



*Annual General Meeting  
Sydney, Australia  
28<sup>th</sup> November 2017*

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# 2017 Financial Year in Review

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## Corporate

- First year of Bowdens Silver ownership.
- Purchase of residual 15% interest of Bowdens Silver to move to 100%.
- ~A\$8 million capital raised.

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## Project

- Feasibility Study commenced for completion early 2018.
- Environmental Impact Statement commenced for completion early 2018.
- 22,000 metres of drilling completed.
- Mineral Resource upgrade completed (subsequent to year end).
- Government and community processes well advanced.

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## Exploration

- Exploration strategy commenced with immediate drilling success.
- 20,000 kilometres of aerial geophysics completed.
- Confirmed that resource is open at depth and extends for 100-150 metres below current resource.
- Semi-massive and massive and sulphide zone discovered below existing resource.
- Gold discovered below existing resource.
- Major IP discovery directly under the Bowdens Silver resource – drilling commenced

# Silver Mines Limited Introduction

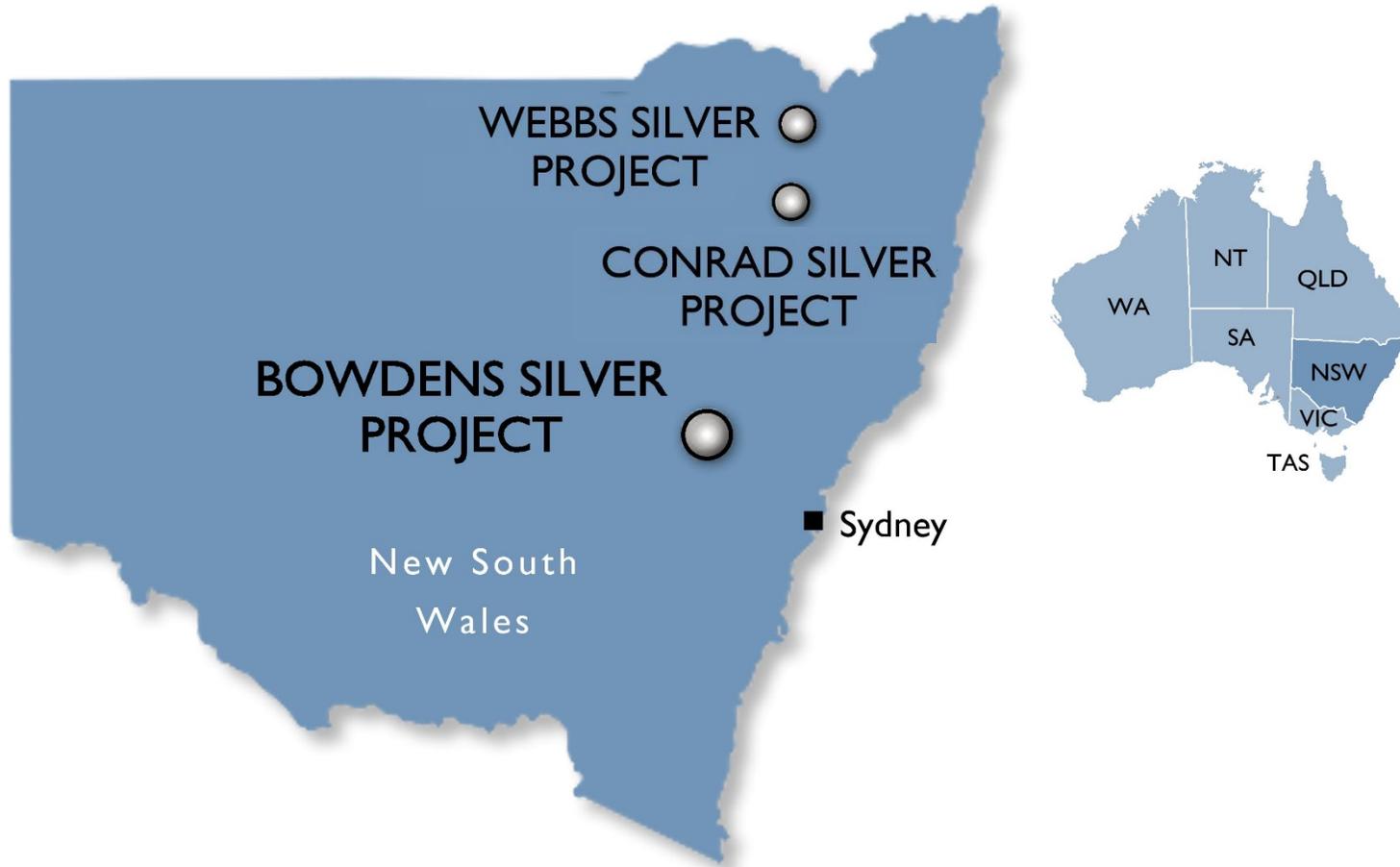
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- Late Stage Feasibility for the development of one of the largest undeveloped precious metals deposits in Australia and one of the largest new silver developments globally.
- Recent major resource upgrade with 275 Moz silver equivalent resource confirmed including a higher grade core.
- Major Exploration Targets:
  - Confirmed significant extensions to mineralisation.
  - Discovered new high-grade zones at depth.
  - Discovered new base-metal massive sulphide including gold.
  - Major IP anomaly directly under the current resource – drilling underway
- Experienced board and management.
- New South Wales, Australia is a safe quality jurisdiction.

# Silver Mines Limited Snapshot

<u>Capital Structure</u>		ASX:SVL	
Shares on Issue	444.0m	Options	
Current Share Price	A\$0.093	Jun 2018 @ \$0.30	10.7m
Undiluted Market Capitalisation	A\$41.3m	Jun 2019 @ \$0.30	8.0m
Cash Oct 2017	A\$4.0m		
<u>Directors</u> (refer to Appendix 4)		<u>Institutional Shareholders</u>	
Keith Perrett, Chairman		BlackRock	Old Mutual
Anthony McClure, Managing Director		Paradice	APAC
Peter Langworthy, Non Executive Director		Tribeca	Acorn
Jonathan Battershill, Non Executive Director		Karara	
<u>Assets</u>			
Silver Mines Resource Inventory, Australia (refer to Appendices 1, 2 and 3)		184 Moz Silver	309 Moz Silver Equivalent
Bowdens Silver, New South Wales, Australia		163 Moz Silver	275 Moz Silver Equivalent
- late stage Definitive Feasibility Study			
- substantial exploration play and program			

# Quality Jurisdiction



# Silver Mines Strategy

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## 1. Rapidly progress Bowdens Silver through Feasibility and Permitting

- Definitive Feasibility Study ('DFS') works advanced.
- Environmental Impact Statement ('EIS') works advanced.
- DFS and EIS completion early 2018.
- Fast track to mine development.

## 2. Aggressively explore surrounding exploration package

- Bowdens Silver: World-class mineral deposit – minimal exploration conducted along strike and at depth.
- Outstanding exploration targets within highly mineralised system.
- Silver Mines controls entirety of the mineralised volcanics package.



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# Bowdens Silver

*The Largest Undeveloped Silver  
Project in Australia*



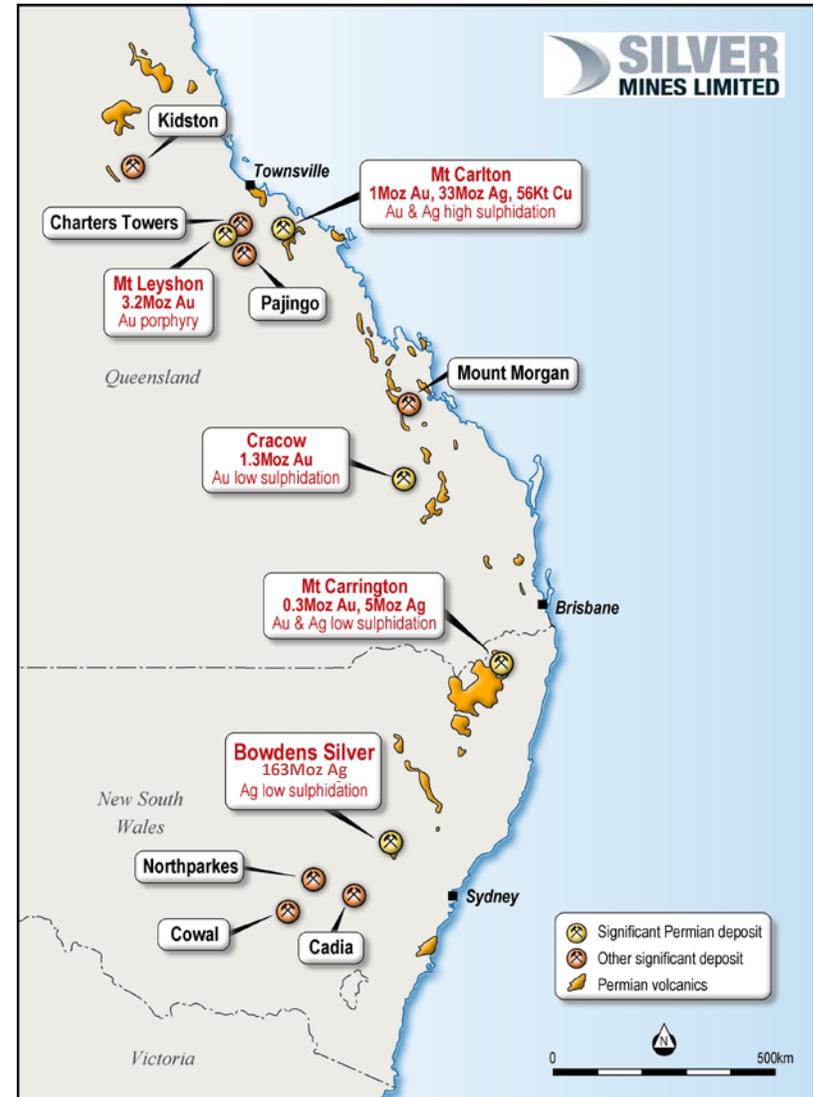
# Bowdens Silver Project – Brief History

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- Originally discovered by CRA, and drilled by Silver Standard.
- Purchased by Silver Mines in June 2016 from Kingsgate.
- The largest undeveloped silver deposit in Australia.
- Approximately A\$70 million (US\$55 million) spent on the project to date.
- Freehold land surrounding mine mostly purchased.
- Consolidated 80kms of strike of the highly mineralised Rylstone Volcanics (1,654 km<sup>2</sup> = 408,000 acres).
- Project de-risked with almost 90,000 metres of drilling completed to date.

