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29th April 2022

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

ACTIVITIES REPORT FOR THE QUARTER ENDED

31st March 2022

HIGHLIGHTS

Bowdens Silver Project, New South Wales

- **Drilling at Bowdens Silver continues to deliver high-grade silver, zinc and lead mineralisation with significant gold and copper within both quartz-sulphide and semi massive sulphide vein styles.**
- **Visible gold intersected for the first time ever at Bowdens.**
- **Greater tenor of gold in the system as drilling moves south and east at Bundarra.**

Latest Results Include:

- **BD21044 - 116 metres @ 0.31 g/t gold from 223 metres;**
- **BD21042 - 2.4 metres @ 1,520 g/t silver equivalent (269 g/t silver, 15.80% zinc, 10.33% lead, 0.78% copper and 0.42 g/t gold) from 297 metres;**
- **BD21048 - 1.8 metres @ 1,181 g/t silver equivalent (129 g/t silver, 9.46% zinc, 8.36% lead, 0.16% copper and 3.56 g/t gold) from 225 metres;**
- **BD21039 - 10 metres @ 285 g/t silver equivalent (149 g/t silver, 2.18% zinc, 0.66% lead) from 168 metres; and**
  - **4.6 metres @ 338 g/t silver equivalent (24 g/t silver, 3.67% zinc, 1.47% lead and 0.98 g/t gold) from 406 metres; and**
  - **8.1 metres @ 193 g/t silver equivalent (18 g/t silver, 1.82% zinc, 1.45% lead and 0.41 g/t gold) from 417 metres.**

Underground Scoping Study

- **Drilling nearing completion to deliver maiden underground Mineral Resource estimation as part of the initial Scoping Study of underground mining scenarios.**
- **Resource estimate to be finalised in 2nd quarter 2022.**

Silver Mines Limited COVID-19 Response

During the March 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 known undeveloped silver deposit in Australia and is situated within Exploration Licence 5920, which is held 100% 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 and Environment ("DPE"). 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 DPE.

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

Introduction

During the March 2022 quarter, the Company announced ongoing success in its exploration activities at the Bowdens Silver Project (refer to releases of 18th January 2022 and 28th March 2022). The exploration program has yielded exceptional high-grade silver drill intercepts along with significant gold and zinc drill intercepts.

Diamond drilling has continued to test the potential for underground mining scenarios at the Bowdens Silver Deposit with a focus on the Northwest Zone, the Aegean Zone and the Bundarra Zone. The Aegean to Northwest Zone is dominated by high-grade silver vein systems of substantial widths, while the Bundarra Zone is dominated by wide zones of high-grade zinc and lead mineralised lenses, associated with gold and silver. All three zones are located beneath the bulk-tonnage open-pit Ore Reserve of the Bowdens Deposit with the Aegean Zone situated directly beneath Main Zone (refer to Figure 1).

With highly successful drilling results returned, the Company expanded drilling activity at Bowdens Silver. A 30,000 metre program commenced during the June 2021 quarter with four rigs operational on site and will continue through the first half of calendar 2022 year. This campaign is the largest investment in exploration undertaken by Silver Mines at Bowdens Silver in four years. The Company remains very well placed to fund its aggressive drill program with a cash balance at end of March quarter 2022 of $25.3 million.

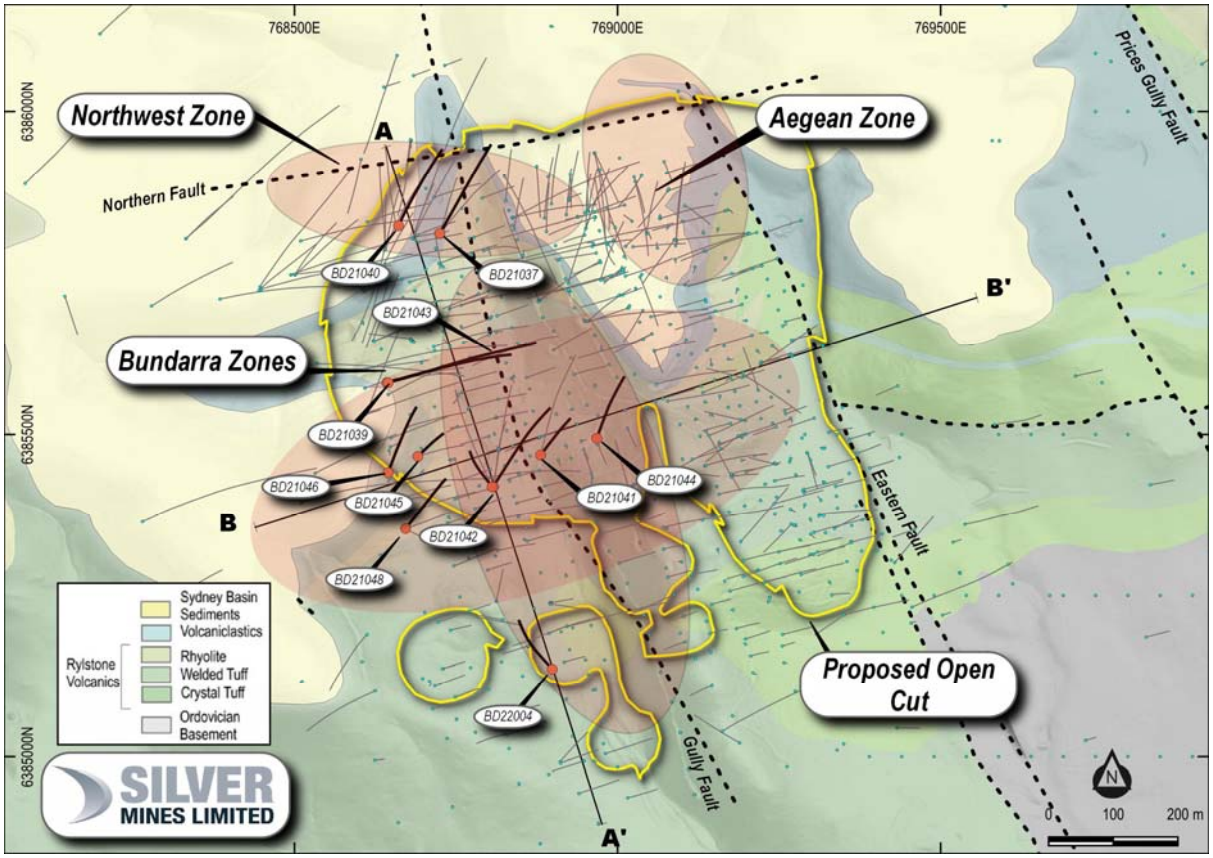

Figure 1. Reported drillhole locations and high-grade silver targets at the Bowdens Silver Project.

Results have been received for holes BD21037, BD21038, BD21039, BD21040, BD21041, BD21042, BD21043, BD21044, BD21045, BD21046, BD21048 and BD22004 drilled within the Bundarra Zone and Northwest Zone (refer to **Error! Reference source not found.**). Through the second half of calendar 2021, the resource drilling focused on the Aegean and Northwest Zones. Recently drilling has focused on extending the Bundarra Zone south, west and east, as well as testing for greater economic gold potential at depth below the current open-pit Bowdens Silver Ore Reserve.

