

28th September 2016

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

TORONTO CONFERENCE PRESENTATION

Silver Mines Limited (ASX:SVL) ("Silver Mines" or "the Company") is pleased to provide a presentation to be delivered at the Mines and Money Americas Conference in Toronto, Canada.

Yours faithfully

Silver Mines Limited

A handwritten signature in black ink, appearing to read 'Trent Franklin', with a stylized, flowing script.

Trent Franklin

Company Secretary

About Silver Mines Limited

The Silver Mines strategy has been to consolidate quality silver deposits in New South Wales and to form Australia's pre-eminent silver company.

The Company's goal is to provide exceptional returns to shareholders through the acquisition, exploration and development of quality silver projects and maximising leverage to an accretive silver price.



“Building the largest pure silver company in Asia-Pacific”

Disclaimer

The material in this presentation contains certain forecasts and forward-looking information, including regarding possible or assumed future performance or potential growth of Silver Mines Limited (“SVL”). Such information is not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors, many of which are beyond the control of SVL. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

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Silver Mines Limited Strategy

- The only primary silver focussed company of substance in the Asia-Pacific region
- Acquisition of complimentary silver assets at cyclical lows
- Buying silver ounces for cents/ounce ‘in the ground’
- Targeted consolidation of silver deposits in Australia
- Bottom of the market acquisition of Bowdens (one of the largest undeveloped silver deposits globally)
- Transaction completed June 2016

Board of Directors

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. Mr Perrett holds substantial agricultural interests in north-west New South Wales.

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 companies Nickel Mines Limited and Mekong Minerals Limited. He is also a past director of Bolnisi Gold NL and European Gas Limited.

Peter Langworthy, Non-Executive Director

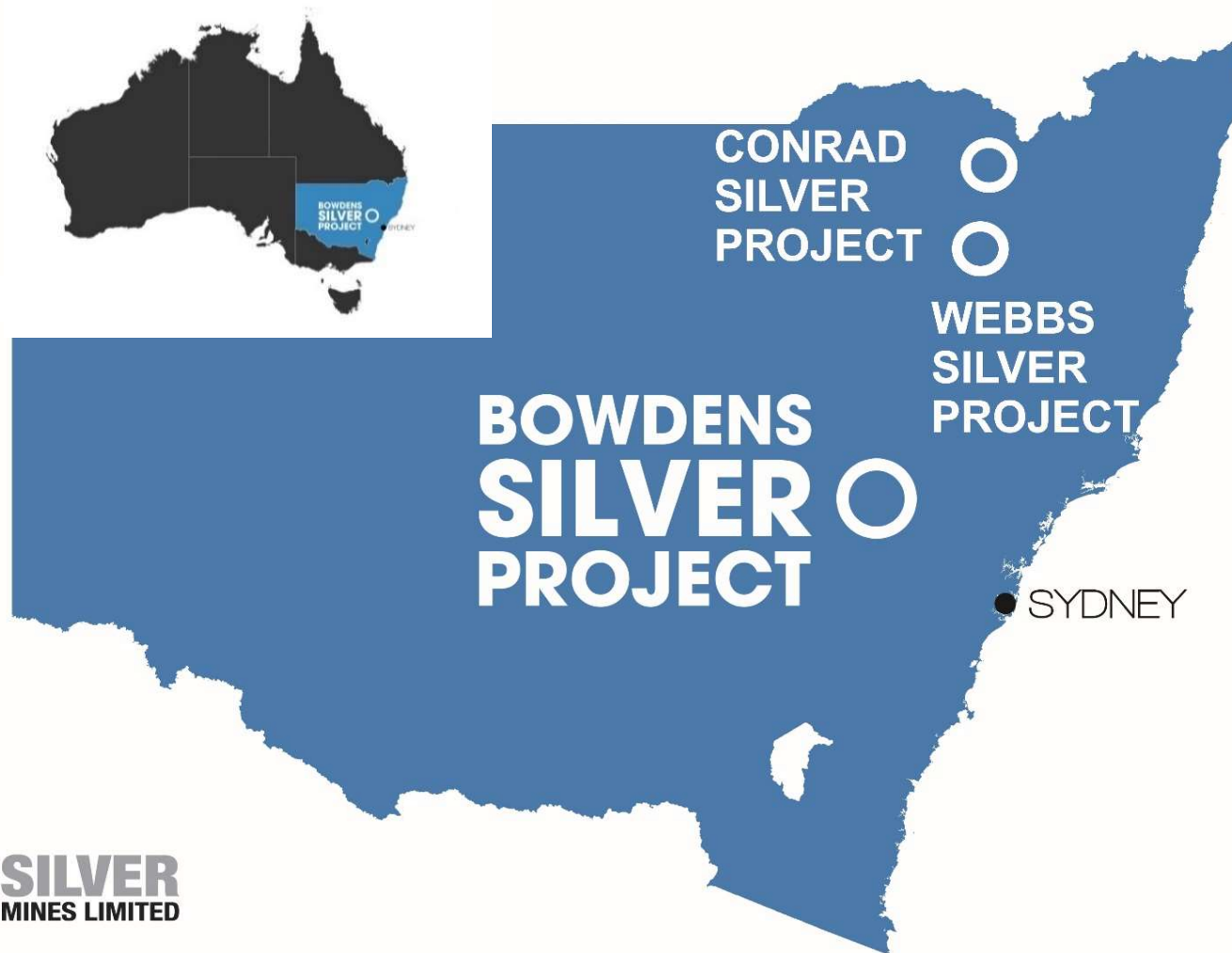
Mr Langworthy graduated with a Bachelor of Science (Geology) degree (Hons) from Macquarie University in 1986. His career spans 30 years in mineral exploration and project development both in Australia and internationally. His industry experience includes senior management roles with WMC Resources Limited, 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.

