SILVER MINES LIMITED

Annual General Meeting

29 November 2016

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.

No representation or warranty, expressed or implied, is made or given by or on behalf of SVL, any of SVL's directors, or any other person as to the accuracy or completeness or fairness of the information or opinions contained in this presentation and no responsibility or liability is accepted by any of them for such information or opinions or for any errors, omissions, misstatements, negligent or otherwise, or for any communication written or otherwise, contained or referred to in this presentation.

Accordingly, neither SVL nor any of the SVL directors, officers, employees, advisers, associated persons or subsidiary undertakings shall be liable for any direct, indirect or consequential loss or damage suffered by any person as a result of relying upon the statement or as a result of any admission in, or any document supplied with, this presentation or by any future communications in connection with such documents and any such liabilities are expressly disclaimed.

Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities.

Silver Mines Limited 2016

- Acquisition of Bowdens Silver deposit – largest undeveloped silver deposit in Australia and one of the largest globally
- New Board of Directors and Management
- Capital Consolidation
- A$35 million capital raising
- Transaction and financing completed June 2016
- Commencement of Drilling
- Commencement Feasibility Study
- Commencement of Environmental Impact Statement

SILVER MINES LIMITED

Silver Mines Limited Structure

Shares on Issue	**340.5m**
Current Share Price	**A$0.18**
Undiluted Market Capitalisation	**A$61.3m**
Cash as at end September 2016	**A$9.1m**
Options	
May 2017 @ $4.30	**0.06m**
Oct 2017 @ $0.30	**23.4m**
June 2018 @ $0.30	**10.8m**
June 2019 @ $0.30	**8.0m**

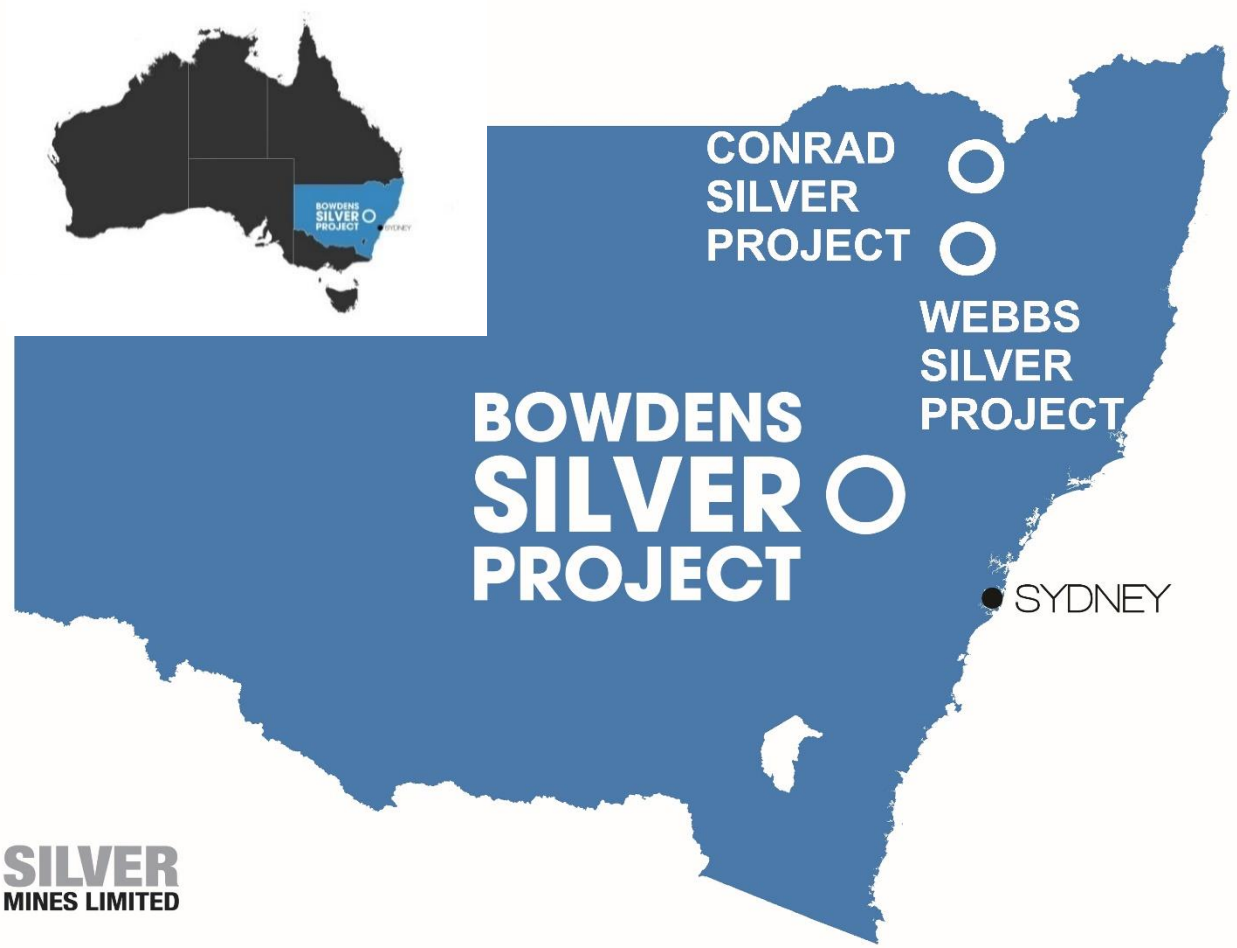
SILVER MINES LIMITED

Bowdens Silver Project – Brief History

- 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
- Consolidated 80kms of strike of the highly mineralised Rylstone Volcanics (1,654 km^2 = 408,000 acres)
- Silver Mines purchased Bowdens Silver for;
  - $25m cash (final $4m payment to pay)
  - 40m fully paid ordinary shares
  - Deferred 40m fully paid ordinary shares and split on EIS submission and Decision to Mine