# The Permian of Eastern Australia

- The Permian volcanics of eastern Australia contain high-grade, epithermal and porphyry related gold, copper, silver and base-metal deposits.
- The Bowdens Silver Project is a SILVER rich system but has geological affinities to GOLD and COPPER rich deposits such as Mt Leyshon and Mt Carlton.
- Silver Mines' exploration strategy involves:
  - Extending the current deposit; and
  - Developing targets at depth, including to test for a telescoped system zoned from:
    - $Ag > Pb + Zn$
    - $Pb + Zn > Ag$
    - $Au + Cu > Pb + Zn > Ag$



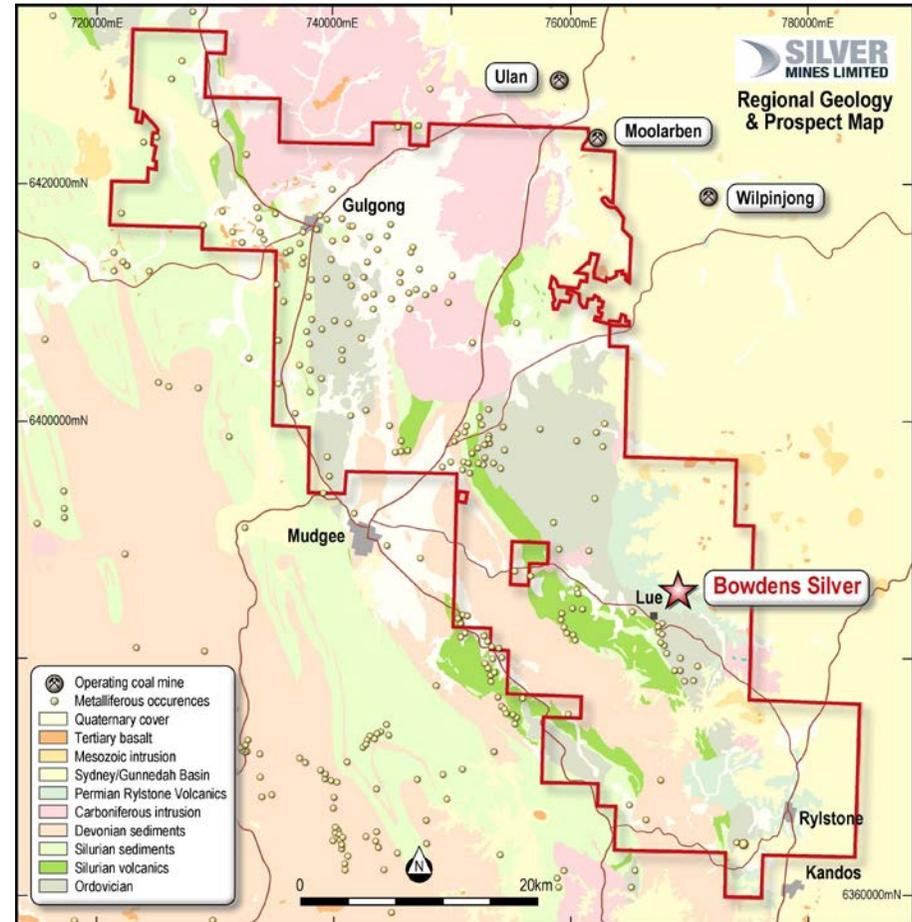
# Quality Jurisdiction

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- **New South Wales, Australia a first order jurisdiction.**
- **Major minerals projects in the state include;**
  - **Cadia/Ridgeway, Newcrest (650,000oz Au, 65,000t Cu pa)**
  - **Cowel, Evolution (260,000oz Au pa)**
  - **Northparkes, CMOC (60,000t Cu, 50,000oz Au pa)**
  - **Plus coal mining exports (170 million tonnes pa)**
- **Bowdens Silver Classified as “State Significant Development”.**

# Regional Geology

- Extensive tenement holding (1,654 km<sup>2</sup> = 408,000 acres).
- Northeast corner of Lachlan Fold Belt, coal bearing Sydney and Gunnedah basins to the east.
- Wide range of prospective deposit types over different time periods (Siluro-Devonian, Carboniferous, Permian).
- Bowdens Silver epithermal, base metal VMS, Orogenic Gold, Intrusion Related Porphyry.



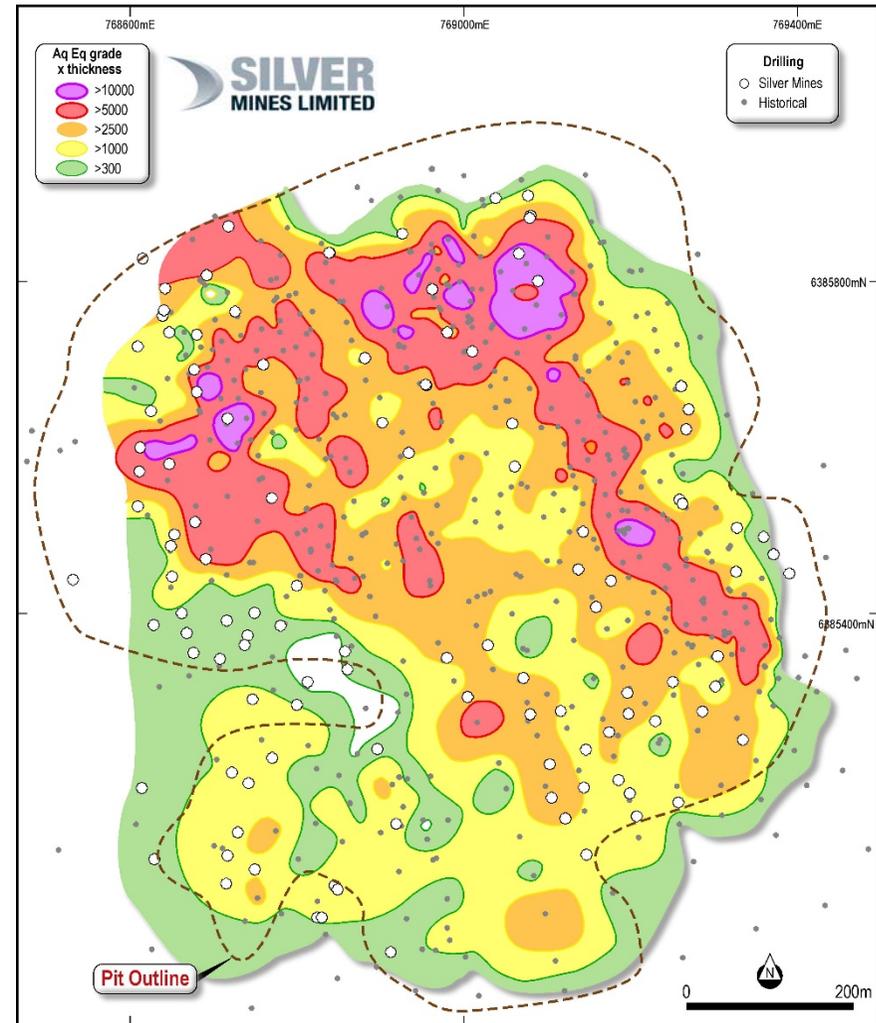
# Drilling

Silver Mines drilling has focused on:

- Both infill and extensional drilling.
- Oriented core drilling enabling a detailed structural interpretation of high-grade zones.
- Drilling intersecting basement Ordovician rocks resulting in new discoveries at depth.
- Metallurgical drilling complete.

Company	DD	RC	Total
CRA, Silver Std, Golden Shamrock	8,764	40,965	49,729
Kingsgate	6,146	12,785	18,931
Silver Mines	11,898	10,063	21,961
<b>Total</b>	<b>26,808</b>	<b>63,813</b>	<b>90,621</b>

*Total drilling on the project*



# Bowdens Silver Resource as at September 2017 (subsequent to year end)

30 g/t Ag Eq Cut	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Million Ounces Silver	Million Ounces Silver Eq.
Measured	76	72	45	0.37	0.25	111	175
Indicated	29	59	31	0.38	0.25	29	55
<b>Measured &amp; Indicated</b>	<b>105</b>	<b>68</b>	<b>41</b>	<b>0.37</b>	<b>0.25</b>	<b>140</b>	<b>230</b>
Inferred	23	60	31	0.40	0.28	23	45
<b>Total</b>	<b>128</b>	<b>67</b>	<b>40</b>	<b>0.38</b>	<b>0.26</b>	<b>163</b>	<b>275</b>

Announced 19<sup>th</sup> Sept. 2017 - compared to the 2012 Mineral Resource Estimate this resource represents a:

- 51% increase in total silver equivalent ounces
- 22% increase in silver ounces
- 45% increase in total tonnes
- Measured and Indicated Resources increased from 59% to 82% of the total resource.