Silver Mines Limited Structure

Shares on Issue	340.5m
Current Share Price	A\$0.20
Undiluted Market Capitalisation	A\$68.1m
Cash as at end June 2016	A\$13.8m
Options	
May 2017 @ \$4.30	0.06m
Oct 2017 @ \$0.30	23.4m
May 2018 @ \$0.30	7.5m
June 2019 @ \$0.30	8.0m

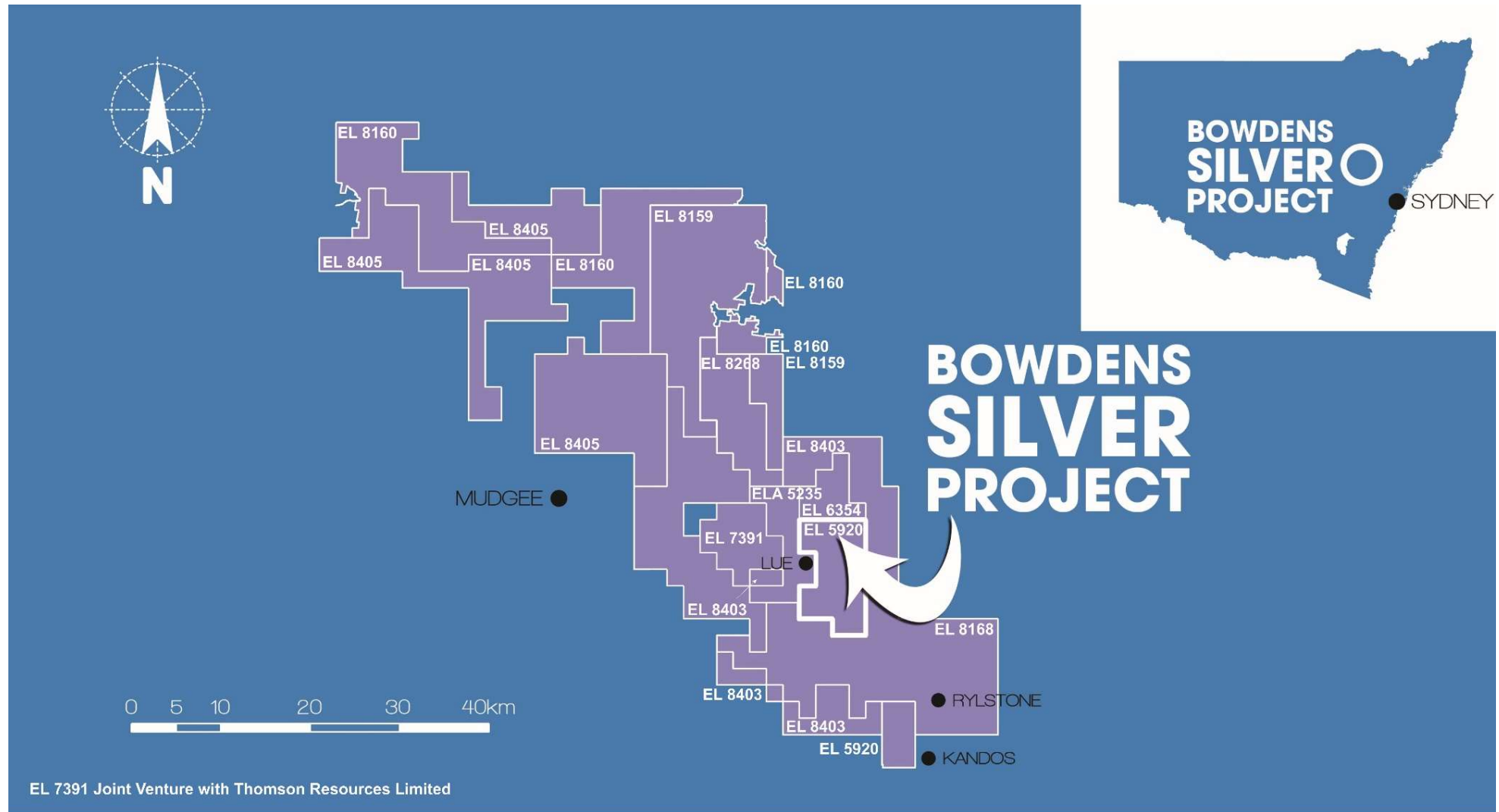
New South Wales Silver Consolidation



Silver Mines Limited Resource Inventory (Refer to Appendices 1, 2 & 3)

Deposit name	Mt	Ag (g/t)	Ag (Moz)	Ag Eq (g/t)	Ag Eq (Moz)	Status
Bowdens	88.0	47.4	134	64	182	100% owned
Webbs	1.5	245	11.7	345	16.5	100% owned
Conrad	2.6	105.4	9.0	206	17.5	100% owned
Total			155		216	

