

24 January 2025

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

DRILLING OF THE ELSIENORA PROJECT SET TO COMMENCE

HIGHLIGHTS

- **Drilling to commence at the Elsiehora Project (EL9588), acquired in 2023 and located adjacent to the Company's Tuena Gold Project.**
- **There are multiple silver and gold targets within the Elsiehora Project including Cuddyong, the Pickers Prospect, Nobbs Reef and the Elsiehora Prospects. Significant historic drilling across the tenement includes:**
 - **29m @ 1.53g/t Au** from surface (ELRC001 Cuddyong Prospect – Alkane Resources¹)
 - **8m @ 3.14g/t Au** from 30 metres (ELRC003 Cuddyong Prospect – Alkane Resources¹)
 - **21m @ 0.89g/t Au** from 207 metres (SEDD013 Elsiehora Prospect – Balamara Resources²)
- **A review of data compiled by previous exploration (1970's to 2019) has highlighted the Picker Prospect as having potential to host "McPhillamys" style gold mineralisation.**
- **The Picker Prospect, previously identified by Alkane Resources, is an Au–As–Ag–Mo–Pb–Sb soil anomaly (>20ppb Au) with a strike length of over 1.4km.**
- **The target zone is located within the Godolphin-Copperhania Fault Corridor approximately 60 kilometres to the south of Regis Resources (ASX:RRL) McPhillamys Gold Deposit.**
- **Shallow RC Drilling of the Picker Prospect by Alkane in 2015 returned¹:**
 - **18m @ 0.44g/t Au, 5.4g/t Ag and 0.18%Ba** from 27 metres (ELRC008); and
 - **8m @ 0.55g/t Au, 23.2g/t Ag and 0.24%Ba** from 26 metres (ELRC012)
- **Silver Mines expects to complete between 2,000 - 3,000m of diamond drilling to target silver and gold mineralisation.**

¹See Alkane Resources (ASX:ALK) ASX announcement "Encouraging Mineralisation from Scout Drilling at Elsiehora Project" dated 23 March 2015.

²See Balamara Resources (ASX:BMB) ASX announcement "Balamara reports further encouraging results from gold drilling at Elsiehora, NSW" dated 17 February 2012.

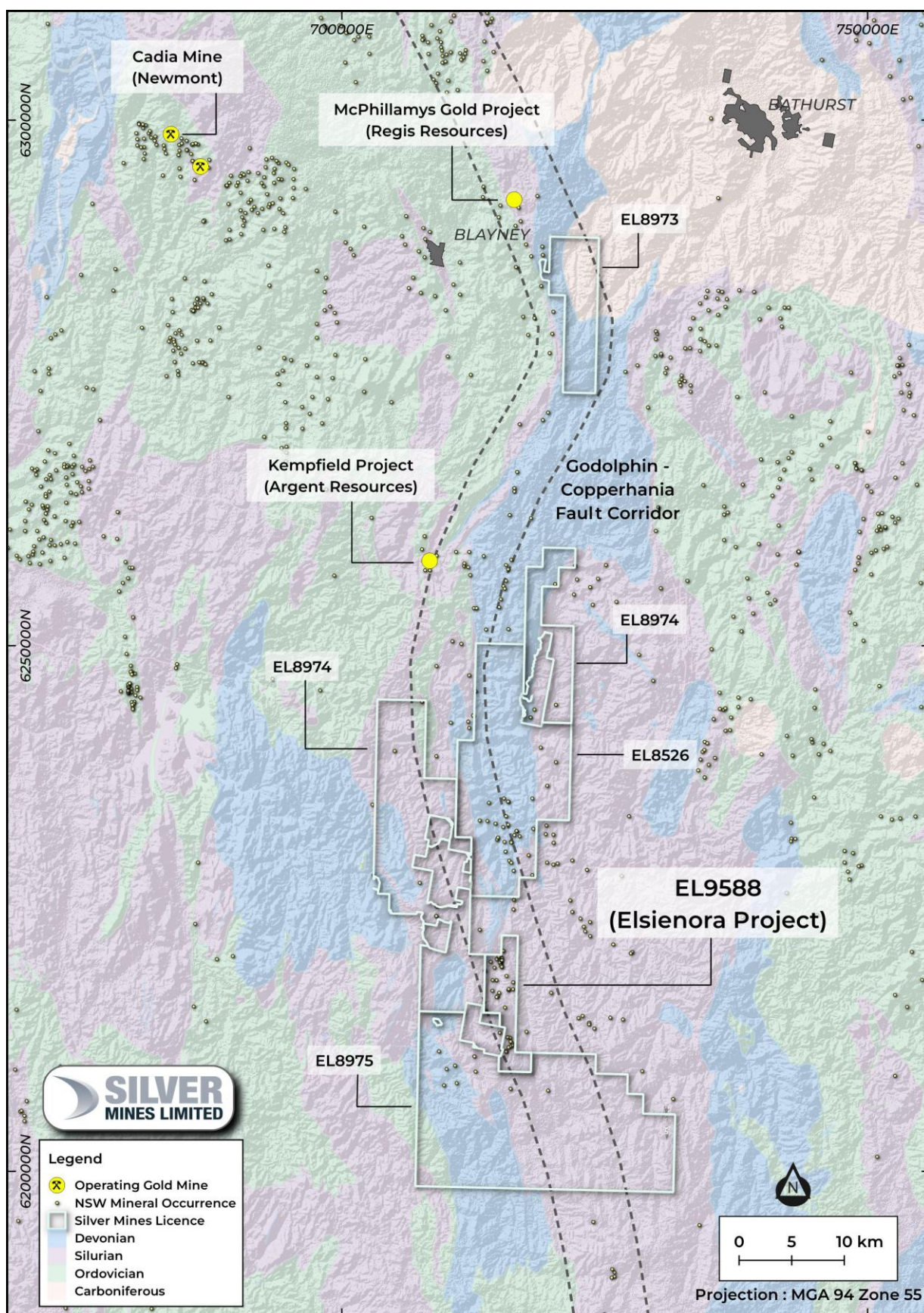


Figure 1: Location of the Elsenora Project within the Tuena Gold Project.

