

**28 October 2024**

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

**ACTIVITIES REPORT FOR THE QUARTER ENDED  
30 September 2024 ("Quarter")**

**HIGHLIGHTS**

**Bowdens Silver Project, New South Wales**

- Advice suggests Bowdens' Development Application remains alive and on foot and has not been finally determined by the consent authority, the IPC.
- Silver Mines is now working through the steps required by the DPHI to achieve reinstatement of the Development Consent, in a way that would satisfy the Court of Appeal's concerns in relation to the assessment of the transmission line to provide power to the proposed mine site.

**Project Exploration**

- Subsequent to the Quarter, diamond drilling commenced at the Company's Bara Creek Prospect, located seven kilometres to the north of the globally significant Bowdens Silver Project.
- The Bara Creek prospect is interpreted to be a high-sulphidation, epithermal system, originally identified in 1989 from anomalous Au-As-Ag-Cu-Sb stream sediments sampled by CRA Exploration.
- Silver Mines commenced a major program of field work in 2023, including mapping, geochemical surveying and a close-spaced, ground-based gravity survey, which has identified an extensive hydrothermal system at surface on the southern extent of the Bara Creek caldera<sup>1</sup>.
- Rock chip and soil sampling results obtained from sampling conducted during the Quarter highlight the prospectivity of the Bara Creek caldera with anomalous Au, Ag, Bi, Mo and As.
- The geochemical anomalism is situated between major NW trending and EW trending faults, confirmed from both mapping and geophysics, interpreted to be potential fluid conduits to an epithermal mineral system.
- Both the Bara Creek caldera and the Bowdens Silver Deposit are located within the highly prospective Rylstone Volcanics.
- The Stage 1 drilling program consists of eight diamond drill holes for 2,600m.

<sup>1</sup> Silver Mines Limited (ASX:SVL) release "Results from Seismic Surveying Identify Potential New Calderas within the Bowdens District" dated 28 June 2024.

## **Bowdens Silver Project Development Application**

The Bowdens Silver Project is the largest known undeveloped silver deposit in Australia and lies within Exploration License 5920, which is 100% held by Silver Mines Limited ("Silver Mines" or 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, Housing and Infrastructure ("DPHI"). 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.

From the EIS exhibition process, the Company received no objections to the Project from any of the Government agencies and received resounding public support. At the end of December 2022, the Company was advised that the DPHI had assessed the Project as being in the public interest and approvable subject to conditions of consent. The DPHI referred the Project to the Independent Planning Commission of New South Wales ("IPC") for final determination. On 3 April 2023, the IPC announced the approval of the Bowdens Silver Project allowing the Project to proceed to development and production subject to conditions of consent.

Silver Mines continues extensive consultation with relevant Government departments, local communities, and other interested stakeholders. Consultation processes focus on the current mine development area and the wider area where the Company is commencing or undertaking exploration programs.

The Company continues a detailed optimisation program for the updating of the Bowdens Silver Feasibility Study completed in 2018. The optimisation program is examining all aspects of the development including Ore Reserves, mine design, metallurgy, process design and economic and market considerations. The optimisation program is scheduled for completion during 2024.

## **Judicial Proceedings**

As announced on 28 June 2023, the Bingman Catchment Landcare Group Incorporated ("Bingman") commenced proceedings in the Land and Environment Court of New South Wales ("Proceedings") challenging the development consent for the Bowdens Silver Project approved by the IPC on 3 April 2023 ("Development Consent").

These Proceedings did not challenge any of the environmental or other impacts of the operations associated with the Project. The Proceedings challenged whether the IPC adequately considered matters relating to the construction and location of a powerline which may be required to power the mine site.

On 14 March 2024, the Company announced that Bowdens Silver had successfully defended the Proceedings with the Land and Environment Court of New South Wales ("Court") dismissing the Proceedings. The Court upheld the decision of the IPC with respect to the grant of the Development Consent.

Subsequently, Bingman filed an appeal in the NSW Supreme Court, Court of Appeal ("Appeal"). A hearing was held on 22 July 2024. The Appeal challenged the decision by the Land and Environment Court and on 16 August 2024 it was upheld in a 2-1 majority decision by the Court of Appeal.

Following the decision by the Court of Appeal to set aside the Bowdens Development Consent provided by the IPC, the Company has received advice regarding the status of Bowdens' Development Application ("DA").

**That advice suggests that the DA remains alive and on foot and has not been finally determined by the consent authority, the IPC.**

This is important as NSW planning laws provide for a DA to be amended by the Applicant, with the agreement of the DPHI, at any time prior to the DA being determined.

The Company is now working through the steps required by the DPHI to achieve reinstatement of the Development Consent, in a way that would satisfy the Court of Appeal's concerns in relation to the assessment of the transmission line to provide power to the proposed mine site.

The Company is fully committed to the progression of the Project including obtaining all relevant permits and development consents required to develop and commence production at the Project.

The Company will continue to provide regular updates pending further legal advice on pathways to amend the DA, to progress its ultimate assessment and determination.

### **Project Exploration**

Subsequent to the Quarter Silver Mines provided an update on exploration activities and results from the Bowdens Silver Project.

On 9 October 2024, the Company announced that the first ever drilling program was to commence at the Bara Creek Prospect ("Bara Creek"), situated within the Bowdens Silver Project. The Bowdens Silver Project is located 26 kilometres east of Mudgee in Central NSW. The drilling activity has been approved by the NSW Resources Regulator.

Bara Creek represents a greenfield discovery opportunity. CRA Exploration ("CRAE") identified Bara Creek in 1989 after anomalous gold, arsenic, silver, copper and antimony assays were returned from regional stream sediment sampling. Limited follow up work confirmed gold in some rock chip samples, extensive quartz veining and significant silica and clay alteration of felsic volcanics. No exploration has been completed at the Prospect since. Bara Creek is situated about seven kilometres to the northwest of the Bowdens Silver Deposit ("the Deposit"). It was suggested by CRAE geologists that Bara Creek resembles a high-sulphidation epithermal equivalent to the Deposit, which is characteristically low to intermediate sulphidation.