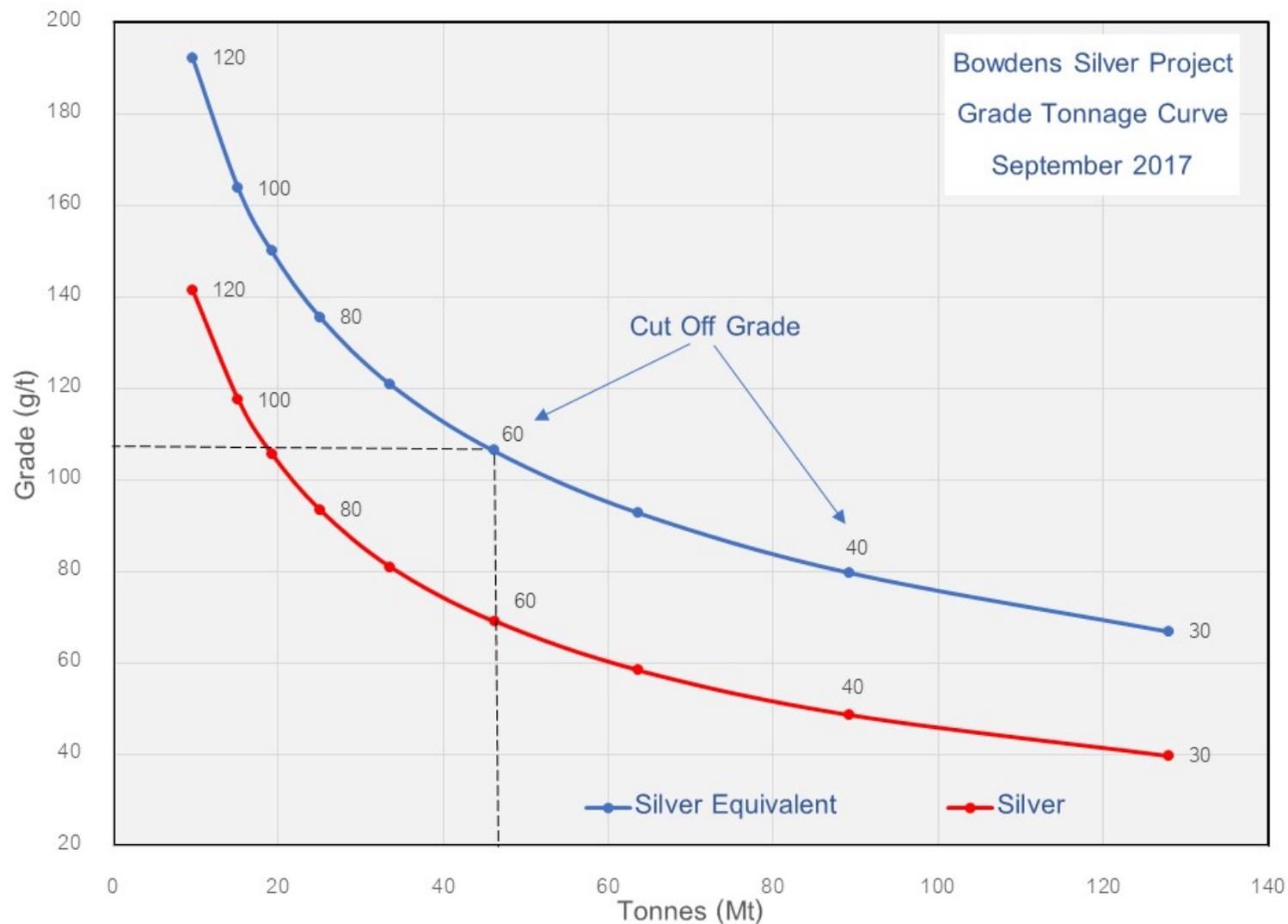
# Bowdens Silver Resource (as at September 2017)

Cut off g/t Ag Eq	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Million Ounces Silver	Million Ounces Silver Eq.
60	46.1	106.3	69.1	0.51	0.36	102	158
80	25.1	135.5	93.4	0.57	0.42	75	109
100	15.1	163.7	117.5	0.62	0.47	57	80
120	9.6	192.3	141.4	0.67	0.53	44	59

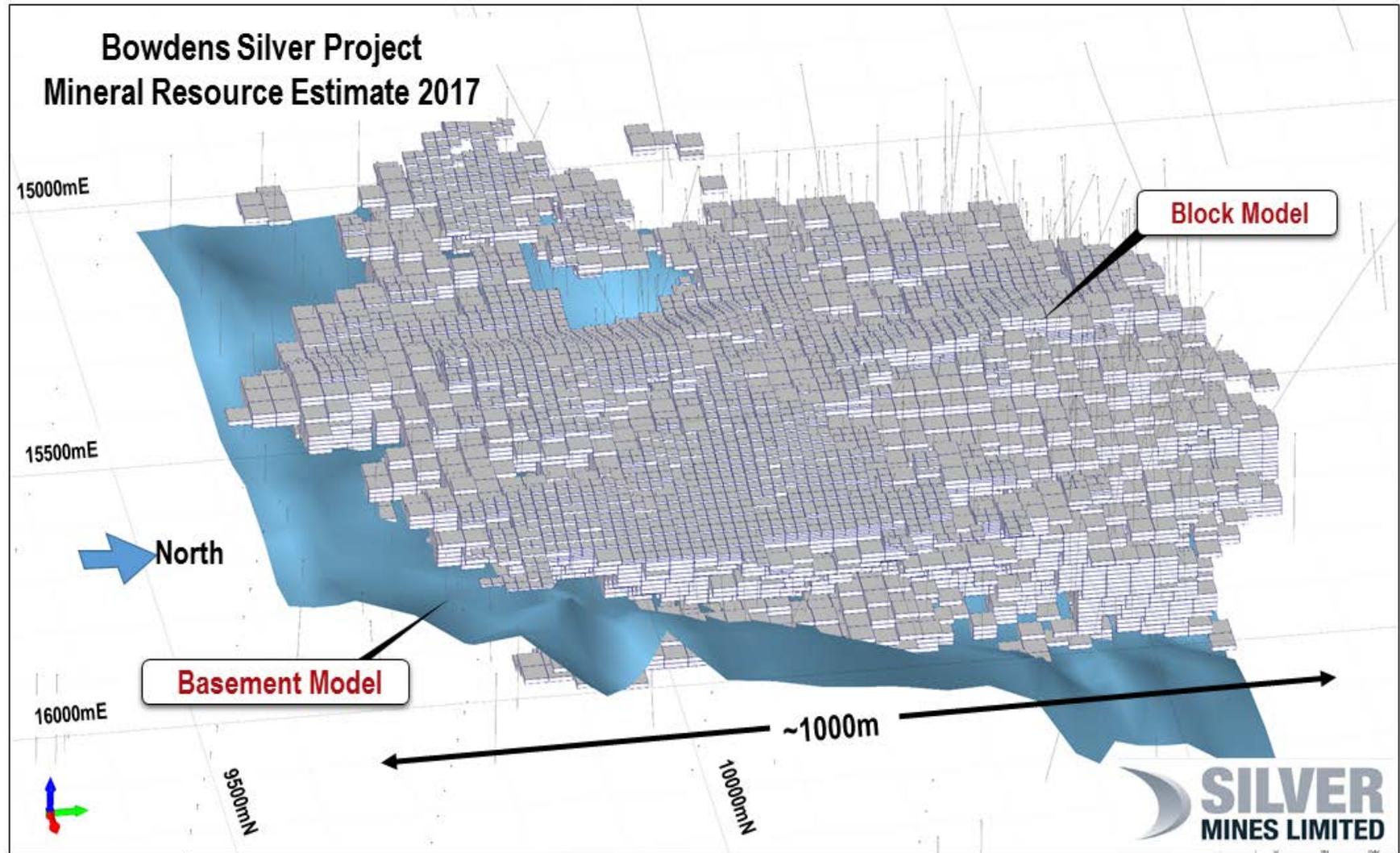
**The Bowdens Silver Deposit remains open...**

- plunging to the northwest;
- at depth beneath the “Bundarra” lens in the north;
- and down dip to the west.