Introduction

Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") is pleased to announce an update on exploration activities at the Tuena Gold Project, located 80 kilometres south of the city of Orange in New South Wales (Figure 1).

The Elsenora Project ("the Project") was acquired as an Exploration Licence Application in 2023 and forms part of the Tuena Gold Project portfolio. The Project has previously been held by Alkane Resources Ltd ("Alkane"), Balamara Resources and various other companies from the 1970s. Previous exploration has included diamond and RC drilling, geophysical surveys and various surface geochemical surveys. The Project has been considered highly prospective for both orogenic gold and volcanogenic massive sulphide mineralisation styles. Alkane considered the Project prospective for a third mineralisation style being sulphide-rich disseminated gold-silver-barium (epigenetic VMS style) which is analogous to Regis Resources Limited's (ASX:RRL) McPhillamys Gold Deposit near Blayney. Review of historic data by the Company shows that the Project has significant underexplored potential for gold and silver mineralisation, for example the Picker Prospect representing a McPhillamys style target worthy of drill testing.

Project Geology

Geology within the Project (Figure 2) comprises a mid to late Silurian aged package of variably pyritic, intermediate to felsic volcanoclastics which hosts several zones of elevated gold geochemistry. Two broad styles of gold mineralisation are recognised within the area, the most common are typically small, sulphide-poor quartz veins, or orogenic type mineralisation. The most well-known type of this style gold deposit in NSW is the Hill End gold deposit. This style typically forms in association with carbonate veining in fold hinges of altered basalt and mafic sedimentary geologies. Prospects of this type of mineralisation include Cuddyong, Hit or Miss and Nobbs Reef.

A second, earlier style of gold mineralisation is characterised by sulphide-rich disseminated mineralisation associated with pervasively argillic-altered (sericite) volcanoclastics. This second style appears to be related to early sub-seafloor hydrothermal activity as a distal to VMS style mineralisation (epigenetic VMS), with several similarities to McPhillamys-style mineralisation. The host geology of the Picker Prospect is part of the late Silurian aged Cuddyong Formation, which commonly includes pyritic schist, felsic tuff and rhyolitic to dacitic volcanoclastics rocks.

Alkane completed detailed geological mapping in the area noting a basal package of interlayered siliciclastic mudstone and mafic schist (Lower Cuddyong Formation), which progress into a carbonate interval and an overlying sequence of intermediate-felsic volcanoclastics (upper Cuddyong Formation).

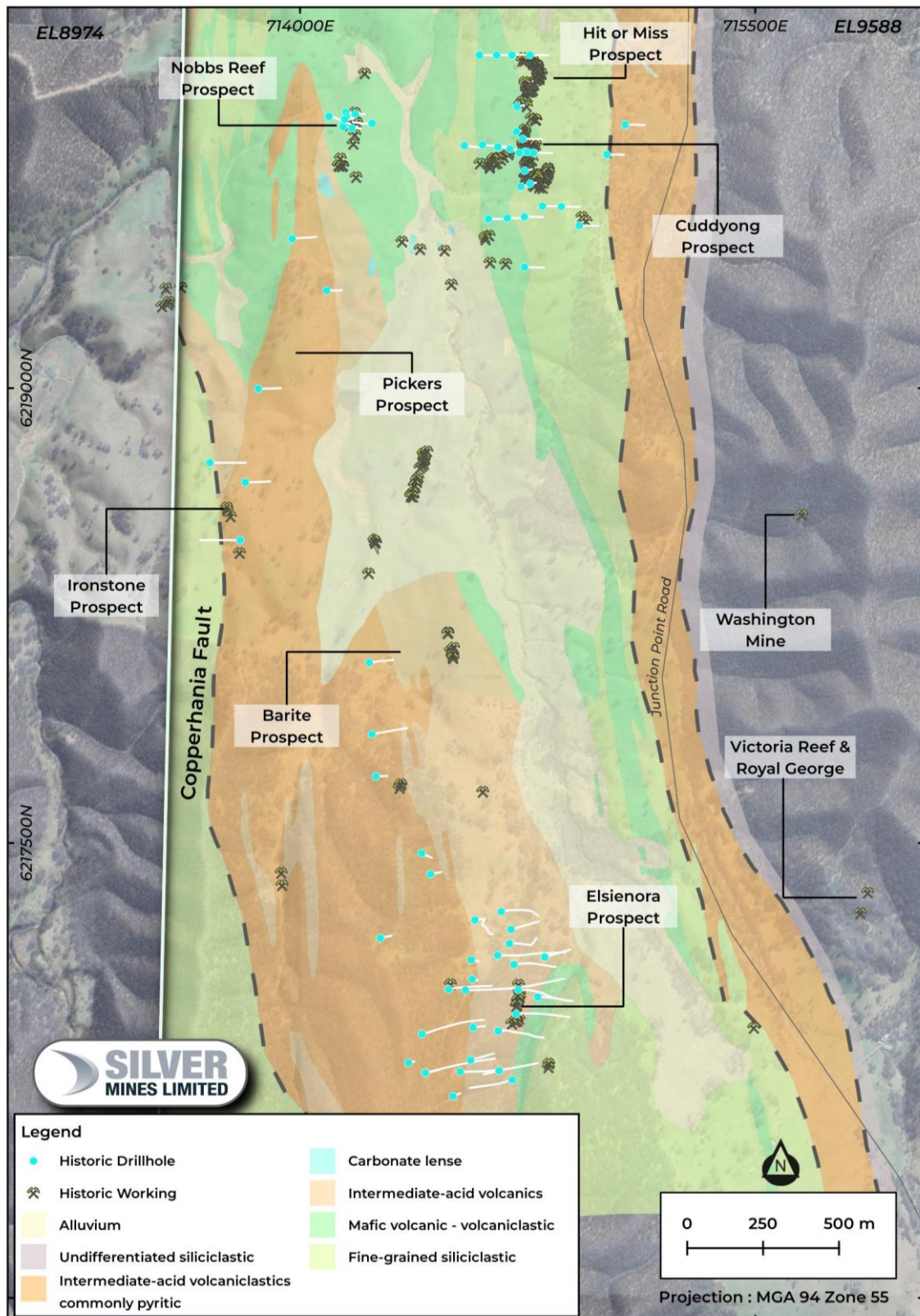


Figure 2: Elsienora Project geology and prospects.

