenarios was commenced. H&S Consultants, who estimated the current JORC Mineral Resource for the Bowdens Silver Project, have been engaged to advise and

undertake an assessment of high-grade silver drilling results to complete a Mineral Resource estimate. This estimate will focus on mineralisation outside of the current open-pit Ore Reserve and will include the Northwest High-Grade Zone, the Aegean Zone and the Bundarra Zone (refer to Figure 1).

The Scoping Study commenced during the September 2021 quarter and will complete subject to the final results of the drilling program and the Mineral Resource assessment, which are scheduled to be complete in the first half of calendar 2022.

The Scoping Study is being undertaken by;

- GR Engineering Services Limited - Project Lead and Engineering
- Entech Pty Ltd - Mine Design
- KYSPYmet - Metallurgy
- Neville Bergin - Project Management

The Scoping Study will consider potential underground mining scenarios beneath the planned open-pit development, currently in the final stages of the approval process. Although yet to be determined, a concept may be for a planned underground development to commence operations in around years 3-4 of the open-pit development to supplement plant feed with high-grade material at a rate of up to 500,000 tonnes per year. An alternative would be for an underground development at the end of the open-pit mine life.

The 30,000 drilling program, the Resource Assessment and Scoping Study will not have any impact on the ongoing approval process for the Bowdens Silver open-pit development currently before the New South Wales Department of Planning, Industry and Environment.

Barabolar Project

During the December 2021 quarter, the Company continued desktop activities on the Barabolar Project, which is located approximately 26 kilometres east of Mudgee in central New South Wales and 10 kilometres northwest of the Company's Bowdens Silver Project (refer Figure 5).

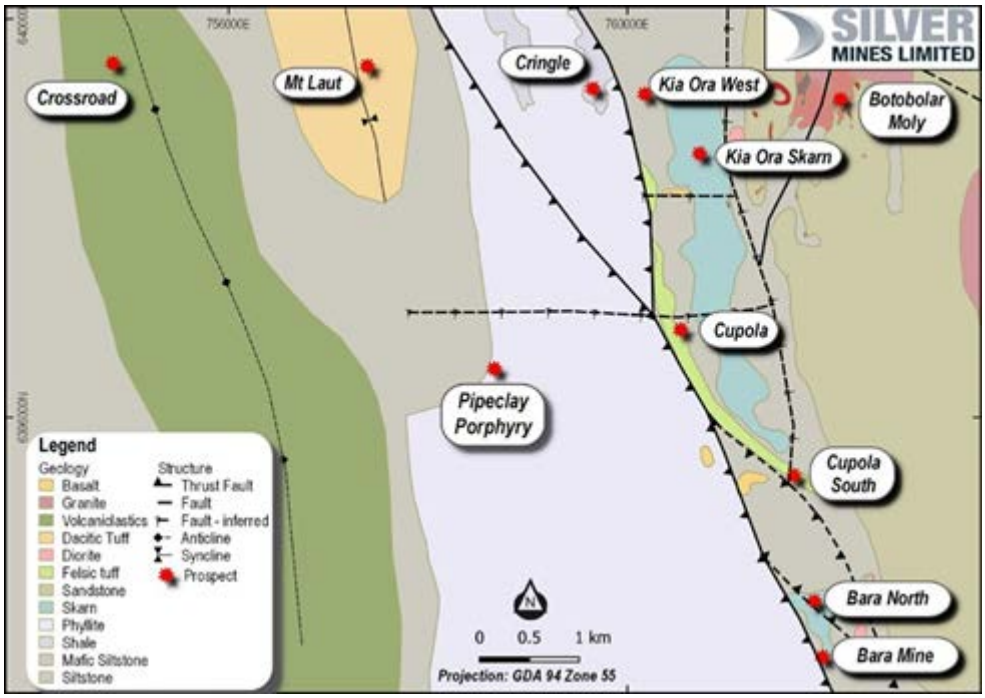

Figure 5. Barabolar Project geology with prospects.