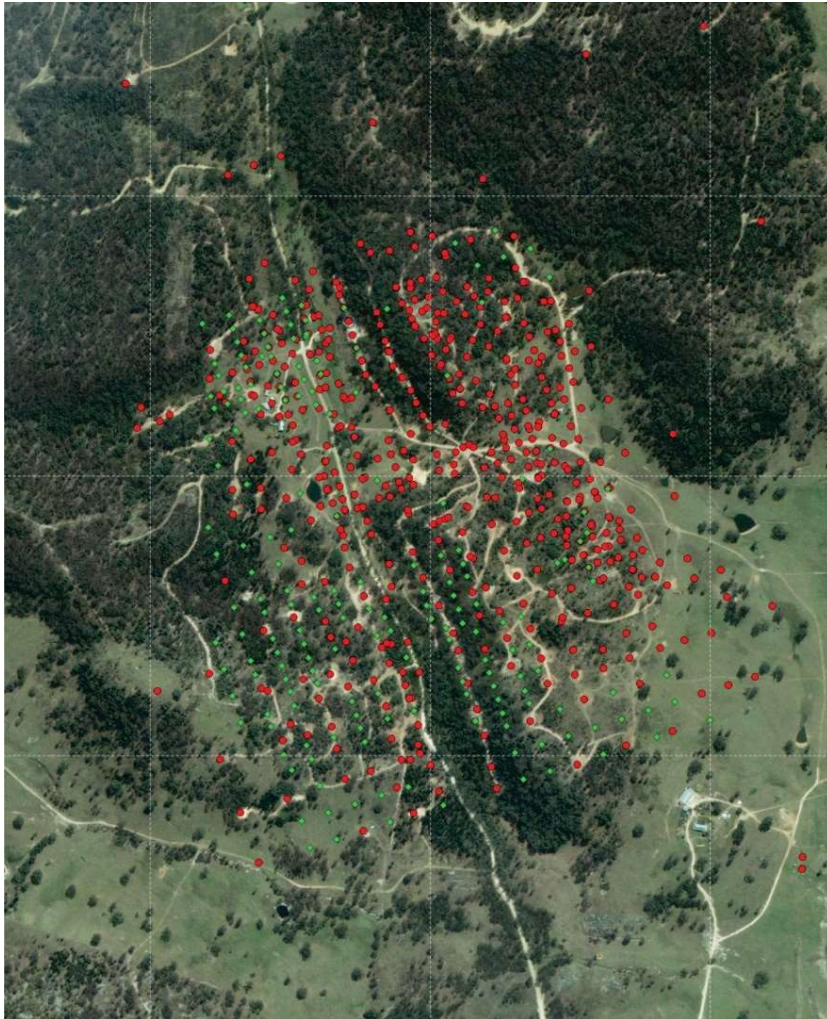
Bowdens Silver Project Location and Title Package



Bowdens Silver Project

- The largest undeveloped silver deposit in Australia and one of the largest globally
- Kingsgate purchased from Silver Standard for A\$75 million
- Approximately A\$60 million spent on the project to date
- Freehold land mostly purchased
- Transaction consolidates 80kms of strike of the highly mineralised Rylstone Volcanics (1,654 km² = 408,000 acres)
- SVL purchased for;
 - \$25m cash (final \$5m payment to pay)
 - 40m fully paid ordinary shares
 - Deferred 40m fully paid ordinary shares and split on EIS submission and Decision to Mine

Bowdens Silver Project



Resource of 134 Moz of silver (182 Moz of silver equivalent)