Historic Mining

Gold mining began in the Junction Point area (locality in the north of the Project) in the early 1860's where gold rich quartz veins were mined. Mine production records from 1875 onwards indicate 6,758 oz gold produced from Washington Mine at an average of 184 g/t Au (1875-81, 1898 & 1904), 2,633 oz gold produced from Victoria Mine at an average of 37 g/t Au (1875-82 & 1896-98) and the Elsieora Mine was worked initially for gold (1903-04 & 1911), then later for silver, lead and zinc from narrow sulphide lodes¹.

Previous Exploration

In the modern era, the project area has been subject to diamond and RC drilling, sampling and trenching, mapping and geophysical surveying, particularly during the 1970's and 80's, and between 2007 to 2023. Alkane was the most recent owner of the Project and relinquished its licence in 2023, which enabled the Company to apply for the Project. Alkane completed 29 RC drillholes for 3,110 metres which was across the Cuddyong, Nobbs Reef and Pickers prospects only and targeting gold. This followed substantial target generation work including 426 close spaced soil samples, structural geological mapping and litho-geochemical assignment of geology.

Drilling and target generation work of all prospects within the Project area have shown continuity of mineralisation with reasonable grades for Au, Ag, Pb and Zn. Highlights include:

Pickers Prospect²:

- **18m @ 0.44g/t Au, 5.4g/t Ag and 0.18% Ba** from 27 metres (ELRC008).
- **8m @ 0.55g/t Au, 23.2g/t Ag and 0.24% Ba** from 26 metres (ELRC012), including
 - **3m @ 0.94g/t Au, 32.5g/t Au and 0.24% Ba** from 26 metres.

Cuddyong Prospect²:

- **29m @ 1.53g/t Au** from surface (ELRC001), including
 - **4m @ 5.86g/t Au** from 10 metres.
- **8m @ 3.14g/t Au** from 30 metres (ELRC03), including
 - **4m @ 5.72g/t Au** from 30 metres, and
- **5m @ 2.03g/t Au** from 69 metres.

¹Felton, E.A. 1975. Goulburn 1:250,000 Metallogenic Map. Part 1 Mine Data Sheets to accompany Metallogenic Map. Geological Survey of New South Wales. 303 pp.

²See Alkane Resources (ASX:ALK) ASX announcement "Encouraging Mineralisation from Scout Drilling at Elsieora Project" dated 23 March 2015.