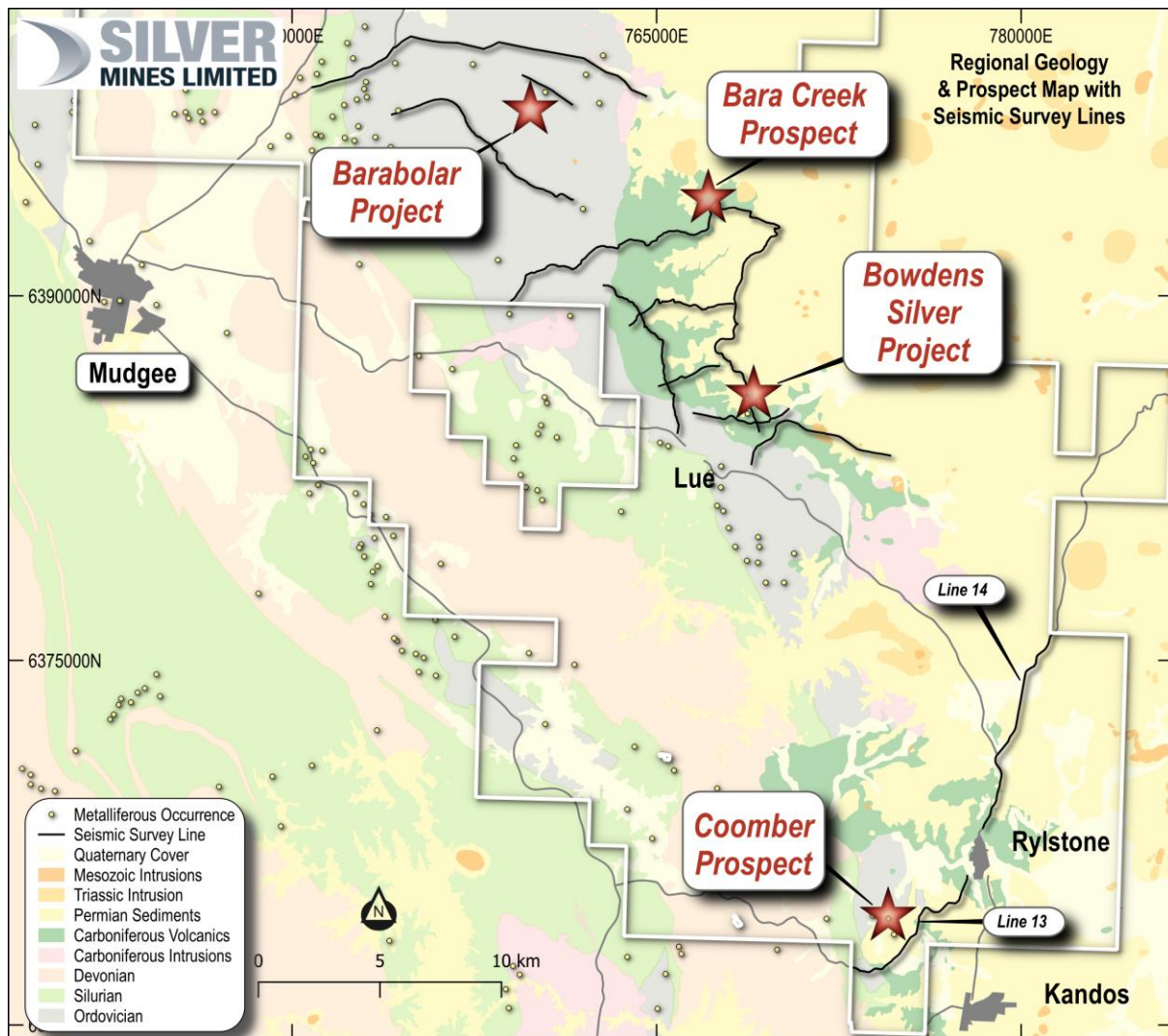


Figure 1: Location of the Bara Creek prospect within the Bowdens Silver Project.



## Bara Creek Geochemistry

Comprehensive rock chip sampling conducted during the Quarter throughout the Bowdens Volcanic Complex defines the Bara Creek prospect in various indices of alteration relevant to epithermal systems. One shown in Figure 2 shows the sericite alteration index (from low to high) within the Rylstone Volcanics where high values indicate the likely change in primary feldspar minerals to sericite, which is a key alteration mineral within epithermal mineral systems. At the Bowdens Silver Deposit, sericite (illite and muscovite) are key alteration minerals found around the ore body.