New drilling including resource, metallurgical and sterilisation drilling

Feasibility Study +80% complete

Environmental Impact Statement +80% complete

Flat lying deposit at surface – easy to mine and very low strip ratio

Classified as “State Significant Development” in NSW

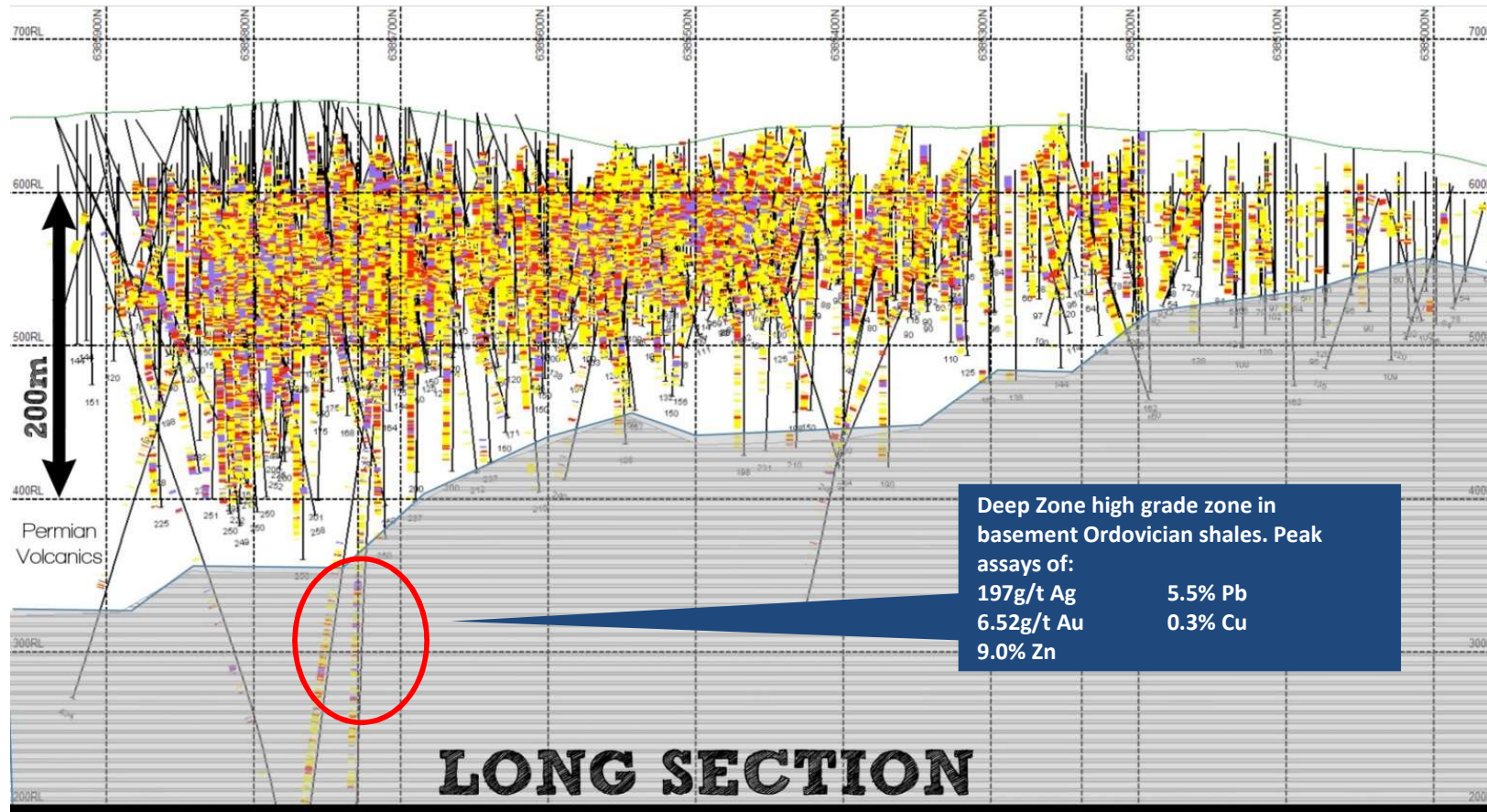
Bowdens Silver Resource (Refer to Appendix 1 for further details)



- Kingsgate resource based on 63,000 metres drilling (65% by Silver Standard, 20% by Kingsgate)
- Eastern flank of resource presents high grade ore from surface and first three years could be pushed to ~80-90g/t Ag vastly improving economics
- Resource is open at depth
- Infill drilling within inferred envelope could add extra 25 Moz Ag to pit optimisation

30 g/t Ag Cut	Mt	Ag (g/t)	Ag (Moz)	Zn (%)	Pb (%)	Ag Eq (g/t)	AgEq (Moz)
Measured/Indicated	52.0	51.9	87	0.38	0.29	68.6	115
Inferred	36	41	47	0.4	0.3	58	68
Total	88.0	47.4	134	0.39	0.29	64.4	182