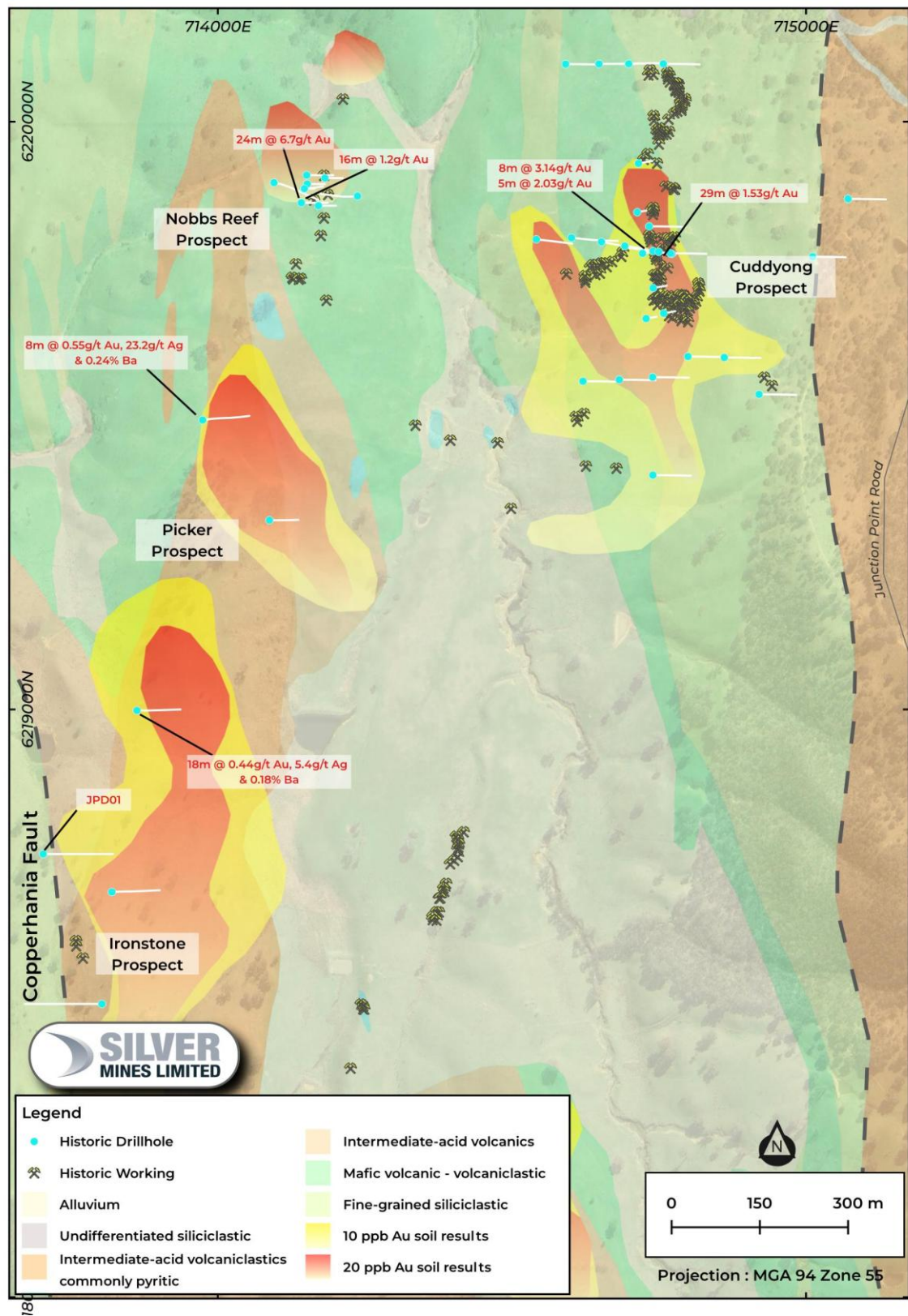


Figure 3: Picker, Nobbs Reef and Cuddyong Prospects with drill and soil results.

Elsienora Prospect:

- **21m @ 0.89g/t Au, 3.4g/t Ag, 0.31% Zn and 0.11% Pb** from 207 metres (SEDD013³).
- **12m @ 0.58g/t Au** from 63 metres (SERC008).
- **3m @ 1.74g/t Au** from 30 metres (SERC005).
- **5m @ 1.81g/t Au** from surface (SERC007).
- **5m @ 1.73g/t Au** from 192 metres (SERC004)
- **6.1m @ 3.73% Zn, 1.37% Pb, 30g/t Ag, 0.29g/t Au** from 318.52 metres (Planet Metals [1973] DDH04).

Significantly for the Company, many targets remain underexplored along strike, between and below existing drilling, particularly the Picker prospect. Drilling at Elsenora Prospect historically focused on zinc, lead and silver with sporadic gold assays. Sultan Resources (then Balamara Resources) targeted Elsenora Prospect for gold, but further east than the main zinc, lead, silver workings. Both Balamara and Alkane describe potential for disseminated “McPhillamys style” gold mineralisation at both Elsenora and Picker prospects.

As well as anomalous gold results, there are also high-grade silver results from historic drilling within the Elsenora Prospect which have not been adequately verified or extended.

Exploration Program

The Company has completed a substantial review of existing and available data across the Project with a view to commencing a drilling program. An initial diamond drilling program of 2,000 to 3,000 metres is planned and subject to all statutory approvals, this program is expected to commence this quarter. Gold and silver will be the primary targets of an initial round of drilling.

The Company also holds licence EL8974, which adjoins the Elsenora Project. Reconnaissance exploration (soil sampling and geological mapping) has already commenced across parts of this licence. Limited historic workings exist on the NSW Government database within the area of EL8974 and it is on this tenement, as well as immediately adjacent ground to Elsenora Project, where the Company will commence reconnaissance exploration.

Exploration work that will be considered in conjunction with diamond drilling includes induced polarisation (IP) surveys and reprocessing of airborne electromagnetics and airborne magnetics (both flown by Alkane). The Company is also in the process of obtaining land access to NSW Crown Land which will enable exploration of other historically prospective gold mines including Washington, Victoria, Royal George and Dog Trap.

Cautionary Statement: Reliance on Historic/Previous Exploration data

Information in this release that is historic in nature or that has been compiled from reports from other companies has been reviewed by the Company. Whilst the previously collected exploration results appear reasonable, in the context in which they are presented, verification is not necessarily possible until the Company repeats or follows up with additional on-ground work, including drilling. As such the veracity of historic information cannot necessarily be relied upon.

³See Balamara Resources (ASX:BMB) ASX announcement “Balamara reports further encouraging results from gold drilling at Elsenora, NSW” dated 17 February 2012.