Due to the COVID-19 pandemic the planned drilling at Barabolar had been put on-hold. However, the Barabolar Project remains a compelling target area with a considerable hydrothermal footprint, and the Company is continuing with desktop studies and application of its internal R&D technologies in this area as it plans for the recommencement of activities.

About the Bowdens Silver and Barabolar Projects

The Bowdens Silver Project and Barabolar Projects are located in central New South Wales, approximately 26 kilometres east of Mudgee (see Figure 6). 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 and underlying sediments, intrusions and volcanics of the Macquarie Arc. Multiple target styles and mineral occurrences have potential throughout the district including analogues to Bowdens Silver, high-grade silver-lead-zinc epithermal, volcanogenic massive sulphide (VMS) systems and copper-gold targets.

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

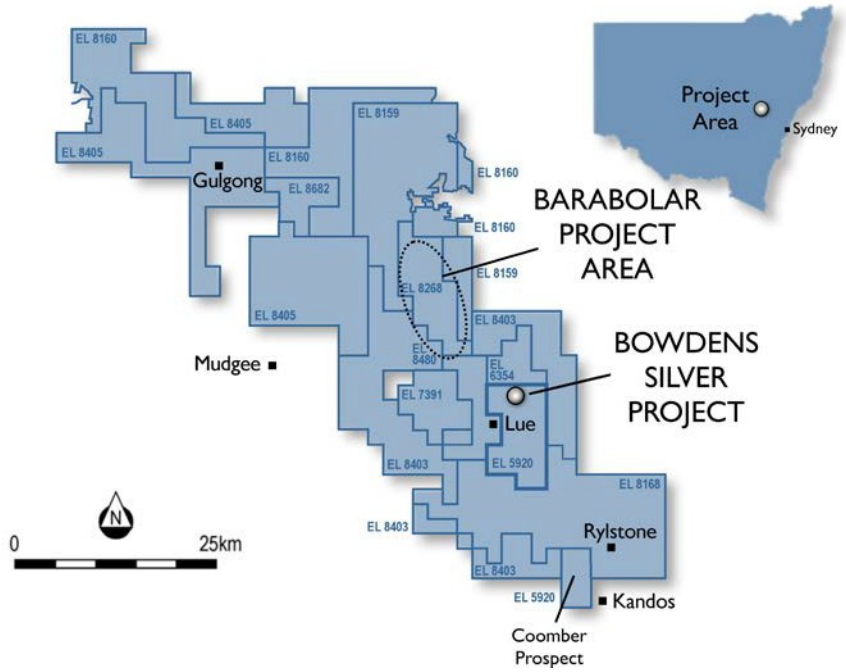

Figure 6. Silver Mines Limited tenement holdings in the Mudgee district.

Table 5. Drill collar locations.

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
Northwest Zone	BD21013	768724	6385809	614	-73	20	336.8	Core	Assays received
Aegean Zone	BD21014	768955	6385845	655	-78	5	400	Core	Partial Assays
Bundarra	BD21012	769137	6385505	629	-70	146.6	328	Core	Assays received
Bundarra	BD21015	768808	6385419	606	-60	10	327.7	Core	Assays received
NW Zone	BD21016	768613	6385534	645	-70	20	449.7	Core	Assays received
Bundarra	BD21017	768808	6385419	606	-75	10	402.9	Core	Assays received
Bowdens South	BD21018	769189	6385021	630	-65	300	159.7	Core	Assays received
NW Zone	BD21019	768658	6385821	626	-70	348	351.9	Core	Assays received – no significant results
Aegean	BD21003A*	768951	6385819	656	-78	21	339.9	Core	Assays received
Aegean	BD21020	768920	6385840	649	-78	5	385.1	Core	Assays received
Aegean	BD21021	768890	6385814	638	-78	5	387.9	Core	Assays received
Aegean	BD21022	768501	6385747	656	-70	47	386	Core	Assays received

Aegean	BD21023	768887	6385835	639	-76	5	413.2	Core	Assays received
Aegean	BD21024	768925	6385862	650	-77	5	399.6	Core	Assays received
NW Zone	BD21025	768684	6385805	618	-65	25	390.6	Core	*Partial assays*
NW Zone	BRD21006	768603	6385926	637	-80	190	377.9	RC with diamond tail	*Partial assays*

**Wedged from BD21003 at 123m Depth.*

Tuena Gold Project

The Tuena Gold Project is located 80 kilometres south of the city of Orange in New South Wales (refer to Figure 7).