Bowdens Silver Long Section



20 to 50 g/T AgE

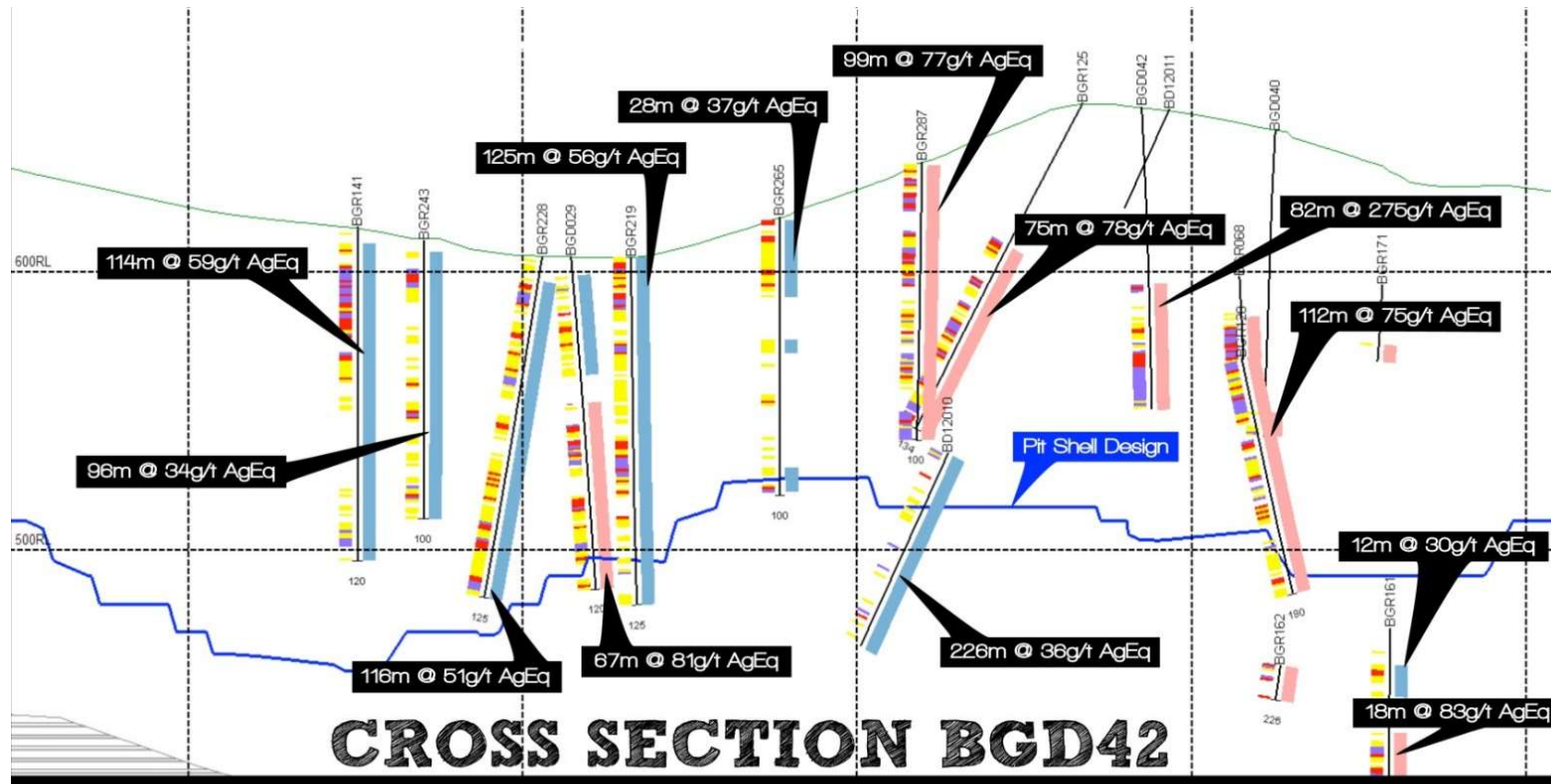
> = 100 g/T AgE

50 to 100 g/T AgE

Ordovician Carbonaceous Shale



Bowdens Silver Cross Section



20 to 50 g/t AgEq

50 to 100 g/t AgEq

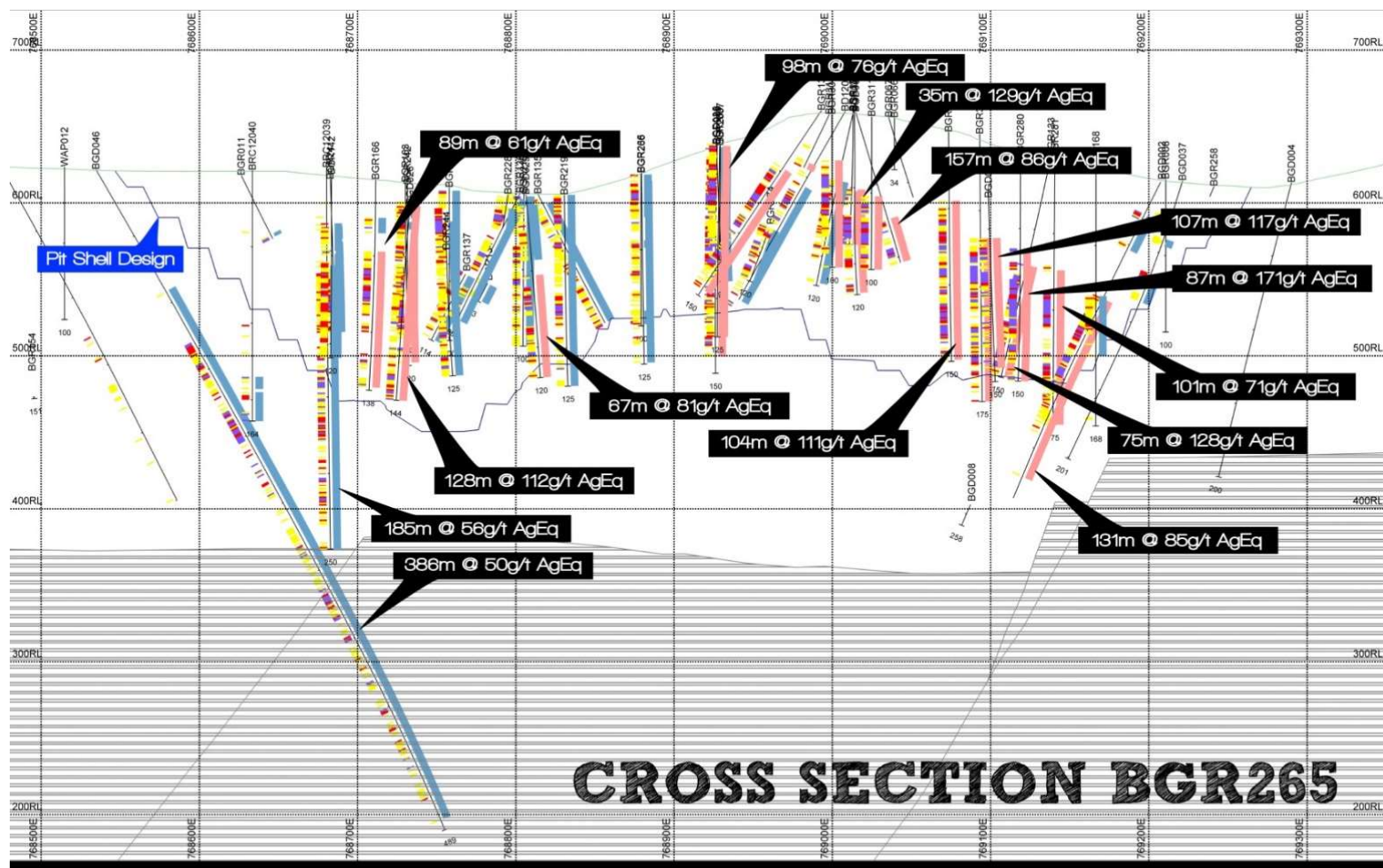
> = 100 g/t AgEq

30 to 60 g/t AgEq

> 60 g/t AgEq

Ordovician Carbonaceous Shale

Bowdens Silver Cross Section



