

28th July 2022

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

ACTIVITIES REPORT FOR THE QUARTER ENDED

30 June 2022

HIGHLIGHTS

Bowdens Silver Project, New South Wales

- All assays returned from Mineral Resource drilling targeting of high-grade mineralisation for underground mining scenarios.
- Drilling returns the deepest, high-grade intercept of silver at the Bowdens Project from a vertical depth of 415 metres in the Bundarra Zone.

Results from Bundarra Zone include:

- **BD21049** – 4 metres @ 505 g/t silver equivalent (68 g/t silver, 6.56% zinc, 3.33% lead, 0.08% copper and 2.97 g/t gold) from 237 metres.
- **BD22013**
 - 16 metres @ 147 g/t silver equivalent (16 g/t silver, 1.92% zinc, 0.88% lead, 0.02% copper and 0.05 g/t gold) from 457 metres, and
 - 8 metres @ 248 g/t silver equivalent (13 g/t silver, 4.45% zinc, 0.07% lead, 0.05% copper and 0.08 g/t gold) from 538 metres.
- **BD22003** – 4.6 metres @ 460 g/t silver equivalent (388 g/t silver, 0.72% zinc, 0.96% lead, 0.02% copper and 0.02 g/t gold) from 411 metres, including
 - **1 metre @ 1,769 g/t silver equivalent** (1,600 g/t silver, 1.15% zinc, 3.11% lead, 0.04% copper and 0.04 g/t gold) from 414 metres.

Results from Northwest Zone include:

- **BD21050** – 15 metres @ 230 g/t silver equivalent (177 g/t silver, 0.15% zinc and 1.36% lead) from 178 metres.
- **BD21047:**
 - 7 metres @ 373 g/t silver equivalent (365 g/t silver, 0.04% zinc and 0.17% lead) from 184 metres, and

- 18 metres @ 130 g/t silver equivalent (88 g/t silver, 0.18% zinc and 0.99% lead) from 148 metres.

Underground Scoping Study

- Underground Mineral Resource Estimate commenced by H&S Consultants, to be finalised during the current quarter.

Barabolar Project, New South Wales

- Diamond drilling resumes targeting the Mt Laut Pyrophyllite and Crossroad area, which represent possible mineralised porphyry copper-gold targets.
- Targets include geophysical anomalies (magnetics and gravity) as well as anomalous surface geochemistry of gold, copper, silver, zinc and lead in soil and rock chips.
- Drilling represents the first modern exploration in the area for more than 27 years.

Silver Mines Limited COVID-19 Response

During the June 2022 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.

During the March 2022 quarter, the Company submitted a Water Supply Amendment Report. The key detail of this report was for the removal of the proposed 58.5 kilometre water supply pipeline that was to extend from the Mine Site to the Ulan coalfields and supply “makeup” water to the Project.

The report also updated the Project’s water supply strategy optimising water demand and operational management. Overall water demands have reduced. Coupled with greater water recycling, the construction of a paste thickener plant and other onsite improvements, the water pipeline can now be removed from the proposal. Bowdens Silver holds the required water licence entitlements for the proposed water supply strategies. The Amendment is a significant improvement for the proposed development. Along with the operational and cost advantages, the improvements will not significantly impact other water users including the natural environment.

The Bowdens Silver 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. 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

During the June 2022 quarter and as announced subsequent to the end of the quarter, diamond drilling continued to expand mineralised zones for potential underground mining scenarios at the Bowdens Silver Deposit, with a recent focus on the Bundarra Zone. The targets (Aegean, Northwest and Bundarra Zones) are situated below the bulk-tonnage open-pit Ore Reserve of the Bowdens Deposit. Results have been received for remaining holes comprising the recent resource drilling program. Holes BD21049 and BD22001 to BD22015 are from the Bundarra Zone while holes BD21047 and BD21050 are from the Northwest Zone (refer to Figure 1). The resource drilling focused on the Aegean and Northwest Zones through 2021, with drilling in 2022 being focused on extending the Bundarra Zone south, west and east, as well as testing for gold potential at depth below the current open-pit Ore Reserve.

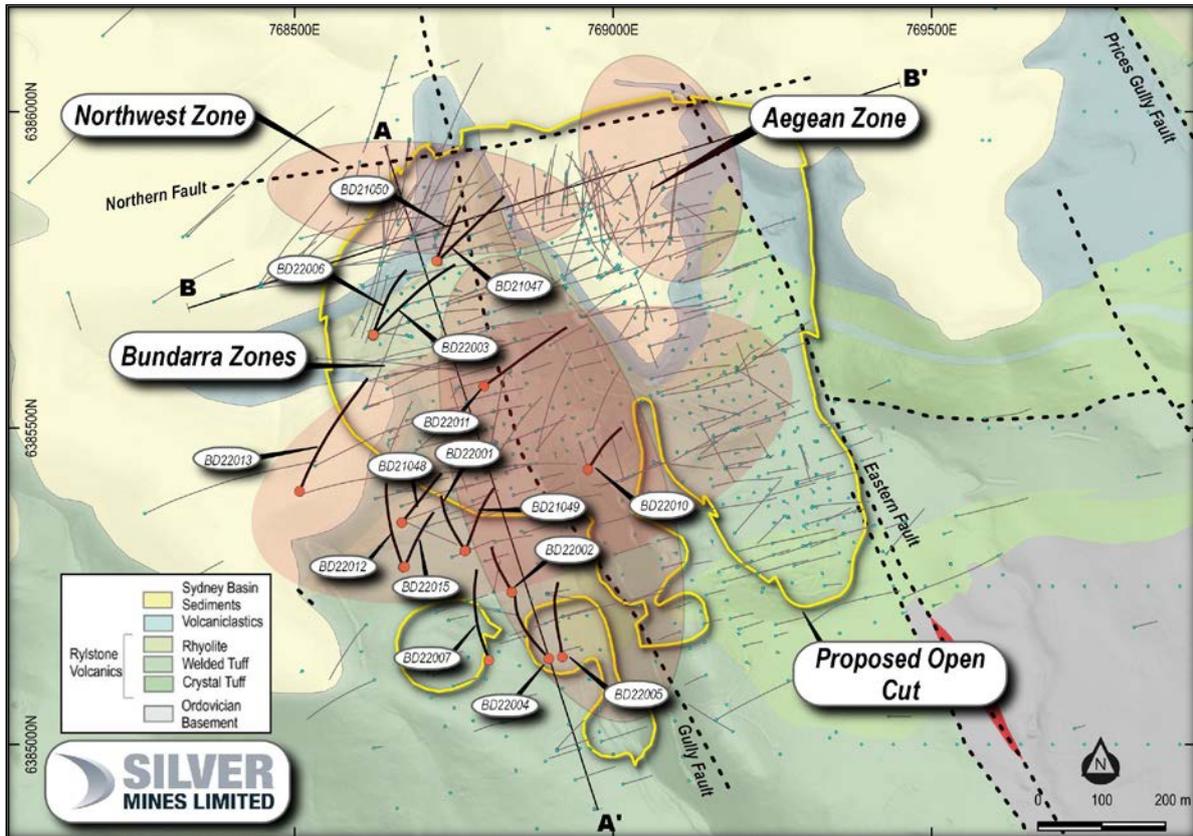


Figure 1. Reported drillhole locations and underground mining targets at the Bowdens Silver Project.

Refer to releases dated 28th March 2022, 18th January 2022, 3rd December 2021, 26th October 2021, 4th August 2021, 27th July 2021, 14th May 2021, and 28th January 2021 for results from the resource drilling program.

Bundarra Zone Results

The Bundarra Zone is a series of base metal (zinc and lead) dominant, semi massive to massive sulphide lenses below the current silver–zinc–lead Ore Reserve. Drill holes testing the extent of mineralisation beneath a dacite intrusion have shown that mineralisation is open along major structures (Gully and Eastern Faults). The Bowdens System appears to be zoned around the dacite intrusion with silver (zinc and lead) deposited above and gold (silver, zinc, lead and copper) deposited below the dacite.