SILVER MINES LIMITED

New South Wales Silver Consolidation



SILVER MINES LIMITED

SILVER MINES LIMITED

Silver Mines Strategy

1. Rapidly progress Bowdens Silver through Feasibility and Permitting

- Feasibility Study works advanced
- Environmental Impact Statement ("EIS") works advanced
- Feasibility Study and EIS targeted for completion mid-2017
- Fast track to mine development

2. Aggressively explore surrounding exploration package

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

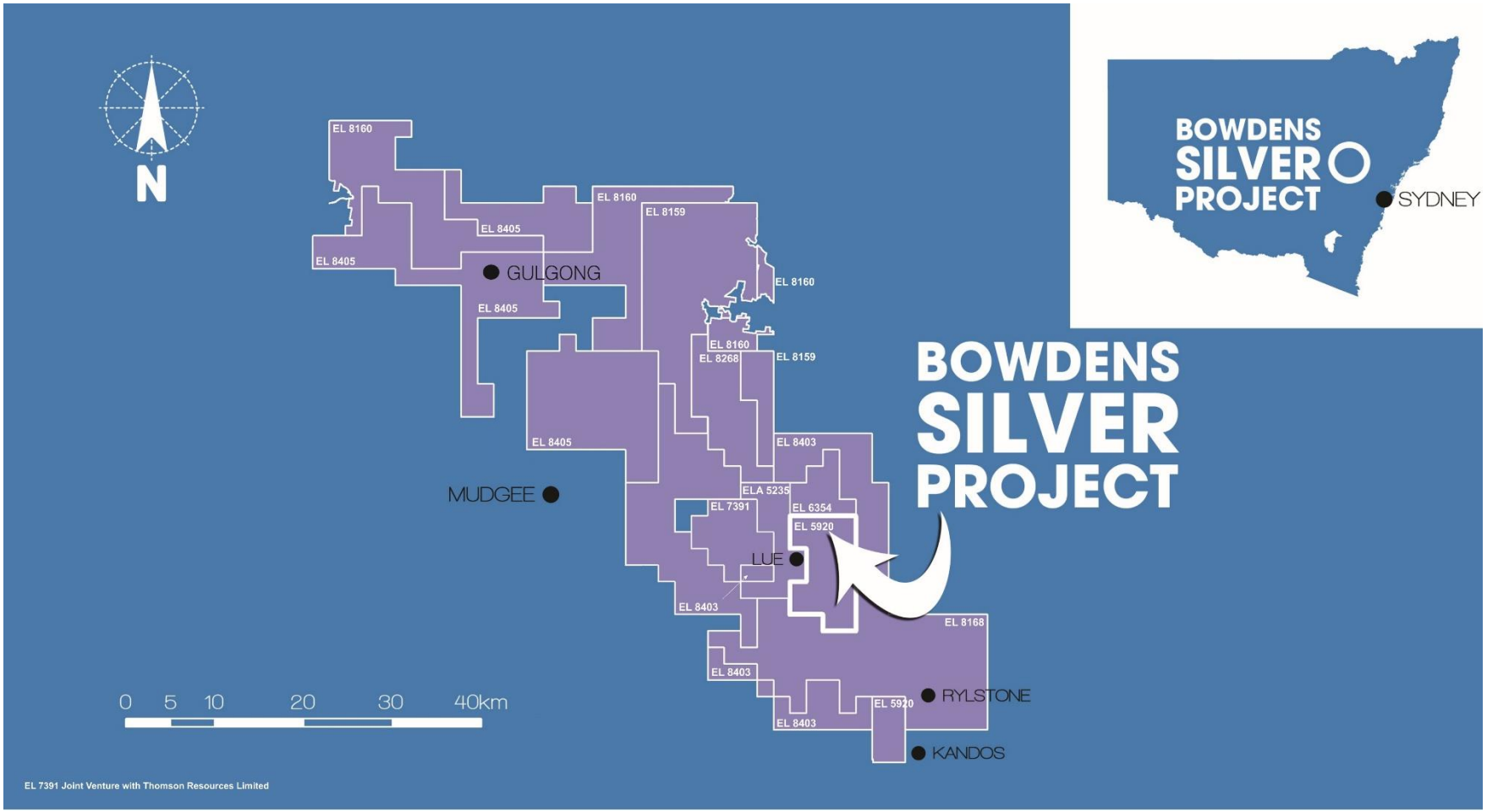
SILVER MINES LIMITED

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**	

SILVER MINES LIMITED

Bowdens Silver Project Location and Title Package

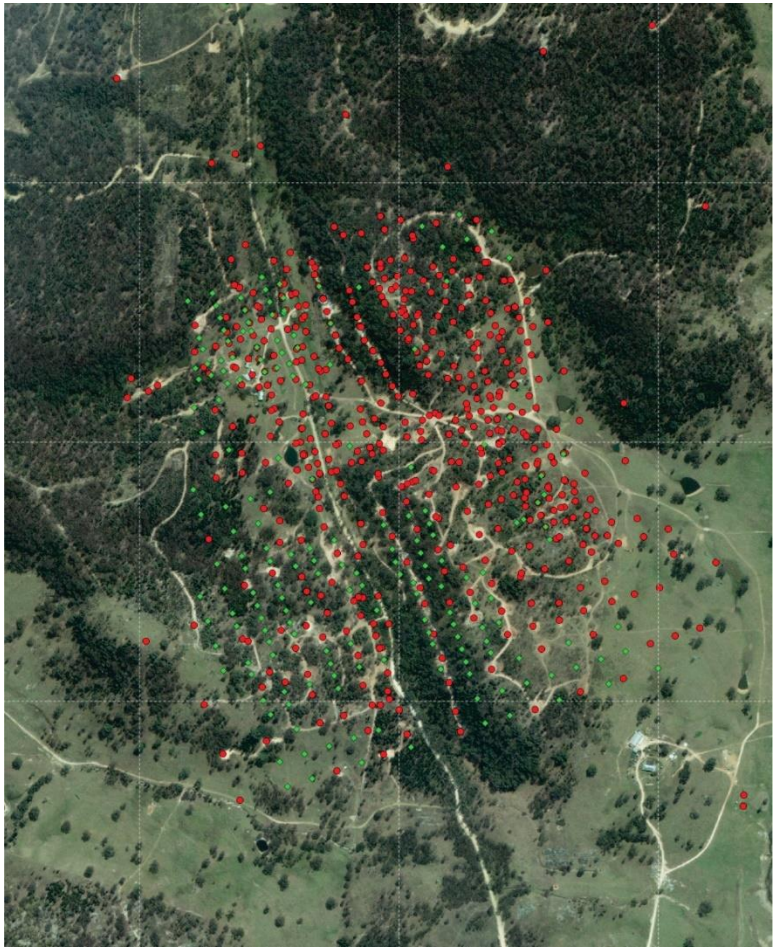


SILVER MINES LIMITED

Bowdens Silver

Fast Track through Feasibility and Permitting

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 (historic)

Environmental Impact Statement +80% complete (historic)

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

