

31st January 2023

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

ACTIVITIES REPORT FOR THE QUARTER ENDED**31 December 2022****HIGHLIGHTS****Bowdens Silver Project, New South Wales**

- Bowdens Silver Project achieves major approvals milestone.
- New South Wales Department of Planning and Environment (“DPE”) has assessed the Bowdens Silver Project as being in the public interest and approvable subject to conditions of consent.
- The DPE has referred the Project to the Independent Planning Commission for final determination.

Bowdens Silver Project Exploration

- Footprint of gold mineralisation expands in the Southern Gold Zone to 300 metres in strike, 200 metres width and between 15 to 85 metres in thickness.
- The Southern Gold Zone is defined from near surface in the south of the Bowdens Silver Project and is extension to the Ore Reserve and outside the planned open-cut pit.
- Results subsequent to the end of the quarter from diamond drilling include:
 - BD22042: 99 metres @ 1.15g/t gold equivalent (0.62g/t gold, 10g/t silver, 0.35% lead and 0.39% zinc) from 159 metres, including;
 - 27 metres @ 3.13g/t gold equivalent (1.95g/t gold, 24g/t silver, 0.80% lead and 0.83% zinc) from 167 metres.
 - BD22024: 82.7 metres @ 0.89g/t gold equivalent (0.25g/t gold, 44g/t silver and 0.10% zinc) from 8 metres.
- Diamond drilling continues with two rigs on site.

Silver Mines Limited COVID-19 Response

During the December 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 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.

From the EIS 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.

At the end of the December 2022 quarter, the Company advised that the DPE had assessed the Project as being in the public interest and approvable subject to conditions of consent. The DPE has now referred the Project to the Independent Planning Commission of New South Wales (“IPC”) for final determination.

The IPC will review the DPE’s Assessment Report and consider submissions from stakeholders before making a final determination. This will be the final step in the NSW planning approvals process.

The DPE states “Overall, the Department considers that the project achieves a balance between maximising resource recovery and minimising impacts, and the benefits of the project outweigh its residual costs. The Department also considers that the project is in the public interest and is approvable, subject to the strict conditions of consent.”

Bowdens Silver has reviewed and has accepted the recommended conditions of consent as provided with DPE’s Assessment Report.

The DPE also noted the NSW Government's vision and commitment in its *Critical Minerals and High-Tech Metals Strategy* to build on the State's potential to become a major global supplier and processor of critical minerals and high-tech metals. This strategy identifies silver and zinc as critical minerals for developing technologies and renewable energy.

The IPC has called a Public Hearing for 15th, 16th and 17th February with a final determination to be made soon thereafter.

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.

The Bowdens Silver Project Assessment Report and other information can be found at: <https://www.ipcn.nsw.gov.au>.

Bowdens Silver Project Exploration

Diamond drilling continued throughout the December 2022 quarter at the Bowdens Silver Project.

Following the release of a maiden underground Mineral Resource,¹ exploration has shifted to testing extensions of mineralisation outside the current planned open-cut pit design and testing for higher grades within the open-cut pit design. Multiple areas have been targeted for extensions including in the north at Main, Aegean and Northwest Zones and in and to the south of the planned open-cut pit where anomalous gold has been identified.² Significant assay results from the drilling program and from a re-assay program of historic drill pulp samples for gold were released subsequent to the end of the quarter.

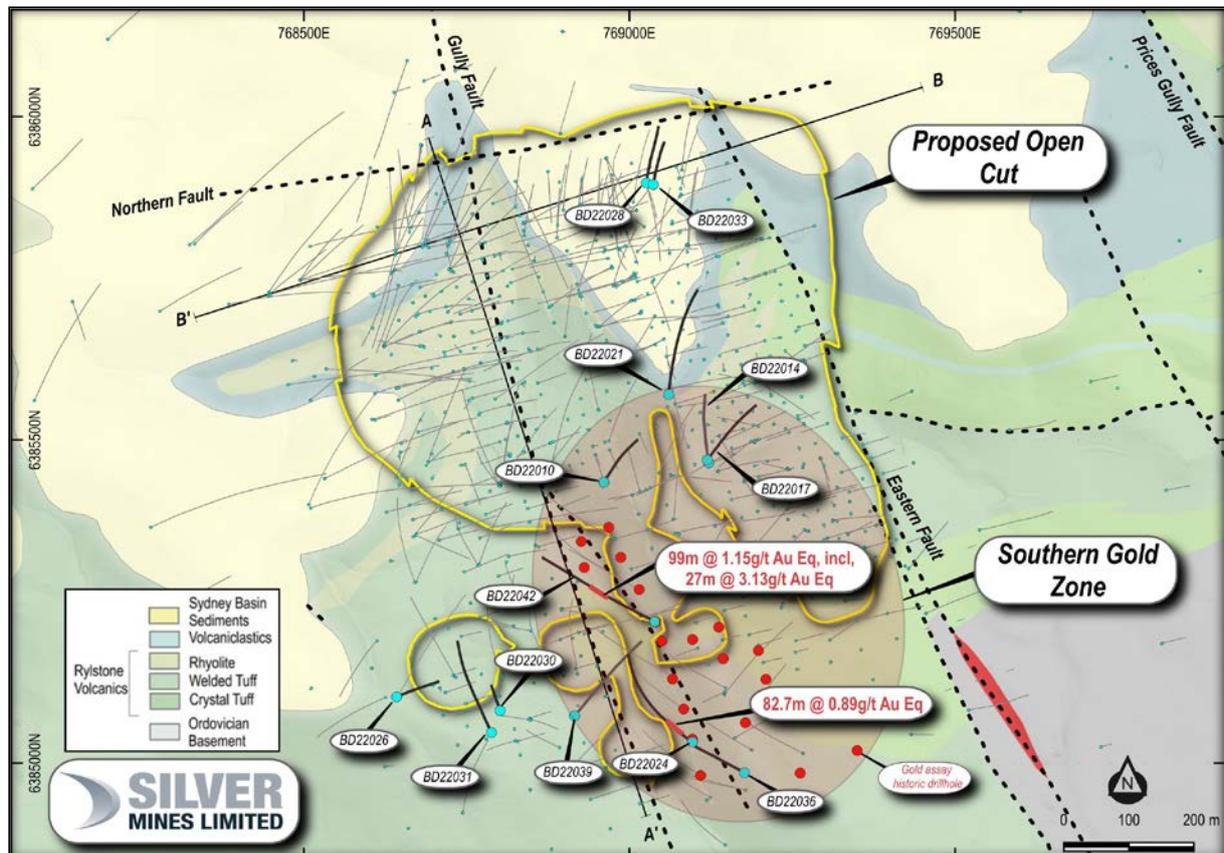


Figure 1. Reported drillhole locations and Southern Gold Zone at the Bowdens Silver Project.

Southern Gold Zone

The maiden underground mineral resource estimate at Bowdens Silver, for the first time at the project, included gold. Gold has been predominantly identified (previously) within the Bundarra Zone which is directly underneath the planned open-cut pit. Gold was also discovered in 2021

¹ Silver Mines Limited (ASX:SVL) release “42.9M Ounces Silver Equivalent Mineral Resource for Bowdens Underground” dated 5th September 2022.