Bundarra Zone Results

The Bundarra Zone is a series of base metal (zinc and lead) dominant sulphide lenses below the current silver–zinc–lead resource. At Bundarra, gold occurs in veins throughout the deeper parts of the system where mineralisation is related to, or controlled by, the emplacement of a dacite intrusion into the Rylstone Volcanic pile and underlying Ordovician basement. Drill holes testing the extent of mineralisation beneath the dacite intrusion have proven successful to date.

Significantly, BD21042 has intercepted zones of mineralisation of higher emplacement temperature quartz sulphide veining including the highest concentration of copper intercepted to date in the Deposit and extending the Bundarra lenses some 75 metres to the south of BD21035 (refer to release dated 3rd December 2021). These zones remain open to the south as well as up dip to the east and down dip to the west. The lower lenses are separated some 20 metres vertically with the upper lens rising into the Ordovician basement - Permian

Rylstone contact (refer to Figures 1 and 4). The upper lenses are comprised of banded/brecciated, semi massive sphalerite (zinc sulphide) – pyrite (iron sulphide) – galena (lead sulphide) with carbonate alteration, and the lower lenses are comprised of quartz-carbonate-sphalerite-pyrite-galena-chalcopyrite (copper sulphide) veins (refer to Figures 2 and 3).

In BD21042, the upper Bundarra lens returned 4.3 metres @ 200 g/t silver equivalent from 216.7 metres while, the lower lenses returned assays of:

- **2.4 metres @ 1520 g/t silver equivalent (269 g/t silver, 15.8% zinc, 10.33% lead, 0.78% copper & 0.42 g/t gold) from 297.3 metres; and**
- **1.5 metres @ 869 g/t silver equivalent (98 g/t silver, 14.49% zinc, 0.20% lead 0.30% copper & 0.14 g/t Au) from 327.1 metres.**

The lower 2.4 metre quartz–sulphide vein intercept appears to represent a conduit to the Bundarra style mineralisation, which forms a new component to the Bowdens Silver system. This style of mineralisation located deeper in an epithermal environment is prospective for gold.

BD21038 infills drilling of lenses between BD21017 and BD21007 and intercepted lower lenses with 14 metres @ 99 g/t silver equivalent, as well as 6 metres @ 244 silver equivalent, including 1 metre @ 478 silver equivalent from 378 metres.

Results from BD21039, some 90 metres north along strike of BD21035 also intersected multiple lenses with increasing gold and copper in zinc and lead dominated intercepts. Significant intercepts include:

- **5 metres @ 230 g/t silver equivalent from 396 metres;**
- **4.6 metres @ 338 g/t silver equivalent from 406 metres, including 0.4 metre at 90g/t silver, 23.7% zinc, 4.30% lead and 8.5 g/t gold; and**
- **8.1 metres @ 193 g/t silver equivalent from 416.9 metres, including 1.1 metres @ 62 g/t silver, 6.68% zinc, 3.97% lead and 1.98 g/t gold.**

The dacite intrusion, faults, the carbonate rich stratigraphy (layers) in the Ordovician basement are considered to be competing controls to this mineralisation. The Bundarra mineralisation while being laterally continuous, appears to have better grade when near to faults and replacing carbonate rich units in the basement along faults. Drilling targeting continuations of the main semi-massive sulphide and new quartz–sulphide horizons to the south and west is ongoing.

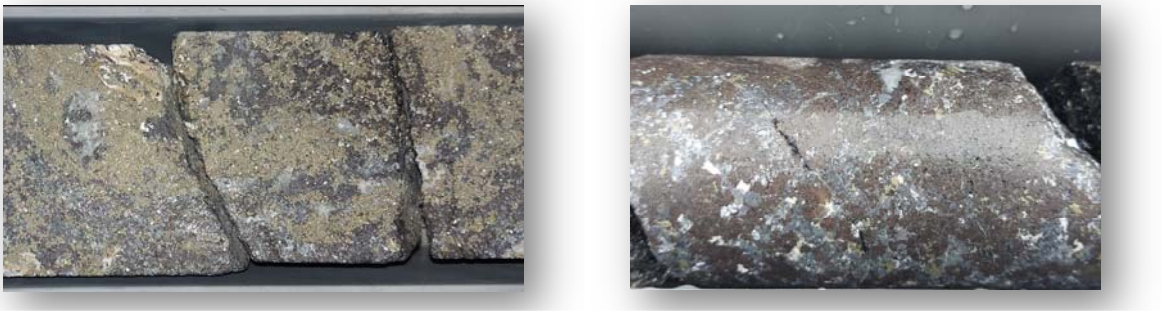

Figure 2 & 3. Quartz – carbonate – sphalerite – galena – pyrite – chalcopyrite in BD21042 from 297.3 metres.

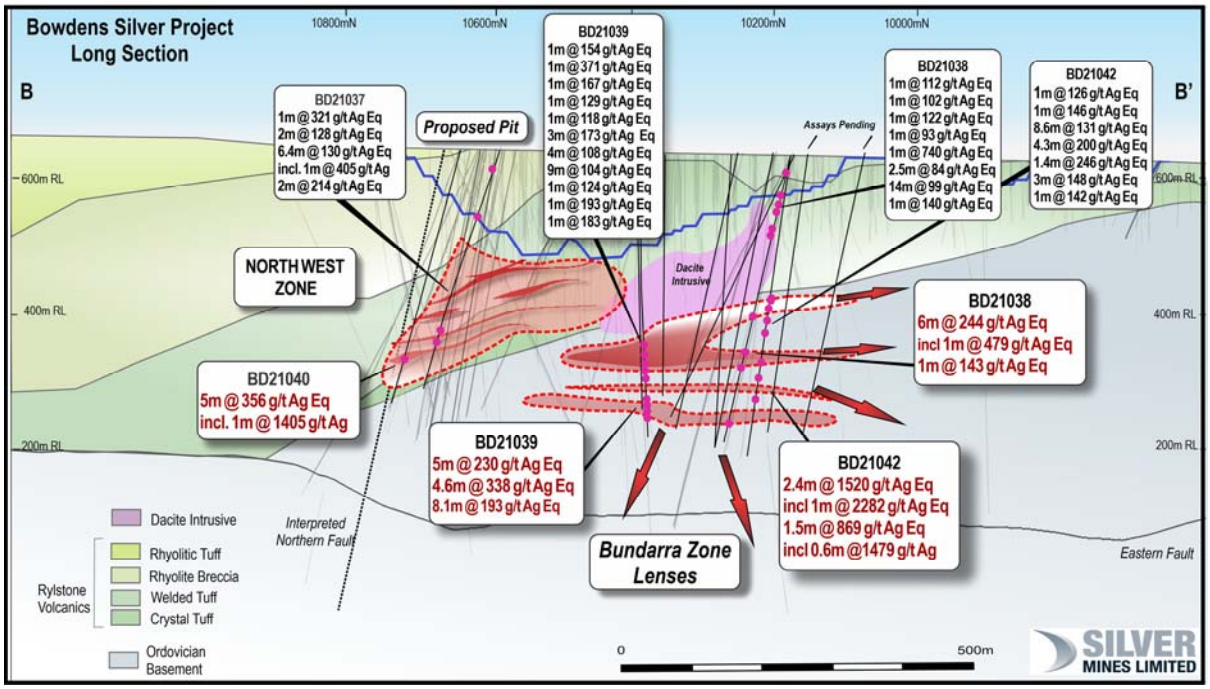

Figure 4. Bowdens Silver Project Long Section looking east.