Classified as “State Significant Development” in New South Wales

SILVER MINES LIMITED

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 vastly improving economics
- Infill drilling will increase resource
- Resource is open at depth and along strike
- Satellite deposits known but yet to be drilled out

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**

SILVER MINES LIMITED

Bowdens Silver Previous Feasibility Works

- Previous 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
- “Rolls Royce” approach to 4.0-4.5 million tonnes per annum development

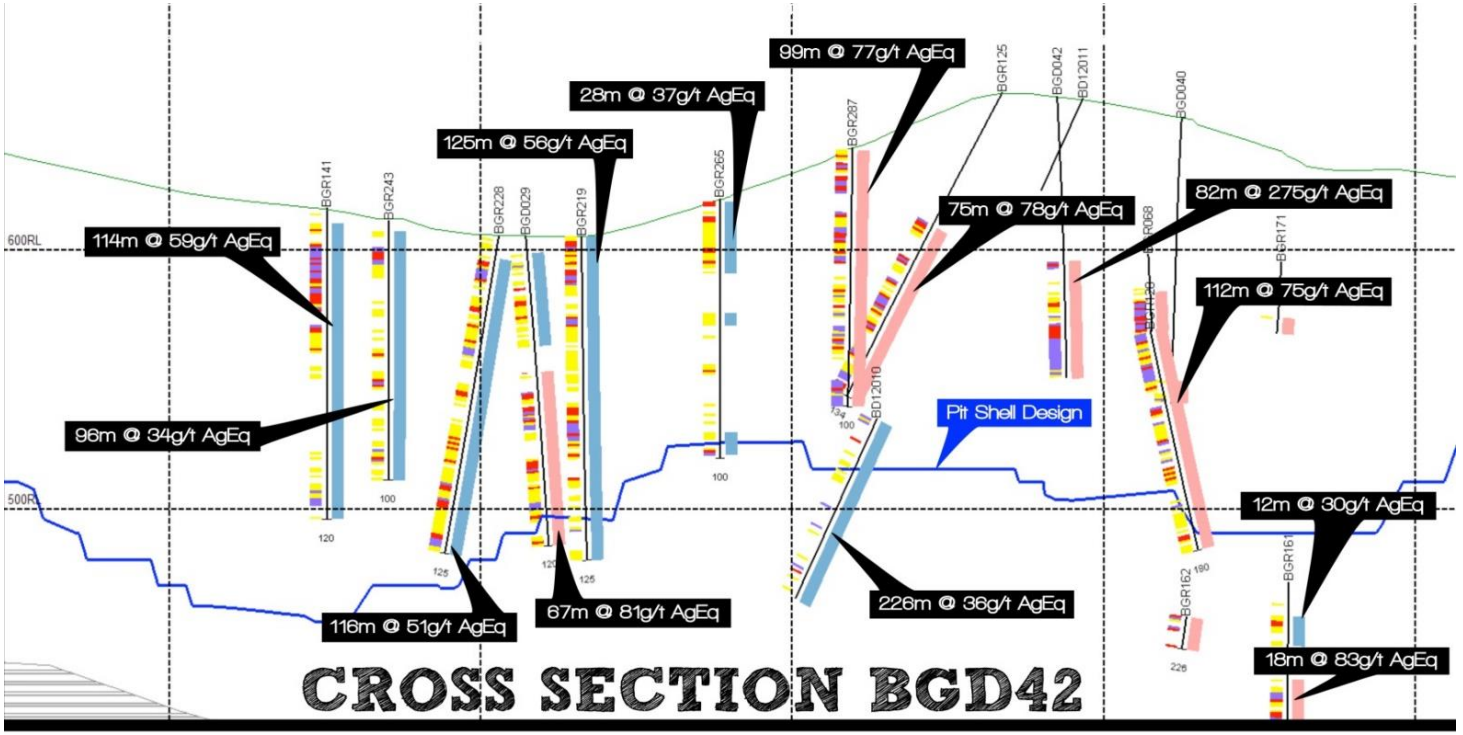
SILVER MINES LIMITED

Bowdens Silver Current Programs to Development

- Focus on fast-tracking feasibility and permitting
- Significant work underway
  - Initial pit optimisation completed
  - Outstanding elements of feasibility work underway
  - Focus on capital cost-effective development with enhanced project economics
- Robust project economics at current prices
- Community and Government programs advanced