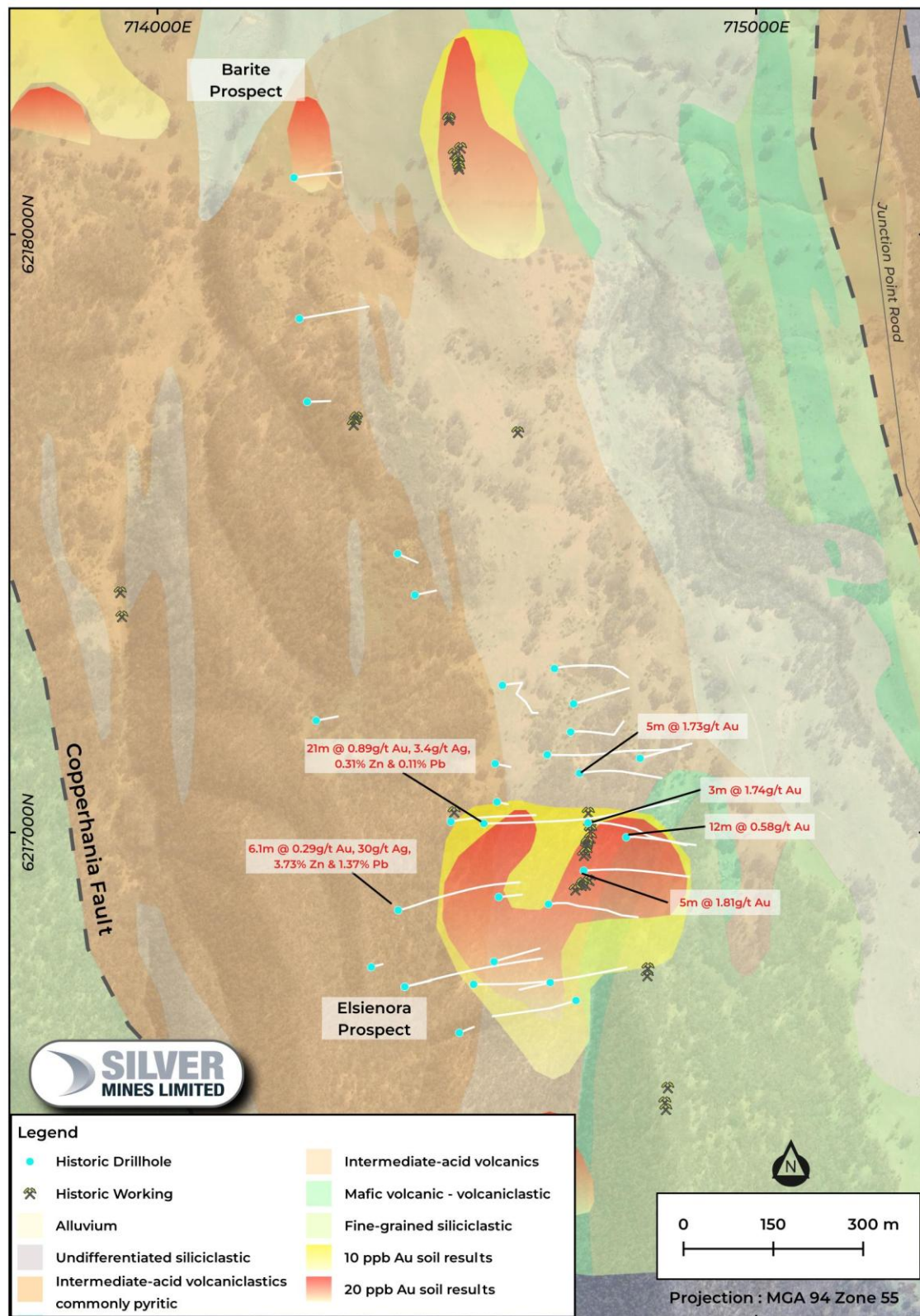


Figure 4: Elsenora and Barite Prospects with drill and soil results

Silver Mines Limited
ABN: 45 107 452 942

About Silver Mines Limited

Silver Mines Limited is an Australian based minerals exploration and development company. The Company's flagship asset is the Bowdens Silver Project located in central New South Wales, approximately 26 kilometres east of Mudgee (Figure 6). The consolidated project area comprises 2,115 km² (521,000 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 completed. The project boasts outstanding logistics for mine development. In addition to Bowdens Silver, the Company is also actively exploring for gold at its Tuena Gold Project.

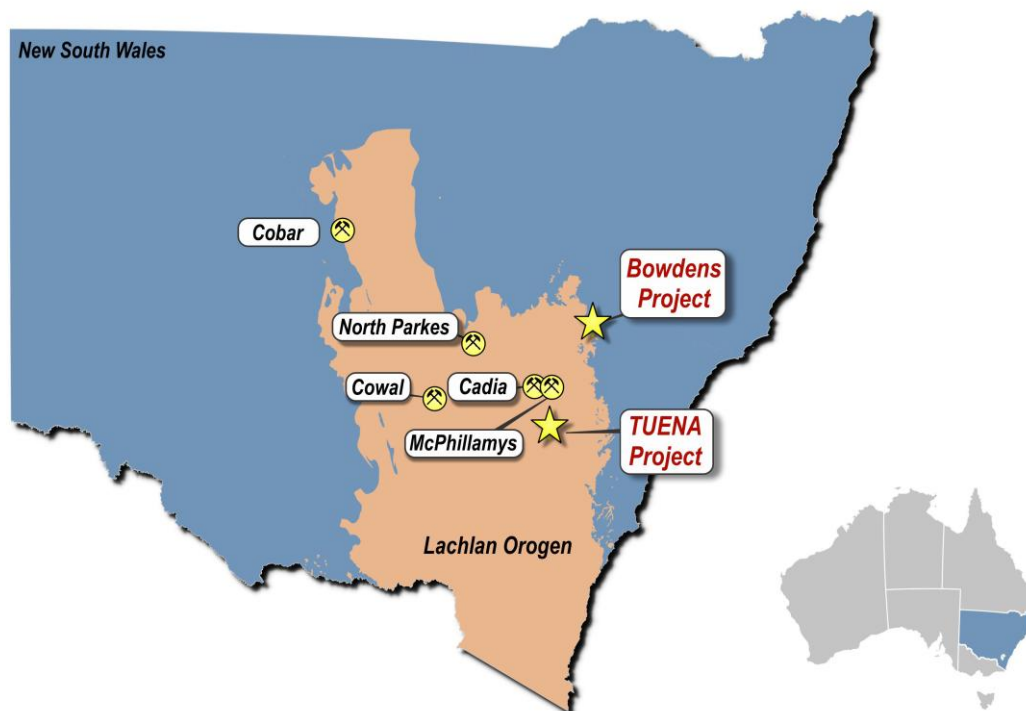


Figure 6: Silver Mines Limited Project locations in NSW.

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

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Thomas Klein who is an employee of Silver Mines Limited. Mr Klein is a Member of the Australian Institute of Geoscientists 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). Mr Klein consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Table 1: Drill collar details for historic drill holes reported within the Elsenora Project.

Prospect	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Year and Company
Elsienora	DDH_04	714402	6216870	793	-80	78	405.69	Diamond	1973 – Planet Metals Limited
Cuddyong	ELRC001	714772	6219775	667	-55	277	132	RC	2015 – Alkane Resources
Cuddyong	ELRC003	714740	6219780	664	-55	275	82	RC	2015 – Alkane Resources
Picker	ELRC008	713862	6218998	683	-55	90	123	RC	2015 – Alkane Resources
Picker	ELRC012	713974	6219492	675	-55	92	150	RC	2015 – Alkane Resources
Nobbs Reef	NR1	714147	6219886	644	-80	90	100	RC	1994 – Telminix NL & Cluff Minerals Australia
Elsienora	SEDD_013	714545	6217015	738	-60	90	515.9	Diamond	2011 – Sultan Corporation Ltd
Elsienora	SERC_004	714705	6217099	730	-60	74	207	RC	2011 – Sultan Corporation Ltd
Elsienora	SERC_005	714719	6217016	741	-60	74	227	RC	2011 – Sultan Corporation Ltd
Elsienora	SERC_007	714712	6216936	752	-60	74	237	RC	2011 – Sultan Corporation Ltd
Elsienora	SERC_008	714783	6216992	738	-60	74	182	RC	2011 – Sultan Corporation Ltd
Nobbs Reef	WL9	714147	6219886	644	-60	90	64	RC	1993 – Telberth NL & Cluff Minerals Australia

Table 2: Significant historic drill assay data from the Elsenora Project listed in the report.