Holes BD22003 and BD22006 have provided further strike extent to the Bundarra Zone of 50 metres, while BD22010 has extended lenses to the southeast. Down dip extensions have been made to the southwest by holes BD22012 and BD22015, while BD22013 partly infills and partly extends the lenses to the west, and north of hole BD20001 (refer release dated 8th April 2020). The Bundarra Zone now has a strike extent of 550 metres north to south, a width of 300 metres east to west while continuing down dip to the west for at least 475 metres to BD20001. The thickness ranges from a few metres to >20 metres.

BD21049 was drilled to test for southern continuation to significant results in BD21035 and BD21042 (refer releases dated 3rd December 2021 and 18th January 2022) and intercepted high-grade gold-rich Bundarra style mineralisation with **4.6 metres @ 505g/t silver**

equivalent (68 g/t silver, 6.56% zinc, 3.33% lead, 0.08% copper and 2.97 g/t gold) from 237 metres.

BD22003 and BD22006 were drilled to test for northern extensions to the Bundarra Zone. BD22003 intercepted the deepest, high-grade intercept of silver at the Bowdens Silver Project. This was **1 metre @ 1,769g/t silver equivalent** (1,600 g/t silver, 1.15% zinc, 3.11% lead, 0.04% copper and 0.04 g/t gold) from 414 metres, within **4 metres @ 460g/t silver equivalent** (388 g/t silver, 0.72% zinc, 0.96% lead, 0.02% copper and 0.02 g/t gold) from 411 metres. These results are from the lowest lens comprising the Bundarra Zone mineralisation and indicates further potential at depth to high-grade silver at Bowdens.

BD22013 was drilled to test the down dip extents of the Bundarra Zone north of BD20001 and intercepted significant zinc dominant mineralisation within the Gully Fault of **8 metres @ 248g/t silver equivalent** (13 g/t silver, 4.45% zinc, 0.07% lead, 0.05% copper and 0.08 g/t gold) from 538 metres.

The Bundarra Zone remains open in many orientations which also defines the continuation of the Bowdens mineral system. Refer to Table 1 below and Table 4 for all significant results from the Bundarra Zone drilling.

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

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
BD21048	335	339	4	40	1.61	4.77	0.03	0.51	324 ²
BD21049	237	241	4	68	6.56	3.33	0.08	2.97	505²
BD22002	249	250	1	37	3.21	1.85	0.05	0.06	268 ²
	317	318	1	178	1.72	1.28	0.04	0.13	321 ²
	408.9	410	1.1	35	3.37	2.77	0.06	0.03	304 ²
BD22003	249	257	8	65	1.23	0.86	0.01	0.03	158 ²
	285	289	4	25	3.22	1.04	0.02	0.29	245 ²
<i>Including</i>	393	394	1	212	0.58	0.25	0.01	0.03	253 ²
	411	415.6	4.6	388	0.72	0.96	0.02	0.02	460²
	414	415	1.0	1600	1.15	3.11	0.04	0.04	1769²
BD22004	188	189	1	22	1.88	0.77	0.03	2.75	364 ²
BD22007	444	445	1	23	3.30	2.22	0.03	0.03	267 ²
BD22010	338	340	2	27	1.37	1.78	0.02	0.72	214 ²
	345.4	347	1.6	30	3.47	2.00	0.07	0.85	344 ²
	351	352	1	32	2.30	4.33	0.03	0.25	314 ²
BD22011	304	305	1	28	1.12	1.90	0.01	1.51	269 ²
	318	319	1	25	3.37	1.49	0.07	1.17	344 ²
	407	408	1	36	3.38	2.29	0.06	0.20	303 ²
BD22012	300	302	2	29	2.08	0.89	0.03	0.58	212 ²
	436	437	1	27	4.50	0.06	0.08	0.01	262 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
BD22013	457	473	16	16	1.92	0.88	0.02	0.05	147 ²
	503	504	1	25	4.28	0.24	0.03	0.13	259 ²
	532	533	1	56	3.76	0.35	0.16	0.06	277 ²
	538	546	8	13	4.45	0.07	0.05	0.08	248 ²
BD22015	388	389	1	51	1.28	4.31	0.03	0.06	267 ²

2. Silver equivalent updated to also include significant gold and copper 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. Intercepts are outside of current Ore Reserve.

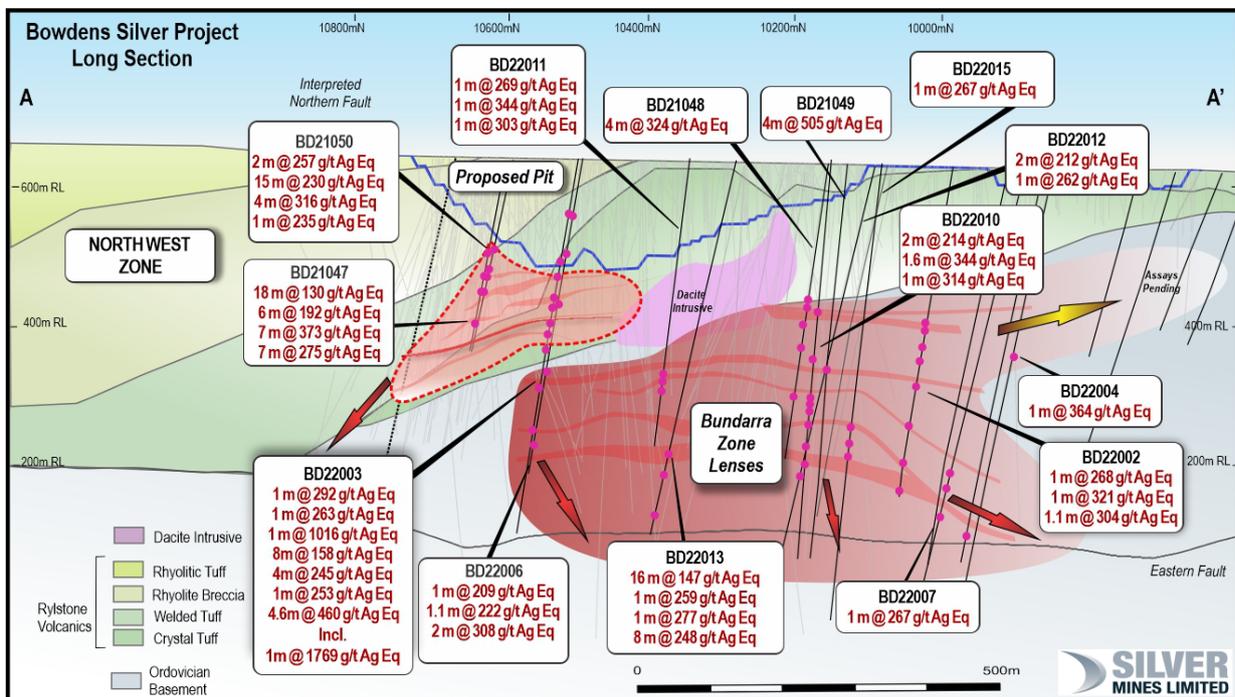


Figure 1. Bowdens Silver Project Long Section looking east.

Northwest 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 to 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 veined sulphides dominated by silver sulphides, sphalerite (zinc) and galena (lead) within the welded tuff of the Rylstone Volcanics.

BD21047 and BD21050 were drilled to provide infill of the Northwest Zone to the south along the Gully Fault. Both holes intersected significant mineralisation typical in style of the Northwest Zone. The most significant intercept in BD21047 was **7 metres @ 373g/t silver equivalent** (365 g/t silver, 0.04% zinc and 0.17% lead) from 184 metres, while the most significant intercept from BD21050 was **15 metres @ 230g/t silver equivalent** (177g/t silver, 0.15% zinc and 1.36% lead) from 178 metres.