SILVER MINES LIMITED

Bowdens Silver Cross Section



20 to 50 g/t AgEq

30 to 60 g/t AgEq

50 to 100 g/t AgEq

> 60 g/t AgEq

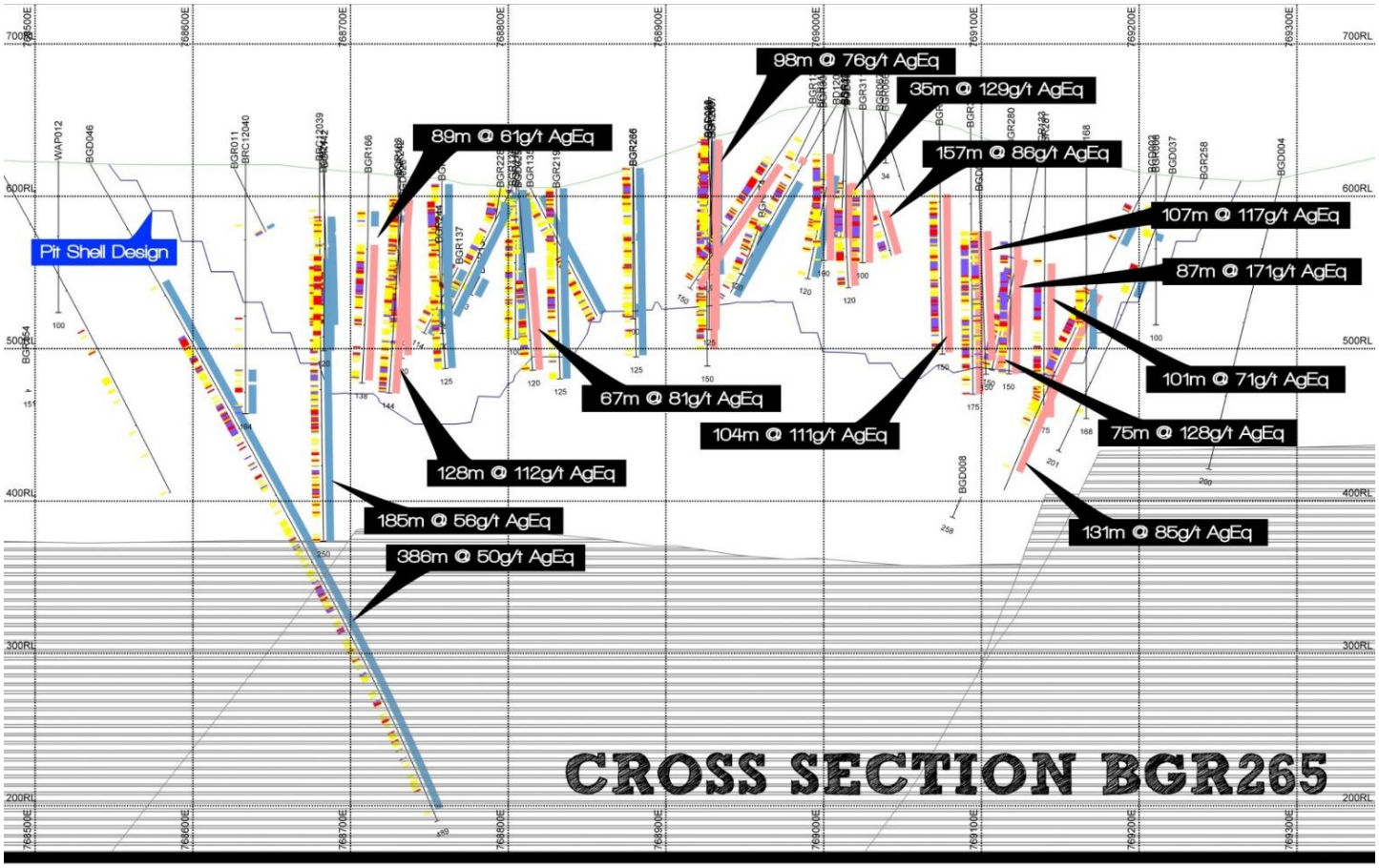
> = 100 g/t AgEq

Ordivician Carbonaceous Shale

SILVER MINES LIMITED

SILVER MINES LIMITED

Bowdens Silver Cross Section



SILVER MINES LIMITED

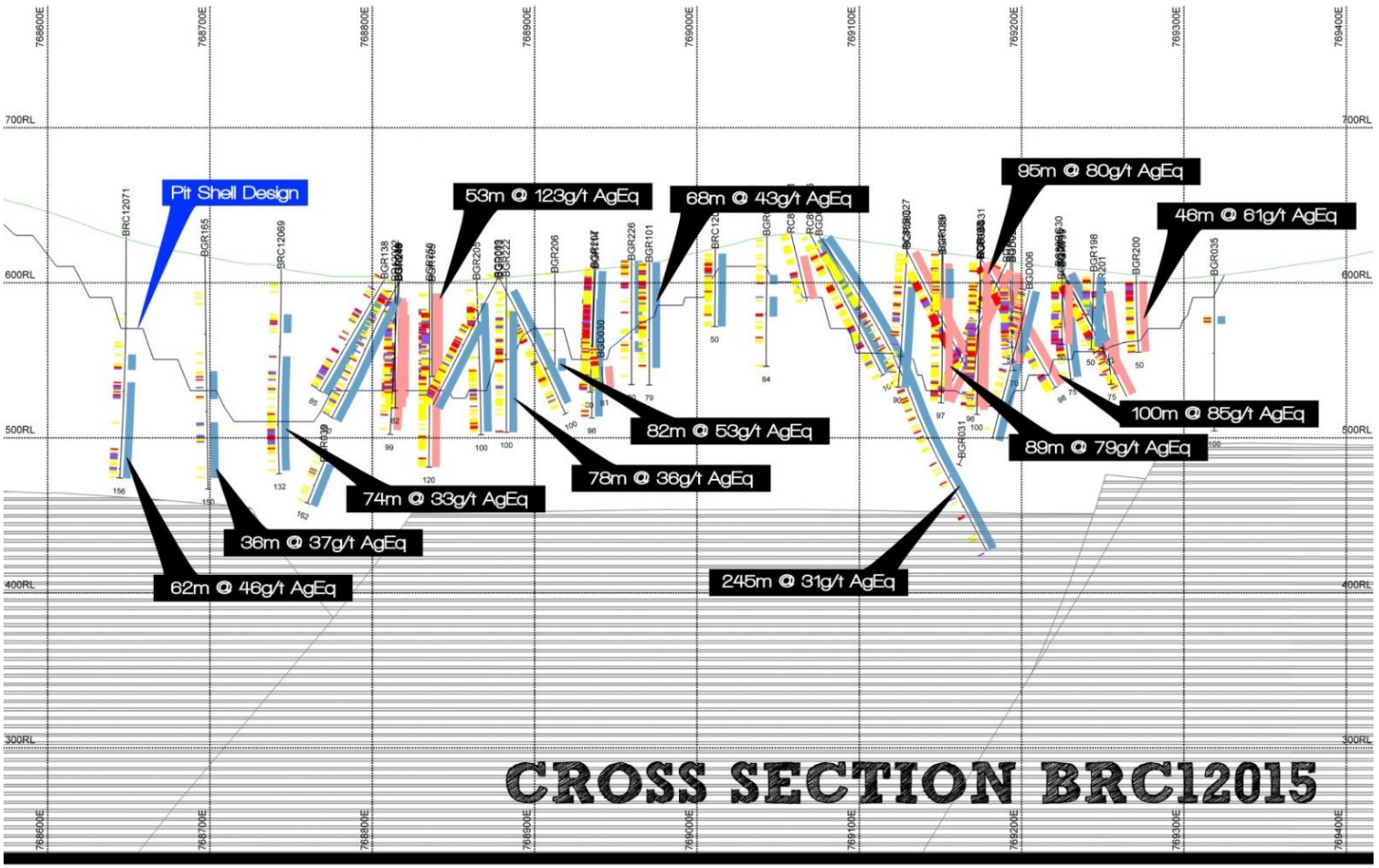
30 to 60 g/t AgEq

> = 60 g/t AgEq

Ordivician Carbonaceous Shale

SILVER MINES LIMITED

Bowdens Silver Cross Section