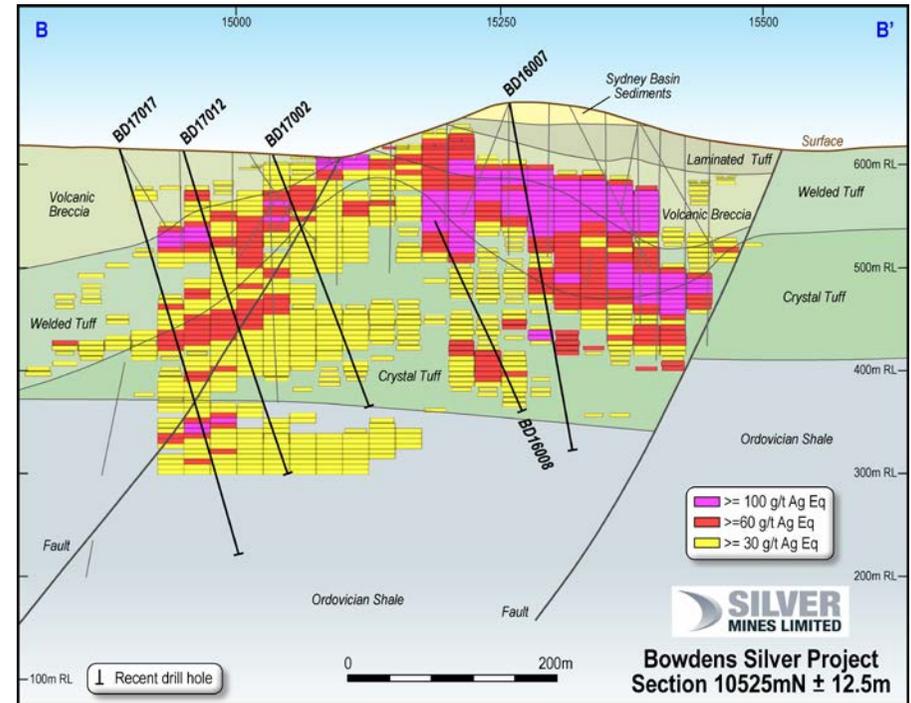
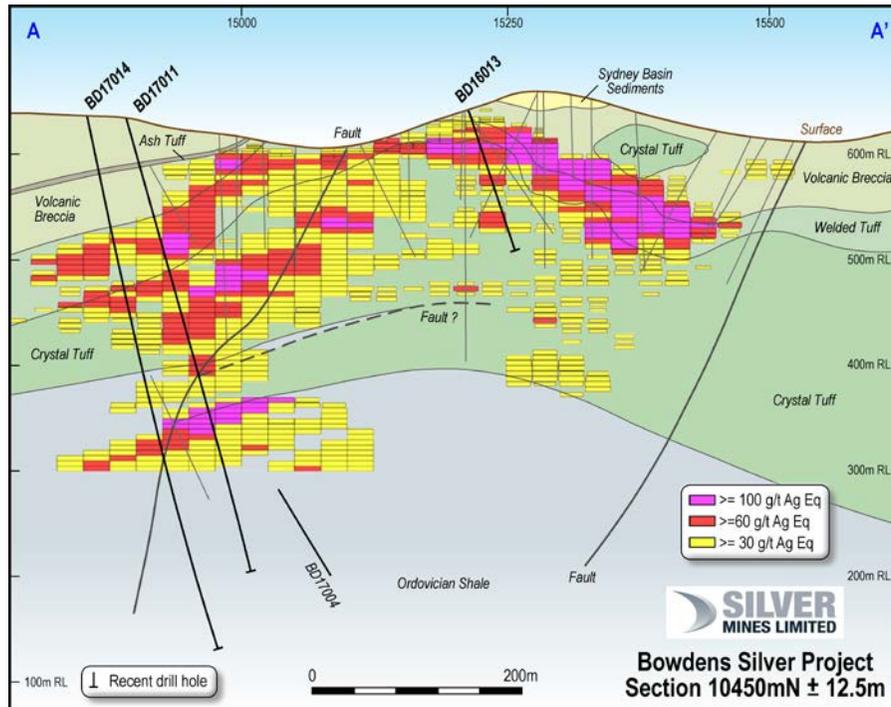
# Bowdens Silver Resource (Refer to Appendix 1 for further details)



# Block Model



# Block Model





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# Bowdens Silver

## *Fast Track through Feasibility to Development*

*Mine plan to initially focus on high-grade / near surface*

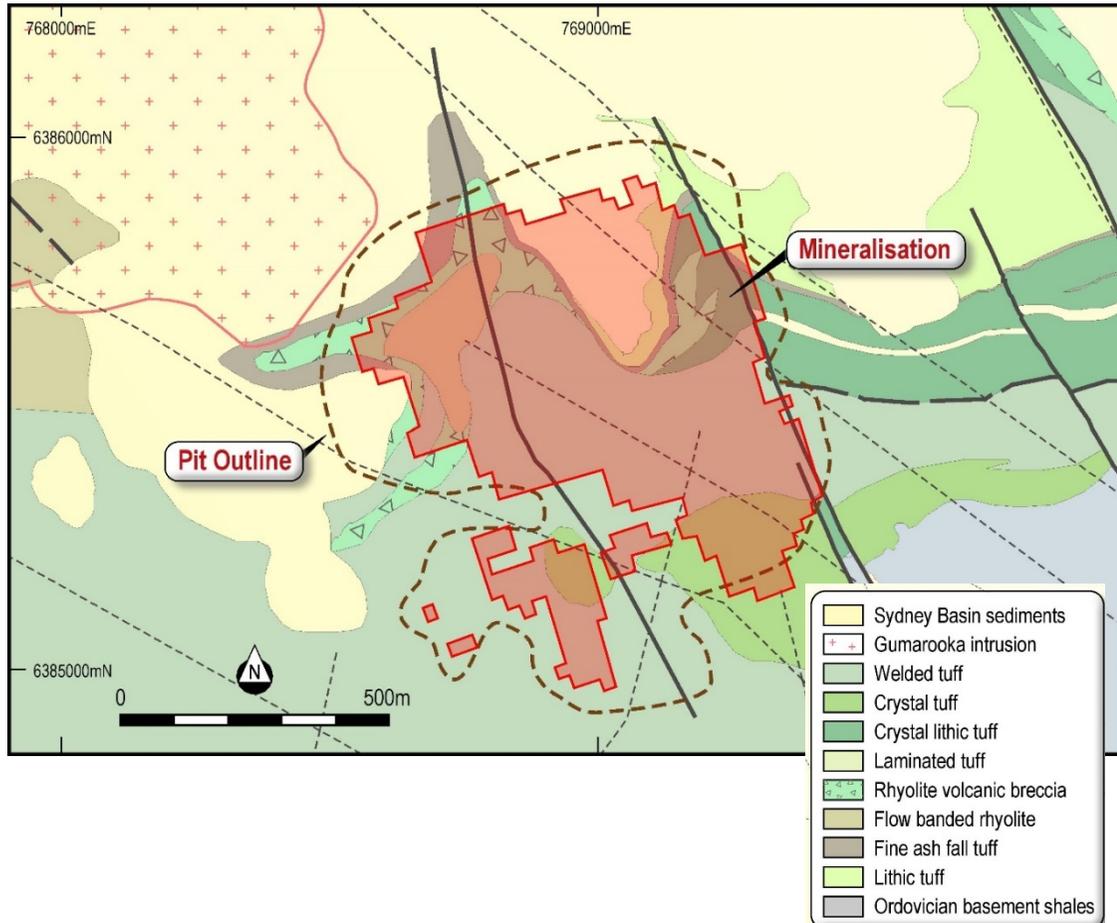


# Bowdens Silver Project Development

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- Definitive Feasibility Study works by GR Engineering, AMC and ATC Williams.
- Smaller, more robust lower impact development planned.
- 2.0 million tonnes per annum ore.
- Production around 5 million ounces per year plus zinc and lead credits
- Strip ratio less than 2:1.
- Mine life minimum around 15 years (likely to be much longer).
- Development capital investment circa A\$150m - A\$200m.
- Water sourcing onsite, external sourcing as backup.
- Production of silver/lead concentrate and zinc concentrate for sale and treatment off-site.
- Definitive Feasibility Study to be complete early 2018.

# Bowdens Silver Project Development



- Development will focus on high grade proportion of the deposit being 46Mt @ 106 g/t Ag Eq.
- Flat lying deposit at surface – easy to mine and very low strip ratio.
- Feasibility Study nearing completion.
- Environmental Impact Statement nearing completion.
- Classified as “State Significant Development” in New South Wales.