Holes BD22003 and BD22006, which were drilled to test the northern extent of the Bundarra Zone, also both intercepted silver mineralisation of the Northwest Zone over multiple lenses. Peak assay from BD22003 in the Northwest Zone was **1 metre @ 1,016g/t silver equivalent** (854g/t silver, 1.02% zinc and 3.30% lead) from 206 metres, while the peak interval from BD22006 from within the Northwest Zone was 4 metres @ 177 g/t silver equivalent (78 g/t silver, 1.45% zinc and 0.78% lead) from 199 metres.

The Northwest and Aegean Zones both remain open to the north. Refer to Table 2 below and Table 4 for all significant results from the Bundarra Zone drilling.

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

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
BD21047	148	166	18	88	0.18	0.99	-	-	130 ¹
	173	179	6	180	0.05	0.31	-	-	192 ¹
	184	191	7	365	0.04	0.17	-	-	373 ¹
	199	206	7	261	0.06	0.33	-	-	275 ¹
BD21050	161	163	2	185	0.86	0.87	-	-	257 ¹
	178	193	15	177	0.15	1.36	-	-	230 ¹
	199	203	4	299	0.04	0.45	-	-	316 ¹
	248	249	1	170	0.06	1.84	0.01	0.02	235 ¹
BD22003	173	174	1	211	0.88	1.10	0.01	-	292 ¹
	188	189	1	197	0.91	0.61	-	-	263 ¹
	206	207	1	854	1.02	3.30	0.01	-	1016 ¹
BD22006	192	193	1	85	1.17	1.94	0.01	-	209 ¹
	209.9	211	1.1	202	0.24	0.22	-	0.01	222 ¹
	222	224	2	285	0.31	0.23	-	-	308 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.

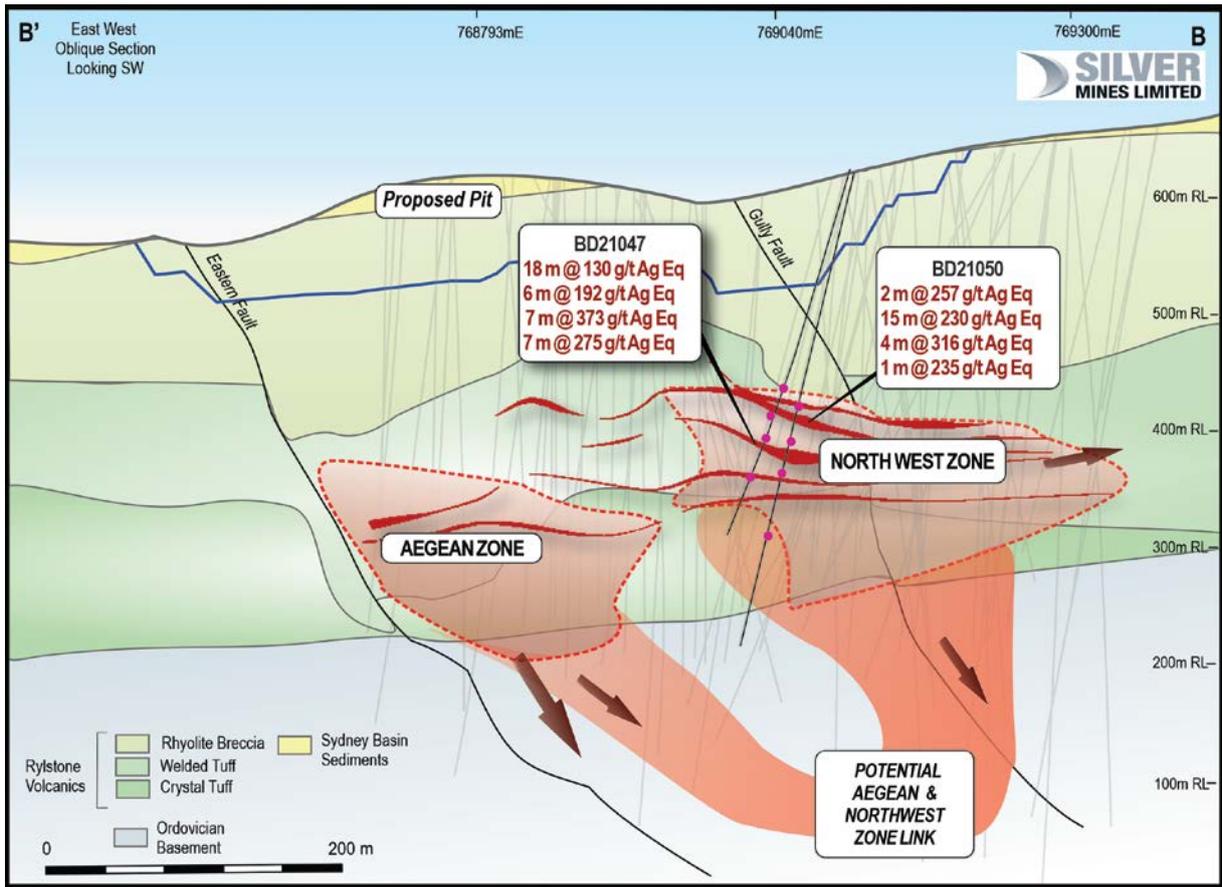


Figure 2. Oblique Section A-A' looking southwest through the Aegean and Northwest High-Grade Zones with mineralisation and new intercepts.

Scoping Study and Mineral Resource Drilling Program

During the June 2022 quarter, the Company maintained four drilling rigs on site continuing a 30,000 metre diamond drilling program. 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. Results from this drilling will form the basis for a Mineral Resource Estimate as part of a Scoping Study of underground mining scenarios. The program of drilling was extended into the June quarter 2022 in line with the outstanding new results and extensions from the Bundarra Zone.

The Scoping Study commenced during the September 2021 quarter and will complete subject to the Mineral Resource assessment which is scheduled to be complete in the September 2022 quarter.

The Scoping Study is being undertaken by;

- GR Engineering Services Limited - Project Lead and Engineering
- Entech Pty Ltd - Mine Design
- KYSPLYmet - 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 and Environment.

Barabolar Project

During the June 2022 quarter, the Company announced the resumption of exploration activities at the Barabolar Project (refer to Figure 4) which is located approximately 26 kilometres east of Mudgee and 10 kilometres northwest of the Company's Bowdens Silver Project in Central New South Wales (refer to Figure 5).

The Barabolar Project is a high-quality exploration project located within the highly prospective Macquarie Arc that also hosts world-class mineral systems such as the Cadia-Ridgeway porphyry copper-gold deposit. Barabolar consists of an extensive corridor of gold, copper, silver, zinc and lead soil and rock chip anomalies.



Figure 4. Diamond drill rig at the Barabolar Project.