SILVER MINES LIMITED

30 to 60 g/t AgEq

> = 60 g/t AgEq

Ordivician Carbonaceous Shale

SILVER MINES LIMITED

Bowdens Silver

Adding value through aggressive exploration

Bowdens Silver Current Exploration Programs

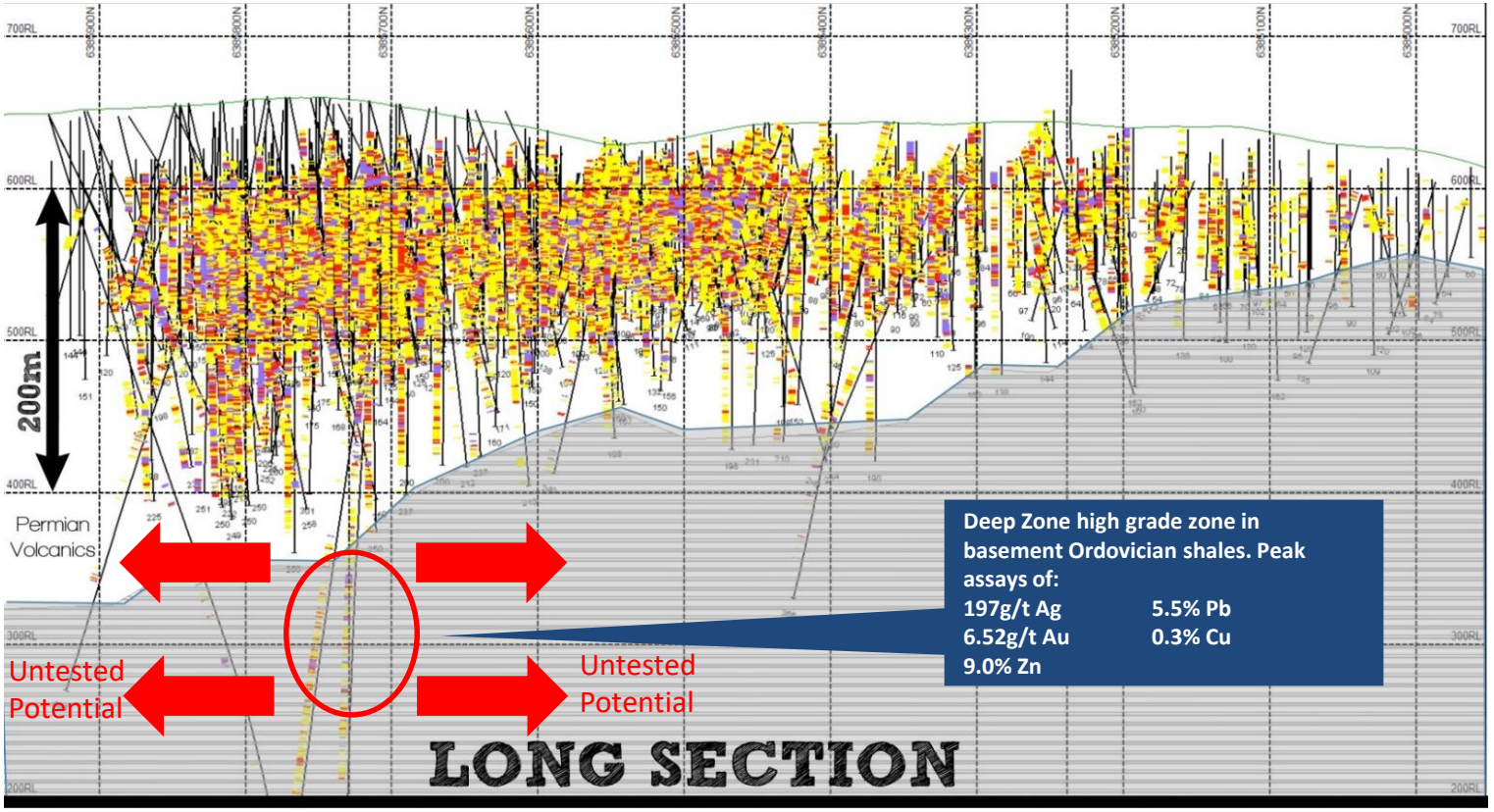
- First time all tenements in the region have been consolidated under one roof – very limited historical exploration outside of primary Bowdens Silver deposit
- Excellent potential for further discoveries