New drill results from BD22004 (partial results) establish the Bundarra Zone to have a strike extent of 500 metres north to south while results from BD21044 establish a width of 300 metres east to west while continuing down dip to the west for at least 475 metres to BD20001 (refer release dated 8th April 2020). The thickness ranges from a few metres to >20 metres.

BD21048 was drilled to test for western extensions from BD21042 and results from the upper Bundarra lens have established at least a 75-metre continuation of high-grade mineralisation down dip. Further assay results are pending in this hole, with the remainder of the hole intersecting mineralisation of quartz-sulphide veins.

Significant intercept includes:

- **1.8 metres @ 1,181 g/t silver equivalent from 225 metres (Figure 5).**

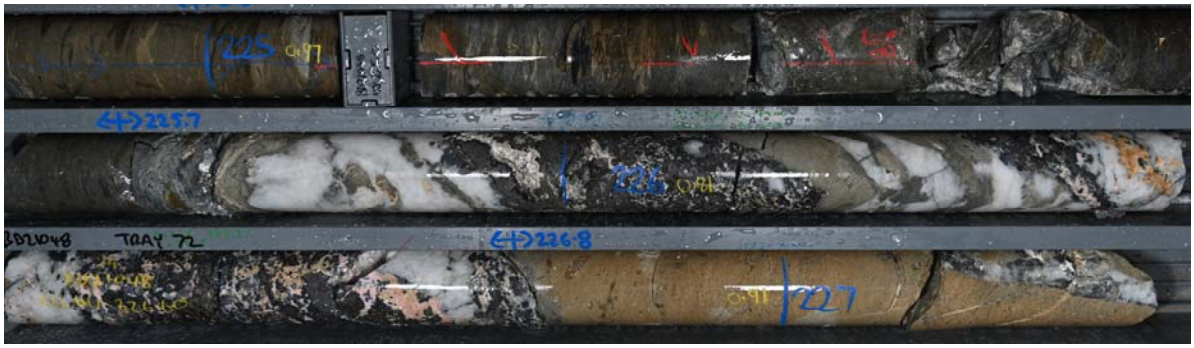

Figure 5. Intercept from BD21048 at 225 metres of quartz-sulphide mineralisation.

BD21039 and BD21043 were testing eastern extensions to BD17011. Both holes intercepted mineralisation above the Bundarra Zone within the current Ore Reserve, as well as continuous mineralisation below the dacite as part of the lower Bundarra lenses.

Gold Zone

Gold intercepted in BD21044 in the east of the Bundarra Zone, in addition to results from BD21007 90 metres to the west (refer release dated 27th July 2021), is significant in terms of extent and grade within the Bowdens Deposit (refer to Figure 6). Considering gold only, with a 0.1 g/t cut-off (10 metre internal dilution) and individual assays up to 6.75 g/t gold, intersections in BD21044 can be distinguished as:

- **34 metres @ 0.16 g/t gold from 114 metres,**
- **4 metres @ 0.31 g/t gold from 175 metres,**
- **17 metres @ 0.67 g/t gold from 192 metres, *including***
    - ***4.0 metres @ 2.38 g/t gold,***
- **116 metres @ 0.31 g/t gold from 223 metres, *including***
    - ***1.0 metres @ 1.86 g/t gold from 256* metres *&,***
    - ***2.0 metres @ 1.81 g/t gold from 262* metres *&,***
    - ***3.0 metres @ 2.44 g/t gold from 280* metres,**
- **5.5 metres @ 0.65 g/t gold from 352.5 metres, *including***
    - ***2.0 metres @ 1.62 g/t gold from 355* metres, and**
- **2.2 metres @ 0.32 g/t gold from 389 metres.**

Importantly, visible gold has been identified for the first time ever at the Bowdens Deposit at depth in BD22004 (Figure 7). If the continuity of these results is established from ongoing drilling, this presents an excellent gold exploration target. Fire assays to date indicate a degree of coarse gold. Results from BD21044 provide significant evidence for potentially economic gold mineralisation, both associated with the Bundarra Zone but also as a separate mineralisation style associated with silver at depth and to the east. A substantial intercept of silver and gold from BD21018 (refer release dated 26th October 2021 and Figure 6) is approximately 575 metres directly south and up plunge of BD21044 with no other drilling present at least within a window of 200 metres.

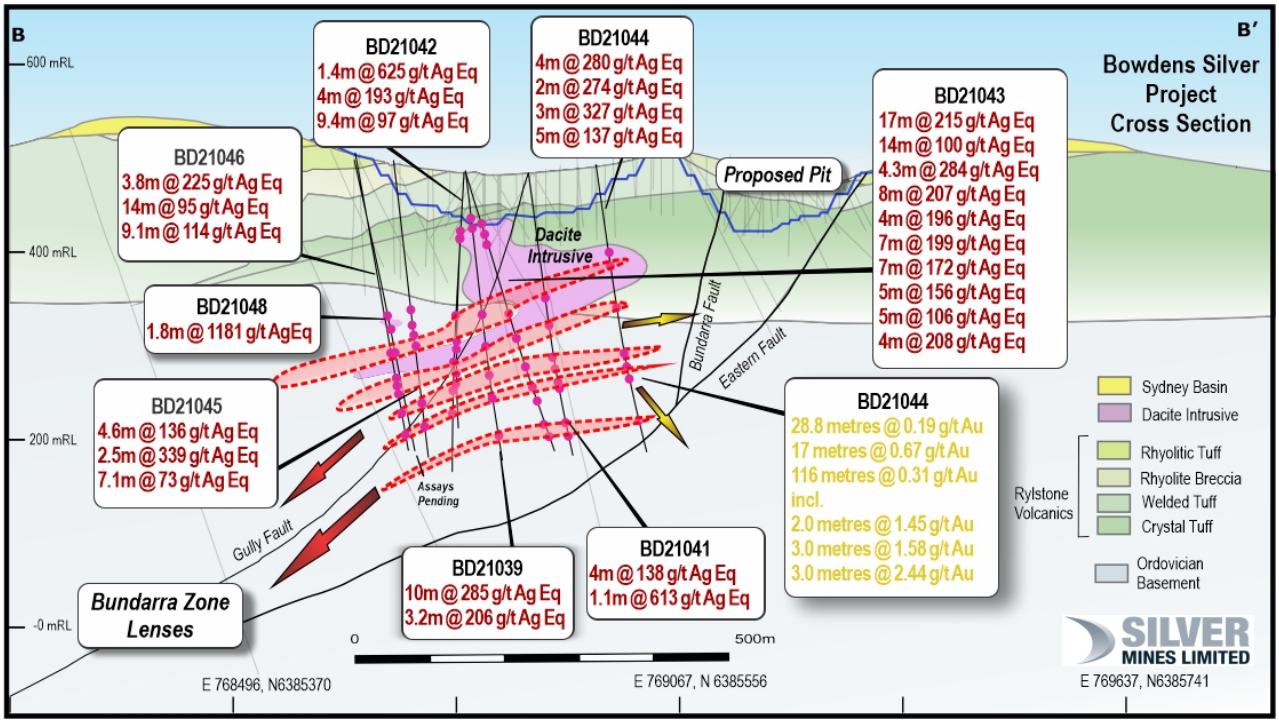

Figure 6. Cross section showing significant gold in BD21044.