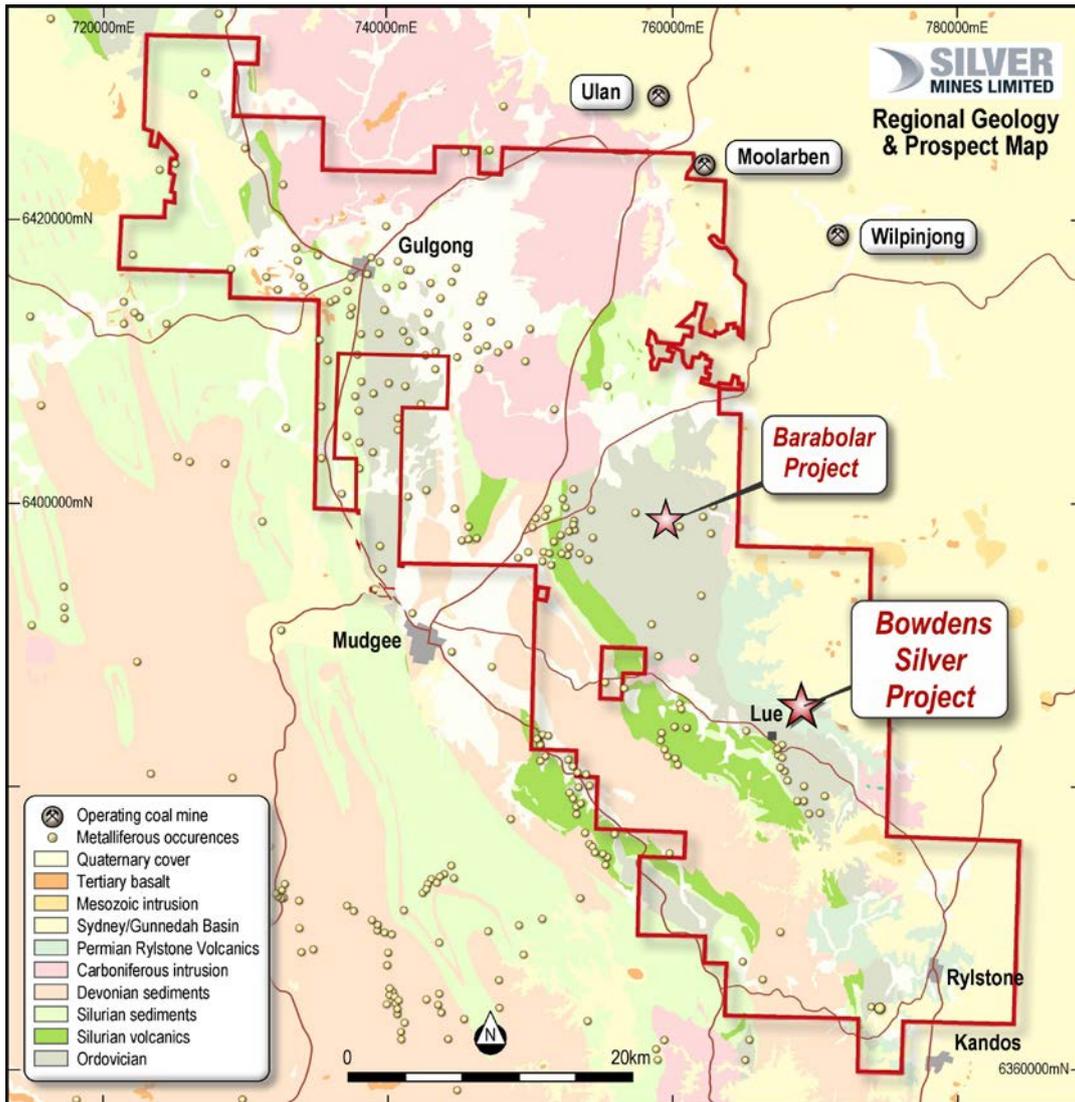


Figure 5. Location of the Barabolar and Bowdens Silver Projects relative to Mudgee with regional geology.

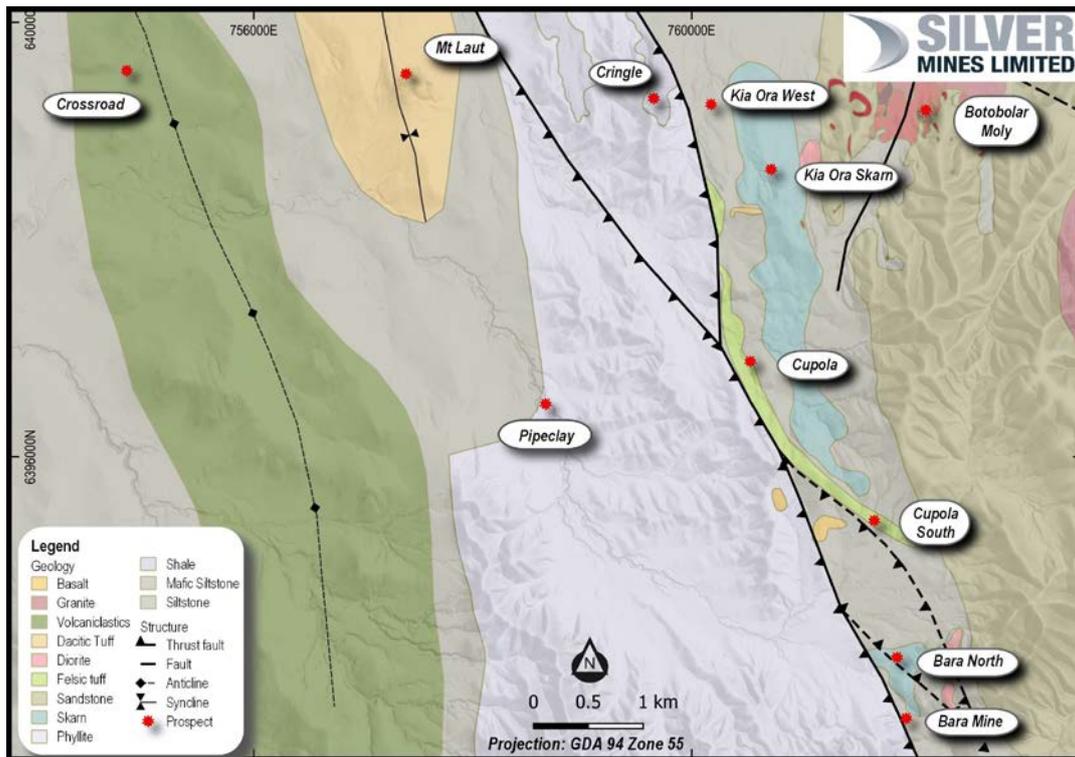


Figure 6. Geology and prospects of the Barabolar Project.

Drill Targets

The Company has new high priority drill targets from multiple exploration datasets around the Mt Laut pyrophyllite quarry and Crossroad prospect areas (refer to Figure 6). Immediately within this area are silica-sericite flooded volcaniclastics and volcanics of andesitic to dacitic composition with pyrite and gossanous quartz veins. Major west dipping faults (interpreted from digital elevation models and surface measurements) are likely the fluid pathways to exposed zones such as the pyrophyllite quarry and other prospects further to the east.

In 2019, the Company completed a gravity survey to determine whether a clear intrusive signature exists within the Barabolar Project area. The Crossroad target represents a potential intrusive source to alteration and mineralisation as the gravity data has identified numerous “low” responses with the standout target being coincident with a magnetic high and potassium anomaly (radiometric data). The magnetic high is potentially a result of high temperature potassic alteration (biotite-orthoclase-magnetite) within an intrusion. This represents a priority target for deep drilling.

Machine Learning (ML) algorithms, applied to the Company's extensive surface sample database and geophysical/remotely sensed datasets, have also identified areas within the Barabolar Project as being outliers geochemically within the Company's broader tenement holding. These areas are Cringle and Mt Laut through to Crossroad, highlighted in both predictive models and in sampled data. Significantly, when multivariate outlier analysis is performed using alkalic and acidic zone elemental enrichment around porphyry systems as previously defined, the outliers are situated around significant geophysical responses (magnetic high and gravity low) (refer to Figure 7).