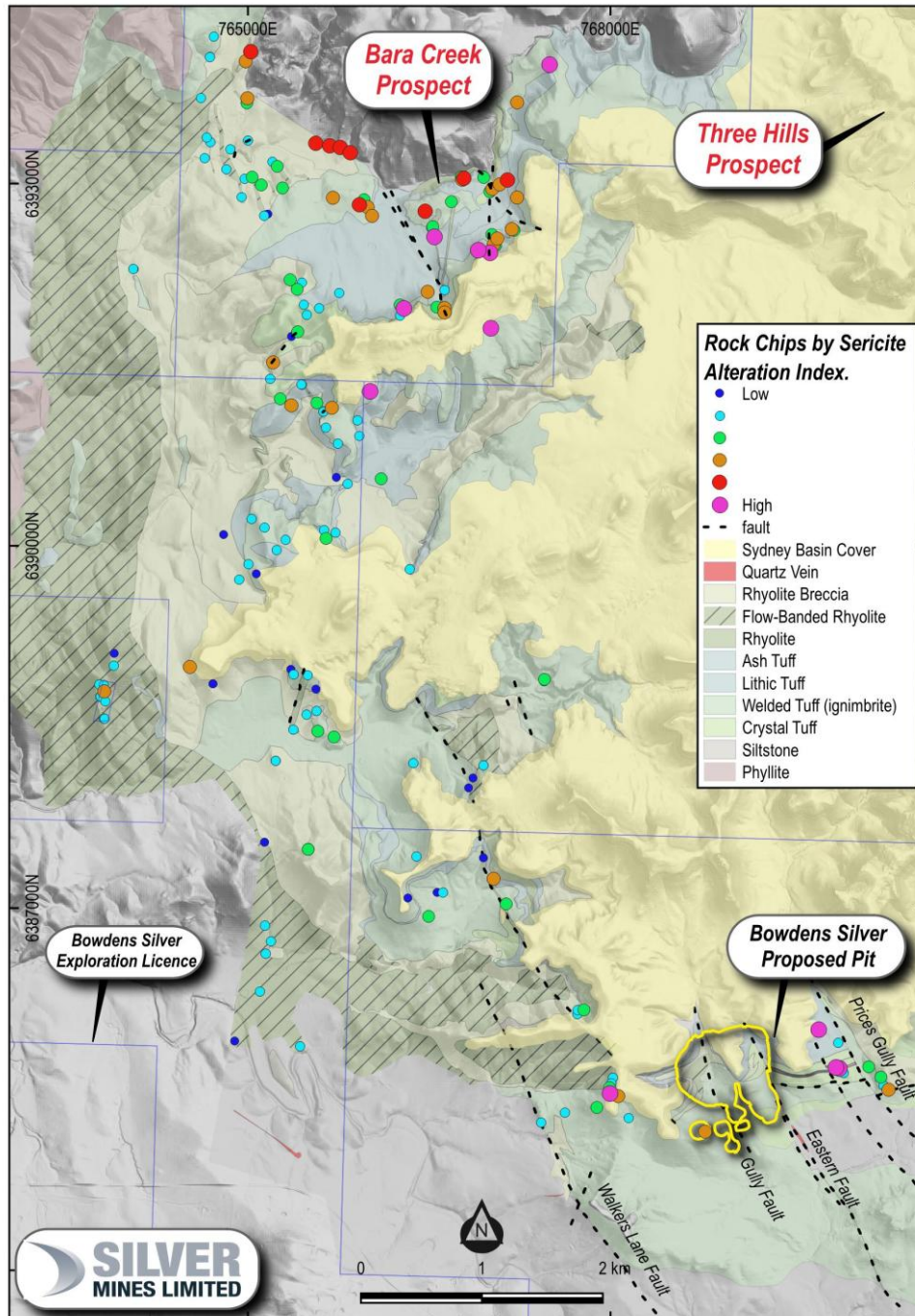


Figure 2: Geology of the Bowdens Volcanic Complex with rock chips indexed for alteration (sericite).

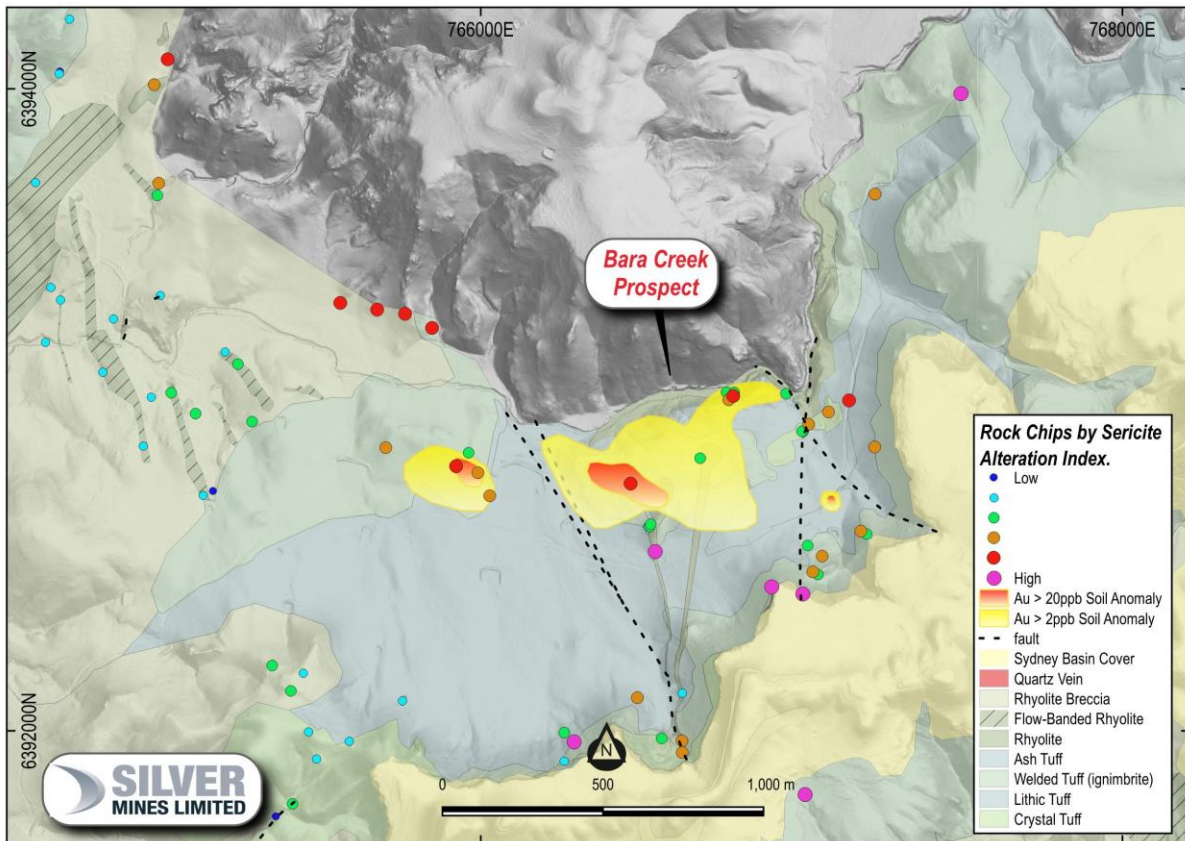


Figure 3: Bara Creek prospect with gold from soil samples above 2 parts per billion.

Results from soil sampling highlight coherent gold, arsenic, bismuth, antimony, silver and molybdenum anomalies across the geology where alteration is strongest. Figure 3 shows an elevated area of gold (above 2 parts per billion (ppb)) that encapsulates a 20ppb gold anomaly, with values as high as 85 ppb. This area is a priority target for drill testing, situated between two clear NW trending faults and a N trending fault.

### **Bara Creek Geology**

Initial mapping work by the Company has found there to be a felsic volcanic centre (Bara Creek caldera) with a multitude of faults transecting the caldera rim and through the centre of the system. When viewed regionally, a number of these faults are inferred to be direct continuations of the fault system that borders the mineralisation at the Bowdens Silver Deposit (Gully, Eastern and Prices Gully faults).

Associated with these faults at Bara Creek are multi-phase hydrothermal breccia veins with oxidised ex-sulphide pits (Figure 4). Some fresh pyrite and sphalerite are observable in quartz veins.