² Silver Mines Limited (ASX:SVL) release “Further Underground Resource Drilling Success at Bowdens” dated 26th October 2021.

at shallow depths in the south and adjoining the Bowdens Silver Deposit, along with high grades of silver mineralisation. This area has become an additional target for gold and silver exploration drilling during 2022 and is named the **Southern Gold Zone**.

Results have been received from diamond drillholes BD22042 and BD22024, which were drilled along strike of BD22029 north (180m) and south (55m) respectively. BD22029 has returned the highest and widest grade gold interval to date at the Bowdens Silver Project of **32.6 metres @ 2.09g/t gold equivalent**.³ Both holes encountered fractured and veined Rylstone Volcanics with the highest-grade gold occurring near the base of the volcanics associated with silica–sericite–carbonate alteration and stringer veins of pyrite (iron sulphide)–sphalerite (zinc sulphide)–electrum (silver & gold alloy). Results include:

- **BD22042: 99 metres @ 1.15g/t gold equivalent⁴ (0.62g/t gold, 10g/t silver, 0.35% lead and 0.39% zinc) from 159 metres, including;**
 - **27 metres @ 3.13g/t gold equivalent (1.95g/t gold, 24g/t silver, 0.80% lead and 0.83% zinc) from 167 metres.**
- **BD22024: 82.7 metres @ 0.89g/t gold equivalent (0.25g/t gold, 44g/t silver and 0.10% zinc) from 8 metres; including**
 - **8 metres @ 2.5g/t gold equivalent (0.28g/t gold, 166g/t silver, 0.14% zinc and 0.08% lead) from 34 metres, and**
 - **5.1 metres @ 3.0g/t gold equivalent (1.5g/t gold, 70g/t silver, 0.80% zinc and 0.26% lead) from 81 metres.**

Historic drill samples taken by previous operators in this area have had limited assaying for gold and the Company is now systematically re-submitting historical pulps for gold assays. Results from the first batch of samples have been received and are defining a zone of consistent width including higher grades. Importantly, most of the historic holes reassayed are shallow vertical RC holes, with recent diamond drilling showing gold mineralisation extends beyond the depths of the RC drilling.

Significant intercepts, using a 0.2g/t gold cut off include (see Figure 2):

- **BRC12095: 29 metres @ 0.42g/t gold from 53 metres,**
- **15 metres @ 0.52g/t gold from 33 metres,**
- **BRC12093: 17 metres @ 0.48g/t gold from 66 metres,**
- **BRC12050: 14 metres @ 0.53g/t gold from 110 metres,**
- **BRC12092: 9 metres @ 0.81g/t gold from 93 metres,**
- **BRC12064: 7 metres @ 1.03g/t gold from 74 metres.**

³ Silver Mines Limited (ASX:SVL) release “New Gold Zone Expands at Bowdens” dated 12th September 2022.

⁴ Gold equivalent based on an 80:1 price ratio to the silver equivalency. Refer to Table 2 and Table 4 footnotes for detailed description of both calculations.

The Southern Gold Zone is currently defined at **300 metres in strike and 200 metres width** and between **15 to 85 metres in thickness**. The zone is from near surface in the south of **Bowdens** and is **outside the currently planned open-cut pit**. The **Southern Gold Zone will be assessed in future pit optimisation studies**. Gold is associated with an increase in silver, zinc and sulphur particularly across the volcanics and basement contact where thicker pyrite (iron sulphide) and sphalerite (zinc sulphide) rich stockwork veins are observed. Research studies have shown that gold is associated with a silver-rich electrum (a naturally occurring alloy of gold and silver). This is of epithermal origin at Bowdens.

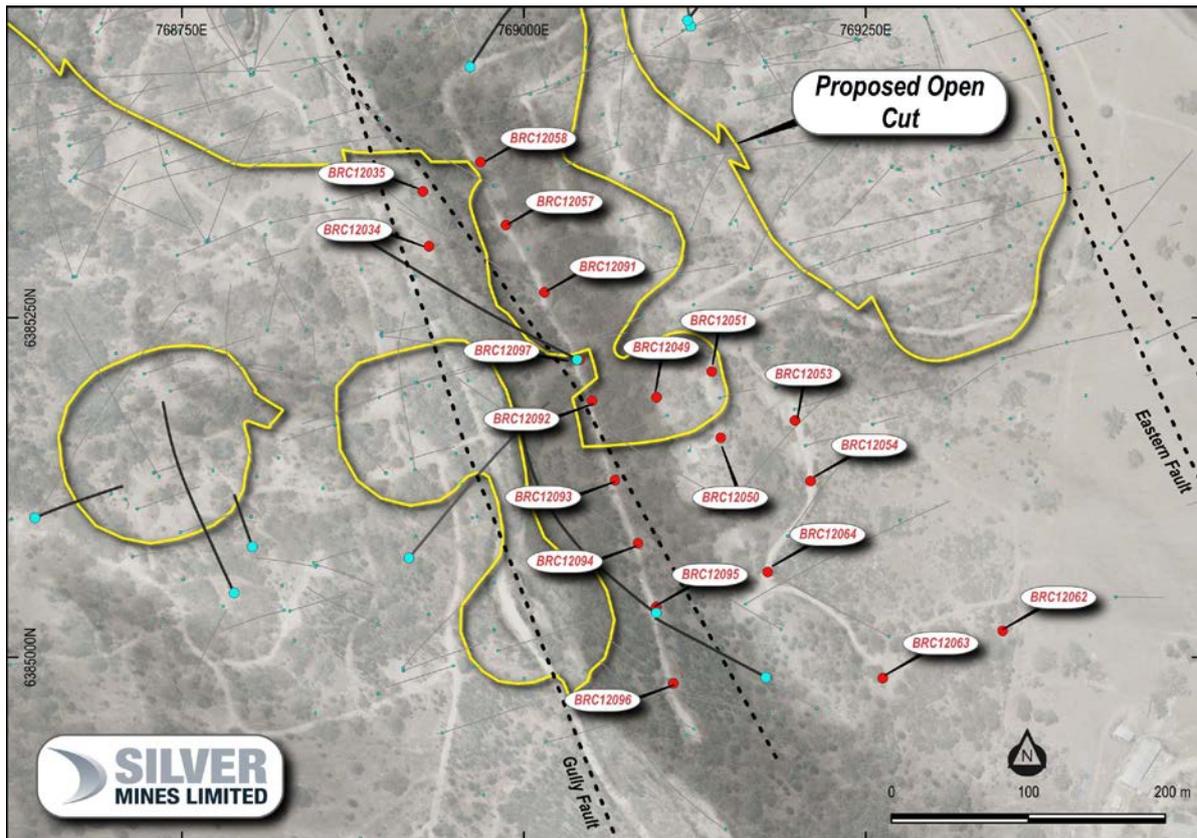


Figure 2. Reported historic drillhole locations for gold assay program at the Southern Gold Zone at the Bowdens Silver Project.