# Bowdens Silver Development





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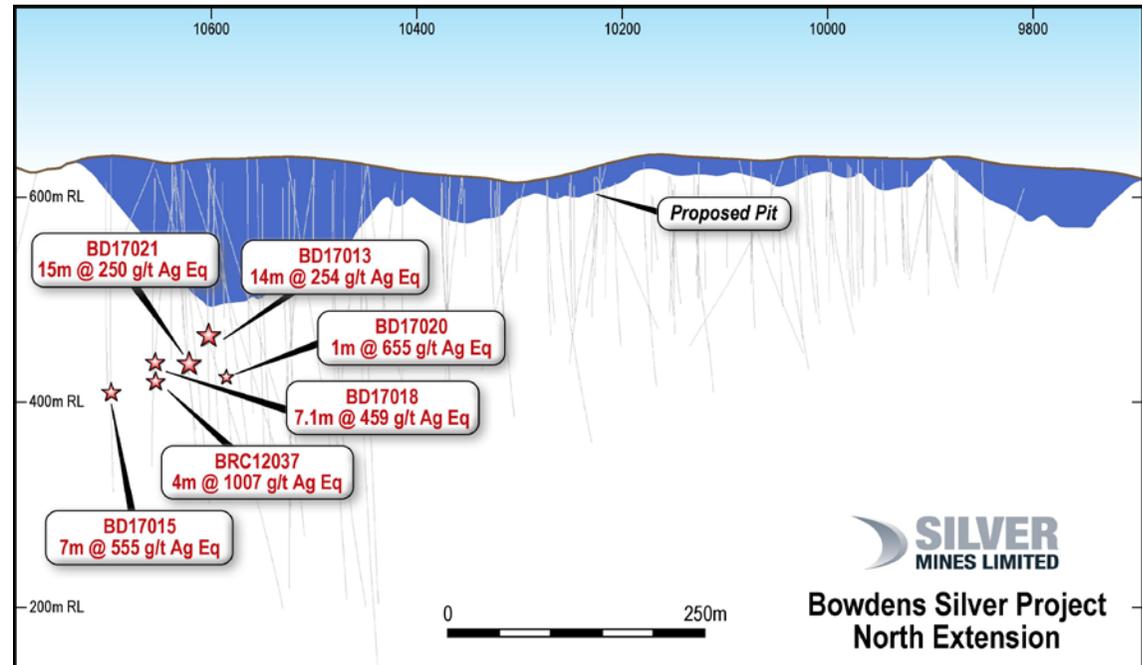
# Bowdens Silver

*Exploration Upside – Building a  
World Class Mineral Field*

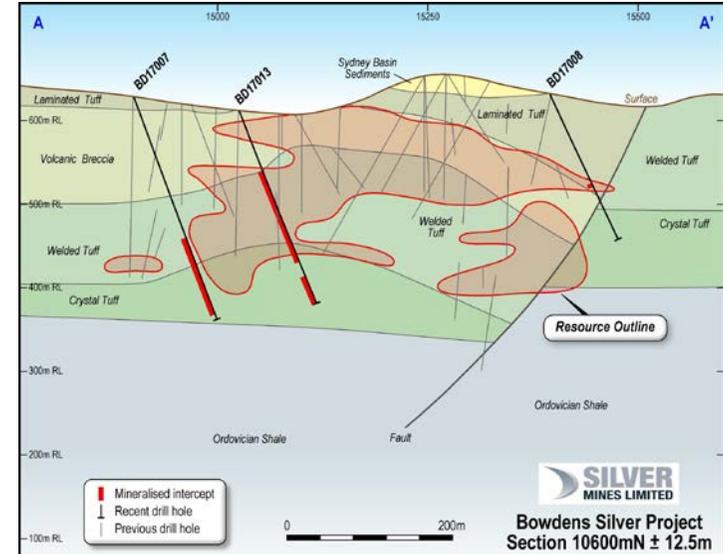
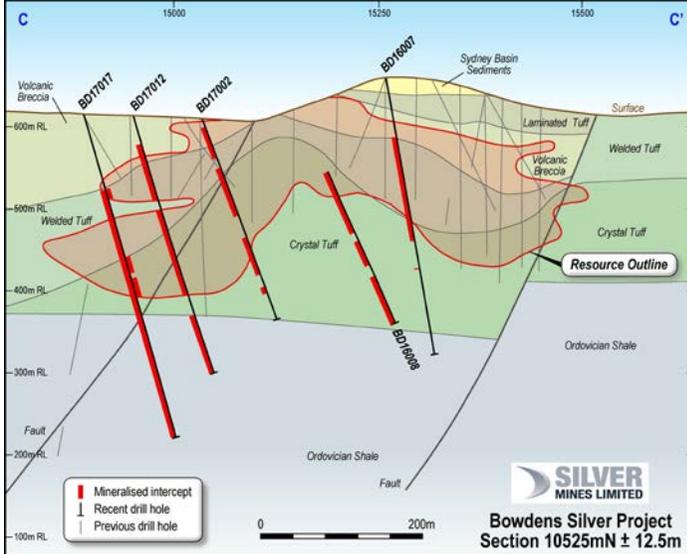
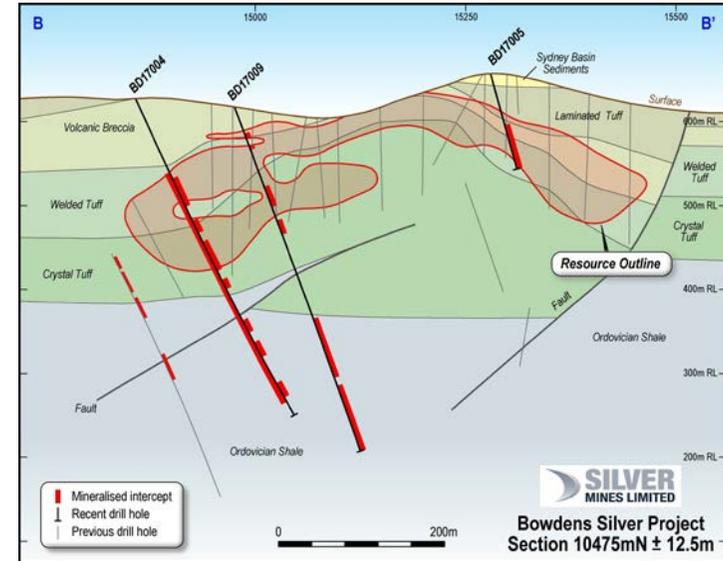
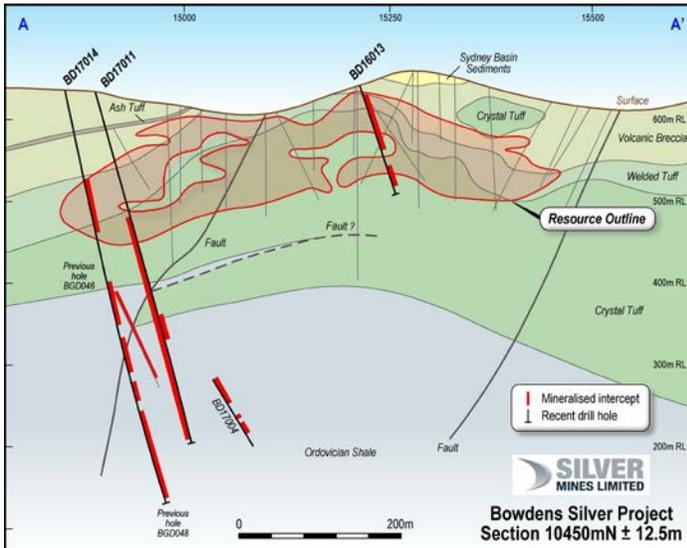


# Bowdens Silver High Grade Resource extensions NW

- New coherent high-grade discovery within and north of existing deposit and beneath proposed pit.
- Entirely open and to be followed up early 2018.