Figure 7. Visible gold. Sheeted calcite-sulphide-gold vein in HQ3 core (left) with a 20x magnification hand lens view (right), 405m in BD22004.

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 Figure 1 and Figure 8). 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 (pearcite-polybasite), 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 (refer releases dated 3rd December 2021, 26th October 2021, 4th August 2021, 27th July 2021, 14th May 2021, and 28th January 2021).

BD21040 intersected **5 metres @ 356 g/t silver equivalent** (349 g/t silver, 0.03% zinc and 0.15% lead) from 323 metres including **1 metre @ 1405 g/t silver** from 325 metres within the Northwest zones northern strike extent. The results received for BD21037 also intersected the Northwest Zone northern extent with the tenor of silver rich fracture fill mineralisation present but decreasing intersecting 6.4 metres @ 130 g/t silver equivalent (108 g/t silver, 0.06% zinc, 0.53% lead and 0.01% copper) from 259.7 metres including 1 metre @ 405 g/t silver from 263 metres.

The Aegean and Northwest Zones both remain open each in a north to northwest strike with drilling in 2022 to target extensions to these two zones.

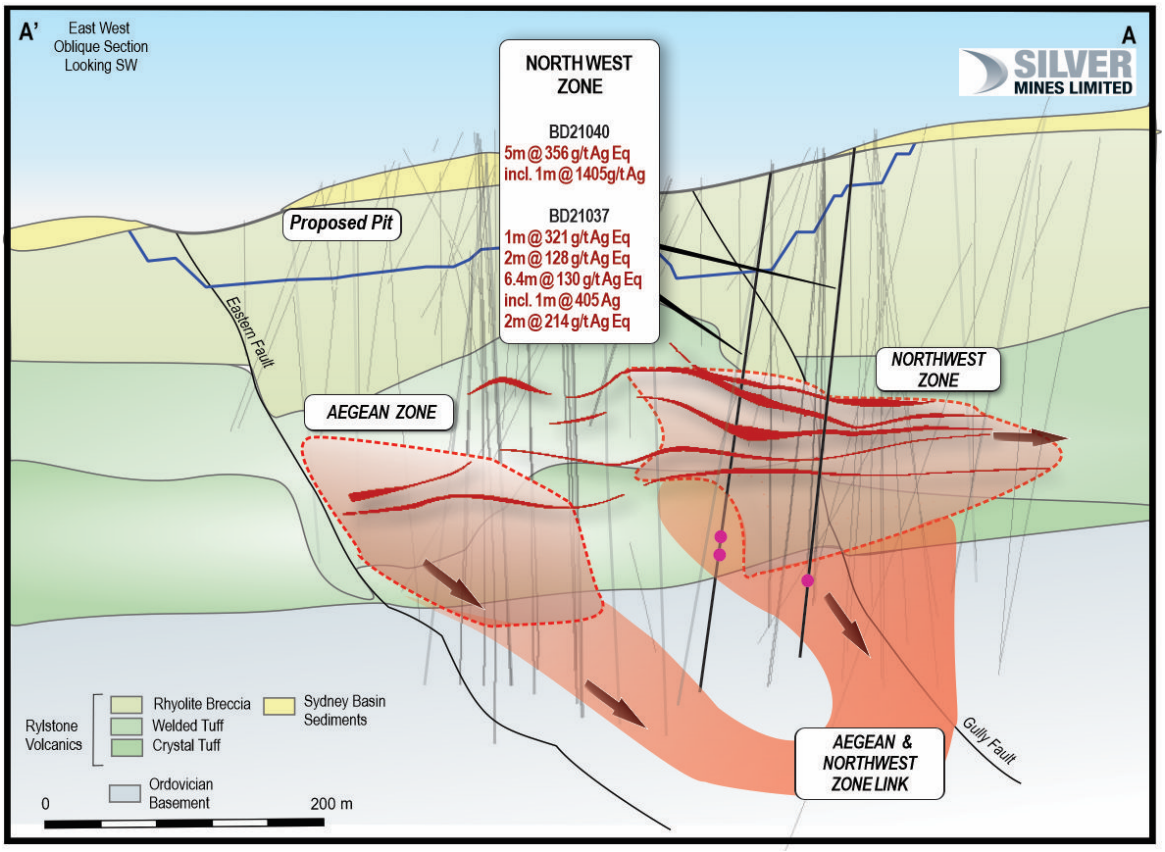

Figure 8: Oblique Section A-A' looking southwest through the Aegean and Northwest High-Grade Zones with mineralisation and new intercepts.

Scoping Study and Mineral Resource Drilling Program

The Company currently has 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 March 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 final results of the drilling program and the Mineral Resource assessment, which are scheduled to be complete in the first half of calendar 2022.

The Scoping Study is being undertaken by;

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

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

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

Barabolar Project

During the March 2022 quarter, the Company continued desktop activities on the Barabolar Project, which is located approximately 26 kilometres east of Mudgee in central New South Wales and 10 kilometres northwest of the Company's Bowdens Silver Project (refer Figure 9).

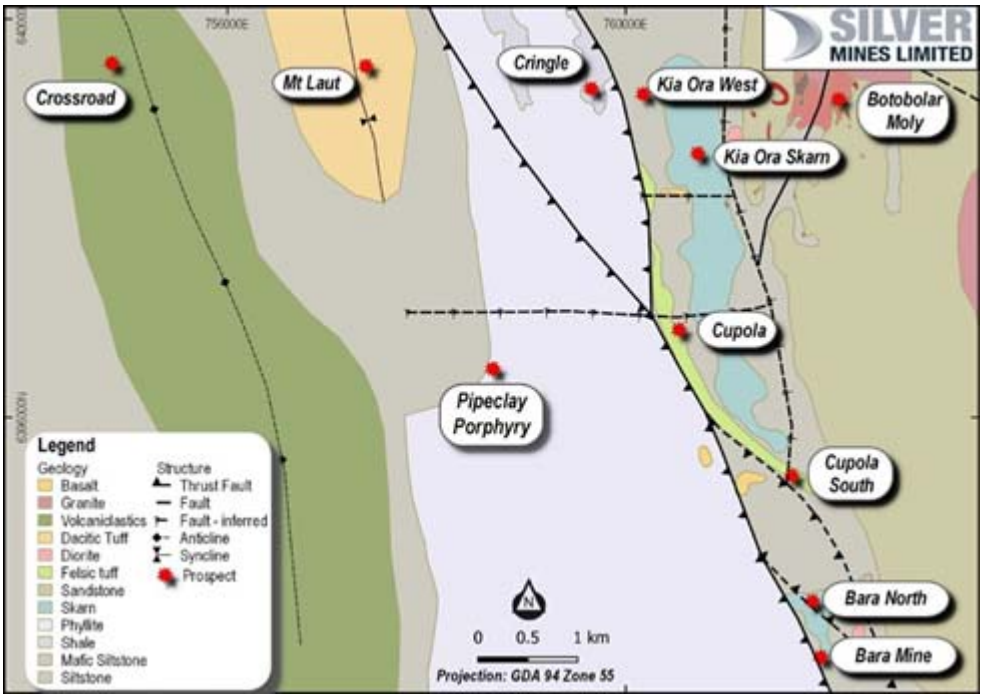

Figure 9. Barabolar Project geology with prospects.