Programs

- 15,000 metres diamond drilling currently underway
- Extensional drilling and expansion and conversion of resources
- Additional drilling programs permitted (20,000 metres)
- 20,000 kilometres airborne geophysical program complete November 2016
- Regional soil sampling and rock-chip program planning advanced

SILVER MINES LIMITED

Bowdens Silver Long Section



SILVER MINES LIMITED

20 to 50 g/T AgE

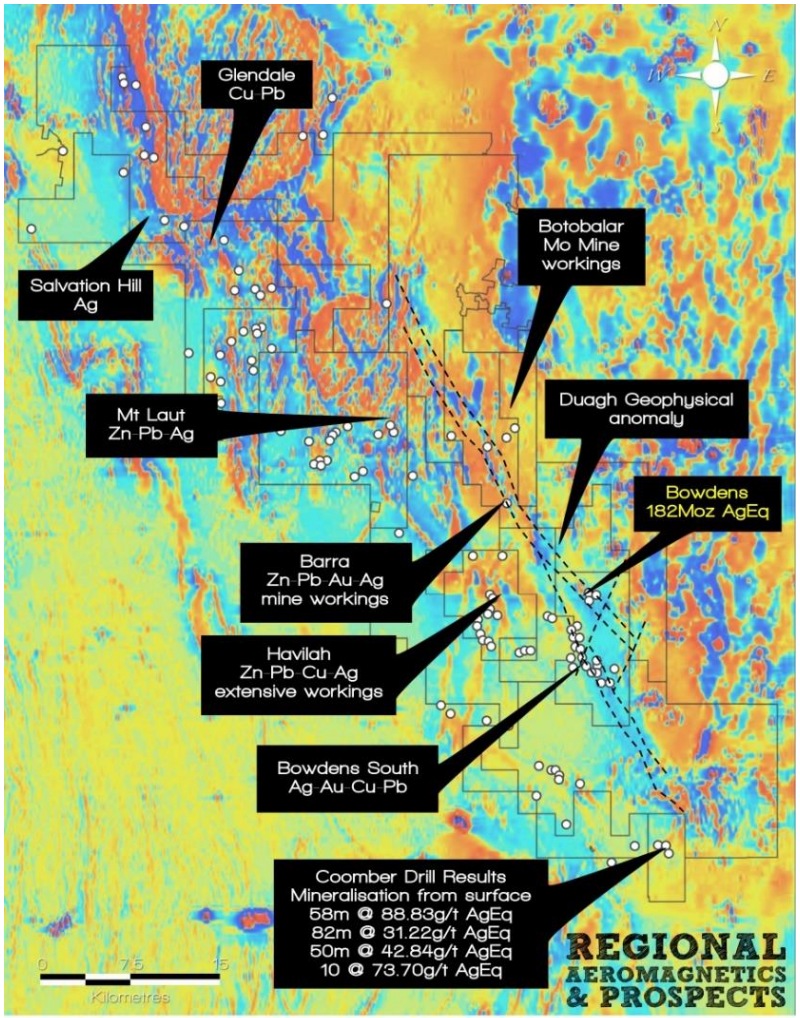
> = 100 g/T AgE

50 to 100 g/T AgE

Ordivician Carbonaceous Shale

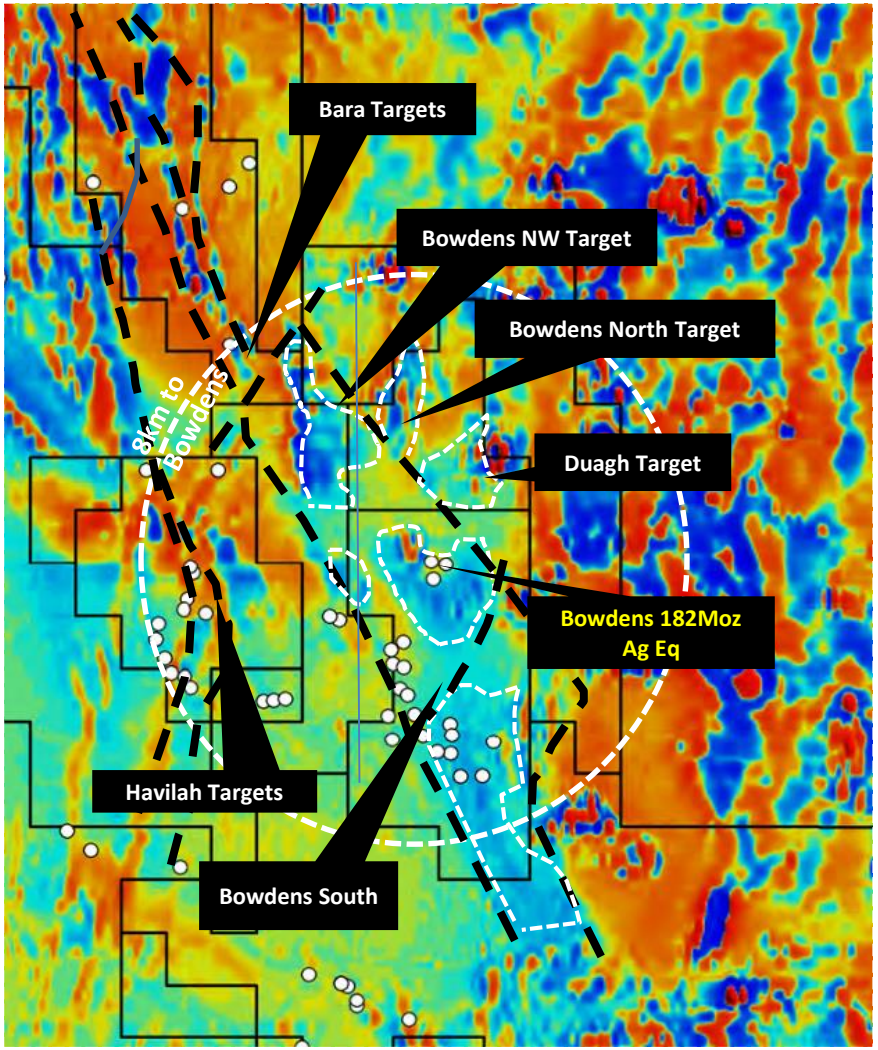
SILVER MINES LIMITED

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:
  - Significant gold discovery at depth beneath Bowdens – targeting 'feeder zones' to Bowdens mineralisation
  - 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 – largely untested
- 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

SILVER MINES LIMITED

Bowdens Silver Exploration Upside - Coomber

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

SILVER MINES LIMITED

Bowdens Silver Drilling