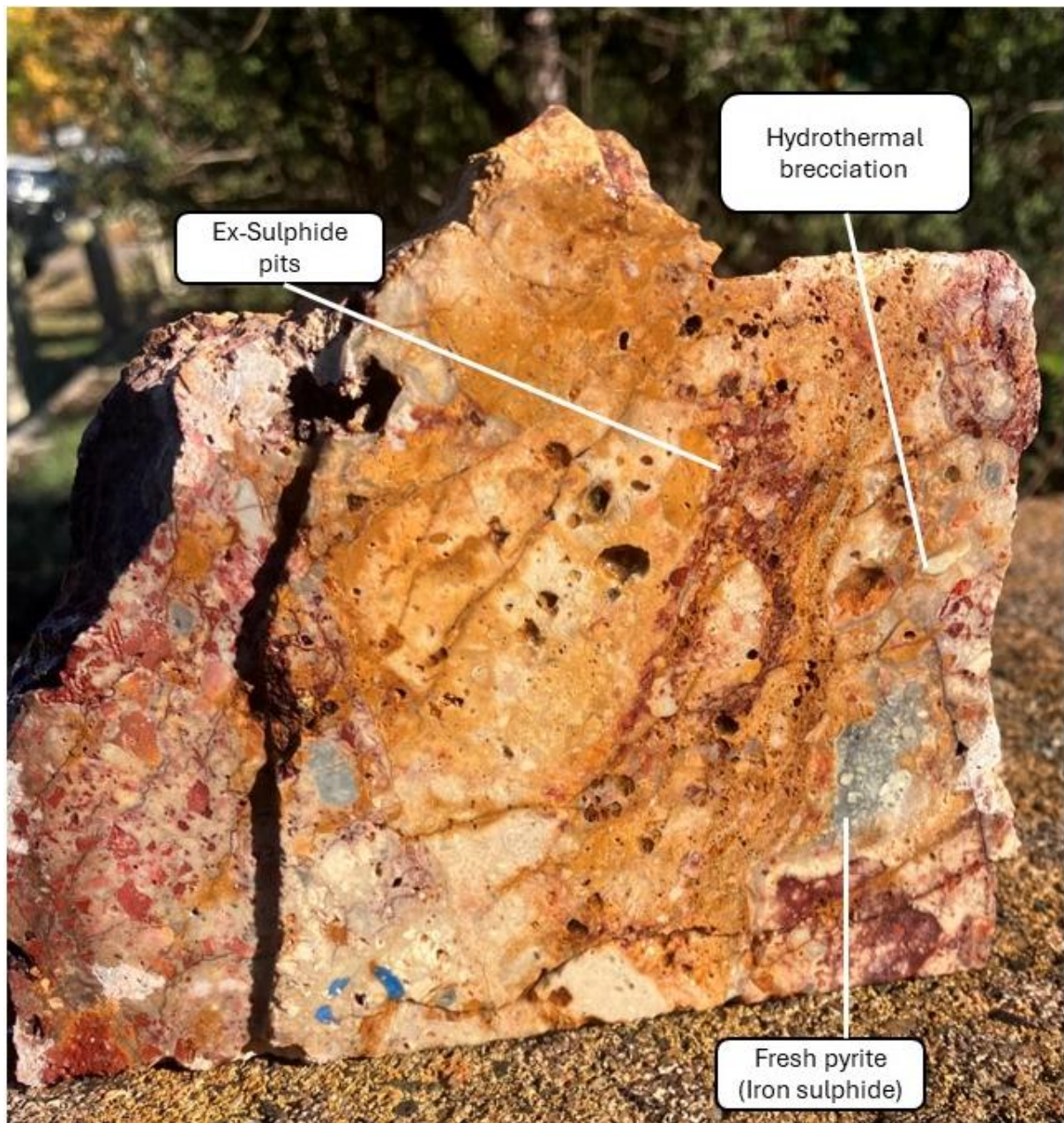


Figure 4: polyphasal hydrothermal breccia vein with oxidation and some fresh sulphides (sample 72452).

Within the centre of the Bara Creek caldera, pyroclastics, epiclastics and lavas are significantly altered to green clays (some silica), and narrow sheeted quartz vein networks are developed in proximity to two key northwest trending faults. These quartz veins have visible fresh pyrite and minor sphalerite and are associated with the anomalous geochemistry in both soil and rock samples.

The southwest rim of the caldera appears to have been destroyed by the resurgence of a rhyolite lava dome. The lava has flowed north and south stretching nearly six kilometres and is distinct in magnetic and gravity data. Within the caldera, the lava is glassy (vitreous) green and exhibits multiple auto brecciated phases which are also glassy green in nature. Samples of strongly spherulitic rhyolite lava show the extremely hydrous nature of the volcanic system.





*Figure 5: spherulitic rhyolite in creek (not mineralised).*



*Figure 7: strongly clay altered pyroclastic volcanic (sample 72432).*



*Figure 6: glassy green rhyolite (sample 71670).*



*Figure 8: green, glassy auto brecciated rhyolite (sample 71668).*



## **Exploration Program**

The Company has completed a ground-based gravity survey across Bara Creek, Three Hills caldera and around areas not yet surveyed at the Bowdens Silver Deposit. This dataset highlights the structure of the Bara Creek caldera, as well as providing direct drill targets. The Bowdens Silver Deposit is associated with higher density material relative to the surrounding Rylstone Volcanics and it's anticipated that any new mineralisation targeted will be analogous to Bowdens.

The first stage of the drilling program will include eight diamond drill holes for a total of 2,600 metres. Dependent on results, a second stage of drilling has also been planned, which include an additional four diamond holes for 1,600 metres (Figure 9).