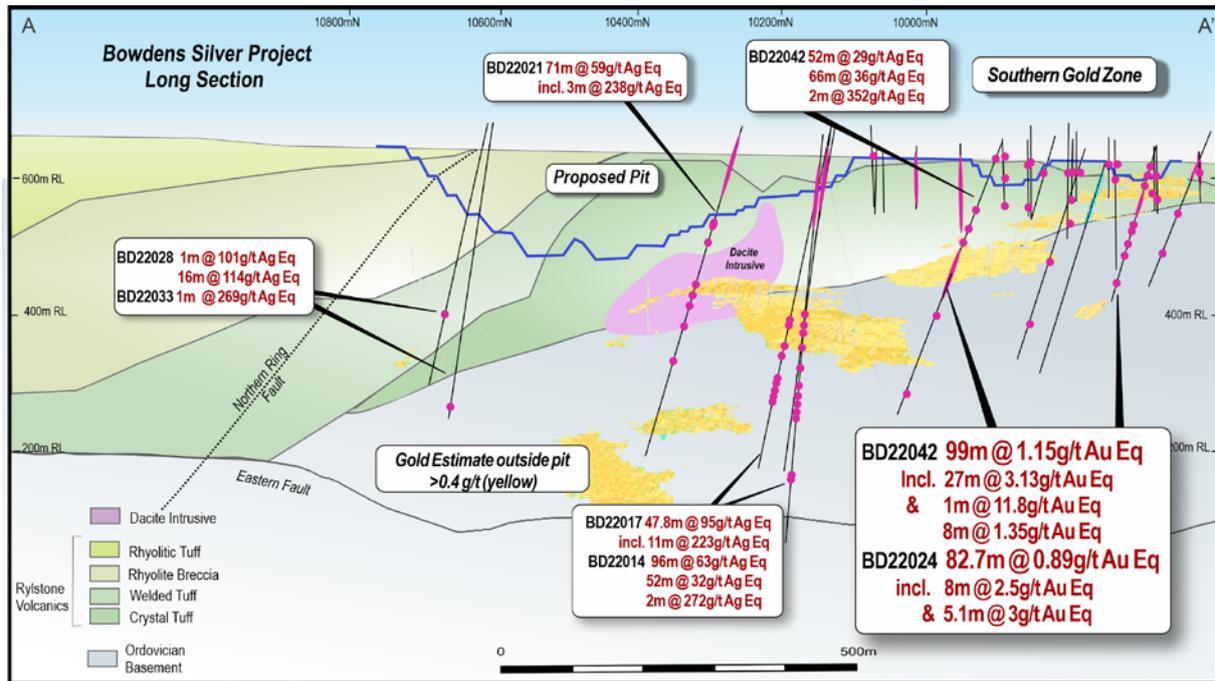


Figure 3. Long Section showing Southern Gold Zone and recent drilling results.

The Company is awaiting further assays from diamond drill holes situated a further 150 metres to the north of BD22042. Stage two of the gold assay program on historic holes will include another 3,300 metres of holes within, and outside this zone as well. Refer to Tables 2 and 4 for all drilling and gold assay results.

Bowdens Silver Pit and Extensional Drilling

Drilling has focused on adding greater tonnages of higher-grade mineralisation within the current Ore Reserve and to explore for extensions to mineralisation outside of the planned open-cut pit, refer to Figure 1. Several holes within the central eastern area of the planned open-cut pit have returned significant results including:

- **BD22014: 96 metres @ 63g/t silver equivalent (23g/t silver, 0.39% zinc and 0.57% lead) from 1 metre, and**
- **BD22017: 47.8 metres @ 95g/t silver equivalent (34g/t silver, 0.53% zinc and 0.91% lead) from 1 metre, and**
- **BD22021: 71 metres @ 59g/t silver equivalent (27g/t silver, 0.36% zinc and 0.40% lead) from 11 metres.**

Results from holes drilled to the southwest of Bowdens testing for extensions around the southern planned open-cut pits have returned significant intercepts including:

- **BD22026: 20 metres @ 73g/t silver equivalent (71g/t silver & 0.05% lead) from 2 metres, and**
- **40 metres @ 34g/t silver equivalent (12g/t silver and 0.42% zinc) from 90 metres,**
- **BD22031: 30 metres @ 42g/t silver equivalent (28g/t silver and 0.25% zinc) from 49 metres, and**

- **BD22030: 24 metres @ 52g/t silver equivalent (37g/t silver and 0.24% zinc) from 40 metres.**

Agean Zone Results

The Aegean Zone forms part of the recently estimated underground resource totalling 42.9 million ounces of silver equivalent and extends from the base of the proposed Bowdens Silver open pit, situated beneath the Main Zone. This mineralised zone is high-grade silver dominant at depth and is open to the north and east. The zone has a strike of 200 metres, is 100 metres wide and typically 50 metres thickness. Results from BD22019⁵ extended the Aegean Zone east of the recent resource estimate by 100 metres, with BD22028 and BD22033 drilled within this 100 metre extension. Best results from BD22028 include:

- **16 metres @ 114g/t silver equivalent (89g/t silver, 0.07% zinc and 0.64% lead) from 251 metres.**

The Aegean Zone and Main Zone both remain open to the north and down plunge to the northwest with drilling ongoing to define further extensions.