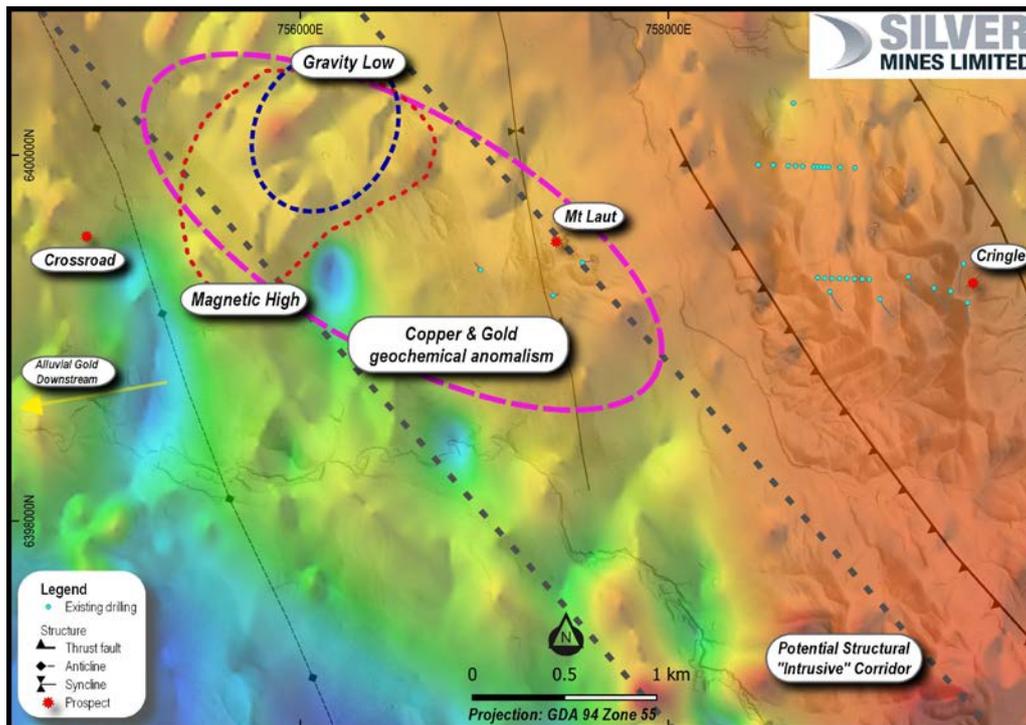


Figure 7. Geophysical anomalism and chemistry used in drill targeting.

Detailed previous soil sampling shows zoned base metals and significant tellurium values around the geophysical responses, especially at the pyrophyllite quarry. Previous rock samples from the area have shown anomalous gold and copper as well as anomalous pathfinder metals such as bismuth, lead, arsenic and zinc.

Historic Exploration

Silver Mines has completed two short programs of reconnaissance exploration drilling in the eastern section of the Barabolar project in 2018 and 2019 covering an area from the Bara Mine in the south to Cringle in the north (refer ASX announcements dated 28th August 2018, 3rd October 2018, 9th April 2019, 13th June 2019 and various quarterly reports in between).

The area between Cringle and Crossroad has had limited previous exploration and is dominated by Ordovician aged andesitic volcanics and sediments. Shallow RC drilling conducted during the mid- 1990's around the Mt Laut pyrophyllite quarry identified significant increases in silica-sericite-pyrite alteration within andesitic and dacitic volcanics. This historic drilling logged increases in base metal sulphides (including chalcopyrite) within quartz veins, though the drilling was assayed for gold only¹. This alteration and metal association suggests that Mt Laut is part of an outer phyllic zone to an intrusive system (or high sulphidation epithermal), with distal advanced argillic alteration in the form of talc and pyrophyllite at surface. This may represent the upper expression of the porphyry system.

¹ Refer to NSW Government open file report – GS1998_262.R00020304 with work completed by Central West Gold.



Figure 8. South wall of the Mt Laut pyrophyllite quarry showing altered volcanics with a westerly dip (image looking south).

Exploration Program

The Company currently has three drilling rigs with two continuing at the Company's flagship Bowdens Silver Project and one at the Barabolar Project. The initial program at Barabolar is expected to comprise at least 2,000 metres of diamond drilling.

Tuena Gold Project

The Tuena Gold Project is located 80 kilometres south of the city of Orange in New South Wales (refer to Figure 10).

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 Copperhanna 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.

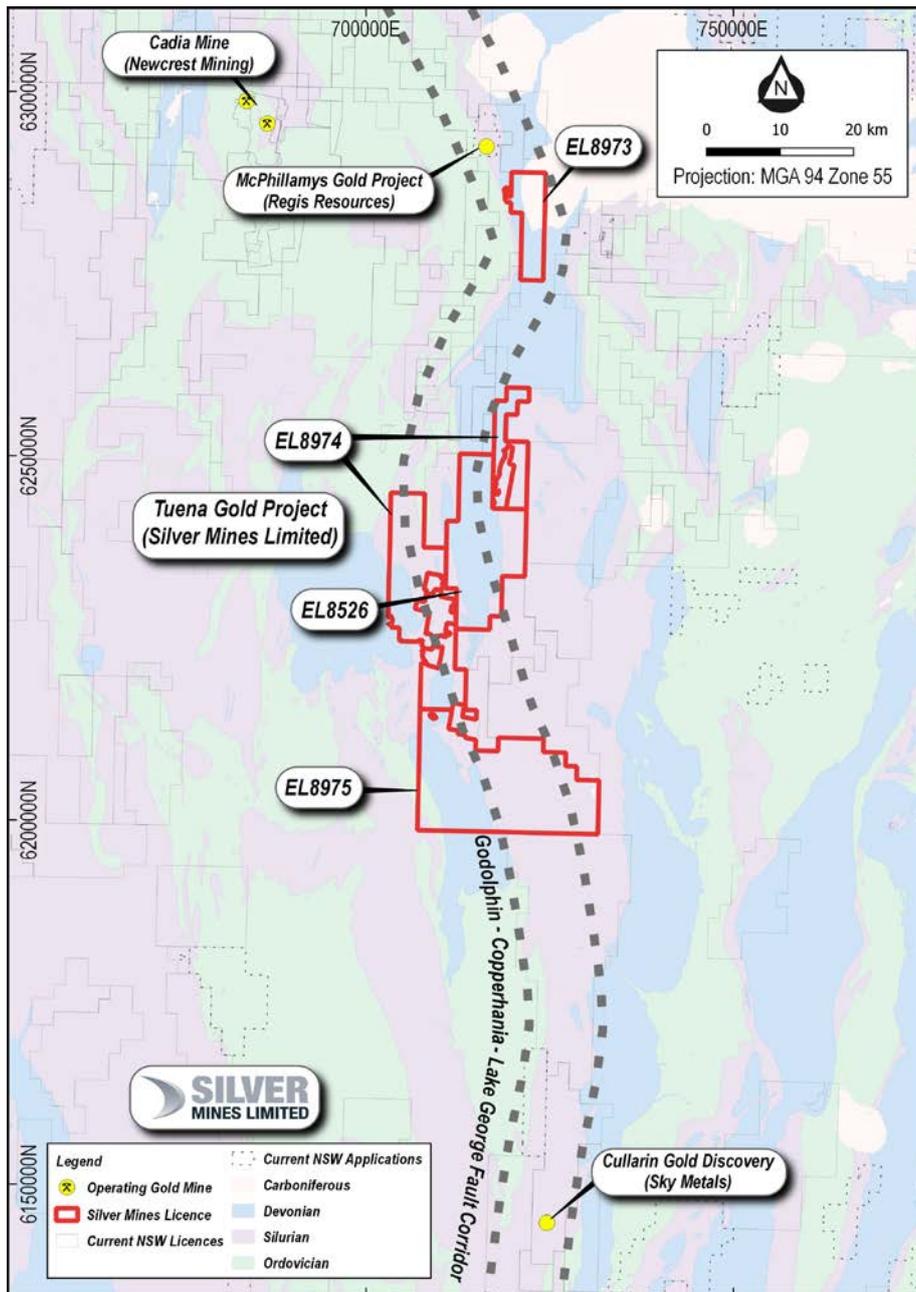


Figure 10: Tuena Gold Project regional setting.

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.