Bowdens Silver Previous Feasibility Works

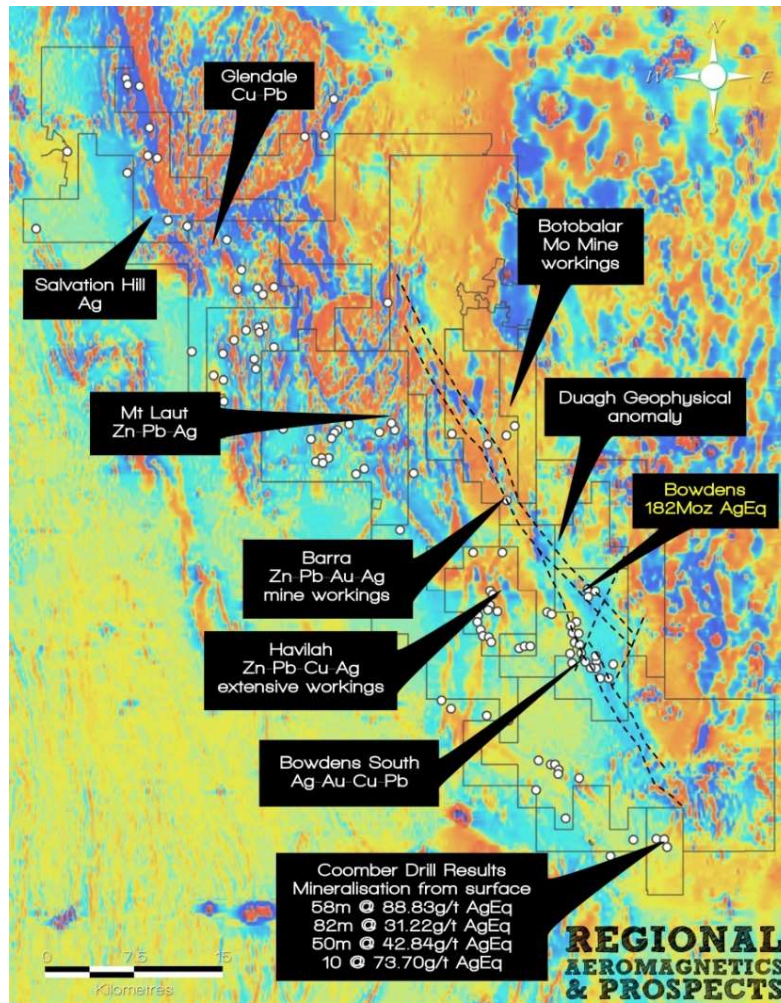
- Managed by Ausenco
- MPR Geological (Resources), AMC (Mining), Coffey (Tailings), RW Corkery (Environment), SKM (Water) and others
- Halted in mid 2013 with silver price downturn
- Circa A\$25 million expenditure (including drilling)
- “Rolls Royce” approach to 4.0-4.5 million tonnes per annum development