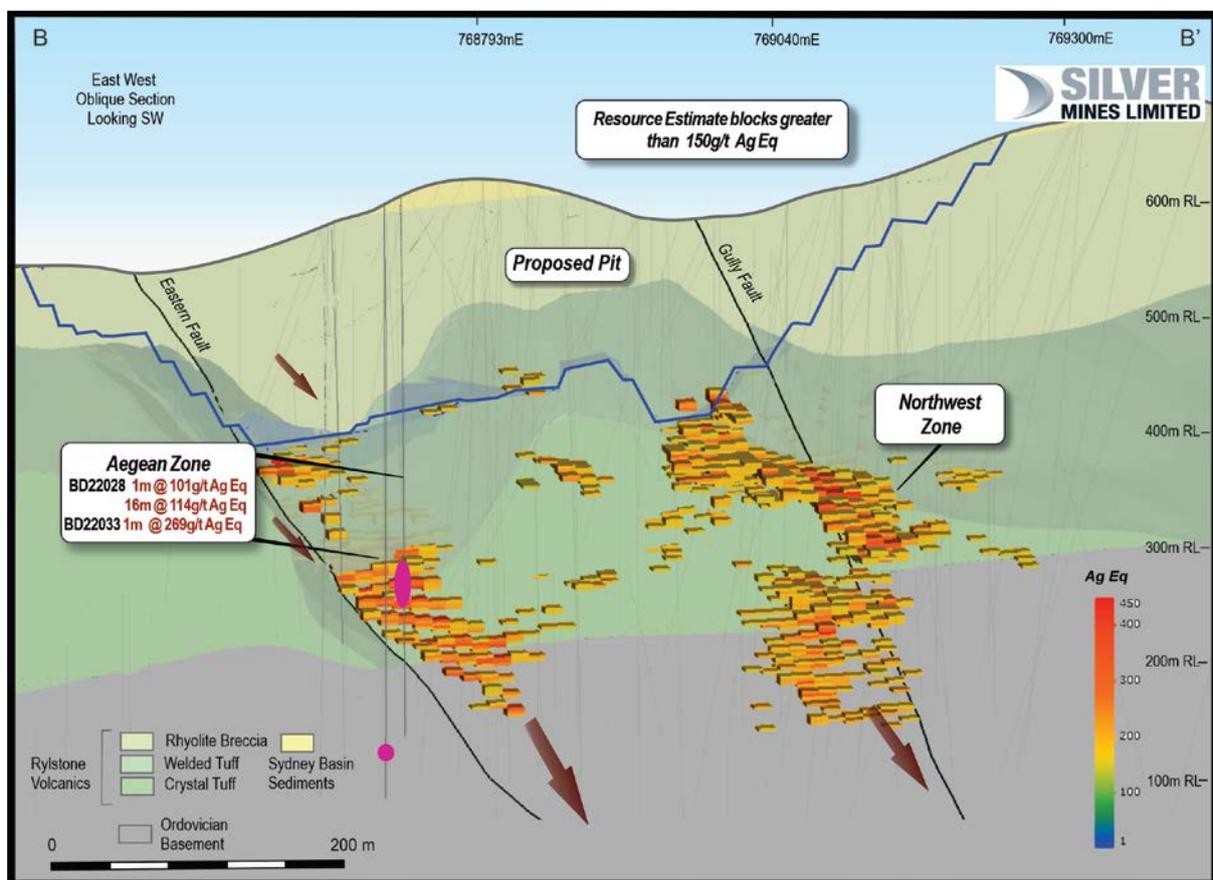


Figure 4. Recent drilling at Bowdens Silver in the north at Main and Aegean Zones.

⁵ Silver Mines Limited (ASX:SVL) release “New Gold Zone Expands at Bowdens” dated 12th September 2022.

Drilling Program

The Company is continuing a 15,000 metre program of diamond drilling at the Bowdens Silver Deposit and 3,000 metres of regional exploration drilling into the first half 2023. Targets at the Bowdens Deposit include shallow (within 200 metres) extensions to mineralisation in the north, south and west of the deposit, extensions to the Underground Mineral Resource estimate (below 200 metres) where it remains open, as well as extensions to the Open-Cut Mineral Resources.

The Company currently has two diamond drilling rigs on site continuing diamond core drilling.

Underground Scoping Study

The Underground Mineral Resource Estimate as released during the September 2022 quarter is being used as part of a Scoping Study for potential underground mining scenarios.

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 Scoping Study will not have any impact on the ongoing approval process for the Bowdens Silver open-pit development which has been referred by the DPE to the IPC for final determination.

Further drilling of mineralised zones is ongoing and is intended to convert higher grade portions of the deposit, extend existing resources and discover new deposits near proposed operations.

New Frontiers Exploration Program

During the December 2022 quarter, Bowdens Silver was awarded exploration funding of \$150,000 for exploration at the Bowdens Silver Project, under the NSW Government New Frontiers Exploration Program. The New Frontiers Exploration Program funding is part of the NSW Government's Critical Minerals and High-Tech Metals Strategy to promote mineral exploration investment in NSW.

Funds will be used for the drilling of targets generated from the recent seismic survey at the Bowdens Silver Project⁶ and for an additional seismic survey to be completed throughout the Bowdens Caldera structure, which extends some 7 kilometres to the north of the Bowdens Silver Deposit. The drilling program will commence during the March 2023 quarter while planning is ongoing to commence the seismic survey in the June 2023 quarter. Seismic surveying and drilling of targets are major components of the Bowdens Silver Research and Development work.

Barabolar Project

During the December 2022 quarter, the Company completed drilling activities at the Barabolar Project located approximately 26 kilometres east of Mudgee and 10 kilometres northwest of the Company's Bowdens Silver Project in Central New South Wales.

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 5. Diamond drill rig at the Barabolar Project.

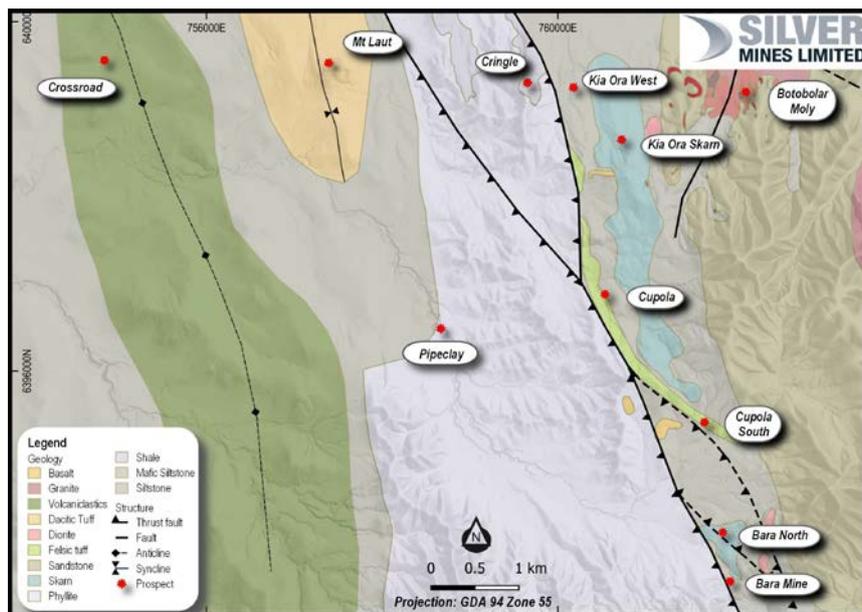


Figure 6. Geology and prospects of the Barabolar Project.

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 volcanoclastics 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.

⁶ Silver Mines Limited (ASX:SVL) release “Seismic Survey Highlights Significant New Drill Targets” dated 15th August 2022

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).