Due to the COVID-19 pandemic the planned drilling at Barabolar had been put on-hold. However, the Barabolar Project remains a compelling target area with a considerable hydrothermal footprint, and the Company is continuing with desktop studies and application of its internal R&D technologies. On-site activities including drilling are planned for June quarter 2022.

About the Bowdens Silver and Barabolar Projects

The Bowdens Silver Project and Barabolar Projects are located in central New South Wales, approximately 26 kilometres east of Mudgee (see Figure 10). The consolidated project area comprises 1,950 km^2 (480,000 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.

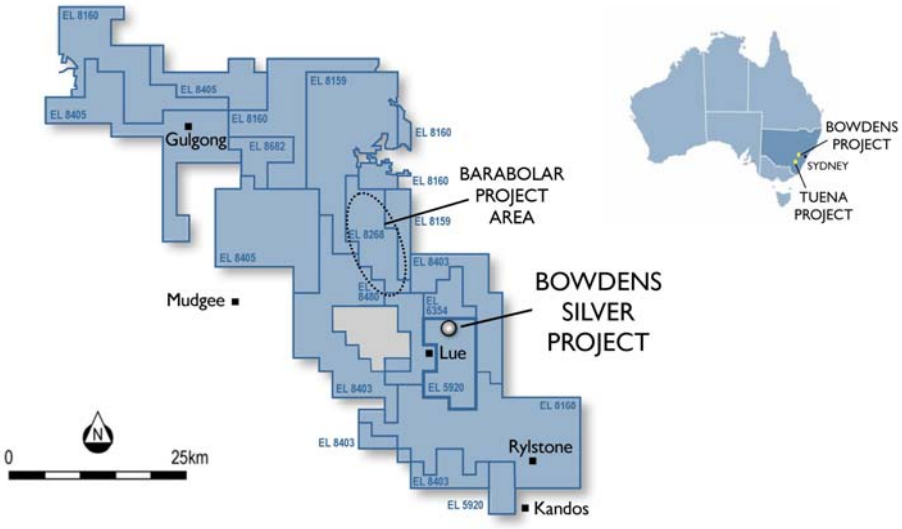

Figure 10. Silver Mines Limited tenement holdings in the Mudgee district.

Table 1. Drill collar locations for new results.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
NW Zone	BD21037	768725	6385811	614	-65	30	363.83	Core	*Partial assays*
Bundarra	BD21038	768808	6385419	604	-68	28	403.7	Core	*Partial assays*
Bundarra	BD21039	768643	6385580	632	-63	73	435.9	Core	*Partial assays*
NW Zone	BD21040	768661	6385823	626	-68	25	381.8	Core	*Partial assays*
Bundarra	BD21041	768881	6385468	603	-80	36	386.9	Core	*Partial assays*
Bundarra	BD21042	768806	6385419	604	-80	325	408.2	Core	*Partial assays*
Bundarra	BD21043	768645	6385580	632	-57	73	432.7	Core	*Partial assays*
Bundarra	BD21044	768968	6385494	614	-77	20	400	Core	*Partial assays*
Bundarra	BD21045	768691	6385466	619	-82	45	402.8	Core	*Partial assays*
Bundarra	BD21046	768645	6385441	630	-73	20	415	Core	Assays complete
Bundarra	BD21048	768672	6385354	620	-75	40	403	Core	*Partial assays*
Bundarra	BD22004	768899	6385135	604	-75	320	567.9	Core	*Partial assays*

Table 2. 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)
BD21037	31	32	1	291	0.12	0.68	0.01	-	321[1]
	106	108	2	7	2.39	0.10	-	-	128[1]
	259.7	266.1	6.4	108	0.06	0.53	0.01	-	130[1]
	279	281	2	211	0.06	0.02	-	-	214[1]
BD21038	48	49	1	92	0.26	0.23	-	-	112[1]
	69	70	1	74	0.43	0.20	-	-	102[1]
	93	94	1	49	1.16	0.39	0.01	0.02	122[2]
	98	99	1	42	0.82	0.27	-	0.01	93[2]
	107	108	1	343	5.29	3.74	0.06	0.03	740[2]
	114.5	117	2.5	14	1.09	0.41	0.01	0.01	84[2]
	265	279	14	13	1.44	0.23	0.02	0.06	99[2]
	300	301	1	19	2.22	0.06	0.03	0.06	140[2]
	374	380	6	26	2.43	2.50	0.04	0.12	244[2]
	384	385	1	17	1.68	1.06	0.02	0.07	143[2]
BD21039	147	149	2*	68	0.62	0.25	-	-	107[1]
	156	157	1*	146	1.71	0.45	-	0.01	246[1]
	168	178	10*	149	2.18	0.66	0.01	0.06	285[2]
	193	194	1	54	2.79	2.26	0.01	0.32	295[2]
	209	210	1	19	1.71	0.90	-	0.02	133[1]
	236.8	240	3.2	51	0.82	2.16	0.04	0.46	206[2]
BD21039	252	253	1	43	0.91	0.26	0.04	0.66	154[2]
	258	259	1	125	2.57	1.56	0.25	0.48	371[2]
	287	288	1	22	2.18	0.74	0.05	0.07	167[2]
	293	294	1	18	0.96	0.77	0.02	0.44	129[2]
	300	301	1	23	1.40	0.28	0.06	0.12	118[2]
	306	309	3	57	1.40	0.42	0.1	0.27	173[2]
	322	326	4	8	1.15	0.30	0.02	0.39	108[2]
	333	342	9	11	1.56	0.12	0.02	0.12	104[2]
	350	351	1	17	1.64	0.12	0.04	0.22	124[2]
	363	364	1	17	1.56	0.45	0.04	1.00	193[2]
	388	389	1	19	2.25	0.53	0.04	0.38	183[2]
	396	401	5	16	2.91	0.56	0.02	0.61	230[2]
	406	410.6	4.6	24	3.67	1.47	0.04	0.98	338[2]
	416.9	425	8.1	18	1.82	1.45	0.03	0.41	193[2]
BD21040	323	328	5	349	0.03	0.15	-	-	356[1]