# Drilling: Resource extensions at depth

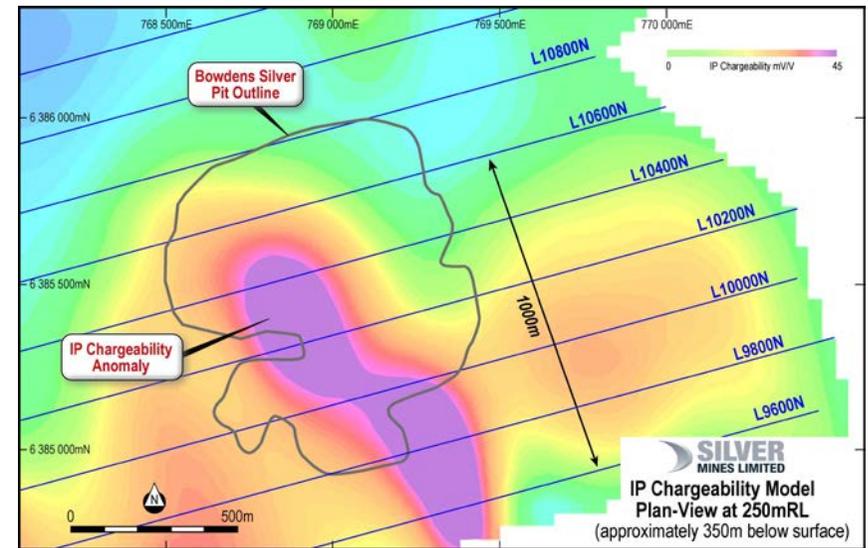
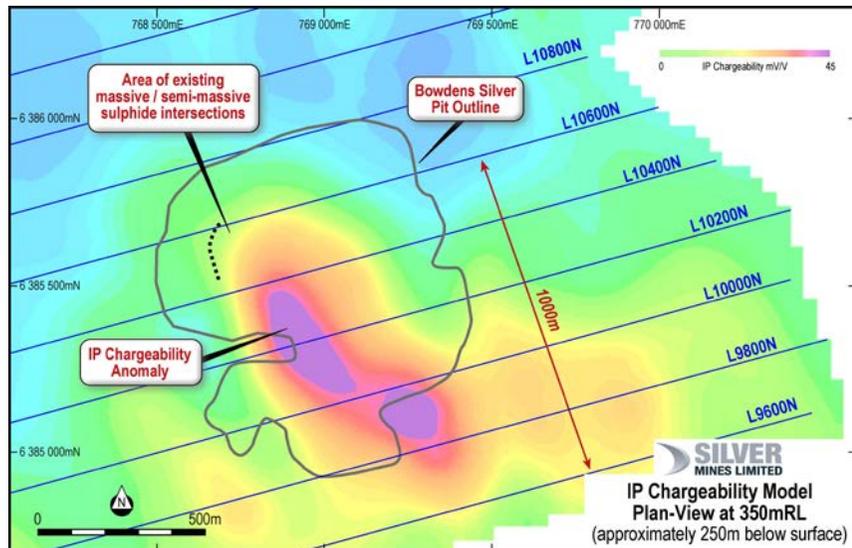
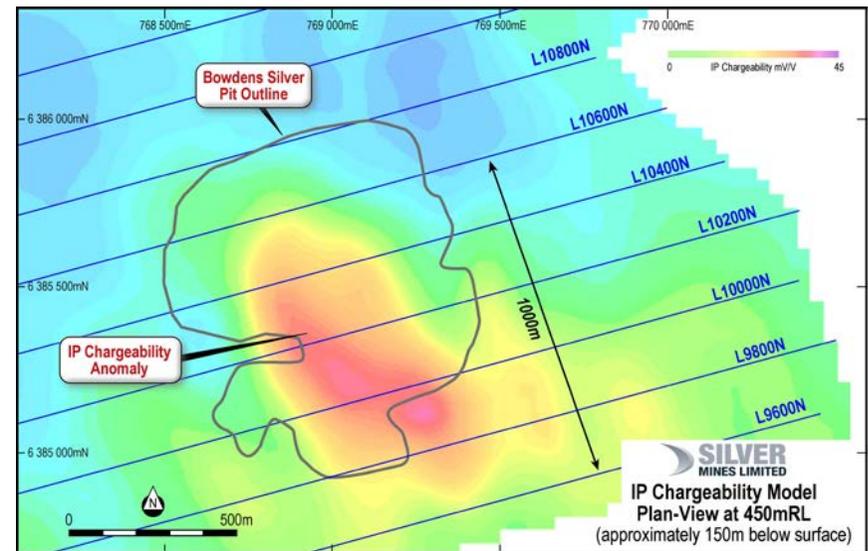
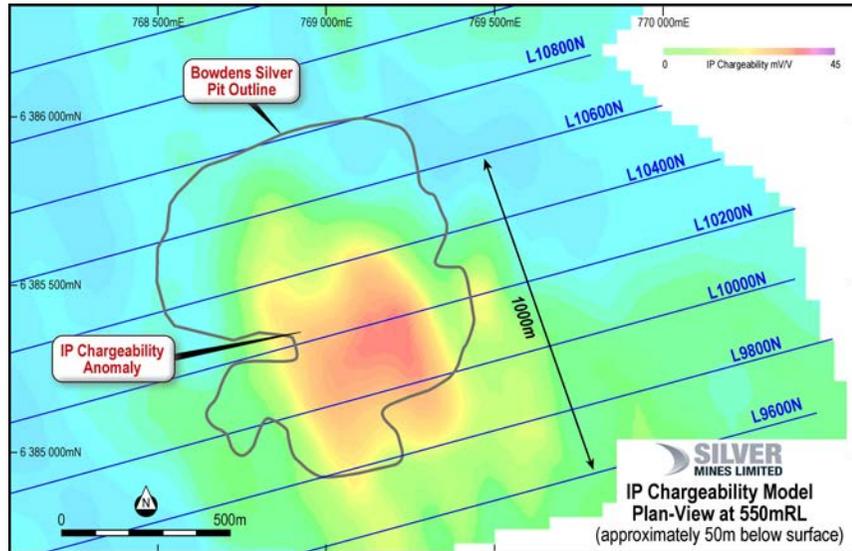


# Massive Sulphide Discovery – Bowdens Deep

- Massive to semi-massive sulphide discovery made in Feb/Mar 2017.
- ~100 metres below the previous resource.
- Significant gold content.
- Results include 31.25m @ 23g/t Ag, 3.24% Zn, 1.88% Pb 0.3g/t Au (218g/t AgEq).
- Zoned hydrothermal system.
- High level Ag>Pb-Zn.
- Deeper Zn-Pb-Ag>Au(Cu).

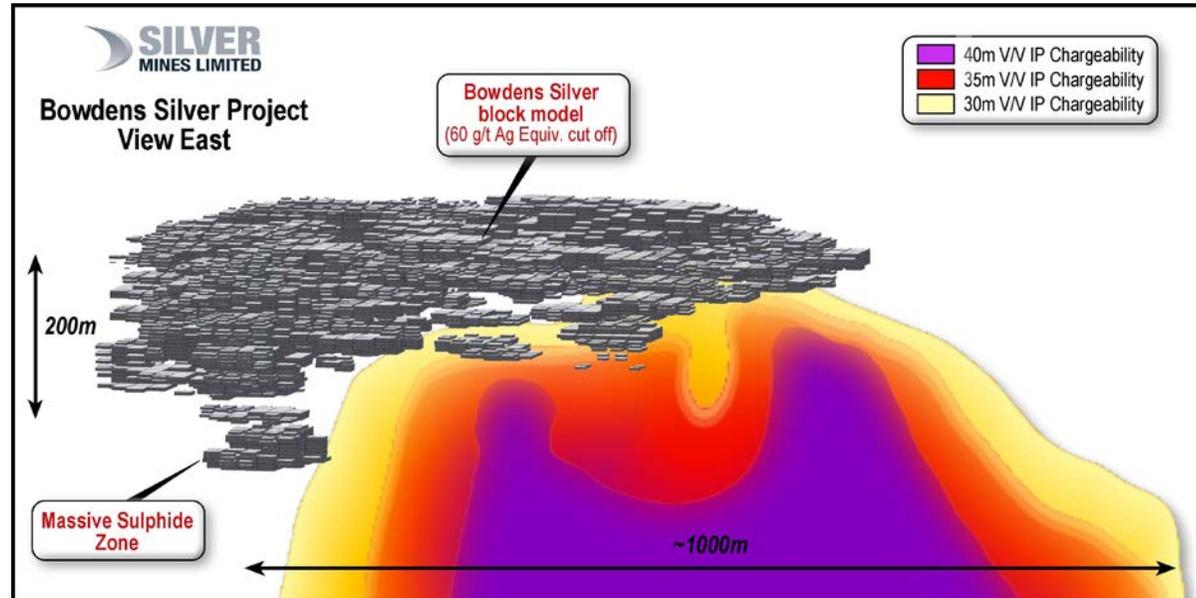


# Major IP Anomaly Identified - Undrilled



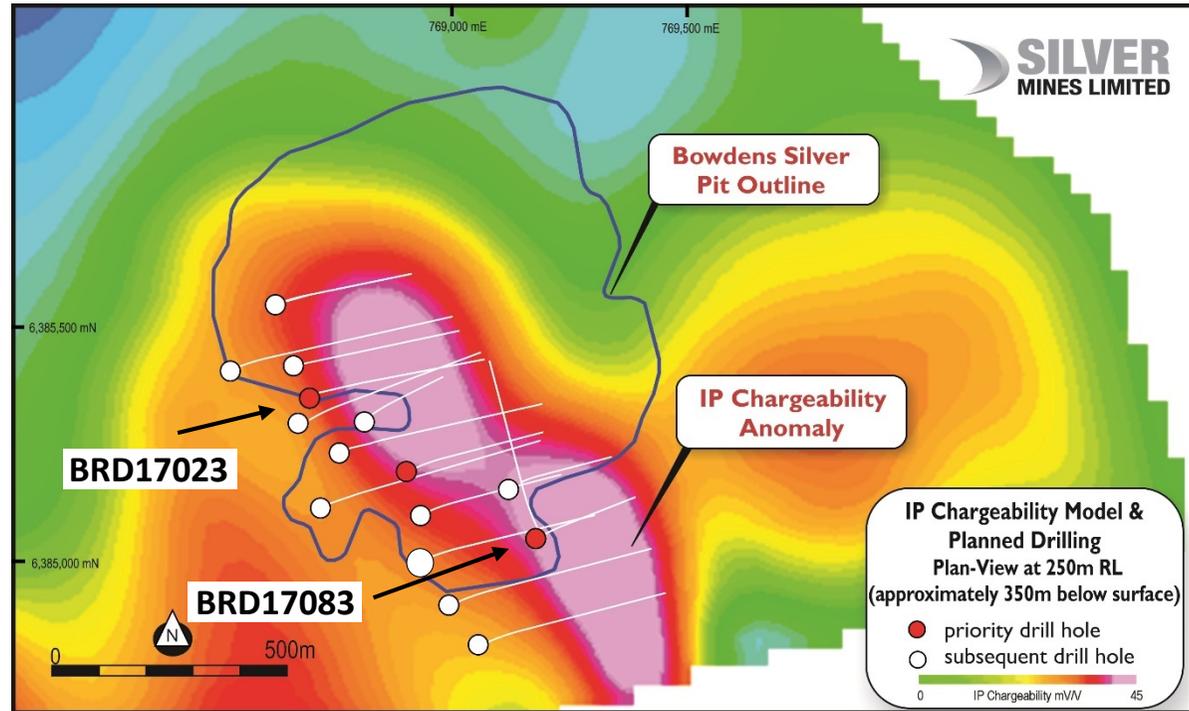
# Major IP Anomaly Identified - Undrilled

- New IP survey suggests a major accumulation of sulphide minerals beneath the deposit to the south.
- Is there a deep Mt Leyshon equivalent (>3mOz Au) or better?
- Massive sulphide intersections on northern edge of IP anomaly.
- Spectral mineralogy indicates the deposit is zoned from south (hotter) to north (cooler).