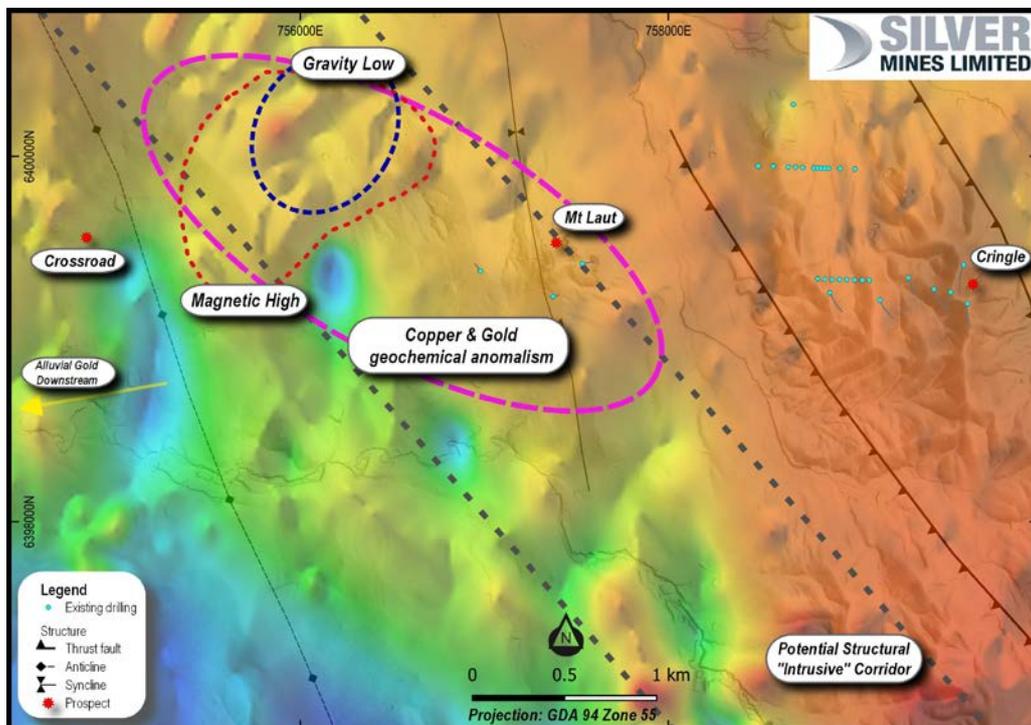


Figure 7. Geophysical anomalism (reduced to pole magnetic data) and chemistry used in drill targeting.

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 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 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 only⁷. 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.



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

The initial program at Barabolar has been completed with seven holes drilled for 3,341 metres and with around half of all assays still pending. Across the area from Crossroad to Mt Laut, drilling encountered moderately to intensely altered rhyolitic to dacitic tuffs and some rhyolite lava's, with alteration of initial illite and muscovite, overprinted by chlorite and carbonate. The primary sulphide mineral observed is pyrite which occurs as an alteration mineral and within veins. Other sulphides observed within frequent veins include sphalerite, chalcopyrite, galena and pyrrhotite.

Alteration and mineralisation is indicative of a broad hydrothermal system with exploration to continue to focus on areas of most intense veining and base metal sulphide development.

⁷ Refer to NSW Government open file report – GS1998_262.R00020304 with work completed by Central West Gold.

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 9). The consolidated project area comprises 1,950 km² (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.

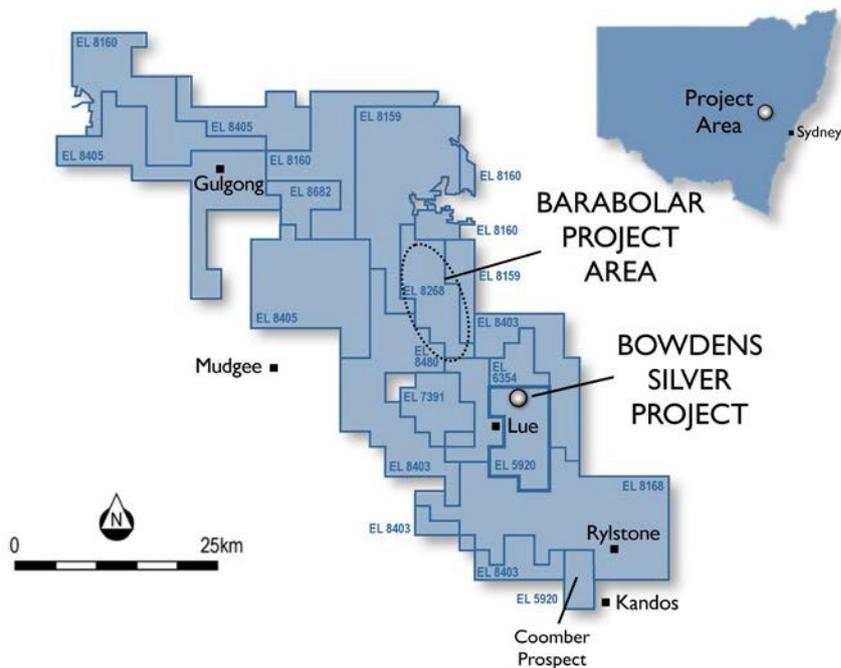


Figure 9. Silver Mines Limited tenement holdings in the Mudgee district.

Tuena Gold Project

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

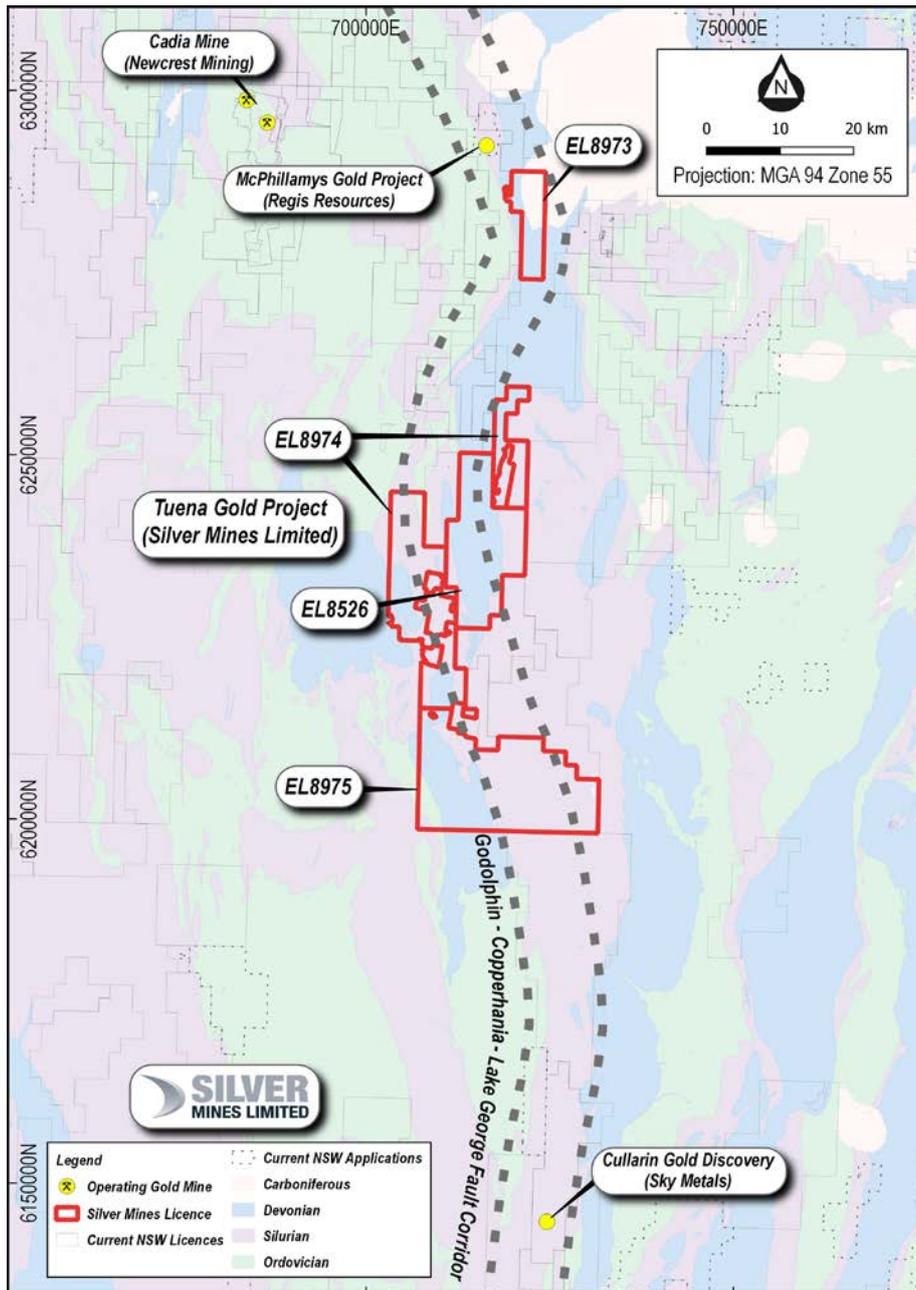


Figure 10: Tuena Gold Project regional setting.