SILVER MINES LIMITED

Bowdens Silver Drilling (refer to announcement of 22nd November 2016)

Hole ID	From (metres)	To (metres)	Interval (metres)	Silver (g/t)	Zinc (%)	Lead (%)	Ag Eq (g/t)[1]
BD16001	90.3	186	95.7	109	0.27	0.40	126
including	90.3	99	8.7	540	0.34	0.73	568
	107	112	5.0	143	0.39	1.01	179
	162.8	172	9.2	134	0.88	0.71	173
	181	186	5.0	294[2]	0.34	0.87	326
BD16001	217	247	30.0	34	0.05	0.07	37
BD16001	313.7	318.25	4.55	70	0.13	0.16	77

Drill hole intersections from BD16001 at the Bowdens Silver Project using a minimum 30g/t silver cut-off over 5 metre width and up to 10 metres internal dilution factor with higher- grade zones using a minimum 60g/t silver cut-off over 5 metre interval and up to 5 metres internal dilution.

1. *Bowdens silver equivalent calculated using metal prices of US$20 per ounce* silver, *US$1.00 per* pound zinc and, US*$1.00 per* pound lead *and recoveries of 81% for silver,* 82% for zinc and *81% for lead.*

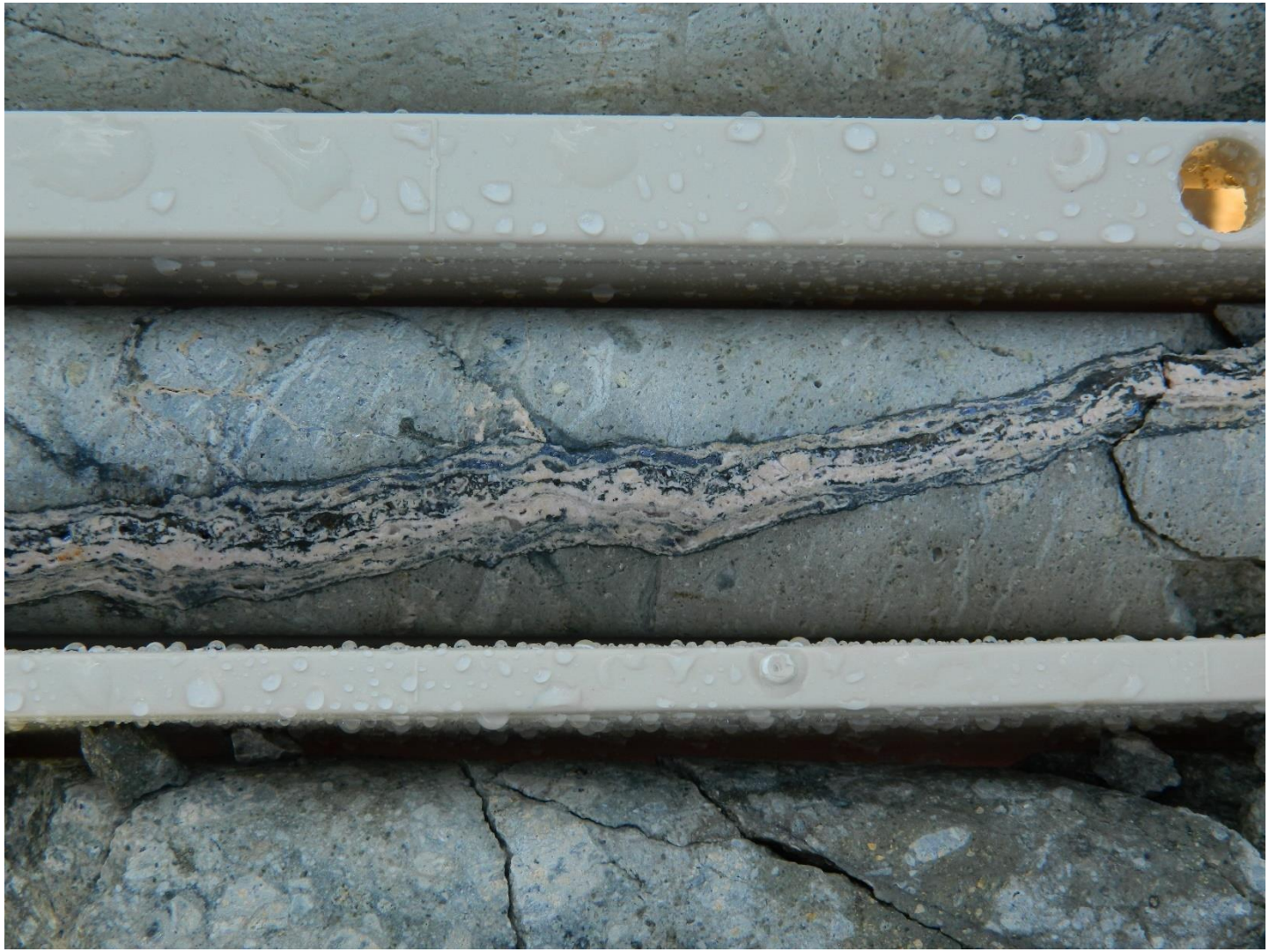
2. *Includes a peak assay of 2360g/t silver over 0.55 metres.*