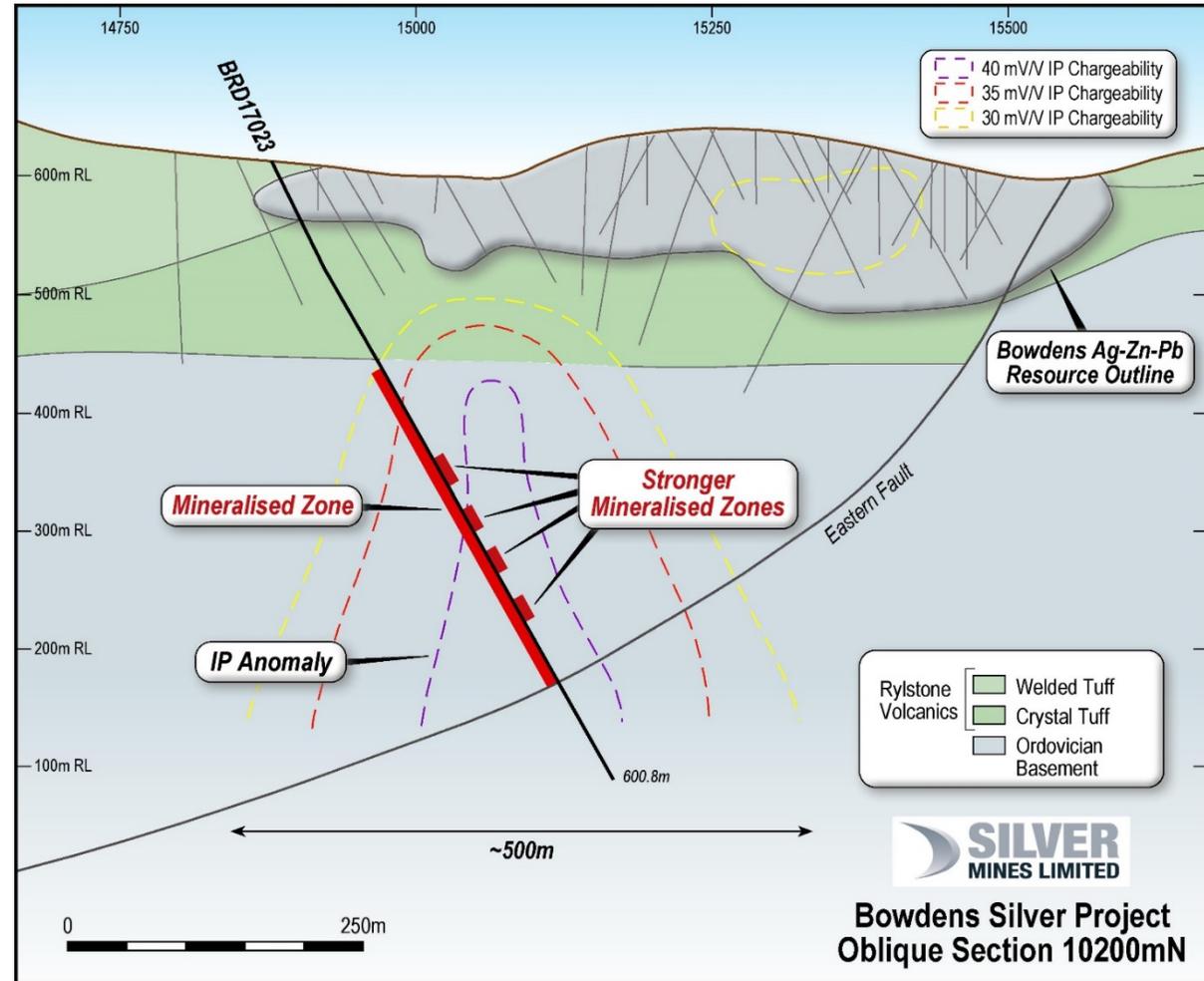
# Major IP Anomaly – Drilling Commenced

- Drilling commenced.
- First results due late November.
- Initial 16 drill holes adjusted as results returned.
- BRD17023 and DRB17083 complete assays pending.
- Reverse circulation pre-collars with diamond tails.
- Each hole averaging 700 metres each for circa 11,000 metres (results dependent).
- Downhole EM being planned (subject to casing access).



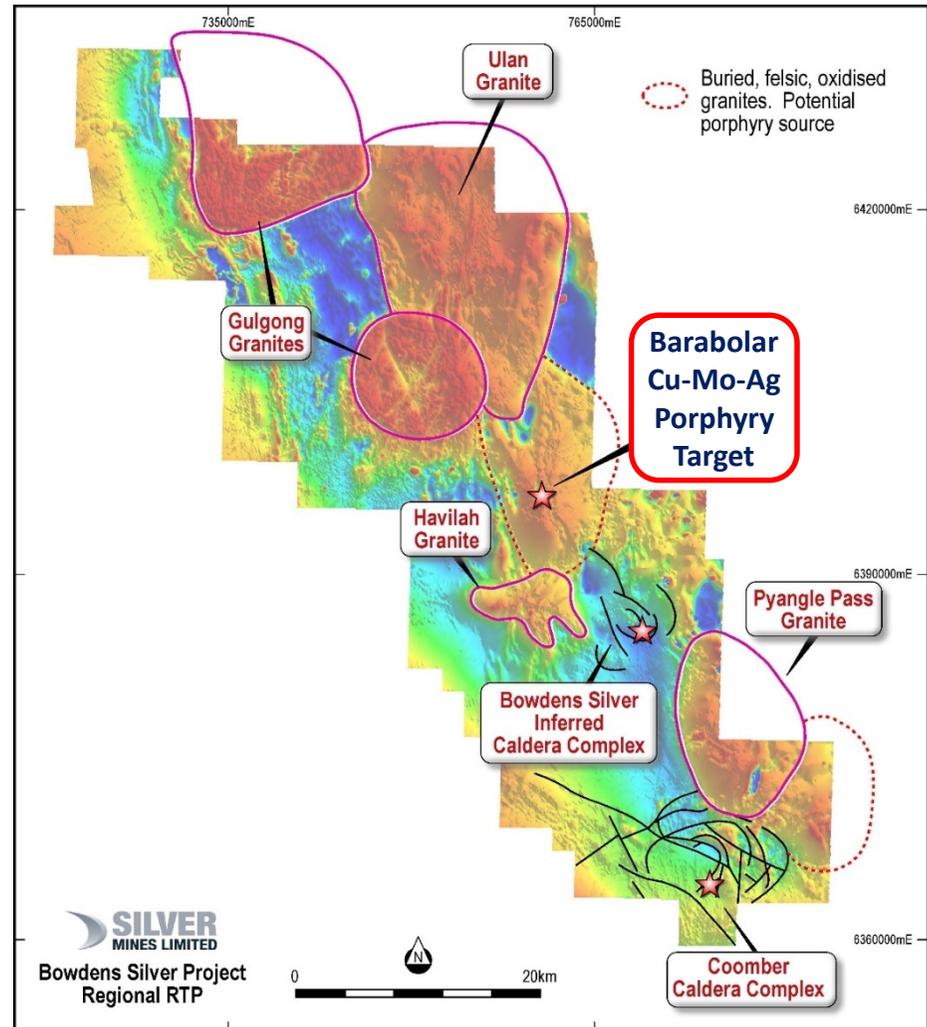
# Major IP Anomaly – Drilling Commenced

- BRD17023 complete.
- Mineralisation zone extends for approximately 300 metres down hole.
- The zone includes intervals of higher intensity base metal mineralisation over an approximate 80 metre interval down hole.
- Assays pending.



# Regional Targets

- Silver Mines developing regional intrusive phase mapping.
- Identification of potential sites for caldera proximal deposits such as Bowdens Silver and Coomber.
- Barabolar Cu-Mo-Ag porphyry target currently being worked up