About the Tuena Gold Project

The Tuena Gold Project is a regional exploration project that consists of 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.

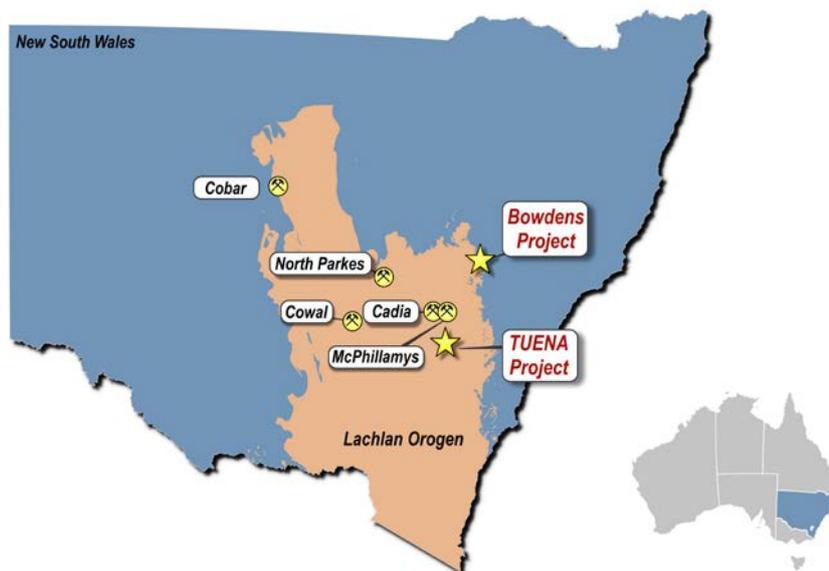


Figure 11. Silver Mines Limited project in the Lachlan Orogen.

Corporate

Waiver

On 9 November 2022, shareholders approved at the Annual General Meeting of the Company (“**Approval**”) a waiver granted by ASX Listing Compliance on 23 September 2022 (“**Waiver**”). The Waiver relates to the issue of 10,000,000 fully paid ordinary shares (“**Deferred Consideration Shares**”) in the Company to be issued to a Director of the Company in accordance with the provisions of the share sale and purchase deed dated 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 (“**Mining Lease Milestone**”); or
- an occurrence of a change of control such as a takeover bid pursuant to section 9 of the Corporations Act 2001 (Cth), (“**Takeover Condition**”).

The Company confirms the Deferred Consideration Shares have not been issued in the December 2022 quarter. The Deferred Consideration Shares may only be issued if either the Mining Lease Milestone is achieved or the Takeover Condition occurs in the period that is 24 months from the date that Approval was obtained.

Appendix 5B

As set out in the attached Appendix 5B, exploration expenditure during the quarter totalled A\$3.964 million and focussed predominately on the Company’s Bowden Silver Project. Payments to related parties totalling A\$212,000 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 member 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.

Tenement Information as at 30 December 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%	-

Table 1. Drill collar locations for new diamond results.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
In-Pit & Bundarra	BD22010	768960	6385435	627	-80	29.6	538.1	Core	Assays returned
In-Pit	BD22014	769122	6385465	639	-75	350	450.4	Core	Assays returned
In-Pit	BD22017	769119	6385469	639	-75	35	456.8	Core	Assays returned
In-Pit	BD22021	769060	6385570	636	-70	5	517.05	Core	Assays returned
Out of Pit Southern Au	BD22024	769096	6385033	612	-70	300	513.4	Core	Assays returned
Out of Pit	BD22026	768642	6385102	647	-75	65	252.9	Core	Assays returned
In-Pit & Aegean	BD22028	769026	6385898	648	-75	10	350.2	Core	Assays returned
Out of Pit	BD22030	768801	6385081	624	-75	340	150.8	Core	Assays returned
Out of Pit	BD22031	768788	6385047	631	-65	335	354.7	Core	Assays returned
In-Pit & Aegean	BD22033	769036	6385895	647	-80	15	387.9	Core	Assays returned
Out of Pit Southern Au	BD22036	769177	6384985	630	-60	300	180.4	Core	Assays returned
Out of Pit Southern Au	BD22039	768916	6385073	608	-58	40	297.4	Core	Assays returned
Out of Pit Southern Au	BD22042	769039	6385219	621	-60	300	414.6	Core	Assays returned

Table 2. Summary of all recent diamond drilling intercepts.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)	
BD22010	428	429	1	8	0.84	0.53	0.66	0.02	122 ²	
	488	489	1	4	2.05	0.02	0.05	0.02	111 ²	
BD22014	1	97	96*	23	0.39	0.57	0.02	-	63 ¹	
	109	161	52	11	0.16	0.29	0.04	-	32 ¹	
	174	196	22	16	0.12	0.21	0.02	-	31 ¹	
	253	255	2	56	0.01	-	0.28	0.14	95 ²	
	275	276	1	22	1.34	0.71	0.17	0.03	130 ²	
	280	282	2	24	1.18	1.48	1.73	0.02	272 ²	
	287	288	1	13	1.18	0.92	0.45	-	139 ²	
	294	295	1	14	0.66	0.61	0.39	0.01	100 ²	
	309	310	1	19	1.09	0.66	0.15	0.03	109 ²	
	316	317	1	12	0.77	0.21	0.38	0.02	90 ²	
	328	329	1	18	0.54	0.98	0.19	0.02	94 ²	
	338	339	1	18	0.80	1.08	0.1	0.02	104 ²	
	344	345	1	16	0.66	0.67	0.43	0.02	107 ²	
BD22017 <i>including</i>	1	48.8	47.8*	34	0.53	0.91	0.04	0.01	95 ¹	
	35	46	11*	95	0.44	2.74	0.15	0.03	223²	
	60	91	31*	11	0.30	0.27	0.01	-	36 ¹	
	103	151	48	6	0.35	0.18	0.01	-	31 ¹	
	170	225.4	55.4	22	0.23	0.26	0.03	-	45 ¹	
	194	200	6	90	0.47	0.33	0.05	-	129 ²	
	221	224	3	37	0.02	0.82	0.07	0.04	75 ²	
<i>including</i>	261	262	1	33	1.17	0.73	0.15	0.02	130 ²	
	BD22021 <i>including</i>	11	82	71*	27	0.36	0.40	0.02	-	59 ¹
	13	16	3	210	0.16	0.56	0.02	-	238²	
	123	134	11	11	0.29	0.79	0.03	0.01	56 ¹	
	148	153	5	21	0.03	0.54	0.03	0.03	46 ¹	
	226	227	1	30	0.01	1.78	0.04	0.01	94 ²	
238	240	2	49	0.14	2.17	0.13	0.01	140 ²		
244	246	2	39	0.01	2.06	0.05	-	112 ²		
255	256	1	29	0.45	1.35	0.06	0.01	102 ²		
306	307	1	64	0.10	3.69	0.04	0.03	199 ²		
BD22024									Gold Eq (g/t)³	
	8	90.7	82.7	44	0.10	0.04	0.25	-	0.89 ¹	
	34	42	8	166	0.14	0.08	0.28	-	2.5²	