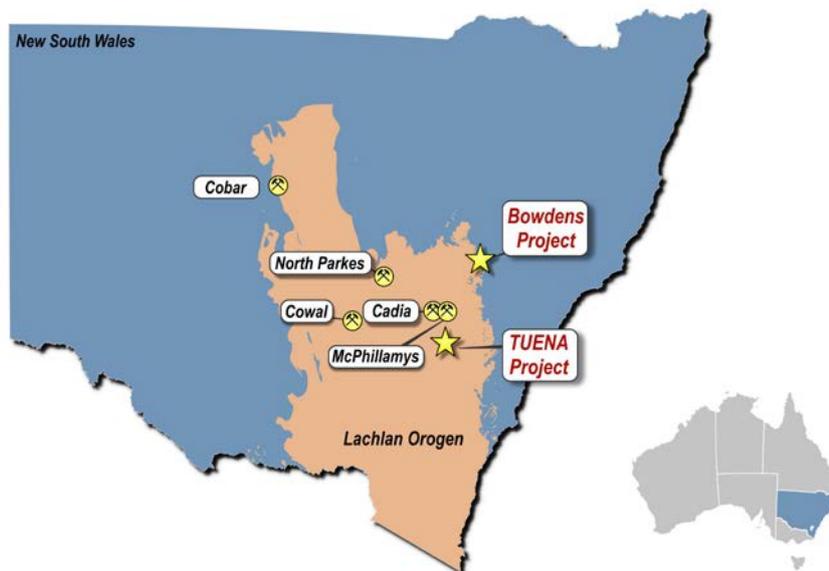


Figure 11. Silver Mines Limited project in the Lachlan Orogen.

Corporate

Appointment of Non-Executive Director

On 19 April 2022 the Company announced the appointment Ms Kristen Podagiel as a Non-Executive Director of the Company.

Ms Podagiel has a distinguished legal background and over the past 20 years has worked as a commercial lawyer on major projects and developments including those in the mineral resources, technology, agriculture, energy and defence industries.

Ms Podagiel has extensive senior executive-level experience including her prior role as Chief Executive Officer and Managing Partner of McCullough Robertson, a leading Australian independent law firm.

Ms Podagiel is a current director of ADG Capital Pty Ltd, a company involved in a range of engineering disciplines across various industry sectors including mining. She is a founding director of UNIQ You Ltd, a charity supporting women in mining and STEM related areas, and has recently completed her term as the Interim Chief Executive Officer of Women's Legal Service Queensland which provides free legal and social work services to over 5000 women every 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 June 2022 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\$3.65 million and focussed predominately on the Company's Bowden Silver Project. Payments to related parties totalling A\$198,000 consisted of remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.



Further information:

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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 Fellow of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Dr Holden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Table 3. Drill collar locations for new results.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
Northwest	BD21047	768724	6385764	613	-65	45	321.8	Core	Assays returned
Bundarra	BD21048	768668	6385350	620	-75	40	403	Core	<i>Partial assays</i>
Bundarra	BD21049	768769	6385307	611	-73	20	403.2	Core	Assays returned
Northwest	BD21050	768723	6385764	613	-73	20	319	Core	Assays returned
Bundarra	BD22001	768767	6385306	611	-77	333	468.8	Core	<i>Partial assays</i>
Bundarra	BD22002	768841	6385240	618	-79	335	451	Core	Assays complete
Northwest & Bundarra	BD22003	768623	6385646	618	-70	40	450.9	Core	Assays returned
Bundarra	BD22004	768899	6385135	605	-75	320	567.9	Core	Assays returned
Bundarra	BD22005	768920	6385138	601	-75	350	517.9	Core	<i>Partial assays</i>
Northwest & Bundarra	BD22006	768624	6385647	618	-77	15	505	Core	Assays returned
Bundarra	BD22007	768805	6385133	615	-75	345	582.8	Core	<i>Partial assays</i>
Bundarra	BD22010	768961	6385435	627	-80	29.6	538.1	Core	<i>Partial assays</i>
Bundarra	BD22011	768797	6385566	606	-70	55	444.5	Core	<i>Partial assays</i>
Bundarra	BD22012	768670	6385280	619	-75	340	567.2	Core	<i>Partial assays</i>
Bundarra	BD22013	768508	6385400	666	-74	25	642.9	Core	<i>Partial assays</i>
Bundarra	BD22015	768673	6385280	619	-80	25	606.9	Core	<i>Partial assays</i>

Table 4. Summary of all recent drilling intercepts.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
BD21047	35	38	3*	415	0.32	0.92	-	-	462 ¹
	50.7	60	9.3*	56	0.30	0.17	-	-	77 ¹
	64	65	1*	43	0.77	0.47	-	-	97 ¹
	75	77	2*	86	0.63	0.38	-	-	130 ¹
	97	98	1*	96	0.67	0.46	-	-	145 ¹
	104	106	2*	129	0.36	0.26	-	-	156 ¹
	111	112	1*	327	0.52	0.22	-	-	360 ¹
	120	125	5*	53	0.19	0.19	-	-	68 ¹
	133	136	3	109	0.52	0.38	-	-	147 ¹
	148	166	18	88	0.18	0.99	-	-	130¹
	173	179	6	180	0.05	0.31	-	-	192 ¹
	184	191	7	365	0.04	0.17	-	-	373¹
	199	206	7	261	0.06	0.33	-	-	275 ¹
	228	229	1	106	0.02	0.20	0.01	-	114 ¹
	234	235	1	99	-	0.01	-	-	100 ¹
293	294	1	35	1.14	0.44	-	-	107 ¹	
BD21048	242.9	253	10.1	23	1.50	1.05	0.02	0.19	150 ²
	273	277.2	4.2	31	2.19	1.55	0.03	0.19	210 ²
	335	339	4	40	1.61	4.77	0.03	0.51	324 ²
	345	346	1	50	0.57	1.21	0.06	0.37	155 ²
	362	364	2	16	1.68	0.32	0.02	0.02	113 ²
	369	377	8	12	1.75	0.19	0.03	0.03	111 ²
BD21049	57	58	1	126	0.13	0.05	-	-	134 ²
	141	142	1	100	0.08	0.05	-	0.06	105 ²
	186	187	1	107	1.72	3.92	0.11	1.01	323 ²
	192	193	1	27	1.40	0.70	0.03	0.16	120 ²
	219	225	6	27	1.29	1.63	0.03	0.28	146 ²
	237	241	4	68	6.56	3.33	0.08	2.97	505²
	271	272	1	69	1.14	0.35	0.03	1.02	137 ²
	314	317	3	14	1.13	0.81	0.02	0.03	97 ²
	330	332	2	28	3.63	0.75	0.07	0.02	232 ²
	339	347	8	9	1.61	0.30	0.01	0.01	99 ²
	351.3	356.3	5	10	1.56	0.51	0.02	0.01	104 ²
362	364	2	13	2.61	0.05	0.04	0.01	144 ²	
BD21050	29	37	8*	165	0.33	0.43	-	-	196 ¹