The Tuena area was the scene of a historic gold rush, with gold extracted from several narrow high-grade gold reefs over a regional trend greater than 5 kilometres of strike length. The Company has completed reconnaissance mapping, rock sampling and soil geochemistry; as well as flown a detailed magnetic survey. The Company has defined >15 individual zones with anomalous gold in soil sampling associated with historic workings. Rock samples have also returned highly anomalous gold results at Peeks Reef (up to 76.4 g/t Au in rock sampling), Cooper & McKenzie and the Eastern Prospects (Refer to release dated 23th October 2019).

During the March 2021 quarter, the Company completed a 20-hole 4,000 metre drill program designed to test beneath several of the historic hard-rock gold workings and associated geochemistry anomalies along an extensive 5.4 kilometre by 1.5-kilometre shear complex within EL8526. In addition, two targets, at Lucky Hit South and Markham's Prospects, have been identified with both gold and base-metal pathfinder signatures. Both prospects adjoin historic workings at Lucky Hit and Markham's Hill respectively and are clearly defined by soil chemistry with anomalism of silver, bismuth, lead, tellurium and gold (refer release dated 19th May 2020). These targets are being tested for bulk-tonnage gold mineral systems and have a comparable signature and scale to the McPhillamy's Gold Project (Regis Resources) located north of the Tuena Gold Project.

For further information on the drilling program and results, refer to the March 2021 quarterly report.

Alteration associated with mineralisation consists of sericite–silica–carbonate with the project area mostly metamorphosed to schist and phyllite. The distribution of gold mineralisation suggests that a substantial hydrothermal system has affected the area. Results from this initial program are being collated and will guide follow-up drilling to test the extents of gold encountered.

This program represents the first modern drilling to be completed in the Tuena project area. However, in recent years there have been substantial gold discoveries made along the strike of the Copperhannia Fault including the McPhillamy's deposit to the north of Tuena (Regis Resources) and the Cullarin discovery to the south (Sky Metals).

The Company is planning further work in follow up to the Tuena Gold Project drilling program and is also planning an expanded regional exploration program extending from immediately south of the McPhillamy's Project and across EL8973, EL8974, EL8526 and EL8975.