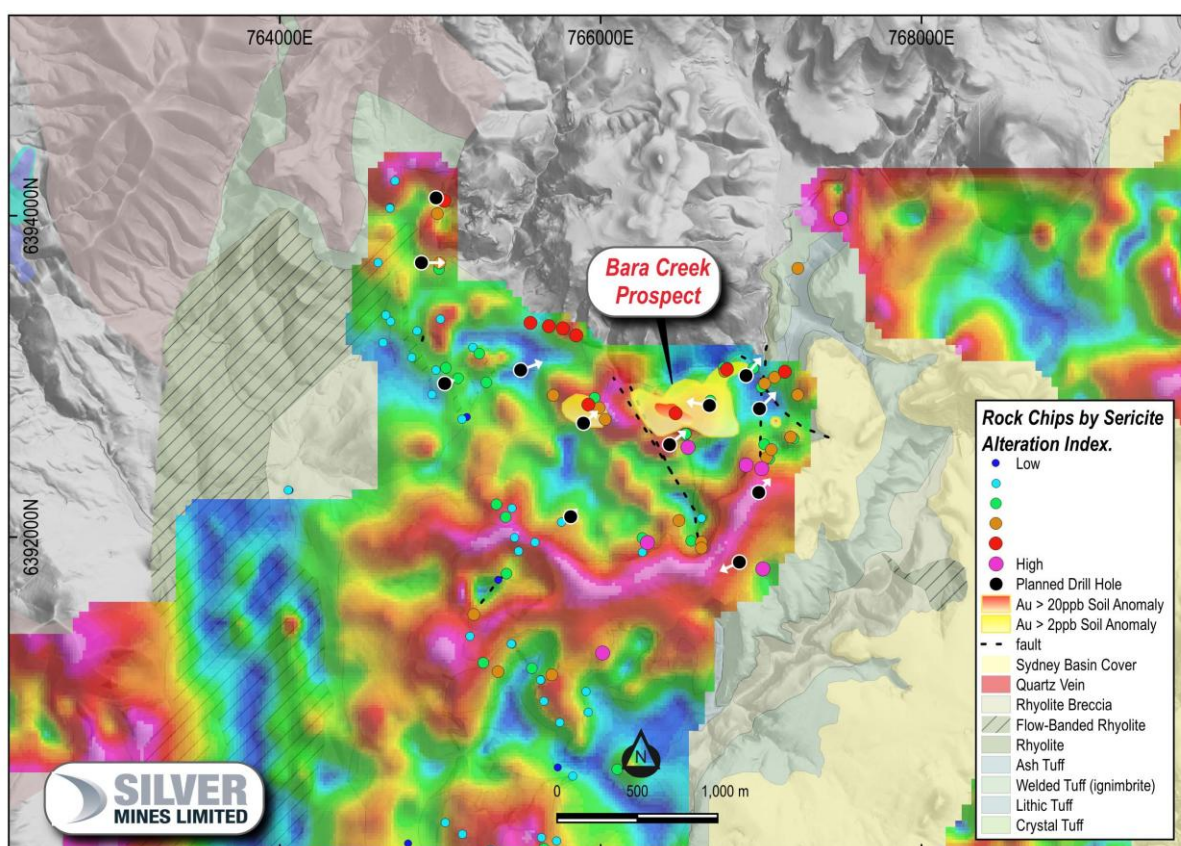


Figure 9: Planned drill holes on Tilt Derivative of new gravity data, along with gold in soils and alteration in rock samples.

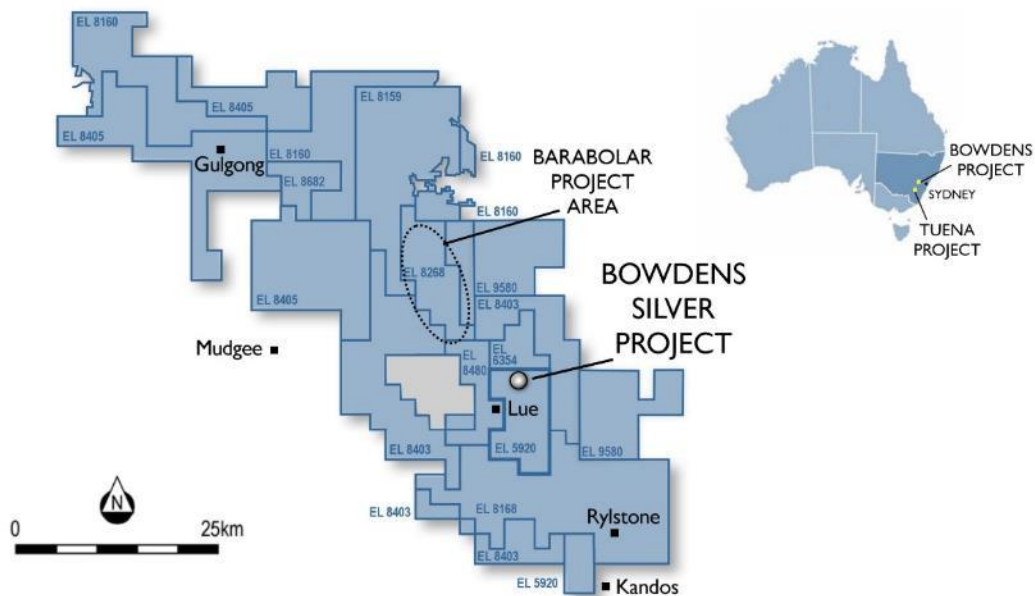
## **On-going Research & Development**

The Company is continuing its commitment to R&D projects, including a project focused on technologies for predicting geometallurgical and bulk rock properties within the deposit and to define extensions to mineralisation cost effectively. The Company is engaged with several research providers, as well as internal staff, to design cutting edge technologies and processes that may have a positive impact on future economic development and discovery. The previously completed seismic surveys and on-going mineral systems modelling are key pillars of the R&D programs.

## **About the Bowdens Silver and Barabolar Projects**

The Bowdens Silver and Barabolar Projects are located in central New South Wales, approximately 26 kilometres east of Mudgee (see Figure 10). The consolidated project area comprises 2,115 km<sup>2</sup> (521,000 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 10: Silver Mines Limited tenement holdings in the Mudgee district.*



## **Tuena Gold Project**

The Tuena Gold Project is located 80 kilometres south of the city of Orange in New South Wales (refer to Figure 11).

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 previously completed reconnaissance mapping, rock sampling and soil geochemistry; as well as flown a detailed magnetic survey. This work has defined >15 individual targets with anomalous gold in soil sampling associated with historic workings. Rock samples have also returned highly anomalous gold results at Peaks Reef (up to 76.4 g/t Au in rock sampling), Cooper & McKenzie and the Eastern Prospects (Refer to release dated 23 October 2019).