Hole	From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Copper (%)	Silver (g/t)	Gold (g/t)
DDH_04	318.52	324.61	6.1	3.73	1.37	0.02	30	0.29
ELRC001	0	29	29	0.02	-	0.01	0.1	1.53
Incl.	10	14	4	0.01	-	0.01	0.1	5.86
ELRC003	30	38	8	0.02	-	0.01	0.1	3.14
Incl.	30	4	4	0.02	-	0.01	0.1	5.72
	50	60	10	0.01	-	-	0.1	1.63
Incl.	50	54	4	0.01	-	-	0.1	3.29
	69	74	5	-	-	-	-	2.03
ELRC008	27	45	18	-	-	-	5.4	0.44
ELRC012	26	34	8	-	-	-	23.2	0.55
	107	127	20	-	-	-	5.6	0.39
	128	134	6	-	-	-	17.0	0.27

Hole	From (m)	To (m)	Interval (m)	Zinc (%)	Lead (%)	Copper (%)	Silver (g/t)	Gold (g/t)
NR1	58	74	16	-	-	-	-	1.21
SEDD_013	207	228	21	0.31	0.11	0.02	3.4	0.89
<i>Incl.</i>	215	216	1	1.48	0.28	0.39	22.3	14.7
SERC_004	192	197	5	-	-	-	-	1.73
SERC_005	30	33	3	0.05	0.01	0.04	3.0	1.74
SERC_007	0	5	5	-	-	-	-	1.81
SERC_008	63	75	12	0.49	0.16	-	8.5	0.58
WL9	36	46	2	-	-	-	-	20.7

Assays are compiled from historic reports and have been subject to different assay detection limits or lab precision over time.

APPENDIX 1: JORC CODE

2012 Edition – ANNEXURE 1

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<ul style="list-style-type: none"> Alkane Resources Drilling (2015): Reverse circulation (RC) samples collected at one metre intervals via a cyclone and cone splitter at the rig. The 1m samples were submitted for analysis from high priority mineralised or altered zones. Lower priority zones were sampled using 3m composite spear sampling. <ul style="list-style-type: none"> RC drilling completed to industry standards RC drilling – approximately 10% (3kg) of total sample delivered via cone splitter into calico bags with the remaining sample delivered into a large plastic bag and retained for future use when required. All samples sent to laboratory were crushed and or pulverised to produce a ~100g pulp for assay process. All samples were fire assayed using a 50g charge. Balamara Resources Drilling (2011): RC drilling completed by Techdrill Services Pty Ltd of Orange. RC chips initially sampled in 3m composites and submitted to ALS labs in Brisbane and analysed for gold and multi elements including Cu, Pb, Zn and Ag, by fire assay and ICPMES. Samples with elevated gold were then re-sampled and 1m riffle splits were re-submitted to ALS for gold fire assay only. <ul style="list-style-type: none"> Diamond core was oriented, logged, sampled and stored at Rangott Mineral Exploration Proprietary Limited premises in Orange, NSW. Core was halved and submitted to ALS labs in Orange and analysed for gold and multi elements including Cu, Pb, Zn and Ag, by fire assay and ICP. Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> DDH_04 - Assayed by Planets Metals for Cu, Pb, Zn, Ag through GEOMIN between 1970 & 1973 via WET / Fire assay methods. Geologic logging occurred to lithology using imperial units of

Criteria	JORC Code explanation	Commentary
		<p>measure. Sampling completed selectively (“GS1974 148”).</p> <ul style="list-style-type: none"> • DDH_04 - Reassayed for Au on 2 metre intervals by Mineral Management Services on behalf of Teck Exploration through Fox Laboratories in 1984 via AAS and Fire Assay (“GS1984 210”). • NR1 & WL9 - Assayed for Au by Cluff Resources through Australian Laboratory Services P/L in 1993 via method PM209 and Cu, Pb, Zn, As via G001 and G003 methods (“GS1995 083”). Assays subject to routine Lab checks (Quality Control). Geologic logging on 1 metre samples. • NR1 & WL9 - Assayed for Au by Cluff Resources through Australian Laboratory Services P/L in 1993 via method PM209 and Cu, Pb, Zn, As via G001 and G003 methods (“GS1993 272”). Assays subject to routine Lab checks (Quality Control). Geologic logging on 1 metre samples.
Drilling techniques	<ul style="list-style-type: none"> • <i>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).</i> 	<ul style="list-style-type: none"> • Alkane Resources Drilling (2015): Conventional RC drilling using 100mm rods and 144mm face sampling hammer. • Balamara Resources Drilling (2011): No information available on RC drilling techniques. <ul style="list-style-type: none"> • Diamond drillholes were completed with triple tube coring and collared in PQ before reducing to HQ and NQ to reduce hole deviation. • Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> • DDH_04 - Diamond drilling method of unknown size or sampling tool - Planets Metals between 1970 & 1973 (“GS1974 148”). • NR1 & WL9 - Percussion drilling method of unknown size or sampling tool - Cluff Resources in 1993 (“GS1995 083”). • NR1 & WL9 - Percussion drilling method of unknown size or sampling tool - Cluff Resources in (“GS1993 272”).
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade</i> 	<ul style="list-style-type: none"> • Alkane Resources Drilling (2015): RC sample was visually estimated and generally very good (>90%) aided by the use of oversized shrouds through oxide material. Samples were even sized. Samples were rarely damp or wet. Sample quality was assessed by the sampler by visual approximation of sample recovery and if the sample was dry, damp or