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
BD21041	46	50	4*	59	1.19	0.55	-	0.01	138[1]
	55	56	1	51	0.65	0.25	-	0.01	91[1]
	66	67	1	94	1.55	0.85	-	0.01	199[1]
	241	242	1	16	1.81	0.62	0.02	0.03	126[1]
	261	262	1	21	2.45	0.52	0.05	0.01	160[1]
	286	287	1	15	0.99	0.84	0.02	0.02	92[1]
	292.2	293.3	1.1	53	10.05	1.10	0.09	0.18	613[2]
	330	331	1	33	0.85	1.68	0.02	0.58	180[2]
	367	368	1	7	1.17	0.78	0.01	0.36	121[2]
	378	379	1	5	1.57	0.35	0.02	0.49	136[2]
BD21042	66.6	68	1.4	500	2.10	0.59	0.01	-	625[1]
	80	81	1	239	0.62	0.22	-	-	277[1]
	88	92	4	164	0.43	0.21	-	-	193[1]
	101	102	1	84	0.75	0.34	-	0.01	132[1]
	121	122	1	19	1.57	0.71	-	0.39	152[2]
	186	187	1	16	1.36	0.82	0.01	0.17	126[2]
	191	192	1	22	1.32	1.32	0.03	0.14	146[2]
	199	207.6	8.6	19	1.28	0.93	0.03	0.17	131[2]
	216.7	221	4.3	31	1.89	1.35	0.02	0.34	200[2]
	234.5	235.9	1.4	42	2.63	1.77	0.03	0.13	246[2]
	255.9	258.9	3	30	0.72	1.83	0.04	0.2	148[2]
	276	277	1	25	1.80	0.65	0.05	0.01	142[2]
	297.3	299.7	2.4	269	15.8	10.33	0.78	0.42	1520[2]
	327.1	328.6	1.5	98	14.49	0.20	0.30	0.14	869[2]
	337	338	1	20	2.06	0.04	0.06	0.02	123[1]
	347	356.4	9.4	12	1.45	0.29	0.02	0.01	97[2]
	386	388	2	23	2.83	0.17	0.04	0.03	169[1]
BD21043	104	121	17*	36	2.71	1.28	0.01	-	215[2]
	128	142	14*	38	1.01	0.35	-	-	100[1]
	151.7	156	4.3*	131	2.44	0.94	-	-	284[1]
	178	186	8*	97	1.66	0.79	-	0.01	207[2]
	190	194	4*	89	1.65	0.74	-	-	196[1]
	198	200	2*	18	1.57	0.66	-	0.01	118[1]
	205	208	3	14	1.19	0.64	-	0.02	94[1]
	216	223	7	80	1.55	1.02	0.01	0.09	199[2]
	230	237	7	80	0.41	1.48	0.06	0.20	172[2]

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
	246	247	1	58	0.49	0.30	0.03	0.13	106[2]
	371	376	5	13	1.73	0.63	0.02	0.42	156[2]
	391	396	5	11	0.82	0.66	0.02	0.38	106[2]
	409	411	2	15	1.61	1.45	0.02	0.28	168[2]
	425	429	4	20	1.60	0.96	0.02	0.94	208[2]
BD21044	114	148	34	6	0.02	0.04	-	0.16	8[3]
	175	179	4	12	0.25	0.20	-	0.31	31[3]
	192	209	17	11	0.31	0.28	-	0.67	36[3]
	193	197	4	29	0.72	0.70	0.01	2.38	280[2]
Incl.	193	194	1	49	1.08	0.62	0.03	5.67	580[2]
& incl.	196	197	1	53	1.30	1.85	0.03	3.74	484[2]
	223	339	116	8	0.41	0.31	0.02	0.31	38[3]
	256	257	1	28	1.30	1.71	0.03	1.86	302[2]
	262	264	2	23	1.40	0.98	0.04	1.81	274[2]
	273	274	1	15	6.43	0.41	0.04	0.48	391[2]
	280	283	3	25	1.43	0.91	0.05	2.44	327[2]
Incl.	280	281	1	17	1.44	0.53	0.03	6.75	648[2]
	289	290	1	22	0.82	1.18	0.02	0.63	155[2]
	295	296	1	17	1.27	0.96	0.03	0.64	167[2]
	302	307	5	13	1.62	0.84	0.02	0.17	137[2]
	332	334	2	19	1.65	2.02	0.01	0.26	191[2]
	337	338	1	8	0.52	0.30	0.02	1.86	194[2]
	352.5	358	5.5	9	0.52	0.38	0.01	0.65	47[3]
	355	357	2	15	0.80	0.56	0.02	1.62	205[2]
	389	391.2	2.2	17	1.02	0.83	0.02	0.32	95[3]
	390.1	391.2	1.1	18	1.59	0.76	0.03	0.45	161[2]
	397	398	1	26	0.65	1.88	0.02	0.09	130[2]
BD21045	28	29	1*	372	0.22	0.57	-	-	402[1]
	57	58	1	121	0.39	0.14	-	-	145[1]
	79	85	6	45	0.53	0.13	-	-	76[1]
	99	100	1	207	0.06	0.03	-	-	211[1]
	104	105	1	74	0.70	0.24	-	-	117[1]
	119	124	5	46	0.62	0.17	-	-	82[1]
	200	202	2	26	0.82	0.76	0.02	0.74	154[2]
	225	227	2	19	1.73	1.02	0.02	0.07	147[2]
	239	243.6	4.6	22	1.60	0.78	0.03	0.07	136[2]

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Copper (%)	Gold (g/t)	Silver Eq (g/t)
	255	257.5	2.5	49	3.51	2.43	0.04	0.37	339[2]
	336	338	2	14	1.33	0.92	0.02	0.03	115[2]
	365.7	372.8	7.1	12	1.11	0.04	0.02	0.03	73[2]
BD21046	102.2	106	3.8	201	0.31	0.24	-	-	225[1]
	146	148	2	207	0.41	0.18	-	-	233[1]
	158	159	1	360	1.25	0.26	-	-	431[1]
	170	171	1	74	1.74	0.16	-	-	165[1]
	281	283	2	13	1.39	1.03	0.03	0.12	129[2]
	287	289	2	17	2.43	1.50	0.04	0.61	241[2]
	294	295	1	15	1.49	0.93	0.02	0.25	142[2]
	323	324	1	15	1.46	0.74	0.02	0.03	117[2]
	328	332	4	16	0.75	0.92	0.01	0.16	98[2]
	341	355	14	13	1.07	0.67	0.02	0.05	95[2]
	362	363	1	45	1.68	0.03	0.14	0.02	146[2]
	390	399.1	9.1	18	1.69	0.11	0.02	0.08	114[2]
BD21048	199	200	1	22	1.40	1.10	0.03	0.24	150[2]
	216	218	2	17	2.17	0.79	0.02	0.60	201[2]
	225	226.8	1.8	129	9.46	8.36	0.16	3.56	1181[2]
	242.9	245	2.1	28	0.90	1.59	0.03	0.33	155[2]
BD22004	369	370	1	19	1.56	1.75	0.06	0.05	166[2]
	405	406	1	8	0.64	0.37	0.02	6.03[#]	532[2]
	431	432	1	9	1.30	0.64	0.02	0.02	99[2]
	440	442	2	10	1.24	0.91	0.02	0.01	102[1]
	456	457	1	8	1.63	0.39	0.02	-	102[1]
	467	472	5	17	1.17	1.22	0.03	0.01	120[2]
	476	477	1	17	1.56	0.53	0.05	0.01	111[1]
	490	492	2	23	3.62	0.44	0.04	0.12	231[2]
	496	499	3	15	3.86	0.15	0.03	0.08	221[2]
	503	504	1	10	1.82	0.06	0.03	0.01	102[1]
	511	514	3	9	2.86	0.05	0.03	0.02	157[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.

3. Intercept calculated using a 0.1g/t Au cut-off and a 10 metre internal dilution factor. Silver equivalent includes gold and copper as 2 above.