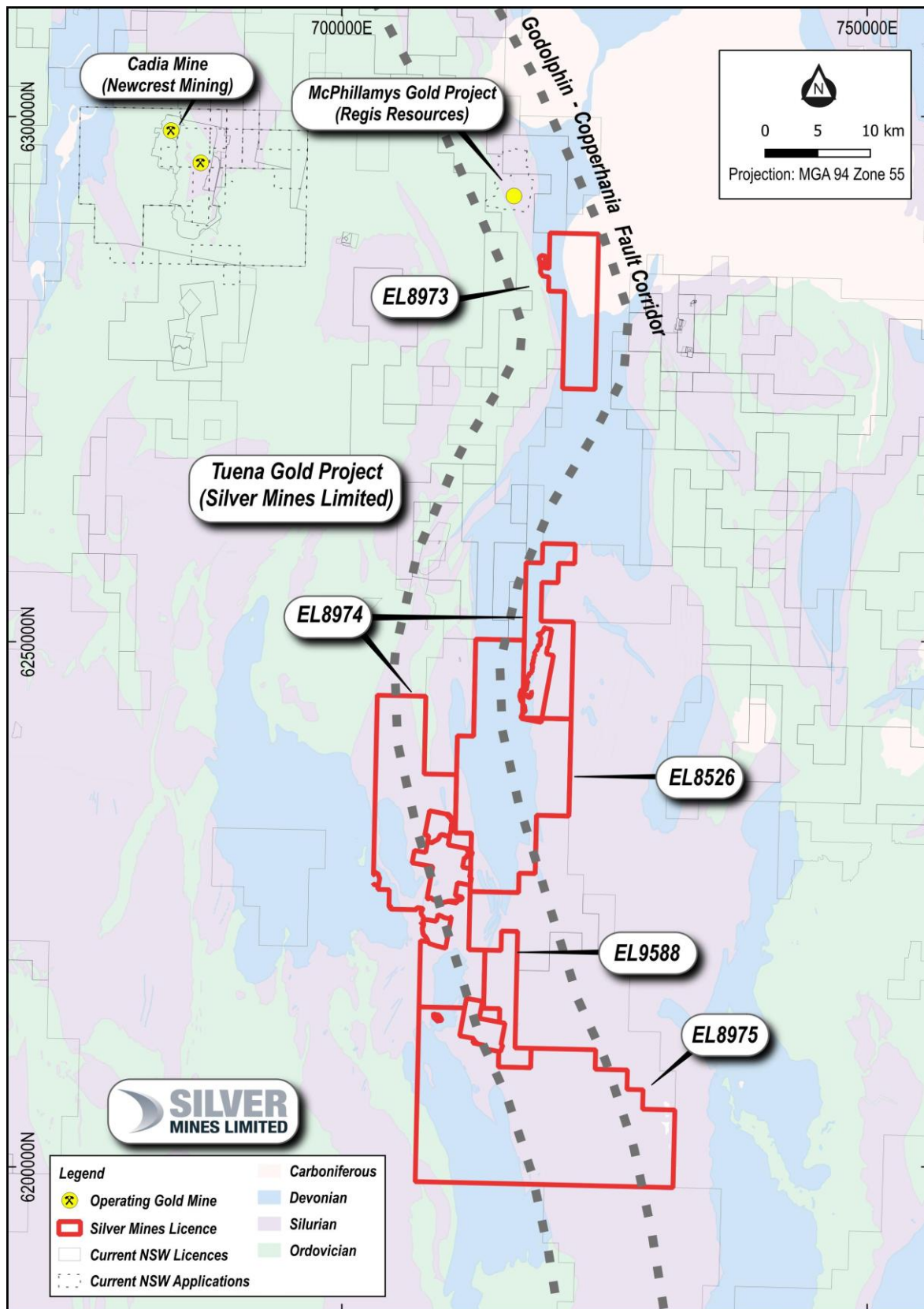
The Company previously completed a 20-hole 4,000 metre drill program designed to test beneath several of the historic hard-rock gold workings and associated geochemistry anomalies along an extensive 5.4 kilometre by 1.5-kilometre shear complex within EL8526. In addition, two targets, at Lucky Hit South 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 19 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. This initial program represented the first modern exploration 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 Gold Project to the north of Tuena.

Alteration associated with mineralisation at Tuena 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 the initial program have been collated and will guide follow-up drilling to test the extents of gold mineralisation encountered.

Furthermore, the Tuena district mineralisation also has affinities to volcanogenic massive sulphide (VMS) style mineralisation. Previous explorers on the Elsiehora project (EL9588) intersected mineralisation anomalous of lead-zinc-silver as well as gold. Targeting models for VMS, including selection of appropriate geophysical techniques, are being considered by the Company.

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

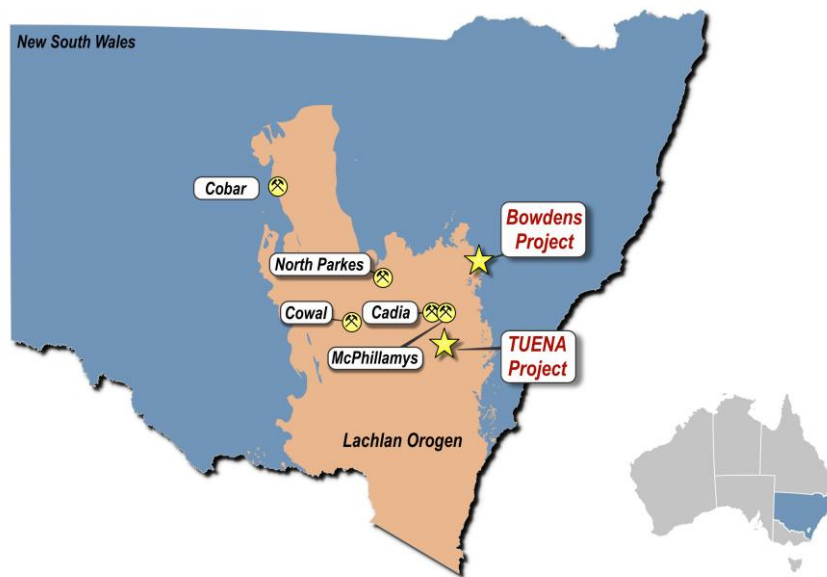
The Company is planning further work in follow up to the Tuena Gold Project drilling program and is also planning an expanded regional exploration program extending from immediately south of the McPhillamy's Gold Project and across EL8973, EL8974, EL8526, EL8975 and EL9588.





### **About the Tuena Gold Project**

The Tuena Gold Project consists of five exploration licenses covering 767 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 12. Silver Mines Limited project in the Lachlan Orogen*

## **Corporate**

### **Board Appointment**

During the Quarter, the Company announced the appointment of Mr Robert (Rob) Dennis as a Non-Executive Director of the Company effective 1 July 2024.