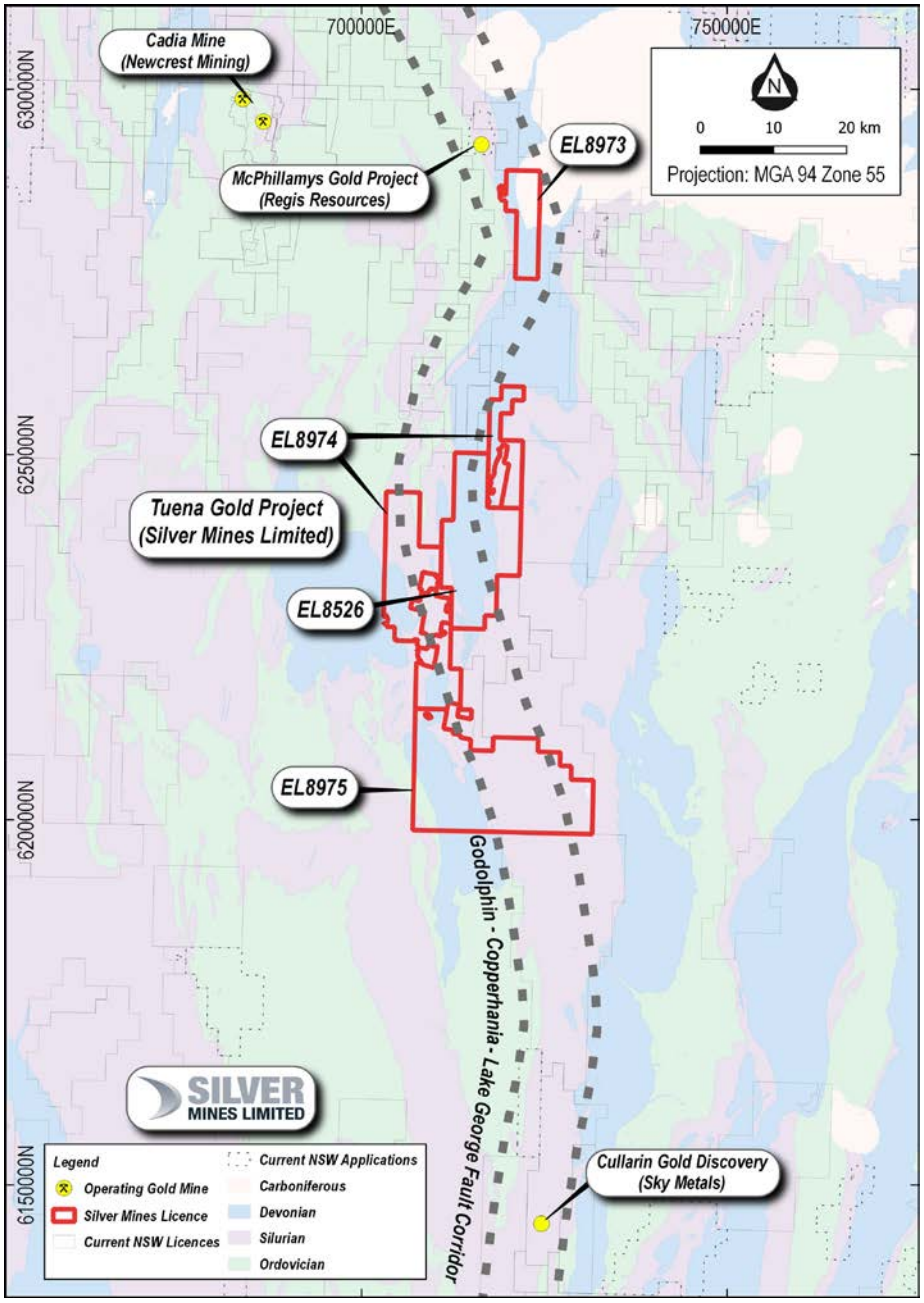

Figure 7: Tuena Gold Project regional setting.

About the Tuena Gold Project

The Tuena Gold Project is a regional exploration project that consists of a four exploration licenses covering 747 square kilometres. The project is 100% owned by Silver Mines Limited and is located in the Southern Tablelands of New South Wales, 180 kilometres west of Sydney, 80 kilometres south of Orange and 150 kilometres southwest of the Company's primary assets the Bowdens Silver Project and the Barabolar Project. Tuena was the site of a mid-1800s alluvial and hard-rock gold rush. A cluster of historic workings closely associated with the major Copperhania Thrust Fault extend over an area approximately six kilometres by four kilometres. The Company is targeting the region for large structurally controlled gold deposits analogous to the nearby McPhillamys Gold Deposit.