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
<i>including, & including</i>	81	86.1	5.1	70	0.80	0.26	1.5	0.02	3.0²
									Silver Eq (g/t)
	105	154.4	49.4	9	0.09	0.08	0.07	0.01	23 ¹
	472	475	3	18	2.23	1.47	0.06	0.01	184 ²
BD22026	2	22	20	71	0.01	0.05	-	-	73 ¹
<i>including</i>	15	17.93	2.93	329	0.02	0.18	-	-	336²
	46	66	20	31	0.09	0.04	-	-	37 ¹
<i>including</i>	90	130	40	12	0.42	0.02	-	-	34 ¹
	97	101	4	46	1.38	0.07	-	-	117²
BD22028	243	244	1	88	0.07	0.28	-	-	101 ²
	251	267	16	89	0.07	0.64	-	-	114 ²
BD22030	6	14	8	34	0.03	0.01	-	-	36 ¹
	40	64	24	37	0.08	0.24	0.01	-	52 ¹
<i>including</i>	58	64	6	84	0.32	0.15	0.02	-	107²
	BD22031	1	17	16	27	0.01	0.04	-	-
<i>including</i>	49	79	30	28	0.25	0.05	-	-	42 ¹
	68	69.2	1.2	354	1.36	0.34	-	0.01	432²
BD22033	371	372	1	264	0.06	0.06	-	0.01	269 ²
BD22036	28	67	39	29	0.06	0.04	0.05	-	37 ¹
	35	36	1	106	0.12	0.11	0.08	-	122²
<i>including, & including</i>	54	55.1	1.1	149	0.31	0.10	0.04	0.01	171²
	94	99	5	16	0.04	0.02	0.07	-	25 ¹
<i>including, & including</i>	112	138	26	13	0.18	0.06	0.03	0.01	27 ¹
	112	113	1	24	2.42	0.27	0.04	0.05	162²
	122	123	1	106	0.08	0.03	0.04	0.02	116²
BD22039	254	255	1	24	0.71	1.62	0.3	0.05	143 ²
BD22042	1	53	52	21	0.06	0.09	0.02	-	29 ¹
	76	142	66	16	0.22	0.14	0.05	-	36 ¹
<i>Including, & including</i>	81	84	3	183	0.41	0.30	0.08	-	220²
	130	131	1	23	0.41	0.27	1.02	-	134²
<i>Including, with & including</i>									Gold Eq (g/t)³
	159	247	99	10	0.39	0.35	0.62	0.01	1.15 ¹
	167	194	27	24	0.83	0.80	1.95	0.02	3.13²
	174	175	1	22	0.45	0.38	11.10	0.01	11.82
	230	238	8	12	0.66	0.57	0.54	0.02	1.35²
									Silver Eq

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Copper (%)	Silver Eq (g/t)
									(g/t)
	287	289	2	165	1.43	1.87	0.59	0.05	352 ²
	376	387	11	10	0.94	0.72	0.05	0.02	87 ²

Table 3. Drill collar locations for gold assays of historic drilling.

Target	Hole ID	GDA94 East	GDA94 North	RL (m)	Dip	Azimuth (grid)	Depth (m)	Drill Type	Comment
Southern Au	BRC12034	768931	6385303	595	-90	0	60	Pulp/RC	reassayed
Southern Au	BRC12035	768926	6385343	596	-90	0	70	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12049	769097	6385191	640	-90	0	60	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12050	769144	6385162	639	-90	0	138	Pulp/RC	reassayed
Southern Au	BRC12051	769137	6385210	636	-90	0	126	Pulp/RC	reassayed
Southern Au	BRC12053	769198	6385174	623	-90	0	78	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12054	769210	6385130	623	-90	0	80	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12057	768987	6385318	611	-90	0	72	Pulp/RC	reassayed
Southern Au	BRC12058	768968	6385364	612	-90	0	84	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12062	769350	6385019	596	-90	0	54	Pulp/RC	reassayed - no significant intersection
Southern Au	BRC12063	769262	6384984	614	-90	0	60	Pulp/RC	reassayed
Southern Au	BRC12064	769178	6385063	630	-90	0	96	Pulp/RC	reassayed
Southern Au	BRC12091	769015	6385269	615	-90	0	138	Pulp/RC	reassayed
Southern Au	BRC12092	769050	6385189	621	-90	0	102	Pulp/RC	reassayed
Southern Au	BRC12093	769067	6385130	624	-90	0	84	Pulp/RC	reassayed
Southern Au	BRC12094	769083	6385084	619	-90	0	84	Pulp/RC	reassayed
Southern Au	BRC12095	769097	6385037	612	-90	0	90	Pulp/RC	reassayed
Southern Au	BRC12096	769109	6384981	606	-90	0	78	Pulp/RC	reassayed
Southern Au	BRC12097	769041	6385219	620	-90	0	114	Pulp/RC	reassayed

Table 4. Summary of all gold assays on historic drill samples.

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t)	Gold Eq (g/t)
BRC12034	52	54	2	154	0.66	0.24	0.36	224 ⁴	2.80
BRC12050	32	33	1	37	0.99	0.04	0.28	110 ⁴	1.38
	82	83	1	14	0.48	0.61	0.23	76 ⁴	0.95
	89	90	1	8	0.04	0.08	0.24	32 ⁴	0.40
	102	103	1	1	0.02	0.02	0.22	21 ⁴	0.26
	110	124	14	18	1.06	0.43	0.53	130 ⁴	1.63
	128	132	4	10	0.31	0.36	0.36	68 ⁴	0.85