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

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

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

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

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

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

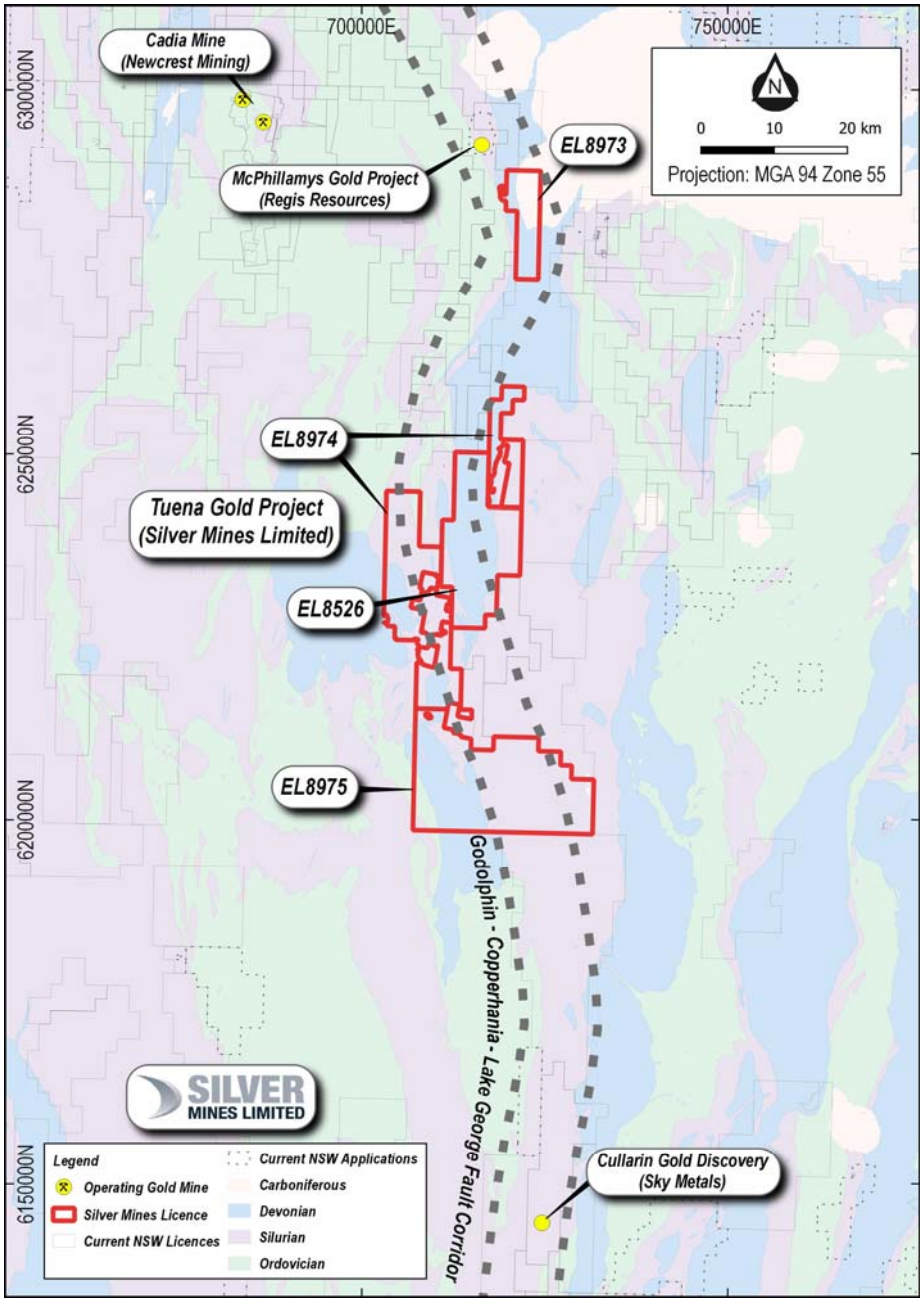

Figure 11: Tuena Gold Project regional setting.

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.

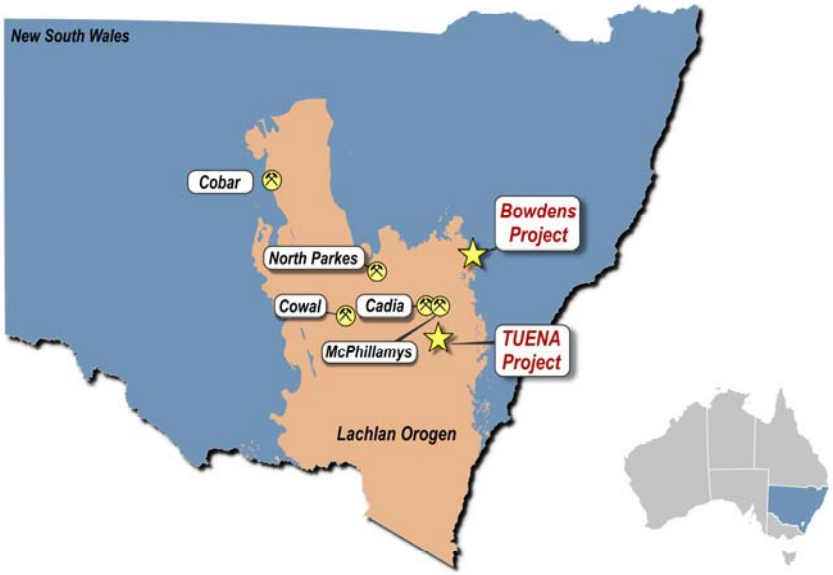

Figure 12. Silver Mines Limited project in the Lachlan Orogen.

Corporate

Change of Registered Office and Principal Place of Business

On 2 March 2022 the Company announced that it had changed its registered office to Level 28, 88 Phillip Street, Sydney, New South Wales, 2000.

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 March 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$2,635,000 and focussed predominately on the Company's Bowden Silver Project. Payments to related parties totalling A$182,000 consisted of remuneration paid to executive and non-executive directors and an associate of a director under respective service agreements.

Further information:

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

Tenement Information as at 31st March 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 7391[1]	Bowdens Silver	NSW	0%	-
EL 8526	Tuena	NSW	100%	-
EL 8973	Tuena	NSW	100%	-
EL 8974	Tuena	NSW	100%	-
EL 8975	Tuena	NSW	100%	-

1. Under Joint Venture with Thomson Resources Limited. Silver Mines Limited earning 80%. The Joint Venture was terminated during the March 2022 quarter with no ongoing obligations for the Company.

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Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay.') In other cases, more explanation may be required such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	Diamond Drilling – Bowdens: • Sampling taken continuously downhole from PQ and HQ diameter diamond core. • PQ size core – all samples taken as nominal 2 metre intervals, or as otherwise defined by logged geology intervals, from quarter cut core. • HQ size core – all samples taken as nominal 1 metre intervals where mineralisation observed from half cut core, or as composite 2 metre samples of quarter core, or as otherwise defined by logged geology intervals and from the same side of the core where downhole orientations permit. • Samples vary in weight but are generally between 2 and 4 kilograms of material. • Each sample was sent for multi-element assay using ICP technique (ME-ICP61) with the entire sample pulverized and homogenized with a 25g extract taken for assay. • Select samples were also sent for gold using fire assay technique (Au-AA25 or Au-AA23) with a 30g sample taken for assay. • Assays are considered representative of the sample collected.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Diamond Drilling – Bowdens: • Diamond drilling undertaken using PQ and HQ diamond core rig with triple tube used. • All core, excluding PQ size, where unbroken ground allows, is oriented by drilling team and an orientation line drawn along the base of the hole.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Diamond Drilling – Bowdens: • Core recovery is estimated at greater than 98%. • Some zones, (less than 5%) were broken core with occasional clay zones where sample loss may have occurred. However, this is not considered to have materially affected the results. • No significant relationship between sample recovery and grade exists.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	Diamond Drilling – Bowdens: • All diamond core is logged using lithology, alteration, veining, mineralisation and structure, including geotechnical structure. • All core is photographed using both a wet and dry image. • In all cases the entire hole is logged by a geologist.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core were taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance, results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Diamond Drilling – Bowdens: • Selective sub-sampling based on geology to a maximum size of 2 metres and a minimum of 0.3 metres. • All core is cut using a Corewise core saw with core rotated 10 degrees to the orientation line to preserve the orientation for future reference. • For HQ core the half of the core without the orientation line is removed, bagged and sent to the laboratory for assay. • Sample sizes are considered appropriate for the rock type, style of mineralisation, the thickness and consistency of the intersections and assay ranges expected at Bowdens.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including*	Diamond Drilling – Bowdens: • Samples dispatched to ALS Global in Orange NSW for sample preparation and analysis. Some sample batches were then on shipped to ALS Global in Adelaide, Brisbane and Townsville due to