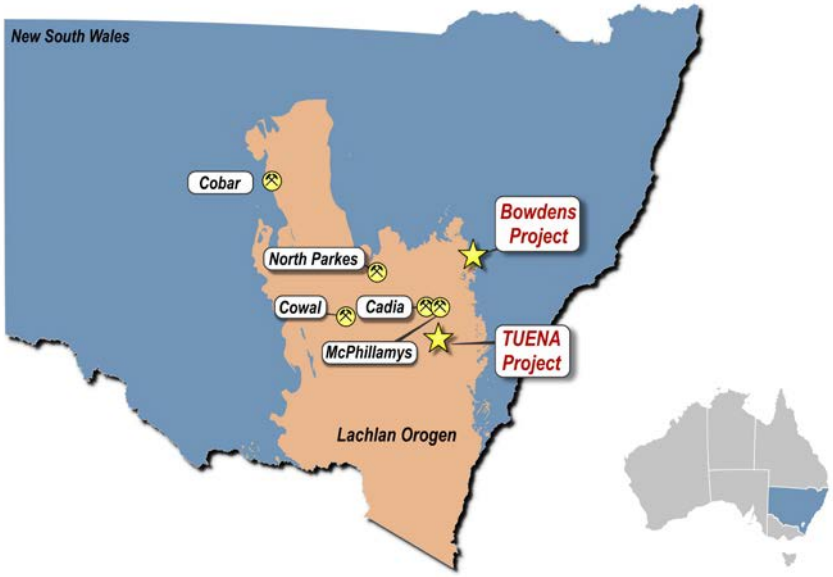

Figure 8. Silver Mines Limited project in the Lachlan Orogen.

Corporate

Securities Update

SVLOB – further issue

On 8th November 2021, 544,776 new fully paid ordinary shares were issued following the late processing of the corresponding number of SVLOB options, with an exercise price of $0.06 per share. Please see announcement dated 8th November 2021 for further details.

Employee Incentive Plan

On 22nd December 2021, the Company issued 9,000,000 options to eligible participants under its Employee Incentive Plan disclosed to the ASX on 25 October 2021 and approved by shareholders on 25 November 2021.

A further 2,000,000 employee incentive options are proposed to be issued to directors of the Company, excluding the Managing Director, however, such options remain subject to shareholder approval to be sought at the next extraordinary general meeting of shareholders to be held this year.

Waiver

On 27th November 2020, shareholders approved at the Annual General Meeting of the Company (Approval) a waiver granted by ASX Listing Compliance on 28th October 2020 (Waiver). The Waiver relates to the issue of 10,000,000 fully paid ordinary shares (Deferred Consideration Shares) in the Company to be issued to a Director of the Company in accordance with the provisions of the share sale and purchase deed dated 3rd May 2016 (Deed), which effectuated the purchase of the Bowdens Silver Project. In accordance with the Deed the Deferred Consideration Shares are to be issued upon:

- achievement of the mining lease granted by the NSW Department of Planning, Industry and Environment pursuant to the Mining Act 1992 (NSW) in connection with the Bowdens Silver Project; or

- a change of control milestone such as a takeover bid pursuant to section 9 of the Corporations Act 2001 (Cth), (collectively, Milestones)

The Company confirms the Deferred Consideration Shares have not been issued in the December 2021 quarter. The Deferred Consideration Shares may only be issued if either of the Milestones are achieved and occur in the period that is 24 months from the date that Approval is obtained.

Appendix 5B

As set out in the attached Appendix 5B, exploration expenditure during the quarter totalled A$3,332,000. Payments to related parties totalling A$182,000 consisted of remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.

Further information:

Anthony McClure
Managing Director
Silver Mines Limited
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Christina Granger
Account Director
M+C Partners
+61 438 117 286

About Silver Mines Limited

The Silver Mines strategy has been to consolidate quality silver deposits in New South Wales and to form Australia's pre-eminent silver company.

The Company's goal is to provide exceptional returns to shareholders through the acquisition, exploration and development of quality silver projects and by maximising leverage to an accretive silver price.

Competent Persons Statement

The information in this report that relates to mineral exploration from the Bowdens, Barabolar and Tuena projects is based on information compiled by the Bowdens Silver team and reviewed by Dr 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.

Tenement Information as at 31st December 2021

Tenement	Project Name	Location	Silver Mines Ownership	Change in Quarter
EL 5920	Bowdens Silver	NSW	100%	-
EL 6354	Bowdens Silver	NSW	100%	-
EL 8159	Bowdens Silver	NSW	100%	-
EL 8160	Bowdens Silver	NSW	100%	-
EL 8168	Bowdens Silver	NSW	100%	-
EL 8268	Bowdens Silver	NSW	100%	-
EL 7391[1]	Bowdens Silver	NSW	0%	-
EL 8403	Bowdens Silver	NSW	100%	-
EL 8405	Bowdens Silver	NSW	100%	-
EL 8480	Bowdens Silver	NSW	100%	-
EL 8682	Bowdens Silver	NSW	100%	-
EL 8526	Tuena	NSW	100%	-
EL 8973	Tuena	NSW	100%	-
EL 8974	Tuena	NSW	100%	-
EL 8975	Tuena	NSW	100%	-