Mr Dennis is a mining engineer with 50 years' experience in the nickel, copper, gold and alumina industries. Rob is a skilled leader and has extensive base metals and precious metals operational, technical and project development experience.

Mr Dennis' past experience includes Chief Executive Officer and Managing Director of Poseidon Nickel Limited, Chief Operating Officer for the Independence Group ("IGO") where he was responsible for IGO's nickel, copper, zinc and gold operations including overseeing the development and commissioning of IGO's Nova Nickel Project.

Prior to that, Mr Dennis held positions including Chief Executive Officer at Aditya Birla Minerals Ltd where he managed the expansion and development of the Nifty Copper Project in the Northwest of Western Australia and the Mt Gordon operation in North Queensland, General Manager Project Development for Lionore Australia, General Manager Operations for Great Central Mines and Chief Mining Engineer for Western Mining Corporation.

Mr Dennis is currently Non-Executive Director of Stavley Minerals Ltd (ASX:SVY).

### **Convertible Debenture Funding**

During the Quarter, on the Company announced it had entered into a binding interim convertible debenture ("Convertible Debentures") agreement ("Interim Debenture Agreement") with Bromma Asset Management Inc. a specialised investment firm led by Harry Lundin, Rick Rule and MMCAP International Inc. SPC (each, a "Holder"), to raise A\$30.2 million in funding (before costs).

In connection with the transaction, Silver Mines appointed SCP Resource Finance as its adviser.

After costs, the funds raised under the Convertible Debentures will be used predominantly for the following:

- drilling;
- engineering studies for the Definitive Feasibility Study;
- pre-construction activities; and
- general & administrative costs for the Bowdens Silver Project.

Bromma Asset Management Inc., through its Bromma Resource Master Fund Inc., is a Canadian investment firm with a focus on the resource sector, particularly in precious metals.

The material terms of the Interim Debenture Agreement are as follows:

<b>Principal Sum</b>	<b>The Company will raise a maximum of A\$30,200,000 (Principal Sum).</b>
<b>Face Value</b>	30,200 Convertible Debentures each with a face value of A\$1,000.00.
<b>Original Issue Discount</b>	2%



<b>Conversion</b>	The Holders shall have the right (but not the obligation) at any time prior to redemption or the Maturity Date to convert all or any part of the Principal Sum into fully paid ordinary shares in the capital of the Company ("Shares") at a conversion price of A\$0.22 per Share ("Conversion Shares").
<b>Conversion Price</b>	A\$0.22 per Share ("Conversion Price").  The Conversion Price is a 33% premium to the Company's last trading price of \$0.165.
<b>Mandatory Conversion</b>	Provided that the Shares issuable upon the conversion of the Convertible Debentures are free trading and not subject to any restrictions on resale, the Company may elect to convert of all of the Principal Sum of the then outstanding Convertible Debentures at the Conversion Price prior to the Maturity Date, if the price of Shares on ASX is greater than A\$0.375 for any 15 consecutive trading days during any period of 30 consecutive trading days, subject to a minimum trading volume of 4,000,000 average Shares over the measurement period.
<b>Additional Debt</b>	Prior to the Maturity Date, the Company shall not issue any additional debt without the prior approval of the Holders ("Negative Pledge"), until project financing is committed, thereafter; (i) at the option of the Holders, the Negative Pledge will be terminated; or (ii) at the option of the Company, the outstanding Convertible Debentures owing to the Holders can be either redeemed at 102% of the Principal Sum thereof plus unpaid interest to the Maturity Date, payable in cash (upon which the Negative Pledge will terminate automatically).
<b>Maturity</b>	The Convertible Debentures will mature after 48 months from the Issue Date ("Maturity Date").  On the Maturity Date, the Company must repay the outstanding balance of the Principal Sum (plus any interest accrued thereon) to the Holders:  (a) in cash; or  (b) with the mutual consent of both the Company and the Holders, and to the extent required under Listing Rule 7.1, shareholder approval, in Shares with the price per Share based on a 10% discount to the volume weighted average price (VWAP) of the Shares on the Exchange (as defined below) for 10 trading days preceding the Maturity Date, subject to a minimum daily trading volume of 4,000,000 Shares; or  (c) with the mutual consent of both the Company and the Holders a combination of both (a) and (b).
<b>Interest</b>	Interest will accrue on the Convertible Debentures at the rate of 10% per annum, payable quarterly in arrears in each year until the Maturity Date, as follows:  (a) <b>(Initial Period)</b> : during a period commencing the date of issue (the Issue Date) and ending on the second quarterly interest payment date, in cash;  (b) <b>(Second Period)</b> : for a further period of 30 months from the Issue Date, at the option of the Company, by either:

	<ul style="list-style-type: none"> <li>(i) the issue of 1/3 the equivalent value of the interest in Shares (Interest Shares), at a price per Interest Share equal to a 10% discount to the volume weighted average trading price (the VWAP) of the Shares on the ASX for the 10 trading days preceding the applicable interest payment date, provided that the Interest Shares are free trading and listed and not subject to any restrictions on resale; and</li> <li>(ii) the payment of 2/3 the value of the interest in cash; or</li> <li>(iii) the payment of the entire value of interest in cash;</li> </ul> <p>(c) <b>(Third Period)</b>: after the expiry of the Second Period, in cash.</p>
<b>Conditions Precedent</b>	<p>The issue of the Convertible Debentures will be subject to the following conditions precedent:</p> <ul style="list-style-type: none"> <li>(a) <b>(Definitive Agreements)</b>: the entry into fuller form binding documentation in respect of the Convertible Debentures; and</li> <li>(b) <b>(FIRB Approval)</b>: the Holders obtaining: <ul style="list-style-type: none"> <li>(i) a written notice, by or on behalf of the Treasurer of the Commonwealth of Australia, stating that the Commonwealth Government does not object to the issue of the Convertible Debentures (and any document executed in connection with the Convertible Debentures) under the Foreign Acquisitions and Takeovers Act 1975 (Cth) ("FATA"); or</li> <li>(ii) professional advice from its legal advisers that the issue of the Convertible Debentures does not require approval under FATA and the Holders provides a copy of that advice to the Company.</li> </ul> </li> </ul>
<b>Security and ranking</b>	<p>The Convertible Debentures will be senior secured obligations of the Company, and shall rank senior in right of payment of principal and interest to all other previously existing or hereafter issued indebtedness of the Company.</p> <p>The Convertible Debentures will be secured by a general security interest over the assets of the Company. The Company will enter into a general security agreement under which the Company will have negative covenants not to pledge, sell, lease or otherwise dispose of its assets, other than in the normal course or as permitted pursuant to the Definitive Agreements, without the Holders' prior written consent.</p> <p>The Convertible Debentures shall have the benefit of a guarantee of the subsidiaries of the Company of all indebtedness and liabilities of the Company to the Holders under the Convertible Debentures.</p>
<b>Unquoted</b>	<p>The Convertible Debentures will be unquoted. The Company will apply for quotation of all Shares issued pursuant to the Interim Debenture Agreement.</p>
<b>Redemption on Change of Control</b>	<p>In the event of a Change of Control of the Company, the Holders shall have the right to require the Company to either:</p> <ul style="list-style-type: none"> <li>(a) purchase the Convertible Debentures at 105% of the Principal Sum thereof plus unpaid interest to the Maturity Date; or</li> </ul>