# Regional Targets

- **Bowdens analogue targets:**

- Coomber
- Gulgowra

- **Cu+Mo+Ag porphyry target**

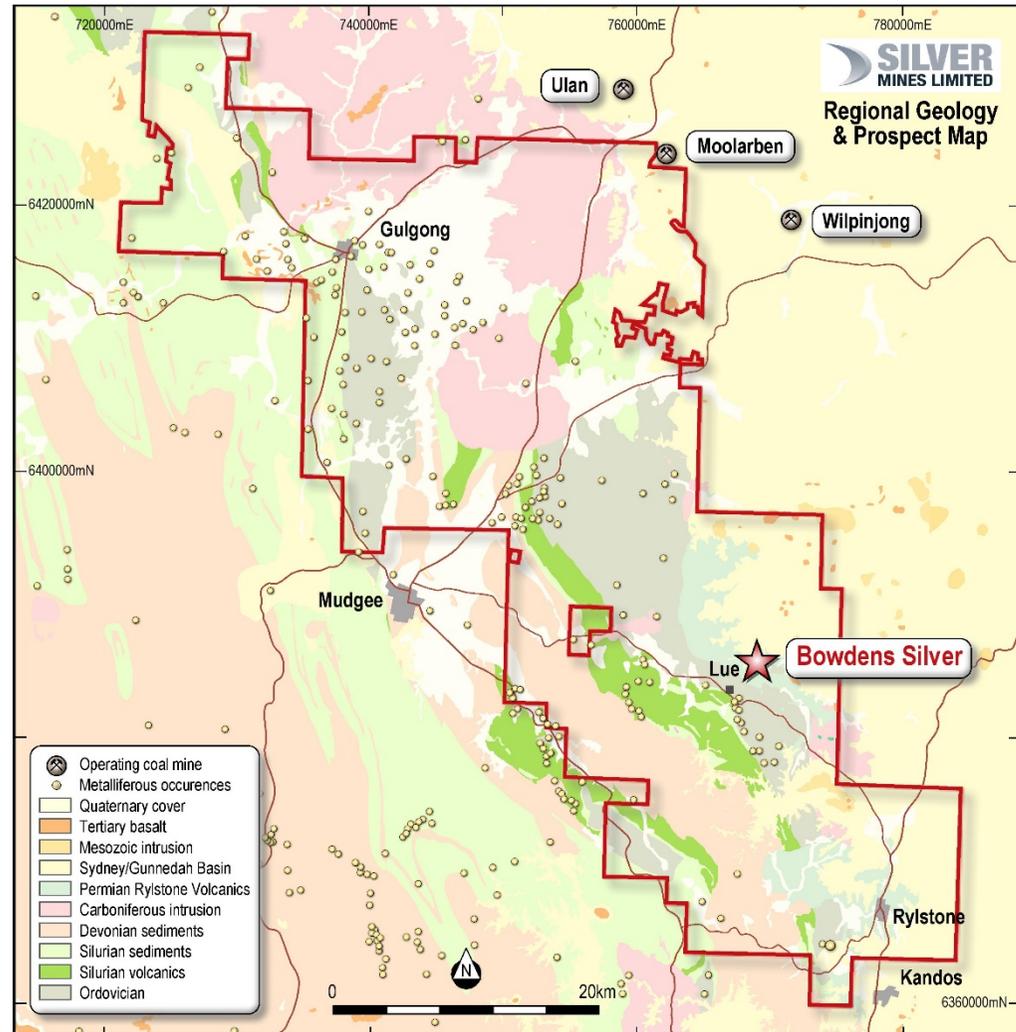
- Barabolar

- **Pb+Zn>Ag targets**

- Bara
- Mt Laut

- **Au+Cu basement targets**

- Bara Deepes
- Mt Laut Deepes



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28<sup>th</sup> November 2017*

*For further information please  
contact: Anthony McClure,  
Managing Director*



**SILVER  
MINES LIMITED**

# Appendix 1 - Silver Mines Resource Inventory

Deposit name	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Silver (Moz)	Silver Eq. (Moz)	Status
<b>Bowdens Silver</b>	<b>128</b>	<b>67</b>	<b>40</b>	<b>163</b>	<b>275</b>	<b>100% owned</b>
Webbs <sup>1</sup>	1.5	345	245	11.7	16.5	100% owned
Conrad <sup>1</sup>	2.6	206	105.4	9.0	17.5	100% owned
<b>Total</b>				<b>184</b>	<b>309</b>	

1. For further information on the Webbs and Conrad Projects refer to the Silver Mines Limited website.

## Appendix 2 – Bowdens Silver Resource

30 g/t Ag Eq Cut	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Million Ounces Silver	Million Ounces Silver Eq.
Measured	76	72	45	0.37	0.25	111	175
Indicated	29	59	31	0.38	0.25	29	55
<b>Measured &amp; Indicated</b>	<b>105</b>	<b>68</b>	<b>41</b>	<b>0.37</b>	<b>0.25</b>	<b>140</b>	<b>230</b>
Inferred	23	60	31	0.40	0.28	23	45
<b>Total</b>	<b>128</b>	<b>67</b>	<b>40</b>	<b>0.38</b>	<b>0.26</b>	<b>163</b>	<b>275</b>

The Bowdens Mineral Resource Estimate has been compiled by H&S Consultants Pty Ltd using Multiple Indicator Kriging and the reporting is compliant with the 2012 JORC Code and Guidelines. For full disclosures refer to the Silver Mines Limited announcement of 19 September 2017.

1. Bowdens' silver equivalent:  $\text{Ag Eq (g/t)} = \text{Ag (g/t)} + 33.48 * \text{Pb (\%)} + 49.61 * \text{Zn (\%)}$  calculated from prices of US\$20/oz silver, US\$1.50/lb zinc, US\$1.00/lb lead and metallurgical recoveries of 85% silver, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited.
2. Bowdens Silver Mineral Resource Estimate is reported to a 30g/t Ag Eq cut off and extends from surface and is trimmed to 300 metres RL which is approximately 320 metres below surface representing a potential volume for open-pit optimisation models.
3. In the Company's opinion, the silver, zinc and lead included in the metal equivalent calculations have a reasonable potential to be recovered and sold.
4. Variability of summation may occur due to rounding.

## Appendix 3 - Bowdens Silver Resource

Cut off g/t Ag Eq	Tonnes (Mt)	Silver Eq. (g/t)	Silver (g/t)	Zinc (%)	Lead (%)	Million Ounces Silver	Million Ounces Silver Eq.
0	397.2	30.7	17.6	0.18	0.12	225	392
10	261.7	43.7	25.2	0.26	0.17	212	368
20	185.2	54.6	31.7	0.32	0.21	189	325
<b>30</b>	<b>127.9</b>	<b>66.8</b>	<b>39.6</b>	<b>0.38</b>	<b>0.26</b>	<b>163</b>	<b>275</b>
40	89.2	79.7	48.6	0.43	0.29	139	229
50	63.6	92.8	58.4	0.47	0.33	119	190
<b>60</b>	<b>46.1</b>	<b>106.3</b>	<b>69.1</b>	<b>0.51</b>	<b>0.36</b>	<b>102</b>	<b>158</b>
70	33.7	120.8	80.9	0.54	0.39	87	131
<b>80</b>	<b>25.1</b>	<b>135.5</b>	<b>93.4</b>	<b>0.57</b>	<b>0.42</b>	<b>75</b>	<b>109</b>
90	19.2	149.9	105.6	0.59	0.45	65	93
<b>100</b>	<b>15.1</b>	<b>163.7</b>	<b>117.5</b>	<b>0.62</b>	<b>0.47</b>	<b>57</b>	<b>80</b>
120	9.6	192.3	141.4	0.67	0.53	44	59

# Appendix 4 – Board of Directors

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## **Keith Perrett, Chairman**

Mr Perrett has had a long involvement in agriculture as a producer and industry leader at local, state, national and international levels. He was formerly Chairman of the Grains Research and Development Corporation (GRDC), the National Rural Advisory Council (NRAC), the Wheat Research Foundation, and President of the Grains Council of Australia.

## **Anthony McClure, Managing Director**

Mr McClure graduated with a Bachelor of Science (Geology) degree from Macquarie University in 1986. He has had 30 years technical, management and financial experience in the resource sector worldwide in project management and executive development roles. He has also worked in the financial services sector within the mineral and energy sectors.

Mr McClure is currently a director of listed company Planet Gas Limited (since August 2003) and unlisted public company Mekong Minerals Limited. He is also a past director of Bolnisi Gold NL and European Gas Limited.

## **Peter Langworthy, Non-Executive Director**

Mr Langworthy graduated with a Bachelor of Science (Geology) degree (Hons) from Macquarie University in 1986. His career spans 30 years in mineral exploration and project development both in Australia and internationally. His industry experience includes senior management roles with WMC Resources Limited, PacMin Mining Limited, and Jubilee Mines NL. Mr Langworthy led the management team that was responsible for numerous discoveries that led to the outstanding success of Jubilee Mines.

Mr Langworthy is currently Chairman of Syndicated Metals Limited (since March 2012), and Technical Director at Capricorn Metals Limited (since July 2013.) Mr Langworthy previously held non-executive directorships with Northern Star Resources Limited, Talisman Mining Limited, Falcon Minerals Limited and Pioneer Resources Limited.

## **Jonathan (Jo) Battershill, Non Executive Director**

Mr Battershill graduated with a Bachelor of Engineering (Geology) degree (Hons) from the Camborne School of Mines, United Kingdom in 1995. His career spans over 20 years in mining, business development and finance both in Australia and internationally. His industry experience includes senior operational and business development roles with WMC Resources Limited as well as significant stockbroking experience at Hartleys, Citigroup and UBS both in Sydney and London. Mr Battershill was consistently voted one of the leading mining analysts in Australia between 2009 and 2015 by institutional investors.

Until recently, Mr Battershill was the Global Mining Strategist (Executive Director) with the UBS investment bank in London and is currently the Principal of JJB Advisory Limited, a private advisory and consulting firm based in the UK.

# Competent Persons Statements

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## *Bowdens Silver Resource Estimation*

The information in this report that relates to mineral resources is based on work compiled by Mr Arnold van der Heyden who is a Director of H & S Consultants Pty Ltd. Mr van der Heyden is a member and Chartered Professional (Geology) of the Australian 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). Mr van der Heyden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

## *Bowdens Silver Exploration and Drill Results*

The information in this report that relates to the Bowdens Silver drill hole intercepts and exploration in the Bowdens Silver area is based on information compiled by Scott Munro an employee of Bowdens Silver and a member of Australian Institute of Geoscientists (AIG) and Darren Holden an employee of GeoSpy Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Munro and Mr Holden have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' (JORC code). Mr Munro and Mr Holden consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.