1. Under joint venture with Thomson Resources Limited (TMZ). Silver Mines Limited (SVL) earning 80%.

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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.*	Diamond Drilling – Bowdens: • Sampling taken continuously downhole from PQ and HQ diameter diamond core. • PQ size core – all samples taken as nominal 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. • 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 – Bowdens: • 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.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure 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.*	Diamond Drilling – Bowdens: • 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 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.*	Diamond Drilling – Bowdens: • 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.*	Diamond Drilling – Bowdens: • 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	• *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*	Diamond Drilling – Bowdens: • 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

Criteria	JORC Code explanation	Commentary
laboratory tests	*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.*	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.
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.*	Diamond Drilling – Bowdens: • 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.*	Diamond Drilling – Bowdens: • The collar position is initially surveyed using hand-held GPS with accuracy of +- 3 metres. • Locations were later collected by Real Time Kinetic by VRS to an accuracy of +- 1 centimetre. • 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.

Criteria	JORC Code explanation	Commentary
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.*	Diamond Drilling – Bowdens: • This drilling relates to exploration drilling of the Northwest High-Grade Silver Zone as defined by previous drilling at the Bowdens Deposit. 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.*	Diamond Drilling – Bowdens: • 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.*	Diamond Drilling – Bowdens: • All samples bagged on site under the supervision of 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 the site).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Diamond Drilling – Bowdens: • 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	• *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,*	Diamond Drilling – Bowdens: • The Bowdens Resource is located wholly within Exploration Licence No 5920, held wholly by Silver Mines Limited and is located

Criteria	JORC Code explanation	Commentary
land tenure status	*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.*	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.*	Diamond Drilling – Bowdens: • 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.*	Diamond Drilling – Bowdens: • 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 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;*	Diamond Drilling – Bowdens: • All information is included in Table 1 of this report above.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	Diamond Drilling – Bowdens: • 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 no internal dilution factors • 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').*	Diamond Drilling – Bowdens: • 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 drill hole collar locations and appropriate sectional views.*	Diamond Drilling – Bowdens: • Maps and cross sections provided in the body of this report.
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*	Diamond Drilling – Bowdens: • All results received and compiled to date are reported in this release. Drilling is on-going with further results expected.

Criteria	JORC Code explanation	Commentary
	Exploration Results.	
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.*	Diamond Drilling – Bowdens: • 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.*	Diamond Drilling – Bowdens: • This report relates to a drill program that is designed to test the extension and explore for further zones to the Northwest High-Grade Silver Zone situated beneath the Bowdens Silver Deposit. Drilling is on-going with further results pending.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Silver Mines Limited	
ABN	**Quarter ended ("current quarter")**
456 107 452 942	31 December 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	145	204
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(177)	(350)
	(e) administration and corporate costs	(462)	(912)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	47	72
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(448)**	**(987)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(210)
	(d) exploration & evaluation	(3,332)	(6,287)
	(e) intangible	(60)	(160)
	(f) Land and Building	(253)	(1,450)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Research and Development Tax Incentive Refund)	-	692
2.6	**Net cash from / (used in) investing activities**	**(3,644)**	**(7,414)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	180	5,442
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(3)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	1	1
3.10	**Net cash from / (used in) financing activities**	**181**	**5,440**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	32,371	31,421
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(448)	(987)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,644)	(7,414)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	181	5,440

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**28,460**	**28,460**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	28,460	32,371
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**28,460**	**32,371**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	182
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(448)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,332)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,779)
8.4	Cash and cash equivalents at quarter end (item 4.6)	28,460
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	28,460
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**7.53**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not Applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not Applicable

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Not Applicable	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: .....28 January 2022.....

Authorised by: .....By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.