SILVER MINES LIMITED

Bowdens Silver Drilling

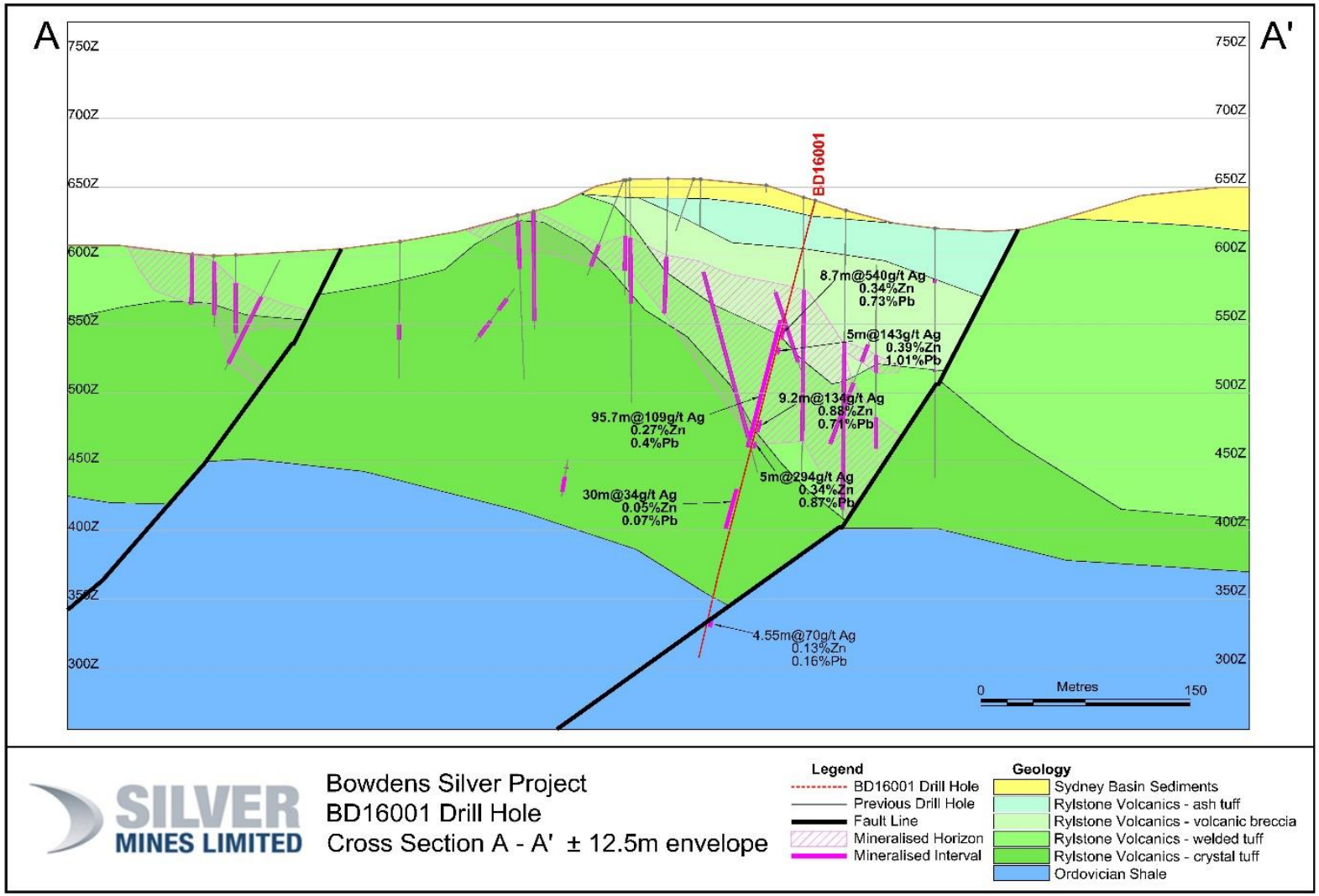
SILVER MINES LIMITED

Bowdens Silver Drilling



SILVER MINES LIMITED

Bowdens Silver Drilling



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.

SILVER MINES LIMITED

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.

SILVER MINES LIMITED

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 mineral exploration results is based on information compiled or reviewed by Mr Scott Munro who is a full-time employee of the company. Mr Munro is a member of the Australian Institute of Geoscientists (AIG) 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 Munro consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.