Criteria	JORC Code explanation	Commentary
	<p><i>and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<p>wet. Riffle and cone splitters were used to ensure a representative sample was achieved on all 1m samples. For wet samples a spear sample was taken.</p> <ul style="list-style-type: none"> RC drilling completed using oversized shrouds to maintain sample return in oxide zone and all samples were split using a cone splitter. Use of RC rigs with high air capacity assisted in keeping samples dry, however some water flows were encountered at the base of holes ELRC012, ELRC007 and ELRC008 and were eventually abandoned. There is no known relationship between sample recovery and grade. <ul style="list-style-type: none"> Balamara Resources Drilling (2011): No information available on RC or diamond sample recovery. Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> DDH_04 - Geologic logging occurred to lithology using imperial units of measure. Sampling completed selectively - Planets Metals between 1970 & 1973 (“GS1974 148”). No information recorded about sample recovery or representivity. NR1 & WL9 - Geologic logging on 1 metre samples - Cluff Resources in 1993 (“GS1995 083”). No information recorded about sample recovery or representivity. NR1 & WL9 - Geologic logging on 1 metre samples - Cluff Resources in (“GS1993 272”). No information recorded about sample recovery or representivity.
Logging	<ul style="list-style-type: none"> <i>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.</i> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> Alkane Resources Drilling (2015): RC – each 1m interval was geologically logged for characteristics such as lithology, weathering, alteration (type, character and intensity), veining (type, character and intensity) and mineralisation (type, character and intensity). <ul style="list-style-type: none"> All logging is qualitative with visual estimates of the various characteristics. A representative sample for each 1m interval was retained in chip trays for future reference. All RC chip samples were geologically logged by qualified geologists.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • Balamara Resources (2011): RC and diamond samples logged by Rangott Minerals with intervals logged according to lithology, alteration or mineralisation. • Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> • DDH_04 - Geologic logging occurred to lithology using imperial units of measure. Sampling completed selectively - Planets Metals between 1970 & 1973 (“GS1974 148”). No information recorded about sample recovery or representivity. • NR1 & WL9 - Geologic logging on 1 metre samples - Cluff Resources in 1993 (“GS1995 083”). No information recorded about sample recovery or representivity. • NR1 & WL9 - Geologic logging on 1 metre samples - Cluff Resources in (“GS1993 272”). No information recorded about sample recovery or representivity.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core were taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Alkane Resources Drilling (2015): RC – for each 1m interval with visual mineralisation and/or alteration the calico sample bag was numbered and submitted to the laboratory for analysis. Intervals without visual mineralisation and/or alteration were spear sampled and composited over 3m intervals. Rare damp or wet samples were recorded by the sampler. <ul style="list-style-type: none"> • Laboratory preparation – the entire RC sample (~3kg) was dried and pulverised in an LM5 (or equivalent) to ≥85% passing 75µm. Bulk rejects for all samples were discarded. A pulp packet (±100g) was stored for future reference. • Alkane sampling techniques are of industry standard and considered adequate. • Field duplicate samples collected at every stage of sampling to control procedures. • Duplicate samples were riffle split from the riffle/conical split calico from the drill rig. Duplicates generally showed excellent repeatability. • Sample sizes were industry standard and considered appropriate.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • Balamara Resources (2011): RC 3m composite samples with elevated Au were re-sampled and 1m riffle splits were re-submitted to ALS. No information recorded about sample preparation. • Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> • DDH_04 - No information recorded about sub-sampling techniques and sample preparation (“GS1974 148”). • NR1 & WL9 - No information recorded about sub-sampling techniques and sample preparation (“GS1995 083”). • NR1 & WL9 - No information recorded about sub-sampling techniques and sample preparation (“GS1993 272”).
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • Alkane Resources Drilling (2015): Gold was determined using a 50g charge fused at approximately 1100°C with alkaline fluxes, including lead oxide. The resultant prill is dissolved in aqua regia and gold determined by flame AAS. <ul style="list-style-type: none"> • For other geochemical elements, samples were digested by mixed acid digest with each element concentration determined by ICP Atomic Emission Spectrometry or ICP Mass Spectrometry. Apart from barium, these additional elements are generally only used for geological interpretation purposes and are not routinely reported. • Commercially prepared Certified Reference Materials (CRM) were inserted at 1 in 50 samples. • CRMs are not identifiable to the laboratory. • Field duplicate samples were inserted at 1 in 50 samples (alternate to CRM's). • Laboratory QAQC sampling includes insertion of CRM samples, internal duplicates and • screen tests. This data is reported for each sample submission. • Failed standards result in re-assaying of portions of the affected sample batches. • Balamara Resources (2011): Gold and an extensive range of other elements, including Cu, Pb, Zn, and Ag, were analysed by fire assay and multi-element ICP. No other information recorded about quality of

Criteria	JORC Code explanation	Commentary
		<p>assay data or laboratory tests</p> <ul style="list-style-type: none"> • Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> • DDH_04 - No information recorded about quality of assay data or laboratory tests (“GS1974 148”). • NR1 & WL9 - No information recorded about quality of assay data or laboratory tests (“GS1995 083”). • NR1 & WL9 - No information recorded about quality of assay data or laboratory tests (“GS1993 272”).
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Alkane Resources Drilling (2015): All drill hole logging and sampling data was entered directly into field data entry spreadsheets for transfer and storage in an access database with verification protocols in place. <ul style="list-style-type: none"> • All primary assay data is received from the laboratory as electronic data files which are imported into database with verification procedures in place. QAQC analysis is undertaken for each laboratory report. • Digital copies of Certificates of Analysis (COA) are stored in a central database with regular (daily) backup. Original survey data is stored on site. • Data is also verified on importing into various software packages. • No assay data was adjusted. • Balamara Resources (2011): No information found related to verification of sampling and assaying. • Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> • DDH_04 - No information found related to verification of sampling and assaying (“GS1974 148”). • NR1 & WL9 - No information found related to verification of sampling and assaying (“GS1995 083”). • NR1 & WL9 - No information found related to verification of sampling and assaying (“GS1993 272”).
Location of data points	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations</i> 	<ul style="list-style-type: none"> • Alkane Resources Drilling (2015): Drill holes laid out using handheld GPS (accuracy $\pm 3\text{m}$) then DGPS surveyed accurately ($\pm 0.1\text{m}$) by

