

29th December 2016Company Announcement Officer
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

BOWDENS SILVER NOW 100% OWNED

Highlights

- **Final payment for 15% of the Bowdens Silver Project**
- **Silver Mines moves to 100% ownership**
- **Attributable resource base expansion**
- **Greater flexibility in project management and development**

Completion of 100% Ownership of Bowdens Silver

Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") is pleased to advise that it has completed the final payment to Kingsgate Consolidated Limited (ASX:KCN) ("Kingsgate Consolidated") for the purchase of the remaining 15% of the Bowdens Silver Project.

The final payment of A\$4 million plus interest of \$92,000 has now been finalised.

Silver Mines now owns 100% of Bowdens Silver.

Background

On 3rd March 2016, the Company announced it had entered into a Sale and Purchase Agreement ("the Agreement") whereby it would acquire 85% of the Bowdens Silver from Kingsgate Consolidated for a total cash consideration of A\$20 million. Under the Agreement Silver Mines and Kingsgate Consolidated would operate the Project on an unincorporated Joint Venture basis.

The purchase of Bowdens Silver was completed on 29th June 2016 through the payment of A\$18 million with A\$2 million having been previously paid by way of a deposit.

Also on 29th June 2016, the Company advised that it has entered into a Deed of Variation (later amended) with Kingsgate Consolidated whereby:

- The acquisition price for the purchase of 100% of Bowdens Silver was varied to A\$25 million;
- Of the remaining A\$5 million, Silver Mines paid A\$1 million on 30th September 2016 with the remaining A\$4 million now paid (plus interest of A\$92,000 representing 10% per annum from 30th September 2016).

The acquisition of the outstanding 15% interest in the Bowdens Silver resulted in the immediate expansion of the Company's attributable resource base. The consolidation



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.