Criteria	JORC Code explanation	Commentary
laboratory tests	*instrument make and model, reading times, calibration factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	the high volume within the Orange Lab. • Site standards and blanks are inserted at a rate of 8 per 100 samples, and duplicates are inserted at a rate of 5 per 100 samples to check quality control. Laboratory standards and blanks are inserted every 25 samples.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Diamond Drilling – Bowdens: • Significant intersections calculated by Bowdens Silver geologists. • All geological logging is entered digitally before inputting into a Maxwell Geoservices database schema. • Primary assay data is sent electronically from the laboratory to the SVL database administrator and then entered into the geological database for validation. • All assays matched with the logging sheets and loaded directly from the output provided by the laboratory with no manual entry of assays undertaken. • No adjustments were made or required to be made to the assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Diamond Drilling – Bowdens: • The collar position is initially surveyed using hand-held GPS with accuracy of +- 3 metres. • Locations were later collected by Real Time Kinetic by VRS to an accuracy of +- 1 centimetre. • Down hole surveys collected every 30 metres using an electronic downhole reflex survey camera. • The terrain includes steep hills and ridges with a digital elevation model derived from a combination of locally flown LIDAR and publically available point cloud data. • All collars recorded in MGA94 zone 55.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	Diamond Drilling – Bowdens: • This drilling relates to exploration drilling of the Northwest High-Grade Silver Zone as defined by previous drilling at the Bowdens Deposit. Drilling is not defined to a set spacing.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	Diamond Drilling – Bowdens: • Drill orientation was designed to intersect the projection of the major structural controls to the Deposit. • An interpretation of the mineralisation has indicated that no sampling bias has been introduced.
Sample security	• *The measures taken to ensure sample security.*	Diamond Drilling – Bowdens: • All samples bagged on site under the supervision of the senior geologist with sample bags tied with cable ties before being driven by site personnel to the laboratory in Orange, NSW (~200 kilometres from the site).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	Diamond Drilling – Bowdens: • The drilling campaign and drill work includes on-going internal auditing with advice taken on process from external advisors.

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests,*	Diamond Drilling – Bowdens: • The Bowdens Resource is located wholly within Exploration Licence No 5920, held wholly by Silver Mines Limited and is located

Criteria	JORC Code explanation	Commentary
land tenure status	*historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	approximately 26 kilometres east of Mudgee, New South Wales. • The tenement is in good standing. • The project has a 2.0% Net Smelter Royalty which reduces to 1.0% after the payment of US$5 million over 100% of EL5920 • The project has a 0.85% Gross Royalty over 100% of EL5920.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Diamond Drilling – Bowdens: • The Bowdens project was previously managed by Kingsgate Consolidated and Silver Standard Ltd, however the new results under this table are based on work conducted solely by Silver Mines/Bowdens Silver.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Diamond Drilling – Bowdens: • The Bowdens Deposit is a low sulphidation epithermal base-metal and silver system hosted in Permian aged Volcanic rocks. • Mineralisation includes veins, shear veins and breccia zones within tuff and ignimbrite rocks. • Mineralisation is overall shallowly dipping (~15 degrees to the north) with high-grade zones preferentially following a volcanic dome. There are several vein orientations within the broader mineralised zones including some areas of stock-work veins. • The mineralisation reported in this release is hosted in the main Rylstone Volcanics which unconformably overlie the Ordovician Coomber Formation (sediments). The mineralization reported in this report is related to Bowdens and represents a higher-temperature zone.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar;* o *elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;*	Diamond Drilling – Bowdens: • All information is included in Table 1 of this report above.

Criteria	JORC Code explanation	Commentary
	o *dip and azimuth of the hole;* o *down hole length and interception depth; and* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	Diamond Drilling – Bowdens: • Intersection calculation are weighted to sample length. The average sample represents 1 metre of drill core. • Reported intersections are based on a cut off of 90g/t silver with no internal dilution factors • No top cutting of data or grades was undertaken in the reporting of these results.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	Diamond Drilling – Bowdens: • Mineralisation is both stratabound and vein hosted. The stratigraphy dips moderately to the north within the volcanics and moderately to the west in the basement units, while the majority of mineralised veins dip west. Some individual veins intersected were sub-parallel (~10 to 20 degrees to core axes). However, given the stratigraphic controls on the zone, the drilling width is estimated to be 100 to 140% of true-width for stratabound mineralized zone.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.*	Diamond Drilling – Bowdens: • Maps and cross sections provided in the body of this report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of*	Diamond Drilling – Bowdens: • All results received and compiled to date are reported in this release. Drilling is on-going with further results expected.

Criteria	JORC Code explanation	Commentary
	Exploration Results.	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including but not limited to: geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics and potential deleterious or contaminating substances.*	Diamond Drilling – Bowdens: • This report relates to drill data reported from this program.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Diamond Drilling – Bowdens: • This report relates to a drill program that is designed to test the extension and explore for further zones to the Northwest High-Grade Silver Zone situated beneath the Bowdens Silver Deposit. Drilling is on-going with further results pending.

Appendix 5B

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

Name of entity

Silver Mines Limited

ABN

456 107 452 942

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	16	220
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(181)	(531)
	(e) administration and corporate costs	(342)	(1,275)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	46	118
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)	(243)
1.9	**Net cash from / (used in) operating activities**	**(703)**	**(1,711)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(210)
	(d) exploration & evaluation	(2,635)	(8,922)
	(e) intangible	(60)	(220)
	(f) Land and Building	(171)	(1,605)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	502	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	-	692
	(b) Payment for bank guarantee	(80)	(80)
2.6	**Net cash from / (used in) investing activities**	**(2,444)**	**(9,843)**

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	28,459	31,421
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(703)	(1,711)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,444)	(9,843)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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**	**25,312**	**25,312**

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	25,312	28,459
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)**	**25,312**	**28,459**

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

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

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

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(703)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,635)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(3,338)
8.4	Cash and cash equivalents at quarter end (item 4.6)	25,312
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	25,312
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**7.58**

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

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

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

Answer: Not Applicable

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

Answer: Not Applicable

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

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

Compliance statement

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

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

Date: 29 April 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.