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
	49	50	1*	435	0.36	0.18	-	-	459 ¹
	101	102	1*	110	1.90	1.98	-	-	271 ¹
	141	142	1	81	0.36	0.25	-	-	107 ¹
	154	156	2	49	1.14	0.39	-	-	119 ¹
	161	163	2	185	0.86	0.87	-	-	257 ¹
	167	171	4	49	0.39	0.60	-	-	89 ¹
	178	193	15	177	0.15	1.36	-	-	230¹
	199	203	4	299	0.04	0.45	-	-	316 ¹
	224	225	1	96	0.12	0.29	-	-	112 ¹
	231	237	6	84	0.35	0.52	-	-	119 ¹
	243	244	1	126	0.11	0.96	-	-	164 ¹
248	249	1	170	0.06	1.84	0.01	0.02	235 ¹	
BD22001	9	10	1	110	0.01	0.20	-	-	117 ²
	31	32	1	116	0.25	0.06	-	-	130 ²
	95	96	1	172	0.06	0.08	-	-	178 ²
	126.8	128.5	1.7	95	0.66	0.29	0.01	-	139 ²
	153	154	1	33	1.73	0.79	0.03	-	148 ²
	168	169	1	29	1.84	1.21	0.03	-	164 ²
	176	178	2	38	1.08	0.80	0.02	-	121 ²
	255.8	259	3.2	35	1.83	1.21	0.05	-	172 ²
	294	297	3	17	1.32	1.09	0.03	0.05	127 ²
	326	327	1	19	1.42	1.24	0.05	0.02	138 ²
	338	339	1	21	2.08	1.61	0.05	0.11	193 ²
	346	347	1	21	2.21	1.31	0.04	0.02	180 ²
	352.3	359	6.7	10	1.07	0.66	0.01	0.01	87 ²
	380	381	1	12	1.60	0.02	0.05	0.02	99 ²
	388	395	7	13	1.40	0.06	0.03	0.01	89 ²
	408	409	1	16	1.91	0.02	0.05	0.01	118 ²
438	439	1	8	2.49	0.04	0.03	0.19	152 ²	
443	444	1	11	2.27	0.03	0.03	0.02	129 ²	
BD22002	227	228	1	25	1.18	1.17	0.05	0.19	143 ²
	233	239	6	14	0.69	0.62	0.02	0.05	75 ²
	249	250	1	37	3.21	1.85	0.05	0.06	268 ²
	270	274	4	11	0.82	0.65	0.02	0.06	80 ²
	288	289	1	42	1.31	1.41	0.01	0.03	157 ²
	317	318	1	178	1.72	1.28	0.04	0.13	321 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
	366	367	1	20	1.58	1.23	0.05	0.02	146 ²
	398	399	1	17	1.24	1.19	0.04	0.02	124 ²
	408.9	410	1.1	35	3.37	2.77	0.06	0.03	304 ²
	427	428	1	12	1.15	0.74	0.03	0.01	98 ²
	446	447	1	15	2.50	0.63	0.02	0.01	163 ²
BD22003	109	111	2	71	0.52	0.39	-	-	110 ¹
	166	169	3	26	1.01	0.32	-	-	87 ¹
	173	174	1	211	0.88	1.10	0.01	-	292 ¹
	178	181	3	63	0.43	0.90	-	-	114 ¹
	188	189	1	197	0.91	0.61	-	-	263 ¹
	206	207	1	854	1.02	3.30	0.01	-	1016 ¹
	211	212	1	115	0.20	0.31	-	-	135 ¹
	220	232	12	45	0.88	0.69	-	0.03	114 ²
	249	257	8	65	1.23	0.86	0.01	0.03	158 ²
	277	278	1	18	1.07	0.72	0.02	0.06	102 ²
	285	289	4	25	3.22	1.04	0.02	0.29	245 ²
	303	304	1	24	1.04	0.91	0.01	0.22	125 ²
	329	331	2	23	1.74	0.30	0.03	0.07	128 ²
	336	341	5	21	1.84	0.43	0.02	0.28	151 ²
	353	354	1	8	1.59	0.25	0.01	0.04	99 ²
	367.3	373	5.7	18	1.03	0.84	0.01	0.13	109 ²
	381	384	3	19	0.89	0.95	0.02	0.07	103 ²
	393	394	1	212	0.58	0.25	0.01	0.03	253 ²
	411	415.6	4.6	388	0.72	0.96	0.02	0.02	460²
	<i>Including</i>	414	415	1.0	1600	1.15	3.11	0.04	0.04
BD22004	188	189	1	22	1.88	0.77	0.03	2.75	364 ²
	264	265	1	16	1.58	0.86	0.03	0.15	139 ²
	324	330	6	24	1.02	0.94	0.03	0.08	116 ²
BD22005	119	120	1	18	1.17	0.58	0.02	0.14	109 ²
	169	170	1	20	1.11	0.71	0.03	0.21	119 ²
	221	222	1	29	1.61	0.98	0.07	0.07	154 ²
	303	305	2	18	1.14	0.85	0.06	0.07	115 ²
	383	384	1	16	2.16	0.74	0.04	0.06	157 ²
	389	390	1	12	1.08	0.84	0.03	0.02	99 ²
	403	411	8	21	0.82	0.34	0.02	0.06	80 ²
	430	431	1	15	1.07	1.10	0.02	0.01	108 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
	469	470	1	17	2.31	0.26	0.01	0.03	144 ²
	474	479.7	5.7	6	1.27	0.08	0.01	0.02	74 ²
BD22006	106	108	2	99	0.53	0.35	-	-	136 ²
	115	122	7	75	0.39	0.37	-	-	107 ²
	150	151	1	75	0.90	0.47	-	-	135 ²
	172	174	2	70	0.89	0.48	-	-	130 ²
	180	182	2	94	0.22	0.21	-	-	112 ²
	192	193	1	85	1.17	1.94	0.01	-	209 ²
	199	203	4	78	1.45	0.78	-	0.01	177 ²
	209.9	211	1.1	202	0.24	0.22	-	0.01	222 ²
	222	224	2	285	0.31	0.23	-	-	308 ²
	233	234	1	96	0.51	0.20	-	-	128 ²
	252	253	1	56	1.22	0.32	-	-	127 ²
	278	295	17	24	0.90	0.73	0.02	0.04	99 ²
	306	307	1	29	0.34	1.44	0.02	0.03	99 ²
	311	313	2	32	0.89	0.61	0.02	0.02	101 ²
	318	322	4	36	1.21	0.71	0.02	0.03	125 ²
	BD22007	391.8	393	1.2	17	2.06	0.97	0.05	0.02
426		429	3	18	1.79	1.29	0.04	0.02	156 ²
434		435	1	10	1.09	0.99	0.02	0.01	100 ²
439		440	1	11	1.60	0.63	0.03	0.01	116 ²
444		445	1	23	3.30	2.22	0.03	0.03	267 ²
449		455	6	46	0.55	0.48	0.01	0.03	92 ²
468		469	1	8	2.48	0.18	0.02	0.03	142 ²
483		484	1	14	2.53	0.34	0.03	0.01	155 ²
BD22010	19	20	1*	83	2.36	2.00	0.01	-	268 ²
	43	51	8*	26	1.91	0.82	0.01	0.02	151 ²
	58	61	3*	57	0.99	3.01	0.02	0.04	212 ²
	65	66	1*	123	0.88	5.67	0.01	0.10	365 ²
	84	85	1	11	1.27	0.85	0.00	0.06	107 ²
	116	118	2	21	1.53	0.95	0.01	0.09	137 ²
	123	128	5	9	0.92	0.55	-	0.04	76 ²
	227	228	1	34	0.53	1.95	0.05	0.41	164 ²
	234	236	2	28	0.97	1.65	0.03	0.20	150 ²
	246	251	5	13	1.10	0.97	0.01	0.35	130 ²
	262	274	12	16	1.21	1.13	0.02	0.57	161 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
	279	280	1	13	0.89	1.07	0.03	0.30	120 ²
	284	285	1	13	0.96	1.27	0.02	0.33	132 ²
	290	295	5	20	1.59	1.72	0.03	0.31	185 ²
	300	305	5	15	1.02	1.06	0.02	0.20	119 ²
	315	332	17	16	1.00	0.86	0.02	0.31	121 ²
	338	340	2	27	1.37	1.78	0.02	0.72	214 ²
	345.4	347	1.6	30	3.47	2.00	0.07	0.85	344 ²
	351	352	1	32	2.30	4.33	0.03	0.25	314 ²
	357	358	1	19	0.78	2.49	0.02	0.16	156 ²
	372	373.4	1.4	16	1.56	1.08	0.03	0.22	150 ²
	421	423	2	31	2.25	1.13	0.02	0.36	211 ²
BD22011	212	213	1	31	0.46	1.69	0.02	0.13	123 ²
	242	243	1	64	0.46	0.50	0.02	0.06	111 ²
	304	305	1	28	1.12	1.90	0.01	1.51	269 ²
	318	319	1	25	3.37	1.49	0.07	1.17	344 ²
	325	330	5	14	1.34	1.28	0.02	0.41	159 ²
	336	339	3	12	0.81	1.37	0.01	0.20	115 ²
	362	364	2	17	0.65	1.38	0.02	0.23	116 ²
	399	400	1	12	1.32	0.72	0.01	0.12	113 ²
	407	408	1	36	3.38	2.29	0.06	0.20	303 ²
	417	418	1	16	1.24	1.10	0.02	0.24	136 ²
	424	425	1	22	0.65	1.41	0.03	0.08	111 ²
BD22012	283	284	1	22	1.10	0.73	0.03	0.17	118 ²
	300	302	2	29	2.08	0.89	0.03	0.58	212 ²
	374	375	1	14	1.20	0.81	0.04	0.01	106 ²
	382	383	1	16	0.99	0.85	0.04	0.02	99 ²
	399	401	2	33	2.19	0.57	0.06	0.15	180 ²
	425	426	1	14	1.70	0.10	0.02	0.05	108 ²
	436	437	1	27	4.50	0.06	0.08	0.01	262 ²
BD22013	353	354	1	46	0.29	2.46	0.02	0.16	157 ²
	410	411	1	20	1.17	0.74	0.04	0.15	119 ²
	457	473	16	16	1.92	0.88	0.02	0.05	147²
	483	485	2	14	1.88	0.08	0.03	0.04	116 ²
	489	494	5	20	2.14	0.18	0.04	0.06	141 ²
	503	504	1	25	4.28	0.24	0.03	0.13	259 ²
	527	528	1	62	1.54	0.45	0.07	0.44	197 ²