	<p>(b) if:</p> <ul style="list-style-type: none"> <li>(i) the Change of Control results in a new or successor issuer (or equivalent in any foreign jurisdiction); or</li> <li>(ii) the Company is acquired by a reporting issuer or its equivalent in any foreign jurisdiction,</li> </ul> <p>convert the Debenture into a replacement debenture of the new or successor issuer or the acquiring reporting issuer, as applicable, in the aggregate principal amount of 105% of the aggregate Principal Sum of the Convertible Debentures; or</p> <p>(c) convert the Convertible Debentures at the Conversion Price.</p> <p><b>Change of Control</b> means:</p> <ul style="list-style-type: none"> <li>(a) any transaction (whether by purchase, merge or otherwise) whereby a person or persons acting jointly or in concert directly or indirectly acquire(s) the right to cast, at a general meeting of shareholders of the Company more than 50% of the votes that may be ordinarily cast at a general meeting;</li> <li>(b) the Company's amalgamation, consolidation or merger with or into any other person, any merger of another person into the Company unless the holders of voting securities of the Company immediately prior to such amalgamation, consolidation or merger hold securities representing 50% or more of the voting control or direction in the Company or the successor entity upon completion of the amalgamation, consolidation or merger; or</li> <li>(d) any conveyance, transfer, sale lease or other disposition of all or substantially all of the Company's and its subsidiaries' assets and properties, taken as a whole, to another arm's length person.</li> </ul>
<b>Covenants</b>	In addition to customary positive and negative covenants contained in the Convertible Debentures, the Company will be required to maintain a minimum positive working capital of not less than A\$3,000,000.
<b>Events of Default</b>	The Definitive Agreements will contain certain market standard events of default for an agreement of this nature.

### Waiver

On 9 November 2022, shareholders approved at the Annual General Meeting of the Company ("Approval") a waiver granted by ASX Listing Compliance on 23 September 2022 ("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 3 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, Housing and Infrastructure pursuant to the Mining Act 1992 (NSW) in connection with the Bowdens Silver Project ("Mining Lease Milestone"); or

- an occurrence of a change of control such as a takeover bid pursuant to section 9 of the Corporations Act 2001 (Cth), ("Takeover Condition").

The Company confirms the Deferred Consideration Shares have not been issued during the Quarter. The Deferred Consideration Shares may only be issued if either the Mining Lease Milestone is achieved, or the Takeover Condition occurs in the period that is 24 months from the date that Approval was obtained.

**Appendix 5B**

As set out in the attached Appendix 5B, at the end of the Quarter the Company had cash reserves of A\$7.156 million.

Exploration expenditure during the quarter totalled A\$2.238 million and focussed predominately on the Company's Bowden Silver Project.

In accordance with ASX Listing Rule 5.3.2 the Company advises that no mining development or production activities were conducted during the Quarter.

Payments to related parties totalling A\$247 thousand consisted of remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.

This announcement was approved for release by the Board of Directors.

**Further information:**

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### **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 announcement that relates to Exploration Results, Ore Reserves and Mineral Resources has been extracted from various Silver Mines ASX announcements and are available to view on the Company's website at [www.silvermines.com.au](http://www.silvermines.com.au) or through the ASX website at [www.asx.com.au](http://www.asx.com.au) (using ticker code "SVL").

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the Mineral Resources or Ore Reserves in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

**Tenement Information as at 30 September 2024**

<b>Tenement</b>	<b>Project Name</b>	<b>Location</b>	<b>Silver Mines Ownership</b>	<b>Change in Quarter</b>
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 8403	Bowdens Silver	NSW	100%	-
EL 8405	Bowdens Silver	NSW	100%	-
EL 8480	Bowdens Silver	NSW	100%	-
EL 8682	Bowdens Silver	NSW	100%	-
EL 9580	Bowdens Silver	NSW	100%	-
EL 8526	Tuena	NSW	100%	-
EL 8973	Tuena	NSW	100%	-
EL 8974	Tuena	NSW	100%	-
EL 8975	Tuena	NSW	100%	-
EL 9588	Tuena	NSW	100%	-

## Appendix 5B

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

Name of entity

Silver Mines Limited

ABN

456 107 452 942

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	24	24
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(194)	(194)
	(e) administration and corporate costs	(720)	(720)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	81	81
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (farm operating expenses)	(25)	(25)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(834)</b>	<b>(834)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(2)	(2)
	(d) exploration & evaluation	(2,238)	(2,238)
	(e) intangible	(45)	(45)
	(f) Land and Building	(530)	(530)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
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:		
	(a) security bond deposit	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(2,815)</b>	<b>(2,815)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	10,805	10,805
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(834)	(834)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,815)	(2,815)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>7,156</b>	<b>7,156</b>

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	7,156	10,805
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,156</b>	<b>10,805</b>

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	162
6.2	Aggregate amount of payments to related parties and their associates included in item 2	85

*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.*

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

<b>7. Financing facilities</b> <i>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.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(834)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,238)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(3,072)
8.4 Cash and cash equivalents at quarter end (item 4.6)	7,156
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	7,156
8.7 <b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>2.33</b>
<i>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.</i>	
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	



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

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.

28 October 2024

Date: .....

Board of Directors

Authorised by: .....  
(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.