Criteria	JORC Code explanation	Commentary
	<p><i>used in Mineral Resource estimation.</i></p> <ul style="list-style-type: none"> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<p>licenced surveyors on completion.</p> <ul style="list-style-type: none"> Down hole orientation surveys were completed at a nominal 30m down hole interval using a digital surveying instrument: Reflex EZ-Trac multishot survey instrument. MGA (Zone 55), GDA94. <p>• Balamara Resources (2011): No information found related to location of data points.</p> <p>• Other historic drilling (DDH_04, NR1 & WL9):</p> <ul style="list-style-type: none"> DDH_04 - No information found related to location of data points ("GS1974 148"). NR1 & WL9 - No information found related to location of data points ("GS1995 083"). NR1 & WL9 - No information found related to location of data points ("GS1993 272").
Data spacing and distribution	<ul style="list-style-type: none"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<p>• Alkane Resources (2015): Drilling constituted early-stage exploration and as such, the data spacing was variable as the focus was on identifying new zones of mineralisation.</p> <p>• Balamara Resources (2011): Drilling constituted early stage exploration and as such, the data spacing was variable as the focus was on identifying new zones of mineralisation.</p> <p>• Other historic drilling (DDH_04, NR1 & WL9):</p> <ul style="list-style-type: none"> DDH_04 - No information found related to data spacing and distribution ("GS1974 148"). NR1 & WL9 - No information found related to data spacing and distribution ("GS1995 083"). NR1 & WL9 - No information found related to data spacing and distribution ("GS1993 272").
Orientation of data in relation to	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<p>• Alkane Resources (2015): The intersections reported in ELRC001 and ELRC003 appear to be representing a significant sampling bias of the mineralised zone. Based on additional drilling completed, these</p>

Criteria	JORC Code explanation	Commentary
geological structure	<ul style="list-style-type: none"> <i>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.</i> 	<p>early stage drillholes have likely drilled down dip within the broad mineralised body. Generally it is not thought that drilling direction has resulted in significant bias to mineralised zones elsewhere.</p> <ul style="list-style-type: none"> Balamara Resources (2011): No information found related to orientation of data in relation to geological structure. Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> DDH_04 - No information found related to orientation of data in relation to geological structure (“GS1974 148”). NR1 & WL9 - No information found related to orientation of data in relation to geological structure (“GS1995 083”). NR1 & WL9 - No information found related to orientation of data in relation to geological structure (“GS1993 272”).
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Alkane Resources (2015): all samples were bagged in tied numbered calico bags, grouped into larger tied polyweave bags and transported 1 hour to ALS in Orange. All sample submissions were documented via ALS tracking system and all assays reported via email. <ul style="list-style-type: none"> Sample pulps were returned to site and stored for an appropriate length of time (minimum 3 years). The Company has in place protocols to ensure data security. Balamara Resources (2011): No information found related to sample security. Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> DDH_04 - No information found related to sample security (“GS1974 148”). NR1 & WL9 - No information found related to sample security (“GS1995 083”). NR1 & WL9 - No information found related to sample security (“GS1993 272”).
Audits reviews	or <ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> Alkane Resources (2015): the Company does not routinely have external consultants verify exploration data until resource estimation

Criteria	JORC Code explanation	Commentary
		<p>procedures are deemed necessary.</p> <ul style="list-style-type: none"> • Balamara Resources (2011): No information found related to Audits or reviews. • Other historic drilling (DDH_04, NR1 & WL9): <ul style="list-style-type: none"> • DDH_04 - No information found related to Audits or reviews (“GS1974 148”). • NR1 & WL9 - No information found related to Audits or reviews (“GS1995 083”). • NR1 & WL9 - No information found related to Audits or reviews (“GS1993 272”).

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	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • The Tuena Project is located within Exploration Licence No 8526, 8973, 8974, 8975 and 9588 held wholly by Silver Mines Limited through its subsidiary Tuena Resources Limited, and is located approximately 80 kilometres south of Bathurst, New South Wales. • The tenements are in good standing. • Each tenement (with the exception of EL9588) has a 1.00% Gross Royalty attached.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • Exploration has been completed by other companies within the Tuena Project, including historic mining during the 1800's. The report above details results from previous exploration companies relating to the Elsenora Prospect.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • The Tuena Project consists of Devonian and Silurian age volcanics and sedimentary rocks which have been subject to regional and local deformation during the Tabberabberan orogeny. This has resulted in regional folding and multiple generations of faulting associated with the major Copperhanna Thrust on the western side of the project.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Mineralisation is defined by the existence of historic shafts and adits, and can be observed at surface as structurally controlled shear or vein systems hosted within deformed sediments and volcanics.
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar; elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole; down hole length and interception depth; and 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. 	<ul style="list-style-type: none"> All information related to existing drilling is included in Table 1 and Table 2 of the report above. No new drilling is reported.
Data aggregation methods	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All information related to existing drilling is included in Table 1 and Table 2 of the report above. No new drilling is reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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'). 	<ul style="list-style-type: none"> All information related to existing drilling is included in Table 1 and Table 2 of the report above. No new drilling is reported.
Diagrams	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Maps are provided in the body of this report.

Criteria	JORC Code explanation	Commentary
	<i>drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> All information related to existing drilling is included in Table 1 and Table 2 of the report above. No new drilling is reported.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> This report relates to an overall status and description of current exploration knowledge at the Tuena Project.
Further work	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> This report relates to exploration work designed to explore prospect areas of the Tuena Project, namely the newly acquired exploration licence EL9588.