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
	532	533	1	56	3.76	0.35	0.16	0.06	277 ²
	538	546	8	13	4.45	0.07	0.05	0.08	248²
	552	553	1	9	1.08	0.84	0.01	0.08	98 ²
BD22015	300	308	8	15	1.12	0.70	0.02	0.19	111 ²
	366	367	1	23	1.38	1.18	0.03	0.01	135 ²
	377	380	3	13	1.36	1.00	0.02	0.02	118 ²
	388	389	1	51	1.28	4.31	0.03	0.06	267 ²
	402	404	2	24	2.92	0.78	0.08	0.04	207 ²
	435	436	1	8	2.04	0.00	0.04	0.02	115 ²
	496	497	1	20	2.11	0.02	0.05	0.04	134 ²
	502	504	2	10	2.00	0.03	0.03	0.01	114 ²

* Denotes an interval within current ore reserves.

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. Intercepts are outside of current reserve.

2. Silver equivalent updated to also include significant gold and copper 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. Intercepts are outside of current reserve.

Tenement Information as at 30th June 2022

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 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%	-

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"> 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. 	<ul style="list-style-type: none"> Sampling taken continuously downhole from PQ and HQ diameter diamond core. PQ size core – all samples taken as nominal 1 or 2 metre intervals, or as otherwise defined by logged geology intervals, from quarter cut core. HQ size core – all samples taken as nominal 1 metre intervals where mineralisation observed from half cut core, or as 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-AA23) with a 30g sample taken for assay. Assays are considered representative of the sample collected.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> Diamond drilling undertaken using PQ and HQ diamond core with triple tube used. All core, excluding PQ size, where unbroken ground allows, is oriented by drilling team and an orientation line drawn along the base of the hole.
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • No significant relationship between sample recovery and grade exists.
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"> • 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	<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"> • Selective sub-sampling based on geology to a maximum size of 2 metres and a minimum of 0.3 metres. • All core is cut using a Corewise core saw with core rotated 10 degrees to the orientation line to preserve the orientation for future reference. • For HQ core the half of the core without the orientation line is removed, bagged and sent to the laboratory for assay. • Sample sizes are considered appropriate for the rock type, style of mineralisation, the thickness and consistency of the intersections and assay ranges expected at Bowdens.
Quality of assay data and laboratory tests	<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"> • Samples dispatched to ALS Global in Orange NSW for sample preparation and analysis. Some sample batches were then on shipped to ALS Global in Adelaide, Brisbane and Townsville due to the high volume within the Orange Lab. • Site standards and blanks are inserted at a rate of 8 per 100 samples, and duplicates are inserted at a rate of 5 per 100 samples to check quality control. Laboratory standards and blanks are inserted every 25 samples.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The collar position is initially surveyed using hand-held GPS with accuracy of +/- 3 metres. Down hole surveys collected every 30 metres using an electronic downhole reflex survey camera. The terrain includes steep hills and ridges with a digital elevation model derived from a combination of locally flown LIDAR and publically available point cloud data. All collars recorded in MGA94 zone 55.
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The drilling results relate to exploration and resource drilling of the Aegean, Northwest and Bundarra Zones. Drilling is not defined to a set spacing.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> All samples bagged on site under the supervision the senior geologist with sample bags tied with cable ties before being driven by site personnel to the laboratory in Orange, NSW (~200 kilometres from

Criteria	JORC Code explanation	Commentary
		the site)
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> The drilling campaign and drill work includes on-going internal auditing with advice taken on process from external advisors.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> The Bowdens Resource is located wholly within Exploration Licence No 5920, held wholly by Silver Mines Limited and is located approximately 26 kilometres east of Mudgee, New South Wales. The tenement is in good standing. The project has a 2.0% Net Smelter Royalty which reduces to 1.0% after the payment of US\$5 million over 100% of EL5920 The project has a 0.85% Gross Royalty over 100% of EL5920.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> 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 Rylstone Volcanics and the Coomber Formation. The mineralization reported in this report is related to deeper areas of the Bowdens Deposit,

Criteria	JORC Code explanation	Commentary
		typically representing higher-temperature zones.
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 is included in Table 1 and Table 2 of this report above.
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"> • 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 equivalency including gold and copper with a 3 metres internal dilution factor, or a cut off of 90g/t silver with a 3 metres internal dilution factor. • No top cutting of data or grades was undertaken in the reporting of these results.
Relationship between mineralisation widths and intercept lengths	<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"> • 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 zones, the drilling width is estimated to be 100 to 140% of true-width for stratabound mineralized zone.
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 drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> • Maps and cross sections provided in the body of this report.

Criteria	JORC Code explanation	Commentary
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 results received and compiled to date are reported in this release. Drilling is on-going with further results expected.
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 drill data reported from this program.
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 a drill program that is designed to test the extension and explore for further zones of high-grade silver situated beneath the Bowdens Silver Deposit. Drilling is on-going with further results pending.

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 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	33	253
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(174)	(705)
(e) administration and corporate costs	(367)	(1,643)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	48	166
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (purchase of livestock)	-	(243)
1.9 Net cash from / (used in) operating activities	(460)	(2,171)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(54)	(264)
(d) exploration & evaluation	(3,650)	(12,572)
(e) intangible	(110)	(330)
(f) Land and Building	(415)	(2,020)

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 (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	502
	(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) Research and development tax incentive refund	1,131	1,823
	(b) Payment for bank guarantee	-	(80)
2.6	Net cash from / (used in) investing activities	(3,100)	(12,942)
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	-	5,445
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)	-	-
3.10	Net cash from / (used in) financing activities	-	5,445
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25,312	31,421
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(460)	(2,171)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,100)	(12,942)

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 (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	5,445
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	21,752	21,752

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	21,752	25,312
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)	21,752	25,312

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	198
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil
<i>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.</i>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
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)	(460)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(3,650)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(4,110)
8.4 Cash and cash equivalents at quarter end (item 4.6)	21,752
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	21,752
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.29
<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.

Date: 28 July 2022



Authorised by: Trent Franklin (Company Secretary)
 (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.