Bowdens Silver Current Programs

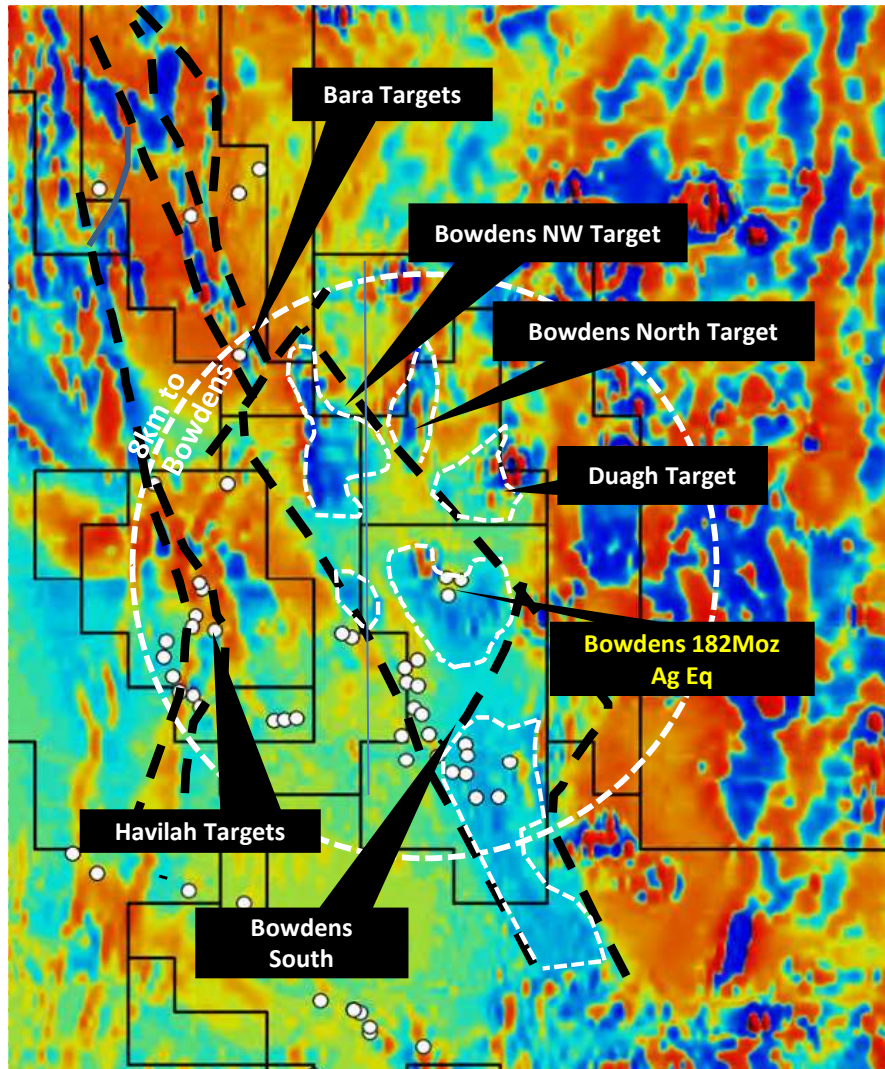
- **Fast-track to mine development commenced**
 - Initial pit optimisations completed;
 - Full revision and recommencement of feasibility work commenced;
 - Targeting capital cost effective development with enhanced project economics;
 - Environmental Impact Statement recommencing now
- **15,000 metres diamond and RC drilling commencing now**
- **Including extensional drilling and expansion and conversion of resources**
- **Additional exploration drilling programs being planned (circa 20,000 metres)**
- **20,000 kilometres airborne geophysical program commencing now**
- **Regional exploration program planning advanced**
- **Government and community programs advanced**

Bowdens Silver Exploration Upside



- Outstanding regional exploration package ignored by previous operators (concentrating on Bowdens development)
- ~ 80 kms of strike length of mineralised structures under-explored
- Potential for:
 - Large disseminated deposits hosted in Rylstone Volcanics like Bowdens and Coomber
 - High-grade Ag-Pb-Zn-Cu-Au deposits in basement Silurian / Ordovician rocks
- High order targets within the exploration licences with identified high grade mineralisation within truckable distances

Bowdens Silver Exploration Upside



- More than 30 metal mineral occurrences within 8kms of Bowdens
- Large scale target areas untested in Rylstone Volcanics including:
 - Bowdens North
 - Bowdens Northwest,
 - Bowdens South and
 - Duagh Target.
- Bara targets with high grade Ag-Pb-Zn-Au in historic workings
- Havilah targets with high-grade Ag-Pb-Zn-Cu-Au in historic workings and undrilled massive sulphide conductors

Bowdens Silver Exploration Upside

Coomber Prospect Drill Results

From (metres)	To (metres)	Intercept (metres)	Silver g/t Ag Eq
0	58	58	88.8
0	50	50	42.8
18	100	82	31.2
34	48	14	85.1
16	26	10	73.7

- 40 drill holes for 2645 metres
- Drilling by CRA in early 1990's, yet to be followed up
- Circa 10kms from Bowdens
- Mineralisation from surface and analogous to Bowdens Silver

Conclusion

- **Management proven strategy of significant shareholder wealth creation**
- **Targeted regional consolidation with ‘bottom of cycle’ silver acquisitions**
- **Adding quality silver inventory a priority**
- **Well advanced on execution of strategy**
- **Timing ‘sweet spot’ with macroeconomic trends**

Appendix 1 – Bowdens Resource

Bowdens Mineral Resource Estimate (30g/t AgEq cut-off), November 2012								
Resource Category	Tonnes (Million)	Silver (g/t)	Silver (Moz)	Lead (%)	Zinc (%)	Ag Eq (g/t)	Silver (Moz)	Ag Eq (Moz)
Measured	23.6	56.6	43	0.31	0.41	74.5	43	57
Indicated	28.4	48.0	44	0.27	0.36	63.6	44	58
Meas + Ind	52.0	51.9	87	0.29	0.38	68.6	87	115
Inferred	36	41	47	0.3	0.4	58	47	68
Total	88.0	47.4	134	0.29	0.39	64.4	134	182

Bowdens Mineral Resource Estimate completed by MPR Geological Consultants. First reported under JORC Code 2004 in November 2012, and re-reported in October 2013 to be compliant with JORC2012 guidelines. Refer to Kingsgate Consolidated Ltd press-release dated 18th of October, 2013 for full JORC2012 details and tables. Totals may vary due to rounding. Also refer to the Silver Mines Limited announcement of 3rd March 2016.

[1] The Company confirms that it is not aware of any new information received since the original disclosure (KCN announcement 18/10/2013) or data that materially affects the information included in this table. The Company confirms that all material assumptions and technical parameters underpinning the mineral resource estimates continue to apply and have not materially changed.