Hole	From (m)	To (m)	Interval (m)	Silver (g/t)	Zinc (%)	Lead (%)	Gold (g/t)	Silver Eq (g/t)	Gold Eq (g/t)
BRC12051	71	72	1	14	0.43	0.64	0.37	86 ⁴	1.08
	114	122	8	9	0.30	0.31	0.33	62 ⁴	0.78
BRC12057	52	53	1	20	0.71	0.38	0.38	99 ⁴	1.24
BRC12063	23	25	2	50	0.22	0.07	0.37	93 ⁴	1.16
BRC12064	44	52	8	15	0.10	0.14	0.31	50 ⁴	0.63
	74	81	7	24	0.25	0.19	1.03	127⁴	1.59
	94	95	1	10	0.06	0.02	0.26	36 ⁴	0.45
BRC12091	67	68	1	470	1.82	0.97	0.21	611 ⁴	7.64
	123	138	15	6	0.21	0.16	0.38	53 ⁴	0.66
BRC12092	75	76	1	15	0.13	0.07	0.45	59 ⁴	0.74
	82	89	7	6	0.01	0.02	0.26	28 ⁴	0.35
	93	102	9	8	0.06	0.04	0.81	77⁴	0.96
BRC12093	55	60	5	33	0.18	0.11	0.29	68 ⁴	0.85
	66	83	17	21	0.15	0.08	0.48	70⁴	0.88
BRC12094	49	62	13	7	0.08	0.05	0.30	36 ⁴	0.45
	67	73	6	21	0.34	0.16	0.94	118 ⁴	1.48
	78	83	5	6	0.01	0.01	0.23	25 ⁴	0.31
BRC12095 <i>including</i>	33	48	15	180	0.20	0.10	0.52	235⁴	2.94
	36	41	5	441	0.43	0.22	1.14	562⁴	7.03
	53	82	29	53	0.09	0.05	0.42	93⁴	1.16
	65	67	2	256	0.27	0.15	2.03	438 ⁴	5.48
BRC12096	20	22	2	219	0.70	0.30	0.29	288 ⁴	3.60
BRC12097	50	51	1	58	0.06	0.07	0.26	84 ⁴	1.05
	55	56	1	97	0.02	0.12	0.26	123 ⁴	1.54
	61	65	4	34	0.03	0.08	0.22	57 ⁴	0.71
	72	77	5	5	0.02	0.01	0.13	17 ⁴	0.21
	81	82	1	25	0.08	0.05	0.21	48 ⁴	0.60

* Denotes an interval within current ore reserves.

1. Bowdens' reported silver equivalent is consistent with previous reports and current resource modelling based on assumptions, calculated from prices of US\$20/oz silver, US\$1.50/lb zinc, US\$1.00/lb lead, US\$1600/oz gold and metallurgical recoveries of 85% silver + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. Silver equivalency 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 30g/t Ag Eq cut-off and 10 metre internal dilution factor, with highest individual assay results highlighted as included within overall intercept.

2. 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.

3. Bowdens' reported gold equivalent is consistent with current resource modelling based on assumptions, calculated from prices of US\$20/oz silver, US\$1.50/lb zinc, US\$1.00/lb lead, US\$1600/oz gold and metallurgical recoveries of 85% silver + gold, 82% zinc and 83% lead estimated from test work commissioned by Silver Mines Limited. Gold equivalency assumes gold:silver price ratio of 80:1 based on the approximate price ratio: Au Eq (g/t) = (80*Au(g/t) + Ag (g/t) + 33.48*Pb (%) + 49.61*Zn (%) + 113.08*Cu%)/80.

4. Intercepts calculated using a 0.2g/t Au cut-off and 3 metre internal dilution factor.

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"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.')</i> 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. Master pulps <250g of historic samples sent to ALS Global in Orange and assayed for gold using fire assay technique (Au-AA23).
Drilling techniques	<ul style="list-style-type: none"> <i>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).</i> 	<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.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <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"> • 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	<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,</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
	<i>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"> Site standards are inserted at a rate of 2 per 100 samples and duplicates are inserted at a rate of 5 per 100 samples for all pulps of historic drill samples submitted for gold assay.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<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"> <i>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.</i> <i>Specification of the grid system used.</i> <i>Quality and adequacy of topographic control.</i> 	<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"> <i>Data spacing for reporting of Exploration Results.</i> <i>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.</i> <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> The drilling results relate to exploration and resource drilling at the Bowdens Silver Deposit. Drilling is not defined to a set spacing.
Orientation of data in relation to	<ul style="list-style-type: none"> <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have</i> 	<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.

Criteria	JORC Code explanation	Commentary
geological structure	<i>introduced a sampling bias, this should be assessed and reported if material.</i>	
Sample security	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<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 the site)
Audits or reviews	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<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"> <i>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.</i> <i>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.</i> 	<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"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<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 Limited/Bowdens Silver Pty Limited.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The Bowdens Deposit is a low to intermediate sulphidation epithermal base-metal and silver system hosted in Carboniferous aged Volcanic rocks and Ordovician aged sediments and volcanics. Mineralisation includes veins, breccias and fracture fill veins

Criteria	JORC Code explanation	Commentary
		<p>within tuff and ignimbrite rocks, and semi massive veins, breccias and fracture fill in siltstone, shale and sandstone.</p> <ul style="list-style-type: none"> • Mineralisation is overall shallowly dipping (~15 degrees to the north) with high-grade zones preferentially following a volcanic intrusion and major fault fracture zones. 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.
Drill hole Information	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar;</i> ○ <i>elevation or RL (Reduced Level elevation above sea level in metres) of the drill hole collar;</i> ○ <i>dip and azimuth of the hole;</i> ○ <i>down hole length and interception depth; and</i> ○ <i>hole length.</i> • <i>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.</i> 	<ul style="list-style-type: none"> • All information is included in Table 1 and Table 3 of this report above.
Data aggregation methods	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<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 30g/t silver equivalency including gold and copper with a 10 metres internal dilution factor, or a cut off of 90g/t silver equivalency including gold and copper with a 3 metres internal dilution factor. • No top cutting of data or grades was undertaken in the reporting of these results. • Reported intersections for historic drill samples assayed for gold are based on a cut off of 0.2g/t gold and producing a silver equivalency including silver, zinc, lead and copper with a 3 metres internal dilution factor.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<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"> • <i>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.</i> 	<ul style="list-style-type: none"> • Maps and cross sections provided in the body of this report.
Balanced reporting	<ul style="list-style-type: none"> • <i>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.</i> 	<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"> • <i>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.</i> 	<ul style="list-style-type: none"> • This report relates to drill data reported from this program.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<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 around and 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 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	121	195
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(215)	(431)
(e) administration and corporate costs	(448)	(789)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	22
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (farm operating expenses)	(84)	(282)
1.9 Net cash from / (used in) operating activities	(618)	(1,286)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(105)
(d) exploration & evaluation	(3,964)	(7,107)
(e) intangible	(60)	(220)
(f) Land and Building	(17)	(3,835)

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 (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	(1,000)	(300)
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(5,044)	(11,568)

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	-	-
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	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,698	16,890
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(618)	(1,286)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,044)	(11,568)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,036	4,036

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	4,036	9,698
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)	4,036	9,698

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	212
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.

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)	5,242
7.4	Total financing facilities	5,242
7.5	Unused financing facilities available at quarter end	5,242
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.	
	The above relates to a financial asset that Silver Mines Limited has with Enable Investments Pty Ltd. Silver Mines Limited is able to call on these funds as follows: 50% within 30 business days with the balance within 60 calendar days. Silver Mines Limited earns interest during the period ranging between 3% and 4% per annum.	

8. Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9) (618)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) (3,964)
8.3	Total relevant outgoings (item 8.1 + item 8.2) (4,582)
8.4	Cash and cash equivalents at quarter end (item 4.6) 4,036
8.5	Unused finance facilities available at quarter end (item 7.5) 5,242
8.6	Total available funding (item 8.4 + item 8.5) 9,278
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3) 2.03
	<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: 31 January 2023.....

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.