[2] Bowdens' silver equivalent: Ag Eq (g/t) = Ag(g/t) + 27.5 x Pb(%) + 22.8 x Zn (%) calculated from prices of US\$26.33/oz Ag, US\$2206/t Pb, US\$2111/t Zn and NSR metallurgical recoveries of 72% Ag, 75% Pb, and 66% Zn estimated from test work by Kingsgate. NSR or net smelter return metallurgical recovery is defined as the payable metal recovered after allowing for smelter deductions, which includes deductions for precious metals.

[3] In the Company's opinion, the silver, lead and zinc included in the metal equivalent calculations have a reasonable potential to be recovered.

Appendix 2 – Conrad Resource Estimate

Conrad Resource Estimate									
Resource Category	Tonnes (Million)	Silver (g/t)	Silver (Moz)	Copper (%)	Lead (%)	Zinc (%)	Tin (%)	Ag Eq (g/t)	Ag Eq (Moz)
Indicated	0.658	128.8	2.7	0.24	1.69	0.68	0.28	254	5.4
Inferred	1.994	97.6	6.3	0.19	1.21	0.48	0.21	190.2	12.2
Total	2.652	105.4	9.0	0.20	1.33	0.53	0.22	206.1	17.5

Conrad Mineral Resource estimate as released by Malachite Resources NL on 16th December 2008. Based on work compiled by Hellman & Schofield Pty Ltd, Geological Consultants, Sydney. Totals may vary due to rounding.

[1] The Company confirms that it is not aware of any new information received since the original disclosure (MAR announcement 16 December 2008) or data that materially affects the information included in this table. The Company confirms that all material assumptions and technical parameters underpinning the mineral resource estimates continue to apply and have not materially changed.

2] The Conrad silver equivalent calculation based on recoveries of all metals based on silver price of A\$14.60 per ounce, copper price of A\$4769 per tonne, lead price of A\$1538 per tonne, zinc price of A\$1692 per tonne and a tin price of 17,846 per tonne as recorded as spot prices as at the time of release in December 2008.

[3] In the Company's opinion, the silver, lead, copper, tin and zinc included in the metal equivalent calculations have a reasonable potential to be recovered.

Appendix 3 – Webbs Resource Estimate

Webbs Mineral Resource Estimates								
Resource Category	Tonnes (Million)	Silver (g/t)	Silver (Moz)	Copper (%)	Lead (%)	Zinc (%)	Ag Eq (g/t)	Ag Eq (Moz)
Measured	0.194	364	2.3	0.29	0.75	1.67	470	2.9
Indicated	0.775	245	6.1	0.26	0.70	1.49	341	8.5
Inferred	0.522	201	3.4	0.27	0.71	1.61	302	5.1
Total	1.49	245	11.7	0.27	0.71	1.56	345	16.5

Webbs Mineral Resource estimate as released by Silver Mines Limited on 27th February 2012. Based on work compiled by GeoRes Pty Ltd. Totals may vary due to rounding.

[1] The Company confirms that it is not aware of any new information received since the original disclosure (SVL announcement 27 February 2012) or data that materially affects the information included in this table. The Company confirms that all material assumptions and technical parameters underpinning the mineral resource estimates continue to apply and have not materially changed.

[2] Webbs silver equivalent calculation based on equal recoveries of all metals based on silver price of US\$17.30 per ounce, copper price of US\$4935 per tonne, lead price of US\$1773 per tonne and zinc price of US\$1871 per tonne as recorded as spot prices on 27th April 2016.

[3] In the Company's opinion, the silver, lead, copper and zinc included in the metal equivalent calculations have a reasonable potential to be recovered.

Competent Persons Statements

Bowdens Resource Estimation

The information in this report that relates to the Bowdens Mineral Resources estimation is based on information compiled by Jonathon Abbott who is a full time employee of MPR Geological Consultants Pty Ltd and a Member of the Australian Institute of Geoscientists (MAIG). Mr Abbott has 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 Abbott consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Conrad Resource Estimation

The resource estimates quoted for the Conrad deposit were originally estimated for Malachite Resources NL by Mr Simon Tear of Hellman & Schofield Pty Ltd, an international and independent geological consultancy, under the 2004 JORC Code. The estimates have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported. The information in this report that relates to the Conrad Mineral Resource Estimates is based on information compiled by Mr Simon Tear who is a director of H&S Consultants Pty Ltd and is a member of the Australasian Institute of Mining and Metallurgy. Mr Tear has 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 Tear consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Webbs Resource Estimation

The resource estimates quoted for the Webbs deposit have been estimated for Silver Mines Limited by GeoRes Pty Ltd, an independent resource consultancy under the 2004 JORC Code. This resource estimation has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since last reported. The information in this document that relates to Webbs mineral resource estimations is based on information compiled by Mr Robin Rankin, who is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM) and registered as a Chartered Professional Geologist (CPGeo). Mr Rankin is Principal Consulting Geologist and operator of the independent geological consultancy of GeoRes Pty Ltd. He has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (The JORC Code). Mr Rankin consents to and has provided consent to the inclusion in this report of these matters based on the documentation in the form and in the context in which it appears.

Bowdens Exploration and Drill Results

The information in this report that relates to the Bowdens drill hole intercepts and exploration potential in the Bowdens area is based on information compiled by Kingsgate Consolidated Ltd and reviewed by Darren Holden who is a director of Silver Mines Limited and an employee of GeoSpy Pty Ltd and a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Holden has 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 Holden consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.